



## Q2'25 financial & operating results

For the period ended June 30, 2025

Sun Life Financial Inc. (unaudited)



In this presentation, Sun Life Financial Inc. ("SLF" or "SLF Inc."), its subsidiaries and, where applicable, its joint ventures and associates are collectively referred to as "we", "us", "our", "Sun Life" and the "Company". Reported net income (loss) refers to Common shareholders' net income (loss) determined in accordance with IFRS.

### **Forward-looking statements**

Certain statements in this presentation and certain oral statements made by senior management during the earnings conference call on August 8, 2025 (collectively, this "presentation"), including, but not limited to, statements that are not historical facts, are forward-looking and are subject to inherent risks, uncertainties and assumptions. The results or events predicted in these forward-looking statements may differ materially from actual results or events and we cannot guarantee that any forward-looking statement will materialize. Except as may be required by law, we do not undertake any obligation to update or revise any forward-looking statements made in this presentation.

### **Non-IFRS financial measures**

The Company prepares its financial statements in accordance with international financial reporting standards ("IFRS"). This presentation includes financial measures that are not based on IFRS ("non-IFRS financial measures"). The Company believes that these non-IFRS financial measures provide information that is useful to investors in understanding the Company's performance and facilitates the comparison of the 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 as alternatives to measures of financial performance determined in accordance with IFRS. For more information about these non-IFRS financial measures, refer to the Non-IFRS Financial Measures section on slide 21 and in our MD&A for the period ended June 30, 2025 ("Q2 2025 MD&A") in section N – Non-IFRS Financial Measures.

### **Additional information**

Additional information concerning forward-looking statements and non-IFRS financial measures is included at the end of this presentation.

### **Currency**

Unless otherwise noted, all amounts are in Canadian dollars.

### **Rounding**

Amounts in this presentation are impacted by rounding.



# Kevin Strain

President and Chief Executive Officer

# Q2 2025 financial highlights

## Profitability

*Underlying net income<sup>1</sup>*

**\$1,015 M** +2%

*Reported net income*

**\$716 M** +11%

*Underlying EPS<sup>1</sup>*

**\$1.79** +4%

*Reported EPS*

**\$1.26** +14%

*New business CSM<sup>1,2</sup>*

**\$435 M** (0)%

## Financial Strength

*Underlying ROE<sup>1</sup>*

**17.6%**

*Reported ROE<sup>1</sup>*

**12.4%**

*SLF Inc. LICAT ratio<sup>3</sup>*

**151%**

*Financial leverage ratio<sup>1</sup>*

**20.4%**

*Total CSM*

**13.7 B** +9%

## Growth

*Asset management net flows & net wealth sales<sup>1,4,5</sup>*

**\$(14.9) B** +24%

*Group - Health & Protection sales<sup>1</sup>*

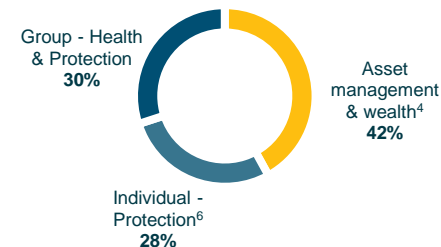
**\$535 M** +8%

*Individual - Protection sales<sup>1,6</sup>*

**\$863 M** +15%

## Diversified Business Mix<sup>7</sup>

*Year-to-date at June 30, 2025*



All results compared to Q2 2024.

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.

Footnotes 2-7: Refer to slide 23.

# Highlights: Delivering on our Purpose and strategy

## Asset Management and Wealth

### Continued momentum and resilience across our Asset Management platform

- **SLC:** Strong capital raising
- **MFS:** Continued growth in Fixed Income and active ETFs; good total gross sales but outflow challenges continue

### Sustained strength in Canada

- Strong growth with wealth assets under management<sup>1</sup> exceeding \$200 billion

## Asia

### Record results and sustained momentum

- **Overall:** Strong growth in wealth assets under management and protection sales, supported by bancassurance growth of 15% y/y<sup>2</sup>
- **India:** Higher inflows into equity funds drove y/y wealth sales growth
- **Hong Kong:** Robust sales performance across all channels (agency, bancassurance, and broker); launched first indexed universal life insurance
- **Bowtie** (Hong Kong's first virtual health insurer<sup>3</sup>): Further investment<sup>4</sup> and partnership in one of Asia-Pacific's fastest growing companies<sup>5</sup>

## Health

### Sustained strength in Canada

- Strong sales performance at Sun Life Health

### Strength and resilience through diversified business mix in U.S.

- Employee Benefits had a record earnings quarter supported by strong business momentum
- Uncertainty in Medicaid funding driving challenges in Dental, which we are taking actions to address

## Digital

**Substantial progress on digital leadership to enhance Client experiences** by launching our newly designed mobile application for all Clients in Canada, real-time underwriting in Malaysia, and straight-through processing for our Supplemental Health Accident product in the U.S.

**Deployment of advisor-facing AI tools** to improve sales performance, including Advisor Buddy in Hong Kong and Advisor Notes Assistant in Canada

## People and Culture

Great Place to Work® named Sun Life **one of Canada's best workplaces** in Financial Services and Insurance, and **one of Ireland's Best Workplaces** for Health and Well-Being<sup>6</sup>

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.  
Footnotes 2-6: Refer to slide 23.



