



**Financial and Operating Results
Supplementary Financial Information**

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

**SUPPLEMENTARY FINANCIAL INFORMATION
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New and Amended International Financial Reporting Standards Adopted in 2023

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

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

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

Basis of Presentation

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

This document and the 2023 Annual MD&A contain certain amounts that are presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements. Examples include:

(1) Within the Drivers of Earnings: i) Net investment result and Other expenses of the Asset Management operating segment are combined with Fee Income to report the net contribution to earnings; ii) Income for fee-based businesses is reported net of the associated expenses; iii) Carried interest in SLC Management excludes the carried interest that Sun Life does not participate in economically, and nets the non-controlling interest against fee income and expenses of consolidated funds; iv) Net investment results include assets returns net of the crediting rate for investment contract liabilities and the unwinding of and changes in the discount rate for insurance contract liabilities; v) Earnings on surplus reflects net spread earned from investment strategies; vi) Earnings attributable to the participating account are excluded; and vii) Assumption changes and management actions combines the amounts included in Net insurance service result and Net investment result.

(2) Within the CSM Movement Analysis: i) The impacts of insurance contracts issued is presented net of reinsurance; ii) Impact of new business is presented net of acquisition expense gain/loss; and iii) Certain methodology changes are presented as an impact of change in assumptions, whereas the Consolidated Financial Statement presentation is a contract modification.

For more information on the Drivers of Earnings and CSM Movement Analysis, refer to the Non-IFRS Financial Measures section on the subsequent page of this document or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A. For the reconciliations of the Statements of Operations to the DOE, refer to the Drivers of Earnings Reconciliations section in the appendix of this document.

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, 3. Additional Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

Rounding

Amounts in this document may be impacted by rounding.

Adjustments

Acquisition, Integration and Restructuring

In Q4 2023, amounts include DentaQuest Group, Inc. ("DentaQuest") integration costs of \$28 million post-tax and the unwinding of the discount for Other financial liabilities of \$24 million post-tax for BentalGreenOak ("BGO"), InfraRed Capital Partners ("InfraRed") the Crescent Capital Group LP ("Crescent") and Advisors Asset Management Inc. ("AAM") (collectively, "SLC Management's affiliates").

In Q3 2023, amounts include DentaQuest integration costs of \$31 million post-tax and the unwinding of the discount for Other financial liabilities of \$21 million post-tax for SLC Management's affiliates.

In Q2 2023, amounts include DentaQuest integration costs of \$32 million post-tax and the unwinding of the discount for Other financial liabilities of \$21 million post-tax for SLC Management's affiliates. Amounts also include a \$19 million post-tax gain resulting from the completion of the sale of SLF of Canada UK Limited to Phoenix Group Holdings plc ("Phoenix Group") on April 3, 2023 ("the sale of Sun Life UK"). After the sale, the remaining UK payout annuities business has moved to the U.S. business segment and is combined with U.S. In-force Management.

In Q1 2023, amounts include DentaQuest integration costs of \$29 million post-tax and AAM acquisition costs of \$16M post-tax, as well as the unwinding of the discount for Other financial liabilities of \$20 million post-tax for SLC Management's affiliates. Amounts also include Canada's \$65 million post-tax gain on sale of its sponsored markets business to Canadian Premier Life Insurance Company, which was recognized in Other income.

In Q4 2022, amounts include DentaQuest integration costs of \$59 million post-tax and the unwinding of the discount for Other financial liabilities of \$17 million post-tax for SLC Management's affiliates, BGO, InfraRed, and Crescent.

In Q3 2022, amounts include DentaQuest integration costs of \$24 million post-tax and the unwinding of the discount for Other financial liabilities of \$15 million post-tax for SLC Management's affiliates. Amounts also 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, as well as an impairment charge of \$170 million (£108 million) pertaining to the attributed goodwill that is not expected to be recovered through the sale of Sun Life UK to Phoenix Group.

In Q2 2022, amounts include acquisition costs for DentaQuest of \$49 million post-tax and unwinding of the discount for Other financial liabilities of \$16 million post-tax for SLC Management's affiliates.

In Q1 2022, amounts include unwinding of the discount for Other financial liabilities of \$16 million post-tax for SLC Management's affiliates.

Other

Q4 2023: On December 27, 2023, Bermuda enacted its Corporate Income Tax Act 2023, which will apply a 15% income tax beginning on January 1, 2025 ("Bermuda Corporate Income Tax Change"). The enacted legislation provides an economic transition adjustment that aligns an entity's starting point for the tax regime more closely with its economic position prior to the application of the Corporate Income Tax 2023. The benefit of this economic transition adjustment has been recognized in 2023. As a result, reported net income increased by \$[49] million in the fourth quarter, reflected in Other adjustments.

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

Q3 2022: In October 2022, a matter related to reinsurance pricing for our U.S. In-force Management business was resolved, resulting in a charge of \$48 million (US\$37 million) post-tax in the third quarter and a further charge of \$11 million (US\$8 million) post-tax in the fourth quarter of 2022.

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 ("Sale of Wellesley Property in the U.S.").

Non-IFRS Financial Measures

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

Underlying Net Income

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

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

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

Refer to Net Income Reconciliations - Pre-Tax and Post-Tax in the appendix of this document for the non-underlying adjustments from underlying net income to reported net income, as well as Section M. Non-IFRS Financial Measures, 2. Underlying Net Income and Underlying EPS and 4. Reconciliations of Select Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

For more information about business types in Sun Life's operating segments/business groups, see the General Information section of this document and Section A. How We Report Our Results under the heading Underlying Net Income by Business Types of the Company's 2023 Annual MD&A.

Underlying Diluted Earnings per Share (EPS)

This measure is used in comparing the profitability across multiple periods and is calculated by dividing Underlying net income by weighted average common shares outstanding for diluted EPS, excluding the dilutive impact of convertible instruments. For additional information about the Underlying net income, see above. For additional information about the composition of the EPS, please refer to Note 25 of our 2023 Annual Consolidated Financial Statements for the period ended December 31, 2023. For additional information about the SLEECs, please refer to Note 12 of our 2023 Annual Consolidated Financial Statements.

Drivers of Earnings (DOE)

The DOE analysis provides additional detail on the sources of earnings, primarily for protection and health businesses, and explains the actual results compared to the longer term expectations. The DOE is presented on a reported and underlying common shareholders' basis. Within the net insurance service result, the underlying DOE provides detail on expected insurance earnings, impact of new insurance business and experience gains (losses). Within the net investment result, the underlying DOE provides detail on expected investment earnings, credit experience, earnings on surplus, and joint ventures & other. For more information on the DOE, see Understanding the Drivers of Earnings in the appendix of this document and Section M. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Driver of Earnings of the Company's 2023 Annual MD&A. Refer to the Basis of Presentation section on page ii of this document for more information about certain amounts that are presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements, and the reconciliations of the Statements of Operations to the DOE in the Drivers of Earnings Reconciliations section in the appendix of this document.

Contractual Service Margin (CSM)

Contractual Service Margin represents a source of stored value for future insurance profits and qualifies as available capital for LICAT purposes. CSM is a component of insurance contract liabilities. Refer to the Basis of Presentation section on page ii of this document for more information about certain amounts that are presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements.

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

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

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

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

FINANCIAL HIGHLIGHTS
(C\$ millions, unless otherwise noted)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
RESULTS											
Underlying Net Income by Segment ⁽¹⁾											
Asset Management	1	331	330	296	282	324	298	295	321	1,239	1,238
Canada	2	350	338	372	316	265	293	299	206	1,376	1,063
U.S.	3	253	185	215	237	230	227	134	107	890	698
Asia	4	143	166	150	141	135	153	118	133	600	539
Corporate	5	(94)	(89)	(113)	(81)	(62)	(22)	(38)	(47)	(377)	(169)
Total underlying net income ⁽¹⁾	6	983	930	920	895	892	949	808	720	3,728	3,369
Reported Net Income - Common Shareholders by Segment											
Asset Management	7	297	268	248	254	321	218	298	311	1,067	1,148
Canada	8	348	365	210	329	453	56	476	256	1,252	1,241
U.S.	9	101	132	175	168	202	125	149	56	576	532
Asia	10	44	211	122	134	92	—	7	111	511	210
Corporate	11	(41)	(105)	(95)	(79)	97	(288)	—	(69)	(320)	(260)
Total reported net income - Common shareholders	12	749	871	660	806	1,165	111	930	665	3,086	2,871
Profitability Measures											
Basic earnings per common share (EPS)											
Reported	13	1.28	1.49	1.12	1.37	1.99	0.19	1.59	1.13	5.27	4.90
Diluted earnings per common share											
Underlying ⁽¹⁾	14	1.68	1.59	1.57	1.52	1.52	1.62	1.38	1.23	6.36	5.75
Reported	15	1.28	1.48	1.12	1.37	1.98	0.19	1.58	1.13	5.26	4.89
Return on equity - underlying ⁽¹⁾											
Return on equity - reported ⁽¹⁾	16	18.4 %	17.7 %	17.7 %	17.3 %	17.7 %	19.4 %	16.7 %	14.7 %	17.8 %	17.0 %
Return on equity - reported ⁽¹⁾	17	14.0 %	16.6 %	12.7 %	15.6 %	23.2 %	2.3 %	19.2 %	13.6 %	14.7 %	14.5 %
Dividend per common share (\$)											
Dividend payout ratio ⁽¹⁾	18	0.78	0.75	0.75	0.72	0.72	0.69	0.69	0.66	3.00	2.76
Underlying											
Reported ⁽²⁾	19	46 %	47 %	48 %	47 %	47 %	43 %	50 %	54 %	47 %	48 %
Reported ⁽²⁾	20	61 %	51 %	67 %	53 %	36 %	nm	44 %	58 %	57 %	56 %
Dividend yield ⁽¹⁾	21	4.7 %	4.5 %	4.5 %	4.4 %	4.8 %	4.7 %	4.4 %	3.8 %	4.5 %	4.4 %
Valuation Data											
Book value per common share	22	36.51	35.91	34.86	35.34	34.60	33.33	32.89	32.61	36.51	34.60
Tangible book value per common share ⁽¹⁾	23	16.01	15.51	15.20	15.36	14.79	13.15	12.88	18.71	16.01	14.79
Price-to-book value (times)	24	1.88	1.85	1.98	1.79	1.82	1.65	1.79	2.14	1.88	1.82
Total market capitalization (TSX in \$ billions)	25	40.2	38.7	40.5	37.0	36.9	32.2	34.6	40.9	40.2	36.9
Common Share Information (SLF on TSX)											
High (intraday)	26	70.82	70.11	69.18	69.09	64.64	62.44	70.54	74.22	70.82	74.22
Low (intraday)	27	61.84	63.33	62.67	60.01	52.97	54.11	57.21	64.62	60.01	52.97
Close (end of period)	28	68.72	66.27	69.06	63.14	62.85	54.93	58.98	69.80	68.72	62.85
Financial Strength											
SLF LICAT ratio ⁽³⁾	29	149 %	147 %	148 %	148 %	130 %	129 %	128 %	143 %	149 %	130 %
SLA LICAT ratio ⁽³⁾	30	141 %	138 %	139 %	144 %	127 %	123 %	124 %	123 %	141 %	127 %
Financial leverage ratio ⁽¹⁾	31	21.5 %	21.8 %	23.3 %	23.2 %	25.1 %	26.4 %	25.7 %	25.9 %	21.5 %	25.1 %
Sales, Gross Flows and Net Flows ⁽¹⁾											
Wealth sales & asset management gross flows	32	45,750	39,324	42,397	46,349	43,269	42,146	56,279	56,956	173,820	198,650
Net wealth sales & asset management net flows	33	(9,715)	(9,122)	(3,476)	(1,772)	(12,055)	(8,105)	809	(1,120)	(24,085)	(20,471)
Individual - Protection sales	34	707	669	604	511	498	444	416	409	2,491	1,767
Group - Health & Protection sales ⁽⁴⁾	35	1,459	374	600	509	1,345	499	320	390	2,942	2,554

⁽¹⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽²⁾ Reported dividend payout ratio in Q3 2022 is "nm" that is defined as not meaningful.

⁽³⁾ Life Insurance Capital Adequacy Test ("LICAT") ratio. Our LICAT ratios are calculated in accordance with OSFI-mandated guideline, Life Insurance Capital Adequacy Test. Sun Life Assurance Company of Canada ("SLA" or "Sun Life Assurance") is SLF Inc.'s principal operating life insurance subsidiary.

⁽⁴⁾ Effective Q4 2023, prior period amounts related to sales in the U.S. Dental segment have been restated to reflect new information.

FINANCIAL HIGHLIGHTS CONTINUED

	At and For the Quarter Ended							At and For the Year Ended			
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
Number of Common Shares Outstanding (in millions) ⁽¹⁾											
At beginning of period	1	584.3	586.9	586.7	586.4	586.1	586.1	586.1	586.0	586.4	586.0
Common shares issued	2	0.3	0.2	0.2	0.3	0.3	—	—	0.1	1.0	0.4
Common shares purchased and cancelled	3	—	(2.8)	—	—	—	—	—	—	(2.8)	—
At end of period	4	584.6	584.3	586.9	586.7	586.4	586.1	586.1	586.1	584.6	586.4
Weighted average shares outstanding - basic	5	584	586	587	587	586	586	586	586	586	586
Weighted average shares outstanding - diluted ⁽²⁾	6	587	589	590	590	590	589	589	590	589	589
Assets Under Management and Administration (AUMA) ⁽³⁾											
General funds	7	204,789	193,858	196,575	201,792	198,316	198,181	191,786	196,240	204,789	198,316
Segregated funds	8	128,452	119,988	123,366	131,033	125,292	118,564	120,098	133,496	128,452	125,292
Third-party assets under management											
Retail	9	567,657	544,946	557,093	543,847	527,617	505,679	508,214	568,678	567,657	527,617
Institutional and managed & other	10	537,424	518,129	527,344	528,897	507,673	485,670	475,394	492,980	537,424	507,673
Total third-party assets under management	11	1,105,081	1,063,075	1,084,437	1,072,744	1,035,290	991,349	983,608	1,061,658	1,105,081	1,035,290
Consolidation adjustments	12	(38,717)	(36,780)	(37,536)	(41,947)	(40,337)	(38,725)	(38,054)	(39,686)	(38,717)	(40,337)
Total assets under management	13	1,399,605	1,340,141	1,366,842	1,363,622	1,318,561	1,269,369	1,257,438	1,351,708	1,399,605	1,318,561
Total assets under administration	14	99,350	94,600	95,961	95,696	43,866	41,815	42,092	45,819	99,350	43,866
Total AUMA	15	1,498,955	1,434,741	1,462,803	1,459,318	1,362,427	1,311,184	1,299,530	1,397,527	1,498,955	1,362,427
Select Constant Currency Measures ⁽³⁾											
Underlying net income	16	981				892					
Reported net income	17	746				1,165					
Wealth sales & asset management gross flows	18	45,661				43,269					
Net wealth sales & asset management net flows	19	(9,683)				(12,055)					
Assets under management	20	1,424,760				1,318,561					
Individual - Protection sales	21	705				498					
Group - Health & Protection sales	22	1,455				1,345					
Underlying earnings per share - diluted	23	1.68				1.52					
Reported earnings per share - diluted	24	1.28				1.98					

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

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

⁽³⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

CONSOLIDATED STATEMENTS OF OPERATIONS

(C\$ millions)

	For the Quarter Ended								For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
Insurance service result											
Insurance revenue	1	5,458	5,333	5,283	5,282	5,305	5,149	4,405	4,043	21,356	18,902
Insurance service expenses	2	(4,803)	(4,555)	(4,528)	(4,564)	(4,491)	(4,269)	(3,941)	(3,755)	(18,450)	(16,456)
Reinsurance contract held net income (expenses)	3	7	(66)	20	(30)	(63)	(289)	116	83	(69)	(153)
Net insurance service result	4	662	712	775	688	751	591	580	371	2,837	2,293
Investment result											
Investment result excluding result for account of segregated fund holders:											
Net investment income (loss)	5	11,161	(4,824)	449	4,800	1,168	(2,056)	(9,151)	(10,541)	11,586	(20,580)
Insurance finance income (expenses) from insurance contracts issued	6	(10,982)	5,759	(81)	(4,371)	(640)	2,105	9,951	11,179	(9,675)	22,595
Insurance finance income (expenses) from reinsurance contracts held	7	178	(144)	(38)	63	5	(143)	(118)	(184)	59	(440)
Decrease (increase) in investment contract liabilities	8	(96)	(88)	(76)	(71)	(50)	(45)	(31)	(26)	(331)	(152)
Net investment result excluding result for account of segregated fund holders	9	261	703	254	421	483	(139)	651	428	1,639	1,423
Investment result for insurance contracts for account of segregated fund holders:											
Investment income (loss) on investments for account of segregated fund holders	10	1,109	(362)	234	812	1,092	(403)	(2,219)	(823)	1,793	(2,353)
Insurance finance income (expenses)	11	(1,109)	362	(234)	(812)	(1,092)	403	2,219	823	(1,793)	2,353
Net investment result for insurance contracts for account of segregated fund holders	12	—	—	—	—	—	—	—	—	—	—
Net investment result	13	261	703	254	421	483	(139)	651	428	1,639	1,423
Fee income	14	2,065	1,930	1,936	1,901	2,021	1,808	1,779	1,839	7,832	7,447
Other expenses (income)											
Other income ⁽¹⁾	15	—	—	(67)	(102)	—	—	—	—	(169)	—
Operating expenses and commissions	16	2,086	2,004	2,023	1,882	1,995	1,911	1,586	1,600	7,995	7,092
Interest expenses	17	115	160	142	135	127	119	101	98	552	445
Total other expenses (income)	18	2,201	2,164	2,098	1,915	2,122	2,030	1,687	1,698	8,378	7,537
Income before income taxes	19	787	1,181	867	1,095	1,133	230	1,323	940	3,930	3,626
Less: Income tax expense (benefit)	20	(87)	244	127	177	(65)	77	315	219	461	546
Total net income	21	874	937	740	918	1,198	153	1,008	721	3,469	3,080
Less: Net income (loss) allocated to the participating account	22	57	37	51	33	(16)	15	55	29	178	83
Less: Net income (loss) attributable to non-controlling interest (NCI)	23	48	10	9	59	29	9	9	9	126	56
Net income - Shareholders	24	769	890	680	826	1,185	129	944	683	3,165	2,941
Less: Preferred shareholders' dividends and distributions on other equity instruments	25	20	19	20	20	20	18	14	18	79	70
Reported net income - Common shareholders	26	749	871	660	806	1,165	111	930	665	3,086	2,871
Underlying net income ⁽²⁾	27	983	930	920	895	892	949	808	720	3,728	3,369

⁽¹⁾ In Q2 2023, we completed the sale of Sun Life UK and in Q1 2023, we completed the sale of the sponsored markets business. Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring for additional details and Note 3 of the Consolidated Financial Statements for the period ended June 30, 2023.

⁽²⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

COMMON SHAREHOLDERS' DRIVERS OF EARNINGS - Total Company ⁽¹⁾

(C\$ millions)

	For the Quarter Ended								For the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Risk adjustment release	106	114	103	95	105	98	95	94	418	392
Contractual service margin recognized for services provided	215	184	192	199	192	193	175	200	790	760
Expected earnings on short-term (group) insurance business	407	373	367	378	350	339	270	276	1,525	1,235
Expected insurance earnings	728	671	662	672	647	630	540	570	2,733	2,387
Impact of new insurance business	(15)	(12)	(12)	(12)	(31)	(22)	(16)	(22)	(51)	(91)
Experience gains (losses) ⁽²⁾	56	81	144	16	110	82	17	(129)	297	80
Net insurance service result - Underlying	769	740	794	676	726	690	541	419	2,979	2,376
Expected investment earnings	230	218	221	217	165	171	159	158	886	653
Credit experience	(25)	(8)	(4)	(10)	(15)	—	9	(20)	(47)	(26)
Earnings on surplus	158	155	165	161	118	152	135	86	639	491
Joint ventures & other	64	51	48	69	48	34	19	18	232	119
Net investment results - Underlying	427	416	430	437	316	357	322	242	1,710	1,237
Asset Management - underlying	460	437	403	377	429	407	388	427	1,677	1,651
Other fee income ⁽²⁾	66	38	64	79	55	88	72	83	247	298
Expenses - other ⁽²⁾⁽³⁾	(489)	(485)	(500)	(454)	(415)	(368)	(315)	(337)	(1,928)	(1,435)
Income before taxes - Underlying	1,233	1,146	1,191	1,115	1,111	1,174	1,008	834	4,685	4,127
Income tax (expense) or recovery	(203)	(182)	(235)	(191)	(187)	(193)	(174)	(83)	(811)	(637)
Dividends, distributions, NCI ⁽⁴⁾	(47)	(34)	(36)	(29)	(32)	(32)	(26)	(31)	(146)	(121)
Underlying net income ⁽¹⁾	983	930	920	895	892	949	808	720	3,728	3,369
Add: Non-underlying net income adjustments ⁽¹⁾ (post-tax):										
Market-related impacts	(193)	23	(220)	(64)	224	(361)	118	(2)	(454)	(21)
Assumption changes and management actions (ACMA)	(1)	35	7	(5)	12	(131)	(22)	(27)	36	(168)
Other adjustments:										
Management's ownership of MFS shares	(11)	7	(1)	17	27	37	42	9	12	115
Acquisition, integration and restructuring ⁽⁵⁾	(42)	(89)	(20)	(4)	(86)	(312)	(73)	(21)	(155)	(492)
Intangible asset amortization	(38)	(35)	(26)	(33)	(41)	(23)	(19)	(14)	(132)	(97)
Other ⁽⁵⁾	51	—	—	—	137	(48)	76	—	51	165
Reported net income - Common shareholders	749	871	660	806	1,165	111	930	665	3,086	2,871

UNDERLYING NET INCOME BY BUSINESS TYPE ⁽¹⁾ - Total Company

	For the Quarter Ended								For the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Wealth & asset management	439	457	419	411	412	419	420	422	1,726	1,673
Group - Health & Protection	365	285	360	303	321	281	238	123	1,313	963
Individual - Protection	284	297	265	291	231	305	215	249	1,137	1,000
Corporate expenses & other	(105)	(109)	(124)	(110)	(72)	(56)	(65)	(74)	(448)	(267)
Underlying net income	983	930	920	895	892	949	808	720	3,728	3,369
Add: Market-related impacts	(193)	23	(220)	(64)	224	(361)	118	(2)	(454)	(21)
ACMA	(1)	35	7	(5)	12	(131)	(22)	(27)	36	(168)
Other adjustments	(40)	(117)	(47)	(20)	37	(346)	26	(26)	(224)	(309)
Reported net income - Common shareholders	749	871	660	806	1,165	111	930	665	3,086	2,871

EXCHANGE RATES - Average for the period

	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
U.S. Dollar	1.36	1.34	1.34	1.35	1.36	1.30	1.28	1.27	1.35	1.30

⁽¹⁾ The Drivers of Earnings analysis and Underlying Net Income by Business Type contain non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A. Refer to the Basis of Presentation section on page ii of this document for more information about certain amounts that are presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements.

⁽²⁾ Effective Q4 2023, prior period amounts in the DOE related to Expenses - other for health, wealth and asset management businesses in Canada have been restated to improve comparability of data over time and with other business units; related amounts in Other fee income and Experience gains (losses) have also been restated accordingly. In addition, effective Q3 2023, the Other Fee Income line for the U.S. business segment has been refined to include Group Benefits and Health & Risk Solutions fee income net of corresponding expenses in order to align with the presentation of the Dental business in this line. We have updated prior period amounts to reflect this refinement.

⁽³⁾ Expenses - other removes non-underlying Other adjustments, including Management's ownership of MFS shares, Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be removed from Other expenses.

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

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

COMMON SHAREHOLDERS' DRIVERS OF EARNINGS - Total Company ⁽¹⁾
(\$ millions)

		For the Quarter Ended - Q4 2023						U.S. Dollars	
		Canadian dollars					Total Company	MFS	U.S.
		Asset Management	Canada	U.S.	Asia	Corporate			
Risk adjustment release	1	—	51	8	46	1	106	—	6
Contractual service margin recognized for services provided	2	—	90	21	103	1	215	—	16
Expected earnings on short-term (group) insurance business	3	—	153	253	1	—	407	—	186
Expected insurance earnings	4	—	294	282	150	2	728	—	208
Impact of new insurance business	5	—	(13)	—	(2)	—	(15)	—	—
Experience gains (losses) ⁽²⁾	6	—	58	32	(33)	(1)	56	—	24
Net insurance service result - Underlying	7	—	339	314	115	1	769	—	232
Expected investment earnings	8	—	171	44	15	—	230	—	32
Credit experience	9	—	(27)	—	2	—	(25)	—	—
Earnings on surplus	10	—	69	42	21	26	158	—	31
Joint ventures & other	11	—	3	1	63	(3)	64	—	—
Net investment results - Underlying	12	—	216	87	101	23	427	—	63
Asset Management - underlying	13	460	—	—	—	—	460	254	—
Other fee income ⁽²⁾	14	—	38	22	6	—	66	—	16
Expenses - other ⁽²⁾⁽³⁾	15	—	(144)	(109)	(75)	(161)	(489)	—	(81)
Income before taxes - Underlying	16	460	449	314	147	(137)	1,233	254	230
Income tax (expense) or recovery	17	(102)	(99)	(61)	(4)	63	(203)	(63)	(43)
Dividends, distributions, NCI	18	(27)	—	—	—	(20)	(47)	—	—
Underlying net income ⁽¹⁾	19	331	350	253	143	(94)	983	191	187
Add: Non-underlying net income adjustments ⁽¹⁾ (post-tax):									
Market-related impacts	20	(6)	(50)	(48)	(142)	53	(193)	—	(33)
Assumption changes and management actions (ACMA)	21	—	52	(52)	(1)	—	(1)	—	(40)
Other adjustments:									
Management's ownership of MFS shares	22	(11)	—	—	—	—	(11)	(8)	—
Acquisition, integration and restructuring ⁽⁴⁾	23	(12)	3	(28)	(5)	—	(42)	—	(19)
Intangible asset amortization	24	(5)	(7)	(24)	(2)	—	(38)	—	(18)
Other ⁽⁴⁾	25	—	—	—	51	—	51	—	—
Reported net income - Common shareholders	26	297	348	101	44	(41)	749	183	77

COMMON SHAREHOLDERS' DRIVERS OF EARNINGS - Total Company ⁽¹⁾
(\$ millions)

		For the Quarter Ended - Q4 2022						U.S. Dollars	
		Canadian dollars					Total Company	MFS	U.S.
		Asset Management	Canada	U.S.	Asia	Corporate			
Risk adjustment release	27	—	54	8	37	6	105	—	6
Contractual service margin recognized for services provided	28	—	90	9	82	11	192	—	7
Expected earnings on short-term (group) insurance business	29	—	128	223	(1)	—	350	—	164
Expected insurance earnings	30	—	272	240	118	17	647	—	177
Impact of new insurance business	31	—	(27)	—	(4)	—	(31)	—	—
Experience gains (losses) ⁽²⁾	32	—	49	84	(24)	1	110	—	59
Net insurance service result - Underlying	33	—	294	324	90	18	726	—	236
Expected investment earnings	34	—	130	22	5	8	165	—	17
Credit experience	35	—	(18)	2	—	1	(15)	—	1
Earnings on surplus	36	—	44	36	39	(1)	118	—	27
Joint ventures & other	37	—	(2)	(2)	26	26	48	—	6
Net investment results - Underlying	38	—	154	58	70	34	316	—	51
Asset Management - underlying	39	429	—	—	—	—	429	259	—
Other fee income ⁽²⁾	40	—	24	24	11	(4)	55	—	19
Expenses - other ⁽²⁾⁽³⁾	41	—	(135)	(116)	(49)	(115)	(415)	—	(84)
Income before taxes - Underlying	42	429	337	290	122	(67)	1,111	259	222
Income tax (expense) or recovery	43	(92)	(72)	(60)	13	24	(187)	(57)	(49)
Dividends, distributions, NCI	44	(13)	—	—	—	(19)	(32)	—	—
Underlying net income ⁽¹⁾	45	324	265	230	135	(62)	892	202	173
Add: Non-underlying net income adjustments ⁽¹⁾ (post-tax):									
Market-related impacts	46	(8)	235	18	(129)	108	224	—	11
Assumption changes and management actions (ACMA)	47	—	(133)	57	71	17	12	—	42
Other adjustments:									
Management's ownership of MFS shares	48	27	—	—	—	—	27	21	—
Acquisition, integration and restructuring ⁽⁴⁾	49	(26)	(1)	(59)	—	—	(86)	—	(43)
Intangible asset amortization	50	(3)	(3)	(33)	(2)	—	(41)	—	(24)
Other ⁽⁴⁾	51	7	90	(11)	17	34	137	—	(8)
Reported net income - Common shareholders	52	321	453	202	92	97	1,165	223	151

⁽¹⁾ The Drivers of Earnings analysis and Underlying Net Income by Business Type contain non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A. Refer to the Basis of Presentation section on page ii of this document for more information about certain amounts that are presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements.

