



→ **AUTOMOBILE INSURANCE
INDUSTRY
REPORT**
6M24

Mexico' auto insurance industry report 6M24

Figures in this document are stated in millions of Mexican pesos, except where otherwise specified, and they may vary due to rounding or consolidation from the regulator. Growth rates are presented in nominal terms.

According to the Mexican Association of Insurance Institutions (AMIS per its acronym in Spanish), during the second quarter 2024, automobile insurance industry reported an increase of 28.7% in written premiums. Mexican GDP during the second quarter, posted an increase of 1.0%¹ compared to same period of last year. On the other hand, annual general inflation as of June-end was 5.0%².

Regarding industry's cost ratios, during 2024' first semester, the industry posted a combined ratio of 94.0%, a decrease of 665 bp (basis points) vs 6M23.

In the chart³ below it has been disaggregated the bank-owned insurance companies, since some of them belong to a financial group, having a cross-selling scheme with the bank's clients, thus resulting in a different cost structure.

Company	Written premium	Growth	Operating result	Financial income	Net result	Loss ratio	Combined ratio
Qualitas	30,525	34.8%	2,100	1,779	2,574	63.5%	89.7%
Others	46,732	26.0%	(262)	2,624	1,603	66.7%	97.1%
Insurance companies	77,257	29.3%	1,838	4,403	4,177	65.3%	94.0%
Bank-owned companies	14,943	25.2%	691	1,278	1,651	73.2%	92.4%
Industry (34 companies*)	92,199	28.7%	2,529	5,681	5,828	66.7%	94.0%

Figures in million pesos.

*33 companies and 1 reinsurance company.

Note: The number of insurers may vary due to non-submission to the regulator.

Qualitas Mexico (Q Mx)³



1. Written premium

6M20: \$15,369
 6M21: \$17,120
 6M22: \$17,602
 6M23: \$22,640
 6M24: \$30,525

Var. %

34.8%

2. Market share

6M20: 29.6%
 6M21: 32.0%
 6M22: 30.1%
 6M23: 31.3%
 6M24: 33.1%

Var. bp

152 bp

3. Loss ratio

6M20: 48.4%
 6M21: 60.1%
 6M22: 66.7%
 6M23: 70.2%
 6M24: 63.5%

Var. bp

-667 bp

4. Combined ratio

6M20: 78.7%
 6M21: 88.3%
 6M22: 94.2%
 6M23: 95.8%
 6M24: 89.7%

Var. pb

-612 bp

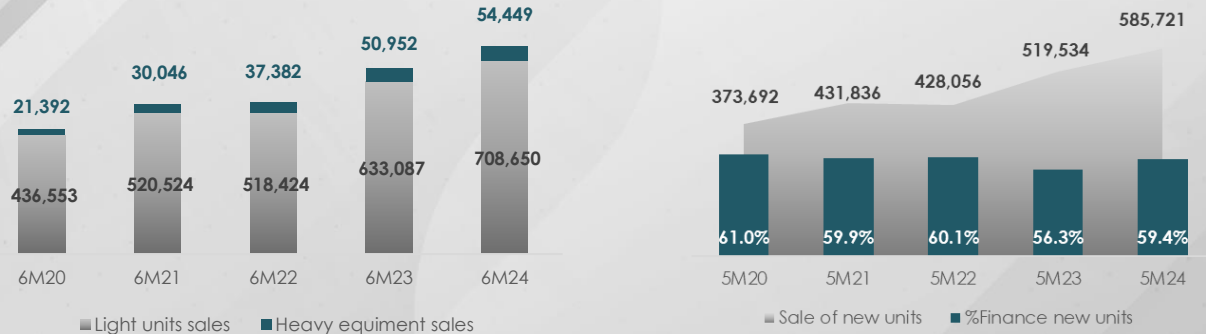
¹ Source: INEGI

² Source: BANXICO

³ Source: AMIS, written premium in million pesos. Prior year figures may vary given updates from the regulator.

