

Q4'21

Results fact sheet



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

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

50,000
EMPLOYEES¹

118,400
ADVISORS¹

OFFICES IN 27 MARKETS¹

\$18.7B

Gross claims & benefits paid in 2021

\$1.44T

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

10.5%

(per annum)
Total Shareholder Return over the past 5 years²

Q4'21 highlights

FINANCIAL RESULTS	Q4'21	CHANGE FROM Q4'20	FY 2021	CHANGE FROM 2020
REPORTED NET INCOME	\$1,078M	▲ 45%	\$3,934M	▲ 64%
UNDERLYING NET INCOME ³	\$898M	▲ 4%	\$3,533M	▲ 10%
REPORTED EPS	\$1.83	▲ 44%	\$6.69	▲ 63%
UNDERLYING EPS ³	\$1.53	▲ 4%	\$6.03	▲ 10%
REPORTED ROE ³	18.0%	▲ 470 BPS	17.1%	▲ 630 BPS
UNDERLYING ROE ³	15.0%	▼ (40) BPS	15.4%	▲ 100 BPS
INSURANCE SALES ³	\$1,606M	▲ 13%	\$3,674M	▲ 5%
WEALTH SALES ³	\$56.7B	▲ 10%	\$228.4B	▲ 3%
VALUE OF NEW BUSINESS ³	\$494M	▲ 16%	\$1,346M	▲ 17%
AUM ³	\$1,445B	▲ 15%	\$1,445B	▲ 15%

MEDIUM-TERM OBJECTIVES ^{1,4}	5-YEAR RESULTS ⁵
UNDERLYING EPS GROWTH: 8-10% PER ANNUM	10%
UNDERLYING ROE: 16%+	14.2%
UNDERLYING DIVIDEND PAYOUT RATIO: 40-50%	40%

Figures as at December 31, 2021 and in C\$, unless otherwise stated

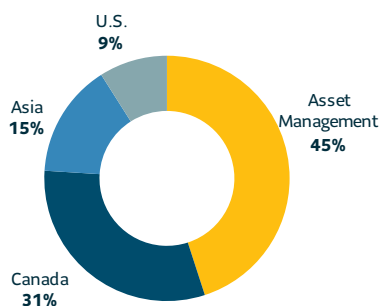
TICKER (TSX & NYSE)	SLF
TSX SHARE PRICE	\$70.41
NYSE SHARE PRICE (USD)	\$55.69
MARKET CAPITALIZATION	\$41.3B
COMMON SHARES OUTSTANDING	586.0M
BOOK VALUE PER SHARE	\$41.08
DIVIDEND PER SHARE	\$0.66
DIVIDEND YIELD	3.8%
2021 TOTAL DIVIDENDS PAID	\$1.4B
LICAT RATIO ⁶ (Sun Life Financial Inc.)	145%

FINANCIAL STRENGTH RATINGS⁷

AM. BEST	A+
DBRS	AA
MOODY'S	Aa3
S&P	AA

A balanced & diversified business model

Q4'21 UNDERLYING NET INCOME BY BUSINESS PILLAR



Graphic excludes Corporate underlying net income of \$48M

Capital strength

145%
LICAT ratio for SLF Inc.⁶

\$4.7B
SLF Inc. cash and other liquid assets^{3,8,9}

25.5%
Financial leverage ratio³
(25% target)

Our growth strategy and highlights

AM

A GLOBAL LEADER IN BOTH PUBLIC AND ALTERNATIVE ASSET CLASSES THROUGH MFS AND SLC MANAGEMENT

- MFS delivered strong fund performance¹⁰ for Clients throughout the year, maintained a top 10 position in the U.S. mutual fund industry¹¹
- 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 ratio³ for MFS of 43%, and 12th consecutive quarter with positive U.S. retail flows
- Q4 SLC Management net inflows³ of \$9.7 billion; \$32.5 billion net inflows in 2021
- SLC Management named 2021 Best Places to Work in Money Management¹²; 2nd year in a row

