



3M2023 Report
Grupo Catalana Occidente, S.A.

Table of Contents

01. Keys of the period 3M2023	3
Key financial figures.....	4
Business diversification	6
Global Presence	6
Group Performance in 3M2023	7
GCO shares and dividends	8
Market environment.....	9
02. Business performance in 3M2023	11
Traditional business	12
Credit insurance business.....	15
Funeral Business	17
Investments and funds under management.....	18
Capital management.....	20
Sustainability	21
03. Annexes	23
Concerning GCO	24
Additional information for credit insurance.....	25
Expenses and commissions	26
Financial result	26
Non-ordinary profit/(loss)	26
Balance sheet.....	27
Corporate structure	28
Board of Directors.....	29
Calendar and contact	30
Glossary.....	31
Legal note.....	35



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01.

Keys of the period 3M2023

Key financial figures

The Group achieved solid results with improvements in its three strategic pillars.

Growth

- **Increase of 12.4% in business turnover, reaching €1,842.4 million.**
- Acquisition of 100% of the Mémora Group on 9 February 2023.

Profitability

- **Increase of 9.2% in the consolidated profit, reaching €159.3 million.**
- Ordinary profit/(loss):
 - **Traditional business, at €53.6 million, -10.8%.**
 - **Credit insurance business, at €101.0 million, +46.7%.**
 - **Funeral business, with €5.0 million includes two months of the Mémora Group business.**
- Combined ratio:
 - 91.7% in traditional business* (non-life) (+3.0 p.p.).
 - 74.3% in the credit insurance business (+8.1 p.p.).
- **Commitment to the shareholder. Dividend of €123.4 million (+8.7%).**

Solvency

- **The estimated Group's Solvency II ratio at the close of 2022 for the Group is 247%.**
- A.M.Best maintains the *rating* of the main operating entities in both traditional and credit insurance business at "A" with a stable outlook, and Moody's maintains the rating of the entities in the credit insurance business at "A2" with a positive outlook.

(figures in €million)

Key financial figures	3M2022	3M2023	Chg. 22-23	12M2022
GROWTH				
Insurance turnover	1,630.9	1,794.2	10.0%	5,245.6
- Traditional business	917.4	993.0	8.2%	2,842.9
- Credit Insurance Business	713.5	801.2	12.3%	2,402.7
Funeral Business	8.4	48.2		32.8
Total turnover	1,639.3	1,842.4	12.4%	5,278.4
PROFITABILITY				
Consolidated profit/(loss)	145.9	159.3	9.2%	542.6
- Traditional business	60.1	53.6	-10.8%	257.7
- Credit Insurance Business	79.6	101.0	26.9%	354.6
- Funeral Business	1.5	5.0		4.8
- Non-ordinary	4.6	-0.3		-74.7
Attributed profit/(loss)	132.4	142.1	7.3%	486.6
Combined traditional business ratio	88.7%	91.7%	3.0 p.p.	90.8%
Combined gross credit insurance ratio	66.2%	74.3%	8.1 p.p.	72.3%
Dividend per share				1.03
Pay-out				25.4%
Share price	27.8	29.1	4.5%	29.6
PER	7.43	7.0		7.29
ROE	11.3%	12.2%		12.9%
NON-FINANCIAL DATA				
Number of employees*	7,050	7,003	-0.7%	7,143
Number of offices	1,478			1,518
Number of intermediaries	16,508	15,098	-8.5%	15,032
	12M2022	3M2023	Chg. 22-23	
SOLVENCY				
Permanent resources at market value	4,916.3	5,211.6	6.0%	
Technical provisions	11,730.1	12,225.5	4.2%	
Managed funds	14,991.1	15,073.4	0.5%	

* Figure does not include the recently incorporated employees of the Mémora Group, which as of December 31, 2022 were 1,475

Key financial figures

Turnover and distribution
of the business



€1,842.4 M +12.4%

53.9% Traditional business
43.5% Credit Insurance Business
2.6% Funeral Business

Combined
ratio



91.7% +3.0 p.p. Traditional business

74.3% +8.1 p.p. Credit insurance business

Profits/(losses)



Ordinary
profit/(loss)

€53.6 M -10.8% Traditional business

€101.0 M +26.9% Credit Insurance Business

€5.0 M Funeral Business

Consolidated
profit/(loss)

€621.9 M

Attributable
profit/(loss)

€142.1 M

Managed funds

€15,073.4 M

+0.5%

Permanent resources

Market value

€5,211.6 M

+6.0%

Technical provisions

€12,225.5 M

+4.2%

Solid financial structure



Listed on the stock exchange.
Stable, committed shareholders.
Rating A (AM Best) y A2 (Moody's).



Technical rigour

Excellent non-life combined ratio
Strict cost control
Prudent and diversified investment portfolio.

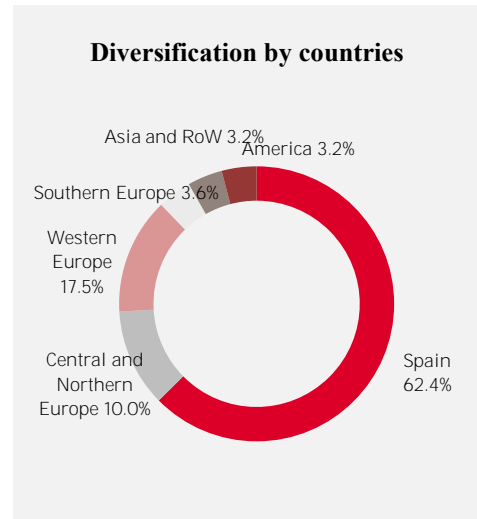
Global Presence

The Group is present in over 50 countries and has a significant presence in Spain.

4th Largest insurance group in Spain

1st Largest Funeral business in Spain

2nd Largest credit insurance business in the world

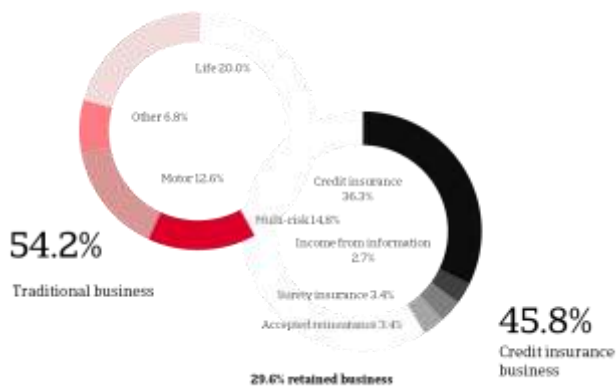


GCO obtains 62.4% of its income from the Spanish domestic market, where it holds the fourth position, through the brands that will converge in Occidente (Seguros Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao, NorteHispana Seguros) and Crédito y Caución. The funeral business is also domestic in Spain, where it occupies the first position through the Mémora and Asistea brands.

In the credit insurance business, through the brands Atradius and Atradius Re, the Group is present in over 50 countries and holds the second position on a global scale.

Business diversification 12M2022

GCO has a balanced and diversified portfolio.



In the traditional business (45.8% of the total turnover), the Group carries out its activity through the entities Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao and NorteHispana Seguros, guaranteeing a balanced and diverse implementation. In credit insurance business (29.6% of the total in terms of retained business), the Crédito y Caución brand gives it a leadership position in the Spanish market, while the Atradius brand gives it an international dimension and leadership.

Group Performance in 3M2023

The Group's attributable profit was €142.1 million and turnover increased by 12.4%.

Total turnover increased by 12.4%, reflecting the sustained growth in traditional business with an increase of 8.2% and the positive evolution of credit insurance business which increased by 12.3% and diversification into the funeral business.

The technical profit/(loss), at €180.4 million, grew 3.6% due to the evolution of both businesses. In the traditional business, the combined ratio is situated in 91.7%, increasing by 3.0 percentage points, and in the credit insurance business, the gross combined ratio was 74.3%.

The financial profit/(loss) contributes €24.8 million to reach €215.9 million profit before tax. Taxes represent €56.6 million, 26.2% on the profit. Consolidated income amounted to €159.3 million, an increase of 9.2%.

