Automobile Insurance Industry Report

3Q13

Quálitas®

México

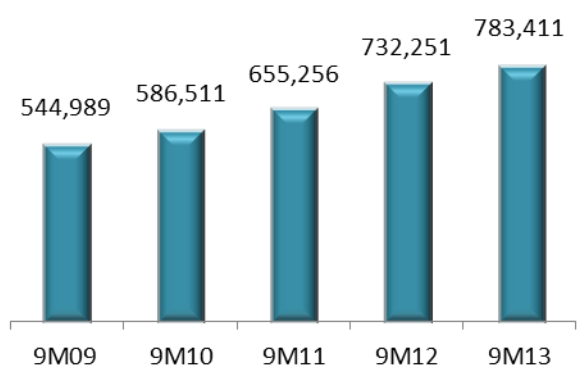
Solid Growth in Selected Large Companies and the Medium Universe

Mexico City; November 19, 2013

Automobile Industry and Automobile Financing

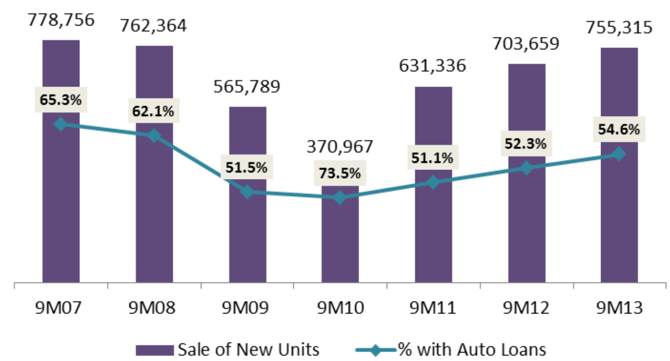
Nationwide Sales of New Vehicles[1]

(Automobiles, Trucks)



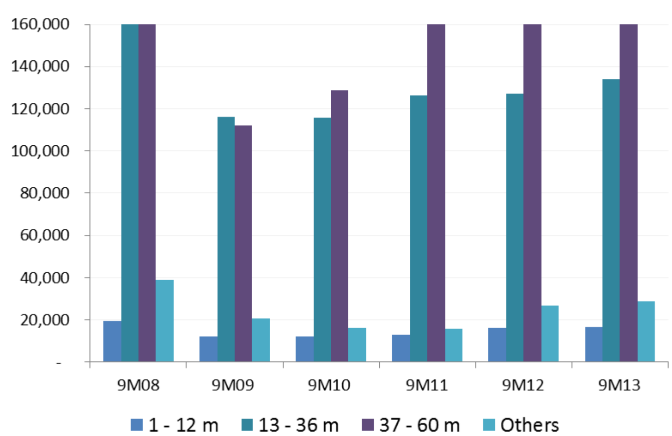
Sales of new units grew by 7.0% during 3Q13, reaching 783,411 units.

Automobile Financing[2]



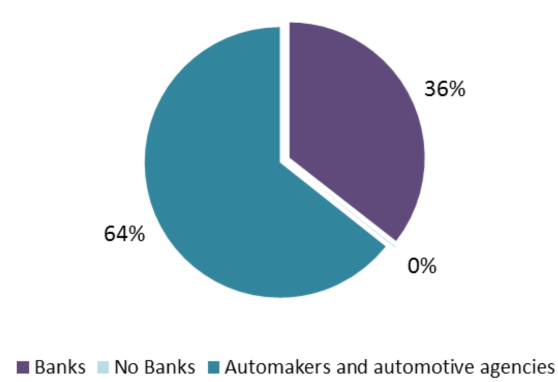
In 2013, automobile financing continues recovering; 54.6% of sales of new cars as of September 2013 were financed, figure higher than last year's, but still below that of 2007.

Financing Period[2]



As of September 2013, most car loans were offered with a 37 to 60 months term. The term of the loans has been increasing for the last 5 years.

Automobile Financing Market[2]



The main financing source for the acquisition of vehicles is automakers and automotive agencies.

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

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

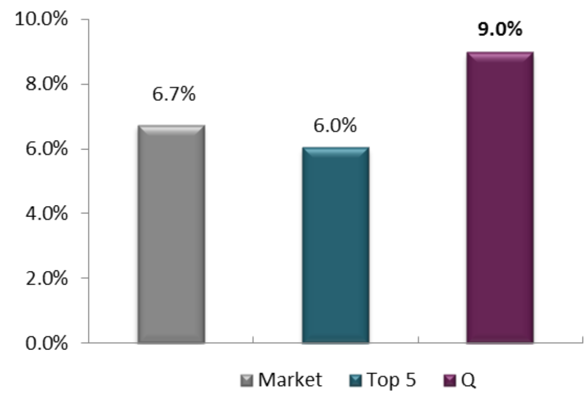
Figures in this document are stated in millions of Mexican pesos, except where otherwise specified, so that they may vary due to rounding.

