



**Financial and Operating Results
Supplementary Financial Information**

**Sun Life Financial Inc. (unaudited)
For the period ended September 30, 2022**

SUPPLEMENTARY FINANCIAL INFORMATION
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Reporting Changes

Effective Q2 2022, we began reporting on the performance and results of our Dental business unit, which represents our existing dental and vision business within Group Benefits together with DentaQuest Group, Inc. ("DentaQuest"), acquired on June 1, 2022 in the U.S. We have updated prior period amounts to reflect this change in presentation for both the Dental business unit and Group Benefits business unit.

Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Details can be found on pages 2, 3, 17 and 20. Other changes reflect: (i) a change in Value of New Business (VNB) that reflects a change in the timing of recognition of U.S. group policies sold or renewed with an effective date of January 1, which will recognize VNB for these policies in the prior year rather than the first quarter, to align with the timing of U.S. renewals and reported insurance sales; and (ii) a change in Sources of Earnings presentation between expected profit on in-force business and the impact of new business for SLF U.S. Group Benefits, such that expected profit for U.S. group policies includes previously classified new business gains, aligning group business sources of earnings reporting across business groups.

Basis of Presentation

All amounts in this document are presented in millions of Canadian dollars unless otherwise indicated. Sun Life Financial Inc., together with its subsidiaries and joint ventures, are collectively referred to as "the Company", "Sun Life", "we", "our" and "us". 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 Standard (IAS) 34 *Interim Financial Reporting*. Reported net income (loss) refers to common shareholders' net income (loss) determined in accordance with IFRS.

Diluted Earnings per Share – Underlying

Under IFRS, diluted earnings per share (EPS) include the impact of dilution from the Sun Life Exchangeable Capital Securities (SLEECs). Diluted underlying EPS excludes the impact of these convertible securities. No adjustment is reflected for periods in which the SLEECs conversion would have caused an anti-dilutive result. Additional detail on the calculation of diluted EPS can be found on page 7.

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 M. Non-IFRS Financial Measures, ii. Additional Non-IFRS Financial Measures of the Company's Q3 2022 Management's Discussion & Analysis (MD&A).

Rounding

Amounts in this document are impacted by rounding.

Other Adjustments

Acquisition, Integration and Restructuring

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 \$80 million post-tax and acquisition costs of our SLC Management affiliates, BentallGreenOak (BGO), InfraRed Capital Partners (InfraRed) and the Crescent Capital Group LP (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 and acquisition costs of our SLC Management affiliates, BGO, InfraRed and Crescent, which include the unwinding of the discount for Other financial liabilities of \$16 million post-tax. In 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.

In Q4 2021, amounts include the \$297 million post-tax realized gains on the Initial Public Offering (IPO) of our India asset management joint venture, Aditya Birla Sun Life Asset Management Company Limited, 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 \$153 million post-tax. In Q4, Q3, Q2 and Q1 2021, amounts relate to acquisition costs for our SLC Management affiliates, BGO, InfraRed and Crescent, which include the unwinding of the discount for Other financial liabilities of \$15 million post-tax, \$17 million post-tax, \$13 million post-tax and \$14 million post-tax, respectively. There was also a Corporate restructuring charge of \$57 million post-tax in the first quarter of 2021 related to our strategy for our workspace and redefining the role of the office.

In Q4, Q3 and Q2 2020, amounts relate to acquisition costs for our SLC Management affiliates, BGO and InfraRed, which include the unwinding of the discount for Other financial liabilities of \$15 million post-tax, \$11 million post-tax and \$11 million post-tax, respectively, and in Q1 2020, amounts relate to acquisition costs for BGO, which include the unwinding of the discount for Other financial liabilities of \$10 million post-tax. In Q4 and Q1 2020, as a result of various projects to simplify our organizational structure and drive efficiencies, we recorded a restructuring charge of \$28 million post-tax and \$20 million post-tax, respectively.

In Q4 2019, acquisition, integration and restructuring costs include \$16 million post-tax in acquisition costs relating to our acquisition of a majority stake in BGO and Infrared. As part of our focus on advancing our Client Strategy, we recorded a restructuring charge of \$25 million post-tax in Q4 2019, primarily related to severance costs, as a result of various initiatives to simplify our organizational structure and drive efficiencies. In Q3 2019, amounts predominantly reflect acquisition costs in SLC Management related to the acquisition of a majority stake in BGO. In Q2 2019, amounts include \$5 million post-tax acquisition costs relating to the merger of Bentall Kennedy and GreenOak. In Q1 2019, amounts relate to integration costs of the U.S. Employee Benefits business.

UK Goodwill

In Q3 2022, there was 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 to Phoenix Group Holdings plc ("Phoenix Group"), which is expected to close in the first half of 2023.

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 \$55 million (US\$42 million) post-tax in the third quarter.

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.

Par Allocation Adjustment

In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders for prior years in Canada ("par allocation adjustment").

Tax Rate Changes

On June 10, 2021, the *UK Finance Act* was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, reported net income decreased by \$11 million in Q2 2021, which was comprised of a loss of \$21 million on the remeasurement of deferred tax liabilities in SLC Management in Asset Management, partially offset by a gain of \$10 million from the remeasurement of deferred tax assets in the UK in Corporate. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

Non-IFRS Financial Measures

Sun Life Financial Inc. ("Sun Life" or the "Company", "we", "our" and "us") 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 included in the Company's annual and interim MD&A and the Supplementary Financial Information packages that are available on www.sunlife.com under Investors – Financial results and reports.

Underlying net income (loss) and financial measures based on underlying net income (loss), including underlying EPS or underlying loss per share, and underlying return on equity (ROE), are non-IFRS financial measures. Underlying net income (loss) removes from reported net income (loss) the impacts of the following items in our results under IFRS and when removed assist in explaining our results from period to period: (a) market-related impacts that differ from our best estimate assumptions, which include: (i) impacts of returns in equity markets, net of hedging, for which our best estimate assumptions are approximately 2% per quarter. This also includes the impact of the basis risk inherent in our hedging program, which is the difference between the return on underlying funds of products that provide benefit guarantees and the return on the derivative assets used to hedge those benefit guarantees; (ii) the impacts of changes in interest rates in the reporting period and on the value of derivative instruments used in our hedging programs including changes in credit and swap spreads, and any changes to the assumed fixed income reinvestment rates in determining the actuarial liabilities; and (iii) the impacts of changes in the fair value of investment properties in the reporting period; (b) assumption changes and management actions, which include: (i) the impacts of revisions to the methods and assumptions used in determining our liabilities for insurance contracts and investment contracts; and (ii) the impacts on insurance contracts and investment contracts of actions taken by management in the current reporting period, referred to as management actions which include, for example, changes in the prices of in-force products, new or revised reinsurance on in-force business, and material changes to investment policies for assets supporting our liabilities; and (c) other adjustments, which include: (i) fair value adjustments on MFS' share-based payment awards that are settled with MFS' own shares and accounted for as liabilities and measured at fair value each reporting period until they are vested, exercised and repurchased - this adjustment enhances the comparability of MFS' results with publicly traded asset managers in the United States; (ii) acquisition, integration and restructuring costs - this adjustment enhances comparability of our results from period to period, by removing the impacts of costs, including the unwinding of the discount for certain liabilities related to acquisitions, that are not ongoing in nature and are incurred with the intent to generate benefits in future periods; (iii) certain hedges in Canada that do not qualify for hedge accounting - this adjustment enhances the comparability of our results from period to period, as it reduces volatility to the extent it will be offset over the duration of the hedges; and (iv) other items that are unusual or exceptional in nature. All factors discussed in this document that impact our underlying net income are also applicable to reported net income. All EPS measures in this document refer to fully diluted EPS, unless otherwise stated. Underlying EPS (diluted) 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 (SLEECs). For additional information about the underlying net income, see above. For additional information about the composition of the EPS, please refer to Note 26 of our 2021 Annual Consolidated Financial Statements. For additional information about the SLEECs, please refer to Note 13 of our 2021 Annual Consolidated Financial Statements.

Sources of Earnings

Sources of earnings (SOE) is an alternative presentation of our Consolidated Statements of Operations that identifies and quantifies various sources of income. The Company is required to disclose its sources of earnings by its principal regulator, the Office of the Superintendent of Financial Institutions (OSFI). The SOE is prepared in accordance with the OSFI Guideline D-9, Sources of Earnings Disclosures and is therefore not prescribed under IFRS. The preparation for the document and its components does not have a standard for preparation as it depends on the methodology, estimates and assumptions used. The components of the SOE are: expected profit, impact of new business, experience gains and losses, assumption changes and management actions, and earnings on surplus. For an explanation of the SOE components, see Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A.

FINANCIAL HIGHLIGHTS

At and For the Quarter Ended									At and For the Year Ended		
Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019

RESULTS
Common Shareholders' Reported Net Income (Loss) by Segment

Canada	1	210	160	263	356	393	404	405	255	387	1,558	717	883
U.S.	2	94	213	169	85	46	157	211	88	(113)	499	257	163
Asset Management	3	215	296	308	140	301	221	230	267	251	892	980	897
Asia	4	125	131	161	446	288	143	198	132	236	1,075	594	520
Corporate	5	(178)	(15)	(43)	51	(9)	(25)	(107)	2	(11)	(90)	(144)	155
Total common shareholders' reported net income (loss)	6	466	785	858	1,078	1,019	900	937	744	750	3,934	2,404	2,618
Market related impacts ⁽¹⁾ :													
Net equity market impact	7	(48)	(159)	(2)	107	24	99	72	108	50	302	(143)	127
Net interest rate impact	8	(115)	(68)	(30)	(36)	2	(36)	141	(74)	(14)	71	(214)	(348)
Net increases (decreases) in the fair value of real estate	9	3	75	70	85	145	28	(4)	(14)	(37)	254	(104)	(16)
Assumption changes and management actions (ACMA) ⁽¹⁾	10	(160)	(152)	38	156	171	91	209	20	(1)	627	(461)	(237)
Other adjustments ⁽¹⁾ :	11	7	—	1	(19)	95	2	(4)	(42)	(53)	74	(143)	(46)
Fair value adjustments on share-based payment awards at MFS	12	37	44	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(186)	(92)	(64)
Acquisition, integration and restructuring ⁽²⁾	13	(142)	(74)	(21)	90	(21)	(13)	(74)	(50)	(11)	(18)	(117)	(87)
Other ⁽³⁾	14	(225)	75	—	—	(85)	(11)	—	—	5	(96)	4	(5)
Total common shareholders' underlying net income (loss) ⁽¹⁾	15	949	892	843	898	902	883	850	862	842	3,533	3,213	3,057

Common Shareholders' Underlying Net Income (Loss) by Segment ⁽¹⁾

Canada	16	300	344	298	266	290	290	285	243	293	1,131	1,073	1,012
U.S.	17	216	154	118	72	110	165	171	148	136	518	568	532
Asset Management	18	295	270	326	382	362	311	291	333	294	1,346	1,128	1,004
Asia	19	175	148	152	130	145	152	159	116	164	586	579	550
Corporate	20	(37)	(24)	(51)	48	(5)	(35)	(56)	22	(45)	(48)	(135)	(41)
Total common shareholders' underlying net income (loss)	21	949	892	843	898	902	883	850	862	842	3,533	3,213	3,057

Profitability Measures

Basic earnings per common share (EPS)													
Reported	22	0.80	1.34	1.46	1.84	1.74	1.54	1.60	1.27	1.28	6.72	4.11	4.42
Diluted earnings per common share													
Reported	23	0.80	1.34	1.46	1.83	1.74	1.53	1.59	1.27	1.28	6.69	4.10	4.40
Underlying	24	1.62	1.52	1.44	1.53	1.54	1.50	1.45	1.47	1.44	6.03	5.49	5.16

Sales, Asset Management Gross Flows & Value of New Business ⁽⁴⁾

Individual insurance ⁽⁵⁾	25	444	416	409	495	336	440	437	513	378	1,708	1,592	1,511
Group insurance ⁽⁵⁾	26	499	320	390	1,111	292	270	293	912	303	1,966	1,909	2,013
Asset Management ⁽⁶⁾	27	36,434	49,640	49,427	46,986	40,682	47,164	58,231	43,390	43,066	193,063	189,985	134,505
Wealth ⁽⁵⁾⁽⁷⁾	28	6,662	7,736	8,460	9,722	10,043	7,849	7,731	8,244	9,618	35,345	30,875	24,487
Value of New Business ⁽⁷⁾⁽⁸⁾	29	256	271	258	494	290	284	278	426	261	1,346	1,146	1,199

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on pages 32 to 35 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A.

⁽²⁾ Refer to the Notes page ii, Other Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽³⁾ In Q3 2022, other 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 and a \$55 million charge reflecting the resolution of a matter related to reinsurance pricing for our U.S. In-force Management business. In Q2 2022, other reflects a gain related to the sale-leaseback arrangement on our Wellesley property in the U.S. In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders in Canada for prior years ("par allocation adjustment"). On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, reported net income decreased by \$11 million in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details. Prior periods reflect certain hedges in Canada that do not qualify for hedge accounting.

⁽⁴⁾ Sales, Asset Management gross flows and value of new business (VNB) are non-IFRS financial measures. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A for the composition of the measures.

⁽⁵⁾ Includes the sales in the Company's joint ventures and associates with local partners in Asia based on our proportionate equity interest.

⁽⁶⁾ Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Refer to section L. Non-IFRS Financial Measures, ii. Additional Non-IFRS Financial Measures of the Company's Annual 2021 MD&A for additional details.

⁽⁷⁾ Excludes Asset Management businesses.

⁽⁸⁾ Effective January 1, 2021 VNB reflects a change in the timing of recognition of U.S. group policies sold or renewed with an effective date of January 1, which will recognize VNB for these policies in the prior year rather than the first quarter, to align with the timing of U.S. renewals and reported insurance sales. We have updated prior periods to reflect this change.

FINANCIAL HIGHLIGHTS CONTINUED

Valuation Data	At and For the Quarter Ended								At and For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Book value per common share ⁽¹⁾	42.18	40.65	40.37	41.08	39.97	38.37	37.61	37.96	38.17	41.08	37.96	35.97
Book value per common share excluding AOCI	41.01	40.90	40.21	39.40	38.23	37.05	36.07	35.25	34.53	39.40	35.25	33.48
Tangible book value per common share	18.76	17.94	23.67	24.21	23.07	21.86	21.05	23.35	23.35	24.21	23.35	22.50
Market-to-book value (times)	1.30	1.45	1.73	1.71	1.63	1.67	1.69	1.49	1.42	1.71	1.49	1.65
Total market capitalization (TSX in \$ billions)	32.2	34.6	40.9	41.3	38.2	37.4	37.2	33.1	31.7	41.3	33.1	34.8
Financial Strength ⁽²⁾												
SLA LICAT ratio	123 %	124 %	123 %	124 %	124 %	125 %	124 %	127 %	127 %	124 %	127 %	130 %
SLF LICAT ratio	129 %	128 %	143 %	145 %	143 %	147 %	141 %	147 %	144 %	145 %	147 %	143 %
Financial leverage ratio ⁽³⁾	26.4 %	25.7 %	25.9 %	25.5 %	22.2 %	24.7 %	22.7 %	23.5 %	21.5 %	25.5 %	23.5 %	21.2 %
Common Share Information (SLF on TSX)												
High (intraday)	62.44	70.54	74.22	71.73	67.01	67.26	65.37	60.34	57.56	71.73	66.44	61.91
Low (intraday)	54.11	57.21	64.62	64.51	62.00	62.04	55.92	51.59	48.29	55.92	35.43	44.43
Close (end of period)	54.93	58.98	69.80	70.41	65.20	63.92	63.51	56.60	54.26	70.41	56.60	59.21
Number of Common Shares Outstanding (in millions) ⁽⁴⁾												
At beginning of period	586.1	586.1	586.0	585.8	585.6	585.3	585.1	584.8	584.7	585.1	587.8	598.5
Common shares issued	—	—	0.1	0.2	0.2	0.3	0.2	0.3	0.1	0.9	0.8	0.8
Common shares purchased and cancelled	—	—	—	—	—	—	—	—	—	—	(3.5)	(11.5)
At end of period	586.1	586.1	586.1	586.0	585.8	585.6	585.3	585.1	584.8	586.0	585.1	587.8
Weighted average shares outstanding - basic	586	586	586	586	586	586	585	585	585	586	585	592
Weighted average shares outstanding - diluted ⁽⁵⁾	589	589	590	590	589	590	590	589	589	590	589	597
Dividend per common share	0.69	0.69	0.66	0.66	0.55	0.55	0.55	0.55	0.55	2.31	2.20	2.10
Dividend payout ratio ⁽⁶⁾												
Reported	86 %	51 %	45 %	36 %	32 %	36 %	35 %	43 %	43 %	35 %	54 %	48 %
Underlying	43 %	45 %	46 %	43 %	36 %	37 %	38 %	37 %	38 %	38 %	40 %	41 %
Dividend yield ⁽⁷⁾	4.7 %	4.4 %	3.8 %	3.8 %	3.4 %	3.4 %	3.6 %	3.9 %	4.1 %	3.5 %	4.1 %	3.9 %
Assets Under Management ⁽⁸⁾⁽⁹⁾												
General funds	203,567	195,382	196,685	205,374	197,948	195,689	190,072	197,090	196,235	205,374	197,090	180,229
Segregated funds	118,564	120,098	133,496	139,996	133,305	133,249	127,341	125,921	116,653	139,996	125,921	116,973
Total assets	322,131	315,480	330,181	345,370	331,253	328,938	317,413	323,011	312,888	345,370	323,011	297,202
Other assets under management												
Retail	443,361	446,195	503,216	553,943	534,178	521,400	495,480	487,407	456,120	553,943	487,407	417,042
Institutional and managed & other	547,988	537,413	558,442	587,259	561,904	549,848	529,186	481,231	460,594	587,259	481,231	415,888
Consolidation adjustments	(38,725)	(38,054)	(39,686)	(41,844)	(41,016)	(39,495)	(37,833)	(35,640)	(33,784)	(41,844)	(35,640)	(30,785)
Total other assets under management	952,624	945,554	1,021,972	1,099,358	1,055,066	1,031,753	986,833	932,998	882,930	1,099,358	932,998	802,145
Total assets under management	1,274,755	1,261,034	1,352,153	1,444,728	1,386,319	1,360,691	1,304,246	1,256,009	1,195,818	1,444,728	1,256,009	1,099,347
Total assets under administration ⁽¹⁰⁾	41,815	42,092	45,819	46,993	44,760	44,188	41,948	39,921	36,868	46,993	39,921	34,997
Total assets under management and administration ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	1,316,570	1,303,126	1,397,972	1,491,721	1,431,079	1,404,879	1,346,194	1,295,930	1,232,686	1,491,721	1,295,930	1,134,344
Select Constant Currency Measures ⁽¹¹⁾												
Reported net income ⁽¹¹⁾	442			1,019								
Underlying net income	939			902								
Sales - Individual insurance	452			336								
Sales - Group insurance	487			292								
Asset Management gross flows and wealth sales	42,017			50,725								
Reported earnings per share - Diluted ⁽¹¹⁾	0.76			1.74								
Underlying earnings per share - Diluted	1.60			1.54								
Assets under management ⁽⁹⁾⁽⁹⁾	1,202,363			1,386,319								

⁽¹⁾ Book value per common share is calculated as common shareholders' equity divided by the number of common shares outstanding at the end of the period.

⁽²⁾ LICAT ratios are disclosed according to OSF's LICAT guideline as at December 31, 2020.

⁽³⁾ Financial leverage ratio, which is the total debt to capital ratio, is a non-IFRS financial measure. Refer to Section M, Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A for additional details on the composition of the measure.

⁽⁴⁾ Certain numbers have been rounded in order to arrive at the number of common shares outstanding at end of period.

⁽⁵⁾ 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.

⁽⁶⁾ 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 M, Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A for additional details on the measure.

⁽⁷⁾ 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.

⁽⁸⁾ Assets under management are a non-IFRS financial measure that indicates the size of our Company's asset management, wealth and insurance assets. Effective January 1, 2022, certain components of Other AUM were renamed to "Retail" and "Institutional and managed funds" to align with market naming conventions. Previously, these components were referred to as Mutual funds and Managed funds, respectively, in our interim and annual MD&A. While labeling changes have modified certain terminology, the composition of these components has not been affected. Refer to Section M, Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details on the composition of the measure.

⁽⁹⁾ Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Refer to section L, Non-IFRS Financial Measures, ii. Additional Non-IFRS Financial Measures of the Company's Annual 2021 MD&A for additional details.

⁽¹⁰⁾ Assets under administration (AUA) are a non-IFRS financial measure that represents Client assets and the Company only provides administrative services for these assets. In Canada, AUA includes mutual fund dealer assets in Individual Wealth and administrative services assets in Group Retirement Services. In Asia, AUA includes administrative services assets in China and Hong Kong.

⁽¹¹⁾ 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 M, Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A for additional details and Non-IFRS Financial Measures Glossary on page 38 of this document for a reconciliation of constant currency reported net income and reported earnings per share - diluted.

