

Quálitás Controladora



QC – Quálitas Controladora

- Industry and changes in prices
- Advertising Campaign
- Written Premiums and Insured Vehicles
- Acquisition Cost
- Claims Cost
- Operating Expenses
- Financial Income
- Profitability
- Solvency Margin
- Our Analysts

Industry and changes in prices



- Sales of new vehicles : +4.5% YTD (sep) and 14.2% in 3Q
- Financed Vehicles: +14.8% YTD (sep)
- Mandatory Insurance for Federal Roads and Bridges started on September 23

Automobile Insurance Industry Jan- Jun 2014

	Written Premiums	Growth 6M14-6M13
Quálitas	8,479	13.4%
Others (23)	18,758	-4.2%
Insurance Companies (24)	27,237	0.7%
Insurance Companies from Financial Groups (10)	6,482	2.5%
TOTAL MARKET (34 Comp)	33,719	1.0%

	3Q14	3Q13	Δ %
Written Premiums	3,837	3,265	17.5%
Earned Premiums	3,829	3,377	13.4%
Insured Vehicles	2,472,717	2,234,651	10.7%

During 2014 Quálitas increased prices:

Month	Increase
May	2.2%
August	4.2% ← Started August 25

- The insurance you would get, if you want an insurance -

- Launched September 29
- 8 month campaign
- Media:
 - Open Local TV
 - Paid National and Local TV
 - Radio
 - Press
 - Magazines
 - Posters, Buses and Loudspeakers
 - Internet
- Campaign Impact (oct 21st):
 - 2,015 calls received
 - 141 policies sold
 - 48% calls related to the TV commercial

http://www.youtube.com/watch?v=duc048XH_IQ



Figures and Results

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

Throughout the document, figures are expressed in million pesos, except when is otherwise specified. Variations expressed are regard to the same period in 2013.



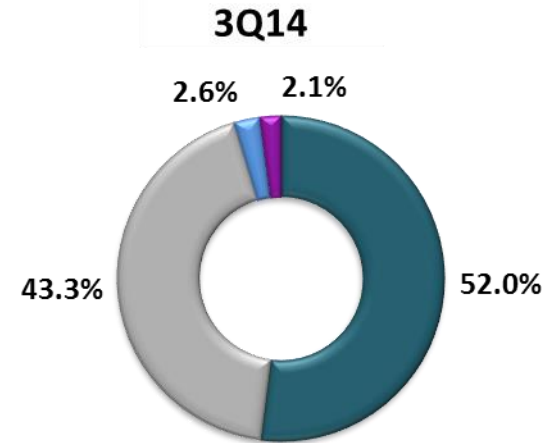


Written Premiums and Insured Vehicles

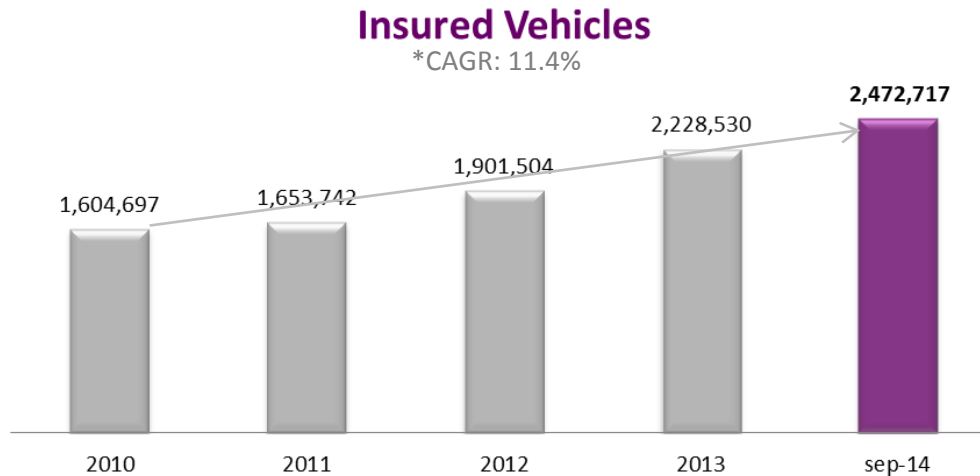
Segment	3Q14	3Q13	Δ \$	Δ %
Individual	1,050	875	175	20.0%
Fleets	945	835	109	13.1%
Sum of Traditional	1,995	1,711	284	16.6%
Financial Institutions	1,662	1,524	139	9.1%
Subsidiaries	79	33	46	138.3%
Other	101	2	103	NA
Total	3,837	3,265	571	17.5%

