

## First Quarter 2008

**Financial and Operating Results**  
**For the period ended March 31, 2008**  
**Sun Life Financial Inc. (unaudited)**

Life's brighter under the sun



## Forward-Looking Statements

Certain statements in this presentation, including those relating to the Company's strategies and other statements that are predictive in nature, that depend upon 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 laws. Forward-looking statements include information concerning the Company's possible or assumed future results of operations. 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 risks and uncertainties that are difficult to predict. Future results and stockholder value may differ materially from those expressed in these forward-looking statements due to, among other factors, the matters set out under "Risk Factors" in the Company's AIF and the factors detailed in its other filings with Canadian and U.S. securities regulators, including its annual MD&A, and annual and interim financial statements which are available for review at [www.sedar.com](http://www.sedar.com) and [www.sec.gov](http://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; the cost, effectiveness and availability of risk mitigating hedging programs; the credit worthiness 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 policy holder behaviour 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 and investment portfolios managed for clients such as segregated and mutual funds. 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.

## Non-GAAP Measures

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, which 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. 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. Embedded value and value of new business are used to measure overall profitability. Embedded value and value of new business are 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 facilitate 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 with 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 are 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](http://www.sunlife.com).

## Sources of Earnings

Sources of earnings presents an analysis of sources of net income, which is not based on GAAP. It is presented in accordance with the requirements of the Office of the Superintendent of Financial Institutions, Canada. Additional information concerning sources of earnings is included in the Company's Annual Report.

Q1

**Donald A. Stewart**

**Chief Executive Officer,  
Sun Life Financial**

Life's brighter under the sun



- Challenging economic environment
- Strong balance sheet and capital position
- Sound business fundamentals and strategy

Q1

# Rick McKenney

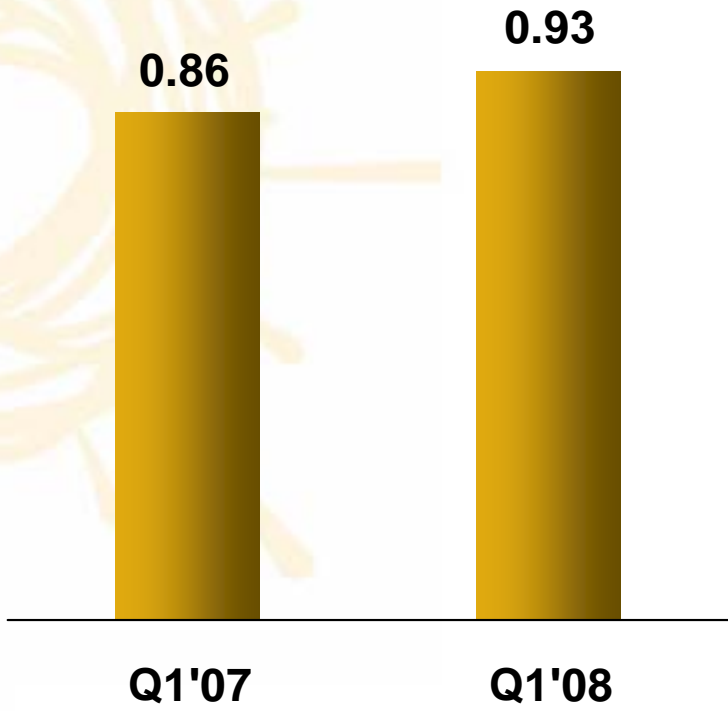
**Executive Vice-President  
& Chief Financial Officer,  
Sun Life Financial**

