

Earnings Results

3Q17

QUÁLITAS REPORTS RESULTS FOR THE THIRD QUARTER OF 2017

Mexico City, October 19th, 2017 – Quálitas Controladora, S.A.B. de C.V. (“Quálitas”, “Q”, or “the Company”) (BMV: Q*), announces its unaudited financial results for the third quarter ended September 30th, 2017.

For the cumulative analysis, the variations to the previous year are presented in comparable figures; this means that they do not consider the effect of adoption of Solvency II.

Figures in this document are stated in millions of Mexican pesos except when otherwise specified and may vary due to rounding.

3Q17 Highlights:

Operating figures

- » During the third quarter the Company **opened 6 new ODOs** (Quálitas Development Offices) in Mexico.
- » Additional **insured vehicles** in the quarter amounted to 31,261, reaching a total of 3.8 million units under insurance, figure 13.2% higher than September 2016.
- » At the end of July, Qualitas reached **32.2% of market share** in the Mexican Automobile Insurance Industry.

Income Statement and Balance Sheet

- » **Written premiums** decreased 2.2% caused by the slowdown of new car sales in Mexico and to the strategy of price increases to improve profitability.
- » **Earned premiums** grew 16.3%, increase above the growth in written premiums derived from the release of reserves related to multiannual policies issued in past months.
- » **Claims cost** increased 25.9% during the quarter. This increase was due to weather factors and the number of stolen cars in Mexico. During the quarter 408,734 claims were assisted.
- » **Acquisition cost** decreased 7.3% and **operating expenses** increased 47.7% when compared to 3Q16, caused by the decrease in written premiums, this resulted in lower commissions to Financial Institutions and less policy fees to reduce operation costs.
- » The Company registered a **combined ratio** of 96.7% and an **operating result** of \$144 million, amount 34.9% higher than the one reported in 3Q16.
- » **Integral financing result** amounted to \$522 million, an increase of 30.2% in the quarter, as a result of the assertive investments portfolio management.
- » **Net income** for the quarter was \$475 million, figure 24.1% higher than the amount registered during 3Q16.

Financial highlights and comparative analysis without Solvency II adoption effect

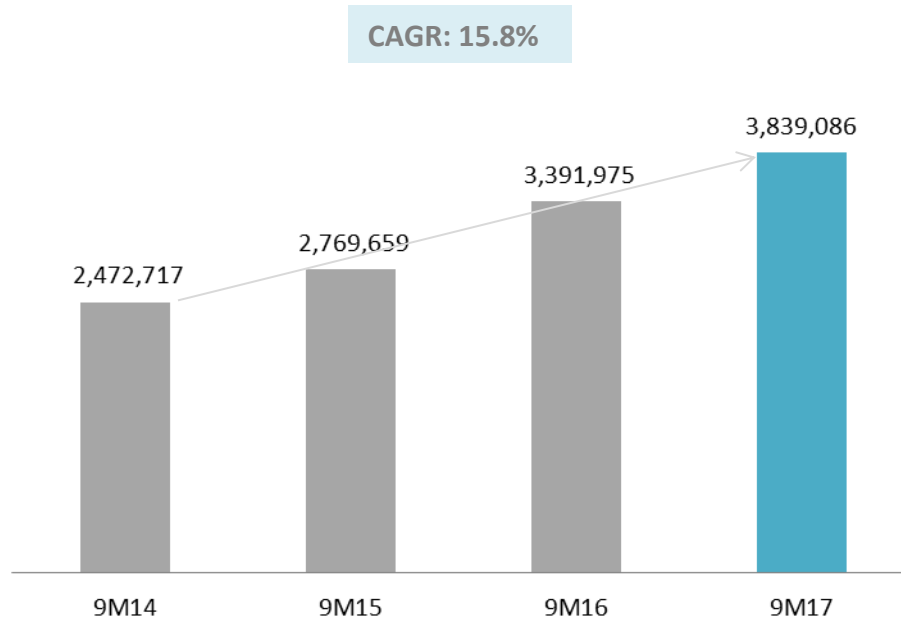
As of January 1st, 2016, Q MX began to operate under Solvency II quantitative models. Due to this change, in the first two quarters of 2016, the company registered an adoption effect that impacted some items of the Financial Statements. For information purposes, a comparison table presenting the main items of the Income Statement and Balance Sheet without the adoption effect is shown hereunder.

