

Q4 2021

Building Sustainable Shareholder Value



Life's brighter under the sun





Business overview



Business group results & highlights



Capital management



Asset portfolio



Sustainability

A \$41.3 billion leading global financial services organization¹



50,000
Employees



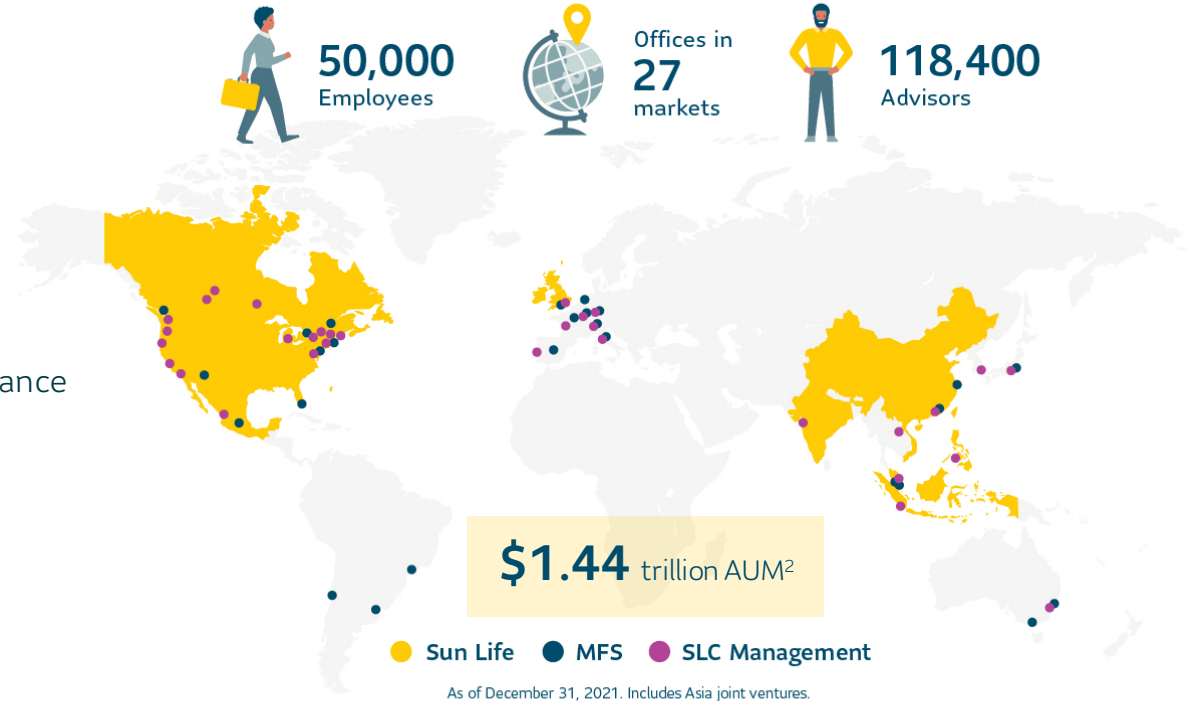
Offices in
27
markets



118,400
Advisors

Balanced and diversified business model

-  Wealth & Asset Management
-  Group & Shorter Duration Insurance
-  Traditional Insurance



¹ Market capitalization (C\$) as at December 31, 2021

² Represents a Non-IFRS financial measure; Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our MD&A for the period ended December 31, 2021 ("2021 Annual MD&A")

The Sun Life story

- A **diversified business model**, with four strong pillars that can each compete, win and grow in their respective markets and that leverage each other
- Bound together by a **strong balance sheet** and **risk culture**, including no U.S. Variable Annuity or U.S. Long-Term Care
- Building on momentum created by past **organic investments and acquisitions** that will help drive earnings growth
- **Digital transformation** that is deeply embedded throughout the organization
- **Purpose-driven sustainability plan** focused on what we know best to maximize our contribution to society



Executing on our ambition to be one of the best **asset management and insurance** companies globally

Our Purpose: Help Clients achieve lifetime financial security and live healthier lives

Four Pillar Strategy

- AM** A global leader in both public and alternative asset classes through MFS and SLC Management
- CAN** A leader in insurance and asset management
- US** A leader in health and benefits
- ASIA** A regional leader focused on fast-growing markets



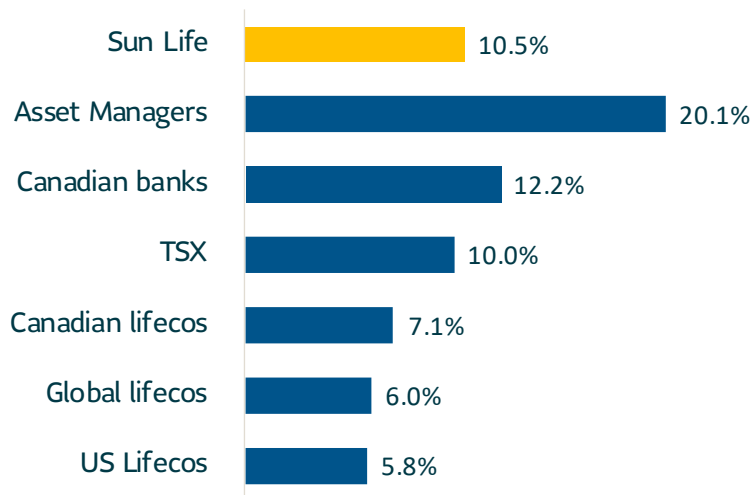
Key Priorities

- 1 Think and act like a **digital company**
- 2 Realize **synergies between Asset Management and Insurance** businesses
- 3 Build scale and capabilities through **M&A and strategic partnerships**
- 4 Deliver on our **Health strategy** in Canada, the U.S., and Asia

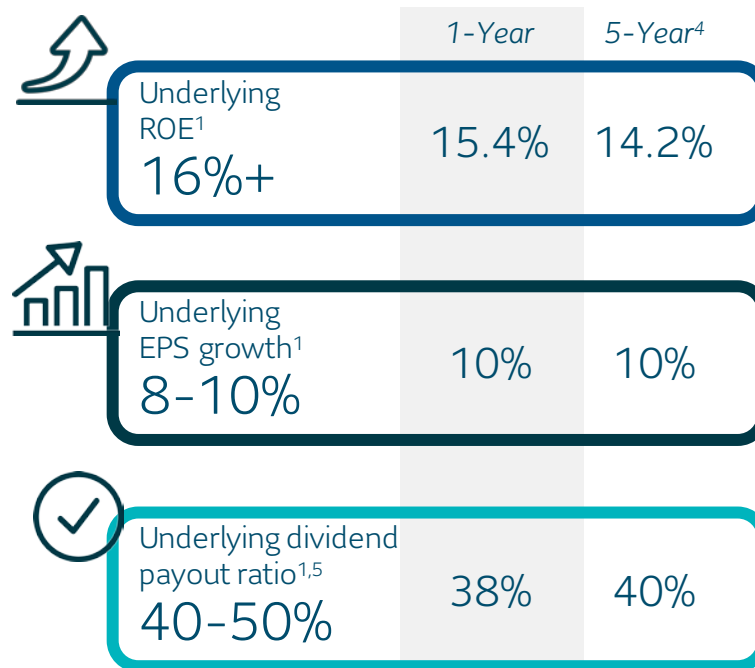
Consistently delivering value to shareholders