# Tim Deacon

Executive Vice-President &  
Chief Financial Officer

# Q2 2025 results

Profitability	Q2'25	Q2'24	Change
Asset management & wealth (\$ millions)	455	455	-
Group - Health & Protection (\$ millions)	326	305	+7%
Individual – Protection <sup>2</sup> (\$ millions)	299	332	(10)%
Corporate expenses & other <sup>2</sup> (\$ millions)	(65)	(92)	+29%
Underlying net income <sup>1</sup> (\$ millions)	1,015	1,000	+2%
Reported net income (\$ millions)	716	646	+11%

Growth	Q2'25	Q2'24	Change
Asset management net flows & net wealth sales <sup>1</sup> (\$ billions)	(14.9)	(19.6)	+4.7 B
Total AUM <sup>1,3</sup> (\$ billions)	1,541	1,465	+5%
Group sales <sup>1</sup> (\$ millions)	535	494	+8%
Individual sales <sup>1</sup> (\$ millions)	863	753	+15%
New business CSM <sup>1,4</sup> (\$ millions)	435	437	(0)%

Financial strength	Q2'25	Q1'25	Change
SLF Inc. LICAT ratio <sup>5</sup> (%)	151	149	+2 pp
SLA LICAT ratio <sup>5,6</sup> (%)	141	141	-
Financial leverage ratio <sup>1</sup> (%)	20.4	20.1	+0.3 pp
Book value per share (\$)	39.57	40.84	(3.1)%

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.  
Footnotes 2-8: Refer to slide 23.

## Results Highlights

### Resilient results from business diversification:

- **Asset management & wealth:** flat y/y as higher fee-related earnings in SLC Management and higher fee income in Asia were offset by lower fee income in MFS and lower spread income in Canada
- **Group - Health & Protection:** up 7% y/y from improved U.S. Dental results and favourable mortality experience in Canada
- **Individual - Protection<sup>2</sup>:** down 10% y/y on unfavourable mortality experience in Canada and the U.S.
- **Corporate expenses & other<sup>2</sup>:** decrease in net loss primarily driven by the timing of strategic investment spend, and lower incentive compensation

**Total AUM<sup>1,3</sup> up 5% y/y** due to market appreciation, partially offset by net outflows

### Total insurance sales up 12% y/y

- Individual sales up 15% y/y from higher sales across Hong Kong, Indonesia, and India, partially offset by lower third-party sales in Canada
- Group sales up 8% y/y driven by large case sales in Canada and higher U.S. Dental sales, partially offset by lower sales in U.S. medical stop-loss
- Total CSM up 9% y/y on strong organic CSM generation

**New business CSM flat y/y:** strong sales and profit margins in Hong Kong offset by a prior year large case sale in Canada

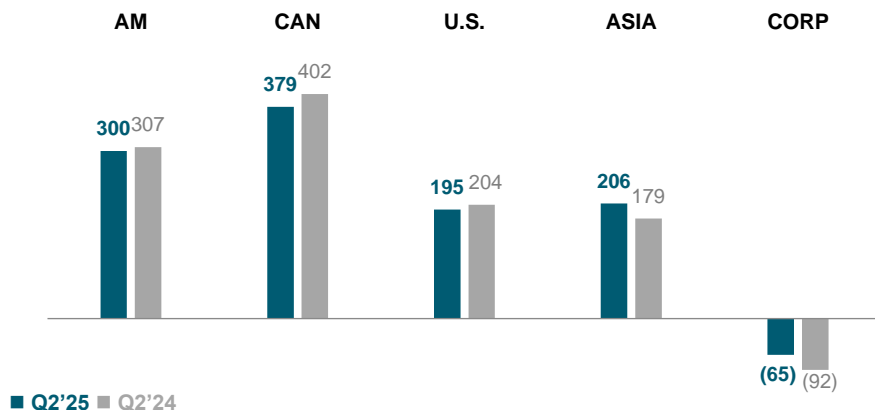
### Strong capital position

- Organic capital generation<sup>1,7</sup> of \$673 million
- SLF LICAT of 151%, up 2 points driven by strong organic capital generation partially offset by share buybacks
- Low financial leverage ratio of 20.4%; \$1.1 billion in holdco cash<sup>1,8</sup>

# Q2 2025 results

## Underlying net income<sup>1</sup> (\$ millions)

Impact of currency translation increased underlying net income by **\$9M<sup>2</sup>**



