



**Financial and Operating Results
Supplementary Financial Information**

**Sun Life Financial Inc. (unaudited)
For the period ended March 31, 2023**

**SUPPLEMENTARY FINANCIAL INFORMATION
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Reporting Changes

New and Amended International Financial Reporting Standards Adopted in 2023

Sun Life Financial Inc. ("the Company", "Sun Life", "we", "our" and "us") adopted IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments ("IFRS 17" and "IFRS 9", respectively, and "IFRS 17/9", collectively) on January 1, 2023. Restated 2022 IFRS 17 comparative period results have been provided. For IFRS 9, we elected not to restate comparative period results, but will present comparative information on financial assets as if IFRS 9 were applicable during the 2022 comparative period ("classification overlay").

Note to Readers: 2022 Restated Results on Adoption of IFRS 17 and IFRS 9

2022 results have been restated for the adoption of IFRS 17 and the related IFRS 9 classification overlay ("the new standards"). The restated results may not be fully representative of our future earnings profile, as in 2022 we were not managing our asset and liability portfolios under the new standards. The majority of the actions taken to re-balance asset portfolios and transition asset-liability management execution to an IFRS 17 basis occurred in Q1 2023. Accordingly, analysis based on 2022 comparative results may not necessarily be indicative of future trends, and should be interpreted with this context. Using sensitivities to analyze the outlook for market risk and related impacts (e.g., interest rate sensitivities) will be more representative starting with the sensitivities disclosed for Q1 2023 in section I - Risk Management of the Company's Q1 2023 Management's Discussion and Analysis ("MD&A"). Certain 2022 restated results are not audited, or have not yet been audited, and may be subject to change.

Basis of Presentation

All amounts in this document are presented in millions of Canadian dollars unless otherwise indicated. We prepare our unaudited Interim Consolidated Financial Statements using International Financial Reporting Standards ("IFRS"), the accounting requirements of the Office of the Superintendent of Financial Institutions ("OSFI") and in accordance with the International Accounting Standards ("IAS") 34 Interim Financial Reporting as issued and adopted by the International Accounting Standards Board ("IASB"). Reported net income (loss) refers to common shareholders' net income (loss) determined in accordance with IFRS.

Constant Currency Measures

Constant currency measures are calculated using the average currency and period end rates, as appropriate, in effect in the comparable period. Constant currency measures are non-IFRS financial measures. See Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

Rounding

Amounts in this document are impacted by rounding.

Adjustments

Acquisition, Integration and Restructuring

In Q1 2023, amounts include DentaQuest Group, Inc. (DentaQuest) integration costs of \$28 million post-tax and acquisition costs of our SLC Management affiliate, Advisors Asset Management Inc. (AAM) of \$16M post-tax and the unwinding of the discount for Other financial liabilities of \$20 million post-tax for BentalGreenOak (BGO), InfraRed Capital Partners (InfraRed,) the Crescent Capital Group LP (Crescent) and AAM. This was offset by Canada's \$65 million post-tax gain on sale of its sponsored markets business to Canadian Premier Life Insurance Company.

In Q4 2022, amounts include DentaQuest integration costs of \$73 million post-tax, including amortization of intangibles, and acquisition costs of our SLC Management affiliates, BGO, InfraRed, and Crescent, which include the unwinding of the discount for Other financial liabilities of \$17 million post-tax. In Q3 2022, amounts include an impairment charge of \$170 million (£108 million) pertaining to the attributed goodwill that is not expected to be recovered through the SLF of Canada UK Limited ("Sun Life UK") sale to Phoenix Group Holdings plc ("Phoenix Group"), the changes in estimated future payments for acquisition-related contingent considerations and options to purchase remaining ownership interests of SLC Management affiliates in the amount of \$80 million post-tax and acquisition costs of our SLC Management affiliates, BGO, InfraRed and Crescent, which include the unwinding of the discount for Other financial liabilities of \$15 million post-tax, as well as DentaQuest integration costs of \$24 million post-tax. In Q2 2022, amounts relate to the acquisition costs for DentaQuest of \$48 million post-tax, as well as in Q2 and Q1 2022, amounts relate to our SLC Management affiliates, as noted above, which include the unwinding of the discount for Other financial liabilities of \$16 million post-tax for each quarter.

Other

Reinsurance in the U.S.

In October 2022, a matter related to reinsurance pricing for our U.S. In-force Management business was resolved, resulting in a charge of \$48 million (US\$37 million) post-tax in the third quarter and a further charge of \$11 million (US\$8 million) post-tax in the fourth quarter of 2022.

Sale of Wellesley Property in the U.S.

In Q2 2022, there was a \$94 million pre-tax or \$75 million post-tax gain related to the sale-leaseback arrangement on our Wellesley property, including the write-off of leasehold improvements.

Tax Rate Changes

On December 15, 2022, legislation implementing an additional surtax of 1.5% applicable to banks and life insurers' taxable income in excess of \$100 million was enacted in Canada ("Canada Tax Rate Change"). This legislation applies retroactively to the Federal Budget date of April 7, 2022. As a result, Reported net income increased by \$141 million in the fourth quarter, reflected in Other adjustments.

Non-IFRS Financial Measures

Sun Life prepares annual and interim financial statements using IFRS. We report certain financial information that are not based on IFRS ("non-IFRS financial measures"), as we believe that these measures provide information that is useful to investors in understanding our performance and facilitate a comparison of our quarterly and full year results from period to period. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed in isolation from or as alternatives to measures of financial performance determined in accordance with IFRS. Additional information concerning non-IFRS financial measures and, if applicable, reconciliations to the closest IFRS measures are available in the Company's annual and interim MD&A and the Supplementary Financial Information packages on www.sunlife.com under Investors – Financial results and reports.

Underlying Net Income

Underlying net income is a non-IFRS financial measure that assists in understanding Sun Life's business performance by making certain adjustments to IFRS income. Underlying net income, along with common shareholders' net income (Reported net income), is used as a basis for management planning, and is also a key measure in our employee incentive compensation programs. This measure reflects management's view of the underlying business performance of the Company and long-term earnings potential. For example, due to the longer term nature of our individual protection businesses, market movements related to interest rates, equity markets and investment properties can have a significant impact on Reported net income in the reporting period. However, these impacts are not necessarily realized, and may never be realized, if markets move in the opposite direction in subsequent periods or, in the case of interest rates, the fixed income investment is held to maturity.

Effective January 1, 2023, we refined the definition of Underlying net income as follows, and have updated prior period comparative figures to reflect these changes: (i) Market-related impacts were updated to reflect the adoption of IFRS 17 and IFRS 9; (ii) The adjustment for management's ownership of MFS shares was updated to better reflect Sun Life's interest in MFS' earnings; and (iii) Removal of intangible asset amortization on acquired finite-life intangibles. Additional detail on these adjustments is provided below.

Underlying net income removes the impact of the following items from reported net income:

- Market-related impacts reflecting the after-tax difference in actual versus expected market movements, including:
 - i. Net interest impact from risk-free rate, credit spread, and swap spread movements, reflecting accounting mismatches between assets and liabilities:
 - a. Differences arising from fair value changes⁽¹⁾ of fixed income assets (including derivatives) measured at Fair value through profit or loss (FVTPL) supporting insurance contracts, compared to fair value changes of the liabilities⁽²⁾;
 - b. Fair value changes of fixed income assets (including derivatives) measured at FVTPL supporting our investment contract liability and surplus portfolios⁽³⁾; and
 - c. Tax-exempt investment income above or below expected long-term tax savings relating to our Canadian multi-national insurance operations.
 - ii. Non-fixed income investments, where the weighted average expected return is approximately 2% per quarter, including:
 - a. Equity investments (including derivatives) supporting insurance contracts and surplus portfolios; and
 - b. Investment properties supporting insurance contracts and surplus portfolios.
- Assumptions changes and management actions (ACMA) – captures the impact of method and assumption changes, and management actions on insurance and reinsurance contracts.
- Other adjustments:
 - i. Management's ownership of MFS shares – this adjustment removes the change in fair value of MFS common shares owned by management;
 - ii. Acquisition, integration, and restructuring - expense and income related to acquisition or disposal of a business. Also includes expenses related to restructuring activities;
 - iii. Intangible asset amortization - removes the amortization expense associated with finite life intangible assets arising from acquisitions or business combinations excluding amortization of software and distribution agreements; and
 - iv. Other – represents items that are unusual or exceptional in nature which management believes are not representative of the long-term performance of the Company.

Underlying Diluted Earnings per Share (EPS)

This measure is used in comparing the profitability across multiple periods and is calculated by dividing Underlying net income by weighted average common shares outstanding for diluted EPS, excluding the dilutive impact of convertible instruments. For additional information about the Underlying net income, see above. For additional information about the composition of the EPS, please refer to Note 14 of our Interim Consolidated Financial Statements for the period ended March 31, 2023. For additional information about the SLEECs, please refer to Note 13 of our 2022 Annual Consolidated Financial Statements.

Drivers of Earnings (DOE)

The DOE analysis provides additional detail on the sources of earnings, primarily for protection and health businesses, and explains the actual results compared to the longer term expectations. The DOE is presented on a reported common shareholders' basis by removing the allocations to participating policyholders, as well as on an underlying basis. Within the net insurance service result, the underlying DOE provides detail on expected insurance earnings, impact of new insurance business and experience gains (losses). Within the net investment result, the underlying DOE provides detail on expected investment earnings, credit experience, earnings on surplus, and joint ventures & other. For more information on the DOE, see Understanding the Drivers of Earnings on pages 45 to 46 in this document and Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A.

Contractual Service Margin (CSM)

Contractual Service Margin represents a source of stored value for future insurance profits and qualifies as available capital for LICAT purposes. CSM is a component of insurance contract liabilities.

- Organic CSM Movement is comprised of the Impact of new insurance business, Expected movements from asset returns & locked-in rates, Insurance experience gains/losses, and CSM recognized for services provided.
- Expected movements from asset returns & locked-in rates applies to variable fee approach (VFA) and general measurement approach (GMA) contracts. For VFA contracts, this component of the CSM movement analysis is comprised of two factors: (i) the expected return on underlying assets and (ii) the measurement of financial guarantees. The difference between actual and expected results are reported as the impact of markets. For GMA contracts, this component of the CSM includes the accretion of the CSM balance at locked-in rates, which refer to the term structure associated with locked-in discount rates, set when the insurance contract was sold or on transition to IFRS 17. Average locked-in rates increase with the passage of time on in-force business and new business added at higher rates.
- Impact of markets & other includes the difference between actual and expected movement for VFA contracts for: (i) the return on underlying assets and (ii) the measurement of financial guarantees. Also includes other amounts excluded from Organic CSM Movement.
- Insurance experience gains/losses represents the current period impacts of insurance experience, resulting in a change in future cash flows that adjust CSM.
- Impact of change in assumptions represents the future period impacts of changes in fulfillment cash flows that adjust CSM.

⁽¹⁾ For fixed income assets, Underlying net income includes credit experience from rating changes on assets measured at FVTPL, and the Expected credit loss (ECL) impact for assets measured at Fair value through other comprehensive income (FVOCI).

⁽²⁾ Underlying net income is based on observable discount curves and exchange rates at the beginning of the period.

⁽³⁾ Underlying net income for earnings on surplus includes realized gains (losses) on fixed income assets classified as FVOCI.

FINANCIAL HIGHLIGHTS (C\$ millions, unless otherwise noted)	At and For the Quarter Ended					At and For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022	
RESULTS							
Underlying Net Income by Segment ⁽¹⁾							
Asset Management	1	282	324	298	295	321	1,238
Canada	2	316	265	293	299	206	1,063
U.S.	3	237	230	227	134	107	698
Asia	4	141	135	153	118	133	539
Corporate	5	(81)	(62)	(22)	(38)	(47)	(169)
Total underlying net income ⁽¹⁾	6	895	892	949	808	720	3,369
Reported Net Income - Common Shareholders by Segment							
Asset Management	7	254	321	218	298	311	1,148
Canada	8	329	453	56	476	256	1,241
U.S.	9	168	202	125	149	56	532
Asia	10	134	92	—	7	111	210
Corporate	11	(79)	97	(288)	—	(69)	(260)
Total reported net income - Common shareholders	12	806	1,165	111	930	665	2,871
Profitability Measures							
Basic earnings per common share (EPS)							
Reported	13	1.37	1.99	0.19	1.59	1.13	4.90
Diluted earnings per common share							
Underlying	14	1.52	1.52	1.62	1.38	1.23	5.75
Reported	15	1.37	1.98	0.19	1.58	1.13	4.89
Return on equity - underlying ⁽²⁾							
Return on equity - reported ⁽²⁾	16	17.3 %	17.7 %	19.4 %	16.7 %	14.7 %	17.0 %
	17	15.6 %	23.2 %	2.3 %	19.2 %	13.6 %	14.5 %
Dividend per common share (\$)							
Dividend payout ratio ⁽³⁾	18	0.72	0.72	0.69	0.69	0.66	2.76
Underlying							
Reported ⁽⁴⁾	19	47 %	47 %	43 %	50 %	54 %	48 %
	20	53 %	36 %	nm	44 %	58 %	56 %
Dividend yield ⁽⁵⁾	21	4.4 %	4.8 %	4.7 %	4.4 %	3.8 %	4.4 %
Valuation Data							
Book value per common share ⁽⁶⁾	22	35.34	34.60	33.33	32.89	32.61	34.60
Tangible book value per common share	23	11.67	11.70	9.91	10.18	15.91	11.70
Price-to-book value (times)	24	1.79	1.82	1.65	1.79	2.14	1.82
Total market capitalization (TSX in \$ billions)	25	37.0	36.9	32.2	34.6	40.9	36.9
Common Share Information (SLF on TSX)							
High (intraday)	26	69.09	64.64	62.44	70.54	74.22	74.22
Low (intraday)	27	60.01	52.97	54.11	57.21	64.62	52.97
Close (end of period)	28	63.14	62.85	54.93	58.98	69.80	62.85
Financial Strength							
SLF LICAT ratio ⁽⁷⁾	29	148 %	130 %	129 %	128 %	143 %	130 %
SLA LICAT ratio ⁽⁷⁾	30	144 %	127 %	123 %	124 %	123 %	127 %
Financial leverage ratio ⁽⁸⁾	31	23.2 %	25.1 %	26.4 %	25.7 %	25.9 %	25.1 %
Sales, Gross Flows and Net Flows ⁽⁹⁾							
Wealth sales & asset management gross flows	32	46,349	43,269	42,146	56,279	56,956	198,650
Net wealth sales & asset management net flows	33	(1,772)	(12,055)	(8,105)	809	(1,120)	(20,471)
Individual - Protection sales	34	511	498	444	416	409	1,767
Group - Health & Protection sales	35	543	1,345	499	320	390	2,554

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on pages 31 to 34 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽²⁾ Return on equity - reported and underlying are non-IFRS financial measures that are determined as Reported net income (loss) and Underlying net income (loss) divided by the total weighted average common shareholders' equity for the period. Refer to Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A for additional details on the composition of the measure.

⁽³⁾ Dividend payout ratio is a non-IFRS financial measure and the calculation methodology is dividends paid per share to diluted reported EPS and diluted underlying EPS, respectively. Refer to Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A for additional details on the measure.

⁽⁴⁾ Reported dividend payout ratio in Q3 2022 is "nm" that is defined as not meaningful.

⁽⁵⁾ The quarterly Dividend yield calculation represents the annualized dividend per share in the quarter over the daily average share price in the quarter. The annual dividend calculation represents the dividend paid in the year over the daily average share price for the year.

⁽⁶⁾ Book value per share is calculated as common shareholders' equity divided by the number of common shares outstanding at the end of the period.

⁽⁷⁾ LICAT ratio for Sun Life Financial Inc. is disclosed according to OSFI's LICAT 2023 guideline effective January 1, 2023. The guideline specifies that available capital for LICAT purposes includes Contractual service margin other than for Segregated funds. Prior period restatements are not required by OSFI.

⁽⁸⁾ Financial leverage ratio, which is the total debt plus preferred shares and other equity instruments to capital ratio, is a non-IFRS financial measure. Effective January 1, 2023, the calculation for Financial leverage ratio was updated to include the Contractual service margin balance (net of taxes) in the denominator. This measure has not been restated for periods in 2022 and earlier as IFRS 17 and IFRS 9 were not the accounting standards in effect and therefore, were not applicable to our capital management practices at the time. Refer to Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A for additional details on the composition of the measure.

⁽⁹⁾ Sales, gross flows and net flows are non-IFRS financial measures. Refer to Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A for the composition of the measures.

FINANCIAL HIGHLIGHTS CONTINUED
**At and For
the Year
Ended
2022**
At and For the Quarter Ended
Q1 2023 Q4 2022 Q3 2022 Q2 2022 Q1 2022
Number of Common Shares Outstanding (in millions) ⁽¹⁾

At beginning of period	1	586.4	586.1	586.1	586.1	586.0	586.0
Common shares issued	2	0.3	0.3	—	—	0.1	0.4
At end of period	3	586.7	586.4	586.1	586.1	586.1	586.4
Weighted average shares outstanding - basic	4	587	586	586	586	586	586
Weighted average shares outstanding - diluted ⁽²⁾	5	590	590	589	589	590	589

Assets Under Management and Administration (AUMA) ⁽³⁾⁽⁴⁾

General funds	6	201,792	198,316	198,181	191,786	196,240	198,316
Segregated funds	7	131,033	125,292	118,564	120,098	133,496	125,292
Third-party assets under management							
Retail	8	543,847	527,617	505,679	508,214	568,678	527,617
Institutional and managed & other	9	528,897	507,673	485,670	475,394	492,980	507,673
Consolidation adjustments	10	(41,947)	(40,337)	(38,725)	(38,054)	(39,686)	(40,337)
Total third-party assets under management	11	1,030,797	994,953	952,624	945,554	1,021,972	994,953
Total assets under management	12	1,363,622	1,318,561	1,269,369	1,257,438	1,351,708	1,318,561
Total assets under administration ⁽⁴⁾	13	95,696	43,866	41,815	42,092	45,819	43,866
Total AUMA ⁽³⁾⁽⁴⁾	14	1,459,318	1,362,427	1,311,184	1,299,530	1,397,527	1,362,427

Select Constant Currency Measures ⁽⁵⁾

Underlying net income	15	863				720
Reported net income ⁽⁵⁾	16	778				665
Wealth sales & asset management gross flows	17	43,882				56,956
Net wealth sales & asset management net flows	18	(1,586)				(1,120)
Assets under management	19	1,287,862				1,351,708
Individual - Protection sales	20	507				409
Group - Health & Protection sales	21	519				390
Underlying earnings per share - diluted	22	1.47				1.23
Reported earnings per share - diluted ⁽⁵⁾	23	1.32				1.13

⁽¹⁾ Certain numbers have been rounded in order to arrive at the number of common shares outstanding at end of period.

⁽²⁾ The number of diluted shares outstanding reflect the impact of dilution from the Sun Life Exchangeable Capital Securities (SLEECs) under IFRS. Where the calculation of diluted EPS has resulted in anti-dilution, the dilutive impact of the SLEECs has been excluded in the number of weighted average number of shares outstanding.

⁽³⁾ Assets under management is a non-IFRS financial measure that indicates the size of our Company's assets across asset management, wealth, and insurance. Refer to Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A for additional details on the composition of the measure.

⁽⁴⁾ Assets under administration (AUA) is a non-IFRS financial measure that represents Client assets for which Sun Life provides administrative services. In Canada, AUA includes mutual fund dealers' assets in Individual Wealth and administrative services assets in Group Retirement Services. In Asia, AUA includes administrative services assets in China and Hong Kong. In SLC Management, AUA includes assets distributed by SLC Management's affiliate, Advisors Asset Management Inc.

⁽⁵⁾ Constant currency measures are non-IFRS financial measures that exclude the impacts of foreign exchange translation to assist in comparing our results from period to period. Refer to Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A for additional details and Non-IFRS Financial Measures Glossary on page 43 of this document for a reconciliation of constant currency reported net income and reported earnings per share - diluted.

CONSOLIDATED STATEMENTS OF OPERATIONS

(C\$ millions)

	For the Quarter Ended					For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022	
Insurance service result							
Insurance revenue	1	5,282	5,305	5,149	4,405	4,043	18,902
Insurance service expenses	2	(4,564)	(4,491)	(4,269)	(3,941)	(3,755)	(16,456)
Reinsurance contract held net income (expenses)	3	(30)	(63)	(289)	116	83	(153)
Net insurance service result	4	688	751	591	580	371	2,293
Investment result							
Investment result excluding result for account of segregated fund holders:							
Net investment income (loss)	5	4,800	1,168	(2,056)	(9,151)	(10,541)	(20,580)
Insurance finance income (expenses) from insurance contracts issued	6	(4,371)	(640)	2,105	9,951	11,179	22,595
Insurance finance income (expenses) from reinsurance contracts held	7	63	5	(143)	(118)	(184)	(440)
Decrease (increase) in investment contract liabilities	8	(71)	(50)	(45)	(31)	(26)	(152)
Net investment result excluding result for account of segregated fund holders	9	421	483	(139)	651	428	1,423
Investment result for insurance contracts for account of segregated fund holders:							
Investment income (loss) on investments for account of segregated fund holders	10	812	1,092	(403)	(2,219)	(823)	(2,353)
Insurance finance income (expenses)	11	(812)	(1,092)	403	2,219	823	2,353
Net investment result for insurance contracts for account of segregated fund holders	12	—	—	—	—	—	—
Net investment result	13	421	483	(139)	651	428	1,423
Fee income	14	1,901	2,021	1,808	1,779	1,839	7,447
Other expenses (income)							
Other income ⁽¹⁾	15	(102)	—	—	—	—	—
Operating expenses and commissions	16	1,882	1,995	1,911	1,586	1,600	7,092
Interest expenses	17	135	127	119	101	98	445
Total other expenses (income)	18	1,915	2,122	2,030	1,687	1,698	7,537
Income before income taxes	19	1,095	1,133	230	1,323	940	3,626
Less: Income tax expense (benefit)	20	177	(65)	77	315	219	546
Total net income	21	918	1,198	153	1,008	721	3,080
Less: Net income (loss) allocated to the participating account	22	33	(16)	15	55	29	83
Less: Net income (loss) attributable to non-controlling interest (NCI)	23	59	29	9	9	9	56
Net income - Shareholders	24	826	1,185	129	944	683	2,941
Less: Preferred shareholders' dividends and distributions on other equity instruments	25	20	20	18	14	18	70
Reported net income - Common shareholders	26	806	1,165	111	930	665	2,871
Underlying net income ⁽²⁾	27	895	892	949	808	720	3,369

⁽¹⁾ Effective February 1, 2023, we completed the sale of our sponsored markets business to Canadian Premier Life Insurance Company and recorded a pre-tax gain on the sale of the business of \$102 million pre-tax in Other income.

