



## Q3'24 financial & operating results

For the period ended September 30, 2024

Sun Life Financial Inc. (unaudited)



In this presentation, Sun Life Financial Inc. (“SLF” or “SLF Inc.”), its subsidiaries and, where applicable, its joint ventures and associates are collectively referred to as “we”, “us”, “our”, “Sun Life” and the “Company”. Reported net income (loss) refers to Common shareholders' net income (loss) determined in accordance with IFRS.

### **Forward-looking statements**

Certain statements in this presentation and certain oral statements made by senior management during the earnings conference call on November 5, 2024 (collectively, this “presentation”), including, but not limited to, statements that are not historical facts, are forward-looking and are subject to inherent risks, uncertainties and assumptions. The results or events predicted in these forward-looking statements may differ materially from actual results or events and we cannot guarantee that any forward-looking statement will materialize. Except as may be required by law, we do not undertake any obligation to update or revise any forward-looking statements made in this presentation.

### **Non-IFRS financial measures**

The Company prepares its financial statements in accordance with international financial reporting standards (“IFRS”). This presentation includes financial measures that are not based on IFRS (“non-IFRS financial measures”). The Company believes that these non-IFRS financial measures provide information that is useful to investors in understanding the Company’s performance and facilitate the comparison of the quarterly and full year results from period to period. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed as alternatives to measures of financial performance determined in accordance with IFRS. For more information about these non-IFRS financial measures, refer to the Non-IFRS Financial Measures section on slide 24 and in our MD&A for the period ended September 30, 2024 (“Q3 2024 MD&A”) in section N – Non-IFRS Financial Measures.

### **Drivers of earnings**

Certain 2023 results in the Drivers of Earnings and Contractual Service Margin (“CSM”) Movement Analysis were refined to more accurately reflect how the business is managed.

### **Additional information**

Additional information concerning forward-looking statements and non-IFRS financial measures is included at the end of this presentation.

### **Currency**

Unless otherwise noted, all amounts are in Canadian dollars.

### **Rounding**

Amounts in this presentation are impacted by rounding.



# Kevin Strain

President and Chief Executive Officer

# Q3 2024 financial highlights

## Profitability

*Underlying net income<sup>1</sup>*  
**\$1,016** M +9%

*Reported net income*  
**\$1,348** M +55%

*Underlying EPS<sup>1</sup>*  
**\$1.76** +11%

*Reported EPS*  
**\$2.33** +57%

*New business CSM<sup>1,2</sup>*  
**\$383** M +4%

## Financial Strength

*Underlying ROE<sup>1</sup>*  
**17.9%**

*Reported ROE<sup>1</sup>*  
**23.8%**

*SLF Inc. LICAT ratio<sup>3</sup>*  
**152%**

*Financial leverage ratio<sup>1</sup>*  
**20.4%**

*Total CSM*  
**12.8** B +12%

## Growth

*Assets under management<sup>1</sup>*  
**\$1.5** T +13%

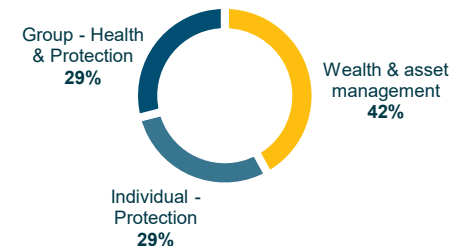
*Net wealth sales & AM net flows<sup>1</sup>*  
**\$(17.2)** B (89)%

*Group - Health & Protection sales<sup>1</sup>*  
**\$445** M +19%

*Individual - Protection sales<sup>1</sup>*  
**\$730** M +9%

## Diversified Business Mix<sup>4</sup>

*Year-to-date at September 30, 2024*



➤ *Announced 3 cent increase to quarterly common shareholder dividend*

All results compared to Q3'23.

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A.

Footnotes 2-4: Refer to slide 26.

# Our winning strategy

Our Purpose: Help Clients achieve lifetime financial security and live healthier lives

Our Values: Caring, Authentic, Bold, Inspiring, Impactful

## Four Pillars

## Client Impact

## Strategic Imperatives

**AM**

A global leader in both public and alternative asset classes through MFS and SLC Management

**CAN**

A leader in health, wealth and insurance

**US**

A leader in health and benefits

**ASIA**

A regional leader focused on fast-growing markets



**01**

Leverage our asset management capabilities and extend our wealth presence

**02**

Accelerate our momentum in Asia

**03**

Deepen our impact along our Client's health journey

**04**

Operate like a digital company

Our Ambition: To be one of the best Asset Management and Insurance companies in the world

# Delivering on our Purpose and strategy

Asset Management and Wealth	Asia	Health
<p><b>Delivered strong MFS investment performance</b></p> <ul style="list-style-type: none"> <li>Highest AUM since Q1 2022 – including steady growth in fixed income AUM</li> </ul> <p><b>Maintained momentum in SLC Management</b></p> <ul style="list-style-type: none"> <li>Highest capital raising quarter since Q1 2021</li> <li>Acquired remaining 20% interest in InfraRed Capital Partners</li> </ul> <p><b>Launched innovative wealth solutions</b></p> <ul style="list-style-type: none"> <li>MyRetirement Income solution in Canada</li> </ul>	<p><b>Delivered strong Individual - Protection sales</b></p> <ul style="list-style-type: none"> <li>Growth across all channels in Hong Kong, strong banca performance in India, and continued momentum in Indonesia</li> </ul> <p><b>Achieved record Wealth &amp; asset management earnings</b></p> <ul style="list-style-type: none"> <li>Driven by strong fund performance in India and Hong Kong MPF</li> </ul>	<p><b>Delivered strong earnings in both Canada and U.S. Group - Health &amp; Protection</b></p> <ul style="list-style-type: none"> <li>Doubled U.S. Employee Benefits underlying net income y/y</li> </ul> <p><b>Realized positive momentum in dental</b></p> <ul style="list-style-type: none"> <li>Enrolled 2.7M Canadians onto the Canadian Dental Care Plan; processed over 2M claims<sup>1</sup></li> <li>Became the largest U.S. dental benefits provider, supporting 35M members<sup>2</sup></li> </ul>

## Digital

Recognized as a **2024 CIO Award Canada winner** for Sun Life Asks **GenAI** chatbot<sup>3</sup>

Implemented an **automated underwriting platform** in the Philippines that drove a 50% increase in **straight-through-processing**

## People and Culture

Recognized by Great Place to Work as having one of **Canada’s Most Trusted Executive Teams**, for the second consecutive year<sup>4</sup>

Announced **Jessica Tan** as the new President of Sun Life Canada

Recognized with the **Canada Order of Excellence for Mental Health at Work**<sup>5</sup>

Footnotes 1-5: Refer to slide 26.



