

Q1 2026

SUN LIFE FINANCIAL INC.

Shareholders' Report

For the period ended March 31, 2026

sunlife.com



CANADIAN RESIDENTS PARTICIPATING IN THE SHARE ACCOUNT

Shareholders holding shares in the Canadian Share Account can sell their shares for \$15 plus 3 cents per share. For more information call TSX Trust Company at 1-877-224-1760.

Sun Life Reports First Quarter 2026 Results

Sun Life⁽¹⁾ delivered solid earnings in Q1, with strong growth in Asia, Canada, and U.S. Health & Risk Solutions, and an underlying return on equity of 18.6%⁽²⁾.

TORONTO, ON - (May 6, 2026) - Sun Life Financial Inc.⁽¹⁾ (TSX: SLF) (NYSE: SLF) announced its results for the first quarter ended March 31, 2026.

- Underlying net income⁽²⁾ of \$1,050 million increased \$5 million from Q1'25.
- Reported net income⁽³⁾ of \$465 million decreased \$463 million or 50% from Q1'25.
- Underlying EPS⁽²⁾⁽⁴⁾ of \$1.89 increased 4% from Q1'25; reported EPS⁽⁴⁾ of \$0.84 decreased 48% from Q1'25.
- Underlying return on equity ("ROE")⁽²⁾ was 18.6%; reported ROE⁽²⁾ was 8.2%.
- Assets under management ("AUM")⁽²⁾ of \$1,575 billion increased \$23 billion from Q1'25.
- SLF Inc. LICAT ratio of 143%⁽⁵⁾.
- Intention to renew our normal course issuer bid to purchase up to 10 million common shares⁽⁶⁾.
- Increase to common share dividend from \$0.92 to \$0.96 per share.

"This quarter we delivered strong growth in our protection businesses led by Asia, Canada and U.S. Health and Risk Solutions," said Kevin Strain, President and CEO of Sun Life. "We also added further scale to our asset management platform, deploying over \$2.4 billion in capital for the buy-ups of BGO and Crescent Capital and announcing our intention to acquire Bell Partners, a leading U.S. multifamily real estate investment manager and vertically integrated property management business."

"At the same time, we continued momentum in advancing our digital and AI strategic objectives, using data, automation and intelligent solutions that simplify experiences, deepen engagement and improve outcomes for our Clients around the world."

Financial and Operational Highlights

	Quarterly results	
	Q1'26	Q1'25
Profitability		
Underlying net income (\$ millions) ⁽²⁾	1,050	1,045
Reported net income - Common shareholders - before Q1'26 notable items (\$ millions) ⁽²⁾⁽⁷⁾	775	928
Reported net income - Common shareholders (\$ millions)	465	928
Underlying EPS (\$) ⁽²⁾⁽⁴⁾	1.89	1.82
Reported EPS (\$) ⁽⁴⁾	0.84	1.62
Underlying ROE ⁽²⁾	18.6%	17.7%
Reported ROE ⁽²⁾	8.2%	15.7%
Growth		
Asset management gross flows & wealth sales (\$ millions) ⁽²⁾	62,365	62,221
Asset management net flows & net wealth sales (\$ millions) ⁽²⁾	(17,844)	(6,154)
Group insurance sales (\$ millions) ⁽²⁾⁽⁸⁾	552	580
Individual insurance sales (\$ millions) ⁽²⁾⁽⁹⁾	1,153	874
Assets under management ("AUM") (\$ billions) ⁽²⁾⁽¹⁰⁾	1,575	1,552
New business Contractual Service Margin ("CSM") (\$ millions) ⁽²⁾	429	406
Financial Strength		
LICAT ratios (at period end) ⁽⁵⁾		
Sun Life Financial Inc.	143%	149%
Sun Life Assurance ⁽¹¹⁾	134%	141%
Financial leverage ratio (at period end) ⁽²⁾⁽¹²⁾	23.2%	20.1%

Financial and Operational Highlights - Quarterly Comparison (Q1'26 vs. Q1'25)

(\$ millions)	Q1'26					
	Sun Life	Sun Life Asset Management	Canada	U.S.	Asia	Corporate
Underlying net income⁽²⁾	1,050	363	370	218	216	(117)
Reported net income - Common shareholders - before Q1'26 notable items (\$ millions)⁽²⁾⁽⁷⁾	775	339	232	151	183	(130)
Reported net income (loss) - Common shareholders	465	174	87	151	183	(130)
Change in underlying net income (% year-over-year)	—%	(7)%	7%	—%	17%	nm ⁽¹³⁾
Change in reported net income - before Q1'26 notable items (% year-over-year) ⁽²⁾⁽⁷⁾	(16)%	(8)%	(27)%	(19)%	19 %	nm ⁽¹³⁾
Change in reported net income (% year-over-year)	(50)%	(53)%	(73)%	(19)%	19 %	nm ⁽¹³⁾
Asset management gross flows & wealth sales⁽²⁾	62,365	55,307	5,877	—	1,181	—
Group insurance sales⁽²⁾	552	—	295	220	37	—
Individual insurance sales⁽²⁾	1,153	—	114	—	1,039	—
Change in asset management gross flows & wealth sales (% year-over-year)	—%	—%	(6)%	—	26%	—
Change in group insurance sales (% year-over-year)	(5)%	—	(21)%	25%	28%	—
Change in individual insurance sales (% year-over-year)	32%	—	(18)%	—	41%	—

Underlying net income⁽¹⁴⁾ of \$1,050 million increased \$5 million from prior year, driven by:

- Strong performance in Asia reflecting business growth in Hong Kong, and Canada from higher fee income driven by higher AUM; mostly offset by
- Lower results in Sun Life Asset Management reflecting lower catch-up fees and net seed investment income at SLC Management, higher financing costs in Corporate supporting the acquisition of our remaining interests in SLC Management affiliates, and the unfavourable impacts from foreign exchange translation.

Reported net income of \$465 million decreased \$463 million or 50% (reported net income before Q1'26 notable items of \$775 million⁽²⁾⁽⁷⁾ down \$153 million or 16%) from prior year, driven by:

- Market-related impacts primarily reflecting unfavourable interest rate impacts;
- A \$165 million charge from the acquisition of remaining equity interests in SLC Management affiliates⁽¹⁵⁾; and
- A \$145 million charge reflecting the proposed settlement of a legal matter in Canada⁽¹⁵⁾.

Foreign exchange translation led to a decrease of \$35 million in underlying net income and a decrease of \$17 million in reported net income.

Underlying ROE was 18.6% and reported ROE was 8.2% (Q1'25 - 17.7% and 15.7%, respectively). SLF Inc. ended the quarter with a LICAT ratio of 143%.

Business Group Highlights

Sun Life Asset Management: A global leader in asset management

Sun Life Asset Management underlying net income of US\$265 million decreased US\$8 million or 3% from prior year, driven by:

- **MFS⁽¹⁶⁾** was up US\$13 million reflecting higher fee income from higher average net assets ("ANA") partially offset by higher expenses. Pre-tax net operating profit margin⁽²⁾ improved to 36.0% for Q1'26, compared to 35.4% in the prior year, due to higher ANA.
- **SLC Management** was down US\$27 million reflecting lower net seed investment income and fee-related earnings⁽²⁾, which decreased 25% driven by higher catch-up fees in the prior year partially offset by lower expenses. Fee-related earnings margin⁽²⁾ was 26.3% for Q1'26, compared to 24.0% in the prior year.
- **Solutions & Other** was up US\$6 million reflecting favourable net investment results.

Reported net income of US\$127 million decreased US\$131 million or 51% from prior year, driven by:

- A US\$119 million charge from the acquisition of remaining equity interests in SLC Management affiliates⁽¹⁵⁾;
- Unfavourable market-related impacts; and
- Lower underlying net income.

Foreign exchange translation led to a decrease of \$16 million in underlying net income and a decrease of \$3 million in reported net income.

Sun Life Asset Management gross flows⁽²⁾ increased US\$2.0 billion or 5% from prior year, reflecting higher gross flows in SLC Management driven by Crescent Capital Group's flagship private credit strategies and BentalGreenOak's European debt platform, and continued solid gross flows in MFS.

Total Sun Life Asset Management AUM⁽²⁾ at Q1'26 was US\$867.8 billion (Q1'25 - US\$816.4 billion), consisting of:

- MFS: US\$622.2 billion (Q1'25 - US\$603.8 billion);
- SLC Management: US\$188.9 billion (Q1'25 - US\$177.2 billion); and
- Solutions & Other: US\$56.7 billion (Q1'25 - US\$35.4 billion).

Total Sun Life Asset Management managed assets⁽²⁾ at Q1'26 of US\$985.6 billion, increased US\$68.1 billion or 7% from Q1'25.

Total Sun Life Asset Management net outflows⁽²⁾ of US\$12.6 billion in Q1'26 (Q1'25 - net outflows of US\$5.3 billion) reflected:

- MFS net outflows of US\$16.3 billion (Q1'25 - net outflows of US\$8.1 billion) from retail net outflows reflecting continued outflows in U.S. equity markets by retail investors, and institutional portfolio rebalancing; and
- Solutions & Other net outflows of US\$0.2 billion (Q1'25 - net inflows of US\$0.8 billion); partially offset by
- SLC Management net inflows of US\$3.9 billion (Q1'25 - net inflows of US\$2.0 billion) from capital raising.

Effective January 1, 2026, we extended and formalized our asset management pillar within Sun Life Asset Management. This structure is intended to accelerate growth across asset management, insurance, and wealth businesses and support strategic partnerships for the benefit of Clients. Sun Life's asset management financial results reflect this structure effective the same date.

During the first quarter, we completed the acquisition of the remaining equity interests in BentallGreenOak ("BGO") and Crescent Capital Group ("Crescent"), reinforcing our conviction in their leadership, performance, and long-term growth potential. We acquired the remaining 44% interest in BGO for US\$1.16 billion (\$1.59 billion on a Canadian dollar basis) and the remaining 49% interest in Crescent for US\$608 million (\$829 million on a Canadian dollar basis).

As part of the final purchase and go-forward operating model, SLC Management introduced a Management Equity Plan ("MEP") allowing eligible employees to collectively own up to 25% of the business. The MEP has seen strong participation and is designed to align interests, retain top talent and support long-term growth.

We also announced our intention to fully acquire Bell Partners Inc., a leading U.S. multifamily real estate investment manager and vertically integrated property management business. Upon closing, Bell Partners will become our U.S. multifamily operating platform, operating under BGO. Bell Partners offers a national, vertically integrated platform across investment management, property management, acquisitions, and construction, and has completed approximately US\$11.9 billion in realized apartment transactions since 2002, including more than US\$1.3 billion in acquisitions in 2025. The transaction is expected to close in the second half of 2026, subject to receipt of regulatory and Toronto Stock Exchange approvals and satisfaction of customary closing conditions.

Canada: A leader in health, wealth, and insurance

Canada underlying net income of \$370 million increased \$24 million or 7% from prior year, driven by:

- Business growth reflecting higher premiums in Sun Life Health, higher fee income from higher AUM, and favourable net investment results; partially offset by
- Less favourable insurance experience.

Reported net income of \$87 million decreased \$230 million or 73% from prior year, driven by:

- A \$145 million charge reflecting the proposed settlement of a legal matter⁽¹⁵⁾; and
- Market-related impacts reflecting unfavourable interest rate, equity market, and real estate experience⁽¹⁷⁾; partially offset by
- The increase in underlying net income.

Canada's sales⁽¹⁸⁾:

- Asset management gross flows & wealth sales of \$6 billion decreased 6%, reflecting lower large case sales compared to a strong prior year in Group Wealth⁽¹⁹⁾ defined contributions, mostly offset by higher mutual fund sales in Individual Wealth and increased rollover volumes in Group Wealth⁽¹⁹⁾.
- Sun Life Health sales of \$295 million decreased 21%, reflecting lower large case sales compared to a strong prior year.
- Individual insurance sales of \$114 million decreased 18%, reflecting lower participating life sales.

We continue to strengthen our wealth platform by delivering strong investment solutions and enhanced Client experiences. During the first quarter, we expanded Sun Life Global Investments' ("SLGI") product lineup with the launch of two new low volatility exchange traded fund ("ETF") series, providing Clients with enhanced access to global and international equity markets. We also expanded AI-enabled Knowledge Assist across our Group Retirement Services Client Care Centre, simplifying access to plan-specific information to support faster, more consistent service for Clients. In Q1'26, our wealth platform reached \$261 billion in AUMA⁽²⁰⁾, up 12% compared to the prior year.

Further, in Sun Life Health, we continued to strengthen workplace health support for plan sponsors and members. Sun Life Benefits Explorer, launched in February, is an analytics tool that helps plan sponsors better understand and manage their benefits plans through data-driven insights. We also advanced comprehensive women's health support in the workplace with the launch of menopause care provided by Dialogue. Through Lumino Health Virtual Care, plan members and eligible dependents now have access to personalized care plans, a multidisciplinary clinical team with additional training in menopause care, and coaching and navigation support.

U.S.: A leader in health and benefits

U.S. underlying net income of US\$160 million increased US\$9 million or 6% from prior year driven by:

- Higher results in In-force Management reflecting favourable net investment results; mostly offset by
- Lower earnings in Dental driven by lower revenue and the impact of a retroactive premium payment in the prior year.
- Group Benefits reflected strong revenue growth and improved medical stop-loss morbidity experience, partially offset by unfavourable long-term disability experience.

Reported net income of US\$111 million decreased US\$18 million or 14% from prior year, driven by market-related impacts primarily reflecting unfavourable interest rate impacts.

Foreign exchange translation led to a decrease of \$10 million in underlying net income and a decrease of \$9 million in reported net income.

U.S. sales of US\$160 million were up 30% from prior year, primarily driven by:

- Higher medical stop-loss sales in Group Benefits reflecting disciplined pricing, strong close rates, and favourable market conditions; and
- Higher commercial and Medicare Advantage sales in Dental.

We expanded Sun Life Expert Cancer Review to members with a cancer-related disability claim or a critical illness claim, enabling earlier support closer to the time of diagnosis. When these claims are submitted, eligible members are connected to Expert Cancer Review services through their employers' Sun Life stop-loss coverage. The program provides second medical opinions on cancer diagnoses, helping members receive the treatment plan best suited to their needs.

In Dental, we launched Kid Smile Complete, a new employer-offered solution designed to increase access to preventive dental care for children by removing cost barriers. Kid Smile Complete provides full in-network coverage with no deductible for dependent children under age 13 for preventive, basic, and major services. By eliminating out-of-pocket costs for preventive care, the program encourages greater utilization, supporting improved oral health and long-term health outcomes for working families.

Asia: A regional leader focused on fast-growing markets

Asia underlying net income of \$216 million increased \$31 million or 17% from prior year, driven by:

- Strong sales momentum and in-force business growth in Hong Kong; and
- Lower expenses and favourable net investment results; partially offset by
- Lower fee income from the transitioning of the administration business to the centralized eMPF platform in Hong Kong.

Reported net income of \$183 million increased \$29 million or 19% from prior year, driven by the increase in underlying net income, partially offset by unfavourable market-related impacts. The market-related impacts were primarily from unfavourable interest rate impacts partially offset by improved equity market impacts.

Foreign exchange translation led to a decrease of \$11 million in underlying net income and a decrease of \$10 million in reported net income.

Asia's sales⁽¹⁸⁾:

- Individual insurance sales of \$1 billion were up 41%, reflecting higher sales in Hong Kong across all channels, with positive momentum in our Joint Venture and High Net Worth businesses.
- Asset management gross flows and wealth sales of \$1 billion were up 26%, reflecting higher Mandatory Provident Fund ("MPF") sales in Hong Kong and higher group fund sales in India.

New business CSM of \$320 million in Q1'26 was up from \$273 million in the prior year, driven by higher sales partially offset by an increasing competitive environment, primarily in Hong Kong.

Across our markets, we launched new products to better serve the needs of our Clients. In Indonesia and Malaysia, we launched affordable solutions to expand access to protection, by focusing on the risks and financial priorities that matter most to Clients today. In Indonesia, SHIFA⁽²¹⁾ Essential is a first-in-market, affordable offering designed for Clients for whom full medical coverage may be financially out of reach. By providing targeted coverage for critical illness treatment costs, the product helps Clients protect against the financial shock of serious illness, taking an important first step towards health insurance protection. In Malaysia, Sun Save Future applies a similar Client-centric approach, offering a simple and affordable way for Clients to build long-term savings through small, regular contributions, supporting disciplined financial habits and earlier engagement in financial planning. In Hong Kong, we introduced a new universal life product⁽²²⁾ to support long-term wealth accumulation and legacy planning needs of mass affluent and high-net-worth Clients.

We are also continuing to invest in our digital capabilities to improve operational efficiency and enhance the Client experience. In Hong Kong, the integration of digital, data-driven underwriting into our point-of-sale system increased straight-through processing, enabling faster Client onboarding. In Malaysia, our AI-assisted Talkbot expanded servicing capacity and supported more timely and consistent engagement with Clients.

Corporate

Underlying net loss was \$117 million compared to underlying net loss of \$94 million in the prior year, reflecting higher financing costs supporting the acquisition of our remaining interests in SLC Management affiliates.

Reported net loss was \$130 million compared to reported net loss of \$98 million in the prior year, driven by the change in underlying net loss.

-
- (1) Sun Life Financial Inc. ("SLF Inc."), its subsidiaries and, where applicable, its joint ventures and associates are collectively referred to as "the Company", "Sun Life", "we", "our", and "us". We manage our operations and report our financial results in five business groups: Sun Life Asset Management, Canada, United States ("U.S."), Asia, and Corporate.
- (2) Represents a non-IFRS financial measure (International Financial Reporting Standards ("IFRS")). For more details, see the Non-IFRS Financial Measures section in this document and in our Management's Discussion and Analysis ("MD&A") for the period ended March 31, 2026 ("Q1'26 MD&A").
- (3) Reported net income (loss) refers to Common shareholders' net income (loss) determined in accordance with IFRS.
- (4) All earnings per share ("EPS") measures refer to fully diluted EPS, unless otherwise stated.
- (5) Life Insurance Capital Adequacy Test ("LICAT") ratio. Our LICAT ratios are calculated in accordance with the OSFI-mandated guideline, Life Insurance Capital Adequacy Test.
- (6) Subject to the approval of the Office of the Superintendent of Financial Institutions ("OSFI") and the Toronto Stock Exchange ("TSX").
- (7) Excludes a \$165 million post-tax charge (\$277 million pre-tax) from the acquisition of remaining equity interests in SLC Management affiliates and a \$145 million post-tax charge (\$201 million pre-tax) reflecting the proposed settlement of a legal matter in Canada. For additional details see the "Other Transactions" heading in Section F - Financial Strength of the Q1'26 MD&A. This financial measure shows reported net income isolating the two previously disclosed items.
- (8) "Group insurance sales" include sales from Sun Life Health in Canada, Group Benefits and Dental in the U.S., and Group businesses in Asia.
- (9) "Individual insurance sales" include sales from Individual Insurance in Canada as well as sales from individual insurance businesses in ASEAN, Hong Kong, Joint Ventures and High Net Worth in Asia.
- (10) Prior period amounts have been updated.
- (11) Sun Life Assurance Company of Canada ("Sun Life Assurance") is SLF Inc.'s principal operating life insurance subsidiary.
- (12) The calculation for the financial leverage ratio includes the CSM balance (net of taxes) in the denominator. The CSM (net of taxes) was \$11.4 billion as at March 31, 2026 (March 31, 2025 - \$10.5 billion).
- (13) Not meaningful.
- (14) Refer to section C - Profitability in the Q1'26 MD&A for more information on notable items attributable to reported and underlying net income items and the Non-IFRS Financial Measures in this document for a reconciliation between reported net income and underlying net income.
- (15) For additional details see the "Other Transactions" heading in Section F - Financial Strength of the Q1'26 MD&A.
- (16) MFS Investment Management ("MFS").
- (17) Real estate experience reflects the difference between the actual value of real estate investments compared to management's longer-term expected returns supporting insurance contract liabilities ("real estate experience").
- (18) Compared to the prior year.
- (19) Effective Q1'26, we report our Group Retirement Services business unit under "Group Wealth".
- (20) Assets under management and administration ("AUMA") is a non-IFRS financial measure that consists of both AUM and assets under administration ("AUA"). For more details, see the Non-IFRS Financial Measures section in this document and in the Q1'26 MD&A.
- (21) Salam Healthier Future Assurance ("SHIFA") Essential.
- (22) SunRise Universal Life Insurance II (8-pay).

Sun Life Financial Inc.

Management's Discussion and Analysis

For the period ended March 31, 2026

Dated May 6, 2026

Table of Contents

A.	How We Report Our Results	7
B.	Financial Summary	8
C.	Profitability	9
D.	Growth	11
E.	Contractual Service Margin	13
F.	Financial Strength	14
G.	Performance by Business Segment	16
	1. Sun Life Asset Management	17
	2. Canada	19
	3. U.S.	20
	4. Asia	21
	5. Corporate	22
H.	Investments	23
I.	Risk Management	26
J.	Additional Financial Disclosure	31
K.	Legal and Regulatory Proceedings	35
L.	Changes in Accounting Policies	35
M.	Internal Control Over Financial Reporting	35
N.	Non-IFRS Financial Measures	36
O.	Forward-looking Statements	46

About Sun Life

Sun Life is a leading international financial services organization providing asset management, wealth, insurance and health solutions to individual and institutional Clients. Sun Life has operations in a number of markets worldwide including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia, and Bermuda. As of March 31, 2026, Sun Life had total assets under management ("AUM")⁽¹⁾ of \$1.58 trillion. For more information, please visit www.sunlife.com.

Sun Life Financial Inc. trades on the Toronto (TSX), New York (NYSE) and Philippine (PSE) stock exchanges under the ticker symbol SLF.

A. How We Report Our Results

Sun Life Financial Inc. ("SLF Inc."), its subsidiaries and, where applicable, its joint ventures and associates are collectively referred to as "the Company", "Sun Life", "we", "our", and "us". We manage our operations and report our financial results in five business groups/segments: Sun Life Asset Management, Canada, United States ("U.S."), Asia, and Corporate. Information concerning these segments is included in our annual and interim consolidated financial statements and accompanying notes ("Annual Consolidated Financial Statements" and "Interim Consolidated Financial Statements", respectively, and "Consolidated Financial Statements" collectively) and interim and annual management's discussion and analysis ("MD&A"). We prepare our unaudited Interim Consolidated Financial Statements using International Financial Reporting Standards ("IFRS"), the accounting requirements of the Office of the Superintendent of Financial Institutions ("OSFI") and in accordance with the International Accounting Standard ("IAS") 34 *Interim Financial Reporting*. Reported net income (loss) refers to Common shareholders' net income (loss) determined in accordance with IFRS.

Unless otherwise noted, all amounts are in Canadian dollars. Amounts in this document may be impacted by rounding.

We have updated our disclosures for 2026 to 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 outlines updates to our MD&A commencing Q1'26 and applicable to comparative results in this document:

- Sun Life Asset Management comprises MFS Investment Management ("MFS"), SLC Management, and the newly established Solutions & Other business unit. The following businesses have transitioned to Solutions & Other:
 - Defined Benefit Solutions (from Canada);
 - Sun Life's stake in Aditya Birla Sun Life Asset Management Company (from Asia); and
 - Asia asset management (from Asia).
- Sun Life Asset Management and its business units report financial results in U.S. dollars as the primary reporting currency.
- Results are reported by business group and, where applicable, by business unit. Reporting by business type is disclosed only in the "Financial Highlights" page of the Supplementary Financial Information package for the quarter.
- Refinements have been applied to Canada and U.S. business group reporting to better reflect how the businesses are managed.
- Refinements have been applied to the allocation methodology for expenses from the Corporate to the Asia business group, enhancing comparability.

Prior period results have been updated to reflect current presentation.

1. Use of Non-IFRS Financial Measures

We report certain financial information using non-IFRS financial measures, as we believe that these measures provide information that is useful to investors in understanding our performance and facilitate a comparison of our quarterly and full year results from period to period. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed in isolation from or as alternatives to measures of financial performance determined in accordance with IFRS. Additional information concerning non-IFRS financial measures and, if applicable, reconciliations to the closest IFRS measures are available in section N - Non-IFRS Financial Measures in this document and the Supplementary Financial Information package on www.sunlife.com under Investors - Financial results and reports.

2. Forward-looking Statements

Certain statements in this document are forward-looking statements within the meaning of certain securities laws, including the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Additional information concerning forward-looking statements and important risk factors that could cause our assumptions, estimates, expectations and projections to be inaccurate and our actual results or events to differ materially from those expressed in or implied by such forward-looking statements can be found in section O - Forward-looking Statements in this document.

3. Additional Information

Additional information about SLF Inc. can be found in the Consolidated Financial Statements, the annual and interim MD&A, and SLF Inc.'s Annual Information Form ("AIF") for the year ended December 31, 2025. These documents are filed with securities regulators in Canada and are available at www.sedarplus.ca. SLF Inc.'s Annual Consolidated Financial Statements, annual MD&A and AIF are filed with the United States Securities and Exchange Commission ("SEC") in SLF Inc.'s annual report on Form 40-F and SLF Inc.'s interim MD&A and Interim Consolidated Financial Statements are furnished to the SEC on Form 6-Ks and are available at www.sec.gov.

