

Q1 2021

Financial & Operating Results

For the period ended March 31, 2021



Life's brighter under the sun

Sun Life Financial Inc. (unaudited)



In this presentation, Sun Life Financial Inc. (“SLF” or “SLF Inc.”), its subsidiaries and, where applicable, its joint ventures and associates are referred to as “we”, “us”, “our”, “Sun Life” and the “Company”.

Forward-looking statements

Certain statements in this presentation and certain oral statements made by senior management during the earnings conference call on May 6, 2021 (collectively, this “presentation”), including, but not limited to, statements that are not historical facts, are forward-looking and are subject to inherent risks, uncertainties and assumptions. The results or events predicted in these forward-looking statements may differ materially from actual results or events and we cannot guarantee that any forward-looking statement will materialize. Except as may be required by law, we do not undertake any obligation to update or revise any forward-looking statements made in this presentation.

Non-IFRS Financial Measures

The Company prepares its financial statements in accordance with international financial reporting standards (“IFRS”). This presentation includes financial measures that are not based on IFRS (“non-IFRS financial measures”). The Company believes that these non-IFRS financial measures provide information that is useful to investors in understanding the Company’s performance and facilitate the comparison of the quarterly and full year results from period to period. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed as alternatives to measures of financial performance determined in accordance with IFRS.

Sources of earnings

Sources of earnings is based on the requirements of the Office of the Superintendent of Financial Institutions, Canada and guidelines of the Canadian Institute of Actuaries. It is used to identify the primary sources of gains or losses in each reporting period and is not based on IFRS. Additional information concerning our sources of earnings is included in the Company’s Annual Report.

Additional information

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

Currency

Unless otherwise noted, all amounts are in Canadian dollars.

Dean Connor

Chief Executive Officer

First quarter key highlights

Executing on our ambition to be one of the best insurance and asset management companies globally

Financial (vs. Q1 2020)

\$937M +140%

Reported net income

\$850M +10%

Underlying net income¹

\$730M (6)%

Insurance sales¹

\$1.45 +11%

Underlying EPS¹

\$66.0B +10%

Wealth sales¹

15.3% +110bps

Underlying ROE¹

\$278M +10%

Value of new business^{1,2}

141% (2)pp

SLF LICAT ratio³

Highlights

Strong flows at SLC Management

Fee-eligible inflows of approximately \$8.5B; Q1 AUM^{1,4} of \$160B

SLGI gross retail sales¹ up 18%

Strong mutual fund growth and record Sun GIF (Guaranteed Investment Fund) sales. Sun GIF supported by launch of the Investment GIF eApp

Individual insurance sales¹ up 12%

Asia individual insurance sales up 27% in Local Markets and Canada individual insurance sales up 27%

Agreement to acquire Pinnacle Care International, Inc.⁵

A leading U.S. health care navigation and medical intelligence provider, that will expand stop-loss and health beyond the traditional model

Commitment to sustainability

Announced goal to invest an additional \$20B in sustainable investments⁶ over the next five years

First quarter digital achievements across our businesses

Digital Enterprise is the next step in the evolution of our Client strategy, bringing the **business and IT closer than ever before** and **transforming the way we work**



CANADA

- **Ella**, our digital coach, **proactively connected with Clients over 3.6 million times**, driving:
 - ✓ An additional **\$294 million** in wealth deposits
 - ✓ **\$461 million** in insurance coverage
- Digitally processed:
 - ✓ **95% of retail insurance applications**
 - ✓ **77% of retail wealth transactions**
 - ✓ **95% of Group Benefits health and dental claims**



U.S.

- Online **disability claim submissions** through SunWorks¹ **up 26%** from Q4 2020
- **More than 46,000 active employees** on our Maxwell Health digital benefits platform, a **10% increase** from Q4 2020
- Launched **Stitch** in certain states in April, **enabling members to buy coverage directly from Sun Life online or via mobile** at any time of the year, with no administrative work for the employer



ASIA

- Launched a **premier digital on-demand wellness platform, GoWell Studio²**, in the Philippines
- **100% of products** in the Philippines sold **digitally**
- **66% of new business applications** were **submitted digitally³**, **up 14%** from the end of 2020
- Built a set of new **digital Personal Accident and Cancer products with straight-through-processing** in collaboration with one of our bancassurance partners in Vietnam

¹ SunWorks is a new integrated claims and absence management platform with online/ mobile and automated capabilities for Group Benefits and National Accounts.

