



Nippon Wealth Limited,
a Restricted Licence Bank



Hong Kong May 12, 2016

Nippon Wealth Limited, a Restricted Licence Bank, and MassMutual Asia Ltd Strengthen Bancassurance Partnership

Nippon Wealth Limited, a Restricted Licence Bank (NWB), and MassMutual Asia Ltd. (MassMutual Asia) are pleased to announce a new and strengthened business development in their bancassurance partnership, where NWB will distribute two more of MassMutual Asia's award-winning insurance plans.

According to Japan's National Institute of Population and Social Security Research, Japan is forecast to enter a long period of population decline, due to the substantially reduced birth rate as well as increasing longevity. Japan has the world's highest life expectancy at birth at 84 years¹. The old-age dependency ratio² is projected to increase from the current 44.2 in 2015 to 51.6 by 2025, and eventually reach 78.4 by 2060 (this means that 1.3 workers will by then support one senior of age 65 and above). The rapidly aging and declining population in Japan implies that the current level of benefits may not be sustainable because more reliance is being placed on state benefits. As a result, financing an unexpectedly long retirement and the medical expenses incurred by critical illness is becoming a great challenge for Japanese people during their golden age.

Mr Tsutomu Nakajima, Executive Director and CEO of NWB, said: "A life well planned is a life well lived. Advanced planning is therefore a must in order to effectively hedge the potential financial burdens of longevity risk. However, most annuities in Japan offer relatively low returns, and most of them are term-specific plans which only offer a pre-set-installment payout, and do not promise a lifelong annuity income to adequately cover the risk of prolonged life expectancy. As a result, many people tend to rely on government social security benefits, but they may become unable to sustain the standard of living they were accustomed to before their retirement. In addition, when mapping out their retirement plan, many people underestimate healthcare expenses, which can be very costly, especially for treating critical illnesses such as cancer. Indeed, since the early 1980s, cancer has become the leading killer disease in Japan. According to the cancer statistics published by the Foundation for Promotion of Cancer Research in Japan, one in two Japanese males and one in two females will be diagnosed with cancer during their lifetime. However, the National Health Insurance scheme (NHI) in Japan does not fully cover all medical expenses. NHI members are required to make a copayment for each medical service, ranging from 10% to 30% of the medical costs, depending on the member's age. At the same time, the types of critical illness covered by private health insurance plans are very limited, and the benefit term is usually up to age 80 only. As the critical illness protection plans in Japan do not offer guaranteed refund of premiums, most people may feel that if they stay healthy, the premiums will constitute an 'expense' item with no returns. In addition, once diagnosed with a critical illness, people will find it very difficult to obtain life insurance. As a result, they are not able to give extra protection to their family. All in all, many Japanese are resorting to retirement-planning and healthcare-protection solutions overseas for absolute peace of mind."



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Ms Jeanne Sau, Senior Vice President & Chief Marketing Officer, MassMutual Asia, said, “We cannot accurately estimate our life expectancy or guarantee our health, however, we can take a proactive approach to managing the financial risks associated with longevity in order to ensure a truly worry-free retirement. As advocated by the World Bank, ‘a voluntary annuity’ is one of the major pillars in its ‘Multi-pillar Retirement System’. The merit of a lifetime annuity is that it guarantees monthly income without a pre-set period as the ideal solution for tackling financial risk incurred by ‘living to long’. It is recommended to create a safety net using an annuity plan as a core component for ensuring lifetime retirement income, where the annuity income comprises at least 30% of total retirement funds. In addition, having a comprehensive critical-illness protection plan in place can help shoulder the heavy financial burden entailed when contracting a critical illness, especially during retirement when we lose our earning power.”

Through this strengthened bancassurance partnership, NWB will distribute two additional flagship products of MassMutual Asia – “PrimeWealth Saver” and “PrimeHealth Extra Saver”. PrimeWealth Saver offers attractive potential returns, a long-term capital guarantee and financial flexibilities. The plan also offers the market-unique lifetime annuity option so that the policy owner may convert the cash value in the policy to an annuity that guarantees a lifetime annuity payout. The market-unique lifetime annuity benefit provided by MassMutual Asia has garnered the “Excellence Award – Retirement Planning” accolade in the Bloomberg Businessweek Financial Institution Awards and “Outstanding Achiever – Retirement Product” in the BENCHMARK Wealth Management Awards.

