

# Q3'19

## 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**

**37,000** EMPLOYEES<sup>(2)</sup>      **112,800** ADVISORS<sup>(2)</sup>

OFFICES IN 26 COUNTRIES<sup>(2)</sup>

**\$16B** Gross claims & benefits paid in 2018  
**\$1,063B** Assets under management<sup>(3)</sup>  
**12%** (per annum) Shareholder Return over the past 5 years\*

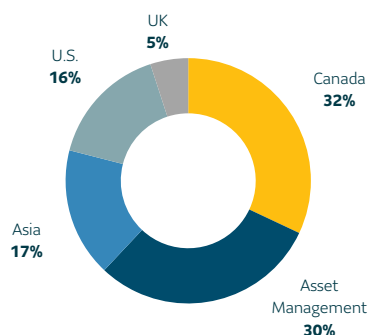
\*As of September 30, 2019

### Q3'19 highlights

FINANCIAL RESULTS <sup>(3)</sup>	Q3'19	Q3'18	CHANGE
REPORTED NET INCOME	\$681M	\$567M	▲ 20%
UNDERLYING NET INCOME	\$809M	\$730M	▲ 11%
REPORTED EPS	\$1.15	\$0.93	▲ 24%
UNDERLYING EPS	\$1.37	\$1.20	▲ 14%
REPORTED ROE	13.0%	10.8%	▲ 220 BPS
UNDERLYING ROE	15.5%	14.0%	▲ 150 BPS
INSURANCE SALES	\$685M	\$577M	▲ 19%
WEALTH SALES	\$41B	\$30B	▲ 38%
VALUE OF NEW BUSINESS	\$252M	\$244M	▲ 3%
ASSETS UNDER MANAGEMENT (AUM)	\$1,063B	\$984B	▲ 8%

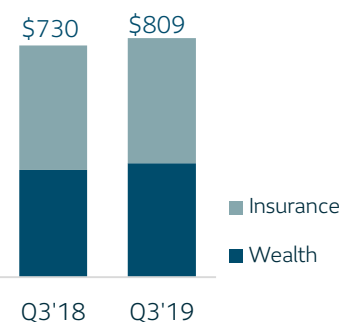
### A balanced & diversified business model

#### Q3'19 UNDERLYING NET INCOME BY BUSINESS GROUP<sup>(3)</sup>



Graphic excludes Corporate Support results

#### UNDERLYING NET INCOME BY BUSINESS TYPE<sup>(3,5)</sup> (C\$ MILLIONS)



### 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 September 30, 2019 and in C\$, unless otherwise stated

TICKER (TSX & NYSE)	SLF
TSX SHARE PRICE	\$59.24
NYSE SHARE PRICE (USD)	\$44.81
MARKET CAPITALIZATION	\$34.8B
COMMON SHARES OUTSTANDING	587.6M
BOOK VALUE PER SHARE	\$35.56
DIVIDEND PER SHARE	\$0.525
DIVIDEND YIELD	3.80%
TOTAL DIVIDENDS PAID IN 2018	\$1.15B
LICAT RATIO (Sun Life Assurance Company of Canada)	133%
LICAT RATIO (Sun Life Financial Inc.)	146%

### FINANCIAL STRENGTH RATINGS<sup>(4)</sup>

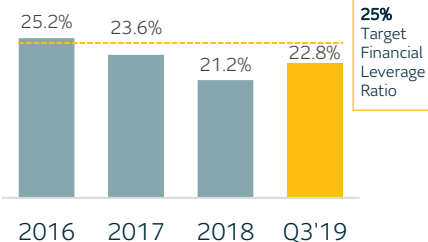
S&P	AA
MOODY'S	AA3
A.M. BEST	A+
DBRS*	AA

\*Ratings upgraded by one notch on October 16, 2019

### Capital strength

**146%** LICAT ratio for Sun Life Financial Inc.  
**\$2.8B** Cash at the holding company<sup>(6)</sup>

#### FINANCIAL LEVERAGE RATIO<sup>(3)</sup>



# Our growth strategy and highlights from Q3'19

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

- Expanded our suite of healthcare innovations, including pharmacogenomics, to support the treatment of Clients and help them get back to work sooner<sup>(7)</sup>
- Our industry-leading mySunLife app has over one million active users, up 37% over prior year
- Sun Life Global Investments (SLGI) AUM of \$27 billion<sup>(3)</sup>; 16% growth over prior year
- 100% of SLGI Granite Managed Solutions and Granite Target Date Funds exceeded 3 and 5 year benchmarks, and continue to outperform relative to peers<sup>(8)</sup>

