Q3 2020

Building Sustainable Shareholder Value

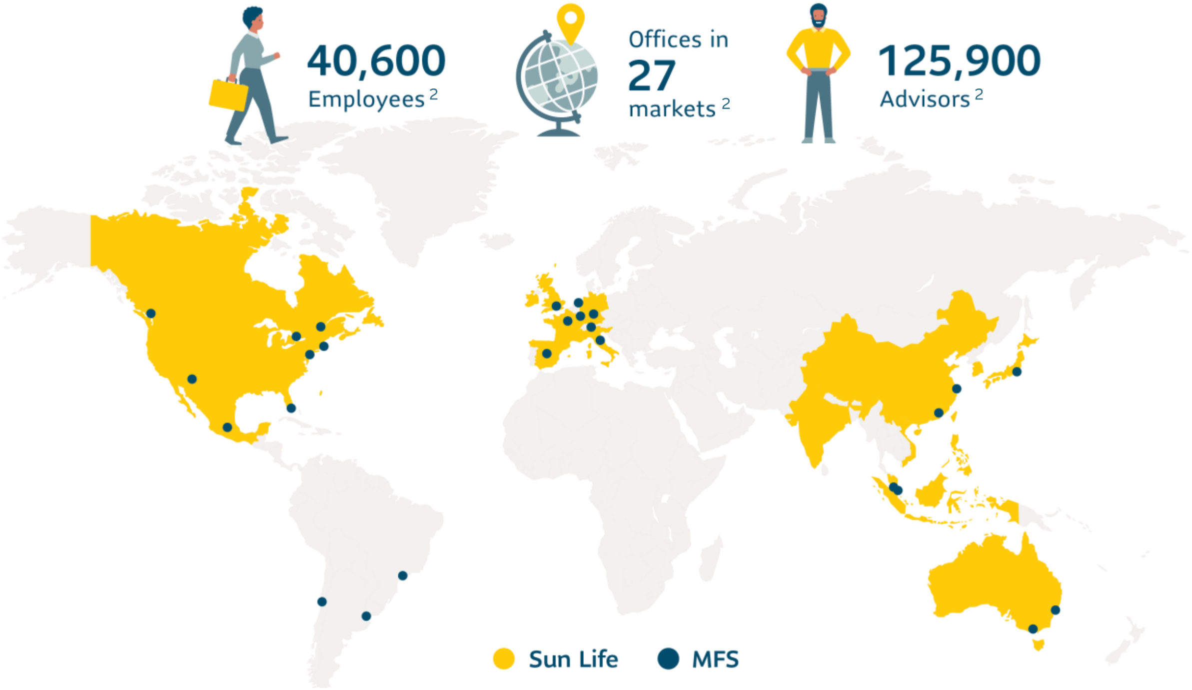
Sun Life

Life's brighter under the sun

- ***Business overview***
- Business group results & highlights
- Capital management
- Asset portfolio
- Sustainability

A $31.7 billion leading global financial services organization[1]

Operating through a **balanced** and **diversified** model and focused on creating **shareholder value** now and in the future



[1] Market capitalization (C$) and map as at September 30, 2020
[2] As at December 31, 2019; includes Asia joint ventures

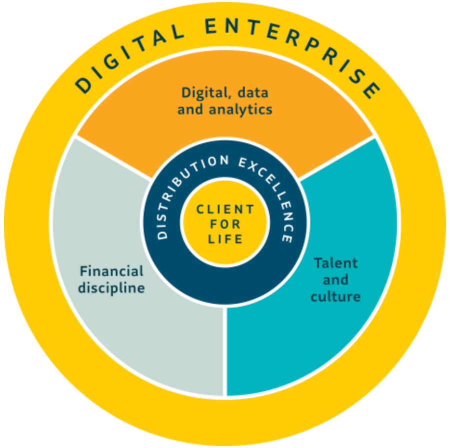
The Sun Life story

- A **diversified business model**, with four strong pillars that can each compete, win and grow in their respective sectors and which leverage each other
- Bound together by a **strong balance sheet** and **risk culture,** including no U.S. Variable Annuity or U.S. Long-Term Care
- **Digital transformation** that is deeply embedded throughout the organization
- Building on momentum created by past **organic investments and acquisitions** that will help drive earnings growth

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

A Leader in Insurance and Wealth Solutions in our **Canadian Home Market**

CAN



US

A Leader in **U.S. Group Benefits**

A Leader in Global **Asset Management**

AM

ASIA

A Leader in **Asia** through Distribution Excellence in Higher Growth Markets

Each pillar viewed as a leader

Top quartile Client experience

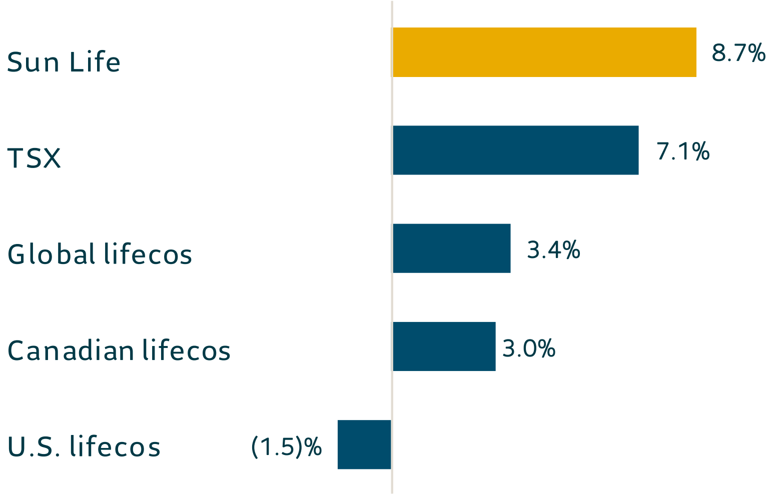
Disproportionate share of top talent

Top quartile total shareholder return

Consistently delivering value to shareholders

5-year total shareholder return[1]

September 30, 2020



Progress on medium-term objectives

Medium-term objective	5-Year[3]
Underlying ROE[2] **12-14%**	13.2%
Underlying EPS growth[2] **8-10%**	10.2%
Dividend payout ratio[2] **40-50%**	41%

[1] Source: Bloomberg; Companies included in these peer groups are listed in the appendix
[2] Underlying ROE, EPS, and dividend payout ratio are non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Select Net Income Measures" in the appendix
[3] At September 30, 2020. Underlying EPS growth is calculated using a compound annual growth rate. Underlying ROE and dividend payout ratio are calculated using an average

Digital transformation deeply embedded throughout the organization

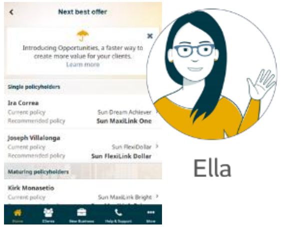
Build new digital models

- **Asia** direct business models, including affordable digital products through online marketplace Lazada
- Lumino Health in **Canada**
- New turnkey Absence capabilities through FullscopeRMS in **U.S. Group Benefits**

Digitizing current interactions and processes

- **Asia** point of sale tools (needs, illustration, application, fulfillment) and new non-face-to-face sales capabilities for advisors
- Web and mobile functionality in **Canada** and **Asia**
- Expanded web capabilities and streamlined claims experience in the **U.S.**
- **In Canada,** launched Sun eApp, an online, sustainable insurance application platform for third party advisors and their Clients

Use digital to be personal, predictive, and proactive



Ella

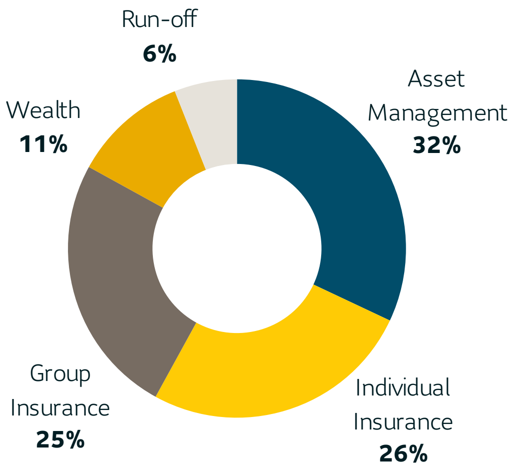
- Predictive models for advisor recruiting and Client retention in **Asia**
- Digital coach Ella in **Canada**
- Accelerated underwriting capabilities to reduce the need for lab tests for life insurance products in **Canada**
- Leveraging Maxwell Health to drive voluntary benefits enrolment in **U.S.**

