

2019 Q1

Building
sustainable
shareholder
value



Life's brighter under the sun



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BUSINESS OVERVIEW



2

CAPITAL MANAGEMENT



3

ASSET PORTFOLIO



4

ENVIRONMENTAL, SOCIAL, GOVERNANCE



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ENVIRONMENTAL, SOCIAL, GOVERNANCE



THE WORLD OF SUN LIFE

A \$30.5 billion¹
leading international
financial services
organization...

operating through a
balanced and
diversified model...

focused on creating
shareholder value
now and in the future



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 direct U.S. Variable Annuity or 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



Each pillar
viewed
as a leader



Top
quartile Client
experience



Disproportionate
share of top
talent



Top quartile total
shareholder
return

A GROWTH STRATEGY FOCUSED ON HIGH ROE AND STRONG CAPITAL GENERATION THROUGH LEADING POSITIONS IN ATTRACTIVE MARKETS



MEDIUM-TERM FINANCIAL OBJECTIVES¹

UNDERLYING
EPS GROWTH
8-10%

UNDERLYING
ROE
12-14%

DIVIDEND
PAYOUT RATIO
40-50%

DIGITAL TRANSFORMATION DEEPLY EMBEDDED THROUGHOUT THE ORGANIZATION

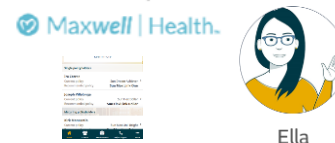
Digitizing current interactions and processes

- **Asia** point of sale tools (needs, illustration, application, fulfillment)
- Web and mobile functionality in **Canada** and **Asia**
- **U.S.** dental provider access



Use digital to be personal, predictive, and proactive

- Predictive models for advisor recruiting and Client retention in **Asia**
- Digital Benefits Assistant and Ella in **Canada**
- Leveraging Maxwell Health to drive voluntary benefits enrolment in **U.S.**



Build new digital models

- **Asia** direct business models, including telco micro-products
- Digital Health Solutions in **Canada**
- Small Case integrated offering in **U.S. Group Benefits**



Partnership ecosystem

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



WELL POSITIONED TO LEVERAGE GLOBAL TRENDS



Demographic Shifts

Changing population including the aging of Baby Boomers and growth of Millennials



Downloading of Responsibility

Increasing shift in responsibility from governments and employers to individuals



Growing Prosperity in Asia

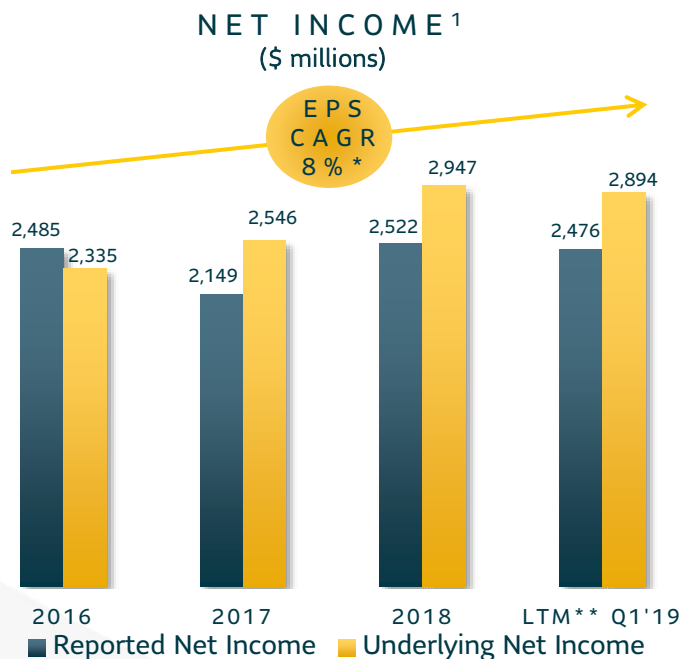
Growing demand for products and services as hundreds of millions in Asia move to the middle class