## AM A LEADER IN GLOBAL ASSET MANAGEMENT

- Asset Management net inflows of \$3.2 billion, including US\$1.3 billion at MFS and \$1.5 billion at SLC Management
- Pre-tax net operating profit margin ratio for MFS of 40%<sup>(3)</sup> as at September 30, 2019
- 92%, 93% and 94% of Investment Management ("MFS") U.S. retail fund assets ranked in the top half of their Lipper categories for ten-, five- and three-year performance, respectively
- Completed the acquisition of our majority stake in BentalGreenOak

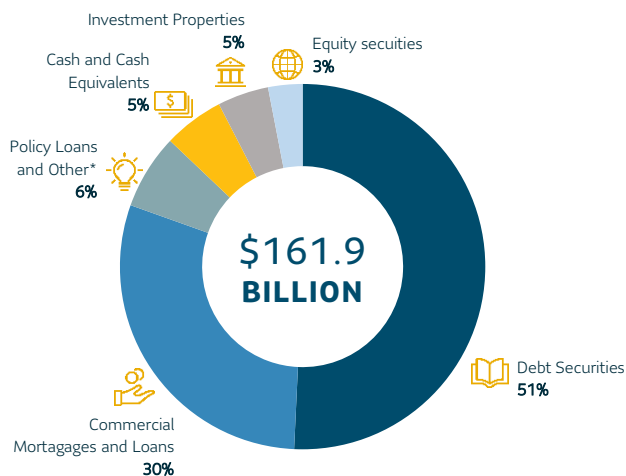
## US A LEADER IN U.S. GROUP BENEFITS

- Employers on the Sun Life + Maxwell Health benefits administration platform are selecting nearly three times as many Sun Life products compared to our typical Clients
- Introduced offerings to help employers provide fully-insured and self-insured paid family and medical leave programs
- Medical stop-loss business in-force increased to US\$1.8 billion, up 24% from the same period in 2018
- After-tax profit margin for U.S. Group Benefits of 7.2%<sup>(3,9)</sup>

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

- Asia sales up 45% on a constant currency basis, reflecting 49% growth in insurance sales across our seven local markets and 14% growth in International sales<sup>(3)</sup>
- Reached another milestone on our digital journey by launching SunAccess in Malaysia, completing the rollout of mobile apps for Clients across all seven of our local markets in Asia

## Invested assets



Invested assets as at September 30, 2019

\*Consists of: Other invested assets (3%), Policy loans (2%), Derivative assets (1%).

**99% of our debt securities are investment grade or higher**

## Achievements & recognition



## Events calendar

February 13, 2020

4th Quarter 2019 Financial Results

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

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<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 2018 annual MD&A under the heading "Forward-looking Statements - Medium-Term Financial Objectives" and under the heading "Overview - Financial Objectives". <sup>(2)</sup> As at December 31, 2018. Includes Asia joint ventures. <sup>(3)</sup> Management uses certain non-IFRS measures such as underlying net income (loss), underlying EPS, underlying ROE, assets under management, sales, value of new business, after-tax profit margin for U.S. Group Benefits, financial leverage ratio, pre-tax net operating profit margin for MFS 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>(4)</sup> Ratings are for Sun Life Assurance Company of Canada. <sup>(5)</sup> Wealth underlying net income include results of Individual Wealth and Group Retirement Services in Canada, Asset Management, and the Company's (as defined in our 2018 annual MD&A) wealth businesses in Asia. <sup>(6)</sup> Cash at the holding company includes cash and other liquid assets at Sun Life Financial Inc. and its wholly-owned holding companies. <sup>(7)</sup> Pharmacogenomics is a field of health that helps patients identify the right medication and dosage based on their personal health profile and makeup. <sup>(8)</sup> Granite Managed returns sourced from RBC Investor Services and Granite Target date sourced from MorningStar Direct, RBC Investor Services and Bloomberg. <sup>(9)</sup> After-tax profit margin for U.S. Group Benefits is 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 Q3 2019 Interim MD&A in Section M - Non-IFRS Financial Measures. All data is in C\$ unless otherwise noted.