PARTICIPANTS

Corporate Participants

Dean A. Connor – President & Chief Executive Officer & Director, Sun Life Financial, Inc.

Other Participants

Sumit Malhotra – Analyst, Scotiabank Global Banking and Markets

MANAGEMENT DISCUSSION SECTION

Sumit Malhotra, Analyst, Scotiabank Global Banking and Markets

And we will go right to our next speaker, and that is going to be Mr. Dean Connor, President and CEO of Sun Life Financial. Dean joined the company in 2006 and assumed his role as Chief Executive in December of 2011.

Dean A. Connor, President & Chief Executive Officer & Director, Sun Life Financial, Inc.

Good to see you.

Sumit Malhotra, Analyst, Scotiabank Global Banking and Markets

Good to see you.

Sumit Malhotra, Analyst, Scotiabank Global Banking and Markets

Thanks very much. Thanks very much for being here again.

Dean A. Connor, President & Chief Executive Officer & Director, Sun Life Financial, Inc.

Pleasure.
QUESTION AND ANSWER SECTION

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: And we’ve been starting the conversations with your counterparts in the financial services world the last couple days with a mix of macro and micro. You’ve been the CEO for eight years – coming up to eight years now, and I think it’s fair to say that the market has a very clear view of the medium- and long-term objectives that you and your management team are working with.

When we think about the high-level financial targets, the 8% to 10% goal that’s been communicated for EPS growth, what levers are available to the company? And frankly, does the company think about those levers in the shorter-term environment in the context of inverted yield curves, trade wars, market volatility? How do you manage in that backdrop in terms of delivering those targets and what levers are available to you?

<A – Dean Connor – Sun Life Financial, Inc.>: Yeah. So I’ll start by just acknowledging that rates have been coming down, obviously, and this year is quite remarkable. The rates are – the 10-year Treasury is off over 120 basis points. So we’ve been living this kind of declining interest rate world for some time, Sumit, and still have been able to grow the company at a decent clip.

And one of the reasons for that is a balanced and diversified business model, and here’s a simple way to think about it. If you look at our businesses that are most exposed to lower interest rates, so think of the Canadian insurance business, the U.S. in-force management business, and our international high net worth business, those comprise around 20% of our earnings. So think of 20/40/40.

That’s 20% that’s most sensitive to interest rates. The next 40% is the remaining insurance businesses that are less exposed to interest rates, so group insurance in Canada, where you get a chance to reprice it every year or so, group insurance in the United States, most of our businesses in Asia, which are less interest rate sensitive. And then, the other 40% is wealth and asset management, which is actually benefiting in normal markets as rates go down and assets inflate, and this year is a good example of that benefit from that kind of decline in interest rate. So, I think it starts with a very deliberate strategy to de-risk the company and create better balance and better position across the spectrum.

And in terms of delivering on 8% to 10% growth in earnings per share, it is a mix of things across all four pillars. And we have, in some cases, planted seeds 10 years ago on new businesses, like Sun Life Global Investments, which is now up to $26 billion, just made a profit starting a couple years ago. And as you know, once you cross over that threshold, you’re in this leverage of the bottom line dynamic.

So, businesses where we’ve invested in that are now paying off. Latent growth, natural growth in things like stop loss in the United States and the growth in Asia. So, I won’t go through all the component parts. You’ve seen them before, but within each of the businesses, each of the four pillars, there’s lots of drivers of growth.

And the one last comment I’d make, all of that assumes kind of normal capital markets in the sense of equity, credit, and economic growth. And, of course, if there’s a big turn in equity markets, a big turn in credit, obviously, we’ll be impacted like others.

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: Thank you for that. And I think when I look at these stocks, because at the end of the day for us it comes back to the stocks, the sector has actually had a pretty good year in the context of what’s been happening in the rate environment. And not that long ago the stocks basically took their cue from what was happening in the bond market. I think one of the reasons that dislocation or disconnect has occurred is because...
the balance sheet and capital position of the sector as a whole, Sun Life in particular, is much stronger than it used to be. And I’d say that’s been one of the more interesting conversations we’ve had with relation to Sun Life.

