

Remarks by

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**Dean A. Connor**

Chief Executive Officer

*(Check against delivery)*

2021 Annual Meetings

Virtual | Wednesday, May 5, 2021

**2021 Annual Meetings – May 5, 2021**  
**Remarks by Dean A. Connor, Chief Executive Officer**

Thanks, Bill. Welcome everyone. *Bonjour et bienvenue à tous!*

**Year of historical significance**

The past 15 months have been extraordinary, to say the least.

Everyone has made sacrifices during this time, and I particularly want to thank those who put their health at risk to support others, including health-care workers, personal care workers and many other essential workers. We owe them our deepest thanks and continued support as we work our way out of this pandemic.

And today our thoughts are with our friends, colleagues, Clients and their families in India as the country grapples with this very large wave of infections. While our India employees have been working from home since the start of the pandemic, their health and safety remains our priority, and we're making every effort to provide much-needed support.

Today I'll speak to Sun Life's progress in 2020, and then Kevin Strain will share his views on the road ahead.

It was nearly 10 years ago that we set out to shift Sun Life to a balanced and diversified business with four strong pillars. Since then, we sold businesses, doubled-down in others,

reduced risk, improved capital and cash generation, and allocated capital with an owner's mindset.

We changed the culture to one that truly obsesses about Clients; a culture that sets ambitious but achievable goals with personal accountability; a culture of playing to win. We also preserved and reinforced long-standing positive aspects of our culture, including integrity, collaboration, caring for people, and strong risk management. We worked hard on talent, helping people to grow new skills, stretch themselves, and raise the bar on recruiting and positioning Sun Life as a destination for top talent. Taken together, this strategy, and more importantly the execution of the strategy through people and culture, positioned us well as we entered 2020.

As the pandemic hit, our employees and advisors moved quickly to provide much-needed advice, support and financial relief to Clients and communities. I won't take you through all the different actions we took – they're well detailed in the Annual Report – but what is so striking is the sheer number of changes we made on the fly, across a wide spectrum, including investments, claim payments, extra coverages, special communications and advice, community donations, and so on – and all delivered at great speed.

This past year has also shone a bright light on your company's purpose: helping Clients achieve lifetime financial security and live healthier lives. We'd like to show you a video now that shows our purpose in action.

[\[Video – Cecil's Story\]](#)

That's a wonderful story, and we thank Cecil for sharing it with us. It's why we're in business – to help Clients like Cecil. As another example of our purpose in action, last year we delivered nearly \$200 million of claim payments to the families of Clients who succumbed to COVID-19 and a further \$150 million in Q1. In addition, we've paid tens of millions of dollars in COVID-related health claims. We helped millions of Clients navigate extremely volatile investment conditions. This is why we exist as a company—to be able to support Clients during those challenging moments.

### **Financial overview**

Shifting to your company's financial results, we should first acknowledge the critical role played by governments. The speed and scale of fiscal and monetary support made a big difference for households and businesses alike.

In 2020, we achieved solid results in a tough environment. Underlying net income grew to over \$3.2 billion, and underlying return on equity increased to 14.4%. While reported net income declined to \$2.4 billion driven by market conditions, assets under management reached a new milestone of \$1.25 trillion. Insurance sales were level with 2019, while wealth sales grew 39%.

We returned \$1.5 billion to common shareholders through regular quarterly dividends and buybacks, and committed a further \$1.4 billion to acquisitions and partnerships. In Vietnam, we signed a 15-year exclusive bancassurance deal with Asia Commercial Bank, which will bring a range of innovative insurance solutions to our Clients in Vietnam.

In our alternative asset management business, SLC Management, we acquired a majority stake in InfraRed Capital Partners, a London-based, global infrastructure manager. We also acquired a majority stake in Crescent Capital Group, a global alternative credit investment manager in Los Angeles, and with those two additions SLC Management reached \$154 billion of AUM.

Sun Life's Total Shareholder Return of 9.6% compounded annually over the five years to December 31<sup>st</sup> puts your company in the top quartile among global industry peers.

Our first quarter results were just released this afternoon, and I'm pleased to report that the momentum continues. Underlying net income grew 10% to \$850 million, and reported net income of \$937 million benefited from improved market conditions. Assets under management are up 26% over Q1 of 2020 to \$1.3 trillion.

### **Employee and advisor spirit**

This performance all boils down to the people and culture that I spoke about earlier. This past year, we increased our focus on mental health and well-being, and provided employees with more time off, support and resources. I'm so proud of how our people have supported Clients and each other, and it's perhaps no surprise that our employee engagement scores and Client experience scores both reached new heights in 2020.

### **Hope for the future of the industry**

When I look ahead, I see a sparkling future for Sun Life and for the industry, and I say that for a few reasons.

First, the demand for what we do has never been higher. For millions of people, the pandemic has underscored the importance of their health and financial security, and we are here to help!

Second, Sun Life is well placed to compete on the global stage. We first went to Asia in 1891, the UK in 1893 and U.S. in 1895. Today two-thirds of our business is outside of Canada. Of the top 12 publicly traded life insurers globally, three are Canadian, including Sun Life, which is a remarkable achievement. As an industry, we compete well on the global stage, and that's something of which Canadians should be proud.

Third, there is so much more opportunity to help Clients. There are still too many ways that life insurers are difficult to do business with. Medical underwriting can be invasive and time-consuming; so we are working hard to change that, to accelerate and automate the process. We sometimes cold call prospective Clients at awkward times to discuss their financial needs. We use jargon that confuses people sometimes. But these challenges are all opportunities, and at Sun Life we are making great progress combining digital, data and analytics with human contact, in ways that are scalable, deliver amazing Client experiences and can turbo-charge productivity.

### **Leadership change / Closing**

Looking ahead, your company is in great hands under Kevin Strain's leadership. I've had the privilege of working closely with Kevin over these past 15 years, and I know he has the dynamism, the vision, and the character to take Sun Life forward to even greater heights.

It's been the privilege of a lifetime to lead this amazing company for the past nearly 10 years. I hope that you are as proud of Sun Life as I am. You are invested in a company that has an incredibly important purpose that makes such a difference to millions of people in developed and developing nations around the world. You're invested in a company that is serious about its obligations to society. You're invested in a company chock full of bright, talented, great people

who are joined together in our grand ambition to build one of the best insurance and asset management companies in the world.

Thank you to our Clients and our investors for your ongoing confidence and trust in Sun Life.

Thank you to Sun Life's Board of Directors for your guidance, challenge, support, and friendship. We are blessed to have such a highly effective, high-performing Board.

And finally, thank you to our employees and advisors whose commitment to excellence has made my job an absolute joy.

Thank you all. *Merci beaucoup.*

I'll now pass it over to Kevin Strain.