CONSOLIDATED STATEMENTS OF OPERATIONS

(\$ millions)

	For the Quarter Ended								For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Revenue												
Premiums - life insurance	2,726	2,799	2,612	2,852	2,360	3,206	2,507	3,616	2,794	10,925	11,812	9,470
Premiums - health insurance	3,798	3,197	2,873	2,718	2,678	2,623	2,645	2,586	2,597	10,664	10,649	9,908
Premiums - annuities	876	1,073	425	1,424	1,398	516	579	1,108	1,590	3,917	3,729	3,302
Gross premiums	7,400	7,069	5,910	6,994	6,436	6,345	5,731	7,310	6,981	25,506	26,190	22,680
Ceded premiums	(374)	(649)	(619)	(618)	(602)	(628)	(605)	(635)	(585)	(2,453)	(2,452)	(2,392)
Net premiums	7,026	6,420	5,291	6,376	5,834	5,717	5,126	6,675	6,396	23,053	23,738	20,288
Net investment income (loss)	(340)	(6,337)	(6,891)	4,489	630	5,011	(5,497)	3,075	1,889	4,633	12,718	13,140
Fee income	1,944	1,928	1,980	2,130	2,046	1,941	1,885	1,899	1,747	8,002	6,881	6,251
Total revenue	8,630	2,011	380	12,995	8,510	12,669	1,514	11,649	10,032	35,688	43,337	39,679
Policy benefits and expenses												
Gross claims & benefits paid	5,603	5,243	4,976	4,809	4,645	4,488	4,780	4,773	4,338	18,722	18,307	17,421
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds ⁽¹⁾	(755)	(6,563)	(7,977)	4,159	301	4,531	(6,841)	3,604	2,645	2,150	13,300	10,967
Operating expenses, commissions and premium taxes ⁽²⁾	3,241	2,883	2,804	3,290	2,800	2,886	2,841	2,899	2,551	11,817	10,441	9,856
Interest expense	119	101	98	82	81	84	80	89	86	327	355	333
Reinsurance expenses (recoveries)	(247)	(683)	(681)	(620)	(581)	(542)	(682)	(636)	(577)	(2,425)	(2,353)	(2,131)
Total policy benefits and expenses	7,961	981	(780)	11,720	7,246	11,447	178	10,729	9,043	30,591	40,050	36,446
Income (loss) before income taxes	669	1,030	1,160	1,275	1,264	1,222	1,336	920	989	5,097	3,287	3,233
Income tax expense (benefit)	145	219	268	54	168	180	325	53	102	727	495	286
Total net income (loss)	524	811	892	1,221	1,096	1,042	1,011	867	887	4,370	2,792	2,947
Participating policyholders' net income (loss)	31	3	7	106	57	119	53	96	117	335	283	230
Non-controlling interest	9	9	9	5	(3)	—	(2)	3	(2)	—	11	4
Dividends on preferred shares and distributions on other equity instruments	18	14	18	32	23	23	23	24	22	101	94	95
Common shareholders' reported net income (loss)	466	785	858	1,078	1,019	900	937	744	750	3,934	2,404	2,618
Common shareholders' underlying net income (loss) ⁽³⁾	949	892	843	898	902	883	850	862	842	3,533	3,213	3,057
Return on equity - reported ⁽⁴⁾	7.6 %	13.1 %	14.3 %	18.0 %	17.6 %	16.3 %	16.9 %	13.3 %	13.5 %	17.1 %	10.8 %	12.3 %
Return on equity - underlying ⁽⁴⁾	15.5 %	14.9 %	14.0 %	15.0 %	15.6 %	16.0 %	15.3 %	15.4 %	15.1 %	15.4 %	14.4 %	14.3 %
SOURCES OF EARNINGS - Total Company ⁽⁵⁾												
Expected profit on in-force business ⁽⁶⁾⁽⁷⁾	979	903	978	1,046	1,014	930	896	968	908	3,886	3,549	3,132
Impact of new business ⁽⁸⁾	(2)	40	15	38	6	15	14	35	6	73	28	(22)
Experience gains (losses)	(84)	(51)	163	(10)	172	99	425	(136)	(13)	686	(663)	(328)
Assumption changes and management actions	15	—	1	(23)	93	2	(6)	(60)	(91)	66	(214)	(127)
Other ⁽⁷⁾⁽⁸⁾	(362)	57	(26)	67	(179)	(64)	(144)	(109)	(42)	(320)	(225)	(175)
Earnings (loss) on operations (pre-tax)	546	949	1,131	1,118	1,106	982	1,185	698	768	4,391	2,475	2,480
Earnings on surplus	101	92	65	68	115	118	108	114	96	409	481	500
Earnings (loss) before income taxes	647	1,041	1,196	1,186	1,221	1,100	1,293	812	864	4,800	2,956	2,980
Income tax (expense) benefit	(154)	(233)	(311)	(70)	(182)	(178)	(335)	(42)	(93)	(765)	(447)	(267)
Earnings (loss) before dividends on preferred shares and non-controlling interest	493	808	885	1,116	1,039	922	958	770	771	4,035	2,509	2,713
Dividends on preferred shares and distributions on other equity instruments and non-controlling interest	(27)	(23)	(27)	(38)	(20)	(22)	(21)	(26)	(21)	(101)	(105)	(95)
Common shareholders' reported net income (loss)	466	785	858	1,078	1,019	900	937	744	750	3,934	2,404	2,618
Underlying net income adjustments (post-tax) ⁽³⁾												
Market related impacts	(160)	(152)	38	156	171	91	209	20	(1)	627	(461)	(237)
Assumption changes and management actions	7	—	1	(19)	95	2	(4)	(42)	(53)	74	(143)	(46)
Other adjustments:												
Fair value adjustments on share-based payment awards at MFS	37	44	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(186)	(92)	(64)
Acquisition, integration and restructuring ⁽⁹⁾	(142)	(74)	(21)	90	(21)	(13)	(74)	(50)	(11)	(18)	(117)	(87)
Other ⁽¹⁰⁾	(225)	75	—	—	(85)	(11)	—	—	5	(96)	4	(5)
Common shareholders' underlying net income (loss) ⁽³⁾	949	892	843	898	902	883	850	862	842	3,533	3,213	3,057
EXCHANGE RATES - Average for the period												
U.S. Dollar	1.304	1.276	1.267	1.260	1.259	1.229	1.266	1.304	1.332	1.254	1.341	1.327

⁽¹⁾ Includes the following income statement line items: Increases/(decreases) in insurance contract liabilities, increases/(decreases) in investment contract liabilities, change in reinsurance assets and net transfers to/(from) segregated funds. Refer to Note 10.E. Changes in Insurance Contract Liabilities, Investment Contract Liabilities and Reinsurance Assets and Note 6.D. Changes in Insurance Contract Liabilities, Investment Contract Liabilities, Reinsurance Assets and Segregated Funds of the Company's Annual 2021 and Q3 2022 Consolidated Financial Statements and Notes, respectively.

⁽²⁾ Refer to Note 18. Operating expenses, Commissions and Premium Taxes of the Company's Annual 2021 Consolidated Financial Statements and Notes.

⁽³⁾ 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 adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A.

⁽⁴⁾ Return on equity - reported and underlying is a non-IFRS financial measure that is 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 M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A for additional details on the composition of the measure.

⁽⁵⁾ Sources of earnings are prepared in accordance with the OSFI Guideline D-9, *Sources of Earnings Disclosures*. For an explanation of the SOE components, see Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A.

⁽⁶⁾ Effective January 1, 2021, expected profit for U.S. group policies includes previously classified new business gains, aligning group business sources of earnings reporting across business groups. We have updated prior period amounts to reflect this change.

⁽⁷⁾ Effective January 1, 2022, there was a change in presentation of our proportional ownership in MFS by reporting our portion of MFS' net income components and the fair value adjustments on share-based payments. We have updated prior periods to reflect this change in presentation.

⁽⁸⁾ Other represents pre-tax adjustments related to MFS' fair value adjustments on share-based payment awards, acquisition, integration and restructuring amounts, and other items that are unusual or exceptional in nature.

⁽⁹⁾ Refer to the Notes page ii, Other Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽¹⁰⁾ In Q3 2022, other 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 and a \$55 million charge reflecting the resolution of a matter related to reinsurance pricing for our U.S. In-force Management business. In Q2 2022, other reflects a gain related to the sale-leaseback arrangement on our Wellesley property in the U.S. In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders in Canada for prior years ("par allocation adjustment"). On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, reported net income decreased by \$11 million in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details. Prior periods reflect certain hedges in Canada that do not qualify for hedge accounting.

STATEMENTS OF FINANCIAL POSITION

(C\$ millions)	At the Quarter Ended								At the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Assets												
Cash, cash equivalents and short-term securities	11,386	9,437	10,525	12,278	11,525	12,435	10,997	13,527	12,450	12,278	13,527	9,575
Debt securities	75,526	75,007	81,203	88,727	86,130	85,163	82,294	89,089	89,173	88,727	89,089	81,606
Equity securities	6,740	6,930	8,289	9,113	7,439	7,975	7,267	6,631	5,835	9,113	6,631	4,787
Mortgages and loans	55,430	53,113	51,732	51,692	51,126	49,987	50,010	49,946	50,067	51,692	49,946	48,222
Derivative assets	2,632	1,670	1,451	1,583	1,250	1,527	1,410	2,160	2,279	1,583	2,160	1,548
Other invested assets	10,661	9,165	8,937	8,759	7,366	6,657	6,325	5,778	5,791	8,759	5,778	5,357
Policy loans	3,339	3,288	3,249	3,261	3,254	3,237	3,242	3,265	3,310	3,261	3,265	3,218
Investment properties	10,149	9,781	9,431	9,109	8,599	8,164	7,635	7,516	7,406	9,109	7,516	7,306
Total invested assets	175,863	168,391	174,817	184,522	176,689	175,145	169,180	177,912	176,311	184,522	177,912	161,619
Other assets	8,071	7,668	6,400	5,434	5,897	5,571	5,809	5,152	5,771	5,434	5,152	5,216
Reinsurance assets	3,750	3,940	3,754	3,683	3,807	3,738	3,824	3,843	3,999	3,683	3,843	4,024
Deferred tax assets	2,159	2,074	1,924	1,848	1,659	1,568	1,566	1,634	1,485	1,848	1,634	1,455
Intangible assets	5,150	4,920	3,326	3,370	3,368	3,226	3,234	2,477	2,493	3,370	2,477	2,083
Goodwill	8,574	8,389	6,464	6,517	6,528	6,441	6,459	6,072	6,176	6,517	6,072	5,832
Total general fund assets	203,567	195,382	196,685	205,374	197,948	195,689	190,072	197,090	196,235	205,374	197,090	180,229
Investment for account of segregated fund holders	118,564	120,098	133,496	139,996	133,305	133,249	127,341	125,921	116,653	139,996	125,921	116,973
Total assets	322,131	315,480	330,181	345,370	331,253	328,938	317,413	323,011	312,888	345,370	323,011	297,202
Liabilities and Equity												
Insurance contract liabilities	137,929	135,017	139,407	147,811	143,862	142,081	138,145	145,773	144,170	147,811	145,773	131,184
Investment contract liabilities	3,302	3,243	3,230	3,368	3,413	3,507	3,584	3,189	3,251	3,368	3,189	3,116
Derivative liabilities	3,186	2,535	1,812	1,392	1,821	1,628	1,908	1,744	2,407	1,392	1,744	2,040
Deferred tax liabilities	748	713	321	322	378	414	386	383	407	322	383	406
Other liabilities	22,342	19,414	17,625	17,783	16,245	15,817	15,370	14,858	15,573	17,783	14,858	14,937
Senior debentures	—	—	—	—	—	300	300	300	300	—	300	300
Senior debentures - Innovative capital instruments	200	200	200	200	200	200	200	200	200	200	200	200
Subordinated debt	7,075	6,427	6,426	6,425	4,434	4,433	4,432	4,781	4,035	6,425	4,781	3,538
Total general fund liabilities	174,782	167,549	169,021	177,301	170,353	168,380	164,325	171,228	170,343	177,301	171,228	155,721
Insurance and investment contracts for account of segregated fund holders	118,564	120,098	133,496	139,996	133,305	133,249	127,341	125,921	116,653	139,996	125,921	116,973
Total liabilities	293,346	287,647	302,517	317,297	303,658	301,629	291,666	297,149	286,996	317,297	297,149	272,694
Total equity	28,785	27,833	27,664	28,073	27,595	27,309	25,747	25,862	25,892	28,073	25,862	24,508
Total liabilities and equity	322,131	315,480	330,181	345,370	331,253	328,938	317,413	323,011	312,888	345,370	323,011	297,202
EXCHANGE RATES - Period end rates												
U.S. Dollar	1.383	1.287	1.250	1.263	1.268	1.239	1.256	1.273	1.332	1.263	1.273	1.299

STATEMENT OF EQUITY AND CAPITAL

(C\$ millions)

CHANGES IN COMMON SHAREHOLDERS' EQUITY

	At the Quarter Ended								At the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Balance at beginning of period	23,825	23,659	24,075	23,412	22,468	22,016	22,212	22,323	21,962	22,212	21,141	21,449
Common shareholders' reported net income (loss)	466	785	858	1,078	1,019	900	937	744	750	3,934	2,404	2,618
Dividends - common shares	(400)	(405)	(387)	(387)	(314)	(328)	(322)	(322)	(314)	(1,351)	(1,283)	(1,236)
Common shares issued, net of expenses	2	—	1	9	8	9	10	6	2	36	18	23
Common shares buyback	—	—	—	—	—	—	—	—	—	—	(200)	(592)
Share-based compensation	(1)	—	5	1	1	1	3	1	—	6	4	5
Other ⁽¹⁾	(5)	26	—	(8)	(12)	—	(139)	—	—	(159)	—	(897)
Other comprehensive income (OCI) for the period:												
Unrealized foreign currency translation gains (losses), net of hedging activities	1,083	261	(267)	(41)	254	(192)	(220)	(552)	(202)	(199)	(198)	(561)
Unrealized gains (losses) on available-for-sale assets	(300)	(457)	(628)	9	(76)	73	(372)	32	91	(366)	319	369
Unrealized gains (losses) on cash flow hedges	2	(10)	(2)	2	(1)	—	5	2	6	6	(6)	14
Share of other comprehensive income (loss) in joint ventures and associates	36	(48)	(67)	22	30	(13)	(44)	(43)	(3)	(5)	(10)	(10)
Remeasurement of defined benefit plans	10	14	71	(22)	35	2	(54)	21	31	(39)	23	(41)
Balance at end of period	24,718	23,825	23,659	24,075	23,412	22,468	22,016	22,212	22,323	24,075	22,212	21,141
Composition of shareholders' accumulated OCI balance												
Unrealized foreign currency translation gains (losses), net of hedging activities	2,028	945	684	951	992	738	930	1,150	1,702	951	1,150	1,348
Unrealized gains (losses) on available-for-sale assets	(1,119)	(819)	(362)	266	257	333	260	632	600	266	632	313
Unrealized gains (losses) on cash flow hedges	(17)	(19)	(9)	(7)	(9)	(8)	(8)	(13)	(15)	(7)	(13)	(7)
Share of other comprehensive income (loss) in joint ventures and associates	(128)	(164)	(116)	(49)	(71)	(101)	(88)	(44)	(1)	(49)	(44)	(34)
Unrealized gains (losses) on transfer to investment properties	145	145	145	145	145	145	145	145	145	145	145	145
Remeasurement of defined benefit plans	(225)	(235)	(249)	(320)	(298)	(333)	(335)	(281)	(302)	(320)	(281)	(304)
Balance at end of period	684	(147)	93	986	1,016	774	904	1,589	2,129	986	1,589	1,461
CAPITAL												
Subordinated debt	7,075	6,427	6,426	6,425	4,434	4,433	4,432	4,781	4,035	6,425	4,781	3,538
SLEECs ⁽²⁾	200	200	200	200	200	200	200	200	200	200	200	200
Participating policyholders' equity	1,764	1,713	1,704	1,700	1,596	1,535	1,418	1,368	1,282	1,700	1,368	1,091
Non-controlling interests' equity	64	56	62	59	56	62	56	25	30	59	25	19
Preferred shareholders' equity and other equity instruments	2,239	2,239	2,239	2,239	2,531	3,244	2,257	2,257	2,257	2,239	2,257	2,257
Common shareholders' equity	24,718	23,825	23,659	24,075	23,412	22,468	22,016	22,212	22,323	24,075	22,212	21,141
Total capital	36,060	34,460	34,290	34,698	32,229	31,942	30,379	30,843	30,127	34,698	30,843	28,246

LICAT RATIO - SUN LIFE ASSURANCE COMPANY OF CANADA⁽³⁾
Capital Resources

Tier 1 capital

Retained earnings and contributed surplus	28	17,374	17,108	16,200	15,934	15,779	16,037	15,282	14,630	14,065
Adjusted accumulated other comprehensive income	29	347	(191)	90	811	864	696	789	1,397	1,797
Common and preferred shares	30	4,535	4,535	4,535	4,535	3,935	3,195	3,195	3,195	3,195
Innovative instruments	31	200	200	200	200	200	200	200	200	200
Other	32	273	258	247	252	227	224	225	229	256
Less:										
Goodwill	33	2,334	2,373	2,337	2,370	2,379	2,334	2,366	2,393	2,475
Tier 1 deductions	34	5,990	5,600	5,340	5,351	5,082	4,960	5,010	4,606	4,609
Net tier 1 capital	35	14,405	13,937	13,595	14,011	13,544	13,058	12,315	12,652	12,429
Tier 2 capital										
Preferred shares and subordinated debt	36	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900
Other tier 2	37	3,119	2,883	2,793	2,845	2,679	2,621	2,579	2,576	2,579
Less:										
Tier 2 deductions	38	320	320	320	320	320	320	320	320	320
Net tier 2 capital	39	5,699	5,463	5,373	5,425	5,259	5,201	5,159	5,156	5,159
Surplus allowance and eligible deposits	40	9,052	8,930	9,566	10,383	10,119	10,078	9,771	10,575	10,203
Total capital resources	41	29,156	28,330	28,534	29,819	28,922	28,337	27,245	28,383	27,791

Capital Requirements

Credit risk	42	4,228	4,112	4,054	4,142	4,061	4,011	4,026	4,146	4,092
Market risk	43	5,525	5,038	5,003	5,266	4,961	5,025	4,953	5,264	4,868
Insurance risk	44	9,208	9,143	9,221	8,966	8,863	9,303	9,085	8,766	8,788
Total non-participating product risk (before other credits and diversification)	45	18,961	18,293	18,278	18,374	17,885	18,339	18,064	18,176	17,748
Total participating product risk including par credits (before other credits and diversification)	46	5,065	5,139	5,490	5,918	5,744	4,735	4,232	4,177	4,234
Less:										
Credits and diversification benefits	47	4,559	4,576	4,640	4,446	4,416	4,452	4,353	4,106	4,145
Total Non-participating and participating product risk	48	19,467	18,856	19,128	19,846	19,213	18,622	17,943	18,247	17,837
Segregated fund guarantees risk	49	958	924	881	872	895	872	907	904	959
Operational risk	50	2,077	2,024	2,057	2,101	2,072	2,054	2,021	2,054	1,992
Total before scalar	51	22,502	21,804	22,066	22,819	22,180	21,548	20,871	21,205	20,788
Base solvency buffer (Total before scalar x scalar [1.05])	52	23,627	22,894	23,169	23,960	23,289	22,625	21,914	22,265	21,827
LICAT ratio	53	123%	124%	123%	124%	124%	125%	124%	127%	127%
LICAT core ratio	54	88%	88%	88%	89%	89%	89%	87%	90%	90%

⁽¹⁾ In Q3 2022, other reflects a change to the new BGO Management Equity Plan and in Q2 2022, other reflects cash received for the subscription of units from plan participants, net of distributions, related to the new Management Equity Plan for BGO's senior management in contributed surplus. In Q4 and Q3 2021, other reflects a change in retained earnings due to issuance costs related to redeemed preferred shares and in Q1 2021, other reflects the establishment of financial liabilities associated with the anticipated increase of our future ownership in Crescent. In Q3 2019, other reflects primarily the establishment of financial liabilities associated with the anticipated increase of our future ownership in BGO and in Q1 2019, other consists of a \$22 million change in retained earnings due to the adoption of IFRS 16.

⁽²⁾ SLEECs, which are innovative capital instruments issued by Sun Life Capital Trust, are presented net of associated transaction costs. SLEEC securities qualify as capital for Canadian Regulatory purposes.

⁽³⁾ LICAT ratio for Sun Life Assurance Company of Canada is disclosed according to OSFI's LICAT guideline as at December 31, 2020.

