

EARNINGS RESULTS

■ 1Q16



QUÁLITAS RESUBMITS ITS REVISED RESULTS FOR THE FIRST QUARTER OF 2016

Mexico City, October 26th, 2016 – Quálitas Controladora, S.A.B. de C.V. (“Quálitas”, “Q”, or “the Company”) (BMV: Q*), resubmits its unaudited results for the first three months ended March 31st, 2016.

Top Management, according to the Board of Directors instructions, revised the financial results for the first six months of the year to verify the adequate implementation of Solvency II quantitative models that entered into force January 2016 and are applicable to Quálitas Compañía de Seguros, S.A. de C.V. (Q MX), the main subsidiary of Quálitas Controladora (Q).

For better understanding it is recommended to refer to the cumulative financial statements for the nine months ended September 30th, 2016 as they include every modification that derived from the revision instructed by the Board of Directors on July 28th this year.

In the following chart Quálitas discloses the modifications to the Statement of Income released April 28th this year.

	1Q16		
	REVISED	REPORTED	Δ\$
Written Premiums	6,343	6,344	-1
Ceded Premiums	17	18	-1
Retained Premiums	6,326	6,326	0
Unearned Premiums Reserve	1,308	1,387	-79
Earned Premiums	5,018	4,939	79
Acquisition Cost	1,378	1,378	0
Claims Cost	3,000	3,001	-2
Technical Result	641	560	81
Operating Expenses	175	167	9
Operating Result	466	393	73
Investment Income	80	81	-1
Result before Income Taxes	545	474	72
Income Taxes	177	160	17
Net result	369	314	55

As of January 1st, 2016, Q MX began to operate under Solvency II. Changes due to the new methodology are substantial and the comparison with 2015 figures is for information purposes only, since some items were reclassified and variations can be significant.

Note: Figures in this document are stated in millions of current Mexican pesos except where otherwise specified and may vary due to rounding.

1Q16 Highlights:

- Written premiums grew 31.2% during the quarter when compared to the same period last year, driven by the performance in all segments.
- Earned premiums grew 25.4% during the quarter when compared to the same period last year.
- Claims costs increased 16.1% during the quarter, below the increase in earned premiums.
- Insured vehicles increased 14.0% in comparison to the same quarter of 2015, totaling 3.0 million insured vehicles.
- The Company recorded an operating result of \$466 million during the quarter, 169.7% above the figure recorded the previous year.
- The investment income for the quarter was \$80 million, 39.5% below the figure recorded the previous year.
- The Company recorded a net result of \$369 million, 79.6% above the figure recorded the previous year.
- The Company recorded a combined ratio of 84.3% for the quarter, 600 bp lower than the previous year.

INCOME STATEMENT	1Q16	1Q15	Δ %/bp
Written Premiums	6,343	4,836	31.2%
Earned Premiums	5,018	4,001	25.4%
Acquisition Cost	1,378	1,072	28.5%
Claims Cost	3,000	2,584	16.1%
Technical Result	641	345	85.6%
Operating Expenses	175	173	1.5%
Operating Result	466	173	169.7%
Investment Income	80	132	(39.5%)
Income Taxes	177	99	78.1%
Net Result	369	205	79.6%
BALANCE SHEET			
Investments	16,769	13,893	20.7%
Total Assets	31,423	25,565	22.9%
Technical Reserves	20,553	16,474	24.8%
Total Liabilities	26,093	20,943	24.6%
Stockholders' Equity	5,330	4,621	15.3%
COST RATIOS			
Acquisition Ratio	21.8%	22.2%	(39)
Claims Ratio	59.8%	64.6%	(480)
Operating Ratio	2.8%	3.6%	(81)
Combined Ratio	84.3%	90.3%	(600)
PROFITABILITY RATIOS			
Return on Investments	0.7%	3.2%	(256)
LTM ROE	14.6%	13.8%	79

Insured Vehicles

Business Line	1Q16	1Q15	Δ %
Automobiles	2,012,019	1,778,575	13.1%
Trucks	731,569	623,442	17.3%
Tourists	92,129	88,692	3.9%
Motorcycles	88,577	79,919	10.8%
El Salvador	13,689	16,619	(17.6%)
Costa Rica	30,090	19,891	51.3%
USA	6,994	1,714	NA
Insured Vehicles	2,975,067	2,608,852	14.0%

NA: Not applicable

Insured vehicles increased 14.0% when compared to the previous year, reaching 2,975,067 units. The number of units insured during the quarter totaled 172,048.

