

DBS and Manulife officially launch 15-year regional life bancassurance partnership

5 January 2016

SINGAPORE – 5 January 2016 – DBS Bank and Manulife Financial Asia Limited are pleased to announce the official launch of their 15-year regional distribution agreement covering Singapore, Hong Kong, China and Indonesia. As part of the agreement, effective 1 January 2016, Manulife will be the key provider of bancassurance solutions to DBS customers in these four markets.



The partnership further strengthens DBS' regional life insurance distribution capabilities, and significantly expands Manulife's existing successful relationship with DBS. Prior to this, Manulife was already DBS' main provider of insurance solutions in Hong Kong and Indonesia, and their second largest provider in Asia overall.

With the official launch of the partnership, DBS and Manulife have agreed to co-fund up to SGD100 million over the next 15 years to be invested in digital technology and innovation enhancements.

Tan Su Shan, Group Head of Consumer Banking & Wealth Management, DBS Bank, said: "This partnership represents the coming together of two leading organisations, combining DBS' superior Asian banking franchise with the insurance and wealth management expertise of Manulife, a global leader with a long-term commitment to Asia. With the establishment of the joint fund, we will be able to focus on the development of innovative solutions to serve Asia's fast-growing consumer

base, and help them to fulfil their retirement and insurance needs.”

Through this regional life bancassurance partnership, DBS’ six million retail, wealth and SME customers will gain access to Manulife’s best-in-class suite of life and health solutions, across the bank’s extensive network of over 200 branches and its sales force of over 2,000 professionals, as well as via its internet and mobile banking platforms.

Roy Gori, President and Chief Executive Officer, Manulife Asia, said: “As a result of this agreement, customers will benefit from DBS’s multi-channel approach, and take advantage of Manulife’s full range of innovative products which are tailored to suit all their financial needs. We look forward to working closely with DBS to secure a safer, better future for customers.”

In Singapore, a significant proportion of the population remains under-insured. Close to one in three residents between the ages of 30 and 50 have no life insurance coverage at all¹. Well-being in retirement is also a growing concern among Singaporeans as the population ages rapidly. Over the last ten years, the percentage of residents above the age of 65 has increased steadily, jumping from 8.1% in 2005 to 11.8% in 2015².

To understand the retirement aspirations and challenges faced by individuals in Asia, the two companies recently conducted a joint research study. The “DBS-Manulife Retirement Wellness Study” in Asia aimed to uncover the retirement attitudes, expectations and preparedness among 6,000 pre-retirees³ in Singapore, Hong Kong, China, India Indonesia and Taiwan.

The study included a “Retirement Wellness Index”, which measured retirement preparedness among pre-retirees based on three key pillars: namely health, wealth and social aspects. The Index is a weighted average of various attributes across the three pillars, taking into account respondents’ current behaviours and expectations towards retirement, as well as the influence of each attribute. It is calculated on a 100-point scale, with a higher score suggesting better preparation towards retirement.

Singapore scored 46 out of 100 points on the index, compared to the regional average of 56 points. Across the three pillars, it scored lowest for the wealth aspect at 35 points, suggesting that Singapore pre-retirees feel less prepared for retirement financially as opposed to the health and social aspects of retirement, which had scores of 54 and 49 points respectively. Other key findings include:

- Two in five respondents are not confident about their preparations for retirement
- Among those who have started retirement planning, more than half (56%) did not seek any form of advice

- Only 36% believe they are able to pursue a comfortable retirement with their savings and investments, while 30% expect that they will have to downgrade their current lifestyle and habits when they retire
- 38% are worried about their ability to afford medical costs when they retire, while 32% are unsure about how much to cater for health care in retirement.

Richard Vargo, Regional Head of Bancassurance, DBS Bank, said, “The ‘DBS-Manulife Retirement Wellness Study’ provides an insightful look into the retirement attitudes and challenges faced by one of the most dynamic regions in the world. Retirement in Asia is a hot issue; populations are aging, workforces are shrinking, and many are underestimating the amount they need to lead the retirement lifestyle that they want. For example, Singaporeans hold high expectations for their retirement years, but many are leaving it too late to make their hopes a reality. We encourage Singaporeans to seek professional advice early to plan and review their options for their retirement.”

Naveed Irshad, President and Chief Executive Officer, Manulife Singapore, said: “Financial security is a key building block for a comfortable and happy retirement. Manulife Singapore is committed to helping Singaporeans protect and build their wealth with our comprehensive suite of solutions. By combining our strengths and expertise with DBS, we hope to make a significant difference in improving the retirement lives of Singaporeans, helping them achieve peace of mind in their golden years.”

Footnotes:

1 “Protection Gap Study 2012”, 28 August 2012, Life Insurance Association, Singapore

2 “Key Indicators on the Elderly”, September 2015, Department of Statistics, Singapore

3 Covers citizens and permanent residents in these markets between the ages of 40 and 60