



# Insurance Sector Brazil

August 2015

Produced by:



# Table of Contents

## **I. Sector Overview**

1. Sector Highlights
2. Economic Importance
3. Sector Forecast
4. Brazil in Global Insurance Market
5. Economic Trends
6. Growth Drivers and Constraints
7. Insurance Premiums
8. Insurance Claims
9. Insurance Penetration
10. Financial Performance
11. Top Insurers by Premium Income
12. Top Insurers by Assets
13. Foreign Direct Investment
14. Government Policy

## **II. Life Insurance**

1. Life Insurance Highlights
2. Life Insurance Premium Income
3. Life Insurance Claims
4. Life Insurance Market Share

## **III. Non-Life Insurance**

1. Non-Life Insurance Highlights
2. Non-Life Insurance Premium Income
3. Non-Life Insurance Claims
4. Non-Life Insurance Market Share

## **IV. Reinsurance**

1. Reinsurance Highlights
2. Reinsurance Premium Income and Claims
3. Reinsurance Market Share

## **V. Main Players**

1. Top M&A Deals
2. M&A Activity, 2014-Q3'2015
3. BB Seguridade Participações S.A.
4. BB Seguridade Participações S.A. (cont'd)
5. Porto Seguro S.A.
6. Porto Seguro S.A. (cont'd)
7. Sul América S.A.
8. Sul América S.A. (cont'd)
9. Bradesco Seguros S.A.
10. Bradesco Seguros S.A. (cont'd)
11. Itaú Seguros S.A.
12. Itaú Seguros S.A. (cont'd)

# I. Sector Overview

# Sector Highlights

## Sector Overview

Brazil's insurance sector has been growing at a rapid CAGR of 14% in terms of premium income between 2004 and 2014, outperforming the overall GDP growth during the period. In comparison to the developed countries, the insurance premiums/GDP ratio remains low, 3.8% in 2014, highlighting the huge growth and penetration opportunities. The insurance activity in the country is highly concentrated. Although there were 121 active insurance companies in Brazil as of December 2014, 61% of the total premium income in 2014 was earned by the five largest players, of which three were banking institutions.

## Recent Development

The insurance sector is gaining traction in Brazil, with pension plans and auto insurance being the two largest segments in terms of premium income. Insurance was one of the few sectors in the country that recorded a real growth of 5.7% y/y in 2014, outperforming the nominal inflation of 6.4% during the year. In 2014, the financial performance of the main insurance companies remained positive, confirming that the overall insurance claims and operating costs are efficiently controlled.

## Forecast

The demand for insurance products is likely to stay under pressure throughout 2016 in line with the recession of the overall economy, combined with the slowdown in the auto industry stemming from low consumer confidence and decreasing durable goods purchases. Notably, the unemployment rate surged to 6.9% in June 2015, up from 4.8% in the same month of 2014, which is expected to affect the demand for life insurance. Tighter credit conditions are also a barrier to growth. On the other hand, the high-interest-rate environment is structurally positive for the insurance companies and their cash flow, as premiums are received upfront.

## M&A Boom

The insurance sector is experiencing its biggest M&A boom for the last five years. Brazilian insurance broker FPC Par Corretora de Seguros raised BRL 602.8mn in a secondary share offering on the BM&FBovespa Stock Exchange in June 2015, marked by a heavy demand. In August 2015, Caixa Seguridade, the insurance arm of state-run bank Caixa Economica Federal, and local reinsurer IRB Brasil Re filed for initial public offerings, with expectations to raise a total of BRL 13bn. In May 2015, French insurance major AXA Group bought the industrial risk units of domestic insurer Sul America for BRL 135mn. The latter also divested its housing insurance portfolio to local peer Pan Seguros for BRL 60mn in July 2015, with the goal to focus on its core segments: health and auto insurance.

# Economic Importance

Main Economic Indicators							
	2008	2009	2010	2011	2012	2013	2014
Total population (mn)	191.5	193.5	195.5	197.4	199.2	201.0	202.7
GDP, current prices (BRL bn)	3,108	3,328	3,887	4,375	4,713	5,158	5,521
GDP, constant prices (% change)	5.0	-0.2	7.6	3.9	1.8	2.7	0.1
GDP per capita, current prices (USD)	8,834	8,629	11,306	13,24	12,103	11,878	11,567
Consumer Price Index, IPCA (%)	5.9	4.3	5.9	6.5	5.8	5.9	6.4
SELIC - monetary policy rate (year-end, %)	13.75	8.75	10.75	11.00	7.25	10.00	11.75
Exchange rate USD/BRL (year-end)	2.34	1.73	1.67	1.86	2.05	2.35	2.68
Insurance Premium Income (BRL mn)	67,816	76,611	90,088	105,031	129,340	145,348	164,459
Insurance Premium Income (yoy change, %)	12.2	13.4	13.8	16.3	18.3	13.3	12.1
Insurance Premium Income (% of GDP)	2.2	2.3	2.8	3.1	3.4	3.6	3.8

## Comments

In the last decade, Brazil experienced a robust economic growth and positive developments in the labour market, especially due to the international commodities boom, and the improved income distribution, mostly through welfare programmes, and credit easing. The middle-class population has increased its purchasing power and improved its saving habits, resulting into a strong demand for insurance products. However, the deceleration of the economy since 2013 combined with the slowdown in the household income growth have negatively impacted the insurance industry. Although insurance was one of the few sectors in Brazil that witnessed a real expansion in 2014 in terms of insurance premium income, the nominal growth of 12.1% fell behind its overall expansion of 17.4% over the period 2009-2013.

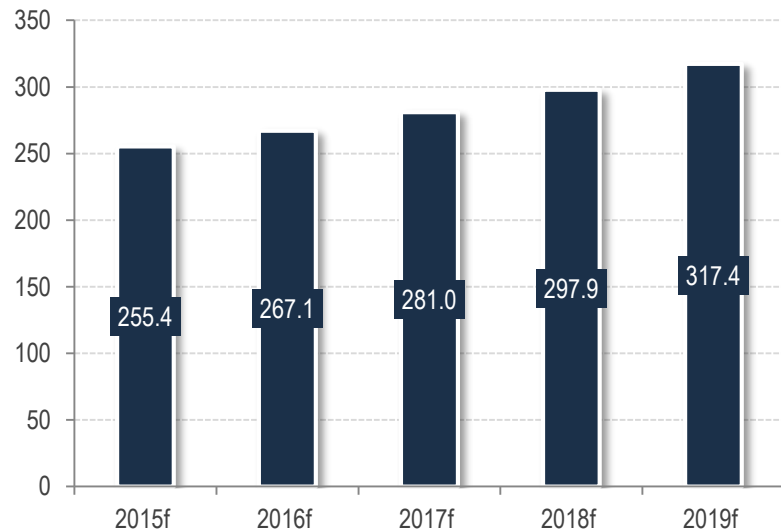
Source: EMIS, CEIC, Central Bank of Brazil, Superintendence of Private Insurance (SUSEP), Brazilian Insurance Confederation (CNseg)

Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

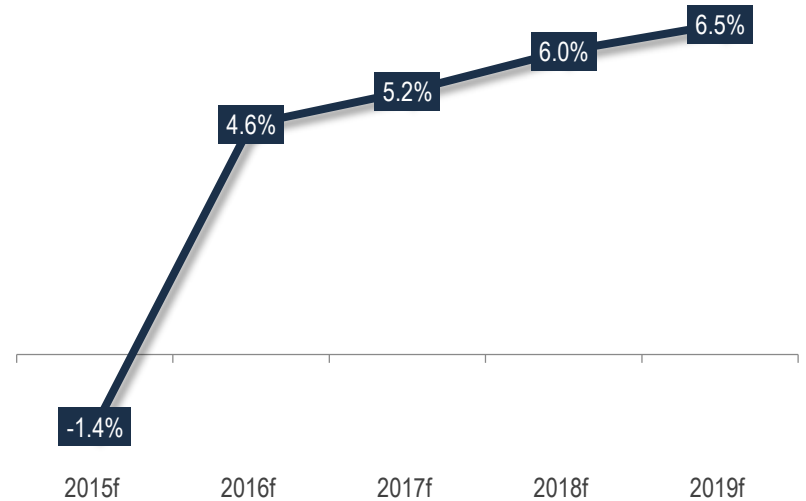
Downloaded by parmstrong from 213.174.212.181 at 2016-04-08 15:28:41 BST. EMIS. Unauthorized Distribution Prohibited.

# Sector Forecast

Total Gross Premium Written, BRL bn



Total Gross Premium Written (yoy change, %)



## Comments

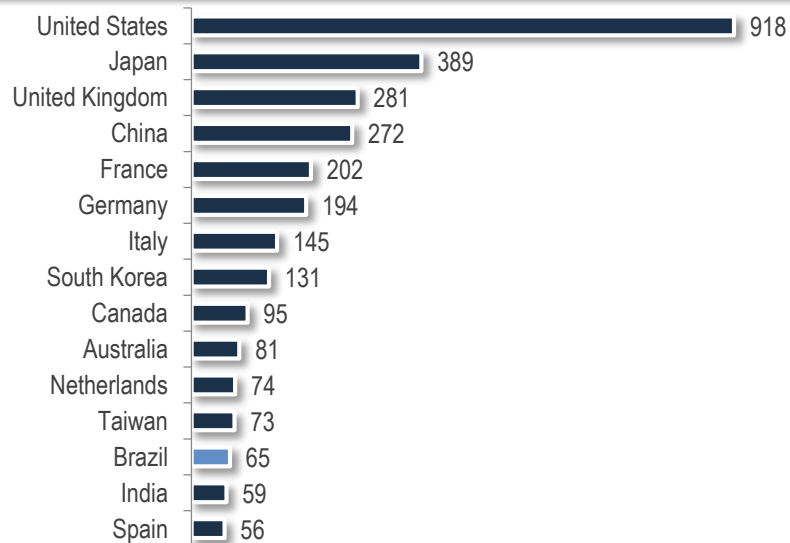
The August 2015 Boletim Focus, a survey made by the Central Bank of Brazil among analysts from 100 private financial institutions, projects two consecutive years of negative growth (-2.3% in 2015 and -0.4% in 2016), which are likely to constrain the demand in all insurance segments. Notably, BMI Research expects a contraction of the total gross premium written by 1.4% in 2015, pushed down mainly by a drop of 5% in the non-life insurance segment. According to the consultancy, the performance of the life insurance segment is likely to remain stable in line with the changing saving habits in the country.

Source: Central Bank of Brazil, BMI Research

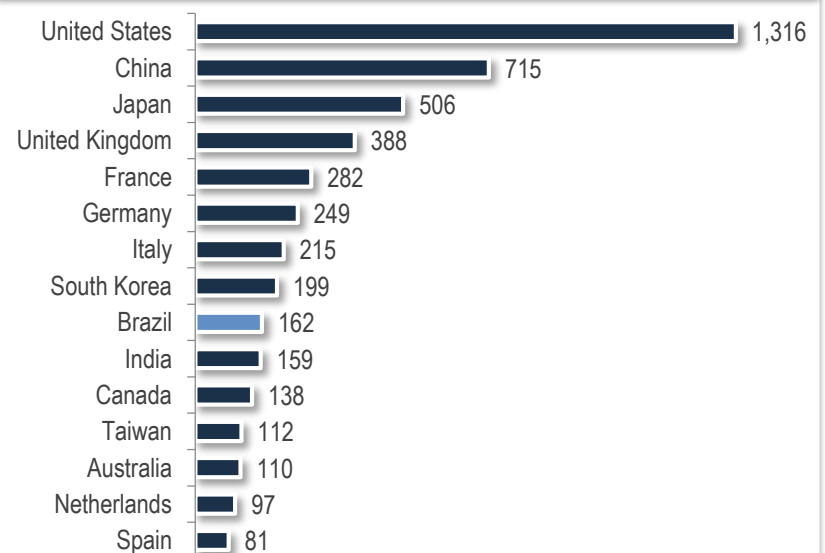
Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# Brazil in Global Insurance Market

**Top 15 Largest Insurance Markets by Premiums 2015, EUR bn**



**Top 15 Largest Insurance Markets by Premiums 2025, EUR bn**

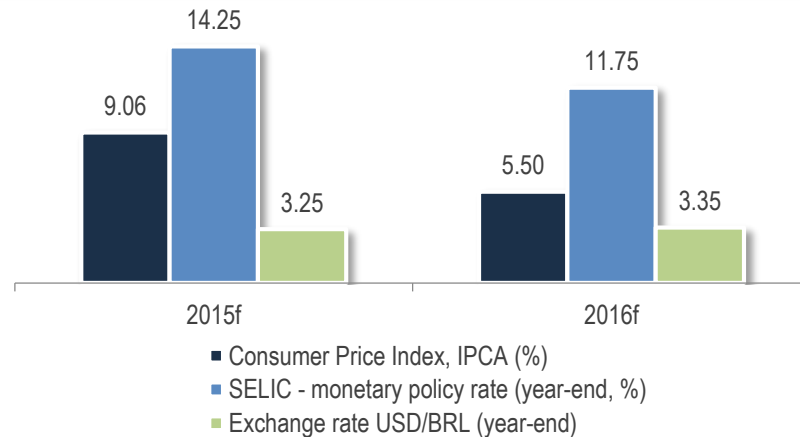


## Comments

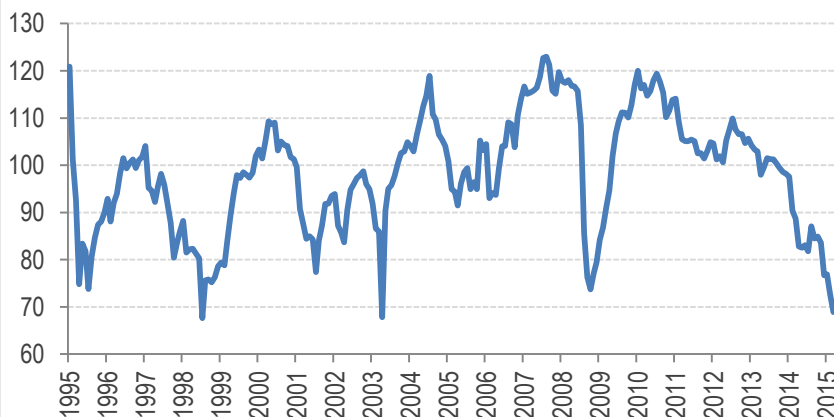
The global insurance sector is expected to grow at a 4% rate over 2015-2016, supported by a pickup in the activity in the U.S. and the European economies, according to German reinsurer Munich Re. However, the historically low interest rate environment in the major global economies is affecting the life insurance segment that should expand below the overall economic growth over the next ten years. In 2015, Brazil is expected to have the 13<sup>th</sup> largest insurance market in the world in terms of premiums. Moreover, Munich Re ranked Brazil among the top ten countries with the highest premium growth over the 2015-2025 period (CAGR of 9.7% for the life segment and CAGR of 5% for the property & casualty segment), which would turn the country into the 9<sup>th</sup> largest insurance market by 2025.

