Good morning everyone and thank you for joining us today. Last few hours have been tough for us here at Qualitas, so before discussing business specifics, I would like to share some sad news. Joaquín Brockman Lozano, our founder and Chairman of the Board, passed away earlier this morning. Joaquín was a visionary leader, a true innovator who set the foundations for Qualitas; a great sailor who changed the game in terms of service, cost and commercial model.

Beyond his many successes as a businessman, he was as well an extraordinary man who impacted many of us and the whole Insurance industry in many ways. He leaves an example in us as all and in our country.

It is a great loss but be certain that his legacy will continue to guide us. We send our deepest sympathies to his family.

Many of you had the privilege of knowing him, thus I ask that you briefly take a moment in his memory.

As a result of the above, and as communicated in a separate press release, this morning the Board of Qualitas has appointed me, as an intern measure, to assume the role of Chairman and Executive President of Qualitas Controladora, providing continuity to the operation and corporate governance of the company.

Thank you all, now Bernardo will take over to discuss our Q1 results.

Thank you, José Antonio. Good morning everyone and thank you for joining us today in our first webcast of the year; while a little bit late, whishing all of you and your loved ones, the happiest new year blessed with health and success.

There aren´t probably enough nor the right words to describe 2020 in terms of impact to the economy, lives and our daily interaction; simply unexpected and unprecedented. Despite challenges and unknowns, Qualitas came out strong, proving to be resilient, operating uninterruptedly, fulfilling our obligations with policyholders, while protecting the health of employees, clients, and business partners.

Being true to our DNA and business fundamentals we quickly adapted to market needs and dynamics, efforts paid off as we closed the year with very strong results, proving once again our ability to create value for all of our stakeholders. We delivered double digit net profit growth, generated substantial capital above requirements, a 42% ROE well ahead our long term target and international peers and a stellar 31% EPS growth.

While we are super proud and happy of Qualitas performance and celebrate new watermarks across many metrics, we acknowledge results were benefited by events outside our control which led to lockdowns and mobility reduction; these unfortunate restrictions, translated into a significant drop in number of claims; we will give you some specifics along the call, but the one thing we all need to be aware is that our 2020 results should not be taken as a comparable base in the future. And with that said, let me get to the financial specifics:

Starting with our top line, written premiums closed the quarter at $10,701 million which represents a 2.2% decrease vs same period year ago; written premiums for the year stand at $36,057 million, just shy of being flat vs 2019. Considering GDP decline, new car sales collapse of -28% and the Mexico car insurance market decline during the first 9 months of the year of minus 9%, we feel very proud on delivering this top line results.

Earned premiums stand at $9,261 million which represents a 2.2% decrease driven by a lower underwriting and the constitution of technical reserves. Our 12 months earned premiums stand at $36,291 million which represents a 4% or $1,393 million increase vs 2019.

Underwriting result in the 4th quarter reached $1,239 million up +5.2% vs high comparison period of 2019; for the full year we are up 68%. As mentioned, these results were driven by the atypical benefit of lower mobility as well as the continued decline on robberies. Number of claims have sequentially been increasing from its lowest point on AMJ, when they were down over 40%, then down ~30% on Q3 and in the teens during this 4th quarter. While number of claims have gone down, the severity / cost of them has been higher as a result of a mix – more skewed to trucks – and higher speed due to lower traffic. I will expand on the specifics later on.

The comprehensive financial income for the quarter was $713 million, while down 15% YoY, it represents a 7.2% ROI, which is more than 3 percentage points above reference rate. Our year-end result stands at $1, 975 million or - 31% vs YA; both results impacted by the continued reduction of the reference rate, which is down 300 bps. The cumulative return on investments stands at 4.8%, 67 bp below the annual average reference rate.

At year end, our investment portfolio rose to a record high of $35 billion pesos; 89% of it is invested in fixed income and the remaining 11% in equities. As anticipated on our last earnings call, in the current low interest environment, we are seeking to rebalance our portfolio, including higher exposure to equities in both Mexico and international markets where we are starting to invest.

The historically strong underwriting performance together with the financial returns, resulted in a Net Income for the quarter of $1,465 million pesos, down 4.6% vs same period year ago, but still among our best quarters ever. Cumulative Net Income stands at $6,798 million pesos, up + 27% or $1,440 million vs 2019, setting a new record high in Qualitas history.

