

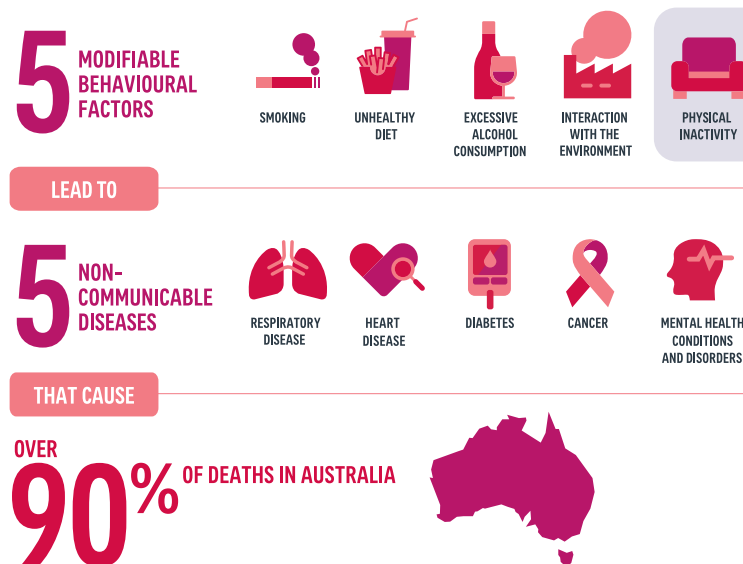
INTRODUCTION OF ACTIVE BENEFITS AND APPLE WATCH BENEFIT

The power of behavioural science and
effecting positive change

5590+

Five modifiable risk factors lead to five non-communicable diseases (NCDs), which are responsible for over 90% of deaths in Australia each year. We refer to this 5590+.

Physical inactivity in Australia



Physical activity in Australia

- More than half (55%) of adults do not meet the physical activity guidelines
- 2 in 3 (70%) children aged 2 to 17 do not meet the physical activity guidelines
- Only 2% of teenagers aged 13 to 17 meet the physical activity guidelines

Moving more and sitting less helps:

- Reduce the risk of many health conditions
- Improve physical and mental health
- Improve quality of life
- Increase energy

Source: About physical activity and exercise | Australian Government Department of Health

Correlation between physical activity and mortality

Global trends show physical inactivity is a major contributor to NCDs, but the advent of wearable technology provides hope, driving an increase in physical activity, which in turn has a profound impact on mortality risk.

Figure 1 illustrates the effects of activity on the mortality rate, while Figure 2 is the observed mortality experience by changes in current levels of physical activity.

Despite physical activity having a profound impact on mortality risk, globally humans are becoming less active. So to counteract this global trend and to positively shift physical activity behaviour, we need to be innovative.

The advent of wearable technology provides hope, driving an increase in physical activity, which in turn has a profound impact on mortality risk.

FIGURE 1: MORTALITY RATE

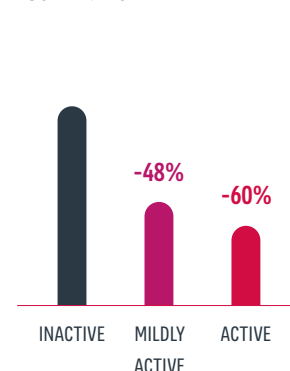
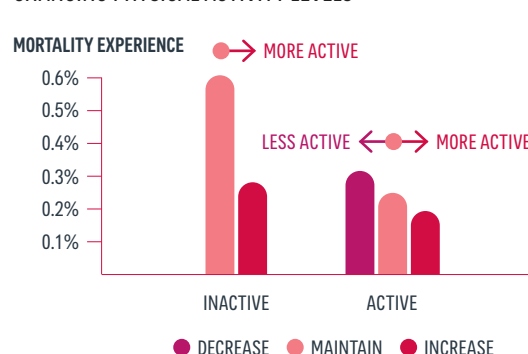


FIGURE 2: OBSERVED MORTALITY EXPERIENCE BY CHANGING PHYSICAL ACTIVITY LEVELS



The Healthcare Wellbeing paradox



Healthcare

- Benefits are immediate
- Price is hidden



Wellbeing

- Benefits are hidden
- Price is immediate

About Vitality

Vitality is a global science backed wellbeing program that has been designed to educate, empower and incentivise members to understand their health and to make positive lifestyle changes with the aim of decreasing their risk of developing chronic disease.