# Economic Trends

## Main Economic Indicators Forecast



## Industry Confidence Index (1995=100)



## Comments

- At present, Brazil is undergoing a delicate economic situation given the decline in the economy combined with the environment of stubbornly high inflation, high interest rates, worsened fiscal position, low consumer and industry confidence and the slowdown in demand from its main export destination – China.
- In June 2015, the industry confidence index measured by the Getulio Vargas Foundation (FGV) reached a record low, reflecting the downward revisions of the economic growth prospects, the deterioration of business expectations and the low levels of government approval.
- The International Monetary Fund (IMF) expects Brazilian economy to decline by 1.5% in 2015, to record a sluggish growth of 0.7% in 2016 and to return to a stronger expansion as early as in 2017 (2.3%).
- However, the interest rate term structure is negatively shaped, with market players wagering that the actual almost two-digit inflation (9.1% estimated for 2015) will soon be contained and Brazil will retain its investment grade status assigned by the three main credit rating agencies (Standard & Poor's, Moody's and Fitch).

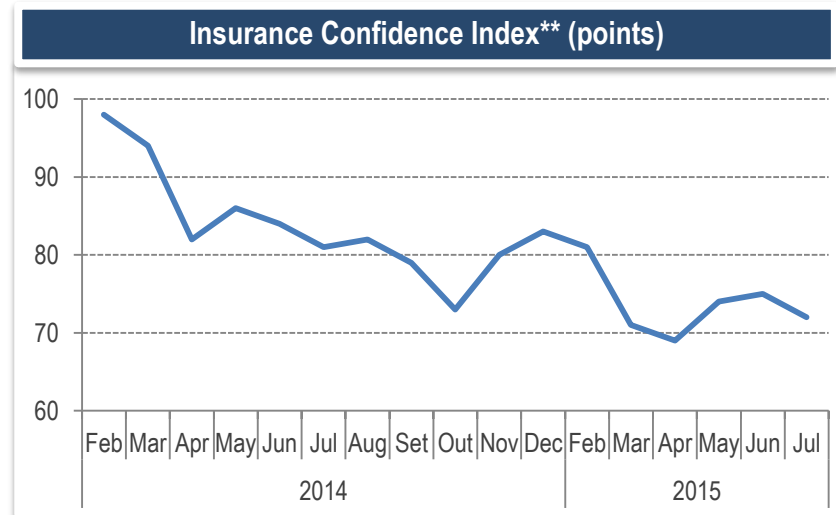
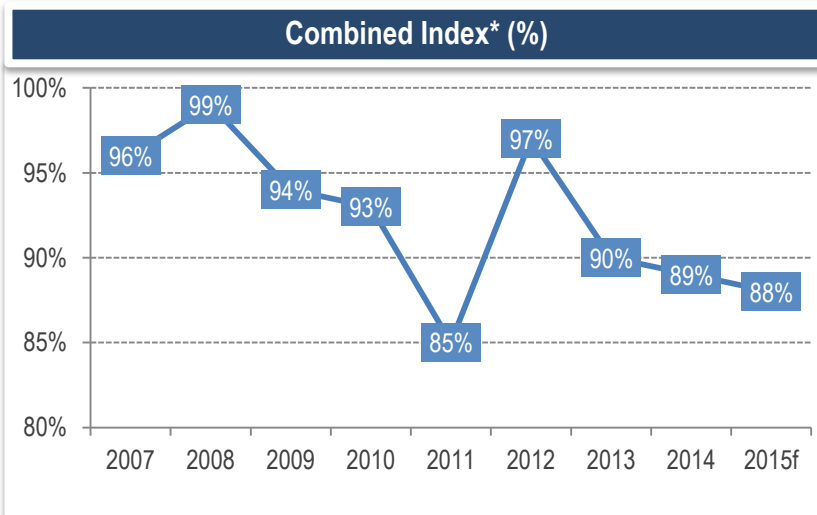
Source: Central Bank of Brazil, International Monetary Fund (IMF), Bloomberg, Getulio Vargas Foundation (FGV)

Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

Downloaded by parmstrong from 213.174.212.181 at 2016-04-08 15:28:41 BST. EMIS. Unauthorized Distribution Prohibited.



# Growth Drivers and Constraints



- Growth Drivers**
- As domestic banks record a slowdown in interest revenue and loan growth, their focus turns to other fee income products like insurance, which is likely to improve the insurance penetration rates mainly in the life insurance and the complementary pension segments.
  - The combined index (defined as the ratio of the sum of insurance claims and selling, general & administrative costs to insurance premiums) remained relatively stable in 2014 in line with the trend for cost reduction.
  - Positive developments in the reinsurance market, following the end of the state monopoly in the segment in 2008, are expected to boost the property, casualty and big risks sub-sectors.
  - The hosting of the 2016 Summer Olympic Games is expected to give an impetus to event and logistics oriented insurance products.

- Constraints**
- The insurance confidence index that measures the confidence and the expectations of local insurance, reinsurance and brokerage companies continued to decline in the first half of 2015 in line with the more pessimistic views of the market players and the challenging macroeconomic scenario.
  - Further increases in the corporate income taxes over the next years are likely due to the complicated fiscal situation of the country, which would hit the financial performance of the insurance companies.
  - The high-interest rate environment in the last three years boosted the financial gains of insurance companies. A future monetary easing might hamper the financial performance of the sector.
  - The increasing competition in the insurance industry generates pressure on premium incomes and, therefore, is likely to reduce profit margins.

Source: FENACOR, Austin Ratings, Falke Information, - \* Defined as the ratio of the sum of insurance claims and selling, general & administrative costs to total insurance premiums, \*\* The index varies between 0 and 200 points. Figures above 100 points indicate positive expectations.

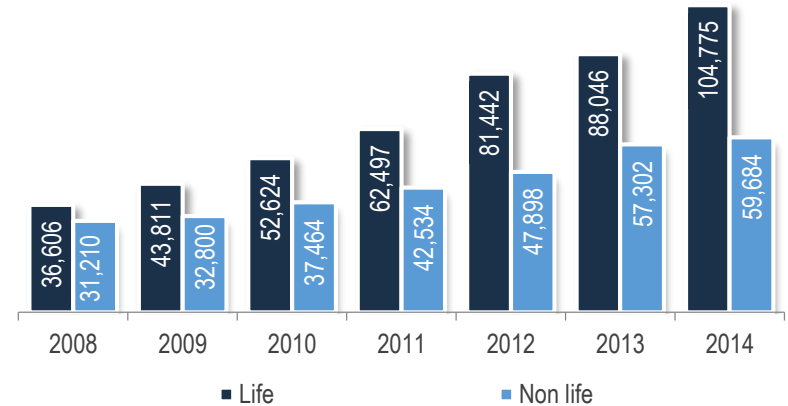
Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# Insurance Premiums

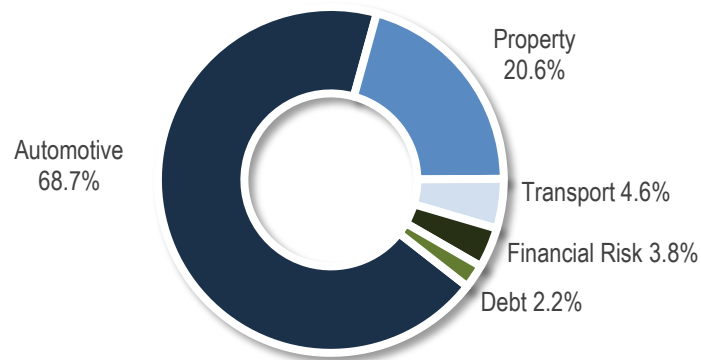
Segment-wise Life Insurance Premium Income, 2014 (%)



Segment-wise Total Insurance Premium Income (BRL mn)



Segment-wise Non-Life Insurance Premium Income, 2014 (%)



## Comments

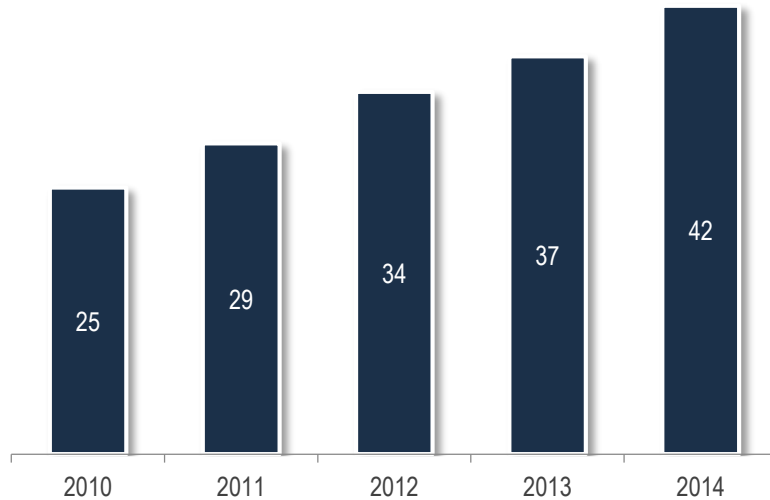
- Over 2009-2014, life insurance was the best-performing segment in the industry, expanding at a CAGR of 19.1%, supported by the higher demand for the two main pension plans (VGBL and PGBL), due to the tax breaks they offer and the continuing growth of household incomes. On the other hand, the non-life insurance segment rose at a CAGR of 12.7% over the same period.
- In 2014, the VGBL pension plan was the largest insurance segment, accounting for 42% of the total premium income. Automotive insurance ranked second, with a 14.1% share.

Source: Superintendence of Private Insurance (SUSEP)

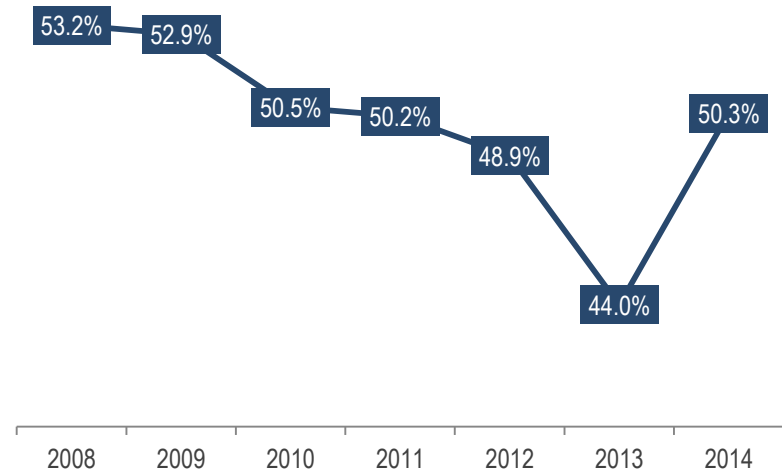
Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# Insurance Claims

### Insurance Claims Evolution, BRL bn



### Loss Ratio (%)

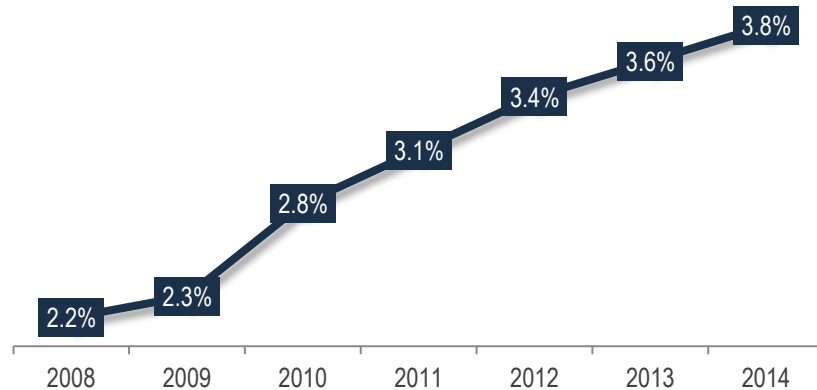


## Comments

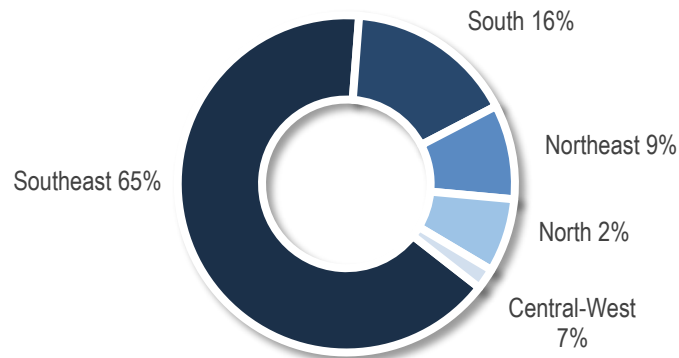
The loss ratio of the insurance sector has followed a downward trend over the period 2008-2013, supported mainly by the improved efficiency of the internal fraud control systems. However, the year 2014 proved to be a turnaround point, with an increase in the average loss ratio of the sector, due to the challenging macroeconomic scenario and the higher competition, which did not allow insurance companies to raise premium prices.

# Insurance Penetration

Insurance Premium Income (% of GDP)



Insurance Premium Income by Region, 2014 (%)



Comments

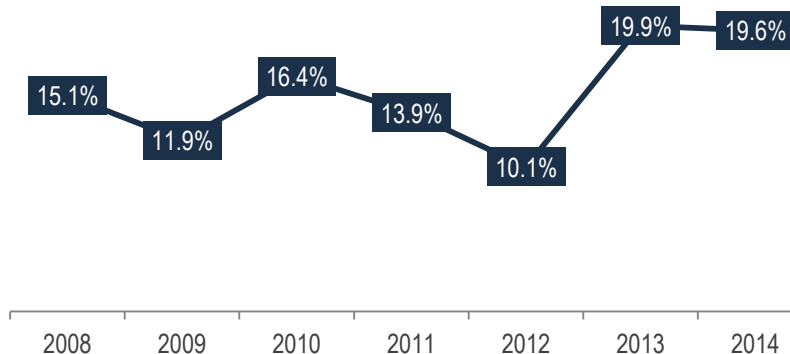
- In 2014, the total income from insurance premiums accounted for 3.8% of the country's GDP, up from 3.6% a year ago. If health plans, regulated by the National Regulatory Agency for Private Health Insurance and Plans (ANS), are also included, the ratio increases to 6.2%.
- While countries with more advanced economies and higher GDP per capita tend to have a higher insurance penetration rate (e.g. 8% in the case of the U.S. and Portugal), some of the developing countries like India and Mexico also recorded penetration rates above 4% as of 2014. The difference suggests the high growth potential of the insurance sector in Brazil.
- In Brazil, banks hold the largest market share in most insurance segments. One exception is the automotive segment, which is dominated by insurance brokers.
- Brazilian state-run bank Banco do Brasil through its insurance unit BB Seguridade has the highest insurance penetration rate, as measured by insurance products sold per client. The bank posted BRL 1,100 in written premiums per client in 2014, 40% higher than other private financial institutions like Itau and Bradesco.

