



BUILDING SUSTAINABLE SHAREHOLDER VALUE

First Quarter, 2017

SUN LIFE FINANCIAL

Sun
Life Financial
Life's brighter under the sun



BUSINESS OVERVIEW

SUN LIFE FINANCIAL INC.

SUN LIFE FINANCIAL IN 2017

A **\$30 billion¹ leading, international** financial services provider... operating through a **balanced** and **diversified** model... focused on creating **shareholder value** now and in the future





THE SUN LIFE STORY: AMBITIOUS AND ACHIEVABLE

1

We have four strong pillars that can each compete, win and grow in their respective sectors and which leverage each other

2

Bound together by a strong balance sheet and risk culture, including no direct U.S. Variable Annuity or Long-Term Care

3

Underpinned by a strong performance culture that is humble, but ambitious; driven by results, but not yet satisfied

4

Led by a proven management team that can execute on growth with disciplined capital allocation

5

Galvanized by a new objective – to become one of the best insurance and asset managers in the world through a step-change around Clients

6

Building on momentum created by past organic investments and acquisitions that will help drive earnings growth

7

With the objective of generating 8-10% average annual underlying EPS growth and a 12-14% underlying ROE, while maintaining a strong dividend payout ratio



SETTING A BOLD NEW OBJECTIVE

“ Our ambition is to be ONE OF THE BEST insurance and asset management companies globally ”

**Each pillar viewed
as one of the best
in its markets**

**Top Quartile
Client Experience**

**Disproportionate
Share of Top
Talent**

Top Quartile TSR



CLIENT FOR LIFE: A STEP

From:	To:
▪ Customers	▪ Clients
▪ Product sale	▪ Advice and solutions
▪ One-time interaction	▪ A lifetime relationship
▪ Reactive	▪ Proactive: Sun Life has my back
▪ Insurance jargon	▪ Language that people understand
▪ Complex paper driven processes	▪ Simplified digital process

***THIS WILL FEEL
DIFFERENT***

- Relationship with Clients will change
- Relationship with Advisors will change
- Innovation and adoption, test and learn
- New key performance indicators, communications, incentives, investments – in short, everything changes

AMBITION TO BE “ONE OF THE BEST” INSURANCE AND ASSET MANAGEMENT COMPANIES IN THE WORLD

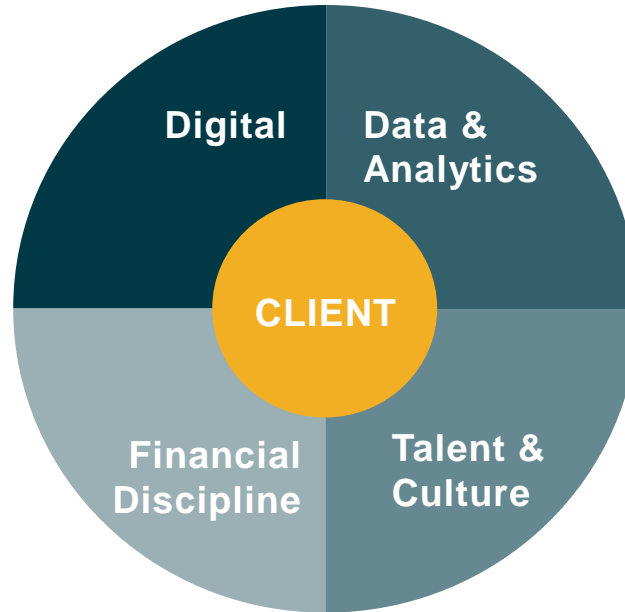
A growth strategy focused on **high ROE** and **strong capital generation** through **leading positions** in **attractive markets globally**



A Leader in Insurance and Wealth Solutions in our **Canadian home market**



A Leader in global **Asset Management**



A Leader in **U.S. Group Benefits** and **International** high net worth solutions



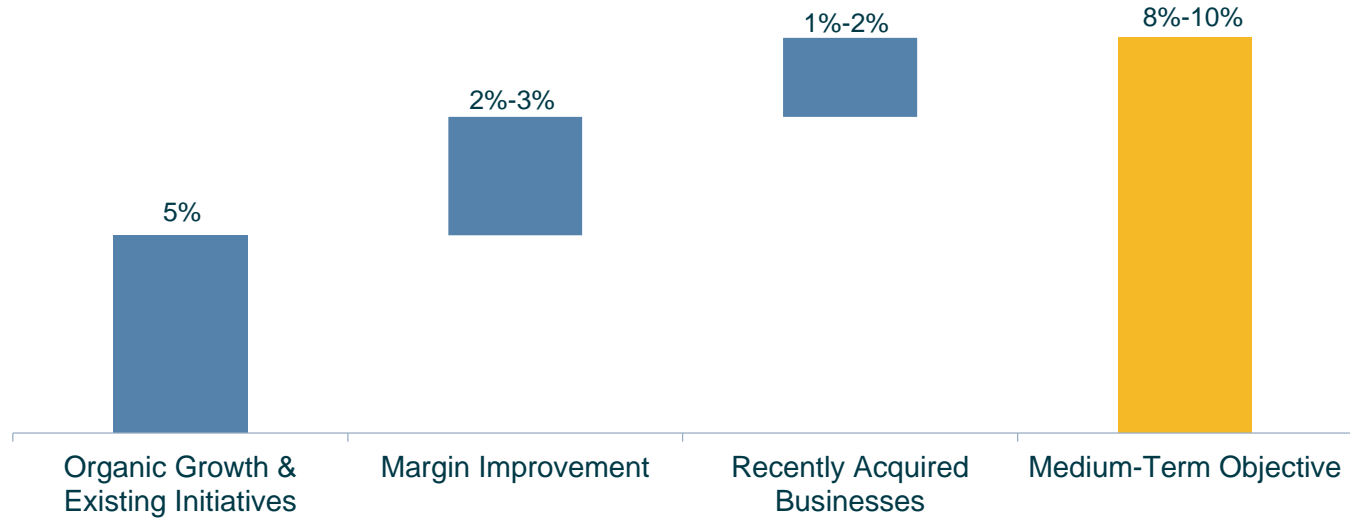
A Leader in **Asia** through Distribution Excellence in Higher Growth Markets



