



Potentials & Pitfalls of Bancassurance

Strategic Drivers

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29th Aug 2006

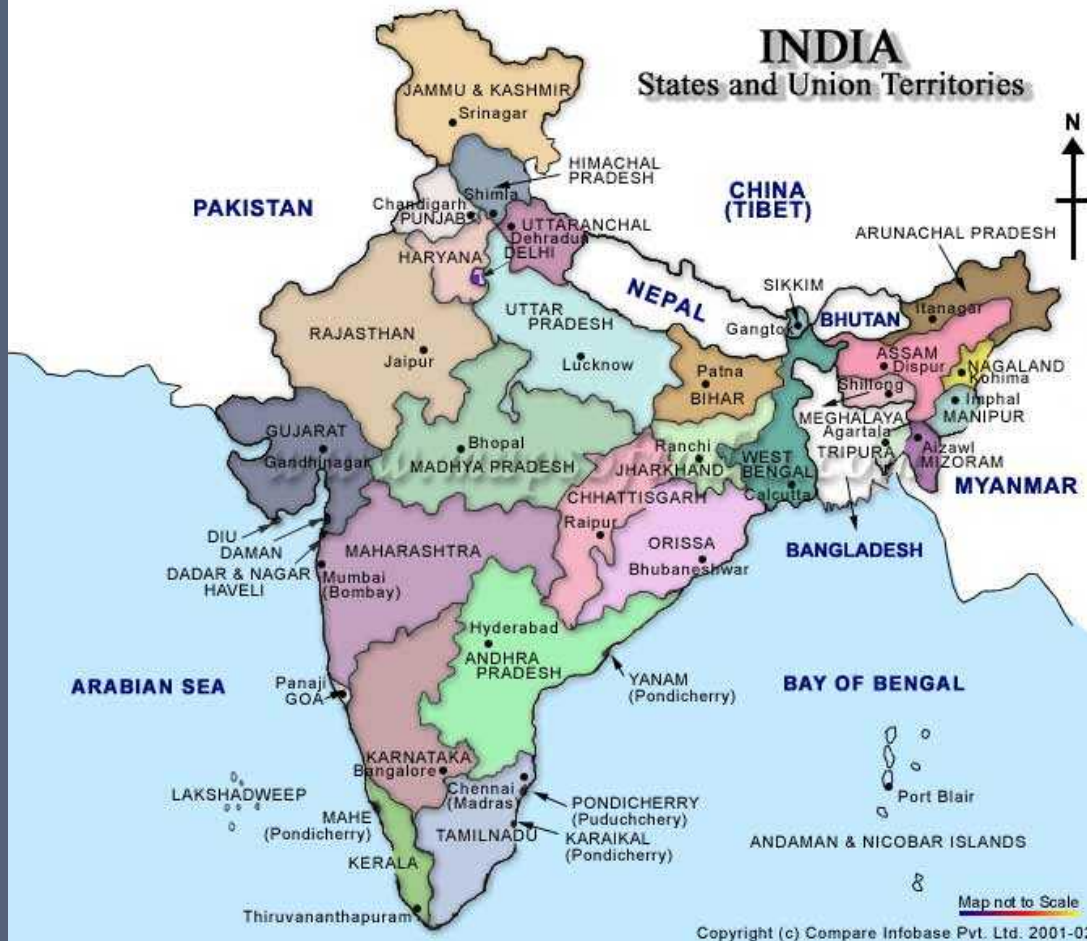
Mumbai

- What is the Indian Bancassurance Opportunity?
- Strategic Drivers for success
- Potential for the Banks
- Pitfalls
- Solutions
- Contentious Question
- Conclusion

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What is India?

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What is India?