Period	3Q14	%	3Q13	%
Annual	2,462	65.5%	2,219	68.7%
Multiannual	1,296	34.5%	1,013	31.3%

NA: Not applicable



- Traditional
- Financial Institutions
- Toll Roads
- Subsidiaries

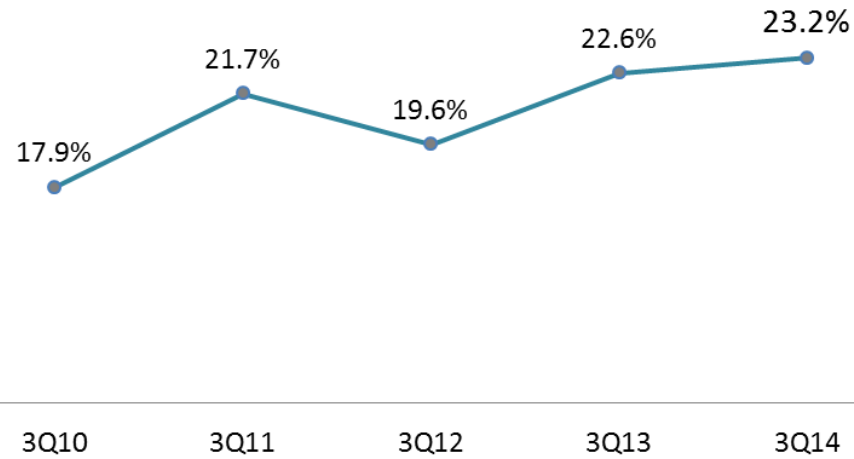


*CAGR= Compound Annual Growth Rate

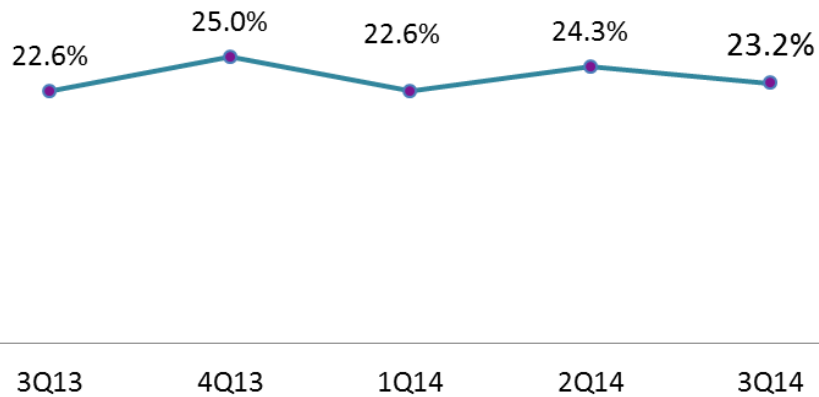
Acquisition Ratio



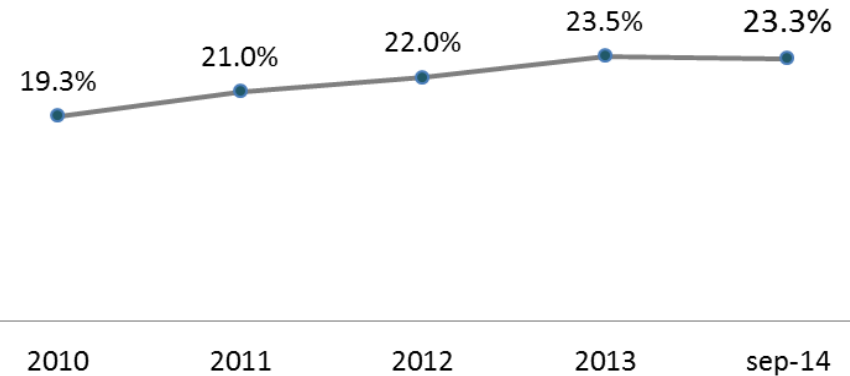
Per Quarter



