

# Automobile Insurance Industry Report

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Quálitas® .....



México



## Quálitas heads the market with a 22.7% share

Mexico City; May 22, 2013

### Automobile Industry<sup>1</sup>

Sales of new vehicles as of March 2013 grew 5.9%, reaching 255,487 units. This figure surpasses the 2013 GDP growth estimate of 3.1%, but is still below the 2008, 2007 and 2006 levels.

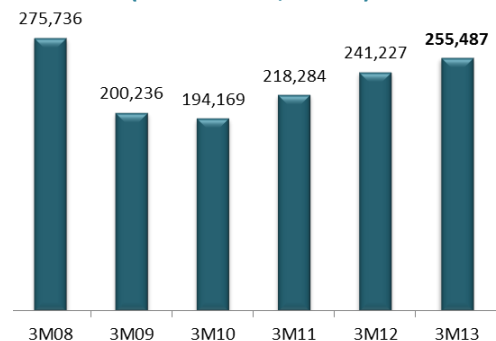
According to the AMDA, during the first quarter of 2013, automobile financing increased by 7.1%, which amounts to 8,885 additional units. The figures of this period are still 27.4% lower than those of 2007.

During the first quarter of the year, imports of used automobiles amounted to 152,970 units, equal to 61.9% of the total sales of new cars. Imports increased by 44.3%, when compared to the same period of 2012.

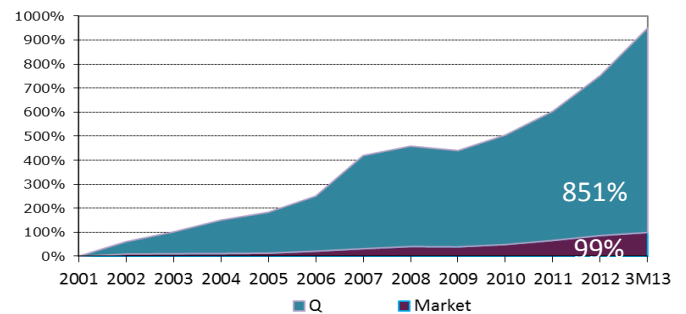
### The Automobile Insurance Industry

It is worth noting that the net profit for the industry increased by 14.5%, supported by a slight decrease in the combined cost ratio. Premiums written amounted to \$17,542, recording a 6.8% growth. The top 5 companies grew by 11.9%, the medium ones, by 2.0%, and the small companies registered a 22.2% decrease.

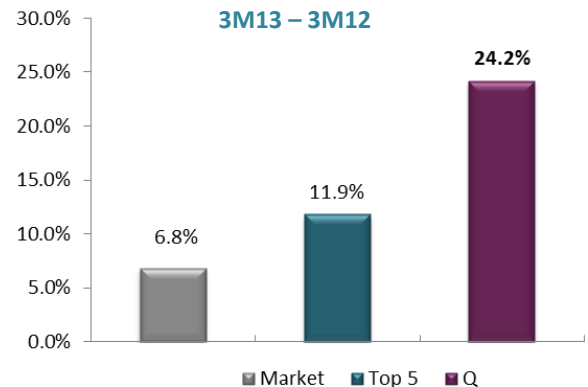
Nationwide Sales of New Vehicles  
(Automobiles, Trucks)



Growth in Premiums Written  
Base 2001 = 0



Growth in Premiums Written  
3M13 – 3M12



<sup>1</sup> Source: AMIA (Mexican Association of the Automobile Industry), ANPACT (National Association of Bus, Trucks, and Tractor Trucks Producers) and AMDA (Mexican Association of Automotive Distributors). Figures are expressed in units of sold vehicles.

Figures are stated in sold automobile units

## Automobile Insurance Industry 3M13

(Figures in millions of pesos)

