

Q2

Second Quarter 2009

**Supplementary Financial Information
For the period ended June 30, 2009
Sun Life Financial Inc. (unaudited)**

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**SUPPLEMENTARY FINANCIAL INFORMATION
TABLE OF CONTENTS**

| | <u>Page</u> | | <u>Page</u> |
|--|-------------|--|-------------|
| Financial Highlights | 1 - 2 | Investments | |
| | | Bonds, Mortgages & Corporate Loans | 19 |
| Consolidated Financial Statements | | Stocks, Real Estate & Other Information | 20 |
| Statement of Operations | 3 | Derivatives | 21 |
| Sources of Earnings | 3 | Financial Strength and Capital Adequacy | |
| Balance Sheet | 4 | MCCSR Ratio – Sun Life Assurance Co. | 22 |
| Statement of Equity | 5 | Financial Strength and Debt Ratings | 23 |
| Segmented Results | | Expenses | |
| SLF Canada | 6 | Commissions and Other Expenses | 24 |
| Individual Insurance & Investments | 7 | Operating Expenses | 24 |
| Group Benefits | 8 | Interest on Borrowings | 24 |
| Group Wealth | 9 | General Information | 25 |
| SLF US | 10-11 | | |
| Annuities | 12 | | |
| Individual | 13 | | |
| Employee Benefits Group | 14 | | |
| MFS | 15 | | |
| SLF Asia | 16 | | |
| Corporate | 17 | | |
| SLF UK, Corporate Support | 18 | | |

Basis of Presentation

All amounts in this document are presented on a Canadian GAAP basis in millions of Canadian dollars unless otherwise indicated.

Accounting Changes

Effective January 1, 2007, the Company implemented Canadian Institute of Chartered Accountants (CICA) accounting standards for reporting financial instruments in financial statements, which recognize and measure financial instruments at fair value. Recognition, derecognition and measurement policies followed in prior years' financial results are not reversed, and therefore, prior period financial results will not be restated. Additional information on these changes in accounting standards is detailed in Note 2 to Sun Life Financial's 2008 Consolidated Financial Statements.

Non-GAAP Measures

This presentation refers to non-GAAP measures such as operating earnings, operating EPS, operating ROE and sources of earnings. The description of these non-GAAP measures to comparable GAAP measures is shown on page 3.

FINANCIAL HIGHLIGHTS

| | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|---------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| Common Shareholders' Net Income (Loss) by Segment | | | | | | | | | | | | |
| SLF Canada | 217 | 194 | (55) | 157 | 296 | 247 | 263 | 257 | 280 | 645 | 1,050 | 995 |
| SLF U.S. | 422 | (407) | (679) | (533) | 83 | 113 | 157 | 170 | 156 | (1,016) | 581 | 448 |
| MFS | 32 | 28 | 30 | 49 | 56 | 59 | 73 | 68 | 68 | 194 | 281 | 234 |
| SLF Asia | 20 | 17 | 16 | (8) | 12 | 13 | 38 | 30 | 17 | 33 | 123 | 101 |
| Corporate | (100) | (45) | 817 | (61) | 72 | 101 | 24 | 52 | 69 | 929 | 184 | 311 |
| Total | 591 | (213) | 129 | (396) | 519 | 533 | 555 | 577 | 590 | 785 | 2,219 | 2,089 |
| Common Shareholders' Net Income (Loss) | | | | | | | | | | | | |
| Reported | 591 | (213) | 129 | (396) | 519 | 533 | 555 | 577 | 590 | 785 | 2,219 | 2,089 |
| Operating ⁽¹⁾ | 591 | (186) | (696) | (396) | 519 | 533 | 560 | 583 | 593 | (40) | 2,294 | 2,091 |
| Basic Earnings Per Common Share (EPS) - Reported | 1.06 | (0.38) | 0.23 | (0.71) | 0.92 | 0.95 | 0.98 | 1.02 | 1.03 | 1.40 | 3.90 | 3.62 |
| Basic EPS - Operating | 1.06 | (0.33) | (1.24) | (0.71) | 0.92 | 0.95 | 0.99 | 1.03 | 1.04 | (0.07) | 4.03 | 3.62 |
| Fully Diluted EPS - Reported | 1.05 | (0.38) | 0.23 | (0.71) | 0.91 | 0.93 | 0.97 | 1.00 | 1.02 | 1.37 | 3.85 | 3.58 |
| Fully Diluted EPS - Operating | 1.05 | (0.33) | (1.25) | (0.71) | 0.91 | 0.93 | 0.98 | 1.01 | 1.03 | (0.10) | 3.98 | 3.58 |
| Return on Shareholders' Equity (annualized) - Reported | 14.9% | (5.5%) | 3.3% | (10.2%) | 12.9% | 13.4% | 14.2% | 14.7% | 14.5% | 5.1% | 13.8% | 13.8% |
| Return on Shareholders' Equity (annualized) - Operating | 14.9% | (4.7%) | (17.9%) | (10.2%) | 12.9% | 13.4% | 14.3% | 14.8% | 14.6% | (0.3%) | 14.3% | 13.8% |
| Premiums & Deposits | | | | | | | | | | | | |
| Premiums | 4,192 | 4,019 | 3,485 | 3,611 | 3,306 | 3,185 | 3,149 | 3,458 | 3,204 | 13,587 | 13,124 | 14,609 |
| Segregated Fund Deposits | 2,842 | 2,656 | 2,393 | 2,670 | 3,056 | 2,800 | 3,229 | 4,189 | 2,537 | 10,919 | 13,320 | 8,753 |
| Mutual Fund Sales | 5,782 | 5,082 | 5,018 | 4,695 | 4,639 | 4,975 | 4,089 | 5,130 | 5,900 | 19,327 | 21,335 | 19,266 |
| Managed Fund Sales | 8,160 | 6,664 | 4,521 | 5,484 | 5,376 | 5,563 | 4,912 | 5,949 | 8,649 | 20,944 | 27,613 | 26,116 |
| ASO Premium & Deposit Equivalents | 1,144 | 1,072 | 1,043 | 1,255 | 1,745 | 983 | 1,197 | 893 | 898 | 5,026 | 3,913 | 3,200 |
| Total Company | 22,120 | 19,493 | 16,460 | 17,715 | 18,122 | 17,506 | 16,576 | 19,619 | 21,188 | 69,803 | 79,305 | 71,944 |
| Sales | | | | | | | | | | | | |
| Life & Health ⁽³⁾ | 466 | 574 | 805 | 475 | 480 | 453 | 646 | 574 | 364 | 2,213 | 2,027 | 1,741 |
| Wealth - MFS | 13,163 | 9,979 | 8,913 | 9,750 | 9,486 | 9,896 | 8,552 | 10,452 | 13,908 | 38,045 | 46,194 | 41,937 |
| Wealth - Non MFS | 3,721 | 3,713 | 2,372 | 3,477 | 3,491 | 2,912 | 3,543 | 2,762 | 2,806 | 12,252 | 12,261 | 9,561 |
| Value of New Business - Last Twelve Months ⁽²⁾ | 501 | | | | 749 | | | | | | | |

⁽¹⁾ Amount for Q1 2009 excludes a \$27 million after tax charge for restructuring costs. Amount for quarter ended and full year December 31, 2008 excludes \$825 million after tax gain on disposal of the company's 37% interest in CI Financial.

Amount for the 2007 excludes the Clarica rebranding costs (\$3 million in Q4 2007, \$5 million in Q3 2007, and \$2 million in Q2 2007), integration costs with respect to the purchase of Genworth's EBG business (\$2 million in Q4 2007,

\$1 million in Q3 2007, and \$1 million in Q2 2007), \$43 million intangible asset write-down for the retirement of the Clarica brand in Q1 2007, and a \$18 million charge with respect to the redemption of the Partnership Capital Securities (PCS) in Q1 2007.

⁽²⁾ All amounts are based on 2008 annual average exchange rates and exclude the impact of CI Financial.

⁽³⁾ Includes 100% of sales in Company's China and India joint ventures.

| FINANCIAL HIGHLIGHTS (Con't) | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|----------------|----------------|
| | 2009 | | 2008 | | | 2007 | | | | 2008 | 2007 | 2006 |
| Valuation Data | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| Book Value Per Common Share | 28.79 | 27.60 | 28.24 | 26.84 | 28.56 | 28.31 | 27.70 | 27.25 | 27.78 | 28.24 | 27.70 | 27.71 |
| Market-to-Book Value (times) | 1.1 | 0.8 | 1.0 | 1.4 | 1.5 | 1.7 | 2.0 | 1.9 | 1.8 | 1.0 | 2.0 | 1.8 |
| Total Market Capitalization (\$ billion) | 17.6 | 12.8 | 15.9 | 20.8 | 23.5 | 27.0 | 31.4 | 29.6 | 28.8 | 15.9 | 31.4 | 28.2 |
| Financial Strength | | | | | | | | | | | | |
| MCCSR Ratio ⁽¹⁾ | 231% | 223% | 232% | 202% | 209% | 209% | 213% | 212% | 217% | 232% | 213% | 222% |
| RBC Ratio ⁽²⁾ | | | 357% | | | | 358% | | | 357% | 358% | 339% |
| Total Debt to Total Capital Ratio | 26.8% | 26.9% | 24.7% | 25.6% | 24.4% | 23.2% | 22.0% | 22.3% | 22.0% | 24.7% | 22.0% | 22.2% |
| Common Share Information (TSX) | | | | | | | | | | | | |
| High | 33.70 | 29.99 | 39.00 | 44.99 | 50.89 | 55.99 | 56.50 | 52.99 | 54.14 | 55.99 | 56.50 | 51.75 |
| Low | 22.01 | 14.97 | 19.38 | 35.23 | 41.46 | 43.23 | 50.85 | 47.68 | 47.80 | 19.38 | 47.45 | 41.79 |
| Close | 31.40 | 22.84 | 28.44 | 37.20 | 41.95 | 47.99 | 55.71 | 52.20 | 50.76 | 28.44 | 55.71 | 49.32 |
| Number of Common Shares Outstanding (in millions) | | | | | | | | | | | | |
| At Beginning of Period | 559.7 | 559.7 | 559.7 | 559.9 | 561.9 | 564.1 | 566.4 | 568.1 | 571.4 | 564.1 | 571.8 | 582.0 |
| Common Shares Issued | 1.0 | - | - | 0.1 | 0.1 | 0.2 | 0.2 | 0.5 | 0.2 | 0.4 | 2.1 | 2.2 |
| Common Shares Purchased and Cancelled | - | - | - | (0.3) | (2.1) | (2.4) | (2.5) | (2.2) | (3.5) | (4.8) | (9.8) | (12.4) |
| At End of Period | 560.7 | 559.7 | 559.7 | 559.7 | 559.9 | 561.9 | 564.1 | 566.4 | 568.1 | 559.7 | 564.1 | 571.8 |
| Weighted average shares outstanding - Basic | 559.8 | 559.7 | 559.7 | 559.7 | 561.6 | 563.8 | 566.2 | 567.8 | 570.1 | 561.2 | 569.0 | 576.8 |
| Weighted average shares outstanding - Fully Diluted | 560.6 | 559.7 | 559.7 | 559.7 | 563.4 | 565.8 | 568.7 | 570.3 | 572.6 | 562.4 | 571.6 | 579.8 |
| Dividend Per Common Share | 0.360 | 0.360 | 0.360 | 0.360 | 0.360 | 0.360 | 0.340 | 0.340 | 0.320 | 1.440 | 1.320 | 1.150 |
| Dividend Payout Ratio | 34% | nm | nm | nm | 39% | 38% | 34% | 33% | 31% | nm | 33% | 32% |
| Value of Common Shares Purchased and Cancelled | - | - | - | 12 | 95 | 110 | 129 | 113 | 179 | 217 | 502 | 575 |
| Assets Under Management | | | | | | | | | | | | |
| General Funds | 120,647 | 121,337 | 119,833 | 113,211 | 113,575 | 115,249 | 114,291 | 113,274 | 116,051 | 119,833 | 114,291 | 117,831 |
| Segregated Funds | 70,772 | 65,448 | 65,762 | 69,042 | 73,245 | 72,071 | 73,205 | 72,723 | 72,764 | 65,762 | 73,205 | 70,789 |
| MFS & Other Assets Under Management | 206,048 | 188,243 | 195,497 | 206,426 | 226,376 | 227,930 | 237,768 | 240,664 | 251,289 | 195,497 | 237,768 | 252,812 |
| Total Assets Under Management | 397,467 | 375,028 | 381,092 | 388,679 | 413,196 | 415,250 | 425,264 | 426,661 | 440,104 | 381,092 | 425,264 | 441,432 |
| Other Assets Under Management | | | | | | | | | | | | |
| Mutual Funds | 88,824 | 81,682 | 83,602 | 87,722 | 96,046 | 97,491 | 101,858 | 103,047 | 108,041 | 83,602 | 101,858 | 110,186 |
| Managed Funds & Other | 133,270 | 120,295 | 125,035 | 132,756 | 145,630 | 146,211 | 152,513 | 154,646 | 161,125 | 125,035 | 152,513 | 161,197 |
| Consolidation Adjustments | (16,046) | (13,734) | (13,140) | (14,052) | (15,300) | (15,772) | (16,603) | (17,029) | (17,877) | (13,140) | (16,603) | (18,571) |
| Total | 206,048 | 188,243 | 195,497 | 206,426 | 226,376 | 227,930 | 237,768 | 240,664 | 251,289 | 195,497 | 237,768 | 252,812 |

⁽¹⁾ Represents the minimum continuing capital and surplus requirements ratio for Sun Life Financial's principal operating subsidiary, Sun Life Assurance Company of Canada.

⁽²⁾ RBC ratio is calculated on an annual basis for U.S. regulatory purposes and is for Sun Life Assurance Company of Canada (U.S.).