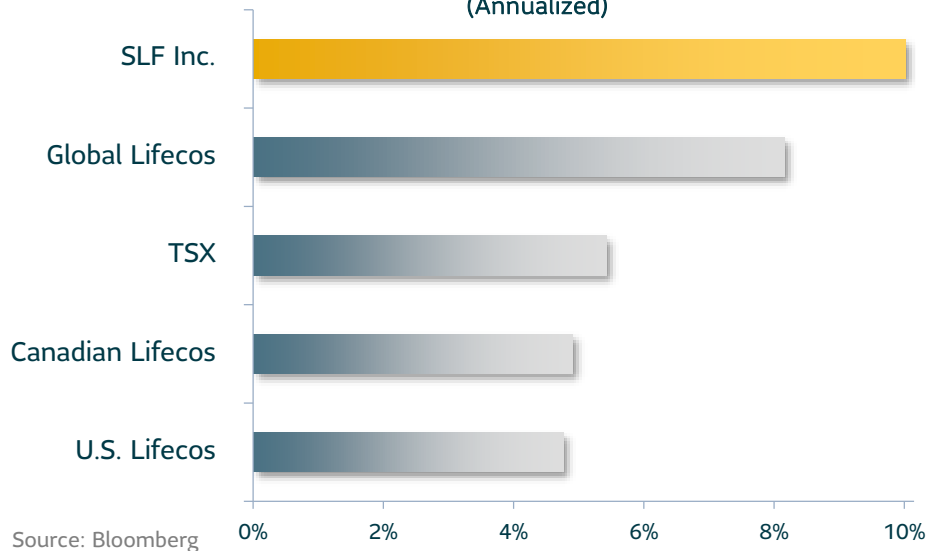
Digital Transformation

Digital, data and analytics changing Client behaviours and expectations

DELIVERING VALUE TO SHAREHOLDERS



TOTAL SHAREHOLDER RETURN FIVE YEARS AS OF MARCH 31, 2019 (Annualized)



Companies included in these peer groups are listed in the appendix

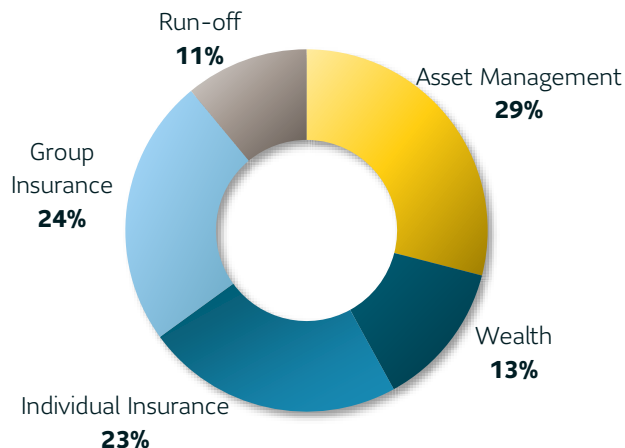
*Compound Annual Growth Rate ("CAGR") for Underlying Earnings Per Share ("EPS")

** LTM – Last twelve months

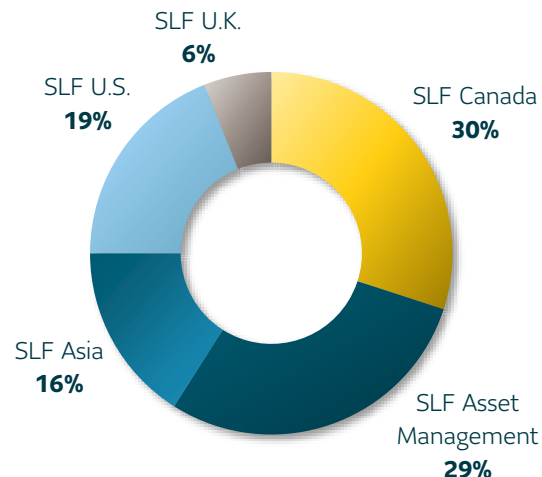
¹ Underlying Net Income and Underlying EPS represent non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Net Income measures" in the appendix to these slides.

BALANCED AND DIVERSIFIED BUSINESS

BUSINESS DIVERSIFICATION
Q1'19 UNDERLYING NET INCOME^{1*}



GEOGRAPHIC DIVERSIFICATION
Q1'19 UNDERLYING NET INCOME^{1*}



*Excludes Corporate Support

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

Relatively low
market risk exposure

145% LICAT Ratio (SLF
Inc.) \$2.6B of Holdco²
cash; 21.1% financial
leverage ratio¹