Written Premiums

Segment	1Q16	1Q15	Δ \$	Δ %
Individual	1,234	996	238	23.9%
Fleets	1,957	1,627	330	20.3%
Sum of Traditional	3,191	2,623	567	21.6%
Financial Institutions	2,665	1,971	695	35.3%
Subsidiaries	253	96	157	163.3%
Other	234	146	88	59.9%
Total	6,343	4,836	1,507	31.2%

Period	1Q16	%	1Q15	%
Annual	4,177	65.9%	3,418	70.7%
Multiannual	2,166	34.1%	1,418	29.3%

Written premiums for the first quarter of 2016 totaled \$6,343 million, an increase of 31.2% in comparison to \$4,836 million recorded in 1Q15.

The \$1,507 million quarterly increase in this item was mainly driven by a 35.3% growth in Financial Institutions, along with a 23.9% increase in the Individual segment and a 20.3% increase in Fleets.

Written premiums in Costa Rica was 84.6% when compared to the same period last year, while El Salvador recorded a decrease of 28.9%.

Written premiums in QIC totaled \$150 million, it continued operations under the Cross Border Program in Arizona, California and Texas and the program for domestic commercial vehicles in Arizona and California, beginning to offer this coverage in Texas as well.

Ceded Premiums, Net Written Premiums and Reinsurance

The Company registered ceded premiums of \$17 million during the quarter. Quálitas holds a catastrophic reinsurance agreement for its subsidiaries.

Earned Premiums

Earned premiums for the first quarter totaled \$5,018 million, an increase of 25.4% when compared to the \$4,001 recorded in same period 2015.

Net Acquisition Cost

Net acquisition cost totaled \$1,378 million, an increase of 28.5% when compared to 1Q15, in line with the increase on written premiums.

This increase was mainly driven by commissions and compensations paid to agents, in line with higher sales recorded on quarterly and yearly basis, in addition to higher costs related to the use of facilities (UOF) paid to Financial Institutions.

Acquisition ratio during the quarter was 21.8% in comparison to 22.2% recorded during 1Q15.

Net Claims Cost

Net claims cost totaled \$3,000 million during 1Q16, a 16.1% increase when compared to the same period last year and below the increase in earned premiums, driven by a better underwriting and cost control.

Additionally, revenues from salvages and recoveries showed an increase on the quarter. These offset to some extent the increase in direct claims costs.

Claims ratio for 1Q16 was 59.8% in comparison to 64.6% recorded in 1Q15.

Operating Expenses

Operating expenses increased 1.5% during the quarter, recording \$175 million in comparison to the \$173 million registered in 1Q15.

Operating ratio during the quarter was 2.8% in comparison to 3.6% recorded in 1Q15.

Depreciation & Amortization charges increased 31.7% during the quarter.

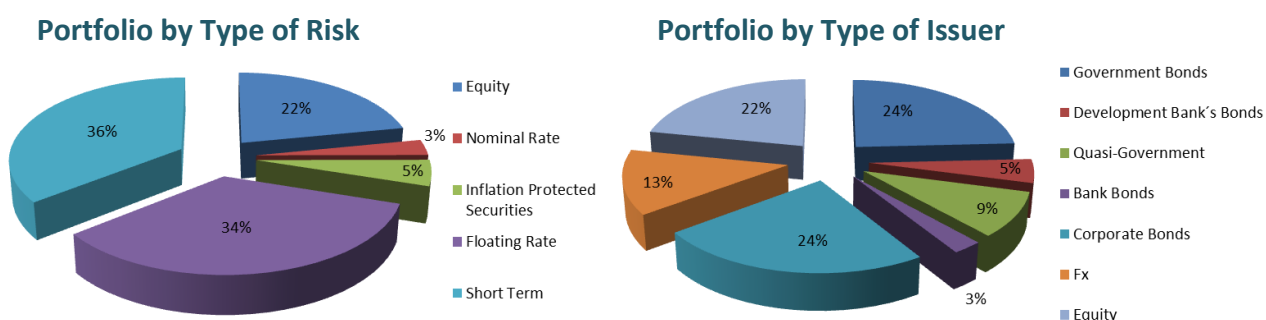
Operating Income

The Company booked an operating result of \$466 million for the quarter, which compares favorably with the \$173 million recorded in the same period last year.

Investment Income

Investment Income for the quarter was \$80 million, below \$132 million recorded in 1Q15.

This is mainly explained by exchange rate fluctuations, as well as a lower return on market instruments. It is worth mentioning, that our investment strategy continues to be long term.



Taxes

During 1Q16 the Company recorded Taxes of \$177 million.