MEDIUM-TERM FINANCIAL OBJECTIVES¹

EPS growth: 8-10% -- Underlying ROE: 12-14% -- Dividend payout ratio: 40-50%

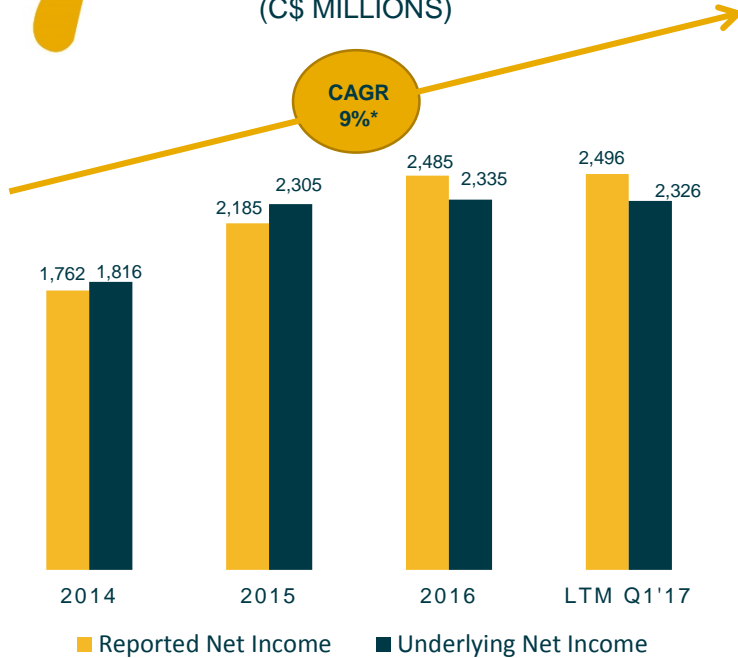
KEY DRIVERS SUPPORT MEDIUM-TERM EPS OBJECTIVES



Additional opportunities through effective capital deployment

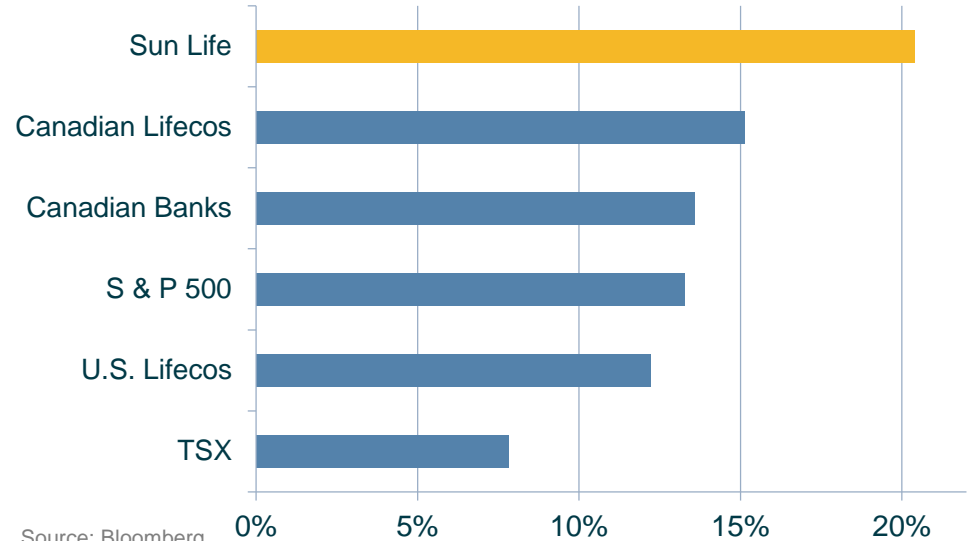
DELIVERING VALUE TO SHAREHOLDERS

NET INCOME¹
(C\$ MILLIONS)



* CAGR for underlying net income

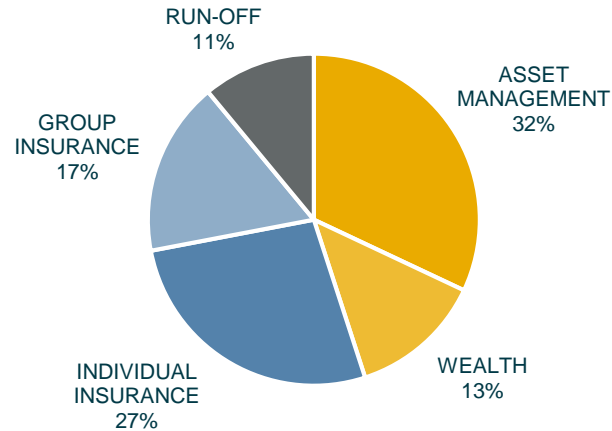
TOTAL SHAREHOLDER RETURN
FIVE YEARS AS OF
MARCH 31, 2017
(ANNUALIZED RETURN)



