



Q2'23 financial & operating results

For the period ended June 30, 2023

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”. Reported net income (loss) refers to Common shareholders’ net income (loss) determined in accordance with IFRS.

Forward-looking statements

Certain statements in this presentation and certain oral statements made by senior management during the earnings conference call on August 9, 2023 (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.

Note to Readers: 2022 Restated Results on Adoption of IFRS 17 and IFRS 9

2022 results have been restated for the adoption of IFRS 17 and the related IFRS 9 classification overlay (“the new standards”). The restated results may not be fully representative of our future earnings profile, as we were not managing our asset and liability portfolios under the new standards. The majority of the actions taken to re-balance asset portfolios and transition asset-liability management execution to an IFRS 17 basis occurred in Q1’23. Accordingly, analysis based on 2022 comparative results may not necessarily be indicative of future trends, and should be interpreted with this context. Using sensitivities to analyze the outlook for market risk and related impacts (e.g., interest rate sensitivities) will be more representative starting with the sensitivities disclosed for Q1’23 and onward in section I - Risk Management in each quarter’s respective MD&A document. Certain 2022 restated results and 2023 interim results in the Drivers of Earnings and CSM Movement Analysis were refined to more accurately reflect how management views the business. As these results are not audited, or have not yet been audited, they may still be subject to change.

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. For more information about these non-IFRS financial measures, refer to the Non-IFRS Financial Measures section on slide 19 and in our Q2 2023 MD&A in section N – Non-IFRS Financial Measures.

Drivers of earnings

Drivers of earnings is used to identify the primary sources of gains or losses in each reporting period and is not an IFRS financial measure. Additional information concerning our drivers of earnings is included in our Q2 2023 MD&A in section N – Non-IFRS Financial Measures.

Additional information

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

Currency

Unless otherwise noted, all amounts are in Canadian dollars.

Rounding

Amounts in this presentation are impacted by rounding.



Kevin Strain

President and Chief Executive Officer

Q2 2023 financial highlights

Delivering on our Purpose to help Clients achieve lifetime financial security and live healthier lives

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

Profitability

Underlying net income¹
\$920 M +14%

Reported net income
\$660 M (29)%

Underlying EPS¹
\$1.57 +14%

Reported EPS
\$1.12 (29)%

New Business CSM²
\$270 M +43%

Financial Strength

SLF Inc. LICAT ratio³
148% +0.0 pp

Underlying ROE¹
17.7% +1.0 pp

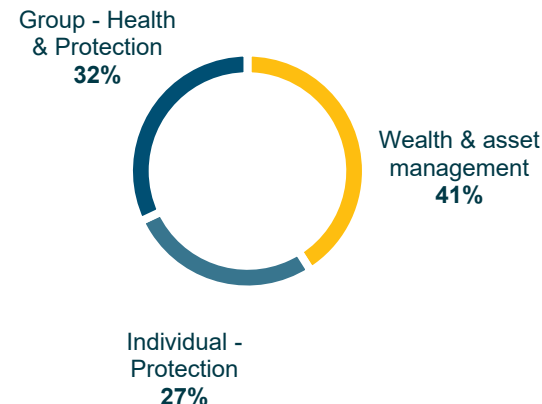
Reported ROE¹
12.7% (6.5) pp

Financial leverage ratio¹
23.3% +0.1 pp

Total CSM
\$11.3 B +14%

Diversified Business Mix⁴

Year-to-date at June 30, 2023



➤ *Announced normal course issuer bid for up to 17 million common shares or 2.9% of shares outstanding, subject to regulatory approval*

All results compared to Q2'22 on a restated basis except for SLF LICAT ratio and Financial leverage ratio, which are compared to Q1'23.

¹ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2023 MD&A.

Footnotes 2-4: Refer to slide 21.