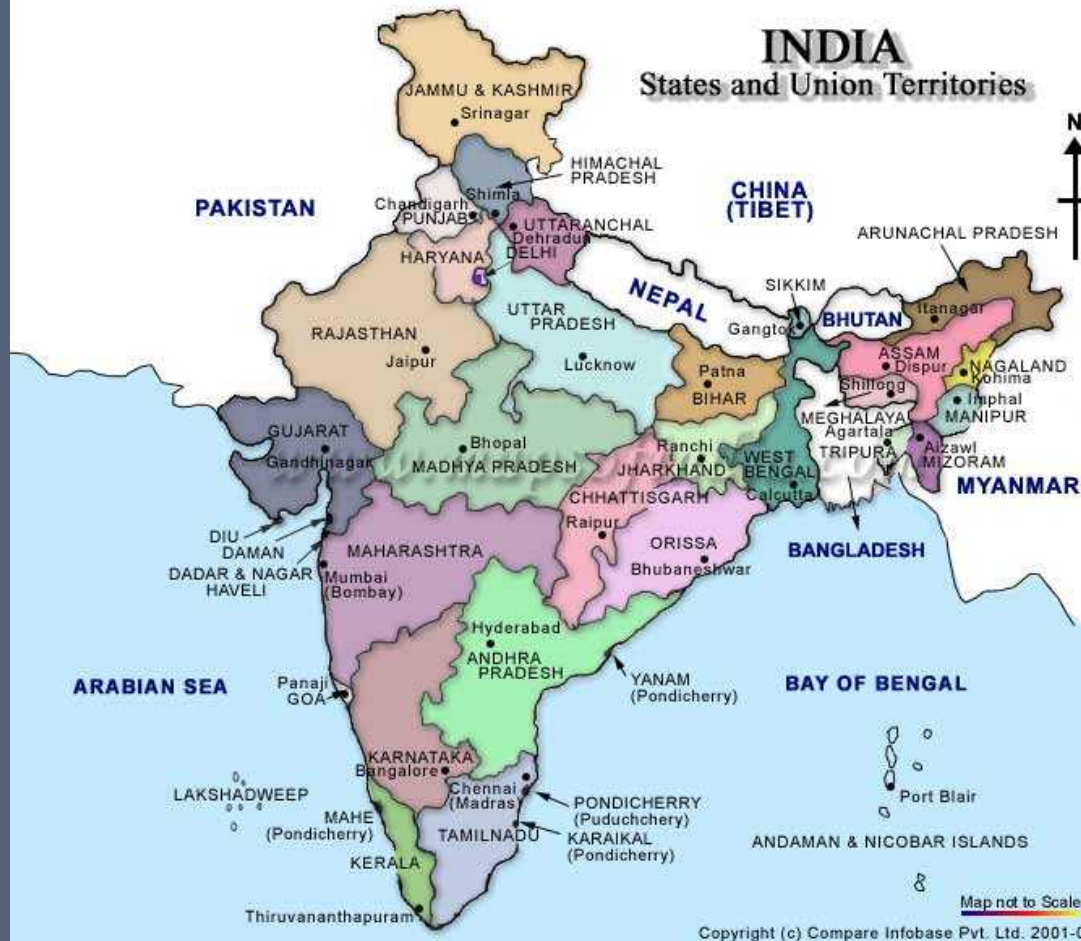
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States, Union Territories, Cities, Towns, districts, villages

