

Q2'20

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**

40,600
EMPLOYEES⁽²⁾

125,900
ADVISORS⁽²⁾

OFFICES IN 26 COUNTRIES⁽²⁾

\$17.4B

Gross claims & benefits paid in 2019

\$1,122B

Assets under management (AUM)^(3,4)

8%

(per annum) Shareholder Return over the past 5 years⁽⁴⁾

Q2'20 highlights

FINANCIAL RESULTS ⁽³⁾	Q2'20	Q2'19	CHANGE
REPORTED NET INCOME	\$519M	\$595M	▼ 13%
UNDERLYING NET INCOME	\$739M	\$739M	— 0%
UNDERLYING EPS	\$1.26	\$1.24	▲ 2%
REPORTED ROE	9.4%	11.0%	▼ 160BPS
UNDERLYING ROE	13.4%	13.7%	▼ 30BPS
INSURANCE SALES	\$619M	\$657M	▼ 6%
WEALTH SALES	\$56.6B	\$37.0B	▲ 53%
VALUE OF NEW BUSINESS	\$206M	\$235M	▼ 12%
AUM	\$1,122B	\$1,025B	▲ 9%

MEDIUM-TERM OBJECTIVES⁽¹⁾

AVERAGE UNDERLYING EPS GROWTH: 8-10% PER ANNUM

UNDERLYING ROE: 12-14%

TARGET DIVIDEND PAYOUT RATIO: 40-50%

Figures as at June 30, 2020 and in C\$, unless otherwise stated

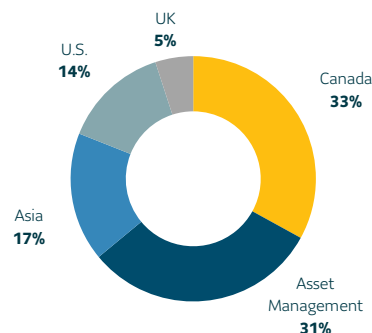
TICKER (TSX & NYSE)	SLF
TSX SHARE PRICE	\$49.89
NYSE SHARE PRICE (USD)	\$36.75
MARKET CAPITALIZATION	\$29.2B
COMMON SHARES OUTSTANDING	584.7M
BOOK VALUE PER SHARE	\$37.56
DIVIDEND PER SHARE	\$0.550
DIVIDEND YIELD	4.6%
2019 TOTAL DIVIDENDS PAID	\$1.24B
LICAT RATIO (Sun Life Financial Inc.)	146%

FINANCIAL STRENGTH RATINGS⁽⁵⁾

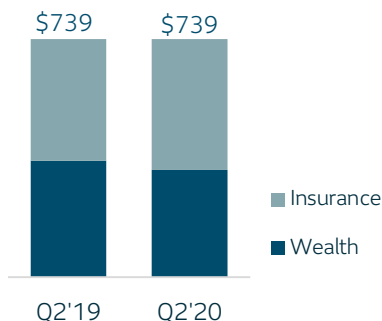
S&P	AA
MOODY'S	AA3
A.M. BEST	A+
DBRS	AA

A balanced & diversified business model

Q2'20 UNDERLYING NET INCOME BY BUSINESS GROUP⁽³⁾



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



Capital strength

146%
LICAT ratio for Sun Life Financial

\$3.5B
Cash at the holding company⁽⁷⁾

23.2%
Financial leverage ratio⁽³⁾ (25% target)

Our growth strategy and highlights from Q2'20

CAN

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

- In plan wealth sales up 54% year-to-date, resulting \$760 million additional deposits from digital nudges and outbound calls
- Executing on our sustainability commitment by launching a proprietary Environmental, Social and Governance ("ESG") evaluation framework for every major asset category on our core GRS investment platform, empowering Clients and plan sponsors to make informed decisions on sustainable investment options
- Held over 61,000 virtual Advisor-Client meetings in the second quarter and doubled the use of electronic signature options to complete retail wealth transactions

US

A LEADER IN U.S. GROUP BENEFITS

- Resilient sales supported by 22,000 active employees on the Maxwell Health digital benefits platform; a 74% increase since 2019
- Temporarily waived the platform fee for employers on our advanced Maxwell Health digital benefits platform and launched several updates, including enhanced mobile enrollment, text messaging and live chat features, and additional integration for employee payroll deductions
- Added other virtual options to enroll members for Sun Life benefits, including one-on-one or group enrollment meetings to help ensure they can easily choose their benefits any time on any device

