

Q2'21

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
EMPLOYEES¹

140,900
ADVISORS¹

OFFICES IN 27 MARKETS¹

\$18.3B

Gross claims & benefits paid in 2020

\$1.36T

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

12.7%

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

Q2'21 highlights

| FINANCIAL RESULTS ³ | Q2'21 | Q2'20 | CHANGE |
|--------------------------------|----------|----------|-----------|
| REPORTED NET INCOME | \$900M | \$519M | ▲ 73% |
| UNDERLYING NET INCOME | \$883M | \$739M | ▲ 19% |
| REPORTED EPS | \$1.53 | \$0.88 | ▲ 74% |
| UNDERLYING EPS | \$1.50 | \$1.26 | ▲ 19% |
| REPORTED ROE | 16.3% | 9.4% | ▲ 690 BPS |
| UNDERLYING ROE | 16.0% | 13.4% | ▲ 260 BPS |
| INSURANCE SALES | \$710M | \$619M | ▲ 15% |
| WEALTH SALES | \$55.0B | \$56.6B | ▼ (3)% |
| VALUE OF NEW BUSINESS | \$284M | \$206M | ▲ 38% |
| AUM | \$1,361B | \$1,131B | ▲ 20% |

MEDIUM-TERM OBJECTIVES⁴

UNDERLYING EPS GROWTH: 8-10%

UNDERLYING ROE: 12-14%

DIVIDEND PAYOUT RATIO: 40-50%

Figures as at June 30, 2021 and in C\$, unless otherwise stated

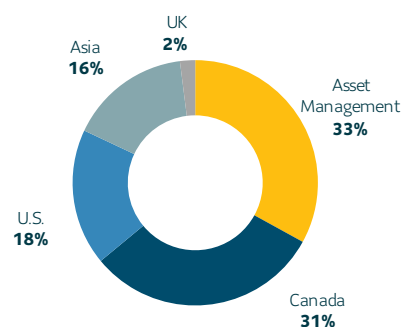
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|---------------------------------------|---------|
| TICKER (TSX & NYSE) | SLF |
| TSX SHARE PRICE | \$63.92 |
| NYSE SHARE PRICE (USD) | \$51.54 |
| MARKET CAPITALIZATION | \$37.4B |
| COMMON SHARES OUTSTANDING | 585.6M |
| BOOK VALUE PER SHARE | \$38.37 |
| DIVIDEND PER SHARE | \$0.55 |
| DIVIDEND YIELD | 3.4% |
| 2020 TOTAL DIVIDENDS PAID | \$1.28B |
| LICAT RATIO (Sun Life Financial Inc.) | 147% |

FINANCIAL STRENGTH RATINGS⁵

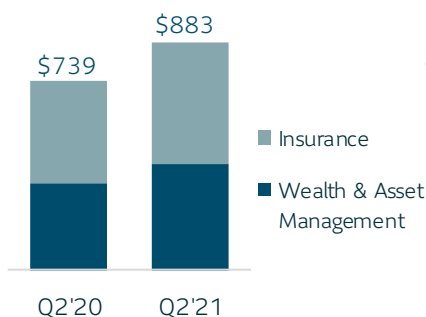
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|----------|-----|
| AM. BEST | A+ |
| DBRS | AA |
| MOODYS | Aa3 |
| S&P | AA |

A balanced & diversified business model

Q2'21 UNDERLYING NET INCOME BY BUSINESS GROUP³



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



Capital strength

147% LICAT ratio for Sun Life Financial Inc.

\$3.2B Cash at the holding company⁷

24.7% Financial leverage ratio³ (25% target)

Our growth strategy and highlights

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

- Ella, our digital coach, proactively nudged Clients in the first half of 2021, driving an additional \$488 million in wealth deposits, and \$664 million in insurance coverage
- Augmented our predictive underwriting models with the help of advanced data and analytics, allowing Clients aged 18 to 40 to qualify for up to \$5 million in life insurance coverage without the need for lab exams; this capability enhances the Client experience and provides greater flexibility
- In Q2, digitally processed: 91% of retail insurance applications, 81% of retail wealth transactions, and 96% of Group Benefits health and dental claims

ASIA A LEADER IN ASIA THROUGH DISTRIBUTION EXCELLENCE IN HIGHER GROWTH MARKETS

- Individual insurance sales up 49%^{3,9} over prior year on a constant currency basis
- 74% of new business applications were submitted digitally¹⁰, up 41 percentage points from Q2 2020
- Established a relationship with MDRT Academy¹¹, an association helping financial professionals accelerate their careers, as we continue our goal of having the most respected advisors in the industry
- In Vietnam, due to the rapid growth of our new bancassurance partnerships and the success of our agency force, Sun Life is now the 4th largest bancassurance player and the 6th largest life insurer based on sales
- In Hong Kong, our mandatory provident fund offering continues to outperform the market and we are now ranked 1st in net inflows and 3rd in AUM¹²

