2017
FINANCIAL & OPERATING RESULTS

For the period ended
December 31, 2017

Sun Life Financial Inc.
(unaudited)

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 February 15, 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

- **Q4'17** reported net income of $207 million, down from Q4'16; underlying net income[1] of $641 million, up from Q4'16
- Reported ROE of 4.1% and Underlying ROE[1] of 12.7%
- Re-purchased and cancelled 1.7 million SLF common shares this quarter

Key Accomplishments

- Sun Life Global Investments mutual fund assets under management exceeded $20 billion
- Group Benefits business in-force of over $10 billion in SLF Canada
- Group Benefits after-tax profit margin improvement in SLF U.S. to 5.0%[1][2]
- Completed the acquisition of FWD's pension business in Hong Kong; launched new agency distribution relationship in Malaysia

Doing More for Clients

- Partnering with Collective Health, an innovative tech firm, to create an integrated health benefits solution improving the Client experience in U.S. Group
- Announced collaboration with SecureKey, simplifying the onboarding process for Clients through blockchain
- Strong long-term fund performance at SLF Asset Management
- Launched telco-assurance products in three Asian markets

(1) Underlying net income, ROE 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.

DELIVERING ON OUR MEDIUM TERM FINANCIAL OBJECTIVES

2017 Progress on Medium Term Financial Objectives

Measure	Objectives	2017 Results
Underlying EPS Growth	**8-10%**	9%
Underlying ROE	**12-14%**	12.7%
Dividend Payout Ratio	**40-50%**	42%

2017 Financial Results

Underlying Net Income
$2.5B
+9% YoY

Reported Net Income
$2.1B
-14% YoY

Underlying ROE
12.7%
+50 bps YoY

Insurance Sales
$3.0B
+10% YoY

Wealth Sales
$145B
+5% YoY

AUM
$975B
+8% YoY

(1) Underlying net income/ROE, sales, EPS, dividend payout ratio and AUM are Non-IFRS financial measures. See “Use of Non-IFRS Financial Measures” and “Reconciliation of Net Income measures” in the appendix to these slides.

KEVIN STRAIN

Executive Vice President & Chief Financial Officer

Q4'17 RESULTS

C$ millions (except EPS and ROE)	Q4'17	Q3'17	Q4'16
Reported net income	**207**	817	728
Underlying net income[1]	**641**	643	560
Diluted reported EPS (C$)	**0.34**	1.32	1.18
Diluted underlying EPS[1] (C$)	**1.05**	1.05	0.91
Reported ROE	**4.1%**	16.2%	14.8%
Underlying ROE[1]	**12.7%**	12.7%	11.4%

Business Performance	• Assets under management[1] of $975 billion up 8% from Q4 2016 • Underlying EPS growth of 15% over Q4 2016, reported earnings lower from impact of interest rate changes, U.S. tax reform and restructuring charges • Book value per share of $32.86 up 2% from Q4 2016
Capital Management	• Strong capital position with an SLF MCCSR of 246%, SLA MCCSR of 221%[2] • Re-purchased and cancelled 1.7 million SLF common shares • $2.0 billion cash level at Sun Life Financial Inc., includes $400 million of pre-funding associated with our subordinate debt redemption • Financial leverage ratio[1] of 23.6%

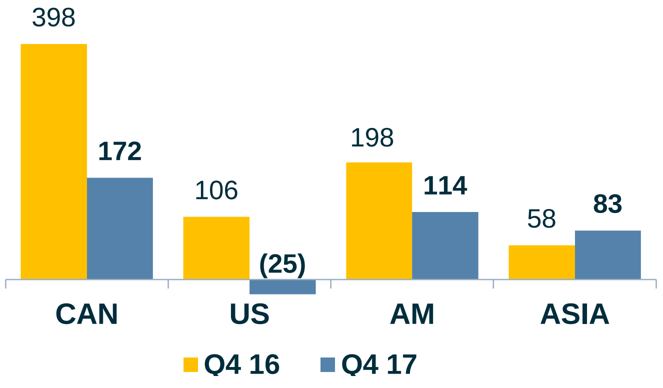
(1) Underlying net income/ROE/EPS, assets under management, financial leverage ratio and adjusted premiums and deposits are Non-IFRS financial measures. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Net Income measures" in the appendix to these slides.
(2) Minimum Continuing Capital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