⁽²⁾ Effective Q4 2023, prior period amounts in the DOE related to Expenses - other for health, wealth and asset management businesses in Canada have been restated to improve comparability of data over time and with other business units; related amounts in Other fee income and Experience gains (losses) have also been restated accordingly. In addition, effective Q3 2023, the Other Fee Income line for the U.S. business segment has been refined to include Group Benefits and Health & Risk Solutions fee income net of corresponding expenses in order to align with the presentation of the Dental business in this line. We have updated prior period amounts to reflect this refinement.

⁽³⁾ Expenses - other removes non-underlying Other adjustments, including Management's ownership of MFS shares, Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be removed from Other expenses.

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

STATEMENTS OF FINANCIAL POSITION

(C\$ millions)

	At the Quarter Ended									At the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	January 1, 2022	
Assets												
Cash, cash equivalents and short-term securities	1	13,173	11,026	10,348	11,012	11,219	11,386	9,437	10,525	13,173	11,219	12,278
Debt securities	2	75,493	68,879	72,469	76,285	75,902	75,526	75,007	81,203	75,493	75,902	88,727
Equity securities	3	7,138	7,080	7,187	7,590	7,148	6,740	6,930	8,289	7,138	7,148	9,113
Mortgages and loans	4	54,600	51,994	52,338	53,303	51,253	51,117	50,616	52,076	54,600	51,253	55,727
Derivative assets	5	2,183	1,878	2,178	1,813	2,095	2,632	1,670	1,451	2,183	2,095	1,583
Other financial invested assets	6	10,361	10,203	9,613	9,482	9,418	8,869	7,448	7,298	10,361	9,418	7,071
Financial assets	7	162,948	151,060	154,133	159,485	157,035	156,270	151,108	160,842	162,948	157,035	174,499
Investment properties	8	9,723	9,952	10,001	10,148	10,102	10,149	9,781	9,431	9,723	10,102	9,109
Other non-financial invested assets	9	1,657	1,752	1,683	1,676	1,652	1,651	1,591	1,594	1,657	1,652	1,660
Invested assets	10	174,328	162,764	165,817	171,309	168,789	168,070	162,480	171,867	174,328	168,789	185,268
Other assets	11	6,462	7,601	7,409	6,829	6,442	6,690	6,457	5,208	6,462	6,442	4,279
Reinsurance contract held assets	12	5,794	5,766	5,998	6,052	6,115	6,271	6,290	6,204	5,794	6,115	6,612
Insurance contract assets	13	184	208	214	238	75	141	130	94	184	75	162
Deferred tax assets	14	3,878	3,421	3,448	3,475	3,466	3,285	3,120	3,077	3,878	3,466	2,940
Intangible assets	15	5,174	5,161	4,886	5,081	4,724	5,150	4,920	3,326	5,174	4,724	3,370
Goodwill	16	8,969	8,937	8,803	8,808	8,705	8,574	8,389	6,464	8,969	8,705	6,517
Total general fund assets	17	204,789	193,858	196,575	201,792	198,316	198,181	191,786	196,240	204,789	198,316	209,148
Investments for account of segregated fund holders	18	128,452	119,988	123,366	131,033	125,292	118,564	120,098	133,496	128,452	125,292	139,996
Total assets	19	333,241	313,846	319,941	332,825	323,608	316,745	311,884	329,736	333,241	323,608	349,144
Liabilities and equity												
Liabilities												
Insurance contract liabilities excluding those for account of segregated fund holders	20	135,669	124,873	129,103	134,230	131,294	130,660	129,192	136,961	135,669	131,294	149,412
Reinsurance contract held liabilities	21	1,623	1,543	1,612	1,734	1,603	1,820	1,720	1,730	1,623	1,603	1,994
Investment contract liabilities	22	11,672	11,344	11,065	10,967	10,728	10,429	10,227	9,959	11,672	10,728	9,914
Derivative liabilities	23	1,311	2,541	1,628	1,915	2,351	3,186	2,535	1,812	1,311	2,351	1,392
Deferred tax liabilities	24	281	305	524	512	468	568	567	232	281	468	234
Other liabilities	25	23,655	23,108	22,572	22,147	22,109	22,133	19,080	17,291	23,655	22,109	17,371
Senior debentures - innovative capital instruments	26	200	200	200	200	200	200	200	200	200	200	200
Subordinated debt	27	6,178	6,177	6,679	6,677	6,676	7,075	6,427	6,426	6,178	6,676	6,425
Total general fund liabilities	28	180,589	170,091	173,383	178,382	175,429	176,071	169,948	174,611	180,589	175,429	186,942
Insurance contract liabilities for account of segregated fund holders	29	19,041	18,377	19,032	23,622	23,139	22,070	22,057	24,741	19,041	23,139	26,079
Investment contract liabilities for account of segregated fund holders	30	109,411	101,611	104,334	107,411	102,153	96,494	98,041	108,755	109,411	102,153	113,917
Total liabilities	31	309,041	290,079	296,749	309,415	300,721	294,635	290,046	308,107	309,041	300,721	326,938
Equity												
Issued share capital and contributed surplus	32	10,660	10,642	10,671	10,664	10,640	10,643	10,647	10,621	10,660	10,640	10,615
Shareholders' retained earnings and accumulated other comprehensive income	33	12,922	12,581	12,029	12,310	11,889	11,132	10,870	10,729	12,922	11,889	11,342
Total shareholders' equity	34	23,582	23,223	22,700	22,974	22,529	21,775	21,517	21,350	23,582	22,529	21,957
Equity in the participating account	35	457	397	354	303	268	271	265	217	457	268	190
Non-controlling interests' equity	36	161	147	138	133	90	64	56	62	161	90	59
Total equity	37	24,200	23,767	23,192	23,410	22,887	22,110	21,838	21,629	24,200	22,887	22,206
Total liabilities and equity	38	333,241	313,846	319,941	332,825	323,608	316,745	311,884	329,736	333,241	323,608	349,144
EXCHANGE RATES - Period end rates												
U.S. Dollar	39	1.32	1.36	1.32	1.35	1.35	1.38	1.29	1.25	1.32	1.35	1.26

STATEMENTS OF TOTAL SHAREHOLDERS' EQUITY (C\$ millions)	At and For the Quarter Ended								At and For the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Preferred shares and other equity instruments	1	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239
Common shares										
Balance, beginning of period	2	8,309	8,338	8,331	8,311	8,308	8,306	8,305	8,311	8,305
Stock options exercised	3	18	11	7	20	3	2	—	1	6
Common shares purchased for cancellation	4	—	(40)	—	—	—	—	—	(40)	—
Balance, end of period	5	8,327	8,309	8,338	8,331	8,311	8,308	8,306	8,327	8,311
Contributed surplus										
Balance, beginning of period	6	94	94	94	90	96	102	76	71	71
Share-based payments	7	2	2	1	6	(6)	(6)	26	5	19
Stock options exercised	8	(2)	(2)	(1)	(2)	—	—	—	(7)	—
Balance, end of period	9	94	94	94	90	96	102	76	94	90
Retained earnings										
Balance, beginning of period	10	11,866	11,582	11,400	11,729	10,986	11,275	10,750	14,713	14,713
Adjustment for changes in accounting policies ⁽¹⁾	11	—	—	—	(553)	—	—	—	(4,241)	(4,241)
Balance, beginning of period, after change in accounting policy	12	11,866	11,582	11,400	11,176	10,986	11,275	10,750	10,472	10,472
Net Income (loss) ⁽²⁾	13	769	890	680	826	1,185	129	944	683	3,165
Dividends on common shares	14	(458)	(441)	(439)	(424)	(422)	(400)	(405)	(387)	(1,614)
Dividends on preferred shares and distributions on other equity instruments ⁽²⁾	15	(20)	(19)	(20)	(20)	(20)	(18)	(14)	(18)	(70)
Common shares purchased for cancellation	16	—	(146)	—	—	—	—	—	(146)	—
Transfer from accumulated other comprehensive income (loss)	17	—	—	(37)	—	—	—	—	(37)	—
Change attributable to acquisition	18	—	—	(2)	(158)	—	—	—	(160)	—
Balance, end of period	19	12,157	11,866	11,582	11,400	11,729	10,986	11,275	12,157	11,729
Accumulated other comprehensive income (loss), net of taxes										
Balance, beginning of period	20	715	447	910	160	146	(405)	(21)	986	986
Adjustment for changes in accounting policies ⁽¹⁾	21	—	—	—	553	—	—	—	(116)	(116)
Balance, beginning of period, after change in accounting policy	22	715	447	910	713	146	(405)	(21)	870	870
Other comprehensive income (loss) for the period ⁽¹⁾⁽³⁾ :										
Unrealized foreign currency translation gains/(losses), net of hedging activities	23	(296)	273	(324)	2	(94)	805	190	(223)	678
Unrealized gains (losses) on FVOCI assets	24	448	(45)	(146)	228	66	(302)	(553)	(694)	(1,483)
Unrealized gains (losses) on cash flow hedges	25	3	(7)	27	(6)	(1)	2	(10)	(2)	(11)
Share of other comprehensive income (loss) in joint ventures and associates	26	(35)	19	(29)	1	(31)	36	(26)	(39)	(60)
Items that will not be reclassified subsequently to income	27	(70)	28	(28)	(28)	74	10	15	67	166
Balance at the end of the period	28	50	268	(500)	197	14	551	(384)	(891)	(710)
Transfer to retained earnings ⁽⁴⁾	29	—	—	37	—	—	—	—	37	—
Composition of shareholders' accumulated OCI balance:										
Unrealized foreign currency translation gains (losses), net of hedging activities	30	1,343	1,639	1,366	1,690	1,629	1,723	918	728	1,343
Unrealized gains (losses) on FVOCI assets	31	(354)	(802)	(757)	(611)	(1,333)	(1,399)	(1,097)	(544)	(1,333)
Unrealized gains (losses) on cash flow hedges	32	(1)	(4)	3	(24)	(18)	(17)	(19)	(9)	(18)
Share of other comprehensive income (loss) in joint ventures and associates	33	(151)	(116)	(135)	(106)	(107)	(76)	(112)	(86)	(107)
Items that will not be reclassified subsequently to income	34	(72)	(2)	(30)	(39)	(11)	(85)	(95)	(110)	(11)
Balance, end of period	35	765	715	447	910	160	146	(405)	(21)	765
Total Shareholders' equity, end of period	36	23,582	23,223	22,700	22,974	22,529	21,775	21,517	21,350	23,582

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

⁽²⁾ Common shareholders' net income ("reported net income") is equal to Total shareholder net income (loss) less Dividends on preferred shares and distributions on other equity instruments.

⁽³⁾ The Q4 2022 Accumulated OCI balance plus the Other comprehensive income (loss) for Q1 2023 do not sum to the Q1 2023 Accumulated OCI balance due to the Adjustment for changes in accounting policies as we adopted IFRS 9 effective January 1, 2023, which resulted in classification and measurement changes of financial instruments.

⁽⁴⁾ During the second quarter of 2023, the Company transferred cumulative remeasurement losses of \$37 from Accumulated other comprehensive income (loss) to Retained earnings as a result of the termination and complete settlement of the defined benefit pension plan upon the sale of Sun Life UK.

LICAT RATIO - SUN LIFE FINANCIAL INC. ⁽¹⁾

(\$ millions)

CAPITAL RESOURCES

	At the Quarter Ended				
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	
Tier 1 capital					
Adjusted retained earnings and contributed surplus (includes contractual service margin)	1	24,076	23,410	22,861	22,553
Adjusted accumulated other comprehensive income	2	771	718	424	910
Common & preferred shares and other equity instruments	3	10,566	10,548	10,577	10,571
Innovative instruments	4	200	200	200	200
Other	5	—	—	—	—
Less:					
Goodwill	6	4,620	4,670	4,622	4,664
Tier 1 deductions	7	14,602	13,940	13,374	14,051
Net Tier 1 capital	8	16,391	16,266	16,066	15,519
Tier 2 capital					
Preferred shares and subordinated debt	9	6,148	6,147	6,649	6,677
Other Tier 2	10	3,934	3,813	3,699	3,983
Less:					
Tier 2 deductions	11	—	—	—	—
Net Tier 2 capital	12	10,082	9,960	10,348	10,660
Surplus allowance and eligible deposits	13	6,165	5,573	6,034	5,692
Total capital resources	14	32,638	31,799	32,448	31,871

CAPITAL REQUIREMENTS

Credit risk	15	4,170	3,972	4,039	4,099
Market risk	16	4,238	4,422	4,335	4,249
Insurance risk	17	10,489	10,528	10,860	10,526
Total non-participating product risk (before other credits and diversification)	18	18,897	18,922	19,234	18,874
Total participating product risk including par credits (before other credits and diversification)	19	5,171	4,903	4,892	4,971
Less:					
Credits and diversification benefits	20	4,984	4,956	4,957	5,036
Total non-participating and participating product risk	21	19,084	18,869	19,169	18,809
Segregated fund guarantee risk	22	719	721	694	712
Operational risk	23	2,139	2,104	2,090	2,059
Base solvency buffer	24	21,942	21,694	21,953	21,580
LICAT ratio	25	149 %	147 %	148 %	148 %
LICAT core ratio	26	94 %	93 %	92 %	90 %

	IFRS 17/9				IFRS 4 & IAS 39 ⁽²⁾				IFRS 4 & IAS 39 ⁽²⁾	
	At the Quarter Ended								At the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
CAPITAL ⁽²⁾										
Subordinated debt	27	6,178	6,177	6,679	6,677	6,676	7,075	6,427	6,426	6,676
Innovative capital instruments ⁽³⁾	28	200	200	200	200	200	200	200	200	200
Equity:										
Preferred shareholders' equity and other equity instruments	29	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239	2,239
Common shareholders' equity	30	21,343	20,984	20,461	20,735	25,211	24,718	23,825	23,659	21,343
Equity in the participating account	31	457	397	354	303	1,837	1,764	1,713	1,704	1,837
Non-controlling interests' equity	32	161	147	138	133	90	64	56	62	90
Contractual service margin	33	11,786	11,452	11,258	11,243	—	—	—	—	11,786
Total capital	34	42,364	41,596	41,329	41,530	36,253	36,060	34,460	34,290	42,364

⁽¹⁾ OSFI's 2023 LICAT Guideline, effective January 1, 2023, specifies that available capital for LICAT purposes includes the Contractual Service Margin. Prior period restatement and resubmissions are not mandated.

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

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

CONTRACTUAL SERVICE MARGIN (CSM) MOVEMENT ANALYSIS ⁽¹⁾

(C\$ millions)

		At and For the Quarter Ended								At and For the Year Ended	
		Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
CSM at beginning of period	1	11,452	11,258	11,243	10,865	10,350	9,904	9,881	9,797	10,865	9,797
Impact of new insurance business	2	381	370	270	232	253	177	189	143	1,253	762
Expected movements from asset returns & locked-in rates	3	152	152	131	125	118	91	75	78	560	362
Insurance experience gains/losses	4	(19)	(28)	21	93	14	(27)	28	74	67	89
CSM recognized for services provided	5	(264)	(212)	(220)	(223)	(223)	(206)	(217)	(215)	(919)	(861)
Organic CSM movement	6	250	282	202	227	162	35	75	80	961	352
Impact of markets & other	7	114	(158)	(80)	86	206	(122)	(95)	48	(38)	37
Impact of change in assumptions	8	76	(43)	284	47	160	252	2	17	364	431
Currency impact	9	(106)	113	(129)	18	(13)	281	41	(61)	(104)	248
Disposition ⁽²⁾	10	—	—	(262)	—	—	—	—	—	(262)	—
Total CSM movement	11	334	194	15	378	515	446	23	84	921	1,068
CSM at end of period	12	11,786	11,452	11,258	11,243	10,865	10,350	9,904	9,881	11,786	10,865

⁽¹⁾ Certain measures in the CSM Movement Analysis are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A for more information. Refer to the Basis of Presentation section on page ii of this document for more information about certain amounts that are presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements.

⁽²⁾ In Q2 2023, we completed the sale of Sun Life UK, and after the sale, the remaining UK payout annuities business was moved from the Corporate business segment to the U.S. business segment and combined with U.S. In-force Management. Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring for additional details.

ASSET MANAGEMENT

(C\$ millions)

FINANCIAL SUMMARY ON AN UNDERLYING BASIS ⁽¹⁾

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
Revenue											
Net investment result	1	96	41	54	29	48	11	12	4	220	75
Fee income	2	1,348	1,335	1,312	1,289	1,255	1,264	1,308	1,391	5,284	5,218
Total revenue	3	1,444	1,376	1,366	1,318	1,303	1,275	1,320	1,395	5,504	5,293
Expenses	4	984	939	963	941	874	868	932	968	3,827	3,642
Income before income taxes	5	460	437	403	377	429	407	388	427	1,677	1,651
Less: Income tax expense (benefit)	6	102	92	91	86	92	96	81	93	371	362
Less: Non-Controlling Interest (NCI)	7	27	15	16	9	13	13	12	13	67	51
Underlying net income ⁽¹⁾	8	331	330	296	282	324	298	295	321	1,239	1,238
Add: Non-underlying net income adjustments ⁽¹⁾ (post-tax):											
Market-related impacts	9	(6)	(3)	(31)	(7)	(8)	3	(17)	—	(47)	(22)
Other adjustments:											
Management's ownership of MFS shares	10	(11)	7	(1)	17	27	37	42	9	12	115
Acquisition, integration and restructuring	11	(12)	(58)	(11)	(33)	(26)	(117)	(18)	(15)	(114)	(176)
Intangible asset amortization	12	(5)	(8)	(5)	(5)	(3)	(3)	(4)	(4)	(23)	(14)
Other	13	—	—	—	—	7	—	—	—	—	7
Reported net income - Common shareholders	14	297	268	248	254	321	218	298	311	1,067	1,148
Underlying net income ⁽¹⁾											
MFS	15	261	277	252	254	276	273	250	281	1,044	1,080
SLC Management	16	70	53	44	28	48	25	45	40	195	158
Total	17	331	330	296	282	324	298	295	321	1,239	1,238
Reported net income (loss) - Common shareholders											
MFS	18	250	284	251	271	303	310	292	290	1,056	1,195
SLC Management	19	47	(16)	(3)	(17)	18	(92)	6	21	11	(47)
Total	20	297	268	248	254	321	218	298	311	1,067	1,148
Gross flows ⁽¹⁾	21	38,322	34,266	37,651	40,829	37,380	36,434	49,640	49,427	151,068	172,881
Net flows ⁽¹⁾	22	(11,440)	(9,109)	(3,320)	(2,513)	(12,624)	(7,682)	279	(1,958)	(26,382)	(21,985)
ASSETS UNDER MANAGEMENT AND ADMINISTRATION (AUMA) ⁽¹⁾											
MFS ⁽²⁾	23	792,794	754,757	779,771	770,734	742,317	703,362	711,690	796,096	792,794	742,317
SLC Management ⁽³⁾	24	223,112	219,473	218,077	217,827	209,647	208,244	193,562	184,736	223,112	209,647
Total assets under management	25	1,015,906	974,230	997,848	988,561	951,964	911,606	905,252	980,832	1,015,906	951,964
Assets under administration	26	49,771	48,389	49,854	50,131	—	—	—	—	49,771	—
Total AUMA	27	1,065,677	1,022,619	1,047,702	1,038,692	951,964	911,606	905,252	980,832	1,065,677	951,964

⁽¹⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A. Further, certain measures of this Financial Summary on an Underlying Basis are non-IFRS financial measures; refer to the Asset Management Reported Net Income Reconciliation section in the appendix of this document for additional details.

⁽²⁾ Includes retail and institutional assets. Retail consists of domestic and international retail funds as well as other retail and trust accounts. Institutional consists of institutional accounts, pension business and insurance products.

⁽³⁾ Represents institutional assets. Excludes assets managed on behalf of the Insurance businesses and General Fund.

MFS

(US\$ millions, unless otherwise noted)

BUSINESS UNIT FINANCIAL SUMMARY - UNDERLYING BASIS ⁽¹⁾

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
Revenue											
Net investment result	1	29	19	22	18	21	6	(6)	(7)	88	14
Fee income	2	753	771	760	749	736	760	794	868	3,033	3,158
Total revenue	3	782	790	782	767	757	766	788	861	3,121	3,172
Expenses	4	528	519	534	519	498	490	533	574	2,100	2,095
Income before income taxes	5	254	271	248	248	259	276	255	287	1,021	1,077
Less: Income tax expense (benefit)	6	63	64	61	60	57	64	58	66	248	245
Underlying net income ⁽¹⁾	7	191	207	187	188	202	212	197	221	773	832
Add: Non-underlying net income adjustments ⁽¹⁾ (post-tax):											
Management's ownership of MFS shares	8	(8)	5	—	12	21	28	31	7	9	87
Reported net income - Common shareholders	9	183	212	187	200	223	240	228	228	782	919
RETAIL - CHANGES IN ASSETS UNDER MANAGEMENT (AUM) ⁽¹⁾											
Opening AUM	10	375,574	393,740	380,741	367,276	343,706	371,234	428,085	465,384	367,276	465,384
Inflows	11	16,722	16,829	19,429	20,048	19,059	16,624	21,697	25,992	73,028	83,372
Outflows	12	(25,895)	(20,549)	(21,087)	(21,895)	(27,328)	(22,212)	(28,432)	(28,970)	(89,426)	(106,942)
Market movement	13	34,863	(14,446)	14,657	15,312	31,839	(21,940)	(50,116)	(34,321)	50,386	(74,538)
Closing AUM	14	401,264	375,574	393,740	380,741	367,276	343,706	371,234	428,085	401,264	367,276
INSTITUTIONAL - CHANGES IN AUM ⁽¹⁾											
Opening AUM	15	180,335	195,389	189,539	180,600	165,018	181,664	208,843	227,377	180,600	227,377
Inflows	16	5,580	4,260	5,350	5,477	3,955	4,986	10,015	6,113	20,667	25,069
Outflows	17	(7,648)	(9,838)	(7,670)	(7,885)	(7,577)	(9,696)	(8,743)	(8,579)	(33,041)	(34,595)
Market movement	18	19,030	(9,476)	8,170	11,347	19,204	(11,936)	(28,451)	(16,068)	29,071	(37,251)
Closing AUM	19	197,297	180,335	195,389	189,539	180,600	165,018	181,664	208,843	197,297	180,600
SUPPLEMENTAL INFORMATION ⁽¹⁾											
Total assets under management	20	598,561	555,909	589,129	570,280	547,876	508,724	552,898	636,928	598,561	547,876
Average net assets	21	566,637	581,608	577,107	566,269	540,507	560,929	592,064	647,107	572,930	584,793
Total gross flows	22	22,302	21,089	24,779	25,525	23,014	21,610	31,712	32,105	93,695	108,441
Total net flows	23	(11,241)	(9,298)	(3,978)	(4,255)	(11,891)	(10,298)	(5,463)	(5,444)	(28,772)	(33,096)
Retail net flows ⁽²⁾	24	(9,173)	(3,720)	(1,658)	(1,847)	(8,269)	(5,588)	(6,735)	(2,978)	(16,398)	(23,570)
Institutional net flows ⁽²⁾	25	(2,068)	(5,578)	(2,320)	(2,408)	(3,622)	(4,710)	1,272	(2,466)	(12,374)	(9,526)
Pre-tax net operating margin ⁽¹⁾	26	39 %	41 %	37 %	37 %	40 %	41 %	36 %	39 %	38 %	39 %
Pre-tax gross operating margin ⁽¹⁾	27	35 %	36 %	33 %	33 %	35 %	36 %	32 %	34 %	34 %	34 %

⁽¹⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A. Further, revenues and expenses have been adjusted to remove NCI, and Expenses on an underlying basis exclude Management's ownership of MFS shares; refer to the Asset Management Reported Net Income Reconciliation section in the appendix of this document for additional details.