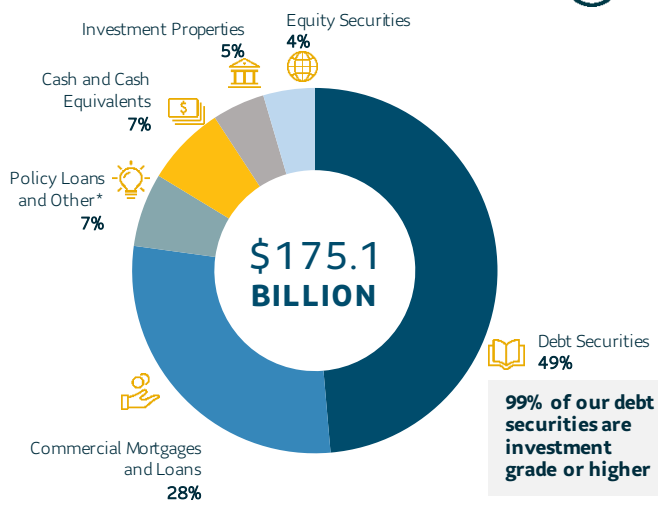
US A LEADER IN U.S. GROUP BENEFITS

- On July 1, 2021, Sun Life completed its acquisition of Pinnacle Care International, Inc., which will join our U.S. medical stop-loss business, provides leading health care navigation and medical intelligence services
- FullscopeRMS announced its broadened supplemental health portfolio to help more Clients cover out-of-pocket expenses
- Expanded online Dental Health Center capabilities enabling Clients to obtain an estimate of dental costs and access advice virtually
- Digital enhancements made filing claims easier and more efficient, increasing online claims submissions by 36% over prior year
- More than 52,000 active employees on our Maxwell Health digital benefits platform, more than double the amount in Q2 2020
- After-tax profit margin for U.S. Group Benefits of 8.5%^{3,8}

AM A LEADER IN GLOBAL ASSET MANAGEMENT

- 96%, 61% and 93% of MFSs U.S. retail mutual fund assets ranked in the top half of their Morningstar categories based on ten-, five- and three-year performance, respectively
- Q2 pre-tax net operating profit margin ratio for MFS of 39%²
- SLC Management had net flows of \$7.6 billion³ in the quarter
- BentallGreenOak ("BGO") was ranked 5th in PERE¹³ 100, which ranks fund managers that raised the most institutional capital over the past five years
- BGO released their 2021 Corporate Responsibility Summary and continues to achieve top rankings in the Global Real Estate Sustainability Benchmark ("GRESB")

General account invested assets



Invested assets as at June 30, 2021

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

Achievements & recognition

- 2021 GLOBAL100** (12 years in a row)
- CANADA'S MOST RESPECTED** (Awarded by DART I&C)
- GRESB** (10 years in a row)
- Member of Dow Jones Sustainability Indices** (15 years in a row)
- BENCHMARK** (13 years in a row)
- BEST PLACES TO WORK** (13 years in a row)
- Sustainability Yearbook** (top 15% in industry)
- S&P Global** (top 15% in industry)
- The Boston Globe TOP PLACES TO WORK 2020** (3 years in a row)
- FTSE4Good** (20 years in a row)
- Bloomberg Gender-Equality Index** (4 years in a row)

Events calendar

September 9 Scotiabank Financials Summit
November 3 3rd Quarter 2021 Financial Results

[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 June 30, 2021. 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, MFS pre-tax net operating profit margin ratio 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 Q2 2021 MD&A under the heading "Risk Management". ⁵ Ratings are for Sun Life Assurance Company of Canada. ⁶ Wealth and Asset Management 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. ⁸ 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. ⁹ Sales from joint ventures are based on our proportionate equity interest. ¹⁰ Includes eApp submissions and SunSmart, a digital asset for advisors to prepare and submit applications digitally, excluding joint ventures and International. ¹¹ Million Dollar Round Table ("MDRT"). ¹² MPF Ratings Ltd.'s based on MPF Scheme Sponsor Fund Flows and Assets as at June 30, 2021. ¹³ Private Equity Real Estate ("PERE").

Additional information concerning non-IFRS financial measures and reconciliations to the closest IFRS measures are available under Non-IFRS Financial Measures of the Earnings News Release. Non-IFRS Financial Measures and reconciliations are also included in our Q2 2021 MD&A and the Supplementary Financial Information packages that are available on www.sunlife.com under Investors - Financial results & reports. All data is in C\$, unless otherwise noted.