

Sun Life announces 15-year bancassurance partnership with ACB in Vietnam

November 18, 2020



Life's brighter under the sun



In this presentation, Sun Life Financial Inc. ("SLF" or "SLF Inc."), its subsidiaries and, where applicable, its joint ventures and associates are referred to as "we", "us", "our", "Sun Life" and the "Company".

Forward-looking statements

Certain statements in this presentation, including, but not limited to, statements that are not historical facts, are forward-looking and are subject to inherent risks, uncertainties and assumptions. The results or events predicted in these forward-looking statements may differ materially from actual results or events and we cannot guarantee that any forward-looking statement will materialize. Except as may be required by law, we do not undertake any obligation to update or revise any forward-looking statements made in this presentation.

Non-IFRS Financial Measures

The Company prepares its financial statements in accordance with international financial reporting standards ("IFRS"). This presentation includes financial measures that are not based on IFRS ("non-IFRS financial measures"). The Company believes that these non-IFRS financial measures provide information that is useful to investors in understanding the Company's performance and facilitate the comparison of the quarterly and full year results from period to period. These non-IFRS financial measures do not have any standardized meaning and may not be comparable with similar measures used by other companies. For certain non-IFRS financial measures, there are no directly comparable amounts under IFRS. These non-IFRS financial measures should not be viewed in isolation from or as alternatives to measures of financial performance determined in accordance with IFRS. Additional information concerning non-IFRS financial measures and reconciliations to the closest IFRS measures are included in our annual and interim management's discussion and analysis and the Supplementary Information packages that are available on www.sunlife.com under Investors – Financial results and reports.

Additional information

Additional information concerning forward-looking statements is included at the end of this presentation.

Bancassurance Partnership Summary⁽¹⁾

Overview

- Sun Life Vietnam will be the exclusive provider of life insurance solutions to Asia Commercial Joint Stock Bank (“ACB”) customers in Vietnam
- 15-year exclusive agreement

Economics

- An amount of approximately US\$370 million⁽²⁾ with ongoing variable payments to ACB based on the success of the partnership
- Expected to be accretive to underlying EPS⁽³⁾ after 2022

Financing

To be funded from Holdco cash⁽⁴⁾

Effective Date

January 1, 2021

(1) Certain statements on this slide are forward looking. See “Forward-looking information” in the appendix to these slides.

(2) VND8.5 trillion at a rate to USD of 0.0000431499 at November 13, 2020

(3) Based on current IFRS; does not contemplate the transition to IFRS17. Underlying EPS is a non-IFRS financial measure. See “Non-IFRS Financial Measures” on slide 2.

(4) Holdco cash represents cash and other liquid assets at SLF and its wholly-owned holding companies.

Ranked 8th largest bank in Vietnam based on total assets⁽¹⁾

Strong financial performance and growth, with a **focus on client and digital**

A robust network of 371 branches⁽²⁾

North excl. Hanoi	ACB 48
Hanoi	ACB 55
Central	ACB 58
South excl. HCMC	ACB 73
Ho Chi Minh City	ACB 137

- **Third largest** in bancassurance sales for the first half of 2020⁽³⁾
- **3.6 million** clients⁽²⁾
- **15% growth** in total deposits from 2015 to 2019⁽¹⁾

Provides
**Sun Life
Vietnam** with
increased
distribution
capacity,
diversification,
stronger brand
and a larger
earnings base

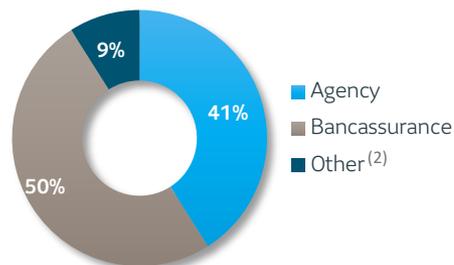
SUN LIFE • ACB

Sun Life Vietnam

- Entered market in 2012, initially as a joint venture
- 100% owned since 2016
- Multi-channel distribution, with over 5,000 agents
- Bancassurance added in 2020 through partnership with TP Bank