⁽²⁾ Retail consists of domestic and international retail funds as well as other retail and trust accounts. Institutional consists of institutional accounts, pension business and insurance products.

SLC MANAGEMENT

(C\$ millions, unless otherwise noted)

BUSINESS UNIT FINANCIAL SUMMARY

		For the Quarter Ended						For the Year Ended			
		Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Underlying net income ⁽¹⁾	1	70	53	44	28	48	25	45	40	195	158
Reported net income (loss) - Common shareholders	2	47	(16)	(3)	(17)	18	(92)	6	21	11	(47)
SUPPLEMENTARY INCOME STATEMENT ⁽²⁾											
Fee-related revenue											
Management fees	3	264	252	248	244	234	218	209	201	1,008	862
Distribution fees	4	23	22	23	15	—	—	—	—	83	—
Property management, transaction, advisory and other fees	5	35	25	21	24	32	25	33	25	105	115
Total fee-related revenue	6	322	299	292	283	266	243	242	226	1,196	977
Fee-related expenses											
Compensation - fee-related	7	159	163	164	163	141	130	138	128	649	537
Other operating expenses	8	71	68	66	52	52	55	52	44	257	203
Total fee-related expenses	9	230	231	230	215	193	185	190	172	906	740
Total fee-related earnings	10	92	68	62	68	73	58	52	54	290	237
Investment income (loss) and performance fees	11	57	16	24	5	20	3	20	13	102	56
Interest and other	12	(39)	(20)	(19)	(32)	(21)	(15)	(8)	(6)	(110)	(50)
Operating income	13	110	64	67	41	72	46	64	61	282	243
Placement fees - other	14	3	7	4	1	4	4	—	—	15	8
Income (loss) before income taxes	15	113	71	71	42	76	50	64	61	297	251
Less: Income tax expense (benefit)	16	16	3	11	5	15	12	7	8	35	42
Less: Non-controlling interest	17	27	15	16	9	13	13	12	13	67	51
Underlying net income ⁽¹⁾	18	70	53	44	28	48	25	45	40	195	158
Add: Non-underlying net income adjustments ⁽¹⁾ (post-tax):											
Market-related impacts	19	(6)	(3)	(31)	(7)	(8)	3	(17)	—	(47)	(22)
Acquisition, integration and restructuring ⁽²⁾	20	(12)	(58)	(11)	(33)	(26)	(117)	(18)	(15)	(114)	(176)
Intangible asset amortization	21	(5)	(8)	(5)	(5)	(3)	(3)	(4)	(4)	(23)	(14)
Other ⁽²⁾	22	—	—	—	—	7	—	—	—	—	7
Reported net income - Common shareholders	23	47	(16)	(3)	(17)	18	(92)	6	21	11	(47)
Pre-tax fee-related earnings margin ⁽¹⁾⁽³⁾	24	24 %	24 %	24 %	24 %	24 %	24 %	23 %	23 %	24 %	24 %
Pre-tax net operating margin ⁽¹⁾⁽³⁾	25	22 %	20 %	20 %	21 %	23 %	22 %	24 %	24 %	22 %	23 %

⁽¹⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A. Further, certain measures of this Supplementary Income Statement are non-IFRS financial measures; refer to the SLC Management Reported Net Income Reconciliation section in the appendix of this document for additional details.

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

⁽³⁾ This ratio is based on the last twelve months. IFRS 9 was adopted on January 1, 2023, as such Q3 2022 to Q1 2022 margins are under an IAS 39 basis.

SLC MANAGEMENT CONTINUED
(C\$ millions)

		At and For the Quarter Ended								At and For the Year Ended	
		Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
AUM ⁽¹⁾	1	223,112	219,473	218,077	217,827	209,647	208,244	193,562	184,736	223,112	209,647
CHANGES IN AUM ⁽¹⁾											
Opening AUM	2	219,473	218,077	217,827	209,647	208,244	193,562	184,736	183,925	209,647	183,925
Inflows	3	7,970	5,977	4,371	6,322	6,136	8,248	9,176	8,757	24,640	32,317
Outflows	4	(4,111)	(2,614)	(2,348)	(3,083)	(2,616)	(2,499)	(1,926)	(3,818)	(12,156)	(10,859)
Realizations and distributions ⁽²⁾	5	(1,744)	(1,554)	(1,665)	(1,496)	(1,088)	(1,035)	(1,574)	(859)	(6,459)	(4,556)
Market movement and other ⁽³⁾	6	1,524	(413)	(108)	6,437	(1,029)	9,968	3,150	(3,269)	7,440	8,820
Closing AUM	7	223,112	219,473	218,077	217,827	209,647	208,244	193,562	184,736	223,112	209,647
CHANGES IN FEE-EARNING AUM ⁽¹⁾											
Opening fee-earning AUM	8	172,606	171,056	171,659	164,438	162,886	150,062	146,053	147,941	164,438	147,941
Inflows	9	9,174	6,157	4,210	5,044	7,899	10,158	6,758	8,168	24,585	32,983
Outflows	10	(3,583)	(2,079)	(2,192)	(2,500)	(2,103)	(1,320)	(1,774)	(2,616)	(10,354)	(7,813)
Realizations and distributions ⁽²⁾	11	(2,203)	(2,126)	(1,631)	(1,215)	(2,009)	(1,775)	(1,901)	(1,176)	(7,175)	(6,861)
Market movement and other ⁽³⁾	12	869	(402)	(990)	5,892	(2,235)	5,761	926	(6,264)	5,369	(1,812)
Closing fee-earning AUM	13	176,863	172,606	171,056	171,659	164,438	162,886	150,062	146,053	176,863	164,438
SUPPLEMENTAL INFORMATION ⁽¹⁾											
Capital raising	14	5,486	3,221	2,107	2,295	3,001	3,796	5,697	5,674	13,109	18,168
Deployment	15	7,267	4,751	4,724	5,962	6,863	9,490	6,961	6,888	22,704	30,202
AUM not yet earning fees	16	20,859	21,497	21,205	20,829	21,028	21,595	20,783	18,281	20,859	21,028
Assets under administration	17	49,771	48,389	49,854	50,131	—	—	—	—	49,771	—

⁽¹⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽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.

⁽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.

CANADA

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
Insurance service result											
Insurance revenue	1	2,102	2,020	1,997	2,046	2,079	2,048	2,036	1,948	8,165	8,111
Insurance service expenses	2	(1,837)	(1,671)	(1,613)	(1,734)	(1,700)	(1,736)	(1,711)	(1,773)	(6,855)	(6,920)
Reinsurance contract held net income (expenses)	3	(40)	(51)	(26)	(47)	(73)	(106)	(62)	(21)	(164)	(262)
Net insurance service result	4	225	298	358	265	306	206	263	154	1,146	929
Investment result											
Net investment income (loss)	5	7,865	(3,636)	415	2,870	297	947	(5,558)	(6,384)	7,514	(10,698)
Insurance finance income (expenses) from insurance contracts issued	6	(7,546)	4,082	(318)	(2,633)	(64)	(955)	6,049	6,722	(6,415)	11,752
Insurance finance income (expenses) from reinsurance contracts held	7	(17)	30	(1)	(14)	22	(10)	45	40	(2)	97
Decrease (increase) in investment contract liabilities	8	(95)	(86)	(74)	(71)	(53)	(42)	(34)	(31)	(326)	(160)
Net investment result	9	207	390	22	152	202	(60)	502	347	771	991
Fee income	10	385	349	383	366	349	343	348	355	1,483	1,395
Other expenses (income)											
Other Income ⁽¹⁾	11	—	—	—	(102)	—	—	—	—	(102)	—
Operating expenses and commissions	12	468	424	439	420	414	358	354	386	1,751	1,512
Interest expenses	13	18	53	45	44	49	56	50	46	160	201
Total expenses (income)	14	486	477	484	362	463	414	404	432	1,809	1,713
Income before income taxes	15	331	560	279	421	394	75	709	424	1,591	1,602
Less: Income tax expense (benefit)	16	(42)	183	58	76	(61)	3	219	174	275	335
Less: Net income (loss) allocated to the participating account	17	25	12	11	16	2	16	14	(6)	64	26
Reported net income - Common shareholders	18	348	365	210	329	453	56	476	256	1,252	1,241
Underlying net income ⁽²⁾	19	350	338	372	316	265	293	299	206	1,376	1,063
Return on equity - underlying	20	21.9 %	22.2 %	23.5 %	18.3 %	15.2 %	17.6 %	19.2 %	13.4 %	21.4 %	16.3 %
Return on equity - reported	21	21.8 %	23.9 %	13.2 %	19.1 %	25.9 %	3.3 %	30.6 %	16.6 %	19.4 %	19.1 %
SUN LIFE HEALTH											
Net premiums ⁽²⁾	22	1,644	1,614	1,573	1,605	1,599	1,571	1,554	1,527	6,436	6,251
Fee income	23	100	76	100	93	85	80	77	72	369	314
WEALTH, HEALTH AND PROTECTION SALES ⁽²⁾											
Individual - Protection	24	171	148	154	136	139	119	126	112	609	496
Group - Health & Protection	25	174	119	153	145	107	114	92	220	591	533
Group & individual sales	26	345	267	307	281	246	233	218	332	1,200	1,029
Individual - Wealth & asset management	27	2,438	1,924	1,821	2,067	1,713	1,546	1,799	2,204	8,250	7,262
Group Retirement Services	28	2,986	1,471	1,309	1,023	2,386	1,635	1,542	1,804	6,789	7,367
Gross wealth sales & asset management gross flows	29	5,424	3,395	3,130	3,090	4,099	3,181	3,341	4,008	15,039	14,629
Net wealth sales & asset management net flows	30	996	(114)	(355)	76	1,151	46	357	485	603	2,039
AUMA ⁽²⁾											
General funds	31	114,838	104,960	107,815	108,316	107,407	106,127	102,511	107,057	114,838	107,407
Segregated funds	32	120,963	112,691	115,880	114,425	109,058	103,411	104,424	115,944	120,963	109,058
Third-party AUM	33	5,386	5,347	5,876	6,069	6,136	6,022	6,208	6,955	5,386	6,136
Total AUM	34	241,187	222,998	229,571	228,810	222,601	215,560	213,143	229,956	241,187	222,601
Assets under administration	35	44,896	41,613	41,814	41,042	39,292	37,486	37,766	41,417	44,896	39,292
Total AUMA	36	286,083	264,611	271,385	269,852	261,893	253,046	250,909	271,373	286,083	261,893
Wealth AUM ⁽³⁾	37	166,741	154,422	158,541	158,748	152,374	145,478	145,511	159,114	166,741	152,374
SLGI Asset Management Inc.											
Gross flows ⁽²⁾											
Retail	38	635	435	462	525	455	408	553	904	2,057	2,320
Institutional & other ⁽⁴⁾	39	816	457	457	529	672	461	583	947	2,259	2,663
Total gross flows	40	1,451	892	919	1,054	1,127	869	1,136	1,851	4,316	4,983
Net flows ⁽²⁾	41	(359)	(369)	(344)	(127)	(55)	(85)	16	408	(1,199)	284
Assets under management ⁽²⁾	42	36,145	34,277	35,555	35,464	33,978	32,366	32,821	36,213	36,145	33,978

⁽¹⁾ In Q1 2023, we completed the sale of the sponsored markets business. Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring for additional details and Note 3 of the Consolidated Financial Statements for the period ended June 30, 2023.

⁽²⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽³⁾ Wealth AUM includes General fund assets, Segregated fund assets and Third-party AUM, excluding Third-party mutual funds assets.

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

CANADA CONTINUED

(C\$ millions)

	For the Quarter Ended									For the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
COMMON SHAREHOLDERS' DRIVERS OF EARNINGS ⁽¹⁾											
Risk adjustment release	1	51	51	47	54	51	50	49	200	204	
CSM recognized for services provided	2	90	80	86	90	90	82	96	346	346	
Expected earnings on short-term (group) insurance business	3	153	138	134	132	128	114	121	557	491	
Expected insurance earnings	4	294	269	271	269	272	261	242	1,103	1,041	
Impact of new insurance business	5	(13)	(10)	(9)	(10)	(27)	(9)	(16)	(42)	(68)	
Experience gains (losses) ⁽²⁾	6	58	74	94	(19)	49	(12)	12	(54)	207	
Net insurance service result - Underlying	7	339	333	356	240	294	233	245	1,268	968	
Expected investment earnings	8	171	164	173	165	130	135	124	673	501	
Credit experience	9	(27)	(2)	(6)	(13)	(18)	(1)	9	(23)	(48)	
Earnings on surplus	10	69	46	59	89	44	50	47	263	165	
Other	11	3	2	1	1	(2)	—	2	(10)	(10)	
Net investment results - Underlying	12	216	210	227	242	154	182	103	895	623	
Other fee income ⁽²⁾	13	38	35	56	49	24	51	55	178	181	
Expenses - other ⁽²⁾⁽³⁾	14	(144)	(148)	(150)	(131)	(135)	(108)	(122)	(573)	(465)	
Income before taxes - Underlying	15	449	430	489	400	337	360	378	1,768	1,307	
Income tax (expense) or recovery	16	(99)	(92)	(117)	(84)	(72)	(67)	(79)	(26)	(392)	
Underlying net income ⁽¹⁾	17	350	338	372	316	265	293	299	1,376	1,063	
Add: Non-underlying net income adjustments ⁽¹⁾ (post-tax):											
Market-related impacts	18	(50)	10	(156)	(47)	235	(172)	202	65	(243)	
ACMA	19	52	15	(6)	(2)	(133)	(61)	(22)	(12)	59	
Other adjustments:											
Acquisition, integration and restructuring ⁽⁴⁾	20	3	5	3	65	(1)	(1)	—	—	76	
Intangible asset amortization	21	(7)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(16)	
Other ⁽⁴⁾	22	—	—	—	—	90	—	—	—	90	
Reported net income - Common shareholders	23	348	365	210	329	453	56	476	1,252	1,241	
UNDERLYING NET INCOME BY BUSINESS TYPE ⁽¹⁾											
Wealth & asset management	24	92	116	110	114	72	102	110	80	432	
Group - Health & Protection	25	159	136	160	95	102	102	112	59	550	
Individual - Protection	26	99	86	102	107	91	89	77	67	394	
Underlying net income	27	350	338	372	316	265	293	299	206	1,376	
Add: Market-related impacts	28	(50)	10	(156)	(47)	235	(172)	202	65	(243)	
ACMA	29	52	15	(6)	(2)	(133)	(61)	(22)	(12)	59	
Other adjustments	30	(4)	2	—	62	86	(4)	(3)	(3)	60	
Reported net income - Common shareholders	31	348	365	210	329	453	56	476	1,252	1,241	

⁽¹⁾ The Drivers of Earnings analysis and Underlying Net Income by Business Type contain non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽²⁾ Effective Q4 2023, prior period amounts in the DOE related to Expenses - other for health, wealth and asset management businesses in Canada have been restated to improve comparability of data over time and with other business units; related amounts in Other fee income and Experience gains (losses) have also been restated accordingly.

⁽³⁾ Expenses - other removes the non-underlying Other adjustments, including Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be an adjustment from Other expenses.

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

CANADA CONTINUED

CONTRACTUAL SERVICE MARGIN (CSM) MOVEMENT ANALYSIS ⁽¹⁾

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
CSM at beginning of period	1	5,734	5,733	5,708	5,501	5,261	5,084	5,279	5,334	5,501	5,334
Impact of new insurance business	2	158	132	152	130	131	98	119	92	572	440
Expected movements from asset returns & locked-in rates	3	74	74	64	60	60	44	35	38	272	177
Insurance experience gains/losses	4	—	(7)	9	24	12	2	(1)	1	26	14
CSM recognized for services provided	5	(127)	(96)	(104)	(105)	(100)	(97)	(98)	(102)	(432)	(397)
Organic CSM movement	6	105	103	121	109	103	47	55	29	438	234
Impact of markets & other	7	113	(103)	(103)	50	33	(57)	(234)	(84)	(43)	(342)
Impact of change in assumptions	8	78	1	7	48	104	187	(16)	—	134	275
Total CSM movement	9	296	1	25	207	240	177	(195)	(55)	529	167
CSM at end of period	10	6,030	5,734	5,733	5,708	5,501	5,261	5,084	5,279	6,030	5,501

⁽¹⁾ Certain measures in the CSM Movement Analysis are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A for more information.

CANADA CONTINUED

(C\$ millions)

BUSINESS UNIT FINANCIAL SUMMARY

	At and For the Quarter Ended							At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Underlying net income ⁽¹⁾										
Individual Insurance and Wealth	116	116	131	140	110	113	106	85	503	414
Sun Life Health	159	136	160	95	102	102	112	59	550	375
Group Retirement Services	75	86	81	81	53	78	81	62	323	274
Total underlying net income	350	338	372	316	265	293	299	206	1,376	1,063
Reported net income (loss) - Common shareholders										
Individual Insurance and Wealth	166	190	(14)	93	268	(72)	296	221	435	713
Sun Life Health	83	106	161	175	95	74	79	(33)	525	215
Group Retirement Services	99	69	63	61	90	54	101	68	292	313
Total reported net income	348	365	210	329	453	56	476	256	1,252	1,241

WEALTH, HEALTH AND PROTECTION SALES ⁽¹⁾

Individual Insurance and Wealth										
Individual - Protection - Sun Life Financial Distribution (SLFD) ⁽²⁾	47	42	47	36	46	38	45	37	172	166
Individual - Protection - Third-party	124	106	107	100	93	81	81	75	437	330
Total individual - protection sales	171	148	154	136	139	119	126	112	609	496
Individual Wealth - fixed products	581	464	356	397	431	330	258	190	1,798	1,209
Individual Wealth - mutual funds	1,672	1,317	1,306	1,475	1,121	1,073	1,341	1,708	5,770	5,243
Individual Wealth - segregated funds	185	143	159	195	161	143	200	306	682	810
Total Individual Wealth sales	2,438	1,924	1,821	2,067	1,713	1,546	1,799	2,204	8,250	7,262
Wealth manufactured sales ⁽³⁾	1,262	947	858	994	912	761	891	1,149	4,061	3,713
Other wealth sales	1,176	977	963	1,073	801	785	908	1,055	4,189	3,549
Total Individual Wealth sales	2,438	1,924	1,821	2,067	1,713	1,546	1,799	2,204	8,250	7,262
SLFD - Career Advisor Network	2,724	2,717	2,700	2,711	2,704	2,687	2,731	2,792	2,724	2,704
Sun Life Health sales	174	119	153	145	107	114	92	220	591	533
Group Retirement Services										
Defined Contribution sales	535	206	194	162	486	393	72	877	1,097	1,828
Defined Benefits Solutions sales	1,442	389	309	40	1,017	443	654	5	2,180	2,119
Asset consolidation and rollovers	1,009	876	806	821	883	799	816	922	3,512	3,420
Total Group Retirement Services sales	2,986	1,471	1,309	1,023	2,386	1,635	1,542	1,804	6,789	7,367

AUMA ⁽¹⁾

Individual Insurance and Wealth										
General funds	72,727	66,841	68,618	70,977	70,563	70,079	66,865	70,296	72,727	70,563
Segregated funds	11,633	11,166	11,635	11,759	11,553	11,271	11,559	13,021	11,633	11,553
Third-party AUM	5,386	5,347	5,876	6,069	6,136	6,022	6,208	6,955	5,386	6,136
Total AUM	89,746	83,354	86,129	88,805	88,252	87,372	84,632	90,272	89,746	88,252
Mutual fund dealers' assets	30,368	28,132	28,298	27,732	26,366	25,426	25,422	27,940	30,368	26,366
Total Individual Insurance and Wealth AUMA	120,114	111,486	114,427	116,537	114,618	112,798	110,054	118,212	120,114	114,618
Sun Life Health										
General funds	17,166	16,072	16,768	14,500	14,832	14,918	15,296	15,693	17,166	14,832
Group Retirement Services										
General funds	24,945	22,047	22,429	22,839	22,012	21,130	20,350	21,068	24,945	22,012
Segregated funds	109,330	101,525	104,245	102,666	97,505	92,140	92,865	102,923	109,330	97,505
Total AUM	134,275	123,572	126,674	125,505	119,517	113,270	113,215	123,991	134,275	119,517
Assets under administration	14,528	13,481	13,516	13,310	12,926	12,060	12,344	13,477	14,528	12,926
Total Group Retirement Services AUMA	148,803	137,053	140,190	138,815	132,443	125,330	125,559	137,468	148,803	132,443

⁽¹⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽²⁾ Individual insurance sales - SLFD include sales from Prosper, a hybrid digital advice solution, and Sun Life Go, a digital channel.

⁽³⁾ 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.

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(C\$ millions)

STATEMENTS OF OPERATIONS

		For the Quarter Ended						For the Year Ended			
		Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Insurance service result											
Insurance revenue	1	2,960	3,002	2,940	2,819	2,709	2,669	1,955	1,671	11,721	9,004
Insurance service expenses	2	(2,696)	(2,656)	(2,672)	(2,498)	(2,389)	(2,238)	(1,940)	(1,633)	(10,522)	(8,200)
Reinsurance contract held net income (expenses)	3	45	(8)	52	11	8	(191)	165	109	100	91
Net insurance service result	4	309	338	320	332	328	240	180	147	1,299	895
Investment result											
Net investment income (loss)	5	1,381	(712)	(46)	698	157	(1,027)	(1,255)	(1,715)	1,321	(3,840)
Insurance finance income (expenses) from insurance contracts issued	6	(1,587)	901	169	(733)	3	1,220	1,589	1,932	(1,250)	4,744
Insurance finance income (expenses) from reinsurance contracts held	7	181	(174)	(34)	84	(9)	(138)	(169)	(222)	57	(538)
Net investment result	8	(25)	15	89	49	151	55	165	(5)	128	366
Fee income	9	128	111	108	111	125	103	52	27	458	307
Other expenses											
Operating expenses and commissions	10	252	263	263	253	315	223	174	83	1,031	795
Interest expenses	11	28	29	26	24	23	24	16	10	107	73
Total other expenses	12	280	292	289	277	338	247	190	93	1,138	868
Income before income taxes	13	132	172	228	215	266	151	207	76	747	700
Less: Income tax expense (benefit)	14	25	34	47	42	54	30	43	14	148	141
Less: Net income (loss) allocated to the participating account	15	6	6	6	5	10	(4)	15	6	23	27
Reported net income - Common shareholders	16	101	132	175	168	202	125	149	56	576	532
Underlying net income ⁽²⁾	17	253	185	215	237	230	227	134	107	890	698
NET PREMIUMS ⁽²⁾											
Group Benefits	18	1,654	1,602	1,588	1,574	1,497	1,436	1,386	1,351	6,418	5,670
Dental	19	953	994	1,037	1,010	965	900	361	99	3,994	2,325
Total	20	2,607	2,596	2,625	2,584	2,462	2,336	1,747	1,450	10,412	7,995
FEE INCOME											
Group Benefits	21	28	27	25	26	24	21	19	21	106	85
Dental	22	99	80	82	83	89	80	31	4	344	204
Total	23	127	107	107	109	113	101	50	25	450	289
SALES ⁽²⁾											
Group Benefits	24	1,112	201	238	152	1,071	216	189	135	1,703	1,611
Dental ⁽³⁾	25	157	38	190	187	150	150	24	13	572	337
Total	26	1,269	239	428	339	1,221	366	213	148	2,275	1,948

⁽¹⁾ Effective Q2 2023, the UK payout annuities business was moved from the Corporate business segment to the U.S. business segment and combined with U.S. In-force Management. In Q3 2023, the Run-off Reinsurance business was also moved from Corporate to U.S. In-force Management.

⁽²⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽³⁾ Effective Q4 2023, prior period amounts related to sales in the U.S. Dental segment have been restated to reflect new information.

U.S. CONTINUED

(C\$ millions)

	For the Quarter Ended								For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
COMMON SHAREHOLDERS' DRIVERS OF EARNINGS⁽¹⁾											
Risk adjustment release	1	8	10	10	8	8	8	8	8	36	32
CSM recognized for services provided	2	21	20	20	18	9	28	10	19	79	66
Expected earnings on short-term (group) insurance business	3	253	234	233	244	223	206	152	150	964	731
Expected insurance earnings	4	282	264	263	270	240	242	170	177	1,079	829
Experience gains (losses)	5	32	6	51	54	84	70	(3)	(37)	143	114
Net insurance service result - Underlying	6	314	270	314	324	324	312	167	140	1,222	943
Expected investment earnings	7	44	36	34	28	22	24	20	15	142	81
Credit experience	8	—	(6)	3	1	2	6	—	—	(2)	8
Earnings on surplus	9	42	35	37	32	36	30	21	18	146	105
Other	10	1	2	2	8	(2)	5	24	10	13	37
Net investment results - Underlying	11	87	67	76	69	58	65	65	43	299	231
Other fee income ⁽²⁾	12	22	4	4	11	24	13	1	—	41	38
Expenses - other ⁽²⁾⁽³⁾	13	(109)	(114)	(120)	(106)	(116)	(103)	(60)	(53)	(449)	(332)
Income before taxes - Underlying	14	314	227	274	298	290	287	173	130	1,113	880
Income tax (expense) or recovery	15	(61)	(42)	(59)	(61)	(60)	(60)	(39)	(23)	(223)	(182)
Underlying net income⁽¹⁾	16	253	185	215	237	230	227	134	107	890	698
Add: Non-underlying net income adjustments ⁽¹⁾ (post-tax):											
<i>Market-related impacts</i>	17	(48)	36	(15)	(17)	18	(10)	(1)	(42)	(44)	(35)
ACMA	18	(52)	(36)	23	—	57	(5)	—	1	(65)	53
<i>Other adjustments:</i>											
Acquisition, integration and restructuring ⁽⁴⁾	19	(28)	(31)	(32)	(29)	(59)	(24)	(49)	(5)	(120)	(137)
Intangible asset amortization	20	(24)	(22)	(16)	(23)	(33)	(15)	(10)	(5)	(85)	(63)
Other ⁽⁴⁾	21	—	—	—	—	(11)	(48)	75	—	—	16
Reported net income - Common shareholders	22	101	132	175	168	202	125	149	56	576	532
UNDERLYING NET INCOME BY BUSINESS TYPE⁽¹⁾											
Group - Health & Protection	23	206	149	200	208	219	179	126	64	763	588
Individual - Protection	24	47	36	15	29	11	48	8	43	127	110
Underlying net income	25	253	185	215	237	230	227	134	107	890	698
Add: <i>Market-related impacts</i>	26	(48)	36	(15)	(17)	18	(10)	(1)	(42)	(44)	(35)
ACMA	27	(52)	(36)	23	—	57	(5)	—	1	(65)	53
<i>Other adjustments</i>	28	(52)	(53)	(48)	(52)	(103)	(87)	16	(10)	(205)	(184)
Reported net income - Common shareholders	29	101	132	175	168	202	125	149	56	576	532

⁽¹⁾ The Drivers of Earnings analysis and Underlying Net Income by Business Type contain non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽²⁾ Effective Q3 2023, the Other Fee Income line for the U.S. business segment has been refined to include Group Benefits and Health & Risk Solutions fee income net of corresponding expenses in order to align with the presentation of the Dental business in this line. We have updated prior period amounts to reflect this refinement.