|    | Companies               | Premiums      | Market Share | Growth<br>3M13 - 3M12 | L&LAE<br>Ratio |
|----|-------------------------|---------------|--------------|-----------------------|----------------|
| 1  | <b>Qualitas</b>         | <b>3,990</b>  | <b>22.7%</b> | <b>24.2%</b>          | <b>63.7%</b>   |
| 2  | G.N.P.                  | 2,440         | 13.9%        | 40.4%                 | 53.7%          |
| 3  | AXA Seguros             | 2,382         | 13.6%        | -18.8%                | 62.7%          |
| 4  | Aba/Seguros             | 1,538         | 8.8%         | 10.9%                 | 57.3%          |
| 5  | Mapfre Tepeyac          | 1,111         | 6.3%         | 13.8%                 | 60.3%          |
|    | <b>LARGE</b>            | <b>11,460</b> | <b>65.3%</b> | <b>11.9%</b>          | <b>60.4%</b>   |
| 6  | Inbursa                 | 1,095         | 6.2%         | -21.7%                | 48.2%          |
| 7  | BBVA Bancomer           | 1,040         | 5.9%         | 3.4%                  | 51.4%          |
| 8  | Banorte Generali        | 1,035         | 5.9%         | 2.8%                  | 55.7%          |
| 9  | HDI Seguros             | 503           | 2.9%         | 80.4%                 | 58.0%          |
| 10 | Zurich Daños            | 497           | 2.8%         | 18.7%                 | 49.2%          |
| 11 | Atlas                   | 409           | 2.3%         | 1.6%                  | 64.9%          |
| 12 | General de Seguros      | 229           | 1.3%         | 11.4%                 | 60.6%          |
| 13 | ANA                     | 212           | 1.2%         | -12.0%                | 62.2%          |
| 14 | Afirme                  | 191           | 1.1%         | 1.0%                  | 56.1%          |
| 15 | AIG Seguros             | 170           | 1.0%         | 33.1%                 | 46.4%          |
|    | <b>MEDIUM</b>           | <b>5,381</b>  | <b>30.7%</b> | <b>2.0%</b>           | <b>53.6%</b>   |
|    | <b>SMALL</b>            | <b>701</b>    | <b>4.0%</b>  | <b>-22.2%</b>         | <b>53.1%</b>   |
|    | <b>MARKET (34 Comp)</b> | <b>17,542</b> | <b>100%</b>  | <b>6.8%</b>           | <b>58.0%</b>   |

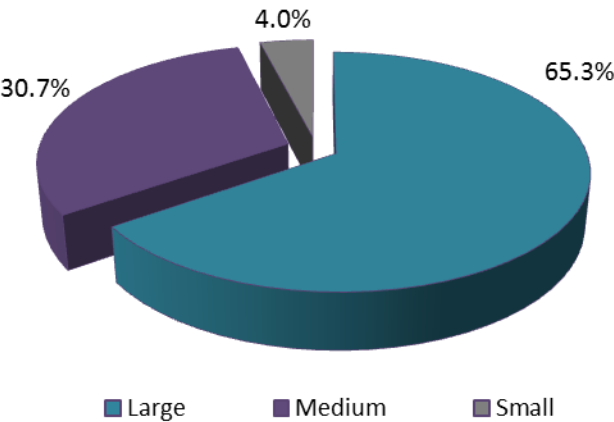
|    | Companies               | Operating Result | Investment Income | Net Result   | Combined Ratio |
|----|-------------------------|------------------|-------------------|--------------|----------------|
| 1  | <b>Qualitas</b>         | <b>235</b>       | <b>255</b>        | <b>351</b>   | <b>87.4%</b>   |
| 2  | G.N.P.                  | 173              | 137               | 220          | 82.9%          |
| 3  | AXA Seguros             | 276              | 94                | 327          | 91.9%          |
| 4  | Aba/Seguros             | 164              | 127               | 285          | 78.4%          |
| 5  | Mapfre Tepeyac          | -4               | 41                | 22           | 95.1%          |
|    | <b>LARGE</b>            | <b>844</b>       | <b>654</b>        | <b>1,206</b> | <b>87.2%</b>   |
| 6  | Inbursa                 | 319              | 61                | 295          | 78.8%          |
| 7  | BBVA Bancomer           | 198              | 248               | 314          | 68.4%          |
| 8  | Banorte Generali        | 186              | 47                | 165          | 73.6%          |
| 9  | HDI Seguros             | -8               | 13                | 17           | 88.6%          |
| 10 | Zurich Daños            | -16              | 12                | 19           | 97.5%          |
| 11 | Atlas                   | 41               | 21                | 49           | 87.8%          |
| 12 | General de Seguros      | 6                | 49                | 42           | 90.0%          |
| 13 | ANA                     | -6               | 10                | 2            | 100.7%         |
| 14 | Afirme                  | 2                | 10                | 9            | 88.2%          |
| 15 | AIG Seguros             | -6               | -2                | -3           | 81.9%          |
|    | <b>MEDIUM</b>           | <b>715</b>       | <b>471</b>        | <b>910</b>   | <b>80.3%</b>   |
|    | <b>SMALL</b>            | <b>92</b>        | <b>25</b>         | <b>178</b>   | <b>88.0%</b>   |
|    | <b>MARKET (34 Comp)</b> | <b>1,651</b>     | <b>1,150</b>      | <b>2,294</b> | <b>85.1%</b>   |



## Market Share

65.3% of the automobile insurance market is served by the 5 largest companies in the market. Companies classified by AMIS as large attained 2.9 percentage points of market share during the first three months of the year, while the medium and small companies lost 1.4 and 1.5 percentage points, respectively.

