

Ng Keng Hooi

Ng Keng Hooi made history on 1 June 2017 when he became the first Malaysian to lead AIA Group Ltd, the world's second largest life insurance company, as Group Chief Executive Officer and President.

Ng's industry experience spans more than 30 years, both in general management as well as hands-on operational roles covering a broad range of functions. He is passionate about growing businesses and developing people and as Group Chief Executive and President of AIA Group Ltd, he views AIA's future growth as the ideal platform to continue to pursue these passions.

Q. Can you tell us about your career journey before taking up your current position as Group Chief Executive and President of AIA Group Ltd?

A» Prior to my current role, I was Regional Chief Executive at AIA Group, responsible for the Group's business operations in China, Thailand, Singapore, Indonesia, Taiwan and Brunei as well as group agency distribution.

I joined AIA Group in October 2010 from Great Eastern Holdings where I was Group Chief Executive from December 2008. Earlier in my career I worked at AIA Malaysia for six years, where I started in the Actuarial Department before becoming Head of Life Operations.

Previously I was with Prudential for almost 20 years, including as a member of Prudential Corporation Asia's Board and Regional Managing Director of Malaysia, Singapore and Indonesia – three of Prudential's key markets. Then I became Chief Executive Officer of Prudential Malaysia during which the business grew from ninth place with 3% new business market share to the number two ranked insurer with 20% market share, while expanding the company's number of agents from 400 to 10,000. I also spearheaded Prudential's entry into the Takaful business in Malaysia.

Q. After a couple of months in the top position, what do you think will be some of your biggest challenges in the role?

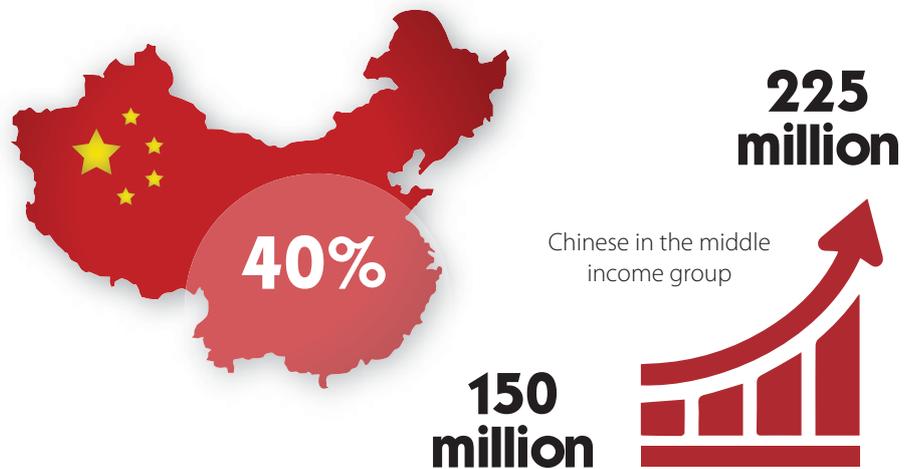
A» The Group has been performing well – growing at a compound rate of 28% since the initial public offering (IPO) in 2010. There is plenty of scope for AIA to look at other sectors but our focus remains firmly on the protection side of the life insurance business. We will be sticking to our core strengths.

In Asia we believe there is a huge need for protection, which can be measured by the huge and growing mortality protection gap, which demonstrates the extent to which Asia is under-insured and the scope for AIA to grow its business. I would say only about 10% of protection needs are being met and they are growing fast. This is why we must focus on the protection space.

In addition to what we want to achieve, we need to be equally clear about how we would go about achieving



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our business targets. Creating a culture our people can connect with is especially important for us.

Q. What is your strategic vision for AIA and where do you think the areas of future growth will be?

A» All our markets have potential for growth and the big driver is clearly China. China is a huge driver of growth, not only in the insurance business, but for the whole economy and it is growing at a rapid pace. Although we are only operating in about 40% of the Chinese market, just on that footprint alone we are seeing explosive growth in the middle income group. We have estimated that there are over 150 million Chinese in the middle income group and above and we see this number rising to 225 million. The benchmark we use is people earning upwards of US\$10,000 a year – at this level they are considered potential customers.