Progress on our Client Impact strategy

Our Purpose: Help Clients achieve lifetime financial security and live healthier lives



Our Ambition: To be one of the best asset management and insurance companies globally

Leveraging our digital capabilities, recent acquisitions and partnerships to improve access to care

- Announced agreement to acquire **Dialogue Health Technologies Inc.**, a premier health and wellness virtual care platform, providing Clients with access to affordable, on-demand, quality care¹
- Launched **Lumino Health Pharmacy** in Canada, an online pharmacy app that helps Clients manage and access their medications, usage, and refills from the comfort of their home
- Opened two new **Advantage Dental+** dental care practices in Texas where access to quality oral health care is a challenge for children with Medicaid coverage
- Launched **eSunPro** in Hong Kong, a digital health care platform offering one-stop, comprehensive care to Clients from the point of diagnosis to post-treatment care

Using distribution capabilities to build lifetime financial security

- Made good sales progress through our recent **bancassurance partnership with Dah Sing Bank**, helping meet the protection, savings, and investment needs of a rising middle class
- Announced **AAM will distribute BGO IREIT²**, a product designed to support needs of high-net-worth Clients

Embracing our responsibility to create a more sustainable and brighter future

- Announced our **second sustainability bond** offering, issuing \$500 million³
- Invested in assets that generate a stable and attractive yield, while generating positive environmental impact; for example, **InfraRed invested in JOLT⁴**, an e-mobility company focused on rapid electric vehicle charging infrastructure that supports a low carbon future

Maintaining our position as an empowered and inclusive workplace

- Recognized as one of **Corporate Knights' Best 50 Corporate Citizens** in Canada for the 18th time

¹ This statement is a forward-looking statement within the meaning of applicable securities laws. For more information, refer to "Forward-looking Statements" and "Risk Factors" on slide 20.

Footnotes 2-4: Refer to slide 21.



Manjit Singh

Executive Vice President &
Chief Financial Officer

Q2 2023 results

Profitability (\$ millions)	Q2'23	Q2'22	Change
Wealth & asset management	419	420	(0)%
Group - Health & Protection	360	238	+51%
Individual - Protection	265	215	+23%
Corporate expenses & other	(124)	(65)	(91)%
Underlying net income ¹ (\$ millions)	920	808	+14%
Reported net income (\$ millions)	660	930	(29)%

Growth	Q2'23	Q2'22	Change
Wealth & asset management net flows ¹ (\$ billions)	(3.5)	0.8	(4.3)B
Total AUM ¹ (\$ billions)	1,367	1,257	+9%
Group sales ¹ (\$ millions)	656	320	+105%
Individual sales ¹ (\$ millions)	604	416	+45%
New business CSM ² (\$ millions)	270	189	+43%

Financial strength	Q2'23	Q1'23	Change
SLF Inc. LICAT ratio ³ (%)	148	148	-
SLA LICAT ratio ^{3,4} (%)	139	144	(5) pp
Financial leverage ratio ¹ (%)	23.3	23.2	+0.1 pp
Book value per share (\$)	34.86	35.34	(1)%

¹ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2023 MD&A.

Footnotes 2-6: Refer to slide 21.

Results Highlights

Earnings reflect strong business fundamentals and diversified business mix

- **Wealth & asset management:** higher investment income driven by volume growth and increase in yields, largely offset by lower fee-based earnings in MFS
- **Group - Health & Protection:** good premium growth, contribution from DentaQuest, and improved disability experience
- **Individual - Protection:** higher premium growth and favourable experience, partially offset by the sale of Sun Life UK⁵
- **Corporate expenses & other:** reflects higher incentive compensation expenses and debt financing
- Higher earnings on surplus reflecting an increase in realized gains and higher asset yields

Total AUM¹ up 9% reflecting market growth, partially offset by net outflows

Strong Group & Individual sales across Canada, U.S., and Asia

- Group sales up 105% y/y driven by U.S. Dental and Employee Benefits and Canada Group
- Individual sales up 45% y/y on strong par sales in Canada and higher sales in Hong Kong, China and India

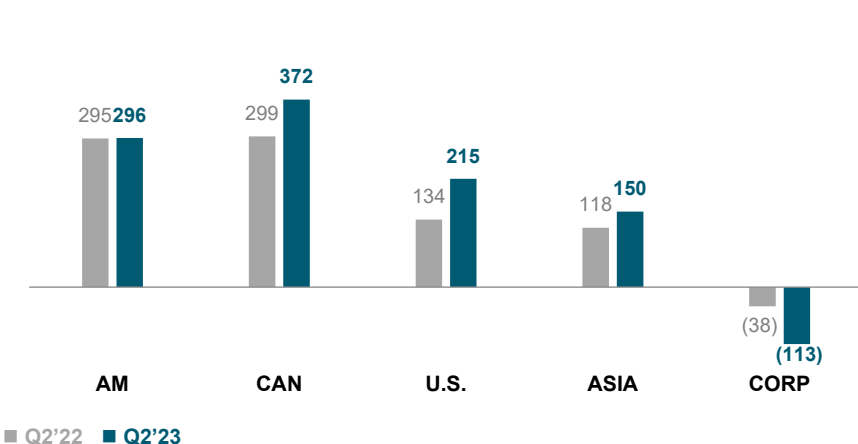
Strong capital position

- SLF LICAT of 148%; low financial leverage ratio of 23.3%
- \$2 billion in holdco cash^{1,6}

