

Q1'18

RESULTS FACT SHEET



Life's brighter under the sun

OUR AMBITION IS TO BE **ONE OF THE BEST** INSURANCE AND ASSET MANAGEMENT COMPANIES GLOBALLY

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

34,095
EMPLOYEES⁽²⁾

112,885
ADVISORS⁽³⁾

OFFICES IN **26 COUNTRIES**

\$15.3B
Gross claims & benefits paid in 2017

\$979B
Assets under management*

18%
(per annum) Shareholder Return over the past 5 years

* AUM as of March 31, 2018

MEDIUM TERM OBJECTIVES⁽¹⁾

AVERAGE UNDERLYING EPS GROWTH:
8-10% PER ANNUM

UNDERLYING ROE:
12-14%

TARGET DIVIDEND PAYOUT RATIO:
40-50%

Figures as at March 31, 2018 and in C\$, unless otherwise stated

TICKER	SLF (TSX)
TSX SHARE PRICE	\$52.91
NYSE SHARE PRICE	US\$41.12
MARKET CAPITALIZATION	\$32.1B
COMMON SHARES OUTSTANDING	607.6M
BOOK VALUE PER SHARE	\$33.82
DIVIDEND PER SHARE	\$0.455
DIVIDEND YIELD	3.4%
TOTAL DIVIDENDS PAID IN 2017	\$1.07 B
LICAT RATIO (Sun Life Assurance)	139%
LICAT RATIO (Sun Life Financial)	149%

CREDIT RATINGS⁽⁵⁾

S&P	AA-
MOODY'S	AA3
A.M. BEST	A+
DBRS	AA (LOW)

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

Q1'18 HIGHLIGHTS

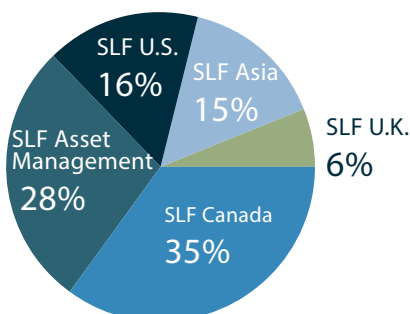


FINANCIAL RESULTS ⁽⁴⁾	Q1'18	Q1'17	CHANGE
REPORTED NET INCOME	\$669M	\$551M	↑ 21%
UNDERLYING NET INCOME	\$770M	\$573M	↑ 34%
REPORTED EPS	\$1.09	\$0.89	↑ 22%
UNDERLYING EPS	\$1.26	\$0.93	↑ 35%
REPORTED ROE	13.1%	11.0%	↑ 210 BPS
UNDERLYING ROE	15.1%	11.5%	↑ 360 BPS
ASSETS UNDER MANAGEMENT (AUM)	\$979B	\$927B	↑ 6%

A balanced & diversified portfolio

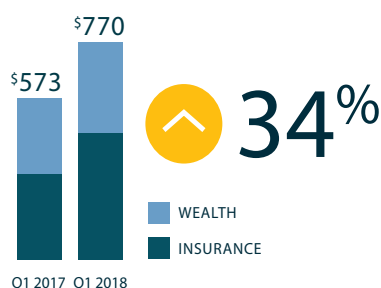


Q1'18 UNDERLYING NET INCOME BY BUSINESS UNIT



Graphic excludes Corporate Support results

UNDERLYING NET INCOME BY BUSINESS TYPE⁽⁶⁾
(C\$ MILLIONS)



Insurance & wealth sales



INSURANCE SALES
(C\$ MILLIONS)



WEALTH SALES⁽⁷⁾
(C\$ BILLIONS)



Our growth strategy and first quarter highlights



CAN

A LEADER IN INSURANCE AND WEALTH SOLUTIONS IN OUR CANADIAN HOME MARKET

- Retail sales of Sun Life Global Investments ("SLGI") mutual funds were up 28%; SLGI AUM of almost \$22 billion
- Group Benefits business in-force of \$10.3 billion
- In-plan deposits in the Client Solutions business were up 45% over the prior year, driven by more targeted touchpoints including through "Ella", our digital benefits assistant
- Launched virtual doctor on demand, where Clients can access immediate care through a virtual visit with a physician by live video, telephone or text

US

A LEADER IN U.S. GROUP BENEFITS

- Group Benefits after-tax profit margin of 5.6%^(4,8)
- Group business in-force grew to US\$3.9 billion, including a 20% increase in stop-loss, year-over-year
- Strong execution on the Employee Benefits integration, disciplined expense management and good progress on pricing and renewals
- Partnering with Collective Health, an innovative health tech firm, to create an integrated health benefits solution improving the Client experience in U.S. Group

