



**Financial and Operating Results
Supplementary Financial Information**

**Sun Life Financial Inc. (unaudited)
For the period ended March 31, 2022**

SUPPLEMENTARY FINANCIAL INFORMATION
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Reporting Changes

Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Details can be found on pages 2, 3 and 16. Other changes reflect: (i) a change in Value of New Business (VNB) that reflects a change in the timing of recognition of U.S. group policies sold or renewed with an effective date of January 1, which will recognize VNB for these policies in the prior year rather than the first quarter, to align with the timing of U.S. renewals and reported insurance sales; and (ii) a change in Sources of Earnings presentation between expected profit on in-force business and the impact of new business for SLF U.S. Group Benefits, such that expected profit for U.S. group policies includes previously classified new business gains, aligning group business sources of earnings reporting across business groups.

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), the accounting requirements of the Office of the Superintendent of Financial Institutions (OSFI) and in accordance with the International Accounting Standard (IAS) 34 *Interim Financial Reporting*. Reported net income (loss) refers to common shareholders' net income (loss) determined in accordance with IFRS.

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 Section M. Non-IFRS Financial Measures, ii. Additional Non-IFRS Financial Measures of the Company's Q1 2022 Management's Discussion & Analysis (MD&A).

Rounding

Amounts in this document are impacted by rounding.

Other Adjustments

Acquisition, Integration and Restructuring

In Q1 2022, amounts relate to acquisition costs for the BentallGreenOak acquisition (BGO acquisition), the InfraRed Capital Partners acquisition (InfraRed acquisition) and the Crescent Capital Group LP acquisition (Crescent acquisition), which include the unwinding of the discount for Other financial liabilities of \$16 million post-tax.

In Q4 2021, amounts include the \$297 million post-tax realized gains on the Initial Public Offering (IPO) of our India asset management joint venture, Aditya Birla Sun Life Asset Management Company Limited, and the changes in estimated future payments for acquisition-related contingent considerations and options to purchase remaining ownership interests of SLC Management affiliates in the amount of \$153 million post-tax. In Q4, Q3, Q2 and Q1 2021, amounts relate to acquisition costs for the BGO acquisition, the InfraRed acquisition and the Crescent acquisition, which include the unwinding of the discount for Other financial liabilities of \$15 million post-tax, \$17 million post-tax, \$13 million post-tax and \$14 million post-tax, respectively. There was also a Corporate restructuring charge of \$57 million post-tax in the first quarter of 2021 related to our strategy for our workspace and redefining the role of the office.

In Q4, Q3 and Q2 2020, amounts relate to acquisition costs for the BGO acquisition and InfraRed acquisition, which includes the unwinding of the discount for Other financial liabilities of \$15 million post-tax, \$11 million post-tax and \$11 million post-tax, respectively, and in Q1 2020, amounts relate to acquisition costs for the BGO acquisition, which includes the unwinding of the discount for Other financial liabilities of \$10 million post-tax. In Q4 and Q1 2020, as a result of various projects to simplify our organizational structure and drive efficiencies, we recorded a restructuring charge of \$28 million post-tax and \$20 million post-tax, respectively.

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 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 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 recorded a restructuring charge of \$25 million post-tax in Q4 2019, primarily related to severance costs, as a result of various initiatives to simplify our organizational structure and drive efficiencies.

Par Allocation Adjustment

In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders for prior years in Canada ("par allocation adjustment").

Tax Rate Changes

On June 10, 2021, the *UK Finance Act* was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, reported net income decreased by \$11 million in the Q2 2021, which was comprised of a loss of \$21 million on the remeasurement of deferred tax liabilities in SLC Management in Asset Management, partially offset by a gain of \$10 million from the remeasurement of deferred tax assets in the U.K. in Corporate. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

Non-IFRS Financial Measures

Sun Life Financial Inc. ("Sun Life" or the "Company", "we", "our" and "us") prepares annual and interim financial statements using IFRS. We report certain financial information that are not based on IFRS ("non-IFRS financial measures"), as we believe that these measures provide information that is useful to investors in understanding our performance and facilitate a comparison of our quarterly and full year results from period to period. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed in isolation from or as alternatives to measures of financial performance determined in accordance with IFRS. Additional information concerning non-IFRS financial measures and, if applicable, reconciliations to the closest IFRS measures are 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 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) fair value adjustments on MFS' share-based payment awards that are settled with MFS' 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' results with publicly traded asset managers in the United States; (ii) acquisition, integration and restructuring costs - this adjustment enhances comparability of our results from period to period, by removing the impacts of costs, including the unwinding of the discount for certain liabilities related to acquisitions, that are not ongoing in nature and are incurred with the intent to generate benefits in future periods; (iii) certain hedges in Canada that do not qualify for hedge accounting - this adjustment enhances the comparability of our results from period to period, as it reduces volatility to the extent it will be offset over the duration of the hedges; 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 (diluted) is used in comparing the profitability across multiple periods and is calculated by dividing underlying net income by weighted average common shares outstanding for diluted EPS, excluding the dilutive impact of convertible instruments (SLEECs). For additional information about the underlying net income, see above. For additional information about the composition of the EPS, please refer to Note 26 of our 2021 Annual Consolidated Financial Statements. For additional information about the SLEECs, please refer to Note 13 of our 2021 Annual Consolidated Financial Statements.

Sources of Earnings

Sources of earnings (SOE) 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 (OSFI). The SOE is prepared in accordance with the OSFI Guideline D-9, Sources of Earnings Disclosures and is therefore not prescribed under IFRS. The preparation for the document and its components does not have a standard for preparation as it depends on the methodology, estimates and assumptions used. The components of the SOE are: expected profit, impact of new business, experience gains and losses, assumption changes and management actions, and earnings on surplus. For an explanation of the SOE components, see Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

FINANCIAL HIGHLIGHTS

	At and For the Quarter Ended									At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
RESULTS													
Common Shareholders' Reported Net Income (Loss) by Segment													
Canada	1	263	356	393	404	405	255	387	117	(42)	1,558	717	883
U.S.	2	169	85	46	157	211	88	(113)	118	164	499	257	163
Asset Management	3	308	140	301	221	230	267	251	223	239	892	980	897
Asia	4	161	446	288	143	198	132	236	126	100	1,075	594	520
Corporate	5	(43)	51	(9)	(25)	(107)	2	(11)	(65)	(70)	(90)	(144)	155
Total common shareholders' reported net income (loss)	6	858	1,078	1,019	900	937	744	750	519	391	3,934	2,404	2,618
Market related impacts ⁽¹⁾ :													
Net equity market impact	7	(2)	107	24	99	72	108	50	59	(360)	302	(143)	127
Net interest rate impact	8	(30)	(36)	2	(36)	141	(74)	(14)	(205)	79	71	(214)	(348)
Net increases (decreases) in the fair value of real estate	9	70	85	145	28	(4)	(14)	(37)	(41)	(12)	254	(104)	(16)
Assumption changes and management actions (ACMA) ⁽¹⁾	10	38	156	171	91	209	20	(1)	(187)	(293)	627	(461)	(237)
Other adjustments ⁽¹⁾ :	11	1	(19)	95	2	(4)	(42)	(53)	5	(53)	74	(143)	(46)
Fair value adjustments on share-based payment awards at MFS	12	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(24)	10	(186)	(92)	(64)
Acquisition, integration and restructuring ⁽²⁾	13	(21)	90	(21)	(13)	(74)	(50)	(11)	(14)	(42)	(18)	(117)	(87)
Other ⁽³⁾	14	-	-	(85)	(11)	-	-	5	-	(1)	(96)	4	(5)
Total common shareholders' underlying net income (loss) ⁽¹⁾	15	843	898	902	883	850	862	842	739	770	3,533	3,213	3,057
Common Shareholders' Underlying Net Income (Loss) by Segment ⁽¹⁾													
Canada	16	298	266	290	290	285	243	293	281	256	1,131	1,073	1,012
U.S.	17	118	72	110	165	171	148	136	123	161	518	568	532
Asset Management	18	326	382	362	311	291	333	294	259	242	1,346	1,128	1,004
Asia	19	152	130	145	152	159	116	164	144	155	586	579	550
Corporate	20	(51)	48	(5)	(35)	(56)	22	(45)	(68)	(44)	(48)	(135)	(41)
Total common shareholders' underlying net income (loss)	21	843	898	902	883	850	862	842	739	770	3,533	3,213	3,057
Profitability Measures													
Basic earnings per common share (EPS)													
Reported	22	1.46	1.84	1.74	1.54	1.60	1.27	1.28	0.89	0.67	6.72	4.11	4.42
Diluted earnings per common share													
Reported	23	1.46	1.83	1.74	1.53	1.59	1.27	1.28	0.88	0.67	6.69	4.10	4.40
Underlying	24	1.44	1.53	1.54	1.50	1.45	1.47	1.44	1.26	1.31	6.03	5.49	5.16
Sales, Asset Management Gross Flows & Value of New Business ⁽⁴⁾													
Individual insurance ⁽⁵⁾	25	409	495	336	440	437	513	378	312	389	1,708	1,592	1,511
Group insurance ⁽⁵⁾	26	390	1,111	292	270	293	912	303	307	387	1,966	1,909	2,013
Asset Management ⁽⁶⁾	27	49,427	46,986	40,682	47,164	58,231	43,390	43,066	51,575	51,954	193,063	189,985	134,505
Wealth ⁽⁵⁾⁽⁷⁾	28	8,460	9,722	10,043	7,849	7,731	8,244	9,618	5,063	7,950	35,345	30,875	24,487
Value of New Business ⁽⁷⁾⁽⁸⁾	29	258	494	290	284	278	426	261	206	253	1,346	1,146	1,199

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on pages 31 to 34 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

⁽²⁾ Refer to the Notes page ii, Other Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽³⁾ In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders in Canada for prior years ("par allocation adjustment"). On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, reported net income decreased by \$11 million in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details. Prior periods reflect certain hedges in Canada that do not qualify for hedge accounting.

⁽⁴⁾ Sales, Asset Management gross flows and value of new business (VNB) are non-IFRS financial measures. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for the composition of the measures.

⁽⁵⁾ Includes the sales in the Company's joint ventures and associates with local partners in Asia based on our proportionate equity interest.

⁽⁶⁾ Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Refer to section L. Non-IFRS Financial Measures, ii. Additional Non-IFRS Financial Measures of the Company's Annual 2021 MD&A for additional details.

⁽⁷⁾ Excludes Asset Management businesses.

⁽⁸⁾ Effective January 1, 2021 VNB reflects a change in the timing of recognition of U.S. group policies sold or renewed with an effective date of January 1, which will recognize VNB for these policies in the prior year rather than the first quarter, to align with the timing of U.S. renewals and reported insurance sales. We have updated prior periods to reflect this change.

FINANCIAL HIGHLIGHTS CONTINUED

Valuation Data	At and For the Quarter Ended								At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Book value per common share ⁽¹⁾	40.37	41.08	39.97	38.37	37.61	37.96	38.17	37.56	37.50	41.08	37.96	35.97
Book value per common share excluding AOCI	40.21	39.40	38.23	37.05	36.07	35.25	34.53	33.79	33.46	39.40	35.25	33.48
Tangible book value per common share	23.67	24.21	23.07	21.86	21.05	23.35	23.35	23.73	23.42	24.21	23.35	22.50
Market-to-book value (times)	1.73	1.71	1.63	1.67	1.69	1.49	1.42	1.33	1.21	1.71	1.49	1.65
Total market capitalization (TSX in \$ billions)	40.9	41.3	38.2	37.4	37.2	33.1	31.7	29.2	26.5	41.3	33.1	34.8
Financial Strength ⁽²⁾												
SLA LICAT ratio	123 %	124 %	124 %	125 %	124 %	127 %	127 %	126 %	130 %	124 %	127 %	130 %
SLF LICAT ratio	143 %	145 %	143 %	147 %	141 %	147 %	144 %	146 %	143 %	145 %	147 %	143 %
Financial leverage ratio ⁽³⁾	25.9 %	25.5 %	22.2 %	24.7 %	22.7 %	23.5 %	21.5 %	23.2 %	20.7 %	25.5 %	23.5 %	21.2 %
Common Share Information (SLF on TSX)												
High (intraday)	74.22	71.73	67.01	67.26	65.37	60.34	57.56	53.32	66.44	71.73	66.44	61.91
Low (intraday)	64.62	64.51	62.00	62.04	55.92	51.59	48.29	42.01	35.43	55.92	35.43	44.43
Close (end of period)	69.80	70.41	65.20	63.92	63.51	56.60	54.26	49.89	45.27	70.41	56.60	59.21
Number of Common Shares Outstanding (in millions) ⁽⁴⁾												
At beginning of period	586.0	585.8	585.6	585.3	585.1	584.8	584.7	584.6	587.8	585.1	587.8	598.5
Common shares issued	0.1	0.2	0.2	0.3	0.2	0.3	0.1	0.1	0.3	0.9	0.8	0.8
Common shares purchased and cancelled	-	-	-	-	-	-	-	-	(3.5)	-	(3.5)	(11.5)
At end of period	586.1	586.0	585.8	585.6	585.3	585.1	584.8	584.7	584.6	586.0	585.1	587.8
Weighted average shares outstanding - basic	586	586	586	586	585	585	585	585	587	586	585	592
Weighted average shares outstanding - diluted ⁽⁵⁾	590	590	589	590	590	589	589	589	592	590	589	597
Dividend per common share	0.66	0.66	0.55	0.55	0.55	0.55	0.55	0.55	0.55	2.31	2.20	2.10
Dividend payout ratio ⁽⁶⁾												
Reported	45 %	36 %	32 %	36 %	35 %	43 %	43 %	63 %	82 %	35 %	54 %	48 %
Underlying	46 %	43 %	36 %	37 %	38 %	37 %	38 %	44 %	42 %	38 %	40 %	41 %
Dividend yield ⁽⁷⁾	3.8 %	3.8 %	3.4 %	3.4 %	3.6 %	3.9 %	4.1 %	4.6 %	3.8 %	3.5 %	4.1 %	3.9 %
Assets Under Management ⁽⁸⁾⁽⁹⁾												
General funds	196,685	205,374	197,948	195,689	190,072	197,090	196,235	195,489	188,366	205,374	197,090	180,229
Segregated funds	133,496	139,996	133,305	133,249	127,341	125,921	116,653	112,944	102,824	139,996	125,921	116,973
Total assets	330,181	345,370	331,253	328,938	317,413	323,011	312,888	308,433	291,190	345,370	323,011	297,202
Other assets under management												
Retail	503,216	553,943	534,178	521,400	495,480	487,407	456,120	427,977	377,987	553,943	487,407	417,042
Institutional and managed & other ⁽⁹⁾	58,442	587,259	561,904	549,848	529,186	481,231	460,594	426,772	393,422	587,259	481,231	415,888
Consolidation adjustments	(39,686)	(41,844)	(41,016)	(39,495)	(37,833)	(35,640)	(33,784)	(32,650)	(31,538)	(41,844)	(35,640)	(30,785)
Total other assets under management	1,021,972	1,099,358	1,055,066	1,031,753	986,833	932,998	882,930	822,099	739,871	1,099,358	932,998	802,145
Total assets under management	1,352,153	1,444,728	1,386,319	1,360,691	1,304,246	1,256,009	1,195,818	1,130,532	1,031,061	1,444,728	1,256,009	1,099,347
Total assets under administration ⁽¹⁰⁾	45,819	46,993	44,760	44,188	41,948	39,921	36,868	34,024	30,896	46,993	39,921	34,997
Total assets under management and administration ⁽⁸⁾⁽⁹⁾⁽¹⁰⁾	1,397,972	1,491,721	1,431,079	1,404,879	1,346,194	1,295,930	1,232,686	1,164,556	1,061,957	1,491,721	1,295,930	1,134,344
Select Constant Currency Measures ⁽¹¹⁾												
Reported net income ⁽¹¹⁾	864				937							
Underlying net income	849				850							
Sales - Individual insurance	414				437							
Sales - Group insurance	391				293							
Asset Management gross flows and wealth sales	58,017				65,962							
Reported earnings per share - Diluted ⁽¹¹⁾	1.47				1.59							
Underlying earnings per share - Diluted	1.45				1.45							
Assets under management ⁽⁸⁾⁽⁹⁾	1,360,187				1,304,246							

⁽¹⁾ Book value per common share is calculated as common shareholders' equity divided by the number of common shares outstanding at the end of the period.

⁽²⁾ LICAT ratios are disclosed according to OSFI's LICAT guideline as at December 31, 2020.

⁽³⁾ Financial leverage ratio, which is the total debt to capital ratio, is a non-IFRS financial measure. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details on the composition of the measure.

⁽⁴⁾ Certain numbers have been rounded in order to arrive at the number of common shares outstanding at end of period.

⁽⁵⁾ The number of diluted shares outstanding reflect the impact of dilution from the Sun Life Exchangeable Capital Securities (SLEECs) under IFRS. Where the calculation of diluted EPS has resulted in anti-dilution, the dilutive impact of the SLEECs has been excluded in the number of weighted average number of shares outstanding.

⁽⁶⁾ Dividend payout ratio is a non-IFRS financial measure and the calculation methodology is dividends paid per share to diluted reported EPS and diluted underlying EPS, respectively. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details on the measure.

⁽⁷⁾ 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.

⁽⁸⁾ Assets under management are a non-IFRS financial measure that indicates the size of our Company's asset management, wealth and insurance assets. Effective January 1, 2022, certain components of Other AUM were renamed to "Retail" and "Institutional and managed funds" to align with market naming conventions. Previously, these components were referred to as Mutual funds and Managed funds, respectively, in our interim and annual MD&A. While labeling changes have modified certain terminology, the composition of these components has not been affected. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details on the composition of the measure.

⁽⁹⁾ Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Refer to section L. Non-IFRS Financial Measures, ii. Additional Non-IFRS Financial Measures of the Company's Annual 2021 MD&A for additional details.

⁽¹⁰⁾ Assets under administration (AUA) are a non-IFRS financial measure that represents Client assets and the Company only provides administrative services for these assets. In Canada, AUA includes mutual fund dealer assets in Individual Wealth and administrative services assets in Group Retirement Services. In Asia, AUA includes administrative services assets in China and Hong Kong.

⁽¹¹⁾ Constant currency measures are non-IFRS financial measures that exclude the impacts of foreign exchange translation to assist in comparing our results from period to period. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details and Non-IFRS Financial Measures Glossary on page 36 of this document for a reconciliation of constant currency reported net income and reported earnings per share - diluted.