Q2 2023 results

Underlying net income¹ (\$ millions)

Impact of currency translation increased underlying net income by **\$27M**²



Year-over-year growth³

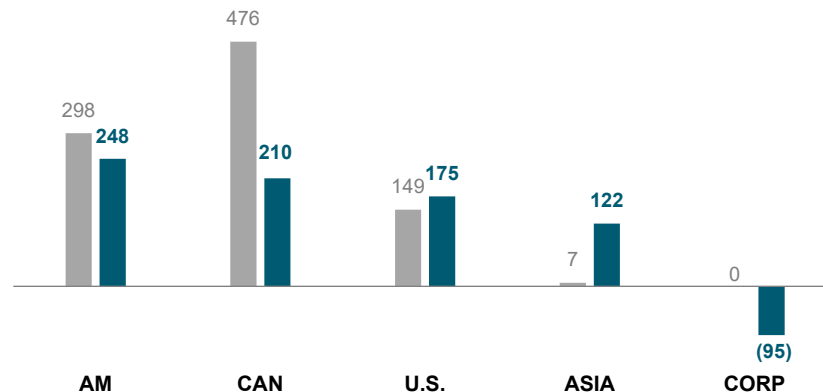
+0%	+24%	+60%	+27%	(17)%	(56)%	+17%	nm
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Constant currency^{2,3} year-over-year growth

(4)%	+24%	+52%	+25%	(21)%	(56)%	+11%	nm
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Reported net income (\$ millions)

Impact of currency translation increased reported net income by **\$25M**²



¹ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2023 MD&A.

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

³ Refer to Note to Readers: 2022 Restated Results on Adoption of IFRS 17 and IFRS 9 on slide 2.

MFS: A global leader in public asset management

Business Group Results (US\$)

Profitability	Q2'23	Q2'22	Change
Underlying net income ¹ (\$ millions)	187	197	(5)%
Reported net income (\$ millions)	187	228	(18)%
Pre-tax net operating margin ^{1,2} (%)	37	36	+1 pp

Growth	Q2'23	Q2'22	Change
Total net flows ¹ (\$ billions)	(4.0)	(5.5)	+1.5B
Institutional net flows ¹ (\$ billions)	(2.3)	1.3	(3.6)B
Retail net flows ¹ (\$ billions)	(1.7)	(6.7)	+5.1B
Total assets under management ¹ (\$ billions)	589	553	+7%
Institutional AUM ¹ (\$ billions)	195	182	+8%
Retail AUM ¹ (\$ billions)	394	371	+6%
Average net assets (ANA) ¹ (\$ billions)	577	592	(3)%

Quarterly Highlights (US\$)

- Underlying net income down 5% y/y reflecting lower ANA driven by lower equity markets, net outflows and the impact of higher taxes, partially offset by higher investment income
 - Pre-tax net operating profit margin of 37% up one point y/y
- Reported net income down 18% y/y, driven by an increase in fair value of share-based compensation
- Ending AUM of \$589 billion up 7% y/y; up 3% from Q1'23, reflecting market appreciation partially offset by net outflows
 - Redemption rate continues to perform better than industry peers
- Long-term retail fund performance remains strong with 98% and 92% of fund assets ranked in the top half of their respective Morningstar categories based on 10- and 5-year performance, respectively
- Advancing strategic initiative to grow defined contribution business – defined contribution gross sales were up 20% y/y

¹ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2023 MD&A.

² Pre-tax gross operating margin was 33% in Q2 2023 and 32% in Q2 2022.