DILUTED EARNINGS PER SHARE RECONCILIATION

	At and For the Quarter Ended								At and For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
WEIGHTED AVERAGE SHARES													
Weighted average shares - basic	1	586	586	586	586	586	586	585	585	586	585	592	
Diluted impact of stock options	2	—	—	1	1	—	1	—	—	—	—	1	
Weighted average shares - diluted underlying	3	586	586	587	587	586	587	585	585	586	585	593	
Diluted impact of convertible securities (SLEECs) ⁽¹⁾	4	3	3	3	3	3	4	4	4	4	4	4	
Weighted average shares - diluted	5	589	589	590	590	589	590	589	589	590	589	597	
DILUTED EARNINGS PER SHARE ⁽²⁾													
Total common shareholders' reported net income (loss)	6	466	785	858	1,078	1,019	900	937	744	750	3,934	2,404	2,618
Add: Increase in income due to convertible securities (SLEECs) ⁽³⁾	7	3	2	3	2	3	2	3	2	3	10	10	10
Total common shareholders' reported net income (loss) on a diluted basis	8	469	787	861	1,080	1,022	902	940	746	753	3,944	2,414	2,628
Less Adjustments:													
Impact of SLEECs	9	3	2	3	2	3	2	3	2	3	10	10	10
Market related impacts:													
Net equity market impact	10	(48)	(159)	(2)	107	24	99	72	108	50	302	(143)	127
Net interest rate impact	11	(115)	(68)	(30)	(36)	2	(36)	141	(74)	(14)	71	(214)	(348)
Net increases (decreases) in the fair value of real estate	12	3	75	70	85	145	28	(4)	(14)	(37)	254	(104)	(16)
Assumption changes and management actions	13	(160)	(152)	38	156	171	91	209	20	(1)	627	(461)	(237)
Other adjustments:													
Impact of fair value adjustments on share-based payment awards at MFS	15	37	44	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(186)	(92)	(64)
Impact of acquisition, integration and restructuring ⁽⁴⁾	16	(142)	(74)	(21)	90	(21)	(13)	(74)	(50)	(11)	(18)	(117)	(87)
Impact of other ⁽⁵⁾	17	(225)	75	—	—	(85)	(11)	—	—	5	(96)	4	(5)
Total common shareholders' underlying net income (loss)	18	949	892	843	898	902	883	850	862	842	3,533	3,213	3,057
Diluted earnings per share - reported	19	\$ 0.80	\$ 1.34	\$ 1.46	\$ 1.83	\$ 1.74	\$ 1.53	\$ 1.59	\$ 1.27	\$ 1.28	\$ 6.69	\$ 4.10	\$ 4.40
Less Adjustments:													
Impact of SLEECs	20	\$ (0.01)	\$ —	\$ —	\$ —	\$ —	\$ —	\$ (0.01)	\$ —	\$ —	\$ (0.01)	\$ —	\$ (0.02)
Market related impacts:													
Net equity market impact	21	\$ (0.08)	\$ (0.27)	\$ —	\$ 0.18	\$ 0.04	\$ 0.17	\$ 0.13	\$ 0.18	\$ 0.08	\$ 0.51	\$ (0.25)	\$ 0.21
Net interest rate impact	22	\$ (0.19)	\$ (0.12)	\$ (0.05)	\$ (0.06)	\$ —	\$ (0.06)	\$ 0.25	\$ (0.13)	\$ (0.02)	\$ 0.12	\$ (0.37)	\$ (0.57)
Net increases (decreases) in the fair value of real estate	23	\$ —	\$ 0.13	\$ 0.11	\$ 0.14	\$ 0.25	\$ 0.05	\$ (0.01)	\$ (0.02)	\$ (0.06)	\$ 0.43	\$ (0.18)	\$ (0.03)
Assumption changes and management actions	24	\$ (0.27)	\$ (0.26)	\$ 0.06	\$ 0.26	\$ 0.29	\$ 0.16	\$ 0.37	\$ 0.03	\$ —	\$ 1.06	\$ (0.80)	\$ (0.39)
Other adjustments:													
Impact of fair value adjustments on share-based payment awards at MFS	26	\$ 0.06	\$ 0.08	\$ —	\$ (0.08)	\$ (0.07)	\$ (0.09)	\$ (0.08)	\$ (0.08)	\$ (0.06)	\$ (0.32)	\$ (0.16)	\$ (0.11)
Impact of acquisition, integration and restructuring ⁽⁴⁾	27	\$ (0.24)	\$ (0.13)	\$ (0.04)	\$ 0.15	\$ (0.04)	\$ (0.02)	\$ (0.13)	\$ (0.08)	\$ (0.02)	\$ (0.03)	\$ (0.20)	\$ (0.15)
Impact of other ⁽⁵⁾	28	\$ (0.37)	\$ 0.13	\$ —	\$ —	\$ (0.14)	\$ (0.02)	\$ —	\$ —	\$ 0.01	\$ (0.16)	\$ 0.01	\$ (0.01)
Diluted earnings per share - underlying	29	\$ 1.62	\$ 1.52	\$ 1.44	\$ 1.53	\$ 1.54	\$ 1.50	\$ 1.45	\$ 1.47	\$ 1.44	\$ 6.03	\$ 5.49	\$ 5.16

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

⁽²⁾ The SLEECs 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⁾ Represents after-tax interest expense on SLEECs converted into common shares that is added to net income as the SLEECs are assumed to be converted at the beginning of each reporting period in the calculation of diluted EPS.

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

⁽⁵⁾ In Q3 2022, other 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 and a \$55 million charge reflecting the resolution of a matter related to reinsurance pricing for our U.S. In-force Management business. In Q2 2022, other reflects a gain related to the sale-leaseback arrangement on our Wellesley property in the U.S. In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders in Canada for prior years ("par allocation adjustment"). On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, reported net income decreased by \$11 million in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details. Prior periods reflect certain hedges in Canada that do not qualify for hedge accounting.

CANADA

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended							At and For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Revenue												
Premiums - life insurance	1,467	1,552	1,507	1,690	1,350	1,475	1,333	1,520	1,255	5,848	5,358	5,178
Premiums - health insurance	1,635	1,610	1,582	1,540	1,505	1,481	1,463	1,454	1,443	5,989	6,011	5,629
Premiums - annuities	875	1,067	406	1,417	1,387	508	562	1,077	1,557	3,874	3,594	3,276
Gross premiums	3,977	4,229	3,495	4,647	4,242	3,464	3,358	4,051	4,255	15,711	14,963	14,083
Ceded premiums	(381)	(403)	(389)	(394)	(372)	(390)	(377)	(393)	(361)	(1,533)	(1,530)	(1,488)
Net premiums	3,596	3,826	3,106	4,253	3,870	3,074	2,981	3,658	3,894	14,178	13,433	12,595
Net investment income (loss)	1,874	(3,609)	(3,928)	3,121	413	2,826	(3,291)	1,634	1,109	3,069	6,823	6,474
Fee income	387	399	401	442	404	389	376	386	343	1,611	1,376	1,320
Total revenue	5,857	616	(421)	7,816	4,687	6,289	66	5,678	5,346	18,858	21,632	20,389
Policy benefits and expenses												
Gross claims & benefits paid	2,842	2,929	2,885	2,729	2,729	2,718	2,745	2,827	2,507	10,921	10,542	9,703
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	1,950	(3,245)	(4,426)	3,837	784	2,356	(3,947)	1,945	1,803	3,030	7,808	7,250
Operating expenses, commissions and premium taxes	954	950	963	1,038	929	936	888	923	825	3,791	3,427	3,362
Interest expense	56	49	47	49	47	49	45	47	44	190	187	174
Reinsurance expenses (recoveries)	(295)	(335)	(355)	(340)	(302)	(306)	(333)	(359)	(314)	(1,281)	(1,295)	(1,172)
Total policy benefits and expenses	5,507	348	(886)	7,313	4,187	5,753	(602)	5,383	4,865	16,651	20,669	19,317
Income (loss) before income taxes	350	268	465	503	500	536	668	295	481	2,207	963	1,072
Income tax expense (benefit)	76	100	185	37	76	51	220	(26)	57	384	50	15
Participating policyholders' net income (loss)	64	8	17	110	31	81	43	66	37	265	196	174
Common shareholders' reported net income (loss)	210	160	263	356	393	404	405	255	387	1,558	717	883
Market related impacts ⁽¹⁾	(134)	(183)	(26)	90	146	114	124	15	29	474	(392)	(111)
Assumption changes and management actions ⁽¹⁾	45	—	(9)	2	42	—	(4)	(3)	60	40	32	(17)
Other ⁽¹⁾⁽²⁾	—	—	—	—	(85)	—	—	—	5	(85)	4	(5)
Acquisition, integration and restructuring ⁽¹⁾	(1)	(1)	—	(2)	—	—	—	—	—	(2)	—	4
Common shareholders' underlying net income (loss) ⁽¹⁾	300	344	298	266	290	290	285	243	293	1,131	1,073	1,012
Return on equity - reported	10.1%	7.9%	13.0%	17.5%	19.5%	20.8%	21.8%	13.7%	21.0%	19.8%	9.8%	12.6%
Return on equity - underlying	14.3%	17.2%	14.8%	13.1%	14.4%	14.9%	15.3%	13.1%	15.9%	14.4%	14.7%	14.4%
SALES												
Individual Insurance	119	126	112	161	101	122	105	118	80	489	358	389
Individual Wealth	1,546	1,799	2,204	2,191	1,946	2,177	2,641	2,168	1,741	8,955	7,453	6,357
Sun Life Health	114	92	220	80	81	74	128	68	67	363	421	599
Group Retirement Services	2,585	2,639	2,735	3,485	3,972	1,648	1,794	2,696	5,096	10,899	12,485	9,757
ASSETS UNDER MANAGEMENT												
General funds	109,115	104,555	106,762	110,499	106,538	105,220	102,261	106,318	105,036	110,499	106,318	94,909
Segregated funds	103,411	104,424	115,944	121,146	114,958	114,852	109,313	107,494	99,644	121,146	107,494	98,758
Other AUM ⁽³⁾	6,022	6,208	6,955	7,393	7,148	7,125	6,796	6,719	6,340	7,393	6,719	6,173
Total	218,548	215,187	229,661	239,038	228,644	227,197	218,370	220,531	211,020	239,038	220,531	199,840
SLGI Asset Management Inc.												
Gross Sales												
Retail	408	553	904	945	827	910	1,206	1,039	751	3,888	3,523	2,943
Institutional & other ⁽⁴⁾	461	583	947	946	473	655	803	410	430	2,877	2,503	3,101
Total	869	1,136	1,851	1,891	1,300	1,565	2,009	1,449	1,181	6,765	6,026	6,044
Net Sales ⁽⁵⁾	(85)	16	408	727	414	319	748	405	186	2,208	1,275	2,892
Assets under management	32,366	32,821	36,213	38,242	36,094	35,490	33,732	32,730	30,753	38,242	32,730	29,000

⁽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 adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A.

⁽²⁾ In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders for prior years ("par allocation adjustment"). In prior periods, other reflects certain hedges in Canada that do not qualify for hedge accounting.

⁽³⁾ Other AUM represents SLGI Asset Management Inc. retail funds.

⁽⁴⁾ Institutional & other consists primarily of Group Retirement Services segregated fund deposits.

⁽⁵⁾ Net sales are a non-IFRS financial measure that consists of gross sales less redemptions.

CANADA - INDIVIDUAL INSURANCE & WEALTH

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Revenue												
Gross premiums	1,594	1,602	1,509	1,732	1,365	1,565	1,407	1,670	1,401	6,069	5,773	5,331
Ceded premiums	(157)	(178)	(161)	(184)	(150)	(168)	(150)	(174)	(143)	(652)	(623)	(601)
Net premiums	1,437	1,424	1,348	1,548	1,215	1,397	1,257	1,496	1,258	5,417	5,150	4,730
Net investment income (loss)	1,061	(3,094)	(3,041)	2,518	327	2,313	(2,763)	1,027	632	2,395	4,999	5,067
Fee income	162	176	176	207	178	169	158	175	145	712	594	553
Total revenue	2,660	(1,494)	(1,517)	4,273	1,720	3,879	(1,348)	2,698	2,035	8,524	10,743	10,350
Policy benefits and expenses												
Gross claims & benefits paid	908	978	1,017	1,099	866	928	916	1,043	803	3,809	3,567	3,452
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	1,178	(2,823)	(3,107)	2,348	172	2,145	(3,027)	1,115	785	1,638	5,587	5,006
Operating expenses, commissions and premium taxes	534	533	545	613	525	530	502	517	445	2,170	1,860	1,866
Interest expense	37	35	32	33	34	32	32	32	31	131	129	117
Reinsurance expenses (recoveries)	(124)	(145)	(177)	(168)	(115)	(130)	(146)	(185)	(137)	(559)	(559)	(473)
Total policy benefits and expenses	2,533	(1,422)	(1,690)	3,925	1,482	3,505	(1,723)	2,522	1,927	7,189	10,584	9,968
Income (loss) before income taxes	127	(72)	173	348	238	374	375	176	108	1,335	159	382
Income tax expense (benefit)	15	(28)	30	21	4	42	92	(7)	(5)	159	(73)	(74)
Participating policyholders' net income (loss)	64	8	17	110	31	81	43	66	37	265	196	174
Common shareholders' reported net income (loss)	48	(52)	126	217	203	251	240	117	76	911	36	282
SALES												
Individual Insurance - SLFD	38	45	37	46	33	48	39	48	39	166	165	170
Individual Insurance - Third-party	81	81	75	115	68	74	66	70	41	323	193	219
Total insurance sales	119	126	112	161	101	122	105	118	80	489	358	389
Individual Wealth - fixed products	330	258	190	195	178	240	278	317	407	891	1,265	995
Individual Wealth - mutual funds	1,073	1,341	1,708	1,687	1,518	1,641	2,024	1,540	1,113	6,870	5,153	4,362
Individual Wealth - segregated funds	143	200	306	309	250	296	339	311	221	1,194	1,035	1,000
Total wealth sales	1,546	1,799	2,204	2,191	1,946	2,177	2,641	2,168	1,741	8,955	7,453	6,357
Wealth Manufactured Sales ⁽¹⁾	761	891	1,149	1,192	1,035	1,191	1,528	1,392	1,191	4,946	4,882	4,134
Other wealth sales	785	908	1,055	999	911	986	1,113	776	550	4,009	2,571	2,223
Total wealth sales	1,546	1,799	2,204	2,191	1,946	2,177	2,641	2,168	1,741	8,955	7,453	6,357
SLFD - Career Advisor Network	2,687	2,731	2,792	2,824	2,914	2,932	2,955	2,973	3,044	2,824	2,973	3,259
ASSETS UNDER MANAGEMENT AND ADMINISTRATION												
General funds	70,299	67,779	70,263	72,518	70,143	69,667	67,377	70,202	68,969	72,518	70,202	63,867
Segregated funds	11,271	11,559	13,021	13,728	13,258	13,267	12,742	12,510	11,862	13,728	12,510	12,108
Other AUM ⁽²⁾	6,022	6,208	6,955	7,393	7,148	7,125	6,796	6,719	6,340	7,393	6,719	6,173
Total assets under management	87,592	85,546	90,239	93,639	90,549	90,059	86,915	89,431	87,171	93,639	89,431	82,148
Mutual fund dealers' assets ⁽³⁾	27,324	27,320	30,083	30,957	29,231	28,524	26,744	25,320	23,320	30,957	25,320	22,545
Total assets under management and administration	114,916	112,866	120,322	124,596	119,780	118,583	113,659	114,751	110,491	124,596	114,751	104,693

⁽¹⁾ 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.

⁽²⁾ Other AUM represents SLGI Asset Management Inc. retail funds.

⁽³⁾ Mutual fund dealer assets represent assets under administration.

CANADA - SUN LIFE HEALTH

(C\$ millions)

STATEMENTS OF OPERATIONS
Revenue

Gross premiums

Ceded premiums

Net premiums

Net investment income (loss)

Fee income

Total revenue
Policy benefits and expenses

Gross claims & benefits paid

Change in insurance/investment contract liabilities, reinsurance assets & segregated funds

Operating expenses, commissions and premium taxes

Interest expense

Reinsurance expenses (recoveries)

Total policy benefits and expenses

Income (loss) before income taxes

Income tax expense (benefit)

Common shareholders' reported net income (loss)
SALES
ASSETS UNDER MANAGEMENT

General funds

SUPPLEMENTAL INFORMATION

 Business in-force ⁽¹⁾

	At and For the Quarter Ended								At and For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
1	1,734	1,710	1,687	1,630	1,605	1,575	1,571	1,553	1,546	6,381	6,438	6,102
2	(158)	(158)	(160)	(142)	(153)	(152)	(156)	(147)	(146)	(603)	(615)	(580)
3	1,576	1,552	1,527	1,488	1,452	1,423	1,415	1,406	1,400	5,778	5,823	5,522
4	247	(213)	(310)	205	54	193	(204)	180	133	248	776	626
5	82	77	71	77	70	72	76	74	66	295	257	257
6	1,905	1,416	1,288	1,770	1,576	1,688	1,287	1,660	1,599	6,321	6,856	6,405
7	1,240	1,253	1,210	1,069	1,211	1,206	1,212	1,209	1,184	4,698	4,906	4,486
8	378	(165)	(197)	407	89	196	(166)	148	(47)	526	654	876
9	304	303	302	302	289	292	277	296	276	1,160	1,146	1,093
10	12	8	9	10	8	11	9	9	9	38	37	38
11	(106)	(126)	(112)	(106)	(120)	(108)	(119)	(104)	(107)	(453)	(453)	(402)
12	1,828	1,273	1,212	1,682	1,477	1,597	1,213	1,558	1,315	5,969	6,290	6,091
13	77	143	76	88	99	91	74	102	284	352	566	314
14	21	30	20	23	20	21	17	28	72	81	144	61
15	56	113	56	65	79	70	57	74	212	271	422	253
16	114	92	220	80	81	74	128	68	67	363	421	599
17	16,985	16,258	15,905	16,491	16,248	16,115	15,589	15,971	16,152	16,491	15,971	14,486
18	12,579	12,399	12,222	11,898	11,716	11,523	11,080	11,020	10,937	11,898	11,020	11,198

⁽¹⁾ Business in-force is a non-IFRS financial measure that represents annualized premiums for insured in-force and last twelve months of fee income and ASO claims for ASO in-force on a gross basis.

CANADA - GROUP RETIREMENT SERVICES

(C\$ millions)

STATEMENTS OF OPERATIONS
Revenue

Gross premiums

Ceded premiums

Net premiums

Net investment income (loss)

Fee income

Total revenue
Policy benefits and expenses

Gross claims & benefits paid

Change in insurance/investment contract liabilities, reinsurance assets & segregated funds

Operating expenses, commissions and premium taxes

Interest expense

Reinsurance expenses (recoveries)

Total policy benefits and expenses

Income (loss) before income taxes

Income tax expense (benefit)

Common shareholders' reported net income (loss)
SALES

Sales

Asset consolidation and rollovers

Total

ASSETS UNDER MANAGEMENT AND ADMINISTRATION

General funds

Segregated funds

Total assets under management

 Assets under administration ⁽¹⁾

Total assets under management and administration

	At and For the Quarter Ended								At and For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
1	649	917	299	1,285	1,272	324	380	828	1,308	3,261	2,752	2,650
2	(66)	(67)	(68)	(68)	(69)	(70)	(71)	(72)	(72)	(278)	(292)	(307)
3	583	850	231	1,217	1,203	254	309	756	1,236	2,983	2,460	2,343
4	566	(302)	(577)	398	32	320	(324)	427	344	426	1,048	781
5	143	146	154	158	156	148	142	137	132	604	525	510
6	1,292	694	(192)	1,773	1,391	722	127	1,320	1,712	4,013	4,033	3,634
7	694	698	658	561	652	584	617	575	520	2,414	2,069	1,765
8	394	(257)	(1,122)	1,082	523	15	(754)	682	1,065	866	1,567	1,368
9	116	114	116	123	115	114	109	110	104	461	421	403
10	7	6	6	6	5	6	4	6	4	21	21	19
11	(65)	(64)	(66)	(66)	(67)	(68)	(68)	(70)	(70)	(269)	(283)	(297)
12	1,146	497	(408)	1,706	1,228	651	(92)	1,303	1,623	3,493	3,795	3,258
13	146	197	216	67	163	71	219	17	89	520	238	376
14	40	98	135	(7)	52	(12)	111	(47)	(10)	144	(21)	28
15	106	99	81	74	111	83	108	64	99	376	259	348
16	1,786	1,823	1,813	2,441	3,031	766	893	1,760	4,350	7,131	9,434	6,991
17	799	816	922	1,044	941	882	901	936	746	3,768	3,051	2,766
18	2,585	2,639	2,735	3,485	3,972	1,648	1,794	2,696	5,096	10,899	12,485	9,757
19	21,831	20,518	20,594	21,490	20,147	19,438	19,295	20,145	19,915	21,490	20,145	16,556
20	92,140	92,865	102,923	107,418	101,700	101,585	96,571	94,984	87,782	107,418	94,984	86,650
21	113,971	113,383	123,517	128,908	121,847	121,023	115,866	115,129	107,697	128,908	115,129	103,206
22	12,060	12,344	13,477	13,157	12,275	12,390	11,549	10,737	9,626	13,157	10,737	8,910
23	126,031	125,727	136,994	142,065	134,122	133,413	127,415	125,866	117,323	142,065	125,866	112,116

⁽¹⁾ Assets under administration represent assets in which administrative services are provided.

