



Mexico



# Automobile Insurance Industry Report

» 3Q12



## Profitability Continues Showing an Upward Trend<sup>1</sup>

Mexico City, November 23, 2012

### Automobile Industry<sup>2</sup>

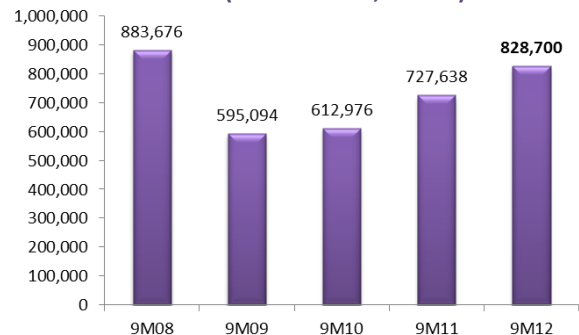
Cumulative sales of new vehicles grew 13.8%. This figure surpasses the growth in GDP (estimated at 3.5% for 2012), but is below the 2008 and 2006 levels, record years of sales in Mexico.

According to the AMDA, during the first half of the year imports of used automobiles from the US amounted to 201 thousand and, if this trend continues, as of year-end 2012 the figure would reach 400 thousand, versus 596 thousand registered last year. This decline is explained by the efforts undertaken by the automotive industry to prevent such imports.

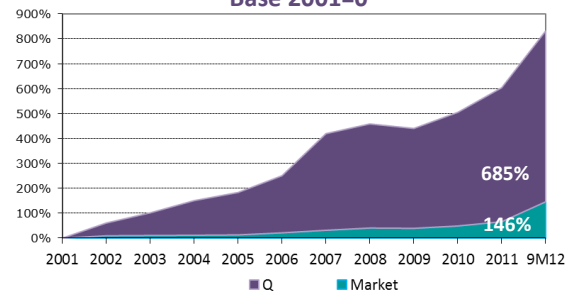
### The Automobile Insurance Industry

It is worth noting that net profit for the automobile insurance industry increased by 52.5%, supported by a reduction of 5 percentage points in the combined cost ratio. Premiums reached \$45,338, registering a 15.0% growth. The large and medium companies recorded growth rates of 16.0 and 18.5% respectively, while the small companies registered a decrease in revenues of 11.8%.

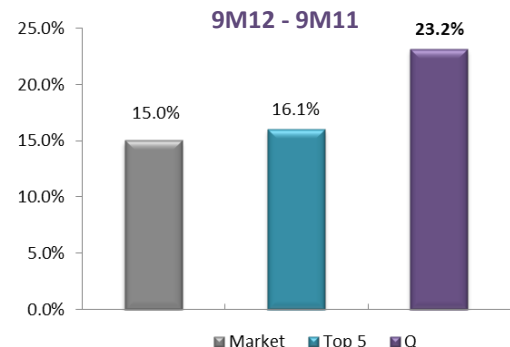
**Nationwide Sales of New Vehicles  
(Automobiles, Trucks)**



**Growth in Premiums Written  
Base 2001=0**



**Growth in Premiums Written**



<sup>1</sup>Throughout this document, figures are stated in millions of pesos, except when otherwise indicated. Figures may vary due to rounding effects; variations expressed are with respect to the same period in 2011.

<sup>2</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.





## Automobile Insurance Industry 9M12

Company	Premiums	Market Share	Growth 9M12 - 9M11	L&LAE Ratio
1 <b>Qualitas</b>	<b>9,824</b>	<b>21.7%</b>	<b>23.2%</b>	<b>67.2%</b>
2 AXA Seguros	7,936	17.5%	20.6%	69.5%
3 G.N.P.	5,058	11.2%	17.2%	63.8%
4 Aba/Seguros	3,565	7.9%	-0.2%	64.5%
5 Inbursa	3,469	7.7%	6.0%	62.5%
<b>LARGE</b>	<b>29,852</b>	<b>65.8%</b>	<b>16.1%</b>	<b>66.4%</b>
6 Mapfre Tepeyac	3,252	7.2%	54.4%	62.7%
7 Banorte Generali	2,471	5.5%	13.0%	62.4%
8 BBVA Bancomer	2,342	5.2%	1.1%	54.9%
9 Zurich	1,316	2.9%	24.2%	50.0%
10 Atlas	1,069	2.3%	5.9%	62.4%
11 HDI Seguros	807	1.8%	19.4%	64.7%
12 ANA	656	1.5%	14.2%	58.8%
13 General de Seguros	525	1.2%	5.0%	66.5%
14 Royal & Sunalliance	465	1.0%	-3.1%	70.9%
15 Afirme	448	1.0%	23.5%	58.8%
<b>MEDIUM</b>	<b>13,352</b>	<b>29.5%</b>	<b>18.5%</b>	<b>60.4%</b>
<b>SMALL</b>	<b>2,135</b>	<b>4.8%</b>	<b>-11.8%</b>	<b>55.1%</b>
<b>MARKET (34 Comp)</b>	<b>45,339</b>	<b>100%</b>	<b>15.0%</b>	<b>64.1%</b>