# Tim Deacon

Executive Vice President &  
Chief Financial Officer

# Q3 2024 results

Profitability (\$ millions)	Q3'24	Q3'23	Change
Wealth & asset management	474	457	+4%
Group - Health & Protection	345	285	+21%
Individual - Protection	306	297	+3%
Corporate expenses & other	(109)	(109)	-
Underlying net income <sup>1</sup> (\$ millions)	1,016	930	+9%
Reported net income (\$ millions)	1,348	871	+55%

Growth	Q3'24	Q3'23	Change
Net wealth sales & asset management net flows <sup>1</sup> (\$ billions)	(17.2)	(9.1)	(8.1) B
Total AUM <sup>1</sup> (\$ billions)	1,515	1,340	+13%
Group sales <sup>1</sup> (\$ millions)	445	374	+19%
Individual sales <sup>1</sup> (\$ millions)	730	669	+9%
New business CSM <sup>1,2</sup> (\$ millions)	383	370	+4%

Financial strength	Q3'24	Q2'24	Change
SLF Inc. LICAT ratio <sup>3</sup> (%)	152	150	+2 pp
SLA LICAT ratio <sup>3,4</sup> (%)	147	142	+5 pp
Financial leverage ratio <sup>1</sup> (%)	20.4	22.6	(2.2) pp
Book value per share (\$)	39.88	37.70	+6%

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A.

Footnotes 2-6: Refer to slide 26.

## Results Highlights

### Strong financial performance, reflecting strength of diversified business:

- **Wealth & asset management:** up 4% y/y on higher fee income across businesses, partially offset by unfavourable credit experience
- **Group - Health & Protection:** up 21% y/y on strong business growth, higher fee-based income in Canada, and improved mortality experience in the U.S.
- **Individual - Protection:** up 3% y/y due to strong in-force business growth in Asia and Canada, partially offset by unfavourable mortality experience in Asia
- **Corporate expenses & other:** in-line with the prior year

**Reported net income** includes an adjustment to SLC Management's estimated acquisition-related liabilities, favourable market-related impacts, and positive ACMA

**Total AUM<sup>1</sup> up 13% y/y** due to market appreciation, partially offset by net outflows

### Total insurance sales up 13% y/y

- Individual sales up 9% y/y due to higher sales in Hong Kong and India, partially offset by lower High-Net-Worth and Canada sales
- Group sales up 19% y/y on higher U.S. Dental and Employee Benefits sales

**New business CSM up 4% y/y** driven by strong sales in Hong Kong

### Strong capital position

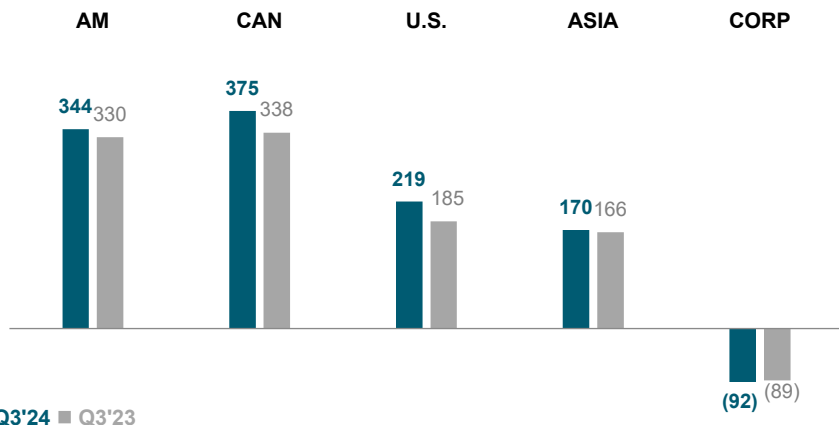
- Organic capital generation<sup>1,5</sup> of \$693 million driven by new business CSM
- SLF LICAT of 152%, up two percentage points q/q, reflecting organic capital generation, partially offset by a debt redemption and share buybacks
- Low financial leverage ratio of 20.4%; \$1.2 billion in holdco cash<sup>1,6</sup>



# Q3 2024 results

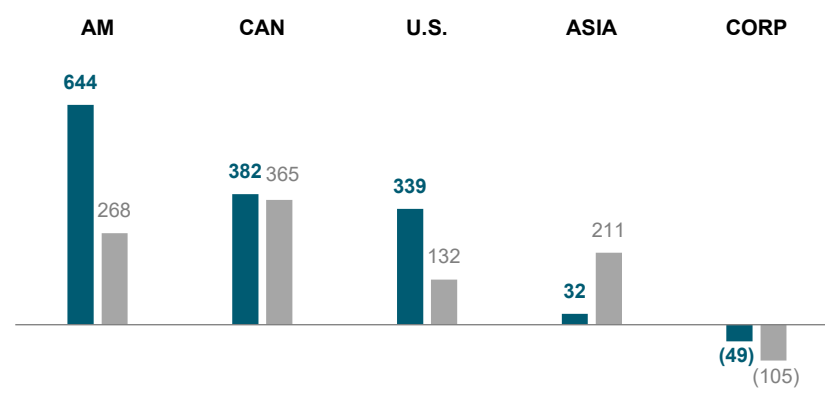
## Underlying net income<sup>1</sup> (\$ millions)

Impact of currency translation increased underlying net income by **\$11M**<sup>2</sup>



## Reported net income (\$ millions)

Impact of currency translation increased reported net income by **\$22M**<sup>2</sup>



### Year-over-year growth

+4%	+11%	+18%	+2%	+140%	+5%	+157%	(85)%
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### Constant currency<sup>2</sup> year-over-year growth

+3%	+11%	+16%	+1%	+136%	+5%	+152%	(87)%
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<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A.

