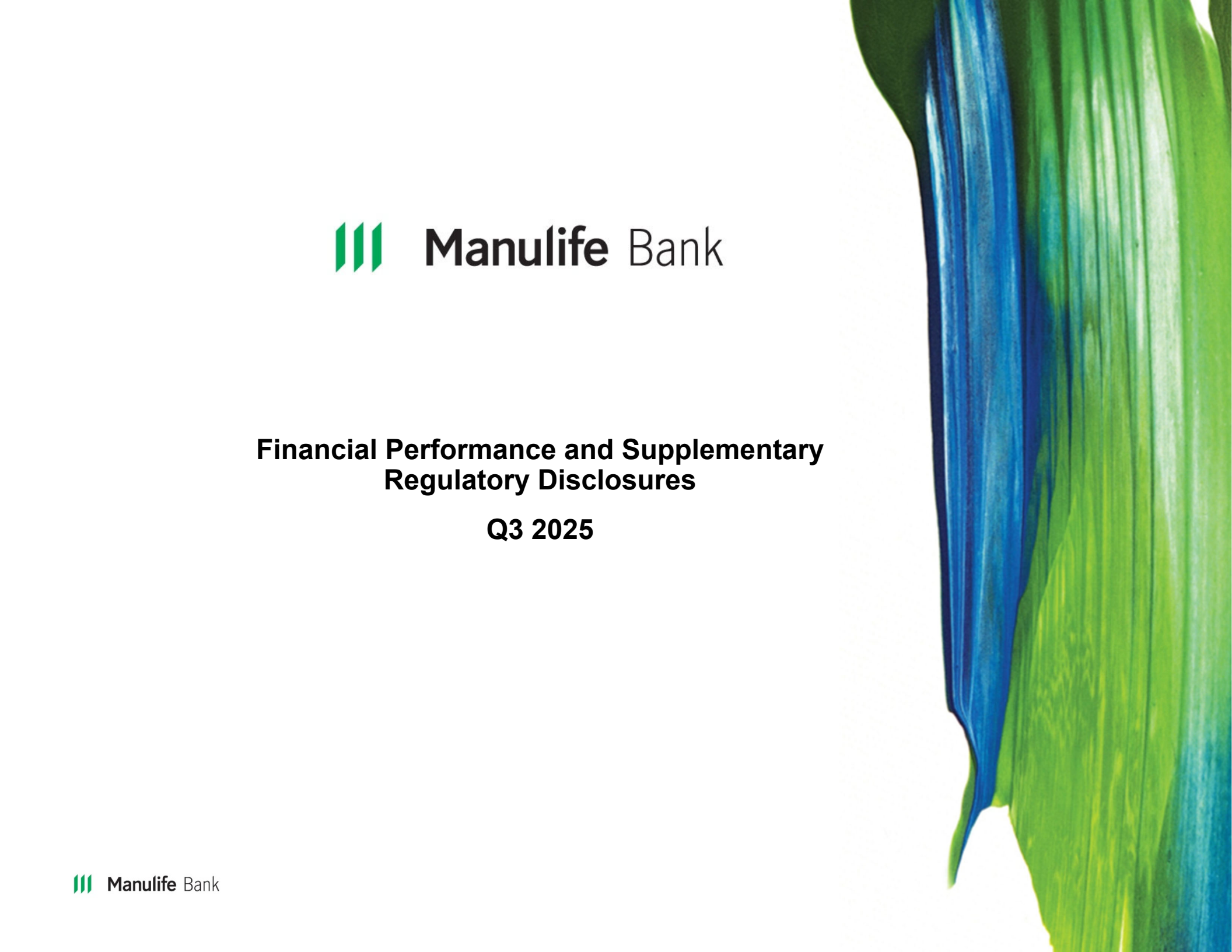


Manulife Bank

Financial Performance and Supplementary Regulatory Disclosures

Q3 2025

Caution regarding forward-looking statements

This document contains certain forward-looking statements with respect to Manulife Bank of Canada's ("MBC" or the "Bank") financial condition, results of operations and business. Forward-looking statements can generally be identified by words such as "will", "expects", "believes", "seeks", "estimates", "potential", "possible", "targeting", and variations of these words and similar expressions.

Forward-looking statements involve inherent risks and uncertainties and, therefore, undue reliance should not be placed on them. Readers are cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statement. These factors include changes in general economic conditions in the market in which MBC operates, changes to government policy and regulation, and factors specific to MBC.

The forward-looking statements in this document are, unless otherwise indicated, as of the date they are made. MBC makes no commitment to revise or update any forward-looking statements.

Manulife Bank

Table of Contents

Overview 1

Financial Performance 2

Pillar 3 Disclosures

OVA: Bank risk management approach 5

Regulatory Capital 9
- KMI: Key Metrics 11
- Modified CC1: Composition of capital for SMSBs 12
- LR2: Leverage Ratio Common Disclosure 12

Credit Risk 13
- CRA: General qualitative information about credit risk 13
- CR1: Credit Quality of Assets 15
- CRC: Qualitative disclosure related to credit risk mitigation techniques 16
- CR3: Credit Risk Mitigation Techniques – Overview 17
- CR4: Standardised Approach – Credit Risk Exposure and Credit Risk Mitigation (CRM) Effects 18
- CR5: Standardised Approach – Exposures by Asset Classes and Risk Weights 23

Credit Counterparty Risk 28
- CCRA: Qualitative disclosure related to CCR 28
- CCR1: Analysis of CCR Exposures by Approach 29
- CCR3: Standardised Approach of CCR Exposures by Regulatory Portfolio and Risk Weights 30
- CCR5: Composition of Collateral for CCR Exposure 31

Market Risk 32

Operational Risk 34
- ORA: General qualitative information on a bank's operational risk framework 34

IRRBB – Risk management objectives, policies and quantitative information 36
- Interest Rate Risk 36

B6 Disclosures – Liquidity risk 37

B20 Disclosures 41

Glossary 46

Overview

About Manulife Bank of Canada

Manulife Bank of Canada ("MBC" or the "Bank) is a Schedule I federally chartered bank regulated by the Office of the Superintendent of Financial Institutions ("OSFI"). The Bank is categorized as a Category I Bank under OSFI's Small and Medium-Sized Deposit-Taking Institutions ("SMSB") Capital and Liquidity Requirements Guideline.

Manulife Bank is a wholly owned subsidiary of The Manufacturers Life Insurance Company ("MLI"), a wholly owned subsidiary of Manulife Financial Corporation ("MFC"). MFC is a publicly traded financial services group. The Bank and its wholly owned subsidiary, Manulife Trust Company ("MTC"), provide a wide range of financial products and services including mortgages and investment loans, and deposit products. MTC is a federally incorporated trust company licensed to operate in Canada with full trust and loan company powers under the Trust and Loan Companies Act (Canada) and is also regulated by OSFI. Platinum Canadian Mortgage Trust II ("PCMT II") was established to provide financing for MBC mortgage products through securitization.

Financial Performance and Regulatory Disclosures

This document provides information on the Bank's consolidated financial performance. Our consolidated regulatory capital requirements are determined by OSFI's Capital Adequacy Requirements (CAR) guidelines, which are based on the Basel Committee on Banking Supervision's Basel III framework. The Bank's disclosure also aligns with OSFI's Pillar 3 Disclosure Guideline for SMSBs, B-6 and B-20 guidelines. This disclosure is compiled in accordance with the final Capital Adequacy Requirements Guideline, Leverage Requirements Guideline, SMSB Capital and Liquidity Requirements, and Pillar 3 Disclosures for SMSBs issued by OSFI. These disclosures are intended to provide market participants with information regarding the risk profile of the Bank and the application of the Basel regulatory requirements, as well as information related to the Bank's residential mortgage loans portfolios to enable market participants to evaluate the Bank's residential mortgage underwriting standards.

The financial data presented in this document represents the consolidated financial results for the Bank, its subsidiary, MTC, and structured entity PCMT II. This report is unaudited and all amounts are reported in millions of Canadian dollars, unless otherwise indicated.

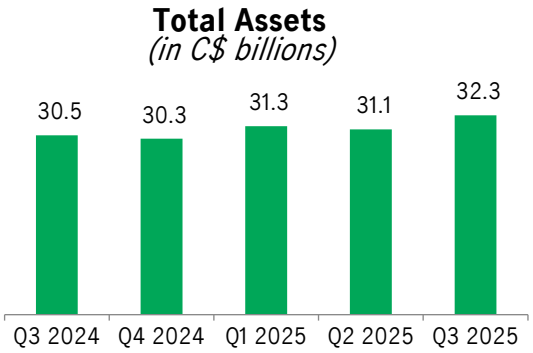
Additional financial information is also available on the OSFI Financial Data website at
Financial data - Office of the Superintendent of Financial Institutions (osfi-bsif.gc.ca).

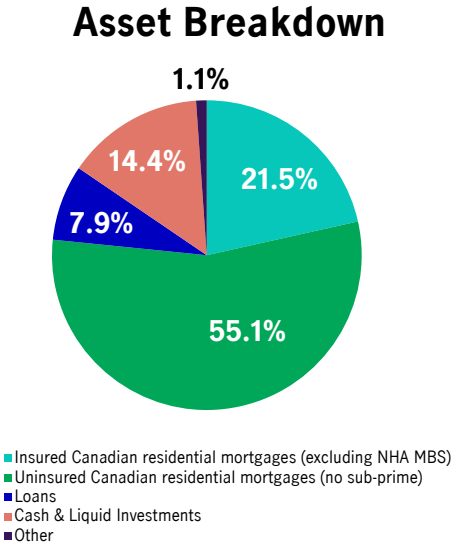
Financial Performance

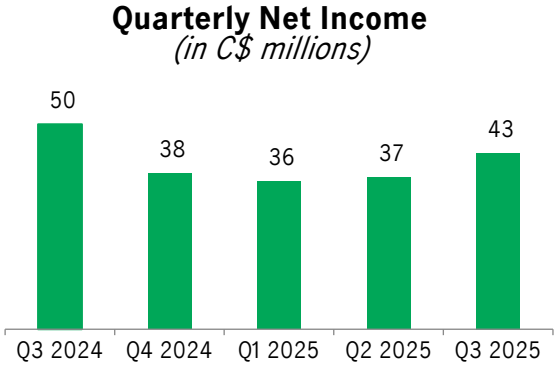
Financial performance information is provided to enable a reader to assess the Bank's unaudited results of operations and financial condition for the three-month period ended September 30, 2025.

For the third quarter ended September 30, 2025, the Bank recorded net income of $43 million, an increase of $6 million, or 16%, from the prior quarter. The increase mainly reflected higher gains on investment portfolio as well as higher net interest income driven by growth in net lending assets. Compared to the prior year, net income decreased by $7 million, or 14%, mainly due to lower gains on investment portfolio and higher non-interest expenses, partially offset by an increase in net interest income.

As at September 30, 2025, assets totalled $32.3 billion increasing by $1.2 billion, or 3.9%, as compared to June 30, 2025, primarily driven by growth in net lending assets due to higher mortgage and other loan asset balances, as well as an increase in short-term investments. Compared to the prior year quarter ended September 30, 2024, assets increased by $1.8 billion, or 5.9%, mostly due to higher mortgage and other loan asset balances, partially offset by a decline in short-term investments.







