

OCBC BANK LEADS BANCASSURANCE BUSINESS FOR 12 CONSECUTIVE YEARS

Singapore, 01 April 2013 – For 12 years, OCBC Bank led the bancassurance business in Singapore, with sales (based on total weighted premiums¹) closing in at S\$268 million in 2012 – an increase of 160% from 2009. Last year, the Bank made significant inroads in protection products, with sales growing sevenfold year-on-year.

OCBC Bank offers a wide range of insurance products – including endowment plans, protection products (whole-life, mortgage insurance and health plans) and universal life – through its Personal Financial Consultants and Relationship Managers located at 55 OCBC Bank branches and 19 Premier Banking centres, and a mobile team of more than 30 Financial Protection Specialists.

Typically, the category of endowment products is the biggest contributor to all banks' bancassurance business. It is no different for OCBC Bank. In 2012, sales of regular premium endowment plans grew 26%, contributing more than 40% to OCBC Bank's overall bancassurance business.

While the Bank continues to do well for its endowment plans, it saw the need to place more emphasis to increase customer awareness of its offering of protection plans. As a result, sales of protection products increased – total gross premiums collected grew sevenfold in 2012.

One protection plan which has done well is mortgage insurance. In 2010, OCBC Bank became the first financial institution in Singapore to offer Mortgage Protector Plus (MPP), a single premium mortgage insurance plan which refunds the premium to the customer at the end of the policy term if no claim is made. Following the success of MPP, a regular premium version, called Mortgage Protector Advantage, was launched in December last year. These two products proved to be popular because customers can get back their premiums if nothing untoward happens and, at the same time, enjoy protection throughout the policy term. As a result, OCBC Bank saw the

¹ Weighted premiums take into account:
- 10% of the premium amount for single premium plans
- 100% of the annual premium amount for regular premium plans with at least 10-year premium payment term
- Appropriate adjustments for premium payment terms of less than 10 years.

biggest growth in mortgage insurance within its bancassurance business in the last two years. Total gross premiums collected grew eightfold in 2012.

Head of Global Wealth Management, OCBC Bank, Mr Lim Wyson, said: “We have remained number one because we were able to move away from a product-centric business model towards one that places emphasis on customer centricity and segmentation, with a differentiated delivery of advice and products.”

He added: “We offer a holistic analysis of the customer’s financial health and a comprehensive suite of financial products and services to suit the varied needs of customers. It’s like a one-stop service centre. Customers can come to OCBC to purchase insurance, make an investment, and conduct their daily banking transactions.”

The two key success factors of OCBC Bank’s bancassurance business are:

- 1) Close collaboration with Great Eastern (GE)
- 2) The continuous effort to simplify communication materials

Close collaboration with Great Eastern

OCBC Bank launched the bancassurance business in 1992 with a suite of insurance products underwritten by The Overseas Assurance Corporation Limited (OAC), a wholly-owned subsidiary of GE and a member of the OCBC Group.

Mr Lim said: “Our deep understanding of customer needs, coupled with GE’s capability in manufacturing relevant products, gives us a competitive edge in the industry. We also work closely together with GE to simplify the underwriting and application process for customers. Take our mortgage insurance plans for instance, the underwriting period for most of the cases was reduced from one month to within a week.”

Wealth and Simplicity

The other key factor that contributed to the success of OCBC Bank’s bancassurance business is the emphasis placed on presenting product terms in a clear and simple manner that not many financial institutions in Singapore do.

The language was simplified in the financial needs analysis (FNA) form. Complex explanations and financial jargon were weeded out from marketing brochures, market outlook reports and advisory reports. Lengthy texts in these documents were replaced with more appealing visuals that clearly illustrated

key product features and benefits. Investment recommendations were rephrased in simple language and the overall advisory experience was enhanced by embedding videos featuring wealth advisors and treasury specialists. In 2012, OCBC Bank received the Crystal Mark from the Plain English Campaign, based in the United Kingdom, for its wealth management documents – FNA form, unit trust, dual currency returns and mortgage insurance brochures.

About OCBC Bank

OCBC Bank is the longest established Singapore bank, formed in 1932 from the merger of three local banks, the oldest of which was founded in 1912. It is now the second largest financial services group in Southeast Asia by assets and one of the world's most highly-rated banks, with an Aa1 rating from Moody's. It is ranked by Bloomberg Markets as the world's strongest bank in 2011 and 2012.

OCBC Bank and its subsidiaries offer a broad array of specialist financial and wealth management services, ranging from consumer, corporate, investment, private and transaction banking to treasury, insurance, asset management and stockbroking services.

OCBC Bank's key markets are Singapore, Malaysia, Indonesia and Greater China. It has a network of over 470 branches and representative offices in 15 countries and territories, including about 350 branches and offices in Indonesia that are operated by its subsidiary, Bank OCBC NISP.

OCBC Bank's insurance subsidiary, Great Eastern Holdings, is the largest insurance group in Singapore and Malaysia by assets. Its asset management subsidiary, Lion Global Investors, is one of the largest private sector asset management companies in Southeast Asia. Private banking services are provided by subsidiary Bank of Singapore, which continued to gain industry recognition in 2011 including being voted "Outstanding Private Bank in Asia Pacific" by Private Banker International.

For more information, please visit www.ocbc.com.