U.S.

(C\$ millions)

STATEMENTS OF OPERATIONS

Revenue

Premiums - life insurance	1	384	367	361	372	352	357	371	375	373	1,452	1,548	1,605
Premiums - health insurance	2	2,158	1,577	1,281	1,169	1,163	1,127	1,165	1,122	1,141	4,624	4,583	4,232
Premiums - annuities	3	—	1	—	—	—	—	—	—	—	—	—	1
Gross premiums	4	2,542	1,945	1,642	1,541	1,515	1,484	1,536	1,497	1,514	6,076	6,131	5,838
Ceded premiums	5	55	(190)	(180)	(165)	(174)	(187)	(179)	(181)	(168)	(705)	(695)	(662)
Net premiums	6	2,597	1,755	1,462	1,376	1,341	1,297	1,357	1,316	1,346	5,371	5,436	5,176
Net investment income (loss)	7	(659)	(854)	(1,116)	426	207	929	(1,016)	441	346	546	2,610	2,802
Fee income	8	104	53	25	25	23	17	16	32	19	81	92	86

Total revenue

		At and For the Quarter Ended								At and For the Year Ended			
		Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Revenue													
	1	384	367	361	372	352	357	371	375	373	1,452	1,548	1,605
	2	2,158	1,577	1,281	1,169	1,163	1,127	1,165	1,122	1,141	4,624	4,583	4,232
	3	—	1	—	—	—	—	—	—	—	—	—	1
	4	2,542	1,945	1,642	1,541	1,515	1,484	1,536	1,497	1,514	6,076	6,131	5,838
	5	55	(190)	(180)	(165)	(174)	(187)	(179)	(181)	(168)	(705)	(695)	(662)
	6	2,597	1,755	1,462	1,376	1,341	1,297	1,357	1,316	1,346	5,371	5,436	5,176
	7	(659)	(854)	(1,116)	426	207	929	(1,016)	441	346	546	2,610	2,802
	8	104	53	25	25	23	17	16	32	19	81	92	86
	9	2,042	954	371	1,827	1,571	2,243	357	1,789	1,711	5,998	8,138	8,064
Policy benefits and expenses													
	10	2,181	1,740	1,526	1,541	1,364	1,268	1,533	1,367	1,334	5,706	5,565	5,508
	11	(986)	(1,304)	(1,511)	(1)	(11)	585	(1,512)	126	357	(939)	1,506	1,504
	12	622	538	410	406	381	380	371	390	372	1,538	1,532	1,493
	13	23	13	13	13	12	12	12	15	20	49	86	128
	14	88	(300)	(279)	(238)	(228)	(200)	(313)	(220)	(214)	(979)	(864)	(755)
	15	1,928	687	159	1,721	1,518	2,045	91	1,678	1,869	5,375	7,825	7,878
	16	114	267	212	106	53	198	266	111	(158)	623	313	186
	17	20	54	43	21	7	41	55	23	(45)	124	56	28
	18	—	—	—	—	—	—	—	—	—	—	—	(5)
	19	94	213	169	85	46	157	211	88	(113)	499	257	163
	20	(17)	33	47	40	15	(6)	44	2	(18)	93	8	(58)
	21	(26)	—	9	(19)	(78)	—	(4)	(60)	(230)	(101)	(313)	(291)
	22	(24)	(49)	(5)	(8)	(1)	(2)	—	(2)	(1)	(11)	(6)	(20)
	23	(55)	75	—	—	—	—	—	—	—	—	—	—
	24	216	154	118	72	110	165	171	148	136	518	568	532
Income (loss) before income taxes													
	16	114	267	212	106	53	198	266	111	(158)	623	313	186
	17	20	54	43	21	7	41	55	23	(45)	124	56	28
	18	—	—	—	—	—	—	—	—	—	—	—	(5)
	19	94	213	169	85	46	157	211	88	(113)	499	257	163
Common shareholders' reported net income (loss)													
	20	(17)	33	47	40	15	(6)	44	2	(18)	93	8	(58)
	21	(26)	—	9	(19)	(78)	—	(4)	(60)	(230)	(101)	(313)	(291)
	22	(24)	(49)	(5)	(8)	(1)	(2)	—	(2)	(1)	(11)	(6)	(20)
	23	(55)	75	—	—	—	—	—	—	—	—	—	—
	24	216	154	118	72	110	165	171	148	136	518	568	532
Common shareholders' underlying net income (loss) ⁽¹⁾													
	24	216	154	118	72	110	165	171	148	136	518	568	532
SALES													
	25	216	189	135	981	183	178	141	802	211	1,483	1,375	1,293
	26	150	24	13	39	16	13	13	36	19	81	84	89
	27	366	213	148	1,020	199	191	154	838	230	1,564	1,459	1,382
ASSETS UNDER MANAGEMENT													
	28	37,038	35,721	31,567	33,391	33,626	32,314	31,898	33,790	35,303	33,391	33,790	34,711
	29	432	433	467	519	514	509	496	541	563	519	541	514
	30	21	20	20	20	21	21	21	23	24	20	23	26
	31	37,491	36,174	32,054	33,930	34,161	32,844	32,415	34,354	35,890	33,930	34,354	35,251

⁽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 adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A.

⁽²⁾ In Q3 2022, other refers to a \$55 million charge reflecting the resolution of a matter related to reinsurance pricing for our U.S. In-force Management business. In Q2 2022, other reflects a gain related to the sale-leaseback arrangement on our Wellesley property.

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

U.S.

(US\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Revenue												
Premiums - life insurance	295	288	285	295	279	290	293	287	280	1,157	1,154	1,209
Premiums - health insurance	1,654	1,235	1,011	927	924	918	920	861	856	3,689	3,418	3,192
Gross premiums	1,949	1,523	1,296	1,222	1,203	1,208	1,213	1,148	1,136	4,846	4,572	4,401
Ceded premiums	39	(149)	(143)	(131)	(139)	(152)	(141)	(138)	(126)	(563)	(518)	(499)
Net premiums	1,988	1,374	1,153	1,091	1,064	1,056	1,072	1,010	1,010	4,283	4,054	3,902
Net investment income (loss)	(494)	(676)	(883)	341	168	753	(801)	339	251	461	1,950	2,105
Fee income	80	42	20	20	18	13	13	24	15	64	69	65
Total revenue	1,574	740	290	1,452	1,250	1,822	284	1,373	1,276	4,808	6,073	6,072
Policy benefits and expenses												
Gross claims & benefits paid	1,672	1,363	1,204	1,221	1,083	1,030	1,212	1,050	1,000	4,546	4,147	4,154
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(744)	(1,029)	(1,194)	1	(6)	475	(1,195)	96	262	(725)	1,129	1,126
Operating expenses, commissions and premium taxes	477	421	324	322	302	309	293	299	279	1,226	1,143	1,125
Interest expense	18	10	10	10	10	10	10	12	15	40	64	97
Reinsurance expenses (recoveries)	64	(234)	(221)	(187)	(182)	(161)	(247)	(168)	(161)	(777)	(643)	(570)
Total policy benefits and expenses	1,487	531	123	1,367	1,207	1,663	73	1,289	1,395	4,310	5,840	5,932
Income (loss) before income taxes	87	209	167	85	43	159	211	84	(119)	498	233	140
Income tax expense (benefit)	15	42	34	17	6	32	44	18	(34)	99	42	22
Participating policyholders' net income (loss)	—	—	—	—	—	—	—	—	—	—	—	(4)
Common shareholders' reported net income (loss)	72	167	133	68	37	127	167	66	(85)	399	191	122
Market related impacts ⁽¹⁾	(14)	26	37	33	12	(5)	34	1	(13)	74	6	(40)
Assumption changes and management actions ⁽¹⁾	(20)	—	7	(15)	(62)	—	(3)	(46)	(173)	(80)	(236)	(221)
Acquisition, integration and restructuring ⁽¹⁾	(18)	(38)	(4)	(6)	(1)	(1)	—	(1)	(1)	(8)	(4)	(16)
Other ⁽¹⁾⁽²⁾	(42)	58	—	—	—	—	—	—	—	—	—	—
Common shareholders' underlying net income (loss) ⁽¹⁾	166	121	93	56	88	133	136	112	102	413	425	399
Return on equity - reported	5.5%	16.2%	17.6%	8.9%	4.9%	17.4%	24.0%	9.9%	(12.3)%	13.6%	6.9%	4.5%
Return on equity - underlying	12.8%	11.7%	12.3%	7.3%	11.6%	18.3%	19.6%	16.8%	14.8%	14.0%	15.3%	14.7%

SALES

Group Benefits	166	149	106	778	145	145	111	615	158	1,179	1,039	976
Dental	115	19	10	31	13	11	10	28	14	65	63	67
Total	281	168	116	809	158	156	121	643	172	1,244	1,102	1,043

ASSETS UNDER MANAGEMENT

General funds	26,789	27,750	25,256	26,432	26,524	26,073	25,401	26,542	26,506	26,432	26,542	26,730
Segregated funds	312	336	374	411	406	411	395	425	423	411	425	396
Other AUM ⁽³⁾	15	16	16	16	17	17	17	18	18	16	18	20
Total	27,116	28,102	25,646	26,859	26,947	26,501	25,813	26,985	26,947	26,859	26,985	27,146

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 35 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A.

⁽²⁾ In Q3 2022, other refers to a US\$42 million charge reflecting the resolution of a matter related to reinsurance pricing for our U.S. In-force Management business. In Q2 2022, other reflects a gain related to the sale-leaseback arrangement on our Wellesley property.

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

U.S. - GROUP BENEFITS ⁽¹⁾

(US\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Revenue												
Gross premiums	1,156	1,141	1,119	1,037	1,026	1,022	1,022	948	941	4,107	3,776	3,548
Ceded premiums	(56)	(55)	(52)	(52)	(49)	(48)	(46)	(47)	(42)	(195)	(174)	(158)
Net premiums	1,100	1,086	1,067	985	977	974	976	901	899	3,912	3,602	3,390
Net investment income (loss)	(47)	(62)	(91)	44	34	80	(24)	66	67	134	262	317
Fee income	28	28	28	26	24	19	19	28	20	88	87	79
Total revenue	1,081	1,052	1,004	1,055	1,035	1,073	971	995	986	4,134	3,951	3,786
Policy benefits and expenses												
Gross claims & benefits paid	860	848	830	798	747	702	751	688	615	2,998	2,705	2,698
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(137)	(95)	(119)	12	1	28	(97)	13	53	(56)	65	18
Operating expenses, commissions and premium taxes	300	295	296	285	269	265	262	254	244	1,081	999	992
Interest expense	5	5	4	4	4	4	4	4	4	16	16	24
Reinsurance expenses (recoveries)	(63)	(110)	(82)	(52)	(48)	(52)	(62)	(58)	(51)	(214)	(223)	(170)
Total policy benefits and expenses	965	943	929	1,047	973	947	858	901	865	3,825	3,562	3,562
Income (loss) before income taxes	116	109	75	8	62	126	113	94	121	309	389	224
Income tax expense (benefit)	24	23	16	2	13	27	24	21	24	66	82	48
Common shareholders' reported net income (loss)	92	86	59	6	49	99	89	73	97	243	307	176
ASSETS UNDER MANAGEMENT												
General Funds	8,747	8,685	8,386	8,245	8,197	8,245	7,881	7,879	7,880	8,245	7,879	7,745
SALES												
Employee Benefits	101	54	53	184	74	57	77	177	82	392	374	321
Medical Stop-Loss	65	95	53	594	71	88	34	438	76	787	665	655
Total	166	149	106	778	145	145	111	615	158	1,179	1,039	976
AFTER-TAX PROFIT MARGIN ⁽²⁾	5.9%	4.7%	5.1%	6.0%	8.2%	9.2%	8.1%	8.1%	7.8%	6.0%	8.1%	7.7%

⁽¹⁾ Effective Q2 2022, we began reporting on the performance and results of our Dental business unit, which represents our existing dental and vision business within Group Benefits together with DentaQuest Group, Inc. ("DentaQuest"), acquired on June 1, 2022. We have updated prior periods to reflect this change in presentation.

⁽²⁾ 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. Refer to U.S. Group Benefits Reported Net Income to Underlying Net Income reconciliation on page 35 of this document and Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A for additional details.

U.S. - DENTAL ⁽¹⁾

(US\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Revenue												
Gross premiums	690	283	78	76	77	77	77	85	84	307	333	356
Ceded premiums	—	—	—	—	—	—	—	—	—	—	—	—
Net premiums	690	283	78	76	77	77	77	85	84	307	333	356
Net investment income (loss)	1	—	—	1	—	1	—	1	—	2	3	3
Fee income	63	26	4	5	4	5	5	5	4	19	18	20
Total revenue	754	309	82	82	81	83	82	91	88	328	354	379
Policy benefits and expenses												
Gross claims & benefits paid	556	219	52	49	52	54	55	56	61	210	206	247
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	—	—	—	—	—	—	—	—	—	—	(1)	(1)
Operating expenses, commissions and premium taxes	179	122	27	29	28	28	28	31	27	113	118	118
Interest expense	8	—	—	—	—	—	—	—	—	—	—	1
Reinsurance expenses (recoveries)	—	—	—	—	—	—	—	—	—	—	—	—
Total policy benefits and expenses	743	341	79	78	80	82	83	87	88	323	323	365
Income (loss) before income taxes	11	(32)	3	4	1	1	(1)	4	—	5	31	14
Income tax expense (benefit)	2	(7)	1	1	—	—	—	1	—	1	7	3
Common shareholders' reported net income (loss)	9	(25)	2	3	1	1	(1)	3	—	4	24	11
ASSETS UNDER MANAGEMENT												
General Funds	3,386	3,425	81	82	82	83	87	88	78	82	88	103
SALES												
Medicaid/Medicare Advantage	92	4	—	—	—	—	—	—	—	—	—	—
Commercial/Other	23	15	10	31	13	11	10	28	14	65	63	67
Total	115	19	10	31	13	11	10	28	14	65	63	67

⁽¹⁾ Effective Q2 2022, we began reporting on the performance and results of our Dental business unit, which represents our existing dental and vision business within Group Benefits together with DentaQuest Group, Inc. ("DentaQuest"), acquired on June 1, 2022. We have updated prior periods to reflect this change in presentation.

U.S. - IN-FORCE MANAGEMENT

(US\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Revenue												
Gross premiums	103	99	99	109	100	109	114	115	111	432	463	497
Ceded premiums	95	(94)	(91)	(79)	(90)	(104)	(95)	(91)	(84)	(368)	(344)	(341)
Net premiums	198	5	8	30	10	5	19	24	27	64	119	156
Net investment income (loss)	(448)	(614)	(792)	296	134	672	(777)	272	184	325	1,685	1,785
Fee income	(11)	(12)	(12)	(11)	(10)	(11)	(11)	(9)	(9)	(43)	(36)	(34)
Total revenue	(261)	(621)	(796)	315	134	666	(769)	287	202	346	1,768	1,907
Policy benefits and expenses												
Gross claims & benefits paid	256	296	322	374	284	274	406	306	324	1,338	1,236	1,209
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(607)	(934)	(1,075)	(11)	(7)	447	(1,098)	83	209	(669)	1,065	1,109
Operating expenses, commissions and premium taxes	(2)	4	1	8	5	16	3	14	8	32	26	15
Interest expense	5	5	6	6	6	6	6	8	11	24	48	72
Reinsurance expenses (recoveries)	127	(124)	(139)	(135)	(134)	(109)	(185)	(110)	(110)	(563)	(420)	(400)
Total policy benefits and expenses	(221)	(753)	(885)	242	154	634	(868)	301	442	162	1,955	2,005
Income (loss) before income taxes	(40)	132	89	73	(20)	32	99	(14)	(240)	184	(187)	(98)
Income tax expense (benefit)	(11)	26	17	14	(7)	5	20	(4)	(58)	32	(47)	(29)
Participating policyholders' net income (loss)	—	—	—	—	—	—	—	—	—	—	—	(4)
Common shareholders' reported net income (loss)	(29)	106	72	59	(13)	27	79	(10)	(182)	152	(140)	(65)
ACCOUNT VALUE⁽¹⁾												
Individual insurance	4,009	4,043	4,077	4,112	4,147	4,179	4,207	4,253	4,273	4,112	4,253	4,350
ASSETS UNDER MANAGEMENT												
General funds	14,656	15,640	16,789	18,105	18,245	17,745	17,433	18,575	18,548	18,105	18,575	18,882
Segregated funds	312	336	374	411	406	411	395	425	423	411	425	396
Other AUM ⁽²⁾	15	16	16	16	17	17	17	18	18	16	18	20
Total	14,983	15,992	17,179	18,532	18,668	18,173	17,845	19,018	18,989	18,532	19,018	19,298

⁽¹⁾ Account Value is a non-IFRS financial measure that represents the balance in an account within a universal life product to which premiums and interest are added while mortality and expense charges are subtracted.

⁽²⁾ Other AUM represents third-party investors in a pool of mortgage loans.

ASSET MANAGEMENT

(C\$ millions)

FINANCIAL SUMMARY

	At and For the Quarter Ended								At and For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
Revenue													
Net investment income (loss)	1	(4)	(7)	1	2	16	10	(8)	18	(13)	20	23	83
Fee income	2	1,353	1,377	1,446	1,536	1,503	1,421	1,375	1,369	1,284	5,835	5,014	4,471
Total revenue	3	1,349	1,370	1,447	1,538	1,519	1,431	1,367	1,387	1,271	5,855	5,037	4,554
Expenses	4	1,043	982	1,038	1,313	1,120	1,099	1,059	1,024	937	4,591	3,712	3,391
Income (loss) before income taxes	5	306	388	409	225	399	332	308	363	334	1,264	1,325	1,163
Income tax expense (benefit)	6	82	83	92	80	101	111	80	93	85	372	334	262
Non-controlling interest	7	9	9	9	5	(3)	—	(2)	3	(2)	—	11	4
Common shareholders' reported net income (loss)	8	215	296	308	140	301	221	230	267	251	892	980	897
Fair value adjustments on share-based payment awards at MFS ⁽¹⁾	9	37	44	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(186)	(92)	(64)
Acquisition, integration and restructuring ⁽¹⁾⁽²⁾	10	(117)	(18)	(15)	(195)	(18)	(17)	(17)	(20)	(11)	(247)	(56)	(43)
Other ⁽¹⁾⁽³⁾	11	—	—	—	—	—	(21)	—	—	—	(21)	—	—
Common shareholders' underlying net income (loss) ⁽¹⁾	12	295	270	326	382	362	311	291	333	294	1,346	1,128	1,004
Common shareholders' underlying net income (loss) ⁽¹⁾													
MFS	13	275	247	292	342	327	286	280	299	276	1,235	1,034	973
SLC Management	14	20	23	34	40	35	25	11	34	18	111	94	31
Total	15	295	270	326	382	362	311	291	333	294	1,346	1,128	1,004
Gross flows ⁽⁴⁾	16	36,434	49,640	49,427	46,986	40,682	47,164	58,231	43,390	43,066	193,063	189,985	134,505
Net flows ⁽⁴⁾⁽⁵⁾	17	(7,682)	279	(1,958)	8,288	1,814	716	10,274	2,790	6,817	21,092	17,234	(12,160)

ASSETS UNDER MANAGEMENT

MFS retail and institutional ⁽⁶⁾	18	703,362	711,690	796,096	875,234	833,015	820,011	786,474	776,829	730,124	875,234	776,829	684,845
SLC Management institutional ⁽⁴⁾⁽⁷⁾	19	208,244	193,562	184,736	183,925	175,768	168,618	159,918	115,081	115,365	183,925	115,081	83,972
Total	20	911,606	905,252	980,832	1,059,159	1,008,783	988,629	946,392	891,910	845,489	1,059,159	891,910	768,817

⁽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 adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A.

⁽²⁾ In Q3 2022 and Q4 2021, acquisition, integration and restructuring includes 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 \$153 million post-tax, respectively. Refer to the Notes page ii, Other Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽³⁾ On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, SLC Management's reported net income decreased by \$21 million on the remeasurement of deferred tax liabilities in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

⁽⁴⁾ Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Refer to section L. Non-IFRS Financial Measures, ii. Additional Non-IFRS Financial Measures of the Company's Annual 2021 MD&A for additional details.

⁽⁵⁾ Net flows are a non-IFRS financial measure that represents gross inflows less gross outflows.

⁽⁶⁾ Retail consists of domestic and international retail funds. Institutional consists of institutional accounts, pension business and insurance products.

⁽⁷⁾ Excludes assets managed on behalf of the Insurance businesses and General Fund.