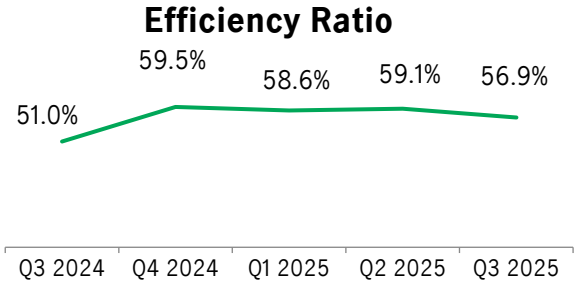
Financial Performance

As at balances	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
ASSETS					
Cash, cash equivalents and restricted cash	**$ 2,581**	$ 2,251	$ 3,585	$ 2,923	$ 3,450
Debt securities	**210**	202	216	216	266
Equity securities	**92**	85	120	120	180
Total Cash and Securities	**$ 2,883**	$ 2,538	$ 3,921	$ 3,259	$ 3,896
Mortgage loans	**$ 26,552**	$ 25,623	$ 24,744	$ 24,399	$ 24,080
Other loans	**2,561**	2,515	2,391	2,319	2,292
Total Lending Assets	**$ 29,113**	$ 28,138	$ 27,135	$ 26,718	$ 26,372
Other assets	**$ 286**	$ 380	$ 275	$ 279	$ 275
Total assets	**$ 32,282**	$ 31,056	$ 31,331	$ 30,256	$ 30,543
LIABILITIES and EQUITY					
Liabilities					
Demand deposits	**$ 12,084**	$ 12,423	$ 13,232	$ 12,590	$ 12,558
Term deposits	**10,967**	9,855	9,596	9,334	9,662
Total Deposits	**$ 23,051**	$ 22,278	$ 22,828	$ 21,924	$ 22,220
Notes payable	**6,996**	6,541	6,366	6,217	6,206
Other liabilities	**271**	314	235	234	251
Total liabilities	**$ 30,318**	$ 29,133	$ 29,429	$ 28,375	$ 28,677
Equity					
Issued share capital					
Preferred shares	**$ 229**	$ 229	$ 229	$ 229	$ 229
Common shares	**267**	267	267	267	267
Contributed surplus	**442**	442	442	442	442
Retained earnings	**1,026**	986	965	945	928
Accumulated other comprehensive income	**-**	(1)	(1)	(2)	-
Total equity	**$ 1,964**	$ 1,923	$ 1,902	$ 1,881	$ 1,866
Total liabilities and equity	**$ 32,282**	$ 31,056	$ 31,331	$ 30,256	$ 30,543

	2025			2024		Fiscal YTD		Fiscal
	Q3	Q2	Q1	Q4	Q3	2025	2024	2024
Interest income	**$ 339**	$ 333	$ 331	$ 358	$ 379	$ 1,003	$ 1,140	$ 1,498
Interest expense	**212**	208	212	235	256	632	774	1,009
Net interest income	**$ 127**	$ 125	$ 119	$ 123	$ 123	$ 371	$ 366	$ 489
Fee income	**$ 6**	$ 6	$ 5	$ 6	$ 6	$ 17	$ 18	$ 24
Net gains (losses) on securities	**6**	2	1	1	14	9	12	13
Net gains (losses) on derivatives	**-**	-	-	-	-	-	-	-
Non-interest income (loss)	**$ 12**	$ 8	$ 6	$ 7	$ 20	$ 26	$ 30	$ 37
Total revenue	**$ 139**	$ 133	$ 125	$ 130	$ 143	$ 397	$ 396	$ 526
Provision for (recovery of) credit losses on lending assets	**-**	2	2	1	-	4	1	2
Non-interest expense	**79**	79	73	77	73	231	215	292
Net income before income tax	**$ 60**	$ 52	$ 50	$ 52	$ 70	$ 162	$ 180	$ 232
Income tax expense	**17**	15	14	14	20	46	51	65
Net income	**$ 43**	$ 37	$ 36	$ 38	$ 50	$ 116	$ 129	$ 167

The tables above are a summary of MBC's unaudited consolidated financial statements and are consistent with the unaudited consolidated financial statements filed with OSFI with classification differences due to summarization of results.

Q3 2025 efficiency ratio was 56.9%, compared to 59.1% in Q2 2025 and 51.0% reported as at September 30, 2024. The decrease compared to the prior quarter mainly reflected higher gains on investment portfolio, as well as increased net interest income. The increase over the prior year was driven by lower Mark-to-Market gains on investment portfolio and higher non-interest expenses, partially offset by higher net interest income.

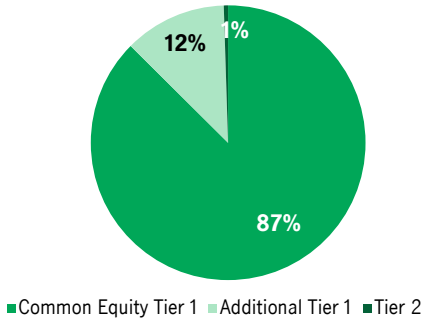


Capital

Basel III Common Equity Tier 1 ("CET1") ratio, Tier 1 capital ratio and Total capital ratio were 15.1%, 17.2% and 17.3%, respectively, as at September 30, 2025, well in excess of minimum regulatory capital requirements. Management is confident that the Bank's current level of capital is sufficient to support strategic objectives and ongoing growth.

Q3 2025 risk weighted assets were $10.9 billion, an increase of $0.3 billion, or 3%, as compared to the prior quarter, primarily driven by growth in lending assets and short-term investments. Compared to prior year, risk weighted assets increased by $0.6 billion, or 6%, mainly driven by growth in lending assets.

Refer to the Regulatory Capital section for further discussion on regulatory capital, capital ratios and risk weighted assets.



Total risk-weighted assets	**$ 10.9 Billion**
Total capital	**$ 1.9 Billion**
CET1 Capital Ratio	**15.1%**
Tier 1 Capital Ratio	**17.2%**
Total Capital Ratio	**17.3%**

Credit ratings

On September 10, 2025, S&P Global Ratings ("S&P") validated Manulife Bank's long-term deposit rating of A+ and its short-term deposit rating of A-1 with a stable outlook. On June 26, 2025, DBRS Limited and affiliated entities ("Morningstar DBRS") confirmed Manulife Bank's long-term issuer rating at AA (low) and its short-term issuer rating of R-1 (middle) with a stable trend.

As of September 30, 2025	
S&P	
Short-term rating	A-1
Long-term rating	A+
Morningstar DBRS	
Short-term rating	R-1 (middle)
Long-term rating	AA (low)

OVA: Bank risk management approach

The Bank's key risks are strategic, credit, market, liquidity and operational. The Bank manages these risks using an Enterprise Risk Management ("ERM") framework. The Bank aims to balance risk levels with business objectives for growth and profitability.

Risk Management Framework

The Bank's ERM framework sets out policies and standards of practice related to governance, identification, measurement, monitoring, control and mitigation of risk. The Chief Risk Officer (CRO) is accountable for developing, establishing, implementing, maintaining and enhancing the ERM framework.

In addition, risk management programs are in place for each of the Bank's broad risk categories: strategic, market, credit, liquidity, and operational. These programs incorporate policies and standards of practice that are aligned with the ERM framework covering:

- Assignment of risk management accountabilities;
- Philosophy and appetite related to assuming risks;
- Establishment of specific risk targets or limits;
- Delegation of authorities related to risk-taking activities;
- Identification, measurement, assessment, monitoring and reporting of risks; and
- Activities related to risk control and mitigation.

To enable the achievement of its mission and strategic priorities, the Bank is committed to a set of shared values, which reflect our culture, inform our behaviours, and help define how we work together. Within this context the Bank strives for a risk aware culture, where individuals and groups are encouraged, feel comfortable and are proactive in making transparent, balanced risk-return decisions that are in the long-term interests of the Bank.

The Manulife Code of Business Conduct and Ethics (the "Code") affirms the Company's commitment to ethical conduct and its practice of complying with all applicable laws. It is the obligation of all employees to comply with the Code. In addition, it is each employee's responsibility to identify, disclose and avoid potential or actual conflicts of interest.

The Bank's risk framework follows the following governance model to deliver effective risk management:

Senior Management is ultimately accountable for the development, implementation and oversight of an effective risk management framework.

Business and Central Functions are responsible for ensuring that the Bank's business strategies align with its risk-taking philosophy, risk appetite and culture. Furthermore, the functions evaluate and manage risk exposures consistent with ERM policies and standards of practice. The functions are also responsible for delivering returns commensurate with the level of risk assumed.

Independent Oversight is comprised of the CRO and the risk management group. The risk management group provides independent oversight (including validation and verification) and challenges assumptions regarding risk-taking and risk mitigation activities. Furthermore, the Bank Executive Risk Committee provides support to the executive leadership team for overseeing general risk-taking and risk mitigation activities.

Independent Assurance is comprised of Audit Services who provides independent, objective assurance and consulting services of sufficient scope to add value, improve the operations of the Bank and enable the Board of Directors to satisfy its fiduciary and legal responsibilities.

Risk governance and management structure

Risk governance in the Bank is managed by the Bank's Board of Directors (BOD) and several executive management committees.

Board of Directors
The Board of Directors is responsible for overseeing the Bank's management of its principal risks. The Board of Directors reviews and approves the Enterprise Risk policy, risk-taking philosophy, and overall risk appetite with the assistance of the Board committees. The Chief Executive Officer (CEO) is directly accountable to the Board of Directors for all risk-taking activities and risk management practices and is supported by the Chief Risk Officer (CRO) and the Executive Management Committees. The Executive Management Committees establish risk policies, guide risk-taking activities, monitor significant risk exposures, and sponsor strategic risk management priorities for the Bank.

The Audit & Conduct Review Committee of the Board is responsible for assisting the Board of Directors with its oversight of the quality and integrity of financial information, the effectiveness of internal controls over financial reporting, the effectiveness of compliance with legal and regulatory requirements and the effectiveness of risk management and compliance practices. The Committee also oversees compliance with policies and procedures related to conflicts of interest, confidentiality of information, customer complaints and related party transactions.

The Risk Committee of the Board is responsible for assisting the Board of Directors with its oversight of the management of principal risks, including the effectiveness of internal controls over principal risks and the effectiveness of compliance with risk management policies.

Executive management committees
The Bank has established several roles and committees as part of its governance and management structure. The committees are forums to raise and share risk issues between business lines and risk functions.

The Bank Executive Risk Committee (ERC) provides advisory support to senior management regarding governance and risk oversight. The Bank ERC also provides an executive forum for discussing and reviewing the Bank's risk philosophy and appetite, risk limits, risk exposures and opportunities for optimizing risk taking within the context of the Bank's business model and short-term and long-term strategic objectives. The Bank ERC is responsible for providing oversight related to the management of all risk exposures against approved policies and limits, risk management strategies, and the oversight of the ERM framework which covers risk appetite, risk management responsibilities, risk identification, measurement and assessment, risk monitoring, reporting, control, and mitigation activities.

The ERC may delegate, in its discretion, all or a portion of its duties to sub-committees. Established sub-committees include the Asset Liability Committee (ALCO), the Credit Risk Committee (CRC), the Operational Risk and Resilience Committee (ORRC) and Capital Management Committee (CMC).

ALCO establishes structural interest rate risk (market) and liquidity risk policies and oversees related market and liquidity risk and asset liability management programs and practices. ALCO monitors the overall market risk profile, key and emerging risk exposures and risk management activities as well as compliance with related policies.

The CRC establishes credit risk policies and oversees credit risk management, including setting appropriate management level limits for investment/connections. The CRC monitors the overall credit risk profile, key and emerging risk exposures and risk management activities and ensures compliance with credit risk policies. The CRC also approves large individual credits and investments.

The ORRC establishes and oversees the execution of the operational risk framework, policies, and standards of practice. ORRC monitors the overall operational risk profile, key and emerging risk exposures and risk management activities as well as compliance with related policies.

The CMC establishes capital management policies and is responsible for the oversight of the capital management program.

Risk reporting

Risk exposures of the Bank are monitored and reported to senior management, the executive management committees, and Board of Directors on a regular basis.

Credit Risk
Credit risk exposures are monitored and reported to the Board of Directors, the Bank CRC and ERC, and MFC's Credit Risk Management Department on a quarterly basis. The Chief Risk Officer and the Bank's CRC set out objectives related to the overall quality and diversification of lending portfolios and establish criteria for the selection of counterparties and intermediaries. The CRO monitors compliance with all credit policies and limits. The Board of Directors is responsible for reviewing and approving key credit risk management policies.

Market Risk
The Board has ultimately delegated the responsibility for the strategic management of market, interest rate and liquidity risks to ALCO. The ALCO risk management strategy addresses interest rate risk arising between asset returns and supporting liabilities and is designed to keep potential losses stemming from these risks within acceptable limits. Actual investment positions and risk exposures are monitored to ensure adherence to policy guidelines and limits. Positions are reported to ALCO monthly and to MFC's Global ALCO on a quarterly basis.

Liquidity Risk
The Board of Directors has ultimate oversight responsibility for liquidity risk management of the Bank with liquidity management responsibilities delegated to the CFO and Treasurer. The Chief Risk Officer is responsible for the independent oversight of liquidity risk taking and mitigation activities. ALCO is responsible for the management and monitoring of liquidity risk.

At least annually, the Board of Directors reviews and approves the Market and Liquidity Risk Management Policy and reviews the Liquidity Contingency Plan (LCP), which ensures the Bank has the infrastructure and control functions in place to meet expected and unexpected liquidity obligations. Risk tolerances and limits are approved by the Board of Directors and define the maximum level of liquidity risk the Bank is willing to take. The LCP outlines various liquidity statuses and includes procedures, action plans, communication requirements and roles and responsibilities under each liquidity status. There are four Liquidity Status Levels designed to identify and address various liquidity positions. ALCO determines the Bank's appropriate liquidity status level and mitigation actions at each monthly and special ALCO meeting.