⁽²⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 31 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

COMMON SHAREHOLDERS' DRIVERS OF EARNINGS - Total Company ⁽¹⁾	For the Quarter Ended					For the Year	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022	
(C\$ millions)							
Risk adjustment release	1	95	105	98	95	94	392
Contractual service margin recognized for services provided	2	199	192	193	175	200	760
Expected earnings on short-term (group) insurance business	3	378	350	339	270	276	1,235
Expected insurance earnings	4	672	647	630	540	570	2,387
Impact of new insurance business	5	(12)	(31)	(22)	(16)	(23)	(92)
Experience gains (losses)	6	16	105	77	12	(133)	61
Net insurance service result - Underlying	7	676	721	685	536	414	2,356
Expected investment earnings	8	217	165	171	159	158	653
Credit experience	9	(10)	(15)	—	9	(20)	(26)
Earnings on surplus	10	171	150	155	122	94	521
Joint ventures & other	11	69	48	34	19	18	119
Net investment results - Underlying	12	447	348	360	309	250	1,267
Asset Management - underlying ⁽²⁾	13	362	430	402	379	425	1,636
Other fee income ⁽²⁾	14	93	76	116	95	107	394
Expenses - other ⁽³⁾	15	(478)	(467)	(393)	(315)	(366)	(1,541)
Income before taxes - Underlying	16	1,100	1,108	1,170	1,004	830	4,112
Income tax (expense) or recovery	17	(191)	(187)	(193)	(174)	(83)	(637)
Dividends, distributions, NCI ⁽⁴⁾	18	(14)	(29)	(28)	(22)	(27)	(106)
Underlying net income ⁽⁵⁾	19	895	892	949	808	720	3,369
Add: Non-underlying net income adjustments ⁽⁵⁾ (post-tax):							
Market-related impacts	20	(64)	224	(361)	118	(2)	(21)
Assumption changes and management actions (ACMA)	21	(5)	12	(131)	(22)	(27)	(168)
Other adjustments:							
Management's ownership of MFS shares	22	17	27	37	42	9	115
Acquisition, integration and restructuring ⁽⁶⁾	23	(4)	(86)	(312)	(73)	(21)	(492)
Intangible asset amortization	24	(33)	(41)	(23)	(19)	(14)	(97)
Other ⁽⁷⁾	25	—	137	(48)	76	—	165
Reported net income - Common shareholders	26	806	1,165	111	930	665	2,871

UNDERLYING NET INCOME BY BUSINESS TYPE ⁽⁸⁾ - Total Company	For the Quarter Ended					For the Year	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022	
Wealth & asset management ⁽⁹⁾	27	411	412	419	420	422	1,673
Group - Health & Protection ⁽¹⁰⁾	28	303	321	281	238	123	963
Individual - Protection ⁽¹¹⁾	29	291	231	305	215	249	1,000
Corporate expenses & other ⁽¹²⁾	30	(110)	(72)	(56)	(65)	(74)	(267)
Underlying net income	31	895	892	949	808	720	3,369
Add: Market-related impacts	32	(64)	224	(361)	118	(2)	(21)
ACMA	33	(5)	12	(131)	(22)	(27)	(168)
Other adjustments	34	(20)	37	(346)	26	(26)	(309)
Reported net income - Common shareholders	35	806	1,165	111	930	665	2,871

EXCHANGE RATES - Average for the period	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022	
U.S. Dollar	36	1.35	1.36	1.30	1.28	1.27	1.30

⁽¹⁾ The Drivers of Earnings ("DOE") is a non-IFRS financial measure. Refer to the reconciliation of the Statements of Operations Total net income to the DOE on page 38 and Understanding the Drivers of Earnings on pages 45 to 46 of this document. For more information on the DOE, also see Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A.

⁽²⁾ The DOE presents certain amounts on a net basis to reflect management's view of the economic impact. These amounts would otherwise be included on separate Statement of Operations lines under IFRS, including: i) Results of the Asset Management operating segment within Fee Income, Net investment result and Other expenses; ii) Income for fee-based businesses with the associated expenses; and iii) Other offsetting items.

⁽³⁾ Expenses - other removes non-underlying Other adjustments, including Management's ownership of MFS shares, Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be removed from Other expenses. Further, this measure excludes the associated expenses related to Other fee income and Asset Management - underlying to assist with the understanding of the profitability of fee income and Asset Management businesses.

⁽⁴⁾ Dividends on preferred shares, distributions on other equity instruments, and non-controlling interests (Dividends, distributions, NCI).

⁽⁵⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 31 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽⁶⁾ Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽⁷⁾ On December 15, 2022, legislation implementing an additional surtax of 1.5% applicable to banks and life insurers' taxable income in excess of \$100 million was enacted in Canada ("Canada Tax Rate Change"). This legislation applies retroactively to the Federal Budget date of April 7, 2022. As a result, Reported net income increased by \$141 million in the fourth quarter, reflected in Other adjustments. In October 2022, a matter related to reinsurance pricing for our U.S. In-force Management business was resolved, resulting in a charge of \$48 million post-tax in the third quarter and a further charge of \$11 million post-tax in the fourth quarter of 2022. In Q2 2022, Other included a gain related to the sale-leaseback arrangement on our Wellesley property.

⁽⁸⁾ Underlying net income by business type is a non-IFRS financial measure. For more information about business types in Sun Life's operating segments/business groups, see section A - How We Report Our Results under the heading Underlying Net Income by Business Types of the Company's Q1 2023 MD&A.

⁽⁹⁾ Wealth & asset management includes MFS and SLC Management in the Asset Management business group, the Individual Wealth and Group Retirement Services businesses in Canada and the wealth & asset management businesses in the Philippines, Hong Kong, China and India.

⁽¹⁰⁾ Group - Health & Protection includes Sun Life Health in Canada as well as Group Benefits and Dental in the U.S.

⁽¹¹⁾ Individual - Protection includes Individual Insurance in Canada, In-force Management in the U.S., and the protection businesses in ASEAN, Hong Kong, Joint Ventures and High-Net-Worth in Asia. Individual - Protection also includes the group businesses and the International wealth run-off business in Asia as well as the UK annuities run-off businesses.

⁽¹²⁾ Corporate expenses & other includes the Corporate Support business unit in Corporate and Regional Office in Asia.

STATEMENTS OF FINANCIAL POSITION

(C\$ millions)

	At the Quarter Ended					As at
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	January 1, 2022
Assets						
Cash, cash equivalents and short-term securities	11,012	11,219	11,386	9,437	10,525	12,278
Debt securities	76,285	75,902	75,526	75,007	81,203	88,727
Equity securities	7,590	7,148	6,740	6,930	8,289	9,113
Mortgages and loans	53,303	51,253	51,117	50,616	52,076	55,727
Derivative assets	1,813	2,095	2,632	1,670	1,451	1,583
Other financial invested assets	9,482	9,418	8,869	7,448	7,298	7,071
Financial assets	159,485	157,035	156,270	151,108	160,842	174,499
Investment properties	10,148	10,102	10,149	9,781	9,431	9,109
Other non-financial invested assets	1,676	1,652	1,651	1,591	1,594	1,660
Invested assets	171,309	168,789	168,070	162,480	171,867	185,268
Other assets	6,829	6,442	6,690	6,457	5,208	4,279
Reinsurance contract held assets	6,052	6,115	6,271	6,290	6,204	6,612
Insurance contract assets	238	75	141	130	94	162
Deferred tax assets	3,475	3,466	3,285	3,120	3,077	2,940
Intangible assets	5,081	4,724	5,150	4,920	3,326	3,370
Goodwill	8,808	8,705	8,574	8,389	6,464	6,517
Total general fund assets	201,792	198,316	198,181	191,786	196,240	209,148
Investments for account of segregated fund holders	131,033	125,292	118,564	120,098	133,496	139,996
Total assets	332,825	323,608	316,745	311,884	329,736	349,144
Liabilities and equity						
Liabilities						
Insurance contract liabilities excluding those for account of segregated fund holders	134,230	131,294	130,660	129,192	136,961	149,412
Reinsurance contract held liabilities	1,734	1,603	1,820	1,720	1,730	1,994
Investment contract liabilities	10,967	10,728	10,429	10,227	9,959	9,914
Derivative liabilities	1,915	2,351	3,186	2,535	1,812	1,392
Deferred tax liabilities	512	468	568	567	232	234
Other liabilities	22,147	22,109	22,133	19,080	17,291	17,371
Senior debentures - innovative capital instruments	200	200	200	200	200	200
Subordinated debt	6,677	6,676	7,075	6,427	6,426	6,425
Total general fund liabilities	178,382	175,429	176,071	169,948	174,611	186,942
Insurance contract liabilities for account of segregated fund holders	23,622	23,139	22,070	22,057	24,741	26,079
Investment contract liabilities for account of segregated fund holders	107,411	102,153	96,494	98,041	108,755	113,917
Total liabilities	309,415	300,721	294,635	290,046	308,107	326,938
Equity						
Issued share capital and contributed surplus	10,664	10,640	10,643	10,647	10,621	10,615
Shareholders' retained earnings and accumulated other comprehensive income	12,310	11,889	11,132	10,870	10,729	11,342
Total shareholders' equity	22,974	22,529	21,775	21,517	21,350	21,957
Equity in the participating account	303	268	271	265	217	190
Non-controlling interests' equity	133	90	64	56	62	59
Total equity	23,410	22,887	22,110	21,838	21,629	22,206
Total liabilities and equity	332,825	323,608	316,745	311,884	329,736	349,144
EXCHANGE RATES - Period end rates						
U.S. Dollar	1.35	1.35	1.38	1.29	1.25	1.26

STATEMENTS OF TOTAL SHAREHOLDERS' EQUITY

(C\$ millions)

	At and For the Quarter Ended				At and For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
Preferred shares and other equity instruments	1	2,239	2,239	2,239	2,239	2,239
Common shares						
Balance, beginning of period	2	8,311	8,308	8,306	8,305	8,305
Stock options exercised	3	20	3	2	—	1
Balance, end of period	4	8,331	8,311	8,308	8,306	8,311
Contributed surplus						
Balance, beginning of period	5	90	96	102	76	71
Share-based payments	6	6	(6)	(6)	26	5
Stock options exercised	7	(2)	—	—	—	—
Balance, end of period	8	94	90	96	102	76
Retained earnings						
Balance, beginning of period	9	11,729	10,986	11,275	10,750	14,713
Adjustment for changes in accounting policies ⁽¹⁾	10	(553)	—	—	—	(4,241)
Balance, beginning of period, after change in accounting policy	11	11,176	10,986	11,275	10,750	10,472
Net Income (loss)	12	826	1,185	129	944	683
Dividends on common shares	13	(424)	(422)	(400)	(405)	(387)
Dividends on preferred shares and distributions on other equity instruments	14	(20)	(20)	(18)	(14)	(18)
Change attributable to acquisition	15	(158)	—	—	—	—
Balance, end of period	16	11,400	11,729	10,986	11,275	10,750
Accumulated other comprehensive income (loss), net of taxes						
Balance, beginning of period	17	160	146	(405)	(21)	986
Adjustment for changes in accounting policies ⁽¹⁾	18	553	—	—	—	(116)
Balance, beginning of period, after change in accounting policy	19	713	146	(405)	(21)	870
Total Other Comprehensive Income (loss) for the period	20	197	14	551	(384)	(891)
Balance, end of period	21	910	160	146	(405)	(21)
Total Shareholders' equity, end of period	22	22,974	22,529	21,775	21,517	21,350
						22,529

⁽¹⁾ For additional details on the adjustment of changes related to IFRS 17 and IFRS 9, refer to the Consolidated Statements of Changes in Equity and Note 2. Changes in Accounting Policies of the Company's Q1 2023 Consolidated Financial Statements and Notes.

LICAT RATIO - SUN LIFE FINANCIAL INC. ⁽¹⁾

(C\$ millions)

At the
Quarter
Ended
Q1 2023

CAPITAL RESOURCES

Tier 1 capital

Adjusted retained earnings and contributed surplus (includes contractual service margin)	1	22,553
Adjusted accumulated other comprehensive income	2	910
Common & preferred shares and other equity instruments	3	10,571
Innovative instruments	4	200
Other	5	—

Less:

Goodwill	6	4,664
Tier 1 deductions	7	14,051

Net Tier 1 capital

8 15,519

Tier 2 capital

Preferred shares and subordinated debt	9	6,677
Other Tier 2	10	3,983

Less:

Tier 2 deductions	11	—
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Net Tier 2 capital

12 10,660

Surplus allowance and eligible deposits	13	5,692
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Total capital resources

14 31,871

CAPITAL REQUIREMENTS

Credit risk	15	4,099
Market risk	16	4,249
Insurance risk	17	10,526
Total non-participating product risk (before other credits and diversification)	18	18,874
Total participating product risk including par credits (before other credits and diversification)	19	4,971

Less:

Credits and diversification benefits	20	5,036
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Total non-participating and participating product risk

21 18,809

Segregated fund guarantee risk	22	712
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Operational risk	23	2,059
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Base solvency buffer

24 21,580

LICAT ratio	25	148 %
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LICAT core ratio	26	90 %
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IFRS 17/9

IFRS 4 & IAS 39 ⁽²⁾

For the Year
Ended

For the Quarter Ended

Q1 2023

Q4 2022

Q3 2022

Q2 2022

Q1 2022

2022

CAPITAL ⁽²⁾

Subordinated debt	27	6,677	6,676	7,075	6,427	6,426	6,676
Innovative capital instruments ⁽³⁾	28	200	200	200	200	200	200
Equity:							
Preferred shareholders' equity and other equity instruments	29	2,239	2,239	2,239	2,239	2,239	2,239
Common shareholders' equity	30	20,735	25,211	24,718	23,825	23,659	25,211
Equity in the participating account	31	303	1,837	1,764	1,713	1,704	1,837
Non-controlling interests' equity	32	133	90	64	56	62	90
Contractual service margin	33	11,243	—	—	—	—	—
Total capital	34	41,530	36,253	36,060	34,460	34,290	36,253

⁽¹⁾ LICAT ratio for Sun Life Financial Inc. is disclosed according to OSFI's LICAT 2023 guideline effective January 1, 2023. The guideline specifies that available capital for LICAT purposes includes Contractual service margin other than for Segregated funds. Prior period restatements are not required by OSFI.

⁽²⁾ Effective January 1, 2023, the definition of Capital was updated to include the Contractual service margin balance. Capital has not been restated for periods in 2022 and earlier as IFRS 17 and IFRS 9 were not the accounting standards in effect and therefore, were not applicable to our capital management practices at the time.

⁽³⁾ Innovative capital instruments, which represent SLEECs issued by Sun Life Capital Trust, are presented net of associated transaction costs. SLEEC securities qualify as capital for Canadian Regulatory purposes.

CONTRACTUAL SERVICE MARGIN (CSM) MOVEMENT ANALYSIS (C\$ millions)		At and For the Quarter Ended				At and For
		Q1 2023	Q4 2022	Q3 2022	Q2 2022	the Year Ended 2022
CSM at beginning of period	1	10,865	10,350	9,904	9,881	9,797
Impact of new insurance business ⁽¹⁾	2	257	268	272	216	173
Expected movements from asset returns & locked-in rates ⁽²⁾⁽³⁾	3	125	118	91	75	78
Insurance experience gains/losses ⁽³⁾	4	68	46	(76)	(39)	25
CSM recognized for services provided	5	(223)	(223)	(206)	(217)	(215)
Organic CSM movement ⁽³⁾	6	227	209	81	35	61
Impact of markets & other ⁽³⁾	7	87	159	(168)	(55)	67
Impact of change in assumptions ⁽³⁾	8	46	160	252	2	17
Currency impact	9	18	(13)	281	41	(61)
Total CSM movement	10	378	515	446	23	84
CSM at end of period	11	11,243	10,865	10,350	9,904	9,881

⁽¹⁾ Impact of new insurance business on CSM, also referred to as "new business CSM", represents growth from sales activity in the period, including individual protection sales (excluding joint ventures), and defined benefit solutions and segregated fund wealth sales in Canada.

⁽²⁾ Expected movements from asset returns & locked-in rates primarily reflects: i) the expected returns on assets supporting VFA contracts and ii) the increase in average locked-in rates from the passage of time on in-force business and new business added at higher rates. Locked-in rates refer to the term structure associated with locked-in discount rates, set when the insurance contract was sold, or on transition to IFRS 17. VFA contracts include Participating life insurance, Segregated funds, and Variable Universal Life (VUL).

⁽³⁾ Certain measures in the CSM Movement Analysis are non-IFRS financial measures. For more information see Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading CSM non-IFRS financial measures of the Company's Q1 2023 MD&A.

ASSET MANAGEMENT

(C\$ millions)

FINANCIAL SUMMARY

	Q1 2023	At and For the Quarter Ended				At and For the	
		Q4 2022	Q3 2022	Q2 2022	Q1 2022	Year Ended 2022	
Underlying net income ⁽¹⁾							
MFS	1	254	276	273	250	281	1,080
SLC Management	2	28	48	25	45	40	158
Total	3	282	324	298	295	321	1,238
Reported net income (loss) - Common shareholders							
MFS	4	271	303	310	292	290	1,195
SLC Management	5	(17)	18	(92)	6	21	(47)
Total	6	254	321	218	298	311	1,148
Gross flows	7	40,829	37,380	36,434	49,640	49,427	172,881
Net flows ⁽²⁾	8	(2,513)	(12,624)	(7,682)	279	(1,958)	(21,985)
ASSETS UNDER MANAGEMENT AND ADMINISTRATION (AUMA)							
MFS ⁽³⁾	9	770,734	742,317	703,362	711,690	796,096	742,317
SLC Management ⁽⁴⁾	10	217,827	209,647	208,244	193,562	184,736	209,647
Total assets under management	11	988,561	951,964	911,606	905,252	980,832	951,964
Assets under administration ⁽⁵⁾	12	50,131	—	—	—	—	—
Total AUMA	13	1,038,692	951,964	911,606	905,252	980,832	951,964

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 32 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽²⁾ Net flows are a non-IFRS financial measure that represents gross inflows less gross outflows.

⁽³⁾ Includes retail and institutional assets. Retail consists of domestic and international retail funds as well as other retail and trust accounts. Institutional consists of institutional accounts, pension business and insurance products.

⁽⁴⁾ Represents institutional assets. Excludes assets managed on behalf of the Insurance businesses and General Fund.

⁽⁵⁾ Assets under administration represent assets distributed by SLC Management's affiliate, Advisors Asset Management Inc.

MFS

(US\$ millions, unless otherwise noted)

BUSINESS UNIT FINANCIAL SUMMARY

	At and For the Quarter Ended				At and For the Year Ended		
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022	
Revenue							
Net investment result	1	20	22	7	(5)	(6)	18
Fee income	2	787	775	801	838	909	3,323
Total revenue	3	807	797	808	833	903	3,341
Expenses	4	544	514	500	542	606	2,162
Income before income taxes	5	263	283	308	291	297	1,179
Income tax expense (benefit)	6	63	60	68	63	69	260
Reported net income - Common shareholders	7	200	223	240	228	228	919
Underlying net income ⁽¹⁾	8	188	202	212	197	221	832

RETAIL - CHANGES IN ASSETS UNDER MANAGEMENT (AUM)

Opening AUM	9	367,276	343,706	371,234	428,085	465,384	465,384
Inflows	10	20,048	19,059	16,624	21,697	25,992	83,372
Outflows	11	(21,895)	(27,328)	(22,212)	(28,432)	(28,970)	(106,942)
Market movement	12	15,312	31,839	(21,940)	(50,116)	(34,321)	(74,538)
Closing AUM	13	380,741	367,276	343,706	371,234	428,085	367,276

INSTITUTIONAL - CHANGES IN AUM

Opening AUM	14	180,600	165,018	181,664	208,843	227,377	227,377
Inflows	15	5,477	3,955	4,986	10,015	6,113	25,069
Outflows	16	(7,885)	(7,577)	(9,696)	(8,743)	(8,579)	(34,595)
Market movement	17	11,347	19,204	(11,936)	(28,451)	(16,068)	(37,251)
Closing AUM	18	189,539	180,600	165,018	181,664	208,843	180,600

SUPPLEMENTAL INFORMATION

Total assets under management	19	570,280	547,876	508,724	552,898	636,928	547,876
Average net assets	20	566,269	540,507	560,929	592,064	647,107	584,793
Total gross flows	21	25,525	23,014	21,610	31,712	32,105	108,441
Total net flows ⁽²⁾	22	(4,255)	(11,891)	(10,298)	(5,463)	(5,444)	(33,096)
Retail net flows	23	(1,847)	(8,269)	(5,588)	(6,735)	(2,978)	(23,570)
Institutional net flows	24	(2,408)	(3,622)	(4,710)	1,272	(2,466)	(9,526)
Pre-tax net operating margin ⁽³⁾	25	37 %	40 %	41 %	36 %	39 %	39 %
Pre-tax gross operating margin ⁽⁴⁾	26	33 %	35 %	36 %	32 %	34 %	34 %

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-tax and Post-Tax on page 34 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽²⁾ Total net flows are a non-IFRS financial measure that represents the combined retail and institutional funds gross inflows less gross outflows. Retail consists of domestic and international retail funds as well as other retail and trust accounts. Institutional consists of institutional accounts, pension business and insurance products.

⁽³⁾ Pre-tax net operating margin is a measure of the profitability of MFS, which excludes management's ownership of MFS shares, compensation-related equity plan adjustments and certain commission expenses that are offsetting. Refer to the Margin reconciliation on an IFRS basis on page 35 of this document as well as Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures.

⁽⁴⁾ Pre-tax gross operating margin is a non-IFRS financial measure that represents the profitability of MFS. This ratio excludes management's ownership of MFS shares and compensation-related equity plan adjustments. Refer to the Margin reconciliation on an IFRS basis on page 35 of this document.