SUN LIFE FINANCIAL (C\$ millions)

| STATEMENT OF OPERATIONS | For the Quarter Ended | | | | | | | | | For the Year Ended | | |
|--|-----------------------|--------------|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|---------------|---------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 4,192 | 4,019 | 3,485 | 3,611 | 3,306 | 3,185 | 3,149 | 3,458 | 3,204 | 13,587 | 13,124 | 14,609 |
| Net Investment Income | 3,900 | 407 | 591 | (1,744) | 390 | (4) | 1,496 | 1,443 | 472 | (767) | 4,852 | 6,664 |
| Fee Income | 628 | 602 | 630 | 693 | 715 | 705 | 760 | 798 | 824 | 2,743 | 3,212 | 3,014 |
| Total Revenue | 8,720 | 5,028 | 4,706 | 2,560 | 4,411 | 3,886 | 5,405 | 5,699 | 4,500 | 15,563 | 21,188 | 24,287 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 6,522 | 4,339 | 3,589 | 1,834 | 2,604 | 1,858 | 3,315 | 3,521 | 2,334 | 9,885 | 12,681 | 16,255 |
| Commissions and Other Expenses | 1,355 | 1,326 | 1,374 | 1,237 | 1,253 | 1,277 | 1,397 | 1,422 | 1,393 | 5,141 | 5,660 | 5,472 |
| Total Policy Benefits and Expenses | 7,877 | 5,665 | 4,963 | 3,071 | 3,857 | 3,135 | 4,712 | 4,943 | 3,727 | 15,026 | 18,341 | 21,727 |
| Income before Income Taxes and Non-controlling Interests | 843 | (637) | (257) | (511) | 554 | 751 | 693 | 756 | 773 | 537 | 2,847 | 2,560 |
| Income tax expense (benefit) | 228 | (445) | (406) | (138) | 11 | 190 | 116 | 149 | 155 | (343) | 522 | 389 |
| Non-controlling interests | 3 | 3 | 3 | 6 | 5 | 9 | 9 | 10 | 8 | 23 | 35 | 27 |
| Participating Policyholders' Net Income (Loss) | 4 | - | - | (1) | 2 | 1 | (4) | 2 | 2 | 2 | 2 | 7 |
| Preferred shareholder dividends | 17 | 18 | 17 | 18 | 17 | 18 | 17 | 18 | 18 | 70 | 69 | 48 |
| Common Shareholders' Net Income (Loss) | 591 | (213) | 129 | (396) | 519 | 533 | 555 | 577 | 590 | 785 | 2,219 | 2,089 |
| Less: Special Items ⁽¹⁾ | - | (27) | 825 | - | - | - | (5) | (6) | (3) | 825 | (75) | (2) |
| Common Shareholders' Operating Income (Loss) | 591 | (186) | (696) | (396) | 519 | 533 | 560 | 583 | 593 | (40) | 2,294 | 2,091 |
| Effective Tax Rate - Total | nm | nm | nm | (26.7%) | 1.8% | 25.3% | 17.3% | 19.6% | 20.2% | nm | 18.6% | 15.2% |
| SOURCES OF EARNINGS | | | | | | | | | | | | |
| Expected Profit on In-Force Business | 536 | 426 | 403 | 470 | 488 | 467 | 475 | 479 | 461 | 1,828 | 1,863 | 1,657 |
| Impact of New Business | (76) | (99) | (85) | (87) | (70) | (79) | (8) | (51) | (47) | (321) | (258) | (313) |
| Experience Gains (Losses) | 673 | (904) | (1,283) | (793) | (159) | (36) | (36) | 95 | 129 | (2,271) | 233 | 311 |
| Management Actions and Changes in Assumptions ⁽²⁾ | (362) | (88) | (399) | (177) | 114 | 174 | 111 | 14 | 9 | (288) | 215 | 189 |
| Earnings (Loss) on Operations (Pre-tax) | 771 | (665) | (1,364) | (587) | 373 | 526 | 542 | 537 | 552 | (1,052) | 2,053 | 1,844 |
| Earnings on Surplus | 72 | 28 | 68 | 29 | 138 | 167 | 142 | 167 | 170 | 402 | 630 | 626 |
| Earnings (Loss) Before Income Taxes | 843 | (637) | (1,296) | (558) | 511 | 693 | 684 | 704 | 722 | (650) | 2,683 | 2,470 |
| Income Taxes | (228) | 445 | 603 | 154 | 6 | (175) | (151) | (131) | (139) | 588 | (504) | (426) |
| Earnings (Loss) Before Non-Controlling Interests and Participating Policyholders' Net Income | 615 | (192) | (693) | (404) | 517 | 518 | 533 | 573 | 583 | (62) | 2,179 | 2,044 |
| Less: Non-Controlling Interest, Participating Policyholders' Net Income (Loss) and Preferred Share Dividends | 24 | 21 | 20 | 23 | 24 | 28 | 22 | 30 | 28 | 95 | 106 | 82 |
| CI related income | - | - | 842 | 31 | 26 | 43 | 44 | 34 | 35 | 942 | 146 | 127 |
| Common Shareholders' Net Income (Loss) | 591 | (213) | 129 | (396) | 519 | 533 | 555 | 577 | 590 | 785 | 2,219 | 2,089 |
| EXCHANGE RATES | | | | | | | | | | | | |
| Average for the Period | | | | | | | | | | | | |
| U.S. Dollar | 1.168 | 1.243 | 1.210 | 1.040 | 1.010 | 1.004 | 0.980 | 1.046 | 1.099 | 1.066 | 1.074 | 1.134 |
| U.K. Pound | 1.806 | 1.787 | 1.898 | 1.967 | 1.992 | 1.986 | 2.003 | 2.114 | 2.182 | 1.961 | 2.150 | 2.086 |

⁽¹⁾ Please see page 1 for list of special items.

⁽²⁾ Includes Par adjustment of \$45 million in Q4 2007 and \$58 million in 2006 due to Canadian Tax changes.

CONSOLIDATED BALANCE SHEET (C\$ millions)

| | At the Quarter Ended | | | | | | | | | At the Year Ended | | |
|--|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------|----------------|----------------|
| | 2009 | | 2008 | | | 2007 | | | | 2008 | 2007 | 2006 |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| Assets | | | | | | | | | | | | |
| Bonds - held-for-trading ⁽¹⁾ | 49,876 | 48,963 | 48,458 | 47,116 | 48,689 | 50,348 | 50,608 | 51,016 | 53,093 | 48,458 | 50,608 | - |
| Bonds - available-for-sale | 10,512 | 10,205 | 10,616 | 9,523 | 9,905 | 9,949 | 9,148 | 8,308 | 9,002 | 10,616 | 9,148 | 69,230 |
| Mortgages and Corporate Loans | 21,177 | 22,311 | 22,302 | 21,366 | 21,106 | 21,181 | 20,742 | 20,212 | 20,710 | 22,302 | 20,742 | 15,993 |
| Stocks - held-for-trading ⁽¹⁾ | 3,771 | 3,256 | 3,440 | 3,876 | 4,518 | 4,262 | 4,438 | 4,533 | 4,609 | 3,440 | 4,438 | - |
| Stocks - available-for-sale | 841 | 913 | 1,018 | 629 | 719 | 729 | 788 | 765 | 787 | 1,018 | 788 | 4,899 |
| Real Estate | 4,941 | 5,027 | 4,908 | 4,638 | 4,490 | 4,412 | 4,303 | 4,009 | 3,959 | 4,908 | 4,303 | 3,825 |
| Cash, cash equivalents and short-terms | 11,200 | 10,427 | 8,879 | 6,614 | 5,382 | 5,273 | 5,500 | 4,905 | 4,578 | 8,879 | 5,500 | 6,239 |
| Derivative assets | 1,306 | 2,077 | 2,669 | 1,468 | 1,715 | 1,825 | 1,947 | 2,083 | 1,779 | 2,669 | 1,947 | - |
| Policy loans and other invested assets | 3,594 | 3,686 | 3,585 | 4,505 | 4,418 | 4,421 | 4,349 | 4,298 | 4,455 | 3,585 | 4,349 | 6,013 |
| Other invested assets - held-for-trading | 380 | 400 | 380 | 351 | 464 | 451 | 440 | 381 | 389 | 380 | 440 | - |
| Other invested assets - available-for-sale | 524 | 538 | 623 | 660 | 738 | 711 | 757 | 744 | 796 | 623 | 757 | - |
| Invested Assets | 108,122 | 107,803 | 106,878 | 100,746 | 102,144 | 103,562 | 103,020 | 101,254 | 104,157 | 106,878 | 103,020 | 106,199 |
| Goodwill | 6,496 | 6,724 | 6,598 | 6,235 | 6,121 | 6,098 | 6,018 | 6,084 | 6,250 | 6,598 | 6,018 | 5,981 |
| Intangible Assets | 968 | 1,001 | 878 | 827 | 812 | 797 | 775 | 712 | 743 | 878 | 775 | 777 |
| Other Assets | 5,061 | 5,809 | 5,479 | 5,403 | 4,498 | 4,792 | 4,478 | 5,224 | 4,901 | 5,479 | 4,478 | 4,874 |
| Total General Fund Assets | 120,647 | 121,337 | 119,833 | 113,211 | 113,575 | 115,249 | 114,291 | 113,274 | 116,051 | 119,833 | 114,291 | 117,831 |
| Segregated Fund Assets | 70,772 | 65,448 | 65,762 | 69,042 | 73,245 | 72,071 | 73,205 | 72,723 | 72,764 | 65,762 | 73,205 | 70,789 |
| Liabilities and Equity | | | | | | | | | | | | |
| Actuarial and other policy liabilities | 83,601 | 83,376 | 81,411 | 77,556 | 78,208 | 79,428 | 79,830 | 80,102 | 83,006 | 81,411 | 79,830 | 81,036 |
| Amounts on deposit | 4,114 | 4,111 | 4,079 | 3,758 | 3,702 | 3,749 | 3,747 | 3,604 | 3,686 | 4,079 | 3,747 | 3,599 |
| Deferred net realized gains | 253 | 248 | 251 | 258 | 272 | 272 | 276 | 264 | 275 | 251 | 276 | 4,152 |
| Senior debentures | 3,312 | 3,013 | 3,013 | 3,013 | 3,014 | 3,014 | 3,014 | 3,014 | 3,046 | 3,013 | 3,014 | 3,491 |
| Derivative liabilities | 1,898 | 3,253 | 3,219 | 964 | 739 | 1,141 | 638 | 409 | 287 | 3,219 | 638 | - |
| Other liabilities ⁽²⁾ | 6,382 | 7,178 | 7,831 | 8,448 | 7,471 | 7,899 | 7,675 | 6,949 | 6,465 | 7,831 | 7,675 | 6,834 |
| Total general fund liabilities | 99,560 | 101,179 | 99,804 | 93,997 | 93,406 | 95,503 | 95,180 | 94,342 | 96,765 | 99,804 | 95,180 | 99,112 |
| Subordinated debt ⁽³⁾ | 3,064 | 3,079 | 2,576 | 2,553 | 2,546 | 2,199 | 1,796 | 1,823 | 1,836 | 2,576 | 1,796 | 1,456 |
| Non-controlling interest in subsidiaries | 33 | 27 | 44 | 42 | 41 | 46 | 98 | 81 | 77 | 44 | 98 | 79 |
| Total equity | 17,990 | 17,052 | 17,409 | 16,619 | 17,582 | 17,501 | 17,217 | 17,028 | 17,373 | 17,409 | 17,217 | 17,184 |
| Total general fund liabilities and equity | 120,647 | 121,337 | 119,833 | 113,211 | 113,575 | 115,249 | 114,291 | 113,274 | 116,051 | 119,833 | 114,291 | 117,831 |
| EXCHANGE RATES | | | | | | | | | | | | |
| Period End Rates | | | | | | | | | | | | |
| U.S. Dollar | 1.163 | 1.261 | 1.217 | 1.063 | 1.021 | 1.026 | 0.996 | 0.991 | 1.065 | 1.217 | 0.996 | 1.165 |
| U.K. Pound | 1.914 | 1.806 | 1.779 | 1.896 | 2.034 | 2.034 | 1.978 | 2.029 | 2.140 | 1.779 | 1.978 | 2.282 |

⁽¹⁾ Prior to 2007, there was no distinction of assets between Held for Trading and Available for Sale. 2006 data has not been restated to conform with CICA section 3855, Financial Instruments - Recognition and Measurement.

⁽²⁾ Includes liabilities for PCS and SLEECs, which are qualified as capital for Canadian regulatory purposes. The PCS were deemed in May, 2007.

⁽³⁾ These securities are qualified as capital for Canadian regulatory purposes.

CHANGES IN COMMON SHAREHOLDERS' EQUITY (C\$ millions)

| | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|--|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|---------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| Balance at Beginning of Period | 15,450 | 15,808 | 15,024 | 15,988 | 15,909 | 15,627 | 15,434 | 15,779 | 16,486 | 15,627 | 15,842 | 14,749 |
| Common Shareholders' Net Income (Loss) | 591 | (213) | 129 | (396) | 519 | 533 | 555 | 577 | 590 | 785 | 2,219 | 2,089 |
| Adjustment to Equity with respect to Investment Accounting Changes | - | - | - | - | - | - | - | - | - | - | 545 | - |
| Dividends - Common Shares | (202) | (201) | (202) | (202) | (202) | (203) | (193) | (193) | (183) | (809) | (752) | (663) |
| Common Share Issued, Net of Expenses | 29 | - | - | 3 | 3 | 2 | 6 | 12 | 6 | 8 | 55 | 61 |
| Common Share Buyback | - | - | - | (8) | (99) | (110) | (129) | (113) | (152) | (217) | (502) | (575) |
| Stock Based Compensation | (2) | 2 | 10 | 9 | 1 | 38 | 1 | (9) | 4 | 58 | 1 | 18 |
| Effect of Changes in Exchange Rates | - | - | - | - | - | - | - | - | - | - | - | 163 |
| Other Comprehensive Income | | | | | | | | | | | | |
| Effect of Exchange Rates | (806) | 354 | 1,227 | 289 | (19) | 266 | (15) | (651) | (722) | 1,763 | (1,491) | - |
| Other OCI Movements | 1,082 | (300) | (380) | (659) | (124) | (244) | (32) | 32 | (250) | (1,407) | (290) | - |
| Balance at End of Period | <u>16,142</u> | <u>15,450</u> | <u>15,808</u> | <u>15,024</u> | <u>15,988</u> | <u>15,909</u> | <u>15,627</u> | <u>15,434</u> | <u>15,779</u> | <u>15,808</u> | <u>15,627</u> | <u>15,842</u> |