# Financial Performance

## Return On Equity (ROE) for Top 10 Insurance Companies (%)



## Net Income Margin Evolution\* (%)



## Comments

- In 2014, the insurance sector continued to perform well. The profitability of the top ten largest insurance companies remained high, recording an average return on equity (ROE) ratio of 30.7%, compared to 31.7% in 2013.
- Moreover, the five insurance companies listed on the BM&FBovespa Stock Exchange (BB Seguridade, Porto Seguro, Sul America, Companhia de Seguros Alianca da Bahia and Companhia de Participacoes Alianca da Bahia) reported a high average net income margin (19.6% for 2014), in addition to estimated high dividend yields for 2015 (4.2%).
- Apart from the growth in the overall premium income, the financial performance of the sector was supported by a lower increase in insurance claims, a reduction in operating costs and high yields on sovereign bonds – the main investment position of the insurance companies.

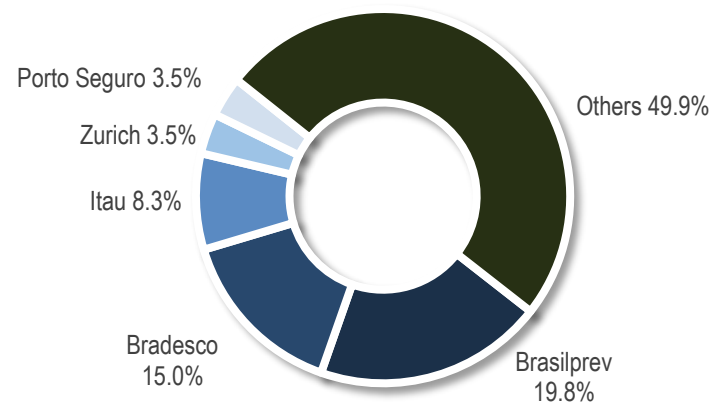
Source: EMIS, Superintendence of Private Insurance (SUSEP), - \* Refers to the five insurance companies listed on the BM&FBovespa Stock Exchange

# Top Insurers by Premium Income

## Top 15 Insurance Companies by Premium Income in H1'2015

Insurance Company	Premium Income (BRL mn)	Market Share (%)
Brasilprev Seguros e Previdencia S.A.	18,008	19.8%
Bradesco Vida e Previdencia S.A.	13,635	15.0%
Itau Vida e Previdencia S.A.	7,550	8.3%
Zurich Santander Brasil Seguros e Previdencia S.A.	3,189	3.5%
Porto Seguro Companhia de Seguros Gerais	3,177	3.5%
Companhia de Seguros Alianca do Brasil	2,997	3.3%
Mapfre Seguros Gerais S.A.	2,944	3.2%
Bradesco Auto/Re Companhia de Seguros	2,703	3.0%
Caixa Vida e Previdencia S.A.	2,363	2.6%
Caixa Seguradora S.A.	2,281	2.5%
Itau Seguros S.A.	2,020	2.2%
Sul America Companhia Nacional de Seguros	1,852	2.0%
Tokio Marine Seguradora S.A.	1,846	2.0%
Zurich Minas Brasil Seguros S.A.	1,571	1.7%
HDI Seguros S.A.	1,316	1.4%
<b>Total</b>	<b>90,864</b>	<b>100.0%</b>

## Insurance Market Concentration by Premium Income, H1'2015



## Comments

- In the first half of 2015, the insurance companies reported total premium income of BRL 90.9bn, with the top three largest players having a combined market share of 43.1%. Brasilprev, the pension unit of domestic insurance company BB Seguridade, was the market leader, with a 19.8% share, followed by the insurance units of two private banks – Bradesco and Itau.
- In the recent years, the insurance sector in Brazil has followed a steady trend for consolidation through mergers and acquisitions and cooperation agreements.

Source: Superintendence of Private Insurance (SUSEP)

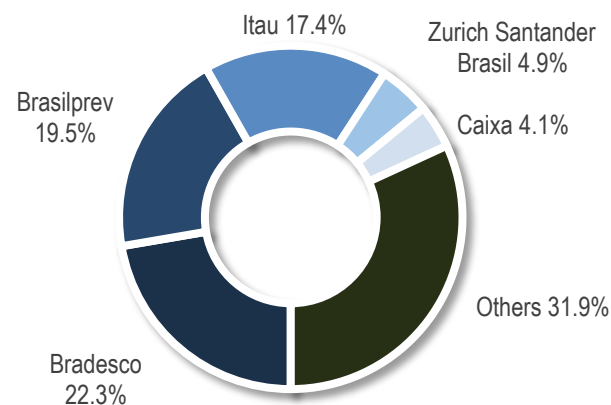
Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# Top Insurers by Assets

## Top 15 Insurance Companies by Assets, June 2015

Insurance Company	Total Assets (BRL mn)	Market Share (%)
Bradesco Vida e Previdencia S.A.	153,911	22.3%
Brasilprev Seguros e Previdencia S.A.	134,331	19.5%
Itau Vida e Previdencia S.A.	120,015	17.4%
Zurich Santander Brasil Seguros e Previdencia S.A.	33,462	4.9%
Caixa Vida e Previdencia S.A.	28,333	4.1%
Itau Seguros S.A.	14,166	2.1%
HSBC Vida e Previdencia (Brasil) S.A.	13,793	2.0%
Companhia de Seguros Alianca do Brasil	10,924	1.6%
Icatu Seguros S.A.	10,918	1.6%
Mapfre Seguros Gerais S.A.	9,604	1.4%
Caixa Seguradora S.A.	9,481	1.4%
Porto Seguro Companhia de Seguros Gerais	8,690	1.3%
Bradesco Auto/Re Companhia de Seguros	8,646	1.3%
ACE Seguros Solucoes Corporativas S.A.	6,312	0.9%
Allianz Seguros S.A.	6,306	0.9%
<b>Total</b>	<b>689,765</b>	<b>100.0%</b>

## Insurance Market Concentration by Assets, June 2015



## Comments

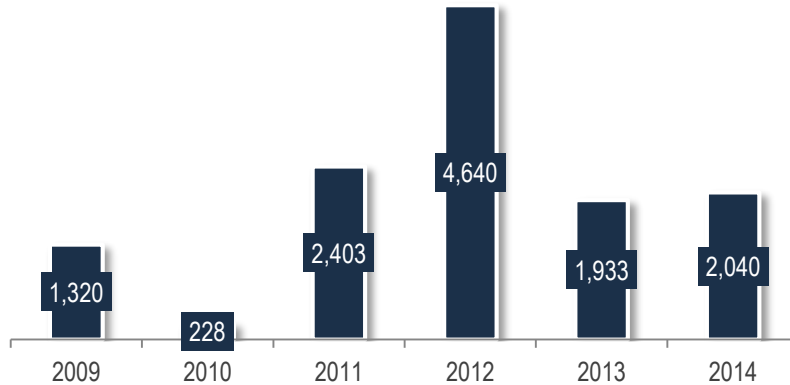
- As of June 2015, the total assets of the insurance sector reached BRL 689.8bn, up 18.4% y/y. The three largest companies – Bradesco, Brasilprev and Itau, were responsible for 59.2% of the total assets of the industry.
- The gradual trend towards concentration of the insurance activities in the hands of a small number of large players continued in 2014 and the first half of 2015. Notably, the top three insurers accounted for 57.2% of the total assets of the insurance sector at the end of June 2014.

Source: Superintendence of Private Insurance (SUSEP)

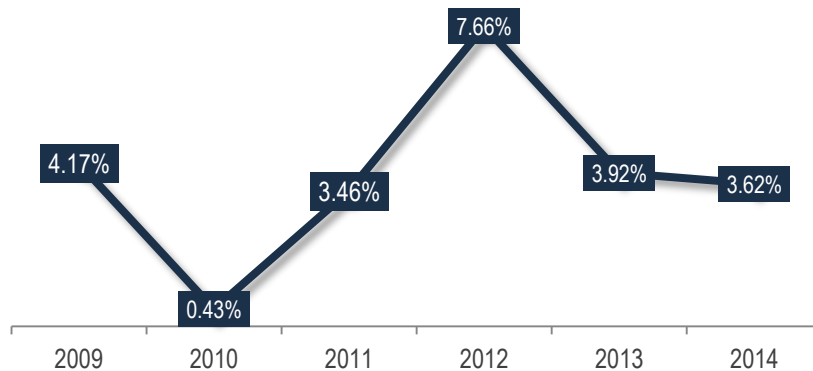
Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# Foreign Direct Investment

FDI Equity Capital in Insurance & Pension Funds, USD mn



FDI Equity Capital in Insurance & Pension Funds (% of total)



## Comments

- Brazil's insurance sector was the sixth largest recipient of FDI in the form of equity capital among the services sector, attracting a total of USD 13.8bn over the period 2006-2014.
- Foreign investors were attracted by the high growth opportunities in the insurance industry, given the relatively low insurance penetration rate combined with the rising household incomes and the massive investments in infrastructure and energy projects, which triggered the demand for both life and property insurance.
- The FDI in the sector reached a peak of USD 4.6bn in 2012, driven by positive macroeconomic expectations and the growth prospects related to the hosting of the 2014 FIFA World Cup and the 2016 Summer Olympic Games. In the same year, U.S. healthcare group UnitedHealth Group agreed to acquire Brazilian health insurer and hospital operator Amil Participacoes in a deal worth USD 4.9bn, which was successfully completed in 2013.
- Among the major foreign investments in 2014 were the acquisition of Brazilian health insurance group Notre Dame Intermedica by U.S. private equity firm Bain Capital for an estimated USD 861.2mn and the purchase of the large corporate property and casualty (P&C) business of Brazilian bank Itau Unibanco Holding by Swiss insurer ACE for USD 682.4mn.

Source: CEIC, Central Bank of Brazil, EMIS DealWatch

Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.



# Government Policy

Four main regulatory bodies are responsible for the regulation and supervision of the insurance market in Brazil:

- The National Council of Private Insurance (CNSP) – responsible for establishing sector policies, guidance and directives.
- The Superintendence of Private Insurance (SUSEP) – responsible for supervision and control of the insurance, open private pension funds and capitalisation markets.
- The National Agency of Supplementary Health (ANS) – the main supervisory authority for the health insurance segment.
- The Secretariat of Complementary Pensions (SPC) – responsible for supervision of the closed private pension funds.

## Tax Burden

In 2014, Brazil recorded its first primary budget deficit since 2001 (0.63% of GDP). With the goal to restore credibility and attract investments, the government pledged to reach a primary surplus of 1.2% in 2015 by adopting several austerity measures, including spending cuts and higher income taxes. In May 2015, the corporate income tax (CSLL) for all financial institutions, including insurance companies and brokers, was raised to 20% from 15%. Further tax raises are not considered improbable given the complicated fiscal situation of Brazil – in July, the 2015 primary surplus target was slashed to 0.15% of GDP. Moreover, EY estimated that Brazilian insurance companies had the highest tax burden among the countries in Latin America, equivalent to 40% of their profits in 2014.

## Recent Regulatory Changes

In September 2014, SUSEP with the resolution 315/2014 changed the rules for the mandatory insurance for domestic and international travels. Under the new regulation, the travel insurance must cover medical, hospital and dental expenses as well as the related costs for transportation and support services. Previously, the coverage included only death and permanent disability, while medical and hospital expenses were offered as assistance services, which were not regulated by SUSEP. In May 2015, the 12,977/14 law on vehicle dismantling was approved with the goal to reduce the auto insurance claims and support popular auto insurance. The measure, which increases the legal requirements and brings stricter surveillance on both vehicle dismantling establishments and on used auto parts, is expected to curb robbery and theft in the auto insurance segment.

## New Capital Requirements

In December 2014, SUSEP revised the criteria for calculation of the capital based on market risk for insurers, reinsurers, open-ended private retirement funds and capitalisation-products companies with the goal to bring national regulation in line with the first pillar of the Solvency II Directive by the European Commission. The new regulation will require additional capital of BRL 3.8bn from the companies in the insurance sector by the end of 2017, according to estimates by SUSEP. In addition, the regulator is currently preparing measures for the implementation of the second and third pillars of Solvency II related to governance, supervisory rules and dissemination of information. As of August 2015, the minimum capital requirement for the insurance companies was at least 20% of the premiums issued in the last 12 months or 33% of the average annual claims in the last 36 months.

Source: EY, Superintendence of Private Insurance (SUSEP), National Council of Private Insurance (CNSP), Valor Economico

## II. Life Insurance

# Life Insurance Highlights

## Recent Development

Life insurance, the largest segment in Brazil's insurance sector, accounted for 63.7% of the total premium income in 2014. The two main products in the life insurance segment are the PGBL (*plano gerador de beneficio livre*) and VGBL (*vida gerador de beneficio livre*) pension plans, which offer several fiscal benefits to their holders. While the latter offers tax discounts on the interest income, the former allows tax deduction of the contributions. The combined premium income from these two products stood at BRL 98bn in 2014, accounting for 93.3% of the total premiums in the life segment. Other life insurance products such as capitalisation bonds are less representative in terms of premiums. Despite the slowing economy, life insurance recorded a 19% growth in the premium income in 2014, gaining share from other investment instruments like savings accounts and real estate. The positive performance of the segment continued in the first half of 2015, when the premium income from VGBL and PGBL rose by 28% y/y.

## Growth Factors and Constraints

The Brazilian Insurance Confederation (CNseg) expects a 10.5% growth in retirement products for 2015, supported by the improved financial culture of the middle-class population, the tax incentives they offer and the changes in saving and investment habits. On the other hand, BMI Research estimates that the premium income of the life insurance segment would expand at a CAGR of 5.9% over the period 2015-2019. The segment remains with solid demand fundamentals, stemming from positive demographic trends (increasing population coupled with growing life expectancy) and rising household income. In the short term, the high-interest-rate environment also makes the purchase of insurance products an attractive investment by individuals.

