

## M. Non-IFRS Financial Measures

### 1. Common Shareholders' View of Reported Net Income

The following table provides the reconciliation of the Drivers of Earnings ("DOE") analysis to the Statement of Operations total net income. The DOE analysis provides additional detail on the sources of earnings, primarily for protection and health businesses, and explains the actual results compared to the longer term expectations. The underlying DOE and reported DOE are both presented on a common shareholders' basis by removing the allocations to participating policyholders.

(\$ millions)		2025					
Statement of Operations	Underlying DOE <sup>(1)</sup>	Non-underlying adjustments <sup>(1)</sup>	Common Shareholders' Reported DOE <sup>(2)(3)</sup>	Adjustment for:		Reported (per IFRS)	
				Par <sup>(2)</sup>	Net <sup>(3)</sup>		
Net insurance service result	3,253	(28)	3,225	313	(64)	3,474	
Net investment result	1,715	(224)	1,491	20	307	1,818	
Assumption changes and management actions <sup>(3)</sup>		(54)	(54)	—	54		
Fee Income:							
Asset Management	1,906	(232)	1,674		(1,674)		
Other fee income	422	—	422	(22)	8,659	9,059	
Fee income						9,059	
Other expenses	(1,902)	(374)	(2,276)	—	(7,277)	(9,553)	
Income before taxes	5,394	(912)	4,482	311	5	4,798	
Income tax (expense) benefit	(1,051)	152	(899)	(117)	—	(1,016)	
Total net income	4,343	(760)	3,583	194	5	3,782	
Allocated to Participating and NCI <sup>(4)</sup>	(63)	31	(32)	(194)	(5)	(231)	
Dividends and Distributions <sup>(5)</sup>	(79)		(79)	—	—	(79)	
<b>Underlying net income<sup>(1)</sup></b>	<b>4,201</b>						
<b>Reported net income - Common shareholders</b>		<b>(729)</b>	<b>3,472</b>	<b>—</b>	<b>—</b>	<b>3,472</b>	

(\$ millions)		2024					
Statement of Operations	Underlying DOE <sup>(1)</sup>	Non-underlying adjustments <sup>(1)</sup>	Common Shareholders' Reported DOE <sup>(2)(3)</sup>	Adjustment for:		Reported (per IFRS)	
				Par <sup>(2)</sup>	Net <sup>(3)</sup>		
Net insurance service result	2,996	—	2,996	243	(148)	3,091	
Net investment result	1,677	(310)	1,367	(97)	664	1,934	
Assumption changes and management actions <sup>(3)</sup>		86	86	—	(86)		
Fee income:							
Asset Management	1,762	250	2,012		(2,012)		
Other fee income	321	—	321	(18)	8,278	8,581	
Fee income						8,581	
Other expenses	(1,925)	(701)	(2,626)	—	(6,641)	(9,267)	
Income before taxes	4,831	(675)	4,156	128	55	4,339	
Income tax (expense) benefit	(834)	(120)	(954)	(86)	—	(1,040)	
Total net income	3,997	(795)	3,202	42	55	3,299	
Allocated to Participating and NCI <sup>(4)</sup>	(61)	(12)	(73)	(42)	(55)	(170)	
Dividends and Distributions <sup>(5)</sup>	(80)	—	(80)	—	—	(80)	
<b>Underlying net income<sup>(1)</sup></b>	<b>3,856</b>						
<b>Reported net income - Common shareholders</b>		<b>(807)</b>	<b>3,049</b>	<b>—</b>	<b>—</b>	<b>3,049</b>	

<sup>(1)</sup> For a breakdown of non-underlying adjustments made to arrive at underlying net income as well as the underlying DOE analysis, see the heading "Underlying Net Income and Underlying EPS" below.

<sup>(2)</sup> Removes the components attributable to the participating policyholders.

<sup>(3)</sup> Certain amounts within the DOE are presented on a net basis to reflect how the business is managed, compared to a gross basis in the Consolidated Financial Statements. For more details, refer to "Drivers of Earnings" in section 3 - Additional Non-IFRS Financial Measures below. Further, in this document, the reported net income impact of ACMA excludes amounts attributable to participating policyholders and includes non-liability impacts. In contrast, Note 10.B.v of the 2025 Annual Consolidated Financial Statements shows the pre-tax net income impacts of method and assumption changes, and CSM Impacts include amounts attributable to participating policyholders.

