

1Q14

Automobile Insurance Industry Report



Mexico

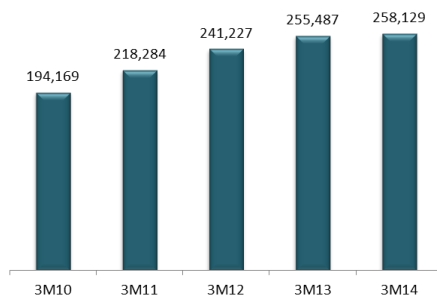


Selective Growth and Solid Performance

Mexico City; May 15, 2014

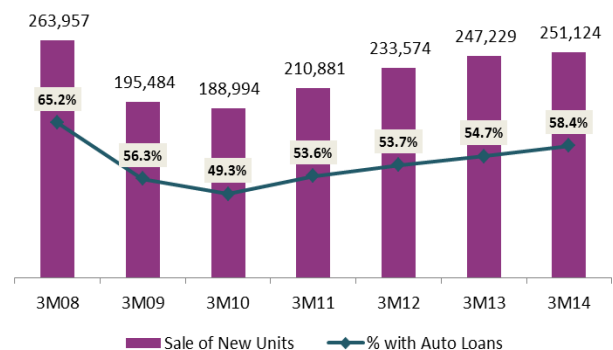
Automobile Industry and Automobile Financing

Nationwide Sales of New Vehicles¹ (Automobiles, Trucks)



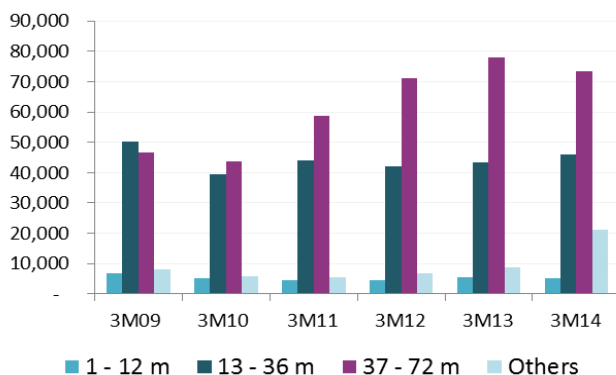
Sales of new units grew by 1.0% compared to 2013, reaching 258,129 units.

Automobile Financing²



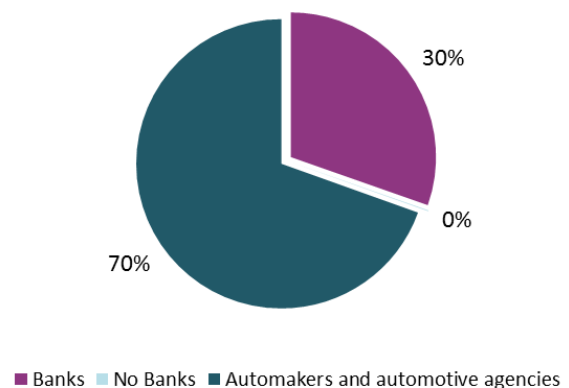
In 2014, automobile financing continues recovering; 58.4% of the sales of new cars as of March 2014 were financed, figure higher than last year's, but still below that of 2007.

Financing Period²



As of March 2014, most car loans were offered with a 37 to 72 months term. The term of the loans has been increasing for the last 5 years.

Automobile Financing Market²



The main financing sources to purchase a car are the automakers and automotive agencies.

¹Source: AMIA, ANPACT and AMDA. Figures are stated in units of automobiles sold.

²Source: JATO Dynamics. (Only includes cars, does not include all banks and financial institutions, does not include operating or financial leasing).



