



- Bancassurance groups accounted for over 8% of the value of the global insurance market in 2020

- three France-based groups (Crédit Agricole, La Poste and BNP Paribas) lead the way by business underwritten

- many of the bancassurers experiencing most rapid growth in premiums are based in the Asia-Pacific region

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According to Insuramøre's global rankings, and with a combined total of USD 535 billion (up from USD 518 billion in 2019), the top 100 insurers owned by banking or postal service groups accounted for 8.3% of gross direct premiums written and related inflows worldwide across all types of insurance (i.e. life / annuity, health and P&C / non-life) in 2020. However, this apparent growth in the global bancassurance market is driven largely by La Banque Postale – the banking subsidiary of state-owned La Poste – having taken a majority stake during the year in CNP Assurances, thereby adding around USD 29.5 billion in premiums to its pre-existing (and much smaller) insurance interests.

Overall, and in descending order, the leading five groups by this measure were Crédit Agricole, La Poste (including CNP Assurances), BNP Paribas, Intesa Sanpaolo and Japan Post. Three of the top 100 such groups were headquartered in Africa or the Middle East, 34 in the Asia-Pacific region, two in Australasia, 44 in Europe, 11 in Latin America and six in North America.

Generally speaking, and with the notable exception of Japan Post, whose insurance business saw a sharp drop in premiums between 2018 and 2020, banking and postal service groups in the Asia-Pacific region enjoyed stronger growth in their insurance underwriting activity over this period than their counterparts elsewhere in the world. Agricultural Bank of China, China Construction Bank, Maybank, ORIX Corporation and State Bank of India all saw the total premiums of their insurance subsidiaries rising at an inflation-adjusted compound annual rate of more than 20% across this time frame, as did South Korea's Hana Financial (helped by its acquisition of The-K Non-Life Insurance in 2020). Moreover, the pre-tax profits generated from insurance underwriting by these groups also rose in most cases.

Elsewhere in the world, the insurance business of Mexico's Afirme Grupo Financiero registered a particularly robust increase, and this was also the case for the insurance activities of two banking groups based in the Nordic region, namely Avanza Bank and Sparebank 1 Gruppen.

There has been a general trend for banking groups to divest entirely or sell off stakes in their insurance underwriting operations in the wake of the global financial crisis of more than a decade ago. This activity has continued during 2021 given that Affin Holdings, AmBank Group, CommBank, National Bank of Greece and Westpac have all announced or finalized the sale of insurance subsidiaries, while Spain's Bankinter spun off P&C underwriter Línea Directa as an IPO in April 2021. However, these transactions concern bancassurers that come relatively low in the global ranking for 2020 – all outside of the top 60 by premiums written in that year – and the integrated bancassurance model looks more enduring among institutions with larger interests.

Note that insurers owned by banking or postal service groups are defined by Insuramøre as ones in which those groups own 50.1% or more of the insurer's equity. Because of this definition, the premiums of banking or postal service groups that own stakes of less than 50.1% in insurers do not feature in this analysis unless the combined share of multiple shareholder banks or postal service groups comes to more than this percentage. Hence, IndiaFirst Life (as an example) is included as Bank of Baroda and Union Bank of India collectively own more than 50.1% of its share capital while UniCredit (as a further example) is excluded as the stakes of this banking group in insurers are below this threshold and are likely instead to be consolidated in the accounts of its insurer joint venture partners.

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Notes to editors:

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