Bancassurance in the Asia-Pacific Region: Strategies of the Region's Top 150 Retail Banking Groups

Contributed by Finaccord
Monday, 15 December 2014

In the Asia-Pacific bancassurance market, MetLife has the most relationships of any type with the 150 of the region's top banking groups but AXA has the most joint ventures, and Allianz and Prudential the most strategic, long-term partnerships (excluding joint ventures)
According to a new report about bancassurance strategies in the Asia-Pacific region published by Finaccord â€“ Bancassurance in the Asia-Pacific Region: Strategies of the Region's Top 150 Retail Banking Groups â€“ MetLife of the US is the insurance group holding the most bancassurance partnerships among 150 of the largest retail banking groups in the Asia-Pacific region, followed by the UK's Prudential and Japan's MS&AD grouping.
Â Â Â Â Â Â Â Â Â Â
Based on an investigation into the consumer banking operations of 150 of the region's top retail banking groups (spanning 17 countries), Finaccordâ€™s research established that MetLife was being utilised as an insurance partner for at least one bancassurance product by a total of 48 of the 150 different banking groups. The US-based insurance group was followed by Prudential with a total of 38 partnerships, and MS&AD counting a total of 36 agreements. Overall, among the 20 most prominent insurance groups in terms of the number of relationships with the top 150 banking groups, eight originated from Japan, six from the US, four from Europe and two from China.
Â Â
"Competition among international insurance groups for bancassurance partnerships in the Asian-Pacific region has been intense in recent yearsâ€•, comments Richard Dhuny, a Consultant at Finaccord. "This is a consequence of strong growth in the insurance markets of many Asia-Pacific countries plus the rising important of bancassurance as a distribution channel in a number of them. Only two China-based insurance groups make it into the top 20 list in terms of their links with the 150 banking groups surveyed and they focus mainly on mainland China and Hong Kong but it would be surprising if these and other Chinese insurers didnâ€™t extend their influence to bancassurance markets elsewhere in the Asia-Pacific region over the next decade."
Â Â
Finaccord's research also classified insurance groups' partnerships with the 150 banking groups according to whether they were set up either as joint ventures or strategic, long-term relationships or as less substantial, ad hoc distribution partnerships.
Â Â
With a total of five joint ventures among the 150 banking groups, AXA is the insurance group with the most such arrangements and was followed by BNP Paribas with four joint ventures and Prudential with three. However, among the top 20 by total number of partnerships, Allianz and Prudential are the insurance groups with the most strategic, long-term partnerships (excluding joint ventures) with a total of four such relationships, followed by AIA and Sompo Japan Nipponkoa Group with three each and then by Dai-ichi Life and MS&AD with two each. Nevertheless, note that India's state-owned LIC (Life Insurance Corporation) has as many as six strategic partnerships in its home market yet does not feature in the table overleaf because it is not ranked in the top 20 by total number of partnerships in the Asia-Pacific region.
Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â Â
"Whilst the total number of partnerships is certainly a helpful measure to identify key insurance groups in the Asia-Pacific bancassurance market, it is also important to look at joint venture and strategic partnerships as these commonly have a long-term focus and often generate substantially more revenue than looser distribution agreementsâ€•, continues Richard Dhuny. "As such, international insurance groups are increasingly seeking these types of deal and the multi-billion dollar agreements established in recent times by AIA with Citigroup and by Prudential with Citigroup which span multiple countries of the region are apt examples in this regard. At the same time joint ventures owned by both bank and insurer have also become an increasingly popular bancassurance model sometimes (as in India) for regulatory reasons which require this kind of set-up."
Â Â
Media contact: Amandas Ong, +44 (0)20 3008 4406, aong@finaccord.com