

Q4'20

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**

42,100
EMPLOYEES⁽¹⁾

140,900
ADVISORS⁽¹⁾

OFFICES IN 27 MARKETS⁽¹⁾

\$18.3B

Gross claims & benefits paid in 2020

\$1.25T

Assets under management (AUM)^(2,3)

9.6%

(per annum) Shareholder Return over the past 5 years⁽²⁾

Q4'20 and 2020 highlights

FINANCIAL RESULTS ⁽³⁾	Q4'20	CHANGE FROM 2019	FY 2020	CHANGE FROM 2019
REPORTED NET INCOME	\$744M	▲ 3%	\$2,404M	▼ 8%
UNDERLYING NET INCOME	\$862M	▲ 9%	\$3,213M	▲ 5%
UNDERLYING EPS	\$1.47	▲ 10%	\$5.49	▲ 6%
REPORTED ROE	13.3%	▼ 30 BPS	10.8%	▼ 150 BPS
UNDERLYING ROE	15.4%	▲ 40 BPS	14.4%	▲ 10 BPS
INSURANCE SALES	\$1,425M	▲ 2%	\$3,501M	▼ 1%
WEALTH SALES	\$51.6B	▲ 15%	\$220.9B	▲ 39%
VALUE OF NEW BUSINESS	\$293M	▼ 13%	\$1,140M	▼ 5%
AUM	\$1.25T	▲ 13%	\$1.25T	▲ 13%

MEDIUM-TERM OBJECTIVES⁽⁴⁾

UNDERLYING EPS GROWTH: 8-10% PER ANNUM

UNDERLYING ROE: 12-14%

DIVIDEND PAYOUT RATIO: 40-50%

5-YEAR RESULTS⁽⁵⁾

8%

13.5%

41%

Figures as at December 31, 2020 and in C\$, unless otherwise stated

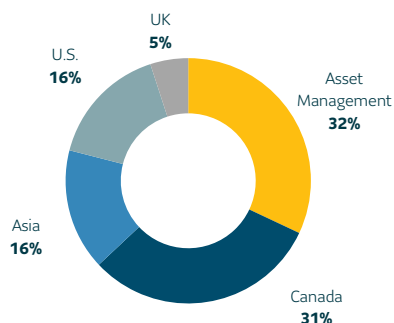
TICKER (TSX & NYSE)	SLF
TSX SHARE PRICE	\$56.60
NYSE SHARE PRICE (USD)	\$44.46
MARKET CAPITALIZATION	\$33.1B
COMMON SHARES OUTSTANDING	585.1M
BOOK VALUE PER SHARE	\$37.96
DIVIDEND PER SHARE	\$0.55
DIVIDEND YIELD	3.9%
2020 TOTAL DIVIDENDS PAID	\$1.28B
LICAT RATIO (Sun Life Financial Inc.)	147%

FINANCIAL STRENGTH RATINGS⁽⁶⁾

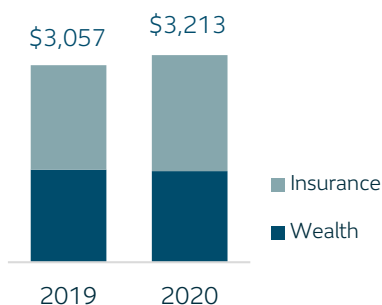
S&P	AA
MOODY'S	AA3
A.M. BEST	A+
DBRS	AA

A balanced & diversified business model

2020 UNDERLYING NET INCOME BY BUSINESS GROUP⁽³⁾



UNDERLYING NET INCOME BY BUSINESS TYPE^(3,7) (C\$ MILLIONS)



Capital strength

147%
LICAT ratio for Sun Life Financial

\$3.1B
Cash at the holding company⁽⁸⁾

23.5%
Financial leverage ratio⁽³⁾ (25% target)

Our growth strategy and highlights from Q4'20 and FY 2020

CAN

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

- Proactively connected with Clients over 15 million times in 2020 via our digital coach, Ella, assisting them with an additional \$700 million in wealth deposits and \$1 billion in insurance coverage
- Digitally processed 94% of Group Benefits health and dental claims, 90% of retail insurance applications and 79% of retail wealth transactions throughout the year
- Applied artificial intelligence and predictive modelling to accelerate and improve the individual insurance underwriting process, with 71% of policies underwritten without the need for laboratory tests, an increase of 26% over prior year
- Sun Life Global Investments (SLGI) AUM⁽³⁾ of \$33 billion, 13% growth over prior year