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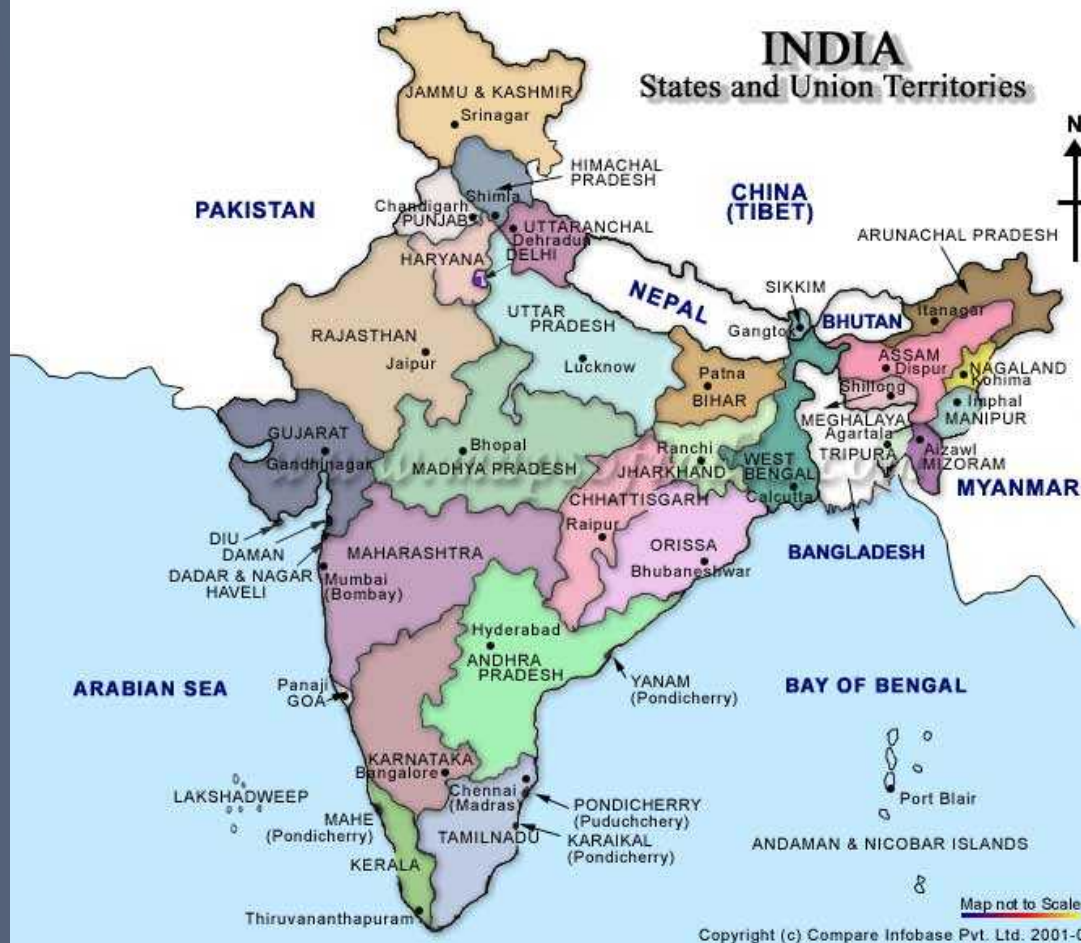


States, Union Territories, Cities, Towns, districts, villages

Languages, Dialects, Religions, Creeds, Customs, Mores, Groups, Associations

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People, People, People

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People, People, People

Banks, Banks, Banks

The sixth densest banked nation in the world

The SIXTH most densely Banked Nation in the World

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90	Scheduled Commercial Banks
196	Regional Rural Banks
68683	Total Branches
543 million	Total Accounts
423 million	Total customers

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- India's population is termed as a great opportunity
- Mere population is a promise, what makes it an opportunity is trusted financial distribution
- 2 million agents with 30% activity ratio and 200 customers make up 120 million customers
 - the latest studies size up the uninsured population to be in excess of 400 million
 - IS it a coincidence that there are 423 million people with bank accounts

