



2019

Quarterly report 9M2019

Grupo Catalana Occidente, S.A.

 **Catalana
Occidente**
Grupo asegurador

Table of contents

01. Keys of the period 9M 2019	3
Key financial figures.....	4
Business diversification	6
Group performance in 9M 2019	7
GCO shares and dividends	8
Market environment.....	9
02. Business performance in 9M 2019	10
Traditional business.....	11
Credit insurance business.....	14
Investments and managed funds.....	16
Capital management.....	18
03. Annexes.....	19
About Grupo Catalana Occidente	20
Additional Information credit insurance.....	21
Expenses and commissions	22
Financial result.....	22
Non-recurring result	22
Balance sheet.....	23
Corporate structure	24
Board of Directors.....	25
Corporate Responsibility and Foundation.....	26
Calendar and contact	27
Glossary.....	28
Legal note.....	32



Download our App



01

Keys of the period 9M 2019

Main figures

At the end of the third quarter of 2019, the Group has increased invoicing, profit and capital

Growth

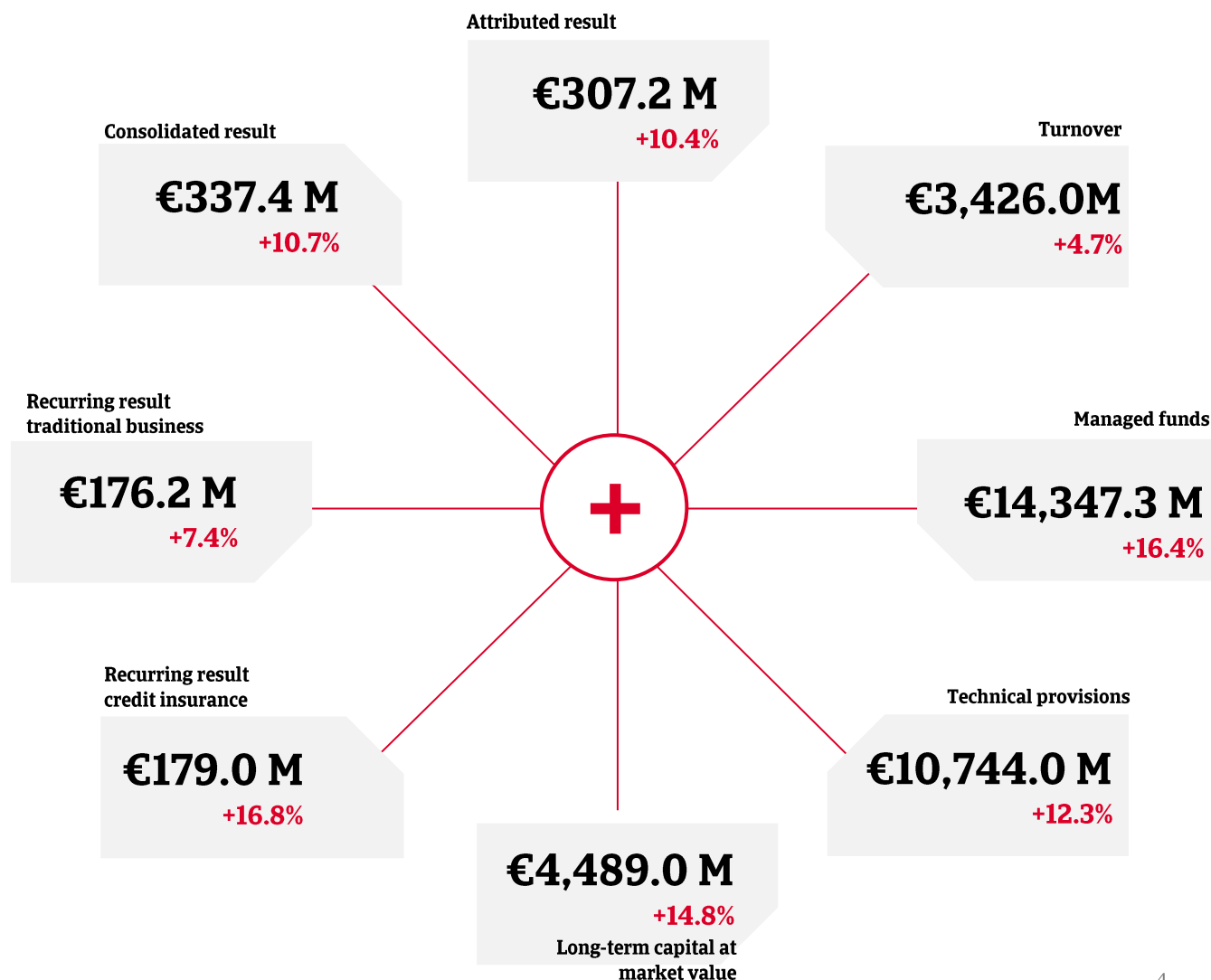
- Increase of 4.7% in turnover.

Profitability

- Increase of 10.7% in the consolidated profit, reaching €337.4 million.
- Improvement of recurring results:
 - +7.4% in the traditional business, with €176.2 million.
 - +16.8% in the credit insurance business, with €179.0 million.
- Excellent combined ratio:
 - 89.5% in traditional business (non-life).
 - 75.8% in the credit insurance business.
- Increase of 5% in shareholder remuneration.

Solvency

- The Solvency II ratio at the close of 2018 for the Group is 207% (without transition of technical provisions).

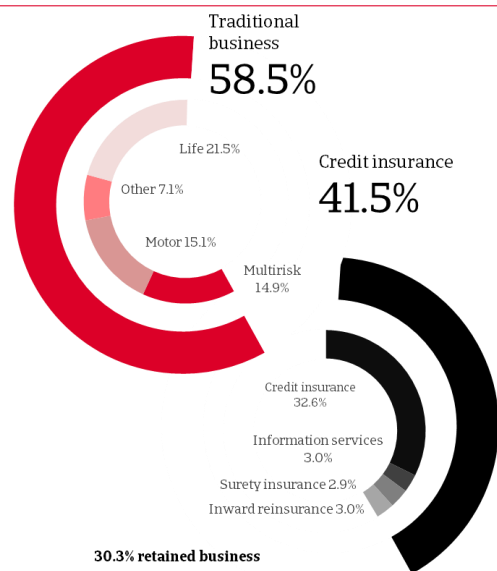


(figures in € million)

Key financial figures	9M2018	9M2019	% Chg. 18-19	12M 2018
GROWTH				
Turnover	3,272.6	3,426.0	4.7%	4,345.2
- Traditional business	1,881.3	1,931.1	2.6%	2,541.2
- Credit insurance business	1,391.3	1,494.9	7.4%	1,804.0
PROFITABILITY				
Consolidated result	304.8	337.4	10.7%	386.4
- Traditional business	164.0	176.2	7.4%	195.7
- Credit insurance business	153.2	179.0	16.8%	200.9
- Non-recurring	-12.3	-17.8		-10.2
Attributed result	278.2	307.2	10.4%	352.1
Combined traditional business ratio	90.2%	89.5%	-0.7	91.2%
Combined ratio credit insurance	75.2%	75.8%	0.6	75.5%
Dividend per share				0.82
Pay-out				28.2%
Share price	37.5	29.2	-22.3%	32.6
PER	13.1	9.2		11.1
ROE	12.0%	11.3%		12.3%
NON-FINANCIAL DATA				
Number of employees	7,356	7,391	0.5%	7,389
Number of offices	1,656	1,649	-0.4%	1,649
Number of intermediaries	18,293	17,683	-3.3%	17,801
	12M2018	9M2019	% Chg. 18-19	
SOLVENCY				
Long-term capital at market value	3,908.7	4,489.0	14.8%	
Technical provisions	9,567.7	10,744.0	12.3%	
Managed funds	12,323.5	14,347.3	16.4%	

Business diversification 12M2018

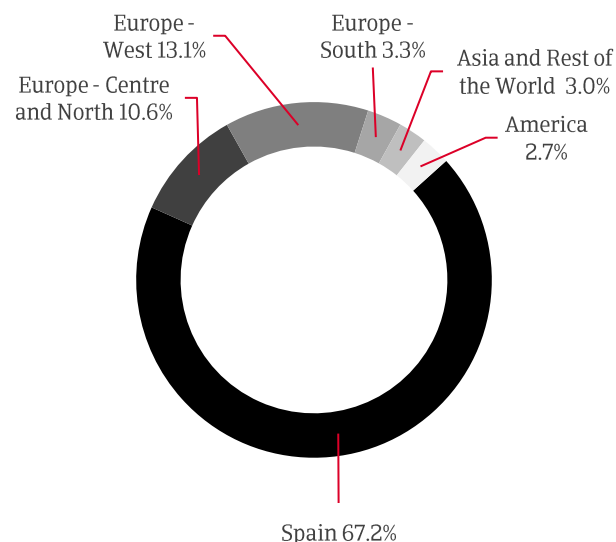
Grupo Catalana Occidente has a balanced and diversified portfolio.



