



# **Financial and Operating Results Supplementary Financial Information**

Sun Life Financial Inc. (unaudited)  
For the period ended March 31, 2021



**SUPPLEMENTARY FINANCIAL INFORMATION  
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## Reporting Changes

Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Gross flows is a component of managed fund sales and total wealth sales. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Details can be found on pages 2, 3 and 16. Other changes reflect: (i) a change in Value of New Business (VNB) that reflects a change in the timing of recognition of U.S. group policies sold or renewed with an effective date of January 1, which will recognize VNB for these policies in the prior year rather than the first quarter, to align with the timing of U.S. renewals and reported insurance sales; and (ii) a change in Sources of Earnings presentation between expected profit on in-force business and the impact of new business for SLF U.S. Group Benefits, such that expected profit for U.S. group policies includes previously classified new business gains, aligning group business sources of earnings reporting across business groups.

## Basis of Presentation

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

## Diluted Earnings per Share – Underlying

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

## Constant Currency Measures

Constant currency measures are calculated using the average currency and period end rates, as appropriate, in effect in the comparable period. Constant currency measures are non-IFRS financial measures. See Use of Non-IFRS Financial Measures and Reconciliation of Non-IFRS Financial Measures in our interim Management's Discussion & Analysis ("MD&A").

## Other Adjustments

### Acquisition, Integration and Restructuring

In Q1 2021, amounts relate to acquisition costs for the BGO acquisition, the InfraRed acquisition and the Crescent acquisition, which include the unwinding of the discount for the Other financial liabilities of \$14 million. We also recorded a restructuring charge of \$57 million post tax (\$78 million pre-tax) related to our strategy for our workspace and redefining the role of the office.

In Q1 2020, amounts include acquisition costs for the BentallGreenOak ("BGO") acquisition, which includes the unwinding of the discount for the put option and deferred payments liability of \$10 million. As a result of various projects to simplify our organizational structure and drive efficiencies, we also recorded a restructuring charge of \$28 million post tax (\$37 million pre-tax) and \$20 million post tax (\$27 million pre-tax) in Q1 2020 and Q4 2020, respectively. Amounts also include acquisition costs for the BGO acquisition and Infrared Capital Partners ("Infrared") acquisition, which includes the unwinding of the discount for the put option and deferred payments liability of \$11 million in Q2 2020 and Q3 2020 and \$15 million in Q4 2020.

In Q1 2019, acquisition, integration and restructuring costs related to integration costs of the U.S. Employee Benefits business. In Q2 2019, acquisition, integration and restructuring costs included \$5 million post tax (\$6 million pre-tax) acquisition costs relating to the merger of Bentall Kennedy and GreenOak. In Q3 2019, acquisition, integration and restructuring costs predominantly reflected acquisition costs in SLC Management related to the acquisition of a majority stake in BGO. In Q4 2019, acquisition, integration and restructuring costs included \$16 million post tax (\$21 million pre-tax) in acquisition costs relating to our acquisition of a majority stake in BGO and Infrared. As part of our focus on advancing our Client Strategy, we also recorded a restructuring charge of \$25 million post tax (\$33 million pre-tax) in the fourth quarter of 2019, primarily related to severance costs, as a result of various initiatives to simplify our organizational structure and drive efficiencies.

## Non-IFRS Financial Measures

Sun Life Financial Inc. ("Sun Life" or the "Company") prepares annual and interim financial statements using IFRS. The Company reports certain financial information that are not based on IFRS ("non-IFRS financial measures"), as the Company believes 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. 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 reconciliations to the closest IFRS measures are included in the Company's annual and interim MD&A and the Supplementary Financial Information packages that are available on [www.sunlife.com](http://www.sunlife.com) under Investors – Financial results and reports.

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

Sun Life uses the following non-IFRS financial measures:

- (1) ROE. IFRS does not prescribe the calculation of ROE and therefore a comparable measure under IFRS is not available. To determine reported ROE and underlying ROE, respectively, reported net income (loss) and underlying net income (loss) is divided by the total weighted average common shareholders' equity for the period and the quarterly ROE is annualized;
- (2) Financial leverage ratio. This total debt to total capital ratio is a ratio of debt plus preferred shares to total capital, where debt consists of all capital qualifying debt securities, which represent subordinated debt and innovative capital instruments;
- (3) Dividend payout ratio. This is the ratio of dividends paid per share to diluted reported and underlying EPS, respectively, for the period;
- (4) Value of New Business ("VNB"). VNB represents the present value of our best estimate of future distributable earnings, net of the cost of capital, from new business contracts written in a particular time period, except new business in our Asset Management pillar. The assumptions used in the calculations are generally consistent with those used in the valuation of our insurance contract liabilities except that discount rates used approximate theoretical return expectations of an equity investor. Capital required is based on the higher of Sun Life Assurance's Life Insurance Capital Adequacy Test ("LICAT") operating target and local (country specific) operating target capital. VNB is a useful metric to evaluate the present value created from new business contracts. There is no directly comparable IFRS measure;
- (5) Pre-tax net operating profit margin ratio for MFS. This ratio is a measure of the profitability of MFS, which excludes the impact of fair value adjustments on MFS's share-based payment awards, investment income and certain commission expenses that are offsetting. These commission expenses are excluded in order to neutralize the impacts these items have on the pre-tax net operating profit margin ratio and have no impact on the profitability of MFS. There is no directly comparable IFRS measure;
- (6) Pre-tax gross operating profit margin ratio for MFS. This ratio excludes the impact of fair value adjustments on MFS's share-based payment awards and investment income. There is no directly comparable IFRS measure;
- (7) After-tax profit margin for U.S. Group Benefits. This ratio assists in explaining our results from period to period and is a measure of profitability that expresses U.S. employee benefits and medical stop-loss underlying net income (loss) as a percentage of net premiums. This ratio is calculated by dividing underlying net income (loss) by net premiums for the trailing four quarters. There is no directly comparable IFRS measure; and
- (8) Impact of foreign exchange. Several IFRS financial measures are presented on a constant currency adjusted basis to exclude the impacts of foreign exchange translation. These measures are calculated using the average or period end foreign exchange rates, as appropriate, in effect at the date of the comparative period.

Sun Life also uses the following non-IFRS financial measures for which there are no comparable financial measures in IFRS:

- (1) administrative services only ("ASO") premium and deposit equivalents, mutual fund sales, managed fund sales, individual insurance sales, group insurance sales and total premiums and deposits;
- (2) assets under management ("AUM"), mutual fund assets, managed fund assets, other AUM, and assets under management and under administration; and
- (3) MFS pro forma diluted EPS impact, which illustrates the impact on the Company's diluted earnings per share for the period assuming the MFS liability for share-based compensation is settled in the shares of Sun Life.

## Sources of Earnings

Sources of earnings is an alternative presentation of our Consolidated Statements of Operations that identifies and quantifies various sources of income. The Company is required to disclose its sources of earnings by its principal regulator, the Office of the Superintendent of Financial Institutions.

**FINANCIAL HIGHLIGHTS**

	At and For the Quarter Ended									At and For the Year Ended		
	2021		2020			2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>RESULTS</b>												
Common Shareholders' Reported Net Income (Loss) by Segment												
Canada	405	255	387	117	(42)	275	223	148	237	717	883	942
U.S.	211	88	(113)	118	164	131	(186)	94	124	257	163	52
Asset Management	230	267	251	223	239	228	221	229	219	980	897	909
Asia	198	132	236	126	100	136	170	134	80	594	520	555
Corporate	(107)	2	(11)	(65)	(70)	(51)	253	(10)	(37)	(144)	155	64
Total common shareholders' reported net income (loss)	937	744	750	519	391	719	681	595	623	2,404	2,618	2,522
Market related impacts:												
Net equity market impact	72	108	50	59	(360)	40	9	20	58	(143)	127	(174)
Net interest rate impact	141	(74)	(14)	(205)	79	(11)	(90)	(114)	(133)	(214)	(348)	(91)
Net increases (decreases) in the fair value of real estate	(4)	(14)	(37)	(41)	(12)	(11)	(8)	(3)	6	(104)	(16)	77
	209	20	(1)	(187)	(293)	18	(89)	(97)	(69)	(461)	(237)	(188)
Assumption changes and management actions (ACMA)	(4)	(42)	(53)	5	(53)	(15)	—	(20)	(11)	(143)	(46)	(155)
Other adjustments:												
Certain hedges that do not qualify for hedge accounting	—	—	5	—	(1)	4	(5)	(5)	1	4	(5)	5
Fair value adjustments on share-based payment awards at MFS	(44)	(46)	(32)	(24)	10	(37)	(8)	(11)	(8)	(92)	(64)	(5)
Acquisition, integration and restructuring	(74)	(50)	(11)	(14)	(42)	(43)	(26)	(11)	(7)	(117)	(87)	(82)
Total common shareholders' underlying net income (loss)	850	862	842	739	770	792	809	739	717	3,213	3,057	2,947
Common Shareholders' Underlying Net Income (Loss) by Segment												
Canada	285	243	293	281	256	264	268	243	237	1,073	1,012	1,036
U.S.	171	148	136	123	161	137	135	110	150	568	532	514
Asset Management	291	333	294	259	242	281	251	245	227	1,128	1,004	925
Asia	159	116	164	144	155	143	138	147	122	579	550	523
Corporate	(56)	22	(45)	(68)	(44)	(33)	17	(6)	(19)	(135)	(41)	(51)
Total common shareholders' underlying net income (loss)	850	862	842	739	770	792	809	739	717	3,213	3,057	2,947
Profitability Measures												
Basic earnings per common share (EPS)												
Reported	1.60	1.27	1.28	0.89	0.67	1.22	1.15	1.00	1.04	4.11	4.42	4.16
Diluted earnings per common share												
Reported	1.59	1.27	1.28	0.88	0.67	1.22	1.15	1.00	1.04	4.10	4.40	4.14
Underlying	1.45	1.47	1.44	1.26	1.31	1.34	1.37	1.24	1.20	5.49	5.16	4.86
Premiums & Deposits												
Net premiums	5,126	6,675	6,396	5,521	5,146	6,639	4,799	4,480	4,370	23,738	20,288	18,642
Segregated fund deposits	3,548	4,488	2,623	2,492	3,277	3,517	2,505	2,872	3,064	12,880	11,958	11,553
Mutual fund sales <sup>(1)</sup>	37,495	33,796	33,549	35,697	38,089	27,177	25,292	23,703	23,664	141,131	99,836	84,202
Managed fund sales <sup>(2)</sup>	24,906	13,687	12,815	18,810	16,878	12,347	12,200	10,539	9,976	62,190	45,062	38,903
ASO premium & deposit equivalents	1,690	1,655	3,215	1,774	1,811	1,715	1,699	1,681	1,707	8,455	6,802	6,808
Total premiums & deposits	72,765	60,301	58,598	64,294	65,201	51,395	46,495	43,275	42,781	248,394	183,946	160,108
Sales & Value of New Business												
Individual insurance <sup>(3)</sup>	437	513	378	312	389	469	375	324	343	1,592	1,511	1,264
Group insurance <sup>(3)</sup>	293	912	303	307	387	933	310	333	437	1,909	2,013	1,925
Asset Management gross flows <sup>(2)</sup>	58,231	43,390	43,066	51,575	51,954	36,847	34,442	31,929	31,287	189,985	134,505	111,315
Wealth <sup>(3)(4)</sup>	7,731	8,244	9,618	5,063	7,950	8,025	6,709	5,047	4,706	30,875	24,487	25,387
Value of New Business <sup>(4)(5)</sup>	278	426	261	206	253	462	252	235	250	1,146	1,199	1,204

<sup>(1)</sup> Includes Aditya Birla Sun Life AMC Limited's equity and fixed income mutual funds sales based on our proportionate equity interest.

<sup>(2)</sup> Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Gross flows is a component of managed fund sales and total wealth sales. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Refer to section M. Non-IFRS Financial Measures of the Quarterly 2021 MD&A for additional details.

<sup>(3)</sup> Includes the sales in the Company's joint ventures and associates with local partners in Asia based on our proportionate equity interest.

<sup>(4)</sup> Excludes Asset Management businesses.

<sup>(5)</sup> Effective January 1, 2021 Value of New Business reflects a change in the timing of recognition of U.S. group policies sold or renewed with an effective date of January 1, which will recognize VNB for these policies in the prior year rather than the first quarter, to align with the timing of U.S. renewals and reported insurance sales. We have updated prior periods to reflect this change.

**FINANCIAL HIGHLIGHTS CONTINUED**

	At and For the Quarter Ended								At and For the Year Ended			
	2021	2020				2019				2020	2019	2018
Valuation Data	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Book value per common share	37.61	37.96	38.17	37.56	37.50	35.97	35.56	36.26	36.20	37.96	35.97	35.84
Book value per common share excluding AOCI	36.07	35.25	34.53	33.79	33.46	33.48	32.80	33.77	33.42	35.25	33.48	33.01
Tangible book value per common share	21.05	23.35	23.35	23.73	23.42	22.50	22.14	24.31	24.24	23.35	22.50	23.82
Market-to-book value (times)	1.69	1.49	1.42	1.33	1.21	1.65	1.67	1.50	1.42	1.49	1.65	1.26
Total market capitalization (TSX in \$ billions)	37.2	33.1	31.7	29.2	26.5	34.8	34.8	32.1	30.5	33.1	34.8	27.1
<b>Financial Strength</b>												
SLA LICAT ratio	124 %	127 %	127 %	126 %	130 %	130 %	133 %	133 %	132 %	127 %	130 %	131 %
SLF LICAT ratio	141 %	147 %	144 %	146 %	143 %	143 %	146 %	144 %	145 %	147 %	143 %	144 %
Total debt to total capital ratio	22.7 %	23.5 %	21.5 %	23.2 %	20.7 %	21.2 %	22.8 %	20.4 %	21.1 %	23.5 %	21.2 %	21.2 %
<b>Common Share Information (SLF on TSX)</b>												
High (intraday)	65.37	60.34	57.56	53.32	66.44	61.91	59.73	55.97	52.23	66.44	61.91	56.09
Low (intraday)	55.92	51.59	48.29	42.01	35.43	56.62	51.19	51.64	44.43	35.43	44.43	43.13
Close (end of period)	63.51	56.60	54.26	49.89	45.27	59.21	59.24	54.23	51.34	56.60	59.21	45.29
<b>Number of Common Shares Outstanding (in millions)<sup>(1)</sup></b>												
At beginning of period	585.1	584.8	584.7	584.6	587.8	587.6	591.0	594.6	598.5	587.8	598.5	610.5
Common shares issued	0.2	0.3	0.1	0.1	0.3	0.2	0.2	0.1	0.3	0.8	0.8	0.5
Common shares purchased and cancelled	—	—	—	—	(3.5)	—	(3.6)	(3.7)	(4.2)	(3.5)	(11.5)	(12.5)
At end of period	585.3	585.1	584.8	584.7	584.6	587.8	587.6	591.0	594.6	585.1	587.8	598.5
Weighted average shares outstanding - basic	585	585	585	585	587	588	590	593	597	585	592	606
Weighted average shares outstanding - diluted <sup>(2)</sup>	590	589	589	589	592	593	595	598	602	589	597	611
<b>Dividend per common share</b>	0.55	0.55	0.55	0.55	0.55	0.55	0.525	0.525	0.50	2.20	2.10	1.905
<b>Dividend payout ratio<sup>(3)</sup></b>												
Reported	35 %	43 %	43 %	63 %	82 %	45 %	46 %	53 %	48 %	54 %	48 %	46 %
Underlying	38 %	37 %	38 %	44 %	42 %	41 %	38 %	42 %	42 %	40 %	41 %	39 %
<b>Dividend yield<sup>(4)</sup></b>	3.6 %	3.9%	4.1%	4.6%	3.8%	3.7%	3.8%	3.9%	4.1%	4.1 %	3.9%	3.7%
<b>Assets Under Management<sup>(5)(6)</sup></b>												
General funds	190,072	197,090	196,235	195,489	188,366	180,229	180,206	174,325	172,348	197,090	180,229	168,765
Segregated funds	127,341	125,921	116,653	112,944	102,824	116,973	112,806	111,684	110,011	125,921	116,973	103,062
<b>Total assets</b>	<b>317,413</b>	<b>323,011</b>	<b>312,888</b>	<b>308,433</b>	<b>291,190</b>	<b>297,202</b>	<b>293,012</b>	<b>286,009</b>	<b>282,359</b>	<b>323,011</b>	<b>297,202</b>	<b>271,827</b>
Other assets under management												
Mutual funds	495,480	487,407	456,120	427,977	377,987	417,042	394,498	381,625	370,877	487,407	417,042	341,425
Managed funds & other <sup>(6)</sup>	529,186	481,231	460,594	426,772	393,422	415,888	406,458	387,781	388,879	481,231	415,888	366,847
Consolidation adjustments	(37,833)	(35,640)	(33,784)	(32,650)	(31,538)	(30,785)	(31,036)	(30,639)	(30,730)	(35,640)	(30,785)	(28,956)
<b>Total other assets under management</b>	<b>986,833</b>	<b>932,998</b>	<b>882,930</b>	<b>822,099</b>	<b>739,871</b>	<b>802,145</b>	<b>769,920</b>	<b>738,767</b>	<b>729,026</b>	<b>932,998</b>	<b>802,145</b>	<b>679,316</b>
<b>Total assets under management</b>	<b>1,304,246</b>	<b>1,256,009</b>	<b>1,195,818</b>	<b>1,130,532</b>	<b>1,031,061</b>	<b>1,099,347</b>	<b>1,062,932</b>	<b>1,024,776</b>	<b>1,011,385</b>	<b>1,256,009</b>	<b>1,099,347</b>	<b>951,143</b>
<b>Total assets under management and administration<sup>(5)(6)</sup></b>	<b>1,346,194</b>	<b>1,295,930</b>	<b>1,232,686</b>	<b>1,164,556</b>	<b>1,061,957</b>	<b>1,134,344</b>	<b>1,106,939</b>	<b>1,068,913</b>	<b>1,054,952</b>	<b>1,295,930</b>	<b>1,134,344</b>	<b>992,984</b>
<b>Select Constant Currency Measures</b>												
Reported net income	970				391							
Underlying net income	881				770							
Sales - Individual insurance	449				389							
Sales - Group insurance	302				387							
Asset Management gross flows and wealth sales	69,150				59,904							
Premiums & deposits	75,944				65,201							
Reported earnings per share - Diluted	1.65				0.67							
Underlying earnings per share - Diluted	1.50				1.31							
Assets under management <sup>(5)(6)</sup>	1,426,001				1,031,061							

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

<sup>(2)</sup> 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.

