

CONSOLIDATED STATEMENTS OF OPERATIONS

For the three months ended

(unaudited, in millions of Canadian dollars, except for per share amounts)	March 31, 2025	March 31, 2024
Insurance service result		
Insurance revenue (Note 6)	\$ 6,018	\$ 5,540
Insurance service expenses	(5,095)	(4,840)
Reinsurance contract held net income (expenses)	(13)	61
Net insurance service result	910	761
Investment result		
Investment result excluding result for account of segregated fund holders:		
Net investment income (loss) (Note 4)	3,093	(677)
Insurance finance income (expenses) from insurance contracts issued	(2,579)	1,376
Insurance finance income (expenses) from reinsurance contracts held	56	9
Decrease (increase) in investment contract liabilities	(86)	(99)
Net investment result excluding result for account of segregated fund holders	484	609
Investment result for insurance contracts for account of segregated fund holders:		
Investment income (loss) on investments for account of segregated fund holders	(1)	1,056
Insurance finance income (expenses) (Note 10)	1	(1,056)
Net investment result for insurance contracts for account of segregated fund holders	—	—
Net investment result	484	609
Fee income (Note 7)	2,240	2,012
Other expenses (income)		
Other income	—	(161)
Operating expenses and commissions	2,252	2,187
Interest expenses	133	159
Total other expenses (income)	2,385	2,185
Income (loss) before income taxes	1,249	1,197
Less: Income tax expense (benefit) (Note 8)	242	261
Total net income (loss)	1,007	936
Less: Net income (loss) allocated to the participating account	53	55
Net income (loss) attributable to non-controlling interests	6	43
Shareholders' net income (loss)	948	838
Less: Dividends on preferred shares and distributions on other equity instruments	20	20
Common shareholders' net income (loss)	\$ 928	\$ 818
Average exchange rates during the reporting periods:	U.S. dollars	
	1.43	1.35
Earnings (loss) per share (Note 12)		
Basic	\$ 1.62	\$ 1.40
Diluted	\$ 1.62	\$ 1.40
Dividends per common share	\$ 0.840	\$ 0.780

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited, in millions of Canadian dollars)	For the three months ended	
	March 31, 2025	March 31, 2024
Total net income (loss)	\$ 1,007	\$ 936
Other comprehensive income (loss), net of taxes:		
Items that may be reclassified subsequently to income:		
Change in unrealized foreign currency translation gains (losses):		
Unrealized gains (losses)	25	292
Change in unrealized gains (losses) on investments at fair value through other comprehensive income:		
Unrealized gains (losses)	101	(31)
Reclassifications to net income (loss) and provision for credit losses recognized into income	19	(17)
Change in unrealized gains (losses) on cash flow hedges:		
Unrealized gains (losses)	5	27
Reclassifications to net income (loss)	(3)	(25)
Share of other comprehensive income (loss) in joint ventures and associates:		
Unrealized gains (losses)	(70)	115
Total items that may be reclassified subsequently to income	77	361
Items that will not be reclassified subsequently to income:		
Remeasurement of defined benefit plans	(12)	7
Share of other comprehensive income (loss) in joint ventures and associates	(1)	(9)
Total items that will not be reclassified subsequently to income	(13)	(2)
Total other comprehensive income (loss)	64	359
Total comprehensive income (loss)	1,071	1,295
Less: Comprehensive income (loss) allocated to the participating account	51	53
Non-controlling interests' comprehensive income (loss)	6	48
Shareholders' comprehensive income (loss)	\$ 1,014	\$ 1,194

INCOME TAXES INCLUDED IN OTHER COMPREHENSIVE INCOME (LOSS)

(unaudited, in millions of Canadian dollars)	For the three months ended	
	March 31, 2025	March 31, 2024
Income tax benefit (expense):		
Items that may be reclassified subsequently to income:		
Unrealized foreign currency translation gains (losses)	\$ —	\$ (2)
Unrealized gains (losses) on investments at fair value through other comprehensive income	(25)	12
Reclassifications to net income (loss) and provision for credit losses recognized into income on investments at fair value through other comprehensive income	3	3
Unrealized gains (losses) on cash flow hedges	—	(3)
Reclassifications to net income (loss) for cash flow hedges	1	3
Total items that may be reclassified subsequently to income	(21)	13
Items that will not be reclassified subsequently to income:		
Remeasurement of defined benefit plans	5	(3)
Total items that will not be reclassified subsequently to income	5	(3)
Total income tax benefit (expense) included in other comprehensive income (loss)	\$ (16)	\$ 10

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited, in millions of Canadian dollars)	As at	
	March 31, 2025	December 31, 2024
Assets		
Cash, cash equivalents and short-term securities (Note 4)	\$ 11,506	\$ 13,873
Debt securities (Note 4)	84,630	81,955
Equity securities (Note 4)	9,656	9,974
Mortgages and loans (Note 4)	58,749	57,619
Derivative assets	1,839	1,971
Other financial invested assets (Note 4)	13,546	13,306
Financial assets	179,926	178,698
Investment properties (Note 4)	9,335	9,290
Other non-financial invested assets (Note 4)	1,784	1,829
Invested assets	191,045	189,817
Other assets	6,657	7,021
Reinsurance contract held assets (Note 6)	6,426	6,318
Insurance contract assets (Note 6)	285	355
Deferred tax assets	3,922	3,910
Intangible assets	5,507	5,058
Goodwill	9,468	9,456
Total general fund assets	223,310	221,935
Investments for account of segregated fund holders (Note 10)	149,650	148,786
Total assets	\$ 372,960	\$ 370,721
Liabilities and equity		
Liabilities		
Insurance contract liabilities excluding those for account of segregated fund holders (Note 6)	\$ 150,100	\$ 147,269
Reinsurance contract held liabilities (Note 6)	1,827	1,825
Investment contract liabilities (Note 4)	11,998	11,678
Derivative liabilities	1,886	2,077
Deferred tax liabilities	287	286
Other liabilities	24,794	26,292
Senior debentures	200	200
Subordinated debt	6,179	6,179
Total general fund liabilities	197,271	195,806
Insurance contract liabilities for account of segregated fund holders (Note 10)	19,769	20,097
Investment contract liabilities for account of segregated fund holders (Note 10)	129,881	128,689
Total liabilities	\$ 346,921	\$ 344,592
Equity		
Issued share capital and contributed surplus	\$ 10,432	\$ 10,526
Shareholders' retained earnings and accumulated other comprehensive income	14,986	15,031
Total shareholders' equity	25,418	25,557
Equity in the participating account	547	496
Non-controlling interests' equity	74	76
Total equity	\$ 26,039	\$ 26,129
Total liabilities and equity	\$ 372,960	\$ 370,721
Exchange rates at the end of the reporting periods:	U.S. dollars	1.44
		1.44

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

Approved on behalf of the Board of Directors on May 8, 2025.