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

B. Financial Summary

(\$ millions, unless otherwise noted)

Quarterly results

	Q1'26	Q4'25	Q1'25
Profitability			
Net income (loss)			
Underlying net income (loss) ⁽¹⁾	1,050	1,094	1,045
Reported net income (loss) - Common shareholders	465	722	928
Diluted earnings per share ("EPS") (\$)			
Underlying EPS (diluted) ⁽¹⁾	1.89	1.96	1.82
Reported EPS (diluted)	0.84	1.29	1.62
Return on equity ("ROE") (%)			
Underlying ROE ⁽¹⁾	18.6%	19.1%	17.7%
Reported ROE ⁽¹⁾	8.2%	12.6%	15.7%
Growth			
Sales			
Asset management gross flows & wealth sales ⁽¹⁾	62,365	60,673	62,221
Asset management net flows & net wealth sales ⁽¹⁾	(17,844)	(19,163)	(6,154)
Group insurance sales ⁽¹⁾⁽²⁾	552	1,803	580
Individual insurance sales ⁽¹⁾⁽³⁾	1,153	1,027	874
Total assets under management (\$ billions)⁽¹⁾⁽⁴⁾	1,575.3	1,604.9	1,551.6
New business Contractual Service Margin ("CSM")⁽¹⁾	429	440	406
Financial Strength			
LICAT ratios⁽⁵⁾			
Sun Life Financial Inc.	143%	157%	149%
Sun Life Assurance ⁽⁶⁾	134%	140%	141%
Financial leverage ratio⁽¹⁾⁽⁷⁾	23.2%	23.5%	20.1%
Book value per common share (\$)	41.10	40.25	40.84
Weighted average common shares outstanding for basic EPS (millions)	554	556	572
Closing common shares outstanding (millions)	554	554	568

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

⁽²⁾ "Group insurance sales" include sales from Sun Life Health in Canada, Group Benefits and Dental in the U.S., and Group businesses in Asia.

⁽³⁾ "Individual insurance sales" include sales from Individual Insurance in Canada as well as sales from individual insurance businesses in ASEAN, Hong Kong, Joint Ventures and High Net Worth in Asia.

⁽⁴⁾ Prior period amounts have been updated.

⁽⁵⁾ Life Insurance Capital Adequacy Test ("LICAT") ratio. Our LICAT ratios are calculated in accordance with the OSFI-mandated guideline, Life Insurance Capital Adequacy Test.

⁽⁶⁾ Sun Life Assurance is SLF Inc.'s principal operating life insurance subsidiary.

⁽⁷⁾ The calculation for the financial leverage ratio includes the CSM balance (net of taxes) in the denominator. The CSM (net of taxes) was \$11.4 billion as at March 31, 2026 (December 31, 2025 - \$11.3 billion; March 31, 2025 - \$10.5 billion).

C. Profitability

The following table reconciles our Common shareholders' net income ("reported net income") and underlying net income. All factors discussed in this document that impact underlying net income are also applicable to reported net income. Certain adjustments and notable items also impact the CSM, such as mortality experience and assumption changes; see section E - Contractual Service Margin in this document for more information.

(\$ millions, after-tax)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Underlying net income (loss) by business group⁽¹⁾:			
Sun Life Asset Management	363	424	390
Canada	370	376	346
U.S.	218	210	218
Asia	216	191	185
Corporate	(117)	(107)	(94)
Underlying net income⁽¹⁾	1,050	1,094	1,045
Add: Market-related impacts	(220)	(179)	(22)
Assumption changes and management actions ("ACMA")	4	(31)	(4)
Other adjustments	(369)	(162)	(91)
Items excluded from underlying net income	(585)	(372)	(117)
Reported net income (loss) - Common shareholders by business group:			
Sun Life Asset Management	174	341	369
Canada	87	297	317
U.S.	151	133	186
Asia	183	115	154
Corporate	(130)	(164)	(98)
Reported net income - Common shareholders	465	722	928
Underlying ROE ⁽¹⁾	18.6%	19.1%	17.7%
Reported ROE ⁽¹⁾	8.2%	12.6%	15.7%
Notable items attributable to reported and underlying net income⁽¹⁾:			
Mortality	16	55	5
Morbidity	4	17	19
Lapse and other policyholder behaviour ("policyholder behaviour")	—	1	(2)
Expenses	(19)	(42)	(26)
Net credit ⁽²⁾	11	14	8
Other ⁽³⁾	36	24	51

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

⁽²⁾ Credit includes rating changes on assets measured at Fair value through profit or loss ("FVTPL"), and the Expected credit loss ("ECL") impact for assets measured at Fair value through other comprehensive income ("FVOCI"). Included in this balance are also the release of credit risk adjustments, which are reported in Expected Investment Earnings in the Driver of Earnings analysis.

⁽³⁾ Other notable items are recorded in Net Insurance Service Result and Net Investment Result in the Drivers of Earnings analysis. For more details, see section N - Non-IFRS Financial Measures in this document.

Quarterly Comparison - Q1'26 vs. Q1'25

Underlying net income⁽¹⁾ of \$1,050 million increased \$5 million, driven by:

- Strong performance in Asia reflecting business growth in Hong Kong, and Canada from higher fee income driven by higher AUM; mostly offset by
- Lower results in Sun Life Asset Management reflecting lower catch-up fees and net seed investment income at SLC Management, higher financing costs in Corporate supporting the acquisition of our remaining interests in SLC Management affiliates, and the unfavourable impacts from foreign exchange translation.

Reported net income of \$465 million decreased \$463 million or 50%, driven by:

- Market-related impacts primarily reflecting unfavourable interest rate impacts;
- A \$165 million charge from the acquisition of remaining equity interests in SLC Management affiliates⁽²⁾; and
- A \$145 million charge reflecting the proposed settlement of a legal matter in Canada⁽²⁾.

Foreign exchange translation led to a decrease of \$35 million in underlying net income and a decrease of \$17 million in reported net income.

Underlying ROE was 18.6% and reported ROE was 8.2% (Q1'25 - 17.7% and 15.7%, respectively).

⁽¹⁾ Refer to section N - Non-IFRS Financial Measures in this document for a reconciliation between reported net income and underlying net income.

⁽²⁾ For additional details see the "Other Transactions" heading in Section F - Financial Strength in this document.

1. Market-related impacts

Market-related impacts represent the difference between actual versus expected market movements⁽¹⁾. Market-related impacts resulted in a decrease of \$220 million to reported net income, reflecting unfavourable interest rate and equity market impacts, and unfavourable real estate experience⁽²⁾.

2. Assumption changes and management actions

The net impact of assumption changes and management actions was an increase of \$4 million to reported net income and includes methods and assumptions changes on insurance contracts as well as related impacts. These included various small enhancements.

3. Other adjustments

Other adjustments decreased reported net income by \$369 million, driven by:

- A \$165 million charge from the acquisition of remaining equity interests in SLC Management affiliates⁽³⁾; and
- A \$145 million charge reflecting the proposed settlement of a legal matter in Canada⁽³⁾.

4. Experience-related items

In the first quarter of 2026, notable experience items included:

- Favourable mortality experience primarily in Canada;
- Unfavourable expense experience primarily in the U.S.;
- Net credit was favourable primarily from the U.S.; and
- Other experience was favourable primarily from the U.S., Asia, and Canada.

5. Income taxes

The statutory tax rate is impacted by various tax items, such as lower taxes on income subject to tax in foreign jurisdictions, tax-exempt or low-taxed investment income, and other sustainable tax benefits.

The Q1'26 effective income tax rate⁽⁴⁾ on underlying net income and reported net income was 19.9% and 16.3% respectively.

6. Impacts of foreign exchange translation

Foreign exchange translation led to a decrease of \$35 million in underlying net income and a decrease of \$17 million in reported net income.

⁽¹⁾ Except for risk free rates which are based on current rates, expected market movements are based on our medium-term outlook which is reviewed annually.

⁽²⁾ Real estate experience reflects the difference between the actual value of real estate investments compared to management's longer-term expected returns supporting insurance contract liabilities ("real estate experience").

⁽³⁾ For additional details see the "Other Transactions" heading in Section F - Financial Strength in this document.

⁽⁴⁾ Our effective income tax rate on reported net income is calculated using Total income (loss) before income taxes, as detailed in Note 10 in our Interim Consolidated Financial Statements for the period ended March 31, 2026. Our effective income tax rate on underlying net income is calculated using pre-tax underlying net income, as detailed in section N - Non-IFRS Financial Measures in this document, and the associated income tax expense.

D. Growth

1. Sales and Gross Flows

(\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Asset management gross flows & wealth sales by business group⁽¹⁾			
Sun Life Asset Management gross flows	55,307	53,898	55,044
Canada asset management gross flows & wealth sales	5,877	5,761	6,238
Asia asset management gross flows & wealth sales	1,181	1,014	939
Total asset management gross flows & wealth sales ⁽¹⁾	62,365	60,673	62,221
Group insurance sales by business group⁽¹⁾			
Canada	295	95	375
U.S.	220	1,682	176
Asia	37	26	29
Total group sales ⁽¹⁾	552	1,803	580
Individual insurance sales by business group⁽¹⁾			
Canada	114	133	139
Asia	1,039	894	735
Total individual sales ⁽¹⁾	1,153	1,027	874
CSM - Impact of new insurance business ("New business CSM") ⁽¹⁾	429	440	406

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

Total asset management gross flows & wealth sales increased \$0.1 billion from prior year (\$2.7 billion⁽¹⁾ or 4%⁽¹⁾, excluding foreign exchange translation).

- Sun Life Asset Management gross flows increased \$2.8 billion⁽¹⁾ or 5%⁽¹⁾, reflecting higher gross flows in SLC Management driven by Crescent Capital Group's flagship private credit strategies and BentallGreenOak's European debt platform, and continued solid gross flows in MFS.
- Canada asset management gross flows & wealth sales decreased \$0.4 billion or 6%, reflecting lower large case sales compared to a strong prior year in Group Wealth⁽²⁾ defined contributions, mostly offset by higher mutual fund sales in Individual Wealth and increased rollover volumes in Group Wealth⁽²⁾.
- Asia asset management gross flows & wealth sales increased \$0.3 billion⁽¹⁾ or 33%⁽¹⁾, reflecting higher Mandatory Provident Fund ("MPF") sales in Hong Kong and higher group fund sales in India.

Total group insurance sales decreased \$28 million or 5% from prior year (\$15 million⁽¹⁾ or 3%⁽¹⁾, excluding foreign exchange translation).

- Canada group sales decreased \$80 million or 21%, reflecting lower large case sales compared to a strong prior year in Sun Life Health.
- U.S. group sales increased \$54 million⁽¹⁾ or 30%⁽¹⁾, driven by higher medical stop-loss sales in Group Benefits reflecting disciplined pricing, strong close rates, and favourable market conditions, and higher commercial and Medicare Advantage sales in Dental.

Total individual insurance sales increased \$279 million or 32% from prior year (\$337 million⁽¹⁾ or 39%⁽¹⁾, excluding foreign exchange translation).

- Canada individual sales decreased \$25 million or 18%, reflecting lower participating life sales.
- Asia individual sales increased \$362 million⁽¹⁾ or 49%⁽¹⁾, primarily driven by Hong Kong across all channels, with positive momentum in our Joint Venture and High Net Worth businesses.

New business CSM represents growth derived from sales activity in the period. The impact of new insurance business drove a \$429 million increase in CSM, compared to new business CSM of \$406 million in the prior year, driven by higher sales partially offset by an increasing competitive environment in Asia, primarily in Hong Kong.

⁽¹⁾ This change excludes the impacts of foreign exchange translation. For more information about these non-IFRS financial measures, see section N - Non-IFRS Financial Measures in this document.

⁽²⁾ Effective Q1'26, we report our Group Retirement Services business unit under "Group Wealth".

2. Assets Under Management

AUM consists of general funds, the investments for segregated fund holders ("segregated funds") and third-party assets managed by the Company. Third-party and other AUM is comprised of institutional and managed funds, as well as other AUM related to our joint ventures.

(\$ millions)	Quarterly results				
	Q1'26	Q4'25	Q3'25	Q2'25	Q1'25
Assets under management⁽¹⁾⁽²⁾					
General fund assets	232,035	231,889	230,034	220,671	223,310
Segregated funds	166,277	166,566	164,895	155,616	149,650
Third-party and other assets under management⁽¹⁾					
Retail	645,624	666,852	679,905	647,193	645,183
Institutional, managed funds and other	612,463	621,663	631,165	567,290	579,587
Total third-party and other AUM ⁽¹⁾	1,258,087	1,288,515	1,311,070	1,214,483	1,224,770
Consolidation adjustments ⁽²⁾	(81,132)	(82,106)	(82,536)	(49,564)	(46,092)
Total assets under management ⁽¹⁾⁽²⁾	1,575,267	1,604,864	1,623,463	1,541,206	1,551,638

⁽¹⁾ Represents a non-IFRS financial measure. See section N - Non-IFRS Financial Measures in this document.

⁽²⁾ Prior period amounts have been updated.

AUM decreased \$29.6 billion or 2% from December 31, 2025, primarily driven by:

- (i) unfavourable market movements on the value of segregated, retail, institutional and managed funds of \$18.9 billion;
- (ii) net outflows from segregated funds and third-party and other AUM of \$18.3 billion; and
- (iii) Client distributions of \$4.2 billion; and
- (iv) a decrease of \$1.9 billion from other business activities; partially offset by
- (v) an increase of \$13.5 billion from foreign exchange translation (excluding the impacts of general fund assets); and
- (vi) an increase in AUM of general fund assets of \$0.1 billion, as business growth and favourable impacts from foreign exchange translation were mostly offset by a decline in net fair value from changes in interest rates and credit spreads.

Segregated fund and third-party and other AUM net outflows of \$18.3 billion during the quarter were comprised of:

(\$ billions)	Quarterly results				
	Q1'26	Q4'25	Q3'25	Q2'25	Q1'25
Net flows for Segregated fund and Third-party and other AUM:					
Sun Life Asset Management	(17.7)	(19.2)	4.4	(14.8)	(7.6)
Canada, Asia and other	(0.6)	(0.9)	(0.6)	0.9	1.2
Total net flows for Segregated fund and Third-party and other AUM	(18.3)	(20.1)	3.8	(13.9)	(6.4)

E. Contractual Service Margin

Contractual Service Margin represents a source of stored value for future insurance profits and qualifies as available capital for LICAT purposes. CSM is a component of insurance contract liabilities. The following table shows the change in CSM including its recognition into net income in the period, as well as the growth from new insurance sales activity.

(\$ millions)	For the three months ended March 31, 2026	For the full year ended December 31, 2025
Beginning of Period	14,492	13,366
Impact of new insurance business ⁽¹⁾	429	1,727
Expected movements from asset returns & locked-in rates ⁽¹⁾	211	774
Insurance experience gains/losses ⁽¹⁾	(9)	(88)
CSM recognized for services provided	(333)	(1,263)
Organic CSM Movement⁽¹⁾⁽²⁾	298	1,150
Impact of markets & other ⁽¹⁾	(136)	275
Impact of change in assumptions ⁽¹⁾	(19)	49
Currency impact	38	(348)
Total CSM Movement	181	1,126
Contractual Service Margin, End of Period⁽³⁾	14,673	14,492

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

⁽²⁾ Organic CSM movement is a component of both total CSM movement and organic capital generation.

⁽³⁾ Total company CSM presented above is comprised of CSM on Insurance contracts issued of \$14,288 million (December 31, 2025 - \$14,166 million), net of CSM Reinsurance contracts held of \$(385) million (December 31, 2025 - \$(326) million).

Total CSM ended Q1'26 at \$14.7 billion, an increase of \$0.2 billion or 1% for the first three months of 2026.

- Organic CSM movement was driven by the impact of new insurance business, reflecting strong sales in Asia, primarily in Hong Kong.
- Unfavourable impact of markets and other driven by equity and interest experience.
- Impact of change in assumptions include various small enhancements and updates.

F. Financial Strength

(\$ millions, unless otherwise stated)	Quarterly results				
	Q1'26	Q4'25	Q3'25	Q2'25	Q1'25
LICAT ratio⁽¹⁾					
Sun Life Financial Inc.	143%	157%	154%	151%	149%
Sun Life Assurance	134%	140%	138%	141%	141%
Capital					
Subordinated debt	8,172	8,171	7,176	6,180	6,179
Innovative capital instruments ⁽²⁾	200	200	200	200	200
Equity in the participating account	745	696	644	600	547
Non-controlling interests	195	264	289	61	74
Preferred shares and other equity instruments	2,239	2,239	2,239	2,239	2,239
Common shareholders' equity ⁽³⁾	22,770	22,293	22,817	22,284	23,179
Contractual Service Margin ⁽⁴⁾	14,673	14,492	14,406	13,675	13,619
Total capita	48,994	48,355	47,771	45,239	46,037
Financial leverage ratio⁽⁴⁾⁽⁵⁾	23.2%	23.5%	21.6%	20.4%	20.1%
Dividend					
Underlying dividend payout ratio ⁽⁵⁾	49%	47%	47%	49%	46%
Dividends per common share (\$)	0.920	0.920	0.880	0.880	0.840
Book value per common share (\$)	41.10	40.25	40.86	39.57	40.84

⁽¹⁾ Our LICAT ratios are calculated in accordance with the OSFI-mandated guideline, Life Insurance Capital Adequacy Test.

⁽²⁾ Innovative capital instruments consist of Sun Life Exchangeable Capital Securities ("SLEECs"). For more details, see section J - Capital and Liquidity Management in the 2025 Annual MD&A.

⁽³⁾ Common shareholders' equity is equal to Total shareholders' equity less Preferred shares and other equity instruments.

⁽⁴⁾ The calculation for the financial leverage ratio includes the CSM balance (net of taxes) in the denominator. The CSM (net of taxes) was \$11.4 billion as at March 31, 2026 (December 31, 2025 - \$11.3 billion, September 30, 2025 - \$11.2 billion, June 30, 2025 - \$10.6 billion, March 31, 2025 - \$10.5 billion).

⁽⁵⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

1. Life Insurance Capital Adequacy Test

The Office of the Superintendent of Financial Institutions has developed the regulatory capital framework referred to as the Life Insurance Capital Adequacy Test for Canada. LICAT measures the capital adequacy of an insurer using a risk-based approach and includes elements that contribute to financial strength through periods when an insurer is under stress as well as elements that contribute to policyholder and creditor protection wind-up.

SLF Inc. is a non-operating insurance company and is subject to the LICAT guideline. Sun Life Assurance, SLF Inc.'s principal operating life insurance subsidiary, is also subject to the LICAT guideline.

SLF Inc.'s LICAT ratio of 143% as at March 31, 2026 decreased fourteen percentage points compared to December 31, 2025, driven by M&A⁽¹⁾ activity, shareholder dividend payments, and market impacts.

Sun Life Assurance's LICAT ratio of 134% as at March 31, 2026 decreased six percentage points compared to December 31, 2025, driven by dividend payments to SLF Inc. and market impacts.

The Sun Life Assurance LICAT ratios in both periods are well above OSFI's supervisory ratio of 100% and regulatory minimum ratio of 90%.

⁽¹⁾ Mergers & Acquisitions ("M&A").

2. Capital

Our total capital consists of subordinated debt and other capital instruments, CSM, equity in the participating account and total shareholders' equity which includes common shareholders' equity, preferred shares and other equity instruments, and non-controlling interests ("NCI"). As at March 31, 2026, our total capital was \$49.0 billion, an increase of \$0.6 billion compared to December 31, 2025. The increase to total capital included reported net income of \$465 million, an increase of \$437 million from the net impact of initial subscription to the SLC Management Equity Plan during Q1'26, which is detailed below, favourable impacts from foreign exchange translation of \$200 million included in other comprehensive income (loss) ("OCI"), and an increase of \$181 million in CSM. This was partially offset by the payment of \$510 million of dividends on common shares of SLF Inc. ("common shares"), a decrease of \$156 million from the impact of the acquisition of the remaining equity interests in SLC Management affiliates, which is detailed below, and net unrealized losses on FVOCI assets of \$89 million.

In 2026, organic capital generation⁽¹⁾ was \$148 million, which measures the change in capital, net of dividends, above LICAT requirements excluding the impacts of markets and other non-recurring items. Organic capital generation was driven by underlying net income, net of shareholder dividend payments.

Our capital and liquidity positions remain strong with a LICAT ratio of 143% at SLF Inc., a financial leverage ratio of 23.2%⁽¹⁾ and \$1.3 billion in cash and other liquid assets⁽¹⁾ as at March 31, 2026 in SLF Inc.⁽²⁾ (December 31, 2025 - \$2.4 billion).

3. Other Transactions

Sun Life reached a settlement in principle to resolve a class action, subject to Court approval, relating to individual life insurance policies sold and issued by the Metropolitan Life Insurance Company ("MetLife") in the 1980s and 1990s, which Sun Life inherited through historical Canadian acquisitions ("proposed settlement of a legal matter"). MetLife provided an indemnity relating to these policies, and Sun Life will seek full recourse pursuant to the indemnity if the settlement is approved by the Court. This matter does not involve any policies or products sold by Sun Life. The net impact to reported net income in Q1'26 was a charge of \$145 million. For additional information see Note 16 of our Interim Consolidated Financial Statements for the period ended March 31, 2026.

In Q1'26, we completed the acquisition of the remaining equity interests in BentallGreenOak ("BGO") and Crescent Capital Group ("Crescent"), reinforcing our conviction in their leadership, performance, and long-term growth potential. As part of the transaction, we paid \$1.59 billion (US\$1.16 billion) for the remaining 44% interest stake in BGO and \$829 million (US\$608 million) for the remaining 49% stake in Crescent. These payments settle the outstanding put liability on our financial statements and were funded through debt issuances in 2025 in anticipation of the transactions. The net impact to reported net income in Q1'26 was a charge of \$165 million (US\$119 million). For additional information see Note 3 of our Interim Consolidated Financial Statements for the period ended March 31, 2026.

We introduced the SLC Management Equity Plan ("MEP"), which was effective during Q1'26. The MEP offers certain key personnel in our SLC Management subsidiaries with share-based equity, providing participants with an option to acquire preferred equity interests in SLC Management, receive restricted share units of SLC Management, or a combination thereof. Once issued, the equity vests over a period of 3 to 5 years from the grant date. Participants in the MEP are generally required to provide continued service during the vesting period to receive the full benefits of the equity. The equity is ultimately settled in common shares of SLF Inc. The net impact of initial subscription to the MEP during Q1'26 was an increase of \$437 million to Contributed surplus in our Interim Consolidated Financial Statements for the period ended March 31, 2026.

On March 28, 2026, we entered into an agreement to acquire Bell Partners Inc., a leading U.S. multifamily real estate investment manager and vertically integrated property management business. Upon closing, Bell Partners will become our U.S. multifamily operating platform, operating under BentallGreenOak ("BGO"). Bell Partners offers a national, vertically integrated platform across investment management, property management, acquisitions, and construction, and has completed approximately US\$11.9 billion in realized apartment transactions since 2002, including more than US\$1.3 billion in acquisitions in 2025. The transaction is expected to close in the second half of 2026, subject to receipt of regulatory and Toronto Stock Exchange approvals and satisfaction of customary closing conditions. For additional information see Note 3 of our Interim Consolidated Financial Statements for the period ended March 31, 2026.

4. Normal Course Issuer Bids

On June 9, 2025, SLF Inc. commenced a renewed normal course issuer bid (the "2025 NCIB"). Under the 2025 NCIB, SLF Inc. is permitted to purchase up to 10,570,915 common shares. The 2025 NCIB will continue until May 21, 2026 or such earlier date as SLF Inc. may determine. Any common shares purchased by SLF Inc. pursuant to the 2025 NCIB will be cancelled or used in connection with certain equity settled incentive arrangements. On March 30, 2026, SLF Inc. announced that all share repurchases for cancellation under the 2025 NCIB had been completed.

Shares purchased and subsequently cancelled under the 2025 NCIB were as follows:

	Quarterly results		Aggregate ⁽¹⁾	
	Q1'26		Common shares purchased	Amount
	Common shares purchased (millions)	Amount (\$ millions) ⁽²⁾	(millions)	(\$ millions) ⁽²⁾
2025 NCIB	—	—	10.1	844
Total	—	—		

⁽¹⁾ Represents the balance of common shares purchased and subsequently cancelled under the life of the normal course issuer bid to-date.

⁽²⁾ Excludes the impact of excise tax on net repurchases of equity.

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

⁽²⁾ SLF Inc. (the ultimate parent company) and its wholly-owned holding companies.

5. Subsequent Events

On May 6, 2026, SLF Inc. announced that, subject to the approval of OSFI and the Toronto Stock Exchange ("TSX"), it intends to renew its normal course issuer bid to purchase up to 10 million of its common shares (the "2026 NCIB"). Subject to receipt of regulatory and stock exchange approvals, the 2026 NCIB is expected to commence on May 29, 2026, or such earlier date determined by the Company following receipt of such approvals, and will end at the latest on the date that is 12 months after the commencement of the NCIB. Purchases under the 2026 NCIB may be made through the facilities of the TSX, other Canadian stock exchanges, the New York Stock Exchange (the "NYSE") and/or alternative trading platforms in Canada and the United States, at prevailing market rates. Subject to regulatory approval, purchases under the 2026 NCIB may also be made by way of private agreements or share repurchase programs under issuer bid exemption orders issued by securities regulatory authorities. Any purchases made under an exemption order issued by a securities regulatory authority will generally be at a discount to the prevailing market price. The actual number of common shares purchased under the 2026 NCIB, and the timing of such purchases (if any), will be determined by SLF Inc. Any common shares purchased by SLF Inc. pursuant to the 2026 NCIB will be cancelled or used in connection with certain equity settled incentive arrangements. The 2026 NCIB will provide the Company with the flexibility to acquire common shares in order to return capital to shareholders as part of its overall capital management strategy.

G. Performance by Business Group

(\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Underlying net income (loss)⁽¹⁾			
Sun Life Asset Management	363	424	390
Canada	370	376	346
U.S.	218	210	218
Asia	216	191	185
Corporate	(117)	(107)	(94)
Total underlying net income (loss) ⁽¹⁾	1,050	1,094	1,045
Reported net income (loss) - Common shareholders			
Sun Life Asset Management	174	341	369
Canada	87	297	317
U.S.	151	133	186
Asia	183	115	154
Corporate	(130)	(164)	(98)
Total reported net income (loss) - Common shareholders	465	722	928

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

All factors discussed in this document that impact our underlying net income are also applicable to reported net income.