<sup>(3)</sup> The calculation methodology is based on diluted reported EPS and diluted underlying EPS, respectively.

<sup>(4)</sup> The quarterly dividend yield calculation represents the annualized dividend per share in the quarter over the daily average share price in the quarter. The annual dividend calculation represents the dividend paid in the year over the daily average share price for the year.

<sup>(5)</sup> The assets of our joint ventures are included based on our proportionate equity interest.

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

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(C\$ millions)	For the Quarter Ended									For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Revenue</b>												
Premiums - life insurance	2,507	3,616	2,794	2,805	2,597	2,878	2,308	2,210	2,074	11,812	9,470	8,677
Premiums - health insurance	2,645	2,586	2,597	2,784	2,682	2,490	2,473	2,482	2,463	10,649	9,908	9,121
Premiums - annuities	579	1,108	1,590	571	460	1,912	589	396	405	3,729	3,302	3,183
Gross premiums	5,731	7,310	6,981	6,160	5,739	7,280	5,370	5,088	4,942	26,190	22,680	20,981
Ceded premiums	(605)	(635)	(585)	(639)	(593)	(641)	(571)	(608)	(572)	(2,452)	(2,392)	(2,339)
Net premiums	5,126	6,675	6,396	5,521	5,146	6,639	4,799	4,480	4,370	23,738	20,288	18,642
Net investment income (loss)	(5,497)	3,075	1,889	8,069	(315)	209	3,232	4,124	5,575	12,718	13,140	2,389
Fee income	1,885	1,899	1,747	1,596	1,639	1,677	1,585	1,542	1,447	6,881	6,251	5,966
<b>Total revenue</b>	<b>1,514</b>	<b>11,649</b>	<b>10,032</b>	<b>15,186</b>	<b>6,470</b>	<b>8,525</b>	<b>9,616</b>	<b>10,146</b>	<b>11,392</b>	<b>43,337</b>	<b>39,679</b>	<b>26,997</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	4,780	4,773	4,338	4,778	4,418	4,613	4,335	4,353	4,120	18,307	17,421	15,986
Change in insurance/investment contract liabilities & reinsurance assets <sup>(1)</sup>	(6,841)	3,604	2,645	7,712	(661)	768	2,570	3,071	4,558	13,300	10,967	70
Operating expenses, commissions and other expenses	2,921	2,988	2,637	2,592	2,579	2,828	2,470	2,471	2,420	10,796	10,189	9,451
Reinsurance expenses (recoveries)	(682)	(636)	(577)	(609)	(531)	(595)	(525)	(503)	(508)	(2,353)	(2,131)	(2,021)
Total policy benefits and expenses	178	10,729	9,043	14,473	5,805	7,614	8,850	9,392	10,590	40,050	36,446	23,486
<b>Income (loss) before income taxes</b>	<b>1,336</b>	<b>920</b>	<b>989</b>	<b>713</b>	<b>665</b>	<b>911</b>	<b>766</b>	<b>754</b>	<b>802</b>	<b>3,287</b>	<b>3,233</b>	<b>3,511</b>
Income tax expense (benefit)	325	53	102	61	279	98	10	90	88	495	286	597
Participating policyholders' net income (loss) and non-controlling interest	51	99	115	109	(29)	70	52	45	67	294	234	298
Preferred shareholder dividends	23	24	22	24	24	24	23	24	24	94	95	94
<b>Common shareholders' reported net income (loss)</b>	<b>937</b>	<b>744</b>	<b>750</b>	<b>519</b>	<b>391</b>	<b>719</b>	<b>681</b>	<b>595</b>	<b>623</b>	<b>2,404</b>	<b>2,618</b>	<b>2,522</b>
<b>Common shareholders' underlying net income (loss)</b>	<b>850</b>	<b>862</b>	<b>842</b>	<b>739</b>	<b>770</b>	<b>792</b>	<b>809</b>	<b>739</b>	<b>717</b>	<b>3,213</b>	<b>3,057</b>	<b>2,947</b>
Return on equity - reported	16.9 %	13.3 %	13.5 %	9.4 %	7.2 %	13.6 %	13.0 %	11.0 %	11.5 %	10.8 %	12.3 %	12.1 %
Return on equity - underlying	15.3 %	15.4 %	15.1 %	13.4 %	14.2 %	15.0 %	15.5 %	13.7 %	13.3 %	14.4 %	14.3 %	14.2 %

SOURCES OF EARNINGS - Total Company	For the Quarter Ended									For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Expected profit on in-force business <sup>(2)</sup>	913	986	926	872	829	849	817	785	743	3,613	3,194	3,003
Impact of new business <sup>(2)</sup>	14	35	6	(6)	(7)	22	(23)	(6)	(15)	28	(22)	10
Experience gains (losses)	425	(136)	(13)	(403)	(111)	(18)	(86)	(128)	(96)	(663)	(328)	(4)
Assumption changes and management actions	(6)	(60)	(91)	3	(66)	(16)	(74)	(27)	(10)	(214)	(127)	(246)
Other <sup>(3)</sup>	(161)	(128)	(60)	(52)	(50)	(108)	(58)	(42)	(29)	(290)	(237)	(150)
Earnings (loss) on operations (pre-tax)	1,185	697	768	414	595	729	576	582	593	2,474	2,480	2,613
Earnings on surplus	108	114	96	155	116	115	137	123	125	481	500	540
Earnings (loss) before income taxes	1,293	811	864	569	711	844	713	705	718	2,955	2,980	3,153
Income tax (expense) benefit	(335)	(41)	(93)	(22)	(290)	(101)	(9)	(86)	(71)	(446)	(267)	(537)
Earnings (loss) before preferred share dividends and non-controlling interest	958	770	771	547	421	743	704	619	647	2,509	2,713	2,616
Preferred share dividends and non-controlling interest	(21)	(26)	(21)	(28)	(30)	(24)	(23)	(24)	(24)	(105)	(95)	(94)
<b>Common shareholders' reported net income (loss)</b>	<b>937</b>	<b>744</b>	<b>750</b>	<b>519</b>	<b>391</b>	<b>719</b>	<b>681</b>	<b>595</b>	<b>623</b>	<b>2,404</b>	<b>2,618</b>	<b>2,522</b>
Underlying net income adjustments (post tax):												
Market related impacts	209	20	(1)	(187)	(293)	18	(89)	(97)	(69)	(461)	(237)	(188)
Assumption changes and management actions	(4)	(42)	(53)	5	(53)	(15)	—	(20)	(11)	(143)	(46)	(155)
Other adjustments:												
Impact of certain hedges that do not qualify for hedge accounting	—	—	5	—	(1)	4	(5)	(5)	1	4	(5)	5
Fair value adjustments on share-based payment awards at MFS	(44)	(46)	(32)	(24)	10	(37)	(8)	(11)	(8)	(92)	(64)	(5)
Acquisition, integration and restructuring	(74)	(50)	(11)	(14)	(42)	(43)	(26)	(11)	(7)	(117)	(87)	(82)
	87	(118)	(92)	(220)	(379)	(73)	(128)	(144)	(94)	(809)	(439)	(425)
<b>Common shareholders' underlying net income (loss)</b>	<b>850</b>	<b>862</b>	<b>842</b>	<b>739</b>	<b>770</b>	<b>792</b>	<b>809</b>	<b>739</b>	<b>717</b>	<b>3,213</b>	<b>3,057</b>	<b>2,947</b>
<b>EXCHANGE RATES - Average for the period</b>												
U.S. Dollar	1.266	1.304	1.332	1.386	1.341	1.320	1.320	1.337	1.329	1.341	1.327	1.295

<sup>(1)</sup> Includes the following income statement line items: Increases/(decreases) in insurance contract liabilities, change in reinsurance assets, increase/(decrease) in investment contract liabilities and net transfers to/(from) segregated funds.

<sup>(2)</sup> Effective January 1, 2021, expected profit for U.S. group policies includes previously classified new business gains, aligning group business sources of earnings reporting across business groups. We have updated prior period amounts to reflect this change.

<sup>(3)</sup> Represents pre-tax adjustments related to certain hedges that do not qualify for hedge accounting, MFS fair value adjustments on share-based payment awards, and acquisition, integration and restructuring amounts.

**STATEMENTS OF FINANCIAL POSITION**  
(C\$ millions)

	At the Quarter Ended								At the Year Ended			
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Assets</b>												
Cash, cash equivalents and short-term securities	10,997	13,527	12,450	11,792	9,548	9,575	8,647	8,188	8,370	13,527	9,575	9,506
Debt securities	82,294	89,089	89,173	90,038	84,599	81,606	82,167	78,677	76,715	89,089	81,606	74,443
Equity securities	7,267	6,631	5,835	5,530	4,605	4,787	4,925	4,850	4,918	6,631	4,787	4,634
Mortgages and loans	50,010	49,946	50,067	49,858	50,253	48,222	48,125	47,485	47,565	49,946	48,222	46,822
Derivative assets	1,410	2,160	2,279	2,914	3,128	1,548	2,193	1,914	1,430	2,160	1,548	1,112
Other invested assets	6,325	5,778	5,791	5,658	5,795	5,357	5,325	5,095	5,057	5,778	5,357	4,830
Policy loans	3,242	3,265	3,310	3,308	3,324	3,218	3,216	3,196	3,215	3,265	3,218	3,222
Investment properties	7,635	7,516	7,406	7,404	7,359	7,306	7,335	7,229	6,999	7,516	7,306	7,157
<b>Total invested assets</b>	<b>169,180</b>	<b>177,912</b>	<b>176,311</b>	<b>176,502</b>	<b>168,611</b>	<b>161,619</b>	<b>161,933</b>	<b>156,634</b>	<b>154,269</b>	<b>177,912</b>	<b>161,619</b>	<b>151,726</b>
Other assets	5,809	5,152	5,771	5,049	5,564	5,216	4,899	5,114	5,554	5,152	5,216	4,498
Reinsurance assets	3,824	3,843	3,999	4,315	4,357	4,024	4,059	4,210	4,135	3,843	4,024	4,141
Deferred tax assets	1,566	1,634	1,485	1,534	1,606	1,455	1,431	1,305	1,278	1,634	1,455	1,209
Intangible assets	3,234	2,477	2,493	2,142	2,184	2,083	2,015	1,753	1,754	2,477	2,083	1,779
Goodwill	6,459	6,072	6,176	5,947	6,044	5,832	5,869	5,309	5,358	6,072	5,832	5,412
<b>Total general fund assets</b>	<b>190,072</b>	<b>197,090</b>	<b>196,235</b>	<b>195,489</b>	<b>188,366</b>	<b>180,229</b>	<b>180,206</b>	<b>174,325</b>	<b>172,348</b>	<b>197,090</b>	<b>180,229</b>	<b>168,765</b>
Investment for account of segregated fund holders	127,341	125,921	116,653	112,944	102,824	116,973	112,806	111,684	110,011	125,921	116,973	103,062
<b>Total assets</b>	<b>317,413</b>	<b>323,011</b>	<b>312,888</b>	<b>308,433</b>	<b>291,190</b>	<b>297,202</b>	<b>293,012</b>	<b>286,009</b>	<b>282,359</b>	<b>323,011</b>	<b>297,202</b>	<b>271,827</b>
<b>Liabilities and Equity</b>												
Insurance contract liabilities	138,145	145,773	144,170	142,501	135,252	131,184	130,870	127,728	125,491	145,773	131,184	121,923
Investment contract liabilities	3,584	3,189	3,251	3,198	3,120	3,116	3,121	3,145	3,136	3,189	3,116	3,164
Derivative liabilities	1,908	1,744	2,407	3,313	4,509	2,040	2,352	1,804	1,762	1,744	2,040	2,295
Deferred tax liabilities	386	383	407	391	313	406	397	393	328	383	406	322
Other liabilities	15,370	14,858	15,573	15,633	15,865	14,937	14,730	12,506	12,580	14,858	14,937	12,153
Senior debentures	300	300	300	300	300	300	300	600	599	300	300	599
Senior debentures - Innovative capital instruments	200	200	200	200	200	200	700	700	700	200	200	700
Subordinated debt	4,432	4,781	4,035	4,534	3,539	3,538	3,538	2,791	3,040	4,781	3,538	3,039
<b>Total general fund liabilities</b>	<b>164,325</b>	<b>171,228</b>	<b>170,343</b>	<b>170,070</b>	<b>163,098</b>	<b>155,721</b>	<b>156,008</b>	<b>149,667</b>	<b>147,636</b>	<b>171,228</b>	<b>155,721</b>	<b>144,195</b>
Insurance and investment contracts for account of segregated fund holders	127,341	125,921	116,653	112,944	102,824	116,973	112,806	111,684	110,011	125,921	116,973	103,062
<b>Total liabilities</b>	<b>291,666</b>	<b>297,149</b>	<b>286,996</b>	<b>283,014</b>	<b>265,922</b>	<b>272,694</b>	<b>268,814</b>	<b>261,351</b>	<b>257,647</b>	<b>297,149</b>	<b>272,694</b>	<b>247,257</b>
<b>Total equity</b>	<b>25,747</b>	<b>25,862</b>	<b>25,892</b>	<b>25,419</b>	<b>25,268</b>	<b>24,508</b>	<b>24,198</b>	<b>24,658</b>	<b>24,712</b>	<b>25,862</b>	<b>24,508</b>	<b>24,570</b>
<b>Total liabilities and equity</b>	<b>317,413</b>	<b>323,011</b>	<b>312,888</b>	<b>308,433</b>	<b>291,190</b>	<b>297,202</b>	<b>293,012</b>	<b>286,009</b>	<b>282,359</b>	<b>323,011</b>	<b>297,202</b>	<b>271,827</b>
<b>EXCHANGE RATES - Period end rates</b>												
U.S. Dollar	1.256	1.273	1.332	1.357	1.406	1.299	1.324	1.309	1.334	1.273	1.299	1.364



**STATEMENT OF EQUITY AND CAPITAL**

(C\$ millions)