Vehicles' sales and financing

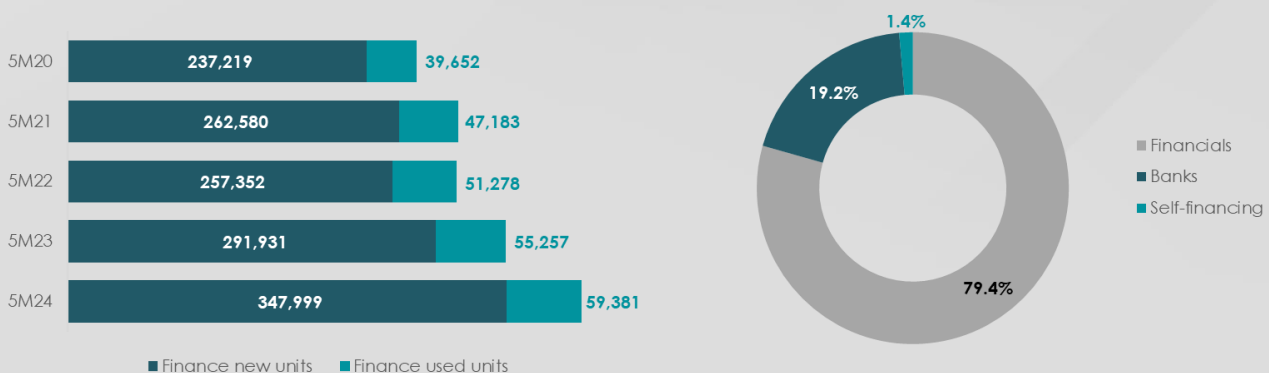
New vehicles' sales ⁴



The sale of light units (automobiles and trucks) increased 11.9% during 6M24 in comparison to 6M23, reaching a total of 708,650 units sold; compared to the immediate previous quarter, 2Q24 units experienced an increase of 1.0% vs 1Q24. Regarding heavy equipment units (vehicles over 3.5 tons), their sales increased by 6.9% by June-end compared to 6M23 and +6.1% 2T24 vs 1T24; leading to a total increase of 11.6% in new units sold during the first 6 months of 2024 compared to 6M23, commercializing a total of 763,099 units.

Out of total new car sales by the end of May (latest figures published), the automobile loans for light vehicles (new and used) reached 59.4% of the total lights units sales, 3.1 pp above same period of last year. Financing of new vehicles increased 20.0% whilst secondhand vehicles decreased 7.1%.

Financing by type of vehicle and market share by institution ⁴



By the end of May, trends of financing sources for vehicles purchase are still led by financials (financial arms of the car dealerships) with a 78.8% share, which had an increase of 65 basis points compared to the same period in 2023; followed by bank financing, which had a decrease of 35 basis points compared to 2023 May-end.

During 2Q24, the reference rate in Mexico stood at 11.00% by the end of June, compared to 11.25% at the end of 2Q23.

⁴ Source: AMDA, prior year figures may vary given updates from the association.

⁵ Source: BANXICO

Figures are expressed as number of credits granted and may vary given updates from the regulator

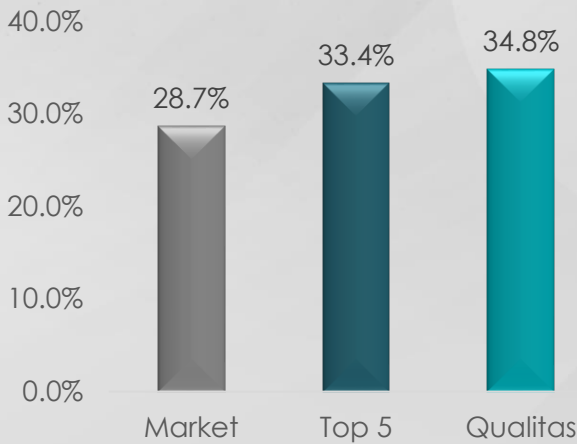
Automobile insurance industry

Total written premium for the industry for the 6M24 stood at \$92,199 million, an increase of 28.7% compared to 6M23. Growth from the top 5 companies was 33.4%; medium-sized insurance companies had a 17.7% increase; whilst the rest of the companies posted an increase of 21.0%.

