

# 04.5

## BANCASSURANCE.

THE SELLING OF INSURANCE THROUGH THE BRANCH NETWORK IS BECOMING AN INCREASINGLY IMPORTANT PILLAR OF BANKIA'S ACTIVITY. ITS CONTRIBUTION TO FEE AND COMMISSION INCOME IS GROWING, ESPECIALLY AFTER THE STIMULUS IT HAS RECEIVED IN THE LAST TWO YEARS.

The Bancassurance Directorate is responsible for brokering insurance for individuals (life, home, health, auto, etc.) and businesses (retailers, third-party liability, credit, etc.), as well as savings insurance. The insurance distribution network therefore currently relies primarily on the traditional branches, although the penetration of the insurance activity in the bank's other channels (public website, multi-channel account managers, etc.) improved over the course of 2016, thus extending the offer of insurance products to Bankia's multichannel customers.

The bancassurance business's life saving products are influenced by trends in the economic and financial environment. The geopolitical uncertainties and low interest rates in 2016 did not favour the marketing of this type of insurance. Even so, net premiums written came to 367 million euros, with new production up 2% compared to 2015. At 31 December 2016, a total of 1.9 million policies were in force. The mathematical provisions for life savings

insurance totalled 5,418 million at that date. Seventy percent of new production in 2016 was concentrated in the life and home businesses, with significant growth also in the SMEs business, which was up 21% compared to 2015.

One of the keys to Bankia's good performance in bancassurance was the implementation of the strategic agreement with Mapfre, entered into in 2014, which has allowed the bank to establish a single, integrated insurance distribution model throughout its commercial network, allowing it to offer a more effective, better quality service. For the purposes of the Mapfre agreement, the network means not only the branches but also other channels, especially the digital ones, which are becoming increasingly important for the bank's insurance business.

Apart from that, Bankia's efforts in the bancassurance business in 2016 were concentrated on monitoring and supporting



the regional head offices, measuring productivity levels, advising the distribution network, training employees (220,867 hours of training given), optimising marketing systems, simplifying sales operations and improving sales and aftersales support.

The challenges for the next few years include the following: increase the bancassurance business's contribution to the bank's fee and commission income, further adapt the product catalogue to customers' needs (focussing on the business lines most closely related to the banking business, life and home), simplify sales operations so as to increase employee productivity, continue the training plans to improve advisory services, and accompany the bank in its digital transformation, so as to maximise its potential.

PREMIUMS WRITTEN  
(IN THOUSANDS OF EUROS)  
**367**

POLICIES IN FORCE AT  
31 DECEMBER 2016  
**1.9 MILL.**

HOURS OF BANCASSURANCE  
TRAINING GIVEN  
TO EMPLOYEES  
**220,867**