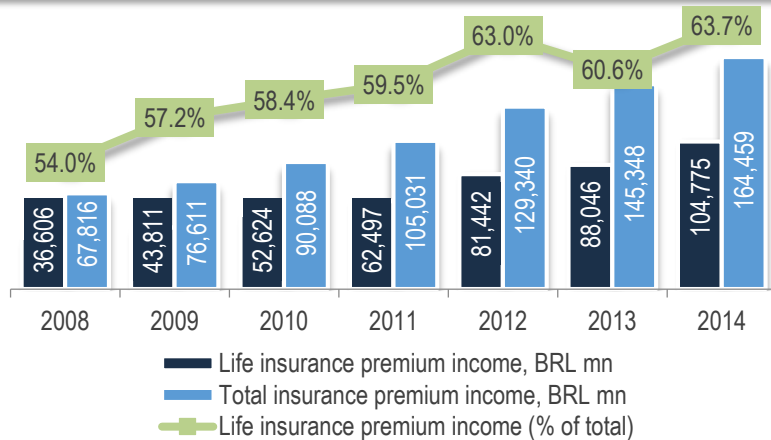
## Market Structure

In an environment of tighter access to credit and highly leveraged households, Brazilian banks will continue to rely for growth on their fee-oriented businesses such as insurance. Notably, banks continue to be the main distribution channel for life insurance products in Brazil, with the three largest players – Brasilprev, Bradesco and Itau, accounting for 86.7% of the premiums in the segment in 2014.

The government's efforts to reduce expenditures through widespread austerity measures could have a negative impact on the public pension system run by the National Social Security Institute (INSS) and the possible reduction of public pensions could result in an increased preference for private retirement products.

# Life Insurance Premium Income

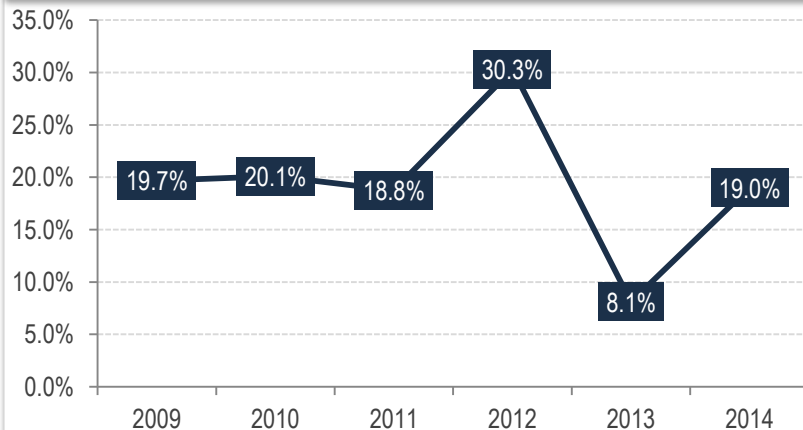
## Life Insurance Premium Income Evolution



## Segment-wise Life Insurance Premium Income, 2014 (%)



## Life Insurance Premium (yoy change, %)



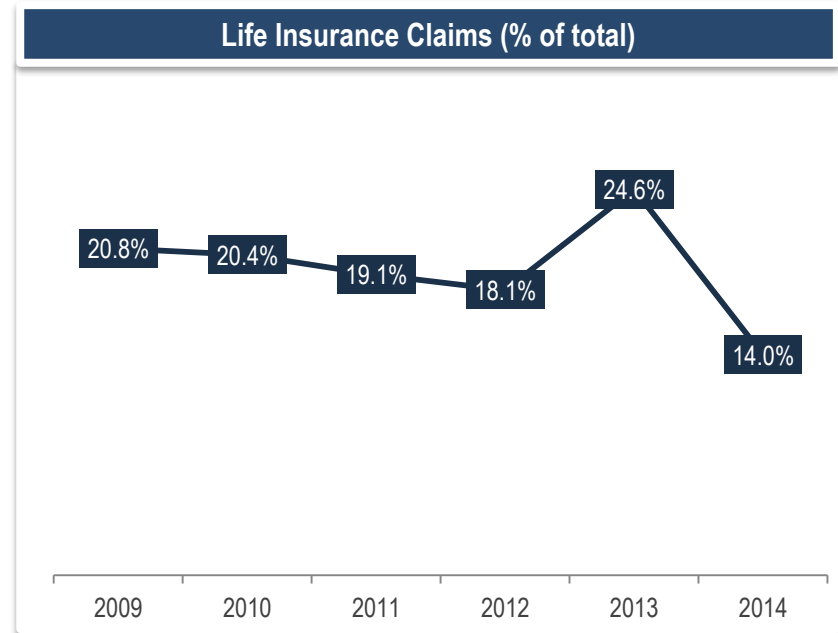
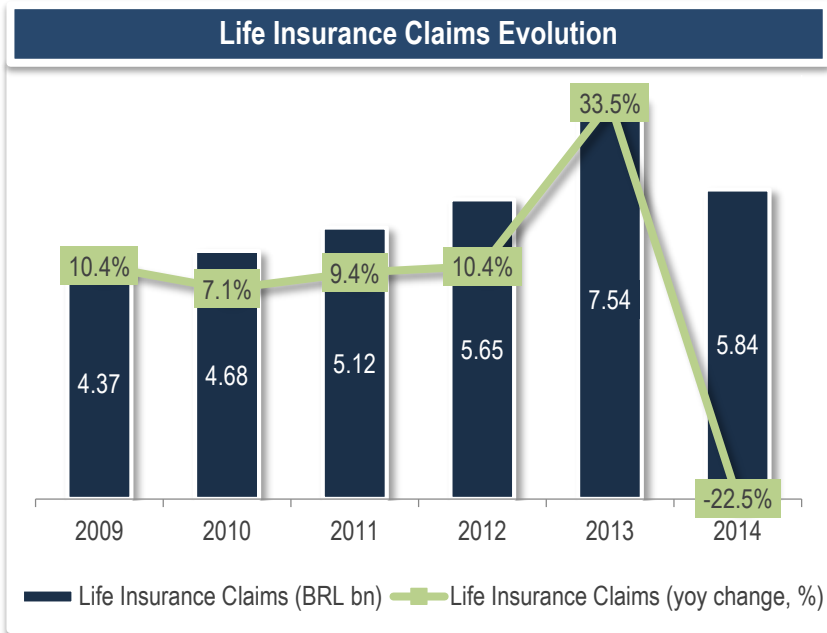
## Comments

- The life insurance segment has been growing at double-digit rates since 2009 (CAGR of 19.1% in premium income) and was one of the few sectors in Brazil that recorded real growth (above inflation) of 12.6% in 2014.
- The robust demand for life insurance products is explained mainly by their increased importance as saving instrument for the growing middle-class population. In addition, the improved financial culture of the population combined with active cross-selling initiatives by the main financial institutions in the country also support the growth of the segment.

Source: Superintendence of Private Insurance (SUSEP)

Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# Life Insurance Claims



## Comments

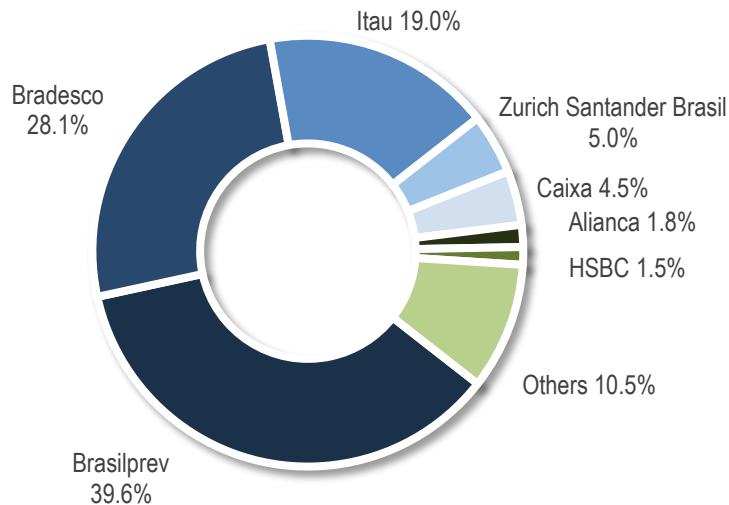
Over the period 2009-2014, the claims in the life insurance segment expanded at a CAGR of 6%, falling well below the average increase of the premium income (CAGR of 19.1%), which boosted the financial performance and the profitability of the insurance companies in the segment. The main factor for the slow pace of increase in the life insurance claims are the positive demographic trends in the country, including increasing population coupled with growing life expectancy.

Source: Superintendence of Private Insurance (SUSEP)

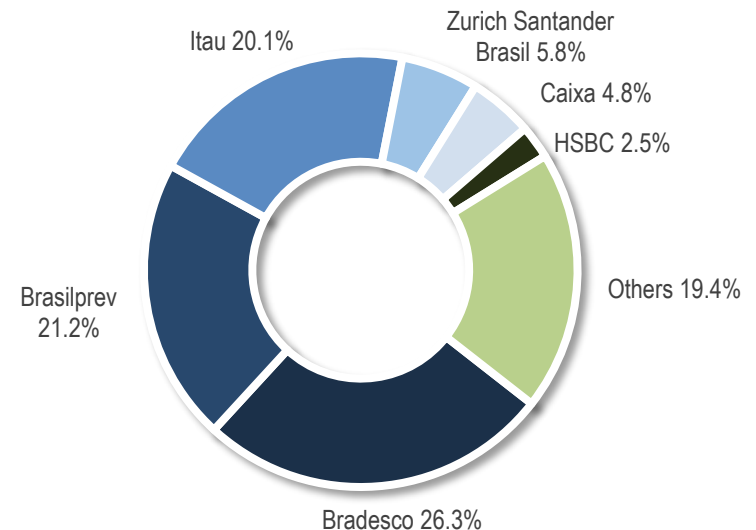
Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# Life Insurance Market Share

Market Share by Premium Income, 2014 (%)



Market Share by Assets, December 2014 (%)



## Comments

The life insurance market in Brazil is highly concentrated, with the three largest players – Brasilprev, the pension unit of state-run insurer BB Seguridade, and the private banks Itau and Bradesco accounting for 86.7% of the total premium income in 2014. The process of rapid consolidation in the sector continued throughout 2014. Notably, the top three players had a combined market share of 77% at the end of 2013.

## III. Non-Life Insurance

# Non-Life Insurance Highlights

## Recent Development

The non-life insurance segment recorded total premium income of BRL 59.7bn in 2014, accounting for 36.3% of the earnings of the domestic insurance industry. The two main products were automotive and property & casualty (P&C) insurance, with an 89.3% share in the total income. Over the period 2009-2014, non-life insurance expanded at a healthy CAGR of 12.7% in terms of premium income, boosted by the robust increase of the national vehicle fleet and the higher activity in the construction and infrastructure sectors, which triggered the demand for insurance products. However, this figure fell behind the expansion of the life insurance segment over the same period (CAGR of 19.1%). In 2014, the non-life insurance premium income rose by 4.2% y/y, mainly as a result of adjustments in the premium prices in line with the high-inflation environment in the country. The steady growth was maintained in the first half of 2015, when premiums rose by 4.1% y/y.

## Growth Factors and Constraints

The automotive segment, one of the most mature markets in Brazil, has a high insurance penetration rate - about 57% of the new vehicles in the country in 2014 were insured, according to estimates by Banco Bradesco. However, it continues to face strong competition, especially from small players that push down premium prices and squeeze the overall profit margins. On the other hand, the gradual reduction of the auto-theft rate combined with the adoption of efficient fraud control systems in the recent years, resulted in slower growth in the claims in the segment. Moreover, the high-interest-rate environment continued to support the financial results of the companies. In 2015, the income premium in the non-life insurance segments is projected to decline by 5% y/y, according to BMI Research, pressured by the difficult macroeconomic situation and the reduction in the purchases of durable goods, including vehicles and residential units. Yet, the consultancy estimates that the segment will expand at a CAGR of 5.4% over 2015-2019, supported by the expected economic recovery and advances in the cross-selling strategies by the main financial institutions in the country.

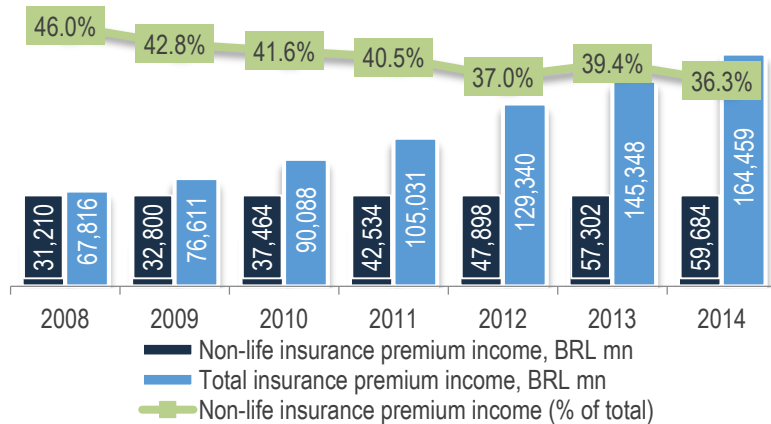
## Market Structure

Although the banking institutions in the country have prominent positions in the non-life insurance segment, the distribution of some products (e.g. automotive insurance) remains dominated by brokerage companies. However, this is likely to change in the medium term, supported by the aggressive cross-selling strategies adopted by the main financial institutions in the country, combined with their extensive distribution channels and established brands, which increase the competition in the segment.