Operational Risk
The Bank's Operational Risk Management (ORM) Policy and Framework outline the governance structure, risk appetite, level of risk tolerance, and sets the foundation for mitigating operational risks across the organization. This framework is designed to align operational risk management practices and procedures to support the Bank's financial, risk, capital, and strategic objectives.

The Bank monitors and reports on operational risk on a regular basis. The Bank Executive Risk Committee (ERC) and Risk Committee of the Board receive quarterly Risk Management reports that reflect any breaches of the Bank's risk tolerance/appetite, recent significant risk events and losses, and any evolving risks and relevant external events that have the potential to impact the Bank's risk policy adherence and its risk capital. At least annually, the Risk Committee of the Board reviews and approves the Operational Risk Management Policy.

Stress Testing

Stress testing is a risk management technique used by the Bank to evaluate the potential effects of a set of specified changes in risk factors on its financial condition. These changes in risk factors correspond to exceptional but plausible events. Stress testing includes both scenario analysis and sensitivity testing. Stress testing is an integral part of the Bank's Risk Management framework, as it facilitates risk identification and assessment and is used to support strategic decision-making. As a key component of the Enterprise Risk Management program, stress tests facilitate risk identification and may also contribute to the development of risk controls and mitigation strategies.

The Bank performs stress tests on its material risk exposures, including but not limited to credit, market, liquidity, and operational risks. Each of these material risks are currently stressed separately and added together to provide a view of total capital required in the stressed-case scenario. Whenever appropriate, the Bank also uses expert judgement to calculate and assess additional capital requirements given specific risks identified.

Risk Strategies

For details on the Bank's strategies and processes to manage, hedge and mitigate risks please refer to the following sections contained in this report:

- Credit risk management strategy and credit risk mitigation techniques on page 13 and 16
- Market risk management strategy on page 32
- Operational risk management strategy on page 34
- Interest rate risk management strategy on page 36
- Liquidity risk management strategy on page 37

Regulatory Capital

Our consolidated regulatory capital requirements are determined by OSFI's SMSBs Capital and Liquidity Requirements, Capital Adequacy Requirements Guideline and Leverage Requirements Guideline.

Manulife Bank has adopted Basel III banking reforms in accordance with the OSFI's revised capital, leverage, liquidity, and disclosure requirements. These reforms enhance the risk management capabilities and resilience of Canadian deposit-taking institutions.

The Bank manages its capital in accordance with guidelines established by OSFI, based on standards set by the Basel Committee on Banking Supervision (BCBS). OSFI's Capital Adequacy Requirements (CAR) Guideline specify the application of Basel III rules to Canadian banks. OSFI has mandated that all Canadian regulated financial institutions to maintain minimum Capital Ratios: a CET1 Ratio of 7.0%, a Tier 1 Capital Ratio of 8.5%, and a Total Capital Ratio of 10.5%. To govern the quality and quantity of capital necessary based on the Bank's inherent risks, we employ an Internal Capital Adequacy Assessment Process (ICAAP) to assess the capital needed to cover unexpected losses arising from credit risk, market risk and operational risks. MBC's approach to capital management is aligned to support its business model and strategic direction.

Regulatory approaches used to determine capital requirements

Credit risk

Banks are permitted a choice of two methodologies in determining the capital requirements for credit risk: the Internal Ratings Based ("IRB") or Standardized Approach. Under the IRB Approach, banks are permitted to determine risk weightings for on and off-balance sheet exposures using internal risk formulas. The Standardized Approach requires banks to assign risk weightings to on and off-balance sheet exposures as prescribed by OSFI under the CAR Guideline. MBC and MTC apply the Standardized Approach when determining capital requirements for credit risk.

Market risk

Market risk capital is calculated using one of two methodologies: the Standardized Approach or Internal Models. These requirements apply to banks designated by OSFI as domestic systemically important banks (D-SIBs) and other internationally active institutions. The capital requirements for market risk are not applicable to MBC and MTC.

Operational risk

There are two methodologies for calculating operational risk capital: the Standardized Approach and the Simplified Standardized Approach ("SSA"). MBC and MTC currently apply the SSA. Under the SSA, institutions must hold operational risk capital equal to 15% of average annual Adjusted Gross Income over the previous 12 fiscal quarters. Risk-weighted assets ("RWA") for operational risk are equal to 12.5 times operational risk capital.

KM1: Key Metrics

		Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	**$ 1,651**	$ 1,605	$ 1,579	$ 1,554	$ 1,536
2	Tier 1	**$ 1,880**	$ 1,834	$ 1,808	$ 1,783	$ 1,765
3	Total capital	**$ 1,889**	$ 1,844	$ 1,818	$ 1,792	$ 1,775
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	**$ 10,899**	$ 10,623	$ 10,509	$ 10,133	$ 10,305
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	**15.1%**	15.1%	15.0%	15.3%	14.9%
6	Tier 1 ratio (%)	**17.2%**	17.3%	17.2%	17.6%	17.1%
7	Total capital ratio (%)	**17.3%**	17.4%	17.3%	17.7%	17.2%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	**2.5%**	2.5%	2.5%	2.5%	2.5%
11	Total of bank CET1 specific buffer requirements (%)	**2.5%**	2.5%	2.5%	2.5%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	**8.1%**	8.1%	8.0%	8.3%	7.9%
Basel III Leverage ratio						
13	Total Basel III leverage ratio exposure measure	**$ 34,559**	$ 33,292	$ 33,462	$ 32,121	$ 32,444
14	Basel III leverage ratio % (row 2 / row 13)	**5.4%**	5.5%	5.4%	5.5%	5.4%

Modified CC1: Composition of capital for SMSBs

		Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Common Equity Tier 1 capital: instruments and reserves						
1	Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus	**$ 709**	$ 709	$ 709	$ 709	$ 709
2	Retained earnings	**1,026**	986	965	945	928
3	Accumulated other comprehensive income (and other reserves)	**-**	(1)	(1)	(2)	(1)
6	**Common Equity Tier 1 capital before regulatory adjustments**	**$ 1,735**	$ 1,694	$ 1,673	$ 1,652	$ 1,636
Common Equity Tier 1 capital: regulatory adjustments						
28	Total regulatory adjustments to Common Equity Tier 1	**$ (84)**	$ (89)	$ (94)	$ (98)	$ (100)
29	**Common Equity Tier 1 capital (CET1)**	**$ 1,651**	$ 1,605	$ 1,579	$ 1,554	$ 1,536
Additional Tier 1 capital: instruments						
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	**$ 229**	$ 229	$ 229	$ 229	$ 229
44	**Additional Tier 1 capital (AT1)**	**229**	229	229	229	229
45	**Tier 1 capital (T1 = CET1 + AT1)**	**$ 1,880**	$ 1,834	$ 1,808	$ 1,783	$ 1,765
Tier 2 capital: instruments and provisions						
50	Collective allowances	**$ 9**	$ 10	$ 10	$ 9	$ 10
58	**Tier 2 capital (T2)**	**$ 9**	$ 10	$ 10	$ 9	$ 10
59	**Total capital (TC = T1 + T2)**	**$ 1,889**	$ 1,844	$ 1,818	$ 1,792	$ 1,775
60	**Total risk-weighted assets**	**$ 10,899**	$ 10,623	$ 10,509	$ 10,133	$ 10,305
Capital ratios (%)						
61	Common Equity Tier 1 (as percentage of risk-weighted assets)	**15.1%**	15.1%	15.0%	15.3%	14.9%
62	Tier 1 (as percentage of risk-weighted assets)	**17.2%**	17.3%	17.2%	17.6%	17.1%
63	Total Capital (as percentage of risk-weighted assets)	**17.3%**	17.4%	17.3%	17.7%	17.2%
OSFI target						
69	Common Equity Tier 1 target ratio	**7.0%**	7.0%	7.0%	7.0%	7.0%
70	Tier 1 capital target ratio	**8.5%**	8.5%	8.5%	8.5%	8.5%
71	Total capital target ratio	**10.5%**	10.5%	10.5%	10.5%	10.5%

LR2: Leverage Ratio Common Disclosure

		Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
On-balance sheet exposures						
1	On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral)	**$ 32,282**	$ 31,055	$ 31,331	$ 30,256	$ 30,542
4	(Asset amounts deducted in determining Tier 1 capital)	**(84)**	(89)	(94)	(98)	(100)
5	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 to 4)**	**$ 32,198**	$ 30,966	$ 31,237	$ 30,158	$ 30,442
Derivative exposures						
6	Replacement cost associated with all derivative transactions	**$ -**	$ 1	$ 1	$ -	$ -
7	Add-on amounts for potential future exposure associated with all derivative transactions	**$ 1**	$ 1	$ 1	$ -	$ -
11	**Total derivative exposures (sum of lines 6 to 10)**	**$ 1**	$ 2	$ 2	$ -	$ -
Other off-balance sheet exposures						
17	Off-balance sheet exposure at gross notional amount	**$ 19,002**	$ 18,466	$ 17,903	$ 16,906	$ 16,700
18	(Adjustments for conversion to credit equivalent amounts)	**(16,642)**	(16,142)	(15,680)	(14,943)	(14,698)
19	**Off-balance sheet items (sum of lines 17 and 18)**	**$ 2,360**	$ 2,324	$ 2,223	$ 1,963	$ 2,002
Capital and Total Exposures						
20	Tier 1 capital	**$ 1,880**	$ 1,834	$ 1,808	$ 1,783	$ 1,765
21	Total Exposures (sum of lines 5, 11, 16 and 19)	**$ 34,559**	$ 33,292	$ 33,462	$ 32,121	$ 32,444
Leverage Ratio						
22	Basel III leverage ratio	**5.4%**	5.5%	5.4%	5.5%	5.4%

Credit Risk

CRA: General qualitative information about credit risk

Credit risk is the risk of loss due to the inability or unwillingness of a borrower or counterparty to fulfil its payment obligations. Credit risk is one of the most significant risks to the Bank's business, and exists in its lending activities, investment activities and derivative transactions.

Risk management strategy

The Bank's credit risk management practices are strong. Risk identification, monitoring, limit-setting and enforcement processes are well developed and comparable to industry leading practices. Relevant underwriting metrics remain consistent across all distribution channels given policy alignment, embedded quality control, and structured communication. Current originations continue to be appropriate, within limits, and aligned to Bank risk appetite.

The Bank has established policies that set exposure limits by borrower, quality rating, industry and geographic region. The Chief Risk Officer, together with the Bank Executive Risk Committee, sets out objectives related to the overall quality and diversification of lending portfolios and establishes criteria for the selection of counterparties and intermediaries. The Chief Risk Officer monitors compliance with all credit policies and limits and reports the results to senior management and Board of Directors.

The Bank establishes policies and procedures to provide an independent assessment of the existence, quality and value of the credit portfolios, the integrity of the credit process, and to promote the detection of related problems. Internal Audit Services performs periodic assessments of compliance with credit policies and procedures of credit granting and investment originating units.

The Board of Directors of both MBC and MTC ("Board of Directors") are responsible for reviewing and approving all key credit risk management policies. A review system sensitized to prescribed total credit exposure and risk rating thresholds is in place and is maintained with the intent that:

- The borrower's current financial condition is known;
- Collateral security is adequate and enforceable relative to the borrower's current circumstances;
- Credits are in compliance with covenants and margins;
- Early identification and classification of at-risk credit is possible;
- Current information regarding the quality of the loan portfolio is available; and
- Higher risk credits are reviewed in order to assess the risk of default.

The Bank's risk rating systems are designed to assess and monitor credit risk. The risk assessment and monitoring processes for the lending portfolio and derivatives contracts are described below.

Lending Portfolio

Our lending business is focused on residential properties, commercial mortgages, investment loans and lending against insurance. We have no exposure to oil and gas or other carbon heavy industries. Insured mortgages are insured against loss caused by borrower default under a loan secured by real property. Insurance is provided by the Canada Mortgage and Housing Corporation ("CMHC") or other authorized insurers.

MBC's flagship product, Manulife One, is an all-in-one banking solution that combines a client's savings and borrowings into one Home Equity Line of Credit ("HELOC") product. This can include a client's traditional mortgage loan, personal loan, lines of credit, and chequing and savings accounts. The Proactive Account Monitoring program is a client engagement program that uses predictive indicators of potential default to select accounts for proactive remediation. High risk clients are contacted before they enter arrears and are encouraged to undertake actions to reduce their borrowing and maintain their good standing.