Partnership ecosystem

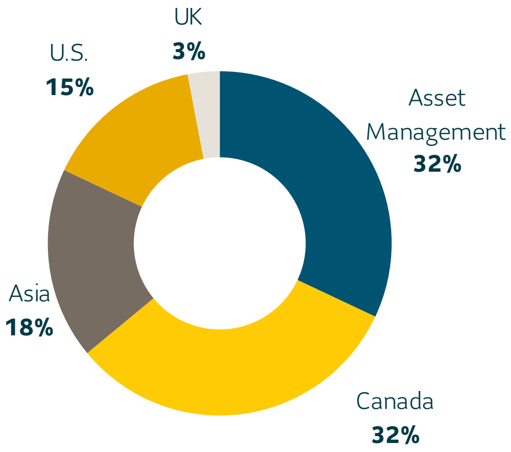
- Building digital expertise and ecosystems
- Making equity investments in early stage partners
- Investing in key technologies to drive global growth
- Exploring strategic collaborations with start-ups, accelerators and established networks

Balanced and diversified business

Business type diversification
Q3 2020 underlying net income[1,2]



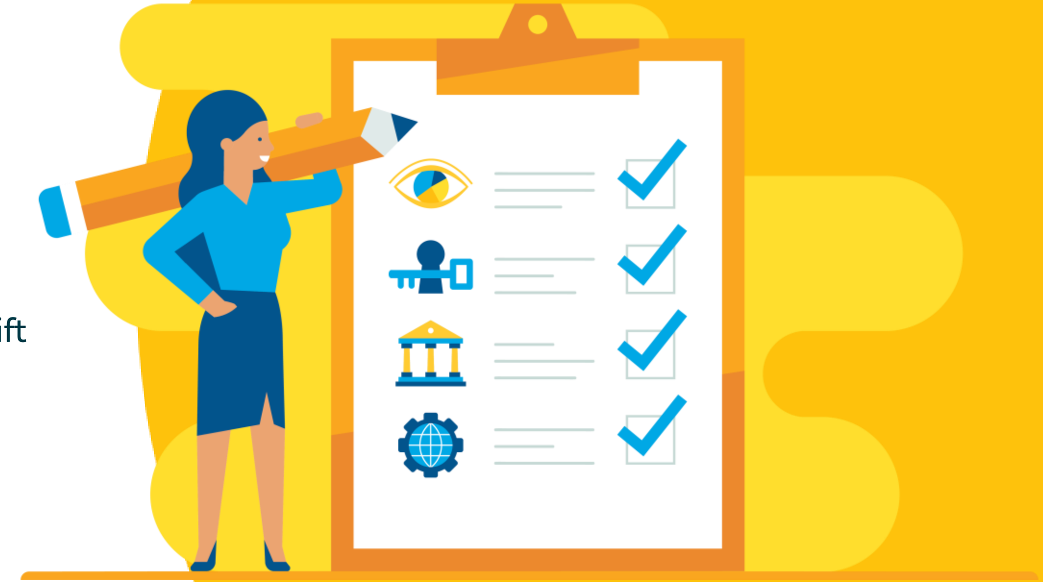
Business Group diversification
Q3 2020 underlying net income[1,2]



[1] Excludes Corporate Support
[2] Represents a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Select Net Income Measures" in the appendix to these slides

Leveraging global trends

- **Demographic shifts:** changing population including the aging of Baby Boomers and growth of Millennials
- **Digital transformation:** digital, data and analytics changing Client behaviours and expectations
- **Downloading of responsibility:** increasing shift in responsibility from governments and employers to individuals
- **Growing prosperity in Asia:** growing demand for products and services as hundreds of millions of people move to the middle class



Business overview

Business group results & highlights

Capital management

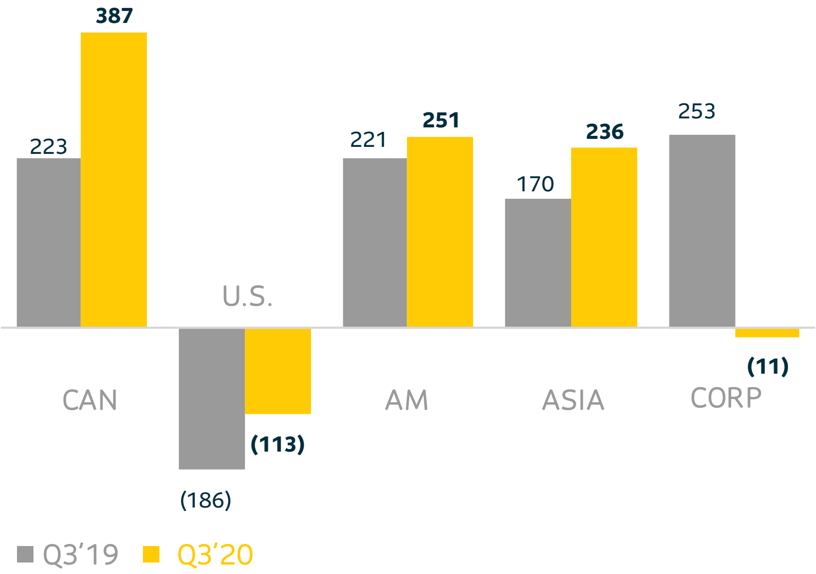
Asset portfolio

Sustainability

Business group performance

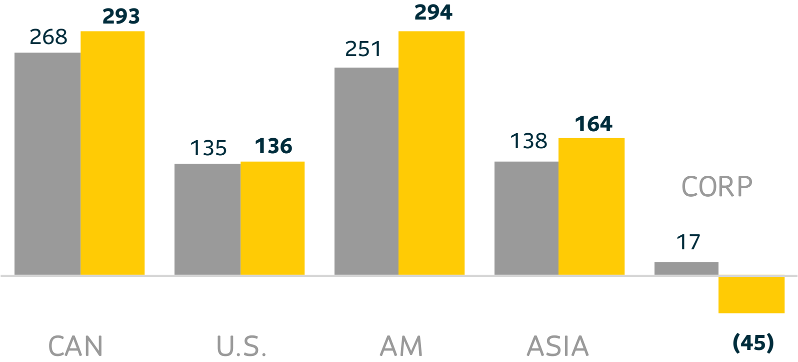
Reported net income ($ millions)

Impact of currency increased reported net income by $11M



Underlying net income[1] ($ millions)

Impact of currency increased underlying net income by $9M



[1] Represents a Non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Select Net Income Measures" in the appendix

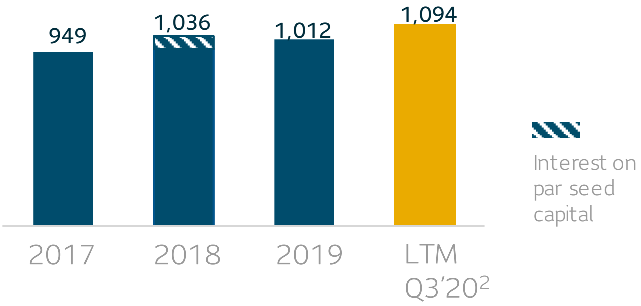
Canada is a growth market for Sun Life

Q3'20 highlights

- In Defined Benefit Solutions, our pension risk transfer business, we **completed a $1.1 billion payout annuity sale[1]; the largest single day annuity transaction by an insurer in Canada,** reinforcing our position as a leader in this market
- In our Defined Contribution business, we continue to be the **leading provider of defined contribution capital accumulation plans,** and this quarter assumed responsibility for the administration of one of the largest plans in the education industry with $1.7 billion of assets
- **91% of all retail insurance applications were processed digitally** in the quarter
- Sun Life Global Investments **(SLGI) AUM of $31 billion[1],** 14% growth over prior year

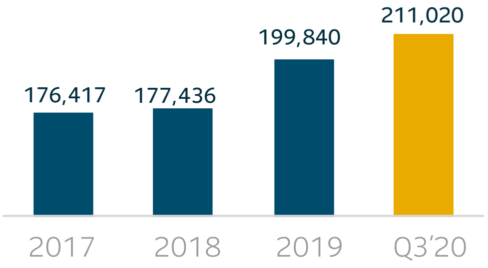
Underlying net income[1]

