

Quálitas®



# EARNINGS RESULTS

1<sup>st</sup> Quarter 2025

# WEBCAST



## RESULTS 1Q25

**Qualitas Controladora S.A.B. de C.V.**

cordially invites you to its first quarter 2025 earnings results conference call.

Hosted by:

Ing. Jose Antonio Correa,  
Chief Executive Officer QC

Ing. Roberto Araujo,  
Chief Financial Officer QC

Date:

Wednesday 23<sup>rd</sup> of April  
2025

Hour:

08:00 a.m. MXT  
(10:00 a.m. EST)

Zoom webcast ID: 848 9554 7572

[https://us06web.zoom.us/webinar/register/WN\\_zcVAXtw9RjG\\_15MuecuQKQ](https://us06web.zoom.us/webinar/register/WN_zcVAXtw9RjG_15MuecuQKQ)

The report and presentation will also be available at:

<https://qinversionistas.qualitas.com.mx/informacion-financiera/reporte-trimestral>

# QUALITAS REPORTS 1Q25 RESULTS

**Mexico City, April 22<sup>nd</sup>, 2025** – Qualitas Controladora, S.A.B. de C.V. ("Qualitas", "Q", or "the company") (BMV: Q\*), announces its unaudited financial results for the first quarter of 2025.

Figures in this document are stated in millions of Mexican pesos except when otherwise indicated and many vary due to rounding and/or consolidation.

## Highlights

- During the first quarter of the year, written premiums grew as expected, increasing 12.0% or \$2,018 million-pesos vs 1Q24. While growth continues, a slowdown is being observed, in line with expectations for this year.
- We reached a historical all-time high of +5.9 million insured units at the beginning of the year, an increase of 157 thousand units vs 2024 and 366 thousand units vs 1Q24.
- Earned premiums for the quarter grew by 17.8% compared to 1Q24. Reserve provisions totaled \$1,894 million during the quarter, representing a decrease of \$599 million versus 1Q24, in line with the stabilization in premium growth.
- The quarterly loss ratio stood at 59.7%, below our target range. This performance reflects the seasonality of the business, a decrease in claims frequency, and the absence of weather-related events that typically occur during the second half of the year. In our main subsidiary, Mexico, the loss ratio was 58.2% for the quarter, highlighting a continued downward trend.
- The quarterly combined ratio closed at 88.2%. Focusing solely on Mexico, quarterly combined ratio closed at 85.6%.
- The quarterly comprehensive financial income stood at \$1,533 million. The investment portfolio reached a quarterly ROI of 10.8%. By the end of the period, the portfolio reached \$51,201, with 86.7% allocated in fixed income with a duration of 1.87 years.
- Quarterly net result stood at \$2,145, representing a growth rate of 73.3% vs 1Q24. The 12-month EPS was \$15.1, and the 12-month ROE stood at 24.2%.
- By the end of the quarter, there are ~5.4 million shares under treasury with a remaining share buyback fund of more than \$555 million pesos.
- For the shareholders' meeting scheduled for April 29<sup>th</sup>, 2025, it is proposed the renewal of the share buyback fund of MXN \$800 million, along with a proposed dividend payment of MXN \$10 per share.
- Our regulatory capital stood at \$5.6 billion, with a solvency margin of \$14.7 billion pesos, equivalent to 362% solvency ratio



**5,893,990**  
Insured Units



**+12.0%**  
Written premium growth  
1Q24 vs 1Q25



**34.1%\***  
Market share leader since  
2007



**24.2%**  
12M ROE



**11.4%**  
1Q24 Net margin



**\$2.65**  
P/BV

## QUALITAS IN FIGURES



**\$15.1**  
12M EPS



**\$11.8**  
P/E



**575**  
Services offices: 230  
ODQ'S: 345



**\$51,201**  
Invested assets, Float MM  
MXN



**7,207**  
Employees



**~23,800**  
Agents

\* Market share in Mexico as of December 2024, AMIS

## FINANCIAL HIGHLIGHTS 1Q25

Income Statement	1Q25	1Q24	Δ %/bp 25 vs 24
Written premiums	18,822	16,804	12.0%
Net written premiums	18,727	16,786	11.6%
Earned premiums	16,833	14,293	17.8%
Acquisition cost	4,152	3,577	16.1%
Loss cost	10,055	9,156	9.8%
<b>Technical result</b>	<b>2,626</b>	<b>1,560</b>	<b>68.4%</b>
Operating expenses	1,181	679	73.9%
<b>Underwriting result</b>	<b>1,445</b>	<b>881</b>	<b>64.1%</b>
Comprehensive financial income	1,533	1,058	44.8%
Investment income	1,349	937	43.9%
Income Taxes	833	701	18.8%
<b>Net result</b>	<b>2,145</b>	<b>1,238</b>	<b>73.3%</b>
<b>Cost ratios</b>			
Acquisition ratio	22.2%	21.3%	86
Loss ratio	59.7%	64.1%	(433)
Operating ratio	6.3%	4.0%	223
Combined ratio	88.2%	89.4%	(123)
Combined ratio adjusted*	91.4%	93.8%	(242)
<b>Profitability ratios</b>			
Return on investments	10.8%	8.9%	189
ROE for the period	33.3%	22.3%	1,095
LTM ROE	24.2%	19.1%	511

\* This refers to the sum of acquisition costs, claims incurred, and operating expenses, divided by earned premiums. The ratio is presented to facilitate comparison with international benchmarks.