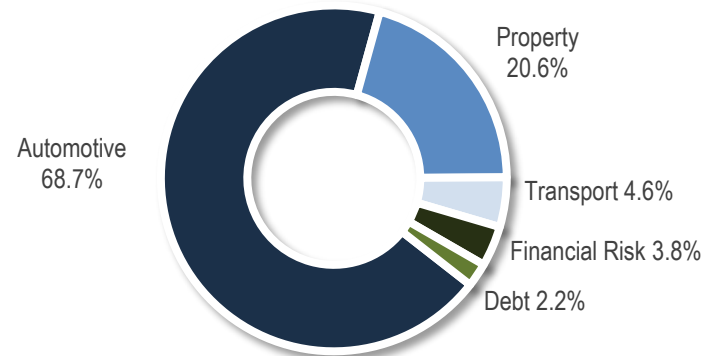


# Non-Life Insurance Premium Income

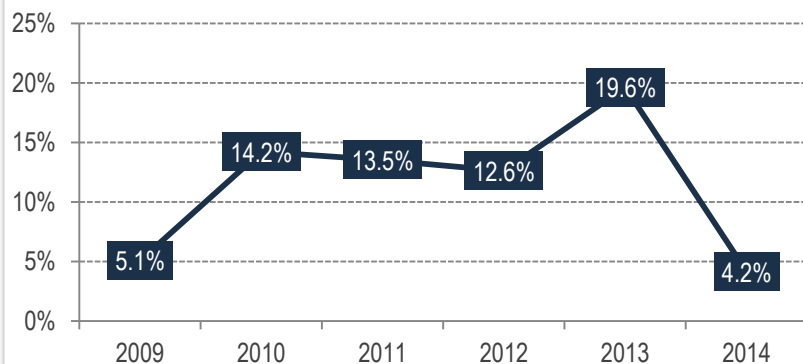
## Non-Life Insurance Premium Income Evolution



## Segment-wise Non-Life Insurance Premium Income, 2014 (%)



## Non-Life Insurance Premium (yoy change, %)



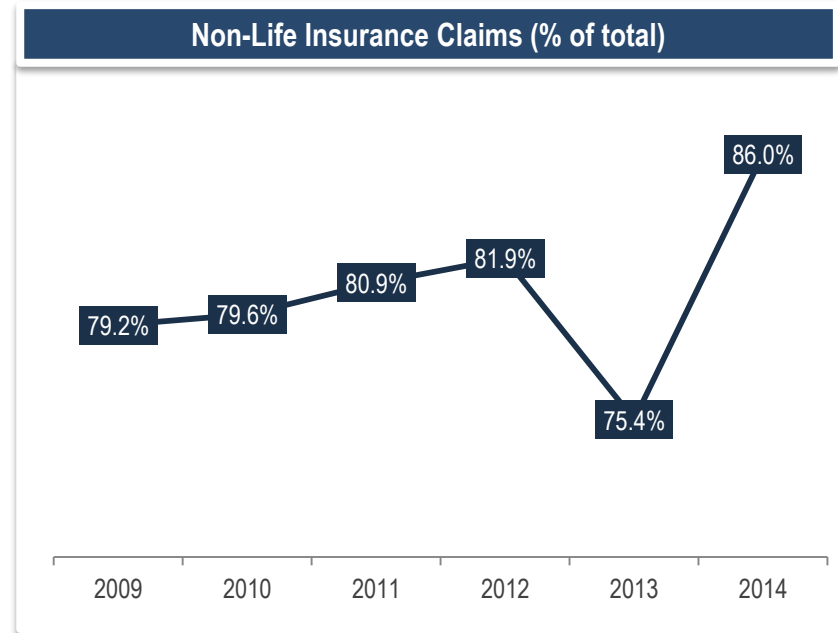
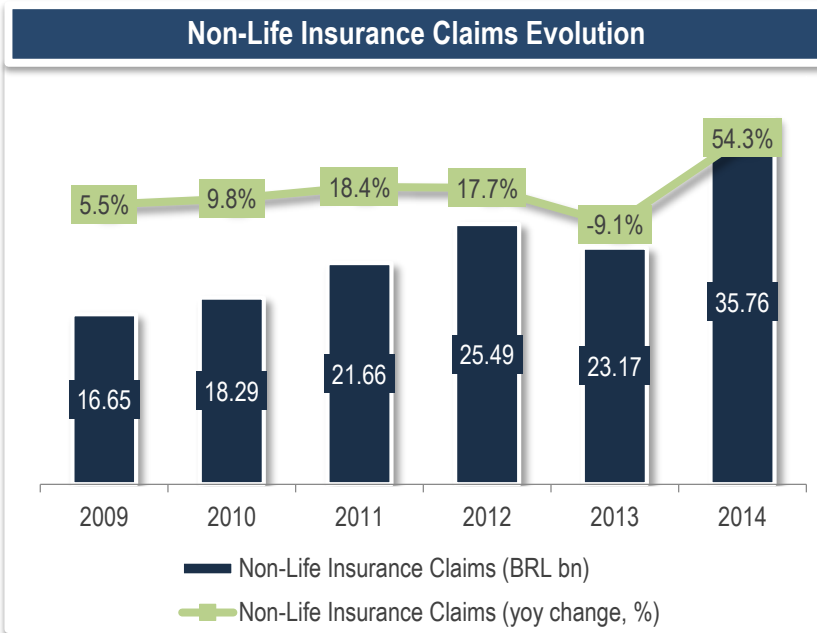
## Comments

- Over 2009-2014, the auto insurance segment recorded healthy growth rates (CAGR of 12.7%), supported by the expansion of the national vehicle fleet. According to estimates by Banco Bradesco, almost one-third of the outstanding national fleet was insured and 57% of the new cars (less than 10 years) had insurance in 2014.
- Other non-life insurance segments such as property and casualty (P&C) recorded relatively stable premium figures in the last five years.

Source: Superintendence of Private Insurance (SUSEP)

Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# Non-Life Insurance Claims

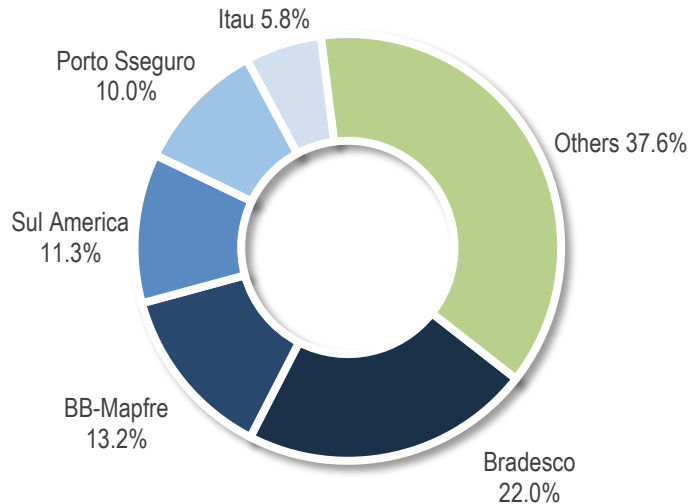


## Comments

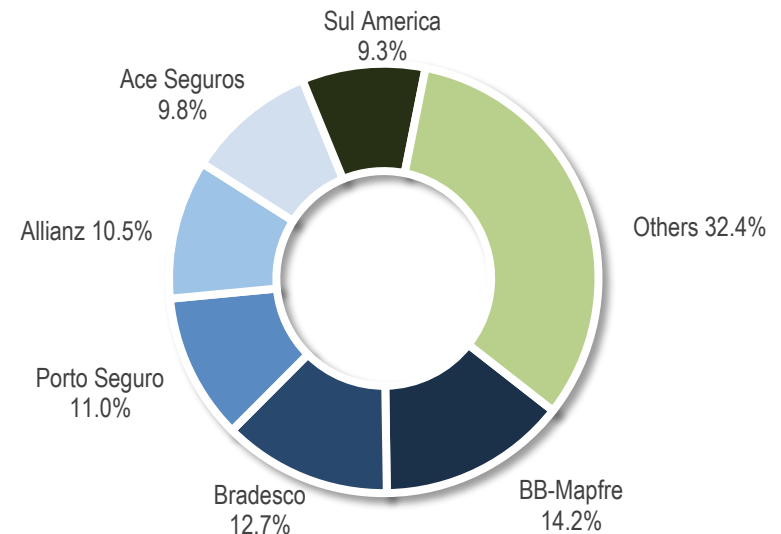
Over the period 2009-2014, the claims in the non-life insurance segment expanded at a CAGR of 16.5%, outpacing the average increase of the premium income (CAGR of 12.7%), which pressured the financial performance of the companies in the segment. Notably, non-life insurance, and automotive in particular, is the largest contributor to the operating costs of the insurance sector in Brazil, accounting for 86% of the total claims in 2014. However, the large loss ratio in the non-life segment is offset by the robust profit margins in the life segment, resulting in an overall high profitability of the insurance industry.

# Non-Life Insurance Market Share

Market Share by Premium Income, 2014 (%)



Market Share by Assets, December 2014 (%)



## Comments

Like life insurance, the non-life segment goes through a consolidation process, marked by a gradual increase in the market share of the main bank-related insurance companies. Notably, the top five players – Bradeco, BB Mapfre, Sul Amreica, Porto Seguro and Itau, accounted for 62.4% of the premium income in 2014, up from 51% in 2013.

## IV. Reinsurance

# Reinsurance Highlights

## Market Structure

The reinsurance market in Brazil was liberalised in 2007 with the adoption of the Complementary Law 126, which eliminated the monopoly of the state-run company IRB-Brasil Re. Since then, the reinsurance market more than doubled, recording total reinsurance premiums of BRL 9.1bn in 2014. As of March 2015, a total of 123 reinsurance companies were active in Brazil, distributed as follows: 16 local reinsurers, 35 admitted reinsurers and 72 occasional reinsurers. Local reinsurers are companies incorporated in Brazil with a minimum net equity of BRL 60mn, specialised exclusively in reinsurance and retrocession operations. Admitted reinsurers are foreign companies with a net equity of not less than USD 100mn, a minimum of five years of operations, a solvency rating, and a representative office in Brazil. Occasional reinsurers are foreign companies with a net equity capital of not less than USD 150mn, a minimum of five years of operations and a solvency rating, which do not maintain a representative office in Brazil. The three types of companies operate under different entry, operational and risk transfer requirements.

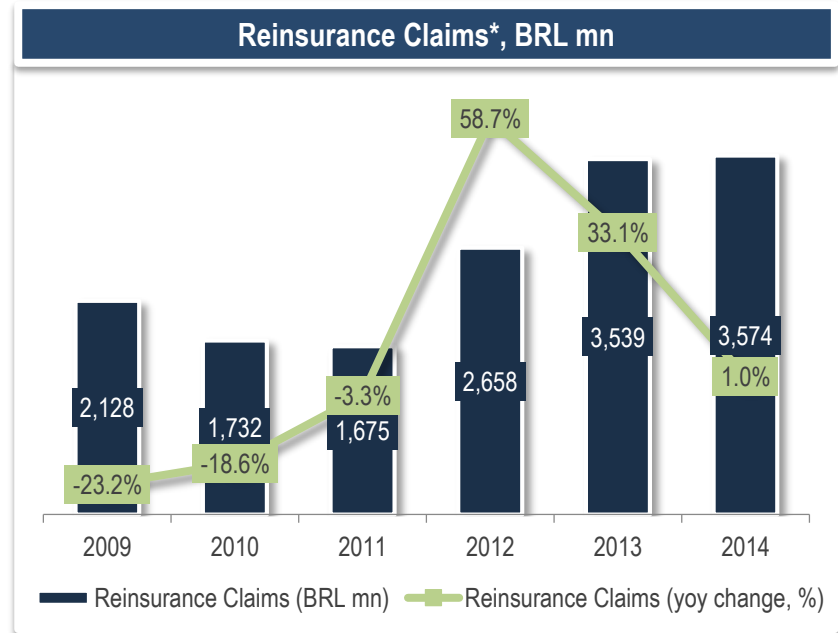
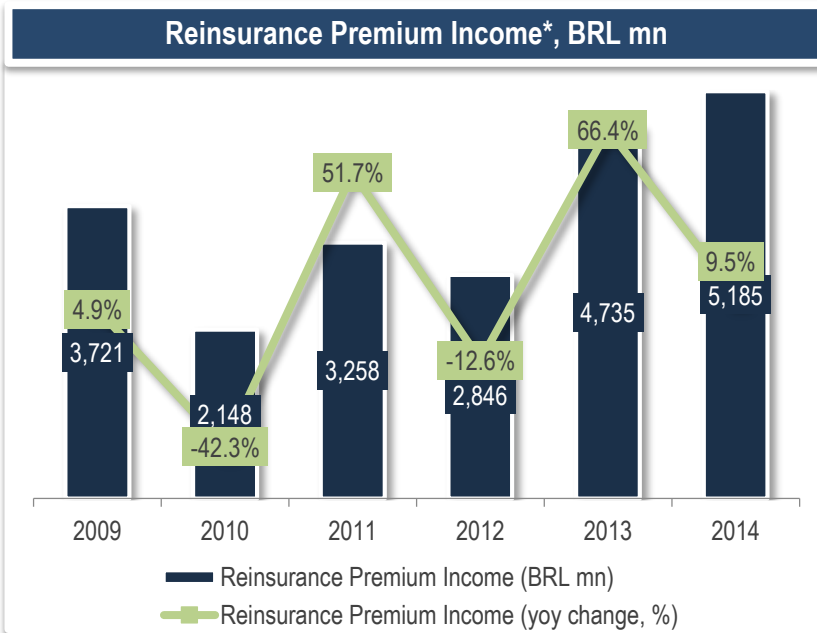
## Growth Factors and Constraints

The opening of the reinsurance market attracted the interest of the main global reinsurance companies, creating an environment of fierce competition for customers, relatively low premium prices and modest financial performance. Notably, 35 out of the world's 40 largest reinsurers have a license to operate in Brazil, according to the Holman Fenwick Willan law firm. Among the most recent arrivals were two French financial services companies – AXA and SCOR, which received registrations for local reinsurers in August 2014. In 2014, the reinsurance segment had a combined index (defined as a ratio of the sum of the claims and selling, general & administrative cost to the premiums) of 99% and average return on equity (ROE) ratio of 13%, an improvement compared to the ROE figure of 5.5% in 2013. According to Leonardo Paixao, president of IRB Brasil Re, the technical result of the reinsurance companies improved in 2014, due to increased underwriting abilities and lower loss ratios. However, the segment underperformed compared to general insurance, as it is still in a development phase.

## Market Liberalisation

In July 2015, the National Council of Private Insurance (CNSP) published Resolution 332 with the goal to gradually reduce the existing protectionist measures for the reinsurance segment adopted in 2011 over a five-year period starting from January 2017 – the mandatory cession rule (domestic insurance companies must place at least 40% of each reinsurance cession to companies registered as local reinsurers) and the intra-group prohibition rule (a 20% cap for premiums that can be transferred to related companies or companies that are part of the same financial conglomerate). Under the new regulation, the mandatory percentage of each reinsurance cession with local insurers will be reduced to 15% by 2020, while the maximum limit for intra-group transfers will be increased to 75% by 2020. The further liberalisation of the segment is expected to attract the interest of foreign players, improve the access to reinsurance cessions and enhance the overall operating efficiency of the segment.

