

Key Changes to Financial Supplement for the First Quarter 2026

Sun Life Financial Inc. (“Sun Life”, “we”, “our” and “us”) has released an updated financial supplement for the first quarter of 2026 (“Q1’26”). The updates reflect the implementation of the new Sun Life Asset Management structure, effective January 1, 2026, and other refinements to enhance the understanding of our financial results.

The following table outlines the notable updates to our financial supplement commencing Q1’26 and applicable to the 2025 and 2024 comparative results (unless otherwise noted). Results for 2025 and 2024 have been updated to reflect current presentation. We will continue to review the financial supplement disclosures as we finalize our Q1’26 reporting.

Key Changes to Financial Supplement

Sun Life Asset Management Reporting Structure	Description	Page Reference
Restatements for Sun Life Asset Management (formerly, Asset Management), Canada, and Asia business group results	<p>Sun Life Asset Management comprises MFS Investment Management (“MFS”), SLC Management, and the newly established Solutions & Other business unit.</p> <p>The following businesses have transitioned to Solutions & Other:</p> <ul style="list-style-type: none"> • Defined Benefit Solutions (from Canada) • Sun Life’s stake in Aditya Birla Sun Life Asset Management Company (from Asia) • Asia asset management (from Asia) <p>The following metrics disaggregated by business group have been restated:</p> <ul style="list-style-type: none"> • Underlying and Reported net income • Gross flows and Net flows • Assets under management • Return on equity • Operating expenses and Commission expense incurred in the period included in Insurance service and Other expenses • Contractual service margin movement analysis (in Canada business group) 	3-5, 8-9, 15-16, 21-29, 38-40, 42, 49, 51, 53-56, 58, 67-70, 73-74, 78-79
Sun Life Asset Management managed assets and AUM composition	Sun Life Asset Management managed assets, comprised of Sun Life Asset Management AUM and internally managed Sun Life assets, are disclosed. AUM is shown by business unit and by asset class.	16, 18, 20
Reporting currency change to U.S. dollars for Sun Life Asset Management	Sun Life Asset Management and its business units will report financial results in U.S. dollars as the primary reporting currency.	15-23, 58-59, 62-63
Driver of Earnings for the “Solutions & Other” business unit within the Sun Life Asset Management business group	Eight (8) historical quarters of the Solutions & Other Driver of Earnings are disclosed in the restated financial supplement shell in U.S. and Canadian dollars. Starting in Q1’26, Driver of Earnings for Sun Life Asset Management will be visible by business group on the “Drivers of Earnings – Continued” page.	21-22
Underlying revenue and expenses for MFS and SLC Management are no longer aggregated	Underlying revenue and expenses for MFS and SLC Management will remain on their respective business unit pages.	17, 19, 62

SLC Management – Management Equity Plan	Description	Page Reference
Impact of SLC equity owned by management	Reported and underlying net income will reflect the accounting expense associated with the management equity plan ("MEP") through the amortization of the grants over the expected vesting period. Upon vesting, reported and underlying net income will also reflect the non-controlling interest attributable to MEP participants.	19, 62

Other Changes	Description	Page Reference
Refinements to reporting by business types	We have updated our disclosures to report results by business group and, where applicable, by business unit. Reporting by business type will be maintained as supplemental information in the financial supplement.	7, 26, 31, 34, 40, 44
Canada business group reporting refinements	Reporting refinements have been applied across Canada's business group pages to better reflect how the business is managed.	25, 28-29
Asia and Corporate business group reporting refinements	Prior period amounts have been updated to reflect refinements to the allocation methodology for expenses from the Corporate to the Asia business group, enhancing comparability.	38, 40, 42, 43-44, 49, 56-57, 73-76

Updates to Underlying Net Income Definition

The Q1'26 financial supplement and management's discussion and analysis will include an updated description of adjustments to Reported Net Income to derive Underlying Net Income, a non-IFRS financial measure, related to SLC Management's Management Equity Plan. Overall, our principles for Underlying Net Income have not changed. Underlying Net Income continues to represent management's view of the expected long-term economics and earnings power of our business.