AM

A LEADER IN GLOBAL ASSET MANAGEMENT

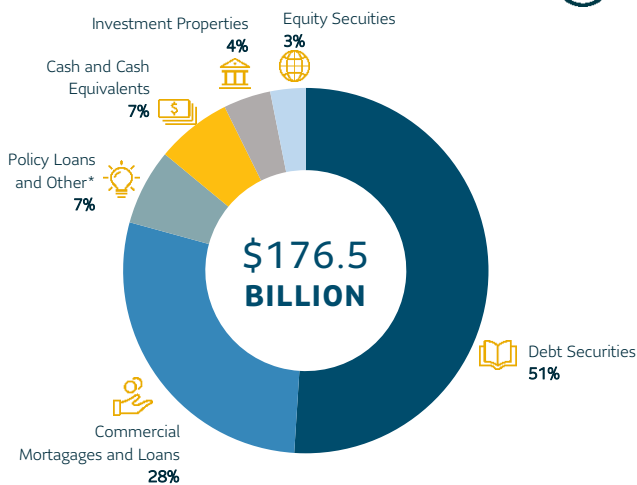
- Net inflows of US\$5.4B, with positive U.S. retail flows for the 6th consecutive quarter
- 86%, 88% and 80% of MFS's U.S. retail mutual fund assets ranked in the top half of their Lipper categories based on ten-, five- and three-year performance, respectively
- Pre-tax net operating profit margin ratio⁽³⁾ for MFS of 36%
- On July 1, 2020, we completed the acquisition of the majority stake in InfraRed Capital Partners ("InfraRed"), a global infrastructure and real estate investment manager

ASIA

A LEADER IN ASIA THROUGH DISTRIBUTION EXCELLENCE IN HIGHER GROWTH MARKETS

- International Hubs sales increase 42% over prior year, with strong sales in both Hong Kong and International high net worth
- Accelerated digital development across Asia to ensure our advisors have the capabilities to provide Clients with much-needed protection solutions
- New virtual sales experiences have been rolled out in Hong Kong, Indonesia, India and the Philippines, with Vietnam and Malaysia set to launch virtual engagement capabilities in the coming months
- Clients and advisors are now able to transact comfortably and securely, from application submission to digital signing, providing Clients with a quick and seamless experience
- In Hong Kong mandatory provident funds ("MPF"), we are now ranked #3 in AUM^{3,8}, and #2 in net inflows⁸

General account invested assets



Invested assets as at June 30, 2020

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

99% of our debt securities are investment grade or higher

Achievements & recognition



Global 100 Most Sustainable Corporations



Best Places to Work for LGBTQ Equality



Dow Jones Sustainability Index



Global Real Estate Sustainability Benchmark



Bloomberg Gender-Equality Index



Canada's Top Employers for Young People



Environmental Finance Bond Awards 2020 Winner



FTSE4Good

Events calendar

September 10, 2020 Scotiabank Financials Summit
November 4, 2020 3rd Quarter 2020 Financial Results

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

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⁽¹⁾ 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 2020 interim MD&A and the Q4 2019 MD&A under the heading "Forward-looking Statements". ⁽²⁾ As at December 31, 2019. Includes Asia joint ventures. ⁽³⁾ Management uses certain non-IFRS measures such as underlying net income (loss), underlying EPS, underlying ROE, assets under management, sales, value of new business, financial leverage ratio and pre-tax net operating profit margin for MFS. These measures should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. ⁽⁴⁾ As at June 30, 2020. ⁽⁵⁾ Ratings are for Sun Life Assurance Company of Canada. ⁽⁶⁾ Wealth 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⁾ Mercer MPF Market Shares Report, for the three month period ended March 31, 2020.

Additional information concerning non-IFRS financial measures and reconciliations to the closest IFRS measures are available in the Q2 2020 MD&A under the heading M - Non-IFRS Financial Measures, our 2019 annual MD&A and the Supplementary Financial Information packages that are available on www.sunlife.com under Investors - Financial results and reports. All data is in C\$, unless otherwise noted.