Secuential



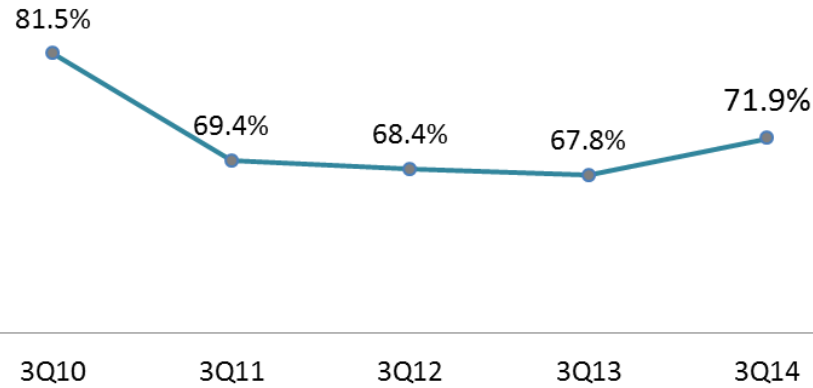
Annual



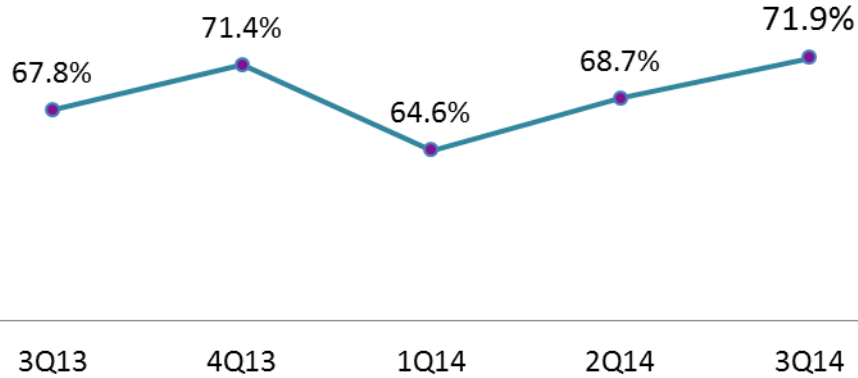
Claims Ratio



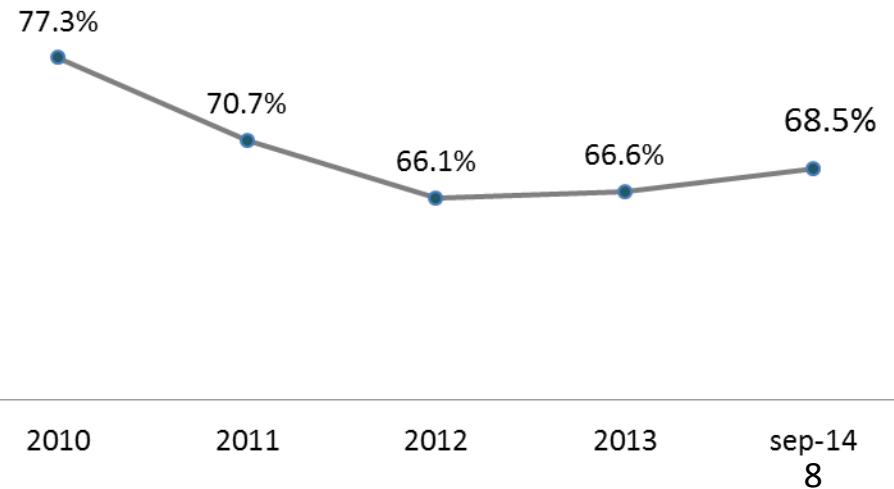
Per Quarter



Secuential



Annual



- **Severance Cost related to death**

	3Q14	3Q13	Δ %
Number of Claims	149	108	38.0%
Amount Paid	\$ 38,988	\$ 25,193	54.8%
Average Cost	\$ 261.7	\$ 233.3	12.2%