CONSOLIDATED STATEMENTS OF OPERATIONS
(C\$ millions)

	For the Quarter Ended									For the Year Ended		
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Revenue												
Premiums - life insurance	2,612	2,852	2,360	3,206	2,507	3,616	2,794	2,805	2,597	10,925	11,812	9,470
Premiums - health insurance	2,873	2,718	2,678	2,623	2,645	2,586	2,597	2,784	2,682	10,664	10,649	9,908
Premiums - annuities	425	1,424	1,398	516	579	1,108	1,590	571	460	3,917	3,729	3,302
Gross premiums	5,910	6,994	6,436	6,345	5,731	7,310	6,981	6,160	5,739	25,506	26,190	22,680
Ceded premiums	(619)	(618)	(602)	(628)	(605)	(635)	(585)	(639)	(593)	(2,453)	(2,452)	(2,392)
Net premiums	5,291	6,376	5,834	5,717	5,126	6,675	6,396	5,521	5,146	23,053	23,738	20,288
Net investment income (loss)	(6,891)	4,489	630	5,011	(5,497)	3,075	1,889	8,069	(315)	4,633	12,718	13,140
Fee income	1,980	2,130	2,046	1,941	1,885	1,899	1,747	1,596	1,639	8,002	6,881	6,251
Total revenue	380	12,995	8,510	12,669	1,514	11,649	10,032	15,186	6,470	35,688	43,337	39,679
Policy benefits and expenses												
Gross claims & benefits paid	4,976	4,809	4,645	4,488	4,780	4,773	4,338	4,778	4,418	18,722	18,307	17,421
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds ⁽¹⁾	(7,977)	4,159	301	4,531	(6,841)	3,604	2,645	7,712	(661)	2,150	13,300	10,967
Operating expenses, commissions and premium taxes ⁽²⁾	2,804	3,290	2,800	2,886	2,841	2,899	2,551	2,502	2,489	11,817	10,441	9,856
Interest expense	98	82	81	84	80	89	86	90	90	327	355	333
Reinsurance expenses (recoveries)	(681)	(620)	(581)	(542)	(682)	(636)	(577)	(609)	(531)	(2,425)	(2,353)	(2,131)
Total policy benefits and expenses	(780)	11,720	7,246	11,447	178	10,729	9,043	14,473	5,805	30,591	40,050	36,446
Income (loss) before income taxes	1,160	1,275	1,264	1,222	1,336	920	989	713	665	5,097	3,287	3,233
Income tax expense (benefit)	268	54	168	180	325	53	102	61	279	727	495	286
Total net income (loss)	892	1,221	1,096	1,042	1,011	867	887	652	386	4,370	2,792	2,947
Participating policyholders' net income (loss)	7	106	57	119	53	96	117	105	(35)	335	283	230
Non-controlling interest	9	5	(3)	-	(2)	3	(2)	4	6	-	11	4
Dividends on preferred shares and distributions on other equity instruments	18	32	23	23	23	24	22	24	24	101	94	95
Common shareholders' reported net income (loss)	858	1,078	1,019	900	937	744	750	519	391	3,934	2,404	2,618
Common shareholders' underlying net income (loss) ⁽³⁾	843	898	902	883	850	862	842	739	770	3,533	3,213	3,057
Return on equity - reported ⁽⁴⁾	14.3 %	18.0 %	17.6 %	16.3 %	16.9 %	13.3 %	13.5 %	9.4 %	7.2 %	17.1 %	10.8 %	12.3 %
Return on equity - underlying ⁽⁴⁾	14.0 %	15.0 %	15.6 %	16.0 %	15.3 %	15.4 %	15.1 %	13.4 %	14.2 %	15.4 %	14.4 %	14.3 %
SOURCES OF EARNINGS - Total Company ⁽⁵⁾												
Expected profit on in-force business ⁽⁶⁾⁽⁷⁾	978	1,046	1,014	930	896	968	908	856	817	3,886	3,549	3,132
Impact of new business ⁽⁶⁾	15	38	6	15	14	35	6	(6)	(7)	73	28	(22)
Experience gains (losses)	163	(10)	172	99	425	(136)	(13)	(403)	(111)	686	(663)	(328)
Assumption changes and management actions	1	(23)	93	2	(6)	(60)	(91)	3	(66)	66	(214)	(127)
Other ⁽⁷⁾⁽⁸⁾	(26)	67	(179)	(64)	(144)	(109)	(42)	(37)	(37)	(320)	(225)	(175)
Earnings (loss) on operations (pre-tax)	1,131	1,118	1,106	982	1,185	698	768	413	596	4,391	2,475	2,480
Earnings on surplus	65	68	115	118	108	114	96	155	116	409	481	500
Earnings (loss) before income taxes	1,196	1,186	1,221	1,100	1,293	812	864	568	712	4,800	2,956	2,980
Income tax (expense) benefit	(311)	(70)	(182)	(178)	(335)	(42)	(93)	(21)	(291)	(765)	(447)	(267)
Earnings (loss) before dividends on preferred shares and non-controlling interest	885	1,116	1,039	922	958	770	771	547	421	4,035	2,509	2,713
Dividends on preferred shares and distributions on other equity instruments and non-controlling interest	(27)	(38)	(20)	(22)	(21)	(26)	(21)	(28)	(30)	(101)	(105)	(95)
Common shareholders' reported net income (loss)	858	1,078	1,019	900	937	744	750	519	391	3,934	2,404	2,618
Underlying net income adjustments (post-tax) ⁽⁹⁾ :												
Market related impacts	38	156	171	91	209	20	(1)	(187)	(293)	627	(461)	(237)
Assumption changes and management actions	1	(19)	95	2	(4)	(42)	(53)	5	(53)	74	(143)	(46)
Other adjustments:												
Fair value adjustments on share-based payment awards at MFS	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(24)	10	(186)	(92)	(64)
Acquisition, integration and restructuring ⁽⁹⁾	(21)	90	(21)	(13)	(74)	(50)	(11)	(14)	(42)	(18)	(117)	(87)
Other ⁽¹⁰⁾	-	-	(85)	(11)	-	-	5	-	(1)	(96)	4	(5)
Common shareholders' underlying net income (loss) ⁽³⁾	843	898	902	883	850	862	842	739	770	3,533	3,213	3,057
EXCHANGE RATES - Average for the period												
U.S. Dollar	1.267	1.260	1.259	1.229	1.266	1.304	1.332	1.386	1.341	1.254	1.341	1.327

⁽¹⁾ Includes the following income statement line items: Increases/(decreases) in insurance contract liabilities, increases/(decreases) in investment contract liabilities, change in reinsurance assets and net transfers to/(from) segregated funds. Refer to Note 10.E. and 5.D. Changes in Insurance Contract Liabilities, Investment Contract Liabilities and Reinsurance Assets of the Company's Annual 2021 and Q1 2022 Consolidated Financial Statements and Notes, respectively.

⁽²⁾ Refer to Note 18. Operating expenses, Commissions and Premium Taxes of the Company's Annual 2021 Consolidated Financial Statements and Notes.

⁽³⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on pages 31 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2021 MD&A.

⁽⁴⁾ Return on equity - reported and underlying is a non-IFRS financial measure that is determined as reported net income (loss) and underlying net income (loss) divided by the total weighted average common shareholders' equity for the period. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details on the composition of the measure.

⁽⁵⁾ Sources of earnings are prepared in accordance with the OSFI Guideline D-9, *Sources of Earnings Disclosures*. For an explanation of the SOE components, see Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

⁽⁶⁾ Effective January 1, 2021, expected profit for U.S. group policies includes previously classified new business gains, aligning group business sources of earnings reporting across business groups. We have updated prior period amounts to reflect this change.

⁽⁷⁾ Effective January 1, 2022, there was a change in presentation of our proportional ownership in MFS by reporting our portion of MFS' net income components and the fair value adjustments on share-based payments. We have updated prior periods to reflect this change in presentation.

⁽⁸⁾ Other represents pre-tax adjustments related to MFS fair value adjustments on share-based payment awards, acquisition, integration and restructuring amounts, and other items that are unusual or exceptional in nature.

⁽⁹⁾ Refer to the Notes page ii, Other Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽¹⁰⁾ In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders in Canada for prior years ("par allocation adjustment"). On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, reported net income decreased by \$11 million in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details. Prior periods reflect certain hedges in Canada that do not qualify for hedge accounting.

STATEMENTS OF FINANCIAL POSITION
(C\$ millions)
Assets

	At the Quarter Ended								At the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Cash, cash equivalents and short-term securities	10,525	12,278	11,525	12,435	10,997	13,527	12,450	11,792	9,548	12,278	13,527	9,575
Debt securities	81,203	88,727	86,130	85,163	82,294	89,089	89,173	90,038	84,599	88,727	89,089	81,606
Equity securities	8,289	9,113	7,439	7,975	7,267	6,631	5,835	5,530	4,605	9,113	6,631	4,787
Mortgages and loans	51,732	51,692	51,126	49,987	50,010	49,946	50,067	49,858	50,253	51,692	49,946	48,222
Derivative assets	1,451	1,583	1,250	1,527	1,410	2,160	2,279	2,914	3,128	1,583	2,160	1,548
Other invested assets	8,937	8,759	7,366	6,657	6,325	5,778	5,791	5,658	5,795	8,759	5,778	5,357
Policy loans	3,249	3,261	3,254	3,237	3,242	3,265	3,310	3,308	3,324	3,261	3,265	3,218
Investment properties	9,431	9,109	8,599	8,164	7,635	7,516	7,406	7,404	7,359	9,109	7,516	7,306
Total invested assets	174,817	184,522	176,689	175,145	169,180	177,912	176,311	176,502	168,611	184,522	177,912	161,619
Other assets	6,400	5,434	5,897	5,571	5,809	5,152	5,771	5,049	5,564	5,434	5,152	5,216
Reinsurance assets	3,754	3,683	3,807	3,738	3,824	3,843	3,999	4,315	4,357	3,683	3,843	4,024
Deferred tax assets	1,924	1,848	1,659	1,568	1,566	1,634	1,485	1,534	1,606	1,848	1,634	1,455
Intangible assets	3,326	3,370	3,368	3,226	3,234	2,477	2,493	2,142	2,184	3,370	2,477	2,083
Goodwill	6,464	6,517	6,528	6,441	6,459	6,072	6,176	5,947	6,044	6,517	6,072	5,832
Total general fund assets	196,685	205,374	197,948	195,689	190,072	197,090	196,235	195,489	188,366	205,374	197,090	180,229
Investment for account of segregated fund holders	133,496	139,996	133,305	133,249	127,341	125,921	116,653	112,944	102,824	139,996	125,921	116,973
Total assets	330,181	345,370	331,253	328,938	317,413	323,011	312,888	308,433	291,190	345,370	323,011	297,202
Liabilities and Equity												
Insurance contract liabilities	139,407	147,811	143,862	142,081	138,145	145,773	144,170	142,501	135,252	147,811	145,773	131,184
Investment contract liabilities	3,230	3,368	3,413	3,507	3,584	3,189	3,251	3,198	3,120	3,368	3,189	3,116
Derivative liabilities	1,812	1,392	1,821	1,628	1,908	1,744	2,407	3,313	4,509	1,392	1,744	2,040
Deferred tax liabilities	321	322	378	414	386	383	407	391	313	322	383	406
Other liabilities	17,625	17,783	16,245	15,817	15,370	14,858	15,573	15,633	15,865	17,783	14,858	14,937
Senior debentures	-	-	-	300	300	300	300	300	300	-	300	300
Senior debentures - Innovative capital instruments	200	200	200	200	200	200	200	200	200	200	200	200
Subordinated debt	6,426	6,425	4,434	4,433	4,432	4,781	4,035	4,534	3,539	6,425	4,781	3,538
Total general fund liabilities	169,021	177,301	170,353	168,380	164,325	171,228	170,343	170,070	163,098	177,301	171,228	155,721
Insurance and investment contracts for account of segregated fund holders	133,496	139,996	133,305	133,249	127,341	125,921	116,653	112,944	102,824	139,996	125,921	116,973
Total liabilities	302,517	317,297	303,658	301,629	291,666	297,149	286,996	283,014	265,922	317,297	297,149	272,694
Total equity	27,664	28,073	27,595	27,309	25,747	25,862	25,892	25,419	25,268	28,073	25,862	24,508
Total liabilities and equity	330,181	345,370	331,253	328,938	317,413	323,011	312,888	308,433	291,190	345,370	323,011	297,202

EXCHANGE RATES - Period end rates

U.S. Dollar	1.250	1.263	1.268	1.239	1.256	1.273	1.332	1.357	1.406	1.263	1.273	1.299
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STATEMENT OF EQUITY AND CAPITAL

(C\$ millions)

CHANGES IN COMMON SHAREHOLDERS' EQUITY

	At the Quarter Ended								At the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Balance at beginning of period	24,075	23,412	22,468	22,016	22,212	22,323	21,962	21,921	21,141	22,212	21,141	21,449
Common shareholders' reported net income (loss)	858	1,078	1,019	900	937	744	750	519	391	3,934	2,404	2,618
Dividends - common shares	(387)	(387)	(314)	(328)	(322)	(322)	(314)	(324)	(323)	(1,351)	(1,283)	(1,236)
Common shares issued, net of expenses	1	9	8	9	10	6	2	3	7	36	18	23
Common shares buyback	-	-	-	-	-	-	-	-	(200)	-	(200)	(592)
Share-based compensation	5	1	1	1	3	1	-	-	3	6	4	5
Other ⁽¹⁾	-	(8)	(12)	-	(139)	-	-	-	-	(159)	-	(897)
Other comprehensive income (OCI) for the period:												
Unrealized foreign currency translation gains (losses), net of hedging activities	(267)	(41)	254	(192)	(220)	(552)	(202)	(480)	1,036	(199)	(198)	(561)
Unrealized gains (losses) on available-for-sale assets	(628)	9	(76)	73	(372)	32	91	492	(296)	(366)	319	369
Unrealized foreign currency translation gains (losses), net of hedging activities	(2)	2	(1)	-	5	2	6	7	(21)	6	(6)	14
Share of other comprehensive income (loss) in joint ventures and associates	(67)	22	30	(13)	(44)	(43)	(3)	(27)	63	(5)	(10)	(10)
Remeasurement of defined benefit plans	71	(22)	35	2	(54)	21	31	(149)	120	(39)	23	(41)
Balance at end of period	23,659	24,075	23,412	22,468	22,016	22,212	22,323	21,962	21,921	24,075	22,212	21,141
Composition of shareholders' accumulated OCI balance												
Unrealized foreign currency translation gains (losses), net of hedging activities	684	951	992	738	930	1,150	1,702	1,904	2,384	951	1,150	1,348
Unrealized gains (losses) on available-for-sale assets	(362)	266	257	333	260	632	600	509	17	266	632	313
Unrealized gains (losses) on cash flow hedges	(9)	(7)	(9)	(8)	(8)	(13)	(15)	(21)	(28)	(7)	(13)	(7)
Share of other comprehensive income (loss) in joint ventures and associates	(116)	(49)	(71)	(101)	(88)	(44)	(1)	2	29	(49)	(44)	(34)
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	(249)	(320)	(298)	(333)	(335)	(281)	(302)	(333)	(184)	(320)	(281)	(304)
Balance at end of period	93	986	1,016	774	904	1,589	2,129	2,206	2,363	986	1,589	1,461
CAPITAL												
Subordinated debt	6,426	6,425	4,434	4,433	4,432	4,781	4,035	4,534	3,539	6,425	4,781	3,538
SLEECs ⁽²⁾	200	200	200	200	200	200	200	200	200	200	200	200
Participating policyholders' equity	1,704	1,700	1,596	1,535	1,418	1,368	1,282	1,167	1,064	1,700	1,368	1,091
Non-controlling interest equity	62	59	56	62	56	25	30	33	26	59	25	19
Preferred shareholders' equity and other equity instruments	2,239	2,239	2,531	3,244	2,257	2,257	2,257	2,257	2,257	2,239	2,257	2,257
Common shareholders' equity	23,659	24,075	23,412	22,468	22,016	22,212	22,323	21,962	21,921	24,075	22,212	21,141
Total capital	34,290	34,698	32,229	31,942	30,379	30,843	30,127	30,153	29,007	34,698	30,843	28,246
LICAT RATIO - SUN LIFE ASSURANCE COMPANY OF CANADA⁽³⁾												
Capital Resources												
Tier 1 capital												
Retained earnings and contributed surplus	16,200	15,934	15,779	16,037	15,282	14,630	14,065	13,447	13,444			
Adjusted accumulated other comprehensive income	90	811	864	696	789	1,397	1,797	1,932	2,103			
Common and preferred shares	4,535	4,535	3,935	3,195	3,195	3,195	3,195	3,197	3,195			
Innovative instruments	200	200	200	200	200	200	200	200	200			
Other	247	252	227	224	225	229	256	37	41			
Less:												
Goodwill	2,337	2,370	2,379	2,334	2,366	2,393	2,475	2,505	2,577			
Tier 1 deductions	5,340	5,351	5,082	4,960	5,010	4,606	4,609	4,730	5,030			
Net tier 1 capital	13,595	14,011	13,544	13,058	12,315	12,652	12,429	11,578	11,376			
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	2,793	2,845	2,679	2,621	2,579	2,576	2,579	2,698	2,806			
Less:												
Tier 2 deductions	320	320	320	320	320	320	320	320	320			
Net tier 2 capital	5,373	5,425	5,259	5,201	5,159	5,156	5,159	5,278	5,386			
Surplus allowance and eligible deposits	9,566	10,383	10,119	10,078	9,771	10,575	10,203	10,339	9,472			
Total capital resources	28,534	29,819	28,922	28,337	27,245	28,383	27,791	27,195	26,234			
Capital Requirements												
Credit risk	4,054	4,142	4,061	4,011	4,026	4,146	4,092	4,063	3,966			
Market risk	5,003	5,266	4,961	5,025	4,953	5,264	4,868	4,748	4,014			
Insurance risk	9,221	8,966	8,863	9,303	9,085	8,766	8,788	9,009	9,092			
Total non-participating product risk (before other credits and diversification)	18,278	18,374	17,885	18,339	18,064	18,176	17,748	17,820	17,072			
Total participating product risk including par credits (before other credits and diversification)	5,490	5,918	5,744	4,735	4,232	4,177	4,234	4,033	3,589			
Less:												
Credits and diversification benefits	4,640	4,446	4,416	4,452	4,353	4,106	4,145	4,208	4,228			
Total Non-participating and participating product risk	19,128	19,846	19,213	18,622	17,943	18,247	17,837	17,645	16,433			
Segregated fund guarantees risk	881	872	895	872	907	904	959	947	959			
Operational risk	2,057	2,101	2,072	2,054	2,021	2,054	1,992	1,958	1,821			
Total before scalar	22,066	22,819	22,180	21,548	20,871	21,205	20,788	20,550	19,213			
Base solvency buffer (Total before scalar x scalar [1.05])	23,169	23,960	23,289	22,625	21,914	22,265	21,827	21,578	20,174			
LICAT ratio	123%	124%	124%	125%	124%	127%	127%	126%	130%			
LICAT core ratio	88%	89%	89%	89%	87%	90%	90%	87%	89%			

⁽¹⁾ In Q4 and Q3 2021, other reflects a change in retained earnings due to issuance costs related to redeemed preferred shares and in Q1 2021, other reflects the establishment of financial liabilities associated with the anticipated increase of our future ownership in Crescent. 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.

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

⁽³⁾ LICAT ratio for Sun Life Assurance Company of Canada is disclosed according to OSFI's LICAT guideline as at December 31, 2020.

