

**Crédit Agricole Assurances: a 20-year
bancassurance success story**

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Distribution Excellence Forum
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Executive Summary

- Over the last two decades, bancassurance has become a major distribution channel for most insurance markets. Bancassurance is now a well established insurance distribution model for most mature markets and is growing in emerging markets.
- **Crédit Agricole Assurances** has an outstanding bancassurance track record in France and Portugal, and has successfully replicated its unique business model through various bancassurance partnerships in life, non-life and creditor insurance.
 - ✓ In France, its Life business started 20 years ago. **Predica** is now the No.1 Life bancassurer in the French market. This successful business model was exported to Portugal where the same ingredients have created the 3rd largest life insurer. Other success stories include Italy, Greece, Lebanon, Luxembourg, Poland and Serbia recently followed by the establishment of an insurance company in Japan.
 - ✓ **Pacifica** in France and **BES Seguros** in Portugal have become leading non-life bancassurance players. In addition, two non-life bancassurance companies have been set up this year in Italy and Greece.
 - ✓ **Crédit Agricole Creditor Insurance** has a leadership position in creditor insurance in France and in Europe
- **Crédit Agricole Assurances** benefits from a leading-edge operating model delivering key competitive advantages:
 - ✓ Tailor made and innovative products
 - ✓ Superior distribution support proposition via specific training and marketing tools
 - ✓ Integrated IT capabilities making insurance products easy to sell
- **Crédit Agricole Assurances** is strongly committed to further expanding its international insurance business. Its strategy is to develop partnerships with first-class banks to create leading bancassurance companies offering differentiated customer-driven propositions.

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Section

1

Bancassurance trends

Strong growth in the global life insurance market is boosting expansion in bancassurance

Average annual growth of life insurance market

	1998-2007	2007	2008
World	4.1%	5.4%	-3.5%
Western Europe	6.8%	9.4%	-12%
Central & Eastern Europe	8.9%	17%	19%
South & East Asia*	18.6%	19%	19%

**excl. Japan & industrialised countries*

Source Swiss Re: real premium growth, inflation adjusted, on a USD basis

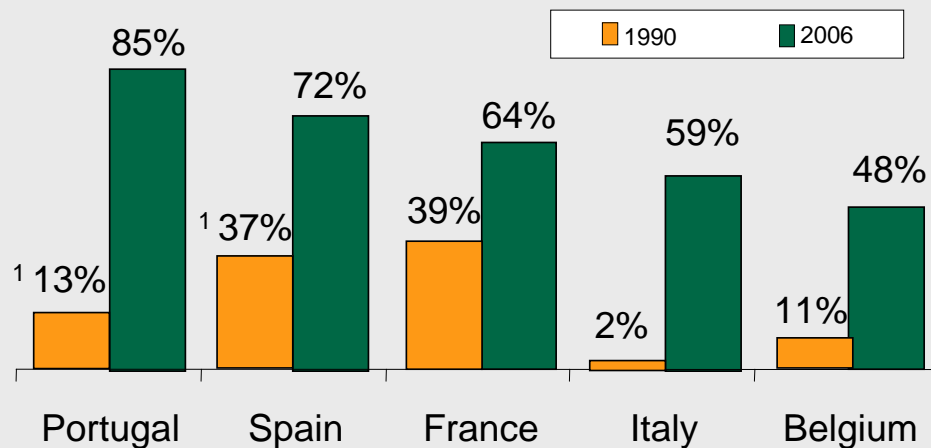
- The global insurance market is booming:
 - > Developing faster than long-term world GDP, especially in life insurance

- Banking distribution of insurance products is growing faster than traditional channels:
 - > In emerging countries, but also in non-emerging countries
 - > In life and more recently non-life insurance

Mature markets - Bancassurance is benefiting from fast expansion in the global insurance market... **in life**

- Bancassurance has strongly developed in Southern Europe with a market share of between 60% and 85%.
 - > Bancassurance companies are either wholly-owned by the banking distributors or joint ventures. Exclusive partnerships are common.
 - > Developing dedicated products (easy-to-sell/easy-to-buy), which are well suited to the banks' distribution network

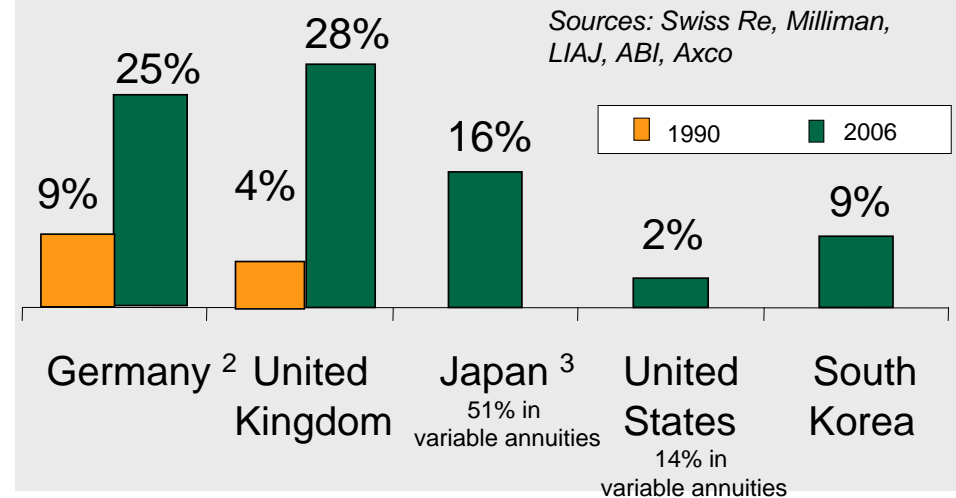
Southern Europe has been leading life bancassurance (2006)



¹ 1991

Sources: Swiss Re, Milliman Datamonitor, APS, Mc Kinsey research, National insurance statistics

Lower penetration rate of Bancassurance in other life markets due to regulatory constraints (2006)