With more than 20 years experience, Vitality is the worlds largest wellbeing program. It operates in 31 markets globally and has over 20 million members. The success of the Vitality program is underpinned by its data driven, ever evolving and innovative approach to changing behaviour.



AIA Vitality

Since launching in Australia in 2014 (as at end of 2020), AIA Vitality members have:

- Had 43,000 AIA Vitality health checks
- Completed 1 million health and wellbeing assessments
- Visited AIA Vitality partner gyms 2.3 million times
- Received 1.8 million Active Rewards worth \$9.2 million
- Spent 363,000 Shopping Rewards vouchers worth \$21 million

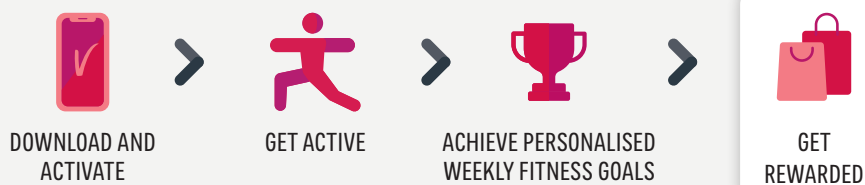


AIA Vitality Active Benefits program

AIA Vitality's Active Benefits program incentivises members to get active by setting them personalised, weekly physical activity goals and delivering instant rewards to their smartphone when they achieve them.

AIA Vitality members can then choose to redeem their \$5 Active Benefits reward with one of AIA Vitality's reward partners. These include the likes of Uber, Apple iTunes, Woolworths, Commonwealth Bank as well as a number of charity partners.

Active Benefits incentivises members to get active with four simple steps



Active Benefits impact

Since AIA Vitality introduced Active Benefits in May 2017, there has been an 18% increase in physical activity amongst participating members.

Figure 3 illustrates the change in average annual physical activity points earned per AIA Vitality member before and after we changed the Active Benefits construct from a static benefit to a personalised weekly benefit. In doing so, we've seen:

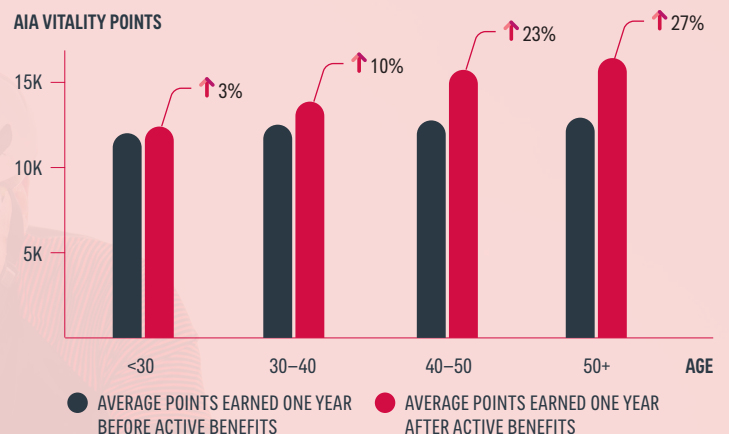
- Increased physical activity across all age groups (an average of +18% year on year)
- Most significant increase in physical activity amongst 50+ year olds (+27% year on year)

Reporting notes:

- There were 5,468 AIA Vitality members in the sample
- These members opted into Active Benefits in 2018 & 2019 and had a full years membership in the year prior
- We compared annual points earned in the year prior to their opt in year to annual points earned the year after their opt in year

A key driver of this uplift in physical activity is the personalised, weekly goals and tangible rewards Active Benefits delivers to members.

