

*This pricing supplement, together with the prospectus supplement dated April 12, 2011 and the short form base shelf prospectus dated April 12, 2011 to which it relates, as amended or supplemented, and each document incorporated by reference into the short form base shelf prospectus and the prospectus supplement, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*The securities to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States of America or for the account or benefit of U.S. persons (as defined in Regulation S under the U.S. Securities Act).*

*Information has been incorporated by reference in this pricing supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference may be obtained on request without charge from the Vice-President, Investor Relations, Sun Life Financial Inc., 150 King Street West, Toronto, Ontario, M5H 1J9, telephone (416) 979-4198 or fax (416) 979-4080, and are also available electronically at [www.sedar.com](http://www.sedar.com).*



## SUN LIFE FINANCIAL INC.

### Pricing Supplement 1 Dated August 17, 2011

(to the short form base shelf prospectus of Sun Life Financial Inc. ("SLF") dated April 12, 2011 as supplemented by the prospectus supplement of SLF dated April 12, 2011 (collectively, the "**Prospectus**")).

**\$300,000,000**

### **SERIES E SENIOR UNSECURED 4.57% DEBENTURES DUE 2021**

The \$300,000,000 principal amount of Series E Senior Unsecured 4.57% Debentures due 2021 (the "**Series E Debentures**") will be issued under a trust indenture dated as of November 23, 2005, as supplemented by a tenth supplemental indenture to be dated as of the closing date (together, the "**Trust Indenture**"), between SLF and CIBC Mellon Trust Company, as trustee (the "**Trustee**").

The following is a summary of certain of the material attributes and characteristics of the Series E Debentures offered hereby, which does not purport to be complete and is qualified in its entirety by reference to the Trust Indenture. Reference is made to the Prospectus for a summary of the other material attributes and characteristics applicable to the Series E Debentures and reference is made to the Trust Indenture for the full text of such attributes and characteristics.

Issuer:	Sun Life Financial Inc.
Designation:	Series E Senior Unsecured 4.57% Debentures due 2021.
Principal Amount:	\$300,000,000.
Issue Price:	\$999.60 per \$1,000 principal amount of Series E Debentures.
Issue Date:	August 23, 2011.
Delivery Date:	August 23, 2011.
Maturity Date:	August 23, 2021.
Interest:	Each Series E Debenture will bear interest from the closing date of this offering until maturity of the Series E Debentures, at a fixed annual rate of 4.57%, payable in equal semi-annual instalments in arrears on February 23 and August 23 in each year, with the first payment of interest due on February 23, 2012 and the last payment of interest due on August 23, 2021. The Series E Debentures will mature on the Maturity Date.

