

Remarks by

Dean A. Connor

PRESIDENT & CHIEF EXECUTIVE OFFICER

(Check against delivery)

2020 Annual Meetings

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Thank you Bill.

Bonjour et bienvenue à tous.

Let me add my sincere welcome to our shareholders, Clients, employees and guests joining us today in these extraordinary circumstances.

I want to start by saying thank you.

Thank you to the doctors, nurses, first responders, medical and hospital support staff, grocery store clerks, and all of the essential workers who have provided service in this time of need. We all owe you a sincere debt of gratitude for your dedication and courage in keeping us going.

I also want to thank our 40,000 Sun Life employees and 126,000 Sun Life advisors around the world for placing our Clients at the centre of everything you do. I couldn't be more proud of the dedication and resilience of the Sun Life team.

Today I'll comment on our results in 2019 and the first quarter of 2020. Next, I'll describe how we are managing through this pandemic. And then I'll close with some thoughts on the path from here to the 'new normal'.

2019 marked another year of growth and positive momentum for Sun Life. Our underlying net income exceeded \$3 billion for the first time, and we reached a milestone of more than \$1 trillion in assets under management.

We put capital to work through the purchase of a majority stake in BentallGreenOak, broadening our real estate capabilities. We signed a new bancassurance partnership with TPBank in Vietnam. We announced the acquisition of a majority stake in InfraRed Capital Partners, which is on track to close in the second quarter and adds infrastructure equity to our suite of alternative asset solutions. We also returned \$1.8 billion of capital to shareholders through a combination of dividends and share repurchases.

Over the past five years to December 31, 2019, we achieved or exceeded our medium-term financial objectives, with growth in earnings per share of 12% compounded annually, a 13.2% underlying return on equity and a 41% dividend payout ratio.

In 2019 we launched a new, more impactful sustainability plan targeting three areas aligned to our strategy and Purpose: improving financial security, fostering healthier lives, and advancing sustainable investing.

We introduced new data privacy principles that describe what we will do with Client data, how we protect it, and what we won't do – including the commitment that Sun Life will not sell Client data.

We're supporting the transition to a low-carbon and more inclusive economy through our investment portfolio and other actions. For example, we were the first life insurance company globally to issue a sustainability bond; the \$750 million raised will be invested in projects that bring positive environmental or social results. MFS significantly outscored the median in the PRI Signatory Assessment Report at the end of 2019.

Shifting to 2020, we just released our first quarter results. Underlying earnings grew to \$770 million, while reported earnings declined to \$391 million, mostly due to the impact of equity market declines in the first quarter. Even with lower equity markets and lower interest rates, our SLF LICAT capital ratio remained unchanged at 143%, a very strong level well in excess of the supervisory minimum, and that includes \$2.4 billion of excess cash at our holding company.

I'm pleased to report that the Board of Directors approved a dividend of \$.55 per common share, consistent with the prior quarter.

I'll now shift to how we are managing through the pandemic. It won't surprise you to know that our business continuity plan has worked quite well. For example, we had 1,200 laptop computers in inventory for a rainy day, and that allowed us to get our call centres up and running quickly from home. 95% of our employees around the world are working from home.

By late January, early February our colleagues in China and Hong Kong were working from home. Our first instinct was to support Clients, and we did that by extending coverage of

hospitals and clinics, extending benefits limits, expediting claims, waiving waiting periods, and extending grace periods for premium payments.

As COVID-19 spread around the world, we have continued to expand our help for Clients.

For example:

- We cut dental premiums by 50% for small and mid-sized employers in Canada, recognizing that many dental services will be deferred, but some will be cancelled.
- We rolled out Virtual Care making it available to over 2 million Canadians who are members of a Sun Life group benefits plan. With Virtual Care you can have a video consultation with a nurse practitioner or doctor from the safety and convenience of your own home.
- We are concerned about the impact of COVID-19 on mental health, and in addition to our existing services, we have rolled out webinars for plan members to talk about their mental well-being.
- In the US, we intervened to ask legislators to allow government COVID-19 loans to be used to keep benefits coverage going. We launched a series of Town Halls to explain to Clients how disability benefits, paid family and medical leave and the government's new COVID-19 support, all work together.
- Across Asia, we have rapidly expanded our virtual technologies, and engaged with regulators to promote virtual sales and client servicing.
- At MFS and SLC Management, our teams have doubled down on Client communication, with proactive outreach to individuals, as well as webinars and other ways to provide our interpretation of market events.