	At the Quarter Ended								At the Year Ended			
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>CHANGES IN COMMON SHAREHOLDERS' EQUITY</b>												
Balance at beginning of period	22,212	22,323	21,962	21,921	21,141	20,896	21,427	21,525	21,449	21,141	21,449	20,064
Common shareholders' reported net income (loss)	937	744	750	519	391	719	681	595	623	2,404	2,618	2,522
Dividends - common shares	(322)	(322)	(314)	(324)	(323)	(316)	(309)	(312)	(299)	(1,283)	(1,236)	(1,147)
Common shares issued, net of expenses	10	6	2	3	7	5	5	5	8	18	23	17
Common shares buyback	—	—	—	—	(200)	—	(192)	(200)	(200)	(200)	(592)	(641)
Share-based compensation	3	1	—	—	3	1	—	1	3	4	5	4
Other <sup>(1)</sup>	(139)	—	—	—	—	—	(875)	—	(22)	—	(897)	45
Other comprehensive income (OCI) for the period:												
Unrealized foreign currency translation gains (losses), net of hedging activities	(220)	(552)	(202)	(480)	1,036	(136)	112	(258)	(279)	(198)	(561)	906
Unrealized gains (losses) on available-for-sale assets	(372)	32	91	492	(296)	(70)	39	149	251	319	369	(402)
Unrealized gains (losses) on cash flow hedges	5	2	6	7	(21)	(1)	6	3	6	(6)	14	(10)
Share of other comprehensive income (loss) in joint ventures and associates	(44)	(43)	(3)	(27)	63	(14)	1	(24)	27	(10)	(10)	7
Remeasurement of defined benefit plans	(54)	21	31	(149)	120	57	1	(57)	(42)	23	(41)	84
Balance at end of period	<u>22,016</u>	<u>22,212</u>	<u>22,323</u>	<u>21,962</u>	<u>21,921</u>	<u>21,141</u>	<u>20,896</u>	<u>21,427</u>	<u>21,525</u>	<u>22,212</u>	<u>21,141</u>	<u>21,449</u>
Composition of shareholders' accumulated OCI balance												
Unrealized foreign currency translation gains (losses), net of hedging activities	930	1,150	1,702	1,904	2,384	1,348	1,484	1,372	1,630	1,150	1,348	1,909
Unrealized gains (losses) on available-for-sale assets	260	632	600	509	17	313	383	344	195	632	313	(56)
Unrealized gains (losses) on cash flow hedges	(8)	(13)	(15)	(21)	(28)	(7)	(6)	(12)	(15)	(13)	(7)	(21)
Share of other comprehensive income (loss) in joint ventures and associates	(88)	(44)	(1)	2	29	(34)	(20)	(21)	3	(44)	(34)	(24)
Unrealized gains (losses) on transfer to investment properties	145	145	145	145	145	145	145	145	145	145	145	145
Remeasurement of defined benefit plans	(335)	(281)	(302)	(333)	(184)	(304)	(361)	(362)	(305)	(281)	(304)	(263)
Balance at end of period	<u>904</u>	<u>1,589</u>	<u>2,129</u>	<u>2,206</u>	<u>2,363</u>	<u>1,461</u>	<u>1,625</u>	<u>1,466</u>	<u>1,653</u>	<u>1,589</u>	<u>1,461</u>	<u>1,690</u>
<b>CAPITAL</b>												
Subordinated debt	4,432	4,781	4,035	4,534	3,539	3,538	3,538	2,791	3,040	4,781	3,538	3,039
SLEECs <sup>(2)</sup>	200	200	200	200	200	200	700	700	699	200	200	699
Participating policyholders' equity and non-controlling interest	1,474	1,393	1,312	1,200	1,090	1,110	1,045	974	930	1,393	1,110	864
Preferred shareholders' equity	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257
Common shareholders' equity	22,016	22,212	22,323	21,962	21,921	21,141	20,896	21,427	21,525	22,212	21,141	21,449
Total capital	<u>30,379</u>	<u>30,843</u>	<u>30,127</u>	<u>30,153</u>	<u>29,007</u>	<u>28,246</u>	<u>28,436</u>	<u>28,149</u>	<u>28,451</u>	<u>30,843</u>	<u>28,246</u>	<u>28,308</u>
<b>LICAT RATIO - SUN LIFE ASSURANCE COMPANY OF CANADA</b>												
<b>Capital Resources</b>												
Tier 1 capital												
Retained earnings and contributed surplus	15,282	14,630	14,065	13,447	13,444	13,731	13,791	13,521	13,456			
Adjusted accumulated other comprehensive income	789	1,397	1,797	1,932	2,103	1,226	1,372	1,241	1,383			
Common and preferred shares	3,195	3,195	3,195	3,197	3,195	3,195	3,195	3,195	3,195			
Innovative instruments	200	200	200	200	200	200	700	700	699			
Other	225	229	256	37	41	45	48	52	56			
Less:												
Goodwill	2,366	2,393	2,475	2,505	2,577	2,433	2,460	2,449	2,491			
Tier 1 deductions	5,010	4,606	4,609	4,730	5,030	4,690	4,459	4,171	4,299			
Net tier 1 capital	<u>12,315</u>	<u>12,652</u>	<u>12,429</u>	<u>11,578</u>	<u>11,376</u>	<u>11,274</u>	<u>12,187</u>	<u>12,089</u>	<u>11,999</u>			
Tier 2 capital												
Preferred shares and subordinated debt	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900			
Other tier 2	2,579	2,576	2,579	2,698	2,806	2,662	2,618	2,427	2,538			
Less:												
Tier 2 deductions	320	320	320	320	320	320	820	820	820			
Net tier 2 capital	<u>5,159</u>	<u>5,156</u>	<u>5,159</u>	<u>5,278</u>	<u>5,386</u>	<u>5,242</u>	<u>4,698</u>	<u>4,507</u>	<u>4,618</u>			
Surplus allowance and eligible deposits	9,771	10,575	10,203	10,339	9,472	9,359	9,648	9,520	9,257			
Total capital resources	<u>27,245</u>	<u>28,383</u>	<u>27,791</u>	<u>27,195</u>	<u>26,234</u>	<u>25,875</u>	<u>26,533</u>	<u>26,116</u>	<u>25,874</u>			
<b>Capital Requirements</b>												
Credit risk	4,026	4,146	4,092	4,063	3,966	3,759	3,812	3,718	3,692			
Market risk	4,953	5,264	4,868	4,748	4,014	4,416	4,481	4,510	4,653			
Insurance risk	9,085	8,786	8,788	9,009	9,092	8,487	8,503	8,510	8,576			
Total non-participating product risk (before other credits and diversification)	18,064	18,176	17,748	17,820	17,072	16,662	16,796	16,738	16,921			
Total participating product risk including par credits (before other credits and diversification)	4,232	4,177	4,234	4,033	3,589	3,561	3,546	3,433	3,350			
Less:												
Credits and diversification benefits	4,353	4,106	4,145	4,208	4,228	4,010	4,096	4,133	4,200			
Total Non-participating and participating product risk	<u>17,943</u>	<u>18,247</u>	<u>17,837</u>	<u>17,645</u>	<u>16,433</u>	<u>16,213</u>	<u>16,246</u>	<u>16,038</u>	<u>16,071</u>			
Segregated fund guarantees risk	907	904	959	947	959	906	942	936	953			
Operational risk	2,021	2,054	1,992	1,958	1,821	1,785	1,749	1,700	1,690			
Total before scalar	<u>20,871</u>	<u>21,205</u>	<u>20,788</u>	<u>20,550</u>	<u>19,213</u>	<u>18,904</u>	<u>18,937</u>	<u>18,674</u>	<u>18,714</u>			
Base solvency buffer (Total before scalar x scalar [1.05])	<u>21,914</u>	<u>22,265</u>	<u>21,827</u>	<u>21,578</u>	<u>20,174</u>	<u>19,849</u>	<u>19,884</u>	<u>19,608</u>	<u>19,650</u>			
LICAT ratio	124 %	127 %	127 %	126 %	130 %	130 %	133 %	133 %	132 %			
LICAT core ratio	87 %	90 %	90 %	87 %	89 %	90 %	95 %	96 %	94 %			

<sup>(1)</sup> In Q1 2021, other reflects the establishment of financial liabilities associated with the anticipated increase of our future ownership in Crescent. In Q3 2019, other reflects primarily the establishment of financial liabilities associated with the anticipated increase of our future ownership in BGO and in Q1 2019, other consists of a \$(22) million change in retained earnings due to the adoption of IFRS 16. In 2018, other consists of an \$89 million transfer of seed capital from the participating account to the shareholder account and a \$(44) million change in retained earnings due to the adoption of IFRS 15.

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

**DILUTED EARNINGS PER SHARE RECONCILIATION**

	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>WEIGHTED AVERAGE SHARES</b>												
Weighted average shares - basic	585	585	585	585	587	588	590	593	597	585	592	606
Diluted impact of stock options	1	—	—	—	1	1	1	1	1	—	1	1
Weighted average shares - diluted underlying	586	585	585	585	588	589	591	594	598	585	593	607
Diluted impact of convertible securities (SLEECs) <sup>(1)</sup>	4	4	4	4	4	4	4	4	4	4	4	4
Weighted average shares - diluted	590	589	589	589	592	593	595	598	602	589	597	611
<b>DILUTED EARNINGS PER SHARE</b> <sup>(2)</sup>												
Total common shareholders' reported net income (loss)	937	744	750	519	391	719	681	595	623	2,404	2,618	2,522
Add: Increase in income due to convertible securities (SLEECs) <sup>(3)</sup>	3	2	3	2	3	2	3	2	3	10	10	10
Total common shareholders' reported net income (loss) on a diluted basis	940	746	753	521	394	721	684	597	626	2,414	2,628	2,532
Less Adjustments:												
Impact of SLEECs	3	2	3	2	3	2	3	2	3	10	10	10
Market related impacts:												
Net equity market impact	72	108	50	59	(360)	40	9	20	58	(143)	127	(174)
Net interest rate impact	141	(74)	(14)	(205)	79	(11)	(90)	(114)	(133)	(214)	(348)	(91)
Net increases (decreases) in the fair value of real estate	(4)	(14)	(37)	(41)	(12)	(11)	(8)	(3)	6	(104)	(16)	77
	209	20	(1)	(187)	(293)	18	(89)	(97)	(69)	(461)	(237)	(188)
Assumption changes and management actions	(4)	(42)	(53)	5	(53)	(15)	—	(20)	(11)	(143)	(46)	(155)
Other adjustments:												
Impact of certain hedges that do not qualify for hedge accounting	—	—	5	—	(1)	4	(5)	(5)	1	4	(5)	5
Impact of fair value adjustments on share-based payment awards at MFS	(44)	(46)	(32)	(24)	10	(37)	(8)	(11)	(8)	(92)	(64)	(5)
Impact of acquisition, integration and restructuring	(74)	(50)	(11)	(14)	(42)	(43)	(26)	(11)	(7)	(117)	(87)	(82)
Total common shareholders' underlying net income (loss)	850	862	842	739	770	792	809	739	717	3,213	3,057	2,947
Diluted earnings per share - reported	\$ 1.59	\$ 1.27	\$ 1.28	\$ 0.88	\$ 0.67	\$ 1.22	\$ 1.15	\$ 1.00	\$ 1.04	\$ 4.10	\$ 4.40	\$ 4.14
Less Adjustments:												
Impact of SLEECs	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.02)	\$ (0.01)
Market related impacts:												
Net equity market impact	\$ 0.13	\$ 0.18	\$ 0.08	\$ 0.10	\$ (0.61)	\$ 0.07	\$ 0.02	\$ 0.03	\$ 0.09	\$ (0.25)	\$ 0.21	\$ (0.29)
Net interest rate impact	\$ 0.25	\$ (0.13)	\$ (0.02)	\$ (0.35)	\$ 0.13	\$ (0.02)	\$ (0.17)	\$ (0.19)	\$ (0.22)	\$ (0.37)	\$ (0.57)	\$ (0.15)
Net increases (decreases) in the fair value of real estate	\$ (0.01)	\$ (0.02)	\$ (0.06)	\$ (0.07)	\$ (0.02)	\$ (0.02)	\$ (0.01)	\$ -	\$ 0.01	\$ (0.18)	\$ (0.03)	\$ 0.13
	\$ 0.37	\$ 0.03	\$ -	\$ (0.32)	\$ (0.50)	\$ 0.03	\$ (0.16)	\$ (0.16)	\$ (0.12)	\$ (0.80)	\$ (0.39)	\$ (0.31)
Assumption changes and management actions	\$ (0.01)	\$ (0.07)	\$ (0.09)	\$ 0.01	\$ (0.09)	\$ (0.03)	\$ -	\$ (0.03)	\$ (0.02)	\$ (0.24)	\$ (0.08)	\$ (0.26)
Other adjustments:												
Impact of certain hedges that do not qualify for hedge accounting	\$ -	\$ -	\$ 0.01	\$ -	\$ -	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ -	\$ 0.01	\$ (0.01)	\$ 0.01
Impact of fair value adjustments on share-based payment awards at MFS	\$ (0.08)	\$ (0.08)	\$ (0.06)	\$ (0.04)	\$ 0.02	\$ (0.06)	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ (0.16)	\$ (0.11)	\$ (0.01)
Impact of acquisition, integration and restructuring	\$ (0.13)	\$ (0.08)	\$ (0.02)	\$ (0.03)	\$ (0.07)	\$ (0.07)	\$ (0.04)	\$ (0.02)	\$ (0.01)	\$ (0.20)	\$ (0.15)	\$ (0.14)
Diluted earnings per share - underlying	\$ 1.45	\$ 1.47	\$ 1.44	\$ 1.26	\$ 1.31	\$ 1.34	\$ 1.37	\$ 1.24	\$ 1.20	\$ 5.49	\$ 5.16	\$ 4.86

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

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

<sup>(3)</sup> Represents after-tax interest expense on SLEECs converted into common shares that is added to net income as the SLEECs are assumed to be converted at the beginning of each reporting period in the calculation of diluted EPS.

CANADA (C\$ millions)	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>STATEMENTS OF OPERATIONS</b>												
<b>Revenue</b>												
Premiums - life insurance	1,333	1,520	1,255	1,307	1,276	1,450	1,203	1,277	1,248	5,358	5,178	4,796
Premiums - health insurance	1,463	1,454	1,443	1,596	1,518	1,409	1,403	1,415	1,402	6,011	5,629	5,316
Premiums - annuities	562	1,077	1,557	533	427	1,905	584	389	398	3,594	3,276	3,261
Gross premiums	3,358	4,051	4,255	3,436	3,221	4,764	3,190	3,081	3,048	14,963	14,083	13,373
Ceded premiums	(377)	(393)	(361)	(402)	(374)	(388)	(357)	(381)	(362)	(1,530)	(1,488)	(1,487)
Net premiums	2,981	3,658	3,894	3,034	2,847	4,376	2,833	2,700	2,686	13,433	12,595	11,886
Net investment income (loss)	(3,291)	1,634	1,109	4,823	(743)	(36)	1,171	2,096	3,243	6,823	6,474	1,942
Fee income	376	386	343	306	341	361	328	323	308	1,376	1,320	1,240
<b>Total revenue</b>	<b>66</b>	<b>5,678</b>	<b>5,346</b>	<b>8,163</b>	<b>2,445</b>	<b>4,701</b>	<b>4,332</b>	<b>5,119</b>	<b>6,237</b>	<b>21,632</b>	<b>20,389</b>	<b>15,068</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	2,745	2,827	2,507	2,623	2,585	2,538	2,336	2,446	2,383	10,542	9,703	9,328
Change in insurance/investment contract liabilities & reinsurance assets	(3,947)	1,945	1,803	4,933	(873)	1,194	1,185	1,893	2,978	7,808	7,250	1,894
Operating expenses, commissions and other expenses	933	970	869	876	899	933	843	874	886	3,614	3,536	3,413
Reinsurance expenses (recoveries)	(333)	(359)	(314)	(311)	(311)	(319)	(276)	(296)	(281)	(1,295)	(1,172)	(1,138)
Total policy benefits and expenses	(602)	5,383	4,865	8,121	2,300	4,346	4,088	4,917	5,966	20,669	19,317	13,497
<b>Income (loss) before income taxes</b>	<b>668</b>	<b>295</b>	<b>481</b>	<b>42</b>	<b>145</b>	<b>355</b>	<b>244</b>	<b>202</b>	<b>271</b>	<b>963</b>	<b>1,072</b>	<b>1,571</b>
Income tax expense (benefit)	220	(26)	57	(158)	177	50	(15)	12	(32)	50	15	308
Participating policyholders' net income (loss)	43	66	37	83	10	30	36	42	66	196	174	321
<b>Common shareholders' reported net income (loss)</b>	<b>405</b>	<b>255</b>	<b>387</b>	<b>117</b>	<b>(42)</b>	<b>275</b>	<b>223</b>	<b>148</b>	<b>237</b>	<b>717</b>	<b>883</b>	<b>942</b>
Market related impacts	124	15	29	(161)	(275)	6	(44)	(72)	(1)	(392)	(111)	(117)
Assumption changes and management actions	(4)	(3)	60	(3)	(22)	(1)	4	(20)	—	32	(17)	23
Certain hedges that do not qualify for hedge accounting	—	—	5	—	(1)	4	(5)	(5)	1	4	(5)	5
Acquisition, integration and restructuring	—	—	—	—	—	2	—	2	—	—	4	(5)
<b>Common shareholders' underlying net income (loss)</b>	<b>285</b>	<b>243</b>	<b>293</b>	<b>281</b>	<b>256</b>	<b>264</b>	<b>268</b>	<b>243</b>	<b>237</b>	<b>1,073</b>	<b>1,012</b>	<b>1,036</b>
Return on equity - reported	21.8%	13.7%	21.0%	6.5%	(2.4)%	15.5%	12.7%	8.5%	13.5%	9.8%	12.6%	13.8%
Return on equity - underlying	15.3%	13.1%	15.9%	15.6%	14.3%	14.9%	15.3%	13.8%	13.5%	14.7%	14.4%	15.2%
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	2,981	3,658	3,894	3,034	2,847	4,376	2,833	2,700	2,686	13,433	12,595	11,886
Segregated fund deposits	3,127	4,082	2,311	2,264	2,981	3,196	2,196	2,607	2,771	11,638	10,770	10,315
Retail mutual fund deposits (Sun Life Global Investments)	920	770	589	530	741	607	518	530	519	2,610	2,174	2,071
ASO premium & deposit equivalents	1,600	1,573	3,127	1,691	1,728	1,623	1,626	1,612	1,632	8,119	6,493	6,312
Total	8,628	10,083	9,901	7,519	8,297	9,802	7,173	7,449	7,608	35,800	32,032	30,584
<b>SALES</b>												
Individual Insurance	105	118	80	77	83	117	85	94	93	358	389	396
Individual Wealth	2,641	2,168	1,741	1,438	2,106	1,829	1,463	1,491	1,574	7,453	6,357	6,256
Group Benefits	128	68	67	74	212	111	119	100	269	421	599	588
Group Retirement Services	1,794	2,696	5,096	1,170	3,523	4,076	2,673	1,757	1,251	12,485	9,757	9,030
<b>ASSETS UNDER MANAGEMENT</b>												
General funds	102,261	106,318	105,036	102,586	96,945	94,909	93,443	91,791	89,799	106,318	94,909	86,697
Segregated funds	109,313	107,494	99,644	96,027	87,194	98,758	95,257	93,923	91,932	107,494	98,758	85,885
Other AUM	6,796	6,719	6,340	6,100	5,645	6,173	5,875	5,703	5,497	6,719	6,173	4,854
Total	218,370	220,531	211,020	204,713	189,784	199,840	194,575	191,417	187,228	220,531	199,840	177,436
<b>Sun Life Global Investments (Canada) Inc.</b>												
Gross Sales												
Retail	1,206	1,039	751	712	1,021	821	698	740	684	3,523	2,943	2,819
Institutional & other <sup>(1)</sup>	803	410	430	573	1,090	1,261	487	583	770	2,503	3,101	2,307
Total	2,009	1,449	1,181	1,285	2,111	2,082	1,185	1,323	1,454	6,026	6,044	5,126
Net Sales	748	405	186	(332)	1,016	1,211	494	555	632	1,275	2,892	2,511
Assets under management	33,732	32,730	30,753	29,327	27,410	29,000	27,079	26,211	25,169	32,730	29,000	22,897

<sup>(1)</sup> Institutional & other consists primarily of Group Retirement Services segregated fund deposits.