Company	Operating Result	Investment Income	Net Result	Combined Ratio
1 <b>Qualitas</b>	<b>746</b>	<b>611</b>	<b>966</b>	<b>89%</b>
2 AXA Seguros	301	380	617	97%
3 G.N.P.	(99)	332	184	100%
4 Aba/Seguros	321	293	670	89%
5 Inbursa	177	139	284	92%
<b>LARGE</b>	<b>1,446</b>	<b>1,755</b>	<b>2,721</b>	<b>93%</b>
6 Mapfre Tepeyac	23	104	110	93%
7 Banorte Generali	491	145	451	78%
8 BBVA Bancomer	713	639	963	69%
9 Zurich	55	63	147	91%
10 Atlas	184	65	197	84%
11 HDI Seguros	24	33	68	96%
12 ANA	(1)	32	8	99%
13 General de Seguros	110	103	94	98%
14 Afirme	(70)	30	(22)	116%
15 Royal & Sunalliance	35	28	45	87%
<b>MEDIUM</b>	<b>1,464</b>	<b>1,242</b>	<b>2,061</b>	<b>86%</b>
<b>SMALL</b>	<b>381</b>	<b>130</b>	<b>450</b>	<b>87%</b>
<b>MARKET (34 Comp)</b>	<b>3,305</b>	<b>3,146</b>	<b>5,262</b>	<b>91%</b>

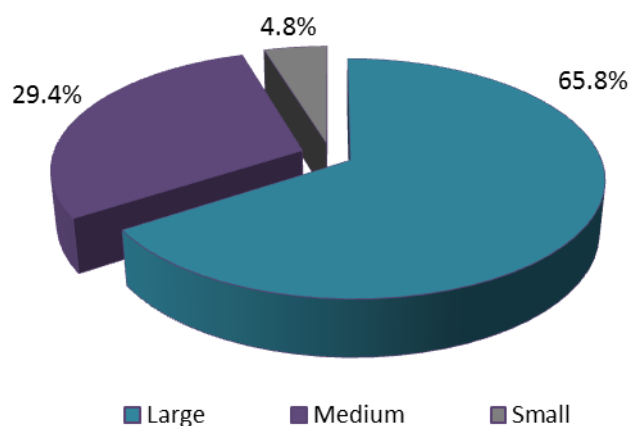




## Market Share

Out of 34 companies authorized to operate in the industry, only 30 are active. 65.8% of the automobile insurance industry is served by 5 companies. The companies classified by AMIS as small have lost market share, as they hold 4.8%, vis-à-vis the 6.1% figure registered in 2011.

### Market Share Automobile Insurance



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

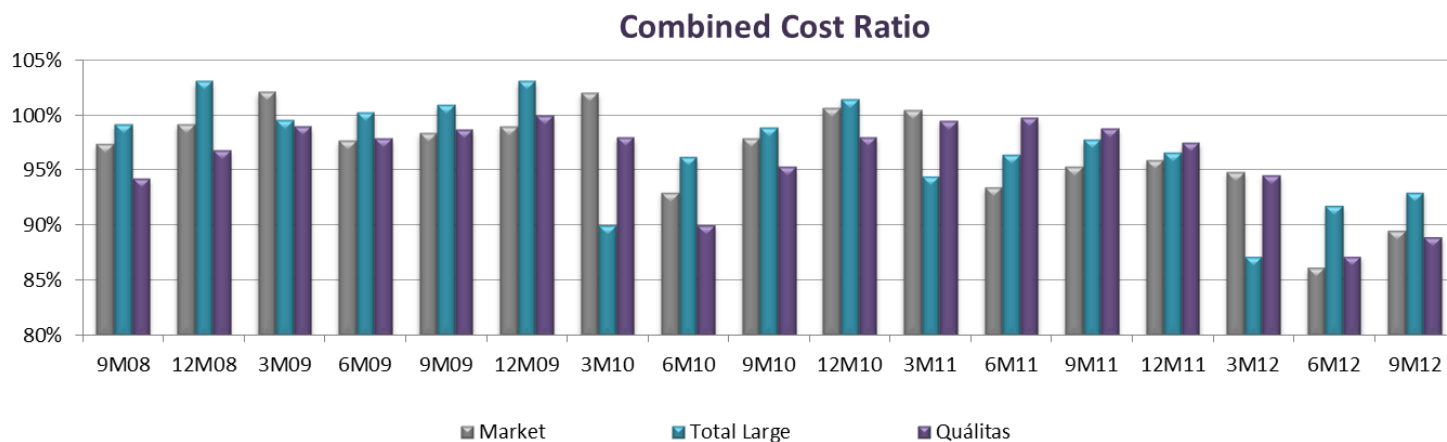
Breakdown of the Automobile Insurance Market			
	Premiums Written	Q's Participation	Q's position
Cars	\$30,976	19.6%	1
Trucks	\$13,273	26.6%	1
Tourists	\$434	21.9%	1
Other	\$657	17.9%	2
Total	\$45,339	21.7%	1



