



Message from the Chair

Scott F. Powers

Chair of the Board

To my fellow shareholders,

Business growth is a driving force for progress in society today. It spurs our economy forward, fuels innovation, supports technology development, enables meaningful Client experiences, contributes to purposeful work, and supports investment. Bottom line – business growth creates a positive impact for all Sun Life stakeholders.

This theme was Sun Life's 2023 story as we delivered solid results, ending the year with strong performance.

Following the adoption of IFRS 17/9 financial standards, Sun Life's diversified business model contributed to solid performance against our medium-term financial objectives. Underlying earnings per share (EPS) growth was above target at 11% in 2023. And on a two-year basis, underlying return on equity (ROE) was 17.4%, nearing our 18%+ target, and dividend payout ratio was 48%, on the higher end of our target range.

Through prudent risk management and financial discipline, our balance sheet and capital position remain strong. This enhances our capabilities to further invest in our businesses while remaining resilient against economic uncertainty, geopolitical risks and climate change.

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Growth is not only measured in our financial results, but also improving the impact we have on our Clients – particularly how we're delivering on our Purpose to help them achieve lifetime financial security and live healthier lives.

Our company grew organically and through disciplined acquisitions and strategic partnerships including Advisors Asset Management, Dialogue Health Technologies Inc. and our partnerships with Dah Sing Bank in Hong Kong and Pillway¹² in Canada.

We're dedicated to growth that benefits our Clients through new capabilities, innovative solutions and provides broader and easier access to health and financial advice. We're also future-focused, finding new ways to reach Clients, including through digitization.

Our Canada and U.S. businesses continue to be growth engines and we see a runway of opportunities in asset management and in Asia. This includes demand for alternative investments, a growing Asian middle class, increased demand for preventative health and wellness solutions, and the transfer of wealth between generations.

Shareholders tell us they appreciate our stability and strength. They see the rewards through growth in the marketplace, our stock price and Total Shareholder Return (TSR) performance of 10.4% over a 10-year period, placing us in the top quartile of our global peers.

On a personal note, I'm proud to lead our Board of Directors who bring a depth of experience and expertise to their role at Sun Life, providing strong governance, disciplined risk management and strategic oversight, and ensuring management is accountable for the delivery of strong business results.

On behalf of our Board and everyone at Sun Life, thank you to our Clients for your ongoing trust in our capabilities and to our shareholders and policyholders for your confidence and commitment.

Sun Life was built on a foundation of strong values, a meaningful Purpose and an ambition to be the best. It's this foundation that supports our thoughtful and disciplined approach to everything we do.

Scott F. Powers