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⁽¹⁾ of fixed income assets (including derivatives) measured at FVTPL supporting insurance contracts, compared to fair value changes of the liabilities⁽²⁾;
 - b. Fair value changes of fixed income assets (including derivatives) measured at FVTPL supporting our investment contract liability and surplus portfolios⁽³⁾; and
 - c. Tax-exempt investment⁽⁴⁾ 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 – expenses and income related to the acquisition or disposal of a business, including restructuring activities, and integration-related management equity plan expenses in SLC Management.
 - 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.

⁽¹⁾ 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.

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

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

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

Updates to Additional Non-IFRS Financial Measures Glossary Definitions and General Information Page

The Q1'26 financial supplement and management's discussion and analysis will include amendments to, and new, non-IFRS financial measure definitions reflecting updates from the Sun Life Asset Management reporting structure. There were no changes to our assets under administration, assets under management, and assets under management and administration definitions, minor updates to our sales and flows and third-party AUM definitions, and we have added definitions for Sun Life Asset Management managed assets, and Sun Life wealth and other AUM. We have also amended our General Information page to reflect the Sun Life Asset Management reporting structure. Those definitions are as follows:

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 Wealth. 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 standardized financial measure under IFRS.

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

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

Sales and flows. Sun Life 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; Solutions & Other gross flows include defined benefit solution sales, Asia asset management managed fund flows as well as Aditya Birla Sun Life Asset Management Company Limited mutual fund flows based on our proportionate equity interest. In Canada, asset management gross flows & wealth sales consist of sales in Group Wealth (excluding retained sales) and Individual Wealth; insurance sales consist of group insurance sales from workplace benefits sold by Sun Life Health and sales from Individual Insurance. In the U.S., group insurance 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 and managed fund sales, wealth sales by our China joint venture, including sales as reported by our bank distribution partners; individual insurance sales consist of 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 insurance sales in the Philippines, Hong Kong and our joint ventures. Sun Life 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; Solutions & Other outflows consist of redemptions and annuity payments. In Canada, net asset management net flows & wealth sales refers to gross flows less redemptions, maturities and withdrawals in Individual Wealth and Group Wealth business AUM. In Asia, asset management net flows & net wealth sales include Hong Kong net wealth sales, the Philippines mutual and managed fund net flows, and China individual wealth net sales, based on our proportionate equity interest. There is no directly comparable IFRS measure.

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

Sun Life Asset Management managed assets. This measure consists of (i) Sun Life Asset Management ("SLAM") AUM, which is retail and institutional Client assets where SLAM is the asset manager, as well as general fund assets of SLAM's business units; and (ii) "Internally managed assets" that are general fund invested assets of other Sun Life business groups managed by SLAM. Third party and segregated fund assets reported by Canada and Asia for which SLAM is the asset manager are reported as "SLAM AUM" rather than "Internally managed assets" to distinguish where a Client is the asset owner rather than Sun Life.

Sun Life wealth and other AUM. This measure includes third party AUM and segregated funds assets held in Canada, U.S., and Asia, net of assets where Sun Life Asset Management is the asset manager. Joint venture and other general fund assets that are not managed by Sun Life Asset Management are also included. In Canada, these assets are primarily reported in Group Wealth and Individual Wealth, including SLGI Asset Management. In the U.S., these assets are primarily reported in In-force Management. In Asia, these assets are primarily reported by the wealth and asset management businesses in Hong Kong, the Philippines, China, and International. Segregated funds assets in ASEAN, Hong Kong, and High Net Worth are also included.

SIP General Information Page

Sun Life Asset Management is a global asset management platform that delivers a comprehensive suite of investment solutions for retail and institutional investors worldwide. Our asset management businesses leverage deep expertise across public and private asset classes, including equities, fixed income, real estate, infrastructure, and private credit to advance our Purpose and drive long-term outcomes for Clients.

Sun Life Asset Management has three business units: MFS, our global active asset manager delivering superior value in the public markets; SLC Management, our diversified asset management firm across fixed income and alternative asset classes designed to help our Clients meet their long-term financial obligations; and Solutions & Other, which includes our Canadian pension risk transfer business and our asset management capabilities in India and Hong Kong.