In the traditional business (58.5% 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 (30.3% 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.

Global presence

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



Grupo Catalana Occidente obtains 67.2% of its income from the Spanish domestic market, where it holds the sixth position, through the brands Seguros Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao, NorteHispana Seguros, Antares and Crédito y Caución.

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.

Acquisition of Antares

On 8 November Grupo Catalana Occidente announced the purchase of 100% of Seguros de Vida Pensiones Antares, S.A. ("Antares"), a personal insurance company of Telefónica, for an amount of €159 million.

The close of the operation was carried out on 14 February after obtaining no-opposition from the General Insurance Directorate and the authorisation of the transaction from the National Commission of Markets and Competition.

In terms of the balance sheet the estimated impact will be:

- Incorporation of €1,055.2 million in assets.
- Goodwill of €5 million.

With this transaction, the Group increased its weight in the health sector, reaching the ninth position on the ranking with 2% of the market share and €165.7 million in turnover in said sector.

Group Performance in 9M 2019

The Group's net attributable profit increased by 10.4% and turnover by 4.7%.

The Group's results continue to reflect the solid performance of traditional business entities and credit insurance.

Business volume increased 4.7%, reflecting the sustained growth in credit insurance. The technical result, with €391.3 million, is increased by 6.5% mainly due to the application of sound underwriting criteria and the continuous improvement of efficiency.

The financial result contributes €55.8 million to reach €432.2 million of profit before tax. Tax comes to €94.8 million, 21.9% on profit. Consolidated profit amounted to €337.4 million, a 10.7% increase.

 For further information, see annexes

(figures in € million)

Income statement	9M 2018	9M 2019	% Chg. 18 -19	12M 2018
Written premiums	3,165.9	3,314.9	4.7%	4,212.6
Income from information	106.7	111.1	4.1%	132.5
Turnover	3,272.6	3,426.0	4.7%	4,345.2
Technical cost	1,895.6	2,026.8	6.9%	2,584.7
% on total income from insurance	59.3%	59.5%		60.0%
Commissions	396.8	418.7	5.5%	532.8
% on total income from insurance	12.4%	12.3%		12.4%
Expenses	535.6	570.1	6.4%	726.6
% on total income from insurance	16.8%	16.7%		16.9%
Technical result	367.3	391.3	6.5%	467.3
% on total income from insurance	11.5%	11.5%		10.8%
Financial result	55.7	55.8	0.2%	80.1
% on total income from insurance	1.7%	1.6%		1.9%
Result of non-technical non-financial account	-20.5	-21.5	4.9%	-31.0
% on total income from insurance	-0.6%	-0.6%		-0.7%
Result from compl. activities Credit insurance and funeral business	2.3	6.6	187.0%	6.4
% on total income from insurance	0.1%	0.2%		0.1%
Result before tax	404.9	432.2	6.7%	522.8
% on total income from insurance	12.7%	12.7%		12.1%
Consolidated result	304.8	337.4	10.7%	386.4
Result attributable to minorities	26.7	30.2	13.1%	34.3
Attributed result	278.2	307.2	10.4%	352.1
% on total income from insurance	8.7%	9.0%		8.2%

Results by areas of activity	9M 2018	9M 2019	% Chg. 18-19	12M 2018
Recurring results traditional business	164.0	176.2	7.4%	195.7
Recurring results from credit insurance business	153.2	179.0	16.8%	200.9
Non-recurring result	-12.3	-17.9		-10.2

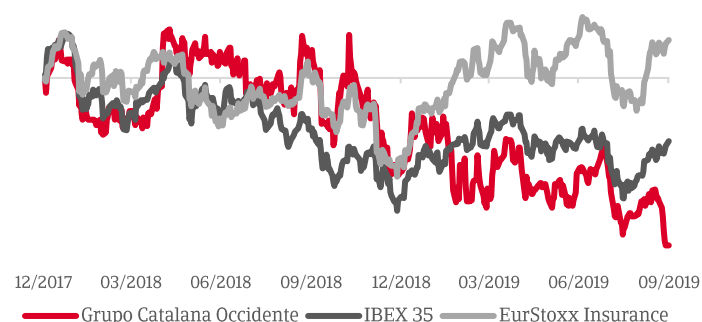
GCO shares and dividends

Share performance

Shares in Grupo Catalana Occidente end the third quarter at € 29.15/share

In this period the share price fell by 10.6%, below the reference index of the Spanish market.

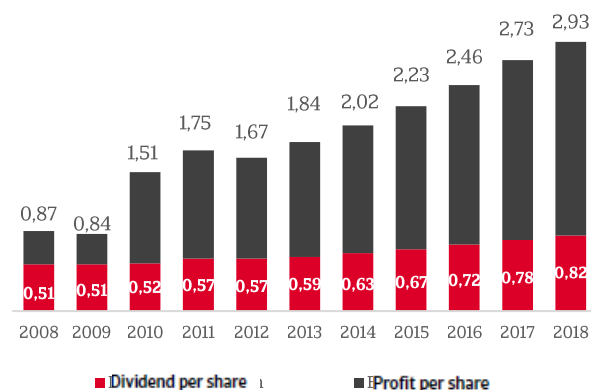
Share performance since the beginning of 2018



The average recommendation of the analysts is to "purchase" the share with a target price of €39.0/share (max. €42.3/share and min. €33.5/share).

Dividends

The Group has increased the two first dividends charged to income for 2019 by 5%



Active relationship with the financial market

Grupo Catalana Occidente maintains a smooth and close relationship with the financial market, offering specific communication channels

During the first three quarters 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 forums/conferences.

Share price (euro per share)

	9M 2018	9M 2019	12M 2018
Period start	36.94	32.60	36.84
Minimum	34.30	29.15	32.40
Maximum	39.20	35.30	39.20
Period end	37.50	29.15	32.60
Average	36.85	32.28	36.50

Profitability (YTD)	9M 2018	9M 2019	TACC 2002-9M19
GCO	-11.75%	-10.58%	12.42%
Ibex 35	-14.97%	8.25%	2.43%
EuroStoxx Insurance	-10.05%	16.50%	3.75%

Other data (in euro)	9M 2018	9M 2019	12M 2018
Number of shares	120,000,000	120,000,000	120,000,000
Nominal share value	0.30	0.30	0.30
Average daily subscription (number of shares)	37,444	43,671	34,149
Average daily subscription (euro)	1,373,050	1,401,775	1,243,406

2019 macroeconomic environment

Downward revision of expected growth in 2019 to 3.0% (-0.2p.p) and in 2020 to 3.4% (-0.1p.p).

Widespread impairment of economic indicators.

U.S.-China trade war main threat to global development

United States GDP +2.4% 2019e (-0.2p.p.)*

- Improved growth due to fiscal stimuli and protectionist policies
- Full employment (3.7% unemployment)
- 1.8% inflation.
- Maturity of the economic cycle. Possible "bubbles"
- Trade war with China leading to slower investment, threatening medium-term growth

South America GDP +0.2% 2019e (-0.4p.p.)

- Brazil: growth worsens compared to 2018 (0.9%)
- Mexico: perspective of lower growth due to reduced private investment.
- Venezuela: severe contraction of the economy.

Eurozone GDP +1.2% 2019e(-0.1p.p.)