Sun Life Vietnam sales by distribution channel

2020 year to date⁽¹⁾



(1) As at September 30, 2020
(2) Broker and financial intermediaries

ACB is a strong, strategic fit

- Sun Life's **comprehensive product suite** will be offered through an established bancassurance infrastructure at ACB
- ACB has a **dedicated team** of 400+ Insurance Specialists
- Sun Life Vietnam's **digital tools** are compatible and ready to be deployed with the bank
- 65% of ACB's active clients use **digital banking**

Key Financial Metrics⁽¹⁾

Consideration for exclusive partnership between Sun Life Vietnam and ACB

An amount of approximately US\$370 million⁽²⁾ with ongoing variable payments to ACB based on the success of the partnership

Impact on underlying earnings per share⁽³⁾

Expected to be accretive to underlying EPS⁽³⁾ after 2022

Impact on LICAT ratio of Sun Life Financial Inc.

Approximately 2% decrease

(1) Represents the estimated impact on close of the agreement. U.S./Canadian dollar impacts will be subject to exchange rates at the time of the close of the transaction. See "Forward-looking information" in the appendix to these slides.
(2) VND8.5 trillion at a rate to USD of 0.0000431499 at November 13, 2020
(3) Based on current IFRS; does not contemplate the transition to IFRS17. Underlying earnings per share is a non-IFRS financial measure. See "Non-IFRS Financial Measures" on slide 2.

Appendix: Forward-looking information

Certain statements in this presentation are forward-looking, including but not limited to, statements relating to: (i) our growth strategies and strategic objectives, (ii) the expected timing of the launch of the bancassurance partnership, (iii) the expected impact and benefits of the bancassurance partnership set out on slides 3, 5 and 6 of this presentation, (iv) the key financial metrics set out on slide 6 of this presentation, and (v) other statements that are not historical or are predictive in nature or that depend upon or refer to future events or conditions. Forward-looking statements may also include words such as “achieve”, “aim”, “ambition”, “anticipate”, “aspiration”, “assumption”, “believe”, “could”, “estimate”, “expect”, “goal”, “initiatives”, “intend”, “may”, “objective”, “outlook”, “plan”, “project”, “seek”, “should”, “strategy”, “strive”, “target”, “will”, and similar expressions. All such forward-looking statements are made pursuant to the “safe harbour” provisions of applicable Canadian securities laws and of the United States Private Securities Litigation Reform Act of 1995.

The forward-looking statements in this presentation represent our current expectations, estimates and projections regarding future events and are not historical facts. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties and are based on key factors and assumptions that are difficult to predict, particularly in light of the ongoing and developing COVID-19 pandemic and its impact on the global economy and its uncertain impact on our business. The forward-looking statements in this presentation do not reflect the potential impact of any non-recurring or other special items or of any dispositions, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after the date of this presentation. If any non-recurring or other special item or any transaction should occur, the financial impact could be complex and the effect on our operations or results would depend on the facts particular to such item and we cannot describe the expected impact in a meaningful way or in the same way we could present known risks affecting our business. Except as may be required by Canadian securities laws, we do not undertake any obligation to update or revise any forward-looking statements contained in this presentation.

Forward-looking statements are presented for the purpose of assisting investors and others in understanding our expected financial position and results of operations as at the date of this presentation, as well as our objectives for the transaction, strategic priorities and business outlook following the transaction, and in obtaining a better understanding of our anticipated operating environment following the transaction. Readers are cautioned that such forward-looking statements may not be appropriate for other purposes and undue reliance should not be placed on these forward-looking statements.

The realization of our forward-looking statements essentially depends on our business performance which, in turn, is subject to many risks, which have been further heightened with the current COVID-19 pandemic given the uncertainty of its duration and impact. Important transactional and other risk factors that could cause our actual results to differ materially from those expressed in or implied by the forward-looking statements in this presentation are listed in our news release announcing the bancassurance partnership dated November 18, 2020 under the heading “Forward-looking information” and in the annual information form of Sun Life Financial Inc. for the year ended December 31, 2019 under the heading “Risk Factors” and other regulatory filings filed or furnished to Canadian and U.S. securities regulators available at www.sedar.com and www.sec.gov.

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