

2Q14

Earning Results





Mexico City, July 24, 2014

Important Lessons

Management's Discussion & Analysis

We consider that the quarterly results show strength in light of the current conditions of the insurance industry. Upon these conditions, we have launched a new phase of our subscription model, implementing a 2.2% tariff increase in May.

We finished the period with 2,435,330 insured vehicles, growing by 12.0% in insured units and 10.8% in premiums written. This growth was mainly driven by the Financial Institutions segment. On the other hand, premiums earned performed favorably, growing by 9.7%. Our service culture and business model have allowed us to continue growing above the market rate.

With regard to costs, we registered increases in the L&LAE and the operating expenses. Climatic factors both rain and hail, had a considerable impact in collision frequency. L&LAE were also affected by an important increase in the average costs of severance in case of death and by the high costs in certain tow truck services.

Operating expenses increased considerably due to the anticipated payment of the PTU (Employee Profit Sharing), banking services resulting from the payment method "months without interests", and fee payments to service offices. This led to an operating loss of \$55 and a combined ratio of 99.2%.

On the other hand, profitability benefitted from an outstanding investment income, of \$341, which resulted from greater exposure to equities and from the surge in the markets originated by a lower Central Bank reference rate. Consequently, net profit reached \$183.

In our international operations:

During the quarter, we issued our first QUIC (Quálitás Insurance Company) policy in the state of Arizona. We continue working on regulatory issues to be able to sell in California and Texas, states in which we identify greater market potential.



In Costa Rica, we achieved during the quarter an important growth, of 80.7%, in premiums written. We also had a considerable increase in L&LAE, as a result of our bank portfolio, so we are taking actions with key accounts. We are looking for new repair shops to improve labor costs and evaluating alternative spare parts suppliers. We have also focused on reserve management, debugging and formation.

In Quálitas El Salvador, growth reached 16.1% during the period, mainly driven by individual sales. The L&LAE ratio increased significantly, both due to an increase in frequency as in total losses.

Growth in Central America, the increase in the claims reserves and the duty to maintain a minimal equity in the United States required us to capitalize these operations in US\$2.5 million. Moreover, we incurred in pre-operating expenses in QUIC that were charged to the period's results.

We were aware that comparing the first half figures vis-à-vis the solid results obtained in the same period of 2013 would be challenging, and we also acknowledge important improvement areas in cost controls that we need to manage during the second half of the year.

Throughout this document, figures are expressed in millions of pesos, except where stated differently. Figures may vary due to rounding; variations expressed are with respect to the same period in 2013.