² GoWell Studio is a wellness platform offering a variety of features, including virtual exercise programs, guided meditation sessions and healthcare awareness and education content.

³ Includes eApp submissions and SunSmart, a digital asset for advisors to prepare and submit applications digitally; excluding joint ventures and International.

Manjit Singh

Executive Vice President & Chief Financial Officer

Q1 2021 results



PROFITABILITY	Q1'21	Q4'20	Q1'20	YoY Change
Reported net income (\$ millions)	937	744	391	140%
Underlying net income (\$ millions) ¹	850	862	770	10%
Reported EPS (\$)²	1.59	1.27	0.67	137%
Underlying EPS (\$)¹,²	1.45	1.47	1.31	11%
Reported ROE¹	16.9%	13.3%	7.2%	+970 bps
Underlying ROE¹	15.3%	15.4%	14.2%	+110 bps

Underlying net income +10% y/y:
Driven by business growth, favourable morbidity in the U.S. and improved credit experience. Partially offset by lower investing activity gains



GROWTH	Q1'21	Q4'20	Q1'20	YoY Change
Insurance sales (\$ millions) ¹	730	1,425	776	(6)%
Wealth sales (\$ millions) ¹	65,962	51,634	59,904	10%
Value of New Business (\$ millions) ^{1,3}	278	426	253	10%
Assets Under Management (\$ billions) ^{1,4}	1,304	1,256	1,031	26%

Value of new Business +10% y/y:
Reflecting strong sales in higher margin VNB products across our insurance and wealth businesses



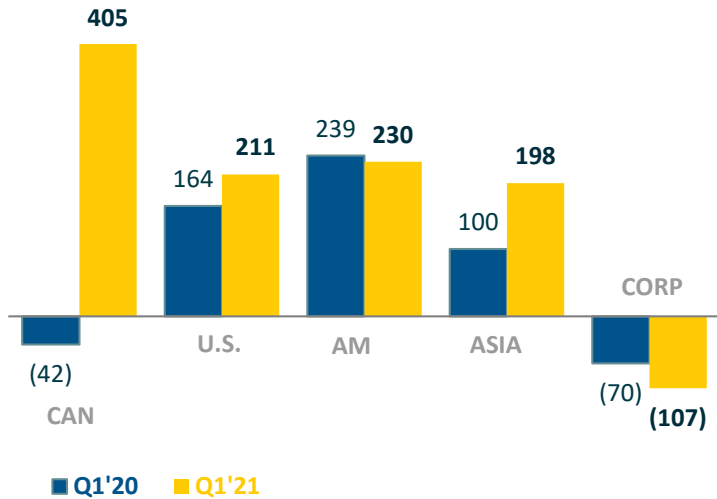
FINANCIAL STRENGTH	Q1'21	Q4'20	Q1'20	YoY Change
SLF LICAT Ratio ⁵	141%	147%	143%	(2) pp
SLA LICAT Ratio ⁵	124%	127%	130%	(6) pp
Financial leverage ratio ¹	22.7%	23.5%	20.7%	+2 pp
Cash at the HoldCo (\$ billions) ⁶	2.3	3.1	2.4	nm

SLF LICAT (6)% q/q:
Funding of Crescent Capital and ACB bancassurance transactions; sub-debt redemption

Business group performance

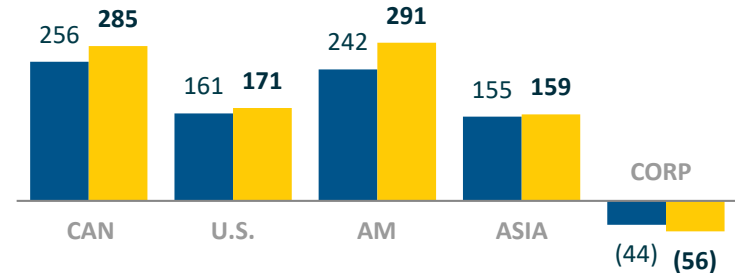
Reported net income (\$ millions)

