



# Message from the Chair

**Scott F. Powers**  
Chair of the Board

In 2025, Sun Life not only marked our 160th anniversary but also demonstrated an enduring ability to thrive amidst global volatility. It was a year in which we continued to demonstrate resilience and reinforce the significance of our Purpose: to help Clients achieve lifetime financial security and live healthier lives.

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Through uncertainty and change, Sun Life's Purpose remains our guiding beacon. Across our 28 markets, our Purpose guided our decisions, strengthened our resolve and ensured we remained focused on what matters most: supporting Clients, empowering communities and delivering long-term value.

This milestone year served as yet another proof point of Sun Life's continuing capacity to navigate complexity with discipline and foresight. Reaching our 160th year is more than a celebration of longevity – it is a testament to our enduring culture, built on strong governance, prudent risk management and an unwavering commitment to serving Clients.

## Delivering shareholder value

Over the course of 2025, Sun Life delivered strong business results and generated value for shareholders. Our strong performance amid volatile conditions underscores the strength of our diversified business model, global reach and disciplined execution.

In 2025, our annualized Total Shareholder Return (TSR) was 15.8%, 13.3% and 11.5% for the three-, five- and ten-year periods, respectively.

Our capital position remains a clear strength, with a LICAT ratio of 157% at Sun Life Financial, comfortably exceeding regulatory requirements. Since 2020, we have decisively deployed \$6.9 billion towards acquisitions and partnerships that are delivering tangible and sustained financial results.

At Sun Life's Investor Day in 2024, management exhibited its commitment by raising the Company's Medium-Term Objectives (MTOs). The objectives targeted underlying earnings per share (EPS) growth of 10% and underlying return on equity (ROE) to 20%, while reaffirming an underlying dividend payout ratio between 40% and 50%. We're encouraged by the progress made on our MTOs in 2025 with underlying EPS of 12%, underlying ROE of 18.2% and a dividend payout ratio of 47%.

## Advancing our strategic imperatives

We continue to make meaningful progress across all four business pillars: Asset Management, Asia, the U.S. and Canada. As we progress towards our strategic imperatives, we are accelerating Sun Life's ambition to be the best asset management and insurance company in the world.

Last fall, we announced the formalization of Sun Life Asset Management, effective January 1, 2026, creating greater scale across our asset management businesses and positioning us to accelerate growth across asset management, insurance and wealth. This will ultimately deliver greater value for our Clients and shareholders.

Sun Life Asia continues to build on its momentum across the fast-growing region. This is made possible by balancing great growth with strong performance, reflecting our strategic focus on both scaled and scaling markets, as well as digital innovation and distribution excellence. We are leading the way in creating sustained value for our Clients across Asia through our diversified solutions, enabled by our businesses and bancassurance partnerships.

With 48 million American Clients, the U.S. continues to be an important market for Sun Life. While insurance industry headwinds continue to affect parts of our business, including our U.S. dental business, management continues to make progress to put the business back on track, recognizing that this may be a multi-year journey.

Sun Life Canada continues to be a dominant player in our home market, delivering resilient performance amid economic uncertainty, underscoring the strength and growth of our foundational segment.

## Our digital journey

Advancing our digital journey, guided by our strategic imperative to Operate as a Digital Company, is transforming how we do business, creating internal efficiencies and benefiting Clients. Our digital imperative has already delivered a comprehensive mix of digital and AI tools, reshaping how we work, freeing up more time to serve our Clients and drive business outcomes, and ultimately delivering a better Client experience.



## Looking ahead

Sun Life's Board of Directors is committed to serving our shareholders, providing strong governance, rigorous oversight and constructive challenge to management. We remain confident in the Company's diversified business strategy and management's ability to deliver long-term value for our shareholders and positive impact for our Clients and communities.

To our shareholders, Clients and management team: on behalf of Sun Life's Board of Directors, thank you for your trust, dedication and partnership, all of which have been and will continue to be foundational to our collective success.

Together, Sun Life's achievements reflect a company that builds agility in response to geopolitical uncertainty, moves forward with clarity of Purpose and remains deeply committed to helping Clients achieve lifetime financial security and live healthier lives.

As Sun Life enters the latter half of this decade, we do so with confidence and optimism. Guided by our people, culture and Purpose – our North Star – and underpinned by financial strength and disciplined risk management, we're energized about what lies ahead.

Handwritten signature of Scott F. Powers in black ink.

**Scott F. Powers**  
Chair of the Board