- Our team in the U.K. has continued to do an excellent job supporting Clients while working remotely, with 98% of Clients saying they would recommend Sun Life to others.

For tenants who can't afford to pay their rent, and borrowers who can't make their monthly loan or mortgage payments, we're working with them to find solutions.

Sun Life and MFS have donated over \$2 million to charities in the communities in which we operate, to support at-risk populations and provide access to food banks. We also had 600,000 surgical masks in inventory and donated them to hospitals across Canada.

Now, Sun Life is not alone in this, and we want to acknowledge the acts of governments and other organizations around the world to support people, communities and businesses as a bridge through the pandemic.

The pandemic has shone a bright light on three aspects of our business that really matter.

First, the value of insurance stands out at moments like this. When you see people you know falling very ill, in some cases dying, suddenly it becomes real, and it causes more people to think about life and health insurance.

For example, digital sales are up significantly, albeit off a small base, and some of our group benefit employers are asking us to open up enrolment mid-year, because their employees want to add insurance coverage.

Second, it is encouraging to see how many Clients are keeping a steady hand on the tiller when it comes to their investments. For example, in our Canadian Group Retirement business, with over \$100 billion of assets under management, less than 2% of the assets were moved by plan members from equities to less risky funds. We see a similar pattern in our retail wealth businesses in Canada and Asia, and this is a big shout out for the value of advice from a trusted financial advisor.

And third, life insurance companies provide important counter-cyclical balance in times of severe economic stress. Sun Life puts over a billion dollars a month of claims and benefit payments into the hands of families and companies, and we continue to invest in projects that drive the economy forward.

The pandemic will make this a challenging year for life insurers. Rising unemployment means overall sales and group premium levels will likely decline. Mortality and disability experience will likely be higher. To the extent that equity markets remain at current levels or lower, fee revenue from wealth and asset management will be lower. Lower interest rates are challenging for life insurers, and we will likely see more credit headwinds, which will reduce earnings.

But we've seen these things before, and Sun Life enters this period in a strong and differentiated position. We have a strong capital position, including over \$2 billion of cash at the holding company, our debt leverage is near historic lows and liquidity is strong. Over the past few years, we have been steadily reducing risk in our investment portfolio. Over the past eight years, our four pillar strategy has significantly reduced our exposure to the impact of low interest rates. Our business mix is well diversified across geographies and across insurance, wealth and asset management. In short, we are well placed, with both a strong defense and a strong offense.

I'd like to conclude by talking about the path forward, and the path forward is all about restoring confidence. Confidence to sit at a sidewalk café and have a meal with your family; confidence to take that vacation, most likely in your home country this year; confidence to invest in your business. Humans are generally optimistic, and our job now as companies and governments is to show the path forward to restore that confidence.

Ultimately, confidence will return when life-saving therapies are available and there's a widely available vaccine. Until then, a critical component to building confidence is the ability to rapidly detect and confine new clusters of infection. That requires a well-planned and fully-resourced testing and tracing regime. We need to hear more from our governments on how this capability will be created. That means hiring and training thousands – in some cases tens of thousands – of additional public health workers who can be ready to do the heavy lifting of tracing and isolating people who have been in contact with those with COVID-19. It means quickly selecting one of the mobile app contenders, sponsored by provincial or state or even federal departments of health, with

aggressive promotion of voluntary use coupled with a clear privacy and eventual data destruction policy. The private sector can help stand this capability up, and Sun Life is ready to help.

I want to close today by thanking our Clients and Investors for your ongoing confidence and trust in Sun Life. I also want to thank Sun Life's Board of Directors for your sound guidance and support, especially as we lead our company through this unprecedented public health and economic challenge. And I want to thank our employees and advisors around the world, who are doing such an amazing job to serve Clients and support each other.

While it is far from business as usual, Sun Life continues to aspire to be one of the best insurance and asset management companies in the world. We continue to advance on this journey. The great irony of this pandemic is that while it has required physical distancing, it has in fact brought us closer to colleagues and to Clients, in keeping with our focus on building Clients for life.

155 years ago, when Sun Life's founders huddled around a meeting room in Montreal, they aspired to create a life insurance company that would always be there for Clients when they needed us the most. 155 years later, this purpose continues to shine brightly. It's the sun around which everything revolves, the sun that pulls us together and lights our way, the sun that will be here for Clients in their time of need for years to come.

Thank You. *Merci Beaucoup.*