INCOME STATEMENT	QUARTERLY			CUMULATIVE			Without SII effect	
	3Q17	3Q16	Δ %/bp	YTD 17	YTD 16	Δ %/pb	YTD 16	Δ %/pb
Written Premiums	7,431	7,598	(2.2%)	24,224	20,958	15.6%	20,958	15.6%
Net Written Premiums	7,354	7,598	(3.2%)	24,087	20,855	15.5%	20,855	15.5%
Earned Premiums	7,055	6,066	16.3%	20,624	16,972	21.5%	16,532	24.8%
Acquisition Cost	1,757	1,897	(7.3%)	5,711	4,969	15.0%	4,969	15.0%
Claims Cost	4,877	3,875	25.9%	14,038	10,109	38.9%	10,421	34.7%
Technical Result	420	294	43.1%	874	1,895	(53.9%)	1,143	(23.5%)
Operating Expenses	276	187	47.7%	563	648	(13.0%)	573	(1.6%)
Underwriting Result	144	107	34.9%	311	1,247	(75.1%)	570	(45.5%)
Integral Financing Result	522	401	30.2%	1,351	784	72.3%	784	72.3%
Investment Income	427	340	25.7%	1,116	623	79.1%	623	79.1%
Income Taxes	192	126	52.5%	440	636	(30.8%)	419	5.0%
Net Result	475	382	24.1%	1,221	1,395	(12.5%)	935	30.7%
Acquisition Ratio	23.9%	25.0%	(106)	23.7%	23.8%	(11)	23.8%	(11)
Claims Ratio	69.1%	63.9%	524	68.1%	59.6%	851	63.0%	503
Operating Ratio	3.7%	2.5%	126	2.3%	3.1%	(77)	2.7%	(41)
Combined Ratio	96.7%	91.3%	543	94.1%	86.5%	763	89.6%	451
Combined Ratio Adjusted ¹	98.0%	98.2%	(28)	98.5%	92.7%	584	96.6%	194
BALANCE SHEET								
Assets	47,519	37,356	27.2%	47,519	37,356	27.2%	37,361	27.2%
Investments	25,146	19,992	25.8%	25,146	19,992	25.8%	19,992	25.8%
Invested Assets, float ²	24,368	19,466	25.2%	24,368	19,466	25.2%	19,466	25.2%
Technical Reserves	30,910	23,799	29.9%	30,910	23,799	29.9%	24,566	25.8%
Total Liabilities	40,597	31,313	29.6%	40,597	31,313	29.6%	31,850	27.5%
Stockholders' Equity	6,923	6,043	14.6%	6,923	6,043	14.6%	5,510	25.6%
PROFITABILITY RATIOS								
Return on Investments	7.5%	7.5%	(6)	6.6%	4.8%	176	4.8%	176
Quarterly ROE	28.3%	26.0%	233	25.0%	33.8%	(872)	23.8%	127
LTM ROE	17.4%	26.4%	(903)	17.4%	26.4%	(903)	18.9%	(156)

1 Adjusted Combined Ratio refers to the sum of the acquisition, claims and operating costs, divided by earned premiums and it is presented for comparison reasons with international indices.

2 Invested Assets, float = investments in debt + overnight + cash + discount and rediscount instruments.

Insured Vehicles



CAGR: Compound Annual Growth Rate

Business Line	sep-17	sep-16	Δ units	Δ %
Automobiles	2,634,211	2,323,333	310,878	13.4%
Trucks	952,001	817,585	134,416	16.4%
Tourists	71,580	91,805	(20,225)	(22.0%)
Motorcycles	101,864	93,550	8,314	8.9%
El Salvador	12,758	11,790	968	8.2%
Costa Rica	48,538	41,006	7,532	18.4%
USA	18,134	12,906	5,228	40.5%
Insured Vehicles	3,839,086	3,391,975	447,111	13.2%

Insured vehicles increased 13.2% when compared to the previous year, reaching a total of 3,839,086 insured units in the portfolio. During the quarter 31,261 additional units were insured, and compares to the 196,568 additional insured units in 3Q17.

The slowdown in insured vehicles corresponds to the deceleration in new car sales in Mexico and a strategy of price increases due to high claims cost.

