



→ **AUTOMOBILE INSURANCE
INDUSTRY
REPORT**
9M24

Mexico' auto insurance industry report 9M24

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 third quarter 2024, automobile insurance industry reported an increase of 28.5% in written premiums. Mexican GDP during the third quarter, posted an increase of 1.5%¹ compared to same period of last year. On the other hand, annual general inflation as of September-end was 4.6%².

Regarding industry's cost ratios, during 2024' first three quarters, the industry posted a combined ratio of 95.2%, a decrease of 480 bp (basis points) vs 9M23.

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

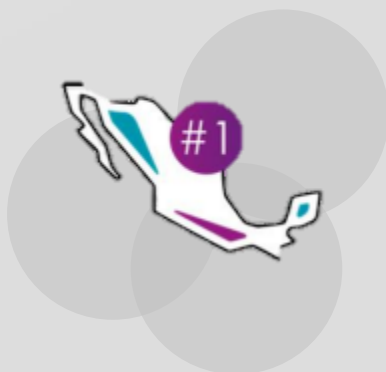
Company	Written premium	Growth	Operating result	Financial income	Net result	Loss ratio	Combined ratio
Qualitas	45,797	31.2%	2,779	2,797	3,789	64.9%	91.1%
Others	71,617	27.4%	(1,168)	4,598	2,449	68.2%	98.9%
Insurance companies	117,414	28.8%	1,611	7,395	6,238	66.8%	95.6%
Bank-owned companies	21,813	26.5%	1,240	2,057	2,745	72.4%	91.3%
Industry (33 companies*)	139,228	28.5%	2,850	9,452	8,983	66.7%	95.2%

Figures in million pesos.