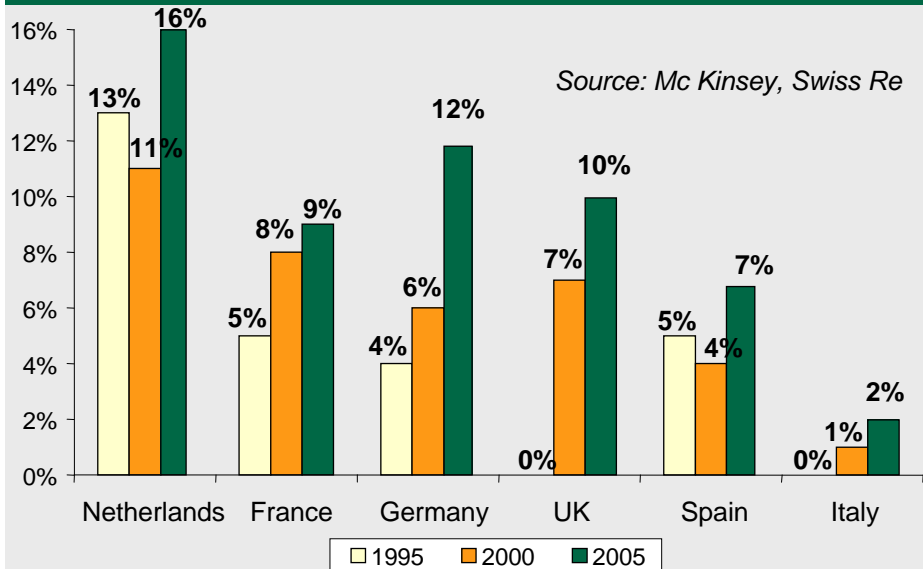
² Market share based on New Business APE (regular premiums plus one tenth of single premiums)

³ Post office and rural cooperatives excluded for Japan

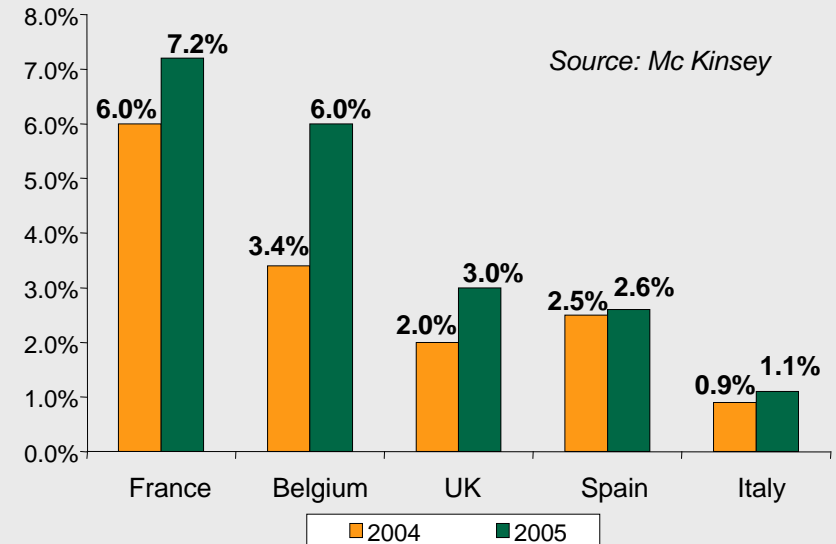
Mature markets - Bancassurance is benefiting from fast expansion in the global insurance market... **in non-life**

- Non-life bancassurance is starting to rival traditional insurance distribution. As growth in non-life insurance is not exceeding long-term GDP growth, bancassurance has been taking market share from traditional insurance companies.

Non-life: Bancassurance market share in Europe



Motor: Bancassurance market share in Europe



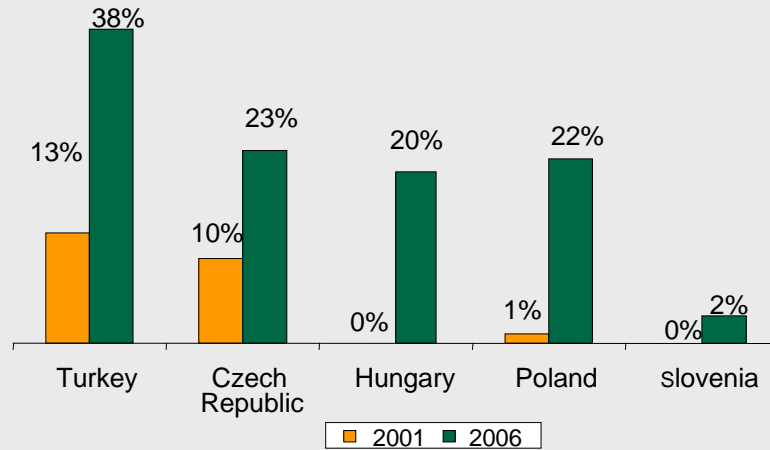
Bancassurance market share = total non-life bancassurance premiums / total non-life insurance market premiums, unless otherwise indicated

Emerging markets - Bancassurance is also taking off in Life

■ Bancassurance is becoming a major component of the life insurance distribution system in emerging countries. Main drivers are:

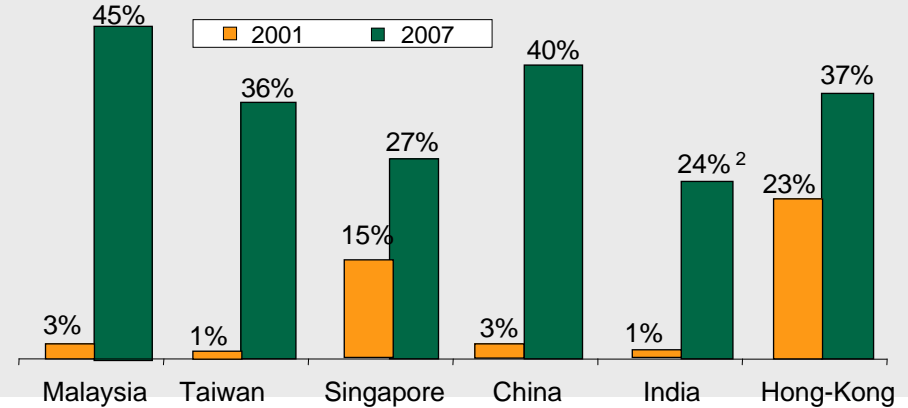
- ✓ Deregulation (Asia and Latin America)
- ✓ Development of the partnership model between local banks and foreign insurers: joint-venture, distribution agreement
- ✓ Expansion of mortgages and consumer credits (CEE)