ASIA

A LEADER IN ASIA THROUGH DISTRIBUTION EXCELLENCE IN HIGHER GROWTH MARKETS

- Our new TPBank bancassurance partnership in Vietnam nearly doubled our sales in the country in its first year; entered into a second bancassurance partnership with Asia Commercial Joint Stock Bank ("ACB") with sales starting in 2021
- Launched non-face-to-face sales capabilities in Malaysia; we now offer virtual sales experiences in each of our markets
- Client mobile applications and SunSmart, our digital end-to-end point-of-sales tool, are now available in all Local Markets and Hong Kong
- Asia individual life insurance sales^(3,9) increased 10% over prior year
- Sales⁽²⁾ in International Hubs doubled over 2019

US

A LEADER IN U.S. GROUP BENEFITS

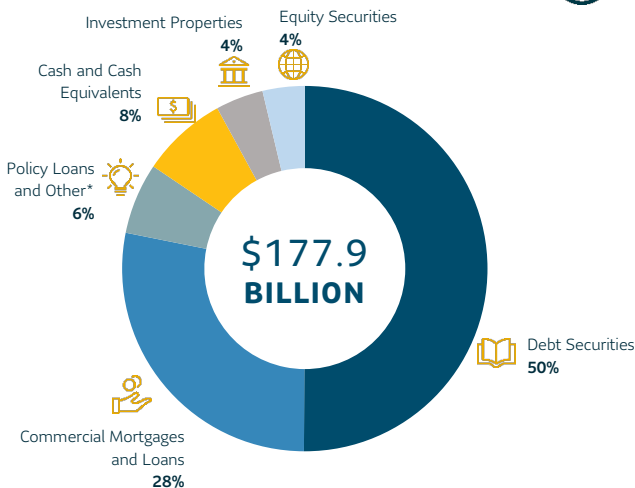
- After-tax profit margin for U.S. Group Benefits of 8.0%^(3,10)
- Managed 100% of Client enrollments virtually throughout the pandemic, contributing to a 13% overall increase in employee benefits sales for the year
- More than tripled the active employees on the Sun Life + Maxwell Health platform compared to year-end 2019
- Launched our new, fully integrated absence management solution, which simplifies the complexity of paid and unpaid leaves from work
- Provided Clients extra time to make premium payments, provided dental premium credits, temporarily waived Maxwell Health platform fees, added COVID-19 coverage to our critical illness policies, and extended timelines to help temporarily laid-off or furloughed members keep their benefits coverage

AM

A LEADER IN GLOBAL ASSET MANAGEMENT

- Completed the acquisition of a majority stake in InfraRed; on January 5, 2021, completed the acquisition of a majority stake in Crescent, adding \$39 billion of AUM⁽³⁾
- SLC Management tripled underlying net income⁽³⁾ from 2019 to \$94 million
- At MFS, net inflows of US\$1.5 billion, with positive U.S. retail flows for the 8th consecutive quarter; full year net inflows of US\$13.1 billion
- 97%, 95% and 94% 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 ratio⁽³⁾ for MFS of 41%

General account invested assets



Invested assets as at December 31, 2020

*Consists of: Other invested assets (3%), Policy loans (2%), Derivative assets (1%).

98% of our debt securities are investment grade or higher

Achievements & recognition



Global 100 Most Sustainable Corporations



Best Places to Work for LGBTQ Equality



Dow Jones Sustainability Index



Global Real Estate Sustainability Benchmark



Bloomberg Gender-Equity Index



Canada's Top Employers for Young People



Sustainability bond of the year – corporate



FTSE4Good

Events calendar

February 24-26	RBC Capital Markets Global ESG Conference
March 3	BMO Wealth Management Forum
March 18	SLC Management Investor Day
March 25	National Bank Annual Financial Services Conference
May 5	Q1 2021 Results and Annual General Meeting

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

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⁽¹⁾ As at December 31, 2020. Includes Asia joint ventures. ⁽²⁾ As at December 31, 2020. ⁽³⁾ Management uses certain non-IFRS measures such as underlying net income (loss), underlying EPS, underlying ROE, assets under management (AUM), sales, value of new business, financial leverage ratio, pre-tax net operating profit margin for MFS and after-tax profit margin for U.S. Group Benefits. These measures should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. ⁽⁴⁾ 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 2020 annual MD&A under the heading "Risk Management". ⁽⁵⁾ At December 31, 2020. Underlying EPS growth is calculated using a compound annual growth rate. Underlying ROE and dividend payout ratio are calculated using an average. ⁽⁶⁾ Ratings are for Sun Life Assurance Company of Canada. ⁽⁷⁾ 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. ⁽⁸⁾ Cash at the holding company includes cash and other liquid assets at Sun Life Financial Inc. and its wholly-owned holding companies. ⁽⁹⁾ Sales from joint ventures are based on our proportionate equity interest. ⁽¹⁰⁾ After-tax profit margin for U.S. Group Benefits calculated on underlying net income as a percentage of net premiums on a trailing four quarters basis.