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EXCLUSIVE EDITION

The European Federation of Financial Advisers and Financial Intermediaries
Der Europäische Dachverband der unabhängigen Finanzberater und Finanzvermittler
La Federazione Europea dei Consulenti e Intermediari finanziari
La Federación Europea de Asesores e Intermediarios Financieros

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SPONSORS

AFPA

Verband der österreichischen Finanz- und Versicherungsprofessionisten

ANACOFI

Association Nationale des Conseils Financiers

ANASF

Associazione Nazionale Consulenti Finanziari

ANCDGP

Association Nationale des Conseils Diplômés En Gestion de Patrimoine

EFS

Euro Finanz Service AG

Fidurhône SA

GSCGI

Groupement Suisse des Conseils En Gestion Indépendant

Nucleus Holdings SCA

OVB

OVB Holding AG

USF

Union of Financial Advisers and Intermediaries

VOTUM

Verband Unabhängiger Finanzdienstleistungs-Unternehmen in Europa e. V.





Paul Stanfield

Secretary General

Despite forming the backbone of European financial distribution in many retail industries, including insurance, investments and mortgages, the advisory sector is fragmented and there used to be little if any consistent data reporting or aggregation. Because reliable empirical data was missing, regulatory proposals made by the European Commission in this regard were often inappropriate and could not be qualified correctly.

For these reasons FECIF commenced its **White Book 2017** project, with the scope of the research analysing the European independent financial advice industry in unprecedented detail. Overleaf there is an explanation about this unique work, followed by details of the methodology on the following page. The data, on an individual country basis, then follows.

As a separate but linked undertaking, we then subsequently launched the **FECIF Expertise Initiative**, where intensive surveys of significant industry matters generate unique data and conclusions.

By utilising the vast spread, expertise and experience of our membership we are able to conduct market-leading and often matchless research on a regular basis.

As part of this programme, we conducted our **"Inducements under Pressure"** survey in late 2017, which included 10 of the largest markets across Europe. This proved that the commission and inducements regimes across Europe had changed the investment sector dramatically, particularly in some countries. Full details can be found towards the end of this document.

Our next survey and research, conducted in 2018, found that **Fintech development and regulation was highly variable across Europe**. A total of 11 national associations participated, covering 9 core EU countries, with cumulative populations of over 350 million and contributing over 70% of the EU's GDP. Whilst in the majority of surveyed markets, Fintechs were found to operate under the same regulatory framework, this was not the case everywhere and, in one particular example, such companies were found to have regularly breached the rules, representing serious sources of consumer protection risk. Once again, full details can be found towards the back of this issue.

For the first time this report brings together all of this research and data in full, in one single document, for the benefit of all. I hope that you find it beneficial.



Johannes MUSCHIK

FECIF Board Member and
Former Chairman

Financial advisers and intermediaries play a significant role in the distribution of insurance, investments, loans and personal pension schemes. But, so far, no resilient, extensive and internationally comparable figures have been collected about this sector, on a European basis. For the first time, the Pan-European Financial Advice Market Research Project, which was conducted by FECIF, addressed this information gap by providing facts and figures on a country by country basis.

Financial advisers and intermediaries constitute a key factor in the financial infrastructure of each country. One of the major successes of the industry is to provide advisory services as close and easy as possible to the customer, thereby avoiding unnecessary expense for them. Around 100 million consumers within the EU regularly use the services of professional financial advisers.

They are primarily committed to the customer and define themselves as experts in a jungle that is almost unmanageable for the layman - at various times advising on insurance, savings, investment opportunities and credit offers.

FECIF invited national trade bodies, local and European authorities, universities, asset managers, investment houses, and insurance and consultancy companies to support and sponsor this unique industry research project. I personally thank all of them who contributed and helped to make this a success. My congratulations go to the Project Manager, Mr. Jiří Šindelar, and our back-office team for their continuous commitment during the hundreds of working hours required to collect, collate, consolidate and validate mountains of data.

As the official representative of over 245,000 financial advisers and intermediaries, with more than 639,000 employees in total, FECIF is continuously working with European regulators and stakeholders to ensure that regulation protects consumers in an appropriate and feasible manner. We will be happy to provide and share our current data and comprehensive statistics to all entities involved in the regulation of the financial market.

Johannes Muschik
FECIF Board Member and Former Chairman

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Jiří Šindelář, Ph.D.

Project Manager

About the project

The scope of this FECIF research project was to analyse the European independent financial advice industry in unprecedented detail. This is no small feat, because contrary to information on financial institutions themselves, there is little data available on the European advisory sector. Most of our research results had, therefore, to be extracted with the help of FECIF members, making them unique among contemporary studies. Incorporated in this survey were only independent advisers, i.e. entities not tied and/or directly owned by a financial institution, such as a bank or insurance company.

The data presented in this White Book also originate from three secondary sources:

- official databases of public institutions
- internal reporting systems of FECIF national member associations

- qualified judgment of FECIF members on the basis of the previous sources, where no other data was available

In each chapter, references are provided for every figure detailed, while figures derived through expert approximation are labelled as such. All of these inputs were cross-checked via multiple sources, ensuring a high level of internal and external validity. Most of the data are related to our target year of 2015, with minor exceptions visibly marked.