Yield:	<b>The effective yield of the Series E Debentures, if held to maturity, will be 4.575%.</b>
Denominations:	Series E Debentures will be available in denominations of \$1,000 and integral multiples thereof.
Redemption:	<p>At its option, SLF may redeem the Series E Debentures, in whole or in part, at any time, at a redemption price which is equal to the greater of (i) the Canada Yield Price and (ii) par. SLF will give notice of redemption at least 30 days but not more than 60 days before the date fixed for redemption. Where less than all of the Series E Debentures are to be redeemed, the Series E Debentures to be redeemed will be selected by lot by the Trustee or redeemed on a proportionate basis according to the principal amount of Series E Debentures registered in the respective name of each holder of Series E Debentures or in such other manner as the Trustee may consider equitable.</p> <p>“Canada Yield Price” means a price equal to the price of the Series E Debentures, calculated on the Business Day preceding the day on which the redemption is authorized, to provide an annual yield from the date fixed for redemption to but excluding August 23, 2021 equal to the Government of Canada Yield, plus 53 basis points.</p> <p>“Government of Canada Yield” means the annual yield from the date fixed for redemption to but excluding August 23, 2021 assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would carry on the remaining term to but excluding August 23, 2021. The Government of Canada Yield shall be calculated by two independent Canadian investment dealers selected by the Trustee and approved by SLF.</p>
Events of Default:	In addition to the Events of Default described in the Prospectus, the following are Events of Default in respect of the Series E Debentures: (a) SLF defaults in the payment of the principal of any Series E Debenture when due; or (b) SLF defaults in the payment of any interest when due on the Series E Debentures where such default continues for a period of 30 days after the relevant interest payment date.
Rank:	The Series E Debentures will be direct, unsecured obligations of SLF constituting senior indebtedness for the purpose of the <i>Insurance Companies Act</i> (Canada), ranking equally and rateably with all other senior unsecured indebtedness of SLF from time to time issued and outstanding and ranking prior to subordinated indebtedness of SLF. The Series E Debentures will rank among themselves equally and rateably without preference or priority.
Form of Series E Debentures:	Global certificate registered in the name of “CDS & Co.”
CUSIP No.:	86682ZAD8.
Credit Ratings:	<p>The Series E Debentures have been rated by DBRS Limited (“<b>DBRS</b>”) and Standard &amp; Poor’s, a division of The McGraw Hill Companies Inc. (“<b>S&amp;P</b>”). A credit rating generally provides an indication of the creditworthiness of the borrower or the risk that the borrower will not fulfill its obligations in a timely manner to pay both interest and principal on the indebtedness that is the subject of the rating. Rating categories range from highest credit quality (generally “AAA”) to very highly speculative (generally “C”). The Series E Debentures have been rated AA (low) by DBRS and A by S&amp;P.</p> <p>For DBRS, a credit rating of “AA” is an indication of superior credit quality with the subcategory “low” meaning that SLF is at the low end of the category range. For S&amp;P, a rating of “A” is an indication that the borrower’s capacity to meet its financial commitments on its obligations is strong with the absence of a plus “+” or minus “-” sign showing relative standing in the middle of the rating category.</p>

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of any particular securities for any particular investor. The credit ratings assigned to the Series E Debentures are not recommendations to purchase, hold or sell the Series E Debentures. Prospective investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings. Ratings may be revised or withdrawn at any time by the respective rating organization.

Agents: RBC Dominion Securities Inc., National Bank Financial Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., HSBC Securities (Canada) Inc., Merrill Lynch Canada Inc., and Scotia Capital Inc.

Agents' Fee: \$4.00 per \$1,000 principal amount of Series E Debentures for a total of \$1,200,000.

Method of Distribution: Agency.

	<u>Price to the Public</u>	<u>Agents' Fee<sup>(1)</sup></u>	<u>Net Proceeds to SLF<sup>(2)</sup></u>
Per \$1,000 principal amount of the Series E Debentures.....	\$999.60	\$4.00	\$995.60
Total .....	\$299,880,000	\$1,200,000	\$298,680,000

<sup>(1)</sup> SLF has agreed to pay the Agents a fee equal to \$4.00 for each \$1,000 principal amount of the Series E Debentures sold.

<sup>(2)</sup> Before deduction of expenses of the offering payable by SLF estimated to be \$200,000, which together with the Agents' fee will be paid from the proceeds of the offering.

### **DOCUMENTS INCORPORATED BY REFERENCE**

This Pricing Supplement is deemed to be incorporated by reference, as of the date hereof, into the accompanying Prospectus solely for the purpose of the offering of the Series E Debentures.