# Reinsurance Premium Income and Claims



## Comments

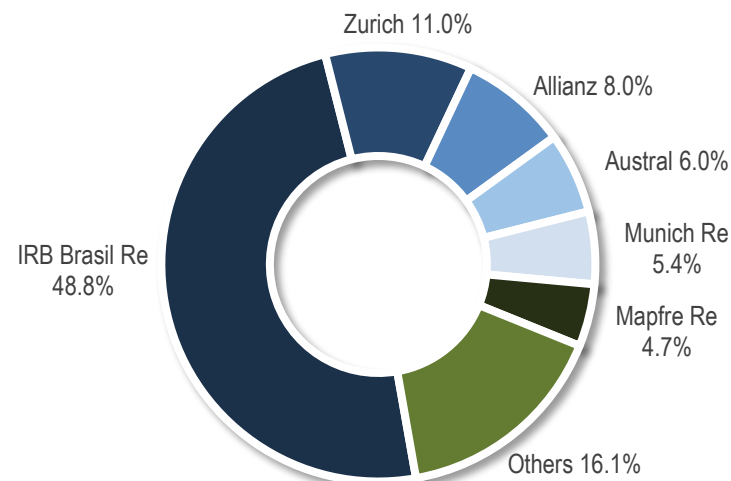
In 2014, the total premium income of the reinsurance segment stood at BRL 9.1bn, of which BRL 5.2bn were attributable to local reinsurers. Over 2009-2014, the income of local reinsurers rose at a CAGR of 6.9%, falling below the average expansion of the general insurance activity, mainly as a result of the restrictive and changing regulatory framework coupled with the higher competition from admitted and occasional reinsurers that pushed down premium prices. The sluggish economic growth combined with the lower investment activity in the country in 2014 negatively affected the reinsurance segment. However, the consensus forecast of the market players is for a 10% growth in the reinsurance premiums in 2015, as a result of robust demand in the health and life segments, improved regulatory framework, expansion of the use of reinsurance and adoption of innovations (e.g. parametric insurance methods).

# Reinsurance Market Share

## Reinsurance Premium Income of Local Reinsurers, 2014

Reinsurance Company	Premium Income (BRL mn)	Market Share (%)
IRB Brasil Resseguros S.A.	2,532	48.8%
Zurich Resseguradora Brasil S.A.	568	11.0%
Allianz Global Corporate & Specialty Resseguros Brasil S.A.	415	8.0%
Austral Resseguradora S.A.	313	6.0%
Munich Re do Brasil Resseguradora S.A.	280	5.4%
Mapfre Re do Brasil Companhia de Resseguros	242	4.7%
Swiss Re Brasil Resseguros S.A.	201	3.9%
ACE Resseguradora S.A.	175	3.4%
J.Malucelli Resseguradora S.A.	144	2.8%
BTG Pactual Resseguradora S.A.	118	2.3%
AIG Resseguros Brasil S.A.	62	1.2%
Terra Brasis Resseguradora S.A.	56	1.1%
XL Resseguros Brasil S.A.	53	1.0%
Markel Resseguradora do Brasil S.A.	19	0.4%
AXA Corporate Solutions Brasil e America Latina Resseguros S.A.	6	0.1%
Scor Brasil Resseguros S.A.	1	0.0%
<b>Total</b>	<b>5,186</b>	<b>100.0%</b>

## Reinsurance Premium Income of Local Reinsurers, 2014 (%)



## Comments

The former monopoly IRB Brasil Re continued to be the dominant player in the reinsurance market in 2014, with a 48.8% share of the total premium income. The liberalisation measures under the Resolution 332 are expected to further intensify the competition in the reinsurance industry and trigger a consolidation process through mergers and acquisitions, portfolio sales or exits by some companies, according to Leonardo Paixao, president of IRB Brasil Re. Another event with significant importance for the sector is the planned IPO of IRB Brasil Re, estimated to take place in October 2015, in which its existing shareholders (Brazilian financial institutions BB Seguridade, Bradesco and Itau) would tender unspecified stakes. According to sources quoted by Reuters, about BRL 3bn worth of shares will be placed with investors.

## V. Main Players



# Top M&A Deals

## Top 15 M&A Deals in the Insurance Sector\* in Brazil (2014-Q3'2015)

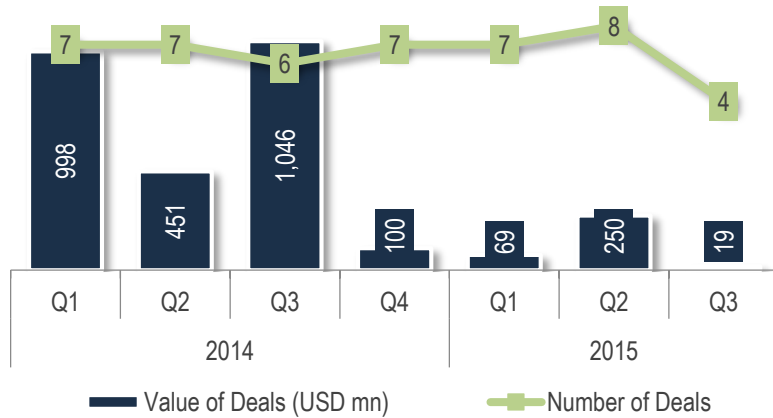
Date	Target Company	Deal Type	Buyer	Country of Buyer	Deal Value (USD mn)	Stake (%)
Mar-14	Grupo Notre Dame Intermedica	Acquisition	Bain Capital LLC	United States	861.2 (Market estimate)	100.0
Jul-14	Itau Seguros Solucoes Corporativas SA	Acquisition	ACE Ltd	Switzerland	682.4 (Official data)	100.0
Aug-14	Pan Seguros SA; Panamericano Administracao e Corretagem de Seguros e de Previdencia Privada Ltda	Acquisition	Banco BTG Pactual SA; Caixa Economica Federal (CEF)	Brazil	258.1 (Official data)	100.0
Jun-14	Sul America SA	Block trade	Undisclosed investor(s)	n.a.	241.4 (Official data)	10.0
Jun-15	Fpc Par Corretora de Seguros	IPO	Gavea Gestao de Investimentos Ltda; Institutional investor(s)	Brazil	192.6 (Official data)	30.6
May-14	Qualicorp SA	SPO	Morgan Stanley & Co LLC	United States	125.7 (Official data)	4.6
Mar-14	Qualicorp SA	Open market purchase	GIC Pte Ltd	Singapore	123.1 (DW estimate)	5.3
Nov-14	IT'sSEG	Acquisition	Actis LLP	United Kingdom	100.0 (Official data)	n.a.
Sep-14	Alianca Administradora de Beneficios de Saude SA; GA Consultoria, Administracao e Servicos SA	Minority stake purchase	Qualicorp SA	Brazil	69.5 (Official data)	15.0
May-15	Sul America Companhia De Seguros Gerais	Acquisition	AXA Group	France	44.5 (Official data)	100.0
Aug-14	Austral Participacoes SA	Minority stake purchase	International Finance Corporation (IFC)	International	35.6 (Official data)	19.5
Feb-15	Istmo Compania de Reaseguros Inc (Istmo Re)	Minority stake purchase	DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH; Corporacion Andina de Fomento (CAF)	Germany; Venezuela	35.0 (Official data)	n.a.
Apr-14	Gama Saude Ltda; Connectmed - CRC Consultoria, Administracao e Tecnologia em Saude Ltda	Acquisition	Qualicorp SA	Brazil	31.9 (DW estimate)	100.0
Mar-15	Potencial Administradora de Beneficios Ltda	Acquisition	Priority Intermediacao de Negocios Ltda	Brazil	25.9 (Official data)	100.0
Jun-14	Brasil Insurance Participacoes e Administracao SA	Open market purchase	Prudential Plc	United Kingdom	22.4 (DW estimate)	5.9

Source: EMIS DealWatch, - \* NAICS code: 524. Data collection closed on August 31, 2015.

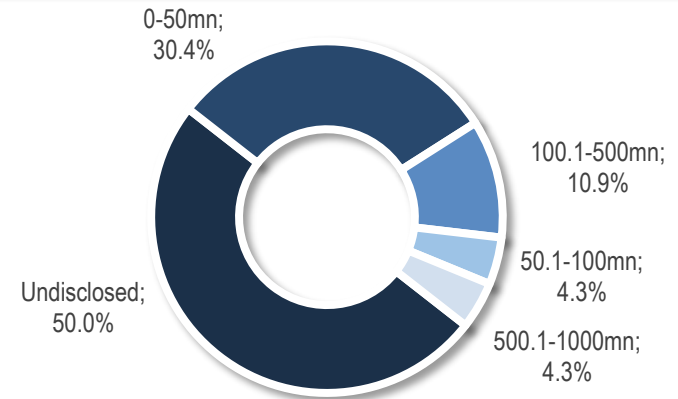
Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# M&A Activity, 2014-Q3'2015

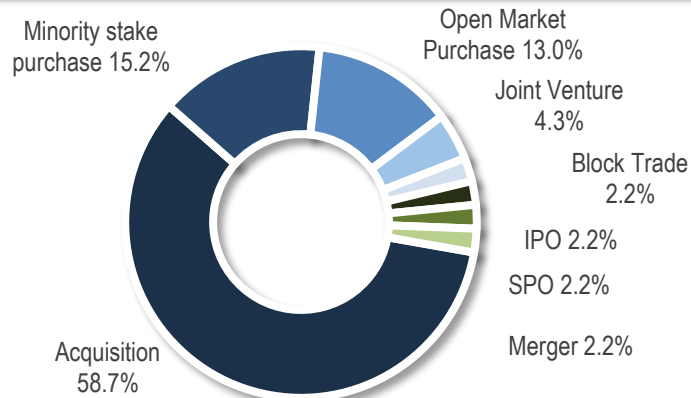
## Number and Value of Deals in Brazil's Insurance Sector\*



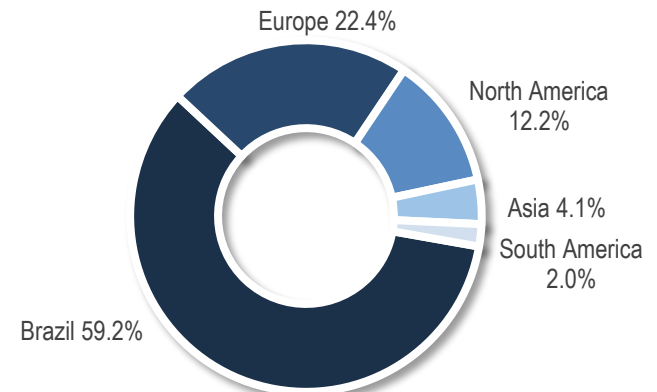
## Number of Deals by Deal Value, USD (%)



## Number of Deals by Deal Type (%)



## Number of Deals by Region of Investors (%)

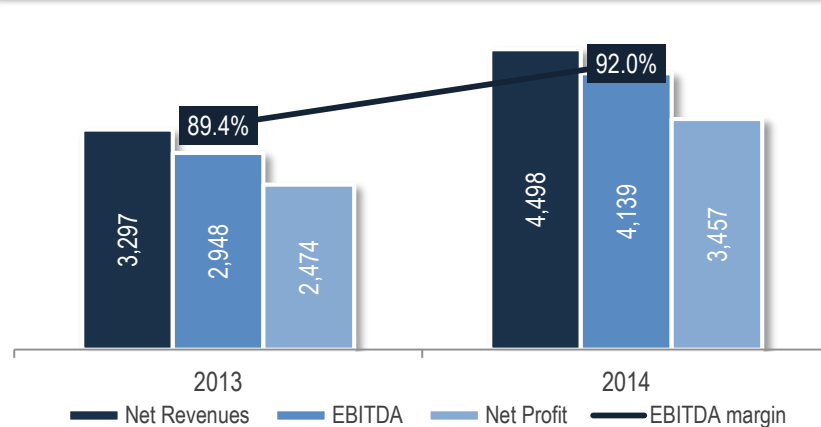


Source: EMIS DealWatch, - \* NAICS code: 524. Data collection closed on August 31, 2015.

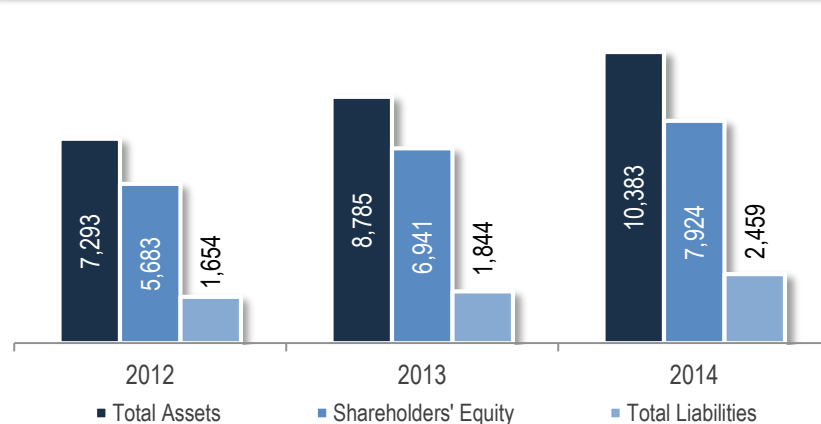
Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# BB Seguridade Participações S.A.

## Income Statement (Consolidated, BRL mn)



## Balance Sheet (Consolidated, BRL mn)



## Comments

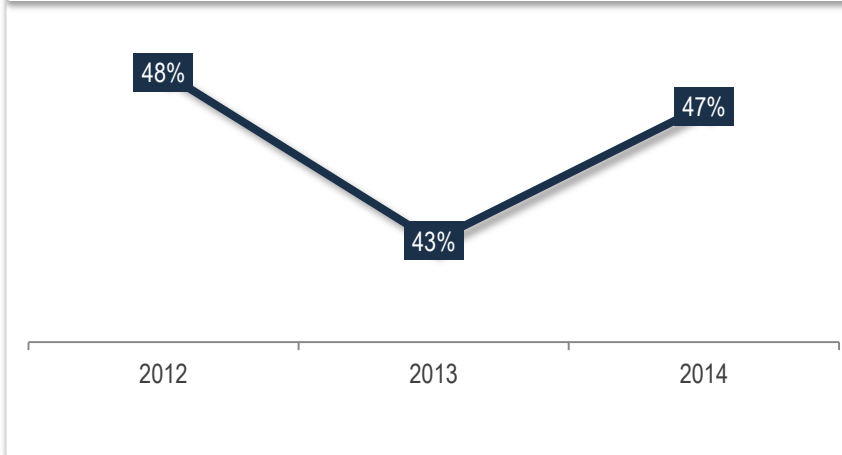
- BB Seguridade was founded in December 2012 with the goal to consolidate all activities in the areas of insurance, capitalisation products, private pension and related activities of state-run financial group Banco do Brasil S.A. under a single company.
- The company provides insurance services, open pension plans, savings bonds, reinsurance and brokerage services using the distribution channels of Banco do Brasil, covering 97% of the Brazilian municipalities and comprised of 5,400 branches, 13,800 points of service and 17,900 bank correspondents as of December 2014.
- BB Seguridade's activities are divided among two subsidiaries: BB Seguros (insurance business) and BB Cor Participacoes (insurance brokerage services). BB Seguros has six subsidiaries: BB Mapfre (insurance), Brasilprev Seguros e Previdencia (pension plans), Brasilcap Capitalizacao (capitalisation services), BB Capitalizacao (capitalisation services), IRB Brasil Resseguros (reinsurance services) and Brasildental (health insurance).