<sup>2</sup> Percentage changes are reported on a constant currency basis, which excludes the impacts of foreign exchange translation.

# MFS: A global leader in public asset management

## Business Group Results (US\$)

Profitability	Q3'24	Q3'23	Change
Underlying net income <sup>1</sup> (\$ millions)	218	207	+5%
Reported net income (\$ millions)	210	212	(1)%
Pre-tax net operating margin <sup>1,2</sup> (%)	40.5	40.8	(0.3) pp
Total revenue (\$ millions)	837	790	+6%
Expenses (\$ millions)	553	519	+7%

Growth	Q3'24	Q3'23	Change
Total net flows <sup>1</sup> (\$ billions)	(14.0)	(9.3)	(4.7) B
Institutional net flows <sup>1</sup> (\$ billions)	(10.0)	(5.6)	(4.4) B
Retail net flows <sup>1</sup> (\$ billions)	(4.0)	(3.7)	(0.3) B
Total assets under management <sup>1</sup> (\$ billions)	645	556	+16%
Institutional AUM <sup>1</sup> (\$ billions)	202	180	+12%
Retail AUM <sup>1</sup> (\$ billions)	443	376	+18%
Average net assets (ANA) <sup>1</sup> (\$ billions)	626	582	+8%

## Quarterly Highlights (US\$)

- Underlying net income up 5% compared to the prior year as higher fee income from ANA growth was partially offset by higher expenses; Reported net income down 1% y/y
- Pre-tax net operating profit margin of 40.5% was in-line with prior year; up 4 percentage points from prior quarter, reflecting lower incentive compensation
- Ending AUM of \$645 billion up 16% y/y reflecting market appreciation, partially offset by net outflows; up 4% q/q
- Institutional net outflows of \$(10.0) billion reflects Client rebalancing activity
- Retail net outflows of \$(4.0) billion reflects current industry preference for short-term risk-free rate products and growth-oriented stocks
- Long-term retail fund performance remains good with 97% and 50% of fund assets ranked in the top half of their respective Morningstar categories based on 10- and 5-year performance, respectively

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A.

<sup>2</sup> Pre-tax gross operating margin was 36.5% in Q3 2024 and 36.4% in Q3 2023.

# SLC Management: Growing a premier alternatives platform

## Business Group Results

Profitability	Q3'24	Q3'23	Change
Fee-related earnings <sup>1</sup> (\$ millions)	72	68	+6%
Pre-tax fee-related earnings margin <sup>1,2</sup> (%)	24.2	23.8	+0.4 pp
Pre-tax net operating margin <sup>1,2</sup> (%)	21.8	20.3	+1.5 pp
Underlying net income <sup>1</sup> (\$ millions)	47	53	(11)%
Reported net income (\$ millions)	357	(16)	nm

Growth	Q3'24	Q3'23	Change
Total assets under management <sup>1,3</sup> (\$ billions)	230	219	+5%
Total AUM net flows <sup>1</sup> (\$ billions)	1.7	3.4	(1.7) B
Assets under administration <sup>1</sup> (\$ billions)	15.3	48.4	(68)%
Fee-earning AUM <sup>1</sup> (\$ billions)	183	173	+6%
Fee-earning AUM net flows <sup>1</sup> (\$ billions)	4.2	4.1	+0.1 B
AUM not yet earnings fees <sup>1</sup> (\$ billions)	19.1	21.5	(11)%
Capital raising <sup>1</sup> (\$ billions)	7.1	3.2	+3.9 B
Deployment <sup>1</sup> (\$ billions)	4.6	4.8	(0.1) B

"nm" - not meaningful

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A.

Footnotes 2-3: Refer to slide 26.

## Quarterly Highlights

- Underlying net income down 11% y/y as fee-related earnings growth was more than offset by one-time tax adjustment benefit in the prior year
- Fee-related earnings (FRE) up 6% y/y on higher fee-earning AUM from strong capital raising and deployment, partially offset by higher expenses
- FRE margin in-line with prior year; net operating margin up 1.5 points y/y driven by efficiency gains
- Reported net income higher y/y driven by an adjustment to SLC Management's estimated acquisition-related liabilities
- Fee-earning AUM increased 6% y/y driven by continued deployment and market growth, partially offset by realizations
- Capital raising of \$7.1 billion reflects strong fundraising in SLC Fixed Income and BGO

# Canada: A leader in health, wealth, and insurance

## Business Group Results

Profitability	Q3'24	Q3'23	Change
Wealth & asset management (\$ millions)	101	116	(13)%
Group - Health & Protection (\$ millions)	172	136	+26%
Individual - Protection (\$ millions)	102	86	+19%
Underlying net income <sup>1</sup> (\$ millions)	375	338	+11%
Reported net income (\$ millions)	382	365	+5%
Underlying ROE <sup>1</sup> (%)	22.6	22.2	+0.4 pp
Reported ROE <sup>1</sup> (%)	23.0	23.9	(0.9) pp

Growth	Q3'24	Q3'23	Change
Net wealth sales & AM net flows <sup>1</sup> (\$ millions)	(316)	(114)	(202) M
Wealth & asset management AUM <sup>1,2</sup> (\$ billions)	185	154	+20%
Group - Health & Protection sales <sup>1</sup> (\$ millions)	124	119	+4%
Group - Health & Protection net premiums <sup>1</sup> (\$ millions)	1,794	1,614	+11%
Group - Health & Protection fee income (\$ millions)	138	76	+82%
Individual - Protection sales <sup>1</sup> (\$ millions)	112	148	(24)%

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A.

<sup>2</sup> Wealth AUM includes General fund assets, Segregated fund assets and Third-party AUM, excluding Third-party mutual funds assets.