Impact of currency decreased reported net income by \$33M



Underlying net income¹ (\$ millions)

Impact of currency decreased underlying net income by \$31M



Sources of earnings

Sources of earnings Common shareholders \$ millions	Q1'21	Q1'20
Expected profit on in-force business¹	913	829
Impact of new business ¹	14	(7)
Experience gains/(losses)	425	(111)
Assumption changes and management actions (ACMA) ²	(6)	(66)
Other ³	(161)	(50)
Earnings from operations	1,185	595
Earnings on surplus	108	116
Earnings before income taxes	1,293	711
Income tax (expense) or recovery ⁴	(335)	(290)
Preferred share dividends and non-controlling interest	(21)	(30)
Reported net income	937	391

Expected profit: up 10% from prior year driven by Asset Management as well as business growth and higher fee-based income in Canada and Asia

Impact of new business: higher across most Local Markets in Asia and repricing in individual insurance in Canada

Experience gains/(losses): year over year increase driven primarily by favourable net market related impacts

Other: higher fair value adjustments on MFS's share-based payments awards, as well as restructuring and acquisition costs

Earnings on surplus: lower investment income, partially offset by the impact of seed investments

¹ 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 Q1 2020, to reflect this change.

² See "Use of Non-IFRS Financial Measures" and "Reconciliation of Select Net Income measures" in the appendix to these slides.

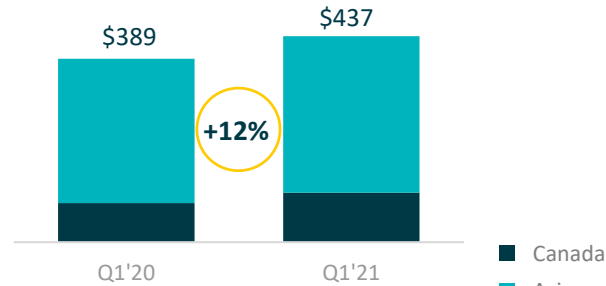
³ Other includes: fair value adjustments on MFS's share-based payment awards, acquisition, integration and restructuring costs, and the impact of certain hedges in Canada that do not qualify for hedge accounting.

⁴ Effective tax rate on underlying net income was 18.1% in Q1 2021 (18.5% in Q1 2020).

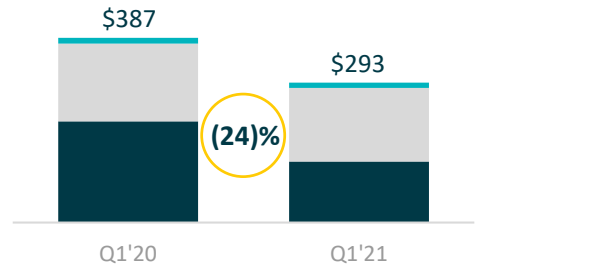
Sales results by business group

Insurance

Individual sales¹
(\$ millions)

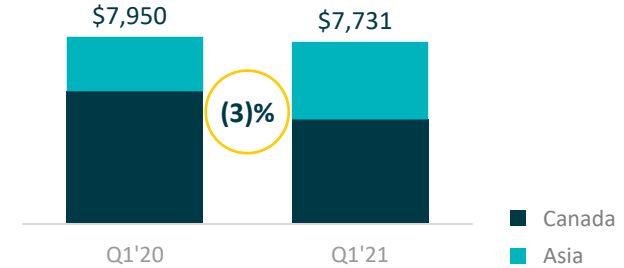


Group sales¹
(\$ millions)

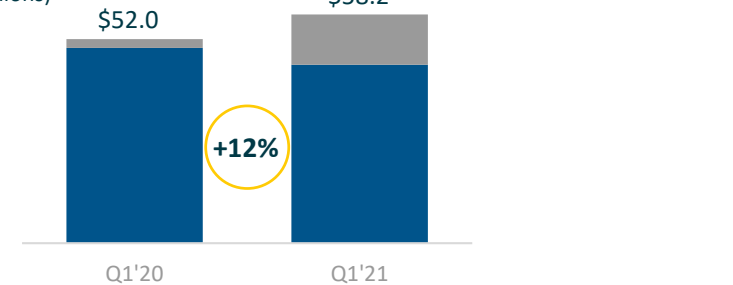


Wealth and Asset Management

Wealth sales¹ [excluding AM]
(\$ millions)



Asset Management gross flows
(\$ billions)



Value of new business^{1,2}
\$278M
+10% YoY

Note: Sales for Asia joint ventures based on our proportionate equity interest.