### Year-over-year growth

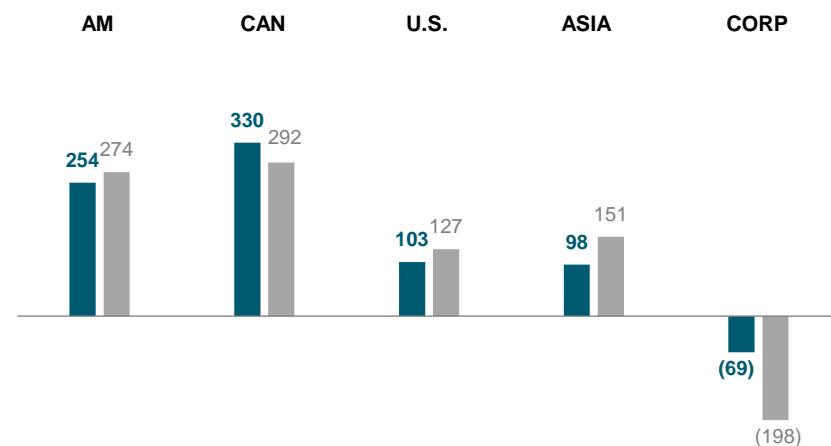
Region	Q2'25	Q2'24
AM	(2)%	(6)%
CAN	(6)%	(4)%
U.S.	(4)%	+15%
ASIA	+15%	(7)%
CORP	(7)%	+13%

### Constant currency<sup>2</sup> year-over-year growth

Region	Q2'25	Q2'24
AM	(3)%	(6)%
CAN	(6)%	(5)%
U.S.	(5)%	+13%
ASIA	+13%	(8)%
CORP	(8)%	+13%

## Reported net income (\$ millions)

Impact of currency translation increased reported net income by **\$7M<sup>2</sup>**



<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.

<sup>2</sup> Percentage changes are reported on a constant currency basis, which excludes the impacts of foreign exchange translation.



# MFS: A global leader in public asset management

## Business Group Results (US\$)

Profitability	Q2'25	Q2'24	Change
Underlying net income <sup>1</sup> (\$ millions)	184	194	(5)%
Reported net income (\$ millions)	183	194	(6)%
Pre-tax net operating margin <sup>1,2</sup> (%)	35.1	36.5	(1.4) pp
Total revenue <sup>1</sup> (\$ millions)	801	811	(1)%
Total expenses <sup>1</sup> (\$ millions)	558	555	+1%

Growth	Q2'25	Q2'24	Change
Total net flows <sup>1</sup> (\$ billions)	(14.3)	(14.8)	+0.5 B
Institutional net flows <sup>1</sup> (\$ billions)	(8.4)	(9.2)	+0.8 B
Retail net flows <sup>1</sup> (\$ billions)	(5.9)	(5.6)	(0.3) B
Total assets under management <sup>1</sup> (\$ billions)	635	618	+3%
Institutional AUM <sup>1</sup> (\$ billions)	188	198	(5)%
Retail AUM <sup>1</sup> (\$ billions)	447	420	+7%
Average net assets ("ANA") <sup>1</sup> (\$ billions)	607	620	(2)%

## Quarterly Highlights (US\$)

- Underlying net income down 5% compared to the prior year, reflecting a decline in fee income from lower average net assets owing to market volatility and redemptions, and lower net investment income
- Reported net income down 6% y/y on lower underlying net income
- Pre-tax net operating profit margin of 35.1% decreased from 36.5% y/y driven primarily by lower fee income and net investment income
- Ending AUM of \$635 billion up 3% y/y reflecting market appreciation, partially offset by net outflows
- Institutional net outflows of \$(8.4) billion primarily reflects Client rebalancing activity
- Retail net outflows of \$(5.9) billion reflects continued investor preference for risk-free rate investments due to equity market uncertainty
- Long-term retail fund performance remains good with 90% of fund assets ranked in the top half of their respective Morningstar categories based on 10-year performance

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.

<sup>2</sup> Pre-tax gross operating margin was 31.7% in Q2 2025 and 32.7% in Q2 2024.

# SLC Management: Growing a premier alternatives platform

## Business Group Results

Profitability	Q2'25	Q2'24	Change
Fee-related earnings <sup>1</sup> (\$ millions)	89	65	+37%
Pre-tax fee-related earnings margin <sup>1,2</sup> (%)	25.9	24.0	+1.9 pp
Pre-tax net operating margin <sup>1,2</sup> (%)	26.4	21.6	+4.8 pp
Underlying net income <sup>1</sup> (\$ millions)	45	42	+7%
Reported net income (\$ millions)	0	9	(100)%

Growth	Q2'25	Q2'24	Change
Total assets under management <sup>1,3</sup> (\$ billions)	250	227	+10%
Total AUM net flows <sup>1</sup> (\$ billions)	4.1	(0.7)	+4.8 B
Assets under administration <sup>1</sup> (\$ billions)	16.0	11.5	+38%
Fee-earning AUM <sup>1</sup> (\$ billions)	194	178	+9%
Fee-earning AUM net flows <sup>1</sup> (\$ billions)	4.4	1.1	+3.3 B
AUM not yet earnings fees <sup>1</sup> (\$ billions)	27.5	20.6	+33%
Capital raising <sup>1</sup> (\$ billions)	6.0	3.0	+3.0 B
Deployment <sup>1</sup> (\$ billions)	6.0	6.0	-

## Quarterly Highlights

- Underlying net income up 7% y/y on higher fee-related earnings ("FRE"), mostly offset by lower net seed investment income and catch-up fees
- FRE up 37% y/y, driven by strong capital raising and lower expenses
- FRE margin and net operating margin up from the prior year driven by margin expansion at BGO
- Reported net income down by \$9 million y/y reflecting market-related impacts
- Fee-earning AUM increased 9% y/y driven by Asia real estate growth and a large fixed income mandate
- Capital raising of \$6.0 billion reflects strong activity in BGO, SLC Fixed Income, and Crescent Capital
- Achieved solid deployments of \$6.0 billion driven by SLC Fixed Income, Crescent, and BGO

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.  
Footnotes 2-3: Refer to slide 23.