## Quarterly Highlights

- Underlying net income up 11% y/y on higher fee-based income and strong insurance business growth, partially offset by unfavourable credit experience
- **Wealth & asset management** earnings down on unfavourable credit experience, partially offset by higher fee income
  - Record Wealth & asset management AUM up 20% y/y driven by market appreciation
- **Group - Health & Protection** earnings reflect business growth and higher fee-based income
  - Group sales up 4% y/y driven by higher health sales
- **Individual - Protection** earnings up on higher in-force profitability and investment contributions
  - Individual sales down 24% y/y reflecting lower third-party sales
- Reported net income up y/y driven by favourable net market-related impacts, partially offset by unfavourable ACMA impacts

# U.S.: A leader in health & benefits

## Business Group Results (US\$)

Profitability	Q3'24	Q3'23	Change
Group - Health & Protection (\$ millions)	127	112	+13%
Individual - Protection <sup>1</sup> (\$ millions)	34	28	+21%
Underlying net income <sup>2</sup> (\$ millions)	161	140	+15%
Reported net income (\$ millions)	250	105	+138%
Underlying ROE <sup>2</sup> (%)	13.4	12.2	+1.2 pp
Reported ROE <sup>2</sup> (%)	20.8	9.2	+11.6 pp

Growth	Q3'24	Q3'23	Change
Employee Benefits sales <sup>2</sup> (\$ millions)	99	81	+22%
Medical Stop-Loss sales <sup>2</sup> (\$ millions)	68	69	(1)%
Dental sales <sup>2,3</sup> (\$ millions)	52	29	+79%
Net premiums <sup>2</sup> – GB & Dental (\$ millions)	1,999	1,935	+3%
Fee Income – GB & Dental (\$ millions)	90	80	+13%

## Quarterly Highlights (US\$)

- Underlying net income up 15% y/y driven by strong business growth
- Group - Health & Protection** earnings up 13% y/y on strong business growth in Group Benefits and improved group life mortality experience, partially offset by lower Dental results
  - Dental results reflect the impact of Medicaid redeterminations, and the resulting higher average acuity of remaining members vs. disenrolled members, offset partially by pricing updates and claim and expense management actions
  - In the quarter, experience-related items included favourable LTD and stop-loss experience, partially offset by higher dental claims
  - Net premiums up 3% y/y driven by employee benefits and stop-loss growth, offset by lower government Dental premiums
  - Sales up 22% y/y reflecting higher Dental and employee benefits sales
- Individual - Protection** earnings reflects higher net investment results
- Reported net income up y/y on favourable ACMA impacts and lower DentaQuest integration costs, partially offset by less favourable market-related impacts

<sup>1</sup> Effective Q2 2023, the run-off reinsurance business was moved from the Corporate business segment to the U.S. business segment.

<sup>2</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A.

<sup>3</sup> Effective Q4 2023, prior period amounts related to sales in the U.S. Dental segment have been restated to reflect new information.

# Asia: A regional leader focused on fast-growing markets

## Business Group Results

Profitability	Q3'24	Q3'23	Change	CC <sup>1</sup>
Individual - Protection (\$ millions)	158	175	(10)%	(11)%
Wealth & asset management (\$ millions)	29	11	+164%	+155%
Regional Office expenses & other (\$ millions)	(17)	(20)	+15%	+15%
Underlying net income <sup>2</sup> (\$ millions)	170	166	+2%	+1%
Reported net income (\$ millions)	32	211	(85)%	(87)%
Underlying ROE <sup>2</sup> (%)	12.2	12.2	-	n/a
Reported ROE <sup>2</sup> (%)	2.3	15.5	(13.2) pp	n/a
Growth	Q3'24	Q3'23	Change	CC <sup>1</sup>
Net wealth sales & AM net flows <sup>2</sup> (\$ millions)	479	101	+378 M	+372 M
Wealth & asset management AUM <sup>2</sup> (\$ billions)	41.1	36.1	+14%	+14%
Individual - Protection sales <sup>2</sup> (\$ millions)	618	521	+19%	+17%
Total weighted premium income (TWPI) <sup>2</sup> (\$ millions)	1,868	1,563	+20%	+18%
New business CSM <sup>2,3</sup> (\$ millions)	267	238	+12%	+11%

## Quarterly Highlights (% in constant currency<sup>1</sup>)

- Underlying net income up 1% y/y on higher fee income offset by mortality experience and the impact of the Global Minimum Tax
- New business CSM of \$267 million driven by Hong Kong and High-Net-Worth sales
- Individual - Protection** earnings down 11% y/y as in-force business growth and joint venture contributions were offset by lower mortality experience and lower earnings on surplus
  - Individual sales up 17% y/y driven by strong sales in Hong Kong and India, partially offset by lower sales in High-Net-Worth and ASEAN markets
  - Total Weighted Premium Income up 18% y/y reflecting good in-force business growth
- Wealth & asset management** earnings up 155% y/y on higher fee income from higher AUM
- Reported net income lower y/y on unfavourable ACMA and market-related impacts

<sup>1</sup> Percentage change is reported on a constant currency basis, which excludes the impacts of foreign exchange translation. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A.

<sup>2</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A.

<sup>3</sup> New business CSM represents growth from sales activity in the period, including individual protection sales (excluding joint ventures).



## Appendix

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# Drivers of earnings<sup>1</sup>

<b>Underlying drivers of earnings (DOE)</b>	Q3'24	Q2'24	Q3'23
\$ millions, pre-tax			
Risk adjustment release	101	104	114
Contractual service margin recognized for services provided	236	226	184
Expected earnings on short-term (group) insurance business	421	419	373
<b>Expected insurance earnings</b>	<b>758</b>	<b>749</b>	<b>671</b>
Impact of new insurance business	(23)	(13)	(12)
Experience gains (losses) <sup>2</sup>	67	11	81
<b>Total net insurance service result - Underlying</b>	<b>802</b>	<b>747</b>	<b>740</b>
Expected investment earnings	245	243	218
Credit experience	(80)	(14)	(8)
Earnings on surplus	161	159	155
Joint ventures & other	81	61	51
<b>Total net investment result - Underlying</b>	<b>407</b>	<b>449</b>	<b>416</b>
Other fee income <sup>2</sup>	98	84	38
Expenses – other <sup>2,3</sup>	(482)	(451)	(485)
<b>Asset management – Underlying</b>	<b>457</b>	<b>417</b>	<b>437</b>
<b>Earnings before income taxes – Underlying</b>	<b>1,282</b>	<b>1,246</b>	<b>1,146</b>
Income tax (expense) or recovery	(232)	(215)	(182)
Dividends, distributions, NCI <sup>4</sup>	(34)	(31)	(34)
<b>Common shareholders' underlying net income (loss)</b>	<b>1,016</b>	<b>1,000</b>	<b>930</b>