SLC Management: Growing a premier alternatives platform

Business Group Results

Profitability	Q2'23	Q2'22	Change
Fee-related earnings ¹ (\$ millions)	62	52	+19%
Pre-tax fee-related earnings margin ^{1,2} (%)	24	23	+1 pp
Pre-tax net operating margin ^{1,2} (%)	20	24	(4) pp
Underlying net income ¹ (\$ millions)	44	45	(2)%
Reported net income (\$ millions)	(3)	6	nm

Growth	Q2'23	Q2'22	Change
Total assets under management ^{1,3} (\$ billions)	218	194	+13%
Total AUM net flows ¹ (\$ billions)	2.0	7.3	(5.2)B
Assets under administration ¹ (\$ billions)	50	n/a	-
Fee-earning AUM ¹ (\$ billions)	171	150	+14%
Fee-earning AUM net flows ¹ (\$ billions)	2.0	5.0	(3.0)B
AUM not yet earnings fees ¹ (\$ billions)	21.2	20.8	+2%
Capital raising ¹ (\$ billions)	2.1	5.7	(3.6)B
Deployment ¹ (\$ billions)	4.7	7.0	(2.2)B

Quarterly Highlights

- Fee-related earnings (FRE) up 19% y/y on higher AUM, reflecting strong capital raising and deployment across the platform and the acquisition of AAM
- FRE margin up one point y/y driven by fee-related revenue growth
- Underlying net income down 2% from prior year as FRE growth and higher seed income was offset by non-recurring favourable items in the prior year quarter; Reported net income includes losses on real estate investments held in surplus
- Fee-earning AUM grew 14% y/y driven by continued capital deployment and market appreciation
- AUM not yet earning fees can generate annualized fee-related revenue of more than \$180 million, once invested⁴
- Resilient capital raising of \$2.1 billion
- Announced the launch of BGO IREIT⁵, a non-traded real estate investment trust to be distributed by AAM to high-net-worth investors

¹ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2023 MD&A.

⁴ This statement is a forward-looking statement within the meaning of applicable securities laws. For more information, refer to "Forward-looking Statements" and "Risk Factors" on slide 20.

Footnotes 2-3, 5: refer to slide 21.

Canada: A leader in health, wealth, and insurance

Business Group Results

Profitability	Q2'23	Q2'22	Change
Wealth & asset management (\$ millions)	110	110	0%
Group - Health & Protection (\$ millions)	160	112	+43%
Individual - Protection (\$ millions)	102	77	+32%
Underlying net income ¹ (\$ millions)	372	299	+24%
Reported net income (\$ millions)	210	476	(56)%
Underlying ROE ¹ (%)	23.5	19.2	+4.3 pp
Reported ROE ¹ (%)	13.2	30.6	(17.4) pp

Growth	Q2'23	Q2'22	Change
Wealth & asset management net flows ¹ (\$ millions)	(355)	357	nm
Wealth & asset management AUM ¹ (\$ billions)	159	146	+9%
Group - Health & Protection sales ¹ (\$ millions)	153	92	+66%
Group - Health & Protection net premiums ¹ (\$ billions)	1.6	1.6	+1%
Group - Health & Protection fee income ¹ (\$ millions)	100	77	+30%
Individual - Protection sales ¹ (\$ millions)	154	126	+22%

Quarterly Highlights

- Underlying net income up 24% y/y reflecting strong results in Group & Individual businesses and resilient Wealth & asset management earnings
- **Wealth & asset management** earnings in-line with prior year as increase in investment income was offset by higher expenses
- **Group - Health & Protection** earnings reflect better disability experience on higher margins, lower claims volumes, and shorter claims durations, as well as strong Sun Life Health sales
 - Strong fee income reflects member growth
- **Individual - Protection** earnings benefitted from improved insurance experience and higher net investment results
 - Individual sales up on strong demand for par products
- Earnings on surplus up y/y due to higher realized investment gains and net interest income from higher asset yields
- Reported net income lower y/y reflecting market-related impacts primarily from interest rate movements and real estate returns

¹ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2023 MD&A.

U.S.: A leader in health & benefits

Business Group Results (US\$)

Profitability	Q2'23	Q2'22	Change
Group - Health & Protection (\$ millions)	149	103	+45%
Individual - Protection (\$ millions)	11	(1)	nm
Underlying net income ¹ (\$ millions)	160	102	+57%
Reported net income (\$ millions)	133	113	+18%
Underlying ROE ¹ (%)	13.8	11.2	+2.6 pp
Reported ROE ¹ (%)	11.4	12.4	(1.0) pp

Growth	Q2'23	Q2'22	Change
Employee Benefits sales ^{1,2} (\$ millions)	47	54	(13)%
Medical Stop-Loss sales ¹ (\$ millions)	130	95	+37%
Dental sales ^{1,2} (\$ millions)	183	19	nm
Net premiums ¹ – GB & Dental (\$ billions)	2.0	1.4	+43%
Fee Income – GB & Dental (\$ millions)	80	39	+105%

