

2019 Q4

Building Sustainable
Shareholder Value



Life's brighter under the sun



1

BUSINESS OVERVIEW



2

CAPITAL MANAGEMENT



3

ASSET PORTFOLIO



4

SUSTAINABILITY



THE WORLD OF SUN LIFE

A \$34.8 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 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 GLOBALLY

A Leader in Insurance and Wealth Solutions in our **Canadian Home Market**

CAN

US

A Leader in **U.S. Group Benefits**

A Leader in Global **Asset Management**

AM

ASIA

A Leader in **Asia** through Distribution Excellence in Higher Growth 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

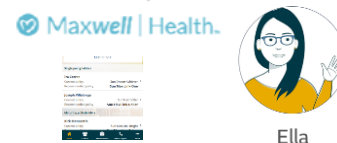
Digitizing current interactions and processes

- **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

Digital Transformation

Digital, data and analytics changing Client behaviours and expectations

Downloading of Responsibility

Increasing shift in responsibility from governments and employers to individuals

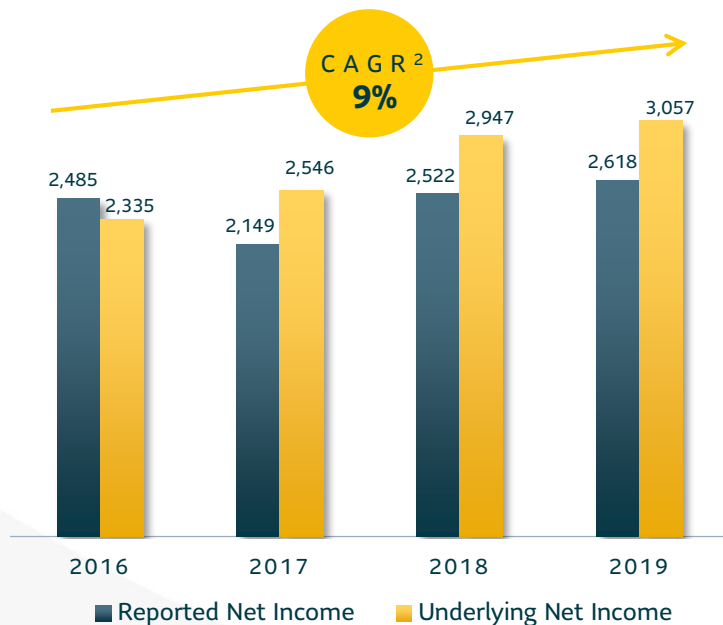
Growing Prosperity in Asia

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

DELIVERING VALUE TO SHAREHOLDERS

NET INCOME¹

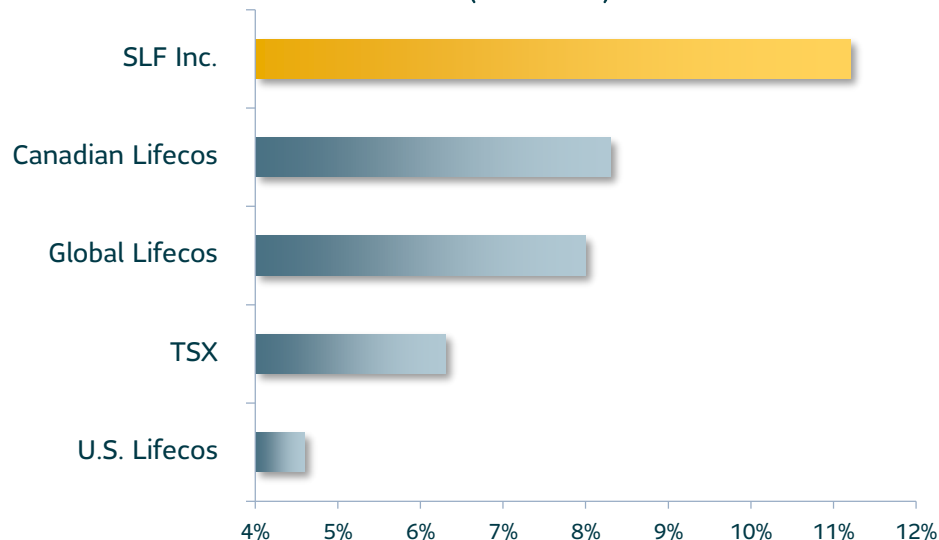
(\$ millions)



TOTAL SHAREHOLDER RETURN³

FIVE YEARS AS OF
DECEMBER 31, 2019

(Annualized)