Derivatives

The Bank has established policies and limits for managing credit risk exposures that may arise with counterparties when entering into derivative transactions. The Bank enters into master netting arrangements that permit the offsetting of contracts in a loss position in the case of a counterparty default. The Bank measures derivative counterparty exposure as net potential credit exposure, which takes into consideration mark-to-market values of all transactions with each counterparty, net of any collateral held, and an allowance to reflect future potential exposure.

CR1: Credit Quality of Assets

		a	b	c	*d*	*e*	g
		Gross carrying values of		Allowances/ Impairments	Of which ECL accounting provisions for credit losses on SA exposures		Net values (a+b-c)
		Defaulted exposures[1]	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
	Q3 2025						
1	Loans	**$ 54**	**$ 29,070**	**$ 11**	**$ 2**	**$ 9**	**$ 29,113**
2	Debt Securities	**-**	**210**	**-**	**-**	**-**	**210**
3	Off-balance sheet exposures	**-**	**19,002**	**7**	**1**	**6**	**18,995**
4	**Total**	**$ 54**	**$ 48,282**	**$ 18**	**$ 3**	**$ 15**	**$ 48,318**
	Q2 2025						
1	Loans	$ 62	$ 28,089	$ 13	$ 3	$ 10	$ 28,138
2	Debt Securities	-	202	-	-	-	202
3	Off-balance sheet exposures	-	18,466	7	1	6	18,459
4	Total	$ 62	$ 46,757	$ 20	$ 4	$ 16	$ 46,799
	Q1 2025						
1	Loans	$ 54	$ 27,093	$ 12	$ 2	$ 10	$ 27,135
2	Debt Securities	-	216	-	-	-	216
3	Off-balance sheet exposures	-	17,903	6	1	5	17,897
4	Total	$ 54	$ 45,212	$ 18	$ 3	$ 15	$ 45,248
	Q4 2024						
1	Loans	$ 56	$ 26,673	$ 11	$ 2	$ 9	$ 26,718
2	Debt Securities	-	216	-	-	-	216
3	Off-balance sheet exposures	-	16,906	6	1	5	16,900
4	Total	$ 56	$ 43,795	$ 17	$ 3	$ 14	$ 43,834
	Q3 2024						
1	Loans	$ 59	$ 26,325	$ 12	$ 2	$ 10	$ 26,372
2	Debt Securities	-	266	-	-	-	266
3	Off-balance sheet exposures	-	16,700	6	1	5	16,694
4	Total	$ 59	$ 43,291	$ 18	$ 3	$ 15	$ 43,332

[1]A defaulted exposure is defined as one that is past due for more than 90 days or is an exposure to a defaulted borrower under CAR 2024, Chapter 4, Section 4.1.21.

CRC: Qualitative disclosure related to credit risk mitigation techniques

Risk control and mitigation

Diversification

MBC's credit risk governance policies require an acceptable level of diversification. Limits are in place for several portfolio dimensions including industry, geography, single-name concentrations, and transaction-specific limits. Although the Bank's credit portfolio is heavily weighted to Canadian residential mortgages and other loans, the portfolio is well-diversified geographically within Canada. Credit risk exposures are monitored for concentration risk and such findings are reported to the Board of Directors, the Risk Committee and MFC's credit risk management department on a quarterly basis.

Lending portfolio

In the normal course of business, various indirect commitments are outstanding that are not reflected on the Consolidated Statements of Financial Position, including commitments to extend credit in the form of loans or other financing for specific amounts and maturities. These financial commitments are subject to normal credit standards, financial controls and monitoring procedures.

Collateral management

Collateral is an integral part of the Bank's credit risk mitigation in its lending portfolio. The purpose of collateral for credit risk mitigation is to minimize losses that would otherwise be incurred, and the Bank generally requires borrowers to pledge collateral when advancing credit. Residential real estate and liquid investments are examples of acceptable collateral.

CR3: Credit Risk Mitigation Techniques – Overview

		Q3 2025					Q2 2025				
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by			Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by		
				Collateral	Financial guarantees	Credit derivatives			Collateral	Financial guarantees	Credit derivatives
1	Loans	**$ 20,408**	**$ 8,705**	**$ -**	**$ 8,705**	**$ -**	$ 19,784	$ 8,354	$ -	$ 8,354	$ -
2	Debt securities	**210**	**-**	**-**	**-**	**-**	202	-	-	-	-
3	**Total**	**$ 20,618**	**$ 8,705**	**$ -**	**$ 8,705**	**$ -**	$ 19,986	$ 8,354	$ -	$ 8,354	$ -
4	Of which defaulted	**$ 41**	**$ 11**	**$ -**	**$ 11**	**$ -**	$ 50	$ 9	$ -	$ 9	$ -

		Q1 2025					Q4 2024				
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by			Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by		
				Collateral	Financial guarantees	Credit derivatives			Collateral	Financial guarantees	Credit derivatives
1	Loans	$ 19,092	$ 8,043	$ -	$ 8,043	$ -	$ 18,769	$ 7,949	$ -	$ 7,949	$ -
2	Debt securities	216	-	-	-	-	216	-	-	-	-
3	Total	$ 19,308	$ 8,043	$ -	$ 8,043	$ -	$ 18,985	$ 7,949	$ -	$ 7,949	$ -
4	Of which defaulted	$ 38	$ 14	$ -	$ 14	$ -	$ 43	$ 11	$ -	$ 11	$ -

		Q3 2024				
		Exposures unsecured: carrying amount	Exposures to be secured	Exposures secured by		
				Collateral	Financial guarantees	Credit derivatives
1	Loans	$ 18,485	$ 7,887	$ -	$ 7,887	$ -
2	Debt securities	266	-	-	-	-
3	Total	$ 18,751	$ 7,887	$ -	$ 7,887	$ -
4	Of which defaulted	$ 41	$ 16	$ -	$ 16	$ -

CR4: Standardised Approach – Credit Risk Exposure and Credit Risk Mitigation Effects

	Q3 2025 Asset classes	Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	$ 20	$ -	$ 20	$ -	$ -	0%
2	Public sector entities (PSEs)	-	-	7,893	208	-	0%
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	2,612	500	3,340	1	898	27%
	Of which: securities firms and other financial institutions treated as banks	2,570	-	3,298	-	886	27%
5	Covered bonds	-	-	-	-	-	-
6	Corporates	657	628	657	63	631	88%
	Of which: securities firms and other financial institutions treated as corporates	-	-	-	-	-	-
	Of which: specialised lending	-	-	-	-	-	-
7	Subordinated debt, equity and other capital	92	-	92	-	230	250%
8	Retail	2,044	2,883	2,044	340	1,795	75%
9	Real estate	26,175	15,487	17,564	1,750	5,762	30%
	Of which: general RRE	25,144	15,185	16,601	1,712	5,186	28%
	Of which: IPRRE	665	268	597	34	278	44%
	Of which: other RRE	-	-	-	-	-	-
	Of which: general CRE	29	16	29	2	20	66%
	Of which: IPCRE	338	18	338	2	278	82%
	Of which: land acquisition, development and construction	-	-	-	-	-	-
10	Reverse mortgages	-	-	-	-	-	-
11	Mortgage-backed securities	-	-	-	-	-	-
12	Defaulted exposures	47	3	37	0	39	105%
13	Other assets	644	-	644	-	554	86%
14	**Total**	**$ 32,291**	**$ 19,502**	**$ 32,291**	**$ 2,361**	**$ 9,910**	**29%**

CR4: Standardised Approach – Credit Risk Exposure and Credit Risk Mitigation Effects

	Q2 2025 Asset classes	Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	$ 20	$ -	$ 20	$ -	$ -	0%
2	Public sector entities (PSEs)	-	-	7,581	211	-	0%
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	2,277	400	2,964	2	808	27%
	Of which: securities firms and other financial institutions treated as banks	2,240	-	2,927	-	797	27%
5	Covered bonds	-	-	-	-	-	-
6	Corporates	621	525	621	52	588	87%
	Of which: securities firms and other financial institutions treated as corporates	-	-	-	-	-	-
	Of which: specialised lending	-	-	-	-	-	-
7	Subordinated debt, equity and other capital	85	-	85	-	213	250%
8	Retail	2,032	2,621	2,032	313	1,763	75%
9	Real estate	25,254	15,315	16,995	1,747	5,589	30%
	Of which: general RRE	24,237	15,023	16,052	1,714	5,026	28%
	Of which: IPRRE	656	255	583	29	271	44%
	Of which: other RRE	-	-	-	-	-	-
	Of which: general CRE	32	16	32	2	22	66%
	Of which: IPCRE	328	21	328	2	270	82%
	Of which: land acquisition, development and construction	-	-	-	-	-	-
10	Reverse mortgages	-	-	-	-	-	-
11	Mortgage-backed securities	-	-	-	-	-	-
12	Defaulted exposures	53	5	44	0	50	113%
13	Other assets	723	-	723	-	628	87%
14	Total	$ 31,066	$ 18,866	$ 31,066	$ 2,326	$ 9,639	29%

CR4: Standardised Approach – Credit Risk Exposure and Credit Risk Mitigation Effects

	Q1 2025 Asset classes	Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	$ 20	$ -	$ 20	$ -	$ -	0%
2	Public sector entities (PSEs)	-	-	7,307	214	-	0%
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	3,615	400	4,266	2	1,056	25%
	Of which: securities firms and other financial institutions treated as banks	3,576	-	4,227	-	1,044	25%
5	Covered bonds	-	-	-	-	-	-
6	Corporates	577	490	577	49	535	85%
	Of which: securities firms and other financial institutions treated as corporates	-	-	-	-	-	-
	Of which: specialised lending	-	-	-	-	-	-
7	Subordinated debt, equity and other capital	120	-	120	-	300	250%
8	Retail	1,964	2,489	1,964	302	1,702	75%
9	Real estate	24,397	14,919	16,452	1,658	5,409	30%
	Of which: general RRE	23,395	14,620	15,526	1,622	4,853	28%
	Of which: IPRRE	648	256	572	30	266	44%
	Of which: other RRE	-	-	-	-	-	-
	Of which: general CRE	34	16	34	2	23	66%
	Of which: IPCRE	321	27	321	5	266	82%
	Of which: land acquisition, development and construction	-	-	-	-	-	-
10	Reverse mortgages	-	-	-	-	-	-
11	Mortgage-backed securities	-	-	-	-	-	-
12	Defaulted exposures	41	4	29	0	32	111%
13	Other assets	607	-	607	-	509	84%
14	Total	$ 31,340	$ 18,303	$ 31,340	$ 2,225	$ 9,543	28%

CR4: Standardised Approach – Credit Risk Exposure and Credit Risk Mitigation Effects

	Q4 2024 Asset classes	Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	$ 10	$ -	$ 10	$ -	$ -	0%
2	Public sector entities (PSEs)	-	-	7,231	214	-	0%
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	2,952	100	3,586	0	913	25%
	Of which: securities firms and other financial institutions treated as banks	2,913	-	3,547	-	902	25%
5	Covered bonds	-	-	-	-	-	-
6	Corporates	566	469	566	47	516	84%
	Of which: securities firms and other financial institutions treated as corporates	-	-	-	-	-	-
	Of which: specialised lending	-	-	-	-	-	-
7	Subordinated debt, equity and other capital	120	-	120	-	300	250%
8	Retail	1,911	2,288	1,911	281	1,646	75%
9	Real estate	24,050	14,145	16,195	1,421	5,250	30%
	Of which: general RRE	23,063	13,841	15,285	1,382	4,702	28%
	Of which: IPRRE	640	248	563	28	262	44%
	Of which: other RRE	-	-	-	-	-	-
	Of which: general CRE	36	16	36	2	25	66%
	Of which: IPCRE	311	40	311	9	262	82%
	Of which: land acquisition, development and construction	-	-	-	-	-	-
10	Reverse mortgages	-	-	-	-	-	-
11	Mortgage-backed securities	-	-	-	-	-	-
12	Defaulted exposures	49	4	39	0	44	111%
13	Other assets	607	-	607	-	504	83%
14	Total	$ 30,265	$ 17,006	$ 30,265	$ 1,964	$ 9,174	28%

CR4: Standardised Approach – Credit Risk Exposure and Credit Risk Mitigation Effects