($ millions)



Assets under management (AUM)[1]

($ millions)



[1] Represents a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" in the appendix
[2] Last twelve months ended September 30, 2020

Shaping the industry and capitalizing on opportunities in Canada

Shaping the market through innovative advancements and digital capabilities

- **Lumino virtual healthcare** capabilities including primary care to Group and Retail Clients, and paramedical virtual solutions to providers
  - **Partnered with Dialogue** to offer virtual care to our Clients[1] through a mobile app or online, offering direct access to a care manager, nurse or family physician
  - **Partnered with GOrendezvous** to enable direct booking with health care providers through Lumino's Provider Search
  - **Partnered with OnCall Health** to enable paramedical providers to connect virtually with their patients
  - **Partnered with Teladoc Health** to offer Mental Health Navigator[1], a confidential and personalized service to assist Clients with triaging and supporting their mental health needs
- Making it easier for our Clients to do business with us by digitizing key steps of our Client, Advisor and Sponsor journeys
- Delivering personalized, relevant advice to our Clients
- Expanding our health and well being role and offerings

Delivering quality performance through financial discipline and putting the Client at the centre

- Engaged employees driven by attracting, developing and retaining diverse top talent
- Leveraging our worksite advantage
- Defined Benefit Solutions extending leadership in the growing pension risk transfer market
- Sun Life Global Investments expanding wealth presence
- Balanced top and bottom line growth through sustained expense discipline and prioritized investments

Supporting Clients with holistic advice at moments that matter

Personal, proactive and predictive touchpoints driving improvement in Client Index scores[2]

Client Index Score[2]

48

+8 since 2016

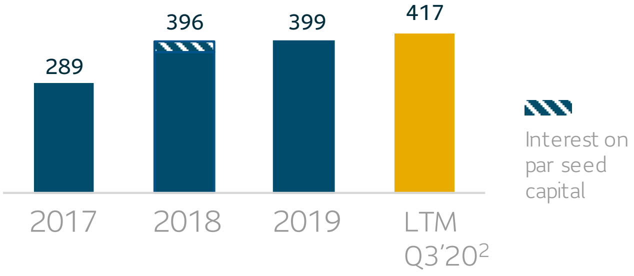
[1] Applicable to Group Benefits Clients who have extended health care benefits
[2] Client Index is a proprietary measurement to gauge our service delivery performance that was developed using Client ratings from a variety of Client service channels, as at December 31, 2019. The next survey will be held in December 2020

Deepening Client relationships in U.S. Group Benefits

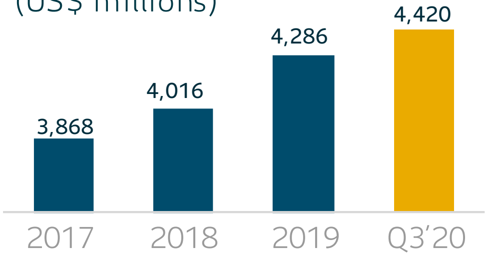
Q3'20 highlights

- **Added three stop-loss offerings** for self-funded employers that provide protection from the risks of COVID-19
- **Renewed our market-leading partnership** with The MGIS Companies, a U.S. insurance program manager, to provide specialized disability and life insurance products to healthcare professionals
- Partnered with key human resources and benefits administration providers to connect directly to their digital platforms, **simplifying benefits for Clients** by removing manual processes and providing real-time insurance decisions
- **After-tax profit margin** for U.S. Group Benefits of **7.8%**[1,3]

Underlying net income[1]
(US$ millions)



Group Benefits Business-in-force
(US$ millions)



[1] Represents a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" in the appendix
[2] Last twelve months ended September 30, 2020
[3] After-tax profit margin for U.S. Group Benefits calculated on underlying net income as a percentage of net premiums on a trailing four quarters basis

Growing through U.S. market opportunities

Employee benefits

Employees responsible for more health and benefits costs but lack relevant education and experience

Growing life insurance **coverage gap,** estimated in the trillions[1]

US$350 billion[1,2] out-of-pocket health expenses

50 million working Americans are not covered by a disability policy[3]

Stop-loss

61%[4] of U.S. employees are covered by a self-insured plan with a trend of smaller employers moving in this direction[5]

US$ 1 trillion+[1] of costs covered by self-insured health plans

6-8%[6] **annual growth** in health care costs

Prescription drug costs expected to rise 5-6% annually over the next 10 years[7]

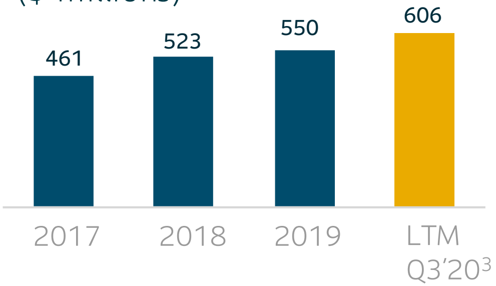
¹ Based on Oliver Wyman research, 2016
² Includes employee and individual contributions to health plans
³ Council for Disability Awareness
⁴ Henry J. Kaiser Family Foundation Employer Health Benefits Survey
⁵ EBRI Feb 2018, Self-Insured Health Plans: Recent Trends by Firm Size, 1996–2016
⁶ PwC's Health Research Institute (HRI)
⁷ Kaiser 2019

Positioned in Asia's largest and fastest growing markets

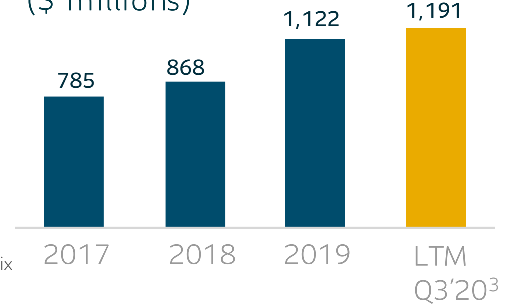
Q3'20 highlights

- Rolled out **Remote Online Medical Exam ("ROME")** in the Philippines, where accredited health professionals **perform online medical examinations** for prospective Sun Life Clients, a first in the local market
- One of the first insurers to introduce **non-face-to-face sales in Vietnam** with the launch of our new digital solution, **SunFast,** which supports advisors in approaching, consulting and completing the insurance application for Clients without requiring in-person meetings
- **Virtual sales experiences** are now in operation across nearly all markets, enabling advisors and Clients to transact safely and securely

Underlying net income[1]
($ millions)



Individual life sales[1,2]
($ millions)



[1] Represents Non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" in the appendix
[2] Sales from joint ventures are based on our proportionate equity interest
[3] Last twelve months ended September 30, 2020

Capturing growth opportunities in Asia

Number of advisors
+16%
year-over-year

Local Markets

Philippines

- Ranked **1st** in insurance sales[1,2] for 9 years in a row
- **2nd** largest mutual fund[3] provider based on AUM[1]

Indonesia

- **9th** in insurance sales[1,4]
- Overall market share of **3%**

Vietnam

- **13th** in insurance[5]
- **Top 10** player in bancassurance, with the successful launch of partnership with TP Bank[6]

China

- **8th** in insurance among foreign JVs[7]
- Nearly **19,000 advisors**, an increase of 56% over Q3'19

India

- **7th** in individual insurance, with an overall market share of **5%**[8]
- **4th** largest mutual fund provider in the country based on AUM[1,9]

Malaysia

- **7th** in insurance sales[1,10]
- **4th** in bancassurance, with a bancassurance market share of **11%**[10]

International Hubs

Hong Kong

- **2nd** largest MPF provider based on net inflows, **3rd** based on AUM[1,11]
- **11th** in insurance sales[1,12], up 4 positions from last year

International

- Leverages the high-net-worth opportunities in Asia to offer Clients and distribution partners best-in-class products and services across all geographies

[1] Represents Non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" in the appendix
Footnotes 2-11: See appendix to these slides for information on source data (slide 41)