Central & Eastern Europe (CEE): Strong growth in life bancassurance penetration



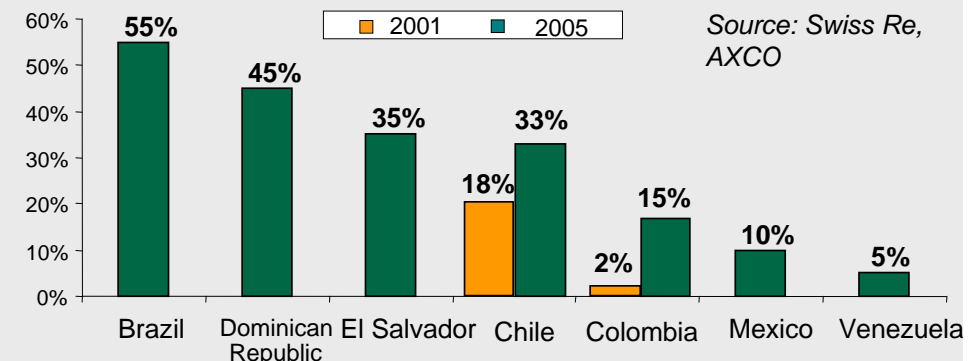
Sources: Swiss Re, AXCO, Milliman

Asia: already significant penetration of life bancassurance (% of 2007 new life premiums)



Sources: Swiss Re, Oliver Wyman, IRDA for India (penetration for the private sector), HKSAR for Hong-Kong
¹ 2005 ² 2006

Latin America: already significant penetration of life bancassurance (2005)



Source: Swiss Re, AXCO

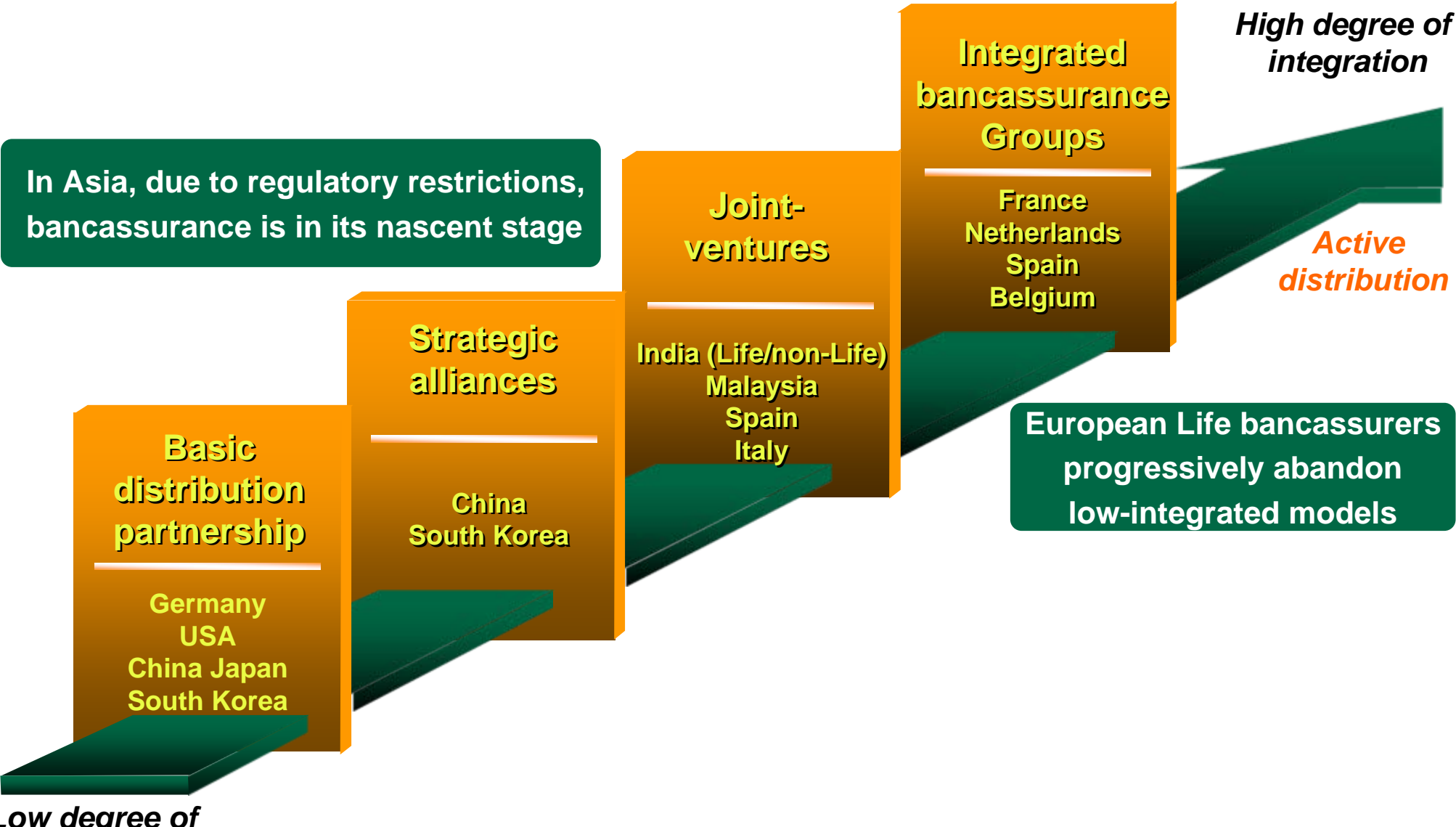
Section

2

Bancassurance models and distribution strategies

Bancassurance Models and distribution strategies

In Asia, due to regulatory restrictions, bancassurance is in its nascent stage



European Life bancassurers progressively abandon low-integrated models

Choice of Bancassurance Model depends on strategy and regulatory environment...

Basic Distribution partnerships

Strategic Alliances

Joint Ventures

Integrated bancassurance Groups

Low

Degree of integration

High

- Banks distribute insurance products (stand-alone or bundled with bank products) in return for fee income
- Traditional products from the insurer's portfolio
- Opportunistic selling concept
- Insurer brand used
- No or little sharing of customer data base
- Stand-alone IT
- Limited investment

- A higher degree of integration in product development
- Exclusive or non-exclusive agreements
- Possible sharing of customer data base
- More pro-active selling
- Requires investments in IT and sales staff (training...)