Automobile Insurance Industry

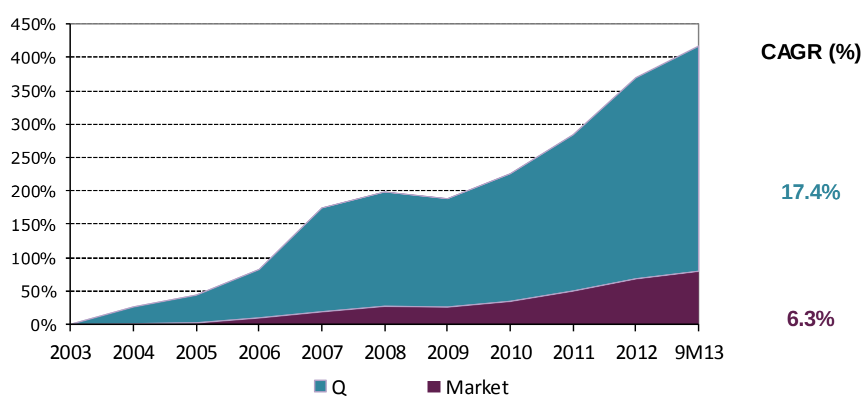
Total premiums written by the market amounted to $48,389, growing by 6.7%. **Q** and the medium size companies grew more than the market, with rates of 9.0% and 10.6% respectively. On the other hand, the 5 large companies grew below the market, at 6.0%, while the small ones declined by 12.3%

The market's net profit decreased by 15.6%. This results mainly from a 10.7% drop in investment income and an increase in the combined ratio of 2.7%.

Growth in Premiums Written
9M13 – 9M12



Growth in Premiums Written
Base 2003 = 0



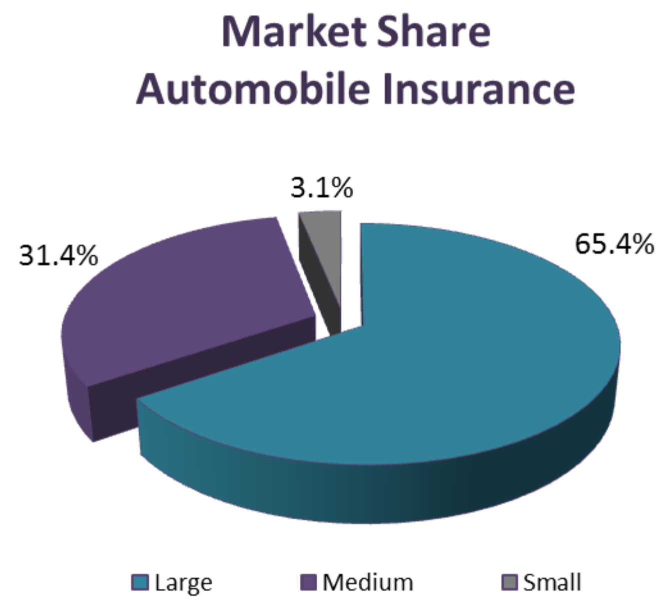
Automobile Insurance Industry 9M13
(Figures in millions of pesos)

	Companies	Premiums Written	Market Share (written)	Premiums Earned	Market Share (earned)	Growth 9M13 - 9M12
1	Qualitas	10,706	22.1%	9,921	22.0%	9.0%
2	AXA Seguros	7,777	16.1%	7,930	17.6%	-2.0%
3	G.N.P.	6,079	12.6%	5,597	12.4%	20.2%
4	Aba/Seguros	3,945	8.2%	3,502	7.8%	10.7%
5	Inbursa	3,145	6.5%	3,231	7.2%	-9.3%
	LARGE	31,653	65.4%	30,181	67.0%	6.0%
6	Mapfre Mexico	2,792	5.8%	2,735	6.1%	-14.1%
7	Banorte Generali	2,774	5.7%	2,553	5.7%	12.2%
8	BBVA Bancomer	2,466	5.1%	2,329	5.2%	5.3%
9	Zurich Da¤os	1,896	3.9%	1,233	2.7%	44.1%
10	HDI Seguros	1,726	3.6%	1,423	3.2%	43.2%
11	Atlas	1,217	2.5%	1,216	2.7%	13.8%
12	ANA	740	1.5%	568	1.3%	12.8%
13	General de Seguros	558	1.2%	542	1.2%	6.2%
14	Afirme	524	1.1%	464	1.0%	17.1%
15	Royal & Sunalliance	521	1.1%	483	1.1%	12.1%
	MEDIUM	15,214	31.4%	13,545	30.0%	10.6%
	SMALL	1,522	3.1%	1,312	2.9%	-12.3%
	MARKET (32 Comp)	48,389	100%	45,076	100.0%	6.7%