CAPITAL (C\$ millions)

| | | | | | | | | | | | | |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Subordinated Debt | 3,064 | 3,079 | 2,576 | 2,553 | 2,546 | 2,199 | 1,796 | 1,823 | 1,836 | 2,576 | 1,796 | 1,456 |
| SLEECs and PCS | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,849 |
| Total Equity | | | | | | | | | | | | |
| Participating Policyholders' Account | 107 | 107 | 106 | 100 | 99 | 97 | 95 | 99 | 99 | 106 | 95 | 92 |
| Preferred Shareholders' Equity | 1,741 | 1,495 | 1,495 | 1,495 | 1,495 | 1,495 | 1,495 | 1,495 | 1,495 | 1,495 | 1,495 | 1,250 |
| Common Shareholders' Equity | 16,142 | 15,450 | 15,808 | 15,024 | 15,988 | 15,909 | 15,627 | 15,434 | 15,779 | 15,808 | 15,627 | 15,842 |
| Total Capital | <u>22,204</u> | <u>21,281</u> | <u>21,135</u> | <u>20,322</u> | <u>21,278</u> | <u>20,850</u> | <u>20,163</u> | <u>20,001</u> | <u>20,359</u> | <u>21,135</u> | <u>20,163</u> | <u>20,489</u> |

SLF CANADA (C\$ millions)

| STATEMENT OF OPERATIONS | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------------------------|----------------|----------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 1,841 | 1,743 | 1,545 | 1,589 | 1,608 | 1,531 | 1,500 | 1,538 | 1,448 | 6,273 | 6,004 | 5,721 |
| Net Investment Income | 1,479 | 360 | 347 | (480) | 488 | 611 | 934 | 792 | 181 | 966 | 2,586 | 2,993 |
| Fee Income | 162 | 146 | 160 | 170 | 180 | 178 | 176 | 170 | 172 | 688 | 695 | 619 |
| Total Revenue | 3,482 | 2,249 | 2,052 | 1,279 | 2,276 | 2,320 | 2,610 | 2,500 | 1,801 | 7,927 | 9,285 | 9,333 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 2,748 | 1,748 | 1,536 | 489 | 1,481 | 1,480 | 1,869 | 1,707 | 989 | 4,986 | 6,149 | 6,277 |
| Commissions and Other Expenses | 444 | 427 | 474 | 448 | 462 | 462 | 485 | 461 | 474 | 1,846 | 1,868 | 1,774 |
| Total Policy Benefits and Expenses | 3,192 | 2,175 | 2,010 | 937 | 1,943 | 1,942 | 2,354 | 2,168 | 1,463 | 6,832 | 8,017 | 8,051 |
| Income before Income Taxes and Non-controlling Interests | 290 | 74 | 42 | 342 | 333 | 378 | 256 | 332 | 338 | 1,095 | 1,268 | 1,282 |
| Income tax expense (benefit) | 69 | (122) | 95 | 182 | 31 | 127 | (5) | 68 | 52 | 435 | 200 | 262 |
| Non-controlling interests | 3 | 2 | 2 | 3 | 4 | 4 | 5 | 5 | 4 | 13 | 19 | 19 |
| Participating Policyholders' Net Income | 1 | - | - | - | 2 | - | (7) | 2 | 2 | 2 | (1) | 6 |
| Preferred shareholder dividends | - | - | - | - | - | - | - | - | - | - | - | - |
| Common Shareholders' Net Income (Loss) | 217 | 194 | (55) | 157 | 296 | 247 | 263 | 257 | 280 | 645 | 1,050 | 995 |
| Less: Special Items ⁽¹⁾ | - | - | - | - | - | - | (3) | (5) | (2) | - | (10) | - |
| Common Shareholders' Operating Income (Loss) | 217 | 194 | (55) | 157 | 296 | 247 | 266 | 262 | 282 | 645 | 1,060 | 995 |
| PREMIUMS & DEPOSITS | | | | | | | | | | | | |
| Premiums | 1,841 | 1,743 | 1,545 | 1,589 | 1,608 | 1,531 | 1,500 | 1,538 | 1,448 | 6,273 | 6,004 | 5,721 |
| Segregated Fund Deposits | 1,965 | 1,902 | 1,716 | 1,941 | 1,724 | 1,863 | 2,084 | 1,436 | 1,440 | 7,244 | 6,758 | 5,122 |
| Managed Fund Sales | 623 | 1,538 | 450 | 274 | 387 | 487 | 268 | 423 | 411 | 1,598 | 1,873 | 2,724 |
| ASO Premium & Deposit Equivalents | 1,144 | 1,072 | 1,043 | 1,255 | 1,745 | 983 | 1,197 | 893 | 898 | 5,026 | 3,913 | 3,200 |
| Total | 5,573 | 6,255 | 4,754 | 5,059 | 5,464 | 4,864 | 5,049 | 4,290 | 4,197 | 20,141 | 18,548 | 16,767 |
| SALES | | | | | | | | | | | | |
| Individual Insurance ⁽²⁾ | 42 | 30 | 47 | 38 | 44 | 31 | 49 | 38 | 44 | 160 | 163 | 150 |
| Individual Wealth | 973 | 1,218 | 1,041 | 975 | 1,075 | 1,110 | 895 | 889 | 928 | 4,201 | 3,874 | 3,281 |
| Group Benefits | 69 | 144 | 87 | 55 | 41 | 73 | 53 | 64 | 78 | 256 | 275 | 367 |
| Group Retirement Services | 983 | 1,059 | 416 | 1,214 | 1,476 | 802 | 1,571 | 532 | 475 | 3,908 | 3,324 | 2,070 |
| ASSETS UNDER MANAGEMENT | | | | | | | | | | | | |
| General Funds | 53,998 | 53,959 | 53,935 | 54,920 | 55,635 | 56,284 | 55,497 | 55,120 | 54,527 | 53,935 | 55,497 | 52,702 |
| Segregated Funds | 36,549 | 32,338 | 32,333 | 35,123 | 37,767 | 36,480 | 36,686 | 36,224 | 36,077 | 32,333 | 36,686 | 33,806 |
| Other AUM | 27,378 | 25,998 | 26,058 | 29,847 | 34,547 | 34,346 | 35,678 | 36,542 | 37,336 | 26,058 | 35,678 | 37,595 |
| Total | 117,925 | 112,295 | 112,326 | 119,890 | 127,949 | 127,110 | 127,861 | 127,886 | 127,940 | 112,326 | 127,861 | 124,103 |

⁽¹⁾ The amounts for Q4 2007, Q3 2007 and Q2 2007 reflect Clarica rebranding costs.

⁽²⁾ Individual insurance sales have been determined based on guidelines provided by LIMRA International effective Q2 2009, and include 100% of recurring premiums and 10% of excess premiums. Prior period amounts have been restated in accordance with the new definition.

SLF CANADA - INDIVIDUAL INSURANCE & INVESTMENTS

(C\$ millions)

STATEMENT OF OPERATIONS

| | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|---------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 729 | 765 | 638 | 619 | 594 | 580 | 648 | 612 | 601 | 2,431 | 2,480 | 2,428 |
| Net Investment Income | 950 | 153 | 225 | (493) | 418 | 358 | 659 | 553 | 184 | 508 | 1,882 | 2,085 |
| Fee Income | 41 | 31 | 48 | 45 | 52 | 49 | 48 | 45 | 48 | 194 | 192 | 162 |
| Total Revenue | 1,720 | 949 | 911 | 171 | 1,064 | 987 | 1,355 | 1,210 | 833 | 3,133 | 4,554 | 4,675 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 1,310 | 830 | 729 | (205) | 649 | 502 | 988 | 781 | 392 | 1,675 | 2,892 | 3,065 |
| Commissions and Other Expenses | 232 | 223 | 262 | 239 | 245 | 242 | 264 | 250 | 252 | 988 | 1,006 | 944 |
| Total Policy Benefits and Expenses | 1,542 | 1,053 | 991 | 34 | 894 | 744 | 1,252 | 1,031 | 644 | 2,663 | 3,898 | 4,009 |
| Income before Income Taxes and Non-controlling Interests | 178 | (104) | (80) | 137 | 170 | 243 | 103 | 179 | 189 | 470 | 656 | 666 |
| Income tax expense (benefit) | 41 | (181) | 50 | 109 | (9) | 94 | (37) | 25 | 10 | 245 | 35 | 75 |
| Non-controlling interests | - | - | - | - | - | - | - | - | - | (1) | - | - |
| Participating Policyholders' Net Income | 1 | - | - | - | 2 | - | (7) | 2 | 2 | 2 | (1) | 6 |
| Common Shareholders' Net Income (Loss) | 136 | 77 | (130) | 28 | 177 | 149 | 147 | 152 | 177 | 224 | 622 | 585 |
| Less: Special Items ⁽¹⁾ | - | - | - | - | - | - | (3) | (5) | (2) | - | (10) | - |
| Common Shareholders' Operating Income (Loss) | 136 | 77 | (130) | 28 | 177 | 149 | 150 | 157 | 179 | 224 | 632 | 585 |
| PREMIUMS & DEPOSITS | | | | | | | | | | | | |
| Premiums | 729 | 765 | 638 | 619 | 594 | 580 | 648 | 612 | 601 | 2,431 | 2,480 | 2,428 |
| Segregated Fund Deposits | 541 | 684 | 671 | 599 | 657 | 587 | 427 | 446 | 425 | 2,514 | 1,752 | 1,326 |
| Total | 1,270 | 1,449 | 1,309 | 1,218 | 1,251 | 1,167 | 1,075 | 1,058 | 1,026 | 4,945 | 4,232 | 3,754 |
| SALES | | | | | | | | | | | | |
| Individual Insurance - SLF Advisors | 35 | 25 | 40 | 32 | 37 | 24 | 41 | 29 | 37 | 133 | 133 | 128 |
| Individual Insurance - Wholesale ⁽²⁾ | 7 | 5 | 7 | 6 | 7 | 7 | 8 | 9 | 7 | 27 | 30 | 22 |
| Total Insurance Sales | 42 | 30 | 47 | 38 | 44 | 31 | 49 | 38 | 44 | 160 | 163 | 150 |
| Individual Wealth - Segregated Funds & Other | 788 | 989 | 832 | 739 | 770 | 721 | 591 | 601 | 566 | 3,062 | 2,440 | 2,028 |
| Individual Wealth - Mutual Funds | 185 | 229 | 209 | 236 | 305 | 389 | 304 | 288 | 362 | 1,139 | 1,434 | 1,253 |
| Total Wealth Sales | 973 | 1,218 | 1,041 | 975 | 1,075 | 1,110 | 895 | 889 | 928 | 4,201 | 3,874 | 3,281 |
| ASSETS UNDER MANAGEMENT | | | | | | | | | | | | |
| General Funds | 35,965 | 35,960 | 35,967 | 37,026 | 37,670 | 38,112 | 37,658 | 37,514 | 37,153 | 35,967 | 37,658 | 35,566 |
| Segregated Funds | 9,533 | 8,260 | 7,944 | 8,544 | 9,072 | 8,468 | 8,355 | 8,311 | 8,185 | 7,944 | 8,355 | 7,514 |
| Other AUM | 115 | 129 | 136 | 155 | 159 | 170 | 187 | 195 | 229 | 136 | 187 | 250 |
| Total | 45,613 | 44,349 | 44,047 | 45,725 | 46,901 | 46,750 | 46,200 | 46,020 | 45,567 | 44,047 | 46,200 | 43,330 |

⁽¹⁾ Please see page 6 for list of special items.

⁽²⁾ Individual insurance sales have been determined based on guidelines provided by LIMRA International effective Q2 2009, and include 100% of recurring premiums and 10% of excess premiums. Prior period amounts have been restated in accordance with the new definition.

SLF CANADA - GROUP BENEFITS (C\$ millions)

| | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|--|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------------------|--------------|--------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| STATEMENT OF OPERATIONS | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 795 | 805 | 801 | 795 | 781 | 773 | 743 | 754 | 734 | 3,150 | 2,963 | 2,826 |
| Net Investment Income | 270 | 133 | 105 | 28 | 33 | 162 | 173 | 140 | - | 327 | 419 | 515 |
| Fee Income | 43 | 42 | 40 | 37 | 39 | 38 | 36 | 35 | 35 | 155 | 143 | 131 |
| Total Revenue | 1,108 | 980 | 946 | 860 | 853 | 973 | 952 | 929 | 769 | 3,632 | 3,525 | 3,472 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 868 | 752 | 683 | 600 | 592 | 757 | 691 | 698 | 510 | 2,632 | 2,559 | 2,546 |
| Commissions and Other Expenses | 152 | 142 | 151 | 146 | 150 | 153 | 153 | 149 | 155 | 600 | 602 | 577 |
| Total Policy Benefits and Expenses | 1,020 | 894 | 834 | 746 | 742 | 910 | 844 | 847 | 665 | 3,232 | 3,161 | 3,123 |
| Income before Income Taxes and Non-controlling Interests | 88 | 86 | 112 | 114 | 111 | 63 | 108 | 82 | 104 | 400 | 364 | 349 |
| Income tax expense (benefit) | 35 | 21 | 38 | 33 | 31 | 14 | 32 | 23 | 35 | 116 | 109 | 102 |
| Common Shareholders' Net Income (Loss) | 53 | 65 | 74 | 81 | 80 | 49 | 76 | 59 | 69 | 284 | 255 | 247 |
| Less: Special Items | - | - | - | - | - | - | - | - | - | - | - | - |
| Common Shareholders' Operating Income (Loss) | 53 | 65 | 74 | 81 | 80 | 49 | 76 | 59 | 69 | 284 | 255 | 247 |
| PREMIUMS & DEPOSITS | | | | | | | | | | | | |
| Premiums | 795 | 805 | 801 | 795 | 781 | 773 | 743 | 754 | 734 | 3,150 | 2,963 | 2,826 |
| ASO Premium Equivalents | 879 | 856 | 822 | 807 | 796 | 787 | 778 | 760 | 743 | 3,212 | 3,000 | 2,718 |
| Total | 1,674 | 1,661 | 1,623 | 1,602 | 1,577 | 1,560 | 1,521 | 1,514 | 1,477 | 6,362 | 5,963 | 5,544 |
| SALES | 69 | 144 | 87 | 55 | 41 | 73 | 53 | 64 | 78 | 256 | 275 | 367 |
| ASSETS UNDER MANAGEMENT | | | | | | | | | | | | |
| General Funds | 10,301 | 10,372 | 10,273 | 10,301 | 10,381 | 10,481 | 10,414 | 10,217 | 10,140 | 10,273 | 10,414 | 9,944 |
| SUPPLEMENTAL INFORMATION | | | | | | | | | | | | |
| Business In-Force | 6,809 | 6,705 | 6,520 | 6,451 | 6,390 | 6,291 | 6,145 | 6,040 | 5,996 | 6,520 | 6,145 | 5,735 |