MFS

(US\$ millions), unless otherwise noted

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
Revenue													
Net investment income (loss)	1	7	(5)	(6)	1	—	4	(5)	10	5	—	27	57
Fee income	2	801	838	909	981	973	938	887	862	805	3,779	3,136	2,926
Total revenue	3	808	833	903	982	973	942	882	872	810	3,779	3,163	2,983
Expenses	4	500	542	606	668	671	681	630	610	563	2,650	2,221	2,099
Income (loss) before income taxes	5	308	291	297	314	302	261	252	262	247	1,129	942	884
Income tax expense (benefit)	6	68	63	69	80	77	70	66	68	64	293	238	199
Common shareholders' reported net income (loss)	7	240	228	228	234	225	191	186	194	183	836	704	685
Fair value adjustments on share-based payment awards at MFS ⁽¹⁾	8	28	34	(2)	(38)	(34)	(42)	(35)	(36)	(24)	(149)	(70)	(48)
Common shareholders' underlying net income (loss) ⁽¹⁾	9	212	194	230	272	259	233	221	230	207	985	774	733

RETAIL - CHANGES IN ASSETS UNDER MANAGEMENT (AUM) ⁽²⁾

Opening AUM	10	323,053	375,711	410,241	388,897	388,856	364,820	353,624	316,936	291,895	353,624	295,003	226,557
Inflows	11	14,532	18,928	23,002	20,382	18,631	21,837	27,186	23,534	23,344	88,036	97,769	69,709
Outflows	12	(19,752)	(25,916)	(26,367)	(19,630)	(18,032)	(20,014)	(24,400)	(19,212)	(17,319)	(82,076)	(78,845)	(58,237)
Market movement	13	(19,200)	(45,670)	(31,165)	20,592	(558)	22,213	8,410	32,366	19,016	50,657	39,697	56,974
Closing AUM	14	298,633	323,053	375,711	410,241	388,897	388,856	364,820	353,624	316,936	410,241	353,624	295,003

INSTITUTIONAL - CHANGES IN ASSETS UNDER MANAGEMENT ⁽²⁾

Opening AUM	15	229,845	261,217	282,520	268,158	272,763	261,453	256,611	231,246	216,645	256,611	232,369	201,816
Inflows	16	7,078	12,784	9,103	7,280	8,115	7,550	8,691	7,482	7,093	31,636	35,071	24,517
Outflows	17	(12,156)	(11,259)	(11,182)	(9,191)	(10,896)	(14,966)	(11,759)	(10,336)	(8,641)	(46,812)	(40,915)	(47,771)
Market movement	18	(14,676)	(32,897)	(19,224)	16,273	(1,824)	18,726	7,910	28,219	16,149	41,085	30,086	53,807
Closing AUM	19	210,091	229,845	261,217	282,520	268,158	272,763	261,453	256,611	231,246	282,520	256,611	232,369

SUPPLEMENTAL INFORMATION

Pre-tax net operating margin ⁽³⁾	20	41%	36%	39%	43%	42%	39%	39%	41%	40%	41%	39%	39%
Pre-tax gross operating margin ⁽⁴⁾	21	36%	32%	34%	38%	36%	34%	34%	36%	35%	36%	34%	33%
Total assets under management	22	508,724	552,898	636,928	692,761	657,055	661,619	626,273	610,235	548,182	692,761	610,235	527,372
Average net assets	23	560,929	592,064	647,107	680,590	675,546	655,090	619,288	577,616	539,718	657,846	525,411	483,983
Total gross flows	24	21,610	31,712	32,105	27,662	26,746	29,387	35,877	31,016	30,437	119,672	132,840	94,226
Total net flows ⁽⁵⁾	25	(10,298)	(5,463)	(5,444)	(1,159)	(2,182)	(5,593)	(282)	1,468	4,477	(9,216)	13,080	(11,782)
Dividends paid to SLF	26	183	168	200	236	226	205	194	201	181	861	680	611

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 35 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A.

⁽²⁾ Effective January 1, 2022, certain components of Other AUM were renamed to "Retail" and "Institutional and managed funds" to align with market naming conventions. Previously, these components were referred to as Mutual funds and Managed funds, respectively, in our interim and annual MD&A. While labeling changes have modified certain terminology, the composition of these components has not been affected. Retail consists of domestic and international retail funds. 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 the impact of fair value adjustments on MFS' share-based payment awards and certain commission expenses that are offsetting. Refer to the MFS margin reconciliations on page 36 of this document and Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q2 and Q3 2022 MD&A for additional details.

⁽⁴⁾ Pre-tax gross operating margin is a non-IFRS financial measure that represents the profitability of MFS. This ratio excludes the impact of fair value adjustments on MFS' share-based payment awards. Refer to the MFS margin reconciliations on page 36 of this document.

⁽⁵⁾ Total net flows are a non-IFRS financial measure that represents the combined retail and institutional funds gross inflows less gross outflows.

SLC MANAGEMENT

(C\$ millions), unless otherwise noted

FINANCIAL SUMMARY

	For the Quarter Ended								For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
Revenue													
Net investment income (loss)	1	(14)	—	10	(1)	17	5	(2)	7	(21)	19	(12)	7
Fee income	2	310	307	294	300	278	269	252	245	212	1,099	816	428
Total revenue	3	296	307	304	299	295	274	250	252	191	1,118	804	435
Expenses	4	391	290	272	470	277	262	262	230	186	1,271	739	445
Income (loss) before income taxes	5	(95)	17	32	(171)	18	12	(12)	22	5	(153)	65	(10)
Income tax expense (benefit)	6	(7)	4	4	(21)	4	25	(4)	5	—	4	16	(2)
Non-controlling interest	7	9	8	9	5	(3)	—	(2)	3	(2)	—	11	4
Common shareholders' reported net income (loss)	8	(97)	5	19	(155)	17	(13)	(6)	14	7	(157)	38	(12)
Acquisition, integration and restructuring ⁽¹⁾⁽²⁾	9	(117)	(18)	(15)	(195)	(18)	(17)	(17)	(20)	(11)	(247)	(56)	(43)
Other ⁽¹⁾⁽³⁾	10	—	—	—	—	—	(21)	—	—	—	(21)	—	—
Common shareholders' underlying net income (loss)⁽¹⁾	11	20	23	34	40	35	25	11	34	18	111	94	31

SUPPLEMENTARY INCOME STATEMENT⁽⁴⁾
Fee-related revenue

Management fees

Property management, transaction, advisory and other fees

Total fee-related revenue
Fee-related expenses

Compensation - fee-related

Other operating expenses

Total fee-related expenses
Total fee-related earnings

Investment income (loss) and performance fees

Interest and other

Operating income

Placement fees - other

Amortization of intangibles

Acquisition, integration and restructuring

Income (loss) before income taxes

Income tax expense (benefit)

Non-controlling interest

Common shareholders' reported net income (loss)

 Acquisition, integration and restructuring⁽¹⁾⁽²⁾

 Other⁽¹⁾⁽³⁾
Common shareholders' underlying net income (loss)⁽¹⁾

 Pre-tax fee-related earnings margin⁽⁵⁾

 Pre-tax net operating margin⁽⁶⁾

12	218	209	201	204	195	182	174	143	123	755	440	272
13	25	33	25	37	28	30	18	45	26	113	122	88
14	243	242	226	241	223	212	192	188	149	868	562	360
15	130	138	128	127	118	110	112	97	79	467	294	205
16	55	52	44	54	53	56	41	35	28	204	108	85
17	185	190	172	181	171	166	153	132	107	671	402	290
18	58	52	54	60	52	46	39	56	42	197	160	70
19	—	—	11	15	17	4	(2)	7	(14)	34	16	8
20	(16)	(7)	(6)	(11)	(7)	(4)	(13)	(9)	(2)	(35)	(24)	(24)
21	42	45	59	64	62	46	24	54	26	196	152	54
22	(4)	—	—	—	15	6	6	—	—	27	—	—
23	10	10	10	10	11	9	10	6	7	40	23	12
24	131	18	17	225	18	19	20	26	14	282	64	52
25	(95)	17	32	(171)	18	12	(12)	22	5	(153)	65	(10)
26	(7)	4	4	(21)	4	25	(4)	5	—	4	16	(2)
27	9	8	9	5	(3)	—	(2)	3	(2)	—	11	4
28	(97)	5	19	(155)	17	(13)	(6)	14	7	(157)	38	(12)
29	(117)	(18)	(15)	(195)	(18)	(17)	(17)	(20)	(11)	(247)	(56)	(43)
30	—	—	—	—	—	(21)	—	—	—	(21)	—	—
31	20	23	34	40	35	25	11	34	18	111	94	31
32	24 %	23 %	23 %	22 %	23 %	25 %	26 %	28 %	27 %	22 %	28 %	19 %
33	22 %	24 %	24 %	22 %	23 %	21 %	23 %	26 %	23 %	22 %	26 %	14 %

⁽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 adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A.

⁽²⁾ In Q3 2022 and Q4 2021, acquisition, integration and restructuring includes 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 \$153 million post-tax, respectively. Refer to the Notes page ii, Other Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽³⁾ On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, SLC Management's reported net income decreased by \$21 million on the remeasurement of deferred tax liabilities in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

⁽⁴⁾ 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 37 and 38, respectively.

⁽⁵⁾ 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 is based on the last twelve months. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A for additional details.

⁽⁶⁾ 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 is based on the last twelve months. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A for additional details.

SLC MANAGEMENT CONTINUED

(C\$ millions), unless otherwise noted

	For the Quarter Ended								For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
ASSETS UNDER MANAGEMENT ⁽¹⁾	1	208,244	193,562	184,736	183,925	175,768	168,618	159,918	115,081	115,365	183,925	115,081	83,972
CHANGES IN ASSETS UNDER MANAGEMENT (AUM)													
Opening AUM	2	193,562	184,736	183,925	175,768	168,618	159,918	115,081	115,365	97,884	115,081	83,972	65,538
Inflows	3	8,248	9,176	8,757	12,119	7,012	11,058	12,802	2,956	2,511	42,991	11,702	9,541
Outflows	4	(2,499)	(1,926)	(3,818)	(2,370)	(2,450)	(3,470)	(2,172)	(2,080)	(1,660)	(10,462)	(12,160)	(5,989)
Realizations and distributions ⁽²⁾	5	(1,035)	(1,574)	(859)	(2,617)	(619)	(2,137)	(992)	—	—	(6,365)	—	—
Market movement and other ⁽³⁾	6	9,968	3,150	(3,269)	1,025	3,207	3,249	35,199	(1,160)	16,630	42,680	31,567	14,882
Closing AUM	7	208,244	193,562	184,736	183,925	175,768	168,618	159,918	115,081	115,365	183,925	115,081	83,972
CHANGES IN FEE EARNING AUM ⁽⁴⁾													
Opening fee earning AUM	8	150,062	146,053	147,941	140,046	133,552	125,881	97,582					97,582
Inflows	9	10,158	6,758	8,168	13,496	6,675	9,319	7,826					37,316
Outflows	10	(1,320)	(1,774)	(2,616)	(2,028)	(1,889)	(1,700)	(2,027)					(7,644)
Realizations and distributions ⁽²⁾	11	(1,775)	(1,901)	(1,176)	(3,372)	(1,874)	(2,878)	(1,919)					(10,043)
Market movement and other ⁽³⁾	12	5,761	926	(6,264)	(201)	3,582	2,930	24,419					30,730
Closing fee earning AUM	13	162,886	150,062	146,053	147,941	140,046	133,552	125,881					147,941
SUPPLEMENTAL INFORMATION ⁽⁵⁾													
Capital raising	14	3,796	5,697	5,674	6,574	5,024	6,369	9,404					27,371
Deployment	15	9,490	6,961	6,888	10,948	6,537	9,275	9,878					36,638
AUM not yet earning fees	16	21,595	20,783	18,281	18,237	17,619	17,275	11,069					18,237

⁽¹⁾ Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Refer to section L. Non-IFRS Financial Measures, ii. Additional Non-IFRS Financial Measures of the Company's Annual 2021 MD&A for additional details.

⁽²⁾ 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. Prior to the first quarter of 2021, realizations and distributions were included in net flows.

⁽³⁾ 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.

⁽⁴⁾ Fee earning AUM is a non-IFRS measure. Refer to the Non-IFRS Financial Measures Glossary on page 38 as well as Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A for additional details.

⁽⁵⁾ The Supplemental Information measures are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures Glossary on page 38 as well as Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A for additional details.

ASIA

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
Revenue													
Gross premiums	1	860	869	753	777	648	1,365	805	1,719	1,181	3,595	4,962	2,630
Ceded premiums	2	(47)	(51)	(46)	(56)	(52)	(48)	(45)	(58)	(52)	(201)	(212)	(222)
Net premiums	3	813	818	707	721	596	1,317	760	1,661	1,129	3,394	4,750	2,408
Net investment income (loss)	4	(1,018)	(1,419)	(1,450)	774	23	1,085	(822)	762	408	1,060	2,550	2,865
Fee income	5	159	148	154	170	157	155	160	156	146	642	572	531
Total revenue	6	(46)	(453)	(589)	1,665	776	2,557	98	2,579	1,683	5,096	7,872	5,804
Policy benefits and expenses													
Gross claims & benefits paid	7	482	468	417	414	421	378	356	445	371	1,569	1,668	1,612
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	8	(1,071)	(1,469)	(1,523)	317	(291)	1,554	(832)	1,510	650	748	4,035	2,314
Operating expenses, commissions and premium taxes	9	466	430	375	438	348	454	373	477	372	1,613	1,559	1,368
Interest expense	10	20	18	17	17	17	15	16	14	13	65	56	56
Reinsurance expenses (recoveries)	11	(36)	(48)	(44)	(43)	(45)	(37)	(32)	(53)	(46)	(157)	(181)	(178)
Total policy benefits and expenses	12	(139)	(601)	(758)	1,143	450	2,364	(119)	2,393	1,360	3,838	7,137	5,172
Income (loss) before income taxes	13	93	148	169	522	326	193	217	186	323	1,258	735	632
Income tax expense (benefit)	14	1	22	18	80	12	12	9	24	7	113	54	51
Participating policyholders' net income (loss)	15	(33)	(5)	(10)	(4)	26	38	10	30	80	70	87	61
Common shareholders' reported net income (loss)	16	125	131	161	446	288	143	198	132	236	1,075	594	520
Market related impacts ⁽¹⁾	17	8	(11)	9	23	13	(11)	36	3	(9)	61	(77)	(66)
Assumption changes and management actions ⁽¹⁾	18	(58)	—	1	(2)	132	2	3	21	80	135	99	37
Acquisition, integration and restructuring ⁽¹⁾⁽²⁾	19	—	(6)	(1)	295	(2)	—	—	(8)	1	293	(7)	(1)
Common shareholders' underlying net income (loss) ⁽¹⁾	20	175	148	152	130	145	152	159	116	164	586	579	550
Return on equity - reported	21	7.3 %	8.0 %	10.1 %	27.7 %	18.5 %	9.4 %	13.0 %	8.5 %	15.6 %	17.4 %	10.1 %	9.5 %
Return on equity - underlying	22	10.2 %	9.1 %	9.5 %	8.0 %	9.3 %	10.1 %	10.5 %	7.4 %	10.9 %	9.5 %	9.8 %	10.0 %

SALES - Proportionate ownership ⁽³⁾

Individual insurance

Local Markets

International Hubs

Total individual insurance sales

Total group insurance sales

Total wealth sales ⁽⁴⁾

23	237	208	226	239	177	172	231	203	166	819	660	719
24	88	82	71	95	58	146	101	192	132	400	574	403
25	325	290	297	334	235	318	332	395	298	1,219	1,234	1,122
26	19	15	22	11	12	5	11	6	6	39	29	32
27	2,531	3,298	3,521	4,046	4,125	4,024	3,296	3,380	2,781	15,491	10,937	8,373

ASSETS UNDER MANAGEMENT AND ADMINISTRATION ⁽⁵⁾⁽⁶⁾

Local Markets

International Hubs

Total assets under management

Assets under administration

Total assets under management and administration

28	55,657	53,385	54,547	53,576	59,464	54,606	52,522	52,741	48,832	53,576	52,741	45,325
29	52,908	52,366	53,259	56,579	56,104	56,400	53,253	53,012	50,761	56,579	53,012	44,628
30	108,565	105,751	107,806	110,155	115,568	111,006	105,775	105,753	99,593	110,155	105,753	89,953
31	4,329	4,326	4,402	5,146	5,291	5,172	5,377	5,423	5,283	5,146	5,423	4,551
32	112,894	110,077	112,208	115,301	120,859	116,178	111,152	111,176	104,876	115,301	111,176	94,504

CONSTANT CURRENCY SALES ⁽⁷⁾

Individual insurance

Group insurance

Wealth

33	333	235
34	20	12
35	2,608	4,125

⁽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 adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A.

⁽²⁾ In Q4 2021, acquisition, integration and restructuring includes the \$297 million post-tax realized gains on the IPO of our India asset management joint venture, Aditya Birla Sun Life Asset Management Company Limited.

⁽³⁾ Sales include the sales in the Company's joint ventures and associates with local partners in Asia based on our proportionate equity interest.

⁽⁴⁾ Wealth sales include Hong Kong wealth sales, the Philippines mutual and managed funds sales, China individual wealth sales, India group wealth sales, and Aditya Birla Sun Life Asset Management Company Limited equity and fixed income mutual funds sales, based on our proportionate equity interest.

⁽⁵⁾ Assets under management include 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 managed funds and International Wealth assets, based on our proportionate equity interest.

⁽⁶⁾ Assets under administration represent third-party administrative services assets in China and Hong Kong based on our proportionate equity interest.

⁽⁷⁾ Q3 2022 sales in constant currency are relative to Q3 2021 foreign exchange rates.

ASIA - LOCAL MARKETS

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Revenue												
Gross premiums	220	213	207	215	174	174	184	190	161	747	640	593
Ceded premiums	(8)	(7)	(8)	(8)	(7)	(6)	(6)	(7)	(6)	(27)	(27)	(26)
Net premiums	212	206	199	207	167	168	178	183	155	720	613	567
Net investment income (loss)	25	(154)	(72)	450	59	142	(150)	109	12	501	529	769
Fee income	64	67	69	76	67	67	71	70	63	281	251	225
Total revenue	301	119	196	733	293	377	99	362	230	1,502	1,393	1,561
Policy benefits and expenses												
Gross claims & benefits paid	72	66	74	97	110	85	83	96	84	375	327	289
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(62)	(232)	(157)	(37)	(90)	28	(266)	11	(90)	(365)	145	299
Operating expenses, commissions and premium taxes	221	213	190	227	174	200	186	183	152	787	609	592
Interest expense	8	6	7	6	7	5	6	4	6	24	20	18
Reinsurance expenses (recoveries)	(4)	(4)	(5)	(6)	(8)	(2)	(4)	(6)	(3)	(20)	(14)	(14)
Total policy benefits and expenses	235	49	109	287	193	316	5	288	149	801	1,087	1,184
Income (loss) before income taxes	66	70	87	446	100	61	94	74	81	701	306	377
Income tax expense (benefit)	14	21	14	72	8	6	7	16	5	93	41	38
Common shareholders' reported net income (loss)	52	49	73	374	92	55	87	58	76	608	265	339

SALES - Proportionate ownership ⁽¹⁾

Individual insurance

Philippines	64	58	54	69	61	56	58	76	52	244	215	271
Indonesia	17	18	18	25	16	12	19	20	17	72	70	80
India	55	35	65	49	48	27	61	46	39	185	162	178
China	30	34	39	44	25	27	43	32	29	139	123	111
Malaysia	22	20	13	15	12	13	15	15	19	55	54	59
Vietnam	49	43	37	37	15	37	35	14	10	124	36	20
Total individual insurance sales	237	208	226	239	177	172	231	203	166	819	660	719

ASSETS UNDER MANAGEMENT AND ADMINISTRATION ⁽²⁾⁽³⁾

General funds	6,880	6,668	6,600	6,876	6,680	6,558	6,675	7,138	6,674	6,876	7,138	6,176
Segregated funds	4,006	4,023	4,537	4,531	4,325	4,226	4,061	4,332	3,730	4,531	4,332	4,009
Other AUM	44,771	42,694	43,410	42,169	48,459	43,822	41,786	41,271	38,428	42,169	41,271	35,140
Total assets under management	55,657	53,385	54,547	53,576	59,464	54,606	52,522	52,741	48,832	53,576	52,741	45,325
Assets under administration	3,100	3,082	3,080	3,446	3,279	3,049	3,013	3,035	2,970	3,446	3,035	2,462
Total assets under management and administration	58,757	56,467	57,627	57,022	62,743	57,655	55,535	55,776	51,802	57,022	55,776	47,787

CONSTANT CURRENCY SALES ⁽⁴⁾

Philippines	70	61
Indonesia	17	16
India	57	48
China	31	25
Malaysia	23	12
Vietnam	49	15
Total individual insurance sales	247	177

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

⁽²⁾ Assets under management include 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 and Sun Life Everbright Asset Management AUM in other AUM, based on our proportionate equity interest.

⁽³⁾ Assets under administration represent third-party administrative services assets in China based on our proportionate equity interest.