Life's brighter under the sun

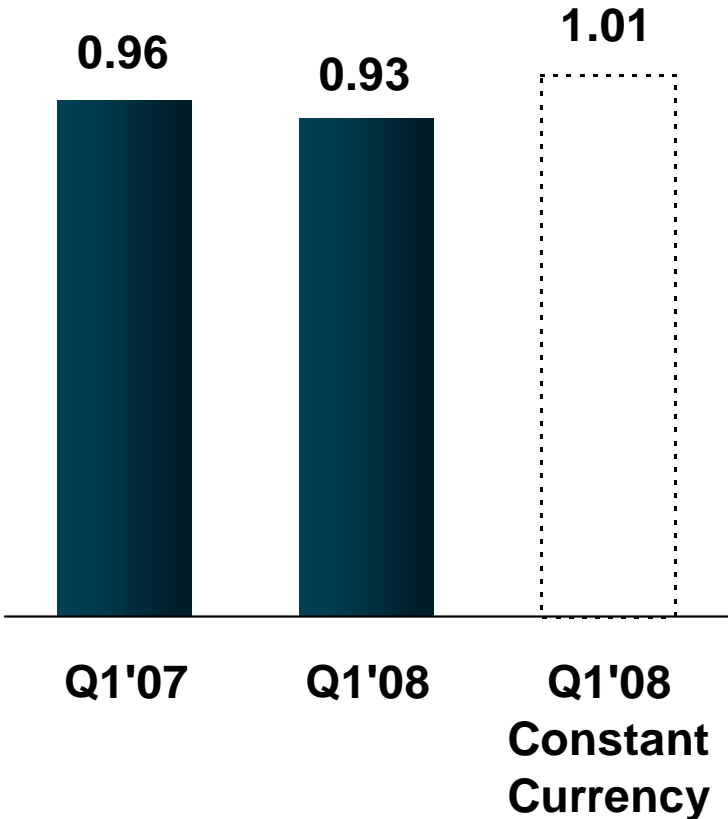


## Fully Diluted EPS

Full Diluted EPS



Fully Diluted Operating EPS



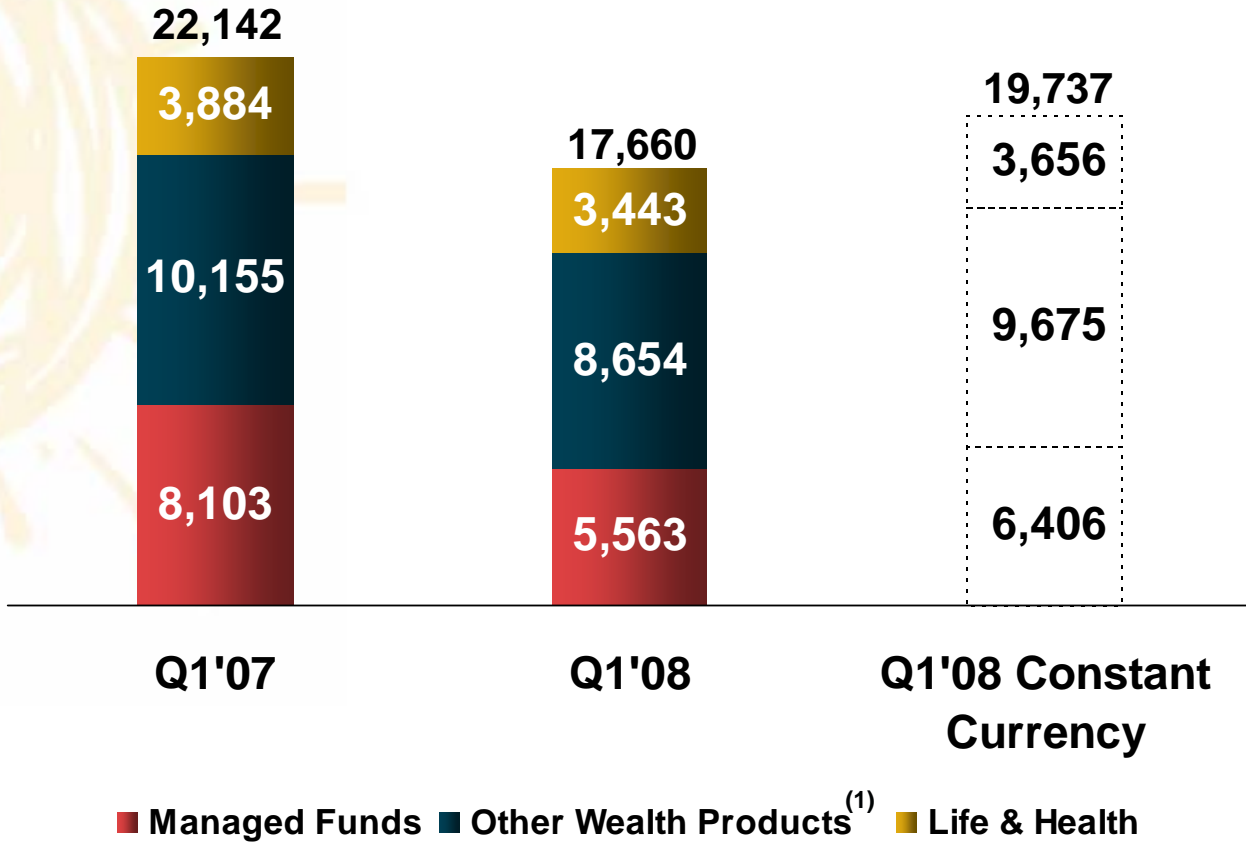
## Sources of Earnings

(C\$ millions)	<u>Q1'08</u>	<u>Q1'07</u>	<u>Change</u>
<b>Expected profit on in-force business</b>	530	505	25
Impact of new business	(79)	(152)	73
Experience gains or losses	(36)	45	(81)
Management actions / changes in assumptions	174	163	11
Other <sup>(1)</sup>	-	(82)	82
<b>Earnings on operations</b>	<u>589</u>	<u>479</u>	<u>110</u>
Earnings on surplus	162	146	16
<b>Earnings before income taxes</b>	751	625	126
Income taxes	(190)	(102)	(88)
Non-controlling interest, par policyholders' and preferred share dividends	(28)	(26)	(2)
<b>Common shareholders' net income</b>	<u>533</u>	<u>497</u>	<u>36</u>

(1) Non-recurring pre-tax charges of \$82 million related to the retirement of the Clarica brand and the redemption of Partnership Capital Securities.

## Premiums and Deposits

(C\$ millions)