In your tenure, especially in the last few years, Sun Life has been very balanced when it comes to capital deployment, return of capital to shareholders, and then, obviously, investing in the business. Acquisitions have been more targeted over your tenure. I think the biggest one was the Assurant deal a few years back.

So, when we think about excess capital now sitting in the $5.5 billion range, philosophically, can you give us an update on how you’re thinking about capital deployment opportunities? And then I’ve got a couple of specifics I’d like to get into.

<A – Dean Connor – Sun Life Financial, Inc.>: Sure. So, capital deployment, you’re right, we’ve had a balanced approach. When you look at the last number of years, we’ve recaptured some reinsurance. We’ve acquired businesses, Assurant being the largest. We’ve bought back stock. We’ve also seeded new investment strategy. So, in the case of Bentall Kennedy and the case of Sun Life Capital Management, even MFS, where we have now a couple of hundred million of seed capital retained in the business to support new strategies and get up a track record, the allocation of some of our capital for seeding asset management business is another part of the toolkit.

And, of course, funding organic growth and funding as much smart organic growth as we possibly can. And as we look ahead and we think about – I mean, all of those levers are still part of our toolkit and specific to M&A, we’re looking at opportunities across all four pillars. Realistically, the size of this opportunity set in Canada here is more limited. And the need, frankly, for us is more limited, because we’re already very strong in life insurance and group benefits and group pension. But across the other three pillars, we see plenty of opportunities to deploy capital in M&A. And it’s a question of waiting for the right opportunity and doing something that’s smart, achieves our hurdles and fits strategically.

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: So, I’m not going to ask you about specific ones, but there have been press reports that have linked Sun Life to opportunities in Asia, opportunities in the U.S. employer group space. Let’s ask this more philosophically then. Would you be averse to a transaction that perhaps prevented you for a year or two from being in that 8% to 10% EPS growth range? Can you give us – because your approach to acquisitions has been more incremental, can you update us on what the financial targets you operate with when it comes to M&A?

<A – Dean Connor – Sun Life Financial, Inc.>: Yeah. So, first and foremost, we’re looking for businesses that have great strategic fit and will help us grow the business faster – I don’t just mean top line, but bottom line – give us new capabilities, and extend what we do. Financial hurdles include achieving a lifetime ROE on the transaction that at least clears the bottom end of our 12% to 14% ROE hurdle.

Now, of course, most of the deals we look at don’t get there day one and they start out with something – an ROE that’s often a single-digit ROE. And over the lifetime of the thing, as we work through expense synergies and get revenue growth happening, the ROE gets back to where it should be and produces the kind of lifetime value we’re looking for.

And in terms of EPS, we haven’t seen this, because the biggest deals we’ve done, Assurant and Bentall Kennedy, were actually accretive. But it’s conceivable, we could see deals that are dilutive for a year or two, provided they still clear our lifetime ROE hurdle. That’s the thing that we’re most focused on is, is this a good use of shareholders capital? Is it going to produce the kind of – and support the kind of ROEs that we are aiming for in the business?
<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: And I think one of the reasons – I always say this half-jokingly, one of the few benefits to the life insurance industry of low interest rates is that it certainly reduces the hurdle rate to make cash-based deals accretive. And speaking in a room full of shareholders, I think one of the hallmarks of your tenure is how judicious you’ve been with the equity of the company. It’s something that’s valuable and you’ve treated it as such. Your share count has only declined because you haven’t had to issue any paper on acquisitions.

In some of the opportunities that are being thought about now and with that excess capital position bigger is usage of equity and the potential dilution that comes with that, is that something that we should consider as being on the table or are the transactions that you would be comfortable doing not require external financing?