- Slowdown marked by Germany with risk of recession
- GDP growth supported by consumption and investment
- Inflation 1.2%

United Kingdom GDP +1.2% 2019e (-0.1 p.p.)

- The accumulation of stocks before the Brexit mitigates the decrease
- Exit of companies in the face of uncertainty in the Brexit negotiations

Asia Pacific GDP +5.9% 2019e (-0.3p.p.)

- China:
- Tariff uncertainty and trade tensions with the U.S
 - Contraction in demand China
 - Reduced investment and imports
 - "Insourcing" of companies
- Japan
- Economic slowdown resulting from China's impact

Spain GDP +2.2% 2019e(-0.1p.p.)

- Growth above average in Europe
- Supported by domestic demand (boost in family consumption and private investment).
- Improvement of the public deficit.
- Improvement in unemployment 13.9%
- 0.7% inflation.

Source: the International Monetary Fund; October 2019 revision vs. July 2019 estimate

Fixed Income

- Slowdown in the rise in interest rates until December 2019.

Interest rates 9M2019 (%)	1 year	3 years	5 years	10 years
Spain	-0.5	-0.5	-0.3	0.2
Germany	-0.7	-0.8	-0.8	-0.6
U.S.	1.7	1.6	1.6	1.7

Source: Bloomberg at the close of September 2019

Variable Income

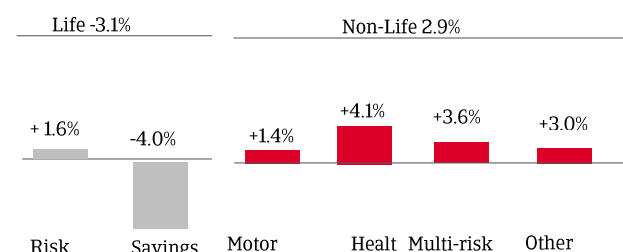
- Recovery of the stock markets after a very volatile 2018.

	9M 2019	% Chg.
Ibex35	9,244.6	+8.3%
EuroStoxx Insurance	302.2	+16.5%
Eurostoxx50	3,569.5	+18.9%
Dow Jones	26,916.8	+15.3%

Sectoral environment

The insurance sector in Spain remains level of turnover (+0.2%), mainly due to the fall in life insurance premiums."

Performance of turnover



Insurance group ranking performance (close of 2018-third quarter 2019)

Group	Position	Market share
VidaCaixa	=	12.8%
Mapfre	=	11.4%
Grupo Mutua Madrileña	=	8.4%
Allianz	=	5.3%
Zurich	=	4.7%
Grupo Catalana Occidente	=	4.7%
Grupo Axa	+1	4.1%
Santalucía	-1	4.1%
Generali	=	3.7%
Santander Seguros	=	3.1%

Source: ICEA at the close of September 2019

02

Business performance in 9M 2019

Traditional business

Positive evolution with growth of 2.8% in turnover of recurring premiums and 7.4% in recurring profit.

Turnover increased by 2.6% at the close of September 2019 to €1,931.1 million. Of note was the 2.3% increase in multi-risk.

The technical result increased 6.2%, supported especially by the Non-Life business, whose technical result contributed €126.9 million and grew 8.3%, thanks to an improvement of 0.7 p.p. in the combined ratio to 89.5%. The technical cost is reduced by 0.8 p.p. and fees increase by 0.1 p.p. The Life business increased its technical result by 1.0% to €45.8 million.

The financial result, with €56.8 million, is reduced by 4.5%. Complementary activities provide €1.9 million from the funeral insurance business.

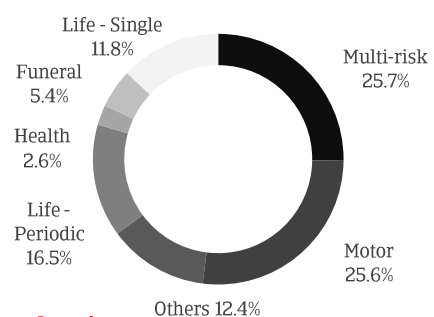
Recurring profit after tax has increased 7.4% reaching €176.2 million. During the year there have been negative non-recurring results for a value of €10.0 million; consequently, the total result is of €166.2 million, increasing by 6.6%.

 For further information, see annexes.

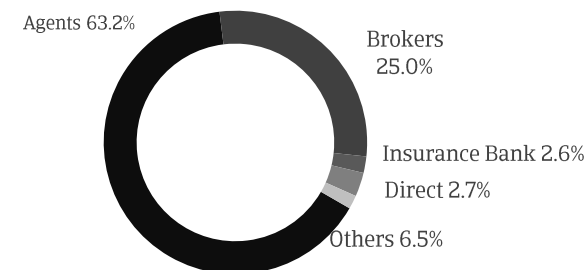
(figures in € million)

Traditional business	9M 2018	9M 2019	% Chg. 18-19	12M 2018
Written premiums	1,881.3	1,931.1	2.6%	2,541.2
Recurring premiums	1,656.0	1,703.1	2.8%	2,200.5
Technical result	162.6	172.7	6.2%	201.2
% over earned premiums	8.7%	8.7%		7.9%
Financial result	59.5	56.8	-4.5%	74.1
% over earned premiums	3.2%	2.9%		2.9%
Non Technical result	-12.2	-12.0		-20.4
Complementary act. (Funeral B.)	2.0	1.9		2.4
Corporate tax	-48.0	-43.3		-61.5
Recurring result	164.0	176.2	7.4%	195.7
Non-recurring result	-8.1	-10.0		-4.6
Total result	155.9	166.2	6.6%	191.1
Earned premiums	1,862.9	1,981.2	6.4%	2,531.2

Distribution by business



Distribution channels



Combined ratio

Commissions + expenses	30.1% (+0.1p.)	Traditional business	Traditional business	Sector
Technical cost	59.4% (-0.8p.)	89.5% (-0.7 p.)	89.2% (-1.0 p.)	91.9% (-1.3 p.)
		30/09/2019	30/06/2019	30/06/2019

Multi-risk

Revenue growth of 2.3% to €496.2 million, with a reduction in the combined ratio of 1.1 percentage points compared to the same period last year. The weather event in September had a reduced impact on technical cost (+0.6 p.p. compared to the first half of the year) as it was largely supported by the Insurance Compensation Consortium.

	(figures in € million)			
	9M2018	9M2019	% chg. 18 - 19	12M2018
Multi-risk				
Written premiums	485.2	496.2	2.3%	645.9
% Technical cost	55.2%	53.8%	-1.4	55.8%
% Commissions	20.6%	20.9%	0.3	20.7%
% Expenses	13.2%	13.2%	0.0	13.4%
% Combined ratio	89.0%	87.9%	-1.1	89.9%
Technical result after expenses	52.4	58.9	12.4%	64.5
% over earned premiums	11.0%	12.1%		10.1%
Earned premiums	477.6	487.0	2.0%	638.7

Motor

Maintenance of turnover with €493.6 million. The combined ratio improved 0.7 p.p. to 93.5%, with a reduced claims ratio due to a lower incidence of peak claims and a maintenance of the accident frequency.

	(figures in € million)			
	9M2018	9M2019	% chg. 18 - 19	12M2018
Motor				
Written premiums	492.0	493.6	0.3%	654.3
% Technical cost	70.3%	69.4%	-0.9	71.3%
% Commissions	11.0%	11.1%	0.2	11.0%
% Expenses	12.9%	13.0%	0.1	13.0%
% Combined ratio	94.2%	93.5%	-0.7	95.3%
Technical result after expenses	28.4	31.7	11.8%	30.9
% over earned premiums	5.8%	6.5%		4.7%
Earned premiums	491.5	488.1	-0.7%	657.2

 For further information, see annexes.

Other

Growth in turnover of 1.8% to €240.4 million. The combined ratio was 84.5%, up 0.6 percentage points due to an increase in technical costs of 1.3 percentage points, which was partly offset by a reduction in fee income.