Regarding our cumulative financial ratios Earnings per Share stand at $16.5 pesos that compares to $12.6 pesos YA. When we take a longer view, earnings per share are 3.5 times what they were 3 years ago for a compounded annual growth rate of 53%.

Our NET MARGIN stands at 13.7% for the quarter and 19% for the year, that compares to 14% and 15% respectively from 2019; Price to Earnings stand at 6.5 and Price Book Value at 2.3.

Our 12 months Return on Equity was 41.7%, well ahead of our long term goals and the overall market performance. When compared against global peers and particularly other insurance business, Qualitas financial ratios stand out and still speak to valuation upside potential.

UNDERWRITING

For a wider understanding of our top line performance, I will go back to our P&L to provide more detail.

As mentioned before, written premiums decreased 2.2% during the quarter and 0.4% during the year. These results are well above the industry, as reflected in the Sep´20 market share results where Qualitas reached 30.5% up 2 percentage points vs YA. This confirms that the actions we have taken since the beginning of the pandemic proved to be effective; as a reminder we implemented a 10% discounts across auto tariffs, interest free installments and tailored plans for large fleets; these actions have already been extended to March 2021.

Breaking our top line by segment, in the fourth quarter our traditional one, which includes our individual and fleets, was up 4% and the financial institutions channel, which correlates directly with new car sales, was down 16%; new car sales decreased 21% during the quarter, slowly recovering first half of the year drop, ending with the already mentioned cumulative fall of 28%.

The total number of insured cars stands at 4.2 million at the end of the year, which represents a 1% marginal decrease when compared to 2019 year-end. Renewing our existing customers has been our #1 priority and we will maintain efforts to do so.

Regarding our underwriting in our geographical subsidiaries, we continue to see broad-based growth, up +13.2% all-in or +6 % in local currencies; while all regions contributed to the results, USA was a standout growing +45% and confirming the potential of the focus on the niche border states. By the end of the year, our geographical subsidiaries represent~ 8% of the holding company, that compares to the 4% they weighted 2 years ago. As José Antonio will mention, subsidiaries will play a bigger role in our future.

As per the mix of annual and multi-annual premiums, by the end of the quarter our portfolio had ~ 79% annual and 21% multiannual policies. This portfolio mix, which relies on annual premiums more than our historical average, increases our ability to react more quickly to market and industry changes with tariff adjustments 3 to 4 times a year. We expect that, as we see economy recovering and new car sales restoring growth, this percentage of multiannual policies will likely go up.

COST

Moving now to costs, in the 4th quarter and year-end combined ratio stands at 83% and 80% respectively; the latter being the lowest one since Qualitas was founded. The adjusted combined ratio, the one that meets international standards, stood at 86.6% and 79.7% respectively.

The fourth quarter loss ratio, stands at 57.7%, in line with last years. During most of the fourth quarter, confinement measures in Mexico were eased and this reflected on mobility; according to Apple mobility figures, 4Q was basically in line vs YA. For the year, loss ratio stands at 51.3%, 8 percentage points below YA and almost 10 percentage points below our past 5 years' average.

To note, we have included in our 4Q claims cost $250 million of "loss ratio bonuses" distributed among agents and office directors due to the mentioned loss ratio results. These bonuses are in place to align the incentives and make our agents and office directors part of our cost control culture, to promote healthy portfolios. Targets of this bonuses are set at the beginning of each year and, this year most of the participants will max out, equivalent to 3X historic average.

Within the loss ratio performance, we also highlight the positive trend on thefts and recoveries, robberies were down 20% and our recoveries were 54%, which represent 8 percentage points ahead of industry. While history shows as economic and unemployment conditions deteriorate, crime increases, we have not yet see that happen in auto theft.

As Einstein once said "In the midst of every crisis, lies great opportunity" and while impossible to predict when mobility will be restored, we know we need to be better and benefit from some of the changes the pandemic has forced us to do. As an example we have the "express claim app" which avoids the need of a claim officer in person, representing 19.3% of the claims attended during the fourth quarter of 2020, this results in a much faster service, thus better experience to the client and potential lower cost to us, a true win-win that was inexistent pre-covid.

Another good example of this is the express lane we've just launched, were we want to immediate repair bumps that only require minor repair work and painting. This can be requested when the damaged parts are 100% repairable, and the vehicles are delivered in 24 hours.