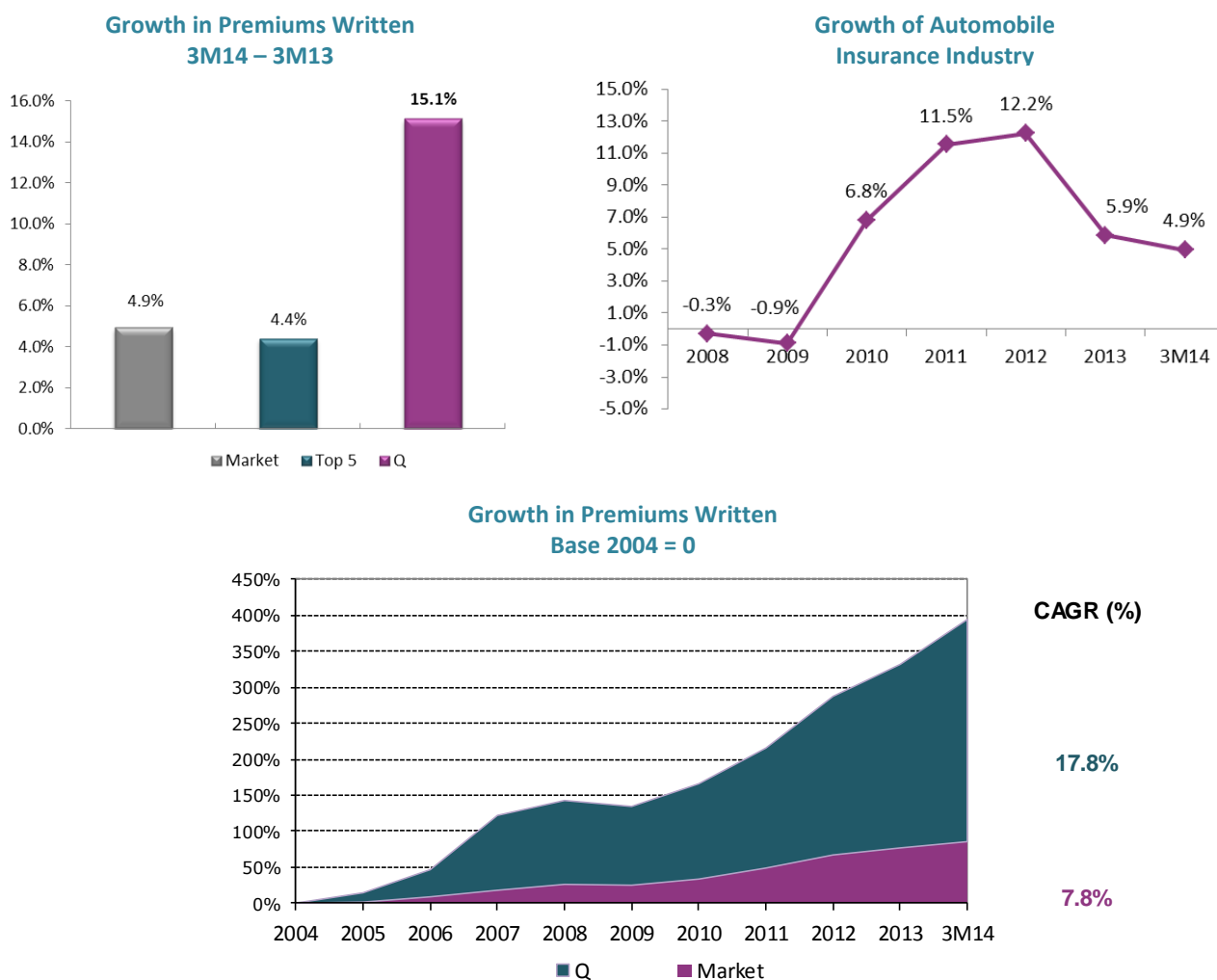
Figures in this document are stated in millions of Mexican pesos, except where otherwise specified, so that they may vary due to rounding.

Automobile Insurance Industry

Total premiums written by the market amounted to \$18,410, growing by 4.9%. Among the large companies, three of them registered important growth rates, well above the market figure. On the other hand, in the group of medium size companies, there were also some relevant increases, which allowed the growth in this segment to surpass the market rate.

Growth of the largest companies amounted to 4.4%, that of the medium companies, to 6.6%, and the small ones increased by less than 1%.

The market's net profit decreased by 20.9%. This results mainly from a 26.3% drop in investment income and from an increase in the combined ratio of 3.2 percentage points.