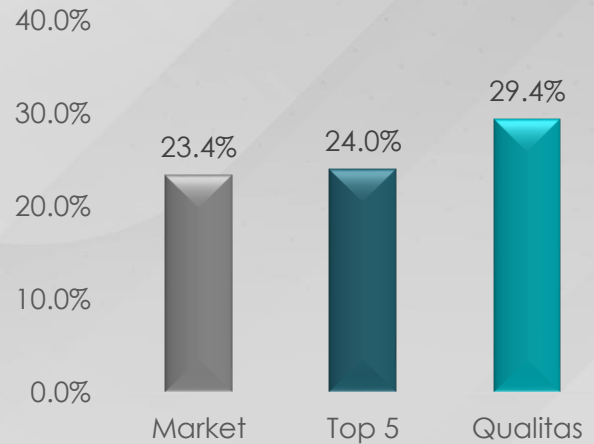
Net result of the industry was \$5,828 million, an increase of 258.9%. This is due to a financial income increase of 59.9%, closing the first semester with \$5,681 million and an operating result in the industry of \$2,529 million, an increase of \$3,754 million vs 6M23.

Premiums and net result growth

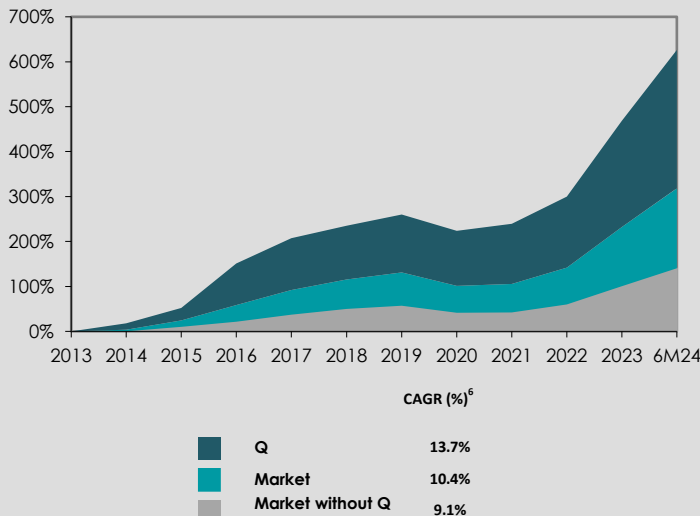
Written premium growth
6M24 vs 6M23



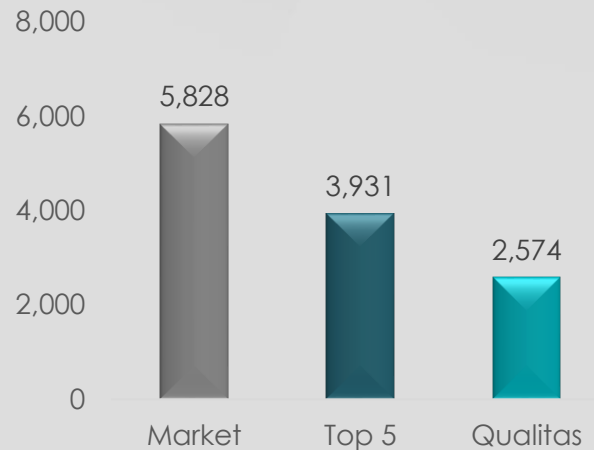
Earned premium growth
6M24 vs 6M23



Cumulative growth
Written premium (2013 base)



Net result



⁶ CAGR: Compound annual growth rate past 10 years
 Figures in million (MXN)
 Source: AMIS, past figures may vary given updates from the regulator.

Company	Written premiums	Growth 2024 vs 2023	Market share	Earned premiums	Market share
Qualitas	30,525	34.8%	33.1%	27,666	36.1%
G.N.P.	14,011	37.4%	5.2%	10,716	14.0%
Chubb Seguros Mexico	8,991	31.9%	9.8%	3,416	4.5%
AXA Seguros	7,131	20.8%	7.7%	6,760	8.8%
HDI Seguros	5,432	35.8%	5.9%	4,346	5.7%
Top 5	66,090	33.4%	71.7%	52,904	69.0%
BBVA Seguros	4,815	(2.3%)	5.2%	4,441	5.8%
Banorte	4,042	22.7%	4.4%	3,642	4.8%
Inbursa	3,103	25.1%	3.4%	2,818	3.7%
Atlas	2,556	30.5%	2.8%	2,256	2.9%
Mapfre México	1,797	10.3%	1.9%	1,454	1.9%
ANA	2,061	26.9%	2.2%	1,748	2.3%
Afirme	1,690	16.3%	1.8%	1,729	2.3%
Zurich Daños	1,260	7.6%	1.4%	1,172	1.5%
General de Seguros	968	68.5%	1.0%	924	1.2%
El Potosi	779	61.6%	0.8%	624	0.8%
Medium-size	23,071	17.7%	25.0%	20,808	27.2%
Other	3,039	21.0%	3.3%	2,914	3.8%
Total market (34 companies*)	92,199	28.7%	100.0%	76,626	100.0%