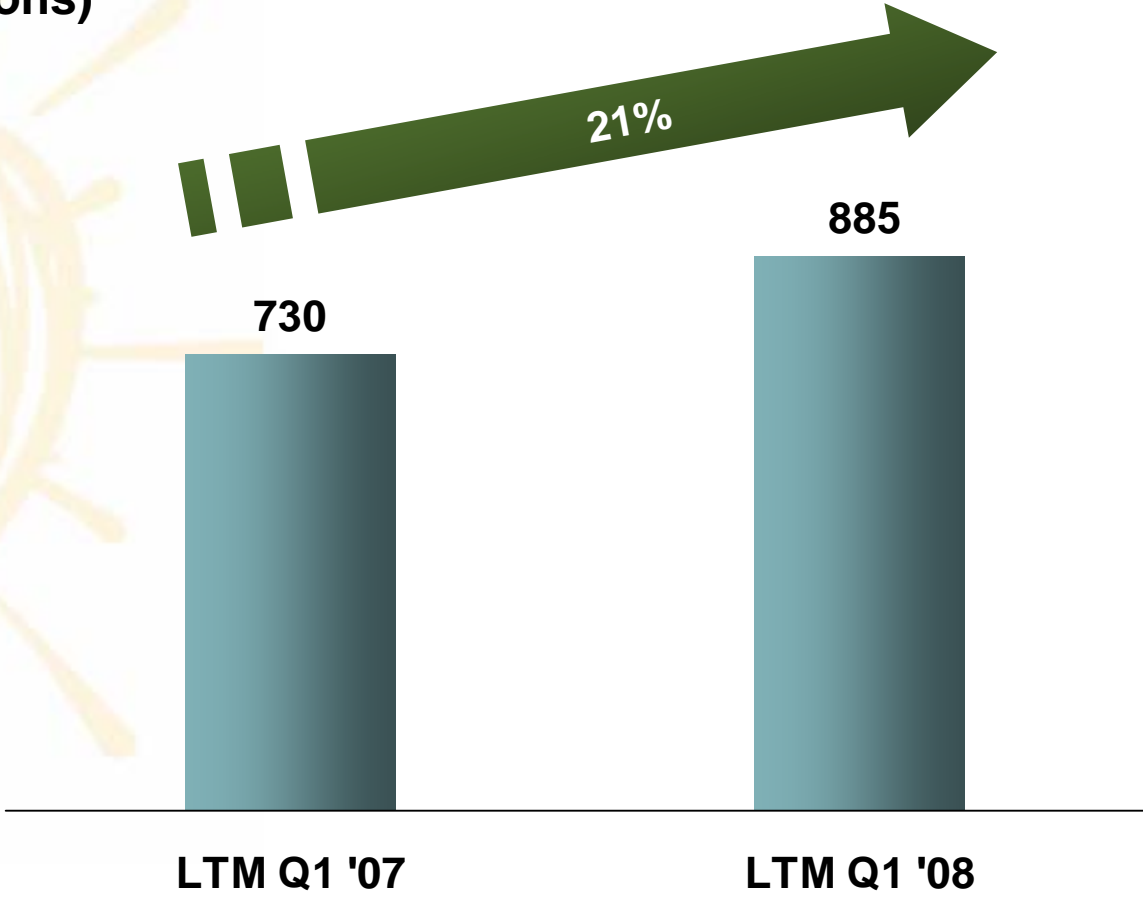


■ Managed Funds ■ Other Wealth Products<sup>(1)</sup> ■ Life & Health

<sup>(1)</sup> Includes mutual funds, segregated funds and annuities

## Value of New Business

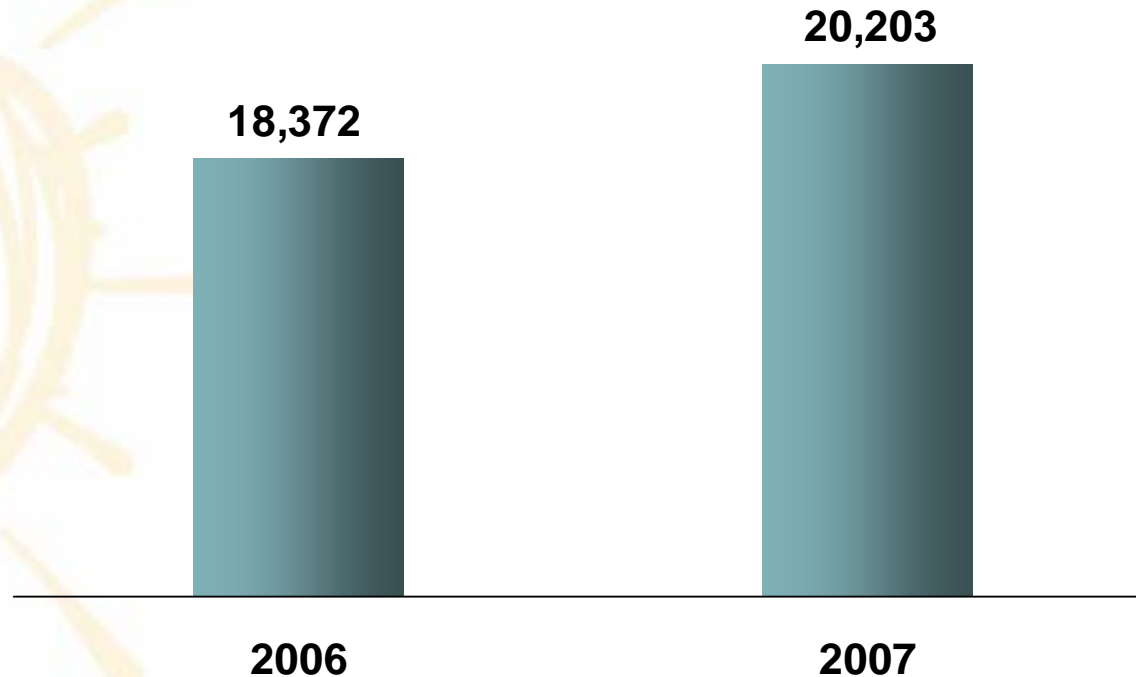
(C\$ millions)



Note: All amounts are based on 2007 annual average exchange rates. MTNs are excluded and Q1' 08 amounts are estimated. LTM refers to the last twelve months.

# 2007 Embedded Value from Operations

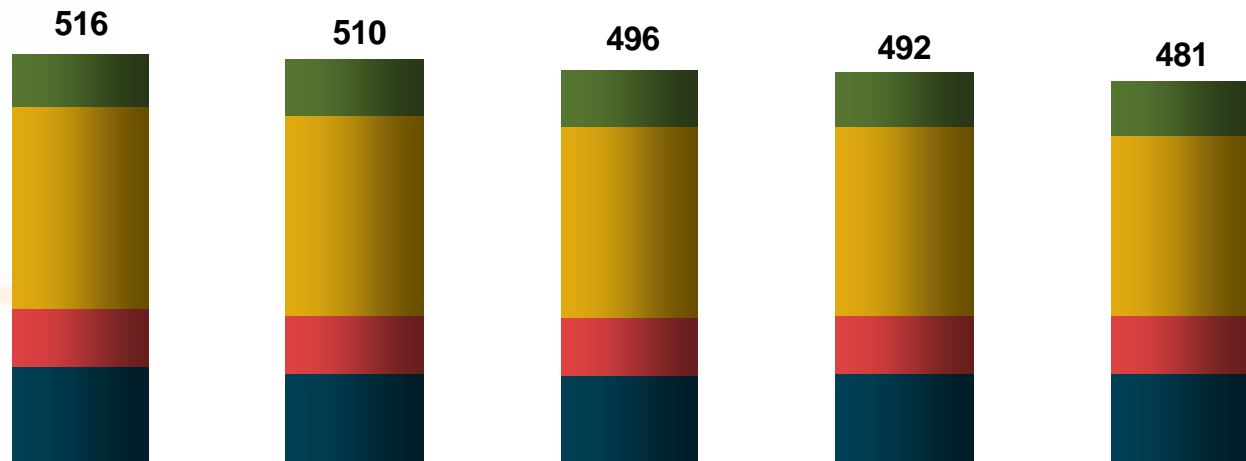
(C\$ millions)