Quálitas Controladora 2Q14

Figures stated in million pesos

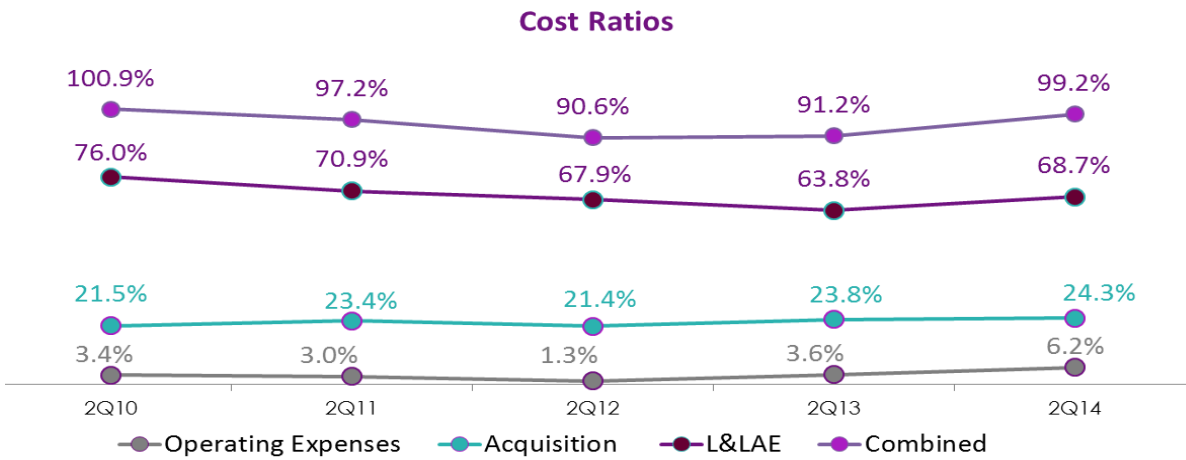
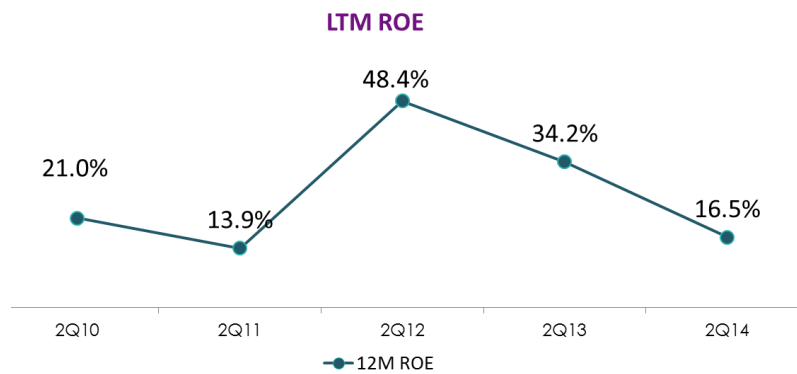
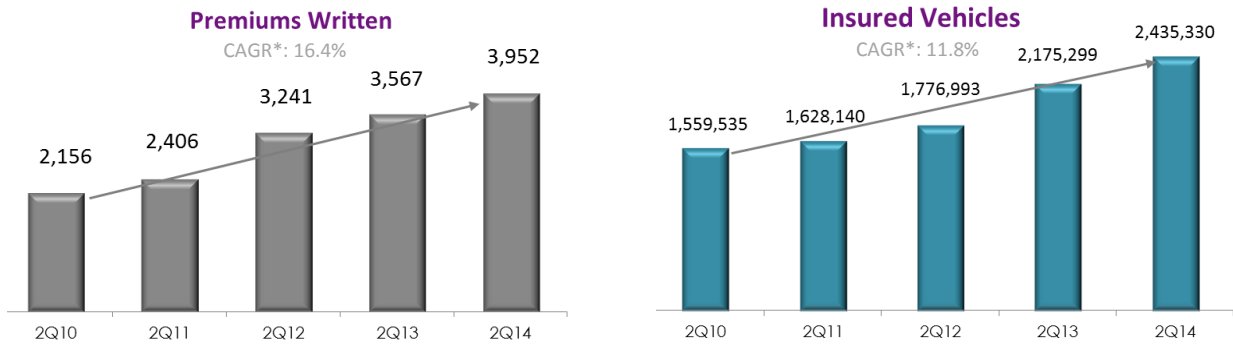
INCOME STATEMENT	2Q14	2Q13	Ch. %/bp
Premiums Written	3,952	3,567	10.8%
Premiums Earned	3,677	3,352	9.7%
Acquisition Cost	959	847	13.2%
L & LAE Cost	2,528	2,140	18.1%
Technical Result	190	365	-47.9%
Operating Expenses	245	127	92.3%
Operating Result	-55	237	-123.3%
Integral Financing Result	341	127	168.6%
Income Taxes	103	133	-22.9%
Net Result	183	231	-20.9%
BALANCE SHEET			
Cash & Investments ¹	11,558	10,270	12.5%
Total Assets	22,316	19,217	16.1%
Technical Reserves	14,368	12,290	16.9%
Total Liabilities	18,149	15,353	18.2%
Stockholders' Equity	4,167	3,864	7.9%
COST RATIOS			
Acquisition Ratio	24.3%	23.8%	52
L & LAE Ratio	68.7%	63.8%	491
Operating Ratio	6.2%	3.6%	263
Combined Ratio	99.2%	91.2%	806
PROFITABILITY RATIOS			
Return on Investments	11.4%	3.6%	780
Leverage	4.36	3.97	9.6%
LTM ROE	16.5%	34.2%	-1769
QC CPO RATIOS			
BV	9.26	8.59	7.9%
12m EPS	1.47	2.61	-43.6%

¹ Cash & Investments = Securities and Derivatives Transactions + Overnight + Cash and Cash Equivalents + Discounts and Re-discounts.



QC Figures

For comparison purposes 2014, 2013 and 2012 figures are Quálitas Controladora's and the figures from previous years are from Quálitas Aseguradora.



*CAGR= Compound Annual Growth Rate



QC - Financial Results 2Q14

Discussion & Analysis

Figures stated in million pesos

Premiums Written

Segment	2Q14	2Q13	Ch. \$	Ch. %
Individual	898	882	16	1.8%
Fleets	1,348	1,334	14	1.0%
Sum of Traditional	2,245	2,216	30	1.3%
Toll Roads	82	1	81	NA
Financial Institutions	1,558	1,267	291	22.9%
Subsidiaries	66	83	-16	-19.8%
Total	3,952	3,567	385	10.8%

NA: Not applicable

Qualitas Controladora's premiums written amounted to \$3,952 increasing by 10.8% during the quarter.

Qmx

Growth in premiums, of 11.5%, was mainly driven by the Financial Institutions segment and the increase in tariffs during the quarter, of 2.2%.

Premiums in the Financial Institutions segment increased by 22.9%, benefitting from the recovery in automotive financing. Our premiums grew even though new car sales decreased by 2.2% and were affected by the Easter Week seasonality.

The Fleet and Collectivities segment, which includes our value added contracts with companies, as well as groups of employees and their relatives, remained stable, growing by 1.0%.

Sales in the Individual segment continued affected by the market competition, registering a slight increase, of 1.8%, during the period.

We also reached an \$82 premium in the Toll Roads segment, as a result of the roads and bridges that we obtained at the end of 2013 in the CAPUFE account.



Qsv

In El Salvador, we attained a solid growth during the period, of 16.1%, driven by individual sales. Also the Financial Institutions segment registered a solid growth, with annual policies linked to automotive loans with a 5-7 year term.