# Canada: A leader in health, wealth, and insurance

## Business Group Results

Profitability	Q2'25	Q2'24	Change
Asset management & wealth (\$ millions)	125	130	(4)%
Group - Health & Protection (\$ millions)	153	152	+1%
Individual - Protection (\$ millions)	101	120	(16)%
Underlying net income <sup>1</sup> (\$ millions)	379	402	(6)%
Reported net income (\$ millions)	330	292	+13%
Underlying ROE <sup>1</sup> (%)	25.9	25.0	+0.9 pp
Reported ROE <sup>1</sup> (%)	22.5	18.1	+4.4 pp
Growth	Q2'25	Q2'24	Change
AM net flows & net wealth sales <sup>1,2</sup> (\$ millions)	308	1,017	(709) M
Asset management & wealth AUM <sup>1,2,3</sup> (\$ billions)	203	181	+12%
Group - Health & Protection sales <sup>1</sup> (\$ millions)	201	143	+41%
Group - Health & Protection net premiums <sup>1</sup> (\$ millions)	1,882	1,755	+7%
Group - Health & Protection fee income (\$ millions)	134	126	+6%
Individual - Protection sales <sup>1</sup> (\$ millions)	136	167	(19)%

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.

Footnotes 2-3: Refer to slide 23.

Sun Life – Q2 2025

## Quarterly Highlights

- Underlying net income down 6% y/y as strong business growth was more than offset by lower investment results and less favourable insurance experience
- Asset management & wealth** earnings down 4% y/y on lower spread income reflecting relatively lower yields on investment contracts
  - Asset management & wealth AUM up 12% y/y driven by market appreciation and net inflows
  - Asset management gross flows & wealth sales down 13% y/y driven by lower defined benefit solution sales, partially offset by higher defined contribution sales in GRS
- Group - Health & Protection** earnings up 1% y/y reflecting more favourable mortality experience and business growth, partially offset by less favourable morbidity experience
  - Group sales up 41% y/y driven by higher large case sales
- Individual - Protection** earnings down 16% y/y on unfavourable mortality experience
  - Individual sales down 19% y/y reflecting lower third-party sales
- Reported net income up 13% y/y due to favourable equity experience and interest rate impacts, partially offset by other market impacts and lower underlying net income

# U.S.: A leader in health & benefits

## Business Group Results (US\$)

Profitability	Q2'25	Q2'24	Change
Group - Health & Protection (\$ millions)	123	112	+10%
Individual - Protection (\$ millions)	20	37	(46)%
Underlying net income <sup>1</sup> (\$ millions)	143	149	(4)%
Reported net income (\$ millions)	74	91	(19)%
Underlying ROE <sup>1</sup> (%)	11.7	12.9	(1.2) pp
Reported ROE <sup>1</sup> (%)	6.1	7.9	(1.8) pp

Growth	Q2'25	Q2'24	Change
Employee Benefits sales <sup>1</sup> (\$ millions)	54	50	+8%
Medical stop-loss sales <sup>1</sup> (\$ millions)	121	172	(30)%
Dental sales <sup>1</sup> (\$ millions)	51	21	+143%
Net premiums <sup>1</sup> – GB & Dental (\$ millions)	2,049	1,907	+7%
Fee Income – GB & Dental (\$ millions)	93	84	+11%

## Quarterly Highlights (US\$)

- Underlying net income down 4% y/y
- Group - Health & Protection** earnings up 10% y/y driven by business growth, partially offset by unfavourable experience
  - Record Employee Benefits earnings on business growth and solid margins
  - In the quarter, experience-related items included unfavourable morbidity in Dental and medical stop-loss and unfavourable expense experience
  - Net premiums up 7% y/y driven by growth in Medicaid in Dental and strong prior year sales and rate increases in medical stop-loss
  - Sales down 7% y/y reflecting pricing discipline in a competitive market in medical stop-loss, partially offset by solid sales in Dental
- 2025 underlying net income for Dental expected to be below US\$100 million<sup>2</sup>** driven by uncertain Medicaid funding resulting in slower than anticipated repricing, and higher Medicaid claims severity and frequency
- Individual - Protection** earnings down 46% from prior year, driven by unfavourable mortality and credit experience
- Reported net income down 19% y/y driven by an impairment charge on an intangible asset in Dental and the decrease in underlying net income, partially offset by improved real estate experience and favourable interest rate impacts

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.

<sup>2</sup> This statement is a forward-looking statement within the meaning of applicable securities laws. For more information, refer to "Forward-looking Statements" and "Risk Factors" on slide 22.