Figures in '000s pesos

-The impact of this item represents 1 percentage point of the Claims Ratio-

- **Hurricane Odile in Baja California Sur**

Claims recorded in 3Q14

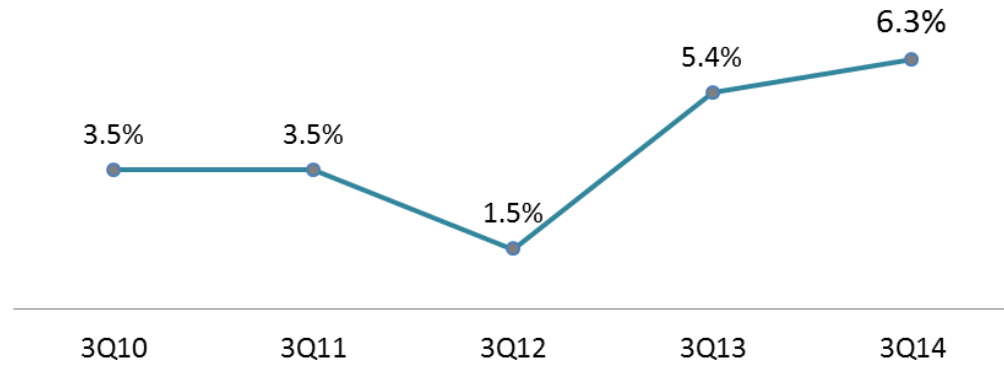
12.9

Figures in millions of pesos

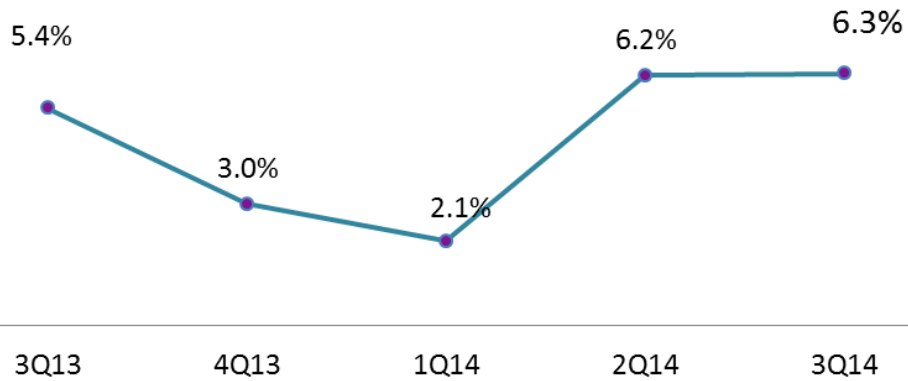
Operating Ratio



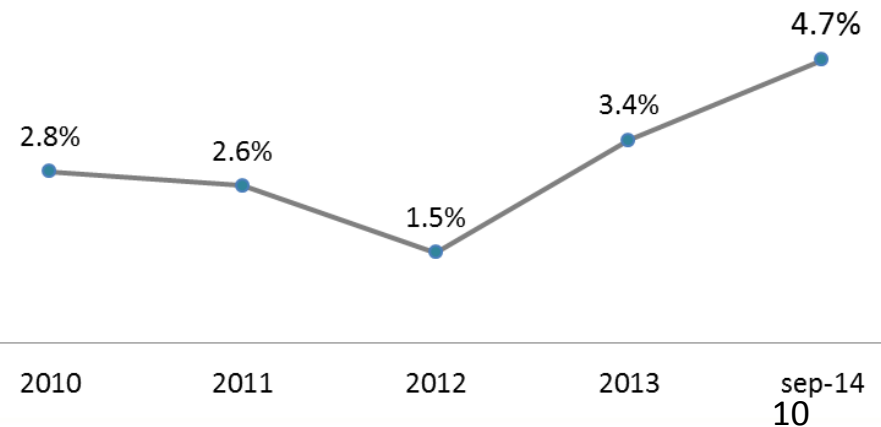
Per Quarter



Sequential



Annual

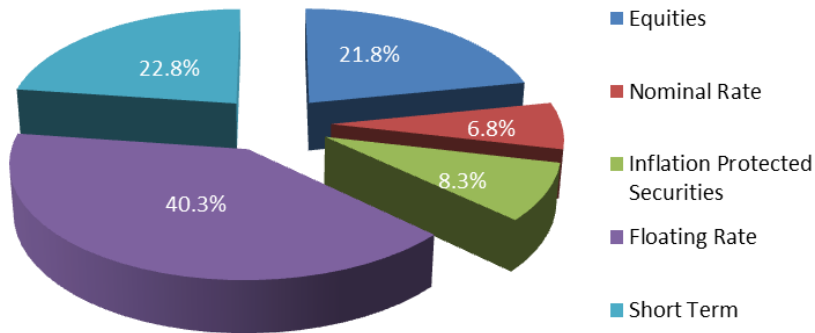


Operating Expenses

