

Life Bancassurance in Europe: Protection-Related Life Insurance

Report Prospectus

November 2011

Prospectus contents

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What is the research?

Finaccord's report titled *Life Bancassurance in Europe: Protection-Related Life Insurance* offers fresh and valuable insights into the distribution by banks and other lending institutions of risk life, critical illness and income protection insurance in 20 European countries: Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Poland, Portugal, Romania, Russia, Spain, Sweden, Switzerland, Turkey, and the UK.

Drawing on the results of a survey of nearly 1,200 banking entities, the study verifies that 45.5% offer at least one of the types of protection-related life insurance researched, giving a total of 890 initiatives in the three fields combined. Hence, given that the aggregate market for protection-related life insurance across the 20 countries, excluding creditor cover, is worth around EUR 41.6 billion, it is clear that banks and other lending institutions can intermediate a significant volume of business in this sector.

In addition to identifying the schemes for distribution of protection-related life insurance through the bancassurance channel, the research also classifies and analyses these according to the operating model used, distinguishing, for example, between captive, joint venture and external underwriters. Furthermore, it also calculates the weighted share of partnerships of the underwriters and other product providers involved, thereby illustrating not only which competitors hold which partnerships but also which competitors hold the most significant distribution deals.

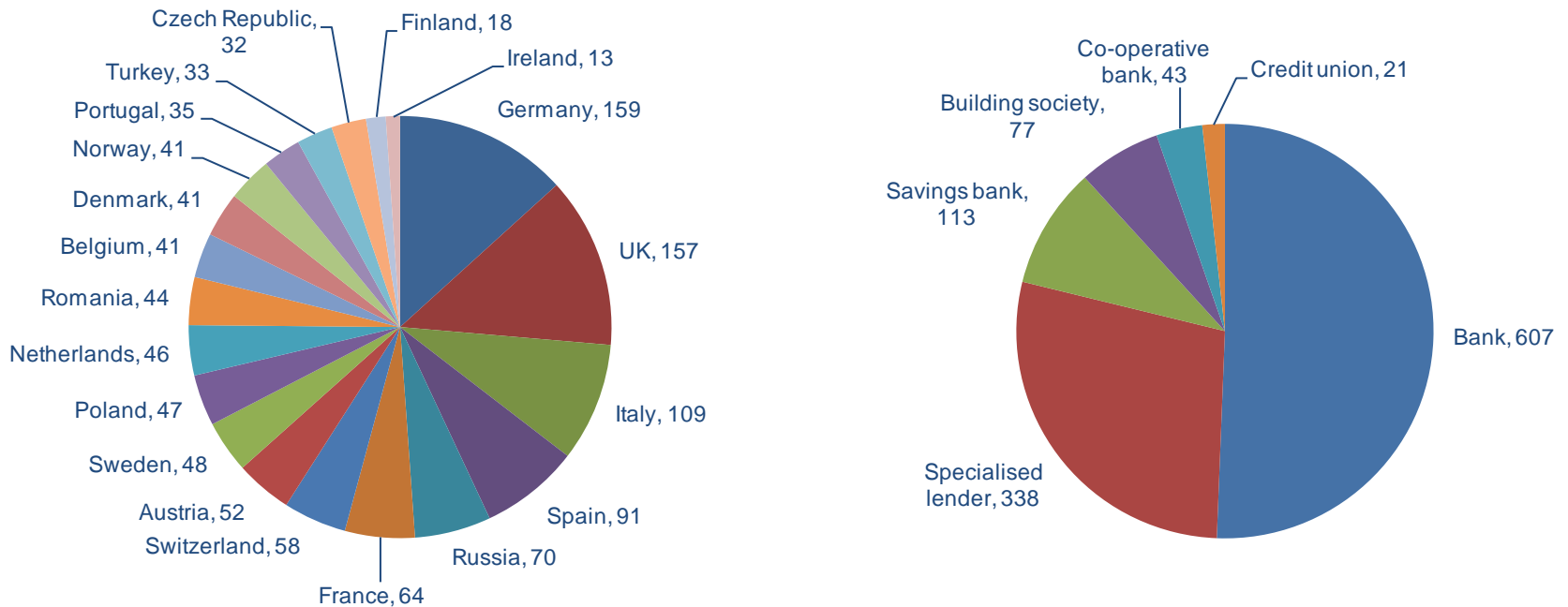
What methodology has been used?