	Q3 2024 Asset classes	Exposures before CCF and CRM		Exposures post-CCF and post-CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	$ 10	$ -	$ 10	$ -	$ -	0%
2	Public sector entities (PSEs)	-	-	7,180	215	-	0%
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	3,479	-	4,101	-	1,011	25%
	Of which: securities firms and other financial institutions treated as banks	3,438	-	4,060	-	1,000	25%
5	Covered bonds	-	-	-	-	-	-
6	Corporates	581	404	581	40	501	81%
	Of which: securities firms and other financial institutions treated as corporates	-	-	-	-	-	-
	Of which: specialised lending	-	-	-	-	-	-
7	Subordinated debt, equity and other capital	180	-	180	-	451	250%
8	Retail	1,920	2,192	1,920	271	1,645	75%
9	Real estate	23,732	14,100	15,944	1,475	5,216	30%
	Of which: general RRE	22,715	13,801	15,008	1,438	4,649	28%
	Of which: IPRRE	642	249	561	29	262	44%
	Of which: other RRE	-	-	-	-	-	-
	Of which: general CRE	33	18	33	2	23	66%
	Of which: IPCRE	342	31	342	7	282	81%
	Of which: land acquisition, development and construction	-	-	-	-	-	-
10	Reverse mortgages	-	-	-	-	-	-
11	Mortgage-backed securities	-	-	-	-	-	-
12	Defaulted exposures	51	4	38	0	42	108%
13	Other assets	598	-	598	-	492	82%
14	Total	$ 30,552	$ 16,700	$ 30,552	$ 2,001	$ 9,356	29%

CR5: Standardised Approach – Exposures by Asset Classes and Risk Weights

	Q3 2025 Asset Classes	Risk Weighting																	
		0%	15%	20%	25%	30%	35%	40%	45%	50%	60%	70%	75%	90%	100%	110%	150%	250%	Other [1]	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereigns and their central banks	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**20**
2	Public sector entities (PSEs)	8,101	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**8,101**
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
4	Banks	-	-	2,604	-	49	-	-	-	-	-	-	-	-	-	-	-	-	688	**3,341**
	Of which: securities firms and other financial institutions treated as banks	-	-	2,597	-	12	-	-	-	-	-	-	-	-	-	-	-	-	688	**3,298**
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
6	Corporates	-	-	51	-	-	-	-	-	98	-	-	-	-	571	-	-	-	-	**720**
	Of which: securities firms and other financial institutions treated as corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	Of which: specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
7	Subordinated debt, equity and other capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	92	-	**92**
8	Retail	-	43	-	-	-	-	-	-	-	-	-	2,206	-	134	-	-	-	-	**2,384**
9	Real estate	-	-	4,830	3,174	4,228	6,078	23	140	402	20	178	12	140	-	32	-	-	56	**19,314**
	Of which: general RRE	-	-	4,830	3,174	4,138	5,996	23	-	85	-	10	-	-	-	-	-	-	56	**18,313**
	Of which: IPRRE	-	-	-	-	90	82	-	140	317	1	-	0	-	-	-	-	-	-	**631**
	Of which: other RRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
	Of which: general CRE	-	-	-	-	-	-	-	-	-	19	-	11	-	-	-	-	-	-	**30**
	Of which: IPCRE	-	-	-	-	-	-	-	-	-	-	168	-	140	-	32	-	-	-	**340**
	Of which: land acquisition, development and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
10	Reverse mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
11	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
12	Defaulted exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	34	-	4	-	-	**37**
13	Other assets	85	-	11	-	-	-	-	-	-	-	-	-	-	546	-	-	2	-	**644**
14	**Total**	**8,205**	**43**	**7,495**	**3,174**	**4,277**	**6,078**	**23**	**140**	**500**	**20**	**178**	**2,218**	**140**	**1,286**	**32**	**4**	**94**	**744**	**34,652**

[1] Other includes Private Mortgage Insurance (PMI) Deductible portion risk weighted at 44%, 55% and 66%.

CR5: Standardised Approach – Exposures by Asset Classes and Risk Weights con't

	Q3 2025 Risk weight	a	b	c	d
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
1	Less than 40%	$ 23,943	$ 15,686	12%	$ 29,272
2	40–70%	4,961	362	31%	1,606
3	75-80%	1,895	2,744	12%	2,218
4	85%	-	-	-	-
5	90–100%	1,362	707	10%	1,425
6	105–130%	32	2	10%	32
7	150%	4	0	10%	4
8	250%	94	-	-	94
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	**Total exposures**	**$ 32,291**	**$ 19,502**	**12%**	**$ 34,652**

* Weighting is based on off-balance sheet exposure (pre-CCF).

CR5: Standardised Approach – Exposures by Asset Classes and Risk Weights

	Q2 2025 Asset Classes	Risk Weighting																		
		0%	15%	20%	25%	30%	35%	40%	45%	50%	60%	70%	75%	90%	100%	110%	150%	250%	Other [1]	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereigns and their central banks	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20
2	Public sector entities (PSEs)	7,792	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,792
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Banks	-	-	2,275	-	45	-	-	-	-	-	-	-	-	-	-	-	-	647	2,967
	Of which: securities firms and other financial institutions treated as banks	-	-	2,268	-	13	-	-	-	-	-	-	-	-	-	-	-	-	647	2,927
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	43	-	-	-	-	-	103	-	-	-	-	528	-	-	-	-	674
	Of which: securities firms and other financial institutions treated as corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which: specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subordinated debt, equity and other capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85	-	85
8	Retail	-	42	-	-	-	-	-	-	-	-	-	2,183	-	119	-	-	-	-	2,345
9	Real estate	-	-	4,714	3,089	4,107	5,837	30	139	398	22	174	14	134	-	30	-	-	55	18,742
	Of which: general RRE	-	-	4,714	3,089	4,019	5,763	30	-	87	-	8	-	-	-	-	-	-	55	17,766
	Of which: IPRRE	-	-	-	-	88	74	-	139	311	1	-	0	-	-	-	-	-	-	612
	Of which: other RRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which: general CRE	-	-	-	-	-	-	-	-	-	21	-	13	-	-	-	-	-	-	34
	Of which: IPCRE	-	-	-	-	-	-	-	-	-	-	166	-	134	-	30	-	-	-	330
	Of which: land acquisition, development and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Reverse mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Defaulted exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	33	-	11	-	-	44
13	Other assets	90	-	11	-	-	-	-	-	-	-	-	-	-	620	-	-	3	-	723
14	Total	7,902	42	7,043	3,089	4,152	5,837	30	139	501	22	174	2,197	134	1,300	30	11	88	702	33,392

[1] Other includes Private Mortgage Insurance (PMI) Deductible portion risk weighted at 44%, 55% and 66%.

CR5: Standardised Approach – Exposures by Asset Classes and Risk Weights con't

	Q2 2025 Risk weight	a	b	c	d
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
1	Less than 40%	$ 22,986	$ 15,399	12%	$ 28,065
2	40–70%	4,668	373	31%	1,566
3	75-80%	1,900	2,501	12%	2,197
4	85%	-	-	-	-
5	90–100%	1,382	591	10%	1,435
6	105–130%	30	2	10%	30
7	150%	11	0	10%	11
8	250%	88	-	-	88
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	Total exposures	$ 31,066	$ 18,866	12%	$ 33,392

* Weighting is based on off-balance sheet exposure (pre-CCF).

CR5: Standardised Approach – Exposures by Asset Classes and Risk Weights

	Q1 2025 Asset Classes	Risk Weighting																		
		0%	15%	20%	25%	30%	35%	40%	45%	50%	60%	70%	75%	90%	100%	110%	150%	250%	Other [1]	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereigns and their central banks	20	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	20
2	Public sector entities (PSEs)	7,520	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,520
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Banks	-	-	3,611	-	47	-	-	-	-	-	-	-	-	-	-	-	-	610	4,268
	Of which: securities firms and other financial institutions treated as banks	-	-	3,603	-	14	-	-	-	-	-	-	-	-	-	-	-	-	610	4,227
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	42	-	-	-	-	-	115	-	-	-	-	469	-	-	-	-	626
	Of which: securities firms and other financial institutions treated as corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which: specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subordinated debt, equity and other capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120	-	120
8	Retail	-	42	-	-	-	-	-	-	-	-	-	2,113	-	111	-	-	-	-	2,266
9	Real estate	-	-	4,557	2,978	3,991	5,579	27	136	414	22	180	14	122	-	35	-	-	54	18,110
	Of which: general RRE	-	-	4,557	2,978	3,907	5,504	27	-	109	-	11	-	-	-	-	-	-	54	17,148
	Of which: IPRRE	-	-	-	-	85	75	-	136	304	1	-	0	-	-	-	-	-	-	601
	Of which: other RRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which: general CRE	-	-	-	-	-	-	-	-	-	21	-	14	-	-	-	-	-	-	35
	Of which: IPCRE	-	-	-	-	-	-	-	-	-	-	169	-	122	-	35	-	-	-	325
	Of which: land acquisition, development and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Reverse mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Defaulted exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	23	-	6	-	-	29
13	Other assets	94	-	9	-	-	-	-	-	-	-	-	-	-	500	-	-	3	-	607
14	Total	7,634	42	8,220	2,978	4,039	5,579	27	136	529	22	180	2,128	122	1,102	35	6	123	664	33,565

CR5: Standardised Approach – Exposures by Asset Classes and Risk Weights con't

	Q1 2025 Risk weight	a	b	c	d
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
1	Less than 40%	$ 23,792	$ 14,933	12%	$ 28,491
2	40–70%	4,367	439	32%	1,558
3	75-80%	1,841	2,366	12%	2,128
4	85%	-	-	-	-
5	90–100%	1,176	563	11%	1,224
6	105–130%	34	2	10%	35
7	150%	6	0	10%	6
8	250%	123	-	-	123
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	Total exposures	$ 31,340	$ 18,303	12%	$ 33,565

CR5: Standardised Approach – Exposures by Asset Classes and Risk Weights

	Q4 2024 Asset Classes	Risk Weighting																	
		0%	15%	20%	25%	30%	35%	40%	45%	50%	60%	70%	75%	90%	100%	110%	150%	250%	Other [1]	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereigns and their central banks	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10
2	Public sector entities (PSEs)	7,444	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,444
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Banks	-	-	2,946	-	48	-	-	-	-	-	-	-	-	-	-	-	-	593	3,586
	Of which: securities firms and other financial institutions treated as banks	-	-	2,940	-	14	-	-	-	-	-	-	-	-	-	-	-	-	593	3,547
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	46	-	-	-	-	-	122	-	-	-	-	446	-	-	-	-	613
	Of which: securities firms and other financial institutions treated as corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which: specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subordinated debt, equity and other capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	120	-	120
8	Retail	-	43	-	-	-	-	-	-	-	-	-	2,036	-	113	-	-	-	-	2,192
9	Real estate	-	-	4,436	2,901	3,937	5,433	17	127	345	25	172	15	120	-	35	-	-	53	17,617
	Of which: general RRE	-	-	4,436	2,901	3,855	5,358	17	-	41	-	7	-	-	-	-	-	-	53	16,667
	Of which: IPRRE	-	-	-	-	82	75	-	127	305	2	-	0	-	-	-	-	-	-	592
	Of which: other RRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which: general CRE	-	-	-	-	-	-	-	-	-	23	-	15	-	-	-	-	-	-	38
	Of which: IPCRE	-	-	-	-	-	-	-	-	-	-	165	-	120	-	35	-	-	-	320
	Of which: land acquisition, development and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Reverse mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Defaulted exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	31	-	9	-	-	39
13	Other assets	99	-	10	-	-	-	-	-	-	-	-	-	-	495	-	-	3	-	607
14	Total	7,553	43	7,438	2,901	3,985	5,433	17	127	467	25	172	2,052	120	1,084	35	9	123	646	32,229

CR5: Standardised Approach – Exposures by Asset Classes and Risk Weights con't

	Q4 2024 Risk weight	a	b	c	d
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
1	Less than 40%	$ 22,923	$ 14,056	11%	$ 27,353
2	40–70%	4,236	236	26%	1,454
3	75-80%	1,789	2,140	12%	2,052
4	85%	-	-	-	-
5	90–100%	1,150	572	11%	1,204
6	105–130%	35	1	10%	35
7	150%	9	2	10%	9
8	250%	123	-	-	123
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	Total exposures	$ 30,265	$ 17,006	12%	$ 32,229