5-year total shareholder return²

December 31, 2021



Medium-term objectives³



Digital leadership

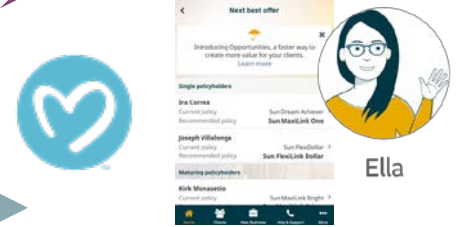
Building new digital models and a partnership ecosystem

- New digital partnerships in **Asia**, including Cermati, Moneygment, TheBank.vn and Investa
- Lumino Health and Sun Life GO in **Canada**
- Partnering with Conquest Planning Inc. in **Canada** to provide a digital financial planning tool
- Turnkey absence management capabilities through FullscopeRMS in **U.S. Group Benefits**
- Building digital expertise and ecosystems
- Making equity investments in early-stage partners
- Investing in key technologies to drive global growth
- Ongoing strategic collaborations in **Asia** with AI start-ups and partners
- Continuing to enhance connectivity into the benefits ecosystem, including APIs with key benefits and HR platforms
- Expanded partnership with CloudMD to roll out *Mental Health Coach* in **Canada**



Using digital to be personal, predictive, and proactive

- Exclusive experiences for Clients in **Asia** including personalized videos and prospect videos
- Enhancing our leads management program in **Asia**
- Digital coach Ella in **Canada**
- Accelerated underwriting capabilities to reduce the need for lab tests for life insurance products in **Canada**
- Leverage Maxwell and predictive analytics that proactively nudge members to close coverage gaps in **U.S.**
- Fund management, policy serving and login enhancements on the client web and mobile apps in **Asia**



Digitizing current interactions and processes

- Launched digital onboarding capabilities for Clients and a new productivity suite for advisors in **Asia**
- Web and mobile functionality in **Canada** and **Asia**
- Expanded web and mobile capabilities and streamlined claims experience in the **U.S.**
- End-to-end virtual enrollment solutions with text and chat capabilities in the **U.S.**
- In **Canada**, Investment GIF e-App and Sun e-App continue to streamline and digitize end-to-end Client processes



Leveraging global trends



Individual and employer attention on physical and mental health



Demographic shifts



Growing prosperity in Asia



Gig economy and shift in nature of work



Digital acceleration



Sustainability and DE&I expectations



Continued growth of alternative asset classes



Future of work and rising competition for talent



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Asset portfolio



Sustainability

Business group performance

Reported net income (\$ millions)

Impact of currency translation decreased reported net income by **\$33M¹**

(48)%

+40%

(3)%

+238%

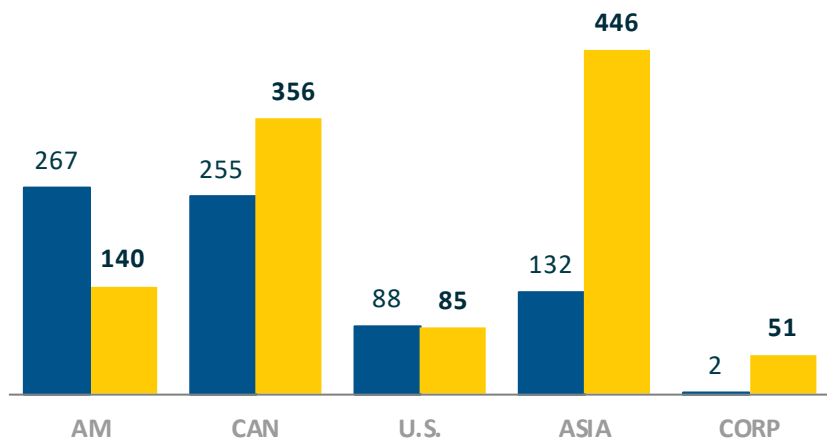
Constant
currency^{1,2}

(45)%

+40%

+3%

+255%



■ Q4'20 ■ Q4'21

Underlying net income¹ (\$ millions)

Impact of currency translation decreased underlying net income by **\$22M¹**

+15%

+9%

(51)%

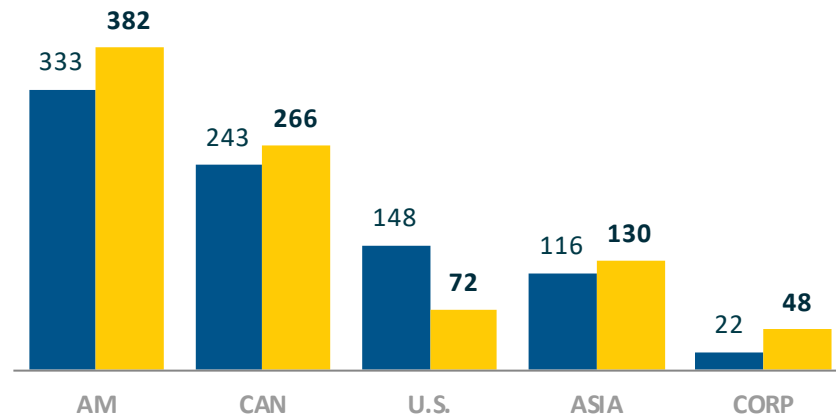
+12%

+18%

+9%

(50)%

+18%



¹ Represents a Non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our MD&A for the period ended December 31, 2021 ("2021 Annual MD&A")

² These percentage changes are reported on a constant currency basis, which excludes the impacts of foreign exchange translation; for more information about these non-IFRS financial measures, refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our MD&A for the period ended December 31, 2021 ("2021 Annual MD&A")