Automobile Insurance Industry 3M14

(Figures in millions of pesos)

	Companies	Premiums Written	Market Share (written)	Premiums Earned	Market Share (earned)	Growth 3M14 - 3M13
1	Qualitas	4,593	25.0%	3,657	23.7%	15.1%
2	AXA Seguros	2,899	15.7%	2,639	17.1%	21.7%
3	G.N.P.	1,899	10.3%	1,846	12.0%	-22.2%
4	Banorte Generali	1,263	6.9%	972	6.3%	22.0%
5	Aba/Seguros	1,232	6.7%	869	5.6%	-19.9%
	LARGE	11,886	64.6%	9,983	64.8%	4.4%
6	BBVA Bancomer	1,113	6.0%	782	5.1%	7.0%
7	Mapfre Mexico	1,093	5.9%	972	6.3%	-1.7%
8	Inbursa	1,037	5.6%	1,071	7.0%	-5.3%
9	HDI Seguros	642	3.5%	544	3.5%	11.2%
10	Zurich Daños	639	3.5%	428	2.8%	28.5%
11	Atlas	434	2.4%	397	2.6%	6.2%
12	ANA	283	1.5%	217	1.4%	33.7%
13	Afirme	252	1.4%	188	1.2%	32.5%
14	General de Seguros	230	1.3%	189	1.2%	0.4%
15	Royal & Sunalliance	159	0.9%	152	1.0%	2.1%
	MEDIUM	5,882	31.9%	4,939	32.1%	6.6%
	SMALL	641	3.5%	467	3.0%	0.0%
	MARKET (34 Comp)	18,410	100%	15,403	100%	4.9%

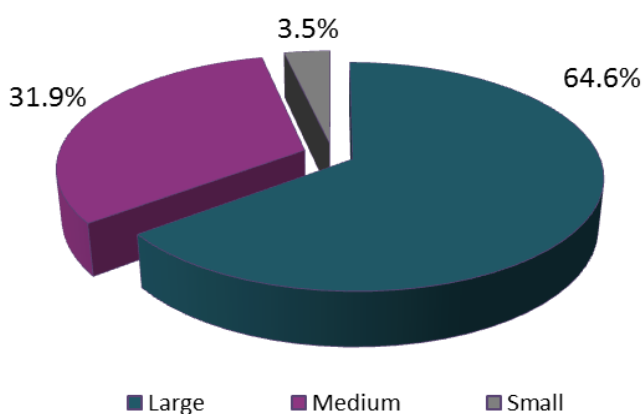
	Companies	Operating Result	Investment Income	Net Result	L&LAE Ratio	Combined Ratio
1	Qualitas	164	179	252	64.9%	89.2%
2	AXA Seguros	204	164	330	64.5%	89.7%
3	G.N.P.	85	129	156	60.9%	94.1%
4	Banorte Generali	243	57	209	56.7%	70.7%
5	Aba/Seguros	124	57	214	59.2%	96.7%
	LARGE	819	586	1,161	62.7%	88.3%
6	BBVA Bancomer	175	185	273	54.7%	70.6%
7	Mapfre Mexico	11	31	38	62.2%	94.7%
8	Inbursa	180	-14	206	57.8%	84.0%
9	HDI Seguros	-22	24	8	61.3%	97.4%
10	Zurich Daños	-30	12	9	52.2%	96.2%
11	Atlas	44	13	45	64.7%	86.6%
12	ANA	-4	9	2	57.7%	98.8%
13	Afirme	4	9	10	58.9%	87.9%
14	General de Seguros	1	-6	-3	59.7%	92.2%
15	Royal & Sunalliance	-62	7	-48	79.1%	137.5%
	MEDIUM	297	270	541	59.4%	89.1%
	SMALL	91	-4	114	58.5%	77.8%
	MARKET (34 Comp)	1,215	850	1,823	61.5%	88.3%



Market Share

The 5 large companies in the market account for 64.6% of the automobile insurance market. On the other hand, medium sized companies increased their market share by 0.5 percentage points, while companies classified by AMIS as small registered this same decrease in their share.

Market Share Automobile Insurance



Q remains well-positioned in the major segments of the market; in every business line, the Company maintains one of the top 2 places in terms of market share.