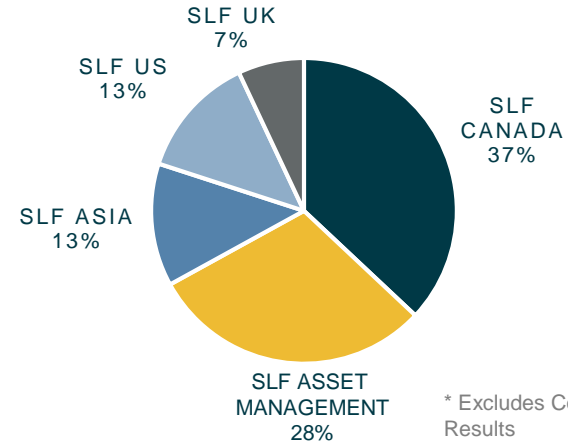
Source: Bloomberg

BALANCED AND DIVERSIFIED BUSINESS

BUSINESS
DIVERSIFICATION
Q1'17 UNDERLYING NET INCOME



GEOGRAPHIC
DIVERSIFICATION
Q1'17 UNDERLYING NET INCOME*



* Excludes Corporate Support Results

01

No direct U.S. Variable Annuity or Long-Term Care Exposure

02

Relatively low market risk exposure

03

249% MCCR (SLF), \$1.1B of Holdco cash, 22.6% leverage ratio

04

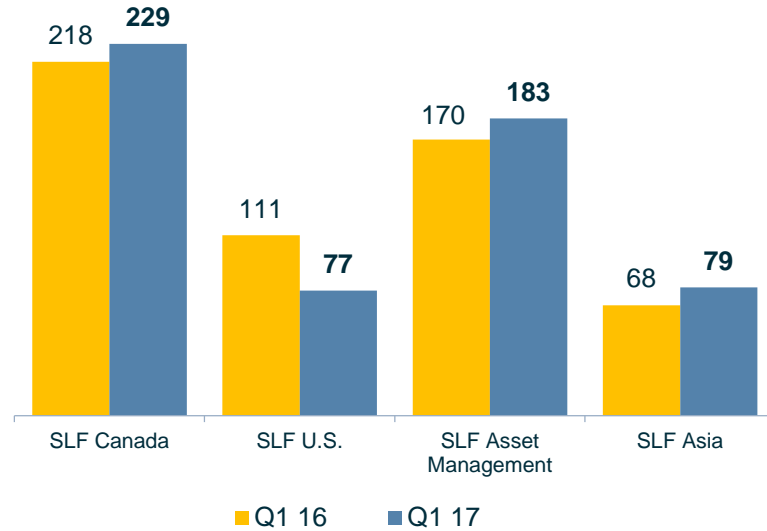
Strong risk management culture

05

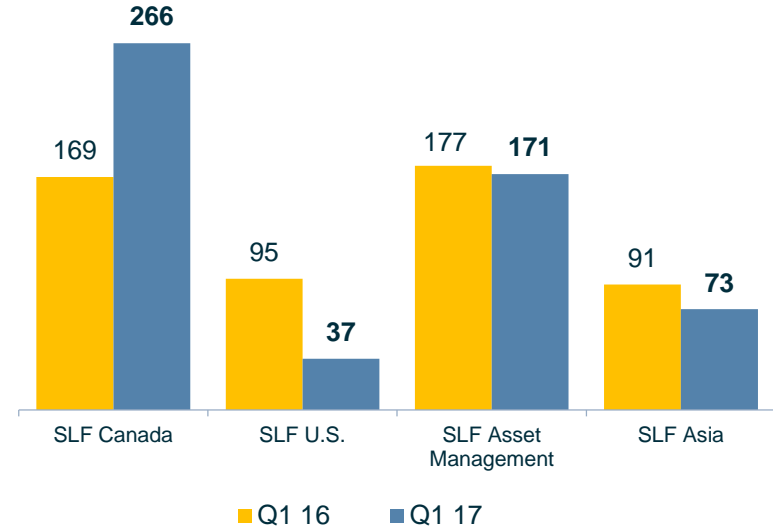
Balanced and diversified portfolio to deliver across cycles

BUSINESS GROUP PERFORMANCE

UNDERLYING NET INCOME (C\$ MILLIONS)



REPORTED NET INCOME (C\$ MILLIONS)

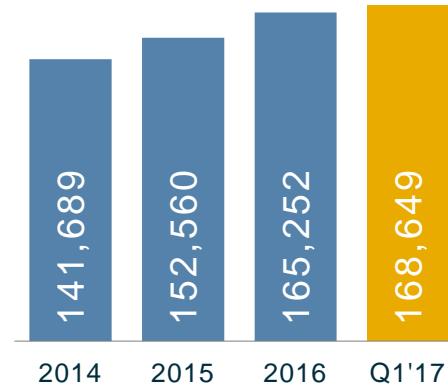


SLF CANADA: GROWING EARNINGS POWER

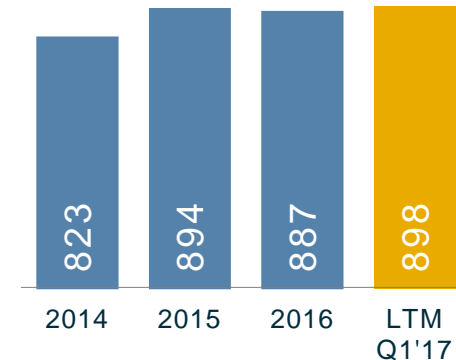
Q1'17 HIGHLIGHTS

- Individual Insurance sales of \$144 million, more than double the prior year
- Individual Wealth sales up 16% from growth across all product lines
- Group Benefits and Group Retirement Services sales increased by 105% and 76%, respectively

ASSETS UNDER
MANAGEMENT
(C\$MILLIONS)



UNDERLYING NET
INCOME
(C\$MILLIONS)





SLF CANADA: NEW ENGINES ACCELERATING GROWTH AND ALREADY SEEING THE RESULTS

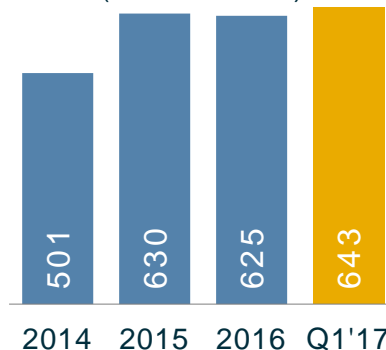


SLF ASSET MANAGEMENT: PREMIER GLOBAL ASSET MANAGEMENT OPERATIONS

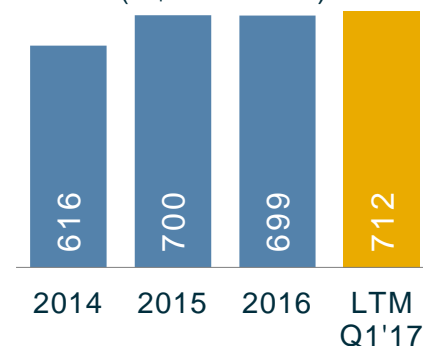
Q1'17 HIGHLIGHTS

- Strong long-term fund performance recognized by *Barron's* Best Fund Families of 2016
 - MFS ranked among top 10 for 5- and 10-year periods in the eight of the last nine years
- MFS global AUM grew to \$US\$441 billion
- Gross sales of US\$20.6 billion; net outflows of US\$11.1 billions
- Strong sales momentum at SLIM; net inflows of \$2.2 billion; AUM of \$56 billion