Kevin Strain
Chief Executive Officer



Helen Malloy Hicks
Director

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the three months ended

(unaudited, in millions of Canadian dollars)

March 31, 2025 March 31, 2024

Shareholders:

	\$	
Preferred shares and other equity instruments		
Balance, beginning and end of period	2,239	2,239
Common shares (Note 9)		
Balance, beginning of period	8,192	8,327
Stock options exercised	5	12
Common shares purchased for cancellation	(103)	(34)
Balance, end of period	8,094	8,305
Contributed surplus		
Balance, beginning of period	95	94
Share-based payments	4	6
Stock options exercised	—	(1)
Balance, end of period	99	99
Retained earnings		
Balance, beginning of period ⁽¹⁾	12,817	12,370
Net income (loss)	948	838
Dividends on common shares	(480)	(456)
Dividends on preferred shares and distributions on other equity instruments	(20)	(20)
Common shares purchased for cancellation (Note 9) and other	(559)	(254)
Balance, end of period	12,706	12,478
Accumulated other comprehensive income (loss), net of taxes (Note 13)		
Balance, beginning of period ⁽¹⁾	2,214	552
Total other comprehensive income (loss) for the period	66	356
Balance, end of period	2,280	908
Total shareholders' equity, end of period	\$ 25,418	\$ 24,029
Equity in the participating account:		
Balance, beginning of period	\$ 496	457
Net income (loss)	53	55
Total other comprehensive income (loss) for the period (Note 13)	(2)	(2)
Total equity in the participating account, end of period	\$ 547	\$ 510
Non-controlling interests:		
Balance, beginning of period	\$ 76	\$ 161
Net income (loss)	6	43
Total other comprehensive income (loss) for the period (Note 13)	—	5
Distribution to non-controlling interests	(8)	(103)
Total non-controlling interests' equity, end of period	\$ 74	\$ 106
Total equity	\$ 26,039	\$ 24,645

⁽¹⁾ Balances have been restated. Refer to Note 2.

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited, in millions of Canadian dollars)	For the three months ended	
	March 31, 2025	March 31, 2024
Cash flows provided by (used in) operating activities		
Income (loss) before income taxes	\$ 1,249	\$ 1,197
Adjustments:		
Interest expense related to financing activities	88	99
(Decrease) increase in investment contract liabilities	86	99
Changes in insurance contract liabilities and assets	1,656	(2,076)
Changes in reinsurance contract held assets and liabilities	(43)	(70)
Realized and unrealized (gains) losses and foreign currency changes on invested assets	(1,234)	2,510
Sales, maturities and repayments of invested assets	15,546	11,896
Purchases of invested assets	(17,723)	(15,035)
Income taxes received (paid)	(175)	(257)
Mortgage securitization (Note 4)	(66)	(2)
Other operating activities	234	(848)
Net cash provided by (used in) operating activities	(382)	(2,487)
Cash flows provided by (used in) investing activities		
Net (purchase) sale of property and equipment	(31)	(44)
Investment in and transactions with joint ventures and associates	2	3
Dividends and other proceeds related to joint ventures and associates	—	121
Other investing activities	(51)	(64)
Net cash provided by (used in) investing activities	(80)	16
Cash flows provided by (used in) financing activities		
Increase in (repayment of) borrowed funds	9	9
Increase in (repayment of) borrowings from credit facility	(534)	(76)
Issuance of common shares on exercise of stock options	5	11
Transactions with non-controlling interests	(8)	(103)
Common shares purchased for cancellation (Note 9)	(520)	(174)
Dividends paid on common and preferred shares	(486)	(467)
Payment of lease liabilities	(45)	(42)
Interest expense paid	(63)	(83)
Net cash provided by (used in) financing activities	(1,642)	(925)
Changes due to fluctuations in exchange rates	19	134
Increase (decrease) in cash and cash equivalents	(2,085)	(3,262)
Net cash and cash equivalents, beginning of period	9,954	11,170
Net cash and cash equivalents, end of period	7,869	7,908
Short-term securities, end of period	3,608	3,215
Net cash, cash equivalents and short-term securities, end of period (Note 4)	\$ 11,477	\$ 11,123

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

Condensed Notes to the Interim Consolidated Financial Statements

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

1. General Information

Description of Business

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

Our Interim Consolidated Financial Statements have been prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). We have used accounting policies which are consistent with our accounting policies in our 2024 Annual Consolidated Financial Statements, except as updated in Note 2 below. Our Interim Consolidated Financial Statements should be read in conjunction with our 2024 Annual Consolidated Financial Statements, as interim financial statements do not include all the information incorporated in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

2. Changes in Accounting Policies

Our material accounting policies and future changes in accounting policies that are not yet effective for us are disclosed in Notes 1 and 2 of our 2024 Annual Consolidated Financial Statements.

Other Changes in Accounting Policy

We have changed our accounting policy for certain joint ventures to disaggregate insurance finance income or expenses between net income and other comprehensive income ("OCI"). For these joint ventures, insurance finance income or expenses were previously recorded through net income, while the corresponding invested assets have historically been recorded at fair value through OCI ("FVOCI"). These invested assets and insurance liabilities are managed together and presenting insurance finance income or expense changes for both items through OCI reduces accounting mismatch. We account for these joint ventures using the equity method of accounting, whereby we recognize our share of net income in investment income in our Consolidated Statements of Operations and our share of OCI in our Consolidated Statements of Comprehensive Income (Loss). The impact of this change is not material to our share of net income or OCI in any individual prior period. We have processed an adjustment to increase opening Retained earnings by \$213 and decrease Accumulated other comprehensive income by \$213 retroactively to January 1, 2024.

3. Segmented Information

We have five reportable business segments: Canada, United States ("U.S."), Asset Management, Asia, and Corporate. These business segments operate in the financial services industry and reflect our management structure and internal financial reporting. Asset Management includes the results of our MFS Investment Management and SLC Management business units. Corporate primarily includes our Corporate Support operations, such as investment income, expenses, capital, and other items not allocated to our other business groups.

