



Q1 2009

SUN LIFE FINANCIAL

A History of Financial Strength



Legislative Oversight in Montreal de Paris

SUN LIFE FINANCIAL

140 years of international experience

Chartered in Canada in 1865, Sun Life Financial is one of the world's leading financial services organizations.¹ We are headquartered in Toronto, and operate in several key markets of the world. We offer a diverse range of protection and wealth management products to individuals and corporate customers.

Key facts about Sun Life Financial

- Our group of companies serves over 25 million customers in 22 countries.

- Our U.S. business lines include:

Annuities

Life Insurance

Group Insurance

Investment Management Services

Mutual Funds²

- Common shares of Sun Life Financial Inc. are traded on the Toronto (TSX), New York (NYSE), and Philippine (PSX) stock exchanges under ticker symbol SLF.
- The Sun Life Financial group of companies had assets under management of C\$375 (US\$297) billion as of March 31, 2009.
- Sun Life Financial is ranked as the fourth-largest insurance company in North America (based on market capitalization as of March 31, 2009).
- We were selected as one of only three life insurers to be a member of the Dow Jones Sustainability North American Index for 2008-2009.

1. The Sun Life Financial group of companies operates under the "Sun Life Financial" name. In the United States and elsewhere, insurance products are offered by members of the Sun Life Financial group that are insurance companies. Sun Life Financial Inc., the holding company for the Sun Life Financial group of companies, is a public company. It is not an insurance company and does not offer insurance products for sale in the United States or elsewhere, and does not guarantee the performance of its insurance company subsidiaries.

2. Mutual funds are offered through MFS Investment Management,[®] a member of the Sun Life Financial group of companies.

Key Milestones

1865

Chartered in Canada

1880–1890

Expansion throughout the West Indies, Bermuda, South America, China, Hong Kong, India, and Japan

1893

Began operations in the UK

1895

Established operations in the U.S. and Philippines

1914

World War I

1920

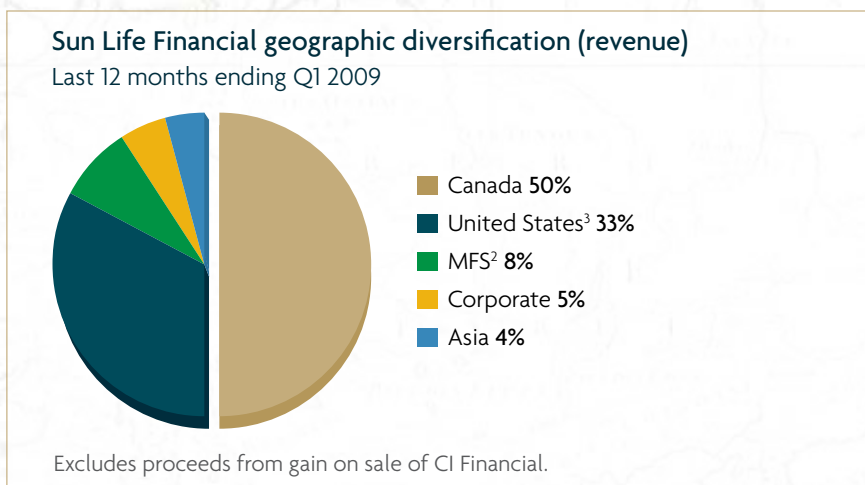
Sun Life Financial had operations in 55 countries across the globe

the Great Depression

1930s

Revenue supported by a well-diversified strategy

Despite the unprecedented events in the global financial markets, Sun Life Financial is well positioned to manage through this challenging economic environment. Our revenue is derived by many geographics and business lines to capitalize on opportunities while minimizing losses experienced by one locale.



The strength and security of a highly rated company

Sun Life Financial has established a record of financial strength that few companies can match. Independent rating agencies place our subsidiaries among the highest-rated insurance companies in North America.

	A.M. Best (as of February 2009)	Standard & Poor's (as of March 2009)	Moody's (as of February 2009)
Sun Life Assurance Company of Canada	A+ ⁴ (Superior) Second of 16 rating levels	AA ⁵ (Very Strong) Third of 20 rating levels	Aa3 ⁴ (Excellent) Fourth of 21 rating levels
Sun Life Assurance Company of Canada (U.S.)	A+ ⁴ (Superior) Second of 16 rating levels	AA ⁵ (Very Strong) Third of 20 rating levels	Aa3 ⁵ (Excellent) Fourth of 21 rating levels
Sun Life Insurance and Annuity Company of New York	A+ ⁴ (Superior) Second of 16 rating levels	AA ⁵ (Very Strong) Third of 20 rating levels	Not applicable

For the most current ratings, please visit www.sunlife-usa.com.