(figures in €million)

Income statement	3M2022	3M2023	% Chg. 22 -23	12M2022
Written premiums	1,573.4	1,734.1	10.2%	5,103.7
Income from information	57.6	60.1	4.4%	141.9
Insurance turnover	1,630.9	1,794.2	10.0%	5,245.6
Technical cost	756.3	867.3	14.7%	3,063.8
% on total income from insurance	59.1%	60.9%		59.4%
Commissions	159.0	178.8	12.5%	670.8
% on total income from insurance	12.4%	12.6%		13.0%
Expenses	189.7	197.7	4.2%	816.5
% on total income from insurance	14.8%	13.9%		15.8%
Technical profit/(loss)	174.2	180.4	3.6%	608.8
% on total income from insurance	13.6%	12.7%		11.8%
Financial profit/(loss)	13.3	24.8		209.0
% on total income from insurance	1.0%	1.7%		4.1%
Profit/(loss) of non-technical non-financial account	1.7	-6.3		-135.2
% on total income from insurance	0.1%	-0.4%		-2.6%
Profit/(loss) from compl. activities Complet. Credit insurance	1.2	7.1		14.4
% on total income from insurance	0.1%	0.5%		0.3%
Technical profit/(loss) funeral business	1.8	9.8		0.2
Profit/(loss) before tax	192.3	215.9	12.3%	697.2
% on total net income	15.0%	15.2%		13.5%
Taxes	46.4	56.6		154.6
% taxes	24.1%	26.2%		22.2%
Consolidated profit/(loss)	145.9	159.3	9.2%	542.6
Result attributable to minorities	13.5	17.2		56.0
Attributed profit/(loss)	132.4	142.1	7.3%	486.6
% on total income from insurance	10.4%	10.0%		9.4%
Results by business lines	3M2022	3M2023	% Chg. 22 -23	12M2022
Ordinary profit/(loss) of the traditional business	60.1	53.6	-10.8%	257.7
Ordinary profit/(loss) from credit insurance business	79.6	101.0	26.9%	354.6
Profit/(loss) from the funeral business	1.5	5.0		4.8
Non-ordinary profit/(loss)	4.6	-0.3		-74.7

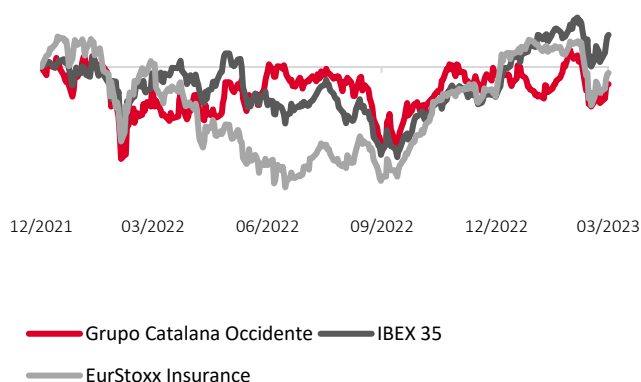
GCO shares and dividends

Share performance

Shares in GCO close the first quarter at €29.1/share

In this period, the share price fell by 1.7%, below the reference index of the Spanish market.

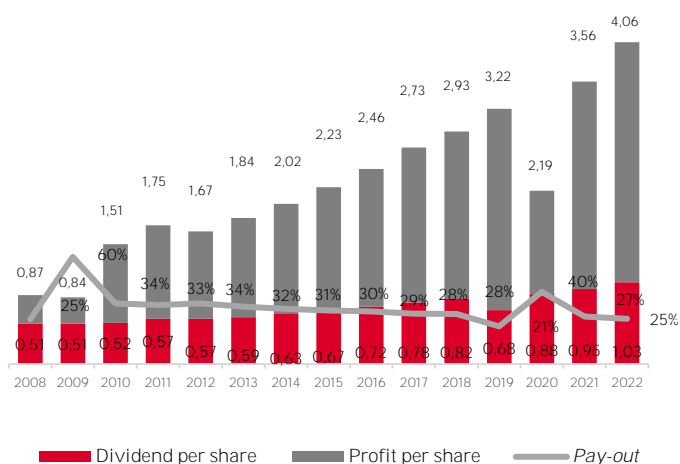
Share performance since the end of 2021



The average recommendation of the analysts is to "purchase" the share with a target price of €42.3/share (max. € 50.6/share and min. €34.2/share).

Dividends

The historical pattern of dividend distribution demonstrates the clear commitment of the Group to remunerate its shareholders.



Active relationship with the financial market

GCO maintains a fluid, close relationship with the financial market, offering specific communication channels

During the first three months of the year, the Group transmitted its value proposition to the financial markets through the annual retransmission of the results published (on the website, in English and Spanish) and by holding roadshows in different European countries, as well as participating in

Price (euros per share)	3M2022	3M2023	12M2022
Period start	30.00	29.55	30.00
Minimum	24.90	27.80	24.90
Maximum	30.6	30.95	30.60
Period close	27.80	29.05	29.55
Average	28.83	29.22	28.57

Profitability (YTD)	3M2022	3M2023	TACC 2002 - 3M23
GCO	-7.33%	-1.69%	10.23%
Ibex 35	-3.08%	12.19%	2.01%
EuroStoxx Insurance	1.45%	0.85%	3.42%

Other data (in euros)	3M2022	3M2023	12M2022
Number of shares	120,000,000	120,000,000	120,000,000
Nominal value of the share	0.30	0.30	0.30
Average daily underwriting (number of shares)	30,430	121,735	26,835
Average daily underwriting (euro)	861,206	3,563,777	762,716

virtual forums/conferences.

2023 macroeconomic environment

2.8% growth in 2023 (3.4% in 2022). The Russia-Ukraine conflict and inflation slow down the economic outlook across the board



United States GDP 1.3% GDP 2023e (1.4%)

- Largest rate hikes in the last 20 years
- Labour market under stress
- Loss of household purchasing power



Spain GDP 1.5% 2023e (1.1%)

- Upward price pressure due to energy prices and the Russian conflict
- Expected deficit close to 4%
- Estimated 115% debt



South America 1.6% GDP 2023e (1.8%)

- Worsening financial conditions
- Weak external demand



United Kingdom GDP -0.3% 2023e (-0.6%)

- Depreciation of the pound against the dollar
- Fall in exports



Eurozone GDP 0.8% 2023e (0.7%)

- Growth outlook trimmed due to the indirect effects of the Russian invasion
- Concern over rising energy prices
- Tightening of monetary policy
- Widespread inflation



Asia Pacific 5.3% GDP 2023e (5.3%)

- China 5.2% GDP 2023e (5.1%):
- Economic recovery after the post-covid opening of the economy
- Japan 1.3% GDP 2023e (1.2%):
- Risk of economic slowdown.
 - Strong private consumption and public spending

*Source: International Monetary Fund. April 2023 review compared to January 2023 estimate

Fixed income

Rising interest rates

Interest rates 3M2023 (%)	10 years	
	1 year	10 years
Spain	3.0	3.3
Germany	3.0	2.3
United States	4.6	3.5

Source: Bloomberg at the close of March 2023

Variable income

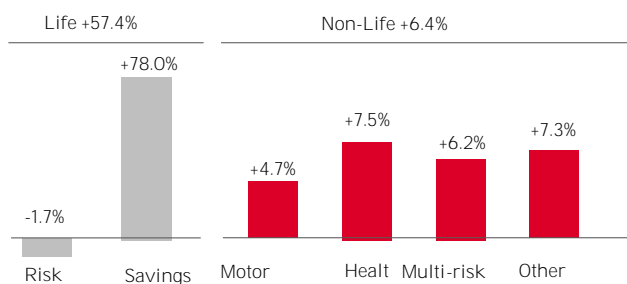
Destabilisation of stock market indexes affected by the conflict between Russia and Ukraine and inflation

	3M2023	%Chg.
Ibex35	9,232.5	12.2%
MSCI World	262.4	5.4%
EuroStoxx 50	4,315.1	13.7%
S&P	4,109.3	7.0%

Sectoral environment

The insurance sector in Spain grew by 25.5% in turnover, mainly due to the evolution of life premiums

Performance of turnover



Source: ICEA at the close of March 2023

Insurance group ranking performance 12M2022

Group	Position	Market share
VidaCaixa	=	12.0%
Mapfre	=	11.3%
Grupo Mutua Madrileña	=	10.0%
GCO	+1	4.9%
Allianz	-1	4.7%
Grupo Axa	=	4.6%
Generali	+1	3.8%
Zurich	-1	3.8%
Santalucía	=	3.6%
Santander Seguros	+11	3.2%

Source: ICEA at the close of 2022

Stability in the sector's results

ROE
13.3%

Combined
ratio
93.7%*

Motor 98.4%
Multi-risk 96.7%
Health 95.2%

* Combined ratio includes Health and Funeral.

Source: ICEA at the close of 2022

The profit from the technical account for the sector at the end of 2022 was 10.52% of retained premiums, 0.44 percentage points higher than in the previous year, mainly due to the higher profit of the life business.

The result of the non-life technical account was reduced mainly driven by motor, which worsens its combined ratio by 3.5 percentage points to 98.4% due to the greater volume of claims.

In 2016, Solvency II came into effect, with the first official data coming to light in 2017. The figures published continue to reflect a consistent sectoral position. The average coverage ratio in Spain at the close of 2022 has been 235.3%, down by 5.4 p.p., lower than the average for the sector in the European Union.

02.

Business performance in 3M2023

Traditional business

Positive evolution with 5.0% growth in turnover for recurring premiums and ordinary income of €53.6 million.

Turnover increased by 8.2% at the close of March 2023 to €993.0 million. The growth of 6.6% in multi-risk and 10.2% in others should be highlighted.

The technical result is reduced by 20.7%. Non-Life's technical result contributed €37.4 million and declined 21.7%, due to the increase of 3.0 p.p. in the combined ratio to 91.7%. Technical cost increased 3.7 percentage points while fees and expenses decreased by 0.7 percentage points. In turn, the Life business reduced its technical profit by 18.3% to €18.8 million.

The financial profit, with €19.4 million, is reduced by 60.3%.

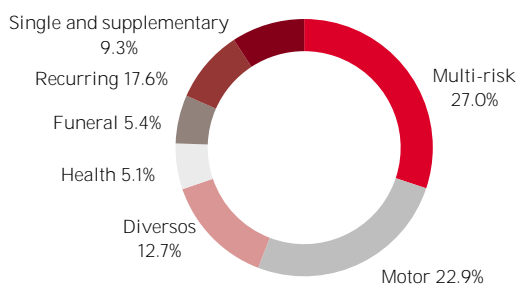
Ordinary profit after tax has increased 10.8% reaching €53.6 million. During the year there were non-ordinary profits for a value of €0.6 million. The total profit was €54.2 million.