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

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

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

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

For the three months ended	Canada	U.S.	Asset Management	Asia	Corporate	Consolidation adjustments	Total
March 31, 2025							
Insurance revenue:							
Annuities	\$ 535	\$ 78	\$ —	\$ 6	\$ —	\$ —	\$ 619
Life insurance	562	513	—	345	—	—	1,420
Health insurance	1,150	2,755	—	74	—	—	3,979
Total Insurance revenue	2,247	3,346	—	425	—	—	6,018
Net investment income (loss)	1,816	605	85	588	24	(25)	3,093
Fee income	475	134	1,647	87	44	(147)	2,240
Segment revenue ⁽¹⁾	4,538	4,085	1,732	1,100	68	(172)	11,351
Expenses:							
Insurance service expenses	1,824	3,054	—	217	—	—	5,095
Reinsurance contract held net (income) expenses	23	(21)	—	11	—	—	13
Insurance finance (income) expenses from insurance contracts issued	1,526	545	—	508	—	—	2,579
Reinsurance finance (income) expenses	(10)	(49)	—	3	—	—	(56)
(Decrease) increase in investment contract liabilities	86	—	—	—	—	—	86
Interest expenses	46	31	36	25	25	(30)	133
Operating expenses and commissions	548	290	1,253	132	171	(142)	2,252
Total expenses ⁽¹⁾	4,043	3,850	1,289	896	196	(172)	10,102
Income (loss) before income taxes	495	235	443	204	(128)	—	1,249
Less: Income tax expense (benefit)	115	42	111	21	(47)	—	242
Total net income (loss)	380	193	332	183	(81)	—	1,007
Less:							
Net income (loss) allocated to the participating account	29	7	—	17	—	—	53
Net income (loss) attributable to non-controlling interests	—	—	6	—	—	—	6
Shareholders' net income (loss)	\$ 351	\$ 186	\$ 326	\$ 166	\$ (81)	\$ —	\$ 948
March 31, 2024							
Insurance revenue:							
Annuities	\$ 499	\$ 75	\$ —	\$ 7	\$ —	\$ —	\$ 581
Life insurance	570	501	—	289	—	—	1,360
Health insurance	1,064	2,478	—	57	—	—	3,599
Total Insurance revenue	2,133	3,054	—	353	—	—	5,540
Net investment income (loss)	(1,006)	(102)	67	327	63	(26)	(677)
Fee income	407	116	1,513	71	39	(134)	2,012
Segment revenue ⁽¹⁾	1,534	3,068	1,580	751	102	(160)	6,875
Expenses:							
Insurance service expenses	1,819	2,833	—	188	—	—	4,840
Reinsurance contract held net (income) expenses	1	(69)	—	7	—	—	(61)
Insurance finance (income) expenses from insurance contracts issued	(1,356)	(150)	—	130	—	—	(1,376)
Reinsurance finance (income) expenses	(28)	25	—	(6)	—	—	(9)
(Decrease) increase in investment contract liabilities	97	—	—	2	—	—	99
Other income ⁽²⁾	—	—	(161)	—	—	—	(161)
Interest expenses	57	27	47	27	29	(28)	159
Operating expenses and commissions	484	275	1,253	116	191	(132)	2,187
Total expenses ⁽¹⁾	1,074	2,941	1,139	464	220	(160)	5,678
Income (loss) before income taxes	460	127	441	287	(118)	—	1,197
Less: Income tax expense (benefit)	144	25	114	28	(50)	—	261
Total net income (loss)	316	102	327	259	(68)	—	936
Less:							
Net income (loss) allocated to the participating account	26	5	—	24	—	—	55
Net income (loss) attributable to non-controlling interests	—	—	43	—	—	—	43
Shareholders' net income (loss)	\$ 290	\$ 97	\$ 284	\$ 235	\$ (68)	\$ —	\$ 838

⁽¹⁾ Segment revenue and Total expenses exclude Investment result for insurance contracts for account of segregated fund holders.

⁽²⁾ Relates to the early termination of a distribution agreement. We recognized income of \$161 (pre-tax) and \$46 (net of taxes, NCI impact and others).

4. Total Invested Assets and Related Net Investment Income

4.A Fair Value of Financial Instruments

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

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

As at	March 31, 2025		December 31, 2024	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash, cash equivalents and short-term securities – FVTPL	\$ 11,506	\$ 11,506	\$ 13,873	\$ 13,873
Debt securities – FVTPL ⁽¹⁾	69,997	69,997	68,106	68,106
Debt securities – FVOCI	14,633	14,633	13,849	13,849
Equity securities – FVTPL	9,582	9,582	9,900	9,900
Equity securities – FVOCI	74	74	74	74
Mortgages and loans – FVTPL ⁽²⁾	54,345	54,345	53,233	53,233
Mortgages and loans – FVOCI	2,591	2,591	2,525	2,525
Mortgages and loans – Amortized cost ⁽³⁾	1,813	1,785	1,861	1,814
Derivative assets – FVTPL	1,839	1,839	1,971	1,971
Other financial invested assets (excluding CLOs) – FVTPL ⁽⁴⁾	8,135	8,135	7,950	7,950
Other financial invested assets (CLOs) – FVTPL ⁽⁷⁾	5,411	5,411	5,356	5,356
Total⁽⁵⁾	\$ 179,926	\$ 179,898	\$ 178,698	\$ 178,651
Financial liabilities				
Investment contract liabilities – Amortized cost	\$ 11,998	\$ 11,998	\$ 11,678	\$ 11,678
Obligations for securities borrowing – FVTPL	281	281	239	239
Derivative liabilities – FVTPL	1,886	1,886	2,077	2,077
Other financial liabilities – Amortized cost ⁽⁶⁾	2,282	2,251	2,265	2,214
Other financial liabilities (CLOs) – FVTPL ⁽⁷⁾	5,054	5,054	5,028	5,028
Total⁽⁸⁾	\$ 21,501	\$ 21,470	\$ 21,287	\$ 21,236

⁽¹⁾ Includes primarily debt securities that are designated at fair value through profit or loss ("FVTPL").

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

⁽³⁾ Certain mortgages and loans are carried at amortized cost. The fair value of these mortgages and loans, for disclosure purposes, is determined based on the methodology and assumptions described in Note 4.A.iii. As at March 31, 2025, \$1,758 and \$27 are categorized in Level 2 and Level 3, respectively, of the fair value hierarchy described in this Note (December 31, 2024 — \$1,787 and \$27, respectively).

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

⁽⁵⁾ Invested assets on our Consolidated Statements of Financial Position of \$191,045 (December 31, 2024 — \$189,817) includes Total financial assets in this table, Investment properties of \$9,335 (December 31, 2024 — \$9,290), and Other non-financial invested assets of \$1,784 (December 31, 2024 — \$1,829). Other non-financial invested assets consist of investment in associates, subsidiaries and joint ventures which are not consolidated.

⁽⁶⁾ Amount reflects the obligations to purchase outstanding shares of certain SLC Management subsidiaries.

⁽⁷⁾ See below for details on Collateralized Loan Obligations ("CLOs").

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

Collateralized Loan Obligations Structure

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

As at March 31, 2025, the carrying value of the assets related to CLOs are \$5,411 (December 31, 2024 — \$5,356), which consists of cash and accounts receivable of \$621 (December 31, 2024 — \$679) and loans of \$4,790 (December 31, 2024 — \$4,677). These underlying loans are mainly below investment grade.

As at March 31, 2025, the carrying value of the liabilities related to CLOs are \$5,054 (December 31, 2024 — \$5,028). Our maximum contractual exposure to loss related to the CLOs is limited to our investment of \$289 (December 31, 2024 — \$263) in the most subordinated tranche. The net unrealized loss incurred to date is \$55.

4.A.ii Non-Financial Invested Assets

Non-financial invested assets consist of investment properties, investment in associates, subsidiaries and joint ventures which are not consolidated. As at March 31, 2025, the carrying value and fair value of investment properties was \$9,335 (December 31, 2024 — \$9,290) and \$9,335 (December 31, 2024 — \$9,290), respectively. The carrying value of other non-financial invested assets which were measured using the equity method of accounting was \$1,784 as at March 31, 2025 (December 31, 2024 — \$1,829).

4.A.iii Fair Value Hierarchy

The fair value methodologies and assumptions for assets and liabilities carried at fair value, as well as disclosures on unobservable inputs, sensitivities and valuation processes for Level 3 assets can be found in Note 5 of our 2024 Annual Consolidated Financial Statements.

