

Sun Life and CIMB Niaga deepen bancassurance partnership in Indonesia

April 5, 2022



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Transaction Overview⁽¹⁾



- Sun Life Indonesia⁽²⁾ will be the provider of life insurance solutions to CIMB Niaga customers
- 6-year extension of current bancassurance partnership, in place since 2016
- 15-year agreement for Regular Premium in-branch sales, effective January 1, 2025
- Approximately C\$500 million⁽³⁾ to extend and expand the partnership

- ✓ In line with Asia strategy to achieve sustainable competitive positions and scale in ***fast-growing markets***
- ✓ ***Expands partnership*** in ***attractive Indonesian market***, with a leading regional bank
- ✓ Strengthens Sun Life and CIMB Group relationship, with ***bancassurance partnerships in Indonesia and Malaysia***
- ✓ Aligns with Sun Life's ***Sustainability*** and ***Digital*** strategies

(1) Certain statements on this slide are forward looking. See "Forward-looking statements" on slide 2.

(2) PT. Sun Life Financial Indonesia

(3) Excludes acquisition related costs



Indonesia is an Attractive Market

- ✓ *Indonesia is the **largest economy in Southeast Asia** ⁽¹⁾ and represents the 4th largest population in the world*
- ✓ *More than half the population is under the age of 40, and the country is home to **one of the world's largest working-age populations***
- ✓ ***Individual wealth is on the rise**, with amount of wealth per adult steadily increasing, rising by 4x since 2000⁽²⁾*



Population of 274 million⁽³⁾
Median Age: 29.7 years

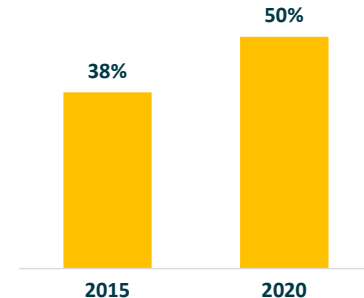


5% GDP growth (2010-20)
US\$3,870 per capita⁽³⁾



Low insurance penetration
1.4% vs. regional average of 2.3%⁽⁴⁾

Bancassurance is the largest distribution channel in the country



Bancassurance as a % of total market sales⁽⁵⁾

(1) Based on GDP
(2) Credit Suisse (2019)
(3) Worldbank (2020)
(4) Swiss Re Sigma Research (2020)
(5) AAJI - Asosiasi Asuransi Jiwa Indonesia (Life Insurance Association Indonesia)

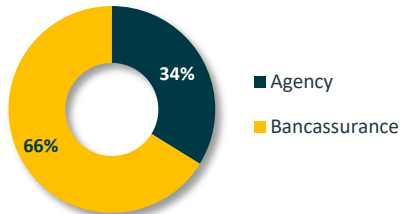
Sun Life Indonesia and CIMB Niaga

A strong relationship since 2009

Sun Life in Indonesia

- Established presence in the Indonesian market in 1995
- Entered into current bancassurance partnership with CIMB Niaga in 2016
- Multi-channel distribution, with over 9,600 agents⁽¹⁾
- Servicing Clients through a network of 76 conventional and 28 shariah marketing offices across the country

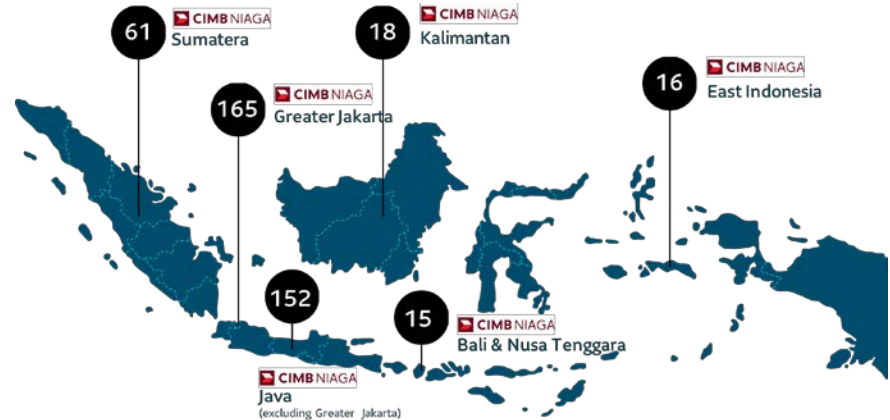
Sales by distribution channel^(1, 2)



CIMB NIAGA

- CIMB Niaga is the sixth largest bank in Indonesia by total assets and the second largest privately owned bank by total assets⁽³⁾
- A leading consumer banking franchise with a strong focus on insurance
- The bank incorporates sustainability in conducting business and setting strategies
- CIMB Niaga is leveraging digital to better serve its customers and was recognized as 'The Best Bank in Digital Services'⁽⁴⁾

