

Message of the Chairman of the Board of Directors

In Quálitas we are strongly committed to sustainable development, facing economic, environmental and social challenges under a strategy of value generation.

In 2017 we confronted different circumstances that affected our operations. Within these events stands out the theft of vehicles, exchange rate volatility that affects spare parts cost and the decrease in new car sales in Mexico. On the other hand, the rise in interest rates helped us significantly to register a positive financial result and to end this period with an excellent outcome.

In the year we issued over 33,000 million pesos in written premiums and registered over 28,600 million pesos in revenue (earned premiums). These translated into having more than **3.8 million insured units** and a share of 31.3% in the Mexican automobile insurance market.

It is important to highlight that in 2017 we reached a net income of 2,063 million pesos, an increase of 58.7% when compared to the one registered in 2016. This result derived in an excellent **ROE of 29.4%**, which means that approximately every 2.5 years we would double stockholders' equity.

Our insurance operations outside Mexico had continued to develop and consolidate. The non-insurance subsidiaries also continue to give us advantages in cost control and they help us to have a more efficient operation in the insurance companies, all these subsidiaries registered a positive result for the year.

During 2017 we opened **22 new Quálitas' Development Offices (ODQs)** in Mexico. This growth in facilities directly implied the generation of new sources of employment.

For Quálitas it is a priority that the **1,534 people who joined the staff in 2017** experienced our wellbeing, development and professionalization culture. For this reason, the contents of **Quálitas University** were strengthened, this is our biggest initiative to increase skills and promote growth and personal fulfillment.

We want to guarantee welfare for all our stakeholders and to contribute on developing a better **insurance and road safety culture** in order to continue growing in places where we operate. Our interest is to achieve these objectives through actions based on ethics and integrity.

Under this condition, in October 2017 the Board of Directors approved the new **Code of Ethics and Conduct**. The governing document that establishes the values and operating rules applicable to directors, employees, representatives and collaborators of Quálitas, regardless of their activity or geographical location.

We continue working on projects that allow us to contribute to the **society's sustainable development**, to improve our service and to implement measures to reduce costs in order to consolidate Quálitas' market position and competitiveness. Some examples of these measures are: body shops certification, express adjustment, automation of the call center and the use of satellite tracking devices and gadgets to prevent collision and vehicle theft.

I reaffirm Quálitas' commitment to the implementation of **the 10 Principles of the United Nations Global Compact**, which encompasses aspects of human rights and issues in labor, environmental and anti-corruption matters.

The stock price also had a very good performance by increasing 24.4% during the year. Additionally, I am very pleased to inform you that in October we were included in the **Dow Jones Sustainability MILA Pacific Alliance Index**. This is a very important indicator that acknowledges that our sustainability strategy is on the right track.

I believe that the Company is well positioned to continue growing and developing. We are hoping for upcoming years to be good and to have more moderate growth but higher profitability.



Joaquín Brockman Lozano

Chairman of the Board