

**RANKING OF INSURANCE GROUPS IN
LATIN AMERICA IN 2011**

October 2012

TABLE OF CONTENTS:

1. Presentation

- . Overall Ranking
- . Non-life Ranking
- . Life Ranking
- . Ranking of local and multinational groups

2. Observations on the ranking

3. Methodology

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1. Presentaton

For the 10th straight year, FUNDACIÓN MAPFRE hereby presents its ranking of the 25 largest insurance groups in Latin America by premium volume, this time for 2011. Three rankings have been compiled – Overall, Life and Non-Life – and separate information is included on local and multinational insurers.

Ranking of insurance groups in Latin America in 2011							
OVERALL							
Ranking 2011	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2011 (%)	Ranking 2010
			2010	2011			
1	BRADESCO SEGUROS	Brazil	8,014	9,619	20.0	9.3	1
2	MAPFRE	Spain	6,705	7,333	9.4	7.1	2
3	ITAÚ/UNIBANCO HOLDING	Brazil	5,351	6,964	30.1	6.7	3
4	ZURICH	Switzerland	1,500	4,675	211.7	4.5	16
5	BRASILPREV	Brazil	3,258	4,018	23.3	3.9	5
6	METLIFE	United States	3,575	3,429	-4.1	3.3	4
7	PORTO SEGURO	Brazil	3,090	3,300	6.8	3.2	7
8	LIBERTY MUTUAL	United States	2,351	2,691	14.5	2.6	8
9	CNP	France	2,085	2,399	15.0	2.3	9
10	ALLIANZ	Germany	1,712	1,986	16.0	1.9	10
11	GRUPO NACIONAL PROVINCIAL	Mexico	1,657	1,820	9.8	1.8	11
12	HSBC	United Kingdom	1,504	1,794	19.3	1.7	15
13	SURAMERICANA	Colombia	1,116	1,761	57.8	1.7	20
14	MCS	United States	1,541	1,682	9.2	1.6	13
15	GENERALI	Italy	1,309	1,640	25.3	1.6	18
16	AXA	France	1,589	1,621	2.0	1.6	12
17	TRIPLE-S	Puerto Rico	1,513	1,579	4.3	1.5	14
18	BBVA	Spain	1,188	1,455	22.5	1.4	19
19	SUL AMÉRICA	Brazil	1,338	1,427	6.6	1.4	17
20	INBURSA	Mexico	781	1,180	51.0	1.1	25
21	MMM HEALTHCARE	United States	1,007	1,096	8.8	1.1	21
22	ACE	United States	882	1,012	14.7	1.0	23
23	RSA	United Kingdom	830	979	18.0	0.9	24
24	TALANX	Germany	762	969	27.2	0.9	-
25	AIG	United States	994	964	-3.0	0.9	22

Total for top 10		37,641	46,414	23.3	45.0
Total for top 25		55,654	67,392	21.1	65.3
Total for sector		90,316	103,181	14.2	100

Ranking of insurance groups in Latin America in 2011							
NON-LIFE							
Ranking 2011	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2011 (%)	Ranking 2010
			2010	2011			
1	MAPFRE	Spain	4,969	5,535	11.4	10.1	1
2	PORTO SEGUROS	Brazil	2,944	3,147	6.9	5.7	2
3	LIBERTY MUTUAL	United States	2,252	2,579	14.5	4.7	3
4	BRADESCO	Brazil	1,972	2,174	10.2	4.0	4
5	ITAÚ/UNIBANCO HOLDING	Brazil	1,611	1,972	22.4	3.6	5
6	ZURICH	Switzerland	1,031	1,905	84.7	3.5	10
7	ALLIANZ	Germany	1,454	1,681	15.7	3.1	6
8	AXA	France	1,215	1,334	9.8	2.4	7
9	GENERALI	Italy	979	1,265	29.3	2.3	11
10	SUL AMÉRICA	Brazil	1,127	1,205	6.9	2.2	8
11	GRUPO NACIONAL PROVINCIAL	Mexico	1,050	1,046	-0.4	1.9	9
12	RSA	United Kingdom	803	951	18.5	1.7	13
13	TALANX	Germany	740	940	27.1	1.7	15
14	INBURSA	Mexico	534	927	73.7	1.7	20
15	AIG	United States	942	924	-1.9	1.7	12
16	MERCANTIL	Venezuela	692	857	23.9	1.6	16
17	ACE	United States	746	856	14.8	1.6	14
18	SANCOR	Argentina	495	708	43.2	1.3	22
19	CNP	France	563	661	17.4	1.2	19
20	TOKIO MARINE	Japan	589	654	11.0	1.2	17
21	QUÁLITAS	Mexico	589	649	10.3	1.2	18
22	HORIZONTE	Venezuela	418	618	47.6	1.1	-
23	MARÍTIMA/YASUDA	Brazil/Japan	509	600	18.0	1.1	-
24	SURAMERICANA	Colombia	423	552	30.7	1.0	25
25	BBVA	Spain	450	549	22.1	1.0	23