	Companies	Operating Result	Investment Income	Net Result	L&LAE Ratio	Combined Ratio
1	Qualitas	653	527	774	65.5%	91.4%
2	AXA Seguros	(273)	354	129	74.0%	103.9%
3	G.N.P.	(4)	364	275	64.1%	96.8%
4	Aba/Seguros	315	300	644	63.9%	89.4%
5	Inbursa	270	98	315	61.2%	92.4%
	LARGE	961	1,643	2,137	66.8%	95.6%
6	Mapfre Mexico	-45	124	50	67.6%	100.8%
7	Banorte Generali	504	144	462	60.8%	78.5%
8	BBVA Bancomer	702	627	1,007	54.2%	68.8%
9	Zurich Da¤os	-57	22	47	48.6%	91.8%
10	HDI Seguros	-63	69	46	61.6%	96.9%
11	Atlas	105	42	112	66.6%	91.2%
12	ANA	0	31	23	61.1%	94.7%
13	General de Seguros	10	20	34	62.4%	97.1%
14	Afirme	14	28	31	58.7%	92.5%
15	Royal & Sunalliance	-96	6	-70	71.3%	115.4%
	MEDIUM	1,074	1,114	1,741	60.9%	89.2%
	SMALL	109	50	539	54.6%	88.8%
	MARKET (32 Comp)	2,166	2,809	4,443	64.7%	93.4%

Market Share

The 5 large companies in the market account for 65.4% of the automobile insurance market. On the other hand, the market share of companies classified by AMIS as medium increased 2.0% compared from last year. Lastly, small companies registered a minimal decrease of 1.6%.

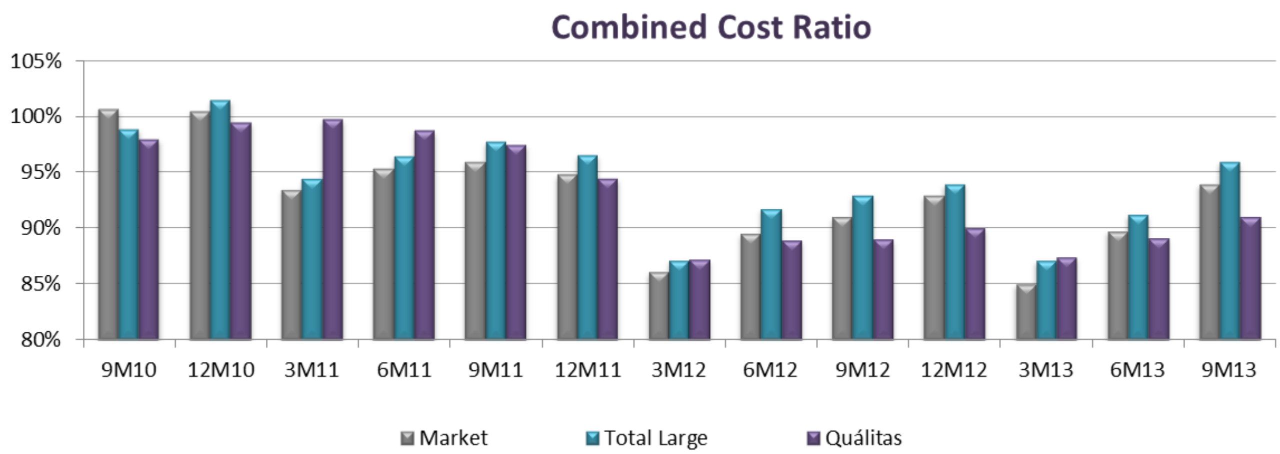


Q remains well-positioned in the major segments of the market; in every business line, the Company maintains one of the top 3 places in terms of market share.

