Q1'18

FINANCIAL & OPERATING RESULTS

For the period ended March 31, 2018

Sun Life Financial Inc.
(unaudited)

Sun Life Financial

Life's brighter under the sun

Forward-looking statements

Certain statements in this presentation and certain oral statements made during the earnings conference call on May 9, 2018 (collectively, this “presentation”), including, but not limited to, statements that are not historical facts, are forward-looking and are subject to inherent risks, uncertainties and assumptions. The results or events predicted in these forward-looking statements may differ materially from actual results or events and we cannot guarantee that any forward-looking statement will materialize. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements made in this presentation.

Non-IFRS Financial Measures

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

Sources of earnings

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

Additional information

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

DEAN CONNOR

President and Chief Executive Officer

STRONG PROGRESS ACROSS ALL FOUR PILLARS

FINANCIAL HIGHLIGHTS

- **Q1’18** reported net income of $669 million, up from Q1’17; underlying net income(1) of $770 million, up from Q1’17
- Reported ROE of 13.1% and Underlying ROE(1) of 15.1%
- Increased common share dividend by 4% to $0.475
- Strong capital position under new capital framework Life Insurance Capital Adequacy Test (“LICAT”)

KEY ACCOMPLISHMENTS

- VNB up 33% over the prior year on strong sales and improved mix
- Strong RRSP season - Sun Life Global Investments retail mutual funds sales up 28% and Client Solutions in-plan deposits up 45%
- Improvement of after-tax profit margin for SLF U.S. Group Benefits to 5.6%(1)(2)
- Strong Asia results with individual insurance sales up 18%; wealth sales up 32% and underlying net income up 32%

DOING MORE FOR CLIENTS

- Increased digital enablement capabilities for Group members in Canada
- SLF Asia in Hong Kong launched its first Client mobile app called My Sun Life HK and SLF Asia's Rainbow MPF(3) plan was ranked highest by MPF Ratings(4)
- MFS ranked #2 for 10-year performance in Barron’s 2017 “Best Mutual Fund Families” for the 9th time in the past 10 years
- SLF U.S. continued to streamline and enhance the onboarding experience for new Clients, installing more than 1,200 employer groups during the first quarter

(1) Underlying net income, ROE, VNB, sales and group after-tax profit margin are Non-IFRS financial measures. See “Use of Non-IFRS Financial Measures” and “Reconciliation of Net Income measures” in the appendix to these slides.
(2) 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.
(3) Mandatory provident fund ("MPF")
(4) 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.

KEVIN STRAIN

Executive Vice President & Chief Financial Officer

Q1'18 RESULTS

C$ millions (except EPS and ROE)	Q1'18	Q4'17	Q1'17
Reported net income	**669**	207	551
Underlying net income(1)	**770**	641	573
Diluted reported EPS (C$)	**1.09**	0.34	0.89
Diluted underlying EPS(1) (C$)	**1.26**	1.05	0.93
Reported ROE	**13.1%**	4.1%	11.0%
Underlying ROE(1)	**15.1%**	12.7%	11.5%

Business Performance	▪ Assets under management(1) of $979 billion up 6% from Q1 2017 ▪ Underlying and reported EPS growth of 35% and 22%, respectively, over Q1 2017 ▪ Book value per share of $33.82 up 4% from Q1 2017
Capital Management	▪ Strong capital position with a LICAT ratio for SLF of 149%, SLA LICAT ratio of 139%(2) ▪ Re-purchased and cancelled 3.1 million SLF common shares ▪ $1.7 billion cash level at SLF, reflects the redemption of $400 million in subordinate debt ▪ Financial leverage ratio(1) of 22.2%

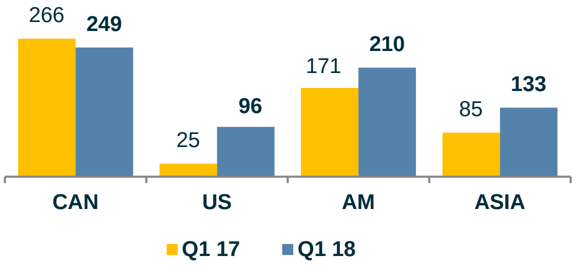
(1) Underlying net income/ROE/EPS, assets under management and financial leverage ratio are Non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Net Income measures" in the appendix to these slides.
(2) Life Insurance Capital Adequacy Test ("LICAT") ratio of Sun Life Assurance Company of Canada ("SLA") and Sun Life Financial Inc. ("SLF").