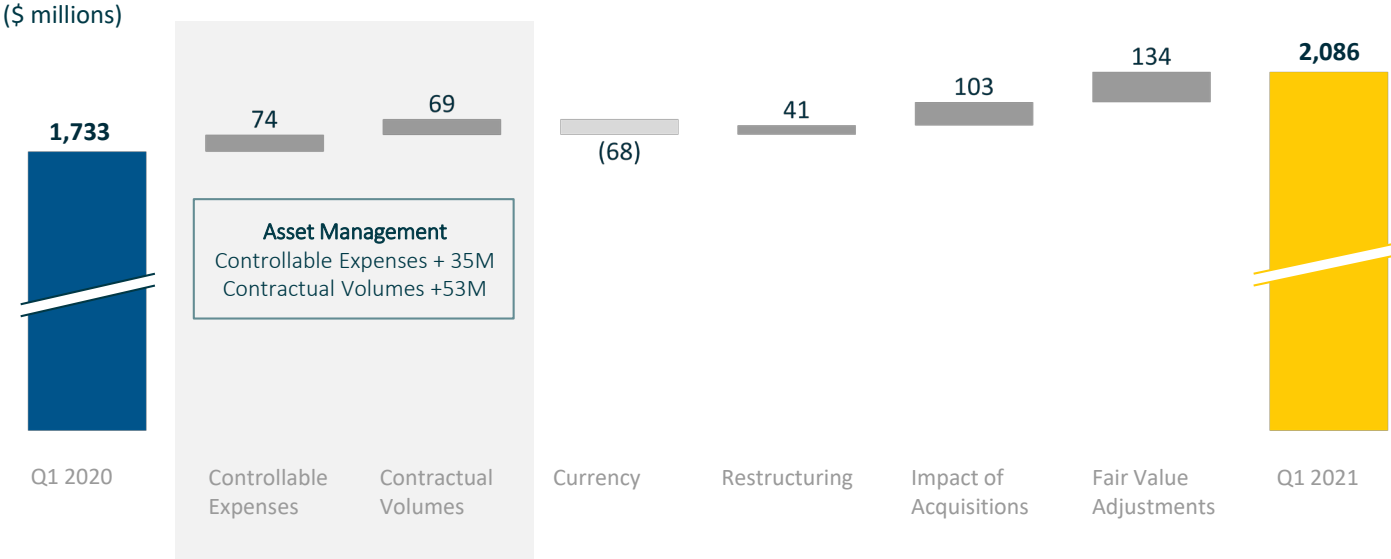
¹ Sales and Value of New Business are Non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" in the appendix to these slides.

² Value of New Business 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, excluding new business in our Asset Management pillar. Effective January 1, 2021, reflects a change in the timing of recognition of U.S. VNB for group policies; see section M - Non-IFRS Financial Measures in the Q1 2021 MD&A.

³ Effective January 1, 2021, the methodology for gross flows and outflows was updated for SLC Management. Prior period amounts have not been updated. For more details, see the Q1 2021 MD&A, section M - Non-IFRS Financial Measures.

Operating expenses

Increase driven by higher share-based compensation, business growth, the impact of acquisitions, and restructuring costs



Increase in controllable expenses and contractual volumes reflect:

- Strong top line growth and performance in Asset Management resulting in higher compensation costs
- Growth in business volumes
- Continued investment on business initiatives

| Appendix

Reconciliation of underlying net income

\$ millions	Q1'21 Pre-tax	Q1'21 Post-tax
Reported net income		937
Net equity market impact (including basis risk impact of \$5 million) ¹	98	72
Net interest rate impact (including credit spread impact of \$(8) and swap spread impact of \$(12) million) ¹	289	141
Impact of changes in the fair value of investment properties	(7)	(4)
Market related impacts	380	209
Assumption changes and management actions ²	(6)	(4)
Other ³	(161)	(118)
Underlying net income²		850

Differences between pre- and post-tax results reflect mix of business based on the Company's global operations, and the impact of tax efficient assets in investment strategies

¹ Amounts provided for basis risk, credit spread and swap spread are after-tax.

