

# Q1'17 RESULTS FACT SHEET



## ABOUT SUN LIFE FINANCIAL

Sun Life Financial is a leading international financial services organization providing a diverse range of insurance, wealth and asset management solutions to individuals and corporate Clients. Sun Life Financial has operations in a number of markets worldwide, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, Australia, Singapore, Vietnam, Malaysia and Bermuda.

Figures as at March 31, 2017 and in C\$, unless otherwise stated

Ticker	SLF (TSX)
TSX share price	\$48.56
NYSE share price	US\$36.55
Market capitalization	\$29.8B
Common shares outstanding	613.7M
Book value per share	\$32.54
Dividend per share	\$0.42
MCCSR	229%*

\* For Sun Life Assurance Company of Canada

## MEDIUM TERM OBJECTIVES<sup>(1)</sup>

Average EPS growth	8 - 10% per annum
Underlying ROE objective	12 - 14%
Payout ratio	40 - 50%

## CREDIT RATINGS<sup>(2)</sup>

S&P	AA-
Moody's	Aa3
A.M. Best	A+
DBRS	AA (low)

## Q1'17 HIGHLIGHTS

FINANCIAL RESULTS <sup>(3)</sup>	Q1'17	Q1'16	CHANGE
Reported Net Income	\$551M	\$540M	2%
Underlying Net Income	\$573M	\$582M	-2%
Reported EPS	\$0.89	\$0.88	1%
Underlying EPS	\$0.93	\$0.95	-2%
Reported ROE	11.0%	11.5%	-50 bps
Underlying ROE	11.5%	12.4%	-90 bps
Assets under Management (AUM)	\$927B	\$861B	8%

Our first quarter results delivered \$573 million in underlying net income and a 11.5% ROE. We achieved strong top line growth with a 58% increase in insurance sales and 13% increase in wealth sales, compared to the same period last year. Our assets under management grew to \$927 billion during the quarter, and our Canadian and Asia pillars performed well, however we saw lower results in our U.S. business and MFS continued to experience recent trends in net flows. ”

DEAN CONNOR  
President and Chief Executive Officer

## OUR GROWTH STRATEGY AND FIRST QUARTER HIGHLIGHTS

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

- » Individual Insurance sales of \$144 million, more than double the prior year
- » Individual Wealth sales up 26% from growth across all product lines
- » Group Benefits and Group Retirement Services sales increased by 105% and 76% respectively

### A LEADER IN U.S. GROUP BENEFITS AND INTERNATIONAL HIGH NET WORTH SOLUTIONS

- » Integration of the U.S. employee benefits business is progressing well. Group Benefits sales higher from acquired business
- » Good momentum in International Life sales
- » Announced the acquisition of The Premier Dental Group

### A LEADER IN GLOBAL ASSET MANAGEMENT

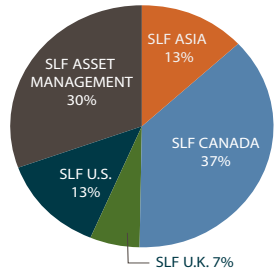
- » Strong long-term fund performance recognized by *Barron's* Best Fund Families of 2016
  - » MFS ranked among top 10 for 5- and 10-year periods in eight of the last nine years
- » MFS global AUM grew to US\$441 billion
- » Gross sales of US\$20.6 billion; net outflows of US\$11.1 billion
- » Strong sales momentum at SLIM; net inflows of \$2.2 billion; AUM of \$56 billion

### A LEADER IN ASIA THROUGH DISTRIBUTION EXCELLENCE IN HIGHER GROWTH MARKETS

- » Individual insurance and wealth sales increased by 31% and 84%, respectively; driven by growth in most markets and increased ownership levels
- » Retained the number 1 ranking in the Philippines<sup>(4)</sup> insurance market and moved to number 2<sup>(5)</sup> in net flows in Hong Kong MPF market

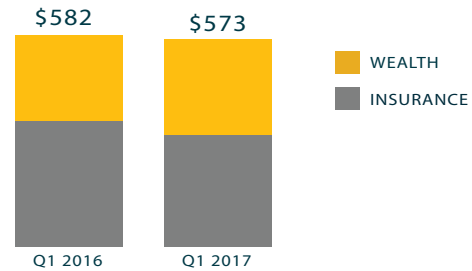
# A BALANCED AND DIVERSIFIED PORTFOLIO

Q1'17 UNDERLYING NET INCOME BY BUSINESS GROUP



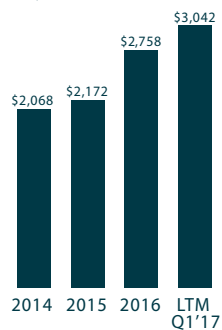
Graphic excludes Corporate Support results

UNDERLYING NET INCOME BY BUSINESS TYPE<sup>(6)</sup> (C\$ MILLIONS)