CR5: Standardised Approach – Exposures by Asset Classes and Risk Weights

	Q3 2024 Asset Classes	Risk Weighting																		
		0%	15%	20%	25%	30%	35%	40%	45%	50%	60%	70%	75%	90%	100%	110%	150%	250%	Other	Total credit exposure amount (post-CCF and post-CRM)
1	Sovereigns and their central banks	10	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10
2	Public sector entities (PSEs)	7,395	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,395
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Banks	-	-	3,482	-	40	-	-	-	-	-	-	-	-	-	-	-	-	579	4,101
	Of which: securities firms and other financial institutions treated as banks	-	-	3,466	-	16	-	-	-	-	-	-	-	-	-	-	-	-	579	4,060
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	44	-	-	-	-	-	172	-	-	-	-	406	-	-	-	-	621
	Of which: securities firms and other financial institutions treated as corporates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which: specialised lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7	Subordinated debt, equity and other capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	180	-	180
8	Retail	-	43	-	-	-	-	-	-	-	-	-	2,035	-	111	-	-	-	-	2,190
9	Real estate	-	-	4,338	2,852	3,846	5,443	18	122	353	23	201	14	120	-	35	-	-	52	17,419
	Of which: general RRE	-	-	4,338	2,852	3,766	5,370	18	-	42	-	8	-	-	-	-	-	-	52	16,446
	Of which: IPRRE	-	-	-	-	81	73	-	122	311	2	-	0	-	-	-	-	-	-	590
	Of which: other RRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Of which: general CRE	-	-	-	-	-	-	-	-	-	21	-	13	-	-	-	-	-	-	34
	Of which: IPCRE	-	-	-	-	-	-	-	-	-	-	193	-	120	-	35	-	-	-	349
	Of which: land acquisition, development and construction	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Reverse mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11	Mortgage-backed securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Defaulted exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	32	-	6	-	-	38
13	Other assets	101	-	11	-	-	-	-	-	-	-	-	-	-	483	-	-	3	-	598
14	Total	7,506	43	7,875	2,852	3,886	5,443	18	122	525	23	201	2,049	120	1,032	35	6	183	632	32,553

CR5: Standardised Approach – Exposures by Asset Classes and Risk Weights con't

	Q3 2024 Risk weight	a	b	c	d
		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post-CCF and post-CRM)
1	Less than 40%	$ 23,170	$ 13,917	12%	$ 27,606
2	40–70%	4,246	247	26%	1,521
3	75-80%	1,797	2,050	12%	2,049
4	85%	-	-	-	-
5	90–100%	1,114	485	11%	1,153
6	105–130%	35	1	10%	35
7	150%	6	0	11%	6
8	250%	183	-	-	183
9	400%	-	-	-	-
10	1250%	-	-	-	-
11	Total exposures	$ 30,552	$ 16,700	12%	$ 32,553

Credit Counterparty Risk

CCRA: Qualitative disclosure related to CCR

Derivative strategies are approved at the Bank for hedging purposes only and are governed by the Bank's Investment Standard that is approved by ALCO. To mitigate the unique risks associated with the use of derivatives, the Bank has specific risk management policies and processes, authorized types of derivatives, and robust controls surrounding the usage of these derivatives. Over-the-Counter (OTC) transactions expose the Bank to Counterparty Credit Risk (CCR) and the Bank actively takes steps to mitigate and minimize these exposures, including:

- The Bank only enters into transactions with approved, highly rated counterparties;
- All derivative contracts are governed by an ISDA agreement and Credit Support Annex (CSA) that mitigate Counterparty Credit risk through netting and bilateral collateral posting as per the initial and variation margin requirements.

A rating downgrade of Manulife Bank would have no material impact on the collateral posted by the Bank to a counterparty. The haircut applied to collateral is based on the rating of the underlying security.

CCR1: Analysis of CCR Exposures by Approach

	($ thousands)	Replacement cost	Potential future exposure	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
Q3 2025						
1	SA-CCR (for derivatives)	**$ -**	**$ 527**	**1.4**	**$ 737**	**$ 147**
6	**Total**					**$ 147**
Q2 2025						
1	SA-CCR (for derivatives)	$ 583	$ 916	1.4	$ 2,099	$ 420
6	Total					$ 420
Q1 2025						
1	SA-CCR (for derivatives)	$ 500	$ 1,054	1.4	$ 2,175	$ 435
6	Total					$ 435
Q4 2024						
1	SA-CCR (for derivatives)	$ -	$ 341	1.4	$ 477	$ 95
6	Total					$ 95
Q3 2024 [1]						
1	SA-CCR (for derivatives)	$ -	$ -	1.4	$ -	$ -
6	Total					$ -

[1] As at September 30, 2024, Manulife Bank held no derivative positions.

CCR3: Standardised Approach of CCR Exposures by Regulatory Portfolio and Risk Weights

Regulatory portfolio ($ thousands)	Risk Weight 20%	Total credit exposure
Q3 2025		
Banks	**$ 737**	**$ 737**
Total	**$ 737**	**$ 737**
Q2 2025		
Banks	2,099	2,099
Total	$ 2,099	$ 2,099
Q1 2025		
Banks	2,175	2,175
Total	$ 2,175	$ 2,175
Q4 2024		
Banks	477	477
Total	$ 477	$ 477
Q3 2024 [(1)]		
Banks	-	-
Total	$ -	$ -

[1] As at September 30, 2024, Manulife Bank held no derivative positions.

CCR5: Composition of Collateral for CCR Exposure

($ thousands)	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Q3 2025						
Domestic sovereign debt	**$ 2,277**	**$ 779**	**$ 6,006**	**$ -**	**$ -**	**$ -**
Other sovereign debt	**860**	**-**	**-**	**-**	**-**	**-**
Government agency debt	**-**	**-**	**-**	**-**	**-**	**-**
Corporate bonds	**129**	**-**	**-**	**-**	**-**	**-**
Total	**$ 3,267**	**$ 779**	**$ 6,006**	**$ -**	**$ -**	**$ -**
Q2 2025						
Domestic sovereign debt	$ 20	$ 773	$ 2,966	$ 435	$ -	$ -
Other sovereign debt	1	-	-	-	-	-
Government agency debt	2	-	-	-	-	-
Corporate bonds	2,001	-	-	-	-	-
Total	$ 2,024	$ 773	$ 2,966	$ 435	$ -	$ -
Q1 2025						
Domestic sovereign debt	$ 837	$ -	$ 990	$ 632	$ -	$ -
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Total	$ 837	$ -	$ 990	$ 632	$ -	$ -
Q4 2024						
Domestic sovereign debt	$ 899	$ -	$ 981	$ -	$ -	$ -
Other sovereign debt	-	-	-	-	-	-
Government agency debt	86	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Total	$ 985	$ -	$ 981	$ -	$ -	$ -
Q3 2024 [1]						
Domestic sovereign debt	$ -	$ -	$ -	$ -	$ -	$ -
Other sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -	$ -

[1] As at September 30, 2024, Manulife Bank held no derivative positions.

Market Risk

Market risk is the risk of loss resulting from market price volatility, interest rate changes and adverse foreign currency rate movements. Market price volatility relates to changes in the prices of publicly traded equities and to impacts of interest rate movements on the lending portfolio.

Governance structure

The Risk Committee of the Board annually reviews and approves the Capital Management and Market and Liquidity Risk Management policies. The Board has ultimately delegated the responsibility for the strategic management of market, interest rate and liquidity risks to the Asset Liability Committee ("ALCO"). The ALCO risk management strategy addresses interest rate risk arising between asset returns and supporting liabilities and is designed to keep potential losses stemming from these risks within acceptable limits. Actual investment positions and risk exposures are monitored to ensure adherence to policy guidelines and limits. Positions are reported to ALCO on a monthly basis and to MFC's Global ALCO on a quarterly basis. The Bank invests in common equities based on limits set within the Investment Standard.

Securities

Debt securities are classified and measured as fair value through other comprehensive income ("FVOCI") financial instruments as the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest ("SPPI") and the financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets. Debt securities are recognized initially at fair value plus directly attributable transaction costs and are subsequently presented in the Consolidated Statements of Financial Position at fair value. Unrealized gains and losses on FVOCI debt securities are recorded in other comprehensive income ("OCI") except for unrealized gains or losses attributable to foreign currency translation, which are included in income. When FVOCI debt securities are sold, the unrealized gains or losses are transferred from accumulated other comprehensive income ("AOCI") to the Consolidated Statements of Income. As at September 30, 2025, the total pre-tax unrealized gain recorded in AOCI related to FVOCI debt securities was $1 million (December 31, 2024– unrealized loss of $1 million). The cumulative realized gains arising from the sale of FVOCI debt securities for the three months ended September 30, 2025 was $nil and for the nine months ended September 30, 2025, was nil (three months ended September 30, 2024 – nil and nine months ended September 30, 2024 - nil).

Debt securities measured as FVOCI are subject to the impairment of financial assets requirements of IFRS 9. The expected credit losses ("ECL") allowance is based on credit losses expected to arise over the life of the asset. The Bank recognizes a loss allowance at an amount equal to 12-month ECL for those financial instruments that have not yet seen a significant increase in credit risk since origination, and lifetime ECL once there has been a significant increase in credit risk. The Bank assesses at each reporting date, whether credit risk has increased significantly by comparing the risk of default as at the reporting date, with the risk of default as at the date of initial recognition. The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the Consolidated Statements of Financial Position, which remains at fair value. Instead, an amount equal to the allowance is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets. ECL recognized as at September 30, 2025 was $nil (December 31, 2024 - $nil).

For debt issues, External Credit Assessment Institutions ("ECAI") ratings are used for managing market risk and, if not available, MLI's internal risk ratings are used. When ratings from more than one approved agency are available for a single issue, the priority sequence of rating agencies is Standard & Poor's ("S&P"), Moody's Investor Service, DBRS, Fitch Rating Services, and the parent company's internal risk rating.

Equity securities are classified and measured at fair value through profit or loss ("FVTPL") as these instruments contain contractual cash flows that do not meet the SPPI test (dividend is discretionary and capital gain is not contractual). As at September 30, 2025, the Bank held $92 million of publicly traded FVTPL equity securities (December 31, 2024 – $120 million). Equity securities are measured initially at their fair value plus directly attributable transaction costs and are subsequently presented in the Consolidated Statements of Financial Position at their fair values using published bid prices. Changes in fair value and realized gains and losses are recognized in non-interest income in the Consolidated Statement of Income under net gains (losses) on securities. Dividend income is recorded in interest income. Net realized gain arising from the sale of FVTPL equity securities for the three months ended September 30, 2025, were $0.1 million (September 30, 2024 – net realized loss of $0.2 million) and net realized gains for the nine months ended September 30, 2025, were $1 million (nine months ended September 30, 2024 – $0.4 million). Net unrealized gains recognized in profit or loss for the three months ended September 30, 2025, were $6 million ($15 million for the three months ended September 30, 2024) and for the nine months ended September 30, 2025, were $8 million ($12 million for the nine months ended September 30, 2024).

Operational Risk

ORA: General qualitative information on a bank's operational risk framework

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems failures, human performance failures or from external events.

Key risk factors

Operational risk is inherent in all of MBC's business activities and encompasses a broad range of risks including regulatory compliance failures, legal disputes, technology failures, business interruption, information security and privacy failures, ineffective human resource management, processing errors, modeling errors, ineffective business integration, theft and fraud and damage to physical assets. Exposures can take the form of financial losses, regulatory sanctions, loss of competitive positioning and damage to reputation. Operational risk is embedded in all the practices used to manage other risks such as credit risk, market risk and liquidity risk. If not managed effectively, operational risk can impact the ability to manage these key risks.

Risk management strategy

The Bank's risk control processes are established and communicated through approved policies, and associated management approved standards, procedures, control limits, and delegated authorities which reflect the Bank's risk appetite and risk tolerances.

MBC's Operational Risk Management Policy and Framework outline the governance structure, risk appetite, risk limits and sets the foundation for mitigating operational risks. This base is strengthened by the establishment of appropriate internal controls and systems and by seeking to retain trained and competent people throughout the organization. Risk management programs have been established across functional business areas for specific operational risks that could materially impact the ability to do business or negatively impact the reputations of MBC, MTC and PCMT II.

To ensure effective oversight of risks in the organization, the Bank has established a risk governance structure that includes Bank Senior Management and Risk Committees that ultimately report to the Board. The Board and the Board Risk Committee are responsible for overseeing the Bank's management of its principal risks. The Board Risk Committee and the Bank's CEO delegate the oversight of risk-taking activities and risk management practices to the CRO.

The Bank Executive Risk Committee (ERC) supports the CRO in the oversight of risk taking and risk management activities. The Bank

Executive Risk Committee is responsible for providing oversight related to the management of all risk exposures against approved policies and limits and risk management strategies, and the overall oversight of the Risk Management framework covering risk appetite, risk management responsibilities, risk identification, measurement and assessment, risk monitoring, reporting, control, and mitigation activities.