Market Share  
Automobile Insurance



**Q** remains well-positioned in the major segments of the market.

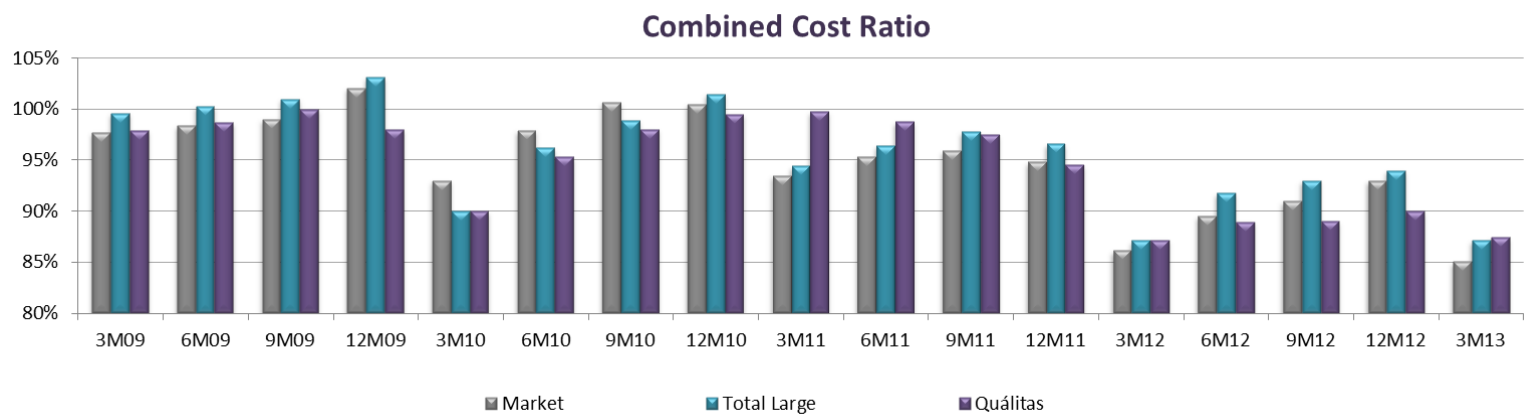
| Breakdown of the Automobile Insurance Market |                  |                   |              |
|--|------------------|-------------------|--------------|
|  | Premiums Written | Q's Participation | Q's Position |
| Cars   | \$11,983         | 19.5%             | 1            |
| Trucks                                       | \$4,798          | 32.9%             | 1            |
| Tourists                                     | \$203            | 16.9%             | 2            |
| Other  | \$558            | 7.8%              | 3            |
| Total  | \$17,542         | 22.7%             | 1            |



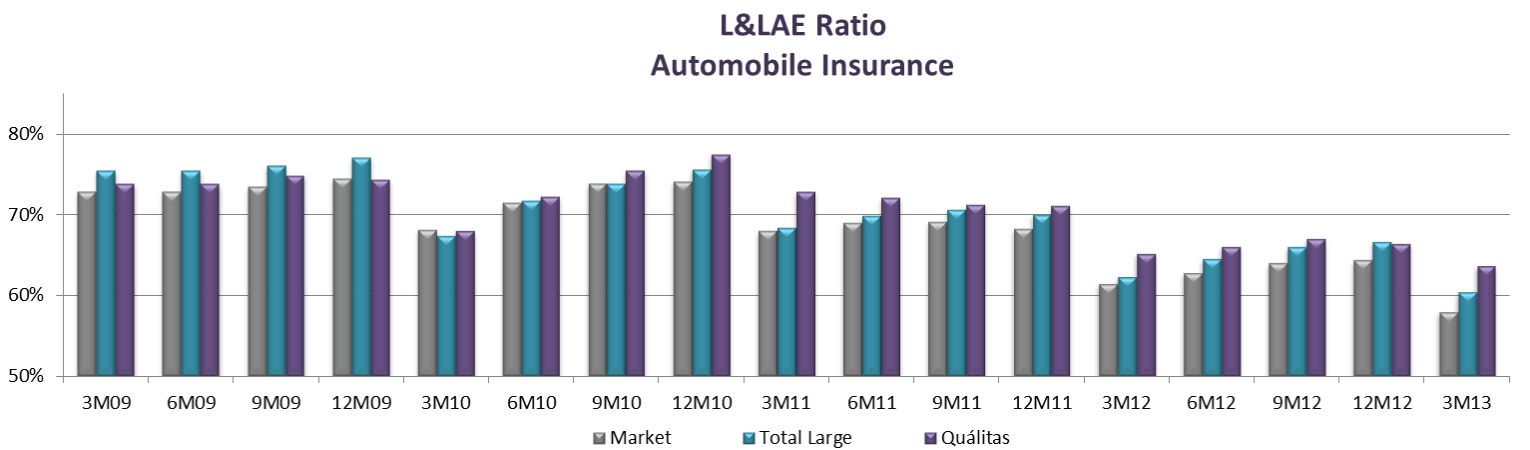


## Costs

The combined cost ratio for the industry reached 85.1%, the lowest level in the last 5 years. The five large companies registered, on average, ratios of 87.2%, and **Q**, of 87.4%.