SLC MANAGEMENT

(C\$ millions, unless otherwise noted)

BUSINESS UNIT FINANCIAL SUMMARY		For the Quarter Ended					For the Year
		Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022
Underlying net income ⁽¹⁾	1	28	48	25	45	40	158
Reported net income (loss) - Common shareholders	2	(17)	18	(92)	6	21	(47)
SUPPLEMENTARY INCOME STATEMENT ⁽²⁾							
Fee-related revenue							
Management fees	3	244	234	218	209	201	862
Distribution fees	4	15	—	—	—	—	—
Property management, transaction, advisory and other fees	5	24	32	25	33	25	115
Total fee-related revenue	6	283	266	243	242	226	977
Fee-related expenses							
Compensation - fee-related	7	163	141	130	138	128	537
Other operating expenses	8	52	52	55	52	44	203
Total fee-related expenses	9	215	193	185	190	172	740
Total fee-related earnings	10	68	73	58	52	54	237
Investment income (loss) and performance fees	11	5	20	3	20	13	56
Interest and other	12	(32)	(23)	(13)	(9)	(6)	(51)
Operating income	13	41	70	48	63	61	242
Market related impacts	14	7	6	—	15	—	21
Placement fees - other	15	(1)	(4)	(4)	—	—	(8)
Intangible asset amortization	16	14	10	10	10	10	40
Acquisition, integration and restructuring	17	45	24	131	18	17	190
Income (loss) before income taxes	18	(24)	34	(89)	20	34	(1)
Income tax expense (benefit)	19	(1)	6	(6)	6	4	10
Non-controlling interest	20	(6)	10	9	8	9	36
Reported net income (loss) - Common shareholders	21	(17)	18	(92)	6	21	(47)
Market-related impacts ⁽¹⁾	22	(7)	(8)	3	(17)	—	(22)
Acquisition, integration and restructuring ⁽¹⁾⁽³⁾	23	(33)	(26)	(117)	(18)	(15)	(176)
Intangible asset amortization ⁽¹⁾	24	(5)	(3)	(3)	(4)	(4)	(14)
Other ⁽¹⁾	25	—	7	—	—	—	7
Underlying net income ⁽¹⁾	26	28	48	25	45	40	158
Pre-tax fee-related earnings margin ⁽⁴⁾	27	24 %	24 %	24 %	23 %	23 %	24 %
Pre-tax net operating margin ⁽⁵⁾	28	21 %	23 %	22 %	24 %	24 %	23 %

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 32 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽²⁾ Certain measures of this Supplementary Income Statement are non-IFRS financial measures. Refer to SLC Management Reported Net Income Reconciliation and Non-IFRS Financial Measures Glossary on pages 36 and 44, respectively.

⁽³⁾ In Q3 2022, amounts include the changes in estimated future payments for acquisition-related contingent considerations and options to purchase remaining ownership interests of SLC Management affiliates in the amount of \$96 million pre-tax or \$80 million post-tax.

⁽⁴⁾ Pre-tax fee-related earnings margin represents SLC Management's profitability in relation to funds that earn recurring fee revenues, while excluding investment income and performance fees. The ratio is calculated by dividing Fee-related earnings by Fee-related revenues, and the ratio is based on the last twelve months. IFRS 17 and IFRS 9 were adopted on January 1, 2023, as such Q3 2022 to Q1 2022 margins are under an IFRS 39 basis. Refer to Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A for additional details.

⁽⁵⁾ Pre-tax net operating margin represents a measure of SLC Management's profitability. The ratio is calculated by dividing the Total operating income by Fee-related revenue plus Investment income (loss) and performance fees, and the ratio is based on the last twelve months. IFRS 17 and IFRS 9 were adopted on January 1, 2023, as such Q3 2022 to Q1 2022 margins are under an IFRS 39 basis. Refer to Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A for additional details.

SLC MANAGEMENT CONTINUED

(C\$ millions)

		At and For the Quarter Ended				At and For the Year Ended	
		Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
AUM	1	217,827	209,647	208,244	193,562	184,736	209,647
CHANGES IN AUM							
Opening AUM	2	209,647	208,244	193,562	184,736	183,925	183,925
Inflows	3	6,322	6,136	8,248	9,176	8,757	32,317
Outflows	4	(3,083)	(2,616)	(2,499)	(1,926)	(3,818)	(10,859)
Realizations and distributions ⁽¹⁾	5	(1,496)	(1,088)	(1,035)	(1,574)	(859)	(4,556)
Market movement and other ⁽²⁾	6	6,437	(1,029)	9,968	3,150	(3,269)	8,820
Closing AUM	7	217,827	209,647	208,244	193,562	184,736	209,647
CHANGES IN FEE-EARNING AUM ⁽³⁾							
Opening fee-earning AUM	8	164,438	162,886	150,062	146,053	147,941	147,941
Inflows	9	5,044	7,899	10,158	6,758	8,168	32,983
Outflows	10	(2,500)	(2,103)	(1,320)	(1,774)	(2,616)	(7,813)
Realizations and distributions ⁽¹⁾	11	(1,215)	(2,009)	(1,775)	(1,901)	(1,176)	(6,861)
Market movement and other ⁽²⁾	12	5,892	(2,235)	5,761	926	(6,264)	(1,812)
Closing fee-earning AUM	13	171,659	164,438	162,886	150,062	146,053	164,438
SUPPLEMENTAL INFORMATION ⁽⁴⁾							
Capital raising	14	2,295	3,001	3,796	5,697	5,674	18,168
Deployment	15	5,962	6,863	9,490	6,961	6,888	30,202
AUM not yet earning fees	16	20,829	21,028	21,595	20,783	18,281	21,028
Assets under administration ⁽⁵⁾	17	50,131	—	—	—	—	—

⁽¹⁾ Realizations represent proceeds from the disposition or other monetization of assets, with capital returned to investors or held in non-fee earning cash to be deployed in the regular course of a product life cycle. Distributions include regular course income from an investment product, including dividends, where payments are initiated by SLC Management.

⁽²⁾ Market movement and other consists of realized and unrealized gains (losses) on portfolio investments, the impact of foreign exchange rate fluctuations, working capital changes within investment products and the transfer in of acquired assets.

⁽³⁾ Fee earning AUM is a non-IFRS measure. Refer to the Non-IFRS Financial Measures Glossary on page 43 as well as Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A for additional details.

⁽⁴⁾ The Supplemental Information measures are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures Glossary on page 43 as well as Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A for additional details.

⁽⁵⁾ Assets under administration represent assets distributed by SLC Management's affiliate, Advisors Asset Management Inc.

CANADA

(C\$ millions)

STATEMENTS OF OPERATIONS	At and For the Quarter Ended					At and For the	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Year Ended 2022	
Insurance service result							
Insurance revenue	1	2,046	2,079	2,048	2,036	1,948	8,111
Insurance service expenses	2	(1,734)	(1,700)	(1,736)	(1,711)	(1,773)	(6,920)
Reinsurance contract held net income (expenses)	3	(47)	(73)	(106)	(62)	(21)	(262)
Net insurance service result	4	265	306	206	263	154	929
Investment result							
Net investment income (loss)	5	2,870	297	947	(5,558)	(6,384)	(10,698)
Insurance finance income (expenses) from insurance contracts issued	6	(2,633)	(64)	(955)	6,049	6,722	11,752
Insurance finance income (expenses) from reinsurance contracts held	7	(14)	22	(10)	45	40	97
Decrease (increase) in investment contract liabilities	8	(71)	(53)	(42)	(34)	(31)	(160)
Net investment result	9	152	202	(60)	502	347	991
Fee income	10	366	349	343	348	355	1,395
Other expenses (income)							
Other Income ⁽¹⁾	11	(102)	—	—	—	—	—
Operating expenses and commissions	12	420	414	358	354	386	1,512
Interest expenses	13	44	49	56	50	46	201
Total expenses (income)	14	362	463	414	404	432	1,713
Income before income taxes	15	421	394	75	709	424	1,602
Income tax expense (benefit)	16	76	(61)	3	219	174	335
Net income (loss) allocated to the participating account	17	16	2	16	14	(6)	26
Reported net income - Common shareholders	18	329	453	56	476	256	1,241
Underlying net income ⁽²⁾	19	316	265	293	299	206	1,063
Return on equity - underlying	20	18.3 %	15.2 %	17.6 %	19.2 %	13.4 %	16.3 %
Return on equity - reported	21	19.1 %	25.9 %	3.3 %	30.6 %	16.6 %	19.1 %
SUN LIFE HEALTH							
Net premiums ⁽³⁾	22	1,605	1,599	1,571	1,554	1,527	6,251
Fee income	23	93	85	80	77	72	314
WEALTH, HEALTH AND PROTECTION SALES							
Individual - Protection	24	136	139	119	126	112	496
Group - Health & Protection	25	145	107	114	92	220	533
Group & individual sales	26	281	246	233	218	332	1,029
Individual - Wealth & asset management	27	2,067	1,713	1,546	1,799	2,204	7,262
Group Retirement Services ⁽⁴⁾	28	1,023	2,386	1,635	1,542	1,804	7,367
Gross wealth sales & asset management gross flows	29	3,090	4,099	3,181	3,341	4,008	14,629
Net wealth sales & asset management net flows ⁽⁵⁾	30	76	1,151	46	357	485	2,039
AUMA							
General funds	31	108,316	107,407	106,127	102,511	107,057	107,407
Segregated funds	32	114,425	109,058	103,411	104,424	115,944	109,058
Third-party AUM ⁽⁶⁾	33	6,070	6,136	6,022	6,208	6,955	6,136
Total AUM	34	228,811	222,601	215,560	213,143	229,956	222,601
Assets under administration ⁽⁷⁾	35	41,041	39,293	37,487	37,766	41,417	39,293
Total AUMA	36	269,852	261,894	253,047	250,909	271,373	261,894
Wealth AUM ⁽⁸⁾	37	158,748	152,374	145,478	145,511	159,114	152,374
SLGI Asset Management Inc.							
Gross flows							
Retail	38	525	455	408	553	904	2,320
Institutional & other ⁽⁹⁾	39	529	672	461	583	947	2,663
Total gross flows	40	1,054	1,127	869	1,136	1,851	4,983
Net flows ⁽¹⁰⁾	41	(127)	(55)	(85)	16	408	284
Assets under management	42	35,464	33,978	32,366	32,821	36,213	33,978

⁽¹⁾ Effective February 1, 2023, we completed the sale of our sponsored markets business to Canadian Premier Life Insurance Company and recorded a pre-tax gain on the sale of the business of \$102 million pre-tax in Other income.

⁽²⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 31 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N, Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽³⁾ Net premiums are a non-IFRS financial measure. Net premiums include gross insurance and annuity premiums adjusted for unearned premiums, experience-rated refund premiums, premium taxes and associated ceded amounts.

⁽⁴⁾ Effective January 1, 2023, wealth sales and asset management gross flows in Group Retirement Services in Canada have been updated to exclude retained sales to better align with the methodology for Life Insurance Marketing and Research Association (LIMRA) reporting. We have updated prior period amounts to reflect this change.

⁽⁵⁾ Net wealth sales refer to gross wealth sales less redemptions, maturities and withdrawals in Individual Wealth and Group Retirement Services business AUM.

⁽⁶⁾ Third-party AUM represents SLGI Asset Management Inc. retail funds.

⁽⁷⁾ Assets under administration represent mutual fund dealers' assets in Individual Wealth and assets in which administrative services are provided in Group Retirement Services.

⁽⁸⁾ Wealth AUM includes General fund assets, Segregated fund assets and SLGI Asset Management Inc. retail funds associated with Individual Wealth. Wealth AUM excludes Third-party mutual funds assets.

⁽⁹⁾ Institutional & other consists primarily of Group Retirement Services Segregated fund deposits.

⁽¹⁰⁾ SLGI Asset Management Inc. net flows are a non-IFRS measure that consists of gross flows less redemptions.

CANADA CONTINUED

(C\$ millions)

		For the Quarter Ended					For the Year
		Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022
COMMON SHAREHOLDERS' DRIVERS OF EARNINGS ⁽¹⁾							
Risk adjustment release	1	47	54	51	50	49	204
CSM recognized for services provided	2	90	90	82	78	96	346
Expected earnings on short-term (group) insurance business	3	132	128	128	114	121	491
Expected insurance earnings	4	269	272	261	242	266	1,041
Impact of new insurance business	5	(10)	(27)	(16)	(9)	(16)	(68)
Experience gains (losses)	6	(19)	44	(17)	7	(59)	(25)
Net insurance service result - Underlying	7	240	289	228	240	191	948
Expected investment earnings	8	165	130	135	124	112	501
Credit experience	9	(13)	(18)	(1)	9	(23)	(33)
Earnings on surplus	10	93	53	65	56	33	207
Other	11	1	(2)	—	2	(10)	(10)
Net investment results - Underlying	12	246	163	199	191	112	665
Other fee income ⁽²⁾	13	39	21	53	50	55	179
Expenses - other ⁽³⁾	14	(125)	(136)	(120)	(103)	(126)	(485)
Income before taxes - Underlying	15	400	337	360	378	232	1,307
Income tax (expense) or recovery	16	(84)	(72)	(67)	(79)	(26)	(244)
Underlying net income ⁽⁴⁾	17	316	265	293	299	206	1,063
Add: Non-underlying net income adjustments ⁽⁴⁾ (post-tax):							
<i>Market-related impacts</i>	18	(47)	235	(172)	202	65	330
ACMA	19	(2)	(133)	(61)	(22)	(12)	(228)
<i>Other adjustments:</i>							
<i>Acquisition, integration and restructuring ⁽⁵⁾</i>	20	65	(1)	(1)	—	—	(2)
<i>Intangible asset amortization</i>	21	(3)	(3)	(3)	(3)	(3)	(12)
<i>Other ⁽⁶⁾</i>	22	—	90	—	—	—	90
Reported net income - Common shareholders	23	329	453	56	476	256	1,241
UNDERLYING NET INCOME BY BUSINESS TYPE							
Wealth & asset management ⁽⁷⁾	24	114	72	102	110	80	364
Group - Health & Protection ⁽⁸⁾	25	95	102	102	112	59	375
Individual - Protection ⁽⁹⁾	26	107	91	89	77	67	324
Underlying net income	27	316	265	293	299	206	1,063
Add: <i>Market-related impacts</i>	28	(47)	235	(172)	202	65	330
ACMA	29	(2)	(133)	(61)	(22)	(12)	(228)
<i>Other adjustments</i>	30	62	86	(4)	(3)	(3)	76
Reported net income - Common shareholders	31	329	453	56	476	256	1,241

⁽¹⁾ The DOE is a non-IFRS financial measure. Refer to the reconciliation of the Statements of Operations Total net income to the DOE on page 39 of this document as well as Section N. Non-IFRS Financial Measures, 1. Common Shareholders' View of Reported Net Income. For more information on the DOE, also see Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A.

⁽²⁾ Other fee income is comprised of pre-tax earnings (net of expenses) for wealth and asset management businesses (Group Retirement Services Defined Contribution business and SLGI Asset Management Inc.) and administrative-services only (ASO) fee-based business. To reflect management's view of the economic impact, the associated expenses are adjusted to show on a net basis with the associated fee income.

⁽³⁾ Expenses - other removes the non-underlying Other adjustments, including Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be an adjustment from Other expenses. Further, this measure excludes the associated expenses related to Other fee income.

⁽⁴⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 31 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽⁵⁾ In Q1 2023, Acquisition, integration and restructuring reflects a \$65 million post-tax gain on the sale of our sponsored markets business to Canadian Premier Life Insurance Company.

⁽⁶⁾ On December 15, 2022, legislation implementing an additional surtax of 1.5% applicable to banks and life insurers' taxable income in excess of \$100 million was enacted in Canada ("Canada Tax Rate Change"). This legislation applies retroactively to the Federal Budget date of April 7, 2022. As a result, reported net income increased by \$90 million in Q4 2022, reflected in Other adjustments.

⁽⁷⁾ Wealth & Asset Management includes Individual Wealth and Group Retirement Services.

⁽⁸⁾ Group - Health & Protection represents Sun Life Health.

⁽⁹⁾ Individual - Protection represents Individual Insurance.

CANADA CONTINUED

(C\$ millions)

BUSINESS UNIT FINANCIAL SUMMARY	At and For the Quarter Ended				At and For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
Underlying net income						
Individual Insurance and Wealth	140	110	113	106	85	414
Sun Life Health	95	102	102	112	59	375
Group Retirement Services	81	53	78	81	62	274
Total underlying net income	316	265	293	299	206	1,063
Reported net income (loss) - Common shareholders						
Individual Insurance and Wealth	93	268	(72)	296	221	713
Sun Life Health	175	95	74	79	(33)	215
Group Retirement Services	61	90	54	101	68	313
Total reported net income	329	453	56	476	256	1,241
WEALTH, HEALTH AND PROTECTION SALES						
Individual Insurance and Wealth						
Individual - Protection - Sun Life Financial Distribution (SLFD) ⁽¹⁾	36	46	38	45	37	166
Individual - Protection - Third-party	100	93	81	81	75	330
Total individual - protection sales	136	139	119	126	112	496
Individual Wealth - fixed products	397	431	330	258	190	1,209
Individual Wealth - mutual funds	1,475	1,121	1,073	1,341	1,708	5,243
Individual Wealth - segregated funds	195	161	143	200	306	810
Total Individual Wealth sales	2,067	1,713	1,546	1,799	2,204	7,262
Wealth manufactured sales ⁽²⁾	994	912	761	891	1,149	3,713
Other wealth sales	1,073	801	785	908	1,055	3,549
Total Individual Wealth sales	2,067	1,713	1,546	1,799	2,204	7,262
SLFD - Career Advisor Network	2,711	2,704	2,687	2,731	2,792	2,704
Sun Life Health sales	145	107	114	92	220	533
Group Retirement Services						
Defined Contribution sales	162	486	393	72	877	1,828
Defined Benefits Solutions sales	40	1,017	443	654	5	2,119
Asset consolidation and rollovers	821	883	799	816	922	3,420
Total Group Retirement Services sales	1,023	2,386	1,635	1,542	1,804	7,367
AUMA						
Individual Insurance and Wealth						
General funds	70,977	70,562	70,079	66,865	70,296	70,562
Segregated funds	11,759	11,553	11,271	11,559	13,021	11,553
Third-party AUM ⁽³⁾	6,070	6,136	6,022	6,208	6,955	6,136
Total AUM	88,806	88,251	87,372	84,632	90,272	88,251
Mutual fund dealers' assets ⁽⁴⁾	27,732	26,366	25,426	25,423	27,940	26,366
Total Individual Insurance and Wealth AUMA	116,538	114,617	112,798	110,055	118,212	114,617
Sun Life Health						
General funds	14,500	14,832	14,918	15,296	15,693	14,832
Group Retirement Services						
General funds	22,839	22,012	21,130	20,350	21,068	22,012
Segregated funds	102,666	97,505	92,140	92,865	102,923	97,505
Total AUM	125,505	119,517	113,270	113,215	123,991	119,517
Assets under administration ⁽⁵⁾	13,310	12,926	12,060	12,344	13,477	12,926
Total Group Retirement Services AUMA	138,815	132,443	125,330	125,559	137,468	132,443

⁽¹⁾ Individual insurance sales - SLFD include sales from Prospr, a hybrid digital advice solution, and Sun Life Go, a digital channel.

⁽²⁾ Wealth manufactured sales represent sales of individual wealth products developed by Sun Life, which include SLGI Asset Management Inc. retail funds, Sun Life Guaranteed Investment Fund segregated funds, Guaranteed Investment Certificates, and Accumulation and Payout Annuities.

⁽³⁾ Third-party AUM represents SLGI Asset Management Inc. retail funds.

⁽⁴⁾ Mutual fund dealers' assets represent assets under administration.

⁽⁵⁾ Group Retirement Services assets under administration represent assets in which administrative services are provided.

U.S.

(C\$ millions)

STATEMENTS OF OPERATIONS	For the Quarter Ended					For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022	
Insurance service result							
Insurance revenue	1	2,819	2,709	2,669	1,955	1,671	9,004
Insurance service expenses	2	(2,498)	(2,389)	(2,238)	(1,940)	(1,633)	(8,200)
Reinsurance contract held net income (expenses)	3	11	8	(191)	165	109	91
Net insurance service result	4	332	328	240	180	147	895
Investment result							
Net investment income (loss)	5	698	157	(1,027)	(1,255)	(1,715)	(3,840)
Insurance finance income (expenses) from insurance contracts issued	6	(733)	3	1,220	1,589	1,932	4,744
Insurance finance income (expenses) from reinsurance contracts held	7	84	(9)	(138)	(169)	(222)	(538)
Net investment result	8	49	151	55	165	(5)	366
Fee income	9	111	125	103	52	27	307
Other expenses							
Operating expenses and commissions	10	253	315	223	174	83	795
Interest expenses	11	24	23	24	16	10	73
Total other expenses	12	277	338	247	190	93	868
Income before income taxes	13	215	266	151	207	76	700
Income tax expense (benefit)	14	42	54	30	43	14	141
Net income (loss) allocated to the participating account	15	5	10	(4)	15	6	27
Reported net income - Common shareholders	16	168	202	125	149	56	532
Underlying net income ⁽¹⁾	17	237	230	227	134	107	698
NET PREMIUMS ⁽²⁾							
Group Benefits	18	1,574	1,497	1,436	1,386	1,351	5,670
Dental	19	1,010	965	900	361	99	2,325
Total	20	2,584	2,462	2,336	1,747	1,450	7,995
FEE INCOME							
Group Benefits	21	26	24	21	19	21	85
Dental	22	83	89	80	31	4	204
Total	23	109	113	101	50	25	289
SALES							
Group Benefits	24	152	1,071	216	189	135	1,611
Dental	25	221	150	150	24	13	337
Total	26	373	1,221	366	213	148	1,948

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 32 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽²⁾ Net premiums are a non-IFRS financial measure. Net premiums include gross insurance and annuity premiums adjusted for unearned premiums, experience-rated refund premiums, premium taxes and associated ceded amounts.