SLF CANADA - GROUP WEALTH (C\$ millions)

| | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|---------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| STATEMENT OF OPERATIONS | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 317 | 173 | 106 | 175 | 233 | 178 | 109 | 172 | 113 | 692 | 561 | 467 |
| Net Investment Income | 259 | 74 | 17 | (15) | 37 | 91 | 102 | 99 | (3) | 131 | 285 | 393 |
| Fee Income | 78 | 73 | 72 | 88 | 89 | 91 | 92 | 90 | 89 | 339 | 360 | 326 |
| Total Revenue | 654 | 320 | 195 | 248 | 359 | 360 | 303 | 361 | 199 | 1,162 | 1,206 | 1,186 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 570 | 166 | 124 | 94 | 240 | 221 | 190 | 229 | 87 | 679 | 698 | 666 |
| Commissions and Other Expenses | 60 | 62 | 61 | 63 | 67 | 67 | 68 | 61 | 67 | 258 | 260 | 253 |
| Total Policy Benefits and Expenses | 630 | 228 | 185 | 157 | 307 | 288 | 258 | 290 | 154 | 937 | 958 | 919 |
| Income before Income Taxes and Non-controlling Interests | 24 | 92 | 10 | 91 | 52 | 72 | 45 | 71 | 45 | 225 | 248 | 267 |
| Income tax expense (benefit) | (7) | 38 | 7 | 40 | 9 | 19 | - | 20 | 7 | 74 | 56 | 85 |
| Non-controlling interests | 3 | 2 | 2 | 3 | 4 | 4 | 5 | 5 | 4 | 14 | 19 | 19 |
| Common Shareholders' Net Income (Loss) | 28 | 52 | 1 | 48 | 39 | 49 | 40 | 46 | 34 | 137 | 173 | 163 |
| Less: Special Items | - | - | - | - | - | - | - | - | - | - | - | - |
| Common Shareholders' Operating Income (Loss) | 28 | 52 | 1 | 48 | 39 | 49 | 40 | 46 | 34 | 137 | 173 | 163 |
| PREMIUMS & DEPOSITS | | | | | | | | | | | | |
| Premiums | 317 | 173 | 106 | 175 | 233 | 178 | 109 | 172 | 113 | 692 | 561 | 467 |
| Segregated Fund Deposits | 1,424 | 1,218 | 1,045 | 1,343 | 1,067 | 1,276 | 1,657 | 990 | 1,015 | 4,731 | 5,006 | 3,796 |
| Managed Fund Sales | 623 | 1,538 | 450 | 274 | 387 | 487 | 268 | 423 | 411 | 1,598 | 1,873 | 2,724 |
| ASO Deposit Equivalents | 265 | 216 | 221 | 448 | 949 | 196 | 419 | 133 | 155 | 1,814 | 913 | 482 |
| Total | 2,629 | 3,145 | 1,822 | 2,240 | 2,636 | 2,137 | 2,453 | 1,718 | 1,694 | 8,835 | 8,353 | 7,469 |
| SALES | | | | | | | | | | | | |
| Group Retirement Sales | 790 | 899 | 221 | 1,040 | 1,290 | 621 | 1,378 | 340 | 300 | 3,172 | 2,599 | 1,525 |
| Group Retirement Retained Assets (Rollovers) | 193 | 160 | 195 | 174 | 186 | 181 | 193 | 192 | 175 | 736 | 725 | 545 |
| Total | 983 | 1,059 | 416 | 1,214 | 1,476 | 802 | 1,571 | 532 | 475 | 3,908 | 3,324 | 2,070 |
| ASSETS UNDER MANAGEMENT | | | | | | | | | | | | |
| General Funds | 7,732 | 7,627 | 7,695 | 7,593 | 7,584 | 7,691 | 7,425 | 7,389 | 7,234 | 7,695 | 7,425 | 7,192 |
| Segregated Fund Deposits | 27,016 | 24,078 | 24,389 | 26,579 | 28,695 | 28,012 | 28,331 | 27,913 | 27,892 | 24,389 | 28,331 | 26,292 |
| Other | 27,263 | 25,869 | 25,922 | 29,692 | 34,388 | 34,176 | 35,491 | 36,347 | 37,107 | 25,922 | 35,491 | 37,345 |
| Total Assets Under Management | 62,011 | 57,574 | 58,006 | 63,864 | 70,667 | 69,879 | 71,247 | 71,649 | 72,233 | 58,006 | 71,247 | 70,829 |
| ASSETS UNDER ADMINISTRATION | | | | | | | | | | | | |
| | 67,200 | 61,964 | 62,405 | 69,003 | 75,754 | 74,220 | 75,780 | 75,994 | 76,579 | 62,405 | 75,780 | 74,983 |

SLF U.S. (CAD\$ millions)

| | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|---------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| STATEMENT OF OPERATIONS | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 1,934 | 1,867 | 1,507 | 1,621 | 1,324 | 1,285 | 1,251 | 1,546 | 1,354 | 5,737 | 5,528 | 7,261 |
| Net Investment Income | 1,853 | 354 | (1,053) | (1,220) | 165 | (364) | 221 | 314 | 396 | (2,472) | 1,560 | 2,512 |
| Fee Income | 133 | 139 | 133 | 145 | 135 | 139 | 165 | 192 | 194 | 552 | 742 | 692 |
| Total Revenue | 3,920 | 2,360 | 587 | 546 | 1,624 | 1,060 | 1,637 | 2,052 | 1,944 | 3,817 | 7,830 | 10,465 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 2,841 | 2,565 | 1,244 | 830 | 1,148 | 475 | 901 | 1,294 | 1,254 | 3,697 | 5,057 | 8,054 |
| Commissions and Other Expenses | 513 | 482 | 479 | 446 | 416 | 443 | 481 | 558 | 501 | 1,784 | 2,047 | 1,941 |
| Total Policy Benefits and Expenses | 3,354 | 3,047 | 1,723 | 1,276 | 1,564 | 918 | 1,382 | 1,852 | 1,755 | 5,481 | 7,104 | 9,995 |
| Income before Income Taxes and Non-controlling Interests | 566 | (687) | (1,136) | (730) | 60 | 142 | 255 | 200 | 189 | (1,664) | 726 | 470 |
| Income tax expense (benefit) | 141 | (280) | (457) | (196) | (23) | 28 | 95 | 30 | 33 | (648) | 142 | 21 |
| Participating Policyholders' Net Income | 3 | - | - | (1) | - | 1 | 3 | - | - | - | 3 | 1 |
| Common Shareholders' Net Income (Loss) | 422 | (407) | (679) | (533) | 83 | 113 | 157 | 170 | 156 | (1,016) | 581 | 448 |
| Less: Special Items ⁽¹⁾ | - | - | - | - | - | - | (2) | (1) | (1) | - | (4) | - |
| Common Shareholders' Operating Income (Loss) | 422 | (407) | (679) | (533) | 83 | 113 | 159 | 171 | 157 | (1,016) | 585 | 448 |
| PREMIUMS & DEPOSITS | | | | | | | | | | | | |
| Premiums | 1,934 | 1,867 | 1,507 | 1,621 | 1,314 | 1,285 | 1,251 | 1,546 | 1,354 | 5,727 | 5,528 | 7,261 |
| Segregated Fund Deposits | 690 | 570 | 515 | 553 | 1,111 | 722 | 860 | 2,514 | 908 | 2,901 | 5,655 | 3,078 |
| Total | 2,624 | 2,437 | 2,022 | 2,174 | 2,425 | 2,007 | 2,111 | 4,060 | 2,262 | 8,628 | 11,183 | 10,339 |
| SALES | | | | | | | | | | | | |
| Individual Insurance | 70 | 41 | 93 | 103 | 102 | 34 | 48 | 228 | 60 | 332 | 476 | 449 |
| Annuities | 1,765 | 1,436 | 915 | 1,288 | 940 | 1,000 | 1,077 | 1,341 | 1,403 | 4,143 | 5,063 | 4,210 |
| Employee Benefits Group | 147 | 78 | 391 | 90 | 127 | 56 | 294 | 73 | 94 | 664 | 517 | 438 |
| ASSETS UNDER MANAGEMENT | | | | | | | | | | | | |
| General Funds | 46,414 | 47,541 | 45,746 | 40,638 | 38,854 | 39,785 | 39,633 | 38,716 | 41,387 | 45,746 | 39,633 | 44,172 |
| Segregated Funds | 27,657 | 27,382 | 27,443 | 26,864 | 27,504 | 27,348 | 27,741 | 27,657 | 27,393 | 27,443 | 27,741 | 27,522 |
| Other AUM | 1,186 | 1,328 | 1,354 | 1,280 | 1,329 | 1,366 | 1,426 | 1,462 | 1,573 | 1,354 | 1,426 | 1,825 |
| Total | 75,257 | 76,251 | 74,543 | 68,782 | 67,687 | 68,499 | 68,800 | 67,835 | 70,353 | 74,543 | 68,800 | 73,519 |

⁽¹⁾ The amounts reflect integration costs with respect to the purchase of Genworth EBG business.

SLF U.S. (US\$ millions)

| | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|---------------|
| | 2009 | | 2008 | | | | 2007 | | | 2008 | 2007 | 2006 |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| STATEMENT OF OPERATIONS | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 1,658 | 1,501 | 1,245 | 1,559 | 1,311 | 1,280 | 1,277 | 1,478 | 1,232 | 5,395 | 5,163 | 6,422 |
| Net Investment Income | 1,593 | 289 | (917) | (1,162) | 163 | (363) | 225 | 300 | 360 | (2,279) | 1,422 | 2,215 |
| Fee Income | 113 | 112 | 110 | 139 | 134 | 139 | 168 | 184 | 176 | 522 | 691 | 611 |
| Total Revenue | 3,364 | 1,902 | 438 | 536 | 1,608 | 1,056 | 1,670 | 1,962 | 1,768 | 3,638 | 7,276 | 9,248 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 2,459 | 2,069 | 996 | 798 | 1,137 | 473 | 914 | 1,237 | 1,140 | 3,404 | 4,664 | 7,120 |
| Commissions and Other Expenses | 441 | 387 | 396 | 429 | 412 | 441 | 491 | 534 | 456 | 1,678 | 1,914 | 1,713 |
| Total Policy Benefits and Expenses | 2,900 | 2,456 | 1,392 | 1,227 | 1,549 | 914 | 1,405 | 1,771 | 1,596 | 5,082 | 6,578 | 8,833 |
| Income before Income Taxes and Non-controlling Interests | 464 | (554) | (954) | (691) | 59 | 142 | 265 | 191 | 172 | (1,444) | 698 | 415 |
| Income tax expense (benefit) | 125 | (221) | (378) | (188) | (23) | 28 | 97 | 29 | 30 | (561) | 142 | 19 |
| Participating Policyholders' Net Income | 2 | - | - | (1) | - | 1 | 3 | - | - | - | 3 | 1 |
| Common Shareholders' Net Income (Loss) | 337 | (333) | (576) | (502) | 82 | 113 | 165 | 162 | 142 | (883) | 553 | 395 |
| Less: Special Items ⁽¹⁾ | - | - | - | - | - | - | (2) | (1) | (1) | - | (4) | - |
| Common Shareholders' Operating Income (Loss) | 337 | (333) | (576) | (502) | 82 | 113 | 167 | 163 | 143 | (883) | 557 | 395 |
| PREMIUMS & DEPOSITS | | | | | | | | | | | | |
| Premiums | 1,658 | 1,501 | 1,245 | 1,559 | 1,301 | 1,280 | 1,277 | 1,478 | 1,232 | 5,385 | 5,163 | 6,422 |
| Segregated Fund Deposits | 591 | 459 | 426 | 532 | 1,100 | 719 | 878 | 2,403 | 826 | 2,777 | 5,280 | 2,718 |
| Total | 2,249 | 1,960 | 1,671 | 2,091 | 2,401 | 1,999 | 2,155 | 3,881 | 2,058 | 8,162 | 10,443 | 9,140 |
| SALES | | | | | | | | | | | | |
| Individual Insurance | 60 | 33 | 76 | 101 | 99 | 34 | 49 | 218 | 54 | 310 | 440 | 397 |
| Annuities | 1,512 | 1,155 | 756 | 1,238 | 931 | 996 | 1,099 | 1,282 | 1,278 | 3,921 | 4,720 | 3,711 |
| Employee Benefits Group | 126 | 63 | 323 | 87 | 123 | 55 | 300 | 69 | 85 | 588 | 502 | 387 |
| ASSETS UNDER MANAGEMENT | | | | | | | | | | | | |
| General Funds | 39,926 | 37,759 | 37,609 | 38,229 | 38,055 | 38,790 | 39,793 | 39,068 | 38,861 | 37,609 | 39,793 | 37,916 |
| Segregated Funds | 23,791 | 21,719 | 22,550 | 25,272 | 26,938 | 26,655 | 27,853 | 27,908 | 25,721 | 22,550 | 27,853 | 23,624 |
| Other AUM | 1,018 | 1,053 | 1,113 | 1,204 | 1,302 | 1,331 | 1,432 | 1,475 | 1,477 | 1,113 | 1,432 | 1,567 |
| Total | 64,735 | 60,531 | 61,272 | 64,705 | 66,295 | 66,776 | 69,078 | 68,451 | 66,059 | 61,272 | 69,078 | 63,107 |

⁽¹⁾ The amounts reflect integration costs with respect to the purchase of Genworth EBG business.