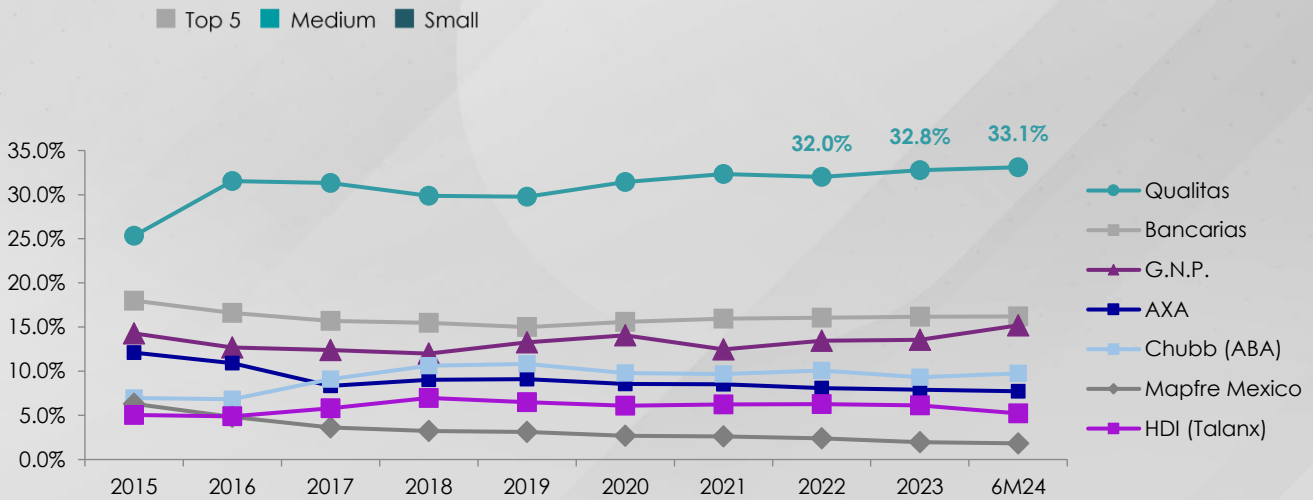
Company	Underwriting result	Investment income	Net result	Loss ratio	Combined ratio
Qualitas	2,100	1,779	2,574	63.5%	89.7%
G.N.P.	(031)	534	367	62.7%	91.6%
Chubb Seguros Mexico	(714)	308	(396)	78.1%	118.3%
AXA Seguros	503	602	813	67.0%	91.5%
HDI Seguros	229	736	573	80.3%	92.5%
Top 5	2,088	3,960	3,931	66.1%	92.5%
BBVA Seguros	(19)	400	281	68.3%	103.3%
Banorte	291	327	691	68.5%	89.7%
Inbursa	104	79	141	73.1%	94.2%
Atlas	143	252	310	66.4%	90.6%
Mapfre México	(6)	98	62	62.7%	101.6%
ANA	22	131	115	66.8%	99.7%
Afirme	84	64	150	63.7%	95.8%
Zurich Daños	(73)	106	7	70.8%	103.6%
General de Seguros	118	30	44	64.9%	86.4%
El Potosi	(133)	33	(96)	81.8%	114.7%
Medium-size	531	1,520	1,705	68.3%	96.8%
Other	(89)	202	192	66.5%	103.5%
Total market (34 companies*)	2,529	5,681	5,828	66.7%	94.0%