Source: Company data, EMIS, EMIS DealWatch, own calculations

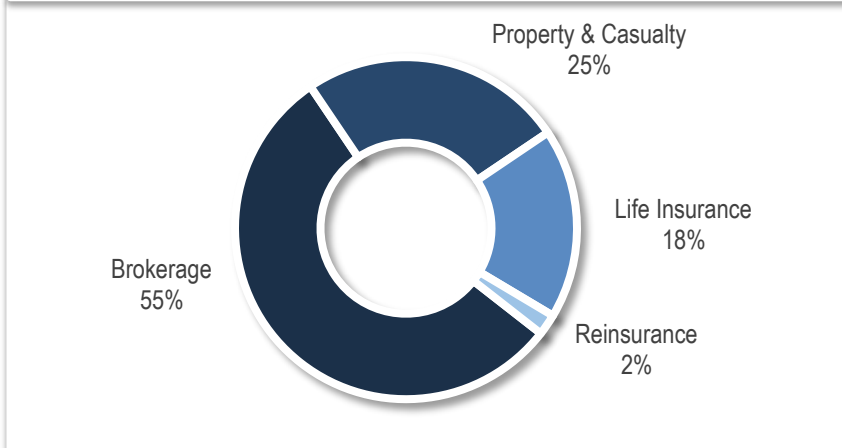
Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# BB Seguridade Participações S.A. (cont'd)

## Loss Ratio Evolution (%)



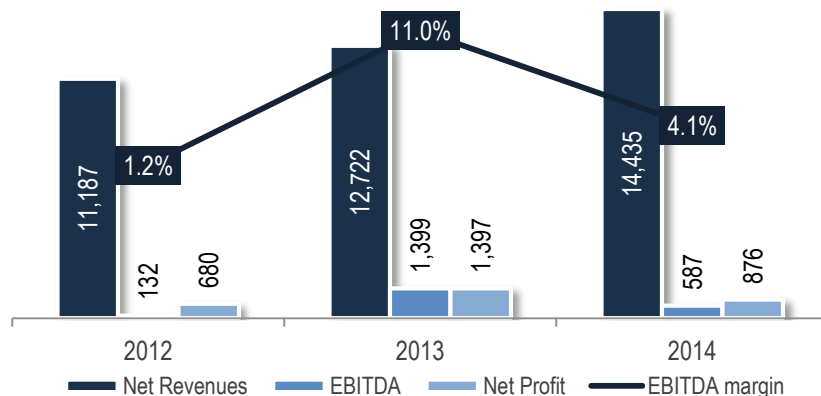
## Segment-wise Gross Revenue, 2014 (%)



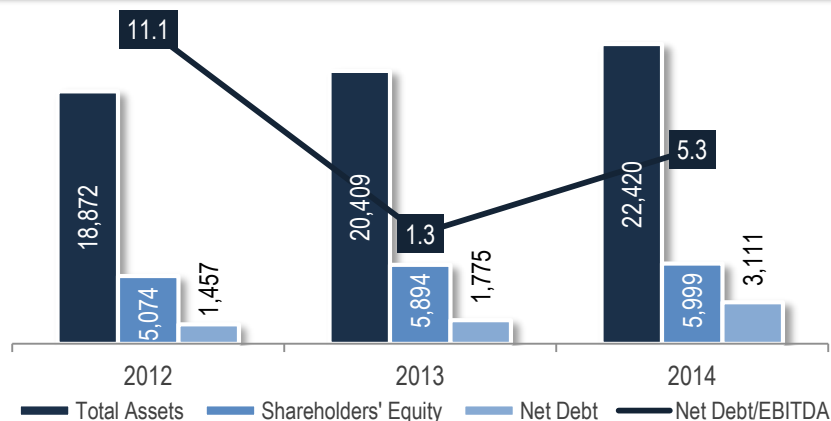
## Comments

- BB Seguridade was floated on the BM&FBovespa Stock Exchange in an IPO worth USD 5.7bn in April 2013. Its market capitalisation stood at BRL 64.5bn at the end of July 2015. Its majority shareholder is Banco do Brasil with 66.25% of its capital.
- In 2014, BB Seguridade posted total net revenues, comprising revenues from commissions and equity income, of BRL 4.5bn, up 36.4% y/y.
- The net profit of the company stood at BRL 3.5bn, an increase of 39.7% compared to 2013. The bottom-line growth was a result of improved financial performance of all subsidiaries of BB Seguridade.
- In August 2014, BB Seguridade and Brazilian dental benefits provider Odontoprev created a joint venture, Brasidental Operadora de Planos Odontologicos SA, with the goal to sell dental care plans under Odontoprev's brand, BB Dental, with exclusivity in all BB Seguridade's distribution channels in Brazil for a period of 20 years.

## Income Statement (Consolidated, BRL mn)



## Balance Sheet (Consolidated, BRL mn)

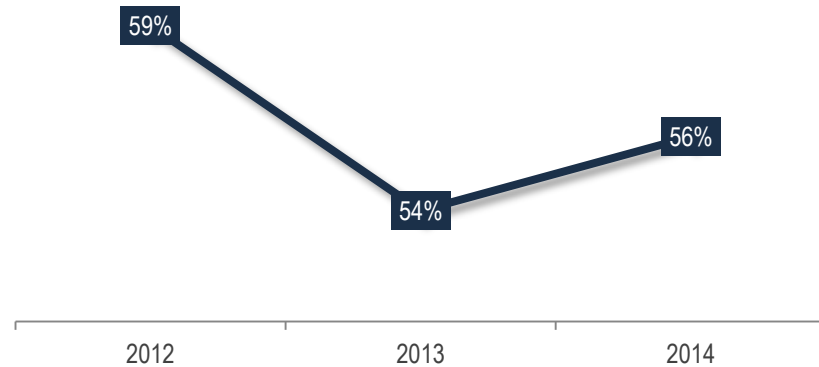


## Comments

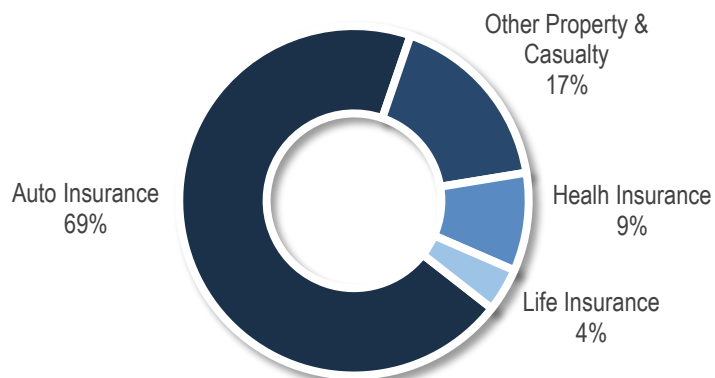
- Porto Seguro, founded in 1945, was the market leader in the auto and residential insurance segments in 2014, according to data provided by the Superintendence of Private Insurance (SUSEP).
- The company offers a wide variety of insurance products in the life (life, health, pension plans) and non-life segments (car insurance, property, transport) in Brazil, with a focus on the states of Sao Paulo and Rio de Janeiro.
- The company sells its products under the brands of Azul Seguros, Porto Seguro and Itau Auto e Residencia. In 2009, Porto Seguro and Brazilian financial institution Itau Unibanco unified their residential and vehicle insurance operations. As a result, Porto Seguro obtained the exclusive right to offer and distribute residential and vehicle insurance products through the branch network of Itau.
- Porto Seguro ended 2014 with a network of 135 branches and regional offices, more than 28,000 independent insurance brokers and some 14,000 employees. The company served more than 6mn clients in Brazil.

Source: Company data, EMIS, own calculations, Superintendence of Private Insurance (SUSEP)

## Loss Ratio Evolution (%)



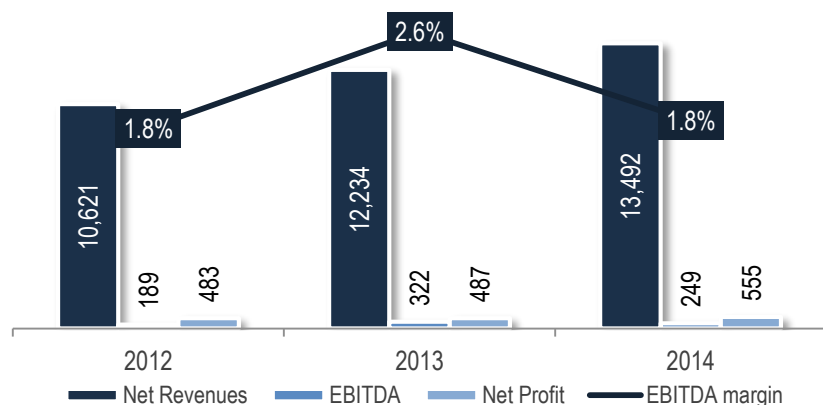
## Segment-wise Gross Revenue, 2014 (%)



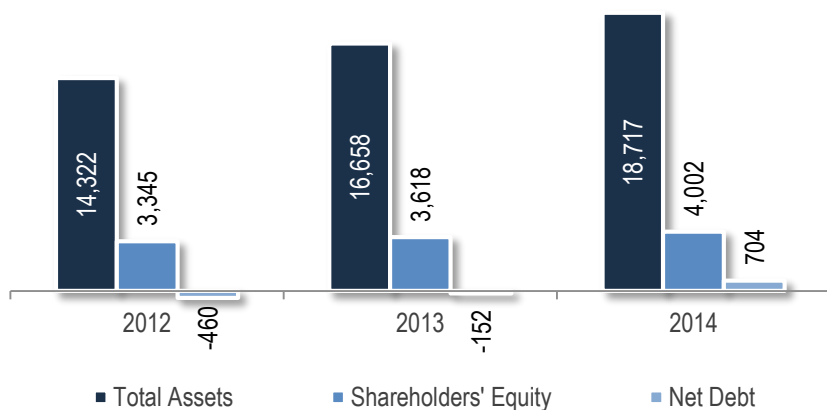
## Comments

- Porto Seguro is listed on the BM&FBovespa Stock Exchange and its market capitalisation stood at BRL 12.6bn at the end of July 2015. Its majority shareholders are Brazilian entrepreneur Jayme Garfinkel and domestic bank Itau Unibanco, with a combined 70.8% equity stake.
- In 2014, near 70% of the company's revenue came from auto insurance premiums, with the remaining being originated by the healthcare, other property and casualty (P&C) and life segments. The company ended 2014 with 5mn insured vehicles and 2.2mn insured residential units.
- The overall combined ratio of the company, measuring its operating efficiency, stood at 96.5% in 2014, up from 96% in 2013.
- In April 2015, Porto Seguro announced the acquisition of a 51% stake in local pet insurance plans provider Health for Pet, with a portfolio of more than 1,200 clients, for an undisclosed sum.

## Income Statement (Consolidated, BRL mn)



## Balance Sheet (Consolidated, BRL mn)



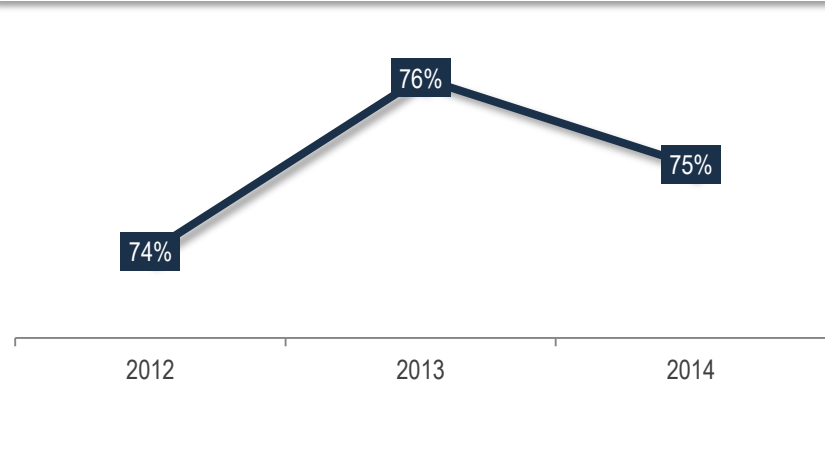
## Comments

- Sul America, founded in 1895, operates in multiple insurance segments, including health and dental, insurance, auto, other property and casualty, life and personal accidents, private pension and saving bonds products, and asset management.
- The company operates a distribution network of 89 branches, 30,000 independent insurance brokers and partners and more than 20 financial and retail partners with 16,000 points of sale, employing more than 5,000 people. Sul America serves over 7mn individual and corporate clients.
- Sul America is listed on the BM&FBovespa Stock Exchange and its market capitalisation stood at BRL 5.6bn at the end of July 2015.

