

April 28<sup>th</sup>, 2016

Dear Members of the Board:

During 2015 our Company accomplished significant achievements amid an extremely complex global environment, distinguished by highly volatile macroeconomic variables, such as substantial currencies' devaluations and low levels of interest rates. Our business model, specialized in auto insurance only, has proven to be flexible and successful to adapt to different market conditions.

Continuing with the consolidation of our distribution network, during the year we opened seven service offices and 35 development offices, consolidating our distribution network with 345 offices, 3,905 employees, working with more than 10,200 agents. With the support of our claims infrastructure, we attended around 1.3 million claims during the year. Our focus in providing a comprehensive personalized service has been reflected in the strengthening of our corporate structure, working with committed professionals that communicate our service philosophy to our policyholders and agents.

Also, during 2015 Quálitas achieved a sound growth of 14.5% in written premiums and 11.1% in earned premiums, which positively compares with the growth registered by the auto insurance industry of 10.3%, and Mexico's gross domestic product increase of only 2.5%. Our focus on continuous improvement of service in all our subsidiaries has been translated in to a robust client portfolio, in constant expansion.

Furthermore, the automobile production in Mexico had an outstanding performance closing the year with 3.4 million vehicles, out of which 1.4 million were commercialized within the country. The increase in new units together with higher financing for cars was a key expansion driver, throughout the year we managed to insure 344,603 additional units, representing almost 950 units per day, to finish the year with 2.8 million insured vehicles.

On the other hand, inflation observed in the automotive sector was very different from that registered in the economy as a whole, since it has experienced a more accelerated growth, particularly in the spare parts and auto parts market, mainly driven by the currency depreciation. This effect had a direct impact on our claims costs.

For this reason, we recorded an operating loss of Ps.3 million for the full year. However, when compared to our competitors in Mexico, we closed the year with a combined ratio of 96% while the market concluded with 99%. Furthermore, despite the volatility in the markets, investment income during 2015 reached Ps.833 million, which represented an annual return in our portfolio of 5.5%.

We remain oriented on growing and improving our operations in El Salvador and Costa Rica, bearing in mind the differences and opportunities that each market offers.


We are thrilled with our subsidiary in the United States, where we see great growth potential, we are in a stage of getting to know the regulation, developing the systems required for an efficient operation.

We are prepared to comply with Solvency II requirements and are confident that the effort we have conducted will be reflected in a better financial position by using our own models for computing reserves.

During 2015 we managed to increase our market share, finishing the year with 25.3%, the flexibility and dynamism of our Business model, the human talent of our employees, and our tailor-made products, continue being attractive to consumers. We will remain close to our policyholders, offering adequate solutions to satisfy their changing needs.

We are aware of the complex times ahead, but we are certain that we have the ability to adapt to new changes. We are uniquely positioned in the auto insurance market, and we are confident that our specialization will be the key to continue being a leading player in the market. We are fully committed to increasing profitability and the value of our company in the future.

Truly,



Joaquín Brockman Lozano

CEO