² Underlying net income and assumption changes and management actions are Non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" in the appendix to these slides.

³ Other includes: fair value adjustments on MFS's share-based payment awards, acquisition, integration and restructuring costs, and the impact of certain hedges in Canada that do not qualify for hedge accounting.

SOE experience gains/ (losses) - details

\$ millions	Q1'21 Pre-tax	Q1'20 Pre-tax	Q1'21 Post-tax	Q1'20 Post-tax
Net equity market impact	98	(483)	72	(360)
Net interest rate impact ¹	289	326	141	74
Impact of changes in the fair value of investment properties ¹	(6)	(13)	(3)	(10)
Market-Related Impacts¹	381	(170)	210	(296)
Impact of investment activity on insurance contract liabilities	92	166	74	130
Credit	21	(21)	15	(15)
Mortality	(15)	(3)	(15)	(4)
Morbidity	47	9	39	9
Lapse and other policyholder behaviour	(18)	(16)	(14)	(14)
Expenses	(26)	(14)	(21)	(11)
Other	(57)	(62)	(33)	(39)
Other Notable Items	44	59	45	56
Experience gains/(losses)	425	(111)	255	(240)

¹ Excluding amounts in earnings on surplus shown in market related impacts on slide 13. Pre-tax: Q1'21 excludes \$(1)m impact for changes in the fair value of investment properties held in surplus; Q1'20 excludes interest impacts of \$7m and changes in the fair value of investment properties of \$(3)m. Post-tax: Q1'21 excludes \$(1)m impact for changes in the fair value of investment properties held in surplus; Q1'20 excludes interest impacts of \$5m and changes in the fair value of investment properties of \$(2)m.

Market movements and impacts in the quarter

Market Movements	YTD Q1'21	YTD Q4'20	YTD Q1'20
S&P/ TSX	+7.3%	+2.2%	(21.6)%
S&P 500	+5.8%	+16.3%	(20.0)%
CA 10 - year	+88 bps	(103) bps	(101) bps
CA 30 - year	+77 bps	(55) bps	(46) bps
US 10 - year	+83 bps	(100) bps	(125) bps

Earnings on Surplus (\$millions, pre-tax)	Q1'21	Q4'20	Q1'20
Investment income	110	125	134
AFS gains	53	9	68
Seed investment gains/ (losses) ¹	(14)	18	(48)
Investment properties mark-to-market	(1)	4	(3)
Interest on debt	(40)	(42)	(35)
Total	108	114	116

¹ Reflects a change in presentation for our Seed investment gains/ (losses) effective Q1 2021. We have updated Q4 2020 and Q1 2020 to reflect this change in presentation.

Equity Market Impacts (\$millions, post-tax)	Q1'21	Q4'20	Q1'20
Equity market movement and volatility	67	122	(303)
Basis risk	5	(14)	(57)
Total	72	108	(360)

Interest Impacts (\$millions, post-tax)	Q1'21	Q4'20	Q1'20
Interest rate changes	161	5	(87)
Credit spread movements	(8)	(63)	127
Swap spread movements	(12)	(16)	39
Total	141	(74)	79

Credit-Related Impacts (\$millions, post-tax)	Q1'21	Q4'20	Q1'20
Changes in ratings	(14)	(6)	(39)
Impairments, net of recoveries	-	(6)	(1)
Release of best estimate credit	29	30	25
Total	15	18	(15)

Use of Non-IFRS Financial Measures

We report certain financial information using non-IFRS financial measures, as we believe that these measures provide information that is useful to investors in understanding our performance and facilitate a comparison of our quarterly and full year results from period to period. 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. 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 reconciliations to the closest IFRS measures are available in the Q1 2021 MD&A under the heading M - Non-IFRS Financial Measures, our annual MD&A and the Supplementary Financial Information packages that are available on www.sunlife.com under Investors – Financial results and reports.

