

Message of the Chairman of the Board of Directors

Dear shareholders,

During 2018, we faced challenges and reached goals to continue growing as a leading company in the sector. The economic situation during the year was unstable due to the renegotiation of the North American Free Trade Agreement, the announcements and decisions of the United States government and the elections in Mexico. These especially influenced the exchange rates of the Mexican peso against the dollar and consumer purchasing decisions in Mexico, including the acquisition of new vehicles.

Our **business model is strong**, it focuses on the satisfaction of the policyholder and on the costs control and, in addition with the relationship that we maintain with agents and suppliers, we have the **policyholders' confidence**.

In 2018, the **written premium** increased 2%, up to \$34,495 million pesos. Although the trend is positive, the lower increase compared to other years was due to the drop of 7% in the sale of new vehicles in Mexico and the stricter conditions that we put to the subscription of policies in the fleet segment. We surpassed the 3.8 million **insured vehicles**. Regarding, the **earned premium** increased by 11%; which is the income that allows us to assume operating expenses and generate positive returns.

We perform with a prudent management of expenses and investments, adhering to the principle of costs control and promoting operational efficiency. In this way, the company's outstanding revenues led to a 123% increase in **operating result**, with a **net result** of \$2,428 million pesos, 18% higher than in 2017; the **ROE** increased to 28.5%.

In Mexico we continue to be market leaders and, on the other hand, insurance operations in other countries continue to develop satisfactorily. With a solid network at the disposal of agents and policyholders, we keep opening Quálitas Development Offices (ODQ as per its acronym in Spanish), to bring insurance to the population. The rest of channels that we put at your disposal directly or through the agents act as allies through our business model.

The results of our non-insurance subsidiaries are also noteworthy. Aware of its potential, we will work along the year to strengthen its structure and management.

In a context of increasing risk for the **security of information**, we deepened its protection. We obtained the PCI (Payment Card Industry) certification for transfers' security through our website, after perfecting our processes and homologating security standards. We seek technology to contribute to the efficiency of processes and strengthen the policyholders' attention, thanks to the potential of mobile connectivity and artificial intelligence, among other aspects.

Our **workforce** continues to grow; we already exceed 5,000 employees, whose well-being and professional development we support every day. We put at your disposal the extensive training program of **Quálitas University**, with options also for agents, suppliers and employees of the service offices. We also generate employment opportunities, supporting the incorporation

through **seedbeds of talent**. We promote living the values of Quálitas together, setting an example in aspects such as equal opportunities, with more than half of the management positions held by women.

To facilitate the non-compliance attention of the Code of Ethics and Conduct, we launched the **Q Transparency** complaint platform.

Committed to **road safety**, we continue to develop alliances to spread the importance of responsible driving behavior and the value of coexisting on the road. We bring young people testimonies and messages to become agents of change. On the other hand, in Mexico City we launched the pilot of Road Safety Management System for our adjusters, which include training for the attention of claims under a culture of prevention.

We are guided by **sustainability** standards, in close dialogue with our stakeholders. We are committed to the 10 Principles of the United Nations Global Compact and we work to maximize our contribution to the Sustainable Development Goals. For the second year in a row, we are part of the Dow Jones Sustainability MILA Pacific Alliance Index, which encourages us to continue maturing in the management of environmental, social and corporate governance issues.

By the time you are reading these words, we will be completing the first 25 years of the company. The balance is successful, not only because of the size of the business and profitability, but also because of the lives and assets that we help protect, because in Quálitas, we insure cars, caring about people.

With the same vitality of this time we will approach the future, we hope to continue growing thanks to the effort and commitment of all those who are part of this great company.

Thanks,



Joaquín Brockman L.

Chairman of the Board

Quálitas Controladora, S.A.B. de C.V.