Earning Results

» 3Q11

Quálitas®

Quálitas Compañía de Seguros, S.A.B. de C.V.

Profitability Strategies Benefit Claims Costs and Enhance Capital Structure

Management's Discussion & Analysis

We are satisfied with what we have attained as a result of the profitability strategy we developed in the 2Q11. L&LAE benefitted significantly and the Company's capital structure was enhanced.

We believe these results were achieved mostly because of the integral nature of the strategy and its alignment with the Company's business model.

The main actions of this strategy were:

- Reduce the payment term from 30 to 14 days.
- Promote work with professional agents who correctly subscribe and insure risk.
- Restrict the offer of some non profitable products.
- Change certain general conditions of the policies to enhance the transparency and precision in case of a casualty.

During the 3Q11, these actions allowed for a considerable increase in the operating cash flow, so that cash and investments grew by 21.4%. L&LAE also benefitted significantly as a result of the containment in damages and thefts and of the debugging of the fleet portfolio, in which we developed customized solutions to diminish the clients' L&LAE. With this, the costs, in absolute terms, remained at the 3Q10 levels and the L&LAE ratio for the quarter, of 69.4%, was favorable.

While certain features of the profitability strategy could have impacted the growth in premiums in the short term, the acceptance of the actions undertaken by our policyholders has been encouraging, and has translated into a continuous growth and a leading position in the market.

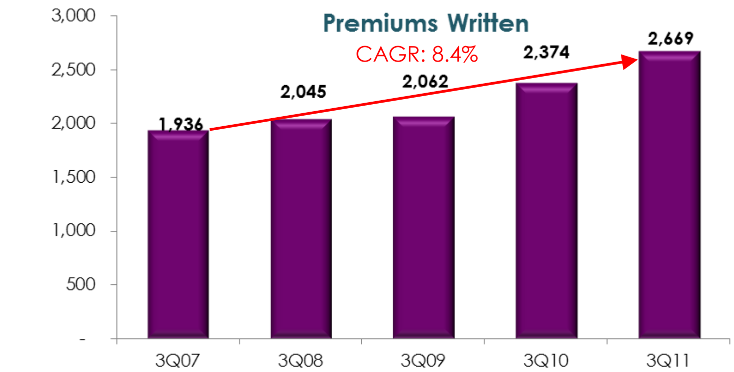
Another relevant feature of the quarter was the growth in the fleet and financial institutions segments. The recovery in new automobile sales allowed for growth rates of 15.3% and 18.6% in the fleet and financial institutions segments during the period.

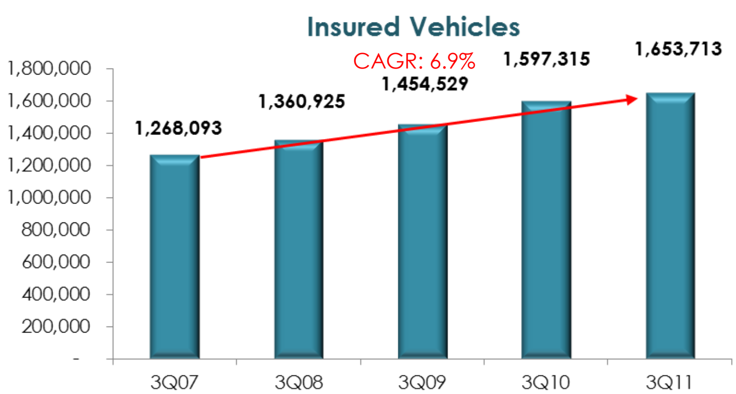
With regard to our investment strategy, we achieved an 8.1% annualized yield during the quarter in a complicated environment for the financial markets.

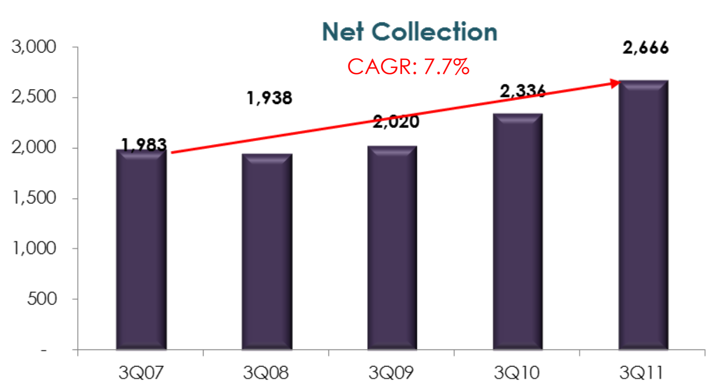
Additionally, during this quarter, we acquired the remaining 50% of the equity of our El Salvador subsidiary, Quálitas Compañía de Seguros, S.A. (QES), to increase to 100% our stake. From this quarter on, the operations of this subsidiary will be consolidated with **Q'**s results. Cumulative sales for QES through September 2011 reached US$3.2 million and its market share exceeds 7%.

Mexico City, October 20, 2011.