We continue to invest on technology and innovation to prevent accidents and thefts, to reduce fraud, to better set prices, to outstand in service. When it comes to car insurance in Mexico, we are not waiting for the future, we are creating the future.

Moving to ACQUISITION RATIO, we closed the quarter at 19.9%, 100 basis points below last year, for a year-end rate of 21.8%, practically at the same level as 2019. The quarterly drop can be explained by a decrease in the underwriting through our financial institutions, which carry out a higher acquisition cost. Annual ratio stands at the same level as 2019 as no changes in the commissions or bonuses paid to agents and office directors have been made and there are no plans to change them in the near future.

Finally, our OPERATING RATIO stands at 5.3% for the quarter, an increase of 32 bps when compared to same period year ago; 2020 operating ratio stands at 7.0% or 1.3 percentage points above YA. As we have mentioned during the year, the increase is mostly explained by two factors: 1) the "employee profit sharing" account which is linked to the business performance, if we were to exclude it, year-end operating ratio would stand at 4.3%, 50 bp above year ago; and 2) the financial cost behind interest free installments offered to customers, during the pandemic, and as mentioned before, still active. Worth noting as well, when looking at the cumulative operating expenses for the year, we need to consider the $185 million one-time benefit in 2019 for comparison purposes.

SOLVENCY MARGIN

Now, moving to capital requirements and the consolidated Solvency Margin.

The regulatory capital requirement total $2.5 billion pesos by year-end, reflecting lower claims and our portfolio composition. As always, we will continue to apply our internal policy of having 1.5X the regulatory capital requirement to absorb potential fluctuations and as part of our conservative strategy during uncertain and volatile times.

By the end of the quarter the solvency margin was $15.6 billion pesos, that represents a percentage of solvency margin of 718%, which is the highest ever. The overall tone of the business is strong and its momentum continues.

Regarding capital allocation, the philosophy remains unchanged, we are going to be discipline and try to do things that we believe in and are going to maximize value for our shareholders. As we have shared previously, investments will be done consistent to our 3 pillar strategy, which Jose Antonio will expand later on, as well as to fund dividend and share repurchase program. On the latter, which I know is a topic of interest to you all, we will be discussing the matter at the General Shareholders meeting on April; we are excited about the opportunity to return part of this excess capital to our shareholders, doing so in a responsible way to guarantee the funding of the current business, capitalize opportunities of existing and new businesses to sustain attractive growth and returns in the future.

Regarding our current buyback program, from the $1.4 bn pesos fund approved in our last General Shareholders meeting, until December, we have used $728 million and repurchased 8.7 million shares.

In terms of our stock´s liquidity, the daily average traded amount operated during the year was above $3.5 million dollars; and we improved 6 places in the marketability index, moving from position 29 at the beginning of the year, to number 23 by year-end.

As a result of the efforts to incorporate ESG criteria to the daily operation, Qualitas was selected to join the MILA Dow Jones Sustainability Index, which adds as the fourth incorporation to an index during 2020; together to our historical entry to the IPC index in April this year.

And with that, I will now hand it over to José Antonio for him to tell us how is it that we plan to keep Qualitas on the winning path.

Thank you, Bernardo. As you well said, in one of the most challenging years the world has ever seen, Qualitas results were nothing short of extraordinary, and we are very proud and happy about it.

Before talking about the future and expectations towards 2021, let me highlight some of the aftermath of the first 9 months of the pandemic in our key market, Mexico: GDP will decrease between 8-9%, which is unprecedented, over 3.3 million of people will be unemployed, over 1 million businesses closed, tourism declined 47% and beyond all, despite there is a vaccine, there is absolute uncertainty on a timeline that will allow people to move, travel, gather socially or for business purposes…. net, while there is light at the end of the tunnel, seems it is a very long tunnel.

With such an environment it is quite challenging times to forecast the near term, and even when we assess performance each quarter, we play for the long term, we strive to make decisions that will deliver sustainable results, and with that in mind what takes more relevancy is to know where we are headed and how to get there. Today, we once again reaffirm our strategy that we discussed a year ago; is working and we are staying on that path, adjusting to new realities but not shifting course. As a reminder our 3 pillar strategy is:

1) Strengthening our core, which has been and will continue to be vehicles insurance in Mexico. We will stay true to our business model, having the best in class service, and a strict control

policy; we will invest to leverage technology and will not be shy on innovating to cope with new market trends and needs.