(figures in € million)				
	9M2018	9M2019	% chg. 18 -19	12M2018
Other				
Written premiums	236.2	240.4	1.8%	308.4
% Technical cost	48.8%	50.1%	1.3	50.2%
% Commissions	21.1%	20.4%	-0.7	20.8%
% Expenses	14.0%	14.0%	0.0	14.1%
% Combined ratio	83.9%	84.5%	0.6	85.2%
Technical result after expenses	36.5	36.3	-0.4%	45.3
% over earned premiums	16.0%	15.5%		14.8%
Earned premiums	227.2	233.7	2.9%	305.2

Life

The life business evolved favourably with a 4.9% increase in turnover and a 15.9% increase in earned premiums, which include the contribution to the Antares business.

The Antares business has been incorporated since February. Given that most of the invoicing takes place in the month of January, there will be practically no impact on invoicing in the year 2019. Its contribution in earned premiums is €90.2 million.

(figures in € million)				
	9M2018	9M2019	% chg. 18 -19	12M2018
Life				
Life insurance turnover	667.9	700.9	4.9%	932.6
Health	42.1	50.6	20.2%	57.6
Funeral	100.3	103.9	3.6%	133.7
Periodic premiums	300.2	318.4	6.1%	400.6
Single premiums	225.3	228.0	1.2%	340.7
Pension plan contributions	36.1	40.9	13.3%	61.2
Net contributions to investment funds	3.1	2.2	-29.0%	4.3
Technical result after expenses	45.4	45.8	1.0%	60.5
% over earned premiums	6.8%	5.9%		6.5%
Earned premiums	666.7	772.4	15.9%	930.1

Credit insurance business

Insurance net income grew 7.0% and recurring profit improved 16.8%.

In the credit insurance business, the Group has increased its net income (earned premiums and information services) by 7.0% reaching €1,426.2 million. The earned premiums, at €1,315.1 million, have increased by 7.3%.

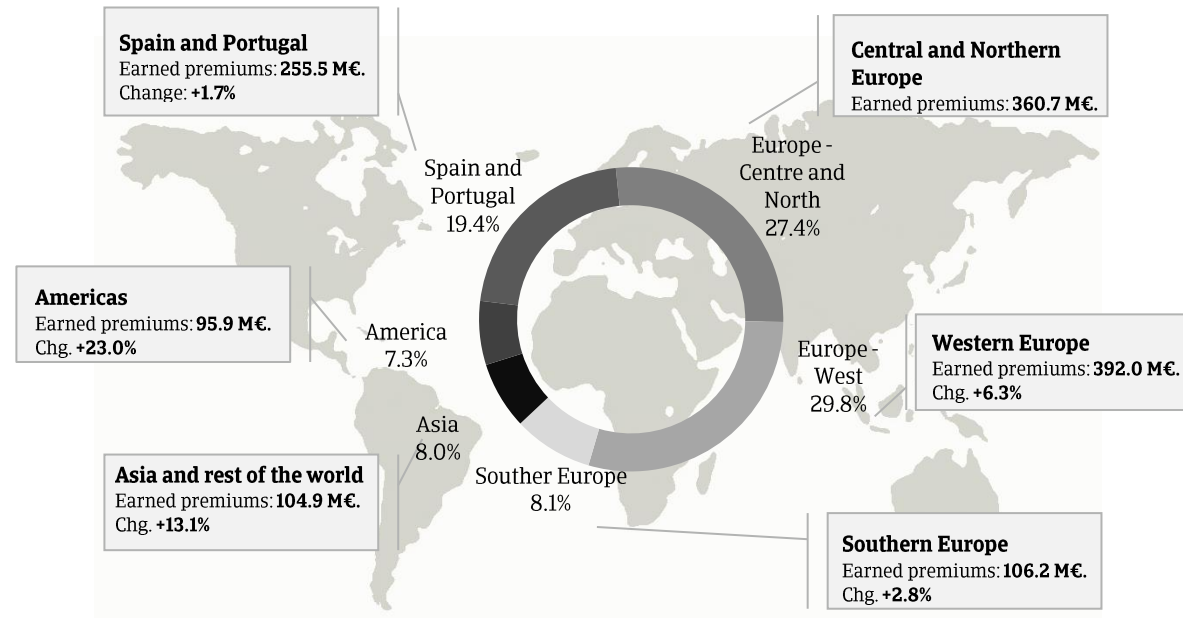
In Spain and Portugal, the Group increased its earned premiums by 1.7%. In the other European markets, premiums increased 6.8%, with constant growth in Germany. In America premiums grew by 23.0% after several years of decreases as a result of an unfavourable impact of exchange rates.

In turn, income from information has increased by 4.1%, contributing €111.1 million.

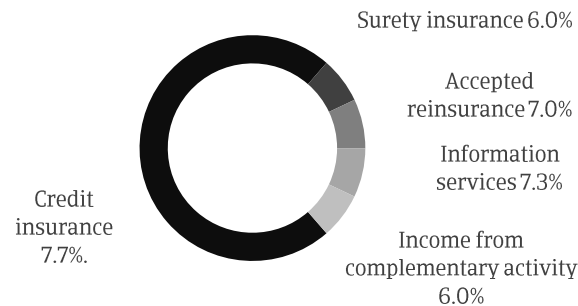
In terms of exposure to risk (TPE), the Group increased by 3.0% to €668.2 million. Europe represents 72.2% of total exposure and Spain is the main market, with 15.1% of the total.

 For further information, see annexes.

+7.3% increase in earned premiums, at €1,315.1 million



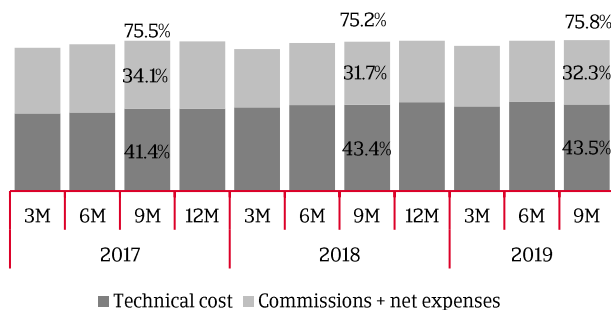
Diversification of the business due to earned premiums



The technical result after expenses increased by 2.7%, while the reinsurance net technical result increased by 7.5% to €222.2 million. In 2019 the ratio of assignment to reinsurance was 38.0%, 2 points less than in the previous year.

The combined ratio is 75.8%, 0.6 p.p more than in the same period of the previous year with a stable technical cost.

Performance of the net combined ratio



In turn, the financial result is less than the same period of the previous financial year mainly due to the negative impact of exchange rate differences and the positive evolution of the results of the associated companies. The result of the complementary activities is €4.7 million.

Thus, the consolidated result, at €179.0 million, increased by 16.8%. By incorporating the non-recurring results, the total result is placed at €171.2 million, increasing by 14.9%.



For further information, see annexes.

(figures in € million)

Credit insurance business	9M 2018	9M 2019	% Chg. 18-19	12M 2018
Earned premiums	1,226.2	1,315.1	7.3%	1648.5
Income from information	106.7	111.1	4.1%	132.5
Credit insurance income	1,332.9	1,426.2	7.0%	1,781.0
Technical result after expenses	294.2	302.0	2.7%	377.6
% over income	22.1%	21.2%		21.2%
Reinsurance result	-87.5	-79.8	-8.8%	-105.6
Reinsurance transfer ratio	40.0%	38.0%		40.0%
Net technical result	206.7	222.2	7.5%	271.9
% over income	15.5%	15.6%		15.3%
Financial result	6.1	11.8	93.4%	9.2
% over income	0.5%	0.9%		0.5%
Result from complementary activities	0.3	4.7		3.8
Company income tax	-54.6	-55.4	1.5%	-76.6
Adjustments	-5.3	-4.3		-7.4
Recurring result	153.2	179.0	16.8%	200.9
Non-recurring result	-4.2	-7.8		-5.7
Total result	149.0	171.2	14.9%	195.2

Investments and funds under management

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

The Group manages funds amounting to €14.347.3 million, €2.023.8 million more than in the previous year.

The total investment in property at market value amounts to €1,598.1 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 evaluated, through entities that are authorised by the supervisor. Capital gains from these properties stand at €507.3 million.