U.S. CONTINUED

(C\$ millions)

	For the Quarter Ended				For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
COMMON SHAREHOLDERS' DRIVERS OF EARNINGS ⁽¹⁾						
Risk adjustment release	1	8	8	8	8	32
CSM recognized for services provided	2	18	9	28	19	66
Expected earnings on short-term (group) insurance business	3	244	223	206	150	731
Expected insurance earnings	4	270	240	242	177	829
Experience gains (losses)	5	54	84	70	(37)	114
Net insurance service result - Underlying	6	324	324	312	167	943
Expected investment earnings	7	28	22	24	15	81
Credit experience	8	1	2	6	—	8
Earnings on surplus	9	32	36	30	21	105
Other	10	8	(2)	5	24	37
Net investment results - Underlying	11	69	58	65	43	231
Other fee income ⁽²⁾	12	35	50	37	25	136
Expenses - other ⁽³⁾	13	(130)	(142)	(127)	(77)	(430)
Income before taxes - Underlying	14	298	290	287	173	880
Income tax (expense) or recovery	15	(61)	(60)	(60)	(23)	(182)
Underlying net income ⁽⁴⁾	16	237	230	227	107	698
Add: Non-underlying net income adjustments ⁽⁴⁾ (post-tax):						
<i>Market-related impacts</i>	17	(17)	18	(10)	(1)	(35)
ACMA	18	—	57	(5)	—	53
<i>Other adjustments:</i>						
Acquisition, integration and restructuring ⁽⁵⁾	19	(29)	(59)	(24)	(5)	(137)
Intangible asset amortization	20	(23)	(33)	(15)	(5)	(63)
Other ⁽⁶⁾	21	—	(11)	(48)	75	16
Reported net income - Common shareholders	22	168	202	125	149	532
UNDERLYING NET INCOME BY BUSINESS TYPE						
Group - Health & Protection ⁽⁷⁾	23	208	219	179	126	588
Individual - Protection ⁽⁸⁾	24	29	11	48	8	110
Underlying net income	25	237	230	227	134	698
Add: <i>Market-related impacts</i>	26	(17)	18	(10)	(1)	(35)
ACMA	27	—	57	(5)	—	53
<i>Other adjustments</i>	28	(52)	(103)	(87)	16	(184)
Reported net income - Common shareholders	29	168	202	125	149	532

⁽¹⁾ The DOE is a non-IFRS financial measure. Refer to the reconciliation of the Statements of Operations Total net income to the DOE on page 40 of this document as well as Section N. Non-IFRS Financial Measures, 1. Common Shareholders' View of Reported Net Income. For more information on the DOE, also see Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A.

⁽²⁾ Other fee income is comprised of pre-tax earnings (net of expenses) for certain dental and ASO businesses. To reflect management's view of the economic impact, the associated expenses are adjusted to show on a net basis with the associated income.

⁽³⁾ Expenses - other removes the non-underlying Other adjustments, including Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be an adjustment from Other expenses. Further, this measure excludes the associated expenses related to Other fee income.

⁽⁴⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 32 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽⁵⁾ Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽⁶⁾ Other reflects a matter related to reinsurance pricing for our U.S. In-force Management business that was resolved, resulting in a charge of \$48 million post-tax in the third quarter and a further charge of \$11 million post-tax in the fourth quarter of 2022. In Q2 2022, Other reflects a gain related to the sale-leaseback arrangement on our Wellesley property.

⁽⁷⁾ Group - Health & Protection includes Group Benefits and Dental.

⁽⁸⁾ Individual - Protection represents In-force Management.

U.S.

(US\$ millions)

STATEMENTS OF OPERATIONS

	For the Quarter Ended					For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022	
Insurance service result							
Insurance revenue	1	2,084	1,995	2,046	1,530	1,320	6,891
Insurance service expenses	2	(1,847)	(1,762)	(1,731)	(1,510)	(1,292)	(6,295)
Reinsurance contract held net income (expenses)	3	11	5	(141)	127	85	76
Net insurance service result	4	248	238	174	147	113	672
Investment result							
Net investment income (loss)	5	513	121	(777)	(993)	(1,353)	(3,002)
Insurance finance income (expenses) from insurance contracts issued	6	(541)	2	922	1,241	1,527	3,692
Insurance finance income (expenses) from reinsurance contracts held	7	62	(6)	(108)	(132)	(175)	(421)
Net investment result	8	34	117	37	116	(1)	269
Fee income	9	82	92	79	41	21	233
Other expenses							
Operating expenses and commissions	10	186	232	158	136	65	591
Interest expenses	11	18	16	18	14	8	56
Total other expenses	12	204	248	176	150	73	647
Income before income taxes	13	160	199	114	154	60	527
Income tax expense (benefit)	14	31	39	21	30	12	102
Net income (loss) allocated to the participating account	15	4	9	(3)	11	4	21
Reported net income - Common shareholders	16	125	151	96	113	44	404
Underlying net income ⁽¹⁾	17	176	173	173	102	83	531
Return on equity - underlying	18	14.8 %	14.7 %	15.0 %	11.2 %	12.7 %	13.6 %
Return on equity - reported	19	10.5 %	12.7 %	8.3 %	12.4 %	6.8 %	10.3 %
NET PREMIUMS ⁽²⁾							
Group Benefits	20	1,165	1,103	1,100	1,087	1,067	4,357
Dental	21	747	711	690	283	78	1,762
Total	22	1,912	1,814	1,790	1,370	1,145	6,119
FEE INCOME							
Group Benefits	23	19	17	17	15	16	65
Dental	24	61	65	62	24	3	154
Total	25	80	82	79	39	19	219
SALES							
Group Benefits	26	112	788	166	149	106	1,209
Dental	27	163	111	115	19	10	255
Total	28	275	899	281	168	116	1,464

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 34 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽²⁾ Net premiums are a non-IFRS financial measure. Net premiums include gross insurance and annuity premiums adjusted for unearned premiums, experience-rated refund premiums, premium taxes and associated ceded amounts.

U.S. CONTINUED

(US\$ millions)

	For the Quarter Ended					For the Year Ended
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
COMMON SHAREHOLDERS' DRIVERS OF EARNINGS						
Risk adjustment release	1	6	6	6	6	24
CSM recognized for services provided	2	14	7	21	8	50
Expected earnings on short-term (group) insurance business	3	180	164	158	119	559
Expected insurance earnings	4	200	177	185	138	633
Experience gains (losses)	5	41	59	42	(32)	71
Net insurance service result - Underlying	6	241	236	227	106	704
Expected investment earnings	7	20	17	18	13	63
Credit experience	8	1	1	4	—	6
Earnings on surplus	9	23	27	25	16	83
Other	10	6	6	(1)	11	23
Net investment results - Underlying	11	50	51	46	40	175
Other fee income ⁽¹⁾	12	25	38	27	21	106
Expenses - other ⁽²⁾	13	(96)	(103)	(84)	(62)	(314)
Income before taxes - Underlying	14	220	222	216	105	671
Income tax (expense) or recovery	15	(44)	(49)	(43)	(22)	(140)
Underlying net income ⁽³⁾	16	176	173	173	83	531
Add: Non-underlying net income adjustments ⁽³⁾ (post-tax):						
<i>Market-related impacts</i>	17	(13)	11	(8)	(32)	(30)
ACMA	18	—	42	(3)	—	40
<i>Other adjustments:</i>						
Acquisition, integration and restructuring ⁽⁴⁾	19	(21)	(43)	(18)	(4)	(103)
Intangible asset amortization	20	(17)	(24)	(11)	(4)	(47)
Other ⁽⁵⁾	21	—	(8)	(37)	—	13
Reported net income - Common shareholders	22	125	151	96	44	404
UNDERLYING NET INCOME BY BUSINESS TYPE						
Group - Health & Protection ⁽⁶⁾	23	154	160	136	51	450
Individual - Protection ⁽⁷⁾	24	22	13	37	(1)	81
Underlying net income	25	176	173	173	83	531
Add: <i>Market-related impacts</i>	26	(13)	11	(8)	(32)	(30)
ACMA	27	—	42	(3)	—	40
<i>Other adjustments</i>	28	(38)	(75)	(66)	(8)	(137)
Reported net income - Common shareholders	29	125	151	96	44	404

⁽¹⁾ Other fee income is comprised of pre-tax earnings (net of expenses) for certain dental and ASO businesses. To reflect management's view of the economic impact, the associated expenses are adjusted to show on a net basis with the associated income.

⁽²⁾ Expenses - other removes the non-underlying Other adjustments, including Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be an adjustment from Other expenses. Further, this measure excludes the associated expenses related to Other fee income.

⁽³⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 34 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽⁴⁾ Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽⁵⁾ Other reflects a matter related to reinsurance pricing for our U.S. In-force Management business that was resolved, resulting in a charge of US\$37 million post-tax in the third quarter and a further charge of US\$8 million post-tax in the fourth quarter of 2022. In Q2 2022, Other reflects a gain related to the sale-leaseback arrangement on our Wellesley property.

⁽⁶⁾ Group - Health & Protection includes Group Benefits and Dental.

⁽⁷⁾ Individual - Protection represents In-force Management.

U.S. CONTINUED

(US\$ millions)

BUSINESS UNIT FINANCIAL SUMMARY	At and For the Quarter Ended				At and For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
Underlying net income						
Group Benefits	128	119	101	87	49	356
Dental	26	41	35	16	2	94
In-force Management	22	13	37	(1)	32	81
Total underlying net income	176	173	173	102	83	531
Reported net income - Common shareholders						
Group Benefits	128	119	74	75	34	302
Dental	(8)	(22)	9	(25)	2	(36)
In-force Management	5	54	13	63	8	138
Total reported net income	125	151	96	113	44	404
NET PREMIUMS ⁽¹⁾						
Group Benefits						
Employee Benefits	540	494	496	488	477	1,955
Medical Stop-Loss	625	609	604	599	590	2,402
Total Group Benefits net premiums	1,165	1,103	1,100	1,087	1,067	4,357
Dental						
Medicaid/Medicare Advantage ⁽²⁾	644	612	592	199	—	1,403
Commercial/Other ⁽²⁾	103	99	98	84	78	359
Total Dental net premiums	747	711	690	283	78	1,762
FEE INCOME						
Group Benefits						
Employee Benefits	12	11	10	9	8	38
Medical Stop-Loss	7	6	7	6	8	27
Total Group Benefits fee income	19	17	17	15	16	65
Dental						
Medicaid/Medicare Advantage ⁽²⁾	38	39	37	12	—	88
Commercial/Other ⁽²⁾	23	26	25	12	3	66
Total Dental fee income	61	65	62	24	3	154
SALES						
Group Benefits						
Employee Benefits	70	269	101	54	53	477
Medical Stop-Loss	42	519	65	95	53	732
Total Group Benefits sales	112	788	166	149	106	1,209
Dental						
Medicaid/Medicare Advantage ⁽²⁾	127	64	92	4	—	160
Commercial/Other ⁽²⁾	36	47	23	15	10	95
Total Dental sales	163	111	115	19	10	255
AUM						
Group Benefits - general funds	8,247	8,284	8,453	8,513	8,275	8,284
Dental - general funds	3,259	3,221	3,363	3,396	70	3,221
In-force Management						
General funds	15,453	11,164	11,895	14,315	16,569	11,164
Segregated funds	314	311	312	336	374	311
Third-party AUM ⁽³⁾	14	15	15	16	16	15
Total In-force Management AUM	15,781	11,490	12,222	14,667	16,959	11,490
AFTER-TAX PROFIT MARGIN ⁽⁴⁾						
Group Benefits	9.7 %	8.1 %	5.9 %	4.7 %	5.1 %	8.1 %

⁽¹⁾ Net premiums are a non-IFRS financial measure. Net premiums include gross insurance and annuity premiums adjusted for unearned premiums, experience-rated refund premiums, premium taxes and associated ceded amounts.

⁽²⁾ Medicaid/Medicare Advantage includes Children's Health Insurance Program (CHIP) and Commercial/Other includes Affordable Care Act (ACA) exchange programs.

⁽³⁾ Third-party AUM represents third-party investors in a pool of mortgage loans.

⁽⁴⁾ The After-tax profit margin is a non-IFRS financial measure and is calculated on Underlying net income as a percentage of Net premiums on a trailing four-quarters basis. IFRS 17 and IFRS 9 were adopted on January 1, 2023, as such the margins for Q3 2022 to Q1 2022 reflect Underlying net income on an IFRS 4 and IAS 39 basis. Refer to U.S. Group Benefits Reported Net Income to Underlying Net Income reconciliation on page 34 of this document and Section N. Non-IFRS Financial Measures, 4. Reconciliations of Select Non-IFRS Financial Measures for additional details.

ASIA

(C\$ millions)

STATEMENTS OF OPERATIONS	At and For the Quarter Ended				At and For the Year Ended		
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022	
Insurance service result							
Insurance revenue	1	312	405	326	294	298	1,323
Insurance service expenses	2	(238)	(306)	(226)	(200)	(261)	(993)
Reinsurance contract held net income (expenses)	3	6	8	8	13	(4)	25
Net insurance service result	4	80	107	108	107	33	355
Investment result							
Net investment income (loss)	5	1,021	495	(1,384)	(1,848)	(2,002)	(4,739)
Insurance finance income (expenses) from insurance contracts issued	6	(874)	(493)	1,346	1,838	2,122	4,813
Insurance finance income (expenses) from reinsurance contracts held	7	(6)	(9)	5	7	—	3
Decrease (increase) in investment contract liabilities	8	(1)	(3)	3	3	5	8
Net investment result	9	140	(10)	(30)	—	125	85
Fee income	10	77	99	71	63	107	340
Other expenses							
Operating expense and commissions	11	110	108	143	106	94	451
Interest expenses	12	15	15	18	15	17	65
Total other expenses	13	125	123	161	121	111	516
Income before income taxes	14	172	73	(12)	49	154	264
Income tax expense (benefit)	15	26	9	(15)	16	14	24
Net income (loss) allocated to the participating account	16	12	(28)	3	26	29	30
Reported net income - Common shareholders	17	134	92	—	7	111	210
Underlying net income ⁽¹⁾	18	141	135	153	118	133	539
Return on equity - underlying	19	10.4 %	10.4 %	12.1 %	10.2 %	11.7 %	11.1 %
Return on equity - reported	20	9.9 %	7.1 %	— %	0.5 %	9.8 %	4.3 %
SALES - Proportionate ownership ⁽²⁾							
Total gross wealth sales & asset management gross flows ⁽³⁾	21	2,430	1,790	2,531	3,298	3,521	11,140
Total net wealth sales & asset management net flows ⁽⁴⁾	22	665	(582)	(468)	173	353	(524)
Individual - Protection sales	23	375	359	325	290	297	1,271
Group - Health & Protection sales	24	25	17	19	15	22	73
Total weighted premium income ⁽⁵⁾	25	1,351	1,381	1,194	1,122	1,187	4,884
CSM - Impact of new insurance business	26	102	122	79	70	51	322
AUMA ⁽⁶⁾⁽⁷⁾							
General funds	27	36,712	35,798	35,781	34,658	35,274	35,798
Segregated funds	28	7,281	7,111	6,595	6,693	7,301	7,111
Third-party AUM	29	68,449	68,270	65,074	63,605	64,604	68,270
Total AUM	30	112,442	111,179	107,450	104,956	107,179	111,179
Assets under administration	31	4,523	4,574	4,329	4,326	4,402	4,574
Total AUMA	32	116,965	115,753	111,779	109,282	111,581	115,753
Wealth AUM ⁽⁸⁾	33	35,830	34,965	34,071	34,566	35,975	34,062
SELECT CONSTANT CURRENCY MEASURES ⁽⁹⁾							
Underlying net income	34	138					133
Reported net income - Common shareholders ⁽¹⁰⁾	35	127					111
Gross wealth sales & asset management gross flows	36	2,420					3,521
Net wealth sales & asset management net flows	37	658					353
Individual - Protection sales	38	370					297
Group - Health & protection sales	39	25					22
Total weighted premium income	40	1,330					1,187

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 33 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽²⁾ Sales include the sales in the Company's joint ventures and associates with local partners in Asia based on our proportionate equity interest.

⁽³⁾ Total gross wealth sales & asset management gross flows include Hong Kong wealth sales, the Philippines mutual and managed funds flows, China individual wealth sales, India group wealth sales, and Aditya Birla Sun Life Asset Management Company Limited equity and fixed income mutual funds flows, based on our proportionate equity interest.

⁽⁴⁾ Total net wealth sales & asset management net flows include Hong Kong net wealth sales, the Philippines mutual and managed funds net flows, China individual wealth net sales and Aditya Birla Sun Life Asset Management Company Limited equity and fixed income mutual funds net flows, based on our proportionate equity interest.

⁽⁵⁾ Total weighted premium income (TWPI) is a non-IFRS financial measure that consists of 100% renewal premiums, 100% of first year premiums, and 10% of single premiums. In contrast to sales, which only includes premiums from new business, TWPI includes renewal premiums, reflecting the strength of the in-force block and providing a better understanding of both new and existing business.

⁽⁶⁾ AUM includes the General fund assets and Segregated fund assets of our insurance businesses, the Philippines mutual and managed funds, Aditya Birla Sun Life Asset Management Company Limited AUM, Sun Life Everbright Asset Management AUM, Hong Kong wealth assets and International Wealth assets, based on our proportionate equity interest.

⁽⁷⁾ Assets under administration represent third-party administrative services assets in China and Hong Kong based on our proportionate equity interest.

⁽⁸⁾ Wealth AUM includes Hong Kong wealth assets, the Philippines mutual and managed funds, China individual wealth assets and Aditya Birla Sun Life Asset Management Company Limited equity and fixed income AUM, based on our proportionate equity interest.

⁽⁹⁾ Constant currency measures are non-IFRS financial measures that exclude the impacts of foreign exchange translation to assist in comparing our results from period to period. Refer to Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures of the Company's Q1 2023 MD&A for additional details.

⁽¹⁰⁾ The constant currency reconciliation for Reported net income is as follows: Q1 2023 Reported net income at Q1 2022 constant dollar of \$127 million plus currency impact relative to Q1 2022 exchange rates of \$7 million equals Q1 2023 actual Reported net income of \$134 million.

ASIA CONTINUED

(C\$ millions)

	For the Quarter Ended					For the Year	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022	
COMMON SHAREHOLDERS' DRIVERS OF EARNINGS ⁽¹⁾							
Risk adjustment release	1	35	37	32	29	29	127
CSM recognized for services provided	2	81	82	74	80	77	313
Expected earnings on short-term (group) insurance business	3	2	(1)	5	4	5	13
Expected insurance earnings	4	118	118	111	113	111	453
Impact of new insurance business	5	(2)	(4)	(6)	(7)	(6)	(23)
Experience gains (losses)	6	(17)	(24)	—	—	(57)	(81)
Net insurance service result - Underlying	7	99	90	105	106	48	349
Expected investment earnings	8	19	5	19	16	29	69
Credit experience	9	2	—	(5)	1	4	—
Earnings on surplus	10	28	39	45	31	31	146
Joint ventures & other	11	49	26	44	27	37	134
Net investment results - Underlying	12	98	70	103	75	101	349
Other fee income ⁽²⁾	13	11	11	4	(1)	41	55
Expenses - other ⁽³⁾	14	(55)	(49)	(64)	(51)	(46)	(210)
Income before taxes - Underlying	15	153	122	148	129	144	543
Income tax (expense) or recovery	16	(12)	13	5	(11)	(11)	(4)
Underlying net income ⁽⁴⁾	17	141	135	153	118	133	539
Add: Non-underlying net income adjustments ⁽⁴⁾ (post-tax):							
<i>Market-related impacts</i>	18	5	(129)	(97)	(103)	(3)	(332)
ACMA	19	(6)	71	(54)	—	(16)	1
<i>Other adjustments:</i>							
<i>Acquisition, integration and restructuring</i>	20	(4)	—	—	(6)	(1)	(7)
<i>Intangible asset amortization</i>	21	(2)	(2)	(2)	(2)	(2)	(8)
<i>Other ⁽⁵⁾</i>	22	—	17	—	—	—	17
Reported net income - Common shareholders	23	134	92	—	7	111	210
UNDERLYING NET INCOME BY BUSINESS TYPE							
Wealth & asset management ⁽⁶⁾	24	15	16	19	15	21	71
Individual - Protection ⁽⁷⁾	25	130	118	136	106	119	479
Regional Office expenses & other	26	(4)	1	(2)	(3)	(7)	(11)
Underlying net income	27	141	135	153	118	133	539
Add: <i>Market-related impacts</i>	28	5	(129)	(97)	(103)	(3)	(332)
ACMA	29	(6)	71	(54)	—	(16)	1
<i>Other adjustments</i>	30	(6)	15	(2)	(8)	(3)	2
Reported net income - Common shareholders	31	134	92	—	7	111	210

⁽¹⁾ The DOE is a non-IFRS financial measure. Refer to the reconciliation of the Statements of Operations Total net income to the DOE on page 41 of this document as well as Section N. Non-IFRS Financial Measures, 1. Common Shareholders' View of Reported Net Income. For more information on the DOE, also see Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A.

⁽²⁾ Other fee income is comprised of wealth businesses (Hong Kong Mandatory Provident Fund and Philippines asset management) in Asia. To reflect management's view of the economic impact, the associated expenses are adjusted to show on a net basis with the associated income.

⁽³⁾ Expenses - other removes the non-underlying Other adjustments, including Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be an adjustment from Other expenses. Further, this measure excludes the associated expenses related to Other fee income.

⁽⁴⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 33 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽⁵⁾ In Q4 2022, Other includes the unwinding of an internal reinsurance agreement.

⁽⁶⁾ Wealth & Asset Management includes Hong Kong's Mandatory Provident Fund, the Philippines' mutual and managed funds, and India wealth & asset management and China wealth joint ventures.

⁽⁷⁾ Individual - Protection includes insurance businesses in the Philippines, Indonesia, Hong Kong and Vietnam. India, Malaysia and China insurance joint ventures are also included, as well as High Net Worth insurance businesses in International and Singapore, and International Wealth run-off business.

ASIA CONTINUED

(C\$ millions)

BUSINESS UNIT FINANCIAL SUMMARY

		For the Quarter Ended				For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022	
Underlying net income							
ASEAN	1	39	57	43	29	42	171
Hong Kong	2	41	29	40	36	44	149
Joint Ventures	3	33	35	33	21	33	122
High Net Worth	4	32	13	39	35	21	108
Regional Office	5	(4)	1	(2)	(3)	(7)	(11)
Total underlying net income	6	141	135	153	118	133	539
Reported net income - Common shareholders							
ASEAN	7	25	63	10	5	39	117
Hong Kong	8	50	(9)	(26)	34	(29)	(30)
Joint Ventures	9	39	5	26	(28)	(7)	(4)
High Net Worth	10	27	37	(10)	3	117	147
Regional Office	11	(7)	(4)	—	(7)	(9)	(20)
Total reported net income	12	134	92	—	7	111	210
Individual - Protection Sales ⁽¹⁾							
Philippines	13	65	82	64	58	54	258
Indonesia	14	17	22	17	18	18	75
Vietnam	15	33	48	49	43	37	177
Total ASEAN	17	115	152	130	119	109	510
Hong Kong	18	68	69	55	42	42	208
China	19	31	23	30	34	39	126
India	20	106	66	55	35	65	221
Malaysia	21	17	17	22	20	13	72
Total Joint Ventures	22	154	106	107	89	117	419
High Net Worth	23	38	32	33	40	29	134
Total individual - protection sales	24	375	359	325	290	297	1,271
Constant Currency - Individual - Protection Sales ⁽²⁾							
Philippines	25	65				54	
Indonesia	26	17				18	
Vietnam	27	32				37	
Total ASEAN	28	114				109	
Hong Kong	29	63				42	
China	30	31				39	
India	31	109				65	
Malaysia	32	17				13	
Total Joint Ventures	33	157				117	
High Net Worth	34	36				29	
Total individual - protection sales	35	370				297	

⁽¹⁾ Individual - Protection sales include the sales in the Company's joint ventures and associates with local partners in Asia based on our proportionate equity interest.