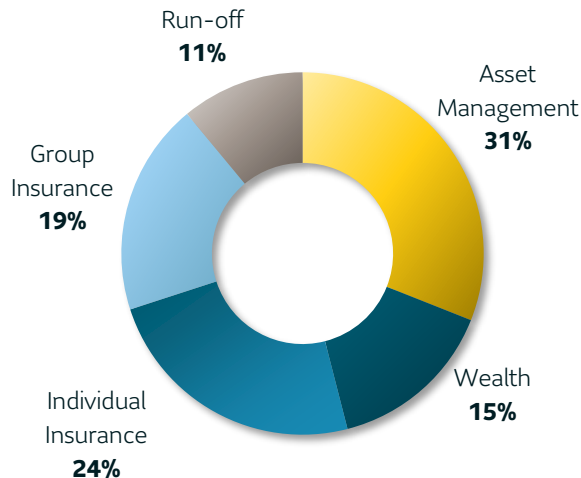
¹ Underlying Net Income represents a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Select Net Income Measures" in the appendix to these slides

² Compound Annual Growth Rate ("CAGR") for Underlying Net Income

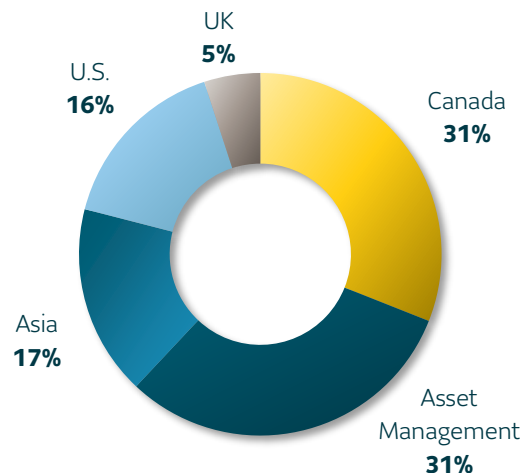
³ Source: Bloomberg. Companies included in these peer groups are listed in the appendix

BALANCED AND DIVERSIFIED BUSINESS

BUSINESS DIVERSIFICATION
2019 UNDERLYING NET INCOME^{1,2}



GEOGRAPHIC DIVERSIFICATION
2019 UNDERLYING NET INCOME^{1,2}



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

Relatively low
market risk exposure

143% LICAT Ratio (SLF
Inc.); \$2.3B of Holdco³
cash; 21.2% financial
leverage ratio²

Strong risk
management culture

Balanced and
diversified portfolio
to deliver across
cycles

¹ Excludes Corporate Support

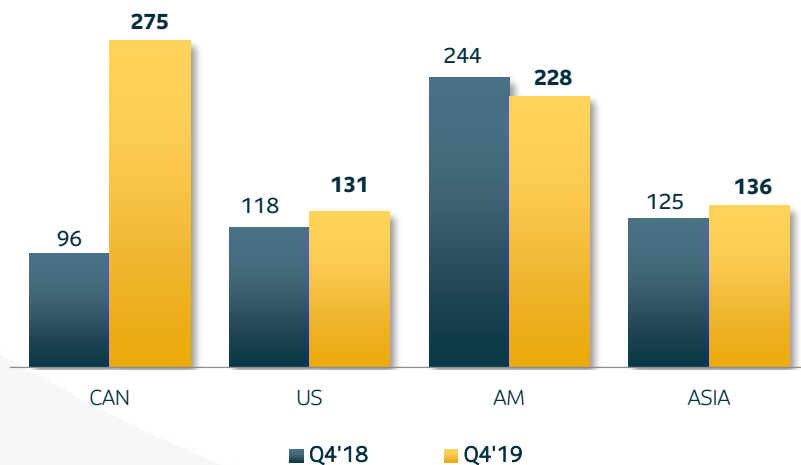
² Represents a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Select Net Income Measures" in the appendix to these slides

³ Holdco cash includes cash and other liquid assets at Sun Life Financial Inc. and its wholly-owned holding companies