*32 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

9M20: \$23,254
 9M21: \$25,227
 9M22: \$26,954
 9M23: \$34,916
 9M24: \$45,797

Var. %
 31.2%

2. Market share

9M20: 30.5%
 9M21: 32.2%
 9M22: 30.6%
 9M23: 31.9%
 9M24: 32.9%

Var. bp
 100 bp

3. Loss ratio

9M20: 49.5%
 9M21: 61.6%
 9M22: 67.8%
 9M23: 69.9%
 9M24: 64.9%

Var. bp
 -500 bp

4. Combined ratio

9M20: 79.7%
 9M21: 89.7%
 9M22: 94.8%
 9M23: 95.3%
 9M24: 91.1%

Var. pb
 -425 bp

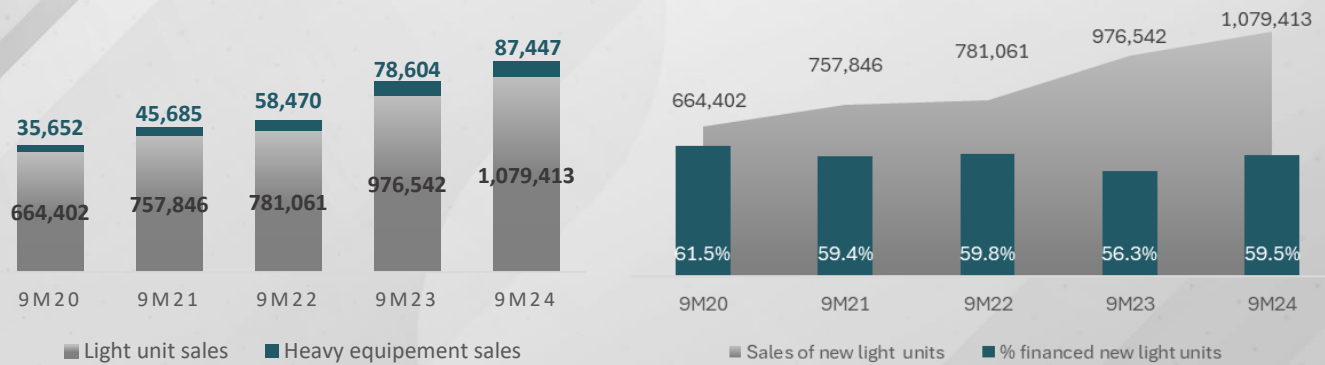
¹ Source: INEGI

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

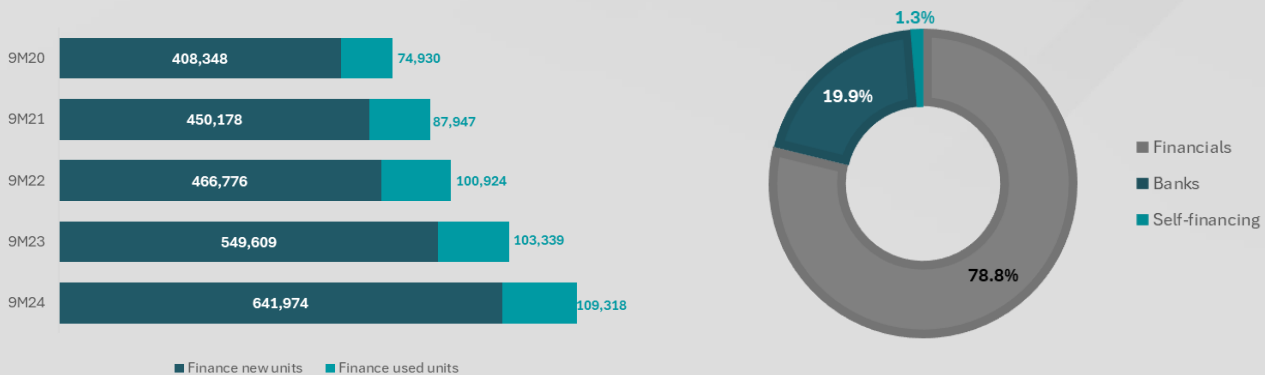
New vehicles' sales ⁴



The sale of light units (automobiles and trucks) increased 10.5% during 9M24 in comparison to 9M23, reaching a total of 1,079,413 units sold; compared to the immediate previous quarter, 3Q24 units experienced an increase of 3.5% vs 2Q24. Regarding heavy equipment units (vehicles over 3.5 tons), their sales increased by 11.3% by September-end compared to 9M23 and +17.7% 3T24 vs 2T24; leading to a total increase of 10.6% in new units sold during the first 9 months of 2024 compared to 9M23, commercializing a total of 1,166,860 units.

Out of total new car sales by the end of September (latest figures published), the automobile loans for light vehicles (new and used) reached 59.5% of the total light units' sales, 3.2 pp above same period of last year. Financing of new vehicles increased 16.8% whilst second hand vehicles increased 5.8%.

Financing by type of vehicle and market share by institution ⁴



By the end of September, 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 20 basis points compared to the same period in 2023; followed by bank financing, which had an increase of 11 basis points compared to 2023 September-end.

During 3Q24, the reference rate in Mexico stood at 10.5% by the end of September, compared to 11.25% at the end of 3Q23.

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

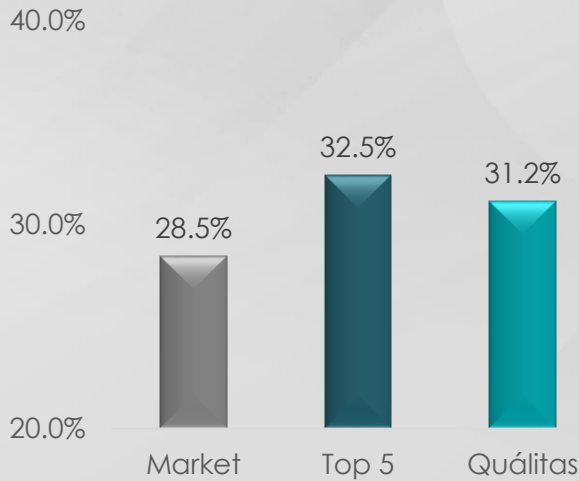
Automobile insurance industry

Total written premium for the industry for the 9M24 stood at \$139,228 million, an increase of 28.5% compared to 9M23. Growth from the top 5 companies was 32.5%; medium-sized insurance companies had a 17.7% increase; whilst the rest of the companies posted an increase of 32.9%.

Net result of the industry was \$8,983 million, an increase of 108.4%. This is due to a financial income increase of 44.0%, closing the first three quarters with \$9,452 million and an operating result in the industry of \$2,850 million, an increase of \$3,646 million vs 9M23.

