MINDPOWER SOLUTIONS

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2011

Spain Insurance Market Outlook to 2015

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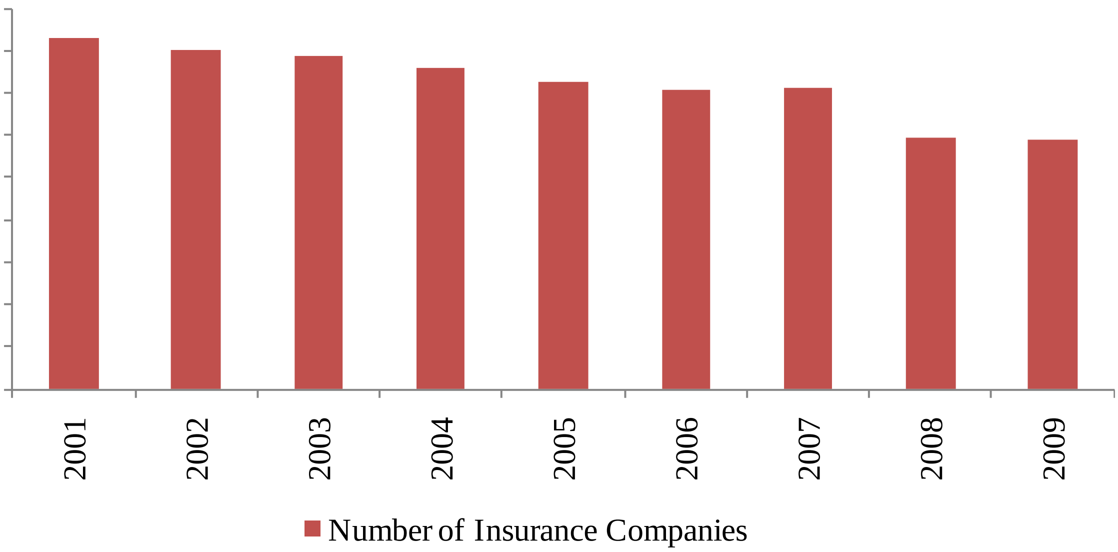
SPAIN INSURANCE MARKET STRUCTURE

NUMBER OF INSURANCE COMPANIES IN SPAIN, 2001-2009

In 2009, ~ companies existed in the insurance sector in Spain out of which ~ were public limited companies, ~ were mutual provident fund societies, ~ were mutual insurers and ~ were specialized reinsurance companies. Among these insurers, in total ~ companies seized to continue their operations in the country out of which ~ were public limited companies and ~ in mutual insurance and ~ in mutual provident society. In terms of new entries, ~ public limited companies and ~ mutual provident societies started their operations in 2009. There were ~ insurers in Spain which had foreign capital in proportion of ~%.