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

As at	March 31, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Assets								
Cash, cash equivalents and short-term securities – FVTPL	\$ 10,633	\$ 873	\$ —	\$ 11,506	\$ 13,243	\$ 630	\$ —	\$ 13,873
Debt securities – FVTPL	476	68,930	591	69,997	463	67,126	517	68,106
Debt securities – FVOCI	455	13,955	223	14,633	505	13,193	151	13,849
Equity securities – FVTPL	6,327	3,243	12	9,582	6,331	3,358	211	9,900
Equity securities – FVOCI	—	—	74	74	—	—	74	74
Mortgages and loans – FVTPL	—	52,031	2,314	54,345	—	50,933	2,300	53,233
Mortgages and loans – FVOCI	—	2,585	6	2,591	—	2,512	13	2,525
Derivative assets – FVTPL	41	1,798	—	1,839	28	1,943	—	1,971
Other financial invested assets (excluding CLOs) – FVTPL ⁽¹⁾	839	221	7,075	8,135	859	211	6,880	7,950
Other financial invested assets (CLOs) – FVTPL ⁽²⁾	—	5,411	—	5,411	—	5,356	—	5,356
Investment properties – FVTPL	—	—	9,335	9,335	—	—	9,290	9,290
Total invested assets measured at fair value	\$ 18,771	\$ 149,047	\$ 19,630	\$ 187,448	\$ 21,429	\$ 145,262	\$ 19,436	\$ 186,127
Investments for account of segregated fund holders – FVTPL	16,816	132,327	507	149,650	17,253	131,074	459	148,786
Total assets measured at fair value	\$ 35,587	\$ 281,374	\$ 20,137	\$ 337,098	\$ 38,682	\$ 276,336	\$ 19,895	\$ 334,913
Liabilities								
Obligations for securities borrowing – FVTPL	\$ 4	\$ 277	\$ —	\$ 281	\$ 4	\$ 235	\$ —	\$ 239
Derivative liabilities – FVTPL	52	1,834	—	1,886	28	2,049	—	2,077
Other financial liabilities (CLOs) – FVTPL ⁽²⁾	—	5,054	—	5,054	—	5,028	—	5,028
Investment contract liabilities for account of segregated fund holders – FVTPL	—	—	129,881	129,881	—	—	128,689	128,689
Total liabilities measured at fair value	\$ 56	\$ 7,165	\$ 129,881	\$ 137,102	\$ 32	\$ 7,312	\$ 128,689	\$ 136,033

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

⁽²⁾ For details on CLOs, refer to Note 4.A.i.

Debt securities at FVTPL consist of the following:

As at	March 31, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Canadian federal government	\$ —	\$ 7,048	\$ 13	\$ 7,061	\$ —	\$ 6,790	\$ 13	\$ 6,803
Canadian provincial and municipal government	—	15,718	12	15,730	—	15,302	—	15,302
U.S. government and agency	476	167	—	643	463	163	—	626
Other foreign government	—	3,592	57	3,649	—	3,762	34	3,796
Corporate	—	33,807	506	34,313	—	32,929	465	33,394
Asset-backed securities:								
Commercial mortgage-backed securities	—	2,135	—	2,135	—	2,163	—	2,163
Residential mortgage-backed securities	—	3,777	—	3,777	—	3,539	—	3,539
Collateralized debt obligations	—	689	—	689	—	352	1	353
Other	—	1,997	3	2,000	—	2,126	4	2,130
Total debt securities at FVTPL	\$ 476	\$ 68,930	\$ 591	\$ 69,997	\$ 463	\$ 67,126	\$ 517	\$ 68,106

Debt securities at FVOCI consist of the following:

As at	March 31, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Canadian federal government	\$ —	\$ 690	\$ —	\$ 690	\$ —	\$ 734	\$ —	\$ 734
Canadian provincial and municipal government	—	347	—	347	—	353	—	353
U.S. government and agency	448	7	—	455	501	8	—	509
Other foreign government	7	423	12	442	4	397	12	413
Corporate	—	7,676	91	7,767	—	7,529	90	7,619
Asset-backed securities:								
Commercial mortgage-backed securities	—	1,318	—	1,318	—	1,084	—	1,084
Residential mortgage-backed securities	—	1,295	—	1,295	—	1,159	11	1,170
Collateralized debt obligations	—	977	120	1,097	—	673	38	711
Other	—	1,222	—	1,222	—	1,256	—	1,256
Total debt securities at FVOCI	\$ 455	\$ 13,955	\$ 223	\$ 14,633	\$ 505	\$ 13,193	\$ 151	\$ 13,849

Mortgages and loans at FVTPL consist of the following:

As at	March 31, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Mortgages:								
Retail	\$ —	\$ 2,477	\$ 5	\$ 2,482	\$ —	\$ 2,472	\$ 12	\$ 2,484
Office	—	2,577	21	2,598	—	2,602	12	2,614
Multi-family residential	—	2,868	—	2,868	—	2,887	—	2,887
Industrial	—	3,521	—	3,521	—	3,447	—	3,447
Other	—	1,112	—	1,112	—	1,034	—	1,034
Corporate loans	—	39,476	2,288	41,764	—	38,491	2,276	40,767
Total mortgages and loans at FVTPL	\$ —	\$ 52,031	\$ 2,314	\$ 54,345	\$ —	\$ 50,933	\$ 2,300	\$ 53,233

Mortgages and loans at FVOCI consist of the following:

As at	March 31, 2025				December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Mortgages:								
Retail	\$ —	\$ 102	\$ —	\$ 102	\$ —	\$ 83	\$ —	\$ 83
Office	—	20	—	20	—	19	—	19
Multi-family residential	—	146	—	146	—	79	—	79
Industrial	—	244	—	244	—	236	—	236
Corporate loans	—	2,073	6	2,079	—	2,095	13	2,108
Total mortgages and loans at FVOCI	\$ —	\$ 2,585	\$ 6	\$ 2,591	\$ —	\$ 2,512	\$ 13	\$ 2,525

There were no significant transfers between Level 1 and Level 2 for the three months ended March 31, 2025 and March 31, 2024.

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

For the three months ended	Debt securities at FVTPL	Debt securities at FVOCI	Equity securities at FVTPL	Equity securities at FVOCI	Mortgages and loans at FVTPL	Mortgages and loans at FVOCI	Other financial assets at FVTPL	Investment properties at FVTPL	Total invested assets measured at fair value	Investments for account of segregated fund holders	Total assets measured at fair value
March 31, 2025											
Beginning balance	\$ 517	\$ 151	\$ 211	\$ 74	\$ 2,300	\$ 13	\$ 6,880	\$ 9,290	\$ 19,436	\$ 459	\$ 19,895
Included in net income ⁽¹⁾⁽²⁾⁽³⁾	7	—	—	—	54	—	102	(6)	157	4	161
Included in OCI ⁽²⁾	—	2	—	—	—	—	—	—	2	—	2
Purchases / Issuances	70	119	—	—	45	—	215	50	499	47	546
Sales / Payments	(21)	—	(127)	—	(31)	(1)	(123)	—	(303)	(8)	(311)
Transfers into Level 3 ⁽⁴⁾	15	—	—	—	127	—	—	—	142	—	142
Transfers (out) of Level 3 ⁽⁴⁾	(4)	(49)	(72)	—	(181)	(6)	—	—	(312)	—	(312)
Foreign currency translation ⁽⁵⁾	7	—	—	—	—	—	1	1	9	5	14
Ending balance	\$ 591	\$ 223	\$ 12	\$ 74	\$ 2,314	\$ 6	\$ 7,075	\$ 9,335	\$ 19,630	\$ 507	\$ 20,137
Unrealized gains (losses) included in earnings relating to instruments still held ⁽¹⁾	\$ 7	\$ —	\$ —	\$ —	\$ 67	\$ —	\$ 112	\$ (6)	\$ 180	\$ —	\$ 180
March 31, 2024											
Beginning balance	\$ 402	\$ 187	\$ 113	\$ 68	\$ 2,056	\$ —	\$ 6,074	\$ 9,723	\$ 18,623	\$ 341	\$ 18,964
Included in net income ⁽¹⁾⁽²⁾⁽³⁾	—	—	1	—	(90)	—	81	(166)	(174)	3	(171)
Purchases / Issuances	125	39	2	—	57	—	189	27	439	18	457
Sales / Payments	(14)	—	—	—	(34)	—	(52)	(68)	(168)	(1)	(169)
Settlements	(4)	(8)	—	—	(2)	—	—	—	(14)	—	(14)
Transfers into Level 3 ⁽⁴⁾	—	—	—	—	104	1	—	—	105	—	105
Transfers (out) of Level 3 ⁽⁴⁾	(30)	(42)	—	—	—	—	(15)	—	(87)	—	(87)
Foreign currency translation ⁽⁵⁾	3	—	—	2	1	—	35	39	80	4	84
Ending balance	\$ 482	\$ 176	\$ 116	\$ 70	\$ 2,092	\$ 1	\$ 6,312	\$ 9,555	\$ 18,804	\$ 365	\$ 19,169
Unrealized gains (losses) included in earnings relating to instruments still held ⁽¹⁾	\$ —	\$ —	\$ 1	\$ —	\$ (106)	\$ —	\$ 57	\$ (166)	\$ (214)	\$ —	\$ (214)