**CANADA - INDIVIDUAL INSURANCE & WEALTH**  
(C\$ millions)

STATEMENTS OF OPERATIONS	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Revenue</b>												
Gross premiums	1,407	1,670	1,401	1,324	1,378	1,524	1,222	1,297	1,288	5,773	5,331	5,101
Ceded premiums	(150)	(174)	(143)	(162)	(144)	(168)	(137)	(155)	(141)	(623)	(601)	(562)
Net premiums	1,257	1,496	1,258	1,162	1,234	1,356	1,085	1,142	1,147	5,150	4,730	4,539
Net investment income (loss)	(2,763)	1,027	632	3,589	(249)	(174)	1,026	1,671	2,544	4,999	5,067	1,308
Fee income	158	175	145	133	141	163	136	131	123	594	553	523
<b>Total revenue</b>	<b>(1,348)</b>	<b>2,698</b>	<b>2,035</b>	<b>4,884</b>	<b>1,126</b>	<b>1,345</b>	<b>2,247</b>	<b>2,944</b>	<b>3,814</b>	<b>10,743</b>	<b>10,350</b>	<b>6,370</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	916	1,043	803	835	886	944	815	847	846	3,567	3,452	3,268
Change in insurance/investment contract liabilities & reinsurance assets	(3,027)	1,115	785	3,687	—	(199)	1,057	1,723	2,425	5,587	5,006	899
Operating expenses, commissions and other expenses	534	549	476	467	497	539	466	480	498	1,989	1,983	1,905
Reinsurance expenses (recoveries)	(146)	(185)	(137)	(110)	(127)	(133)	(106)	(121)	(113)	(559)	(473)	(436)
Total policy benefits and expenses	(1,723)	2,522	1,927	4,879	1,256	1,151	2,232	2,929	3,656	10,584	9,968	5,636
<b>Income (loss) before income taxes</b>	<b>375</b>	<b>176</b>	<b>108</b>	<b>5</b>	<b>(130)</b>	<b>194</b>	<b>15</b>	<b>15</b>	<b>158</b>	<b>159</b>	<b>382</b>	<b>734</b>
Income tax expense (benefit)	92	(7)	(5)	(65)	4	17	(53)	(24)	(14)	(73)	(74)	85
Participating policyholders' net income (loss)	43	66	37	83	10	30	36	42	66	196	174	321
<b>Common shareholders' reported net income (loss)</b>	<b>240</b>	<b>117</b>	<b>76</b>	<b>(13)</b>	<b>(144)</b>	<b>147</b>	<b>32</b>	<b>(3)</b>	<b>106</b>	<b>36</b>	<b>282</b>	<b>328</b>
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	1,257	1,496	1,258	1,162	1,234	1,356	1,085	1,142	1,147	5,150	4,730	4,539
Segregated fund deposits	338	312	221	174	328	273	226	266	235	1,035	1,000	949
Retail mutual fund deposits (Sun Life Global Investments)	920	770	569	530	741	607	518	530	519	2,610	2,174	2,071
Total	2,515	2,578	2,048	1,866	2,303	2,236	1,829	1,938	1,901	8,795	7,904	7,559
<b>SALES</b>												
Individual Insurance - SLFD	39	48	39	40	38	49	40	46	35	165	170	177
Individual Insurance - Third-party	66	70	41	37	45	68	45	48	58	193	219	219
Total insurance sales	105	118	80	77	83	117	85	94	93	358	389	396
Individual Wealth - fixed products	278	317	407	248	293	301	203	232	259	1,265	995	1,280
Individual Wealth - mutual funds	2,024	1,540	1,113	1,015	1,485	1,256	1,032	993	1,081	5,153	4,362	4,027
Individual Wealth - segregated funds	339	311	221	175	328	272	228	266	234	1,035	1,000	949
Total wealth sales	2,641	2,168	1,741	1,438	2,106	1,829	1,463	1,491	1,574	7,453	6,357	6,256
Wealth Manufactured Sales <sup>(1)</sup>	1,528	1,392	1,191	948	1,351	1,173	941	1,020	1,000	4,882	4,134	4,253
Other wealth sales	1,113	776	550	490	755	656	522	471	574	2,571	2,223	2,003
Total wealth sales	2,641	2,168	1,741	1,438	2,106	1,829	1,463	1,491	1,574	7,453	6,357	6,256
SLFD - Career Advisor Network	2,955	2,973	3,044	3,096	3,145	3,259	3,388	3,470	3,567	2,973	3,259	3,608
<b>ASSETS UNDER MANAGEMENT</b>												
General funds	67,377	70,202	68,969	68,359	65,161	63,867	63,448	62,222	60,365	70,202	63,867	57,740
Segregated funds	12,742	12,510	11,862	11,478	10,477	12,108	11,895	11,865	11,810	12,510	12,108	11,179
Other AUM	6,796	6,719	6,340	6,100	5,645	6,173	5,875	5,703	5,497	6,719	6,173	4,854
Total assets under management	86,915	89,431	87,171	85,937	81,283	82,148	81,218	79,790	77,672	89,431	82,148	73,773
Mutual fund dealers' assets	26,744	25,320	23,320	22,338	19,933	22,545	21,683	21,389	21,072	25,320	22,545	19,733
Total assets under management and administration	113,659	114,751	110,491	108,275	101,216	104,693	102,901	101,179	98,744	114,751	104,693	93,506

<sup>(1)</sup> Represent sales of individual wealth products developed by Sun Life, which include Sun Life Global Investment mutual funds, Sun Life Guaranteed Investment Fund segregated funds, Guaranteed Investment Certificates, and Accumulation and Payout Annuities.

**CANADA - GROUP BENEFITS**  
(C\$ millions)

	At and For the Quarter Ended								At and For the Year Ended			
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>STATEMENTS OF OPERATIONS</b>												
<b>Revenue</b>												
Gross premiums	1,571	1,553	1,546	1,705	1,634	1,517	1,515	1,537	1,533	6,438	6,102	5,813
Ceded premiums	(156)	(147)	(146)	(166)	(156)	(145)	(143)	(149)	(143)	(615)	(580)	(604)
Net premiums	1,415	1,406	1,400	1,539	1,478	1,372	1,372	1,388	1,390	5,823	5,522	5,209
Net investment income (loss)	(204)	180	133	406	57	35	116	202	273	776	626	364
Fee income	76	74	66	47	70	66	62	65	64	257	257	232
<b>Total revenue</b>	<b>1,287</b>	<b>1,660</b>	<b>1,599</b>	<b>1,992</b>	<b>1,605</b>	<b>1,473</b>	<b>1,550</b>	<b>1,655</b>	<b>1,727</b>	<b>6,856</b>	<b>6,405</b>	<b>5,805</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	1,212	1,209	1,184	1,308	1,205	1,145	1,096	1,141	1,104	4,906	4,486	4,287
Change in insurance/investment contract liabilities & reinsurance assets	(166)	148	(47)	415	138	104	215	218	339	654	876	443
Operating expenses, commissions and other expenses	286	305	285	301	292	285	278	287	281	1,183	1,131	1,097
Reinsurance expenses (recoveries)	(119)	(104)	(107)	(130)	(112)	(113)	(97)	(99)	(93)	(453)	(402)	(390)
Total policy benefits and expenses	1,213	1,558	1,315	1,894	1,523	1,421	1,492	1,547	1,631	6,290	6,091	5,437
<b>Income (loss) before income taxes</b>	<b>74</b>	<b>102</b>	<b>284</b>	<b>98</b>	<b>82</b>	<b>52</b>	<b>58</b>	<b>108</b>	<b>96</b>	<b>566</b>	<b>314</b>	<b>368</b>
Income tax expense (benefit)	17	28	72	25	19	12	(1)	28	22	144	61	86
<b>Common shareholders' reported net income (loss)</b>	<b>57</b>	<b>74</b>	<b>212</b>	<b>73</b>	<b>63</b>	<b>40</b>	<b>59</b>	<b>80</b>	<b>74</b>	<b>422</b>	<b>253</b>	<b>282</b>
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	1,415	1,406	1,400	1,539	1,478	1,372	1,372	1,388	1,390	5,823	5,522	5,209
ASO premium equivalents	1,284	1,283	1,275	1,297	1,396	1,356	1,332	1,301	1,290	5,251	5,279	4,987
Total	2,699	2,689	2,675	2,836	2,874	2,728	2,704	2,689	2,680	11,074	10,801	10,196
<b>SALES</b>	<b>128</b>	<b>68</b>	<b>67</b>	<b>74</b>	<b>212</b>	<b>111</b>	<b>119</b>	<b>100</b>	<b>269</b>	<b>421</b>	<b>599</b>	<b>588</b>
<b>ASSETS UNDER MANAGEMENT</b>												
General funds	15,589	15,971	16,152	16,033	15,022	14,486	14,596	14,476	14,396	15,971	14,486	14,170
<b>SUPPLEMENTAL INFORMATION</b>												
Business in-force <sup>(1)</sup>	11,080	11,020	10,937	10,952	11,415	11,198	11,004	10,974	10,887	11,020	11,198	10,580

<sup>(1)</sup> Represents annualized premiums for insured in-force and last twelve months of fee income and ASO claims for ASO in-force on a gross basis.

**CANADA - GROUP RETIREMENT SERVICES**  
(C\$ millions)

	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>STATEMENTS OF OPERATIONS</b>												
<b>Revenue</b>												
Gross premiums	380	828	1,308	407	209	1,723	453	247	227	2,752	2,650	2,459
Ceded premiums	(71)	(72)	(72)	(74)	(74)	(75)	(77)	(77)	(78)	(292)	(307)	(321)
Net premiums	309	756	1,236	333	135	1,648	376	170	149	2,460	2,343	2,138
Net investment income (loss)	(324)	427	344	828	(551)	103	29	223	426	1,048	781	270
Fee income	142	137	132	126	130	132	130	127	121	525	510	485
<b>Total revenue</b>	<b>127</b>	<b>1,320</b>	<b>1,712</b>	<b>1,287</b>	<b>(286)</b>	<b>1,883</b>	<b>535</b>	<b>520</b>	<b>696</b>	<b>4,033</b>	<b>3,634</b>	<b>2,893</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	617	575	520	480	494	449	425	458	433	2,069	1,765	1,773
Change in insurance/investment contract liabilities & reinsurance assets	(754)	682	1,065	831	(1,011)	1,289	(87)	(48)	214	1,567	1,368	552
Operating expenses, commissions and other expenses	113	116	108	108	110	109	99	107	107	442	422	411
Reinsurance expenses (recoveries)	(68)	(70)	(70)	(71)	(72)	(73)	(73)	(76)	(75)	(283)	(297)	(312)
Total policy benefits and expenses	(92)	1,303	1,623	1,348	(479)	1,774	364	441	679	3,795	3,258	2,424
<b>Income (loss) before income taxes</b>	<b>219</b>	<b>17</b>	<b>89</b>	<b>(61)</b>	<b>193</b>	<b>109</b>	<b>171</b>	<b>79</b>	<b>17</b>	<b>238</b>	<b>376</b>	<b>469</b>
Income tax expense (benefit)	111	(47)	(10)	(118)	154	21	39	8	(40)	(21)	28	137
<b>Common shareholders' reported net income (loss)</b>	<b>108</b>	<b>64</b>	<b>99</b>	<b>57</b>	<b>39</b>	<b>88</b>	<b>132</b>	<b>71</b>	<b>57</b>	<b>259</b>	<b>348</b>	<b>332</b>
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	309	756	1,236	333	135	1,648	376	170	149	2,460	2,343	2,138
Segregated fund deposits	2,789	3,770	2,090	2,090	2,653	2,923	1,970	2,341	2,536	10,603	9,770	9,366
ASO deposit equivalents	316	290	1,852	394	332	267	294	311	342	2,868	1,214	1,325
Total	3,414	4,816	5,178	2,817	3,120	4,838	2,640	2,822	3,027	15,931	13,327	12,829
<b>SALES</b>												
Sales	893	1,760	4,350	518	2,806	3,322	1,947	1,114	608	9,434	6,991	6,387
Asset consolidation and rollovers	901	936	746	652	717	754	726	643	643	3,051	2,766	2,643
Total	1,794	2,696	5,096	1,170	3,523	4,076	2,673	1,757	1,251	12,485	9,757	9,030
<b>ASSETS UNDER MANAGEMENT</b>												
General funds	19,295	20,145	19,915	18,194	16,762	16,556	15,399	15,093	15,038	20,145	16,556	14,787
Segregated funds	96,571	94,984	87,782	84,549	76,717	86,650	83,362	82,058	80,122	94,984	86,650	74,706
Total assets under management	115,866	115,129	107,697	102,743	93,479	103,206	98,761	97,151	95,160	115,129	103,206	89,493
<b>ASSETS UNDER MANAGEMENT AND ADMINISTRATION</b>	<b>127,415</b>	<b>125,866</b>	<b>117,323</b>	<b>110,668</b>	<b>100,501</b>	<b>112,116</b>	<b>107,707</b>	<b>106,028</b>	<b>103,887</b>	<b>125,866</b>	<b>112,116</b>	<b>97,675</b>

## U.S.

(C\$ millions)

	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>STATEMENTS OF OPERATIONS</b>												
<b>Revenue</b>												
Premiums - life insurance	371	375	373	402	398	408	389	401	407	1,548	1,605	1,633
Premiums - health insurance	1,165	1,122	1,141	1,173	1,147	1,071	1,059	1,055	1,047	4,583	4,232	3,767
Premiums - annuities	—	—	—	—	—	—	—	—	1	—	1	—
Gross premiums	1,536	1,497	1,514	1,575	1,545	1,479	1,448	1,456	1,455	6,131	5,838	5,400
Ceded premiums	(179)	(181)	(168)	(180)	(166)	(182)	(155)	(170)	(155)	(695)	(662)	(597)
Net premiums	1,357	1,316	1,346	1,395	1,379	1,297	1,293	1,286	1,300	5,436	5,176	4,803
Net investment income (loss)	(1,016)	441	346	1,165	658	80	898	932	892	2,610	2,802	305
Fee income	16	32	19	21	20	21	21	23	21	92	86	73
<b>Total revenue</b>	<b>357</b>	<b>1,789</b>	<b>1,711</b>	<b>2,581</b>	<b>2,057</b>	<b>1,398</b>	<b>2,212</b>	<b>2,241</b>	<b>2,213</b>	<b>8,138</b>	<b>8,064</b>	<b>5,181</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	1,533	1,367	1,334	1,531	1,333	1,435	1,521	1,309	1,243	5,565	5,508	4,852
Change in insurance/investment contract liabilities & reinsurance assets	(1,512)	126	357	750	273	(398)	746	585	571	1,506	1,504	(545)
Operating expenses, commissions and other expenses	383	405	392	402	419	416	380	411	414	1,618	1,621	1,558
Reinsurance expenses (recoveries)	(313)	(220)	(214)	(250)	(180)	(219)	(201)	(164)	(171)	(864)	(755)	(682)
Total policy benefits and expenses	91	1,678	1,869	2,433	1,845	1,234	2,446	2,141	2,057	7,825	7,878	5,183
<b>Income (loss) before income taxes</b>	<b>266</b>	<b>111</b>	<b>(158)</b>	<b>148</b>	<b>212</b>	<b>164</b>	<b>(234)</b>	<b>100</b>	<b>156</b>	<b>313</b>	<b>186</b>	<b>(2)</b>
Income tax expense (benefit)	55	23	(45)	30	48	33	(48)	11	32	56	28	(19)
Participating policyholders' net income (loss)	—	—	—	—	—	—	—	(5)	—	—	(5)	(35)
<b>Common shareholders' reported net income (loss)</b>	<b>211</b>	<b>88</b>	<b>(113)</b>	<b>118</b>	<b>164</b>	<b>131</b>	<b>(186)</b>	<b>94</b>	<b>124</b>	<b>257</b>	<b>163</b>	<b>52</b>
Market related impacts	44	2	(18)	(4)	28	—	(30)	(11)	(17)	8	(58)	(26)
Assumption changes and management actions	(4)	(60)	(230)	—	(23)	(3)	(287)	1	(2)	(313)	(291)	(394)
Acquisition, integration and restructuring	—	(2)	(1)	(1)	(2)	(3)	(4)	(6)	(7)	(6)	(20)	(42)
<b>Common shareholders' underlying net income (loss)</b>	<b>171</b>	<b>148</b>	<b>136</b>	<b>123</b>	<b>161</b>	<b>137</b>	<b>135</b>	<b>110</b>	<b>150</b>	<b>568</b>	<b>532</b>	<b>514</b>
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	1,357	1,316	1,346	1,395	1,379	1,297	1,293	1,286	1,300	5,436	5,176	4,803
<b>SALES</b>												
Group Benefits	154	838	230	228	163	813	184	225	160	1,459	1,382	1,307
<b>ASSETS UNDER MANAGEMENT</b>												
General funds	31,898	33,790	35,303	37,911	38,131	34,711	35,924	34,588	34,286	33,790	34,711	34,584
Segregated funds	496	541	563	572	569	514	530	509	502	541	514	491
Other AUM	21	23	24	26	27	26	28	27	31	23	26	33
Total	<b>32,415</b>	<b>34,354</b>	<b>35,890</b>	<b>38,509</b>	<b>38,727</b>	<b>35,251</b>	<b>36,482</b>	<b>35,124</b>	<b>34,819</b>	<b>34,354</b>	<b>35,251</b>	<b>35,108</b>

U.S.  
(US\$ millions)

