

# Q1'22

## 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** EMPLOYEES<sup>1</sup>    **40M** CLIENTS<sup>1</sup>    **118,400** ADVISORS<sup>1</sup>

OFFICES IN 27 MARKETS<sup>1</sup>

**\$18.7B**

Gross claims & benefits paid in 2021

**\$1.35T**

Assets under management (AUM)<sup>2,3</sup>

**11.7%**

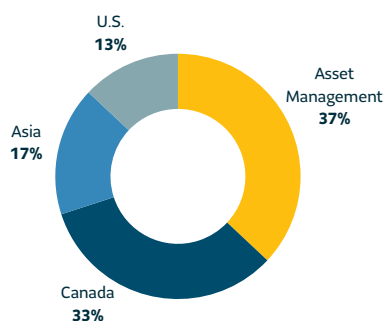
(per annum) Total Shareholder Return over the past 5 years<sup>2</sup>

### Q1'22 highlights

FINANCIAL RESULTS	Q1'22	Q1'21	CHANGE FROM Q1'21
REPORTED NET INCOME	\$858M	\$937M	▼ (8)%
UNDERLYING NET INCOME <sup>3</sup>	\$843M	\$850M	▼ (1)%
REPORTED EPS	\$1.46	\$1.59	▼ (8)%
UNDERLYING EPS <sup>3</sup>	\$1.44	\$1.45	▼ (1)%
REPORTED ROE <sup>3</sup>	14.3%	16.9%	▼ (260) BPS
UNDERLYING ROE <sup>3</sup>	14.0%	15.3%	▼ (130) BPS
INSURANCE SALES <sup>3</sup>	\$799M	\$730M	▲ 9%
WEALTH SALES & ASSET MANAGEMENT GROSS FLOWS <sup>3</sup>	\$57.9B	\$66.0B	▼ (12)%
VALUE OF NEW BUSINESS <sup>3</sup>	\$258M	\$278M	▼ (7)%
AUM <sup>3</sup>	\$1,352B	\$1,304B	▲ 4%

### A balanced & diversified business model

#### Q1'22 UNDERLYING NET INCOME BY BUSINESS GROUP



WEALTH & ASSET MANAGEMENT

GROUP & SHORTER DURATION INSURANCE

TRADITIONAL INSURANCE

Graphic excludes Corporate underlying net income of \$(51)M

#### MEDIUM-TERM OBJECTIVES<sup>4</sup>

MEDIUM-TERM OBJECTIVES <sup>4</sup>	5-YEAR RESULTS <sup>5</sup>
UNDERLYING EPS GROWTH <sup>3</sup> : 8-10% PER ANNUM	10%
UNDERLYING ROE <sup>3</sup> : 16%+	14.2%
UNDERLYING DIVIDEND PAYOUT RATIO <sup>3</sup> : 40-50%	40%

#### AT MARCH 31, 2022 and in C\$, unless otherwise stated

TICKER (TSX & NYSE)	SLF
TSX SHARE PRICE	\$69.80
NYSE SHARE PRICE (USD)	\$55.83
MARKET CAPITALIZATION	\$40.9B
COMMON SHARES OUTSTANDING	586.0M
BOOK VALUE PER SHARE	\$40.37
DIVIDEND PER SHARE	\$0.66
DIVIDEND YIELD	3.8%
2021 TOTAL DIVIDENDS PAID	\$1.4B
LICAT RATIO <sup>6</sup> (Sun Life Financial Inc.)	143%

#### FINANCIAL STRENGTH RATINGS<sup>7</sup>

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

### Capital strength

**143%**

LICAT ratio for SLF Inc.<sup>6</sup>

**\$4.7B**

SLF Inc. cash and other liquid assets<sup>3,4,8,9</sup>

**25.9%**

Financial leverage ratio<sup>3</sup>  
(25% target)

# Our growth strategy and highlights

AM

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

- MFS ranked 10th and 5th for 5- and 10-year periods, respectively, for performance across its U.S. fund line up, according to the Barron's 2021 Fund Family rankings
- Q1 pre-tax net operating profit margin ratio<sup>3</sup> for MFS of 39%
- Q1 SLC Management net flows<sup>3</sup> of \$4.9 billion
- Crescent Capital Group LP ("Crescent") closed its third U.S. Direct Lending Fund, raising approximately US\$6 billion, more than double the size of the predecessor fund
- SLC Management and its affiliates, BGO and Crescent, have become founding signatories to the CFA Institute's recently launched Diversity, Equity, and Inclusion in the U.S. and Canada