As with the combined cost ratio, the industry's L&LAE ratio registered its lowest level in 5 years. The figure for the industry during the period stood at 58.0%; that of the five large companies, at 60.4%, and the ratio for **Q** amounted to 63.7%.



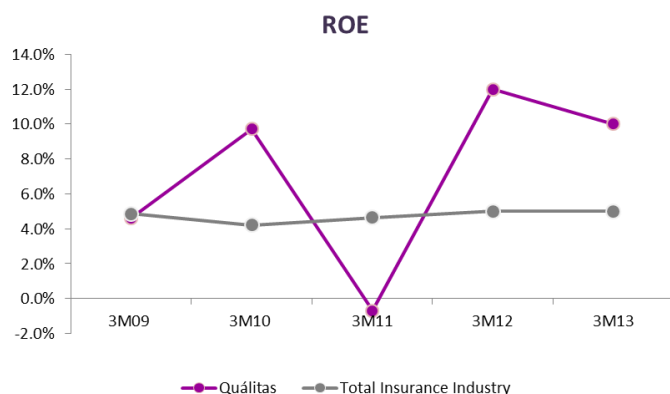
## Insurance Industry Profitability

The following table shows the profitability comparables for the insurance industry, which, in aggregate, stands at 5% for the first three months of the year.

It is important to point out that this calculation is not available by industry segment, since the information available is the ROE from consolidated figures, calculated with the profit from all segments for the period.

During this period, **Q** registered a solid profitability, of 10%.

|    | Company                 | Total Premiums<br>3M13 | ROE<br>3M13<br>% | ROE<br>3M12<br>% |
|----|-------------------------|------------------------|------------------|------------------|
| 1  | Metlife Mexico          | 12,634                 | 3%               | 1%               |
| 2  | G.N.P.                  | 9,529                  | 6%               | 5%               |
| 3  | AXA Seguros             | 6,081                  | 3%               | 2%               |
| 4  | Inbursa                 | 5,338                  | 7%               | 6%               |
| 5  | BBVA Bancomer           | 4,748                  | 11%              | 16%              |
| 6  | Banamex                 | 4,630                  | 7%               | 6%               |
| 7  | Banorte Generali        | 4,533                  | 9%               | 9%               |
| 8  | Monterrey New York Life | 4,133                  | 1%               | 4%               |
| 9  | <b>Qualitas</b>         | <b>3,991</b>           | <b>10%</b>       | <b>12%</b>       |
| 10 | Mapfre Tepeyac          | 3,341                  | 4%               | 2%               |
| 11 | Santander               | 2,944                  | 10%              | 6%               |
| 12 | Atlas                   | 1,858                  | 5%               | 2%               |
| 13 | Aba/Seguros             | 1,790                  | 10%              | 8%               |
| 14 | Allianz Mexico          | 1,763                  | 8%               | 6%               |
| 15 | Zurich Daños            | 1,468                  | -1%              | 5%               |
|    | <b>SMALL</b>            | <b>10,676</b>          | <b>4%</b>        | <b>3%</b>        |
|    | <b>MARKET (72 Comp)</b> | <b>79,455</b>          | <b>5%</b>        | <b>5%</b>        |



ROE=Net Result/Average of Stockholders' Equity. It is an effective rate which corresponds to a period of 3 months, as published by AMIS.



*Except for the historic information herein provided, statements included in this document regarding the Company's expected financial and operating business results or regarding the Company's growth potential, constitute "forward-looking statements" based on management's expectations regarding the economic and business conditions in the countries where Quálitas operates.*

## Information sources:

- 1) AMIS. Asociación Mexicana de Instituciones de Seguros, A.C., (Mexican Association of Insurance Institutions); [www.amis.com.mx](http://www.amis.com.mx)
- 2) AMIA. Asociación Mexicana de la Industria Automotriz, A.C., (Mexican Association of the Automobile Industry); [www.amia.com.mx](http://www.amia.com.mx)
- 3) ANPACT. Asociación Nacional de Productores de Autobuses, Camiones y Tractocamiones, A.C., (National Association of Producers of Buses, Trucks and Lorries); [www.anpact.com.mx](http://www.anpact.com.mx)
- 4) AMDA. Asociación Mexicana de Distribuidores de Automotores, A.C. (Mexican Association of Automotive Suppliers); [www.amda.mx](http://www.amda.mx)

If you wish to refer to another source, you may visit the Mexican Insurance Companies' Regulator (National Insurance and Bonds Commission) web page: [www.cnsf.gob.mx](http://www.cnsf.gob.mx)

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