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Media Release

AIA ANNOUNCES ‘AMPLIFY HEALTH’ – A NEW HEALTH INSURTECH BUSINESS IN PARTNERSHIP WITH DISCOVERY GROUP

- *New digital health technology and integrated solutions business that will deploy a range of health technology assets, proprietary data analytics and extensive health expertise.*
- *Accelerates AIA’s Health & Wellness strategy and positions the Group to capture significant new opportunities from the rapidly growing health market in Asia.*
- *Opens up additional and substantial growth opportunities from the provision of health technology services to third-party clients across the region.*
- *Provides a key competitive advantage for AIA, helping grow new business value and delivering financial benefits such as improved claims performance.*
- *Transforms how individuals, corporates, payors and providers experience and manage health insurance and healthcare delivery, improving the health and wellness outcomes of patients and communities across Asia.*

Hong Kong, 15 February 2022 – AIA Group Limited (the “Company”, and together with its subsidiaries, “AIA” or the “Group”) announces that it has established a new pan-Asian Health InsurTech business called ‘**Amplify Health**’, encompassing a joint venture entity with Discovery Group Limited (“Discovery”) for Asia excluding Mainland China, Hong Kong and Macau and a separate entity wholly owned by AIA for these three markets. The vision for Amplify Health is to be a leading digital health technology and integrated solutions business, transforming how individuals, corporates, payors and providers experience and manage health insurance and healthcare delivery, improving the health and wellness outcomes of patients and communities across Asia.

Amplify Health will deploy a range of health technology assets, proprietary data analytics and extensive health expertise to AIA’s market-leading and rapidly growing businesses across the region and to other major participants in the healthcare sector. This will become a key competitive advantage for AIA helping to grow new business value and delivering financial benefits such as improved claims performance and reduced operational costs. In addition, Amplify Health will open up new and significant growth opportunities from the provision of its health technology assets and services to third-party clients.

The powerful combination of capabilities from AIA and Discovery will create value for stakeholders across the healthcare value chain by delivering the following outcomes:

- Individuals will have greater access to the right providers at the right cost with improved health outcomes and empowerment through behavioural change programmes.
- Payers and corporates will have access to better health insurance and wellness products, improved claims quality, advanced risk management capabilities and reduced administrative costs.
- Healthcare providers will transform patient experience and satisfaction through world class digital services and insights leading to enhanced decision-making, greater alignment with payors and better medical outcomes.
- Pharma and MedTech companies will improve clinical programmes through enriched real-world data and advanced digital tools, leading to lower treatment costs and new therapies.

This is an opportune time to transform healthcare delivery across Asia. Total healthcare expenditure across AIA’s markets is expected to exceed US\$4 trillion in 2030¹. By this time, there will be 2.6 billion² people in the middle classes in Asia, who will be significantly more engaged with improving their personal health than previous generations. Consumers are already more proactively managing their well-being, with 80 per cent actively engaged in health maintenance and lifestyle changes and nearly 50 per cent using digital health and remote care services compared with pre-pandemic levels³.

Digital healthcare adoption has accelerated as a result of the pandemic, with Telehealth services expected to reach 70 per cent consumer adoption and close to 90 per cent physician adoption by 2024 across key Asian markets³. Adding to this, the population in parts of Asia is ageing with close to 850 million people in the region predicted to be over the age of 60 by 2030⁴. This unparalleled combination of shifting demographics, rising consumer expectations, accelerated digital adoption, new advancements in HealthTech and significant unmet service demand underpin the strategic importance of Amplify Health.

AIA is the leading pan-Asian private medical insurer and provides life, health and wellness solutions to the holders of more than 39 million individual policies and over 16 million members of group insurance schemes. Amplify Health brings together the best of both partners by combining Discovery’s unique and proven global healthcare technology, intellectual property (“IP”) and health expertise with AIA’s brand, unrivalled distribution platform and decades of well-established execution capabilities across Asia.

Over the past three decades, Discovery has built a fully-integrated, production-tested health technology stack, along with the associated IP and expertise. This end-to-end capability comprises state of the art claims processing and administration systems, the assets to support a fully-interconnected digital health ecosystem, considerable multisource data sets and experienced human capital. Discovery has demonstrated the ability to apply these integrated capabilities across the entire health insurance value chain, resulting in more efficient insurance pricing, best-in-class claims and risk management and advanced value-based care capabilities.

Enabled by a common set of values and purpose, Discovery and AIA have developed a strong working relationship since the launch of the AIA Vitality programme in 2013. The success of this partnership is reflected in the development of powerful products and capabilities, which have been expanded across 10 AIA markets to date. This capability will form a powerful underpin to Amplify Health, through the integration of wellness capabilities.