Written Premiums

Segment	3Q17	3Q16	Δ \$	Δ %	YTD 17	YTD 16	Δ \$	Δ %
Individual	1,839	1,494	345	23.1%	5,514	4,456	1,058	23.7%
Fleets	1,858	1,440	418	29.0%	5,997	4,652	1,344	28.9%
Financial Institutions	3,370	4,177	(806)	(19.3%)	10,861	10,416	445	4.3%
Foreign subsidiaries	363	363	1	0.2%	1,245	946	299	31.6%
Other	1	125	(124)	(99.5%)	608	488	120	24.5%
Total	7,431	7,598	(167)	(2.2%)	24,224	20,958	3,266	15.6%

Period	3Q17	%	3Q16	%	YTD 17	%	YTD 16	%
Annual	4,756	64.0%	4,183	55.1%	15,806	65.2%	12,355	58.9%
Multiannual	2,675	36.0%	3,414	44.9%	8,418	34.8%	8,604	41.1%

Note: Figures of 2016 may vary from those reported before due to a reclassification of accounts.

During the quarter written premiums totaled \$7,431 million, a decrease of 2.2% when compared to the amount recorded in 3Q16.

The \$167 million contraction in the quarter was driven by the decrease of 19.3% in the Financial Institutions segment which is mainly explained by the reduction of 8.4% in the new vehicles sales in Mexico and the strategy of increasing prices to improve profitability.

On the other hand, the Individual segment and Fleets continued to grow and implied a lower acquisition cost than Financial Institutions. Additionally, most of them are annual policies.

In contrast to Mexican sales, which decreased 2.0% and represents 95% of total written premiums, the foreign subsidiaries continued to grow in their local currencies. In the quarter, *Qualitas Insurance Company* showed a growth of 34.6%, Costa Rica 27.5% and El Salvador 7.4%.

Ceded Premiums, Earned Premiums and Reinsurance

The Company registered ceded premiums of \$77 million during the quarter. It is worth mentioning that *Qualitas* holds a catastrophic reinsurance agreement for its subsidiaries.

Earned Premiums

Earned premiums for the quarter totaled \$7,055 million, a growth of 16.3% when compared to the \$6,066 million recorded in 3Q16.

A higher growth in earned premiums when compared to written premiums' growth is derived from the release of reserves related to multiannual policies issued in past months.

Net Acquisition Cost

Net acquisition cost amounted to \$1,757 million, a decrease of 7.3% when compared to the \$1,897 million recorded in 3Q16.

This decrease is mainly explained by lower commissions and compensations paid to Financial Institutions due to a slowdown of sales in this segment.

The acquisition ratio for the quarter was 23.9% compared to the 25.0% registered the same period last year.

Net Claim Cost

Net claims cost reached \$4,877 million during the quarter, an increase of 25.9% when compared to the third quarter of 2016.

The claims coverages with higher increases, in number of claims and in average cost, were total theft and collision. This situation has been a constant during the year. It is worth mentioning that the trend is changing in this quarter, it is slightly better when compared to what has been observed during the whole year.

According to the Coordinator Office of Insured Risks (*Oficina Coordinadora de Riesgos Asegurados*, OCRA, as per its acronym in Spanish) in Mexico, car theft to insurance companies has increased 28% in the period of January to September; figure marginally lower than the 30% reported in the period of January to June.

During the third quarter, collision, theft and medical expenses coverage had shown an improvement because of:

- » Reduction of Financial Institution Agreements in order to send cars and trucks to repair shops instead to a car dealerships, which is more expensive.
- » Physical inspection of high risk units.
- » Agreements with medical providers to get fixed costs for ambulatory patients.

From July to September, Qualitas assisted more than 4,800 claims related to weather events (rains, hurricanes, hail storms and floods) and it has registered reserves for an amount close to 3% of the claims cost of the quarter. On the other hand, the number of claims related to the 7th and 19th of September earthquakes in Mexico, amounted to 563 and the reserve was less of 0.4% of the quarter claim cost.

Claims ratio for the quarter was 69.1%, against the 63.9% recorded during 3Q16.

Operating Expenses

Operating expenses had an increase of 47.7%, totaling \$276 million. This is mainly explained by higher administrative expenses and less revenues from policy fees due to lower premiums sales.

Operating ratio for the quarter was 3.7%, against 2.5% reported in the same period last year.

Depreciation and amortization registered during the quarter increased 28.3%, growing by \$19 million.

Operating Result

Operating profit was \$144 million, figure 34.9% higher than the one reported in 3Q16. The increase is related to the 7.3% reduction in the acquisition cost and the increase of 16.3% in earned premiums that partially compensated the increases in claim costs and operating costs of, 25.9% and 47.7% respectively.