<b>Non-underlying net income adjustments</b>	Q3'24	Q2'24	Q3'23
\$ millions, post-tax			
<b>Common shareholders' underlying net income (loss)</b>	<b>1,016</b>	<b>1,000</b>	<b>930</b>
Market-related impacts	29	(153)	23
Assumption changes and management actions (ACMA)	36	16	35
Management's ownership of MFS shares	(10)	-	7
Acquisition, integration and restructuring <sup>5</sup>	312	(164)	(89)
Intangible asset amortization	(35)	(38)	(35)
Other <sup>5</sup>	-	(15)	-
<b>Common shareholders' reported net income (loss)</b>	<b>1,348</b>	<b>646</b>	<b>871</b>

**Market-related impacts** reflect favourable interest rate and equity market impacts, partially offset by unfavourable real estate experience

**Acquisition, integration and restructuring** includes an adjustment to SLC Management's estimated acquisition-related liabilities and integration costs related to DentaQuest

Certain 2023 results in the Drivers of Earnings and CSM Movement Analysis were refined to more accurately reflect how the business is managed.

<sup>1</sup> The Drivers of Earnings analysis contains non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A. Refer to the Basis of Presentation section in our Supplementary Financial Information package for the period ended September 30, 2024 for more information about certain amounts that are presented on a net basis to reflect how the business is managed, compared to a gross basis in the Consolidated Financial Statements. Footnotes 2-5: Refer to slide 26.



## DOE experience gains/(losses)<sup>1</sup> – details

\$ millions	Pre-tax			Post-tax		
	Q3'24	Q2'24	Q3'23	Q3'24	Q2'24	Q3'23
Net equity market impact	48	(12)	(24)	36	(8)	(21)
Net interest rate impact	(3)	(42)	228	38	(52)	127
Impact of changes in the fair value of investment properties	(57)	(115)	(97)	(45)	(93)	(83)
<b>Market-related impacts</b>	<b>(12)</b>	<b>(169)</b>	<b>107</b>	<b>29</b>	<b>(153)</b>	<b>23</b>
Mortality	6	45	17	3	35	18
Morbidity	83	(4)	109	60	(11)	79
Policyholder behaviour	(6)	(12)	(3)	(5)	(12)	(3)
Expenses	(29)	(25)	(40)	(25)	(23)	(34)
Other insurance experience	13	7	(2)	11	4	(4)
<b>Insurance experience gains / (losses)</b>	<b>67</b>	<b>11</b>	<b>81</b>	<b>44</b>	<b>(7)</b>	<b>56</b>
<b>Credit experience (investments)</b>	<b>(80)</b>	<b>(14)</b>	<b>(8)</b>	<b>(61)</b>	<b>(10)</b>	<b>(7)</b>
<b>Other investment experience</b>	<b>26</b>	<b>9</b>	<b>6</b>	<b>19</b>	<b>7</b>	<b>9</b>

Certain 2023 results in the Drivers of Earnings and CSM Movement Analysis were refined to more accurately reflect how the business is managed.

<sup>1</sup> Represents a non-IFRS financial measure. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A.

# Contractual service margin movement analysis<sup>1</sup>

\$ millions, pre-tax	Q3'24	Q2'24	Q3'23
<b>CSM at beginning of period</b>	<b>12,512</b>	<b>12,141</b>	<b>11,258</b>
Impact of new insurance business <sup>2</sup>	383	437	370
Expected movements from asset returns & locked-in rates <sup>3,4</sup>	185	166	152
Insurance experience gains/(losses) <sup>4</sup>	(63)	(21)	(28)
CSM recognized for services provided	(286)	(272)	(212)
<b>Organic CSM Movement<sup>3</sup></b>	<b>219</b>	<b>310</b>	<b>282</b>
Impact of markets & other <sup>4</sup>	191	45	(158)
Impact of change in assumptions <sup>4</sup>	(95)	7	(43)
Currency impact	9	9	113
Disposition	-	-	-
<b>Total CSM Movement</b>	<b>324</b>	<b>371</b>	<b>194</b>
<b>CSM at end of period</b>	<b>12,836</b>	<b>12,512</b>	<b>11,452</b>

## CSM Highlights

- **Total CSM** ended Q3'24 at \$12.8 billion, up **12% y/y** largely driven by organic CSM growth
- **New business CSM** of \$383 million, up **4% y/y** on sales growth in Hong Kong
- **CSM recognized for services provided** over the last twelve months represented **9.5%** of total CSM

Certain 2023 results in the Drivers of Earnings and CSM Movement Analysis were refined to more accurately reflect how the business is managed.

<sup>1</sup> Contractual service margin movement analysis includes both non-participating and participating policyholder CSM.

<sup>2</sup> Impact of new insurance business on CSM, also referred to as "new business CSM", represents growth from sales activity in the period, including individual protection sales (excluding joint ventures), and defined benefit solutions and segregated fund wealth sales in Canada.

<sup>3</sup> Expected movements from asset returns & locked-in rates primarily reflects: i) the expected returns on assets supporting VFA contracts and ii) the increase in average locked-in rates from the passage of time on in-force business and new business added at higher rates. Locked-in rates refer to the term structure associated with locked-in discount rates, set when the insurance contract was sold, or on transition to IFRS 17. VFA contracts include Participating life insurance, Segregated funds, and Variable Universal Life (VUL).

<sup>4</sup> Certain measures in the CSM Movement Analysis are non-IFRS financial measures. Refer to the Non-IFRS Financial Measures section in the appendix to these slides and in our Q3 2024 MD&A.