Amplify Health will include a joint venture entity for Asia excluding Mainland China, Hong Kong and Macau, which will be 75 per cent owned by AIA and 25 per cent owned by Discovery, and a separate entity wholly owned by AIA for these three markets. As part of the agreement and subject to regulatory approval, Amplify Health will be assigned ownership of Discovery’s Health IP and its full stack of technology assets, processes and analytics for the Asian region, including the systems and capabilities behind the existing AIA Vitality wellness programme, which will be transferred from Discovery to a separate entity wholly owned by AIA within Amplify Health. This entity will also be assigned ownership of Discovery’s Vitality IP for the region, excluding Mainland China, Hong Kong, Macau and Japan given Discovery’s existing partnerships in those markets.

As a Health InsurTech business, Amplify Health will not take underwriting risk on its balance sheet and no regulatory capital will be required directly as a result. AIA will fund Discovery’s share of growth capital up to US\$200 million over the first 10 years and make certain contingent payments limited to the first 10 years of operations based on delivery and performance outcomes for AIA’s local businesses.

Lee Yuan Siong, AIA Group Chief Executive and President, said, “For more than a century AIA has been at the forefront of protecting our customers when they need us the most. As we look to the future, we see an urgent need for better, simpler and more affordable healthcare, and an expanding protection gap for the growing population in the region. These factors, combined with the fundamental drivers of growth in Asia, present an extraordinary opportunity. Amplify Health is the natural next step in our journey from payor to partner, enabling us to play a leading role in shaping the transformation of the development and delivery of healthcare in Asia. Discovery is a partner who is equally passionate about creating value for all stakeholders. I am certain that through Amplify Health we will go on to help millions more Asian families live Healthier, Longer, Better Lives.”

Adrian Gore, Discovery Group Limited Chief Executive, said, “Over three decades Discovery has built unique and powerful health insurance, wellness and health management capabilities, made up of considerable IP, technology, data analytics and subject matter experts – their relevance and our deployment track record are demonstrated by the successful application of our capabilities in other markets. All these learnings have manifested in an end-to-end Shared Value healthcare stack that will be shifted into Amplify Health to ensure that together with AIA we will build a significant business across the region and make a positive societal impact. Discovery and AIA have an exceptionally successful long-term relationship through AIA Vitality, and our organisations have completely aligned core purposes - this creates a powerful platform for Amplify Health.”

About AIA Group

AIA Group Limited and its subsidiaries (collectively “AIA” or the “Group”) comprise the largest independent publicly listed pan-Asian life insurance group. It has a presence in 18 markets – wholly-owned branches and subsidiaries in Mainland China, Hong Kong SAR⁵, Thailand, Singapore, Malaysia, Australia, Cambodia, Indonesia, Myanmar, New Zealand, the Philippines, South Korea, Sri Lanka, Taiwan (China), Vietnam, Brunei and Macau SAR⁶, and a 49 per cent joint venture in India.

The business that is now AIA was first established in Shanghai more than a century ago in 1919. It is a market leader in Asia (ex-Japan) based on life insurance premiums and holds leading positions across the majority of its markets. It had total assets of US\$330 billion as of 30 June 2021.

AIA meets the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, accident and health insurance and savings plans. The Group also provides employee benefits, credit life and pension services to corporate clients. Through an extensive network of agents, partners and employees across Asia, AIA serves the holders of more than 39 million individual policies and over 16 million participating members of group insurance schemes.

AIA Group Limited is listed on the Main Board of The Stock Exchange of Hong Kong Limited under the stock code “1299” with American Depositary Receipts (Level 1) traded on the over-the-counter market (ticker symbol: “AAGIY”).

About Discovery

Discovery Limited is a South African-founded financial services organisation that operates in the healthcare, life insurance, short-term insurance, banking, savings and investment, and wellness markets. Since inception in 1992, Discovery has been guided by a clear core purpose – to make people healthier and to enhance and protect their lives. This has manifested in its globally recognised Vitality Shared-value Insurance model, active in over 35 markets with over 20 million members. The model is exported and scaled through the Global Vitality Network, an alliance of some of the largest insurers across key markets, including Asia-Pacific, Europe, North America and South America.

Discovery trades on the Johannesburg Securities Exchange as DSY. Discovery Group is the holding company of Vitality Group in the USA and of Vitality UK.

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Notes:

1. McKinsey, Bain & Co, Fitch Solutions (Aug 2021), Oxford Economics.
2. IHS and McKinsey.
3. Asia-Pacific Front Line of Healthcare Report 2022, by Bain & Company.
4. Population 2030: Demographic challenges and opportunities for sustainable development planning, by United Nations.
5. Hong Kong SAR refers to Hong Kong Special Administrative Region.
6. Macau SAR refers to Macau Special Administrative Region.