Integral Financing Result

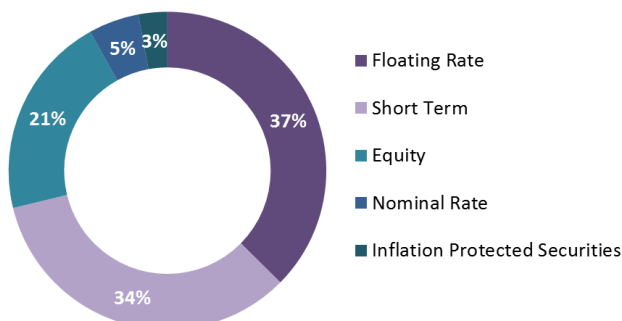
The integral financing result reached \$522 million, a 30.2% growth versus \$401 million registered in 3Q16. This is a result of the assertive investments management and the growth in premiums financial surcharges. This concept is the financial charge to policyholders that choose to pay premiums in installments.

Invested assets or float increased 25.3% when compared to the figure recorded in September 2016. Due to this growth and to the focus of the investment strategy on the stability of the debt portfolio and long-term and value investments in the equity portfolio, the investment income amounted to \$427 million, figure 25.7% higher than the 3Q16.

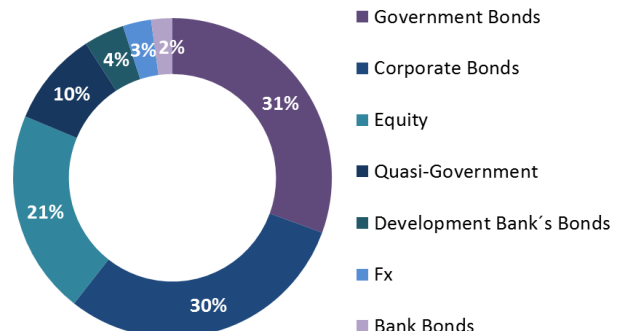
The return on investment for the quarter was 7.5% and 6.6% on cumulative basis, figure lower than the annual objective of Cetes 28 days rate plus 100 basis points.

21% of the portfolio is invested in equities; figure lower than the 35% of the established internal limit.

Portfolio by type of risk



Portfolio by type of issuer



Taxes

During the quarter the Company recorded \$192 million in taxes, an 52.5% increase when compared to the same quarter of the previous year.

Net Result

As a consequence of the increase in operating result of 34.9% and a rise of 30.2% in the integral financing result, the net result registered in the quarter was \$475 million, figure 24.1% higher than the \$382 million recorded in the same period of the previous year.

Investments

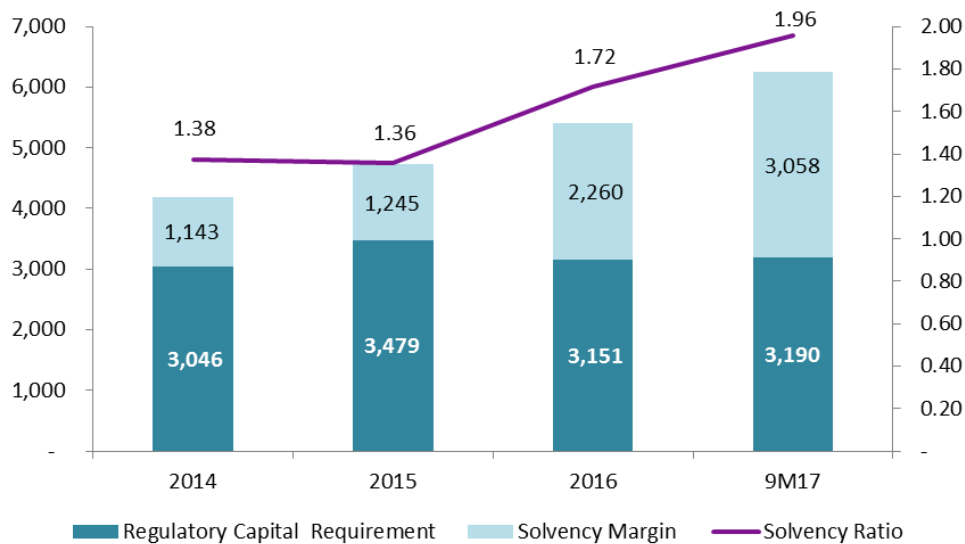
Investments amounted to \$25,146 million, an increase of 25.8%. This item comprises: securities, overnight, cash and cash equivalents, loans portfolio and property.

