



Financial and Operating Results Supplementary Financial Information

Sun Life Financial Inc. (unaudited)
For the period ended March 31, 2020



**SUPPLEMENTARY FINANCIAL INFORMATION
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Reporting Changes

Effective the first quarter of 2020, Asia's International business and Hong Kong business are combined into a new management structure called "International Hubs". International Hubs is comprised of Hong Kong and International. The Insurance and Wealth business was renamed to Local Markets and is comprised of Philippines, Indonesia, India, China, Malaysia and Vietnam. We have updated prior period amounts to reflect this change in presentation. Details can be found on pages 18 to 20.

Effective January 1, 2020, SLC Management is collecting fee income and is incurring operational expenses associated with the management of general fund assets. Intersegment transactions are eliminated as consolidation adjustments in the Corporate segment. Details can be found on pages 16, 21, 22 and 27.

Basis of Presentation

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

Diluted Earnings per Share – Underlying

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

Constant Currency Measures

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

Other Adjustments

Acquisition, Integration and Restructuring

In Q1 2020, amounts include acquisition costs for the BentallGreenOak ("BGO") acquisition and the pending InfraRed transaction, which includes the unwinding of the discount for the put option and deferred payments liability of \$16 million. As a result of various projects initiated in the fourth quarter of 2019 to simplify our organizational structure and drive efficiencies, we also recorded a restructuring charge of \$28 million post tax (\$37 million pre-tax).

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

In Q1 2018, acquisition, integration and restructuring costs primarily related to integration costs of the U.S. Employee Benefits business. In Q2 2018, acquisition, integration and restructuring costs included integration costs of the U.S. Employee Benefits business, acquisition costs for Maxwell Health and an amount pertaining to a distribution arrangement in India for asset management. In Q3 2018, acquisition, integration and restructuring costs primarily related to the Maxwell Health acquisition. In Q4 2018, acquisition, integration and restructuring costs primarily related to the acquisition costs of \$11 million post tax (\$13 million pre-tax) relating to the merger of Bentall Kennedy and GreenOak, expected to close in 2019, as well as integration costs of the U.S. Employee Benefits business.

Other

Other includes the U.S. tax reform of \$(251) million, including \$(288) million (\$444) million pre-tax) of ACMA, which is excluded from the ACMA of \$(34) million in Q4 2017. Additional information concerning the U.S. tax reform can be found in the Company's 2017 annual and Q4 interim MD&A.

Non-IFRS Financial Measures

Sun Life Financial Inc. ("Sun Life" or the "Company") prepares annual and interim financial statements using IFRS. The Company reports certain financial information that are not based on IFRS ("non-IFRS financial measures"), as the Company believes that these measures provide information that is useful to investors in understanding our performance and facilitate a comparison of our quarterly and full year results from period to period. 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 these non-IFRS financial measures and reconciliations to the closest IFRS measures are included in the Company's annual and interim MD&A and the Supplementary Financial Information packages that are available on www.sunlife.com under Investors – Financial results and reports.

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

Sun Life uses the following non-IFRS financial measures:

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

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

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

Sources of Earnings

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

FINANCIAL HIGHLIGHTS
RESULTS
Common Shareholders' Reported Net Income (Loss) by Segment

	At and For the Quarter Ended				At and For the Year Ended				At and For the Year Ended			
	2020	2019			2018			2017			2016	
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Canada	(42)	275	223	148	237	96	335	262	249	883	942	963
U.S.	164	131	(186)	94	124	118	(267)	105	96	163	52	(144)
Asset Management	239	228	221	229	219	244	241	214	210	897	909	653
Asia	100	136	170	134	80	125	164	133	133	520	555	778
Corporate	(70)	(51)	253	(10)	(37)	(3)	94	(8)	(19)	155	64	(101)
Total common shareholders' reported net income (loss)	391	719	681	595	623	580	567	706	669	2,618	2,522	2,149

Market related impacts:

Net equity market impact	(360)	40	9	20	58	(143)	5	9	(45)	127	(174)	62
Net interest rate impact	79	(11)	(90)	(114)	(133)	(41)	14	(37)	(27)	(348)	(91)	(157)
Net increases (decreases) in the fair value of real estate	(12)	(11)	(8)	(3)	6	31	6	36	4	(16)	77	88

Assumption changes and management actions (ACMA)

	(293)	18	(89)	(97)	(69)	(153)	25	8	(68)	(237)	(188)	(7)
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Other adjustments:

Certain hedges that do not qualify for hedge accounting	(1)	4	(5)	(5)	1	(1)	(1)	1	6	(5)	5	(16)
Fair value adjustments on share-based payment awards at MFS	10	(37)	(8)	(11)	(8)	28	(10)	(2)	(21)	(64)	(5)	(81)
Acquisition, integration and restructuring	(42)	(43)	(26)	(11)	(7)	(25)	(11)	(31)	(15)	(87)	(82)	(123)
Other ⁽¹⁾	—	—	—	—	—	—	—	—	—	—	—	(251)

Total common shareholders' underlying net income (loss)	770	792	809	739	717	718	730	729	770	3,057	2,947	2,546
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Common Shareholders' Underlying Net Income (Loss) by Segment

Canada	256	264	268	243	237	245	251	245	295	1,012	1,036	949
U.S.	161	137	135	110	150	121	139	125	129	532	514	376
Asset Management	242	281	251	245	227	227	251	216	231	1,004	925	812
Asia	155	143	138	147	122	140	110	145	128	550	523	461
Corporate	(44)	(33)	17	(6)	(19)	(15)	(21)	(2)	(13)	(41)	(51)	(52)
Total common shareholders' underlying net income (loss)	770	792	809	739	717	718	730	729	770	3,057	2,947	2,546

Profitability Measures

Basic earnings per common share (EPS)												
Reported	0.67	1.22	1.15	1.00	1.04	0.96	0.94	1.16	1.10	4.42	4.16	3.51
Diluted earnings per common share												
Reported	0.67	1.22	1.15	1.00	1.04	0.96	0.93	1.16	1.09	4.40	4.14	3.49
Underlying	1.31	1.34	1.37	1.24	1.20	1.19	1.20	1.20	1.26	5.16	4.86	4.15

Premiums & Deposits

Net premiums	5,146	6,639	4,799	4,480	4,370	5,313	4,369	4,315	4,645	20,288	18,642	15,281
Segregated fund deposits	3,277	3,517	2,505	2,872	3,064	2,763	2,692	2,703	3,395	11,958	11,553	10,858
Mutual fund sales ⁽²⁾	38,089	27,177	25,292	23,703	23,664	22,135	18,746	19,265	24,056	99,836	84,202	87,515
Managed fund sales	16,878	12,347	12,200	10,539	9,976	9,629	7,962	8,967	12,345	45,062	38,903	44,093
ASO premium & deposit equivalents	1,811	1,715	1,699	1,681	1,707	1,673	1,693	1,767	1,675	6,802	6,808	6,933
Total premiums & deposits	65,201	51,395	46,495	43,275	42,781	41,513	35,462	37,017	46,116	183,946	160,108	164,680

Total adjusted premiums & deposits ⁽³⁾	64,829				42,924							
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Sales & Value of New Business

Individual Life & Health ⁽⁴⁾	389	469	375	324	343	353	285	316	310	1,511	1,264	1,236
Group Life & Health ⁽⁴⁾	387	933	310	333	437	961	292	317	355	2,013	1,925	1,806
Wealth - Asset Management	51,954	36,847	34,442	31,929	31,287	29,423	24,365	25,263	32,264	134,505	111,315	117,282
Wealth - excluding Asset Management ⁽²⁾⁽⁴⁾	7,950	8,025	6,709	5,047	4,706	6,818	5,467	5,541	7,561	24,487	25,387	28,032
Value of New Business ⁽⁵⁾	380	337	252	235	382	310	244	266	334	1,206	1,154	968

⁽¹⁾ Represents U.S. tax reform in Q4 2017. Refer to the Notes section of this document for additional details.

⁽²⁾ Includes Aditya Birla Sun Life AMC Limited's equity and fixed income mutual funds sales based on our proportionate equity interest.

⁽³⁾ Adjusted premiums and deposits are a non-IFRS financial measure that excludes the impact of currency and reinsurance for the insured business in Canada's Group Benefits operations.

⁽⁴⁾ Includes the sales in the Company's joint ventures and associates with local partners in Asia based on our proportionate equity interest.

⁽⁵⁾ Excludes Asset Management businesses.

FINANCIAL HIGHLIGHTS CONTINUED

	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019				2018				2019	2018	2017
Valuation Data	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Book value per common share	37.50	35.97	35.56	36.26	36.20	35.84	34.11	34.53	33.82	35.97	35.84	32.86
Book value per common share excluding AOCI	33.46	33.48	32.80	33.77	33.42	33.01	32.67	32.33	31.67	33.48	33.01	31.05
Tangible book value per common share	23.42	22.50	22.14	24.31	24.24	23.82	22.54	22.92	22.35	22.50	23.82	21.64
Market-to-book value (times)	1.21	1.65	1.67	1.50	1.42	1.26	1.51	1.53	1.56	1.65	1.26	1.58
Total market capitalization (TSX in \$ billions)	26.5	34.8	34.8	32.1	30.5	27.1	31.0	32.1	32.1	34.8	27.1	31.7
Financial Strength												
SLA LICAT ratio	130 %	130 %	133 %	133 %	132 %	131 %	130 %	134 %	139 %	130 %	131 %	n/a
SLF LICAT ratio	143 %	143 %	146 %	144 %	145 %	144 %	145 %	149 %	149 %	143 %	144 %	n/a
Total debt to total capital ratio	20.7 %	21.2 %	22.8 %	20.4 %	21.1 %	21.2 %	21.9 %	21.8 %	22.2 %	21.2 %	21.2 %	23.6 %
Common Share Information (SLF on TSX)												
High (intraday)	66.44	61.91	59.73	55.97	52.23	51.58	53.98	56.09	55.80	61.91	56.09	53.25
Low (intraday)	35.43	56.62	51.19	51.64	44.43	43.13	49.66	50.77	49.62	44.43	43.13	43.51
Close (end of period)	45.27	59.21	59.24	54.23	51.34	45.29	51.35	52.83	52.91	59.21	45.29	51.88
Number of Common Shares Outstanding (in millions)												
At beginning of period	587.8	587.6	591.0	594.6	598.5	603.3	607.0	607.6	610.5	598.5	610.5	613.6
Common shares issued	0.3	0.2	0.2	0.1	0.3	—	0.1	0.1	0.2	0.8	0.5	0.4
Common shares purchased and cancelled	(3.5)	—	(3.6)	(3.7)	(4.2)	(4.8)	(3.8)	(0.7)	(3.1)	(11.5)	(12.5)	(3.5)
At end of period	584.6	587.8	587.6	591.0	594.6	598.5	603.3	607.0	607.6	587.8	598.5	610.5
Weighted average shares outstanding - basic	587	588	590	593	597	602	606	607	610	592	606	613
Weighted average shares outstanding - diluted ⁽¹⁾	592	593	595	598	602	607	611	612	615	597	611	618
Dividend per common share	0.55	0.55	0.525	0.525	0.50	0.50	0.475	0.475	0.455	2.10	1.905	1.745
Dividend payout ratio ⁽²⁾												
Reported	82 %	45 %	46 %	53 %	48 %	52 %	51 %	41 %	42 %	48 %	46 %	49 %
Underlying	42 %	41 %	38 %	42 %	42 %	42 %	40 %	40 %	36 %	41 %	39 %	42 %
Dividend yield ⁽³⁾	3.8 %	3.7%	3.8%	3.9%	4.1%	4.2%	3.6%	3.6%	3.4%	3.9 %	3.7%	3.6%
Assets Under Management ⁽⁴⁾												
General funds	188,366	180,229	180,206	174,325	172,348	168,765	162,439	164,709	163,499	180,229	168,765	162,720
Segregated funds	102,824	116,973	112,806	111,684	110,011	103,062	108,298	108,692	106,221	116,973	103,062	106,392
Total assets	291,190	297,202	293,012	286,009	282,359	271,827	270,737	273,401	269,720	297,202	271,827	269,112
Other assets under management												
Mutual funds	377,987	417,042	394,498	381,625	370,877	341,425	358,458	358,024	351,919	417,042	341,425	346,659
Managed funds & other	385,681	415,888	406,458	387,781	388,879	366,847	383,679	384,978	387,159	415,888	366,847	386,840
Consolidation adjustments	(31,538)	(30,785)	(31,036)	(30,639)	(30,730)	(28,956)	(29,355)	(30,283)	(29,872)	(30,785)	(28,956)	(27,826)
Total other assets under management	732,130	802,145	769,920	738,767	729,026	679,316	712,782	712,719	709,206	802,145	679,316	705,673
Total assets under management	1,023,320	1,099,347	1,062,932	1,024,776	1,011,385	951,143	983,519	986,120	978,926	1,099,347	951,143	974,785
Total assets under management and administration ⁽⁴⁾	1,054,216	1,134,344	1,106,939	1,068,913	1,054,952	992,984	1,027,784	1,033,958	1,027,537	1,134,344	992,984	1,023,458
Select Constant Currency Measures												
Reported net income	384				623							
Underlying net income	763				717							
Sales - Individual Life & Health	387				343							
Sales - Group Life & Health	386				437							
Sales - Wealth	59,413				35,993							
Premiums & deposits	64,673				42,781							
Reported earnings per share - Diluted	0.65				1.04							
Underlying earnings per share - Diluted	1.30				1.20							
Assets under management ⁽⁴⁾	983,427				1,011,385							

⁽¹⁾ The number of diluted shares outstanding reflect the impact of dilution from the Sun Life Exchangeable Capital Securities ("SLECS") under IFRS. Where the calculation of diluted EPS has resulted in anti-dilution, the dilutive impact of the SLECS has been excluded in the number of weighted average number of shares outstanding.

⁽²⁾ The calculation methodology is based on diluted reported EPS and diluted underlying EPS, respectively.

⁽³⁾ The quarterly dividend yield calculation represents the annualized dividend per share in the quarter over the daily average share price in the quarter. The annual dividend calculation represents the dividend paid in the year over the daily average share price for the year.

⁽⁴⁾ The assets of our joint ventures are included based on our proportionate equity interest.