Finaccord's survey of the provision of protection-related life insurance by banks and other lending institutions in Europe was carried out in a 12-week period between August and October 2011 and focused on all significant banking entities in each country. The research embraces the following information:

- whether risk life insurance, critical illness insurance and income protection insurance are available to customers;
- if so, how... through an external underwriter, multiple external underwriters, an external broker, a captive broker, a joint venture underwriter, a captive underwriter or a combination of these approaches?
- if so, who are the product providers?

Combined with Finaccord's unique and proprietary quantification of the size and growth of the market for protection-related life insurance in each of the 20 countries, with accompanying commentaries concerning the constituent product segments, this constitutes the most thorough and comprehensive research into this subject ever published.

How do banking institutions surveyed break down?



Finaccord's universe of banking institutions covers 1,199 entities in total spread across 20 countries in Europe, including mainstream retail banks, specialised lenders, savings banks, building societies, co-operative banks and credit unions. For a full list of the organisations contacted for the research and included in PartnerBASE™, please contact Finaccord.

How does the report fit into the wider series?

Life Bancassurance in Europe: Protection-Related Life Insurance fits into a wider series of reports published by Finaccord in November 2011 on the subject of bancassurance in Europe. The specific product and geographical coverage of this report is shown in the grid below.

| Product category / type | AT | BE | CZ | DK | FI | FR | DE | IE | IT | NL | NO | PL | PT | RO | RU | ES | SE | CH | TU | UK |
|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
| Investment-related life insurance and retirement savings | | | | | | | | | | | | | | | | | | | | |
| <i>comprised of</i> | | | | | | | | | | | | | | | | | | | | |
| Investment-related life insurance | | | | | | | | | | | | | | | | | | | | |
| Retirement savings | | | | | | | | | | | | | | | | | | | | |
| Protection-related life insurance | | | | | | | | | | | | | | | | | | | | |
| <i>comprised of</i> | | | | | | | | | | | | | | | | | | | | |
| Risk life insurance | | | | | | | | | | | | | | | | | | | | |
| Critical illness insurance | | | | | | | | | | | | | | | | | | | | |
| Income protection insurance | | | | | | | | | | | | | | | | | | | | |
| Accident and health insurance | | | | | | | | | | | | | | | | | | | | |
| <i>comprised of</i> | | | | | | | | | | | | | | | | | | | | |
| Accident insurance | | | | | | | | | | | | | | | | | | | | |
| Medical expenses insurance | | | | | | | | | | | | | | | | | | | | |
| Health / hospital cash plans | | | | | | | | | | | | | | | | | | | | |
| Personal motor and household insurance | | | | | | | | | | | | | | | | | | | | |
| <i>comprised of</i> | | | | | | | | | | | | | | | | | | | | |
| Personal motor insurance | | | | | | | | | | | | | | | | | | | | |
| Household insurance | | | | | | | | | | | | | | | | | | | | |
| Creditor insurance | | | | | | | | | | | | | | | | | | | | |
| <i>comprised of</i> | | | | | | | | | | | | | | | | | | | | |
| Creditor insurance related to mortgages | | | | | | | | | | | | | | | | | | | | |
| Creditor insurance related to consumer finance | | | | | | | | | | | | | | | | | | | | |
| Creditor insurance related to credit cards | | | | | | | | | | | | | | | | | | | | |

What is the report structure?

Executive Summary: providing a concise evaluation of the principal findings of the report.

Introduction: offering rationale, description of methodology and some definitions.

European Overview: this includes an overview and quantification of the size and growth of protection-related life insurance across the 20 countries, an analysis of the rates of provision of these products by banking entities, an investigation into the operating models used, and a unique and valuable snapshot of the weighted share of partnerships for these products across Europe as a whole. This latter analysis indicates which providers of protection-related life insurance have established the distribution partnerships with the greatest sales potential.

Specific country chapters (20): an in-depth investigation into the distribution of protection-related life insurance by banking entities in each country including an introduction to the banking sector, national market size and growth data for this category of insurance, commentary concerning the overall importance of bancassurance as a distribution channel, analyses of operating models used by banks and other lending institutions that are active in these fields, computation of the weighted share of bancassurance partnerships among product providers in these countries, and data illustrating the size and growth of key bancassurance underwriters.