- Towers Perrin have confirmed that the methods and assumptions used to determine the EV at December 31, 2007 and the VNB written in 2007 are reasonable and consistent with the Canadian Institute of Actuaries' draft paper on EV disclosure.
- Additional detail in the appendix

## Assets Under Management

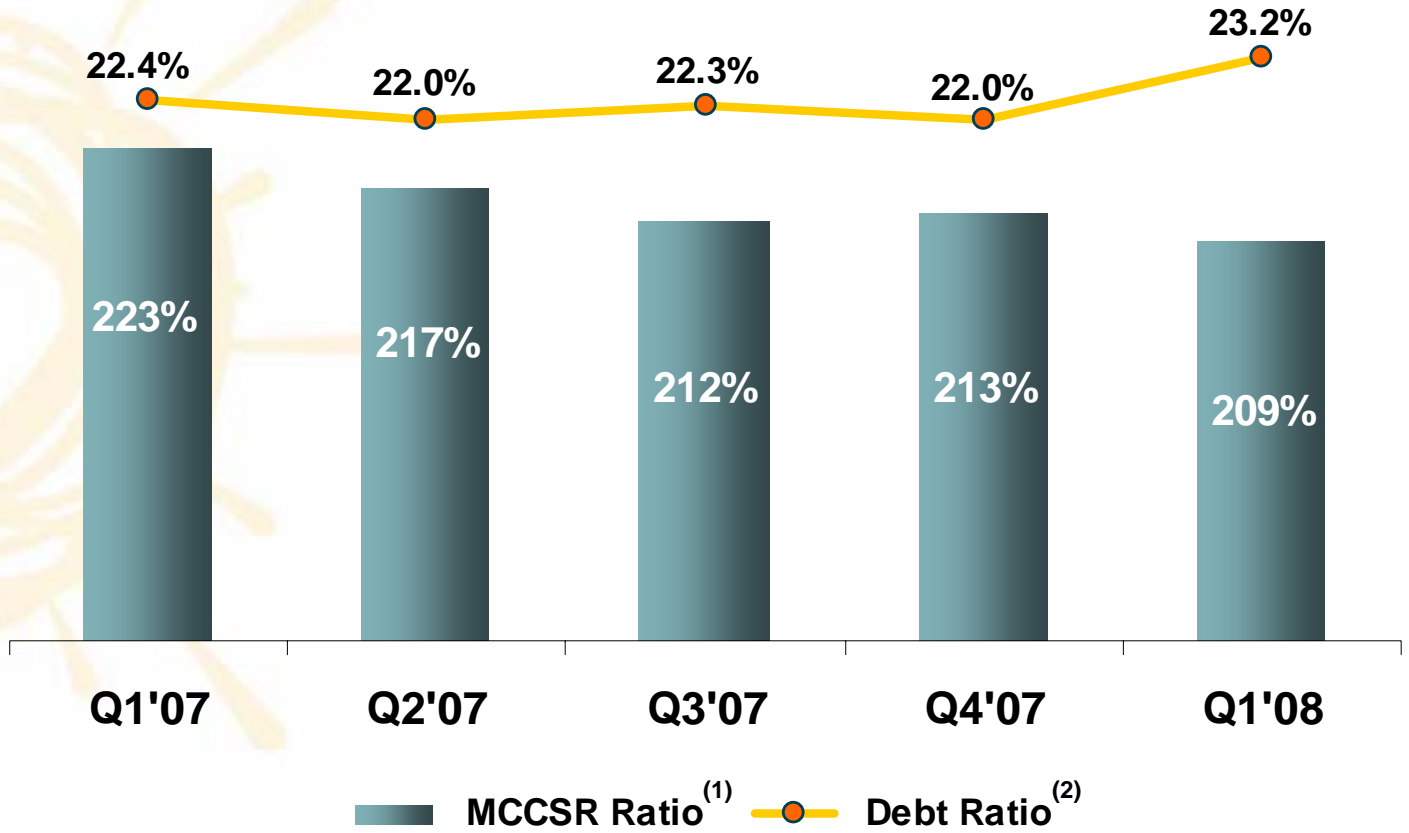
(C\$ billions)



	Q1'07	Q2'07	Q3'07	Q4'07	Q1'08
■ CI Financial <sup>(1)</sup>	65	70	69	67	66
■ MFS and Other	256	251	241	238	228
■ Segregated Funds	73	73	73	73	72
■ General Funds	122	116	113	114	115

(1) Source: CI Financial company reports. Includes 100% of CI Financial's AUM. As at March 31, 2008 SLF had a 36.6% interest in CI Financial.

## Capital Management



(1) Represents the MCCSR ratio of Sun Life Assurance Company of Canada

(2) Represents the ratio of sub debt, preferred shares, Partnership Cumulative Securities and SLEECs to total capital for SLF

# Bond Portfolio Detail

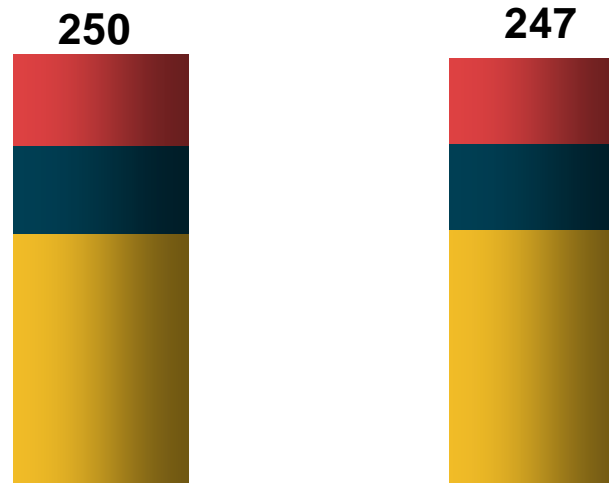
(C\$ billions)

As at March 31, 2008

	Held for Trading	Available for Sale	Total	Investment Grade
Government Issues/ Guaranteed Bonds	12.2	1.8	14.0	98%
Corporate Bonds	32.5	7.5	40.0	96%
Asset Backed Bonds	5.6	.7	6.3	99%
<b>Total</b>	<b>50.3</b>	<b>10.0</b>	<b>60.3</b>	<b>97%</b>