The Fleet segment, on the other hand, which comprises approximately 40% of sales, grew slightly, impacted by economic factors.

During the quarter, tariffs were increased in April to make them more competitive in line with vehicles' claims.

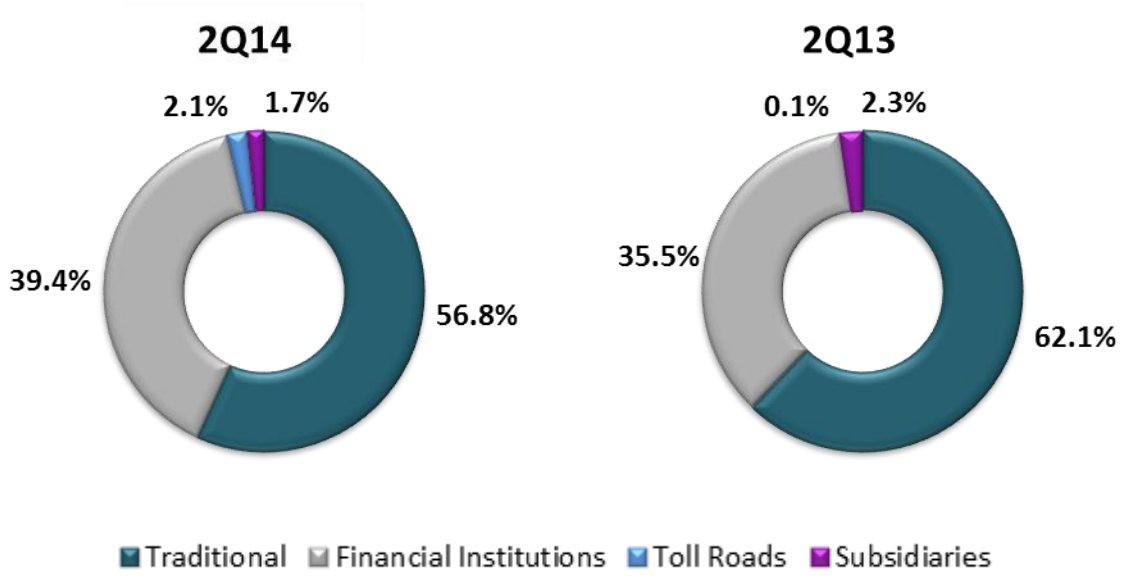
Qcr

In Costa Rica, although the World Cup had a negative impact in June sales, we achieved an important growth in premiums written during the quarter, of 80.7%. Our main market segment continues to be Fleets. We continue developing new market segments.

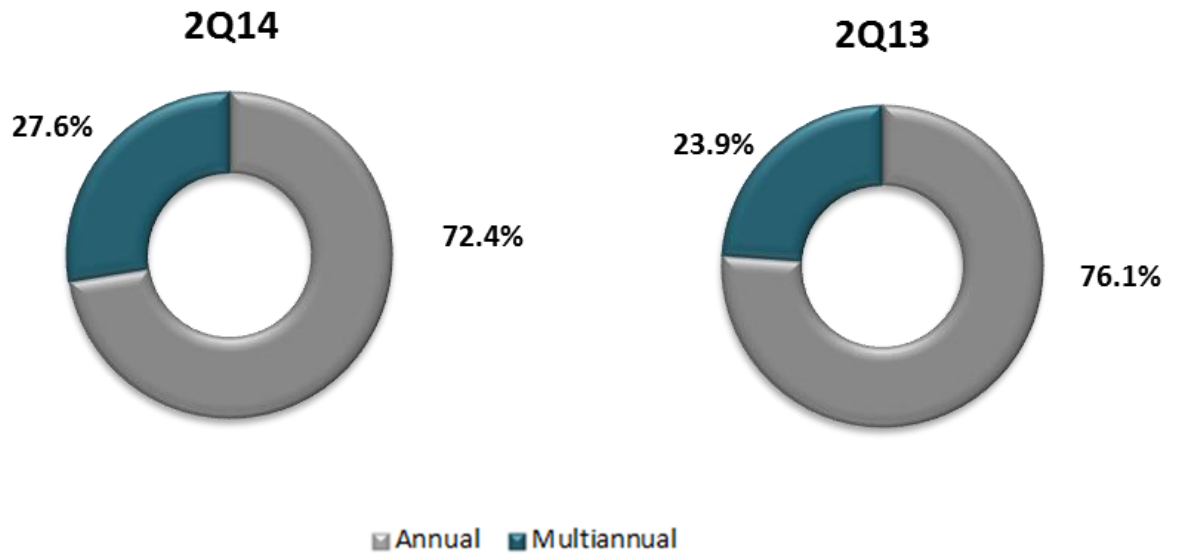
Additionally, we improved tariffs for certain key accounts, which will enhance profitability.



Premiums Written by Segment



Premiums Written per Period





Insured Vehicles

Quálitas Controladora's insured vehicles reached 2,435,330, increasing by 12.0%.