Net Result

Net result for the quarter totaled \$369 million, a 79.6% increase when compared to the same period 2015.

Investments

Investments totaled \$16,769 million, a 20.7% increase over 1Q15's figure, as a consequence of the increase of LTM written premiums and LTM investment income. This item includes Securities, Overnight, Loan Portfolio and Property.

Technical Reserves

Technical Reserves reached \$20,553 million, 24.8% higher when compared to the same period last year, as a result of the growth in LTM written premiums.

Solvency

Quálitas registered a solvency margin of \$2,507 million, which represents a solvency ratio of 109.5%.

	Regulatory Capital Requirement*	Solvency Margin	Solvency Margin Ratio
Q.MX	1,897	2,337	123.2%
Q.ES	50	15	30.0%
Q.CR	84	0	0.1%
Q.IC	259	124	48.0%
Total	2,290	2,477	
Q.Cash		30	
Q	2,290	2,507	109.5%

*Regulatory Capital Requirement computation differs in the countries where Quálitas has operations.

- » FX Peso-USD March 2016: 17.24
- » FX Colon-USD March 2016: 529.59

Share Buyback Program

	1Q16
Shares traded in the quarter	835,169
Balance of repurchased shares	4,369,234

The balance of repurchased stocks as of March 2016 was \$120.1 million and no shares have been cancelled.



QUALITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Balance Sheet as of March 31, 2016

	2016	2015
Assets		
Investments	16,769,292,620	13,892,774,209
Securities and Derivatives Transactions	14,627,277,629	12,046,598,026
Securities	14,627,277,629	12,046,598,026
Government	3,062,241,205	3,825,962,737
Private Companies: Fixed Rate	8,271,701,494	5,490,707,625
Private Companies: Equity	2,920,975,270	2,458,997,160
Foreign	371,485,398	270,248,735
Dividends Receivable on Securities	-	-
(-) Value Impairment	-	-
Investments in Securities Loaned	-	-
Restricted Securities	874,263	681,769
Derivatives	-	-
Overnight	882,713,852	668,875,437
Loan Portfolio	257,215,182	195,734,527
Current Loan Portfolio	240,406,665	164,372,116
Non-performing Loan	18,182,444	31,362,412
(-) Loan Loss Provisions	1,373,927	-
Property (Net)	1,002,085,957	981,566,218
Investments Related to Labor Obligations	66,263,918	64,303,817
Cash and Cash Equivalents	461,582,195	188,114,916
Cash and Banks	461,582,195	188,114,916
Debtors	11,758,463,332	9,687,775,619
Premiums	10,922,425,165	8,999,714,434
Premiums P&C Subsidy	-	-
Federal Agencies Debts	137,727,744	-
Agents and Adjusters	49,050,873	60,758,239
Accounts Receivable	59,097,103	57,055,635
Bonds for Claims Debtors	-	-
Other	666,330,715	638,499,611
(-) Allowance for Doubtful Accounts	76,168,268	68,252,301
Reinsurers and Re-Bonding Companies	54,455,779	100,928,637
Insurance and Bonds Intitutions	-	100,928,637
Retained deposits	-	-
Amounts Recoverable from Reinsurance	55,488,227	-
(-) Loan Loss Provisions for Foreign Reinsurers and Reinsurance and Bonding Brokers	1,020,890	-
(-) Provisions for Penalties	11,558	-
Permanent Investments	48,266,115	46,658,860
Subsidiaries	-	-
Associates	2,753,481	2,179,431
Other permanent investments	45,512,634	44,479,429
Other Assets	2,264,266,770	1,584,046,491
Furniture and Equipment	511,651,372	374,536,691
Foreclosed Assets (Net)	-	-
Miscellaneous	1,713,652,096	1,196,339,190
Depreciable Intangible Assets (Net)	38,963,301	13,170,610
Long-lived Intangible Assets (Net)	-	-
Total Assets	31,422,617,520	25,564,602,548

QUALITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Balance Sheet as of March 31, 2016