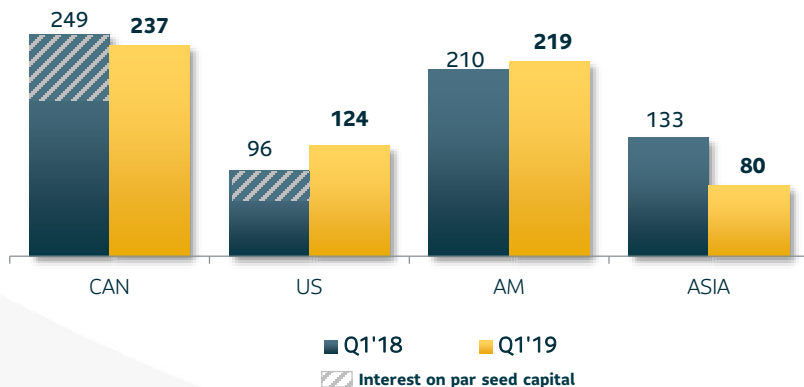
Strong risk
management culture

Balanced and
diversified portfolio
to deliver across
cycles

BUSINESS GROUP PERFORMANCE

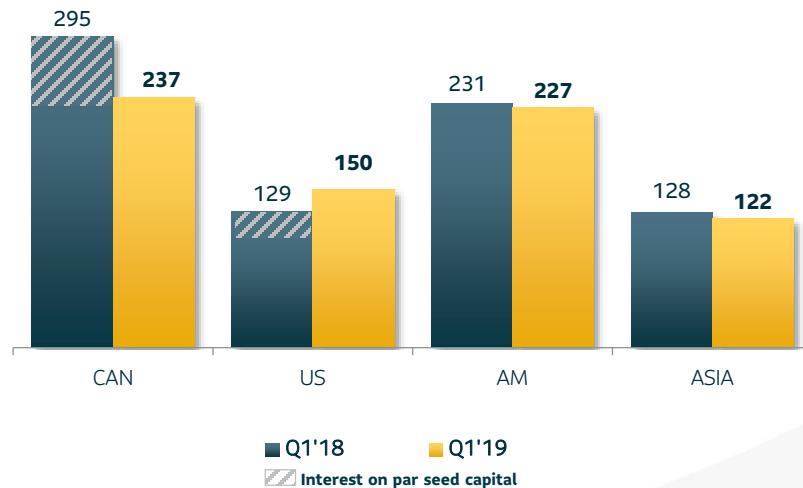
REPORTED NET INCOME (\$ millions)

Impact of currency increased reported net income by \$21M



UNDERLYING NET INCOME¹ (\$ millions)

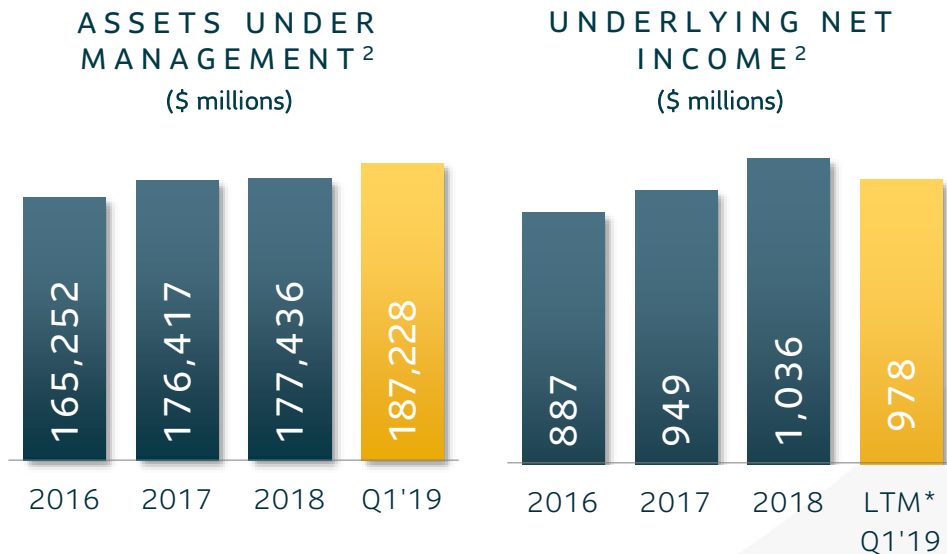
Impact of currency increased underlying net income by \$22M



SLF CANADA: CANADA IS A GROWTH MARKET FOR SUN LIFE

Q1'19 HIGHLIGHTS

- Maintained leadership position in our Group Benefits business, ranking #1 based on 2018 year-end insured premiums and non-insured deposits¹
- Collaborated with Rise People Inc. to launch an integrated human resources, payroll and benefits solution that drives greater value for employers and employees through a digital experience
- 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
- First major group benefits provider to offer gender affirmation coverage in Canada, in line with our previous industry firsts such as virtual health care coverage and provider search with user ratings
- Sun Life Global Investments AUM of \$25 billion²



*LTM – Last twelve months

¹ 2019 Group Benefits Providers Report published by Benefits Canada; based on insured premiums and non-insured deposits.

² 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.