# Assumption changes and management actions

(\$ millions)	Reported net income impacts (After tax) <sup>1, 2</sup>	Deferred in CSM (Pre-tax) <sup>2, 3</sup>	Comments
Mortality/morbidity	(69)	184	Updates to reflect mortality and morbidity experience in all jurisdictions. The largest items were favourable mortality impacts in GRS and Individual Wealth in Canada, and the Philippines in Asia. These were partially offset by an unfavourable mortality impact in Individual Insurance in Canada.
Policyholder behaviour	(79)	(152)	Updates to reflect lapse and policyholder behaviour in all jurisdictions. The largest items were an adverse lapse impact in In-force Management in the U.S. and in Vietnam in Asia.
Expense	(27)	(4)	Updates to expenses in all jurisdictions.
Financial	31	62	Updates to various financial related assumptions.
Modelling enhancement and other	180	(185)	Various enhancements and methodology changes. The largest items were the favourable impact of refinements in Hong Kong in Asia offset by the impact of a new reinsurance treaty in In-force Management in the U.S. that was favourable to net income but unfavourable to CSM.
<b>Total impact of change in assumptions</b>	<b>36</b>	<b>(95)</b>	

<sup>1</sup> The reported net income impact of ACMA is shown in aggregate for Net insurance service result and Net investment result, and excludes amounts attributable to participating policyholders.

<sup>2</sup> CSM is shown on a pre-tax basis as it reflects the changes in our insurance contract liabilities, while reported net income is shown on a post-tax basis to reflect the impact on capital.

<sup>3</sup> Total impact of change in assumptions represents a non-IFRS financial measure for amounts deferred in CSM. For more details, see section N - Non-IFRS Financial Measures in the MD&A.

# Earnings on surplus – Supplemental details

## Earnings on surplus – supplemental details

\$ millions, pre-tax	Q3'24	Q2'24	Q3'23
Core investment income	151	163	169
Realized investment gains / (losses)	13	9	3
Other <sup>1</sup>	(3)	(13)	(17)
<b>Earnings on surplus</b>	<b>161</b>	<b>159</b>	<b>155</b>
Interest on debt	(79)	(77)	(86)
<b>Earnings on surplus net of debt cost</b>	<b>82</b>	<b>82</b>	<b>69</b>

## EOS Highlights

- **Core investment income** down q/q due to lower cash balance and surplus holdings, as well as lower yields

<sup>1</sup> Includes timing differences on derivatives, currency and other items.

# Credit experience– Supplemental details

<b>Credit experience – supplemental details</b>			
\$ millions, pre-tax	Q3'24	Q2'24	Q1'24
Ratings/Net impairments <sup>1</sup>	(71)	(12)	(32)
Expected credit loss <sup>2</sup>	(9)	(2)	5
<b>Credit experience</b>	<b>(80)</b>	<b>(14)</b>	<b>(27)</b>
Release of credit within expected investment earnings <sup>3</sup>	37	35	36
<b>Net Credit Experience</b>	<b>(43)</b>	<b>21</b>	<b>9</b>

<sup>1</sup> On fair value through profit / loss assets.

<sup>2</sup> On fair value through other comprehensive income and amortized cost assets.

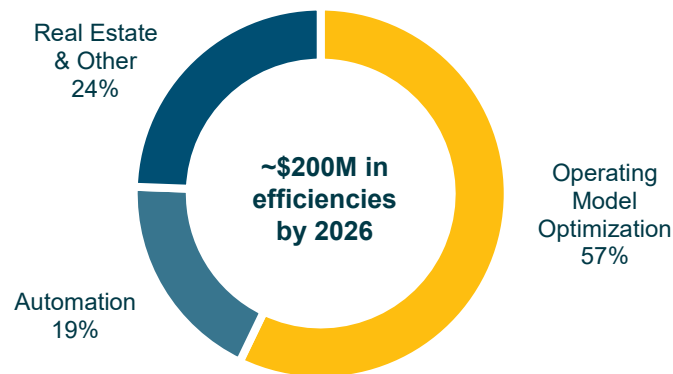
<sup>3</sup> Release of credit risk adjustments are reported in the Expected Investment Earnings line of the Drivers of Earnings.

# Q2'24 Restructuring & savings program

## Restructuring & Savings Program

- In Q2'24, Sun Life announced a **restructuring charge of \$108 million (post-tax)** reflecting actions taken to improve productivity and support earnings growth to the higher end of our medium-term financial objectives
- Program includes actions to optimize operating model, accelerate automation, and reduce third-party spend
- Actions to be implemented over an 18-month period and is **expected to deliver cost efficiencies of ~\$200 million (pre-tax)<sup>1</sup> by 2026**
  - **~40% of efficiencies expected to be achieved by 2024; ~80% by 2025**
- We expect the majority of cost efficiencies to occur in the U.S. and Canada