Quarterly Highlights (US\$)

- Underlying net income up 57% y/y on strong performance in Group businesses
- **Group - Health & Protection** earnings up 45% y/y, reflecting good premium growth, full quarter contribution from DentaQuest, favourable experience and higher net investment results
 - Net premium and fee income growth driven by the acquisition of DentaQuest, as well as strong business growth
 - First quarter of neutral mortality experience since the beginning of the COVID-19 pandemic; continued favourable, but moderating, morbidity experience in Stop-Loss
 - DentaQuest continues to demonstrate strong momentum, recording the largest Medicare Advantage sale in its history, bringing dental sales to ~\$580 million since closing the DentaQuest acquisition on June 1, 2022
- **Individual - Protection** results reflect inclusion of the UK payout annuity business³ and favourable insurance experience
- Earnings on surplus up y/y reflecting higher realized investment gains and income from higher asset yields
- Reported net income of \$133 million includes market-related impacts and DentaQuest integration costs

¹ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2023 MD&A.

Footnotes 2, 3: refer to slide 21.

Asia: A regional leader focused on fast-growing markets

Business Group Results

Profitability	Q2'23	Q2'22	Change	CC ¹
Wealth & asset management (\$ millions)	13	15	(13)%	(15)%
Individual - Protection (\$ millions)	144	106	+36%	+33%
Regional Office and other (\$ millions)	(7)	(3)	(133)%	(151)%
Underlying net income ² (\$ millions)	150	118	+27%	+25%
Reported net income (\$ millions)	122	7	nm	nm
Underlying ROE ² (%)	10.9	10.2	+0.7 pp	n/a
Reported ROE ² (%)	9.0	0.5	+8.5 pp	n/a

Growth	Q2'23	Q2'22	Change	CC ¹
Wealth & asset management net flows ² (\$ millions)	199	173	+15%	+4%
Wealth & asset management AUM ² (\$ billions)	35.5	34.6	+3%	+1%
Individual - Protection sales ² (\$ millions)	450	290	+55%	+51%
Total weighted premium income (TWPI) ² (\$ billions)	1.4	1.1	+27%	+25%
New business CSM ³ (\$ millions)	118 ³	70	+69%	+64%

Quarterly Highlights (% in constant currency¹)

- Underlying net income up 25% y/y, driven by Individual - Protection
- **Individual – Protection** earnings up on higher premiums reflecting good sales momentum over the past year, as well as favourable policyholder behaviour and expense experience in joint ventures
 - Individual sales up 51% y/y, driven by strong sales activity in Hong Kong, China and India
 - New business CSM increased 64% y/y on higher sales growth and improved profitability in High-Net-Worth and Hong Kong
 - Total Weighted Premium Income up 25% y/y reflecting growth across markets
- **Wealth & asset management** earnings down 15% y/y reflecting lower fee-based earnings from lower AUM in the Philippines and the decline in equity markets in Hong Kong
- Reported net income of \$122 million includes unfavourable market-related impacts

¹ Percentage change is reported on a constant currency basis, which excludes the impacts of foreign exchange translation. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2023 MD&A.

² Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2023 MD&A.

³ New business CSM represents growth from sales activity in the period, including individual protection sales (excluding joint ventures).



Appendix

Drivers of earnings

Drivers of earnings (DOE) ¹ \$ millions, pre-tax	Reported ¹		Underlying ¹	
	Q2'23	Q2'22	Q2'23	Q2'22
Risk adjustment release	103	95	103	95
Contractual service margin recognized for services provided	192	175	192	175
Expected earnings on short-term insurance business	367	270	367	270
Expected insurance earnings	662	540	662	540
Impact of new insurance business	(12)	(16)	(12)	(16)
Experience gains (losses) & Other	115	12	144	12
ACMA (Non-financial)	(7)	6	-	-
Total net insurance service result	758	542	794	536
Expected investment earnings	221	159	221	159
Market-related impacts	(258)	298	-	-
Credit experience	(4)	9	(4)	9
ACMA (Financial)	18	(36)	-	-
Earnings on surplus	165	135	165	135
Joint ventures & other	23	119	48	19
Total net investment result	165	684	430	322
Other fee income ²	84	95	80	95
Expenses – other ³	(526)	(425)	(516)	(333)
Asset management²	327	389	403	388
Earnings before income taxes	808	1,285	1,191	1,008
Income tax (expense) or recovery	(119)	(333)	(235)	(174)
Dividends, distributions, NCI ⁴	(29)	(22)	(36)	(26)
Common shareholders' net income (loss)	660	930	920	808