Premiums and net result growth

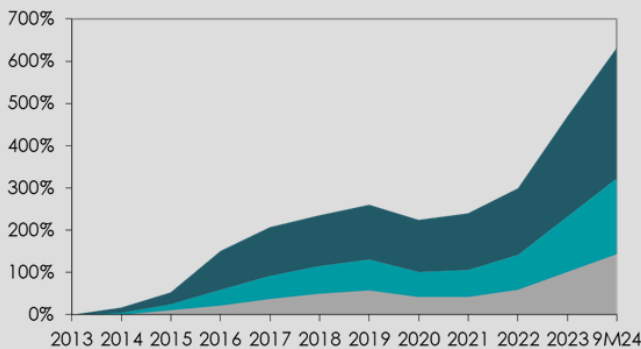
Written premium growth
9M24 vs 9M23



Earned premium growth
9M24 vs 9M23

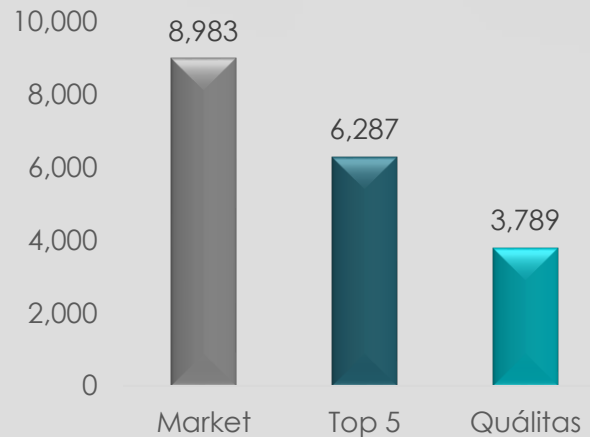


Cumulative growth
Written premium (2013 base)



Category	CAGR (%) ⁶
Q	13.7%
Mercado	10.5%
Mercado sin Q	9.2%

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	45,797	31.2%	32.9%	42,047	35.9%
G.N.P.	21,151	44.2%	5.3%	16,764	14.3%
Chubb Seguros Mexico	13,213	26.0%	9.5%	5,235	4.5%
AXA Seguros	11,338	24.9%	8.1%	10,325	8.8%
HDI Seguros	8,557	33.8%	6.1%	6,942	5.9%
Top 5	100,056	32.5%	71.9%	81,313	69.4%
BBVA Seguros	7,414	4.6%	5.3%	6,812	5.8%
Banorte	5,983	22.9%	4.3%	5,471	4.7%
Inbursa	4,901	28.1%	3.5%	4,394	3.7%
Atlas	3,767	27.9%	2.7%	3,347	2.9%
Mapfre México	2,785	16.4%	2.0%	2,207	1.9%
ANA	3,005	20.4%	2.2%	2,593	2.2%
Afirme	2,481	12.4%	1.8%	2,579	2.2%
Zurich Daños	1,845	5.4%	1.3%	1,794	1.5%
General de Seguros	1,298	61.2%	0.9%	1,395	1.2%
El Potosi	1,189	10.4%	0.9%	1,133	1.0%
Medium-size	34,668	17.7%	24.9%	31,725	27.1%
Other	4,504	32.9%	3.2%	4,179	3.6%
Total market (33 companies*)	139,228	28.5%	100.0%	117,217	100.0%