2) Accelerate profitable growth in our subsidiaries. As mentioned by Bernardo, during this year our subsidiaries grew 39%, being an engine of growth. While they all play in markets that have been affected, they are gaining share in a profitable way. Today they represent ~8% of the business, but believe they would represent 15-20% in a few years.
3) Third and last, continue exploring new business opportunities. We have mentioned our intention to expand our service to other business lines, we are making progress and we expect to issue our first premium during 2021. We are also open to an M&A, as long as there is certainty it will create value to stakeholders; on this regard let me reassure you that we are working but in no rush to make a decision; actually, we have concluded two processes without reaching a deal, either because of valuation expectations or because we did not see it would be accretive to our business. On this one, we do believe that “no deal is always better than a bad deal”.

We are investing behind those pillars, but current times call for a couple of “boosters” to our strategy, specifically: agility, flexibility and innovation. Let me expand on them as I truly expect them to be catalyst:

Agility and Flexibility – Qualitas has been able to exponentially grow and become institutional, but without turning into a bureaucracy machine. We proud ourselves to always seek and listen our agents and policyholders needs´ and to have the ability to quickly take decisions that are quickly implemented. We have strict control and compliance policies, but remain flexible to adjust. In a changing environment to adapt, decide and move, is more relevant than ever. We are good, but we can be better and we are working on that.

Innovation and technology – even before we became market leaders, we have been setting the tone in the market regarding technological & products innovations. We acknowledge this is a never ending journey, and we need to keep up with the market new dynamics and our policyholders needs. We are aware what is happening and what is available globally, we assess and then decide what makes sense to our markets needs and dynamics, creating value to our agents and customers; these differentiators allow a decision not only be based on pricing. To go further and faster, we are streamlining the selection and implementation.

Going back to discussing our 2021 objectives, with so much uncertainty right now, where is hard to predict the next 90 days let alone the next 12 months, we see no grounds to provide a guidance that will be solid, but what I can share some thoughts on the future and the certainty that we are focused on delivering another strong year:

We are expecting to perform premiums growth ahead of the market, which will be highly correlated with GDP, new car sales and employment recovery. This, together with the effect of the tariffs, which they continue to reflect the decreases taken since the beginning of the pandemic and will only be adjusted as we see claims going up, will determine our growth.

As per cost, what we can expect is acquisitions and operational cost to be in line with historic averages, with claim cost being the biggest driver, and the biggest unknown. As mentioned before, mobility and number of claims, while increasing, they are still down vs pre-covid. Exchange rate, which correlates with spare part cost, has recovered but not exempted from volatility.

Seeing kids going back to school, people back in restaurants, airports and hotels is something we cannot yet put a date but we know will happen, and personally, want to see it happen. But we do not know what we do not know, thus every month we review, assess and adjust. What I can tell you, when it comes to claim cost, and while we continue to look for ways to reduce it, we consistently plan against a claims ratio of 59-64%.

On our Investment Portfolio, global benchmark interest rates are at their lowest ever, with Mexico being no exception; we expect that they will remain low and therefore will adjust our portfolio, and while we will remain overall conservative, the equity position will likely increase. On this key component of our profitability, we have set a target to deliver between 100-150 basis points ahead of reference rate.

Independently of the above, and going back to our mid-long term ROE guidance, we are holding it at the range of 20-25%.

Equally important to delivering strong financial results is to continue on our journey of becoming a world class ESG company. As I have mentioned before, being the leader is no longer a matter of size, capital or profit, it goes beyond, it is much more complex. It requires our culture and daily actions to reflect our commitment towards Environmental and Social matters, and to strengthen everything related to our Corporate Governance. Having joined the Dow Jones Sustainability MILA Index as well as the S&P Total Mexico ESG were certainly important steps, but not the end point; this is a long journey to which Qualitas reassures its commitment towards being the best insurance Company not only in Mexico, but for Mexico.

To wrap it up let me thank our agents, investors, policyholders who have trusted us and all of our Qualitas employees and business partners for delivering such a strong year. Moving forward, we acknowledge challenging times, and know that we need to keep up the good work, playing to our strengths. I am excited about the future and confident on our ability to continue exceeding expectations.

And with that I close my remarks, Operator could you please open the line for questions now?.