Overall, it feels safe to say that data on the advisory market is not easily available, despite the crucial role that advisers play in the financial well-being of the European population. With respect to this, the ease with which new regulations are imposed is surprising, given the apparent lack of accurate market descriptors. With this publication, we hope to correct the sometimes inaccurate perception of EU policymakers.

Our research team welcomes any feedback or comments with regards to the presented data.

Jiří Šindelář, Ph.D.
Project Manager

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METHODOLOGY

FECIF data study – European IFA market in 2015/2016 (Proposed criteria)

Criteria	Detailed setting	Note
I. Number of people involved in investment services, banking & insurance		
I.a Investment services		
Brokers/Advisers acting on behalf of the client	Companies/Individuals	
Agents representing one or more providers or producers	Companies/Individuals	
I.b Banking products		
Brokers/Advisers acting on behalf of the client	Companies/Individuals	
Agents representing one or more providers or producers	Companies/Individuals	
I.c Insurance		
Brokers/Advisers acting on behalf of the client	Companies/Individuals	
Agents representing one or more providers or producers	Companies/Individuals	
II. Amount of annual sales (IFAs)		
II.a Investment services		
Investment funds (UCITS based)	No. of contracts sold/Amount of money invested through these contracts	Pcs/EUR million
Investments funds (non-UCITS)	No. of contracts sold/Amount of money invested through these contracts	Pcs/EUR million
Other investment instruments	No. of contracts sold/Amount of money invested through these contracts	Pcs/EUR million
II.b Banking products		
Bank accounts	No. of contracts sold/Amount of money invested through these contracts	Pcs/EUR million
Bank savings	No. of contracts sold/Amount of money invested through these contracts	Pcs/EUR million
Mortgage credits	No. of contracts sold/Value of mortgages provided on behalf of these contracts	Pcs/EUR million
Other credits	No. of contracts sold/Value of credits provided on behalf of these contracts	Pcs/EUR million
II.c Insurance (new business – APE)		
Life insurance – regularly paid	No. of contracts sold/Yearly premium on these contracts	Pcs/EUR million
Life insurance – single payments	No. of contracts sold/One-tenth (1/10) of premium on these contracts	Pcs/EUR million
Non-life insurance	No. of contracts sold/Yearly premium on these contracts	Pcs/EUR million
III. Assets under advice (IFAs)		
Investment funds (UCITS based)	Amount of assets sold historically	EUR million
Investments funds (non-UCITS)	Amount of assets sold historically	EUR million
Other investment instruments	Amount of assets sold historically	EUR million
Bank savings	Amount of assets sold historically	EUR million
Life insurance (unit-linked)	Amount of assets sold historically	EUR million
Other AUA	Amount of assets sold historically	EUR million

White Book 2017

Country-Specific Data

GERMANY⁽¹⁾

German economic growth seemed to be cooling somewhat at the beginning of the year. The business confidence indicators for January were down, due to increasing uncertainty in the international environment following Donald Trump's accession to office. Heightened global uncertainty will weigh on growth this year. Despite decelerating, domestic demand should be the main contributor to growth this year, supported by a tightening labour market and strong wage growth.

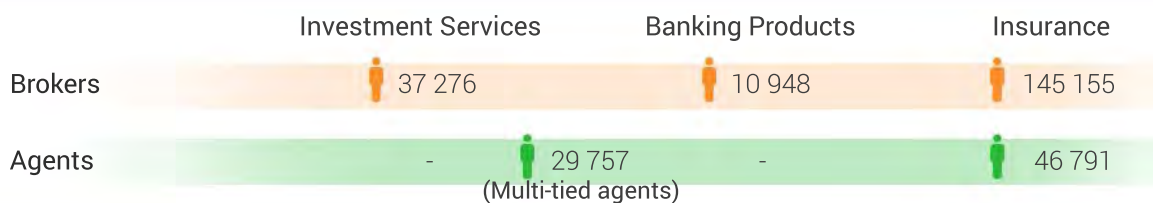


FACTS & FIGURES⁽²⁾

-  **Government structure:**
Federal parliament republic
-  **Capital city:**
Berlin
-  **Geographical area:**
Total 357,168 km²
-  **Population:**
82.175.684
-  **GDP (nominal/2016):**
3,132 € tn (total)
37,900 € (per capita)
-  **Employment rate:**
78%
-  **Inflation rate:**
1.9 % (Jan/17)

I. Workforce⁽³⁾

Number of people involved in investment services, banking products & insurance



II. Amount of annual sales⁽⁴⁾

Amount of financial products distributed through independent financial advisers.