ASSETS
UNDER MANAGEMENT
(C\$BILLIONS)



UNDERLYING
NET INCOME
(C\$MILLIONS)



SUN LIFE FINANCIAL ASSET MANAGEMENT



MFS AUM C\$587 billion



SLIM AUM C\$56 billion

SLF ASSET MANAGEMENT: MFS' PATH TO NET INFLOWS

2 Year View on Net Flows

(US\$ billions)	Gross Sales			Redemptions*			Net Flows		
	2016	2015	Inc/(Dec)	2016	2015	(Inc)/Dec	2016	2015	Inc/(Dec)
U.S. Retail	46.8	40.8	6.0	(45.1)	(38.8)	(6.3)	1.7	2.1	(0.4)
Non-U.S. Retail	11.6	14.6	(3.0)	(13.8)	(11.2)	(2.6)	(2.3)	3.4	(5.7)
Managed**	23.3	20.4	2.9	(35.4)	(41.5)	6.1	(12.0)	(21.1)	9.1
Total	81.7	75.8	5.9	(94.3)	(91.5)	(2.8)	(12.6)	(15.7)	3.1

U.S. retail remains relatively strong while the improvement in managed funds has been muted by the slowdown in non-U.S. retail

- Normalization of Retail Redemption Rates
- Non-U.S. Retail Sales back to pre-Brexit Levels
- Growth of Institutional Sales: Blended Research; Fixed Income
- Capacity Management

SLF ASSET MANAGEMENT: SUNLIFE INVESTMENT MANAGEMENT WELL POSITIONED FOR GROWTH

TARGET 100



Target

\$100 billion of AUM and **20+%**
operating margin by **2020**

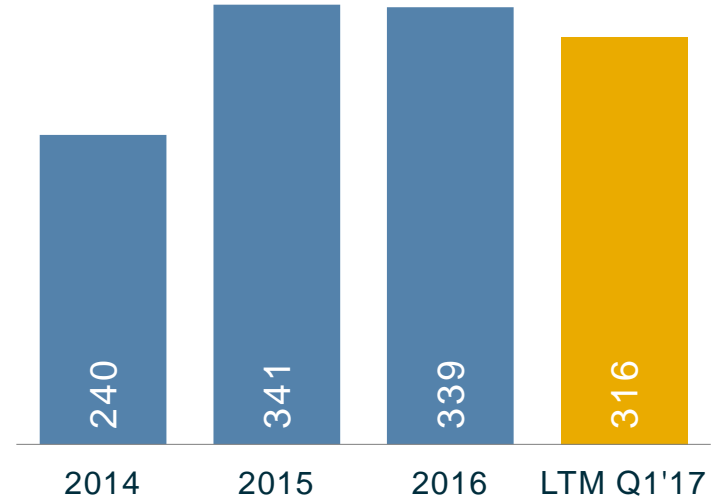
- **Institutional demand** for liability-driven investing, alternative fixed income and real estate is **strong and growing**
- Sun Life Investment Management is **well-positioned** to capitalize on trends to **increase AUM and expand margins**
- **Leveraging capabilities** across the Sun Life Investment Management group of companies to **accelerate growth**
- Sun Life is **recognized** as a good **owner of asset managers**