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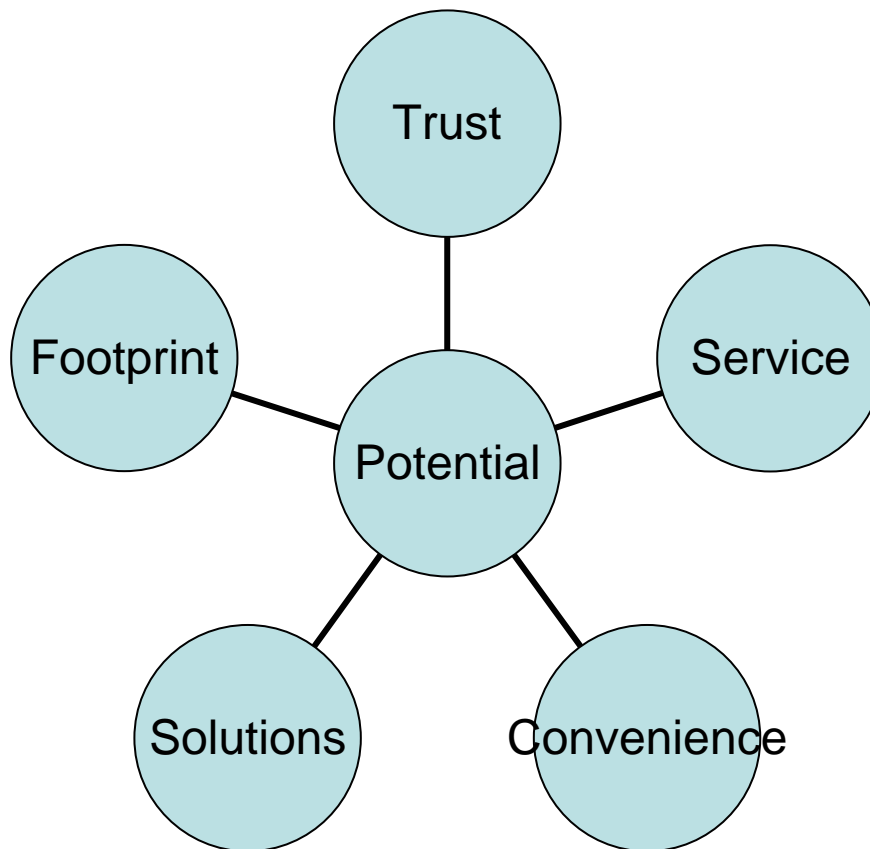
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This is the true significance of the Potential of Bancassurance

This is the Last Frontier.

The Strategic Drivers

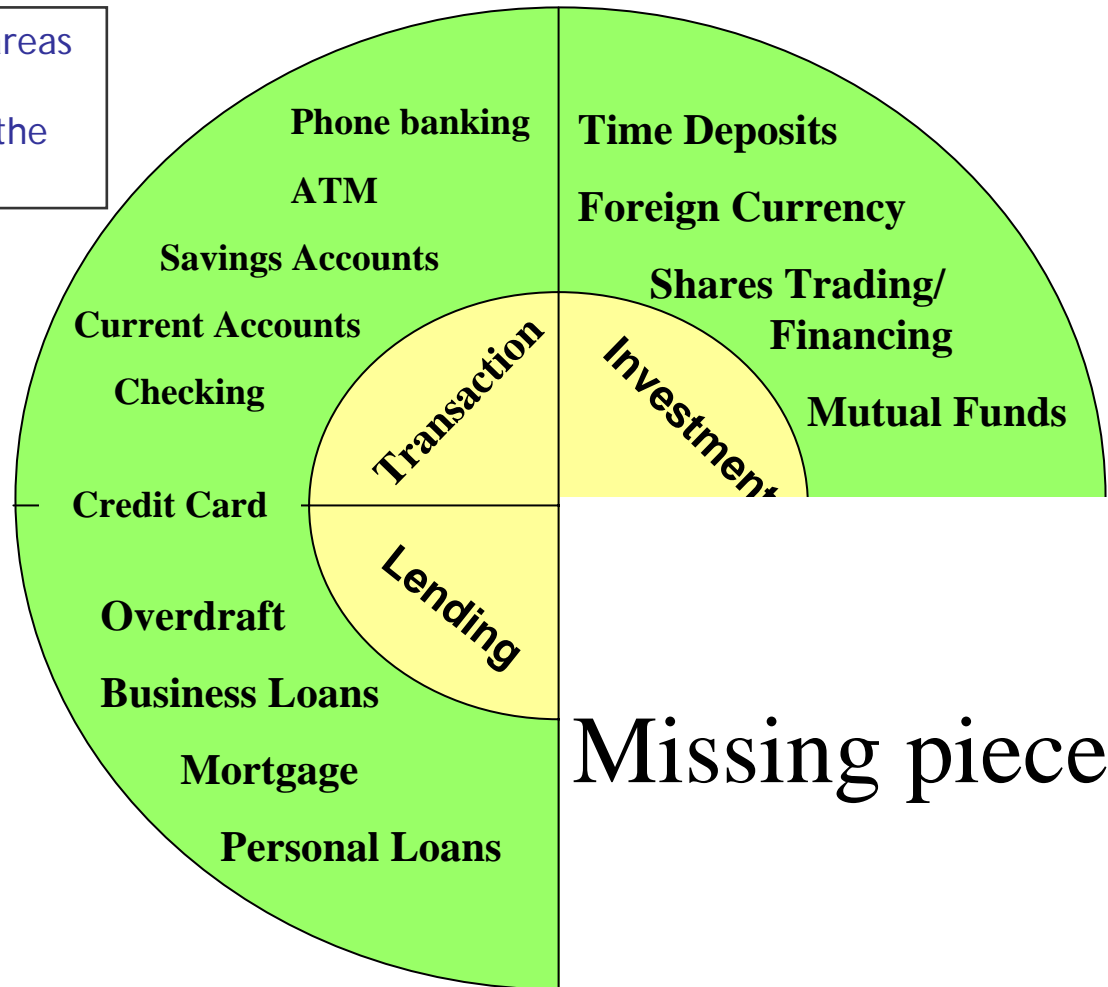
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Potential for the Banks