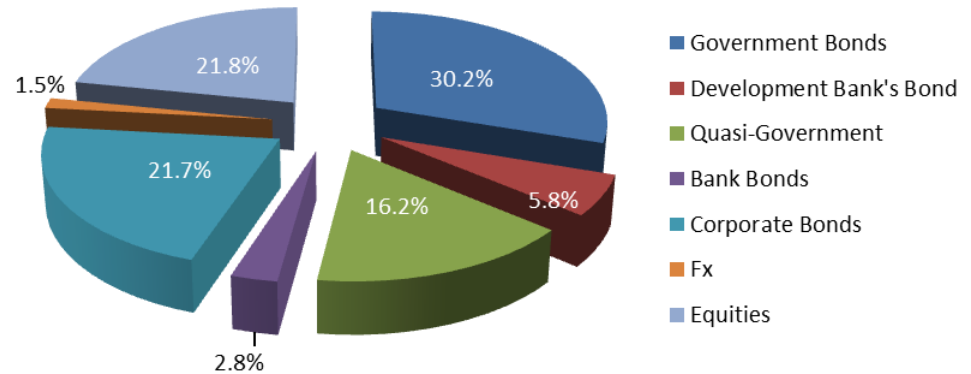


	3Q14	3Q13	Δ \$	Δ %
Administrative Expenses	213	157	56	35.6%
Employee Profit Sharing	41	0	41	NA
<i>Discretionary</i>	254	157	97	61.7%
Banking Services	39	29	10	35.6%
Representatives	97	137	-39	-28.8%
Policies' Fees (revenue)	-191	-165	-27	16.2%
Other Income	-43	-36	-7	20.8%
<i>Non-Discretionary</i>	-99	-35	-63	180.0%
Depreciation and Amortization	44	38	5	14.1%
Subsidiaries	41	17	24	141.7%
Total	240	177	63	35.6%