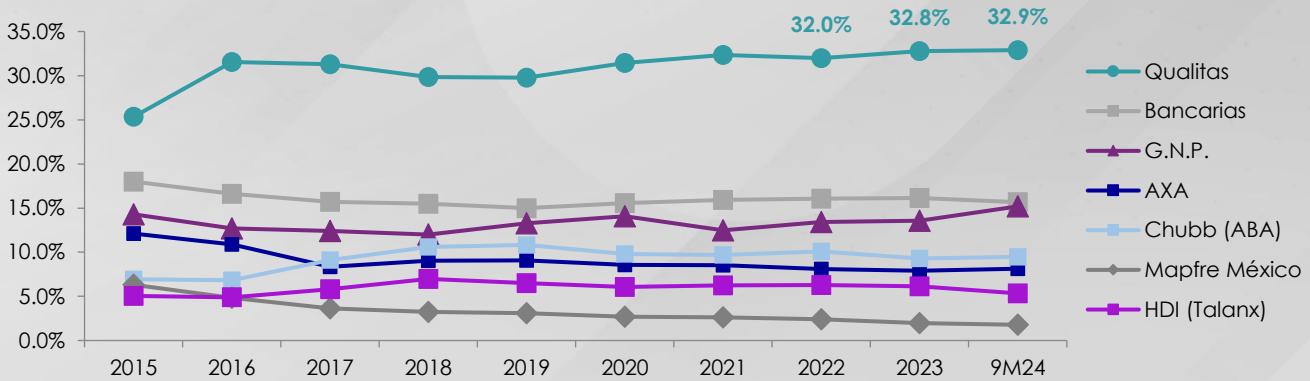
Company	Underwriting result	Investment income	Net result	Loss ratio	Combined ratio
Qualitas	2,779	2,797	3,789	64.9%	91.1%
G.N.P.	(288)	865	425	63.6%	93.9%
Chubb Seguros Mexico	(758)	610	(123)	75.8%	114.6%
AXA Seguros	440	955	1,099	70.0%	93.6%
HDI Seguros	538	1,153	1,097	77.8%	90.2%
Top 5	2,711	6,380	6,287	67.1%	93.6%
BBVA Seguros	(54)	629	422	67.6%	103.3%
Banorte	527	509	1,157	66.2%	88.3%
Inbursa	132	195	260	72.9%	94.5%
Atlas	32	538	418	71.0%	96.1%
Mapfre México	(47)	161	78	68.3%	102.5%
ANA	28	210	199	66.9%	100.2%
Afirme	88	107	129	66.0%	97.8%
Zurich Daños	(190)	174	(18)	75.5%	109.5%
General de Seguros	170	44	88	64.8%	89.6%
El Potosi	(54)	102	80	73.1%	103.3%
Medium-size	633	2,668	2,814	68.8%	97.7%
Other	(493)	404	(119)	69.7%	109.4%
Total market (33 companies*)	2,850	9,452	8,983	66.7%	95.2%

Market share

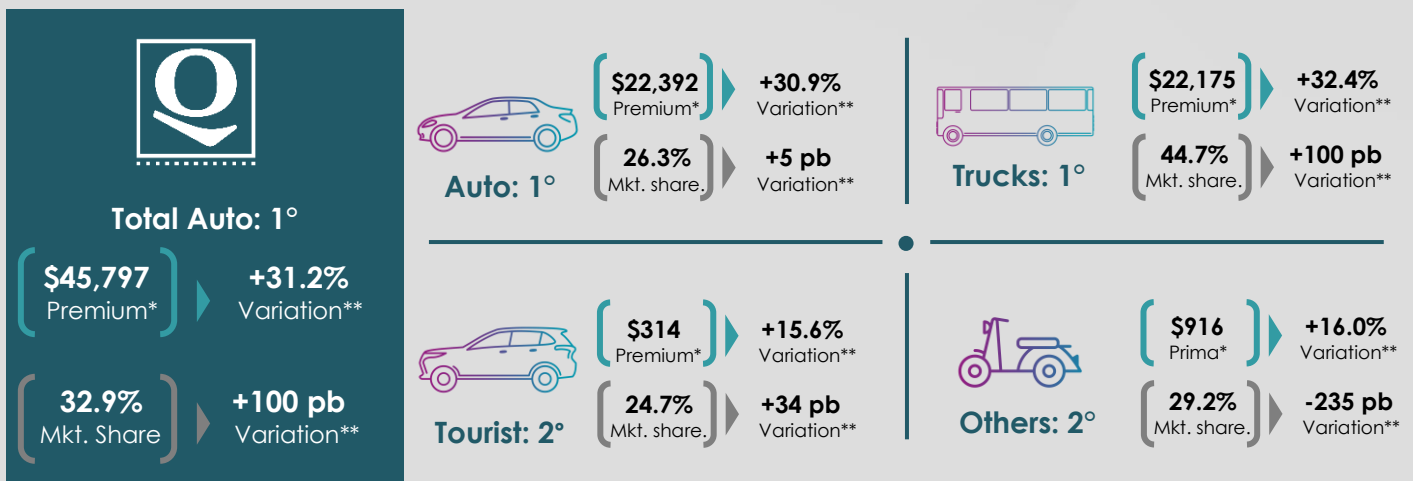
Automobile insurance market share distribution