Expanding asset management capabilities

Q4'21 and 2021 highlights

- **MFS delivered strong fund performance²** for Clients throughout the year; **maintained a top 10 position in the U.S. mutual fund industry³**
- **97%, 96% and 80% of MFS's U.S. retail mutual fund assets ranked in the top half of their Morningstar categories** based on ten-, five- and three-year performance, respectively
- Q4 pre-tax net **operating profit margin ratio¹** for MFS of **43%**, and **12th consecutive quarter** with **positive U.S. retail flows**
- Q4 **SLC Management net inflows¹** of **\$9.7 billion**; \$32.5 billion net inflows in 2021
- **SLC Management** named **2021 Best Places to Work** in Money Management⁴; 2nd year in a row

Underlying net income (\$ millions)



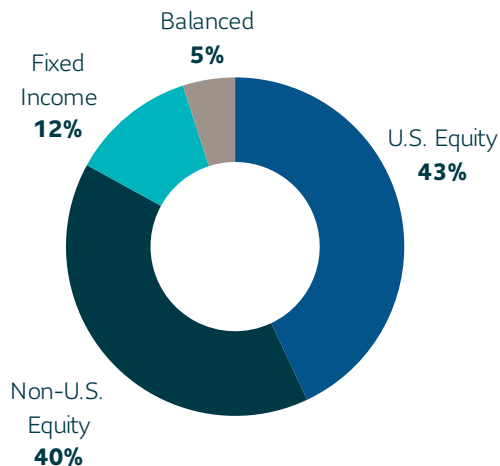
 **MFS** → **US\$693 billion AUM**

 **SLC Management** → **\$184 billion AUM⁵**

MFS: diversification of assets under management

Asset class mix

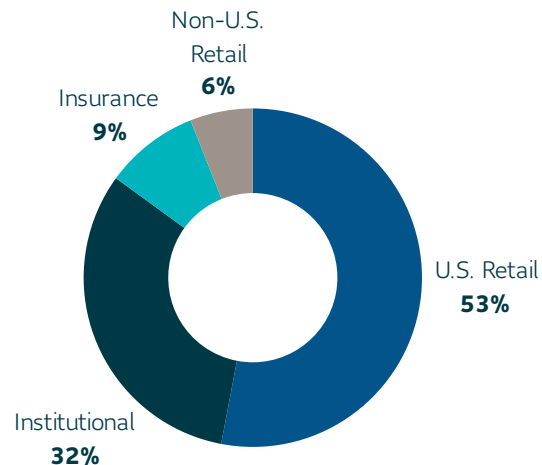
US\$, as at December 31, 2021



US\$693
billion AUM

Investor type

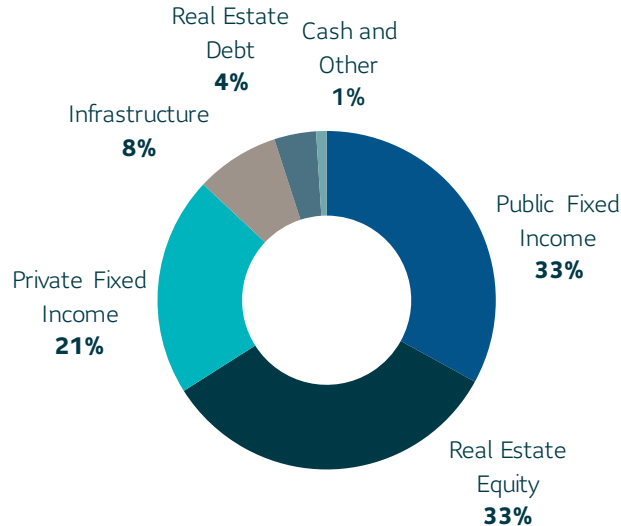
US\$, as at December 31, 2021



SLC Management: diversification of assets under management¹

Asset class mix

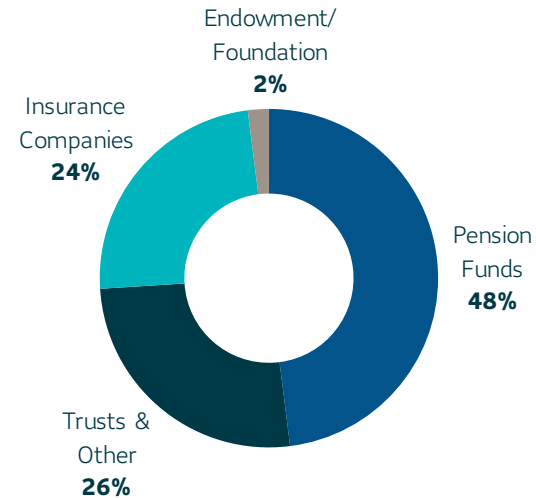
\$, as at December 31, 2021



\$184
billion AUM¹

Investor type

\$, as at December 31, 2021

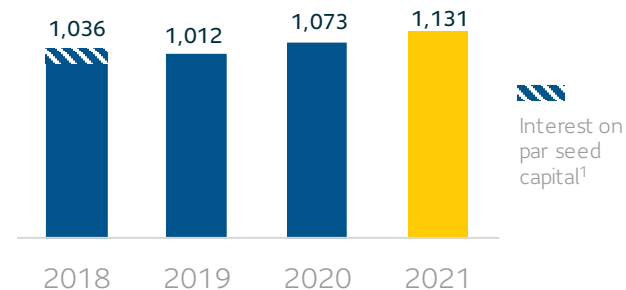


Canada is a growth market for Sun Life

Q4'21 and 2021 highlights

- **Ella**, our digital coach, proactively **connected with Clients over 20 million times** in 2021, driving an additional **\$690 million in wealth deposits**, and **\$950 million in insurance coverage**
- **Increased accessibility to mental health services**, offering our **Mental Health Coach** to Sun Life Health's group benefits Clients, through expanded partnership with CloudMD
- Invested an additional **\$48 million in Dialog Health Technologies Inc.**, a company that powers our **Lumino Health** Virtual Care platform, reflecting our commitment to improve the **integration of health and digital solutions** for our Clients
- In Q4, digitally processed **93%** of retail **insurance applications**, **83%** of retail **wealth transactions**, and **96%** of group benefits **health and dental claims**

Underlying net income (\$ millions)



Market position by business

- 1st** Individual insurance²
- 1st** Sun Life Health³
- 1st** Group Retirement Services⁴

¹ \$75 million of interest on seed capital transferred from the participating account to the shareholder account

² LIMRA Market Share by premiums within individual life and health market as of third quarter 2021, on a year-to-date basis

³ 1st place group benefits provider based on revenue for year ended December 2020 from 2021 Group Benefits Provider Report