<sup>(4)</sup> Allocated to equity in the participating account and attributable to NCI.

<sup>(5)</sup> Dividends on preferred shares and distributions on other equity instruments.

## 2. Underlying Net Income and Underlying EPS

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

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

- Market-related impacts reflecting the after-tax difference in actual versus expected market movements, including:
  - i) Net interest impact from risk-free rate, credit spread, swap spread movements, and other impacts, reflecting accounting mismatches between assets and liabilities:
    - a. Differences arising from fair value changes<sup>(1)</sup> of fixed income assets (including derivatives) measured at FVTPL supporting insurance contracts, compared to fair value changes of the liabilities<sup>(2)</sup>;
    - b. Fair value changes of fixed income assets (including derivatives) measured at FVTPL supporting our investment contract liability and surplus portfolios<sup>(3)</sup>; and
    - c. Tax-exempt investment<sup>(4)</sup> income above or below expected long-term tax savings relating to our Canadian multi-national insurance operations.
  - ii) Non-fixed income investments where the weighted average expected return is approximately 2% per quarter, including:
    - a. Equity investments (including derivatives) supporting insurance contracts and surplus portfolios; and
    - b. Investment properties supporting insurance contracts and surplus portfolios.
- ACMA – captures the impact of method and assumption changes, and management actions on insurance and reinsurance contracts.
- Other adjustments:
  - i) MFS shares owned by management – this adjustment removes the change in fair value and other activity related to MFS common shares owned by management.
  - ii) Acquisition, integration, and restructuring – expense and income related to acquisition or disposal of a business. Also includes expenses related to restructuring activities.
  - iii) Intangible asset amortization – removes the amortization expense associated with finite life intangible assets arising from acquisitions or business combinations excluding amortization of software and distribution agreements.
  - iv) Other – represents items that are unusual or exceptional in nature which management believes are not representative of the long-term performance of the Company.

**Underlying EPS (diluted).** This measure is used in comparing the profitability across multiple periods and is calculated by dividing underlying net income by weighted average common shares outstanding for diluted EPS, excluding the dilutive impact of convertible instruments. For additional information about the underlying net income, see above. For additional information about the composition of the EPS, please refer to Note 25 of our 2025 Annual Consolidated Financial Statements. For additional information about the SLEECs, please refer to Note 12 of our 2025 Annual Consolidated Financial Statements.

<sup>(1)</sup> For fixed income assets, Underlying Net Income includes credit experience from rating changes on assets measured at FVTPL, and the ECL impact for assets measured at FVOCI.

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

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

<sup>(4)</sup> Q4'25 and Q4'24 balances are isolated in Other within Other adjustments.

The following table sets out the post-tax amounts that were excluded from our underlying net income (loss) and underlying EPS and provides a reconciliation to our reported net income and EPS based on IFRS.

### Reconciliations of Select Net Income Measures

(\$ millions, after-tax)	2025	2024
Underlying net income	4,201	3,856
Market-related impacts		
Equity market impacts	(14)	25
Interest rate impacts <sup>(1)</sup>	(148)	(60)
Impacts of changes in the fair value of investment properties (real estate experience)	(219)	(338)
Add: Market-related impacts	(381)	(373)
Add: Assumption changes and management actions	(45)	56
Other adjustments		
MFS shares owned by management	2	(22)
Acquisition, integration and restructuring <sup>(2)(3)(4)(5)(6)(7)</sup>	(27)	140
Intangible asset amortization <sup>(8)(9)</sup>	(215)	(332)
Other <sup>(10)(11)(12)(13)(14)</sup>	(63)	(276)
Add: Total of other adjustments	(303)	(490)
Reported net income - Common shareholders	3,472	3,049
Underlying EPS (diluted) (\$)	7.45	6.66
Add: Market-related impacts (\$)	(0.68)	(0.65)
Assumption changes and management actions (\$)	(0.08)	0.10
MFS shares owned by management (\$)	—	(0.04)
Acquisition, integration and restructuring (\$)	(0.05)	0.24
Intangible asset amortization (\$)	(0.38)	(0.57)
Other (\$)	(0.12)	(0.48)
Impact of convertible securities on diluted EPS (\$)	0.01	—
Reported EPS (diluted) (\$)	6.15	5.26