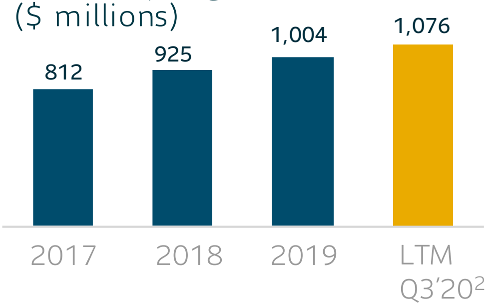
Expanding asset management capabilities

Highlights

- At the beginning of the quarter, **completed the acquisition of the majority stake in InfraRed Capital Partners,** a global infrastructure and real estate investment manager
- On October 21, 2020, announced **intention to acquire majority stake in Crescent Capital Group,** adding below investment grade public and private credit to SLC Management's portfolio, bringing **SLC Management's pro forma AUM to $145B**[1,4]
- At MFS, **net inflows of US$4.5B**, with positive U.S. retail flows for the 7th consecutive quarter
- **86%, 89% and 84%** of MFS's U.S. retail fund assets ranked in the top half of their Lipper categories based on ten-, five-, and three-year performance, respectively
- Pre-tax **net operating profit margin ratio[1] for MFS of 40%**

Underlying net income[1]

($ millions)



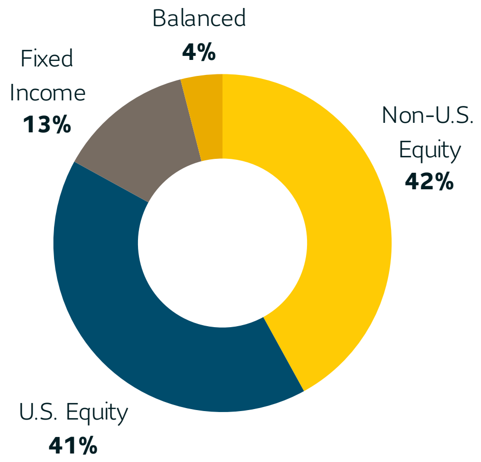
MFS → **US$548 billion AUM**[1]

SLC Management, BentallGreenOak → **$106 billion AUM**[1,3]

[1] Represents a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" in the appendix
[2] Last twelve months ended September 30, 2020
[3] Excludes assets managed on behalf of the Insurance businesses for the General Fund
[4] See "Forward-Looking Statements" and "Risk Factors" in the appendix to these slides

MFS: diversification of assets under management[1]

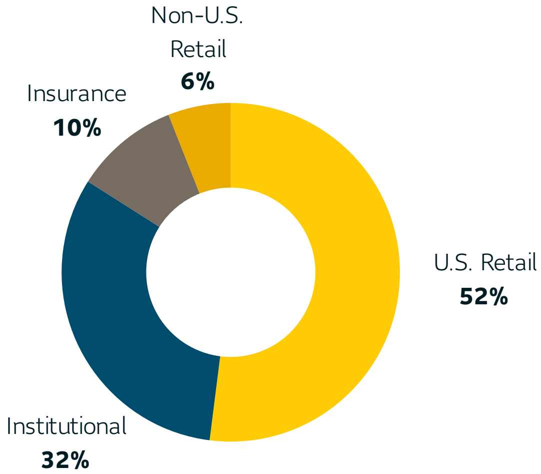
Asset class mix
US$, as at September 30, 2020



MFS

US$548
billion AUM[1]

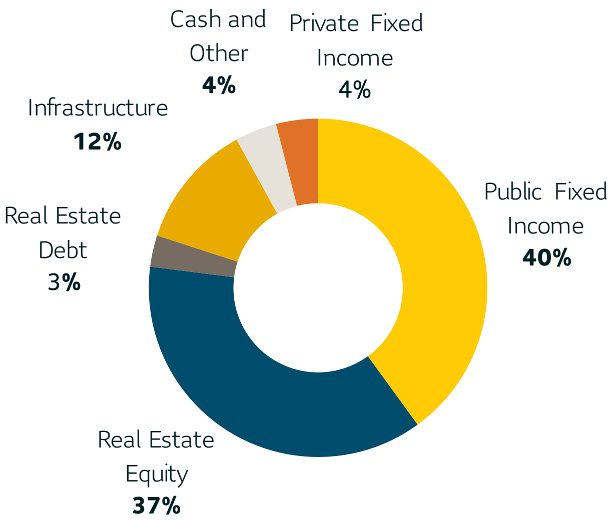
Investor type
US$, as at September 30, 2020



[1] Represents a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" in the appendix

SLC Management: diversification of assets under management[1]

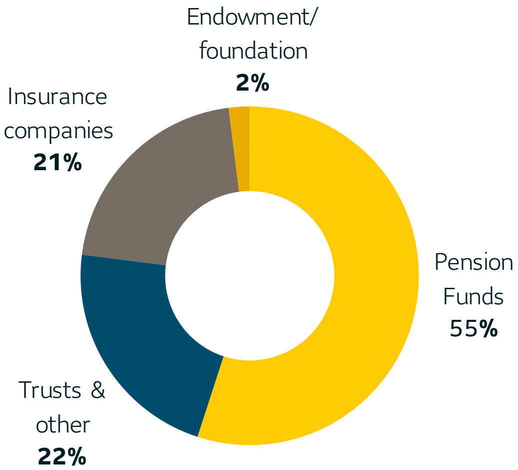
Asset class mix
$, as at September 30, 2020



SLC Management

$106
billion AUM[2]

Investor type
$, as at September 30, 2020



[1] Represents a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Select Net Income Measures" in the appendix
[2] Excludes assets managed on behalf of the Insurance businesses for the General Fund

Crescent Capital Group

Focusing on:

- Mezzanine debt
- Mid-market direct lending
- European specialty lending
- High yield
- Leveraged loans
- Collateralized loan obligations

Local presence in four markets

180+ employees across four offices: Los Angeles (headquarters), Boston, New York and London

Global Investor Base

Over 600+ client relationships:

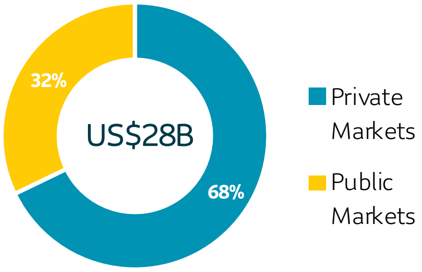
- North America - 73%[1]
- Asia - 15%[1]
- Europe & RoW[3] - 12%[1]

Track record of demonstrated performance

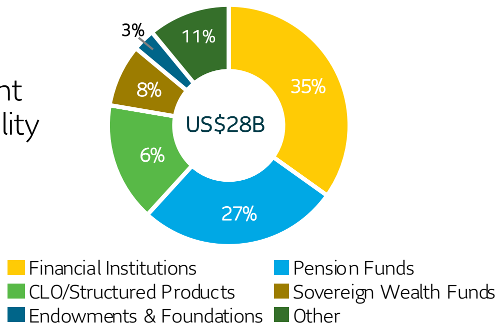
Founded in 1991, Crescent has demonstrated the ability to withstand market and global economic volatility; 13% AUM CAGR between 2011 and June 30, 2020

CRESCENT

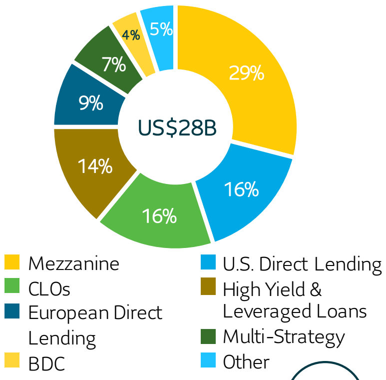
Below Investment Grade Corporate Credit Mix[2]



AUM by Investor Type[2]



AUM by Strategy[2]

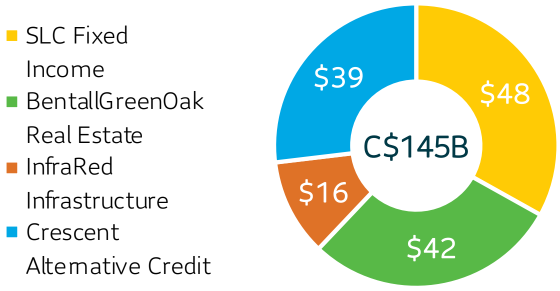


[1] Based on AUM as at June 30, 2020
[2] AUM as at June 30, 2020. and includes committed assets. Fee earning AUM as at June 30, 2020 is US$22B. AUM is a non-IFRS financial measure. See "Non-IFRS Financial Measures" in the appendix
[3] Rest of World

Continuing to build a global footprint, competitive set of private strategies, and meaningful third-party AUM to meet Client needs