- Mutual ownership of products and customers
- Products designed for the bank on an exclusive basis
- Sharing of customer data base
- Leverage on the bank's brand
- IT set up by the insurer on the banking platform
- Requires strong and long-term commitments from both parties

- Full integration of operations and processes
- A high capability to leverage on banks' existing customers
- One-stop financial services provider
- Pro-active sales approach
- Co-creation of products specially designed for the bank customer needs

LOW

Resource commitment
Ability to satisfy customer needs - value added
Management complexity
Convergence of interest
Long-term profits

HIGH

Section

3

Crédit Agricole Assurances

A 20-year bancassurance success story



Crédit Agricole Assurances: A 20-year bancassurance success story

Crédit Agricole, a pioneer in French bancassurance

1986

**Creation of
CA Life**

1990

**Creation of
CA Non-Life**

2003

**Acquisition of
Finaref Insurance**
(renamed CA Creditor
Insurance in 2009)

2006

**CA
International
Insurance**

Position in France - 2008

No. 1

Life
bancassurance
company
PREDICA

No. 1

Non-life
bancassurance
company
PACIFICA

Leading

Group in creditor
insurance

Unique expertise in its 3 core business lines: Life, Non-Life and Creditor Insurance



Crédit Agricole Assurances: A 20-year bancassurance success story

CA LIFE (France)

€15.9 billion

in premium income

15.5%

market share *(as % of reserves)*

€177 billion

in mathematical reserves

CA NON-LIFE (France)

€1.7 billion

in premium income

No. 1

in personal insurance

No. 5

in legal protection

No. 9

in motor/comprehensive household

CREDITOR INSURANCE

€2 billion in premium income from the Group's French networks

Expertise through Crédit Agricole Creditor Insurance



One GROUP, Two strong RETAIL NETWORKS in FRANCE



- ✓ 7,088 branches
- ✓ 20 million customers
- ✓ Strong presence in rural zones



- ✓ 2,057 branches
- ✓ 6 million customers
- ✓ Strong presence in urban areas

No.1 banking group in France with a 28% market share

Our strong model that resists the global financial crisis

Crédit Agricole Assurances benefits from its long-term relationship with its customers, based on trust, transparency, innovation and a high standard of service

France's
No.1
bancassurer

France's
No.2
Life insurer

Sources: FFSA and internal sources.

France's
No.7
Non-life insurer

Europe's
No.11
Insurance group

Section

4

Crédit Agricole Assurances: a fully integrated bancassurance model

Key success factors of Crédit Agricole Bancassurance model

Suitable answer to customer needs

- Customer-oriented marketing expertise
- Innovative products at a competitive price
- A one-stop shopping place for financial and insurance needs

Sales efficiency driven processes

- Focus on mass market
- Simple products easy-to-buy / easy-to-sell
- Taking advantage of the strong brand image of the bank
- Skilled and trained sales forces
- Proximity with customers
- Strong customer loyalty

Highly competitive business model

- IT insurance tools fully integrated into the bank front office system
- Very competitive expense ratio
- High standard of service

A wide range of specific products designed to suit customer needs (Life) (1/3)

- **A strong expertise in product design:**
 - Savings related and Pension products: Traditional and unit-linked products
 - Protection products: Stand-alone products and creditor insurance

18 years

30 years

50 years



Students: Protection
Current account
+ individual protection product



Young adults:
Protection and initial capital building
Banking products incl. ,
loans, mortgages
+ Protection
+ Regular premiums
savings product - Low risk



Young families:
Protection for children education and capital accumulation
Banking products incl
loans + protection +
Single premiums savings
– Medium risk



Established families: Medium term savings and Pension preparation
Banking products
+ Single premiums -
Higher risk



Senior: Pension complement + inheritance planning
Banking products
+ annuity
+ Long term care insurance
+ Whole life insurance



For each step of the customer's life, Crédit Agricole Assurances has a specific offer with a dedicated approach

A wide range of specific products designed to suit customer needs (Non-life) (2/3)