The following documents, filed by SLF with the securities commissions or similar authorities in each province and territory of Canada, are incorporated by reference into the Prospectus:

- (a) the annual information form dated February 16, 2011;
- (b) the audited consolidated financial statements as at December 31, 2010 and 2009 and for each of the years in the three year period ended December 31, 2010, together with the report of the Independent Registered Chartered Accountants thereon and management's discussion and analysis thereon;
- (c) the unaudited interim consolidated financial statements as at June 30, 2011 and for the six-month period then ended, together with management's discussion and analysis thereon;
- (d) the management information circular dated March 21, 2011;
- (e) the material change report dated July 4, 2011 announcing the retirement of Donald A. Stewart as the Chief Executive Officer and as a Director of SLF effective November 30, 2011; the appointment of Dean A. Connor as the President and as a Director of SLF effective immediately and his appointment as Chief Executive Officer of SLF effective December 1, 2011; the appointment of James H. Sutcliffe, FIA as Chairman of SLF's Board of Directors effective December 1, 2011; and the stepping down of Ronald W. Osborne as Chairman of SLF's Board of Directors effective November 30, 2011 and his retirement as a Director of SLF to be effective at the 2012 annual meeting;

- (f) the news release dated July 11, 2011 announcing SLF's redemption of all of the outstanding \$300 million principal amount of its Series C Senior Unsecured 5.00% Fixed/Floating Debentures due in 2031; and
- (g) the news releases dated August 4, 2011 and August 12, 2011 announcing SLF's Canadian public offering of \$200 million of Class A Non-Cumulative Rate Reset Preferred Shares Series 10R at a price of \$25.00 per share and yielding 3.90% annually completed on August 12, 2011.

Any statement contained in this Pricing Supplement, the Prospectus or in a document incorporated or deemed to be incorporated by reference in the Prospectus shall be deemed to be modified or superseded, for the purposes of this Pricing Supplement, to the extent that a statement contained herein, or in the Prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference in the Prospectus, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or includes any other information set forth in the document that it modifies or supersedes. The making of a modified or superseded statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of the Prospectus.

### ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to SLF, and McCarthy Tétrault LLP, counsel to the Agents, the Series E Debentures offered hereby, if issued on the date of this Pricing Supplement, would be, on such date, qualified investments under the *Income Tax Act* (Canada) (the "**Tax Act**") for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered education savings plan, a registered disability savings plan, a tax-free savings account or a deferred profit sharing plan, other than a deferred profit sharing plan to which contributions are made by SLF, or by an employer with which SLF does not deal at arm's length within the meaning of the Tax Act.

The Series E Debentures, if issued on the date of this Pricing Supplement, would not be, on such date, a "prohibited investment" for a trust governed by a tax-free savings account provided the holder of the tax-free savings account deals at arm's length with SLF for purposes of the Tax Act and does not have a significant interest (within the meaning of the Tax Act) in SLF or in any person or partnership with which SLF does not deal at arm's length for purposes of the Tax Act. In the June 6, 2011 Federal Budget, the Minister of Finance (Canada) proposed to extend the prohibited investment rules to trusts governed by registered retirement savings plans and registered retirement income funds, and their annuitants. No assurance can be given that these proposals will be enacted as proposed or at all. Prospective purchasers should consult and rely on their own tax advisors.

### CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP, counsel to SLF, and McCarthy Tétrault LLP, counsel to the Agents, the following is, at the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to a holder of Series E Debentures (a "**Holder**") who acquires Series E Debentures pursuant to this offering and who, at all relevant times, for purposes of the Tax Act, is resident in Canada, holds the Series E Debentures as capital property, deals with SLF at arm's length and is not affiliated with SLF. Generally, the Series E Debentures will be considered capital property to a Holder provided that the Holder does not hold the Series E Debentures in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade. Certain Holders who are resident in Canada whose Series E Debentures might not otherwise qualify as capital property may be entitled to obtain such qualification in certain circumstances by making an irrevocable election permitted by subsection 39(4) of the Tax Act.

This summary is not applicable to a Holder that is a "financial institution" (as defined in the Tax Act for purposes of the mark-to-market rules), a Holder an interest in which is a "tax shelter investment" (as defined in the Tax Act) or a Holder to whom the "functional currency" reporting rules in the Tax Act apply. Such Holders should consult their own tax advisors having regard to their particular circumstances.