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 32.9% market share. Medium size companies decreased 150 bps their share during 6M24, whilst the rest decreased 70 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 9M23

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

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

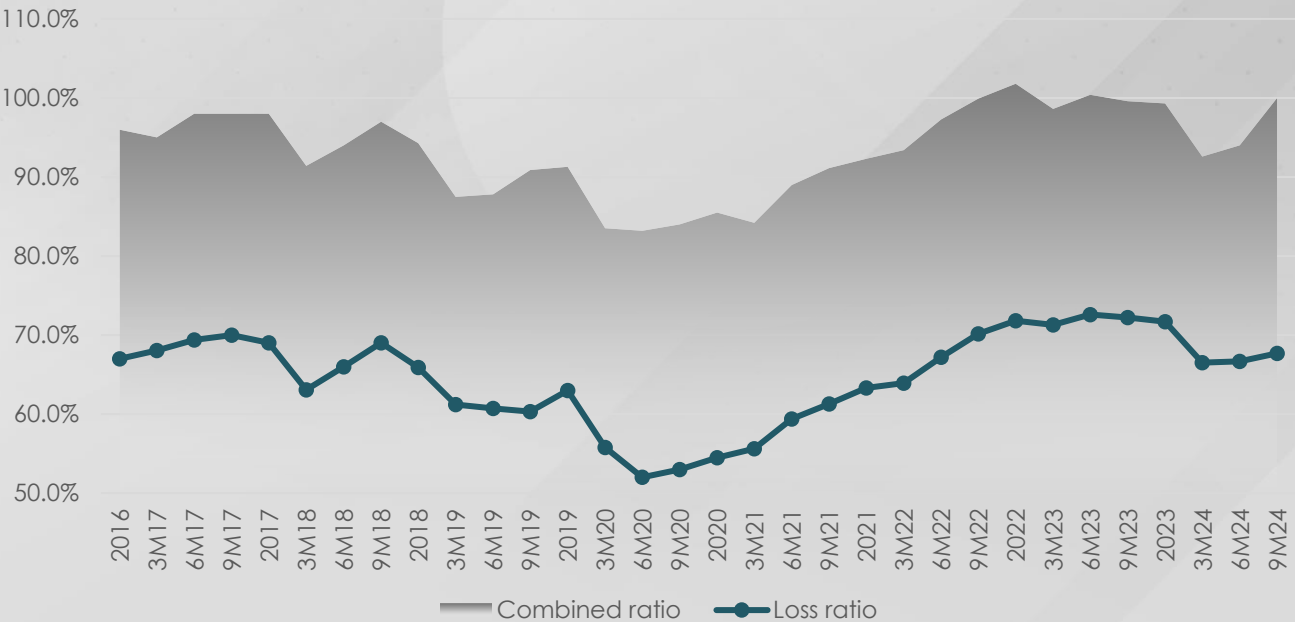


Loss costs of automobile insurance industry

During the first 9 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 4.6%, while the underlying inflation stood at 3.9%. On the other hand, the spare parts and accessories inflation stood at 4.1% by June-end.