CONSOLIDATED STATEMENTS OF OPERATIONS

(C\$ millions)

	For the Quarter Ended									For the Year Ended		
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Revenue												
Premiums - life insurance	2,597	2,878	2,308	2,210	2,074	2,383	2,015	2,201	2,078	9,470	8,677	8,831
Premiums - health insurance	2,682	2,490	2,473	2,482	2,463	2,321	2,300	2,255	2,245	9,908	9,121	8,519
Premiums - annuities	460	1,912	589	396	405	1,231	613	445	894	3,302	3,183	2,488
Gross premiums	5,739	7,280	5,370	5,088	4,942	5,935	4,928	4,901	5,217	22,680	20,981	19,838
Ceded premiums	(593)	(641)	(571)	(608)	(572)	(622)	(559)	(586)	(572)	(2,392)	(2,339)	(4,557)
Net premiums	5,146	6,639	4,799	4,480	4,370	5,313	4,369	4,315	4,645	20,288	18,642	15,281
Net investment income (loss)	(315)	209	3,232	4,124	5,575	1,384	129	1,034	(158)	13,140	2,389	8,211
Fee income	1,639	1,677	1,585	1,542	1,447	1,483	1,500	1,477	1,506	6,251	5,966	5,842
Total revenue	6,470	8,525	9,616	10,146	11,392	8,180	5,998	6,826	5,993	39,679	26,997	29,334
Policy benefits and expenses												
Gross claims & benefits paid	4,418	4,613	4,335	4,353	4,120	4,102	3,908	3,974	4,002	17,421	15,986	15,353
Change in investment/insurance contract liabilities & reinsurance assets ⁽¹⁾	(661)	768	2,570	3,071	4,558	1,400	(798)	31	(563)	10,967	70	6,070
Operating expenses, commissions and other expenses	2,579	2,828	2,470	2,471	2,420	2,402	2,303	2,388	2,358	10,189	9,451	9,495
Reinsurance expenses (recoveries)	(531)	(595)	(525)	(503)	(508)	(498)	(476)	(519)	(528)	(2,131)	(2,021)	(4,373)
Total policy benefits and expenses	5,805	7,614	8,850	9,392	10,590	7,406	4,937	5,874	5,269	36,446	23,486	26,545
Income (loss) before income taxes	665	911	766	754	802	774	1,061	952	724	3,233	3,511	2,789
Income tax expense (benefit)	279	98	10	90	88	112	184	182	119	286	597	302
Participating policyholders' net income (loss) and non-controlling interest	(29)	70	52	45	67	59	286	41	(88)	234	298	245
Preferred shareholder dividends	24	24	23	24	24	23	24	23	24	95	94	93
Common shareholders' reported net income (loss)	391	719	681	595	623	580	567	706	669	2,618	2,522	2,149
Common shareholders' underlying net income (loss)	770	792	809	739	717	718	730	729	770	3,057	2,947	2,546
Return on equity - reported	7.2 %	13.6 %	13.0 %	11.0 %	11.5 %	10.9 %	10.8 %	13.5 %	13.1 %	12.3 %	12.1 %	10.7 %
Return on equity - underlying	14.2 %	15.0 %	15.5 %	13.7 %	13.3 %	13.6 %	14.0 %	14.0 %	15.1 %	14.3 %	14.2 %	12.7 %

SOURCES OF EARNINGS - Total Company

	For the Quarter Ended									For the Year Ended		
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Expected profit on in-force business	816	849	816	784	739	744	788	732	734	3,188	2,998	2,806
Impact of new business	6	22	(22)	(5)	(11)	17	(8)	13	(7)	(16)	15	41
Experience gains (losses)	(111)	(18)	(86)	(128)	(96)	(142)	88	51	(1)	(328)	(4)	(41)
Assumption changes and management actions	(66)	(16)	(74)	(27)	(10)	13	(258)	4	(5)	(127)	(246)	(505)
Other ⁽²⁾	(50)	(108)	(58)	(42)	(29)	(12)	(40)	(48)	(50)	(237)	(150)	(347)
Earnings (loss) on operations (pre-tax)	595	729	576	582	593	620	570	752	671	2,480	2,613	1,954
Earnings on surplus	116	115	137	123	125	111	119	153	157	500	540	496
Earnings (loss) before income taxes	711	844	713	705	718	731	689	905	828	2,980	3,153	2,450
Income tax (expense) benefit	(290)	(101)	(9)	(86)	(71)	(128)	(98)	(176)	(135)	(267)	(537)	(208)
Earnings (loss) before preferred share dividends	421	743	704	619	647	603	591	729	693	2,713	2,616	2,242
Preferred share dividends and non-controlling interest	(30)	(24)	(23)	(24)	(24)	(23)	(24)	(23)	(24)	(95)	(94)	(93)
Common shareholders' reported net income (loss)	391	719	681	595	623	580	567	706	669	2,618	2,522	2,149
Underlying net income adjustments (post tax):												
Market related impacts	(293)	18	(89)	(97)	(69)	(153)	25	8	(68)	(237)	(188)	(7)
Assumption changes and management actions	(53)	(15)	—	(20)	(11)	13	(166)	1	(3)	(46)	(155)	81
Other adjustments:												
Impact of certain hedges that do not qualify for hedge accounting	(1)	4	(5)	(5)	1	(1)	(1)	1	6	(5)	5	(16)
Fair value adjustments on share-based payment awards at MFS	10	(37)	(8)	(11)	(8)	28	(10)	(2)	(21)	(64)	(5)	(81)
Acquisition, integration and restructuring	(42)	(43)	(26)	(11)	(7)	(25)	(11)	(31)	(15)	(87)	(82)	(123)
Other	—	—	—	—	—	—	—	—	—	—	—	(251)
Common shareholders' underlying net income (loss)	(379)	(73)	(128)	(144)	(94)	(138)	(163)	(23)	(101)	(439)	(425)	(397)
	770	792	809	739	717	718	730	729	770	3,057	2,947	2,546
EXCHANGE RATES - Average for the period												
U.S. Dollar	1.341	1.320	1.320	1.337	1.329	1.321	1.306	1.290	1.264	1.327	1.295	1.298

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

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

STATEMENTS OF FINANCIAL POSITION
(C\$ millions)

	At the Quarter Ended									At the Year Ended		
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Assets												
Cash, cash equivalents and short-term securities	9,548	9,575	8,647	8,188	8,370	9,506	8,196	8,128	7,837	9,575	9,506	8,890
Debt securities	84,599	81,606	82,167	78,677	76,715	74,443	71,076	72,707	72,607	81,606	74,443	72,619
Equity securities	4,605	4,787	4,925	4,850	4,918	4,634	4,961	5,608	5,699	4,787	4,634	6,020
Mortgages and loans	50,253	48,222	48,125	47,485	47,565	46,822	45,207	44,917	44,073	48,222	46,822	42,805
Derivative assets	3,128	1,548	2,193	1,914	1,430	1,112	1,185	1,182	1,313	1,548	1,112	1,478
Other invested assets	5,795	5,357	5,325	5,095	5,057	4,830	4,546	4,415	4,322	5,357	4,830	4,154
Policy loans	3,324	3,218	3,216	3,196	3,215	3,222	3,141	3,164	3,120	3,218	3,222	3,106
Investment properties	7,359	7,306	7,335	7,229	6,999	7,157	7,270	7,337	7,243	7,306	7,157	7,067
Total invested assets	168,611	161,619	161,933	156,634	154,269	151,726	145,582	147,458	146,214	161,619	151,726	146,139
Other assets	5,564	5,216	4,899	5,114	5,554	4,498	4,817	4,598	4,830	5,216	4,498	4,408
Reinsurance assets	4,357	4,024	4,059	4,210	4,135	4,141	3,937	4,273	4,143	4,024	4,141	4,028
Deferred tax assets	1,606	1,455	1,431	1,305	1,278	1,209	1,122	1,332	1,344	1,455	1,209	1,295
Intangible assets	2,184	2,083	2,015	1,753	1,754	1,779	1,705	1,725	1,685	2,083	1,779	1,667
Goodwill	6,044	5,832	5,869	5,309	5,358	5,412	5,276	5,323	5,283	5,832	5,412	5,183
Total general fund assets	188,366	180,229	180,206	174,325	172,348	168,765	162,439	164,709	163,499	180,229	168,765	162,720
Investment for account of segregated fund holders	102,824	116,973	112,806	111,684	110,011	103,062	108,298	108,692	106,221	116,973	103,062	106,392
Total assets	291,190	297,202	293,012	286,009	282,359	271,827	270,737	273,401	269,720	297,202	271,827	269,112
Liabilities and Equity												
Insurance contract liabilities	135,252	131,184	130,870	127,728	125,491	121,923	117,480	119,374	118,685	131,184	121,923	117,785
Investment contract liabilities	3,120	3,116	3,121	3,145	3,136	3,164	3,137	3,169	3,124	3,116	3,164	3,082
Derivative liabilities	4,509	2,040	2,352	1,804	1,762	2,295	1,676	1,929	1,928	2,040	2,295	1,756
Deferred tax liabilities	313	406	397	393	328	322	359	470	428	406	322	403
Other liabilities	15,865	14,937	14,730	12,506	12,580	12,153	11,813	11,697	11,719	14,937	12,153	11,987
Senior debentures	300	300	300	600	599	599	599	599	599	300	599	599
Senior debentures - Innovative capital instruments	200	200	700	700	700	700	700	700	700	200	700	700
Subordinated debt	3,539	3,538	3,538	2,791	3,040	3,039	3,039	3,038	3,037	3,538	3,039	3,437
Total general fund liabilities	163,098	155,721	156,008	149,667	147,636	144,195	138,803	140,976	140,220	155,721	144,195	139,749
Insurance contracts for account of segregated fund holders	97,043	110,269	106,404	105,168	103,265	96,663	101,500	101,496	98,943	110,269	96,663	99,121
Investment contracts for account of segregated fund holders	5,781	6,704	6,402	6,516	6,746	6,399	6,798	7,196	7,278	6,704	6,399	7,271
Total liabilities	265,922	272,694	268,814	261,351	257,647	247,257	247,101	249,668	246,441	272,694	247,257	246,141
Total equity	25,268	24,508	24,198	24,658	24,712	24,570	23,636	23,733	23,279	24,508	24,570	22,971
Total liabilities and equity	291,190	297,202	293,012	286,009	282,359	271,827	270,737	273,401	269,720	297,202	271,827	269,112
EXCHANGE RATES - Period end rates												
U.S. Dollar	1.406	1.299	1.324	1.309	1.334	1.364	1.290	1.313	1.289	1.299	1.364	1.258

STATEMENT OF EQUITY AND CAPITAL

(C\$ millions)

STATEMENT OF EQUITY AND CAPITAL (C\$ millions)	At the Quarter Ended								At the Year Ended			
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
CHANGES IN COMMON SHAREHOLDERS' EQUITY												
Balance at beginning of period	21,141	20,896	21,427	21,525	21,449	20,577	20,959	20,547	20,064	21,449	20,064	19,699
Common shareholders' reported net income (loss)	391	719	681	595	623	580	567	706	669	2,618	2,522	2,149
Dividends - common shares	(323)	(316)	(309)	(312)	(299)	(294)	(287)	(289)	(277)	(1,236)	(1,147)	(1,066)
Common shares issued, net of expenses	10	5	5	5	8	—	3	5	9	23	17	15
Common shares buyback	(200)	—	(192)	(200)	(200)	(235)	(200)	(40)	(166)	(592)	(641)	(175)
Share-based compensation	—	1	—	1	3	1	—	1	2	5	4	3
Other ⁽¹⁾	—	—	(875)	—	(22)	—	—	—	45	(897)	45	—
Other comprehensive income (OCI) for the period:												
Unrealized foreign currency translation gains (losses), net of hedging activities	1,036	(136)	112	(258)	(279)	770	(314)	137	313	(561)	906	(730)
Unrealized gains (losses) on available-for-sale assets	(296)	(70)	39	149	251	(31)	(88)	(93)	(190)	369	(402)	135
Unrealized gains (losses) on cash flow hedges	(21)	(1)	6	3	6	(6)	(2)	(1)	(1)	14	(10)	(5)
Share of other comprehensive income (loss) in joint ventures and associates	63	(14)	1	(24)	27	103	(72)	(41)	17	(10)	7	(31)
Unrealized gains (losses) on transfer to investment properties	—	—	—	—	—	—	—	—	—	—	—	139
Remeasurement of defined benefit plans	120	57	1	(57)	(42)	(16)	11	27	62	(41)	84	(69)
Balance at end of period	21,921	21,141	20,896	21,427	21,525	21,449	20,577	20,959	20,547	21,141	21,449	20,064
Composition of shareholders' accumulated OCI balance												
Unrealized foreign currency translation gains (losses), net of hedging activities	2,384	1,348	1,484	1,372	1,630	1,909	1,139	1,453	1,316	1,348	1,909	1,003
Unrealized gains (losses) on available-for-sale assets	17	313	383	344	195	(56)	(25)	63	156	313	(56)	346
Unrealized gains (losses) on cash flow hedges	(28)	(7)	(6)	(12)	(15)	(21)	(15)	(13)	(12)	(7)	(21)	(11)
Share of other comprehensive income (loss) in joint ventures and associates	29	(34)	(20)	(21)	3	(24)	(127)	(55)	(14)	(34)	(24)	(31)
Unrealized gains (losses) on transfer to investment properties	145	145	145	145	145	145	145	145	145	145	145	145
Remeasurement of defined benefit plans	(184)	(304)	(361)	(362)	(305)	(263)	(247)	(258)	(285)	(304)	(263)	(347)
Balance at end of period	2,363	1,461	1,625	1,466	1,653	1,690	870	1,335	1,306	1,461	1,690	1,105
CAPITAL												
Subordinated debt	3,539	3,538	3,538	2,791	3,040	3,039	3,039	3,038	3,037	3,538	3,039	3,437
SLEECs ⁽²⁾	200	200	700	700	699	699	699	699	699	200	699	699
Participating policyholders' equity and non-controlling interest	1,090	1,110	1,045	974	930	864	802	517	475	1,110	864	650
Preferred shareholders' equity	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257	2,257
Common shareholders' equity	21,921	21,141	20,896	21,427	21,525	21,449	20,577	20,959	20,547	21,141	21,449	20,064
Total capital	29,007	28,246	28,436	28,149	28,451	28,308	27,374	27,470	27,015	28,246	28,308	27,107
LICAT RATIO - SUN LIFE ASSURANCE COMPANY OF CANADA												
Capital Resources												
Tier 1 capital												
Retained earnings and contributed surplus	13,444	13,731	13,791	13,521	13,456	13,338	13,057	12,409	13,033			
Adjusted accumulated other comprehensive income	2,103	1,226	1,372	1,241	1,383	1,405	664	1,082	1,091			
Common and preferred shares	3,195	3,195	3,195	3,195	3,195	3,195	3,195	3,195	3,195			
Innovative instruments	200	200	700	700	699	699	699	699	699			
Other	41	45	48	52	56	59	59	59	60			
Less:												
Goodwill	2,577	2,433	2,460	2,449	2,491	2,552	2,423	2,478	2,464			
Tier 1 deductions	5,030	4,690	4,459	4,171	4,299	4,618	4,240	3,992	4,020			
Net tier 1 capital	11,376	11,274	12,187	12,089	11,999	11,526	11,011	10,974	11,594			
Tier 2 capital												
Preferred shares and subordinated debt	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900	2,900			
Other tier 2	2,806	2,662	2,618	2,427	2,538	2,647	2,440	2,144	2,109			
Less:												
Tier 2 deductions	320	320	820	820	820	820	820	820	820			
Net tier 2 capital	5,386	5,242	4,698	4,507	4,618	4,727	4,520	4,224	4,189			
Surplus allowance and eligible deposits	9,472	9,359	9,648	9,520	9,257	8,799	8,649	9,690	9,660			
Total capital resources	26,234	25,875	26,533	26,116	25,874	25,052	24,180	24,888	25,443			
Capital Requirements												
Credit risk	3,966	3,759	3,812	3,718	3,692	3,642	3,554	3,612	3,606			
Market risk	4,014	4,416	4,481	4,510	4,653	4,337	4,203	4,073	3,895			
Insurance risk	9,092	8,487	8,503	8,510	8,576	8,625	8,265	8,151	8,037			
Total non-participating product risk (before other credits and diversification)	17,072	16,662	16,796	16,738	16,921	16,604	16,022	15,836	15,538			
Total participating product risk including par credits (before other credits and diversification)	3,589	3,561	3,546	3,433	3,350	3,283	3,303	3,345	3,312			
Less:												
Credits and diversification benefits	4,228	4,010	4,096	4,133	4,200	4,292	4,150	4,058	4,010			
Total Non-participating and participating product risk	16,433	16,213	16,246	16,038	16,071	15,595	15,175	15,123	14,840			
Segregated fund guarantees risk	959	906	942	936	953	983	951	989	970			
Operational risk	1,821	1,785	1,749	1,700	1,690	1,646	1,625	1,619	1,619			
Total before scalar	19,213	18,904	18,937	18,674	18,714	18,224	17,751	17,731	17,429			
Base solvency buffer (Total before scalar x scalar [1.05])	20,174	19,849	19,884	19,608	19,650	19,136	18,639	18,618	18,301			
LICAT ratio	130%	130 %	133 %	133 %	132 %	131 %	130 %	134 %	139 %			
LICAT core ratio	89%	90 %	95 %	96 %	94 %	92 %	92 %	95 %	100 %			