What are the key features of the research?

Key features of this report include:

- analysis of a combined total of 890 partnerships for the distribution of risk life insurance, critical illness insurance and income protection insurance through banking entities across 20 countries in Europe;
- identification of the underwriters or other product providers used by the 546 banks and other lending institutions that are active in one or more of these areas;
- a unique computation of the importance of bancassurance partnerships for every country and for Europe as a whole: each partnership is weighted by the number of retail customers that each bank has, to illustrate which competitors hold the most significant relationships;
- discussion of the importance of bancassurance as a channel in each country, with data for the market shares of leading captives, joint ventures and other key bancassurance underwriters;
- quantification of the size, segmentation and growth of gross written premiums for protection-related life insurance in each country across a five-year time frame.

How can the research be used?

You may be able to use this report and the PartnerBASE™ dataset that accompanies it in one or more of the following ways:

- gain access to a source of information that provides a comprehensive overview of the provision of risk life insurance, critical illness insurance and income protection insurance by a majority of significant banking entities in Europe;
- identify partnership opportunities for protection-related life insurance that may arise either because a banking institution is not currently active or because there is scope for replacing an existing initiative;
- understand which underwriters and other product providers have been successful in establishing distribution relationships with the most important banking entities;
- assess the background to the most significant bancassurance deals, differentiating between those that originate from long-term or strategic objectives and those that are more transient;
- appreciate the magnitude of the opportunity to sell protection-related life insurance through banks and other lending institutions in Europe.

How can the PartnerBASE™ be used?

Select country

Choose product type

Identify insurance providers

| Name of organisation | Country | Estimated number of retail customers (000s) | Product type | Product offered? | Operating model | Partner(s) |
|---|---------|---|-----------------------------|------------------|----------------------|-------------------------------------|
| Banca Intermobiliare di Investimenti e Gestioni | Italy | 67 | Critical illness insurance | No | | |
| Banca Intermobiliare di Investimenti e Gestioni | Italy | 67 | Income protection insurance | Yes | Captive broker | BIM Insurance Brokers |
| Banca Intermobiliare di Investimenti e Gestioni | Italy | 67 | Risk life insurance | Yes | JV underwriter | BIM Vita |
| Banca March | Spain | 300 | Critical illness insurance | No | | |
| Banca March | Spain | 300 | Income protection insurance | Yes | External underwriter | La Previsión Mallorquina de Seguros |
| Banca March | Spain | 300 | Risk life insurance | Yes | Captive underwriter | March Vida |

Look up specific organisations

See the estimated number of retail customers for each organisation

Choose operating model

Note - The PartnerBASE™ also includes fields showing the category of organisation, its UHC (ultimate holding company, where part of a major group) and the UHCs that own (or co-own, in the case of joint ventures) the partners used for each product type.