BUSINESS GROUP PERFORMANCE

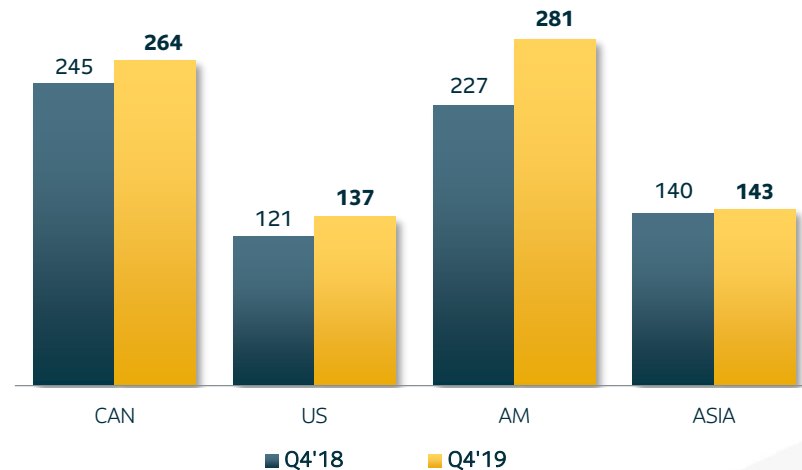
REPORTED NET INCOME (\$ millions)

Impact of currency increased reported net income by **\$2M**
in the fourth quarter of 2019



UNDERLYING NET INCOME ¹ (\$ millions)

Impact of currency increased underlying net income by **\$2M**
in the fourth quarter of 2019

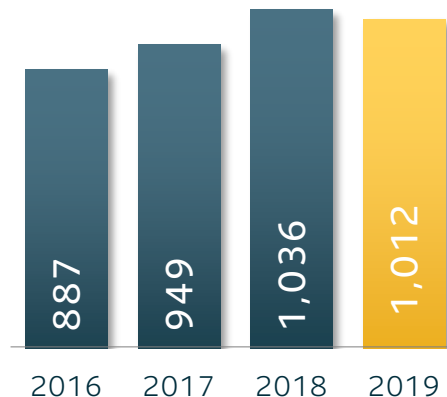


CANADA IS A GROWTH MARKET FOR SUN LIFE

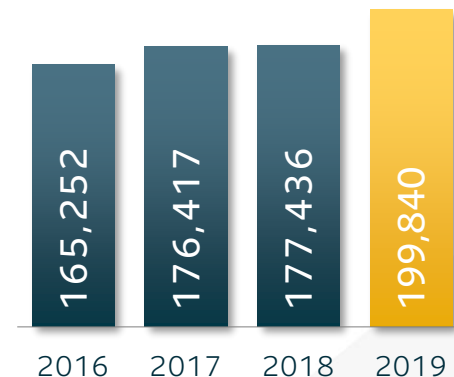
Q4'19 AND 2019 HIGHLIGHTS

- In Q4 2019, GRS grew sales 19% over prior year driven by strong Defined Benefit Solutions sales of \$1.5 billion as we continue to shape the market by bringing customized and innovative solutions to companies to assist them in de-risking their pension plans
- \$360 million of in-plan deposits driven by 18.6 million digital nudges from Ella in 2019
- Sun Life Global Investments (SLGI) AUM of \$29 billion¹; 27% growth over prior year
- 98%, 100%, and 84% of SLGI Granite Managed Portfolio retail assets exceeded their peer median for five-, three-, and one-year performance, respectively²

UNDERLYING NET
INCOME¹
(\$ millions)



ASSETS UNDER
MANAGEMENT¹
(\$ millions)



¹ Represents a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Select Net Income Measures" in the appendix to these slides

² Based on the Funds' Series F returns against their respective Canadian Investment Funds Standards Committee ("CIFSC") peer group

SUN LIFE IS WELL-POSITIONED TO SHAPE THE INDUSTRY AND CAPITALIZE ON OPPORTUNITIES IN CANADA

Supporting Clients with holistic advice at moments that matter



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

Client Index
Score¹

48

+8 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

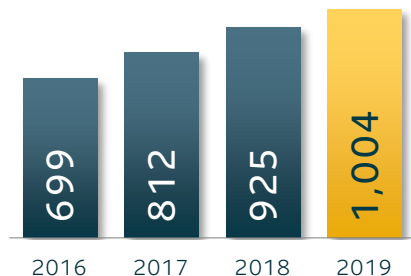
Optimizing our business through financial discipline and focused prioritization to drive strong earnings growth



- 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

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

UNDERLYING NET INCOME¹
(\$ millions)



Q4'19 and 2019 HIGHLIGHTS

- Completed the BentallGreenOak acquisition, expanding the capabilities of SLC Management
- Entered into an agreement with InfraRed Capital Partners, a global infrastructure and real estate investment manager, to purchase 80% of the company and the ability to acquire the remaining interest in the future²
- MFS achieved U.S. retail net inflows for the fourth consecutive quarter, demonstrating the continued strength of MFS's performance and brand presence
- Q4 2019 pre-tax net operating profit margin ratio¹ for MFS of 40%
- 93%, 93% and 98% of MFS's U.S. retail mutual fund assets ranked in the top half of their Lipper categories based on ten-, five-, and three-year performance, respectively

