

Q3'20

Results fact sheet



OUR AMBITION IS TO BE **ONE OF THE BEST** INSURANCE AND ASSET MANAGEMENT COMPANIES GLOBALLY

A growth strategy focused on **high ROE** and **strong capital generation** through **leading positions** in **attractive markets** globally

40,600
EMPLOYEES⁽²⁾

125,900
ADVISORS⁽²⁾

OFFICES IN 26 COUNTRIES⁽²⁾

\$17.4B
Gross claims & benefits paid in 2019

\$1,186B
Assets under management (AUM)^(3,4)

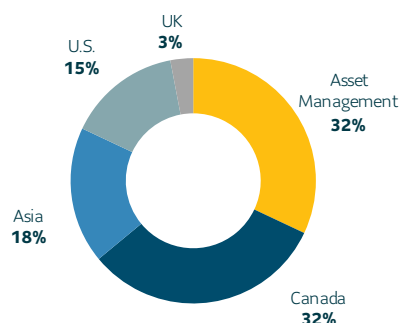
9%
(per annum)
Shareholder Return over the past 5 years⁽⁴⁾

Q3'20 highlights

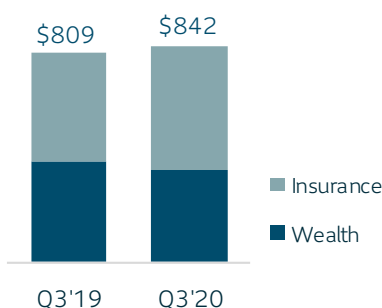
FINANCIAL RESULTS ⁽³⁾	Q3'20	Q3'19	CHANGE
REPORTED NET INCOME	\$750M	\$681M	▲ 10%
UNDERLYING NET INCOME	\$842M	\$809M	▲ 4%
UNDERLYING EPS	\$1.44	\$1.37	▲ 5%
REPORTED ROE	13.5%	13.0%	▲ 50BPS
UNDERLYING ROE	15.1%	15.5%	▼ 40BPS
INSURANCE SALES	\$681M	\$685M	▼ 1%
WEALTH SALES	\$52.7B	\$41.2B	▲ 28%
VALUE OF NEW BUSINESS	\$261M	\$252M	▲ 4%
AUM	\$1,186B	\$1,063B	▲ 12%

A balanced & diversified business model

Q3'20 UNDERLYING NET INCOME BY BUSINESS GROUP⁽³⁾



UNDERLYING NET INCOME BY BUSINESS TYPE^(3,6) (C\$ MILLIONS)



MEDIUM-TERM OBJECTIVES⁽¹⁾

AVERAGE UNDERLYING EPS GROWTH: 8-10% PER ANNUM

UNDERLYING ROE: 12-14%

TARGET DIVIDEND PAYOUT RATIO: 40-50%

Figures as at September 30, 2020 and in C\$, unless otherwise stated

TICKER (TSX & NYSE)	SLF
TSX SHARE PRICE	\$54.26
NYSE SHARE PRICE (USD)	\$40.73
MARKET CAPITALIZATION	\$31.7B
COMMON SHARES OUTSTANDING	584.8M
BOOK VALUE PER SHARE	\$38.17
DIVIDEND PER SHARE	\$0.550
DIVIDEND YIELD	4.1%
2019 TOTAL DIVIDENDS PAID	\$1.24B
LICAT RATIO (Sun Life Financial Inc)	144%

FINANCIAL STRENGTH RATINGS⁽⁵⁾

S&P	AA
MOODY'S	AA3
AM. BEST	A+
DBRS	AA

Capital strength

144%
LICAT ratio for Sun Life Financial

\$2.4B
Cash at the holding company⁽⁷⁾

21.5%
Financial leverage ratio⁽³⁾ (25% target)

Our growth strategy and highlights from Q3'20

CAN

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

- In our Defined Benefit Solutions, our pension risk transfer business, we completed a \$1.1 billion payout annuity sale; the largest single day annuity transaction by an insurer in Canada, reinforcing our position as a leader in this market
- In our Defined Contribution business, we continue to be the leading provider of defined contribution capital accumulation plans, and this quarter assumed responsibility for the administration of one of the largest plans in the education industry with \$1.7 billion of assets
- 91% of all retail insurance applications were processed digitally in the quarter enabling advisors to focus on what matters most, advising our Clients