1. Sun Life Asset Management

Quarterly results

Sun Life Asset Management (US\$ millions)	Q1'26	Q4'25	Q1'25
Underlying net income ⁽¹⁾	265	304	273
Add: Market-related impacts	(14)	(34)	2
ACMA	1	—	(5)
MFS shares owned by management	1	—	4
Acquisition, integration and restructuring ⁽²⁾⁽³⁾	(118)	(13)	(11)
Intangible asset amortization	(8)	(6)	(5)
Other	—	(8)	—
Reported net income - Common shareholders	127	243	258
MFS (US\$ millions)			
Underlying net income ⁽¹⁾	199	224	186
Reported net income - Common shareholders	200	216	190
Pre-tax net operating margin for MFS ⁽¹⁾	36.0%	40.0%	35.4%
SLC Management (US\$ millions)			
Underlying net income ⁽¹⁾	32	42	59
Reported net income (loss) - Common shareholders	(101)	11	38
Fee-related earnings ⁽¹⁾	52	71	69
Pre-tax fee-related earnings margin ⁽¹⁾⁽⁴⁾	26.3%	27.3%	24.0%
Pre-tax net operating margin ⁽¹⁾⁽⁴⁾	24.6%	26.9%	25.4%
Solutions & Other (US\$ millions)			
Underlying net income ⁽¹⁾	34	38	28
Reported net income - Common shareholders	28	16	30
Sun Life Asset Management			
Assets under management (US\$ billions) ⁽¹⁾	867.8	900.8	816.4
Sun Life Asset Management managed assets (US\$ billions) ⁽¹⁾	985.6	1,019.2	917.5
Gross flows (US\$ billions) ⁽¹⁾	40.3	38.7	38.4
Net flows (US\$ billions) ⁽¹⁾	(12.6)	(13.0)	(5.3)
Assets under management (C\$ billions) ⁽¹⁾	1,207.5	1,236.2	1,174.5
Sun Life Asset Management managed assets (C\$ billions) ⁽¹⁾	1,371.4	1,398.7	1,320.0
Gross flows (C\$ billions) ⁽¹⁾	55.3	53.9	55.0
Net flows (C\$ billions) ⁽¹⁾	(17.3)	(18.1)	(7.6)
MFS (US\$ billions)			
Average net assets (US\$ billions) ⁽¹⁾	652.6	652.9	615.9
Assets under management (US\$ billions) ⁽¹⁾⁽⁵⁾	622.2	651.4	603.8
Gross flows (US\$ billions) ⁽¹⁾	31.6	28.5	31.9
Net flows (US\$ billions) ⁽¹⁾	(16.3)	(18.2)	(8.1)
Asset appreciation (depreciation) (US\$ billions)	(13.0)	11.0	6.0
SLC Management (US\$ billions)			
Assets under management (US\$ billions) ⁽¹⁾	188.9	189.4	177.2
Gross flows - AUM (US\$ billions) ⁽¹⁾	7.0	7.7	4.7
Net flows - AUM (US\$ billions) ⁽¹⁾	3.9	4.2	2.0
Fee earning assets under management ("FE AUM") (US\$ billions) ⁽¹⁾	144.5	145.5	139.7
Gross flows - FE AUM (US\$ billions) ⁽¹⁾	6.0	7.6	9.1
Net flows - FE AUM (US\$ billions) ⁽¹⁾	4.3	4.9	6.8
Assets under administration ("AUA") (US\$ billions) ⁽¹⁾	14.1	13.4	11.0
Capital raising (US\$ billions) ⁽¹⁾	4.4	4.6	3.0
Deployment (US\$ billions) ⁽¹⁾	5.3	7.6	7.4
Solutions & Other (US\$ billions)			
Assets under management (US\$ billions) ⁽¹⁾	56.7	59.9	35.4

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

⁽²⁾ Amounts relate to acquisition costs for our SLC Management affiliates, which include the unwinding of the discount for Other financial liabilities of US\$nil in Q1'26 (Q4'25 - US\$11 million, Q1'25- US\$10 million). Amounts for Q4'25 and Q1'25 include the unwinding of the discount for Other financial liabilities for BentallGreenOak, Crescent Capital Group LP, and Advisors Asset Management, Inc.

⁽³⁾ Q1'26 includes a US\$119 million charge from the acquisition of remaining equity interests in SLC Management affiliates. For additional details see the "Other Transactions" heading in Section F - Financial Strength in this document.

⁽⁴⁾ Based on a trailing 12-month basis. For more details, see section N - Non-IFRS Financial Measures in this document.

⁽⁵⁾ Monthly information on AUM is provided by MFS in its Corporate Fact Sheet, which can be found at www.mfs.com/CorpFact. The Corporate Fact Sheet also provides MFS' U.S. Generally Accepted Accounting Principles ("GAAP") assets and liabilities as at December 31, 2025.

Profitability

Quarterly Comparison – Q1'26 vs. Q1'25

Sun Life Asset Management underlying net income of US\$265 million decreased US\$8 million or 3%, driven by:

- **MFS** was up US\$13 million reflecting higher fee income from higher average net assets ("ANA") partially offset by higher expenses. Pre-tax net operating profit margin⁽¹⁾ improved to 36.0% for Q1'26, compared to 35.4% in the prior year, due to higher ANA.
- **SLC Management** was down US\$27 million reflecting lower net seed investment income and fee-related earnings⁽¹⁾, which decreased 25% driven by higher catch-up fees in the prior year partially offset by lower expenses. Fee-related earnings margin⁽¹⁾ was 26.3% for Q1'26, compared to 24.0% in the prior year.
- **Solutions & Other** was up US\$6 million reflecting favourable net investment results.

Reported net income of US\$127 million decreased US\$131 million or 51% driven by:

- A US\$119 million charge from the acquisition of remaining equity interests in SLC Management affiliates⁽²⁾;
- Unfavourable market-related impacts; and
- Lower underlying net income.

Foreign exchange translation led to a decrease of \$16 million in underlying net income and a decrease of \$3 million in reported net income.

Growth

Sun Life Asset Management AUM of US\$867.8 billion decreased US\$32.9 billion or 4% from December 31, 2025, driven by:

- Net asset value changes of US\$17.3 billion;
- Net outflows of US\$12.6 billion; and
- Client distributions in SLC Management of US\$3.1 billion.

Sun Life Asset Management managed assets of US\$985.6 billion, decreased US\$33.6 billion or 3% from December 31, 2025.

MFS' AUM decreased US\$29.3 billion or 4% from December 31, 2025, driven by:

- Net outflows of US\$16.3 billion and the decrease in asset values from lower equity markets of US\$13.0 billion.

SLC Management's AUM decreased US\$0.5 billion from December 31, 2025, driven by:

- Client distributions of US\$3.1 billion and asset value changes of US\$1.3 billion mostly offset by net inflows of US\$3.9 billion.
- Net inflows were comprised of capital raising and Client contributions, totaling US\$7.0 billion, partially offset by outflows of US\$3.1 billion.

SLC Management's FE AUM decreased US\$1.0 billion or 1% from December 31, 2025, driven by:

- Asset value changes of US\$3.3 billion and Client distributions of US\$2.0 billion mostly offset by net inflows of US\$4.3 billion.
- Net inflows were comprised of capital deployment and Client contributions, totaling US\$6.0 billion, partially offset by outflows of US\$1.8 billion.

Solutions & Other AUM decreased US\$3.2 billion or 5% from December 31, 2025, driven by:

- Net asset value changes of US\$3.0 billion and net outflows of US\$0.2 billion.

BentallGreenOak and Crescent Capital Group

In Q1'26, we completed the acquisition of the remaining equity interests in BentallGreenOak ("BGO") and Crescent Capital Group ("Crescent"), reinforcing our conviction in their leadership, performance, and long-term growth potential. As part of the transaction, we paid US\$1.16 billion for the remaining 44% interest stake in BGO and US\$608 million for the remaining 49% stake in Crescent. These payments settle the outstanding put liability on our financial statements and were funded through debt issuances in 2025 in anticipation of the transactions. The net impact to reported net income in Q1'26 was a charge of US\$119 million. For additional information see Note 3 of our Interim Consolidated Financial Statements for the period ended March 31, 2026.

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

⁽²⁾ For additional details see the "Other Transactions" heading in Section F - Financial Strength in this document.

2. Canada

(\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Underlying net income by business unit⁽¹⁾			
Individual Insurance ⁽¹⁾	119	120	119
Sun Life Health ⁽¹⁾	141	155	145
Asset management and wealth ⁽¹⁾⁽²⁾⁽³⁾	110	101	82
Underlying net income⁽¹⁾	370	376	346
Add: Market-related impacts	(130)	(61)	(18)
Assumption changes and management actions	(1)	(6)	6
Acquisition, integration and restructuring	(1)	—	(11)
Intangible asset amortization	(6)	(7)	(6)
Other	(145)	(5)	—
Items excluded from underlying net income	(283)	(79)	(29)
Reported net income (loss) - Common shareholders by business unit			
Individual Insurance	(109)	100	103
Sun Life Health	115	122	139
Asset management and wealth ⁽²⁾	81	75	75
Reported net income - Common shareholders	87	297	317
Underlying ROE (%) ⁽¹⁾	32.8%	30.6%	25.8%
Reported ROE (%) ⁽¹⁾	7.7%	24.3%	23.6%
Sales by business unit⁽¹⁾			
Individual Insurance sales ⁽¹⁾	114	133	139
Sun Life Health sales ⁽¹⁾	295	95	375
Individual Wealth sales ⁽¹⁾	3,620	3,180	3,296
Group Wealth sales ⁽¹⁾⁽²⁾	2,257	2,581	2,942

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

⁽²⁾ Effective Q1'26, we report our Group Retirement Services business unit under "Group Wealth".

⁽³⁾ "Asset management and wealth" includes Individual Wealth and Group Wealth.

Profitability

Quarterly Comparison - Q1'26 vs. Q1'25

Underlying net income of \$370 million increased \$24 million or 7%, driven by:

- Business growth reflecting higher premiums in Sun Life Health, higher fee income from higher AUM, and favourable net investment results; partially offset by
- Less favourable insurance experience.

Reported net income of \$87 million decreased \$230 million or 73%, driven by:

- A \$145 million charge reflecting the proposed settlement of a legal matter⁽¹⁾; and
- Market-related impacts reflecting unfavourable interest rate, equity market, and real estate experience; partially offset by
- The increase in underlying net income.

Growth

Quarterly Comparison - Q1'26 vs. Q1'25

Canada's sales included:

- Asset management gross flows & wealth sales of \$5.9 billion decreased 6%, reflecting lower large case sales compared to a strong prior year in Group Wealth⁽²⁾ defined contributions, mostly offset by higher mutual fund sales in Individual Wealth and increased rollover volumes in Group Wealth⁽²⁾.
- Sun Life Health sales of \$295 million decreased 21%, reflecting lower large case sales compared to a strong prior year.
- Individual insurance sales of \$114 million decreased 18%, reflecting lower participating life sales.

⁽¹⁾ For additional details see the "Other Transactions" heading in Section F - Financial Strength in this document.

⁽²⁾ Effective Q1'26, we report our Group Retirement Services business unit under "Group Wealth".

3. U.S.

(US\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Underlying net income by business unit⁽¹⁾			
Group Health & Benefits ⁽¹⁾⁽²⁾	119	109	129
In-force Management ⁽¹⁾	41	41	22
Underlying net income⁽¹⁾	160	150	151
Add: Market-related impacts	(26)	(17)	10
Assumption changes and management actions	—	(4)	—
Acquisition, integration and restructuring ⁽³⁾	(9)	(22)	(16)
Intangible asset amortization	(14)	(14)	(16)
Items excluded from underlying net income	(49)	(57)	(22)
Reported net income - Common shareholders by business unit			
Group Health & Benefits ⁽²⁾	91	73	103
In-force Management	20	20	26
Reported net income - Common shareholders	111	93	129
Underlying ROE (%) ⁽¹⁾	13.0%	12.3%	12.6%
Reported ROE (%) ⁽¹⁾	9.1%	7.6%	10.7%
After-tax profit margin for Group Benefits (%) ⁽¹⁾⁽⁴⁾	7.4%	7.5%	8.0%
Sales by business unit⁽¹⁾			
Group Benefits sales ⁽¹⁾	127	1,108	107
Dental sales ⁽¹⁾	33	98	16

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

⁽²⁾ Effective Q1'26, we report our Group Benefits and Dental business units under "Group Health & Benefits".

⁽³⁾ Includes acquisition, integration and restructuring costs associated with DentaQuest, acquired on June 1, 2022.

⁽⁴⁾ Based on underlying net income, on a trailing four-quarter basis. For more details, see section N - Non-IFRS Financial Measures in this document.

Profitability

Quarterly Comparison - Q1'26 vs. Q1'25

Underlying net income of US\$160 million increased US\$9 million or 6%, driven by:

- Higher results in In-force Management reflecting favourable net investment results; mostly offset by
- Lower earnings in Dental driven by lower revenue and the impact of a retroactive premium payment in the prior year.
- Group Benefits reflected strong revenue growth and improved medical stop-loss morbidity experience, partially offset by unfavourable long-term disability experience.

Reported net income of US\$111 million decreased US\$18 million or 14%, reflecting driven by market-related impacts primarily reflecting unfavourable interest rate impacts.

Foreign exchange translation led to a decrease of \$10 million in underlying net income and a decrease of \$9 million in reported net income.

Growth

Quarterly Comparison - Q1'26 vs. Q1'25

U.S. sales of US\$160 million were up 30%, primarily driven by:

- Higher medical stop-loss sales in Group Benefits reflecting disciplined pricing, strong close rates, and favourable market conditions; and
- Higher commercial and Medicare Advantage sales in Dental.

4. Asia

(\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Underlying net income (loss) by business unit⁽¹⁾			
ASEAN ⁽¹⁾	45	40	46
Hong Kong ⁽¹⁾	100	98	75
Joint Ventures ⁽¹⁾	33	21	36
High Net Worth ⁽¹⁾	45	54	41
Regional Office ⁽¹⁾	(7)	(22)	(13)
Underlying net income⁽¹⁾	216	191	185
Add: Market-related impacts	(28)	(43)	(18)
Assumption changes and management actions	4	(19)	(3)
Acquisition, integration and restructuring	(4)	(10)	(4)
Intangible asset amortization	(5)	(4)	(3)
Other	—	—	(3)
Items excluded from underlying net income	(33)	(76)	(31)
Reported net income (loss) - Common shareholders by business unit			
ASEAN	30	30	30
Hong Kong	91	90	53
Joint Ventures	28	(5)	18
High Net Worth	51	28	74
Regional Office	(17)	(28)	(21)
Reported net income - Common shareholders	183	115	154
Underlying ROE (%) ⁽¹⁾	15.5%	13.7%	14.2%
Reported ROE (%) ⁽¹⁾	13.1%	8.3%	11.9%
Individual insurance sales by business unit⁽¹⁾			
ASEAN sales ⁽¹⁾	94	106	100
Hong Kong sales ⁽¹⁾	716	616	431
Joint Ventures sales ⁽¹⁾	174	122	161
High Net Worth sales ⁽¹⁾	55	50	43
Individual insurance sales⁽¹⁾	1,039	894	735
Group insurance sales⁽¹⁾	37	26	29
Asset management gross flows & wealth sales⁽¹⁾	1,181	1,014	939
New business CSM ⁽¹⁾	320	300	273

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

Profitability

Quarterly Comparison - Q1'26 vs. Q1'25

Underlying net income of \$216 million increased \$31 million or 17%, driven by:

- Strong sales momentum and in-force business growth in Hong Kong; and
- Lower expenses and favourable net investment results; partially offset by
- Lower fee income from the transitioning of the administration business to the centralized eMPF platform in Hong Kong.

Reported net income of \$183 million increased \$29 million or 19%, driven by the increase in underlying net income, partially offset by unfavourable market-related impacts. The market-related impacts were primarily from unfavourable interest rate impacts partially offset by improved equity market impacts.

Foreign exchange translation led to a decrease of \$11 million in underlying net income and a decrease of \$10 million in reported net income.

Growth

Quarterly Comparison – Q1'26 vs. Q1'25

Asia's sales included:

- Individual insurance sales of \$1.0 billion were up 49%⁽¹⁾, reflecting higher sales in Hong Kong across all channels, with positive momentum in our Joint Venture and High Net Worth businesses.
- Asset management gross flows and wealth sales of \$1.2 billion were up 33%⁽¹⁾, reflecting higher MPF sales in Hong Kong and higher group fund sales in India.

New business CSM of \$320 million in Q1'26, was up from \$273 million in the prior year, driven by higher sales partially offset by an increasing competitive environment, primarily in Hong Kong.

5. Corporate

(\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Underlying net income (loss)⁽¹⁾	(117)	(107)	(94)
Add: Market-related impacts	(10)	(9)	(4)
Acquisition, integration and restructuring	(3)	(4)	—
Other	—	(44)	—
Reported net income (loss) – Common shareholders	(130)	(164)	(98)

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

Profitability

Quarterly Comparison – Q1'26 vs. Q1'25

Underlying net loss was \$117 million compared to underlying net loss of \$94 million in the prior year, reflecting higher financing costs supporting the acquisition of our remaining interests in SLC Management affiliates.

Reported net loss was \$130 million compared to reported net loss of \$98 million in the prior year, driven by the change in underlying net loss.

⁽¹⁾ This change excludes the impacts of foreign exchange translation. For more information about these non-IFRS financial measures, see section N - Non-IFRS Financial Measures in this document.

H. Investments

Total general fund invested assets of \$199.3 billion as at March 31, 2026, were up \$0.2 billion from December 31, 2025. The increase was primarily from business growth and favourable impacts from foreign exchange translation, mostly offset by a decline in net fair value from changes in interest rates and credit spreads. Our general fund invested assets are well-diversified across investment types, geographies and sectors with the majority of our portfolio invested in high quality fixed income assets.

The following table sets out the composition of our general fund invested assets⁽¹⁾:

(\$ millions)	March 31, 2026		December 31, 2025	
	Carrying value	% of Total carrying value	Carrying value	% of Total carrying value
Cash, cash equivalents and short-term securities	13,187	7%	14,841	7%
Debt securities	88,110	44%	85,618	43%
Equity securities	12,541	6%	12,250	6%
Mortgages and loans	58,370	29%	59,433	30%
Derivative assets	1,459	1%	1,534	1%
Other invested assets	15,945	8%	16,067	8%
Investment properties	9,732	5%	9,432	5%
Total invested assets	199,344	100%	199,175	100%

⁽¹⁾ The values and ratios presented are based on the fair value of the respective asset categories. Generally, the carrying values for invested assets are equal to their fair values. For invested assets supporting insurance contracts, in the event of default, if the amounts recovered are insufficient to satisfy the related insurance contract liability cash flows that the assets are intended to support, credit exposure may be greater than the carrying value of the assets.

1. Debt Securities

The debt securities portfolio is actively managed through a regular program of purchases and sales aimed at optimizing yield, quality, and liquidity, while ensuring that it remains well-diversified and duration-matched to insurance contract liabilities. As at March 31, 2026, with the exception of certain countries where we have business operations, including Canada, the United States, the United Kingdom and the Philippines, our exposure to debt securities from any single country did not exceed 1% of total invested assets.

Debt Securities by Geography

The carrying value of our debt securities by geographic location is presented in the following table.

(\$ millions)	March 31, 2026				December 31, 2025			
	FVTPL debt securities	FVOCI debt securities	Total	% of Total	FVTPL debt securities	FVOCI debt securities	Total	% of Total
Debt securities by geography:								
Canada	36,113	3,265	39,378	44%	35,582	3,288	38,870	45%
United States	24,588	6,069	30,657	35%	23,389	6,060	29,449	34%
Europe	4,514	1,375	5,889	7%	4,329	1,451	5,780	7%
Asia	7,718	932	8,650	10%	7,230	971	8,201	10%
Other	2,223	1,313	3,536	4%	2,069	1,249	3,318	4%
Total debt securities	75,156	12,954	88,110	100%	72,599	13,019	85,618	100%

Our gross unrealized losses as at March 31, 2026 for FVTPL and FVOCI debt securities were \$6,899 million and \$287 million, respectively (December 31, 2025 - \$6,284 million and \$241 million, respectively). The increase in gross unrealized losses was largely due to the impact from rising interest rates.

Debt Securities by Credit Rating

Debt securities with a credit rating of "A" or higher represented 77% of the total debt securities as at March 31, 2026 (December 31, 2025 - 77%). Debt securities with a credit rating of "BBB" or higher represented 99% of total debt securities as at March 31, 2026 (December 31, 2025 - 99%).

2. Mortgages and Loans

Our mortgage portfolio consisted almost entirely of first mortgages and our loan portfolio consisted of private placement loans.

Mortgages and Loans by Geography

The carrying value of mortgages and loans by geographic location is presented in the following table⁽¹⁾.

(\$ millions)	March 31, 2026			December 31, 2025		
	Mortgages	Loans	Total	Mortgages	Loans	Total
Canada	9,109	12,821	21,930	9,135	12,880	22,015
United States	4,258	19,715	23,973	4,335	20,044	24,379
Europe	46	9,021	9,067	135	9,234	9,369
Asia	—	647	647	—	678	678
Other	—	2,753	2,753	—	2,992	2,992
Total mortgages and loans	13,413	44,957	58,370	13,605	45,828	59,433
% of Total invested assets	7%	22%	29%	7%	23%	30%

⁽¹⁾ The geographic location for mortgages is based on the location of the property and for loans it is based on the country of the creditor's parent.

Mortgage Portfolio

As at March 31, 2026, we held \$13.4 billion of mortgages (December 31, 2025 - \$13.6 billion). Our mortgage portfolio consists entirely of commercial mortgages, as presented in the following table.

(\$ millions)	March 31, 2026			December 31, 2025		
	Insured	Uninsured	Total	Insured	Uninsured	Total
Mortgages:						
Retail	—	2,249	2,249	—	2,336	2,336
Office	—	2,304	2,304	—	2,364	2,364
Multi-family residential	2,913	1,276	4,189	2,953	1,250	4,203
Industrial	—	3,820	3,820	—	3,793	3,793
Other	402	449	851	408	501	909
Total mortgages	3,315	10,098	13,413	3,361	10,244	13,605
% of Total mortgages	25%	75%	100%	25%	75%	100%

Our mortgage portfolio consists entirely of commercial mortgages, including retail, office, multi-family, and industrial properties. As at March 31, 2026, 31% of our commercial mortgage portfolio consisted of multi-family residential mortgages; there are no single-family residential mortgages. Our uninsured commercial portfolio had a weighted average loan-to-value ratio of approximately 54% as at March 31, 2026 (December 31, 2025 - 54%). While we generally limit the maximum loan-to-value ratio to 75% at issuance, we may invest in mortgages with a higher loan-to-value ratio in Canada if the mortgage is insured by the Canada Mortgage and Housing Corporation ("CMHC"). The estimated weighted average debt service coverage for our uninsured commercial portfolio is 1.77 times. Of the \$3.2 billion of multi-family residential mortgages in the Canadian commercial mortgage portfolio, 90% were insured by the CMHC.

As at March 31, 2026, we held \$45.0 billion of loans (December 31, 2025 - \$45.8 billion). Private placement loans provide diversification by type of loan, industry segment and borrower credit quality. The private placement loan portfolio consists of senior secured and unsecured loans to large- and mid-market corporate borrowers, securitized lease/loan obligations secured by a variety of assets, and project finance loans in sectors such as power and infrastructure.

As at March 31, 2026, our impaired mortgages and loans, net of allowances for losses, were \$22 million (December 31, 2025 - \$24 million).

3. Derivatives

The values associated with our derivative instruments are presented in the following table. Notional amounts serve as the basis for payments calculated under derivatives contracts and are generally not exchanged.

(\$ millions)	March 31, 2026	December 31, 2025
Net fair value asset (liability)	(772)	(531)
Total notional amount	89,635	83,571
Credit equivalent amount ⁽¹⁾	1,177	1,266
Risk-weighted credit equivalent amount ⁽¹⁾	25	27

⁽¹⁾ Amounts presented are net of collateral received.

The net fair value of derivatives was a liability of \$772 million as at March 31, 2026 (December 31, 2025 - liability of \$531 million). The decrease in net fair value was driven by a decrease in foreign exchange contracts due to the depreciation of Canadian dollar against U.S. dollar.

The total notional amount of our derivatives increased to \$89.6 billion as at March 31, 2026 (December 31, 2025 - \$83.6 billion). The change in notional amount is mainly attributable to an increase in foreign exchange contracts used for hedging foreign currency assets and interest rate contracts used for duration matching.

4. Investment Properties

As at March 31, 2026, we held \$9.7 billion of investment properties (December 31, 2025 - \$9.4 billion). The increase in our investment property portfolio is predominantly driven by net property purchases in Canada and Asia, partially offset by declines in market value.

Investment Properties by Type and Geography

March 31, 2026							
(\$ millions)	Office	Industrial	Retail	Multi-family residential	Other	Total	% of Total by Geography
Canada	1,670	3,490	1,031	1,670	385	8,246	85%
United States	362	907	117	37	2	1,425	14%
Asia	—	—	—	61	—	61	1%
Total	2,032	4,397	1,148	1,768	387	9,732	100%
% of Total by Type	21%	45%	12%	18%	4%	100%	

December 31, 2025							
(\$ millions)	Office	Industrial	Retail	Multi-family residential	Other	Total	% of Total by Geography
Canada	1,432	3,503	1,023	1,684	386	8,028	85%
United States	354	897	114	37	2	1,404	15%
Asia	—	—	—	—	—	—	—%
Total	1,786	4,400	1,137	1,721	388	9,432	100%
% of Total by Type	19%	47%	12%	18%	4%	100%	

5. Loss Allowance and Provision for Credit Losses

The balance of the total loss allowance was \$95 million⁽¹⁾ as at March 31, 2026 (December 31, 2025 - \$93 million) and the provision for credit losses increased by \$4 million⁽¹⁾ for the three months ended March 31, 2026 (increased by \$7 million for the three months ended March 31, 2025).

⁽¹⁾ For additional information, refer to Note 6 of the Interim Consolidated Financial Statements for the period ended March 31, 2026.