3. The revenue of the U.S. business segment do not include those of MFS, which derives its earnings from the United States and other geographic markets.
4. Outlook stable.
5. Outlook negative.

NOT FDIC/NCUA INSURED • MAY LOSE VALUE • NO BANK/CREDIT UNION GUARANTEE • NOT A DEPOSIT • NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

1940–1945	1973	1982	1995	1999	2000	2007
U.S. headquarters established in Wellesley Hills, Massachusetts		Acquired mutual fund company Massachusetts Financial Services (MFS) in the U.S.	Entered the Indonesian market	Re-established operations in India and China	Became a publicly listed company trading on the Toronto, New York, and Philippine stock exchanges	Announced acquisition of Genworth Financial's group benefits business in the U.S.
• <i>World War II</i>			• <i>the oil crisis</i>			• <i>financial market crisis</i>

OUR FINANCIAL MANAGEMENT

has stood the test of time

The Sun Life Financial group of companies provides guarantees and benefits with our financial services products, such as annuities and life insurance, to help clients retire securely.⁶ Our approach to maintaining our financial strength, which has never been more critical than it is today, has stood the test of time.

The Sun Life Financial group of companies accepts a certain level of risk when we sell financial products. Therefore, we need to consider some of the following scenarios:

- How will market conditions impact the cost or value of the promised benefit?
- How will longer life expectancies affect our financial obligations?
- How will inflation impact benefits?

To manage these risks, a variety of strategies and tools are used across all business lines throughout our global enterprise. Here are **three key steps** to help ensure that our group of companies can meet our obligations to you:

1. Strong reserves and capital

Reserves and capital are set aside to pay for benefits and guarantees, and for extra assurance we set aside a surplus of assets.

2. Prudent investment approach

The reserves and surplus are invested and managed prudently.

3. Risk management expertise

Risk is consistently measured, monitored, and managed to make sure reserves and assets are adequate.

1. Strong reserves and capital

Government regulators require that we, the Sun Life Financial group of companies, keep a set amount of money aside (reserves and capital) to meet product guarantees. These guarantees, such as annuity living benefits, guaranteed interest rates, and cash values and death benefits available with our life insurance products, are all backed by our ability to pay our claims.⁶

Our group of companies goes above and beyond by holding extra money aside (a surplus) to ensure that we can stand behind our commitments.

We regularly test our ability to meet obligations under stressed market scenarios to ensure that we have sufficient financial resources. By being well-capitalized at any given time, we are prepared to weather significant and prolonged economic downturns.

The reserves and surplus are carefully invested in our overall investment portfolio to protect assets even more.

⁶All product guarantees are based on the claims-paying ability of the insurer that issues them.

Guarantees don't mean much without the financial strength to support them.

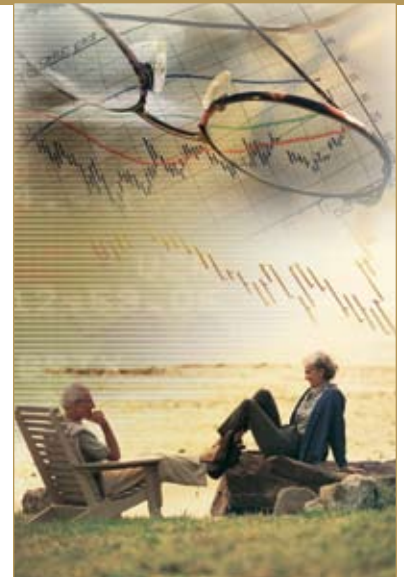


2. A prudent approach to investing

Our portfolios reflect strong investment management and exceptional risk management. Our conservative approach helps minimize losses and protects our reserves and capital—assets that are too important to expose to unnecessary risk and potential loss—when economic conditions are weak and markets are volatile.

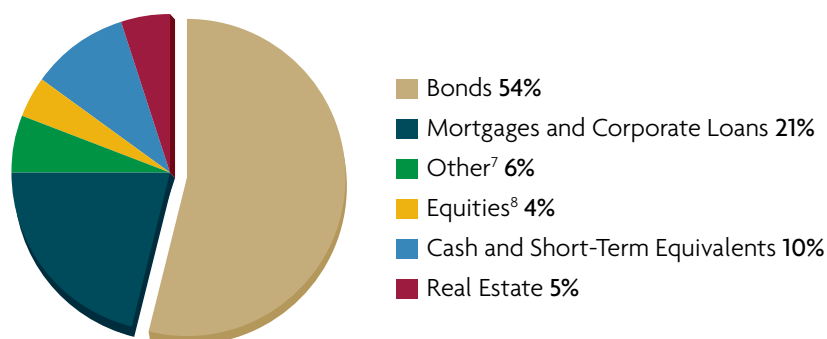
Here are a few points to help describe our investment strategy for managing these assets:

- Over 200 investment professionals and support staff oversee the portfolio.
- We maintain a long-term investment focus and stay the course through market cycles.
- A **team approach** to managing assets is implemented.
- Investments are **widely diversified** across industries and companies, and we limit the amount held in any one asset class or financial instrument in order to minimize losses.
- Our strict adherence to **investment research** means we buy only what we understand.
- We employ risk-adjusted credit exposure limits.