 For further information see annexes.

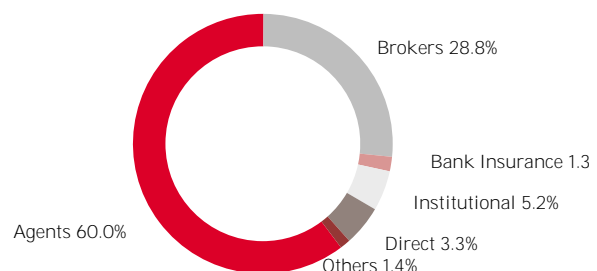
(figures in €million)

Traditional business	3M2022	3M2023	% Chg. 22-23	12M2022
Written premiums	917.4	993.0	8.2%	2,842.9
Recurring premiums	843.4	885.4	5.0%	2,606.4
Technical profit/(loss) % on earned premiums	70.8 10.1%	56.1 7.3%	-20.7%	263.0 9.4%
Financial profit/(loss) % on earned premiums	12.1 1.7%	19.4 2.5%	60.3%	84.4 3.0%
Non technical profit/(loss)	-4.9	-5.3		-21.4
Corporate tax	-17.8	-16.6		-68.2
Ordinary profit/(loss)	60.1	53.6	-10.8%	257.7
Non-ordinary profit/(loss)	4.7	0.6		-50.6
Total profit/(loss)	64.8	54.2	-16.4%	207.1
Earned premiums	700.3	763.8	9.1%	2,793.5

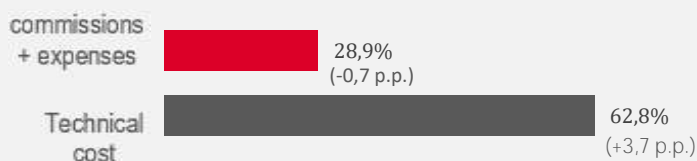
Distribution by business



Distribution channels



Combined ratio (does not include health and funeral)



Negocio tradicional

91,7%
(+3,0 p.p.)



Multi-risk

Growth in turnover of 6.6% to €229.4 million. The combined ratio has increased by 3.7 percentage points to 92.2%. This increase is due to the increase in the cost of claims due to inflationary effects and the occurrence of low intensity weather events compared to a previous year with no significant impact.

	(figures in € million)			12M2022
	3M2022	3M2023	% Chg. 22-23	
Multi-risk				
Written premiums	215.2	229.4	6.6%	774.3
% Technical cost	55.9%	60.3%	4.4	59.4%
% Commissions	21.4%	21.4%	0.0	21.1%
% Expenses	11.2%	10.5%	-0.7	12.3%
% Combined ratio	88.5%	92.2%	3.7	92.8%
Technical profit/(loss) after expenses	20.7	15.2	-26.6%	54.1
% on earned premiums	11.5%	7.9%		7.2%
Earned premiums	180.7	193.6	7.1%	750.7



Motor

Increase in turnover of 5.7% with €204.6 million. The combined ratio has normalised to 2.8 p.p. higher at 93.4%, as a result of both the recovery in the frequency of claims and the increase in the cost of claims due to inflationary effects.

	(figures in €million)			12M2022
	3M2022	3M2023	% Chg. 22-23	
Motor				
Written premiums	193.6	204.6	5.7%	658.6
% Technical cost	66.8%	70.5%	3.7	68.7%
% Commissions	12.0%	11.8%	-0.2	11.2%
% Expenses	11.8%	11.1%	-0.7	12.8%
% Combined ratio	90.6%	93.4%	2.8	92.7%
Technical profit/(loss) after expenses	14.9	10.9	-26.9%	47.7
% on earned premiums	9.4%	6.7%		7.3%
Earned premiums	159.0	163.8	3.0%	651.2



Other

Growth in **turnover of 10.2% to €117.4 million. The combined ratio was 87.4%, with an increase of 2.2 percentage points due to an increase in the technical cost and of commissions, which was partly offset by the reduction in expenses.**

Other	(figures in €million)			12M2022
	3M2022	3M2023	% Chg. 22-23	
Written premiums	106.5	117.4	10.2%	359.0
% <i>Technical cost</i>	51.3%	54.0%	2.7	49.1%
% <i>Commissions</i>	21.3%	22.6%	1.3	19.8%
% <i>Expenses</i>	12.6%	10.9%	-1.7	14.1%
% Combined ratio	85.2%	87.4%	2.2	82.9%
Technical profit/(loss) after expenses	12.1	11.3	-6.8%	58.5
% <i>on earned premiums</i>	14.8%	12.5%		17.1%
Earned premiums	81.7	90.1	10.3%	342.7



Life

Life business developed favourably with a turnover of **€441.6 million and a technical-financial profit that increased by 10.4%**. The combined ratio reduced by 3.5 percentage points to 79.2% in the life funeral business

Life	(figures in €million)			12M2022
	3M2022	3M2023	% Chg. 22-23	
Life insurance turnover	402.1	441.6	9.8%	1,050.9
Health	122.7	122.6	-0.1%	510.1
Funeral	41.1	43.0	4.6%	149
Regular life savings	164.3	168.4	2.5%	155.3
Single life savings	74.0	107.6	45.4%	236.5
Pension plan contributions	14.4	11.7		51.3
Net contributions to investment funds	-0.8	-3.8		-10.7
Technical profit/(loss) after expenses	23.0	18.8	-18.3%	47.8
% <i>on earned premiums</i>	8.2%	5.9%		4.6%
Technical-financial result	28.0	30.9	10.4%	150.4
% <i>on earned premiums</i>	10.0%	9.8%		14.3%
Earned premiums	278.9	316.3	13.4%	1,048.9

Credit insurance business

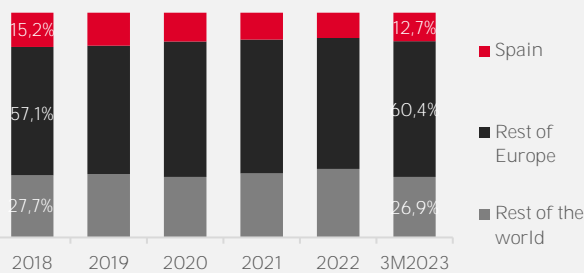
Positive development of net insurance income of 14.1 % with ordinary profit of €101.0 million.

In the credit insurance business, the Group has increased its net income (earned premiums and information services) by 14.1% reaching €660.6 million. The earned premiums, at €600.5 million, have increased by 15.2%. In turn, income from information has increased by 4.4%, contributing €60.1 million.

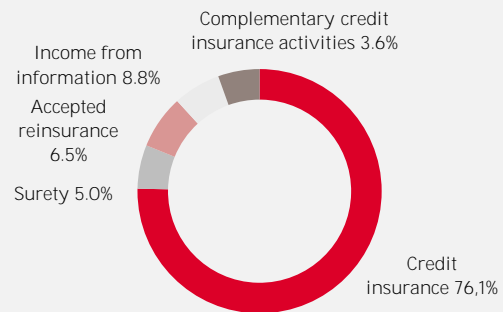
The Group has increased its risk exposure (TPE) by 1.2% compared to the end of 2022. An exhaustive selection of risks is maintained.

Russia - Ukraine conflict: The Group has taken the necessary actions to minimise the risks that have been exacerbated by the conflict in Ukraine. From the point of view of the underwriting strategy, the decision has been taken not to cover new transactions in general, reducing the credit limits to the amounts pending payment. The total exposure in the region has been reduced compared to year-end 2021 by 64%, representing less than 0.4% of the total exposure. Atradius is in close contact with its customers to assess actions and their implementation.

Evolution of cumulative risk (TPE)

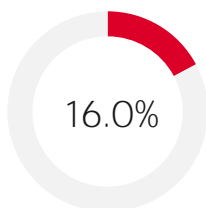


Diversification business (earned premiums)

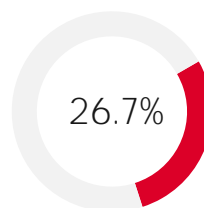


Increase of 15.2% in earned premiums to €600.5 million

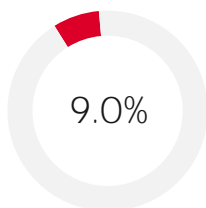
Distribution of earned premiums by region:



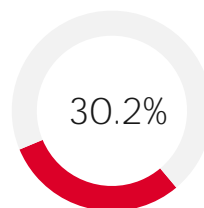
Spain and Portugal
Earned premiums: **€96.1 M**
Change: +4.4%



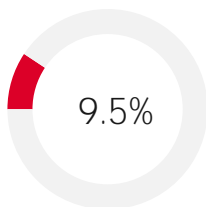
Central and Northern Europe
Earned premiums: **€160.1 M**
Change +14.0%



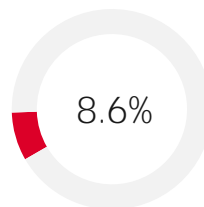
The Americas
Earned premiums: **€53.8 M**
Change +20.9%



Western Europe
Earned premiums: **€181.9 M**
Change +17.4%



Asia and rest of the world
Earned premiums: **€57.2 M**
Change +16.5%



Southern Europe
Earned premiums: **€51.4 M**
Change +28.2%

The technical profit after credit insurance expenses was **€169.7 million, 13.2% less than in the same period of 2022.**

The gross combined ratio was 74.3%, 8.1 percentage points higher than in the first quarter of the previous financial year. The inflow of claims remains below the pre-pandemic period. However, we maintain the prudent level of provisions of previous years.