Financial Results 3Q11
Analysis[1]







Highlights for the Quarter[3]

	Amount	Ch. %
Premiums Written	2,669	12.4%
Premiums Earned	2,623	18.8%
Acquisition Cost	558	40.1%
L&LAE Cost	1,822	1.3%
Operating Expenses	94	21.3%
Operating Result	150	NA
Integral Financing Result	174	-25.9%
Net Result	206	49.8%
Net Result pro-forma	242	76.2%
Cash & Investments[2]	7,432	21.4%
12M EPS	0.9	-5.2%
12M EPS pro-forma	1.4	48.2%
12M ROE	17.4%	-392 bp
12M ROE pro-forma	26.9%	564 bp
Leverage	5.0 x	

Operating Data

Insured Vehicles	1,653,713	3.5%
Net Collection	2,666	14.1%

NA: Not Available

CAGR: Compound Annual Growth Rate

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[1] *Throughout this document, figures are stated in millions of pesos, except when stated differently. Figures may vary due to rounding effects; the variations expressed are with respect to the last period in 2010.*

[2] *Cash & Investments = Securities and Derivatives Transactions + Overnight + Cash and Cash Equivalents.*

[3] *See annex for changes in Accounting Policies.*

Third Quarter 2011Results

Financial Figures	Actual Figures			Effect	Pro-forma Figures		
	3Q11	3Q10	Ch. %	3Q11	3Q11	3Q10	Ch.%
Results							
Premiums Written	2,669	2,374	12.4%		2,669	2,374	12.4%
Net Premiums Written	2,571	2,228	15.4%		2,571	2,228	15.4%
Premiums Earned	2,623	2,207	18.8%		2,623	2,207	18.8%
Acquisition Cost	558	398	40.1%	52	506	398	27.1%
L&LAE	1,822	1,798	1.3%		1,822	1,798	1.3%
Underwriting Result	244	11	2,124.8%	-52	296	11	2,597.2%
Operating Expenses	94	78	21.3%		94	78	21.3%
Operating Income	150	-67	NA	-52	202	-67	NA
Integral Financing Result	174	234	-25.9%		174	234	-25.9%
Pre-tax Result	323	167	93.1%	-52	375	167	124.0%
Tax provision	117	30	291.9%	-16	133	30	343.9%
Net Result	206	138	49.8%	-36	242	138	76.2%
EBTDA	351	206	70.5%	-52	403	206	95.7%
Balance Sheet Figures							
Cash & Investments[2]	7,432	6,120	21.4%		7,432	6,120	21.4%
Total Assets	14,711	12,500	17.7%		14,711	12,500	17.7%
Technical Reserves	9,295	8,609	8.0%		9,295	8,609	8.0%
Stockholder's Equity	2,465	2,093	17.8%	-36	2,502	2,093	19.5%
Total Liabilities	12,246	10,408	17.7%	36	12,210	10,408	17.3%

See annex for changes in Accounting Policies.

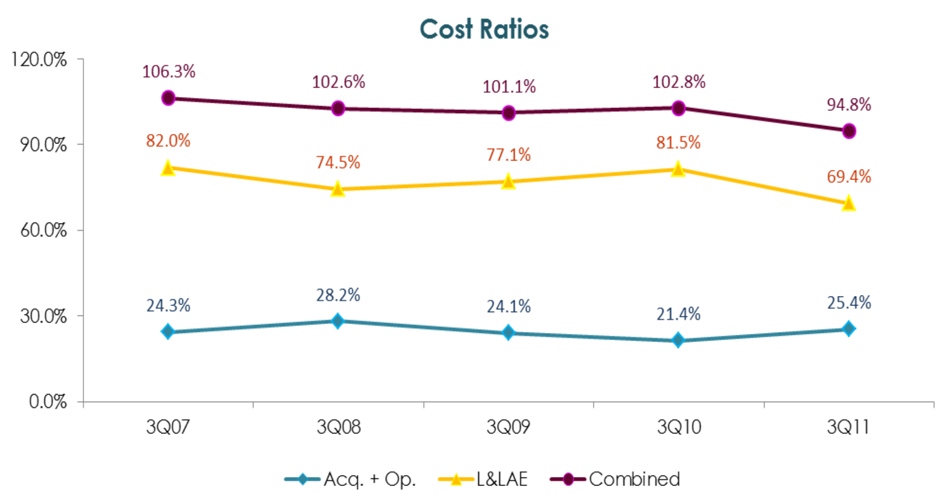
9M Cumulative Results

Financial Figures	Actual Figures			Effect	Pro-forma Figures		
	9M11	9M10	Ch.%	9M11	9M11	9M10	Ch.%
Results							
Premiums Written	8,050	6,936	16.1%		8,050	6,936	16.1%
Net Premiums Written	7,840	6,581	19.1%		7,840	6,581	19.1%
Premiums Earned	7,843	6,408	22.4%		7,843	6,408	22.4%
Acquisition Cost	1,864	1,290	44.5%	318	1,546	1,290	19.8%
L&LAE	5,564	4,821	15.4%		5,564	4,821	15.4%
Underwriting Result	415	297	39.7%	-318	733	297	146.7%
Operating Expenses	195	190	2.6%		195	190	2.6%
Operating Income	220	107	105.7%	-318	538	107	403.5%
Integral Financing Result	396	507	-22.0%		396	507	-22.0%
Pre-tax Result	616	614	0.2%	-318	934	614	52.1%
Tax provision	198	178	11.7%	-95	294	178	65.5%
Net Result	417	437	-4.5%	-223	640	437	46.5%
EBTDA	695	724	-4.0%	-318	1,013	724	40.0%
Balance Sheet Figures							
Cash & Investments2	7,432	6,120	21.4%		7,432	6,120	21.4%
Total Assets	14,711	12,500	17.7%		14,711	12,500	17.7%
Technical Reserves	9,295	8,609	8.0%		9,295	8,609	8.0%
Stockholder's Equity	2,465	2,093	17.8%	-223	2,688	2,093	28.4%
Total Liabilities	12,246	10,408	17.7%	223	12,023	10,408	15.5%