⁽²⁾ Q1 2023 Individual - Protection sales in constant currency are relative to Q1 2022 foreign exchange rates.

CORPORATE ⁽¹⁾⁽²⁾

(C\$ millions)

	At and For the Quarter Ended				At and For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
STATEMENTS OF OPERATIONS ⁽³⁾						
Insurance service result						
Insurance revenue	105	112	106	120	126	464
Insurance service expenses	(94)	(96)	(69)	(90)	(88)	(343)
Reinsurance contract held net income (expenses)	—	(6)	—	—	(1)	(7)
Net insurance service result	11	10	37	30	37	114
Investment result						
Net investment income (loss)	175	181	(591)	(487)	(443)	(1,340)
Insurance finance income (expenses) from insurance contracts issued	(131)	(86)	494	475	403	1,286
Insurance finance income (expenses) from reinsurance contracts held	(1)	1	—	(1)	(2)	(2)
Decrease (increase) in investment contract liabilities	1	6	(6)	—	—	—
Net investment result	44	102	(103)	(13)	(42)	(56)
Fee income	(86)	(111)	(63)	(61)	(96)	(331)
Other expenses						
Operating expenses and commissions	62	29	169	(10)	20	208
Interest expenses	16	10	(4)	(1)	5	10
Total other expenses	78	39	165	(11)	25	218
Income (loss) before income taxes	(109)	(38)	(294)	(33)	(126)	(491)
Income tax expense (benefit)	(50)	(155)	(24)	(47)	(75)	(301)
Preferred shareholders' dividends and distributions on other equity instruments	20	20	18	14	18	70
Reported net income (loss) - Common shareholders	(79)	97	(288)	—	(69)	(260)
Underlying net income (loss) ⁽⁴⁾	(81)	(62)	(22)	(38)	(47)	(169)
AUM						
General funds	12,256	11,584	11,747	11,897	14,900	11,584
Segregated funds	8,902	8,702	8,126	8,548	9,784	8,702
Consolidation Adjustments ⁽⁵⁾	(32,301)	(31,437)	(30,099)	(29,531)	(30,439)	(31,437)
Total	(11,143)	(11,151)	(10,226)	(9,086)	(5,755)	(11,151)
COMMON SHAREHOLDERS' DRIVERS OF EARNINGS						
Risk adjustment release	5	6	7	8	8	29
CSM recognized for services provided	10	11	9	7	8	35
Expected insurance earnings	15	17	16	15	16	64
Experience gains (losses)	(2)	1	24	8	19	52
Net insurance service result - Underlying	13	18	40	23	35	116
Expected investment earnings	5	8	(7)	(1)	2	2
Credit experience	—	1	—	(1)	(1)	(1)
Earnings on surplus	18	22	15	14	12	63
Other	11	26	(15)	(34)	(19)	(42)
Net investment result - Underlying	34	57	(7)	(22)	(6)	22
Other fee income ⁽⁶⁾	8	(4)	20	21	(13)	24
Expenses - other ⁽⁷⁾	(168)	(138)	(81)	(82)	(115)	(416)
Income (loss) before taxes - Underlying	(113)	(67)	(28)	(60)	(99)	(254)
Income tax (expense) or recovery	52	24	25	36	70	155
Dividends, distributions, NCI	(20)	(19)	(19)	(14)	(18)	(70)
Underlying net income (loss) ⁽⁴⁾	(81)	(62)	(22)	(38)	(47)	(169)
Add: Non-underlying net income adjustments ⁽⁴⁾ (post-tax):						
Market-related impacts	2	108	(85)	37	(22)	38
ACMA	3	17	(11)	—	—	6
Acquisition, integration and restructuring ⁽⁸⁾	(3)	—	(170)	—	—	(170)
Other ⁽⁹⁾	—	34	—	1	—	35
Reported net income (loss) - Common shareholders	(79)	97	(288)	—	(69)	(260)
UNDERLYING NET INCOME BY BUSINESS TYPE						
Individual - Protection	25	11	32	24	20	87
Corporate expenses & other	(106)	(73)	(54)	(62)	(67)	(256)
Underlying net income (loss)	(81)	(62)	(22)	(38)	(47)	(169)
Add: Market-related impacts	2	108	(85)	37	(22)	38
ACMA	3	17	(11)	—	—	6
Other adjustments	(3)	34	(170)	1	—	(135)
Reported net income (loss) - Common shareholders	(79)	97	(288)	—	(69)	(260)

⁽¹⁾ Corporate is comprised of our UK business and Corporate Support operations, which consist of the expenses, debt charges, investment income, capital and other items not allocated to Sun Life's other business segments, as well as the Company's Run-off Reinsurance and Reinsurance Clearinghouse businesses. The internal reinsurance agreements were terminated on December 31, 2022.

⁽²⁾ The DOE is a non-IFRS financial measure. Refer to the reconciliation of the Statements of Operations Total net income to the DOE on page 42 of this document as well as Section N, Non-IFRS Financial Measures, 1, Common Shareholders' View of Reported Net Income. For more information on the DOE, also see Section N, Non-IFRS Financial Measures, 3, Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A.

⁽³⁾ Corporate's Statements of Operations include consolidation adjustments for net investment income, fee income, operating expenses and commissions, and interest expenses relating to activities that cross business groups.

⁽⁴⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 33 of this document for the pre-tax non-underlying adjustments to Reported net income as well as Section N, Non-IFRS Financial Measures, 2, Underlying Net Income and Underlying EPS and 4, Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2023 MD&A.

⁽⁵⁾ Consolidation adjustments represent adjustments for assets managed by one area of the Company on behalf of another.

⁽⁶⁾ Other fee income is comprised of certain fee-based businesses in Corporate. To reflect management's view of the economic impact, the associated expenses are adjusted to show on a net basis with the associated income.

⁽⁷⁾ Expenses - other removes the non-underlying Other adjustments, including Acquisition, integration and restructuring. Certain Other adjustments - other may also be an adjustment from Other expenses. Further, this measure excludes the associated expenses related to Other fee income.

⁽⁸⁾ In Q3 2022, Acquisition, integration and restructuring reflects an impairment charge of \$170 million (£108 million) pertaining to the attributed goodwill that is not expected to be recovered through the Sun Life UK sale.

⁽⁹⁾ On December 15, 2022, legislation implementing an additional surtax of 1.5% applicable to banks and life insurers' taxable income in excess of \$100 million was enacted in Canada ("Canada Tax Rate Change"). This legislation applies retroactively to the Federal Budget date of April 7, 2022. As a result, Reported net income increased by \$51 million in Q4 2022. There was also an unwinding of an internal reinsurance agreement in Q4 2022.

INVESTMENTS
DEBT & EQUITY SECURITIES

(C\$ millions)

DEBT SECURITIES
Debt Securities by Sector

Debt Securities Issued or Guaranteed By:

		As at March 31, 2023				As at December 31, 2022 ⁽¹⁾			
	Fair Value through Profit or Loss	Fair Value through Other Comprehensive	Total	Investment Grade	Fair Value through Profit or	Fair Value through Other Comprehensive	Total	Investment Grade	
Canadian Federal Government	1	4,231	875	5,106	100 %	3,696	1,915	5,611	100 %
Canadian Provincial and Municipal Government	2	13,017	1,024	14,041	100 %	12,612	1,053	13,665	100 %
U.S. Government and Other U.S. Agency	3	656	690	1,346	100 %	759	778	1,537	100 %
Other Foreign Government	4	3,847	687	4,534	94 %	3,755	869	4,624	95 %
Total Government issued or guaranteed debt securities	5	21,751	3,276	25,027	99 %	20,822	4,615	25,437	99 %

Corporate Debt Securities by Industry Sector:

Financials	6	8,876	2,825	11,701	99 %	8,232	3,123	11,355	99 %
Utilities	7	6,268	695	6,963	99 %	5,884	792	6,676	99 %
Consumer discretionary	8	1,111	766	1,877	90 %	1,085	751	1,836	89 %
Industrials	9	4,870	1,050	5,920	98 %	4,533	1,042	5,575	99 %
Consumer staples	10	1,738	296	2,034	99 %	1,634	344	1,978	99 %
Communication Services	11	2,913	373	3,286	99 %	2,861	468	3,329	99 %
Energy	12	2,963	357	3,320	98 %	2,978	364	3,342	97 %
Real Estate	13	2,005	520	2,525	97 %	1,865	641	2,506	97 %
Materials	14	1,060	201	1,261	98 %	1,077	218	1,295	98 %
Health Care	15	1,683	381	2,064	99 %	1,618	416	2,034	99 %
Information Technology	16	876	202	1,078	99 %	1,095	289	1,384	99 %
Total Corporate debt securities	17	34,363	7,666	42,029	98 %	32,862	8,448	41,310	98 %

Asset Backed Securities

Government and agency	18	2,496	710	3,206	100 %	2,437	721	3,158	100 %
Other	19	3,439	2,584	6,023	99 %	3,236	2,761	5,997	99 %
Total asset backed securities	20	5,935	3,294	9,229	99 %	5,673	3,482	9,155	99 %

Total debt securities

21	62,049	14,236	76,285	99 %	59,357	16,545	75,902	99 %
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Debt Securities by Investment Rating

AAA	22	9,915	4,480	14,395		9,440	5,822	15,262	
AA	23	10,097	1,557	11,654		9,267	2,043	11,310	
A	24	23,760	4,580	28,340		23,050	4,646	27,696	
BBB	25	17,711	3,229	20,940		17,007	3,661	20,668	
BB and lower	26	566	390	956		593	373	966	
Total debt securities	27	62,049	14,236	76,285		59,357	16,545	75,902	

EQUITY SECURITIES
Stocks

Canada	28	3,159	—	3,159		3,038	—	3,038	
United States	29	1,957	69	2,026		1,924	—	1,924	
United Kingdom	30	155	—	155		154	—	154	
Other	31	2,250	—	2,250		2,032	—	2,032	
Total equity securities	32	7,521	69	7,590		7,148	—	7,148	

⁽¹⁾ Amounts as at December 31, 2022 have been restated to present comparative information on financial assets as if IFRS 9 were applicable during the comparative period.

PROPERTIES, MORTGAGES & LOANS AND DERIVATIVES

(C\$ millions)

PROPERTIES

		As at March 31, 2023			As at December 31, 2022 ⁽¹⁾		
		Investment Property	Owner Occupied Property	Total	Investment Property	Owner Occupied Property	Total
Canada	1	8,099	53	8,152	8,041	54	8,095
United States	2	2,004	7	2,011	2,016	—	2,016
United Kingdom	3	45	—	45	45	—	45
Other	4	—	24	24	—	24	24
Total properties	5	10,148	84	10,232	10,102	78	10,180

MORTGAGES & LOANS

		As at March 31, 2023				As at December 31, 2022 ⁽¹⁾			
		FVTPL	FVOCI	Amortized Cost	Total	FVTPL	FVOCI	Amortized Cost	Total
Retail	6	2,844	40	—	2,884	2,779	40	—	2,819
Office	7	2,963	40	5	3,008	2,958	51	5	3,014
Multi-family residential	8	3,177	131	1,885	5,193	2,915	197	1,902	5,014
Industrial and land	9	2,633	182	3	2,818	2,482	178	5	2,665
Other	10	924	12	29	965	818	62	29	909
Total Mortgages	11	12,541	405	1,922	14,868	11,952	528	1,941	14,421
Corporate loans	12				38,435				36,832
Total mortgages & loans	13				53,303				51,253
Mortgages by Investment Rating									
Insured	14	2,244	81	1,914	4,239	1,976	130	1,929	4,035
AAA	15	7	—	—	7	—	—	—	—
AA	16	1,672	137	—	1,809	1,532	131	2	1,665
A	17	5,402	137	4	5,543	5,290	187	6	5,483
BBB	18	2,678	20	4	2,702	2,602	80	4	2,686
BB and lower	19	525	30	—	555	538	—	—	538
Impaired	20	13	—	—	13	14	—	—	14
Total mortgages	21	12,541	405	1,922	14,868	11,952	528	1,941	14,421
Loans by Investment Rating									
AAA	22	275	—	—	275	285	—	—	285
AA	23	5,219	137	26	5,382	4,934	148	19	5,101
A	24	14,868	767	171	15,806	14,304	759	194	15,257
BBB	25	14,683	268	96	15,047	13,952	252	80	14,284
BB and lower	26	1,750	91	12	1,853	1,765	101	6	1,872
Impaired	27	60	11	1	72	16	16	1	33
Total corporate loans	28	36,855	1,274	306	38,435	35,256	1,276	300	36,832

As at January 1, 2023

Expected Credit Loss (ECL)

	29			101				93
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DERIVATIVES

		As at March 31, 2023		As at December 31, 2022 ⁽¹⁾	
		Total Notional Amount	Net Fair Value Amount	Total Notional Amount	Net Fair Value Amount
		Interest rate contracts	30	27,413	(334)
Foreign exchange contracts	31	38,936	173	38,785	97
Equity and other contracts	32	5,183	59	5,252	81
Total derivatives	33	71,532	(102)	69,768	(256)
Over the counter	34	66,396	(128)	63,964	(283)
Exchange traded	35	5,136	26	5,804	27
Total	36	71,532	(102)	69,768	(256)

⁽¹⁾ Amounts as at December 31, 2022 have been restated to present comparative information on financial assets as if IFRS 9 were applicable during the comparative period.

EXPENSES

(C\$ millions)

For the Year
Ended

	For the Quarter Ended				Q1 2022	2022
	Q1 2023	Q4 2022	Q3 2022	Q2 2022		
EXPENSES included in Insurance Service and Other Expenses						
Operating expenses	1,648	1,764	1,648	1,348	1,342	6,102
Commission expense	234	231	263	238	258	990
Interest expense	135	127	119	101	98	445
Total operating expenses, commissions and interest expense included in Other expenses	2,017	2,122	2,030	1,687	1,698	7,537
Operating expenses incurred in period included in Insurance service expenses ⁽¹⁾	505	501	471	441	398	1,811
Commissions incurred in period included in Insurance service expenses ⁽¹⁾	291	300	281	281	273	1,135
Total expenses incurred in period included in Insurance service and Other expenses	2,813	2,923	2,782	2,409	2,369	10,483

OPERATING EXPENSES INCLUDED IN INSURANCE SERVICE AND OTHER EXPENSES BY BUSINESS GROUP

Business Group

Asset Management	869	847	794	835	843	3,319
Canada	467	477	421	415	432	1,745
U.S.	486	463	412	309	248	1,432
Asia	185	202	205	190	173	770
Corporate ⁽²⁾	67	39	6	(2)	33	76
Sub-total	2,074	2,028	1,838	1,747	1,729	7,342
Management's ownership of MFS shares	(3)	(14)	(22)	(27)	4	(59)
Acquisition, integration and restructuring costs	82	101	303	69	7	480
Asset Management - Other ⁽³⁾	—	150	—	—	—	150
Total operating expenses incurred in period included in Insurance service and Other expenses	2,153	2,265	2,119	1,789	1,740	7,913

COMMISSION EXPENSE INCLUDED IN INSURANCE SERVICE AND OTHER EXPENSES BY BUSINESS GROUP

Business Group

Asset Management	145	147	146	153	170	616
Canada	188	196	190	191	200	777
U.S.	151	142	135	132	125	534
Asia	41	48	72	43	37	200
Corporate ⁽⁴⁾	—	(2)	1	—	(1)	(2)
Total commission expense incurred in period included in Insurance service and Other expenses	525	531	544	519	531	2,125

INTEREST EXPENSE

Subordinated debt	52	54	51	47	46	198
Interest on senior unsecured debentures/financing and innovative capital instruments	4	4	4	4	4	16
Other ⁽⁵⁾	79	69	64	50	48	231
Total interest expense included in Other Expenses	135	127	119	101	98	445

⁽¹⁾ Under IFRS 17, certain Operating expenses and Commission expense incurred in the period are included in Insurance service expenses, which are a component of Net insurance service results.

⁽²⁾ Corporate includes consolidation adjustments for Operating expenses relating to activities that cross business groups.

⁽³⁾ Under IFRS, Crescent is required to consolidate carried interest related to pre-acquisition funds that Sun Life does not participate in economically. The carried interest is reported under other - fee income, compensation expenses within other - expenses, and the remainder in non-controlling interest. For management reporting purposes, the non-controlling interest portion of the carried interest is netted against both other - fee income and other - expenses.

⁽⁴⁾ Corporate includes consolidation adjustments for Commission expense relating to activities that cross business groups.

⁽⁵⁾ Other primarily represents interest on put option liabilities associated with SLC Management's affiliates and interest on liabilities connected to consolidated special purpose entities, interest on leases, interest on real estate encumbrances and interest on income taxes.

FINANCIAL STRENGTH AND CAPITAL ADEQUACY

SUN LIFE ASSURANCE COMPANY OF CANADA

FINANCIAL STRENGTH RATINGS

SECURITY RATINGS

Subordinated Debt
Sun Life Exchangeable Capital Securities
Series B

A.M. Best	Moody's	Standard & Poor's	DBRS
A+	Aa3	AA	AA
a+	A2	AA-	AA (low)
a	A3(hyb)	P-1/A+	A (high)

SUN LIFE FINANCIAL INC.

SECURITY RATINGS

Subordinated Debt

(Series 2007-1, 2016-2, 2019-1, 2020-1, 2020-2, 2021-1, 2021-2, 2021-3 and 2022-1)
Class A Preferred Shares
(Series 3-5, 8R, 9QR, 10R and 11QR)
Limited Recourse Capital Notes (Series 2021-1)

A.M. Best	Moody's	Standard & Poor's	DBRS
a-	not rated	A	A
bbb+	not rated	P-1 (low)/A-	Pfd-2 (high)
not rated	not rated	A-	A (low)

General Information

Canada	U.S.	Asset Management	Asia	Corporate
<p>Our Canada business segment is a leading provider of protection, health, asset management and wealth solutions, providing products and services that deliver value to approximately 6.3 million Clients. We are the largest provider of benefits and pensions in the workplace, and offer a wide range of products to individuals via retail channels. We are focused on helping Canadians achieve lifetime financial security and live healthier lives. Canada has three business units - Individual Insurance & Wealth, Sun Life Health and Group Retirement Services.</p>	<p>Our U.S. business segment is one of the largest providers of employee and government benefits in the U.S., serving more than 50 million Americans with disability, life, supplemental health, medical stop-loss insurance, and dental and vision benefits through employers, industry partners and government programs such as Medicaid, Medicare Advantage, and the Children's Health Insurance Program ("CHIP"). Services include absence management, dental care, and healthcare navigation. In addition, our U.S. business manages an in-force block of approximately 85,000 individual life insurance policies. U.S. has three business units - Group Benefits, Dental and In-force Management.</p>	<p>Our Asset Management business group is comprised of MFS and SLC Management. MFS is a premier global asset manager offering a comprehensive selection of financial products and services that deliver superior value, actively managing assets for retail and institutional investors around the world. SLC Management is a global asset manager with capabilities across fixed income and alternative asset classes including public and private fixed income, real estate equity and debt, and infrastructure equity.</p>	<p>We are well-positioned in growing markets in Asia, with operations in key ASEAN markets, Hong Kong, Joint Ventures and High Net Worth ("HNW") delivering value to over 25 million Clients. These markets account for approximately 65% of Asia's GDP with high potential for future growth. We are a provider of individual life and health insurance that delivers Client value, a provider in select markets of asset management and group retirement products and services, and among the global leaders in providing life insurance solutions to HNW Clients. Asia has five business units - ASEAN, Hong Kong, Joint Ventures, High Net Worth and Regional Office.</p>	<p>Corporate includes the results of our UK business and Corporate Support. UK has a run-off block of business consisting of approximately 460,000 in-force life and pension policies, with approximately £8.2 billion of AUM. Since December 2010, UK has been closed to new business and focuses on supporting existing Clients. Most administrative functions have been outsourced to external service providers which are managed by an in-house management team. We entered into an agreement to sell Sun Life UK to Phoenix Group Holdings plc. Under the agreement, Sun Life will retain economic interest in the payout annuities business through a reinsurance treaty. Corporate Support operations consist of the certain expenses, debt charges, investment income, capital and other items, pertaining to monitoring and oversight of enterprise activities and Corporate treasury functions, which are not allocated to business segments. Corporate Support also includes our Run-off reinsurance business. Coverage in our Run-off reinsurance business includes medical, guaranteed minimum income and death benefit coverage. The block also includes group long-term disability and personal accident policies which are 100% retroceded.</p>
<p>Individual Insurance & Wealth Individual life and health insurance Individual savings products Mutual funds</p> <p><u>Sun Life Health</u> Group life and health insurance Voluntary benefits products</p> <p><u>Group Retirement Services</u> Defined contribution plans Defined benefit solutions Voluntary savings plans</p>	<p><u>Group Benefits</u> Group life Disability insurance Medical stop-loss insurance Voluntary benefits Supplemental health products FullscopeRMS products and services</p> <p><u>Dental</u> Medicaid and Medicare Advantage products and services Commercial group products and services Care Delivery services</p> <p><u>In-Force Management</u> Individual life insurance</p>	<p>MFS Mutual Funds U.S. retail mutual funds MFS Meridian funds Investment management services Institutional accounts Pension business Insurance products</p> <p><u>SLC Management</u> Private class funds Customized fixed income portfolios Liability-driven investing strategies Investment advisory and property management services Real estate and infrastructure solutions Alternative credit solutions Retail distribution services</p>	<p><u>ASEAN Markets</u> Philippines Vietnam Indonesia</p> <p><u>Hong Kong</u></p> <p><u>Joint Ventures</u> China India Malaysia</p> <p><u>High Net Worth</u> International Singapore</p> <p><u>Regional Office</u></p>	<p>UK Individual annuities and pensions (In-force block only) Individual life (In-force block only)</p> <p><u>Corporate Support</u> Run-off reinsurance</p>

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX

(C\$ millions)