Business area managers are accountable for the day-to-day management of the operational risks inherent in their operations. Business and functional areas perform risk control self-assessments to identify, document and assess inherent operational risks and the effectiveness of internal controls.

The Bank's CRO and Risk Oversight team provide independent oversight of risk taking and risk mitigation activities across the enterprise. Key risk indicators are monitored and provide early warnings of emerging control issues. Business area managers proactively modify procedures where emerging control issues are identified.

The Bank monitors and reports on enterprise risk on a regular basis. The Bank Executive Risk Committee and Risk Committee of the Board receive quarterly Risk Management reports that reflect any breaches of the Bank's risk tolerance/appetite, recent significant risk events and losses, and any evolving risks and relevant external events that have the potential to impact the Bank's risk policy adherence and its risk capital.

There is an established process in place for the identification and assessment of top and evolving risks. The Bank maintains an Evolving Risk Landscape of operational risks and controls, which are assessed for risk exposure and control effectiveness on a periodic basis. The process allows the Bank to track management action plans taken to mitigate risks or close control gaps. In addition, the Bank has clear procedures governing when and how risk events and issues are brought to the attention of Bank Senior Management and the Bank Executive Risk Committee.

The Bank's approach to risk control also includes risk and capital assessments to appropriately capture key risks in the Bank's measurement and management of capital adequacy. OSFI requires the Bank to hold regulatory operational risk capital. The required operational risk capital calculation is included in the Bank's Internal Capital Adequacy Assessment Process, which considers both Pillar 1 regulatory capital and Pillar 2 capital in relation to the entity's risk profile, strategy, business plans, business complexity, and range of business activities.

IRRBB – Risk management objectives, policies, and quantitative information

Interest rate risk

Interest rate risk is identified as the potential impact of adverse market movements on the Bank's net interest income and economic value of its capital. The Bank measures this by projecting asset and liability cash flows under a range of interest rate scenarios. The Bank takes into consideration loan prepayments, loan commitments and the behaviour of non-maturity deposits in its calculation of the risk metrics. The Bank applies prescribed and internal interest rate shocks to assess interest rate risk and reports these to ALCO monthly. This ensures risk is managed within the set risk appetite. Key assumptions of the interest rate model are reviewed and approved annually by ALCO to ensure that they remain reasonable and appropriate.

Derivative contracts are employed, when appropriate, for asset-liability management purposes to manage interest rate risk within desired tolerances.

The following table shows the sensitivity to a sudden and sustained 100 basis points parallel shock in interest rates to MBC's net interest income ("NII") measured over a 12-month horizon and its economic value of equity ("EVE"). The actual sensitivity outcome may vary depending on multiple factors, including changes to the current positions and management actions.

Interest Rate Risk [1,2]

	Q3 2025		Q2 2025		Q1 2025	
	NII risk	**EVE**	**NII risk**	**EVE**	**NII risk**	**EVE**
100 basis points rate increase	**$ 14**	**$ (4)**	$ 10	$ (5)	$ 2	$ (9)
100 basis points rate decrease	**$ (14)**	**4**	(10)	5	(2)	9

	Q4 2024		Q3 2024	
	NII risk	**EVE**	**NII risk**	**EVE**
100 basis points rate increase	$ (1)	$ (5)	$ (7)	$ (7)
100 basis points rate decrease	1	4	6	6

(1) A parallel movement in interest rates includes a change in government, swap and corporate rates, with a floor of zero.
(2) The interest sensitivity assumes that the Bank moves all Bank-administered rates for lending and deposits directly with market rates. The Bank has the ability to mitigate margin impact through its administered rates.

B6 Disclosures – Liquidity risk

Liquidity risk is therisk of nothaving access tosufficient fundsor liquid assets tomeet both expected and unexpected cashand collateral demands.

At least annually, the Board of Directors reviews and approves the Liquidity and Market Risk Management Policy and reviews the Liquidity Contingency Plan, which ensures the Bank has the infrastructure and control functions in place to meet expected and unexpected liquidity obligations. Risk limits are approved by the Board of Directors and define the maximum level of risk the Bank is willing to take regarding liquidity risks. The Liquidity Contingency Plan outlines various liquidity statuses and includes procedures, action plans, communication requirements and roles and responsibilities under each liquidity status.

Liquidity stress testing is completed monthly to monitor and identify sources of potential liquidity strain, and to ensure current exposures remain in accordance with the Bank's established liquidity risk tolerance and limits. In addition to the Bank's internal metrics, the Bank must also comply with OSFI's Liquidity Adequacy Requirements ("LAR") Guideline, which includes the Net Cumulative Cash Flow ("NCCF") and the Liquidity Coverage Ratio ("LCR"). Key assumptions of the internal stress tests are reviewed and approved annually by ALCO to ensure that they remain reasonable and appropriate.

Liquid assets include unencumbered assets that are marketable, can be pledged as security for borrowings, and can be converted to cash in a timeframe that meets liquidity requirements. The Bank's unencumbered liquid assets as at September 30, 2025, were $4.6 billion (14 per cent of total assets) compared to $5.4 billion as at December 31, 2024 (18 per cent of total assets).

Both the NCCF and LCR regulatory minimums were met by the Bank during the three months ended September 30, 2025.

As a federally regulated bank and member of Payments Canada, Manulife Bank also has access to the Bank of Canada's Standing Term Liquidity Facility.

Governance structure

The Board of Directors has ultimate oversight responsibility for liquidity risk management of the Bank with the Risk Committee of the Board assisting the Board in carrying out this responsibility. The liquidity management responsibilities are ultimately delegated to the CFO & Treasurer. The CRO is responsible for the independent oversight of liquidity risk taking and mitigation activities. ALCO is responsible for the management and monitoring of liquidity risk.

Funding

The Bank has developed and continues to develop strategies to diversify funding sources in terms of funding channels and products, taking into consideration the level of reliance on individual funding sources. Diversification of funding is continually monitored and reported to ALCO and the Board of Directors. The Bank's ability to securitize high quality residential mortgage loans has provided a key source of diversified funding and contingent liquidity. Securitization funding provides the Bank with long-term funding at attractive interest rates.

Securitization

The Bank acts in the capacity of sponsor, originator, servicer, and the provider of credit enhancements for its securitization programs. Mortgage loans purchased by the Bank from third-parties and securitized in the NHA MBS program continue to be serviced by the third-party mortgage servicer. In addition, the Bank also invests in short and long-term investment grade asset-backed securities. The sections below provide an overview of the Bank's securitization programs.

Manulife One securitization programs

MBC has established the Platinum Canadian Mortgage Trust II ("PCMT II") program to securitize high quality uninsured Manulife One accounts. The PCMT II securitization program diversifies MBC's funding capabilities by providing an additional source of funding. The availability of multiple funding channels enhances MBC's ability to obtain low-cost funds and provides increased liquidity. Eligibility criteria are defined in the program documentation. These accounts are pooled by MBC and undivided co-ownership interests in the receivables of the pool are then sold to the program in exchange for cash. The program funds the purchase of the co-ownership interests by issuing term notes. The pool of Manulife One accounts supporting the notes is legally isolated from MBC's assets and the cash flows generated from the pool are used to provide interest and principal payments on the term notes. MBC's continuing involvement includes servicing the pool of Manulife One accounts and performing an administrative role for the programs. MBC also provides loans to the program to pay for upfront transaction costs. These loans are subordinate to all notes issued by PCMT II.

MBC provides credit enhancements to PCMT II in the form of an asset pool balance in excess of notes issued, credit enhancement of the ownership interest, and excess spread consisting of excess cash receipts that are only attributable to MBC after the periodic obligations of PCMT II have been met. As at September 30, 2025, cash reserve accounts have been funded for PCMT II in the amount of $9 million (December 31, 2024 – $22 million). The cash reserve account for PCMT II is funded according to criteria defined in the series agreements.

During the nine-month period ended September 30, 2025, $250 million note was issued under PCMTII (nine-month period ended September 30, 2024 – $250 million). As at September 30, 2025, term notes worth $3,250 million (December 31, 2024 – $3,000 million) are outstanding.

NHA MBS securitization program

MBC securitizes insured amortizing Canadian residential mortgage loans through the NHA MBS program and either holds the securities on the Consolidated Statements of Financial Position or sells them to third party investors. MBC expects to continue to issue NHA MBS in volumes consistent with the growth of insured mortgage assets, subject to CMHC allocations of guarantees for new market NHA MBS.

CMB securitization program

The CMB program represents the lowest cost funding alternative for the Bank's insured amortizing mortgage products. CMB issuances are backed by NHA MBS pools and the payment structure consists of semi-annual coupon payments and a bullet payment at maturity. At issuance of a CMB, a secured borrowing liability is recorded and the related residential mortgages backing the CMB remain on the Bank's Consolidated Statements of Financial Position.

Securitization accounting

The Bank's internal Manulife One securitization program does not meet derecognition requirements. Securitized Manulife One accounts remain on MBC's Consolidated Statements of Financial Position as the Bank retains the pre-payment and interest rate risk associated with these accounts, which represents substantially all of the risks and rewards associated with the transferred assets. These transactions are accounted for as secured financing transactions and MBC continues to recognize the accounts as assets and records a secured borrowing liability (i.e. notes payable, which is accounted for at amortized cost). Interest income on the assets and interest expense on the notes payable are recorded using the effective interest rate method. Transactions under the Bank's internal securitization programs are consolidated with MBC.

Residential mortgage loans securitized through the NHA MBS program also remain on MBC's Consolidated Statements of Financial Position as the Bank retains the pre-payment and interest rate risks. MBC also retains the interest spread between the securities and the underlying mortgage assets. If MBC creates an NHA MBS security without selling it, a liability is not recognized. All securitization exposures are included in the banking book.

The Bank also purchases CMHC insured multi-unit residential mortgages from third party originators with negligible pre-payment and credit risk. These mortgages are pooled within the NHA MBS program and subsequently sold into the CMB program. In the event that the Bank is unable to sell the entire NHA MBS to the CMB program, the remaining portion will be sold to the market. The transaction structure meets specific criteria and qualifies for balance sheet derecognition with an upfront gain recorded on the sale of mortgages. The Bank retains a residual interest, which is recorded as securitization retained interest on the Bank's Consolidated Statements of Financial Position.

Capital treatment for securitization exposures

As discussed within the Capital Management section of this document, MBC utilizes the Standardized Approach to assign risk weightings to assets, including mortgages in the NHA MBS and PCMT II program that do not qualify for derecognition as detailed above, as well as securitization exposures resulting from short-term and long-term investments. The Bank assigns credit assessments from OSFI authorized ECAI.

Summary of Securitized Mortgages

Securitization program	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
Manulife One securitization					
Securitized mortgages - PCMT II [1]	**$ 3,250**	$ 3,250	$ 3,000	$ 3,000	$ 3,000
Restricted cash [2]	**9**	17	16	22	22
Total Manulife One securitization	**$ 3,259**	$ 3,267	$ 3,016	$ 3,022	$ 3,022
NHA MBS securitization					
NHA MBS unsold	**$ 1,818**	$ 2,241	$ 2,001	$ 2,206	$ 1,896
Restricted cash [2]	**40**	40	40	43	43
Total NHA MBS securitization	**$ 1,858**	$ 2,281	$ 2,041	$ 2,249	$ 1,939
Sold to CMB and Market	**3,778**	3,305	3,446	3,274	3,300
Total	**$ 8,895**	$ 8,853	$ 8,503	$ 8,545	$ 8,261

[1] The Securitized mortgage balance comprises $750 million (Series 2016-1), $750 million (Series 2018-1), $1,500 million (Series 2020-1) and $250 million (Series 2025-1) term notes, supported by a pool of uninsured Manulife One accounts.

[2] The securitization programs require issuers to maintain additional cash reserves within the NHA MBS principal and interest custodial account to cover deposits of unscheduled principal payments.

During the three months ended September 30, 2025, $291 million multi-unit residential mortgages were securitized and sold into the CMB program or market and derecognized from the Consolidated Financial Statements (three months ended September 30, 2024 – $256 million), and $2 million gain on sale was recognized (three months ended September 30, 2024 – $1 million). For the nine months ended September 30, 2025, $954 million (nine months ended September 30, 2024 – $688 million) of insured multi-unit residential mortgages were securitized and sold in the CMB program or market and derecognized from the Consolidated Financial Statements and recognized a gain of $6 million (nine months ended September 30, 2024 – $3 million). As at September 30, 2025, $3,671 million (December 31, 2024 – $2,915 million) of insured multi-unit residential mortgages were derecognized from the Consolidated Financial Statements, and securitization retained interests totaling $134 million (December 31, 2024 – $116 million) were recorded as Other Assets.