Technical Reserves

Technical Reserves reached \$30,910 million, an increase of 29.9% as a consequence of a 27.0% hike in unearned premiums and 38.6% in the reserve for outstanding obligations.

Solvency

Quálitas recorded a solvency margin of \$3,058 million, which represents a solvency ratio of 1.96.



Share Buyback Program

	3Q17	3Q16	Δ %
Shares traded in the quarter	4,160,892	5,702,145	(27.0%)
Balance of repurchased shares	9,986,250	10,449,309	(4.4%)

The invested amount in repurchased stocks as of September 2017 was \$285 million. No shares from the buyback program have been canceled.

Sustainability

As recognition to the efforts made in sustainability matters, Quálitas was included in a new creation index, the Dow Jones Sustainability MILA Pacific Alliance Index.

This index is composed of 42 companies, which have the highest sustainability scores given by RobecoSAM in the Pacific Alliance region, including Chile, Colombia, Mexico and Peru.



During the quarter, the company developed some campaigns and initiatives for different stakeholders, the most important were:

- » To support policyholders affected by the earthquakes of September 7th and 19th with the elimination of the applicable deductible.
- » 1x4 Campaign, fundraising campaign in which for each peso donated by employees, agents or Board members, Quálitas contributed with the same amount. The collected amount was sent to a non-profit foundation that also donated one peso per each peso received. Under this structure, \$4.5 million will be used for reconstruction purposes.
- » Within the “Qualitas Road Safety” campaign, Quálitas along with the UNAM, hosted an event in the Universum Museum in Mexico City, of a simulation of an extraction of a person involved in a car accident in which we tried to raise awareness of responsible driving. Pancho Name assisted to the event, he is champion of the Portugal rally and official Qualitas spokesman.
- » Health day programs for the employees of the metropolitan offices.
- » Campaign “September, fulfillment month”, a price reduction in the elaboration of a will was given to employees, and also the Company encouraged the employees to undertake

and finish the courses of Code of Ethics, Money Laundering Prevention and Personal Data Protection in the Quálitas University.

- » Scholarship programs and financial support for summer courses, during July and August, for the children of employees in 9 states of Mexico.

QUALITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Balance Sheet as of September 30th, 2017
 Figures in Mexican pesos

	2017	2016
Assets		
Investments	25,145,880,710	19,991,829,313
Securities and Derivatives Transactions	22,925,143,724	17,806,501,378
Securities	22,925,143,724	17,806,501,378
Government	7,542,313,503	5,528,984,215
Private Companies: Fixed Rate	10,024,195,625	8,357,051,536
Private Companies: Equity	4,289,123,158	3,314,382,954
Foreign	361,936,117	452,927,467
Restricted Securities	721,086,553	153,155,206
Value impairment	13,511,232	-
Derivatives	-	-
Overnight	471,020,912	823,997,210
Loans Portfolio (Net)	426,802,002	281,345,334
Current Loan Portfolio	413,482,925	261,886,312
Non-performing Loan	15,889,746	21,253,288
Loan Loss Provisions	2,570,669	1,794,266
Property (Net)	1,322,914,072	1,079,985,391
Investments Related to Labor Obligations	58,763,942	67,561,683
Cash and Cash Equivalents	659,380,555	644,370,949
Cash and Banks	659,380,555	644,370,949
Debtors	17,946,881,650	13,876,732,162
Premiums	16,905,928,421	12,958,874,433
Premiums P&C Subsidy	-	-
Federal Agencies Debts	124,648,781	78,053,831
Agents and Adjusters	127,300,604	94,474,299
Accounts Receivable	4,695,000	43,908,555
Bonds for Claims Debtors	-	-
Other	868,918,986	787,602,421
(-) Allowance for Doubtful Accounts	84,610,142	86,181,377
Reinsurers and Re-Bonding Companies	90,744,691	112,067,001
Insurance and Bonds Intitutions	7,396,372	2,129,766
Retained deposits	-	856,866
Amounts Recoverable from Reinsurance	84,910,910	110,201,605
(-) Loan Loss Provisions for Foreign Reinsurers and Reinsurance and Bonding Brokers	1,520,898	1,006,124
(-) Provisions for Penalties	41,693	115,112
Permanent Investments	50,175,320	50,174,320
Subsidiaries	-	-
Associates	3,628,481	3,628,481
Other permanent investments	46,546,839	46,545,839
Other Assets	3,567,532,717	2,613,349,057
Furniture and Equipment (Net)	794,611,029	659,127,493
Foreclosed Assets (Net)	-	-
Miscellaneous	2,691,941,401	1,912,087,869
Amortizable Intangible Assets (Net)	51,017,937	42,133,695
Long-lived Intangible Assets (Net)	29,962,350	-
Total Assets	47,519,359,585	37,356,084,485