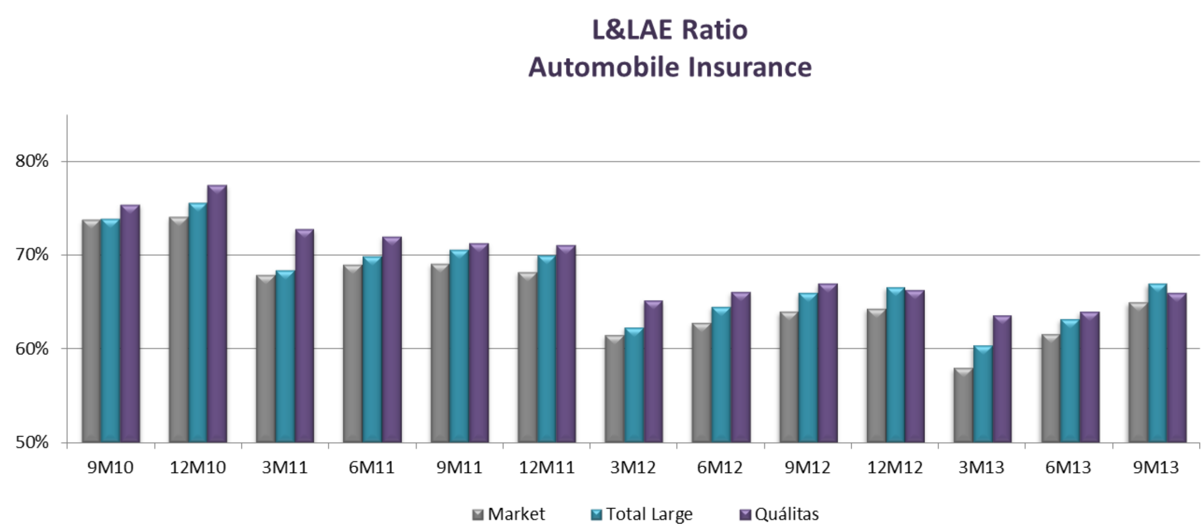
Breakdown of the Automobile Insurance Market			
	Premiums Written	Q´s Participation	Q´s Postition
Cars	$33,080	18.9%	1
Trucks	$13,836	30.4%	1
Tourists	$473	21.9%	2
Other	$1,000	14.4%	3
Total	**$48,389**	**22.1%**	**1**

Costs

The combined cost ratio for the market reached 93.4%, figure higher than the 90.6% of last year. The five large companies registered a 95.6% ratio, while the figure for **Q** stood at 91.4%.



The industry attained a high L&LAE ratio when compared to the previous quarters of this year. If the cumulative ratios as of September 2013 are compared to last year's figures, there is also an important increase. Accordingly, the market ratio increased from 64.1% to 64.7%, that of the five large companies from 66.4% to 66.8%, and, on the contrary, **Q**'s ratio decreased from 67.2% to 65.5%.



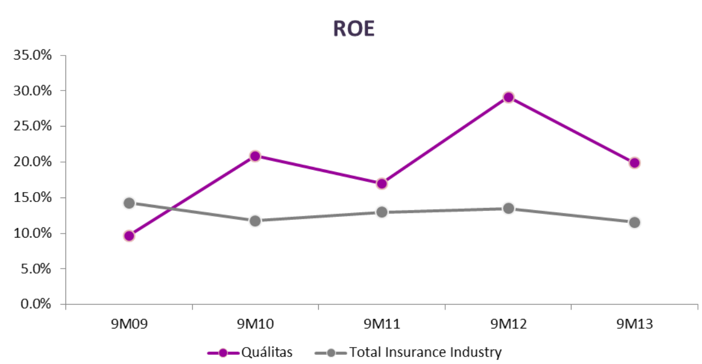
Insurance Industry Profitability

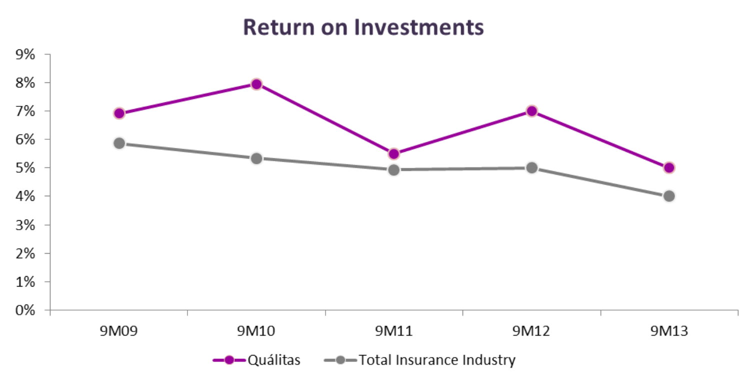
The following table shows the profitability comparables for the insurance industry, which, in aggregate, stands at 11.6% for the first nine months of the year.