Q1'18 BUSINESS GROUP PERFORMANCE

REPORTED NET INCOME

(C$ millions)

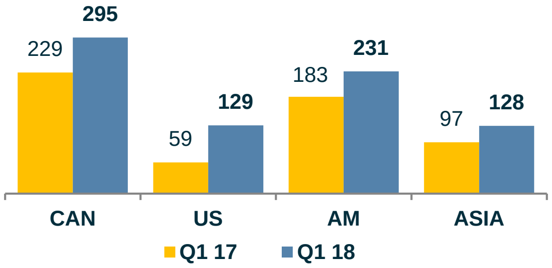
*Impact of currency reduced reported net income by **$19M***



UNDERLYING NET INCOME(1)

(C$ millions)

*Impact of currency reduced underlying net income by **$19M***



CAN

- Growth in fee income and the contribution from the interest on par seed capital, partially offset by mortality and morbidity experience
- Lower reported income from equity market movements

US

- SLF U.S. Group Benefits after-tax profit margin of 5.6%[(1)(2)]
- Favourable morbidity experience in the stop loss business and the benefit from the interest on par seed capital, partially offset by unfavourable mortality in SLF U.S. Group Benefits.
- Gains from investment activity on insurance contract liabilities

AM

- MFS earnings increased on higher average net assets and a lower tax rate
- Pre-tax operating profit margin ratio of 38%[(1)]

ASIA

- Underlying return on equity of 10.7%
- Strong growth in wealth businesses across Hong Kong, India and Philippines

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(1) Underlying net income, after-tax profit margin for SLF U.S. Group Benefits and pre-tax operating profit margin for MFS are Non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Net Income measures" in the appendix to these slides.
(2) 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.

SOURCES OF EARNINGS VIEW

Sources of earnings Common shareholders C$ millions	Q1'18	Q1'17
Expected profit on in-force business	**734**	**651**
Impact of new business	(7)	(18)
Experience gains/(losses)	(1)	(16)
Assumption changes and management actions (ACMA)	(5)	2
Other	(50)	(58)
Earnings from operations	**671**	**561**
Earnings on surplus	157	132
Earnings before income taxes	**828**	**693**
Income tax (expense) or recovery	(135)	(119)
Non-controlling interest and preferred share dividends	(24)	(23)
Reported net income	**669**	**551**

Expected profit: business growth across all pillars, particularly in SLF Asset Management and SLF Asia.

New business strain: reflects improvements in SLF Canada and SLF U.S.

Experience gains/(losses): unfavourable net market related impacts, lapse and policyholder behavior, and mortality, offset by the interest on par seed capital, investment activity, favourable credit and morbidity experience.

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

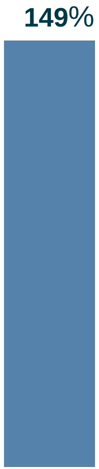
Earnings on surplus: higher levels of investment income and realized gains.

IMPROVED CAPITAL AND CASH POSITION UNDER LICAT

TOTAL RATIO

$$\frac{\text{Available Capital + Surplus Allowance}}{\text{Base Solvency Buffer}}$$