⁴ Based on Total Capital Accumulation Plan assets for the year ended December 2020 from 2021 Fraser Pension Universe Report

Shaping the industry and capitalizing on opportunities in Canada



Shaping the market as a leader in our Canadian home market

- Leveraging our **worksite advantage**
- Expanding **our role in health and well-being**, including increasing our focus on **mental health**
- A leader in the growing pension risk transfer market with **Defined Benefits Solutions**
- Accelerating our **wealth presence** through Sun Life Global Investments and Sun Life's Guaranteed Investment Funds



Making it easier for Clients to do business with us

- Creating a **One Sun Life digital experience**
- Expanding our Client reach through our digital coach, **Ella**
- Building **Sun Life Health's** digital capabilities, to help our Clients improve their health outcomes



Executing with financial discipline and putting Clients at the centre

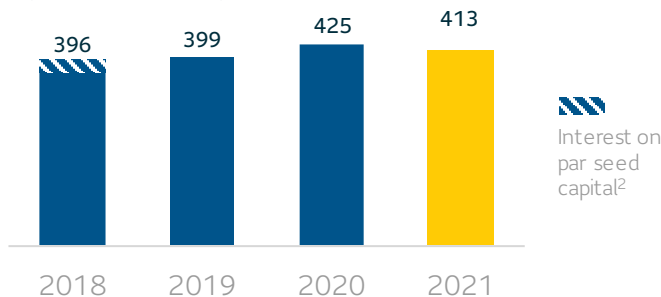
- Creating **proactive, predictive and personal contact** with Clients
- Balancing **top and bottom-line growth**
- **Optimizing our portfolio** of businesses
- Attracting and engaging **diverse top talent**

Deepening Client relationships in U.S. Group Benefits

Q4'21 and 2021 highlights

- **Enhanced digital capabilities** are making it easier for **Clients to get the coverage they need**, and helping drive **record Group Benefits sales of US\$1.2 billion¹** in the year
- Launched **Sun Life Onboard**, a stream-lined **digital process that reduces the administrative time** for new Clients, getting them onboarded in a faster
- Launched **Sun Life Link**, **enhancing the Client experience** by reducing manual tasks for employers and **generating faster decisions for members**
- **70% increase in active members** on our **Maxwell Health** digital benefits platform, compared to 2020
- **Sun Life U.S.** received **four top workplace recognitions** in 2021, including being named a **2021 Top Place to Work** by The Boston Globe for the fourth time

U.S. Underlying net income (US\$ millions)



Market position by business

#1 Independent medical stop-loss provider³

#1 Turnkey disability provider⁴

Top 10 Group life and disability benefits provider⁵

Key trends and opportunities in the U.S.

Improving health outcomes and costs

Large, complex U.S. benefits ecosystem, anchored by the \$3.8T healthcare market¹



Most U.S. employees are covered by a self-insured plan²



Health care costs, particularly prescription drug costs, continue to rise³



Medicaid program and Medicare expansion bills (including dental) could positively impact Dental business⁴

Helping Clients get the coverage they need

Many **Americans are underinsured for key financial risks**



Growing life insurance coverage gap, and many working Americans not covered by a disability policy⁵



Employees responsible for more health and benefits costs



Federal and state paid family and medical leave legislation driving absence requirements

We are focused on making things easier for **Clients** while improving **health outcomes and reducing costs**

- ✓ Acquired **PinnacleCare**, expanding further into the health care space
- ✓ Launched **Health Navigator** to drive better health outcomes
- ✓ Intend to **acquire DentaQuest**^{4,6}, the largest provider of Medicaid dental benefits
- ✓ Leveraging **Industry-leading Clinical 360 program** to analyze data to reduce costs for employers and members

We continue to deliver **digital capabilities**, making it easier for **Clients to get the coverage they need**, while continuing to lead industry advocacy on key regulatory and legislative issues

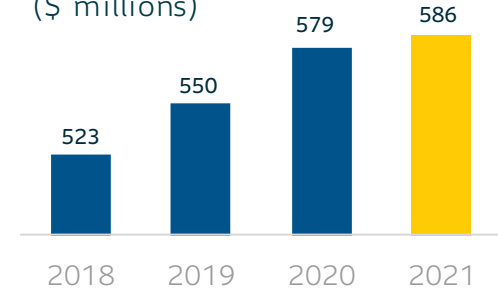
- ✓ Expanded **Maxwell Health**
- ✓ Launched **Stitch**, providing supplemental health coverage directly online
- ✓ Offering **virtual enrollment**
- ✓ Building **APIs and digital connectivity** with benefits platforms
- ✓ Introduced new **absence management offerings** with single claim intake, digital and automated capabilities

Positioned in Asia's largest and fastest growing markets

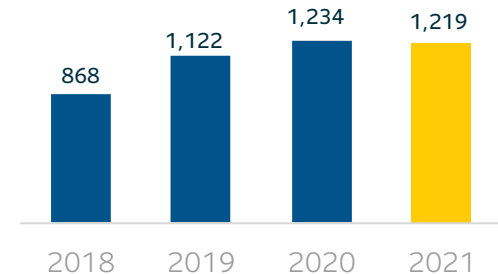
Q4'21 and 2021 highlights

- Surfaced shareholder value through the **IPO of our India asset management joint venture**¹
- **Vietnam bancassurance distribution more than tripled sales**² compared to prior year; **ranked 4th in bancassurance sales**³
- Increased our strategic investment in **Bowtie Life Insurance Company Limited** ("Bowtie"), the first virtual insurer in Hong Kong; Bowtie's **funding will be used to scale up operations and expand across Asia**
- **71% of new business applications** in 2021 **were submitted digitally**⁴, up **48 percentage points (pp)** from 2020
- **Digital claims submissions**⁴ in 2021 **increased 7pp** over prior year; with Vietnam up 22 pp

Underlying net income (\$ millions)



Individual life sales² (\$ millions)



¹ In October, our India joint venture, Aditya Birla Sun Life Asset Management Company Limited, completed an IPO which generated a \$362 million (post-tax \$297 million) gain through a 12.5% offering of our ownership interest
² Represents a Non-IFRS financial measure; Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our MD&A for the period ended December 31, 2021 ("2021 Annual MD&A")
³ November 30, 2021 year-to-date annualized first year premiums, based on data shared among industry players
⁴ Includes Hong Kong insurance, Indonesia, Malaysia, Philippines, and Vietnam

Capturing growth opportunities in Asia

Local Markets



Philippines

- **#1 ranked insurance company** based on total premium^{1,2}
- **#1 largest mutual fund provider** based on AUM³