CAN

A LEADER IN INSURANCE AND ASSET MANAGEMENT

- 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 Dialogue 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

US

A LEADER IN HEALTH AND BENEFITS

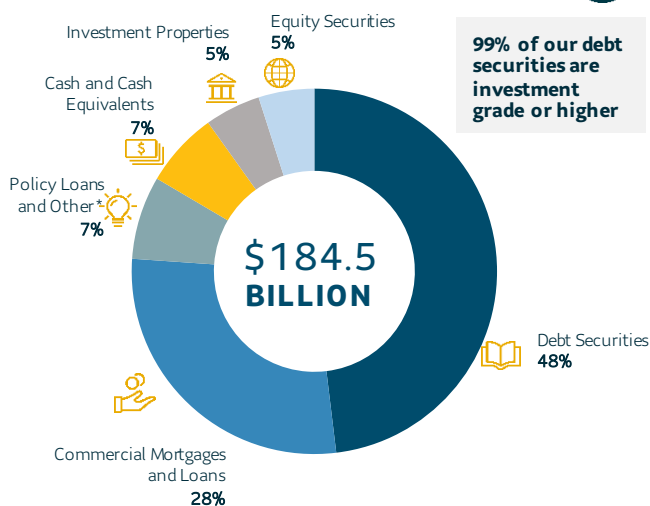
- Enhanced digital capabilities are making it easier for Clients to get the coverage they need, and helping drive record Group Benefits sales of US\$1.2 billion in the year
- Launched *Sun Life Onboard*, a stream-lined digital process that reduces the administrative time for new Clients, getting them 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

ASIA

A REGIONAL LEADER FOCUSED ON FAST-GROWING MARKETS

- Surfaced shareholder value through the IPO of our India asset management joint venture, which generated a \$362 million (post-tax \$297 million) gain through a 12.5% offering of our ownership interest
- Vietnam bancassurance distribution more than tripled sales compared to prior year; ranked 4th in bancassurance sales¹³
- 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 digitally¹⁴, up 48 percentage points (pp) from 2020
- Digital claims submissions¹⁴ in 2021 increased 7pp over prior year; with Vietnam up 22 pp

General account invested assets



Invested assets as at December 31, 2021

*Consists of: Other invested assets (4%), Policy loans (2%), Derivative assets (1%).

Achievements & recognition



(13 years in a row)



(16 years in a row)



(11 years in a row)



(5 years in a row)



(4 years in a row)



(21 years in a row)



(14 years in a row)



Events calendar

February 24	RBC Capital Markets Global ESG Conference
March 9	RBC Capital Markets Financial Institutions Conference
March 23	National Bank Annual Financial Services Conference
May 12	Q1 2022 Financial Results and Annual General Meeting

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

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¹ As at December 31, 2021. Includes Asia joint ventures. ² As at December 31, 2021. ³ Represents a non-IFRS financial measure. These measures should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. ⁴ 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 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"). ⁵ Underlying EPS growth is calculated using a compound annual growth rate; underlying ROE and dividend payout ratio are calculated using an average. ⁶ Our LICAT ratios are calculated in accordance with OSFI-mandated guideline, Life Insurance Capital Adequacy Test. ⁷ Ratings are for Sun Life Assurance Company of Canada. ⁸ Cash and other liquid assets at SLF Inc. and its wholly owned holding companies. ⁹ SLF Inc. cash and other liquid assets 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 dosing of the DentaQuest acquisition does not occur. Accordingly, \$1.5 billion will not qualify as LICAT capital until the acquisition closes. ¹⁰ 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. ¹¹ According to ISS Market Intelligence Simfund, based on AUM. ¹² Named by "Pensions & Investments", an international money management publication. ¹³ November 30, 2021 year-to-date annualized first year premiums, based on data shared among industry players. ¹⁴ Includes Hong Kong insurance, Indonesia, Malaysia, Philippines, and Vietnam.

Additional information concerning 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. All data is in C\$, unless otherwise noted.