Market share

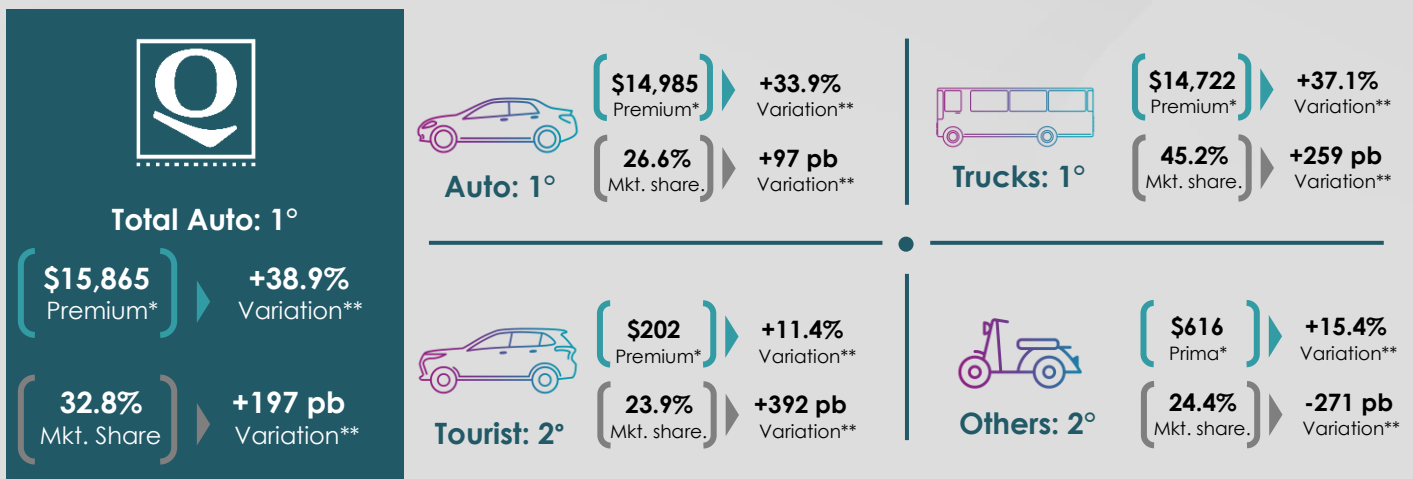
Automobile insurance market share distribution



In line with recent years' trend, +70% of the automobile insurance industry market share is comprised by the top five companies: Qualitas, G.N.P., Chubb, AXA and BBVA. Qualitas continues as the leading company in the automobile insurance industry with 33.1% market share. Medium size companies increased 253 bps its share during 6M24, whilst the rest decreased 21 bps.



Qualitas maintains a solid position in the automobile insurance industry, standing within the first positions in terms of market share in each business.



Figures in million (MXN)

*Written premiums

**Compared to 6M23

Source: AMIS, past figures may vary given updates from the regulator.