- (1) Our results are sensitive to long term interest rates given the nature of our business and to non-parallel yield curve movements (for example flattening, inversion, steepening, etc.).
- (2) Amounts relate to acquisition costs for our SLC Management affiliates, BentalGreenOak, InfraRed Capital Partners, Crescent Capital Group LP and Advisors Asset Management, Inc, which include the unwinding of the discount for Other financial liabilities of \$56 million in 2025 (2024- \$76 million).
- (3) Reflects an increase of \$4 million in estimated future payments for options to purchase the remaining ownership interests of SLC Management affiliates in 2025 (2024 - a decrease of \$344 million). For additional information, refer to Note 5 and Note 11 of our 2025 Annual Consolidated Financial Statements.
- (4) Includes acquisition, integration and restructuring costs associated with DentaQuest, acquired on June 1, 2022.
- (5) To meet regulatory obligations, in Q1'24, we sold 6.3% of our ownership interest in ABSLAMC, generating a gain of \$84 million. As a result of the transaction, our ownership interest in ABSLAMC was reduced from 36.5% to 30.2% for gross proceeds of \$136 million. Subsequently in Q2'24, we sold an additional 0.2% of our ownership interest.
- (6) Q2'24 includes a restructuring charge of \$108 million in the Corporate business group.
- (7) On July 15, 2025, we acquired an additional interest in Bowtie Life Insurance Company Limited ("Bowtie"), which increased our ownership interest, excluding dilution, by approximately 11% and resulted in a total ownership interest of 55.8%. Total consideration was cash of \$55 million. Our previously held interest in Bowtie was remeasured to its fair value, which resulted in a gain of \$176 million recognized in reported net income in Q3'25 ("gain from increased ownership interest in Bowtie"). For additional information, refer to Note 3 of our 2025 Annual Consolidated Financial Statements.
- (8) Includes an impairment charge of \$186 million on an intangible asset related to bancassurance in Vietnam reflecting updates resulting from changes in regulatory and macro-economic factors in Q4'24.
- (9) Includes an impairment charge of \$61 million on a customer relationship intangible asset from the early termination of a U.S. group dental contract in Q2'25.
- (10) Includes the early termination of a distribution agreement in Asset Management in Q1'24.
- (11) Includes a Pillar Two global minimum tax adjustment in Q2'24. For additional information, refer to Note 19 of our 2024 Annual Consolidated Financial Statements and section D - Profitability in the 2024 Annual MD&A.
- (12) Includes a non-recurring provision in U.S. Dental in Q4'24.
- (13) Includes lower than expected tax-exempt investment income of \$49 million in Q4'25 (Q4'24 - lower than expected tax-exempt investment income of \$234 million).
- (14) Includes a tax impact in MFS in Q4'25 from changes to U.S. tax legislation. For more details, see section D - Profitability in this document.

The following table shows the pre-tax amount of underlying net income adjustments:

(\$ millions)	2025	2024
Underlying net income (after-tax)	4,201	3,856
Underlying net income adjustments (pre-tax):		
Add: Market-related impacts	(451)	(428)
Assumption changes and management actions <sup>(1)</sup>	(54)	86
Other adjustments	(376)	(345)
Total underlying net income adjustments (pre-tax)	(881)	(687)
Add: Taxes related to underlying net income adjustments	152	(120)
Reported net income - Common shareholders (after-tax)	3,472	3,049

<sup>(1)</sup> In this document, the reported net income impact of ACMA excludes amounts attributable to participating policyholders and includes non-liability impacts. In contrast, Note 10.B.v of the 2025 Annual Consolidated Financial Statements shows the pre-tax net income impacts of method and assumption changes, and CSM Impacts include amounts attributable to participating policyholders.

Taxes related to underlying net income adjustments may vary from the expected effective tax rate range reflecting the mix of business based on the Company's international operations and other tax-related adjustments.

### 3. Additional Non-IFRS Financial Measures

Management also uses the following non-IFRS financial measures:

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

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

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

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

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

**Cash and other liquid assets.** This measure is comprised of cash, cash equivalents, short-term investments, and publicly traded securities, net of loans related to acquisitions and short-term loans that are held at SLF Inc. (the ultimate parent company), and its wholly owned holding companies. This measure is a key consideration of available funds for capital re-deployment to support business growth.