	2016	2015
Liabilities		
Technical Reserves	20,552,678,382	16,473,868,779
Unearned Premiums	15,437,151,350	12,445,159,533
Life Insurance	-	-
Accident and Illness Insurance	-	-
Property and Casualty Insurance	15,437,151,350	12,445,159,533
Rebonding	-	-
In Force Bonding	-	-
Reserve for Outstanding Obligations	5,115,527,032	4,028,709,246
Expired Policies and Claims Occurred Pending of Payment	4,337,448,282	3,799,973,442
Occurred but not Reported and Adjustment Costs for Claims	310,583,221	147,234,060
Funds Under Administration	-	-
Deposit Premiums	467,495,529	81,501,744
Contingency Reserve	-	-
Specialized Insurance Reserve	-	-
Catastrophic Risks Reserves	-	-
Reserves Related to Labor Obligations	175,367,510	140,949,972
Creditors	2,843,664,484	2,473,907,161
Agents and Adjusters	928,516,730	727,253,058
Funds for Losses Management	1,600,000	3,980,391
Bonding for recognition of Liabilities Creditors	-	-
Miscellaneous	1,913,547,754	1,742,673,712
Reinsurers and Re-Bonding Companies	34,268,016	75,678,392
Insurance and Bond Companies	34,248,372	75,678,392
Retained Deposits	19,644.00	-
Other	-	-
Rebonding and Reinsurance Broker	-	-
Derivatives. Aquisition Fair Value	-	-
Funding Obtained	-	-
Debt Issuance	-	-
Subordinated Obligations not exchangeable into shares	-	-
Other Debt Securities	-	-
Financial Reinsurance Agreement	-	-
Other Liabilities	2,486,984,013	1,778,840,915
Provisions for employee profit sharing	57,880,934	60,953,322
Income Tax Provisions	164,529,819	89,731,638
Other Obligations	1,726,347,937	1,423,757,601
Deferred Credits	538,225,322	204,398,354
Total Liabilities	26,092,962,405	20,943,245,219
Stockholders' Equity		
Paid-in Capital		
Capital Stock	2,564,801,729	2,625,888,455
Capital Stock	2,684,887,926	2,684,887,926
(-) Non Subscribed Capital Stock	-	-
(-) Non Displayed Capital Stock	-	-
(-) Repurchased Shares	120,086,197	58,999,471
Subordinated Obligations of Mandatory Conversion into Stockholders' Equity	-	-
Earned Capital		
Reserves	253,602,979	222,036,746
Legal	118,602,979	87,036,746
For Repurchased of shares	135,000,000	135,000,000
Other	-	-
Valuation Surplus	20,884,601	14,076,748
Permanent Investments	-	-
Retained Earnings	1,980,428,203	1,473,874,604
Net Result	362,282,700	203,963,068
Translation effect	112,468,016	59,749,040
Non Monetary Assets Result	-	-
Controlling Interest	5,294,468,230	4,599,588,662
Non-Controlling Interest	35,186,886	21,768,668
Total Stockholders' Equity	5,329,655,116	4,621,357,329
Total Liabilities and Stockholders' Equity	31,422,617,520	25,564,602,548

QUALITAS CONTROLADORA S.A.B. DE C.V.
Consolidated Statement of Income for the First Quarter

	2016	2015
Premiums		
Written	6,343,070,937	4,836,306,467
(-) Ceded	16,834,847	-
Net Written Premiums	6,326,236,090	4,836,306,467
(-) Net Increase of Unearned Premiums Reserve	1,308,125,081	835,458,878
Earned Retained Premiums	5,018,111,009	4,000,847,590
(-) Net Acquisition Cost	1,377,581,936	1,071,851,100
Agents Commissions	390,819,271	285,766,208
Agents' Additional Compensation	83,825,695	49,007,672
Reinsurance and Rebonding Commissions	-	-
(-) Reinsurance Commissions	2,626,581	785,153
Excess of Loss Coverage	19,284,582	8,867,817
Other	886,278,969	728,994,556
(-) Net Claims Cost and Other		
Contractual Liabilities	2,999,576,257	2,583,616,178
Claims and Other Contractual Obligations	2,999,576,257	2,583,616,178
(-) Losses on non-proportional reinsurance	-	-
Claims	-	-
Technical Income (Loss)	640,952,816	345,380,312
(-) Net Increase in Other Technical Reserves	-	-
Reserva para Riesgos Catastróficos Catastrophic Risks Reserve	-	-
Specialized Insurance Reserve	-	-
Contingency Reserve	-	-
Other	-	-
Comparable and Related Operations	-	-
Gross Income (Loss)	640,952,816	345,380,312
(-) Net Operating Expenses	175,202,538	172,670,408
Administrative and Operating Expenses	-16,346,002	25,943,491
Employees' compensation and benefits	134,712,281	103,568,661
Depreciation and Amortization	56,836,260	43,158,256
Operating Income (Loss)	465,750,278	172,709,904
Comprehensive Financing Result	79,712,147	131,814,896
Investments	162,662,326	92,224,180
Sale of Investments	1,998,644	17,349,709
Fair Valuation of Investments	3,683,544	-1,506,630
Surcharges on Premiums	41,714,693	31,795,486
Debt Issuance	-	-
Financial Reinsurance	-	-
Loan Interests	8,001,422	7,910,670
(-) Preventive Penalties for Amounts Recoverable from Reinsurance	1,373,927	-
(-) Preventive Penalties for Credit Risks	1,020,890	-
Other	13,906,481	-1,350,983
Foreign Exchange Rate Fluctuation	-149,860,147	-14,607,536
(-) Monetary Position Result	-	-
Participation in Permanent Investments Result	-	-
Income (Loss) Before Taxes	545,462,425	304,524,800
(-) Provision for Income Taxes	176,920,372	99,338,130
Income (Loss) Before Discontinued Operations	368,542,053	205,186,670
Discontinued Operations	-	-
Net Income (Loss)	368,542,053	205,186,670
Controlling Interest	362,282,700	203,963,067
Non-Controlling Interest	6,259,353	1,223,603
Net Income (Loss)	368,542,053	205,186,670