I. Risk Management

We have established a Risk Management Framework to assist in identifying, measuring, managing, monitoring and reporting risks. The Risk Management Framework covers all risks and these have been grouped into six major categories: market, insurance, credit, business and strategic, operational and liquidity risks. Through our enterprise risk management processes, we oversee the various risk factors identified in the Risk Management Framework and provide reports to senior management and to the Board Committees at least quarterly. Our enterprise risk management processes and risk factors are described in our 2025 Annual MD&A.

This section includes our disclosure on market risks and should be read in conjunction with our unaudited Interim Consolidated Financial Statements for the quarter ended March 31, 2026. When referring to segregated funds in this section, it is inclusive of segregated fund guarantees, variable annuities and investment products.

Equity Risk

Equity risk is the potential for financial loss arising from declines or volatility in public or private equity market prices. We are exposed to equity risk from a number of sources.

We generate revenue in our asset management businesses and from certain protection and wealth contracts where fees are levied on account balances that are affected directly by equity market levels. Accordingly, we have further exposure to equity risk as adverse fluctuations in the market value of such assets will result in corresponding adverse impacts on revenue, income, the contractual service margin, and capital. In addition, declining and volatile equity markets may have a negative impact on sales and redemptions (surrenders) in these businesses, and this may result in further adverse impacts on net income, the contractual service margin, and capital.

A portion of our exposure to equity risk arises in connection with benefit guarantees on segregated fund products, some participating insurance contracts, some adjustable insurance contracts, and some universal life contracts. These benefit guarantees may be triggered upon death, maturity, withdrawal or annuitization. The cost of providing these guarantees is uncertain and depends upon a number of factors, including general capital market conditions, our hedging strategies, policyholder behaviour and mortality experience, each of which may result in negative impacts on net income, the contractual service margin, and capital.

We also have direct exposure to equity markets from the investments supporting other general account liabilities, surplus, and employee benefit plans. These exposures fall within our risk-taking philosophy and appetite, and are therefore generally not hedged.

Interest Rate and Spread Risk

Interest rate and spread risk includes the potential for financial loss arising from changes in the value of insurance and investment contract liabilities and financial assets due to changes or volatility in interest rates or spreads. In practice, when asset cash flows and the policy obligations they support are not matched, this may result in the need to either sell assets to meet policy payments and expenses or reinvest excess asset cash flows in unfavourable interest rate or spread environments. This risk is managed in our asset-liability management program. Details of the asset-liability management program are discussed under the heading "Market Risk Management Strategies" in section K - Risk Management in the 2025 Annual MD&A.

Our primary exposure to interest rate and spread risk arises from insurance and investment contracts that contain guarantees in the form of minimum crediting rates, maximum premium rates, settlement options, guaranteed annuitization options and minimum benefits. If investment returns fall below guaranteed levels, we may be required to increase liabilities or capital in respect of these contracts. The guarantees attached to these products may be applicable to both past premiums collected and future premiums not yet received. Segregated fund contracts provide benefit guarantees that are linked to underlying fund performance and may be triggered upon death, maturity, withdrawal or annuitization. Exposure to guarantees is managed within our risk appetite limits through our asset-liability management program, which may include the use of hedging strategies utilizing interest rate derivatives such as interest rate floors, swaps, forwards, futures and swaptions. The impact of these guarantees on net income, contractual service margin, and capital are included in the disclosed market risk sensitivities.

Significant changes or volatility in interest rates or spreads could have a negative impact on sales of certain protection and wealth products, and adversely impact the expected pattern of redemptions (surrenders) on existing policies.

- Increases in interest rates or widening spreads may increase the risk that policyholders will surrender their contracts, potentially forcing us to liquidate assets at a loss. While we have established hedging programs in place and our protection and wealth products often contain surrender mitigation features, these may not be sufficient to fully offset the adverse impact of changes in interest rates or spreads.
- Declines in interest rates or narrowing spreads can result in compression of the net spread between interest earned on investments and interest credited to policyholders, increased asset calls, mortgage and structured security prepayments, and net reinvestment of positive cash flows at lower yields, and therefore can adversely impact our profitability and financial position.
- Negative interest rates may additionally result in losses on our cash and short-term deposits and low or negative returns on our fixed income assets impacting our profitability.
- A sustained low interest rate environment may additionally adversely impact our net income, CSM, capital, and our ability to implement our business strategy and plans. This may be realized through lower sales, less profitable new business, changes in the pattern of redemptions on existing policies, among other impacts.

We also have direct exposure to interest rates and spreads from investments supporting other general account liabilities, surplus and employee benefit plans. Higher interest rates or wider spreads will reduce the value of our existing assets. Conversely, lower interest rates or a narrowing of spreads will result in reduced investment income on new fixed income asset purchases. These exposures fall within our risk-taking philosophy and appetite and are therefore generally not hedged.

Real Estate Risk

Real estate risk is the potential for financial loss arising from fluctuations in the value of, or future cash flows from, our investments in real estate. We are exposed to real estate risk and may experience financial losses resulting from the direct ownership of real estate investments or indirectly through fixed income investments secured by real estate property, leasehold interests, ground rents, and purchase and leaseback transactions.

Real estate price risk may arise from external market conditions, inadequate property analysis, inadequate insurance coverage, inappropriate real estate appraisals, or from environmental risk exposures.

We hold real estate investments that support general account liabilities and surplus, and fluctuations in value will affect our net income, CSM, and capital. A material and sustained increase in interest rates may lead to deterioration in real estate values.

Foreign Currency Risk

Foreign currency risk is the result of mismatches in the currency of our assets and liabilities (inclusive of capital), and cash flows. This risk may arise from a variety of sources such as foreign currency transactions and services, foreign currency hedging, investments denominated in foreign currencies, investments in foreign subsidiaries and net income from foreign operations. Changes or volatility in foreign exchange rates, including a change to currencies that are fixed in value to another currency, could adversely affect our net income, contractual service margin and capital.

As an international provider of financial services, we operate in a number of countries, with revenues and expenses denominated in several local currencies. In each country in which we operate, we generally maintain the currency profile of assets to match the currency of liabilities and required capital. This approach provides an operational hedge against disruptions in local operations caused by currency fluctuations. Foreign currency derivative contracts such as currency swaps and forwards are used as a risk management tool to manage the currency exposure in accordance with our Asset Liability Management Policy. As at March 31, 2026 and December 31, 2025, the Company did not have a material foreign currency risk mismatch exposure.

Changes in exchange rates can affect our net income and surplus when financial results in functional currencies are translated into Canadian dollars. Net income earned outside of Canada is generally not currency hedged and a weakening in the local currency of our foreign operations relative to the Canadian dollar can have a negative impact on our net income reported in Canadian currency. A strengthening in the local currency of our foreign operations relative to the Canadian dollar would have the opposite effect. Regulatory capital ratios could also be impacted by changes in exchange rates.

Inflation Risk

Inflation risk is the potential for financial loss arising from changes in inflation rates. This risk results from insurance contract liabilities that are linked to market measures of inflation such as the Consumer Price Index. The primary sources for this risk exposure are from certain group and retail annuity contracts and group long-term disability contracts. In these contracts, the annuity and disability benefit payments may be linked to an indexing formula containing an inflation price index. Benefit payments linked to inflation indices may also include various caps, floors and averaging mechanisms that vary across product designs.

Exposure to inflation risk is managed within our asset-liability management program, primarily by investing in inflation linked assets to match liability exposures.

i. Market Risk Sensitivities

We utilize a variety of methods and measures to quantify our market risk exposures. These include duration management, key rate duration techniques, convexity measures, cash flow gap analysis, scenario testing, and sensitivity testing of earnings and regulatory capital ratios versus risk appetite limits.

The measurement of liabilities and assets are affected by the level of equity market performance, interest rates, credit and swap spreads and other market risk variables. The following sections set out the estimated immediate impact on, or sensitivity of, our net income⁽¹⁾, contractual service margin, OCI and SLF Inc.'s LICAT ratio to certain instantaneous changes in market variables as at March 31, 2026 and December 31, 2025.

The estimated sensitivities in the tables below reflect the impact of market movements on insurance and investment contracts, assets backing insurance contracts, assets backing investment contracts, assets backing the surplus segment, and seed investments in our asset management subsidiaries.

Net income sensitivities to equity and real estate market movements are driven primarily by changes in the value of investments backing general account liabilities and surplus. Net income sensitivities to interest rates and spreads are driven by the net impact on liabilities and the assets backing them. Lower interest rates or a narrowing of spreads will typically result in increased liabilities for insurance contracts, offset by increased values of the assets backing general account liabilities. Higher interest rates or a widening of spreads will typically result in decreased liabilities for insurance contracts, offset by decreased values of the assets backing general account liabilities. Further detail on the impact of changes or volatility in market prices on assets and liabilities is provided under the headings "Equity Risk", "Interest Rate and Spread Risk", "Real Estate Risk", and "Foreign Currency Risk" above.

OCI sensitivities are impacted by changes in the market value of assets classified as FVOCI. The market value of FVOCI fixed income assets, which are held primarily backing surplus, investment contracts and CSM liabilities, increases with lower interest rates or a narrowing of spreads, and decreases with higher interest rates or widening of spreads.

⁽¹⁾ Net income in section I - Risk Management in this document refers to common shareholders' net income.

As these market risk sensitivities reflect an instantaneous impact on net income, CSM, OCI and SLF Inc.'s LICAT ratio, they do not include impacts over time such as the effect on fee income in our asset management businesses.

Refer to Additional Cautionary Language and Key Assumptions Related to Sensitivities in this section for important additional information regarding these estimates.

1. Private and Public Equity Market Sensitivities

The following table sets out the estimated immediate impact on, or sensitivity of, our net income, CSM, OCI and SLF Inc.'s LICAT ratio to certain instantaneous changes in public or private equity market prices as at March 31, 2026 and December 31, 2025. The sensitivities shown outline the impact of the same percentage increase or decrease applied to each of private equity and public equity.

(\$ millions, unless otherwise noted) As at March 31, 2026

Change in Private and Public Equity Markets ⁽¹⁾⁽²⁾⁽³⁾	25% decrease	10% decrease	10% increase	25% increase
Potential impact on net income (after-tax)				
– Private equity	(350)	(150)	150	350
– Public equity	(250)	(100)	100	275
Potential impact on CSM (pre-tax)	(875)	(350)	325	825
Potential impact on OCI ⁽⁴⁾	–	–	–	–
Potential impact on LICAT ratio ⁽⁵⁾	1.5% point decrease	0.5% point decrease	0.5% point increase	1.0% point increase

(\$ millions, unless otherwise noted) As at December 31, 2025

Change in Private and Public Equity Markets ⁽¹⁾⁽²⁾⁽³⁾	25% decrease	10% decrease	10% increase	25% increase
Potential impact on net income (after-tax)				
– Private equity	(325)	(125)	125	325
– Public equity	(225)	(100)	100	250
Potential impact on CSM (pre-tax)	(900)	(350)	325	825
Potential impact on OCI ⁽⁴⁾	–	–	–	–
Potential impact on LICAT ratio ⁽⁵⁾	1.0% point decrease	0.5% point decrease	0.5% point increase	0.5% point increase

⁽¹⁾ Represents the respective change across all equity exposures as at March 31, 2026 and December 31, 2025. Due to the impact of active management, basis risk, and other factors, realized sensitivities may differ meaningfully from expectations. Sensitivities include the impact of re-balancing equity hedges for hedging programs at 2% intervals (for 10% changes in equity markets) and at 5% intervals (for 25% changes in equity markets).

⁽²⁾ The market risk sensitivities include the estimated impact of our hedging programs in effect as at March 31, 2026 and December 31, 2025, and include new business added and product changes implemented prior to such dates.

⁽³⁾ Net income, CSM, and OCI sensitivities have been rounded in increments of \$25 million. The sensitivities exclude the market impacts on the income from our joint ventures in China and India.

⁽⁴⁾ The market risk OCI sensitivities exclude the impact of changes in the defined benefit obligations and plan assets.

⁽⁵⁾ The LICAT sensitivities illustrate the impact on SLF Inc. as at March 31, 2026 and December 31, 2025. LICAT ratios are rounded in increments of 0.5%.

2. Interest Rate Sensitivities

The following table sets out the estimated immediate impact on, or sensitivity of, our net income, CSM, OCI and SLF Inc.'s LICAT ratio to certain instantaneous changes in interest rates as at March 31, 2026 and December 31, 2025.

(\$ millions, unless otherwise noted)	As at March 31, 2026		As at December 31, 2025	
	50 basis point decrease	50 basis point increase	50 basis point decrease	50 basis point increase
Change in Interest Rates⁽¹⁾⁽²⁾⁽³⁾				
Potential impact on net income (after-tax)	25	(25)	—	(25)
Potential impact on CSM (pre-tax)	200	(200)	175	(200)
Potential impact on OCI ⁽⁴⁾	200	(200)	200	(200)
Potential impact on LICAT ratio ⁽⁵⁾	3.0% point increase	2.5% point decrease	3.0% point increase	3.0% point decrease

(1) Interest rate sensitivities assume a parallel shift in assumed interest rates across the entire yield curve as at March 31, 2026 and December 31, 2025 with no change to the ultimate risk-free rate. Variations in realized yields based on factors such as different terms to maturity and geographies may result in realized sensitivities being significantly different from those illustrated above. Sensitivities include the impact of re-balancing interest rate hedges for hedging programs at 10 basis point intervals (for 50 basis point changes in interest rates).

(2) The market risk sensitivities include the estimated impact of our hedging programs in effect as at March 31, 2026 and December 31, 2025, and include new business added and product changes implemented prior to such dates.

(3) Net income, CSM, and OCI sensitivities have been rounded in increments of \$25 million. The sensitivities exclude the market impacts on the income from our joint ventures in China and India.

(4) The market risk OCI sensitivities exclude the impact of changes in the defined benefit obligations and plan assets.

(5) The LICAT sensitivities illustrate the impact on SLF Inc. as at March 31, 2026 and December 31, 2025. The sensitivities reflect the worst scenario as at March 31, 2026 and assume that a scenario switch does not occur in the quarter. LICAT ratios are rounded in increments of 0.5%.

The above sensitivities were determined using a 50 basis point change in interest rates and 10% and 25% changes in our equity markets because we believe that these market shocks were reasonably possible as at March 31, 2026. Significant changes in market variables may result in non-proportional impacts on our sensitivities.

3. Credit Spread and Swap Spread Sensitivities

The following tables set out the estimated immediate impact on, or sensitivity of, our net income, CSM, OCI and SLF Inc.'s LICAT ratio to certain instantaneous changes in credit spreads and our net income, CSM, and OCI to certain changes in swap spreads as at March 31, 2026 and December 31, 2025.

(\$ millions, unless otherwise noted)	As at March 31, 2026		As at December 31, 2025	
	50 basis point decrease	50 basis point increase	50 basis point decrease	50 basis point increase
Change in Credit Spreads⁽¹⁾⁽²⁾				
Potential impact on net income (after-tax)	100	—	125	(25)
Potential impact on CSM (pre-tax)	75	(125)	100	(125)
Potential impact on OCI ⁽³⁾	200	(175)	200	(175)
Potential impact on LICAT ratio ⁽⁴⁾	2.0% point increase	2.0% point decrease	2.5% point increase	2.5% point decrease

(1) The credit spread sensitivities assume a parallel shift in the indicated spreads across the entire term structure with no change to the ultimate liquidity premium. The sensitivities reflect a floor of zero on credit spreads where the spreads are not currently negative. Variations in realized spread changes based on different terms to maturity, geographies, asset classes and derivative types, underlying interest rate movements, and ratings may result in realized sensitivities being significantly different from those provided above.

(2) Net income, CSM, and OCI sensitivities have been rounded in increments of \$25 million. The sensitivities exclude the market impacts on the income from our joint ventures in China and India.

(3) The market risk OCI sensitivities exclude the impact of changes in the defined benefit obligations and plan assets.

(4) The LICAT sensitivities illustrate the impact on SLF Inc. as at March 31, 2026 and December 31, 2025. The sensitivities reflect the worst scenario as at March 31, 2026 and assume that a scenario switch does not occur in the quarter. LICAT ratios are rounded in increments of 0.5%.

(\$ millions, unless otherwise noted)	As at March 31, 2026		As at December 31, 2025	
	20 basis point decrease	20 basis point increase	20 basis point decrease	20 basis point increase
Change in Swap Spreads⁽¹⁾⁽²⁾				
Potential impact on net income (after-tax)	—	—	—	—
Potential impact on CSM (pre-tax)	—	—	—	—
Potential impact on OCI	—	—	—	—

(1) The swap spread sensitivities assume a parallel shift in the indicated spreads across the entire term structure. Variations in realized spread changes based on different terms to maturity, geographies, asset classes and derivative types, underlying interest rate movements, and ratings may result in realized sensitivities being significantly different from those provided above.

(2) Net income, CSM, and OCI sensitivities have been rounded in increments of \$25 million. The sensitivities exclude the market impacts on the income from our joint ventures in China and India.

4. Real Estate Sensitivities

The following table sets out the estimated immediate impact on, or sensitivity of, our net income, OCI and CSM to certain instantaneous changes in the value of our real estate investments as at March 31, 2026 and December 31, 2025.

(\$ millions, unless otherwise noted)	As at March 31, 2026		As at December 31, 2025	
	10% decrease	10% increase	10% decrease	10% increase
Change in Real Estate Values⁽¹⁾				
Potential impact on net income (after-tax)	(450)	450	(475)	475
Potential impact on CSM (pre-tax)	(100)	100	(100)	100

⁽¹⁾ Net income, CSM, and OCI sensitivities have been rounded in increments of \$25 million. The sensitivities exclude the market impacts on the income from our joint ventures in China and India.

LICAT Interest Rate Scenario Switch

The LICAT interest rate risk is assessed under four different interest rate scenarios, and the scenario leading to the highest capital requirement is chosen as the worst scenario for each geographic region as defined by the LICAT guideline. Changes and interaction between the level and term movements in interest rates and spreads can shift the interest rate scenario applied in the LICAT calculation causing a discontinuity where capital requirements change materially. In 2020, OSFI updated the LICAT guideline for interest rate risk requirements for participating businesses to be smoothed over six quarters. As a result, the actual impact to the LICAT ratio from participating businesses in any quarter will reflect the scenarios from current quarter as well as the prior five quarters, with any switching between scenarios having the effect of offsetting the previous impacts over time. It should be noted that switching of the scenario can also change the direction of our sensitivities.

For SLF Inc., assuming no further scenario switches, no additional LICAT ratio impact is expected over the next five quarters on a rounded basis.

For Sun Life Assurance, assuming no further scenario switches, there is an additional one percentage point increase to the LICAT ratio impact expected over the next five quarters on a rounded basis.

5. Additional Cautionary Language and Key Assumptions Related to Sensitivities

Our market risk sensitivities are measures of our estimated change in net income, OCI, CSM and LICAT ratio for changes in market risk variables described above, based on market risk variables and business in force as at the reporting date. These sensitivities are calculated independently for each risk factor, generally assuming that all other risk variables stay constant. The sensitivities do not take into account indirect effects such as potential impacts on goodwill impairment or valuation allowances on deferred tax assets.

We have provided measures of our net income sensitivity to instantaneous changes in equity markets, interest rates, credit spreads, swap spreads, real estate price levels, and capital sensitivities to changes in equity price levels, interest rates and credit spreads. The LICAT ratio and CSM sensitivities are non-IFRS financial measures, and for additional information, see section N - Non-IFRS Financial Measures in this document. The cautionary language which appears in this section is applicable to all net income, CSM, OCI and LICAT ratio sensitivities.

Actual results can differ materially from these estimates for a variety of reasons, including differences in the pattern or distribution of the market shocks, the interaction between these risk factors, model error, or changes in other assumptions such as business mix, effective tax rates, policyholder behaviour, currency exchange rates and other market variables relative to those underlying the calculation of these sensitivities. The extent to which actual results may differ from the indicative ranges will generally increase with larger movements in risk variables. Our sensitivities as at December 31, 2025 have been included for comparative purposes only.

Sensitivities to interest rates and spreads assume a parallel shift in assumed interest rates across the entire yield curve or a parallel shift in the indicated spreads across the entire term structure, with no change to the ultimate risk-free rate or ultimate liquidity premium. Realized sensitivities may be significantly different from those illustrated based on factors such as different terms to maturity, geographies, asset classes and derivative types, and ratings.

The sensitivities reflect the composition of our assets and liabilities as at March 31, 2026 and December 31, 2025, respectively. Changes in these positions due to new sales or maturities, asset purchases/sales, or other management actions could result in material changes to these reported sensitivities. In particular, these sensitivities reflect the expected impact of hedging activities based on the hedging programs in place as at the respective calculation dates. The actual impact of hedging activity can differ materially from that assumed in the estimated sensitivities due to ongoing hedge re-balancing activities, changes in the scale or scope of hedging activities, changes in the cost or general availability of hedging instruments, basis risk (i.e., the risk that hedges do not exactly replicate the underlying portfolio experience), model risk, and other operational risks in the ongoing management of the hedge programs or the potential failure of hedge counterparties to perform in accordance with expectations.

The sensitivities are based on methods and assumptions in effect as at March 31, 2026 and December 31, 2025, as applicable. Changes in the regulatory environment, assumptions or methods used to measure assets and liabilities after those dates could result in material changes to the estimated sensitivities. Changes in market risk variables in excess of the changes illustrated may result in other than proportionate impacts.

The sensitivities reflect the CSM as at March 31, 2026 and December 31, 2025. For insurance contracts measured using the VFA, where the change in the effect of the time value of money and financial risk not arising from the underlying items adjusts the CSM, changes in the CSM balance will affect the sensitivity of income to changes in market risk variables.

Our LICAT sensitivities may be non-linear and can change due to the interrelationship between market rates and spreads, actuarial assumptions and our LICAT calculations.

For the reasons outlined above, our sensitivities should only be viewed as indicative estimates of the underlying sensitivities of each factor under these specialized assumptions, and should not be viewed as predictors of our future income, OCI, CSM or capital. Given the nature of these calculations, we cannot provide assurance that actual impacts will be consistent with the estimates provided.

Information related to market risk sensitivities should be read in conjunction with the information contained in section N - Accounting and Control Matters - 1 - Critical Accounting Policies and Estimates in the 2025 Annual MD&A. Additional information on market risk can be found in Note 6 of the 2025 Annual Consolidated Financial Statements and the Risk Factors section in the 2025 AIF.

J. Additional Financial Disclosure

1. Revenue

(\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Insurance revenue			
Annuities	653	655	619
Life insurance	1,501	1,511	1,420
Health insurance	3,989	3,840	3,979
Total insurance revenue	6,143	6,006	6,018
Net Investment income (loss)	333	498	3,093
Fee income	2,319	2,425	2,240
Total revenue	8,795	8,929	11,351

Total revenue decreased \$2.6 billion compared to the prior year, primarily driven by lower net investment income from fair value changes of invested assets. Foreign exchange translation led to a \$252 million decrease in revenue. By business group, total revenue reflected lower net investment income from fair value changes of invested assets in Canada, Asia, the U.S., and Sun Life Asset Management.

2. Changes in the Statements of Financial Position and in Shareholders' Equity

Total general fund assets were \$232.0 billion as at March 31, 2026 (December 31, 2025 - \$231.9 billion), as business growth and favourable impacts from foreign exchange translation were mostly offset by a decline in net fair value from changes in interest rates and credit spreads.

The net liabilities balance for insurance contracts issued⁽¹⁾ was \$158.0 billion as at March 31, 2026 (December 31, 2025 - \$155.6 billion), primarily driven by cash flows and foreign currency translation, partially offset by insurance service result.

Total shareholders' equity, including preferred shares and other equity instruments, is \$25.0 billion as at March 31, 2026 (December 31, 2025 - \$24.5 billion). The change in total shareholders' equity included:

- (i) total shareholders' net income of \$485 million, before preferred share dividends of \$20 million;
- (ii) an increase of \$437 million from the net impact of initial subscription to the SLC Management Equity Plan during Q1'26⁽²⁾; and
- (iii) favourable impacts from foreign exchange translation of \$200 million included in OCI; partially offset by
- (iv) common share dividend payments of \$510 million;
- (v) a decrease of \$104 million from the impact of the acquisition of the remaining equity interests in SLC Management affiliates⁽²⁾; and
- (vi) net unrealized losses on FVOCI assets of \$89 million.

As at April 24, 2026, SLF Inc. had 554,083,990 common shares, 3,141,363 options to acquire SLF Inc. common shares, and 52,200,000 Class A Shares outstanding.

⁽¹⁾ For more information about the changes in the net insurance contract liabilities, refer to Note 8 of the Interim Consolidated Financial Statements for the period ended March 31, 2026.

⁽²⁾ For additional details see the "Other Transactions" heading in Section F - Financial Strength in this document.

3. Cash Flows

(\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Net cash and cash equivalents, beginning of period	9,599	8,753	9,954
Cash flows provided by (used in):			
Operating activities	2,175	1,201	(382)
Investing activities	(90)	(144)	(80)
Financing activities	(3,012)	(120)	(1,642)
Changes due to fluctuations in exchange rates	38	(91)	19
Increase (decrease) in cash and cash equivalents	(889)	846	(2,085)
Net cash and cash equivalents, end of period	8,710	9,599	7,869
Short-term securities, end of period	4,393	5,156	3,608
Net cash, cash equivalents and short-term securities, end of period	13,103	14,755	11,477

Our operating activities generate cash flows which include net premiums, net investment income, fee income, and the sale and maturity of investments. They are the principal source of funds to pay for policyholder claims and benefits, commissions, operating expenses, and the purchase of investments. Cash flows used in investing activities primarily include transactions related to associates, joint ventures and acquisitions. Cash flows provided by and used in financing activities largely reflect capital transactions including payments of dividends, the issuance and repurchase of shares, as well as the issuance and retirement of debt instruments and preferred shares.