Indonesia

- **11th** in insurance sales^{1,4}
- Overall market share of 3%^{1,4}



China

- **11th** in insurance gross premium among foreign multinationals^{1,5}



Vietnam

- **6th** in insurance sales and **4th** in bancassurance sales^{1,6}
- Up from 13th in insurance sales in Q4 2020^{1,7}, supported by partnership with Asia Commercial Bank



India

- **7th** in individual insurance, with an overall market share of 4%^{1,8}
- **4th** largest mutual fund provider in the country based on AUM⁹



Malaysia

- **7th** in insurance sales^{1,10}
- **4th** in bancassurance, with a bancassurance market share of 11%^{1,10}

International Hubs



International

- Leverages the high-net-worth opportunities in Asia to offer Clients and distribution partners best-in-class products and services across all geographies



Hong Kong

- Ranked **2nd** in MPF net inflows and **3rd** based on AUM¹¹
- **13th** in insurance sales, with a market share of 2%^{1,12}



Singapore

- Well-positioned amongst the high-net-worth players in Singapore after starting operations in 2021



Business overview



Business group results & highlights



Capital management



Asset portfolio



Sustainability

Capital generation provides good capital flexibility

Capital deployment priorities:



Funding **organic growth**



Target **dividend payout** ratio of **40-50%**^{1,2}



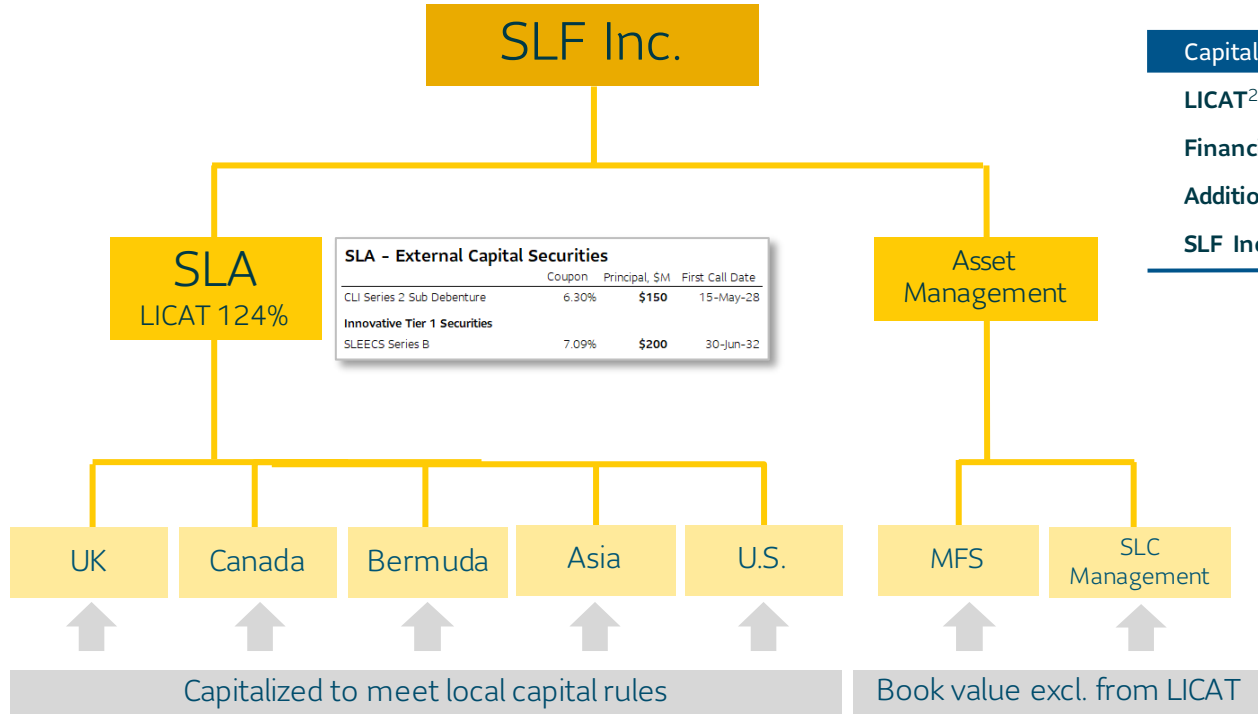
M&A opportunities and strategic investments



Share **buybacks**

Target minimum cash and other liquid assets at the holding company of **\$500 million**^{1,2,3}

Capital model provides financial flexibility



SLA - External Capital Securities			
	Coupon	Principal, \$M	First Call Date
CLI Series 2 Sub Debenture	6.30%	\$150	15-May-28
Innovative Tier 1 Securities			
SLEECS Series B	7.09%	\$200	30-Jun-32

Capital metric	SLF Inc.
LICAT ²	145%
Financial leverage ratio ^{1,3}	25.5%
Additional leverage capacity to 30% ^{1,4}	\$2.2B
SLF Inc. cash and other liquid assets ^{1,3,5}	\$4.7B

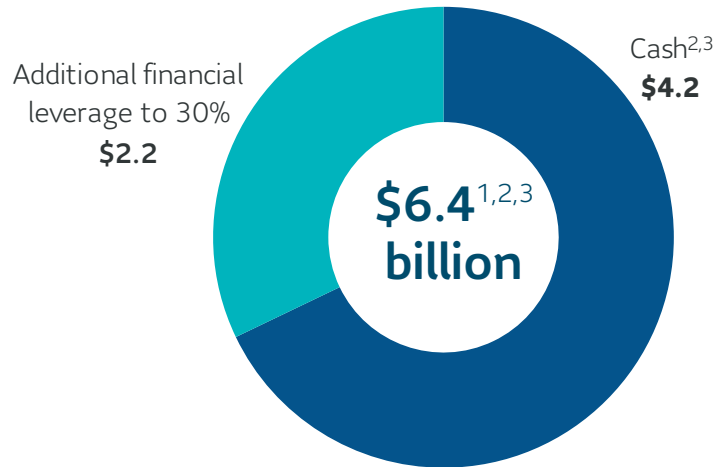
SLF Inc. - External Capital Securities			
Subordinated Debt			
	Coupon	Principal, \$M	First Call Date
SLF Series 2007-1	5.40%	\$400	29-May-37
SLF Series 2016-2	3.05%	\$1,000	19-Sep-23
SLF Series 2017-1	2.75%	\$400	23-Nov-22
SLF Series 2019-1 Sustainability Bond	2.38%	\$750	13-Aug-24
SLF Series 2020-1	2.58%	\$1,000	10-May-27
SLF Series 2020-2	2.06%	\$750	1-Oct-30
SLF Series 2021-1	2.46%	\$500	18-Nov-26
SLF Series 2021-2	2.80%	\$1,000	21-Nov-28
SLF Series 2021-3	3.15%	\$500	18-Nov-31
Preferred Shareholders' Equity & Other Equity Instruments			
SLF Series 3	4.45%	\$250	31-Mar-15
SLF Series 4	4.45%	\$300	31-Dec-15
SLF Series 5	4.50%	\$250	31-Mar-16
SLF Class A, Series 8R	1.83%	\$155	30-Jun-25
SLF Class A, Series 9QR	Floating	\$125	30-Jun-25
SLF Class A, Series 10R	2.84%	\$171	30-Sep-21
SLF Class A, Series 11QR	Floating	\$29	30-Sep-21
SLF LRCN, Series 2021-1	3.60%	\$1,000	30-Jun-26