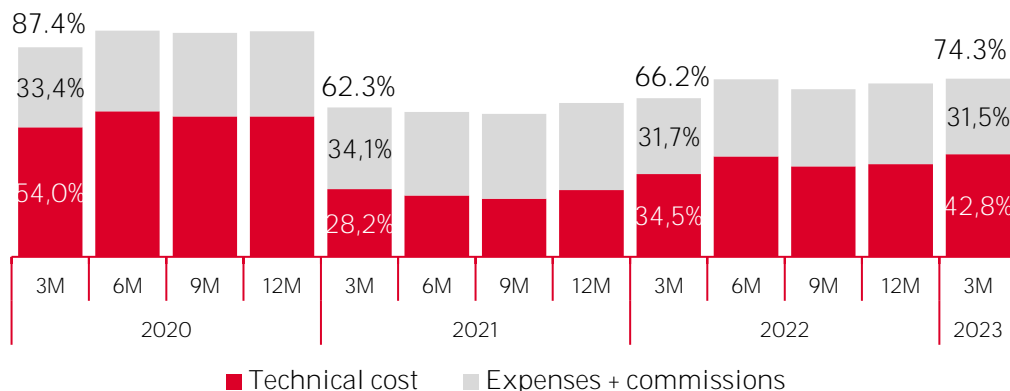
The result ceded to reinsurance was €45.4 million, 49.1% lower than in the first quarter of the previous year.

At €9.8 million, the financial result was much higher than in the same period of the previous year, mainly due to financial income from its fixed income portfolio and short term assets. The result of the **complementary activities is €7.1 million.**

Consequently, the ordinary profit is positioned at **€101.0 million, up 26.9% from the first quarter of 2022.** During the year there were non-ordinary losses of **€0.8 million. In total, this business contributed a profit of €100.2 million, an increase of 26.0%.**

Credit insurance business	(figures in €million)			12M2022
	3M2022	3M2023	% Chg. 22-23	
Earned premiums	521.2	600.5	15.2%	2,224.5
Income from information	57.6	60.1	4.4%	141.9
Credit insurance income	578.8	660.6	14.1%	2,366.4
Technical profit/(loss) after expenses	195.5	169.7	-13.2%	655.4
% on income	33.8%	25.7%		27.7%
Reinsurance profit/(loss)	-89.2	-45.4	-49.1%	-244.8
Reinsurance transfer ratio	37.0%	37.0%		37.0%
Net technical profit/(loss)	106.3	124.3	16.9%	410.6
% on income	18.4%	18.8%		17.4%
Financial profit/(loss)	0.7	9.8		44.8
% on income	0.1%	1.5%		1.9%
Profit/(loss) from complementary activities	1.2	7.1	491.7%	8.8
Corporate tax	-27.5	-38.7		-104.3
Adjustments	-1.0	-1.6		-5.3
Ordinary profit/(loss)	79.6	101.0	26.9%	354.6
Non-ordinary profit/(loss)	-0.1	-0.8		-23.8
Total profit/(loss)	79.5	100.2	26.0%	330.8

Performance of the gross combined ratio



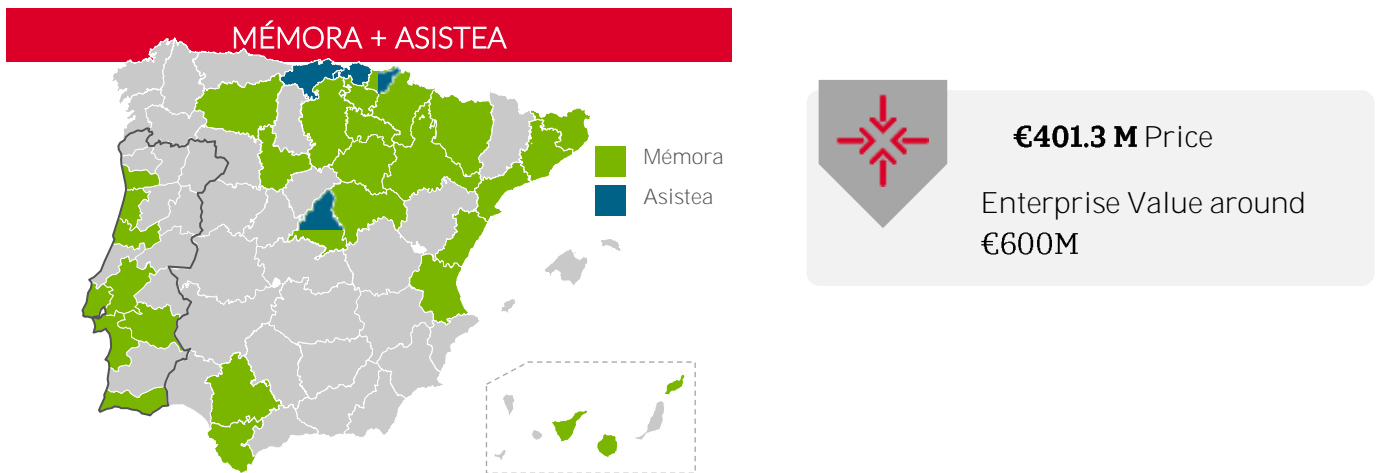
Funeral Business

On 9 February 2023, GCO acquired 100% of the Mémora Group from the Ontario Teacher's Pension Fund (OTPP).

Mémora is the first group in the Iberian Peninsula regarding the organisation of funeral services, and in the management of funeral parlours, cemeteries and crematoriums with presence in 21 provinces and in Portugal. Strong business growth mainly due to company acquisitions.

	Mémora				Mémora		Asistea		Mémora + Asistea	
	2019	2020	2021	2022	3M2022	3M2023	3M2022	3M2023	3M2022	3M2023
Turnover	165,742	184,347	188,530	212,213	52,701	60,398	8,433	8,997	61,134	69,396
EBITDA	46,375	49,882	47,057	56,003	17,360	18,385	2,428	2,384	19,789	20,769
Margin	28.0%	27.1%	25.0%	26.4%	32.9%	30.4%	28.8%	26.5%	32.4%	29.9%

The funeral business will provide stable income growth with high margins.



The funeral business incorporates the data from Asistea and in 3M2023 also incorporates two months of Mémora.

(figures in €million)

Funeral Business	3M2022	3M2023
Income	8.4	48.2
EBITDA	2.6	14.2
Margin on EBITDA	2.4	13.7
Amortisations	0.5	3.9
Technical profit/(loss) after expenses	1.9	9.8
Financial profit/(loss)	0.0	-3.3
Profit/(loss) before tax	2.0	6.5
Corporate tax	0.5	1.5
Ordinary profit/(loss)	1.5	5.0
Non-ordinary profit/(loss)	0.0	0.0
Total profit/(loss)	1.5	5.0

Investments and managed funds

The investment operations, focused on traditional assets, have been characterised by prudence and diversification

The Group manages funds of €15,073.4 million, €82.3 million less than at the beginning of the year.

The total investment in property at market value amounts to €1,892.3 million. The majority of the Group's properties are located in areas considered "prime" areas in the most important Spanish cities. All of the properties for use by third parties are located in these areas and have a very high rate of occupancy. Every two years they are appraised, through entities that are authorised by the supervisor. Capital gains from these properties stand at €523.8 million.

Fixed-income investment represents 51.9% of the total portfolio, standing at €7,008.2 million. The distribution of the rating in the portfolio is shown graphically below.

At the close of the first quarter, 67.5% of the portfolio is rated A or higher. The duration of the portfolio at the end of March is 3.29 years and profitability at 3.18%.

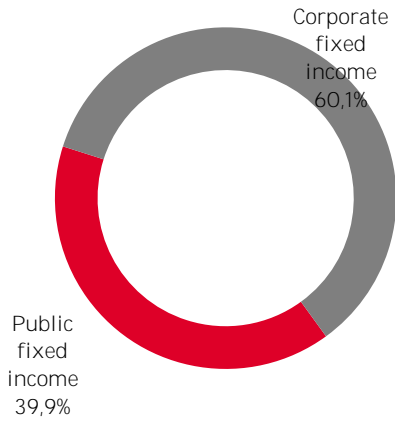
Variable income represents 15.1% of the portfolio and grows by 15.7%, reflecting the evolution of the financial market. The investment portfolio is widely diversified and focused on high-capitalisation securities, mainly in the Spanish market (27.4%) and the European market (55.9%), which show attractive dividend returns.

The Group maintains a liquidity position in deposits at credit institutions of €453.2 million, mainly at Banco Santander and BBVA, and a significant level of cash of €1,730.7 million.