STATEMENTS OF OPERATIONS	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Revenue</b>												
Premiums - life insurance	293	287	280	290	297	309	295	299	306	1,154	1,209	1,260
Premiums - health insurance	920	861	856	846	855	812	802	789	789	3,418	3,192	2,908
Gross premiums	1,213	1,148	1,136	1,136	1,152	1,121	1,097	1,088	1,095	4,572	4,401	4,168
Ceded premiums	(141)	(138)	(126)	(130)	(124)	(138)	(118)	(126)	(117)	(518)	(499)	(459)
Net premiums	1,072	1,010	1,010	1,006	1,028	983	979	962	978	4,054	3,902	3,709
Net investment income (loss)	(801)	339	251	837	523	61	679	696	669	1,950	2,105	214
Fee income	13	24	15	15	15	16	16	17	16	69	65	56
<b>Total revenue</b>	<b>284</b>	<b>1,373</b>	<b>1,276</b>	<b>1,858</b>	<b>1,566</b>	<b>1,060</b>	<b>1,674</b>	<b>1,675</b>	<b>1,663</b>	<b>6,073</b>	<b>6,072</b>	<b>3,979</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	1,212	1,050	1,000	1,103	994	1,087	1,153	979	935	4,147	4,154	3,747
Change in insurance/investment contract liabilities & reinsurance assets	(1,195)	96	262	536	235	(301)	562	437	428	1,129	1,126	(442)
Operating expenses, commissions and other expenses	303	311	294	290	312	315	289	307	311	1,207	1,222	1,202
Reinsurance expenses (recoveries)	(247)	(168)	(161)	(179)	(135)	(166)	(153)	(122)	(129)	(643)	(570)	(527)
Total policy benefits and expenses	73	1,289	1,395	1,750	1,406	935	1,851	1,601	1,545	5,840	5,932	3,980
<b>Income (loss) before income taxes</b>	<b>211</b>	<b>84</b>	<b>(119)</b>	<b>108</b>	<b>160</b>	<b>125</b>	<b>(177)</b>	<b>74</b>	<b>118</b>	<b>233</b>	<b>140</b>	<b>(1)</b>
Income tax expense (benefit)	44	18	(34)	22	36	26	(37)	8	25	42	22	(15)
Participating policyholders' net income (loss)	—	—	—	—	—	—	—	(4)	—	—	(4)	(27)
<b>Common shareholders' reported net income (loss)</b>	<b>167</b>	<b>66</b>	<b>(85)</b>	<b>86</b>	<b>124</b>	<b>99</b>	<b>(140)</b>	<b>70</b>	<b>93</b>	<b>191</b>	<b>122</b>	<b>41</b>
Market related impacts	34	1	(13)	(3)	21	—	(21)	(8)	(11)	6	(40)	(21)
Assumption changes and management actions	(3)	(46)	(173)	—	(17)	(2)	(218)	1	(2)	(236)	(221)	(302)
Acquisition, integration and restructuring	—	(1)	(1)	(1)	(1)	(3)	(3)	(4)	(6)	(4)	(16)	(32)
<b>Common shareholders' underlying net income (loss)</b>	<b>136</b>	<b>112</b>	<b>102</b>	<b>90</b>	<b>121</b>	<b>104</b>	<b>102</b>	<b>81</b>	<b>112</b>	<b>425</b>	<b>399</b>	<b>396</b>
Return on equity - reported	24.0%	9.9%	(12.3)%	12.1%	17.5%	14.8%	(21.0)%	9.9%	13.6%	6.9%	4.5%	1.5%
Return on equity - underlying	19.6%	16.8%	14.8%	12.6%	17.1%	15.5%	15.4%	11.6%	16.3%	15.3%	14.7%	14.6%
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	1,072	1,010	1,010	1,006	1,028	983	979	962	978	4,054	3,902	3,709
<b>SALES</b>												
Group Benefits	121	643	172	165	122	616	139	168	120	1,102	1,043	999
<b>ASSETS UNDER MANAGEMENT</b>												
General funds	25,401	26,542	26,506	27,931	27,122	26,730	27,136	26,424	25,694	26,542	26,730	25,360
Segregated funds	395	425	423	421	405	396	400	388	376	425	396	360
Other AUM	17	18	18	19	19	20	21	21	23	18	20	24
Total	25,813	26,985	26,947	28,371	27,546	27,146	27,557	26,833	26,093	26,985	27,146	25,744



**U.S. - GROUP BENEFITS**

(US\$ millions)

	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>STATEMENTS OF OPERATIONS</b>												
<b>Revenue</b>												
Gross premiums	1,099	1,033	1,025	1,020	1,031	992	980	965	967	4,109	3,904	3,641
Ceded premiums	(46)	(47)	(42)	(44)	(41)	(44)	(38)	(38)	(38)	(174)	(158)	(136)
Net premiums	1,053	986	983	976	990	948	942	927	929	3,935	3,746	3,505
Net investment income (loss)	(24)	67	67	173	(42)	49	84	84	103	265	320	94
Fee income	24	33	24	24	24	24	24	26	25	105	99	93
<b>Total revenue</b>	<b>1,053</b>	<b>1,086</b>	<b>1,074</b>	<b>1,173</b>	<b>972</b>	<b>1,021</b>	<b>1,050</b>	<b>1,037</b>	<b>1,057</b>	<b>4,305</b>	<b>4,165</b>	<b>3,692</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	806	744	676	739	752	695	880	717	653	2,911	2,945	2,715
Change in insurance/investment contract liabilities & reinsurance assets	(97)	13	53	108	(110)	(3)	(41)	20	41	64	17	(220)
Operating expenses, commissions and other expenses	294	289	275	277	292	283	278	285	289	1,133	1,135	1,124
Reinsurance expenses (recoveries)	(62)	(58)	(51)	(53)	(61)	(35)	(63)	(37)	(35)	(223)	(170)	(203)
Total policy benefits and expenses	941	988	953	1,071	873	940	1,054	985	948	3,885	3,927	3,416
<b>Income (loss) before income taxes</b>	<b>112</b>	<b>98</b>	<b>121</b>	<b>102</b>	<b>99</b>	<b>81</b>	<b>(4)</b>	<b>52</b>	<b>109</b>	<b>420</b>	<b>238</b>	<b>276</b>
Income tax expense (benefit)	24	22	24	22	21	17	—	11	23	89	51	59
<b>Common shareholders' reported net income (loss)</b>	<b>88</b>	<b>76</b>	<b>97</b>	<b>80</b>	<b>78</b>	<b>64</b>	<b>(4)</b>	<b>41</b>	<b>86</b>	<b>331</b>	<b>187</b>	<b>217</b>
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	1,053	986	983	976	990	948	942	927	929	3,935	3,746	3,505
<b>ASSETS UNDER MANAGEMENT</b>												
General Funds	7,968	7,967	7,958	7,951	7,758	7,848	7,948	7,926	7,816	7,967	7,848	7,704
<b>SALES</b>												
Employee Benefits	87	205	96	62	74	191	72	62	63	437	388	431
Medical Stop-Loss	34	438	76	103	48	425	67	106	57	665	655	568
Total	121	643	172	165	122	616	139	168	120	1,102	1,043	999
<b>BUSINESS IN-FORCE</b>												
Employee Benefits <sup>(1)</sup>	2,440	2,391	2,327	2,365	2,371	2,374	2,398	2,409	2,408	2,391	2,374	2,385
Medical Stop-Loss	2,245	2,161	2,093	2,076	2,032	1,912	1,845	1,826	1,739	2,161	1,912	1,631
Total	4,685	4,552	4,420	4,441	4,403	4,286	4,243	4,235	4,147	4,552	4,286	4,016
<b>AFTER-TAX PROFIT MARGIN<sup>(2)</sup></b>	<b>8.1%</b>	<b>8.0%</b>	<b>7.8%</b>	<b>7.5%</b>	<b>6.8%</b>	<b>7.3%</b>	<b>7.2%</b>	<b>7.3%</b>	<b>7.9%</b>	<b>8.0%</b>	<b>7.3%</b>	<b>6.7%</b>

<sup>(1)</sup> Represents annualized premiums for insured in-force and premium equivalent annualized fee income for ASO in-force on a gross basis.

<sup>(2)</sup> The after-tax profit margin is calculated on underlying net income as a percentage of net premiums on a trailing four-quarters basis.

**U.S. - IN-FORCE MANAGEMENT**

(US\$ millions)

	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>STATEMENTS OF OPERATIONS</b>												
<b>Revenue</b>												
Gross premiums	114	115	111	116	121	129	117	123	128	463	497	527
Ceded premiums	(95)	(91)	(84)	(86)	(83)	(94)	(80)	(88)	(79)	(344)	(341)	(323)
Net premiums	19	24	27	30	38	35	37	35	49	119	156	204
Net investment income (loss)	(777)	272	184	664	565	12	595	612	566	1,685	1,785	120
Fee income	(11)	(9)	(9)	(9)	(9)	(8)	(8)	(9)	(9)	(36)	(34)	(37)
<b>Total revenue</b>	<b>(769)</b>	<b>287</b>	<b>202</b>	<b>685</b>	<b>594</b>	<b>39</b>	<b>624</b>	<b>638</b>	<b>606</b>	<b>1,768</b>	<b>1,907</b>	<b>287</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	406	306	324	364	242	392	273	262	282	1,236	1,209	1,032
Change in insurance/investment contract liabilities & reinsurance assets	(1,098)	83	209	428	345	(298)	603	417	387	1,065	1,109	(222)
Operating expenses, commissions and other expenses	9	22	19	13	20	32	11	22	22	74	87	78
Reinsurance expenses (recoveries)	(185)	(110)	(110)	(126)	(74)	(131)	(90)	(85)	(94)	(420)	(400)	(324)
Total policy benefits and expenses	(868)	301	442	679	533	(5)	797	616	597	1,955	2,005	564
<b>Income (loss) before income taxes</b>	<b>99</b>	<b>(14)</b>	<b>(240)</b>	<b>6</b>	<b>61</b>	<b>44</b>	<b>(173)</b>	<b>22</b>	<b>9</b>	<b>(187)</b>	<b>(98)</b>	<b>(277)</b>
Income tax expense (benefit)	20	(4)	(58)	—	15	9	(37)	(3)	2	(47)	(29)	(74)
Participating policyholders' net income (loss)	—	—	—	—	—	—	—	(4)	—	—	(4)	(27)
<b>Common shareholders' reported net income (loss)</b>	<b>79</b>	<b>(10)</b>	<b>(182)</b>	<b>6</b>	<b>46</b>	<b>35</b>	<b>(136)</b>	<b>29</b>	<b>7</b>	<b>(140)</b>	<b>(65)</b>	<b>(176)</b>
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	19	24	27	30	38	35	37	35	49	119	156	204
<b>ACCOUNT VALUE</b>												
Individual insurance - domestic	4,207	4,253	4,273	4,301	4,336	4,350	4,388	4,419	4,446	4,253	4,350	4,475
<b>ASSETS UNDER MANAGEMENT</b>												
General funds	17,433	18,575	18,548	19,980	19,364	18,882	19,188	18,498	17,878	18,575	18,882	17,656
Segregated funds	395	425	423	421	405	396	400	388	376	425	396	360
Other AUM	17	18	18	19	19	20	21	21	23	18	20	24
<b>Total</b>	<b>17,845</b>	<b>19,018</b>	<b>18,989</b>	<b>20,420</b>	<b>19,788</b>	<b>19,298</b>	<b>19,609</b>	<b>18,907</b>	<b>18,277</b>	<b>19,018</b>	<b>19,298</b>	<b>18,040</b>

**ASSET MANAGEMENT**

(C\$ millions)

	At and For the Quarter Ended									At and For the Year Ended		
	2021		2020			2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>FINANCIAL SUMMARY</b>												
<b>Revenue</b>												
Net investment income (loss)	(8)	18	(13)	32	(14)	16	20	19	28	23	83	13
Fee income	1,375	1,369	1,284	1,176	1,185	1,199	1,139	1,103	1,030	5,014	4,471	4,274
<b>Total revenue</b>	<b>1,367</b>	<b>1,387</b>	<b>1,271</b>	<b>1,208</b>	<b>1,171</b>	<b>1,215</b>	<b>1,159</b>	<b>1,122</b>	<b>1,058</b>	<b>5,037</b>	<b>4,554</b>	<b>4,287</b>
<b>Expenses</b>												
<b>Income (loss) before income taxes</b>	<b>308</b>	<b>363</b>	<b>334</b>	<b>303</b>	<b>325</b>	<b>300</b>	<b>295</b>	<b>291</b>	<b>277</b>	<b>1,325</b>	<b>1,163</b>	<b>1,193</b>
Income tax expense (benefit)	80	93	85	76	80	69	73	62	58	334	262	284
Non-controlling interest	(2)	3	(2)	4	6	3	1	—	—	11	4	—
<b>Common shareholders' reported net income (loss)</b>	<b>230</b>	<b>267</b>	<b>251</b>	<b>223</b>	<b>239</b>	<b>228</b>	<b>221</b>	<b>229</b>	<b>219</b>	<b>980</b>	<b>897</b>	<b>909</b>
Fair value adjustments on share-based payment awards at MFS	(44)	(46)	(32)	(24)	10	(37)	(8)	(11)	(8)	(92)	(64)	(5)
Acquisition, integration and restructuring	(17)	(20)	(11)	(12)	(13)	(16)	(22)	(5)	—	(56)	(43)	(11)
<b>Common shareholders' underlying net income (loss)</b>	<b>291</b>	<b>333</b>	<b>294</b>	<b>259</b>	<b>242</b>	<b>281</b>	<b>251</b>	<b>245</b>	<b>227</b>	<b>1,128</b>	<b>1,004</b>	<b>925</b>
<b>Common shareholders' underlying net income (loss)</b>												
MFS	280	299	276	229	230	266	248	236	223	1,034	973	898
SLC Management	11	34	18	30	12	15	3	9	4	94	31	27
<b>Total</b>	<b>291</b>	<b>333</b>	<b>294</b>	<b>259</b>	<b>242</b>	<b>281</b>	<b>251</b>	<b>245</b>	<b>227</b>	<b>1,128</b>	<b>1,004</b>	<b>925</b>
<b>GROSS FLOWS</b>												
MFS	45,429	40,434	40,555	47,571	49,723	34,033	31,674	30,267	28,990	178,283	124,964	104,291
SLC Management <sup>(1)</sup>	12,802	2,956	2,511	4,004	2,231	2,814	2,768	1,662	2,297	11,702	9,541	7,024
<b>Total</b>	<b>58,231</b>	<b>43,390</b>	<b>43,066</b>	<b>51,575</b>	<b>51,954</b>	<b>36,847</b>	<b>34,442</b>	<b>31,929</b>	<b>31,287</b>	<b>189,985</b>	<b>134,505</b>	<b>111,315</b>
<b>NET FLOWS</b>												
MFS	(356)	1,914	5,966	7,448	2,364	(1,522)	1,730	(8,116)	(7,804)	17,692	(15,712)	(38,517)
SLC Management <sup>(1)</sup>	10,630	876	851	(157)	(2,028)	585	1,486	225	1,256	(458)	3,552	1,227
<b>Total</b>	<b>10,274</b>	<b>2,790</b>	<b>6,817</b>	<b>7,291</b>	<b>336</b>	<b>(937)</b>	<b>3,216</b>	<b>(7,891)</b>	<b>(6,548)</b>	<b>17,234</b>	<b>(12,160)</b>	<b>(37,290)</b>
<b>ASSETS UNDER MANAGEMENT</b>												
MFS	786,474	776,829	730,124	690,241	613,518	684,845	655,533	639,900	631,097	776,829	684,845	584,172
SLC Management <sup>(1)(2)</sup>	159,918	115,081	115,365	97,884	97,093	83,972	83,238	68,170	67,267	115,081	83,972	65,538
<b>Total</b>	<b>946,392</b>	<b>891,910</b>	<b>845,489</b>	<b>788,125</b>	<b>710,611</b>	<b>768,817</b>	<b>738,771</b>	<b>708,070</b>	<b>698,364</b>	<b>891,910</b>	<b>768,817</b>	<b>649,710</b>

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

<sup>(2)</sup> Excludes assets managed on behalf of the Insurance businesses and General Fund.