Figure 1: The Total Number of Insurance Companies in Spain, 2001-2009

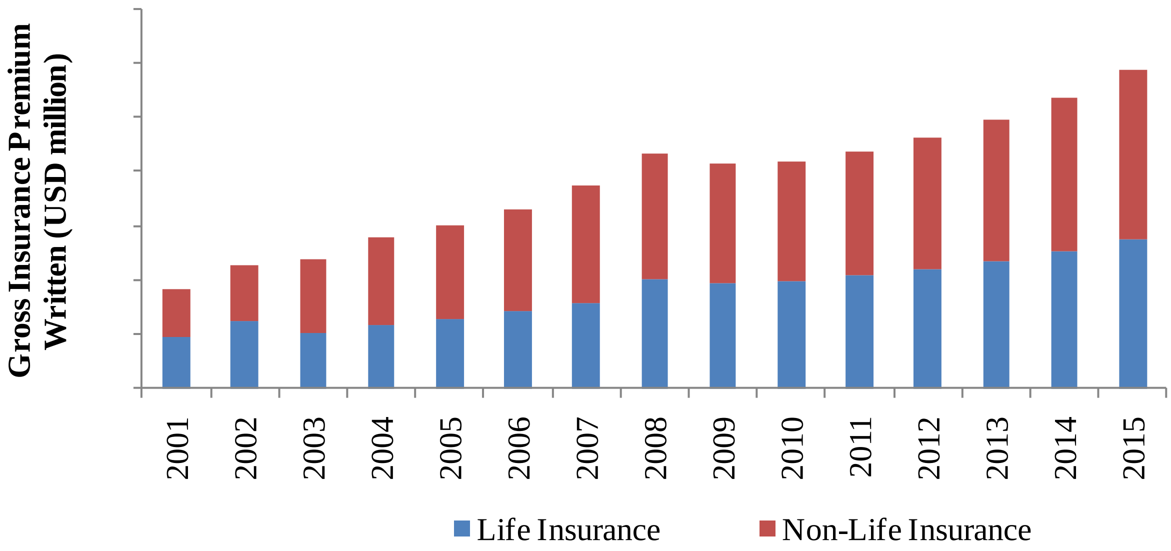


Source: CEA

SPAIN LIFE AND NON-LIFE INSURANCE MARKET SIZE BY VALUE, 2001-2015

In the forecasted period from 2009 to 2015, the gross life insurance premium is expected to increase at a CAGR of 5.7%. The value would increase from USD ~ million in 2009 to USD ~ million in 2015. Non-life insurance premium is also expected to increase from USD ~ million in 2009 to USD ~ million by 2015 at a CAGR of ~%. Total gross premium written is also likely to increase from USD ~ million in 2009 to USD ~ million in 2015. The growth rate expected to achieve during this period is ~%

Figure 2: Spain Market Size by Value of Life and Non-Life Insurance Market in USD Million, on the basis of Gross Insurance Premium Written, 2001-2015

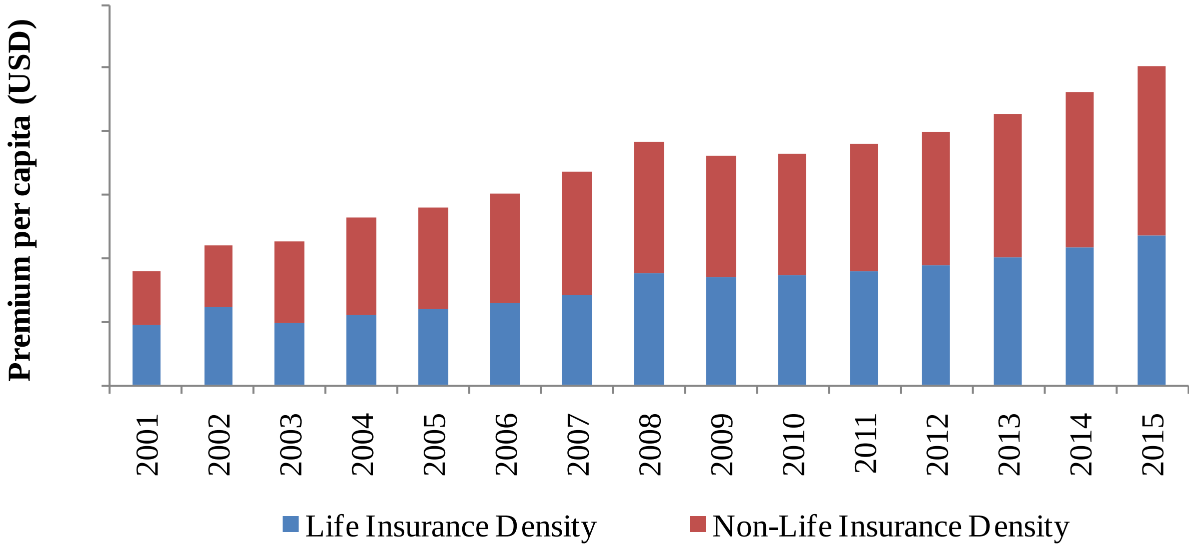


Source: Swiss Re, AM Mindpower Solutions

SPAIN LIFE AND NON-LIFE INSURANCE DENSITY, PREMIUM PER CAPITA, USD, 2001-2015

Life insurance density is expected to increase from USD ~ in 2009 to USD ~ in 2015, registering a CAGR of ~%. An increase of ~% is expected for non-life insurance density, resulting in an increased from USD ~ in 2009 to USD ~ in 2015. The density would increase from USD ~ in 2009 to USD ~ in 2015, at a growth of ~%.