SLF CANADA: SUN LIFE IS WELL POSITIONED TO SHAPE THE INDUSTRY AND CAPITALIZE ON OPPORTUNITIES

Supporting Clients with holistic advice at moments that matter



Personal, proactive and predictive touchpoints driving improvement in Client Index scores¹

Client Index

46²

+6 since 2016

Shaping the market through Innovation and Digital Capabilities



- Digitally enabled Client touchpoints provide on demand services
- Investment in digital capabilities enabling a seamless Client experience
- Making it easier for our Clients to do business with us
- Delivering personalized, relevant advice to our Clients
- Empowering Canadians to manage their health and well being

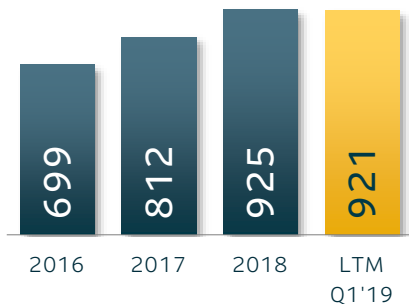
Optimizing our business through financial discipline and focused prioritization to drive strong earnings growth



- Engaged employees driven by attracting, developing and retaining diverse top talent
- Leveraging our worksite advantage
- Defined Benefit Solutions is a leader in a growing market
- Sun Life Global Investments expanding wealth presence
- Strong expense management while increasing strategic investments

SLF ASSET MANAGEMENT: EXPANDING CAPABILITIES ACROSS OUR ASSET CLASSES AND DELIVERING EXCEPTIONAL INVESTMENT PERFORMANCE

UNDERLYING NET INCOME¹
(\$ millions)



Q1'19 HIGHLIGHTS

- 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 in the first quarter of 2019, resulting in positive net flows of \$0.9 billion (US\$0.7 billion) for mutual funds
- The pre-tax net operating profit margin ratio for MFS was 38%¹



MFS AUM¹ C\$631 billion

- Active management in public markets
- A broad range of equity and fixed income products
- Solution-based opportunities (multi-sector, target date funds)