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

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

⁽³⁾ Investment properties included in net income is comprised of fair value changes on investment properties of \$5 for the three months ended March 31, 2025 (March 31, 2024 — \$(157)), net of amortization of leasing commissions and tenant inducements of \$11 for the three months ended March 31, 2025 (March 31, 2024 — \$9). As at March 31, 2025, we have used assumptions that reflect known changes in the property values including changes in expected future cash flows.

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

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

4.B Net Investment Income (Loss)

	For the three months ended	
	March 31, 2025	March 31, 2024
Interest income (expense)	\$ 1,704	\$ 1,642
Dividend and other investment income	110	82
Net realized and unrealized gains (losses):		
Cash, cash equivalents and short-term investments	4	3
Debt securities	957	(1,454)
Equity securities	(89)	373
Mortgages and loans	792	(414)
Derivative investments	(365)	(1,039)
Other financial invested assets	68	96
Other financial liabilities	14	(32)
Total net realized and unrealized gains (losses)	1,381	(2,467)
Provision for credit losses	(7)	5
Net investment income (loss) from financial instruments	\$ 3,188	\$ (738)
Net investment income (loss) from non-financial instruments	\$ (22)	\$ 115
Total Net investment income (loss) ⁽¹⁾	\$ 3,166	\$ (623)

⁽¹⁾ Net investment income (loss) recognized in income is \$3,093 for the three months ended March 31, 2025 (March 31, 2024 — \$(677)), and net investment income (loss) recognized in OCI is \$73 for the three months ended March 31, 2025 (March 31, 2024 — \$54).

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

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

As at	March 31, 2025	December 31, 2024	March 31, 2024
Cash	\$ 2,268	\$ 2,294	\$ 1,893
Cash equivalents	5,630	7,835	6,157
Short-term securities	3,608	3,744	3,215
Cash, cash equivalents and short-term securities	11,506	13,873	11,265
Less: Bank overdraft, recorded in Other liabilities	29	175	142
Net cash, cash equivalents and short-term securities	\$ 11,477	\$ 13,698	\$ 11,123

4.D Mortgage Securitization

We securitize certain insured fixed rate commercial mortgages as described in Note 5 of our 2024 Annual Consolidated Financial Statements.

The carrying value and fair value of the securitized mortgages as at March 31, 2025 are \$1,513 and \$1,483, respectively (December 31, 2024 — \$1,555 and \$1,505, respectively). The carrying value and fair value of the associated liabilities as at March 31, 2025 are \$1,788 and \$1,763, respectively (December 31, 2024 — \$1,854 and \$1,807, respectively). The carrying value of securities in the principal reinvestment account ("PRA") as at March 31, 2025 is \$281 (December 31, 2024 — \$302). There are \$4 cash and cash equivalents in the PRA as at March 31, 2025 (December 31, 2024 — \$nil).

The fair value of the secured borrowings from mortgage securitization is based on the methodologies and assumptions for asset-backed securities described in Note 5 of our 2024 Annual Consolidated Financial Statements. The fair value of these liabilities is categorized in Level 2 of the fair value hierarchy as at March 31, 2025 and December 31, 2024.

5. Financial Instrument Risk Management

The significant risks related to financial instruments are credit risk, market risk (including equity risk, real estate risk, interest rate and spread risk, foreign currency risk, and inflation risk) and liquidity risk. Further details on our financial instrument risk management, including methodologies and assumptions, are described in Notes 1 and 6 of our 2024 Annual Consolidated Financial Statements.

The allowance for expected credit losses was \$95 as at March 31, 2025 (December 31, 2024 — \$88) and the provision for credit losses was \$7 for the three months ended March 31, 2025 (March 31, 2024 — \$(5)). There were no significant transfers between Stage 1, Stage 2, and Stage 3 for the three months ended March 31, 2025 and March 31, 2024.

6. Insurance Contracts

6.A Changes in Insurance Contracts

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

Insurance Contracts Issued By Measurement Component

The following table shows the changes in net liabilities for insurance contracts issued by measurement component, including estimates of present value ("PV") of future cash flows, risk adjustment, and Contractual Service Margin ("CSM"). Changes in the liabilities for insurance contract liabilities for account of segregated fund holders are provided in Note 10. Further details of our measurement approach, including the premium allocation approach ("PAA"), can be found in Note 1 of our 2024 Annual Consolidated Financial Statements.

	For the three months ended and as at March 31, 2025				For the year ended and as at December 31, 2024			
	Estimates of PV of future cash flows	Risk adjustment	CSM	Total	Estimates of PV of future cash flows	Risk adjustment	CSM	Total
Insurance contracts, beginning of period:								
Insurance contract liabilities — non-PAA	\$ 108,232	\$ 7,948	\$ 12,733	\$ 128,913	\$ 99,420	\$ 7,388	\$ 11,597	\$ 118,405
Insurance contract liabilities — PAA	17,490	866	—	18,356	16,436	828	—	17,264
Insurance contract assets — non-PAA	(670)	149	295	(226)	(578)	146	248	(184)
Insurance contract assets — PAA	(129)	—	—	(129)	—	—	—	—
Net balances, beginning of period	\$ 124,923	\$ 8,963	\$ 13,028	\$ 146,914	\$ 115,278	\$ 8,362	\$ 11,845	\$ 135,485
CSM recognized for services provided	—	—	(297)	(297)	—	—	(1,117)	(1,117)
Risk adjustment recognized for non-financial risk expired	—	(157)	—	(157)	—	(596)	—	(596)
Changes in estimates that adjust CSM	(89)	3	86	—	(508)	34	474	—
Contracts initially recognized in the period	(495)	129	391	25	(1,859)	530	1,448	119
Other	2,653	184	88	2,925	11,087	595	378	12,060
Changes in PAA balance	378	27	—	405	925	38	—	963
Net balances, end of period	\$ 127,370	\$ 9,149	\$ 13,296	\$ 149,815	\$ 124,923	\$ 8,963	\$ 13,028	\$ 146,914
Insurance contracts, end of period:								
Insurance contract liabilities — non-PAA ⁽¹⁾	\$ 110,286	\$ 8,106	\$ 12,993	\$ 131,385	\$ 108,232	\$ 7,948	\$ 12,733	\$ 128,913
Insurance contract liabilities — PAA	17,822	893	—	18,715	17,490	866	—	18,356
Insurance contract assets — non-PAA	(655)	150	303	(202)	(670)	149	295	(226)
Insurance contract assets — PAA	(83)	—	—	(83)	(129)	—	—	(129)
Net balances, end of period	\$ 127,370	\$ 9,149	\$ 13,296	\$ 149,815	\$ 124,923	\$ 8,963	\$ 13,028	\$ 146,914

