

TRANSCRIPT

TDA at AIA Update

Feature Presentation by Biswa Misra – Group Chief Technology and Life Operations Officer

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Good morning. I am Biswa Misra, AIA's Group Chief Technology and Life Operations Officer.

I am excited to update you on the successful implementation of our Group-wide technology, digital and analytics transformation programme. As a result of TDA, we have successfully reinforced our competitive advantages by transforming AIA into a simpler, faster and more connected organisation.

TDA played a pivotal role in AIA's successful navigation through the challenges brought by the pandemic. It enabled us to support and provide value to our customers, agents and partners when they needed it the most.

Today I am delighted to share the highlights of our transformation journey and the benefits it delivered to our customers and shareholders. Additionally, I will outline our future strategic direction as we position AIA to capitalise on the immense growth opportunities across Asia.

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Back in 2020 when we embarked on our TDA transformation, we set ambitious targets to enhance every aspect of our business. Over the last three years, we have made substantial investments of approximately 800 million dollars in TDA initiatives. In parallel, we have grown our talent pool by more than 70 per cent.

I am proud to share that we have met most of our targets, strengthening our position as an industry leader. Our distribution channels are now fully enabled digitally, resulting in sales of 1.2 billion dollars ANP through digital leads in 2023. With over 20 million registered digital users on our highly rated apps, we achieved an impressive milestone where seven of our markets scored first in Net Promoter Score, demonstrating the high satisfaction from our customers. Driven by economies of scale, our investments have yielded a 32 per cent unit cost reduction, as well as expense and claims efficiencies of over 150 million dollars annually.

Now that we have digitally transformed our organisation, we are in a prime position to leverage the foundations of TDA to deploy generative AI.

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AIA's transformation journey is built upon world class technology that is modern, scalable, efficient and agile. We are the industry leader in cloud adoption, with 90 per cent of our technology infrastructure hosted on cloud. This strategic move has doubled our compute power, resulting in significant cost efficiencies, and has positioned AIA for rapid deployment of emerging technologies.

By delivering best-in-class digital tools, we are seeing the highest level of digital adoption and user ratings across all key processes for our agents, partners and customers.

Everything we do now today is powered by data, AI and analytics. Through this, we provide intelligent services, more informed decision-making and personalised experiences.

Our achievements have also been recognised externally, further validating our commitment to excellence and innovation.

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Across Premier Agency, we have successfully implemented powerful digital tools that span the entire agency value chain. These tools support agency growth, elevate professionalism, and enhance productivity by enabling agents to focus on what they do best, that is providing high-quality advice to customers.

In Hong Kong, our recruitment tool has contributed to a significant increase in new quality recruits. Our AI-powered assessment tool has identified high-potential agents and facilitated their development through coaching programmes. Together, these solutions have resulted in improved productivity.

In Malaysia, our activity management platform has enabled a sustainable expansion of our agency force. This has led to an impressive growth in manpower, activity and productivity.

In China, we have integrated social media marketing capabilities into our agency app, creating new and compelling ways for our agents to attract and engage with existing and new customers. Through this we have achieved 100 per cent adoption with excellent leads generation and conversion.

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Our digitally-led approach to bank distribution has effectively addressed the limitations of traditional in-branch sales model. As customer preferences evolve, we now offer a wider range of options to purchase policies, including face-to-face, fully online and hybrid models.

With plug and play, modular systems, we can quickly and seamlessly integrate with our bank partners to access their customers real-time. This expands our customer reach and leads to greater success in our partnerships. AIA's propositions are now directly available within our partners' platforms, which are increasingly utilised by customers to connect with us. In the Philippines, customers can make direct purchases through BPI's Facebook messenger without human intervention. In 2023, we sold 40 thousand policies through this channel.

Our deep integration with partners' systems allows us to capture leads across the bank's apps and branch networks. By combining bank customer data with AIA's advanced analytics, we ensure that leads allocation to insurance specialists is optimised. In Malaysia, our leads management platform has generated over 200,000 quality leads in 2023, resulting in a 60 per cent increase in sales.

To support our partners' sales, we developed integrated digital sales toolkits and upgraded our remote sales capabilities. By making sales easy for insurance specialists, we have seen significant uplifts in productivity in Citibank Hong Kong.

We are firm believers that seamless partner integration and simplicity of execution, are critical in driving sustainable value. As a result, AIA has become the partner of choice for many leading banks and distribution partners across Asia.

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At AIA, we take pride in our ability to anticipate and satisfy the ever-evolving needs of our customers. Through personalised digital experiences, we not only deliver the best customer services, but also acquire deeper customer insights.