<A – Dean Connor – Sun Life Financial, Inc.>: Well, I...

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: It’s a little heavy, but...

<A – Dean Connor – Sun Life Financial, Inc.>: No. Look, I think we’ve got a very strong balance sheet. We’ve got a very strong valuation in the company. I think our stock price is an advantage as you think about positioning for M&A. If it was the right transaction, if it made great economic sense and great strategic sense, we could think about the whole balance sheet, including the equity side of it.

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: Okay. That’s fair. I know it’s a tough question to answer, but I appreciate you giving us something to work with. Let’s move on to some of those four pillars, and specifically I want to get into Asia. You hosted your biennial Investor Day earlier this year, and you gave us for the first time growth targets by each segment. Asia was at the high-end of the four pillars at 15% plus. And this year, the numbers in the first half of the year have been below that. And I think this will be a good opportunity to think about what I consider to be your core Asia platform, and that’s what’s been happening in this international business. Can you maybe distinguish between those two? And then secondly, what are some of the steps that management’s put in place to get the international component back on track?

<A – Dean Connor – Sun Life Financial, Inc.>: Yeah. So, the core Asia piece, to use your term, Sumit, which is the seven markets excluding the international piece, continues to grow at a good clip. We don’t put these numbers out there, but it’s above the 15%. Net income, underlying net income is growing at above that 15% level, and it has not just this year, but it has been doing so for some time.

The international high net worth space has been going through a lot of change recently. There aren’t many players in it. We are one of the leaders in that space. These are very high ticket life insurance sales to wealthy people. 85% of our clients in that segment are in Asia, which is why we re-segmented that into the Asia business. And these are people that are trying to get life insurance to cover off the eventual sale of their business or to leave money for their heirs and dependents in a way that they want to be able to dictate who gets the money, and they come from all markets, China, Hong Kong, Singapore, and other places.

And what’s happened in the last year or so is a bunch of those sales have been single premium bank finance. So, person will go to the bank, get a loan to pay the single premium for the insurance policy, and there was a period there where borrowing rates were actually going up in Asia, you recall, last year causing people to back away from this product, causing insurers to introduce new products, including par and some other kinds of universal life. And so that’s the change that we’ve been going through.
So the sales for a period have dried up and that affected us and that affected our net income in Asia. What we’ve done about it is we’ve launched a series of new products, indexed universal life; we’ve launched a par product. You saw in the second quarter our sales moved up versus the first quarter, and we expect that trend to continue going forward. So I think it’s going to take some time.

The encouraging part is the need in Asia for high net worth life insurance solutions is only going to get bigger and stronger over time. And so, we’re also looking at ways to take that business and not only service offshore sales, which is when somebody leaves their home country and buys this product from us, but also servicing onshore high net worth sales. And I think that’s one of the reasons we re-segmented this in there is we felt there’s a lot of onshore business that we just weren’t getting to that we can address with this. So that’s another part of the solution.

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: And I appreciate you telling us that the core Asia insurance piece has been growing above target. Of those seven markets you’ve spoken in the past, five of them are not yet at scale. When we think about the efforts, and it could be external or acquisition-based, it just could be organic, when you think about the opportunity you have to drive these regions to scale, what are the areas that you think are of most interest here? Is it a distribution investment that needs to be made or are there some other factors we should be thinking about?

<A – Dean Connor – Sun Life Financial, Inc.>: There’s organic path to scale and that’s – it’s interesting, if you look at our VNB, one of the features of Asia is that our competitors report VNB for their Asian businesses. And so, we’re able to compare our VNB in Asia to theirs. We’ve actually grown our VNB faster than just about every one of our global competitors participating in Asia.

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: Just to be clear, value of new business.