# Asia: A regional leader focused on fast-growing markets

## Business Group Results

Profitability	Q2'25	Q2'24	Change	CC <sup>1,2</sup>
Individual – Protection <sup>3,4</sup> (\$ millions)	176	161	+9%	+7%
Asset management & wealth (\$ millions)	30	18	+67%	+67%
Underlying net income <sup>1</sup> (\$ millions)	206	179	+15%	+13%
Reported net income (\$ millions)	98	151	(35)%	(37)%
Underlying ROE <sup>1</sup> (%)	15.2	13.2	+2.0 pp	n/a
Reported ROE <sup>1</sup> (%)	7.2	11.1	(3.9) pp	n/a
Growth	Q2'25	Q2'24	Change	CC <sup>1,2</sup>
AM net flows & net wealth sales <sup>1</sup> (\$ millions)	481	340	+141 M	+141 M
Asset management & wealth AUM <sup>1</sup> (\$ billions)	44	38	+16%	+18%
Individual - Protection sales <sup>1</sup> (\$ millions)	727	586	+24%	+22%
Total weighted premium income <sup>1</sup> (\$ millions)	2,263	1,776	+27%	+26%
New business CSM <sup>1,5</sup> (\$ millions)	299	220	+36%	+34%

## Quarterly Highlights (% in constant currency<sup>1,2</sup>)

- Record underlying net income of \$206 million up 13% y/y
- Total CSM up y/y on strong organic CSM growth
- New business CSM of \$299 million was up by 34% y/y on strong sales and profit margins in Hong Kong
- Individual – Protection<sup>3,4</sup>** earnings up 7% y/y on business growth and higher investment contributions, partially offset by higher expenses on business investments
  - Individual sales up 22% y/y driven by higher sales in Hong Kong, Indonesia, and India
- Asset management & wealth** earnings up 67% y/y on higher fee income from AUM growth
- Reported net income lower y/y reflecting unfavourable market-related impacts, partially offset by the increase in underlying net income and the prior year impact of a Pillar Two global minimum tax adjustment<sup>6</sup>

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.  
Footnotes 2-6: Refer to slide 23.



## Appendix

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# U.S.: Update on Dental outlook<sup>1</sup>

## Outlook

**2025 underlying net income<sup>2</sup> for Dental expected to be below US\$100 million:**

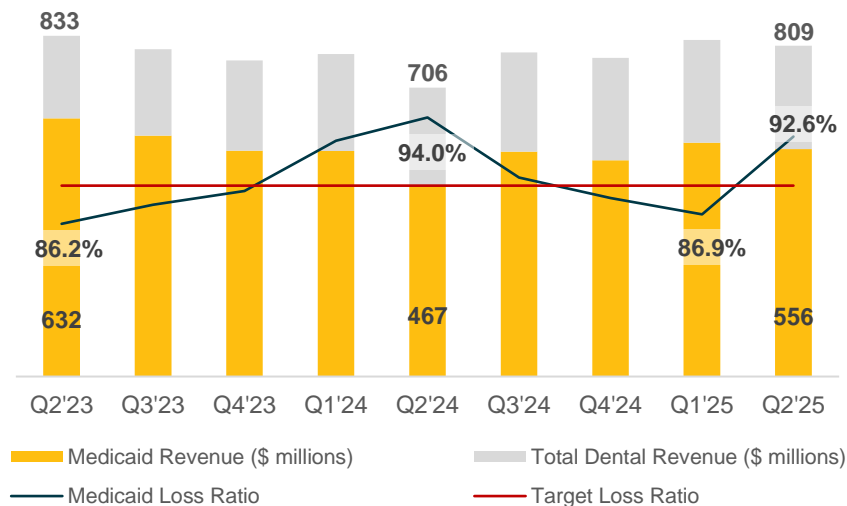
- Uncertainty around Medicaid funding resulting in slower than anticipated repricing with State Medicaid Administrators and Health Plans
- Higher claims severity and utilization in Medicaid business

**We remain confident in the long-term outlook for Dental and continue to target 12%+ underlying net income growth for Sun Life U.S.**

Dental expected to contribute **at least one third** of overall U.S. earnings growth by:

- Commercial dental growth through standalone sales or bundled with our strong Employee Benefits offerings; and,
- Margin improvement through management actions and continued Medicaid repricing over time

## Dental revenue and Medicaid loss ratios<sup>2,3</sup>



<sup>1</sup> This slide contains forward-looking statements within the meaning of applicable securities laws. For more information, refer to "Forward-looking Statements" and "Risk Factors" on slide 22.

<sup>2</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.

