

# Q3'22

## 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>
**70M+** CLIENTS<sup>2</sup>
**118,400** ADVISORS<sup>1</sup>

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

**\$18.7B**

Gross claims & benefits paid in 2021

**\$1.27T**

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

**6.0%**

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

### Q3'22 highlights

FINANCIAL RESULTS	Q3'22	Q3'21	CHANGE FROM Q3'21
REPORTED NET INCOME	\$466M	\$1,019M	▼ (54)%
UNDERLYING NET INCOME <sup>3</sup>	\$949M	\$902M	▲ 5%
REPORTED EPS	\$0.80	\$1.74	▼ (54)%
UNDERLYING EPS <sup>3</sup>	\$1.62	\$1.54	▲ 5%
REPORTED ROE <sup>3</sup>	7.6%	17.6%	▼ (1,000) BPS
UNDERLYING ROE <sup>3</sup>	15.5%	15.6%	▼ (10) BPS
INSURANCE SALES <sup>3</sup>	\$943M	\$628M	▲ 50%
WEALTH SALES & ASSET MANAGEMENT GROSS FLOWS <sup>3</sup>	\$43.1B	\$50.7B	▼ (15)%
VALUE OF NEW BUSINESS <sup>3</sup>	\$256M	\$290M	▼ (12)%
AUM <sup>3</sup>	\$1.27T	\$1.39T	▼ (8)%

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 SEPTEMBER 30, 2022**  
and in C\$, unless otherwise stated

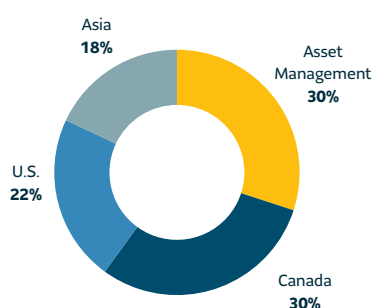
TICKER (TSX & NYSE)	SLF
TSX SHARE PRICE	\$54.93
NYSE SHARE PRICE (USD)	\$39.76
MARKET CAPITALIZATION	\$32.2B
COMMON SHARES OUTSTANDING	586.1M
BOOK VALUE PER SHARE	\$42.18
DIVIDEND PER SHARE	\$0.69
DIVIDEND YIELD	4.7%
2021 TOTAL DIVIDENDS PAID	\$1.4B
LICAT RATIO <sup>6,7</sup> (Sun Life Financial Inc.)	129%

### FINANCIAL STRENGTH RATINGS<sup>8</sup>

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

### A balanced & diversified business model

Q3'22 UNDERLYING NET INCOME BY BUSINESS GROUP



WEALTH & ASSET MANAGEMENT

GROUP & SHORTER DURATION INSURANCE

TRADITIONAL INSURANCE

### Capital strength

**129%**

LICAT ratio for SLF Inc.<sup>6,7</sup>

**\$1.5B**

SLF Inc. cash and other liquid assets<sup>3,9,10</sup>

**26.4%**

Financial leverage ratio<sup>3,7</sup>  
(25% target)

Graphic excludes Corporate underlying net income of \$(37)M

# Our growth strategy and highlights

AM

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

- Announced intention to acquire a **51% stake<sup>11</sup>** in **Advisors Asset Management**, a leading independent U.S. retail wealth distribution firm, to distribute alternative investment products in the U.S. high-net-worth retail market
- Formed a **long-term strategic partnership with Phoenix Group<sup>12</sup>** to provide asset management services through MFS and SLC Management in connection with the announced sale of Sun Life UK<sup>13</sup>
- InfraRed Capital Partners achieved **five stars, the highest possible rating, in the latest PRI assessment<sup>14</sup>** in the Investment & Stewardship Policy and Direct-Infrastructure modules<sup>15</sup>

CAN

## A LEADER IN INSURANCE & ASSET MANAGEMENT

- Insurance sales<sup>3</sup>** were **up 28% year-over-year**, driven by large case group benefits sales in Sun Life Health and higher individual participating whole life insurance sale.
- Introduced **new Surrogacy & Adoption benefits** for Sun Life Health group plans, to meet the diverse needs of people growing families in different ways
- Introduced a new **Voluntary Benefit eApp**, which consolidates our voluntary benefit products into a single resource, reducing the application process time for Clients by up to 50%
- Created **over 45,000 financial roadmaps** to date using our **Sun Life One Plan** digital tool