<A – Dean Connor – Sun Life Financial, Inc.>: Yeah, sorry, value of new business. So, it’s not just sales, but it’s the present value of future profit from those sales. We’ve grown that faster than our competitors over the last three or four years. One of the reasons for that is, when you don’t have enough scale yet in some markets, and I put Indonesia in that category, you have expense gap.

So, you’ve got expenses that are there to run the business, but you’re not recovering them in your sales. And as we grow, we’re reducing that expense gap and we see that expense gap coming down, and that’s one of the reasons our VNB has been growing faster than other competitors.

So, it’s a question of growth. And you’ve seen strong growth in sales across our markets in Asia. You’ve seen strong growth in VNB. That’s driving us towards scale. We continue to add new bancassurance distribution partnerships. So, in India we added HDFC last year. That has caused a jump in our sales in India by 70%, 7-0%. And that’s a big opportunity for us, because India regulator has gone to the bank-owned life insurance companies – to the banks – and said, you guys should open up your platforms to other life insurance companies. You can’t just use your own proprietary life insurer. And as the largest non-bank-owned life company, we stand to benefit from that. HDFC is an example, but there should be more opportunities.

So more bancassurance transactions. To the extent we can acquire new capacity, new business, new capabilities in our existing seven markets, we would look at that as well. And as well owning larger percentages of the businesses in which we already have JVs, businesses we know and love, is another way to allocate capital. It doesn’t deal with the scale issue in the country, but it deals with earnings growth for us.
### Sun Life Financial, Inc.

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**<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>:** And you had a period in 2015/2016 where you did a series of smaller acquisitions culminating with Assurant. And I believe a couple of them were increasing stakes in your partnerships.

**<A – Dean Connor – Sun Life Financial, Inc.:** Yeah, that’s right. We did that in India. We did that in Vietnam. We did that in Indonesia.

**<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>:** That’s right. Last question as it relates to Asia and a little bit more geopolitical in nature, but I think it’s important to ask somebody in your position. Hong Kong, I believe, is your largest market in Asia in terms of individual insurance sales, and China is one of the countries that I’ll call in your emerging Asia footprint that you’re looking to build out. We think about some of the headlines this year in relation to those two regions. Obviously, we’ve maybe some good news yesterday in regards to the situation in Hong Kong, where the protests have been a somewhat disturbing scene. We’ve got, depending on the day or depending on the tweet, trade negotiations between China and the U.S. are on or off. Has this had any impact, either situation, on your business in these regions? And maybe a bigger picture commentary for how Sun Life is thinking about it.

**<A – Dean Connor – Sun Life Financial, Inc.:** In the short run, no. No, our business in Hong Kong and our sales in Hong Kong are thriving. And our business in China is really getting a lot of wind behind its sails, partly because we’ve installed new leaders to run that business and they’re off to a fantastic start. They went in at the start of this year.

So, in the short run, not a big impact. What you’re seeing in Hong Kong is fewer visitors from mainland China. So tourism is down a lot, fewer visitors. They’ve been a big source of sales in the Hong Kong market, mainland Chinese visitors, so that part has reduced. But Sun Life was never overly dependent on that in the first place. So our sales have done well in Hong Kong.

I think the bigger question over time is how will the trade war resolve? It’s easy to list the questions. It’s harder to see what the paths to resolution are. But how will the trade war resolve, what will the future state of relations between China and the U.S. be, these two sort of big tectonic plates now rubbing up against each other. We’re going to have, I think, tremors, maybe even earthquakes for years to come. This trade war is just the current manifestation of it. So, I think that’ll be important.

I think that Hong Kong will continue to have an important role in the – I was in China last week in Beijing talking about the role of Hong Kong with our partners and with other people. China needs Hong Kong for capital; China needs capital. There’s a lot of capital trying to get out of China. They need capital to come in to China to help grow the country and invest in the country. And Shanghai and H Shares are slowly over time getting more credibility and getting more lift. But in the next five years, at least, China needs Hong Kong, needs a strong Hong Kong as a destination for global capital. So, the Chinese are pragmatic. They’ll have to find a way to resolve this. I don’t know what the resolution is in Hong Kong, but they’ll find a way to resolve it.