II.1. Investment



Amount of money invested through these contracts

II.2. Banking Products



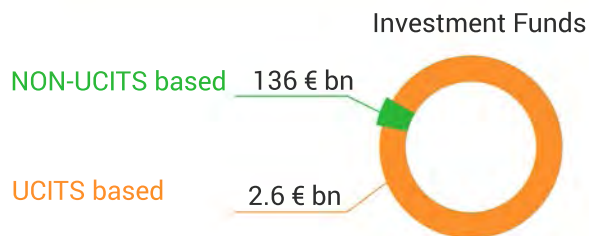
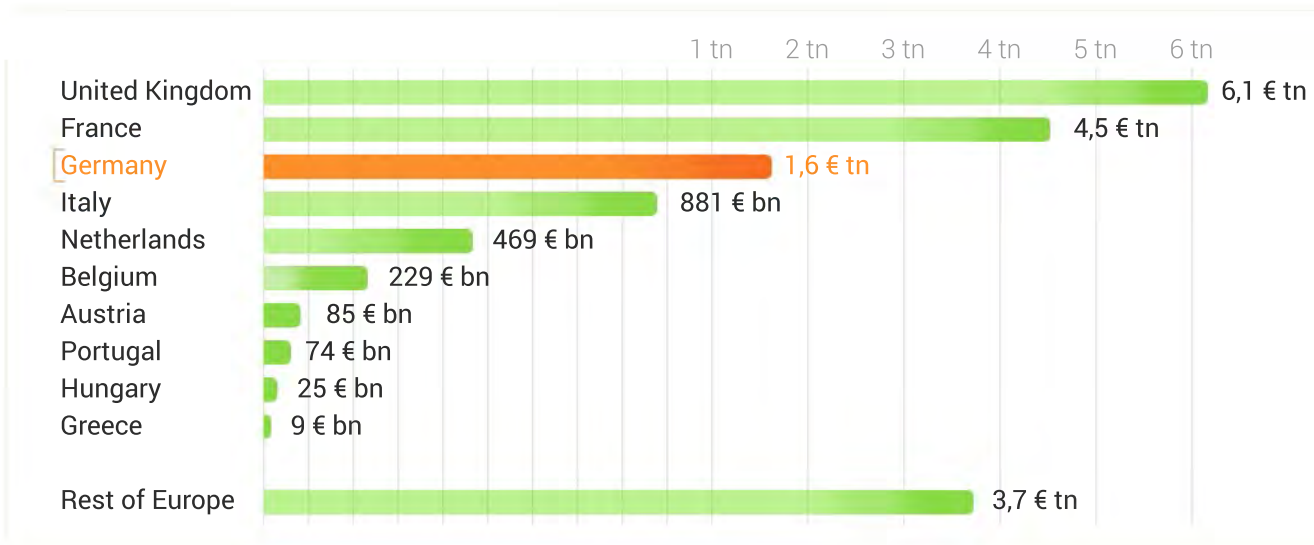
II.3. Insurance





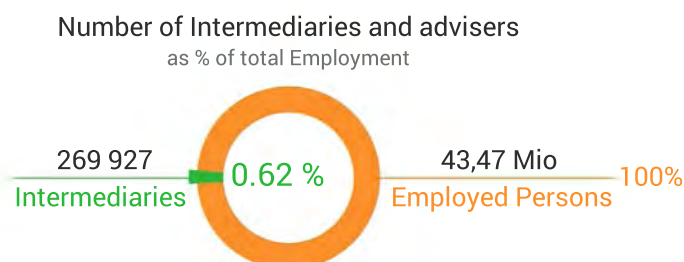
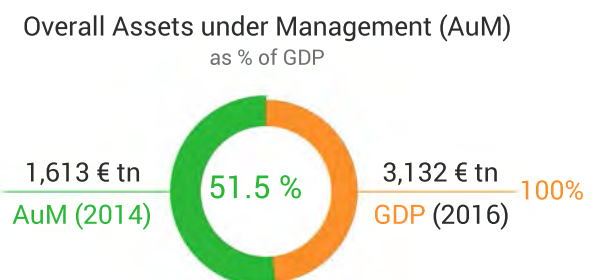
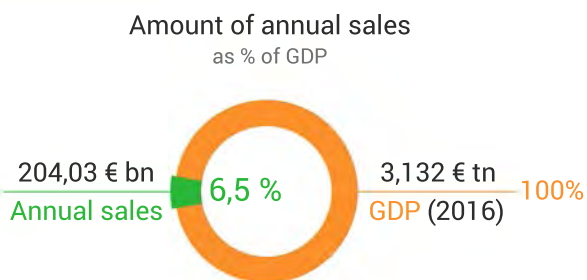
III. Assets under management (AuM)⁽⁵⁾

Total assets under management (AuM) garnered by investment funds



IV. Macroeconomic aspects of intermediary industry

Proportion of intermediary industry on selected macroeconomic indicators.



Sources:

- (1) Focus-Economics.com
- (2) Wikipedia; Eurostat; Tradingeconomics.com;
- (3) Verband Unabhängiger Finanzdienstleistungs-Unternehmen in Europa (VOTUM)
- (4) VOTUM; OECD Statistics; EFAMA Annual Report
- (5) EFAMA Asset Management in Europe 2015; VOTUM

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