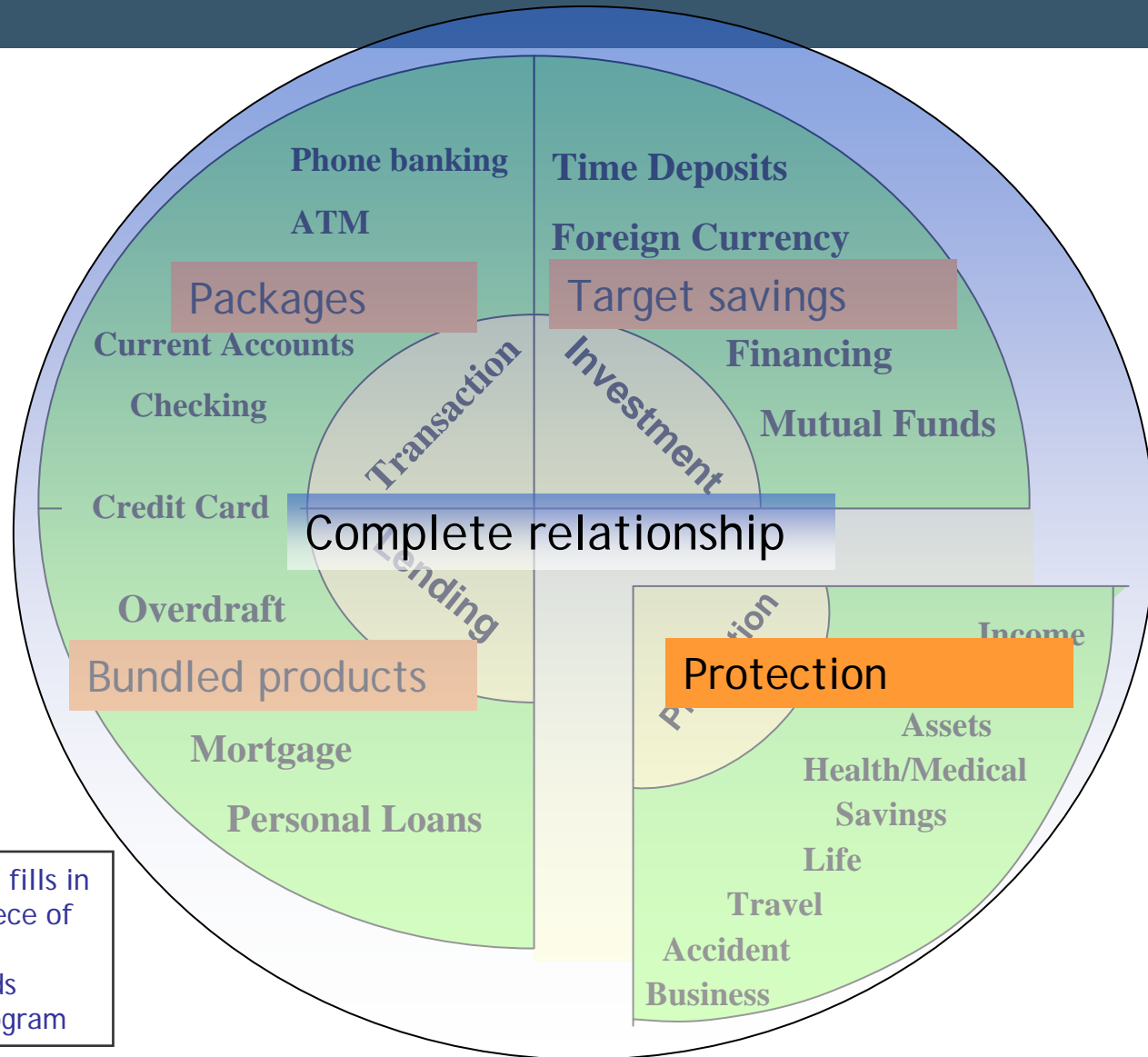
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Traditional areas of a bank's offerings to the customers



