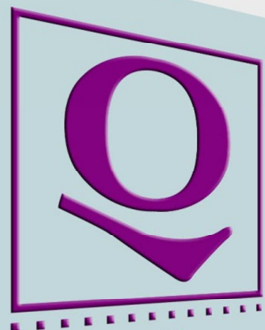


# Automobile Insurance Industry Report

4Q10



Quálitas



Quálitas Compañía de Seguros, S.A.B. de C.V.

## Q strengthens its market positioning<sup>1</sup>

Mexico City, March 22, 2011.

### Automobile Market<sup>2</sup>

During 2010, full year sales of new automobiles amounted to 850,124 units, a 9.5% growth when compared to the 2009 figure. New car sales still do not show signs of a solid recovery, since 12M results are 20% below the levels registered in 2008. In per capita terms, during 2010, 7.4 cars were sold per 1000 inhabitants, a level we used to have in our country during the early eighties.

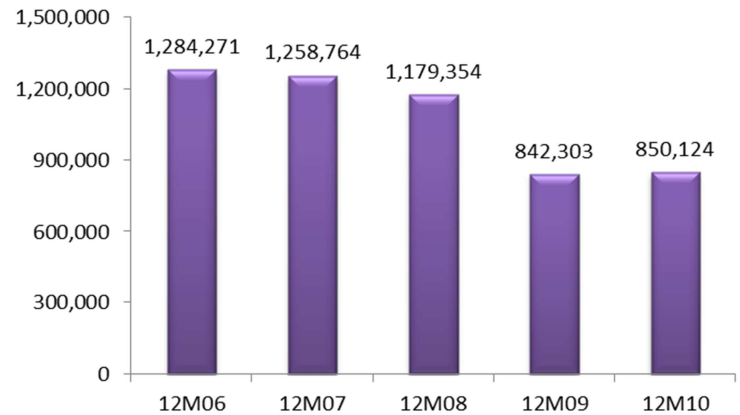
Another issue that has damaged the Automobile Industry is the imports of used cars from the US, since during the last 5 years we have imported almost 5 million cars. The industry is still looking for the Federal Government's support in order to control the inflow of foreign vehicles and to set up regulations for existing vehicles in order to clean up the vehicle registration, improve safety levels, develop sustainable energy strategies, and reduce greenhouse gas emissions.

### The Automobile Insurance Industry

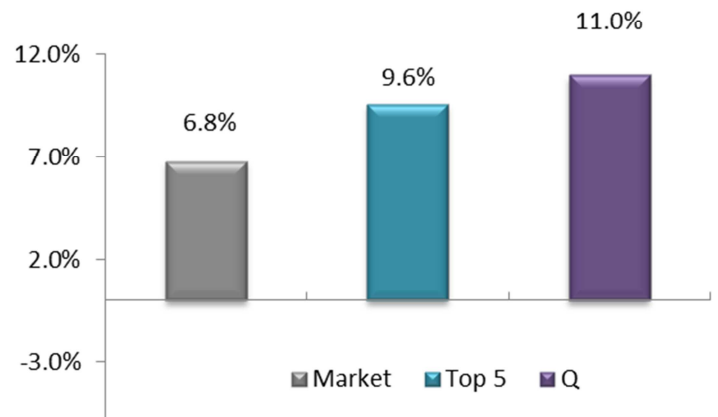
The Automobile Insurance Industry is showing the first signs of a consolidation trend, due to the current conditions of a highly competitive environment and the challenge that the industry faces given the growth in automobile thefts. Under these circumstances, the Automobile Insurance Industry grew by 6.8% during 2010, reaching sales of \$50,060. The large and medium companies recorded growth rates of 9.6% and 5.5% respectively, while the smaller ones registered a decrease in revenues of 12.2%.

Companies classified as large and the ones specialized in insurance banking generally registered a net income, while the other companies showed tight profit margins.

**Nationwide Sales of New Vehicles<sup>2</sup>**  
(Automobiles, Trucks and Motorcycles)



**Growth in Premiums Written**  
12M10 vs 12M09



<sup>1</sup> Throughout this document, figures are stated in millions of pesos, except when stated differently. Figures may vary due to rounding effects; the variations expressed are with respect to the last period in 2009.

<sup>2</sup> Source: AMIA (Mexican Association of the Automobile Industry) and ANPACT (National Association of Bus, Trucks, and Tractor Trucks Producers). Figures expressed in units of sold vehicles.