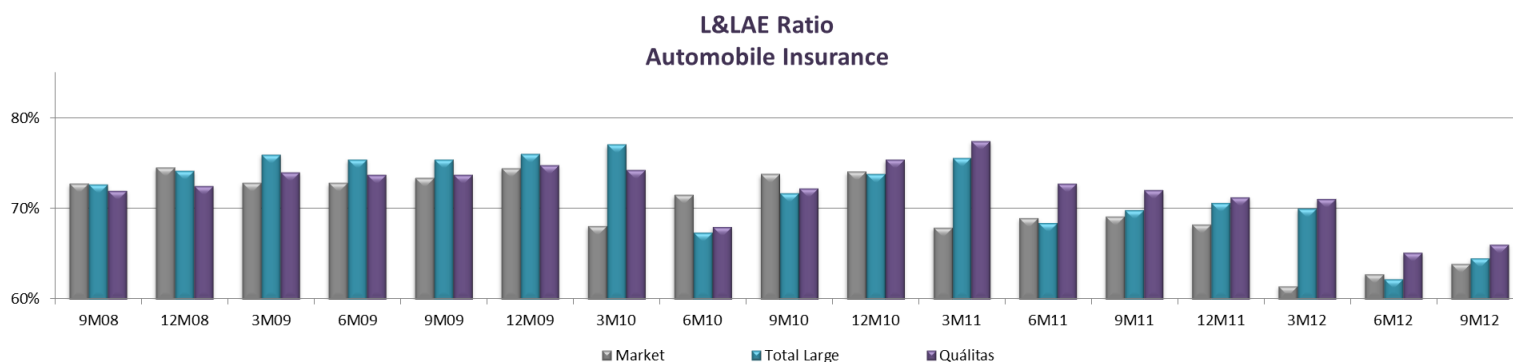


## Costs

The combined ratio for the market reached 89.6%, the lowest level in the last 5 years. The five large companies registered 91.8%, and **Q**, 89.0%.



As with the combined cost ratio, the L&LAE ratio registered its lowest level in 5 years. The figure for the industry during the period stood at 62.8%; that of the five large companies, at 64.5%, and the ratio for **Q**, amounted to 66.1%.



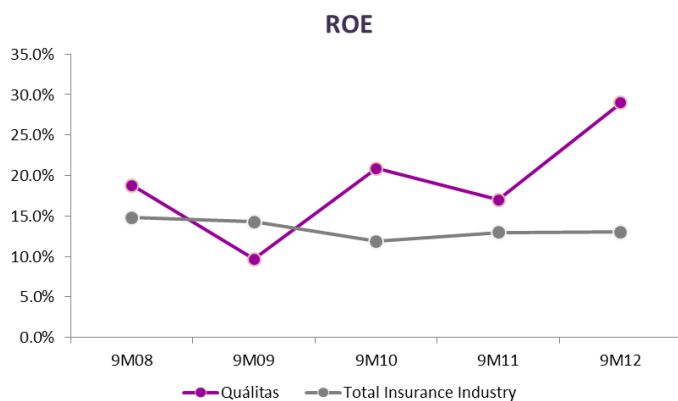


## Insurance Industry Profitability

The following table shows the profitability comparables for the insurance industry, which stands at 13%. It is important to point out that this calculation is not available by industry, since the information provided is the ROE from consolidated figures, calculated with the 9-month profit from all segments.

During this period, Q registered a solid profitability, which reached 29.0%.

Company		Premiums	ROE	ROE
		9M12	9M 2012	9M 2011
			%	%
1	Metlife Mexico	30,346	10%	16%
2	G.N.P.	25,860	10%	9%
3	AXA Seguros	20,014	6%	5%
4	BBVA Bancomer	13,806	38%	35%
5	Banamex	13,503	18%	15%
6	Inbursa	12,775	12%	6%
7	Monterrey New York Life	11,276	9%	13%
8	<b>Qualitas</b>	<b>9,825</b>	<b>29%</b>	<b>17%</b>
9	Banorte Generali	9,218	25%	19%
10	Mapfre Tepeyac	8,632	8%	10%
11	Atlas	5,585	9%	8%
12	Allianz Mexico	4,842	15%	-4%
13	Aba/Seguros	4,268	15%	21%
14	Zurich	4,150	-3%	8%
15	Santander	4,050	17%	24%
<b>SMALL</b>		<b>31,912</b>	<b>12%</b>	<b>8%</b>
<b>MARKET (71 Comp)</b>		<b>210,062</b>	<b>13%</b>	<b>13%</b>



ROE=Net Result/Average of Stockholders' Equity, and is an effective rate which corresponds to a period of 9 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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