SLF U.S.: STRONG CONTRIBUTION TO FUTURE EARNINGS

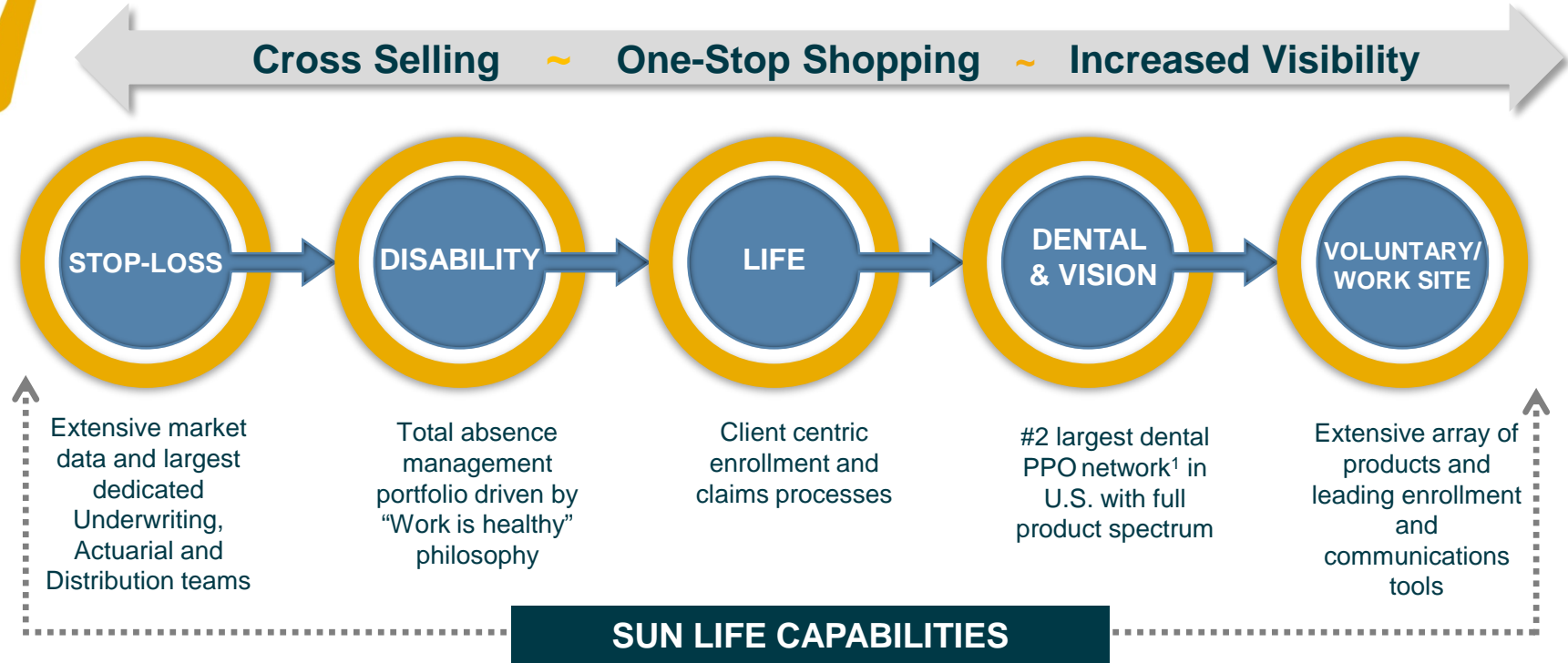
Q1'17 HIGHLIGHTS

- Integration of the U.S. employee benefits business is progressing well. Group Benefits sales higher from acquired business
- Announced the acquisition of The Premier Dental Group

SLF U.S. UNDERLYING NET
INCOME
(US\$MILLIONS)



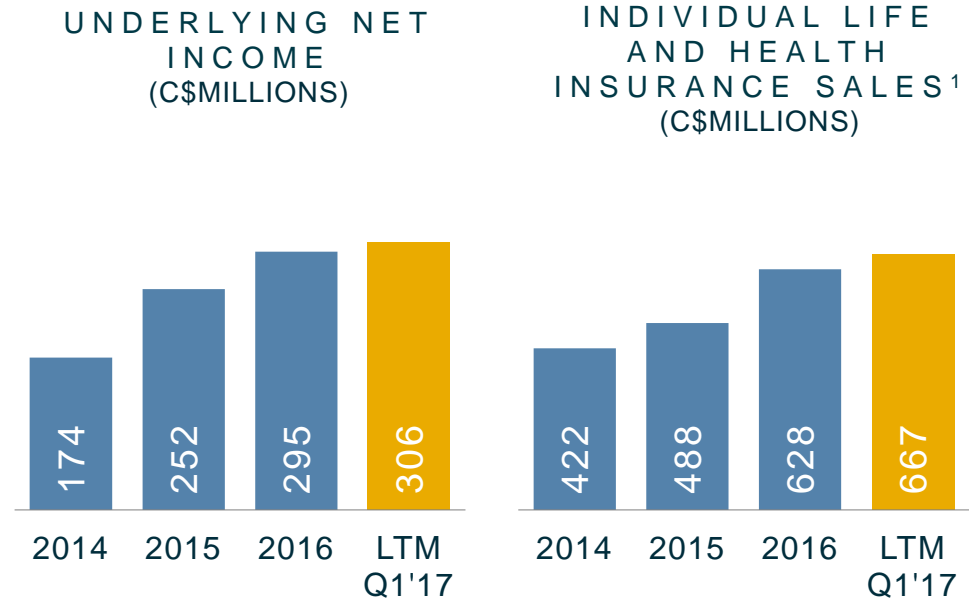
SLF U.S.: UNIQUELY BROAD PRODUCT PORTFOLIO AND CAPABILITIES IN GROUP BENEFITS



SLF ASIA: GROWING OUR ASIA BUSINESS

Q1'17 HIGHLIGHTS

- Individual insurance and wealth sales increased by 31% and 84%, respectively; driven by growth in most markets and increased ownership levels
- Retained the number 1 ranking in the Philippines² insurance market and moved to number 2³ in net flows in the Hong Kong MPF market



¹ Sales for joint ventures are based on proportionate equity interest.

² Insurance Commission of the Philippines, based on annualized first year premium for Sun Life of Canada (Philippines)

³ Gadbury market share report, based on Q4 2016 net flows

Underlying net income is a Non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Net Income measures" in the appendix to these slides.

SLF ASIA MARKET PRESENCE



- Since 2002
- Joint venture with the China Everbright Group
- Insurance & Asset Management Company established in 2012
- ~ 3,200 advisors



Birla Sun Life

- Since 1999
- Insurance & Asset Management
- Joint Venture with Aditya Birla Group
- ~ 72,000 advisors



- Since 2013⁽²⁾
- Joint venture with Khazanah Nasional Berhad
- Exclusive Bancassurance partnership with CIMB Bank
- Life & Takaful business

Vietnam

- Since 2012⁽¹⁾
- ~ 2,800 advisors



Hong Kong

- Since 1892
- ~ 1,900 advisors



- Wholly owned Third Party Pensions Administrator (TPA)
- Ranked #1 in TPA⁽³⁾



Philippines

- Since 1895
- ~ 9,000 advisors



- Since 2011
- Joint venture with the Yuchengco Group of Companies

Indonesia

- Since 1995
- ~ 9,300 advisors
- Bancassurance partnership with CIMB Bank



¹ The joint venture received its license to operate in January 2013.

² Acquisition of the joint venture was completed in April 2013.

³ TPA Ranking – The Gadbury Report of MPF Market Shares as of December 31, 2016

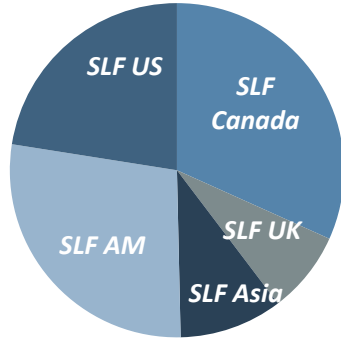


CAPITAL MANAGEMENT

SUN LIFE FINANCIAL INC.