MFS AUM¹ C\$685 billion

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



SLC Management AUM¹ C\$84 billion³

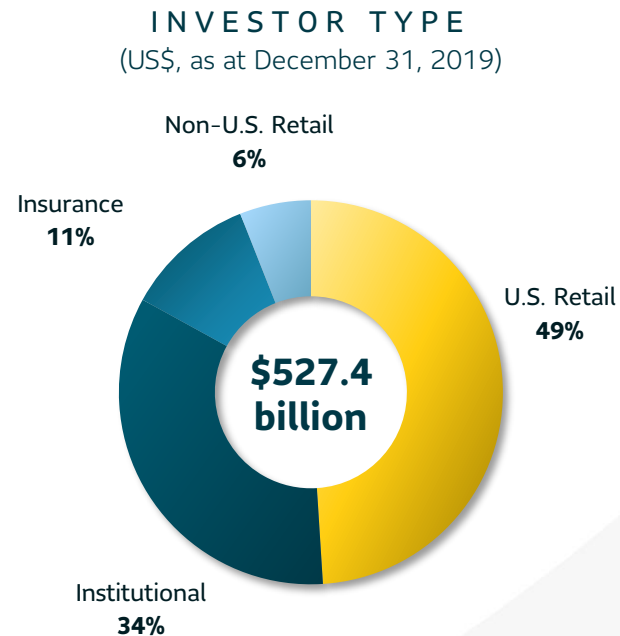
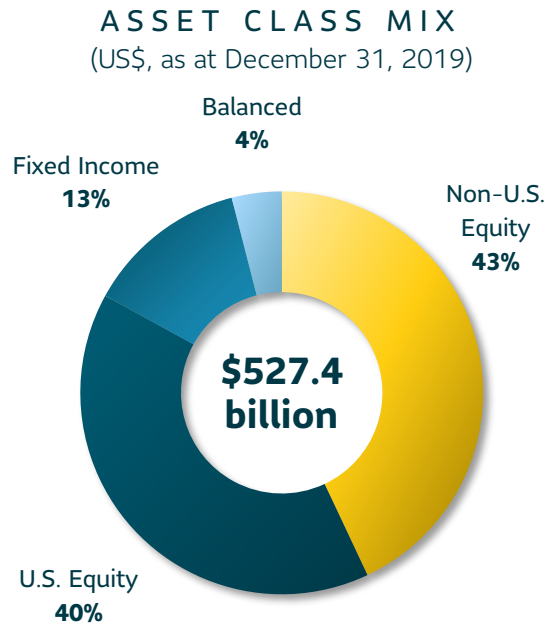
- Fixed income
 - SLC Management (previously Sun Life Institutional Investments (Canada and U.S.), Ryan Labs Asset Management and Prime Advisors)
- Real estate
 - BentallGreenOak

¹ Represents a non-IFRS financial measure. See "Use of Non-IFRS Financial Measures" and "Reconciliation of Select Net Income Measures" in the appendix to these slides

² See "Forward-Looking Statements" and "Risk Factors" in the appendix to these slides

