

Q1'19

Results fact sheet



Sun Life

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



37,000
EMPLOYEES⁽²⁾



112,800
ADVISORS⁽²⁾

OFFICES IN **26 COUNTRIES**⁽²⁾

\$16B

Gross claims & benefits paid in 2018

\$1,011B

Assets under management^{(3)*}

10%

(per annum)
Shareholder Return over the past 5 years*

*As of March 31, 2019

Q1'19 HIGHLIGHTS



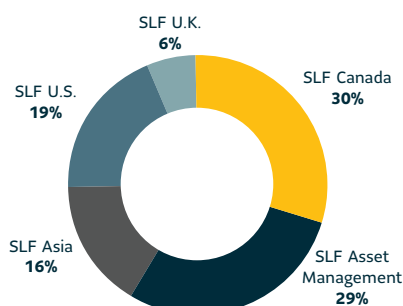
FINANCIAL RESULTS⁽³⁾

	Q1'19	Q1'18	CHANGE
REPORTED NET INCOME	\$623M	\$669M	▼ 7%
UNDERLYING NET INCOME	\$717M	\$770M	▼ 7%
REPORTED EPS	\$1.04	\$1.09	▼ 5%
UNDERLYING EPS	\$1.20	\$1.26	▼ 5%
REPORTED ROE	11.5%	13.1%	▼ 160 BPS
UNDERLYING ROE	13.3%	15.1%	▼ 180 BPS
INSURANCE SALES	\$780M	\$665M	▲ 17%
WEALTH SALES	\$36B	\$40B	▼ 10%
VALUE OF NEW BUSINESS	\$382M	\$334M	▲ 14%
ASSETS UNDER MANAGEMENT (AUM)	\$1,011B	\$979B	▲ 3%

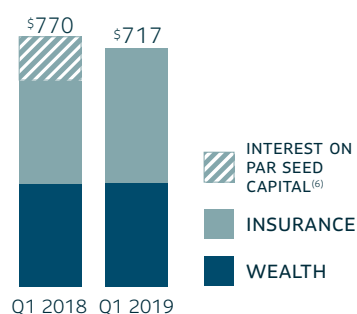
A balanced & diversified business model



Q1'19 UNDERLYING NET INCOME⁽³⁾ BY BUSINESS GROUP



UNDERLYING NET INCOME BY BUSINESS TYPE^(3,5) (C\$ MILLIONS)



Graphic excludes Corporate Support results

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, 2019 and in C\$, unless otherwise stated

TICKER	SLF (TSX/NYSE)
TSX SHARE PRICE	\$51.34
NYSE SHARE PRICE	US\$38.41
MARKET CAPITALIZATION	\$30.5B
COMMON SHARES OUTSTANDING	594.6M
BOOK VALUE PER SHARE	\$36.20
DIVIDEND PER SHARE	\$0.50
DIVIDEND YIELD	4.1%
TOTAL DIVIDENDS PAID IN 2018	\$1.15B
LICAT RATIO	132%
(Sun Life Assurance Company of Canada)	
LICAT RATIO (Sun Life Financial Inc.)	145%

CREDIT RATINGS⁽⁴⁾

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

*Ratings upgraded by one notch on March 14, 2019

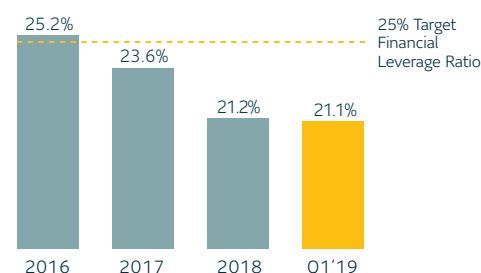
Capital strength



145%
LICAT ratio at the holding company level

\$2.6B
Cash at the holding company

FINANCIAL LEVERAGE RATIO⁽³⁾



Our growth strategy and highlights from Q1'19



CAN

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

- Our digital capabilities enabled us to reach over 1.5 million Clients in Canada in the first quarter; digital capabilities helped drive a 16% increase to In-plan wealth deposits over the past twelve months
- Collaborated with Rise People Inc. to launch an HR platform that simplifies benefits enrolment and provides benefits solutions for plan sponsors
- SLF Canada was the first major group benefits provider to offer gender affirmation coverage, in line with our previous industry firsts such as virtual health care coverage and provider search with user ratings
- Sun Life Global Investments AUM⁽³⁾ of \$25 billion

US

A LEADER IN U.S. GROUP BENEFITS

- Achieved an after-tax profit margin for SLF U.S. Group Benefits^(3,7) of 7.9% reflecting strong Stop-loss results
- Launched a new digital platform in SLF U.S. Group Benefits with Maxwell Health, helping employers and their employees in closing the coverage gap