MOTOR

3 packages



Mini
Median
Maxi

Comprehensive household

4 packages



Studio
Confort
New-for-old cover
Batimmo

HEALTH

3 packages



Eco
Confort
Confort +

PERSONAL ACCIDENT

4 packages



Family
2 packages
Solo
2 packages

LEGAL PROTECTION

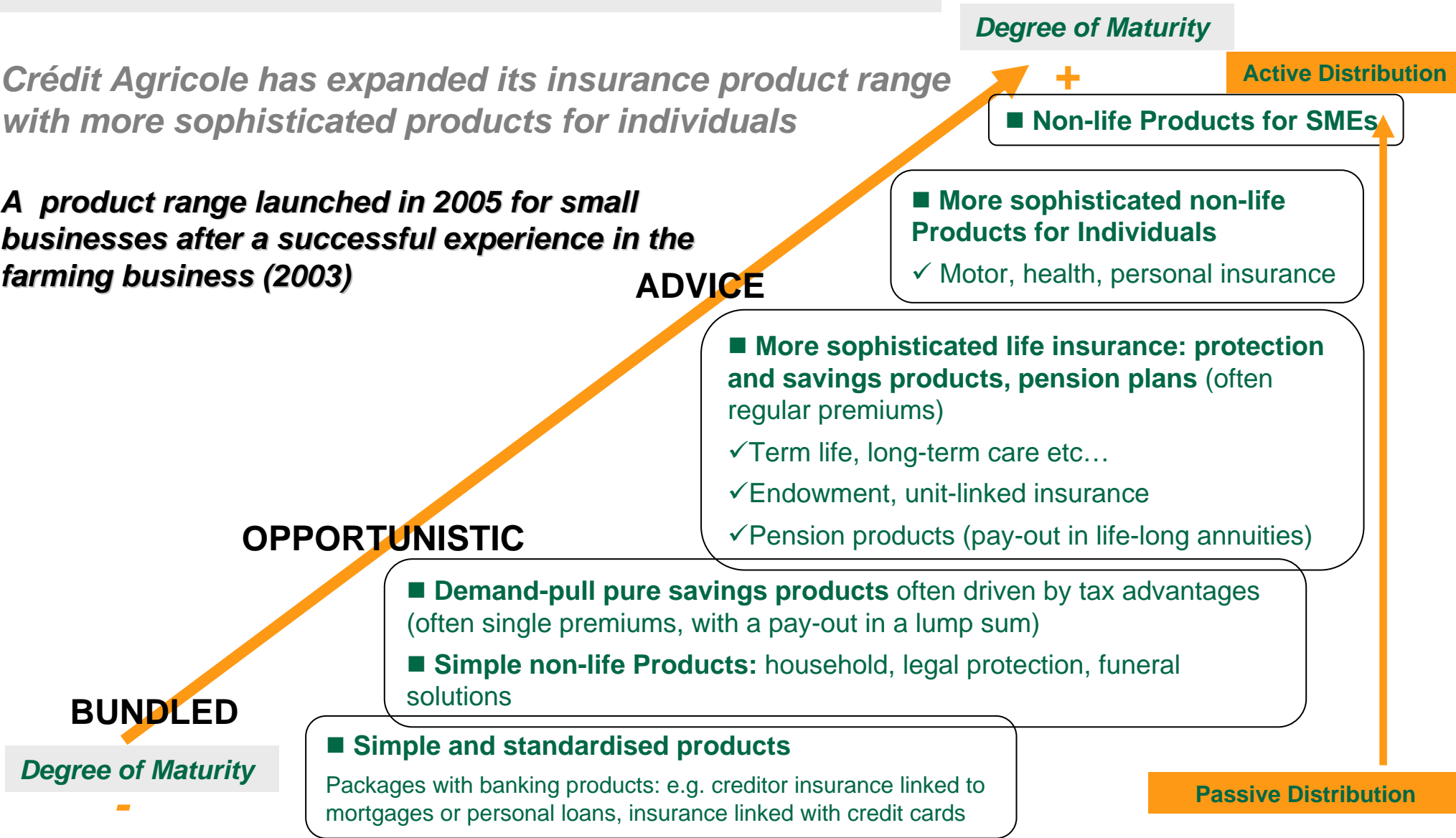


Keep it simple: priority given to packages with pre-set options and choices!

A wide range of specific products designed to suit customer needs (3/3)

Crédit Agricole has expanded its insurance product range with more sophisticated products for individuals

A product range launched in 2005 for small businesses after a successful experience in the farming business (2003)

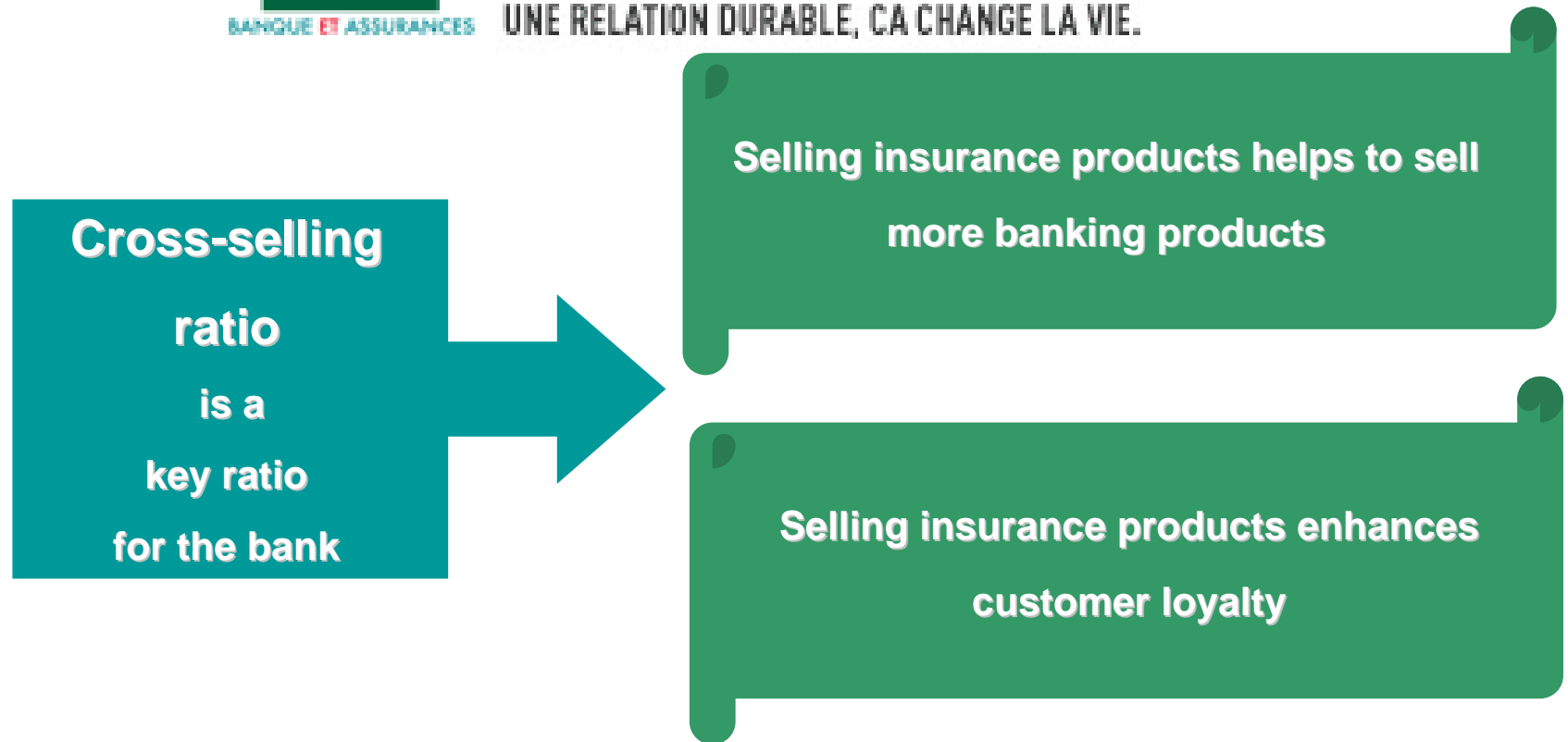


A long-term relationship

Bank customer loyalty strongly enhanced by insurance cross-selling



UNE RELATION DURABLE, CA CHANGE LA VIE.