(\$ millions)	As at December 31, 2025	As at December 31, 2024
<b>Cash and other liquid assets (held at SLF Inc. and its wholly owned holding companies):</b>		
Cash, cash equivalents & short-term securities	1,859	479
Debt securities <sup>(1)</sup>	537	780
Equity securities <sup>(2)</sup>	—	112
Sub-total	2,396	1,371
Less: Loans related to acquisitions and short-term loans <sup>(3)</sup> (held at SLF Inc. and its wholly owned holding companies)	—	(17)
Cash and other liquid assets (held at SLF Inc. and its wholly owned holding companies)	2,396	1,354

<sup>(1)</sup> Includes publicly traded bonds.

<sup>(2)</sup> Includes exchange traded fund ("ETF") Investments.

<sup>(3)</sup> Includes drawdowns from credit facilities to manage timing of cash flows.

**Constant currency.** We remove the impacts of foreign exchange translation from certain IFRS and non-IFRS measures to assist in comparing our results from period to period. The impacts of foreign exchange translation is approximated by using the foreign exchange rates in effect during the comparative period, using the average or period end foreign exchange rates, as appropriate.

**CSM Movement Analysis** includes certain non-IFRS financial measures, detailed below, and also presents certain measures on a net basis to reflect how the business is managed, compared to a gross basis in the Consolidated Financial Statements. Examples include i) The impacts of insurance contracts issued is presented net of reinsurance; ii) Impact of new business is presented net of acquisition expense gain/loss; and iii) Certain methodology changes are presented as an impact of change in assumptions, whereas the Consolidated Financial Statement presentation is a contract modification.

- **Organic CSM Movement** is comprised of the Impact of new insurance business, Expected movements from asset returns & locked-in rates, Insurance experience gains/losses, and CSM recognized for services provided.
- **Impact of new insurance business on CSM**, also referred to as "new business CSM", represents growth from sales activity in the period, including individual protection sales (excluding joint ventures), and defined benefit solutions and segregated fund wealth sales in Canada. New business CSM is presented net of acquisition expense gain/loss.
- **Expected movements from asset returns & locked-in rates** applies to variable fee approach ("VFA") and general measurement approach ("GMA") contracts. For VFA contracts, this component of the CSM movement analysis is comprised of two factors: (i) the expected return on underlying assets and (ii) the measurement of financial guarantees. The difference between actual and expected results are reported as the impact of markets. For GMA contracts, this component of the CSM includes the accretion of the CSM balance at locked-in rates, which refer to the term structure associated with locked-in discount rates, set when the insurance contract was sold or on transition to IFRS 17. Average locked-in rates increase with the passage of time on in-force business and new business added at current rates.
- **Impact of markets & other** includes the difference between actual and expected movement for VFA contracts for: (i) the return on underlying assets and (ii) the measurement of financial guarantees. Also includes other amounts excluded from Organic CSM Movement.
- **Insurance experience gains/losses** represents the current period impacts of insurance experience, resulting in a change in future cash flows that adjust CSM.
- **Impact of change in assumptions** represents the future period impacts of changes in fulfilment cash flows that adjust CSM.
- **CSM market sensitivities.** CSM market sensitivities are non-IFRS financial measures for which there are no directly comparable measures under IFRS so it is not possible to provide a reconciliation of these amounts to the most directly comparable IFRS measures.

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

**Drivers of Earnings.** The Drivers of Earnings ("DOE") analysis provides additional detail on the sources of earnings, primarily for protection and health businesses, and explains the actual results compared to the longer term expectations. The DOE is presented on a reported and underlying common shareholders' basis. Within the net insurance service result, the underlying DOE provides detail on expected insurance earnings, impact of new insurance business and experience gains (losses). Within the net investment result, the underlying DOE provides detail on expected investment earnings, credit experience, earnings on surplus, and joint ventures & other. For more information, refer to the headings "Underlying net income and Underlying EPS", "Earnings on surplus", "Notable items attributable to reported and underlying net income", in this document.

Certain amounts in the DOE are presented on a net basis to reflect how the business is managed, compared to a gross basis in the Consolidated Financial Statements. Examples include: i) Net investment result and Other expenses of the Asset Management operating segment are combined with Fee Income to report the net contribution to earnings; ii) Income for fee-based businesses is reported net of the associated expenses; iii) Carried interest in SLC Management within Fee Income excludes the carried interest that Sun Life does not participate in economically, and nets the non-controlling interest portion of the carried interest against fee income and expenses of consolidated funds; iv) Net investment results include assets returns net of the crediting rate for investment contract liabilities and the unwinding of and changes in the discount rate for insurance contract liabilities; v) Earnings on surplus reflects net spread earned from investment strategies; and vi) Earnings attributable to the participating account are excluded.