Balance Sheet	2025	2024	Δ %/bp 25 vs 24
Assets	110,562	93,156	18.7%
Investments & Real Estate	54,809	46,923	16.8%
Invested assets or float**	51,201	44,393	15.3%
Technical reserves	61,561	51,255	20.1%
Total liabilities	83,719	70,360	19.0%
Stockholders' equity	26,843	22,796	17.8%

\*\*Invested assets or float: investments in debt + overnights + loans portfolio



## WRITTEN PREMIUMS

Business line	1Q25	1Q24	$\Delta$ %/bp 25 vs 24
Traditional	12,639	11,624	8.7%
<i>Individual</i>	7,719	6,361	21.4%
<i>Fleets</i>	4,920	5,263	(6.5%)
Financial institutions	5,170	4,237	22.0%
Foreign subsidiaries	987	927	6.5%
<b>Total</b>	<b>18,822</b>	<b>16,804</b>	<b>12.0%</b>

Written premiums by foreign subsidiaries may include differences due to the exchange rate effect. Variation in 2024 figures reported due to changes in the consolidation of intercompany operations.

During the first quarter of 2025, written premiums totaled \$18,822 million, representing a 12.0% increase compared to the same period in the previous year. In line with recent trends, annual premium growth was primarily driven by the traditional segment, which accounts for approximately 67.2% of total business, posting an 8.7% increase versus 1Q24. Within this segment, the individual business stood out, with a notable 21.4% growth during the quarter.

Regarding the fleet segment, comparison base may distort growth rate due to multi-annual policies issued at the end of 2024 that corresponded to 1Q25. Excluding this effect, the segment would have posted a ~5% growth.

As for the special business segment, despite a modest 1.2% increase in sales of new light and heavy vehicles during the first quarter, this segment achieved a solid 22.0% year-over-year growth. Important to consider that AMDA does not record yet all existing brands in the market, particularly Chinese ones, so the actual figures could be higher than those currently reported.

Regarding written premiums from international subsidiaries, these reported \$984 million written premiums, representing a 6.1% increase vs 1Q24. Focusing solely on our LATAM subsidiaries, their quarterly issuance grew by 28.4%, in line with our strategic objectives.

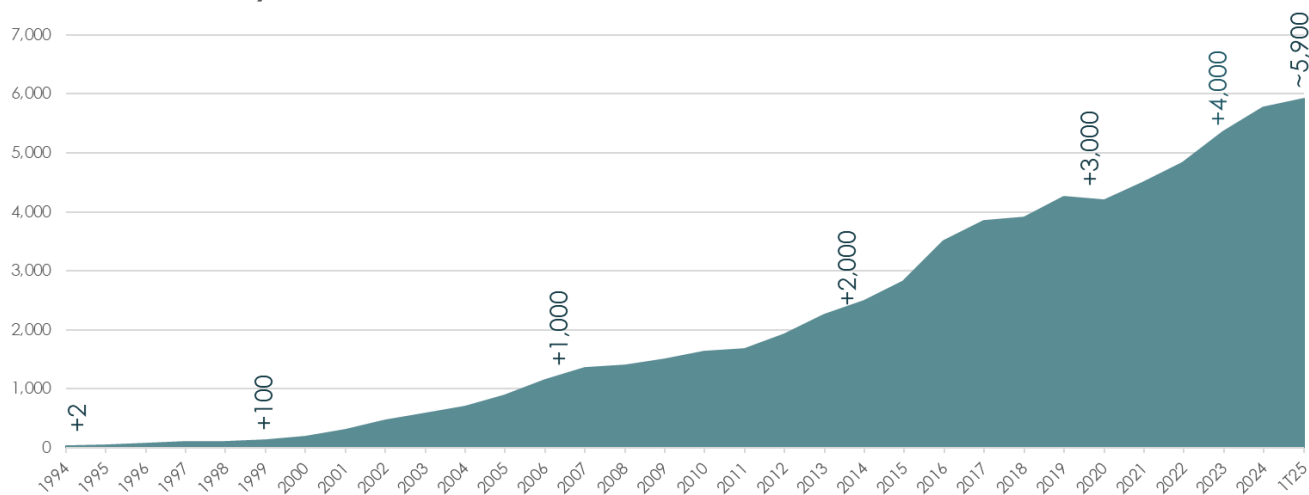
As previously mentioned, our subsidiary in the U.S. has a strategy focused on changing the composition of its portfolio. The portfolio has decreased the domestic business from 5% at the end of 2024 to 0% this last quarter, while the border/binational business represents 55% and the remaining balance includes the PPA business.

## INSURED UNITS

During 1Q25, insured units historical record was once again surpassed, closing the quarter with +5.89 million. This translates into an increase of 366 thousand units or +6.6% more compared with the previous year, and 157 thousand units or ~2.7% compared to the immediate previous quarter. We are keeping a solid compound annual growth trend of 8.2% over the last 5 years.

### 5,893,990 Insured Units

CAGR of the last 5 years: +8.2%



Light vehicle sales grew by +3.3% this quarter when compared to 1Q24, having sold a total of 365,025 units; meanwhile, heavy equipment sales decreased by 27.7% compared to 1Q24. This resulted in a +1.2% increase in the total number of new units sold during 1Q25.