Note: Others include motorcycles, mandatory insurance and agency's policies

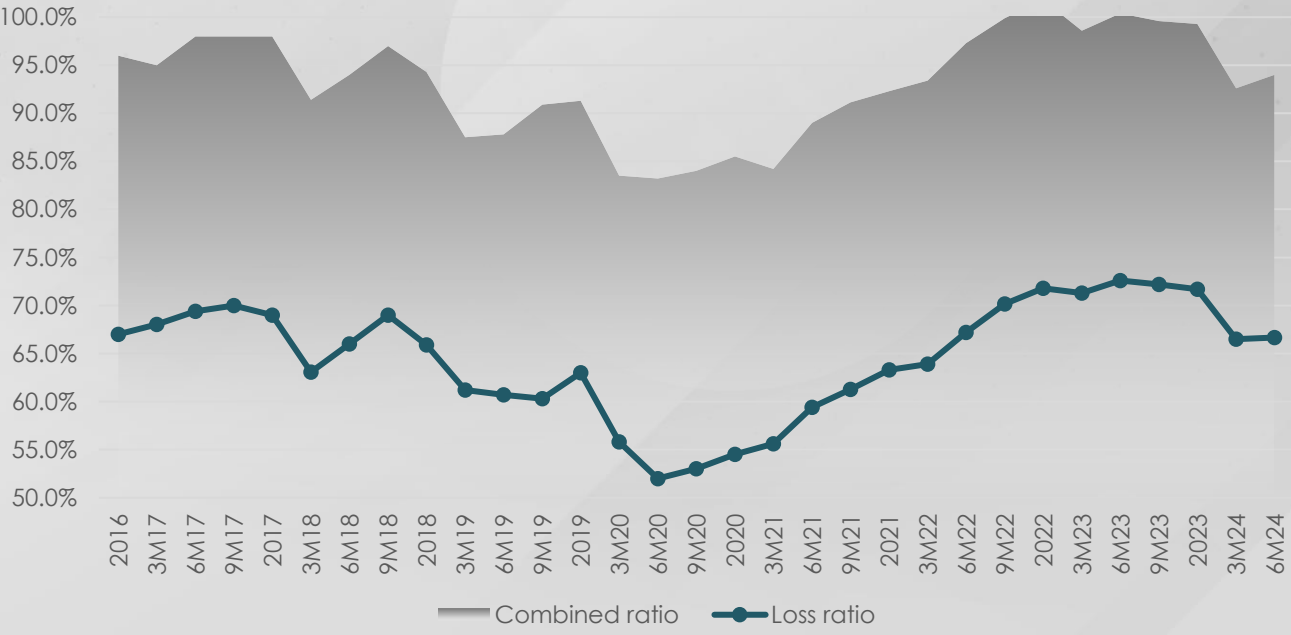


Loss costs of automobile insurance industry

During the first 6 months of the year, the operational performance of the auto insurance industry in Mexico continues with its noticeable recovery.

General inflation in Mexico continues its stabilization trend, closing the quarter at 5.0%, while the underlying inflation stood at 3.1%. On the other hand, the spare parts and accessories inflation stood at 4.1%.