QUALITAS CONTROLADORA, S.A.B. DE C.V.
Consolidated Balance Sheet as of September 30th, 2017

Figures in Mexican pesos

	2017	2016
Liabilities		
Technical Reserves	<u>30,909,835,190</u>	<u>23,799,431,224</u>
Unearned Premiums	<u>22,669,910,623</u>	<u>17,855,649,700</u>
Property and Casualty Insurance	22,669,910,623	17,855,649,700
Reserve for Outstanding Obligations	<u>8,239,924,567</u>	<u>5,943,781,524</u>
Expired Policies and Claims Occurred Pending of Payment	7,557,823,536	5,342,383,807
Occurred but not Reported and Adjustment Costs assigned to Claims	52,791,957	35,983,182
Deposit Premiums	629,309,074	565,414,535
Reserves Related to Labor Obligations	205,832,268	194,018,711
Creditors	<u>4,985,902,193</u>	<u>3,768,052,465</u>
Agents and Adjusters	1,203,142,520	1,111,080,669
Funds for Losses Management	6,383,137	4,304,584
Bonding for recognition of Liabilities Creditors	-	-
Miscellaneous	3,776,376,536	2,652,667,212
Reinsurers and Re-Bonding Companies	<u>71,930,291</u>	<u>93,287,914</u>
Insurance and Bond Companies	56,020,278	93,287,914
Retained Deposits	15,910,013	-
Funding Obtained	-	-
Other Liabilities	<u>4,423,059,417</u>	<u>3,457,905,773</u>
Provisions for employee profit sharing	219,140,583	205,394,811
Income Tax Provisions	731,279,210	787,980,495
Other Obligations	2,743,568,325	2,085,627,551
Deferred Credits	729,071,299	378,902,916
Total Liabilities	<u>40,596,559,360</u>	<u>31,312,696,086</u>
Stockholders' Equity		
Paid-in Capital		
Capital Stock	<u>2,656,347,700</u>	<u>2,412,356,491</u>
Capital Stock	2,684,887,926	2,684,887,926
(-) Non Subscribed Capital Stock	-	-
(-) Non Displayed Capital Stock	-	-
(-) Repurchased Shares	28,540,226	272,531,435
Earned Capital		
Reserves	<u>287,971,406</u>	<u>446,406,366</u>
Legal	210,935,306	146,406,366
For Repurchase of shares	77,036,100	300,000,000
Other	-	-
Valuation Surplus	69,618,069	20,819,551
Permanent Investments	-	-
Retained Earnings	2,518,511,999	1,562,624,403
Net Result	1,212,670,063	1,384,034,061
Translation effect	130,608,977	177,352,298
Non Monetary Assets Result	-	-
Controlling Interest	6,875,728,215	6,003,593,170
Non-Controlling Interest	47,072,011	39,795,228
Total Stockholders' Equity	<u>6,922,800,225</u>	<u>6,043,388,399</u>
Total Liabilities and Stockholders' Equity	<u>47,519,359,585</u>	<u>37,356,084,485</u>

QUALITAS CONTROLADORA S.A.B. DE C.V.
Consolidated Income statement for the first nine months ended September 30th, 2017
 Figures in Mexican pesos