Insured units are distributed as follows:

	1Q25	4Q24	Δ%	1Q24	Δ%
Mexico	5,634	5,482	2.8%	5,279	6.7%
Automobiles	3,837	3,720	3.1%	3,557	7.9%
Trucks	1,407	1,360	3.5%	1,327	6.1%
Motorcycles*	389	402	(3.1%)	395	(1.5%)
El Salvador	43	40	7.1%	35	23.6%
Costa Rica	128	128	0.3%	123	3.8%
USA	26	27	(5.7%)	36	(28.6%)
Peru	64	60	5.8%	55	16.8%
<b>Insured vehicles</b>	<b>5,894</b>	<b>5,737</b>	<b>2.7%</b>	<b>5,528</b>	<b>6.6%</b>

\*Motorcycles include motorcycles and foreign RC

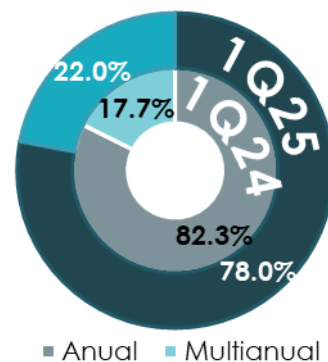
From 1Q25, foreign and cross-border vehicles are classified in their respective segment (automobiles and trucks).

## EARNED PREMIUMS

During the first quarter, earned premiums closed at \$16,833 million, which represents a 17.8% increase vs 1Q24, above the growth in written premiums.

This growth is primarily explained by the actuarial reserve provisions, which align with the company's premium growth, seasonal patterns, and the low claims ratio observed in the first quarter, as well as the current portfolio mix.

By the end of April, 78.0% of the portfolio underwriting was constituted by annual policies and 22.0% by multiannual policies.



## ACQUISITION COST

Acquisition costs closed the quarter at \$4,152 million, resulting in an acquisition ratio of 22.2%. This figure stands slightly above the historical and target range, mainly due to the increase in the special segment, which carries higher commissions compared to other business lines.

It is important to highlight that there have been no changes in the commissions paid to agents and/or financial institutions, and that they are related to sales volume; and in the case of agents, they are also related to the profitability of their portfolios.

## LOSS COST

Loss cost and loss ratio for 1Q25 was \$10,055 million and 59.7%, respectively. This reflects a notable improvement of 433 percentage points compared to the same quarter last year.

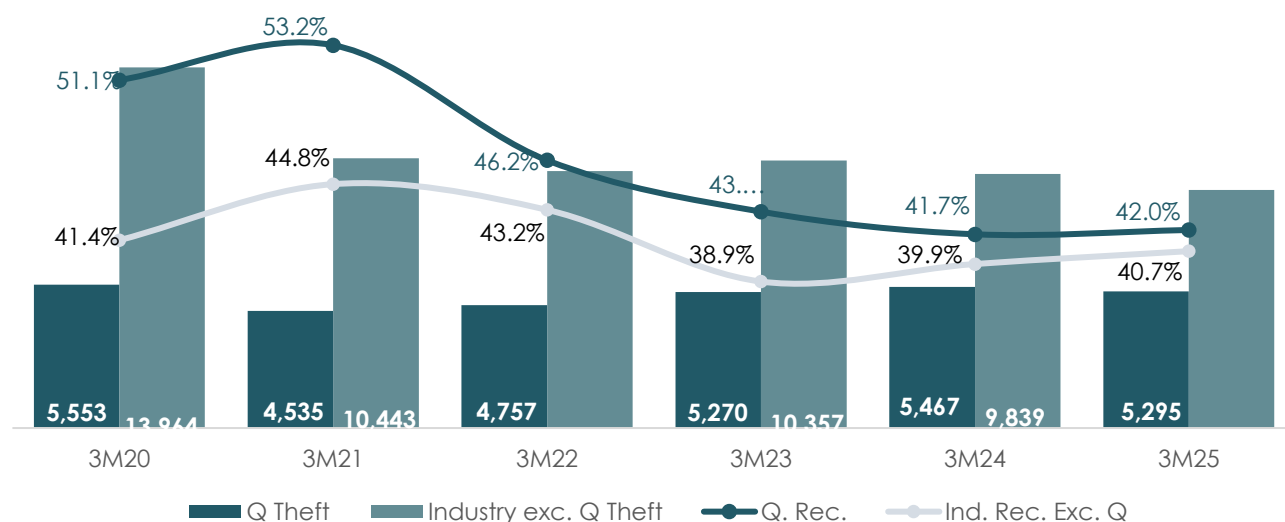
The first quarter of 2025 saw a substantial improvement in the loss ratio, primarily driven by a decline in claim frequency. However, it is important to note that this indicator is subject to marked seasonality throughout the year; historically it is observed that there is a lower claim frequency during the first half of the year, while the second half tends to see an increase due to weather-related events.

In our main subsidiary, Mexico, the loss ratio stood at 58.2% for the quarter, 403 basis points lower than the same period last year and below our target and sustainable range of 62% to 65%. Notably, the heavy equipment portfolio reported a 5-pp improvement in its loss ratio, reflecting the company's ongoing efforts to implement data-driven risk prevention technologies and enforce strict cost-control discipline.

Additionally, the quarterly claims' frequency stood at 6.6%, slightly below the level observed in 1Q24. Meanwhile, the theft of insured vehicles in Mexico declined by -3% for Quálitas and -6% for the rest of the industry. Qualitas recovered 42.0% of its stolen units, higher than the recovery rate reported by the rest of the industry of 40.7%. Vehicle thefts accounted for approximately ~15% of the company's total claims cost, consistent with the proportion seen in 1Q24.



General inflation in Mexico continued its stabilization trend, closing the quarter at 3.8%, while core inflation stood at 3.6%. In contrast, inflation related to auto parts, replacements, and labor reached 7.5%. This translated into a 2.3% increase in the average cost of claims handled compared to the same period last year.