Total Customer Relationship

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Bancassurance fills in the missing piece of bank's total customer needs fulfillment program



Example of product portfolio of mature bancassurance markets

The typical breakdown for the biggest French retail banks is

Deposits:	35%-65% (Avg.50%)
Life Insurance:	23%-33%
Mutual Funds:	7%- 17%
Securities:	6%-14%

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Multiple Product Holdings

Customer Stickiness

Loan portfolio coverage

Release of capital

Fee based income

Hedge against thinner spreads

Sales culture

Increases overall business

Pitfalls - Complexities

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Ethos

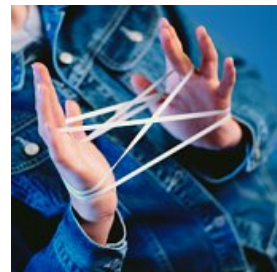
Different value systems

Cultures

Can be markedly different

Systems

Disparate Systems



Solution - Joint ownership

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- Transparency and Planning - Alignment of Strategy
 - ✓ Marketing support
 - ✓ Product development
 - ✓ Training interventions
- KRAs of branch personnel
- Sales Process – Integration across products including insurance
- Operational management –
 - ✓ Premium collection support
 - ✓ Servicing standards in line with overall bank service standards – customer satisfaction
- Data mining

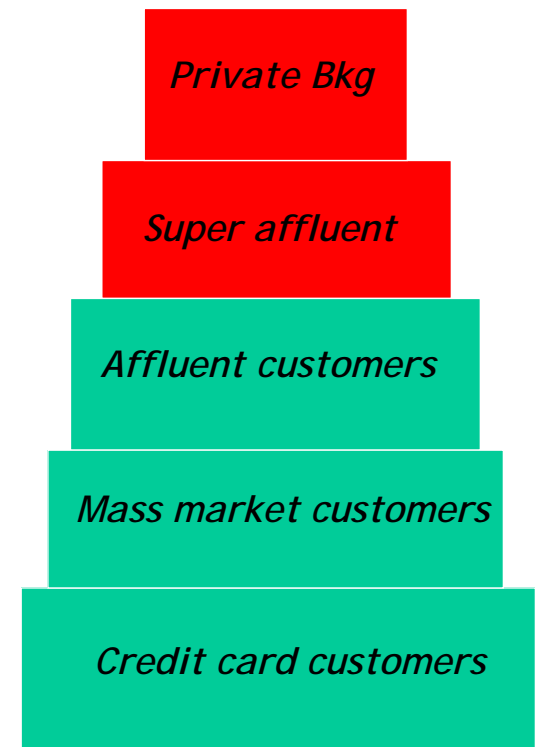


Question – Architecture?