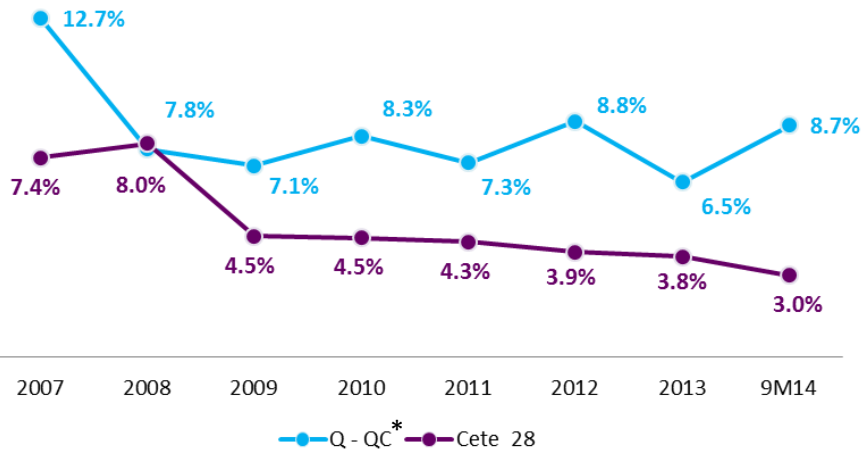
Portfolio by Type of Risk



Portfolio by Type of Issuer



Return on Investments



Gain on Equities

3Q14

168

Quarterly Average Portfolio

2,287

Annualized Yield

28.7%

Naftrac Yield

20.5%

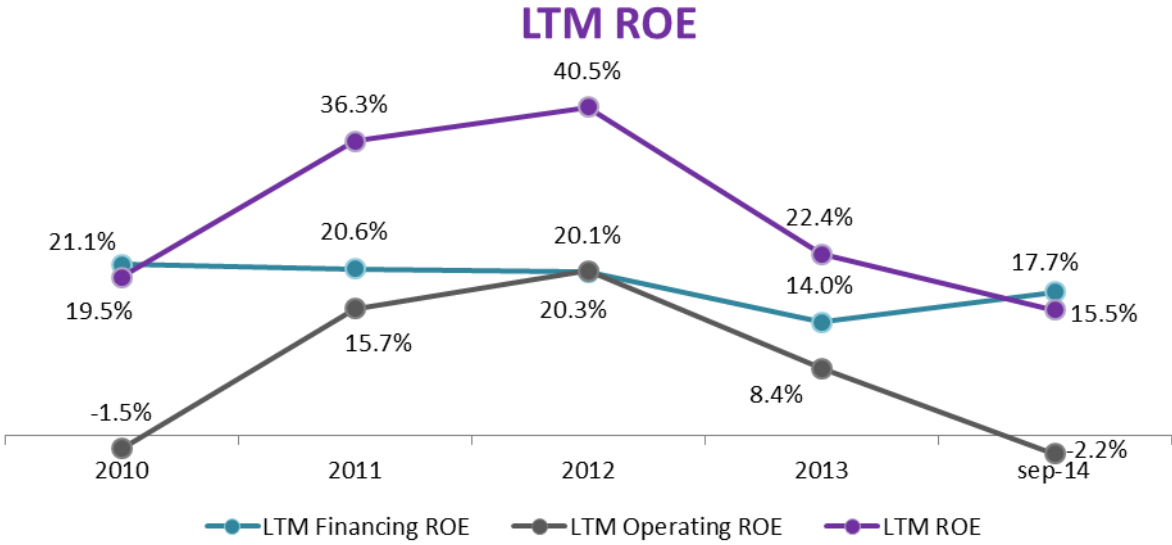
IRT Yield

21.6%



Profitability

	3Q14	3Q13	Δ %/bp
Return on Investments	9.2%	4.8%	433.8
Combined Ratio	101.4%	95.8%	560.2
Leverage	4.25x	3.95x	7.7%





Solvency Margin

QC's solvency margin registered \$1,259, which results in a solvency margin ratio of 43.0%.

	Minimum Equity Requirement	Solvency Margin	Solvency Margin Ratio
Qmx	2,629	969	36.9%
Qsv	35	15	43.2%
Qcr	65	0.4	0.6%
QUIC	201	13	6.6%
Total	2,930	998	
QC Cash		261	
QC	2,930	1,259	43.0%

Dividend Policy

- Each of QC's subsidiaries must maintain a stockholders equity of a minimum of 1.5 times the Minimum Equity Requirement applicable by Law. If there is surplus equity over this amount, it will be distributed as a dividend payment of 50%, as a minimum, and 90%, as a maximum, of that amount.

Our Analysts

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