Non-IFRS measures

Underlying net income (loss) and financial measures based on underlying net income (loss), including underlying EPS or underlying loss per share, and underlying 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:
 - (i) certain hedges in Canada that do not qualify for hedge accounting - this adjustment enhances the comparability of our net income from period to period, as it reduces volatility to the extent it will be offset over the duration of the hedges;
 - (ii) fair value adjustments on MFS's share-based payment awards that are settled with MFS's own shares and accounted for as liabilities and measured at fair value each reporting period until they are vested, exercised and repurchased - this adjustment enhances the comparability of MFS's results with publicly traded asset managers in the United States;
 - (iii) acquisition, integration and restructuring costs; and
 - (iv) other items that are unusual or exceptional in nature.

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

All EPS measures in this presentation refer to fully diluted EPS, unless otherwise stated. As noted above, underlying EPS exclude the dilutive impact of convertible instruments.

Other non-IFRS financial measures that we use include reported ROE, administrative services only ("ASO") premium and deposit equivalents, mutual fund assets and sales, managed fund assets and sales, insurance and health sales, premiums and deposits, assets under management ("AUM"), assets under administration, pre-tax net operating profit margin for MFS, measures based on a currency adjusted basis, financial leverage ratio, dividend payout ratio, impact of foreign exchange, real estate market sensitivities, assumption changes and management actions, value of new business, after-tax profit margin for U.S. Group Benefits and effective income tax rate on an underlying net income basis.

Reconciliation of Select Net Income Measures	Q1'21	Q4'20	Q1'20
Common shareholders' reported net income (loss)	937	744	391
Less:			
Impact of certain hedges that do not qualify for hedge accounting	-	-	(1)
Fair value adjustments on share-based payment awards at MFS	(44)	(46)	10
Acquisition, integration and restructuring	(74)	(50)	(42)
Net equity market impact	72	108	(360)
Net interest rate impact	141	(74)	79
Net increases (decrease) in the fair value of real estate	(4)	(14)	(12)
Assumption changes and management actions	(4)	(42)	(53)
Common shareholders' underlying net income (loss)	850	862	770

Forward-Looking Statements

From time to time, the Company makes written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements contained in this document include statements (i) relating to our strategies, (ii) relating to our sustainable investment commitments, (iii) relating to our anticipated acquisition of PinnacleCare, (iv) relating to our growth initiatives and other business objectives, (v) relating to the plans we have implemented in response to the COVID-19 pandemic and related economic conditions and their impact on the Company, (vi) that are predictive in nature or that depend upon or refer to future events or conditions, and (vii) that include words such as “achieve”, “aim”, “ambition”, “anticipate”, “aspiration”, “assumption”, “believe”, “could”, “estimate”, “expect”, “goal”, “initiatives”, “intend”, “may”, “objective”, “outlook”, “plan”, “project”, “seek”, “should”, “strategy”, “strive”, “target”, “will”, and similar expressions. Forward-looking statements include the information concerning our possible or assumed future results of operations. These statements represent our current expectations, estimates, and projections regarding future events and are not historical facts, and remain subject to change, particularly in light of the ongoing and developing COVID-19 pandemic and its impact on the global economy and its uncertain impact on our business.

Forward-looking statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict. Future results and shareholder value may differ materially from those expressed in these forward-looking statements due to, among other factors, the impact of the COVID-19 pandemic and related economic conditions on our operations, liquidity, financial conditions or results and the matters set out in the Q1 2021 MD&A under the headings C - Profitability - 5 - Income taxes, E - Financial Strength and H - Risk Management and in SLF Inc.'s 2020 AIF under the heading Risk Factors, and the factors detailed in SLF Inc.'s other filings with Canadian and U.S. securities regulators, which are available for review at www.sedar.com and www.sec.gov, respectively.