⁽³⁾ Expenses - other removes the non-underlying Other adjustments, including Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be an adjustment from Other expenses.

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

U.S. CONTINUED

CONTRACTUAL SERVICE MARGIN (CSM) MOVEMENT ANALYSIS ⁽¹⁾

(C\$ millions)

		At and For the Quarter Ended							At and For the Year Ended		
		Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
CSM at beginning of period	1	1,229	1,217	1,131	1,168	1,187	1,181	1,109	1,090	1,168	1,090
Expected movements from asset returns & locked-in rates	2	2	3	2	2	2	2	1	1	9	6
Insurance experience gains/losses	3	(11)	(10)	23	(10)	(4)	(19)	19	10	(8)	6
CSM recognized for services provided	4	(30)	(27)	(28)	(24)	(26)	(24)	(26)	(25)	(109)	(101)
Organic CSM movement	5	(39)	(34)	(3)	(32)	(28)	(41)	(6)	(14)	(108)	(89)
Impact of markets & other	6	(4)	7	2	(2)	27	17	30	35	3	109
Impact of change in assumptions	7	(3)	(1)	4	—	5	(52)	14	8	—	(25)
Currency impact	8	(30)	29	(25)	(3)	(23)	82	34	(10)	(29)	83
Disposition ⁽²⁾	9	—	11	108	—	—	—	—	—	119	—
Total CSM movement	10	(76)	12	86	(37)	(19)	6	72	19	(15)	78
CSM at end of period	11	1,153	1,229	1,217	1,131	1,168	1,187	1,181	1,109	1,153	1,168

⁽¹⁾ Certain measures in the CSM Movement Analysis are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A for more information.

⁽²⁾ In Q2 2023, we completed the sale of Sun Life UK, and after the sale, the remaining UK payout annuities business was moved from the Corporate business segment to the U.S. business segment and combined with U.S. In-force Management. In Q3 2023, the Run-off Reinsurance business was also moved from Corporate to U.S. In-force Management. Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring for additional details.

U.S. ⁽¹⁾

(US\$ millions)

STATEMENTS OF OPERATIONS	For the Quarter Ended								For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
Insurance service result											
Insurance revenue	1	2,176	2,237	2,191	2,084	1,995	2,046	1,530	1,320	8,688	6,891
Insurance service expenses	2	(1,979)	(1,982)	(1,989)	(1,847)	(1,762)	(1,731)	(1,510)	(1,292)	(7,797)	(6,295)
Reinsurance contract held net income (expenses)	3	32	(4)	37	11	5	(141)	127	85	76	76
Net insurance service result	4	229	251	239	248	238	174	147	113	967	672
Investment result											
Net investment income (loss)	5	1,018	(525)	(32)	513	121	(777)	(993)	(1,353)	974	(3,002)
Insurance finance income (expenses) from insurance contracts issued	6	(1,170)	673	126	(541)	2	922	1,241	1,527	(912)	3,692
Insurance finance income (expenses) from reinsurance contracts held	7	133	(130)	(25)	62	(6)	(108)	(132)	(175)	40	(421)
Net investment result	8	(19)	18	69	34	117	37	116	(1)	102	269
Fee income	9	94	82	81	82	92	79	41	21	339	233
Other expenses											
Operating expenses and commissions	10	184	197	196	186	232	158	136	65	763	591
Interest expenses	11	21	21	20	18	16	18	14	8	80	56
Total other expenses	12	205	218	216	204	248	176	150	73	843	647
Income before income taxes	13	99	133	173	160	199	114	154	60	565	527
Less: Income tax expense (benefit)	14	17	24	36	31	39	21	30	12	108	102
Less: Net income (loss) allocated to the participating account	15	5	4	4	4	9	(3)	11	4	17	21
Reported net income - Common shareholders	16	77	105	133	125	151	96	113	44	440	404
Underlying net income ⁽²⁾	17	187	140	160	176	173	173	102	83	663	531
Return on equity - underlying	18	16.1 %	12.2 %	13.8 %	14.8 %	14.7 %	15.0 %	11.2 %	12.7 %	14.2 %	13.6 %
Return on equity - reported	19	6.7 %	9.2 %	11.4 %	10.5 %	12.7 %	8.3 %	12.4 %	6.8 %	9.4 %	10.3 %
NET PREMIUMS ⁽²⁾											
Group Benefits	20	1,215	1,194	1,183	1,165	1,103	1,100	1,087	1,067	4,757	4,357
Dental	21	700	741	772	747	711	690	283	78	2,960	1,762
Total	22	1,915	1,935	1,955	1,912	1,814	1,790	1,370	1,145	7,717	6,119
FEE INCOME											
Group Benefits	23	19	20	19	19	17	17	15	16	77	65
Dental	24	73	60	61	61	65	62	24	3	255	154
Total	25	92	80	80	80	82	79	39	19	332	219
SALES ⁽²⁾											
Group Benefits	26	818	150	177	112	788	166	149	106	1,257	1,209
Dental ⁽³⁾	27	114	29	142	138	111	115	19	10	423	255
Total	28	932	179	319	250	899	281	168	116	1,680	1,464

⁽¹⁾ Effective Q2 2023, the UK payout annuities business was moved from the Corporate business segment to the U.S. business segment and combined with U.S. In-force Management. In Q3 2023, the Run-off Reinsurance business was also moved from Corporate to U.S. In-force Management.

⁽²⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽³⁾ Effective Q4 2023, prior period amounts related to sales in the U.S. Dental segment have been restated to reflect new information.

U.S. CONTINUED

(US\$ millions)

	For the Quarter Ended								For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
COMMON SHAREHOLDERS' DRIVERS OF EARNINGS ⁽¹⁾											
Risk adjustment release	1	6	8	7	6	6	6	6	6	27	24
CSM recognized for services provided	2	16	15	15	14	7	21	8	14	60	50
Expected earnings on short-term (group) insurance business	3	186	175	174	180	164	158	119	118	715	559
Expected insurance earnings	4	208	198	196	200	177	185	133	138	802	633
Experience gains (losses)	5	24	2	37	41	59	42	2	(32)	104	71
Net insurance service result - Underlying	6	232	200	233	241	236	227	135	106	906	704
Expected investment earnings	7	32	28	25	20	17	18	15	13	105	63
Credit experience	8	—	(4)	2	1	1	4	1	—	(1)	6
Earnings on surplus	9	31	28	29	23	27	25	15	16	111	83
Other	10	—	1	1	6	6	(1)	7	11	8	23
Net investment results - Underlying	11	63	53	57	50	51	46	38	40	223	175
Other fee income ⁽²⁾	12	16	3	5	7	19	8	1	2	31	30
Expenses - other ⁽²⁾⁽³⁾	13	(81)	(86)	(91)	(78)	(84)	(65)	(46)	(43)	(336)	(238)
Income before taxes - Underlying	14	230	170	204	220	222	216	128	105	824	671
Income tax (expense) or recovery	15	(43)	(30)	(44)	(44)	(49)	(43)	(26)	(22)	(161)	(140)
Underlying net income ⁽¹⁾	16	187	140	160	176	173	173	102	83	663	531
Add: Non-underlying net income adjustments ⁽¹⁾ (post-tax):											
<i>Market-related impacts</i>	17	(33)	30	(9)	(13)	11	(8)	(1)	(32)	(25)	(30)
ACMA	18	(40)	(26)	18	—	42	(3)	—	1	(48)	40
<i>Other adjustments:</i>											
<i>Acquisition, integration and restructuring ⁽⁴⁾</i>	19	(19)	(23)	(24)	(21)	(43)	(18)	(38)	(4)	(87)	(103)
<i>Intangible asset amortization</i>	20	(18)	(16)	(12)	(17)	(24)	(11)	(8)	(4)	(63)	(47)
<i>Other ⁽⁴⁾</i>	21	—	—	—	—	(8)	(37)	58	—	—	13
Reported net income - Common shareholders	22	77	105	133	125	151	96	113	44	440	404
UNDERLYING NET INCOME BY BUSINESS TYPE ⁽¹⁾											
Group - Health & Protection	23	153	112	149	154	160	136	103	51	568	450
Individual - Protection	24	34	28	11	22	13	37	(1)	32	95	81
Underlying net income	25	187	140	160	176	173	173	102	83	663	531
Add: <i>Market-related impacts</i>	26	(33)	30	(9)	(13)	11	(8)	(1)	(32)	(25)	(30)
ACMA	27	(40)	(26)	18	—	42	(3)	—	1	(48)	40
<i>Other adjustments</i>	28	(37)	(39)	(36)	(38)	(75)	(66)	12	(8)	(150)	(137)
Reported net income - Common shareholders	29	77	105	133	125	151	96	113	44	440	404

⁽¹⁾ The Drivers of Earnings analysis and Underlying Net Income by Business Type contain non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽²⁾ Effective Q3 2023, the Other Fee Income line for the U.S. business segment has been refined to include Group Benefits and Health & Risk Solutions fee income net of corresponding expenses in order to align with the presentation of the Dental business in this line. We have updated prior period amounts to reflect this refinement.

⁽³⁾ Expenses - other removes the non-underlying Other adjustments, including Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be an adjustment from Other expenses.

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

U.S. CONTINUED

CONTRACTUAL SERVICE MARGIN (CSM) MOVEMENT ANALYSIS ⁽¹⁾

(US\$ millions)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
CSM at beginning of period	1	902	917	835	861	858	916	887	862	861	862
Expected movements from asset returns & locked-in rates	2	1	2	2	2	1	1	1	1	7	4
Insurance experience gains/losses	3	(8)	(8)	18	(8)	(3)	(15)	15	8	(6)	5
CSM recognized for services provided	4	(22)	(20)	(21)	(18)	(19)	(19)	(21)	(20)	(81)	(79)
Organic CSM movement	5	(29)	(26)	(1)	(24)	(21)	(33)	(5)	(11)	(80)	(70)
Impact of markets & other	6	—	4	2	(2)	20	15	23	30	4	88
Impact of change in assumptions	7	(3)	(1)	3	—	4	(40)	11	6	(1)	(19)
Disposition ⁽²⁾	8	—	8	78	—	—	—	—	—	86	—
Total CSM movement	9	(32)	(15)	82	(26)	3	(58)	29	25	9	(1)
CSM at end of period	10	870	902	917	835	861	858	916	887	870	861

⁽¹⁾ Certain measures in the CSM Movement Analysis are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A for more information.

⁽²⁾ In Q2 2023, we completed the sale of Sun Life UK, and after the sale, the remaining UK payout annuities business was moved from the Corporate business segment to the U.S. business segment and combined with U.S. In-force Management. In Q3 2023, the Run-off Reinsurance business was also moved from Corporate to U.S. In-force Management. Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring for additional details.

U.S. CONTINUED ⁽¹⁾

(US\$ millions)

BUSINESS UNIT FINANCIAL SUMMARY

	At and For the Quarter Ended								At and For the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Underlying net income ⁽²⁾										
Group Benefits	138	96	116	128	119	101	87	49	478	356
Dental	15	16	33	26	41	35	16	2	90	94
In-force Management	34	28	11	22	13	37	(1)	32	95	81
Total underlying net income	187	140	160	176	173	173	102	83	663	531
Reported net income - Common shareholders										
Group Benefits	133	121	106	128	119	74	75	34	488	302
Dental	(18)	(21)	2	(8)	(22)	9	(25)	2	(45)	(36)
In-force Management	(38)	5	25	5	54	13	63	8	(3)	138
Total reported net income	77	105	133	125	151	96	113	44	440	404
NET PREMIUMS ⁽²⁾										
Group Benefits										
Employee Benefits	565	555	553	540	494	496	488	477	2,213	1,955
Medical Stop-Loss	650	639	630	625	609	604	599	590	2,544	2,402
Total Group Benefits net premiums	1,215	1,194	1,183	1,165	1,103	1,100	1,087	1,067	4,757	4,357
Dental										
Medicaid/Medicare Advantage ⁽³⁾	591	632	670	644	612	592	199	—	2,537	1,403
Commercial/Other ⁽³⁾	109	109	102	103	99	98	84	78	423	359
Total Dental net premiums	700	741	772	747	711	690	283	78	2,960	1,762
FEE INCOME										
Group Benefits										
Employee Benefits	13	13	12	12	11	10	9	8	50	38
Medical Stop-Loss	6	7	7	7	6	7	6	8	27	27
Total Group Benefits fee income	19	20	19	19	17	17	15	16	77	65
Dental										
Medicaid/Medicare Advantage ⁽³⁾	50	37	37	38	39	37	12	—	162	88
Commercial/Other ⁽³⁾	23	23	24	23	26	25	12	3	93	66
Total Dental fee income	73	60	61	61	65	62	24	3	255	154
SALES ⁽²⁾										
Group Benefits										
Employee Benefits	246	81	47	70	269	101	54	53	444	477
Medical Stop-Loss	572	69	130	42	519	65	95	53	813	732
Total Group Benefits sales	818	150	177	112	788	166	149	106	1,257	1,209
Dental										
Medicaid/Medicare Advantage ⁽³⁾⁽⁴⁾	44	4	126	102	64	92	4	—	276	160
Commercial/Other ⁽³⁾	70	25	16	36	47	23	15	10	147	95
Total Dental sales ⁽⁴⁾	114	29	142	138	111	115	19	10	423	255
AUM ⁽²⁾										
Group Benefits - general funds	7,577	7,997	8,309	8,247	8,284	8,453	8,513	8,275	7,577	8,284
Dental - general funds	3,112	3,376	3,286	3,259	3,221	3,363	3,396	70	3,112	3,221
In-force Management										
General funds	15,590	14,029	15,447	15,453	11,164	11,895	14,315	16,569	15,590	11,164
Segregated funds	313	292	313	314	311	312	336	374	313	311
Third-party AUM	13	13	14	14	15	15	16	16	13	15
Total In-force Management AUM	15,916	14,334	15,774	15,781	11,490	12,222	14,667	16,959	15,916	11,490
AFTER-TAX PROFIT MARGIN ⁽²⁾⁽⁵⁾										
Group Benefits	10.0 %	9.9 %	10.2 %	9.7 %	8.1 %	5.9 %	4.7 %	5.1 %	10.0 %	8.1 %

⁽¹⁾ Effective Q2 2023, the UK payout annuities business was moved from the Corporate business segment to the U.S. business segment and combined with U.S. In-force Management. In Q3 2023, the Run-off Reinsurance business was also moved from Corporate to U.S. In-force Management.

⁽²⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽³⁾ Medicaid/Medicare Advantage includes Children's Health Insurance Program (CHIP) and Commercial/Other includes Affordable Care Act (ACA) exchange programs.

⁽⁴⁾ Effective Q4 2023, prior period amounts related to sales in the U.S. Dental segment have been restated to reflect new information.

⁽⁵⁾ IFRS 17 and IFRS 9 were adopted on January 1, 2023, as such the margins for Q3 2022 to Q1 2022 reflect Underlying net income on an IFRS 4 and IAS 39 basis.

ASIA

(C\$ millions)

STATEMENTS OF OPERATIONS	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
Insurance service result											
Insurance revenue	1	397	312	364	312	405	326	294	298	1,385	1,323
Insurance service expenses	2	(272)	(224)	(238)	(238)	(306)	(226)	(200)	(261)	(972)	(993)
Reinsurance contract held net income (expenses)	3	2	(10)	(5)	6	8	8	13	(4)	(7)	25
Net insurance service result	4	127	78	121	80	107	107	107	33	406	355
Investment result											
Net investment income (loss)	5	1,813	(532)	45	1,021	495	(1,384)	(1,848)	(2,002)	2,347	(4,739)
Insurance finance income (expenses) from insurance contracts issued	6	(1,849)	776	50	(874)	(493)	1,346	1,838	2,122	(1,897)	4,813
Insurance finance income (expenses) from reinsurance contracts held	7	14	—	(4)	(6)	(9)	5	7	—	4	3
Decrease (increase) in investment contract liabilities	8	—	(2)	(2)	(1)	(3)	3	3	5	(5)	8
Net investment result	9	(22)	242	89	140	(10)	(30)	—	125	449	85
Fee income	10	73	76	74	77	99	71	63	107	300	340
Other expenses											
Operating expense and commissions	11	125	137	117	110	108	143	106	94	489	451
Interest expenses	12	23	21	15	15	15	18	15	17	74	65
Total other expenses	13	148	158	132	125	123	161	121	111	563	516
Income before income taxes	14	30	238	152	172	73	(12)	49	154	592	264
Less: Income tax expense (benefit)	15	(40)	8	(4)	26	9	(15)	16	14	(10)	24
Less: Net income (loss) allocated to the participating account	16	26	19	34	12	(28)	3	26	29	91	30
Reported net income - Common shareholders	17	44	211	122	134	92	—	7	111	511	210
Underlying net income ⁽¹⁾	18	143	166	150	141	135	153	118	133	600	539
Return on equity - underlying	19	10.5 %	12.2 %	10.9 %	10.4 %	10.4 %	12.1 %	10.2 %	11.7 %	11.0 %	11.1 %
Return on equity - reported	20	3.2 %	15.5 %	9.0 %	9.9 %	7.1 %	— %	0.5 %	9.8 %	9.4 %	4.3 %
SALES - Proportionate ownership ⁽¹⁾											
Total gross wealth sales & asset management gross flows	21	2,004	1,663	1,616	2,430	1,790	2,531	3,298	3,521	7,713	11,140
Total net wealth sales & asset management net flows	22	729	101	199	665	(582)	(468)	173	353	1,694	(524)
Individual - Protection sales	23	536	521	450	375	359	325	290	297	1,882	1,271
Group - Health & Protection sales	24	16	16	19	25	17	19	15	22	76	73
Total weighted premium income ⁽¹⁾	25	1,674	1,563	1,425	1,351	1,381	1,194	1,122	1,187	6,013	4,884
CSM - Impact of new insurance business ⁽¹⁾	26	223	238	118	102	122	79	70	51	681	322
AUMA ⁽¹⁾											
General funds	27	37,405	36,600	35,825	36,712	35,798	35,781	34,658	35,274	37,405	35,798
Segregated funds	28	7,075	6,901	7,072	7,281	7,111	6,595	6,693	7,301	7,075	7,111
Third-party AUM	29	73,329	73,543	70,996	68,449	68,270	65,074	63,605	64,604	73,329	68,270
Total AUM	30	117,809	117,044	113,893	112,442	111,179	107,450	104,956	107,179	117,809	111,179
Assets under administration	31	4,683	4,598	4,293	4,523	4,574	4,329	4,326	4,402	4,683	4,574
Total AUMA	32	122,492	121,642	118,186	116,965	115,753	111,779	109,282	111,581	122,492	115,753
Wealth AUM ⁽¹⁾	33	37,268	36,072	35,548	35,830	34,965	34,071	34,566	35,975	37,268	34,965
SELECT CONSTANT CURRENCY MEASURES ⁽¹⁾											
Underlying net income	34	142								135	
Reported net income - Common shareholders	35	42								92	
Gross wealth sales & asset management gross flows	36	2,013								1,790	
Net wealth sales & asset management net flows	37	735								(582)	
Individual - Protection sales	38	534								359	
Group - Health & protection sales	39	16								17	
Total weighted premium income	40	1,669								1,381	

⁽¹⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

ASIA CONTINUED

(C\$ millions)

		For the Quarter Ended						For the Year Ended			
		Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
COMMON SHAREHOLDERS' DRIVERS OF EARNINGS ⁽¹⁾											
Risk adjustment release	1	46	54	41	35	37	32	29	29	176	127
CSM recognized for services provided	2	103	84	86	81	82	74	80	77	354	313
Expected earnings on short-term (group) insurance business	3	1	1	—	2	(1)	5	4	5	4	13
Expected insurance earnings	4	150	139	127	118	118	111	113	111	534	453
Impact of new insurance business	5	(2)	(2)	(3)	(2)	(4)	(6)	(7)	(6)	(9)	(23)
Experience gains (losses)	6	(33)	2	(5)	(17)	(24)	—	—	(57)	(53)	(81)
Net insurance service result - Underlying	7	115	139	119	99	90	105	106	48	472	349
Expected investment earnings	8	15	18	14	19	5	19	16	29	66	69
Credit experience	9	2	—	(1)	2	—	(5)	1	4	3	—
Earnings on surplus	10	21	40	32	28	39	45	31	31	121	146
Joint ventures & other	11	63	47	47	49	26	44	27	37	206	134
Net investment results - Underlying	12	101	105	92	98	70	103	75	101	396	349
Other fee income	13	6	(1)	4	11	11	4	(1)	41	20	55
Expenses - other ⁽²⁾	14	(75)	(76)	(57)	(55)	(49)	(64)	(51)	(46)	(263)	(210)
Income before taxes - Underlying	15	147	167	158	153	122	148	129	144	625	543
Income tax (expense) or recovery	16	(4)	(1)	(8)	(12)	13	5	(11)	(11)	(25)	(4)
Underlying net income ⁽¹⁾	17	143	166	150	141	135	153	118	133	600	539
Add: Non-underlying net income adjustments ⁽¹⁾ (post-tax):											
<i>Market-related impacts</i>	18	(142)	(4)	(12)	5	(129)	(97)	(103)	(3)	(153)	(332)
ACMA	19	(1)	56	(10)	(6)	71	(54)	—	(16)	39	1
<i>Other adjustments:</i>											
Acquisition, integration and restructuring ⁽³⁾	20	(5)	(5)	(4)	(4)	—	—	(6)	(1)	(18)	(7)
Intangible asset amortization	21	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(8)	(8)
Other ⁽³⁾	22	51	—	—	—	17	—	—	—	51	17
Reported net income - Common shareholders	23	44	211	122	134	92	—	7	111	511	210
UNDERLYING NET INCOME BY BUSINESS TYPE ⁽¹⁾											
Wealth & asset management	24	16	11	13	15	16	19	15	21	55	71
Individual - Protection	25	138	175	144	130	118	136	106	119	587	479
Regional Office expenses & other	26	(11)	(20)	(7)	(4)	1	(2)	(3)	(7)	(42)	(11)
Underlying net income	27	143	166	150	141	135	153	118	133	600	539
Add: <i>Market-related impacts</i>	28	(142)	(4)	(12)	5	(129)	(97)	(103)	(3)	(153)	(332)
ACMA	29	(1)	56	(10)	(6)	71	(54)	—	(16)	39	1
<i>Other adjustments</i>	30	44	(7)	(6)	(6)	15	(2)	(8)	(3)	25	2
Reported net income - Common shareholders	31	44	211	122	134	92	—	7	111	511	210

⁽¹⁾ The Drivers of Earnings analysis and Underlying Net Income by Business Type contain non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽³⁾ Expenses - other removes the non-underlying Other adjustments, including Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be an adjustment from Other expenses.

⁽²⁾ Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring and Adjustments - other for additional details. In Q4 2022, Other includes the unwinding of an internal reinsurance agreement.

ASIA CONTINUED ⁽¹⁾

CONTRACTUAL SERVICE MARGIN (CSM) MOVEMENT ANALYSIS ⁽²⁾

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
CSM at beginning of period	1	4,489	4,298	4,032	3,818	3,547	3,314	3,169	3,057	3,818	3,057
Impact of new insurance business	2	223	238	118	102	122	79	70	51	681	322
Expected movements from asset returns & locked-in rates	3	76	75	65	61	55	45	39	39	277	178
Insurance experience gains/losses	4	(8)	(10)	(12)	68	2	(13)	7	57	38	53
CSM recognized for services provided	5	(106)	(87)	(89)	(84)	(85)	(77)	(82)	(80)	(366)	(324)
Organic CSM movement	6	185	216	82	147	94	34	34	67	630	229
Impact of markets & other	7	5	(65)	21	52	151	(75)	89	75	13	240
Impact of change in assumptions	8	1	(43)	273	—	38	72	3	9	231	122
Currency impact	9	(77)	83	(110)	15	(12)	202	19	(39)	(89)	170
Total CSM movement	10	114	191	266	214	271	233	145	112	785	761
CSM at end of period	11	4,603	4,489	4,298	4,032	3,818	3,547	3,314	3,169	4,603	3,818

⁽¹⁾ In Asia, CSM relates to individual protection (excluding joint ventures).

⁽²⁾ Certain measures in the CSM Movement Analysis are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A for more information.