B20 Disclosures

Residential mortgage loans and Manulife One

MBC has a high-quality mortgage loans portfolio. As at September 30, 2025, MBC had $6.6 billion residential mortgage loans, of which $6.0 billion (91%) were insured and $0.6 billion (9%) were uninsured. In addition, the Bank had $19.6 billion of Manulife One loans of which $2.8 billion (14%) were insured and $16.8 billion (86%) were uninsured. Overall, as at September 30, 2025, MBC had $26.2 billion in residential mortgage and Manulife One mortgage loans of which $8.8 billion (33%) were insured. All residential mortgage loans and Manulife One mortgage loans were originated in Canada.

The table outlining the residential mortgage loans and Manulife One portfolios by geographic region[1] and type is included in the quantitative disclosures below.

[1] Region is based upon address of property mortgaged.

B20 - Mortgages by Province

	Q3 2025				Q2 2025				Q1 2025			
	Insured [2]	Uninsured [2]	Total	Total %	Insured [2]	Uninsured [2]	Total	Total %	Insured [2]	Uninsured [2]	Total	Total %
Residential mortgages [1]												
Alberta	**$ 1,418**	**$ 92**	**$ 1,510**	**23%**	$ 1,285	$ 118	$ 1,403	22%	$ 1,161	$ 96	$ 1,257	22%
Atlantic provinces	**507**	**42**	**549**	**8%**	457	40	497	8%	429	41	470	8%
British Columbia	**455**	**53**	**508**	**8%**	403	62	465	7%	351	54	405	7%
Manitoba	**219**	**15**	**234**	**4%**	202	17	219	4%	178	16	194	3%
Ontario	**1,301**	**174**	**1,475**	**22%**	1,194	190	1,384	22%	1,083	185	1,268	22%
Québec	**1,740**	**201**	**1,941**	**29%**	1,686	231	1,917	31%	1,631	212	1,843	32%
Saskatchewan	**380**	**23**	**403**	**6%**	353	22	375	6%	333	21	354	6%
Territories	**-**	**1**	**1**	**0%**	-	1	1	0%	-	1	1	0%
Total	**$ 6,020**	**$ 601**	**$ 6,621**	**100%**	$ 5,580	$ 681	$ 6,261	100%	$ 5,166	$ 626	$ 5,792	100%
Manulife One												
Alberta	**$ 531**	**$ 1,591**	**$ 2,122**	**11%**	$ 541	$ 1,542	$ 2,083	11%	$ 560	$ 1,462	$ 2,022	11%
Atlantic provinces	**160**	**763**	**923**	**5%**	162	747	909	5%	168	724	892	5%
British Columbia	**385**	**2,585**	**2,970**	**15%**	400	2,478	2,878	15%	418	2,419	2,837	15%
Manitoba	**68**	**294**	**362**	**2%**	70	286	356	2%	73	279	352	2%
Ontario	**815**	**8,473**	**9,288**	**47%**	863	8,137	9,000	47%	879	7,905	8,784	47%
Québec	**663**	**2,789**	**3,452**	**18%**	667	2,654	3,321	18%	699	2,565	3,264	18%
Saskatchewan	**131**	**330**	**461**	**2%**	135	326	461	2%	141	315	456	2%
Territories	**-**	**2**	**2**	**0%**	-	2	2	0%	-	2	2	0%
Total	**$ 2,753**	**$ 16,827**	**$ 19,580**	**100%**	$ 2,838	$ 16,172	$ 19,010	100%	$ 2,938	$ 15,671	$ 18,609	100%

	Q4 2024				Q3 2024			
	Insured [2]	Uninsured [2]	Total	Total %	Insured [2]	Uninsured [2]	Total	Total %
Residential mortgages [1]								
Alberta	$ 1,094	$ 83	$ 1,177	21%	$ 1,070	$ 78	$ 1,148	21%
Atlantic provinces	405	39	444	8%	372	39	411	8%
British Columbia	336	53	389	7%	324	52	376	7%
Manitoba	160	15	175	3%	147	15	162	3%
Ontario	1,024	189	1,213	22%	961	139	1,100	21%
Québec	1,624	226	1,850	33%	1,609	232	1,841	34%
Saskatchewan	320	20	340	6%	304	18	322	6%
Territories	-	1	1	0%	-	1	1	0%
Total	$ 4,963	$ 626	$ 5,589	100%	$ 4,787	$ 574	$ 5,361	100%
Manulife One								
Alberta	$ 582	$ 1,456	$ 2,038	11%	$ 567	$ 1,459	$ 2,026	11%
Atlantic provinces	173	713	886	5%	163	711	874	5%
British Columbia	434	2,394	2,828	15%	430	2,379	2,809	15%
Manitoba	76	274	350	2%	75	280	355	2%
Ontario	915	7,762	8,677	47%	1,132	7,503	8,635	47%
Québec	722	2,512	3,234	18%	650	2,544	3,194	17%
Saskatchewan	146	312	458	2%	147	313	460	3%
Territories	-	3	3	0%	-	3	3	0%
Total	$ 3,048	$ 15,426	$ 18,474	100%	$ 3,164	$ 15,192	$ 18,356	100%

[1] Residential mortgages exclude Manulife One accounts.

[2] The amounts presented for residential mortgages and Manulife One are gross of allowance for expected credit losses.

Average loan-to-value (LTV) ratio

The LTV ratio factors in the amount of collateral value that supports the loan in comparison to the loan value. The LTV ratio on MBC's total uninsured residential mortgage portfolio, including HELOCs was 53% as at September 30, 2025 (December 31, 2024– 53%). This calculation is weighted by mortgage balances and adjusted for property values based on the Teranet – National Bank National Composite House Price Index.

The Bank regularly monitors the credit quality of its portfolio and has implemented a proactive management program, where the Bank takes corrective actions prior to loans going into arrears. The Bank also performs stress tests in order to assess the expected losses on the portfolio in a scenario of a severe shock to the real estate market. The tests indicate that MBC is well positioned to absorb credit losses resulting from conditions assumed in the stress tests.

The following provides a summary of the weighted average LTV ratio by geographic region[1] and type for newly originated and acquired uninsured mortgage loans[2] and HELOCs (including refinances with increase in funds or limits) during the current period.

[1] Region is based upon address of property mortgaged.

B20 - Average LTV Ratios for Uninsured Residential and Manulife One Mortgages Originated During the Quarter

	Q3 2025				Q2 2025				Q1 2025			
	Residential	Manulife One [2]			Residential	Manulife One [2]			Residential	Manulife One [2]		
Average LTV ratio %	mortgages [1]	Revolving [3]	Fixed [3]	Total	mortgages [1]	Revolving [3]	Fixed [3]	Total	mortgages [1]	Revolving [3]	Fixed [3]	Total
Alberta	**74%**	**59%**	**11%**	**70%**	73%	56%	13%	69%	69%	56%	12%	68%
Atlantic provinces	**72%**	**57%**	**10%**	**67%**	72%	56%	11%	67%	68%	56%	10%	66%
British Columbia	**70%**	**54%**	**7%**	**61%**	71%	53%	5%	58%	68%	52%	7%	59%
Manitoba	**76%**	**61%**	**12%**	**73%**	75%	61%	12%	73%	73%	59%	12%	71%
Ontario	**66%**	**55%**	**8%**	**63%**	71%	55%	8%	63%	66%	54%	7%	61%
Quebec	**67%**	**59%**	**11%**	**70%**	66%	59%	10%	69%	60%	58%	11%	69%
Saskatchewan	**76%**	**60%**	**11%**	**71%**	74%	60%	13%	73%	71%	56%	15%	71%
Average	**71%**	**56%**	**9%**	**65%**	71%	56%	9%	65%	67%	55%	9%	64%

	Q4 2024				Q3 2024			
	Residential	Manulife One [2]			Residential	Manulife One [2]		
Average LTV ratio %	mortgages [1]	Revolving [3]	Fixed [3]	Total	mortgages [1]	Revolving [3]	Fixed [3]	Total
Alberta	68%	56%	13%	69%	65%	55%	14%	69%
Atlantic provinces	66%	55%	13%	68%	65%	57%	11%	68%
British Columbia	61%	52%	6%	58%	58%	53%	6%	59%
Manitoba	66%	59%	13%	72%	66%	60%	12%	72%
Ontario	62%	53%	8%	61%	57%	53%	8%	61%
Quebec	60%	58%	10%	68%	55%	58%	10%	68%
Saskatchewan	69%	58%	14%	72%	71%	58%	13%	71%
Average	63%	55%	9%	64%	59%	54%	9%	63%

[1] LTV is calculated using the outstanding amount and weighted by the outstanding amount of each loan.

[2] Manulife One comprising of both revolving and fixed components is secured by the same collateral (residential property).

[3] LTV is calculated based on the authorized limit for revolving component and outstanding amount for the fixed component of Manulife One accounts and weighted by the total borrowing limit for each account. For the revolving component of Manulife One accounts, the average LTV ratio based on the outstanding amount and weighted by total outstanding amount for Manulife One accounts is 45% compared to 56% based on the authorized limits for the three month period ended September 30, 2025, and 44% compared to 56% based on the authorized limits for the three month period ended June 30, 2025

Residential mortgage loans and Manulife One (fixed[2]) portfolios by amortization period

A summary of MBC's residential mortgage loans and Manulife One (fixed) by remaining amortization[3] period based on the contractual terms of the mortgage agreement is presented in the quantitative section below.

B20 - Mortgages by Amortization Period

	Residential mortgages				
	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
<20 years	**26%**	27%	29%	30%	29%
≥20 and <25 years	**62%**	64%	67%	68%	69%
≥25 and <30 years	**10%**	7%	3%	2%	2%
≥30 years	**2%**	2%	1%	0%	0%
Total	**100%**	100%	100%	100%	100%

	Manulife One (fixed)				
	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024
<20 years	**29%**	29%	29%	29%	29%
≥20 and <25 years	**39%**	40%	41%	42%	42%
≥25 and <30 years	**30%**	29%	29%	28%	28%
≥30 years	**2%**	2%	1%	1%	1%
Total	**100%**	100%	100%	100%	100%

[2] Fixed represents the amortizing portion of the Manulife One account.

[3] Remaining amortization is the difference between the contractual amortization and the time elapsed since origination.

Glossary

Basel III framework

- Pillar 1 – CAR: Outlines methodologies to calculate capital and set minimum capital requirements;
- Pillar 2 – Supervisory Review: Requires banks to maintain a formal internal capital adequacy assessment process, subject to supervisory review; and
- Pillar 3 – Market Discipline: Complements other pillars by providing enhanced public disclosures to enable market participants to understand the risk profile of the bank and assess the application of Basel III capital requirements.

Risk weighted assets ("RWA")

Under Basel III, OSFI requires banks to meet minimum risk-based capital requirements for exposures to credit risk, operational risk and market risk, where there are significant trading activities. Risk-weighted assets are calculated for each of these types of risks and added together to determine total risk weighted assets.

Common Equity Tier 1 ("CET1") capital

Comprised mainly of common shares, retained earnings and AOCI, net of applicable regulatory adjustments.

Additional Tier 1 capital

Consists of Tier 1 instruments issued that do not meet the criteria of CET1, contributed surplus from the issuance of instruments not included in CET1, instruments issued by consolidated subsidiaries not included in CET1, net of applicable regulatory adjustments.

Tier 2 capital

Consists of eligible loan loss allowances and subordinated debt, net of applicable regulatory adjustments.

Capital ratios

Regulatory capital ratios are calculated by dividing CET1, Tier 1 and Total Capital by risk-weighted assets. In addition to the CET1, Tier 1 and Total Capital Ratios, Canadian Deposit-taking Institutions are required to ensure that a Leverage Ratio meets a minimum level prescribed by OSFI. All items that are deducted from capital are excluded from total assets.

Leverage ratio

The Leverage Ratio is calculated by dividing the Bank's Tier 1 Capital by the Bank's Total Exposure. The Bank's Total Exposure is the sum of the following: (a) on-balance sheet exposures; (b) derivative exposures; (c) securities financing transaction exposures; and (d) off-balance sheet exposures.

Efficiency ratio

The ratio represents total money expensed to earn a dollar of revenue i.e. a ratio of expense to revenue. A low ratio indicates that the Bank has been efficiently utilizing its resources.