Total for top 10		19,553	22,797	16.6	41.5
Total for top 25		29,094	34,291	17.9	62.4
Total for sector		47,460	54,941	15.8	100

Ranking of insurance groups in Latin America in 2011							
LIFE							
Ranking 2011	Groups	Country	Premiums (millions of euros)		%Δ	Market share 2011 (%)	Ranking 2010
			2010	2011			
1	BRDESCO	Brazil	6,042	7,445	23.2	15.4	1
2	ITAÚ/UNIBANCO HOLDING	Brazil	3,741	4,992	33.4	10.3	2
3	BRASILPREV	Brazil	3,258	4,018	23.3	8.3	3
4	METLIFE	United States	3,147	3,010	-4.3	6.2	4
5	ZURICH	Switzerland	469	2,770	491.2	5.7	18
6	MAPFRE	Spain	1,736	1,798	3.6	3.7	6
7	CNP	France	1,523	1,738	14.2	3.6	8
8	MCS	United States	1,541	1,682	9.2	3.5	7
9	TRIPLE-S	Puerto Rico	1,392	1,469	5.6	3.0	9
10	HSBC	United Kingdom	1,083	1,270	17.2	2.6	10
11	SURAMERICANA	Colombia	693	1,179	70.1	2.4	13
12	MMM HEALTHCARE	United States	1,007	1,096	8.8	2.3	11
13	BBVA	Spain	738	906	22.8	1.9	12
14	GRUPO NACIONAL PROVINCIAL	Mexico	607	774	27.4	1.6	14
15	HUMANA	United States	591	719	21.8	1.5	15
16	BANAMEX	Mexico	531	628	18.2	1.3	17
17	NEW YORK LIFE	United States	549	566	3.2	1.2	16
18	CARDIF	France	318	479	50.5	1.0	24
19	CONSORCIO	Chile	340	450	32.5	0.9	22
20	FIRST MEDICAL HEALTH PLAN	United States	427	419	-1.9	0.9	19
21	ICATÚ	Brazil	269	418	55.2	0.9	-
22	GENERALI	Italy	330	374	13.3	0.8	23
23	PMC MEDICARE CHOICE	Puerto Rico	387	331	-14.4	0.7	20
24	BOLIVAR	Colombia	296	310	4.8	0.6	-
25	ALLIANZ	Germany	258	305	18.2	0.6	-

Total for top 10		23,931	30,193	26.2	62.6
Total for top 25		31,272	39,147	25.2	81.1
Total for sector		42,856	48,240	12.6	100

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7	TRIPLE-S	Puerto Rico	1,513	1,579	4.3	1.5	6
8	SUL AMÉRICA	Brazil	1,338	1,427	6.6	1.4	7
9	INBURSA	Mexico	781	1,180	51.0	1.1	9
10	MERCANTIL	Venezuela	708	872	23.2	0.8	10

Total for top 10		26,827	32,539	21.3	31.5
Total for sector		90,316	103,181	14.2	100

Ranking of insurance groups in Latin America in 2011							
OVERALL							
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9	GENERALI	Italy	1,309	1,640	25.3	1.6	-
10	AXA	France	1,589	1,621	2.0	1.6	7

Total for top 10		23,871	29,251	22.5	28.3
Total for sector		90,316	103,181	14.2	100

2. Observations on the ranking

The economy of Latin America and the Caribbean remained strong in 2011, with output growing 4.3%, according to ECLAC. Still, a slowing of the rate of growth in the region was detected. The insurance sector continued to expand at a good pace and reached premium volume of 103,181 million euros¹, an increase of 14.2% with respect to 2010. Growth was slower than the 19.2 percent rate posted in 2010, as a result of the smaller economic expansion but also because of the appreciation of the euro against major local currencies. Nonetheless, all the countries of the region posted increases in premium volume as measured in local currency, both in Life and Non-Life insurance.