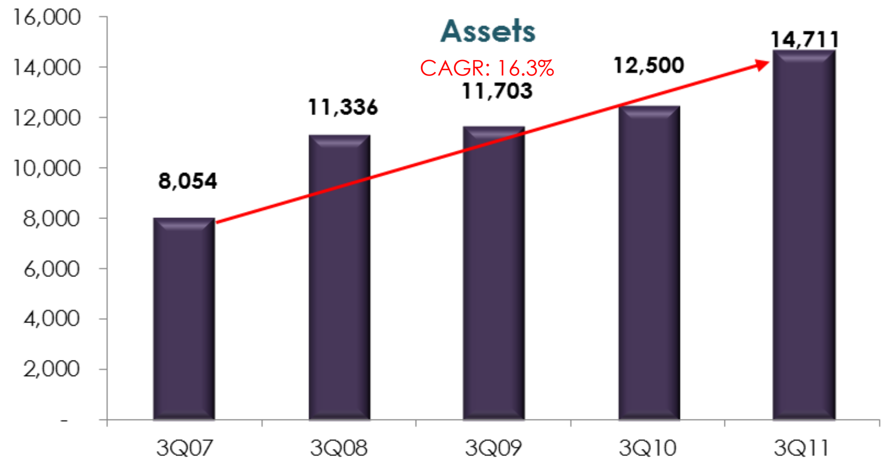
See annex for changes in Accounting Policies.

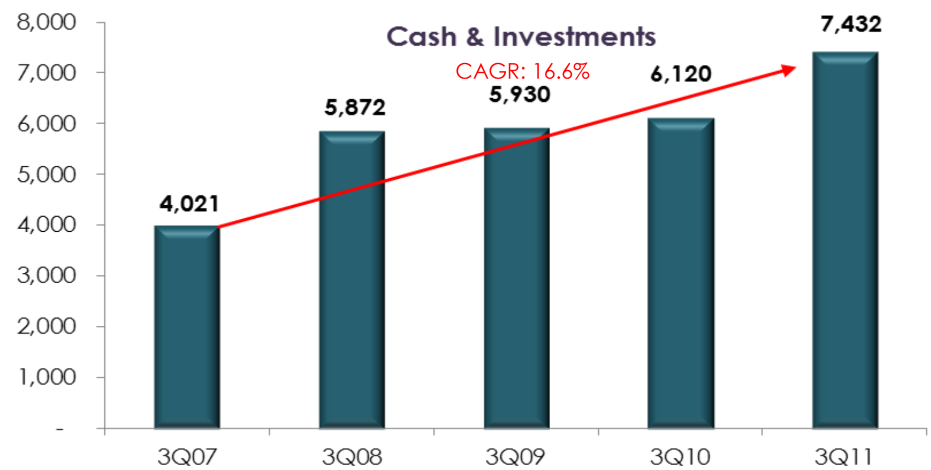
Operating and Financial Ratios[4]

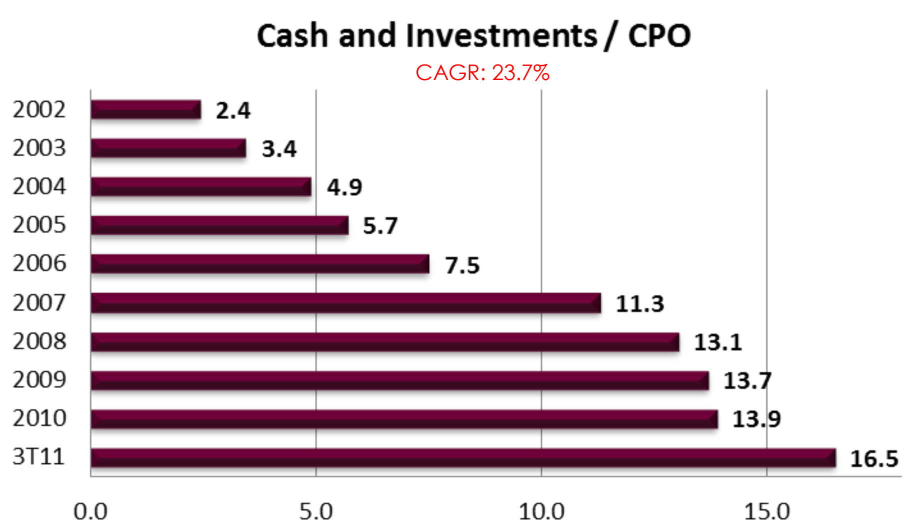
	Actual			Pro-forma		
	3Q11	3Q10	Ch.	3Q11	3Q10	Ch.
Costs Ratios						
Acquisition Cost	21.7%	17.9%	383 bp	19.7%	17.9%	182
Operating Cost	3.7%	3.5%	18 bp	3.7%	3.5%	18
Operating + Acquisition Ratio	25.4%	21.4%	401 bp	23.3%	21.4%	200
L&LAE Ratio	69.4%	81.5%	-1,203 bp	69.4%	81.5%	-1,203
Combined Ratio	94.8%	102.8%	-802 bp	92.8%	102.8%	-1,004
Solvency Ratios						
Reserves Coverage	1.3x	1.2x				
Leverage	5.0x	5.0x				
Minimum Equity Requirement	1,877	1,732	8.4%			
Solvency Margin	582	227	156.2%			
Solvency Margin Ratio	31.0%	13.1%	1,788 bp			
Profitabilty Ratios						
EBTDA Margin	13.2%	8.7%	449 bp	15.1%	8.7%	643 bp
Net Margin	7.7%	5.8%	193 bp	9.1%	5.8%	329 bp
ROE 12M	17.4%	21.3%	-392 bp	26.9%	21.3%	564 bp



[4] Calculation of ratios is detailed in the glossary at the end of this document.