DILUTED EARNINGS PER SHARE RECONCILIATION
WEIGHTED AVERAGE SHARES

	At and For the Quarter Ended									At and For the Year Ended		
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Weighted average shares - basic	586	586	586	586	585	585	585	585	587	586	585	592
Diluted impact of stock options	1	1	-	1	1	-	-	-	1	-	-	1
Weighted average shares - diluted underlying	587	587	586	587	586	585	585	585	588	586	585	593
Diluted impact of convertible securities (SLEECs) ⁽¹⁾	3	3	3	3	4	4	4	4	4	4	4	4
Weighted average shares - diluted	590	590	589	590	590	589	589	589	592	590	589	597

DILUTED EARNINGS PER SHARE⁽²⁾

Total common shareholders' reported net income (loss)	858	1,078	1,019	900	937	744	750	519	391	3,934	2,404	2,618
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	861	1,080	1,022	902	940	746	753	521	394	3,944	2,414	2,628
Less Adjustments:												
Impact of SLEECs	3	2	3	2	3	2	3	2	3	10	10	10
Market related impacts:												
Net equity market impact	(2)	107	24	99	72	108	50	59	(360)	302	(143)	127
Net interest rate impact	(30)	(36)	2	(36)	141	(74)	(14)	(205)	79	71	(214)	(348)
Net increases (decreases) in the fair value of real estate	70	85	145	28	(4)	(14)	(37)	(41)	(12)	254	(104)	(16)
Assumption changes and management actions	38	156	171	91	209	20	(1)	(187)	(293)	627	(461)	(237)
Other adjustments:	1	(19)	95	2	(4)	(42)	(53)	5	(53)	74	(143)	(46)
Impact of fair value adjustments on share-based payment awards at MFS	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(24)	10	(186)	(92)	(64)
Impact of acquisition, integration and restructuring ⁽⁴⁾	(21)	90	(21)	(13)	(74)	(50)	(11)	(14)	(42)	(18)	(117)	(87)
Impact of other ⁽⁵⁾	-	-	(85)	(11)	-	-	5	-	(1)	(96)	4	(5)
Total common shareholders' underlying net income (loss)	843	898	902	883	850	862	842	739	770	3,533	3,213	3,057
Diluted earnings per share - reported	\$ 1.46	\$ 1.83	\$ 1.74	\$ 1.53	\$ 1.59	\$ 1.27	\$ 1.28	\$ 0.88	\$ 0.67	\$ 6.69	\$ 4.10	\$ 4.40
Less Adjustments:												
Impact of SLEECs	\$ -	\$ -	\$ -	\$ -	\$ (0.01)	\$ -	\$ -	\$ -	\$ -	\$ (0.01)	\$ -	\$ (0.02)
Market related impacts:												
Net equity market impact	\$ -	\$ 0.18	\$ 0.04	\$ 0.17	\$ 0.13	\$ 0.18	\$ 0.08	\$ 0.10	\$ (0.61)	\$ 0.51	\$ (0.25)	\$ 0.21
Net interest rate impact	\$ (0.05)	\$ (0.06)	\$ -	\$ (0.06)	\$ 0.25	\$ (0.13)	\$ (0.02)	\$ (0.35)	\$ 0.13	\$ 0.12	\$ (0.37)	\$ (0.57)
Net increases (decreases) in the fair value of real estate	\$ 0.11	\$ 0.14	\$ 0.25	\$ 0.05	\$ (0.01)	\$ (0.02)	\$ (0.06)	\$ (0.07)	\$ (0.02)	\$ 0.43	\$ (0.18)	\$ (0.03)
Assumption changes and management actions	\$ 0.06	\$ 0.26	\$ 0.29	\$ 0.16	\$ 0.37	\$ 0.03	\$ -	\$ (0.32)	\$ (0.50)	\$ 1.06	\$ (0.80)	\$ (0.39)
Other adjustments:	\$ -	\$ (0.03)	\$ 0.16	\$ -	\$ (0.01)	\$ (0.07)	\$ (0.09)	\$ 0.01	\$ (0.09)	\$ 0.12	\$ (0.24)	\$ (0.08)
Impact of fair value adjustments on share-based payment awards at MFS	\$ -	\$ (0.08)	\$ (0.07)	\$ (0.09)	\$ (0.08)	\$ (0.08)	\$ (0.06)	\$ (0.04)	\$ 0.02	\$ (0.32)	\$ (0.16)	\$ (0.11)
Impact of acquisition, integration and restructuring ⁽⁴⁾	\$ (0.04)	\$ 0.15	\$ (0.04)	\$ (0.02)	\$ (0.13)	\$ (0.08)	\$ (0.02)	\$ (0.03)	\$ (0.07)	\$ (0.03)	\$ (0.20)	\$ (0.15)
Impact of other ⁽⁵⁾	\$ -	\$ -	\$ (0.14)	\$ (0.02)	\$ -	\$ -	\$ 0.01	\$ -	\$ -	\$ (0.16)	\$ 0.01	\$ (0.01)
Diluted earnings per share - underlying	\$ 1.44	\$ 1.53	\$ 1.54	\$ 1.50	\$ 1.45	\$ 1.47	\$ 1.44	\$ 1.26	\$ 1.31	\$ 6.03	\$ 5.49	\$ 5.16

⁽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.

⁽⁴⁾ Refer to the Notes page ii, Other Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽⁵⁾ In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders in Canada for prior years ("par allocation adjustment"). On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, reported net income decreased by \$11 million in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details. Prior periods reflect certain hedges in Canada that do not qualify for hedge accounting.

CANADA

(C\$ millions)

STATEMENTS OF OPERATIONS

Revenue

	At and For the Quarter Ended									At and For the Year Ended		
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Premiums - life insurance	1,507	1,690	1,350	1,475	1,333	1,520	1,255	1,307	1,276	5,848	5,358	5,178
Premiums - health insurance	1,582	1,540	1,505	1,481	1,463	1,454	1,443	1,596	1,518	5,989	6,011	5,629
Premiums - annuities	406	1,417	1,387	508	562	1,077	1,557	533	427	3,874	3,594	3,276
Gross premiums	3,495	4,647	4,242	3,464	3,358	4,051	4,255	3,436	3,221	15,711	14,963	14,083
Ceded premiums	(389)	(394)	(372)	(390)	(377)	(393)	(361)	(402)	(374)	(1,533)	(1,530)	(1,488)
Net premiums	3,106	4,253	3,870	3,074	2,981	3,658	3,894	3,034	2,847	14,178	13,433	12,595
Net investment income (loss)	(3,928)	3,121	413	2,826	(3,291)	1,634	1,109	4,823	(743)	3,069	6,823	6,474
Fee income	401	442	404	389	376	386	343	306	341	1,611	1,376	1,320
Total revenue	(421)	7,816	4,687	6,289	66	5,678	5,346	8,163	2,445	18,858	21,632	20,389
Policy benefits and expenses												
Gross claims & benefits paid	2,885	2,729	2,729	2,718	2,745	2,827	2,507	2,623	2,585	10,921	10,542	9,703
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(4,426)	3,837	784	2,356	(3,947)	1,945	1,803	4,933	(873)	3,030	7,808	7,250
Operating expenses, commissions and premium taxes	963	1,038	929	936	888	923	825	828	851	3,791	3,427	3,362
Interest expense	47	49	47	49	45	47	44	48	48	190	187	174
Reinsurance expenses (recoveries)	(355)	(340)	(302)	(306)	(333)	(359)	(314)	(311)	(311)	(1,281)	(1,295)	(1,172)
Total policy benefits and expenses	(886)	7,313	4,187	5,753	(602)	5,383	4,865	8,121	2,300	16,651	20,669	19,317
Income (loss) before income taxes	465	503	500	536	668	295	481	42	145	2,207	963	1,072
Income tax expense (benefit)	185	37	76	51	220	(26)	57	(158)	177	384	50	15
Participating policyholders' net income (loss)	17	110	31	81	43	66	37	83	10	265	196	174
Common shareholders' reported net income (loss)	263	356	393	404	405	255	387	117	(42)	1,558	717	883
Market related impacts ⁽¹⁾	(26)	90	146	114	124	15	29	(161)	(275)	474	(392)	(111)
Assumption changes and management actions ⁽¹⁾	(9)	2	42	-	(4)	(3)	60	(3)	(22)	40	32	(17)
Other ⁽¹⁾⁽²⁾	-	-	(85)	-	-	-	5	-	(1)	(85)	4	(5)
Acquisition, integration and restructuring ⁽¹⁾	-	(2)	-	-	-	-	-	-	-	(2)	-	4
Common shareholders' underlying net income (loss) ⁽¹⁾	298	266	290	290	285	243	293	281	256	1,131	1,073	1,012
Return on equity - reported	13.0%	17.5%	19.5%	20.8%	21.8%	13.7%	21.0%	6.5%	(2.4)%	19.8%	9.8%	12.6%
Return on equity - underlying	14.8%	13.1%	14.4%	14.9%	15.3%	13.1%	15.9%	15.6%	14.3%	14.4%	14.7%	14.4%

SALES

Individual Insurance	112	161	101	122	105	118	80	77	83	489	358	389
Individual Wealth	2,204	2,191	1,946	2,177	2,641	2,168	1,741	1,438	2,106	8,955	7,453	6,357
Sun Life Health	220	80	81	74	128	68	67	74	212	363	421	599
Group Retirement Services	2,735	3,485	3,972	1,648	1,794	2,696	5,096	1,170	3,523	10,899	12,485	9,757

ASSETS UNDER MANAGEMENT

General funds	106,762	110,499	106,538	105,220	102,261	106,318	105,036	102,586	96,945	110,499	106,318	94,909
Segregated funds	115,944	121,146	114,958	114,852	109,313	107,494	99,644	96,027	87,194	121,146	107,494	98,758
Other AUM ⁽³⁾	6,955	7,393	7,148	7,125	6,796	6,719	6,340	6,100	5,645	7,393	6,719	6,173
Total	229,661	239,038	228,644	227,197	218,370	220,531	211,020	204,713	189,784	239,038	220,531	199,840

SLGI Asset Management Inc.

Gross Sales												
Retail	904	945	827	910	1,206	1,039	751	712	1,021	3,888	3,523	2,943
Institutional & other ⁽⁴⁾	947	946	473	655	803	410	430	573	1,090	2,877	2,503	3,101
Total	1,851	1,891	1,300	1,565	2,009	1,449	1,181	1,285	2,111	6,765	6,026	6,044
Net Sales ⁽⁵⁾	408	727	414	319	748	405	186	(332)	1,016	2,208	1,275	2,892
Assets under management	36,213	38,242	36,094	35,490	33,732	32,730	30,753	29,327	27,410	38,242	32,730	29,000

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 31 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

⁽²⁾ In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders for prior years ("par allocation adjustment"). In prior periods, other reflects certain hedges in Canada that do not qualify for hedge accounting.

⁽³⁾ Other AUM represents SLGI Asset Management Inc. retail funds.

⁽⁴⁾ Institutional & other consists primarily of Group Retirement Services segregated fund deposits.

⁽⁵⁾ Net sales are a non-IFRS financial measure that consists of gross sales less redemptions.

CANADA - INDIVIDUAL INSURANCE & WEALTH

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended									At and For the Year Ended		
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Revenue												
Gross premiums	1,509	1,732	1,365	1,565	1,407	1,670	1,401	1,324	1,378	6,069	5,773	5,331
Ceded premiums	(161)	(184)	(150)	(168)	(150)	(174)	(143)	(162)	(144)	(652)	(623)	(601)
Net premiums	1,348	1,548	1,215	1,397	1,257	1,496	1,258	1,162	1,234	5,417	5,150	4,730
Net investment income (loss)	(3,041)	2,518	327	2,313	(2,763)	1,027	632	3,589	(249)	2,395	4,999	5,067
Fee income	176	207	178	169	158	175	145	133	141	712	594	553
Total revenue	(1,517)	4,273	1,720	3,879	(1,348)	2,698	2,035	4,884	1,126	8,524	10,743	10,350
Policy benefits and expenses												
Gross claims & benefits paid	1,017	1,099	866	928	916	1,043	803	835	886	3,809	3,567	3,452
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(3,107)	2,348	172	2,145	(3,027)	1,115	785	3,687	-	1,638	5,587	5,006
Operating expenses, commissions and premium taxes	545	613	525	530	502	517	445	436	462	2,170	1,860	1,866
Interest expense	32	33	34	32	32	32	31	31	35	131	129	117
Reinsurance expenses (recoveries)	(177)	(168)	(115)	(130)	(146)	(185)	(137)	(110)	(127)	(559)	(559)	(473)
Total policy benefits and expenses	(1,690)	3,925	1,482	3,505	(1,723)	2,522	1,927	4,879	1,256	7,189	10,584	9,968
Income (loss) before income taxes	173	348	238	374	375	176	108	5	(130)	1,335	159	382
Income tax expense (benefit)	30	21	4	42	92	(7)	(5)	(65)	4	159	(73)	(74)
Participating policyholders' net income (loss)	17	110	31	81	43	66	37	83	10	265	196	174
Common shareholders' reported net income (loss)	126	217	203	251	240	117	76	(13)	(144)	911	36	282
SALES												
Individual Insurance - SLFD	37	46	33	48	39	48	39	40	38	166	165	170
Individual Insurance - Third-party	75	115	68	74	66	70	41	37	45	323	193	219
Total insurance sales	112	161	101	122	105	118	80	77	83	489	358	389
Individual Wealth - fixed products	190	195	178	240	278	317	407	248	293	891	1,265	995
Individual Wealth - mutual funds	1,708	1,687	1,518	1,641	2,024	1,540	1,113	1,015	1,485	6,870	5,153	4,362
Individual Wealth - segregated funds	306	309	250	296	339	311	221	175	328	1,194	1,035	1,000
Total wealth sales	2,204	2,191	1,946	2,177	2,641	2,168	1,741	1,438	2,106	8,955	7,453	6,357
Wealth Manufactured Sales ⁽¹⁾	1,149	1,192	1,035	1,191	1,528	1,392	1,191	948	1,351	4,946	4,882	4,134
Other wealth sales	1,055	999	911	986	1,113	776	550	490	755	4,009	2,571	2,223
Total wealth sales	2,204	2,191	1,946	2,177	2,641	2,168	1,741	1,438	2,106	8,955	7,453	6,357
SLFD - Career Advisor Network	2,792	2,824	2,914	2,932	2,955	2,973	3,044	3,096	3,145	2,824	2,973	3,259
ASSETS UNDER MANAGEMENT AND ADMINISTRATION												
General funds	70,263	72,518	70,143	69,667	67,377	70,202	68,969	68,359	65,161	72,518	70,202	63,867
Segregated funds	13,021	13,728	13,258	13,267	12,742	12,510	11,862	11,478	10,477	13,728	12,510	12,108
Other AUM ⁽²⁾	6,955	7,393	7,148	7,125	6,796	6,719	6,340	6,100	5,645	7,393	6,719	6,173
Total assets under management	90,239	93,639	90,549	90,059	86,915	89,431	87,171	85,937	81,283	93,639	89,431	82,148
Mutual fund dealers' assets ⁽³⁾	30,083	30,957	29,231	28,524	26,744	25,320	23,320	22,338	19,933	30,957	25,320	22,545
Total assets under management and administration	120,322	124,596	119,780	118,583	113,659	114,751	110,491	108,275	101,216	124,596	114,751	104,693

⁽¹⁾ Wealth manufactured sales represent sales of individual wealth products developed by Sun Life, which include SLGI Asset Management Inc. retail funds, Sun Life Guaranteed Investment Fund segregated funds, Guaranteed Investment Certificates, and Accumulation and Payout Annuities.

⁽²⁾ Other AUM represents SLGI Asset Management Inc. retail funds.

⁽³⁾ Mutual fund dealer assets represent assets under administration.

CANADA - SUN LIFE HEALTH

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Revenue												
Gross premiums	1,687	1,630	1,605	1,575	1,571	1,553	1,546	1,705	1,634	6,381	6,438	6,102
Ceded premiums	(160)	(142)	(153)	(152)	(156)	(147)	(146)	(166)	(156)	(603)	(615)	(580)
Net premiums	1,527	1,488	1,452	1,423	1,415	1,406	1,400	1,539	1,478	5,778	5,823	5,522
Net investment income (loss)	(310)	205	54	193	(204)	180	133	406	57	248	776	626
Fee income	71	77	70	72	76	74	66	47	70	295	257	257
Total revenue	1,288	1,770	1,576	1,688	1,287	1,660	1,599	1,992	1,605	6,321	6,856	6,405
Policy benefits and expenses												
Gross claims & benefits paid	1,210	1,069	1,211	1,206	1,212	1,209	1,184	1,308	1,205	4,698	4,906	4,486
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(197)	407	89	196	(166)	148	(47)	415	138	526	654	876
Operating expenses, commissions and premium taxes	302	302	289	292	277	296	276	290	284	1,160	1,146	1,093
Interest expense	9	10	8	11	9	9	9	11	8	38	37	38
Reinsurance expenses (recoveries)	(112)	(106)	(120)	(108)	(119)	(104)	(107)	(130)	(112)	(453)	(453)	(402)
Total policy benefits and expenses	1,212	1,682	1,477	1,597	1,213	1,558	1,315	1,894	1,523	5,969	6,290	6,091
Income (loss) before income taxes	76	88	99	91	74	102	284	98	82	352	566	314
Income tax expense (benefit)	20	23	20	21	17	28	72	25	19	81	144	61
Common shareholders' reported net income (loss)	56	65	79	70	57	74	212	73	63	271	422	253
SALES	220	80	81	74	128	68	67	74	212	363	421	599
ASSETS UNDER MANAGEMENT												
General funds	15,905	16,491	16,248	16,115	15,589	15,971	16,152	16,033	15,022	16,491	15,971	14,486
SUPPLEMENTAL INFORMATION												
Business in-force ⁽¹⁾	12,222	11,898	11,716	11,523	11,080	11,020	10,937	10,952	11,415	11,898	11,020	11,198

⁽¹⁾ Business in-force is a non-IFRS financial measure that represents annualized premiums for insured in-force and last twelve months of fee income and ASO claims for ASO in-force on a gross basis.

CANADA - GROUP RETIREMENT SERVICES

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended				
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
Revenue													
Gross premiums	1	299	1,285	1,272	324	380	828	1,308	407	209	3,261	2,752	2,650
Ceded premiums	2	(68)	(68)	(69)	(70)	(71)	(72)	(72)	(74)	(74)	(278)	(292)	(307)
Net premiums	3	231	1,217	1,203	254	309	756	1,236	333	135	2,983	2,460	2,343
Net investment income (loss)	4	(577)	398	32	320	(324)	427	344	828	(551)	426	1,048	781
Fee income	5	154	158	156	148	142	137	132	126	130	604	525	510
Total revenue	6	(192)	1,773	1,391	722	127	1,320	1,712	1,287	(286)	4,013	4,033	3,634
Policy benefits and expenses													
Gross claims & benefits paid	7	658	561	652	584	617	575	520	480	494	2,414	2,069	1,765
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	8	(1,122)	1,082	523	15	(754)	682	1,065	831	(1,011)	866	1,567	1,368
Operating expenses, commissions and premium taxes	9	116	123	115	114	109	110	104	102	105	461	421	403
Interest expense	10	6	6	5	6	4	6	4	6	5	21	21	19
Reinsurance expenses (recoveries)	11	(66)	(66)	(67)	(68)	(68)	(70)	(70)	(71)	(72)	(269)	(283)	(297)
Total policy benefits and expenses	12	(408)	1,706	1,228	651	(92)	1,303	1,623	1,348	(479)	3,493	3,795	3,258
Income (loss) before income taxes	13	216	67	163	71	219	17	89	(61)	193	520	238	376
Income tax expense (benefit)	14	135	(7)	52	(12)	111	(47)	(10)	(118)	154	144	(21)	28
Common shareholders' reported net income (loss)	15	81	74	111	83	108	64	99	57	39	376	259	348
SALES													
Sales	16	1,813	2,441	3,031	766	893	1,760	4,350	518	2,806	7,131	9,434	6,991
Asset consolidation and rollovers	17	922	1,044	941	882	901	936	746	652	717	3,768	3,051	2,766
Total	18	2,735	3,485	3,972	1,648	1,794	2,696	5,096	1,170	3,523	10,899	12,485	9,757
ASSETS UNDER MANAGEMENT AND ADMINISTRATION													
General funds	19	20,594	21,490	20,147	19,438	19,295	20,145	19,915	18,194	16,762	21,490	20,145	16,556
Segregated funds	20	102,923	107,418	101,700	101,585	96,571	94,984	87,782	84,549	76,717	107,418	94,984	86,650
Total assets under management	21	123,517	128,908	121,847	121,023	115,866	115,129	107,697	102,743	93,479	128,908	115,129	103,206
Assets under administration ⁽¹⁾	22	13,477	13,157	12,275	12,390	11,549	10,737	9,626	7,925	7,022	13,157	10,737	8,910
Total assets under management and administration	23	136,994	142,065	134,122	133,413	127,415	125,866	117,323	110,668	100,501	142,065	125,866	112,116

⁽¹⁾ Assets under administration represent assets in which administrative services are provided.

U.S.