(C\$ millions)

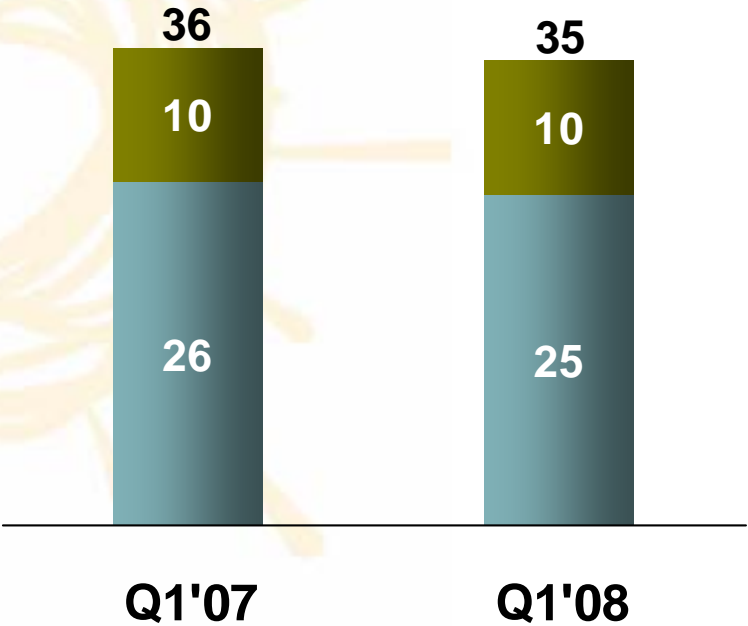
## Net Income



	Q1'07	Q1'08
■ Group Wealth	53	49
■ Group Benefits	51	49
■ Individual Insurance & Investments	146	149
ROE	14.3%	14.1%