⁽¹⁾ Includes liabilities of \$(236) as at March 31, 2025 (December 31, 2024 — \$(325)) for segregated fund insurance contracts that are not backed by the related Investments for account of segregated fund holders.

Reinsurance Contracts Held By Measurement Component

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

As at	March 31, 2025				December 31, 2024			
	Estimates of PV of future cash flows	Risk adjustment	CSM	Total	Estimates of PV of future cash flows	Risk adjustment	CSM	Total
Reinsurance contracts, end of period:								
Reinsurance contract held assets — non-PAA	\$ 4,341	\$ 1,525	\$ 145	\$ 6,011	\$ 4,292	\$ 1,487	\$ 130	\$ 5,909
Reinsurance contract held assets — PAA	393	22	—	415	392	17	—	409
Reinsurance contract held liabilities — non-PAA	(2,227)	868	(468)	(1,827)	(2,212)	855	(468)	(1,825)
Net balances, end of period	\$ 2,507	\$ 2,415	\$ (323)	\$ 4,599	\$ 2,472	\$ 2,359	\$ (338)	\$ 4,493

6.A.ii Analysis of Insurance Revenue

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

	For the three months ended	
	March 31, 2025	March 31, 2024
For contracts not measured using the PAA:		
Amounts relating to changes in liabilities for remaining coverage:		
Expected claims and other expenses ⁽¹⁾	\$ 1,222	\$ 1,165
Release of risk adjustment ⁽¹⁾	155	150
CSM recognized for services provided	297	269
Income taxes specifically chargeable to the policyholder	8	—
Amortization of insurance acquisition cash flows	75	87
Total insurance revenue for contracts not measured using the PAA	1,757	1,671
For contracts measured using the PAA:		
Insurance revenue	4,261	3,869
Total insurance revenue	\$ 6,018	\$ 5,540

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

7. Fee Income

	For the three months ended	
	March 31, 2025	March 31, 2024
Fee income from service contracts:		
Distribution fees	\$ 270	\$ 255
Fund management and other asset-based fees	1,580	1,427
Administrative service and other fees	390	330
Total fee income	\$ 2,240	\$ 2,012

Distribution fees and Fund management and other asset-based fees are primarily earned in the Asset Management segment. Administrative service and other fees are primarily earned in the Canada and U.S. segments. The fee income by business segment is presented in Note 3.

8. Income Taxes

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

Our effective income tax rate for the three months ended March 31, 2025 was 19.4% compared to 21.8% for the three months ended March 31, 2024. The effective income tax rate for the three months ended March 31, 2025 was lower than the effective income tax rate for the three months ended March 31, 2024, primarily due to higher income in jurisdictions with lower tax rates and higher tax-exempt or low-taxed investment income.

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

	For the three months ended	
	March 31, 2025	March 31, 2024
Current income tax expense (benefit)	\$ 270	\$ 307
Deferred income tax expense (benefit)	(28)	(46)
Total income tax expense (benefit)	\$ 242	\$ 261

The IASB issued amendments to IAS 12 *Income Taxes* in May 2023, which provided a mandatory temporary exception to the recognition and disclosure of information about deferred taxes relating to Global Minimum Tax ("GMT"), and we have applied this temporary exception. Our deferred taxes will not reflect impacts of GMT while the mandatory exception is applicable. The GMT rules applied to us effective January 1, 2024. The Canadian GMT legislation requires the ultimate parent entity of a group to pay top-up tax, on a jurisdiction-by-jurisdiction basis, on profits of its subsidiaries that are taxed below 15%. Some jurisdictions have enacted a Qualifying Domestic Minimum Top-Up Tax ("QDMTT") which requires the GMT top-up tax to be paid in the local jurisdiction rather than to the ultimate parent entity's jurisdiction. In response to the GMT rules, Bermuda enacted a Corporate Income Tax ("CIT") regime, including a corporate income tax rate of 15%, which applies to us effective January 1, 2025. The Bermuda CIT is not a QDMTT for the purposes of GMT. Our other subsidiaries that are

currently subject to a statutory tax rate or to a tax regime that could result in taxing profits at a rate below 15% include those in Hong Kong and Ireland. Ireland has enacted a QDMTT, while Hong Kong's GMT legislation is not yet substantively enacted but will also include a QDMTT. Current income tax expense (benefit) for the three months ended March 31, 2025 includes GMT income tax benefit of \$(3), due to prior year GMT adjustments (March 31, 2024 — \$2).

9. Capital Management

9.A Capital

Our capital base is structured to exceed minimum regulatory and internal capital targets and maintain strong credit and financial strength ratings, while maintaining a capital efficient structure. We strive to achieve an optimal capital structure by balancing the use of debt and equity financing. Capital is managed both on a consolidated basis under the principles that consider all the risks associated with the business, as well as at the business group level under the principles appropriate to the jurisdiction in which each operates. We manage the capital for all of our international subsidiaries on a local statutory basis in a manner commensurate with their individual risk profiles. Further details on our capital, and how it is managed, are included in Note 20 of our 2024 Annual Consolidated Financial Statements.

SLF Inc. is a non-operating insurance company and is subject to the Life Insurance Capital Adequacy Test ("LICAT") guideline. As at March 31, 2025, SLF Inc.'s LICAT ratio exceeded the regulatory minimum target as set out by the Office of the Superintendent of Financial Institutions, Canada ("OSFI").

Sun Life Assurance, SLF Inc.'s principal operating life insurance subsidiary in Canada, is also subject to the LICAT guideline. As at March 31, 2025, Sun Life Assurance's LICAT ratio exceeded OSFI's minimum regulatory target; as well as OSFI's supervisory target applicable to operating life insurance companies.

In the U.S., Sun Life Assurance operates through a branch which is subject to U.S. regulatory supervision and it exceeded the levels under which regulatory action would be required as at March 31, 2025. In addition, other subsidiaries of SLF Inc. that must comply with local capital or solvency requirements in the jurisdiction in which they operate maintained capital levels above minimum local requirements as at March 31, 2025.