Q4 2017 BUSINESS GROUP PERFORMANCE

REPORTED NET INCOME

(C$ millions)

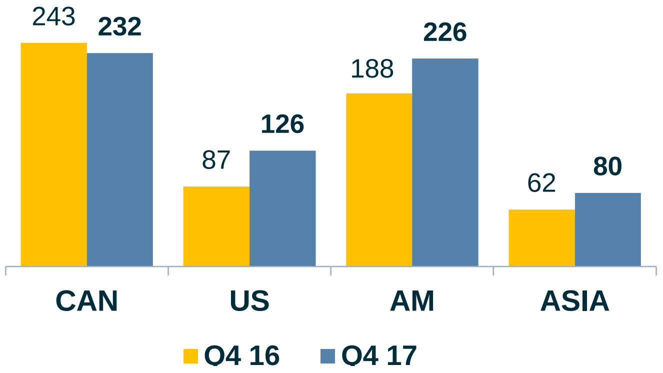
*Impact of currency reduced reported net income by **$9M***



UNDERLYING NET INCOME(1)

(C$ millions)

*Impact of currency reduced underlying net income by **$22M***



CAN

- Growth of fee income in wealth businesses and favourable investing activity
- Reported earnings lower over prior year from impact of interest rate movements

US

- Group Benefits after-tax profit margin of 5.0%(1)(2)
- Favourable underwriting experience in the group life and disability businesses
- Reported earnings lower over prior year from impact of U.S. tax reform

AM

- MFS earnings increased on higher average net assets; pre-tax operating profit margin ratio of 40%(1)
- Net outflows of US$4.0 billion at MFS partially offset with net inflows of $1.6 billion at Sun Life Investment Management
- Reported earnings lower over prior year from impact of U.S. tax reform

ASIA

- Strong growth in wealth businesses across the Philippines, Hong Kong and India
- Strong earnings contribution from our joint ventures partnerships

(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.

Sun Life Financial

SOURCES OF EARNINGS VIEW

Q4
2017

Sources of earnings **Common shareholders** **C$ millions**	**Q4'17**	**Q4'16**
Expected profit on in-force business	**758**	**679**
Impact of new business	14	9
Experience gains/(losses)	(152)	167
Assumption changes and management actions (ACMA)[(1)]	(42)	17
Other	(137)	(24)
Earnings from operations	**441**	**848**
Earnings on surplus	128	91
Earnings before income taxes	**569**	**939**
Income tax (expense) or recovery	(88)	(188)
U.S. Tax Reform[(2)]	(251)	-
Non-controlling interest and preferred share dividends	(23)	(23)
Reported net income	**207**	**728**

- **Expected profit:** business growth across all pillars particularly in SLF Asset Management and SLF Canada.
- **New business gain:** reflects gains in SLF Canada and SLF International.
- **Experience gains/(losses):** unfavourable net market related impacts, expense experience and lapse and policyholder behavior, partially offset by favourable credit, investment activity, mortality and morbidity experience.
- **Other:** acquisition, integration and restructuring costs, fair value adjustments on MFS's share-based payment awards and the impact of hedges in SLF Canada that do not qualify for hedge accounting.
- **Earnings on surplus:** higher levels of investment income and mark-to-market on real estate.

(1) Assumption changes and management actions excludes $444 million pre-tax charge related to U.S tax reform in Q4'17.
(2) U.S. tax reform of $251 million includes an after-tax charge of $288 million ($444 million pre-tax) related to ACMA, a one-time charge on the deemed repatriation of foreign earnings of $46 million, partially offset by the revaluation of deferred tax balances of $83 million.