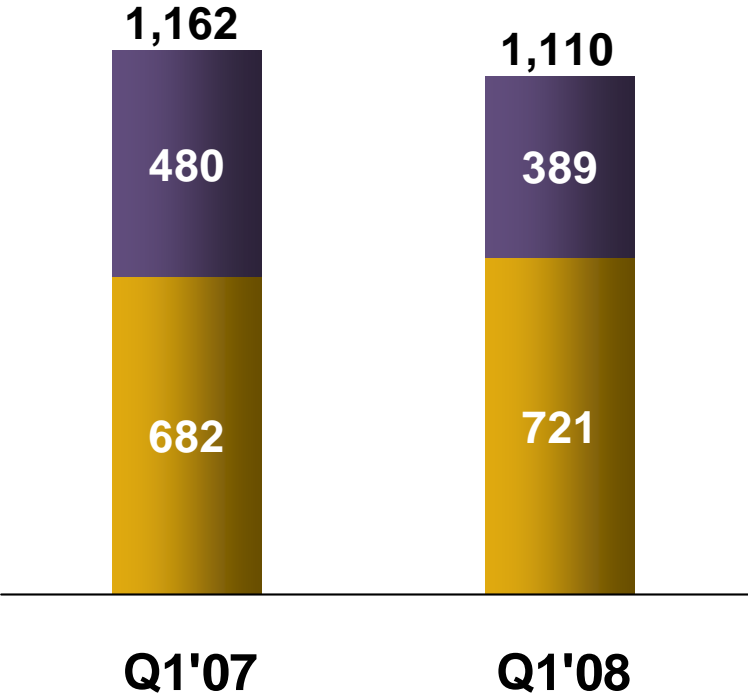
## SLF Canada Individual Sales

**Individual Insurance**  
(C\$ millions)



■ Sun Life Financial Advisors   ■ Wholesale

**Individual Wealth**  
(C\$ millions)

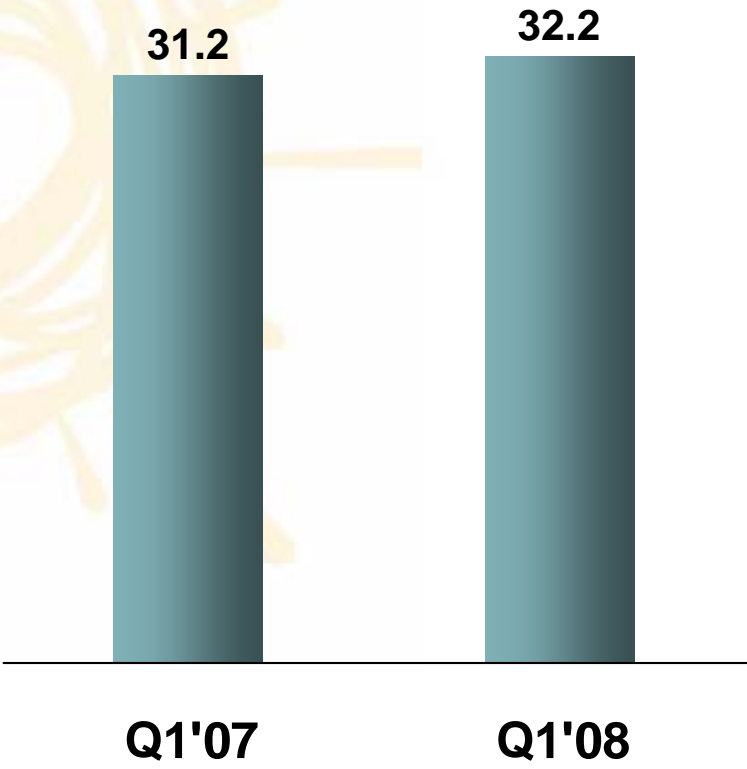


■ Seg Funds & Other   ■ Mutual Funds

## SLF Canada

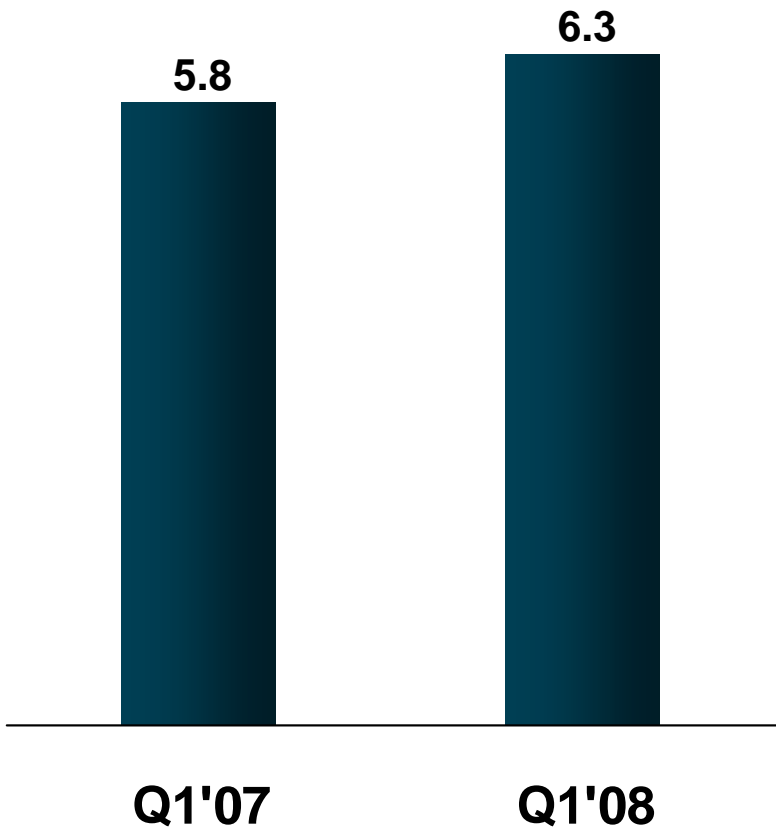
### Group Retirement Services

DC Plan Assets  
(C\$ billions)



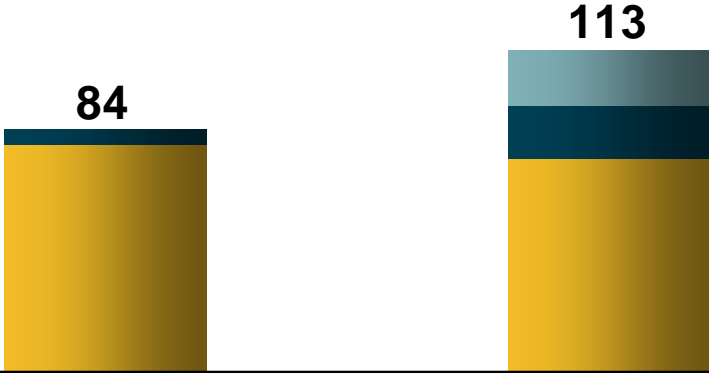
### Group Benefits

Business In-Force  
(C\$ billions)



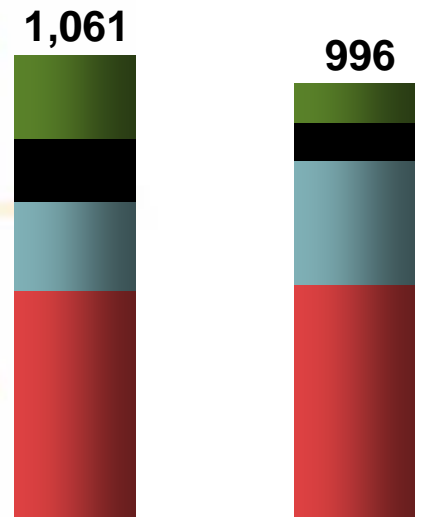
(US\$ millions)

### Net Income



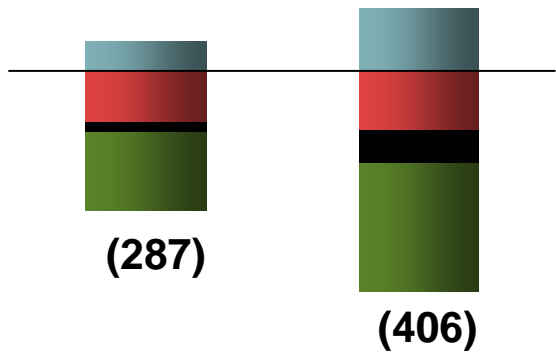
	Q1'07	Q1'08
Employee Benefits Group	(1)	19
Individual Insurance	5	19
Annuities	80	75
ROE	9.4%	10.7%

## Annuity Gross Sales (US\$ millions)



	Q1'07	Q1'08
■ Fixed	191	90
■ Fixed Index	142	85
■ Other Variable	205	283
■ Variable	523	538

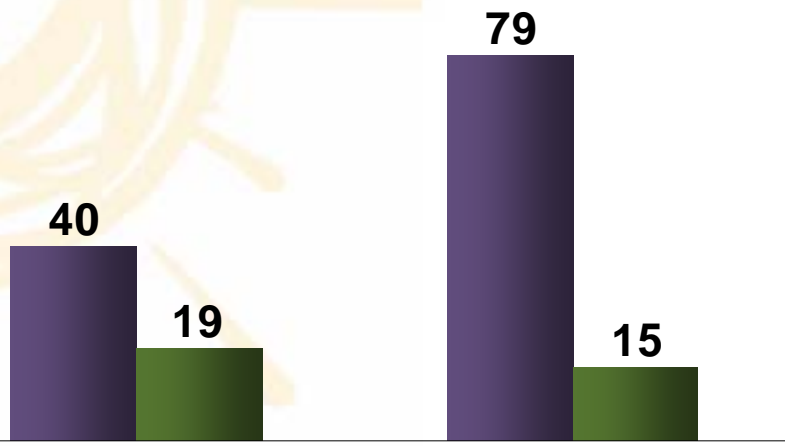
## Annuity Net Sales (Redemptions) (US\$ millions)



	Q1'07	Q1'08
■ Fixed	(207)	(330)
■ Fixed Index	(25)	(88)
■ Other Variable	78	164
■ Variable	(133)	(152)

## Individual Insurance

Sales  
(US\$ millions)