ASIA CONTINUED

(C\$ millions)

BUSINESS UNIT FINANCIAL SUMMARY		For the Quarter Ended						For the Year Ended			
		Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Underlying net income ⁽¹⁾											
ASEAN	1	32	46	43	39	57	43	29	42	160	171
Hong Kong	2	50	55	39	41	29	40	36	44	185	149
Joint Ventures	3	47	41	38	33	35	33	21	33	159	122
High Net Worth	4	25	44	37	32	13	39	35	21	138	108
Regional Office	5	(11)	(20)	(7)	(4)	1	(2)	(3)	(7)	(42)	(11)
Total underlying net income	6	143	166	150	141	135	153	118	133	600	539
Reported net income - Common shareholders											
ASEAN	7	20	13	45	25	63	10	5	39	103	117
Hong Kong	8	10	89	19	50	(9)	(26)	34	(29)	168	(30)
Joint Ventures	9	(3)	29	28	39	5	26	(28)	(7)	93	(4)
High Net Worth	10	28	95	36	27	37	(10)	3	117	186	147
Regional Office	11	(11)	(15)	(6)	(7)	(4)	—	(7)	(9)	(39)	(20)
Total reported net income	12	44	211	122	134	92	—	7	111	511	210
Individual - Protection Sales ⁽¹⁾											
Philippines	13	77	68	59	65	82	64	58	54	269	258
Indonesia	14	18	14	13	17	22	17	18	18	62	75
Vietnam	15	21	26	35	33	48	49	43	37	115	177
Total ASEAN	17	116	108	107	115	152	130	119	109	446	510
Hong Kong	18	274	240	158	68	69	55	42	42	740	208
China	19	3	21	72	31	23	30	34	39	127	126
India	20	65	54	48	106	66	55	35	65	273	221
Malaysia	21	18	16	22	17	17	22	20	13	73	72
Total Joint Ventures	22	86	91	142	154	106	107	89	117	473	419
High Net Worth	23	60	82	43	38	32	33	40	29	223	134
Total individual - protection sales	24	536	521	450	375	359	325	290	297	1,882	1,271
Constant Currency - Individual - Protection Sales ⁽¹⁾											
Philippines	25	75				82					
Indonesia	26	18				22					
Vietnam	27	21				48					
Total ASEAN	28	114				152					
Hong Kong	29	273				69					
China	30	3				23					
India	31	66				66					
Malaysia	32	18				17					
Total Joint Ventures	33	87				106					
High Net Worth	34	60				32					
Total individual - protection sales	35	534				359					

⁽¹⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

CORPORATE ⁽¹⁾

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
STATEMENTS OF OPERATIONS ⁽¹⁾											
Insurance service result											
Insurance revenue	1	(1)	(1)	(18)	105	112	106	120	126	85	464
Insurance service expenses	2	2	(4)	(5)	(94)	(96)	(69)	(90)	(88)	(101)	(343)
Reinsurance contract held net income (expenses)	3	—	3	(1)	—	(6)	—	—	(1)	2	(7)
Net insurance service result	4	1	(2)	(24)	11	10	37	30	37	(14)	114
Investment result											
Net investment income (loss)	5	29	2	11	175	181	(591)	(487)	(443)	217	(1,340)
Insurance finance income (expenses) from insurance contracts issued	6	—	—	18	(131)	(86)	494	475	403	(113)	1,286
Insurance finance income (expenses) from reinsurance contracts held	7	—	—	1	(1)	1	—	(1)	(2)	—	(2)
Decrease (increase) in investment contract liabilities	8	(1)	—	—	1	6	(6)	—	—	—	—
Net investment result	9	28	2	30	44	102	(103)	(13)	(42)	104	(56)
Fee income	10	(101)	(92)	(83)	(86)	(111)	(63)	(61)	(96)	(362)	(331)
Other expenses											
Other income ⁽¹⁾	11	—	—	(67)	—	—	—	—	—	(67)	—
Operating expenses and commissions	12	65	28	89	62	29	169	(10)	20	244	208
Interest expenses	13	—	17	20	16	10	(4)	(1)	5	53	10
Total other expenses	14	65	45	42	78	39	165	(11)	25	230	218
Income (loss) before income taxes	15	(137)	(137)	(119)	(109)	(38)	(294)	(33)	(126)	(502)	(491)
Less: Income tax expense (benefit)	16	(116)	(51)	(44)	(50)	(155)	(24)	(47)	(75)	(261)	(301)
Less: Preferred shareholders' dividends and distributions on other equity instruments	17	20	19	20	20	20	18	14	18	79	70
Reported net income (loss) - Common shareholders	18	(41)	(105)	(95)	(79)	97	(288)	—	(69)	(320)	(260)
Underlying net income (loss) ⁽²⁾	19	(94)	(89)	(113)	(81)	(62)	(22)	(38)	(47)	(377)	(169)
AUM ⁽²⁾											
General funds	20	7,747	8,109	8,000	12,256	11,584	11,747	11,897	14,900	7,747	11,584
Segregated funds	21	—	—	—	8,902	8,702	8,126	8,548	9,784	—	8,702
Consolidation Adjustments ⁽²⁾	22	(28,275)	(26,843)	(27,838)	(32,301)	(31,437)	(30,099)	(29,531)	(30,439)	(28,275)	(31,437)
Total	23	(20,528)	(18,734)	(19,838)	(11,143)	(11,151)	(10,226)	(9,086)	(5,755)	(20,528)	(11,151)
COMMON SHAREHOLDERS' DRIVERS OF EARNINGS ⁽²⁾											
Risk adjustment release	24	1	(1)	1	5	6	7	8	8	6	29
CSM recognized for services provided	25	1	—	—	10	11	9	7	8	11	35
Expected insurance earnings	26	2	(1)	1	15	17	16	15	16	17	64
Experience gains (losses)	27	(1)	(1)	4	(2)	1	24	8	19	—	52
Net insurance service result - Underlying	28	1	(2)	5	13	18	40	23	35	17	116
Expected investment earnings	29	—	—	—	5	8	(7)	(1)	2	5	2
Credit experience	30	—	—	—	—	1	—	(1)	(1)	—	(1)
Earnings on surplus	31	26	34	37	12	(1)	27	36	13	109	75
Other	32	(3)	—	(2)	11	26	(15)	(34)	(19)	6	(42)
Net investment result - Underlying	33	23	34	35	28	34	5	—	(5)	120	34
Other fee income	34	—	—	—	8	(4)	20	21	(13)	8	24
Expenses - other ⁽³⁾	35	(161)	(147)	(173)	(162)	(115)	(93)	(104)	(116)	(643)	(428)
Income (loss) before taxes - Underlying	36	(137)	(115)	(133)	(113)	(67)	(28)	(60)	(99)	(498)	(254)
Income tax (expense) or recovery	37	63	45	40	52	24	25	36	70	200	155
Dividends, distributions, NCI	38	(20)	(19)	(20)	(20)	(19)	(19)	(14)	(18)	(79)	(70)
Underlying net income (loss) ⁽²⁾	39	(94)	(89)	(113)	(81)	(62)	(22)	(38)	(47)	(377)	(169)
Add: Non-underlying net income adjustments ⁽²⁾ (post-tax):											
Market-related impacts	40	53	(16)	(6)	2	108	(85)	37	(22)	33	38
ACMA	41	—	—	—	3	17	(11)	—	—	3	6
Acquisition, integration and restructuring ⁽⁴⁾	41	—	—	24	(3)	—	(170)	—	—	21	(170)
Other ⁽⁴⁾	42	—	—	—	—	34	—	1	—	—	35
Reported net income (loss) - Common shareholders	43	(41)	(105)	(95)	(79)	97	(288)	—	(69)	(320)	(260)
UNDERLYING NET INCOME BY BUSINESS TYPE ⁽²⁾											
Individual - Protection	44	—	—	4	25	11	32	24	20	29	87
Corporate expenses & other	45	(94)	(89)	(117)	(106)	(73)	(54)	(62)	(67)	(406)	(256)
Underlying net income (loss)	46	(94)	(89)	(113)	(81)	(62)	(22)	(38)	(47)	(377)	(169)
Add: Market-related impacts	47	53	(16)	(6)	2	108	(85)	37	(22)	33	38
ACMA	48	—	—	—	3	17	(11)	—	—	3	6
Other adjustments	49	—	—	24	(3)	34	(170)	1	—	21	(135)
Reported net income (loss) - Common shareholders	50	(41)	(105)	(95)	(79)	97	(288)	—	(69)	(320)	(260)

⁽¹⁾ Corporate is comprised of our 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 UK, Run-off Reinsurance and Reinsurance Clearinghouse businesses until Q1 2023. In Q2 2023, we completed the sale of the Sun Life UK, and the remaining UK payout annuities business was moved to the U.S. business segment and combined with U.S. In-force Management. In Q3 2023, the Run-off Reinsurance business was also moved to U.S. In-force Management. The internal reinsurance agreements were terminated on December 31, 2022. Corporate's Statements of Operations include consolidation adjustments for net investment income, fee income, operating expenses and commissions, and interest expenses relating to activities that cross business groups.

⁽²⁾ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽³⁾ Expenses - other removes the non-underlying Other adjustments, including Acquisition, integration and restructuring. Certain Other adjustments - other may also be an adjustment from Other expenses.

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

CORPORATE CONTINUED

CONTRACTUAL SERVICE MARGIN (CSM) MOVEMENT ANALYSIS ⁽¹⁾

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
CSM at beginning of period	1	—	10	372	378	355	325	324	316	378	316
Expected movements from asset returns & locked-in rates	2	—	—	—	2	1	—	—	—	2	1
Insurance experience gains/losses	3	—	(1)	1	11	4	3	3	6	11	16
CSM recognized for services provided	4	(1)	(2)	1	(10)	(12)	(8)	(11)	(8)	(12)	(39)
Organic CSM movement	5	(1)	(3)	2	3	(7)	(5)	(8)	(2)	1	(22)
Impact of markets & other	6	—	3	—	(14)	(5)	(7)	20	22	(11)	30
Impact of change in assumptions	7	—	—	—	(1)	13	45	1	—	(1)	59
Currency impact	8	1	1	6	6	22	(3)	(12)	(12)	14	(5)
Disposition ⁽²⁾	9	—	(11)	(370)	—	—	—	—	—	(381)	—
Total CSM movement	10	—	(10)	(362)	(6)	23	30	1	8	(378)	62
CSM at end of period	11	—	—	10	372	378	355	325	324	—	378

⁽¹⁾ Certain measures in the CSM Movement Analysis are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A for more information.

⁽²⁾ In Q2 2023, we completed the sale of Sun Life UK, and after the sale, the remaining UK payout annuities business was moved from the Corporate business segment to the U.S. business segment and combined with U.S. In-force Management. In Q3 2023, the Run-off Reinsurance business was also moved from Corporate to U.S. In-force Management. Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring for additional details.

INVESTMENTS
DEBT & EQUITY SECURITIES

(C\$ millions)	As at December 31, 2023				As at September 30, 2023				As at December 31, 2022				
	Fair Value through Profit or Loss (FVTPL)	Fair Value through Other Comprehensive Income (FVOCI)	Total	Investment Grade	FVTPL	FVOCI	Total	Investment Grade	FVTPL ⁽¹⁾	FVOCI ⁽¹⁾	Total ⁽¹⁾	Investment Grade	
DEBT SECURITIES													
Debt Securities by Sector													
Debt Securities Issued or Guaranteed By:													
Canadian Federal Government	1	5,161	849	6,010	100 %	4,090	779	4,869	100 %	3,696	1,915	5,611	100 %
Canadian Provincial and Municipal Government	2	13,694	557	14,251	100 %	11,770	742	12,512	100 %	12,612	1,053	13,665	100 %
U.S. Government and Other U.S. Agency	3	712	658	1,370	100 %	626	546	1,172	100 %	759	778	1,537	100 %
Other Foreign Government	4	3,329	473	3,802	92 %	3,135	531	3,666	92 %	3,755	869	4,624	95 %
Total Government issued or guaranteed debt securities	5	22,896	2,537	25,433	99 %	19,621	2,598	22,219	99 %	20,822	4,615	25,437	99 %
Corporate Debt Securities by Industry Sector:													
Financials	6	8,171	2,889	11,060	99 %	7,670	2,721	10,391	99 %	8,232	3,123	11,355	99 %
Utilities	7	6,244	815	7,059	99 %	5,490	761	6,251	100 %	5,884	792	6,676	99 %
Consumer discretionary	8	950	776	1,726	91 %	904	775	1,679	89 %	1,085	751	1,836	89 %
Industrials	9	4,510	979	5,489	99 %	4,252	1,124	5,376	98 %	4,533	1,042	5,575	99 %
Consumer staples	10	1,490	315	1,805	99 %	1,426	297	1,723	99 %	1,634	344	1,978	99 %
Communication Services	11	2,727	422	3,149	98 %	2,443	404	2,847	98 %	2,861	468	3,329	99 %
Energy	12	2,793	479	3,272	99 %	2,554	397	2,951	99 %	2,978	364	3,342	97 %
Real Estate	13	1,987	538	2,525	97 %	1,774	491	2,265	98 %	1,865	641	2,506	97 %
Materials	14	922	180	1,102	98 %	879	167	1,046	98 %	1,077	218	1,295	98 %
Health Care	15	1,625	413	2,038	99 %	1,459	411	1,870	99 %	1,618	416	2,034	99 %
Information Technology	16	730	174	904	99 %	696	166	862	99 %	1,095	289	1,384	99 %
Total Corporate debt securities	17	32,149	7,980	40,129	98 %	29,547	7,714	37,261	98 %	32,862	8,448	41,310	98 %
Asset Backed Securities													
Government and agency	18	2,446	902	3,348	100 %	2,272	852	3,124	100 %	2,437	721	3,158	100 %
Other	19	3,689	2,894	6,583	99 %	3,549	2,726	6,275	99 %	3,236	2,761	5,997	99 %
Total asset backed securities	20	6,135	3,796	9,931	99 %	5,821	3,578	9,399	99 %	5,673	3,482	9,155	99 %
Total debt securities	21	61,180	14,313	75,493	99 %	54,989	13,890	68,879	99 %	59,357	16,545	75,902	99 %
Debt Securities by Investment Rating													
AAA	22	10,654	4,572	15,226		9,199	4,383	13,582		9,440	5,822	15,262	
AA	23	9,632	1,453	11,085		8,457	1,312	9,769		9,267	2,043	11,310	
A	24	23,523	4,653	28,176		20,919	4,467	25,386		23,050	4,646	27,696	
BBB	25	16,872	3,210	20,082		15,896	3,304	19,200		17,007	3,661	20,668	
BB and lower	26	499	425	924		518	424	942		593	373	966	
Total debt securities	27	61,180	14,313	75,493		54,989	13,890	68,879		59,357	16,545	75,902	
EQUITY SECURITIES													
Stocks													
Canada	28	3,081	—	3,081		2,855	—	2,855		3,038	—	3,038	
United States	29	2,185	68	2,253		1,989	70	2,059		1,924	—	1,924	
United Kingdom	30	105	—	105		94	—	94		154	—	154	
Other	31	1,699	—	1,699		2,072	—	2,072		2,032	—	2,032	
Total equity securities	32	7,070	68	7,138		7,010	70	7,080		7,148	—	7,148	

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

PROPERTIES, MORTGAGES & LOANS AND DERIVATIVES

(C\$ millions)	As at December 31, 2023			As at September 30, 2023			As at December 31, 2022						
	Investment Property	Owner Occupied Property		Investment Property	Owner Occupied Property		Investment Property ⁽¹⁾	Owner Occupied Property ⁽¹⁾					
		Total	Total		Total	Total ⁽¹⁾							
PROPERTIES													
Canada	1	7,933	54	7,987	8,048	54	8,102	8,041	54	8,095			
United States	2	1,790	6	1,796	1,904	7	1,911	2,016	—	2,016			
United Kingdom	3	—	—	—	—	—	—	45	—	45			
Other	4	—	22	22	—	23	23	—	24	24			
Total properties	5	9,723	82	9,805	9,952	84	10,036	10,102	78	10,180			
MORTGAGES & LOANS													
		As at December 31, 2023			As at September 30, 2023			As at December 31, 2022					
		FVTPL	FVOCI	Amortized Cost	Total	FVTPL	FVOCI	Amortized Cost	Total	FVTPL ⁽¹⁾	FVOCI ⁽¹⁾	Amortized Cost ⁽¹⁾	Total ⁽¹⁾
Retail	6	2,536	22	—	2,558	2,564	22	—	2,586	2,779	40	—	2,819
Office	7	2,717	37	—	2,754	2,704	41	—	2,745	2,958	51	—	3,014
Multi-family residential	8	2,986	83	1,770	4,839	2,920	87	1,839	4,846	2,915	197	1,902	5,014
Industrial	9	2,804	149	1	2,954	2,765	155	1	2,921	2,482	178	5	2,665
Other	10	1,017	—	23	1,040	927	—	23	950	818	62	29	909
Total mortgages	11	12,060	291	1,794	14,145	11,880	305	1,863	14,048	11,952	528	1,941	14,421
Corporate loans	12	—	—	40,455	40,455	—	—	37,946	37,946	—	—	—	36,832
Total mortgages & loans	13	—	—	54,600	54,600	—	—	51,994	51,994	—	—	—	51,253
Mortgages by Investment Rating													
Insured	14	2,185	45	1,793	4,023	2,101	48	1,862	4,011	1,976	130	1,929	4,035
AAA	15	7	—	—	7	7	—	—	7	—	—	—	—
AA	16	1,864	126	—	1,990	1,714	119	—	1,833	1,532	131	2	1,665
A	17	5,057	100	1	5,158	5,137	115	1	5,253	5,290	187	6	5,483
BBB	18	2,405	20	—	2,425	2,332	20	—	2,352	2,602	80	4	2,686
BB and lower	19	530	—	—	530	567	3	—	570	538	—	—	538
Impaired	20	12	—	—	12	22	—	—	22	14	—	—	14
Total mortgages	21	12,060	291	1,794	14,145	11,880	305	1,863	14,048	11,952	528	1,941	14,421
Loans by Investment Rating													
AAA	22	180	—	—	180	169	—	—	169	285	—	—	285
AA	23	5,534	232	49	5,815	5,276	167	53	5,496	4,934	148	19	5,101
A	24	15,296	1,048	163	16,507	14,240	988	178	15,406	14,304	759	194	15,257
BBB	25	15,584	247	65	15,896	14,414	230	59	14,703	13,952	252	80	14,284
BB and lower	26	1,797	128	25	1,950	1,950	125	36	2,111	1,765	101	6	1,872
Impaired	27	101	2	4	107	59	2	—	61	16	16	1	33
Total corporate loans	28	38,492	1,657	306	40,455	36,108	1,512	326	37,946	35,256	1,276	300	36,832
Expected Credit Loss (ECL)	29	—	—	89	89	—	—	81	81	—	—	—	75
		As at December 31, 2023			As at September 30, 2023			As at December 31, 2022					
		Total Notional Amount	Net Fair Value Amount		Total Notional Amount	Net Fair Value Amount		Total Notional Amount ⁽¹⁾	Net Fair Value Amount ⁽¹⁾				
DERIVATIVES													
Interest rate contracts	30	24,336	(249)		24,927	(839)		25,731	(434)				
Foreign exchange contracts	31	41,997	1,043		39,930	92		38,785	97				
Equity and other contracts	32	4,088	78		4,106	84		5,252	81				
Total derivatives	33	70,421	872		68,963	(663)		69,768	(256)				
Over the counter	34	65,699	859		64,943	(689)		63,964	(283)				
Exchange traded	35	4,722	13		4,020	26		5,804	27				
Total	36	70,421	872		68,963	(663)		69,768	(256)				

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

EXPENSES

(C\$ millions)

		For the Quarter Ended							For the Year Ended		
		Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
EXPENSES INCLUDED IN INSURANCE SERVICE AND OTHER EXPENSES											
Operating expenses	1	1,841	1,769	1,789	1,648	1,764	1,848	1,348	1,342	7,047	6,102
Commission expense	2	245	235	234	234	231	263	238	258	948	990
Interest expense	3	115	160	142	135	127	119	101	98	552	445
Total operating expenses, commissions and interest expense included in Other expenses	4	2,201	2,164	2,165	2,017	2,122	2,030	1,687	1,698	8,547	7,537
Operating expenses incurred in period included in Insurance service expenses ⁽¹⁾	5	527	511	511	505	501	471	441	398	2,054	1,811
Commissions incurred in period included in Insurance service expenses ⁽¹⁾	6	278	277	276	291	300	281	281	273	1,122	1,135
Total expenses incurred in period included in Insurance service and Other expenses	7	3,006	2,952	2,952	2,813	2,923	2,782	2,409	2,369	11,723	10,483
OPERATING EXPENSES INCLUDED IN INSURANCE SERVICE AND OTHER EXPENSES BY BUSINESS GROUP											
Business Group											
Asset Management	8	964	918	935	857	836	784	825	833	3,674	3,278
Canada	9	492	482	496	463	473	417	411	428	1,933	1,729
U.S. ⁽²⁾	10	479	485	474	454	442	393	296	242	1,892	1,373
Asia	11	205	201	194	185	202	205	190	173	785	770
Corporate ⁽³⁾	12	71	28	89	67	39	6	(2)	33	255	76
Sub-total before non-underlying adjustments ⁽²⁾⁽⁴⁾	13	2,211	2,114	2,188	2,026	1,992	1,805	1,720	1,709	8,539	7,226
Management's ownership of MFS shares	14	25	8	15	(3)	(14)	(22)	(27)	4	45	(59)
Acquisition, integration and restructuring costs ⁽²⁾	15	56	109	56	82	79	303	69	7	303	458
Intangible asset amortization	16	50	49	41	48	58	33	27	20	188	138
Asset Management - Other ⁽⁵⁾	17	26	—	—	—	150	—	—	—	26	150
Total operating expenses incurred in period included in Insurance service and Other expenses	18	2,368	2,280	2,300	2,153	2,265	2,119	1,789	1,740	9,101	7,913
COMMISSION EXPENSE INCLUDED IN INSURANCE SERVICE AND OTHER EXPENSES BY BUSINESS GROUP											
Business Group											
Asset Management	19	143	146	145	145	147	146	153	170	579	616
Canada	20	194	177	177	188	196	190	191	200	736	777
U.S.	21	158	151	151	151	142	135	132	125	611	534
Asia	22	29	38	38	41	48	72	43	37	146	200
Corporate ⁽³⁾	23	(1)	—	(1)	—	(2)	1	—	(1)	(2)	(2)
Total commission expense incurred in period included in Insurance service and Other expenses	24	523	512	510	525	531	544	519	531	2,070	2,125
INTEREST EXPENSE											
Subordinated debt	25	51	58	52	52	54	51	47	46	213	198
Interest on senior unsecured debentures/financing and innovative capital instruments	26	4	3	4	4	4	4	4	4	15	16
Other ⁽⁶⁾	27	60	99	86	79	69	64	50	48	324	231
Total interest expense included in Other Expenses	28	115	160	142	135	127	119	101	98	552	445

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

⁽²⁾ Effective Q4 2023, prior period amounts related to U.S. operating expenses and acquisition, integration and restructuring costs have been restated to improve comparability of data over time.

⁽³⁾ Corporate includes consolidation adjustments for Operating expenses and Commission expense relating to activities that cross business groups.

⁽⁴⁾ These amounts represent only non-underlying adjustments that pertain to operating expenses incurred in the period, and excludes non-underlying adjustments recognized outside of operating expenses, such as in investment results, the balance sheet, and NCI. For more information about non-underlying adjustments, refer to the Non-IFRS Financial Measures page 1 of this document and Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽⁵⁾ SLC Management carried interest that Sun Life does not participate in economically is presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements. To align the two views, on this page, carried interest to which we have no economic interest is shown as "Asset Management - Other". Refer to the Basis of Presentation section on page ii of this document for more information.

⁽⁶⁾ Other primarily represents interest on put option liabilities associated with SLC Management's affiliates and interest on liabilities connected to consolidated special purpose entities, interest on leases, interest on real estate encumbrances and interest on income taxes.

FINANCIAL STRENGTH AND CAPITAL ADEQUACY

SUN LIFE ASSURANCE COMPANY OF CANADA

FINANCIAL STRENGTH RATINGS

SECURITY RATINGS

Subordinated Debt

Sun Life Exchangeable Capital Securities

Series B

A.M. Best Moody's Standard & Poor's DBRS

A+	Aa3	AA	AA
a+	A2	AA-	AA (low)
a	A3(hyb)	P-1/A+	A (high)

SUN LIFE FINANCIAL INC.

SECURITY RATINGS

Subordinated Debt

(Series 2007-1, 2019-1, 2020-1, 2020-2, 2021-1, 2021-2, 2021-3, 2022-1, and 2023-1)

Class A Preferred Shares

(Series 3-5, 8R, 9QR, 10R and 11QR)

Limited Recourse Capital Notes

(Series 2021-1)

A.M. Best Moody's Standard & Poor's DBRS

a-	not rated	A	A
bbb+	not rated	P-1 (low)/A-	Pfd-2 (high)
not rated	not rated	A-	A (low)

General Information

Asset Management	Canada	U.S.	Asia	Corporate
<p>Our Asset Management business group is comprised of MFS and SLC Management. MFS is a premier global asset manager offering a comprehensive selection of financial products and services that deliver superior value, actively managing assets for retail and institutional investors around the world. SLC Management is a global asset manager with capabilities across fixed income and alternative asset classes including public and private fixed income, real estate equity and debt, and infrastructure equity.</p> <p>Asset Management has two business units - MFS and SLC Management.</p> <p>MFS Mutual Funds U.S. retail mutual funds MFS Meridian Funds Investment management services Institutional accounts Pension business Insurance products</p> <p>SLC Management Private class funds Customized fixed income portfolios Liability-driven investing strategies Investment advisory and property management services Real estate and infrastructure solutions Alternative credit solutions Retail distribution services</p>	<p>Our Canada business segment is a leading provider of protection, health, asset management and wealth solutions, providing products and services that deliver value to approximately 5.5 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.</p> <p>Canada has three business units - Individual Insurance & Wealth, Sun Life Health and Group Retirement Services.</p> <p>Individual Insurance & Wealth Individual life and health insurance Individual savings products Mutual funds</p> <p>Sun Life Health Group life and health insurance Voluntary benefits products</p> <p>Group Retirement Services Defined contribution plans Defined benefit solutions Voluntary savings plans</p>	<p>Our U.S. business segment is one of the largest providers of employee and government benefits in the U.S., serving more than 50 million Americans with disability, life, supplemental health, medical stop-loss insurance, and dental and vision benefits through employers, industry partners and government programs such as Medicaid, Medicare Advantage, and the Children's Health Insurance Program ("CHIP"). Services include absence management, dental care, and healthcare navigation. In addition, our U.S. business manages an in-force block of approximately 85,000 individual life insurance policies plus 110,000 individual annuity policies that were originally sold in the UK. Our U.S. business also manages our Run-off reinsurance business, with coverage that includes guaranteed minimum income, death benefits and individual long-term care, as well as personal accident policies and medical policies which are 100% retroceded.</p> <p>U.S. has three business units - Group Benefits, Dental and In-force Management.</p> <p>Group Benefits Group life Disability insurance Medical stop-loss insurance Voluntary benefits Supplemental health products FullscopeRMS products and services</p> <p>Dental Medicaid and Medicare Advantage products and services Care Delivery services</p> <p>In-force Management Individual life insurance Individual annuity Run-off reinsurance</p>	<p>We are well-positioned in growing markets in Asia, with operations in key ASEAN markets, Hong Kong, Joint Ventures and High Net Worth ("HNW") delivering value to over 28 million Clients. These markets account for approximately 65% of Asia's GDP with high potential for future growth. We are a provider of individual life and health insurance that delivers Client value, a provider in select markets of asset management and group retirement products and services, and among the global leaders in providing life insurance solutions to HNW Clients.</p> <p>Asia has five business units - ASEAN, Hong Kong, Joint Ventures, High Net Worth and Regional Office.</p> <p>ASEAN Markets Philippines Vietnam Indonesia</p> <p>Hong Kong</p> <p>Joint Ventures China India Malaysia</p> <p>High Net Worth International Singapore</p> <p>Regional Office</p>	<p>Corporate includes the results of our Corporate Support operations. On April 1, 2023, Sun Life UK was sold to Phoenix Group Holdings plc and our retained economic interest in the payout annuities business is part of the U.S. business segment. Corporate Support operations consist of the certain expenses, debt charges, investment income, capital and other items, pertaining to monitoring and oversight of enterprise activities and Corporate treasury functions, which are not allocated to business segments.</p> <p>Corporate Support</p>

Underlying net income by Business Types

Sun Life has a diversified mix of businesses and our earnings by business type supports the analysis of our results:

• Wealth & asset management: Sun Life's wealth & asset management businesses generate fee income and/or spread on investment products.