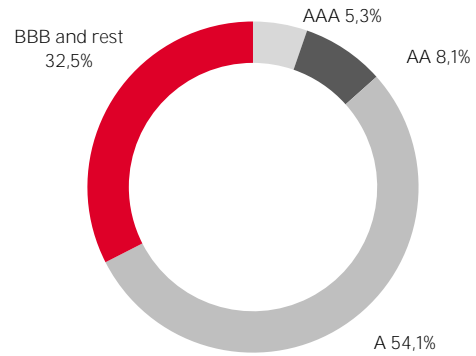
Investments and managed funds	(figures in €million)		% Chg. 22-23	% on Inv. R. Co.
	12M2022	3M2023		
Real Estate Property	1,762.5	1,892.3	7.4%	14.0%
Fixed income	6,926.7	7,008.2	1.2%	51.9%
Variable income	1,768.2	2,046.4	15.7%	15.1%
Deposits with credit institutions	429.3	453.2	5.6%	3.4%
Other investments	243.7	257.1	5.5%	1.9%
Cash and monetary assets	2,250.4	1,730.7	-23.1%	12.8%
Investment in investee companies	112.3	121.5	8.2%	0.9%
Total investments, risk to entity	13,493.1	13,509.4	0.1%	100.0%
Investments on behalf of policyholders	750.6	788.0	5.0%	5.8%
Pension plans and investment funds	747.4	776.0	3.8%	5.7%
Total investments, risk to policy holders	1,498.0	1,564.0	4.4%	
Investments and managed funds	14,991.1	15,073.4	0.5%	

Portfolio breakdown

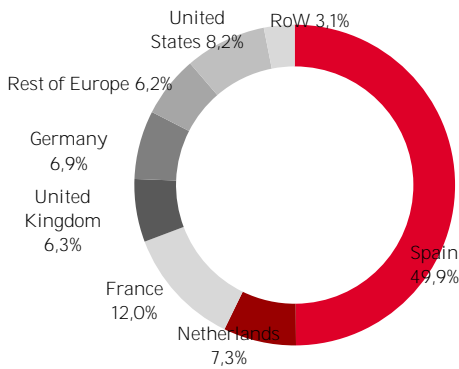
Fixed income by type



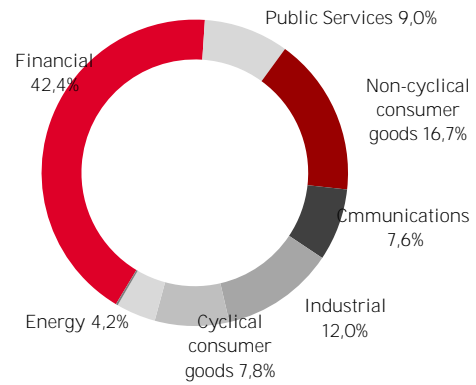
Fixed income by rating



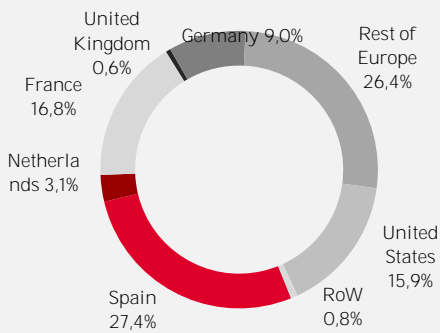
Fixed income by countries



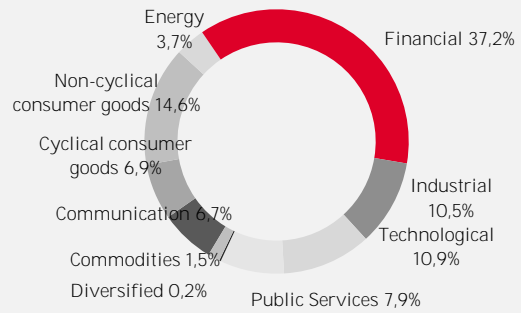
Fixed income by sectors



Variable income by countries



Variable income by sectors



Capital management

GCO manages its capital with the goal of maximising value for all its interest groups, maintaining a solid position through obtaining long-term results and a prudent policy for remunerating shareholders.

Capital management is governed by the following principles:

- Ensuring that Group companies have sufficient capital to meet their obligations, even when faced by extraordinary events
- Managing capital taking into account the economic vision, as well as the objectives established in the risk appetite.
- Optimising the capital structure through the efficient allocation of resources between entities, ensuring financial flexibility and remunerating shareholders appropriately

No significant changes have occurred in risk management with respect to the 2022 financial statements. For more information, please consult the report on the financial and solvency situation (SFCR) available on the Group's website.

Capitalisation	High quality of own funds	Solvency II ratio at	Strength for rating A
€3,486 M	96% Tier1	247%e	

*Estimated data at the end of 2022

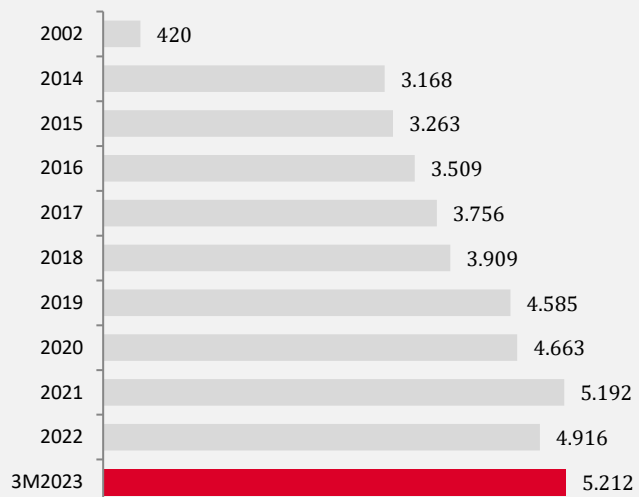
Capital performance

“At the end of March, the Group's capital increased by 6.0% due to valuation adjustments.”

Permanent resources at 31/12/2022	4,374.0
Permanent resources at market value	4,916.3
Net equity on 01/01/2023	4,182.6
(+) Consolidated profits	159.3
(+) Dividends paid	-21.5
(+) Change in valuation adjustments	169.0
(+) Other changes	8.0
Total movements	314.8
Total net equity on 31/03/2023	4,497.4
Subordinated debt	171.9
Permanent resources at 31/03/2023	4,669.3
Capital gains not included in balance sheet	542.3
Permanent resources at market value	5,211.6

Market movements have led to an increase in the value of investments, with a positive impact of **€169.0 million**.

Permanent resources at market value



Also, dividends have been paid, amounting to €21.5 million, thus reducing equity by the same amount.

In October 2022, Moody's affirmed the 'A2' rating with an outlook upgrade from stable to positive for the operating entities in the credit insurance business under the Atradius brand. The confirmation of this rating reflects Moody's confidence in the strength of the Atradius brand, even in situations of economic uncertainty such as that generated by COVID-19 and the Ukraine-Russia conflict. This is due to Atradius' dynamic risk exposure management, its strong economic capitalisation and its solid positioning as the second largest credit insurer.

In turn, A.M. Best confirmed in July 2022 the financial strength rating of A (excellent) with a stable outlook for the Group's main operating entities, both in traditional business and credit insurance business. This rating reflects the solid balance sheet strength, excellent operating profits and appropriate capitalisation of the Group's main operating entities. In addition, it considers that exposure to natural disasters is limited, thanks to the existence of a national coverage system (Consortio de Compensación de Seguros).

	A.M. Best	Moody's
Seguros Catalana	'A' stable (FSR)	
Occidente	'a+' stable (ICR)	
Seguros Bilbao	'A' stable (FSR)	
	'a+' stable (ICR)	
Plus Ultra Seguros	'A' stable (FSR)	
	'a+' stable (ICR)	
Atradius Crédito y Caución Seg Reas	'A' stable (FSR)	'A2' positive (IFS)
	'a+' stable (ICR)	
Atradius Reinsurance DAC	'A' stable (FSR)	'A2' positive (IFS)
	'a+' stable (ICR)	
Atradius Trade Credit Insurance, Inc.	'A' stable (FSR)	'A2' positive (IFS)
	'a+' stable (ICR)	
Atradius Seguros de Crédito, S.A.	'A' stable (FSR)	
	'a+' stable (ICR)	

Sustainability

GCO integrates a commitment to sustainability into its strategy, through responsible and sustainable management in environmental, social and economic issues. The sustainability policy establishes the reference framework for managing the business in accordance with this commitment and the 2021-2023 Sustainability Master Plan is the roadmap for its development.

Our commitment to the SDGs



External sustainability rating



In December 2022, the Group's ESG rating was revised to 15.0 points (low risk of experiencing material financial impacts related to ESG factors). This places GCO among the top 15 companies with the best ESG rating in the insurance sector, which includes more than 300 companies, and it has been awarded the "Industry top rated" badge.

On 23 February 2023, the Board of Directors approved the Group's Sustainability Report - Statement of Non-Financial Information 2022, verified by an independent external auditor.

GCO's main advances in terms of ESG are presented below:



Environmental:

- A commitment has been made to be a Group with zero net emissions in the underwriting portfolio by 2050.
- In order to contribute to the protection of the environment, initiatives and campaigns have been developed to minimise environmental impacts (such as the World Clean-up day) and an environmental management system continues to be implemented in the Group.
- The Group's AutoPresto workshop network was the first company in Spain to obtain the "CZ Sustainable Workshop Network" certification issued by Centro Zaragoza, which guarantees the commitment of vehicle repair workshops to sustainability and certifies the development of their activity following environmental care criteria.
- The current Responsible Investment strategy has been revised to take effect in 2023 with a new strategy incorporating the exclusion of new economic sectors with environmental themes, as well as a new positive screening criterion, whereby investment in companies with poorer ESG risk management will be excluded.
- GCO is one of the partners of Nactiva Capital Natural S.L., an entity established in 2023 to promote social, economic, cultural and ecological transformation through the design, financing and implementation of Natural Capital development projects in the Mediterranean.