Assets
CAGR: 16.3%
8,054
11,336
11,703
12,500
14,711
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
-
3Q07
3Q08
3Q09
3Q10
3Q11


Cash & Investments
CAGR: 16.6%
4,021
5,872
5,930
6,120
7,432
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
-
3Q07
3Q08
3Q09
3Q10
3Q11


Cash and Investments / CPO
CAGR: 23.7%
2002
2.4
2003
3.4
2004
4.9
2005
5.7
2006
7.5
2007
11.3
2008
13.1
2009
13.7
2010
13.9
3T11
16.5
0.0
5.0
10.0
15.0

Financial Results 3Q11

Discussion & Analysis

Figures stated in million pesos

Premiums Written

Segment	Amount	Ch. $	Ch. %
Individual	1,037	-63	-5.7%
Fleet	524	70	15.3%
Sum of Traditional	**1,561**	**6**	**0.4%**
Toll Roads	89	89	NA
Financial Institutions	962	151	18.6%
Subsidiaries	57	48	577.9%
Total	**$2,669**	**$295**	**12.4%**

The actions launched during the previous quarter, as part of our profitability strategy, have partially affected sales in the individual segment. In this quarter there were changes in the general conditions of the policies of the various products offered by Q, to provide greater transparency and fairness to our policyholders upon a casualty. We now offer, for instance, no deductible payment when the policyholder is not responsible for the casualty and the counterpart is uninsured. These actions are in line with our business fundamentals and grant us the opportunity to reinforce our customers' loyalty.

In the fleet segment, we revised the accounts with high levels of L&LAE to develop customized solutions for our clients. At the same time, we applied this methodology to the new businesses we incurred in. Under this philosophy to support our customer's profitability, this business line showed a solid growth of 15.3%.

During December 2010, Q won the bidding for several toll roads, which explains the $89 registered in this segment for the quarter.

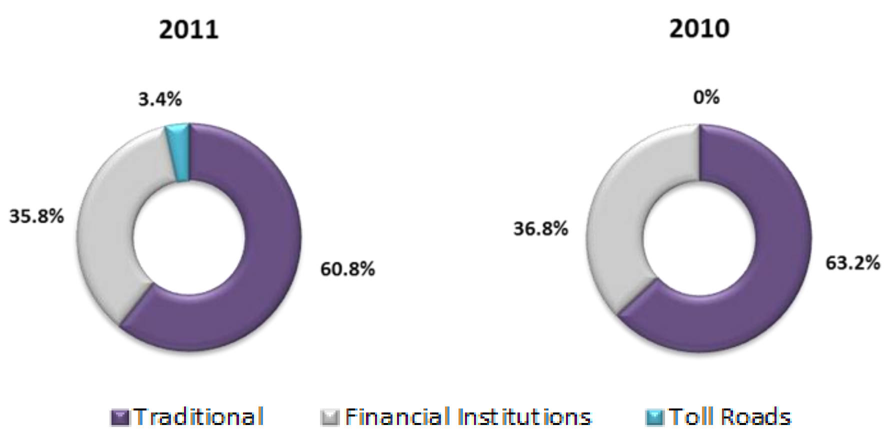
The financial institutions business line, on the other hand, registered a solid growth, of 18.6%, benefitting from the increase in nationwide sales of new automobiles and trucks, of 11.4%. According to the Mexican Association of Automotive Suppliers (AMDA), automobile financing in 2011 will represent 54% of total sales of new automobiles, level still below that recorded before the 2008 crisis.

Subsidiaries' sales have begun to grow significantly, so that they now represent 2.1% of **Q**'s total revenues. Sales reported in this item relate to the incorporation of 100% of Quálitas El Salvador as a subsidiary of Quálitas, the revenues of Outlet de Refacciones, S.A., and the Costa Rica subsidiary.

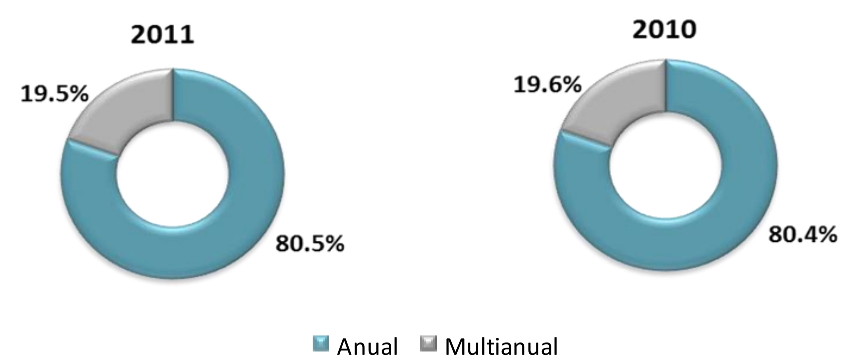
Business Line	3Q11	3Q10	Ch. %
Automobiles	1,139,337	1,112,715	2.4%
Trucks	435,875	430,731	1.2%
Subtotal	**1,575,212**	**1,543,446**	**2.1%**
Motorcycles & Tourists	78,501	53,869	45.7%
Insured vehicles	**1,653,713**	**1,597,315**	**3.5%**

On the other hand, insured vehicles reported a 3.5% growth, lower than the rate registered by premiums written. This results from the new tariffs put into practice as part of the profitability actions implemented since 2Q11.

Premiums Written by segment



Premiums Written per Period



Premiums Ceded, Net Premiums Written and Reinsurance

According to the risk strategy designed for 2011, which cedes less premiums in view of the improvement in solvency, this year the percentage of premiums ceded to the reinsurer decreased from 7.5% to 5.0%. This percentage will not change throughout the year in view of the improved solvency levels achieved during the quarter.

As a result of this change, premiums ceded decreased by 33.0% in 3Q11, while net premiums written grew by 15.4%.

Premiums Earned

During the quarter there was a grater release of unearned premiums reserves than in 3Q10, due to the adjustments in the reinsurance strategy and to a lower growth in insured vehicles. However, the level of this reserve remains adequate to meet our obligations with the policyholders.