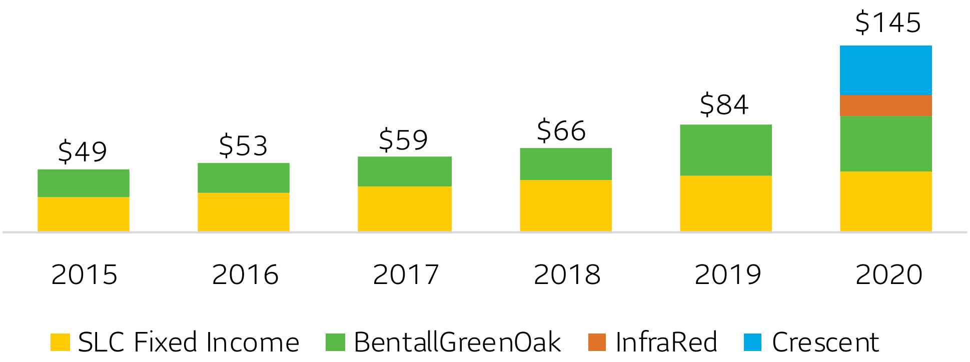
SLC Management's Third-Party Assets (pro-forma)[1,2,3]

(C$ billions)



AUM Growth for SLC Management's Third-Party Assets[1,2,3]

(C$ billions)



Firm overview (pro-forma)[1,2]

C$145B Assets under management[(3)]

1,800+ Institutional clients

1,400+ Employees

[1] Certain statements on this slide are forward looking. See "Forward-looking information" in the appendix to these slides
[2] AUM as at September 30, 2020. and includes committed assets. Fee earning AUM as at June 30, 2020 is C$136B. AUM is a non-IFRS financial measure. See "Non-IFRS Financial Measures" in the appendix. InfraRed AUM includes C$3B of real estate assets
[3] Together with Sun Life's General Account, SLC Management pro-forma AUM is C$303 billion (pro-forma assuming the closing of Crescent Capital transaction)

- Business overview
- Business group results & highlights
- ***Capital management***
- Asset portfolio
- Sustainability

Capital generation provides good capital flexibility

Capital deployment priorities

Funding **organic growth**

Target **dividend payout** ratio of **40-50%**[1]

M&A opportunities and strategic investments

Share **buybacks**[3]

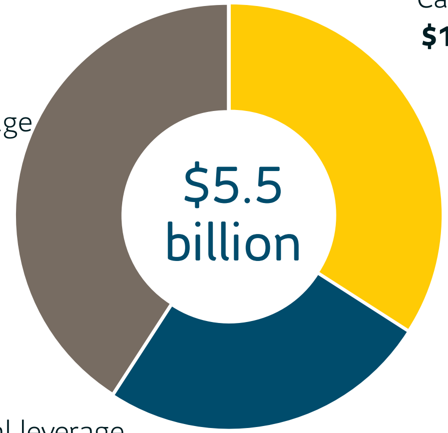
- Capital deployment priorities unchanged
- Target minimum cash at the holding company of **$500 million**[2]
- Capital generation equal to or greater than **$800 million**[2]

[1] Represents Non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Select Net Income measures" in the appendix
[2] See "Forward-Looking Statements" and "Risk Factors" in the appendix
[3] On March 13, 2020, OSFI set the expectation for all federally regulated financial institutions that share buybacks should be halted for the time being

Strong capital position with significant deployment potential[1]

Capital deployment potential

($ billions, at September 30, 2020[2])

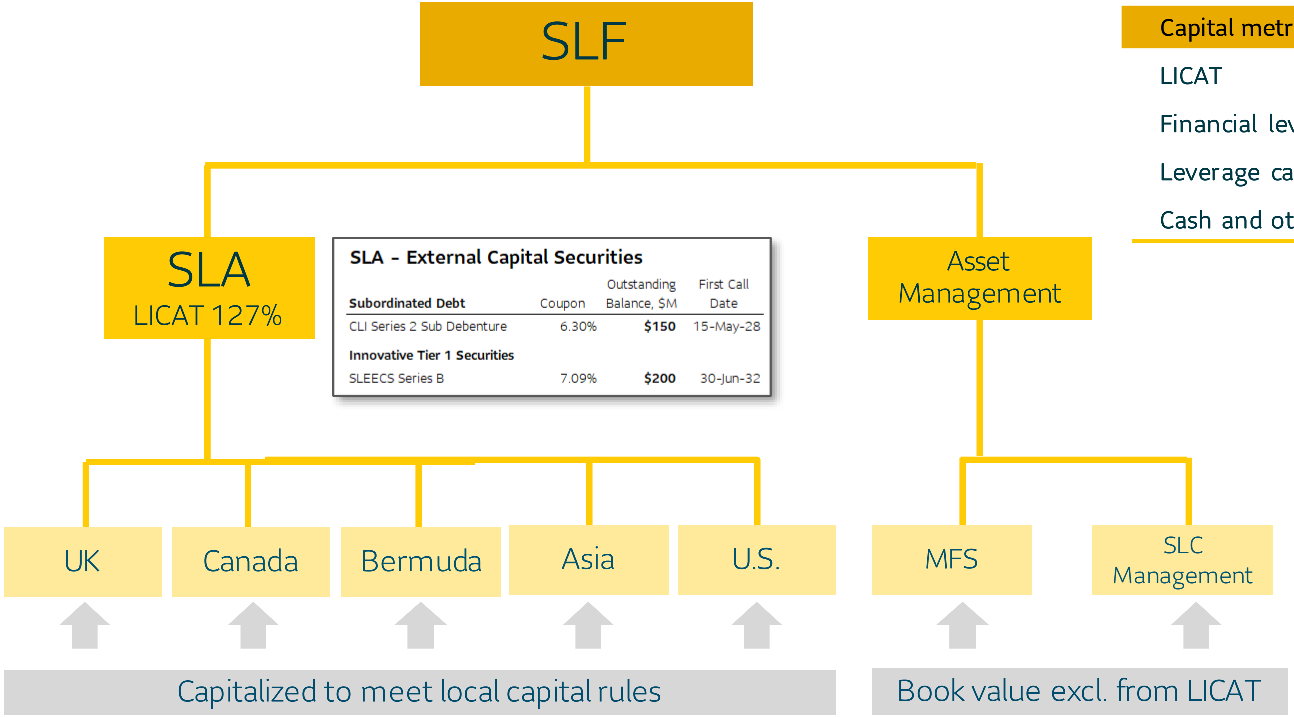


Deployment opportunities

Type	Considerations
Organic investments	Making further investments in building out new business models and advancing our leading digital capabilities
Mergers & acquisitions	Actively seeking out potential targets aligned with our strategic goals and meeting financial hurdles
Share buybacks	Utilize excess capital build up for share repurchases in the near term, when appropriate[4]
Reinsurance transactions	Repatriating certain reinsurance arrangements with potential to increase earnings

[1] See "Forward-looking Statements" in the appendix
[2] On October 1, 2020 SLF Inc. issued $750 million principal amount of Series 2020-2 Subordinated Unsecured 2.06% Fixed/Floating Debentures due 2035. This will have the effect of increasing cash and reducing leverage capacity by $750 million
[3] Excludes target minimum cash at the holding company of $500 million
[4] On March 13, 2020, OSFI set the expectation for all federally regulated financial institutions that share buybacks should be halted for the time being

Capital model provides financial flexibility



SLA – External Capital Securities

Subordinated Debt	Coupon	Outstanding Balance, $M	First Call Date
CLI Series 2 Sub Debenture	6.30%	**$150**	15-May-28
Innovative Tier 1 Securities			
SLEECS Series B	7.09%	**$200**	30-Jun-32

Capital metric	SLF
LICAT	144%
Financial leverage ratio[1]	21.5%
Leverage capacity to 25%/30%	~$1.4B/$3.6B
Cash and other liquid assets	$2.4B

SLF – External Capital Securities

Subordinated Debt	Coupon	Outstanding Balance, $M	First Call Date
SLF Series 2007-1	5.40%	$398	29-May-37
SLF Series 2016-1	3.10%	$350	19-Feb-21
SLF Series 2016-2	3.05%	$997	19-Sep-23
SLF Series 2017-1	2.75%	$399	23-Nov-22
SLF Series 2019-1	2.38%	$747	13-Aug-24
SLF Series 2020-1	2.58%	$994	10-May-27
		$3,885	
Preferred Shareholders' Equity			
SLF Series 1	4.75%	$394	31-Mar-14
SLF Series 2	4.80%	$318	30-Sep-14
SLF Series 3	4.45%	$245	31-Mar-15
SLF Series 4	4.45%	$293	31-Dec-15
SLF Series 5	4.50%	$245	31-Mar-16
SLF Class A, Series 8R	1.83%	$152	30-Jun-25
SLF Class A, Series 9QR	Floating	$122	30-Jun-25
SLF Class A, Series 10R	2.84%	$169	30-Sep-21
SLF Class A, Series 11QR	Floating	$26	30-Sep-21
SLF Class A, Series 12R	3.81%	$293	31-Dec-21
		$2,257	

All information as at September 30, 2020; all dollar amounts are in C$, unless otherwise stated.