**Earnings on Surplus.** This component of the Drivers of Earnings represents the net income earned on a company's surplus funds. Earnings on Surplus is comprised of realized gains on fair value through other comprehensive income assets, as well as net investment returns on surplus, such as investment income, gains (losses) on seed investments and investment properties mark-to-market, and also includes impacts from derivatives, currency and other items.

**Experience-related items attributable to reported net income and underlying net income.** These notable items attributable to reported net income and underlying net income are components of the Drivers of Earnings represents gains and losses that are due to differences between the actual results during the reporting period and management's estimate of the expected longer-term returns on assets and liabilities (i.e. expected insurance earnings and expected investment earnings) at the start of the reporting period.

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

**Fee-related earnings and Operating income.** **Fee-related earnings** represent profitability of SLC Management's fee-related portfolios, and is calculated as Fee-related revenue less Fee-related expenses. **Operating income** represents profit realized from our business operations, and is calculated as the sum of Fee-related earnings, Investment income (loss) and performance fees, and Interest and other. **Fee-related revenue** represents all fee income, with the exception of performance fees, generated from third-party investors. **Fee-related expenses** represent all expenses directly related to generating fee revenue from third-party investors. **Investment income (loss) and performance fees** represent total income or loss from our seed investments, net of the related expenses. **Interest and other** represents performance fee compensation, our net interest income or expense and income from managing the General Account assets.

**Fee-related earnings** and **Operating income** are non-IFRS financial measures within SLC Management's Supplemental Income Statement, which enhances the comparability of SLC Management's results with publicly traded alternative asset managers. For more details, see our Supplementary Financial Information package for the quarter.

The following table provides a reconciliation from Fee-related earnings and Operating income to SLC Management's Fee income and Total expenses based on IFRS.

<b>SLC Management</b>		
(\$ millions)	2025	2024
Fee income (per IFRS)	1,894	1,938
Less: Non-fee-related revenue adjustments <sup>(1)(2)</sup>	565	700
<b>Fee-related revenue</b>	<b>1,329</b>	<b>1,238</b>
Total expenses (per IFRS)	1,853	1,480
Less: Non-fee-related expense adjustments <sup>(2)(3)</sup>	889	527
<b>Fee-related expenses</b>	<b>964</b>	<b>953</b>
<b>Fee-related earnings</b>	<b>365</b>	<b>285</b>
Add: Investment income (loss) and performance fees <sup>(4)</sup>	228	112
Add: Interest and other <sup>(5)</sup>	(174)	(112)
<b>Operating income</b>	<b>419</b>	<b>285</b>

<sup>(1)</sup> Includes Interest and other - fee income, Investment income (loss) and performance fees - fee income, and Other - fee income.

<sup>(2)</sup> Excludes the income and related expenses for certain property management agreements to provide more accurate metrics on our fee-related business.

<sup>(3)</sup> Includes Interest and other, Placement fees - other, Amortization of intangibles, Acquisition, integration and restructuring, and Other - expenses.

<sup>(4)</sup> Investment income (loss) and performance fee in SLC Management's Supplemental Income Statement relates to the underlying results of our seed investments. As such, we have excluded non-underlying market-related impacts as well as the gains or losses of certain non-seed hedges that are reported under Net investment income (loss) under IFRS. The reconciliation is as follows (amounts have been adjusted for rounding):

(\$ millions)	2025	2024
Net investment income (loss) (per IFRS)	130	138
Less: Market-related impacts and Other - Investment income (loss)	9	50
Add: Investment income (loss) and performance fees - fee income	107	24
Investment income (loss) and performance fees	228	112

<sup>(5)</sup> Includes Interest and other reported under Fee income under IFRS, net of Interest and other reported under Total expenses under IFRS.

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

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

**LICAT market sensitivities.** LICAT market sensitivities are non-IFRS financial measures for which there are no directly comparable measures under IFRS so it is not possible to provide a reconciliation of these amounts to the most directly comparable IFRS measures.