Q1'26 cash flows used in financing activities were higher year-over-year primarily driven by the settlement of our obligation to purchase outstanding shares from BGO and Crescent, affiliates of SLC Management.

4. Quarterly Financial Results

The following table provides a summary of our results for the eight most recently completed quarters. A more complete discussion of our historical quarterly results can be found in our Interim and Annual MD&A for the relevant periods.

(\$ millions, unless otherwise noted)	Quarterly results							
	Q1'26	Q4'25	Q3'25	Q2'25	Q1'25	Q4'24	Q3'24	Q2'24
Total revenue	8,795	8,929	12,421	9,199	11,351	7,509	15,333	8,916
Common shareholders' net income (loss)								
Underlying net income ⁽¹⁾	1,050	1,094	1,047	1,015	1,045	965	1,016	1,000
Add: Market-related impacts	(220)	(179)	(14)	(166)	(22)	(179)	29	(153)
Assumption changes and management actions	4	(31)	(13)	3	(4)	11	36	16
Other adjustments	(369)	(162)	86	(136)	(91)	(560)	267	(217)
Reported net income - Common shareholder	465	722	1,106	716	928	237	1,348	646
Diluted EPS (\$)								
Underlying ⁽¹⁾	1.89	1.96	1.86	1.79	1.82	1.68	1.76	1.72
Reported	0.84	1.29	1.97	1.26	1.62	0.41	2.33	1.11
Basic reported EPS (\$)								
Reported	0.84	1.30	1.97	1.27	1.62	0.41	2.33	1.11
Underlying net income (loss) by business group⁽¹⁾								
Sun Life Asset Management	363	424	387	347	390	403	381	347
Canada	370	376	397	347	346	335	350	371
U.S.	218	210	147	195	218	161	219	204
Asia	216	191	211	188	185	158	153	165
Corporate	(117)	(107)	(95)	(62)	(94)	(92)	(87)	(87)
Total underlying net income (loss) ⁽¹⁾	1,050	1,094	1,047	1,015	1,045	965	1,016	1,000
Add: Market-related impacts (pre-tax)	(247)	(210)	(26)	(187)	(28)	(221)	(12)	(169)
Assumption changes and management actions (pre-tax)	5	(35)	(18)	4	(5)	13	63	18
Other adjustments (pre-tax)	(549)	(149)	67	(181)	(113)	(378)	246	(254)
Tax expense (benefit) on above items	206	22	36	65	29	(142)	35	51
Reported net income (loss) by business group - Common shareholders								
Sun Life Asset Management	174	341	363	297	369	326	642	289
Canada	87	297	378	302	317	266	395	288
U.S.	151	133	98	103	186	(7)	339	127
Asia	183	115	359	80	154	(7)	16	135
Corporate	(130)	(164)	(92)	(66)	(98)	(341)	(44)	(193)
Total reported net income (loss) - Common shareholders	465	722	1,106	716	928	237	1,348	646

⁽¹⁾ Represents a non-IFRS financial measure. For more details, see section N - Non-IFRS Financial Measures in this document.

Effective January 1, 2026, we updated our underlying net income reporting view to remove business types and report on underlying net income by business group and business units, where applicable. The following commentary provides a summary of our results for the seven previously completed quarters reporting underlying net income by business type, as published in the respective period MD&A. For additional information on Sun Life's business types, refer to Section A – How We Report Our Results in the 2025 Annual MD&A.

Fourth Quarter 2025

Underlying net income of \$1,094 million increased \$129 million or 13% from prior year, driven by:

- **Asset management & wealth** up \$48 million: Improved credit experience and fee income in Canada wealth, higher fee income, net of expenses, in MFS, and higher fee-related earnings, offset by lower net seed investment income, in SLC Management.
- **Group - Health & Protection** up \$42 million: Improved U.S. medical stop-loss morbidity experience and business growth in Canada, partially offset by higher distribution costs in U.S. Group Benefits.
- **Individual - Protection** up \$52 million: Business growth, favourable mortality experience and higher investment earnings in Asia, and favourable mortality experience in the U.S., partially offset by lower contributions from joint ventures in Asia.
- **Corporate expenses & other** \$(13) million increase in net loss reflecting higher financing costs supporting the acquisition of our remaining interests in SLC Management affiliates.

Reported net income of \$722 million increased \$485 million or 205% from prior year, driven by changes in tax-exempt investment income primarily in Corporate reflecting higher losses in the prior year, the increase in underlying net income; and the prior year impacts from an impairment charge of \$186 million on an intangible asset related to bancassurance in Vietnam and a provision in U.S. Dental; partially offset by unfavourable ACMA impacts. Market-related impacts were in line with the prior year as favourable equity market impacts and improved real estate experience were offset by unfavourable other market-related and interest rate impacts.

Third Quarter 2025

Underlying net income of \$1,047 million increased \$31 million or 3%, driven by:

- **Asset management & wealth** up \$26 million: Improved credit experience and higher fee income from higher AUM in Canada, and higher net seed investment income in SLC Management.
- **Group - Health & Protection** down \$61 million: Unfavourable insurance experience across Group Benefits and Dental in the U.S., partially offset by business growth and favourable insurance experience in Canada.
- **Individual - Protection** up \$72 million: Business growth and favourable mortality experience in Asia, higher contributions from our India joint venture, and higher investment earnings in Canada.
- **Corporate expenses & other** \$(6) million increase in net loss reflecting timing of strategic investment spend.

Reported net income of \$1,106 million decreased \$242 million or 18% from prior year, driven by the prior year decrease in SLC Management's estimated acquisition-related liabilities, unfavourable ACMA impacts and market-related impacts reflecting unfavourable other market-related impacts, primarily from Asia, and real estate experience, partially offset by favourable interest rate impacts, partially offset by a gain from increased ownership interest in Bowtie and the increase in underlying net income.

Second Quarter 2025

Underlying net income of \$1,015 million increased \$15 million or 2%, driven by:

- **Asset management & wealth** was in line with the prior year as higher fee-related earnings in SLC Management reflecting strong capital raising, and higher fee income in Asia from higher AUM, was offset by lower fee income in MFS from lower ANA, and lower investment contributions from lower yields.
- **Group - Health & Protection** up \$21 million: Improved U.S. Dental results primarily reflecting Medicaid repricing, higher fee income and management actions, and favourable mortality experience in Canada.
- **Individual - Protection** down \$33 million: Higher expenses in Asia primarily reflecting continued investments in the business, and unfavourable mortality experience in Canada and the U.S., partially offset by business growth in Asia.
- **Corporate expenses & other** \$27 million decrease in net loss primarily driven by timing of strategic investment spend, and lower incentive compensation.

Reported net income of \$716 million increased \$70 million or 11% from prior year, driven by a prior year restructuring charge of \$108 million in Corporate and the increase in underlying net income partially offset by an impairment charge of \$61 million on a customer relationship intangible asset from the early termination of a U.S. group dental contract and unfavourable other market-related impacts driven across Asia and Canada, partially offset by favourable interest rate impacts primarily from non-parallel curve changes in Canada, and improved real estate experience.

First Quarter 2025

Underlying net income of \$1,045 million increased \$170 million or 19% from prior year, driven by:

- **Asset management & wealth** up \$79 million: Higher fee-related earnings from catch-up fees and strong performance of net seed investment income in SLC Management, and higher fee income in Canada and Asia.
- **Group - Health & Protection** up \$50 million: Business growth and favourable protection experience in Canada primarily from morbidity and mortality experience, and higher U.S. Dental results, partially offset by moderately unfavourable morbidity experience in U.S. medical stop-loss.
- **Individual - Protection** up \$55 million: Business growth and higher contributions from joint ventures in Asia, and improved protection experience in Canada largely from mortality experience.
- **Corporate expenses & other** \$(14) million increase in net loss primarily reflecting lower investment income from surplus assets.

Reported net income of \$928 million increased \$110 million or 13% from prior year, driven by the increase in underlying net income, market-related impacts primarily reflecting improved real estate experience and favourable interest rate impacts partially offset by unfavourable equity market impacts, and fair value changes in MFS shares owned by management, partially offset by prior year gains on partial sale of ABSLAMC and the early termination of a distribution agreement in Asset Management.

Fourth Quarter 2024

Underlying net income of \$965 million decreased \$18 million or 2%, driven by:

- **Asset management & wealth** up \$47 million: Higher fee income in Asset Management, Canada, and Asia, partially offset by lower net investment results in Canada.
- **Group - Health & Protection** down \$99 million: Unfavourable morbidity experience in U.S. medical stop-loss and less favourable morbidity experience in Canada, partially offset by business growth in Canada.
- **Individual - Protection** up \$55 million: Improved protection experience in Asia and Canada and higher contributions from joint ventures in Asia.
- **Corporate expenses & other** \$(21) million increase in net loss primarily reflecting higher expenses largely from continued investments in our Asia businesses and incentive compensation in Asia.

Reported net income of \$237 million decreased \$512 million or 68%, driven by lower tax-exempt investment income of \$234 million in Corporate, 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, and a non-recurring provision in U.S. Dental, partially offset by market-related impacts primarily reflecting improved real estate experience.

Third Quarter 2024

Underlying net income of \$1,016 million increased \$86 million or 9%, driven by:

- **Asset management & wealth** up \$17 million: Higher fee income in Asset Management, Asia, and Canada, partially offset by unfavourable credit experience in Canada.
- **Group - Health & Protection** up \$60 million: Strong business growth in U.S. Group Benefits and Canada, higher fee-based income in Canada, and improved group life mortality experience in the U.S., partially offset by lower U.S. Dental results.
- **Individual - Protection** up \$9 million: Business growth in Asia and Canada partially offset by unfavourable mortality experience in Asia.
- **Corporate expenses & other** were in line with prior year.

Reported net income of \$1,348 million increased \$477 million or 55%, driven by a decrease in SLC Management's estimated acquisition-related liabilities and the increase in underlying net income. Favourable equity market impacts and improved real estate experience were offset by interest rate impacts.

Second Quarter 2024

Underlying net income of \$1,000 million increased \$80 million or 9%, driven by:

- **Asset management & wealth** up \$36 million: Higher fee income in Asset Management, Canada, and Asia, partially offset by higher expenses in Asset Management.
- **Group - Health & Protection** down \$55 million: Lower results in U.S. Dental primarily reflecting the impact of Medicaid redeterminations and related claims following the end of the Public Health Emergency, less favourable morbidity experience in Canada, and unfavourable morbidity experience in U.S. medical stop-loss, partially offset by strong business growth in U.S. Group Benefits and Canada.
- **Individual - Protection** up \$82 million: Business growth in Asia and Canada, and favourable mortality experience in Canada and the U.S.
- **Corporate expenses & other** \$17 million decrease in net loss driven by lower operating expenses and financing costs.

Reported net income of \$646 million decreased \$14 million or 2%. Financial discipline remains core to our Client Impact Strategy and business. In Q2'24, we recorded a restructuring charge of \$138 million (post-tax \$108 million) reflecting actions taken to improve productivity and drive earnings growth at the higher-end of our Medium-Term Financial Objectives. We expect these actions to result in annual savings of approximately \$200 million (pre-tax) by 2026. The restructuring charge is offset by the increase in underlying net income; and market-related impacts primarily reflecting interest rates and real estate investments.

K. Legal and Regulatory Proceedings

Information concerning legal and regulatory matters is provided in our Annual Consolidated Financial Statements, our annual MD&A and the AIF, in each case for the year ended December 31, 2025, and in our Interim Consolidated Financial Statements for the period ended March 31, 2026.

L. Changes in Accounting Policies

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, clarifying derecognition timing for financial liabilities and allowing early derecognition via electronic payments when certain conditions are met. We have adopted this early derecognition policy. The amendments also clarify how to assess contractual cash flow features linked to ESG or similar contingent factors, and introduce new disclosure requirements for such instruments. These changes, effective January 1, 2026, are applied retrospectively without restating prior periods and did not have a material impact on our Consolidated Financial Statements.

M. Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of its financial statements in accordance with IFRS.

There were no changes to the Company's internal control over financial reporting during the three months ended March 31, 2026 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

N. 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)

Statement of Operations	Q1'26					
	Underlying DOE ⁽¹⁾	Non-underlying adjustments ⁽¹⁾	Common Shareholders' Reported DOE ⁽²⁾⁽³⁾	Adjustment for:		Reported (per IFRS)
				Par ⁽²⁾	Net ⁽³⁾	
Net insurance service result	816	(70)	746	96	5	847
Net investment result	485	(287)	198	3	97	298
Assumption changes and management actions ⁽³⁾		5	5	—	(5)	
Fee income:						
Asset management	421	(296)	125		(125)	
Other fee income	104	—	104	(6)	2,221	2,319
Fee income						2,319
Other expenses	(492)	(146)	(638)	—	(2,194)	(2,832)
Income before taxes	1,334	(794)	540	93	(1)	632
Income tax (expense) benefit	(266)	206	(60)	(42)	(1)	(103)
Total net income	1,068	(588)	480	51	(2)	529
Allocated to Participating and NCI ⁽⁴⁾	2	3	5	(51)	2	(44)
Dividends and Distributions ⁽⁵⁾	(20)		(20)	—	—	(20)
Underlying net income⁽¹⁾	1,050					
Reported net income - Common shareholders		(585)	465	—	—	465

(\$ millions)

Statement of Operations	Q4'25					
	Underlying DOE ⁽¹⁾	Non-underlying adjustments ⁽¹⁾	Common Shareholders' Reported DOE ⁽²⁾⁽³⁾	Adjustment for:		Reported (per IFRS)
				Par ⁽²⁾	Net ⁽³⁾	
Net insurance service result	859	(28)	831	82	(9)	904
Net investment result	429	(189)	240	7	45	292
Assumption changes and management actions ⁽³⁾		(35)	(35)	—	35	
Fee income:						
Asset management	527	(78)	449		(449)	
Other fee income	114	—	114	(7)	2,318	2,425
Fee income						2,425
Other expenses	(485)	(71)	(556)	—	(1,939)	(2,495)
Income before taxes	1,444	(401)	1,043	82	1	1,126
Income tax (expense) benefit	(307)	22	(285)	(31)	—	(316)
Total net income	1,137	(379)	758	51	1	810
Allocated to Participating and NCI ⁽⁴⁾	(23)	7	(16)	(51)	(1)	(68)
Dividends and Distributions ⁽⁵⁾	(20)		(20)	—	—	(20)
Underlying net income⁽¹⁾	1,094					
Reported net income - Common shareholders		(372)	722	—	—	722

⁽¹⁾ 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.

⁽²⁾ Removes the components attributable to the participating policyholders.

⁽³⁾ Certain amounts within the Drivers of Earnings 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, the Interim Consolidated Financial Statements for the period ended March 31, 2026 (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.

⁽⁴⁾ Allocated to equity in the participating account and attributable to non-controlling interests ("NCI").

⁽⁵⁾ Dividends on preferred shares and distributions on other equity instruments.

(\$ millions)

Q1'25

Statement of Operations	Underlying DOE ⁽¹⁾	Non-underlying adjustments ⁽¹⁾	Common Shareholders' Reported DOE ⁽²⁾⁽³⁾	Adjustment for:		Reported (per IFRS)
				Par ⁽²⁾	Net ⁽³⁾	
Net insurance service result	837	—	837	72	1	910
Net investment result	422	(22)	400	9	75	484
Assumption changes and management actions ⁽³⁾		(5)	(5)	—	5	
Fee income:						
Asset management	483	(38)	445		(445)	
Other fee income	80	—	80	(5)	2,165	2,240
Fee income						2,240
Other expenses	(494)	(88)	(582)	—	(1,803)	(2,385)
Income before taxes	1,328	(153)	1,175	76	(2)	1,249
Income tax (expense) benefit	(248)	29	(219)	(23)	—	(242)
Total net income	1,080	(124)	956	53	(2)	1,007
Allocated to Participating and NCI ⁽⁴⁾	(15)	7	(8)	(53)	2	(59)
Dividends and Distributions ⁽⁵⁾	(20)		(20)	—	—	(20)
Underlying net income⁽¹⁾	1,045					
Reported net income - Common shareholders		(117)	928	—	—	928

Refer to the footnotes on the previous page.

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 – expense and income related to acquisition or disposal of a business, including restructuring activities, and integration-related management equity plan expenses in SLC Management⁽⁵⁾.
 - 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 14 of our Interim Consolidated Financial Statements for the period ended March 31, 2026. For additional information about the SLEECs, please refer to Note 12 of our 2025 Annual Consolidated Financial Statements.

⁽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 balances are isolated in Other within Other adjustments.

⁽⁵⁾ Effective Q1'26, we refined the description of acquisition, integration, and restructuring to reflect the SLC Management Equity Plan.

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)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Underlying net income	1,050	1,094	1,045
Market-related impacts			
Equity market impacts	(53)	5	(48)
Interest rate impacts ⁽¹⁾	(120)	(126)	57
Impacts of changes in the fair value of investment properties (real estate experience)	(47)	(58)	(31)
Add: Market-related impacts	(220)	(179)	(22)
Add: Assumption changes and management actions	4	(31)	(4)
Other adjustments			
MFS shares owned by management	2	1	5
Acquisition, integration and restructuring ⁽²⁾⁽³⁾⁽⁴⁾	(183)	(63)	(54)
Intangible asset amortization	(43)	(40)	(39)
Other ⁽⁵⁾⁽⁶⁾⁽⁷⁾	(145)	(60)	(3)
Add: Total of other adjustments	(369)	(162)	(91)
Reported net income - Common shareholders	465	722	928
Underlying EPS (diluted) (\$)	1.89	1.96	1.82
Add: Market-related impacts (\$)	(0.40)	(0.32)	(0.04)
Assumption changes and management actions (\$)	0.01	(0.06)	(0.01)
MFS shares owned by management (\$)	—	—	0.01
Acquisition, integration and restructuring (\$)	(0.33)	(0.11)	(0.09)
Intangible asset amortization (\$)	(0.08)	(0.07)	(0.07)
Other (\$)	(0.26)	(0.11)	(0.01)
Impact of convertible securities on diluted EPS (\$)	0.01	—	0.01
Reported EPS (diluted) (\$)	0.84	1.29	1.62

⁽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, which include the unwinding of the discount for Other financial liabilities of \$nil in Q1'26 (Q4'25 - \$15 million, Q1'25- \$14 million). Amounts for Q4'25 and Q1'25 include the unwinding of the discount for Other financial liabilities for BentallGreenOak, Crescent Capital Group LP, and Advisors Asset Management, Inc.

⁽³⁾ Q1'26 includes a \$165 million charge from the acquisition of remaining equity interests in SLC Management affiliates. For additional details see the "Other Transactions" heading in Section F - Financial Strength in this document.

⁽⁴⁾ Includes acquisition, integration and restructuring costs associated with DentaQuest, acquired on June 1, 2022.

⁽⁵⁾ Q1'26 includes a \$145 million charge reflecting the proposed settlement of a legal matter in Canada. For additional details see the "Other Transactions" heading in Section F - Financial Strength in this document.

⁽⁶⁾ Includes lower than expected tax-exempt investment income of \$49 million in Q4'25.

⁽⁷⁾ Includes a tax impact in MFS in Q4'25 from changes to U.S. tax legislation. For more details, see section D - Profitability in the 2025 Annual MD&A.

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

(\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Underlying net income (after-tax)	1,050	1,094	1,045
Underlying net income adjustments (pre-tax):			
Add: Market-related impacts	(247)	(210)	(28)
Assumption changes and management actions ⁽¹⁾	5	(35)	(5)
Other adjustments	(549)	(149)	(113)
Total underlying net income adjustments (pre-tax)	(791)	(394)	(146)
Add: Taxes related to underlying net income adjustments	206	22	29
Reported net income - Common shareholders (after-tax)	465	722	928

⁽¹⁾ In this document, the reported net income impact of ACMA excludes amounts attributable to participating policyholders and includes non-liability impacts. In contrast, the Interim Consolidated Financial Statements for the period ended March 31, 2026 (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 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 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 and other 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 March 31, 2026	As at December 31, 2025
Cash and other liquid assets (held at SLF Inc. and its wholly owned holding companies):		
Cash, cash equivalents & short-term securities	930	1,859
Debt securities ⁽¹⁾	396	537
Equity securities ⁽²⁾	—	—
Sub-total	1,326	2,396
Less: Loans related to acquisitions and short-term loans ⁽³⁾ (held at SLF Inc. and its wholly owned holding companies)	—	—
Cash and other liquid assets (held at SLF Inc. and its wholly owned holding companies)	1,326	2,396

⁽¹⁾ Includes publicly traded bonds.

⁽²⁾ Includes exchange traded fund ("ETF") Investments.

⁽³⁾ 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 Sun Life 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.

SLC Management (US\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Fee income (per IFRS)	364	400	330
Less: Non-fee-related revenue adjustments ⁽¹⁾⁽²⁾	141	161	77
Fee-related revenue	223	239	253
Total expenses (per IFRS)	564	392	316
Less: Non-fee-related expense adjustments ⁽²⁾⁽³⁾	393	224	132
Fee-related expenses	171	168	184
Fee-related earnings	52	71	69
Add: Investment income (loss) and performance fees ⁽⁴⁾	16	91	36
Add: Interest and other ⁽⁵⁾	(14)	(81)	(13)
Operating income	54	81	92

⁽¹⁾ Includes Interest and other - fee income, Fee income of consolidated funds, and Other - fee income.

⁽²⁾ We have reclassified certain income and expense balances to provide more accurate metrics on our fee-related business.

⁽³⁾ Includes Interest and other, Placement fees - other, Acquisition, integration and restructuring, Expense of consolidated funds and Other - expenses.

⁽⁴⁾ 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):

(US\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Net investment income (loss) (per IFRS)	26	14	41
Less: Market-related impacts and Other - Investment income (loss)	8	(1)	5
Add: Investment income (loss) and performance fees - fee income	(2)	76	—
Investment income (loss) and performance fees	16	91	36

⁽⁵⁾ 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:

MFS (US\$ millions)	Quarterly results		
	Q1'26	Q4'25	Q1'25
Revenue			
Fee income (per IFRS)	852	877	818
Less: Commissions	94	99	95
Less: Other ⁽¹⁾	(15)	(14)	(15)
Adjusted revenue	773	792	738
Expenses			
Expenses (per IFRS)	602	592	581
Net investment (income)/loss (per IFRS)	(16)	(17)	(16)
Less: MFS shares owned by management (net of NCI) ⁽²⁾	6	8	4
Compensation-related equity plan adjustments	9	10	6
Commissions	94	99	95
Other ⁽¹⁾	(17)	(17)	(17)
Adjusted expenses	494	475	477
Pre-tax net operating margin	36.0%	40.0%	35.4%

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

⁽²⁾ 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. 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. 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 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 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. 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. Effective Q1'26, the definition of sales and flows was updated to reflect the new Sun Life Asset Management reporting structure.

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.

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 Sun Life Global Investments. In Asia, third-party and other AUM includes Client assets in Hong Kong managed fund products, International asset management & wealth products, 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. Effective Q1'26, the definition of third-party and other AUM was updated to reflect the new Sun Life Asset Management reporting structure.

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 the 2025 Annual MD&A. 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 the 2025 Annual MD&A.

Underlying effective income 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

	Q1'26					
(\$ millions)	Sun Life Asset Management	Canada	U.S.	Asia	Corporate	Total
Underlying net income (loss)	363	370	218	216	(117)	1,050
Add: Market-related impacts (pre-tax)	(6)	(163)	(42)	(25)	(11)	(247)
Assumption changes and management actions (pre-tax)	1	—	—	4	—	5
Other adjustments (pre-tax)	(281)	(210)	(44)	(10)	(4)	(549)
Tax expense (benefit)	97	90	19	(2)	2	206
Reported net income (loss) - Common shareholders	174	87	151	183	(130)	465
						Q4'25
Underlying net income (loss)	424	376	210	191	(107)	1,094
Add: Market-related impacts (pre-tax)	(55)	(75)	(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) on above items	21	13	19	8	(39)	22
Reported net income (loss) - Common shareholders	341	297	133	115	(164)	722
						Q1'25
Underlying net income (loss)	390	346	218	185	(94)	1,045
Add: Market-related impacts (pre-tax)	4	(24)	15	(19)	(4)	(28)
Assumption changes and management actions (pre-tax)	(10)	8	—	(3)	—	(5)
Other adjustments (pre-tax)	(20)	(23)	(60)	(10)	—	(113)
Tax expense (benefit)	5	10	13	1	—	29
Reported net income (loss) - Common shareholders	369	317	186	154	(98)	928

Underlying Net Income to Reported Net Income Reconciliation – Pre-tax by Business Unit – Sun Life Asset Management U.S. dollars

(US\$ millions)	Q1'26		Q4'25		Q1'25	
	MFS	SLC Management	MFS	SLC Management	MFS	SLC Management
Underlying net income (loss)	199	32	224	42	186	59
Add: Market-related impacts (pre-tax)	—	(9)	—	(16)	—	(8)
Other adjustments (pre-tax)	3	(208)	3	(39)	6	(20)
Tax expense (benefit)	(2)	84	(11)	24	(2)	7
Reported net income (loss) - Common shareholders	200	(101)	216	11	190	38

Underlying Net Income to Reported Net Income Reconciliation – Pre-tax by Business Unit – Sun Life Asset Management

(\$ millions)	Q1'26		Q4'25		Q1'25	
	MFS	SLC Management	MFS	SLC Management	MFS	SLC Management
Underlying net income (loss)	273	44	312	58	266	85
Add: Market-related impacts (pre-tax)	—	(12)	—	(22)	—	(11)
Other adjustments (pre-tax)	5	(286)	5	(54)	9	(29)
Tax expense (benefit)	(3)	115	(15)	34	(4)	10
Reported net income (loss) - Common shareholders	275	(139)	302	16	271	55

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

(US\$ millions)	Q1'26		Q4'25		Q1'25	
	Sun Life Asset Management	U.S.	Sun Life Asset Management	U.S.	Sun Life Asset Management	U.S.
Underlying net income (loss)	265	160	304	150	273	151
Add: Market-related impacts (pre-tax)	(5)	(30)	(40)	(19)	2	11
Assumption changes and management actions (pre-tax)	1	—	—	(4)	(7)	—
Other adjustments (pre-tax)	(205)	(31)	(36)	(49)	(14)	(42)
Tax expense (benefit)	71	12	15	15	4	9
Reported net income (loss) - Common shareholders	127	111	243	93	258	129

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)	Q1'26	Q4'25	Q3'25	Q2'25	Q1'25	Q4'24	Q3'24	Q2'24
Underlying net income (loss) for U.S. Group Benefits	114	92	71	121	105	62	118	124
Add: Market-related impacts (pre-tax)	(5)	—	5	(1)	8	(18)	17	(11)
Assumption changes and management actions (pre-tax)	—	—	1	—	—	—	8	—
Other adjustments (pre-tax)	(5)	(4)	(4)	(4)	(4)	(5)	(5)	(6)
Tax expense (benefit)	2	1	—	1	(1)	5	(4)	3
Reported net income (loss) - Common shareholders	106	89	73	117	108	44	134	110

O. Forward-looking Statements

From time to time, the Company makes written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements contained in this document include statements (i) relating to our strategies, plans, targets, goals and priorities; (ii) relating to our growth initiatives and other business objectives; (iii) relating to the proposed settlement of a legal matter in Canada, including that Sun Life will seek full recourse pursuant to the indemnity if the settlement is approved by the Court; (iv) relating to our intention to fully acquire Bell Partners, including the expected timing to close the transaction; (v) relating to our intention to renew our NCIB; (vi) set out in this document under the heading I - Risk Management - Market Risk Sensitivities - Interest Rate Sensitivities; (vii) relating to expected changes in our LICAT ratio; (viii) that are predictive in nature or that depend upon or refer to future events or conditions; and (ix) that include words such as “achieve”, “aim”, “ambition”, “anticipate”, “aspiration”, “assumption”, “believe”, “could”, “estimate”, “expect”, “goal”, “initiatives”, “intend”, “may”, “objective”, “outlook”, “plan”, “project”, “seek”, “should”, “strategy”, “strive”, “target”, “will”, and similar expressions. Forward-looking statements include the information concerning our possible or assumed future results of operations. These statements represent our current expectations, estimates, and projections regarding future events and are not historical facts, and remain subject to change.