• Group - Health & Protection: Group businesses provide health and protection benefits to employer and government plan members. The products generally have shorter-term coverage periods, and more frequent repricing. The revenues are driven by premiums for coverage provided as well as fee-based earnings (i.e., Administrative Services Only plans, and dental fees).

• Individual - Protection: Generally, individual protection businesses have a longer-term profitability profile and are more sensitive to experience trends. The premiums include a margin for providing protection and are invested to earn a return over the expected amounts required to fulfill insurance liabilities.

The following provides an overview of the business types in Sun Life's business segments/business groups:

Business Segments					
Business Types	Asset Management	Canada	US	Asia	Corporate
Wealth & asset management	MFS Investment Management SLC Management	Individual Wealth Group Retirement Services		Individual wealth & asset management ¹⁾	
Group – Health & Protection		Sun Life Health	Group Benefits ²⁾ Dental		
Individual - Protection		Individual Insurance	In-force Management ³⁾	Individual protection ⁴⁾	
Corporate expenses & other				Regional Office	Corporate Support

¹⁾ Includes wealth & asset management businesses in the Philippines, Hong Kong, China and India.

²⁾ Includes Employee Benefits, as well as Health and Risk Solutions (medical stop-loss).

³⁾ Effective Q2 2023, the UK payout annuities run-off business was moved from the Corporate business segment to the U.S. business segment upon the sale of SLF of Canada UK Limited ("Sun Life UK"). For additional information, refer to Note 3 of our 2023 Annual Consolidated Financial Statements for the period ended December 31, 2023.

⁴⁾ Includes individual protection businesses in ASEAN, Hong Kong, Joint Ventures and High-Net-Worth. Group businesses in Asia have been included with Individual – Protection.

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX ⁽¹⁾

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
Total Company Pre-Tax Adjustments											
Underlying net income (post-tax)	1	983	930	920	895	892	949	808	720	3,728	3,369
Add: Non-underlying net income adjustments (pre-tax):											
<i>Market-related impacts (pre-tax)</i>	2	(436)	107	(298)	(99)	179	(400)	282	172	(726)	233
<i>Assumption Changes and Management Actions (ACMA) (pre-tax)</i>	3	6	41	11	(5)	(26)	(153)	(30)	(30)	53	(239)
<i>Management's ownership of MFS shares (pre-tax)</i>	4	(7)	12	4	21	31	42	46	13	30	132
<i>Acquisition, integration and restructuring (pre-tax) ⁽¹⁾</i>	5	(61)	(124)	(57)	15	(110)	(334)	(86)	(23)	(227)	(553)
<i>Intangible asset amortization (pre-tax)</i>	6	(50)	(44)	(36)	(46)	(55)	(31)	(26)	(19)	(176)	(131)
<i>Other (pre-tax) ⁽¹⁾</i>	7	—	—	—	—	(7)	(62)	95	—	—	26
<i>Total non-underlying net income adjustments (pre-tax)</i>	8	(548)	(8)	(376)	(114)	12	(938)	281	113	(1,046)	(532)
<i>Tax (expense) benefit related to non-underlying net income adjustments</i>	9	314	(51)	116	25	261	100	(159)	(168)	404	34
Reported net income - Common shareholders (post-tax)	10	749	871	660	806	1,165	111	930	665	3,086	2,871
Total Company Post-Tax Adjustments											
Underlying net income (post-tax)	11	983	930	920	895	892	949	808	720	3,728	3,369
Add: Non-underlying net income adjustments (post-tax):											
<i>Market-related impacts (post-tax)</i>	12	(193)	23	(220)	(64)	224	(361)	118	(2)	(454)	(21)
<i>ACMA (post-tax)</i>	13	(1)	35	7	(5)	12	(131)	(22)	(27)	36	(168)
<i>Management's ownership of MFS shares (post-tax)</i>	14	(11)	7	(1)	17	27	37	42	9	12	115
<i>Acquisition, integration and restructuring (post-tax) ⁽¹⁾</i>	15	(42)	(89)	(20)	(4)	(86)	(312)	(73)	(21)	(155)	(492)
<i>Intangible asset amortization (post-tax)</i>	16	(38)	(35)	(26)	(33)	(41)	(23)	(19)	(14)	(132)	(97)
<i>Other (post-tax) ⁽¹⁾</i>	17	51	—	—	—	137	(48)	76	—	51	165
<i>Total non-underlying net income adjustments (post-tax)</i>	18	(234)	(59)	(280)	(89)	273	(838)	122	(55)	(642)	(498)
Reported net income - Common shareholders (post-tax)	19	749	871	660	806	1,165	111	930	665	3,086	2,871
Asset Management Pre-Tax Adjustments											
Underlying net income (post-tax)	20	331	330	296	282	324	298	295	321	1,239	1,238
Add: Non-underlying net income adjustments (pre-tax):											
<i>Market-related impacts (pre-tax)</i>	21	(11)	(3)	(40)	(7)	(8)	3	(16)	—	(61)	(21)
<i>Management's ownership of MFS shares (pre-tax)</i>	22	(7)	12	4	21	31	42	46	13	30	132
<i>Acquisition, integration and restructuring (pre-tax) ⁽¹⁾</i>	23	(23)	(84)	(24)	(36)	(31)	(131)	(18)	(16)	(167)	(196)
<i>Intangible asset amortization (pre-tax)</i>	24	(9)	(9)	(9)	(8)	(6)	(6)	(7)	(7)	(35)	(26)
<i>Other (pre-tax) ⁽¹⁾</i>	25	—	—	—	—	7	—	—	—	—	7
<i>Total non-underlying net income adjustments (pre-tax)</i>	26	(50)	(84)	(69)	(30)	(7)	(92)	5	(10)	(233)	(104)
<i>Tax (expense) benefit related to non-underlying net income adjustments</i>	27	16	22	21	2	4	12	(2)	—	61	14
Reported net income - Common shareholders (post-tax)	28	297	268	248	254	321	218	298	311	1,067	1,148
Asset Management Post-Tax Adjustments											
Underlying net income (post-tax)	29	331	330	296	282	324	298	295	321	1,239	1,238
Add: Non-underlying net income adjustments (post-tax):											
<i>Market-related impacts (post-tax)</i>	30	(6)	(3)	(31)	(7)	(8)	3	(17)	—	(47)	(22)
<i>Management's ownership of MFS shares (post-tax)</i>	31	(11)	7	(1)	17	27	37	42	9	12	115
<i>Acquisition, integration and restructuring (post-tax) ⁽¹⁾</i>	32	(12)	(58)	(11)	(33)	(26)	(117)	(18)	(15)	(114)	(176)
<i>Intangible asset amortization (post-tax)</i>	33	(5)	(8)	(5)	(5)	(3)	(3)	(4)	(4)	(23)	(14)
<i>Other (post-tax) ⁽¹⁾</i>	34	—	—	—	—	7	—	—	—	—	7
<i>Total non-underlying net income adjustments (post-tax)</i>	35	(34)	(62)	(48)	(28)	(3)	(80)	3	(10)	(172)	(90)
Reported net income - Common shareholders (post-tax)	36	297	268	248	254	321	218	298	311	1,067	1,148
MFS Pre-Tax Adjustments											
Underlying net income (post-tax)	37	261	277	252	254	276	273	250	281	1,044	1,080
Add: Management's ownership of MFS shares (pre-tax)	38	(7)	12	4	21	31	42	46	13	30	132
<i>Tax (expense) benefit related to non-underlying net income adjustments</i>	39	(4)	(5)	(5)	(4)	(4)	(5)	(4)	(4)	(18)	(17)
Reported net income - Common shareholders (post-tax)	40	250	284	251	271	303	310	292	290	1,056	1,195
MFS Post-Tax Adjustments											
Underlying net income (post-tax)	41	261	277	252	254	276	273	250	281	1,044	1,080
Add: Management's ownership of MFS shares (post-tax)	42	(11)	7	(1)	17	27	37	42	9	12	115
Reported net income - Common shareholders (post-tax)	43	250	284	251	271	303	310	292	290	1,056	1,195
SLC Management Pre-Tax Adjustments											
Underlying net income (post-tax)	44	70	53	44	28	48	25	45	40	195	158
Add: Non-underlying net income adjustments (pre-tax):											
<i>Market-related impacts (pre-tax)</i>	45	(11)	(3)	(40)	(7)	(8)	3	(16)	—	(61)	(21)
<i>Acquisition, integration and restructuring (pre-tax) ⁽¹⁾</i>	46	(23)	(84)	(24)	(36)	(31)	(131)	(18)	(16)	(167)	(196)
<i>Intangible asset amortization (pre-tax)</i>	47	(9)	(9)	(9)	(8)	(6)	(6)	(7)	(7)	(35)	(26)
<i>Other (pre-tax) ⁽¹⁾</i>	48	—	—	—	—	7	—	—	—	—	7
<i>Total non-underlying net income adjustments (pre-tax)</i>	49	(43)	(96)	(73)	(51)	(38)	(134)	(41)	(23)	(263)	(236)
<i>Tax (expense) benefit related to non-underlying net income adjustments</i>	50	20	27	26	6	8	17	2	4	79	31
Reported net income (loss) - Common shareholders (post-tax)	51	47	(16)	(3)	(17)	18	(92)	6	21	11	(47)
SLC Management Post-Tax Adjustments											
Underlying net income (post-tax)	52	70	53	44	28	48	25	45	40	195	158
Add: Non-underlying net income adjustments (post-tax):											
<i>Market-related impacts (post-tax)</i>	53	(6)	(3)	(31)	(7)	(8)	3	(17)	—	(47)	(22)
<i>Acquisition, integration and restructuring (post-tax) ⁽¹⁾</i>	54	(12)	(58)	(11)	(33)	(26)	(117)	(18)	(15)	(114)	(176)
<i>Intangible asset amortization (post-tax)</i>	55	(5)	(8)	(5)	(5)	(3)	(3)	(4)	(4)	(23)	(14)
<i>Other (post-tax) ⁽¹⁾</i>	56	—	—	—	—	7	—	—	—	—	7
<i>Total non-underlying net income adjustments (post-tax)</i>	57	(23)	(69)	(47)	(45)	(30)	(117)	(39)	(19)	(184)	(205)
Reported net income (loss) - Common shareholders (post-tax)	58	47	(16)	(3)	(17)	18	(92)	6	21	11	(47)

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 of this document and the Notes page ii, Adjustments - Acquisition, Integration and Restructuring and Adjustments - other for additional details.

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX CONTINUED ⁽¹⁾

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
Canada Pre-Tax Adjustments											
Underlying net income (post-tax)	1	350	338	372	316	265	293	299	206	1,376	1,063
Add: Non-underlying net income adjustments (pre-tax):											
<i>Market-related impacts (pre-tax)</i>	2	(223)	94	(212)	(92)	250	(206)	360	247	(433)	651
<i>ACMA (pre-tax)</i>	3	72	20	(8)	(2)	(185)	(82)	(30)	(15)	82	(312)
<i>Acquisition, integration and restructuring (pre-tax) ⁽¹⁾</i>	4	3	7	3	98	(1)	(1)	—	—	111	(2)
<i>Intangible asset amortization (pre-tax)</i>	5	(9)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(21)	(16)
<i>Other (pre-tax) ⁽¹⁾</i>	6	—	—	—	—	—	(1)	—	—	—	(1)
<i>Total non-underlying net income adjustments (pre-tax)</i>	7	(157)	117	(221)	—	60	(294)	326	228	(261)	320
<i>Tax (expense) benefit related to non-underlying net income adjustments</i>	8	155	(90)	59	13	128	57	(149)	(178)	137	(142)
Reported net income - Common shareholders (post-tax)	9	348	365	210	329	453	56	476	256	1,252	1,241
Canada Post-Tax Adjustments											
Underlying net income (post-tax)	10	350	338	372	316	265	293	299	206	1,376	1,063
Add: Non-underlying net income adjustments (post-tax):											
<i>Market-related impacts (post-tax)</i>	11	(50)	10	(156)	(47)	235	(172)	202	65	(243)	330
<i>ACMA (post-tax)</i>	12	52	15	(6)	(2)	(133)	(61)	(22)	(12)	59	(228)
<i>Acquisition, integration and restructuring (post-tax) ⁽¹⁾</i>	13	3	5	3	65	(1)	(1)	—	—	76	(2)
<i>Intangible asset amortization (post-tax)</i>	14	(7)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(16)	(12)
<i>Other (post-tax) ⁽¹⁾</i>	15	—	—	—	—	90	—	—	—	—	90
<i>Total non-underlying net income adjustments (post-tax)</i>	16	(2)	27	(162)	13	188	(237)	177	50	(124)	178
Reported net income - Common shareholders (post-tax)	17	348	365	210	329	453	56	476	256	1,252	1,241
U.S. Pre-Tax Adjustments											
Underlying net income (post-tax)	18	253	185	215	237	230	227	134	107	890	698
Add: Non-underlying net income adjustments (pre-tax):											
<i>Market-related impacts (pre-tax)</i>	19	(60)	39	(17)	(21)	21	(13)	2	(51)	(59)	(41)
<i>ACMA (pre-tax)</i>	20	(65)	(30)	29	—	71	(6)	—	1	(66)	66
<i>Acquisition, integration and restructuring (pre-tax) ⁽¹⁾</i>	21	(35)	(42)	(44)	(39)	(78)	(32)	(62)	(6)	(160)	(178)
<i>Intangible asset amortization (pre-tax)</i>	22	(30)	(29)	(21)	(32)	(43)	(19)	(13)	(6)	(112)	(81)
<i>Other (pre-tax) ⁽¹⁾</i>	23	—	—	—	—	(14)	(61)	94	—	—	19
<i>Total non-underlying net income adjustments (pre-tax)</i>	24	(190)	(62)	(53)	(92)	(43)	(131)	21	(62)	(397)	(215)
<i>Tax (expense) benefit related to non-underlying net income adjustments</i>	25	38	9	13	23	15	29	(6)	11	83	49
Reported net income - Common shareholders (post-tax)	26	101	132	175	168	202	125	149	56	576	532
U.S. Post-Tax Adjustments											
Underlying net income (post-tax)	27	253	185	215	237	230	227	134	107	890	698
Add: Non-underlying net income adjustments (post-tax):											
<i>Market-related impacts (post-tax)</i>	28	(48)	36	(15)	(17)	18	(10)	(1)	(42)	(44)	(35)
<i>Assumption changes that flow directly through income (post-tax)</i>	29	(52)	(36)	23	—	57	(5)	—	1	(65)	53
<i>Acquisition, integration and restructuring (post-tax) ⁽¹⁾</i>	30	(28)	(31)	(32)	(29)	(59)	(24)	(49)	(5)	(120)	(137)
<i>Intangible asset amortization (post-tax)</i>	31	(24)	(22)	(16)	(23)	(33)	(15)	(10)	(5)	(85)	(63)
<i>Other (post-tax) ⁽¹⁾</i>	32	—	—	—	—	(11)	(48)	75	—	—	16
<i>Total non-underlying net income adjustments (post-tax)</i>	33	(152)	(53)	(40)	(69)	(28)	(102)	15	(51)	(314)	(166)
Reported net income - Common shareholders (post-tax)	34	101	132	175	168	202	125	149	56	576	532

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 of this document and the Notes page ii, Adjustments - Acquisition, Integration and Restructuring and Adjustments - other for additional details.

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX CONTINUED ⁽¹⁾

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Asia Pre-Tax Adjustments										
Underlying net income (post-tax)	143	166	150	141	135	153	118	133	600	539
Add: Non-underlying net income adjustments (pre-tax):										
<i>Market-related impacts (pre-tax)</i>	(142)	(1)	(30)	17	(110)	(107)	(97)	(3)	(156)	(317)
<i>ACMA (pre-tax)</i>	(1)	51	(10)	(6)	71	(54)	—	(16)	34	1
<i>Acquisition, integration and restructuring (pre-tax) ⁽¹⁾</i>	(6)	(5)	(5)	(4)	—	—	(6)	(1)	(20)	(7)
<i>Intangible asset amortization (pre-tax)</i>	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(8)	(8)
<i>Other (pre-tax) ⁽¹⁾</i>	—	—	—	—	17	—	—	—	—	17
<i>Total non-underlying net income adjustments (pre-tax)</i>	(151)	43	(47)	5	(24)	(163)	(105)	(22)	(150)	(314)
<i>Tax (expense) benefit related to non-underlying net income adjustments</i>	52	2	19	(12)	(19)	10	(6)	—	61	(15)
Reported net income - Common shareholders (post-tax)	44	211	122	134	92	—	7	111	511	210
Asia Post-Tax Adjustments										
Underlying net income (post-tax)	143	166	150	141	135	153	118	133	600	539
Add: Non-underlying net income adjustments (post-tax):										
<i>Market-related impacts (post-tax)</i>	(142)	(4)	(12)	5	(129)	(97)	(103)	(3)	(153)	(332)
<i>ACMA (post-tax)</i>	(1)	56	(10)	(6)	71	(54)	—	(16)	39	1
<i>Acquisition, integration and restructuring (post-tax) ⁽¹⁾</i>	(5)	(5)	(4)	(4)	—	—	(6)	(1)	(18)	(7)
<i>Intangible asset amortization (post-tax)</i>	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(8)	(8)
<i>Other (post-tax) ⁽¹⁾</i>	51	—	—	—	17	—	—	—	51	17
<i>Total non-underlying net income adjustments (post-tax)</i>	(99)	45	(28)	(7)	(43)	(153)	(111)	(22)	(89)	(329)
Reported net income - Common shareholders (post-tax)	44	211	122	134	92	—	7	111	511	210
Corporate Pre-Tax Adjustments										
Underlying net income (loss) (post-tax)	(94)	(89)	(113)	(81)	(62)	(22)	(38)	(47)	(377)	(169)
Add: Non-underlying net income adjustments (pre-tax):										
<i>Market-related impacts (pre-tax)</i>	—	(22)	1	4	26	(77)	33	(21)	(17)	(39)
<i>ACMA (pre-tax)</i>	—	—	—	3	17	(11)	—	—	3	6
<i>Acquisition, integration and restructuring (pre-tax) ⁽¹⁾</i>	—	—	13	(4)	—	(170)	—	—	9	(170)
<i>Intangible asset amortization (pre-tax)</i>	—	—	—	—	—	—	—	—	—	—
<i>Other (pre-tax) ⁽¹⁾</i>	—	—	—	—	(17)	—	1	—	—	(16)
<i>Total non-underlying net income (loss) adjustments (pre-tax)</i>	—	(22)	14	3	26	(258)	34	(21)	(5)	(219)
<i>Tax (expense) benefit related to non-underlying net income adjustments</i>	53	6	4	(1)	133	(8)	4	(1)	62	128
Reported net income (loss) - Common shareholders (post-tax)	(41)	(105)	(95)	(79)	97	(288)	—	(69)	(320)	(260)
Corporate Post-Tax Adjustments										
Underlying net income (loss) (post-tax)	(94)	(89)	(113)	(81)	(62)	(22)	(38)	(47)	(377)	(169)
Add: Non-underlying net income adjustments (post-tax):										
<i>Market-related impacts (post-tax)</i>	53	(16)	(6)	2	108	(85)	37	(22)	33	38
<i>ACMA (post-tax)</i>	—	—	—	3	17	(11)	—	—	3	6
<i>Acquisition, integration and restructuring (post-tax) ⁽¹⁾</i>	—	—	24	(3)	—	(170)	—	—	21	(170)
<i>Intangible asset amortization (post-tax)</i>	—	—	—	—	—	—	—	—	—	—
<i>Other (post-tax) ⁽¹⁾</i>	—	—	—	—	34	—	1	—	—	35
<i>Total non-underlying net income (loss) adjustments (post-tax)</i>	53	(16)	18	2	159	(266)	38	(22)	57	(91)
Reported net income (loss) - Common shareholders (post-tax)	(41)	(105)	(95)	(79)	97	(288)	—	(69)	(320)	(260)

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 of this document and the Notes page ii, Adjustments - Acquisition, Integration and Restructuring and Adjustments - other for additional details. In Q4 2022, Other amounts reflect the unwinding of an internal reinsurance agreement.

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX CONTINUED ⁽¹⁾

(US\$ millions)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
MFS Pre-Tax Adjustments											
Underlying net income (post-tax)	1	191	207	187	188	202	212	197	221	773	832
Add: Management's ownership of MFS shares (pre-tax)	2	(5)	9	3	15	24	32	34	10	22	100
Tax (expense) benefit related to underlying net income adjustments	3	(3)	(4)	(3)	(3)	(3)	(4)	(3)	(3)	(13)	(13)
Reported net income - Common shareholders (post-tax)	4	183	212	187	200	223	240	228	228	782	919
MFS Post-Tax Adjustments											
Underlying net income (post-tax)	5	191	207	187	188	202	212	197	221	773	832
Add: Management's ownership of MFS shares (post-tax)	6	(8)	5	—	12	21	28	31	7	9	87
Reported net income - Common shareholders (post-tax)	7	183	212	187	200	223	240	228	228	782	919
U.S. Pre-Tax Adjustments											
Underlying net income (post-tax)	8	187	140	160	176	173	173	102	83	663	531
Add: Non-underlying net income adjustments (pre-tax):											
Market-related impacts (pre-tax)	9	(42)	33	(10)	(21)	15	(10)	(5)	(43)	(40)	(43)
ACMA (pre-tax)	10	(49)	(22)	23	—	53	(5)	—	1	(48)	49
Acquisition, integration and restructuring (pre-tax) ⁽¹⁾	11	(25)	(31)	(33)	(28)	(57)	(25)	(49)	(5)	(117)	(136)
Intangible asset amortization (pre-tax)	12	(22)	(22)	(16)	(23)	(32)	(15)	(10)	(5)	(83)	(62)
Other (pre-tax) ⁽¹⁾	13	—	—	—	—	(10)	(47)	74	—	—	17
Total non-underlying net income adjustments (pre-tax)	14	(138)	(42)	(36)	(72)	(31)	(102)	10	(52)	(288)	(175)
Tax (expense) benefit related to non-underlying net income adjustments	15	28	7	9	21	9	25	1	13	65	48
Reported net income - Common shareholders (post-tax)	16	77	105	133	125	151	96	113	44	440	404
U.S. Post-Tax Adjustments											
Underlying net income (post-tax)	17	187	140	160	176	173	173	102	83	663	531
Add: Non-underlying net income adjustments (post-tax):											
Market-related impacts (post-tax)	18	(33)	30	(9)	(13)	11	(8)	(1)	(32)	(25)	(30)
ACMA (post-tax)	19	(40)	(26)	18	—	42	(3)	—	1	(48)	40
Acquisition, integration and restructuring (post-tax) ⁽¹⁾	20	(19)	(23)	(24)	(21)	(43)	(18)	(38)	(4)	(87)	(103)
Intangible asset amortization (post-tax)	21	(18)	(16)	(12)	(17)	(24)	(11)	(8)	(4)	(63)	(47)
Other (post-tax) ⁽¹⁾	22	—	—	—	—	(8)	(37)	58	—	—	13
Total non-underlying net income adjustments (post-tax)	23	(110)	(35)	(27)	(51)	(22)	(77)	11	(39)	(223)	(127)
Reported net income - Common shareholders (post-tax)	24	77	105	133	125	151	96	113	44	440	404

	For the Quarter Ended								For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
U.S. Group Benefits Underlying Net Income to Reported Net Income											
Underlying net income (post-tax)	25	138	96	116	128	119	101	87	49	478	356
Add: Non-underlying net income adjustments (pre-tax):											
Market-related impacts (pre-tax)	26	14	(10)	(6)	4	(1)	(24)	(10)	(14)	2	(49)
ACMA (pre-tax)	27	(11)	47	—	—	8	(7)	—	—	36	1
Acquisition, integration and restructuring (pre-tax) ⁽¹⁾	28	(4)	(1)	(1)	—	(1)	—	(1)	(1)	(6)	(3)
Intangible asset amortization (pre-tax)	29	(5)	(5)	(5)	(5)	(4)	(4)	(5)	(5)	(20)	(18)
Total non-underlying net income adjustments (pre-tax)	30	(6)	31	(12)	(1)	2	(35)	(16)	(20)	12	(69)
Tax (expense) benefit related to non-underlying net income adjustments	31	1	(6)	2	1	(2)	8	4	5	(2)	15
Reported net income - Common shareholders (post-tax)	32	133	121	106	128	119	74	75	34	488	302

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section on page 1 of this document and the Notes page ii, Adjustments - Acquisition, Integration and Restructuring and Adjustments - other for additional details.