STRONG CAPITAL GENERATION WITH BALANCED APPROACH TO DEPLOYMENT

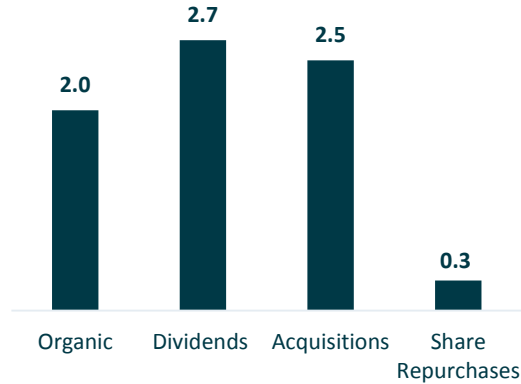
EXPECTED ANNUAL CAPITAL GENERATION



Net capital generation of \$700 million per annum¹

CAPITAL DEPLOYMENT (2014 - 2016)

(C\$ billions)



FINANCIAL STRENGTH RATINGS

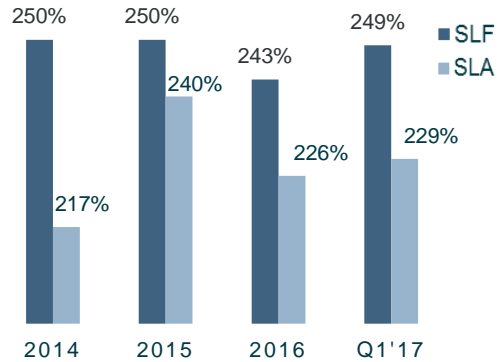
Sun Life Assurance Company of Canada	Q1'17
Standard & Poor's	AA ⁻⁽²⁾
Moody's	Aa3
A.M. Best	A+
DBRS	AA(low)

¹ Net capital generation is based on 200% MCCR.

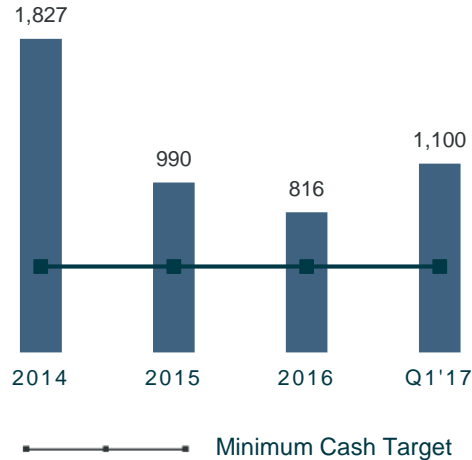
² On March 13, 2017 S&P revised outlook to Positive from Stable.

STRONG CAPITAL ADEQUACY AND FLEXIBLE BALANCE SHEET

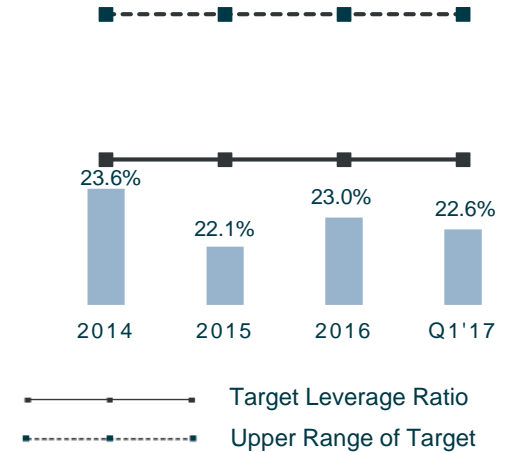
MCCSR RATIOS ⁽¹⁾



HOLDING COMPANY CASH ⁽¹⁾ (C\$ millions)



LEVERAGE RATIO ⁽¹⁾



¹ 2016 (SLF only): Pro forma \$800 million subordinated debt redemption on March 2, 2017.

CAPITAL MODEL

\$1.1 billion cash at Holding Company

SLF

MCCSR 249%
Leverage 22.6%
Leverage Capacity to 25/30%: ~\$0.9/\$2.8B

MCCSR of 229%

SLA

SLA - External Capital Securities

Subordinated Debt	Coupon	Outstanding Balance	First Call Date
CLI Series 2 Sub Debenture	6.30%	\$150	15-May-28
		\$150	
Innovative Tier 1 Securities			
SLEECs Series B	7.09%	\$200	30-Jun-32
SLEECs Series 2009-1	5.86%	\$498	31-Dec-19
		\$698	

SLF Asset Management

MFS

Sun Life Investment Management

Book value excl. from MCCSR

U.K

Canada

Bermuda

Asia

U.S. Branch

Capitalized to meet local capital rules

SLF - External Capital Securities

Subordinated Debt	Coupon	Outstanding Balance	First Call Date
SLF T2B (Series 2007-1)	5.40%	\$398	29-May-37
SLF T2B (Series 2008-1)	5.59%	\$400	30-Jan-18
SLF T2B (Series 2014-1)	2.77%	\$249	13-May-19
SLF T2B (Series 2015-1)	2.60%	\$497	25-Sep-20
SLF T2B (Series 2016-1)	3.10%	\$348	19-Feb-21
SLF T2B (Series 2016-2)	3.05%	\$995	19-Sep-23
		\$2,886	

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	2.28%	\$127	30-Jun-20
SLF Class A, Series 9QR	Floating	\$147	30-Jun-20
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 March 31, 2017

OPERATING AND FINANCIAL LEVERAGE

Operating Leverage

Tier 2

Tier 1

Tier 1

Operating Leverage Debt (C\$ millions)

Q1 2017

Debt supporting reserve financing

Senior Debt

599

Bilateral Senior Financing ⁽¹⁾

2,034

Total Operating Leverage Debt

\$2,633

Capital (C\$ millions)

Q1 2017

Subordinated Debt

\$3,037

SLEECs (Innovative Tier 1 Securities)

698

Preferred Shareholders' Equity

2,257

Total Capital Securities

5,992

Common Shareholders' Equity and Par ⁽²⁾

20,554

Total Capital

\$26,546

Financial Leverage, %

22.6%

(1) As of December 31, 2016 as disclosed in SLF Inc.'s 2016 Financial Statements.