(C\$ millions)

STATEMENTS OF OPERATIONS

Revenue

Premiums - life insurance
 Premiums - health insurance
 Premiums - annuities
 Gross premiums
 Ceded premiums
 Net premiums
 Net investment income (loss)
 Fee income

Total revenue

Policy benefits and expenses

Gross claims & benefits paid
 Change in insurance/investment contract liabilities, reinsurance assets & segregated funds
 Operating expenses, commissions and premium taxes
 Interest expense
 Reinsurance expenses (recoveries)
 Total policy benefits and expenses

Income (loss) before income taxes

Income tax expense (benefit)
 Participating policyholders' net income (loss)

Common shareholders' reported net income (loss)

Market related impacts ⁽¹⁾
 Assumption changes and management actions ⁽¹⁾
 Acquisition, integration and restructuring ⁽¹⁾

Common shareholders' underlying net income (loss) ⁽¹⁾

SALES

Group Benefits

ASSETS UNDER MANAGEMENT

General funds
 Segregated funds
 Other AUM ⁽²⁾
 Total

	At and For the Quarter Ended								At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
1	361	372	352	357	371	375	373	402	398	1,452	1,548	1,605
2	1,281	1,169	1,163	1,127	1,165	1,122	1,141	1,173	1,147	4,624	4,583	4,232
3	-	-	-	-	-	-	-	-	-	-	-	1
4	1,642	1,541	1,515	1,484	1,536	1,497	1,514	1,575	1,545	6,076	6,131	5,838
5	(180)	(165)	(174)	(187)	(179)	(181)	(168)	(180)	(166)	(705)	(695)	(662)
6	1,462	1,376	1,341	1,297	1,357	1,316	1,346	1,395	1,379	5,371	5,436	5,176
7	(1,116)	426	207	929	(1,016)	441	346	1,165	658	546	2,610	2,802
8	25	25	23	17	16	32	19	21	20	81	92	86
9	371	1,827	1,571	2,243	357	1,789	1,711	2,581	2,057	5,998	8,138	8,064
10	1,526	1,541	1,364	1,268	1,533	1,367	1,334	1,531	1,333	5,706	5,565	5,508
11	(1,511)	(1)	(11)	585	(1,512)	126	357	750	273	(939)	1,506	1,504
12	410	406	381	380	371	390	372	377	393	1,538	1,532	1,493
13	13	13	12	12	12	15	20	25	26	49	86	128
14	(279)	(238)	(228)	(200)	(313)	(220)	(214)	(250)	(180)	(979)	(864)	(755)
15	159	1,721	1,518	2,045	91	1,678	1,869	2,433	1,845	5,375	7,825	7,878
16	212	106	53	198	266	111	(158)	148	212	623	313	186
17	43	21	7	41	55	23	(45)	30	48	124	56	28
18	-	-	-	-	-	-	-	-	-	-	-	(5)
19	169	85	46	157	211	88	(113)	118	164	499	257	163
20	47	40	15	(6)	44	2	(18)	(4)	28	93	8	(58)
21	9	(19)	(78)	-	(4)	(60)	(230)	-	(23)	(101)	(313)	(291)
22	(5)	(8)	(1)	(2)	-	(2)	(1)	(1)	(2)	(11)	(6)	(20)
23	118	72	110	165	171	148	136	123	161	518	568	532
24	148	1,020	199	191	154	838	230	228	163	1,564	1,459	1,382
25	31,567	33,391	33,626	32,314	31,898	33,790	35,303	37,911	38,131	33,391	33,790	34,711
26	467	519	514	509	496	541	563	572	569	519	541	514
27	20	20	21	21	21	23	24	26	27	20	23	26
28	32,054	33,930	34,161	32,844	32,415	34,354	35,890	38,509	38,727	33,930	34,354	35,251

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 32 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

⁽²⁾ Other AUM represents third-party investors in a pool of mortgage loans.

U.S.

(US\$ millions)

STATEMENTS OF OPERATIONS

Revenue

	At and For the Quarter Ended								At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
1	285	295	279	290	293	287	280	290	297	1,157	1,154	1,209
2	1,011	927	924	918	920	861	856	846	855	3,689	3,418	3,192
3	1,296	1,222	1,203	1,208	1,213	1,148	1,136	1,136	1,152	4,846	4,572	4,401
4	(143)	(131)	(139)	(152)	(141)	(138)	(126)	(130)	(124)	(563)	(518)	(499)
5	1,153	1,091	1,064	1,056	1,072	1,010	1,010	1,006	1,028	4,283	4,054	3,902
6	(883)	341	168	753	(801)	339	251	837	523	461	1,950	2,105
7	20	20	18	13	13	24	15	15	15	64	69	65
8	290	1,452	1,250	1,822	284	1,373	1,276	1,858	1,566	4,808	6,073	6,072

Policy benefits and expenses

9	1,204	1,221	1,083	1,030	1,212	1,050	1,000	1,103	994	4,546	4,147	4,154
10	(1,194)	1	(6)	475	(1,195)	96	262	536	235	(725)	1,129	1,126
11	324	322	302	309	293	299	279	273	292	1,226	1,143	1,125
12	10	10	10	10	10	12	15	17	20	40	64	97
13	(221)	(187)	(182)	(161)	(247)	(168)	(161)	(179)	(135)	(777)	(643)	(570)
14	123	1,367	1,207	1,663	73	1,289	1,395	1,750	1,406	4,310	5,840	5,932

Income (loss) before income taxes

15	167	85	43	159	211	84	(119)	108	160	498	233	140
16	34	17	6	32	44	18	(34)	22	36	99	42	22
17	-	-	-	-	-	-	-	-	-	-	-	(4)

Common shareholders' reported net income (loss)

18	133	68	37	127	167	66	(85)	86	124	399	191	122
19	37	33	12	(5)	34	1	(13)	(3)	21	74	6	(40)
20	7	(15)	(62)	-	(3)	(46)	(173)	-	(17)	(80)	(236)	(221)
21	(4)	(6)	(1)	(1)	-	(1)	(1)	(1)	(1)	(8)	(4)	(16)

Common shareholders' underlying net income (loss)⁽¹⁾

22	93	56	88	133	136	112	102	90	121	413	425	399
23	17.6%	8.9%	4.9%	17.4%	24.0%	9.9%	(12.3)%	12.1%	17.5%	13.6%	6.9%	4.5%
24	12.3%	7.3%	11.6%	18.3%	19.6%	16.8%	14.8%	12.6%	17.1%	14.0%	15.3%	14.7%

SALES

25	116	809	158	156	121	643	172	165	122	1,244	1,102	1,043
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ASSETS UNDER MANAGEMENT

26	25,256	26,432	26,524	26,073	25,401	26,542	26,506	27,931	27,122	26,432	26,542	26,730
27	374	411	406	411	395	425	423	421	405	411	425	396
28	16	16	17	17	17	18	18	19	19	16	18	20
29	25,646	26,859	26,947	26,501	25,813	26,985	26,947	28,371	27,546	26,859	26,985	27,146

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 34 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

⁽²⁾ Other AUM represents third-party investors in a pool of mortgage loans.

U.S. - GROUP BENEFITS

(US\$ millions)

STATEMENTS OF OPERATIONS
Revenue

Gross premiums

Ceded premiums

Net premiums

Net investment income (loss)

Fee income

Total revenue
Policy benefits and expenses

Gross claims & benefits paid

Change in insurance/investment contract liabilities, reinsurance assets & segregated funds

Operating expenses, commissions and premium taxes

Interest expense

Reinsurance expenses (recoveries)

Total policy benefits and expenses

Income (loss) before income taxes

Income tax expense (benefit)

Common shareholders' reported net income (loss)
ASSETS UNDER MANAGEMENT

General Funds

SALES

Employee Benefits

Medical Stop-Loss

Total

BUSINESS IN-FORCE

 Employee Benefits ⁽¹⁾

 Medical Stop-Loss ⁽¹⁾

Total

AFTER-TAX PROFIT MARGIN ⁽²⁾

	At and For the Quarter Ended								At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
1	1,197	1,113	1,103	1,099	1,099	1,033	1,025	1,020	1,031	4,414	4,109	3,904
2	(52)	(52)	(49)	(48)	(46)	(47)	(42)	(44)	(41)	(195)	(174)	(158)
3	1,145	1,061	1,054	1,051	1,053	986	983	976	990	4,219	3,935	3,746
4	(91)	45	34	81	(24)	67	67	173	(42)	136	265	320
5	32	31	28	24	24	33	24	24	24	107	105	99
6	1,086	1,137	1,116	1,156	1,053	1,086	1,074	1,173	972	4,462	4,305	4,165
7	882	847	799	756	806	744	676	739	752	3,208	2,911	2,945
8	(119)	12	1	28	(97)	13	53	108	(110)	(56)	64	17
9	323	314	297	293	290	285	271	273	288	1,194	1,117	1,110
10	4	4	4	4	4	4	4	4	4	16	16	25
11	(82)	(52)	(48)	(52)	(62)	(58)	(51)	(53)	(61)	(214)	(223)	(170)
12	1,008	1,125	1,053	1,029	941	988	953	1,071	873	4,148	3,885	3,927
13	78	12	63	127	112	98	121	102	99	314	420	238
14	17	3	13	27	24	22	24	22	21	67	89	51
15	61	9	50	100	88	76	97	80	78	247	331	187
16	8,467	8,327	8,279	8,328	7,968	7,967	7,958	7,951	7,758	8,327	7,967	7,848
17	63	215	87	68	87	205	96	62	74	457	437	388
18	53	594	71	88	34	438	76	103	48	787	665	655
19	116	809	158	156	121	643	172	165	122	1,244	1,102	1,043
20	2,608	2,537	2,471	2,439	2,440	2,391	2,327	2,365	2,371	2,537	2,391	2,374
21	2,508	2,378	2,239	2,274	2,245	2,161	2,093	2,076	2,032	2,378	2,161	1,912
22	5,116	4,915	4,710	4,713	4,685	4,552	4,420	4,441	4,403	4,915	4,552	4,286
23	4.9%	5.7%	7.7%	8.5%	8.1%	8.0%	7.8%	7.5%	6.8%	5.7%	8.0%	7.3%

⁽¹⁾ Business in-force is a non-IFRS financial measure that represents on a gross basis the annualized premiums for insured in-force and annualized fee income for in-force administrative services, at premium equivalence where appropriate.

⁽²⁾ The after-tax profit margin is a non-IFRS financial measure and is calculated on underlying net income as a percentage of net premiums on a trailing four-quarters basis. Refer to U.S. Group Benefits Reported Net Income to Underlying Net Income reconciliation on page 34 of this document and Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details.

U.S. - IN-FORCE MANAGEMENT

(US\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Revenue												
Gross premiums	1 99	109	100	109	114	115	111	116	121	432	463	497
Ceded premiums	2 (91)	(79)	(90)	(104)	(95)	(91)	(84)	(86)	(83)	(368)	(344)	(341)
Net premiums	3 8	30	10	5	19	24	27	30	38	64	119	156
Net investment income (loss)	4 (792)	296	134	672	(777)	272	184	664	565	325	1,685	1,785
Fee income	5 (12)	(11)	(10)	(11)	(11)	(9)	(9)	(9)	(9)	(43)	(36)	(34)
Total revenue	6 (796)	315	134	666	(769)	287	202	685	594	346	1,768	1,907
Policy benefits and expenses												
Gross claims & benefits paid	7 322	374	284	274	406	306	324	364	242	1,338	1,236	1,209
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	8 (1,075)	(11)	(7)	447	(1,098)	83	209	428	345	(669)	1,065	1,109
Operating expenses, commissions and premium taxes	9 1	8	5	16	3	14	8	-	4	32	26	15
Interest expense	10 6	6	6	6	6	8	11	13	16	24	48	72
Reinsurance expenses (recoveries)	11 (139)	(135)	(134)	(109)	(185)	(110)	(110)	(126)	(74)	(563)	(420)	(400)
Total policy benefits and expenses	12 (885)	242	154	634	(868)	301	442	679	533	162	1,955	2,005
Income (loss) before income taxes	13 89	73	(20)	32	99	(14)	(240)	6	61	184	(187)	(98)
Income tax expense (benefit)	14 17	14	(7)	5	20	(4)	(58)	-	15	32	(47)	(29)
Participating policyholders' net income (loss)	15 -	-	-	-	-	-	-	-	-	-	-	(4)
Common shareholders' reported net income (loss)	16 72	59	(13)	27	79	(10)	(182)	6	46	152	(140)	(65)
ACCOUNT VALUE ⁽¹⁾												
Individual insurance	17 4,077	4,112	4,147	4,179	4,207	4,253	4,273	4,301	4,336	4,112	4,253	4,350
ASSETS UNDER MANAGEMENT												
General funds	18 16,789	18,105	18,245	17,745	17,433	18,575	18,548	19,980	19,364	18,105	18,575	18,882
Segregated funds	19 374	411	406	411	395	425	423	421	405	411	425	396
Other AUM ⁽²⁾	20 16	16	17	17	17	18	18	19	19	16	18	20
Total	21 17,179	18,532	18,668	18,173	17,845	19,018	18,989	20,420	19,788	18,532	19,018	19,298

⁽¹⁾ Account Value is a non-IFRS financial measure that represents the balance in an account within a universal life product to which premiums and interest are added while mortality and expense charges are subtracted.

⁽²⁾ Other AUM represents third-party investors in a pool of mortgage loans.

ASSET MANAGEMENT

(C\$ millions)

FINANCIAL SUMMARY
Revenue

	At and For the Quarter Ended									At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
Net investment income (loss)	1	2	16	10	(8)	18	(13)	32	(14)	20	23	83	
Fee income	2	1,446	1,536	1,503	1,421	1,375	1,369	1,284	1,176	1,185	5,835	5,014	4,471
Total revenue	3	1,447	1,538	1,519	1,431	1,367	1,387	1,271	1,208	1,171	5,855	5,037	4,554
Expenses	4	1,038	1,313	1,120	1,099	1,059	1,024	937	905	846	4,591	3,712	3,391
Income (loss) before income taxes	5	409	225	399	332	308	363	334	303	325	1,264	1,325	1,163
Income tax expense (benefit)	6	92	80	101	111	80	93	85	76	80	372	334	262
Non-controlling interest	7	9	5	(3)	-	(2)	3	(2)	4	6	-	11	4
Common shareholders' reported net income (loss)	8	308	140	301	221	230	267	251	223	239	892	980	897
Fair value adjustments on share-based payment awards at MFS ⁽¹⁾	9	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(24)	10	(186)	(92)	(64)
Acquisition, integration and restructuring ⁽¹⁾⁽²⁾	10	(15)	(195)	(18)	(17)	(17)	(20)	(11)	(12)	(13)	(247)	(56)	(43)
Other ⁽¹⁾⁽³⁾	11	-	-	-	(21)	-	-	-	-	-	(21)	-	-
Common shareholders' underlying net income (loss) ⁽¹⁾	12	326	382	362	311	291	333	294	259	242	1,346	1,128	1,004
Common shareholders' underlying net income (loss) ⁽¹⁾													
MFS	13	292	342	327	286	280	299	276	229	230	1,235	1,034	973
SLC Management	14	34	40	35	25	11	34	18	30	12	111	94	31
Total	15	326	382	362	311	291	333	294	259	242	1,346	1,128	1,004
Gross flows ⁽⁴⁾	16	49,427	46,986	40,682	47,164	58,231	43,390	43,066	51,575	51,954	193,063	189,985	134,505
Net flows ⁽⁴⁾⁽⁵⁾	17	(1,958)	8,288	1,814	716	10,274	2,790	6,817	7,291	336	21,092	17,234	(12,160)

ASSETS UNDER MANAGEMENT

MFS retail and institutional ⁽⁶⁾	18	796,096	875,234	833,015	820,011	786,474	776,829	730,124	690,241	613,518	875,234	776,829	684,845
SLC Management institutional ⁽⁴⁾⁽⁷⁾	19	184,736	183,925	175,768	168,618	159,918	115,081	115,365	97,884	97,093	183,925	115,081	83,972
Total	20	980,832	1,059,159	1,008,783	988,629	946,392	891,910	845,489	788,125	710,611	1,059,159	891,910	768,817

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 32 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

⁽²⁾ In Q4 2021, acquisition, integration and restructuring includes the changes in estimated future payments for acquisition-related contingent considerations and options to purchase remaining ownership interests of SLC Management affiliates in the amount of \$153 million post-tax. Refer to the Notes page ii, Other Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽³⁾ On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, SLC Management's reported net income decreased by \$21 million on the remeasurement of deferred tax liabilities in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

⁽⁴⁾ Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Refer to section L. Non-IFRS Financial Measures, ii. Additional Non-IFRS Financial Measures of the Company's Annual 2021 MD&A for additional details.

⁽⁵⁾ Net flows are a non-IFRS financial measure that represents gross inflows less gross outflows.

⁽⁶⁾ Retail consists of domestic and international retail funds. Institutional consist of institutional accounts, pension business and insurance products.

⁽⁷⁾ 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			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
Revenue													
Net investment income (loss)	1	(6)	1	-	4	(5)	10	5	22	(10)	-	27	57
Fee income	2	909	981	973	938	887	862	805	717	752	3,779	3,136	2,926
Total revenue	3	903	982	973	942	882	872	810	739	742	3,779	3,163	2,983
Expenses													
Income (loss) before income taxes	4	606	668	671	681	630	610	563	540	508	2,650	2,221	2,099
Income tax expense (benefit)	5	297	314	302	261	252	262	247	199	234	1,129	942	884
Common shareholders' reported net income (loss)	6	69	80	77	70	66	68	64	52	54	293	238	199
Fair value adjustments on share-based payment awards at MFS ⁽¹⁾	7	228	234	225	191	186	194	183	147	180	836	704	685
Common shareholders' underlying net income (loss) ⁽¹⁾	8	(2)	(38)	(34)	(42)	(35)	(36)	(24)	(18)	8	(149)	(70)	(48)
	9	230	272	259	233	221	230	207	165	172	985	774	733

RETAIL - CHANGES IN ASSETS UNDER MANAGEMENT (AUM) ⁽²⁾

Opening AUM	10	410,241	388,897	388,856	364,820	353,624	316,936	291,895	247,538	295,003	353,624	295,003	226,557
Inflows	11	23,002	20,382	18,631	21,837	27,186	23,534	23,344	24,191	26,700	88,036	97,769	69,709
Outflows	12	(26,367)	(19,630)	(18,032)	(20,014)	(24,400)	(19,212)	(17,319)	(17,559)	(24,755)	(82,076)	(78,845)	(58,237)
Market movement	13	(31,165)	20,592	(558)	22,213	8,410	32,366	19,016	37,725	(49,410)	50,657	39,697	56,974
Closing AUM	14	375,711	410,241	388,897	388,856	364,820	353,624	316,936	291,895	247,538	410,241	353,624	295,003

INSTITUTIONAL - CHANGES IN ASSETS UNDER MANAGEMENT ⁽²⁾

Opening AUM	15	282,520	268,158	272,763	261,453	256,611	231,246	216,645	188,850	232,369	256,611	232,369	201,816
Inflows	16	9,103	7,280	8,115	7,550	8,691	7,482	7,093	10,120	10,376	31,636	35,071	24,517
Outflows	17	(11,182)	(9,191)	(10,896)	(14,966)	(11,759)	(10,336)	(8,641)	(11,380)	(10,558)	(46,812)	(40,915)	(47,771)
Market movement	18	(19,224)	16,273	(1,824)	18,726	7,910	28,219	16,149	29,055	(43,337)	41,085	30,086	53,807
Closing AUM	19	261,217	282,520	268,158	272,763	261,453	256,611	231,246	216,645	188,850	282,520	256,611	232,369

SUPPLEMENTAL INFORMATION

Pre-tax net operating margin ⁽³⁾	20	39%	43 %	42 %	39 %	39 %	41 %	40 %	36 %	36 %	41 %	39 %	39 %
Pre-tax gross operating margin ⁽⁴⁾	21	34%	38 %	36 %	34 %	34 %	36 %	35 %	32 %	31 %	36 %	34 %	33 %
Total assets under management	22	636,928	692,761	657,055	661,619	626,273	610,235	548,182	508,540	436,388	692,761	610,235	527,372
Average net assets	23	647,107	680,590	675,546	655,090	619,288	577,616	539,718	479,059	504,519	657,846	525,411	483,983
Total gross flows	24	32,105	27,662	26,746	29,387	35,877	31,016	30,437	34,311	37,076	119,672	132,840	94,226
Total net flows ⁽⁵⁾	25	(5,444)	(1,159)	(2,182)	(5,593)	(282)	1,468	4,477	5,372	1,763	(9,216)	13,080	(11,782)
U.S. GAAP net income	26	242	285	274	251	232	241	217	178	181	1,042	817	775
Dividends paid to SLF	27	200	236	226	205	194	201	181	146	152	861	680	611

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 34 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

⁽²⁾ Effective January 1, 2022, certain components of Other AUM were renamed to "Retail" and "Institutional and managed funds" to align with market naming conventions. Previously, these components were referred to as Mutual funds and Managed funds, respectively, in our interim and annual MD&A. While labeling changes have modified certain terminology, the composition of these components has not been affected. Retail consists of domestic and international retail funds. Institutional consist of institutional accounts, pension business and insurance products.

⁽³⁾ Pre-tax net operating margin 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. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details.

⁽⁴⁾ Pre-tax gross operating margin for MFS is a non-IFRS financial measure. This ratio excludes the impact of fair value adjustments on MFS's share-based payment awards and investment income.

⁽⁵⁾ Total net flows are a non-IFRS financial measure that represents the combined retail and institutional funds gross inflows less gross outflows.