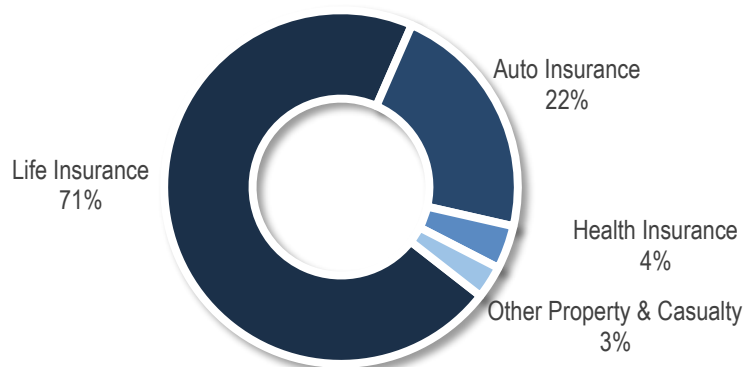
Source: Company data, EMIS, own calculations

Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

## Loss Ratio Evolution (%)



## Segment-wise Gross Revenue, 2014 (%)

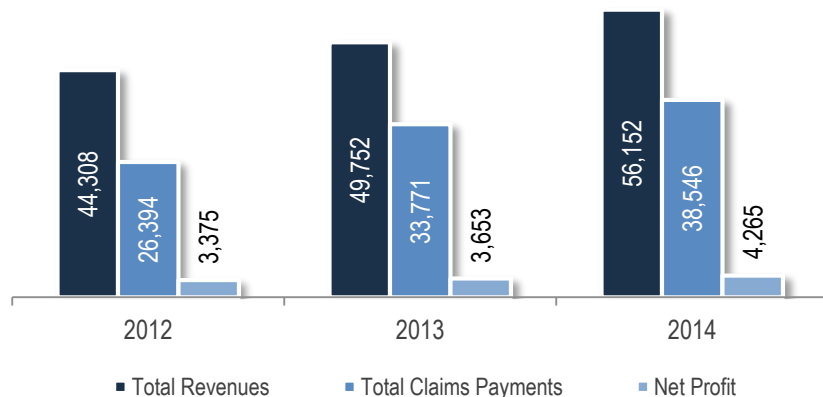


## Comments

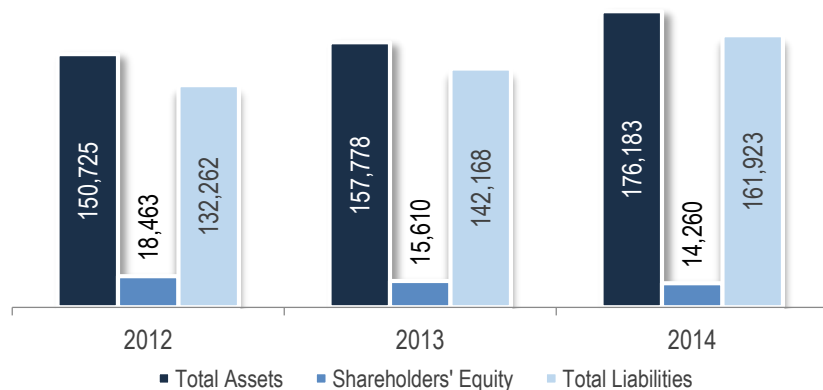
- In 2014, Sul America's insurance operations generated BRL 13.5bn in written insurance premiums, up 10.7% y/y.
- The revenues from the health and dental insurance segment rose by 13.8% compared to 2013, boosted by accelerated expansion of the SMEs (small and medium-sized enterprises) portfolio, price readjustments and favourable client retention levels. In addition, in the auto insurance segment, the insured fleet grew by 7.7% y/y, reaching 1.7mn vehicles, driven by strong brand recognition, increase of the broker network and the launch of innovative products and services, such as Franquia Flex.
- In July 2015, Sul America sold its housing insurance portfolio (which posted written premiums of BRL 25mn in 2014) to domestic peer Pan Seguros for BRL 60mn. In May 2015, the company agreed to sell its large and industrial risks unit to French insurance group AXA Group for BRL 135mn. Both transactions were in line with the company's strategy to focus on its core businesses – health, dental and auto insurance.



## Income Statement (Consolidated, BRL mn)



## Balance Sheet (Consolidated, BRL mn)



## Comments

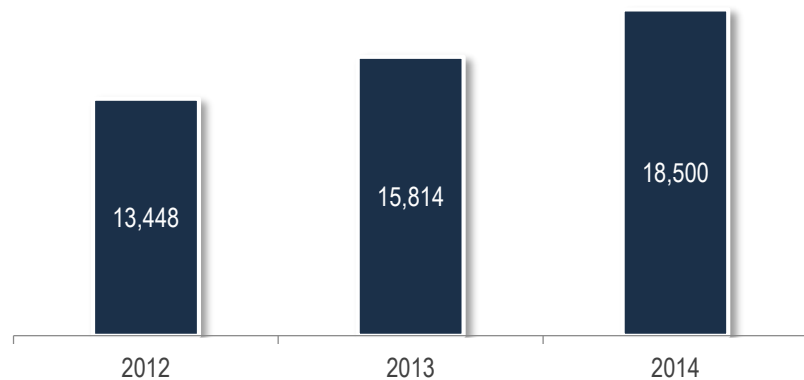
- Bradesco Seguros was founded in 1935 as the insurance arm of Brazilian commercial bank Banco Bradesco. The company was the largest insurer in Brazil in terms of assets as of June 2015.
- The company operates in the areas of automotive insurance, other property & casualty, life & health insurance, capitalisation services and pension plans through its five subsidiaries: Bradesco Auto/Re Companhia de Seguros, Bradesco Capitalizacao S.A., Bradesco Saude S.A., Bradesco Vida e Previdencia S.A., BSP Empreendimentos Imobiliarios S.A..
- Bradesco Seguros serves more than 47mn individual and corporate clients through a network of 210 own stores, 34,000 insurance brokers and the branch network of 4,700 stores of Banco Bradesco.

Source: Company data, own calculations

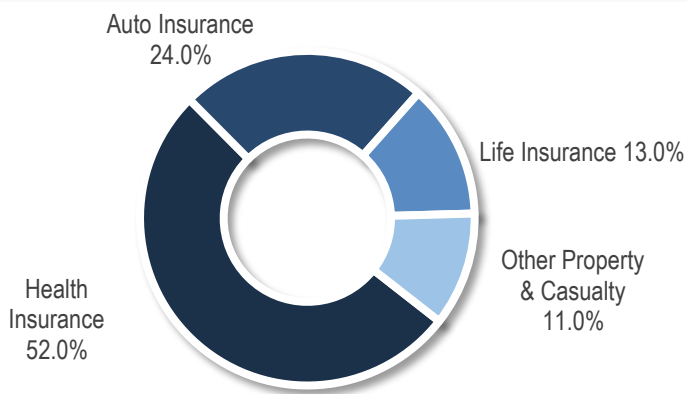
Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

# Bradesco Seguros S.A. (cont'd)

## Insurance Claims Evolution, BRL mn



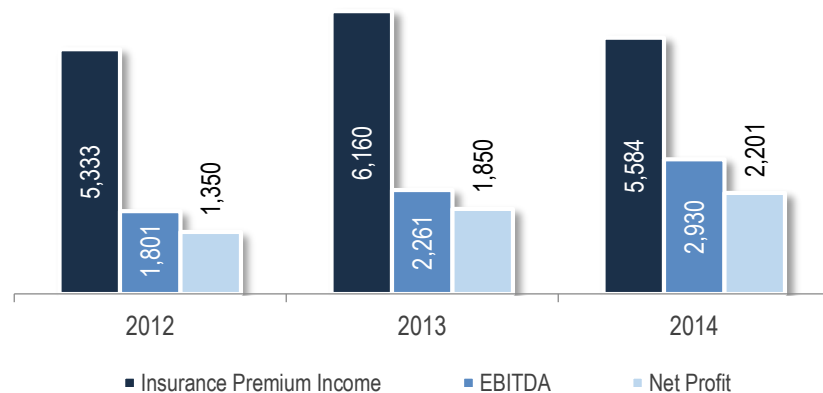
## Segment-wise Gross Revenue, 2014 (%)



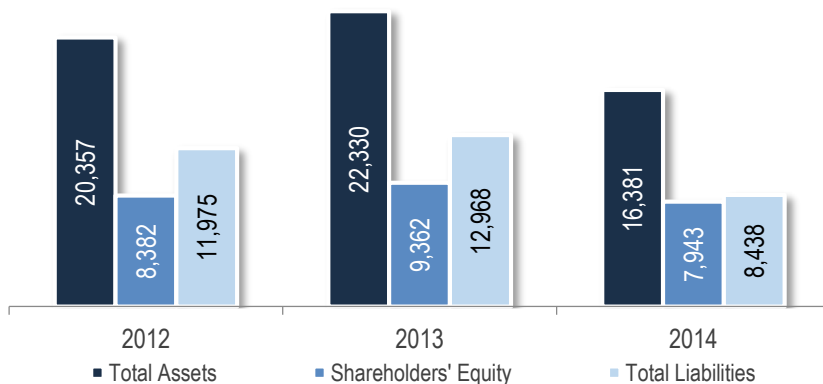
## Comments

- In 2014, the total revenues from insurance premiums, pension plan contributions and capitalisation products of Bradesco Seguros reached BRL 56.2bn, up 12.9% y/y. On the other hand, the total compensation and claims payments stood at BRL 38.5bn, up 14.1% y/y.
- The company posted a net profit of BRL 4.3bn in 2014, 16.8% up y/y.
- In August 2015, Banco Bradesco signed an agreement to acquire all operations of the UK-based financial group HSBC Holdings Plc in Brazil for USD 5.2bn, including retail banking, insurance and asset management, as well as its branch network and client portfolio. The insurance operations include term life, pension and capitalisation products, with total net insurance premiums of BRL 2.8bn in 2014. The transaction is in line with Bradesco's strategy to increase its national coverage and expand its product offering, mainly in the insurance, credit card and asset management markets.

## Income Statement (Consolidated, BRL mn)



## Balance Sheet (Consolidated, BRL mn)



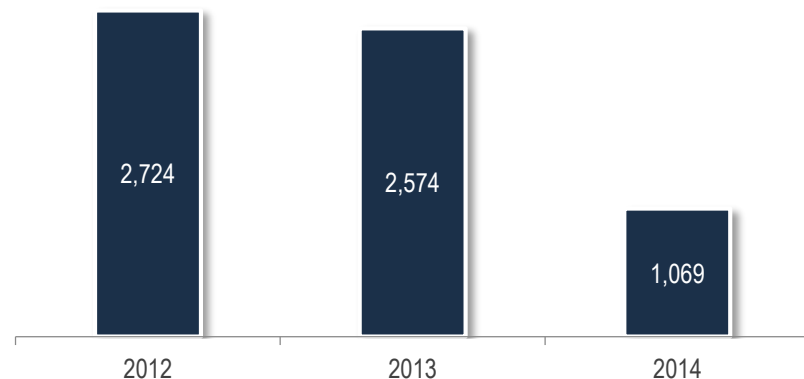
## Comments

- Itaú Seguros S.A. was founded in 1985 as the insurance arm of Brazilian commercial bank Itaú Unibanco. The company was the third largest insurer in Brazil in terms of assets as of June 2015.
- The company operates in the areas of automotive insurance, other property and casualty, life & health, pension plans and capitalisation services.
- In 2014, Itaú Seguros posted insurance premium income of BRL 5.6bn, down 9.4% y/y. Total insurance claims were BRL 1.1bn, 58.5% down compared to 2013.
- The net income of the company grew by 19%, reaching BRL 2.2bn in 2014, supported by a decrease in total insurance claims, lower loss index and higher financial result.

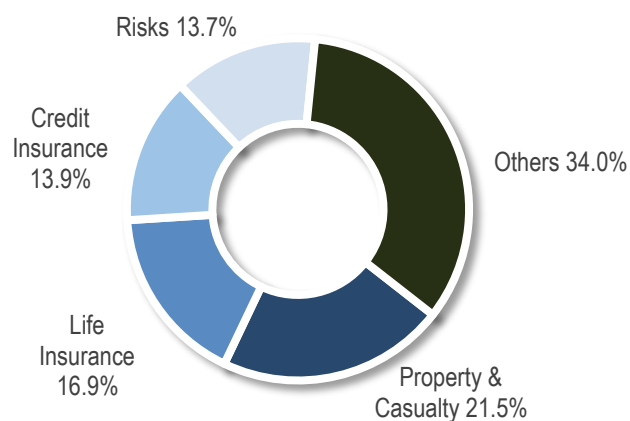
Source: Company data, own calculations

Any redistribution of this information is strictly prohibited.  
Copyright © 2015 EMIS, all rights reserved.

## Insurance Claims Evolution (BRL mn)



## Segment-wise Gross Revenue, 2014 (%)



## Comments

- Itaú Seguros improved its operating performance compared to 2013, recording a combined index of 81.9% and a loss ratio of 48% in 2014.
- In January 2014, Itaú completed the acquisition of a 99.99% stake in local insurance company BMG Seguradora SA for BRL 88.1mn, with the goal to complement its product offering.
- In October 2014, Itaú divested its large corporate property and casualty (P&C) insurance business to Swiss insurance company ACE for BRL 1.5bn. The divestment was in line with Itaú's strategy to focus on mass-market insurance products through its retail banking network, mainly in the life and personal accidents, theft, lending, travel and extended warranty segments.

**Contact:****Corporate Headquarters**

6-8 Bouverie Street  
London EC4Y 8DD  
UK  
Voice: +44 20 7779 8100  
Fax: +44 20 7779 8224

**Americas Headquarters**

225 Park Avenue South  
New York, New York 10003  
US  
Voice: +1 212 610 2900  
Fax: +1 212 610 2950

**Asia Headquarters**

Eucharistic Congress Bldg. No.  
III  
4th Floor, 5 Convent Street  
Mumbai 400 001  
India  
Voice: +91 22 22881123  
Fax: +91 22 22881137

**Disclaimer:**

The material is based on sources which we believe are reliable, but no warranty, either expressed or implied, is provided in relation to the accuracy or completeness of the information. The views expressed are our best judgment as of the date of issue and are subject to change without notice. EMIS and Euromoney Institutional Investor PLC take no responsibility for decisions made on the basis of these opinions.

Any redistribution of this information is strictly prohibited. Copyright © 2015 EMIS, all rights reserved. A Euromoney Institutional Investor company.

**About EMIS Insight**

EMIS Insight is a unit of EMIS that produces proprietary strategic research and analysis. The service features market overviews, industry trend analysis, legislation and profiles of the leading sector companies provided by locally-based analysts.

**About EMIS**

Founded in 1994, EMIS (formerly known as ISI Emerging Markets) was acquired by Euromoney Institutional Investor PLC in 1999. EMIS works from over 15 offices around the world to deliver electronic information products, by subscription, to institutional customers globally. EMIS provides hard-to-get information covering more than 100 emerging markets. Its flagship products are EMIS Intelligence and EMIS Professional.

EMIS clients include top investment banks, corporations, law firms, consultants, investment and insurance companies, universities and libraries, multilateral organisations, and others.