Nanterre, 12 September 2019

PRESS RELEASE

13th annual market survey of French financial advisors and their clients

Financial advisors ready to help clients take advantage of opportunities introduced by changes in French legislation

BNP Paribas Cardif has published the results of its 13th annual market survey of French financial advisors and their clients[1]. Conducted in France with KANTAR, one of the world's leading market research agencies, the 2019 survey by BNP Paribas Cardif focuses on **the expectations of financial advisors and their clients following the adoption of France's "PACTE" law on Business Growth and Transformation**[2].

Financial advisors believe that pension savings reforms included in the PACTE legislation will create growth opportunities

70% of the financial advisors view the PACTE law as a business development opportunity, confident that it will **generate client contacts and energize their pension savings activity**.

This perception is accentuated by the **significant need for support** manifested by clients, who generally have a limited understanding of the measures in the law. **Only 10% of the financial advisors' clients say they are familiar with the main measures in the law**. This creates substantial demand for support, since four out of ten clients **intend to contact their financial advisor** to obtain information and advice regarding this issue. Nine percent of them have already discussed the PACTE law with their financial advisor. Furthermore, 59% of the clients cite **tax issues** at the top of the list of subjects about which they expect advice from their financial advisor. **Pension savings** is another priority issue, cited by 31% of the clients, who are counting on their financial advisor to provide them with information.

Financial advisors **anticipate changes in the savings behaviour of their clients** due to the measures in the PACTE law. Some 54% of them believe the law will have a **positive impact on inflows**. Over 30% of clients could be motivated to change their savings habits due to the PACTE law: 19% say they are thinking about opening a pension savings plan and 13% say they are considering increasing their contributions to existing plans. **The measure cited by clients and prospects as creating the strongest incentives** is the possibility of **choosing between different exit options at retirement, either an annuity or capital withdrawals with attractive tax benefits**.

These expected shifts in savings behaviour can be attributed to changes anticipated last year following the introduction of France's new **real estate wealth tax (Impôt sur la Fortune Immobilière – IFI)**. Eighteen months after its introduction, the real estate wealth tax has had a significant impact on decisions to choose either investments in property or financial assets. **Over a quarter of financial advisors' clients have either changed their investment choices or have invested more in financial assets** than in property. The impact of this measure is even more marked for higher net worth clients. Forty-two percent of clients with assets in excess of 500,000 euros opted for financial investments rather than property, and 32% of them changed their investment choices.

In this favourable context, **82% of financial advisors are confident in the development outlook for their business.** This confidence is reinforced by the fact that their **recognition has risen significantly** - from 55% in 2018 to 68% in 2019 – and their image capital is trending positively: **33% of their clients have a very good image** of financial advisors, compared with 24% in 2018.

Growing importance of Socially Responsible Investing (SRI)

Socially responsible investing is gaining traction in France and offers very significant growth potential[3]. Awareness of socially responsible investing has increased as well.[4] In addition to still decisive criteria such as security and yield, **over a quarter of financial advisors' clients consider socially responsible investing** as a primary factor when they invest in life insurance vehicles.

However, financial advisors seem to underestimate the importance of the SRI facet of investment choices. **Over half of their clients and prospects think that the socially responsible aspect of funds is important**, while SRI is viewed as important by only 35% of the financial advisors. SRI has become a criteria that should not be overlooked and has the potential for creating differentiation. **In fact, 40% of the financial advisors already offer one or more SRI funds** and 27% plan to add SRI investments to their range.

Financial advisors and their clients now make extensive use of digital resources

Financial advisors already call on digital solutions extensively for various aspects of their business. **On average they use four digital solutions:** 84% of them use online subscription tools, 71% employ digital resources for their advisory services, and 68% resort to aggregators. Although usage is increasing, fewer advisors resort to policy comparison tools (40%). The level of satisfaction among the advisors regarding the digital solutions available to them has increased to 69% from 56% in 2018.

Financial advisors still underestimate the appetite of their clients for digital solutions. They estimate that about half their clients are ready to execute all-digital transactions, whereas the survey results show that **61% of their clients are favourable to all-digital channels.**

"Financial advisors are clearly ready to take advantage of the opportunities created by France's recently introduced PACTE legislation. They recognize that their clients need their support and have positioned themselves as essential partners able to provide advice and guide changes to their clients' investment strategies. The financial advisors definitely enjoy solid assets, notably a marked increase in both recognition and image capital during the year. To ensure long-term impact, however, they also need to go further and not underestimate either the digital maturity of their clients or their interest in meaningful investment solutions. These are both fundamental issues that the financial advisors are progressively integrating," says Pascal Perrier, Director of Financial Advisor Networks – Brokers & Digital Business, BNP Paribas Cardif France.

About BNP Paribas Cardif

The world leader in creditor insurance[5], BNP Paribas Cardif plays an essential role in the lives of its policyholder clients, providing them with savings and protection solutions that let them realize their goals while protecting themselves from unforeseen events. As a committed insurer, BNP Paribas Cardif works to have a positive impact on society and to make insurance accessible to the largest possible number of people. In a world that has been deeply transformed by the emergence of new uses and lifestyles, the company, a subsidiary of BNP Paribas, has a unique business model anchored in partnerships. It co-creates solutions with almost 500 partner distributors in a variety of sectors (including banks and financial institutions, automotive sector companies, retailers, telecommunications companies, energy companies) and with financial advisors and brokers who market the products to their customers. BNP Paribas Cardif is a global specialist in personal insurance, serving 100 million clients in 35 countries with strong positions in three regions – Europe, Asia and Latin America – and plays a major role in providing financing for the economy. With nearly 10,000 employees worldwide, BNP Paribas Cardif had gross written premiums of €31.8 billion in 2018.

Follow the latest news about BNP Paribas Cardif on @bnpp_cardif

Complete results for the 2019 Survey of Financial Advisors and their Clients are available on @cardif_fr following #IndispensablesCGP

About KANTAR

KANTAR is the world's leading data, insights and consulting company. We understand more about how people think, feel, shop, share, vote and view than anyone else. Combining our expertise in human understanding with advanced technologies, KANTAR's 30,000 people help the world's leading organisations succeed and grow.

To find out more visit: https://fr.kantar.com/ - @KantarFR

Press contacts

Caroline Le Roux Moreau– 01 41 42 65 61 – caroline.leroux@bnpparibas.com
Valérie Oberlin – 01 41 42 78 17 – valerie.oberlin@bnpparibas.com
Marion Saraf – 01 41 42 70 71 – marion.saraf@bnpparibas.com
Sophie Le Blévec – 01 41 42 69 56 – sophie.s.leblevec@bnpparibas.com

---

[1] : Methodology: telephone survey conducted by KANTAR between 13 May and 31 May 2019 covering:

- a representative sample group of 303 financial advisors (sample group validated as representative using quotas on size of business and region)
- a sample group of 501 clients and prospects of financial advisors with financial assets of 75,000 euros or more (sample group validated as representative using quotas for gender, age, region and personal savings assets).

[2] PACTE : Plan d'Action pour la Croissance et la Transformation des Entreprises – Action Plan for Business Growth and Transformation

[3] Study by BNP Paribas Asset Management / Kantar TNS conducted in December 2018

[4] In 2018, 56% of people in France with assets of over €50,000 knew what socially responsible investing was, compared with 47% in 2017 (Study by BNP Paribas Asset Management / Kantar TNS conducted in December 2018)

[5] Source: Finaccord - 2018