Fixed-income investment represents 57.2% of the total portfolio, standing at €7,479.6 million. The distribution of the rating in the portfolio is shown graphically below. At year end, 61.0% of the portfolio is rated A or higher. The duration of the portfolio at the end of the financial year is 4.74 years and profitability at 2.28%.

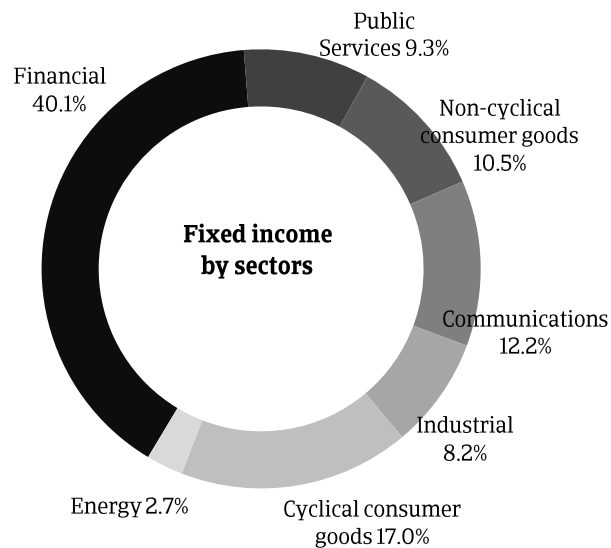
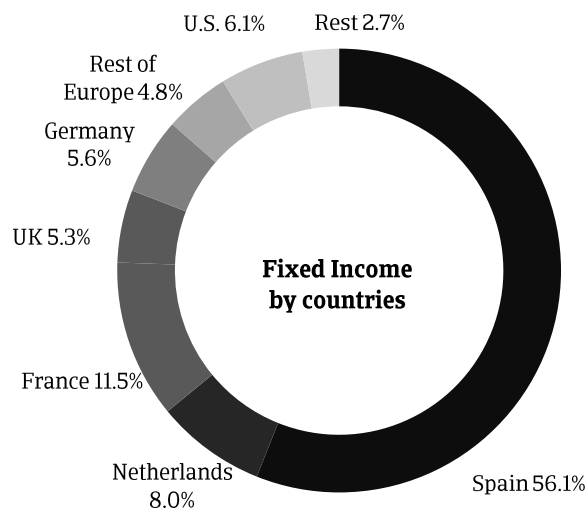
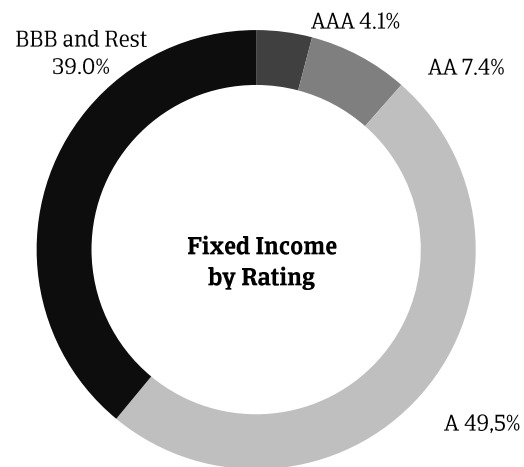
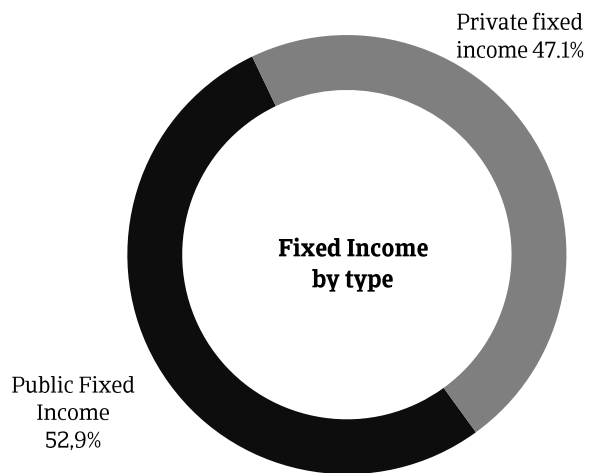
(figures in € million)

Investments and funds under management	12M 2018	9M 2019	% Chg. 18-19	% of Inv. R. Co.
Properties	1,371.2	1,598.1	16.5%	12.2%
Fixed Income	6,631.2	7,479.6	12.8%	57.2%
Variable Income	1,250.2	1,589.3	27.1%	12.1%
Deposits with credit institutions	644.3	754.2	17.0%	5.8%
Other investments	153.7	161.1	4.8%	1.2%
Cash and monetary assets	1,183.6	1,407.5	18.9%	10.8%
Investment in investee companies	85.4	94.7	10.9%	0.7%
Total investments, risk to entity	11,319.6	13,084.4	15.6%	100.0%
Investments on behalf of policyholders	362.1	556.3	53.6%	
Pension plans and investment funds	641.8	706.6	10.1%	
Total investments, risk to policy holders	1,003.9	1,262.9	25.8%	
Investments and funds under management	12,323.5	14,347.3	16.4%	

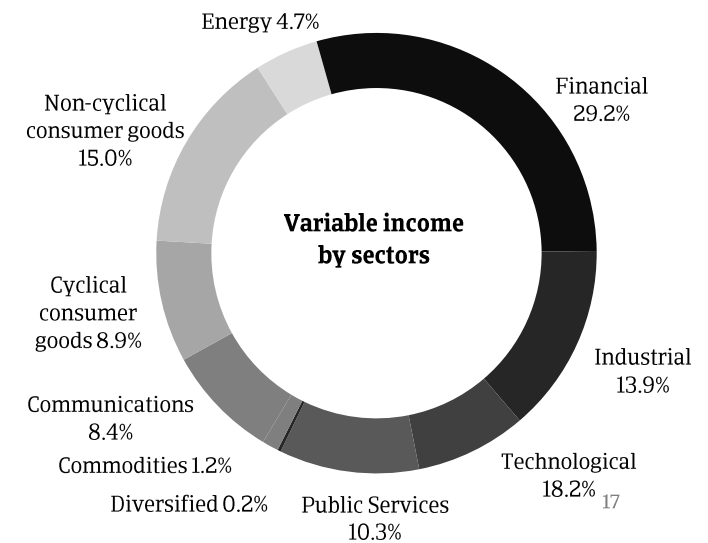
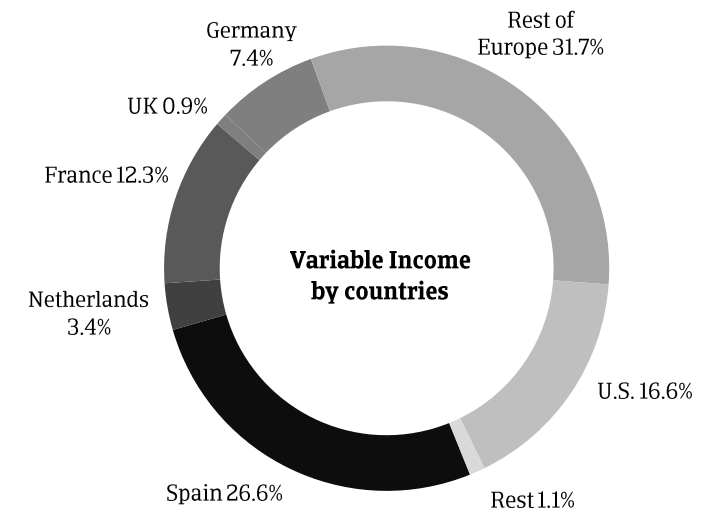
Equities represent 12.1% of the portfolio and increases 27.1%, reflecting the greater revaluation of the financial market. The investment portfolio is widely diversified and focused on high-capitalisation securities, mainly in the Spanish market (26.6%) and the European market (55.6%), which show attractive dividend returns.

The Group maintains a liquidity position in deposits at credit institutions of €754.2 million in deposits in credit institutions, mainly at Banco Santander and BBVA.

Fixed income



Variable income



Capital management

Grupo Catalana Occidente 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.