## OPERATING EXPENSES

Operating expenses for the quarter reached \$1,181 million, resulting in an operating ratio of 6.3%, a 223 basis point increase compared to the same period last year. This increase reflects provisions for incentives granted to service offices, which are tied to their growth and profitability, as well as a 30.6% quarterly increase in the employee profit-sharing provision (*PTU* per its acronym in Spanish), linked to the company's profit growth. While stronger results translate into higher incentives for our commercial force, the impact of this increase on the combined ratio is compensated with the reduction in the loss ratio.

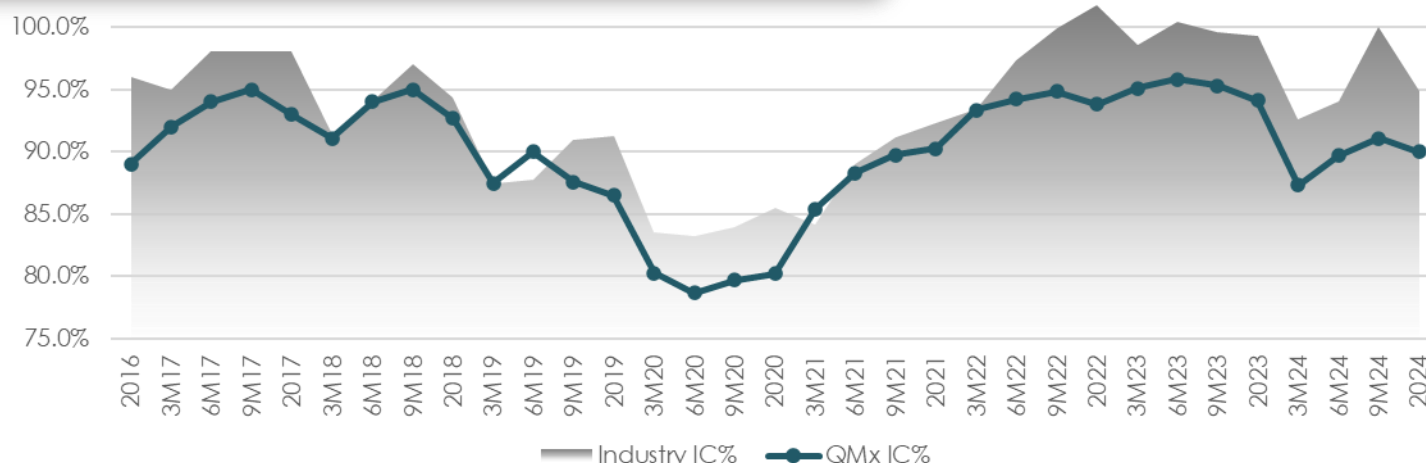
By regulation, the employees' profit-sharing provision is included in the operating expenses. If we were to exclude its effect, the operating ratio would have closed the quarter at 4.8%.

## UNDERWRITING RESULT

As of March 2025, the company reported an operating result of \$1,445 million, with an operating margin of 8.6%. The combined ratio for the quarter stood at 88.2%, reflecting an improvement of 243 basis points compared to 1Q24 and remaining below our target range.

According to the latest available figures from AMIS, as of December 2024, the auto insurance industry in Mexico—excluding Qualitas Mexico—reported a combined ratio of 97.2%. Qualitas stood out with a combined ratio of 90.0%, representing a significant advantage of 7 percentage points over the rest of the industry.

## MEXICO COMBINED RATIO



Source: Combined ratio; AMIS, information as of December 2024.

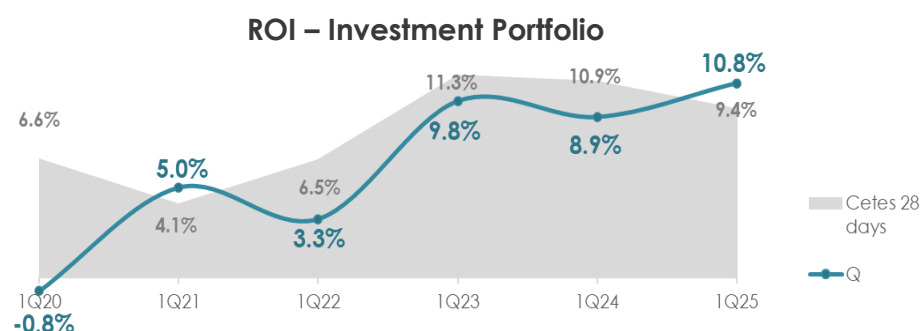
## COMPREHENSIVE FINANCIAL INCOME

During 1Q25, the reference rate in Mexico decreased gradually, standing at 9.0%, compared to 11.25% at the end of 1Q24. The average rate for 28-day CETES for the quarter was 9.4%.

By March-end, 86.7% of the portfolio was allocated in fixed income and the remaining 13.3% in equity. It is important to highlight that ~16% of the total portfolio is geographically allocated to comply with the regulatory capital requirements of our international subsidiaries.

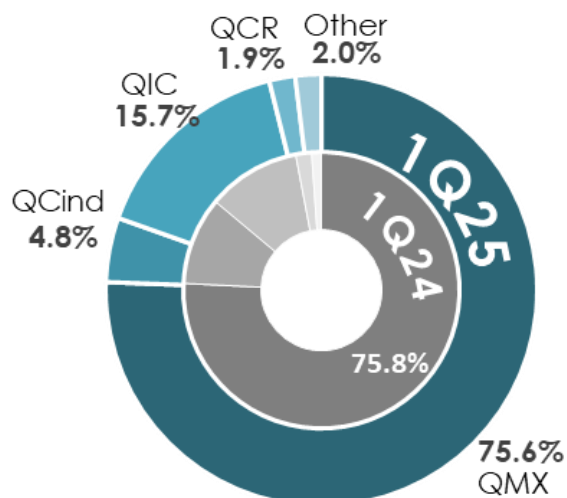
As had been previously mentioned, our investment strategy throughout 1Q25 prioritized fixed income due to the benefits of current interest rate levels, aiming to start the year with a duration of approximately ~1.9 years. In terms of equity investment, it remains mostly indexed to global ETFs, although it was impacted by volatility across all global markets. Unrealized gains from our fixed-income portfolio offset the unrealized losses from the equity portfolio.