## Cost Efficiencies by Value Stream



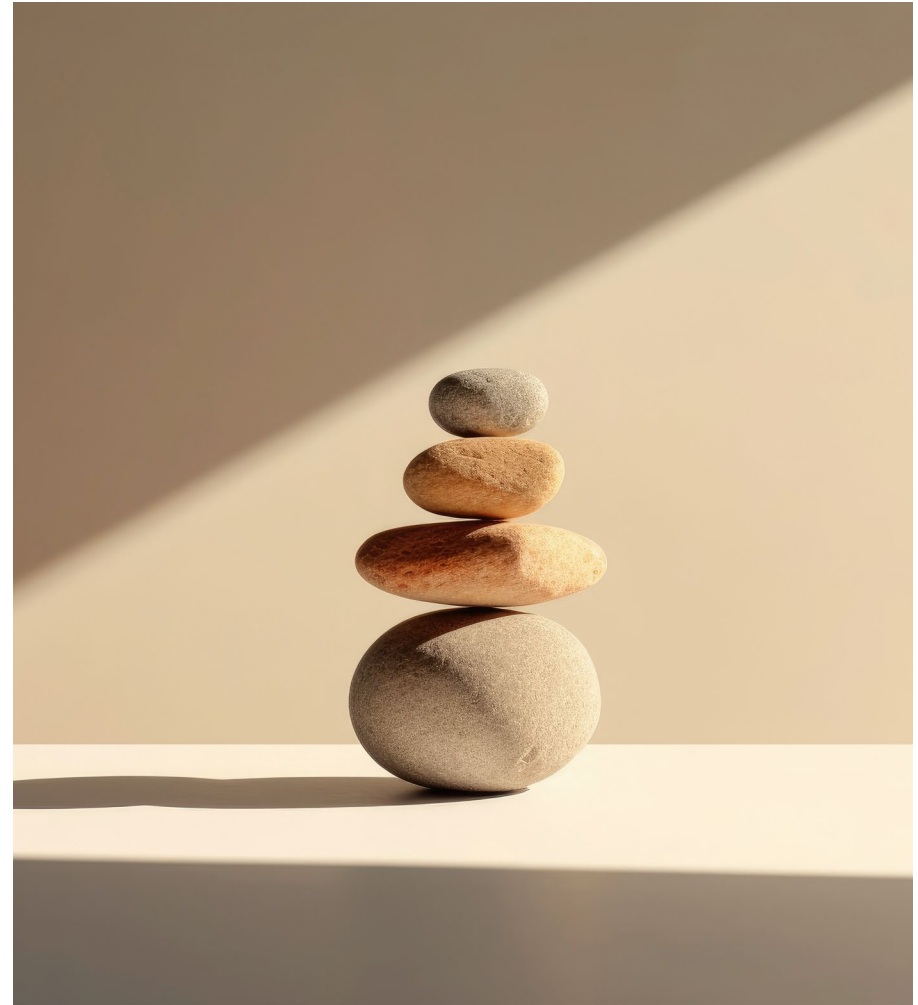
<sup>1</sup> This slide includes forward-looking statements within the meaning of applicable securities laws. For more information, refer to "Forward-looking Statements" and "Risk Factors" on slide 25.

# Registration

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Sun Life Investor Day 2024  
November 13, 2024

*For more details on our Investor Day, please visit our  
webpage [here](#)*



### **Use of Non-IFRS Financial Measures**

We report certain financial information using non-IFRS financial measures, as we believe that these measures provide information that is useful to investors in understanding our performance and facilitate a comparison of our quarterly and full year results from period to period. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed in isolation from or as alternatives to measures of financial performance determined in accordance with IFRS. Additional information concerning non-IFRS financial measures and, if applicable, reconciliations to the closest IFRS measures are available in section N - Non-IFRS Financial Measures of our Q3 2024 MD&A and the Supplementary Financial Information package on [www.sunlife.com](http://www.sunlife.com) under Investors - Financial results and reports.

### **Non-IFRS Financial Measures**

Underlying net income is a non-IFRS financial measure that assists in understanding Sun Life's business performance by making certain adjustments to IFRS income. Underlying net income, along with common shareholders' net income (Reported net income), is used as a basis for management planning, and is also a key measure in our employee incentive compensation programs. This measure reflects management's view of the underlying business performance of the company and long-term earnings potential. For example, due to the longer term nature of our individual protection businesses, market movements related to interest rates, equity markets and investment properties can have a significant impact on reported net income in the reporting period. However, these impacts are not necessarily realized, and may never be realized, if markets move in the opposite direction in subsequent periods or in the case of interest rates, the fixed income investment is held to maturity.

Underlying net income removes the impact of the following items from reported net income:

- i. Market-related impacts reflecting the after-tax difference in actual versus expected market movements,
- ii. ACMA – captures the impact of method and assumption changes, and management actions on insurance and reinsurance contracts, and
- iii. and Other adjustments (Management's ownership of MFS shares, Acquisition, integration, and restructuring, Intangible asset amortization, and Other).

Additional detail on these adjustments is provided in section N - Non-IFRS Financial Measures of our Q3 2024 MD&A.

All factors discussed in this document that impact our underlying net income are also applicable to reported net income. All EPS measures in this presentation refer to fully diluted EPS, unless otherwise stated. Underlying EPS excludes the dilutive impacts of convertible instruments.

Other non-IFRS financial measures that we use include: after-tax profit margin for U.S. Group Benefits, assets under administration (in SLC Management), assets under management ("AUM"), AUM not yet earning fees, capital raising, cash and other liquid assets, measures based on a currency adjusted basis, CSM movement analysis (organic CSM movement, impact of new insurance business on CSM, expected movements from asset returns & locked-in rates, impact of markets & other, insurance experience gains/losses, impact of change in assumptions, CSM market sensitivities), deployment, drivers of earnings, earnings on surplus, experience-related items attributable to reported net income and underlying net income, fee-earning AUM, fee-related earnings and operating income, financial leverage ratio, impacts of foreign exchange translation, LICAT market sensitivities, organic capital generation, pre-tax fee-related earnings margin, pre-tax net operating margin, return on equity, sales and flows, third-party AUM, total weighted premium income ("TWPI"), underlying dividend payout ratio, underlying EPS (diluted), and effective income tax rate on an underlying net income basis.



## Forward-Looking Statements

From time to time, the Company makes written or oral forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Forward-looking statements contained in this document include statements (i) relating to our strategies, plans, targets, goals and priorities; (ii) relating to the use of proceeds of our sustainability bond offering; (iii) relating to our expectations with respect to outcomes resulting from the Q2'24 Restructuring and Savings Program (including relating to the value of the cost efficiencies we expect to realize and the timing thereof); (iv) relating to our growth initiatives and other business objectives; (v) set out in our Q3 2024 MD&A under the heading I - Risk Management - Market Risk Sensitivities - Interest Rate Sensitivities; (vi) that are predictive in nature or that depend upon or refer to future events or conditions; and (vii) that include words such as “achieve”, “aim”, “ambition”, “anticipate”, “aspiration”, “assumption”, “believe”, “could”, “estimate”, “expect”, “goal”, “initiatives”, “intend”, “may”, “objective”, “outlook”, “plan”, “project”, “seek”, “should”, “strategy”, “strive”, “target”, “will”, and similar expressions. Forward-looking statements include the information concerning our possible or assumed future results of operations. These statements represent our current expectations, estimates, and projections regarding future events and are not historical facts, and remain subject to change.

