

Automobile Insurance Industry Report



Quálitas®

... 4Q13



México

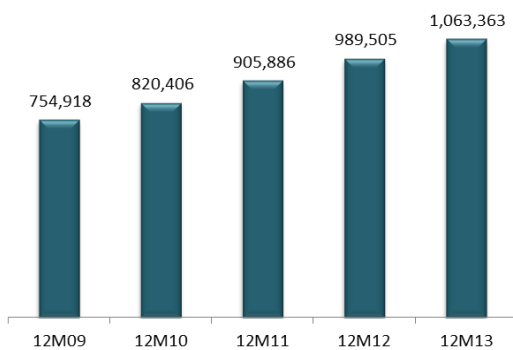


Solid Growth in a Highly Competitive Market

Mexico City; March 03, 2014

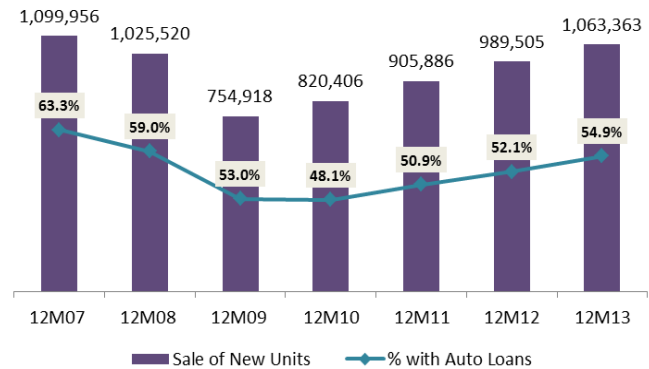
Automobile Industry and Automobile Financing

Nationwide Sales of New Vehicles¹ (Automobiles, Trucks)



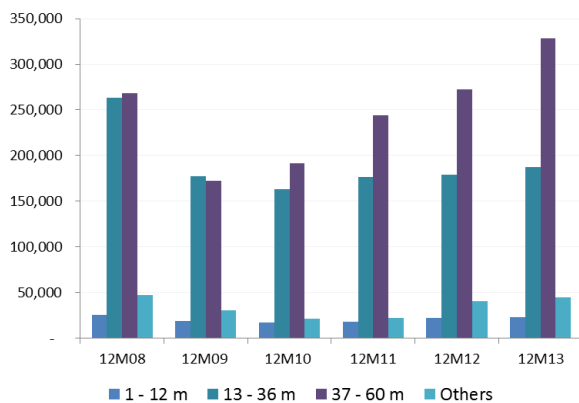
Sales of new units grew by 7.5% compared to 2012, reaching 1,063,363 units.

Automobile Financing²



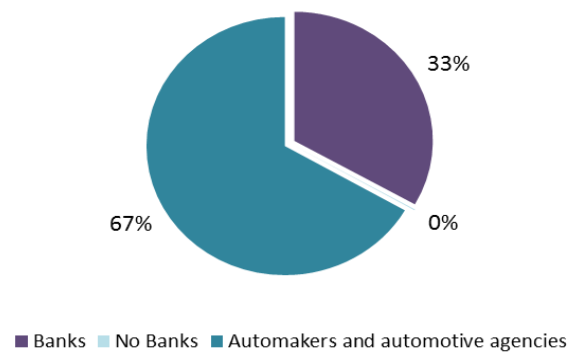
In 2013, automobile financing continues recovering; 54.9% of sales of new cars as of December 2013 were financed, figure higher than last year's, but still below that of 2007.

Financing Period²



As of December 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 Market²



The main financing source for the acquisition of vehicles is 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).



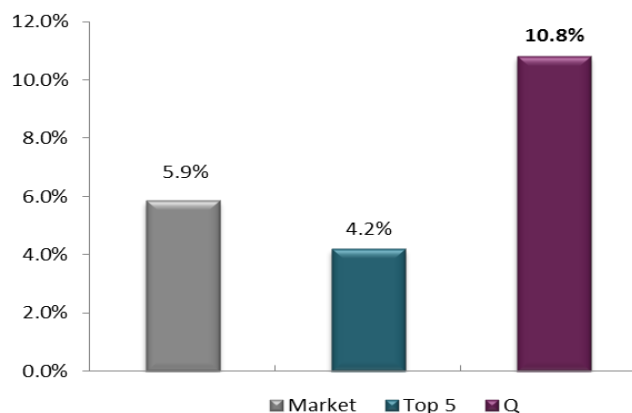
Figures in this document are stated in millions of Mexican pesos, except where otherwise specified, so that they may vary due to rounding.