For yet another year, the strong performance by the Life insurance branch was driven by the Brazilian product known as “Vida Gerador de Beneficio Libre” but also by a robust showing by Life insurance in Argentina.

Non-Life insurance was favored by the economic expansion, with rises in employment and sales of goods and automobiles, and by an increase in insurance rates in the main markets. In Brazil, another factor was the increase in investment in infrastructure due to all the big projects under way (the 2014 World Cup, the Olympic Games of 2016 and exploration of deep water, so-called pre-salt oil deposits).

The expansion of the Brazilian insurance market, which is also the region’s largest, again had a considerable effect on the ranking of the region’s insurance groups. Also contributing to this was the fact that the real depreciated less against the euro than did other Latin American currencies.

Overall ranking

In 2011, concentration increased 0.9 percentage point in the ranking of the 25 largest insurance groups of Latin America, which together accounted for 65.3% of the market. This was a result of acquisitions and business agreements they reached over the course of the year. Premium revenue totaled 67,392 million euros, up 21.1% from 2010.

1

Does not include Health insurance in Brazil, Life Annuities and Retirement Insurance in Argentina, or Pensions in Mexico.

The most important corporate news of 2011 included the following:

- In July 2011, Banco Santander reached an agreement with the Zurich group under which the latter acquired 51% of the holding made up of Santander's insurance units in Latin America (in Argentina, Brazil, Chile, Mexico and Uruguay). Under this deal, Zurich will manage the companies and the bank will sell insurance products in each of the five aforementioned markets, for 25 years, through its network of branches.
- Grupo de Inversiones Suramericana (Grupo Sura) bought out the pension and life insurance business of ING in Latin America. The deal does not include the Dutch group's 36% stake in the Brazilian insurer SulAmérica. The Colombian group also acquired in 2011 the Dominican insurer Proseguros and one of the largest insurance companies in El Salvador, Aseguradora Suiza Salvadoreña (Asesuisa).
- In April 2011, the German group Talanx announced it was acquiring the Argentine and Uruguayan units of L'Union de Paris, and in July it disclosed that it is buying the Mexican company Metropolitana.
- In order to maintain growth in *Medicare Advantage*, the top-performing health care product in recent years in the Puerto Rican market, Triple-S announced in January 2011 that it was buying the operations of American Health in Puerto Rico.
- In December 2011, the ACE Group announced it was acquiring the Ecuadorean company Río Guayas, owned by Banco de Guayaquil. It is the fourth-ranked insurance company in Ecuador.
- The Brazilian company Marítima Seguros struck a deal with Yasuda Seguros, part of the Japanese group Sompo, to sell it 50% of the Brazilian firm's capital.

The participation of major European and U.S. insurers in these transactions is the result of the stiff competition that exists in these markets. These groups, hard hit by the international economic crisis, are looking for growth in emerging markets that have suffered less of an impact than more developed markets and which have a higher level of growth.

For yet another year, the ranking was led by Brazilian insurer Bradesco, with premium volume of 9,619 million euros and a market share of 9.3%. Next came the MAPFRE group and Itaú/Unibanco, which held the same spot as the previous year and have a

market share of 7.1% and 6.7%, respectively. Thanks to the deal struck with the Santander group, which held sixth place in the 2010 ranking, Zurich climbed 12 places to take over fourth, with revenue of 4,675 million euros. It is important to keep in mind that the data used in this study does not come from consolidated accounting procedures. Therefore, the premium volume of groups which have reached agreements with other companies is the sum of the total revenue of both groups.

Brasilprev, in which Banco do Brasil and the Principal group hold stakes, remained in fifth place, although its market share rose three-tenths of a point thanks to major premium growth of 23.3%. MetLife dropped from fourth to sixth place after selling to the U.S. concern Pan-American Life Insurance Group (PALIC) the units that Metlife bought from ALICO in Panama and Costa Rica. This caused Metlife's premium revenue to go down by 4.1%.

Another important change in the ranking was the big jump posted by the Colombian group Suramericana, which took over 13th place thanks to the acquisitions it carried out in 2011 and which were discussed earlier in this report. Also worth pointing out is the extraordinary revenue growth seen by the Inbursa Group – 51.0% – which placed it in 25th place in this latest ranking. This rise stems from the renewal in August 2011 of the two-year Property Damage policy held by Petróleos Mexicanos.