FIGURE 3: AVERAGE PHYSICAL ACTIVITY POINTS EARNED PER YEAR BEFORE AND AFTER THE INTRODUCTION OF ACTIVE BENEFITS

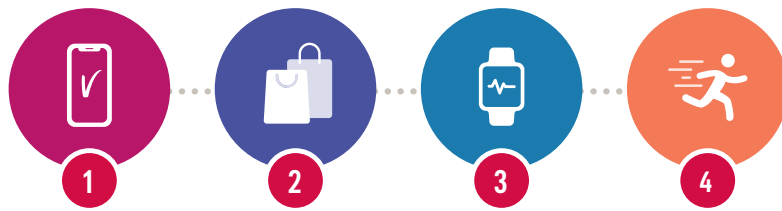


AIA Vitality Apple Watch Benefit

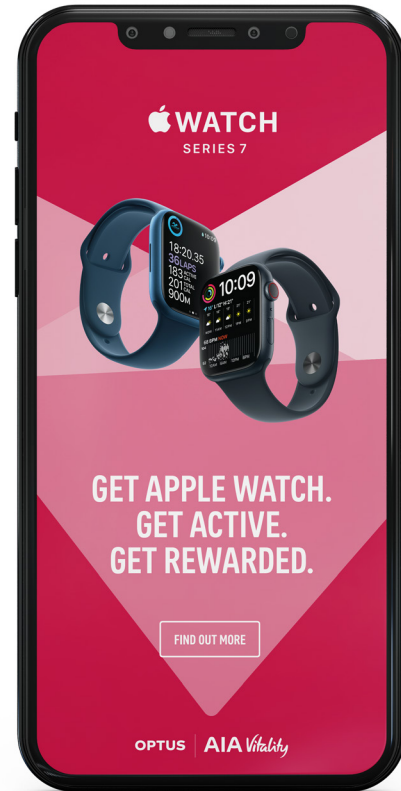
AIA Vitality launched the Apple Watch Benefit in July 2020. The benefit gives members the opportunity to earn an Apple Watch by reaching their personalised weekly Active Benefits targets.

The rich health and wellbeing insights Apple Watch users gain, combined with the behavioural principle of “loss aversion” that has been built into this AIA Vitality benefit, encourages members to get more active.

How it works



1. Activate the Apple Watch Benefit in AIA Vitality app and complete a credit check
2. Redeem your Apple Watch and sign up to a 24 month Connected Watch Plan
3. Receive your Apple Watch and link to AIA Vitality to start the benefit.
4. Achieve your weekly Active Benefits targets every month to earn your Apple Watch



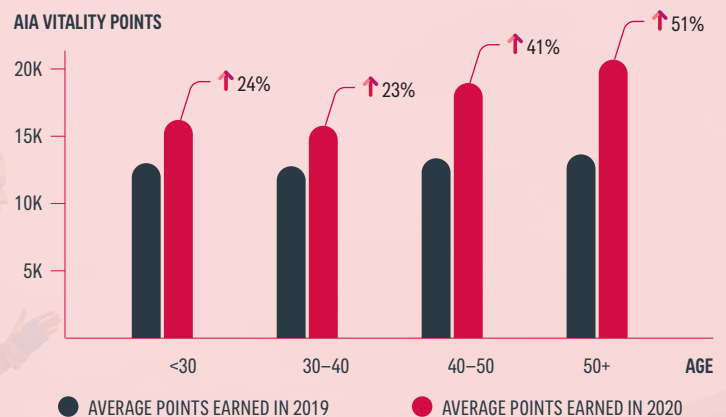
The Apple Watch Benefit effect

The addition of the Apple Watch Benefit to the AIA Vitality program led to a 35% increase in physical activity amongst members who have opted in.

Figure 4 illustrates the change in average annual physical activity points earned per AIA Vitality member for the year before (2019) and the year we introduced the Apple Watch Benefit (2020).

- When comparing physical activity in 2019 and 2020, for those who took up AIA Vitality's Apple Watch Benefit last year, we have seen activity increase by 35% on average year on year
- The age group with the most significant improvement in physical activity was those 50 years and older, who saw a 51% increase year on year
- The rich health and wellbeing insights Apple Watch users gain, combined with the behavioural principle of “loss aversion” that has been built into this AIA Vitality benefit, led to the significant increases in activity levels

FIGURE 4: AVERAGE PHYSICAL ACTIVITY POINTS EARNED PER YEAR



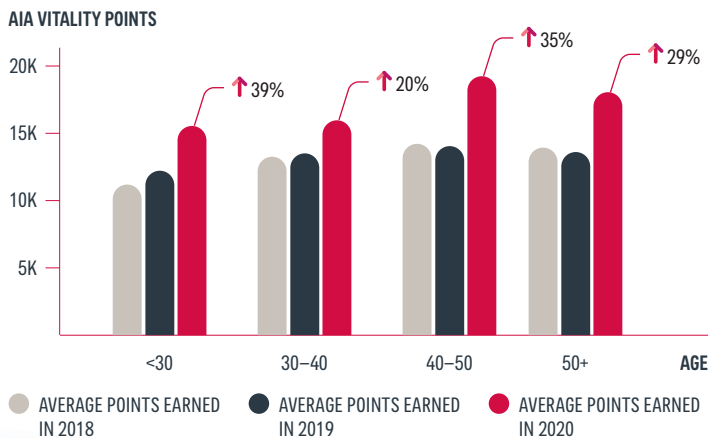
Reporting notes:

- There were 1,198 customers in the sample
- Looking at a cohort of customers who signed up for Apple watch in 2020 and also had a full year of Vitality membership in 2019
- We have looked for a full year of membership in 2019 so that we can show a sustained behaviour change

Physical activity remained consistent at the original increased level seen linked to the Active Benefit construct across 2018-19, then increased significantly when the Apple Watch Benefit was introduced in 2020.