³ Excluding the general account of Sun Life

MFS: DIVERSIFICATION OF ASSETS UNDER MANAGEMENT¹



EVOLUTION OF SLC MANAGEMENT



Strategy

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

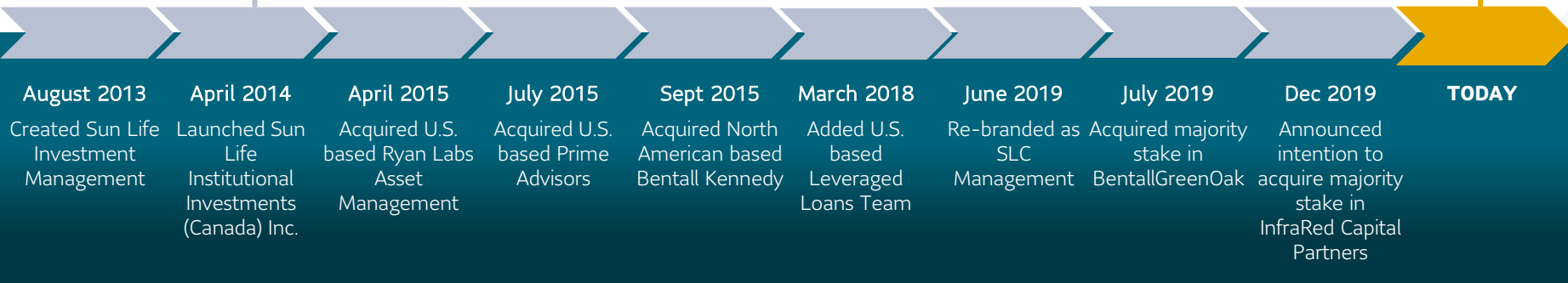


Develop capabilities

Develop capabilities, launch new products and maintain strong performance

Accelerate growth

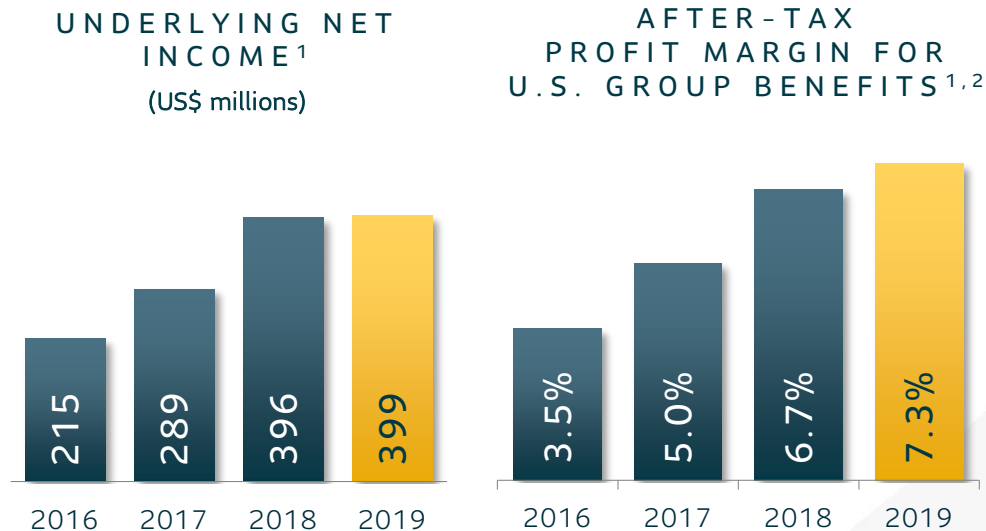
Accelerate growth under a cohesive operating model and position for future acquisitions



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

Q4'19 and 2019 HIGHLIGHTS

- Completed the integration of the U.S. employee benefits business acquired in 2016 (reaching our full target of US\$100 million in pre-tax run-rate synergies on schedule)
- Surpassed 10,000 families on the Sun Life + Maxwell Health platform, which was launched earlier in 2019, enabling more Americans to make better choices for insurance protection that fills financial gaps
- Medical stop-loss business in-force increased to US\$1.9 billion, up 17% from the same period in 2018
- After-tax profit margin for U.S. Group Benefits of 7.3%^{1,2}



GROWING 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



50 million working Americans are not covered by a disability policy³

U.S. Stop-Loss Market Opportunity



61%⁴ of U.S. employees are covered by a self-insured plan with a trend of smaller employers moving in this direction⁵



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



6-8%⁶ annual growth in health care costs



Prescription drug costs expected to rise 5-6% annually over the next 10 years⁷

¹ Based on Oliver Wyman research, 2016 ⁵ EBRI Feb 2018, Self-Insured Health Plans:

² Includes employee and individual contributions to health plans

³ Council for Disability Awareness

⁴ Henry J. Kaiser Family Foundation Employer Health Benefits Survey

Recent Trends by Firm Size, 1996–2016

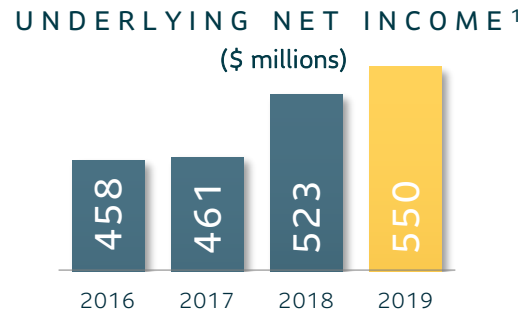
⁶ PwC's Health Research Institute (HRI)