AM

A LEADER IN GLOBAL ASSET MANAGEMENT

- MFS ranked #2 in *Barron's* 2017 Fund Family Rankings based on ten-year performance
- MFS pre-tax net operating margin improved to 38% from 36% in the prior year
- MFS net outflows of US\$4.3 billion; Sun Life Investment Management net inflows of \$0.3 billion

ASIA

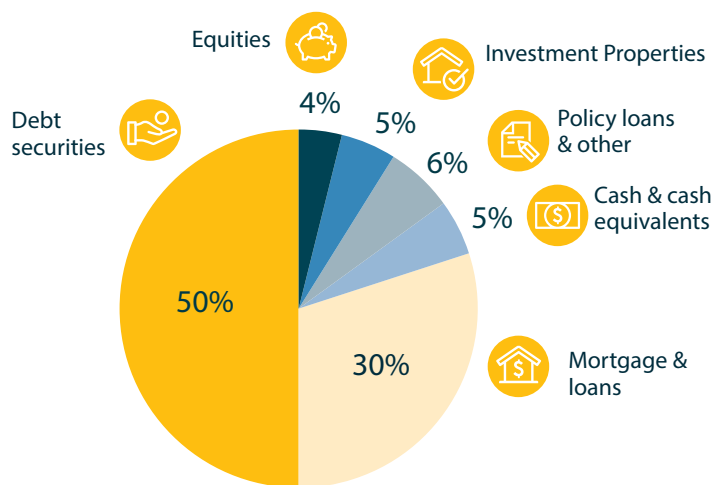
A LEADER IN ASIA THROUGH DISTRIBUTION EXCELLENCE IN HIGHER GROWTH MARKETS

- Insurance sales up 18% compared to the first quarter of 2017
- In the 2018 MPF Awards, SLF Asia's Rainbow MPF⁽⁹⁾ plan was ranked highest by MPF Ratings⁽¹⁰⁾. Sun Life also earned nine MPF awards including Consistent Performer in the one-, five-, and ten-year categories
- Launched Client mobile app in Hong Kong, My Sun Life HK improving Client experience

Invested assets



Q1'18 INVESTED ASSETS (C\$146.2 BILLION)



99% of our bond portfolio is investment grade or higher

Achievements & recognition



Global 100 Most Sustainable Corporations



Canada's Best 50 Corporate Citizens



Most Trusted Brand™ Award



Top 10 for Board Governance Practices



FTSE4Good®



Dow Jones Sustainability Index



Canada's Top Employers for Young People

Events calendar



August 9, 2018 2nd Quarter 2018 Financial Results
November 8, 2018 3rd Quarter 2018 Financial Results

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[Click here for Earnings News Release and other quarterly materials](#)

⁽¹⁾ The objectives are based on underlying net income measures. The objectives are forward-looking non-IFRS financial measures and are not earnings guidance. Additional information is provided in our 2017 annual MD&A under the heading Forward-looking Statements - Medium-Term Financial Objectives and under the heading "Financial Objectives". ⁽²⁾ Includes 12,600 employed by our Asia joint ventures. ⁽³⁾ Includes 81,745 advisors from our joint ventures in China, India and the Philippines. ⁽⁴⁾ Management uses certain non-IFRS measures such as underlying net income (loss), underlying EPS, underlying ROE, assets under management and premiums and deposits, and information calculated on a constant currency basis. These measures should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. ⁽⁵⁾ Ratings are for Sun Life Assurance Company of Canada. ⁽⁶⁾ Wealth earnings include results of Individual Wealth and Group Retirement Services in SLF Canada, Sun Life Financial Asset Management, and the Company's wealth businesses in SLF Asia. ⁽⁷⁾ Excludes the U.S. investment product sales in SLF U.S.'s International Wealth business, which was closed to new sales in December 2015. ⁽⁸⁾ After-tax profit margin for SLF U.S. Group Benefits calculated on underlying net income as a percentage of net premiums on a trailing four quarters basis. ⁽⁹⁾ Mandatory provident fund ("MPF"). ⁽¹⁰⁾ MPF Ratings were based on investment structure and performance, fees and charges and assessment of overall services, including governance and transparency, customer service standard, member education and communication, account administration efficiency and use of technology. Additional information concerning non-IFRS financial measures and reconciliations to IFRS measures are included in our annual and interim MD&A. EPS measures refer to fully diluted EPS, unless otherwise stated. The items excluded in determining underlying income measures are set out in the Q1 2018 Interim MD&A under the heading Financial Performance - First Quarter 2018 Performance. All data is in C\$ unless otherwise noted.