[1] On October 1, 2020 SLF Inc. issued $750 million principal amount of Series 2020-2 Subordinated Unsecured 2.06% Fixed/Floating Debentures due 2035. Q3 2020 financial leverage ratio pro forma the Series 2020-2 debt issuance is 23.5%.

Strong operating and financial leverage

Q3 2020 operating leverage debt[1]
($ millions)

Debt supporting reserve financing	
Senior debt	300
Total operating leverage debt	**300**

Q3 2020 capital
($ millions)

Subordinated debt	4,035	Tier 2
SLEECS (innovative tier 1 securities)	200	Tier 1
Preferred shareholders' equity	2,257	Tier 1
Total capital securities	**6,492**	
Common shareholders' equity and par[2]	23,635	Tier 1
Total capital	**30,127**	
Financial leverage ratio[3,4]	***21.5%***	

[1] On September 30, 2020 we repaid the $2,020 million senior financing obligation related to U.S. statutory regulatory capital requirements for In-force Management. This obligation was previously included in Total operating leverage debt
[2] Participating policyholders' equity and non-controlling interest
[3] Represents a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Net Income measures" in the appendix to these slides
[4] 23.5% pro forma $750 million principal amount of Series 2020-2 Subordinated Unsecured 2.06% Fixed/Floating Debentures due 2035 issued on October 1, 2020

LICAT capital framework

Total ratio (SLF Inc.) **144%**

Total ratio (SLA Inc.) **127%**

Available capital

- Similar to MCCSR
  - Retained earnings / common and preferred equity continue to be the largest components
- Main changes relate to adjustments and deductions to Tier 1 capital
  - (+) Accumulated OCI
  - (+) Value of Joint Ventures
  - (-) Non-temporary DTAs

+

Surplus allowance + eligible deposits

- Essentially the provisions for adverse deviation (PfADs) for non-economic risks
  - Insurance (mortality, morbidity, lapse) + interest
- Discounted at the rate used in the valuation of actuarial liabilities

Base solvency buffer

- Sum of aggregate capital required for:
  - credit, market, insurance, segregated fund and operational risk
- Total solvency requirements for a 1:200 year tail event, with some allowance for diversification
- Discounted on a basis prescribed by OSFI, then grossed up by a scalar of 1.05

Business overview

Business group results & highlights

Capital management

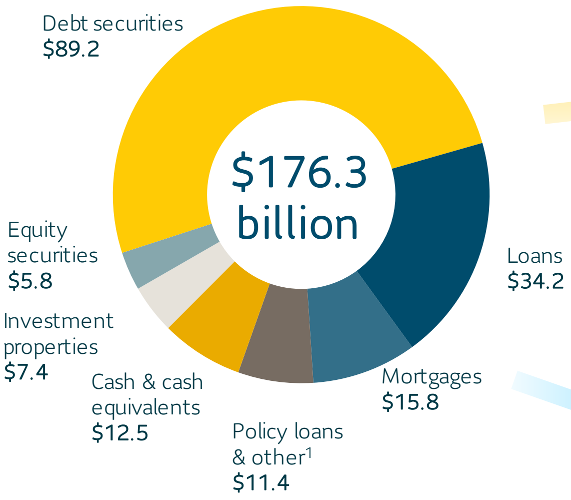
Asset portfolio

Sustainability

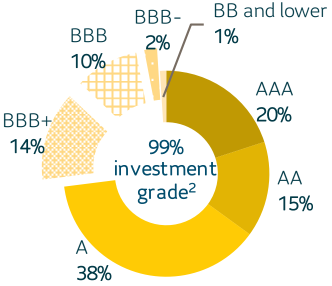
High quality, well-diversified investment portfolio

- Highly diversified with the largest non-government related exposure at 0.4% of total fixed income
- 96% of fixed income rated investment grade[2]
- Only 5% of fixed income rated BBB-; skewed BBBs to private loans with collateral and covenant protection
- Commercial mortgages 25% CMHC; well protected with 57% LTV and 1.7x DSCR[4]
- Repositioned real estate debt and equity portfolios to increase durability of cash flows

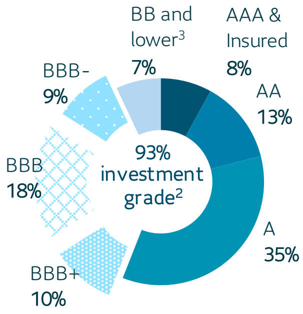
Investment profile
As of September 30, 2020



Debt securities by credit rating
As of September 30, 2020



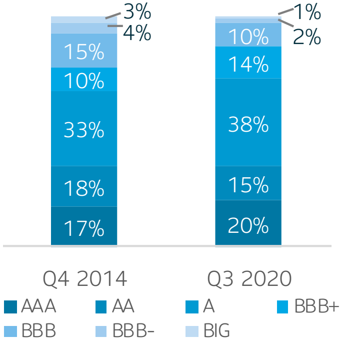
Mortgages & loans by credit rating
As of September 30, 2020



[1] Consists of: Other invested assets ($5.8), Policy loans ($3.3), Derivative assets ($2.3)
[2] BBB and higher
[3] BB and lower includes impaired mortgages and loans
[4] LTV: Loan-to-Value; DSCR: Debt-service coverage ratio

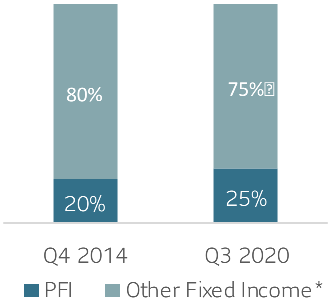
Active repositioning of our portfolio to prepare for a downturn

Public Debt Securities



- Reduced BBB- allocation by nearly $1B since 2014
- Diversified portfolio with an additional $5.1B of AAA/AA rated structured products[1]

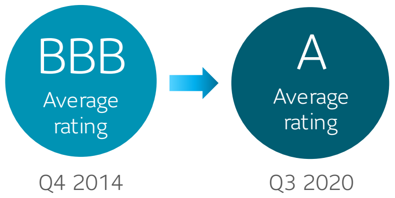
Private Fixed Income (Corporate Loans)



*comprised of public debt securities and commercial mortgages

- Increased allocation to private fixed income
- Provides increased protection (i.e. covenants and collateral)
- Diversifies credit exposures

Commercial Mortgage Loans



- Average portfolio rating quality increased from BBB to A
- Reduced retail exposure by 8% and repositioned to focused on urban grocery-anchored tenants
- 5% reduction in exposure to Alberta

Commercial Real Estate

Reduction in exposure to Alberta

10%

Reduction in retail exposure

8%

Q3 2020 vs. Q4 2014

- Canada: Significant repositioning of portfolio - exited suburban and non-core office location in favour of urban; exited non-core and big-box retail for urban core or grocer anchored
- U.S.: Exited 22 non-core cities and unanchored strip centers while increasing industrial; reduced U.S. exposure by 15%

[1] Structured products include CDO, CMBS, RMBS, and other ABS

Highlighted exposures – debt securities and loans

Exposure September 30, 2020 ($ millions)	Oil & Gas		Transportation (Auto & Aviation)		Hotels, Restaurants & Leisure		Real Estate[1,2]	
	Value	%	Value	%	Value	%	Value	%
AA	263	5%	368	9%	-	-	340	14%
A	1,311	24%	1,970	48%	423	37%	942	38%
BBB+	1,104	20%	621	15%	263	23%	535	22%
BBB	1,638	31%	467	12%	100	9%	476	19%
BBB-	866	16%	284	7%	134	12%	51	2%
BB and lower	237	4%	349	9%	221	19%	121	5%
Total	5,419		4,059		1,141		2,465	