SALES RESULTS

C$ millions	Q4'17	Q4'16	Change over Q4'16	Change over Q4'16 (Constant Currency)
Individual life and health	366	432	(15)%	(13)%
Group life and health	740	639	16%	21%
Total Insurance sales	**1,106**	**1,071**	**3%**	**7%**
Total Wealth & Asset Management sales	**35,300**	**37,250**	**(5)%**	**(1)%**

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.

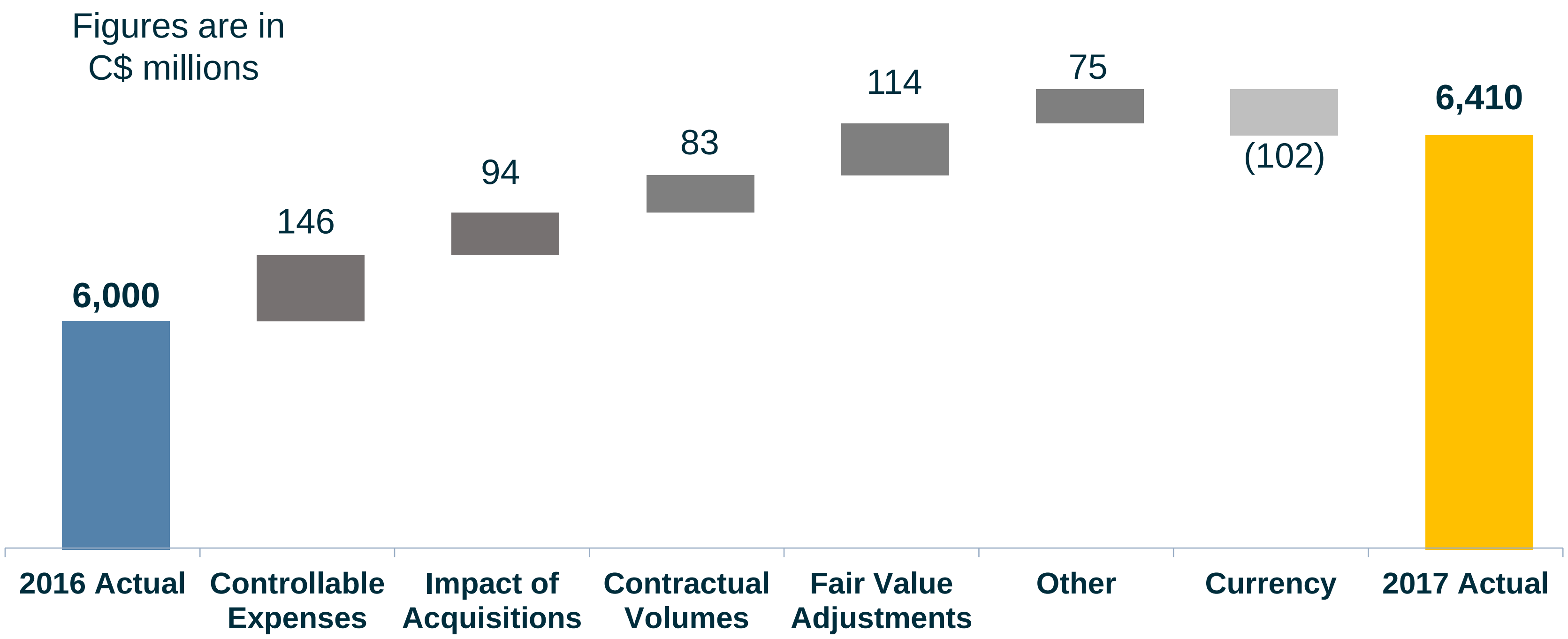
Sun Life Financial

APPENDIX

Q4
2017

SUN LIFE FINANCIAL

OPERATING EXPENSES



- Increase in controllable expenses of 2.4% reflecting investments in growth partially funded through productivity gains
- Higher expenses driven by fair value adjustments, net expenditures associated with acquired businesses, costs directly attributed to sales and a restructuring charge reflected in Other.