Considering the above, the quarterly comprehensive financial income closed at \$1,533 million. The investment portfolio reached a 10.8% quarterly ROI. It is worth noting that 1Q25 unrealized gains amounted to ~\$100 million. Considering all positions at mark-to-market, ROI would have been 11.4% for the first quarter of 2025.

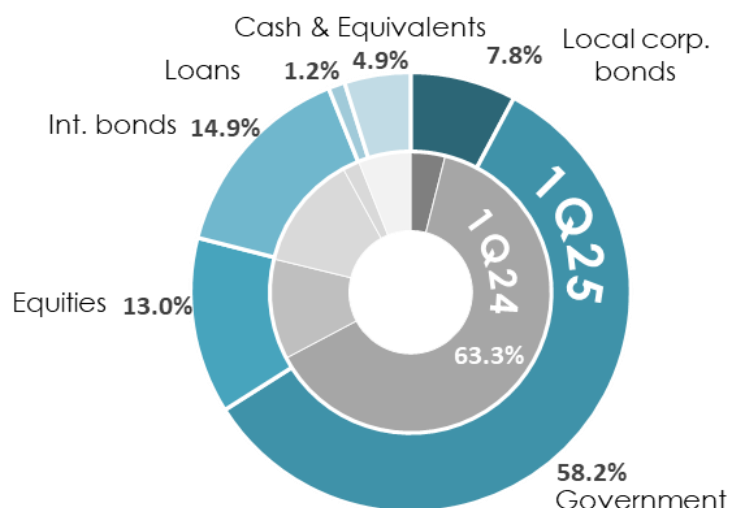


## PORTFOLIO ALLOCATION

### → By subsidiary



### → Total








## NET RESULT

Net income for the quarter reached \$2,145 million, representing a 73.3% increase or \$907 million year-over-year, making 1Q25 the second-best quarter in Quálitas' history, only behind 2Q20. The effective tax rate for the quarter stood at 28.0%. Additionally, we reported a quarterly net margin of 11.4%. The 12-month ROE stood at 24.2%, comprised of a 9.3% operating ROE and a 15.0% financial ROE.

## SUBSIDIARIES AS OF 1Q25

International subsidiaries (geographic) represented 5.2% of the company's total written premiums:

	% Written premium QC	Market share
 <b>MEXICO</b>	94.7%	34.1%
 <b>USA</b>	1.5%	NA
 <b>PERU</b>	0.9%	7.8%
 <b>COSTA RICA</b>	2.2%	32.6%*
 <b>EL SALVADOR</b>	0.6%	13.9%

International subsidiaries had a total underwriting of \$984 million for 1Q25, an increase of 6.5% compared to 1Q24.

This quarter, our subsidiary in El Salvador stood out with a 75.6% growth in written premiums, accompanied by a healthy loss ratio.

In line with the strategy communicated in previous quarters, the U.S. subsidiary continues with its intentional slowdown in the domestic business, retaining only those segments that contribute positively to the company's profitability.

LATAM subsidiaries recorded written premiums of \$701 million during 1Q25, representing a 28.4% year-over-year increase.

Together, our international subsidiaries and verticals reported written premiums and sales of \$1,426 million during 1Q25, representing a 32.5% quarter-over-quarter increase.

\* Source: SUGESE, information as of February 2025.

In the table below, our subsidiaries underwriting and sales performance:

	Written premium		Δ %
	1Q25	1Q24	
Q ES	122	70	75.6%
Q CR	411	359	14.5%
Q IC	286	381	(25.0%)
Q P	164	117	40.3%
Q Col	03	00	NA
Vertical*	439	149	194.4%
<b>Total</b>	<b>1,426</b>	<b>1,076</b>	<b>32.5%</b>

\*Excludes intercompany operations & includes QSalud, Autos y Salvamentos, O&T and Activos