**<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>:** But to summarize, for now impact on your business from these headline issues has not been significant, though, clearly an area that you’re watching closely?

**<A – Dean Connor – Sun Life Financial, Inc.:** Yeah, that’s right. That’s right.

**<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>:** And I want to move to some other stuff, but let's just wrap up this broad-based capital deployment question with the U.S. We’ve referenced Assurant a couple times, which I believe was announced right around this conference four years ago. Timing was everything. I mean, you already had a U.S. employee benefits business. So, obviously, you got the synergies that came with that acquisition. And then I think what happened in the U.S., subsequently afterwards in terms of the election, tax reform, and then
companies using some of that tax reform benefit to further bolster their health programs, it’s all been a very good win and we’ve seen that in the margins.

Is there a limit to how big you want the U.S. group business to be or employee benefits business to be for Sun Life as a whole? Because, this is me talking, you’ve had some good tailwinds. I haven’t always thought of that as a business that was particularly high growth and certainly not in the run rate 8% to 10% growth that you target. Am I wrong on that?

<A – Dean Connor – Sun Life Financial, Inc.>: Well, I think it’s important to think about our U.S. business in two buckets. There’s the stop-loss business, and then there’s the traditional Group Benefits business. And you’re right, Sumit, to think of the traditional Group Benefits business as growing in the single digits. It grows with the economy. It grows with labor force participation. It grows with salaries. All the things that drive the number of people covered for benefits, and salaries drive the amount of life insurance and disability coverage you get at work.

So, that is – the baseline growth rate is a single-digit rate. The opportunity to grow that faster comes by closing the coverage gap in the United States. There’s a gigantic gap in coverage both in life insurance and disability insurance in terms of what people need and what they actually have. And so, our acquisition of Maxwell Health, which is a FinTech platform that we’re now weaving into our Sun Life client base is a fantastic opportunity to close that coverage gap and to get more people covered for more benefits. And as we do that, you’ll see the ability to lift the growth of that traditional Group Benefits business.

The other business, the stop-loss business, grows with healthcare inflation and then some, and that’s got a natural growth rate of 6-plus percent in it. And then on top of that, we’ve been increasing our market share and increasing our margins. I have to say on that point, the margins, team has done a fantastic job on margins. We’re not planning for more improvement in margins there. If anything, they might revert to the mean a little bit.

Our group margins are lower than where they should be. So, I think over the next five years you should see those going up and our stop-loss margins reverting to the mean, but the combined package, we think, can help grow that business 10% a year.

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: Right. And we’ll move off this. I mean, stop-loss – one of the clear benefits, especially with some of the macro factors we talked about earlier is that that business reprises annually.

<A – Dean Connor – Sun Life Financial, Inc.>: Yeah.

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: So, you get a chance to revisit based on what’s happening. And, obviously, as you did with Assurant, if you could fill in some product capabilities via an acquisition, that gives you that synergies component now that you got a big base in the U.S. employee benefit space.

<A – Dean Connor – Sun Life Financial, Inc.>: Yeah, that’s right. I mean, if you look at the opportunities to extend that business, there’s a big change coming in the United States around paid family and medical leave. There are now eight states have passed laws to require companies to provide paid family and medical leave. And in some of those states, they’ve set it up that the state is going to run the plan. But in the seven out of the eight, we’ve persuaded the state to allow for a private option. So, if an employer wants to pay for that, not buying from the government, but just bolted on to their benefits plan, part of their disability plan, they could do that.

We think this is going to be another driver of growth in the traditional disability business to cover more and more Americans for paid leave. And the rules are complicated as heck. And so, what we’re seeing, our clients are coming to us saying, can you help us figure out how to install this
plan? The first ones are coming in January 1, 2020. Can you manage this for us? Can you insure this for us? Can you handle the whole thing, and integrate it with our disability plan? So I think that’s going to be a really interesting area of growth.