Industry ratios

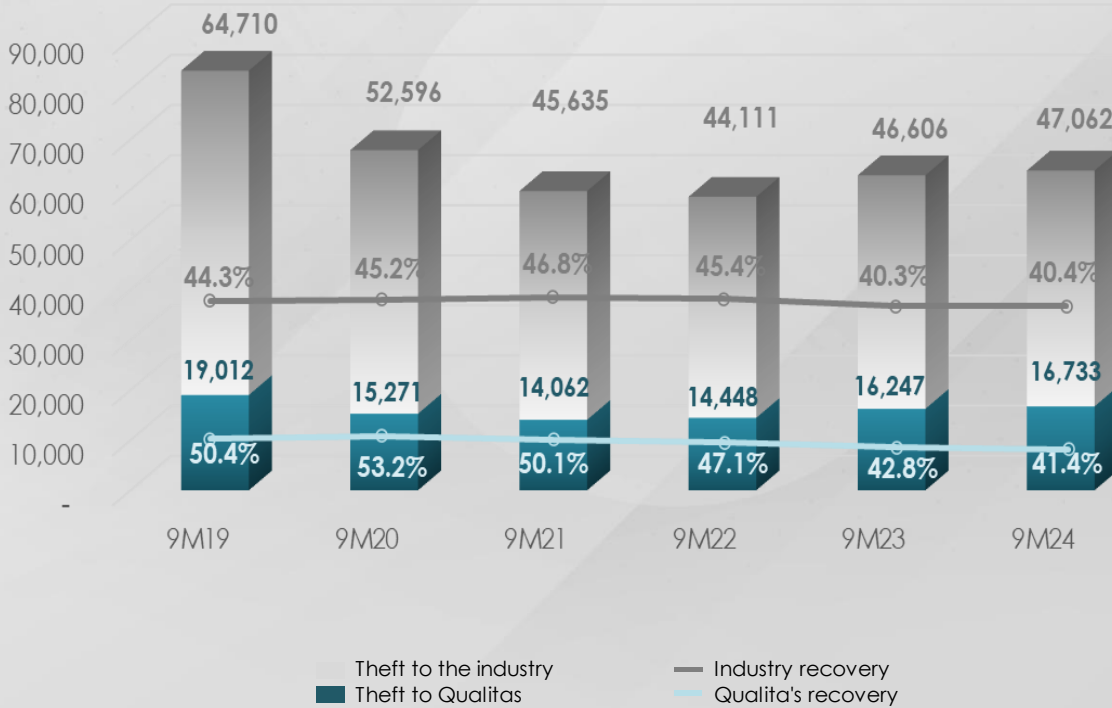


Source: AMIS, past figures may vary given updates from the regulator.

Theft and recovery

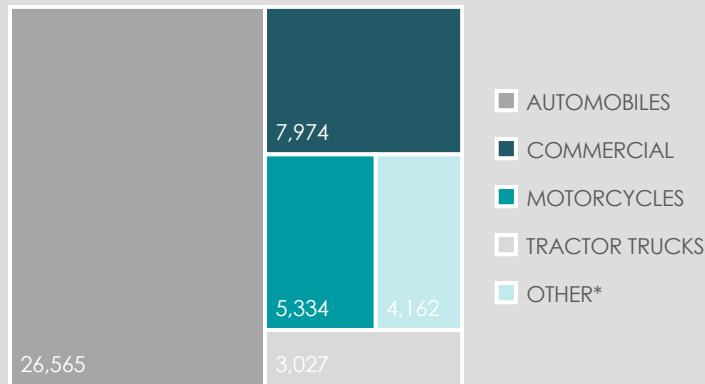
By September-end, according to the Office for the Coordination of Insured Risks (OCRA per its acronym in Spanish) figures, theft of insured units in Mexico increased 100 bp for the whole industry compared to 9M23, with a cumulative recovery rate of 40.4%.

During the first three quarters, Qualitas recovered 41.4% of its stolen units, representing 1.0 pp above the industry and 1.5 pp if we exclude Qualitas.



Thefts by type of unit ⁷

Out of the 47,062 units stolen in the industry during the first 9 months of the year, 56.4% were light automobiles, followed by 16.9% commercial automobiles; and motorcycles in the third place with 11.3%. This remains in accordance with recent years' proportions.

