

**GREAT EASTERN HOLDINGS LIMITED**  
**(Incorporated in the Republic of Singapore)**  
**(Company Registration Number: 199903008M)**

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**ANNUAL GENERAL MEETING TO BE HELD ON 16 APRIL 2021**  
**RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM THE**  
**SECURITIES INVESTORS ASSOCIATION (SINGAPORE)**

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Great Eastern Holdings Limited (**GEH**) would like to thank the Securities Investors Association (Singapore) (**SIAS**) and GEH's shareholders for submitting their questions in advance of GEH's Twenty-Second Annual General Meeting (**2021 AGM**) which will be convened and held by electronic means on Friday, 16 April 2021 at 3.00 p.m.

Responses to questions raised by SIAS

Please refer to the Appendix for GEH's responses to the questions raised by SIAS.

Responses to questions raised by GEH's shareholders

GEH will address substantial and relevant questions raised by its shareholders during the 2021 AGM.

Issued by  
Great Eastern Holdings Limited

14 April 2021

**APPENDIX**  
**Responses to Questions Received from SIAS**

GEH's responses to the questions from SIAS are set out below.

**Question 1**

- (i) Can management help shareholders understand the reasons for the increase in gross premiums given that the pandemic has had devastating social and economic impact and caused uncertainties to the livelihoods of many?**

The increase in gross premiums, against the backdrop of challenges brought about by COVID-19, can be attributed to a combination of factors:-

- (a) We had embarked on our digital transformation journey across the Group several years back. These digital initiatives have stood us in good stead to swiftly overcome the disruptions when measures to control the movement of people were implemented in the markets we were operating in. We were able to continue delivering professional financial advice and services to our customers using digital means.
- (b) We were among the first insurers in the region to launch a fully remote advisory and sales process, enabling our customers to fulfil their financial planning and insurance needs virtually with their advisers. Customers were also able to purchase certain products digitally.
- (c) The COVID-19 pandemic has also served to heighten awareness of the need for protection in the event of illness, resulting in a higher demand for protection-related insurance solutions during this period.

- (ii) Is there any evidence that the lapse and surrender rates of new policies signed up in 2020 may be higher/lower?**

Great Eastern has offered a deferment of premium payment programme to customers in Singapore and Malaysia whose incomes and livelihoods have been affected by the COVID-19 pandemic.

The lapse and surrender rates in 2020 are not significantly different compared to 2019.

- (iii) Please also provide a breakdown of the gross premiums of \$15.5 billion for FY2020 by country, by type of insurance (life, general insurance), etc**

We have provided a breakdown of the Income and Expenses by business segments on page 197 of the 2020 Annual Report.

- (iv) **Would the board consider how it can provide shareholders with greater clarity on the performance of its core business by showing a clear and concise summary of the sales mix in future annual reports?**

This information has been provided on pages 196 to 199 of the 2020 Annual Report under the Segmental Information section.

- (v) **In addition, can management help shareholders understand the group's long-term growth plans for Indonesia?**

Indonesia is an important market for the Group. It offers significant untapped market potential, with one of the lowest insurance penetration rates in the region and a growing middle-class. In 2019, we acquired a General Insurance subsidiary as part of our broader strategy to build upon our general insurance operations and complement our existing life insurance presence in Indonesia.

We will continue to build on our strong distribution partnership with OCBC NISP and develop our distribution network with other banks and affinity partners. We have recently entered into a strategic partnership with Axiata Digital Capital that will enable us to provide affordable and customized life and general insurance solutions to Axiata's customers and partners via its digital platforms. Axiata Digital Capital's digital financial services business will comprise Boost Indonesia, with 544,000 merchant touchpoints.

## **Question 2**

- (i) **Can management help shareholders understand the difference in the amount announced in January 2019 (RM2.0 billion) and the actual sum of RM2.37 billion paid to the National B40 Protection Trust Fund?**

The RM2.0 billion mentioned in the Group's announcement on 24 January 2019 was an estimate at that point in time.

- (ii) **Can the board elaborate further on the deliberations it has had on meeting the local shareholder requirement imposed on GELM or to make a contribution to the B40 National Protection Scheme?**

The board had considered various options including the option to divest the Group's 30% stake in its subsidiary, Great Eastern Life Assurance (Malaysia) Berhad ("GELM"), pursuant to the local shareholding requirement imposed on GELM. After assessing the various options available, it was concluded that contributing to the National B40 Protection Trust Fund would better serve the interests of shareholders and satisfy local regulatory requirements.