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: I’m going to end with something a little different for you today. But before we end, just one question on efficiency. In Investor Day this year, there was a couple of references made by the company to bending the cost curve, and this has been balanced against – I know one of the points, whenever we have a chance to talk, that you’re most passionate about is the investments the company has made in technology.

<A – Dean Connor – Sun Life Financial, Inc.>: Yeah.

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: So, have you considered sharing with us a way to measure your progress on efficiency in terms of how we can see this cost curve bending, how it’s actually coming through to the income statement. And secondly, how does that get balanced against the investments you continue to make in technology? And I’m particularly interested in whether you’ve reached the stage with some of your AI initial investments that the predictive benefits in terms of claims experience you’ve got some confidence now in your ability to put those to use?

<A – Dean Connor – Sun Life Financial, Inc.>: Yeah. I’ll start with that, and then I’ll work back to the how we talk about expenses. So you’re right, Sumit, we’re really pleased with the progress on technology, and we think about our digital strategy in sort of three buckets. So it’s digitizing existing processes, so claims payment and getting clients set up with a financial plan and applying for life, all that stuff that used to be done on paper now digitized. So you can file a claim, get the thing all digitally adjudicated, dropped into your bank account. So we’ve invested big time in that around the world to digitize existing process.

The second layer is around the more personal, predictive, and proactive, and that is like Ella, our engine in Canada, that nudges people based on their own data, their own situation. And what we want to do next with that is take it to the retail space, where retail clients will get nudged and advisors will get nudged to say, hey, this is exactly the right time to call Sumit, because we know something’s changed in Sumit’s life, getting married, birth of a child, buying a home, whatever is changing, now is the time to talk to Sumit about life insurance, or critical illness, or savings, or whatever. That piece we are building out. We built it out at the group space, and then we’re extending that to retail as well. And we’ve got some really positive early pilots. So, in the Philippines we’ve rolled out a piece of this that’s had some really positive results in terms of sales and client responses.

And then the third part of it is brand new businesses that are digitally driven like our digital health business in Canada. So, very pleased with the progress. There’s still a lot of work to do, especially on that middle layer, more predictive, proactive, personalized, and that extends to underwriting. So, we’ve got new models that look at data from advisors, did this advisor bring us clients that we’re – I’ll use an example to make the point. Why does every client this advisor brings us happen to be a nonsmoker? That can’t be right. So, using all the data we have on previous business that advisors and brokers have brought us to say what’s the credibility factor of this stuff being true on this application? Anyway, lots of work there, AI-driven predictive models...

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: But that all costs money.

<A – Dean Connor – Sun Life Financial, Inc.>: ...it all costs money. So, on the expense side, we’ve been investing a lot for the last six, seven years in our own Lean Six Sigma program called the Brighter Way, and we have infused that around the whole company. It’s kind of who we are and how we work. Now, it’s the way of doing work at Sun Life, which is to drive out inefficiencies and
get rid of wasted work. If you stood around our employee huddle in Manila or Montreal or wherever, you’d see the same methodology, the same way of doing business around the Brighter Way. Those productivity gains are allowing us to invest in all this stuff, while bending the cost curve.

If we hadn’t done the Brighter Way, I think it’d be hard to make those investments and manage the costs the way we have. So, year-to-date control of our operating expenses are up 1% over the prior year, and I don’t know if it will be 1%, but it’s going to be low single digits as we look forward.

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: And have you thought – so you gave us they expense number. Have you thought about...?

<A – Dean Connor – Sun Life Financial, Inc.>: Yeah, we thought about different ways to present it. It is very hard, as you know, to come up with a measure. I know some companies have used kind of a proxy for it that includes net income backing out expenses as the denominator. The problem with that – we’ve looked at that, we’ve calculated that. The problem with that is half of the movement in it is not explained by expenses. It’s explained by all the other stuff going on with net income. So, we find that not a very helpful thing.