Business Line	2Q14	2Q13	Ch. %
Automobiles	1,664,907	1,435,279	16.0%
Trucks	570,037	567,510	0.4%
Subtotal	2,234,944	2,002,789	11.6%
Tourists	97,552	95,089	2.6%
Motorcycles	69,689	56,527	23.3%
Subsidiaries	33,145	20,894	58.6%
Insured Vehicles	2,435,330	2,175,299	12.0%

Qmx

Qmx's insured vehicles reached 2,402,185, increasing by 11.5%, below the growth in premiums written as result of the increase in tariff during the quarter.

Qsv

Qsv registered 17,074 insured vehicles, a 40.0% increase.

Qcr

Insured units amounted to 16,071, growing by 84.7%

Premiums Ceded, Net Premiums Written and Reinsurance

We continue with the strategy on not retaining proportional reinsurance, so no premiums are ceded, and of maintaining a catastrophic reinsurance contract for Qmx, Qsv and Qcr.

Premiums Earned

Premiums earned grew by 9.7%, reaching \$3,677.

In the case of Qcr, there was a change in the methodology to form the unearned premiums reserve which resulted in a higher reserve, decreasing premiums earned.



Net Acquisition Cost

Quálitas Controladora's acquisition cost amounted to \$959, a 13.2% increase.

Qmx

In Qmx, the acquisition cost increased by 12.0%, in line with the growth in premiums written. The cost was partially offset by a 19.8% decrease in administrative expenses, as a result of the volume of premiums in the Financial Institutions segment, which does not require such a personalized attention as other segments.

Qsv

The acquisition cost ratio amounted to 34.5% and is mainly comprised by the commissions paid to agents and the UOFs directed to the financial branch of a broker which sells approximately 30% of our premiums written.

Qcr

The acquisition cost ratio registered 14.3%, since most of our sales costs are still commissions and bonuses paid to agents, while the UOFs paid to banks do not yet affect significantly the acquisition costs.

L&LAE

QC's L&LAE registered \$2,528, growing by 18.1% vis-à-vis the 2Q13 figure. We registered a favorable L&LAE ratio, of 68.7%, although it surpasses the ratios obtained in the same quarter of 2012 and 2013, years with very positive results.

Qmx

The L&LAE ratio amounted to 68.5%, due to a series of factors which generated a 19.0% increase in L&LAE, which registered \$2,521.

Third party liability costs have increased due to the raise in severance costs in case of death. This severance average cost increased by 59.8%, impacting by 0.6 percentage points the quarterly ratio.

The weather phenomena during the quarter had a strong impact in the collisions frequency, increasing the number of climate-related claims from: 53 in 2Q13 to 1,112 in 2Q14. According to the National Water Commission (CONAGUA), nationwide rain during



2Q14, expressed in millimeters, increased by 31.9% when compared to 2Q13. During the quarter there were also two serious hail incidents: 13-15 cm. thick in the México-Toluca toll road and hail the size of a pool ball in Xalapa, Veracruz.

Tow trucks costs continue being high. We are trying to integrate to our contracts suppliers who have concessions from the Federal Government and State Governments for tow trucking services in certain toll roads, and that typically have costs above our average costs.

During the quarter, there was also a statistical adjustment to the reserve of occurred but not reported claims which represented more than 1 percentage point of the L&LAE registered.

On the other hand, we had salvage revenues in line with total losses generated from the hail events, in which the vehicle's recovery ratio tends to be high.

Hurricanes, Hail and Rain

Hurricane & Hail

	2Q14	2Q13	%Ch.
Number of Claims	1,112	53	1998.1%
Average Repair Cost	\$ 24.64	\$ 13.83	78.1%

Figures in '000s pesos

Rain

	2Q14	2Q13	% Ch.
Rainfall	205.9	156.1	31.9%

Figures in millimeters (mm)

Severance Costs in Case of Dead

	2Q14	2Q13	%Ch.
Number of Claims	155	125	24.0%
Amount Paid	\$ 47,169	\$ 23,806	98.1%
Average Cost	\$ 304.3	\$ 190.4	59.8%

Figures in '000s pesos



Qsv

The L&LAE ratio amounted to 97.2%. L&LAE were impacted by the high claims frequency and a considerable number of total losses during the quarter.

Qcr

L&LAE have increased significantly during the last half, both due to the increase in frequency and in average costs. This trend begun with the growth of our portfolio of bank policies, which changed the relative weight of costs, from third party liability, to material damages. This comprises a challenge for claims management, since in the country there tends to be only one Company representative of each automaker and, consequently, high prices of spare parts.

We are undertaking actions to offset these costs. We are looking for new repair shops to improve labor costs and are evaluating alternative spare parts suppliers. We have also focused on reserve management, debugging and formation.

Operating Expenses

QC's operating expenses grew considerably during the quarter, reaching \$245 and generating a high operating expenses ratio, of 6.2%.

Qmx

The administrative expenses related to operations remained stable, increasing by 2.9%.