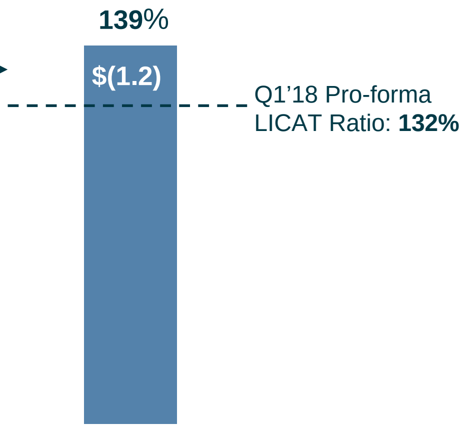
LICAT Ratio
Sun Life Financial



Holdco Cash
Sun Life Financial

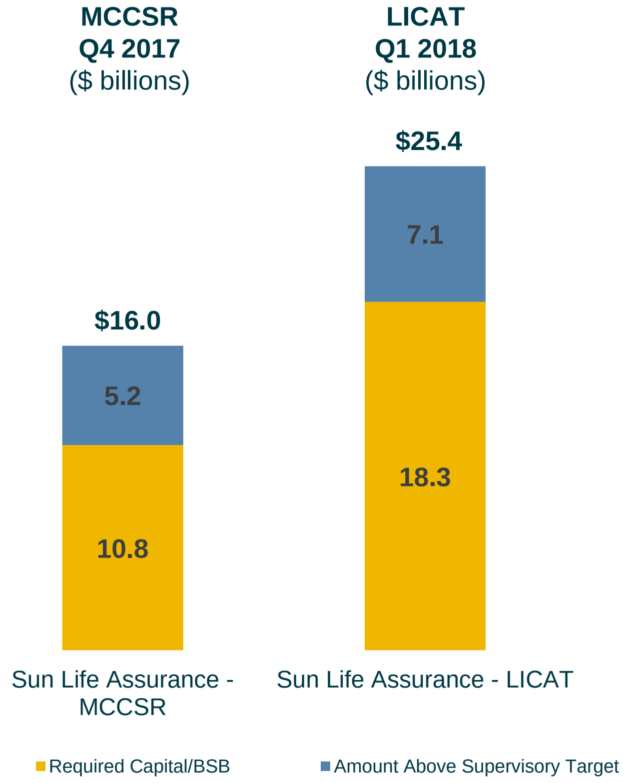
($ billions)	Q1 2018
Holdco cash (SLF)	$1.7
Post Q1 cash movement from SLA to SLF	$1.2
Q1 Pro-forma holdco cash (SLF)	$2.9

LICAT Ratio
Sun Life Assurance



LOWER CAPITAL REQUIREMENTS AT SUPERVISORY TARGET

Frees up $1.2 billion in cash to Sun Life Financial (holdco)



Sun Life Assurance Company of Canada

($ billions) MCCSR/LICAT	MCCSR Q4 2017	LICAT Q1 2018
Available Capital[(1)]	$16.0	$25.4
Required Capital[(2)]	$7.2	$18.3
Sun Life Assurance Ratio	221%	139%
OSFI Supervisory Target	150%	100%
Amount Above Supervisory Target	**$5.2**	**$7.1**

(1) Available Capital under LICAT includes Available Capital plus Surplus Allowance.
(2) Required Capital under LICAT is the Base Solvency Buffer.

INTEREST RATE & EQUITY MARKET SENSITIVITIES

Sun Life Assurance Company of Canada

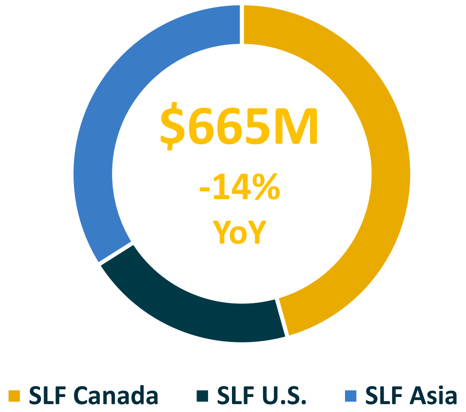
Market Sensitivities[1]	Potential Impact on LICAT Ratio Q1 2018
Equity Markets	
10% increase	0.5 points
10% decrease	(0.5) points
Interest Rates	
50 basis point increase	(4) points
50 basis point decrease	3 points

1 point of LICAT (SLA) = ~$180 million

[1] Sensitivities as at March 31, 2018. For important information on market risk sensitivities including key assumptions and risk factors, please refer to the Risk Management section of the Q1 2018 Management's Discussion and Analysis.