Finally, we should mention that Talanx has risen to 24th in the ranking, thanks to robust premium growth of 27.2%, as a result of acquisitions carried out in 2011.

Non-life ranking

The market share held by the top 25 groups in the Non-Life line was 62.4%, compared to 60.8% in 2010. As discussed earlier, the main reason for this increase was the merger and acquisition activity that took place in 2011.

MAPFRE remained as leader of the Non-Life ranking, with a 10.1% share of the premiums in this line. Its revenue last year rose 11.4% to 5,535 million euros. The Spanish group remains quite a way out in front of its closest competitor, Porto Seguros (5.7% market share), even though MAPFRE's market share slipped four-tenths of a point. Liberty, Bradesco and Itaú/Unibanco hold third, fourth and fifth place, respectively. One highlight is the latter's 22.4% jump in premium revenue.

The factors driving the growth and higher ranking positions of Zurich, Talanx and Inbursa are the same as those discussed in the section on the overall ranking. Besides these increases one should mention the expansion reported by the Argentine group Sancor –

its premium revenue rose 43.2% and its place on the ranking climbed four spots – and that of the Italian group Generali. With strong growth in its Argentine and Mexican markets, it expanded 29.3% and went up two rungs in the ranking.

Companies joining the ranking for the first time were Venezuela's Horizonte Group, whose Health insurance premiums rose 56%, and Brazil's Marítima Seguros, thanks to the agreement reached with Yasuda of Japan.

Life ranking

With growth of 25.2%, the 25 largest Life insurance groups in Latin America showed a more robust performance than those listed on the Non-Life ranking, whose premium revenue expanded 17.9%. The revenue of these groups – 39,147 million euros – also surpassed that of Non-Life companies, which totaled 34,291 million euros. Concentration increased 1.5 percentage points to 81.1%. The top five groups, led by the Brazilian groups, accounted for nearly half of all premium revenue in the region.

Bradesco remained the undisputed leader, with 7,445 million euros in premiums and a market share of 15.4%. In second place was Itaú/Unibanco, which in 2011 posted major growth of 33.4%, with revenue reaching 4,992 million euros. Brasilprev and MetLife held onto third and fourth place, respectively.

The biggest changes in the 2011 ranking were the rise of Zurich, which went from 18th to 5th place, and Cardif, which jumped six spots thanks to growth by its units in Brazil and Chile. Newcomers to the ranking were Icatú, Bolívar and Allianz.

Rankings of local and multinational groups

In 2011 there was no change in the makeup of the ranking of local groups. Bradesco continued to be the leader, although the distance between it and its immediate rival, Itaú/Unibanco, became narrower.

MAPFRE continued to lead the ranking of multinational companies in Latin America, followed by Zurich, which, thanks to its agreement with Santander, became the second largest multinational company in the region.

3. Methodology

In the preparation of this study, the same methodology was used as in earlier versions. The data come from information published by the insurance regulatory bodies in the various countries, and the premium volume of each group is the sum of the premiums issued in each country. In calculating data we have taken into account the mergers and acquisitions announced in 2011.

One must note that in carrying out this kind of study, a complication arises because of the different makeup of the Life and Non-Life branches in each country. In general, and wherever possible, Health and Accident insurance have been included in the Non-Life branch. But it was not possible to apply this criterion to Puerto Rico, for instance, where the Disability line (Health) is considered part of Life insurance. In fact, the largest insurers of Life and Health in Puerto Rico are mainly Health insurers. Some of them are among the top 25 Life insurance groups in Latin America.

Also, in Brazil, contributions from Previdencia Privada, or private pension plans, were not included, nor were Health insurance premiums because they are not under the control of the Agência Nacional de Saúde Suplementar (ANS). In Argentina, life annuities and retirement insurance are not included and in Mexico pensions are excluded².

To convert data expressed in other currencies into euros, we used the average exchange rate for the year. Growth rates are calculated using revenue in euros.

The rankings can be obtained from the electronic publications section of the Institute of Insurance Sciences at FUNDACIÓN MAPFRE, at www.fundacionmapfre.com/cienciasdelseguro.

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For this reason, and due to the differences in the makeup of the Life and Non-Life branches, the figure on total Life and Non-Life premiums in this study is different from the one published in the FUNDACIÓN MAPFRE's study "The Latin American Insurance Market."