Social:

- Mandatory sustainability training and equality training has been provided for all Group employees.
- A new work climate survey has been launched for Atradius employees and the results obtained in the work climate survey for traditional business employees have been analysed and a series of related initiatives have been implemented.
- A Wellness Plan has been put in place to promote holistic employee care focusing on 5 areas: Sleep well, Mindfulness, Working from home, Stress management, Healthy eating and Physical activity.
- GCO has received the World Class Workplace 2022 Award, which recognises excellence in employment, and the Family Business Award, in recognition of its business track record, value creation and family continuity.
- The Group continues to participate in various corporate volunteering initiatives, generating a culture of collaboration and support for other social groups in need.
- In addition, the Fundación Jesús Serra has continued to develop social action projects and has joined the Foundations for the Climate pact to promote the fight for the climate emergency and social justice.



Governance:

- The product offering of investment funds has been adapted to the category Article 8 of the SFDR Regulation, explicitly incorporating, as of February 2023 by CNMV approval, environmental and/or social considerations in their management, beyond the mere integration of sustainability risks.
- The requirements set by the EU Taxonomy and the SFDR Regulation have continued to be adopted.
- The Group's ESG risk map has been updated, incorporating their impact and time horizon.
- The Group continues to adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to help generate accurate and objective information on climate risks, including climate scenario analysis.
- ESG clauses have continued to be incorporated into contracts with suppliers of traditional business companies, whereby the Group ensures that they comply with its own ethical and sustainability principles, labour regulations and tax obligations.
- A sustainability campaign has been developed with the aim of raising awareness and knowledge of ESG issues among the general population and helping to raise the profile of the SDG.
- The Group continues to develop new applications and innovative processes to improve its customer service. In addition, the Group has continued to focus on the digitization of its services through the video-loss adjustment service, the incorporation of Whatsapp as a communication channel for customers, digital signature for contracting products and the digital policy.

For further information, please refer to the Sustainability Report - Statement of Non-Financial Information audited and published on our website www.grupocatalanaoccidente.com Details of the progress of the Sustainability Master Plan in 2022 by line of work

03.

Annexes

Concerning GCO

Grupo Catalana Occidente, S.A. (GCO) is a public limited company that does not directly practise in the insurance business, but that is the head of a group of dependent entities that are principally engaged in insurance activities.

The registered office of GCO is in Paseo de la Castellana 4, Madrid (Spain) and its website is: www.grupocatalanaoccidente.com

The Group is subject to the rules and regulations of insurers operating in Spain. The Directorate General of Insurance and Pension Funds as leading supervisor of the College of Supervisors (hereinafter 'DGSFP') performs the functions of supervision in the field of insurance and reinsurance, insurance mediation, capitalisation and pension funds. The DGSFP is located in Madrid (Spain) in Paseo de la Castellana, 44 and its website is:

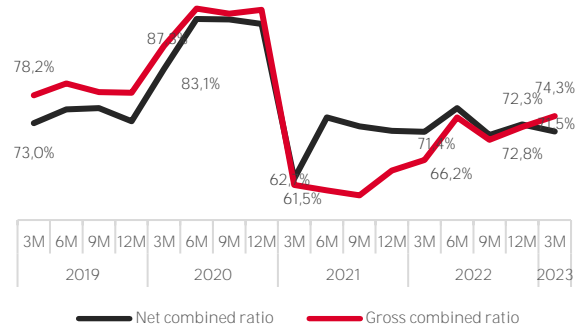
www.dgfsp.mineco.es

<p>Insurance specialist</p>  <ul style="list-style-type: none"> • Over 150 years of experience • Complete offer • Sustainable and socially responsible model 	<p>Closeness – global presence</p>  <ul style="list-style-type: none"> • Distribution of intermediaries • Over 15,000 intermediaries • Over 7,100 employees • Nearly 1,500 offices • Over 50 countries
<p>Solid financial structure</p>  <ul style="list-style-type: none"> • Listed on the Stock exchange • "A" Rating • Stable, committed shareholders 	<p>Technical rigour</p>  <ul style="list-style-type: none"> • Excellent combined ratio • Strict cost control • 1999-2022: profits multiplied by 10 • Diversified and prudent investment portfolio

Additional information for credit insurance

Combined ratio breakdown	3M2021	3M2022	% Chg. 22-23	12M2021
% Gross technical cost	34.5%	42.8%	8.3	38.7%
% Gross commissions + expenses	31.7%	31.5%	-0.2	33.6%
% Gross combined ratio	66.2%	74.3%	8.1	72.3%
% Net technical cost	42.2%	43.9%	1.7	41.3%
% Net commissions + expenses	29.2%	27.6%	-1.6	31.4%
% Net combined ratio	71.4%	71.5%	0.1	72.8%

Combined gross and net ratio evolution.

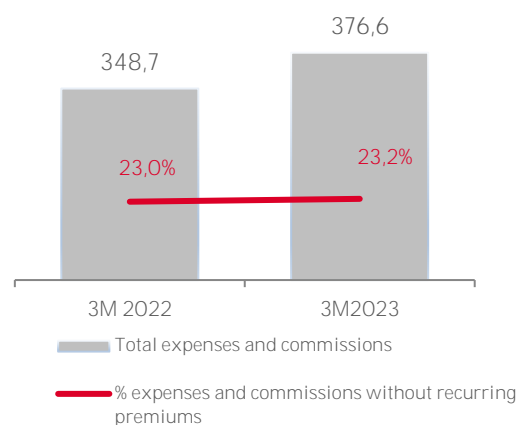


Cumulative risk by country	2019	2020	2021	2022	3M 2023	% Chg. 22-23	% total
Spain and Portugal	98,739	79,231	86,970	97,580	99,610	2.1%	11.4%
Germany	93,024	93,568	108,235	125,354	127,296	1.5%	14.6%
Australia and Asia	95,595	84,153	101,050	121,807	124,141	1.9%	14.2%
The Americas	81,269	71,765	94,039	126,191	126,140	0.0%	14.4%
Eastern Europe	68,595	64,630	77,682	88,671	90,065	1.6%	10.3%
United Kingdom	51,019	46,339	56,511	66,053	67,383	2.0%	7.7%
France	48,407	45,239	50,601	58,808	59,385	1.0%	6.8%
Italy	43,661	42,001	50,352	62,161	62,097	-0.1%	7.1%
Nordic and Baltic countries	31,748	30,779	35,311	40,912	41,888	2.4%	4.8%
The Netherlands	30,392	29,875	33,204	39,063	39,637	1.5%	4.5%
Belgium and Luxembourg	17,444	16,959	19,155	21,816	21,883	0.3%	2.5%
Rest of the world	12,627	10,011	11,934	14,835	14,496	-2.3%	1.7%
Total	672,520	614,549	725,043	863,252	874,020	1.2%	100.0%

Cumulative risk by sector	2019	2020	2021	2022	3M 2023	% Chg. 22-23	% total
Electronics	82,858	73,189	90,137	107,892	107,354	-0.5%	12.3%
Chemicals	87,466	82,804	99,390	123,206	124,198	0.8%	14.2%
Durable consumer goods	73,145	69,071	81,697	91,125	90,327	-0.9%	10.3%
Metals	72,285	61,597	78,757	94,888	97,283	2.5%	11.1%
Food	64,587	63,860	71,101	82,021	82,700	0.8%	9.5%
Transport	61,128	53,098	61,673	75,650	77,891	3.0%	8.9%
Construction	51,495	47,072	53,451	62,382	63,451	1.7%	7.3%
Machinery	41,225	39,635	46,328	55,280	56,588	2.4%	6.5%
Agriculture	33,954	29,845	34,441	39,751	40,787	2.6%	4.7%
Construction materials	29,389	29,345	34,801	41,563	42,215	1.6%	4.8%
Services	27,109	23,346	25,211	30,309	30,561	0.8%	3.5%
Textiles	19,660	15,404	16,987	19,997	20,834	4.2%	2.4%
Paper	15,065	13,151	15,572	19,227	19,497	1.4%	2.2%
Finance	13,156	13,131	15,497	19,961	20,335	1.9%	2.3%
Total	672,520	614,549	725,043	863,252	874,020	1.2%	100.0%

Expenses and commissions

(figures in €million)				
Expenses and commissions	3M2022	3M2023	% Chg. 22-23	12M2022
Traditional business	71.5	70.9	-0.8%	306.6
Credit insurance	114.9	126.9	10.4%	497.3
Non-ordinary expenses	3.2	0.0		12.6
Total expenses	189.7	197.7	4.2%	816.5
Commissions	159.0	178.8	12.5%	670.8
Total expenses and commissions	348.7	376.6	8.0%	1,487.3
% expenses and commissions without recurring premiums	23.0%	23.2%		30.3%



Financial profit/(loss)

(figures in €million)				
Financial profit/(loss)	3M2022	3M2023	% Chg. 22-23	12M2022
Financial income	36.4	55.8	53.3%	188.7
Exchange-rate differences	-0.3	0.1		-0.8
Subsidiary companies	0.4	0.4		1.9
Interest applied to life	-24.4	-36.4	49.2%	-105.5
Traditional business	12.1	19.4	60.3%	84.4
% on earned premiums	1.7%	2.5%		3.0%
Financial income	1.4	12.7		28.7
Exchange-rate differences	-1.1	-2.4		11.0
Subsidiary companies	3.4	2.8	-17.6%	17.8
Interest subordinated debt	-3.3	-3.3		-12.7
Credit insurance	0.7	9.8		44.8
% on net income from insurance	0.1%	1.5%		1.9%
Intra-group interest adjustment	-0.1	-0.1		-0.4
Adjusted credit insurance	0.6	9.8		44.4
Recurring profit/(loss) from funeral business	0.0	-3.3		0.0
Ordinary financial	12.7	25.9		128.8
% on total Group Income	1.0%	1.8%		2.5%
Non-ordinary financial	0.6	-1.1		80.2
Financial profit/(loss)	13.3	24.8	86.5%	209.0

Non-ordinary profit/(loss)

(figures in €million)				
Non-ordinary profit/(loss)	3M2022	3M2023		12M2022
Technical	0.0	0		-53.4
Financial	0.8	0		98.4
Expenses and others	4.8	1.0		-115.5
Taxes	-0.8	-0.4		19.6
Non-ordinary from traditional business	4.7	0.6		-50.6
Financial	-0.1	-1.1		-18.2
Expenses and others	0.0	0.0		-4.6
Taxes	0.0	0.3		-1.0
Non-ordinary credit insurance	-0.1	-0.8		-23.8
Non-recurring from traditional business	0.0	0.1		-0.3
Taxes	0.0	-0.1		0.1
Non-recurring from traditional business	0.0	0		-0.2
Non-ordinary net profit/(loss)	4.6	-0.3		-74.7

Balance sheet

The assets of GCO stood at €19,256.2 million.