Q2'23 DOE Highlights

Total net insurance service result:

- **Expected insurance earnings** reflect business growth across all markets and the full quarter contribution of DentaQuest

Total net investment result:

- **Expected investment earnings** include increased spread income and higher investment contribution
- **Earnings on surplus** include realized investment gains and higher net interest income from higher rates

Experience:

- **Insurance experience** for the quarter includes favourable morbidity in Canada and the U.S., and favourable mortality in Asia and Canada
- **Market-related impacts** reflect lower than expected return on real estate investments and interest rate impacts. Interest rate impacts primarily driven by non-parallel curve changes during the quarter

Expenses – other reflect higher incentive compensation and debt costs, as well as the DentaQuest acquisition

DOE experience gains/(losses)¹ – details²

\$ millions	Pre-tax		Post-tax	
	Q2'23	Q2'22	Q2'23	Q2'22
Net equity market impact ²	(13)	(134)	(13)	(100)
Net interest rate impact ^{2,3}	(152)	346	(99)	156
Impact of changes in the fair value of investment properties ^{2,3}	(133)	70	(108)	62
Market-related impacts²	(298)	282	(220)	118
Mortality	20	(6)	19	(3)
Morbidity	125	46	93	36
Policyholder behaviour	(2)	(8)	(2)	(8)
Expenses	(8)	(5)	(7)	(6)
Insurance experience excluding Other	135	27	103	19
Credit experience (investments)	(4)	9	(3)	5
Other experience ⁴	14	(21)	9	(13)
Insurance & Investment experience gains/(losses)	(153)	297	(111)	129

¹ Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2023 MD&A.

² 2022 results restated for the new standards may not be fully representative of our market risk profile. See the heading "Note to Readers: 2022 Restated Results on Adoption of IFRS 17 and IFRS 9" in this document.

³ Includes market impacts in SLC Management, which are reflected in the Asset management line on slide 15. Pre-tax: Q2'23 includes \$(38)m impact for changes in the fair value of investment properties and \$(2)m interest rate impact. Post-tax: Q2'23 includes \$(30)m impact for changes in the fair value of investment properties and \$(1)m interest rate impact.

⁴ Other experience includes Insurance and Investment results.

Contractual service margin movement analysis

\$ millions, pre-tax	Q2'23	Q2'22
CSM at beginning of period	11,243	9,881
Impact of new insurance business ¹	270	189
Expected movements from asset returns & locked-in rates ^{2,3}	131	75
Insurance experience gains/(losses) ³	21	28
CSM recognized for services provided	(220)	(217)
Organic CSM Movement³	202	75
Impact of markets & other ³	(80)	(95)
Impact of change in assumptions ³	284	2
Currency impact	(129)	41
Disposition	(262)	-
Total CSM Movement	15	23
CSM at end of period	11,258	9,904

CSM Highlights

- **Total CSM** ended Q2'23 at \$11.3 billion, up 14% y/y; ~6% of the increase driven by organic CSM growth reflecting strong sales growth, and ~8% from inorganic growth mostly from management actions
- **New business CSM** of \$270 million, up 43% y/y on sales growth and favourable product mix in Asia High-Net-Worth and Hong Kong
- **CSM recognized for services provided** over the last twelve months represented ~8% of total CSM

¹ Impact of new insurance business on CSM, also referred to as "new business CSM", represents growth from sales activity in the period, including individual protection sales (excluding joint ventures), and defined benefit solutions and segregated fund wealth sales in Canada.

² Expected movements from asset returns & locked-in rates primarily reflects: i) the expected returns on assets supporting VFA contracts and ii) the increase in average locked-in rates from the passage of time on in-force business and new business added at higher rates. Locked-in rates refer to the term structure associated with locked-in discount rates, set when the insurance contract was sold, or on transition to IFRS 17. VFA contracts include Participating life insurance, Segregated funds, and Variable Universal Life (VUL).

³ Certain measures in the CSM Movement Analysis are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q2 2023 MD&A.