US

A LEADER IN U.S. GROUP BENEFITS

- Added three stop-loss offerings for self-funded employers that provide protection from the risks of COVID-19
- Entered into a 10-year renewal and expansion of our market-leading partnership with The MGIS Companies to provide customized life and disability products for the unique needs of healthcare professionals
- Partnered with key human resources and benefits administration providers to connect directly to their digital platforms, simplifying benefits for Clients by removing manual processes and providing real-time insurance decisions

ASIA

A LEADER IN ASIA THROUGH DISTRIBUTION EXCELLENCE IN HIGHER GROWTH MARKETS

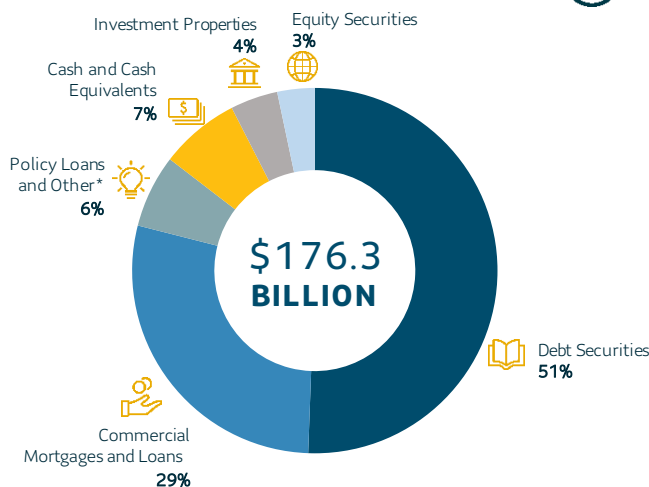
- Rolled out Remote Online Medical Exam ("ROME") in the Philippines, where accredited health professionals perform online medical examinations for prospective Sun Life Clients, a first in the local market
- One of the first insurers to introduce non-face-to-face sales in Vietnam with the launch of our new digital solution, SunFast, which supports advisors in approaching, consulting and completing the insurance application for Clients without requiring in-person meetings
- Virtual sales experiences are now in operation across nearly all markets, enabling advisors and Clients to transact safely and securely

AM

A LEADER IN GLOBAL ASSET MANAGEMENT

- On October 21, 2020, announced intention to acquire majority stake in Crescent Capital Group, adding below investment grade public and private credit to SLC Management's portfolio
- Net inflows of US\$4.5B, with positive U.S. retail flows for the 7th consecutive quarter
- 86%, 89% and 84% of MFS's U.S. retail fund assets ranked in the top half of their Lipper categories based on ten-, five-, and three-year performance, respectively
- Pre-tax net operating profit margin ratio⁽³⁾ for MFS of 40%

General account invested assets



99% of our debt securities are investment grade or higher

Achievements & recognition

- Global 100 Most Sustainable Corporations
- Best Places to Work for LGBTQ Equality
- MEMBER OF Dow Jones Sustainability Indices
In Collaboration with RobecoSAM
- Dow Jones Sustainability Index
- Bloomberg Gender-Equality Index
- Canada's Top Employers for Young People
- FTSE4Good
- Environmental Finance Bond Awards 2020 Winner
Sustainability bond of the year – corporate

Events calendar

February 10, 2021 4th Quarter 2020 Financial Results
March 18, 2021 SLC Management Investor Day

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

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⁽¹⁾ The objectives are based on underlying net income measures. The objectives are forward-looking non-IFRS financial measures and are not earnings guidance. Additional information is provided in our Q3 2020 interim MD&A and the Q4 2019 MD&A under the heading "Forward-looking Statements". ⁽²⁾ As at December 31, 2019. Includes Asia joint ventures. ⁽³⁾ Management uses certain non-IFRS measures such as underlying net income (loss), underlying EPS, underlying ROE, assets under management, sales, value of new business, financial leverage ratio and pre-tax net operating profit margin for MFS. These measures should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. ⁽⁴⁾ As at September 30, 2020. ⁽⁵⁾ Ratings are for Sun Life Assurance Company of Canada. ⁽⁶⁾ Wealth underlying net income includes results of Individual Wealth and Group Retirement Services in Canada, Asset Management, and the Company's wealth businesses in Asia. ⁽⁷⁾ Cash at the holding company includes cash and other liquid assets at Sun Life Financial Inc. and its wholly-owned holding companies.

Additional information concerning non-IFRS financial measures and reconciliations to the closest IFRS measures are available in the Q3 2020 MD&A under the heading M - Non-IFRS Financial Measures, our 2019 annual MD&A and the Supplementary Financial Information packages that are available on www.sunlife.com under Investors – Financial results and reports. All data is in C\$, unless otherwise noted.