Bancassurance drives the retail banking performances

Crédit Agricole Assurances success is based on a unique, efficient and optimised integrated bancassurance model



Full integration proves to be more efficient and profitable long-term

Crédit Agricole Assurances success is based on a unique integrated bancassurance model – Product design, branding and pricing



Crédit Agricole Assurances success is based on a unique integrated bancassurance model– Sales: training and management

Marketing booklet



Tools for sales forces

Commercial brochures



Training pack

E-learning



Sales: training and management

- Training support for the Bank's sales force
- The Bank handles the sales management
- Insurance sales figures are fully integrated in the Bank's sales management reporting
- Customer relationship remains under the control of the Bank staff's

Product
brand
price

Cost
efficiency

Technical
and client
services

Crédit Agricole Assurances success is based on a unique integrated bancassurance model– Technology and client services

An integrated sales approach including banking and insurance products

Product design,
branding and
pricing

Sales:
training and
incentives



Technology and customer services

- Bancassurance is fully integrated in the Bank's processes
- IT system fully integrated in the Bank's IT system
- Technical support provided by CA bancassurance companies
- High quality standard of service

Vente personnalisée

Vous êtes ici : [Partenaires](#) > [Synthèse patrimoniale](#) > [Définition du projet](#) > [Proposition](#) > [Bilan](#)

Crédit Agricole S.A.

M. Durand Pierre  **Mme Martin Jocelyne** 

Date de naissance : 16/03/1951 (55 ans) | Date de naissance : 14/05/1954 (51 ans)

Profession : Contrôleur de gestion | Profession : Fonctionnaire

Situation familiale : **Marié**
Régime matrimonial : Communauté légale

Fiscalité Année de référence : 2004

Nbre de part : 4 | TMI : 10 %
Montant Impôt annuel : 3 000 € | ISF : 2002

Questionnaire connaissance et expérience

A	B	C
La sécurité du capital est essentielle pour le client	Un risque limité peut être envisagé	Un risque moyen à fort peut être envisagé

Contacts

Commune : GENEVE | Non résident
Téléphone : 02-47-04-12-25 | Mobile : 06-47-04-12-25
Email : pdurand@yahoo.fr

Enfants mineurs

MARTIN Clémence	- 26/02/1992	(14 ans)
DURAND Julien	- 15/05/2000	(6 ans)
DURAND Philippe	- 13/10/2004	(2 ans)

Patrimoine (hors épargne) Mise à jour : 28/03/2006

Résidence principale :	300 000 €	
Résidence secondaire :	-	
Investissements locaux :	230 000 €	
Autres biens (professionnels, mobiliers...):	20 000 €	
Total	550 000 €	

Epargne & assurances Mise à jour hors CA

	Crédit Agricole	Hors CRCA
Epargne disponible	10 000 €	2 000 €
Epargne à terme	15 000 €	
Assurance-vie	50 000 €	
Valeurs mobilières		20 000 €
Epargne salariale		5 000 €
Autres placements dont SCPI		
Total	75 000 €	27 000 €
Total	75 000 €	102 000 €


Epargne abonné CRCA mensuelle : 30 €
Nombre de Contrats Prévoyance à la CRCA : 1 [Voir la répartition](#)

Budget Mensuel Mise à jour : 28/03/2006

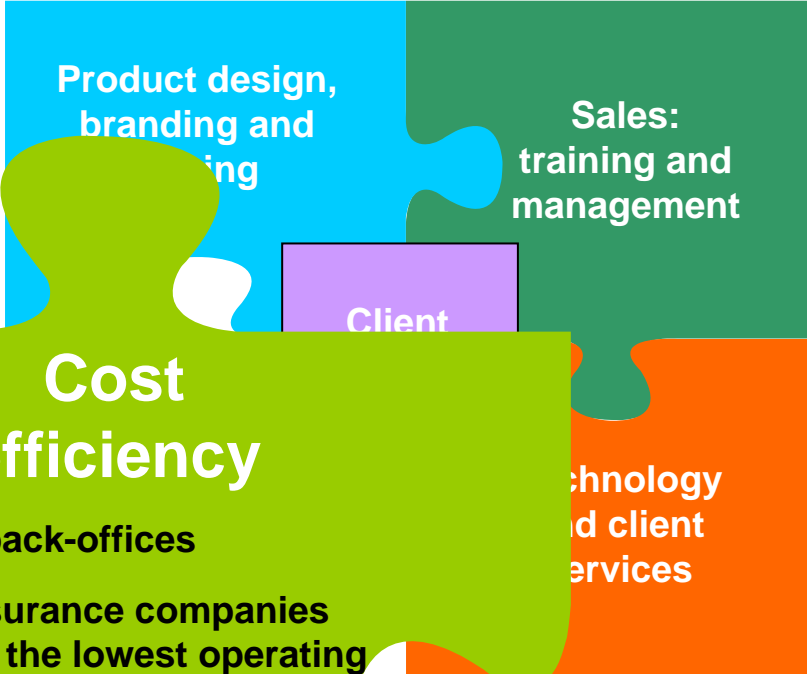
	Revenus	Charges	Disponible
M. Durand Pierre	2 500 €		2 500 €
Mme Martin Jocelyne	3 000 €		3 000 €
Commun	500 €	1 400 €	-900 €
Total	6 000 €	1 400 €	4 600 €

Estimation de la capacité d'épargne mensuelle : 685 €

A noter :
- Le client est pré-qualifié. Une nouvelle évaluation est nécessaire avec le 'Questionnaire de connaissance et expérience'.

Imprimer  [Définir le\(s\) projet\(s\)](#)

Crédit Agricole Assurances success is based on a unique integrated bancassurance model– Cost efficiency



Cost efficiency

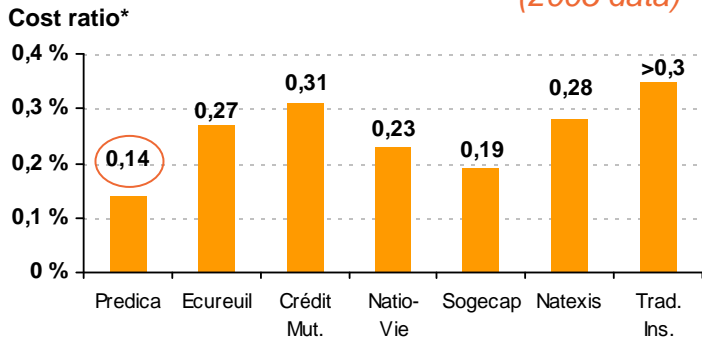
- Integrated back-offices
- CA bancassurance companies have one of the lowest operating ratio in France
- Low branding and advertising costs
- Marketing campaigns and product launches are fully integrated

