



CHAIRMAN'S MESSAGE

To my Fellow Shareholders

2017 was another year of progress as we continue to build long-term sustainable value for our Shareholders and Clients. Growth momentum in each of our business pillars contributed to strong financial results and we again increased our common share dividend twice during the year. Underlying earnings per share growth, underlying return on equity and the dividend payout ratio for 2017 were all well within our medium-term financial objectives.

These results are a reflection of Sun Life's balanced and diversified business model and prudent risk profile, which continue to be distinguishing strengths. This strong footing enables Sun Life to intensify its investments in its Client-centric model that puts our Clients at the centre of everything we do. Your Board has strong confidence in the Company's strategy. During the year, we spent considerable time reviewing priorities and progress on the strategy and on talent plans to ensure Sun Life has the leadership and capabilities to be successful today and to meet the varied challenges we will face in the future.

The Board was delighted to see Dean Connor named Canada's Outstanding CEO of the Year® for 2017, a well-deserved recognition for both Dean and all Sun Life employees who have contributed to our growth and success over the past several years. During the past year, Dean has also successfully implemented healthy renewal of his strong executive team, with two new members added and four role changes that leverage our experienced senior leaders in new portfolios.

“ The Board has heightened its oversight on diversity and inclusion, as well as plans to increase talent in strategic areas such as analytics and digital, all vital to achieving our ambition and Purpose. ”

Sun Life has signed on to the Catalyst Accord 2022 and joined the 30% Club Canada which aims to increase the number of women on Boards and in leadership positions.

The Board remains steadfast in its commitment to effective governance and prudent oversight to help ensure Sun Life continues to flourish as a sustainable organization that has the ability to deliver long-term value to our Clients, employees, Shareholders and communities. For the ninth consecutive year, Sun Life was recognized as one of the Global 100 Most Sustainable Corporations in the World.

I would like to take this opportunity to sincerely thank retiring director Réal Raymond for his outstanding contributions to Sun Life's Board over the past five years.

On behalf of the Board, thank you to our Shareholders and Clients for your trust and loyalty, and to the Sun Life team around the world for their efforts to achieve our Purpose of *helping Clients achieve lifetime financial security and live healthier lives*. I'm confident of our bright future together.

William (Bill) D. Anderson
Chairman of the Board