GCO closed the first quarter of 2023 with assets of €19,256.2 million, a decrease of 7.2% since the beginning of the year.

The main items that explain this increase are:

- **Technical provisions, with an extra €495.4 million**
- **Intangible assets and property, plant and equipment, €773.2 million more.**

Note that the item "cash" does not completely reflect the Group's liquidity position as investments in deposits and money market funds are included in Financial Investments (See Investments and Managed funds table).

Likewise, it should be remembered that GCO does not account for the surplus value of its property, so they appear at the amortised cost value and not at market value.

	(figures in €million)		
	12M2022	3M2023	% Chg. 22-23
Assets			
Intangible assets and property, plant and machinery	1,312.0	2,085.2	58.9%
Property	13,312.4	13,253.1	-0.4%
Property investment	749.3	746.5	-0.4%
Financial investments	10,436.7	10,891.5	4.4%
Cash and short-term assets	2,126.4	1,615.1	-24.0%
Reinsurance share in technical provisions	1,200.0	1,299.7	8.3%
Other assets	2,146.4	2,618.1	22.0%
Deferred tax assets	282.3	286.1	1.3%
Credits	1,084.3	1,409.0	29.9%
Other assets	779.8	923.0	18.4%
Total assets	17,970.8	19,256.2	7.2%
Liabilities and net equity	12M2021	3M2022	% Chg. 22-23
Permanent resources	4,374.0	4,669.4	6.8%
Net equity	4,182.6	4,497.5	7.5%
Parent company	3,782.4	4,066.5	7.5%
Minority interests	400.2	431.0	7.7%
Subordinated liabilities	191.3	171.9	-10.1%
Technical provisions	11,730.1	12,225.5	4.2%
Other liabilities	1,866.7	2,361.3	26.5%
Other provisions	258.3	261.3	1.2%
Deposits received due to ceded reinsurance	14.3	20.2	41.3%
Deferred tax liabilities	308.7	416.9	35.1%
Debts	1,026.7	1,404.7	36.8%
Other liabilities	258.7	258.2	-0.2%
Total net liabilities and equity	17,970.8	19,256.2	7.2%

Corporate structure

GCO is composed of 50 companies, mostly involved in the insurance business. The parent company is Grupo Catalana Occidente S.A., which directly and indirectly runs and manages the investments of all Group entities.

All of these have their own structure and organisational network, independent from the other insurance companies in the Group. From an organisational point of view they have a structure with functions for the centralisation and decentralisation of operations, with the following service centres: two underwriting centres, six claims centres, an administrative centre and a call centre.

GCO		
Main entities		
Seguros Catalana Occidente	Tecniseguros	GCO Gestión de Activos
Seguros Bilbao	Bilbao Vida	GCO Gestora de Pensiones
NorteHispana Seguros	S. Órbita	Catoc Inversiones Globales
Plus Ultra Seguros	Previsora Bilbaina Agencia de Seguros	Bilbao Hipotecaria
GCO Re	Bilbao Telemark	Sogesco
	Inversions Catalana Occident	Hercasol SICAV
	CO Capital Ag. Valores	GCO Activos Inmobiliarios
	Cosalud Servicios	
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Centre	
	Grupo Asistea	
Atradius Crédito y Caución	Atradius Collections	Grupo Compañía Española Crédito y Caución
Atradius Re	Atradius Dutch State Business	Atradius NV
Atradius ATCI	Atradius Information Services	Atradius Participations Holding
Atradius Seguros de Crédito México	Iberinform International	Atradius Finance
Atradius Rus Credit Insurance		
Crédito y Caución Seguradora de Crédito e Grantias Brazil		
INSURANCE COMPANIES	COMPLEMENTARY INSURANCE COMPANIES	INVESTMENT COMPANIES

Traditional business

Credit insurance business

Board of Directors

GCO has a Board of Directors that applies the principles of good governance with transparency and rigour.

The Board of Directors is the maximum management authority in Grupo Catalana Occidente, S.A. The Board delegates ordinary management in the management team and concentrates its activity on the supervision function which includes:

- Strategic responsibility: direct the policies of the Group.
- Supervision responsibility: control the management events.
- Communication responsibility: serve as a link between shareholders.

Among other issues, the Board of Directors is responsible for the approval of the strategic plan, the annual objectives and budgets, the investment and finance policy and the policies of corporate governance, corporate responsibility and risk control and management.

Its operation and actions are regulated by the Articles of Association and in the Regulations of the Board of Directors (available on the Group's website).

The Board of Directors annually approves the corporate governance report and the report on remuneration for the members of the Board of Directors corresponding to each year, following the guidelines established by the regulations in relation to the transparency of listed entities, and which is later submitted to a vote in the General Shareholders Meeting.

Board of Directors

Chairman

* José María Serra Farré

Vice Chairman and Chief Executive Officer

* Hugo Serra Calderón

Members

** Juan Ignacio Guerrero Gilabert

Jorge Enrich Serra

Federico Halpern Blasco

Álvaro Juncadella de Pallejá

** Francisco Javier Pérez Farguell

Maria Assumpta Soler Serra

** Beatriz Molins Domingo

Non-board member secretary

Joaquín Guallar Pérez

Audit Committee

Chairman

Juan Ignacio Guerrero Gilabert

Members

Francisco Javier Pérez Farguell

Álvaro Juncadella de Pallejá

Appointments and Remunerations Committee

Chairman

Francisco Javier Pérez Farguell

Members

Juan Ignacio Guerrero Gilabert

Jorge Enrich Serra



The CVs are available in the Group's website



For further information about the governance system

*Executive directors **Independent

Calendar and contact

January	February	March	April	May	June	July	August	September	October	November	December
	24 Profits/(losses) 12M2022		27 Profits/(losses) 3M2023			27 Profits/(losses) 6M2023			26 Profits/(losses) 9M2023		
	24 Presentation of results 12M2022 10.30		28 Presentation of results 3M2023 11.00			27 Presentation of results 6M2023 16.30			26 Presentation of results 9M2023 16.30		
			27 General Shareholders' Meeting 2022								
	Interim dividend 2022			Complementary dividend 2022		Interim dividend 2023			Interim dividend 2023		



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Glossary

Item	Definition	Formulation	Importance and relevance of use
Technical profit/(loss) after expenses	Result of the insurance activity	Technical profit/(loss) after expenses = (earned premiums from direct insurance + earned premiums from accepted reinsurance + information services and commissions) – Technical cost – Bonuses and rebates - Net operating expenses - Other technical expenses	Relevant Entity Relevant investors
Reinsurance profit/(loss)	Profit/(loss) due to transferring business to the reinsurer or accepting business from other entities.	Reinsurance profit/(loss) = Profit/(loss) of accepted reinsurance + Profit/(loss) of ceded reinsurance	Relevant Entity Relevant investors
Financial profit/(loss)	Profit/(loss) of the financial investments.	Financial profit/(loss) = income from financial assets (coupons, dividends, actions) - financial expenses (commissions and other expenses) + profit/(loss) of subsidiary companies - interest accrued on the debt - interest paid to the insured parties of the life insurance business	Relevant Entity Relevant investors
Technical/financial profit/(loss)	Profit/(loss) of the insurance activity, including the financial Profit/(loss). This profit/(loss) is particularly relevant for Life insurance.	Technical/financial profit/(loss) = Technical Profit/(loss) + Financial profit/(loss)	Relevant Entity Relevant investors
Profit/(loss) of non-technical non-financial account	Income and expenses that cannot be assigned to the technical or financial profits/(losses).	Profit/(loss) of non-technical non-financial account = Income - expenses that cannot be assigned to the technical or financial profits/(losses).	Relevant Entity Relevant investors
Profit/(loss) from complementary activities	Profit/(loss) from activities that cannot be assigned to the purely insurance business. Includes the funeral business and ancillary credit activities (mainly: information services, debt collection, management of the Dutch state's export account).	Profit/(loss) from complementary activities = income - expenses of these businesses	Relevant Entity Relevant investors
Ordinary profit/(loss)	Profit/(loss) from the entity's regular activity	Ordinary profit/(loss) = technical/financial Profit/(loss) + non-technical account profit/(loss) - taxes, all resulting from normal activity	Relevant Entity Relevant investors
Non-ordinary profit/(loss)	Extraordinary or atypical movements that may undermine the analysis of the income statement. These are classified depending on their nature (technical, expenses and financial) and by business type (traditional and credit insurance)	Non-ordinary profit/(loss) = technical/financial profit/(loss) + non-technical account profit/(loss) - taxes, all resulting from extraordinary or atypical activity	Relevant Entity Relevant investors
Turnover	Turnover is the Group's business volume. It includes premiums that the Group generates in each of the business lines and the income from services pertaining to the credit insurance. Funeral Business	Turnover = Premiums invoiced + Income from information Premiums invoiced = premiums issued from direct insurance + premiums from accepted reinsurance	Relevant Entity Relevant investors