As a result, earned premiums grew by 18.8%, exceeding the growth of net premiums written.

Net Acquisition Cost

Due to the low L&LAE in the reinsurance contract, **Q** obtained an income of $30. However, the revenues from reinsurance commissions decreased by 19.5% when compared to the 3Q10 figure as a result of ceding less premiums to the reinsurer.

As a result of this revenue from the reinsurer and of the charge resulting from the change in accounting policy, the acquisition cost ratio increased to 21.7%.

The Net Acquisition Cost had a change in accounting policy in the recording of fees paid to financial institutions and automotive agencies other than professional agents (UOF). In the past, **Q** registered within the "Acquisition Cost" the UOF expense upon collecting the payment of the policies which originated such expense.

As of January 2011, **Q** records the UOF expense at the moment the policy is issued. The UOF expenses belonging to operations previous to 2011 is being recorded in accordance to the policy in effect until December 2010, which recorded the expense once the policy was collected.

Q's management opted for this conservative change to even out the accounting policies of agents' commissions and UOF payments. During 3Q11 the effect of this change amounted to a charge of $52.

L&LAE

The actions implemented for the containment of the L&LAE have had an impact in its different components. Although there are still areas of improvement that we are focusing on, the L&LAE, in absolute terms, remained at the 3Q10 levels. This yielded a favorable L&LAE ratio for the quarter, of 69.4%, 1,203 bp lower than the last year's figure.

As in 2Q11, the increase in the frequency of claims was offset by the cost containment in repairs and in fixed costs in the claims areas. There was also a significant increase in income due to higher deductibles and greater levels of recoveries in both thefts and collisions.

As for the high rates of automobile thefts the 2010 trend continues in some States such as Estado de México, Nuevo León and Jalisco. The profitability strategy implemented has helped to lessen this growth during the quarter.

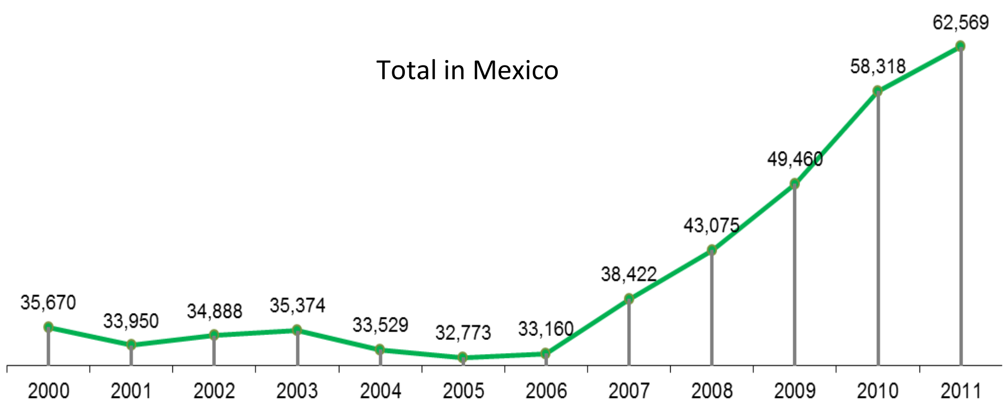
The adjustments in the actuarial reserves were not material, as in 3Q10.

Revenues recovered from reinsurance decreased as a result of the new reinsurance strategy.

The strategies implemented by **Q** are focused on maintaining profitable ratios.

Number of automobile thefts to the insurance companies

Comparative 2000-2011, per period (January - September)



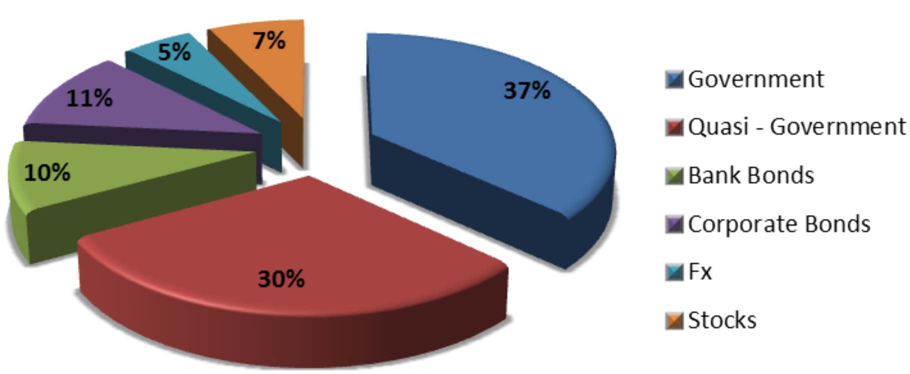
Operating Expenses

Operating expenses grew 21.3% due to the launching of our operations in Costa Rica and the consolidation of the operation of El Salvador. Depreciation and amortization decreased by $10 due to the sale of satellite recovery devices. The income from policies' fees grew by 15.3%, in line with the increase in the collection of premiums. Despite the increase, the operating expense ratio remained at 3.7%.

Integral Financing Result

During 3Q11 we achieved an investment yield of 8.1%, satisfactory in view of the market conditions.

We maintain unchanged our conservative strategy, analyzing our portfolio vis-à-vis the market trends, focusing on good opportunities and prioritizing the stability in the portfolio's profitability.



Taxes

Taxes for the period amounted to $117. As a result of the change in accounting policy, there was a decrease in deferred income taxes of $16.

Net Result

Net income amounted to $206, registering a 49.8% growth. The proforma net result for the accounting change amounted to $242. The increase in net income was due to the changes in underwriting and the improvement in the L&LAE.

Cash & Investments

Cash & investments amounted to $7,432 a 21.4% increase. This implies $16.51 of cash per CPO and is due to a better operating cash flow, resulting from improved levels of L&LAE, in addition to the consolidation of Quálitas El Salvador as a subsidiary.