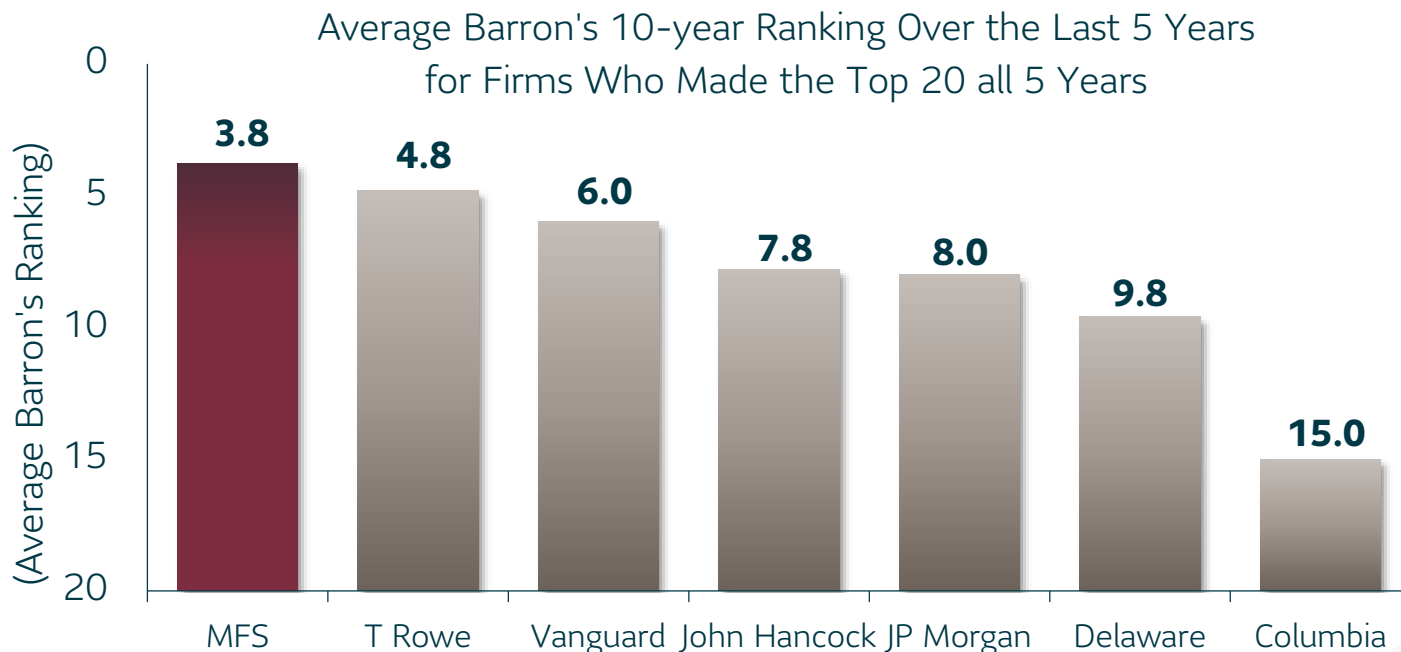
SLIM AUM¹ C\$67 billion



**PRIME
ADVISORS, INC.**



SLF ASSET MANAGEMENT: MFS IS A LEADER IN LONG-TERM PERFORMANCE



Barron's rankings of MFS Family of Funds (based on performance as of 12/31/18 for 2018) 10-Year # 8 OUT OF 49 5-Year # 9 OUT OF 55 1-Year # 12 OUT OF 57
Source: Barron's, "Best Fund Families of 2018," March 8, 2019. Barron's rankings are based on asset-weighted returns in five categories — US equity funds; world equity funds (including international and global portfolios); mixed equity funds (which invest in stocks, bonds and other securities); taxable bond funds; and tax-exempt funds — as calculated by Lipper. Barron's did not include sales charges in calculating returns. Each fund's return was measured against those of all funds in its Lipper category, resulting in a percentile ranking which was then weighted by asset size, relative to the fund family's other assets in its general classification. To qualify for Lipper/Barron's Fund Survey, a group must have had at least three funds in Lipper's general equity category, one world equity category, one mixed-asset (such as balanced or target-date fund), at least two taxable-bond funds and one national tax-exempt bond fund. Beginning in 2017, previously-excluded single-sector and country equity funds are factored into the rankings as general equity. The rankings exclude all passive index funds, including pure index, enhanced index, and index-based, but include actively managed ETFs and so-called smart-beta ETFs, which are passively managed but created from active strategies.
Past performance is no guarantee of future results.

SLF ASSET MANAGEMENT: SUN LIFE INVESTMENT MANAGEMENT IS LEVERAGING A STRONG FOUNDATION FOR CONTINUED GROWTH



SLIM strategy

Leverages Sun Life's experience in LDI strategies and alternative asset classes



Develop capabilities

Develop capabilities, launch new products and maintain strong performance

August 2013

Created SLIM

April 2014

Launched Sun Life Institutional Investments (Canada) Inc.

April 2015

Acquired U.S. based Ryan Labs Asset Management

July 2015

Acquired U.S. based Prime Advisors

Sept. 2015

Acquired North American based Bentall Kennedy

March 2018

Added U.S. based Leveraged Loans Team

Dec. 2018

Announced agreement to merge Bentall Kennedy and GreenOak Real Estate

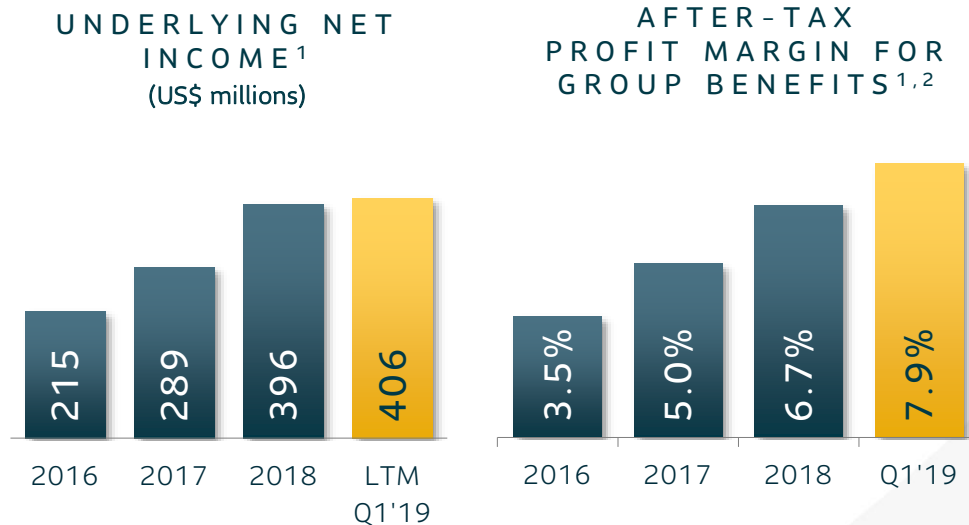
TODAY

Accelerate growth under a cohesive operating model and position for future acquisitions

SLF U.S.: EXTENDING OUR REACH AND DEEPENING CLIENT RELATIONSHIPS IN U.S. GROUP BENEFITS

Q1'19 HIGHLIGHTS

- SLF U.S. Group Benefits sales increased 11% in constant currency, compared to the same quarter in 2018, driven by increased medical stop-loss sales
- Launched a combined digital platform in SLF U.S. Group Benefits with Maxwell Health, helping employers and their employees in closing the coverage gap
- After-tax profit margin for Group Benefits of 7.9%^{1,2}



¹ Represents 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.