All information as at December 31, 2021; all dollar amounts are in C\$, unless otherwise stated
¹ Represents a Non-IFRS financial measure; Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our MD&A for the period ended December 31, 2021 ("2021 Annual MD&A")
 Footnotes 2-5: Refer to slide 37

Strong capital position with significant deployment potential¹

Capital deployment potential¹

(\$ billions, at December 31, 2021)



Approximately \$3.5 billion earmarked for DentaQuest acquisition¹

Deployment opportunities

Type	Considerations
Organic investments	Making further investments in building out new business models and advancing our leading digital capabilities
Mergers & acquisitions	Actively seeking 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, when appropriate
Reinsurance transactions	Repatriating certain reinsurance arrangements with potential to increase earnings

¹ See "Forward-looking Statements" in the appendix

² Includes \$2.0 billion of proceeds from the subordinated debt offerings completed in November 2021, of which \$1.5 billion is subject to contractual terms requiring us to redeem the underlying securities, in full, if the closing of the DentaQuest acquisition does not occur; accordingly, \$1.5 billion will not qualify as LICAT capital until the acquisition closes

³ \$4.7 billion cash and other liquid assets at SLF Inc. and its wholly owned holding companies, less the target minimum cash and other liquid assets at the holding company of \$500 million

Leverage ratio and financial strength ratings

Q4 2021 capital

(\$ millions)

Subordinated debt ¹	6,425	Tier 2
Innovative capital instruments (SLEECs)	200	Tier 1
Equity		
Preferred shareholders' equity and other equity instruments	2,239	
Common shareholders' equity	24,075	
Participating policyholders' equity	1,700	
Non-controlling interests' equity	59	
Total Equity	28,073	Tier 1
Total capital¹	34,698	
<i>Financial leverage ratio</i>	<i>25.5%</i>	



Sun Life Assurance Company of Canada Financial Strength Ratings	
A.M. Best	A+
DBRS	AA
Moody's	Aa3
S&P	AA



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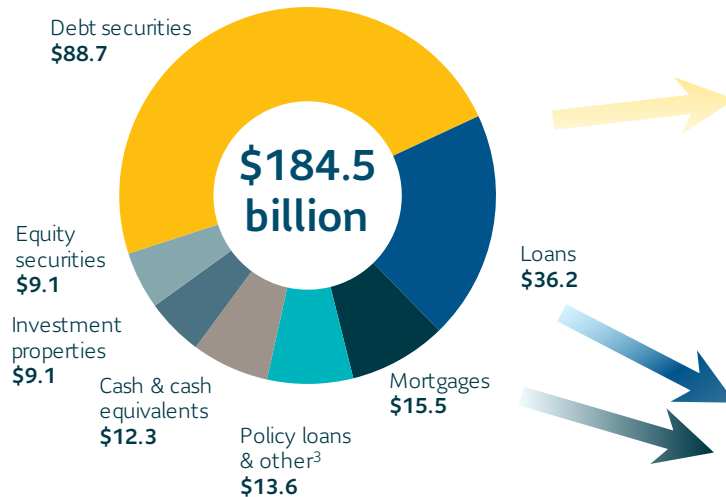


Sustainability

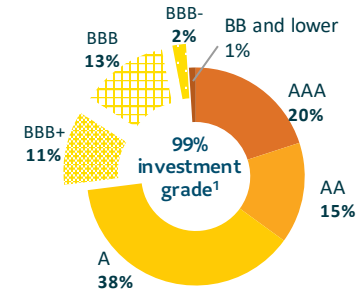
High quality, well-diversified investment portfolio

- Highly diversified with the largest non-government related exposure at 0.4% of total fixed income
- 97% of fixed income rated investment grade¹
- Only 4% of fixed income rated BBB-; skewed BBBs to private loans with collateral and covenant protection
- Commercial mortgages 27% CMHC; well protected with 58% LTV and 1.72 DSCR²
- Repositioned real estate debt and equity portfolios to increase durability of cash flows

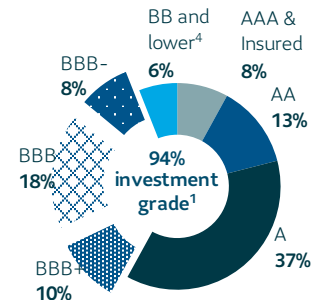
Investment profile As of December 31, 2021



Debt securities by credit rating As of December 31, 2021



Mortgages & loans by credit rating As of December 31, 2021



¹ BBB and higher

² LTV: Loan-to-Value; DSCR: Debt-service coverage ratio

³ Consists of: Other invested assets (\$8.7), Policy loans (\$3.3), Derivative assets (\$1.6)

⁴ BB and lower includes impaired mortgages and loans



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Sustainability

Our sustainability plan brings our Purpose to life

Focused on areas of expertise where we can have the most positive impact:



Financial Security

- Provide innovative financial products and services
- Empower people to take positive financial action
- Increase access to insurance and wealth products

Goals¹

- Help Clients take positive financial actions (working towards setting a target)



Healthier Lives

- Offer products and tools to help Clients and employees live healthier lives
- Invest in community health
- Improve access to and use of health and disability insurance

- Help Clients take positive health actions (working towards setting a target)²
- Address regional health issues²



Sustainable Investing

- Manage capital with sustainability embedded in our investment processes
- Offer our Clients and employees sustainable investing opportunities
- Invest our assets to encourage a low-carbon and more inclusive economy

- Rigorous incorporation of ESG considerations in all investment processes and decisions
- \$20B₄ in new sustainable investments from 2021-2025³

Goals¹

- Net-zero greenhouse gas emissions by 2050 for investments and operations; interim targets to be announced in 2022
- 50% women in Vice-President (VP)+ roles globally and 25% underrepresented ethnicities in VP+ roles in North America by 2025
- Minimum representation of at least 35-45% women directors on the Board, with an aim towards balanced gender representation by 2025



Building on our foundation as a **Trusted and Responsible Business:**

- Focus on meeting Client needs
- Build a talented and diverse workforce
- Advance diversity, equity and inclusion
- Mitigate climate change, build climate resilience and demonstrate environmental stewardship
- Safeguard data with robust security and privacy practices
- Identify, measure, manage, monitor and report risks
- Ensure strong governance and an ethical culture

¹ See "Forward-looking Statements" in the appendix

² Mental health in Canada, health-care costs in U.S., diabetes in Asia

³ Majority of funds offered through employee retirement savings plans integrate ESG factors into investments considerations.