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

9.B Significant Capital Transactions

9.B.i Common Shares

Changes in common shares issued and outstanding were as follows:

For the three months ended	March 31, 2025		March 31, 2024	
	Number of shares	Amount	Number of shares	Amount
Balance, beginning of period	573.9	\$ 8,192	584.6	\$ 8,327
Stock options exercised	0.1	5	0.3	12
Common shares purchased for cancellation	(6.4)	(103)	(2.4)	(34)
Balance, end of period	567.6	\$ 8,094	582.5	\$ 8,305

On August 29, 2023, we launched a normal course issuer bid (the "NCIB") to purchase up to 17 million of our common shares, which expired on August 28, 2024. In August 2024, we renewed the NCIB to purchase up to 15 million of our common shares between August 29, 2024 and, at the latest, August 28, 2025 (the "2024 NCIB"). We implemented an automatic repurchase plan with our designated broker in order to facilitate purchases of common shares under the NCIB. Under the automatic repurchase plan, our designated broker is able to purchase common shares pursuant to the NCIB at times when we ordinarily would not be active in the market due to applicable securities laws or self-imposed blackout periods. Any common shares purchased by us pursuant to the NCIB will be cancelled or used in connection with certain equity settled incentive arrangements.

For the three months ended March 31, 2025, we purchased and cancelled an aggregate of approximately 6.4 million common shares (March 31, 2024 — 2.4 million common shares) at an average price per share of \$80.64 (March 31, 2024 — \$73.34) for a total amount of \$520 (March 31, 2024 — \$174) under the NCIB and incurred tax on net repurchases of equity of \$10 (March 31, 2024 — \$3). The total amount paid to purchase the shares pursuant to the NCIB and the tax incurred is recorded in our Consolidated Statements of Changes in Equity. The amount allocated to Common shares is based on the average cost per common share and amounts paid above the average cost are allocated to Retained earnings.

10. Segregated Funds

10.A Segregated Funds Classified as Investment Contracts

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

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

As at	March 31, 2025	December 31, 2024
Segregated and mutual fund units	\$ 128,153	\$ 126,867
Equity securities	917	1,049
Debt securities	762	773
Cash, cash equivalents and short-term securities	5	3
Other	44	(3)
Total investments for account of segregated fund holders	\$ 129,881	\$ 128,689

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

	For the three months ended and as at March 31, 2025	For the year ended and as at December 31, 2024
Balance, beginning of period	\$ 128,689	\$ 109,411
Additions to segregated funds:		
Deposits	5,430	12,922
Net realized and unrealized gains (losses)	242	11,412
Other investment income	139	7,487
Total additions	5,811	31,821
Deductions from segregated funds:		
Payments to policyholders and their beneficiaries	4,392	11,718
Management fees	211	784
Taxes and other expenses	16	49
Foreign exchange rate movements	—	(8)
Total deductions	4,619	12,543
Net additions (deductions)	1,192	19,278
Balance, end of period	\$ 129,881	\$ 128,689

10.B Segregated Funds Classified as Insurance Contracts

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

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

As at	March 31, 2025	December 31, 2024
Segregated and mutual fund units	\$ 14,807	\$ 15,084
Equity securities	2,941	3,113
Debt securities	1,658	1,607
Cash, cash equivalents and short-term securities	405	394
Mortgages	7	7
Other assets	61	52
Total assets	19,879	20,257
Less: Liabilities arising from investing activities	110	160
Total investments for account of segregated fund holders	\$ 19,769	\$ 20,097

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

Changes by Measurement Component

The following reconciliation illustrates the insurance contract liabilities for account of segregated fund holders by measurement component. For insurance contract liabilities for account of segregated fund holders, the entire amount is included in the estimates of PV of future cash flows. Reconciliations for the net liabilities of segregated fund insurance contracts that are not backed by investments for account of segregated fund holders are included as part of the insurance contract liabilities in Note 6.A.i.

	For the three months ended and as at March 31, 2025	For the year ended and as at December 31, 2024
Balance, beginning of period	\$ 20,097	\$ 19,041
Insurance finance (income) expenses	(1)	2,316
Foreign currency translation	44	388
Cash flows:		
Premiums received	550	2,016
Amounts paid to policyholders and other insurance service expenses paid	(735)	(2,814)
Management fees, taxes and other expenses	(186)	(850)
Total cash flows	(371)	(1,648)
Balance, end of period	\$ 19,769	\$ 20,097

11. Commitments, Guarantees and Contingencies

Guarantees of Sun Life Assurance Preferred Shares and Subordinated Debentures

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

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

For the three months ended	SLF Inc. (unconsolidated)	Sun Life Assurance (consolidated)	Other subsidiaries of SLF Inc. (combined)	Consolidation adjustments	SLF Inc. (consolidated)
March 31, 2025					
Insurance revenue	\$ —	\$ 5,107	\$ 1,320	\$ (409)	\$ 6,018
Net investment income (loss) excluding result for segregated fund holders	62	2,808	291	(68)	3,093
Fee income	—	539	1,843	(142)	2,240
Total revenue	\$ 62	\$ 8,454	\$ 3,454	\$ (619)	\$ 11,351
Shareholders' net income (loss)	\$ 948	\$ 564	\$ 375	\$ (939)	\$ 948
March 31, 2024					
Insurance revenue	\$ —	\$ 4,690	\$ 1,223	\$ (373)	\$ 5,540
Net investment income (loss) excluding result for segregated fund holders	79	(685)	47	(118)	(677)
Fee income	—	450	1,690	(128)	2,012
Other income	—	—	161	—	161
Total revenue	\$ 79	\$ 4,455	\$ 3,121	\$ (619)	\$ 7,036
Shareholders' net income (loss)	\$ 838	\$ 510	\$ 324	\$ (834)	\$ 838

Assets and liabilities as at	SLF Inc. (unconsolidated)	Sun Life Assurance (consolidated)	Other subsidiaries of SLF Inc. (combined)	Consolidation adjustments	SLF Inc. (consolidated)
March 31, 2025					
Invested assets	\$ 28,316	\$ 177,276	\$ 11,720	\$ (26,267)	\$ 191,045
Reinsurance contract held assets	\$ —	\$ 6,432	\$ 1	\$ (7)	\$ 6,426
Insurance contract assets	\$ —	\$ 202	\$ 1,380	\$ (1,297)	\$ 285
Total other general fund assets	\$ 4,335	\$ 14,104	\$ 10,169	\$ (3,054)	\$ 25,554
Investments for account of segregated fund holders	\$ —	\$ 149,591	\$ 59	\$ —	\$ 149,650
Insurance contract liabilities excluding those for account of segregated fund holders	\$ —	\$ 150,023	\$ 84	\$ (7)	\$ 150,100
Reinsurance contract held liabilities	\$ —	\$ 3,124	\$ —	\$ (1,297)	\$ 1,827
Investment contract liabilities	\$ —	\$ 11,999	\$ (1)	\$ —	\$ 11,998
Total other general fund liabilities	\$ 7,234	\$ 15,721	\$ 14,132	\$ (3,741)	\$ 33,346
Insurance contract liabilities for account of segregated fund holders	\$ —	\$ 19,710	\$ 59	\$ —	\$ 19,769
Investment contract liabilities for account of segregated fund holders	\$ —	\$ 129,881	\$ —	\$ —	\$ 129,881
December 31, 2024					
Invested assets	\$ 28,494	\$ 175,508	\$ 12,449	\$ (26,634)	\$ 189,817
Reinsurance contract held assets	\$ —	\$ 6,353	\$ —	\$ (35)	\$ 6,318
Insurance contract assets	\$ —	\$ 227	\$ 1,583	\$ (1,455)	\$ 355
Total other general fund assets	\$ 4,639	\$ 13,979	\$ 10,299	\$ (3,472)	\$ 25,445
Investments for account of segregated fund holders	\$ —	\$ 148,720	\$ 66	\$ —	\$ 148,786
Insurance contract liabilities excluding those for account of segregated fund holders	\$ —	\$ 147,196	\$ 108	\$ (35)	\$ 147,269
Reinsurance contract held liabilities	\$ —	\$ 3,281	\$ —	\$ (1,456)	\$ 1,825
Investment contract liabilities	\$ —	\$ 11,677	\$ 1	\$ —	\$ 11,678
Total other general fund liabilities	\$ 7,576	\$ 16,191	\$ 15,589	\$ (4,322)	\$ 35,034
Insurance contract liabilities for account of segregated fund holders	\$ —	\$ 20,031	\$ 66	\$ —	\$ 20,097
Investment contract liabilities for account of segregated fund holders	\$ —	\$ 128,689	\$ —	\$ —	\$ 128,689