Glossary of Terms and Definitions

Acquisition Cost: Includes commissions and compensations paid to agents as well as fees paid to Financial Institutions for the use of their facilities (UOF).

Acquisition Ratio: Acquisition Cost ÷ Net Written Premiums

CAGR: Compound Annual Growth Rate = $[(\text{End of Period Figure} / \text{Beginning of Period Figure})^{(1/ \text{Number of periods})}]$

Combined Ratio: Acquisition Ratio + Operating Ratio + Claims Ratio

CNSF: National Insurance & Bonds Commission, the regulator of the insurance sector in Mexico.

Financial Institutions: Financial branch of major automakers and Financial Groups that provide automotive financing.

Claims Cost: Includes costs incurred in the payment of claims: third party liability, theft, repair costs, among others.

Claims Ratio: Claims Cost ÷ Net Earned Premiums

Multi-annual Policies: Policies with a term greater than 12 months. They are typically issued for the automobiles sold on credit.

Net Earned Premiums: Written premiums registered as income throughout the duration of a policy.

Net Written Premiums: Written premiums less the portion ceded to reinsurance.

Operating Expenses: Includes expenses incurred in by the Company in its regular operations.

Operating Ratio: Operating Expenses ÷ Net Written Premiums

Policies' Fees: Administrative fee charged when the policy is issued and recorded as an income in operating expenses.

Premium Debtor: Records the portion of sold policies which will be paid in installments.

Premiums finance charge: Financial penalty imposed to policyholders that choose to pay premiums in installments.

Regulatory Equity Requirement: Is the minimum equity level that an insurance company should maintain, according to legal requirements.

Written Premiums: Premiums corresponding to policies underwritten.

Q CR: Quálitas Costa Rica

Q MX: Quálitas Mexico

Q ES: Quálitas El Salvador

QIC: Quálitas Insurance Company

Solvency Margin: Stockholders' equity – Regulatory Equity Requirement

Solvency Margin Ratio: Solvency Margin ÷ Regulatory Equity Requirement

Qualitas Controladora (Q) is the largest auto insurance company in Mexico in terms of market share, with operations in El Salvador, Costa Rica and USA. Its specialized business model, based exclusively in auto insurance, has allowed the Company to provide top quality service under the largest network in the country. Qualitas is listed on the Mexican Stock Exchange (BMV) under the ticker "Q" (Bloomberg: Q*: MM).

This document may include forward-looking statements that involve risks and uncertainties. Words such as "estimate," "project," "plan," "believe," "expect," "anticipate," "intend," and similar expressions may identify such forward-looking statements. The Company wants to caution readers that any forward-looking statement in this document or made by the company's management involves risks and uncertainties that may change based on various important factors not under the Company's control. Forward-looking statements relate to the company's current situation only as of their dates of publication.

Analysts

Institution	Analyst	E-mail
Actinver	Enrique Mendoza	emendoza@actinver.com.mx
BBVA Research	Germán Velasco	german.velasco@bbva.com
Grupo Bursátil Mexicano	Luis Willard	lrwillard@gbm.com.mx
Interacciones	Roberto Navarro	rnavarro@interacciones.com
Nau Securities	Iñigo Vega	inigovega@nau-securities.com
Signum Research	Armando Rodríguez	armando.rodriguez@signumresearch.com
Ve por Más	Verónica Uribe	veuribeb@vepormas.com

IR Contacts

Mariana Fernández

mfernandez@qualitas.com.mx

T: +52 (55) 1555-6103

Elba Salcedo

esalcedo@qualitas.com.mx

T: +52 (55) 1555-6316

www.qualitas.com.mx