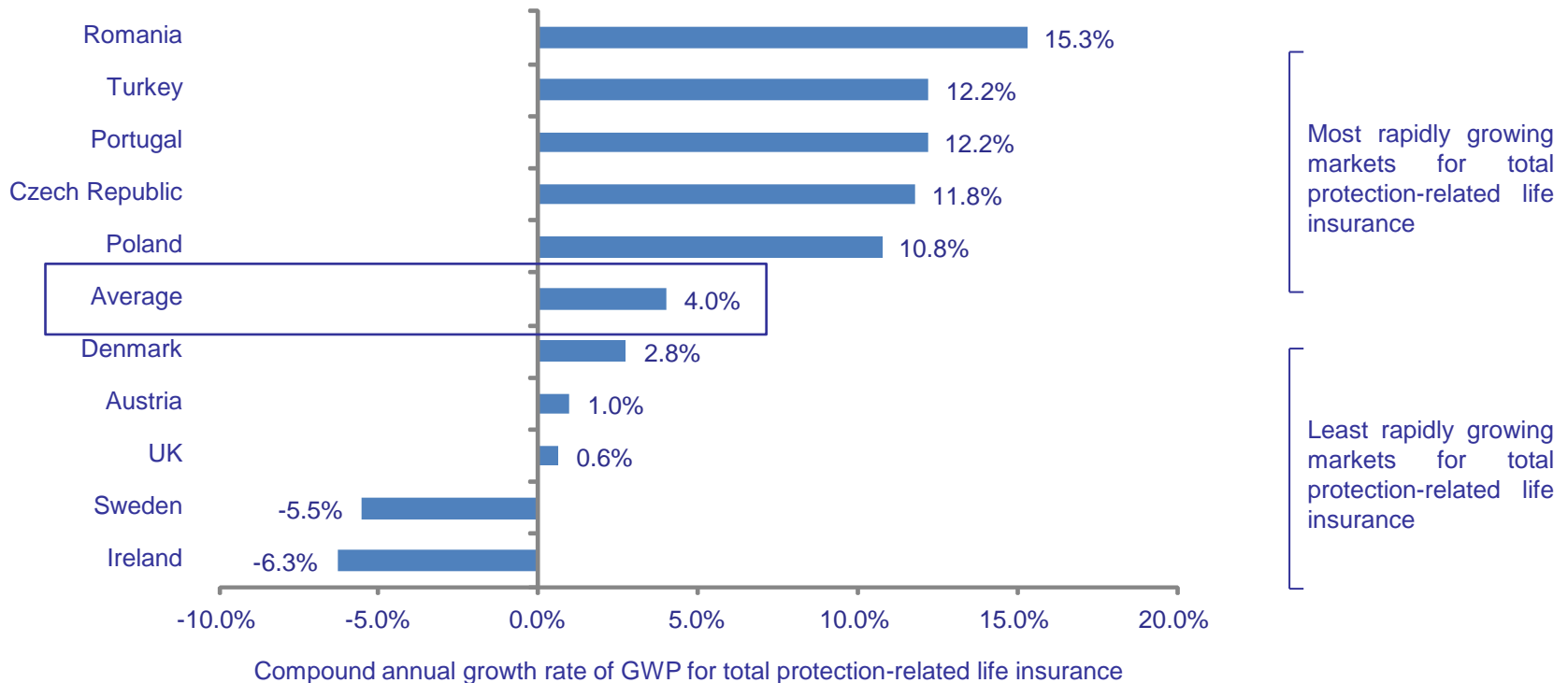
Source: Finaccord European Bancassurance PartnerBASE

Who can use the research?

1. *Insurance underwriters:* this study is a uniquely comprehensive guide to a key segment within Europe's bancassurance market that can be used to identify partnership opportunities and to monitor competitor activity;
2. *Banks and other lending institutions:* the research will help banking entities to understand how their bancassurance strategy compares to that of other comparable institutions both in their domestic market and across Europe as a whole;
3. *Management consultancies:* are you helping an insurance company or bank with its bancassurance strategy in the specific field of protection-related life insurance? Understand the current status of bank distribution of these two product categories in Europe, saving time and effort on researching the subject yourself;
4. *Investment banks and private equity companies:* with banking institutions under financial pressure in many European countries, this research may be useful to understanding where there is scope for them to divest captive or joint venture underwriters in order to raise capital.

What are some of the key findings?

1. Gross written premiums for total protection-related life insurance are growing in 18 out of the 20 countries investigated: Ireland and Sweden are the exceptions

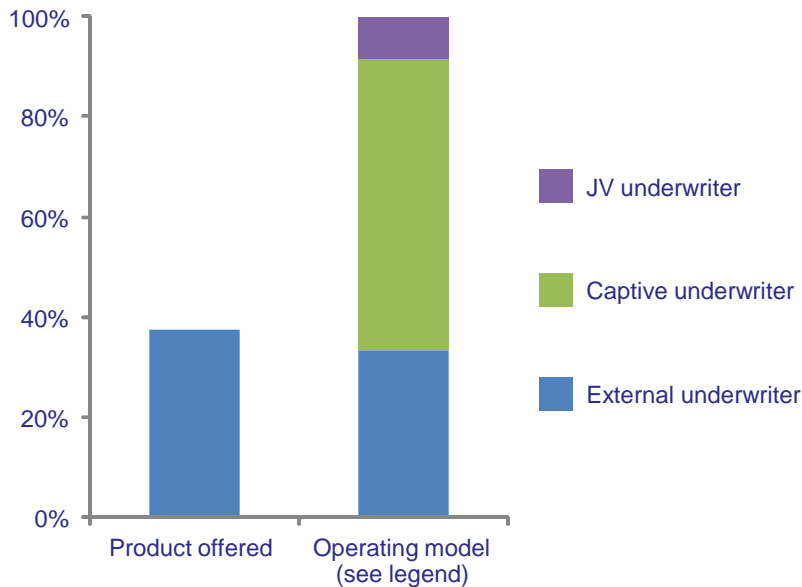


Source: Finaccord European Insurance Market Model (chart shows top and bottom five countries plus average, 2006-2010)