Additionally, as part of the 2014 labor strategy, PTU (Employee Profit Sharing) is being distributed to employees in advance and consequently a \$57 charge was registered during the period, which represented 1.4 percentage points of the quarterly operating expenses ratio, and we estimate the figure will be 0.75 for the year. In accordance with the Financial Reporting Standards and the guidelines from the Insurance and Bonding Commission, this charge is not recorded in the PTU item, but in operating expenses. In the future, this charge will be recurring and amount to approximately \$10 per month.



On the other hand, non-discretionary expenses increased significantly as a result of three issues:

- Banking services resulting from “months without interests” payments – payment method in Mexico in which the credit institution grants the cardholder the opportunity to pay products and services in monthly installments without a financial charge. This financial charge, in turn, is covered by QC.
- Fee payments to service offices representatives.
- Additionally, during 2013, we had a non-recurring net income resulting from the cancellation of a tax provision registered in 2012.

Qsv

The operating expenses ratio stood at 5.0%.

Qcr

The operating expenses ratio stood at 24.4%.

Integral Financing Result

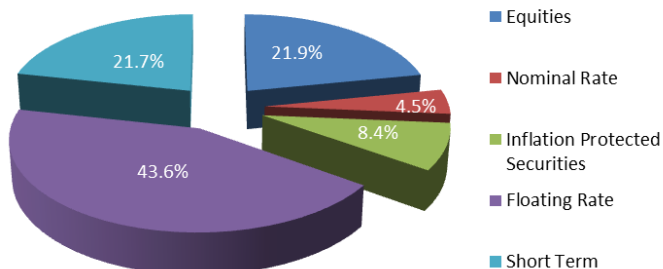
During 2Q14, we registered a favorable investment income, of \$341, achieving an annualized yield on investments for the quarter of 11.4%.

Our portfolio benefitted from a greater exposure to equities, especially to small and mid-caps. The cut in 50 basis points in the Mexican Central Bank reference rate favored prices in the bond and equity markets, so that the Mexican Stock Exchange rose during the quarter by 5.6%.

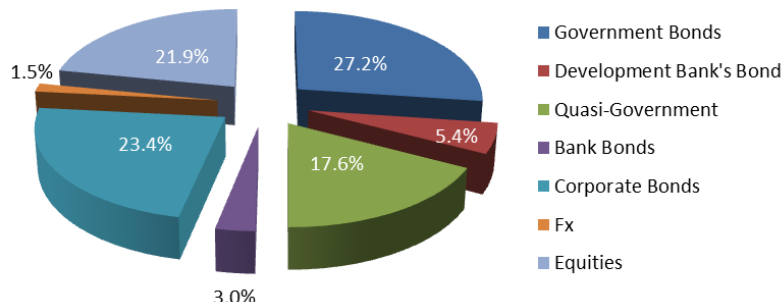
The discipline in our strategy has proven to be effective, allowing us to find a portfolio in which, while we increase our exposure to equities, diversification has allowed us to lessen the portfolio risk and maintain attractive yields. Our goal is to maintain profitability for the rest of the year, achieving our objective of CETES + 200 b.p.



Portfolio by Type of Risk



Portfolio by Type of Issuer



It is important to note that the valuation of investments differs in the countries in which we operate:

- In Qmx debt and equity investments, as well as other securities, are marked to market.
- In Qsv we only hold debt securities. When these have a maturity of less than 1 year, they are valued at acquisition price, registering the accrued interests. When maturities are over 1 year, securities are marked to market.
- In Qcr we also have only investments in debt securities, which are valued with the effective interest method. This implies that the security is marked to market and then: variations in price are registered in shareholders' equity, while interest income is recorded in the income statement.

Taxes

Taxes for the period reached \$103, which represents a 35.9% effective tax rate.

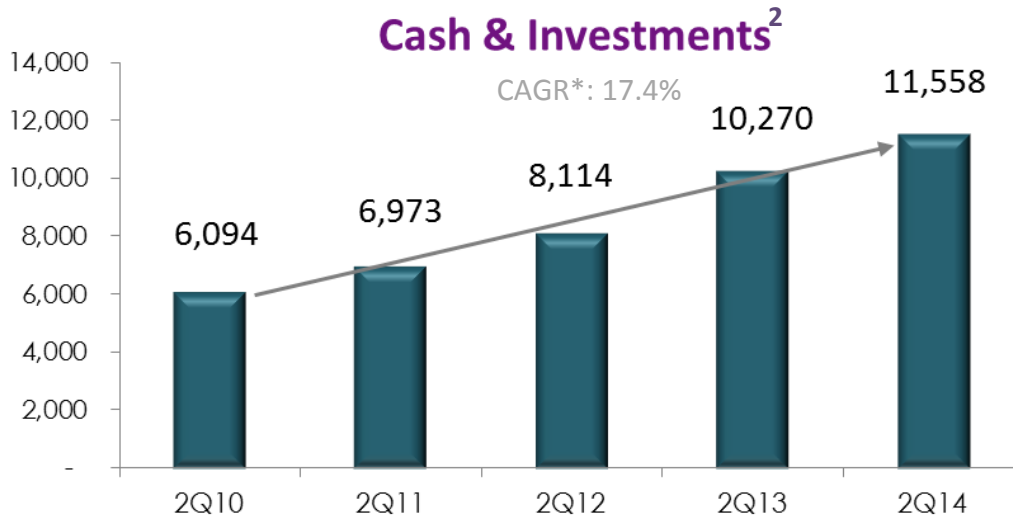
Net Result

We attained a net profit of \$183, as a result of a satisfactory growth in premiums and of a favorable investment income. Net profit was 20.9% less than the 2Q13 figure.