Figure 3: Spain Life and Non Life Insurance Density, Premium per Capita, in USD, 2001-2015



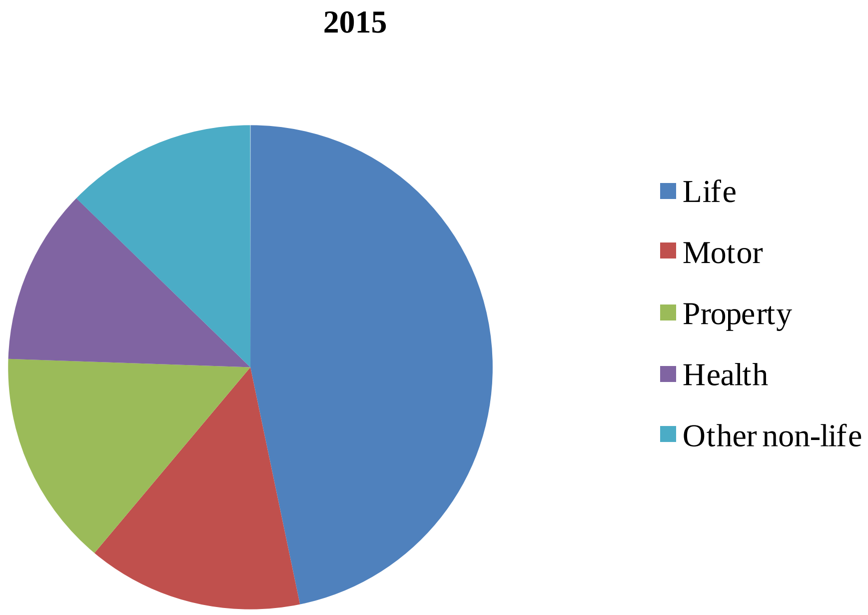
Source: AM Mindpower Solutions

SPAIN INSURANCE MARKET SEGMENTATION BY PRODUCT, 2009 AND 2015

Life insurance is the major sector having the highest share of ~% of the total insurance market in Spain in 2009. Motor insurance holds ~% of the total insurance market followed by property insurance with a share of ~%. With ~% of the total market, property insurance is another major sector contributing to insurance industry. Other non-life insurance also holds ~% of the total market.

In the future, life insurance is expected to register some decrease in its market share. The share of life insurance is expected to decrease from ~% in 2009 to ~% in 2015. The share of health insurance is expected to increase to ~% and a reduction of nearly ~% is anticipated in the share of motor insurance. The share of property is also likely to increase by 2015 and reach ~%. The share of other non-life insurance is also expected to increase and reach ~%.

Figure 4: Spain Insurance Market Segmentation by Product in Percentage on the basis of Gross Insurance Premium Written, 2015



Source: AM Mindpower Solutions

1.1. SPAIN NON-LIFE INSURANCE MARKET

1.1.1. SPAIN NON-LIFE INSURANCE MARKET SEGMENTATION BY INSURANCE CLASS, 2008 AND 2009

Third party liability and other guarantees accounted for accounted for ~% and ~% of the total motor insurance in 2009. In health insurance, healthcare assistance accounted for ~% of the total share of health insurance with a premium contribution of USD ~ million. Burial expenses had the largest share of the total other non-life insurance. Third party liability came close behind with share of ~% and a premium of USD ~ million in 2009.

Table 1: Composition of Non-Life Insurance premium by Class on the Basis of Gross Insurance Premium, in USD Million, 2008 and 2009

Insurance Class	Gross Insurance Premium (USD Million), 2008	Gross Insurance Premium (USD Million), 2009
Motor	-	-
Third party liability	-	-
Other guarantees	-	-
Property (Multi Peril)	-	-
Health	-	-
Healthcare Assistance	-	-
Illness	-	-
Other Non-Life Insurance	-	-
Third party liability	-	-
Burial Expenses	-	-
Personal Accidents	-	-
Engineering	-	-
Credit	-	-
Transport	-	-
Agricultural	-	-
Pecuniary losses	-	-
Assistance	-	-
Legal Defence	-	-
Fire	-	-
Surety	-	-

