



## 04.5

# BANCASSURANCE

BANCASSURANCE DEFINES BANKIA'S RELATIONSHIP WITH ITS INSURANCE PARTNERS, WHOSE ACTIVITY HELPS TO GENERATE FEE AND COMMISSION INCOME.

The Bancassurance Directorate is responsible for coordinating the bancassurance activity and providing specialised support to the sales network for the marketing of insurance to individuals (life, household, auto, health and saving) and companies (trade, credit insurance, legal liability and comprehensive).

The bancassurance business defines the framework of the relationship with insurer partners, in accordance with the strategic alliances established in each area, with the aim of boosting the contribution of insurance sales to the bank's fee and commission income.

Since 2014 the bank has been carrying out a process to transform the marketing of insurance through the various distribution channels (physical, manned remote and

digital), with the aim of creating a single, integrated distribution model for the entire sales network that will be more effective and deliver higher quality. At the same time, new business initiatives have been started to maximise the Bancassurance Directorate's results.

Thus, net premiums written during 2017 reached 343 million euros, with a 3% increase in new business compared to the previous year.

The growth was particularly significant in the life risk business, where net new premiums written in 2017 was 38.9 million euros, representing growth of 17% compared to 2016.

February saw the launch of Bankia Vida Nexo, a product with a simplified purchase procedure that offers protection for the household

economy for a fixed amount, including new additional coverages.

At 31 December last year, a total of 1.9 million policies were in force. The mathematical provisions for life savings insurance totalled 4,986 million at that date.

73% of the business written in 2017 was concentrated in the life and home insurance lines, with significant growth also in SMEs (36% growth in terms of new business), due to increased sales efforts in the comprehensive business, leasing and credit insurance lines. Bancassurance's contribution to the bank's profit was 105 million euros in fee and commission income.

In addition to the support and advice provided to the distribution networks and the training delivered

to the professionals (more than 100,000 training hours), efforts continued during 2017 to improve the bancassurance operator's support for branch sales and management, optimising the volume of support by more than 30%.

Sales systems were optimised and customer onboarding and portfolio management procedures were simplified not only in the traditional network but also in the new channels, where functionalities were added to enhance customer convenience (online auto, Vida Nexo and health simulators).

In 2018, efforts will be concentrated on growing the insurance business by increasing the penetration of the insurance products among Bankia customers, improving the business's contribution to the bank's income statement, simplifying insurance operations in branches so as to improve productivity per employee, adapting the products to the needs of bancassurance channel users, strengthening the remote distribution channels and accompanying the bank in its digital transformation, exploiting its potential to the maximum.

Additionally, a new Investees and Associates Directorate was created, headed by Joaquín Cánovas, to manage the Insurance, Agency Network and Managed Investees businesses.

*GROWTH WAS STRONGEST IN THE LIFE RISK BUSINESS, WHERE NET NEW PREMIUMS WRITTEN IN 2017 REACHED*

**€38.9 MILLION**

NO. OF RISK AND SAVINGS INSURANCE CUSTOMERS	1,263,970
NET PREMIUMS WRITTEN (MILLION EUROS)	343
NO. OF RISK AND SAVINGS POLICIES IN FORCE	1,918,133
NO. OF BANCASSURANCE TRAINING HOURS GIVEN TO PROFESSIONALS	101,493