Cash and Investments

Cash and investments amounted to \$11,558, a 12.5% increase.



For comparison purposes, the 2014, 2013 and 2012 figures are Quálitas Controladora's, and the previous fiscal years' figures are from Quálitas Aseguradora. From now on, Discounts and Rediscounts will be included in the Cash and Investments item.

Technical Reserves

The unearned premiums reserve reached \$11,009, increasing by 18.9%, above the growth in premiums written and insured vehicles, which positions it at appropriate levels to meet our obligations to policyholders.

² Cash & Investments = Securities and Derivatives Transactions + Overnight + Cash and Cash Equivalents + Discounts and Re-discounts.



Solvency

QC's solvency margin registered \$1,186, which represents a solvency margin ratio of 41.7%.

	Minimum Equity Requirement	Solvency Margin	Solvency Margin Ratio
Qmx	2,546	886	34.8%
Qsv	32	15	46.6%
Qcr	68	1	0.9%
QUIC	195	9	4.4%
Total	2,841	910	
QC Cash		276	
QC	2,841	1,186	41.7%

- Forex Peso-USD June 2014: 12.9712
- Forex Colon-USD June 2014: 537.58
- Forex UD (Costa Rica) June 2014: 850.482

It is important to note that the calculation of the minimum equity requirement differs in the countries in which we operate:

Qmx

It is the addition of the equity requirements in each operating segment:

- Automobile segment (16.4% of total premiums written in the last 12 months)
- Investments (requirement according to the credit risk based on the credit rating of the issuer)

Qsv

It will be equal to the higher value between:

- The net equity required to maintain a ratio total debt to net equity below 5x.
- The amount resulting from the sum of the solvency margins calculations according to regulations: premiums, average claims during 3 years, ceded claims, catastrophic risk coverages and bonding operations.

For Qsv, the highest value is the sum of the calculation of the solvency margins.



Qcr

The minimum equity requirement is measured in development units. For insurance companies of personal or general policies, the requirement is of 3 million development units.

QUIC

In Quálitas Insurance Company the initial minimum equity requirement amounts to US\$15, sum determined by the Authority to be able to launch operations.



QC CPO³

Trading Operations during the quarter

	2Q14	2Q13	%Ch.
Trading Volume - CPOs	32,327,478	34,770,274	-7.0%
Quarterly Traded Peso Amount - Ps MM	\$ 1,212	\$ 1,035	17.0%
Daily Traded Peso Amount - Ps MM	\$ 18	\$ 16	17.0%
Number of Transactions	16,760	8,105	106.8%

Share Buyback Fund

CPOs traded in the quarter	2,209,605
Balance of repurchased stocks as of June-14 (CPOs)	713,931

Analysts

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³ CPO (Certificado de Participación Ordinaria). Each CPO consists of 3 series A shares and 2 series B shares.



QUALITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Balance Sheet as of June 30, 2014

	2014	2013
Assets		
Investments	11,937,330,402	11,043,361,566
Securities and Derivatives Transactions	10,149,707,265	9,031,952,379
Securities	10,149,707,265	9,031,952,379
Government	2,017,881,761	2,353,227,096
Private Companies	7,230,242,742	6,037,770,982
Fixed Rate	5,584,720,260	4,761,853,501
Equity	1,645,522,482	1,275,917,481
Foreign	271,661,631	189,208,664
Net Valuation	615,851,612	435,759,521
Interest Receivable	14,069,519	15,986,116
Overnight	778,438,696	1,081,312,316
Loans	98,567,832	106,488,020
Secured	19,561,973	19,739,456
Discounts and Re-discounts	82,250,000	90,083,333
(-) Allowance for Doubtful Accounts	3,244,141	3,334,769
Property	910,616,609	823,608,851
Real Estate	572,106,591	541,431,895
Net Valuation	385,179,542	323,112,901
(-) Depreciation	46,669,524	40,935,946
Investments Related to Labor Obligations	62,941,343	54,195,376
Cash and Cash Equivalents	547,797,880	66,438,257
Cash and Banks	547,797,880	66,438,257
Debtors	8,060,628,953	6,670,648,966
Premiums	7,477,037,259	6,136,090,475
Agents and Adjusters	32,434,503	41,726,743
Accounts Receivable	69,436,845	87,627,051
Loans to Employees	11,482,945	29,878,610
Other	523,167,407	426,801,380
(-) Allowance for Doubtful Accounts	52,930,006	51,475,293
Reinsurers and Re-Bonding Companies	121,670,151	68,501,878
Insurance and Bonds Institutions	5,961,983	11,453,715
Equity Participation of Reinsurers in Outstanding Claims	33,496,230	26,318,748
Equity Participation of Reinsurers in Unearned Premiums	77,896,075	26,501,373
Other Equity Participations	4,315,863	4,228,042
Permanent investments	46,217,771	45,136,621
Associates	1,905,600	824,450
Other permanent investments	44,312,171	44,312,171
Other Assets	1,539,611,302	1,268,730,105
Furniture and Equipment	383,628,971	323,476,943
Miscellaneous	1,149,542,362	942,651,681
Amortizable Expenses	13,067,550	13,270,619
(-) Amortization	6,627,582	10,669,138
Total Assets	22,316,197,803	19,217,012,770



QUALITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Balance Sheet as of June 30, 2014

	2014	2013
Liabilities		
Technical Reserves	14,367,760,373	12,289,792,169
Unearned Premiums	11,008,742,089	9,259,851,508
Casualties	11,008,742,089	9,259,851,508
Contractual Obligations	3,358,886,398	3,029,348,012
For Claims and Expirations	3,164,642,531	2,833,426,760
For Claims Incurred But Not Reported	95,735,023	95,917,412
For Policy Dividends	31,924,335	37,858,405
For Premiums on Deposit	66,584,509	62,145,435
Preventive Reserve	131,886	592,649
Catastrophic Risks	131,886	592,649
Reserves Related to Labor Obligations	131,235,692	110,249,531
Creditors	1,935,101,863	1,541,641,381
Agents and Adjusters	695,175,694	535,974,789
Funds for Losses Management	6,743,810	5,169,404
Miscellaneous	1,233,182,358	1,000,497,188
Reinsurers and Re-Bonding Companies	93,986,894	33,650,702
Insurance and Bond Companies	93,986,894	33,650,702
Other Liabilities	1,620,866,250	1,377,972,280
Provisions for employee profit sharing	43,877,188	8,263,546
Income Tax Provisions	197,022,202	319,542,499
Other Obligations	1,224,258,913	936,417,008
Deferred Credits	155,707,947	113,749,228
Total Liabilities	18,148,951,072	15,353,306,063
Stockholders' Equity		
Capital Stock	2,665,580,463	2,684,887,926
Capital Stock	2,684,887,926	2,684,887,926
(-) Repurchased Shares	19,307,463	-
Reserves	222,036,746	-
Legal	87,036,746	-
For repurchase of shares	135,000,000	-
Valuation Surplus	-	-25,188,755
Permanent Investments	-9,994,755	-
Retained Earnings	843,507,983	601,239,673
Net Result	429,991,056	587,064,488
Translation effect	-1,457,145	6,088,925
Non-Controlling Interest	17,582,382	9,614,449
Total Stockholders' Equity	4,167,246,730	3,863,706,706
Total Liabilities and Stockholders' Equity	22,316,197,802	19,217,012,770



QUÁLITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Income Statements for the six months ended June 30, 2014

	2014	2013
Premiums		
Written	8,610,334,074	7,607,702,278
(-) Ceded	-	-2,224,145
Net Premiums Written	8,610,334,074	7,609,926,423
(-) Net Increase of Unearned Premiums Reserve	1,254,951,505	972,081,931
Earned Retained Premiums	7,355,382,569	6,637,844,491
(-) Net Acquisition Cost	2,011,408,245	1,756,512,987
Agents' Commissions	531,193,667	492,398,972
Agents' Additional Compensation	113,751,257	109,814,655
(-) Commissions on Ceded Reinsurance	702,286	-
Excess of Loss Coverage	12,651,850	-
Other	1,354,513,757	1,154,299,360
(-) Net Losses and Loss Adjustment Expenses and Other contractual liabilities	4,902,444,433	4,213,153,629
Claims and Other Contractual Obligations	4,849,632,175	4,197,606,737
Other Claims	52,812,258	15,546,893
Underwriting Income (Loss)	441,529,891	668,177,875
(-) Net increase in Other Technical Reserves	-	-
Gross Income (Loss)	441,529,891	668,177,875
(-) Net Operating Expenses	342,612,319	202,216,519
Administrative and Operating expenses	150,756,360	27,325,316
Employees' compensation and benefits	112,467,036	101,382,082
Depreciation and Amortization	79,388,924	73,509,121
Operating Income (Loss)	98,917,571	465,961,356
Integral Financing Result	523,442,329	391,363,176
Investments	230,334,386	183,429,133
Sale of Investments	115,649,812	155,589,686
Fair Valuation of Investments	122,173,192	-19,096,681
Surcharges on Premiums	58,956,054	58,122,983
Other	-326,301	10,957,973
Foreign Exchange Rate Fluctuation	-3,344,815	2,360,082
Income (Loss) Before Taxes	622,359,900	857,324,532
(-) Provision for Income Taxes	205,284,133	279,966,052
Income (Loss) Before Discontinued Operations	417,075,767	577,358,480
Discontinued Operations	-	-
Net Income (Loss)	417,075,767	577,358,480
Non-Controlling Interest	-12,915,290	-9,706,008
Controlling Interest	429,991,056	587,064,488
Net Income (Loss)	417,075,767	577,358,480



QUÁLITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Income Statement for the Second Quarter.