Earnings on surplus – Supplemental details

Earnings on surplus – supplemental details

\$ millions, pre-tax	Q2'23	Q2'22
Core investment income	150	126
Realized investment gains / (losses)	20	(3)
Other ¹	(5)	12
Earnings on surplus	165	135
Interest on debt	(83)	(60)
Earnings on surplus net of debt cost	82	75

¹ Includes timing differences on derivatives, currency and other items.

Use of Non-IFRS Financial Measures

We report certain financial information using non-IFRS financial measures, as we believe that these measures provide information that is useful to investors in understanding our performance and facilitate a comparison of our quarterly and full year results from period to period. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed in isolation from or as alternatives to measures of financial performance determined in accordance with IFRS. Additional information concerning non-IFRS financial measures and, if applicable, reconciliations to the closest IFRS measures are available in section N - Non-IFRS Financial Measures of our MD&A for the period ended June 30, 2023 ("Q2 2023 MD&A") and the Supplementary Financial Information packages that are available on www.sunlife.com under Investors – Financial results and reports.

Non-IFRS Financial Measures

Underlying net income is a non-IFRS financial measure that assists in understanding Sun Life's business performance by making certain adjustments to IFRS income. Underlying net income, along with common shareholders' net income (Reported net income), is used as a basis for management planning, and is also a key measure in our employee incentive compensation programs. This measure reflects management's view of the underlying business performance of the company and long-term earnings potential. For example, due to the longer term nature of our individual protection businesses, market movements related to interest rates, equity markets and investment properties can have a significant impact on reported net income in the reporting period. However, these impacts are not necessarily realized, and may never be realized, if markets move in the opposite direction in subsequent periods or in the case of interest rates, the fixed income investment is held to maturity.

Effective January 1, 2023, we refined the definition of underlying net income as follows, and have updated prior period comparative figures to reflect these changes: (i) Market-related impacts was updated to reflect the adoption of IFRS 17 and IFRS 9; (ii) The adjustment for management's ownership of MFS shares were updated to better reflect Sun Life's interest in MFS' earnings; and (iii) Removal of intangible asset amortization on acquired finite-life intangibles.

Underlying net income removes the impact of the following items from reported net income: Market-related impacts reflecting the after-tax difference in actual versus expected market movements, Assumptions changes and management actions ("ACMA"), and Other adjustments (Management's ownership of MFS shares, Acquisition, integration, and restructuring, Intangible asset amortization, and Other). Additional detail on these adjustments is provided in section N - Non-IFRS Financial Measures in our Q2 2023 MD&A

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

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

Forward-Looking Statements

From time to time, the Company makes written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements contained in this document include statements (i) relating to our strategies; (ii) relating to the use of proceeds of our sustainability bond offering; (iii) relating to our potential normal course issuer bid; (iv) relating to our intention to acquire Dialogue; (v) relating to our growth initiatives and other business objectives; (vi) relating to our targets and commitments; (vii) set out in our Q2 2023 MD&A under the heading I - Risk Management - Market Risk Sensitivities - Interest Rate Sensitivities; (viii) that are predictive in nature or that depend upon or refer to future events or conditions; and (ix) that include words such as “achieve”, “aim”, “ambition”, “anticipate”, “aspiration”, “assumption”, “believe”, “could”, “estimate”, “expect”, “goal”, “initiatives”, “intend”, “may”, “objective”, “outlook”, “plan”, “project”, “seek”, “should”, “strategy”, “strive”, “target”, “will”, and similar expressions. Forward-looking statements include the information concerning our possible or assumed future results of operations. These statements represent our current expectations, estimates, and projections regarding future events and are not historical facts, and remain subject to change.

Forward-looking statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict. Future results and shareholder value may differ materially from those expressed in these forward-looking statements due to, among other factors, the matters set out in our Q2 2023 MD&A under the headings C - Profitability - 5 - Income taxes, F - Financial Strength and I - Risk Management and in SLF Inc.'s 2022 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. Factors that could cause actual results to differ materially from expectations include, but are not limited to: **market risks** - related to the performance of equity markets; changes or volatility in interest rates or credit spreads or swap spreads; real estate investments; fluctuations in foreign currency exchange rates; and inflation; **insurance risks** - related to mortality experience, morbidity experience and longevity; policyholder behaviour; product design and pricing; the impact of higher-than-expected future expenses; and the availability, cost and effectiveness of reinsurance; **credit risks** - related to issuers of securities held in our investment portfolio, debtors, structured securities, reinsurers, counterparties, other financial institutions and other entities; **business and strategic risks** - related to global economic and 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; shifts in investing trends and Client preference towards products that differ from our investment products and strategies; changes in the legal or regulatory environment, including capital requirements and tax laws; 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** - changes to accounting standards in the jurisdictions in which we operate; risks associated with our international operations, including our joint ventures; market conditions that affect our capital position or ability to raise capital; downgrades in financial strength or credit ratings; and tax matters, including estimates and judgements used in calculating taxes.