MFS RECONCILIATIONS

(US\$ millions, unless otherwise noted)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
MFS Pre-Tax Net Operating Margin Reconciliation											
Revenue											
IFRS fee income	1	790	815	804	787	775	801	838	909	3,196	3,323
Less: Adjustments											
Commissions	2	97	100	99	99	99	104	110	120	395	433
Other ⁽¹⁾	3	(13)	(13)	(14)	(13)	(13)	(13)	(16)	(11)	(53)	(53)
Total adjustments	4	84	87	85	86	86	91	94	109	342	380
Adjusted revenue	5	706	728	719	701	689	710	744	800	2,854	2,943
Expenses											
IFRS expenses	6	570	553	577	544	514	500	542	606	2,244	2,162
Less: Adjustments											
Management's ownership of MFS shares (before NCI) ⁽²⁾	7	18	6	12	(2)	(10)	(17)	(21)	3	34	(45)
Compensation-related equity plan adjustments	8	10	5	1	—	(1)	—	(4)	12	16	7
Commissions	9	97	100	99	99	99	104	110	120	395	433
Other ⁽¹⁾	10	(11)	(11)	(14)	(16)	(13)	(13)	(16)	(11)	(52)	(53)
Total adjustments	11	114	100	98	81	75	74	69	124	393	342
IFRS net investment (income) loss	12	(29)	(20)	(24)	(20)	(22)	(7)	5	6	(93)	(18)
Adjusted expenses	13	427	433	455	443	417	419	478	488	1,758	1,802
Pre-tax Net Operating Margin	14	39 %	41 %	37 %	37 %	40 %	41 %	36 %	39 %	38 %	39 %
MFS Pre-Tax Gross Operating Margin Reconciliation											
IFRS fee income	15	790	815	804	787	775	801	838	909	3,196	3,323
Expenses											
IFRS expenses	16	570	553	577	544	514	500	542	606	2,244	2,162
Less: Adjustments											
Management's ownership of MFS shares (before NCI) ⁽²⁾	17	18	6	12	(2)	(10)	(17)	(21)	3	34	(45)
Compensation-related equity plan adjustments	18	10	5	1	—	(1)	—	(4)	12	16	7
Other ⁽³⁾	19	2	2	—	(3)	—	—	—	—	1	—
Total adjustments	20	30	13	13	(5)	(11)	(17)	(25)	15	51	(38)
Subtotal of above	21	540	540	564	549	525	517	567	591	2,193	2,200
IFRS net investment (income) loss	22	(29)	(20)	(24)	(20)	(22)	(7)	5	6	(93)	(18)
Adjusted expenses	23	511	520	540	529	503	510	572	597	2,100	2,182
Pre-tax Gross Operating Margin	24	35 %	36 %	33 %	33 %	35 %	36 %	32 %	34 %	34 %	34 %

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

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

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

ASSET MANAGEMENT - UNDERLYING TO REPORTED NET INCOME RECONCILIATION

(C\$ millions, unless otherwise noted)

Asset Management	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
Revenue											
Net investment result ⁽¹⁾⁽²⁾	1	96	41	54	29	48	11	12	4	220	75
Fee income ⁽²⁾	2	1,348	1,335	1,312	1,289	1,255	1,264	1,308	1,391	5,284	5,218
Total revenue	3	1,444	1,376	1,366	1,318	1,303	1,275	1,320	1,395	5,504	5,293
Expenses ⁽²⁾⁽³⁾	4	984	939	963	941	874	868	932	968	3,827	3,642
Income before income taxes	5	460	437	403	377	429	407	388	427	1,677	1,651
Income tax expense (benefit)	6	102	92	91	86	92	96	81	93	371	362
Non-controlling interest (NCI) ⁽²⁾	7	27	15	16	9	13	13	12	13	67	51
Underlying net income	8	331	330	296	282	324	298	295	321	1,239	1,238
Add: Non-underlying net income adjustments (post-tax):											
Market-related impacts ⁽¹⁾	9	(6)	(3)	(31)	(7)	(8)	3	(17)	—	(47)	(22)
Other adjustments:											
Management's ownership of MFS shares ⁽³⁾	10	(11)	7	(1)	17	27	37	42	9	12	115
Acquisition, integration and restructuring ⁽⁴⁾	11	(12)	(58)	(11)	(33)	(26)	(117)	(18)	(15)	(114)	(176)
Intangible asset amortization	12	(5)	(8)	(5)	(5)	(3)	(3)	(4)	(4)	(23)	(14)
Other ⁽⁴⁾	13	—	—	—	—	7	—	—	—	—	7
Reported net income - Common shareholders	14	297	268	248	254	321	218	298	311	1,067	1,148
MFS ⁽³⁾											
Revenue											
Net investment result	15	39	25	30	24	28	8	(8)	(9)	118	19
Fee income	16	1,026	1,036	1,020	1,006	989	1,021	1,066	1,165	4,088	4,241
Total revenue	17	1,065	1,061	1,050	1,030	1,017	1,029	1,058	1,156	4,206	4,260
Expenses	18	718	695	718	695	664	672	734	790	2,826	2,860
Income before income taxes	19	347	366	332	335	353	357	324	366	1,380	1,400
Income tax expense (benefit)	20	86	89	80	81	77	84	74	85	336	320
Underlying net income	21	261	277	252	254	276	273	250	281	1,044	1,080
Add: Non-underlying net income adjustments (post-tax):											
Other adjustments:											
Management's ownership of MFS shares ⁽³⁾	22	(11)	7	(1)	17	27	37	42	9	12	115
Reported net income - Common shareholders	23	250	284	251	271	303	310	292	290	1,056	1,195
SLC Management ⁽²⁾											
Revenue											
Net investment result ⁽¹⁾	24	57	16	24	5	20	3	20	13	102	56
Fee income	25	322	299	292	283	266	243	242	226	1,196	977
Total revenue	26	379	315	316	288	286	246	262	239	1,298	1,033
Expenses	27	266	244	245	246	210	196	198	178	1,001	782
Income before income taxes	28	113	71	71	42	76	50	64	61	297	251
Income tax expense (benefit)	29	16	3	11	5	15	12	7	8	35	42
Non-controlling interest (NCI)	30	27	15	16	9	13	13	12	13	67	51
Underlying net income	31	70	53	44	28	48	25	45	40	195	158
Add: Non-underlying net income adjustments (post-tax):											
Market-related impacts ⁽¹⁾	32	(6)	(3)	(31)	(7)	(8)	3	(17)	—	(47)	(22)
Other adjustments:											
Acquisition, integration and restructuring ⁽⁴⁾	33	(12)	(58)	(11)	(33)	(26)	(117)	(18)	(15)	(114)	(176)
Intangible asset amortization	34	(5)	(8)	(5)	(5)	(3)	(3)	(4)	(4)	(23)	(14)
Other ⁽⁴⁾	35	—	—	—	—	7	—	—	—	—	7
Reported net income (loss) - Common shareholders	36	47	(16)	(3)	(17)	18	(92)	6	21	11	(47)

⁽¹⁾ Market-related impacts are reported under investment income or loss under IFRS, and are excluded on an underlying basis. For more information about these adjustment made to arrive at a non-IFRS financial measure, refer to the Non-IFRS Financial Measures page 1 of this document and Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽²⁾ For a reconciliation of SLC Management's Supplementary Income Statement, which is on an underlying basis, compared to an IFRS basis, refer to the SLC Management Reported Net Income Reconciliation section in the appendix of this document.

⁽³⁾ MFS' revenues and expenses have been adjusted to remove NCI, and Expenses on an underlying basis exclude Management's ownership of MFS shares.

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

SLC MANAGEMENT REPORTED NET INCOME RECONCILIATION TO THE SUPPLEMENTARY INCOME STATEMENT

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
STATEMENTS OF OPERATIONS											
Revenues											
Net investment income (loss) ⁽¹⁾	1	28	26	(7)	8	6	(11)	5	12	55	12
Fee Income											
Management fees	2	264	252	248	244	234	218	209	201	1,008	862
Distribution fees	3	23	22	23	15	—	—	—	—	83	—
Property management, transaction, advisory and other fees	4	35	25	21	24	32	25	33	25	105	115
Interest and other - fee income	5	60	55	53	59	49	54	49	50	227	202
Fee income of consolidated funds ⁽²⁾	6	55	7	—	(2)	169	1	—	—	60	170
Other - fee income ⁽³⁾	7	66	32	30	29	17	12	16	18	157	63
Total fee income	8	503	393	375	369	501	310	307	294	1,640	1,412
Total revenues	9	531	419	368	377	507	299	312	306	1,695	1,424
Expenses											
Compensation - fee-related	10	159	163	164	163	141	130	138	128	649	537
Other operating expenses	11	71	68	66	52	52	55	52	44	257	203
Interest and other	12	99	75	72	91	70	69	57	56	337	252
Acquisition, integration and restructuring ⁽¹⁾⁽⁴⁾	13	24	84	25	45	24	131	18	17	178	190
Expenses of consolidated funds ⁽²⁾	14	26	4	—	(67)	150	1	—	—	(37)	151
Placement fees - other	15	(3)	(7)	(4)	(1)	(4)	(4)	—	—	(15)	(8)
Other - expenses ⁽¹⁾⁽³⁾⁽⁴⁾	16	64	63	54	53	21	6	27	27	234	81
Total expenses	17	440	450	377	336	454	388	292	272	1,603	1,406
Income (loss) before income taxes	18	91	(31)	(9)	41	53	(89)	20	34	92	18
Less: Income tax expense (benefit)	19	(4)	(25)	(15)	(1)	6	(6)	6	4	(45)	10
Non-controlling interest	20	19	7	9	(6)	10	9	8	9	29	36
Non-controlling interest of consolidated funds ⁽²⁾	21	29	3	—	65	19	—	—	—	97	19
Less: Total non-controlling interest	22	48	10	9	59	29	9	8	9	126	55
Reported net income (loss) - Common shareholders	23	47	(16)	(3)	(17)	18	(92)	6	21	11	(47)

⁽¹⁾ Includes Investment income (loss) and performance fees related to our seed investments and Market-related impacts. Gains or losses of certain non-seed hedges are reported under Investment income or loss under IFRS, whereas we present these under Acquisition, integration and restructuring in SLC Management's Supplementary Income Statement. For more information about this adjustment made to arrive at a non-IFRS financial measure, refer to the Non-IFRS Financial Measures page 1 of this document and Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A.

⁽²⁾ Crescent carried interest that Sun Life does not participate in economically is presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements. On a net basis, the non-controlling interest portion of the carried interest is netted against both Fee income of consolidated funds and Expenses of consolidated funds. Refer to the Basis of Presentation section on page ii of this document for more information.

⁽³⁾ 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.

⁽⁴⁾ Non-underlying net income adjustments are shown pre-tax and before non-controlling interests (NCI) in this reconciliation, compared to post-tax and post-NCI in SLC Management's Supplementary Income Statement. Other - expenses includes Intangible asset amortization and Other non-underlying adjustments.

DILUTED EARNINGS PER SHARE RECONCILIATION

(C\$ millions, unless otherwise noted)

	At and For the Quarter Ended								At and For the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Weighted Average Shares										
Weighted average shares - basic	1	584	586	587	587	586	586	586	586	586
Diluted impact of stock options	2	—	—	—	—	—	—	1	—	—
Weighted average shares - diluted underlying	3	584	586	587	587	586	586	587	586	586
Diluted impact of convertible securities (SLEECs) ⁽¹⁾	4	3	3	3	3	4	3	3	3	3
Weighted average shares - diluted	5	587	589	590	590	590	589	590	589	589
Diluted Earnings Per Share ⁽²⁾										
Underlying net income (loss)	6	983	930	920	895	892	949	808	720	3,728
<i>Add Adjustments:</i>										
<i>Market-related impacts</i>	7	(193)	23	(220)	(64)	224	(361)	118	(2)	(454)
<i>ACMA</i>	8	(1)	35	7	(5)	12	(131)	(22)	(27)	36
<i>Other adjustments:</i>										
<i>Impact of management's ownership of MFS shares</i>	9	(11)	7	(1)	17	27	37	42	9	12
<i>Impact of acquisition, integration and restructuring</i> ⁽³⁾	10	(42)	(89)	(20)	(4)	(86)	(312)	(73)	(21)	(155)
<i>Impact of intangible asset amortization</i>	11	(38)	(35)	(26)	(33)	(41)	(23)	(19)	(14)	(132)
<i>Impact of other</i> ⁽³⁾	12	51	—	—	—	137	(48)	76	—	51
Reported net income (loss) - Common shareholders	13	749	871	660	806	1,165	111	930	665	3,086
Add: Increase in income due to convertible securities ⁽⁴⁾	14	2	3	2	3	2	3	2	3	10
Reported net income (loss) - Common shareholders on a diluted basis	15	751	874	662	809	1,167	114	932	668	3,096
Underlying earnings per share - diluted	16	1.68	1.59	1.57	1.52	1.52	1.62	1.38	1.23	6.36
<i>Add Adjustments:</i>										
<i>Market-related impacts</i>	17	(0.33)	0.04	(0.38)	(0.10)	0.38	(0.62)	0.19	—	(0.78)
<i>ACMA</i>	18	—	0.06	0.01	(0.01)	0.02	(0.22)	(0.04)	(0.05)	0.06
<i>Other adjustments:</i>										
<i>Impact of management's ownership of MFS shares</i>	19	(0.02)	0.01	—	0.03	0.05	0.06	0.07	0.01	0.02
<i>Impact of acquisition, integration and restructuring</i>	20	(0.07)	(0.16)	(0.03)	(0.01)	(0.15)	(0.53)	(0.12)	(0.03)	(0.26)
<i>Impact of intangible asset amortization</i>	21	(0.07)	(0.06)	(0.05)	(0.06)	(0.07)	(0.04)	(0.03)	(0.03)	(0.23)
<i>Impact of other</i>	22	0.09	—	—	—	0.23	(0.08)	0.13	—	0.09
<i>Impact of convertible securities on diluted earnings per share</i>	23	—	—	—	—	—	—	—	—	0.02
Reported earnings per share - diluted	24	1.28	1.48	1.12	1.37	1.98	0.19	1.58	1.13	5.26

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

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

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

⁽⁴⁾ Represents after-tax interest expense on convertible securities converted into common shares that is added to net income as the convertible securities are assumed to be converted at the beginning of each reporting period in the calculation of diluted EPS.

DOE RECONCILIATION - TOTAL COMPANY

This page details the reconciling items (rows 12 to 21) between the Underlying Drivers of Earnings (rows 1 to 11) to the Adjusted Common Shareholders' View (also referred to as the Reported Drivers of Earnings, rows 23 to 34). This page also further details the reconciling items and adjustments (rows 35 to 45) between the Reported Drivers of Earnings (rows 23 to 34) and the Reported View - Income Statement (also referred to as the Statements of Operations in our Consolidated Financial Statements, rows 46 to 55).

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Underlying View ⁽¹⁾										
Net insurance service result ⁽²⁾	769	740	794	676	726	690	541	419	2,979	2,376
Net investment result	427	416	430	437	316	357	322	242	1,710	1,237
Asset Management	460	437	403	377	429	407	388	427	1,677	1,651
Other fee income ⁽²⁾	66	38	64	79	55	88	72	83	247	298
Expenses - other ⁽²⁾	(489)	(485)	(500)	(454)	(415)	(368)	(315)	(337)	(1,928)	(1,435)
Income before taxes - Underlying	1,233	1,146	1,191	1,115	1,111	1,174	1,008	834	4,685	4,127
Income tax (expense) benefit	(203)	(182)	(235)	(191)	(187)	(193)	(174)	(83)	(811)	(637)
Total net income	1,030	964	956	924	924	981	834	751	3,874	3,490
Net income (loss) allocated to NCI	(27)	(15)	(16)	(9)	(13)	(13)	(12)	(13)	(67)	(51)
Dividends on preferred shares and distributions on other equity instruments	(20)	(19)	(20)	(20)	(19)	(19)	(14)	(18)	(79)	(70)
Underlying net income	983	930	920	895	892	949	808	720	3,728	3,369
Non-Underlying Adjustments ⁽¹⁾										
Net insurance service result	—	—	(29)	—	(14)	(61)	—	—	(29)	(75)
Net investment result	(415)	108	(283)	(92)	188	(402)	398	172	(682)	356
ACMA ⁽³⁾	6	41	11	(5)	(26)	(153)	(30)	(30)	53	(239)
Asset Management	(57)	(92)	(76)	(45)	(10)	(96)	1	(14)	(270)	(119)
Other fee income	3	5	4	—	—	—	—	—	12	—
Expenses - other	(92)	(78)	(10)	13	(129)	(230)	(92)	(19)	(167)	(470)
Income before taxes	(555)	(16)	(383)	(129)	9	(942)	277	109	(1,083)	(547)
Income tax (expense) benefit	314	(51)	116	25	261	100	(159)	(168)	404	34
Total net income	(241)	(67)	(267)	(104)	270	(842)	118	(59)	(679)	(513)
Net income (loss) allocated to NCI	7	8	7	15	3	4	4	4	37	15
Net non-underlying adjustments	(234)	(59)	(260)	(89)	273	(838)	122	(55)	(642)	(498)
Adjusted Common Shareholders' View ⁽¹⁾										
Net insurance service result ⁽²⁾	769	740	765	676	712	629	541	419	2,950	2,301
Net investment result	12	524	147	345	504	(45)	720	414	1,028	1,593
ACMA ⁽³⁾	6	41	11	(5)	(26)	(153)	(30)	(30)	53	(239)
Asset Management	403	345	327	332	419	311	389	413	1,407	1,532
Other fee income ⁽²⁾	69	43	68	79	55	88	72	83	259	298
Expenses - other ⁽²⁾	(581)	(563)	(510)	(441)	(544)	(598)	(407)	(356)	(2,095)	(1,905)
Income before taxes	678	1,130	808	986	1,120	232	1,285	943	3,602	3,580
Income tax (expense) benefit	111	(233)	(119)	(166)	74	(93)	(333)	(251)	(407)	(603)
Total net income	789	897	689	820	1,194	139	952	692	3,195	2,977
Net income (loss) allocated to NCI	(20)	(7)	(9)	6	(10)	(9)	(8)	(9)	(30)	(36)
Dividends on preferred shares and distributions on other equity instruments	(20)	(19)	(20)	(20)	(19)	(19)	(14)	(18)	(79)	(70)
Adjusted reported net income - Common shareholders	749	871	660	806	1,165	111	930	665	3,086	2,871
Par and Net Adjustments ⁽¹⁾										
Net insurance service result ⁽²⁾	(107)	(28)	10	12	39	(38)	39	(48)	(113)	(8)
Net investment result	249	179	107	76	(21)	(94)	(69)	14	611	(170)
ACMA ⁽³⁾	(6)	(41)	(11)	5	26	153	30	30	(53)	239
Fee income:										
Asset Management	(403)	(345)	(327)	(332)	(419)	(311)	(389)	(413)	(1,407)	(1,532)
Other fee income ⁽²⁾	1,996	1,887	1,868	1,822	1,966	1,720	1,707	1,756	7,573	7,149
Expenses - other ⁽²⁾	(1,620)	(1,601)	(1,588)	(1,474)	(1,578)	(1,432)	(1,280)	(1,342)	(6,283)	(5,632)
Income before taxes	109	51	59	109	13	(2)	38	(3)	328	46
Income tax (expense) benefit	(24)	(11)	(8)	(11)	(9)	16	18	32	(54)	57
Total net income	85	40	51	98	4	14	56	29	274	103
Net income (loss) allocated to the participating account and NCI	(85)	(40)	(51)	(98)	(4)	(14)	(56)	(29)	(274)	(103)
Adjusted common shareholders' reported net income - Par and Net Adjustments	—	—	—	—	—	—	—	—	—	—
Reported View - Income Statement										
Net insurance service result	662	712	775	688	751	591	580	371	2,837	2,293
Net investment result	261	703	254	421	483	(139)	651	428	1,639	1,423
Fee income	2,065	1,930	1,936	1,901	2,021	1,808	1,779	1,839	7,832	7,447
Other expenses	(2,201)	(2,164)	(2,098)	(1,915)	(2,122)	(2,030)	(1,687)	(1,698)	(8,378)	(7,537)
Income before taxes	787	1,181	867	1,095	1,133	230	1,323	940	3,930	3,626
Income tax (expense) benefit	87	(244)	(127)	(177)	65	(77)	(315)	(219)	(461)	(546)
Total net income	874	937	740	918	1,198	153	1,008	721	3,469	3,080
Net income (loss) allocated to the participating account and NCI	(105)	(47)	(60)	(92)	(13)	(24)	(64)	(38)	(304)	(139)
Dividends on preferred shares and distributions on other equity instruments	(20)	(19)	(20)	(20)	(20)	(18)	(14)	(18)	(79)	(70)
Reported net income - Common shareholders	749	871	660	806	1,165	111	930	665	3,086	2,871

⁽¹⁾ The Drivers of Earnings analysis contains non-IFRS financial measures. Refer to the Basis of Presentation section on page ii of this document for more information about certain amounts that are presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A for more information.

⁽²⁾ Effective Q4 2023, prior period amounts in the DOE related to Expenses - other for health, wealth and asset management businesses in Canada have been restated to improve comparability of data over time and with other business units; related amounts in Other fee income and Experience gains (losses) have also been restated accordingly. In addition, effective Q3 2023, the Other Fee Income line for the U.S. business segment has been refined to include Group Benefits and Health & Risk Solutions fee income net of corresponding expenses in order to align with the presentation of the Dental business in this line. We have updated prior period amounts to reflect this refinement.

⁽³⁾ Effective Q3 2023, the impact of ACMA is shown in one-line. Previously, the impact of ACMA was embedded within two lines: Net insurance service result and Net investment result. We have updated prior period amounts for this change in presentation.

DOE RECONCILIATION - CANADA

This page details the reconciling items (rows 10 to 16) between the Underlying Drivers of Earnings (rows 1 to 9) to the Adjusted Common Shareholders' View (also referred to as the Reported Drivers of Earnings, rows 18 to 27). This page also further details the reconciling items and adjustments (rows 28 to 37) between the Reported Drivers of Earnings (rows 17 to 25) and the Reported View - Income Statement (also referred to as the Statements of Operations in our Consolidated Financial Statements, rows 38 to 46).

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended		
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022	
Underlying View ⁽¹⁾											
Net insurance service result ⁽²⁾	1	339	333	356	240	294	233	245	196	1,268	968
Net investment result	2	216	210	227	242	154	184	182	103	895	623
Other fee income ⁽²⁾	3	38	35	56	49	24	51	51	55	178	181
Expenses - other ⁽²⁾	4	(144)	(148)	(150)	(131)	(135)	(108)	(100)	(122)	(573)	(465)
Income before taxes	5	449	430	489	400	337	360	378	232	1,768	1,307
Income tax (expense) benefit	6	(99)	(92)	(117)	(84)	(72)	(67)	(79)	(26)	(392)	(244)
Total net income	7	350	338	372	316	265	293	299	206	1,376	1,063
Net income (loss) allocated to NCI	8	—	—	—	—	—	—	—	—	—	—
Underlying net income	9	350	338	372	316	265	293	299	206	1,376	1,063
Non-Underlying Adjustments ⁽¹⁾											
Net insurance service result	10	—	—	—	—	—	—	—	—	—	—
Net investment result	11	(211)	94	(212)	(92)	251	(206)	360	247	(421)	652
ACMA ⁽³⁾	12	72	20	(8)	(2)	(185)	(82)	(30)	(15)	82	(312)
Other fee income	13	3	5	4	—	—	—	—	—	12	—
Expenses - other	14	(21)	(2)	(5)	94	(6)	(6)	(4)	(4)	66	(20)
Income before taxes	15	(157)	117	(221)	—	60	(294)	326	228	(261)	320
Income tax (expense) benefit	16	155	(90)	59	13	128	57	(149)	(178)	137	(142)
Net non-underlying adjustments	17	(2)	27	(162)	13	188	(237)	177	50	(124)	178
Adjusted Common Shareholders' View ⁽¹⁾											
Net insurance service result ⁽²⁾	18	339	333	356	240	294	233	245	196	1,268	968
Net investment result	19	5	304	15	150	405	(22)	542	350	474	1,275
ACMA ⁽³⁾	20	72	20	(8)	(2)	(185)	(82)	(30)	(15)	82	(312)
Other fee income ⁽²⁾	21	41	40	60	49	24	51	51	55	190	181
Expenses - other ⁽²⁾	22	(165)	(150)	(155)	(37)	(141)	(114)	(104)	(126)	(507)	(485)
Income before taxes	23	292	547	268	400	397	66	704	460	1,507	1,627
Income tax (expense) benefit	24	56	(182)	(58)	(71)	56	(10)	(228)	(204)	(255)	(386)
Total net income	25	348	365	210	329	453	56	476	256	1,252	1,241
Net income (loss) allocated to NCI	26	—	—	—	—	—	—	—	—	—	—
Adjusted reported net income - Common shareholders	27	348	365	210	329	453	56	476	256	1,252	1,241
Par and Net Adjustments ⁽¹⁾											
Net insurance service result ⁽²⁾	28	(114)	(35)	2	25	12	(27)	18	(42)	(122)	(39)
Net investment result	29	202	86	7	2	(203)	(38)	(40)	(3)	297	(284)
ACMA ⁽³⁾	30	(72)	(20)	8	2	185	82	30	15	(82)	312
Other fee income ⁽²⁾	31	344	309	323	317	325	292	297	300	1,293	1,214
Expenses - other ⁽²⁾	32	(321)	(327)	(329)	(325)	(322)	(300)	(300)	(306)	(1,302)	(1,228)
Income before taxes	33	39	13	11	21	(3)	9	5	(36)	84	(25)
Income tax (expense) benefit	34	(14)	(1)	—	(5)	5	7	9	30	(20)	51
Total net income	35	25	12	11	16	2	16	14	(6)	64	26
Net income (loss) allocated to the participating account	36	(25)	(12)	(11)	(16)	(2)	(16)	(14)	6	(64)	(26)
Adjusted common shareholders' reported net income - Par and Net Adjustments	37	—	—	—	—	—	—	—	—	—	—
Reported View - Income Statement											
Net insurance service result	38	225	298	358	265	306	206	263	154	1,146	929
Net investment result	39	207	390	22	152	202	(60)	502	347	771	991
Fee income	40	385	349	383	366	349	343	348	355	1,483	1,395
Other expenses	41	(486)	(477)	(484)	(362)	(463)	(414)	(404)	(432)	(1,809)	(1,713)
Income before taxes	42	331	560	279	421	394	75	709	424	1,591	1,602
Income tax (expense) benefit	43	42	(183)	(58)	(76)	61	(3)	(219)	(174)	(275)	(335)
Total net income	44	373	377	221	345	455	72	490	250	1,316	1,267
Net income (loss) allocated to the participating account	45	(25)	(12)	(11)	(16)	(2)	(16)	(14)	6	(64)	(26)
Reported net income - Common shareholders	46	348	365	210	329	453	56	476	256	1,252	1,241

⁽¹⁾ The Drivers of Earnings analysis contains non-IFRS financial measures. Refer to the Basis of Presentation section on page ii of this document for more information about certain amounts that are presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M, Non-IFRS Financial Measures of the Company's 2023 Annual MD&A for more information.

⁽²⁾ Effective Q4 2023, prior period amounts in the DOE related to Expenses - other for health, wealth and asset management businesses in Canada have been restated to improve comparability of data over time and with other business units; related amounts in Other fee income and Experience gains (losses) have also been restated accordingly.

⁽³⁾ Effective Q3 2023, the impact of ACMA is shown in one-line. Previously, the impact of ACMA was embedded within two lines: Net insurance service result and Net investment result. We have updated prior period amounts for this change in presentation.

DOE RECONCILIATION - U.S.