⁷ Kaiser 2019

WELL-POSITIONED IN ASIA'S LARGEST AND FASTEST GROWING MARKETS

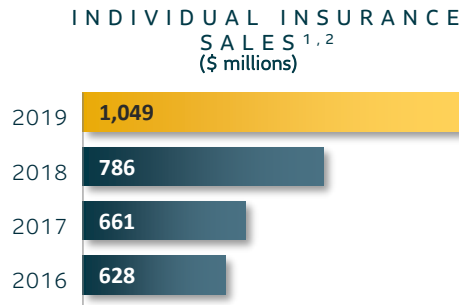
Q4'19 and 2019 HIGHLIGHTS

- Signed a 15-year bancassurance partnership with Tien Phong Commercial Bank, a digital leader in Vietnamese banking, and signed an expanded distribution agreement in Indonesia to become the preferred partner of Nobu National Bank
- Sun Life Hong Kong Ltd. has been assigned "AA-" long-term issuer credit and financial strength ratings by S&P Global Ratings, with a stable outlook, which will help us further support our high-net-worth capabilities
- Client mobile applications are now available in all seven of our local markets

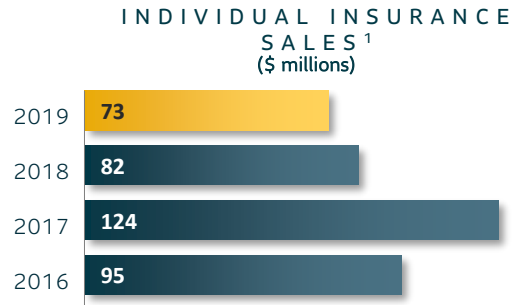


INSURANCE & WEALTH

AUM¹
\$75B
+10% YoY³



INTERNATIONAL



AUM¹
\$15B

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 Sales from joint ventures are based on our proportionate equity interest

³ Year over Year ("YoY")

CAPTURING GROWTH OPPORTUNITIES IN ASIA

17%

Total Company
Underlying Net
Income¹ from Asia
in 2019²



PHILIPPINES

- **#1** ranked insurance³ company for 8 years in a row
- **2nd** largest mutual fund⁴ provider based on AUM¹



MALAYSIA

- **3rd** in bancassurance⁵, with an overall market share of 5%
- Sun Life Malaysia grew 20% over prior year, faster than the industry's growth of 12%⁵



INDONESIA

- **9th** in insurance, up 3 positions from last year⁶
- Sun Life Indonesia has an overall market share of 3%



VIETNAM

- **#14** in insurance⁷
- Sun Life Vietnam's agency sales¹ grew 35%, compared to last year



HONG KONG

- **2nd** largest MPF based on net inflows, **#4** based on AUM^{1,8}
- **Top 10** in agency⁹



CHINA

- **Top 10** in insurance among foreign JVs¹⁰
- Surpassed 13,000 advisors, an increase of 75% over 2018



INDIA

- **7th** in individual insurance with an overall market share of 4%¹¹
- **4th** largest mutual fund provider in the country based on AUM^{1,12}



INTERNATIONAL

- **A leader in high-net-worth insurance**

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 Excludes Corporate Support. Asia underlying net income includes the results of International Footnotes 3-12: See appendix to these slides for information on source data

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SUSTAINABILITY



CAPITAL GENERATION PROVIDES GOOD CAPITAL FLEXIBILITY



Funding Organic Growth



**Target Dividend Payout
ratio of 40-50%¹**



**M&A Opportunities
and Strategic
Investments**



Share Buybacks

Strong Capital Generation

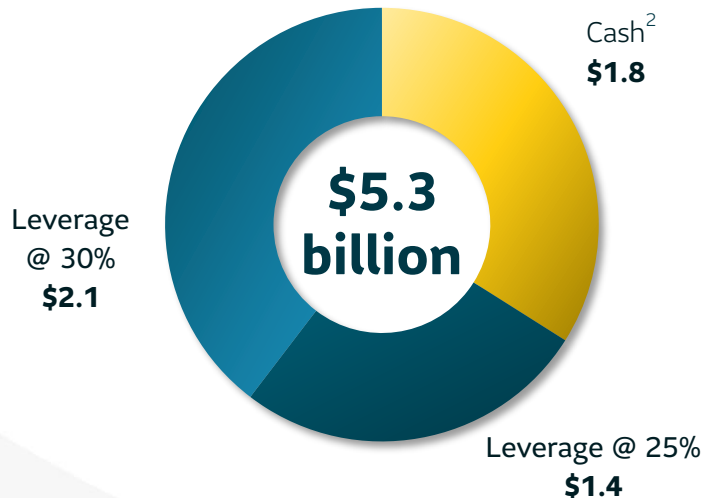
Capital Flexibility

- 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

\$2.3 billion cash and other liquid assets at holding company¹

SLF

LICAT 143%
Financial leverage ratio 21.2%
Leverage Capacity to 25/30%: ~\$1.4/\$3.5B