**MFS**

(US\$ millions), unless otherwise noted

	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>STATEMENTS OF OPERATIONS</b>												
<b>Revenue</b>												
Net investment income (loss)	(5)	10	5	22	(10)	11	12	14	20	27	57	8
Fee income	887	862	805	717	752	778	744	723	681	3,136	2,926	2,902
<b>Total revenue</b>	<b>882</b>	<b>872</b>	<b>810</b>	<b>739</b>	<b>742</b>	<b>789</b>	<b>756</b>	<b>737</b>	<b>701</b>	<b>3,163</b>	<b>2,983</b>	<b>2,910</b>
<b>Expenses</b>												
	630	610	563	540	508	562	519	523	495	2,221	2,099	2,003
<b>Income (loss) before income taxes</b>	<b>252</b>	<b>262</b>	<b>247</b>	<b>199</b>	<b>234</b>	<b>227</b>	<b>237</b>	<b>214</b>	<b>206</b>	<b>942</b>	<b>884</b>	<b>907</b>
Income tax expense (benefit)	66	68	64	52	54	54	55	46	44	238	199	218
<b>Common shareholders' reported net income (loss)</b>	<b>186</b>	<b>194</b>	<b>183</b>	<b>147</b>	<b>180</b>	<b>173</b>	<b>182</b>	<b>168</b>	<b>162</b>	<b>704</b>	<b>685</b>	<b>689</b>
Fair value adjustments on share-based payment awards at MFS	(35)	(36)	(24)	(18)	8	(28)	(6)	(8)	(6)	(70)	(48)	(4)
<b>Common shareholders' underlying net income (loss)</b>	<b>221</b>	<b>230</b>	<b>207</b>	<b>165</b>	<b>172</b>	<b>201</b>	<b>188</b>	<b>176</b>	<b>168</b>	<b>774</b>	<b>733</b>	<b>693</b>
<b>MUTUAL FUNDS - CHANGES IN ASSETS UNDER MANAGEMENT</b>												
Opening AUM	353,624	316,936	291,895	247,538	295,003	272,940	266,315	253,119	226,557	295,003	226,557	250,231
Inflows	27,186	23,534	23,344	24,191	26,700	19,183	17,485	16,562	16,479	97,769	69,709	58,011
Outflows	(24,400)	(19,212)	(17,319)	(17,559)	(24,755)	(14,037)	(13,825)	(14,606)	(15,769)	(78,845)	(58,237)	(65,302)
Market movement	8,410	32,366	19,016	37,725	(49,410)	16,917	2,965	11,240	25,852	39,697	56,974	(16,383)
Closing AUM	<b>364,820</b>	<b>353,624</b>	<b>316,936</b>	<b>291,895</b>	<b>247,538</b>	<b>295,003</b>	<b>272,940</b>	<b>266,315</b>	<b>253,119</b>	<b>353,624</b>	<b>295,003</b>	<b>226,557</b>
<b>MANAGED FUNDS - CHANGES IN ASSETS UNDER MANAGEMENT</b>												
Opening AUM	256,611	231,246	216,645	188,850	232,369	222,213	222,531	219,825	201,816	232,369	201,816	241,374
Inflows	8,691	7,482	7,093	10,120	10,376	6,605	6,511	6,068	5,333	35,071	24,517	22,572
Outflows	(11,759)	(10,336)	(8,641)	(11,380)	(10,558)	(12,903)	(8,861)	(14,092)	(11,915)	(40,915)	(47,771)	(44,969)
Market movement	7,910	28,219	16,149	29,055	(43,337)	16,454	2,032	10,730	24,591	30,086	53,807	(17,161)
Closing AUM	<b>261,453</b>	<b>256,611</b>	<b>231,246</b>	<b>216,645</b>	<b>188,850</b>	<b>232,369</b>	<b>222,213</b>	<b>222,531</b>	<b>219,825</b>	<b>256,611</b>	<b>232,369</b>	<b>201,816</b>
<b>SUPPLEMENTAL INFORMATION</b>												
Pre-tax net operating profit margin ratio	39 %	41 %	40 %	36 %	36 %	40 %	40 %	37 %	38 %	39 %	39 %	38 %
Pre-tax gross operating profit margin ratio	34 %	36 %	35 %	32 %	31 %	35 %	34 %	32 %	32 %	34 %	33 %	33 %
Total assets under management	626,273	610,235	548,182	508,540	436,388	527,372	495,153	488,846	472,944	610,235	527,372	428,373
Average net assets	619,288	577,616	539,718	479,059	504,519	507,155	491,252	480,199	456,690	525,411	483,983	477,496
Total gross flows	35,877	31,016	30,437	34,311	37,076	25,788	23,996	22,630	21,812	132,840	94,226	80,583
Total net flows	(282)	1,468	4,477	5,372	1,763	(1,152)	1,310	(6,068)	(5,872)	13,080	(11,782)	(29,688)
Liability for share-based compensation <sup>(1)</sup>	612	560	512	478	484	496	478	482	505	560	496	496
Diluted EPS impact - liability for share-based compensation <sup>(2)</sup>	\$0.01	\$0.02	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.03	\$0.04	\$0.03
U.S. GAAP net income	232	241	217	178	181	212	198	188	177	817	775	735
Dividends paid to SLF	194	201	181	146	152	177	165	138	131	680	611	532

<sup>(1)</sup> Liability for stock options, restricted shares and outstanding shares of MFS.

<sup>(2)</sup> This illustrates the reduction to the Company's diluted earnings per share for the period assuming the MFS liability for share-based compensation is settled in the shares of Sun Life.

**ASIA**

(C\$ millions)

	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>STATEMENTS OF OPERATIONS</b>												
<b>Revenue</b>												
Gross premiums	805	1,719	1,181	1,118	944	1,006	700	518	406	4,962	2,630	2,179
Ceded premiums	(45)	(58)	(52)	(53)	(49)	(66)	(54)	(52)	(50)	(212)	(222)	(232)
Net premiums	760	1,661	1,129	1,065	895	940	646	466	356	4,750	2,408	1,947
Net investment income (loss)	(822)	762	408	1,534	(154)	308	688	855	1,014	2,550	2,865	76
Fee income	160	156	146	134	136	138	134	133	126	572	531	514
<b>Total revenue</b>	<b>98</b>	<b>2,579</b>	<b>1,683</b>	<b>2,733</b>	<b>877</b>	<b>1,386</b>	<b>1,468</b>	<b>1,454</b>	<b>1,496</b>	<b>7,872</b>	<b>5,804</b>	<b>2,537</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	356	445	371	488	364	484	338	433	357	1,668	1,612	1,192
Change in insurance/investment contract liabilities & reinsurance assets	(832)	1,510	650	1,760	115	310	620	574	810	4,035	2,314	(356)
Operating expenses, commissions and other expenses	389	491	385	366	373	457	351	325	291	1,615	1,424	1,247
Reinsurance expenses (recoveries)	(32)	(53)	(46)	(45)	(37)	(50)	(39)	(33)	(56)	(181)	(178)	(164)
<b>Total policy benefits and expenses</b>	<b>(119)</b>	<b>2,393</b>	<b>1,360</b>	<b>2,569</b>	<b>815</b>	<b>1,201</b>	<b>1,270</b>	<b>1,299</b>	<b>1,402</b>	<b>7,137</b>	<b>5,172</b>	<b>1,919</b>
<b>Income (loss) before income taxes</b>	<b>217</b>	<b>186</b>	<b>323</b>	<b>164</b>	<b>62</b>	<b>185</b>	<b>198</b>	<b>155</b>	<b>94</b>	<b>735</b>	<b>632</b>	<b>618</b>
Income tax expense (benefit)	9	24	7	16	7	12	13	13	13	54	51	51
Participating policyholders' net income (loss)	10	30	80	22	(45)	37	15	8	1	87	61	12
<b>Common shareholders' reported net income (loss)</b>	<b>198</b>	<b>132</b>	<b>236</b>	<b>126</b>	<b>100</b>	<b>136</b>	<b>170</b>	<b>134</b>	<b>80</b>	<b>594</b>	<b>520</b>	<b>555</b>
Market related impacts	36	3	(9)	(24)	(47)	5	(15)	(14)	(42)	(77)	(66)	(30)
Assumption changes and management actions	3	21	80	7	(9)	(11)	47	1	—	99	37	76
Acquisition, integration and restructuring	—	(8)	1	(1)	1	(1)	—	—	—	(7)	(1)	(14)
<b>Common shareholders' underlying net income (loss)</b>	<b>159</b>	<b>116</b>	<b>164</b>	<b>144</b>	<b>155</b>	<b>143</b>	<b>138</b>	<b>147</b>	<b>122</b>	<b>579</b>	<b>550</b>	<b>523</b>
Return on equity - reported	13.0 %	8.5 %	15.6 %	8.7 %	7.3 %	9.8 %	12.1 %	9.9 %	6.0 %	10.1 %	9.5 %	11.3 %
Return on equity - underlying	10.5 %	7.4 %	10.9 %	9.9 %	11.2 %	10.2 %	9.8 %	10.9 %	9.1 %	9.8 %	10.0 %	10.6 %
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	760	1,661	1,129	1,065	895	940	646	466	356	4,750	2,408	1,947
Segregated fund deposits	406	392	296	214	279	303	293	248	271	1,181	1,115	1,159
Mutual fund sales	2,151	2,346	1,876	1,627	1,540	1,253	1,694	1,022	1,243	7,389	5,212	7,017
Managed fund sales	1,099	977	853	775	732	817	838	761	591	3,337	3,007	2,702
ASO deposits (pension administration)	90	82	88	83	83	92	73	69	75	336	309	496
<b>Total</b>	<b>4,506</b>	<b>5,458</b>	<b>4,242</b>	<b>3,764</b>	<b>3,529</b>	<b>3,405</b>	<b>3,544</b>	<b>2,566</b>	<b>2,536</b>	<b>16,993</b>	<b>12,051</b>	<b>13,321</b>
<b>SALES - Proportionate ownership <sup>(1)</sup></b>												
<b>Individual insurance</b>												
Local Markets	231	203	166	109	182	202	176	141	200	660	719	577
International Hubs	101	192	132	126	124	150	114	89	50	574	403	291
<b>Total individual insurance sales</b>	<b>332</b>	<b>395</b>	<b>298</b>	<b>235</b>	<b>306</b>	<b>352</b>	<b>290</b>	<b>230</b>	<b>250</b>	<b>1,234</b>	<b>1,122</b>	<b>868</b>
<b>Total group insurance sales</b>	<b>11</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>12</b>	<b>9</b>	<b>7</b>	<b>8</b>	<b>8</b>	<b>29</b>	<b>32</b>	<b>30</b>
<b>Total wealth sales <sup>(2)</sup></b>	<b>3,296</b>	<b>3,380</b>	<b>2,781</b>	<b>2,455</b>	<b>2,321</b>	<b>2,120</b>	<b>2,573</b>	<b>1,799</b>	<b>1,881</b>	<b>10,937</b>	<b>8,373</b>	<b>10,101</b>
<b>ASSETS UNDER MANAGEMENT <sup>(3)</sup></b>												
Local Markets	52,522	52,741	48,832	46,253	42,175	45,325	44,514	44,141	44,501	52,741	45,325	43,328
International Hubs	53,253	53,012	50,761	49,229	46,609	44,628	44,099	42,730	42,249	53,012	44,628	40,298
<b>Total</b>	<b>105,775</b>	<b>105,753</b>	<b>99,593</b>	<b>95,482</b>	<b>88,784</b>	<b>89,953</b>	<b>88,613</b>	<b>86,871</b>	<b>86,750</b>	<b>105,753</b>	<b>89,953</b>	<b>83,626</b>
<b>ASSETS UNDER MANAGEMENT AND ADMINISTRATION <sup>(3)</sup></b>	<b>111,152</b>	<b>111,176</b>	<b>104,876</b>	<b>100,460</b>	<b>93,716</b>	<b>94,504</b>	<b>94,058</b>	<b>92,714</b>	<b>92,934</b>	<b>111,176</b>	<b>94,504</b>	<b>90,214</b>
<b>Constant Currency Sales <sup>(4)</sup></b>												
Individual insurance	344	400	298	229	306							
Wealth	3,442	3,446	2,789	2,420	2,321							

<sup>(1)</sup> Includes the sales in the Company's joint ventures and associates with local partners in Asia based on our proportionate equity interest.

<sup>(2)</sup> Includes Hong Kong wealth sales, Philippines mutual and managed fund sales, China individual wealth and India group wealth sales, and Aditya Birla Sun Life AMC Limited's equity and fixed income mutual funds sales based on our proportionate equity interest.

<sup>(3)</sup> This includes the general fund assets and segregated fund assets of our insurance businesses, Aditya Birla Sun Life AMC Limited AUM, Sun Life Everbright Asset Management AUM, Hong Kong wealth assets and Philippines mutual and managed funds based on our proportionate equity interest.

<sup>(4)</sup> Quarterly sales in constant currency are relative to Q1 2020 foreign exchange rates for each of the quarters.

**ASIA - LOCAL MARKETS**

(C\$ millions)

STATEMENTS OF OPERATIONS	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Revenue</b>												
Gross premiums	184	190	161	135	154	180	147	134	132	640	593	499
Ceded premiums	(6)	(7)	(6)	(7)	(7)	(9)	(5)	(6)	(6)	(27)	(26)	(25)
Net premiums	178	183	155	128	147	171	142	128	126	613	567	474
Net investment income (loss)	(150)	109	12	446	(38)	113	121	194	341	529	769	23
Fee income	71	70	63	57	61	59	57	56	53	251	225	189
<b>Total revenue</b>	<b>99</b>	<b>362</b>	<b>230</b>	<b>631</b>	<b>170</b>	<b>343</b>	<b>320</b>	<b>378</b>	<b>520</b>	<b>1,393</b>	<b>1,561</b>	<b>686</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	83	96	84	69	78	73	73	71	72	327	289	289
Change in insurance/investment contract liabilities & reinsurance assets	(266)	11	(90)	357	(133)	20	(33)	74	238	145	299	(429)
Operating expenses, commissions and other expenses	192	187	158	128	156	179	156	138	137	629	610	547
Reinsurance expenses (recoveries)	(4)	(6)	(3)	(1)	(4)	(6)	(3)	(2)	(3)	(14)	(14)	(8)
Total policy benefits and expenses	5	288	149	553	97	266	193	281	444	1,087	1,184	399
<b>Income (loss) before income taxes</b>	<b>94</b>	<b>74</b>	<b>81</b>	<b>78</b>	<b>73</b>	<b>77</b>	<b>127</b>	<b>97</b>	<b>76</b>	<b>306</b>	<b>377</b>	<b>287</b>
Income tax expense (benefit)	7	16	5	12	8	9	6	11	12	41	38	41
<b>Common shareholders' reported net income (loss)</b>	<b>87</b>	<b>58</b>	<b>76</b>	<b>66</b>	<b>65</b>	<b>68</b>	<b>121</b>	<b>86</b>	<b>64</b>	<b>265</b>	<b>339</b>	<b>246</b>
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	178	183	155	128	147	171	142	128	126	613	567	474
Segregated fund deposits	301	327	244	176	241	265	258	198	229	988	950	854
Mutual fund sales	2,151	2,346	1,876	1,627	1,540	1,253	1,694	1,022	1,243	7,389	5,212	7,017
Managed fund sales	4	4	3	5	5	5	7	5	3	17	20	23
Total	2,634	2,860	2,278	1,936	1,933	1,694	2,101	1,353	1,601	9,007	6,749	8,368
<b>SALES - Proportionate ownership <sup>(1)</sup></b>												
Individual insurance												
Philippines	58	76	52	23	64	87	69	59	56	215	271	221
Indonesia	19	20	17	12	21	23	20	14	23	70	80	67
India	61	46	39	29	48	45	38	30	65	162	178	145
China	43	32	29	30	32	26	31	19	35	123	111	78
Malaysia	15	15	19	8	12	15	13	15	16	54	59	50
Vietnam	35	14	10	7	5	6	5	4	5	36	20	16
<b>Total individual insurance sales</b>	<b>231</b>	<b>203</b>	<b>166</b>	<b>109</b>	<b>182</b>	<b>202</b>	<b>176</b>	<b>141</b>	<b>200</b>	<b>660</b>	<b>719</b>	<b>577</b>
<b>ASSETS UNDER MANAGEMENT <sup>(2)</sup></b>												
General funds	6,675	7,138	6,674	6,786	6,369	6,176	5,963	5,794	5,749	7,138	6,176	5,434
Segregated funds	4,061	4,332	3,730	3,730	3,263	4,009	3,918	3,921	3,817	4,332	4,009	3,593
Other AUM	41,786	41,271	38,428	35,737	32,543	35,140	34,633	34,426	34,935	41,271	35,140	34,301
Total	52,522	52,741	48,832	46,253	42,175	45,325	44,514	44,141	44,501	52,741	45,325	43,328
<b>ASSETS UNDER MANAGEMENT AND ADMINISTRATION <sup>(2)</sup></b>	<b>55,535</b>	<b>55,776</b>	<b>51,802</b>	<b>48,996</b>	<b>45,017</b>	<b>47,787</b>	<b>47,942</b>	<b>47,951</b>	<b>48,634</b>	<b>55,776</b>	<b>47,787</b>	<b>47,916</b>

<sup>(1)</sup> Includes the sales in the Company's joint ventures and associates with local partners in Asia based on our proportionate equity interest.

<sup>(2)</sup> This includes the general fund assets and segregated fund assets of our insurance businesses, Aditya Birla Sun Life AMC Limited AUM, Sun Life Everbright Asset Management AUM and Philippines mutual and managed funds based on our proportionate equity interest.