**Organic capital generation.** This supplementary financial measure provides a view of the Company's ability to generate excess capital under the normal course of business, excluding non-recurring items; where excess capital is defined as LICAT Available Capital and Surplus Allowance above LICAT Base Solvency Buffer at target ratio, as defined and calculated under OSFI-mandated guideline. This amount is determined as follows: underlying net income and organic CSM movement net of shareholder dividends and change in base solvency buffer for new business and aging of in-force. This amount excludes non-recurring impacts to available capital or base solvency buffer from markets, assumption changes, management actions, and other non-underlying items.

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

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

The following table provides a reconciliation to calculate MFS' pre-tax net operating margin:

<b>MFS</b>		
(US\$ millions)	<b>2025</b>	2024
<b>Revenue</b>		
Fee income (per IFRS)	<b>3,385</b>	3,370
Less: Commissions	<b>386</b>	399
Less: Other <sup>(1)</sup>	<b>(57)</b>	(57)
<b>Adjusted revenue</b>	<b>3,056</b>	3,028
<b>Expenses</b>		
Expenses (per IFRS)	<b>2,370</b>	2,391
Net investment (income)/loss (per IFRS)	<b>(69)</b>	(95)
Less: MFS shares owned by management (net of NCI) <sup>(2)</sup>	<b>33</b>	57
Compensation-related equity plan adjustments	<b>30</b>	36
Commissions	<b>386</b>	399
Other <sup>(1)</sup>	<b>(58)</b>	(51)
<b>Adjusted expenses</b>	<b>1,910</b>	1,855
<b>Pre-tax net operating margin</b>	<b>37.5%</b>	38.7%

<sup>(1)</sup> Other includes accounting basis differences, such as sub-advisory expenses and product allowances.

<sup>(2)</sup> Excluding non-controlling interest. For more information on MFS shares owned by management, see the heading Underlying Net Income and Underlying EPS.

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

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

**Third-party AUM.** Third-party AUM is composed of retail, institutional, and other third-party assets, which includes general fund and segregated fund assets managed by our joint ventures. In Asset Management, third-party AUM includes Client assets for retail and institutional Clients, as well as capital raising, such as uncalled commitments and fund leverage in SLC Management. In Canada, third-party AUM includes Client assets in retail mutual fund products of Sun Life Global Investments. In Asia, third-party AUM includes Client assets in Hong Kong managed fund products, International asset management & wealth products, Philippines mutual and managed fund products, Aditya Birla Sun Life AMC Limited equity and fixed income mutual fund products, Sun Life Everbright Asset Management products and our joint ventures' general fund and segregated fund assets based on our proportionate equity interest. There is no directly comparable IFRS financial measure.

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

**Underlying dividend payout ratio.** This is the ratio of dividends paid per share to diluted underlying EPS for the period. The ratio is utilized during the medium-term capital budgeting process to inform our planned capital initiatives. We target an underlying dividend payout ratio of between 40% and 50% based on underlying EPS. For more information, see section J - Capital and Liquidity Management in this document.

**Underlying effective tax rate.** This measure is calculated using the pre-tax underlying net income and the income tax expense associated with it. Our statutory tax rate is normally reduced by various tax benefits, such as lower taxes on income subject to tax in foreign jurisdictions, a range of tax-exempt investment income, and other sustainable tax benefits. Our effective tax rate helps in the analysis of the income tax impacts in the period.

