



## The Big Deal That Could Make Sun Life Stock Attractive

### Description

**Sun Life Financial** ([TSX:SLF](#))([NYSE:SLF](#)) is one of the Big Three life insurance organizations in Canada. This company extends retirement, wealth-management and insurance services to corporate and individual customers in Asia, Canada, and the U.S.

Additionally, Sun Life is the owner of a Boston-based asset-management organization, MFS Investment Management. Asset-management operations are responsible for generating around one-third of Sun Life's profit.

Recently, this TSX stock has been in the news for the right reasons. Let's dive in.

## Sun Life is nearing a US\$400 million deal with CIMB

As per recent reports, Sun Life is nearing an agreement to grow its partnership in Indonesia with CIMB Group Holdings Bhd.

Owner of a 91.5% stake in Indonesia's PT Bank CIMB Niaga, Malaysian lender CIMB is in talks with Sun Life Financial regarding the bancassurance deal in the Southeast Asian nation. Typically, an insurer pays an upfront amount for the sale of its products in the bank's branches under such an agreement.

CIMB was looking forward to the renegotiation of the terms of its bancassurance partnerships in Indonesia. This includes the company's arrangement with AIA Group Ltd. The expanded Sun Life deal will likely take over the Hong Kong-based insurer's partnership with CIMB.

An enhanced partnership can ensure the presence of Sun Life in Indonesia. That's notable, considering Indonesia has a population of around 274 million people.

## More positives to look at for Sun Life stock

The share price of Sun Life has shot 45% higher over the past five years. That's a bit above the market return. However, this TSX stock has been up a decent 9.7% in the past year.

Some of this recent outperformance may be tied to Sun Life's [value](#) relative to its peers. Trading at only 10 times earnings with a [dividend yield of 3.8%](#), there are many value/fundamental-conscious investors who obviously like this stock for its numbers.

Indeed, from a fundamentals perspective, it's hard to ignore Sun Life's performance. The company has seen an 11% compound EPS growth every year during five years of growth in share price. This earnings-per-share growth looks more impressive than the 8% gain in yearly share price over the same period.

During the year, shareholders of Sun Life gained a total return of 14%. And this is actually better than the 12% average return over five years. Sun Life has been gaining momentum due to its strong business in Asia, solid financial position, strategic acquisitions, and higher real estate valuations.

## Bottom line

Sun Life Financial looks well positioned for growth this year, banking on top-notch wealth and insurance market positions in Canada and premier asset management franchises at SLC and MFS Management. Moreover, the insurer should benefit in the long run from the shift toward more capital-light businesses in the U.S. along with an established presence in lucrative Asian markets.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

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

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**Date**

2025/08/16

**Date Created**

2022/04/02

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