

# Q2'18

## Results fact sheet



Life's brighter under the sun

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**

**34,095**  
EMPLOYEES<sup>(2)</sup>

**112,885**  
ADVISORS<sup>(3)</sup>

OFFICES IN **26 COUNTRIES**

**\$15.3B**  
Gross claims & benefits paid in 2017

**\$986B**  
Assets under management\*

**15%**  
(per annum) Shareholder Return over the past 5 years\*

\* As of June 30, 2018

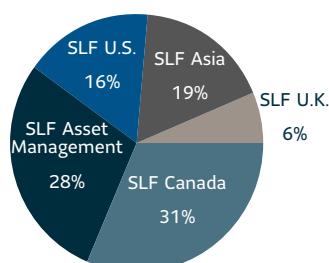
## Q2'18 HIGHLIGHTS

FINANCIAL RESULTS <sup>(4)</sup>	Q2'18	Q2'17	CHANGE
REPORTED NET INCOME	\$706M	\$574M	↑ 23%
UNDERLYING NET INCOME	\$729M	\$689M	↑ 6%
REPORTED EPS	\$1.16	\$0.93	↑ 25%
UNDERLYING EPS	\$1.20	\$1.12	↑ 7%
REPORTED ROE	13.5%	11.4%	↑ 210 BPS
UNDERLYING ROE	14.0%	13.7%	↑ 30 BPS
ASSETS UNDER MANAGEMENT (AUM)	\$986B	\$944B	↑ 4%

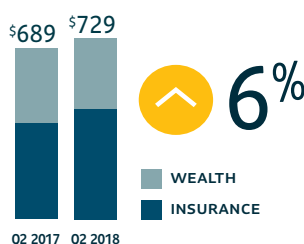
A balanced & diversified portfolio



Q2'18 UNDERLYING NET INCOME BY BUSINESS GROUP



UNDERLYING NET INCOME BY BUSINESS TYPE<sup>(6)</sup>  
(C\$ MILLIONS)



Graphic excludes Corporate Support results

## MEDIUM TERM OBJECTIVES<sup>(1)</sup>

AVERAGE UNDERLYING EPS GROWTH: 8-10% PER ANNUM

UNDERLYING ROE: 12-14%

TARGET DIVIDEND PAYOUT RATIO: 40-50%

Figures as at June 30, 2018 and in C\$, unless otherwise stated

TICKER	SLF (TSX)
TSX SHARE PRICE	\$52.83
NYSE SHARE PRICE	US\$40.14
MARKET CAPITALIZATION	\$32.1B
COMMON SHARES OUTSTANDING	607M
BOOK VALUE PER SHARE	\$34.53
DIVIDEND PER SHARE	\$0.475
DIVIDEND YIELD	3.6%
TOTAL DIVIDENDS PAID IN 2017	\$1.07 B
LICAT RATIO (Sun Life Assurance)	134%
LICAT RATIO (Sun Life Financial)	149%

## CREDIT RATINGS<sup>(5)</sup>

S&P*	AA-
MOODY'S	AA3
A.M. BEST	A+
DBRS	AA (LOW)

\* On March 13, 2017 S&P revised outlook to Positive from Stable

Insurance & wealth sales



INSURANCE SALES  
(C\$ MILLIONS)



WEALTH SALES  
(C\$ BILLIONS)



\*\* LTM - Last twelve months

# Our growth strategy and second quarter highlights

CAN

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

- Insurance sales were up 16% driven by strong sales in both Individual Insurance and Group Benefits
- Group Retirement Services achieved a milestone \$100 billion assets under administration
- In Canada, expanded Ella's capabilities to advise Clients about cost effective health providers in their area
- Sun Life Global Investments AUM of almost \$23 billion
- Group Benefits business in-force of \$10.4 billion

US

## A LEADER IN U.S. GROUP BENEFITS

- After-tax profit margin for SLF U.S. Group Benefits of 6.5%<sup>(7)</sup>
- In the U.S. we acquired Maxwell Health, an innovative insurtech company that simplifies employee benefits enrollment and HR administration
- In Group Benefits, medical stop-loss sales increased 5% and we reached US\$1.5 billion business in-force in the quarter, up 22% over the prior year