12. Earnings (Loss) Per Share

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

	For the three months ended	
	March 31, 2025	March 31, 2024
Common shareholders' net income (loss) for basic earnings per share	\$ 928	\$ 818
Add: Increase in income due to convertible instruments ⁽¹⁾	3	3
Common shareholders' net income (loss) on a diluted basis	\$ 931	\$ 821
Weighted average number of common shares outstanding for basic earnings per share (in millions)	572	584
Add: Dilutive impact of stock options ⁽²⁾ (in millions)	1	—
Dilutive impact of convertible instruments ⁽¹⁾ (in millions)	2	3
Weighted average number of common shares outstanding on a diluted basis (in millions)	575	587
Basic earnings (loss) per share	\$ 1.62	\$ 1.40
Diluted earnings (loss) per share	\$ 1.62	\$ 1.40

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

⁽²⁾ Excludes the impact of 1 million stock options for the three months ended March 31, 2025 (March 31, 2024 — 1 million) because these stock options were anti-dilutive for the period.

13. Accumulated Other Comprehensive Income (Loss)

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

For the three months ended	March 31, 2025			March 31, 2024		
	Balance, beginning of period ⁽¹⁾	Other comprehensive income (loss)	Balance, end of period	Balance, beginning of period ⁽¹⁾	Other comprehensive income (loss)	Balance, end of period ⁽¹⁾
Items that may be reclassified subsequently to income:						
Unrealized foreign currency translation gains (losses), net of hedging activities	\$ 2,696	\$ 25	\$ 2,721	\$ 1,350	\$ 292	\$ 1,642
Unrealized gains (losses) on FVOCI assets	(250)	120	(130)	(354)	(48)	(402)
Unrealized gains (losses) on cash flow hedges	4	2	6	(1)	2	1
Share of other comprehensive income (loss) in joint ventures and associates	(163)	(70)	(233)	(364)	115	(249)
Items that will not be reclassified subsequently to income:						
Remeasurement of defined benefit plans	(198)	(12)	(210)	(217)	7	(210)
Share of other comprehensive income (loss) in joint ventures and associates	(5)	(1)	(6)	2	(9)	(7)
Revaluation surplus on transfers to investment properties	144	—	144	143	—	143
Total	\$ 2,228	\$ 64	\$ 2,292	\$ 559	\$ 359	\$ 918
Total attributable to:						
Participating account	\$ 3	\$ (2)	\$ 1	\$ 6	\$ (2)	\$ 4
Non-controlling interests	11	—	11	1	5	6
Shareholders	2,214	66	2,280	552	356	908
Total	\$ 2,228	\$ 64	\$ 2,292	\$ 559	\$ 359	\$ 918

⁽¹⁾ Balances have been restated. Refer to Note 2.

14. Legal and Regulatory Proceedings

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

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

Our significant legal proceedings and regulatory matters are disclosed in Note 22.G of our 2024 Annual Consolidated Financial Statements. There have been no significant updates to such legal and regulatory proceedings.

15. Subsequent Events

On May 8, 2025, SLF Inc. announced its intention to renew its normal course issuer bid, subject to the approval of OSFI and the Toronto Stock Exchange ("TSX"). The 2024 NCIB permits the repurchase of up to 15 million common shares, approximately 13 million of which have been repurchased as of May 7, 2025. Once SLF Inc. has repurchased all 15 million common shares under the 2024 NCIB (the "2024 Repurchased Shares"), it expects to establish a new normal course issuer bid pursuant to which it will be permitted to purchase up to an additional 10 million of its common shares (the "2025 NCIB"), subject to the receipt of applicable approvals from OSFI and the TSX. The 2025 NCIB will expire on the date that is 12 months after its commencement or such earlier date as SLF Inc. may determine. Purchases under the 2025 NCIB may be made through the facilities of the TSX, other Canadian stock exchanges, the New York Stock Exchange, and/or alternative trading platforms in Canada and the United States, at prevailing market rates. Subject to regulatory approval, purchases under the 2025 NCIB may also be made by way of private agreements or share repurchase programs under issuer bid exemption orders issued by securities regulatory authorities. Any purchases made under an exemption order issued by a securities regulatory authority will generally be at a discount to the prevailing market price. The actual number of common shares purchased under the 2025 NCIB, and the timing of such purchases (if any), will be determined by SLF Inc. Any common shares purchased by SLF Inc. pursuant to the 2025 NCIB will be cancelled or used in connection with certain equity settled incentive arrangements. The 2025 NCIB will provide the Company with the flexibility to acquire common shares in order to return capital to shareholders as part of its overall capital management strategy.

Corporate and Shareholder Information

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

Corporate office

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1 York Street
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Canada M5J 0B6
Tel: 416-979-9966
Website: sunlife.com

Investor Relations

For financial analysts, portfolio managers and institutional investors requiring information, please contact:
Investor Relations
Email: Investor_Relations@sunlife.com
Please note that financial information can also be obtained from sunlife.com.

Transfer agent

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

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

Canada

TSX Trust Company
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M5H 4H1
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Shareholders can view their account details using TSX Trust Company's Internet service, *Investor Central*. Register at tsxtrust.com/sun-life

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221 Senator Gil Puyat Avenue
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Hong Kong, SAR

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Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Tel: 852-2862-8555
Shareholders can submit inquiries online at computershare.com/hk/contact

Shareholder services

For shareholder account inquiries, please contact the Transfer Agent in the country where you reside, or Sun Life's Shareholder Services team.
English Email:
shareholderservices@sunlife.com
French Email:
servicesauxactionnaires@sunlife.com

2025 dividend dates

Common Shares

Record dates	Payment dates
February 26, 2025	March 31, 2025
May 28, 2025	June 30, 2025
August 27, 2025*	September 29, 2025*
November 26, 2025*	December 31, 2025*

*Subject to approval by the Board of Directors

Direct deposit of dividends

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

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

Canadian dividend reinvestment and share purchase plan

Canadian-resident common shareholders can enroll in the Dividend Reinvestment and Share Purchase Plan. For details, visit our website at sunlife.com or contact the Plan Agent, TSX Trust Company at sunlifeinquiries@tmx.com.

Stock exchange listings

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

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

Ticker Symbols:

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