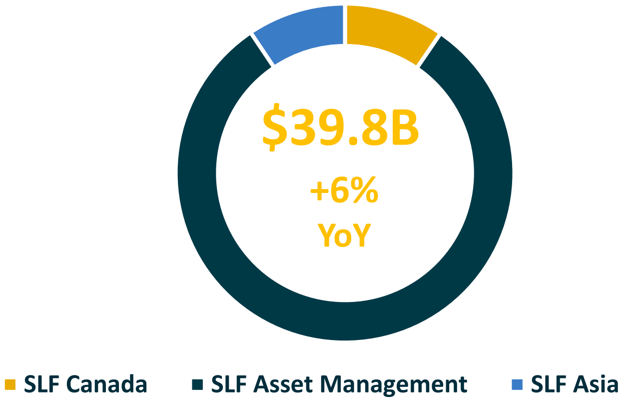
SALES RESULTS BY BUSINESS GROUP

INSURANCE SALES BY BUSINESS



- SLF Asia individual sales up 18% on a constant currency basis. Double digit growth in India, China, Indonesia, Malaysia and Vietnam.
- Sales in the SLF U.S. up 17% in local currency driven by group life and disability and stop loss.
- SLF Canada sales down 34% against a strong Q1 2017.

WEALTH SALES BY BUSINESS

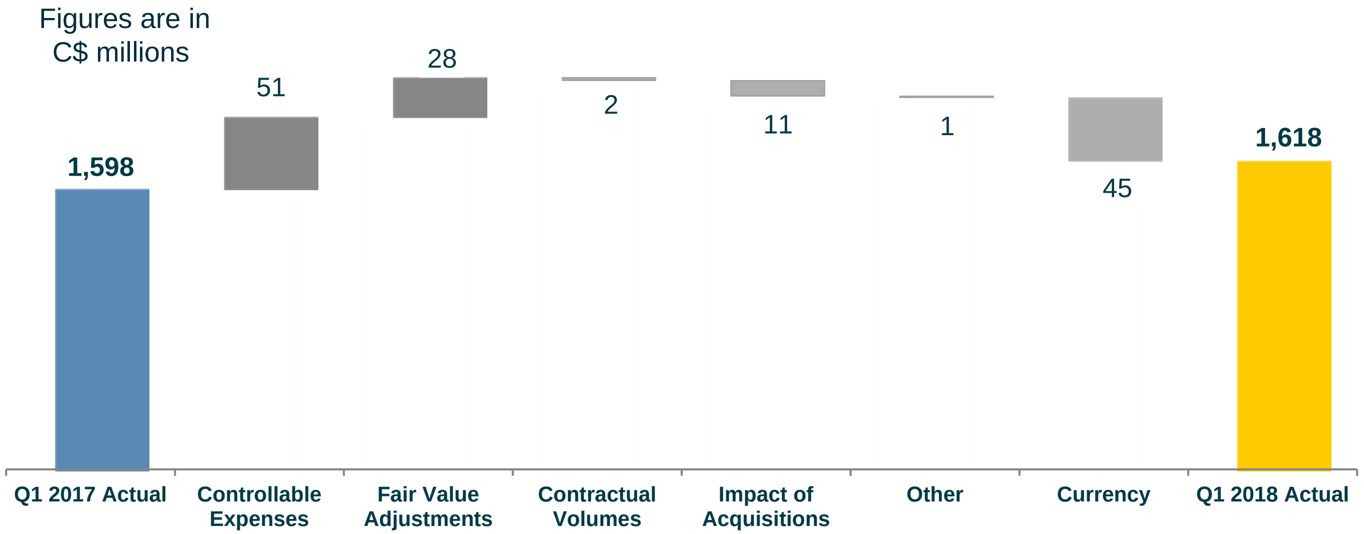


- SLF Asia sales up 32% on a constant currency basis, supported by strong sales in our Hong Kong MPF business and higher mutual fund sales in India and the Philippines.
- Sun Life Asset Management sales up 6% as U.S. retail sales at MFS remained strong. MFS gross sales of US$23.4 billion and net outflows of US$4.3 billion.
- SLF Canada sales down 13% due to higher large case sales in the prior year. Individual wealth sales up 5% on continued growth from wealth manufactured products.

