

Q2'19

Results fact sheet



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

\$1,025B

Assets under management⁽³⁾

11%

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

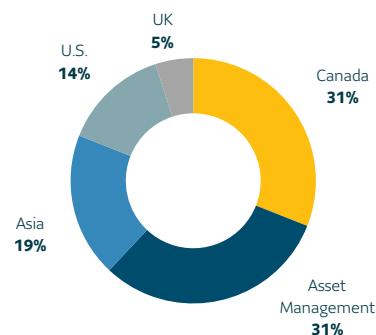
*As of June 30, 2019

Q2'19 highlights

FINANCIAL RESULTS ⁽³⁾	Q2'19	Q2'18	CHANGE
REPORTED NET INCOME	\$595M	\$706M	▼ 16%
UNDERLYING NET INCOME	\$739M	\$729M	▲ 1%
REPORTED EPS	\$1.00	\$1.16	▼ 14%
UNDERLYING EPS	\$1.24	\$1.20	▲ 3%
REPORTED ROE	11.0%	13.5%	▼ 250 BPS
UNDERLYING ROE	13.7%	14.0%	▼ 30 BPS
INSURANCE SALES	\$657M	\$633M	▲ 4%
WEALTH SALES	\$37B	\$31B	▲ 20%
VALUE OF NEW BUSINESS	\$235M	\$266M	▼ 12%
ASSETS UNDER MANAGEMENT (AUM)	\$1,025B	\$986B	▲ 4%

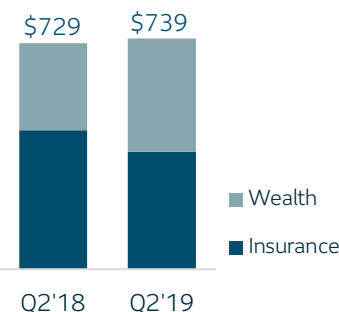
A balanced & diversified business model

Q2'19 UNDERLYING NET INCOME BY BUSINESS GROUP⁽³⁾



Graphic excludes Corporate Support results

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



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 June 30, 2019 and in C\$, unless otherwise stated

TICKER (TSX & NYSE)	SLF
TSX SHARE PRICE	\$54.23
NYSE SHARE PRICE (USD)	\$41.36
MARKET CAPITALIZATION	\$32.1B
COMMON SHARES OUTSTANDING	591.0M
BOOK VALUE PER SHARE	\$36.26
DIVIDEND PER SHARE	\$0.525
DIVIDEND YIELD	3.90%
TOTAL DIVIDENDS PAID IN 2018	\$1.15B
LICAT RATIO (Sun Life Assurance Company of Canada)	133%
LICAT RATIO (Sun Life Financial Inc.)	144%

CREDIT RATINGS⁽⁴⁾

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

*Ratings placed under review with positive implications on July 22, 2019

Capital strength

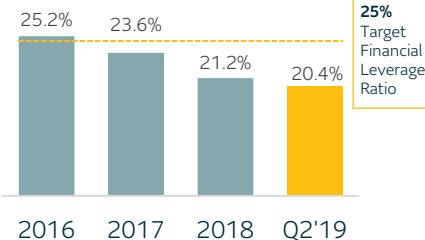
144%

LICAT ratio for Sun Life Financial Inc.

\$2.2B

Cash at the holding company⁶

FINANCIAL LEVERAGE RATIO⁽³⁾



Our growth strategy and highlights from Q2'19

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

- Across our digital platforms in Canada, reached a milestone of over 10 million cumulative health care provider user ratings, with average search volumes of approximately 10,000 per day
- 97%, 95% and 100% of Sun Life Global Investments Granite Managed Portfolios retail assets⁽⁷⁾ exceeded peer median for five-, three-, and one-year performance, respectively
- Sun Life Global Investments (SLGI) AUM of \$26 billion⁽³⁾; 16% growth over prior year

A LEADER IN ASIA THROUGH DISTRIBUTION EXCELLENCE IN HIGHER GROWTH MARKETS

- Asia individual insurance sales⁽³⁾ in our 7 local markets up 20% from the prior year, driven by our Most Respected Advisor program and digital enhancements to advisor apps
- Launched two new apps in Asia: a pension app in Hong Kong with paperless registration and e-statements and a group medical app allowing Clients to digitally submit outpatient claims

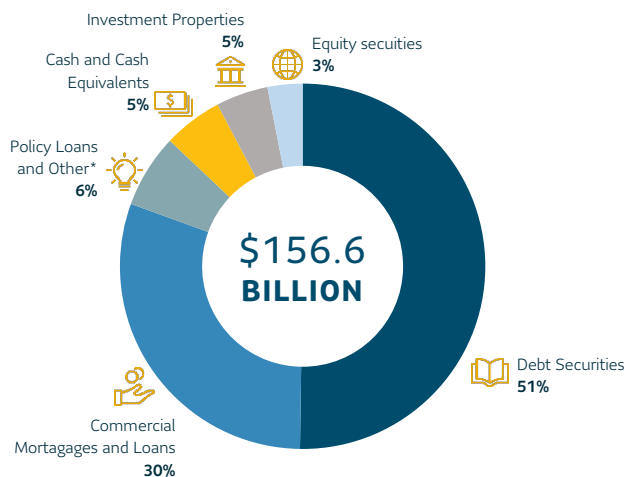
A LEADER IN U.S. GROUP BENEFITS

- U.S. Group Benefits sales⁽³⁾ of US\$168 million in the second quarter of 2019 increased 40% compared to US\$120 million in the second quarter of 2018, driven by strong momentum and our leadership position in medical stop-loss
- In medical stop-loss, business in-force increased to US\$1.8 billion, up 22% from the same period in 2018
- Introduced employee auto-enrollment for disability coverage, providing additional income protection and financial security, helping close coverage gaps for Clients
- After-tax profit margin for Group Benefits^(3,8) of 7.3%

A LEADER IN GLOBAL ASSET MANAGEMENT

- On July 1, completed the acquisition of our majority stake in BentallGreenOak following the merger of Bentall Kennedy and GreenOak Real Estate, a global real estate investment firm
- 93%, 92% and 84% of MFS's U.S. retail fund assets ranked in the top half of their Lipper categories based on ten-, five- and three-year performance, respectively
- Positive net retail fund flows of \$2.6 billion (US\$2.0 billion) at MFS
- Pre-tax net operating profit margin ratio for MFS of 37%⁽³⁾

Invested assets



Invested assets as at June 30, 2019

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

99% of our debt securities are investment grade or higher

Achievements & recognition



Events calendar

September 5, 2019	Scotiabank Financials Summit
September 9, 2019	Barclays Global Financial Services Conference
September 26, 2019	CIBC Annual Eastern Institutional Investor Conference
November 7, 2019	3 rd 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 for U.S. Group Benefits, financial leverage ratio, 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 Canada, Asset Management, and the Company's (as defined in our 2018 annual MD&A) wealth businesses in Asia. ⁽⁶⁾ Cash at the holding company includes cash and other liquid assets at Sun Life Financial Inc. and its wholly-owned holding companies. ⁽⁷⁾ Sun Life Global Investments ("SLGI") Granite Managed Portfolios - Series F ⁽⁸⁾ After-tax profit margin for U.S. Group Benefits is calculated on underlying net income as a percentage of net premiums on a trailing four quarters basis. 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 Interim MD&A in Section M - Non-IFRS Financial Measures. All data is in C\$ unless otherwise noted.