Forward-looking statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict. Future results and shareholder value may differ materially from those expressed in these forward-looking statements due to, among other factors, the matters set out in this document under the headings C - Profitability - 5 - Income taxes, F - Financial Strength and I - Risk Management and in SLF Inc.'s 2025 AIF under the heading Risk Factors, and the factors detailed in SLF Inc.'s 2025 Annual MD&A under the heading K - Risk Management and in its other filings with Canadian and U.S. securities regulators, which are available for review at www.sedarplus.ca and www.sec.gov, respectively.

Risk Factors

Important risk factors that could cause our assumptions and estimates, and expectations and projections to be inaccurate and our actual results or events to differ materially from those expressed in or implied by the forward-looking statements contained in this document, are set out below. The realization of our forward-looking statements essentially depends on our business performance which, in turn, is subject to many risks. Factors that could cause actual results to differ materially from expectations include, but are not limited to: **market risks** - related to the performance of equity markets; changes or volatility in interest rates or credit spreads or swap spreads; real estate investments; fluctuations in foreign currency exchange rates; and inflation; **insurance risks** - related to mortality experience, morbidity experience and longevity; policyholder behaviour; product design and pricing; the impact of higher-than-expected future expenses; and the availability, cost and effectiveness of reinsurance; **credit risks** - related to issuers of securities held in our investment portfolio, debtors, structured securities, reinsurers, counterparties, other financial institutions and other entities; **business and strategic risks** - related to global economic and geopolitical conditions; the design and implementation of business strategies; changes in distribution channels or Client behaviour including risks relating to market conduct by intermediaries and agents; the impact of competition; the performance of our investments and investment portfolios managed for Clients such as segregated and mutual funds; shifts in investing trends and Client preference towards products that differ from our investment products and strategies; changes in the legal or regulatory environment, including capital requirements and tax laws; environmental and social issues and their related laws and regulations; **operational risks** - related to breaches or failure of information system security and privacy, including cyber-attacks; our ability to attract and retain employees; legal, regulatory compliance and market conduct, including the impact of regulatory inquiries and investigations; the execution and integration of mergers, acquisitions, strategic investments and divestitures; our information technology infrastructure; a failure of information systems and Internet-enabled technology; dependence on third-party relationships, including outsourcing arrangements; business continuity; model errors; information management; **liquidity risks** - the possibility that we will not be able to fund all cash outflow commitments as they fall due; and **other risks** - changes to accounting standards in the jurisdictions in which we operate; risks associated with our international operations, including our joint ventures; market conditions that affect our capital position or ability to raise capital; downgrades in financial strength or credit ratings; and tax matters, including estimates and judgements used in calculating taxes.

The Company does not undertake any obligation to update or revise its forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

CONSOLIDATED STATEMENTS OF OPERATIONS

For the three months ended

(unaudited, in millions of Canadian dollars, except for per share amounts)	March 31, 2026	March 31, 2025
Insurance service result		
Insurance revenue (Note 8)	\$ 6,143	\$ 6,018
Insurance service expenses	(5,263)	(5,095)
Reinsurance contract held net income (expenses)	(33)	(13)
Net insurance service result	847	910
Investment result		
Investment result excluding result for account of segregated fund holders:		
Net investment income (loss) (Note 5)	333	3,093
Insurance finance income (expenses) from insurance contracts issued	61	(2,579)
Insurance finance income (expenses) from reinsurance contracts held	(27)	56
Decrease (increase) in investment contract liabilities	(69)	(86)
Net investment result excluding result for account of segregated fund holders	298	484
Investment result for insurance contracts for account of segregated fund holders:		
Investment income (loss) on investments for account of segregated fund holders	(131)	(1)
Insurance finance income (expenses) (Note 12)	131	1
Net investment result for insurance contracts for account of segregated fund holders	—	—
Net investment result	298	484
Fee income (Note 9)	2,319	2,240
Other expenses (income)		
Operating expenses and commissions	2,669	2,252
Interest expenses	163	133
Total other expenses (income)	2,832	2,385
Income (loss) before income taxes	632	1,249
Less: Income tax expense (benefit) (Note 10)	103	242
Total net income (loss)	529	1,007
Less: Net income (loss) allocated to the participating account	51	53
Net income (loss) attributable to non-controlling interests	(7)	6
Shareholders' net income (loss)	485	948
Less: Dividends on preferred shares and distributions on other equity instruments	20	20
Common shareholders' net income (loss)	\$ 465	\$ 928
Average exchange rates during the reporting periods: U.S. dollars	1.37	1.43
Earnings (loss) per share (Note 14)		
Basic	\$ 0.84	\$ 1.62
Diluted	\$ 0.84	\$ 1.62
Dividends per common share	\$ 0.920	\$ 0.840

The attached notes form part of these Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited, in millions of Canadian dollars)	For the three months ended	
	March 31, 2026	March 31, 2025
Total net income (loss)	\$ 529	\$ 1,007
Other comprehensive income (loss), net of taxes:		
Items that may be reclassified subsequently to income:		
Change in unrealized foreign currency translation gains (losses):		
Unrealized gains (losses)	200	25
Change in unrealized gains (losses) on investments at fair value through other comprehensive income		
Unrealized gains (losses)	(83)	101
Reclassifications to net income (loss) and provision for credit losses recognized into income	(6)	19
Change in unrealized gains (losses) on cash flow hedges:		
Unrealized gains (losses)	(96)	5
Reclassifications to net income (loss)	88	(3)
Share of other comprehensive income (loss) in joint ventures and associates:		
Unrealized gains (losses)	67	(70)
Total items that may be reclassified subsequently to income	170	77
Items that will not be reclassified subsequently to income:		
Remeasurement of defined benefit plans	(16)	(12)
Share of other comprehensive income (loss) in joint ventures and associates	—	(1)
Total items that will not be reclassified subsequently to income	(16)	(13)
Total other comprehensive income (loss), net of taxes	154	64
Total comprehensive income (loss)	683	1,071
Less: Comprehensive income (loss) allocated to the participating account	49	51
Non-controlling interests' comprehensive income (loss)	(6)	6
Shareholders' comprehensive income (loss)	\$ 640	\$ 1,014

INCOME TAXES INCLUDED IN OTHER COMPREHENSIVE INCOME (LOSS)

(unaudited, in millions of Canadian dollars)	For the three months ended	
	March 31, 2026	March 31, 2025
Income tax benefit (expense):		
Items that may be reclassified subsequently to income:		
Unrealized gains (losses) on investments at fair value through other comprehensive income	\$ 18	\$ (25)
Reclassifications to net income (loss) and provision for credit losses recognized into income on investments at fair value through other comprehensive income	3	3
Reclassifications to net income (loss) for cash flow hedges	2	1
Total items that may be reclassified subsequently to income	23	(21)
Items that will not be reclassified subsequently to income:		
Remeasurement of defined benefit plans	5	5
Total items that will not be reclassified subsequently to income	5	5
Total income tax benefit (expense) included in other comprehensive income (loss)	\$ 28	\$ (16)

The attached notes form part of these Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited, in millions of Canadian dollars)	As at		
	March 31, 2026	December 31, 2025	
Assets			
Cash, cash equivalents and short-term securities	\$ 13,187	\$ 14,841	
Debt securities	88,110	85,618	
Equity securities	12,541	12,250	
Mortgages and loans	58,370	59,433	
Derivative assets	1,459	1,534	
Other financial invested assets	14,149	14,374	
Financial invested assets	187,816	188,050	
Investment properties	9,732	9,432	
Other non-financial invested assets	1,796	1,693	
Invested assets (Note 5)	199,344	199,175	
Other assets	7,327	7,753	
Reinsurance contract held assets (Note 8)	6,247	6,138	
Insurance contract assets (Note 8)	229	335	
Deferred tax assets	4,096	3,803	
Intangible assets	5,187	5,155	
Goodwill (Note 7)	9,605	9,530	
Total general fund assets	232,035	231,889	
Investments for account of segregated fund holders (Note 12)	166,277	166,566	
Total assets	\$ 398,312	\$ 398,455	
Liabilities and equity			
Liabilities			
Insurance contract liabilities excluding those for account of segregated fund holders (Note 8)	\$ 158,183	\$ 155,910	
Reinsurance contract held liabilities (Note 8)	2,344	2,049	
Investment contract liabilities (Note 5)	11,728	11,796	
Derivative liabilities	2,231	2,065	
Deferred tax liabilities	303	301	
Other liabilities	22,925	25,905	
Senior debentures	200	200	
Subordinated debt	8,172	8,171	
Total general fund liabilities	206,086	206,397	
Insurance contract liabilities for account of segregated fund holders (Note 12)	19,557	20,108	
Investment contract liabilities for account of segregated fund holders (Note 12)	146,720	146,458	
Total liabilities	\$ 372,363	\$ 372,963	
Equity			
Issued share capital and contributed surplus	\$ 10,691	\$ 10,220	
Shareholders' retained earnings and accumulated other comprehensive income	14,318	14,312	
Total shareholders' equity	25,009	24,532	
Equity in the participating account	745	696	
Non-controlling interests' equity	195	264	
Total equity	\$ 25,949	\$ 25,492	
Total liabilities and equity	\$ 398,312	\$ 398,455	
Exchange rates at the end of the reporting periods:	U.S. dollars	1.39	1.37

The attached notes form part of these Interim Consolidated Financial Statements.

Approved on behalf of the Board of Directors on May 6, 2026.



Kevin Strain
Chief Executive Officer



Helen Malloy Hicks
Director

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended

(unaudited, in millions of Canadian dollars)

March 31, 2026 March 31, 2025

Shareholders:

	\$	\$
Preferred shares and other equity instruments		
Balance, beginning and end of period	2,239	2,239
Common shares (Note 11)		
Balance, beginning of period	7,900	8,192
Stock options exercised	17	5
Common shares purchased for cancellation	—	(103)
Balance, end of period	7,917	8,094
Contributed surplus		
Balance, beginning of period	81	95
Share-based payments	19	4
Stock options exercised	(2)	—
Changes attributable to acquisition and other (Note 3)	437	—
Balance, end of period	535	99
Retained earnings		
Balance, beginning of period	12,927	12,817
Net income (loss)	485	948
Dividends on common shares	(510)	(480)
Dividends on preferred shares and distributions on other equity instruments	(20)	(20)
Common shares purchased for cancellation (Note 11) and other	—	(559)
Changes attributable to acquisition and other (Note 3)	(104)	—
Balance, end of period	12,778	12,706
Accumulated other comprehensive income (loss), net of taxes (Note 15)		
Balance, beginning of period	1,385	2,214
Total other comprehensive income (loss) for the period	155	66
Balance, end of period	1,540	2,280
Total shareholders' equity, end of period	\$ 25,009	\$ 25,418
Equity in the participating account:		
Balance, beginning of period	\$ 696	\$ 496
Net income (loss)	51	53
Total other comprehensive income (loss) for the period (Note 15)	(2)	(2)
Total equity in the participating account, end of period	\$ 745	\$ 547
Non-controlling interests:		
Balance, beginning of period	\$ 264	\$ 76
Net income (loss)	(7)	6
Changes attributable to acquisition and other (Note 3)	(52)	—
Total other comprehensive income (loss) for the period (Note 15)	1	—
Distribution to non-controlling interests	(11)	(8)
Total non-controlling interests' equity, end of period	\$ 195	\$ 74
Total equity	\$ 25,949	\$ 26,039

The attached notes form part of these Interim Consolidated Financial Statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in millions of Canadian dollars)	For the three months ended	
	March 31, 2026	March 31, 2025
Cash flows provided by (used in) operating activities		
Income (loss) before income taxes	\$ 632	\$ 1,249
Adjustments:		
Interest expense related to financing activities	140	88
(Decrease) increase in investment contract liabilities	69	86
Changes in insurance contract liabilities and assets	(941)	1,656
Changes in reinsurance contract held assets and liabilities	60	(43)
Realized and unrealized (gains) losses and foreign currency changes on invested assets	1,681	(1,234)
Sales, maturities and repayments of invested assets	18,282	15,546
Purchases of invested assets	(20,336)	(17,723)
Income taxes received (paid)	(200)	(175)
Mortgage securitization (Note 5)	—	(66)
Other operating activities	2,788	234
Net cash provided by (used in) operating activities	2,175	(382)
Cash flows provided by (used in) investing activities		
Net (purchase) sale of property and equipment	(23)	(31)
Investment in and transactions with joint ventures and associates	3	2
Other investing activities	(70)	(51)
Net cash provided by (used in) investing activities	(90)	(80)
Cash flows provided by (used in) financing activities		
Increase in (repayment of) borrowed funds	14	9
Increase in (repayment of) borrowings from credit facility	(10)	(534)
Issuance of common shares on exercise of stock options	15	5
Transactions with non-controlling interests	(2,364)	(8)
Common shares purchased for cancellation (Note 11)	—	(520)
Dividends paid on common and preferred shares	(520)	(486)
Payment of lease liabilities	(39)	(45)
Interest expense paid	(108)	(63)
Net cash provided by (used in) financing activities	(3,012)	(1,642)
Changes due to fluctuations in exchange rates	38	19
Increase (decrease) in cash and cash equivalents	(889)	(2,085)
Net cash and cash equivalents, beginning of period	9,599	9,954
Net cash and cash equivalents, end of period	8,710	7,869
Short-term securities, end of period	4,393	3,608
Net cash, cash equivalents and short-term securities, end of period (Note 5)	\$ 13,103	\$ 11,477

The attached notes form part of these Interim Consolidated Financial Statements.

Condensed Notes to the Interim Consolidated Financial Statements

(Unaudited, in millions of Canadian dollars, except for per share amounts and where otherwise stated. All amounts stated in U.S. dollars are in millions.)

1. General Information

Description of Business

Sun Life Financial Inc. ("SLF Inc.") is a publicly traded company domiciled in Canada and is the holding company of Sun Life Assurance Company of Canada ("Sun Life Assurance"). SLF Inc. and its subsidiaries are collectively referred to as "us", "our", "ours", "we", or "the Company".

Our Interim Consolidated Financial Statements and condensed notes have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). We have used accounting policies which are consistent with the accounting policies described in our 2025 Annual Consolidated Financial Statements, except as updated in Note 2 below. Our Interim Consolidated Financial Statements should be read in conjunction with our 2025 Annual Consolidated Financial Statements, as interim financial statements do not include all the information required in the annual consolidated financial statements which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

2. Changes in Accounting Policies

Our material accounting policies and future changes in accounting policies that are not yet effective for us are disclosed in Notes 1 and 2 of our 2025 Annual Consolidated Financial Statements.

2.A New and Amended International Financial Reporting Standards Adopted in 2026

In May 2024, the IASB issued amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures*, clarifying derecognition timing for financial liabilities and allowing early derecognition via electronic payments when certain conditions are met. We have adopted this early derecognition policy. The amendments also clarify how to assess contractual cash flow features linked to ESG or similar contingent factors, and introduce new disclosure requirements for such instruments. These changes, effective January 1, 2026, are applied retrospectively without restating prior periods and did not have a material impact on our Consolidated Financial Statements.

3. Acquisition and Other

Bell Partners Inc.

On March 28, 2026, we entered into an agreement to acquire Bell Partners Inc. ("Bell"), a leading U.S. real estate investment manager, for total consideration of approximately \$487 (US\$350), comprising primarily of common shares of SLF Inc. as well as cash. Bell will form part of our Sun Life Asset Management business segment. The transaction is expected to close during the second half of 2026, subject to receipt of regulatory and Toronto Stock Exchange ("TSX") approvals and satisfaction of customary closing conditions.

BentallGreenOak and Crescent Capital Group

During the first quarter of 2026, we settled our obligation to purchase outstanding shares from BentallGreenOak ("BGO") and Crescent Capital Group ("Crescent"), subsidiaries of SLC Management, for cash consideration of \$2,419 (US\$1,768). The amount of our obligation, which was recognized in Other liabilities, was adjusted to reflect certain adjustments to the EBITDA calculation prior to settlement. The deferred payment liability of \$127 and remaining Non-controlling interests ("NCI") balance of \$44 pertaining to these subsidiaries were also derecognized. The net impact of these adjustments was a charge of \$277 to Other expenses (income) and a reduction of \$41 to Retained earnings, which is comprised of \$85 related to the settlement of our obligations offset by an increase of \$44 related to the derecognition of NCI.

Concurrent with the settlement, we introduced the SLC Management Equity Plan ("MEP"), which was effective during the first quarter of 2026. The MEP offers certain key personnel in our SLC Management subsidiaries with share-based equity, providing participants with an option to acquire preferred equity interests in SLC Management, receive restricted share units of SLC Management, or a combination thereof. Once issued, the equity vests over a period of 3 to 5 years from the grant date. Participants in the MEP are required to provide continued service during the vesting period to receive the full benefits of the equity. The equity is ultimately settled in common shares of SLF Inc. The net impact of initial subscription to the MEP during the first quarter of 2026 was an increase of \$437 to Contributed surplus.

4. Segmented Information

Effective the first quarter of 2026, our Asset Management segment was renamed to Sun Life Asset Management ("SLAM"). The SLAM segment includes the results of our MFS Investment Management and SLC Management business units, as well as our pension risk transfer business and certain of our asset management businesses in Asia, which were previously reported in the Canada and Asia business segments, respectively. Comparative period results have been restated to conform with current period presentation.

We have five reportable business segments: Canada, the United States ("U.S."), SLAM, Asia, and Corporate. These business segments operate in the financial services industry and reflect our management structure and internal financial reporting. Corporate primarily includes our Corporate Support operations, which have investment income, expenses, capital, and other items not allocated to our other business segments.

Revenues from our business segments are derived primarily from life and health insurance, investment management and annuities, and mutual funds. Revenues not attributed to the strategic business units are derived primarily from Corporate investments and earnings on capital.

The expenses in each business segment may include costs or services directly incurred or provided on their behalf at the enterprise level. For other costs not directly attributable to one of our business segments, we use a management reporting framework that uses assumptions, judgments, and methodologies for allocating overhead costs and indirect expenses to our business segments.

Intersegment transactions consist primarily of internal financing agreements which are measured at fair values prevailing when the arrangements are negotiated. Intersegment investment income consists primarily of interest paid by U.S. to Corporate. Intersegment fee income is primarily asset management fees paid by our business segments to SLAM. SLC Management collects fee income and incurs the operational expenses associated with the management of the general fund assets. Intersegment transactions are eliminated in the Consolidation adjustments column in the following tables.

Management considers its external Clients to be individuals and corporations. We are not reliant on any individual Client as none is individually significant to our operations.

For the three months ended	Canada ⁽¹⁾	U.S.	SLAM ⁽¹⁾	Asia ⁽¹⁾	Corporate	Consolidation adjustments	Total
March 31, 2026							
Insurance revenue:							
Annuities	\$ 116	\$ 75	\$ 457	\$ 5	\$ —	\$ —	\$ 653
Life insurance	606	497	—	398	—	—	1,501
Health insurance	1,217	2,668	—	104	—	—	3,989
Total Insurance revenue	1,939	3,240	457	507	—	—	6,143
Net investment income (loss)	261	56	103	(124)	59	(22)	333
Fee income	520	142	1,672	95	52	(162)	2,319
Segment revenue ⁽²⁾	2,720	3,438	2,232	478	111	(184)	8,795
Expenses:							
Insurance service expenses	1,596	2,969	422	276	—	—	5,263
Reinsurance contract held net (income) expenses	42	(23)	4	10	—	—	33
Insurance finance (income) expenses from insurance contracts issued	165	(18)	(2)	(206)	—	—	(61)
Reinsurance finance (income) expenses	22	4	1	—	—	—	27
(Decrease) increase in investment contract liabilities	69	—	—	—	—	—	69
Interest expenses	37	33	56	23	45	(31)	163
Operating expenses and commissions	626	279	1,562	151	204	(153)	2,669
Total expenses ⁽²⁾	2,557	3,244	2,043	254	249	(184)	8,163
Income (loss) before income taxes	163	194	189	224	(138)	—	632
Less: Income tax expense (benefit)	47	36	19	29	(28)	—	103
Total net income (loss)	116	158	170	195	(110)	—	529
Less:							
Net income (loss) allocated to the participating account	29	7	—	15	—	—	51
Net income (loss) attributable to non-controlling interests	—	—	(4)	(3)	—	—	(7)
Shareholders' net income (loss)	\$ 87	\$ 151	\$ 174	\$ 183	\$ (110)	\$ —	\$ 485
March 31, 2025							
Insurance revenue:							
Annuities	\$ 112	\$ 78	\$ 423	\$ 6	\$ —	\$ —	\$ 619
Life insurance	562	513	—	345	—	—	1,420
Health insurance	1,150	2,755	—	74	—	—	3,979
Total Insurance revenue	1,824	3,346	423	425	—	—	6,018
Net investment income (loss)	1,424	605	488	577	24	(25)	3,093
Fee income	475	134	1,650	86	44	(149)	2,240
Segment revenue ⁽²⁾	3,723	4,085	2,561	1,088	68	(174)	11,351
Expenses:							
Insurance service expenses	1,435	3,054	389	217	—	—	5,095
Reinsurance contract held net (income) expenses	19	(21)	4	11	—	—	13
Insurance finance (income) expenses from insurance contracts issued	1,150	545	376	508	—	—	2,579
Reinsurance finance (income) expenses	(10)	(49)	—	3	—	—	(56)
(Decrease) increase in investment contract liabilities	86	—	—	—	—	—	86
Interest expenses	41	31	41	25	25	(30)	133
Operating expenses and commissions	547	290	1,259	132	168	(144)	2,252
Total expenses ⁽²⁾	3,268	3,850	2,069	896	193	(174)	10,102
Income (loss) before income taxes	455	235	492	192	(125)	—	1,249
Less: Income tax expense (benefit)	109	42	117	21	(47)	—	242
Total net income (loss)	346	193	375	171	(78)	—	1,007
Less:							
Net income (loss) allocated to the participating account	29	7	—	17	—	—	53
Net income (loss) attributable to non-controlling interests	—	—	6	—	—	—	6
Shareholders' net income (loss)	\$ 317	\$ 186	\$ 369	\$ 154	\$ (78)	\$ —	\$ 948

⁽¹⁾ Prior period amounts have been restated to conform with our new basis of segment presentation as described in this Note.

⁽²⁾ Segment revenue and Total expenses exclude Investment result for insurance contracts for account of segregated fund holders.

Assets and liabilities by segment are as follows:

	Canada ⁽¹⁾	U.S.	SLAM ⁽¹⁾	Asia ⁽¹⁾	Corporate	Consolidation adjustments	Total
As at March 31, 2026							
Total general fund assets	\$ 103,847	\$ 35,935	\$ 30,737	\$ 51,218	\$ 10,844	\$ (546)	\$ 232,035
Investments for account of segregated fund holders	\$ 159,019	\$ 398	\$ —	\$ 6,860	\$ —	\$ —	\$ 166,277
Total general fund liabilities	\$ 98,746	\$ 29,307	\$ 24,237	\$ 45,291	\$ 9,051	\$ (546)	\$ 206,086
As at December 31, 2025							
Total general fund assets	\$ 103,548	\$ 35,825	\$ 31,271	\$ 48,919	\$ 12,770	\$ (444)	\$ 231,889
Investments for account of segregated fund holders	\$ 159,020	\$ 406	\$ —	\$ 7,140	\$ —	\$ —	\$ 166,566
Total general fund liabilities	\$ 98,013	\$ 29,321	\$ 27,288	\$ 43,011	\$ 9,208	\$ (444)	\$ 206,397

⁽¹⁾ Prior period amounts have been restated to conform with our new basis of segment presentation as described in this Note.

The revenue and assets of our business segments differ from geographic segments primarily due to the geographic segmenting of our SLAM and Corporate segments.