AM

## A LEADER IN GLOBAL ASSET MANAGEMENT

- 81%, 80% and 90% of MFS's retail fund assets ranked in the top half of their Lipper categories based on three-, five-, and ten-year performance, respectively

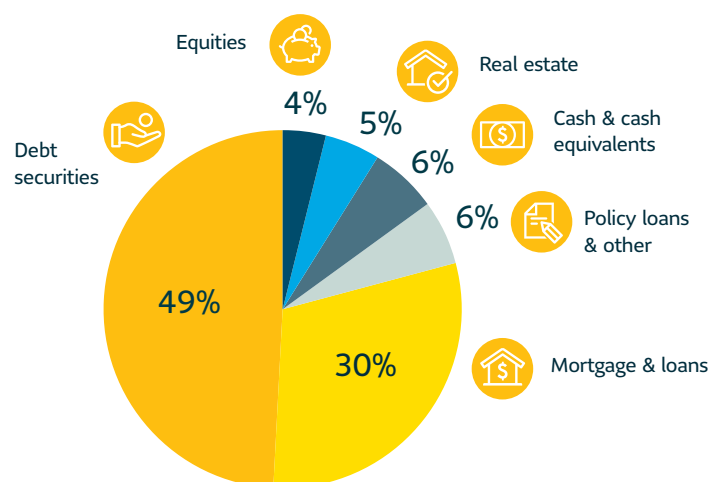
ASIA

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

- Strong individual insurance sales<sup>(4)</sup> in Asia, up 33% over prior year on a constant currency basis
- Launched SunActiv, a wellness mobile app that rewards Clients for staying healthy and active, and connects Clients with health care professionals, in Malaysia

## Invested assets

Q2'18 INVESTED ASSETS (C\$147 BILLION)



99% of our bond portfolio is investment grade or higher

## Achievements & recognition



Global 100 Most Sustainable Corporations



Canada's Best 50 Corporate Citizens



Most Trusted Brand™ Award



Top 10 for Governance Practices



FTSE4Good®



Dow Jones Sustainability Index



Canada's Top Employers for Young People

## Events calendar

September 6, 2018	Scotiabank Financials Summit 2018, Toronto
September 12, 2018	Barclays Global Financial Services Conference, New York
September 27, 2018	CIBC 17th Annual Eastern Institutional Investor Conference, Montreal
November 8, 2018	3rd Quarter 2018 Financial Results

## Investor Relations contact

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

<sup>(1)</sup> 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 2017 annual MD&A under the heading Forward-looking Statements - Medium-Term Financial Objectives and under the heading "Financial Objectives". <sup>(2)</sup> Includes 12,600 employed by our Asia joint ventures, as at December 31, 2017. <sup>(3)</sup> Includes 81,745 advisors from our joint ventures in China, India and the Philippines, as at December 31, 2017. <sup>(4)</sup> Management uses certain non-IFRS measures such as underlying net income (loss), underlying EPS, underlying ROE, assets under management and premiums and deposits, and information calculated on a constant currency basis. These measures should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. <sup>(5)</sup> Ratings are for Sun Life Assurance Company of Canada. <sup>(6)</sup> Wealth earnings include results of Individual Wealth and Group Retirement Services in SLF Canada, SLF Asset Management, and the Company's wealth businesses in SLF Asia. <sup>(7)</sup> After-tax profit margin for SLF U.S. Group Benefits calculated on underlying net income as a percentage of net premiums on a trailing four quarters basis. Additional information concerning non-IFRS financial measures and reconciliations to IFRS measures are included in our annual and interim MD&A. EPS measures refer to fully diluted EPS, unless otherwise stated. The items excluded in determining underlying income measures are set out in the Q2 2018 Interim MD&A under the heading Financial Performance - Second Quarter 2018 Performance. All data is in C\$ unless otherwise noted.