	For the Quarter Ended				For the Year Ended		
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022	
Total Company Pre-Tax Adjustments							
Underlying net income (post-tax)	1	895	892	949	808	720	3,369
Add: Non-underlying net income adjustments (pre-tax):							
<i>Market-related impacts (pre-tax)</i>	2	(99)	179	(400)	282	172	233
<i>Assumption Changes and Management Actions (ACMA) (pre-tax)</i>	3	(5)	(26)	(153)	(30)	(30)	(239)
<i>Management's ownership of MFS shares (pre-tax) ⁽¹⁾</i>	4	21	31	42	46	13	132
<i>Acquisition, integration and restructuring (pre-tax) ^{(2) (3)}</i>	5	15	(110)	(334)	(86)	(23)	(553)
<i>Intangible asset amortization (pre-tax)</i>	6	(46)	(55)	(31)	(26)	(19)	(131)
<i>Other (pre-tax) ⁽⁴⁾</i>	7	—	(7)	(62)	95	—	26
<i>Total non-underlying net income adjustments (pre-tax)</i>	8	(114)	12	(938)	281	113	(532)
<i>Tax (expense) benefit related to non-underlying net income adjustments ⁽⁵⁾</i>	9	25	261	100	(159)	(168)	34
Reported net income - Common shareholders (post-tax)	10	806	1,165	111	930	665	2,871
Total Company Post-Tax Adjustments							
Underlying net income (post-tax)	11	895	892	949	808	720	3,369
Add: Non-underlying net income adjustments (post-tax):							
<i>Market-related impacts (post-tax)</i>	12	(64)	224	(361)	118	(2)	(21)
<i>ACMA (post-tax)</i>	13	(5)	12	(131)	(22)	(27)	(168)
<i>Management's ownership of MFS shares (post-tax) ⁽¹⁾</i>	14	17	27	37	42	9	115
<i>Acquisition, integration and restructuring (post-tax) ^{(2) (3)}</i>	15	(4)	(86)	(312)	(73)	(21)	(492)
<i>Intangible asset amortization (post-tax)</i>	16	(33)	(41)	(23)	(19)	(14)	(97)
<i>Other (post-tax) ^{(4) (5)}</i>	17	—	137	(48)	76	—	165
<i>Total non-underlying net income adjustments (post-tax)</i>	18	(89)	273	(838)	122	(55)	(498)
Reported net income - Common shareholders (post-tax)	19	806	1,165	111	930	665	2,871
Canada Pre-Tax Adjustments							
Underlying net income (post-tax)	20	316	265	293	299	206	1,063
Add: Non-underlying net income adjustments (pre-tax):							
<i>Market-related impacts (pre-tax)</i>	21	(92)	250	(206)	360	247	651
<i>ACMA (pre-tax)</i>	22	(2)	(185)	(82)	(30)	(15)	(312)
<i>Acquisition, integration and restructuring (pre-tax) ⁽³⁾</i>	23	98	(1)	(1)	—	—	(2)
<i>Intangible asset amortization (pre-tax)</i>	24	(4)	(4)	(4)	(4)	(4)	(16)
<i>Other (pre-tax)</i>	25	—	—	(1)	—	—	(1)
<i>Total non-underlying net income adjustments (pre-tax)</i>	26	—	60	(294)	326	228	320
<i>Tax (expense) benefit related to non-underlying net income adjustments ⁽⁵⁾</i>	27	13	128	57	(149)	(178)	(142)
Reported net income - Common shareholders (post-tax)	28	329	453	56	476	256	1,241
Canada Post-Tax Adjustments							
Underlying net income (post-tax)	29	316	265	293	299	206	1,063
Add: Non-underlying net income adjustments (post-tax):							
<i>Market-related impacts (post-tax)</i>	30	(47)	235	(172)	202	65	330
<i>ACMA (post-tax)</i>	31	(2)	(133)	(61)	(22)	(12)	(228)
<i>Acquisition, integration and restructuring (post-tax) ⁽³⁾</i>	32	65	(1)	(1)	—	—	(2)
<i>Intangible asset amortization (post-tax)</i>	33	(3)	(3)	(3)	(3)	(3)	(12)
<i>Other (post-tax) ⁽⁵⁾</i>	34	—	90	—	—	—	90
<i>Total non-underlying net income adjustments (post-tax)</i>	35	13	188	(237)	177	50	178
Reported net income - Common shareholders (post-tax)	36	329	453	56	476	256	1,241

⁽¹⁾ Effective Q1 2023, Management's ownership of MFS shares represents the fair value attributable to MFS common shares owned by management. Prior periods have been restated.

⁽²⁾ In Q3 2022, amounts include an impairment charge of \$170 million (£108 million) pertaining to the attributed goodwill that is not expected to be recovered through the Sun Life UK sale and the changes in estimated future payments for acquisition-related contingent considerations and options to purchase remaining ownership interests of SLC Management affiliates in the amount of \$96 million pre-tax or \$80 million post-tax.

⁽³⁾ In Q1 2023, amounts include a \$102 million pre-tax or \$65 million post-tax gain on the sale of our sponsored markets business to Canadian Premier Life Insurance Company in Canada.

⁽⁴⁾ Other reflects a matter related to reinsurance pricing for our U.S. In-force Management business that was resolved, resulting in a charge of \$61 million pre-tax or \$48 million post-tax in the third quarter and a further charge of \$14 million pre-tax or \$11 million post-tax in the fourth quarter of 2022. In Q2 2022, Other reflects a gain related to the sale-leaseback arrangement on our Wellesley property.

⁽⁵⁾ On December 15, 2022, legislation implementing an additional surtax of 1.5% applicable to banks and life insurers' taxable income in excess of \$100 million was enacted in Canada ("Canada Tax Rate Change"). This legislation applies retroactively to the Federal Budget date of April 7, 2022. As a result, Reported net income increased by \$141 million in Q4 2022, reflected in Other adjustments of \$90 million in Canada and \$51 million in Corporate.

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX CONTINUED

(C\$ millions)

	For the Quarter Ended					For the Year	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022	
U.S. Pre-Tax Adjustments							
Underlying net income (post-tax)	1	237	230	227	134	107	698
Add: Non-underlying net income adjustments (pre-tax):							
Market-related impacts (pre-tax)	2	(21)	21	(13)	2	(51)	(41)
ACMA (pre-tax)	3	—	71	(6)	—	1	66
Acquisition, integration and restructuring (pre-tax) ⁽¹⁾	4	(39)	(78)	(32)	(62)	(6)	(178)
Intangible asset amortization (pre-tax)	5	(32)	(43)	(19)	(13)	(6)	(81)
Other (pre-tax) ⁽²⁾	6	—	(14)	(61)	94	—	19
Total non-underlying net income adjustments (pre-tax)	7	(92)	(43)	(131)	21	(62)	(215)
Tax (expense) benefit related to non-underlying net income adjustments	8	23	15	29	(6)	11	49
Reported net income - Common shareholders (post-tax)	9	168	202	125	149	56	532
U.S. Post-Tax Adjustments							
Underlying net income (post-tax)	10	237	230	227	134	107	698
Add: Non-underlying net income adjustments (post-tax):							
Market-related impacts (post-tax)	11	(17)	18	(10)	(1)	(42)	(35)
Assumption changes that flow directly through income (post-tax)	12	—	57	(5)	—	1	53
Acquisition, integration and restructuring (post-tax) ⁽¹⁾	13	(29)	(59)	(24)	(49)	(5)	(137)
Intangible asset amortization (post-tax)	14	(23)	(33)	(15)	(10)	(5)	(63)
Other (post-tax) ⁽²⁾	15	—	(11)	(48)	75	—	16
Total non-underlying net income adjustments (post-tax)	16	(69)	(28)	(102)	15	(51)	(166)
Reported net income - Common shareholders (post-tax)	17	168	202	125	149	56	532
Asset Management Pre-Tax Adjustments							
Underlying net income (post-tax)	18	282	324	298	295	321	1,238
Add: Non-underlying net income adjustments (pre-tax):							
Market-related impacts (pre-tax)	19	(7)	(8)	3	(16)	—	(21)
Management's ownership of MFS shares (pre-tax) ⁽³⁾	20	21	31	42	46	13	132
Acquisition, integration and restructuring (pre-tax) ⁽⁴⁾	21	(36)	(31)	(131)	(18)	(16)	(196)
Intangible asset amortization (pre-tax)	22	(8)	(6)	(6)	(7)	(7)	(26)
Other (pre-tax)	23	—	7	—	—	—	7
Total non-underlying net income adjustments (pre-tax)	24	(30)	(7)	(92)	5	(10)	(104)
Tax (expense) benefit related to non-underlying net income adjustments	25	2	4	12	(2)	—	14
Reported net income - Common shareholders (post-tax)	26	254	321	218	298	311	1,148
Asset Management Post-Tax Adjustments							
Underlying net income (post-tax)	27	282	324	298	295	321	1,238
Add: Non-underlying net income adjustments (post-tax):							
Market-related impacts (post-tax)	28	(7)	(8)	3	(17)	—	(22)
Management's ownership of MFS shares (post-tax) ⁽³⁾	29	17	27	37	42	9	115
Acquisition, integration and restructuring (post-tax) ⁽⁴⁾	30	(33)	(26)	(117)	(18)	(15)	(176)
Intangible asset amortization (post-tax)	31	(5)	(3)	(3)	(4)	(4)	(14)
Other (post-tax)	32	—	7	—	—	—	7
Total non-underlying net income adjustments (post-tax)	33	(28)	(3)	(80)	3	(10)	(90)
Reported net income - Common shareholders (post-tax)	34	254	321	218	298	311	1,148
MFS Pre-Tax Adjustments							
Underlying net income (post-tax)	35	254	276	273	250	281	1,080
Add: Management's ownership of MFS shares (pre-tax) ⁽³⁾	36	21	31	42	46	13	132
Tax (expense) benefit related to non-underlying net income adjustments	37	(4)	(4)	(5)	(4)	(4)	(17)
Reported net income - Common shareholders (post-tax)	38	271	303	310	292	290	1,195
MFS Post-Tax Adjustments							
Underlying net income (post-tax)	39	254	276	273	250	281	1,080
Add: Management's ownership of MFS shares (post-tax) ⁽³⁾	40	17	27	37	42	9	115
Reported net income - Common shareholders (post-tax)	41	271	303	310	292	290	1,195
SLC Management Pre-Tax Adjustments							
Underlying net income (post-tax)	42	28	48	25	45	40	158
Add: Non-underlying net income adjustments (pre-tax):							
Market-related impacts (pre-tax)	43	(7)	(8)	3	(16)	—	(21)
Acquisition, integration and restructuring (pre-tax) ⁽⁴⁾	44	(36)	(31)	(131)	(18)	(16)	(196)
Intangible asset amortization (pre-tax)	45	(8)	(6)	(6)	(7)	(7)	(26)
Other (pre-tax)	46	—	7	—	—	—	7
Total non-underlying net income adjustments (pre-tax)	47	(51)	(38)	(134)	(41)	(23)	(236)
Tax (expense) benefit related to non-underlying net income adjustments	48	6	8	17	2	4	31
Reported net income (loss) - Common shareholders (post-tax)	49	(17)	18	(92)	6	21	(47)
SLC Management Post-Tax Adjustments							
Underlying net income (post-tax)	50	28	48	25	45	40	158
Add: Non-underlying net income adjustments (post-tax):							
Market-related impacts (post-tax)	51	(7)	(8)	3	(17)	—	(22)
Acquisition, integration and restructuring (post-tax) ⁽⁴⁾	52	(33)	(26)	(117)	(18)	(15)	(176)
Intangible asset amortization (post-tax)	53	(5)	(3)	(3)	(4)	(4)	(14)
Other (post-tax)	54	—	7	—	—	—	7
Total non-underlying net income adjustments (post-tax)	55	(45)	(30)	(117)	(39)	(19)	(205)
Reported net income (loss) - Common shareholders (post-tax)	56	(17)	18	(92)	6	21	(47)

⁽¹⁾ Acquisition, integration and restructuring reflect DentaQuest's acquisition and integration costs.

⁽²⁾ Other reflects a matter related to reinsurance pricing for our U.S. In-force Management business that was resolved, resulting in a charge of \$61 million pre-tax or \$48 million post-tax in the third quarter and a further charge of \$14 million pre-tax or \$11 million post-tax in the fourth quarter of 2022. In Q2 2022, Other reflects a gain related to the sale-leaseback arrangement on our Wellesley property.

⁽³⁾ Effective Q1 2023, Management's ownership of MFS shares represents the changes in the fair value attributable to MFS common shares owned by management. Prior periods have been restated.

⁽⁴⁾ In Q3 2022, amounts include the changes in estimated future payments for acquisition-related contingent considerations and options to purchase remaining ownership interests of SLC Management affiliates in the amount of \$96 million pre-tax or \$80 million post-tax.

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX CONTINUED

(C\$ millions)

	For the Quarter Ended				For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
Asia Pre-Tax Adjustments						
Underlying net income (post-tax)	141	135	153	118	133	539
Add: Non-underlying net income adjustments (pre-tax):						
<i>Market-related impacts (pre-tax)</i>	17	(110)	(107)	(97)	(3)	(317)
<i>ACMA (pre-tax)</i>	(6)	71	(54)	—	(16)	1
<i>Acquisition, integration and restructuring (pre-tax)</i>	(4)	—	—	(6)	(1)	(7)
<i>Intangible asset amortization (pre-tax)</i>	(2)	(2)	(2)	(2)	(2)	(8)
<i>Other (pre-tax) ⁽¹⁾</i>	—	17	—	—	—	17
<i>Total non-underlying net income adjustments (pre-tax)</i>	5	(24)	(163)	(105)	(22)	(314)
<i>Tax (expense) benefit related to non-underlying net income adjustments</i>	(12)	(19)	10	(6)	—	(15)
Reported net income - Common shareholders (post-tax)	134	92	—	7	111	210
Asia Post-Tax Adjustments						
Underlying net income (post-tax)	141	135	153	118	133	539
Add: Non-underlying net income adjustments (post-tax):						
<i>Market-related impacts (post-tax)</i>	5	(129)	(97)	(103)	(3)	(332)
<i>ACMA (post-tax)</i>	(6)	71	(54)	—	(16)	1
<i>Acquisition, integration and restructuring (post-tax)</i>	(4)	—	—	(6)	(1)	(7)
<i>Intangible asset amortization (post-tax)</i>	(2)	(2)	(2)	(2)	(2)	(8)
<i>Other (post-tax) ⁽¹⁾</i>	—	17	—	—	—	17
<i>Total non-underlying net income adjustments (post-tax)</i>	(7)	(43)	(153)	(111)	(22)	(329)
Reported net income - Common shareholders (post-tax)	134	92	—	7	111	210
Corporate Pre-Tax Adjustments						
Underlying net income (loss) (post-tax)	(81)	(62)	(22)	(38)	(47)	(169)
Add: Non-underlying net income adjustments (pre-tax):						
<i>Market-related impacts (pre-tax)</i>	4	26	(77)	33	(21)	(39)
<i>ACMA (pre-tax)</i>	3	17	(11)	—	—	6
<i>Acquisition, integration and restructuring (pre-tax) ⁽²⁾</i>	(4)	—	(170)	—	—	(170)
<i>Intangible asset amortization (pre-tax)</i>	—	—	—	—	—	—
<i>Other (pre-tax) ⁽¹⁾</i>	—	(17)	—	1	—	(16)
<i>Total non-underlying net income (loss) adjustments (pre-tax)</i>	3	26	(258)	34	(21)	(219)
<i>Tax (expense) benefit related to non-underlying net income adjustments ⁽³⁾</i>	(1)	133	(8)	4	(1)	128
Reported net income (loss) - Common shareholders (post-tax)	(79)	97	(288)	—	(69)	(260)
Corporate Post-Tax Adjustments						
Underlying net income (loss) (post-tax)	(81)	(62)	(22)	(38)	(47)	(169)
Add: Non-underlying net income adjustments (post-tax):						
<i>Market-related impacts (post-tax)</i>	2	108	(85)	37	(22)	38
<i>ACMA (post-tax)</i>	3	17	(11)	—	—	6
<i>Acquisition, integration and restructuring (post-tax) ⁽²⁾</i>	(3)	—	(170)	—	—	(170)
<i>Intangible asset amortization (post-tax)</i>	—	—	—	—	—	—
<i>Other (post-tax) ^{(1) (3)}</i>	—	34	—	1	—	35
<i>Total non-underlying net income (loss) adjustments (post-tax)</i>	2	159	(266)	38	(22)	(91)
Reported net income (loss) - Common shareholders (post-tax)	(79)	97	(288)	—	(69)	(260)

⁽¹⁾ In Q4 2022, amounts reflect the unwinding of an internal reinsurance agreement.

⁽²⁾ In Q3 2022, Acquisition, integration and restructuring reflects an impairment charge of \$170 million (£108 million) pertaining to the attributed goodwill that is not expected to be recovered through the Sun Life UK sale.

⁽³⁾ On December 15, 2022, legislation implementing an additional surtax of 1.5% applicable to banks and life insurers' taxable income in excess of \$100 million was enacted in Canada ("Canada Tax Rate Change"). This legislation applies retroactively to the Federal Budget date of April 7, 2022. As a result, Reported net income increased by \$51 million in Q4 2022.

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX CONTINUED

(US\$ millions)

	For the Quarter Ended					For the Year
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022
U.S. Pre-Tax Adjustments						
Underlying net income (post-tax)	176	173	173	102	83	531
Add: Non-underlying net income adjustments (pre-tax):						
<i>Market-related impacts (pre-tax)</i>	(21)	15	(10)	(5)	(43)	(43)
<i>ACMA (pre-tax)</i>	—	53	(5)	—	1	49
<i>Acquisition, integration and restructuring (pre-tax)</i> ⁽¹⁾	(28)	(57)	(25)	(49)	(5)	(136)
<i>Intangible asset amortization (pre-tax)</i>	(23)	(32)	(15)	(10)	(5)	(62)
<i>Other (pre-tax)</i> ⁽²⁾	—	(10)	(47)	74	—	17
<i>Total non-underlying net income adjustments (pre-tax)</i>	(72)	(31)	(102)	10	(52)	(175)
<i>Tax (expense) benefit related to non-underlying net income adjustments</i>	21	9	25	1	13	48
Reported net income - Common shareholders (post-tax)	125	151	96	113	44	404
U.S. Post-Tax Adjustments						
Underlying net income (post-tax)	176	173	173	102	83	531
Add: Non-underlying net income adjustments (post-tax):						
<i>Market-related impacts (post-tax)</i>	(13)	11	(8)	(1)	(32)	(30)
<i>ACMA (post-tax)</i>	—	42	(3)	—	1	40
<i>Acquisition, integration and restructuring (post-tax)</i> ⁽¹⁾	(21)	(43)	(18)	(38)	(4)	(103)
<i>Intangible asset amortization (post-tax)</i>	(17)	(24)	(11)	(8)	(4)	(47)
<i>Other (post-tax)</i> ⁽²⁾	—	(8)	(37)	58	—	13
<i>Total non-underlying net income adjustments (post-tax)</i>	(51)	(22)	(77)	11	(39)	(127)
Reported net income - Common shareholders (post-tax)	125	151	96	113	44	404
MFS Pre-Tax Adjustments						
Underlying net income (post-tax)	188	202	212	197	221	832
Add: Management's ownership of MFS shares (pre-tax) ⁽³⁾	15	24	32	34	10	100
<i>Tax (expense) benefit related to underlying net income adjustments</i>	(3)	(3)	(4)	(3)	(3)	(13)
Reported net income - Common shareholders (post-tax)	200	223	240	228	228	919
MFS Post-Tax Adjustments						
Underlying net income (post-tax)	188	202	212	197	221	832
Add: Management's ownership of MFS shares (post-tax) ⁽³⁾	12	21	28	31	7	87
Reported net income - Common shareholders (post-tax)	200	223	240	228	228	919
	For the Quarter Ended					For the Year
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022
U.S. Group Benefits Underlying Net Income to Reported Net Income						
Underlying net income (post-tax)	128	119	101	87	49	356
Add: Non-underlying net income adjustments (pre-tax):						
<i>Market-related impacts (pre-tax)</i>	4	(1)	(24)	(10)	(14)	(49)
<i>ACMA (pre-tax)</i>	—	8	(7)	—	—	1
<i>Acquisition, integration and restructuring (pre-tax)</i>	—	(1)	—	(1)	(1)	(3)
<i>Intangible asset amortization (pre-tax)</i>	(5)	(4)	(4)	(5)	(5)	(18)
<i>Total non-underlying net income adjustments (pre-tax)</i>	(1)	2	(35)	(16)	(20)	(69)
<i>Tax (expense) benefit related to non-underlying net income adjustments</i>	1	(2)	8	4	5	15
Reported net income - Common shareholders (post-tax)	128	119	74	75	34	302

⁽¹⁾ Acquisition, integration and restructuring reflect DentaQuest's acquisition and integration costs.

⁽²⁾ Other reflects a matter related to reinsurance pricing for our U.S. In-force Management business that was resolved, resulting in a charge of \$US47 million pre-tax or US\$37 million post-tax in the third quarter and a further charge of US\$10 million pre-tax or US\$8 million post-tax in the fourth quarter of 2022. In Q2 2022, Other reflects a gain related to the sale-leaseback arrangement on our Wellesley property.

⁽³⁾ Effective Q1 2023, Management's ownership of MFS shares represents the changes in the fair value attributable to MFS common shares owned by management. Prior periods have been restated.