RECONCILIATION OF UNDERLYING INCOME

C$ millions	Q4'17 Pre-tax	Q4'17 After-tax
Reported net income		**207**
Net equity market impact (including basis risk impact of $(11) million)(1)	30	19
Net interest impact (including credit spread impact of $(26) million and swap spread impact of $(9) million)(1)	(184)	(110)
Net impact of fair value changes of real estate	40	34
Assumption changes and management actions(2)	(42)	(34)
U.S. Tax Reform(3)	(444)	(251)
Other(4)	(137)	(92)
Underlying net income(5)		**641**

- 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) Assumption changes and management actions excludes pre-tax charge of $444 million pre-tax ($288 million after-tax) related to U.S tax reform in Q4'17.
(3) U.S. tax reform of $251 million includes an after-tax charge of $288 million ($444 million pre-tax) related to ACMA, a one-time charge on the deemed repatriation of foreign earnings of $46 million, partially offset by the revaluation of deferred tax balances of $83 million.
(4) 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.
(5) 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	Q4'17 Pre-tax	Q4'17 After-tax
Experience related items		
Impact of investment activity on insurance contract liabilities	21	15
Mortality	10	11
Morbidity	18	10
Credit	31	23
Lapse and other policyholder behaviour	(17)	(12)
Expense	(74)	(57)
Other	(5)	4
Total other notable items		**(6)**

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

REPORTED TO UNDERLYING NET INCOME

C$ millions	Reported	Par P/H	U.S. Tax Reform(1)	Sub Total	Markets(2)	ACMA(3)	Other(4)	Underlying(5)
Income (loss) before taxes	**180**	55	(444)	**569**	(114)	(42)	(137)	**862**
Income tax (expense) benefit	*66*	*(39)*	*193*	*(88)*	*57*	*8*	*32*	*(185)*
Net income attributable to participating policyholders and non-controlling interest	*(16)*	*(16)*	-	-	-	-	*13*	*(13)*
Preferred shareholders' dividends	*(23)*	-	-	*(23)*	-	-	-	*(23)*
Income (loss)	**207**	-	(251)	**458**	(57)	(34)	(92)	**641**
Effective Tax Rate	**(36.7%)**							**21.5%**

(1) U.S. tax reform: reflects an after-tax charge of $288 million ($444 million pre-tax) to ACMA, a one-time charge on the deemed repatriation of foreign earnings of $46 million and the benefit relating to the revaluation of deferred tax balances of $83 million.
(2) Market Impacts includes: the impact of net equity markets, net interest, net fair value of real estate.
(3) ACMA excludes: $444 million pre-tax charge ($288 million after-tax) related to U.S tax reform in Q4'17.
(4) 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.
(5) Underlying Net Income is a Non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Net Income Measures" in the appendix to these slides.

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 J - 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.

Updates to Non-IFRS measures
Beginning in the first quarter of 2017, we no longer report operating net income and its related measures, operating EPS and operating ROE, in order to streamline our use of non-IFRS financial measures. The adjustments previously used to derive operating net income will continue to be used to derive underlying net income.

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 Q4 2017 vs. Q4 2016 in the Financial Summary section of the Q4 2017 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, adjusted revenue, 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	Q4’17	Q3’17	Q4’16
Common shareholders' reported net income (loss)	**207**	**817**	**728**
Impact of certain hedges that do not qualify for hedge accounting	2	(6)	8
Fair value adjustments on share-based payment awards at MFS	(34)	(19)	10
Acquisition, integration and restructuring	(60)	(17)	(22)
U.S. tax reform	(251)	-	-
Net equity market impact	19	18	26
Net interest rate impact	(110)	69	130
Net increases (decrease) in the fair value of real estate	34	26	6
Assumption changes and management actions	(34)	103	10
Common shareholders' underlying net income (loss)	**641**	**643**	**560**

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) 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) our expected tax range in future years, (vi) that are predictive in nature or that depend upon or refer to future events or conditions, and (vii) 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 - U.S. Tax Reform, 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.