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

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

DILUTED EARNINGS PER SHARE RECONCILIATION
WEIGHTED AVERAGE SHARES

Weighted average shares - basic
Diluted impact of stock options
Weighted average shares - diluted underlying
Diluted impact of convertible securities (SLEECs)⁽¹⁾
Weighted average shares - diluted

DILUTED EARNINGS PER SHARE ⁽²⁾

Total common shareholders' reported net income (loss)
Add: Increase in income due to convertible securities (SLEECs)⁽³⁾
Total common shareholders' reported net income (loss) on a diluted basis

Less Adjustments:

Impact of SLEECs
Market related impacts:
Net equity market impact
Net interest rate impact
Net increases (decreases) in the fair value of real estate
Assumption changes and management actions
Other adjustments:
Impact of certain hedges that do not qualify for hedge accounting
Impact of fair value adjustments on share-based payment awards at MFS
Impact of acquisition, integration and restructuring
Other

Total common shareholders' underlying net income (loss)

Diluted earnings per share - reported

Less Adjustments:

Impact of SLEECs
Market related impacts:
Net equity market impact
Net interest rate impact
Net increases (decreases) in the fair value of real estate
Assumption changes and management actions
Other adjustments:
Impact of certain hedges that do not qualify for hedge accounting
Impact of fair value adjustments on share-based payment awards at MFS
Impact of acquisition, integration and restructuring
Other

Diluted earnings per share - underlying

	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Weighted average shares - basic	587	588	590	593	597	602	606	607	610	592	606	613
Diluted impact of stock options	1	1	1	1	1	1	1	1	1	1	1	1
Weighted average shares - diluted underlying	588	589	591	594	598	603	607	608	611	593	607	614
Diluted impact of convertible securities (SLEECs) ⁽¹⁾	4	4	4	4	4	4	4	4	4	4	4	4
Weighted average shares - diluted	592	593	595	598	602	607	611	612	615	597	611	618
Total common shareholders' reported net income (loss)	391	719	681	595	623	580	567	706	669	2,618	2,522	2,149
Add: Increase in income due to convertible securities (SLEECs) ⁽³⁾	3	2	3	2	3	2	3	2	3	10	10	10
Total common shareholders' reported net income (loss) on a diluted basis	394	721	684	597	626	582	570	708	672	2,628	2,532	2,159
Less Adjustments:												
Impact of SLEECs	3	2	3	2	3	2	3	2	3	10	10	10
Market related impacts:												
Net equity market impact	(360)	40	9	20	58	(143)	5	9	(45)	127	(174)	62
Net interest rate impact	79	(11)	(90)	(114)	(133)	(41)	14	(37)	(27)	(348)	(91)	(157)
Net increases (decreases) in the fair value of real estate	(12)	(11)	(8)	(3)	6	31	6	36	4	(16)	77	88
	(293)	18	(89)	(97)	(69)	(153)	25	8	(68)	(237)	(188)	(7)
Assumption changes and management actions	(53)	(15)	—	(20)	(11)	13	(166)	1	(3)	(46)	(155)	81
Other adjustments:												
Impact of certain hedges that do not qualify for hedge accounting	(1)	4	(5)	(5)	1	(1)	(1)	1	6	(5)	5	(16)
Impact of fair value adjustments on share-based payment awards at MFS	10	(37)	(8)	(11)	(8)	28	(10)	(2)	(21)	(64)	(5)	(81)
Impact of acquisition, integration and restructuring	(42)	(43)	(26)	(11)	(7)	(25)	(11)	(31)	(15)	(87)	(82)	(123)
Other	—	—	—	—	—	—	—	—	—	—	—	(251)
Total common shareholders' underlying net income (loss)	770	792	809	739	717	718	730	729	770	3,057	2,947	2,546
Diluted earnings per share - reported	\$ 0.67	\$ 1.22	\$ 1.15	\$ 1.00	\$ 1.04	\$ 0.96	\$ 0.93	\$ 1.16	\$ 1.09	\$ 4.40	\$ 4.14	\$ 3.49
Less Adjustments:												
Impact of SLEECs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.01)	\$ -	\$ -	\$ -	\$ (0.02)	\$ (0.01)	\$ (0.01)
Market related impacts:												
Net equity market impact	\$ (0.61)	\$ 0.07	\$ 0.02	\$ 0.03	\$ 0.09	\$ (0.23)	\$ 0.01	\$ 0.01	\$ (0.08)	\$ 0.21	\$ (0.29)	\$ 0.10
Net interest rate impact	\$ 0.13	\$ (0.02)	\$ (0.17)	\$ (0.19)	\$ (0.22)	\$ (0.07)	\$ 0.02	\$ (0.06)	\$ (0.04)	\$ (0.57)	\$ (0.15)	\$ (0.25)
Net increases (decreases) in the fair value of real estate	\$ (0.02)	\$ (0.02)	\$ (0.01)	\$ -	\$ 0.01	\$ 0.05	\$ 0.01	\$ 0.06	\$ 0.01	\$ (0.03)	\$ 0.13	\$ 0.14
	\$ (0.50)	\$ 0.03	\$ (0.16)	\$ (0.16)	\$ (0.12)	\$ (0.25)	\$ 0.04	\$ 0.01	\$ (0.11)	\$ (0.39)	\$ (0.31)	\$ (0.01)
Assumption changes and management actions	\$ (0.09)	\$ (0.03)	\$ -	\$ (0.03)	\$ (0.02)	\$ 0.02	\$ (0.27)	\$ -	\$ (0.01)	\$ (0.08)	\$ (0.26)	\$ 0.13
Other adjustments:												
Impact of certain hedges that do not qualify for hedge accounting	\$ -	\$ 0.01	\$ (0.01)	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ 0.01	\$ (0.01)	\$ 0.01	\$ (0.03)
Impact of fair value adjustments on share-based payment awards at MFS	\$ 0.02	\$ (0.06)	\$ (0.01)	\$ (0.02)	\$ (0.01)	\$ 0.05	\$ (0.02)	\$ -	\$ (0.03)	\$ (0.11)	\$ (0.01)	\$ (0.13)
Impact of acquisition, integration and restructuring	\$ (0.07)	\$ (0.07)	\$ (0.04)	\$ (0.02)	\$ (0.01)	\$ (0.04)	\$ (0.02)	\$ (0.05)	\$ (0.03)	\$ (0.15)	\$ (0.14)	\$ (0.20)
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (0.41)
Diluted earnings per share - underlying	\$ 1.31	\$ 1.34	\$ 1.37	\$ 1.24	\$ 1.20	\$ 1.19	\$ 1.20	\$ 1.20	\$ 1.26	\$ 5.16	\$ 4.86	\$ 4.15

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

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

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

CANADA
(C\$ millions)

STATEMENTS OF OPERATIONS	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Revenue												
Premiums - life insurance	1,276	1,450	1,203	1,277	1,248	1,335	1,129	1,195	1,137	5,178	4,796	4,493
Premiums - health insurance	1,518	1,409	1,403	1,415	1,402	1,347	1,335	1,321	1,313	5,629	5,316	4,916
Premiums - annuities	427	1,905	584	389	398	1,325	608	439	889	3,276	3,261	2,464
Gross premiums	3,221	4,764	3,190	3,081	3,048	4,007	3,072	2,955	3,339	14,083	13,373	11,873
Ceded premiums	(374)	(388)	(357)	(381)	(362)	(379)	(350)	(382)	(376)	(1,488)	(1,487)	(3,871)
Net premiums	2,847	4,376	2,833	2,700	2,686	3,628	2,722	2,573	2,963	12,595	11,886	8,002
Net investment income (loss)	(743)	(36)	1,171	2,096	3,243	573	(53)	980	442	6,474	1,942	4,133
Fee income	341	361	328	323	308	333	305	302	300	1,320	1,240	1,132
Total revenue	2,445	4,701	4,332	5,119	6,237	4,534	2,974	3,855	3,705	20,389	15,068	13,267
Policy benefits and expenses												
Gross claims & benefits paid	2,585	2,538	2,336	2,446	2,383	2,393	2,290	2,362	2,283	9,703	9,328	8,915
Change in investment/insurance contract liabilities & reinsurance assets	(873)	1,194	1,185	1,893	2,978	1,355	(645)	543	641	7,250	1,894	3,140
Operating expenses, commissions and other expenses	899	933	843	874	886	884	819	874	836	3,536	3,413	3,396
Reinsurance expenses (recoveries)	(311)	(319)	(276)	(296)	(281)	(262)	(281)	(301)	(294)	(1,172)	(1,138)	(3,557)
Total policy benefits and expenses	2,300	4,346	4,088	4,917	5,966	4,370	2,183	3,478	3,466	19,317	13,497	11,894
Income (loss) before income taxes	145	355	244	202	271	164	791	377	239	1,072	1,571	1,373
Income tax expense (benefit)	177	50	(15)	12	(32)	14	176	76	42	15	308	197
Participating policyholders' net income (loss)	10	30	36	42	66	54	280	39	(52)	174	321	213
Common shareholders' reported net income (loss)	(42)	275	223	148	237	96	335	262	249	883	942	963
Market related impacts	(275)	6	(44)	(72)	(1)	(134)	46	15	(44)	(111)	(117)	8
Assumption changes and management actions	(22)	(1)	4	(20)	—	(14)	39	5	(7)	(17)	23	22
Certain hedges that do not qualify for hedge accounting	(1)	4	(5)	(5)	1	(1)	(1)	1	6	(5)	5	(16)
Acquisition, integration and restructuring	—	2	—	2	—	—	—	(4)	(1)	4	(5)	—
Common shareholders' underlying net income (loss)	256	264	268	243	237	245	251	245	295	1,012	1,036	949
Return on equity - reported	-2.4%	15.5%	12.7%	8.5%	13.5%	5.5%	19.4%	15.5%	15.1%	12.6%	13.8%	12.6%
Return on equity - underlying	14.3%	14.9%	15.3%	13.8%	13.5%	14.1%	14.5%	14.5%	17.9%	14.4%	15.2%	12.4%
PREMIUMS & DEPOSITS												
Net premiums	2,847	4,376	2,833	2,700	2,686	3,628	2,722	2,573	2,963	12,595	11,886	8,002
Segregated fund deposits	2,981	3,196	2,196	2,607	2,771	2,468	2,399	2,382	3,066	10,770	10,315	9,845
Retail mutual fund deposits (Sun Life Global Investments)	741	607	518	530	519	451	473	503	644	2,174	2,071	1,824
ASO premium & deposit equivalents	1,728	1,623	1,626	1,612	1,632	1,605	1,551	1,623	1,533	6,493	6,312	6,247
Total	8,297	9,802	7,173	7,449	7,608	8,152	7,145	7,081	8,206	32,032	30,584	25,918
SALES												
Individual Insurance	83	117	85	94	93	108	90	110	88	389	396	451
Individual Wealth	2,106	1,829	1,463	1,491	1,574	1,472	1,469	1,497	1,818	6,357	6,256	5,884
Group Benefits	212	111	119	100	269	111	113	156	208	599	588	674
Group Retirement Services	3,523	4,076	2,673	1,757	1,251	3,411	2,070	1,542	2,007	9,757	9,030	9,092
ASSETS UNDER MANAGEMENT												
General funds	96,945	94,909	93,443	91,791	89,799	86,697	84,534	85,242	84,276	94,909	86,697	84,698
Segregated funds	87,194	98,758	95,257	93,923	91,932	85,885	90,763	90,402	87,763	98,758	85,885	87,817
Other AUM	5,645	6,173	5,875	5,703	5,497	4,854	5,046	4,960	4,748	6,173	4,854	3,902
Total	189,784	199,840	194,575	191,417	187,228	177,436	180,343	180,604	176,787	199,840	177,436	176,417
Sun Life Global Investments (Canada) Inc.												
Gross Sales												
Retail	1,021	821	698	740	684	629	661	689	840	2,943	2,819	2,474
Institutional & other ⁽¹⁾	1,090	1,261	487	583	770	602	477	559	669	3,101	2,307	2,016
Total	2,111	2,082	1,185	1,323	1,454	1,231	1,138	1,248	1,509	6,044	5,126	4,490
Net Sales	1,016	1,211	494	555	632	473	569	644	825	2,892	2,511	2,467
Assets under management	27,410	29,000	27,079	26,211	25,169	22,897	23,347	22,649	21,569	29,000	22,897	20,042