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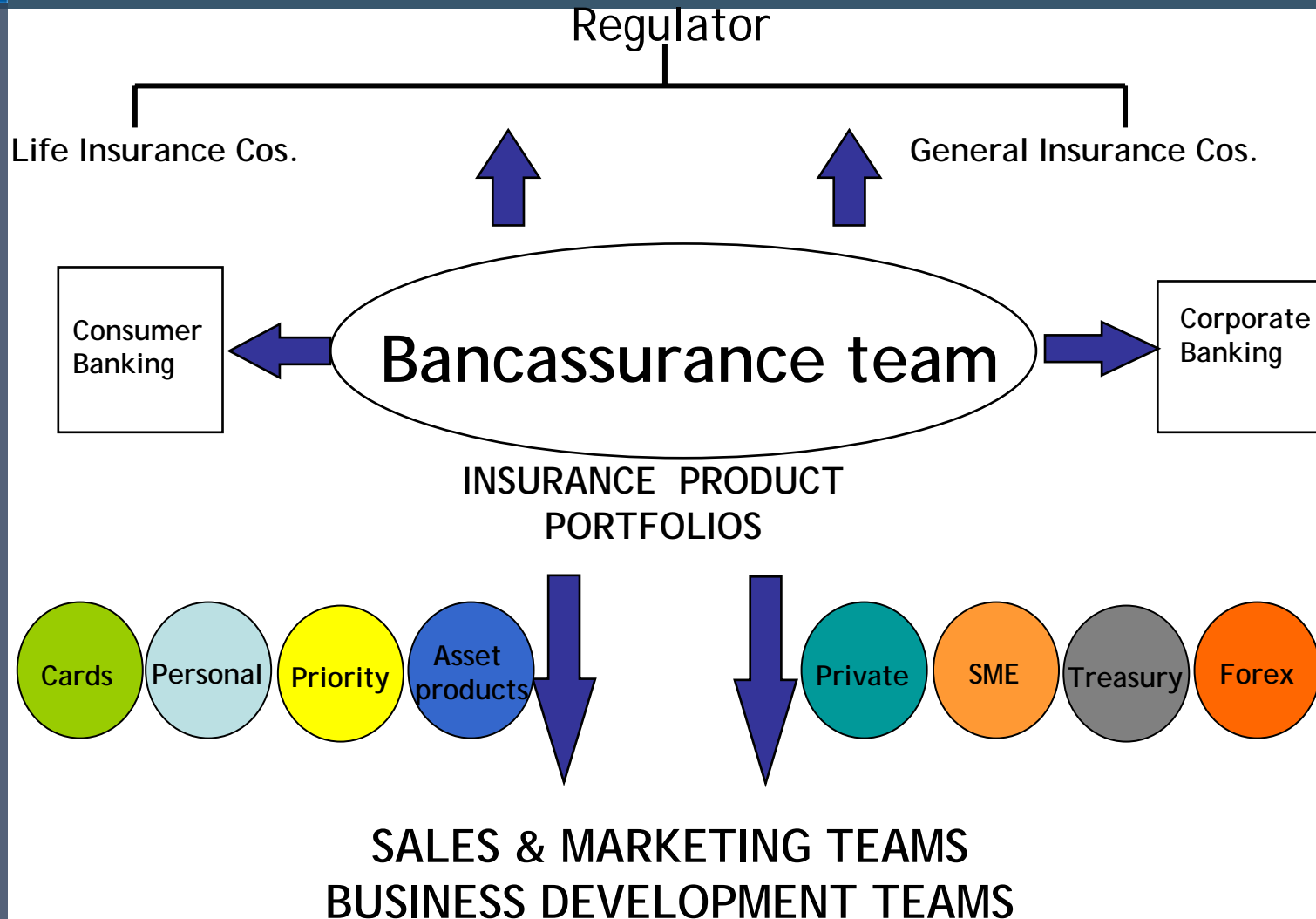
- Currently Closed
- Higher penetration possible with opening up
- Competence matching
- South Korea model

Possible model for India



360 Degree View!

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A new look at life

THANK YOU !