The following table shows revenue by geography for SLAM and Corporate:

For the three months ended	SLAM ⁽¹⁾		Corporate ⁽¹⁾	
	March 31, 2026	March 31, 2025 ⁽²⁾	March 31, 2026	March 31, 2025
Revenue:				
Canada	\$ 564	\$ 848	\$ 24	\$ (6)
United States	1,528	1,554	33	32
Europe	79	56	4	(1)
Asia	31	22	51	43
Other	30	81	(1)	—
Segment revenue	\$ 2,232	\$ 2,561	\$ 111	\$ 68

⁽¹⁾ Prior period amounts have been restated to reflect a change in presentation to our geographic locations.

⁽²⁾ Prior period amounts have been restated to conform with our new basis of segment presentation as described in this Note.

The following table shows total assets by geography for SLAM and Corporate:

As at	SLAM ⁽¹⁾		Corporate ⁽¹⁾	
	March 31, 2026	December 31, 2025 ⁽²⁾	March 31, 2026	December 31, 2025
Total general fund assets:				
Canada	\$ 21,166	\$ 21,274	\$ 7,033	\$ 8,680
United States	8,087	8,491	3,534	3,918
Europe	941	1,038	107	4
Asia	369	304	115	111
Other	174	164	55	57
Total general fund assets	\$ 30,737	\$ 31,271	\$ 10,844	\$ 12,770

⁽¹⁾ Prior period amounts have been restated to reflect a change in presentation to our geographic locations.

⁽²⁾ Prior period amounts have been restated to conform with our new basis of segment presentation as described in this Note.

5. Invested Assets and Net Investment Income

5.A Fair Value of Financial Instruments

5.A.i Carrying Value and Fair Value of Financial Assets and Financial Liabilities

The carrying values and fair values of our financial assets and liabilities are shown in the following table:

As at	March 31, 2026		December 31, 2025	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash, cash equivalents and short-term securities – FVTPL	\$ 13,187	\$ 13,187	\$ 14,841	\$ 14,841
Debt securities – FVTPL ⁽¹⁾	75,156	75,156	72,599	72,599
Debt securities – FVOCI	12,954	12,954	13,019	13,019
Equity securities – FVTPL	12,470	12,470	12,179	12,179
Equity securities – FVOCI	71	71	71	71
Mortgages and loans – FVTPL ⁽²⁾	54,126	54,126	55,157	55,157
Mortgages and loans – FVOCI	2,747	2,747	2,733	2,733
Mortgages and loans – Amortized cost ⁽³⁾	1,497	1,474	1,543	1,521
Derivative assets – FVTPL	1,459	1,459	1,534	1,534
Other financial invested assets (excluding CLOs) – FVTPL ⁽⁴⁾	8,223	8,223	8,161	8,161
Other financial invested assets (CLOs) – FVTPL ⁽⁵⁾	5,926	5,926	6,213	6,213
Total⁽⁶⁾	\$ 187,816	\$ 187,793	\$ 188,050	\$ 188,028
Financial liabilities				
Investment contract liabilities – Amortized cost	\$ 11,728	\$ 11,728	\$ 11,796	\$ 11,796
Obligations for securities borrowing – FVTPL	280	280	267	267
Derivative liabilities – FVTPL	2,231	2,231	2,065	2,065
Other financial liabilities – Amortized cost ⁽⁷⁾	42	42	2,244	2,245
Other financial liabilities (CLOs) – FVTPL ⁽⁵⁾	5,586	5,586	5,846	5,846
Total⁽⁸⁾	\$ 19,867	\$ 19,867	\$ 22,218	\$ 22,219

⁽¹⁾ Includes primarily debt securities that are designated at FVTPL.

⁽²⁾ Includes primarily mortgages and loans that are designated at FVTPL.

⁽³⁾ Certain mortgages and loans are carried at amortized cost. The fair value of these mortgages and loans, for disclosure purposes, is determined based on the methodology and assumptions described in Note 5.A.iii. As at March 31, 2026, \$1,455 and \$19 are categorized in Level 2 and Level 3, respectively, of the fair value hierarchy described in this Note (December 31, 2025 — \$1,502 and \$19, respectively).

⁽⁴⁾ Other financial invested assets include our investments in segregated funds, mutual funds, and limited partnerships.

⁽⁵⁾ See below for details on Collateralized Loan Obligations ("CLOs").

⁽⁶⁾ Invested assets on our Consolidated Statements of Financial Position of \$199,344 (December 31, 2025 — \$199,175) include Total financial assets in this table, Investment properties of \$9,732 (December 31, 2025 — \$9,432), and Other non-financial invested assets of \$1,796 (December 31, 2025 — \$1,693). Other non-financial invested assets consist of investment in associates and joint ventures which are not consolidated.

⁽⁷⁾ During the first quarter of 2026, a majority of the obligations were settled with BGO and Crescent. The remaining amount reflects the obligation to purchase outstanding shares of a SLC Management subsidiary. Refer to Note 3 for additional details.

⁽⁸⁾ Total financial liabilities excluding Senior debentures and Subordinated debt.

Collateralized Loan Obligations Structure

Crescent Capital Group LP, a subsidiary within our SLAM business segment, issues and manages CLOs. Each CLO is a special purpose vehicle that owns a portfolio of investments, consisting primarily of senior secured loans, and issues various tranches of senior and subordinated notes to third parties for the purpose of financing the purchase of those investments. Assets of the special purpose vehicle, the senior secured loans, are included in Other financial invested assets and the associated liabilities, the senior and subordinated notes issued to third parties, are included in Other liabilities in our Consolidated Statements of Financial Position.

As at March 31, 2026, the carrying value of the assets related to CLOs are \$5,926 (December 31, 2025 — \$6,213), which consists of cash and accounts receivable of \$575 (December 31, 2025 — \$691) and loans of \$5,351 (December 31, 2025 — \$5,522). These underlying loans are mainly below investment grade.

As at March 31, 2026, the carrying value of the liabilities related to CLOs are \$5,586 (December 31, 2025 — \$5,846). Our maximum contractual exposure to loss related to the CLOs is limited to our investment of \$270 (December 31, 2025 — \$291) in the most subordinated tranche. The net unrealized loss incurred to date is \$156.

5.A.ii Non-Financial Invested Assets

Non-financial invested assets consist of investment properties, investment in associates and joint ventures which are not consolidated. As at March 31, 2026, the carrying value and fair value of investment properties was \$9,732 (December 31, 2025 — \$9,432) and \$9,732 (December 31, 2025 — \$9,432), respectively. The carrying value of other non-financial invested assets which were measured using the equity method of accounting was \$1,796 as at March 31, 2026 (December 31, 2025 — \$1,693).

5.A.iii Fair Value Hierarchy

The fair value methodologies and assumptions for assets and liabilities carried at fair value, as well as disclosures on unobservable inputs, sensitivities and valuation processes for Level 3 assets can be found in Note 5 of our 2025 Annual Consolidated Financial Statements.

Our assets and liabilities that are carried at fair value on a recurring basis by hierarchy level are as follows:

As at	March 31, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash, cash equivalents and short-term securities – FVTPL	\$ 11,987	\$ 1,200	\$ —	\$ 13,187	\$ 13,705	\$ 1,136	\$ —	\$ 14,841
Debt securities – FVTPL	1,036	73,456	664	75,156	973	70,804	822	72,599
Debt securities – FVOCI	402	12,442	110	12,954	394	12,507	118	13,019
Equity securities – FVTPL	9,377	3,086	7	12,470	8,200	3,972	7	12,179
Equity securities – FVOCI	—	—	71	71	—	—	71	71
Mortgages and loans – FVTPL	—	53,494	632	54,126	—	54,568	589	55,157
Mortgages and loans – FVOCI	—	2,744	3	2,747	—	2,711	22	2,733
Derivative assets – FVTPL	215	1,244	—	1,459	171	1,363	—	1,534
Other financial invested assets (excluding CLOs) – FVTPL ⁽¹⁾	673	227	7,323	8,223	813	218	7,130	8,161
Other financial invested assets (CLOs) – FVTPL ⁽²⁾	—	5,926	—	5,926	—	6,213	—	6,213
Investment properties – FVTPL	—	—	9,732	9,732	—	—	9,432	9,432
Total invested assets measured at fair value	\$ 23,690	\$ 153,819	\$ 18,542	\$ 196,051	\$ 24,256	\$ 153,492	\$ 18,191	\$ 195,939
Investments for account of segregated fund holders – FVTPL	16,260	149,649	368	166,277	17,325	148,778	463	166,566
Total assets measured at fair value	\$ 39,950	\$ 303,468	\$ 18,910	\$ 362,328	\$ 41,581	\$ 302,270	\$ 18,654	\$ 362,505
Liabilities								
Obligations for securities borrowing – FVTPL	\$ 9	\$ 271	\$ —	\$ 280	\$ 7	\$ 260	\$ —	\$ 267
Derivative liabilities – FVTPL	78	2,153	—	2,231	94	1,971	—	2,065
Other financial liabilities (CLOs) – FVTPL ⁽²⁾	—	5,586	—	5,586	—	5,846	—	5,846
Investment contract liabilities for account of segregated fund holders – FVTPL	—	—	146,720	146,720	—	—	146,458	146,458
Total liabilities measured at fair value	\$ 87	\$ 8,010	\$ 146,720	\$ 154,817	\$ 101	\$ 8,077	\$ 146,458	\$ 154,636

⁽¹⁾ Other financial invested assets (excluding CLOs) – FVTPL include our investments in segregated funds, mutual funds, and limited partnerships.

⁽²⁾ For details on CLOs, refer to Note 5.A.i.

Debt securities at FVTPL consist of the following:

As at	March 31, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Canadian federal government	\$ —	\$ 7,495	\$ —	\$ 7,495	\$ —	\$ 7,413	\$ —	\$ 7,413
Canadian provincial and municipal government	—	16,226	—	16,226	—	15,843	—	15,843
U.S. government and agency	1,036	144	—	1,180	973	151	—	1,124
Other foreign government	—	3,158	49	3,207	—	3,233	52	3,285
Corporate	—	36,441	615	37,056	—	34,680	751	35,431
Asset-backed securities:								
Commercial mortgage-backed securities	—	2,278	—	2,278	—	2,100	—	2,100
Residential mortgage-backed securities	—	4,473	—	4,473	—	4,464	—	4,464
Collateralized debt obligations	—	1,199	—	1,199	—	915	19	934
Other	—	2,042	—	2,042	—	2,005	—	2,005
Total debt securities at FVTPL	\$ 1,036	\$ 73,456	\$ 664	\$ 75,156	\$ 973	\$ 70,804	\$ 822	\$ 72,599

Debt securities at FVOCI consist of the following:

As at	March 31, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Canadian federal government	\$ —	\$ 508	\$ —	\$ 508	\$ —	\$ 480	\$ —	\$ 480
Canadian provincial and municipal government	—	229	—	229	—	237	—	237
U.S. government and agency	402	7	—	409	387	8	—	395
Other foreign government	—	341	15	356	7	335	14	356
Corporate	—	6,645	80	6,725	—	6,772	85	6,857
Asset-backed securities:								
Commercial mortgage-backed securities	—	1,362	—	1,362	—	1,284	—	1,284
Residential mortgage-backed securities	—	1,074	—	1,074	—	1,129	—	1,129
Collateralized debt obligations	—	1,283	15	1,298	—	1,155	19	1,174
Other	—	993	—	993	—	1,107	—	1,107
Total debt securities at FVOCI	\$ 402	\$ 12,442	\$ 110	\$ 12,954	\$ 394	\$ 12,507	\$ 118	\$ 13,019

Mortgages and loans at FVTPL consist of the following:

As at	March 31, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Mortgages:								
Retail	\$ —	\$ 2,198	\$ 5	\$ 2,203	\$ —	\$ 2,256	\$ 5	\$ 2,261
Office	—	2,258	8	2,266	—	2,318	8	2,326
Multi-family residential	—	2,905	—	2,905	—	2,864	—	2,864
Industrial	—	3,618	—	3,618	—	3,562	—	3,562
Other	—	830	—	830	—	888	—	888
Corporate loans	—	41,685	619	42,304	—	42,680	576	43,256
Total mortgages and loans at FVTPL	\$ —	\$ 53,494	\$ 632	\$ 54,126	\$ —	\$ 54,568	\$ 589	\$ 55,157

Mortgages and loans at FVOCI consist of the following:

As at	March 31, 2026				December 31, 2025			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Mortgages:								
Retail	\$ —	\$ 46	\$ —	\$ 46	\$ —	\$ 75	\$ —	\$ 75
Office	—	38	—	38	—	38	—	38
Multi-family residential	—	133	—	133	—	155	—	155
Industrial	—	202	—	202	—	231	—	231
Corporate loans	—	2,325	3	2,328	—	2,212	22	2,234
Total mortgages and loans at FVOCI	\$ —	\$ 2,744	\$ 3	\$ 2,747	\$ —	\$ 2,711	\$ 22	\$ 2,733

There were no significant transfers between Level 1 and Level 2 for the three months ended March 31, 2026 and March 31, 2025.

The following table provides a reconciliation of the beginning and ending balances for assets that are categorized in Level 3:

For the three months ended	Debt securities at FVTPL	Debt securities at FVOCI	Equity securities at FVTPL	Equity securities at FVOCI	Mortgages and loans at FVTPL	Mortgages and loans at FVOCI	Other financial invested assets at FVTPL	Investment properties at FVTPL	Total invested assets measured at fair value	Investments for account of segregated fund holders	Total assets measured at fair value
March 31, 2026											
Beginning balance	\$ 822	\$ 118	\$ 7	\$ 71	\$ 589	\$ 22	\$ 7,130	\$ 9,432	\$ 18,191	\$ 463	\$ 18,654
Included in net income (loss) ⁽¹⁾⁽²⁾⁽³⁾	(34)	—	—	—	(38)	—	46	(71)	(97)	(12)	(109)
Included in OCI ⁽²⁾	—	(2)	—	—	—	—	—	—	(2)	—	(2)
Purchases / Issuances	54	15	—	—	8	—	331	356	764	1	765
Sales / Payments	—	—	—	—	(14)	—	(207)	(4)	(225)	(27)	(252)
Settlements	—	—	—	—	(63)	(1)	—	—	(64)	—	(64)
Transfers into Level 3 ⁽⁴⁾	—	—	—	—	149	—	—	—	149	—	149
Transfers (out) of Level 3 ⁽⁴⁾	(171)	(19)	—	—	—	(18)	—	—	(208)	(52)	(260)
Foreign currency translation ⁽⁵⁾	(7)	(2)	—	—	1	—	23	19	34	(5)	29
Ending balance	\$ 664	\$ 110	\$ 7	\$ 71	\$ 632	\$ 3	\$ 7,323	\$ 9,732	\$ 18,542	\$ 368	\$ 18,910
Unrealized gains (losses) included in net income (loss) relating to instruments still held ⁽¹⁾	\$ (35)	\$ —	\$ —	\$ —	\$ (38)	\$ —	\$ 44	\$ (71)	\$ (100)	\$ —	\$ (100)
March 31, 2025											
Beginning balance	\$ 517	\$ 151	\$ 211	\$ 74	\$ 2,300	\$ 13	\$ 6,880	\$ 9,290	\$ 19,436	\$ 459	\$ 19,895
Included in net income (loss) ⁽¹⁾⁽²⁾⁽³⁾	7	—	—	—	54	—	102	(6)	157	4	161
Included in OCI ⁽²⁾	—	2	—	—	—	—	—	—	2	—	2
Purchases / Issuances	70	119	—	—	45	—	215	50	499	47	546
Sales / Payments	(21)	—	(127)	—	(31)	(1)	(123)	—	(303)	(8)	(311)
Settlements	—	—	—	—	—	—	—	—	—	—	—
Transfers into Level 3 ⁽⁴⁾	15	—	—	—	127	—	—	—	142	—	142
Transfers (out) of Level 3 ⁽⁴⁾	(4)	(49)	(72)	—	(181)	(6)	—	—	(312)	—	(312)
Foreign currency translation ⁽⁵⁾	7	—	—	—	—	—	1	1	9	5	14
Ending balance	\$ 591	\$ 223	\$ 12	\$ 74	\$ 2,314	\$ 6	\$ 7,075	\$ 9,335	\$ 19,630	\$ 507	\$ 20,137
Unrealized gains (losses) included in net income (loss) relating to instruments still held ⁽¹⁾	\$ 7	\$ —	\$ —	\$ —	\$ 67	\$ —	\$ 112	\$ (6)	\$ 180	\$ —	\$ 180

(1) Included in Net investment income (loss) in our Consolidated Statements of Operations for Total invested assets measured at fair value.

(2) Total gains and losses in net income (loss) and other comprehensive income ("OCI") are calculated assuming transfers into or out of Level 3 occur at the beginning of the period. For an asset or liability that transfers into Level 3 during the reporting period, the entire change in fair value for the period is included in the table above. For transfers out of Level 3 during the reporting period, the change in fair value for the period is excluded from the table above.

(3) Investment properties included in net income is comprised of fair value changes on investment properties of \$(66) for the three months ended March 31, 2026 (March 31, 2025 — \$5), net of amortization of leasing commissions and tenant inducements of \$5 for the three months ended March 31, 2026 (March 31, 2025 — \$11). As at March 31, 2026, we have used assumptions that reflect known changes in the property values including changes in expected future cash flows.

(4) Transfers into Level 3 occur when the inputs used to price the assets and liabilities lack observable market data, and as a result, no longer meet the Level 1 or 2 definitions at the reporting date. Transfers out of Level 3 occur when the pricing inputs become more transparent and satisfy the Level 1 or 2 criteria and are primarily the result of observable market data being available at the reporting date, thus removing the requirement to rely on inputs that lack observability.

(5) Foreign currency translation relates to the foreign exchange impact of translating Level 3 assets and liabilities of foreign subsidiaries from their functional currencies to Canadian dollars.

5.B Net Investment Income (Loss)

	For the three months ended	
	March 31, 2026	March 31, 2025
Interest income (expense)	\$ 1,803	\$ 1,704
Dividend and other investment income	114	110
Net realized and unrealized gains (losses):		
Cash, cash equivalents and short-term investments	4	4
Debt securities	(807)	957
Equity securities	(62)	(89)
Mortgages and loans	(549)	792
Derivative investments	(306)	(365)
Other financial assets	(30)	68
Other financial liabilities	53	14
Total net realized and unrealized gains (losses)	(1,697)	1,381
Provision for credit losses	(4)	(7)
Net investment income (loss) from financial instruments	\$ 216	\$ 3,188
Net investment income (loss) from non-financial instruments	\$ 64	\$ (22)
Total Net investment income (loss) ⁽¹⁾	\$ 280	\$ 3,166

⁽¹⁾ Net investment income (loss) recognized in income is \$333 for the three months ended March 31, 2026 (March 31, 2025 — \$3,093), and net investment income (loss) recognized in OCI is \$(53) for the three months ended March 31, 2026 (March 31, 2025 — \$73).

5.C Cash, Cash Equivalents and Short-Term Securities

Cash, cash equivalents and short-term securities presented in our Consolidated Statements of Financial Position and Net cash, cash equivalents and short-term securities presented in our Consolidated Statements of Cash Flows consist of the following:

As at	March 31, 2026	December 31, 2025	March 31, 2025
Cash	\$ 2,661	\$ 2,498	\$ 2,268
Cash equivalents	6,133	7,187	5,630
Short-term securities	4,393	5,156	3,608
Cash, cash equivalents and short-term securities	13,187	14,841	11,506
Less: Bank overdraft, recorded in Other liabilities	84	86	29
Net cash, cash equivalents and short-term securities	\$ 13,103	\$ 14,755	\$ 11,477

5.D Mortgage Securitization

We securitize certain insured fixed rate commercial mortgages as described in Note 5 of our 2025 Annual Consolidated Financial Statements.

The carrying value and fair value of the securitized mortgages as at March 31, 2026 are \$1,172 and \$1,148, respectively (December 31, 2025 — \$1,205 and \$1,181, respectively). The carrying value and fair value of the associated liabilities as at March 31, 2026 are \$1,431 and \$1,405, respectively (December 31, 2025 — \$1,431 and \$1,407, respectively). The carrying value of securities in the principal reinvestment account ("PRA") as at March 31, 2026 is \$264 (December 31, 2025 — \$229). There are no cash and cash equivalents in the PRA as at March 31, 2026 and December 31, 2025.

The fair value of the secured borrowings from mortgage securitization is based on the methodologies and assumptions for asset-backed securities described in Note 5 of our 2025 Annual Consolidated Financial Statements. The fair value of these liabilities is categorized in Level 2 of the fair value hierarchy as at March 31, 2026 and December 31, 2025.

6. Financial Instruments Risk Management

The significant risks related to financial instruments are credit risk, market risk (including equity risk, real estate risk, interest rate and spread risk, foreign currency risk, and inflation risk) and liquidity risk. Further details on our financial instrument risk management, including methodologies and assumptions, are described in Notes 1 and 6 of our 2025 Annual Consolidated Financial Statements.

The allowance for expected credit losses was \$95 as at March 31, 2026 (December 31, 2025 — \$93) and the Provision for credit losses was \$4 for the three months ended March 31, 2026 (March 31, 2025 — \$7). There were no significant transfers between Stage 1, Stage 2, and Stage 3 for the three months ended March 31, 2026 and March 31, 2025.

7. Goodwill

Effective January 1, 2026, the level at which goodwill is monitored for the U.S. business segment was updated by combining the previously separate Group Benefits and Dental CGUs into a single group of CGUs named "Group Health and Benefits", to represent the level at which we monitor goodwill for internal management purposes. This reflects increasing integration of the business with unified strategic planning, shared resources, and enhanced synergies. While this change did not result in a remeasurement of goodwill, it affects the level at which future impairment tests are performed.

8. Insurance Contracts

8.A Changes in Insurance Contracts

8.A.i Changes in Insurance Contracts Issued and Reinsurance Contracts Held Net Asset or Liability

Insurance Contracts Issued By Measurement Component

The following table shows the changes in net liabilities for insurance contracts issued by measurement component, including estimates of present value ("PV") of future cash flows, risk adjustment, and Contractual Service Margin ("CSM"). Changes in the liabilities for insurance contract liabilities for account of segregated fund holders are provided in Note 12. Further details of our measurement approach, including the premium allocation approach ("PAA"), can be found in Note 1 of our 2025 Annual Consolidated Financial Statements.

	For the three months ended and as at March 31, 2026				For the year ended and as at December 31, 2025			
	Estimates of PV of future cash flows	Risk adjustment	CSM	Total	Estimates of PV of future cash flows	Risk adjustment	CSM	Total
Insurance contracts, beginning of period:								
Insurance contract liabilities — non-PAA	\$ 116,344	\$ 6,905	\$ 13,534	\$ 136,783	\$ 108,232	\$ 7,948	\$ 12,733	\$ 128,913
Insurance contract liabilities — PAA	18,238	889	—	19,127	17,490	866	—	18,356
Insurance contract assets — non-PAA	(1,789)	889	632	(268)	(670)	149	295	(226)
Insurance contract assets — PAA	(67)	—	—	(67)	(129)	—	—	(129)
Net balances, beginning of period	\$ 132,726	\$ 8,683	\$ 14,166	\$ 155,575	\$ 124,923	\$ 8,963	\$ 13,028	\$ 146,914
CSM recognized for services provided	—	—	(323)	(323)	—	—	(1,235)	(1,235)
Risk adjustment recognized for non-financial risk expired	—	(144)	—	(144)	—	(572)	—	(572)
Changes in estimates that adjust CSM	83	(27)	(56)	—	(968)	(133)	1,101	—
Contracts initially recognized in the period	(539)	141	418	20	(2,144)	579	1,675	110
Other	2,650	40	83	2,773	10,105	(177)	(403)	9,525
Changes in PAA balance	44	9	—	53	810	23	—	833
Net balances, end of period	\$ 134,964	\$ 8,702	\$ 14,288	\$ 157,954	\$ 132,726	\$ 8,683	\$ 14,166	\$ 155,575
Insurance contracts, end of period:								
Insurance contract liabilities — non-PAA ⁽¹⁾	\$ 118,434	\$ 6,953	\$ 13,658	\$ 139,045	\$ 116,344	\$ 6,905	\$ 13,534	\$ 136,783
Insurance contract liabilities — PAA	18,240	898	—	19,138	18,238	889	—	19,127
Insurance contract assets — non-PAA	(1,685)	851	630	(204)	(1,789)	889	632	(268)
Insurance contract assets — PAA	(25)	—	—	(25)	(67)	—	—	(67)
Net balances, end of period	\$ 134,964	\$ 8,702	\$ 14,288	\$ 157,954	\$ 132,726	\$ 8,683	\$ 14,166	\$ 155,575

⁽¹⁾ Includes liabilities of \$(429) as at March 31, 2026 (December 31, 2025 — \$(442)) for segregated fund insurance contracts that are not backed by the related Investments for account of segregated fund holders.

Reinsurance Contracts Held By Measurement Component

The following table shows the ending balances for reinsurance contracts held by measurement component:

As at	March 31, 2026				December 31, 2025			
	Estimates of PV of future cash flows	Risk adjustment	CSM	Total	Estimates of PV of future cash flows	Risk adjustment	CSM	Total
Reinsurance contracts, end of period:								
Reinsurance contract held assets — non-PAA	\$ 4,396	\$ 1,324	\$ 113	\$ 5,833	\$ 4,294	\$ 1,314	\$ 118	\$ 5,726
Reinsurance contract held assets — PAA	391	23	—	414	389	23	—	412
Reinsurance contract held liabilities — non-PAA	\$ (2,748)	\$ 902	\$ (498)	\$ (2,344)	\$ (2,471)	\$ 866	\$ (444)	\$ (2,049)
Net balances, end of period	\$ 2,039	\$ 2,249	\$ (385)	\$ 3,903	\$ 2,212	\$ 2,203	\$ (326)	\$ 4,089

8.A.ii Insurance Revenue

Insurance revenue in the Consolidated Statements of Operations consists of the following:

	For the three months ended	
	March 31, 2026	March 31, 2025
For contracts not measured using the PAA:		
Amounts relating to changes in liabilities for remaining coverage:		
Expected claims and other expenses ⁽¹⁾	\$ 1,297	\$ 1,222
Release of risk adjustment ⁽¹⁾	144	155
CSM recognized for services provided	323	297
Income taxes specifically chargeable to the policyholder	26	8
Amortization of insurance acquisition cash flows	103	75
Total insurance revenue for contracts not measured using the PAA	1,893	1,757
For contracts measured using the PAA:		
Insurance revenue	4,250	4,261
Total insurance revenue	\$ 6,143	\$ 6,018

⁽¹⁾ Expected claims and other expenses exclude investment components and amounts allocated to the loss component. Release of risk adjustment excludes amounts allocated to the loss component and amounts related to changes in the time value of money, which are recognized in Insurance finance income (expenses).