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

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

	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
STATEMENTS OF OPERATIONS												
Revenue												
Gross premiums	1,378	1,524	1,222	1,297	1,288	1,458	1,194	1,272	1,177	5,331	5,101	4,579
Ceded premiums	(144)	(168)	(137)	(155)	(141)	(160)	(128)	(146)	(128)	(601)	(562)	(509)
Net premiums	1,234	1,356	1,085	1,142	1,147	1,298	1,066	1,126	1,049	4,730	4,539	4,070
Net investment income (loss)	(249)	(174)	1,026	1,671	2,544	435	(163)	783	253	5,067	1,308	3,077
Fee income	141	163	136	131	123	152	127	123	121	553	523	441
Total revenue	1,126	1,345	2,247	2,944	3,814	1,885	1,030	2,032	1,423	10,350	6,370	7,588
Policy benefits and expenses												
Gross claims & benefits paid	886	944	815	847	846	871	757	799	841	3,452	3,268	3,115
Change in investment/insurance contract liabilities & reinsurance assets	—	(199)	1,057	1,723	2,425	632	(609)	691	185	5,006	899	2,279
Operating expenses, commissions and other expenses	497	539	466	480	498	496	453	495	461	1,983	1,905	1,927
Reinsurance expenses (recoveries)	(127)	(133)	(106)	(121)	(113)	(99)	(113)	(113)	(111)	(473)	(436)	(440)
Total policy benefits and expenses	1,256	1,151	2,232	2,929	3,656	1,900	488	1,872	1,376	9,968	5,636	6,881
Income (loss) before income taxes	(130)	194	15	15	158	(15)	542	160	47	382	734	707
Income tax expense (benefit)	4	17	(53)	(24)	(14)	(42)	119	16	(8)	(74)	85	79
Participating policyholders' net income (loss)	10	30	36	42	66	54	280	39	(52)	174	321	213
Common shareholders' reported net income (loss)	(144)	147	32	(3)	106	(27)	143	105	107	282	328	415
PREMIUMS & DEPOSITS												
Net premiums	1,234	1,356	1,085	1,142	1,147	1,298	1,066	1,126	1,049	4,730	4,539	4,070
Segregated fund deposits	328	273	226	266	235	229	235	229	256	1,000	949	873
Retail mutual fund deposits (Sun Life Global Investments)	741	607	518	530	519	451	473	503	644	2,174	2,071	1,824
Total	2,303	2,236	1,829	1,938	1,901	1,978	1,774	1,858	1,949	7,904	7,559	6,767
SALES												
Individual Insurance - SLFD	38	49	40	46	35	50	42	46	39	170	177	192
Individual Insurance - Third-party	45	68	45	48	58	58	48	64	49	219	219	259
Total insurance sales	83	117	85	94	93	108	90	110	88	389	396	451
Individual Wealth - fixed products	293	301	203	232	259	354	309	311	306	995	1,280	1,077
Individual Wealth - mutual funds	1,485	1,256	1,032	993	1,081	887	927	953	1,260	4,362	4,027	3,923
Individual Wealth - segregated funds	328	272	228	266	234	231	233	233	252	1,000	949	884
Total wealth sales	2,106	1,829	1,463	1,491	1,574	1,472	1,469	1,497	1,818	6,357	6,256	5,884
Wealth Manufactured Sales ⁽¹⁾	1,351	1,173	941	1,020	1,000	1,027	1,005	1,035	1,186	4,134	4,253	3,721
Other wealth sales	755	656	522	471	574	445	464	462	632	2,223	2,003	2,163
Total wealth sales	2,106	1,829	1,463	1,491	1,574	1,472	1,469	1,497	1,818	6,357	6,256	5,884
SLFD - Career Advisor Network	3,145	3,259	3,388	3,470	3,567	3,608	3,635	3,677	3,751	3,259	3,608	3,856
ASSETS UNDER MANAGEMENT												
General funds	65,161	63,867	63,448	62,222	60,365	57,740	56,689	57,514	56,441	63,867	57,740	56,523
Segregated funds	10,477	12,108	11,895	11,865	11,810	11,179	12,129	12,173	12,074	12,108	11,179	12,423
Other AUM	5,645	6,173	5,875	5,703	5,497	4,854	5,046	4,960	4,748	6,173	4,854	3,902
Total assets under management	81,283	82,148	81,218	79,790	77,672	73,773	73,864	74,647	73,263	82,148	73,773	72,848
Mutual fund dealers' assets	19,933	22,545	21,683	21,389	21,072	19,733	21,027	20,891	20,496	22,545	19,733	20,535
Total assets under management and administration	101,216	104,693	102,901	101,179	98,744	93,506	94,891	95,538	93,759	104,693	93,506	93,383

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

CANADA - GROUP BENEFITS
(C\$ millions)

	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
STATEMENTS OF OPERATIONS												
Revenue												
Gross premiums	1,634	1,517	1,515	1,537	1,533	1,465	1,457	1,446	1,445	6,102	5,813	5,426
Ceded premiums	(156)	(145)	(143)	(149)	(143)	(141)	(142)	(155)	(166)	(580)	(604)	(3,026)
Net premiums	1,478	1,372	1,372	1,388	1,390	1,324	1,315	1,291	1,279	5,522	5,209	2,400
Net investment income (loss)	57	35	116	202	273	113	40	100	111	626	364	481
Fee income	70	66	62	65	64	61	54	59	58	257	232	232
Total revenue	1,605	1,473	1,550	1,655	1,727	1,498	1,409	1,450	1,448	6,405	5,805	3,113
Policy benefits and expenses												
Gross claims & benefits paid	1,205	1,145	1,096	1,141	1,104	1,076	1,063	1,118	1,030	4,486	4,287	4,159
Change in investment/insurance contract liabilities & reinsurance assets	138	104	215	218	339	148	106	26	163	876	443	252
Operating expenses, commissions and other expenses	292	285	278	287	281	284	266	276	271	1,131	1,097	1,064
Reinsurance expenses (recoveries)	(112)	(113)	(97)	(99)	(93)	(86)	(91)	(109)	(104)	(402)	(390)	(2,791)
Total policy benefits and expenses	1,523	1,421	1,492	1,547	1,631	1,422	1,344	1,311	1,360	6,091	5,437	2,684
Income (loss) before income taxes	82	52	58	108	96	76	65	139	88	314	368	429
Income tax expense (benefit)	19	12	(1)	28	22	17	14	36	19	61	86	97
Common shareholders' reported net income (loss)	63	40	59	80	74	59	51	103	69	253	282	332
PREMIUMS & DEPOSITS												
Net premiums	1,478	1,372	1,372	1,388	1,390	1,324	1,315	1,291	1,279	5,522	5,209	2,400
ASO premium equivalents	1,396	1,356	1,332	1,301	1,290	1,254	1,247	1,243	1,243	5,279	4,987	4,937
Total	2,874	2,728	2,704	2,689	2,680	2,578	2,562	2,534	2,522	10,801	10,196	7,337
SALES	212	111	119	100	269	111	113	156	208	599	588	674
ASSETS UNDER MANAGEMENT												
General funds	15,022	14,486	14,596	14,476	14,396	14,170	13,917	13,794	13,640	14,486	14,170	14,156
SUPPLEMENTAL INFORMATION												
Business in-force	11,415	11,198	11,004	10,974	10,887	10,580	10,452	10,404	10,297	11,198	10,580	10,108

CANADA - GROUP RETIREMENT SERVICES
(C\$ millions)

	At and For the Quarter Ended									At and For the Year Ended		
	2020		2019			2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
STATEMENTS OF OPERATIONS												
Revenue												
Gross premiums	209	1,723	453	247	227	1,084	421	237	717	2,650	2,459	1,868
Ceded premiums	(74)	(75)	(77)	(77)	(78)	(78)	(80)	(81)	(82)	(307)	(321)	(336)
Net premiums	135	1,648	376	170	149	1,006	341	156	635	2,343	2,138	1,532
Net investment income (loss)	(551)	103	29	223	426	25	70	97	78	781	270	575
Fee income	130	132	130	127	121	120	124	120	121	510	485	459
Total revenue	(286)	1,883	535	520	696	1,151	535	373	834	3,634	2,893	2,566
Policy benefits and expenses												
Gross claims & benefits paid	494	449	425	458	433	446	470	445	412	1,765	1,773	1,641
Change in investment/insurance contract liabilities & reinsurance assets	(1,011)	1,289	(87)	(48)	214	575	(142)	(174)	293	1,368	552	609
Operating expenses, commissions and other expenses	110	109	99	107	107	104	100	103	104	422	411	405
Reinsurance expenses (recoveries)	(72)	(73)	(73)	(76)	(75)	(77)	(77)	(79)	(79)	(297)	(312)	(326)
Total policy benefits and expenses	(479)	1,774	364	441	679	1,048	351	295	730	3,258	2,424	2,329
Income (loss) before income taxes	193	109	171	79	17	103	184	78	104	376	469	237
Income tax expense (benefit)	154	21	39	8	(40)	39	43	24	31	28	137	21
Common shareholders' reported net income (loss)	39	88	132	71	57	64	141	54	73	348	332	216
PREMIUMS & DEPOSITS												
Net premiums	135	1,648	376	170	149	1,006	341	156	635	2,343	2,138	1,532
Segregated fund deposits	2,653	2,923	1,970	2,341	2,536	2,239	2,164	2,153	2,810	9,770	9,366	8,972
ASO deposit equivalents	332	267	294	311	342	351	304	380	290	1,214	1,325	1,310
Total	3,120	4,838	2,640	2,822	3,027	3,596	2,809	2,689	3,735	13,327	12,829	11,814
SALES												
Sales	2,806	3,322	1,947	1,114	608	2,653	1,425	965	1,344	6,991	6,387	6,567
Asset consolidation and rollovers	717	754	726	643	643	758	645	577	663	2,766	2,643	2,525
Total	3,523	4,076	2,673	1,757	1,251	3,411	2,070	1,542	2,007	9,757	9,030	9,092
ASSETS UNDER MANAGEMENT												
General funds	16,762	16,556	15,399	15,093	15,038	14,787	13,928	13,934	14,195	16,556	14,787	14,019
Segregated funds	76,717	86,650	83,362	82,058	80,122	74,706	78,634	78,229	75,689	86,650	74,706	75,394
Total assets under management	93,479	103,206	98,761	97,151	95,160	89,493	92,562	92,163	89,884	103,206	89,493	89,413
ASSETS UNDER MANAGEMENT AND ADMINISTRATION												
	100,501	112,116	107,707	106,028	103,887	97,675	101,541	101,048	98,332	112,116	97,675	98,223

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(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019					2018			2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Revenue												
Premiums - life insurance	398	408	389	401	407	420	404	404	405	1,605	1,633	1,736
Premiums - health insurance	1,147	1,071	1,059	1,055	1,047	967	955	925	920	4,232	3,767	3,570
Premiums - annuities	—	—	—	—	1	—	—	—	—	1	—	—
Gross premiums	1,545	1,479	1,448	1,456	1,455	1,387	1,359	1,329	1,325	5,838	5,400	5,306
Ceded premiums	(166)	(182)	(155)	(170)	(155)	(168)	(145)	(147)	(137)	(662)	(597)	(436)
Net premiums	1,379	1,297	1,293	1,286	1,300	1,219	1,214	1,182	1,188	5,176	4,803	4,870
Net investment income (loss)	658	80	898	932	892	404	159	25	(283)	2,802	305	1,864
Fee income	20	21	21	23	21	21	19	19	14	86	73	103
Total revenue	2,057	1,398	2,212	2,241	2,213	1,644	1,392	1,226	919	8,064	5,181	6,837
Policy benefits and expenses												
Gross claims & benefits paid	1,333	1,435	1,521	1,309	1,243	1,229	1,178	1,199	1,246	5,508	4,852	4,820
Change in investment/insurance contract liabilities & reinsurance assets	273	(398)	746	585	571	54	313	(307)	(605)	1,504	(545)	1,596
Operating expenses, commissions and other expenses	419	416	380	411	414	395	392	384	387	1,621	1,558	1,629
Reinsurance expenses (recoveries)	(180)	(219)	(201)	(164)	(171)	(178)	(150)	(175)	(179)	(755)	(682)	(676)
Total policy benefits and expenses	1,845	1,234	2,446	2,141	2,057	1,500	1,733	1,101	849	7,878	5,183	7,369
Income (loss) before income taxes	212	164	(234)	100	156	144	(341)	125	70	186	(2)	(532)
Income tax expense (benefit)	48	33	(48)	11	32	26	(75)	20	10	28	(19)	(392)
Participating policyholders' net income (loss)	—	—	—	(5)	—	—	1	—	(36)	(5)	(35)	4
Common shareholders' reported net income (loss)	164	131	(186)	94	124	118	(267)	105	96	163	52	(144)
Market related impacts	28	—	(30)	(11)	(17)	5	(5)	(1)	(25)	(58)	(26)	(58)
Assumption changes and management actions	(23)	(3)	(287)	1	(2)	—	(393)	(4)	3	(291)	(394)	(280)
Acquisition, integration and restructuring	(2)	(3)	(4)	(6)	(7)	(8)	(8)	(15)	(11)	(20)	(42)	(68)
Other	—	—	—	—	—	—	—	—	—	—	—	(114)
Common shareholders' underlying net income (loss)	161	137	135	110	150	121	139	125	129	532	514	376
PREMIUMS & DEPOSITS												
Net premiums	1,379	1,297	1,293	1,286	1,300	1,219	1,214	1,182	1,188	5,176	4,803	4,870
SALES												
Group Benefits	163	813	184	225	160	844	172	155	136	1,382	1,307	1,106
ASSETS UNDER MANAGEMENT												
General funds	38,131	34,711	35,924	34,588	34,286	34,584	32,566	32,831	32,575	34,711	34,584	32,259
Segregated funds	569	514	530	509	502	491	476	488	484	514	491	488
Other AUM	27	26	28	27	31	33	32	53	54	26	33	57
Total	38,727	35,251	36,482	35,124	34,819	35,108	33,074	33,372	33,113	35,251	35,108	32,804

U.S.