Note: Sales for Asia joint ventures based on our proportionate equity interest.
Sales are a Non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" in the appendix to these slides.

APPENDIX

OPERATING EXPENSES



- Increase in controllable expenses reflects investments in growth partially funded through productivity gains
- Currency and the year over year impact of acquisitions provided a benefit this quarter

RECONCILIATION OF UNDERLYING INCOME

C$ millions	Q1'18 Pre-tax	Q1'18 After-tax
Reported net income		**669**
Net equity market impact (including basis risk impact of $(10) million)[1]	(63)	(45)
Net interest impact (including credit spread impact of $ 17 million and swap spread impact of $(17) million)[1]	(12)	(27)
Net impact of fair value changes of real estate	1	4
Assumption changes and management actions	(5)	(3)
Other[2]	(50)	(30)
Underlying net income[3]		**770**

- Differences between pre and post-tax results reflect mix of business based on the Company's international operations

(1) Amounts provided for basis risk, credit spread and swap spread are after tax.
(2) Other includes: hedges in SLF Canada that do not qualify for hedge accounting, fair value adjustments on MFS's share-based payment awards and acquisition, integration and restructuring costs.
(3) Underlying net income is a Non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" in the appendix to these slides.

OTHER NOTABLE ITEMS

Impact of other items on our net income C$ millions	Q1'18 Pre-tax	Q1'18 After-tax
Experience related items		
Impact of investment activity on insurance contract liabilities	56	48
Mortality	(21)	(16)
Morbidity	13	12
Credit	25	21
Lapse and other policyholder behaviour	(34)	(29)
Expense[1]	(4)	(4)
Other[2]	38	62
Total other notable items		**94**

- Differences between pre and post-tax results reflect mix of business based on the Company's international operations.

(1) Expense experience has been revised to exclude short-term strategic spending, which is now presented in Other experience.
(2) Other experience: Includes the interest on par seed capital

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 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 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 Earnings News Release. 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 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) 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. Equity market impact 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 impact of changes in interest rate 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 2018 vs. Q1 2017 in the Financial Summary section of the Q1 2018 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) other adjustments:

(i) 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;

(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 amounts (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.

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, 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 SLF U.S. Group Benefits 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	Q1’18	Q4’17	Q1’17
Common shareholders' reported net income (loss)	**669**	**207**	**551**
Impact of certain hedges that do not qualify for hedge accounting	6	2	(2)
Fair value adjustments on share-based payment awards at MFS	(21)	(34)	(12)
Acquisition, integration and restructuring	(15)	(60)	(20)
U.S. Tax Reform	-	(251)	-
Net equity market impact	(45)	19	20
Net interest rate impact	(27)	(110)	(24)
Net increases (decrease) in the fair value of real estate	4	34	15
Assumption changes and management actions	(3)	(34)	1
Common shareholders' underlying net income (loss)	**770**	**641**	**573**

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 expected impact of U.S. corporate tax reform on the Company's tax expense, (iv) relating to our expected capital position under the new LICAT guideline, (v) relating to the movement of $1.2 billion from Sun Life Assurance Company of Canada to Sun Life Financial Inc. (vi) relating to our expected tax range in future years, (vii) that are predictive in nature or that depend upon or refer to future events or conditions, and (viii) 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. Forward-looking statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict. Future results and shareholder value may differ materially from those expressed in these forward-looking statements due to, among other factors, the matters set in our MD&A for the quarter under the C - Profitability - 5 - Income taxes, E - Financial Strength and H - Risk Management and in SLF Inc.’s 2017 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.