

Q4'18

Results fact sheet



Life's brighter under the sun

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⁽³⁾

OFFICES IN **26 COUNTRIES**

\$16B
Gross claims & benefits paid in 2018

\$951B
Assets under management^{(4)*}

8%
(per annum) Shareholder Return over the past 5 years*

* As of December 31, 2018

Q4'18 & 2018 HIGHLIGHTS

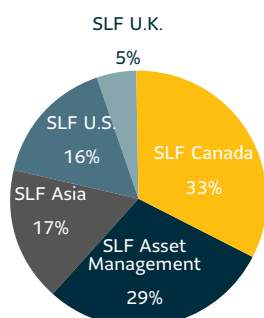


FINANCIAL RESULTS ⁽⁴⁾	Q4'18	Q4'17	CHANGE	2018	2017
REPORTED NET INCOME	\$580M	\$207M	180%	\$2,522M	\$2,149M
UNDERLYING NET INCOME	\$718M	\$641M	12%	\$2,947M	\$2,546M
REPORTED EPS	\$0.96	\$0.34	182%	\$4.14	\$3.49
UNDERLYING EPS	\$1.19	\$1.05	13%	\$4.86	\$4.15
REPORTED ROE	10.9%	4.1%	680 BPS	12.1%	10.7%
UNDERLYING ROE	13.6%	12.7%	90 BPS	14.2%	12.7%
VALUE OF NEW BUSINESS	\$310M	\$265M	17%	\$1,154M	\$968M
ASSETS UNDER MANAGEMENT (AUM)	\$951B	\$975B	(2%)	\$951B	\$975B

A balanced & diversified portfolio

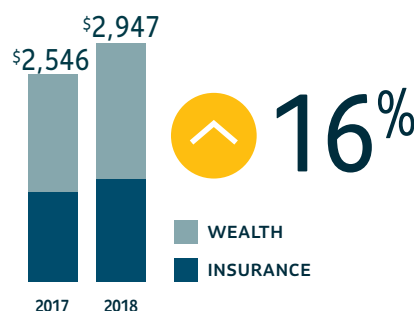


2018 UNDERLYING NET INCOME⁽⁴⁾ BY BUSINESS GROUP



Graphic excludes Corporate Support results

UNDERLYING NET INCOME BY BUSINESS TYPE^(4,6) (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 December 31, 2018 and in C\$, unless otherwise stated

TICKER	SLF (TSX/NYSE)
TSX SHARE PRICE	\$45.29
NYSE SHARE PRICE	US\$33.19
MARKET CAPITALIZATION	\$27.1B
COMMON SHARES OUTSTANDING	598.5M
BOOK VALUE PER SHARE	\$35.84
DIVIDEND PER SHARE	\$0.50
DIVIDEND YIELD	4.2%
TOTAL DIVIDENDS PAID IN 2018	\$1.15 B
LICAT RATIO	131%
(Sun Life Assurance Company of Canada)	
LICAT RATIO (Sun Life Financial, Inc.)	144%

CREDIT RATINGS⁽⁵⁾

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

* On March 13, 2017 S&P revised outlook to Positive from Stable

Insurance & wealth sales⁽⁴⁾



INSURANCE SALES (C\$ MILLIONS)



WEALTH SALES (C\$ BILLIONS)



Our growth strategy and highlights from 2018



CAN

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

- Achieved underlying net income exceeding \$1B and reaching leadership position in most markets
- Launched Lumino Health, the first-of-its-kind digital health network for Canadians
- Continued to provide personalized, digital nudges to plan members in Canada; In-plan deposit activity up 24% to over \$900 million in 2018
- Sun Life Global Investments AUM of \$23 billion
- Maintained #1 position in workplace solutions including reaching over \$97 billion Group Retirement Services AUM

AM

A LEADER IN GLOBAL ASSET MANAGEMENT

- Announced our intention to merge our North American real estate investment manager, Bentall Kennedy, with GreenOak Real Estate and take a majority stake in the combined entity⁽⁹⁾
- Strong investment performance, with 78%, 79% and 94% of MFS's U.S. retail fund assets ranked in the top half of their Lipper categories based on three-, five-, and ten-year performance, respectively
- Pre-tax net operating profit margin ratio for MFS of 38%⁽⁴⁾

ASIA

A LEADER IN ASIA THROUGH DISTRIBUTION EXCELLENCE IN HIGHER GROWTH MARKETS

- Completed a strategic investment in Bowtie Life Insurance Company Ltd., the first virtual insurer in Hong Kong approved under the Fast Track process⁽⁷⁾
- Bancassurance sales in India more than quadrupled in 2018 after establishing our relationship with HDFC Bank Limited, the largest bank in India's private sector
- Hong Kong MPF earned key industry awards that demonstrate we are providing relevant and value-added service to Clients, including:
 - the top ranking in Mercer's latest MPF Provider Satisfaction Rankings
 - the Sun Life Rainbow MPF Scheme was rated #1 by MPF Ratings