SLF U.S.: WELL POSITIONED TO GROW THROUGH U.S. MARKET OPPORTUNITIES

U.S. Employee Benefits Market Opportunity



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



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



US\$350 billion^{1,2} out-of-pocket health expenses

U.S. Stop-Loss Market Opportunity



61%³ of U.S. employees are covered by a self-insured plan with a trend of smaller employers moving in this direction⁴



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



6-8%⁵ annual growth in health care costs

¹ Based on Oliver Wyman research, 2016

² Includes employee and individual contributions to health plans

³ Henry J. Kaiser Family Foundation Employer Health Benefits Survey

⁴ EBRI Feb 2018, Self-Insured Health Plans: Recent Trends by Firm Size, 1996–2016

⁵ PwC's Health Research Institute (HRI)

SLF ASIA: WELL POSITIONED IN ASIA'S LARGEST AND FASTEST GROWING MARKETS

Q1'19 HIGHLIGHTS

- SLF Asia was recognized with awards in Hong Kong² and Indonesia³ for our *My Sun Life* Client app, and as the "Most Innovative Takaful Provider"⁴ in Malaysia
- Our Hong Kong Rainbow MPF⁵ plan won 12 awards at the 2019 MPF awards,⁶ including the inaugural Employer's Choice Award, where we were recognized for our focus on employer servicing, features and benefits
- Bowtie Life Insurance Company Ltd., our strategic partner in Hong Kong, launched its full online platform, allowing individuals to be insured in as little as 10 minutes

UNDERLYING NET
INCOME¹
(\$ millions)



INSURANCE & WEALTH

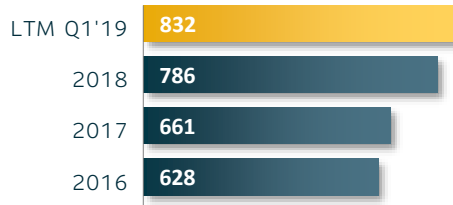
AUM¹

\$71B

+8.5% YoY*

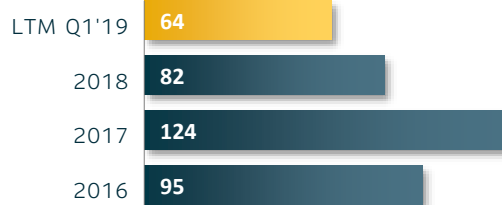
* Year over Year ("YoY")

INDIVIDUAL INSURANCE
SALES^{1,7}
(\$ millions)



INTERNATIONAL

INDIVIDUAL INSURANCE
SALES¹
(\$ millions)



AUM¹

\$16B

SLF ASIA: WELL-POSITIONED TO CAPTURE GROWTH OPPORTUNITIES



PHILIPPINES

- **#1** ranked insurance¹ company for 7 years in a row
- **3rd** largest mutual fund² provider based on AUM*



MALAYSIA

- **3rd** in Bancassurance⁵; newly established Agency channel in 2018
- First-of-its-kind telco distribution through U Mobile



INDONESIA

- **9th** in Agency⁷
- Sun Life Indonesia has market share of 3.1%, up from 1.9% a year ago



VIETNAM

- **#12** in Agency¹⁰
- Sun Life Vietnam grew at 40% vs industry growth of 30%¹¹



HONG KONG

- Insurance: **7th** in Agency³
- **2nd** largest MPF based on net inflows, #4 based on AUM⁴



CHINA

- Insurance: **8th** among foreign JVs⁶
- Surpassed 9,000 advisors, 70% year-on-year growth



INDIA

- Insurance: **8th** in individual insurance and **4th** in group⁸
- **4th** largest mutual fund provider in the country based on AUM^{9,*}



INTERNATIONAL

- A **leader in high-net-worth** insurance
- Integrated SLF International as part of SLF Asia in 2018

17%

Total Company Underlying Net Income* from Asia** over the last twelve months

See appendix to these slides (page 33) for information on source data referenced by footnote

*Represents Non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Net Income measures" in the appendix to these slides.

**Based on results as at March 31, 2019; excluding Corporate Support. SLF Asia underlying net income includes the results of International

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ENVIRONMENTAL, SOCIAL, GOVERNANCE