Automobile Insurance Industry

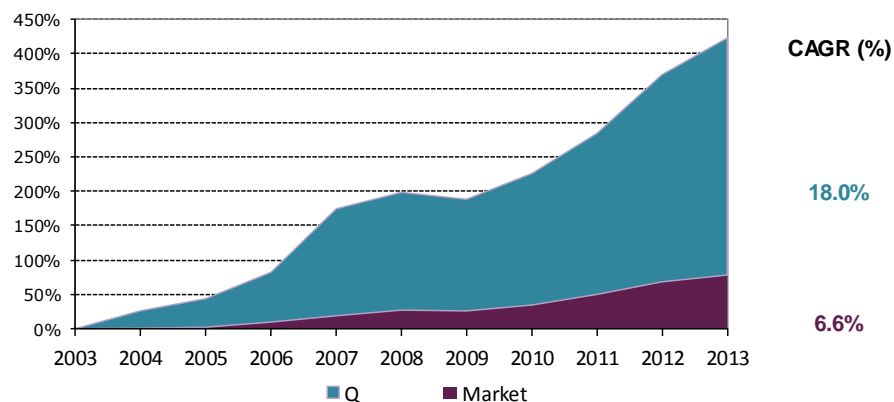
Total premiums written by the market amounted to \$66,322, growing by 5.9%. **Q** and the medium size companies grew more than the market, with rates of 10.8% and 9.4% respectively. On the other hand, the 5 large companies grew below the market, at 4.2%, while the small ones increased by 7.4%

The market's net profit decreased by 12.5%. This results mainly from a 15.8% drop in investment income and an increase in the combined ratio of 2.5 percentage points.

Growth in Premiums Written
12M13 – 12M12



Growth in Premiums Written
Base 2003 = 0



Automobile Insurance Industry 12M13 (Figures in millions of pesos)

	Companies	Premiums Written	Market Share (written)	Premiums Earned	Market Share (earned)	Growth 12M13 - 12M12
1	Qualitas	14,954	22.5%	13,432	22.1%	10.8%
2	AXA Seguros	10,951	16.5%	10,584	17.4%	-3.6%
3	G.N.P.	8,252	12.4%	7,574	12.5%	7.1%
4	Aba/Seguros	5,161	7.8%	4,554	7.5%	10.4%
5	Inbursa	4,324	6.5%	4,287	7.1%	-6.9%
	LARGE	43,641	65.8%	40,432	66.6%	4.2%
6	Mapfre Mexico	3,883	5.9%	3,694	6.1%	-16.0%
7	Banorte Generali	3,636	5.5%	3,464	5.7%	11.1%
8	BBVA Bancomer	3,182	4.8%	3,115	5.1%	5.6%
9	Zurich Daños	2,642	4.0%	1,671	2.8%	41.8%
10	HDI Seguros	2,475	3.7%	2,131	3.5%	47.1%
11	Atlas	1,633	2.5%	1,631	2.7%	5.0%
12	ANA	1,023	1.5%	782	1.3%	8.5%
13	General de Seguros	733	1.1%	720	1.2%	5.3%
14	Afirme	734	1.1%	650	1.1%	32.8%
15	Royal & Sunalliance	689	1.0%	643	1.1%	3.6%
	MEDIUM	20,630	31.1%	18,502	30.5%	9.4%
	SMALL	2,052	3.1%	1,721	2.8%	7.4%
	MARKET (33 Comp)	66,322	100%	60,719	100.0%	5.9%