## 4. Reconciliations of Select Non-IFRS Financial Measures

### Underlying Net Income to Reported Net Income Reconciliation - Pre-tax by Business Group

Q4'25						
(\$ millions)	Asset Management	Canada	U.S.	Asia	Corporate	Total
Underlying net income (loss)	370	417	210	207	(110)	1,094
Add: Market-related impacts (pre-tax)	(22)	(108)	(21)	(46)	(13)	(210)
Assumption changes and management actions (pre-tax)	—	(8)	(6)	(21)	—	(35)
Other adjustments (pre-tax)	(49)	(9)	(69)	(17)	(5)	(149)
Tax expense (benefit)	19	15	19	8	(39)	22
Reported net income (loss) - Common shareholders	318	307	133	131	(167)	722
Q4'24						
Underlying net income (loss)	360	366	161	175	(97)	965
Add: Market-related impacts (pre-tax)	(18)	(142)	(74)	27	(14)	(221)
Assumption changes and management actions (pre-tax)	—	(1)	(1)	15	—	13
Other adjustments (pre-tax)	(34)	(8)	(143)	(193)	—	(378)
Tax expense (benefit)	18	38	50	(13)	(235)	(142)
Reported net income (loss) - Common shareholders	326	253	(7)	11	(346)	237
Year-to-date						
2025						
(\$ millions)	Asset Management	Canada	U.S.	Asia	Corporate	Total
Underlying net income (loss)	1,371	1,594	770	836	(370)	4,201
Add: Market-related impacts (pre-tax)	(65)	(173)	44	(238)	(19)	(451)
Assumption changes and management actions (pre-tax)	—	—	(67)	13	—	(54)
Other adjustments (pre-tax)	(136)	(48)	(311)	124	(5)	(376)
Tax expense (benefit)	44	29	84	33	(38)	152
Reported net income (loss) - Common shareholders	1,214	1,402	520	768	(432)	3,472
2024						
Underlying net income (loss)	1,293	1,453	773	701	(364)	3,856
Add: Market-related impacts (pre-tax)	(25)	(211)	(148)	(47)	3	(428)
Assumption changes and management actions (pre-tax)	—	(47)	181	(52)	4	86
Other adjustments (pre-tax)	263	(33)	(323)	(114)	(138)	(345)
Tax expense (benefit)	(3)	55	73	(59)	(186)	(120)
Reported net income (loss) - Common shareholders	1,528	1,217	556	429	(681)	3,049

### Underlying Net Income to Reported Net Income Reconciliation - Pre-tax by Business Unit - Asset Management

(\$ millions)	Q4'25		Q4'24	
	MFS	SLC Management	MFS	SLC Management
	Underlying net income (loss)	312	58	301
Add: Market-related impacts (pre-tax)	—	(22)	—	(18)
Other adjustments (pre-tax)	5	(54)	4	(38)
Tax expense (benefit)	(15)	34	(4)	22
Reported net income (loss) - Common shareholders	302	16	301	25

(\$ millions)	2025		2024	
	MFS	SLC Management	MFS	SLC Management
	Underlying net income (loss)	1,129	242	1,117
Add: Market-related impacts (pre-tax)	—	(65)	—	(25)
Other adjustments (pre-tax)	17	(153)	(4)	267
Tax expense (benefit)	(26)	70	(18)	15
Reported net income (loss) - Common shareholders	1,120	94	1,095	433

### Underlying Net Income to Reported Net Income Reconciliation - Pre-tax in U.S. dollars

(US\$ millions)	Q4'25		Q4'24	
	U.S.	MFS	U.S.	MFS
	Underlying net income (loss)	150	224	115
Add: Market-related impacts (pre-tax)	(19)	—	(52)	—
Assumption changes and management actions (pre-tax)	(4)	—	—	—
Other adjustments (pre-tax)	(49)	3	(103)	3
Tax expense (benefit)	15	(11)	39	(3)
Reported net income (loss) - Common shareholders	93	216	(1)	216

(US\$ millions)	2025		2024	
	U.S.	MFS	U.S.	MFS
	Underlying net income (loss)	551	809	566
Add: Market-related impacts (pre-tax)	26	—	(112)	—
Assumption changes and management actions (pre-tax)	(49)	—	136	—
Other adjustments (pre-tax)	(219)	12	(235)	(4)
Tax expense (benefit)	59	(19)	56	(13)
Reported net income (loss) - Common shareholders	368	802	411	800

### Underlying Net Income to Reported Net Income Reconciliation - U.S. Group Benefits - Pre-tax in U.S. dollars

The following table sets out the amounts that were excluded from our reported net income (loss) for U.S. Group Benefits, which is used to calculate the trailing four-quarter after-tax profit margin for U.S. Group Benefits.

(US\$ millions)	Q4'25	Q3'25	Q2'25	Q1'25	Q4'24	Q3'24	Q2'24	Q1'24
Underlying net income (loss) for U.S. Group Benefits	92	71	121	105	62	118	124	118
Add: Market-related impacts (pre-tax)	—	5	(1)	8	(18)	17	(11)	(8)
Assumption changes and management actions (pre-tax)	—	1	—	—	—	8	—	—
Other adjustments (pre-tax)	(4)	(4)	(4)	(4)	(5)	(5)	(6)	(7)
Tax expense (benefit)	1	—	1	(1)	5	(4)	3	3
Reported net income (loss) - Common shareholders	89	73	117	108	44	134	110	106