SLF U.S. - ANNUITIES (US\$ millions)

| | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|---------------|----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|----------------|----------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| STATEMENT OF OPERATIONS | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 826 | 695 | 409 | 772 | 494 | 478 | 435 | 542 | 509 | 2,153 | 1,982 | 3,597 |
| Net Investment Income | 1,030 | 174 | (1,225) | (1,014) | 55 | (563) | (102) | 33 | 301 | (2,747) | 531 | 1,419 |
| Fee Income | 97 | 91 | 94 | 112 | 117 | 124 | 148 | 169 | 166 | 447 | 636 | 576 |
| Total Revenue | 1,953 | 960 | (722) | (130) | 666 | 39 | 481 | 744 | 976 | (147) | 3,149 | 5,592 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 1,506 | 1,373 | 219 | 372 | 562 | (209) | 246 | 396 | 656 | 944 | 1,945 | 4,433 |
| Commissions and Other Expenses | 170 | 128 | 94 | 144 | 123 | 148 | 197 | 232 | 223 | 509 | 855 | 814 |
| Total Policy Benefits and Expenses | 1,676 | 1,501 | 313 | 516 | 685 | (61) | 443 | 628 | 879 | 1,453 | 2,800 | 5,247 |
| Income before Income Taxes and Non-controlling Interests | 277 | (541) | (1,035) | (646) | (19) | 100 | 38 | 116 | 97 | (1,600) | 349 | 345 |
| Income tax expense (benefit) | 65 | (217) | (363) | (190) | (41) | 25 | (19) | 17 | 17 | (569) | 33 | 47 |
| Common Shareholders' Net Income (Loss) | 212 | (324) | (672) | (456) | 22 | 75 | 57 | 99 | 80 | (1,031) | 316 | 298 |
| Less: Special Items | - | - | - | - | - | - | - | - | - | - | - | - |
| Common Shareholders' Operating Income (Loss) | 212 | (324) | (672) | (456) | 22 | 75 | 57 | 99 | 80 | (1,031) | 316 | 298 |
| PREMIUMS & DEPOSITS | | | | | | | | | | | | |
| Premiums | 826 | 695 | 409 | 762 | 494 | 478 | 435 | 542 | 509 | 2,153 | 1,982 | 3,597 |
| Segregated Fund Deposits | 568 | 413 | 339 | 390 | 453 | 614 | 702 | 764 | 779 | 1,796 | 2,799 | 1,948 |
| Total | 1,394 | 1,108 | 748 | 1,152 | 947 | 1,092 | 1,137 | 1,306 | 1,288 | 3,949 | 4,781 | 5,545 |
| GROSS SALES | | | | | | | | | | | | |
| U.S. Domestic | 833 | 581 | 478 | 474 | 510 | 538 | 718 | 771 | 805 | 2,000 | 2,817 | 1,711 |
| Other Variable | 179 | 108 | 80 | 167 | 174 | 283 | 183 | 159 | 160 | 704 | 707 | 804 |
| Fixed | 416 | 407 | 126 | 523 | 170 | 90 | 100 | 255 | 186 | 909 | 732 | 465 |
| Fixed Indexed | 84 | 59 | 72 | 74 | 77 | 85 | 98 | 97 | 127 | 308 | 464 | 731 |
| Total | 1,512 | 1,155 | 756 | 1,238 | 931 | 996 | 1,099 | 1,282 | 1,278 | 3,921 | 4,720 | 3,711 |
| NET SALES | | | | | | | | | | | | |
| U.S. Domestic | 460 | 149 | (26) | (129) | (171) | (152) | (89) | 70 | 82 | (478) | (70) | (1,017) |
| Other Variable | 63 | (36) | (102) | 31 | (70) | 164 | 33 | (19) | 20 | 23 | 112 | 404 |
| Fixed | 212 | 137 | (207) | 221 | (235) | (330) | (361) | (248) | (345) | (551) | (1,161) | (1,385) |
| Fixed Indexed | (87) | (145) | (138) | (72) | (90) | (88) | (73) | (77) | (52) | (388) | (227) | 173 |
| Total | 648 | 105 | (473) | 51 | (566) | (406) | (490) | (274) | (295) | (1,394) | (1,346) | (1,825) |
| ASSETS UNDER MANAGEMENT | | | | | | | | | | | | |
| General Funds | 20,222 | 19,031 | 18,715 | 19,298 | 19,143 | 19,872 | 20,632 | 21,224 | 21,597 | 18,715 | 20,632 | 23,221 |
| Segregated Funds | 15,163 | 13,188 | 14,027 | 16,682 | 18,482 | 18,904 | 20,205 | 20,487 | 20,061 | 14,027 | 20,205 | 18,749 |
| Other AUM | 1,018 | 1,053 | 1,113 | 1,204 | 1,302 | 1,331 | 1,432 | 1,475 | 1,477 | 1,113 | 1,432 | 1,567 |
| Total | 36,403 | 33,272 | 33,855 | 37,184 | 38,927 | 40,107 | 42,269 | 43,186 | 43,135 | 33,855 | 42,269 | 43,537 |
| SUPPLEMENTAL INFORMATION | | | | | | | | | | | | |
| Net Interest Spread on Fixed Annuities | (1.51%) | (0.41%) | (0.75%) | (2.24%) | 1.49% | 1.89% | 1.78% | 2.11% | 2.30% | 0.05% | 2.11% | 1.82% |

SLF U.S. - INDIVIDUAL (US\$ millions)

| | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|---------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| STATEMENT OF OPERATIONS | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 360 | 320 | 371 | 322 | 347 | 337 | 379 | 475 | 378 | 1,377 | 1,634 | 1,820 |
| Net Investment Income | 476 | 79 | 333 | (134) | 96 | 189 | 288 | 230 | 49 | 484 | 784 | 729 |
| Fee Income | 14 | 19 | 13 | 25 | 14 | 13 | 17 | 13 | 9 | 65 | 47 | 30 |
| Total Revenue | 850 | 418 | 717 | 213 | 457 | 539 | 684 | 718 | 436 | 1,926 | 2,465 | 2,579 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 568 | 378 | 465 | 151 | 258 | 361 | 333 | 506 | 259 | 1,235 | 1,600 | 1,951 |
| Commissions and Other Expenses | 141 | 127 | 171 | 154 | 161 | 164 | 162 | 170 | 141 | 650 | 624 | 630 |
| Total Policy Benefits and Expenses | 709 | 505 | 636 | 305 | 419 | 525 | 495 | 676 | 400 | 1,885 | 2,224 | 2,581 |
| Income before Income Taxes and Non-controlling Interests | 141 | (87) | 81 | (92) | 38 | 14 | 189 | 42 | 36 | 41 | 241 | (2) |
| Income tax expense (benefit) | 44 | (30) | (14) | (15) | 3 | (6) | 102 | 1 | (1) | (32) | 71 | (53) |
| Participating Policyholders' Net Income | 2 | - | - | (1) | - | 1 | 3 | - | - | - | 3 | 1 |
| Common Shareholders' Net Income (Loss) | 95 | (57) | 95 | (76) | 35 | 19 | 84 | 41 | 37 | 73 | 167 | 50 |
| Less: Special Items | - | - | - | - | - | - | - | - | - | - | - | - |
| Common Shareholders' Operating Income (Loss) | 95 | (57) | 95 | (76) | 35 | 19 | 84 | 41 | 37 | 73 | 167 | 50 |
| PREMIUMS & DEPOSITS | | | | | | | | | | | | |
| Premiums | 360 | 320 | 371 | 322 | 347 | 337 | 379 | 475 | 378 | 1,377 | 1,634 | 1,820 |
| Segregated Fund Deposits | 23 | 46 | 87 | 142 | 647 | 105 | 176 | 1,639 | 47 | 981 | 2,481 | 770 |
| Total | 383 | 366 | 458 | 464 | 994 | 442 | 555 | 2,114 | 425 | 2,358 | 4,115 | 2,590 |
| SALES | | | | | | | | | | | | |
| Individual Insurance - Core | 36 | 22 | 60 | 30 | 27 | 19 | 28 | 37 | 41 | 136 | 146 | 258 |
| Individual Insurance - COLI/BOLI/HNW ⁽¹⁾ | 24 | 11 | 16 | 71 | 72 | 15 | 21 | 181 | 13 | 174 | 294 | 139 |
| Total Insurance Sales | 60 | 33 | 76 | 101 | 99 | 34 | 49 | 218 | 54 | 310 | 440 | 397 |
| ASSETS UNDER MANAGEMENT | | | | | | | | | | | | |
| General Funds | 16,901 | 15,947 | 16,137 | 16,201 | 16,285 | 16,130 | 16,410 | 15,116 | 14,579 | 16,137 | 16,410 | 13,331 |
| Segregated Funds | 8,628 | 8,531 | 8,523 | 8,590 | 8,456 | 7,751 | 7,648 | 7,421 | 5,660 | 8,523 | 7,648 | 4,875 |
| Total | 25,529 | 24,478 | 24,660 | 24,791 | 24,741 | 23,881 | 24,058 | 22,537 | 20,239 | 24,660 | 24,058 | 18,206 |

⁽¹⁾ Includes annualized premiums and 10% of single (lump sum) premiums.

SLF U.S. - EMPLOYEE BENEFITS GROUP (US\$ millions)

| | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|------------|------------|------------|------------|------------|------------|------------|------------|---------------------------|--------------|--------------|
| | 2009 | | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| STATEMENT OF OPERATIONS | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 472 | 487 | 465 | 465 | 470 | 465 | 463 | 461 | 345 | 1,865 | 1,547 | 1,005 |
| Net Investment Income | 87 | 35 | (25) | (14) | 12 | 11 | 39 | 37 | 10 | (16) | 107 | 67 |
| Fee Income | 2 | 2 | 3 | 2 | 3 | 2 | 3 | 2 | 1 | 10 | 8 | 5 |
| Total Revenue | 561 | 524 | 443 | 453 | 485 | 478 | 505 | 500 | 356 | 1,859 | 1,662 | 1,077 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 385 | 318 | 312 | 275 | 317 | 321 | 335 | 335 | 225 | 1,225 | 1,119 | 736 |
| Commissions and Other Expenses | 130 | 132 | 131 | 131 | 128 | 129 | 132 | 132 | 92 | 519 | 435 | 269 |
| Total Policy Benefits and Expenses | 515 | 450 | 443 | 406 | 445 | 450 | 467 | 467 | 317 | 1,744 | 1,554 | 1,005 |
| Income before Income Taxes and Non-controlling Interests | 46 | 74 | - | 47 | 40 | 28 | 38 | 33 | 39 | 115 | 108 | 72 |
| Income tax expense (benefit) | 16 | 26 | (1) | 17 | 15 | 9 | 14 | 11 | 14 | 40 | 38 | 25 |
| Common Shareholders' Net Income (Loss) | 30 | 48 | 1 | 30 | 25 | 19 | 24 | 22 | 25 | 75 | 70 | 47 |
| Less: Special Items ⁽¹⁾ | - | - | - | - | - | - | (2) | (1) | (1) | - | (4) | - |
| Common Shareholders' Operating Income (Loss) | 30 | 48 | 1 | 30 | 25 | 19 | 26 | 23 | 26 | 75 | 74 | 47 |
| PREMIUMS & DEPOSITS | | | | | | | | | | | | |
| Premiums | 472 | 487 | 465 | 465 | 470 | 465 | 463 | 461 | 345 | 1,865 | 1,547 | 1,005 |
| SALES | 126 | 63 | 323 | 87 | 123 | 55 | 300 | 69 | 85 | 588 | 502 | 387 |
| ASSETS UNDER MANAGEMENT | | | | | | | | | | | | |
| General Funds | 2,803 | 2,781 | 2,757 | 2,730 | 2,627 | 2,788 | 2,751 | 2,728 | 2,685 | 2,757 | 2,751 | 1,364 |
| SUPPLEMENTAL INFORMATION | | | | | | | | | | | | |
| Business In-Force | 1,978 | 2,056 | 2,105 | 1,954 | 1,962 | 1,955 | 2,060 | 1,962 | 1,974 | 2,105 | 2,060 | 1,237 |

⁽¹⁾ The amounts reflect integration costs with respect to the purchase of Genworth EBG business.

| MFS (CAD\$ millions) | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|--|------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------------------------|---------|---------|
| | 2009 | | 2008 | | | | 2007 | | | 2008 | 2007 | 2006 |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| FINANCIAL SUMMARY | | | | | | | | | | | | |
| Revenue | 299 | 288 | 310 | 342 | 367 | 362 | 390 | 417 | 433 | 1,381 | 1,687 | 1,662 |
| Common Shareholders' Net Income (Loss) | 32 | 28 | 30 | 49 | 56 | 59 | 73 | 68 | 68 | 194 | 281 | 234 |
| Assets Under Management | | | | | | | | | | | | |
| Mutual Funds | 76,073 | 71,286 | 73,813 | 78,802 | 86,337 | 87,571 | 92,605 | 95,064 | 102,002 | 73,813 | 92,605 | 104,993 |
| Managed Funds | 94,570 | 85,049 | 89,748 | 93,449 | 100,929 | 101,601 | 106,286 | 107,494 | 113,101 | 89,748 | 106,286 | 112,829 |
| Total AUM | 170,643 | 156,335 | 163,561 | 172,251 | 187,266 | 189,172 | 198,891 | 202,558 | 215,103 | 163,561 | 198,891 | 217,822 |

| MFS (USD\$ millions) | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|-----|------|-----|-----|-----|------|-----|-----|---------------------------|-------|-------|
| | 2009 | | 2008 | | | | 2007 | | | 2008 | 2007 | 2006 |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| STATEMENT OF OPERATIONS | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Net Investment Income | 1 | 2 | 2 | (8) | 2 | 4 | 2 | 11 | 4 | - | 28 | 34 |
| Fee Income | 255 | 230 | 254 | 337 | 361 | 356 | 396 | 388 | 390 | 1,308 | 1,545 | 1,430 |
| Total Revenue | 256 | 232 | 256 | 329 | 363 | 360 | 398 | 399 | 394 | 1,308 | 1,573 | 1,464 |
| Expenses | 209 | 193 | 213 | 249 | 265 | 258 | 271 | 286 | 287 | 985 | 1,123 | 1,122 |
| Income before Income Taxes & Non-controlling interest | 47 | 39 | 43 | 80 | 98 | 102 | 127 | 113 | 107 | 323 | 450 | 342 |
| Income tax expense (benefit) | 20 | 15 | 17 | 31 | 41 | 39 | 49 | 43 | 42 | 128 | 173 | 131 |
| Non-controlling interests | - | 1 | 1 | 2 | 2 | 4 | 4 | 5 | 3 | 9 | 15 | 5 |
| Common Shareholders' Net Income (Loss) | 27 | 23 | 25 | 47 | 55 | 59 | 74 | 65 | 62 | 186 | 262 | 206 |

MUTUAL FUNDS - CHANGES IN ASSETS UNDER MANAGEMENT

| | | | | | | | | | | | | |
|-----------------------|---------|---------|----------|---------|---------|---------|---------|---------|---------|----------|----------|----------|
| Opening AUM | 56,544 | 60,675 | 74,103 | 84,569 | 85,368 | 92,939 | 95,899 | 95,768 | 91,351 | 92,939 | 90,123 | 85,875 |
| Sales | 4,945 | 4,088 | 4,143 | 4,507 | 4,583 | 4,926 | 4,126 | 4,841 | 5,309 | 18,159 | 19,512 | 16,866 |
| Redemptions/Transfers | (3,721) | (4,699) | (5,971) | (6,359) | (4,943) | (6,790) | (6,025) | (6,288) | (6,131) | (24,063) | (24,309) | (22,269) |
| Acquisition | - | - | - | - | - | - | - | - | 1,004 | - | 1,004 | - |
| Market Movement | 7,669 | (3,520) | (11,600) | (8,614) | (439) | (5,707) | (1,061) | 1,578 | 4,235 | (26,360) | 6,609 | 9,651 |
| Closing AUM | 65,437 | 56,544 | 60,675 | 74,103 | 84,569 | 85,368 | 92,939 | 95,899 | 95,768 | 60,675 | 92,939 | 90,123 |