*Credit risk ratings were established in accordance with the internal rating process described in the Credit Risk Management Governance and Control section in our 2019 annual MD&A

	Oil & Gas	Transportation	Hotels, Restaurants & Leisure	Real Estate
% of total invested assets	*3%*	*2%*	*1%*	*1%*

Oil & Gas
- 96% investment grade
- 59% in pipelines, storage or transport
- 14% in private loans

Transportation
- 91% investment grade
- 55% secured by collateral
- 31% in private loans

Hotels, Restaurants & Leisure
- 81% investment grade
- 57% secured by collateral
- 62% in private loans

Real Estate
- 95% investment grade
- 37% in private loans
- Comprised of public and private REITs

[1] Includes debt securities and loans for: hotels/resorts, residential and retail REITs
[2] Excludes commercial mortgage loans, shown on slide 33

Mortgages and investment property exposures

Mortgages by type and geography[1]
As of September 30, 2020

($millions)	Office	Industrial[3]	Retail	Multi-family residential	Other	Total	% of Total
Canada[2]	1,651	969	1,969	3,906	639	**9,134**	**58%**
U.S.	1,990	1,013	1,883	1,737	92	**6,715**	**42%**
Total	*3,641*	*1,982*	*3,852*	*5,643*	*731*	*15,849*	*100%*

Mortgages
- 43% of Canadian portfolio is CMHC insured
- Reduced exposure to retail and to Alberta in recent years
- Office, Retail and Multi- Family Residential: 59% LTV and 1.7x DSCR[4]

Investment Properties
As of September 30, 2020

($millions)	Office	Industrial[3]	Retail	Multi-family residential	Other	Total	% of Total
Canada	1,924	1,589	917	1,005	579	**6,014**	**81%**
U.S.	688	342	252	-	46	**1,328**	**18%**
Europe	23	13	27	-	1	**64**	**1%**
Total	*2,635*	*1,944*	*1,196*	*1,005*	*626*	*7,406*	*100%*

Mortgages by type and rating[1,5]
As of September 30, 2020

($millions)	Office	Industrial[3]	Retail	Multi-family residential	Other	Total
Insured	-	-	-	3,613	348	**3,961**
AA	667	334	398	138	33	**1,570**
A	1,420	1,083	1,320	455	47	**4,325**
BBB+	308	349	444	512	11	**1,624**
BBB	492	164	654	330	66	**1,706**
BBB-	269	39	510	327	120	**1,265**
BB & below	485	13	526	268	106	**1,398**
Total	*3,641*	*1,982*	*3,852*	*5,643*	*731*	*15,849*

Investment Properties
- Reduced exposure to retail and to Alberta in recent years
- Retail focused on experiential and urban centers
- Office weighted to gateway cities

[1] Excludes real estate debt securities and private loans shown on slide 32
[2] Includes insured mortgages; multi-family residential $3,613M and other $348M
[3] Includes Industrial and land
[4] LTV: Loan-to-Value; DSCR: Debt-service coverage ratio
[5] Credit risk ratings were established in accordance with the internal rating process described in the Credit Risk Management Governance and Control section in our 2019 annual MD&A

Business overview

Business group results & highlights

Capital management

Asset portfolio

Sustainability

Strong commitment to sustainability

Sustainable **INVESTING**

$19.3B
invested in sustainable real estate and infrastructure

Group Retirement Services launched its proprietary Environmental, Social and Governance (ESG) evaluation framework for its core investment platform

Financial **SECURITY**

$360M
of in-plan deposits driven by 18.6M digital nudges from Ella

Launched new digital sales systems across Asia to enable Clients to purchase insurance from their homes

Healthier **LIVES**

$31M
committed to diabetes globally since 2012

14M
ratings on 150,000+ health-care providers on Lumino

Trusted and Responsible **BUSINESS**

- **85% employee engagement** score, exceeding global financial services norm
- **Met 20% by 2020 GHG emissions intensity reduction target** and on track for 30% by 2030[1]; TCFD supporter
- **Client Data Privacy Principles** launched, include not selling Client data
- **35% women in senior roles** (VP and up); women represent 36% of the Board
- **Refreshed D&I commitments** By 2025: 50% women in senior roles; 25% of under-represented minorities in senior roles in N.A.

Awards & Recognition

For more information, please visit www.sunlife.com/Sustainability

Note: All figures as of December 31, 2019
[1] See "Forward-looking Statements" in the appendix; based on tonnes of carbon dioxide equivalent per square foot, relative to a 2014 baseline

Appendix

Market movements and impacts in the quarter

Market Movements	QTD September 30, 2020	YTD September 30, 2020
S&P/ TSX	+3.9%	(5.5)%
S&P 500	+8.5%	+4.1%
CA 10 - year	+3 bps	(114) bps
CA 30 - year	+12 bps	(65) bps
US 10 - year	+3 bps	(123) bps

Earnings on Surplus ($millions, pre-tax)	Q3'20	Q2'20	Q1'20
Investment income	113	127	128
AFS gains	26	33	68
Seed investment gains/(losses)	2	37	(42)
Investment properties mark-to-market	(4)	(4)	(3)
Interest on debt	(41)	(38)	(35)
Total	96	155	116

Equity Market Impacts ($millions, after-tax)	Q3'20	Q2'20	Q1'20
Equity market movement and volatility	42	105	(303)
Basis risk	8	(46)	(57)
Total	50	59	(360)

Interest Impacts ($millions, after-tax)	Q3'20	Q2'20	Q1'20
Interest rate changes	18	(123)	(87)
Credit spread movements	(27)	(72)	127
Swap spread movements	(5)	(10)	39
Total	(14)	(205)	79

Credit-Related Impacts ($millions, after-tax)	Q3'20	Q2'20	Q1'20
Changes in ratings	(33)	(60)	(39)
Impairments, net of recoveries	3	(24)	(1)
Release of best estimate credit	28	26	25
Total	(2)	(58)	(15)

Market sensitivities

Change in Equity Markets[1]

As at September 30, 2020 ($ millions, unless otherwise noted)	25% decrease	10% decrease	10% increase	25% increase
Potential impact on net income[2,3]	$(350)	$(150)	$100	$300
Potential impact on OCI[3]	$(50)	-	-	$50
Potential impact on LICAT[2,4]	0.5% point decrease	0.0% point decrease	0.0% point increase	0.0% point increase

As at December 31, 2019 ($ millions, unless otherwise noted)	25% decrease	10% decrease	10% increase	25% increase
Potential impact on net income[2,3]	$(350)	$(150)	$100	$250
Potential impact on OCI[3]	$(50)	$(50)	$50	$50
Potential impact on LICAT[2,4]	0.5% point decrease	0.0% point decrease	0.0% point increase	0.0% point increase

Change in Interest Rates[5]

	As at September 30, 2020		As at December 31, 2019	
($ millions, unless otherwise noted)	50 basis point decrease	50 basis point increase	50 basis point decrease	50 basis point increase
Potential impact on net income[2,3,7]	$(100)	$50	$(150)	$50
Potential impact on OCI[3]	$250	$(250)	$250	$(250)
Potential impact on LICAT[2,6]	3.5% point increase	1.5% point decrease	2.0% point increase	3.0% point decrease

Change in Credit Spreads[8,10]

	As at September 30, 2020		As at December 31, 2019	
($ millions, unless otherwise noted)	50 basis point decrease	50 basis point increase	50 basis point decrease	50 basis point increase
Potential impact on net income[9]	$(100)	$75	$(75)	$50
Potential impact on LICAT[6]	0.5% point decrease	0.5% point increase	0.0% point increase	0.5% point decrease

Change in Swap Spreads[10]

	As at September 30, 2020		As at December 31, 2019	
($ millions, unless otherwise noted)	20 basis point decrease	20 basis point increase	20 basis point decrease	20 basis point increase
Potential impact on net income[9]	$50	$(50)	$50	$(50)

Footnotes 1-10: See appendix slide 41

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". Sun Life Assurance Company of Canada is referred to as "SLA".