## TECHNICAL RESERVES

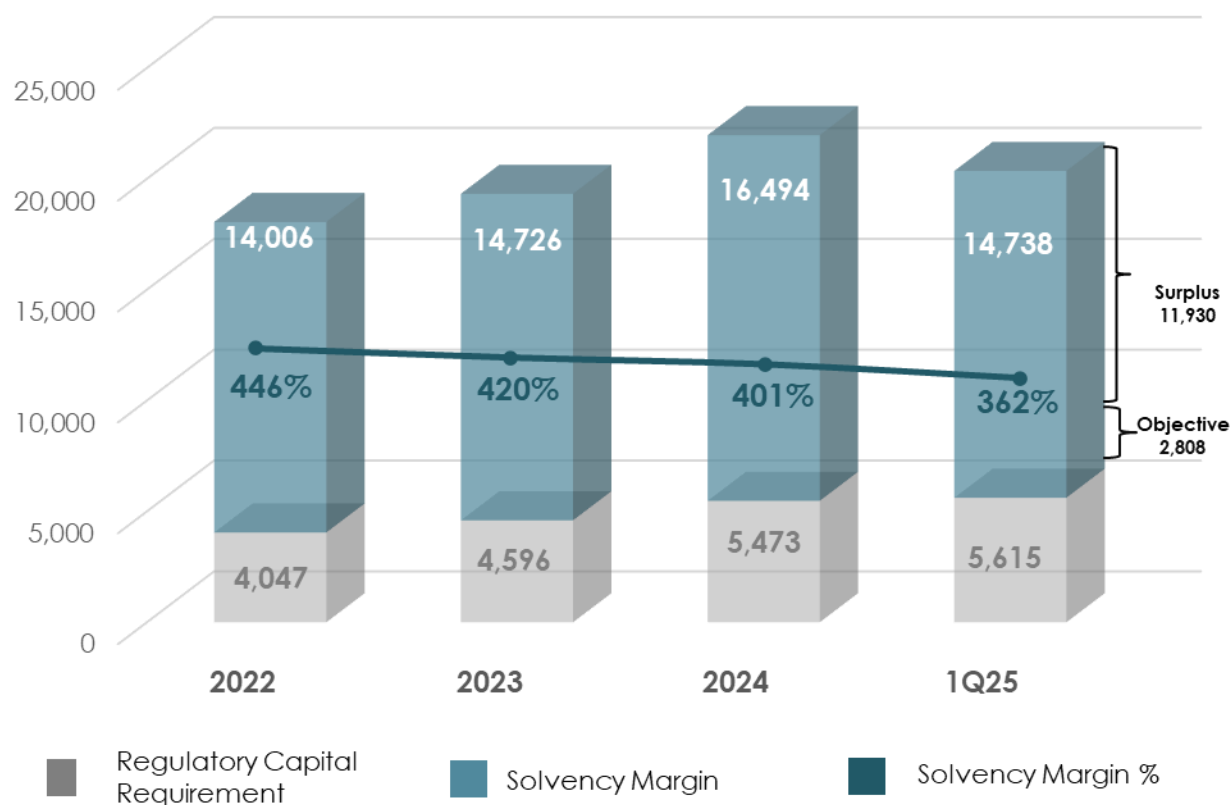
During the first quarter of 2025, the company constituted reserves totaling \$1,894 million, reflecting the stabilization in premium growth and the lower claims ratio observed during the period. This amount represents \$599 million less than in 1Q24.

The company's technical reserves stood at \$61,561 million at the end of March 2025, a growth of \$10,306 million vs the same period the previous year.

## SOLVENCY

The regulatory capital requirement stood at \$5,615 million by March's end, with a \$14,738 million solvency margin, equivalent to a solvency ratio of 362%.

Our capital allocation strategy will continue to focus on: 1) strengthening our leadership in Mexico, 2) accelerating the growth of our subsidiaries, and 3) expanding our service to new business lines within the insurance ecosystem.



Note: 2024 Solvency data reflect consolidated data.



**QUALITAS CONTROLADORA, S.A.B. DE C.V.**  
**Consolidated Balance Sheet as of March 31st 2025 & 2024**  
Figures in Mexican pesos

	2025	2024
<b>Assets</b>		
<b>Investments</b>	<b>54,809,268,459</b>	<b>46,922,619,112</b>
<b>Securities and Derivatives Transactions</b>	<b>50,519,759,418</b>	<b>43,598,325,928</b>
<b>Securities</b>	<b>50,519,759,418</b>	<b>43,598,325,928</b>
Government	40,057,441,711	36,041,599,763
Private Companies: Fixed Rate	3,496,138,072	2,059,607,656
Private Companies: Equity	4,560,022,306	5,540,254,282
Foreign	2,435,173,392	0
Dividends Receivable on Capital Securities	-	-
(-) Value Impairment	29,016,063.0	43,135,773.1
Securities given in Loan Investments	-	-
Restricted Securities	-	-
<b>Derivatives</b>	-	-
<b>Overnight</b>	89,949,225	41,181,418
<b>Loans Portfolio (Net)</b>	<b>591,402,322</b>	<b>753,844,857</b>
Current Loan Portfolio	693,535,965	825,004,532
Non-performing Loan	30,471,245	31,007,636
(-) Loan Loss Provisions	132,604,889	102,167,311
<b>Property (Net)</b>	3,608,157,495	2,529,266,909
<b>Investments Related to Labor Obligations</b>	103,983,372	93,909,771
<b>Cash and Cash Equivalents</b>	<b>2,789,668,464</b>	<b>2,919,747,470</b>
Cash and Banks	2,789,668,464	2,919,747,470
<b>Debtors</b>	<b>43,216,427,563</b>	<b>33,554,887,701</b>
Premiums	41,256,109,345	32,221,859,535
Premiums P&C Subsidy	-	-
Federal Agencies Debts	109,471,897	33,751,680
Agents and Claims Officers (Adjusters)	235,773,998	157,469,355
Accounts Receivable	-	-
Bonds for Claims Debtors	-	-
Other	1,761,275,829	1,277,049,747
(-) Allowance for Doubtful Accounts	146,203,505	135,242,616
<b>Reinsurers and Re-Bonding Companies</b>	<b>280,982,702</b>	<b>325,684,850</b>
Insurance and Bonds Institutions	53,196,676	39,313,052
Retained deposits	-	-
Amounts Recoverable from Reinsurance	232,454,672	289,062,172
(-) Loan Loss Provisions for Foreign Reinsurers	899,182	2,643,558
Reinsurance and Bonding Brokers	-	-
(-) Provisions for Penalties	3,769,464	46,816
<b>Permanent Investments</b>	<b>47,220,660</b>	<b>47,269,660</b>
Subsidiary	-	-
Associates	-	-
Other permanent investments	47,220,660	47,269,660
<b>Other Assets</b>	<b>9,314,511,430</b>	<b>9,292,036,665</b>
Furniture and Equipment (Net)	1,529,277,174	1,236,524,653
Foreclosed Assets (Net)	-	-
Miscellaneous	7,395,235,185	7,696,462,255
Amortizable Intangible Assets (Net)	148,986,627	214,833,864
Long-lived Intangible Assets (Net)	241,012,442	144,215,893
<b>Total Assets</b>	<b>110,562,062,649</b>	<b>93,156,155,229</b>