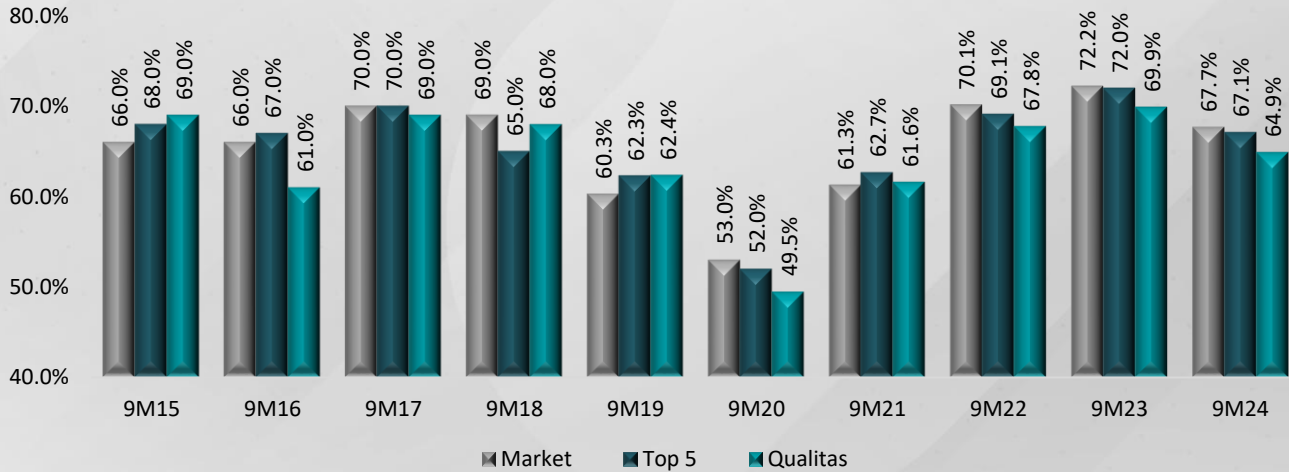


⁷ Source: OCRA, figures in number of cumulative units
 *Others: semitrailers, heavy equipment, buses, collectives, etc.

Cost ratios

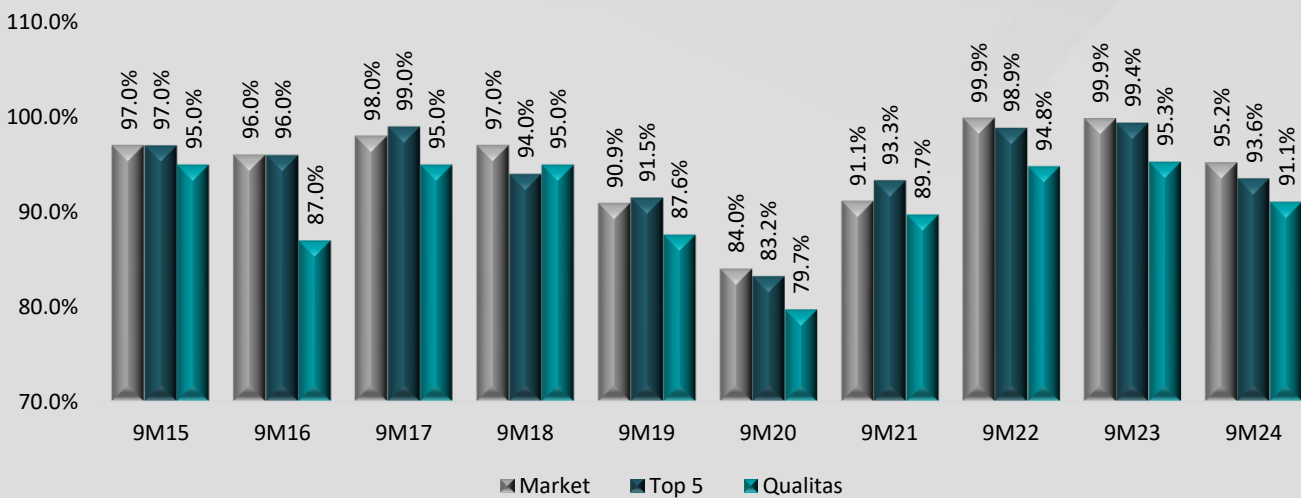
Loss ratio

The industry posted a lower loss ratio than that reported in 9M23, standing at 67.7% for the whole industry. Top 5 companies loss ratio decreased 4.9 pp compared to last year's same period, standing at 67.1%; likewise, Qualitas loss ratio decreased 5.0 pp, going from 69.9% to 64.9%.



Combined ratio

The industry's combined ratio was 95.2%, 4.7 pp below 9M23. Top 5 companies posted a 93.6%, combined ratio, Qualitas combined ratio stood at 91.1%.



Sources of information

- AMIS. Asociación Mexicana de Instituciones de Seguros, A.C.; www.amis.com.mx (Information extracted as of November 14th, 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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30
YEARS