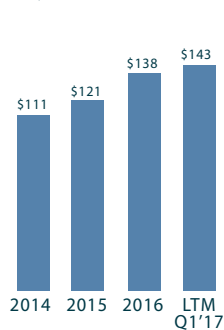


## INSURANCE & WEALTH SALES

INSURANCE SALES  
C\$ MILLIONS

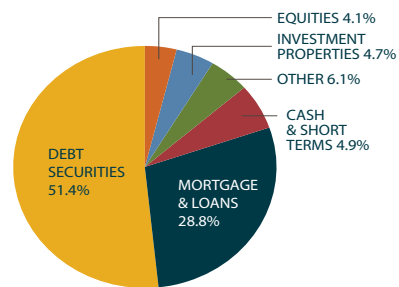


WEALTH SALES<sup>(7)</sup>  
C\$ BILLIONS



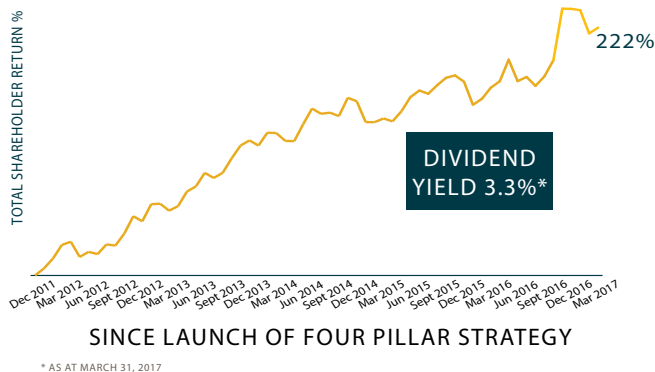
## INVESTED ASSETS

Q1'17 INVESTED ASSETS  
(C\$142 BILLION)



98% of our bond portfolio is investment grade or higher

## TOTAL SHAREHOLDER RETURN



## STRENGTH OF SUN LIFE

1. We have four strong pillars that can each compete, win and grow in their respective sectors and which leverage each other
2. Bound together by a strong balance sheet and risk culture, including no direct U.S. Variable Annuity or Long-Term Care
3. Underpinned by a strong performance culture that is humble, but ambitious; driven by results, but not yet satisfied
4. Led by a proven management team that can execute on growth with disciplined capital allocation
5. Galvanized by a new objective - to become one of the best insurance and asset managers in the world through a step-change around Clients
6. Building on momentum created by past organic investments and acquisitions that will help drive earnings growth
7. With the objective of generating 8-10% average annual underlying EPS growth and a 12-14% underlying ROE, while maintaining a strong dividend payout ratio

## ACHIEVEMENTS AND RECOGNITION

- » Voted by Canadians for the eighth year in a row as 'Most Trusted Life Insurance Company', (Reader's Digest's Trusted Brand™ Awards Program)
- » Named among the Global 100 Most Sustainable Corporations in the World by Corporate Knights at the World Economic Forum in Davos, Switzerland
- » Ranked in the top ten in The Globe and Mail Report on Business' 2016 Board Games for corporate governance practices
- » Only North American life insurer included in the Standard & Poor's Long Term Value Creation Index
- » Sun Life Assurance Company of Canada recognized as one of Canada's Top Employers for Young People and one of Canada's Greenest Employers in 2017 by Canada's Top 100 Employers

## EVENTS CALENDAR

- » June 5-6, 2017 - TD Securities' Canadian Financial Conference, London
- » June 15<sup>th</sup> 2017 - BMO Capital Markets 6<sup>th</sup> Annual Fixed Income Conference, Toronto

### INVESTOR RELATIONS CONTACT:

Gregory Dilworth  
Vice President, Investor Relations  
(416) 979-6230  
investor.relations@sunlife.com

<sup>(1)</sup> The objectives are based on underlying net income measures. The objectives are forward-looking non-IFRS financial measures and are not earnings guidance.

<sup>(2)</sup> Ratings are for Sun Life Assurance Company of Canada. <sup>(3)</sup> Management uses certain non-IFRS measures such as underlying net income (loss), underlying EPS, underlying ROE, assets under management and 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. <sup>(4)</sup> Insurance Commission of the Philippines, based on annualized first year premium for Sun Life of Canada (Philippines) <sup>(5)</sup> Gadbury market share report, based on Q4 2016 net flows. <sup>(6)</sup> Wealth earnings include results of Individual Wealth and Group Retirement Services in SLF Canada, Sun Life Financial Asset Management, International Wealth in SLF U.S. and the Company's wealth businesses in SLF Asia. <sup>(7)</sup> Excludes the U.S. investment product sales in SLF U.S.'s International Wealth business, which was closed to new sales in December 2015. 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 2017 Interim MD&A under the heading Financial Performance - First Quarter 2017 Performance. All data is in C\$ unless otherwise noted.