## Automobile Insurance Industry 12M10

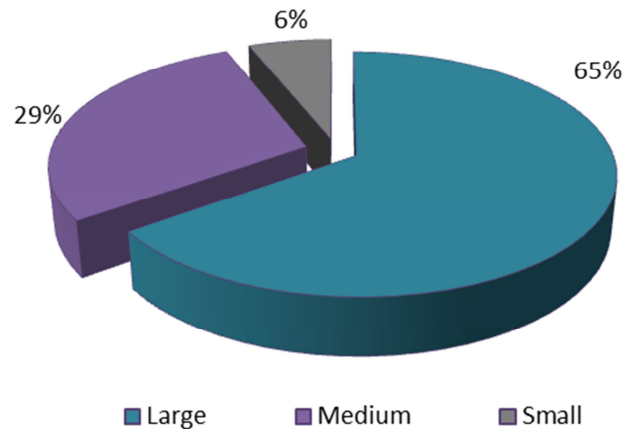
	Company	Premiums	Market Share	Growth 12M10 - 12M09	L&LAE Ratio
1	<b>Qualitas</b>	9,792	19.6%	11.0%	77.5%
2	AXA Seguros	8,731	17.4%	2.9%	72.3%
3	G.N.P.	6,198	12.4%	3.2%	77.8%
4	Aba/Seguros	4,738	9.5%	18.8%	80.1%
5	Inbursa	3,129	6.3%	29.4%	67.6%
	<b>TOTAL LARGE</b>	<b>32,588</b>	<b>65.1%</b>	<b>9.6%</b>	<b>75.6%</b>
6	BBVA Bancomer	3,033	6.1%	2.1%	60.4%
7	Mapfre Tepeyac	2,720	5.4%	0.5%	77.1%
8	Banorte Generali	2,390	4.8%	9.6%	74.4%
9	Zurich	1,291	2.6%	-7.4%	79.8%
10	Atlas	1,210	2.4%	7.4%	68.5%
11	Metropolitana	1,010	2.0%	15.7%	76.6%
12	HDI Seguros	834	1.7%	11.4%	69.4%
13	ANA	694	1.4%	9.5%	62.6%
14	Royal & Sunalliance	638	1.3%	27.9%	83.6%
15	General de Seguros	595	1.2%	12.5%	71.3%
	<b>TOTAL MEDIUM</b>	<b>14,417</b>	<b>28.8%</b>	<b>5.5%</b>	<b>71.2%</b>
	<b>TOTAL SMALL</b>	<b>3,055</b>	<b>6.1%</b>	<b>-12.2%</b>	<b>71.9%</b>
	<b>TOTAL MARKET(31 Comp.)</b>	<b>50,060</b>		<b>6.8%</b>	<b>74.1%</b>

	Company	Operating Result	Investment Income	Net Result	Combined Ratio
1	<b>Qualitas</b>	(76,168)	645,947	392	99.5%
2	AXA Seguros	82,334	230,653	333	98.0%
3	G.N.P.	(668,088)	399,651	-209	111.8%
4	Aba/Seguros	(199,933)	304,037	316	101.7%
5	Inbursa	(37,405)	164,956	122	96.0%
	<b>TOTAL LARGE</b>	<b>(899,260)</b>	<b>1,745,245</b>	<b>954</b>	<b>101.5%</b>
6	BBVA Bancomer	807,214	744,572	1,259	74.8%
7	Mapfre Tepeyac	(132,762)	126,067	-3	104.5%
8	Banorte Generali	197,180	149,709	247	89.8%
9	Zurich	(237,525)	68,269	-76	121.1%
10	Atlas	94,946	89,624	153	90.9%
11	Metropolitana	(103,579)	45,036	-53	107.1%
12	HDI Seguros	(42,631)	34,621	12	102.7%
13	ANA	(3,498)	28,026	14	98.7%
14	Royal & Sunalliance	(164,019)	21,468	-128	124.1%
15	General de Seguros	(21,628)	82,648	50	102.1%
	<b>TOTAL MEDIUM</b>	<b>393,700</b>	<b>1,390,039</b>	<b>1,475</b>	<b>96.1%</b>
	<b>TOTAL SMALL</b>	<b>(257,187)</b>	<b>247,514</b>	<b>29</b>	<b>111.8%</b>
	<b>TOTAL MARKET(31 Comp.)</b>	<b>(753,751)</b>	<b>3,396,892</b>	<b>2,479</b>	<b>100.5%</b>

## Market Share

The automobile insurance industry is mainly served by the 5 large companies.