This page details the reconciling items (rows 10 to 15) between the Underlying Drivers of Earnings (rows 1 to 9) to the Adjusted Common Shareholders' View (also referred to as the Reported Drivers of Earnings, rows 17 to 26). This page also further details the reconciling items and adjustments (rows 27 to 36) between the Reported Drivers of Earnings (rows 17 to 26) and the Reported View - Income Statement (also referred to as the Statements of Operations in our Consolidated Financial Statements, rows 37 to 45).

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Underlying View ⁽¹⁾										
Net insurance service result	314	270	314	324	324	312	167	140	1,222	943
Net investment result	87	67	76	69	58	65	65	43	299	231
Other fee income ⁽²⁾	22	4	4	11	24	13	1	—	41	38
Expenses - other ⁽²⁾	(109)	(114)	(120)	(106)	(116)	(103)	(60)	(53)	(449)	(332)
Income before taxes	314	227	274	298	290	287	173	130	1,113	880
Income tax (expense) benefit	(61)	(42)	(59)	(61)	(60)	(60)	(39)	(23)	(223)	(182)
Total net income	253	185	215	237	230	227	134	107	890	698
Net income (loss) allocated to NCI	—	—	—	—	—	—	—	—	—	—
Underlying net income	253	185	215	237	230	227	134	107	890	698
Non-Underlying Adjustments ⁽¹⁾										
Net insurance service result	—	—	—	—	(14)	(61)	—	—	—	(75)
Net investment result	(60)	39	(17)	(21)	21	(13)	101	(51)	(59)	58
ACMA ⁽³⁾	(65)	(30)	29	—	71	(6)	—	1	(66)	66
Expenses - other	(65)	(71)	(65)	(71)	(121)	(51)	(80)	(12)	(272)	(264)
Income before taxes	(190)	(62)	(53)	(92)	(43)	(131)	21	(62)	(397)	(215)
Income tax (expense) benefit	38	9	13	23	15	29	(6)	11	83	49
Net non-underlying adjustments	(152)	(53)	(40)	(69)	(28)	(102)	15	(51)	(314)	(166)
Adjusted Common Shareholders' View ⁽¹⁾										
Net insurance service result	314	270	314	324	310	251	167	140	1,222	868
Net investment result	27	106	59	48	79	52	166	(8)	240	289
ACMA ⁽³⁾	(65)	(30)	29	—	71	(6)	—	1	(66)	66
Other fee income ⁽²⁾	22	4	4	11	24	13	1	—	41	38
Expenses - other ⁽²⁾	(174)	(185)	(185)	(177)	(237)	(154)	(140)	(65)	(721)	(596)
Income before taxes	124	165	221	206	247	156	194	68	716	665
Income tax (expense) benefit	(23)	(33)	(46)	(38)	(45)	(31)	(45)	(12)	(140)	(133)
Total net income	101	132	175	168	202	125	149	56	576	532
Net income (loss) allocated to NCI	—	—	—	—	—	—	—	—	—	—
Adjusted reported net income - Common shareholders	101	132	175	168	202	125	149	56	576	532
Par and Net Adjustments ⁽¹⁾										
Net insurance service result	(5)	68	6	8	18	(11)	13	7	77	27
Net investment result	(52)	(91)	30	1	72	3	(1)	3	(112)	77
ACMA ⁽³⁾	65	30	(29)	—	(71)	6	—	(1)	66	(66)
Other fee income ⁽²⁾	106	107	104	100	101	90	51	27	417	269
Expenses - other ⁽²⁾	(106)	(107)	(104)	(100)	(101)	(93)	(50)	(28)	(417)	(272)
Income before taxes	8	7	7	9	19	(5)	13	8	31	35
Income tax (expense) benefit	(2)	(1)	(1)	(4)	(9)	1	2	(2)	(8)	(8)
Total net income	6	6	6	5	10	(4)	15	6	23	27
Net income (loss) allocated to the participating account	(6)	(6)	(6)	(5)	(10)	4	(15)	(6)	(23)	(27)
Adjusted common shareholders' reported net income - Par and Net Adjustments	—	—	—	—	—	—	—	—	—	—
Reported View - Income Statement										
Net insurance service result	309	338	320	332	328	240	180	147	1,299	895
Net investment result	(25)	15	89	49	151	55	165	(5)	128	366
Fee income	128	111	108	111	125	103	52	27	458	307
Other expenses	(280)	(292)	(289)	(277)	(338)	(247)	(190)	(93)	(1,138)	(868)
Income before taxes	132	172	228	215	266	151	207	76	747	700
Income tax (expense) benefit	(25)	(34)	(47)	(42)	(54)	(30)	(43)	(14)	(148)	(141)
Total net income	107	138	181	173	212	121	164	62	599	559
Net income (loss) allocated to the participating account	(6)	(6)	(6)	(5)	(10)	4	(15)	(6)	(23)	(27)
Reported net income - Common shareholders	101	132	175	168	202	125	149	56	576	532

⁽¹⁾ The Drivers of Earnings analysis contains non-IFRS financial measures. Refer to the Basis of Presentation section on page ii of this document for more information about certain amounts that are presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A for more information.

⁽²⁾ Effective Q3 2023, the Other Fee Income line for the U.S. business segment has been refined to include Group Benefits and Health & Risk Solutions fee income net of corresponding expenses in order to align with the presentation of the Dental business in this line. We have updated prior period amounts to reflect this refinement.

⁽³⁾ Effective Q3 2023, the impact of ACMA is shown in one-line. Previously, the impact of ACMA was embedded within two lines: Net insurance service result and Net investment result. We have updated prior period amounts for this change in presentation.

DOE RECONCILIATION - ASIA

This page details the reconciling items (rows 10 to 16) between the Underlying Drivers of Earnings (rows 1 to 9) to the Adjusted Common Shareholders' View (also referred to as the Reported Drivers of Earnings, rows 18 to 27). This page also further details the reconciling items and adjustments (rows 28 to 37) between the Reported Drivers of Earnings (rows 18 to 27) and the Reported View - Income Statement (also referred to as the Statements of Operations in our Consolidated Financial Statements, rows 38 to 46).

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Underlying View ⁽¹⁾										
Net insurance service result	115	139	119	99	90	105	106	48	472	349
Net investment result	101	105	92	98	70	103	75	101	396	349
Other fee income	6	(1)	4	11	11	4	(1)	41	20	55
Expenses - other	(75)	(76)	(57)	(55)	(49)	(64)	(51)	(46)	(263)	(210)
Income before taxes	147	167	158	153	122	148	129	144	625	543
Income tax (expense) benefit	(4)	(1)	(8)	(12)	13	5	(11)	(11)	(25)	(4)
Total net income	143	166	150	141	135	153	118	133	600	539
Net income (loss) allocated to NCI	—	—	—	—	—	—	—	—	—	—
Underlying net income	143	166	150	141	135	153	118	133	600	539
Non-Underlying Adjustments ⁽¹⁾										
Net insurance service result	—	—	—	—	—	—	—	—	—	—
Net investment result	(144)	(3)	(32)	17	(110)	(106)	(97)	(3)	(162)	(316)
ACMA ⁽²⁾	(1)	51	(10)	(6)	71	(54)	—	(16)	34	1
Other fee income	—	—	—	—	17	—	—	—	—	17
Expenses - other	(6)	(5)	(5)	(6)	(2)	(3)	(8)	(3)	(22)	(16)
Income before taxes	(151)	43	(47)	5	(24)	(163)	(105)	(22)	(150)	(314)
Income tax (expense) benefit	52	2	19	(12)	(19)	10	(6)	—	61	(15)
Net non-underlying adjustments	(99)	45	(28)	(7)	(43)	(153)	(111)	(22)	(89)	(329)
Adjusted Common Shareholders' View ⁽¹⁾										
Net insurance service result	115	139	119	99	90	105	106	48	472	349
Net investment result	(43)	102	60	115	(40)	(3)	(22)	98	234	33
ACMA ⁽²⁾	(1)	51	(10)	(6)	71	(54)	—	(16)	34	1
Other fee income	6	(1)	4	11	28	4	(1)	41	20	72
Expenses - other	(81)	(81)	(62)	(61)	(51)	(67)	(59)	(49)	(285)	(226)
Income before taxes	(4)	210	111	158	98	(15)	24	122	475	229
Income tax (expense) benefit	48	1	11	(24)	(6)	15	(17)	(11)	36	(19)
Total net income	44	211	122	134	92	—	7	111	511	210
Net income (loss) allocated to NCI	—	—	—	—	—	—	—	—	—	—
Adjusted reported net income - Common shareholders	44	211	122	134	92	—	7	111	511	210
Par and Net Adjustments ⁽¹⁾										
Net insurance service result	12	(61)	2	(19)	17	3	1	(15)	(66)	6
Net investment result	21	140	29	25	30	(27)	22	27	215	52
ACMA ⁽²⁾	1	(51)	10	6	(71)	54	—	16	(34)	(1)
Other fee income	67	77	70	66	71	67	64	66	280	268
Expenses - other	(67)	(77)	(70)	(64)	(72)	(94)	(62)	(62)	(278)	(290)
Income before taxes	34	28	41	14	(25)	3	25	32	117	35
Income tax (expense) benefit	(8)	(9)	(7)	(2)	(3)	—	1	(3)	(26)	(5)
Total net income	26	19	34	12	(28)	3	26	29	91	30
Net income (loss) allocated to the participating account	(26)	(19)	(34)	(12)	28	(3)	(26)	(29)	(91)	(30)
Adjusted common shareholders' reported net income - Par and Net Adjustments	—	—	—	—	—	—	—	—	—	—
Reported View - Income Statement										
Net insurance service result	127	78	121	80	107	108	107	33	406	355
Net investment result	(22)	242	89	140	(10)	(30)	—	125	449	85
Fee income	73	76	74	77	99	71	63	107	300	340
Other expenses	(148)	(158)	(132)	(125)	(123)	(161)	(121)	(111)	(563)	(516)
Income before taxes	30	238	152	172	73	(12)	49	154	592	264
Income tax (expense) benefit	40	(8)	4	(26)	(9)	15	(16)	(14)	10	(24)
Total net income	70	230	156	146	64	3	33	140	602	240
Net income (loss) allocated to the participating account	(26)	(19)	(34)	(12)	28	(3)	(26)	(29)	(91)	(30)
Reported net income - Common shareholders	44	211	122	134	92	—	7	111	511	210

⁽¹⁾ The Drivers of Earnings analysis contains non-IFRS financial measures. Refer to the Basis of Presentation section on page ii of this document for more information about certain amounts that are presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M. Non-IFRS Financial Measures of the Company's 2023 Annual MD&A for more information.

⁽²⁾ Effective Q3 2023, the impact of ACMA is shown in one-line. Previously, the impact of ACMA was embedded within two lines: Net insurance service result and Net investment result. We have updated prior period amounts for this change in presentation.

DOE RECONCILIATION - CORPORATE

This page details the reconciling items (rows 10 to 16) between the Underlying Drivers of Earnings (rows 1 to 9) to the Adjusted Common Shareholders' View (also referred to as the Reported Drivers of Earnings, rows 17 to 26). This page also further details the reconciling items and adjustments (rows 27 to 36) between the Reported Drivers of Earnings (rows 17 to 26) and the Reported View - Income Statement (also referred to as the Statements of Operations in our Consolidated Financial Statements, rows 37 to 45).

(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended	
	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	2023	2022
Underlying View ⁽¹⁾										
Net insurance service result	1	(2)	5	13	18	40	23	35	17	116
Net investment result	2	34	35	28	34	5	—	(5)	120	34
Other fee income	3	—	—	8	(4)	20	21	(13)	8	24
Expenses - other	4	(161)	(147)	(173)	(162)	(115)	(93)	(104)	(116)	(643)
Income (loss) before taxes	5	(137)	(115)	(133)	(113)	(67)	(28)	(60)	(99)	(498)
Income tax (expense) benefit	6	63	45	40	52	24	25	36	70	200
Total net income (loss)	7	(74)	(70)	(93)	(61)	(43)	(3)	(24)	(29)	(298)
Dividends on preferred shares and distributions on other equity instruments	8	(20)	(19)	(20)	(20)	(19)	(19)	(14)	(18)	(79)
Underlying net income (loss)	9	(94)	(89)	(113)	(81)	(62)	(22)	(38)	(47)	(377)
Non-Underlying Adjustments ⁽¹⁾										
Net insurance service result	10	—	—	(29)	—	—	—	—	(29)	—
Net investment result	11	—	(22)	(22)	4	26	(77)	34	(21)	(38)
ACMA ⁽²⁾	12	—	—	—	3	17	(11)	—	—	3
Other fee income	13	—	—	—	—	(17)	—	—	—	(17)
Expenses - other	14	—	—	65	(4)	—	(170)	—	—	61
Income (loss) before taxes	15	—	(22)	14	3	26	(258)	34	(21)	(5)
Income tax (expense) benefit	15	53	6	4	(1)	133	(8)	4	(1)	62
Net non-underlying adjustments	16	53	(16)	18	2	159	(266)	38	(22)	57
Adjusted Common Shareholders' View ⁽¹⁾										
Net insurance service result	17	1	(2)	(24)	13	18	40	23	35	(12)
Net investment result	18	23	12	13	32	60	(72)	34	(26)	80
ACMA ⁽²⁾	19	—	—	—	3	17	(11)	—	—	3
Other fee income	20	—	—	—	8	(21)	20	21	(13)	8
Expenses - other	21	(161)	(147)	(108)	(166)	(115)	(263)	(104)	(116)	(582)
Income (loss) before taxes	22	(137)	(137)	(119)	(110)	(41)	(286)	(26)	(120)	(503)
Income tax (expense) benefit	23	116	51	44	51	157	17	40	69	262
Total net income	24	(21)	(86)	(75)	(59)	116	(269)	14	(51)	(241)
Dividends on preferred shares and distributions on other equity instruments	25	(20)	(19)	(20)	(20)	(19)	(19)	(14)	(18)	(79)
Adjusted reported net income (loss) - Common shareholders	26	(41)	(105)	(95)	(79)	97	(288)	—	(69)	(320)
Par and Net Adjustments ⁽¹⁾										
Net insurance service result	27	—	—	—	(2)	(8)	(3)	7	2	(2)
Net investment result	28	5	(10)	17	12	42	(31)	(47)	(16)	24
ACMA ⁽²⁾	29	—	—	—	(3)	(17)	11	—	—	(3)
Other fee income	30	(101)	(92)	(83)	(94)	(90)	(83)	(82)	(83)	(370)
Expenses - other	31	96	102	66	88	76	98	115	91	352
Income (loss) before taxes	32	—	—	—	1	3	(8)	(7)	(6)	1
Income tax (expense) benefit	33	—	—	—	(1)	(2)	7	7	6	(1)
Total net income (loss)	34	—	—	—	—	1	(1)	—	—	—
Dividends on preferred shares and distributions on other equity instruments	35	—	—	—	—	(1)	1	—	—	—
Adjusted common shareholders' reported net income - Par and Net Adjustments	36	—	—	—	—	—	—	—	—	—
Reported View - Income Statement										
Net insurance service result	37	1	(2)	(24)	11	10	37	30	37	(14)
Net investment result	38	28	2	30	44	102	(103)	(13)	(42)	104
Fee income	39	(101)	(92)	(83)	(86)	(111)	(63)	(61)	(96)	(362)
Other expenses	40	(65)	(45)	(42)	(78)	(39)	(165)	11	(25)	(230)
Income (loss) before taxes	41	(137)	(137)	(119)	(109)	(38)	(294)	(33)	(126)	(502)
Income tax (expense) benefit	42	116	51	44	50	155	24	47	75	261
Total net income (loss)	43	(21)	(86)	(75)	(59)	117	(270)	14	(51)	(241)
Dividends on preferred shares and distributions on other equity instruments	44	(20)	(19)	(20)	(20)	(20)	(18)	(14)	(18)	(79)
Reported net income (loss) - Common shareholders	45	(41)	(105)	(95)	(79)	97	(288)	—	(69)	(320)

⁽¹⁾ The Drivers of Earnings analysis contains non-IFRS financial measures. Refer to the Basis of Presentation section on page ii of this document for more information about certain amounts that are presented on a net basis to reflect how management views the business, compared to a gross basis in the Consolidated Financial Statements. Refer to the Non-IFRS Financial Measures section on page 1 and the Additional Non-IFRS Financial Measures Glossary in the appendix of this document, or Section M, Non-IFRS Financial Measures of the Company's 2023 Annual MD&A for more information.

⁽²⁾ Effective Q3 2023, the impact of ACMA is shown in one-line. Previously, the impact of ACMA was embedded within two lines: Net insurance service result and Net investment result. We have updated prior period amounts for this change in presentation.

Additional Non-IFRS Financial Measures Glossary

In addition to the non-IFRS financial measures described on page 1 of this document (Underlying net income, Underlying Diluted EPS, the Drivers of Earnings analysis, and the CSM Movement Analysis), Sun Life also uses the following non-IFRS financial measures:

(1) After-tax profit margin for U.S. Group Benefits. This ratio expresses U.S. Group Benefits underlying net income as a percentage of net premiums. It assists in explaining our results from period to period and measures profitability. This ratio is calculated by dividing underlying net income by net premiums for the trailing four quarters. There is no directly comparable IFRS measure. Refer to U.S. Group Benefits Reported Net Income to Underlying Net Income section in the appendix of this document.

(2) Assets under administration (AUA). AUA represents Client assets for which Sun Life provides administrative services. In Canada, AUA includes mutual fund dealers' assets in Individual Wealth and administrative services assets in Group Retirement Services. In Asia, AUA includes administrative services assets in China and Hong Kong. In SLC Management, AUA includes assets distributed by SLC Management's affiliate, Advisors Asset Management Inc. There is no standardized financial measure under IFRS.

(3) Assets under management (AUM). AUM is a non-IFRS financial measure that indicates the size of the Company's assets across asset management, wealth and insurance. There is no standardized financial measure under IFRS. In addition to the most directly comparable IFRS measures, which are the balance of General funds and Segregated funds on our Statements of Financial Position, AUM also includes Third-party AUM and Consolidation adjustments.

(4) Assets under management and administration (AUMA) consists of both AUA and AUM, as defined above, and there is no standardized financial measure under IFRS.

(5) AUM not yet earning fees. This measure represents the committed uninvested capital portion of total AUM not currently earning management fees. The amount depends on the specific terms and conditions of each fund. There is no directly comparable IFRS measure.

(6) Capital raising. This measure consists of increases in SLC Management's commitments from fund raising activities for all real estate, infrastructure and alternative credit Clients excluding leverage. Investment-grade fixed income capital raising consists of sales made to new Clients. There is no directly comparable IFRS measure.

(7) Constant currency. We remove the impacts of foreign exchange translation from certain IFRS and non-IFRS financial measures to assist in comparing our results from period to period. The impacts of foreign exchange translation are approximated by using the foreign exchange rates in effect during the comparative period, using the average or period end foreign exchange rates, as appropriate. Constant currency reconciliation for Reported net income and Reported earnings per share - diluted are as follows:

Q4 2023 Reported net income at Q4 2022 constant dollar	\$ 746 million	Q4 2023 Reported earnings per share at Q4 2022 constant dollar	\$ 1.28
Currency impact relative to Q4 2022 exchange rates	\$ 3 million	Currency impact per share relative to Q4 2022 exchange rates	\$ —
Q4 2023 Reported net income - actual	\$ 749 million	Q4 2023 Reported earnings per share - actual	\$ 1.28

(8) Deployment. This measure represents the amount of capital that has been invested in the period, including leverage where applicable. Deployment also includes capital committed in infrastructure deals to be invested in specific assets. There is no directly comparable IFRS measure.

(9) Dividend yield. This measure is calculated as 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.

(10) Fee earning AUM (FE AUM). FE AUM consists of assets managed by SLC Management, which are beneficially owned by Clients, on which we earn management fees for providing investment management, property management or advisory-related services. There is no directly comparable IFRS measure.

(11) Financial Leverage ratio. This ratio is an indicator of the Company's balance sheet strength measured by its proportion of capital qualifying debt in accordance with OSFI guidelines. This is calculated as the ratio of total debt plus preferred shares and other equity instruments to total capital including the contractual service margin net of taxes, where debt consists of all capital-qualifying debt securities. Capital-qualifying debt securities consist of subordinated debt and innovative capital instruments. The CSM is included net of taxes because debts are repaid and serviced from available after-tax funds.

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

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

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

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

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

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

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

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

Additional Non-IFRS Financial Measures Glossary Continued

(20) Tangible book value per share. This measure is used to assess the value of our businesses, which is calculated as tangible common shareholders' equity divided by the number of common shares outstanding at the end of the period. Tangible common shareholders' equity excludes goodwill and acquired intangible assets and other adjustments, net of related deferred taxes for the period. Other adjustments include imputed goodwill & intangible assets of \$318 million from Asia joint ventures and \$(1.3) billion related to the future purchase of the remaining ownership interest in SLC Management affiliates; as well as \$490 million prepayment on Indonesia's bancassurance that would be capitalized as an intangible asset once the agreement becomes effective in 2025.

(21) Third-party AUM. Third-party AUM is composed of retail, institutional and other third-party assets, which includes general fund and segregated fund assets managed by our joint ventures. In Asset Management, third-party AUM includes Client assets for retail and institutional Clients, as well as capital raising, such as uncalled commitments and fund leverage in SLC Management. There is no directly comparable IFRS measure. In Canada, third-party AUM includes Client assets in retail mutual fund products of SLGI Asset Management Inc. In the U.S., third-party AUM includes third-party investors in a pool of mortgage loans. In Asia, third-party AUM includes Client assets in Hong Kong managed fund products, International wealth products, the Philippines mutual and managed fund products, Aditya Birla Sun Life Asset Management Company Limited equity and fixed income mutual fund products, Sun Life Everbright Asset Management products and our joint ventures' general fund and segregated fund assets based on our proportionate equity interest.

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

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

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

Reporting Refinements

Beginning in Q4 2023:

1. Prior period amounts in the DOE related to Expenses - other for health, wealth and asset management businesses in Canada have been restated to improve comparability of data over time and with other business units. Related amounts in Other fee income and Experience gains (losses) have also been restated accordingly.
2. Prior period amounts related to sales in the U.S. Dental segment have been restated to reflect new information.
3. Prior period amounts related to U.S. operating expenses and acquisition, integration and restructuring costs have been restated to improve comparability of data over time on the Expenses page of this document.

Beginning in Q3 2023:

1. The Run-off Reinsurance business was moved from the Corporate business segment to the U.S. business segment, combined with U.S. In-force Management.
2. The Other Fee Income line in the DOE for the U.S. business segment has been refined to include Group Benefits and Health & Risk Solutions fee income net of corresponding expenses in order to align with the presentation of the Dental business in this line. We have updated prior period amounts to reflect this refinement.
3. In the DOE Reconciliations in the appendix of this document, the reported net income impact of ACMA is shown in aggregate for Net insurance service result and Net investment result in the Reported DOE, to align with the aggregate presentation in the Underlying DOE. We have updated prior period amounts to reflect this refinement.
4. Certain lines on the MFS Reconciliations page have been re-ordered to better align to the accounting basis for publicly traded asset managers in the United States.

Beginning in Q2 2023, the following changes are included in the Supplementary Financial Information:

1. Contractual Service Margin (CSM) Movement Analysis by segment, following the segment level Drivers of Earnings.
2. Drivers of Earnings for each segment on one page, following the total company Drivers of Earnings, current quarter and same quarter prior year.
3. Components for Other comprehensive income (loss) for the period and Composition of shareholders' accumulated OCI balance in the Statements of Total Shareholders' Equity.
4. Asset Management (including MFS and SLC Management) profit & loss presented on an underlying to reported basis, providing a consistent presentation with other segment DOE.
5. Effective Q2 2023 following the sale of Sun Life UK, the UK payout annuities business has moved to the U.S. business segment and is combined with U.S. In-force Management.
6. Certain 2022 restated results and 2023 interim results in the Drivers of Earnings and CSM Movement Analysis were refined to reflect how management views the business. See the section Basis of Presentation on the Notes page ii of this document for more information.

Beginning in Q1 2023:

1. Financial leverage ratio - Effective January 1, 2023, the calculation for Financial leverage ratio was updated to include the Contractual Service Margin balance (net of taxes) in the denominator. This measure has not been restated for periods in 2022 and earlier as IFRS 17 and IFRS 9 were not the accounting standards in effect and therefore, were not applicable to our capital management practices at the time.
2. LICAT Ratio - The LICAT ratio for Sun Life Financial Inc. is disclosed according to OSFI's 2023 LICAT Guideline, effective January 1, 2023, which specifies that available capital for LICAT purposes includes the Contractual Service Margin. Prior period restatements and resubmissions are not mandated. Additionally, effective January 1, 2023, total capital was updated to include the CSM balance.
3. Sales and flows - Effective January 1, 2023, wealth sales in Group Retirement Services in Canada has been updated to exclude retained sales to better align with the methodology for Life Insurance Marketing and Research Association (LIMRA) reporting. We have updated prior period amounts to reflect this change. Also effective January 1, 2023, insurance sales were renamed to "Group - Health & Protection sales" and "Individual - Protection sales" to better align to the business types by our business groups. For more information about business types, refer to section A - How we Report Our Results of the Company's Q1 2023 MD&A.
4. Third-Party AUM - Effective January 1, 2023, "third-party AUM" was renamed from "other AUM" in order to be more descriptive of the nature of these assets. Further, the presentation of "consolidation adjustments" has been updated in the current and prior periods to be shown separately from "third-party AUM", as adjustments apply to all components of total AUM.
5. Underlying net income - Effective January 1, 2023, we refined the definition of Underlying net income as follows, and have updated prior period comparative figures to reflect these changes: (i) Market-related impacts were updated to reflect the adoption of IFRS 17 and IFRS 9; (ii) The adjustment for management's ownership of MFS shares was updated to better reflect Sun Life's interest in MFS' earnings; and (iii) Removal of intangible asset amortization on acquired finite-life intangibles. Additional detail on these adjustments is provided in the Non-IFRS Financial Measures section on page 1 of this document.

For additional information about changes in accounting policy, refer to Note 2 in our 2023 Annual Consolidated Financial Statements for the period ended December 31, 2023 and section L. Changes in Accounting Policy of the Company's 2023 Annual MD&A.

UNDERSTANDING THE DRIVERS OF EARNINGS

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

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

⁽²⁾ Assuming stable macro-economic environment.

UNDERSTANDING THE DRIVERS OF EARNINGS CONTINUED

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

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