

Annual survey of financial advisors

Financial advisors show solid morale and look to the future with optimism despite successive crises

- 80% of financial advisors believe their clients are seeking lower-risk investments for their assets and 73% say clients want to diversify their portfolios.
- 93% of financial advisors say new clients contact them for retirement planning.
- 80% of financial advisors remain confident in their profession.
- 62% of financial advisors expect clients to be more attentive to yield in the coming months.
- Regulation is the main challenge for the profession, cited by 69% of respondents.
- 7 out of 10 financial advisors are considering either an acquisition or divestment transaction.

BNP Paribas Cardif has released the results of its 17th annual survey of financial advisors¹. Conducted with Kantar, one of the world's leading market research agencies, the 2023 BNP Paribas Cardif survey evaluated the morale of financial advisors and asked about the impact of the current geopolitical and economic situation on their business, as well as the expectations of their clients.



"Morale among financial advisors remains high in the face of changes and challenges for the profession. While yield has become a high priority for clients, as the financial advisors expected, euro fund products – which ensure both yield and the security of investments – have gained a prominent place within life insurance contracts. Furthermore, the survey confirmed the interest of both clients and financial advisors in solutions to prepare for retirement. Over a third of the financial advisors say they intend to expand their individual retirement offering," comments Delphine Mantz, Director of Financial Advisor Networks – Brokers & Digital Business, BNP Paribas Cardif France

Optimism buoyed by solid business development momentum

Three out of ten financial advisors say they have been impacted by the current geopolitical and economic situation, marked by inflation and higher interest rates, and 27% say this impact has been substantial, up from 16% in 2022. Nevertheless, 95% of the financial advisors feel the profession is quite healthy. The outlook for the profession remains optimistic for this year, driven in particular by solid business development momentum. Some 64% of the financial advisors say their clientele has grown over the past 12 months. This growth trend is found in particular at firms with three or more employees (73%).

This momentum is also seen in the lower average age of the client base for half the advisors surveyed. What's more, nearly a quarter of them are seeing more clients from less affluent income brackets

¹ Methodology: online survey conducted by Kantar from 30 May to 27 June 2023, covering a representative sample (weighted according to size of the firms) of 158 financial advisors in France.

among the new additions to their portfolios. Financial advisors are equally optimistic regarding the long-term development outlook, with 80% expressing their confidence in the profession over a 12-month horizon (compared with 78% last year), and 84% saying they project significant growth potential for the coming five years.

Financial advisors expect clients to be more demanding in terms of yield, in addition to security and diversification

The majority of financial advisors (59%) note continued concerns among clients regarding their investments. This phenomenon has led to stability and sometimes a drop in their financial investments. For 45% of the advisors, clients have taken steps to reduce the amount of investments in financial instruments. Furthermore, the profession reports that clients have sought to refocus their investments in less risky funds (80%) and diversify their invested assets beyond life insurance products (over 70%). Given levels of inflation and higher interest rates, 62% of the financial advisors expect their clients to place greater importance on the yield of their investments in the months ahead, in addition to security.

With regards to the type of assets held in life insurance contracts, this year marked the return of euro funds and the development of certain asset classes among the investment solutions that the financial advisors propose to their clients. Some 39% of the advisors say they will propose more euro funds (compared with 14% in 2022), while 54% will suggest structured products, 44% bonds and 42% socially-responsible investments.

Furthermore, in addition to life insurance products, protection and retirement products remain very much in demand. A full 93% of the financial advisors in the survey say that new clients have contacted them specifically to prepare for retirement, in addition to growing their assets, and 22% say retirement planning is the primary motivation. This led 37% of the advisors to say they will strengthen the position of individual retirement offerings in their portfolios over the coming two years, and 22% say they will expand their offer of collective retirement products.

Lastly, financial advisors confirm the importance of social and environmental responsibility criteria in the choice of funds. The prominence of this aspect has stabilized over the past three years, and 62% of the advisors say that the environmental, social and governance (ESG) profile of a fund is important (66% in 2022). Half the financial advisors believe that more and more of their clients will be motivated to make meaningful investments and make targeted choices when they invest their assets.

Changes in the profession: regulatory environment remains a permanent challenge for financial advisors

Today, 69% of financial advisors cite regulation as the primary challenge facing the profession, ahead of identifying investment solutions aligned with the economic context or asset allocation. The advisors recognize the utility and need to apply these regulations, since 69% see the regulatory framework as something that protects them, as well as their clients (64%), and 17% strongly believe that this is the case. This is reflected in the fact that the great majority of them (82%) rely on industry associations to keep them current about regulatory changes and to ensure their compliance, while 25% turn to financial establishments.



**BNP PARIBAS
CARDIF**

**L'assureur
d'un monde
qui change**

Lastly, financial advisors are positive about the changes impacting the profession. The survey once again this year confirmed that the structure of the market continues to evolve, with a tendency towards consolidation. In this latest survey, seven out of ten financial advisors say they could be involved in either acquisition or divestment transactions (68% vs. 65% in 2022).

About BNP Paribas Cardif

BNP Paribas Cardif is a world leader in creditor insurance*, providing its more than 80 million customers with products and services that let them realize their goals while protecting themselves from unforeseen events. BNP Paribas Cardif is committed to having a positive impact on society and to making insurance more accessible. A subsidiary of BNP Paribas, the insurer has a unique business model anchored in partnerships. It creates solutions for more than 500 partner distributors in a variety of sectors – including banks and financial institutions, automotive sector companies, retailers, telecommunications companies and energy companies – as well as for financial advisors and brokers who market the products to their customers. With a presence in more than 30 countries and strong positions in Europe, Asia and Latin America, BNP Paribas Cardif is a global specialist in personal insurance and a major contributor to financing for the real economy. With nearly 8,000 employees worldwide, BNP Paribas Cardif had gross written premiums of €30,0 billion in 2022.

Follow the latest news about BNP Paribas Cardif on LinkedIn, X or www.bnpparibascardif.com

*Source : Finaccord - 2022

Press contacts

Géraldine Duprey - +33 (0)6 31 20 11 76 - geraldine.duprey@bnpparibas.com

Marine Ledda - +33 (0)6 69 27 77 98 - marine.ledda@bnpparibas.com

About Kantar

Kantar est le leader mondial de l'analyse des données Marketing. Kantar propose une compréhension unique et exhaustive de la façon dont les individus pensent, ressentent et agissent, à l'échelle mondiale et locale, à travers plus de 90 marchés. En combinant l'expertise de ses équipes, les bases de données, les analyses et technologies innovantes, Kantar aide ses clients à comprendre les individus et à stimuler leur croissance : Understand People, Inspire Growth.



**L'assureur
d'un monde
qui change**