Q. Technological innovation is changing consumer behaviour, disrupting established business models and reshaping the insurance industry. What is AIA's approach to succeed in this age of disruption?

A» I see technological disruption enhancing what we are able to do in our industry and creating opportunities for business growth. Technology is a very powerful tool. At AIA, because of where technology has brought us to today, we are able to bring our customers products like 'AIA Vitality', a unique science-backed wellness programme that works with individuals to encourage and incentivise them to make healthy choices.

We are working with technology in three key areas: (a) we are transforming our business or back-office operations by digitalising claims, underwriting and new business processing, and in many of our markets we have gone paperless and

are using imaging and workflow systems – all these will improve the way we operate and bring down operating costs; (b) we use technology to enhance how our sales force does business and interacts with customers – for example 80-90% of our sales team uses iPads and our 'AIA Vitality Programme' allows customers to download the AIA Vitality App to their mobile phones which helps them track how they exercise, how often they exercise, how many breaths they take per minute, what type of food they purchase, etc – all this helps enhance our business; and (c) we use technology for customer servicing via the internet. For example in Australia we are working with IBM Watson on implementing artificial intelligence (AI) for automated claim processing.

We see all of these as positive developments.

Q. How does AIA ensure that the highest levels of professionalism and ethical standards are met across the organisation?

A» Professionalism and ethical standards start from the top management who set very high standards in terms of ethics, compliance and governance. AIA is very clear on this and we will not compromise. If the leadership does not walk the talk, a lot of things can go wrong. We have a very stringent compliance and ethics policy which goes all the way to the top. We also conduct regular compliance training for all employees at our training centre based in Bangkok.

Q. As a member of the Financial Services Professional Board (FSPB), what do you think can be done to raise professional standards across the industry in the region?

A» We live in an age where a commitment to ethical business is more important now than it was ever before. Purpose, values and principles provide the foundations on which all organisational cultures are built and financial institutions have a duty to adhere



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to sound business conduct based on good ethical standards in line with regulations and laws. Bank Negara Malaysia (BNM) and the Securities Commissions (SC) champion this cause and BNM has implemented very high standards in terms of corporate governance, regulations and leadership selection.

Q. How is innovation fostered at AIA and how are ideas shared and implemented?

A» We are in an organisation where we encourage people to be innovative and come up with new ideas. One of our strategic streams – *ease of doing business* – has been prioritised by the Group and is being rolled out across all countries to encourage our people to think and engage with our customers more. This cascades down through the entire organisation and people start to think differently. For example, we have a team called 'Edge' which encourages people to come up with new innovative thinking and this is becoming part of our culture.

Q. What is AIA's approach to talent management and how are individual employees encouraged to grow and develop?

A» The life insurance business has put me in a privileged position to develop the Group's human resources. I have a passion for people and want them to succeed in their careers. There are huge opportunities for growth and development at different levels within the organisation. But, in order for employees to move ahead in their careers at AIA, they have to prove themselves and show their capabilities. Our employees have the opportunity to work across the 18 markets that we operate in.

We carry out an Organisation People Review process in the Group, which is a stringent process carried out twice a year to ensure there are successors for all roles and levels. If we identify any gaps for a person who has been identified as a successor, measures will be put in place to ensure the gaps are closed and he or she succeeds in becoming a successor.

We are also looking at dedicated, quality agents who want to progress in the agency business. The Group has launched a premier agency strategy with great success, which has helped AIA to become the world's #1 Million Dollar Round Table¹ company three years in a row.

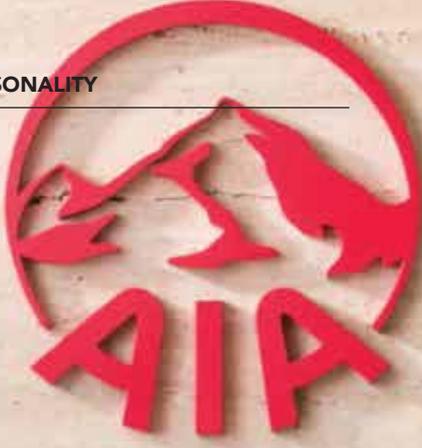
In addition, we have set up the Group's leadership training centre in Bangkok as part of our effort to enhance the work productivity, knowledge and leadership skills of our employees.

