

Financial strength overview

For nearly 150 years, Sun Life Financial’s group of businesses has helped millions of customers worldwide achieve the peace of mind that comes with a lifetime of financial security—and we’re well-positioned to do so for years to come.

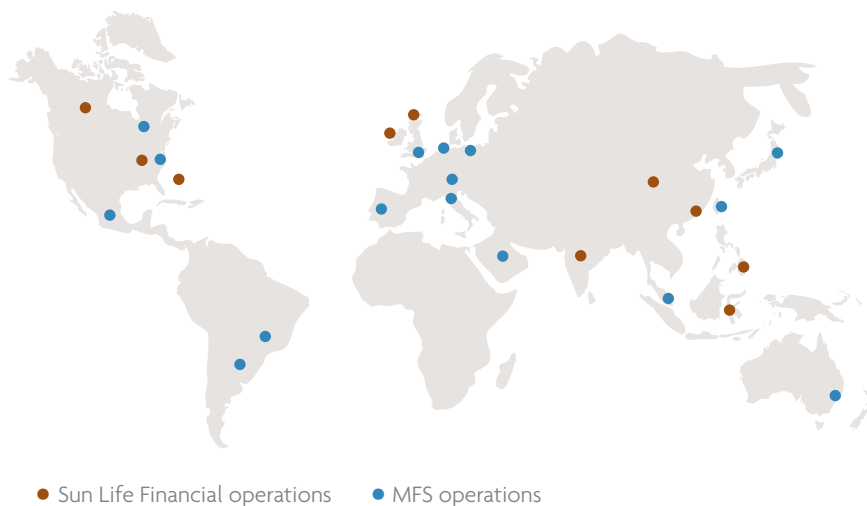
Sun Life Financial was chartered in Canada in 1865 and is one of the world’s leading financial services organizations. Sun Life Financial has a long history of financial strength and meeting customer obligations around the globe; the U.S. business continues to play a key role in that global strategy.

Q4 2012 results

Here are some of Sun Life Financial’s outstanding financial highlights:

- Sixth-largest life insurance organization in North America¹
- Forbes Global 2000 Leading Companies—#593 overall²
- Total assets under management: US\$537 billion
- Market capitalization: US\$15.9 billion
- Shareholder equity: US\$14.2 billion

The world of Sun Life



1. Based on market capitalization data as of December 31, 2012 compiled by Sun Life Financial using data provided by Thomson Reuters.

2. “The World’s Leading Companies,” Forbes.com, 2012.

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 publicly traded holding company for the Sun Life Financial group of companies, is not an insurance company and does not guarantee the obligations of these insurance companies. Each insurance company relies on its own financial strength and claims-paying ability.

A strong capital base—delivering on our promises to customers

Sun Life Financial is not immune to the challenging global economic and capital market environment that has affected the financial services industry. As we continue to make progress in executing our growth strategy, our customers, distributors, and shareholders can be assured that Sun Life Financial remains strong and well-capitalized.

As regulated entities, the insurance companies in the Sun Life Financial group of companies set aside assets (reserves and capital) to meet product guarantees. This helps to ensure we can meet our financial commitments to our customers over the long term. Our capital base exceeds levels required by regulators. The following are the capital levels for the primary operating insurance subsidiaries in the Sun Life Financial group of companies.

Sun Life Assurance Company of Canada issues non-variable universal life, participating whole life, term, COLI UL, and group insurance products in the U.S., except in New York.

Sun Life Assurance Company of Canada (U.S.) issues variable products in the U.S., except in New York, including variable annuity, variable universal life, and COLI/BOLI VUL products. Sun Life U.S. also issues non-variable fixed annuity and fixed indexed annuity products in the U.S., except in New York.

Individual and group insurance products in the state of New York are issued by Sun Life Insurance and Annuity Company of New York.

The following Sun Life companies had capital levels well above the regulatory minimums:

| Sun Life Assurance Company of Canada | 2012 | 2011 | 2010 | 2009 |
|--|------|------|------|------|
| Minimum continuing capital and surplus requirement (MCCSR) ratio | 209% | 211% | 228% | 221% |
| Sun Life Assurance Company of Canada (U.S.) | | | | |
| Risk-based capital (RBC) ratio ³ | 447% | 412% | 435% | 362% |
| Sun Life Insurance and Annuity Company of New York | | | | |
| Risk-based capital (RBC) ratio ⁴ | 476% | 511% | 506% | 381% |