➔ Banks have higher sales commissions

➔ Lower prices for customers

CA LIFE in France

The lowest operating ratio across the market (2005 data)



* Overheads as a % / mathematical reserves

Source: CA Life

Crédit Agricole Assurances' bancassurance model

Key factors for a successful partnership



BANCASSURANCE
is not just
selling insurance products to bank customers

BANCASSURANCE
is
realising the full-potential of the bank's client base to develop an excellent customised service, and creates the highest value for the bank, the insurance company and the customer

Section

5

Crédit Agricole Assurances: International development strategy

- ✓ Crédit Agricole Assurances' international network
- ✓ Key figures

Crédit Agricole Assurances: international development strategy

An international bancassurer offering attractive partnerships

- **Focusing on three business lines:**

- ✓ Life insurance
- ✓ Property & casualty insurance
- ✓ Creditor

- **Specialising in bancassurance partnerships**

- ✓ Partnerships with Crédit Agricole's foreign entities
 - in retail banking
 - in consumer finance
 - in private banking
- ✓ Exclusive and non-exclusive distribution partnerships with non-group retail banks and consumer finance companies



Crédit Agricole Assurances offers distribution partnerships based on:

- a broad range of competitive products
- a unique expertise in the three business lines
- a sizeable contribution to distributors' revenues

Crédit Agricole Assurances: international development strategy

Crédit Agricole bancassurance business model creates value based on complementary strengths and skills

Joint Venture

Bank

- Local market knowledge
- Distribution capacity
- Large customer database
- Strong brand name

Crédit Agricole Assurances

- Customer-driven approach: efficient use of segmentation
- Close relationship with the distribution partner
- Risk management, asset management & reinsurance experience
- IT resources

Crédit Agricole Assurances: international development strategy

Current International network (1/2)

LIFE

Portugal
BES Vida

Spain
Branches of BES Vida
and Predica

Luxemburg
CALI Europe

Greece
Emporiki Life

Italy
Crédit Agricole Vita

Serbia
Crédit Agricole Life

Lebanon
Bancassurance SAL

Poland
CALI Europe

Japan
Crédit Agricole Life
Japan

NON-LIFE

Portugal
BES Seguros

Greece
Emporiki insurance

Italy
CA Assicurazioni

Uruguay
Crédit Agricole
Distribuidora de
Seguros ¹

¹ broker

CREDITOR INSURANCE

CACI

Presence in
14 European countries
(25 partners)

Ireland
Poland
Netherlands
Portugal
Switzerland
United Kingdom
Sweden
Finland
Norway
Belgium
Denmark
Germany
Spain
Italy

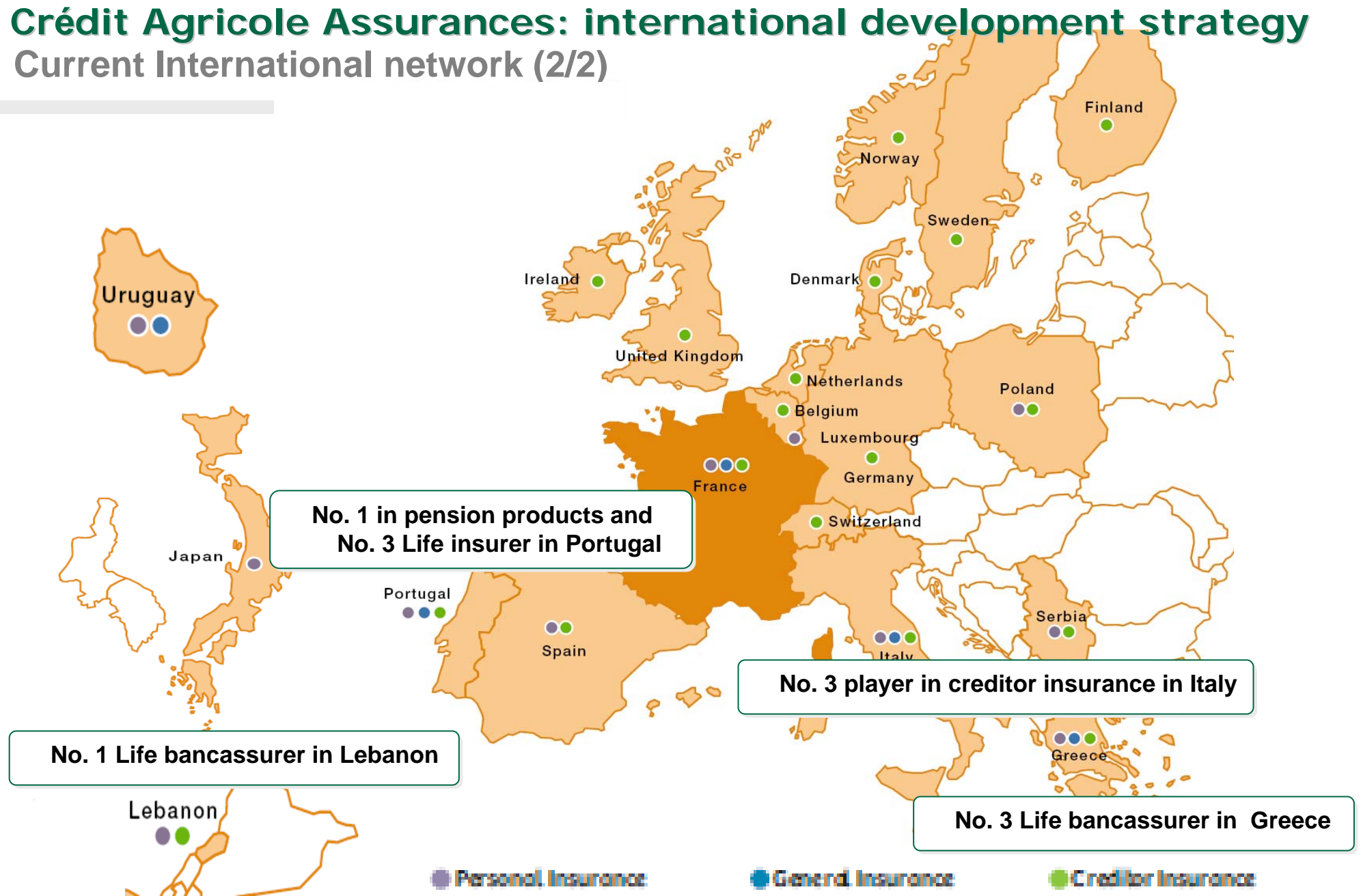
REINSURANCE

Luxemburg
Crédit Agricole Risk
Insurance

Luxemburg
Crédit Agricole
Reinsurance

Crédit Agricole Assurances: international development strategy

Current International network (2/2)



Crédit Agricole Assurances: international development strategy

Contribution from international insurance activities

Premium income by business, outside France (in € million)

	2005	2006	2007	2008
Life	656	2,063	3,406	3,811
Non-life	0	153	73*	73
Creditor insurance	93	187	321	447
Reinsurance	51	58	62	85
TOTAL	800	2,461	3,862	4,416

Contribution to Group insurance revenues

3%

9%

15%

20%

* Sale of Phoenix Metrolife (Greece) in April 2007

LUKAS BANK

Zaskoczony czy ubezpieczony?