⁴ Criteria for investments based on market standards

Strong sustainability achievements and recognition



Financial Security

- **\$951M of insurance coverage** and **\$690M of savings products** driven by Ella nudges in 2021
- **1.4M** positive financial actions taken by Clients in Canada towards financial security
- **~138,000 microinsurance policies** issued since 2018



Healthier Lives

- **\$42.7M** committed to **diabetes** globally since 2012
- **26.1M ratings** on 150K health-care providers on Lumino
- Active role and advocacy for workplace **mental health** in Canada, reaching **100+ Canadian c-suite leaders** in 2021



Sustainable Investing

- **\$60.1B** sustainable investment **AUM** (as at Dec 31, 2020)
- Sun Life's general account achieved a **5-star rating** in the **2021 GRESB Real Estate Benchmark**.
- **MFS** named **Avant Gardist firm** by Responsible Investment Brand Index (2nd year in a row)



Trusted and Responsible Business

- **Appointed a Chief Sustainability Officer** reporting directly to CEO
- **DE&I focus and progress: 35%** women in senior roles (VP+); **16%** underrepresented ethnicities in senior roles; **42%** women on our Board
- First insurance company to begin **Progressive Aboriginal Relations certification**
- Announced **goal of net-zero greenhouse gas emissions by 2050** in investments and operations



(13 years in a row)



Member of
Dow Jones Sustainability Indices
Powered by the S&P Global CSA

(16 years in a row)



(4 years in a row)



(14 years in a row)



G R E S B
(11 years in a row)



(5 years in a row)



FTSE4Good
(21 years in a row)





Appendix

Market movements and impacts in the quarter

Market Movements	Q4'21	Q3'21	Q4'20
S&P/ TSX	+5.7%	(0.5)%	+8.1%
S&P 500	+10.6%	+0.2%	+11.7%
CA 10 - year	(8) bps	+12 bps	+12 bps
CA 30 - year	(31) bps	+15 bps	+10 bps
US 10 - year	+2 bps	+2 bps	+23 bps

Earnings on Surplus (\$millions, pre-tax)	Q4'21	Q3'21	Q4'20
Investment income	116	112	129
AFS gains	(2)	36	9
Seed investment gains/(losses)	1	(4)	14
Investment properties mark-to-market	(1)	10	4
Interest on debt	(46)	(39)	(42)
Total	68	115	114

Equity Market Impacts (\$millions, post-tax)	Q4'21	Q3'21	Q4'20
Equity market movement and volatility	97	19	122
Basis risk	10	5	(14)
Total	107	24	108

Interest Impacts (\$millions, post-tax)	Q4'21	Q3'21	Q4'20
Interest rate changes	(35)	(2)	5
Credit spread movements	3	4	(63)
Swap spread movements	(4)	-	(16)
Total	(36)	2	(74)

Credit-Related Impacts (\$millions, post-tax)	Q4'21	Q3'21	Q4'20
Changes in ratings	11	6	(6)
Impairments, net of recoveries	(8)	-	(6)
Release of best estimate credit	29	29	30
Total	32	35	18

Market sensitivities

Change in Equity Markets¹

As at December 31, 2021 (\$ millions, unless otherwise noted)	25% decrease	10% decrease	10% increase	25% increase
Potential impact on net income ^{2,3}	\$(400)	\$(150)	\$150	\$350
Potential impact on OCI ³	\$(150)	\$(50)	\$50	\$150
Potential impact on LICAT ^{2,4}	0.5% point decrease	0.0% point change	0.0% point change	0.5% point increase
As at December 31, 2020 (\$ millions, unless otherwise noted)	25% decrease	10% decrease	10% increase	25% increase
Potential impact on net income ^{2,3}	\$(400)	\$(150)	\$150	\$300
Potential impact on OCI ³	\$(50)	-	-	\$50
Potential impact on LICAT ^{2,4}	0.0% point change	0.0% point change	0.0% point change	0.5% point decrease

Change in Interest Rates⁵

	As at December 31, 2021		As at December 31, 2020	
(\$ millions, unless otherwise noted)	50 basis point decrease	50 basis point increase	50 basis point decrease	50 basis point increase
Potential impact on net income ^{2,3,6}	\$(50)	\$50	\$(100)	\$100
Potential impact on OCI ³	\$250	\$(250)	\$250	\$(250)
Potential impact on LICAT ^{2,4}	1.5% point increase	0.5% point decrease	3.5% point increase	1.5% point decrease

Change in Credit Spreads^{7,8}

	As at December 31, 2021		As at December 31, 2020	
(\$ millions, unless otherwise noted)	50 basis point decrease	50 basis point increase	50 basis point decrease	50 basis point increase
Potential impact on net income ⁹	\$(75)	\$50	\$(125)	\$75
Potential impact on LICAT ⁴	0.5% point decrease	0.5% point increase	0.5% point decrease	0.5% point increase

Change in Swap Spreads⁸

	As at December 31, 2021		As at December 31, 2020	
(\$ millions, unless otherwise noted)	20 basis point decrease	20 basis point increase	20 basis point decrease	20 basis point increase
Potential impact on net income ⁹	\$25	\$(25)	\$50	\$(50)

LICAT capital framework

Total ratio
(SLF Inc.)
145%

Total ratio
(SLA)
124%



Available capital

- Similar to MCCSR
- Retained earnings / common and preferred equity continue to be the 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

Use of Non-IFRS Financial Measures

We report certain financial information using non-IFRS financial measures, as we believe that these measures 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 L - Non-IFRS Financial Measures of our MD&A for the period ended December 31, 2021 ("2021 Annual MD&A") and the Supplementary Financial Information packages that are available on www.sunlife.com under Investors – Financial results and 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 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 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 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 results 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, and net of non-controlling interest related to such share-based payment awards - this adjustment enhances the comparability of MFS's results with publicly traded asset managers in the United States;
 - (iii) acquisition, integration and restructuring costs - this adjustment enhances comparability of our results from period to period, by removing the impacts of costs, including the unwinding of the discount for certain liabilities related to acquisitions, that are not ongoing in nature and are incurred with the intent to generate benefits in future periods; and
 - (iv) other items that are unusual or exceptional in nature.