Industry ratios

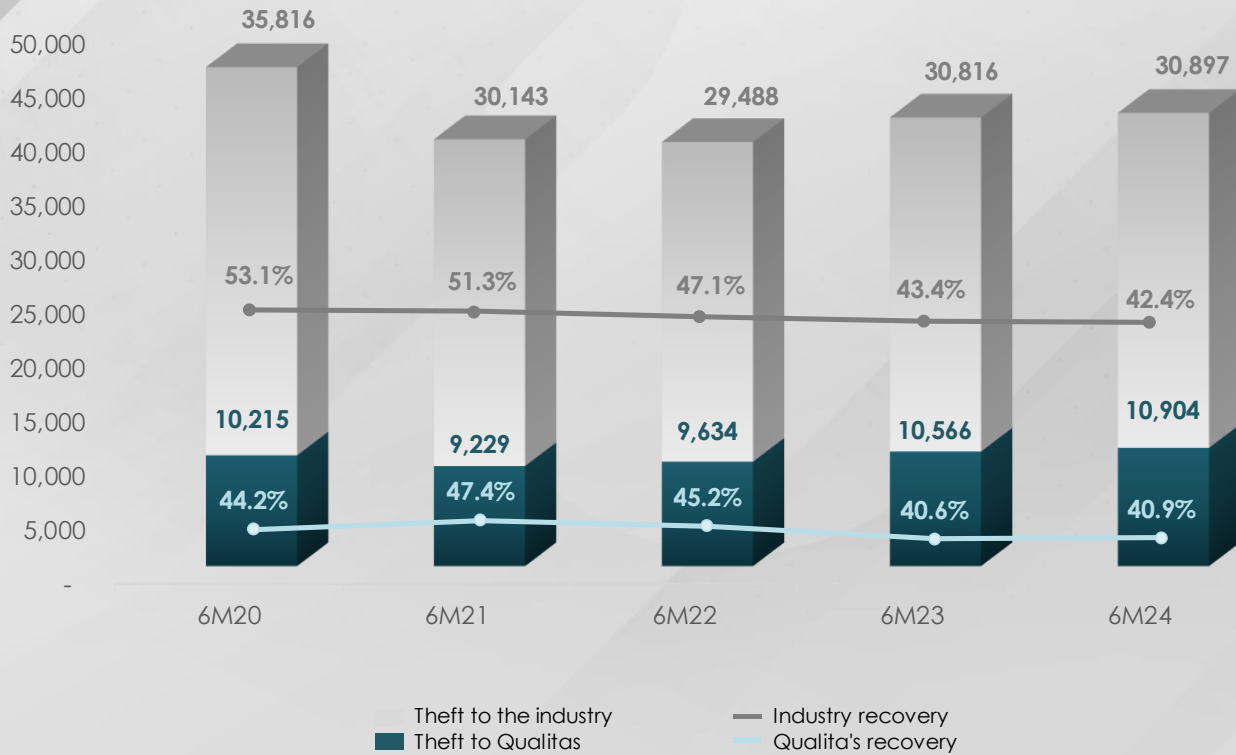


Source: AMIS, past figures may vary given updates from the regulator.

Theft and recovery

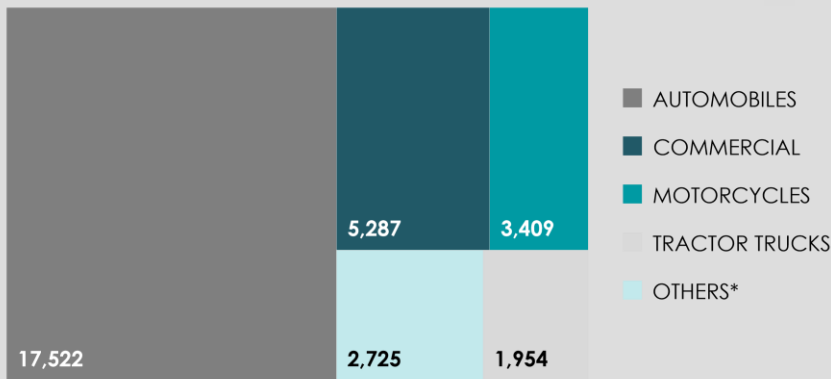
By June-end, according to the Office for the Coordination of Insured Risks (OCRA per its acronym in Spanish) figures, theft of insured units in Mexico increased 30 bp for the whole industry compared to 6M23, with a cumulative recovery rate of 40.9%.

During the first semester, Qualitas recovered 42.4% of its stolen units, representing 1.5 pp above the industry and 2.3 pp if we exclude Qualitas.



Thefts by type of unit ⁷

Out of the 30,897 units stolen in the industry during the first 6 months of the year, 57.6% were light automobiles, followed by 17.1% commercial automobiles; and motorcycles in the third place with 11.0%. This remains in accordance with recent years' proportions.

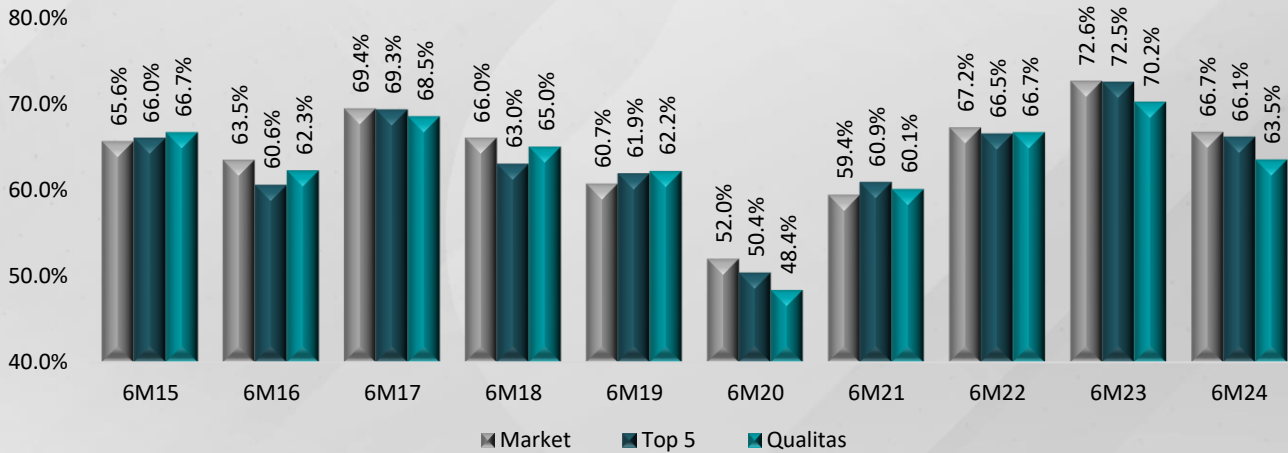


⁷ Source: OCRA, figures in number of cumulative units
 *Others: semitrailers, heavy equipment, buses, collectives, etc.

