

Strength.  
Insight.  
Confidence.

## Remarks by:

Donald A. Stewart, Chief Executive Officer

9<sup>th</sup> Annual Meeting of Sun Life Financial Inc.

138<sup>th</sup> Annual Meeting of Sun Life Assurance  
Company of Canada

Toronto

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CHECK AGAINST DELIVERY



Good morning, everyone, I join our Chairman in welcoming you to Sun Life's annual meeting.

I'll begin with a review of our financial and operating results for 2008 and the first quarter of 2009, followed by the steps we are taking to sustain Sun Life in the current economic climate. Then I'll highlight the role Sun Life guarantees play in providing our customers with personal financial security. I'll conclude with observations for the future.

My opening comments on Sun Life's results will be brief since this information has already been the subject of numerous presentations and is disclosed in detail on our website, as well as in other public communications.

Declining equity markets and a severe deterioration in the credit environment significantly eroded our financial performance and shareholder returns over 2008. Although we reported almost \$800 million in net income, this was down sharply from the \$2.2 billion earned in 2007.

These results are disappointing for all our shareholders, and adversely affect those policyholders not protected by guarantees.

For the first quarter of 2009, we reported a net loss of \$213 million. Our first quarter results reflect the continuation of volatile equity markets and ongoing credit pressures.

Nonetheless, we are encouraged by operating progress in the first quarter:

- Our individual and group businesses in Canada had net income of \$194 million and sales momentum was robust
- In the United States annuity sales were up 57%, and group insurance sales were up 15%
- MFS Investment Management performed well, and
- Sun Life Asia reported positive earnings and higher sales

Sun Life's capital strength is the foundation of our ability to fulfill our promises to customers under all circumstances.

The red line across the screen represents the regulatory threshold for our Minimum Continuing Capital and Surplus Requirements ratio. The gold line represents an MCCR of 200%, which is widely considered the 'gold standard' in our industry. As you can see, Sun Life has surpassed this standard for the past five years. More importantly, we continue to exceed the standard today, when financial strength is a vital measure.

Today, our total assets under management stand at \$375 billion. This figure represents the continuing trust our millions of customers place in Sun Life.

It is also a testament to the dedication, professionalism and focus of our employees and advisors in challenging times. I congratulate our 2008 Award of Excellence winners and thank them for their superb efforts.

We have fought hard to build our business at home in Canada - one of the most advanced financial services markets in the world. The results are self-evident. As

I referenced earlier, Sun Life's first quarter sales and net income in Canada remain strong. Our leadership position in Canada and the expertise we have built here is the cornerstone of success elsewhere.

Canada is faring better than most other countries in this downturn. Our financial institutions are healthy and well-capitalized, and our financial system has been named by the World Economic Forum as the best in the world.

Sun Life has moved up in world rankings of life insurance companies by market capitalization. Significantly, we achieved this progress during the most difficult commercial era of our time.

To summarize, Sun Life is well placed to manage through a challenging economy.

- We have a strong capital position
- Our balanced business model is diversified across product lines and geography

We are at the forefront of powerful demographic, social and regulatory trends shaping the world's future. These trends are driving demand for the financial products that we create and sell and they represent a tremendous growth opportunity for Sun Life going forward

Our customer commitments – which often extend over their lifetimes – are as solid today as ever.

Now let's take a brief look at how we are doing in our markets.

In North America, we have maintained strong sales and revenue momentum. Investment products like *SunWise Elite Plus*, that combine growth potential with protection are well accepted. Our group businesses are holding up exceptionally well despite the weakened economy, and our hedging program is delivering effective results within our overall risk management program.

At a time when weaker financial institutions, particularly in the United States, have failed or are being propped up by government assistance, people are looking for safe havens. Given Sun Life's strong brand and reputation, it is no surprise that we are benefiting from this 'flight to quality'.

Our U.S. investment management subsidiary MFS is a shining example of success. MFS was the only mutual fund manager among Barron's 2008 industry rankings that achieved a top five ranking for one-year, five-year and ten-year returns.

This chart shows the growth of our Asian business. Sales of individual life insurance in China, India and Indonesia have grown more than six-fold since 2003.

In March 2009, Sun Life significantly augmented its Indonesian distribution power through a joint venture with CIMB Group, Malaysia's second largest financial services company.

As noted in previous annual meetings, we continue to build our joint venture in India and now have an advisor group exceeding 175,000.

Given that the world is still experiencing an economic crisis of indeterminate duration. Sun Life is taking steps to ensure our continued strength and ability to meet long-term obligations to customers:

- We are maintaining our strong capital position, having recently raised \$750 million of additional capital through issuance of debt and preferred shares
- We continue to execute our long-term enterprise strategy, growing our business in attractive market segments and leveraging our enterprise strengths
- We are applying the lessons we've learned during this downturn to further enhance our strategic risk management
- We are applying insights from recent Sun Life research to refine our global brand strategy and to tighten alignment of our practices with our brand promise. Our goal is to provide the best customer experience in our category

Let's return now to one of our themes, which is insight. One area where Sun Life has built insight is in attitudes towards retirement.

Sun Life customer research underscores the retirement challenge. 50% of the people we surveyed now expect to work past age 65, and another 20% say it will be to age 70. And more than three-quarters want to have some of their retirement income guaranteed.

Confidence is another theme I'll touch upon. The screen shows how people's financial needs evolve as they save for retirement. Our mission is to provide customers with financial security through all of life's stages, and to protect them from the major financial risks they and their families will face.

Millions of people around the world have placed their confidence in Sun Life to navigate through the type of volatility and uncertainty that we are now experiencing. We will continue to earn that confidence through innovative solutions like Sun*Wise* Elite Plus that offer security and peace of mind, via guarantees that they can count on.

Sun Life's strategy, now and in future, is to focus on the fundamentals:

- we will maintain a strong balance sheet and capital position
- we will continue to design insurance and investment products that combine choice with income guarantees
- we will expand our knowledge of key trends so that we can support customers in a changing world

Before turning the podium back over to our Chairman I would like to close my remarks this morning with a brief comment on climate change and sustainability.

At Sun Life, the nature of our business is inherently sustainable and socially-responsible. Our products do not directly harm the environment. Helping people achieve lifetime financial security adds significant value to society.

Last year, the company formed an international sustainability council to review current practices, establish benchmarks, identify opportunities and implement new policies and initiatives. This is helping Sun Life move towards more and better ways to take sustainability to a new level. I invite you to visit our website to review our 2008 Public Accountability Statement for more information on this fundamental issue which affects us all.

Thank you for your attention this morning.