At AIA it is about doing the right thing in the right way with the right people. Sometimes organisations focus too much on results instead of people.

Q. What is the objective of the AIA Vitality Programme and how does it support employees in staying healthy?

A» The true success of a business is only possible with a highly engaged, motivated and productive workforce. Healthy living lies at the foundation of such a workforce, and evaluating and addressing the current health of your employees are the first steps towards business success.

¹ The Million Dollar Round Table (MDRT) is a trade association formed in 1927 and is internationally recognised as the standard of excellence in the life insurance and financial services business. Its members are required to generate a certain level of premium, commission and income, and demonstrate exceptional professional knowledge, strict ethical conduct and exceptional client service. <http://www.aia.com/en/media-centre/press-releases/2017/aia-group-press-release-10-july-2017.html>





As part of the AIA Healthy Living Tour in September 2017, AIA Group Chief Executive and President Ng Keng Hooi and AIA Global Ambassador David Beckham took part in the 'Walk Together with AIA Vitality' event in Seoul, South Korea.

AIA Vitality is a science-backed health and wellness programme that delivers innovative employee benefits with a focus on health and wellness. It allows employers to offer knowledge, tools and motivation in the form of rewards to employees to encourage healthier living.

This programme actually started in South Africa which is where we are seeing a lot of innovation in insurance. AIA Vitality currently has over 40,000 members in Malaysia. The programme provides a win-win situation, as the employer, employees and the service provider all benefit from healthier people with lower medical bills. Improved employee productivity and engagement offer an even stronger rationale to organisations for introducing the programme.

At the Employee Benefits Asia 2017 Conference, AIA introduced AIA Vitality which helped improve awareness of the options, challenges and solutions available to employers when it comes to providing the optimum benefits package to their employees.



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In conjunction with AIA Vitality, AIA has also launched the 'Healthiest Workplace', a survey among employees and employers across four pilot markets to assess organisations' strengths and capabilities with regards to employee health and wellness. The Healthiest Workplace survey results put companies in a good place to reflect on their employees' wellbeing strategies and identify areas with room for improvement. AIA Vitality is something we are promoting very strongly – it is about promoting healthy lifestyles – we want to help our customers and employees to live longer, healthier and better lives.

Q. AIA has recently expanded its partnership with Tottenham Hotspur Football Club. Can you tell us more about this partnership and the potential benefits to local communities in Asia?

A» We are pleased that we are now a global principal partner with Spurs and recently extended the partnership by

another five years. With that extension we have placed two permanent football coaches in Asia coaching young players. The whole idea of Spurs and football is consistent with our own belief in terms of wellness.

We have completed 250 separate football-related activities across all our markets and hosted 1,500 guests in London for Spurs games. The games are televised to four billion people worldwide, so that is a lot of branding exposure for AIA.

We have also engaged David Beckham as our global ambassador. David is a genuine global superstar and he epitomises a healthy lifestyle through his career as a professional sportsman. Working with David and Spurs allows us to relate to our customers on a completely different level and helps us to raise awareness of the importance of leading a healthy life.

Q. What insights and tips can you share with young professionals embarking on a career in insurance today?

A» Speaking from my own personal experience, I think it is good for young individuals to engage with mentors to guide them and have conversations relating to their personal development. These types of conversations rarely take place during 'manager-employee' one-on-one meetings, and mentors are able to guide employees without linking these conversations directly to their work. Mentoring is an opportunity to connect with young professionals and to encourage them to follow their dreams. And it is especially important given the challenges faced in trying to attract the right talent. In the digital world today, people learn new things very quickly and progressive organisations are very open to new ideas from young people.

Q. What do you do to relax in your free time?

A» I love to play golf especially over the weekends but finding the time can be challenging. I used to be a low handicapper but now I am hovering around ten. I also enjoy dining and having a relaxing conversation with friends.

Ng Keng Hooi is Group Chief Executive and President of AIA Group Ltd.