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

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(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)

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(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\(^{(1, 2)}\)

<table>
<thead>
<tr>
<th>Agency</th>
<th>Bancassurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>34%</td>
<td>66%</td>
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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\(^{(1)}\)\)

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\(^{(1)}\) As at December 31, 2021
\(^{(2)}\) Sales is a non-IFRS financial measure. See "Non-IFRS Financial Measures" on slide 2.
\(^{(3)}\) Company filings as at December 2021
\(^{(4)}\) Tempo Financial Awards - 2021
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 Grea 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 though 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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(1) PT. Sun Life Financial Indonesia
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