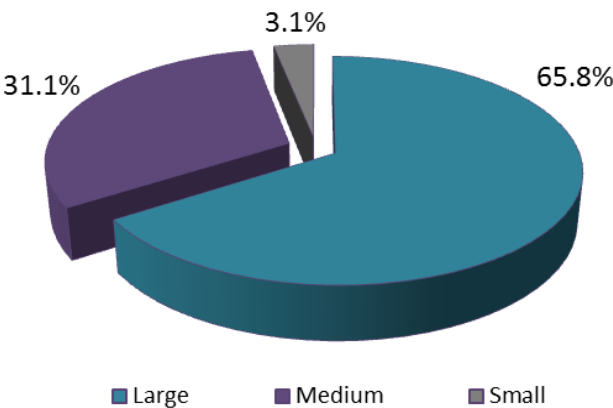
	Companies	Operating Result	Investment Income	Net Result	L&LAE Ratio	Combined Ratio
1	Qualitas	483	753	840	67.2%	93.6%
2	AXA Seguros	(594)	478	44	76.5%	104.5%
3	G.N.P.	(27)	444	356	67.0%	97.1%
4	Aba/Seguros	368	362	845	65.1%	94.4%
5	Inbursa	609	175	612	53.3%	85.5%
	LARGE	839	2,212	2,697	67.9%	96.3%
6	Mapfre Mexico	3	157	109	67.2%	98.3%
7	Banorte Generali	669	199	628	60.8%	79.6%
8	BBVA Bancomer	965	904	1,447	54.4%	68.5%
9	Zurich Daños	-108	40	131	49.3%	92.5%
10	HDI Seguros	-46	105	113	59.8%	96.3%
11	Atlas	208	61	211	61.7%	86.8%
12	ANA	-2	23	19	61.2%	97.5%
13	General de Seguros	13	37	39	59.2%	93.3%
14	Afirme	3	29	39	63.2%	99.0%
15	Royal & Sunalliance	-132	15	-67	73.2%	116.6%
	MEDIUM	1,573	1,570	2,670	60.4%	89.0%
	SMALL	121	67	615	55.3%	91.8%
	MARKET (33 Comp)	2,555	3,854	6,011	65.2%	93.9%



Market Share

The 5 large companies in the market account for 65.8% of the automobile insurance market. On the other hand, the market share of companies classified by AMIS as medium increased 1.8 percentage points compared from last year. Lastly, small companies registered a minimal decrease of 0.8 percentage points.

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 3 places in terms of market share.

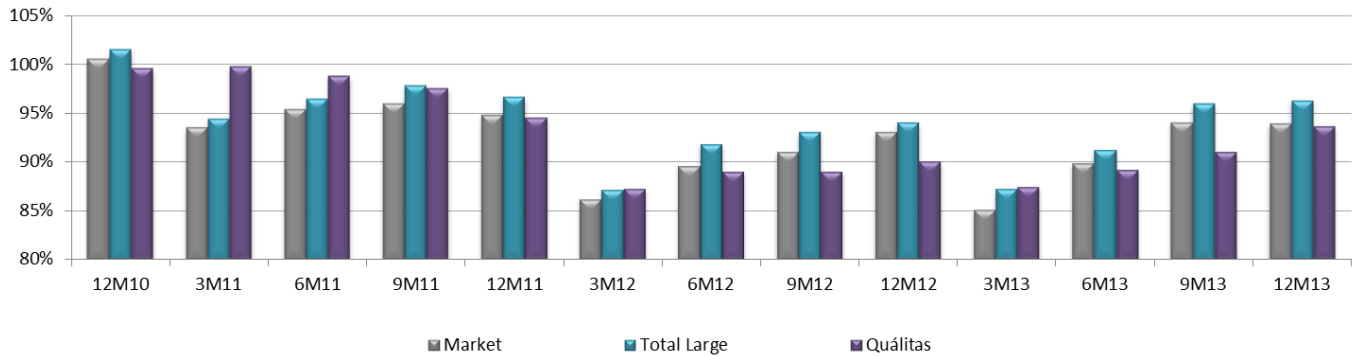
Breakdown of the Automobile Insurance Market			
	Premiums Written	Q´s Participation	Q´s Postition
Cars	\$45,750	19.5%	1
Trucks	\$18,724	30.5%	1
Tourists	\$677	21.9%	2
Other	\$1,172	14.8%	3
Total	\$66,322	22.5%	1