SLC MANAGEMENT

(C\$ millions), unless otherwise noted

FINANCIAL SUMMARY

	At and For the Quarter Ended									At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
Revenue													
Net investment income (loss)	1	10	(1)	17	5	(2)	7	(21)	2	-	19	(12)	7
Fee income	2	294	300	278	269	252	245	212	182	177	1,099	816	428
Total revenue	3	304	299	295	274	250	252	191	184	177	1,118	804	435
Expenses	4	272	470	277	262	262	230	186	158	165	1,271	739	445
Income (loss) before income taxes	5	32	(171)	18	12	(12)	22	5	26	12	(153)	65	(10)
Income tax expense (benefit)	6	4	(21)	4	25	(4)	5	-	4	7	4	16	(2)
Non-controlling interest	7	9	5	(3)	-	(2)	3	(2)	4	6	-	11	4
Common shareholders' reported net income (loss)	8	19	(155)	17	(13)	(6)	14	7	18	(1)	(157)	38	(12)
Acquisition, integration and restructuring ⁽¹⁾⁽²⁾	9	(15)	(195)	(18)	(17)	(17)	(20)	(11)	(12)	(13)	(247)	(56)	(43)
Other ⁽¹⁾⁽³⁾	10	-	-	-	(21)	-	-	-	-	-	(21)	-	-
Common shareholders' underlying net income (loss)⁽¹⁾	11	34	40	35	25	11	34	18	30	12	111	94	31

SUPPLEMENTARY INCOME STATEMENT⁽⁴⁾
Fee-related revenue

Management fees	12	201	204	195	182	174	143	123	86	88	755	440	272
Property management, transaction, advisory and other fees	13	25	37	28	30	18	45	26	23	28	113	122	88
Total fee-related revenue	14	226	241	223	212	192	188	149	109	116	868	562	360
Fee-related expenses													
Compensation - fee-related	15	128	127	118	110	112	97	79	57	61	467	294	205
Other operating expenses	16	44	54	53	56	41	35	28	22	23	204	108	85
Total fee-related expenses	17	172	181	171	166	153	132	107	79	84	671	402	290
Total fee-related earnings	18	54	60	52	46	39	56	42	30	32	197	160	70
Investment income (loss) and performance fees	19	11	15	17	4	(2)	7	(14)	21	2	34	16	8
Interest and other	20	(6)	(11)	(7)	(4)	(13)	(9)	(2)	(6)	(7)	(35)	(24)	(24)
Operating income	21	59	64	62	46	24	54	26	45	27	196	152	54
Placement fees - other	22	-	-	15	6	6	-	-	-	-	27	-	-
Amortization of intangibles	23	10	10	11	9	10	6	7	5	5	40	23	12
Acquisition, integration and restructuring	24	17	225	18	19	20	26	14	14	10	282	64	52
Income (loss) before income taxes	25	32	(171)	18	12	(12)	22	5	26	12	(153)	65	(10)
Income tax expense (benefit)	26	4	(21)	4	25	(4)	5	-	4	7	4	16	(2)
Non-controlling interest	27	9	5	(3)	-	(2)	3	(2)	4	6	-	11	4
Common shareholders' reported net income (loss)	28	19	(155)	17	(13)	(6)	14	7	18	(1)	(157)	38	(12)
Acquisition, integration and restructuring ⁽¹⁾⁽²⁾	29	(15)	(195)	(18)	(17)	(17)	(20)	(11)	(12)	(13)	(247)	(56)	(43)
Other ⁽¹⁾⁽³⁾	30	-	-	-	(21)	-	-	-	-	-	(21)	-	-
Common shareholders' underlying net income (loss)⁽¹⁾	31	34	40	35	25	11	34	18	30	12	111	94	31
Pre-tax fee-related earnings margin ⁽⁵⁾	32	23 %	22 %	23 %	25 %	26 %	28 %	27 %	25 %	23 %	22 %	28 %	19 %
Pre-tax net operating margin ⁽⁶⁾	33	24 %	22 %	23 %	21 %	23 %	26 %	23 %	22 %	18 %	22 %	26 %	14 %

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 32 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Financial Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

⁽²⁾ In Q4 2021, acquisition, integration and restructuring includes the changes in estimated future payments for acquisition-related contingent considerations and options to purchase remaining ownership interests of SLC Management affiliates in the amount of \$153 million post-tax. Refer to the Notes page ii, Other Adjustments - Acquisition, Integration and Restructuring for additional details.

⁽³⁾ On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, SLC Management's reported net income decreased by \$21 million on the remeasurement of deferred tax liabilities in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

⁽⁴⁾ Certain measures of this Supplementary Income Statement are non-IFRS financial measures. Refer to SLC Management Reported Net Income Reconciliation and Non-IFRS Financial Measures Glossary on pages 35 and 36, respectively.

⁽⁵⁾ Pre-tax fee-related earnings margin represents SLC Management's profitability in relation to funds that earn recurring fee revenues, while excluding investment income and performance fees. The ratio is calculated by dividing fee-related earnings by fee-related revenues and is based on the last twelve months. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details.

⁽⁶⁾ Pre-tax net operating margin represents a measure of SLC Management's profitability. The ratio is calculated by dividing the total operating income by fee-related revenue plus investment income (loss) and performance fees, and is based on the last twelve months. Refer to Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details.

SLC MANAGEMENT CONTINUED

(C\$ millions), unless otherwise noted

	At and For the Quarter Ended										At and For the Year Ended		
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
ASSETS UNDER MANAGEMENT ⁽¹⁾	1	184,736	183,925	175,768	168,618	159,918	115,081	115,365	97,884	97,093	183,925	115,081	83,972
CHANGES IN ASSETS UNDER MANAGEMENT (AUM)													
Opening AUM	2	183,925	175,768	168,618	159,918	115,081	115,365	97,884	97,093	83,972	115,081	83,972	65,538
Inflows	3	8,757	12,119	7,012	11,058	12,802	2,956	2,511	4,004	2,231	42,991	11,702	9,541
Outflows	4	(3,818)	(2,370)	(2,450)	(3,470)	(2,172)	(2,080)	(1,660)	(4,161)	(4,259)	(10,462)	(12,160)	(5,989)
Realizations and distributions ⁽²⁾	5	(859)	(2,617)	(619)	(2,137)	(992)	-	-	-	-	(6,365)	-	-
Market movement and other ⁽³⁾	6	(3,269)	1,025	3,207	3,249	35,199	(1,160)	16,630	948	15,149	42,680	31,567	14,882
Closing AUM	7	184,736	183,925	175,768	168,618	159,918	115,081	115,365	97,884	97,093	183,925	115,081	83,972
CHANGES IN FEE EARNING AUM ⁽⁴⁾													
Opening fee earning AUM	8	147,941	140,046	133,552	125,881	97,582						97,582	
Inflows	9	8,168	13,496	6,675	9,319	7,826						37,316	
Outflows	10	(2,616)	(2,028)	(1,889)	(1,700)	(2,027)						(7,644)	
Realizations and distributions ⁽²⁾	11	(1,176)	(3,372)	(1,874)	(2,878)	(1,919)						(10,043)	
Market movement and other ⁽³⁾	12	(6,264)	(201)	3,582	2,930	24,419						30,730	
Closing fee earning AUM	13	146,053	147,941	140,046	133,552	125,881						147,941	
SUPPLEMENTAL INFORMATION ⁽⁵⁾													
Capital raising	14	5,674	6,574	5,024	6,369	9,404						27,371	
Deployment	15	6,888	10,948	6,537	9,275	9,878						36,638	
AUM not yet earning fees	16	18,281	18,237	17,619	17,275	11,069						18,237	

⁽¹⁾ Effective January 1, 2021, the methodology for Assets Under Management (AUM) was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to add uncalled capital commitments not previously included. This will align SLC Management's AUM with market conventions applied across asset classes. We have updated prior period amounts for all quarters of 2020 to reflect this change in methodology. Subsequent to the fourth quarter of 2020, increases and decreases in all capital raising, including uncalled capital commitments and fund leverage, for the aforementioned products will be reflected in gross flows, outflows and net flows as applicable. Client distributions from the sale of underlying assets in closed-end funds will no longer be reported in net flows. Refer to section L. Non-IFRS Financial Measures, ii. Additional Non-IFRS Financial Measures of the Company's Annual 2021 MD&A for additional details.

⁽²⁾ Realizations represent proceeds from the disposition or other monetization of assets, with capital returned to investors or held in non-fee earning cash to be deployed in the regular course of a product life cycle. Distributions include regular course income from an investment product, including dividends, where payments are initiated by SLC Management. Prior to the first quarter of 2021, realizations and distributions were included in net flows.

⁽³⁾ Market movement and other consists of realized and unrealized gains (losses) on portfolio investments, the impact of foreign exchange rate fluctuations, working capital changes within investment products and the transfer in of acquired assets.

⁽⁴⁾ Fee earning AUM is a non-IFRS measure. Refer to the Non-IFRS Financial Measures Glossary on page 36 as well as Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details.

⁽⁵⁾ The Supplemental Information measures are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures Glossary on page 36 as well as Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A for additional details.

ASIA

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended									At and For the Year Ended		
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Revenue												
Gross premiums	753	777	648	1,365	805	1,719	1,181	1,118	944	3,595	4,962	2,630
Ceded premiums	(46)	(56)	(52)	(48)	(45)	(58)	(52)	(53)	(49)	(201)	(212)	(222)
Net premiums	707	721	596	1,317	760	1,661	1,129	1,065	895	3,394	4,750	2,408
Net investment income (loss)	(1,450)	774	23	1,085	(822)	762	408	1,534	(154)	1,060	2,550	2,865
Fee income	154	170	157	155	160	156	146	134	136	642	572	531
Total revenue	(589)	1,665	776	2,557	98	2,579	1,683	2,733	877	5,096	7,872	5,804
Policy benefits and expenses												
Gross claims & benefits paid	417	414	421	378	356	445	371	488	364	1,569	1,668	1,612
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(1,523)	317	(291)	1,554	(832)	1,510	650	1,760	115	748	4,035	2,314
Operating expenses, commissions and premium taxes	375	438	348	454	373	477	372	352	358	1,613	1,559	1,368
Interest expense	17	17	17	15	16	14	13	14	15	65	56	56
Reinsurance expenses (recoveries)	(44)	(43)	(45)	(37)	(32)	(53)	(46)	(45)	(37)	(157)	(181)	(178)
Total policy benefits and expenses	(758)	1,143	450	2,364	(119)	2,393	1,360	2,569	815	3,838	7,137	5,172
Income (loss) before income taxes	169	522	326	193	217	186	323	164	62	1,258	735	632
Income tax expense (benefit)	18	80	12	12	9	24	7	16	7	113	54	51
Participating policyholders' net income (loss)	(10)	(4)	26	38	10	30	80	22	(45)	70	87	61
Common shareholders' reported net income (loss)	161	446	288	143	198	132	236	126	100	1,075	594	520
Market related impacts ⁽¹⁾	9	23	13	(11)	36	3	(9)	(24)	(47)	61	(77)	(66)
Assumption changes and management actions ⁽¹⁾	1	(2)	132	2	3	21	80	7	(9)	135	99	37
Acquisition, integration and restructuring ⁽¹⁾⁽²⁾	(1)	295	(2)	-	-	(8)	1	(1)	1	293	(7)	(1)
Common shareholders' underlying net income (loss) ⁽¹⁾	152	130	145	152	159	116	164	144	155	586	579	550
Return on equity - reported	10.1 %	27.7 %	18.5 %	9.4 %	13.0 %	8.5 %	15.6 %	8.7 %	7.3 %	17.4 %	10.1 %	9.5 %
Return on equity - underlying	9.5 %	8.0 %	9.3 %	10.1 %	10.5 %	7.4 %	10.9 %	9.9 %	11.2 %	9.5 %	9.8 %	10.0 %

SALES - Proportionate ownership ⁽³⁾

Individual insurance

Local Markets	226	239	177	172	231	203	166	109	182	819	660	719
International Hubs	71	95	58	146	101	192	132	126	124	400	574	403
Total individual insurance sales	297	334	235	318	332	395	298	235	306	1,219	1,234	1,122
Total group insurance sales	22	11	12	5	11	6	6	5	12	39	29	32
Total wealth sales ⁽⁴⁾	3,521	4,046	4,125	4,024	3,296	3,380	2,781	2,455	2,321	15,491	10,937	8,373

ASSETS UNDER MANAGEMENT AND ADMINISTRATION ⁽⁵⁾⁽⁶⁾

Local Markets	54,547	53,576	59,464	54,606	52,522	52,741	48,832	46,253	42,175	53,576	52,741	45,325
International Hubs	53,259	56,579	56,104	56,400	53,253	53,012	50,761	49,229	46,609	56,579	53,012	44,628
Total assets under management	107,806	110,155	115,568	111,006	105,775	105,753	99,593	95,482	88,784	110,155	105,753	89,953
Assets under administration	4,402	5,146	5,291	5,172	5,377	5,423	5,283	4,978	4,932	5,146	5,423	4,551
Total assets under management and administration	112,208	115,301	120,859	116,178	111,152	111,176	104,876	100,460	93,716	115,301	111,176	94,504

CONSTANT CURRENCY SALES ⁽⁷⁾

Individual insurance	302	332
Group Insurance	23	11
Wealth	3,658	3,296

⁽¹⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 33 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

⁽²⁾ In Q4 2021, acquisition, integration and restructuring includes the \$297 million post-tax realized gains on the IPO of our India asset management joint venture, Aditya Birla Sun Life Asset Management Company Limited.

⁽³⁾ Sales include the sales in the Company's joint ventures and associates with local partners in Asia based on our proportionate equity interest.

⁽⁴⁾ Wealth sales include Hong Kong wealth sales, the Philippines mutual and managed funds sales, China individual wealth sales, India group wealth sales, and Aditya Birla Sun Life Asset Management Company Limited equity and fixed income mutual funds sales, based on our proportionate equity interest.

⁽⁵⁾ Assets under management include the general fund assets and segregated fund assets of our insurance businesses, the Philippines mutual and managed funds, Aditya Birla Sun Life Asset Management Company Limited AUM, Sun Life Everbright Asset Management AUM, Hong Kong managed funds and International Wealth assets, based on our proportionate equity interest.

⁽⁶⁾ Assets under administration represent third-party administrative services assets in China and Hong Kong based on our proportionate equity interest.

⁽⁷⁾ Q1 2022 sales in constant currency are relative to Q1 2021 foreign exchange rates.

ASIA - LOCAL MARKETS

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended									At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
Revenue													
Gross premiums	1	207	215	174	174	184	190	161	135	154	747	640	593
Ceded premiums	2	(8)	(8)	(7)	(6)	(6)	(7)	(6)	(7)	(7)	(27)	(27)	(26)
Net premiums	3	199	207	167	168	178	183	155	128	147	720	613	567
Net investment income (loss)	4	(72)	450	59	142	(150)	109	12	446	(38)	501	529	769
Fee income	5	69	76	67	67	71	70	63	57	61	281	251	225
Total revenue	6	196	733	293	377	99	362	230	631	170	1,502	1,393	1,561
Policy benefits and expenses													
Gross claims & benefits paid	7	74	97	110	85	83	96	84	69	78	375	327	289
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	8	(157)	(37)	(90)	28	(266)	11	(90)	357	(133)	(365)	145	299
Operating expenses, commissions and premium taxes	9	190	227	174	200	186	183	152	124	150	787	609	592
Interest expense	10	7	6	7	5	6	4	6	4	6	24	20	18
Reinsurance expenses (recoveries)	11	(5)	(6)	(8)	(2)	(4)	(6)	(3)	(1)	(4)	(20)	(14)	(14)
Total policy benefits and expenses	12	109	287	193	316	5	288	149	553	97	801	1,087	1,184
Income (loss) before income taxes	13	87	446	100	61	94	74	81	78	73	701	306	377
Income tax expense (benefit)	14	14	72	8	6	7	16	5	12	8	93	41	38
Common shareholders' reported net income (loss)	15	73	374	92	55	87	58	76	66	65	608	265	339

SALES - Proportionate ownership ⁽¹⁾

Individual insurance													
Philippines	16	54	69	61	56	58	76	52	23	64	244	215	271
Indonesia	17	18	25	16	12	19	20	17	12	21	72	70	80
India	18	65	49	48	27	61	46	39	29	48	185	162	178
China	19	39	44	25	27	43	32	29	30	32	139	123	111
Malaysia	20	13	15	12	13	15	15	19	8	12	55	54	59
Vietnam	21	37	37	15	37	35	14	10	7	5	124	36	20
Total individual insurance sales	22	226	239	177	172	231	203	166	109	182	819	660	719

ASSETS UNDER MANAGEMENT AND ADMINISTRATION ⁽²⁾⁽³⁾⁽⁴⁾

General funds	23	6,600	6,876	6,680	6,558	6,675	7,138	6,674	6,786	6,369	6,876	7,138	6,176
Segregated funds	24	4,537	4,531	4,325	4,226	4,061	4,332	3,730	3,730	3,263	4,531	4,332	4,009
Other AUM	25	43,410	42,169	48,459	43,822	41,786	41,271	38,428	35,737	32,543	42,169	41,271	35,140
Total assets under management	26	54,547	53,576	59,464	54,606	52,522	52,741	48,832	46,253	42,175	53,576	52,741	45,325
Assets under administration	27	3,080	3,446	3,279	3,049	3,013	3,035	2,970	2,743	2,842	3,446	3,035	2,462
Total assets under management and administration	28	57,627	57,022	62,743	57,655	55,535	55,776	51,802	48,996	45,017	57,022	55,776	47,787

CONSTANT CURRENCY SALES ⁽⁵⁾

Philippines	29	58											58
Indonesia	30	18											19
India	31	67											61
China	32	38											43
Malaysia	33	13											15
Vietnam	34	37											35
Total individual insurance sales	35	231											231

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

⁽²⁾ Assets under management include the general fund assets and segregated fund assets of our insurance businesses, the Philippines mutual and managed funds, Aditya Birla Sun Life Asset Management Company Limited AUM and Sun Life Everbright Asset Management AUM, based on our proportionate equity interest.

⁽³⁾ Other AUM includes the Philippines mutual and managed funds, Aditya Birla Sun Life Asset Management Company Limited AUM, Sun Life Everbright Asset Management AUM and the general and segregated funds of our joint ventures, based on our proportionate equity interest.

⁽⁴⁾ Assets under administration represent third-party administrative services assets in China based on our proportionate equity interest.

⁽⁵⁾ Q1 2022 sales in constant currency are relative to Q1 2021 foreign exchange rates.

ASIA - INTERNATIONAL HUBS

(C\$ millions)

STATEMENTS OF OPERATIONS

	At and For the Quarter Ended								At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Revenue												
Gross premiums	546	562	474	1,191	621	1,529	1,020	983	790	2,848	4,322	2,037
Ceded premiums	(38)	(48)	(45)	(42)	(39)	(51)	(46)	(46)	(42)	(174)	(185)	(196)
Net premiums	508	514	429	1,149	582	1,478	974	937	748	2,674	4,137	1,841
Net investment income (loss)	(1,378)	324	(36)	943	(672)	653	396	1,088	(116)	559	2,021	2,096
Fee income	85	94	90	88	89	86	83	77	75	361	321	306
Total revenue	(785)	932	483	2,180	(1)	2,217	1,453	2,102	707	3,594	6,479	4,243
Policy benefits and expenses												
Gross claims & benefits paid	343	317	311	293	273	349	287	419	286	1,194	1,341	1,323
Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(1,366)	354	(201)	1,526	(566)	1,499	740	1,403	248	1,113	3,890	2,015
Operating expenses, commissions and premium taxes	185	211	174	254	187	294	220	228	208	826	950	776
Interest expense	10	11	10	10	10	10	7	10	9	41	36	38
Reinsurance expenses (recoveries)	(39)	(37)	(37)	(35)	(28)	(47)	(43)	(44)	(33)	(137)	(167)	(164)
Total policy benefits and expenses	(867)	856	257	2,048	(124)	2,105	1,211	2,016	718	3,037	6,050	3,988
Income (loss) before income taxes	82	76	226	132	123	112	242	86	(11)	557	429	255
Income tax expense (benefit)	4	8	4	6	2	8	2	4	(1)	20	13	13
Participating policyholders' net income (loss)	(10)	(4)	26	38	10	30	80	22	(45)	70	87	61
Common shareholders' reported net income (loss)	88	72	196	88	111	74	160	60	35	467	329	181

SALES

Individual insurance

Hong Kong

International

Singapore

Total individual insurance sales

17	42	78	42	58	80	155	101	86	86	258	428	330
18	21	14	13	88	21	37	31	40	38	136	146	73
19	8	3	3	-	-	-	-	-	-	6	-	-
20	71	95	58	146	101	192	132	126	124	400	574	403

ASSETS UNDER MANAGEMENT AND ADMINISTRATION⁽¹⁾⁽²⁾

General funds

Segregated funds

Other AUM

Total assets under management

Assets under administration

Total assets under management and administration

21	29,301	30,785	30,625	30,442	28,921	29,276	28,972	28,569	27,583	30,785	29,276	25,109
22	2,764	3,078	2,975	2,993	2,874	2,879	2,698	2,645	2,452	3,078	2,879	2,666
23	21,194	22,716	22,504	22,965	21,458	20,857	19,091	18,015	16,574	22,716	20,857	16,853
24	53,259	56,579	56,104	56,400	53,253	53,012	50,761	49,229	46,609	56,579	53,012	44,628
25	1,322	1,700	2,012	2,123	2,364	2,388	2,313	2,235	2,090	1,700	2,388	2,089
26	54,581	58,279	58,116	58,523	55,617	55,400	53,074	51,464	48,699	58,279	55,400	46,717

CONSTANT CURRENCY SALES⁽³⁾

Hong Kong

International

Singapore

Total individual insurance sales

27	42	80
28	21	21
29	8	-
30	71	101

⁽¹⁾ Other AUM includes Hong Kong managed funds and International Wealth assets.