<sup>3</sup> Loss ratios are Dental Medical claims divided by premiums

# Drivers of earnings<sup>1</sup>

## Underlying drivers of earnings (DOE)

\$ millions, pre-tax

	Q2'25	Q1'25	Q2'24
Risk adjustment release	107	109	104
Contractual Service Margin recognized for services provided	252	243	226
Expected earnings on short-term (group) insurance business	438	445	419
<b>Expected insurance earnings</b>	<b>797</b>	<b>797</b>	<b>749</b>
Impact of new insurance business	(12)	(10)	(13)
Experience gains (losses) <sup>2</sup>	(25)	50	11
<b>Total net insurance service result - Underlying</b>	<b>760</b>	<b>837</b>	<b>747</b>
Expected investment earnings	263	252	243
Credit experience	(32)	(28)	(14)
Earnings on surplus	148	128	159
Joint ventures & other	67	70	61
<b>Total net investment result - Underlying</b>	<b>446</b>	<b>422</b>	<b>449</b>
Other fee income <sup>2</sup>	102	80	84
Expenses – other <sup>2,3</sup>	(440)	(494)	(451)
<b>Asset management – Underlying</b>	<b>416</b>	<b>483</b>	<b>417</b>
<b>Earnings before income taxes – Underlying</b>	<b>1,284</b>	<b>1,328</b>	<b>1,246</b>
Income tax (expense) or recovery	(237)	(248)	(215)
Dividends, distributions, NCI <sup>4</sup>	(32)	(35)	(31)
<b>Common shareholders' underlying net income (loss)</b>	<b>1,015</b>	<b>1,045</b>	<b>1,000</b>

## Non-underlying net income adjustments

\$ millions, post-tax

	Q2'25	Q1'25	Q2'24
<b>Common shareholders' underlying net income (loss)</b>	<b>1,015</b>	<b>1,045</b>	<b>1,000</b>
Market-related impacts	(166)	(22)	(153)
Assumption changes and management actions ("ACMA")	3	(4)	16
MFS shares owned by management	(1)	5	-
Acquisition, integration and restructuring <sup>5</sup>	(38)	(54)	(164)
Intangible asset amortization <sup>6,7</sup>	(97)	(39)	(38)
Other <sup>5</sup>	-	(3)	(15)
<b>Common shareholders' reported net income (loss)</b>	<b>716</b>	<b>928</b>	<b>646</b>

**Market-related impacts** reflect unfavourable interest and real estate experience. Interest experience includes other market-related impacts across Asia and Canada

**Acquisition, integration and restructuring** includes SLC Management's acquisition-related liabilities and acquisition, integration and restructuring costs related to DentaQuest

**Intangible asset amortization** includes an impairment charge of \$61 million on a customer relationship intangible asset from the early termination of a U.S. group dental contract

<sup>1</sup> The Drivers of Earnings analysis contains non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A. Refer to the Basis of Presentation section in our Supplementary Financial Information package for the period ended June 30, 2025 for more information about certain amounts that are presented on a net basis to reflect how the business is managed, compared to a gross basis in the Consolidated Financial Statements. Footnotes 2-7: Refer to slide 24.



## DOE experience gains/(losses)<sup>1</sup> – details

\$ millions	Pre-tax			Post-tax		
	Q2'25	Q1'25	Q2'24	Q2'25	Q1'25	Q2'24
Net equity market impact	3	(63)	(12)	-	(48)	(8)
Net interest rate impact	(103)	76	(42)	(94)	57	(52)
Impact of changes in the fair value of investment properties	(87)	(41)	(115)	(72)	(31)	(93)
<b>Market-related impacts</b>	<b>(187)</b>	<b>(28)</b>	<b>(169)</b>	<b>(166)</b>	<b>(22)</b>	<b>(153)</b>
Mortality	35	8	45	29	5	35
Morbidity	(28)	25	(4)	(22)	19	(11)
Policyholder behaviour	(8)	(3)	(12)	(7)	(2)	(12)
Expenses	(45)	(32)	(25)	(37)	(26)	(23)
Other insurance experience	21	52	7	17	39	4
<b>Insurance experience gains / (losses)</b>	<b>(25)</b>	<b>50</b>	<b>11</b>	<b>(20)</b>	<b>35</b>	<b>(7)</b>
<b>Credit experience (investments)</b>	<b>(32)</b>	<b>(28)</b>	<b>(14)</b>	<b>(26)</b>	<b>(20)</b>	<b>(10)</b>
<b>Other investment experience</b>	<b>8</b>	<b>15</b>	<b>9</b>	<b>5</b>	<b>12</b>	<b>7</b>

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.

# Contractual service margin movement analysis<sup>1</sup>

\$ millions, pre-tax	Q2'25	Q1'25	Q2'24
<b>CSM at beginning of period</b>	<b>13,619</b>	<b>13,366</b>	<b>12,141</b>
Impact of new insurance business <sup>2</sup>	435	406	437
Expected movements from asset returns & locked-in rates <sup>3,4</sup>	185	191	166
Insurance experience gains/(losses) <sup>4</sup>	(30)	20	(21)
CSM recognized for services provided	(313)	(303)	(272)
<b>Organic CSM Movement<sup>3</sup></b>	<b>277</b>	<b>314</b>	<b>310</b>
Impact of markets & other <sup>4</sup>	184	(74)	45
Impact of change in assumptions <sup>4</sup>	(14)	(6)	7
Currency impact	(391)	19	9
Disposition	-	-	-
<b>Total CSM Movement</b>	<b>56</b>	<b>253</b>	<b>371</b>
<b>CSM at end of period</b>	<b>13,675</b>	<b>13,619</b>	<b>12,512</b>

## CSM Highlights

- **Total CSM** ended Q2'25 at \$13.7 billion, up **9% y/y** largely driven by organic CSM growth
- **New business CSM** of \$435 million, in line with prior year as strong sales and profit margins in Hong Kong were offset by a prior year large case sale in Canada
- **CSM recognized for services provided** over the last twelve months represented **9.7%** of total CSM

<sup>1</sup> Contractual service margin movement analysis includes both non-participating and participating policyholder CSM.