Reserves and capital are too important to expose to unnecessary risk.

Q1 2009 invested assets C\$108 billion



Bond portfolio includes over 1,100 borrowers representing a variety of sectors, and 96% of holdings have investment-grade credit ratings

7. The Other category is composed primarily of policyholder loans, derivative assets, investments in limited partnerships, and our equity investments in MFS.

8. Four percent, or \$4.2 billion, is invested in equities. About 50% of this equity portfolio is invested in North American exchange-traded funds, with the remainder invested in common and preferred shares in Canada, the United States, the United Kingdom, and Asia (primarily in Hong Kong).

3. A tradition of managing risks for security and reliability

Throughout our 140-year history, we've developed a comprehensive enterprise-wide framework for the management of risks that occur through vastly changing economic climates and cycles. This risk management process further safeguards the money set aside to meet our obligations and maintain our financial strength. The same rigorous, disciplined process is used across all product lines, the investment portfolios, and any new business opportunities we may pursue.

Our risk management philosophy is steeped in our culture and is enhanced by the following:

- We have over 140 years of financial experience.
- The best practices throughout our organization are utilized to ensure high standards.
- Our risk management team members are highly educated, having both academic and professional qualifications.
- There are investment and risk management professionals located in all major Sun Life Financial operations worldwide, including those in Canada, Asia, and the United States.

Here's a closer look at the size and talent of the global risk management team (as of March 2009):

- We have over 380 employees who manage risk on a daily basis
- Approximately 60+ individuals who manage risk are Chartered Financial Analysts (CFA), an investment industry professional designation.

Specifically in the U.S., we have:

- Roughly 75 risk management professionals, called actuaries, hold the professional designation FSA (Fellow of the Society of Actuaries).

For a more comprehensive look at our enterprise risk management process and some of the tools used to manage risk, please refer to the chart on the next page.

In 2008, Standard and Poor's presented Sun Life Financial with a "STRONG" enterprise risk management (ERM) score after evaluating our ERM capabilities. This rating placed us in the upper echelon of rated North American insurers for 2008.

Risk management is steeped in our culture.



ENTERPRISE RISK MANAGEMENT

Corporate Oversight

Board of Directors

Our board sets the foundation of our risk management by setting prudent policies and guidelines for how we manage all types of risk (market, credit, strategic, insurance, and operational).

Corporate Risk Office

This group of experienced professionals measures, monitors, and manages risk to ensure that we meet the policies established by the board.

Peer Review

To ensure a good system of checks and balances, our seasoned professionals are charged with comprehensively reviewing assumptions used when pricing our products and setting our reserves.

Risk Management Strategies

• **Managing Market Risks**

Where appropriate, we use financial instruments to attempt to mitigate the risks and volatility caused by changes in equity markets, interest rates, and the overall market. We employ various hedging programs that are monitored on an ongoing basis.

• **Reinsurance**

From time to time, we may pay another firm to take on risk as long as the cost is reasonable and the reinsurer has a special capability. We limit our use of reinsurance to highly rated reinsurers who are intensely scrutinized so we can track and manage our exposure carefully.

• **Financial Modeling and Ongoing Testing**

Thousands of potential market scenarios, both good and bad, are run for each business line and at the corporate level to ensure that we have adequate reserve levels. Our reserves are adjusted over time to reflect market conditions.



Are you looking forward to a future full of possibilities with protection from risk?

To maintain that kind of optimism about what the future holds for you, it's important that you choose a company with proven financial strength and a long-standing tradition of helping people plan for the long term.

Please talk to your financial professional about our diverse selection of financial services to help you plan for the future.

Certain statements in this document, including statements that are predictive in nature, that depend on or refer to future events or conditions, or that include words such as “expects,” “anticipates,” “intends,” “plans,” “believes,” “estimates,” or similar expressions, are forward-looking statements within the meaning of securities law. Forward-looking statements include information concerning possible or assumed future results of operations of the Company. These statements represent the Company’s expectations, estimates, and projections regarding future events and are not historical facts. Forward-looking statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict. Future results and stockholder value may differ materially from what is expressed in these forward-looking statements due to, among other factors, the matters set out under “Risk Factors” in the Company’s AIF and to the factors detailed in the Company’s other filings with Canadian and U.S. securities regulators, including its annual and interim MD&A and its financial statements, which are available for review at www.sedar.com and www.sec.gov.