MFS RECONCILIATIONS

(US\$ millions, unless otherwise noted)

	For the Quarter Ended				For the Year Ended		
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022	
MFS Pre-Tax Net Operating Margin Reconciliation							
Revenue							
IFRS fee income	1	787	775	801	838	909	3,323
Less: Adjustments							
Commissions	2	99	99	104	110	120	433
Other ⁽¹⁾	3	(13)	(13)	(13)	(16)	(11)	(53)
Total adjustments	4	86	86	91	94	109	380
Adjusted revenue	5	701	689	710	744	800	2,943
Expenses							
IFRS expenses	6	544	514	500	542	606	2,162
IFRS net investment (income) loss	7	(20)	(22)	(7)	5	6	(18)
Less: Adjustments							
Management's ownership of MFS shares (net of NCI) ⁽²⁾	8	(2)	(10)	(17)	(21)	3	(45)
Compensation-related equity plan adjustments	9	—	(1)	—	(4)	12	7
Commissions	10	99	99	104	110	120	433
Other ⁽¹⁾	11	(16)	(13)	(13)	(16)	(11)	(53)
Total adjustments	12	81	75	74	69	124	342
Adjusted expenses	13	443	417	419	478	488	1,802
Pre-tax Net Operating Margin	14	37 %	40 %	41 %	36 %	39 %	39 %
MFS Pre-Tax Gross Operating Margin Reconciliation							
IFRS fee income	15	787	775	801	838	909	3,323
Expenses							
IFRS expenses	16	544	514	500	542	606	2,162
IFRS net investment (income) loss	17	(20)	(22)	(7)	5	6	(18)
Less: Adjustments							
Management's ownership of MFS shares (net of NCI) ⁽²⁾	18	(2)	(10)	(17)	(21)	3	(45)
Compensation-related equity plan adjustments	19	—	(1)	—	(4)	12	7
Other ⁽³⁾	20	(3)	—	—	—	—	—
Total adjustments	21	(5)	(11)	(17)	(25)	15	(38)
Adjusted expenses	22	529	503	510	572	597	2,182
Pre-tax Gross Operating Margin	23	33 %	35 %	36 %	32 %	34 %	34 %

⁽¹⁾ Other includes accounting basis differences, such as advisory expenses and product allowances.

⁽²⁾ Excluding non-controlling interest. For more information on this adjustment made to arrive at a non-IFRS financial measure, refer to the Non-IFRS Financial Measures page 1 of this document and Section N. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS of the Company's Q1 2023 MD&A.

⁽³⁾ In Q1 2023, Other includes an impairment charge on goodwill associated with a closed end investment management agreement.

SLC MANAGEMENT REPORTED NET INCOME RECONCILIATION TO THE SUPPLEMENTARY INCOME STATEMENT

(C\$ millions)

	For the Quarter Ended					For the Year	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022	
STATEMENTS OF OPERATIONS							
Net investment income (loss)							
Investment income (loss) and performance fees - net investment income (loss)	1	4	15	3	20	10	48
Other - Investment income (loss) ⁽¹⁾	2	4	(3)	(14)	—	2	(15)
Total net investment income (loss)	3	8	12	(11)	20	12	33
Fee Income							
Management fees	4	244	234	218	209	201	862
Distribution fees	5	15	—	—	—	—	—
Property management, transaction, advisory and other fees	6	24	32	25	33	25	115
Interest and other - fee income	7	59	49	54	49	50	202
Investment income (loss) and performance fees - fee income	8	1	5	—	—	3	8
Other - fee income ⁽²⁾⁽³⁾	9	26	181	13	16	15	225
Total fee income	10	369	501	310	307	294	1,412
Expenses							
Compensation- fee-related	11	163	141	130	138	128	537
Other operating expenses	12	52	52	55	52	44	203
Interest and other	13	91	71	67	58	56	252
Placement fees - other	14	(1)	(4)	(4)	—	—	(8)
Market-related impacts	15	7	6	—	15	—	21
Intangible asset amortization	16	14	10	10	10	10	40
Acquisition, integration and restructuring	17	45	24	131	18	17	190
Other - expenses ⁽¹⁾⁽²⁾⁽³⁾	18	(35)	160	(1)	16	17	192
Total expenses	19	336	460	388	307	272	1,427
Income (loss) before income taxes	20	41	53	(89)	20	34	18
Income tax expense (benefit)	21	(1)	6	(6)	6	4	10
Non-controlling interest	22	(6)	10	9	8	9	36
Other - Non-controlling interest ⁽³⁾	23	65	19	—	—	—	19
Total non-controlling interest	24	59	29	9	8	9	55
Reported net income (loss) - Common shareholders	25	(17)	18	(92)	6	21	(47)

⁽¹⁾ The gains or losses of certain hedges are reported under Investment income or loss under IFRS, whereas we present these under Acquisition, integration and restructuring given that the only investment income or loss reflected under Investment income (loss) and performance fees is related to our seed investments.

⁽²⁾ We have reclassified the income and related expenses for certain property management agreements to Compensation – fee-related to provide more accurate metrics on our fee-related business.

⁽³⁾ Under IFRS, Crescent is required to consolidate carried interest related to pre-acquisition funds that Sun Life does not participate in economically. The carried interest is reported under other - fee income, compensation expenses within other - expenses, and the remainder in non-controlling interest. For management reporting purposes, the non-controlling interest portion of the carried interest is netted against both other - fee income and other - expenses.

DILUTED EARNINGS PER SHARE RECONCILIATION

(C\$ millions, unless otherwise noted)

	At and For the Quarter Ended					At and For the
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Year Ended 2022
Weighted Average Shares						
Weighted average shares - basic	1	587	586	586	586	586
Diluted impact of stock options	2	—	—	—	1	—
Weighted average shares - diluted underlying	3	587	586	586	587	586
Diluted impact of convertible securities (SLEECs) ⁽¹⁾	4	3	4	3	3	3
Weighted average shares - diluted	5	590	590	589	590	589
Diluted Earnings Per Share ⁽²⁾						
Underlying net income (loss)	6	895	892	949	808	720
<i>Add Adjustments:</i>						
<i>Market-related impacts</i>	7	(64)	224	(361)	118	(2)
ACMA	8	(5)	12	(131)	(22)	(27)
<i>Other adjustments:</i>						
Impact of management's ownership of MFS shares	9	17	27	37	42	9
Impact of acquisition, integration and restructuring ⁽³⁾	10	(4)	(86)	(312)	(73)	(21)
Impact of intangible asset amortization	11	(33)	(41)	(23)	(19)	(14)
Impact of other ⁽⁴⁾	12	—	137	(48)	76	—
Reported net income (loss) - Common shareholders	13	806	1,165	111	930	665
Add: Increase in income due to convertible securities ⁽⁵⁾	14	3	2	3	2	3
Reported net income (loss) - Common shareholders on a diluted basis	15	809	1,167	114	932	668
Underlying earnings per share - diluted	16	1.52	1.52	1.62	1.38	1.23
<i>Add Adjustments:</i>						
<i>Market-related impacts</i>	17	(0.10)	0.38	(0.62)	0.19	—
ACMA	18	(0.01)	0.02	(0.22)	(0.04)	(0.05)
<i>Other adjustments:</i>						
Impact of management's ownership of MFS shares	19	0.03	0.05	0.06	0.07	0.01
Impact of acquisition, integration and restructuring	20	(0.01)	(0.15)	(0.53)	(0.12)	(0.03)
Impact of intangible asset amortization	21	(0.06)	(0.07)	(0.04)	(0.03)	(0.03)
Impact of other	22	—	0.23	(0.08)	0.13	—
Impact of convertible securities on diluted earnings per share	23	—	—	—	—	—
Reported earnings per share - diluted	24	1.37	1.98	0.19	1.58	1.13

⁽¹⁾ Represents the number of common shares treated as outstanding in the calculation of diluted EPS, based on the assumed conversion of the convertible securities. No adjustment is reflected for periods in which the convertible securities conversion would have caused an anti-dilutive result.

⁽²⁾ The convertible securities contain features which enable the holders to convert these securities into preferred shares of Sun Life Assurance Company of Canada. Following this conversion, the Company has the option to settle the preferred shares with cash prior to the conversion to common shares of Sun Life. Under IFRS, diluted EPS are calculated by adjusting income and the weighted average number of shares for the effects of all dilutive potential common shares under the assumption that convertible instruments are converted and that outstanding options are exercised.

⁽³⁾ Refer to the Notes page ii, Other Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽⁴⁾ On December 15, 2022, legislation implementing an additional surtax of 1.5% applicable to banks and life insurers' taxable income in excess of \$100 million was enacted in Canada ("Canada Tax Rate Change"). This legislation applies retroactively to the Federal Budget date of April 7, 2022. As a result, Reported net income increased by \$141 million in the fourth quarter, reflected in Other adjustments. In October 2022, a matter related to reinsurance pricing for our U.S. In-force Management business was resolved, resulting in a charge of \$48 million post-tax in the third quarter and a further charge of \$11 million post-tax in the fourth quarter of 2022. In Q2 2022, Other included a gain related to the sale-leaseback arrangement on our Wellesley property.

⁽⁵⁾ Represents after-tax interest expense on convertible securities converted into common shares that is added to net income as the convertible securities are assumed to be converted at the beginning of each reporting period in the calculation of diluted EPS.

DOE RECONCILIATION - TOTAL COMPANY

This page details the reconciling items (rows 12 to 16) between the Underlying Drivers of Earnings (rows 1 to 11) to the Adjusted Common Shareholders' View (also referred to as the Reported Drivers of Earnings, rows 17 to 27). This page also further details the reconciling items and adjustments (rows 28 to 37) between the Reported Drivers of Earnings (rows 17 to 27) and the Reported View - Income Statement (also referred to as the Statements of Operations in our Consolidated Financial Statements, rows 38 to 47).

(C\$ millions)	For the Quarter Ended					For the Year Ended	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022	
Underlying View ⁽¹⁾							
Net insurance service result	1	676	721	685	536	414	2,356
Net investment result	2	447	348	360	309	250	1,267
Fee income:							
Asset Management	3	362	430	402	379	425	1,636
Other fee income	4	93	76	116	95	107	394
Expenses - other	5	(478)	(467)	(393)	(315)	(366)	(1,541)
Income before taxes - Underlying	6	1,100	1,108	1,170	1,004	830	4,112
Income tax (expense) benefit	7	(191)	(187)	(193)	(174)	(83)	(637)
Total net income	8	909	921	977	830	747	3,475
Net income (loss) allocated to the participating account and NCI	9	6	(10)	(9)	(8)	(9)	(36)
Dividends on preferred shares and distributions on other equity instruments	10	(20)	(19)	(19)	(14)	(18)	(70)
Underlying net income	11	895	892	949	808	720	3,369
Non- Underlying Adjustments							
Net insurance service result	12	12	7	150	(6)	15	166
Net investment result	13	85	(163)	466	(362)	(157)	(216)
Asset Management	14	30	14	92	(5)	10	111
Expenses - other	15	(13)	130	230	92	19	471
Income before taxes	16	114	(12)	938	(281)	(113)	532
Adjusted Common Shareholders' View							
Net insurance service result	17	664	714	535	542	399	2,190
Net investment result	18	362	511	(106)	671	407	1,483
Fee income:							
Asset Management	19	332	416	310	384	415	1,525
Other fee income	20	93	76	116	95	107	394
Expenses - other	21	(465)	(597)	(623)	(407)	(385)	(2,012)
Income before taxes	22	986	1,120	232	1,285	943	3,580
Income tax (expense) benefit	23	(166)	74	(93)	(333)	(251)	(603)
Total net income	24	820	1,194	139	952	692	2,977
Net income (loss) allocated to the participating account and NCI	25	6	(10)	(9)	(8)	(9)	(36)
Dividends on preferred shares and distributions on other equity instruments	26	(20)	(19)	(19)	(14)	(18)	(70)
Adjusted reported net income - Common shareholders	27	806	1,165	111	930	665	2,871
Adjustments for participating insurance (PAR) and fee income businesses ⁽²⁾							
Net insurance service result	28	(24)	(37)	(56)	(38)	28	(103)
Net investment result	29	(59)	28	33	20	(21)	60
Fee income:							
Asset Management	30	332	416	310	384	415	1,525
Other fee income	31	(1,808)	(1,945)	(1,692)	(1,684)	(1,732)	(7,053)
Expenses - other	32	1,450	1,525	1,407	1,280	1,313	5,525
Income before taxes	33	(109)	(13)	2	(38)	3	(46)
Income tax (expense) benefit	34	11	9	(16)	(18)	(32)	(57)
Total net income	35	(98)	(4)	(14)	(56)	(29)	(103)
Net income (loss) allocated to the participating account	36	98	4	14	56	29	103
Adjusted common shareholders' reported net income - PAR and fee income businesses	37	—	—	—	—	—	—
Reported View - Income Statement							
Net insurance service result	38	688	751	591	580	371	2,293
Net investment result	39	421	483	(139)	651	428	1,423
Fee income:							
Asset Management	40	1,901	2,021	1,808	1,779	1,839	7,447
Other fee income	41	(1,915)	(2,122)	(2,030)	(1,687)	(1,698)	(7,537)
Expenses - other	42	1,095	1,133	230	1,323	940	3,626
Income before taxes	43	(177)	65	(77)	(315)	(219)	(546)
Income tax (expense) benefit	44	918	1,198	153	1,008	721	3,080
Total net income	45	(92)	(13)	(24)	(64)	(38)	(139)
Net income (loss) allocated to the participating account and NCI	46	(20)	(20)	(18)	(14)	(18)	(70)
Dividends on preferred shares and distributions on other equity instruments	47	806	1,165	111	930	665	2,871
Reported net income - Common shareholders							

⁽¹⁾ For more information on the underlying DOE view, refer to N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A.

⁽²⁾ The adjustments for PAR remove the allocation to the participating account. The DOE presents certain amounts on a net basis to reflect management's view of the economic impact. These amounts would otherwise be included on separate Statement of Operations lines under IFRS, including: i) Results of the Asset Management operating segment within Fee Income, Net investment result and Other expenses; ii) Income for fee-based businesses with the associated expenses; and iii) Other offsetting items.

DOE RECONCILIATION - CANADA

This page details the reconciling items (rows 10 to 13) between the Underlying Drivers of Earnings (rows 1 to 9) to the Adjusted Common Shareholders' View (also referred to as the Reported Drivers of Earnings, rows 14 to 22). This page also further details the reconciling items and adjustments (rows 23 to 31) between the Reported Drivers of Earnings (rows 14 to 22) and the Reported View - Income Statement (also referred to as the Statements of Operations in our Consolidated Financial Statements, rows 32 to 40).

(C\$ millions)	For the Quarter Ended					For the Year Ended
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2022
Underlying View ⁽¹⁾						
Net insurance service result	240	289	228	240	191	948
Net investment result	246	163	199	191	112	665
Other fee income	39	21	53	50	55	179
Expenses - other	(125)	(136)	(120)	(103)	(126)	(485)
Income before taxes	400	337	360	378	232	1,307
Income tax (expense) benefit	(84)	(72)	(67)	(79)	(26)	(244)
Total net income	316	265	293	299	206	1,063
Net income (loss) allocated to the participating account and NCI	—	—	—	—	—	—
Underlying net income	316	265	293	299	206	1,063
Non- Underlying Adjustments						
Net insurance service result	6	10	49	(6)	—	53
Net investment result	88	(76)	239	(324)	(232)	(393)
Expenses - other	(94)	6	6	4	4	20
Income before taxes	—	(60)	294	(326)	(228)	(320)
Adjusted Common Shareholders' View						
Net insurance service result	234	279	179	246	191	895
Net investment result	158	239	(40)	515	344	1,058
Other fee income	39	21	53	50	55	179
Expenses - other	(31)	(142)	(126)	(107)	(130)	(505)
Income before taxes	400	397	66	704	460	1,627
Income tax (expense) benefit	(71)	56	(10)	(228)	(204)	(386)
Total net income	329	453	56	476	256	1,241
Net income (loss) allocated to the participating account and NCI	—	—	—	—	—	—
Adjusted reported net income - Common shareholders	329	453	56	476	256	1,241
Adjustments for PAR and fee income businesses ⁽²⁾						
Net insurance service result	(31)	(27)	(27)	(17)	37	(34)
Net investment result	6	37	20	13	(3)	67
Other fee income	(327)	(328)	(290)	(298)	(300)	(1,216)
Expenses - other	331	321	288	297	302	1,208
Income before taxes	(21)	3	(9)	(5)	36	25
Income tax (expense) benefit	5	(5)	(7)	(9)	(30)	(51)
Total net income	(16)	(2)	(16)	(14)	6	(26)
Net income (loss) allocated to the participating account	16	2	16	14	(6)	26
Adjusted common shareholders' reported net income - PAR and fee income businesses	—	—	—	—	—	—
Reported View - Income Statement						
Net insurance service result	265	306	206	263	154	929
Net investment result	152	202	(60)	502	347	991
Fee income	366	349	343	348	355	1,395
Expenses - other	(362)	(463)	(414)	(404)	(432)	(1,713)
Income before taxes	421	394	75	709	424	1,602
Income tax (expense) benefit	(76)	61	(3)	(219)	(174)	(335)
Total net income	345	455	72	490	250	1,267
Net income (loss) allocated to the participating account	(16)	(2)	(16)	(14)	6	(26)
Reported net income - Common shareholders	329	453	56	476	256	1,241

⁽¹⁾ For more information on the underlying DOE view, refer to N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A.

⁽²⁾ The adjustments for PAR remove the allocation to the participating account. The DOE presents certain amounts on a net basis to reflect management's view of the economic impact. These amounts would otherwise be included on separate Statement of Operations lines under IFRS, including: i) Results of the Asset Management operating segment within Fee Income, Net investment result and Other expenses; ii) Income for fee-based businesses with the associated expenses; and iii) Other offsetting items.

DOE RECONCILIATION - U.S.

This page details the reconciling items (rows 10 to 13) between the Underlying Drivers of Earnings (rows 1 to 9) to the Adjusted Common Shareholders' View (also referred to as the Reported Drivers of Earnings, rows 14 to 22). This page also further details the reconciling items and adjustments (rows 23 to 31) between the Reported Drivers of Earnings (rows 14 to 22) and the Reported View - Income Statement (also referred to as the Statements of Operations in our Consolidated Financial Statements, rows 32 to 40).

(C\$ millions)	For the Quarter Ended					For the Year	
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022	
Underlying View ⁽¹⁾							
Net insurance service result	1	324	324	312	167	140	943
Net investment result	2	69	58	65	65	43	231
Other fee income	3	35	50	37	25	24	136
Expenses - other	4	(130)	(142)	(127)	(84)	(77)	(430)
Income before taxes	5	298	290	287	173	130	880
Income tax (expense) benefit	6	(61)	(60)	(60)	(39)	(23)	(182)
Total net income	7	237	230	227	134	107	698
Net income (loss) allocated to the participating account and NCI	8	—	—	—	—	—	—
Underlying net income	9	237	230	227	134	107	698
Non- Underlying Adjustments							
Net insurance service result	10	—	14	67	—	—	81
Net investment result	11	21	(92)	13	(101)	50	(130)
Less: Expenses - other	12	71	121	51	80	12	264
Income before taxes	13	92	43	131	(21)	62	215
Adjusted Common Shareholders' View							
Net insurance service result	14	324	310	245	167	140	862
Net investment result	15	48	150	52	166	(7)	361
Other fee income	16	35	50	37	25	24	136
Expenses - other	17	(201)	(263)	(178)	(164)	(89)	(694)
Income before taxes	18	206	247	156	194	68	665
Income tax (expense) benefit	19	(38)	(45)	(31)	(45)	(12)	(133)
Total net income	20	168	202	125	149	56	532
Net income (loss) allocated to the participating account and NCI	21	—	—	—	—	—	—
Adjusted reported net income - Common shareholders	22	168	202	125	149	56	532
Adjustments for PAR and fee income businesses ⁽²⁾							
Net insurance service result	23	(8)	(18)	5	(13)	(7)	(33)
Net investment result	24	(1)	(1)	(3)	1	(2)	(5)
Other fee income	25	(76)	(75)	(66)	(27)	(3)	(171)
Expenses - other	26	76	75	69	26	4	174
Income before taxes	27	(9)	(19)	5	(13)	(8)	(35)
Income tax (expense) benefit	28	4	9	(1)	(2)	2	8
Total net income	29	(5)	(10)	4	(15)	(6)	(27)
Net income (loss) allocated to the participating account	30	5	10	(4)	15	6	27
Adjusted common shareholders' reported net income - PAR and fee income businesses	31	—	—	—	—	—	—
Reported View - Income Statement							
Net insurance service result	32	332	328	240	180	147	895
Net investment result	33	49	151	55	165	(5)	366
Fee income	34	111	125	103	52	27	307
Expenses - other	35	(277)	(338)	(247)	(190)	(93)	(868)
Income before taxes	36	215	266	151	207	76	700
Income tax (expense) benefit	37	(42)	(54)	(30)	(43)	(14)	(141)
Total net income	38	173	212	121	164	62	559
Net income (loss) allocated to the participating account	39	(5)	(10)	4	(15)	(6)	(27)
Reported net income - Common shareholders	40	168	202	125	149	56	532

⁽¹⁾ For more information on the underlying DOE view, refer to N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A.

⁽²⁾ The adjustments for PAR remove the allocation to the participating account. The DOE presents certain amounts on a net basis to reflect management's view of the economic impact. These amounts would otherwise be included on separate Statement of Operations lines under IFRS, including: i) Results of the Asset Management operating segment within Fee Income, Net investment result and Other expenses; ii) Income for fee-based businesses with the associated expenses; and iii) Other offsetting items.

DOE RECONCILIATION - ASIA

This page details the reconciling items (rows 10 to 14) between the Underlying Drivers of Earnings (rows 1 to 9) to the Adjusted Common Shareholders' View (also referred to as the Reported Drivers of Earnings, rows 15 to 23). This page also further details the reconciling items and adjustments (rows 24 to 32) between the Reported Drivers of Earnings (rows 15 to 23) and the Reported View - Income Statement (also referred to as the Statements of Operations in our Consolidated Financial Statements, rows 33 to 41).

(C\$ millions)	For the Quarter Ended					For the Year
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022
Underlying View ⁽¹⁾						
Net insurance service result	99	90	105	106	48	349
Net investment result	98	70	103	75	101	349
Other fee income	11	11	4	(1)	41	55
Expenses - other	(55)	(49)	(64)	(51)	(46)	(210)
Income before taxes	153	122	148	129	144	543
Income tax (expense) benefit	(12)	13	5	(11)	(11)	(4)
Total net income	141	135	153	118	133	539
Net income (loss) allocated to the participating account and NCI	—	—	—	—	—	—
Underlying net income	141	135	153	118	133	539
Non- Underlying Adjustments						
Net insurance service result	6	(17)	34	—	15	32
Net investment result	(17)	56	126	97	4	283
Other fee income	—	(17)	—	—	—	(17)
Expenses - other	6	2	3	8	3	16
Income before taxes	(5)	24	163	105	22	314
Adjusted Common Shareholders' View						
Net insurance service result	93	107	71	106	33	317
Net investment result	115	14	(23)	(22)	97	66
Other fee income	11	28	4	(1)	41	72
Expenses - other	(61)	(51)	(67)	(59)	(49)	(226)
Income before taxes	158	98	(15)	24	122	229
Income tax (expense) benefit	(24)	(6)	15	(17)	(11)	(19)
Total net income	134	92	—	7	111	210
Net income (loss) allocated to the participating account and NCI	—	—	—	—	—	—
Adjusted reported net income - Common shareholders	134	92	—	7	111	210
Adjustments for PAR and fee income businesses ⁽²⁾						
Net insurance service result	13	—	(37)	(1)	—	(38)
Net investment result	(25)	24	7	(22)	(28)	(19)
Other fee income	(66)	(71)	(67)	(64)	(66)	(268)
Expenses - other	64	72	94	62	62	290
Income before taxes	(14)	25	(3)	(25)	(32)	(35)
Income tax (expense) benefit	2	3	—	(1)	3	5
Total net income	(12)	28	(3)	(26)	(29)	(30)
Net income (loss) allocated to the participating account	12	(28)	3	26	29	30
Adjusted common shareholders' reported net income - PAR and fee income businesses	—	—	—	—	—	—
Reported View - Income Statement						
Net insurance service result	80	107	108	107	33	355
Net investment result	140	(10)	(30)	—	125	85
Fee income	77	99	71	63	107	340
Expenses - other	(125)	(123)	(161)	(121)	(111)	(516)
Income before taxes	172	73	(12)	49	154	264
Income tax (expense) benefit	(26)	(9)	15	(16)	(14)	(24)
Total net income	146	64	3	33	140	240
Net income (loss) allocated to the participating account	(12)	28	(3)	(26)	(29)	(30)
Reported net income - Common shareholders	134	92	—	7	111	210

⁽¹⁾ For more information on the underlying DOE view, refer to N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A.