Ubezpieczenie na życie

TAK POWINNO BYĆ W KAŻDYM BANKU

Poland

Gentile Cliente,
ti ringraziamo per averci dato la tua fiducia, affidandoci la cura della tua auto.
In questo documento troverai tutte le informazioni utili sul tuo contratto e i servizi a tua disposizione.

Buon viaggio.
CREDIT AGRICOLE ASSURANCES

Italy

Investire in tranquillità suona bene.

Prendi nota.
UNIT
DO | RE | MI | FA | SOL | LA | SI
Le formule di investimento unit-linked ti permettono di investire in modo sicuro, con un capitale sicuro, in un mercato sicuro. Con un capitale sicuro, in un mercato sicuro. Con un capitale sicuro, in un mercato sicuro.

FRANSAFUTURE

Investment made safe

FRANSABANK offers your savings an easy way to get the long term investment opportunities with FRANSAFUTURE. It is the most innovative solution to guarantee your profits & security thanks to a linked life insurance with a planned investment plan. Starting with as low as €10,000 invest, you will be successful about your future. Easy, profitable and secure.

FRANSABANK

Lebanon

CALI EUROPE

CALI
Europe

Luxemburg

この天の恵しみも
たぐひなきほど多きように...

花ざかり

Japan

Przygotuj się na przyszłość

CA LIFE

3u1BENEFIT

zivotno osiguranje - visoka kamata - niska rata

Meridian Bank Credit Agricole Group

Serbia

Seguros

CRÉDIT

PR

SU TRANQUILIDAD

Usted y su Banco, protegiendo lo que más quiere.

CADISE

CREDIT AGRICOLE ASSURANCES

Su Banco siempre

Uruguay

Επενδυτικά Προγράμματα Premium Value

ΕΜΠΟΡΙΚΗ ΤΡΑΠΕΖΑ

Emponiki Bank

Greece

Στεγαστικό Δάνειο

HOMEGUARANTEE

Τώρα μπείτε με σιγουριά στο καινούριο σας σπίτι.

Emponiki Bank

Deixou o seu carro num lugar seguro?

É fácil mudá-lo para aqui

Simule já o seu caso

Soluções de reforma que mudam contigo, aliás, consigo, perdão, com a senhora

soluções BES reforma
Não é por acaso que somos líderes

Portugal

Appendix

Overview of Crédit Agricole Group

Crédit Agricole Group

No. 1

Banking
group
in France
with a 28% market
share

No. 1

Banking
group in Europe
in terms of retail banking
revenues

No. 7

Banking
group worldwide
In terms of Tier 1 capital
(source: The Banker July 2008)

162,000

Employees
throughout the world

58 Million

retail banking customers worldwide
(excluding small businesses and
corporate customers)

11,000

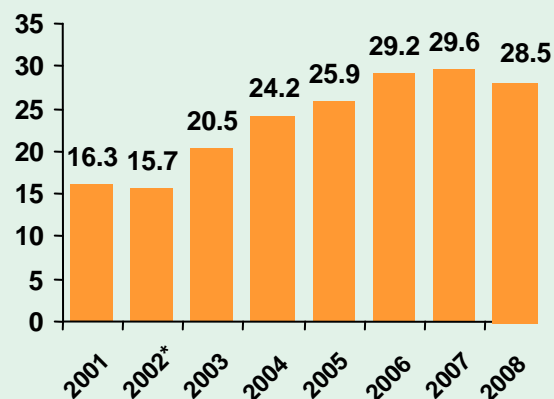
Branches
worldwide

Figures: 2008

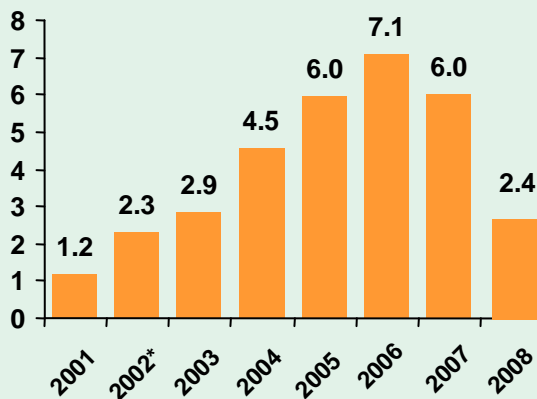
Crédit Agricole Group Key Figures (2008)

- **Income: €28.5 billion**
- **Gross operating income: €8.3 billion**
- **Net income (Group share): €2.5 billion**
- **Shareholders' equity (Group share): €63.7 billion**

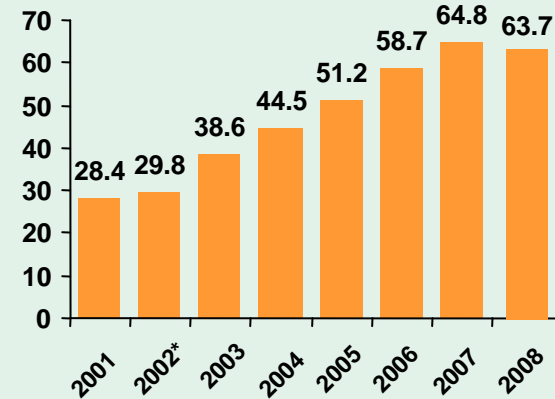
Income 2001 - 2008 (€billion)



Net income Group share 2001 - 2008 (€billion)



Shareholders' equity Group share 2001 - 2008 (€billion)



* 2002: Deconsolidation of Argentina