Capitalisation €4,432.8 million	High quality of own funds 92% Tier1	Solvency II ratio at 207%	Strength for rating A
--	---	----------------------------------	------------------------------

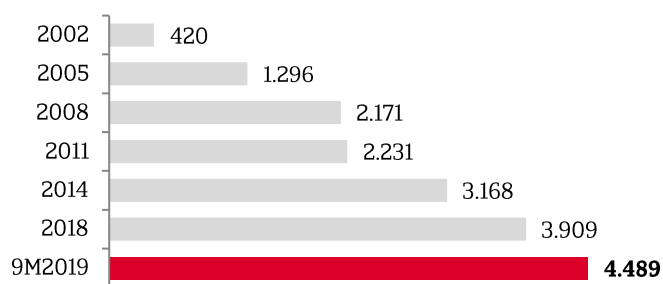
Capital management at the Group is governed by the following principles:

- Ensure that Group and its companies have sufficient capitalisation to meet their financial obligations, even as they face extraordinary events.
- Manage the capital adequacy of the Group and its companies, taking into account the economic and accounting outlook and capital requirements.
- Optimise the capital structure through efficient allocation of resources between entities, ensuring financial flexibility and properly remunerating shareholders.

There have been no significant changes in risk management with respect to the 2018 annual accounts. For more information, consult the report on the financial and solvency situation (SFCR) available on the Group's website.

Capital performance

At the end of September the Group's capital increased 14.8%, supported by improved earnings and the positive performance of the financial markets.



(figures in € million)

Long-term capital at market value on 31/12/2018	3,908.7
Net equity on 01/01/2019	3,204.1
(+) Consolidated results	337.4
(+) Dividends paid	-100.5
(+) Variation of valuation adjustments	370.5
(+) Other changes	-30.3
Total net equity on 30/09/2019	3,781.2
Subordinated debt	200.5
Long-term capital on 30/09/2019	3,981.7
Capital gains not included in balance sheet (properties)	507.3
Long-term capital at market value on 30/09/2019	4,489.0

Market movements have led to an increase in the value of investments, with a positive impact of €370.5 million. Dividends have also been paid, amounting to €100.5 million, thus reducing net equity by the same amount.

Credit rating

The "a+" rating with a stable outlook reflects the good business model, excellent operating results and appropriate capitalisation thanks to the internal generation of capital by the Group's entities

For traditional business, A.M. Best highlights the prudence in underwriting, which is reflected in a positive record of operating results with an excellent combined ratio and a high return on equity (ROE). It also highlights the wide network of agents who provide good customer service and a strong position in the Spanish market. Furthermore, it considers that exposure to natural disasters is limited, thanks to the existence of a national coverage system.

In credit insurance, A.M. Best and Moody's highlight the strong competitive position, strong capitalization, low financial leverage and conservative investment portfolio.

	AMBest	Moody's
Seguros Catalana Occidente	a+ stable	
Seguros Bilbao	a+ stable	
Plus Ultra Seguros	a+ stable	
Atradius Crédito y Caución	a+ stable	A2 stable
Atradius Re	a+ stable	A2 stable

03

Annexes

About Grupo Catalana Occidente

Grupo Catalana Occidente, S.A. is a 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 Grupo Catalana Occidente is in Paseo de la Castellana 4, Madrid (Spain) and its website is: www.grupocatalanaoccidente.com

The Group is subject to the standards and regulations of the insurance entities that operate 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:

oficinavirtual.dgsfp@mineco.es

Insurance specialist



- Over 150 years of experience
- Complete offer
- Sustainable and socially responsible model

Closeness – global presence



- Distribution of intermediaries
- Close to 18,000 intermediaries
- Over 7,400 employees
- Over 1,600 offices
- Over 50 countries

Solid financial structure



- Listed on the Stock exchange
- "A" Rating
- Stable, committed shareholders

Technical rigour



- Excellent combined ratio
- Strict cost control
- 1999-2018: profitable multiplied by 10
- Prudent and diversified investment portfolio

Additional information of the credit insurance

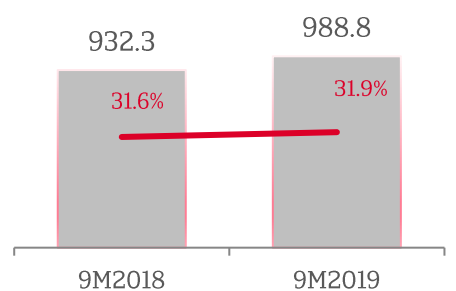
(figures in € million)				
Income	9M 2018	9M 2019	% Chg. 18-19	12M 2018
Earned premiums (€ million)	1,226.1	1,315.06	7.3%	1,648.5
Credit insurance	1,035.1	1,117.2	7.9%	1,397.2
Surety insurance	88.7	91.4	3.1%	119.9
Accepted reinsurance	102.4	106.4	4.0%	131.4
Income from information	106.7	111.1	4.1%	132.5
Income from insurance	1,332.9	1,426.2	7.0%	1,781.0
Complementary activities	88.0	89.9	2.1%	120.1
Total income	1,420.9	1,516.0	6.7%	1,901.1
Written premiums	1,284.6	1,383.8	7.7%	1,671.4
Combined ratio breakdown				
	9M 2018	9M 2019	% Chg. 18-19	12M 2018
% Gross technical cost	43.1%	43.3%	0.2	43.7%
% Gross commissions + expenses	34.8%	35.6%	0.8	35.1%
% Gross combined ratio	77.9%	78.8%	0.9	78.8%
% Net technical cost	43.4%	43.5%	0.1	44.7%
% Net commissions + expenses	31.7%	32.3%	0.6	30.8%
% Net combined ratio	75.2%	75.8%	0.6	75.5%

(figures in € million)								
Risk accumulation per country	2015	2016	2017	2018	9M 2018	9M 2019	% Chg. 18-19	% of total
Spain and Portugal	89,601	93,437	98,714	99,453	99,722	100,821	1.1%	15.1%
Germany	80,398	82,783	86,430	90,599	90,508	93,047	2.8%	13.9%
Australia and Asia	79,668	79,013	84,233	92,222	92,262	94,005	1.9%	14.1%
Americas	65,464	71,970	73,188	75,773	73,364	78,947	7.6%	11.8%
Eastern Europe	50,805	55,098	59,253	63,935	62,632	67,429	7.7%	10.1%
United Kingdom	45,782	43,794	45,537	44,989	50,043	49,547	-1.0%	7.4%
France	40,917	43,323	49,326	51,866	46,855	48,905	4.4%	7.3%
Italy	32,735	37,208	42,242	44,263	43,589	43,559	-0.1%	6.5%
Nordic and Baltic countries	25,883	26,964	28,738	30,525	30,300	31,632	4.4%	4.7%
The Netherlands	23,914	25,268	27,636	29,650	29,661	30,487	2.8%	4.6%
Belgium and Luxembourg	14,662	15,708	16,701	17,285	17,267	17,177	-0.5%	2.6%
Rest of the world	12,817	12,538	12,830	12,842	12,380	12,604	1.8%	1.9%
Total	562,644	587,104	622,829	653,404	648,584	668,159	3.0%	100%

(figures in € million)								
Risk accumulation per sector	2015	2016	2017	2018	9M 2018	9M 2019	% Chg. 18-19	% of total
Electronics	69,797	70,510	74,476	77,433	84,945	86,701	2.1%	13.0%
Chemicals	74,538	78,593	82,783	86,479	76,201	80,919	6.2%	12.1%
Durable consumer goods	60,940	65,324	68,442	69,881	69,124	70,493	2.0%	10.6%
Metals	59,888	58,855	63,419	68,424	67,621	73,071	8.1%	10.9%
Food	52,056	55,640	58,608	63,001	62,890	63,875	1.6%	9.6%
Transport	50,612	53,434	56,930	60,461	59,784	61,589	3.0%	9.2%
Construction	41,147	43,133	46,896	49,773	50,045	52,049	4.0%	7.8%
Machinery	33,902	34,734	37,137	39,972	40,240	40,808	1.4%	6.1%
Agriculture	28,327	30,907	33,318	33,876	34,024	33,992	-0.1%	5.1%
Construction materials	24,425	25,387	27,058	28,359	28,256	29,343	3.8%	4.4%
Services	24,113	25,276	26,994	27,837	27,918	27,169	-2.7%	4.1%
Textiles	19,065	19,855	20,562	20,324	20,530	19,929	-2.9%	3.0%
Paper	12,747	13,590	13,929	14,525	14,312	15,166	6.0%	2.3%
Finance	11,088	11,867	12,277	13,058	12,693	13,055	2.9%	2.0%
Total	562,644	587,104	622,829	653,404	648,584	668,159	3.0%	100%