MANAGED FUNDS - CHANGES IN ASSETS UNDER MANAGEMENT

| | | | | | | | | | | | | |
|-----------------------|---------|---------|----------|----------|---------|---------|---------|---------|---------|----------|----------|----------|
| Opening AUM | 67,463 | 73,776 | 87,878 | 98,863 | 99,046 | 106,670 | 108,437 | 106,188 | 100,257 | 106,670 | 96,849 | 76,423 |
| Sales | 6,328 | 3,942 | 3,220 | 4,865 | 4,809 | 4,926 | 4,604 | 5,148 | 7,342 | 17,820 | 23,199 | 20,125 |
| Redemptions/Transfers | (2,640) | (3,150) | (3,535) | (4,936) | (3,442) | (5,800) | (5,928) | (4,615) | (6,641) | (17,713) | (22,437) | (14,496) |
| Market Movement | 10,201 | (7,105) | (13,787) | (10,914) | (1,550) | (6,750) | (443) | 1,716 | 5,230 | (33,001) | 9,059 | 14,797 |
| Closing AUM | 81,352 | 67,463 | 73,776 | 87,878 | 98,863 | 99,046 | 106,670 | 108,437 | 106,188 | 73,776 | 106,670 | 96,849 |

SUPPLEMENTAL INFORMATION

| | | | | | | | | | | | | |
|---------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Pre-tax Operating Profit Margin Ratio | 23% | 21% | 21% | 29% | 34% | 35% | 40% | 36% | 34% | 30% | 36% | 29% |
| Average Net Assets | 140,000 | 125,400 | 133,246 | 176,221 | 190,885 | 186,747 | 202,769 | 199,053 | 200,002 | 171,682 | 197,702 | 171,914 |
| Total Gross Sales | 11,273 | 8,030 | 7,363 | 9,372 | 9,392 | 9,852 | 8,730 | 9,989 | 12,651 | 35,979 | 42,711 | 36,991 |
| Total Net Sales | 4,912 | 181 | (2,143) | (1,923) | 1,007 | (2,738) | (3,223) | (914) | (121) | (5,797) | (4,035) | 226 |

SLF ASIA (C\$ millions)

| STATEMENT OF OPERATIONS | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|--|------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------------------|---------------|---------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 211 | 200 | 226 | 177 | 172 | 151 | 174 | 155 | 146 | 726 | 629 | 640 |
| Net Investment Income | 390 | 11 | (122) | (16) | (127) | (53) | 95 | 106 | 14 | (318) | 255 | 318 |
| Fee Income | 33 | 27 | 24 | 19 | 26 | 21 | 25 | 25 | 22 | 90 | 93 | 64 |
| Total Revenue | 634 | 238 | 128 | 180 | 71 | 119 | 294 | 286 | 182 | 498 | 977 | 1,022 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 510 | 120 | 1 | 87 | (39) | 15 | 147 | 172 | 84 | 64 | 501 | 621 |
| Commissions and Other Expenses | 96 | 95 | 110 | 94 | 91 | 84 | 100 | 77 | 76 | 379 | 330 | 283 |
| Total Policy Benefits and Expenses | 606 | 215 | 111 | 181 | 52 | 99 | 247 | 249 | 160 | 443 | 831 | 904 |
| Income before Income Taxes and Non-controlling Interest | 28 | 23 | 17 | (1) | 19 | 20 | 47 | 37 | 22 | 55 | 146 | 118 |
| Income tax expense (benefit) | 8 | 6 | 1 | 7 | 7 | 7 | 9 | 7 | 5 | 22 | 23 | 17 |
| Common Shareholders' Net Income (Loss) | 20 | 17 | 16 | (8) | 12 | 13 | 38 | 30 | 17 | 33 | 123 | 101 |
| Less: Special Items ⁽¹⁾ | - | - | - | - | - | - | - | - | - | - | - | (2) |
| Common Shareholders' Operating Income (Loss) | 20 | 17 | 16 | (8) | 12 | 13 | 38 | 30 | 17 | 33 | 123 | 103 |
| PREMIUMS & DEPOSITS | | | | | | | | | | | | |
| Premiums | 211 | 200 | 226 | 177 | 172 | 151 | 174 | 155 | 146 | 726 | 629 | 640 |
| Segregated Fund Deposits | 172 | 169 | 145 | 156 | 201 | 195 | 261 | 218 | 163 | 697 | 809 | 442 |
| Mutual Fund Sales | 7 | 3 | 3 | 7 | 10 | 28 | 47 | 65 | 63 | 48 | 259 | 129 |
| Managed Fund Sales | 149 | 226 | 173 | 148 | 132 | 127 | 134 | 139 | 167 | 580 | 622 | 592 |
| Total | 539 | 598 | 547 | 488 | 515 | 501 | 616 | 577 | 539 | 2,051 | 2,319 | 1,803 |
| LIFE INSURANCE SALES ⁽²⁾ | 138 | 281 | 187 | 189 | 166 | 259 | 202 | 171 | 88 | 801 | 596 | 337 |
| Sales adjusted for proportionate JV ownership ⁽³⁾ | 58 | 94 | 73 | 77 | 73 | 98 | 100 | 77 | 51 | 321 | 289 | 191 |
| ASSETS UNDER MANAGEMENT | | | | | | | | | | | | |
| General Funds | 6,484 | 6,497 | 6,274 | 5,355 | 5,263 | 5,527 | 5,497 | 5,251 | 5,502 | 6,274 | 5,497 | 5,334 |
| Segregated Funds | 2,275 | 1,863 | 1,696 | 1,741 | 1,912 | 1,884 | 1,936 | 1,662 | 1,479 | 1,696 | 1,936 | 1,232 |
| Other AUM | 15,184 | 12,677 | 11,960 | 10,913 | 11,814 | 12,051 | 11,450 | 10,130 | 8,153 | 11,960 | 11,450 | 7,302 |
| Total | 23,943 | 21,037 | 19,930 | 18,009 | 18,989 | 19,462 | 18,883 | 17,043 | 15,134 | 19,930 | 18,883 | 13,868 |

⁽¹⁾ Includes CMG Asia integration costs.⁽²⁾ Represents total individual life insurance sales in Asia, including the Company's joint ventures in India and China on a 100% basis.⁽³⁾ Sales for India and China are included at 26% and 50% respectively of the total sales of the respective joint ventures.

Corporate (C\$ millions)

| STATEMENT OF OPERATIONS | At and For the Quarter Ended | | | | | | | | | At and For the Year Ended | | |
|---|------------------------------|--------------|--------------|--------------|---------------|---------------|--------------|---------------|---------------|---------------------------|--------------|---------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 206 | 209 | 207 | 224 | 202 | 218 | 224 | 219 | 256 | 851 | 963 | 987 |
| Net Investment Income | 176 | (320) | 1,416 | (20) | (138) | (202) | 244 | 220 | (123) | 1,056 | 421 | 802 |
| Fee Income | 3 | 4 | 6 | 9 | 9 | 9 | 6 | 5 | 7 | 33 | 25 | 16 |
| Total Revenue | 385 | (107) | 1,629 | 213 | 73 | 25 | 474 | 444 | 140 | 1,940 | 1,409 | 1,805 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 423 | (94) | 808 | 428 | 14 | (112) | 398 | 348 | 7 | 1,138 | 974 | 1,303 |
| Commissions and Other Expenses | 58 | 82 | 53 | (10) | 16 | 28 | 66 | 27 | 26 | 87 | 209 | 203 |
| Total Policy Benefits and Expenses | 481 | (12) | 861 | 418 | 30 | (84) | 464 | 375 | 33 | 1,225 | 1,183 | 1,506 |
| Income before Income Taxes and Non-controlling Interests | (96) | (95) | 768 | (205) | 43 | 109 | 10 | 69 | 107 | 715 | 226 | 299 |
| Income tax expense (benefit) | (13) | (68) | (66) | (163) | (45) | (11) | (31) | (17) | 19 | (285) | (28) | (61) |
| Non-controlling interests | - | - | - | 1 | (1) | 1 | - | - | 1 | 1 | 1 | 1 |
| Preferred shareholder dividends | 17 | 18 | 17 | 18 | 17 | 18 | 17 | 18 | 18 | 70 | 69 | 48 |
| Common Shareholders' Net Income (Loss) | (100) | (45) | 817 | (61) | 72 | 101 | 24 | 68 | 69 | 929 | 184 | 311 |
| Less: Special Items ⁽¹⁾ | - | (27) | 825 | - | - | - | - | - | - | 825 | (61) | - |
| Common Shareholders' Operating Income (Loss) | (100) | (18) | (8) | (61) | 72 | 101 | 24 | 68 | 69 | 104 | 245 | 311 |
| PREMIUMS & DEPOSITS | | | | | | | | | | | | |
| Premiums | 206 | 209 | 207 | 224 | 212 | 218 | 224 | 219 | 256 | 851 | 963 | 987 |
| Segregated Fund Deposits | 15 | 15 | 17 | 20 | 20 | 20 | 24 | 21 | 26 | 77 | 98 | 111 |
| Total | 221 | 224 | 224 | 244 | 232 | 238 | 248 | 240 | 282 | 928 | 1,061 | 1,098 |
| ASSETS UNDER MANAGEMENT | | | | | | | | | | | | |
| General Funds | 13,044 | 12,598 | 13,031 | 11,496 | 13,041 | 12,778 | 12,719 | 13,296 | 13,731 | 13,031 | 12,719 | 14,642 |
| Segregated Funds | 4,291 | 3,865 | 4,290 | 5,314 | 6,062 | 6,359 | 6,842 | 7,180 | 7,815 | 4,290 | 6,842 | 8,229 |
| Other AUM ⁽²⁾ | (8,342) | (8,095) | (7,435) | (7,865) | (8,580) | (9,005) | (9,677) | (10,028) | (10,876) | (7,435) | (9,677) | (11,732) |
| Total | 8,993 | 8,368 | 9,886 | 8,945 | 10,523 | 10,132 | 9,884 | 10,448 | 10,670 | 9,886 | 9,884 | 11,139 |

⁽¹⁾ The amount for the quarter ended Q1 2009 includes a \$27 million after tax charge for restructuring costs. The amount for the quarter ended and full year December 31, 2008 includes an \$825 million after tax gain on disposal of the company's 37% interest in CI Financial. The amount for 2007 reflects \$43 million in an intangible asset write-down for the retirement of the Clarica brand and an \$18 million charge with respect to the redemption of the PCS.

⁽²⁾ Includes consolidation adjustments for assets managed by one area of the Company on behalf of another.

CORPORATE (C\$ millions)

| | For the Quarter Ended | | | | | | | | | For the Year Ended | | |
|---|-----------------------|--------------|--------------|--------------|-------------|--------------|-------------|------------|-------------|--------------------|-------------|--------------|
| | 2009 | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| STATEMENT OF OPERATIONS - SLF United Kingdom (U.K.) | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 60 | 56 | 63 | 83 | 89 | 84 | 93 | 100 | 116 | 319 | 427 | 438 |
| Net Investment Income | 217 | (312) | 198 | 24 | (146) | (232) | 183 | 163 | (123) | (156) | 263 | 638 |
| Fee Income | 13 | 13 | 15 | 19 | 19 | 20 | 22 | 22 | 27 | 73 | 97 | 94 |
| Total Revenue | 290 | (243) | 276 | 126 | (38) | (128) | 298 | 285 | 20 | 236 | 787 | 1,170 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 308 | (222) | 185 | 115 | (90) | (226) | 229 | 199 | (50) | (16) | 456 | 899 |
| Commissions and Other Expenses | 17 | 16 | 22 | 18 | 16 | 19 | 24 | 21 | 19 | 75 | 84 | 95 |
| Total Policy Benefits and Expenses | 325 | (206) | 207 | 133 | (74) | (207) | 253 | 220 | (31) | 59 | 540 | 994 |
| Income before Income Taxes and Non-controlling Interests | (35) | (37) | 69 | (7) | 36 | 79 | 45 | 65 | 51 | 177 | 247 | 176 |
| Income tax expense (benefit) | 13 | (37) | 29 | (76) | (5) | 20 | 22 | 17 | 9 | (32) | 34 | 5 |
| Common Shareholders' Net Income (Loss) | (48) | - | 40 | 69 | 41 | 59 | 23 | 48 | 42 | 209 | 213 | 171 |
| Less: Special Items | - | - | - | - | - | - | - | - | - | - | - | - |
| Common Shareholders' Operating Income (Loss) | (48) | - | 40 | 69 | 41 | 59 | 23 | 48 | 42 | 209 | 213 | 171 |
| STATEMENT OF OPERATIONS - Corporate Support | | | | | | | | | | | | |
| Revenue | | | | | | | | | | | | |
| Premiums | 146 | 153 | 144 | 141 | 113 | 134 | 131 | 119 | 140 | 532 | 536 | 549 |
| Net Investment Income | (41) | (8) | 1,218 | (44) | 8 | 30 | 61 | 57 | - | 1,212 | 158 | 164 |
| Fee Income | (10) | (9) | (9) | (10) | (10) | (11) | (16) | (17) | (20) | (40) | (72) | (78) |
| Total Revenue | 95 | 136 | 1,353 | 87 | 111 | 153 | 176 | 159 | 120 | 1,704 | 622 | 635 |
| Policy Benefits and Expenses | | | | | | | | | | | | |
| Increase in Actuarial Liabilities and Client Disbursements | 115 | 128 | 623 | 313 | 104 | 114 | 169 | 149 | 57 | 1,154 | 518 | 404 |
| Commissions and Other Expenses | 41 | 66 | 31 | (28) | - | 9 | 42 | 6 | 7 | 12 | 125 | 108 |
| Total Policy Benefits and Expenses | 156 | 194 | 654 | 285 | 104 | 123 | 211 | 155 | 64 | 1,166 | 643 | 512 |
| Income before Income Taxes and Non-controlling Interests | (61) | (58) | 699 | (198) | 7 | 30 | (35) | 4 | 56 | 538 | (21) | 123 |
| Income tax expense (benefit) | (26) | (31) | (95) | (87) | (40) | (31) | (53) | (18) | 10 | (253) | (62) | (66) |
| Non-Controlling Interests in Net Income of Subsidiaries | - | - | - | 1 | (1) | 1 | - | - | 1 | 1 | 1 | 1 |
| Less: Preferred Shareholder Dividends | 17 | 18 | 17 | 18 | 17 | 18 | 17 | 18 | 18 | 70 | 69 | 48 |
| Common Shareholders' Net Income (Loss) | (52) | (45) | 777 | (130) | 31 | 42 | 1 | 4 | 27 | 720 | (29) | 140 |
| Less: Special Items ⁽¹⁾ | - | (27) | 825 | - | - | - | - | - | - | 825 | (61) | - |
| Common Shareholders' Operating Income (Loss) | (52) | (18) | (48) | (130) | 31 | 42 | 1 | 4 | 27 | (105) | 32 | 140 |