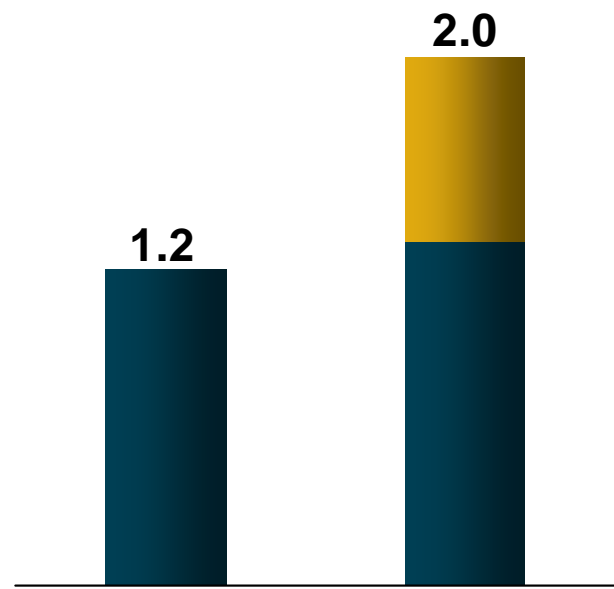
Retail

BOLI/COLI/PPVUL<sup>(1)</sup>

■ Q1'07 ■ Q1'08

## Employee Benefits Group

Business In-Force  
(US\$ billions)



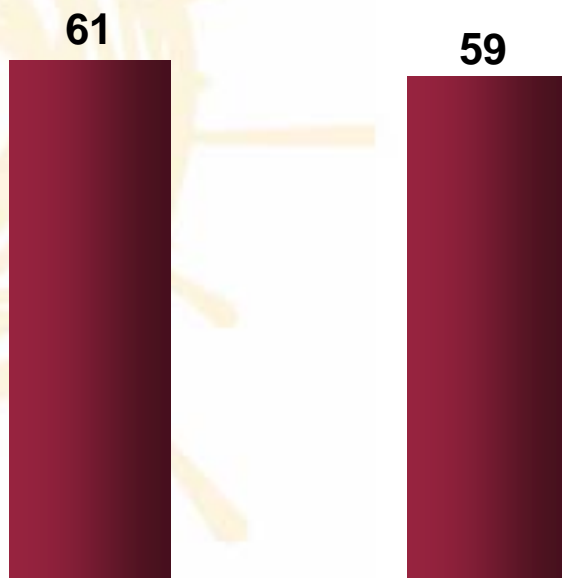
Q1'07

Q1'08

■ Acquisition

<sup>(1)</sup> Bank-owned life insurance (BOLI), Corporate-owned life insurance (COLI), Private placement variable universal life (PPVUL)

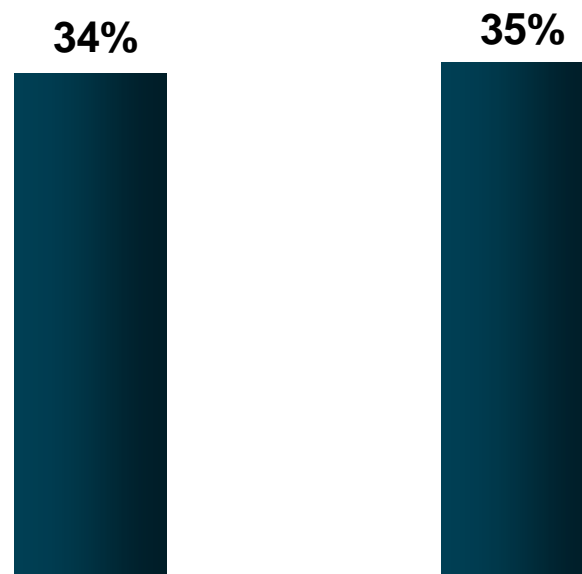
### Net Income (US\$ millions)