Underwriting Reserves

Underwriting reserves grew by 8.0%, as a result of the 19.2% increase in the reserve of contractual obligations. The unearned premiums reserve grew by 4.2%, in line with the increase in insured vehicles. This has allowed for an appropriate level of reserves to meet **Q'**s obligations.

Solvency

Due to the profitability attained during the quarter, the solvency margin improved, amounting to $582. This represents a solvency margin ratio of 31.0%.

The Company's leverage remained at 5.0x and the reserves coverage improved from 1.2x in 3Q10, to 1.3x in 3Q11.

These indicators give us peace of mind as they enhance our internal capacity to finance our growth.

QUALITAS COMPAÑIA DE SEGUROS, S.A.B. DE C.V.
Consolidated Balance Sheet as of September 30, 2011

	2011	2010
Assets		
Investments	7,775,480,756	6,425,872,722
Securities and Derivatives Transactions	6,468,682,885	5,473,069,736
Securities	6,468,682,885	5,473,069,736
Government	1,725,771,948	1,511,757,319
Private Companies	4,455,613,194	3,585,600,256
Fixed Maturities	4,058,874,684	3,290,749,631
Equity	396,738,510	294,850,625
Foreign	59,366,007	118,380,142
Net Value	192,337,391	221,297,230
Interest Receivable	35,765,630	36,034,789
Overnight	845,273,690	542,553,086
Loans	29,215,859	19,682,609
Secured	19,507,526	15,032,637
Unsecured	0	3,649,972
Discounts and Re-discounts	12,708,333	4,000,000
(-) Allowance for Doubtful Accounts	3,000,000	3,000,000
Property	432,308,322	390,567,291
Real Estate	222,152,951	205,553,402
Net Value	243,255,821	215,008,321
(-) Depreciation	33,100,450	29,994,432
Reserve for Labor Obligations	36,750,565	32,217,373
Cash and Cash Equivalents	117,679,676	67,362,555
Cash and Banks	117,679,676	67,362,555
Debtors	5,368,202,968	4,971,717,642
Premiums	4,871,023,520	4,441,856,807
Agents and Adjusters	54,951,876	29,025,156
Accounts Receivable	96,152,917	141,752,815
Employee's loans	31,511,098	26,585,984
Other	368,941,253	353,332,188
(-) Allowance for Doubtful Accounts	54,377,696	20,835,308
Reinsurers and Re-Bonding Companies	518,599,270	171,083,894
Insurance and Bonds Institutions	79,607,328	55,196,725
Equity Participation of Reinsurers in Outstanding Claims	150,340,494	96,605,557
Equity Participation of Reinsurers in Unearned Premiums	277,468,715	15,064,685
Other Equity Participations	11,182,733	4,216,927
Permanent investments	44,252,823	36,691,780
Associate	0	0
Other permanent investments	44,252,823	36,691,780
Other Assets	850,276,756	795,476,916
Furniture and Equipment	245,636,622	237,347,195
Miscellaneous	602,787,525	553,997,366
Amortizable Expenses	9,451,346	9,525,762
(-) Amortization	7,598,737	5,393,407
Total Assets	**14,711,242,814**	**12,500,422,882**

QUALITAS COMPAÑIA DE SEGUROS, S.A.B. DE C.V.
Consolidated Balance Sheet as of September 30, 2011

	2011	2010
Liabilities		
Underwriting Reserves	9,294,726,530	8,608,880,007
Unearned Premiums	6,535,438,808	6,271,787,712
Casualities	6,535,438,808	6,271,787,712
Contractual Obligations	2,756,946,066	2,312,963,651
For Claims and Maturities	2,600,683,830	2,168,690,412
For Incurred and Non-Reported Claims	87,656,686	76,548,383
For Dividends on Policies	11,677,460	8,542,554
For Premiums in Deposit	56,928,090	59,182,302
Preventive Reserve	2,341,656	24,128,644
Catastrophic Risks	2,341,656	24,128,644
Reserve for Labor Obligations	76,155,299	56,256,448
Creditors	1,063,688,145	506,895,026
Agents and Adjusters	414,647,777	266,277,299
Funds for Losses Management	2,262,440	1,382,963
Miscellaneous	646,777,928	239,234,764
Reinsurers and Re-Bonding Companies	539,012,312	174,101,174
Insurance and Bond Companies	539,012,312	174,101,174
Other Liabilities	1,272,350,465	1,061,463,458
Provisions for employee profit sharing	3,501,447	2,496,695
Income Tax Provisions	338,360,944	227,688,103
Other Obligations	754,343,665	663,924,320
Deferred Credits	176,144,409	167,354,340
Total Liabilities	12,245,932,751	10,407,596,113
Stockholder's Equity		
Capital Stock	342,956,574	342,958,575
Capital Stock	342,956,574	342,958,575
Reserves	469,844,258	431,920,410
Legal	181,694,394	143,770,546
Other	288,149,864	288,149,864
Valuation Surplus	100,594,313	71,818,944
Subsidiaries	-2,638,479	-2,638,479
Retained Earnings	1,065,138,431	746,378,661
Net Income	417,143,312	436,467,329
Effect of Conversion	259,316	
Excess (insufficiency) in Capital Restatement	65,597,647	65,597,647
Minority Interest	6,414,691	323,682
Total Stockholder's Equity	**2,465,310,063**	**2,092,826,769**
Total Liabilities and Stockholder's Equity	**14,711,242,814**	**12,500,422,882**