⁽⁴⁾ Q3 2022 sales in constant currency are relative to Q3 2021 foreign exchange rates.

ASIA - INTERNATIONAL HUBS

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Revenue												
Gross premiums	640	656	546	562	474	1,191	621	1,529	1,020	2,848	4,322	2,037
Ceded premiums	(39)	(44)	(38)	(48)	(45)	(42)	(39)	(51)	(46)	(174)	(185)	(196)
Net premiums	601	612	508	514	429	1,149	582	1,478	974	2,674	4,137	1,841
Net investment income (loss)	(1,043)	(1,265)	(1,378)	324	(36)	943	(672)	653	396	559	2,021	2,096
Fee income	95	81	85	94	90	88	89	86	83	361	321	306
Total revenue	(347)	(572)	(785)	932	483	2,180	(1)	2,217	1,453	3,594	6,479	4,243
Policy benefits and expenses												
Gross claims & benefits paid	410	402	343	317	311	293	273	349	287	1,194	1,341	1,323
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(1,009)	(1,237)	(1,366)	354	(201)	1,526	(566)	1,499	740	1,113	3,890	2,015
Operating expenses, commissions and premium taxes	245	217	185	211	174	254	187	294	220	826	950	776
Interest expense	12	12	10	11	10	10	10	10	7	41	36	38
Reinsurance expenses (recoveries)	(32)	(44)	(39)	(37)	(37)	(35)	(28)	(47)	(43)	(137)	(167)	(164)
Total policy benefits and expenses	(374)	(650)	(867)	856	257	2,048	(124)	2,105	1,211	3,037	6,050	3,988
Income (loss) before income taxes	27	78	82	76	226	132	123	112	242	557	429	255
Income tax expense (benefit)	(13)	1	4	8	4	6	2	8	2	20	13	13
Participating policyholders' net income (loss)	(33)	(5)	(10)	(4)	26	38	10	30	80	70	87	61
Common shareholders' reported net income (loss)	73	82	88	72	196	88	111	74	160	467	329	181

SALES

Individual insurance

Hong Kong	55	42	42	78	42	58	80	155	101	258	428	330
International	23	32	21	14	13	88	21	37	31	136	146	73
Singapore	10	8	8	3	3	—	—	—	—	6	—	—
Total individual insurance sales	88	82	71	95	58	146	101	192	132	400	574	403

ASSETS UNDER MANAGEMENT AND ADMINISTRATION⁽¹⁾⁽²⁾

General funds	30,016	28,785	29,301	30,785	30,625	30,442	28,921	29,276	28,972	30,785	29,276	25,109
Segregated funds	2,589	2,670	2,764	3,078	2,975	2,993	2,874	2,879	2,698	3,078	2,879	2,666
Other AUM	20,303	20,911	21,194	22,716	22,504	22,965	21,458	20,857	19,091	22,716	20,857	16,853
Total assets under management	52,908	52,366	53,259	56,579	56,104	56,400	53,253	53,012	50,761	56,579	53,012	44,628
Assets under administration	1,229	1,244	1,322	1,700	2,012	2,123	2,364	2,388	2,313	1,700	2,388	2,089
Total assets under management and administration	54,137	53,610	54,581	58,279	58,116	58,523	55,617	55,400	53,074	58,279	55,400	46,717

CONSTANT CURRENCY SALES⁽³⁾

Hong Kong	54											42
International	22											13
Singapore	10											3
Total individual insurance sales	86											58

⁽¹⁾ Other AUM includes Hong Kong managed funds and International Wealth assets.

⁽²⁾ Assets under administration represent third-party administrative services assets in Hong Kong.

⁽³⁾ Q3 2022 sales in constant currency are relative to Q3 2021 foreign exchange rates.

CORPORATE ⁽¹⁾

(C\$ millions)

STATEMENTS OF OPERATIONS ⁽²⁾**Revenue**

Premiums - life insurance
 Premiums - health insurance
 Premiums - annuities

Gross premiums

Ceded premiums

Net premiums

Net investment income (loss)

Fee income

Total revenue**Policy benefits and expenses**

Gross claims & benefits paid

Change in insurance/investment contract liabilities, reinsurance assets & segregated funds

Operating expenses, commissions and premium taxes

Interest expense

Reinsurance expenses (recoveries)

Total policy benefits and expenses

Income (loss) before income taxes

Income tax expense (benefit)

Dividends on preferred shares and distributions on other equity instruments

Common shareholders' reported net income (loss)Market related impacts ⁽³⁾Assumption changes and management actions ⁽³⁾Acquisition, integration and restructuring ⁽³⁾Other ⁽³⁾⁽⁴⁾**Common shareholders' underlying net income (loss)** ⁽³⁾**ASSETS UNDER MANAGEMENT**

General funds

Segregated funds

Other AUM ⁽⁵⁾

Total

	At and For the Quarter Ended								At and For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
1	21	20	17	21	22	20	20	23	18	83	85	90
2	1	2	—	6	6	7	8	6	6	27	22	16
3	(1)	4	3	2	3	5	4	14	7	14	27	23
4	21	26	20	29	31	32	32	43	31	124	134	129
5	(1)	(5)	(4)	(3)	(4)	(3)	(4)	(3)	(4)	(14)	(15)	(20)
6	20	21	16	26	27	29	28	40	27	110	119	109
7	(533)	(448)	(398)	166	(29)	161	(360)	220	39	(62)	712	916
8	(59)	(49)	(46)	(43)	(41)	(41)	(42)	(44)	(45)	(167)	(173)	(157)
9	(572)	(476)	(428)	149	(43)	149	(374)	216	21	(119)	658	868
10	98	106	148	125	131	124	146	134	126	526	532	598
11	(648)	(545)	(517)	6	(181)	36	(550)	23	(165)	(689)	(49)	(101)
12	179	5	38	114	43	37	169	103	60	363	272	275
13	(3)	(1)	1	(16)	(16)	(12)	(12)	(5)	(6)	(56)	(35)	(58)
14	(4)	—	(3)	1	(6)	1	(4)	(4)	(3)	(8)	(13)	(26)
15	(378)	(435)	(333)	230	(29)	186	(251)	251	12	136	707	688
16	(194)	(41)	(95)	(81)	(14)	(37)	(123)	(35)	9	(255)	(49)	180
17	(34)	(40)	(70)	(164)	(28)	(35)	(39)	(61)	(2)	(266)	1	(70)
18	18	14	18	32	23	23	23	24	22	101	94	95
19	(178)	(15)	(43)	51	(9)	(25)	(107)	2	(11)	(90)	(144)	155
20	(17)	9	8	3	(3)	(6)	5	—	(3)	(1)	—	(2)
21	46	—	—	—	(1)	—	1	—	37	—	39	225
22	—	—	—	—	—	6	(57)	(20)	—	(51)	(48)	(27)
23	(170)	—	—	—	—	10	—	—	—	10	—	—
24	(37)	(24)	(51)	48	(5)	(35)	(56)	22	(45)	(48)	(135)	(41)
25	9,004	10,118	12,993	13,799	11,792	13,167	12,283	13,611	13,733	13,799	13,611	13,658
26	8,126	8,548	9,784	10,722	10,533	10,670	10,597	10,675	10,018	10,722	10,675	11,026
27	(30,099)	(29,531)	(30,439)	(32,099)	(31,849)	(30,808)	(29,620)	(27,782)	(26,442)	(32,099)	(27,782)	(24,864)
28	(12,969)	(10,865)	(7,662)	(7,578)	(9,524)	(6,971)	(6,740)	(3,496)	(2,691)	(7,578)	(3,496)	(180)

⁽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.

⁽²⁾ Corporate's Statements of Operations include consolidation adjustments for net investment income, fee income, operating expenses, commissions and interest expense relating to activities that cross business groups.

⁽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 adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A.

⁽⁴⁾ In Q3 2022, other 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. On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, UK's reported net income increased by \$10 million on the remeasurement of deferred tax assets in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

⁽⁵⁾ Other AUM includes consolidation adjustments for assets managed by one area of the Company on behalf of another.

CORPORATE

(C\$ millions)

STATEMENTS OF OPERATIONS - United Kingdom (UK)

	For the Quarter Ended								For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
Revenue												
Gross premiums	9	15	11	15	15	17	17	27	20	64	80	75
Ceded premiums	(2)	(4)	(3)	(3)	(4)	(4)	(3)	(4)	(3)	(14)	(15)	(16)
Net premiums	7	11	8	12	11	13	14	23	17	50	65	59
Net investment income (loss)	(507)	(416)	(363)	148	(42)	152	(343)	199	(4)	(85)	559	726
Fee income	22	29	27	27	29	26	27	27	20	109	101	117
Total revenue	(478)	(376)	(328)	187	(2)	191	(302)	249	33	74	725	902
Policy benefits and expenses												
Gross claims & benefits paid	89	101	107	106	121	107	116	124	111	450	467	506
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(629)	(519)	(483)	16	(179)	39	(502)	44	(159)	(626)	(50)	(109)
Operating expenses, commissions and premium taxes	192	20	25	46	25	26	27	37	27	124	119	113
Reinsurance expenses (recoveries)	(4)	(2)	(2)	(4)	(2)	(1)	(3)	(4)	(2)	(10)	(12)	(15)
Total policy benefits and expenses	(352)	(400)	(353)	164	(35)	171	(362)	201	(23)	(62)	524	495
Income (loss) before income taxes	(126)	24	25	23	33	20	60	48	56	136	201	407
Income tax expense (benefit)	(19)	(14)	(15)	—	3	(5)	(3)	5	2	(5)	8	28
Common shareholders' reported net income (loss)	(107)	38	40	23	30	25	63	43	54	141	193	379

STATEMENTS OF OPERATIONS - Corporate Support⁽¹⁾

Revenue												
Gross premiums	12	11	9	14	16	15	15	16	11	60	54	54
Ceded premiums	1	(1)	(1)	—	—	1	(1)	1	(1)	—	—	(4)
Net premiums	13	10	8	14	16	16	14	17	10	60	54	50
Net investment income (loss)	(26)	(32)	(35)	18	13	9	(17)	21	43	23	153	190
Fee income	(81)	(78)	(73)	(70)	(70)	(67)	(69)	(71)	(65)	(276)	(274)	(274)
Total revenue	(94)	(100)	(100)	(38)	(41)	(42)	(72)	(33)	(12)	(193)	(67)	(34)
Policy benefits and expenses												
Gross claims & benefits paid	9	5	41	19	10	17	30	10	15	76	65	92
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(19)	(26)	(34)	(10)	(2)	(3)	(48)	(21)	(6)	(63)	1	8
Operating expenses, commissions and premium taxes	(13)	(15)	13	68	18	11	142	66	33	239	153	162
Interest expense	(3)	(1)	1	(16)	(16)	(12)	(12)	(5)	(6)	(56)	(35)	(58)
Reinsurance expenses (recoveries)	—	2	(1)	5	(4)	2	(1)	—	(1)	2	(1)	(11)
Total policy benefits and expenses	(26)	(35)	20	66	6	15	111	50	35	198	183	193
Income (loss) before income taxes	(68)	(65)	(120)	(104)	(47)	(57)	(183)	(83)	(47)	(391)	(250)	(227)
Income tax expense (benefit)	(15)	(26)	(55)	(164)	(31)	(30)	(36)	(66)	(4)	(261)	(7)	(98)
Dividends on preferred shares and distributions on other equity instruments	18	14	18	32	23	23	23	24	22	101	94	95
Common shareholders' reported net income (loss)	(71)	(53)	(83)	28	(39)	(50)	(170)	(41)	(65)	(231)	(337)	(224)

⁽¹⁾ Corporate Support's Statements of Operations include consolidation adjustments for net investment income, fee income, operating expenses, commissions and interest expense relating to activities that cross business groups.

INVESTMENTS	As at September 30, 2022				As at June 30, 2022				As at December 31, 2021				
	Fair Value through Profit or Loss	Available-for-Sale	Total	Investment Grade	Fair Value through Profit or Loss	Available-for-Sale	Total	Investment Grade	Fair Value through Profit or Loss	Available-for-Sale	Total	Investment Grade	
DEBT & EQUITY SECURITIES													
DEBT SECURITIES													
Debt Securities by Sector													
Debt Securities Issued or Guaranteed By:													
Canadian Federal Government	1	3,689	1,858	5,547	100 %	3,433	1,860	5,293	100 %	4,798	2,303	7,101	100 %
Canadian Provincial and Municipal Government	2	12,607	1,015	13,622	100 %	12,220	1,025	13,245	100 %	15,930	1,149	17,079	100 %
U.S. Government and Other U.S. Agency	3	883	862	1,745	100 %	953	904	1,857	100 %	1,642	771	2,413	100 %
Other Government	4	3,716	719	4,435	95 %	3,908	718	4,626	95 %	4,754	757	5,511	96 %
Total Government issued or guaranteed debt securities	5	20,895	4,454	25,349	99 %	20,514	4,507	25,021	99 %	27,124	4,980	32,104	99 %
Corporate Debt Securities by Industry Sector:													
Financials	6	9,063	1,948	11,011	99 %	8,825	1,846	10,671	99 %	10,258	1,690	11,948	99 %
Utilities	7	5,902	716	6,618	99 %	6,049	710	6,759	99 %	7,414	778	8,192	99 %
Consumer discretionary	8	1,446	445	1,891	89 %	1,509	412	1,921	90 %	1,814	306	2,120	91 %
Industrials	9	4,826	809	5,635	99 %	4,858	794	5,652	99 %	5,791	805	6,596	99 %
Consumer staples	10	1,631	300	1,931	99 %	1,616	232	1,848	99 %	2,047	231	2,278	97 %
Communication Services	11	2,876	396	3,272	99 %	2,960	387	3,347	99 %	3,534	352	3,886	99 %
Energy	12	3,245	314	3,559	97 %	3,318	299	3,617	97 %	3,992	287	4,279	95 %
Real Estate	13	1,915	579	2,494	97 %	1,976	564	2,540	97 %	2,334	354	2,688	97 %
Materials	14	1,104	186	1,290	98 %	1,125	182	1,307	99 %	1,361	156	1,517	92 %
Health Care	15	1,705	354	2,059	99 %	1,783	366	2,149	99 %	2,081	346	2,427	99 %
Information Technology	16	1,130	260	1,390	99 %	1,121	232	1,353	99 %	1,426	209	1,635	99 %
Total Corporate debt securities	17	34,843	6,307	41,150	98 %	35,140	6,024	41,164	98 %	42,052	5,514	47,566	98 %
Asset Backed Securities													
Government and agency	18	2,376	866	3,242	100 %	2,404	741	3,145	100 %	2,678	616	3,294	100 %
Other	19	4,040	1,745	5,785	99 %	3,994	1,683	5,677	99 %	4,144	1,619	5,763	99 %
Total asset backed securities	20	6,416	2,611	9,027	99 %	6,398	2,424	8,822	99 %	6,822	2,235	9,057	99 %
Total debt securities	21	62,154	13,372	75,526	99 %	62,052	12,955	75,007	99 %	75,998	12,729	88,727	99 %
Debt Securities by Investment Rating													
AAA	22	10,302	5,169	15,471		10,203	5,029	15,232		12,811	5,294	18,105	
AA	23	9,403	1,653	11,056		9,285	1,667	10,952		11,510	1,502	13,012	
A	24	24,208	3,606	27,814		24,200	3,407	27,607		29,984	3,282	33,266	
BBB	25	17,532	2,696	20,228		17,649	2,633	20,282		20,710	2,484	23,194	
BB and lower	26	709	248	957		715	219	934		983	167	1,150	
Total debt securities	27	62,154	13,372	75,526		62,052	12,955	75,007		75,998	12,729	88,727	
EQUITY SECURITIES													
Stocks													
Canada	28	2,808	54	2,862		2,857	54	2,911		3,301	62	3,363	
United States	29	1,671	198	1,869		1,642	187	1,829		2,010	1,405	3,415	
United Kingdom	30	138	5	143		144	5	149		186	6	192	
Other	31	1,826	40	1,866		1,965	76	2,041		2,041	102	2,143	
Total equity securities	32	6,443	297	6,740		6,608	322	6,930		7,538	1,575	9,113	

PROPERTIES, MORTGAGES & LOANS

PROPERTIES

As at September 30, 2022				As at June 30, 2022			As at December 31, 2021		
	Investment Property	Owner Occupied Property	Total	Investment Property	Owner Occupied Property	Total	Investment Property	Owner Occupied Property	Total
1	7,975	53	8,028	7,794	54	7,848	7,382	53	7,435
2	2,125	—	2,125	1,934	—	1,934	1,664	103	1,767
3	49	—	49	53	—	53	63	—	63
4	—	24	24	—	24	24	—	26	26
5	10,149	77	10,226	9,781	78	9,859	9,109	182	9,291

MORTGAGES & LOANS

As at September 30, 2022				As at June 30, 2022			As at December 31, 2021		
	Insured	Non-Insured	Total	Insured	Non-Insured	Total	Insured	Non-Insured	Total
6	—	3,093	3,093	—	3,123	3,123	—	3,388	3,388
7	—	3,365	3,365	—	3,322	3,322	—	3,531	3,531
8	3,748	1,600	5,348	3,808	1,643	5,451	3,870	1,857	5,727
9	—	2,747	2,747	—	2,600	2,600	—	2,035	2,035
10	424	470	894	341	474	815	348	456	804
11	4,172	11,275	15,447	4,149	11,162	15,311	4,218	11,267	15,485
12			39,983			37,802			36,207
13			55,430			53,113			51,692

Mortgage and Loans - Impairments/Allowances

	As at September 30, 2022			As at June 30, 2022			As at December 31, 2021		
	Impaired Loans Gross Carrying Value	Allowances for Losses		Impaired Loans Gross Carrying Value	Allowances for Losses		Impaired Loans Gross Carrying Value	Allowances for Losses	
		Specific	Sectoral		Specific	Sectoral		Specific	Sectoral
14	93	61	21	92	62	19	92	61	19
15	146	92	—	141	84	—	71	52	—
16	239	153	21	233	146	19	163	113	19

DERIVATIVES

	As at September 30, 2022		As at June 30, 2022		As at December 31, 2021	
	Total Notional Amount	Net Fair Value Amount	Total Notional Amount	Net Fair Value Amount	Total Notional Amount	Net Fair Value Amount
17	26,146	(524)	26,088	(479)	27,977	576
18	37,794	(55)	37,211	(402)	33,793	(491)
19	4,677	25	4,613	16	4,196	106
20	68,617	(554)	67,912	(865)	65,966	191
21	62,943	(565)	62,212	(927)	59,830	174
22	5,674	11	5,700	62	6,136	17
23	68,617	(554)	67,912	(865)	65,966	191

CONSOLIDATED SOURCES OF EARNINGS⁽¹⁾
(\$ millions)

		For the Quarter ended - Q3 2022							
		Canadian Dollars					U.S. Dollars		
		Canada	U.S.	Asset Management ⁽²⁾	Asia	Corporate	Total Company	U.S.	MFS ⁽²⁾
1	Expected profit on in-force business	310	192	395	142	(60)	979	149	276
2	Impact of new business	20	—	—	(22)	—	(2)	—	—
3	Experience gains (losses)	(132)	52	—	16	(20)	(84)	37	—
4	Assumption changes and management actions	62	(33)	—	(58)	44	15	(25)	—
5	Other ⁽³⁾	(1)	(102)	(89)	—	(170)	(362)	(78)	32
6	Earnings (loss) on operations (pre-tax)	259	109	306	78	(206)	546	83	308
7	Earnings on surplus	18	5	—	58	20	101	4	—
8	Earnings (loss) before income taxes	277	114	306	136	(186)	647	87	308
9	Income tax (expense) benefit	(67)	(20)	(82)	(11)	26	(154)	(15)	(68)
10	Earnings (loss) before preferred share dividends and non-controlling interest	210	94	224	125	(160)	493	72	240
11	Dividends on preferred shares and distributions on other equity instruments and non-controlling interest	—	—	(9)	—	(18)	(27)	—	—
12	Common shareholders' reported net income (loss)	210	94	215	125	(178)	466	72	240
Underlying net income adjustments (post tax) ⁽⁴⁾ :									
13	Market related impacts	(134)	(17)	—	8	(17)	(160)	(14)	—
14	Assumption changes and management actions	45	(26)	—	(58)	46	7	(20)	—
Other adjustments:									
15	Fair value adjustments on share-based payment awards at MFS	—	—	37	—	—	37	—	28
16	Acquisition, integration and restructuring ⁽⁵⁾	(1)	(24)	(117)	—	—	(142)	(18)	—
17	Other ⁽⁶⁾	—	(55)	—	—	(170)	(225)	(42)	—
18		(90)	(122)	(80)	(50)	(141)	(483)	(94)	28
19	Common shareholders' underlying net income (loss)⁽⁴⁾	300	216	295	175	(37)	949	166	212

CONSOLIDATED SOURCES OF EARNINGS⁽¹⁾
(\$ millions)

		For the Quarter ended - Q3 2021							
		Canadian Dollars					U.S. Dollars		
		Canada	U.S.	Asset Management ⁽²⁾	Asia	Corporate	Total Company	U.S.	MFS ⁽²⁾
20	Expected profit on in-force business	309	130	460	159	(44)	1,014	105	336
21	Impact of new business	31	—	—	(25)	—	6	—	—
22	Experience gains (losses)	181	9	—	(14)	(4)	172	7	—
23	Assumption changes and management actions	56	(98)	—	132	3	93	(78)	—
24	Other ⁽³⁾	(115)	(2)	(61)	(1)	—	(179)	(1)	(34)
25	Earnings (loss) on operations (pre-tax)	462	39	399	251	(45)	1,106	33	302
26	Earnings on surplus	21	14	—	49	31	115	10	—
27	Earnings (loss) before income taxes	483	53	399	300	(14)	1,221	43	302
28	Income tax (expense) benefit	(90)	(7)	(101)	(12)	28	(182)	(6)	(77)
29	Earnings (loss) before preferred share dividends and non-controlling interest	393	46	298	288	14	1,039	37	225
30	Dividends on preferred shares and distributions on other equity instruments and non-controlling interest	—	—	3	—	(23)	(20)	—	—
31	Common shareholders' reported net income (loss)	393	46	301	288	(9)	1,019	37	225
Underlying net income adjustments (post tax) ⁽⁴⁾ :									
32	Market related impacts	146	15	—	13	(3)	171	12	—
33	Assumption changes and management actions	42	(78)	—	132	(1)	95	(62)	—
Other adjustments:									
34	Fair value adjustments on share-based payment awards at MFS	—	—	(43)	—	—	(43)	—	(34)
35	Acquisition, integration and restructuring	—	(1)	(18)	(2)	—	(21)	(1)	—
36	Other ⁽⁶⁾	(85)	—	—	—	—	(85)	—	—
37		103	(64)	(61)	143	(4)	117	(51)	(34)
38	Common shareholders' underlying net income (loss)⁽⁴⁾	290	110	362	145	(5)	902	88	259

⁽¹⁾ Sources of earnings are prepared in accordance with the OSFI Guideline D-9, *Sources of Earnings Disclosures*. For an explanation of the SOE components, see Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q3 2022 MD&A.