<sup>2</sup> 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.

<sup>3</sup> Expected movements from asset returns & locked-in rates primarily reflects: i) the expected returns on assets supporting variable fee approach ("VFA") contracts and ii) the increase in average locked-in rates from the passage of time on in-force business and new business added at higher rates. Locked-in rates refer to the term structure associated with locked-in discount rates, set when the insurance contract was sold, or on transition to IFRS 17. VFA contracts include Participating life insurance, Segregated funds, and Variable Universal Life ("VUL").

<sup>4</sup> Certain measures in the CSM Movement Analysis are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2025 MD&A.

# Earnings on surplus – Supplemental details

## Earnings on surplus – supplemental details

\$ millions, pre-tax	Q2'25	Q1'25	Q2'24
Core investment income	146	133	163
Realized investment gains / (losses)	(4)	(2)	9
Other <sup>1</sup>	6	(3)	(13)
<b>Earnings on surplus</b>	<b>148</b>	<b>128</b>	<b>159</b>
Interest on debt	(74)	(72)	(77)
<b>Earnings on surplus net of debt cost</b>	<b>74</b>	<b>56</b>	<b>82</b>

## EOS Highlights

- **Core investment income** up q/q driven by market gains on private credit; down y/y due to lower surplus assets and yields

<sup>1</sup> Includes timing differences on derivatives, currency and other items.

# Credit experience– Supplemental details

## Credit experience – supplemental details

\$ millions, pre-tax	Q2'25	Q1'25	Q2'24
Ratings/Net impairments <sup>1</sup>	(31)	(21)	(15)
Expected credit loss <sup>2</sup>	(1)	(7)	1
<b>Credit experience</b>	<b>(32)</b>	<b>(28)</b>	<b>(14)</b>
Release of credit within expected investment earnings <sup>3</sup>	37	37	35
<b>Net Credit Experience</b>	<b>5</b>	<b>9</b>	<b>21</b>

## Credit Highlights

- **Ratings/Net impairments** reflect a small number of impairments and unfavourable net ratings migration

<sup>1</sup> On fair value through profit / loss assets.

<sup>2</sup> On fair value through other comprehensive income and amortized cost assets.

<sup>3</sup> Release of credit risk adjustments are reported in the Expected investment earnings line of the Drivers of Earnings.

## 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 of our Q2 2025 MD&A and the Supplementary Financial Information package on [www.sunlife.com](http://www.sunlife.com) under Investors - Financial results and reports.

## Non-IFRS Financial Measures

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:

- i. Market-related impacts reflecting the after-tax difference in actual versus expected market movements,
- ii. ACMA – captures the impact of method and assumption changes, and management actions on insurance and reinsurance contracts, and
- iii. and Other adjustments (MFS shares owned by management, Acquisition, integration, and restructuring, Intangible asset amortization, and Other).

Additional detail on these adjustments is provided in section N - Non-IFRS Financial Measures of our Q2 2025 MD&A.

All factors discussed in this document that impact our underlying net income are also applicable to reported net income. All EPS measures in this presentation refer to fully diluted EPS, unless otherwise stated. Underlying EPS excludes the dilutive impacts of convertible instruments.

Other non-IFRS financial measures that we use include: after-tax profit margin for U.S. Group Benefits, assets under administration (in SLC Management), assets under management ("AUM"), AUM not yet earning fees, capital raising, cash and other liquid assets, measures based on a currency adjusted basis, CSM movement analysis (organic CSM movement, impact of new insurance business on CSM, expected movements from asset returns & locked-in rates, impact of markets & other, insurance experience gains/losses, impact of change in assumptions, CSM market sensitivities), deployment, drivers of earnings, earnings on surplus, experience-related items attributable to reported net income and underlying net income, fee-earning AUM, fee-related earnings and operating income, financial leverage ratio, impacts of foreign exchange translation, LICAT market sensitivities, organic capital generation, pre-tax fee-related earnings margin, pre-tax net operating margin, return on equity, sales and flows, third-party AUM, total weighted premium income ("TWPI"), underlying dividend payout ratio, underlying EPS (diluted), and effective income tax rate on an underlying net income basis.

## 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 expectations with respect to U.S. Dental results; (iii) relating to our objectives with respect to underlying net income growth for Sun Life U.S.; (iv) relating to our growth initiatives and other business objectives; (v) set out in our Q2 2025 MD&A under the heading I - Risk Management - Market Risk Sensitivities - Interest Rate Sensitivities; (vi) that are predictive in nature or that depend upon or refer to future events or conditions; and (vii) 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 our Q2 2025 MD&A under the headings C - Profitability - 5 - Income taxes, F - Financial Strength and I - Risk Management and in SLF Inc.'s Annual Information Form for the year ended December 31, 2024 under the heading Risk Factors, and the factors detailed in SLF Inc.'s other filings with Canadian and U.S. securities regulators, which are available for review at [www.sedarplus.ca](http://www.sedarplus.ca) and [www.sec.gov](http://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.