(US\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Revenue												
Premiums - life insurance	297	309	295	299	306	317	310	312	321	1,209	1,260	1,337
Premiums - health insurance	855	812	802	789	789	732	731	717	728	3,192	2,908	2,752
Gross premiums	1,152	1,121	1,097	1,088	1,095	1,049	1,041	1,029	1,049	4,401	4,168	4,089
Ceded premiums	(124)	(138)	(118)	(126)	(117)	(126)	(111)	(114)	(108)	(499)	(459)	(332)
Net premiums	1,028	983	979	962	978	923	930	915	941	3,902	3,709	3,757
Net investment income (loss)	523	61	679	696	669	299	121	18	(224)	2,105	214	1,427
Fee income	15	16	16	17	16	16	14	15	11	65	56	80
Total revenue	1,566	1,060	1,674	1,675	1,663	1,238	1,065	948	728	6,072	3,979	5,264
Policy benefits and expenses												
Gross claims & benefits paid	994	1,087	1,153	979	935	930	902	929	986	4,154	3,747	3,708
Change in investment/insurance contract liabilities & reinsurance assets	235	(301)	562	437	428	35	240	(239)	(478)	1,126	(442)	1,229
Operating expenses, commissions and other expenses	312	315	289	307	311	299	300	297	306	1,222	1,202	1,253
Reinsurance expenses (recoveries)	(135)	(166)	(153)	(122)	(129)	(134)	(115)	(136)	(142)	(570)	(527)	(520)
Total policy benefits and expenses	1,406	935	1,851	1,601	1,545	1,130	1,327	851	672	5,932	3,980	5,670
Income (loss) before income taxes	160	125	(177)	74	118	108	(262)	97	56	140	(1)	(406)
Income tax expense (benefit)	36	26	(37)	8	25	19	(58)	16	8	22	(15)	(302)
Participating policyholders' net income (loss)	—	—	—	(4)	—	—	1	—	(28)	(4)	(27)	3
Common shareholders' reported net income (loss)	124	99	(140)	70	93	89	(205)	81	76	122	41	(107)
Market related impacts	21	—	(21)	(8)	(11)	4	(4)	(1)	(20)	(40)	(21)	(44)
Assumption changes and management actions	(17)	(2)	(218)	1	(2)	—	(301)	(3)	2	(221)	(302)	(210)
Acquisition, integration and restructuring	(1)	(3)	(3)	(4)	(6)	(6)	(6)	(12)	(8)	(16)	(32)	(52)
Other	—	—	—	—	—	—	—	—	—	—	—	(90)
Common shareholders' underlying net income (loss)	121	104	102	81	112	91	106	97	102	399	396	289
Return on equity - reported	17.5%	14.8%	(21.0)%	9.9%	13.6%	13.1%	(30.6)%	11.7%	11.2%	4.5%	1.5%	(4.1)%
Return on equity - underlying	17.1%	15.5%	15.4%	11.6%	16.3%	13.5%	15.7%	14.0%	15.1%	14.7%	14.6%	11.1%
PREMIUMS & DEPOSITS												
Net premiums	1,028	983	979	962	978	923	930	915	941	3,902	3,709	3,757
SALES												
Group Benefits	122	616	139	168	120	639	132	120	108	1,043	999	863
ASSETS UNDER MANAGEMENT												
General funds	27,122	26,730	27,136	26,424	25,694	25,360	25,237	25,004	25,250	26,730	25,360	25,649
Segregated funds	405	396	400	388	376	360	369	372	375	396	360	388
Other AUM	19	20	21	21	23	24	24	40	42	20	24	45
Total	27,546	27,146	27,557	26,833	26,093	25,744	25,630	25,416	25,667	27,146	25,744	26,082

U.S. - GROUP BENEFITS

(US\$ millions)

STATEMENTS OF OPERATIONS

Revenue												
Gross premiums	1,031	992	980	965	967	914	914	899	914	3,904	3,641	3,533
Ceded premiums	(41)	(44)	(38)	(38)	(38)	(36)	(36)	(31)	(33)	(158)	(136)	(133)
Net premiums	990	948	942	927	929	878	878	868	881	3,746	3,505	3,400
Net investment income (loss)	(42)	49	84	84	103	37	42	19	(4)	320	94	256
Fee income	24	24	24	26	25	25	23	24	21	99	93	108
Total revenue	972	1,021	1,050	1,037	1,057	940	943	911	898	4,165	3,692	3,764
Policy benefits and expenses												
Gross claims & benefits paid	752	695	880	717	653	706	671	642	696	2,945	2,715	2,667
Change in investment/insurance contract liabilities & reinsurance assets	(110)	(3)	(41)	20	41	(46)	(44)	(56)	(74)	17	(220)	(125)
Operating expenses, commissions and other expenses	292	283	278	285	289	279	281	276	288	1,135	1,124	1,157
Reinsurance expenses (recoveries)	(61)	(35)	(63)	(37)	(35)	(74)	(51)	(24)	(54)	(170)	(203)	(151)
Total policy benefits and expenses	873	940	1,054	985	948	865	857	838	856	3,927	3,416	3,548
Income (loss) before income taxes												
Income tax expense (benefit)	21	17	—	11	23	16	18	16	9	51	59	76
Common shareholders' reported net income (loss)	78	64	(4)	41	86	59	68	57	33	187	217	140
PREMIUMS & DEPOSITS												
Net premiums	990	948	942	927	929	878	878	868	881	3,746	3,505	3,400
ASSETS UNDER MANAGEMENT												
General Funds	7,758	7,848	7,948	7,926	7,816	7,704	7,539	7,508	7,471	7,848	7,704	7,344
SALES												
Employee Benefits	75	191	72	62	63	217	85	58	71	388	431	370
Medical Stop-Loss	47	425	67	106	57	422	47	62	37	655	568	493
Total	122	616	139	168	120	639	132	120	108	1,043	999	863
BUSINESS IN-FORCE												
Employee Benefits	2,371	2,374	2,398	2,409	2,408	2,385	2,407	2,428	2,433	2,374	2,385	2,464
Medical Stop-Loss	2,032	1,912	1,845	1,826	1,739	1,631	1,490	1,499	1,445	1,912	1,631	1,404
Total	4,403	4,286	4,243	4,235	4,147	4,016	3,897	3,927	3,878	4,286	4,016	3,868
AFTER-TAX PROFIT MARGIN ⁽¹⁾												
	6.8%	7.3%	7.2%	7.3%	7.9%	6.7%	6.4%	6.5%	5.6%	7.3%	6.7%	5.0%

⁽¹⁾ The after-tax profit margin is calculated on underlying net income as a percentage of net premiums on a trailing four-quarters basis.

U.S. - IN-FORCE MANAGEMENT

(US\$ millions)

STATEMENTS OF OPERATIONS

CONSOLIDATED STATEMENTS OF OPERATIONS														
	2020	2019					2018					2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1					
Revenue														
Gross premiums	121	129	117	123	128	135	127	130	135	497	527	556		
Ceded premiums	(83)	(94)	(80)	(88)	(79)	(90)	(75)	(83)	(75)	(341)	(323)	(199)		
Net premiums	38	35	37	35	49	45	52	47	60	156	204	357		
Net investment income (loss)	565	12	595	612	566	262	79	(1)	(220)	1,785	120	1,171		
Fee income	(9)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(10)	(34)	(37)	(28)		
Total revenue	594	39	624	638	606	298	122	37	(170)	1,907	287	1,500		
Policy benefits and expenses														
Gross claims & benefits paid	242	392	273	262	282	224	231	287	290	1,209	1,032	1,041		
Change in investment/insurance contract liabilities & reinsurance assets	345	(298)	603	417	387	81	284	(183)	(404)	1,109	(222)	1,354		
Operating expenses, commissions and other expenses	20	32	11	22	22	20	19	21	18	87	78	96		
Reinsurance expenses (recoveries)	(74)	(131)	(90)	(85)	(94)	(60)	(64)	(112)	(88)	(400)	(324)	(369)		
Total policy benefits and expenses	533	(5)	797	616	597	265	470	13	(184)	2,005	564	2,122		
Income (loss) before income taxes	61	44	(173)	22	9	33	(348)	24	14	(98)	(277)	(622)		
Income tax expense (benefit)	15	9	(37)	(3)	2	3	(76)	—	(1)	(29)	(74)	(378)		
Participating policyholders' net income (loss)	—	—	—	(4)	—	—	1	—	(28)	(4)	(27)	3		
Common shareholders' reported net income (loss)	46	35	(136)	29	7	30	(273)	24	43	(65)	(176)	(247)		
PREMIUMS & DEPOSITS														
Net premiums	38	35	37	35	49	45	52	47	60	156	204	357		
ACCOUNT VALUE														
Individual insurance - domestic	4,336	4,350	4,388	4,419	4,446	4,475	4,482	4,498	4,511	4,350	4,475	4,538		
ASSETS UNDER MANAGEMENT														
General funds	19,364	18,882	19,188	18,498	17,878	17,656	17,698	17,496	17,779	18,882	17,656	18,305		
Segregated funds	405	396	400	388	376	360	369	372	375	396	360	388		
Other AUM	19	20	21	21	23	24	24	40	42	20	24	45		
Total	19,788	19,298	19,609	18,907	18,277	18,040	18,091	17,908	18,196	19,298	18,040	18,738		

ASSET MANAGEMENT

(C\$ millions)

FINANCIAL SUMMARY

	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Revenue												
Net investment income (loss)	(14)	16	20	19	28	3	9	(1)	2	83	13	45
Fee income ⁽¹⁾	1,185	1,191	1,131	1,095	1,023	1,036	1,073	1,053	1,082	4,440	4,244	4,160
Total revenue	1,171	1,207	1,151	1,114	1,051	1,039	1,082	1,052	1,084	4,523	4,257	4,205
Expenses ⁽¹⁾	846	907	856	823	774	726	763	770	805	3,360	3,064	3,099
Income (loss) before income taxes	325	300	295	291	277	313	319	282	279	1,163	1,193	1,106
Income tax expense (benefit)	80	69	73	62	58	69	78	68	69	262	284	453
Non-controlling interest	6	3	1	—	—	—	—	—	—	4	—	—
Common shareholders' reported net income (loss)	239	228	221	229	219	244	241	214	210	897	909	653
Fair value adjustments on share-based payment awards at MFS	10	(37)	(8)	(11)	(8)	28	(10)	(2)	(21)	(64)	(5)	(81)
Acquisition, integration and restructuring	(13)	(16)	(22)	(5)	—	(11)	—	—	—	(43)	(11)	—
Other	—	—	—	—	—	—	—	—	—	—	—	(78)
Common shareholders' underlying net income (loss)	242	281	251	245	227	227	251	216	231	1,004	925	812
Common shareholders' underlying net income (loss)												
MFS	230	266	248	236	223	221	242	213	222	973	898	788
SLC Management (formerly SLIM)	12	15	3	9	4	6	9	3	9	31	27	24
Total	242	281	251	245	227	227	251	216	231	1,004	925	812
GROSS SALES												
MFS	49,723	34,033	31,674	30,267	28,990	27,877	22,792	24,061	29,561	124,964	104,291	106,514
SLC Management	2,231	2,814	2,768	1,662	2,297	1,546	1,573	1,202	2,703	9,541	7,024	10,768
Total	51,954	36,847	34,442	31,929	31,287	29,423	24,365	25,263	32,264	134,505	111,315	117,282
NET SALES												
MFS	2,364	(1,522)	1,730	(8,116)	(7,804)	(8,737)	(9,506)	(14,882)	(5,392)	(15,712)	(38,517)	(28,479)
SLC Management	(2,028)	585	1,486	225	1,256	192	521	179	335	3,552	1,227	6,073
Total	336	(937)	3,216	(7,891)	(6,548)	(8,545)	(8,985)	(14,703)	(5,057)	(12,160)	(37,290)	(22,406)
ASSETS UNDER MANAGEMENT ⁽²⁾												
MFS	613,518	684,845	655,533	639,900	631,097	584,172	625,890	622,511	621,540	684,845	584,172	618,292
SLC Management	89,352	83,972	83,238	68,170	67,267	65,538	61,312	61,514	60,118	83,972	65,538	59,319
Total	702,870	768,817	738,771	708,070	698,364	649,710	687,202	684,025	681,658	768,817	649,710	677,611

⁽¹⁾ Reflects a change in presentation for our SLC Management business effective Q1 2020. We have updated the prior periods to reflect this change in presentation.

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

MFS

(US\$ millions), unless otherwise noted

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Revenue												
Net investment income (loss)	(10)	11	12	14	20	1	7	(1)	1	57	8	35
Fee income	752	778	744	723	681	692	734	729	747	2,926	2,902	2,907
Total revenue	742	789	756	737	701	693	741	728	748	2,983	2,910	2,942
Expenses	508	562	519	523	495	452	505	511	535	2,099	2,003	2,112
Income (loss) before income taxes	234	227	237	214	206	241	236	217	213	884	907	830
Income tax expense (benefit)	54	54	55	46	44	52	58	54	54	199	218	359
Non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—
Common shareholders' reported net income (loss)	180	173	182	168	162	189	178	163	159	685	689	471
Fair value adjustments on share-based payment awards at MFS	8	(28)	(6)	(8)	(6)	22	(8)	(1)	(17)	(48)	(4)	(64)
Other	—	—	—	—	—	—	—	—	—	—	—	(75)
Common shareholders' underlying net income (loss)	172	201	188	176	168	167	186	164	176	733	693	610

MUTUAL FUNDS - CHANGES IN ASSETS UNDER MANAGEMENT

Opening AUM	295,003	272,940	266,315	253,119	226,557	254,545	247,460	247,743	250,231	226,557	250,231	211,822
Sales	26,700	19,183	17,485	16,562	16,479	15,522	13,053	13,225	16,211	69,709	58,011	57,801
Redemptions	(24,755)	(14,037)	(13,825)	(14,606)	(15,769)	(18,512)	(14,925)	(15,298)	(16,567)	(58,237)	(65,302)	(58,745)
Market movement	(49,410)	16,917	2,965	11,240	25,852	(24,998)	8,957	1,790	(2,132)	56,974	(16,383)	39,353
Closing AUM	247,538	295,003	272,940	266,315	253,119	226,557	254,545	247,460	247,743	295,003	226,557	250,231

MANAGED FUNDS - CHANGES IN ASSETS UNDER MANAGEMENT

Opening AUM	232,369	222,213	222,531	219,825	201,816	230,490	226,653	234,407	241,374	201,816	241,374	213,787
Sales	10,376	6,605	6,511	6,068	5,333	5,576	4,393	5,421	7,182	24,517	22,572	24,281
Redemptions	(10,558)	(12,903)	(8,861)	(14,092)	(11,915)	(9,198)	(9,797)	(14,881)	(11,093)	(47,771)	(44,969)	(45,095)
Market movement	(43,337)	16,454	2,032	10,730	24,591	(25,052)	9,241	1,706	(3,056)	53,807	(17,161)	48,401
Closing AUM	188,850	232,369	222,213	222,531	219,825	201,816	230,490	226,653	234,407	232,369	201,816	241,374

SUPPLEMENTAL INFORMATION

Pre-tax net operating profit margin ratio	36 %	40 %	40 %	37 %	38 %	38 %	40 %	36 %	38 %	39 %	38 %	38 %
Pre-tax gross operating profit margin ratio	31 %	35 %	34 %	32 %	32 %	33 %	35 %	31 %	32 %	33 %	33 %	32 %
Total assets under management	436,388	527,372	495,153	488,846	472,944	428,373	485,035	474,113	482,150	527,372	428,373	491,605
Average net assets	504,519	507,155	491,252	480,199	456,690	451,578	482,878	480,906	495,042	483,983	477,496	460,512
Total gross sales	37,076	25,788	23,996	22,630	21,812	21,098	17,446	18,646	23,393	94,226	80,583	82,082
Total net sales	1,763	(1,152)	1,310	(6,068)	(5,872)	(6,612)	(7,276)	(11,533)	(4,267)	(11,782)	(29,688)	(21,758)
Liability for share-based compensation ⁽¹⁾	484	496	478	482	505	496	518	516	566	496	496	562
Diluted EPS impact - liability for share-based compensation ⁽²⁾	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.00	\$0.01	\$0.01	\$0.04	\$0.03	\$0.01
U.S. GAAP net income	181	212	198	188	177	176	195	176	188	775	735	569
Dividends paid to SLF	152	177	165	138	131	128	144	126	134	611	532	452

⁽¹⁾ Liability for stock options, restricted shares and outstanding shares of MFS.