Q1'07

Q1'08

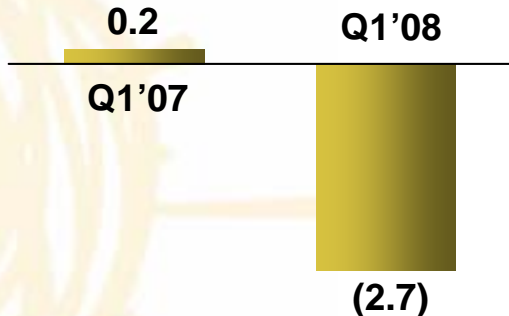
### Pre-Tax Operating Margin



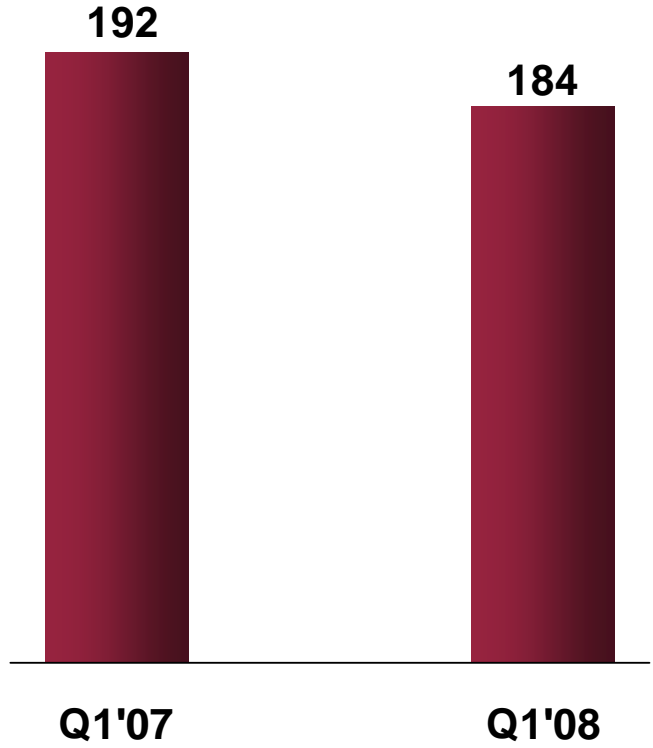
Q1'07

Q1'08

### Net Sales (US\$ billions)



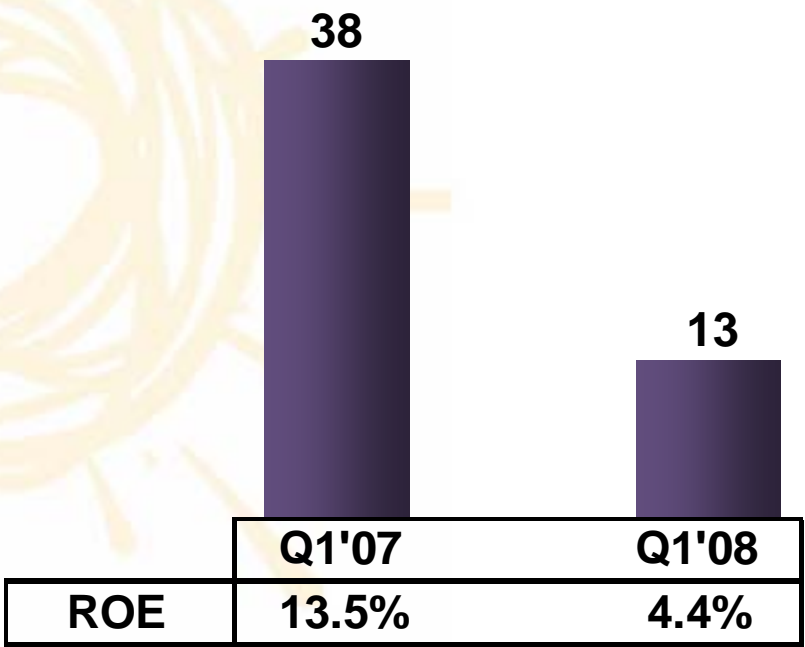
### Assets Under Management (US\$ billions)



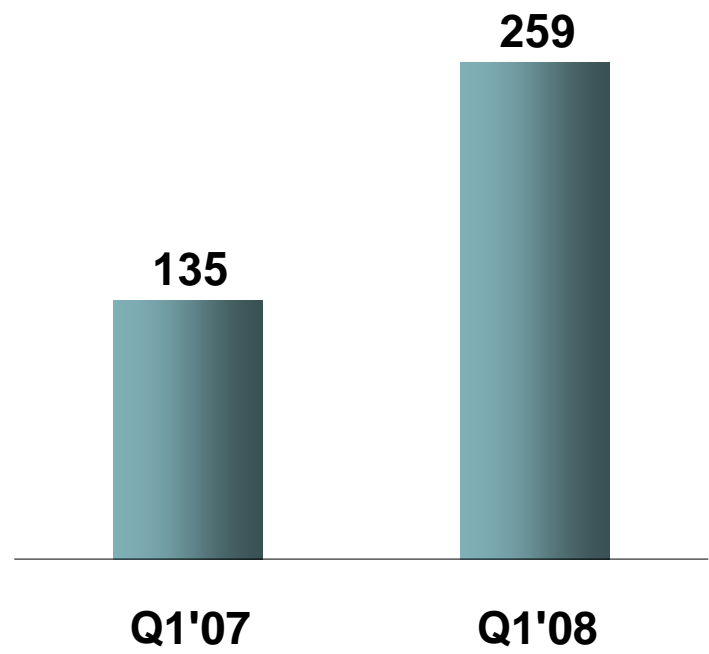
	Q1'07	Q1'08
<b>Retail Mutual Funds</b>		
Gross New Sales	5.2	4.9
Redemptions	(5.8)	(6.8)
<b>Net New Sales</b>	<b>(0.6)</b>	<b>(1.9)</b>
<b>Managed Funds</b>		
Net New Sales	0.8	(0.8)
<b>Total Net New Sales</b>	<b>0.2</b>	<b>(2.7)</b>

## SLF Asia

**Net Income  
(C\$ millions)**



**Individual Life Insurance Sales<sup>(1)</sup>  
(C\$ millions)**



<sup>(1)</sup> Includes 100% of the sales of the Company's joint ventures in China and India

- Economic conditions remain challenging
- Continue to execute on strategy
- Continue to focus on efficiencies
- Remain committed to financial objectives

Q1

# Questions & Answers

Life's brighter under the sun



Q1

# Appendix

Life's brighter under the sun



# Growth in Embedded Value

(C\$ millions)

	<u>2006</u>	<u>2007</u>
Embedded value at January 1	15,068	17,249
Expected growth on in-force business	1,251	1,351
Experience variances and changes in actuarial assumptions	1,263	685
Value of new business (VNB) <sup>(1)</sup>	789	918
Embedded value before discount rate changes, currency and capital transactions	<u>18,372</u>	<u>20,203</u>
Change in discount rates	(240)	186
Currency	272	(1,891)
Capital transactions		
Acquisitions and dispositions	-	(316)
Net shares repurchased	(492)	(428)
Common shareholder dividends	(663)	(752)
	<u>(1,155)</u>	<u>(1,496)</u>
Embedded value at December 31	<u><u>17,249</u></u>	<u><u>17,002</u></u>
Embedded value per share	30.17	30.14

<sup>(1)</sup> The VNB is computed on a constant currency basis using 2006 average exchange rates.

## Asset Backed Bonds

(C\$ millions) As of March 31, 2008	Market Value	Investment Grade
Commercial Mortgage Backed Securities (CMBS)	2,372	99.6%
Residential Mortgage Backed Securities (RMBS) - non-agency	1,338	99.9%
RMBS - agency	1,131	100%
Collateralized Debt Obligations (CDO's)	355	96.9%
Other	1,110	99.1%
<b>Total</b>	<b>6,306</b>	<b>99.5%</b>

### CMBS

- 92% is 'AAA' or pre-2006
- 99% is fixed rate

### Non-Agency RMBS

- 91% is 'AAA' or pre-2006
- 86% is fixed rate

### CDO's

- 72% is 'AAA' or pre-2006

### Sub-Prime & Alt-A

- 97% is 'AAA' or pre-2006
- 87% is fixed rate
- \$300 million sub-prime - 98% investment grade
- \$152 million Alt-A - 99% investment grade