Use of Non-IFRS Financial Measures

We report certain financial information using non-IFRS financial measures, as we believe that these measure 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 these non-IFRS financial measures and reconciliations to the closest IFRS measures are available in section M - Non-IFRS Financial Measures of the MD&A. Non-IFRS Financial Measures and reconciliations are also included in our annual and interim MD&A and the Supplementary Financial Information packages that are available on www.sunlife.com under Investors – Financial results & 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 that create volatility in our results under IFRS and when removed assist in explaining our results from period to period:

(a) market related impacts that differ from our best estimate assumptions, which include: (i) impacts of returns in equity markets, net of hedging, for which our best estimate assumptions are approximately 2% per quarter. This also includes the impact of the basis risk inherent in our hedging program, which is the difference between the return on underlying funds of products that provide benefit guarantees and the return on the derivative assets used to hedge those benefit guarantees; (ii) the impacts of changes in interest rates in the reporting period and on the value of derivative instruments used in our hedging programs including changes in credit and swap spreads, and any changes to the assumed fixed income reinvestment rates in determining the actuarial liabilities; and (iii) the impacts of changes in the fair value of investment properties in the reporting period;

(b) assumption changes and management actions, which include: (i) the impacts of revisions to the methods and assumptions used in determining our liabilities for insurance contracts and investment contracts; and (ii) the impacts on insurance contracts and investment contracts of actions taken by management in the current reporting period, referred to as management actions which include, for example, changes in the prices of in-force products, new or revised reinsurance on in-force business, and material changes to investment policies for assets supporting our liabilities; and

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

Underlying EPS also excludes the dilutive impact of convertible instruments. 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, adjusted revenue, 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, adjusted 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

Use of Names and Logos of Third Parties

Names and logos of third parties are used for identification purposes and do not imply any relationship with, or endorsement by, them. Third party trade-marks are the property of their respective owners.

Reconciliation of Select Net Income Measures	Q3'20	Q2'20	Q3'19
Common shareholders' reported net income (loss)	750	519	681
Less:			
Impact of certain hedges that do not qualify for hedge accounting	5	-	(5)
Fair value adjustments on share-based payment awards at MFS	(32)	(24)	(8)
Acquisition, integration and restructuring	(11)	(14)	(26)
Net equity market impact	50	59	9
Net interest rate impact	(14)	(205)	(90)
Net increases (decrease) in the fair value of real estate	(37)	(41)	(8)
Assumption changes and management actions	(53)	5	-
Common shareholders' underlying net income (loss)	842	739	809

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 growth initiatives and other business objectives, (iii) relating to the plans we have implemented in response to the COVID-19 pandemic and related economic conditions and their impact on the Company, (iv) relating to our pending acquisition of a majority stake in Crescent Capital, including statements relating to pro forma AUM, (v) that are predictive in nature or that depend upon or refer to future events or conditions, and (vi) 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 Q3 2020 MD&A under the headings C - Profitability - 5 - Income taxes, E - Financial Strength and H - Risk Management and in SLF Inc.'s 2019 Annual Information Form 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 - tax matters, including estimates and judgments used in calculating taxes; 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 the impact of mergers, acquisitions and divestitures.

The following risk factors are related to our acquisition of a majority stake in Crescent Capital that could have a material adverse effect on our forward-looking statements: (1) the ability of the parties to complete the transaction; (2) failure of the parties to obtain necessary consents and approvals or to otherwise satisfy the conditions to the completion of the transaction in a timely manner, or at all; (3) our ability to realize the financial and strategic benefits of the transaction; and (4) the impact of the announcement of the transaction on Sun Life and Crescent Capital. These risks all could have an impact on our business relationships (including with future and prospective employees, Clients, distributors and partners) and could have a material adverse effect on our current and future operations, financial conditions and prospects.

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.

Currency

All amounts are in Canadian dollars unless otherwise noted

Peer Groups included in TSR chart for slide 6

Canadian Lifecos – Manulife Financial Corporation, Great-West Life & Industrial Alliance
Global Lifecos – AXA SA, Prudential PLC, Allianz SE, Aviva PLC, Assicurazioni Generali SpA, AIA Group Ltd., China Life Insurance Co. Ltd, Great Eastern Holdings & Ping An Insurance Group
U.S. Insurers – Hartford Financial Services Group, Lincoln National Corporation, MetLife Inc., Principal Financial Group, Inc., Prudential Financial, Inc., Unum Group & Voya

Source Information for slide 17

[2] Ranking for Sun Life of Canada (Philippines). Based on data from the Insurance Commission of the Philippines, at December 31, 2019
[3] Philippine Investment Funds Association, based on Aug 31, 2020 ending assets under management
[4] Indonesia Life Insurance Association industry report, based on year-to-date first year premiums at June 30, 2020
[5] July 31 2020 year-to-date annualized first year premiums, based on data shared among Vietnam industry players
[6] Tien Phong Commercial Bank, based on Q2'20 sales data shared among Vietnam industry players
[7] China Banking and Insurance Regulatory Commission, based on gross premiums for Q2'20 YTD (excluding universal and variable universal life insurance deposits and pension companies)
[8] Insurance Regulatory Authority of India, based on first year premiums among private players on calendar year basis at Aug 31, 2020
[9] Association of Mutual Funds in India, based on average assets under management for the quarter ended at Sept 30, 2020
[10] Life Insurance Association of Malaysia; Insurance Services Malaysia Berhad, based on Q2'20 YTD annualized first year premium for Conventional and Takaful business
[11] Mercer MPF Market Shares Report, for the three month period ended June 30, 2020
[12] Insurance Authority of Hong Kong, Provisional Statistics on Hong Kong Long Term Insurance Business, based on Q2'20 YTD annualized first year premiums compared to Q2'19 YTD

Footnotes for slide 38

[1] Represents the respective change across all equity markets as at September 30, 2020 and December 31, 2019. Assumes that actual equity exposures consistently and precisely track the broader equity markets. Since in actual practice equity-related exposures generally differ from broad market indices (due to the impact of active management, basis risk, and other factors), realized sensitivities may differ significantly from those illustrated. Sensitivities include the impact of re-balancing equity hedges for dynamic hedging programs at 2% intervals (for 10% changes in equity markets) and at 5% intervals (for 25% changes in equity markets).
[2] The market risk sensitivities include the estimated mitigation impact of our hedging programs in effect as at September 30, 2020 and December 31, 2019, and include new business added and product changes implemented prior to such dates.
[3] Net income and OCI sensitivities have been rounded to the nearest $50 million. The sensitivities exclude the market impacts on the income from our joint ventures and associates, which we account for on an equity basis.
[4] The LICAT sensitivities illustrate the impact on Sun Life Assurance as at September 30, 2020 and December 31, 2019. LICAT ratios are rounded to the nearest 0.5%.
[5] Interest rate sensitivities assume a parallel shift in assumed interest rates across the entire yield curve as at September 30, 2020 and December 31, 2019 with no change to the Actuarial Standards Board ("ASB") promulgated URR. Variations in realized yields based on factors such as different terms to maturity and geographies may result in realized sensitivities being significantly different from those illustrated. Sensitivities include the impact of re-balancing interest rate hedges for dynamic hedging programs at 10 basis point intervals (for 50 basis point changes in interest rates).
[6] The LICAT sensitivities illustrate the impact on Sun Life Assurance as at September 30, 2020 and December 31, 2019. The sensitivities assume that a scenario switch does not occur in the quarter. The September 30, 2020 sensitivities are calculated using a different North America scenario than that used at December 31, 2019. LICAT ratios are rounded to the nearest 0.5%.
[7] The majority of interest rate sensitivity, after hedging, is attributed to individual insurance products. We also have interest rate sensitivity, after hedging, from our fixed annuity and segregated funds products.
[8] In most instances, credit spreads are assumed to revert to long-term insurance contract liability assumptions generally over a five-year period.
[9] Sensitivities have been rounded to the nearest $25 million.
[10] The credit and swap spread sensitivities assume a parallel shift in the indicated spreads across the entire term structure. Variations in realized spread changes based on different terms to maturity, geographies, asset classes and derivative types, underlying interest rate movements, and ratings may result in realized sensitivities being significantly different from those provided. The credit spread sensitivity estimates exclude any credit spread impact that may arise in connection with asset positions held in segregated funds. Spread sensitivities are provided for the consolidated entity and may not be proportional across all reporting segments.

Sun Life Investor Relations

Leigh Chalmers

Senior Vice-President, Head of Investor Relations
and Capital Management

647-256-8201

leigh.chalmers@sunlife.com

Yaniv Bitton

Vice-President, Investor Relations

416-979-6496

yaniv.bitton@sunlife.com