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
		\$200	

SLA

LICAT 130%

Asset Management

MFS

SLC Management

Book value
excl. from
LICAT

**ALL CAPITAL SECURITIES
CONTINUE TO QUALIFY
UNDER LICAT**

UK

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 2015-1)	2.60%	\$500	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%	\$399	23-Nov-22
SLF T2B (Series 2019-1)	2.38%	\$746	13-Aug-24
		\$3,388	
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	

STRONG OPERATING AND FINANCIAL LEVERAGE

Operating Leverage

Operating Leverage Debt (C\$ millions)

Q4 2019

Debt supporting reserve financing

Senior Debt

300

Bilateral Senior Financing¹

1,967

Total Operating Leverage Debt

2,267

Capital (C\$ millions)

Q4 2019

Subordinated Debt

3,538

SLEECs (Innovative Tier 1 Securities)

200

Preferred Shareholders' Equity

2,257

Total Capital Securities

5,995

Common Shareholders' Equity and Par²

22,251

Total Capital

28,246

Financial Leverage Ratio³

21.2%

Tier 2

Tier 1

Tier 1

¹ As of December 31, 2019 as disclosed in SLF Inc.'s 2019 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

$$\frac{\text{Available Capital} + \text{Surplus Allowance} + \text{Eligible Deposits}}{\text{Base Solvency Buffer}}$$

TOTAL RATIO (SLF Inc.) = 143%



AVAILABLE CAPITAL

- Similar to MCCR
▪ 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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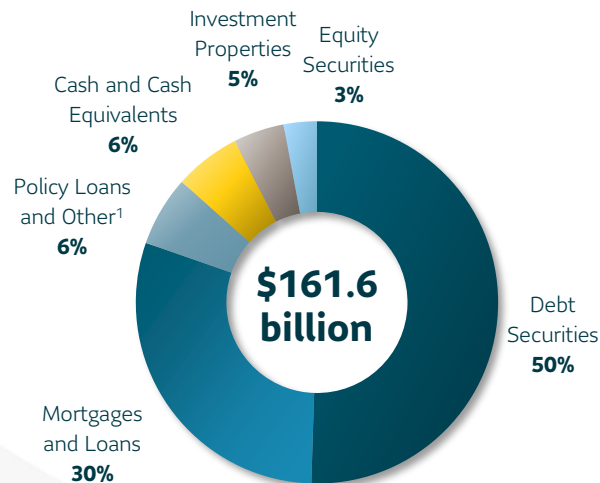
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SUSTAINABILITY

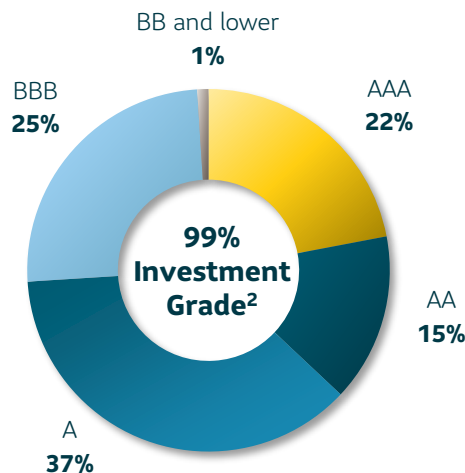


HIGH QUALITY, WELL-DIVERSIFIED INVESTMENT PORTFOLIO

INVESTMENT PROFILE
(as at December 31, 2019)



DEBT SECURITIES BY CREDIT RATING
(as at December 31, 2019)



- Leading non-public portfolio with significant origination capabilities
- Strong Real Estate capabilities
- 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

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SUSTAINABILITY



STRONG COMMITMENT TO SUSTAINABILITY



Sustainable INVESTING

\$19.3B

invested in sustainable real estate and infrastructure

First life insurer globally to issue a sustainability bond



Financial SECURITY

\$360M

of in-plan deposits driven by 18.6M digital nudges from Ella

Financial wellness and investment education campaigns across all markets



Healthier LIVES

\$31M

committed to diabetes globally since 2012

10M+ ratings on 150,000+ healthcare providers on Lumino



Trusted and Responsible BUSINESS

85%

Employee engagement score

20%

Reduction in GHG emissions intensity by 2020, 30% by 2030¹; TCFD supporter

32,000

Pieces of communications content analyzed for plain language

35%

Women in senior roles (VP and up); women represent 36% of the Board

10 of 11

Board members are independent, including the Chair

Awards & Recognition



MEMBER OF
Dow Jones Sustainability Indices
In Collaboration with RobecoSAM



In this presentation, Sun Life Financial Inc. ("SLF" or "SLF Inc."), its subsidiaries and, where applicable, its joint ventures and associates are referred to as "we", "us", "our", "Sun Life" and the "Company". Sun Life Assurance Company of Canada is referred to as "SLA".