CAPITAL GENERATION PROVIDES GOOD CAPITAL FLEXIBILITY



Funding Organic Growth



**Target Dividend Payout
ratio of 40-50%**



**M&A Opportunities
and Strategic
Investments**



Share Buybacks

Strong Capital Generation

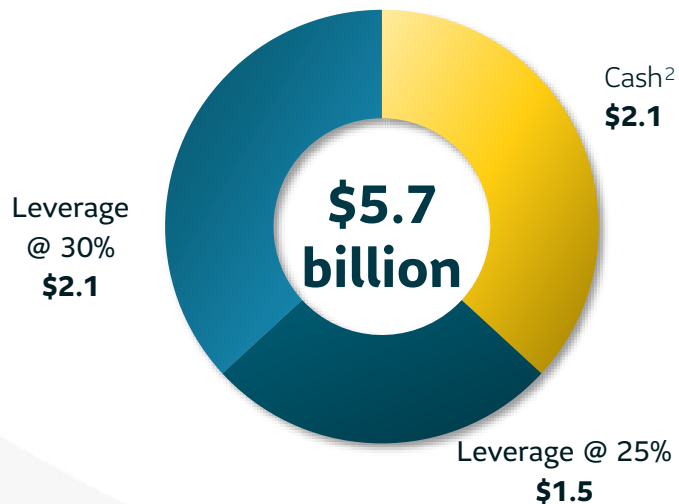
Capital Flexibility

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

STRONG CAPITAL POSITION WITH SIGNIFICANT DEPLOYMENT POTENTIAL¹

CAPITAL DEPLOYMENT POTENTIAL

(\$ billions)



DEPLOYMENT OPPORTUNITIES	DESCRIPTION/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
Reinsurance Transactions	Repatriating certain reinsurance arrangements with potential to increase earnings

FINANCIAL FLEXIBILITY UNDER CAPITAL MODEL

\$2.6 billion cash at holding company

SLF

LICAT 145%
Leverage 21.1%
Leverage Capacity to 25/30%: ~\$1.5/\$3.6B

LICAT of 132%

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%	\$499	31-Dec-19
		\$699	

SLF Asset Management

MFS

Sun Life Investment Management

Book value excl. from LICAT

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 2014-1)	2.77%	\$250	13-May-19
SLF T2B (Series 2015-1)	2.60%	\$499	25-Sep-20
SLF T2B (Series 2016-1)	3.10%	\$349	19-Feb-21
SLF T2B (Series 2016-2)	3.05%	\$996	19-Sep-23
SLF T2B (Series 2017-1)	2.75%	\$398	23-Nov-22
		\$2,890	

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 CAPITAL SECURITIES CONTINUE TO QUALIFY UNDER LICAT

All information as at March 31, 2019; all dollar amounts are in C\$, unless otherwise stated

STRONG OPERATING AND FINANCIAL LEVERAGE

Operating Leverage

Operating Leverage Debt (C\$ millions)	Q1 2019
Debt supporting reserve financing	
Senior Debt	599
Bilateral Senior Financing ¹	2,066
Total Operating Leverage Debt	2,665

Tier 2

Tier 1

Capital (C\$ millions)	Q1 2019
Subordinated Debt	3,040
SLEECs (Innovative Tier 1 Securities)	699
Preferred Shareholders' Equity	2,257
Total Capital Securities	5,996
Common Shareholders' Equity and Par ²	22,455
Total Capital	28,451

Tier 1

Financial Leverage Ratio³	21.1%
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¹ As of December 31, 2018 as disclosed in SLF Inc.'s 2018 Financial Statements.

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.

LICAT CAPITAL FRAMEWORK

TOTAL
RATIO

Available Capital + Surplus Allowance
Base Solvency Buffer

TOTAL RATIO (SLF Inc.) = 145%



AVAILABLE CAPITAL

- Similar to MCCSR
 - Retained earnings / common and preferred equity continue to be 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

Total Capital Resources

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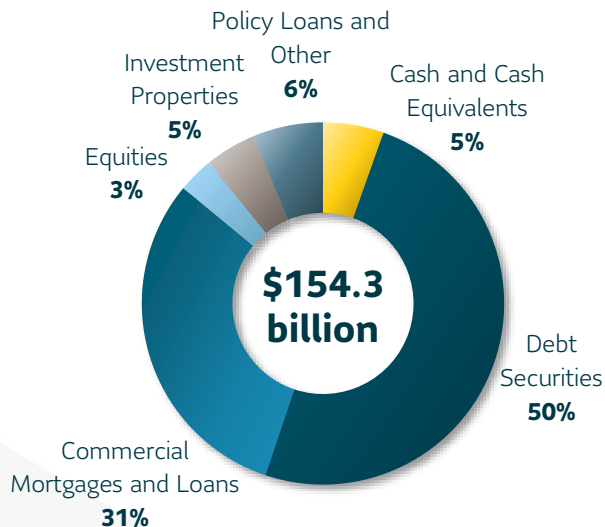
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ENVIRONMENTAL, SOCIAL, GOVERNANCE

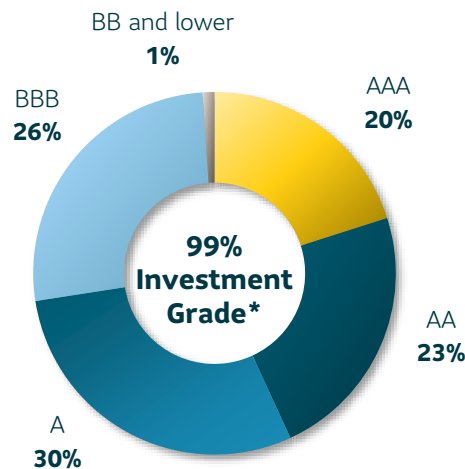


HIGH QUALITY, WELL DIVERSIFIED INVESTMENT PORTFOLIO

INVESTMENT PROFILE
(as at March 31, 2019)



