

MEDIA RELEASE

Axiata Digital and Great Eastern announce strategic investment and deepen collaboration in Fintech services

Insurer invests US\$70 million (RM299.355 million)¹ for 21.875% in Axiata Digital's financial services business. Proceeds will fund Axiata Digital's fintech expansion plans to drive growth for customer and merchant base

Kuala Lumpur, 25 June 2020 – Axiata Digital, the digital services arm of Axiata Group Berhad (“Axiata” or “the Group”) today announced a strategic investment of US\$70 million (RM299.355 million) by Great Eastern to boost its fast-growing digital financial services (“DFS”) business across the region.

This deal marks a significant milestone for the Axiata group. With the investment, Great Eastern takes a 21.875% stake in the holding company for Axiata Digital's DFS business, with Axiata Digital Services Sdn Bhd holding the balance. The company, called Boost Holdings Sdn Bhd, will comprise of:

- Boost, the largest homegrown e-wallet and lifestyle app with over 7.5 million users and 170,000 merchant touchpoints
- Boost Indonesia, with 544,000 merchant touchpoints
- Aspirasi, a micro-financing and micro-insurance digital financing provider with over US\$20 million in loans disbursed to-date
- Apigate's payment business arm which is a regional player for Carrier Billing
- Trust Axiata Digital Limited, a joint venture with a local bank in Bangladesh
- Launchpad for bringing digital financial services to other Axiata markets

A ceremony was held today via livestream in Kuala Lumpur and Singapore to announce the agreement between Great Eastern and Axiata Digital. The transaction is expected to be completed in the next few months, subject to relevant regulatory approvals.

Proceeds from the investment will fund expansion plans for Axiata Digital's DFS business over the next year in Malaysia and the region, which includes securing Boost's next level

¹ Translated to MYR based on BNM published mid-rate of 24 June 2020

push to develop its ecosystem of merchants and customers, enhancing Aspirasi's credit scoring technology, and potentially housing the Digital Bank.

Earlier this year, Axiata Digital expressed interest in the digital banking licenses to be offered by Bank Negara Malaysia and has begun work to prepare for an application. It sees massive potential in this area to serve diverse segments, especially the large unbanked and underserved population, as using technology would drive down acquisition, distribution and under-writing costs for a slew of financial products.

These developments are timely in view of the demand and interest for digitisation which are expected to grow exponentially following the COVID-19 crisis. Customers and merchants expect better protection measures, along with affordable and more flexible financing solutions to respond with operational resilience in weathering tough economic conditions.

COMMENTARIES

Axiata's President and Group Chief Executive Officer Tan Sri Jamaludin Ibrahim said, "As a Group committed to creating sustainable business value across all our markets, Axiata has been consistent in our pursuit to aggressively grow our digital ventures. I am particularly encouraged that this deal with Great Eastern demonstrates the hard and fast moves we made in the early days to invest in Digital Businesses have put us in a sweet spot today to ride the digital wave sweeping much of the nation and region as economies scale towards recovery."

"Great Eastern is a close insurance partner of Aspirasi with a long-term commercial agreement signed in 2019. Today, we are very pleased to take the relationship to a new level in the next normal, with Great Eastern as our investor mutually aligned in our goal to rapidly expand Digital Financial Services across the region," he said.

"The cash injection is also a powerful testament in boosting investor confidence through what has been described as the largest foreign investment in Malaysian fintech. As companies seek to emerge from the current economic fallout, local businesses stand to gain from Great Eastern's substantial investment into Axiata as we jointly create

opportunities within the ecosystem, contributing towards the reignition of Malaysia's economic recovery," he concluded.

"Over the past two years, we have been sharpening our focus on building and enhancing our digital financing services brand using digital technologies and our Telco assets to serve the underserved. Firstly, with Boost, which has grown to become a leading lifestyle cashless payment app which, in today's COVID-19 world, is the safer way to transact, along with Aspirasi, our micro-financing and micro-insurance brand that supports MSMEs with simplified access to financing and insurance. With the investment from an esteemed partner like Great Eastern, we hope to further leverage emerging technologies to develop distinct financial and insurance innovations for consumers at the bottom of the pyramid, as we continue on our journey to narrow the financial inclusion and protection gap in the country," said Mohd Khairil Abdullah, CEO, Axiata Digital.

Khor Hock Seng, Group Chief Executive Officer, Great Eastern said: "This strategic investment will enable Great Eastern to participate in Axiata's growing fintech expansion plans in the region. Axiata's focus on providing financial services for the underserved, unbanked and under insured customer segment also resonates well with our business strategy. By leveraging on Axiata's network and digital capabilities, and partnering with them, we want to grow our reach into new customer segments to provide for their financial needs and ultimately improve their lives. We are excited to have the opportunity to strengthen our collaboration to deliver more value to its growing customer base by providing our protection and insurance solutions for better financial security and peace of mind."

About Axiata Digital

Axiata Digital (AD), the digital services arm of Axiata Group Berhad (Axiata), was established to support the increasingly digital lifestyle of Axiata consumers. AD's role has evolved from an investor of 30 brands to a business operator with portfolios concentrated on three strategic businesses. These include digital financial services such as e-wallets, micro-financing and micro-insurance, digital advertising that use data driven solutions to enhance business success, and platform services focused on API's (Application Programming Interface) that redefine the way businesses communicate with consumers. Flagship brands within the portfolio are Boost, Aspirasi, ADA, Apigate. For more information, visit <https://www.axiatadigital.com>

About Great Eastern

Founded in 1908, Great Eastern is a well-established market leader and trusted brand in Singapore and Malaysia. With over S\$90 billion in assets and more than 8 million policyholders, including 5 million from government schemes, it provides insurance solutions to customers through three successful distribution channels – a tied agency force, bancassurance, and financial advisory firm Great Eastern Financial Advisers. The Group also operates in Indonesia and Brunei and has a presence in China as well as a representative office in Myanmar.

The Great Eastern Life Assurance Company Limited and Great Eastern General Insurance Limited have been assigned the financial strength and counterparty credit ratings of "AA-" by Standard and Poor's since 2010, one of the highest among Asian life insurance companies. Great Eastern's asset management subsidiary, Lion Global Investors Limited, is one of the largest private sector asset management companies in Southeast Asia.

Great Eastern is a subsidiary of OCBC Bank, the longest established Singapore bank, formed in 1932. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. Recognised for its financial strength and stability, OCBC Bank is consistently ranked among the World's Top 50 Safest Banks by Global Finance and has been named Best Managed Bank in Singapore by The Asian Banker. www.greasternlife.com



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