⁽²⁾ Effective January 1, 2022, there was a change in presentation of our proportional ownership in MFS by reporting our portion of MFS' net income components and the fair value adjustments on share-based payments. We have updated prior periods to reflect this change in presentation.

⁽³⁾ Represents pre-tax adjustments related to MFS' fair value adjustments on share-based payment awards, acquisition, integration and restructuring amounts, and other items that are unusual or exceptional in nature.

⁽⁴⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on pages 32 to 35 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1, Q2 and Q3 2022 MD&A.

⁽⁵⁾ In Q3 2022, acquisition, integration and restructuring includes the changes in estimated future payments for acquisition-related contingent considerations and options to purchase remaining ownership interests of SLC Management affiliates of \$80 million post-tax.

⁽⁶⁾ In Q3 2022, other 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 and a \$55 million (US\$42 million) charge reflecting the resolution of a matter related to reinsurance pricing for our U.S. In-force Management business. In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders in Canada for prior years ("par allocation adjustment").

EXPENSES

(C\$ millions)

	For the Quarter Ended								For the Year Ended			
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019
OPERATING EXPENSES, COMMISSIONS AND OTHER EXPENSES												
Operating expenses	2,399	2,061	1,997	2,441	2,016	2,036	2,086	2,090	1,807	8,579	7,401	7,033
Commissions	716	704	693	734	672	741	662	707	638	2,809	2,612	2,417
Premium taxes	126	118	114	115	112	109	93	102	106	429	428	406
Interest expense	119	101	98	82	81	84	80	89	86	327	355	333
Total	3,360	2,984	2,902	3,372	2,881	2,970	2,921	2,988	2,637	12,144	10,796	10,189

OPERATING EXPENSES BY BUSINESS GROUP

Operating expenses excluding fair value adjustments on MFS' share-based payment awards and acquisition, integration and restructuring costs:

Canada	599	596	597	646	578	583	564	584	512	2,371	2,146	2,122
U.S.	411	313	251	247	233	237	228	248	230	945	956	926
Asset Management	795	839	829	835	845	829	798	757	701	3,307	2,828	2,579
Asia	301	272	256	296	249	273	259	315	251	1,077	1,023	946
Corporate ⁽¹⁾	12	4	38	114	43	47	92	75	61	296	210	244
Total	2,118	2,024	1,971	2,138	1,948	1,969	1,941	1,979	1,755	7,996	7,163	6,817
Gross fair value adjustments on share-based payment awards at MFS ⁽²⁾	(22)	(32)	19	70	65	71	63	66	49	269	152	122
Acquisition, integration and restructuring costs by Business Group:												
Canada	1	—	—	3	—	—	—	—	—	3	—	(3)
U.S.	33	62	6	10	2	2	—	1	2	14	6	26
Asset Management	99	1	—	203	1	2	4	9	1	210	8	34
Asia	—	6	1	17	—	—	—	8	—	17	8	2
Corporate	170	—	—	—	—	(8)	78	27	—	70	64	35
Total acquisition, integration and restructuring costs	303	69	7	233	3	(4)	82	45	3	314	86	94
Total operating expenses	2,399	2,061	1,997	2,441	2,016	2,036	2,086	2,090	1,807	8,579	7,401	7,033

COMMISSIONS BY BUSINESS GROUP

Canada	270	271	283	301	270	273	259	259	238	1,103	967	945
U.S.	139	131	125	126	118	114	118	122	112	476	467	440
Asset Management	148	152	170	186	188	177	175	174	171	726	663	623
Asia	162	149	115	121	97	178	111	151	118	507	517	413
Corporate ⁽³⁾	(3)	1	—	—	(1)	(1)	(1)	1	(1)	(3)	(2)	(4)
Total commissions	716	704	693	734	672	741	662	707	638	2,809	2,612	2,417

INTEREST EXPENSE

Subordinated debt	51	47	46	40	33	33	34	36	35	140	132	106
Liabilities for SLEECs	4	4	4	4	4	4	4	4	4	16	16	44
Interest on senior unsecured debentures/financing	2	—	1	—	3	4	4	3	9	11	45	89
Other ⁽⁴⁾	62	50	47	38	41	43	38	46	38	160	162	94
Total interest expense	119	101	98	82	81	84	80	89	86	327	355	333

⁽¹⁾ Corporate includes consolidation adjustments for operating expenses relating to activities that cross business groups.

⁽²⁾ Represent the operating expenses related to fair value adjustments on share-based payment awards at MFS before tax and net income attributable to management's ownership of MFS.

⁽³⁾ Corporate includes consolidation adjustments for commissions relating to activities that cross business groups.

⁽⁴⁾ 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
For the period ended September 30, 2022

	<u>A.M. Best</u>	<u>Moody's</u>	<u>Standard & Poor's</u>	<u>DBRS</u>
SUN LIFE ASSURANCE COMPANY OF CANADA				
FINANCIAL STRENGTH RATINGS	A+	Aa3	AA	AA
SECURITY RATINGS				
Subordinated Debt	a+	A2	AA-	AA (low)
Sun Life Exchangeable Capital Securities Series B	a	A3(hyb)	P-1/A+	A (high)
	<u>A.M. Best</u>	<u>Moody's</u>	<u>Standard & Poor's</u>	<u>DBRS</u>
SUN LIFE FINANCIAL INC.				
SECURITY RATINGS				
Subordinated Debt (Series 2007-1, 2016-2, 2017-1, 2019-1, 2020-1, 2020-2, 2021-1, 2021-2, 2021-3 and 2022-1)	a-	not rated	A	A
Class A Preferred Shares (Series 3-5, 8R, 9QR, 10R and 11QR)	bbb+	not rated	P-1 (low)/A-	Pfd-2 (high)
Limited Recourse Capital Notes (Series 2021-1)	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 over 6.6 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 group is one of the largest group and dental benefits providers in the U.S. market. Our group business serves employees and their families at more than 55,000 workplaces of all sizes across the country with employer-sponsored insurance products and health and risk solutions. Our dental business delivers Medicaid and Medicare Advantage products and services, as well as serving the commercial group dental marketplace, with over 35 million members. In addition, our U.S. business manages an in-force block of more than 87,000 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 which offers a comprehensive selection of financial products and services that deliver superior value and actively manages assets for retail and institutional investors around the world. SLC Management is a global institutional asset manager with capabilities across public and private credit, fixed income, real estate and infrastructure.</p>	<p>Our Asia presence provides us with a strong footprint to take advantage of the high growth prospects in the region. We operate in eight Asian markets, delivering value to over 21 million Clients. Local Markets provides asset management, wealth, protection and health solutions through a multi-channel distribution approach. International Hubs offers leading insurance and wealth products through agency and broker distribution, including life insurance solutions, to High Net Worth families and individuals. Asia has two business units - Local Markets and International Hubs.</p>	<p>Corporate includes the results of our UK business⁽¹⁾ and Corporate Support. UK has a run-off block of business consisting of approximately 452,000 in-force life and pension policies, with approximately £8 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. Corporate Support operations consist of the certain expenses, debt charges, investment income, capital and other items, which pertain 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 long-term care, medical coverage, and 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><u>Individual Insurance & Wealth</u> 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><u>MFS</u> 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</p>	<p><u>Local Markets</u> Philippines Indonesia India China Malaysia Vietnam</p> <p><u>International Hubs</u> Hong Kong International Singapore</p>	<p><u>UK</u> Individual annuities and pensions (In-force block only) Individual life (In-force block only)</p> <p><u>Corporate Support</u> Run-off reinsurance</p>

⁽¹⁾ On August 4, 2022, we entered into an agreement to sell SLF of Canada UK Limited ("Sun Life UK") to Phoenix Group Holdings plc ("Phoenix Group").

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX

(C\$ millions, unless otherwise indicated)

	For the Quarter Ended								For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
Total Company Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	1	466	785	858	1,078	1,019	900	937	744	750	3,934	2,404	2,618
Market related impacts: (pre-tax)													
Net equity market impact	2	(67)	(211)	(3)	140	37	136	98	141	65	411	(193)	174
Net interest rate impact	3	(144)	16	120	(88)	31	(80)	289	(188)	(68)	152	(388)	(527)
Net increases (decreases) in the fair value of real estate	4	(1)	86	76	101	163	29	(7)	(18)	(46)	286	(135)	(30)
Total market related impacts (pre-tax)	5	(212)	(109)	193	153	231	85	380	(65)	(49)	849	(716)	(383)
Assumption changes and management actions (ACMA) (pre-tax)	6	15	—	1	(23)	93	2	(6)	(60)	(91)	66	(214)	(127)
Other adjustments:													
Fair value adjustments on share-based payment awards at MFS (pre-tax) ⁽¹⁾	7	42	50	(2)	(48)	(43)	(51)	(46)	(47)	(31)	(188)	(87)	(60)
Acquisition, integration and restructuring (pre-tax) ⁽²⁾	8	(165)	(87)	(24)	115	(21)	(13)	(98)	(62)	(16)	(17)	(142)	(110)
Other (pre-tax) ⁽³⁾⁽⁴⁾	9	(239)	94	—	—	(115)	—	—	—	5	(115)	4	(5)
Total underlying net income adjustments (pre-tax)	10	(559)	(52)	168	197	145	23	230	(234)	(182)	595	(1,155)	(685)
Tax expense (benefit) related to underlying net income adjustments ⁽¹⁾⁽⁵⁾	11	76	(55)	(153)	(17)	(28)	(6)	(143)	116	90	(194)	346	246
Common shareholders' underlying net income (loss) (post-tax)	12	949	892	843	898	902	883	850	862	842	3,533	3,213	3,057
Total Company Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	13	466	785	858	1,078	1,019	900	937	744	750	3,934	2,404	2,618
Market related impacts: (post-tax)													
Net equity market impact	14	(48)	(159)	(2)	107	24	99	72	108	50	302	(143)	127
Net interest rate impact	15	(115)	(68)	(30)	(36)	2	(36)	141	(74)	(14)	71	(214)	(348)
Net increases (decreases) in the fair value of real estate	16	3	75	70	85	145	28	(4)	(14)	(37)	254	(104)	(16)
Total market related impacts (post-tax)	17	(160)	(152)	38	156	171	91	209	20	(1)	627	(461)	(237)
Assumption changes and management actions (ACMA) (post-tax)	18	7	—	1	(19)	95	2	(4)	(42)	(53)	74	(143)	(46)
Other adjustments:													
Fair value adjustments on share-based payment awards at MFS (post-tax)	19	37	44	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(186)	(92)	(64)
Acquisition, integration and restructuring (post-tax) ⁽²⁾	20	(142)	(74)	(21)	90	(21)	(13)	(74)	(50)	(11)	(18)	(117)	(87)
Other (post-tax) ⁽³⁾⁽⁴⁾⁽⁵⁾	21	(225)	75	—	—	(85)	(11)	—	—	5	(96)	4	(5)
Total underlying net income adjustments (post-tax)	22	(483)	(107)	15	180	117	17	87	(118)	(92)	401	(809)	(439)
Common shareholders' underlying net income (loss) (post-tax)	23	949	892	843	898	902	883	850	862	842	3,533	3,213	3,057
Canada Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	24	210	160	263	356	393	404	405	255	387	1,558	717	883
Market related impacts (pre-tax)	25	(170)	(143)	123	71	204	106	288	(75)	(14)	669	(656)	(255)
Assumption changes and management actions (ACMA) (pre-tax)	26	62	—	(11)	2	56	—	(6)	(4)	81	52	43	(24)
Other (pre-tax) ⁽⁴⁾	27	—	—	—	—	(115)	—	—	—	5	(115)	4	(5)
Acquisition, integration and restructuring (pre-tax)	28	(1)	(1)	—	(3)	—	—	—	—	—	(3)	—	5
Total underlying net income adjustments (pre-tax)	29	(109)	(144)	112	70	145	106	282	(79)	72	603	(609)	(279)
Tax expense (benefit) related to underlying net income adjustments	30	19	(40)	(147)	20	(42)	8	(162)	91	22	(176)	253	150
Common shareholders' underlying net income (loss) (post-tax)	31	300	344	298	266	290	290	285	243	293	1,131	1,073	1,012
Canada Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	32	210	160	263	356	393	404	405	255	387	1,558	717	883
Market related impacts (post-tax)	33	(134)	(183)	(26)	90	146	114	124	15	29	474	(392)	(111)
Assumption changes and management actions (ACMA) (post-tax)	34	45	—	(9)	2	42	—	(4)	(3)	60	40	32	(17)
Other (post-tax) ⁽⁴⁾	35	—	—	—	—	(85)	—	—	—	5	(85)	4	(5)
Acquisition, integration and restructuring (post-tax)	36	(1)	(1)	—	(2)	—	—	—	—	—	(2)	—	4
Total underlying net income adjustments (post-tax)	37	(90)	(184)	(35)	90	103	114	120	12	94	427	(356)	(129)
Common shareholders' underlying net income (loss) (post-tax)	38	300	344	298	266	290	290	285	243	293	1,131	1,073	1,012

⁽¹⁾ Effective January 1, 2022, there was a change in presentation of our proportional ownership in MFS by reporting our portion of MFS' net income components and the fair value adjustments on share-based payments. We have updated prior periods to reflect this change in presentation.

⁽²⁾ 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. In Q4 2021, amounts include the \$362 million pre-tax or \$297 million post-tax realized gains on the IPO of our India asset management joint venture, Aditya Birla Sun Life Asset Management Company Limited, 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 \$187 million pre-tax or \$153 million post-tax.

⁽³⁾ In Q3 2022, other 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 and a \$69 million pre-tax or \$55 million post-tax charge reflecting the resolution of a matter related to reinsurance pricing for our U.S. In-force Management business. In Q2 2022, other reflects a gain related to the sale-leaseback arrangement on our Wellesley property in the U.S.

⁽⁴⁾ In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders in Canada for prior years ("par allocation adjustment").

⁽⁵⁾ On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, reported net income decreased by \$11 million in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

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

(C\$ millions, unless otherwise indicated)

U.S. Pre-Tax Adjustments

	For the Quarter Ended								For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
Common shareholders' reported net income (loss) (post-tax)	1	94	213	169	85	46	157	211	88	(113)	499	257	163
Market related impacts (pre-tax)	2	(22)	43	60	51	18	(7)	55	2	(22)	117	10	(71)
Assumption changes and management actions (ACMA) (pre-tax)	3	(33)	—	11	(23)	(98)	—	(5)	(76)	(292)	(126)	(397)	(369)
Acquisition, integration and restructuring (pre-tax)	4	(33)	(62)	(6)	(10)	(2)	(2)	—	(1)	(2)	(14)	(6)	(26)
Other (pre-tax) ⁽¹⁾	5	(69)	94	—	—	—	—	—	—	—	—	—	—
Total underlying net income adjustments (pre-tax)	6	(157)	75	65	18	(82)	(9)	50	(75)	(316)	(23)	(393)	(466)
Tax expense (benefit) related to underlying net income adjustments	7	35	(16)	(14)	(5)	18	1	(10)	15	67	4	82	97
Common shareholders' underlying net income (loss) (post-tax)	8	216	154	118	72	110	165	171	148	136	518	568	532

U.S. Post-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	9	94	213	169	85	46	157	211	88	(113)	499	257	163
Market related impacts (post-tax)	10	(17)	33	47	40	15	(6)	44	2	(18)	93	8	(58)
Assumption changes and management actions (ACMA) (post-tax)	11	(26)	—	9	(19)	(78)	—	(4)	(60)	(230)	(101)	(313)	(291)
Acquisition, integration and restructuring (post-tax)	12	(24)	(49)	(5)	(8)	(1)	(2)	—	(2)	(1)	(11)	(6)	(20)
Other (pre-tax) ⁽¹⁾	13	(55)	75	—	—	—	—	—	—	—	—	—	—
Total underlying net income adjustments (post-tax)	14	(122)	59	51	13	(64)	(8)	40	(60)	(249)	(19)	(311)	(369)
Common shareholders' underlying net income (loss) (post-tax)	15	216	154	118	72	110	165	171	148	136	518	568	532

Asset Management Pre-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	16	215	296	308	140	301	221	230	267	251	892	980	897
Fair value adjustments on share-based payment awards at MFS (pre-tax) ⁽²⁾	17	42	50	(2)	(48)	(43)	(51)	(46)	(47)	(31)	(188)	(87)	(60)
Acquisition, integration and restructuring (pre-tax) ⁽³⁾	18	(131)	(18)	(17)	(225)	(18)	(19)	(20)	(26)	(14)	(282)	(64)	(52)
Total underlying net income adjustments (pre-tax)	19	(89)	32	(19)	(273)	(61)	(70)	(66)	(73)	(45)	(470)	(151)	(112)
Tax expense (benefit) related to underlying net income adjustments ⁽²⁾⁽⁴⁾	20	9	(6)	1	31	—	(20)	5	7	2	16	3	5
Common shareholders' underlying net income (loss) (post-tax)	21	295	270	326	382	362	311	291	333	294	1,346	1,128	1,004

Asset Management Post-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	22	215	296	308	140	301	221	230	267	251	892	980	897
Fair value adjustments on share-based payment awards at MFS (post-tax)	23	37	44	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(186)	(92)	(64)
Acquisition, integration and restructuring (post-tax) ⁽³⁾	24	(117)	(18)	(15)	(195)	(18)	(17)	(17)	(20)	(11)	(247)	(56)	(43)
Other (post-tax) ⁽⁴⁾	25	—	—	—	—	—	(21)	—	—	—	(21)	—	—
Total underlying net income adjustments (post-tax)	26	(80)	26	(18)	(242)	(61)	(90)	(61)	(66)	(43)	(454)	(148)	(107)
Common shareholders' underlying net income (loss) (post-tax)	27	295	270	326	382	362	311	291	333	294	1,346	1,128	1,004

MFS Pre-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	28	312	291	289	295	284	234	236	253	244	1,049	942	909
Fair value adjustments on share-based payment awards at MFS (pre-tax) ⁽²⁾	29	42	50	(2)	(48)	(43)	(51)	(46)	(47)	(31)	(188)	(87)	(60)
Tax expense (benefit) related to underlying net income adjustments ⁽²⁾	30	(5)	(6)	(1)	1	—	(1)	2	1	(1)	2	(5)	(4)
Common shareholders' underlying net income (loss) (post-tax)	31	275	247	292	342	327	286	280	299	276	1,235	1,034	973

MFS Post-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	32	312	291	289	295	284	234	236	253	244	1,049	942	909
Fair value adjustments on share-based payment awards at MFS (post-tax)	33	37	44	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(186)	(92)	(64)
Common shareholders' underlying net income (loss) (post-tax)	34	275	247	292	342	327	286	280	299	276	1,235	1,034	973

SLC Management Pre-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	35	(97)	5	19	(155)	17	(13)	(6)	14	7	(157)	38	(12)
Acquisition, integration and restructuring (pre-tax) ⁽³⁾	36	(131)	(18)	(17)	(225)	(18)	(19)	(20)	(26)	(14)	(282)	(64)	(52)
Tax expense (benefit) related to underlying net income adjustments ⁽⁴⁾	37	14	—	2	30	—	(19)	3	6	3	14	8	9
Common shareholders' underlying net income (loss) (post-tax)	38	20	23	34	40	35	25	11	34	18	111	94	31

SLC Management Post-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	39	(97)	5	19	(155)	17	(13)	(6)	14	7	(157)	38	(12)
Acquisition, integration and restructuring (post-tax) ⁽³⁾	40	(117)	(18)	(15)	(195)	(18)	(17)	(17)	(20)	(11)	(247)	(56)	(43)
Other (post-tax) ⁽⁴⁾	41	—	—	—	—	—	(21)	—	—	—	(21)	—	—
Total underlying net income adjustments (post-tax)	42	(117)	(18)	(15)	(195)	(18)	(38)	(17)	(20)	(11)	(268)	(56)	(43)
Common shareholders' underlying net income (loss) (post-tax)	43	20	23	34	40	35	25	11	34	18	111	94	31

⁽¹⁾ In Q3 2022, other refers to a \$69 million pre-tax or \$55 million post-tax charge reflecting the resolution of a matter related to reinsurance pricing for our U.S. In-force Management business. In Q2 2022, other reflects a gain related to the sale-leaseback arrangement on our Wellesley property.