⁽²⁾ Assets under administration represent third-party administrative services assets in Hong Kong.

⁽³⁾ Q1 2022 sales in constant currency are relative to Q1 2021 foreign exchange rates.

CORPORATE ⁽¹⁾

(C\$ millions)

STATEMENTS OF OPERATIONS ⁽²⁾**Revenue**

Premiums - life insurance
 Premiums - health insurance
 Premiums - annuities

Gross premiums

Ceded premiums

Net premiums

Net investment income (loss)

Fee income

Total revenue**Policy benefits and expenses**

Gross claims & benefits paid

Change in insurance/investment contract liabilities, reinsurance assets & segregated funds

Operating expenses, commissions and premium taxes

Interest expense

Reinsurance expenses (recoveries)

Total policy benefits and expenses

Income (loss) before income taxes

Income tax expense (benefit)

Dividends on preferred shares and distributions on other equity instruments

Common shareholders' reported net income (loss)Market related impacts ⁽³⁾Assumption changes and management actions ⁽³⁾Acquisition, integration and restructuring ⁽³⁾Other ⁽³⁾⁽⁴⁾**Common shareholders' underlying net income (loss)** ⁽³⁾**ASSETS UNDER MANAGEMENT**

General funds

Segregated funds

Other AUM ⁽⁵⁾

Total

	At and For the Quarter Ended								At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
1	17	21	22	20	20	23	18	22	22	83	85	90
2	-	6	6	7	8	6	6	6	4	27	22	16
3	3	2	3	5	4	14	7	3	3	14	27	23
4	20	29	31	32	32	43	31	31	29	124	134	129
5	(4)	(3)	(4)	(3)	(4)	(3)	(4)	(4)	(4)	(14)	(15)	(20)
6	16	26	27	29	28	40	27	27	25	110	119	109
7	(398)	166	(29)	161	(360)	220	39	515	(62)	(62)	712	916
8	(46)	(43)	(41)	(41)	(42)	(44)	(45)	(41)	(43)	(167)	(173)	(157)
9	(428)	149	(43)	149	(374)	216	21	501	(80)	(119)	658	868
10	148	125	131	124	146	134	126	136	136	526	532	598
11	(517)	6	(181)	36	(550)	23	(165)	269	(176)	(689)	(49)	(101)
12	38	114	43	37	169	103	60	54	55	363	272	275
13	1	(16)	(16)	(12)	(12)	(5)	(6)	(11)	(13)	(56)	(35)	(58)
14	(3)	1	(6)	1	(4)	(4)	(3)	(3)	(3)	(8)	(13)	(26)
15	(333)	230	(29)	186	(251)	251	12	445	(1)	136	707	688
16	(95)	(81)	(14)	(37)	(123)	(35)	9	56	(79)	(255)	(49)	180
17	(70)	(164)	(28)	(35)	(39)	(61)	(2)	97	(33)	(266)	1	(70)
18	18	32	23	23	23	24	22	24	24	101	94	95
19	(43)	51	(9)	(25)	(107)	2	(11)	(65)	(70)	(90)	(144)	155
20	8	3	(3)	(6)	5	-	(3)	2	1	(1)	-	(2)
21	-	-	(1)	-	1	-	37	1	1	-	39	225
22	-	-	-	6	(57)	(20)	-	-	(28)	(51)	(48)	(27)
23	-	-	-	10	-	-	-	-	-	10	-	-
24	(51)	48	(5)	(35)	(56)	22	(45)	(68)	(44)	(48)	(135)	(41)
25	12,993	13,799	11,792	13,167	12,283	13,611	13,733	13,619	13,640	13,799	13,611	13,658
26	9,784	10,722	10,533	10,670	10,597	10,675	10,018	9,970	9,346	10,722	10,675	11,026
27	(30,439)	(32,099)	(31,849)	(30,808)	(29,620)	(27,782)	(26,442)	(25,904)	(25,529)	(32,099)	(27,782)	(24,864)
28	(7,662)	(7,578)	(9,524)	(6,971)	(6,740)	(3,496)	(2,691)	(2,315)	(2,543)	(7,578)	(3,496)	(180)

⁽¹⁾ Corporate is comprised of our UK business and Corporate Support operations, which consists 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 and Reinsurance Clearinghouse businesses.

⁽²⁾ Corporate's Statements of Operations include consolidation adjustments for net investment income, fee income, operating expenses, commissions and interest expense relating to activities that cross business groups.

⁽³⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on page 33 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

⁽⁴⁾ On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, UK's reported net income increased by \$10 million on the remeasurement of deferred tax assets in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

⁽⁵⁾ Other AUM includes consolidation adjustments for assets managed by one area of the Company on behalf of another.

CORPORATE

(C\$ millions)

STATEMENTS OF OPERATIONS - United Kingdom (UK)

		At and For the Quarter Ended								At and For the Year Ended			
		Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019
Revenue													
1	Gross premiums	11	15	15	17	17	27	20	16	17	64	80	75
2	Ceded premiums	(3)	(3)	(4)	(4)	(3)	(4)	(3)	(4)	(4)	(14)	(15)	(16)
3	Net premiums	8	12	11	13	14	23	17	12	13	50	65	59
4	Net investment income (loss)	(363)	148	(42)	152	(343)	199	(4)	440	(76)	(85)	559	726
5	Fee income	27	27	29	26	27	27	20	27	27	109	101	117
6	Total revenue	(328)	187	(2)	191	(302)	249	33	479	(36)	74	725	902
Policy benefits and expenses													
7	Gross claims & benefits paid	107	106	121	107	116	124	111	115	117	450	467	506
8	Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(483)	16	(179)	39	(502)	44	(159)	278	(213)	(626)	(50)	(109)
9	Operating expenses, commissions and premium taxes	25	46	25	26	27	37	27	27	28	124	119	113
10	Reinsurance expenses (recoveries)	(2)	(4)	(2)	(1)	(3)	(4)	(2)	(3)	(3)	(10)	(12)	(15)
11	Total policy benefits and expenses	(353)	164	(35)	171	(362)	201	(23)	417	(71)	(62)	524	495
12	Income (loss) before income taxes	25	23	33	20	60	48	56	62	35	136	201	407
13	Income tax expense (benefit)	(15)	-	3	(5)	(3)	5	2	17	(16)	(5)	8	28
14	Common shareholders' reported net income (loss)	40	23	30	25	63	43	54	45	51	141	193	379

STATEMENTS OF OPERATIONS - Corporate Support⁽¹⁾

Revenue													
15	Gross premiums	9	14	16	15	15	16	11	15	12	60	54	54
16	Ceded premiums	(1)	-	-	1	(1)	1	(1)	-	-	-	-	(4)
17	Net premiums	8	14	16	16	14	17	10	15	12	60	54	50
18	Net investment income (loss)	(35)	18	13	9	(17)	21	43	75	14	23	153	190
19	Fee income	(73)	(70)	(70)	(67)	(69)	(71)	(65)	(68)	(70)	(276)	(274)	(274)
20	Total revenue	(100)	(38)	(41)	(42)	(72)	(33)	(12)	22	(44)	(193)	(67)	(34)
Policy benefits and expenses													
21	Gross claims & benefits paid	41	19	10	17	30	10	15	21	19	76	65	92
22	Change in insurance/investment contract liabilities, reinsurance assets & segregated funds	(34)	(10)	(2)	(3)	(48)	(21)	(6)	(9)	37	(63)	1	8
23	Operating expenses, commissions and premium taxes	13	68	18	11	142	66	33	27	27	239	153	162
24	Interest expense	1	(16)	(16)	(12)	(12)	(5)	(6)	(11)	(13)	(56)	(35)	(58)
25	Reinsurance expenses (recoveries)	(1)	5	(4)	2	(1)	-	(1)	-	-	2	(1)	(11)
26	Total policy benefits and expenses	20	66	6	15	111	50	35	28	70	198	183	193
27	Income (loss) before income taxes	(120)	(104)	(47)	(57)	(183)	(83)	(47)	(6)	(114)	(391)	(250)	(227)
28	Income tax expense (benefit)	(55)	(164)	(31)	(30)	(36)	(66)	(4)	80	(17)	(261)	(7)	(98)
29	Dividends on preferred shares and distributions on other equity instruments	18	32	23	23	23	24	22	24	24	101	94	95
30	Common shareholders' reported net income (loss)	(83)	28	(39)	(50)	(170)	(41)	(65)	(110)	(121)	(231)	(337)	(224)

⁽¹⁾Corporate Support's Statements of Operations include consolidation adjustments for net investment income, fee income, operating expenses, commissions and interest expense relating to activities that cross business groups.

INVESTMENTS		As at March 31, 2022				As at December 31, 2021				As at March 31, 2021			
		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
DEBT & EQUITY SECURITIES													
DEBT SECURITIES													
Debt Securities by Sector													
Debt Securities Issued or Guaranteed By:													
Canadian Federal Government	1	4,160	2,080	6,240	100 %	4,798	2,303	7,101	100 %	3,922	1,765	5,687	100 %
Canadian Provincial and Municipal Government	2	14,017	1,107	15,124	100 %	15,930	1,149	17,079	100 %	14,788	1,199	15,987	100 %
U.S. Government and Other U.S. Agency	3	1,310	755	2,065	100 %	1,642	771	2,413	100 %	1,450	860	2,310	100 %
Other Government	4	4,339	781	5,120	95 %	4,754	757	5,511	96 %	4,760	806	5,566	96 %
Total Government issued or guaranteed debt securities	5	23,826	4,723	28,549	99 %	27,124	4,980	32,104	99 %	24,920	4,630	29,550	99 %
Corporate Debt Securities by Industry Sector:													
Financials	6	9,397	1,870	11,267	99 %	10,258	1,690	11,948	99 %	9,996	1,261	11,257	99 %
Utilities	7	6,634	738	7,372	99 %	7,414	778	8,192	99 %	7,029	715	7,744	99 %
Consumer discretionary	8	1,613	392	2,005	92 %	1,814	306	2,120	91 %	1,540	179	1,719	90 %
Industrials	9	5,167	795	5,962	99 %	5,791	805	6,596	99 %	5,349	602	5,951	98 %
Consumer staples	10	1,825	235	2,060	97 %	2,047	231	2,278	97 %	1,804	168	1,972	97 %
Communication Services	11	3,304	381	3,685	99 %	3,534	352	3,886	99 %	3,305	334	3,639	99 %
Energy	12	3,596	282	3,878	96 %	3,992	287	4,279	95 %	4,112	303	4,415	95 %
Real Estate	13	2,049	527	2,576	97 %	2,334	354	2,688	97 %	2,266	311	2,577	97 %
Materials	14	1,218	174	1,392	99 %	1,361	156	1,517	92 %	1,387	142	1,529	92 %
Health Care	15	1,918	351	2,269	99 %	2,081	346	2,427	99 %	1,785	180	1,965	99 %
Information Technology	16	1,247	203	1,450	99 %	1,426	209	1,635	99 %	1,268	193	1,461	99 %
Total Corporate debt securities	17	37,968	5,948	43,916	98 %	42,052	5,514	47,566	98 %	39,841	4,388	44,229	98 %
Asset Backed Securities													
Government and agency	18	2,540	690	3,230	100 %	2,678	616	3,294	100 %	2,434	648	3,082	100 %
Other	19	3,864	1,644	5,508	99 %	4,144	1,619	5,763	99 %	3,976	1,457	5,433	99 %
Total asset backed securities	20	6,404	2,334	8,738	99 %	6,822	2,235	9,057	99 %	6,410	2,105	8,515	99 %
Total debt securities	21	68,198	13,005	81,203	99 %	75,998	12,729	88,727	99 %	71,171	11,123	82,294	98 %
Debt Securities by Investment Rating													
AAA	22	11,453	5,162	16,615		12,811	5,294	18,105		11,550	4,771	16,321	
AA	23	10,293	1,634	11,927		11,510	1,502	13,012		10,553	1,463	12,016	
A	24	26,692	3,462	30,154		29,984	3,282	33,266		27,930	2,542	30,472	
BBB	25	18,949	2,591	21,540		20,710	2,484	23,194		20,078	2,154	22,232	
BB and lower	26	811	156	967		983	167	1,150		1,060	193	1,253	
Total debt securities	27	68,198	13,005	81,203		75,998	12,729	88,727		71,171	11,123	82,294	
EQUITY SECURITIES													
Stocks													
Canada	28	3,269	21	3,290		3,301	62	3,363		3,211	15	3,226	
United States	29	1,862	923	2,785		2,010	1,405	3,415		1,270	245	1,515	
United Kingdom	30	155	5	160		186	6	192		170	6	176	
Other	31	1,967	87	2,054		2,041	102	2,143		2,223	127	2,350	
Total equity securities	32	7,253	1,036	8,289		7,538	1,575	9,113		6,874	393	7,267	

PROPERTIES, MORTGAGES & LOANS

As at March 31, 2022				As at December 31, 2021			As at March 31, 2021		
	Investment Property	Owner Occupied Property	Total	Investment Property	Owner Occupied Property	Total	Investment Property	Owner Occupied Property	Total
PROPERTIES									
Canada	7,719	55	7,774	7,382	53	7,435	6,260	51	6,311
United States	1,651	102	1,753	1,664	103	1,767	1,309	104	1,413
United Kingdom	61	-	61	63	-	63	66	-	66
Other	-	25	25	-	26	26	-	29	29
Total properties	9,431	182	9,613	9,109	182	9,291	7,635	184	7,819

MORTGAGES & LOANS

As at March 31, 2022				As at December 31, 2021			As at March 31, 2021		
	Insured	Non-Insured	Total	Insured	Non-Insured	Total	Insured	Non-Insured	Total
Retail	-	3,130	3,130	-	3,388	3,388	-	3,580	3,580
Office	-	3,351	3,351	-	3,531	3,531	-	3,356	3,356
Multi-family residential	3,902	1,624	5,526	3,870	1,857	5,727	3,622	1,935	5,557
Industrial and land	-	2,222	2,222	-	2,035	2,035	-	1,965	1,965
Other	344	517	861	348	456	804	379	304	683
Total mortgages	4,246	10,844	15,090	4,218	11,267	15,485	4,001	11,140	15,141
Corporate loans			36,642			36,207			34,869
Total mortgages & loans			51,732			51,692			50,010

Mortgage and Loans - Impairments/Allowances

	As at March 31, 2022			As at December 31, 2021			As at March 31, 2021		
	Impaired Loans Gross Carrying Value	Allowances for Losses		Impaired Loans Gross Carrying Value	Allowances for Losses		Impaired Loans Gross Carrying Value	Allowances for Losses	
	Value	Specific	Sectoral	Value	Specific	Sectoral	Value	Specific	Sectoral
Mortgages	91	61	19	92	61	19	92	46	19
Loans	140	83	-	71	52	-	78	48	-
Total mortgage and loan impairments/allowances	231	144	19	163	113	19	170	94	19

DERIVATIVES

	As at March 31, 2022		As at December 31, 2021		As at March 31, 2021	
	Total Notional Amount	Net Fair Value Amount	Total Notional Amount	Net Fair Value Amount	Total Notional Amount	Net Fair Value Amount
Interest rate contracts	27,378	(28)	27,977	576	28,184	71
Foreign exchange contracts	35,862	(367)	33,793	(491)	31,375	(642)
Equity and other contracts	4,267	34	4,196	106	4,121	73
Total derivatives	67,507	(361)	65,966	191	63,680	(498)
Over the counter	61,759	(354)	59,830	174	57,408	(498)
Exchange traded	5,748	(7)	6,136	17	6,272	-
Total	67,507	(361)	65,966	191	63,680	(498)

CONSOLIDATED SOURCES OF EARNINGS⁽¹⁾
(\$ millions)

		For the Quarter ended - Q1 2022							
		Canadian Dollars				U.S. Dollars			
		Canada	U.S.	Asset Management ⁽²⁾	Asia	Corporate	Total Company	U.S.	MFS ⁽²⁾
1	Expected profit on in-force business	320	136	428	151	(57)	978	107	299
2	Impact of new business	37	-	-	(22)	-	15	-	-
3	Experience gains (losses)	126	63	-	9	(35)	163	49	-
4	Assumption changes and management actions	(11)	11	-	1	-	1	9	-
5	Other ⁽³⁾	-	(6)	(19)	(1)	-	(26)	(5)	(2)
6	Earnings (loss) on operations (pre-tax)	472	204	409	138	(92)	1,131	160	297
7	Earnings on surplus	14	8	-	39	4	65	7	-
8	Earnings (loss) before income taxes	486	212	409	177	(88)	1,196	167	297
9	Income tax (expense) benefit	(223)	(43)	(92)	(16)	63	(311)	(34)	(69)
10	Earnings (loss) before preferred share dividends and non-controlling interest	263	169	317	161	(25)	885	133	228
11	Dividends on preferred shares and distributions on other equity instruments and non-controlling interest	-	-	(9)	-	(18)	(27)	-	-
12	Common shareholders' reported net income (loss)	263	169	308	161	(43)	858	133	228
Underlying net income adjustments (post tax) ⁽⁴⁾ :									
13	Market related impacts	(26)	47	-	9	8	38	37	-
14	Assumption changes and management actions	(9)	9	-	1	-	1	7	-
Other adjustments:									
15	Fair value adjustments on share-based payment awards at MFS	-	-	(3)	-	-	(3)	-	(2)
16	Acquisition, integration and restructuring	-	(5)	(15)	(1)	-	(21)	(4)	-
17		(35)	51	(18)	9	8	15	40	(2)
18	Common shareholders' underlying net income (loss)⁽⁴⁾	298	118	326	152	(51)	843	93	230

CONSOLIDATED SOURCES OF EARNINGS⁽¹⁾
(\$ millions)

		For the Quarter ended - Q1 2021							
		Canadian Dollars				U.S. Dollars			
		Canada	U.S.	Asset Management ⁽²⁾	Asia	Corporate	Total Company	U.S.	MFS ⁽²⁾
19	Expected profit on in-force business	298	115	374	152	(43)	896	91	288
20	Impact of new business	21	-	-	(7)	-	14	-	-
21	Experience gains (losses)	294	148	-	13	(30)	425	118	-
22	Assumption changes and management actions	(6)	(5)	-	3	2	(6)	(4)	-
23	Other ⁽³⁾	-	-	(66)	-	(78)	(144)	-	(36)
24	Earnings (loss) on operations (pre-tax)	607	258	308	161	(149)	1,185	205	252
25	Earnings on surplus	25	8	-	45	30	108	6	-
26	Earnings (loss) before income taxes	632	266	308	206	(119)	1,293	211	252
27	Income tax (expense) benefit	(227)	(55)	(80)	(8)	35	(335)	(44)	(66)
28	Earnings (loss) before preferred share dividends and non-controlling interest	405	211	228	198	(84)	958	167	186
29	Dividends on preferred shares and distributions on other equity instruments and non-controlling interest	-	-	2	-	(23)	(21)	-	-
30	Common shareholders' reported net income (loss)	405	211	230	198	(107)	937	167	186
Underlying net income adjustments (post tax) ⁽⁴⁾ :									
31	Market related impacts	124	44	-	36	5	209	34	-
32	Assumption changes and management actions	(4)	(4)	-	3	1	(4)	(3)	-
Other adjustments:									
33	Fair value adjustments on share-based payment awards at MFS	-	-	(44)	-	-	(44)	-	(35)
34	Acquisition, integration and restructuring	-	-	(17)	-	(57)	(74)	-	-
35		120	40	(61)	39	(51)	87	31	(35)
36	Common shareholders' underlying net income (loss)⁽⁴⁾	285	171	291	159	(56)	850	136	221

⁽¹⁾ Sources of earnings are prepared in accordance with the OSFI Guideline D-9, *Sources of Earnings Disclosures*. For an explanation of the SOE components, see Section M. Non-IFRS Financial Measures, 2. Additional Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

⁽²⁾ Effective January 1, 2022, there was a change in presentation of our proportional ownership in MFS by reporting our portion of MFS' net income components and the fair value adjustments on share-based payments. We have updated prior periods to reflect this change in presentation.