US

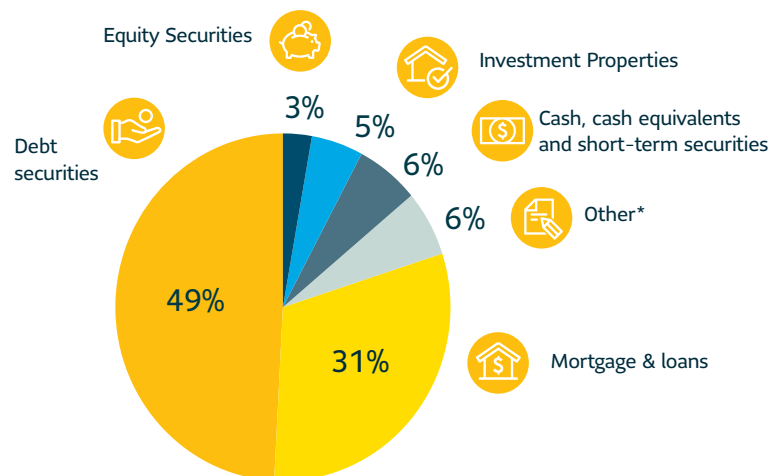
A LEADER IN U.S. GROUP BENEFITS

- Reached a milestone for total Group Benefits sales at US\$1.0 billion for the first time, an increase of 16% over 2017
- Created FullscopeRMS brand in the U.S. to offer our comprehensive suite of capabilities for employee health plans and other insurance providers
- Acquired Maxwell Health, an innovative insurtech start-up with an employee benefits platform that makes benefits and HR administration simple for employers and their employees
- After-tax profit margin for Group Benefits of 6.7%^(4,8)
- SLF U.S.'s stop-loss business achieved 16% year-over-year growth in business-in-force⁽⁴⁾, reaching US\$1.6 billion

Invested assets



Q4'18 INVESTED ASSETS (C\$152 BILLION)



99% of our bond portfolio is investment grade or higher

* Consists of: Other invested assets (3%), Policy loans (2%), Derivative assets (1%) for both 2018 and 2017.

Achievements & recognition



Global 100 Most Sustainable Corporations



Canada's Best 50 Corporate Citizens



Most Trusted Brand™ Award



Top 10 for Governance Practices



FTSE4Good®



Dow Jones Sustainability Index



Canada's Top Employers for Young People



Bloomberg Gender-Equity Index

Events calendar



March 4, 2019	AIFA Conference, Naples, Florida
March 6, 2019	BMO Wealth Management Conference, Toronto
March 26, 2019	Sun Life Financial Investor Day, Toronto
March 28, 2019	National Bank Conference, Montreal
May 9, 2019	1st Quarter 2019 Financial Results
May 9, 2019	Annual Meeting

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

⁽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⁾ Includes 14,650 employed by our Asia joint ventures, as at December 31, 2018. ⁽³⁾ Includes 76,625 advisors from our joint ventures in China, India, Malaysia and the Philippines, as at December 31, 2018. ⁽⁴⁾ Management uses certain non-IFRS measures such as underlying net income (loss), underlying EPS, underlying ROE, assets under management, sales, value of new business, business-in-force, after-tax profit margin SLF U.S. Group Benefits adjusted premiums and deposits, 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. ⁽⁵⁾ Ratings are for Sun Life Assurance Company of Canada. ⁽⁶⁾ 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. ⁽⁷⁾ Fast Track process refers to the pilot launched by the Insurance Authority of Hong Kong on September 29, 2017. It is a fast track for application for authorizations of new insurers owning and operating solely digital distribution channels. ⁽⁸⁾ 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. ⁽⁹⁾ Some of these assumptions and risks and uncertainties are described in the Company's 2018 annual MD&A under the heading "Forward-looking Statements", in the risk factors set out in the Company's annual information form for the year ended December 31, 2018 under the heading "Risk Factors" and in the Company's other filings with Canadian and U.S. securities regulators. The results or events predicted in this forward-looking statement may differ materially from actual results or events and we cannot guarantee that such statement will materialize. Except as may be required by law, we do not undertake any obligation to update or revise such forward-looking statement. See Section O - Forward-looking Statements of our 2018 annual MD&A for additional information concerning forward-looking statements.

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 2018 Annual MD&A under the heading Financial Performance - Fourth Quarter 2018 Performance. All data is in C\$ unless otherwise noted.