Breakdown of the Automobile Insurance Market			
	Premiums Written	Q's Participation	Q's Position
Cars	\$12,781	21.6%	1
Trucks	\$5,254	33.6%	1
Tourists	\$204	15.0%	2
Other	\$171	25.5%	2
Total	\$18,410	25.0%	1

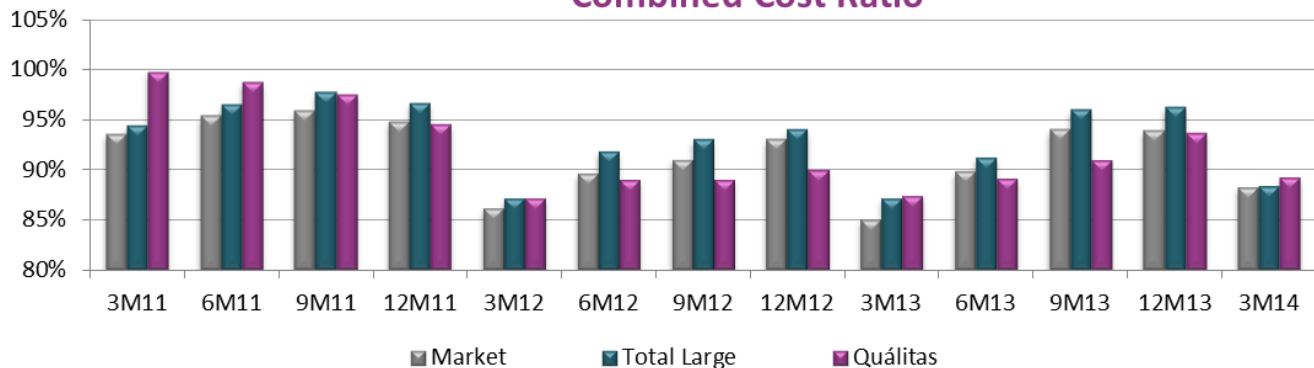


Costs

The combined cost ratio for the market reached 88.3%, figure higher than the 85.1% of last year. The five large companies registered an 88.3% ratio, while the figure for Q stood at 89.2%.

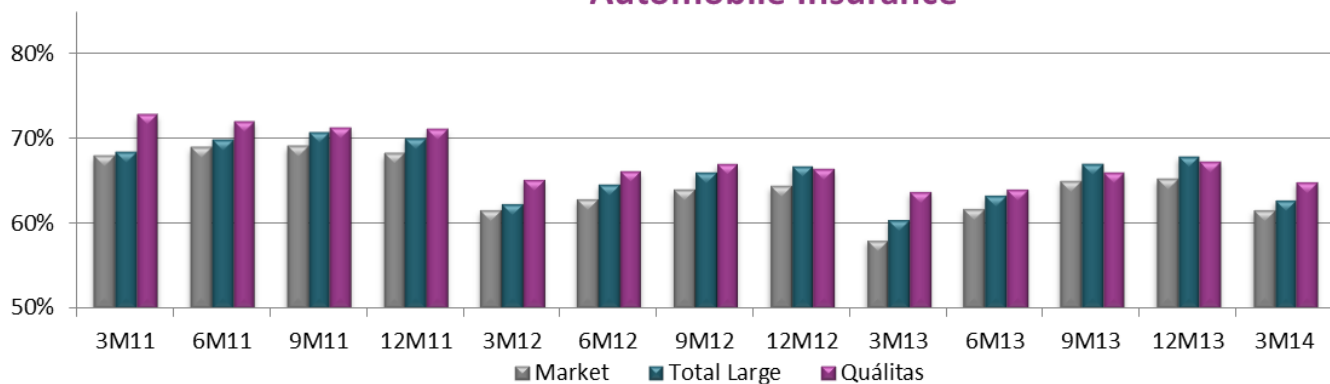
The combined cost ratio for the market without the Bank Insurance's figure reached 91.9%.

Combined Cost Ratio



The industry recorded a high L&LAE ratio when compared to the previous quarters. If the ratios as of March 2014 are compared to last year's figures, there is also an important increase. Accordingly, the market ratio increased from 58.0% to 61.5%, that of the five large companies from 60.4% to 62.7%, and, Q's ratio increased from 63.7% to 64.9%.