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

ASIA

(C\$ millions)

STATEMENTS OF OPERATIONS

STATEMENTS OF OPERATIONS												
Revenue	944	1,006	700	518	406	608	464	586	521	2,630	2,179	2,527
Gross premiums	(49)	(66)	(54)	(52)	(50)	(69)	(57)	(52)	(54)	(222)	(232)	(226)
Ceded premiums	895	940	646	466	356	539	407	534	467	2,408	1,947	2,301
Net premiums	(154)	308	688	855	1,014	322	72	(34)	(284)	2,865	76	1,722
Net investment income (loss)	136	138	134	133	126	121	130	130	133	531	514	524
Fee income	877	1,386	1,468	1,454	1,496	982	609	630	316	5,804	2,537	4,547
Total revenue												
Policy benefits and expenses	364	484	338	433	357	326	302	256	308	1,612	1,192	1,061
Gross claims & benefits paid	115	310	620	574	810	204	(135)	(67)	(358)	2,314	(356)	1,638
Change in investment/insurance contract liabilities & reinsurance assets	373	457	351	325	291	354	297	322	274	1,424	1,247	1,165
Operating expenses, commissions and other expenses	(37)	(50)	(39)	(33)	(56)	(46)	(38)	(35)	(45)	(178)	(164)	(185)
Reinsurance expenses (recoveries)	815	1,201	1,270	1,299	1,402	838	426	476	179	5,172	1,919	3,679
Total policy benefits and expenses	62	185	198	155	94	144	183	154	137	632	618	868
Income (loss) before income taxes	7	12	13	13	13	14	14	19	4	51	51	62
Income tax expense (benefit)	(45)	37	15	8	1	5	5	2	—	61	12	28
Participating policyholders' net income (loss) and non-controlling interest	100	136	170	134	80	125	164	133	133	520	555	778
Common shareholders' reported net income (loss)	(47)	5	(15)	(14)	(42)	(22)	(12)	—	4	(66)	(30)	38
Market related impacts	(9)	(11)	47	1	—	9	66	—	1	37	76	284
Assumption changes and management actions	1	(1)	—	—	—	(2)	—	(12)	—	(1)	(14)	—
Acquisition, integration and restructuring	—	—	—	—	—	—	—	—	—	—	—	(5)
Other	155	143	138	147	122	140	110	145	128	550	523	461
Common shareholders' underlying net income (loss)	7.3 %	9.8 %	12.1 %	9.9 %	6.0 %	9.9 %	13.3 %	10.9 %	11.2 %	9.5 %	11.3 %	14.4 %
Return on equity - reported	11.2 %	10.2 %	9.8 %	10.9 %	9.1 %	10.9 %	8.9 %	11.8 %	10.7 %	10.0 %	10.6 %	8.5 %
Return on equity - underlying												
PREMIUMS & DEPOSITS	895	940	646	466	356	539	407	534	467	2,408	1,947	2,301
Net premiums	279	303	293	248	271	275	274	300	310	1,115	1,159	933
Segregated fund deposits	1,540	1,253	1,694	1,022	1,243	1,175	1,220	1,696	2,926	5,212	7,017	10,631
Mutual fund sales	732	817	838	761	591	715	650	770	567	3,007	2,702	1,871
Managed fund sales	83	92	73	69	75	68	142	144	142	309	496	686
ASO deposits (pension administration)	3,529	3,405	3,544	2,566	2,536	2,772	2,693	3,444	4,412	12,051	13,321	16,422
Total												
SALES - Proportionate ownership ⁽¹⁾												
Individual life insurance	182	202	176	141	200	159	132	123	163	719	577	481
Local Markets ⁽²⁾	124	150	114	89	50	86	63	83	59	403	291	304
International Hubs ⁽²⁾	306	352	290	230	250	245	195	206	222	1,122	868	785
Total life insurance sales	12	9	7	8	8	6	7	6	11	32	30	26
Total group life & health insurance sales	2,321	2,120	2,573	1,799	1,881	1,935	1,928	2,502	3,736	8,373	10,101	13,056
Total wealth sales ⁽³⁾												
ASSETS UNDER MANAGEMENT ⁽⁴⁾	42,175	45,325	44,514	44,141	44,501	43,328	38,798	42,778	42,411	45,325	43,328	42,835
Local Markets ⁽²⁾	46,609	44,628	44,099	42,730	42,249	40,298	39,064	39,693	38,734	44,628	40,298	37,867
International Hubs ⁽²⁾	88,784	89,953	88,613	86,871	86,750	83,626	77,862	82,471	81,145	89,953	83,626	80,702
Total	93,716	94,504	94,058	92,714	92,934	90,214	84,817	93,405	93,780	94,504	90,214	93,845
ASSETS UNDER MANAGEMENT AND ADMINISTRATION ⁽⁴⁾												
Constant Currency Sales ⁽⁵⁾	304	353	291	227	250							
Individual life insurance	2,291	2,126	2,577	1,775	1,881							
Wealth												

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

⁽²⁾ Effective Q1 2020, Asia's Insurance and Wealth business was renamed to Local Markets and we combined our International business and Hong Kong business into a new management structure called "International Hubs". Refer to the Notes section of this document for additional details.

⁽³⁾ Includes Hong Kong wealth sales, Philippines mutual and managed fund sales, China individual wealth and India group wealth sales, and Aditya Birla Sun Life AMC Limited's equity and fixed income mutual funds sales based on our proportionate equity interest.

⁽⁴⁾ This includes the general fund assets and segregated fund assets of our insurance businesses, Aditya Birla Sun Life AMC Limited AUM, Sun Life Everbright Asset Management AUM, Hong Kong wealth assets and Philippines mutual and managed funds based on our proportionate equity interest.

⁽⁵⁾ Quarterly sales in constant currency are relative to Q1 2019 foreign exchange rates for each of the quarters.

ASIA - LOCAL MARKETS ⁽¹⁾
(C\$ millions)

STATEMENTS OF OPERATIONS

At and For the Quarter Ended														
	2020	2019					2018					2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1					
Revenue														
Gross premiums	154	180	147	134	132	147	128	110	114	593	499	456		
Ceded premiums	(7)	(9)	(5)	(6)	(6)	(8)	(6)	(6)	(5)	(26)	(25)	(22)		
Net premiums	147	171	142	128	126	139	122	104	109	567	474	434		
Net investment income (loss)	(38)	113	121	194	341	129	(44)	17	(79)	769	23	313		
Fee income	61	59	57	56	53	47	47	47	48	225	189	183		
Total revenue	170	343	320	378	520	315	125	168	78	1,561	686	930		
Policy benefits and expenses														
Gross claims & benefits paid	78	73	73	71	72	70	68	61	90	289	289	305		
Change in investment/insurance contract liabilities & reinsurance assets	(133)	20	(33)	74	238	21	(151)	(96)	(203)	299	(429)	(66)		
Operating expenses, commissions and other expenses	156	179	156	138	137	148	134	146	119	610	547	485		
Reinsurance expenses (recoveries)	(4)	(6)	(3)	(2)	(3)	(1)	(4)	(2)	(1)	(14)	(8)	(8)		
Total policy benefits and expenses	97	266	193	281	444	238	47	109	5	1,184	399	716		
Income (loss) before income taxes	73	77	127	97	76	77	78	59	73	377	287	214		
Income tax expense (benefit)	8	9	6	11	12	9	9	14	9	38	41	35		
Common shareholders' reported net income (loss)	65	68	121	86	64	68	69	45	64	339	246	179		
PREMIUMS & DEPOSITS														
Net premiums	147	171	142	128	126	139	122	104	109	567	474	434		
Segregated fund deposits	241	265	258	198	229	210	204	199	241	950	854	782		
Mutual fund sales	1,540	1,253	1,694	1,022	1,243	1,175	1,220	1,696	2,926	5,212	7,017	10,631		
Managed fund sales	5	5	7	5	3	4	5	10	4	20	23	12		
Total	1,933	1,694	2,101	1,353	1,601	1,528	1,551	2,009	3,280	6,749	8,368	11,859		
SALES - Proportionate ownership ⁽²⁾														
Individual life insurance														
Philippines	64	87	69	59	56	67	54	51	49	271	221	179		
Indonesia	21	23	20	14	23	18	15	15	19	80	67	74		
India	48	45	38	30	65	43	34	23	45	178	145	105		
China	32	26	31	19	35	13	12	19	34	111	78	67		
Vietnam	5	6	5	4	5	5	4	3	4	20	16	12		
Malaysia	12	15	13	15	16	13	13	12	12	59	50	44		
Total life insurance sales	182	202	176	141	200	159	132	123	163	719	577	481		
ASSETS UNDER MANAGEMENT ⁽³⁾														
General funds	6,369	6,176	5,963	5,794	5,749	5,434	4,927	5,184	5,424	6,176	5,434	5,566		
Segregated funds	3,263	4,009	3,918	3,921	3,817	3,593	3,165	3,157	3,292	4,009	3,593	3,387		
Other AUM	32,543	35,140	34,633	34,426	34,935	34,301	30,706	34,437	33,695	35,140	34,301	33,882		
Total	42,175	45,325	44,514	44,141	44,501	43,328	38,798	42,778	42,411	45,325	43,328	42,835		
ASSETS UNDER MANAGEMENT AND ADMINISTRATION ⁽³⁾	45,017	47,787	47,942	47,951	48,634	47,916	43,738	48,668	49,953	47,787	47,916	50,968		

⁽¹⁾ Effective Q1 2020, Asia's Insurance and Wealth business was renamed to Local Markets and is comprised of Philippines, Indonesia, India, China, Malaysia and Vietnam. We have updated prior period amounts to reflect this change in presentation.

⁽²⁾ Includes the sales in the Company's joint ventures and associates with local partners in Asia based on our proportionate equity interest.

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

ASIA - INTERNATIONAL HUBS ⁽¹⁾

(C\$ millions)

(C\$ millions)

	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019				2018				2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
STATEMENTS OF OPERATIONS												
Revenue												
Gross premiums	790	826	553	384	274	461	336	476	407	2,037	1,680	2,071
Ceded premiums	(42)	(57)	(49)	(46)	(44)	(61)	(51)	(46)	(49)	(196)	(207)	(204)
Net premiums	748	769	504	338	230	400	285	430	358	1,841	1,473	1,867
Net investment income (loss)	(116)	195	567	661	673	193	116	(51)	(205)	2,096	53	1,409
Fee income	75	79	77	77	73	74	83	83	85	306	325	341
Total revenue	707	1,043	1,148	1,076	976	667	484	462	238	4,243	1,851	3,617
Policy benefits and expenses												
Gross claims & benefits paid	286	411	265	362	285	256	234	195	218	1,323	903	756
Change in investment/insurance contract liabilities & reinsurance assets	248	290	653	500	572	183	16	29	(155)	2,015	73	1,704
Operating expenses, commissions and other expenses	217	278	195	187	154	206	163	176	155	814	700	680
Reinsurance expenses (recoveries)	(33)	(44)	(36)	(31)	(53)	(45)	(34)	(33)	(44)	(164)	(156)	(177)
Total policy benefits and expenses	718	935	1,077	1,018	958	600	379	367	174	3,988	1,520	2,963
Income (loss) before income taxes	(11)	108	71	58	18	67	105	95	64	255	331	654
Income tax expense (benefit)	(1)	3	7	2	1	5	5	5	(5)	13	10	27
Participating policyholders' net income (loss)	(45)	37	15	8	1	5	5	2	—	61	12	28
Common shareholders' reported net income (loss)	35	68	49	48	16	57	95	88	69	181	309	599
PREMIUMS & DEPOSITS												
Net premiums	748	769	504	338	230	400	285	430	358	1,841	1,473	1,867
Segregated fund deposits	38	38	35	50	42	65	70	101	69	165	305	151
Managed fund sales	727	812	831	756	588	711	645	760	563	2,987	2,679	1,859
ASO deposits (pension administration)	83	92	73	69	75	68	142	144	142	309	496	686
Total	1,596	1,711	1,443	1,213	935	1,244	1,142	1,435	1,132	5,302	4,953	4,563
SALES												
Individual life insurance												
Hong Kong	86	119	90	75	46	73	42	57	37	330	209	180
International	38	31	24	14	4	13	21	26	22	73	82	124
Total life insurance sales	124	150	114	89	50	86	63	83	59	403	291	304
ASSETS UNDER MANAGEMENT												
General funds	27,583	25,109	25,618	24,401	24,084	23,421	22,264	22,498	22,041	25,109	23,421	21,668
Segregated funds	2,452	2,666	2,605	2,654	2,700	2,580	2,653	2,790	2,755	2,666	2,580	2,714
Other AUM	16,574	16,853	15,876	15,675	15,465	14,297	14,147	14,405	13,938	16,853	14,297	13,485
Total	46,609	44,628	44,099	42,730	42,249	40,298	39,064	39,693	38,734	44,628	40,298	37,867
ASSETS UNDER MANAGEMENT AND ADMINISTRATION												
	48,699	46,717	46,116	44,763	44,300	42,298	41,079	44,737	43,827	46,717	42,298	42,877

⁽¹⁾ Effective Q1 2020, we combined our International business and Hong Kong business into a new management structure called "International Hubs", which is comprised of Hong Kong and International. We have updated prior period amounts to reflect this change in presentation.