## Footnotes

### From slide 4

<sup>2</sup> 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.

<sup>3</sup> Life Insurance Capital Adequacy Test ("LICAT") ratio of SLF Inc.; our LICAT ratios are calculated in accordance with the OSFI-mandated guideline, Life Insurance Capital Adequacy Test.

<sup>4</sup> Effective Q1'25, the Wealth & asset management business type was renamed to Asset management & wealth.

<sup>5</sup> Prior period amounts have been updated.

<sup>6</sup> Effective Q1'25, Regional office expenses & other was moved to the Individual - Protection business type, reflecting a reporting refinement. Prior period amounts reflect current presentation.

<sup>7</sup> Business Mix based on underlying net income, excluding Corporate expenses and other. Asset management & wealth includes MFS Investment Management, SLC Management, Canada Individual Wealth, Group Retirement Services, Asia Asset management & Individual wealth. Group - Health & Protection includes Canada Sun Life Health, U.S. Group Benefits (Employee Benefits and Health and Risk Solutions) and U.S. Dental. Individual - Protection includes Canada Individual Insurance, U.S. In-force Management, Asia Individual protection and Asia Regional Office.

### From slide 5

<sup>2</sup> Percentage change is reported on a constant currency basis, which excludes the impacts of foreign exchange translation. Refer to the Non-IFRS Financial Measures section in our Q2 2025 MD&A.

<sup>3</sup> Bowtie is the first company authorized by Hong Kong's Insurance Authority under its Fast Track Pilot Scheme.

<sup>4</sup> Investment closed July 15, 2025.

<sup>5</sup> Bowtie was ranked number 65 in the Financial Times High-Growth Companies Asia-Pacific 2025 list.

<sup>6</sup> Great Place to Work 2025.

### From slide 7

<sup>2</sup> Effective Q1'25, Regional Office in Asia was moved from the Corporate expenses & other business type to the Individual - Protection business type, reflecting a reporting refinement. Prior period amounts reflect current presentation.

<sup>3</sup> Prior period amounts have been updated.

<sup>4</sup> 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.

<sup>5</sup> LICAT ratio of Sun Life Financial Incorporated and of Sun Life Assurance Company of Canada ("SLA"). Our LICAT ratios are calculated in accordance with the OSFI-mandated guideline, Life Insurance Capital Adequacy Test.

<sup>6</sup> SLA is SLF Inc.'s principal operating life insurance subsidiary.

<sup>7</sup> Organic capital generation measures the change in capital, net of dividends, above LICAT requirements excluding the impacts of markets and other non-recurring items.

<sup>8</sup> Cash and other liquid assets at SLF Inc. and its wholly owned holding companies.

### From slide 10

<sup>2</sup> Based on a trailing 12-month basis.

<sup>3</sup> Total AUM including the General Account was \$408 billion at June 30, 2025.

### From slide 11

<sup>2</sup> Prior period amounts have been updated.

<sup>3</sup> Asset management & wealth AUM includes General fund assets, Segregated fund assets and Third-party AUM, excluding Third-party mutual funds assets.

### From slide 13

<sup>2</sup> Percentage change is reported on a constant currency basis, which excludes the impacts of foreign exchange translation. Refer to the Non-IFRS Financial Measures section in our Q2 2025 MD&A.

<sup>3</sup> In underlying net income by business type, Group businesses in Asia have been included with Individual - Protection.

<sup>4</sup> Effective Q1'25, Regional office expenses & other was moved to the Individual - Protection business type, reflecting a reporting refinement. Prior period amounts reflect current presentation.

<sup>5</sup> New business CSM represents growth from sales activity in the period, including individual protection sales (excluding joint ventures).

<sup>6</sup> For additional information refer to Note 8 of our Interim Consolidated Financial Statements for the period ended June 30, 2025 and section D - Profitability in our 2024 Annual MD&A.

## Footnotes

### From slide 16

<sup>2</sup> Effective Q4'23, prior period amounts in the DOE related to Expenses - other for health, asset management and wealth businesses in Canada have been restated to improve comparability of data over time and with other business units; related amounts in Other fee income and Experience gains (losses) have also been restated accordingly. In addition, effective Q3'23, the Other Fee Income line for the U.S. business segment has been refined to include Employee Benefits and Health and Risk Solutions fee income net of corresponding expenses in order to align with the presentation of the Dental business in this line. We have updated prior period amounts to reflect this refinement.

<sup>3</sup> Expenses - other removes non-underlying Other adjustments, including MFS shares owned by management, Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be removed from Other expenses.

<sup>4</sup> Dividends on preferred shares, distributions on other equity instruments, and non-controlling interests ("Dividends, distributions, NCI").

<sup>5</sup> Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring and Adjustments – other in our Supplementary Financial Information package for the period ended June 30, 2025 for additional details.

<sup>6</sup> Q4'24 amounts include 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.

<sup>7</sup> Q2'25 amounts include an impairment charge of \$61 million on a customer relationship intangible asset from the early termination of a U.S group dental contract.