### Market Share Automobile Insurance



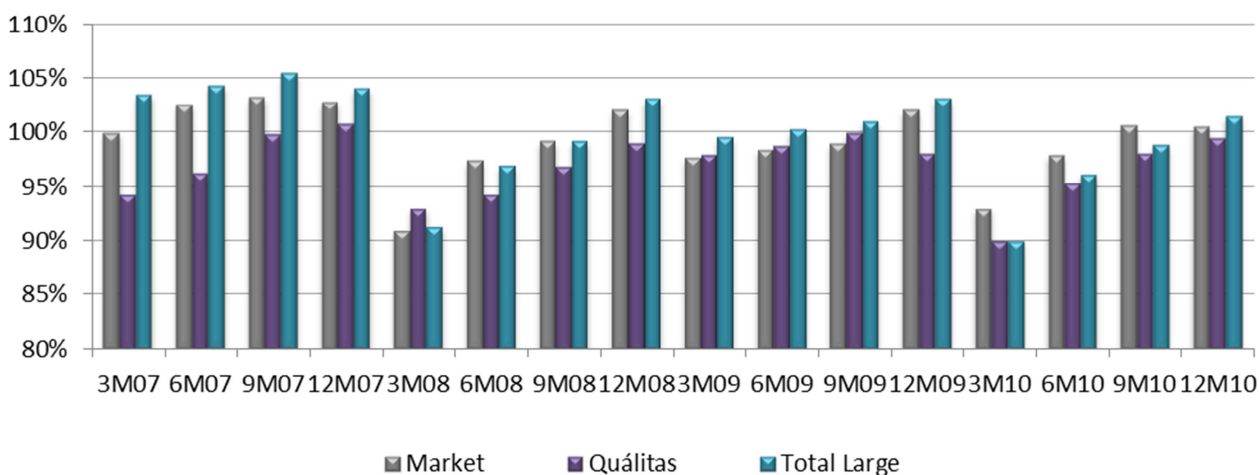
Q remains well-positioned in the major segments of the market.

Breakdown of the Automobile Insurance Market			
	Total Market (Millions)	Q's Participation	Q's position
Cars	\$ 34,055	17.5%	1
Trucks	\$ 14,613	24.6%	1
Tourists	\$ 741	19.1%	1
Other	\$ 651	11.3%	3
Total	\$ 50,060	19.6%	1

## Costs<sup>3</sup>

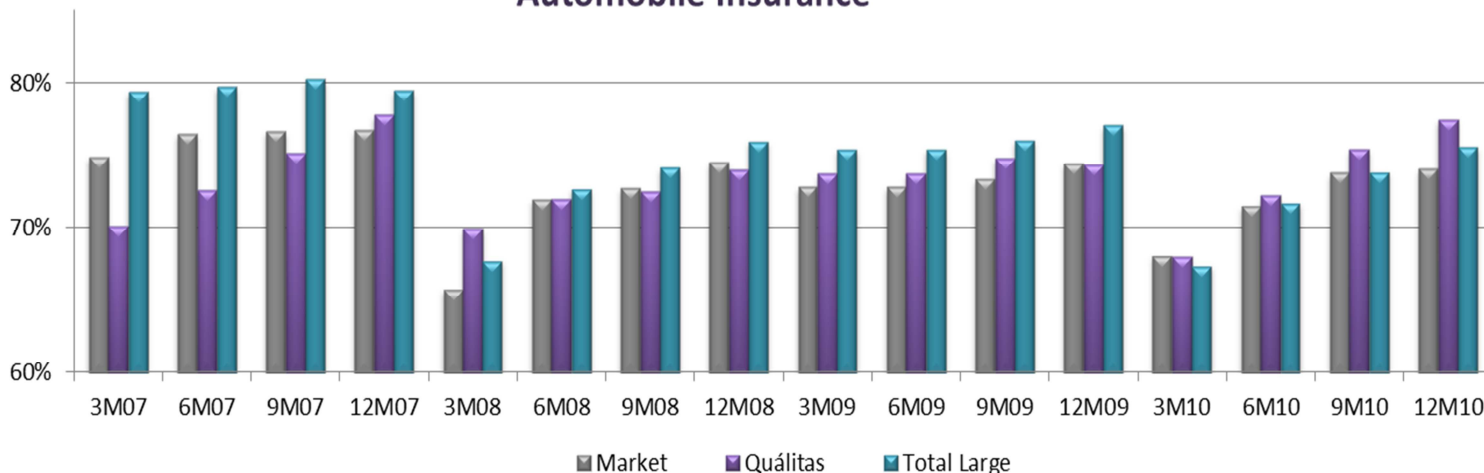
The combined ratio for the market stood at 100.5%; for the top five companies, at 101.5% and for **Q**, at 99.5%.

### Combined Cost Ratio



With regard to the L&LAE ratio, the market figure for the period reached 74.1%, the figure for the large companies was of 75.6%, while **Q**'s ratio was of 77.5%.

### L&LAE Ratio Automobile Insurance



<sup>3</sup> The Company registered a \$115 charge to earnings during the 2Q09 and a \$287 charge to Net Result during the 4Q09, for an alleged fiscal contingency on outstanding value-added tax payments on claims settlements. To provide a better analysis in this document, we have presented this charge as a Non-Ordinary Item, while in the financial statements filed with our regulators, this charge was registered as an operating expense following the Financial Information Rules (NIF).

*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 Mexico, 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 Bus, Trucks and Tract Trucks Producers); [www.anpact.com.mx](http://www.anpact.com.mx)
- 4) Swiss Re Sigma. "World insurance in 2009" [www.swissre.com](http://www.swissre.com)

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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