Our highly-rated apps offer intuitive tools and services, making customer interactions more seamless. This aligns with our core principles of simplicity, timeliness and reliability. Our AIA+ superapp further elevates our customers' digital experience by offering integrated services across life, health and wellness.

AIA Vitality, our health and wellness engagement solution, is available in 12 markets, along with other services such as biomarker health scans and financial health checks. These raise customer awareness around their health and financial wellbeing.

The extensive usage of our apps has generated more engagement, leads and increased our conversion and repurchase rates.

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Delivering outstanding customer experience can only be achieved with the support of our optimised processes that are simplified and automated. Straight-through processing is our key measure of customer journey automation across buy, service and claims. In December 2023, 85 per cent of our transactions are processed end-to-end without human intervention, representing a significant increase from 35 per cent in June 2020.

In Buy, we have simplified the onboarding journey and leveraged data to support underwriting decisions. The majority of our transactions are now completed digitally, providing the highest level of convenience for our customers. In Service, more than 90 per cent of customer inquiries are resolved with no human touch. In Claims, we achieved remarkable results where close to 80 per cent of claims are auto assessed and paid within one day.

Our efforts in optimising our core processes have been well-recognised by customers and the industry. In 2023, AIA achieved first place in Net Promoter Score across 7 markets. We will continue to innovate and adopt new technologies to exceed our customer's expectations.

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Looking ahead, we will leverage the TDA foundations and further enhance our competitive edge through the deployment of generative AI across the Group.

Gen AI presents new opportunities by augmenting human intelligence. It excels best in areas such as summarisation where a large volume of information is processed. Additionally, Gen AI can provide insights by analysing patterns in our data, facilitating more informed decision-making, and generating new, original content.

Lastly, Gen AI's ability to automate tasks at scale will further enhance our efficiency. This integration with our platforms will empower us to further optimise distribution productivity, achieve higher operational efficiency and deepen customer relationships.

Our vision is to harness the immense potential of Gen AI to reshape the way insurance is delivered and customers are served. This will make AIA an even more customer centric, efficient and intelligent insurer.

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At AIA, we will seamlessly embed Gen AI across our key processes. I would like to present three specific examples, which exemplify our commitment to achieving new heights in distribution, operations and customer excellence.

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As the number of leads we generate continues to increase, we need a faster and more personalised way to engage with prospective customers.

Through Gen AI, agents will receive leads enriched with customer insights and product recommendations that are best aligned to their preferences and needs. Draft emails and suggested marketing content will be ready to go at the push of a button, saving agents' valuable time whilst ensuring engagement with customers remains personal and tailored. The nurturing of leads through to conversion will also be enhanced with automated and timely communications.

In summary, throughout the leads management process, Gen AI will provide agents with insights that will increase their ability to convert leads.

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By harnessing the capabilities of Gen AI, we aim to empower agents through an optimised sales journey. Gen AI will provide real-time assistance to our agents by analysing customer needs, identifying gaps and prompting agents with product recommendations.

Agents will also be supported by financial advice and client-ready proposals at their fingertips. During meetings, when clients raise questions about product details, Gen AI will compare products, whether it is between AIA's or competitors'. After the meeting, Gen AI can summarise key outcomes and suggest action plans for agents to follow up on, ensuring client's needs are addressed.

In summary, agents will be able to dedicate their time and attention towards assisting customers and effectively addressing their needs. This will result in more personalised engagement and higher leads conversion.

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Gen AI will elevate our customer experience further by equipping our customer service representatives with faster and more holistic information. This enables them to respond to customer requests in a more personal and relevant way.

As an example, by integrating Gen AI into our contact centres, our customer service representatives will be able to effortlessly respond to queries with personalised responses. These are crafted based on customer history and product information stored in our servicing knowledge base. This advancement will enable our staff to focus on resolving complex cases, thereby uplifting our operational efficiency and delivering outstanding customer experience.

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Today we have showcased the remarkable progress AIA has made and how our TDA transformation has propelled us into an industry leader on technology.

Looking ahead, we are excited to leverage our TDA foundation and harness the power of generative AI. This competitive advantage will allow us to further drive up VONB, maximise OPAT and deepen our customer relationships.

TDA lies at the heart of our strategy. By augmenting and embedding Gen AI into our performing platforms, we will continue to unlock new opportunities, drive innovation and stay ahead of the curve.

At AIA, we will continue our commitment to deliver exceptional and sustainable value to our customers, partners and shareholders. Thank you.