PrimeHealth Extra Saver is a comprehensive, all-round health-protection solution covering 116 critical illnesses, and with a total benefit of up to 700% of the sum insured. In view of the high risk of cancer recurrence, the plan provides extra coverage for cancer, which can be claimed up to five times, with benefit limit up to 300% of the sum insured. Once the total benefit paid has reached 100% of the sum insured, a waiver of premiums will be provided for the remaining premium-payment term while the insured can continue to enjoy the coverage offered by the plan. Alternatively, when the policy is surrendered, a guaranteed refund of up to 100% of premiums paid³ will be offered, without deduction of any claims paid. MassMutual Asia goes the extra mile to cater for the protection needs of patients diagnosed with a critical illness by providing a market-unique “Extension of Life Protection”, with which they can enjoy total peace of mind by being able to enroll in a permanent life insurance plan. As a result, MassMutual Asia has been awarded “Best-in-Class – Critical Illness” for three consecutive years in the BENCHMARK Wealth Management Awards and the “Excellence Award – Critical Illness” in the Bloomberg Businessweek Financial Institution Awards for its product innovation in critical illness protection.



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About Nippon Wealth Limited, a Restricted Licence Bank

NWB is a Hong Kong-based restricted licence bank dedicated to providing superior wealth management services for individual investors. NWB is a wholly owned subsidiary of OJBC Co. Ltd. and an associate of Shinsei Bank. In terms of Tier-1 capital, Shinsei Bank is ranked 12th in Japan⁴. In order to provide customers with more comprehensive wealth-management services, NWB has acquired Type 1 and Type 4 licenses from the Securities and Futures Commission.

About MassMutual Asia Ltd.

MassMutual Asia Ltd. is a member of the MassMutual Financial Group. Headquartered in Hong Kong, MassMutual Asia has over two thousand seven hundred consultants. The company delivers professional one-stop risk- and wealth-management consulting services, including a series of flexible and innovative life insurance products, retirement plans, and investment services. Besides the life insurance business, MassMutual Asia also operates several subsidiaries in Hong Kong, including MassMutual Trustees Ltd., which focuses on MPF, and MassMutual Insurance Consultants Ltd., which handles general insurance.

MassMutual Financial Group is a marketing designation for the Massachusetts Mutual Life Insurance Company (MassMutual) and its affiliates. With US\$642 billion⁵ in assets under management and 13 million customers, MassMutual Financial Group is a global, growth-oriented and diversified financial-services organization. Established in 1851, MassMutual enjoys exceptionally high financial ratings from major ratings agencies, including A.M. Best Company "A++" (Superior; top category of 15), Fitch Ratings "AA+" (Very Strong; second category of 21) and Standard & Poor's "AA+" rating (Very Strong; second category of 21)⁶ and is ranked by FORTUNE as one of the "Five Largest US Life Insurance Companies"⁷ and "FORTUNE World's Most Admired Companies"⁸.

Note:

1. World Health Statistics 2015, World Health Organization.
2. The old-age dependency ratio is based on the medium-fertility projection in the "Population Projections for Japan: 2011 to 2060" by the National Institute of Population and Social Security Research, Japan.
3. Guaranteed refund of premiums is only applicable to the policy if total benefit paid has not reached 100% of the sum insured.
4. Based on The Banker as published in July 2014.
5. Figure as of December 31, 2015.
6. Ratings apply to Massachusetts Mutual Life Insurance Company and its subsidiaries, C.M. Life Insurance Company and MML Bay State Life Insurance Company. Ratings are as of May 1, 2016 and are subject to change.
7. Ranked according to the aggregate results of [Insurance: Life, Health (Mutual)] and [Insurance: Life, Health (Stock)] on the total revenues for 2014, based on the FORTUNE 500 as published on June 15, 2015.
8. Ranked according to the results in "Life and Health Insurance" category in the 2014 FORTUNE World's Most Admired Companies survey. The survey assessed nine reputation drivers considered to be crucial to a company's global success: financial soundness, long-term investment value, people management, social responsibility, use of assets, quality of management, quality of products/services, innovation and global competitiveness.

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This release is issued by JOYOUS Communications on behalf of NWB and MassMutual Asia Ltd., downloadable from NWB website at www.nipponwealth.com and MassMutual Asia website at www.massmutualasia.com. For further information, please contact:

Nippon Wealth Limited, a Restricted Licence Bank
MassMutual Asia Ltd.
JOYOUS Communications

Reiko Tatematsu
Peter Yip
Claudia Lo

Tel: 3958 8828
Tel: 2919 9579
Tel: 2560 8551