Theft	-	-
Total	-	-

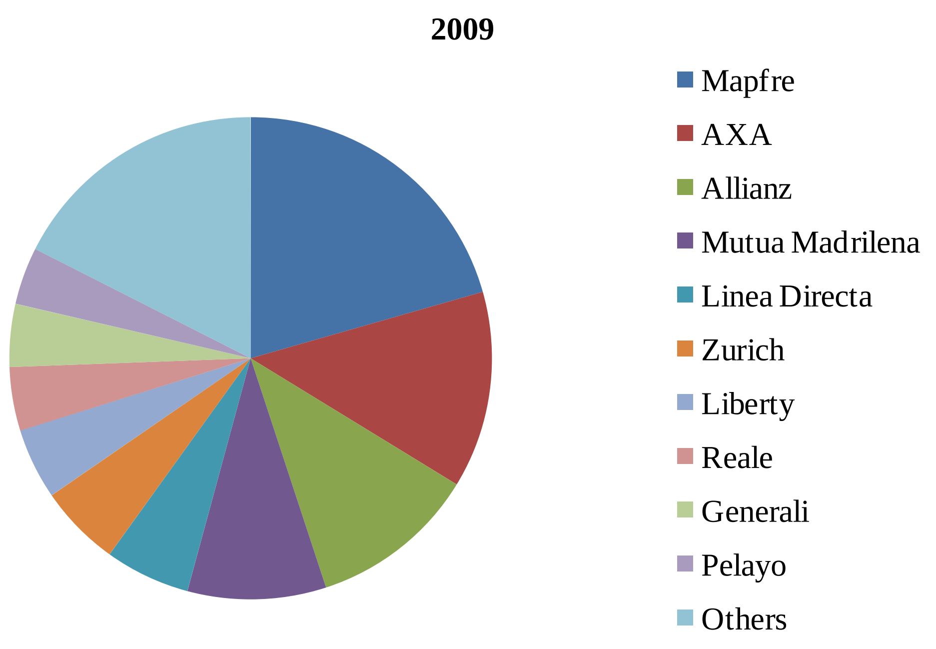
Source: AM Mindpower Solutions

SPAIN MOTOR INSURANCE MARKET

SPAIN MOTOR INSURANCE COMPETITIVE LANDSCAPE, 2009

The top five players in the motor insurance constituted roughly ~% of the entire market with Mapfre being the biggest player with a market share of ~% and premium contribution of USD ~ million. AXA was the second largest player with a market share of ~%, closely followed by Allianz with ~% of the market. Mutua Madrilena and Linea Directa were the other top ranked players with a market share of ~% and ~% respectively. Other prominent players operating in the country are Zurich, Liberty, Reale, Generali and Pelayo.

Figure 5: Spain Market Share of Major Motor Insurers on the basis of Gross Insurance Premium Written, in Percentage, 2009