(2) Participating policyholders' equity and non-controlling interest.

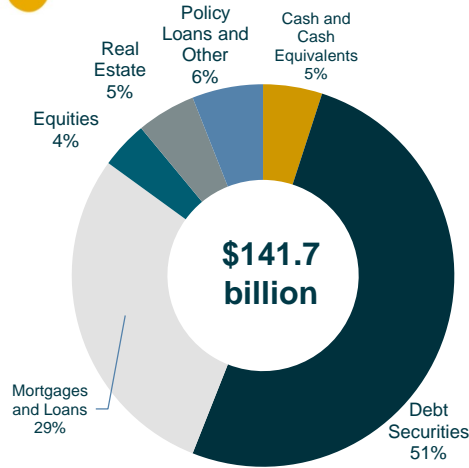


ASSET PORTFOLIO

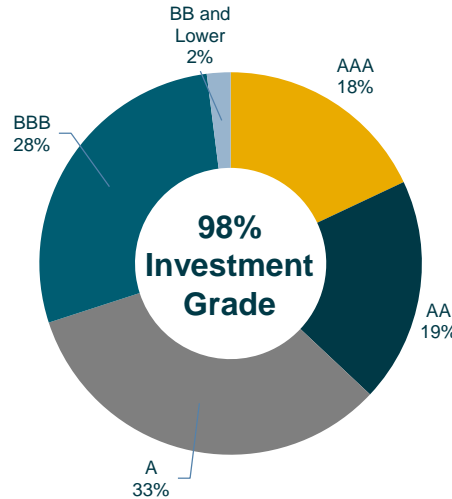
SUN LIFE FINANCIAL INC.

HIGH QUALITY, WELL DIVERSIFIED INVESTMENT PORTFOLIO

INVESTED ASSETS



DEBT SECURITIES BY RATING



COMPETITIVE ADVANTAGES

- Leading non-public portfolio with significant origination capabilities
- Strengthened real estate and commercial mortgage capabilities with Bentall Kennedy acquisition
- Deep credit research resulting in strong credit experience

APPENDIX

SUN LIFE FINANCIAL INC.

SUSTAINABLE, HEALTHIER COMMUNITIES FOR LIFE

STANDARD & POOR'S

Sun Life has been named one of 12 Canadian companies and the only North American life insurer to be included in the Standard & Poor's Long Term Value Creation Global Index. The new index is comprised of approximately 250 stocks that have the potential to create long-term value based on sustainability criteria and financial quality.



For the eighth year in a row, Sun Life has received the Reader's Digest Most Trust Brand™ award. Since the inception of the Reader's Digest Most Trust Brand™ award, Canadians have voted for Sun Life in the Life Insurance Company category, which gives us Gold Winner status.



In 2015, Corporate Knights magazine once again included Sun Life on its list of the Best 50 Corporate Citizens in Canada. The 2015 edition ranks Sun Life at 11 overall, up from 22 last year, and ahead of all the other large financial institutions.



Sun Life Financial is one of 2016 Global 100 Most Sustainable Corporations in the World, as selected by Corporate Knights. Sun Life is one of nine Canadian companies across all sectors, and the top-ranked North American insurance company to make the 2016 Global 100.



Sun Life was ranked in the top ten in The Globe and Mail Report on Business' 2016 Board Games. The report examined the board of directors of 234 companies and income trusts in the S&P/TSX composite index as of Sept. 1, 2016, to assess the quality of their governance practices.



FTSE4Good

FTSE4Good is an equity index series designed to measure the performance of companies demonstrating strong environmental, social and governance practices. Sun Life continues to satisfy the stringent criteria required to become an Index constituent. Sun Life has been included in the FTSE4Good Index since its inception.



In December 2014, Sun Life Assurance Company of Canada became the first major Canadian life insurer to sign on to the United Nations supported Principles for Responsible Investment (PRI). Becoming a PRI signatory begins a process to formally integrate environmental, social and governance (ESG) risk factors to our investment underwriting and ongoing monitoring processes.



Sun Life has been recognized with the 2015 Ethical Boardroom Best Corporate Governance – Financial Services – North American award for our dedication and enduring efforts in fostering good corporate governance practices and ethical behaviour in our operations.



For the ninth year in a row, Sun Life has been recognized in the Dow Jones Sustainability Index North America. In 2015, Sun Life achieved industry best scores in the categories of Corporate Governance and Risk Detection.



ADVANCING SUSTAINABILITY IN FOUR KEY AREAS



COMMUNITY WELLNESS

We believe that by actively supporting the communities in which we live and work, we can help to build a positive environment for our clients, employees, advisors and shareholders.



ORGANIZATIONAL RESILIENCE

We believe that our goal of putting the client at the core of all we do, and supporting our people with ethical policies, contributes to an organization which is forward-thinking, client focused, competitive, resilient and built for the long term.



ENVIRONMENTAL RESPONSIBILITY

We're accountable for the impact of our operations on the environment, so we're taking even more steps to measure, manage and reduce that impact.



GOVERNANCE AND RISK MANAGEMENT

A well-run organization contributes to a stable and sustainable operating platform for the Company, and positions us to meet our obligations to stakeholders. Pro-active risk management and a risk culture are essential to our long-term success.

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

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 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 included in our annual and interim management's discussion and analysis (“MD&A”) and the Supplementary Financial Information packages that are available on www.sunlife.com under Investors – Financial results & reports. Reconciliations to IFRS measures are also available in this document under the heading Reconciliation of Non-IFRS Financial Measures.

Updates to Non-IFRS measures

Beginning in the first quarter of 2017, we will no longer report operating net income and its related measures, operating EPS and operating ROE, in order to streamline our use of non-IFRS financial measures. The adjustments previously used to derive operating net income will continue to be used to derive underlying net income.