Expenses and commissions

(figures in € million)					
Expenses and commissions	9M 2018	9M 2019	% Chg. 18-19	12M 2018	
Traditional business	226.0	230.9	2.2%	305.8	
Credit insurance	306.4	334.4	9.1%	413.4	
Non-recurring expenses	3.2	4.7		7.4	
Total expenses	535.6	570.1	6.4%	726.6	
Commissions	396.8	418.7	5.5%	532.8	
Total expenses and commissions	932.3	988.8	6.1%	1,259.4	
% expenses and commissions without recurring premiums	31.6%	31.9%		32.3%	



Total expenses and commissions
 % of expenses and commissions of recurring premiums

Financial result

(figures in € million)				
Financial result	9M 2018	9M 2019	% Chg. 18-19	12M 2018
Financial income	160.1	168.1	5.0%	204.4
Exchange Differences	0.0	0.0		0.1
Subsidiary companies	0.6	0.0		1.0
Interests applied to life	-101.2	-111.7	10.4%	-131.4
Traditional business	59.5	56.8	-4.5%	74.1
% over earned premiums	3.2%	2.9%		2.9%
Financial income	14.0	15.0	7.1%	16.7
Exchange Differences	1.2	2.9		4.8
Subsidiary companies	3.5	6.6		4.7
Interests subordinated debt	-12.7	-12.7	0.0%	-16.9
Credit insurance	6.1	11.8	93.4%	9.2
% over net income from insurance	0.5%	0.8%		0.5%
Intra-group interest adjustment	-4.2	-2.5		-5.4
Adjusted credit insurance	1.9	9.4		3.8
Recurring financial	61.4	66.2	7.8%	77.9
% of total Group Income	1.9%	1.9%		1.8%
Non-Recurring financial	-5.6	-10.5		2.2
Financial result	55.7	55.8	0.2%	80.1

Non-recurring result

(figures in € million)			
Non-recurring result	9M 2018	9M 2019	12M 2018
Financial	-3.9	-6.0	2.3
Expenses and others	-4.3	-5.3	-4.6
Taxes	0.1	1.2	-2.3
Non-recurrent from traditional business	-8.1	-10.0	-4.6
Financial	-1.8	-4.5	-0.1
Expenses and others	-3.2	-4.7	-7.4
Taxes	0.8	1.5	1.9
Non-recurring from credit insurance	-4.2	-7.8	-5.7
Net non-recurring result	-12.3	-17.8	-10.2

Balance sheet

The assets of Grupo Catalana Occidente increased by €2,306.6 million

Grupo Catalana Occidente ended the third quarter of 2019 with assets of €16,786.0 million, an increase of 15.9% since the beginning of the year.

The main items that explain this increase are:

- Investments, at €1,822.5 million.
- Technical provisions, at €1,176.3 million
- Net equity, at €577.2 million.

The incorporation of Antares has meant an increase in assets of €1,055.2 million and in technical provisions of €830 million.

Note that the item “cash” does not reflect the Group's liquidity position as a whole, as investments in deposits and money market funds are included in Financial Investments (See Investments and Funds under Management table).

It should also be noted that the Catalana Occidente Group does not record capital gains on its real estate, so that these appear at amortised cost rather than market value.

(figures in € million)

Assets	12M 2018	9M 2019	% Chg. 18-19
Intangible assets and property	1,242.1	1,409.1	13.4%
Investments	10,873.7	12,696.2	16.8%
Property investment	561.1	610.5	8.8%
Financial investments	9,149.1	10,725.6	17.2%
Cash and short-term assets	1,163.5	1,360.2	16.9%
Reinsurance participation in technical provisions	837.4	984.8	17.6%
Other assets	1,526.2	1,695.9	11.1%
Deferred tax assets	96.5	133.4	38.2%
Credits	885.3	975.8	10.2%
Other assets	544.4	586.7	7.8%
Total assets	14,479.4	16,786.0	15.9%
Net liabilities and equity	12M 2018	9M 2019	% Chg. 18-19
Long-term capital	3,404.6	3,981.7	17.0%
Net equity	3,204.1	3,781.3	18.0%
Parent company	2,863.8	3,416.9	19.3%
Minority interests	340.3	364.3	7.1%
Subordinated liabilities	200.4	200.5	0.0%
Technical provisions	9,567.7	10,744.0	12.3%
Other liabilities	1,507.1	2,060.2	36.7%
Other provisions	184.1	207.5	12.7%
Deposits received on buying reinsurance	52.8	53.7	1.7%
Deferred tax liabilities	280.9	411.4	46.5%
Debts	687.1	908.9	32.3%
Other liabilities	302.2	478.7	58.4%
Total net liabilities and equity	14,479.4	16,786.0	15.9%

Corporate structure

Grupo Catalana Occidente is composed of 50 companies, mostly involved in the insurance business. The parent company is Grupo Catalana Occidente S.A., (with registered office in Avda. Paseo de la Castellana 4, 28046 Madrid) which directly and indirectly administers and manages all of the shareholdings of all entities that make it up.

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 centralisation and decentralisation of operations, with the following service centres: two underwriting centres, six claims centres, an administrative centre and a call centre.

GRUPO CATALANA OCCIDENTE		
Main entities		
Seguros Catalana Occidente	Tecniseguros	GCO Gestión de Activos
Seguros Bilbao	Bilbao Vida	GCO Gestora de Pensiones
NorteHispana Seguros	S. Órbita	Catoc SICAV
Plus Ultra Seguros	Previsora Bilbaina Agencia de Seguros	Bilbao Hipotecaria
Antares	Bilbao Telemark	Sogesco
GCO Re	Inversions Catalana Occident	Gesiuris
	CO Capital Ag. Valores	Hercasol SICAV
	Cosalud Servicios	GCO Activos Inmobiliarios
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Center	
	Asitur Asistencia	
	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	Graydon	
Crédito y Caución Seguradora de		
Crédito e Grantias Brazil		
INSURANCE COMPANIES	COMPLEMENTARY INSURANCE COMPANIES	INVESTMENT COMPANIES

Traditional business

Credit insurance business

Board of Directors

Grupo Catalana Occidente 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 M^a Serra Farré

Chief Executive Officer

* José Ignacio Álvarez Juste

Members of the board

Jorge Enrich Izard

** Juan Ignacio Guerrero Gilabert

Federico Halpern Blasco

** Francisco Javier Pérez Farguell

*Hugo Serra Calderón

María Assumpta Soler Serra

Cotyp, S. L.

Alberto Thiebaut Estrada

Ensivest Bros 2014, S. L.

Jorge Enrich Serra

Delegate committees *

Audit Committee

Chairman

Francisco Javier Pérez Farguell

Appointments and Remuneration Committee

Chairman

Juan Ignacio Guerrero Gilabert

Vice chairman

Gestión de Activos y Valores S.L.
Javier Juncadella Salisachs

Director and Secretary

* Francisco J. Arregui Laborda

Enrique Giró Godó

Jusal, S. L.

José M.^a Juncadella Sala

Lacanuda Consell, S. L.

Carlos Halpern Serra

Villasa, S. L.

Fernando Villavecchia Obregón

Vice secretary - Non member

Joaquín Guallar Pérez

Members of the board

Juan Ignacio Guerrero Gilabert


Lacanuda Consell, S. L.


Members of the board

Francisco Javier Pérez Farguell

Gestión de Activos y Valores S.L.

*Executive directors **Independent

 The curriculums are available on the Group's website

 For further information about the governance system, see SFCR

*As of 25 July 2019, the following changes have occurred:

- **Audit Committee:** Juan Ignacio Guerrero Gilabert is named chairman and Francisco Javier Pérez Farguell is named member.
- Appointments and remuneration committees Francisco Javier Pérez Farguell is named chairman and Juan Ignacio Guerrero Gilabert is named member.