<Q – Sumit Malhotra – Scotiabank Global Banking and Markets>: You’ve got a new Head of Investor Relations. I’ll bother her with that. We’ll come up with something. Last question, and we’re leading into a break so we can take a little bit of time, and it’s a bit different. You are coming up to the end of your eighth year as Chief Executive. You’re very modest guy, so you won’t say it. I’m going to say it for you. Your performance for a roomful of your shareholders has been fantastic in a sector that isn’t always. I think you’ve outperformed your Canadian counterparts by 115% over that period of time. So it’s been a very good run and I think it’s instilled a lot of confidence in the market, and that’s reflected in your relative valuation.

So, the big question, you’re not going anywhere anytime soon, but eight years in, the conversations around succession and how that process plays out is something that we don’t always have insight into. I think it’d be of benefit to all of us to hear about how those conversations with the board take place. And maybe a little bit differently, you talk about all these investments in technology, how the industry has changed. What are some of the attributes that the next Chief Executive Officer of Sun Life needs to have that you might not have thought when you joined the company in 2006?

<A – Dean Connor – Sun Life Financial, Inc.>: Well, clearly, succession is a huge topic for every company and it’s not just a recent conversation. It started the day I became CEO. We’ve got just a fantastic board of directors who have been – we spent lots of time on this issue. As I said, since I became CEO, there’s a lot of effort, and work, and planning, and thinking, and discussion underway to make sure the company is really well-positioned when I ultimately retire. You’re right, there’s a lot of wood to chop. I’m having a lot of fun. There’s a lot to do. I’m not going anywhere soon. But I will at some point and we need to plan for that.

In terms of the characteristics, clearly, anybody running a large financial institution needs to be extremely strong on talent. If there’s one big change we’ve made in the company, it’s been around talent and culture and attracting, developing, retaining top talent; getting them aligned behind a common purpose and mission is huge – you do that and you can move mountains. So, a CEO needs to be able to get talent mobilized – to get top talent mobilized, have a good nose for top talent, not compromise. So, talent is a big one.

Risk management is, obviously, hugely important. And included in that is good peripheral vision, because the risks that come and hit you, you often just don’t see them coming. And the question is can you have this healthy sense of paranoia without slowing down your growth, and trying to balance the two. Technology is a huge area, and it’s understanding the potential for technology and where technology is going to drive the opportunity in business, the art of what’s possible in the business. And what I would say is that it’s the role of the CEO, in many cases, is to be a head of
the rest of the company, pushing, nudging, cajoling everybody along to make that next big jump and try to imagine what that future is going to look like.

And then another aspect of it is learning, the ability to learn, because I guarantee you, when people – and I was in this case, when you first step into the CEO job, there’s lots you don’t have in your toolkit, and you have to learn on the job. And the question is, how fast does that person learn, and how fast do they learn, and are they able to adjust? I mean, eight years ago, we weren’t talking about digital the same way we are today. So, what do you do? You end up investing a ton of your own time in Silicon Valley and other places trying to absorb and learn and try to get ahead of it as much as you can. So, that ability to learn and embrace new things is, obviously, a key attribute of a successful CEO.

Sumit Malhotra, Analyst, Scotiabank Global Banking and Markets

That’s something that we talk about a lot on the quarterly calls, so I appreciate you giving us a little bit of insight there. And like you said, you’re not going anywhere anytime soon, so we’ll do this again next year.

Dean A. Connor, President & Chief Executive Officer & Director, Sun Life Financial, Inc.

Great. Thank you so much.

Sumit Malhotra, Analyst, Scotiabank Global Banking and Markets

Appreciate it.

Dean A. Connor, President & Chief Executive Officer & Director, Sun Life Financial, Inc.

Thank you.