**QUALITAS CONTROLADORA, S.A.B. DE C.V.**  
**Consolidated Balance Sheet as of March 31st 2025 & 2024**  
Figures in Mexican pesos

	2025	2024
<b>Liabilities</b>		
<b>Technical Reserves</b>	<b>61,561,064,156</b>	<b>51,254,701,427</b>
<b>Unearned Premiums</b>	<b>42,807,649,307</b>	<b>34,954,695,349</b>
Life Insurance	-	-
Accident and Illness Insurance	53,033,212	31,871,539
Property and Casualty Insurance	42,754,616,095	34,922,823,809
Rebonding	-	-
In Force Bonding	-	-
<b>Reserve for Outstanding Obligations</b>	<b>18,753,414,849</b>	<b>16,300,006,078</b>
Expired Policies and Claims Occurred Pending of Payment	18,383,382,289	19,167,466,719
Occurred but not Reported and Adjustment Costs assigned to Claims	(367,051,909)	(3,301,562,046)
Funds Under Administration	-	-
Deposit Premiums	737,084,470	434,101,406
<b>Contingency Reserve</b>	-	-
<b>Specialized Insurance Reserve</b>	-	-
<b>Catastrophic Risks Reserves</b>	-	-
<b>Reserves Related to Labor Obligations</b>	686,627,305	616,363,320
<b>Creditors</b>	<b>11,247,977,619</b>	<b>8,705,303,732</b>
Agents and Adjusters	3,913,145,960	3,103,435,645
Funds for Losses Management	51,915,538	68,531,365
Bonding for recognition of Liabilities Creditors	-	-
Miscellaneous	7,282,916,121	5,533,336,722
<b>Reinsurers and Re-Bonding Companies</b>	<b>195,804,690</b>	<b>63,369,933</b>
Insurance and Bond Companies	195,804,690	63,336,225
Retained Deposits	-	-
Other	-	-
Rebonding and Reinsurance Broker	-	-
<b>Derivatives (Fair Value)</b>	-	-
<b>Funding Obtained</b>	<b>0</b>	<b>0</b>
Debt Issuance	-	-
Subordinated Obligations not exchangeable into shares	-	-
Other Debt Securities	-	-
Financial Reinsurance Agreement	-	-
<b>Other Liabilities</b>	<b>10,027,650,736</b>	<b>9,720,358,136</b>
Provisions for employee profit sharing	1,011,305,606	773,159,016
Income Tax Provisions	968,989,023	2,261,028,745
Other Obligations	6,791,589,665	5,564,226,529
Deferred Credits	1,255,766,442	1,121,943,846
<b>Total Liabilities</b>	<b>83,719,124,506</b>	<b>70,360,096,548</b>
<b>Stockholders' Equity</b>		
<b>Paid-in Capital</b>		
<b>Capital Stock</b>	<b>2,353,697,371</b>	<b>2,363,436,479</b>
Capital Stock	2,386,567,046	2,386,567,046
(-) Non Subscribed Capital Stock	-	-
(-) Non Displayed Capital Stock	-	-
(-) Repurchased Shares	32,869,674	23,130,566
<b>Subordinated Obligations of Mandatory Conversion into Stockholders' Equity</b>	-	-
<b>Earned Capital</b>	-	-
<b>Reserves</b>	<b>2,047,924,369</b>	<b>1,929,057,536</b>
Legal	507,142,999	507,142,999
For Repurchase of shares	595,631,311	466,744,632
Other	945,150,059	955,169,905
<b>Valuation Surplus</b>	1,143,767,064	511,712,396
<b>Permanent Investments</b>	-	-
<b>Retained Earnings</b>	18,575,798,953	16,977,385,356
<b>Net Result</b>	2,141,796,149	1,234,154,564
<b>Translation effect</b>	510,272,073	(246,562,264)
<b>Non Monetary Assets Result</b>	-	-
<b>Remeasurements for Benefits granted to Employees</b>	4,616,702	(22,264,575)
<b>Controlling Interest</b>	26,777,872,682	22,746,919,494
<b>Non-Controlling Interest</b>	65,065,462	49,139,187
<b>Total Stockholders' Equity</b>	<b>26,842,938,144</b>	<b>22,796,058,681</b>
<b>Total Liabilities and Stockholders' Equity</b>	<b>110,562,062,649</b>	<b>93,156,155,229</b>

**QUALITAS CONTROLADORA S.A.B. DE C.V.**  
**Consolidated Income statement for the first quarter 2025 & 2024**  
Figures in Mexican pesos