It is important to point out 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 9 month period.

During this period, **Q** registered a 19.9% profitability.

	Company	Total Premiums 9M13	Return on investments 9M13	ROE 9M13 %	ROE 9M12 %
1	Metlife Mexico	36,519	5%	13.2%	9.7%
2	G.N.P.	28,034	4%	9.0%	9.6%
3	AXA Seguros	20,574	5%	-2.2%	6.1%
4	Inbursa	19,495	3%	5.5%	11.7%
5	Banamex	14,055	2%	13.1%	18.1%
6	BBVA Bancomer	13,066	3%	35.0%	38.4%
7	Monterrey New York Life	12,045	3%	2.1%	8.6%
8	**Qualitas**	**10,706**	**5%**	**19.9%**	**29.2%**
9	Banorte Generali	10,193	4%	21.7%	24.6%
10	Mapfre Mexico	8,834	5%	8.1%	8.2%
11	Zurich Santander	7,356	5%	24.3%	16.8%
12	Allianz Mexico	6,060	2%	4.7%	15.2%
13	Atlas	4,900	3%	4.8%	8.6%
14	Aba/Seguros	4,619	5%	24.8%	15.2%
15	Zurich Da¤os	4,209	3%	-25.4%	-4.8%
	SMALL	**33,002**	**4%**	**8.6%**	**11.7%**
	MARKET (73 Comp)	**233,671**	**4%**	**11.6%**	**13.5%**





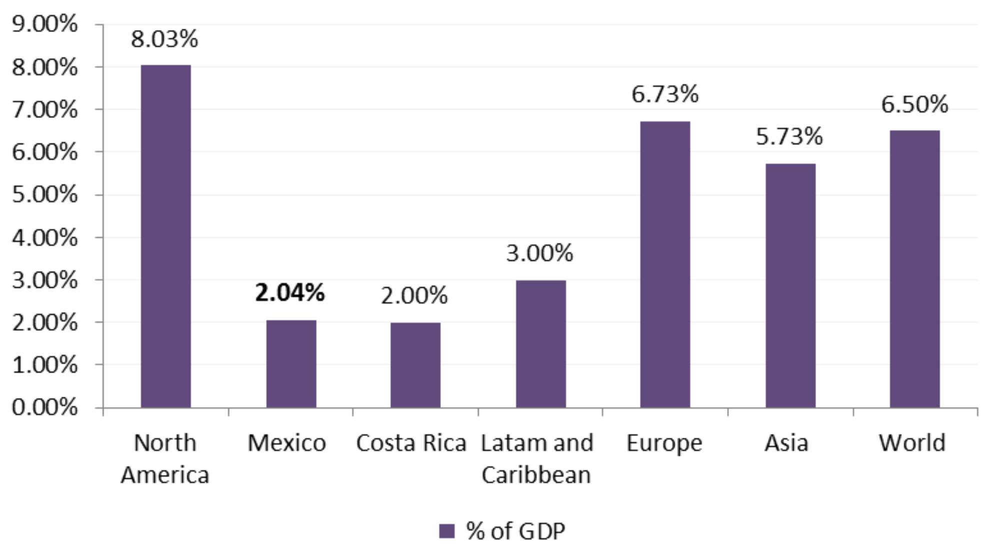
ROE=Net Result/ Stockholders' Equity. It is an effective rate which corresponds to a period of 9 months, as published by AMIS.

Global Penetration of Insurance[3]

According to Swiss Re Sigma research "World Insurance 2012", México and Chile are the two major Latin American countries facing regulatory changes. In Mexico's case, the main change responds to the Solvency II regime.

Mexico is expected to be the second largest non-life insurance market in Latin America in 2013.

In Mexico, premiums per capita for non-life insurance during 2012 amounted to US$113 and premiums as a percentage of GDP were: 2.04% for the total insurance industry, 0.92% for life insurance and 1.12% for non-life.



[3]Source: Swiss Re Sigma "World insurance in 2012"

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. htttp://www.jato.com/Mexico
6) Swiss Re Sigma "World Insurance 2012" http://media.swissre.com/documents/sigma3_2013_en.pdf

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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