CAN

## A LEADER IN INSURANCE AND ASSET MANAGEMENT

- Launched Prospr by Sun Life, a hybrid advice solution combining a best-in-class digital platform with a team of licensed advisors, to meet Canadians' personalized and holistic financial planning needs
- Our digital coach, Ella, supported over \$410 million in wealth deposits and \$750 million in insurance coverage this quarter, an increase of 38% and 64% respectively over prior year
- Announced expansion of our partnership with Dialogue Technologies to offer Employee Assistance Program and internet-based Cognitive Behavioural Therapy to Sun Life Health Clients
- Advanced our accelerated underwriting capabilities by implementing an enhanced underwriting rules engine, enabling 62% of Individual Insurance's life policies to be processed without lab testing

US

## A LEADER IN HEALTH AND BENEFITS

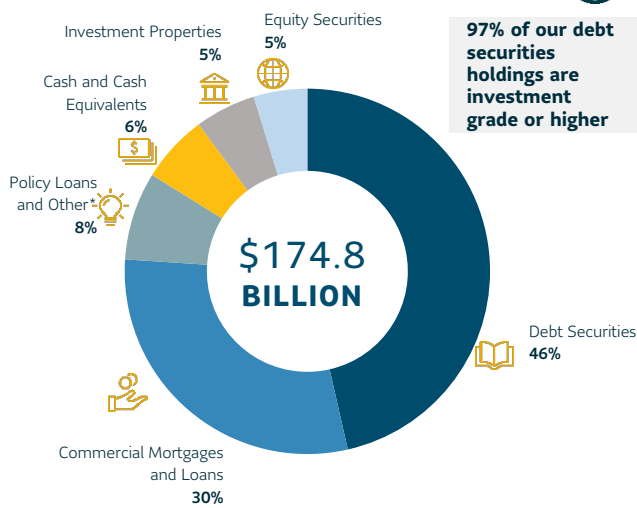
- Sequential improvement in results compared to Q4'21, reflecting lower working-age population COVID-related mortality and favourable medical stop-loss results
- Launched Benefits Explorer, an interactive platform designed to provide employees with personalized, live educational content and customized tools to help them make well-informed benefits decisions
- Partnered with Teledentistry.com, which offers members 24/7 virtual access to dental providers, making it easier to get dental care and advice in emergencies while traveling or during evenings and weekends
- Sun Life U.S. was named a 2022 Top Workplaces USA employer by Enengage for the second consecutive year, moving up into the top 50 this year among companies with 2,500+ employees

ASIA

## A REGIONAL LEADER FOCUSED ON FAST-GROWING MARKETS

- Earnings and sales in the last twelve months have shown resilience despite pronounced COVID impacts across our markets
- Expanded bancassurance partnership with CIMB Niaga, Indonesia's second largest privately-owned bank<sup>10</sup> starting in 2025 through 2039. This transformational deal will drive improved market positioning and growth
- Our bancassurance partner, Asia Commercial Joint Stock Bank, a leader in the Vietnam bancassurance market, drove 99% of new business submitted digitally
- 80% of new business applications in Q1 2022 were submitted digitally<sup>11</sup>, up 20 percentage points (pp) from Q1 2021
- Digital claims submissions<sup>11</sup> in Q1 2022 increased 9 pp over prior year

## General account invested assets



Invested assets as at March 31, 2022  
\*Consists of: Other invested assets (5%), 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

May 31	IFRS 17 Investor Education Session
August 3	Q2 2022 Financial Results
November 2	Q3 2022 Financial Results

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

## Investor Relations contact

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<sup>1</sup> As of December 31, 2021. Rounded to the nearest hundred. Represents full-time equivalent employees, temporary employees and employees in Asia joint ventures. <sup>2</sup> As of March 31, 2022. <sup>3</sup> 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. <sup>4</sup> 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 N - Forward-looking Statements - Medium-Term Financial Objectives of our MD&A for the period ended March 31, 2022 ("Q1 2022 MD&A"). <sup>5</sup> As of December 31, 2021. Underlying EPS growth is calculated using a compound annual growth rate; underlying ROE and dividend payout ratio are calculated using an average. <sup>6</sup> Our LICAT ratios are calculated in accordance with OSFI-mandated guideline, Life Insurance Capital Adequacy Test. <sup>7</sup> Ratings are for Sun Life Assurance Company of Canada. <sup>8</sup> Cash and other liquid assets at SLF Inc. and its wholly owned holding companies. <sup>9</sup> 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 closing of the DentaQuest acquisition does not occur. Accordingly, \$1.5 billion will not qualify as LICAT capital until the acquisition closes. <sup>10</sup> Based on total assets, as at December 31, 2021. <sup>11</sup> Includes Hong Kong insurance, Indonesia, Malaysia, Philippines, and Vietnam.