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

Footnotes

From slide 4

² New business CSM represents growth from sales activity in the period, including individual protection sales (excluding joint ventures), and defined benefit solutions and segregated fund wealth sales in Canada.

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

⁴ Business Mix based on underlying net income, excluding Corporate expenses and other. Wealth & asset management includes MFS Investment Management, SLC Management, Canada Individual Wealth, Group Retirement Services, Asia Wealth & asset management. Group – Health & Protection includes Canada Sun Life Health, U.S. Group Benefits (Employee Benefits and Health and Risk Solutions) and U.S. Dental. Individual – Protection includes Canada Individual Insurance, U.S. In-force Management and Asia Individual – Protection.

From slide 5

² BGO Industrial Real Estate Income Trust.

³ Series 2023-1 Subordinated Unsecured 5.50% Fixed/Floating Debentures due 2035. Sun Life intends to use an amount equal to the net proceeds from the offering to finance or refinance, in whole or in part, eligible assets as defined in our Sustainability Bond Framework. For more information, refer to "Forward-looking Statements" and "Risk Factors" on slide 20.

⁴ JOLT Energy ("JOLT") is a pioneering, international Charge Point Operator. JOLT's smart electric vehicle charging stations bring ultra-fast charging to dense urban areas.

From slide 7

² Impact of new insurance business on CSM, also referred to as "new business CSM", represents growth from sales activity in the period, including individual protection sales (excluding joint ventures), and defined benefit solutions and segregated fund wealth sales in Canada

³ LICAT ratio of Sun Life Financial Incorporated and of Sun Life Assurance Company of Canada ("SLA"). Our LICAT ratios are calculated in accordance with OSFI-mandated guideline, Life Insurance Capital Adequacy Test.

⁴ SLA is SLF Inc.'s principal operating life insurance subsidiary.

⁵ On April 3, 2023, we completed the sale of SLF of Canada UK Limited to Phoenix Group Holdings plc ("the sale of Sun Life UK").

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

From slide 10

² Calculated on a last twelve-month basis.

³ Total AUM including the General Account was \$361 billion.

⁵ BGO Industrial Real Estate Income Trust, Inc.

From slide 12

² Effective Q2 2022, we began reporting on the performance and results of our Dental business unit, which represents our existing dental and vision business within Group Benefits together with DentaQuest Group, Inc.

³ On April 3, 2023, we completed the sale of SLF of Canada UK Limited to Phoenix Group Holdings plc. Under the agreement, we will retain our economic interest in the payout annuities business through a reinsurance treaty, which, effective Q2'23 is recorded in In-force Management within the U.S. business group. For additional information, refer to Note 3 of our Interim Consolidated Financial Statements for the period ended June 30, 2023.

From slide 15

¹ The Drivers of Earnings ("DOE") is a non-IFRS financial measure. Refer to the reconciliation of the Statements of Operations Total net income to the DOE on Section N. Non-IFRS Financial Measures, 1. Common Shareholders' View of Reported Net Income. For more information on the DOE, also see Section N. Non-IFRS Financial Measures, 3. Additional Non-IFRS Financial Measures under the heading Drivers of Earnings of the Company's Q2 2023 MD&A.

² The DOE presents certain amounts on a net basis to reflect management's view of the economic impact. These amounts would otherwise be included on separate Statement of Operations lines under IFRS, including: i) Results of the Asset Management operating segment within Fee Income, Net investment result and Other expenses; ii) Income for fee-based businesses with the associated expenses; and iii) Other offsetting items.

³ Expenses - other removes non-underlying Other adjustments, including Management's ownership of MFS shares, Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be removed from Other expenses. Further, this measure excludes the associated expenses related to Other fee income and Asset Management - underlying to assist with the understanding of the profitability of fee income and Asset Management businesses.

⁴ Dividends on preferred shares, distributions on other equity instruments, and non-controlling interests (Dividends, distributions, NCI).