⁽²⁾ Effective January 1, 2022, there was a change in presentation of our proportional ownership in MFS by reporting our portion of MFS' net income components and the fair value adjustments on share-based payments. We have updated prior periods to reflect this change in presentation.

⁽³⁾ In Q3 2022 and Q4 2021, 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 and \$187 million pre-tax or \$153 million post-tax, respectively.

⁽⁴⁾ On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, SLC Management's reported net income decreased by \$21 million on the remeasurement of deferred tax liabilities in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

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

(C\$ millions, unless otherwise indicated)

	For the Quarter Ended								For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
Asia Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	1	125	131	161	446	288	143	198	132	236	1,075	594	520
Market related impacts (pre-tax)	2	8	(12)	9	29	13	(11)	36	3	(9)	67	(77)	(63)
Assumption changes and management actions (ACMA) (pre-tax)	3	(58)	—	1	(2)	132	2	3	21	80	135	99	37
Acquisition, integration and restructuring (pre-tax) ⁽¹⁾	4	—	(6)	(1)	353	(1)	—	—	(8)	—	352	(8)	(2)
Total underlying net income adjustments (pre-tax)	5	(50)	(18)	9	380	144	(9)	39	16	71	554	14	(28)
Tax expense (benefit) related to underlying net income adjustments	6	—	1	—	(64)	(1)	—	—	—	1	(65)	1	(2)
Common shareholders' underlying net income (loss) (post-tax)	7	175	148	152	130	145	152	159	116	164	586	579	550
Asia Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	8	125	131	161	446	288	143	198	132	236	1,075	594	520
Market related impacts (post-tax)	9	8	(11)	9	23	13	(11)	36	3	(9)	61	(77)	(66)
Assumption changes and management actions (ACMA) (post-tax)	10	(58)	—	1	(2)	132	2	3	21	80	135	99	37
Acquisition, integration and restructuring (post-tax) ⁽¹⁾	11	—	(6)	(1)	295	(2)	—	—	(8)	1	293	(7)	(1)
Total underlying net income adjustments (post-tax)	12	(50)	(17)	9	316	143	(9)	39	16	72	489	15	(30)
Common shareholders' underlying net income (loss) (post-tax)	13	175	148	152	130	145	152	159	116	164	586	579	550
Corporate Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	14	(178)	(15)	(43)	51	(9)	(25)	(107)	2	(11)	(90)	(144)	155
Market related impacts (pre-tax)	15	(28)	3	1	2	(4)	(3)	1	5	(4)	(4)	7	6
Assumption changes and management actions (ACMA) (pre-tax)	16	44	—	—	—	3	—	2	(1)	40	5	41	229
Acquisition, integration and restructuring (pre-tax)	17	—	—	—	—	—	8	(78)	(27)	—	(70)	(64)	(35)
Other (pre-tax) ⁽²⁾	18	(170)	—	—	—	—	—	—	—	—	—	—	—
Total underlying net income adjustments (pre-tax)	19	(154)	3	1	2	(1)	5	(75)	(23)	36	(69)	(16)	200
Tax expense (benefit) related to underlying net income adjustments ⁽³⁾	20	13	6	7	1	(3)	5	24	3	(2)	27	7	(4)
Common shareholders' underlying net income (loss) (post-tax)	21	(37)	(24)	(51)	48	(5)	(35)	(56)	22	(45)	(48)	(135)	(41)
Corporate Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	22	(178)	(15)	(43)	51	(9)	(25)	(107)	2	(11)	(90)	(144)	155
Market related impacts (post-tax)	23	(17)	9	8	3	(3)	(6)	5	—	(3)	(1)	—	(2)
Assumption changes and management actions (ACMA) (post-tax)	24	46	—	—	—	(1)	—	1	—	37	—	39	225
Acquisition, integration and restructuring (post-tax)	25	—	—	—	—	—	6	(57)	(20)	—	(51)	(48)	(27)
Other (post-tax) ⁽²⁾⁽³⁾	26	(170)	—	—	—	—	10	—	—	—	10	—	—
Total underlying net income adjustments (post-tax)	27	(141)	9	8	3	(4)	10	(51)	(20)	34	(42)	(9)	196
Common shareholders' underlying net income (loss) (post-tax)	28	(37)	(24)	(51)	48	(5)	(35)	(56)	22	(45)	(48)	(135)	(41)

⁽¹⁾ In Q4 2021, amounts include the \$362 million pre-tax or \$297 million post-tax realized gains on the IPO of our India asset management joint venture, Aditya Birla Sun Life Asset Management Company Limited.

⁽²⁾ In Q3 2022, other 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 June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, UK's reported net income increased by \$10 million on the remeasurement of deferred tax assets in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

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

(US\$ millions, unless otherwise indicated)

	For the Quarter Ended								For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
U.S. Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	1	72	167	133	68	37	127	167	66	(85)	399	191	122
Market related impacts (pre-tax)	2	(18)	33	47	42	15	(6)	43	1	(17)	94	7	(50)
Assumption changes and management actions (ACMA) (pre-tax)	3	(25)	—	9	(19)	(78)	—	(4)	(58)	(219)	(101)	(299)	(279)
Acquisition, integration and restructuring (pre-tax)	4	(25)	(48)	(5)	(8)	(1)	(2)	—	(1)	(1)	(11)	(4)	(21)
Other (pre-tax) ⁽¹⁾	5	(53)	73	—	—	—	—	—	—	—	—	—	—
Total underlying net income adjustments (pre-tax)	6	(121)	58	51	15	(64)	(8)	39	(58)	(237)	(18)	(296)	(350)
Tax expense (benefit) related to underlying net income adjustments	7	27	(12)	(11)	(3)	13	2	(8)	12	50	4	62	73
Common shareholders' underlying net income (loss) (post-tax)	8	166	121	93	56	88	133	136	112	102	413	425	399

U.S. Post-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	9	72	167	133	68	37	127	167	66	(85)	399	191	122
Market related impacts (post-tax)	10	(14)	26	37	33	12	(5)	34	1	(13)	74	6	(40)
Assumption changes and management actions (ACMA) (post-tax)	11	(20)	—	7	(15)	(62)	—	(3)	(46)	(173)	(80)	(236)	(221)
Acquisition, integration and restructuring (post-tax)	12	(18)	(38)	(4)	(6)	(1)	(1)	—	(1)	(1)	(8)	(4)	(16)
Other (post-tax) ⁽¹⁾	13	(42)	58	—	—	—	—	—	—	—	—	—	—
Total underlying net income adjustments (post-tax)	14	(94)	46	40	12	(51)	(6)	31	(46)	(187)	(14)	(234)	(277)
Common shareholders' underlying net income (loss) (post-tax)	15	166	121	93	56	88	133	136	112	102	413	425	399

MFS Pre-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	16	240	228	228	234	225	191	186	194	183	836	704	685
Fair value adjustments on share-based payment awards at MFS (pre-tax) ⁽²⁾	17	32	39	(1)	(39)	(34)	(41)	(36)	(37)	(24)	(150)	(67)	(46)
Tax expense (benefit) related to underlying net income adjustments ⁽²⁾	18	(4)	(5)	(1)	1	—	(1)	1	1	—	1	(3)	(2)
Common shareholders' underlying net income (loss) (post-tax)	19	212	194	230	272	259	233	221	230	207	985	774	733

MFS Post-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	20	240	228	228	234	225	191	186	194	183	836	704	685
Fair value adjustments on share-based payment awards at MFS (post-tax)	21	28	34	(2)	(38)	(34)	(42)	(35)	(36)	(24)	(149)	(70)	(48)
Common shareholders' underlying net income (loss) (post-tax)	22	212	194	230	272	259	233	221	230	207	985	774	733

U.S. Group Benefits Reported Net Income to Underlying Net Income ⁽³⁾

	At and For the Quarter Ended											At and For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	2021	2020	2019	
Common shareholders' reported net income (loss) (post-tax)	23	92	86	59	6	49	99	89	73	97	58	79	60	243	307	176
Market related impacts (pre-tax)	24	(5)	(4)	2	8	4	2	3	1	1	6	1	(1)	17	9	1
Assumption changes and management actions (pre-tax)	25	(8)	—	—	—	(1)	—	(3)	(6)	24	—	(1)	(2)	(4)	17	(91)
Acquisition, integration and restructuring (pre-tax)	26	(1)	—	(1)	(1)	(2)	(1)	—	(1)	(1)	(1)	(1)	(3)	(4)	(4)	(20)
Tax expense (benefit) related to underlying net income adjustments	27	3	1	—	(1)	(1)	—	—	1	(5)	(1)	—	1	(2)	(5)	23
Common shareholders' underlying net income (loss) (post-tax)	28	103	89	58	—	49	98	89	78	78	54	80	65	236	290	263

⁽¹⁾ In Q3 2022, other refers to a US\$53 million pre-tax or US\$42 million post-tax charge reflecting the resolution of a matter related to reinsurance pricing for our U.S. In-force Management business. In Q2 2022, other reflects a gain related to the sale-leaseback arrangement on our Wellesley property.

⁽²⁾ Effective January 1, 2022, there was a change in presentation of our proportional ownership in MFS by reporting our portion of MFS' net income components and the fair value adjustments on share-based payments. We have updated prior periods to reflect this change in presentation.

⁽³⁾ Effective Q2 2022, we began reporting on the performance and results of our Dental business unit, which represents our existing dental and vision business within Group Benefits together with DentaQuest Group, Inc. ("DentaQuest"), acquired on June 1, 2022. We have updated prior periods to reflect this change in presentation.

MFS RECONCILIATIONS

(US\$ millions)

	For the Quarter Ended								For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
MFS Pre-Tax Net Operating Margin Reconciliation													
Revenue													
IFRS fee income	1	801	838	909	981	973	938	887	862	805	3,779	3,136	2,926
Less: Adjustments													
Commissions	2	104	110	120	131	132	126	120	117	112	509	438	426
Other ⁽¹⁾	3	(13)	(16)	(11)	(10)	(10)	(11)	(11)	(10)	(9)	(42)	(38)	(27)
Total adjustments	4	91	94	109	121	122	115	109	107	103	467	400	399
Adjusted revenue	5	710	744	800	860	851	823	778	755	702	3,312	2,736	2,527
Expenses													
IFRS expenses	6	500	542	606	668	671	681	630	610	563	2,650	2,221	2,099
IFRS net investment (income) loss	7	(7)	6	6	(1)	—	(4)	5	(10)	(5)	—	(27)	(57)
Less: Adjustments													
Gross fair value adjustments on share-based payment awards ⁽²⁾	8	(17)	(25)	15	56	52	58	50	51	36	216	115	92
Commissions	9	104	110	120	131	132	126	120	117	112	509	438	426
Other ⁽¹⁾	10	(13)	(16)	(11)	(10)	(10)	(11)	(11)	(10)	(9)	(42)	(38)	(27)
Total adjustments	11	74	69	124	177	174	173	159	158	139	683	515	491
Adjusted expenses	12	419	479	488	490	497	504	476	442	419	1,967	1,679	1,551
Pre-tax net operating margin	13	41 %	36 %	39 %	43 %	42 %	39 %	39 %	41 %	40 %	41 %	39 %	39 %
MFS Pre-Tax Gross Operating Margin Reconciliation													
IFRS fee income	14	801	838	909	981	973	938	887	862	805	3,779	3,136	2,926
Expenses													
IFRS expenses	15	500	542	606	668	671	681	630	610	563	2,650	2,221	2,099
IFRS net investment (income) loss	16	(7)	6	6	(1)	—	(4)	5	(10)	(5)	—	(27)	(57)
Less: Gross fair value adjustments on share-based payment awards ⁽²⁾	17	(17)	(25)	15	56	52	58	50	51	36	216	115	92
Adjusted expenses	18	510	573	597	611	619	619	585	549	522	2,434	2,079	1,950
Pre-tax Gross Operating Margin	19	36 %	32 %	34 %	38 %	36 %	34 %	34 %	36 %	35 %	36 %	34 %	33 %

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

⁽²⁾ For more information on this adjustment made to arrive at a non-IFRS financial measure, refer to the Non-IFRS Financial Measures page of this document and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS of the Company's Q3 2022 MD&A.

SLC MANAGEMENT REPORTED NET INCOME RECONCILIATION TO THE SUPPLEMENTARY INCOME STATEMENT

(C\$ millions), unless otherwise noted

	For the Quarter Ended								For the Year Ended				
	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	2021	2020	2019	
STATEMENTS OF OPERATIONS													
Net investment income (loss)													
Investment income (loss) and performance fees - net investment income (loss)	1	1	—	8	3	17	2	(2)	7	(21)	20	(12)	3
Other - Investment income (loss) ⁽¹⁾	2	(15)	—	2	(4)	—	3	—	—	—	(1)	—	4
Total net investment income (loss)	3	(14)	—	10	(1)	17	5	(2)	7	(21)	19	(12)	7
Fee Income													
Management fees	4	218	209	201	204	195	182	174	143	123	755	440	272
Property management, transaction, advisory and other fees	5	25	33	25	37	28	30	18	45	26	113	122	88
Interest and other - fee income	6	54	49	50	41	41	40	42	40	41	164	165	—
Investment income (loss) and performance fees - fee income	7	—	—	3	11	—	—	1	1	6	12	26	4
Other - fee income ⁽²⁾	8	13	16	15	7	14	17	17	16	16	55	63	64
Total fee income	9	310	307	294	300	278	269	252	245	212	1,099	816	428
Expenses													
Compensation- fee-related	10	130	138	128	127	118	110	112	97	79	467	294	205
Other operating expenses	11	55	52	44	54	53	56	41	35	28	204	108	85
Interest and other	12	70	56	56	51	48	44	55	49	43	198	189	24
Placement fees - other	13	(4)	—	—	—	15	6	6	—	—	27	—	—
Amortization of intangibles	14	10	10	10	10	11	9	10	6	7	40	23	12
Acquisition, integration and restructuring	15	131	18	17	225	18	19	20	26	14	282	64	52
Other - expenses ⁽¹⁾⁽²⁾	16	(1)	16	17	3	14	18	18	17	15	53	61	67
Total expenses	17	391	290	272	470	277	262	262	230	186	1,271	739	445
Income (loss) before income taxes	18	(95)	17	32	(171)	18	12	(12)	22	5	(153)	65	(10)
Income tax expense (benefit)	19	(7)	4	4	(21)	4	25	(4)	5	—	4	16	(2)
Non-controlling interest	20	9	8	9	5	(3)	—	(2)	3	(2)	—	11	4
Common shareholders' reported net income (loss)	21	(97)	5	19	(155)	17	(13)	(6)	14	7	(157)	38	(12)

⁽¹⁾ The gains or losses of certain hedges are reported under Net investment income (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 in the Supplemental Financial Information report 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.

Non-IFRS Financial Measures Glossary

Sun Life uses the following non-IFRS financial measures:

- (1) 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.
- (2) Financial leverage ratio. This total debt to total capital ratio is a ratio of debt plus preferred shares to total capital, where debt consists of all capital qualifying debt securities, which represent subordinated debt and innovative capital instruments. The ratio is an indicator of the Company's capital adequacy measured by its proportion of capital qualifying debt in accordance with OSFI guidelines;
- (3) Dividend payout ratio. This is the ratio of dividends paid per share to diluted reported and underlying EPS, respectively, for the period and is utilized during the capital budgeting process to ensure that we are able to achieve our payout targets after factoring in our planned capital initiatives. We target an underlying dividend payout ratio of between 40% and 50% based on underlying EPS. For more information, see Section I. Capital and Liquidity Management of the Company's Annual 2021 MD&A;
- (4) Sales and gross flows. In Canada, insurance sales consist of sales of individual insurance and Sun Life Health products; wealth sales consist of sales of individual wealth products and sales in Group Retirement Services. In the U.S., insurance sales consist of sales by Group Benefits. In Asia, insurance sales consist of the individual and group 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; wealth sales consist of Hong Kong managed funds sales, the Philippines mutual and managed funds sales, wealth sales by our India and China insurance joint ventures and associates, and Aditya Birla Sun Life Asset Management Company Limited equity and fixed income mutual funds sales based on our proportionate equity interest, including sales as reported by our bank distribution partners. Asset Management gross flows include funds from retail and institutional Clients; SLC Management gross flows include capital raising, such as uncalled capital commitments and fund leverage. There is no directly comparable IFRS measure;
- (5) Value of new business (VNB). VNB represents the present value of our best estimate of future distributable earnings, net of the cost of capital, from new business contracts written in a particular time period, except new business in our Asset Management pillar. The assumptions used in the calculations are generally consistent with those used in the valuation of our insurance contract liabilities except that discount rates used approximate theoretical return expectations of an equity investor. Capital required is based on the higher of Sun Life Assurance's Life Insurance Capital Adequacy Test (LICAT) operating target and local (country specific) operating target capital. VNB is a useful metric to evaluate the present value created from new business contracts. There is no directly comparable IFRS measure;
- (6) Pre-tax net operating margin. This ratio is a measure of profitability. For MFS, this ratio is calculated by excluding the impact of fair value adjustments on MFS' share-based payment awards 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. There is no directly comparable IFRS measure;
- (7) Pre-tax gross operating margin for MFS. This ratio is a measure of profitability, which excludes the impact of fair value adjustments on MFS' share-based payment awards. There is no directly comparable IFRS measure;
- (8) 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;
- (9) After-tax profit margin for U.S. Group Benefits. This ratio expresses U.S. Group Benefits underlying net income (loss) 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 (loss) by net premiums for the trailing four quarters. There is no directly comparable IFRS measure;
- (10) Impacts of foreign exchange translation. To assist in comparing our results from period-to-period, the 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 Revenue, Benefits and 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 items as at a point in time, such as Assets and Liabilities in our Consolidated Statements of Financial Position, as well as the AUM and Expected profit component of our Sources of Earnings disclosure, period-end rates are used for currency translation purposes;
- (11) 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 as follows:
- | | | | |
|--|---------------|--|--------|
| Q3 2022 Reported net income at Q3 2021 constant dollar | \$442 million | Q3 2022 Reported earnings per share at Q3 2021 constant dollar | \$0.76 |
| Currency impact relative to Q3 2021 exchange rates | \$24 million | Currency impact per share relative to Q3 2021 exchange rates | \$0.04 |
| Q3 2022 Reported net income - actual | \$466 million | Q3 2022 Reported earnings per share - actual | \$0.80 |
- (12) Assets under management (AUM). AUM is a non-IFRS financial measure that indicates the size of our Company's asset management, wealth and insurance assets. 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 Other AUM, which is defined below. There is no standardized financial measure under IFRS;
- (13) Assets under administration (AUA). AUA is a non-IFRS financial measure that represents Client assets and the Company only provides administrative services for these assets. In Canada, AUA includes mutual fund dealer assets in Individual Wealth and administrative services assets in Group Retirement Services. In Asia, AUA includes administrative services assets in China and Hong Kong. There is no standardized financial measure under IFRS;
- (14) Assets under administration and management (AUMA) consists of both AUM and AUA, as defined above, and there is no standardized financial measure under IFRS;
- (15) Other AUM. Other AUM is composed of retail, institutional and other third-party assets as well as general fund and segregated fund assets managed by our joint ventures. In Canada, other AUM includes Client assets in retail mutual fund products of SLGI Asset Management Inc. In Asia, other 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, 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;
- (16) Fee earning AUM (FE AUM). FE AUM consists of assets managed by SLC Management, which are beneficially owned by Clients, to which we provide investment management, property management or advisory-related services on the basis of which we earn management fees pursuant to management or other fee agreements. There is no directly comparable IFRS measure;
- (17) 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;
- (18) 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; and
- (19) 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.

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 third-party investors. **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. **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.