



Sun Life Financial Inc. Expands Further into Asian Markets

Description

Sun life Financial Inc. ([TSX:SLF](#))([NYSE:SLF](#)) is one of the largest and longest-serving insurers in the country with operations serving over six million Canadians for over 150 years.

The company made news this week with the announcement that Sun Life would be purchasing the remaining 51% of Indonesian business partner **CIMB Group**.

Here's why Sun Life is moving deeper into Indonesia and why this is important for investors.

Sun Life's Asian expansion

The insurance market in Canada has reached the point where large companies like Sun Life already have most Canadians as clients. As a result, companies have taken the task to expand to international markets.

One such market that poses immense potential is Asia.

The ongoing boom and emergence of a massive middle class throughout Asia has many companies scrambling to get a foothold in the region through partnerships, deals, and acquisitions. Some pundits see the doubling of wealth in the region occurring within less than a decade.

Sun Life has spent the past few years expanding into the Asian market with acquisitions being made in India, Indonesia, Malaysia, and Vietnam. The company already has operations in the Philippines, India, Hong Kong, and China.

Sun Life CEO Dean Cooper made note of this potential: "As the middle class grows people start to save and they start to protect themselves and their families and save for education." The protection and savings come in the form of the products that Sun Life offers.

By way of example of how lucrative the market could be, Indonesia has a population of 250 million with nearly 80 million (more than double the population of Canada) now seeing insurance and savings products offered by Sun Life within their affordability. About 15 million have already purchased some

form of product offering.

Sun Life is a great investment

Sun Life currently trades at \$41.63. Year-to-date, the stock is down by 3.52%; however expanding this out over the course of a full 12 months shows the stock price gaining 1.8%. Sun Life pays out a quarterly dividend of \$0.39 per share, giving the company a healthy yield of 3.75%

In the most recent quarter, Sun Life posted operating net income of \$598 million, or \$0.98 per share. This compares to just \$511 million, or \$0.83 per share, posted in the same quarter last year. Global assets for the company came in at \$891 billion.

For the full year, the company posted net income of \$2,253 million, or \$3.68 per share, compared with \$1,920 million, or \$3.13 per share, in the prior year.

In my opinion, Sun Life remains a great option for investors looking to diversify their portfolios with a company that is slated to grow over the long term in both the Asian market as well as here at home. Should the company's strategy to expand in Asia continue as planned, investors will be very pleased with the results.

CATEGORY

1. Investing

TICKERS GLOBAL

1. TSX:SLF (Sun Life Financial Inc.)

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Date

2025/08/26

Date Created

2016/03/24

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