9. Fee Income

	For the three months ended	
	March 31, 2026	March 31, 2025
Fee income from service contracts:		
Distribution fees	\$ 280	\$ 270
Fund management and other asset-based fees	1,631	1,580
Administrative service and other fees	408	390
Total fee income	\$ 2,319	\$ 2,240

Distribution fees and Fund management and other asset-based fees are primarily earned in the SLAM segment. Administrative service and other fees are primarily earned in the Canada and U.S. segments. The fee income by business segment is presented in Note 4.

10. Income Taxes

The Company's effective income tax rate is generally lower than our statutory income tax rate of 27.8% due to various tax benefits, such as lower taxes on income subject to tax in foreign jurisdictions and a range of tax-exempt or low-taxed investment income.

Our effective income tax rate for the three months ended March 31, 2026 was 16.3% compared to 19.4% for the three months ended March 31, 2025. The effective income tax rate for the three months ended March 31, 2026 was lower than the effective income tax rate for the three months ended March 31, 2025, primarily due to favourable tax impacts from the settlement of our obligations to purchase outstanding shares from BGO and Crescent, which have been partially offset by lower tax-exempt or low-taxed investment income and higher Global Minimum Tax ("GMT") expense in 2026.

In our Consolidated Statements of Operations, Income tax expense (benefit) has the following components:

	For the three months ended	
	March 31, 2026	March 31, 2025
Current income tax expense (benefit)	\$ 299	\$ 270
Deferred income tax expense (benefit)	(196)	(28)
Total income tax expense (benefit)	\$ 103	\$ 242

The IASB issued amendments to IAS 12 *Income Taxes* in May 2023, which provided a mandatory temporary exception to the recognition and disclosure of information about deferred taxes relating to GMT, and we have applied this temporary exception. Our deferred taxes will not reflect impacts of GMT while the mandatory exception is applicable. The GMT rules applied to us effective January 1, 2024. The Canadian GMT legislation requires the ultimate parent entity of a group to pay top-up tax, on a jurisdiction-by-jurisdiction basis, on profits of its subsidiaries that are taxed below 15%. Some jurisdictions have enacted a Qualifying Domestic Minimum Top-Up Tax ("QDMTT") which requires the GMT top-up tax to be paid in the local jurisdiction rather than to the ultimate parent entity's jurisdiction. In response to the GMT rules, Bermuda enacted a Corporate Income Tax ("CIT") regime, including a corporate income tax rate of 15%, which applies to us effective January 1, 2025. The Bermuda CIT is not a QDMTT for the purposes of GMT. Top-up tax may still be payable by the ultimate parent entity under the Income Inclusion Rule, depending on the effective tax rate in Bermuda. Our other subsidiaries that are currently subject to a statutory tax rate or to a tax regime that could result in taxing profits at a rate below 15% include those in Hong Kong and Ireland, which have both enacted a QDMTT. Current income tax expense (benefit) for the three months ended March 31, 2026 includes GMT income tax expense of \$2. (March 31, 2025 — \$(3)).

11. Capital Management

11.A Capital

Our capital base is structured to exceed minimum regulatory and internal capital targets and maintain strong credit and financial strength ratings, while maintaining a capital efficient structure. We strive to achieve an optimal capital structure by balancing the use of debt and equity financing. Capital is managed both on a consolidated basis under the principles that consider all the risks associated with the business, as well as at the business group level under the principles appropriate to the jurisdiction in which each operates. We manage the capital for all of our international subsidiaries on a local statutory basis in a manner commensurate with their individual risk profiles. Further details on our capital, and how it is managed, are included in Note 20 of our 2025 Annual Consolidated Financial Statements.

SLF Inc. is a non-operating insurance company and is subject to the Life Insurance Capital Adequacy Test ("LICAT") guideline. As at March 31, 2026, SLF Inc.'s LICAT ratio exceeded the regulatory minimum target as set out by the Office of the Superintendent of Financial Institutions ("OSFI").

Sun Life Assurance, SLF Inc.'s principal operating life insurance subsidiary in Canada, is also subject to the LICAT guideline. As at March 31, 2026, Sun Life Assurance's LICAT ratio exceeded OSFI's minimum regulatory target; as well as OSFI's supervisory target applicable to operating life insurance companies.

In the U.S., Sun Life Assurance operates through a branch which is subject to U.S. regulatory supervision and it exceeded the levels under which regulatory action would be required as at March 31, 2026. In addition, other subsidiaries of SLF Inc. that must comply with local capital or solvency requirements in the jurisdiction in which they operate maintained capital levels above minimum local requirements as at March 31, 2026.

Our capital base consists mainly of common shareholders' equity, preferred shareholders' equity, equity in the participating account, non-controlling interest's equity, CSM, and certain other capital securities that qualify as regulatory capital.

11.B Significant Capital Transactions

11.B.i Common Shares

Changes in common shares issued and outstanding were as follows:

For the three months ended	March 31, 2026		March 31, 2025	
	Number of shares	Amount	Number of shares	Amount
Common shares (in millions of shares)				
Balance, beginning of period	553.8	\$ 7,900	573.9	\$ 8,192
Stock options exercised	0.2	17	0.1	5
Common shares purchased for cancellation	—	—	(6.4)	(103)
Balance, end of period	554.0	\$ 7,917	567.6	\$ 8,094

On August 29, 2023, we launched a normal course issuer bid (the "NCIB") to purchase up to 17 million of our common shares, which expired on August 28, 2024. We renewed the NCIB to purchase up to 15 million of our common shares which commenced on August 29, 2024 and, was in effect until June 6, 2025 (the "2024 NCIB"). We repurchased approximately 14.4 million common shares under the 2024 NCIB. In June 2025, we renewed the NCIB to purchase up to 10.6 million common shares (the "2025 NCIB", and together with the 2024 NCIB, the "NCIBs"), representing an additional 10 million common shares approved by OSFI and the TSX, and the remaining approximately 0.6 million common shares that we had not repurchased under the 2024 NCIB. The 2025 NCIB commenced on June 9, 2025 and will continue until, at the latest, May 21, 2026.

We implemented an automatic repurchase plan with our designated broker in order to facilitate purchases of common shares under the NCIBs. Under the automatic repurchase plan, our designated broker is able to purchase common shares pursuant to the NCIBs at times when we ordinarily would not be active in the market due to applicable securities laws or self-imposed blackout periods. Any common shares purchased by us pursuant to the NCIBs will be cancelled or used in connection with certain equity settled incentive arrangements.

For the three months ended March 31, 2026, we did not purchase and cancel any common shares under the NCIBs (March 31, 2025 — purchased and cancelled an aggregate of approximately 6.4 million common shares at an average price per share of \$80.64 for a total amount of \$520. Tax incurred on net repurchases of equity was \$10). The total amount paid to purchase the shares for cancellation pursuant to the NCIBs and the tax incurred is recorded in our Consolidated Statements of Changes in Equity. The amount allocated to Common shares is based on the average cost per common share and the amount paid above the average cost is allocated to Retained earnings.

12. Segregated Funds

12.A Segregated Funds Classified as Investment Contracts

12.A.i Investments for Account of Segregated Fund Holders — Investment Contracts

The carrying value of investments for account of segregated fund holders for contracts classified as investment contracts are as follows:

As at	March 31, 2026	December 31, 2025
Segregated and mutual fund units	\$ 145,006	\$ 144,766
Equity securities	1,154	1,149
Debt securities	525	532
Cash, cash equivalents and short-term securities	2	3
Other	33	8
Total investments for account of segregated fund holders	\$ 146,720	\$ 146,458

12.A.ii Changes in Account of Segregated Fund Holders — Investment Contracts

	For the three months ended and as at March 31, 2026	For the year ended and as at December 31, 2025
Balance, beginning of period	\$ 146,458	\$ 128,689
Additions to segregated funds:		
Deposits	4,693	16,754
Net realized and unrealized gains (losses)	501	7,573
Other investment income	227	10,362
Total additions	5,421	34,689
Deductions from segregated funds:		
Payments to policyholders and their beneficiaries	4,909	15,976
Management fees	236	880
Taxes and other expenses	15	60
Foreign exchange rate movements	(1)	4
Total deductions	5,159	16,920
Net additions (deductions)	262	17,769
Balance, end of period	\$ 146,720	\$ 146,458

12.B Segregated Funds Classified as Insurance Contracts

12.B.i Investments for Account of Segregated Fund Holders — Insurance Contracts

The carrying value of investments for account of segregated fund holders for contracts classified as insurance contracts, which are the underlying items for the insurance contracts, are as follows:

As at	March 31, 2026	December 31, 2025
Segregated and mutual fund units	\$ 15,311	\$ 15,628
Equity securities	2,376	2,512
Debt securities	1,588	1,741
Cash, cash equivalents and short-term securities	315	302
Mortgages	6	6
Other assets	69	41
Total assets	19,665	20,230
Less: Liabilities arising from investing activities	108	122
Total investments for account of segregated fund holders	\$ 19,557	\$ 20,108

12.B.ii Changes in Account of Segregated Fund Holders — Insurance Contracts

Changes by Measurement Component

The following reconciliation illustrates the insurance contract liabilities for account of segregated fund holders by measurement component. For insurance contract liabilities for account of segregated fund holders, the entire amount is included in the estimates of PV of future cash flows. Reconciliations for the net liabilities of segregated fund insurance contracts that are not backed by investments for account of segregated fund holders are included as part of the insurance contract liabilities in Note 8.A.i.

	For the three months ended and as at March 31, 2026	For the year ended and as at December 31, 2025
Balance, beginning of period	\$ 20,108	\$ 20,097
Insurance finance (income) expenses	(131)	1,901
Foreign currency translation	(49)	(431)
Cash flows:		
Premiums received	577	2,098
Amounts paid to policyholders and other insurance service expenses paid	(754)	(2,744)
Management fees, taxes and other expenses	(194)	(813)
Total cash flows	(371)	(1,459)
Balance, end of period	\$ 19,557	\$ 20,108

13. Commitments, Guarantees and Contingencies

Guarantees of Sun Life Assurance Preferred Shares and Subordinated Debentures

SLF Inc. has provided a guarantee on the \$150 of 6.30% subordinated debentures due in 2028 issued by Sun Life Assurance. Claims under this guarantee will rank equally with all other subordinated indebtedness of SLF Inc. SLF Inc. has also provided a subordinated guarantee of preferred shares issued from time to time by Sun Life Assurance, other than such preferred shares which are held by SLF Inc. and its affiliates. Sun Life Assurance has no outstanding preferred shares subject to the guarantee. As a result of these guarantees, Sun Life Assurance is entitled to rely on exemptive relief from most continuous disclosure and the certification requirements of Canadian securities laws.

The following tables set forth certain consolidating summary financial information for SLF Inc. and Sun Life Assurance (consolidated):

For the three months ended	SLF Inc. (unconsolidated)	Sun Life Assurance (consolidated)	Other subsidiaries of SLF Inc. (combined)	Consolidation adjustments	SLF Inc. (consolidated)
March 31, 2026					
Insurance revenue	\$ —	\$ 5,478	\$ 1,132	\$ (467)	\$ 6,143
Net investment income (loss) excluding result for segregated fund holders	156	341	92	(256)	333
Fee income	—	592	1,873	(146)	2,319
Total revenue	\$ 156	\$ 6,411	\$ 3,097	\$ (869)	\$ 8,795
Shareholders' net income (loss)	\$ 485	\$ 310	\$ 110	\$ (420)	\$ 485
March 31, 2025					
Insurance revenue	\$ —	\$ 5,107	\$ 1,320	\$ (409)	\$ 6,018
Net investment income (loss) excluding result for segregated fund holders	62	2,808	291	(68)	3,093
Fee income	—	539	1,843	(142)	2,240
Total revenue	\$ 62	\$ 8,454	\$ 3,454	\$ (619)	\$ 11,351
Shareholders' net income (loss)	\$ 948	\$ 564	\$ 375	\$ (939)	\$ 948

Assets and liabilities as at	SLF Inc. (unconsolidated)	Sun Life Assurance (consolidated)	Other subsidiaries of SLF Inc. (combined)	Consolidation adjustments	SLF Inc. (consolidated)
March 31, 2026					
Invested assets	\$ 29,766	\$ 184,657	\$ 11,419	\$ (26,498)	\$ 199,344
Reinsurance contract held assets	\$ —	\$ 6,266	\$ 2	\$ (21)	\$ 6,247
Insurance contract assets	\$ —	\$ 204	\$ 1,324	\$ (1,299)	\$ 229
Total other general fund assets	\$ 11,048	\$ 15,089	\$ 22,854	\$ (22,776)	\$ 26,215
Investments for account of segregated fund holders	\$ —	\$ 166,218	\$ 60	\$ (1)	\$ 166,277
Insurance contract liabilities excluding those for account of segregated fund holders	\$ —	\$ 158,084	\$ 120	\$ (21)	\$ 158,183
Reinsurance contract held liabilities	\$ —	\$ 3,643	\$ —	\$ (1,299)	\$ 2,344
Investment contract liabilities	\$ —	\$ 11,728	\$ —	\$ —	\$ 11,728
Total other general fund liabilities	\$ 15,805	\$ 16,252	\$ 24,679	\$ (22,905)	\$ 33,831
Insurance contract liabilities for account of segregated fund holders	\$ —	\$ 19,498	\$ 60	\$ (1)	\$ 19,557
Investment contract liabilities for account of segregated fund holders	\$ —	\$ 146,720	\$ —	\$ —	\$ 146,720
December 31, 2025					
Invested assets	\$ 29,520	\$ 182,490	\$ 12,447	\$ (25,282)	\$ 199,175
Reinsurance contract held assets	\$ —	\$ 6,156	\$ 1	\$ (19)	\$ 6,138
Insurance contract assets	\$ —	\$ 267	\$ 1,221	\$ (1,153)	\$ 335
Total other general fund assets	\$ 10,663	\$ 14,674	\$ 22,663	\$ (21,759)	\$ 26,241
Investments for account of segregated fund holders	\$ —	\$ 166,501	\$ 64	\$ 1	\$ 166,566
Insurance contract liabilities excluding those for account of segregated fund holders	\$ —	\$ 155,818	\$ 112	\$ (20)	\$ 155,910
Reinsurance contract held liabilities	\$ —	\$ 3,202	\$ —	\$ (1,153)	\$ 2,049
Investment contract liabilities	\$ —	\$ 11,796	\$ —	\$ —	\$ 11,796
Total other general fund liabilities	\$ 15,651	\$ 15,871	\$ 26,273	\$ (21,153)	\$ 36,642
Insurance contract liabilities for account of segregated fund holders	\$ —	\$ 20,043	\$ 64	\$ 1	\$ 20,108
Investment contract liabilities for account of segregated fund holders	\$ —	\$ 146,458	\$ —	\$ —	\$ 146,458

14. Earnings (Loss) Per Share

Details of the calculation of the net income (loss) and the weighted average number of shares used in the earnings per share computations are as follows:

	For the three months ended	
	March 31, 2026	March 31, 2025
Common shareholders' net income (loss) for basic earnings per share	\$ 465	\$ 928
Add: Increase in income due to convertible instruments ⁽¹⁾	3	3
Common shareholders' net income (loss) on a diluted basis	\$ 468	\$ 931
Weighted average number of common shares outstanding for basic earnings per share (in millions)	554	572
Add: Dilutive impact of stock options ⁽²⁾ (in millions)	1	1
Dilutive impact of convertible instruments ⁽¹⁾ (in millions)	3	2
Dilutive impact of other share-based payment plans (in millions)	2	—
Weighted average number of common shares outstanding on a diluted basis (in millions)	560	575
Basic earnings (loss) per share	\$ 0.84	\$ 1.62
Diluted earnings (loss) per share	\$ 0.84	\$ 1.62

⁽¹⁾ The convertible instruments are the Sun Life Exchangeable Capital Securities ("SLEECs") — Series B issued by Sun Life Capital Trust.

⁽²⁾ Excludes the impact of 1 million stock options for the three months ended March 31, 2026 (March 31, 2025 — 1 million) because these stock options were anti-dilutive for the period.

15. Accumulated Other Comprehensive Income (Loss)

Changes in accumulated other comprehensive income (loss), net of taxes, are as follows:

For the three months ended	March 31, 2026			March 31, 2025		
	Balance, beginning of period	Other comprehensive income (loss)	Balance, end of period	Balance, beginning of period	Other comprehensive income (loss)	Balance, end of period
Items that may be reclassified subsequently to income:						
Unrealized foreign currency translation gains (losses), net of hedging activities	\$ 1,797	\$ 200	\$ 1,997	\$ 2,696	\$ 25	\$ 2,721
Unrealized gains (losses) on FVOCI assets	5	(89)	(84)	(250)	120	(130)
Unrealized gains (losses) on cash flow hedges	1	(8)	(7)	4	2	6
Share of other comprehensive income (loss) in joint ventures and associates	(366)	67	(299)	(163)	(70)	(233)
Items that will not be reclassified subsequently to income:						
Remeasurement of defined benefit plans	(179)	(16)	(195)	(198)	(12)	(210)
Share of other comprehensive income (loss) in joint ventures and associates	3	—	3	(5)	(1)	(6)
Revaluation surplus on transfers to investment properties	144	—	144	144	—	144
Total	\$ 1,405	\$ 154	\$ 1,559	\$ 2,228	\$ 64	\$ 2,292
Total attributable to:						
Participating account	\$ 9	\$ (2)	\$ 7	\$ 3	\$ (2)	\$ 1
Non-controlling interests	11	1	12	11	—	11
Shareholders	1,385	155	1,540	2,214	66	2,280
Total	\$ 1,405	\$ 154	\$ 1,559	\$ 2,228	\$ 64	\$ 2,292

16. Legal and Regulatory Proceedings

We are regularly involved in legal actions, both as a defendant and as a plaintiff. Legal actions naming us as a defendant ordinarily involve our activities as a provider of insurance protection and wealth management products, as an investor and investment advisor, and as an employer. In addition, government and regulatory bodies in Canada, the U.S., the United Kingdom, and Asia, including federal, provincial, and state securities and insurance regulators, tax authorities, and other government authorities, from time to time, make inquiries and require the production of information or conduct examinations or investigations concerning our compliance with tax, insurance, securities, and other laws.

Provisions for legal proceedings related to insurance contracts, such as for disability and life insurance claims and the cost of litigation, are included in Insurance contract liabilities in our Consolidated Statements of Financial Position. Other provisions are established outside of the Insurance contract liabilities if, in the opinion of management, it is both probable that a payment will be required and a reliable estimate can be made of the amount of the obligation. Management reviews the status of all proceedings on an ongoing basis and exercises judgment in resolving them in such manner as management believes to be in our best interest.

Our significant legal proceedings and regulatory matters are disclosed in Note 22.G of our 2025 Annual Consolidated Financial Statements. There have been no significant updates to such legal and regulatory proceedings, except as noted below, relating to *Fehr et al v Sun Life Assurance Company of Canada* (“Fehr”).

Sun Life Assurance reached a settlement in principle to resolve the certified *Fehr* class action proceeding (“settlement agreement”), subject to Court approval. If approved, the proposed settlement agreement of approximately \$213.5 includes an after-tax charge of \$145, which has been reflected in the Consolidated Statements of Operations in the first quarter of 2026. In connection with the acquisition of the Canadian operations of Metropolitan Life Insurance Company (“MLIC”), MLIC agreed to indemnify Clarica Life Insurance Company for certain losses relating to the policies affected in the class action. If the settlement agreement is approved by the Court, Sun Life Assurance will seek full recourse against MLIC pursuant to the indemnity.

Management continues to believe that the probable conclusion of any current legal, regulatory or tax matter, including those noted above, either individually or in the aggregate, will not have a material adverse effect on the Consolidated Statements of Financial Position or the Consolidated Statements of Operations.

17. Subsequent Event

On May 6, 2026, SLF Inc. announced that, subject to the approval of OSFI and the TSX, it intends to renew its normal course issuer bid to purchase up to 10 million of its common shares (the "2026 NCIB"). Subject to receipt of regulatory and stock exchange approvals, the 2026 NCIB is expected to commence on May 29, 2026, or such earlier date determined by the Company following receipt of such approvals, and will end at the latest on the date that is 12 months after the commencement of the NCIB. Purchases under the 2026 NCIB may be made through the facilities of the TSX, other Canadian stock exchanges, the New York Stock Exchange and/or alternative trading platforms in Canada and the United States, at prevailing market rates. Subject to regulatory approval, purchases under the 2026 NCIB may also be made by way of private agreements or share repurchase programs under issuer bid exemption orders issued by securities regulatory authorities. Any purchases made under an exemption order issued by a securities regulatory authority will generally be at a discount to the prevailing market price. The actual number of common shares purchased under the 2026 NCIB, and the timing of such purchases (if any), will be determined by SLF Inc. Any common shares purchased by SLF Inc. pursuant to the 2026 NCIB will be cancelled or used in connection with certain equity settled incentive arrangements. The 2026 NCIB will provide the Company with the flexibility to acquire common shares in order to return capital to shareholders as part of its overall capital management strategy.

Corporate and Shareholder Information

For information about Sun Life, corporate news and financial results, please visit sunlife.com

Corporate office

Sun Life Financial Inc.
1 York Street
Toronto, Ontario
Canada M5J 0B6
Tel: 416-979-9966
Website: sunlife.com

Investor Relations

Financial analysts, portfolio managers and institutional investors requiring information can contact:

Investor Relations

Email: Investor_Relations@sunlife.com

Please note that financial information can also be obtained from sunlife.com.

Transfer agent

Sun Life Financial Inc. has appointed TSX Trust Company as its share registrar and transfer agent. TSX Trust Company has co-transfer agents in the U.S., U.K., Philippines and Hong Kong.

For information about your shareholdings, dividends, change in share registration or address, estate transfers or lost certificates, please contact the Transfer Agent in the country where you reside. If you do not live in any of the countries listed, please contact the Canadian Transfer Agent.

Canada

TSX Trust Company
301 – 100 Adelaide Street West
Toronto, Ontario M5H 4H1

Tel (within North America): 1-877-224-1760

Tel (outside North America): 416-682-3865

Fax: 1-888-249-6189

Email: sunlifeinquiries@tmx.com

Website: tsxtrust.com/sun-life

Shareholders can view their account details online via *Investor Central* on TSX Trust Company's website. Register at tsxtrust.com/sun-life

United States

Equiniti Trust Company, LLC

Attn: OnBase

Regular mail:

PO Box 500

Newark, NJ 07101

Overnight or courier mail:

1110 Centre Point Curve, Suite 101

Mendota Heights, MN 55120

Tel: 1-877-224-1760

Email: sunlifeinquiries@tmx.com

United Kingdom

MUFG Corporate Markets (UK) Limited
Central Square
29 Wellington Street
Leeds LS1 4DL

Tel: +44 (0) 345-602-1587

Email: shareholderenquiries@cm.mpms.mufg.com

Philippines

RCBC Trust Corporation
Stock Transfer Processing Section
Ground Floor, West Wing
GPL (Grepalife) Building
221 Senator Gil Puyat Avenue
Makati City, Metro Manila 1200

From Metro Manila: 632-5318-8567

From the Provinces: 1-800-1-888-2422

Email: rcbcstocktransfer@rcbc.com

Hong Kong, SAR

Computershare Hong Kong
Investor Services Limited
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

Tel: 852-2862-8555

Shareholders can submit inquiries online at computershare.com/hk/contact

Shareholder services

For shareholder account inquiries, please contact the Transfer Agent in the country where you reside, or Sun Life's Shareholder Solutions team.

English Email: shareholderservices@sunlife.com

French Email: servicesauxactionnaires@sunlife.com

2026 dividend dates

Common Shares

Record dates	Payment dates
February 25, 2026	March 31, 2026
May 27, 2026	June 30, 2026
August 26, 2026*	September 29, 2026*
November 25, 2026*	December 31, 2026*

*Subject to approval by the Board of Directors

Direct deposit of dividends

Common shareholders residing in Canada or the U.S. may have their dividend payments deposited directly into their bank account.

The Request for Electronic Payment of Dividends Form is available for downloading from the TSX Trust Company website, tsxtrust.com/sun-life/forms, or you can contact TSX Trust Company to have a form sent to you.

Canadian dividend reinvestment and share purchase plan

Common shareholders residing in Canada can enroll in the Dividend Reinvestment and Share Purchase Plan. For details, visit our website at sunlife.com or contact the Plan Agent, TSX Trust Company.

Stock exchange listings

Sun Life Financial Inc. common shares are listed on the Toronto (TSX), New York (NYSE) and Philippine (PSE) stock exchanges. Ticker Symbol: SLF

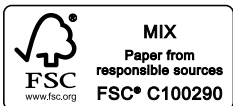
Sun Life Financial Inc. Class A Preferred Shares are listed on the Toronto Stock Exchange (TSX).

Ticker Symbols:

Series 3	SLF.PR.C
Series 4	SLF.PR.D
Series 5	SLF.PR.E
Series 8R	SLF.PR.G
Series 9QR	SLF.PR.J
Series 10R	SLF.PR.H
Series 11QR	SLF.PR.K

SUN LIFE FINANCIAL INC.

1 York Street
Toronto, Ontario
Canada M5J 0B6



sunlife.com