L&LAE Ratio Automobile Insurance





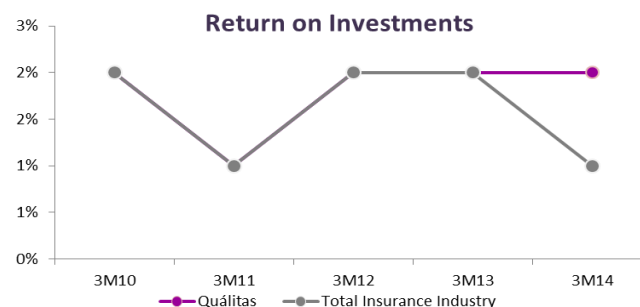
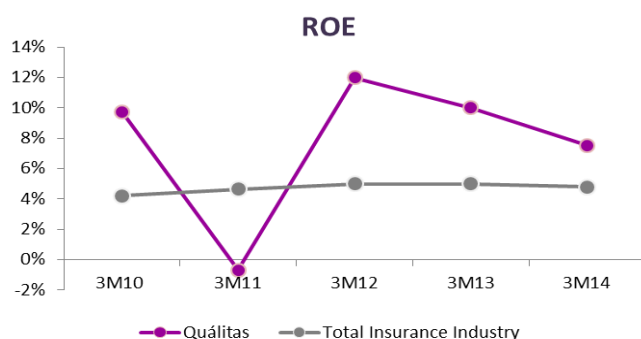
Insurance Industry Profitability

The following table shows the profitability comparables for the insurance industry, which, in aggregate, stands at 4.8% for the three months of the year.

It is important to note that this calculation is not available by industry segment, since the information available is the ROE from consolidated figures, and it is calculated with the profit from all segments for the 12 month period.

During this period, **Q** registered a 7.5% ROE.

	Company	Total Premiums 3M14	Return on investments 3M14	ROE 3M14 %	ROE 3M13 %
1	Metlife Mexico	11,999	2%	5.6%	2.6%
2	G.N.P.	9,883	2%	5.9%	6.2%
3	AXA Seguros	7,001	2%	4.9%	2.9%
4	Banamex	6,556	1%	8.5%	7.3%
5	Inbursa	6,048	0%	-0.9%	7.1%
6	BBVA Bancomer	5,961	1%	10.2%	11.5%
7	Banorte Generali	4,928	2%	11.1%	9.4%
8	Qualitas	4,593	2%	7.5%	10.1%
9	Monterrey New York Life	4,454	1%	3.2%	0.7%
10	Mapfre Mexico	3,344	1%	1.2%	3.8%
11	Atlas	2,026	1%	2.4%	5.2%
12	GMX Seguros	1,557	1%	10.9%	2.3%
13	Allianz Mexico	1,544	1%	4.9%	8.2%
14	Zurich Daños	1,460	1%	-2.2%	-0.6%
15	Aba/Seguros	1,459	1%	7.8%	10.2%
	SMALL	12,722	1%	2.6%	4.1%
	MARKET (72 Comp)	85,536	1%	4.8%	5.4%



ROE=Net Result/ Stockholders' Equity. It is an effective rate which corresponds to a period of 12 months, as published by AMIS.

Qualitas investments are mark-to-market, while other Insurance Companies may value their investments with different accounting principles.



Except for the historic information herein provided, statements included in this document regarding the Company's expected financial and operating business results or regarding the Company's growth potential, constitute "forward-looking statements" based on management's expectations regarding the economic and business conditions in the countries where Quálitas operates.

Information sources:

- 1) AMIS. Asociación Mexicana de Instituciones de Seguros, A.C., (Mexican Association of Insurance Institutions); www.amis.com.mx
- 2) AMIA. Asociación Mexicana de la Industria Automotriz, A.C., (Mexican Association of the Automobile Industry); www.amia.com.mx
- 3) ANPACT. Asociación Nacional de Productores de Autobuses, Camiones y Tractocamiones, A.C., (National Association of Producers of Buses, Trucks and Lorries); www.anpact.com.mx
- 4) AMDA. Asociación Mexicana de Distribuidores de Automotores, A.C. (Mexican Association of Automotive Suppliers) ; www.amda.mx
- 5) JATO Dynamics. <http://www.jato.com/Mexico>

If you wish to refer to another source, you may visit the Mexican Insurance Companies' Regulator (National Insurance and Bonds Commission) web page: www.cnsf.gob.mx

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