⁽¹⁾ Please see page 17 for list of special items.

| INVESTMENTS | As at June 30, 2009 | | | | As at March 31, 2009 | | | | As at June 30, 2008 | | | |
|---|---------------------|--------------------|--------|------------------|----------------------|--------------------|--------|------------------|---------------------|--------------------|--------|------------------|
| | Held-for-Trading | Available-for-Sale | Total | Investment Grade | Held-for-Trading | Available-for-Sale | Total | Investment Grade | Held-for-Trading | Available-for-Sale | Total | Investment Grade |
| BONDS, MORTGAGES & CORPORATE LOANS | | | | | | | | | | | | |
| BONDS | | | | | | | | | | | | |
| Bonds by Sector | | | | | | | | | | | | |
| Bonds Issued or Guaranteed By: | | | | | | | | | | | | |
| Canadian Federal Government | 2,524 | 463 | 2,987 | 100% | 2,779 | 526 | 3,305 | 100% | 2,185 | 608 | 2,793 | 100% |
| Canadian Provincial and Municipal Governments | 6,305 | 78 | 6,383 | 100% | 6,211 | 78 | 6,289 | 100% | 5,329 | 256 | 5,585 | 100% |
| U.S. Treasury and Other US Agencies | 1,253 | 662 | 1,915 | 100% | 1,450 | 544 | 1,994 | 100% | 952 | 342 | 1,294 | 100% |
| Other Governments ⁽¹⁾ | 3,493 | 535 | 4,028 | 95% | 3,493 | 495 | 3,988 | 94% | 3,202 | 424 | 3,626 | 95% |
| Total Government Issues or Guaranteed Bonds | 13,575 | 1,738 | 15,313 | 99% | 13,933 | 1,643 | 15,576 | 99% | 11,668 | 1,630 | 13,298 | 99% |
| Corporate Bonds by Industry Sector: | | | | | | | | | | | | |
| Financials | 11,672 | 3,726 | 15,398 | 93% | 10,886 | 3,517 | 14,403 | 96% | 12,886 | 3,723 | 16,609 | 98% |
| Utilities | 5,035 | 474 | 5,509 | 98% | 5,422 | 551 | 5,973 | 98% | 5,169 | 509 | 5,678 | 98% |
| Consumer Discretionary | 3,317 | 793 | 4,110 | 84% | 3,255 | 768 | 4,023 | 85% | 3,089 | 696 | 3,785 | 85% |
| Industrials | 2,562 | 522 | 3,084 | 98% | 2,508 | 511 | 3,019 | 98% | 2,574 | 490 | 3,064 | 98% |
| Consumer Staples | 2,389 | 626 | 3,015 | 100% | 2,332 | 643 | 2,975 | 100% | 2,066 | 513 | 2,579 | 100% |
| Telecommunication Services | 2,526 | 909 | 3,435 | 89% | 2,464 | 920 | 3,384 | 89% | 2,150 | 779 | 2,929 | 81% |
| Energy | 2,886 | 522 | 3,408 | 99% | 2,257 | 421 | 2,678 | 100% | 2,238 | 378 | 2,616 | 100% |
| Materials | 1,025 | 241 | 1,266 | 93% | 954 | 217 | 1,171 | 93% | 937 | 231 | 1,168 | 97% |
| Other | 952 | 288 | 1,240 | 100% | 824 | 257 | 1,081 | 100% | 683 | 228 | 911 | 100% |
| Total Corporate Bonds | 32,364 | 8,101 | 40,465 | 94% | 30,902 | 7,805 | 38,707 | 95% | 31,792 | 7,547 | 39,339 | 96% |
| Asset Backed Securities | | | | | | | | | | | | |
| Government and Agency | 803 | 400 | 1,203 | 100% | 922 | 470 | 1,392 | 100% | 988 | 406 | 1,394 | 100% |
| Other | 3,134 | 273 | 3,407 | 93% | 3,206 | 287 | 3,493 | 95% | 4,241 | 322 | 4,563 | 99% |
| Total Bonds | 49,876 | 10,512 | 60,388 | 95% | 48,963 | 10,205 | 59,168 | 96% | 48,689 | 9,905 | 58,594 | 97% |
| Supporting Actuarial and Other Policy Liabilities | 49,869 | 781 | 50,650 | | 48,956 | 754 | 49,710 | | 48,685 | 462 | 49,147 | |
| Supporting Equity and Other | 7 | 9,731 | 9,738 | | 7 | 9,451 | 9,458 | | 4 | 9,443 | 9,447 | |
| Total | 49,876 | 10,512 | 60,388 | | 48,963 | 10,205 | 59,168 | | 48,689 | 9,905 | 58,594 | |
| Bonds by Investment Rating (1) | | | | | | | | | | | | |
| AAA | 8,315 | 2,141 | 10,456 | | 8,842 | 2,163 | 11,005 | | 8,948 | 2,227 | 11,175 | |
| AA | 8,884 | 1,160 | 10,044 | | 8,952 | 1,175 | 10,127 | | 9,436 | 1,620 | 11,056 | |
| A | 15,501 | 3,520 | 19,021 | | 15,054 | 3,412 | 18,466 | | 14,867 | 2,904 | 17,771 | |
| BBB | 14,881 | 3,168 | 18,049 | | 14,247 | 3,121 | 17,368 | | 13,847 | 2,879 | 16,726 | |
| BB and Lower | 2,295 | 523 | 2,818 | | 1,868 | 334 | 2,202 | | 1,591 | 275 | 1,866 | |
| Total Bonds | 49,876 | 10,512 | 60,388 | | 48,963 | 10,205 | 59,168 | | 48,689 | 9,905 | 58,594 | |
| MORTGAGES & CORPORATE LOANS | | | | | | | | | | | | |
| | As at June 30, 2009 | | | | As at March 31, 2009 | | | | As at June 30, 2008 | | | |
| | Insured | Non-Insured | Total | | Insured | Non-Insured | Total | | Insured | Non-Insured | Total | |
| Non-residential | - | 12,447 | 12,447 | | - | 13,308 | 13,308 | | - | 12,411 | 12,411 | |
| Residential | 1,750 | 1,102 | 2,852 | | 1,774 | 1,169 | 2,943 | | 1,816 | 1,244 | 3,060 | |
| Total Mortgages | 1,750 | 13,549 | 15,299 | | 1,774 | 14,477 | 16,251 | | 1,816 | 13,655 | 15,471 | |
| Corporate Loans | | | 5,878 | | | | 6,060 | | | | 5,635 | |
| Total | | | 21,177 | | | | 22,311 | | | | 21,106 | |
| Percentage of Net Impaired Assets | | | | | | | | | | | | |
| Net of Total Allowances | | | | | | | | | | | | |
| Mortgages | | | 1.04% | | | | 0.55% | | | | 0.17% | |
| Corporate Loans | | | 0.77% | | | | 0.61% | | | | 0.99% | |

(1) The local currency denominated debt of certain foreign governments, used in backing the liabilities of the foreign operation, have been classified as investment grade in the table above.

| INVESTMENTS | As at June 30, 2009 | | | As at March 31, 2009 | | | As at June 30, 2008 | | |
|---|---------------------|--------------------|--------------|----------------------|--------------------|--------------|---------------------|--------------------|--------------|
| | Held-for-Trading | Available-for-Sale | Total | Held-for-Trading | Available-for-Sale | Total | Held-for-Trading | Available-for-Sale | Total |
| STOCKS & REAL ESTATE | | | | | | | | | |
| Stocks | | | | | | | | | |
| Canada | 2,016 | 379 | 2,395 | 1,710 | 511 | 2,221 | 2,253 | 186 | 2,439 |
| United States | 954 | 403 | 1,357 | 863 | 356 | 1,219 | 1,135 | 481 | 1,616 |
| United Kingdom | 462 | 6 | 468 | 391 | 6 | 397 | 661 | - | 661 |
| Other | 339 | 53 | 392 | 292 | 40 | 332 | 469 | 52 | 521 |
| Total Stocks | <u>3,771</u> | <u>841</u> | <u>4,612</u> | <u>3,256</u> | <u>913</u> | <u>4,169</u> | <u>4,518</u> | <u>719</u> | <u>5,237</u> |
| Supporting Actuarial and Other Policy Liabilities | 3,771 | 20 | 3,791 | 3,256 | 18 | 3,274 | 4,518 | 22 | 4,540 |
| Supporting Equity and Other | - | 821 | 821 | - | 895 | 895 | - | 697 | 697 |
| Total | <u>3,771</u> | <u>841</u> | <u>4,612</u> | <u>3,256</u> | <u>913</u> | <u>4,169</u> | <u>4,518</u> | <u>719</u> | <u>5,237</u> |
| Real Estate | | | | | | | | | |
| Canada | | | 3,161 | | | 3,133 | | | 2,941 |
| United States | | | 1,499 | | | 1,620 | | | 1,235 |
| United Kingdom | | | 280 | | | 273 | | | 313 |
| Other | | | 1 | | | 1 | | | 1 |
| Total Real Estate | | | <u>4,941</u> | | | <u>5,027</u> | | | <u>4,490</u> |
| Supporting Liabilities | | | 3,871 | | | 3,904 | | | 3,537 |
| Supporting Equity and Other | | | 1,070 | | | 1,123 | | | 953 |
| Total | | | <u>4,941</u> | | | <u>5,027</u> | | | <u>4,490</u> |

| ADDITIONAL INFORMATION | At and For the Quarter Ended | | | | | At and For the Year Ended | | | |
|--|------------------------------|-----------|----------|------------|----------|---------------------------|----------|-------------|--|
| | 2009 | | 2008 | | | 2008 | 2007 | 2006 | |
| | Q2 | Q1 | Q4 | Q3 | Q2 | | | | |
| Deferred Net Realized Gains | 253 | 248 | 251 | 258 | 272 | 251 | 276 | 4,152 | |
| Portion Supporting Equity & Other | 84 | 88 | 109 | 87 | 100 | 109 | 104 | 607 | |
| Net Gains (Losses) on Available for Sale Assets | (15) | (50) | (66) | (227) | 24 | (241) | 101 | - | |
| Portion Supporting Equity and Other | (4) | (40) | (64) | (215) | 23 | (228) | 99 | - | |
| Unrealized Gains (Losses) | | | | | | | | | |
| Portion Supporting Equity & Other ⁽¹⁾ | (648) | (1,974) | (1,662) | (1,141) | (384) | (1,662) | 73 | 443 | |
| Included in Other Comprehensive Income | | | | | | | | | |
| CHANGES IN PROVISION FOR LOSSES | | | | | | | | | |
| Provision for Losses on Invested Assets | | | | | | | | | |
| By Account | | | | | | | | | |
| Shareholders | 11 | 13 | 2 | (4) | 5 | 1 | 1 | (7) | |
| Policyholders | 2 | 1 | 1 | - | 2 | 3 | - | (3) | |
| Total | <u>13</u> | <u>14</u> | <u>3</u> | <u>(4)</u> | <u>7</u> | <u>4</u> | <u>1</u> | <u>(10)</u> | |
| Asset Allowances | 2,975 | 2,810 | 2,320 | 3,121 | 2,985 | 2,320 | 2,947 | 2,578 | |
| Included in Actuarial Liabilities ⁽²⁾ | | | | | | | | | |

⁽¹⁾ Includes unrealized gains, net of any losses, in respect of financial instruments supporting capital, including bonds, common stocks and certain other invested assets. Excludes unrealized gains, net of any losses, on certain limited partnerships accounted for at cost.

⁽²⁾ In Q4 2008, the presentation was changed to exclude the portion of the provision that can be passed through to participating policyholders and projected reductions in the value of equity real estate assets supporting actuarial liabilities. The Q4 2008 amount on a comparable basis to previous periods was approximately \$3,500

INVESTMENTS
DERIVATIVES

As at June 30, 2009

As at March 31, 2009

| | Term to Maturity | | | Total Notional Amount | Net Fair Value Amount | Total Notional Amount | Net Fair Value Amount |
|----------------------------|----------------------|----------------------|----------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Under 1 Year | 1 to 5 Years | Over 5 Years | | | | |
| Interest Rate Contracts | | | | | | | |
| Forward Rate Agreements | - | - | - | - | - | - | - |
| Futures Contracts | 968 | 128 | - | 1,096 | (2) | 1,205 | 5 |
| Swap Contracts | 1,468 | 8,825 | 13,959 | 24,252 | (747) | 26,985 | (645) |
| Options Purchased | 486 | 1,043 | 2,921 | 4,450 | 126 | 3,319 | 55 |
| Options Written | 425 | - | - | 425 | (8) | 200 | (4) |
| Sub-Total | <u>3,347</u> | <u>9,996</u> | <u>16,880</u> | <u>30,223</u> | <u>(631)</u> | <u>31,709</u> | <u>(589)</u> |
| Foreign Exchange Contracts | | | | | | | |
| Foreign Exchange Contracts | 2,395 | 73 | - | 2,468 | (37) | 2,580 | 12 |
| Swap Contracts | 322 | 3,472 | 4,694 | 8,488 | (19) | 9,144 | (729) |
| Sub-Total | <u>2,717</u> | <u>3,545</u> | <u>4,694</u> | <u>10,956</u> | <u>(56)</u> | <u>11,724</u> | <u>(717)</u> |
| Equity and Other Contracts | | | | | | | |
| Forward Contracts | 31 | 64 | - | 95 | (3) | 93 | (26) |
| Futures Contracts | 3,132 | - | - | 3,132 | 29 | 2,773 | (21) |
| Swap Contracts | 168 | 104 | - | 272 | 16 | 241 | (10) |
| Options Purchased | 2,184 | 653 | - | 2,837 | 169 | 2,419 | 319 |
| Options Written | 1,166 | - | - | 1,166 | (42) | 1,017 | (51) |
| Other Equity Contracts | - | - | - | - | - | - | - |
| Sub-Total Equity Related | <u>6,681</u> | <u>821</u> | <u>-</u> | <u>7,502</u> | <u>169</u> | <u>6,543</u> | <u>211</u> |
| Other Contracts | - | 40 | 99 | 139 | (74) | 152 | (81) |
| Total | <u><u>12,745</u></u> | <u><u>14,402</u></u> | <u><u>21,673</u></u> | <u><u>48,820</u></u> | <u><u>(592)</u></u> | <u><u>50,128</u></u> | <u><u>(1,176)</u></u> |