	2017	2016
Premiums		
Written	24,223,895,598	20,958,055,189
(-) Ceded	<u>136,563,340</u>	<u>103,153,046</u>
Net Written Premiums	24,087,332,258	20,854,902,143
(-) Net Increase of Unearned Premiums Reserve	3,463,411,973	3,882,887,107
Earned Retained Premiums	20,623,920,285	16,972,015,036
(-) Net Acquisition Cost	5,711,372,659	4,968,570,406
Agents Commissions	1,550,265,936	1,255,111,131
Agents' Additional Compensation	306,353,843	262,433,519
Reinsurance and Rebonding Commissions	-	-
(-) Reinsurance Commissions	1,395,618	2,690,342
Excess of Loss Coverage	52,825,709	73,350,413
Other	3,803,322,790	3,380,365,684
(-) Net Claims Cost and Other Contractual Liabilities	14,038,457,495	10,108,611,866
Claims and Other Contractual Obligations	14,038,457,495	10,108,611,866
(-) Losses on non-proportional reinsurance Claims	-	-
Technical Income (Loss)	874,090,130	1,894,832,764
(-) Net Increase in Other Technical Reserves	-	-
Gross Income (Loss)	874,090,130	1,894,832,764
(-) Net Operating Expenses	563,494,430	648,031,260
Administrative and Operating Expenses	-151,824,136	-61,820,194
Employees' compensation and benefits	481,774,589	523,696,353
Depreciation and Amortization	233,543,977	186,155,101
Operating Income (Loss)	310,595,700	1,246,801,504
Comprehensive Financing Result	1,350,629,711	783,865,048
Investments	706,760,459	546,451,999
Sale of Investments	613,598,026	83,278,168
Fair Valuation of Investments	-395,856,959	41,594,260
Surcharges on Premiums	231,536,255	138,813,000
Debt Issuance	-	-
Financial Reinsurance	-	-
Loan Interests	31,607,266	23,487,282
(-) Preventive Penalties for Amounts Recoverable from Reinsura	209,623	1,794,266
(-) Preventive Penalties for Credit Risks	-827,687	1,006,124
Other	187,904,730	40,168,993
Foreign Exchange Rate Fluctuation	-25,538,131	-87,128,264
(-) Monetary Position Result	-	-
Participation in Permanent Investments Result	-	-
Income (Loss) Before Taxes	1,661,225,411	2,030,666,552
(-) Provision for Income Taxes	440,204,481	635,764,223
Income (Loss) Before Discontinued Operations	1,221,020,930	1,394,902,329
Discontinued Operations	-	-
Net Income (Loss)	1,221,020,930	1,394,902,329
Controlling Interest	1,212,670,063	1,384,034,061
Non-Controlling Interest	8,350,866	10,868,268
Net Income (Loss)	1,221,020,930	1,394,902,329

QUALITAS CONTROLADORA S.A.B. DE C.V.
Consolidated Income statement for the third quarter 2017

Figures in Mexican pesos

	2017	2016
Premiums		
Written	7,430,993,178	7,597,604,128
(-) Ceded	77,255,107	-
Net Written Premiums	7,353,738,071	7,597,604,128
(-) Net Increase of Unearned Premiums Reserve	298,515,774	1,531,833,906
Earned Retained Premiums	7,055,222,297	6,065,770,222
(-) Net Acquisition Cost	1,757,472,198	1,896,661,424
Agents Commissions	481,320,121	443,925,973
Agents' Additional Compensation	104,824,562	84,358,217
Reinsurance and Rebonding Commissions	-	-
(-) Reinsurance Commissions	345,844	117,829
Excess of Loss Coverage	4,071,333	25,639,429
Other	1,167,602,025	1,342,855,634
(-) Net Claims Cost and Other Contractual Liabilities	4,877,422,613	3,875,277,257
Claims and Other Contractual Obligations	4,877,422,613	3,875,277,257
(-) Losses on non-proportional reinsurance Claims	-	-
Technical Income (Loss)	420,327,487	293,831,541
(-) Net Increase in Other Technical Reserves	-	-
Gross Income (Loss)	420,327,487	293,831,541
(-) Net Operating Expenses	275,939,182	186,768,618
Administrative and Operating Expenses	7,826,432	-48,369,603
Employees' compensation and benefits	182,023,365	168,051,681
Depreciation and Amortization	86,089,386	67,086,539
Operating Income (Loss)	144,388,304	107,062,923
Comprehensive Financing Result	521,914,624	400,949,544
Investments	252,774,482	206,510,548
Sale of Investments	59,405,973	50,134,203
Fair Valuation of Investments	47,038,600	68,499,200
Surcharges on Premiums	86,936,623	50,153,490
Debt Issuance	-	-
Financial Reinsurance	-	-
Loan Interests	11,158,022	9,069,290
(-) Preventive Penalties for Amounts Recoverable from Reinsura	202,216	314,846
(-) Preventive Penalties for Credit Risks	-504,238	79,673
Other	59,485,686	11,662,801
Foreign Exchange Rate Fluctuation	4,813,217	5,314,531
(-) Monetary Position Result	-	-
Participation in Permanent Investments Result	-	-
Income (Loss) Before Taxes	666,302,929	508,012,467
(-) Provision for Income Taxes	191,776,967	125,726,243
Income (Loss) Before Discontinued Operations	474,525,962	382,286,225
Discontinued Operations	-	-
Net Income (Loss)	474,525,962	382,286,225
Controlling Interest	471,893,708	379,927,478
Non-Controlling Interest	2,632,253	2,358,747
Net Income (Loss)	474,525,962	382,286,225

Glossary of Terms and Definitions

Acquisition Cost: Includes commissions and compensations paid to agents as well as fees paid to Financial Institutions for the use of their facilities (UOF).