Managed funds	Amount of the financial and property assets managed by the Group	Managed funds = Financial and property assets entity risk + Financial and property assets policyholder risk + Managed pension funds Managed funds = fixed income + variable income + properties + deposits in credit entities + treasury + investee companies	Relevant investors
Financial strength	This shows the debt and solvency situation. This is principally measured through the debt ratio, the interest coverage ratio and the credit rating.	Debt Ratio = Debt / Equity + Debt	Relevant investors
Technical cost	Direct costs of claims coverage. See claims.	Technical cost = claims in the year, net of reinsurance + variation of other technical provisions, net of reinsurance	
Average cost of the claims	Reflects the average cost per claim	Average cost of claims = Technical cost / number of claims corresponding to that period.	
Deposits for ceded reinsurance	Deposits retained by the Group to secure the financial obligations of reinsurers	Deposits from ceded reinsurance Amounts received from ceded reinsurance to guarantee obligations arising from reinsurance contracts, the amount corresponds to the balance shown in the balance sheet	
Dividend yield	The profitability per dividend or dividend yield shows the relationship existing between the dividends distributed in the previous year with the value of the average share. Indicator used to value the shares of an entity.	Dividend yield = dividend paid in the year per share / value of the price of the average share.	Relevant investors
Modified Duration	Sensitivity of the value of the assets to movements in interest rates	Modified duration= Represents an approximation of the value of the percentage change in the value of the financial assets for each percentage point (100 basic points) of change in the interest rates.	
Expenses	The general expenses include the costs incurred for management of the business, excluding those that can be assigned to claims.	Expenses = personnel expenses + commercial expenses + various expenses and services (allowance, training, management rewards, material and other office expenses, leases, external services, etc.)	Relevant Entity Relevant investors
Permanence index	This measures the customer's expectations of continuing with the entity Scale from less than 1 year to over 5 years	Permanence index= how long do you think that you will remain a customer?	Relevant Entity Relevant investors
Satisfaction with company index	This measures the general satisfaction of the customer with the entity Scale from 1 to 10	Overall satisfaction index = (Satisfied – dissatisfied) / respondents Satisfied responses with result from 7 to 10 Dissatisfied responses with result from 1 to 4	Relevant Entity Relevant investors
Service satisfaction index	This measures the evaluation of the service received Scale from 1 to 10	Service satisfaction index = (Satisfied – dissatisfied) / respondents Satisfied responses with result from 7 to 10 Dissatisfied responses with result from 1 to 4	Relevant Entity Relevant investors
Income from insurance	This measures income directly derived from the activities of insurance and information services	Income from insurance = premiums accrued from direct insurance + premiums accrued from accepted reinsurance + information services and commissions	Relevant Entity Relevant investors
Income from information	Income obtained from the study of the financial information of debtors of the credit business' policyholders in order to contract a policy	Information income = Information services and commissions	Relevant Entity Relevant investors

Managed funds	A group of assets managed by the Group in order to obtain a financial return on them.	Financial assets on the entity's balance sheet (real estate, fixed income, equities, ...) plus assets managed by the Group for its customers in pension plans and mutual funds	Relevant Entity Relevant investors
Investments in associated / subsidiary entities	Non-dependant entities where the Group has significant influence	Investments in associated / subsidiary entities = accounting value of the economic investment	
Net Promoter Score NPS	This measures the degree of customer loyalty with the entity	Net Promoter score = Would you recommend the company to family and friends? = (promoters-critics)/ respondents Promoters: responses with result equal to 9 or 10 Critics: responses with result from 1 to 6	Relevant Entity Relevant investors
Pay out	Ratio that indicates the part of the result distributed among investors through dividends	Pay out = (Total dividend/ Result of the year attributable to the parent company) x 100	Relevant investors
Price Earnings Ratio PER	The price-earnings ratio or PER measures the relationship between the price or value of the entity and the results. Its value expresses what the market pays for each monetary unit of results. It is representative of the entity's capacity to generate results.	PER = Price of the share at market close / Result of the year attributable to the parent company per share	Relevant investors
Recurring premiums	Total premiums without considering non-periodic premiums in the Life business	Recurring premiums = Earned premiums - single and supplementary life business premiums	Relevant Entity Relevant investors
Technical provisions	Amount of the obligations assumed that are derived from insurance and reinsurance contracts.		Relevant Entity Relevant investors
Combined ratio	Indicator that measures the technical profitability of the Non Life insurance policies.	Combined ratio = Ratio of claims + ratio of expenses	Relevant Entity Relevant investors
Net combined ratio	Indicator that measures the technical profitability of the non-life insurances net of the reinsurance effect	Net combined ratio = Net ratio of claims + net ratio of expenses	
Efficiency ratio	Ratio reflecting the portion of premium income devoted to operating expenses and commissions.	Efficiency Ratio = (Total expenses and commissions) / Recurring premiums	Relevant Entity Relevant investors
Expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses.	Expenses ratio = Expenses from operation / Income from insurance	
Net expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses, net of the reinsurance effect	Net expenses ratio= (Net expenses from reinsurance operation) / (premiums attributed to direct business and accepted reinsurance + information services and commissions)	
Claims ratio	Business indicator, consisting of the proportion between claims and earned premiums.	Claims ratio = Claims / Income from insurance	Relevant Entity Relevant investors
Net claims ratio	Business indicator, consisting of the proportion between claims and earned premiums, net of the reinsurance effect.	Net claims ratio= Claims in the year, net of reinsurance / (premiums attributed to direct business and accepted reinsurance + information services and commissions)	

Permanent resources	Resources that can be included in own funds.	Permanent resources = Total net equity + subordinated liabilities	Relevant Entity Relevant investors
Permanent resources at market value	Resources that can be included in own funds at market value	Permanent resources at market value = Total net equity + subordinated liabilities + capital gains associated to properties for own use + capital gains associated to property investments	Relevant Entity Relevant investors
Resources transferred to the company	Amount that the Group returns to the main groups of interest.	Resources transferred to the company = claims paid + taxes + commissions + personnel expenses + dividends	
Return On Equity ROE	Financial profitability or rate of return Measures the performance of the capital	ROE = (Result of the year. Attributable to the parent company) / (Simple average of the Equity attributable to shareholders of the parent company at the start and end of the period (twelve months)) x 100	Relevant investors
Claims	See technical cost. Economic evaluation of claims.	Claims = Payments made from direct insurance + Variation of the provision for services of direct insurance + expenses attributable to services	
Total expenses and commissions	Commissions and expenses (except those that can be allocated to claims) arising from the management of the business.	Expenses and commissions = Operating expenses + commissions paid on policies	
Total Potential Exposure TPE	This is the potential exposure to risk, also "cumulative risk".Credit insurance business term	TPE = the sum of the credit risks underwritten by the Group for each buyer	Relevant Entity Relevant investors
Value of responsible investments with respect to total investments and managed funds	Ratio that reflects the assets managed by the Group that comply with the Group's Responsible Investment Policy, with respect to the total investments and funds managed by the Group.	Investments that comply with the Group's Responsible Investment Policy/ Total investments and funds managed by the Group	
Generated economic value	The generated economic value is the aggregation of the value distributed by the Group and the value retained by the Group.	Direct generated economic value = economic value distributed + economic value retained	
Distributed economic value	Economic value that the Group has allocated to the following stakeholders: customers, public administrations, mediators, employees, shareholders and contributions to foundations and non-profit organisations.	Distributed economic value = payment of benefits to customers + taxes paid and social security contributions + payments to suppliers + salaries and employee benefits + dividends paid + Group contributions to foundations and non-profit organisations.	
Retained economic value	Amount of GCO's undistributed annual net income.	Retained economic value = Annual amount of GCO's after-tax income allocated to Reserves.	
Theoretical book value	The value per share that a company has for accounting purposes. Book value per share.	Theoretical book value = net equity/ number of shares	Relevant investors

Legal note

This document has been prepared by GCO exclusively for use in the presentation of results. The statements of the future or predictions that may be contained in this document do not constitute, by their very nature, guarantees of future compliance and are subject to risk, uncertainty and other relevant factors, which may determine that the development and final results differ materially from the statements made on these pages. Among these factors, we can highlight the following: performance of the insurance sector and of the overall economic situation in the countries where the entity operates; modifications to the legal framework; changes in monetary policy; pressure from the competition; changes in trends upon which the mortality and morbidity tables are based which affect the insurance activity in the areas of life and health; frequency and severity of the claims subject to coverage, both in the scope of the insurance activity and of general insurance such as life; fluctuation of the interest rates and the exchange rates; risks associated to the use of derived products; effect of future acquisitions.

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