Financial strength ratings/claims-paying ability:

| (as of December 19, 2012 ⁵) | A.M. Best | Standard & Poor's | Moody's |
|---|---|--|--|
| Sun Life Assurance Company of Canada | A+ ⁶ (Superior) Second of 16 rating levels | AA- ⁶ (Very Strong) Fourth of 20 rating levels | Aa3 ⁷ (Excellent) Fourth of 21 rating levels |
| Sun Life Assurance Company of Canada (U.S.) ⁵ | A- ⁹ (Excellent) Fourth of 16 rating levels | BBB ⁸ (Good) Ninth of 20 rating levels | Baa2 ¹⁰ (Adequate) Ninth of 21 rating levels |
| Sun Life Insurance and Annuity Company of New York ⁵ | A- ⁹ (Excellent) Fourth of 16 rating levels | BBB ⁸ (Good) Ninth of 20 rating levels | Not rated |

Ratings are subject to change at any time. For the most current ratings, please visit www.sunlife.com.

3. U.S. life and health insurance companies are subject to certain Risk-Based Capital ("RBC") requirements as specified by the National Association of Insurance Commissioners (NAIC). The RBC requirements provide a method for the state insurance departments to measure the minimum acceptable amount of adjusted capital that a life insurer should have, in addition to the assets supporting its liabilities, based on the risk characteristics of its investments and products. The NAIC-expected minimum amount for the RBC ratio is 100%. RBC is calculated annually, at year-end.

4. Because Sun Life N.Y. is a subsidiary of Sun Life U.S., its capital is included in the Sun Life U.S. RBC ratio.

5. Rating actions taken on December 19, 2012 follow the announcement of Sun Life's agreement to sell its domestic U.S. annuities business and a portion of its domestic U.S. life insurance business. Sun Life Assurance Company of Canada (U.S.) and Sun Life Insurance and Annuity Company of New York are included in the transaction. The transaction is expected to close on or before June 30, 2013, subject to regulatory approvals and customary closing conditions.

6. Outlook stable.

7. Negative outlook.

8. Developing outlook.

9. Under review with negative implications (A.M. Best).

10. Review for possible downgrade (Moody's).

A focus on our strengths

The Sun Life Financial group of companies is well positioned to navigate changing economic conditions; our revenue comes from many geographic locations and business lines. By diversifying our revenue stream, we strive to capitalize on opportunities while minimizing losses.

A solid foundation

The combination of our capital strength, diversified business model, and strong risk management practices gives us the solid foundation from which to fulfill our promises to customers while we actively pursue strategic growth opportunities.

Disciplined strategic execution

By aligning our infrastructure, processes, and people with a carefully developed strategic plan that leverages our expertise and global presence, we are able to capitalize on opportunities that create value.

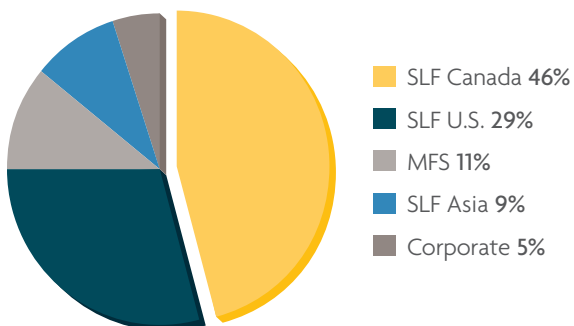
Continuous innovation

We are constantly improving our mix of products and services—across all markets and business lines—by listening to our customers and then developing innovative ways to meet their needs for financial security and flexibility. Our objective is to deliver the best customer experience at every touchpoint in every market in which we do business.

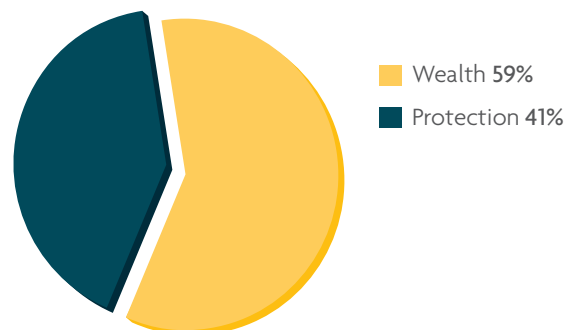
Sun Life Financial and its partners today have operations in key markets worldwide, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China, and Bermuda.

Diversified by products, markets, and geography

Diversification by business group¹¹



Business diversification (by VNB)¹²



To learn more about Sun Life, visit us at www.sunlife.com.

11. Based on LTM Q4 '12 revenue and excludes fair value changes.

12. Value of new business (the present value, at point of sale, of future after-tax profits that will be generated from new business sold). Based on LTM Q4 '12.

Certain statements in this document, including those 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 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 statements due to, among other factors, the matters set out under “Risk Factors” in the Company’s Annual Information Form 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, 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.



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