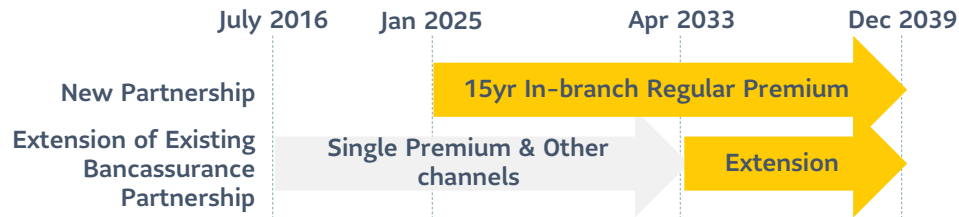
~7 million customers across a network of 427 branches⁽¹⁾



Expanded Partnership with CIMB Niaga⁽¹⁾

Deepening a Strong Relationship

- Current bancassurance agreement commenced in 2016, including:
 - Sale of Single Premium products in branches
 - Sale of all other products through CIMB Niaga's non-branch channels, including digital and telemarketing
- New bancassurance agreement:
 - **Extends term** of current bancassurance partnership; and
 - **Expands scope** to include the sale of in-branch Regular Premium products
- Regular Premium products account for nearly 80% of first-year premiums in the market⁽²⁾
- Expands **partnership to cover all channels and all products through 2039**, improving Client experiences and driving efficiencies



Growing Scale and Profitability in a Key Market

- Bancassurance is a key priority of CIMB Niaga
 - New business sales grew by 19% CAGR (2013-20)⁽³⁾
- Sun Life Indonesia will be **the provider of life insurance solutions** to CIMB Niaga, commencing 2025
 - Sun Life Indonesia accounts for approximately 50% of total CIMB Niaga bancassurance sales⁽⁴⁾
- Sun Life Indonesia sales, across all channels, expected to increase by approximately 2.5x in 2025 (compared to 2021)
- Transaction supports Sun Life's objective to be **a top tier player** in one of our **key Asia markets**

(1) Certain statements on this slide are forward looking. See "Forward-looking statements" on slide 2.

(2) Among foreign insurers

(3) Source: CIMB Niaga

(4) Based on Annualized First Year Premium (as of 2021)

Key Takeaways




- ✓ In line with Asia strategy to achieve sustainable competitive positions and scale in ***fast-growing markets***
- ✓ ***Expands partnership*** in ***attractive Indonesian market***, with a leading regional bank
- ✓ Strengthens Sun Life and CIMB Group relationship, with ***bancassurance partnerships in Indonesia and Malaysia***
- ✓ Aligns with Sun Life's ***Sustainability*** and ***Digital*** strategies

| Appendix

Building Scale and Capabilities in Fast Growing Markets

2011 - 2013

Widened Footprint

-  Expanded presence in the **Philippines** with acquisition of a 49% stake in Sun Life Grepa Financial, Inc.
- Bancassurance partnership with Rizal Commercial Banking Corporation
-  Entered **Vietnam** through joint venture ("JV"), PVI Sun Life
-  Entered **Malaysia** by acquiring 49% of Sun Life Malaysia Assurance Berhad and Sun Life Malaysia Takaful Berhad.
- Entered into bancassurance partnership with CIMB






2014 - 2016

Consolidated Ownership & Control

-  Increased stake in **Vietnam** JV to 75%, then acquired the remaining 25%
-  Acquired 100% of **Indonesia** joint venture with CIMB Group and merged with Sun Life Indonesia⁽¹⁾
- Entered into Bancassurance partnership with CIMB Niaga (all products & channels except in-branch regular premium)
-  In **India**, increased shareholding in Aditya Birla Sun Life Insurance Company Limited from 26% to 49%

2017 – 2022

Scaled-up & Strengthened via Acquisitions & Partnerships

-  In **Hong Kong**, acquired FWD's Mandatory Provident Fund ("MPF") & Occupational Retirement Schemes Ordinance ("ORSO") businesses and Schroders' MPF business
- Strategic investment in Bowtie Life Insurance Company Limited, the first virtual insurer in Hong Kong
-  Entered into bancassurance partnerships with TPBank and Asia Commercial Joint Stock Bank in **Vietnam**
-  Deepened relationship with HDFC Bank in **India**
- Unlocked value through a partial listing of India Asset Management JV
-  Entered **Singapore** to offer life insurance to high-net-worth Clients
-  Expanding partnership with CIMB Niaga (all channels & products) in **Indonesia**

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