CORPORATE

(C\$ millions)

STATEMENTS OF OPERATIONS ⁽¹⁾

	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019					2018			2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Revenue												
Premiums - life insurance	22	22	23	22	23	24	24	23	23	90	94	94
Premiums - health insurance	4	4	4	4	4	4	4	2	4	16	14	14
Premiums - annuities	3	5	5	7	6	(95)	5	6	5	23	(79)	24
Gross premiums	29	31	32	33	33	(67)	33	31	32	129	29	132
Ceded premiums	(4)	(5)	(5)	(5)	(5)	(6)	(7)	(5)	(5)	(20)	(23)	(24)
Net premiums	25	26	27	28	28	(73)	26	26	27	109	6	108
Net investment income (loss)	(62)	(159)	455	222	398	82	(58)	64	(35)	916	53	447
Fee income ⁽¹⁾	(43)	(34)	(29)	(32)	(31)	(28)	(27)	(27)	(23)	(126)	(105)	(77)
Total revenue	(80)	(167)	453	218	395	(19)	(59)	63	(31)	899	(46)	478
Policy benefits and expenses												
Gross claims & benefits paid	136	156	140	165	137	154	138	157	165	598	614	557
Change in investment/insurance contract liabilities & reinsurance assets	(176)	(338)	19	19	199	(213)	(331)	(138)	(241)	(101)	(923)	(304)
Operating expenses, commissions and other expenses ⁽¹⁾	42	115	40	38	55	43	32	38	56	248	169	206
Reinsurance expenses (recoveries)	(3)	(7)	(9)	(10)	—	(12)	(7)	(8)	(10)	(26)	(37)	45
Total policy benefits and expenses	(1)	(74)	190	212	391	(28)	(168)	49	(30)	719	(177)	504
Income (loss) before income taxes	(79)	(93)	263	6	4	9	109	14	(1)	180	131	(26)
Income tax expense (benefit)	(33)	(66)	(13)	(8)	17	(11)	(9)	(1)	(6)	(70)	(27)	(18)
Preferred shareholder dividends	24	24	23	24	24	23	24	23	24	95	94	93
Common shareholders' reported net income (loss)	(70)	(51)	253	(10)	(37)	(3)	94	(8)	(19)	155	64	(101)
Market related impacts	1	7	—	—	(9)	(2)	(4)	(6)	(3)	(2)	(15)	5
Assumption changes and management actions	1	—	236	(2)	(9)	18	122	—	—	225	140	55
Acquisition, integration and restructuring	(28)	(25)	—	(2)	—	(4)	(3)	—	(3)	(27)	(10)	(55)
Other	—	—	—	—	—	—	—	—	—	—	—	(54)
Common shareholders' underlying net income (loss)	(44)	(33)	17	(6)	(19)	(15)	(21)	(2)	(13)	(41)	(51)	(52)
PREMIUMS & DEPOSITS												
Net premiums	25	26	27	28	28	(73)	26	26	27	109	6	108
Segregated fund deposits	17	18	16	17	22	20	19	21	19	73	79	80
Total	42	44	43	45	50	(53)	45	47	46	182	85	188
ASSETS UNDER MANAGEMENT												
General funds	13,640	13,658	13,768	13,431	14,101	14,162	14,052	14,965	15,179	13,658	14,162	14,414
Segregated funds	9,346	11,026	10,496	10,677	11,060	10,513	11,241	11,855	11,927	11,026	10,513	11,986
Other AUM ⁽²⁾	(25,529)	(24,864)	(25,263)	(25,134)	(25,266)	(23,879)	(24,351)	(25,161)	(24,887)	(24,864)	(23,879)	(23,264)
Total	(2,543)	(180)	(999)	(1,026)	(105)	796	942	1,659	2,219	(180)	796	3,136

⁽¹⁾ Includes consolidation adjustments for net investment income, fee income and commission & other expenses relating to activities that cross business groups. Effective Q1 2020, we have updated prior periods to reflect a change in presentation in SLC Management. Refer to Note 3. Segmented Information of the Q1 2020 Consolidated Financial Statements for additional details.

⁽²⁾ Includes consolidation adjustments for assets managed by one area of the Company on behalf of another, and Other AUM not included in other business segments.

CORPORATE

(C\$ millions)

STATEMENTS OF OPERATIONS - United Kingdom (U.K.)

	At and For the Quarter Ended									At and For the Year Ended		
	2020	2019					2018			2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Revenue												
Gross premiums	17	18	17	20	20	20	18	20	20	75	78	81
Ceded premiums	(4)	(4)	(4)	(5)	(3)	(4)	(5)	(4)	(4)	(16)	(17)	(17)
Net premiums	13	14	13	15	17	16	13	16	16	59	61	64
Net investment income (loss)	(76)	(172)	389	162	347	29	(63)	40	(48)	726	(42)	395
Fee income	27	32	29	29	27	30	28	34	31	117	123	118
Total revenue	(36)	(126)	431	206	391	75	(22)	90	(1)	902	142	577
Policy benefits and expenses												
Gross claims & benefits paid	117	127	121	135	123	132	123	134	142	506	531	539
Change in investment/insurance contract liabilities & reinsurance assets	(213)	(310)	(2)	5	198	(117)	(304)	(117)	(210)	(109)	(748)	(249)
Operating expenses, commissions and other expenses	28	31	26	26	30	38	32	29	26	113	125	103
Reinsurance expenses (recoveries)	(3)	(3)	(5)	(4)	(3)	(4)	(3)	(1)	(5)	(15)	(13)	(13)
Total policy benefits and expenses	(71)	(155)	140	162	348	49	(152)	45	(47)	495	(105)	380
Income (loss) before income taxes	35	29	291	44	43	26	130	45	46	407	247	197
Income tax expense (benefit)	(16)	(3)	12	5	14	(5)	(4)	8	(2)	28	(3)	16
Common shareholders' reported net income (loss)	51	32	279	39	29	31	134	37	48	379	250	181

STATEMENTS OF OPERATIONS - Corporate Support ⁽¹⁾

Revenue												
Gross premiums	12	13	15	13	13	(87)	15	11	12	54	(49)	51
Ceded premiums	—	(1)	(1)	—	(2)	(2)	(2)	(1)	(1)	(4)	(6)	(7)
Net premiums	12	12	14	13	11	(89)	13	10	11	50	(55)	44
Net investment income (loss)	14	13	66	60	51	53	5	24	13	190	95	52
Fee income ⁽¹⁾	(70)	(66)	(58)	(61)	(58)	(58)	(55)	(61)	(54)	(243)	(228)	(195)
Total revenue	(44)	(41)	22	12	4	(94)	(37)	(27)	(30)	(3)	(188)	(99)
Policy benefits and expenses												
Gross claims & benefits paid	19	29	19	30	14	22	15	23	23	92	83	18
Change in investment/insurance contract liabilities & reinsurance assets	37	(28)	21	14	1	(96)	(27)	(21)	(31)	8	(175)	(55)
Operating expenses, commissions and other expenses ⁽¹⁾	14	84	14	12	25	5	—	9	30	135	44	103
Reinsurance expenses (recoveries)	—	(4)	(4)	(6)	3	(8)	(4)	(7)	(5)	(11)	(24)	58
Total policy benefits and expenses	70	81	50	50	43	(77)	(16)	4	17	224	(72)	124
Income (loss) before income taxes	(114)	(122)	(28)	(38)	(39)	(17)	(21)	(31)	(47)	(227)	(116)	(223)
Income tax expense (benefit)	(17)	(63)	(25)	(13)	3	(6)	(5)	(9)	(4)	(98)	(24)	(34)
Preferred shareholder dividends	24	24	23	24	24	23	24	23	24	95	94	93
Common shareholders' reported net income (loss)	(121)	(83)	(26)	(49)	(66)	(34)	(40)	(45)	(67)	(224)	(186)	(282)

⁽¹⁾ Includes consolidation adjustments for net investment income, fee income and commission & other expenses relating to activities that cross business groups. Effective Q1 2020, we have updated prior periods to reflect a change in presentation in SLC Management. Refer to Note 3. Segmented Information of the Q1 2020 Consolidated Financial Statements for additional details.

INVESTMENTS
DEBT & EQUITY SECURITIES
DEBT SECURITIES
Debt Securities by Sector

Debt Securities Issued or Guaranteed By:

	As at March 31, 2020				As at December 31, 2019				As at March 31, 2019			
	Fair Value through Profit or Loss	Available- for-Sale	Total	Investment Grade	Fair Value through Profit or Loss	Available- for-Sale	Total	Investment Grade	Fair Value through Profit or Loss	Available- for-Sale	Total	Investment Grade
Canadian Federal Government	3,833	2,593	6,426	100 %	3,890	2,556	6,446	100 %	3,526	1,812	5,338	100 %
Canadian Provincial and Municipal Government	14,679	1,177	15,856	100 %	13,826	1,139	14,965	100 %	13,094	1,229	14,323	100 %
U.S. Government and Other U.S. Agency	2,092	981	3,073	100 %	1,748	1,363	3,111	100 %	1,180	1,532	2,712	100 %
Other Government	5,329	790	6,119	96 %	5,181	736	5,917	97 %	5,084	764	5,848	97 %
Total Government issued or guaranteed debt securities	25,933	5,541	31,474	99 %	24,645	5,794	30,439	99 %	22,884	5,337	28,221	99 %

Corporate Debt Securities by Industry Sector:

Financials	9,721	1,602	11,323	99 %	9,341	1,585	10,926	99 %	8,726	1,684	10,410	99 %
Utilities	6,805	601	7,406	99 %	6,693	565	7,258	99 %	6,453	584	7,037	99 %
Consumer discretionary	1,324	280	1,604	84 %	1,268	219	1,487	94 %	1,284	290	1,574	94 %
Industrials	5,042	691	5,733	99 %	4,800	629	5,429	99 %	4,197	653	4,850	99 %
Consumer staples	1,782	234	2,016	96 %	1,703	221	1,924	99 %	1,665	257	1,922	96 %
Communication Services	3,275	520	3,795	99 %	3,075	471	3,546	99 %	2,997	553	3,550	99 %
Energy	3,593	378	3,971	97 %	3,867	365	4,232	98 %	3,582	369	3,951	98 %
Real Estate	2,397	399	2,796	98 %	2,595	368	2,963	99 %	2,658	388	3,046	99 %
Materials	1,350	200	1,550	92 %	1,331	212	1,543	92 %	1,279	248	1,527	93 %
Health Care	2,037	246	2,283	99 %	1,886	236	2,122	99 %	1,690	283	1,973	99 %
Information Technology	1,335	238	1,573	99 %	1,122	213	1,335	99 %	1,034	224	1,258	99 %
Total Corporate debt securities	38,661	5,389	44,050	98 %	37,681	5,084	42,765	99 %	35,565	5,533	41,098	99 %

Asset Backed Securities

Government and agency	2,672	639	3,311	100 %	2,287	552	2,839	100 %	1,957	618	2,575	100 %
Other	3,448	2,316	5,764	99 %	3,281	2,282	5,563	99 %	2,543	2,278	4,821	98 %
Total asset backed securities	6,120	2,955	9,075	99 %	5,568	2,834	8,402	99 %	4,500	2,896	7,396	99 %

Total debt securities

	70,714	13,885	84,599	99 %	67,894	13,712	81,606	99 %	62,949	13,766	76,715	99 %
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Debt Securities by Investment Rating

AAA	11,865	6,472	18,337		11,097	6,630	17,727		9,320	6,077	15,397	
AA	11,100	1,658	12,758		10,503	1,670	12,173		15,445	2,241	17,686	
A	28,526	3,253	31,779		27,341	3,037	30,378		19,840	2,735	22,575	
BBB	18,281	2,360	20,641		18,339	2,248	20,587		17,683	2,566	20,249	
BB and lower	942	142	1,084		614	127	741		661	147	808	
Total debt securities	70,714	13,885	84,599		67,894	13,712	81,606		62,949	13,766	76,715	

EQUITY SECURITIES
Stocks

Canada	2,493	22	2,515		2,813	22	2,835		2,962	22	2,984	
United States	664	126	790		550	137	687		525	320	845	
United Kingdom	106	5	111		132	5	137		134	5	139	
Other	1,041	148	1,189		979	149	1,128		794	156	950	
Total equity securities	4,304	301	4,605		4,474	313	4,787		4,415	503	4,918	

PROPERTIES, MORTGAGES & LOANS
PROPERTIES

	As at March 31, 2020			As at December 31, 2019			As at March 31, 2019		
	Investment Property	Owner Occupied Property	Total	Investment Property	Owner Occupied Property	Total	Investment Property	Owner Occupied Property	Total
Canada	5,837	47	5,884	5,854	47	5,901	5,360	49	5,409
United States	1,459	110	1,569	1,386	100	1,486	1,562	97	1,659
United Kingdom	63	—	63	66	—	66	77	—	77
Other	—	34	34	—	32	32	—	33	33
Total properties	7,359	191	7,550	7,306	179	7,485	6,999	179	7,178

MORTGAGES & LOANS

	As at March 31, 2020			As at December 31, 2019			As at March 31, 2019		
	Insured	Non-Insured	Total	Insured	Non-Insured	Total	Insured	Non-Insured	Total
Retail	—	3,990	3,990	—	3,902	3,902	—	4,138	4,138
Office	—	3,937	3,937	—	3,922	3,922	—	4,117	4,117
Multi-family residential	3,699	2,235	5,934	3,613	2,078	5,691	3,515	2,120	5,635
Industrial and land	—	2,016	2,016	—	1,898	1,898	—	1,984	1,984
Other	329	411	740	353	459	812	338	387	725
Total Mortgages	4,028	12,589	16,617	3,966	12,259	16,225	3,853	12,746	16,599
Corporate Loans			33,636			31,997			30,966
Total mortgages & loans			50,253			48,222			47,565

Mortgage and Loans - Impairments/Allowances

	Impaired Loans Gross Carrying Value		Allowances for Losses		Impaired Loans Gross Carrying Value		Allowances for Losses		Impaired Loans Gross Carrying Value		Allowances for Losses	
	Specific	Sectoral	Specific	Sectoral	Specific	Sectoral	Specific	Sectoral	Specific	Sectoral	Specific	Sectoral
Mortgages	139	49	21		147	50	20		30	5	20	
Loans	144	50			133	47	—		90	53	—	
Total mortgage and loan impairments/allowances	283	99	21		280	97	20		120	58	20	

DERIVATIVES

	As at March 31, 2020		As at December 31, 2019		As at March 31, 2019	
	Total Notional Amount	Net Fair Value Amount	Total Notional Amount	Net Fair Value Amount	Total Notional Amount	Net Fair Value Amount
Interest rate contracts	33,854	1,650	30,151	681	33,024	759
Foreign exchange contracts	29,138	(2,967)	26,382	(1,274)	22,399	(1,142)
Equity and other contracts	6,837	(64)	5,598	101	4,255	51
Total derivatives	69,829	(1,381)	62,131	(492)	59,678	(332)
Over the counter	62,708	(1,327)	56,490	(498)	53,706	(336)
Exchange traded	7,121	(54)	5,641	6	5,972	4
Total	69,829	(1,381)	62,131	(492)	59,678	(332)

CONSOLIDATED SOURCES OF EARNINGS
(\$ millions)

Expected profit on in-force business	267	112	335	138	(36)	816	87	234
Impact of new business	14	13	—	(21)	—	6	10	—
Experience gains (losses)	(137)	93	—	(46)	(21)	(111)	67	—
Assumption changes and management actions	(29)	(29)	—	(9)	1	(66)	(22)	—
Other ⁽¹⁾	(1)	(2)	(10)	—	(37)	(50)	(1)	—
Earnings (loss) on operations (pre-tax)	114	187	325	62	(93)	595	141	234
Earnings on surplus	21	25	—	49	21	116	19	—
Earnings (loss) before income taxes	135	212	325	111	(72)	711	160	234
Income tax (expense) benefit	(177)	(48)	(80)	(11)	26	(290)	(36)	(54)
Earnings (loss) before preferred share dividends	(42)	164	245	100	(46)	421	124	180
Preferred share dividends and non-controlling interest	—	—	(6)	—	(24)	(30)	—	—
Common shareholders' reported net income (loss)	(42)	164	239	100	(70)	391	124	180
Underlying net income adjustments (post tax):								
Market related impacts	(275)	28	—	(47)	1	(293)	21	—
Assumption changes and management actions	(22)	(23)	—	(9)	1	(53)	(17)	—
Other adjustments:								
Impact of certain hedges that do not qualify for hedge accounting	(1)	—	—	—	—	(1)	—	—
Fair value adjustments on share-based payment awards at MFS	—	—	10	—	—	10	—	8
Acquisition, integration and restructuring	—	(2)	(13)	1	(28)	(42)	(1)	—
	(298)	3	(3)	(55)	(26)	(379)	3	8
Common shareholders' underlying net income (loss)	256	161	242	155	(44)	770	121	172