	1Q 2025	1Q 2024
<b>Premiums</b>		
Written	18,821,753,507	16,803,657,173
(-) Ceded	94,695,666	18,093,860
<b>Net Written Premiums</b>	<b>18,727,057,841</b>	<b>16,785,563,313</b>
<b>(-) Net Increase of Unearned Premiums Reserve</b>	<b>1,894,236,936</b>	<b>2,492,891,377</b>
<b>Earned Retained Premiums</b>	<b>16,832,820,905</b>	<b>14,292,671,937</b>
<b>(-) Net Acquisition Cost</b>	<b>4,152,228,053</b>	<b>3,576,770,944</b>
Agents Commissions	1,393,572,027	1,307,116,380
Agents Additional Compensation	544,667,935	439,246,119
Reinsurance and Rebonding Commissions	-	-
(-) Reinsurance Commissions	242,551	79,567
Excess of Loss Coverage	9,830,343	5,099,048
Other	2,204,400,299	1,825,388,964
<b>(-) Net Claims Cost and Other Contractual Liabilities</b>	<b>10,054,641,326</b>	<b>9,156,201,070</b>
Claims and Other Contractual Obligations	10,057,371,187	9,161,326,645
(-) Losses on non-proportional reinsurance	2,729,860	5,125,574
Claims	-	-
<b>Technical Income (Loss)</b>	<b>2,625,951,526</b>	<b>1,559,699,922</b>
<b>(-) Net Increase in Other Technical Reserves</b>	<b>-</b>	<b>-</b>
Catastrophic Risks Reserve	-	-
Specialized Insurance Reserve	-	-
Contingency Reserve	-	-
Other	-	-
<b>Result of Analog and Related Operations</b>	<b>49,893</b>	<b>-</b>
<b>Gross Income (Loss)</b>	<b>2,626,001,419</b>	<b>1,559,699,922</b>
<b>(-) Net Operating Expenses</b>	<b>1,180,593,962</b>	<b>679,013,927</b>
Administrative and Operating Expenses	396,749,176	74,170,681
Employees' compensation and benefits	653,759,188	491,421,849
Depreciation and Amortization	130,085,598	113,421,397
<b>Operating Income (Loss)</b>	<b>1,445,407,457</b>	<b>880,685,995</b>
<b>Comprehensive Financing Result</b>	<b>1,532,681,643</b>	<b>1,058,130,614</b>
Investments	787,717,353	807,443,226
Sale of Investments	361,299,844	1,986,734
Fair Valuation of Investments	178,752,197	113,183,903
Surcharges on Premiums	148,629,655	124,187,171
Debt Issuance	-	-
Financial Reinsurance	-	-
Loan Interests	19,360,063	27,280,716
(-) Preventive Penalties for Amounts Recoverable from Reinsurance	59,498	(508,163)
(-) Preventive Penalties for Credit Risks	(4,944,907)	(4,732,783)
Other	35,453,665	(3,452,662)
Foreign Exchange Rate Fluctuation	(3,416,543)	(17,739,422)
(-) Monetary Position Result	-	-
<b>Participation in Permanent Investments Result</b>	<b>-</b>	<b>-</b>
<b>Income (Loss) Before Taxes</b>	<b>2,978,089,099</b>	<b>1,938,816,608</b>
<b>(-) Provision for Income Taxes</b>	<b>832,869,608</b>	<b>700,812,836</b>
<b>Income (Loss) Before Discontinued Operations</b>	<b>2,145,219,491</b>	<b>1,238,003,772</b>
<b>Discontinued Operations</b>	<b>-</b>	<b>-</b>
<b>Net Income (Loss)</b>	<b>2,145,219,491</b>	<b>1,238,003,772</b>
Controlling Interest	2,141,796,149	1,234,154,564
Non-Controlling Interest	3,423,342	3,849,208
<b>Net Income (Loss)</b>	<b>2,145,219,491</b>	<b>1,238,003,772</b>

## GLOSSARY

**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.

**AMDA:** Mexican Association of Automotive Distributors.

**CAGR:** Compound Annual Growth Rate =  $[(\text{End of Period Figure} / \text{Beginning of Period Figure}) ^ {1/ \text{Number of periods}}]$ .

**Combined Ratio:** Acquisition Ratio + Operating Ratio + Loss Ratio.

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

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

**IBNR:** Incurred but not reported reserves.

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

**Loss Ratio:** Loss 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 Margin:** Net income/written premiums.

**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.

**Operating Margin:** operating income/ earned premiums.

**Policies' Fees:** Administrative fee charged when the policy is issued and recorded as an income in operating expenses.

**PTU:** Employee profit sharing.

**Premium Debtor:** Records the portion of sold policies which will be paid in installments

**Premiums Surcharge:** Financial penalty imposed to policyholders that choose to pay premiums in installments.

**Regulatory Capital 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:** Qualitas Costa Rica

**Q MX:** Qualitas Mexico

**Q ES:** Qualitas El Salvador

**Q IC:** Qualitas Insurance Company; Estados Unidos.

**Q P:** Qualitas Peru

**Q IC:** Qualitas Insurance company.

**Q Col:** Qualitas Colombia

**Solvency Margin:** Stockholders' equity – Regulatory Equity Requirement.

**Solvency Margin Ratio:** Solvency Margin ÷ Regulatory Equity Requirement.

**UOF:** Fees paid to Financial Institutions for the use of their facilities.

**OCRA:** (Oficina Coordinadora de Riesgos Asegurados)

## ABOUT QUALITAS:

**Qualitas Controladora (Q)** is the company with the largest market share in the auto insurance industry in Mexico and has presence in the United States, Peru, Costa Rica, El Salvador and Colombia. Its unique business model, with more than 30 years' experience in the auto insurance business, has allowed it to offer a first-quality service under the largest coverage network in the country. Qualitas is listed on the Mexican Stock Exchange under the symbol "Q" (Bloomberg: Q \*: MM).

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