Factors that could cause actual results to differ materially from expectations include, but are not limited to, the performance of equity markets; interest rate fluctuations; investment losses and defaults; movements in credit spreads; the cost, effectiveness, and availability of risk-mitigating hedging programs; the creditworthiness of guarantors and counterparties to derivatives; risks related to market liquidity; changes in legislation and regulations, including tax laws; regulatory investigations and proceedings and private legal proceedings and class actions relating to practices in the mutual fund, insurance, annuity, and financial product distribution industries; risks relating to product design and pricing; insurance risks including mortality, morbidity, longevity, and policyholder behavior, including the occurrence of natural or man-made disasters, pandemic diseases, and acts of terrorism; risks relating to operations in Asia, including risks relating to joint ventures; currency exchange rate fluctuations; the impact of competition; risks relating to financial modeling errors; business continuity risks; failure of information systems and Internet-enabled technology; breaches of computer security and privacy; the availability, cost, and effectiveness of reinsurance; the inability to maintain strong distribution channels and risks relating to market conduct by intermediaries and agents; dependence on third-party relationships, including outsourcing arrangements; downgrades in financial strength or credit ratings; the ability to successfully complete and integrate acquisitions; the ability to attract and retain employees; and the performance of the Company’s investments, such as segregated and mutual funds, and investment portfolios managed for clients. The Company does not undertake any obligation to update or revise these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events, except as required by law.

Management evaluates the Company’s performance on the basis of financial measures prepared in accordance with GAAP, including earnings, fully diluted EPS, and ROE. Management also measures the Company’s performance based on certain non-GAAP measures, including operating earnings and financial measures based on operating earnings, including operating EPS and operating ROE, that exclude certain items that are not operational or ongoing in nature. Management also uses financial performance measures that are prepared on a constant currency basis and that exclude the impact of currency fluctuations. Management measures the performance of the Company’s business segments using ROE that is based on an allocation of common equity or risk capital to the business segments, using assumptions, judgments, and methodologies that are regularly reviewed and revised by management. The Company also reviews adjusted revenue, which excludes the impact of currency, and fair value changes in held-for-trading assets and derivative instruments from total revenue. Management also monitors MFS’s pre-tax operating profit margin ratio, the denominator of which excludes certain investment income and includes certain commission expenses, as a means of measuring the underlying profitability of MFS. Value of new business is used to measure overall profitability. Value of new business is based on actuarial amounts for which there are no comparable amounts under GAAP. Management believes that these non-GAAP financial measures provide information useful to investors in understanding the Company’s performance and in facilitating the comparison of the quarterly and full-year results of the Company’s ongoing operations. These non-GAAP financial measures do not have any standardized meaning and may not be comparable to similar measures used by other companies. They should not be viewed as an alternative to measures of financial performance determined in accordance with GAAP. Additional information concerning these non-GAAP financial measures and reconciliations to GAAP measures is included in Sun Life Financial Inc.’s annual and interim MD&A and the Supplementary Financial Information packages that are available in the Investor Relations—Financial Publications section of Sun Life Financial’s website, www.sunlife.com.

If this brochure is used in the promotion of a variable annuity or variable life insurance product, it is authorized for public use only when preceded or accompanied by a prospectus. The prospectus contains important information about the investment objectives, risk charges, and expenses (such as mortality and expense charges, administration fees, cost of insurance, and withdrawal charges) of the variable insurance product. Please read all prospectuses carefully before investing or sending money. Variable accumulation unit values of a variable annuity fluctuate according to underlying economic and market conditions. It is possible that you could lose up to the entire principal amount invested in a variable annuity at redemption. Guarantees do not apply to the performance or safety of amounts held in the variable investment options.

Annuities are long-term financial vehicles designed for retirement purposes and are subject to market fluctuation, investment risk, and possible loss of principal. Past performance does not guarantee future results. Variable annuities provide tax deferral, a lifetime income stream, and a death benefit. All withdrawals of taxable amounts, including earnings, are taxable as ordinary income and, if taken prior to age 59½, may be subject to a 10% federal tax penalty. Early withdrawals will reduce the death benefit and cash surrender value.

Variable universal life insurance (VUL) is a life insurance product that offers a combination of death benefit protection with an investment component. This investment component is subject to market risk and loss of value. Additional product contract fees and charges may apply. Loans and partial withdrawals will affect the policy proceeds and account value and may be subject to ordinary income tax. Distributions are generally subject to income taxes and a 10% federal tax penalty if taken before age 59½.

Sun Life Financial, its distributors, and its respective representatives do not provide tax, accounting, or legal advice. Any tax statements contained herein are not intended or written to be used, and cannot be used, for the purpose of avoiding U.S. federal, state, or local tax penalties. Clients should consult their independent advisor about any tax, accounting, or legal statements made herein.

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