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 in isolation from or 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 Q4 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 impacts 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) impacts of returns in equity markets, net of hedging, for which our best estimate assumptions are approximately 2% per quarter. This also includes the impacts 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 impacts 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 impacts of changes in the fair value of investment properties in the reporting period;
- (b) assumption changes and management actions, which include: (i) the impacts of revisions to the methods and assumptions used in determining our liabilities for insurance contracts and investment contracts; and (ii) the impacts 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 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 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	Q4'19	Q3'19	Q4'18	2019 YTD	2018 YTD
Common shareholders' reported net income (loss)	719	681	580	2,618	2,522
Impact of certain hedges that do not qualify for hedge accounting	4	(5)	(1)	(5)	5
Fair value adjustments on share-based payment awards at MFS	(37)	(8)	28	(64)	(5)
Acquisition, integration and restructuring	(43)	(26)	(25)	(87)	(82)
Net equity market impact	40	9	(143)	127	(174)
Net interest rate impact	(11)	(90)	(41)	(348)	(91)
Net increases (decrease) in the fair value of real estate	(11)	(8)	31	(16)	77
Assumption changes and management actions	(15)	0	13	(46)	(155)
Common shareholders' underlying net income (loss)	792	809	718	3,057	2,947

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, financial objectives, future results of operations, and strategic goals; (ii) concerning our medium-term financial objectives which are described in the 2019 Annual MD&A under the heading B - Overview - 2 - Financial Objectives, (collectively, our “medium-term financial objectives”); (iii) relating to productivity and expense initiatives, growth initiatives, outlook, and other business objectives; (iv) relating to our expected tax range for future years; (v) relating to our acquisition of a majority stake in InfraRed; (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 out in our management’s discussion and analysis for the period ended December 31, 2019 under the headings B - Overview - 2 - Financial Objectives; D - Profitability - 2019 vs. 2018; I - Capital and Liquidity Management; J - Risk Management; and M - Accounting and Control Matters - 1 - Critical Accounting Policies and Estimates and in the 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: **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; **credit risks** - related to issuers of securities held in our investment portfolio, debtors, structured securities, reinsurers, counterparties, other financial institutions and other entities; **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; **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; **liquidity risks** - the possibility that we will not be able to fund all cash outflow commitments as they fall due; and **other risks** - 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.

The following risk factors are related to our acquisition of a majority stake in InfraRed 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) the impact of the announcement of the transaction on Sun Life and InfraRed. 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 Lifecoss – Manulife Financial Corporation, Great-West Life & Industrial Alliance; U.S. Insurers – Hartford Financial Services Group, Lincoln National Corporation, MetLife Inc., Principal Financial Group, Inc., Prudential Financial, Inc., Unum Group & Voya; Global Lifecoss – AXA SA, Prudential PLC, Allianz SE, Aviva PLC, Assicurazioni Generali SpA, AIA Group Ltd., China Life Insurance Co. Ltd, Great Eastern Holdings & Ping An Insurance Group

Source Information for Slide 20

³ Ranking for Sun Life of Canada (Philippines). Insurance Commission of the Philippines, Premium Income of Life Insurance Companies, at June 30, 2019

⁴ Philippine Investment Funds Association, based on September 30, 2019 ending assets under management

⁵ Life Insurance Association of Malaysia; Insurance Services Malaysia Berhad, based on Q3’19 YTD annualized first year premium for Conventional and Takaful business. Industry growth vs. Sun Life’s growth is based on Q3’19 YTD annualized first year premium for all channels

⁶ Indonesia Life Insurance Association industry report, based on year-to-date first year premiums at September 30, 2019

⁷ October 2019 year-to-date annualized first year premiums, based on data shared among Vietnam industry players

⁸ Gain Miles MPF Market Analysis, December 2019

⁹ Insurance Authority of Hong Kong, Provisional Statistics on Hong Kong Long Term Insurance Business, based on Q3’19 YTD annualized first year premiums

¹⁰ China Insurance Regulatory Commission, based on gross premiums for Q3’19 YTD (excluding universal and variable universal life insurance deposits and pension companies)

¹¹ Insurance Regulatory Authority of India, based on 2018 first year premiums among private players on calendar year basis at September 30, 2019

¹² Association of Mutual Funds in India, based on average assets under management for the quarter ended at December 31, 2019