For the Quarter ended - Q1 2020

Canadian Dollars							U.S. Dollars	
Canada	U.S.	Asset Management	Asia	Corporate	Total Company		U.S.	MFS
267	112	335	138	(36)	816		87	234
14	13	—	(21)	—	6		10	—
(137)	93	—	(46)	(21)	(111)		67	—
(29)	(29)	—	(9)	1	(66)		(22)	—
(1)	(2)	(10)	—	(37)	(50)		(1)	—
114	187	325	62	(93)	595		141	234
21	25	—	49	21	116		19	—
135	212	325	111	(72)	711		160	234
(177)	(48)	(80)	(11)	26	(290)		(36)	(54)
(42)	164	245	100	(46)	421		124	180
—	—	(6)	—	(24)	(30)		—	—
(42)	164	239	100	(70)	391		124	180
(275)	28	—	(47)	1	(293)		21	—
(22)	(23)	—	(9)	1	(53)		(17)	—
(1)	—	—	—	—	(1)		—	—
—	—	10	—	—	10		—	8
—	(2)	(13)	1	(28)	(42)		(1)	—
(298)	3	(3)	(55)	(26)	(379)		3	8
256	161	242	155	(44)	770		121	172

CONSOLIDATED SOURCES OF EARNINGS
(\$ millions)

Expected profit on in-force business	230	115	298	132	(36)	739	84	221
Impact of new business	17	4	—	(32)	—	(11)	3	—
Experience gains (losses)	(86)	38	—	(45)	(3)	(96)	32	—
Assumption changes and management actions	—	(3)	—	—	(7)	(10)	(2)	—
Other ⁽¹⁾	1	(9)	(21)	—	—	(29)	(7)	(15)
Earnings (loss) on operations (pre-tax)	162	145	277	55	(46)	593	110	206
Earnings on surplus	34	10	—	38	43	125	8	—
Earnings (loss) before income taxes	196	155	277	93	(3)	718	118	206
Income tax (expense) benefit	41	(31)	(58)	(13)	(10)	(71)	(25)	(44)
Earnings (loss) before preferred share dividends	237	124	219	80	(13)	647	93	162
Preferred share dividends	—	—	—	—	(24)	(24)	—	—
Common shareholders' reported net income (loss)	237	124	219	80	(37)	623	93	162
Underlying net income adjustments (post tax):								
Market related impacts	(1)	(17)	—	(42)	(9)	(69)	(11)	—
Assumption changes and management actions	—	(2)	—	—	(9)	(11)	(2)	—
Other adjustments:								
Impact of certain hedges that do not qualify for hedge accounting	1	—	—	—	—	1	—	—
Fair value adjustments on share-based payment awards at MFS	—	—	(8)	—	—	(8)	—	(6)
Acquisition, integration and restructuring	—	(7)	—	—	—	(7)	(6)	—
	—	(26)	(8)	(42)	(18)	(94)	(19)	(6)
Common shareholders' underlying net income (loss)	237	150	227	122	(19)	717	112	168

For the Quarter ended - Q1 2019

Canadian Dollars							U.S. Dollars	
Canada	U.S.	Asset Management	Asia	Corporate	Total Company		U.S.	MFS
230	115	298	132	(36)	739		84	221
17	4	—	(32)	—	(11)		3	—
(86)	38	—	(45)	(3)	(96)		32	—
—	(3)	—	—	(7)	(10)		(2)	—
1	(9)	(21)	—	—	(29)		(7)	(15)
162	145	277	55	(46)	593		110	206
34	10	—	38	43	125		8	—
196	155	277	93	(3)	718		118	206
41	(31)	(58)	(13)	(10)	(71)		(25)	(44)
237	124	219	80	(13)	647		93	162
—	—	—	—	(24)	(24)		—	—
237	124	219	80	(37)	623		93	162
(1)	(17)	—	(42)	(9)	(69)		(11)	—
—	(2)	—	—	(9)	(11)		(2)	—
1	—	—	—	—	1		—	—
—	—	(8)	—	—	(8)		—	(6)
—	(7)	—	—	—	(7)		(6)	—
—	(26)	(8)	(42)	(18)	(94)		(19)	(6)
237	150	227	122	(19)	717		112	168

⁽¹⁾ Represents pre-tax adjustments related to certain hedges that do not qualify for hedge accounting, MFS fair value adjustments on share-based payment awards, and acquisition, integration and restructuring amounts.

CONSOLIDATED SOURCES OF EARNINGS - SUPPLEMENTAL INFORMATION
MFS SOURCES OF EARNINGS

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

(US\$ millions)	For the Quarter Ended									For the Year Ended		
	2020	2019					2018			2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
Expected profit on in-force business	234	268	254	232	221	227	256	228	242	975	953	947
Impact of new business	—	—	—	—	—	—	—	—	—	—	—	—
Experience gains (losses)	—	—	—	—	—	—	—	—	—	—	—	—
Assumption changes and management actions	—	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—
Earnings (loss) on operations (pre-tax)	234	268	254	232	221	227	256	228	242	975	953	947
Earnings on surplus	—	—	—	—	—	—	—	—	—	—	—	—
Earnings (loss) before income taxes	234	268	254	232	221	227	256	228	242	975	953	947
Income tax (expense) benefit	(54)	(58)	(56)	(46)	(45)	(51)	(60)	(55)	(57)	(205)	(223)	(299)
Earnings (loss) before preferred share dividends and non-controlling interest	180	210	198	186	176	176	196	173	185	770	730	648
Non-controlling interest	(8)	(9)	(10)	(10)	(8)	(9)	(10)	(9)	(9)	(37)	(37)	(38)
Common shareholders' underlying net income (loss)	172	201	188	176	168	167	186	164	176	733	693	610
Underlying net income adjustments												
Fair value adjustments on share-based payment awards (pre-tax)	—	(41)	(17)	(18)	(15)	14	(20)	(11)	(29)	(91)	(46)	(117)
Income taxes	—	4	1	—	1	(1)	2	1	3	6	5	15
Non-controlling interest	8	9	10	10	8	9	10	9	9	37	37	38
Other	—	—	—	—	—	—	—	—	—	—	—	(75)
	8	(28)	(6)	(8)	(6)	22	(8)	(1)	(17)	(48)	(4)	(139)
Common shareholders' reported net income (loss)	180	173	182	168	162	189	178	163	159	685	689	471

EXPENSES

(C\$ millions)

(C\$ millions)	For the Quarter Ended									For the Year Ended		
	2020	2019					2018			2019	2018	2017
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1			
OPERATING EXPENSES, COMMISSIONS AND OTHER EXPENSES												
Operating expenses	1,733	1,954	1,714	1,697	1,668	1,625	1,563	1,626	1,618	7,033	6,432	6,410
Commissions	648	677	590	586	564	603	574	589	573	2,417	2,339	2,403
Premium taxes	108	101	101	104	100	95	93	95	92	406	375	379
Interest expense	90	96	65	84	88	79	73	78	75	333	305	303
Total	2,579	2,828	2,470	2,471	2,420	2,402	2,303	2,388	2,358	10,189	9,451	9,495
OPERATING EXPENSES BY BUSINESS GROUP												
Canada	530	566	498	523	535	528	487	522	503	2,122	2,040	2,018
U.S.	246	246	208	236	236	220	220	214	218	926	872	857
Asset Management ⁽¹⁾	672	666	644	634	604	585	582	600	606	2,548	2,373	2,266
Asia	229	280	241	222	203	236	201	203	179	946	819	758
Corporate ⁽¹⁾	20	92	78	45	60	45	34	43	56	275	178	180
Operating expenses excluding the following:	1,697	1,850	1,669	1,660	1,638	1,614	1,524	1,582	1,562	6,817	6,282	6,079
FV adjustments on MFS share-based payment awards ⁽²⁾	—	54	23	24	21	(19)	25	15	37	122	58	150
Acquisition, integration and restructuring costs	36	50	22	13	9	30	14	29	19	94	92	181
Total operating expenses	1,733	1,954	1,714	1,697	1,668	1,625	1,563	1,626	1,618	7,033	6,432	6,410
COMMISSIONS BY BUSINESS GROUP												
Canada	244	243	231	234	237	243	227	237	227	945	934	928
U.S.	117	114	108	108	110	114	110	106	105	440	435	423
Asset Management	163	162	159	155	147	146	157	154	162	623	619	683
Asia	126	159	93	89	72	101	82	93	81	413	357	378
Corporate ⁽³⁾	(2)	(1)	(1)	—	(2)	(1)	(2)	(1)	(2)	(4)	(6)	(9)
Total commissions	648	677	590	586	564	603	574	589	573	2,417	2,339	2,403
INTEREST EXPENSE												
Subordinated debt	29	29	26	25	26	26	26	26	28	106	106	123
Liabilities for SLEECs	4	11	11	11	11	11	11	11	11	44	44	44
Interest on senior unsecured debentures/financing	16	18	20	25	26	24	19	24	19	89	86	70
Other ⁽⁴⁾	41	38	8	23	25	18	17	17	17	94	69	66
Total interest expense	90	96	65	84	88	79	73	78	75	333	305	303

⁽¹⁾ Includes consolidation adjustments for operating expenses relating to activities that cross business groups. Effective Q1 2020, we have updated prior periods to reflect a change in presentation in SLC Management. Refer to Note 3. Segmented Information of the Q1 2020 Consolidated Financial Statements for additional details.

⁽²⁾ Represent the operating expenses related to fair value adjustments on share-based payment awards at MFS before tax and the adjustment for non-controlling interest.

⁽³⁾ Includes consolidation adjustments for commissions relating to activities that cross business groups.

⁽⁴⁾ Primarily interest on income taxes and real estate encumbrances, interest on leases and interest on liabilities connected to the consolidated special purpose entities.

FINANCIAL STRENGTH AND CAPITAL ADEQUACY
For the period ended March 31, 2020
SUN LIFE ASSURANCE COMPANY OF CANADA
FINANCIAL STRENGTH RATINGS
SECURITY RATINGS

Subordinated Debt

Sun Life Exchangeable Capital Securities

Series B

A.M. Best
Moody's
Standard & Poor's
DBRS ⁽¹⁾

A+

Aa3

AA

AA

a+

A2

AA-

AA (low)

a

A3

P-1/A+

A (high)

SUN LIFE FINANCIAL INC.
SECURITY RATINGS

Senior Unsecured Debentures (Series E)

Subordinated Debt

(Series 2007-1, 2015-1, 2016-1, 2016-2, 2017-1 and 2019-1)

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

A.M. Best
Moody's ⁽¹⁾
Standard & Poor's
DBRS

a

not rated

A+

A (high)

a-

not rated

A

A

bbb+

Baa1(hyb)

P-1 (low)/A-

Pfd-2 (high)

⁽¹⁾ Moody's rate Preferred Shares Series 2 only.

General Information

Canada	U.S.	Asset Management	Asia	Corporate
<p>Our Canada business group is a leading provider of protection, health and wealth solutions, providing products and services that deliver value to over six million Clients. We are the largest provider of benefits and pensions in the workplace, and provide a wide range of products to individuals via retail channels. Canada is a growth market for Sun Life and we are well-positioned to help meet evolving Client needs with integrated solutions for savings, retirement, health care and insurance protection. Canada has three business units - Individual Insurance and Wealth, Group Benefits and Group Retirement Services.</p>	<p>Our U.S. business group is one of the largest group benefits providers in the U.S. market, serving employees and their families at more than 55,000 workplaces of all sizes across the country with employer-sponsored insurance products and solutions. In addition, our U.S. business manages an in-force block of more than 100,000 individual life insurance policies. U.S. has two business units - Group Benefits and In-force Management.</p>	<p>Our Asset Management business group is comprised of MFS and SLC Management. MFS is a premier global asset management firm which offers a comprehensive selection of financial products and services that deliver superior value and actively manages assets for retail and institutional investors around the world. SLC Management is an institutional investment management business that delivers liability driven investing, alternative fixed income and real estate solutions to Clients, with operations around the world.</p>	<p>Our Asia business group consists of two business units - Local Markets and International Hubs. Our Local Markets business unit operates in six local markets (Philippines, Indonesia, India, China, Malaysia and Vietnam), delivering value to Clients by providing life, health, wealth and asset management solutions through a multi-channel distribution approach. Our International Hubs business unit brings together our International and Hong Kong operations to serve high-net-worth Clients across the region as well as protection and wealth needs of Hong Kong Clients. Asia's presence in these markets provides us with a strong foothold to take advantage of the high growth prospects in this region.</p>	<p>Corporate includes the results of our U.K. business and Corporate Support. U.K. has a run-off block of business consisting of approximately 554,000 in-force life and pension policies, with approximately £11 billion of AUM. Since December 2010, U.K. has been closed to new business and focuses on supporting existing Clients. Corporate Support operations consist of the expenses, debt charges, investment income, capital and other items not allocated to Sun Life's other business segments, as well as the Company's Run-off reinsurance business. Coverage in our Run-off reinsurance business includes long-term care, medical coverage, and guaranteed minimum income and death benefit coverage. The block also includes group long-term disability and personal accident policies which are 100% retroceded.</p>
<p><u>Individual Insurance and Wealth</u> Individual life and health insurance Individual savings products Mutual funds</p> <p><u>Group Benefits</u> Group life and health insurance Voluntary benefits products</p> <p><u>Group Retirement Services</u> Defined contribution plans Defined benefit solutions Voluntary savings plans</p>	<p><u>Group Benefits</u> Group life Disability insurance Medical stop-loss insurance Dental insurance Vision insurance Voluntary benefits Supplemental health products FullscopeRMS products and services</p> <p><u>In-Force Management</u> Individual life insurance</p>	<p><u>MFS</u> Mutual Funds U.S. retail mutual funds MFS Meridian funds Investment Management Services Institutional accounts 401(k) Insurance products</p> <p><u>SLC Management</u> Private class funds Customized fixed income portfolios Liability-driven investing strategies Investment advisory and property management services</p>	<p><u>Local Markets</u> Philippines Indonesia India China Malaysia Vietnam</p> <p><u>International Hubs</u> International Hong Kong</p>	<p><u>U.K.</u> Individual annuities and pensions (In-force block only) Individual life (In-force block only)</p> <p><u>Corporate Support</u> Run-off reinsurance</p>