QUALITAS COMPAÑIA DE SEGUROS, S.A.B. DE C.V.
Consolidated Income Statement

	3Q11	3Q10
Premiums		
Written	2,668,549,686	2,373,852,289
(-) Ceded	97,530,866	145,532,301
Net premiums written	2,571,018,820	2,228,319,988
(-) Net increase in unearned premiums	-52,411,050	20,932,613
Net premiums earned	2,623,429,870	2,207,387,375
(-) Net Acquisition Cost	557,822,035	398,116,075
Agents' commissions	167,372,364	149,957,568
Agent's additional compensation	40,091,812	39,939,767
(-) Comissions on ceded reinsurance	30,146,360	37,443,567
Excess loss coverage	1,894,495	1,920,645
Other	378,609,724	243,741,662
(-) Net Losses and loss adjustment expenses and other contractual liabilities	1,821,623,208	1,798,304,944
Losses and other contractual liabilities	1,828,139,464	1,798,353,030
Losses on non-proportional reinsurance	-7,668,949	-48,086
Underwriting income	243,984,627	10,966,356
		0
(-) Net increase in other underwriting reserves	0	0
Gross income	243,984,627	10,966,356
		0
(-) Net operating expenses	94,236,619	77,661,319
Administrative and Operating expenses	43,042,114	67,809,126
Employees' compensation and benefits	23,005,065	-28,826,437
Depreciation and Amortization	28,189,440	38,678,630
Operating income	149,748,008	-66,694,963
Integral Financing Result	173,518,877	234,123,569
Investments	133,619,717	96,637,222
Sale of investments	2,043,316	-3,680,157
Non-realized gain on investments	-49,685,451	100,464,421
Premiums finance charge	28,040,423	32,660,341
Other	4,051,734	4,063,950
Foreign Exchange	55,449,138	3,977,792
Participation in Permanent Investments Result	0	
Income before taxes and employee's profit sharing	323,266,885	167,428,606
(-) Provision for income taxes	117,266,621	29,919,991
Income before Discontinued Operations	206,000,264	137,508,615
Net income	**206,000,264**	**137,508,615**

QUALITAS COMPAÑIA DE SEGUROS, S.A.B. DE C.V.
Consolidated Income Statement

	9M11	9M10
Premiums		
Written	8,049,824,878	6,935,796,928
(-) Ceded	210,005,138	355,286,898
Net premiums written	7,839,819,740	6,580,510,030
(-) Net increase in unearned premiums	-3,149,634	172,096,541
Net premiums earned	7,842,969,374	6,408,413,489
(-) Net Acquisition Cost	1,863,849,016	1,289,838,924
Agents' commissions	505,217,959	437,493,146
Agent's additional compensation	129,231,425	113,290,186
(-) Comissions on ceded reinsurance	112,974,050	133,596,815
Excess loss coverage	7,866,579	5,727,575
Other	1,334,507,103	866,924,832
(-) Net Losses and loss adjustment expenses and other contractual liabilities	5,564,059,375	4,821,417,176
Losses and other contractual liabilities	5,570,219,450	4,824,519,328
Losses on non-proportional reinsurance	-7,312,768	-3,102,152
Underwriting income	415,060,983	297,157,389
(-) Net increase in other underwriting reserves	0	0
Gross income	415,060,983	297,157,389
(-) Net operating expenses	195,332,331	190,317,143
Administrative and Operating expenses	55,580,501	76,197,050
Employees' compensation and benefits	60,542,130	4,446,731
Depreciation and Amortization	79,209,700	109,673,362
Operating income	219,728,652	106,840,246
Integral Financing Result	395,844,637	507,234,256
Investments	286,452,749	274,778,875
Sale of investments	-1,574,857	-8,701,926
Non-realized gain on investments	-35,133,524	153,264,585
Premiums finance charge	94,945,755	91,057,824
Other	9,770,963	7,018,832
Foreign Exchange	41,383,551	-10,183,934
Income before taxes and employee's profit sharing	615,573,289	614,074,502
(-) Provision for income taxes	198,429,977	177,607,173
Income before Discontinued Operations	417,143,312	436,467,329
Net income	**417,143,312**	**436,467,329**

Annex

Changes in Accounting Policies Released on 1Q11Earnings Results

1. Q informs a change in its accounting policy in the recording of payments of compensations to companies different from professional agents (UOF).

As mentioned in the note "Contingent Commissions" of the audited financial statements as of December 31, 2009 and 2010, Q registered within the "Acquisition Cost" the UOF (payment for the use of facility) expense upon collecting the payment of the policies which originated such expense.

As of January 2011, Q records the UOF expense at the moment the policy is issued.

The UOF expenses belonging to operations previous to 2011 will be recorded in accordance to the policy in effect until December 2010, which recorded the expense once the policy was collected.

Q's management opted for this conservative change to even out the accounting policies of agents' commissions and UOF payments.

The effect of the change is as follows:

1. It has no impact on cash flow, as can be seen in the growth of the 2Q11Cash and Investments item.
2. The 2011 financial figures will not be comparable with the 2010 ones, so following our policy of being transparent, we have included proforma figures.
3. The net effect in the 2Q11 result is a loss of $186 million.

Cash Flow Statement

2. In accordance with Bulletin S-18.2, issued by the CNSF (National Insurance and Bonds Commission) on March 18, 2010 and published on April 6, 2010 in the Official Journal of the Federation, from the fiscal year ended on December 31, 2010, onward, the Company must present a cash flow statement. In accordance with the guidelines in the bulletin previously mentioned, the Company's management used the indirect method for the preparation of the cash flow statement, which determines that the presentation of the statement begins with the net profit or loss, and then is settled with the operating cash flow.

The main differences between the cash flow statement and the statement of changes in financial position are that the cash flow statement shows the inputs and outputs of cash, the creation or use of resources of the company, while the changes in position statement show the changes in the financial structure of the company.