⁽²⁾ The adjustments for PAR remove the allocation to the participating account. The DOE presents certain amounts on a net basis to reflect management's view of the economic impact. These amounts would otherwise be included on separate Statement of Operations lines under IFRS, including: i) Results of the Asset Management operating segment within Fee Income, Net investment result and Other expenses; ii) Income for fee-based businesses with the associated expenses; and iii) Other offsetting items.

DOE RECONCILIATION - CORPORATE

This page details the reconciling items (rows 10 to 14) between the Underlying Drivers of Earnings (rows 1 to 9) to the Adjusted Common Shareholders' View (also referred to as the Reported Drivers of Earnings, rows 15 to 23). This page also further details the reconciling items and adjustments (rows 24 to 32) between the Reported Drivers of Earnings (rows 15 to 23) and the Reported View - Income Statement (also referred to as the Statements of Operations in our Consolidated Financial Statements, rows 33 to 41).

(C\$ millions)	For the Quarter Ended					For the Year
	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Ended 2022
Underlying View ⁽¹⁾						
Net insurance service result	13	18	40	23	35	116
Net investment result	34	57	(7)	(22)	(6)	22
Other fee income	8	(4)	20	21	(13)	24
Expenses - other	(168)	(138)	(81)	(82)	(115)	(416)
Income (loss) before taxes	(113)	(67)	(28)	(60)	(99)	(254)
Income tax (expense) benefit	52	24	25	36	70	155
Total net income (loss)	(61)	(43)	(3)	(24)	(29)	(99)
Dividends on preferred shares and distributions on other equity instruments	(20)	(19)	(19)	(14)	(18)	(70)
Underlying net income (loss)	(81)	(62)	(22)	(38)	(47)	(169)
Non- Underlying Adjustments						
Net insurance service result	—	—	—	—	—	—
Net investment result	(7)	(43)	88	(34)	21	32
Other fee income	—	17	—	—	—	17
Expenses - other	4	(1)	170	—	—	169
Income (loss) before taxes	(3)	(27)	258	(34)	21	218
Adjusted Common Shareholders' View						
Net insurance service result	13	18	40	23	35	116
Net investment result	41	100	(95)	12	(27)	(10)
Other fee income	8	(21)	20	21	(13)	7
Expenses - other	(172)	(137)	(251)	(82)	(115)	(585)
Income (loss) before taxes	(110)	(40)	(286)	(26)	(120)	(472)
Income tax (expense) benefit	51	156	17	40	69	282
Total net income	(59)	116	(269)	14	(51)	(190)
Less: Dividends on preferred shares and distributions on other equity instruments	(20)	(19)	(19)	(14)	(18)	(70)
Adjusted reported net income (loss) - Common shareholders	(79)	97	(288)	—	(69)	(260)
Adjustments for PAR and fee income businesses ⁽²⁾						
Net insurance service result	2	8	3	(7)	(2)	2
Net investment result	(3)	(2)	8	25	15	46
Other fee income	94	90	83	82	83	338
Expenses - other	(94)	(98)	(86)	(93)	(90)	(367)
Income (loss) before taxes	(1)	(2)	8	7	6	19
Income tax (expense) benefit	1	1	(7)	(7)	(6)	(19)
Total net income (loss)	—	(1)	1	—	—	—
Less: Dividends on preferred shares and distributions on other equity instruments	—	1	(1)	—	—	—
Adjusted common shareholders' reported net income (loss) - PAR and fee income businesses	—	—	—	—	—	—
Reported View - Income Statement						
Net insurance service result	11	10	37	30	37	114
Net investment result	44	102	(103)	(13)	(42)	(56)
Fee income	(86)	(111)	(63)	(61)	(96)	(331)
Expenses - other	(78)	(39)	(165)	11	(25)	(218)
Income (loss) before taxes	(109)	(38)	(294)	(33)	(126)	(491)
Income tax (expense) benefit	50	155	24	47	75	301
Total net income (loss)	(59)	117	(270)	14	(51)	(190)
Dividends on preferred shares and distributions on other equity instruments	(20)	(20)	(18)	(14)	(18)	(70)
Reported net income (loss) - Common shareholders	(79)	97	(288)	—	(69)	(260)

⁽¹⁾ For more information on the underlying DOE view, refer to N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A.

⁽²⁾ The adjustments for PAR remove the allocation to the participating account. The DOE presents certain amounts on a net basis to reflect management's view of the economic impact. These amounts would otherwise be included on separate Statement of Operations lines under IFRS, including: i) Results of the Asset Management operating segment within Fee Income, Net investment result and Other expenses; ii) Income for fee-based businesses with the associated expenses; and iii) Other offsetting items.

Non-IFRS Financial Measures Glossary

Sun Life uses the following non-IFRS financial measures:

- (1) After-tax profit margin for U.S. Group Benefits. This ratio expresses U.S. Group Benefits underlying net income as a percentage of net premiums. It assists in explaining our results from period to period and measures profitability. This ratio is calculated by dividing underlying net income by net premiums for the trailing four quarters. There is no directly comparable IFRS measure;
- (2) Assets under administration (AUA). AUA represents Client assets for which Sun Life provides administrative services. In Canada, AUA includes mutual fund dealers' assets in Individual Wealth and administrative services assets in Group Retirement Services. In Asia, AUA includes administrative services assets in China and Hong Kong. In SLC Management, AUA includes assets distributed by SLC Management's affiliate, Advisors Asset Management Inc. There is no standardized financial measure under IFRS;
- (3) Assets under management (AUM). AUM is a non-IFRS financial measure that indicates the size of the Company's assets across asset management, wealth and insurance. There is no standardized financial measure under IFRS. In addition to the most directly comparable IFRS measures, which are the balance of General funds and Segregated funds on our Statements of Financial Position, AUM also includes Third-party AUM and Consolidation adjustments;
- (4) Assets under management and administration (AUMA) consists of both AUA and AUM, as defined above, and there is no standardized financial measure under IFRS;
- (5) AUM not yet earning fees. This measure represents the committed uninvested capital portion of total AUM not currently earning management fees. The amount depends on the specific terms and conditions of each fund. There is no directly comparable IFRS measure;
- (6) Capital raising. This measure consists of increases in SLC Management's commitments from fund raising activities for all real estate, infrastructure and alternative credit Clients excluding leverage. Investment-grade fixed income capital raising consists of sales made to new Clients. There is no directly comparable IFRS measure;
- (7) Constant currency. We remove the impacts of foreign exchange translation from certain IFRS and non-IFRS financial measures to assist in comparing our results from period to period. The impacts of foreign exchange translation are approximated by using the foreign exchange rates in effect during the comparative period, using the average or period end foreign exchange rates, as appropriate. Constant currency reconciliation for Reported net income and Reported earnings per share - diluted are as follows:
- | | | | |
|--------------------------------------------------------|---------------|----------------------------------------------------------------|------|
| Q1 2023 Reported net income at Q1 2022 constant dollar | \$778 million | Q1 2023 Reported earnings per share at Q1 2022 constant dollar | 1.32 |
| Currency impact relative to Q1 2022 exchange rates | \$28 million | Currency impact per share relative to Q1 2022 exchange rates | 0.05 |
| Q1 2023 Reported net income - actual | \$806 million | Q1 2023 Reported earnings per share - actual | 1.37 |
- (8) Deployment. This measure represents the amount of capital that has been invested in the period, including leverage where applicable. Deployment also includes capital committed in infrastructure deals to be invested in specific assets. There is no directly comparable IFRS measure;
- (9) Drivers of Earnings (DOE). The DOE analysis provides additional detail on the sources of earnings, primarily for protection and health businesses, and explains the actual results compared to the longer term expectations. The DOE is presented on a reported common shareholders' basis by removing the allocations to participating policyholders, as well as on an underlying basis. Within the net insurance service result, the underlying DOE provides detail on expected insurance earnings, impact of new insurance business and experience gains (losses). Within the net investment result, the underlying DOE provides detail on expected investment earnings, credit experience, earnings on surplus and joint ventures & other. For more information on the DOE, see Understanding the Drivers of Earnings in this document and Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's Q1 2023 MD&A;
- (10) Fee earning AUM (FE AUM). FE AUM consists of assets managed by SLC Management, which are beneficially owned by Clients, on which we earn management fees for providing investment management, property management or advisory-related services. There is no directly comparable IFRS measure;
- (11) Financial Leverage ratio. This ratio is an indicator of the Company's balance sheet strength measured by its proportion of capital qualifying debt in accordance with OSFI guidelines. This is calculated as the ratio of total debt plus preferred shares and other equity instruments to total capital including the contractual service margin net of taxes, where debt consists of all capital-qualifying debt securities. Capital-qualifying debt securities consist of subordinated debt and innovative capital instruments. The CSM is included net of taxes because debts are repaid and serviced from available after-tax funds.

Effective January 1, 2023, the calculation for the financial leverage ratio was updated to include the CSM balance (net of taxes) in the denominator on adoption of IFRS 17 and IFRS 9;

Non-IFRS Financial Measures Glossary Continued

(12) Impacts of foreign exchange translation. To assist in comparing our results from period-to-period, the favourable or unfavourable impacts of foreign exchange translation are approximated using the foreign exchange rates, in effect during the comparative period, for several IFRS and Non-IFRS financial measures using the average or period end foreign exchange rates, as appropriate. Items impacting a reporting period, such as Total revenue, Expenses, and Reported net income (loss) in our Consolidated Statements of Operations, as well as Underlying net income (loss), and Sales, are translated into Canadian dollars using average exchange rates for the appropriate daily, monthly, or quarterly period. For Assets and Liabilities in our Consolidated Statements of Financial Position, as well as the AUM, and certain components of the Drivers of Earnings disclosure, period-end rates are used for currency translation purposes;

(13) Net Premiums. This measure provides a better understanding of the growth in the group businesses in Canada and the U.S. Net premiums include gross insurance and annuity premiums adjusted for unearned premiums, experience-rated refund premiums, premium taxes and associated ceded amounts;

(14) Pre-tax fee-related earnings margin. This ratio is a measure of SLC Management's profitability in relation to funds that earn recurring fee revenues, while excluding investment income and performance fees. The ratio is calculated by dividing fee-related earnings by fee-related revenues and is based on the last twelve months. There is no directly comparable IFRS measure;

(15) Pre-tax net operating margin. This ratio is a measure of profitability and there is no directly comparable IFRS measure. For MFS, this ratio is calculated by excluding management's ownership of MFS shares, compensation-related equity plan adjustments and certain commission expenses that are offsetting. These commission expenses are excluded in order to neutralize the impact these items have on the pre-tax net operating margin and have no impact on the profitability of MFS. For SLC Management, the ratio is calculated by dividing the total operating income by fee-related revenue plus investment income (loss) and performance fees, and is based on the last twelve months;

(16) Pre-tax gross operating margin for MFS. This ratio is a measure of profitability, which excludes management's ownership of MFS shares and compensation-related equity plan adjustments. There is no directly comparable IFRS measure;

(17) Reported Dividend payout ratio. This is the ratio of dividends paid per share to diluted reported EPS for the period;

(18) Return on Equity (ROE). IFRS does not prescribe the calculation of ROE and therefore a comparable measure under IFRS is not available. To determine reported ROE and underlying ROE, respectively, reported net income (loss) and underlying net income (loss) is divided by the total weighted average common shareholders' equity for the period. The ROE provides an indication of the overall profitability of the Company. The quarterly ROE is annualized;

(19) Sales and flows. In Canada, wealth sales & asset management gross flows consist of sales in Group Retirement Services and Individual Wealth; group - health & protection sales consist of workplace benefits sold by Sun Life Health; and individual - protection sales refer to individual insurance sales. In the U.S., group - health & protection sales consist of sales by Group Benefits and Dental. In Asia, wealth sales & asset management gross flows consist of Hong Kong wealth sales & asset management gross flows, Philippines mutual fund sales, wealth sales & asset management gross flows by our India and China joint ventures and associates, and Aditya Birla Sun Life AMC Limited's equity and fixed income mutual fund sales based on our proportionate equity interest, including sales as reported by our bank distribution partners; individual - protection sales consist of the individual insurance sales, by our subsidiaries and joint ventures and associates, based on our proportionate equity interest, in the Philippines, Indonesia, India, China, Malaysia, Vietnam, International, Hong Kong and Singapore. Asia also has group - health & protection sales in the Philippines, Hong Kong and our joint ventures. Asset Management gross flows includes funds from retail and institutional Clients; SLC Management gross flows include capital raising, such as uncalled capital commitments and fund leverage. In Canada and in Asia, net sales consist of wealth sales & asset management gross flows less redemptions. Asset Management net flows consist of gross flows less gross outflows; SLC Management's net flows do not include Client distributions from the sale of underlying assets in closed-end funds. There is no directly comparable IFRS measure.

Effective January 1, 2023, wealth sales in Group Retirement Services in Canada has been updated to exclude retained sales to better align with the methodology for Life Insurance Marketing and Research Association (LIMRA) reporting. We have updated prior period amounts to reflect this change. Also effective January 1, 2023, insurance sales were renamed to "Group - Health & (20) Third-party AUM. Third-party AUM is composed of retail, institutional and other third-party assets, which includes general fund and segregated fund assets managed by our joint ventures. In Canada, third-party AUM includes Client assets in retail mutual fund products of SLGI Asset Management Inc. In Asia, third-party AUM includes Client assets in Hong Kong managed fund products, International wealth products, the Philippines mutual and managed fund products, Aditya Birla Sun Life Asset Management Company Limited equity and fixed income mutual fund products, Sun Life Everbright Asset Management products and our joint ventures' general fund and segregated fund assets based on our proportionate equity interest. In Asset Management, third-party AUM includes Client assets for retail and institutional Clients, as well as capital raising, such as uncalled commitments and fund leverage in SLC Management. There is no directly comparable IFRS measure.

Effective January 1, 2023, this measure was renamed to "third-party AUM", formerly "other AUM", in order to be more descriptive of the nature of these assets. Further, the presentation of "consolidation adjustments" has been updated in the current and prior periods to be shown separately from "third-party AUM", as adjustments apply to all components of total AUM;

(21) Total weighted premium income (TWPI). This measure consists of 100% renewal premiums, 100% of first year premiums, and 10% of single premiums. In contrast to sales, which only includes premiums from new business, TWPI includes renewal premiums, reflecting the strength of the in-force block and providing a better understanding of both new and existing business. There is no directly comparable IFRS measure; and

(22) Underlying dividend payout ratio. This is the ratio of the dividends paid per share to diluted underlying EPS for the period. This ratio is utilized during the medium-term capital budgeting process to inform our planned capital initiatives. We target an underlying dividend payout ratio of between 40% to 50% based on underlying EPS. For more information, see Section I - Capital and Liquidity Management of the Company's Q1 2023 MD&A.

The SLC Management Supplemental Income Statement enhances the comparability of SLC Management's results with publicly traded alternative asset managers. Additional metrics provided are considered non-IFRS financial measures. **Fee-related revenue** represents all fee income, with the exception of performance fees, generated from third-party investors. **Management fees** represent fund management fees from the third-party investors. **Distribution fees** represent third-party income earned from Advisors Asset Management Inc.'s distribution business, based on assets under administration. **Property management, transaction, advisory and other fees** represent other fee revenues which exclude management fees and performance fees, generated from third-party investors. **Fee-related expenses** represent all expenses directly related to generating fee revenue from third-party investors. **Compensation - fee-related** represents compensation expense directly related to generating fee revenue from third-party investors, which excludes equity-based compensation. **Other operating expenses** represent operating expenses other than compensation that is directly related to generating fee revenue from third-party investors. **Fee-related earnings** represent profitability of our fee-related portfolios, and is calculated as Fee-related revenue less Fee-related expenses. **Investment income (loss) and performance fees** represent total income or loss from our seed investments, net of the related expenses, Advisors Asset Management's capital markets business, which is based on actively traded assets, and performance fees. **Interest and other** represents performance fee compensation, our net interest income or expense and income from managing the General Account assets. **Operating income** represents profit realized from our business operations, and is calculated as the sum of Fee-related earnings, Investment income (loss) and performance fees, and Interest and other. **Placement fees - other** represent costs incurred for capital raising activities that are not related to the current period.

UNDERSTANDING THE DRIVERS OF EARNINGS

Drivers of earnings (DOE)	Description	Characteristics ⁽¹⁾
Risk adjustment release	Release of insurance risk margins into profit	Stable and predictable period to period and grows with underlying business
	Risk adjustment release for Group – Health & Protection is presented in the 'Expected earnings on short-term (group) insurance business' line	Risk adjustment release is not impacted by quarterly changes in discount rates
Contractual service margin recognized for services provided	Earned profit for the period released from the contractual service margin	Stable and predictable period to period and grows with underlying business
		Contractual Service Margin (CSM) balance will mostly be impacted by new business, insurance experience and market movements for some contracts
Expected earnings on short-term (group) insurance business	Group – Health & Protection profits recognized over a short coverage period	8-10% of CSM balance recognized in shareholder net income annually
	Excludes Administrative Services Only (ASO) business, presented in the 'Other fee income' line	Grows with in-force premiums, new sales and underwriting margins
Expected insurance earnings		
Impact of new insurance business	Represents 'onerous' new business for the period	
	An onerous contract does not necessarily mean it is unprofitable business	
	Onerous contracts do not account for the following sources of profitability <ul style="list-style-type: none"> • Risk adjustment • Full benefit of reinsurance • Asset returns in excess of discount rates 	We do not expect a significant amount of onerous contracts ⁽²⁾
Experience gains (losses)	Reflects actual vs. expected claims and expense cash flows (not reserves) for the current period, plus	Mortality; Mostly Group and Individual – Protection experience. The majority of annuity experience (presented in Wealth & asset management) changes future cash flows that adjust the CSM
	The impact to future cash flows (reserves) that do not adjust the CSM (e.g., Group – Health & Protection businesses)	Morbidity; Reflects both Group - Health and Individual – Protection experience
		Lapse and policyholder behaviour; not significant as experience changes future cash flows that adjust the CSM
ACMA (Non-financial)	Impact of change in assumptions that do not adjust the CSM (e.g., Group – Health & Protection businesses)	Expenses; gain/loss related to maintenance expenses on insurance contracts
		Periodic, experience dependent
Total net insurance service result		Majority of ACMA are recorded annually in Q3

⁽¹⁾ May not include all factors that can impact this line

⁽²⁾ Assuming stable macro-economic environment

**UNDERSTANDING THE DRIVERS OF EARNINGS
CONTINUED**

Drivers of earnings (DOE)	Description	Characteristics ⁽¹⁾
Expected investment earnings	<p>Reflects the spread between the expected investment return on general account assets and the discount rate (net of margins for credit risk) on insurance contract liabilities and crediting rate of investment contract liabilities</p> <p>The weighted average expected return for non-fixed income assets is approximately 2% per quarter, including:</p> <ul style="list-style-type: none"> • Equity investments (including derivatives) supporting insurance contracts; and • Investment properties supporting insurance contracts 	Grows with underlying business; may experience modest volatility period to period from changes in interest rates and investment actions
Market-related impacts	<p>Investment experience reflects variance between long-term expected returns and actual returns in the period</p> <p>Impact of period to period market fluctuations on assets and liabilities; expected to largely offset over the long-term</p> <p>Includes net equity and net fixed income impacts, impact of changes in the fair value of investment properties, and other market-related experience</p>	See market risk sensitivities in the Management's Discussion and Analysis for details
Credit experience	<p>Impact of ratings changes, and impairments (net of recoveries) on FVTPL assets</p> <p>Includes changes in expected credit loss provisions on FVOCI assets</p> <p>Expected credit is reflected in the 'Expected investment earnings' line</p>	Impacted by macro-economic environment and business fundamentals
ACMA (Financial)	<p>Primarily related to updates to economic assumptions for measuring liabilities (e.g., discount rates and cost of guarantees). Excludes pass through products where the CSM is sufficient</p> <p>Difference between changes in present value of future cash flows at locked-in and current rates for non-financial ACMA (for non-pass through products)</p>	<p>Periodic, experience dependent</p> <p>Majority of ACMA are recorded annually in Q3</p>
Earnings on surplus	Core investment income on surplus assets (i.e. coupons, dividends) and realized gains/losses	<p>Grows with surplus balance</p> <p>Core investment income will be impacted by yield/spread movement over time</p>
Joint ventures & other	<p>Joint venture earnings from India, Malaysia and China</p> <p>Other includes various smaller investment-related items that may arise from period to period</p>	Grows with underlying business
Total net investment result		
Other fee income	Includes pre-tax earnings (net of expenses) for certain wealth businesses in Canada and Asia as well as Canada & U.S. fee-based businesses (e.g. ASO from Group - Health & Protection) and fee income from Open par account in Canada	Level of earnings will trend with assets under management for Wealth and premiums for ASO
Expenses – other	Non-directly attributable contract expenses, corporate expenses, strategic initiatives and financing charges	
Asset management	Represents pre-tax earnings (net of expenses) for MFS and SLC Management	Level of earnings will trend with assets under management / fee-earning assets under management
Income tax (expense) or recovery		
Dividends, distributions, NCI		
Common shareholders' net income (loss)		

⁽¹⁾ May not include all factors that can impact this line