ASIA

A LEADER IN ASIA THROUGH DISTRIBUTION EXCELLENCE IN HIGHER GROWTH MARKETS

- SLF Asia insurance sales⁽³⁾ up 10% on a constant currency basis, reflecting growth in all seven local markets
- SLF Asia was recognized with awards in Hong Kong⁽⁸⁾ and Indonesia⁽⁹⁾ for our my Sun Life Client apps, and as the "Most Innovative Takaful Provider"⁽¹⁰⁾ in Malaysia
- Our Hong Kong Rainbow MPF⁽¹¹⁾ plan won 12 awards at the 2019 MPF awards,⁽¹²⁾ including the inaugural Employer's Choice Award, where we were recognized for our focus on employer servicing, features and benefits

AM

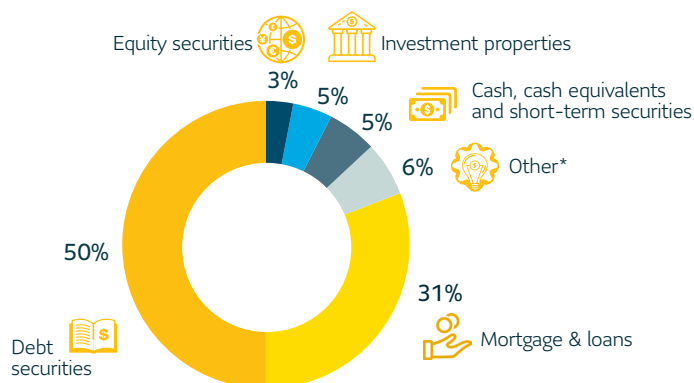
A LEADER IN GLOBAL ASSET MANAGEMENT

- MFS ranked in the top ten for both the five and ten-year firm-wide performance categories for 10 of the last 11 years, in Barron's annual Fund Family Rankings
- 94%, 85% and 82% of MFS's retail fund assets ranked in the top half of their Lipper categories based on ten-, five- and three-year performance, respectively
- MFS reported record U.S. retail sales⁽³⁾ in the first quarter of 2019, resulting in positive retail net flows of \$0.9 billion (US\$0.7 billion)
- The pre-tax net operating profit margin ratio for MFS was 38%⁽³⁾

Invested assets



Q1'19 INVESTED ASSETS (C\$154 BILLION)



99% of our debt securities are investment grade or higher

*Consists of: Other invested assets (3%), Policy loans (2%), Derivative assets (1%).

Achievements & recognition



Global 100 Most Sustainable Corporations



Canada's Best 50 Corporate Citizens



Dow Jones Sustainability Index



Top 10 for Governance Practices



Bloomberg Gender-Equity Index



Canada's Top Employers for Young People



Most Trusted Brand™ Award



FTSE4Good

Events calendar



August 1, 2019 2nd Quarter 2019 Financial Results
November 7, 2019 3rd Quarter 2019 Financial Results

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

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⁽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 2018 annual MD&A under the heading "Forward-looking Statements - Medium-Term Financial Objectives" and under the heading "Overview - Financial Objectives". ⁽²⁾ As at December 31, 2018. Includes Asia joint ventures. ⁽³⁾ Management uses certain non-IFRS measures such as underlying net income (loss), underlying EPS, underlying ROE, assets under management, sales, value of new business, after-tax profit margin SLF U.S. Group Benefits, adjusted premiums and deposits, pre-tax net operating profit margin for MFS 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. ⁽⁴⁾ Ratings are for Sun Life Assurance Company of Canada. ⁽⁵⁾ Wealth underlying net income include results of Individual Wealth and Group Retirement Services in SLF Canada, SLF Asset Management, and the Company's (as defined in our 2018 annual MD&A) wealth businesses in SLF Asia. ⁽⁶⁾ Q1 2018 included the impact of interest on seed capital transferred from the participating account to the shareholder account in SLF Canada and SLF U.S., contributing \$110 million to net income. ⁽⁷⁾ After-tax profit margin for SLF U.S. Group Benefits is calculated on underlying net income as a percentage of net premiums on a trailing four quarters basis. ⁽⁸⁾ Mob-Ex Awards 2019 Hong Kong won include the Silver Award for Best App - Insurance Services and the Bronze Award for Best App - Financial Services. ⁽⁹⁾ 2019 Indonesia Life Insurance Innovation Award for Top 3 Most User Friendly & Satisfying Application. ⁽¹⁰⁾ 2018 International Finance Awards. ⁽¹¹⁾ MPF - Mandatory provident funds sold in Hong Kong. ⁽¹²⁾ The 2019 MPF Awards were co-organized by MPF Ratings and Asia Asset Management. MPF Ratings' assessments cover investment structure and performance, fees and charges, and assessment of overall services, including governance and transparency, customer service standard, services to employers and members, 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&As. EPS measures refer to fully diluted EPS, unless otherwise stated. The items excluded in determining underlying income measures are set out in the Q1 2019 Interim MD&A in Section M - Non-IFRS Financial Measures. All data is in C\$ unless otherwise noted.