

PRESS RELEASE

Global Bancassurance: captive and joint venture models are thriving in spite of regulatory impact

- *Finaccord research shows that 50% of the world's top 500 retail banking groups own (or co-own) at least one captive or joint venture insurer;*
- *these secured premiums for life and non-life insurance in excess of USD 450 billion in 2016;*
- *seven out of top 10 bancassurance companies originate from Europe, while Japan Post Bank is the world's largest bancassurer by premiums.*

London, 6 February 2018 – New research about global bancassurance strategies published by Finaccord has found that the ownership or co-ownership model in bancassurance is thriving, so much so that the total value of premiums written by captive and joint venture underwriters belonging to the world's leading retail banking groups amounted to over USD 450 billion in 2016.

Based on an investigation into the consumer banking operations of the world's top 500 retail banking groups in more than 100 countries, Finaccord's research established that across these groups, 160 (32.0%) own a captive underwriter (but no joint ventures) in at least one jurisdiction, 58 (11.6%) own at least one joint venture underwriter (but no captives) and 32 (6.4%) operate both captive and joint venture underwriters. The most prominent bancassurer in terms of the breadth of its geographical presence is BNP Paribas whilst by total value of premiums, Japan Post Bank (itself owned by Japan Post) is the world's largest bancassurance group reporting total business of USD 46.4 billion in 2016 (see table at end of press release). Seven of the ten largest bancassurance groups in the world originate from Europe, of which four are from France.

However, the global bancassurance market is a fluid one and in recent years a number of the banking groups researched have divested previously captive insurance operations either wholly or in part for strategic or regulatory reasons. A recent example of this includes Commonwealth Bank Group divesting life and health insurance businesses in Australia and New Zealand to AIA Group in September 2017, simultaneously endowing AIA Group with a 20-year strategic bancassurance partnership. This was followed in December 2017 by ANZ initiating a comparable transaction with Zurich in relation to its own life insurance activity in Australia.

"The importance of bancassurance as a distribution channel for a range of different insurance product types means that it remains an important element of strategy for both retail banking and insurance groups", said David Parry, Managing Consultant at Finaccord. "Banks have to decide whether they wish to own or co-own the underwriters that they use to sell insurance while opportunities exist for insurers not only to distribute policies through banks on an ad hoc basis but also to enter into long-term strategic partnerships with them or even to buy in part or in full the insurance subsidiaries set up by banks. Making the right choices in this context can be key to asserting competitive advantage and creating shareholder value."

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Notes to editors:

[Finaccord](#) is a market research, publishing and consulting company specialising in financial services that is part of Aon Inpoint, Aon Risk Solutions, a business unit of Aon plc (NYSE: AON). It provides its clients with insight into and information about major issues in financial services around the world, with a particular focus on marketing and distribution topics such as affinity marketing, bancassurance and strategic alliances.

[Global Bancassurance: Product and Partnership Strategies of the World's Top 500 Retail Banking Groups](#) is the master report and associated PartnerBASE™ dataset in Finaccord's comprehensive series of studies about bancassurance worldwide. In addition to this master publication, plus another that focuses on the world's top 150 retail banking groups, a variety of regional and global product-specific studies about bancassurance are also available. The four regional reports cover [Africa and the Middle East](#), the [Americas](#), the [Asia-Pacific region and Australasia](#), and [Europe](#). Meanwhile, the six global product-specific publications provide worldwide analyses of bancassurance initiatives for the following insurance product categories: [accident and health insurance](#); [commercial non-life insurance](#); [investment-related life insurance and retirement savings](#); [motor, household and travel insurance](#); [personal and identity protection insurance](#); and [protection-related life insurance](#).

Ranking of the world's leading bancassurance groups by value of premiums of captive and joint venture underwriters, 2016

Rank	Banking group	Premiums (USD billion)
1	Japan Post Bank	46.4
2	Crédit Agricole	34.2
3	BNP Paribas	30.1
4	Bradesco	20.5
5	Intesa Sanpaolo	17.0
6	Banco do Brasil	15.4
7	UniCredit	13.8
8	Société Générale	12.5
9	Crédit Mutuel	11.9
10	HSBC	10.6
	Total of above	212.4
	Other 240 groups with captives and / or JVs	> 240.0
	Grand total	> 450.0

Source: annual reports, Finaccord analysis