Forward-looking statements are not a guarantee of future performance and involve risks and uncertainties that are difficult to predict. Future results and shareholder value may differ materially from those expressed in these forward-looking statements among other factors, the matters set out in our Q3 2024 MD&A under the headings C - Profitability - 5 - Income taxes, F - Financial Strength and I - Risk Management and in SLF Inc.'s 2023 AIF under the heading Risk Factors, and the factors detailed in SLF Inc.'s other filings with Canadian and U.S. securities regulators, which are available for review at [www.sedarplus.ca](http://www.sedarplus.ca) and [www.sec.gov](http://www.sec.gov), respectively.

## Risk Factors

Important risk factors that could cause our assumptions and estimates, and expectations and projections to be inaccurate and our actual results or events to differ materially from those expressed in or implied by the forward-looking statements contained in this document, are set out below. The realization of our forward-looking statements essentially depends on our business performance which, in turn, is subject to many risks. Factors that could cause actual results to differ materially from expectations include, but are not limited to: **market risks** - related to the performance of equity markets; changes or volatility in interest rates or credit spreads or swap spreads; real estate investments; fluctuations in foreign currency exchange rates; and inflation; **insurance risks** - related to mortality experience, morbidity experience and longevity; policyholder behaviour; product design and pricing; the impact of higher-than-expected future expenses; and the availability, cost and effectiveness of reinsurance; **credit risks** - related to issuers of securities held in our investment portfolio, debtors, structured securities, reinsurers, counterparties, other financial institutions and other entities; **business and strategic risks** - related to global economic and geopolitical conditions; the design and implementation of business strategies; changes in distribution channels or Client behaviour including risks relating to market conduct by intermediaries and agents; the impact of competition; the performance of our investments and investment portfolios managed for Clients such as segregated and mutual funds; shifts in investing trends and Client preference towards products that differ from our investment products and strategies; changes in the legal or regulatory environment, including capital requirements and tax laws; the environment, environmental laws and regulations; **operational risks** - related to breaches or failure of information system security and privacy, including cyber-attacks; our ability to attract and retain employees; legal, regulatory compliance and market conduct, including the impact of regulatory inquiries and investigations; the execution and integration of mergers, acquisitions, strategic investments and divestitures; our information technology infrastructure; a failure of information systems and Internet-enabled technology; dependence on third-party relationships, including outsourcing arrangements; business continuity; model errors; information management; **liquidity risks** - the possibility that we will not be able to fund all cash outflow commitments as they fall due; and **other risks** - changes to accounting standards in the jurisdictions in which we operate; risks associated with our international operations, including our joint ventures; market conditions that affect our capital position or ability to raise capital; downgrades in financial strength or credit ratings; and tax matters, including estimates and judgements used in calculating taxes.

The Company does not undertake any obligation to update or revise its forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

## Footnotes

### From slide 4

<sup>2</sup> Impact of new insurance business on CSM, also referred to as "new business CSM", represents growth from sales activity in the period, including individual protection sales (excluding joint ventures), and defined benefit solutions and segregated fund wealth sales in Canada.

<sup>3</sup> Life Insurance Capital Adequacy Test ("LICAT") ratio of SLF Inc.; our LICAT ratios are calculated in accordance with the OSFI-mandated guideline, Life Insurance Capital Adequacy Test.

<sup>4</sup> Business Mix based on underlying net income, excluding Corporate expenses and other. Wealth & asset management includes MFS Investment Management, SLC Management, Canada Individual Wealth, Group Retirement Services, Asia Wealth & asset management. Group – Health & Protection includes Canada Sun Life Health, U.S. Group Benefits (Employee Benefits and Health and Risk Solutions) and U.S. Dental. Individual – Protection includes Canada Individual Insurance, U.S. In-force Management and Asia Individual – Protection.

### From slide 6

<sup>1</sup>As of October 31, 2024.

<sup>2</sup>Ranking compiled by Sun Life based on data disclosed by competitors as of August 2024.

<sup>3</sup>Source: Newswire.ca, Sun Life recognized for innovative employee GenAI chatbot with 2024 CIO Award.

<sup>4</sup>Source: Great Place to Work, Best Workplaces with Most Trusted Executive Teams 2023.

<sup>5</sup>Source: Newswire.ca, Sun Life earns Canada's top honour for Excellence in Workplace Mental Health.

### From slide 8

<sup>2</sup> New business CSM represents growth from sales activity in the period, including individual protection sales (excluding joint ventures), and defined benefit solutions and segregated fund wealth sales in Canada.

<sup>3</sup> LICAT ratio of Sun Life Financial Incorporated and of Sun Life Assurance Company of Canada ("SLA"). Our LICAT ratios are calculated in accordance with the OSFI-mandated guideline, Life Insurance Capital Adequacy Test.

<sup>4</sup> SLA is SLF Inc.'s principal operating life insurance subsidiary.

<sup>5</sup> Organic capital generation measures the change in capital, net of dividends, above LICAT requirements excluding the impacts of markets and other non-recurring items.

<sup>6</sup> Cash and other liquid assets at SLF Inc. and its wholly owned holding companies.

### From slide 11

<sup>2</sup> Based on a trailing 12-month basis.

<sup>3</sup> Total AUM including the General Account was \$387 billion at September 30, 2024.

### From slide 16

<sup>2</sup> Effective Q4 2023, prior period amounts in the DOE related to Expenses - other for health, wealth and asset management businesses in Canada have been restated to improve comparability of data over time and with other business units; related amounts in Other fee income and Experience gains (losses) have also been restated accordingly. In addition, effective Q3 2023, the Other Fee Income line for the U.S. business segment has been refined to include Group Benefits and Health & Risk Solutions fee income net of corresponding expenses in order to align with the presentation of the Dental business in this line. We have updated prior period amounts to reflect this refinement.

<sup>3</sup> Expenses - other removes non-underlying Other adjustments, including Management's ownership of MFS shares, Acquisition, integration and restructuring, and Intangible asset amortization. Certain Other adjustments - other may also be removed from Other expenses.

<sup>4</sup> Dividends on preferred shares, distributions on other equity instruments, and non-controlling interests ("Dividends, distributions, NCI").

<sup>5</sup> Refer to the Notes page ii, Adjustments - Acquisition, Integration and Restructuring and Adjustments – other in our Supplementary Financial Information package for the period ended September 30, 2024 for additional details.