⁽³⁾ Represents pre-tax adjustments related to MFS fair value adjustments on share-based payment awards, acquisition, integration and restructuring amounts, and other items that are unusual or exceptional in nature.

⁽⁴⁾ Underlying net income is a non-IFRS financial measure. Refer to Net Income Reconciliations - Pre-Tax and Post-Tax on pages 31 to 34 of this document for the pre-tax adjustments to underlying net income as well as Section L. Non-IFRS Financial Measures, i. Underlying Net Income and Underlying EPS and iii. Reconciliations of Select Non-IFRS Financial Measures of the Company's Annual 2021 MD&A and Section M. Non-IFRS Measures, 1. Underlying Net Income and Underlying EPS and 3. Reconciliations of Select Non-IFRS Financial Measures of the Company's Q1 2022 MD&A.

EXPENSES

(C\$ millions)

For the Quarter Ended										For the Year Ended		
Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	

OPERATING EXPENSES, COMMISSIONS AND OTHER EXPENSES

Operating expenses	1,997	2,441	2,016	2,036	2,086	2,090	1,807	1,771	1,733	8,579	7,401	7,033
Commissions	693	734	672	741	662	707	638	619	648	2,809	2,612	2,417
Premium taxes	114	115	112	109	93	102	106	112	108	429	428	406
Interest expense	98	82	81	84	80	89	86	90	90	327	355	333
Total	2,902	3,372	2,881	2,970	2,921	2,988	2,637	2,592	2,579	12,144	10,796	10,189

OPERATING EXPENSES BY BUSINESS GROUP

Operating expenses excluding FV adjustments on MFS share-based payment awards and acquisition, integration and restructuring costs:

Canada	597	646	578	583	564	584	512	520	530	2,371	2,146	2,122
U.S.	251	247	233	237	228	248	230	232	246	945	956	926
Asset Management	829	835	845	829	798	757	701	698	672	3,307	2,828	2,579
Asia	256	296	249	273	259	315	251	228	229	1,077	1,023	946
Corporate ⁽¹⁾	38	114	43	47	92	75	61	54	20	296	210	244
Total	1,971	2,138	1,948	1,969	1,941	1,979	1,755	1,732	1,697	7,996	7,163	6,817
Gross FV adjustments on MFS share-based payment awards ⁽²⁾	19	70	65	71	63	66	49	37	-	269	152	122
Acquisition, integration and restructuring costs by Business Group:												
Canada	-	3	-	-	-	-	-	-	-	3	-	(3)
U.S.	6	10	2	2	-	1	2	1	2	14	6	26
Asset Management	-	203	1	2	4	9	1	1	(3)	210	8	34
Asia	1	17	-	-	-	8	-	-	-	17	8	2
Corporate	-	-	-	(8)	78	27	-	-	37	70	64	35
Total acquisition, integration and restructuring costs	7	233	3	(4)	82	45	3	2	36	314	86	94
Total operating expenses	1,997	2,441	2,016	2,036	2,086	2,090	1,807	1,771	1,733	8,579	7,401	7,033

COMMISSIONS BY BUSINESS GROUP

Canada	283	301	270	273	259	259	238	226	244	1,103	967	945
U.S.	125	126	118	114	118	122	112	116	117	476	467	440
Asset Management	170	186	188	177	175	174	171	155	163	726	663	623
Asia	115	121	97	178	111	151	118	122	126	507	517	413
Corporate ⁽³⁾	-	-	(1)	(1)	(1)	1	(1)	-	(2)	(3)	(2)	(4)
Total commissions	693	734	672	741	662	707	638	619	648	2,809	2,612	2,417

INTEREST EXPENSE

Subordinated debt	46	40	33	33	34	36	35	32	29	140	132	106
Liabilities for SLEECs	4	4	4	4	4	4	4	4	4	16	16	44
Interest on senior unsecured debentures/financing	1	-	3	4	4	3	9	17	16	11	45	89
Other ⁽⁴⁾	47	38	41	43	38	46	38	37	41	160	162	94
Total interest expense	98	82	81	84	80	89	86	90	90	327	355	333

⁽¹⁾ Corporate includes consolidation adjustments for operating expenses relating to activities that cross business groups.

⁽²⁾ Represent the operating expenses related to fair value adjustments on share-based payment awards at MFS before tax and net income attributable to management's ownership of MFS.

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

⁽⁴⁾ Other primarily represents interest on put option liabilities associated with SLC Management's affiliates and interest on liabilities connected to consolidated special purpose entities, interest on leases, interest on real estate encumbrances and interest on income taxes.

FINANCIAL STRENGTH AND CAPITAL ADEQUACY

For the period ended March 31, 2022

	<u>A.M. Best</u>	<u>Moody's</u>	<u>Standard & Poor's</u>	<u>DBRS</u>
SUN LIFE ASSURANCE COMPANY OF CANADA				
FINANCIAL STRENGTH RATINGS	A+	Aa3	AA	AA
SECURITY RATINGS				
Subordinated Debt	a+	A2	AA-	AA (low)
Sun Life Exchangeable Capital Securities Series B	a	A3(hyb)	P-1/A+	A (high)
	<u>A.M. Best</u>	<u>Moody's</u>	<u>Standard & Poor's</u>	<u>DBRS</u>
SUN LIFE FINANCIAL INC.				
SECURITY RATINGS				
Subordinated Debt (Series 2007-1, 2016-2, 2017-1, 2019-1, 2020-1, 2020-2, 2021-1, 2021-2 and 2021-3)	a-	not rated	A	A
Class A Preferred Shares (Series 3-5, 8R, 9QR, 10R and 11QR)	bbb+	not rated	P-1 (low)/A-	Pfd-2 (high)
Limited Recourse Capital Notes (Series 2021-1)	not rated	not rated	A-	A (low)

General Information

Canada	U.S.	Asset Management	Asia	Corporate
<p>Our Canada business segment is a leading provider of protection, health, asset management and wealth solutions, providing products and services that deliver value to over 6.6 million Clients. We are the largest provider of benefits and pensions in the workplace, and offer a wide range of products to individuals via retail channels. We are focused on helping Canadians achieve lifetime financial security and live healthier lives. Canada has three business units - Individual Insurance & Wealth, Sun Life Health 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 approximately 90,000 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 manager 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 a global institutional asset manager with capabilities across public and private credit, fixed income, real estate and infrastructure.</p>	<p>Our Asia presence provides us with a strong footprint to take advantage of the high growth prospects in the region. We operate in eight Asian markets, delivering value to over 21 million Clients. Local Markets provides asset management, wealth, protection and health solutions through a multi-channel distribution approach. International Hubs offers leading insurance and wealth products through agency and broker distribution, including life insurance solutions, to High Net Worth families and individuals. Asia has two business units - Local Markets and International Hubs.</p>	<p>Corporate includes the results of our UK business and Corporate Support. UK has a run-off block of business consisting of approximately 471,000 in-force life and pension policies, with approximately £10 billion of AUM. Since December 2010, UK has been closed to new business and focuses on supporting existing Clients. Most administrative functions have been outsourced to external service providers which are managed by an in-house management team. Corporate Support operations consist of the certain expenses, debt charges, investment income, capital and other items, which pertain to monitoring and oversight of enterprise activities and Corporate treasury functions, which are not allocated to business segments. Corporate Support also includes our 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 & Wealth</u> Individual life and health insurance Individual savings products Mutual funds</p> <p><u>Sun Life Health</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 Pension business 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 Real estate and infrastructure solutions Alternative credit solutions</p>	<p><u>Local Markets</u> Philippines Indonesia India China Malaysia Vietnam</p> <p><u>International Hubs</u> Hong Kong International Singapore</p>	<p><u>UK</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>

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX

(C\$ millions, unless otherwise indicated)

	For the Quarter Ended									For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
Total Company Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	1	858	1,078	1,019	900	937	744	750	519	391	3,934	2,404	2,618
Market related impacts: (pre-tax)													
Net equity market impact	2	(3)	140	37	136	98	141	65	84	(483)	411	(193)	174
Net interest rate impact	3	120	(88)	31	(80)	289	(188)	(68)	(465)	333	152	(388)	(527)
Net increases (decreases) in the fair value of real estate	4	76	101	163	29	(7)	(18)	(46)	(55)	(16)	286	(135)	(30)
Total market related impacts (pre-tax)	5	193	153	231	85	380	(65)	(49)	(436)	(166)	849	(716)	(383)
Assumption changes and management actions (ACMA) (pre-tax)	6	1	(23)	93	2	(6)	(60)	(91)	3	(66)	66	(214)	(127)
Other adjustments:													
Fair value adjustments on share-based payment awards at MFS (pre-tax) ⁽¹⁾	7	(2)	(48)	(43)	(51)	(46)	(47)	(31)	(22)	13	(188)	(87)	(60)
Acquisition, integration and restructuring (pre-tax) ⁽²⁾	8	(24)	115	(21)	(13)	(98)	(62)	(16)	(15)	(49)	(17)	(142)	(110)
Other (pre-tax) ⁽³⁾	9	-	-	(115)	-	-	-	5	-	(1)	(115)	4	(5)
Total underlying net income adjustments (pre-tax)	10	168	197	145	23	230	(234)	(182)	(470)	(269)	595	(1,155)	(685)
Tax expense (benefit) related to underlying net income adjustments ⁽¹⁾⁽⁴⁾	11	(153)	(17)	(28)	(6)	(143)	116	90	250	(110)	(194)	346	246
Common shareholders' underlying net income (loss) (post-tax)	12	843	898	902	883	850	862	842	739	770	3,533	3,213	3,057
Total Company Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	13	858	1,078	1,019	900	937	744	750	519	391	3,934	2,404	2,618
Market related impacts: (post-tax)													
Net equity market impact	14	(2)	107	24	99	72	108	50	59	(360)	302	(143)	127
Net interest rate impact	15	(30)	(36)	2	(36)	141	(74)	(14)	(205)	79	71	(214)	(348)
Net increases (decreases) in the fair value of real estate	16	70	85	145	28	(4)	(14)	(37)	(41)	(12)	254	(104)	(16)
Total market related impacts (post-tax)	17	38	156	171	91	209	20	(1)	(187)	(293)	627	(461)	(237)
Assumption changes and management actions (ACMA) (post-tax)	18	1	(19)	95	2	(4)	(42)	(53)	5	(53)	74	(143)	(46)
Other adjustments:													
Fair value adjustments on share-based payment awards at MFS (post-tax)	19	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(24)	10	(186)	(92)	(64)
Acquisition, integration and restructuring (post-tax) ⁽²⁾	20	(21)	90	(21)	(13)	(74)	(50)	(11)	(14)	(42)	(18)	(117)	(87)
Other (post-tax) ⁽³⁾⁽⁴⁾	21	-	-	(85)	(11)	-	-	5	-	(1)	(96)	4	(5)
Total underlying net income adjustments (post-tax)	22	15	180	117	17	87	(118)	(92)	(220)	(379)	401	(809)	(439)
Common shareholders' underlying net income (loss) (post-tax)	23	843	898	902	883	850	862	842	739	770	3,533	3,213	3,057
Canada Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	24	263	356	393	404	405	255	387	117	(42)	1,558	717	883
Market related impacts (pre-tax)	25	123	71	204	106	288	(75)	(14)	(415)	(152)	669	(656)	(255)
Assumption changes and management actions (ACMA) (pre-tax)	26	(11)	2	56	-	(6)	(4)	81	(5)	(29)	52	43	(24)
Other (pre-tax) ⁽³⁾	27	-	-	(115)	-	-	-	5	-	(1)	(115)	4	(5)
Acquisition, integration and restructuring (pre-tax)	28	-	(3)	-	-	-	-	-	-	-	(3)	-	5
Total underlying net income adjustments (pre-tax)	29	112	70	145	106	282	(79)	72	(420)	(182)	603	(609)	(279)
Tax expense (benefit) related to underlying net income adjustments	30	(147)	20	(42)	8	(162)	91	22	256	(116)	(176)	253	150
Common shareholders' underlying net income (loss) (post-tax)	31	298	266	290	290	285	243	293	281	256	1,131	1,073	1,012
Canada Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	32	263	356	393	404	405	255	387	117	(42)	1,558	717	883
Market related impacts (post-tax)	33	(26)	90	146	114	124	15	29	(161)	(275)	474	(392)	(111)
Assumption changes and management actions (ACMA) (post-tax)	34	(9)	2	42	-	(4)	(3)	60	(3)	(22)	40	32	(17)
Other (post-tax) ⁽³⁾	35	-	-	(85)	-	-	-	5	-	(1)	(85)	4	(5)
Acquisition, integration and restructuring (post-tax)	36	-	(2)	-	-	-	-	-	-	-	(2)	-	4
Total underlying net income adjustments (post-tax)	37	(35)	90	103	114	120	12	94	(164)	(298)	427	(356)	(129)
Common shareholders' underlying net income (loss) (post-tax)	38	298	266	290	290	285	243	293	281	256	1,131	1,073	1,012

⁽¹⁾ Effective January 1, 2022, there was a change in presentation of our proportional ownership in MFS by reporting our portion of MFS' net income components and the fair value adjustments on share-based payments. We have updated prior periods to reflect this change in presentation.

⁽²⁾ In Q4 2021, amounts include the \$362 million pre-tax or \$297 million post-tax realized gains on the IPO of our India asset management joint venture, Aditya Birla Sun Life Asset Management Company Limited, and the changes in estimated future payments for acquisition-related contingent considerations and options to purchase remaining ownership interests of SLC Management affiliates in the amount of \$187 million pre-tax or \$153 million post-tax.

⁽³⁾ In Q3 2021, there was an adjustment of investment income and expense allocations between participating policyholders and shareholders in Canada for prior years ("par allocation adjustment").

⁽⁴⁾ On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, reported net income decreased by \$11 million in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX CONTINUED

(C\$ millions, unless otherwise indicated)

	For the Quarter Ended								For the Year Ended				
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
U.S. Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	1	169	85	46	157	211	88	(113)	118	164	499	257	163
Market related impacts (pre-tax)	2	60	51	18	(7)	55	2	(22)	(5)	35	117	10	(71)
Assumption changes and management actions (ACMA) (pre-tax)	3	11	(23)	(98)	-	(5)	(76)	(292)	-	(29)	(126)	(397)	(369)
Acquisition, integration and restructuring (pre-tax)	4	(6)	(10)	(2)	(2)	-	(1)	(2)	(1)	(2)	(14)	(6)	(26)
Total underlying net income adjustments (pre-tax)	5	65	18	(82)	(9)	50	(75)	(316)	(6)	4	(23)	(393)	(466)
Tax expense (benefit) related to underlying net income adjustments	6	(14)	(5)	18	1	(10)	15	67	1	(1)	4	82	97
Common shareholders' underlying net income (loss) (post-tax)	7	118	72	110	165	171	148	136	123	161	518	568	532
U.S. Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	8	169	85	46	157	211	88	(113)	118	164	499	257	163
Market related impacts (post-tax)	9	47	40	15	(6)	44	2	(18)	(4)	28	93	8	(58)
Assumption changes and management actions (ACMA) (post-tax)	10	9	(19)	(78)	-	(4)	(60)	(230)	-	(23)	(101)	(313)	(291)
Acquisition, integration and restructuring (post-tax)	11	(5)	(8)	(1)	(2)	-	(2)	(1)	(1)	(2)	(11)	(6)	(20)
Total underlying net income adjustments (post-tax)	12	51	13	(64)	(8)	40	(60)	(249)	(5)	3	(19)	(311)	(369)
Common shareholders' underlying net income (loss) (post-tax)	13	118	72	110	165	171	148	136	123	161	518	568	532
Asset Management Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	14	308	140	301	221	230	267	251	223	239	892	980	897
Fair value adjustments on share-based payment awards at MFS (pre-tax) ⁽¹⁾	15	(2)	(48)	(43)	(51)	(46)	(47)	(31)	(22)	13	(188)	(87)	(60)
Acquisition, integration and restructuring (pre-tax) ⁽²⁾	16	(17)	(225)	(18)	(19)	(20)	(26)	(14)	(14)	(10)	(282)	(64)	(52)
Total underlying net income adjustments (pre-tax)	17	(19)	(273)	(61)	(70)	(66)	(73)	(45)	(36)	3	(470)	(151)	(112)
Tax expense (benefit) related to underlying net income adjustments ⁽¹⁾⁽³⁾	18	1	31	-	(20)	5	7	2	-	(6)	16	3	5
Common shareholders' underlying net income (loss) (post-tax)	19	326	382	362	311	291	333	294	259	242	1,346	1,128	1,004
Asset Management Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	20	308	140	301	221	230	267	251	223	239	892	980	897
Fair value adjustments on share-based payment awards at MFS (post-tax)	21	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(24)	10	(186)	(92)	(64)
Acquisition, integration and restructuring (post-tax) ⁽²⁾	22	(15)	(195)	(18)	(17)	(17)	(20)	(11)	(12)	(13)	(247)	(56)	(43)
Other (post-tax) ⁽³⁾	23	-	-	-	(21)	-	-	-	-	-	(21)	-	-
Total underlying net income adjustments (post-tax)	24	(18)	(242)	(61)	(90)	(61)	(66)	(43)	(36)	(3)	(454)	(148)	(107)
Common shareholders' underlying net income (loss) (post-tax)	25	326	382	362	311	291	333	294	259	242	1,346	1,128	1,004
MFS Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	26	289	295	284	234	236	253	244	205	240	1,049	942	909
Fair value adjustments on share-based payment awards at MFS (pre-tax) ⁽¹⁾	27	(2)	(48)	(43)	(51)	(46)	(47)	(31)	(22)	13	(188)	(87)	(60)
Tax expense (benefit) related to underlying net income adjustments ⁽¹⁾	28	(1)	1	-	(1)	2	1	(1)	(2)	(3)	2	(5)	(4)
Common shareholders' underlying net income (loss) (post-tax)	29	292	342	327	286	280	299	276	229	230	1,235	1,034	973
MFS Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	30	289	295	284	234	236	253	244	205	240	1,049	942	909
Fair value adjustments on share-based payment awards at MFS (post-tax)	31	(3)	(47)	(43)	(52)	(44)	(46)	(32)	(24)	10	(186)	(92)	(64)
Common shareholders' underlying net income (loss) (post-tax)	32	292	342	327	286	280	299	276	229	230	1,235	1,034	973
SLC Management Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	33	19	(155)	17	(13)	(6)	14	7	18	(1)	(157)	38	(12)
Acquisition, integration and restructuring (pre-tax) ⁽²⁾	34	(17)	(225)	(18)	(19)	(20)	(26)	(14)	(14)	(10)	(282)	(64)	(52)
Tax expense (benefit) related to underlying net income adjustments ⁽³⁾	35	2	30	-	(19)	3	6	3	2	(3)	14	8	9
Common shareholders' underlying net income (loss) (post-tax)	36	34	40	35	25	11	34	18	30	12	111	94	31
SLC Management Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	37	19	(155)	17	(13)	(6)	14	7	18	(1)	(157)	38	(12)
Acquisition, integration and restructuring (post-tax) ⁽²⁾	38	(15)	(195)	(18)	(17)	(17)	(20)	(11)	(12)	(13)	(247)	(56)	(43)
Other (post-tax) ⁽³⁾	39	-	-	-	(21)	-	-	-	-	-	(21)	-	-
Total underlying net income adjustments (post-tax)	40	(15)	(195)	(18)	(38)	(17)	(20)	(11)	(12)	(13)	(268)	(56)	(43)
Common shareholders' underlying net income (loss) (post-tax)	41	34	40	35	25	11	34	18	30	12	111	94	31

⁽¹⁾ Effective January 1, 2022, there was a change in presentation of our proportional ownership in MFS by reporting our portion of MFS' net income components and the fair value adjustments on share-based payments. We have updated prior periods to reflect this change in presentation.