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. Underlying EPS exclude the dilutive impact of convertible instruments.

Other non-IFRS financial measures that we use include reported ROE, administrative services only ("ASO") premium and deposit equivalents, mutual fund assets and sales, managed fund assets and sales, insurance and health sales, assets under management ("AUM"), assets under administration, pre-tax net operating profit margin 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.

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 sustainable investment commitments, (iii) relating to the increase in our medium-term financial objectives for underlying return on equity, (iv) relating to our intention to acquire DentaQuest; (v) relating to our growth initiatives and other business objectives; (vi) relating to the plans we have implemented in response to the COVID-19 pandemic and related economic conditions and their impact on the Company, (vii) that are predictive in nature or that depend upon or refer to future events or conditions, and (viii) 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, and remain subject to change, particularly in light of the ongoing and developing COVID-19 pandemic and its impact on the global economy and its uncertain impact on our business.

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 impact of the COVID-19 pandemic and related economic conditions on our operations, liquidity, financial conditions or results and the matters set out in our MD&A for the period ended December 31, 2021 (“2021 Annual MD&A”) under the headings D - Profitability - 5 - Income taxes, F - Financial Strength and J - Risk Management and in SLF Inc’s 2021 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, which have been further heightened with the current COVID-19 pandemic given the uncertainty of its duration and impact. 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** - COVID-19 matters, including the severity, duration and spread of COVID-19; its impact on the global economy, and its impact on Sun Life’s business, financial condition and or results; risks associated with IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments; 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 tax matters, including estimates and judgements used in calculating taxes.

The following risk factors are related to our intention to acquire DentaQuest 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; and (4) the impact of the announcement of the transaction and the dedication of our and DentaQuest’s resources to completing the transaction. 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 document or to reflect the occurrence of unanticipated events, except as required by law.

Currency

All amounts are in Canadian dollars unless otherwise noted

From slide 6

² Source: Bloomberg

Canadian Lifecosts – Manulife Financial Corporation, Great-West Life, and Industrial Alliance

Global Lifecosts – AXASA, Prudential PLC, Allianz SE, Aviva PLC, Assicurazioni Generali SpA, AIA Group Ltd., China Life Insurance Co. Ltd, Great Eastern Holdings, and Ping An Insurance Group

U.S. Insurers – Hartford Financial Services Group, Lincoln National Corporation, MetLife Inc., Principal Financial Group, Inc., Prudential Financial, Inc., Unum Group, and Voya

Asset Managers – T. Rowe Price, Franklin Resources, AllianceBernstein, Ameriprise, and BlackRock

Canadian Banks – RBC, TD, Scotiabank, BMO, CIBC, and National Bank

³ Although considered reasonable, we may not be able to achieve our medium-term financial objectives as our assumptions may prove to be inaccurate. Accordingly, our actual results could differ materially from our medium-term financial objectives as described on the slide. Our medium-term financial objectives do not constitute guidance. Our medium-term financial objectives are forward-looking non-IFRS financial measures and additional information is provided on slide xx and in section O – Forward-looking Statements – Medium-Term Financial Objectives of our MD&A for the period ended December 31, 2021 (“2021 Annual MD&A”).

⁴ Underlying EPS growth is calculated using a compound annual growth rate; Underlying ROE and dividend payout ratio are calculated using an average

⁵ Underlying dividend payout ratio represents the ratio of common shareholders’ dividends to Underlying net income; see section I – Capital and Liquidity Management – 3 – Shareholder Dividends in our MD&A for the period ended December 31, 2021 (“2021 Annual MD&A”) for further information regarding dividends

From slide 11

² In the fourth quarter of 2021, 97%, 96%, and 80% of MFS’s U.S. retail mutual fund assets ranked in the top half of their Morningstar categories based on ten-, five- and three-year performance, respectively.

³ According to ISS Market Intelligence Simfund, based on AUM.

⁴ Named by “Pensions & Investments”, a global news source of money management

⁵ Excludes assets managed on behalf of the Insurance businesses for the General Fund. Effective January 1, 2021, the methodology for AUM was updated for SLC Management with respect to certain real estate and investment-grade fixed income products to include uncalled capital commitments. For more details, see the Non-IFRS Financial Measures section in our MD&A for the period ended December 31, 2021 (“2021 Annual MD&A”).

From slide 16

² \$35 million of interest on seed capital transferred from the participating account to the shareholder account

³ Ranking compiled by Sun Life based on data contained in the 2020 Accident and Health Policy Experience Report from the National Association of Insurance Commissioners (“NAIC”); an independent stop-loss carrier is defined as a stop-loss carrier that does not sell medical claim administration services

⁴ Based on annual 2020 NAIC Accident and Health Policy Experience Report and DRMS market expertise

⁵ Based on LIMRA 2020 Annual U.S. Sales & In-Force Reports for group term life, group short-term disability and long-term disability insurance

From slide 19

² Insurance Commission of the Philippines, based on Q2 2021 year-to-date total premium income for Sun Life of Canada (Philippines)

³ Philippine Investment Funds Association, based on September 2021 ending assets under management

⁴ Indonesia Life Insurance Association, based on Q3 2021 year-to-date first year premiums

⁵ China Insurance Regulatory Commission, based on gross premiums for Q3 2021 year-to-date (excluding universal life insurance deposits and pension companies)

⁶ November 30, 2021 year-to-date annualized first year premiums, based on data shared among industry players

⁷ December 31, 2020 year-to-date annualized first year premiums, based on data shared among Vietnam industry players

⁸ Insurance Regulatory Authority of India, based on Q3 2021 year-to-date first year premiums among private players

⁹ Association of Mutual Funds in India, based on average assets under management for the quarter ended at December 31, 2021

¹⁰ Life Insurance Association of Malaysia and Insurance Services Malaysia Berhad, based on Q3 2021 year-to-date annualized first year premium for conventional and takaful business

¹¹ Mercer MPF Market Shares Report, September 2021

¹² Insurance Authority of Hong Kong Provisional Statistics on Hong Kong Long Term Insurance Business, based on Q3 2021 year-to-date annualized first year premiums

Sun Life Investor Relations

Yaniv Bitton

Vice-President, Head of Investor Relations
& Capital Markets

416-979-6496

yaniv.bitton@sunlife.com