ASIA

## A REGIONAL LEADER FOCUSED ON FAST-GROWING MARKETS

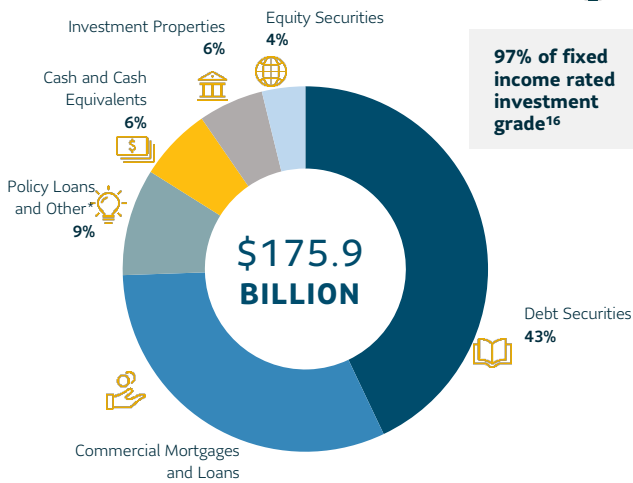
- In Hong Kong, we **enhanced our suite of offerings for Stellar**, the first ESG-focused savings plan in the market that actively integrates ESG concepts into investment strategies, to include additional cost-effective, flexible options that allow for broader Client access to sustainable long-term savings products
- In International, we **broadened the high-net-worth product shelf with the launch of Sun Global Aurora**, a savings-oriented indexed universal life product that helps Clients diversify, protect, and grow their assets

US

## A LEADER IN HEALTH & BENEFITS

- Sun Life U.S. partnered with AbleTo**, a virtual behavioural health therapy and coaching program, to offer convenient mental health services to disability and critical illness members with a cancer diagnosis
- DentaQuest partnered with Partners Health Plan**, a non-profit managed care organization serving individuals with intellectual and other developmental disabilities, to increase access to oral health care and help improve outcomes for this underserved community

## General account invested assets



Invested assets as at September 30, 2022

\*Consists of: Other invested assets (6%), Policy loans (2%), Derivative assets (1%).

## Achievements & recognition



(13 years in a row)



Member of

Powered by the S&P Global CSA

(16 years in a row)



2021



(12 years in a row)



(5 years in a row)



(4 years in a row)



NOV 2021 - OCT 2022 CANADA



(21 years in a row)



(14 years in a row)



## Events calendar

- February 8 Q4 2022 Financial Results
- May 11 Q1 2023 Financial Results and Annual General Meeting

[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 September 30, 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 O - Forward-looking Statements - Medium-Term Financial Objectives of our MD&A for the period ended December 31, 2021. <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> On September 26, 2022, SLF announced its intention to redeem \$400 million principal amount of Series 2017-1 Subordinated Unsecured 2.75% Fixed/Floating Debentures in Q4 2022. Proforma: SLF LICAT ratio decreases by approximately 2 percentage points, holding company cash decreases by \$400 million, and financial leverage decreases to 25.6%. See "Forward-Looking Statements" and "Risk Factors" in Q2 2022 MD&A. <sup>8</sup> Ratings are for Sun Life Assurance Company of Canada. <sup>9</sup> Cash and other liquid assets at SLF Inc. and its wholly owned holding companies. <sup>10</sup> SLF Inc. cash and other liquid assets represents available funds for capital re-deployment, including a \$500 million target minimum. Loans related to acquisitions have been included as an adjustment to cash and other liquid assets, as they reflect funding for the DentaQuest acquisition. <sup>11</sup> On a fully diluted basis. <sup>12</sup> Phoenix Group Holdings plc. <sup>13</sup> SLF of Canada UK, Sun Life's UK holding company and subsidiaries. <sup>14</sup> Principles for Responsible Investment; InfraRed PRI Transparency and Assessment Reports are available at <https://www.ircp.com/sustainability#documents>. <sup>15</sup> Ratings above the median score. <sup>16</sup> BBB and higher.