DEBT SECURITIES BY RATING
(as at March 31, 2019)



*BBB and higher

- Leading non-public portfolio with significant origination capabilities
- Strong Real Estate capabilities, including Bentall Kennedy
- Deep credit research resulting in strong credit experience
- Commercial mortgages and loans underwritten and secured by underlying collateral
- No direct exposure to Canadian single-family residential mortgages

As of March 31, 2019

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ENVIRONMENTAL, SOCIAL, GOVERNANCE



STRONG COMMITMENT TO SUSTAINABILITY



Sustainable Investing

\$15 billion

invested in sustainable infrastructure to date

20%

reduction in GHG emissions by 2020, 30% by 2030



a leader in UN PRI scores and most ESG-friendly funds



Financial Security



financial literacy campaigns in Asia

3k+

documents rewritten to simplify **Client** experience



public advocacy for financial security



Healthier Lives

\$25 million

committed to diabetes globally



Ella, our digital coach, **nudges & incents** Clients to live healthier lives

\$11 million

donated to community organizations in 2018



Most Sustainable Corporations in the World



FTSE4Good

MEMBER OF

Dow Jones Sustainability Indices

In Collaboration with RobecoSAM



G R E E N
2018



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 available in section M - Non-IFRS Financial Measures of the Q1 2019 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 that differ from our best estimate assumptions, which include: (i) impact 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 impact 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 impact of changes in the fair value of investment properties in the reporting period;
- (b) assumption changes and management actions, which include: (i) the impact of revisions to the methods and 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; and
- (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 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 ratio 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.

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	Q1'19	Q4'18	Q1'18
Common shareholders' reported net income (loss)	623	580	669
Impact of certain hedges that do not qualify for hedge accounting	1	(1)	6
Fair value adjustments on share-based payment awards at MFS	(8)	28	(21)
Acquisition, integration and restructuring	(7)	(25)	(15)
Net equity market impact	58	(143)	(45)
Net interest rate impact	(133)	(41)	(27)
Net increases (decrease) in the fair value of real estate	6	31	4
Assumption changes and management actions	(11)	13	(3)
Common shareholders' underlying net income (loss)	717	718	770

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 statements (i) relating to our strategies, (ii) relating to our growth initiatives and other business objectives, (iii) relating to the potential redemption of the Series 2014-1 Debentures, (iv) relating to the merger of Bentall Kennedy and GreenOak and our acquisition of a majority stake in the combined entity, (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. 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 out in this document under the headings, C - Profitability - 5 - Income taxes, E - Financial Strength and H - Risk Management and in SLF Inc.'s 2018 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 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; **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; 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; **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; and **liquidity risks** - the possibility that we will not be able to fund all cash outflow commitments as they fall due.

The following risk factors are related to the merger of Bentall Kennedy and GreenOak and our acquisition of a majority stake in the combined entity 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; (4) failure to effectively or efficiently reorganize the operations of Bentall Kennedy and GreenOak after the transaction has closed; and (5) the impact of the announcement of the transaction and the dedication of Sun Life Financial's resources to completing the transaction on Bentall Kennedy and GreenOak. 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 presentation 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

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

Source Information for Slide 12

- (1) Ranking for Sun Life of Canada (Philippines). Insurance Commission of the Philippines, Premium Income of Life Insurance Companies, 2017
- (2) Philippine Investment Funds Association, based on December 2018 ending assets under management
- (3) Insurance Authority of Hong Kong, Provisional Statistics on Hong Kong Long Term Insurance Business, based on 2018 annualized first year premiums
- (4) Mercer MPF Report (as at December 31, 2018)
- (5) Life Insurance Association of Malaysia; Insurance Services Malaysia Berhad, based on 2018 annualized first year premium for conventional and Takaful business
- (6) China Insurance Regulatory Commission, based on gross premiums for December 2018 year to date (excluding universal and variable universal life insurance deposits and pension companies)
- (7) Indonesia Life Insurance Association industry report, based on 2018 first year premiums
- (8) Insurance Regulatory Authority of India, based on 2018 first year premiums among private players on calendar year basis
- (9) Association of Mutual Funds in India, based on average assets under management for the quarter ended at December 31, 2018
- (10) December 2018 year to date annualized first year premiums, based on data shared among Vietnam industry players
- (11) December 2018 year to date annualized first year premiums, based on data shared among Vietnam industry players