Risk Factors

Important risk factors that could cause our assumptions and estimates, and expectations and projections to be inaccurate and our actual results or events to differ materially from those expressed in or implied by the forward-looking statements contained in this document, are set out below. The realization of our forward-looking statements, essentially depends on our business performance which, in turn, is subject to many risks, which have been further heightened with the current COVID-19 pandemic given the uncertainty of its duration and impact. Factors that could cause actual results to differ materially from expectations include, but are not limited to: **market risks** - related to the performance of equity markets; changes or volatility in interest rates or credit spreads or swap spreads; real estate investments; and fluctuations in foreign currency exchange rates; **insurance risks** - related to policyholder behaviour; mortality experience, morbidity experience and longevity; product design and pricing; the impact of higher-than-expected future expenses; and the availability, cost and effectiveness of reinsurance; **credit risks** - related to issuers of securities held in our investment portfolio, debtors, structured securities, reinsurers, counterparties, other financial institutions and other entities; **business and strategic risks** - related to global economic and political conditions; the design and implementation of business strategies; changes in distribution channels or Client behaviour including risks relating to market conduct by intermediaries and agents; the impact of competition; the performance of our investments and investment portfolios managed for Clients such as segregated and mutual funds; changes in the legal or regulatory environment, including capital requirements and tax laws; the environment, environmental laws and regulations; **operational risks** - related to breaches or failure of information system security and privacy, including cyber-attacks; our ability to attract and retain employees; legal, regulatory compliance and market conduct, including the impact of regulatory inquiries and investigations; the execution and integration of mergers, acquisitions, strategic investments and divestitures; our information technology infrastructure; a failure of information systems and Internet-enabled technology; dependence on third-party relationships, including outsourcing arrangements; business continuity; model errors; information management; **liquidity risks** - the possibility that we will not be able to fund all cash outflow commitments as they fall due; and **other risks** - COVID-19 matters, including the severity, duration and spread of COVID-19; its impact on the global economy, and its impact on Sun Life's business, financial condition and/or results; risks associated with IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments; our international operations, including our joint ventures; market conditions that affect our capital position or ability to raise capital; downgrades in financial strength or credit ratings; and tax matters, including estimates and judgements used in calculating taxes.

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

Footnotes from slide 4

¹ Underlying net income, Earnings per Share (EPS), Return on Equity (ROE), Sales, Value of New Business (“VNB”), and Assets Under Management (“AUM”) are Non-IFRS financial measures. See “Use of Non-IFRS Financial Measures” and “Reconciliation of Select Net Income measures” in the appendix to these slides.

² Effective January 1, 2021, reflects a change in the timing of recognition of U.S. VNB for group policies; for more details, see section M - Non-IFRS Financial Measures in the Q1 2021 MD&A.

³ Life Insurance Capital Adequacy Test (“LICAT”) ratio of SLF.

⁴ Effective January 1, 2021, the methodology for 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. We have updated prior period amounts to reflect this change. For more details, see section M - Non-IFRS Financial Measures of the Q1 2021 MD&A.

⁵ On April 23, we entered into an agreement to acquire Pinnacle Care International, Inc.; the transaction is expected to close in mid-2021, subject to satisfaction of customary closing conditions, including the receipt of regulatory approval. See “Forward-Looking Statements” and “Risk Factors” in the appendix of these slides.

⁶ Sustainable investments across the general account and third party investments.

Footnotes from slide 7

¹ Underlying net income, EPS, ROE, Sales, value of new business, assets under management and financial leverage ratio are Non-IFRS financial measures. See “Use of Non-IFRS Financial Measures” and “Reconciliation of Select Net Income measures” in the appendix to these slides.

² Fully diluted basis.

³ Effective January 1, 2021, reflects a change in the timing of recognition of U.S. VNB for group policies; we have updated prior period amounts to reflect this change; for more details, see section M - Non-IFRS Financial Measures in the Q1 2021 MD&A.

⁴ Effective January 1, 2021, the methodology for 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. We have updated prior period amounts to reflect this change. For more details, see section M - Non-IFRS Financial Measures of the Q1 2021 MD&A.

⁵ Life Insurance Capital Adequacy Test (“LICAT”) ratio of SLF and of Sun Life Assurance Company of Canada (“SLA”).

⁶ Cash and other liquid assets at SLF and its wholly-owned holding companies.