Acquisition Ratio: Acquisition Cost ÷ Net Written Premiums

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

Combined Ratio: Acquisition Ratio + Operating Ratio + Claims Ratio

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

Financial Institutions: Financial branch of major automakers and Financial Groups that provide automotive financing.

Claims Cost: Includes costs incurred in the payment of claims: third party liability, theft, repair costs, among others.

Claims Ratio: Claims Cost ÷ Net Earned Premiums.

Multi-annual Policies: Policies with a term greater than 12 months. They are typically issued for the automobiles sold on credit.

Net Earned Premiums: Written premiums registered as income throughout the duration of a policy.

Net Written Premiums: Written premiums less the portion ceded to reinsurance.

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

Operating Ratio: Operating Expenses ÷ Net Written Premiums

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 premiums in installments.

Regulatory Equity Requirement: Is the minimum equity level that an insurance company should maintain, according to legal requirements.

Written Premiums: Premiums corresponding to policies underwritten.

Q CR: Quálitas Costa Rica

Q MX: Quálitas Mexico

Q ES: Quálitas El Salvador

QIC: Quálitas Insurance Company

Solvency Margin: Stockholders' equity – Regulatory Equity Requirement.

Solvency Margin Ratio: Solvency Margin ÷ Regulatory Equity Requirement



We invite you to join us in our **3Q17 Webcast**

**Friday, October 20th
9:00 am Mexico City Time (10:00 am EST)**

Hosted by:

- »Wilfrido Castillo, Head of Investor Relations
- »José Antonio Correa, CFO

For the webcast please enter to the following link:

<https://www.webcaster4.com/Webcast/Page/1164/22814>

To participate by telephone, please dial:

- »Mexico: (01-800) 563-0645
- »US & Canada: (888) 419-5570
- »International Dial-In: (617) 896-9871
- »Passcode #: 611 355 73

The replay will be available on our website after the event

Quálitas (Q) is the largest auto insurance company in Mexico in terms of market share, with operations in El Salvador, Costa Rica and USA. Its specialized business model, based exclusively in auto insurance, has allowed the Company to provide top quality service under the largest network in the country. Quálitas is listed on the Mexican Stock Exchange (BMV) under the ticker “Q” (Bloomberg: Q*: MM).

This document may include forward-looking statements that involve risks and uncertainties. Words such as “estimate,” “project,” “plan,” “believe,” “expect,” “anticipate,” “intend,” and similar expressions may identify such forward-looking statements. The Company wants to caution readers that any forward-looking statement in this document or made by the company’s management involve risks and uncertainties that may change based on various important factors not under the Company’s control. Forward-looking statements relate to the company’s current situation only as of their dates of publication.

Institution	Analyst	E-mail	Target Price	Recommendation
Actinver	Enrique Mendoza	emendoza@actinver.com.mx	36.0 MXN	Buy
BBVA Research			34.9 MXN	Buy
Grupo Bursátil Mexicano	Luis Willard	lwillard@gbm.com.mx	-	-
Interacciones	Martín Hernández	mhernandez@interacciones.com	37.0 MXN	Buy
Merrill Lynch	Ernesto Gabilondo	ernesto.gabilondo@baml.com	43.0 MXN	Buy
Nau Securities	Iñigo Vega	inigovega@nau-securities.com	34.4 MXN	Buy
Signum Research	Armando Rodríguez	armando.rodriguez@signumresearch.com	37.3 MXN	Buy
Ve por Más	José María Flores	jfloresb@vepormas.com	-	-
Bloomberg (consensus)			35.4 MXN	-

Investor Relations Contacts

Mariana Fernández

mfernandez@qualitas.com.mx

T: +52 (55) 1555-6103

Mónica Pérez-Diez

monperez@qualitas.com.mx

T: +52 (55) 1555-6316

Andreina Incandela

aincandela@qualitas.com.mx

T: +52 (55) 1555-6104

www.qualitas.com.mx