Costs

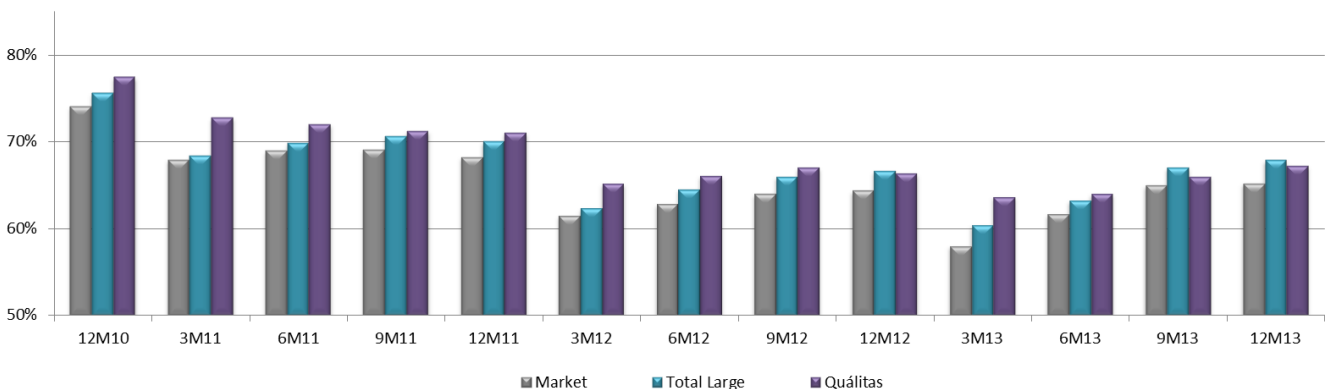
The combined cost ratio for the market reached 93.9%, figure higher than the 93.0% of last year. The five large companies registered a 96.3% ratio, while the figure for **Q** stood at 93.6%.

Combined Cost Ratio



The industry attained a high L&LAE ratio when compared to the previous quarters of this year. If the cumulative ratios as of December 2013 are compared to last year's figures, there is also an important increase. Accordingly, the market ratio increased from 64.4% to 65.2%, that of the five large companies from 66.7% to 67.9%, and, **Q**'s ratio increased from 66.4% to 67.2%.

L&LAE Ratio
Automobile Insurance



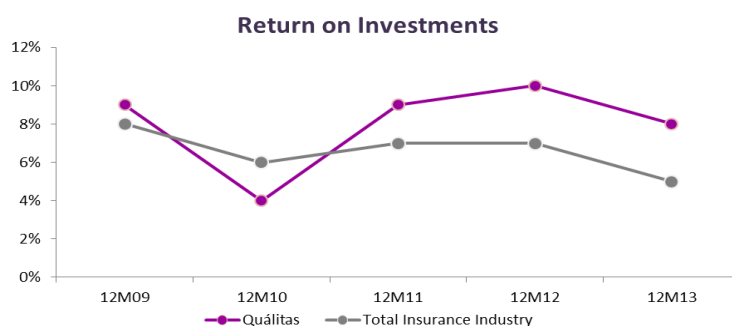
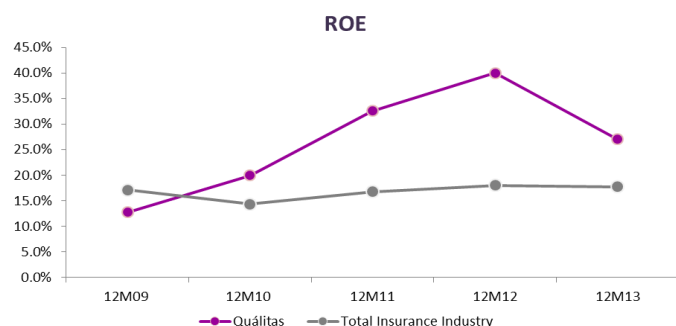
Insurance Industry Profitability

The following table shows the profitability comparables for the insurance industry, which, in aggregate, stands at 17.7% for the twelve 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 12 month period.

During this period, **Q** registered a 27.0% profitability.

	Company	Total Premiums 12M13	Return on investments 12M13	ROE 12M13 %	ROE 12M12 %
1	Metlife Mexico	48,319	7%	20.2%	14.8%
2	G.N.P.	38,505	6%	12.7%	10.3%
3	AXA Seguros	30,493	6%	-3.8%	5.9%
4	Inbursa	23,714	6%	14.5%	14.8%
5	Banamex	19,481	3%	22.9%	24.3%
6	BBVA Bancomer	17,121	5%	43.3%	46.5%
7	Monterrey New York Life	16,941	5%	7.9%	8.2%
8	Qualitas	14,957	8%	27.0%	40.2%
9	Banorte Generali	13,476	6%	28.7%	28.6%
10	Mapfre Mexico	11,359	6%	14.9%	9.6%
11	Zurich Santander	9,021	7%	59.1%	23.9%
12	Allianz Mexico	7,942	4%	6.2%	19.8%
13	Atlas	6,381	5%	8.5%	9.6%
14	Aba/Seguros	6,034	6%	30.9%	35.4%
15	Zurich Daños	5,451	4%	-17.0%	7.4%
	SMALL	44,895	5%	11.9%	16.7%
	MARKET (72 Comp)	314,090	5%	17.7%	18.3%



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



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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