Source: ICEA

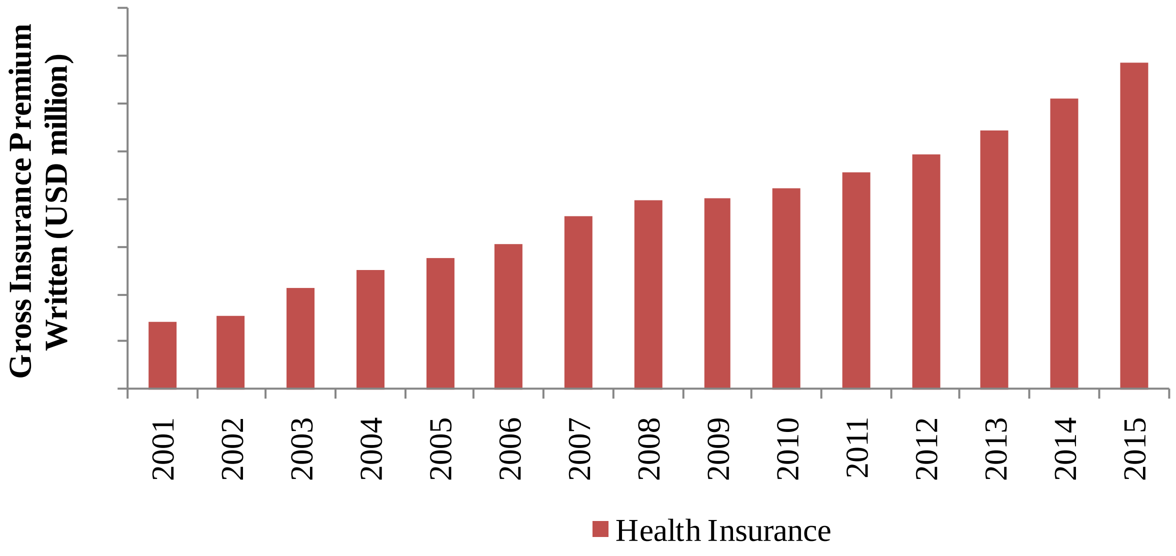
SPAIN HEALTH INSURANCE MARKET

SPAIN HEALTH INSURANCE MARKET SIZE BY VALUE, 2001-2015

Health insurance registered a higher growth rate in insurance during the historical period. The health premium increased from USD ~ million in 2001 to USD ~ million in 2009, registering a double digit growth of ~% during the period.

The trend is likely to continue till 2015, as the premium is set to reach USD ~ million by 2015. The growth rate expected during this period is likely to be around ~%.

Figure 6: Spain Health Insurance Market Size in USD Million, on the basis of Gross Insurance Premium Written, 2001-2015



Source: AM Mindpower Solutions

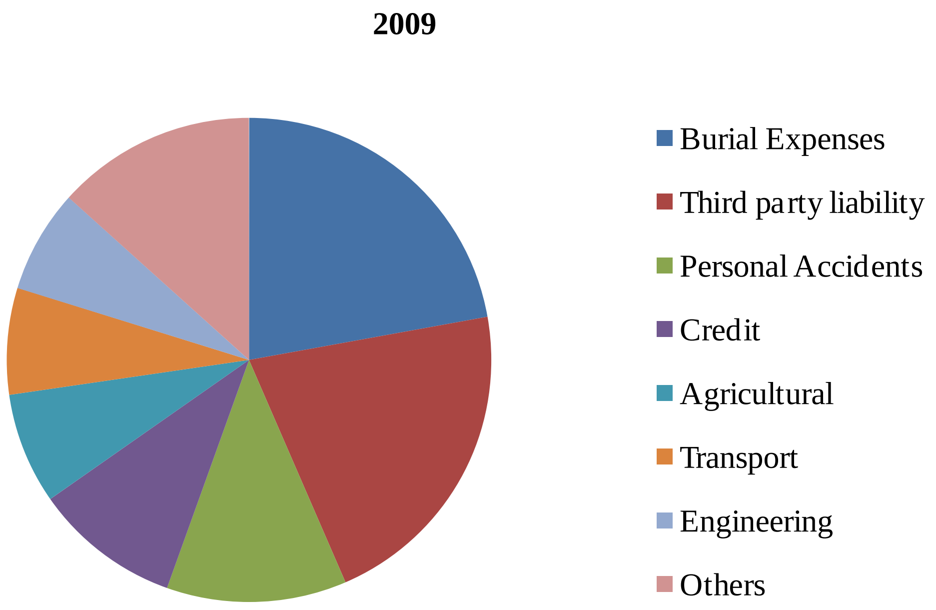
SPAIN OTHER NON-LIFE INSURANCE MARKET

SPAIN OTHER NON-LIFE INSURANCE MARKET SEGMENTATION BY INSURANCE CLASS, 2009

Burial expenses comprised of the largest share with a premium of USD ~ million, an increase from USD ~ million in 2008. The premium from third party liability decreased slightly from

USD ~ million in 2008 to USD ~ million in 2009. Personal accidents was another major insurance class with a premium of USD ~ million in 2009, although the insurance class registered a small decline compared to 2008. Credit, agricultural and transport registered a premium of USD ~ million, USD ~ million and USD ~ million respectively. Engineering registered a major fall from a share of ~% in 2008 to ~% in 2009. Other non-life insurance classes including pecuniary losses, assistance, legal defense, fire, surety and theft registered a combined premium of USD ~ million.

Figure 7: Spain Other Non-Life Insurance Market Segmentation by Insurance Class on the basis of Gross Insurance Premium, in Percentage, 2009



Source: ICEA

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