	2Q14	2Q13
Premiums		
Written	3,952,068,028	3,567,125,275
(-) Ceded	-	-
Net Premiums Written	3,952,068,028	3,567,125,275
(-) Net Increase of Unearned Premiums Reserve	274,822,610	215,295,263
Earned Retained Premiums	3,677,245,418	3,351,830,011
(-) Net Acquisition Cost	959,280,544	847,276,815
Agents' Commissions	233,666,814	226,668,907
Agents' Additional Compensation	51,813,167	50,412,289
Excess of Loss Coverage	9,040,588	-
Other	664,759,975	570,195,619
(-) Net Losses and Loss Adjustment Expenses and Other contractual liabilities	2,528,036,337	2,139,889,694
Claims and Other Contractual Obligations	2,500,813,961	2,129,972,428
Other Claims	27,222,376	9,917,267
Underwriting Income (Loss)	189,928,537	364,663,502
(-) Net increase in Other Technical Reserves	-	-
Gross Income (Loss)	189,928,537	364,663,502
(-) Net Operating Expenses	245,170,872	127,469,721
Administrative and Operating expenses	147,255,522	49,435,559
Employees' compensation and benefits	58,323,236	39,844,198
Depreciation and Amortization	39,592,114	38,189,964
Operating Income (Loss)	-55,242,336	237,193,781
Integral Financing Result	340,615,116	126,803,025
Investments	125,418,107	76,438,261
Sale of Investments	91,253,764	111,268,077
Fair Valuation of Investments	96,572,173	-102,361,041
Surcharges on Premiums	29,849,065	29,649,484
Other	623,135	4,526,087
Foreign Exchange Rate Fluctuation	-3,101,128	7,282,157
Participation in Permanent Investments Result	-	-
Income (Loss) Before Taxes	285,372,780	363,996,806
(-) Provision for Income Taxes	102,579,430	133,044,714
Income (Loss) Before Discontinued Operations	182,793,350	230,952,092
Discontinued Operations	-	-
Net Income (Loss)	182,793,350	230,952,092
Non-Controlling Interest	-8,951,294	-2,370,210
Controlling Interest	191,744,644	233,322,302
Net Income (Loss)	182,793,350	230,952,092



Glossary of Terms and Definitions

Acquisition Cost: Includes commissions and compensations paid to agents and the fees paid to Financial Institutions for the sale of our policies (UOF).

Acquisition Ratio: Results from dividing the Acquisition Cost by Net Premiums Written.

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

Cash & Investments: Securities and Derivatives Transactions + Overnight + Cash and Cash Equivalents.

Combined Ratio: In the insurance industry, the combined ratio is used as a general performance measure. It results from the addition of the Acquisition, Operating, and L&LAE Ratios.

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

CPO: Ordinary Participation Certificates. Quálitas shares are in deposit in a trust that issues the CPOs. The holders of the CPOs have rights over their shares in deposit. Each CPO consists of 3 series A shares and 2 series B shares.

EBTDA: Earnings before Taxes, Depreciation and Amortization. It differs from EBITDA in that, in EBTDA, the Investment Income is not subtracted, since it is part of the operation of insurance companies.

Financial Institutions: Institutions that belong to both Financial Groups as well as to the major automakers in the industry, responsible for credit sales of new automobiles.

L&LAE: Loss and Loss Adjustment Expenses: Includes the costs incurred in the payment of claims: valuation experts, adjusters, claim's coordinators, and repair costs.

L&LAE Ratio: Results from dividing the L&LAE by Net Premiums Earned period.



Minimum Equity Requirement: Is the minimum equity level that an insurance company should maintain, according to the authorities' requirements. In Mexico, in the automobile insurance industry, it is approximately calculated as the 16.4% of the premiums written in the last 12 months or the 25.1% of the net L&LAE for the last 36 months, that which results higher.

Multi-annual Policies: Policies with a term greater than 13 months. They are typically issued for the automobiles sold on credit.

Net Premiums Earned: Portion of premiums written that is registered as income as time goes by.

Net Premiums Written: Equal to premiums written less the part yielded to reinsurance.

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

Operating Ratio: Results from dividing Operating Expenses by Premiums Written.

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 their policy's premium in installments.

Premiums Written: Premiums corresponding to policies underwritten.

Solvency Margin: Results from subtracting the Minimum Equity Requirement and the Underwriting Reserves, from the sum of Securities and Cash and Banks.

Solvency Margin Ratio: Results from dividing the Solvency Margin by the Minimum Equity Requirement.

UOF: Use of Facilities: Fees paid to the Financial Institutions for the sale of our insurance policies.



Quálitas Controladora (QC), is a holding company whose purpose is to own companies related to auto insurance. The business model focuses on excellence in service and cost controls. Since 2007, it occupies the first place in the Mexican market with a 25.0% share as of March 2014, and has presence in El Salvador and Costa Rica.

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

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