**(iii) How did the board assess the “enforceability” of the undertaking by the Minister of Finance?**

We have had a long history of operating in Malaysia and see no cause for concern with regards to commercial transactions with the Malaysian government.

**(iv) Are there any other major commitments for the group to fulfil for the mySalam scheme?**

The Government of Malaysia has appointed Great Eastern Takaful Berhad (“GETB”) to administer the mySalam Scheme. As the administrator, part of GETB’s role is to conduct activities to promote the mySalam Scheme.

There are no other major commitments for the Group to fulfil for the mySalam Scheme.

**Question 3**

**(i) Can management help shareholders understand the reasons for the significant increase in the number of agents and financial advisors?**

Our financial representative salesforce (comprising agents and financial advisors) is an important distribution channel for the Group. In support of the Government’s call to create and protect jobs amid the economic and employment uncertainty brought about by the COVID-19 pandemic, we created opportunities for up to 1,000 graduates and job seekers to join our financial representative salesforce.

Our suite of digital tools, innovative product propositions, focus on excellent customer service and high quality training programs have served to differentiate us and enabled us to successfully attract new financial representatives.

**(ii) With such a big increase in a year, how did management ensure that new agents and financial advisors who join the team are well-trained, share the group’s core values of integrity, initiative and involvement and always act in the best interest of the customers?**

All our financial representatives are required to go through rigorous on-boarding training upon joining the Company, as well as on-going annual training. The training program includes modules on culture and conduct, which instils the Group’s core values and the emphasis to always act in the best interest of customers.

Training modules embed an element of compliance and advisory guidelines to ensure our representatives are trained to sell within the applicable regulatory framework and best practices.

- (iii) For the benefit of shareholders, could management explain the different roles played by its agents and by its financial advisors? What is the group's strategy with regard to its agents and financial advisors for the mid/long term?**

Please refer to our response to Question 3(iv).

- (iv) Can management elaborate further on its strategy to grow a strong and stable base of agents and advisors who are motivated and incentivised holistically and who are focused on growing together with the group for the long term?**

Our financial representative salesforce (comprising agents and financial advisors) is an important distribution channel for the Group. We will continue to grow the number of financial representatives that we have. Our suite of digital tools, innovative product propositions, focus on excellent customer service and high quality training programs have enabled us to successfully recruit and retain our financial representatives.

- (v) With greater digitalisation, how is the group capitalising on different market trends, such as online/DIY insurance, online insurance price comparison tools, robo-advisor for insurance?**

Our strategy and focus is to deliver innovative product propositions and excellent service to our customers through multiple channels. These include our financial representatives, bank partners, physical branches and service centres, call centres, as well as online via our website and mobile apps.

- (vi) Separately, the average training hours per employee has noticeably fallen in FY2020, from 30.1 hours to 15.0 hours (page 75). Can management help shareholders understand the reasons for the decrease in training hours for its employees?**

The COVID-19 pandemic has accelerated the adoption of digital tools to facilitate training for our employees. In 2020, in-person, classroom style training was reduced in the light of safe distancing measures implemented. Training through various digital platforms has proven to be efficient and focused, as employees are able to complete training at their own pace, thus resulting in a reduction in training hours.

- (vii) How much training is provided for new agents and financial advisors before they are proficient? Has management evaluated the effectiveness of training that is carried out online due to COVID-19?**

All financial representatives are required to go through a rigorous on-boarding training upon joining the Company, as well as on-going annual training. The training is delivered via onsite classes as well as online training platforms.

The training covers (i) mandatory regulatory requirements; (ii) compliance across various components, including guidelines as well as laws and regulations relating to financial advisory services such as Anti Money Laundering, Personal Data Protection Act and the Financial Adviser's Act; and (iii) product knowledge and financial planning skills.

Training modules embed an element of compliance and advisory guidelines to ensure our representatives are trained to sell within the applicable regulatory framework and best practices.

We believe the dual mode of online and in-person training is as effective as the training held prior to the COVID-19 pandemic.

**(viii) What is the breakdown of training hours between selling- and compliance related training?**

Please refer to our response to Question 3(vii).