This summary is based upon the facts set out in the Prospectus and this Pricing Supplement, the current provisions of the Tax Act and the regulations thereunder (the "**Regulations**") in force at the date of this pricing supplement, all

specific proposals to amend the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and counsel's understanding of the current administrative policies and assessment practices of the Canada Revenue Agency (the "CRA") published in writing by it prior to the date hereof. There can be no assurance that the proposed amendments will be implemented in their current form or at all. This summary does not otherwise take into account or anticipate any changes of law or practice, whether by judicial, governmental or legislative decision or action or changes in the administration policies or assessment practices of the CRA, nor does it take into account tax legislation or considerations of any province or foreign jurisdiction. The provisions of provincial income tax legislation vary from province to province in Canada and in some cases differ from federal income tax legislation.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any particular Holder are made. Accordingly, prospective purchasers should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring, holding and disposing of Series E Debentures, including the application and effect of the income and other tax laws of any country, province, territory, state or local tax authority.**

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest or amount that is considered for the purposes of the Tax Act to be interest on a Series E Debenture that accrues to the Holder to the end of that taxation year or becomes receivable or is received by the Holder before the end of that taxation year, except to the extent that such interest (or amount considered to be interest) was otherwise included in the Holder's income for a preceding taxation year.

Any other Holder, including an individual and trusts of which neither a corporation or a partnership is a beneficiary, will be required to include in income for a taxation year any amount on a Series E Debenture received or receivable (depending upon the method regularly followed by the Holder in computing income) by such Holder as interest in that year on a Series E Debenture, except to the extent that the interest was included in the Holder's income for a preceding taxation year.

Any premium paid by SLF to a Holder because of the redemption by it of a Series E Debenture before maturity thereof will generally be deemed to be interest received at that time by the Holder to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at the time of the redemption of, the interest that would have been paid or payable by SLF on the Series E Debenture for a taxation year ending after the redemption and will be required to be included in computing the Holder's income, as described above.

On a disposition or deemed disposition of a Series E Debenture, whether on maturity, redemption, purchase for cancellation or otherwise, a Holder will generally be required to include in income the amount of interest (including amounts considered to be interest) accrued on the Series E Debenture from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year. In general, a disposition or deemed disposition of a Series E Debenture will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any accrued interest and any other amount included in computing income as interest and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Series E Debenture to the Holder immediately before the disposition.

One-half of the amount of any capital gain (a "taxable capital gain") realized by a Holder in a taxation year generally must be included in the Holder's income for that year, and one-half of the amount of any capital loss (an "allowable capital loss") realized by a Holder in a taxation year must be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act. Capital gains realized by an individual or a trust (other than certain specified trusts) may give rise to a liability for alternative minimum tax under the Tax Act.

A Holder that is a "Canadian controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional refundable tax of 6 $\frac{2}{3}$ % on certain investment income, including amounts of interest and taxable capital gains.

## CONSENT OF THE INDEPENDENT REGISTERED CHARTERED ACCOUNTANTS

We have read Pricing Supplement No. 1 of Sun Life Financial Inc. (“SLF”), dated August 17, 2011, relating to the offer and issue of \$300,000,000 principal amount of SLF’s Series E Senior Unsecured 4.57% Debentures due 2021, to the short form base shelf prospectus dated April 12, 2011, as supplemented by the prospectus supplement dated April 12, 2011, relating to the offer and issue of up to \$5,000,000,000 aggregate principal amount of Unsecured Debt Securities (collectively, the “Prospectus”). We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the incorporation by reference in the Prospectus of our report to the Shareholders and Board of Directors of SLF on the consolidated balance sheets and the separate consolidated statements of segregated funds net assets as at December 31, 2010 and 2009 and the consolidated statements of operations, equity, comprehensive income, cash flows and changes in segregated funds net assets for each of the three years in the period ended December 31, 2010. Our report is dated February 16, 2011.

(Signed) Deloitte & Touche LLP  
Independent Registered Chartered Accountants  
Licensed Public Accountants  
Toronto, Canada  
August 17, 2011