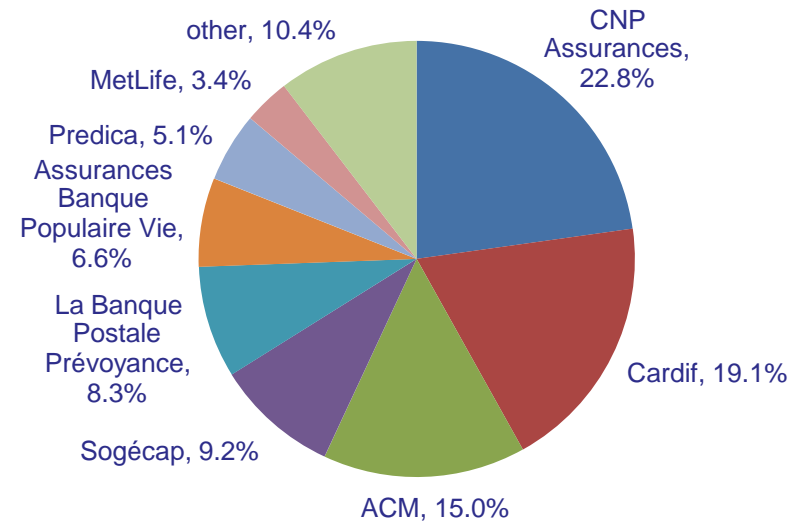
What are some of the key findings? (cont.)

2. By weighted share of partnerships, the underwriting of risk life insurance policies distributed by banks is controlled almost entirely by captive entities