FINANCIAL STRENGTH AND CAPITAL ADEQUACY
MCCSR RATIO - SUN LIFE ASSURANCE COMPANY
OF CANADA

| | At the Quarter Ended | | | | | | | | | At the Year Ended | | |
|---|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|-------------------|--------|--------|
| | 2009 | | 2008 | | | | 2007 | | | 2008 | 2007 | 2006 |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| Capital Available | | | | | | | | | | | | |
| Tier 1 | | | | | | | | | | | | |
| Common Shares | 1,245 | 1,245 | 945 | 745 | 745 | 745 | 745 | 745 | 745 | 945 | 745 | 745 |
| Retained Earnings | 8,990 | 8,988 | 9,382 | 9,245 | 9,483 | 9,341 | 9,317 | 9,287 | 9,321 | 9,382 | 9,317 | 8,652 |
| Qualifying non-controlling interests | 45 | 48 | 45 | 29 | 27 | 27 | 26 | 25 | - | 45 | 26 | - |
| Innovative Instruments | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 | 1,150 |
| Other | 621 | 836 | 882 | 222 | 125 | 118 | (40) | (137) | 214 | 882 | (40) | 1,809 |
| Gross Tier 1 Capital | 12,051 | 12,267 | 12,404 | 11,391 | 11,530 | 11,381 | 11,198 | 11,070 | 11,430 | 12,404 | 11,198 | 12,356 |
| Less: | | | | | | | | | | | | |
| Goodwill and Intangibles in Excess of Limit | 1,823 | 1,950 | 1,893 | 1,694 | 1,638 | 1,645 | 1,607 | 1,706 | 1,806 | 1,893 | 1,607 | 1,501 |
| Other ⁽¹⁾ | 2,189 | 2,209 | 1,559 | 1,665 | 1,466 | 1,348 | 1,161 | 1,354 | 1,416 | 1,559 | 1,161 | 1,951 |
| Total Net Tier 1 Capital | 8,039 | 8,108 | 8,952 | 8,032 | 8,426 | 8,388 | 8,430 | 8,010 | 8,208 | 8,952 | 8,430 | 8,904 |
| Tier 2 | | | | | | | | | | | | |
| Tier 2A | 26 | - | - | - | 72 | 85 | 157 | 190 | 194 | - | 157 | - |
| Tier 2B | 1,800 | 1,799 | 1,799 | 1,799 | 1,450 | 1,450 | 1,250 | 1,249 | 1,249 | 1,799 | 1,250 | 1,249 |
| Tier 2C | 1,461 | 1,479 | 1,447 | 1,271 | 1,443 | 1,421 | 1,369 | 1,579 | 1,678 | 1,447 | 1,369 | 1,597 |
| Gross Tier 2 Capital | 3,287 | 3,278 | 3,246 | 3,070 | 2,965 | 2,956 | 2,776 | 3,018 | 3,121 | 3,246 | 2,776 | 2,846 |
| Less: | | | | | | | | | | | | |
| Other ⁽¹⁾ | 802 | 780 | - | - | - | - | - | - | - | - | - | - |
| Total Net Tier 2 Capital | 2,485 | 2,498 | 3,246 | 3,070 | 2,965 | 2,956 | 2,776 | 3,018 | 3,121 | 3,246 | 2,776 | 2,846 |
| Total Tier 1 and Tier 2 | 10,524 | 10,606 | 12,198 | 11,102 | 11,391 | 11,344 | 11,206 | 11,028 | 11,329 | 12,198 | 11,206 | 11,750 |
| Less: | | | | | | | | | | | | |
| Non-Life Investments and Other | - | - | 1,585 | 1,563 | 1,553 | 1,551 | 1,555 | 1,662 | 1,678 | 1,585 | 1,555 | 1,686 |
| Total Capital Available | 10,524 | 10,606 | 10,613 | 9,539 | 9,838 | 9,793 | 9,651 | 9,366 | 9,651 | 10,613 | 9,651 | 10,064 |
| Capital Required | | | | | | | | | | | | |
| Asset Default and Market Risks | 2,542 | 2,764 | 2,620 | 2,633 | 2,588 | 2,596 | 2,497 | 2,406 | 2,417 | 2,620 | 2,497 | 2,532 |
| Insurance Risks | 1,302 | 1,314 | 1,279 | 1,260 | 1,311 | 1,299 | 1,276 | 1,296 | 1,322 | 1,279 | 1,276 | 1,198 |
| Interest Rate Risks | 705 | 687 | 683 | 845 | 856 | 868 | 861 | 856 | 871 | 683 | 861 | 812 |
| Phase-in of Changes related to FIAC | - | - | - | (27) | (55) | (82) | (110) | (137) | (165) | - | (110) | - |
| Total Capital Required | 4,549 | 4,765 | 4,582 | 4,711 | 4,700 | 4,681 | 4,524 | 4,421 | 4,445 | 4,582 | 4,524 | 4,542 |
| MCCSR Ratio | 231% | 223% | 232% | 202% | 209% | 209% | 213% | 212% | 217% | 232% | 213% | 222% |

RBC Ratio - Sun Life Assurance Company of Canada (U.S.)

| | | | | | | | | | | | | |
|--------------------------|--|--|--|--|--|--|--|--|--|-------|-------|-------|
| Capital Available | | | | | | | | | | 1,349 | 1,438 | 1,679 |
| Capital Required | | | | | | | | | | 378 | 402 | 496 |
| RBC Ratio ⁽²⁾ | | | | | | | | | | 357% | 358% | 339% |

⁽¹⁾ Under 2009 MCCSR OSFI Guidelines, substantial investments, investments in non-life companies and miscellaneous deductions previously subtracted from total available capital are deducted 50% from Tier 1 Capital and 50% from Tier 2 Capital. Periods prior to Q1 2009 have not been restated to reflect this change.

⁽²⁾ RBC ratio is calculated on an annual basis for U.S. regulatory purposes.

FINANCIAL STRENGTH AND CAPITAL ADEQUACY

As at June 30, 2009

| | <u>A.M. Best</u> | <u>Moody's</u> | <u>Standard & Poor's</u> |
|--|------------------|----------------|------------------------------|
| SUN LIFE ASSURANCE COMPANY OF CANADA FINANCIAL STRENGTH RATINGS | A+ | Aa3 | AA |
| DEBT RATINGS | | | |
| Subordinated Debt | | | |
| US\$ denominated (US\$178 million) | a+ | A2 | A+ |
| C\$ denominated (C\$450 million) | a+ | A2 | AA- |
| C\$ denominated deferrable (C\$800 million) | a+ | A2 | A+ |
| Sun Life Exchangeable Capital Securities (Series A & B) | a- | A3 | A+ |
| | <u>DBRS</u> | | <u>Standard & Poor's</u> |
| SUN LIFE FINANCIAL INC. | | | |
| SECURITY RATINGS | | | |
| Class A Preferred Shares (Series 1-5, 6R) | Pfd-1 (low) | | P-1 (low)/A- |
| Senior Unsecured Debentures (Series A-D) | AA (low) | | A+ |
| Subordinated Debt (C\$1,650 million) (Series 2007 - 1, 2008 - 1, 2008 - 2 and 2009 - 1) | A (high) | | A |

| EXPENSES | For the Quarter Ended | | | | | | | | | For the Year Ended | | |
|---|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------|--------------|--------------|
| | 2009 | | | 2008 | | | 2007 | | | 2008 | 2007 | 2006 |
| | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | | | |
| COMMISSIONS AND OTHER EXPENSES | | | | | | | | | | | | |
| Commissions | 424 | 397 | 396 | 397 | 377 | 375 | 420 | 457 | 472 | 1,545 | 1,811 | 1,916 |
| Operating Expenses | 767 | 777 | 835 | 704 | 712 | 752 | 833 | 799 | 788 | 3,003 | 3,260 | 3,028 |
| Premium Taxes | 55 | 55 | 56 | 56 | 63 | 52 | 53 | 75 | 50 | 227 | 240 | 205 |
| Interest on Borrowings | 109 | 97 | 87 | 80 | 101 | 98 | 91 | 91 | 83 | 366 | 349 | 323 |
| Total Commissions and Other Expenses | 1,355 | 1,326 | 1,374 | 1,237 | 1,253 | 1,277 | 1,397 | 1,422 | 1,393 | 5,141 | 5,660 | 5,472 |
| OPERATING EXPENSES | | | | | | | | | | | | |
| Compensation: | | | | | | | | | | | | |
| Operations | 378 | 347 | 353 | 332 | 360 | 380 | 388 | 376 | 367 | 1,425 | 1,492 | 1,459 |
| Distribution | 95 | 96 | 90 | 81 | 76 | 74 | 92 | 82 | 90 | 321 | 359 | 378 |
| Stock Options | 4 | 6 | 2 | 2 | 2 | 4 | 2 | 2 | 2 | 10 | 10 | 14 |
| Premises and Equipment | 75 | 82 | 87 | 74 | 71 | 78 | 81 | 78 | 78 | 310 | 327 | 326 |
| Other Expenses | 208 | 237 | 297 | 209 | 209 | 198 | 274 | 243 | 247 | 913 | 995 | 826 |
| Operating Expenses | 760 | 768 | 829 | 698 | 718 | 734 | 837 | 781 | 784 | 2,979 | 3,183 | 3,003 |
| Amortization of Intangibles | 7 | 9 | 6 | 6 | (6) | 18 | (4) | 18 | 4 | 24 | 77 | 25 |
| Total Operating Expenses | 767 | 777 | 835 | 704 | 712 | 752 | 833 | 799 | 788 | 3,003 | 3,260 | 3,028 |
| INTEREST ON BORROWINGS | | | | | | | | | | | | |
| Subordinated Debt | 48 | 39 | 39 | 38 | 33 | 32 | 28 | 28 | 25 | 142 | 105 | 94 |
| Liabilities for PCS and SLEECs | 20 | 20 | 20 | 20 | 20 | 20 | 21 | 20 | 27 | 80 | 103 | 140 |
| Interest on Senior Unsecured Debentures/Financing | 30 | 30 | 37 | 32 | 32 | 36 | 31 | 23 | 23 | 137 | 97 | 68 |
| Other ⁽¹⁾ | 11 | 8 | (9) | (10) | 16 | 10 | 11 | 20 | 8 | 7 | 44 | 21 |
| Total Interest on Borrowings | 109 | 97 | 87 | 80 | 101 | 98 | 91 | 91 | 83 | 366 | 349 | 323 |

⁽¹⁾ Primarily includes interest on income taxes and real estate encumbrances

GENERAL INFORMATION

| SLF Canada | SLF U.S. | MFS | SLF Asia | Corporate |
|---|---|---|---|--|
| <p>SLF Canada is a market leader with a customer base exceeding 8 million people. SLF Canada offers a full range of protection and wealth management products and services to individuals and corporate clients through its three business units – Individual Insurance & Investments, Group Benefits and Group Wealth (which includes the Company's 66.3% interest in McLean Budden Limited).</p> | <p>SLF U.S. delivers innovative protection and wealth accumulation products to individuals and businesses through its three business units – Annuities, Individual Insurance and the Employee Benefits Group.</p> | <p>MFS is a significant U.S.-based asset management company, offering investment products and services to both retail and institutional investors. MFS offers mutual funds and manages variable annuities, retirement plans and other institutional separate accounts. It also provides distribution and transfer agent services for mutual funds and retirement plans.</p> | <p>SLF Asia provides individual life and health insurance in the Philippines, Hong Kong, India, China and Indonesia; group life insurance in the Philippines, India, and savings, retirement and pension products in India, and Hong Kong. Mutual funds are provided in the Philippines and in India.</p> | <p>Corporate includes SLF U.K., and Corporate Support which includes the Company's reinsurance businesses, as well as investment income, expenses, capital and other items not allocated to the Company's operating units. SLF U.K. manages a large block of in-force annuity and insurance policies. SLF U.K. no longer offers annuity or insurance products to new customers. The Reinsurance business unit is a leading North American life retrocessionaire.</p> |
| <p><u>Individual Insurance and Investments</u></p> <ul style="list-style-type: none"> Individual life and health insurance Individual savings products Mutual Funds <p><u>Group Benefits</u></p> <ul style="list-style-type: none"> Group life and health insurance <p><u>Group Wealth</u></p> <ul style="list-style-type: none"> Group pensions and investment products Investment management services (McLean Budden) | <p><u>Annuities</u></p> <ul style="list-style-type: none"> Individual retirement products and services: <ul style="list-style-type: none"> ▪ Variable annuities ▪ Fixed annuities ▪ Fixed index annuities ▪ PPVA Investment products <p><u>Individual Insurance</u></p> <ul style="list-style-type: none"> Individual life insurance: <ul style="list-style-type: none"> ▪ Fixed and variable universal life ▪ COLI ▪ BOLI ▪ PPVUL <p><u>Employee Benefits Group</u></p> <ul style="list-style-type: none"> ▪ Group life and health insurance | <p><u>Mutual Funds</u></p> <p><u>Investment Management Services</u></p> <ul style="list-style-type: none"> Institutional accounts 401(k) Variable annuities | <p><u>Philippines</u></p> <ul style="list-style-type: none"> ▪ Individual life and health ▪ Mutual Funds <p><u>Hong Kong</u></p> <ul style="list-style-type: none"> ▪ Individual life and health ▪ Group pensions <p><u>India</u></p> <ul style="list-style-type: none"> ▪ Individual life and health ▪ Asset Management ▪ Mutual Funds ▪ Group life & pensions <p><u>China</u></p> <ul style="list-style-type: none"> ▪ Individual life and health <p><u>Indonesia</u></p> <ul style="list-style-type: none"> ▪ Individual life and health | <p><u>SLF U.K.</u></p> <ul style="list-style-type: none"> Individual annuities and pensions (in-force block only) Individual life (in-force block only) <p><u>Corporate Support</u></p> <ul style="list-style-type: none"> Life retrocession Run-off reinsurance (closed block of business) |