



NEWS RELEASE

A.M. BEST COMPANY, INC., OLDWICK, NJ • A.M. BEST EUROPE, LTD., LONDON
A.M. BEST ASIA-PACIFIC, LTD., HONG KONG

FOR IMMEDIATE RELEASE

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A.M. Best Downgrades Ratings of Sun Life Financial Inc. and Its Subsidiaries

Rating Supplement

The FSR has been downgraded to A+ (Superior) from A++ (Superior) and ICRs have been downgraded to “aa” from “aa+” with a stable outlook for the following subsidiaries of **Sun**

Life Financial Inc.:

- **Sun Life Assurance Company of Canada**
- **Sun Life Assurance Company of Canada (U.S.)**
- **Sun Life Insurance and Annuity Company of New York**

The FSR of has been downgraded to A (Excellent) from A+ (Superior) and ICRs have been downgraded to “a+” from “aa-” with a stable outlook for the following subsidiaries of **Sun**

Life Financial Inc:

- **Independence Life & Annuity Company**
- **Sun Life and Health Insurance Company (U.S.)**
- **Professional Insurance Company**

The ICR has been downgraded to “a” from “aa-” with a stable outlook for **Sun Life**

Financial Inc.

The following debt ratings have been downgraded with a stable outlook:

Sun Life Financial Inc.—

-- to “bbb+” from “a” on CAD 400 million 4.75% Class A non-cumulative preferred shares, Series 1, due 2010

-- to “bbb+” from “a” on CAD 325 million 4.80% Class A non-cumulative preferred shares, Series 2, due 2010

-- to “bbb+” from “a” on CAD 250 million 4.45% Class A non-cumulative preferred shares, Series 3, due 2011

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- to “bbb+” from “a” on CAD 300 million 4.45% Class A non-cumulative preferred shares, Series 4, due 2012
- to “bbb+” from “a” on CAD 250 million 4.50% Class A non-cumulative preferred shares, Series 5, due 2012
- to “a” from “aa-” on CAD 600 million fixed/floating rate senior unsecured debentures Series A, due 2035
- to “a” from “aa-” on CAD 950 million fixed/floating rate senior unsecured debentures Series B, due 2036
- to “a” from “aa-” on CAD 300 million senior unsecured fixed/floating debentures Series C, due 2031
- to “a-” from “a+” on CAD 400 million subordinated fixed/floating debentures, due 2042
- to “a-” from “a+” on CAD 400 million subordinated fixed/floating debentures, due 2023
- to “a-” from “a+” on CAD 350 million subordinated fixed/floating debentures, due 2018

Sun Life Financial Global Funding LP— to “aa” from “aa+” program rating
-- to “aa” from “aa+” \$900 million senior secured global medium-term notes, due 2010

Sun Life Financial Global Funding II, LP— to “aa” from “aa+” program rating
-- to “aa” from “aa+” \$900 million senior secured global medium-term notes, due 2011

Sun Life Financial Global Funding III, LP— to “aa” from “aa+” program rating
-- to “aa” from “aa+” \$750 million senior secured global medium-term notes, due 2013

Sun Life Assurance Company of Canada—

- to “a+” from “aa-” on CAD 800 million 6.15% subordinated debentures, due 2022
 - to “a+” from “aa-” on CAD 150 million 6.30% subordinated debentures, due 2028*
 - to “a+” from “aa-” on CAD 300 million 6.65% subordinated debentures, due 2015*
- * Securities originally issued by Clarica Life Insurance Company

Sun Life Capital Trust—

- to “a-” from “a+” on CAD 950 million 6.865% non-cumulative Sun Life Exchangeable Capital Securities (SLEECs), due 2011
- to “a-” from “a+” on CAD 200 million 7.09% preferred stock non-cumulative Sun Life Exchangeable Capital Securities (SLEECs), due 2032

Sun Canada Financial—

- to “a” from “aa-” on USD 150 million 7.25% subordinated notes, due 2015

The following indicative ratings under the shelf registration have been downgraded with a stable outlook:

Sun Life Financial Inc.—

- to “a” from “aa-” on senior unsecured debt

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- to “a-“ from “a+” on subordinated debt
- to “bbb+” from “a” on preferred shares

The principal methodologies used in determining these ratings, including any additional methodologies and factors, which may have been considered, can be found at www.ambest.com/ratings/methodology.

Founded in 1899, A.M. Best Company is a global full-service credit rating organization dedicated to serving the financial and health care service industries, including insurance companies, banks, hospitals and health care system providers. For more information, visit www.ambest.com.