**ASIA - INTERNATIONAL HUBS**

(C\$ millions)

	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>STATEMENTS OF OPERATIONS</b>												
<b>Revenue</b>												
Gross premiums	621	1,529	1,020	983	790	826	553	384	274	4,322	2,037	1,680
Ceded premiums	(39)	(51)	(46)	(46)	(42)	(57)	(49)	(46)	(44)	(185)	(196)	(207)
Net premiums	582	1,478	974	937	748	769	504	338	230	4,137	1,841	1,473
Net investment income (loss)	(672)	653	396	1,088	(116)	195	567	661	673	2,021	2,096	53
Fee income	89	86	83	77	75	79	77	77	73	321	306	325
<b>Total revenue</b>	<b>(1)</b>	<b>2,217</b>	<b>1,453</b>	<b>2,102</b>	<b>707</b>	<b>1,043</b>	<b>1,148</b>	<b>1,076</b>	<b>976</b>	<b>6,479</b>	<b>4,243</b>	<b>1,851</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	273	349	287	419	286	411	265	362	285	1,341	1,323	903
Change in insurance/investment contract liabilities & reinsurance assets	(566)	1,499	740	1,403	248	290	653	500	572	3,890	2,015	73
Operating expenses, commissions and other expenses	197	304	227	238	217	278	195	187	154	986	814	700
Reinsurance expenses (recoveries)	(28)	(47)	(43)	(44)	(33)	(44)	(36)	(31)	(53)	(167)	(164)	(156)
Total policy benefits and expenses	(124)	2,105	1,211	2,016	718	935	1,077	1,018	958	6,050	3,988	1,520
<b>Income (loss) before income taxes</b>	<b>123</b>	<b>112</b>	<b>242</b>	<b>86</b>	<b>(11)</b>	<b>108</b>	<b>71</b>	<b>58</b>	<b>18</b>	<b>429</b>	<b>255</b>	<b>331</b>
Income tax expense (benefit)	2	8	2	4	(1)	3	7	2	1	13	13	10
Participating policyholders' net income (loss)	10	30	80	22	(45)	37	15	8	1	87	61	12
<b>Common shareholders' reported net income (loss)</b>	<b>111</b>	<b>74</b>	<b>160</b>	<b>60</b>	<b>35</b>	<b>68</b>	<b>49</b>	<b>48</b>	<b>16</b>	<b>329</b>	<b>181</b>	<b>309</b>
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	582	1,478	974	937	748	769	504	338	230	4,137	1,841	1,473
Segregated fund deposits	105	65	52	38	38	38	35	50	42	193	165	305
Managed fund sales	1,095	973	850	770	727	812	831	756	588	3,320	2,987	2,679
ASO deposits (pension administration)	90	82	88	83	83	92	73	69	75	336	309	496
Total	1,872	2,598	1,964	1,828	1,596	1,711	1,443	1,213	935	7,986	5,302	4,953
<b>SALES</b>												
Individual insurance												
Hong Kong	80	155	101	86	86	119	90	75	46	428	330	209
International	21	37	31	40	38	31	24	14	4	146	73	82
<b>Total individual insurance sales</b>	<b>101</b>	<b>192</b>	<b>132</b>	<b>126</b>	<b>124</b>	<b>150</b>	<b>114</b>	<b>89</b>	<b>50</b>	<b>574</b>	<b>403</b>	<b>291</b>
<b>ASSETS UNDER MANAGEMENT</b>												
General funds	28,921	29,276	28,972	28,569	27,583	25,109	25,618	24,401	24,084	29,276	25,109	23,421
Segregated funds	2,874	2,879	2,698	2,645	2,452	2,666	2,605	2,654	2,700	2,879	2,666	2,580
Other AUM	21,458	20,857	19,091	18,015	16,574	16,853	15,876	15,675	15,465	20,857	16,853	14,297
Total	53,253	53,012	50,761	49,229	46,609	44,628	44,099	42,730	42,249	53,012	44,628	40,298
<b>ASSETS UNDER MANAGEMENT AND ADMINISTRATION</b>	<b>55,617</b>	<b>55,400</b>	<b>53,074</b>	<b>51,464</b>	<b>48,699</b>	<b>46,717</b>	<b>46,116</b>	<b>44,763</b>	<b>44,300</b>	<b>55,400</b>	<b>46,717</b>	<b>42,298</b>

**CORPORATE <sup>(1)</sup>**

(C\$ millions)

**STATEMENTS OF OPERATIONS <sup>(2)</sup>**

	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>Revenue</b>												
Premiums - life insurance	20	23	18	22	22	22	23	22	23	85	90	94
Premiums - health insurance	8	6	6	6	4	4	4	4	4	22	16	14
Premiums - annuities	4	14	7	3	3	5	5	7	6	27	23	(79)
Gross premiums	32	43	31	31	29	31	32	33	33	134	129	29
Ceded premiums	(4)	(3)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(15)	(20)	(23)
Net premiums	28	40	27	27	25	26	27	28	28	119	109	6
Net investment income (loss)	(360)	220	39	515	(62)	(159)	455	222	398	712	916	53
Fee income	(42)	(44)	(45)	(41)	(43)	(42)	(37)	(40)	(38)	(173)	(157)	(135)
<b>Total revenue</b>	<b>(374)</b>	<b>216</b>	<b>21</b>	<b>501</b>	<b>(80)</b>	<b>(175)</b>	<b>445</b>	<b>210</b>	<b>388</b>	<b>658</b>	<b>868</b>	<b>(76)</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	146	134	126	136	136	156	140	165	137	532	598	614
Change in insurance/investment contract liabilities & reinsurance assets	(550)	23	(165)	269	(176)	(338)	19	19	199	(49)	(101)	(923)
Operating expenses, commissions and other expenses	157	98	54	43	42	107	32	30	48	237	217	139
Reinsurance expenses (recoveries)	(4)	(4)	(3)	(3)	(3)	(7)	(9)	(10)	—	(13)	(26)	(37)
Total policy benefits and expenses	(251)	251	12	445	(1)	(82)	182	204	384	707	688	(207)
<b>Income (loss) before income taxes</b>	<b>(123)</b>	<b>(35)</b>	<b>9</b>	<b>56</b>	<b>(79)</b>	<b>(93)</b>	<b>263</b>	<b>6</b>	<b>4</b>	<b>(49)</b>	<b>180</b>	<b>131</b>
Income tax expense (benefit)	(39)	(61)	(2)	97	(33)	(66)	(13)	(8)	17	1	(70)	(27)
Preferred shareholder dividends	23	24	22	24	24	24	23	24	24	94	95	94
<b>Common shareholders' reported net income (loss)</b>	<b>(107)</b>	<b>2</b>	<b>(11)</b>	<b>(65)</b>	<b>(70)</b>	<b>(51)</b>	<b>253</b>	<b>(10)</b>	<b>(37)</b>	<b>(144)</b>	<b>155</b>	<b>64</b>
Market related impacts	5	—	(3)	2	1	7	—	—	(9)	—	(2)	(15)
Assumption changes and management actions	1	—	37	1	1	—	236	(2)	(9)	39	225	140
Acquisition, integration and restructuring	(57)	(20)	—	—	(28)	(25)	—	(2)	—	(48)	(27)	(10)
<b>Common shareholders' underlying net income (loss)</b>	<b>(56)</b>	<b>22</b>	<b>(45)</b>	<b>(68)</b>	<b>(44)</b>	<b>(33)</b>	<b>17</b>	<b>(6)</b>	<b>(19)</b>	<b>(135)</b>	<b>(41)</b>	<b>(51)</b>
<b>PREMIUMS &amp; DEPOSITS</b>												
Net premiums	28	40	27	27	25	26	27	28	28	119	109	6
Segregated fund deposits	15	14	16	14	17	18	16	17	22	61	73	79
Total	43	54	43	41	42	44	43	45	50	180	182	85
<b>ASSETS UNDER MANAGEMENT</b>												
General funds	12,283	13,611	13,733	13,619	13,640	13,658	13,768	13,431	14,101	13,611	13,658	14,162
Segregated funds	10,597	10,675	10,018	9,970	9,346	11,026	10,496	10,677	11,060	10,675	11,026	10,513
Other AUM <sup>(3)</sup>	(29,620)	(27,782)	(26,442)	(25,904)	(25,529)	(24,864)	(25,263)	(25,134)	(25,266)	(27,782)	(24,864)	(23,879)
Total	(6,740)	(3,496)	(2,691)	(2,315)	(2,543)	(180)	(999)	(1,026)	(105)	(3,496)	(180)	796

<sup>(1)</sup> Corporate is comprised of our U.K. business and Corporate Support operations, which consists of the expenses, debt charges, investment income, capital and other items not allocated to Sun Life's other business segments, as well as the Company's Run-off Reinsurance and Reinsurance Clearinghouse businesses.

<sup>(2)</sup> Includes consolidation adjustments for net investment income, fee income and commission & other expenses relating to activities that cross business groups.

<sup>(3)</sup> Includes consolidation adjustments for assets managed by one area of the Company on behalf of another.



**CORPORATE**

(C\$ millions)

	At and For the Quarter Ended									At and For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>STATEMENTS OF OPERATIONS - United Kingdom (U.K.)</b>												
<b>Revenue</b>												
Gross premiums	17	27	20	16	17	18	17	20	20	80	75	78
Ceded premiums	(3)	(4)	(3)	(4)	(4)	(4)	(4)	(5)	(3)	(15)	(16)	(17)
Net premiums	14	23	17	12	13	14	13	15	17	65	59	61
Net investment income (loss)	(343)	199	(4)	440	(76)	(172)	389	162	347	559	726	(42)
Fee income	27	27	20	27	27	32	29	29	27	101	117	123
<b>Total revenue</b>	<b>(302)</b>	<b>249</b>	<b>33</b>	<b>479</b>	<b>(36)</b>	<b>(126)</b>	<b>431</b>	<b>206</b>	<b>391</b>	<b>725</b>	<b>902</b>	<b>142</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	116	124	111	115	117	127	121	135	123	467	506	531
Change in insurance/investment contract liabilities & reinsurance assets	(502)	44	(159)	278	(213)	(310)	(2)	5	198	(50)	(109)	(748)
Operating expenses, commissions and other expenses	27	37	27	27	28	31	26	26	30	119	113	125
Reinsurance expenses (recoveries)	(3)	(4)	(2)	(3)	(3)	(3)	(5)	(4)	(3)	(12)	(15)	(13)
Total policy benefits and expenses	(362)	201	(23)	417	(71)	(155)	140	162	348	524	495	(105)
<b>Income (loss) before income taxes</b>	<b>60</b>	<b>48</b>	<b>56</b>	<b>62</b>	<b>35</b>	<b>29</b>	<b>291</b>	<b>44</b>	<b>43</b>	<b>201</b>	<b>407</b>	<b>247</b>
Income tax expense (benefit)	(3)	5	2	17	(16)	(3)	12	5	14	8	28	(3)
<b>Common shareholders' reported net income (loss)</b>	<b>63</b>	<b>43</b>	<b>54</b>	<b>45</b>	<b>51</b>	<b>32</b>	<b>279</b>	<b>39</b>	<b>29</b>	<b>193</b>	<b>379</b>	<b>250</b>
<b>STATEMENTS OF OPERATIONS - Corporate Support <sup>(1)</sup></b>												
<b>Revenue</b>												
Gross premiums	15	16	11	15	12	13	15	13	13	54	54	(49)
Ceded premiums	(1)	1	(1)	—	—	(1)	(1)	—	(2)	—	(4)	(6)
Net premiums	14	17	10	15	12	12	14	13	11	54	50	(55)
Net investment income (loss)	(17)	21	43	75	14	13	66	60	51	153	190	95
Fee income	(69)	(71)	(65)	(68)	(70)	(74)	(66)	(69)	(65)	(274)	(274)	(258)
<b>Total revenue</b>	<b>(72)</b>	<b>(33)</b>	<b>(12)</b>	<b>22</b>	<b>(44)</b>	<b>(49)</b>	<b>14</b>	<b>4</b>	<b>(3)</b>	<b>(67)</b>	<b>(34)</b>	<b>(218)</b>
<b>Policy benefits and expenses</b>												
Gross claims & benefits paid	30	10	15	21	19	29	19	30	14	65	92	83
Change in insurance/investment contract liabilities & reinsurance assets	(48)	(21)	(6)	(9)	37	(28)	21	14	1	1	8	(175)
Operating expenses, commissions and other expenses	130	61	27	16	14	76	6	4	18	118	104	14
Reinsurance expenses (recoveries)	(1)	—	(1)	—	—	(4)	(4)	(6)	3	(1)	(11)	(24)
Total policy benefits and expenses	111	50	35	28	70	73	42	42	36	183	193	(102)
<b>Income (loss) before income taxes</b>	<b>(183)</b>	<b>(83)</b>	<b>(47)</b>	<b>(6)</b>	<b>(114)</b>	<b>(122)</b>	<b>(28)</b>	<b>(38)</b>	<b>(39)</b>	<b>(250)</b>	<b>(227)</b>	<b>(116)</b>
Income tax expense (benefit)	(36)	(66)	(4)	80	(17)	(63)	(25)	(13)	3	(7)	(98)	(24)
Preferred shareholder dividends	23	24	22	24	24	24	23	24	24	94	95	94
<b>Common shareholders' reported net income (loss)</b>	<b>(170)</b>	<b>(41)</b>	<b>(65)</b>	<b>(110)</b>	<b>(121)</b>	<b>(83)</b>	<b>(26)</b>	<b>(49)</b>	<b>(66)</b>	<b>(337)</b>	<b>(224)</b>	<b>(186)</b>

<sup>(1)</sup> Includes consolidation adjustments for net investment income, fee income and commission & other expenses relating to activities that cross business groups.

**INVESTMENTS**
**DEBT & EQUITY SECURITIES**
**DEBT SECURITIES**
**Debt Securities by Sector**

Debt Securities Issued or Guaranteed By:

Canadian Federal Government

Canadian Provincial and Municipal Government

U.S. Government and Other U.S. Agency

Other Government

Total Government issued or guaranteed debt securities

Corporate Debt Securities by Industry Sector:

Financials

Utilities

Consumer discretionary

Industrials

Consumer staples

Communication Services

Energy

Real Estate

Materials

Health Care

Information Technology

Total Corporate debt securities

Asset Backed Securities

Government and agency

Other

Total asset backed securities

Total debt securities

**Debt Securities by Investment Rating**

AAA

AA

A

BBB

BB and lower

Total debt securities

**EQUITY SECURITIES**
**Stocks**

Canada

United States

United Kingdom

Other

Total equity securities

	As at March 31, 2021				As at December 31, 2020				As at March 31, 2020			
	Fair Value through Profit or Loss	Available- for-Sale	Total	Investment Grade	Fair Value through Profit or Loss	Available- for-Sale	Total	Investment Grade	Fair Value through Profit or Loss	Available- for-Sale	Total	Investment Grade
Canadian Federal Government	3,922	1,765	5,687	100 %	4,560	1,929	6,489	100 %	3,833	2,593	6,426	100 %
Canadian Provincial and Municipal Government	14,788	1,199	15,987	100 %	16,909	1,333	18,242	100 %	14,679	1,177	15,856	100 %
U.S. Government and Other U.S. Agency	1,450	860	2,310	100 %	1,678	797	2,475	100 %	2,092	981	3,073	100 %
Other Government	4,760	806	5,566	96 %	5,281	823	6,104	96 %	5,329	790	6,119	96 %
Total Government issued or guaranteed debt securities	24,920	4,630	29,550	99 %	28,428	4,882	33,310	99 %	25,933	5,541	31,474	99 %
Financials	9,996	1,261	11,257	99 %	10,644	1,212	11,856	99 %	9,721	1,602	11,323	99 %
Utilities	7,029	715	7,744	99 %	7,561	682	8,243	99 %	6,805	601	7,406	99 %
Consumer discretionary	1,540	179	1,719	90 %	1,606	165	1,771	85 %	1,324	280	1,604	84 %
Industrials	5,349	602	5,951	98 %	5,659	567	6,226	99 %	5,042	691	5,733	99 %
Consumer staples	1,804	168	1,972	97 %	1,893	158	2,051	97 %	1,782	234	2,016	96 %
Communication Services	3,305	334	3,639	99 %	3,644	322	3,966	99 %	3,275	520	3,795	99 %
Energy	4,112	303	4,415	95 %	4,452	350	4,802	95 %	3,593	378	3,971	97 %
Real Estate	2,266	311	2,577	97 %	2,438	329	2,767	97 %	2,397	399	2,796	98 %
Materials	1,387	142	1,529	92 %	1,473	152	1,625	91 %	1,350	200	1,550	92 %
Health Care	1,785	180	1,965	99 %	1,986	186	2,172	99 %	2,037	246	2,283	99 %
Information Technology	1,268	193	1,461	99 %	1,308	187	1,495	99 %	1,335	238	1,573	99 %
Total Corporate debt securities	39,841	4,388	44,229	98 %	42,664	4,310	46,974	98 %	38,661	5,389	44,050	98 %
Government and agency	2,434	648	3,082	100 %	2,601	485	3,086	100 %	2,672	639	3,311	100 %
Other	3,976	1,457	5,433	99 %	4,141	1,578	5,719	99 %	3,448	2,316	5,764	99 %
Total asset backed securities	6,410	2,105	8,515	99 %	6,742	2,063	8,805	99 %	6,120	2,955	9,075	99 %
Total debt securities	71,171	11,123	82,294	98 %	77,834	11,255	89,089	99 %	70,714	13,885	84,599	99 %
AAA	11,550	4,771	16,321		12,794	4,810	17,604		11,865	6,472	18,337	
AA	10,553	1,463	12,016		11,870	1,586	13,456		11,100	1,658	12,758	
A	27,930	2,542	30,472		30,812	2,600	33,412		28,526	3,253	31,779	
BBB	20,078	2,154	22,232		21,203	2,091	23,294		18,281	2,360	20,641	
BB and lower	1,060	193	1,253		1,155	168	1,323		942	142	1,084	
Total debt securities	71,171	11,123	82,294		77,834	11,255	89,089		70,714	13,885	84,599	
Canada	3,211	15	3,226		3,064	15	3,079		2,493	22	2,515	
United States	1,270	245	1,515		1,046	148	1,194		664	126	790	
United Kingdom	170	6	176		163	6	169		106	5	111	
Other	2,223	127	2,350		2,096	93	2,189		1,041	148	1,189	
Total equity securities	6,874	393	7,267		6,369	262	6,631		4,304	301	4,605	

**PROPERTIES, MORTGAGES & LOANS**

	As at March 31, 2021			As at December 31, 2020			As at March 31, 2020		
	Investment Property	Owner Occupied Property	Total	Investment Property	Owner Occupied Property	Total	Investment Property	Owner Occupied Property	Total
<b>PROPERTIES</b>									
Canada	6,260	51	6,311	6,080	51	6,131	5,837	47	5,884
United States	1,309	104	1,413	1,371	107	1,478	1,459	110	1,569
United Kingdom	66	—	66	65	—	65	63	—	63
Other	—	29	29	—	30	30	—	34	34
Total properties	<u>7,635</u>	<u>184</u>	<u>7,819</u>	<u>7,516</u>	<u>188</u>	<u>7,704</u>	<u>7,359</u>	<u>191</u>	<u>7,550</u>