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 return on equity (“ROE”), are non-IFRS financial measures. Underlying net income (loss) removes from reported net income (loss) the impact 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, which include: (i) the impact of returns in equity markets, net of hedging, above or below our best estimate assumptions of approximately 2% per quarter in the reporting period and of basis risk inherent in our hedging program for products that provide benefit guarantees; (ii) the impact of changes in interest rates that differ from our best estimate assumptions 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 impact of changes in the fair value of real estate properties in the reporting period. Additional information regarding these adjustments is available in the footnotes to the table included under the heading Q1 2017 vs. Q1 2016 in the Financial Summary section of the Q1 2017 earnings news release.
- (b) assumption changes and management actions, which include: (i) the impact of revisions to the assumptions used in determining our liabilities for insurance contracts and investment contracts and (ii) the impact 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;
- (c) certain hedges in SLF 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;
- (d) 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;
- (e) acquisition, integration and restructuring amounts (including impacts related to acquiring and integrating acquisitions); and
- (f) other items that when removed assist in explaining our results from period to period.

Underlying EPS also excludes 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, life and health sales, premiums and deposits, adjusted premiums and deposits, assets under management (“AUM”), assets under administration, pre-tax operating profit margin for MFS, measures based on a currency adjusted basis, real estate market sensitivities, assumption changes and management actions, and effective income tax rate on an underlying net income basis.

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

Reconciliation of Net Income Measures	Q1'17	Q4'16	Q1'16
Common shareholders' reported net income (loss)	551	728	540
Impact of certain hedges that do not qualify for hedge accounting	(2)	8	(13)
Fair value adjustments on share-based payment awards at MFS	(12)	10	7
Acquisition, integration and restructuring	(20)	(22)	15
Net equity market impact	20	26	(18)
Net interest rate impact	(24)	130	(19)
Net increases (decrease) in the fair value of real estate	15	6	(3)
Assumption changes and management actions	1	10	(11)
Common shareholders' underlying net income (loss)	573	560	582

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 presentation include (i) statements relating to our strategies, (ii) growth initiatives and other business objectives, (iii) statements that are predictive in nature or that depend upon or refer to future events or conditions, and (iv) statements that include words such as “aim”, “anticipate”, “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. 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 risk factors set out in SLF Inc.’s 2016 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 presentation, 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: credit risks - related to issuers of securities held in our investment portfolio, debtors, structured securities, reinsurers, counterparties, other financial institutions and other entities; 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 mortality, morbidity, longevity and policyholder behaviour; product design and pricing; the impact of higher-than-expected future expenses; and the availability, cost and effectiveness of reinsurance; business and strategic risks - related to global economic and political conditions; changes in distribution channels or Client behaviour including risks relating to market conduct by intermediaries and agents; the impact of competition; the design and implementation of business strategies; changes in the legal or regulatory environment, including capital requirements and tax laws; tax matters, including estimates and judgments used in calculating taxes; the performance of our investments and investment portfolios managed for Clients such as segregated and mutual funds; 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; operational risks - related to breaches or failure of information system security and privacy, including cyber-attacks; our ability to attract and retain employees; the execution and integration of mergers, acquisitions and divestitures; legal, regulatory compliance and market conduct, including the impact of regulatory inquiries and investigations; 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; the environment, environmental laws and regulations and third-party policies; and liquidity risks - the possibility that we will not be able to fund all cash outflow commitments as they fall due.

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 presentation or to reflect the occurrence of unanticipated events, except as required by law.

Material Assumptions and Risk Factors

The Company's medium-term financial objectives are forward looking non-IFRS financial measures and do not constitute guidance. Our ability to achieve those objectives is dependent on the Company's success in achieving the growth initiatives, business objectives and productivity and expense targets that will be described in the Investor Day presentations and on certain other key assumptions that include:

1. no significant changes in the level of interest rates;
2. average total equity market return of approximately 8% per annum;
3. credit experience in line with best estimate actuarial assumptions;
4. no significant changes in the level of our regulatory capital requirements;
5. no significant changes to our effective tax rate;
6. no significant change in the number of shares outstanding;
7. other key assumptions include: no material changes to our hedging program, hedging costs that are consistent with our best estimate assumptions, no material assumption changes including updates to the economic scenario generator and no material accounting standard changes, and
8. our best estimate actuarial assumptions used in determining our insurance and investment contract liabilities.

Our medium-term financial objectives are also based on best estimate actuarial assumptions as at December 31, 2016. Our underlying ROE is dependent upon capital levels and options for deployment of excess capital. Our objectives do not reflect the indirect effects of interest rate and equity market movements including the potential impacts on goodwill or the current valuation allowance on deferred tax assets as well as other items that may be non-operational in nature.

Important risk factors that could cause our assumptions and estimates, and expectations and projections in the Investor Day Presentations to be inaccurate and our actual results or events to differ materially from those expressed in or implied by forward-looking statements, including our medium-term financial objectives are set out below. The realization of our forward-looking statements, including our ability to meet our medium-term financial objectives, 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: **credit risks** - related to issuers of securities held in our investment portfolio, debtors, structured securities, reinsurers, counterparties, other financial institutions and other entities; **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 mortality, morbidity, longevity and policyholder behaviour; product design and pricing; the impact of higher-than-expected future expenses; and the availability, cost and effectiveness of reinsurance; **business and strategic risks** - related to global economic and political conditions; changes in distribution channels or Client behaviour including risks relating to market conduct by intermediaries and agents; the impact of competition; the design and implementation of business strategies; changes in the legal or regulatory environment, including capital requirements and tax laws; tax matters, including estimates and judgments used in calculating taxes; the performance of our investments and investment portfolios managed for Clients such as segregated and mutual funds; 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; **operational risks** - related to breaches or failure of information system security and privacy, including cyber-attacks; our ability to attract and retain employees; the execution and integration of mergers, acquisitions and divestitures; legal, regulatory compliance and market conduct, including the impact of regulatory inquiries and investigations; 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; the environment, environmental laws and regulations and third-party policies; and **liquidity risks** – the possibility that we will not be able to fund all cash outflow commitments as they fall due.