Cash and Investments Presentation

3. The CNSF (National Insurance and Bonds Commission), through its "only" Bulletin issued in February of this year, revised the presentation of the Cash and Investments item in the Balance Sheet. The items named Investments in Subsidiaries and Permanent Investments were previously recorded in Securities. With the proposed revision, these items will be presented separately.

This will not have an impact on results nor on the capital structure. This change will be favorable for investors, since it will detail strategic investments.

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 = [(End of Period Figure / Beginning of Period Figure) ^ (1/ 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 is an insurance company, specialized in auto insurance, which occupies the first place in the Mexican market with a 20.2% share as of June 2011. After 17 years in operation, it has more than 1.6 million insured vehicles and 156 offices in Mexico, 3 in El Salvador and one in Costa Rica. Quálitas' business model focuses on excellence in service and low costs.

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

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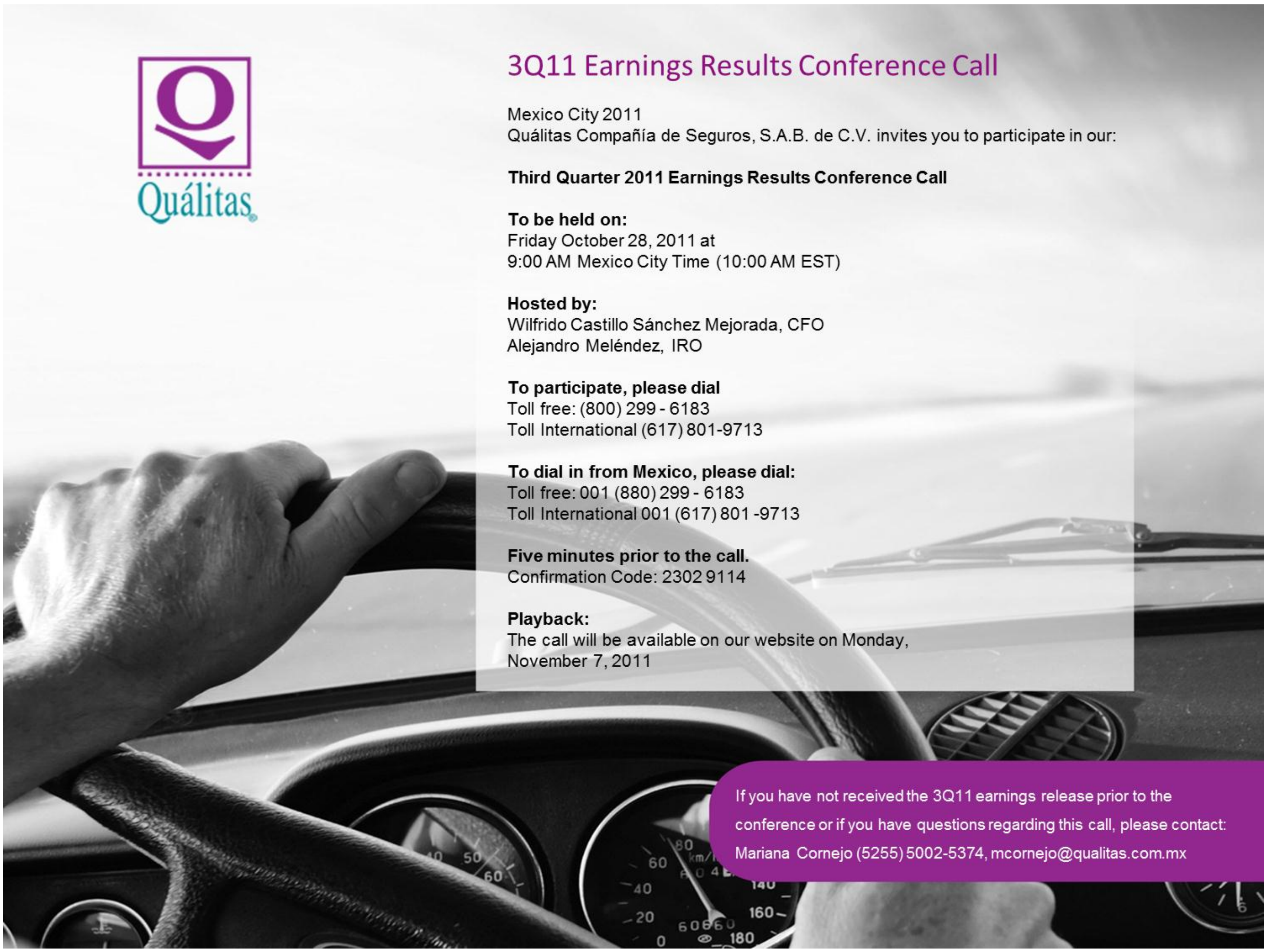
3Q11 Earnings Results Conference Call
Mexico City 2011
Quálitas Compañía de Seguros, S.A.B. de C.V. invites you to participate in our:
Third Quarter 2011 Earnings Results Conference Call
To be held on:
Friday October 28, 2011 at
9:00 AM Mexico City Time (10:00 AM EST)
Hosted by:
Wilfrido Castillo Sánchez Mejorada, CFO
Alejandro Meléndez, IRO
To participate, please dial
Toll free: (800) 299 - 6183
Toll International (617) 801-9713
To dial in from Mexico, please dial:
Toll free: 001 (880) 299 - 6183
Toll International 001 (617) 801 -9713
Five minutes prior to the call.
Confirmation Code: 2302 9114
Playback:
The call will be available on our website on Monday,
November 7, 2011
If you have not received the 3Q11 earnings release prior to the
conference or if you have questions regarding this call, please contact:
Mariana Cornejo (5255) 5002-5374, mcornejo@qualitas.com.mx