Cost ratios

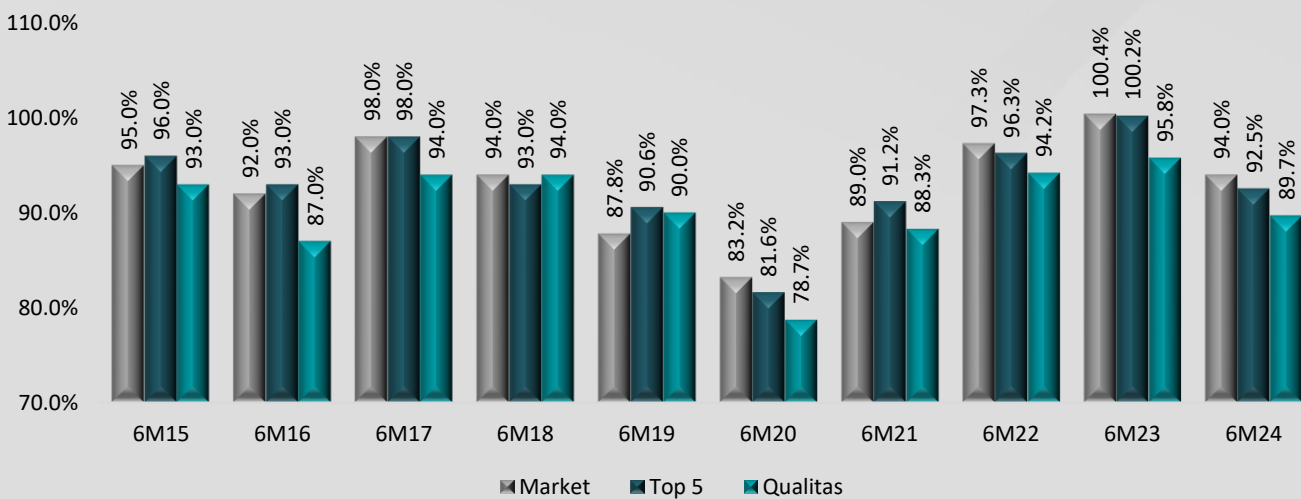
Loss ratio

The industry posted a lower loss ratio than that reported in 6M23, standing at 66.7% for the whole industry. Top 5 companies loss ratio decreased 6.4 pp compared to last year's same period, standing at 66.1%; likewise, Qualitas loss ratio decreased 6.7 pp, going from 70.2% to 63.5%.



Combined ratio

The industry's combined ratio was 92.6%, 6 pp below 6M23. Top 5 companies posted a 92.3%, combined ratio, Qualitas combined ratio stood at 87.3%.



Sources of information

- AMIS. Asociación Mexicana de Instituciones de Seguros, A.C.; www.amis.com.mx (Information extracted as of August 16th, 2024.)
- AMDA. Asociación Mexicana de Distribuidores de Automotores, A.C.; www.amda.mx
- BANXICO. Banco de México; www.banxico.org.mx
- INEGI. Instituto Nacional de Estadística y Geografía; www.inegi.org.mx
- OCRA. Oficina Coordinadora de Riesgos Asegurados, S.C.; www.ocra.com.mx/

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

This document may include forward-looking statements that involve risks and uncertainties. Information may include forward-looking statements regarding the company's results and prospects, which are subject to risks and uncertainty. Actual results may differ materially from what is discussed here today, and the company cautions you not to place undue reliance on these forward-looking statements. Qualitas undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

About Qualitas

Qualitas Controladora (Q*) is the company with the largest market share in the auto insurance industry in Mexico and has presence in the United States, Peru, Costa Rica and El Salvador. Its unique business model, based on excellence service and a strict cost control policy, has allowed it to offer a first quality service under the largest coverage network in the country. Qualitas is listed on the Mexican Stock Exchange under the ticker "Q" (Bloomberg: Q *: MM).

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