	As at March 31, 2021			As at December 31, 2020			As at March 31, 2020		
	Insured	Non-Insured	Total	Insured	Non-Insured	Total	Insured	Non-Insured	Total
<b>MORTGAGES &amp; LOANS</b>									
Retail	—	3,580	3,580	—	3,710	3,710	—	3,990	3,990
Office	—	3,356	3,356	—	3,481	3,481	—	3,937	3,937
Multi-family residential	3,622	1,935	5,557	3,663	1,968	5,631	3,699	2,235	5,934
Industrial and land	—	1,965	1,965	—	1,945	1,945	—	2,016	2,016
Other	379	304	683	345	316	661	329	411	740
Total Mortgages	<u>4,001</u>	<u>11,140</u>	<u>15,141</u>	<u>4,008</u>	<u>11,420</u>	<u>15,428</u>	<u>4,028</u>	<u>12,589</u>	<u>16,617</u>
Corporate Loans			<u>34,869</u>			<u>34,518</u>			<u>33,636</u>
Total mortgages & loans			<u>50,010</u>			<u>49,946</u>			<u>50,253</u>

	Impaired Loans			Impaired Loans			Impaired Loans		
	Gross Carrying Value	Allowances for Losses		Gross Carrying Value	Allowances for Losses		Gross Carrying Value	Allowances for Losses	
		Specific	Sectoral		Specific	Sectoral		Specific	Sectoral
<b>Mortgage and Loans - Impairments/Allowances</b>									
Mortgages	92	46	19	92	47	19	139	49	21
Loans	78	48	—	81	48	1	144	50	—
Total mortgage and loan impairments/allowances	<u>170</u>	<u>94</u>	<u>19</u>	<u>173</u>	<u>95</u>	<u>20</u>	<u>283</u>	<u>99</u>	<u>21</u>

	As at March 31, 2021		As at December 31, 2020		As at March 31, 2020	
	Total Notional Amount	Net Fair Value Amount	Total Notional Amount	Net Fair Value Amount	Total Notional Amount	Net Fair Value Amount
<b>DERIVATIVES</b>						
Interest rate contracts	28,184	71	27,823	1,069	33,854	1,650
Foreign exchange contracts	31,375	(642)	30,760	(723)	29,138	(2,967)
Equity and other contracts	4,121	73	4,209	70	6,837	(64)
Total derivatives	<u>63,680</u>	<u>(498)</u>	<u>62,792</u>	<u>416</u>	<u>69,829</u>	<u>(1,381)</u>
Over the counter	57,408	(498)	56,711	392	62,708	(1,327)
Exchange traded	6,272	—	6,081	24	7,121	(54)
Total	<u>63,680</u>	<u>(498)</u>	<u>62,792</u>	<u>416</u>	<u>69,829</u>	<u>(1,381)</u>

For the Quarter ended - Q1 2021

CONSOLIDATED SOURCES OF EARNINGS

(\$ millions)	Canadian Dollars						U.S. Dollars	
	Canada	U.S.	Asset			Total Company	U.S.	MFS
			Management	Asia	Corporate			
Expected profit on in-force business <sup>(1)</sup>	298	115	391	152	(43)	913	91	302
Impact of new business <sup>(1)</sup>	21	—	—	(7)	—	14	—	—
Experience gains (losses)	294	148	—	13	(30)	425	118	—
Assumption changes and management actions	(6)	(5)	—	3	2	(6)	(4)	—
Other <sup>(2)</sup>	—	—	(83)	—	(78)	(161)	—	(50)
Earnings (loss) on operations (pre-tax)	607	258	308	161	(149)	1,185	205	252
Earnings on surplus	25	8	—	45	30	108	6	—
Earnings (loss) before income taxes	632	266	308	206	(119)	1,293	211	252
Income tax (expense) benefit	(227)	(55)	(80)	(8)	35	(335)	(44)	(66)
Earnings (loss) before preferred share dividends and non-controlling interest	405	211	228	198	(84)	958	167	186
Preferred share dividends and non-controlling interest	—	—	2	—	(23)	(21)	—	—
<b>Common shareholders' reported net income (loss)</b>	<b>405</b>	<b>211</b>	<b>230</b>	<b>198</b>	<b>(107)</b>	<b>937</b>	<b>167</b>	<b>186</b>
Underlying net income adjustments (post tax):								
Market related impacts	124	44	—	36	5	209	34	—
Assumption changes and management actions	(4)	(4)	—	3	1	(4)	(3)	—
Other adjustments:								
Impact of certain hedges that do not qualify for hedge accounting	—	—	—	—	—	—	—	—
Fair value adjustments on share-based payment awards at MFS	—	—	(44)	—	—	(44)	—	(35)
Acquisition, integration and restructuring	—	—	(17)	—	(57)	(74)	—	—
	120	40	(61)	39	(51)	87	31	(35)
<b>Common shareholders' underlying net income (loss)</b>	<b>285</b>	<b>171</b>	<b>291</b>	<b>159</b>	<b>(56)</b>	<b>850</b>	<b>136</b>	<b>221</b>

For the Quarter ended - Q1 2020

CONSOLIDATED SOURCES OF EARNINGS

(\$ millions)	Canadian Dollars						U.S. Dollars	
	Canada	U.S.	Asset			Total Company	U.S.	MFS
			Management	Asia	Corporate			
Expected profit on in-force business <sup>(1)</sup>	267	125	335	138	(36)	829	97	234
Impact of new business <sup>(1)</sup>	14	—	—	(21)	—	(7)	—	—
Experience gains (losses)	(137)	93	—	(46)	(21)	(111)	67	—
Assumption changes and management actions	(29)	(29)	—	(9)	1	(66)	(22)	—
Other <sup>(2)</sup>	(1)	(2)	(10)	—	(37)	(50)	(1)	—
Earnings (loss) on operations (pre-tax)	114	187	325	62	(93)	595	141	234
Earnings on surplus	21	25	—	49	21	116	19	—
Earnings (loss) before income taxes	135	212	325	111	(72)	711	160	234
Income tax (expense) benefit	(177)	(48)	(80)	(11)	26	(290)	(36)	(54)
Earnings (loss) before preferred share dividends	(42)	164	245	100	(46)	421	124	180
Preferred share dividends	—	—	(6)	—	(24)	(30)	—	—
<b>Common shareholders' reported net income (loss)</b>	<b>(42)</b>	<b>164</b>	<b>239</b>	<b>100</b>	<b>(70)</b>	<b>391</b>	<b>124</b>	<b>180</b>
Underlying net income adjustments (post tax):								
Market related impacts	(275)	28	—	(47)	1	(293)	21	—
Assumption changes and management actions	(22)	(23)	—	(9)	1	(53)	(17)	—
Other adjustments:								
Impact of certain hedges that do not qualify for hedge accounting	(1)	—	—	—	—	(1)	—	—
Fair value adjustments on share-based payment awards at MFS	—	—	10	—	—	10	—	8
Acquisition, integration and restructuring	—	(2)	(13)	1	(28)	(42)	(1)	—
	(298)	3	(3)	(55)	(26)	(379)	3	8
<b>Common shareholders' underlying net income (loss)</b>	<b>256</b>	<b>161</b>	<b>242</b>	<b>155</b>	<b>(44)</b>	<b>770</b>	<b>121</b>	<b>172</b>

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

<sup>(2)</sup> Represents pre-tax adjustments related to certain hedges that do not qualify for hedge accounting, MFS fair value adjustments on share-based payment awards, and acquisition, integration and restructuring amounts.

CONSOLIDATED SOURCES OF EARNINGS - SUPPLEMENTAL INFORMATION

MFS SOURCES OF EARNINGS

This MFS Sources of Earnings is presented with reconciliation details to reported net income

(US\$ millions)	For the Quarter Ended									For the Year Ended		
	2021		2020			2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Expected profit on in-force business	302	313	284	226	234	268	254	232	221	1,057	975	953
Impact of new business	—	—	—	—	—	—	—	—	—	—	—	—
Experience gains (losses)	—	—	—	—	—	—	—	—	—	—	—	—
Assumption changes and management actions	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—
Earnings (loss) on operations (pre-tax)	302	313	284	226	234	268	254	232	221	1,057	975	953
Earnings on surplus	—	—	—	—	—	—	—	—	—	—	—	—
Earnings (loss) before income taxes	302	313	284	226	234	268	254	232	221	1,057	975	953
Income tax (expense) benefit	(70)	(72)	(67)	(53)	(54)	(58)	(56)	(46)	(45)	(246)	(205)	(223)
Earnings (loss) before non-controlling interest	232	241	217	173	180	210	198	186	176	811	770	730
Non-controlling interest	(11)	(11)	(10)	(8)	(8)	(9)	(10)	(10)	(8)	(37)	(37)	(37)
<b>Common shareholders' underlying net income (loss)</b>	<b>221</b>	<b>230</b>	<b>207</b>	<b>165</b>	<b>172</b>	<b>201</b>	<b>188</b>	<b>176</b>	<b>168</b>	<b>774</b>	<b>733</b>	<b>693</b>
Underlying net income adjustments:												
Fair value adjustments on share-based payment awards (pre-tax)	(50)	(51)	(37)	(27)	—	(41)	(17)	(18)	(15)	(115)	(91)	(46)
Income taxes	4	4	3	1	—	4	1	—	1	8	6	5
Non-controlling interest	11	11	10	8	8	9	10	10	8	37	37	37
	(35)	(36)	(24)	(18)	8	(28)	(6)	(8)	(6)	(70)	(48)	(4)
<b>Common shareholders' reported net income (loss)</b>	<b>186</b>	<b>194</b>	<b>183</b>	<b>147</b>	<b>180</b>	<b>173</b>	<b>182</b>	<b>168</b>	<b>162</b>	<b>704</b>	<b>685</b>	<b>689</b>

**EXPENSES**

(C\$ millions)

	For the Quarter Ended									For the Year Ended		
	2021	2020				2019				2020	2019	2018
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
<b>OPERATING EXPENSES, COMMISSIONS AND OTHER EXPENSES</b>												
Operating expenses	2,086	2,090	1,807	1,771	1,733	1,954	1,714	1,697	1,668	7,401	7,033	6,432
Commissions	662	707	638	619	648	677	590	586	564	2,612	2,417	2,339
Premium taxes	93	102	106	112	108	101	101	104	100	428	406	375
Interest expense	80	89	86	90	90	96	65	84	88	355	333	305
<b>Total</b>	<b>2,921</b>	<b>2,988</b>	<b>2,637</b>	<b>2,592</b>	<b>2,579</b>	<b>2,828</b>	<b>2,470</b>	<b>2,471</b>	<b>2,420</b>	<b>10,796</b>	<b>10,189</b>	<b>9,451</b>
<b>OPERATING EXPENSES BY BUSINESS GROUP</b>												
Canada	564	584	512	520	530	566	498	523	535	2,146	2,122	2,040
U.S.	228	248	230	232	246	246	208	236	236	956	926	872
Asset Management	798	757	701	698	672	674	652	642	611	2,828	2,579	2,403
Asia	259	315	251	228	229	280	241	222	203	1,023	946	819
Corporate <sup>(1)</sup>	92	75	61	54	20	84	70	37	53	210	244	148
Operating expenses excluding the following:	1,941	1,979	1,755	1,732	1,697	1,850	1,669	1,660	1,638	7,163	6,817	6,282
FV adjustments on MFS share-based payment awards <sup>(2)</sup>	63	66	49	37	—	54	23	24	21	152	122	58
Acquisition, integration and restructuring costs	82	45	3	2	36	50	22	13	9	86	94	92
<b>Total operating expenses</b>	<b>2,086</b>	<b>2,090</b>	<b>1,807</b>	<b>1,771</b>	<b>1,733</b>	<b>1,954</b>	<b>1,714</b>	<b>1,697</b>	<b>1,668</b>	<b>7,401</b>	<b>7,033</b>	<b>6,432</b>
<b>COMMISSIONS BY BUSINESS GROUP</b>												
Canada	259	259	238	226	244	243	231	234	237	967	945	934
U.S.	118	122	112	116	117	114	108	108	110	467	440	435
Asset Management	175	174	171	155	163	162	159	155	147	663	623	619
Asia	111	151	118	122	126	159	93	89	72	517	413	357
Corporate <sup>(3)</sup>	(1)	1	(1)	—	(2)	(1)	(1)	—	(2)	(2)	(4)	(6)
<b>Total commissions</b>	<b>662</b>	<b>707</b>	<b>638</b>	<b>619</b>	<b>648</b>	<b>677</b>	<b>590</b>	<b>586</b>	<b>564</b>	<b>2,612</b>	<b>2,417</b>	<b>2,339</b>
<b>INTEREST EXPENSE</b>												
Subordinated debt	34	36	35	32	29	29	26	25	26	132	106	106
Liabilities for SLEECs	4	4	4	4	4	11	11	11	11	16	44	44
Interest on senior unsecured debentures/financing	4	3	9	17	16	18	20	25	26	45	89	86
Other <sup>(4)</sup>	38	46	38	37	41	38	8	23	25	162	94	69
<b>Total interest expense</b>	<b>80</b>	<b>89</b>	<b>86</b>	<b>90</b>	<b>90</b>	<b>96</b>	<b>65</b>	<b>84</b>	<b>88</b>	<b>355</b>	<b>333</b>	<b>305</b>

<sup>(1)</sup> Includes consolidation adjustments for operating expenses relating to activities that cross business groups.<sup>(2)</sup> Represent the operating expenses related to fair value adjustments on share-based payment awards at MFS before tax and the adjustment for non-controlling interest.<sup>(3)</sup> Includes consolidation adjustments for commissions relating to activities that cross business groups.<sup>(4)</sup> Primarily interest on put option liabilities associated with SLC Management's affiliates and interest on liabilities connected to consolidated special purpose entities, interest on leases, interest on real estate encumbrances and interest on income taxes.

FINANCIAL STRENGTH AND CAPITAL ADEQUACY

For the period ended March 31, 2021

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

Senior Unsecured Debentures (Series E)

Subordinated Debt

(Series 2007-1, 2016-2, 2017-1, 2019-1, 2020-1 and 2020-2)

Class A Preferred Shares (Series 1-5, 8R, 9QR, 10R, 11QR, and 12R)

A.M. Best

Moody's <sup>(1)</sup>

Standard & Poor's

DBRS

a

not rated

A+

A (high)

a-

not rated

A

A

bbb+

Baa1(hyb)

P-1 (low)/A-

Pfd-2 (high)

<sup>(1)</sup> Moody's rate Preferred Shares Series 2 only.

## General Information

Canada	U.S.	Asset Management	Asia	Corporate
<p>Our Canada business group is a leading provider of protection, health and wealth solutions, providing products and services that deliver value to over 6.5 million Clients. We are the largest provider of benefits and pensions in the workplace, and provide a wide range of products to individuals via retail channels. Canada is a growth market for Sun Life and we are well-positioned to help Canadians achieve lifetime financial security and live healthier lives. Canada has three business units - Individual Insurance and Wealth, Group Retirement Services and Group Benefits.</p>	<p>Our U.S. business group is one of the largest group benefits providers in the U.S. market, serving employees and their families at more than 55,000 workplaces of all sizes across the country with employer-sponsored insurance products and solutions. In addition, our U.S. business manages an in-force block of approximately 100,000 individual life insurance policies. U.S. has two business units - Group Benefits and In-force Management.</p>	<p>Our Asset Management business group is comprised of MFS and SLC Management. MFS is a premier global asset management firm which offers a comprehensive selection of financial products and services that deliver superior value and actively manages assets for retail and institutional investors around the world. SLC Management is an institutional investment management business that delivers liability driven investing, alternative fixed income, infrastructure and real estate solutions to Clients, with operations around the world.</p>	<p>Our Asia business group consists of two business units: Local Markets and International Hubs. Our Local Markets operates in six Asian markets, delivering value to over 23 million Clients by providing life, health, wealth and asset management solutions through a multi-channel distribution approach. The International Hubs offers leading insurance and wealth products, including high-net-worth solutions in Hong Kong and via our International business. Our Asia presence provides us with a strong foothold to take advantage of the high growth prospects in the region.</p>	<p>Corporate includes the results of our U.K. business and Corporate Support. U.K. has a run-off block of business consisting of approximately 508,000 in-force life and pension policies, with approximately £10 billion of AUM. Since December 2010, U.K. has been closed to new business and focuses on supporting existing Clients. Corporate Support operations consist of the expenses, debt charges, investment income, capital and other items not allocated to Sun Life's other business segments, as well as the Company's Run-off Reinsurance and Reinsurance Clearinghouse businesses. Coverage in our Run-off reinsurance business includes long-term care, medical coverage, and guaranteed minimum income and death benefit coverage. The block also includes group long-term disability and personal accident policies which are 100% retroceded.</p>
<p><u>Individual Insurance and Wealth</u> Individual life and health insurance Individual savings products Mutual funds</p> <p><u>Group Benefits</u> Group life and health insurance Voluntary benefits products</p> <p><u>Group Retirement Services</u> Defined contribution plans Defined benefit solutions Voluntary savings plans</p>	<p><u>Group Benefits</u> Group life Disability insurance Medical stop-loss insurance Dental insurance Vision insurance Voluntary benefits Supplemental health products FullscopeRMS products and services</p> <p><u>In-Force Management</u> Individual life insurance</p>	<p><u>MFS</u> Mutual Funds U.S. retail mutual funds MFS Meridian funds Investment Management Services Institutional accounts Pension business Insurance products</p> <p><u>SLC Management</u> Private class funds Customized fixed income portfolios Liability-driven investing strategies Investment advisory and property management services Real estate and infrastructure solutions</p>	<p><u>Local Markets</u> Philippines Indonesia India China Malaysia Vietnam</p> <p><u>International Hubs</u> Hong Kong International Singapore</p>	<p><u>U.K.</u> Individual annuities and pensions (In-force block only) Individual life (In-force block only)</p> <p><u>Corporate Support</u> Run-off reinsurance</p>