Figure 5 illustrates that AIA Vitality members physical activity behaviour was reasonably consistent for two years prior to the introduction of the Apple Watch Benefit and that it's introduction genuinely drove members that opted-in to the benefit to increase their physical activity – rather than 2020 being an anomaly.

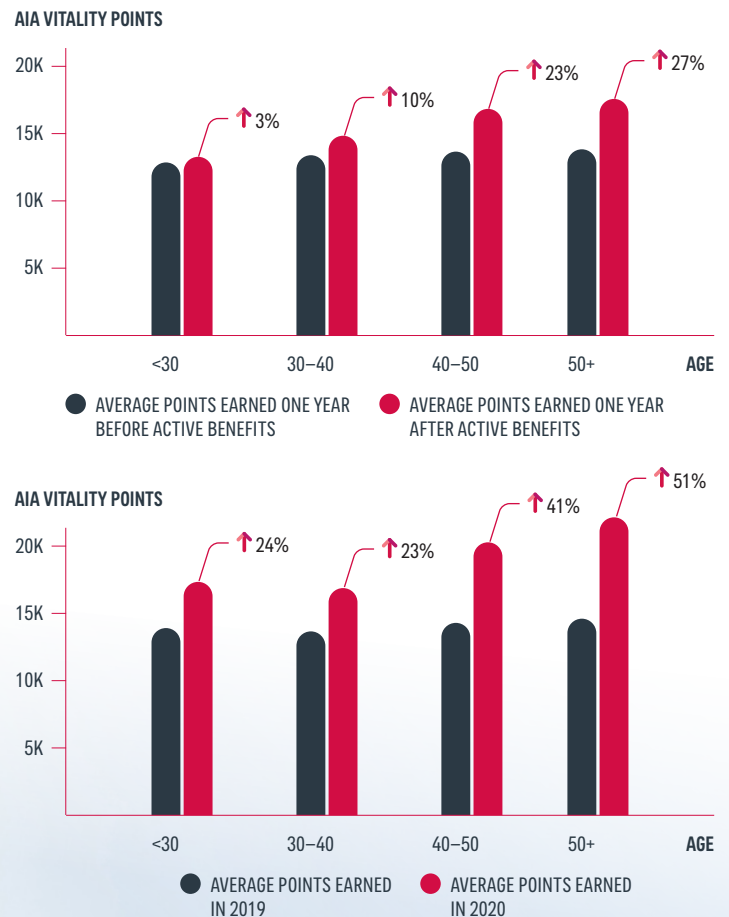
FIGURE 5: AVERAGE PHYSICAL ACTIVITY POINTS EARNED PER YEAR



The average increase in physical activity for this cohort of members was +30% year on year with the most significant increase (+39%) seen amongst those younger than 30.

The Apple Watch Benefit builds on the uplift we've seen in physical activity following the introduction of Active Benefits by building the theory of loss aversion into the product construct.

FIGURE 6: IMPROVEMENT IN PHYSICAL ACTIVITY



Looking at the Active Benefits opt-ins in 2018/2019 and comparing to the Apple Watch Benefit opt-ins in 2020, we can see both show an improvement in physical activity, but with the Apple Watch Benefit we see a more significant increase.

The Apple Watch Benefit builds on the uplift we've seen in physical activity following the introduction of Active Benefits by building the theory of loss aversion into the product construct.

Incentives and physical activity study

The increase in physical activity we're seeing for AIA Vitality members who have taken up the Apple Watch Benefit is mirrored by world leading study across other Vitality markets.

The Vitality and Apple Watch study is the largest behaviour change study on physical activity – based on verified data – with more than 400,000 participants, shows Vitality incentives combined with Apple Watch lead to significant and sustained increases in activity levels.

View the study here:

www.rand.org/pubs/research_reports/RR2870.html



Incentives and physical activity

An assessment of the association between Vitality's Active Rewards with Apple Watch benefit and sustained physical activity improvements

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