**PROTECTION-RELATED LIFE INSURANCE IN FRANCE:
BANK PROVISION RATE AND OPERATING MODELS**



**PROTECTION-RELATED LIFE INSURANCE IN FRANCE: WEIGHTED
PROVIDER SHARES OF BANCASSURANCE PARTNERSHIPS**

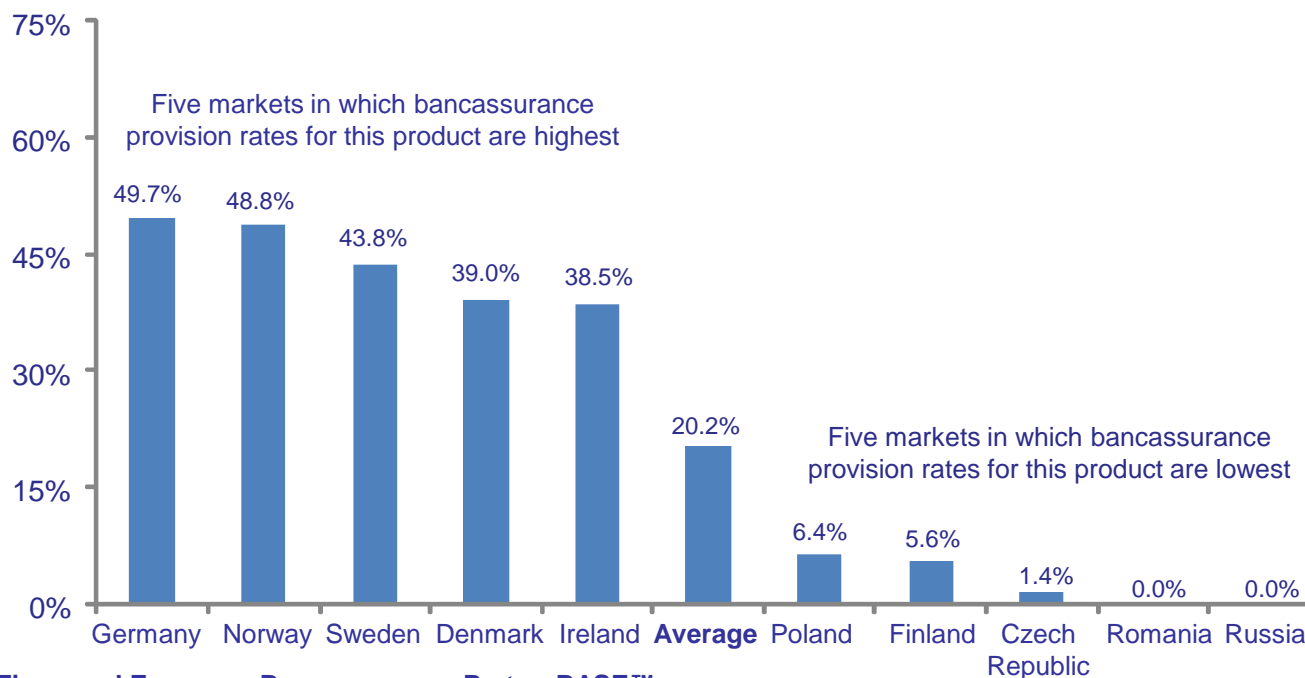


Source: Finaccord European Bancassurance PartnerBASE

What are some of the key findings? (cont.)

3. Close to a half of banking institutions distribute income protection insurance in Germany, Norway and Sweden but the product is not marketed at all via the bancassurance channel in Romania or Russia

% of banking institutions distributing income protection insurance



Source: Finaccord European Bancassurance PartnerBASE™

What are some of the key findings? (cont.)

4. Key findings from the executive summary include:

- Protection-related life insurance, excluding creditor policies, but including risk life, income protection and critical illness insurance (the three core policy types investigated in this study), is worth about EUR 41.6 billion in gross written premiums across 20 European countries;
- the French market is by far the largest because it includes a substantial volume of business for disability and invalidity underwritten by insurers, plus a significant amount of business conducted by provident institutions and health mutuals;
- Finaccord estimates that between 60% and 80% of premiums for protection-related life insurance, excluding creditor cover, are distributed via bancassurance in six countries, namely Norway, Poland, Portugal, Romania, Spain and Turkey;
- from a sample of nearly 1,200 banks and other lending institutions researched by Finaccord, 546 had at least one partnership for the distribution of risk life, critical illness or income protection insurance, or 45.5% of the total.

What is the cost and format?

Life Bancassurance in Europe: Protection-Related Life Insurance is available as a standard *Adobe Acrobat PDF* document and / or hard copy. The PartnerBASE™ dataset that accompanies it at no further charge is in *Microsoft Excel* format. Prices for this title and other multi-country and country-specific titles in the wider series are as follows:

| REPORT | PRICE * |
|--|----------------|
| Life Bancassurance in Europe: Protection-Related Life Insurance | GBP 2,995 |
| Bancassurance in Austria, Belgium etc.: Life, Non-Life and Creditor Insurance * | GBP 795 |
| Bancassurance in China: Life, Non-Life and Creditor Insurance | GBP 995 |
| Creditor Insurance in Northern, Central and Eastern Europe | GBP 2,495 |
| Creditor Insurance in Southern and Western Europe | GBP 2,495 |
| Life Bancassurance in Europe: Investment-Related Life Insurance and Retirement Savings | GBP 2,995 |
| Non-Life Bancassurance in Europe: Accident and Health Insurance | GBP 2,995 |
| Non-Life Bancassurance in Europe: Motor and Household Insurance | GBP 2,995 |

** Titles focused on single territories are available for all 20 countries covered by this series.*

For UK-based clients, VAT at the prevailing rate will be added to the basic price.

Costs quoted are for a single site user licence only.

For a corporate user licence, please see the next slide for further details.

Invoices can be paid in EUR, at the prevailing exchange rate, if preferred.

How can the research be purchased?

Simple. Just go to the relevant area of the Finaccord web site available at www.finaccord.com/order_eu_br.htm and fill in the online order form, clearly indicating:

- report required
- type of corporate user licence, if required *
- billing name
- address and e-mail address
- purchase order number, if applicable

Please allow up to one working day for the delivery of electronic copy by e-mail.

* For the **corporate user licence** please choose one of the following options:

1. One office, one country: no supplement over and above basic cost of reports ordered
2. Multiple offices, one country: additional 20% over and above basic cost of reports ordered
3. Multiple offices, two to ten countries: additional 50% over and above basic cost of reports ordered
4. Global (unlimited offices in unlimited countries): additional 100% over and above basic cost of reports ordered

VAT at the prevailing rate will be added to the price of any corporate user licence acquired by UK-based buyers.