⁽²⁾ In Q4 2021, amounts include the changes in estimated future payments for acquisition-related contingent considerations and options to purchase remaining ownership interests of SLC Management affiliates in the amount of \$187 million pre-tax or \$153 million post-tax.

⁽³⁾ On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, SLC Management's reported net income decreased by \$21 million on the remeasurement of deferred tax liabilities in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX CONTINUED

(C\$ millions, unless otherwise indicated)

	For the Quarter Ended								For the Year Ended				
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
Asia Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	1	161	446	288	143	198	132	236	126	100	1,075	594	520
Market related impacts (pre-tax)	2	9	29	13	(11)	36	3	(9)	(24)	(47)	67	(77)	(63)
Assumption changes and management actions (ACMA) (pre-tax)	3	1	(2)	132	2	3	21	80	7	(9)	135	99	37
Acquisition, integration and restructuring (pre-tax) ⁽¹⁾	4	(1)	353	(1)	-	-	(8)	-	-	-	352	(8)	(2)
Total underlying net income adjustments (pre-tax)	5	9	380	144	(9)	39	16	71	(17)	(56)	554	14	(28)
Tax expense (benefit) related to underlying net income adjustments	6	-	(64)	(1)	-	-	-	1	(1)	1	(65)	1	(2)
Common shareholders' underlying net income (loss) (post-tax)	7	152	130	145	152	159	116	164	144	155	586	579	550
Asia Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	8	161	446	288	143	198	132	236	126	100	1,075	594	520
Market related impacts (post-tax)	9	9	23	13	(11)	36	3	(9)	(24)	(47)	61	(77)	(66)
Assumption changes and management actions (ACMA) (post-tax)	10	1	(2)	132	2	3	21	80	7	(9)	135	99	37
Acquisition, integration and restructuring (post-tax) ⁽¹⁾	11	(1)	295	(2)	-	-	(8)	1	(1)	1	293	(7)	(1)
Total underlying net income adjustments (post-tax)	12	9	316	143	(9)	39	16	72	(18)	(55)	489	15	(30)
Common shareholders' underlying net income (loss) (post-tax)	13	152	130	145	152	159	116	164	144	155	586	579	550
Corporate Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	14	(43)	51	(9)	(25)	(107)	2	(11)	(65)	(70)	(90)	(144)	155
Market related impacts (pre-tax)	15	1	2	(4)	(3)	1	5	(4)	8	(2)	(4)	7	6
Assumption changes and management actions (ACMA) (pre-tax)	16	-	-	3	-	2	(1)	40	1	1	5	41	229
Acquisition, integration and restructuring (pre-tax)	17	-	-	-	8	(78)	(27)	-	-	(37)	(70)	(64)	(35)
Total underlying net income adjustments (pre-tax)	18	1	2	(1)	5	(75)	(23)	36	9	(38)	(69)	(16)	200
Tax expense (benefit) related to underlying net income adjustments ⁽²⁾	19	7	1	(3)	5	24	3	(2)	(6)	12	27	7	(4)
Common shareholders' underlying net income (loss) (post-tax)	20	(51)	48	(5)	(35)	(56)	22	(45)	(68)	(44)	(48)	(135)	(41)
Corporate Post-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	21	(43)	51	(9)	(25)	(107)	2	(11)	(65)	(70)	(90)	(144)	155
Market related impacts (post-tax)	22	8	3	(3)	(6)	5	-	(3)	2	1	(1)	-	(2)
Assumption changes and management actions (ACMA) (post-tax)	23	-	-	(1)	-	1	-	37	1	1	-	39	225
Acquisition, integration and restructuring (post-tax)	24	-	-	-	6	(57)	(20)	-	-	(28)	(51)	(48)	(27)
Other (post-tax) ⁽²⁾	25	-	-	-	10	-	-	-	-	-	10	-	-
Total underlying net income adjustments (post-tax)	26	8	3	(4)	10	(51)	(20)	34	3	(26)	(42)	(9)	196
Common shareholders' underlying net income (loss) (post-tax)	27	(51)	48	(5)	(35)	(56)	22	(45)	(68)	(44)	(48)	(135)	(41)

⁽¹⁾ In Q4 2021, amounts include the \$362 million pre-tax or \$297 million post-tax realized gains on the IPO of our India asset management joint venture, Aditya Birla Sun Life Asset Management Company Limited.

⁽²⁾ On June 10, 2021, the UK Finance Act was signed into law, increasing the corporate tax rate from 19% to 25%, which will take effect for future tax periods beginning April 1, 2023 ("UK Tax Rate Change"). As a result, UK's reported net income increased by \$10 million on the remeasurement of deferred tax assets in Q2 2021. Refer to section C - Profitability - 5 - Income taxes in the Q2 2021 MD&A for additional details.

NET INCOME RECONCILIATIONS - PRE-TAX and POST-TAX CONTINUED

(US\$ millions, unless otherwise indicated)

	For the Quarter Ended									For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
U.S. Pre-Tax Adjustments													
Common shareholders' reported net income (loss) (post-tax)	1	133	68	37	127	167	66	(85)	86	124	399	191	122
Market related impacts (pre-tax)	2	47	42	15	(6)	43	1	(17)	(4)	27	94	7	(50)
Assumption changes and management actions (ACMA) (pre-tax)	3	9	(19)	(78)	-	(4)	(58)	(219)	-	(22)	(101)	(299)	(279)
Acquisition, integration and restructuring (pre-tax)	4	(5)	(8)	(1)	(2)	-	(1)	(1)	(1)	(1)	(11)	(4)	(21)
Total underlying net income adjustments (pre-tax)	5	51	15	(64)	(8)	39	(58)	(237)	(5)	4	(18)	(296)	(350)
Tax expense (benefit) related to underlying net income adjustments	6	(11)	(3)	13	2	(8)	12	50	1	(1)	4	62	73
Common shareholders' underlying net income (loss) (post-tax)	7	93	56	88	133	136	112	102	90	121	413	425	399

U.S. Post-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	8	133	68	37	127	167	66	(85)	86	124	399	191	122
Market related impacts (post-tax)	9	37	33	12	(5)	34	1	(13)	(3)	21	74	6	(40)
Assumption changes and management actions (ACMA) (post-tax)	10	7	(15)	(62)	-	(3)	(46)	(173)	-	(17)	(80)	(236)	(221)
Acquisition, integration and restructuring (post-tax)	11	(4)	(6)	(1)	(1)	-	(1)	(1)	(1)	(1)	(8)	(4)	(16)
Total underlying net income adjustments (post-tax)	12	40	12	(51)	(6)	31	(46)	(187)	(4)	3	(14)	(234)	(277)
Common shareholders' underlying net income (loss) (post-tax)	13	93	56	88	133	136	112	102	90	121	413	425	399

MFS Pre-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	14	228	234	225	191	186	194	183	147	180	836	704	685
Fair value adjustments on share-based payment awards at MFS (pre-tax) ⁽¹⁾	15	(1)	(39)	(34)	(41)	(36)	(37)	(24)	(16)	10	(150)	(67)	(46)
Tax expense (benefit) related to underlying net income adjustments ⁽¹⁾	16	(1)	1	-	(1)	1	1	-	(2)	(2)	1	(3)	(2)
Common shareholders' underlying net income (loss) (post-tax)	17	230	272	259	233	221	230	207	165	172	985	774	733

MFS Post-Tax Adjustments

Common shareholders' reported net income (loss) (post-tax)	18	228	234	225	191	186	194	183	147	180	836	704	685
Fair value adjustments on share-based payment awards at MFS (post-tax)	19	(2)	(38)	(34)	(42)	(35)	(36)	(24)	(18)	8	(149)	(70)	(48)
Common shareholders' underlying net income (loss) (post-tax)	20	230	272	259	233	221	230	207	165	172	985	774	733

	At and For the Quarter Ended												At and For the Year Ended			
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019	2021	2020	2019	
U.S. Group Benefits Reported Net Income to Underlying Net Income																
Common shareholders' reported net income (loss) (post-tax)	21	61	9	50	100	88	76	97	80	78	64	(4)	41	247	331	187
Market related impacts (pre-tax)	22	2	8	4	2	3	1	1	6	1	(1)	1	(1)	17	9	1
Assumption changes and management actions (pre-tax)	23	-	-	(1)	-	(3)	(6)	24	0	(1)	(2)	(86)	-	(4)	17	(91)
Other (pre-tax)	24	(1)	(1)	(2)	(1)	-	(1)	(1)	(1)	(1)	(3)	(4)	(6)	(4)	(4)	(20)
Tax expense (benefit) related to underlying net income	25	-	(1)	(1)	-	-	1	(5)	(1)	-	1	18	1	(2)	(5)	23
Common shareholders' underlying net income (loss) (post-tax)	26	60	3	50	99	88	81	78	76	79	69	67	47	240	314	274

⁽¹⁾ Effective January 1, 2022, there was a change in presentation of our proportional ownership in MFS by reporting our portion of MFS' net income components and the fair value adjustments on share-based payments. We have updated prior periods to reflect this change in presentation.

SLC MANAGEMENT REPORTED NET INCOME RECONCILIATION TO THE SUPPLEMENTARY INCOME STATEMENT

(C\$ millions), unless otherwise noted

	At and For the Quarter Ended								At and For the Year Ended				
	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	2021	2020	2019	
STATEMENTS OF OPERATIONS													
Net investment income (loss)													
Investment income (loss) and performance fees - net investment income (loss)	1	8	3	17	2	(2)	7	(21)	1	1	20	(12)	3
Other - Investment income (loss) ⁽¹⁾	2	2	(4)	-	3	-	-	-	1	(1)	(1)	-	4
Total net investment income (loss)	3	10	(1)	17	5	(2)	7	(21)	2	-	19	(12)	7
Fee Income													
Management fees	4	201	204	195	182	174	143	123	86	88	755	440	272
Property management, transaction, advisory and other fees	5	25	37	28	30	18	45	26	23	28	113	122	88
Interest and other - fee income	6	50	41	41	40	42	40	41	40	44	164	165	-
Investment income (loss) and performance fees - fee income	7	3	11	-	-	1	1	6	19	-	12	26	4
Other - fee income ⁽²⁾	8	15	7	14	17	17	16	16	14	17	55	63	64
Total fee income	9	294	300	278	269	252	245	212	182	177	1,099	816	428
Expenses													
Compensation- fee-related	10	128	127	118	110	112	97	79	57	61	467	294	205
Other operating expenses	11	44	54	53	56	41	35	28	22	23	204	108	85
Interest and other	12	56	51	48	44	55	49	43	46	51	198	189	24
Placement fees - other	13	-	-	15	6	6	-	-	-	-	27	-	-
Amortization of intangibles	14	10	10	11	9	10	6	7	5	5	40	23	12
Acquisition, integration and restructuring	15	17	225	18	19	20	26	14	14	10	282	64	52
Other - expenses ⁽¹⁾⁽²⁾	16	17	3	14	18	18	17	15	14	15	53	61	67
Total expenses	17	272	470	277	262	262	230	186	158	165	1,271	739	445
Income (loss) before income taxes	18	32	(171)	18	12	(12)	22	5	26	12	(153)	65	(10)
Income tax expense (benefit)	19	4	(21)	4	25	(4)	5	-	4	7	4	16	(2)
Non-controlling interest	20	9	5	(3)	-	(2)	3	(2)	4	6	-	11	4
Common shareholders' reported net income (loss)	21	19	(155)	17	(13)	(6)	14	7	18	(1)	(157)	38	(12)

⁽¹⁾ The gains or losses of certain hedges are reported under Investment income or loss under IFRS, whereas we present these under Acquisition, integration and restructuring given the only investment income or loss reflected under Investment income (loss) and performance fees in the Supplemental Financial Information report is related to our seed investments.

⁽²⁾ We have reclassified the income and related expenses for certain property management agreements to Compensation – fee-related to provide more accurate metrics on our fee-related business.

Non-IFRS Financial Measures Glossary

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. The ROE provides an indication of the overall profitability of the Company. 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. The ratio is an indicator of the Company's capital adequacy measured by its proportion of capital qualifying debt in accordance with OSFI guidelines;
- (3) Dividend payout ratio. This is the ratio of dividends paid per share to diluted reported and underlying EPS, respectively, for the period and is utilized during the capital budgeting process to ensure that we are able to achieve our payout targets after factoring in our planned capital initiatives. We target an underlying dividend payout ratio of between 40% and 50% based on underlying EPS. For more information, see Section I. Capital and Liquidity Management of the Company's Annual 2021 MD&A;
- (4) Sales and gross flows. In Canada, insurance sales consist of sales of individual insurance and Sun Life Health products; wealth sales consist of sales of individual wealth products and sales in Group Retirement Services. In the U.S., insurance sales consist of sales by Group Benefits. In Asia, insurance sales consist of the individual and group insurance sales by our subsidiaries and joint ventures and associates, based on our proportionate equity interest, in the Philippines, Indonesia, India, China, Malaysia, Vietnam, International, Hong Kong and Singapore; wealth sales consist of Hong Kong managed funds sales, the Philippines mutual and managed funds sales, wealth sales by our India and China insurance joint ventures and associates, and Aditya Birla Sun Life Asset Management Company Limited equity and fixed income mutual funds sales based on our proportionate equity interest, including sales as reported by our bank distribution partners. Asset Management gross flows include funds from retail and institutional Clients; SLC Management gross flows include capital raising, such as uncalled capital commitments and fund leverage. There is no directly comparable IFRS measure;
- (5) 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 Life Insurance Capital Adequacy Test (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;
- (6) Pre-tax net operating margin. This ratio is a measure of profitability. For MFS, this ratio is calculated by excluding the impact of fair value adjustments on MFS' 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 margin and have no impact on the profitability of MFS. For SLC Management, the ratio is calculated by dividing the total operating income by fee-related revenue plus investment income (loss) and performance fees, and is based on the last twelve months. There is no directly comparable IFRS measure;
- (7) Pre-tax gross operating margin for MFS. This ratio excludes the impact of fair value adjustments on MFS' share-based payment awards and investment income. There is no directly comparable IFRS measure;
- (8) Pre-tax fee related earnings margin. This ratio is a measure of SLC Management's profitability in relation to funds that earn recurring fee revenues, while excluding investment income and performance fees. The ratio is calculated by dividing fee-related earnings by fee-related revenues and is based on the last twelve months. There is no directly comparable IFRS measure;
- (9) After-tax profit margin for U.S. Group Benefits. This ratio expresses U.S. Group Benefits underlying net income (loss) as a percentage of net premiums. It assists in explaining our results from period to period and measures profitability. This ratio is calculated by dividing underlying net income (loss) by net premiums for the trailing four quarters. There is no directly comparable IFRS measure;
- (10) Impacts of foreign exchange translation. To assist in comparing our results from period-to-period, the impacts of foreign exchange translation are approximated using the foreign exchange rates, in effect during the comparative period, for several IFRS and Non-IFRS financial measures using the average or period end foreign exchange rates, as appropriate. Items impacting a reporting period, such as Revenue, Benefits and expenses, and Reported net income (loss) in our Consolidated Statements of Operations, as well as underlying net income (loss), and sales, are translated into Canadian dollars using average exchange rates for the appropriate daily, monthly, or quarterly period. For items as at a point in time, such as Assets and Liabilities in our Consolidated Statements of Financial Position, as well as the AUM and Expected profit component of our Sources of Earnings disclosure, period-end rates are used for currency translation purposes;
- (11) Constant currency. We remove the impacts of foreign exchange translation from certain IFRS and non-IFRS financial measures to assist in comparing our results from period to period. The impacts of foreign exchange translation are approximated by using the foreign exchange rates in effect during the comparative period, using the average or period end foreign exchange rates, as appropriate. Constant currency reconciliation for Reported net income and Reported earnings per share - diluted as follows:
- | | | | |
|--|---------------|--|----------|
| Q1 2022 Reported net income at Q1 2021 constant dollar | \$864 million | Q1 2022 Reported earnings per share at Q1 2021 constant dollar | \$1.47 |
| Currency impact relative to Q1 2021 exchange rates | \$(6) million | Currency impact per share relative to Q1 2021 exchange rates | \$(0.01) |
| Q1 2022 Reported net income - actual | \$858 million | Q1 2022 Reported earnings per share - actual | \$1.46 |
- (12) Assets under management (AUM). AUM is a non-IFRS financial measure that indicates the size of our Company's asset management, wealth and insurance assets. In addition to the most directly comparable IFRS measures, which are the balance of General funds and Segregated funds on our Statements of Financial Position, AUM also includes Other AUM, which is defined below. There is no standardized financial measure under IFRS;
- (13) Assets under administration (AUA). AUA is a non-IFRS financial measure that represents Client assets and the Company only provides administrative services for these assets. In Canada, AUA includes mutual fund dealer assets in Individual Wealth and administrative services assets in Group Retirement Services. In Asia, AUA includes administrative services assets in China and Hong Kong. There is no standardized financial measure under IFRS;
- (14) Assets under administration and management (AUMA) consists of both AUM and AUA, as defined above, and there is no standardized financial measure under IFRS;
- (15) Other AUM. Other AUM is composed of retail, institutional and other third-party assets, as well as general fund and segregated fund assets managed by our joint ventures. In Canada, other AUM includes Client assets in retail mutual fund products of SLGI Asset Management Inc. In Asia, other AUM includes Client assets in Hong Kong managed fund products, International Wealth products, the Philippines mutual and managed fund products, Aditya Birla Sun Life Asset Management Company Limited equity and fixed income mutual fund products, Sun Life Everbright Asset Management products and our joint ventures' general fund and segregated fund assets, based on our proportionate equity interest. In Asset Management, AUM includes Client assets for retail and Institutional Clients, as well as capital raising, such as uncalled commitments and fund leverage in SLC Management. There is no directly comparable IFRS measure;
- (16) Fee earning AUM (FE). FE AUM consists of assets managed by SLC Management, which are beneficially owned by Clients, to which we provide investment management, property management or advisory-related services on the basis of which we earn management fees pursuant to management or other fee agreements. There is no directly comparable IFRS measure;
- (17) AUM not yet earning fees. This measure represents the committed uninvested capital portion of total AUM not currently earning management fees. The amount depends on the specific terms and conditions of each fund. There is no directly comparable IFRS measure;
- (18) Capital raising. This measure consists of increases in SLC Management's commitments from fund raising activities for all real estate, infrastructure and alternative credit Clients excluding leverage. Investment-grade fixed income capital raising consists of sales made to new Clients. There is no directly comparable IFRS measure; and
- (19) Deployment. This measure represents the amount of capital that has been invested in the period, including leverage where applicable. Deployment also includes capital committed in infrastructure deals to be invested in specific assets. There is no directly comparable IFRS measure.

The SLC Management Supplemental Income Statement enhances the comparability of SLC Management's results with publicly traded alternative asset managers. Additional metrics provided are considered non-IFRS financial measures. **Fee-related revenue** represents all fee income, with the exception of performance fees, generated from third-party investors. **Management fees** represent fund management fees from the third-party investors. **Property management, transaction, advisory and other fees** represent other fee revenues which exclude management fees and performance fees, generated from third-party investors. **Fee-related expenses** represent all expenses directly related to generating fee revenue from third-party investors. **Compensation - fee-related** represents compensation expense directly related to generating fee revenue from third-party investors, which excludes equity-based compensation. **Other operating expenses** represent operating expenses other than compensation that is directly related to generating fee revenue from third-party investors. **Fee-related earnings** represent profitability of our fee-related portfolios, and is calculated as Fee-related revenue less Fee-related expenses. **Investment income (loss) and performance fees** represent total income or loss from our seed investments, net of the related expenses. **Interest and other** represents performance fee compensation, our net interest income or expense and income from managing the General Account assets. **Operating income** represents profit realized from our business operations, and is calculated as the sum of Fee-related earnings, Investment income (loss) and performance fees, and Interest and other. **Placement fees - other** represent costs incurred for capital raising activities that are not related to the current period.