Corporate responsibility

The corporate responsibility strategy of the Group directs its framework for action toward the creation of value for society, ethics, transparency and commitment to legality.

The Group contributes to social and economic improvement of the areas where it operates, through business development. The nature of insurance implies the concept of social responsibility, as it means to accompany customers in all stages of their professional and personal life, anticipating risks to protect them.

Under the strict supervision of the board of directors, responsible for establishing and guiding the corporate responsibility strategy, its management involves all business areas and entities of the Group in its three dimensions: economic performance, environmental management and social management.

The Group has a specific section on the corporate website with the report on corporate responsibility and more information about the performance of the Group in this area. In particular, the Group has a corporate responsibility policy.

In 2017, the Group also launched a corporate responsibility committee consisting of leaders from the various areas that represent the groups of interest. In 2018, there were 4 meetings of the corporate responsibility committee.

The material topics for the Group have been identified through the analysis of different sources of reference information for the sector. These include the analysis of competing companies, as well as Think Tanks and

guidelines such as the European Directive on reporting non-financial information and diversity. In addition, the materiality matrix of the Sustainable Accounting Standard Board (SASB) for insurance has been taken into consideration.

After analysing the conclusions of the previous phase, an internal session of the corporate responsibility committee was organised to validate the results of the analysis undertaken. The corporate responsibility committee validated the results of the analyses, reaching a consensus on these 10 materials that were approved by the management committee. The description and explanation can be found in the corporate responsibility report available on the Grupo Catalana Occidente website.

The material topics are:

1. Economic performance, profitability and solvency
2. Risk management and regulatory compliance.
3. Corporate governance.
4. Ethics, integrity and transparency.
5. Customer experience.
6. Data protection. Cyber security.
7. Innovation.
8. Quality employment.
9. Professional development.
10. Commitment to society.

Corporate Responsibility Director Plan

The Group has approved a corporate responsibility director plan based on trust, excellence in service and having a positive impact. Goals are defined and established for the period 2019-2021.

There have been no significant changes in economic performance, environmental and social management and R&D with respect to the 2018 annual accounts.

Average payment period - no significant changes with respect to the 2018 annual accounts.

Framework of internal and external application

The commitment to compliance with human rights is channelled through the Group's Code of Ethics, which collects the observance of ethical and legal principles by all employees and stakeholders of the Group.

On an external level, Grupo Catalana Occidente subscribes to the United Nations Global Compact. Furthermore, through current activity and social action, it also supports the Sustainable Development Goals defined by the UN by promoting economic growth and progress, equal opportunities, quality learning, energy efficiency and health and welfare care. In Spain, the entities of the group are also involved in the main sectoral associations (ICEA and UNESPA) that have corporate responsibility programmes:

Trust

- Ethics and Integrity
- Cultural keys
- Relationship Models with groups of interest

Excellence in service

- Digital Transformation
- New forms of work
- Socially responsible investment

Positive impact

- Health and well-being
- Formalise investment in volunteering
- Products that generate added social value
- Environmental Awareness

Calendar and contact

January	February	March	April	May	June	July	August	September	October	November	December
	28 Results 12M2018		25 Results 3M2019			25 Results 9M2019			31 Results 9M2019		
		1 Presentation of results 12M2018 11.00	26 Presentation of results 3M2019 11.00			25 Presentation of results 9M2019 16.30			31 Presentation of results 9M2019 16.30		
			25 General Shareholders' Meeting 2018								
	Interim Dividend 2018			Complementary dividend 2018		Interim Dividend 2019			Interim Dividend 2019		



@gco_news

Analysts and investors

+34 935 820 518

analistas@catalanaoccidente.com

Shareholder services

+34 935 820 667

accionistas@catalanaoccidente.com

www.grupocatalanaoccidente.com



www.grupocatalanaoccidente.com

App para iPad disponible en App Store: Grupo Catalana Occidente Financial Reports

Glossary

Concept	Definition	Formulation
Technical result	Result of the insurance activity	Technical result = (premiums accrued from direct insurance + premiums accrued from reinsurance accepted + information services and commissions) - Technical cost - Participation in benefits and return premiums - Net operating expenses - Other technical expenses
Reinsurance result	Result due to transferring business to the reinsurer or accepting business from other entities.	Reinsurance result = Result of Inward Re + Result of ceded reinsurance
Financial result	Result of the financial investments.	Financial result = income from financial assets (coupons, dividends, actions) - financial expenses (commissions and other expenses) + result of subsidiary companies - interest accrued on the debt - interest paid to the insured parties of the life insurance business
Technical/financial result	Result of the insurance activity, including the financial result. This result is particularly relevant for Life insurance.	Technical/financial result = Technical result + Financial result
Result of non-technical non-financial account	Income and expenses that cannot be assigned to the technical or financial results.	Result of non-technical non-financial account = Income - expenses that cannot be assigned to the technical or financial results.
Result of credit insurance complementary activities	Result of activities that cannot be assigned to the purely insurance business. Mainly distinguishes the activities of: <ul style="list-style-type: none"> · Information services · Recoveries · Management of the export account of the Dutch state. 	Result of credit insurance complementary activities = income - expenses
Recurring result	Result of the entity's regular activity	Recurring result = technical/financial result + non-technical account result - taxes, all resulting from normal activity
Non-recurring result	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-recurring result = technical/financial result + non-technical account result - taxes, all resulting from extraordinary or atypical activity

Turnover	<p>Turnover is the Group's business volume.</p> <p>It includes premiums that the Group generates in each of the business lines and the income from services pertaining to the credit insurance.</p>	<p>Turnover = Premiums invoiced + Income from information</p> <p>Premiums invoiced = premiums issued from direct insurance + premiums from accepted reinsurance</p>
Managed funds	<p>Amount of the financial and property assets managed by the Group</p>	<p>Managed funds = Financial and property assets entity risk + Financial and property assets policyholder risk + Managed pension funds</p> <p>Managed funds = fixed income + variable income + properties + deposits in credit entities + treasury + investee companies</p>
Financial strength	<p>This shows the debt and solvency situation. This is principally measured through the debt ratio, the interest coverage ratio and the credit rating.</p>	<p>Debt ratio = Net equity + Debt / Debt</p> <p>Interest coverage ratio = result before taxes / Interest</p>
Technical cost	<p>Direct costs of accident coverage. See claims.</p>	<p>Technical cost = claims in the year, net of reinsurance + variation of other technical provisions, net of reinsurance</p>
Dividend yield	<p>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.</p>	<p>Dividend yield = dividend paid in the year per share / value of the price of the average share.</p>
Duration modified	<p>Sensitivity of the value of the assets to movements in interest rates</p>	<p>Modified duration = Represents an approximation of the value of the percentage variation in the value of the financial assets for each percentage point (100 basic points) of variation in the interest rates.</p>
Expenses	<p>The general expenses include the costs incurred for management of the business, excluding those that can be assigned to claims.</p>	<p>Expenses = personnel expenses + commercial expenses + various expenses and services (allowance, training, management rewards, material and other office expenses, leases, external services, etc.)</p>
Permanence index	<p>This measures the customer's expectations of continuing with the entity Scale from less than 1 year to over 5 years</p>	<p>Permanence index = how long do you think that you will remain a customer?</p>
Company satisfaction index	<p>This measures the general satisfaction of the customer with the entity Scale from 1 to 10</p>	<p>Overall satisfaction index = (Satisfied – dissatisfied) / respondents Satisfied responses with result from 7 to 10 Dissatisfied responses with result from 1 to 4</p>

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
Income from insurance	Measures the 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
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
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
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
Ex. single premiums	Total premiums without considering non-periodic premiums in the Life business	Ex. single premiums = Invoiced premiums - single premiums in the life business
Technical provisions	Amount of the obligations assumed that are derived from insurance and reinsurance contracts.	
Combined ratio	Indicator that measures the technical profitability of the Non Life insurances.	Combined ratio = Ratio of claims + ratio of expenses
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
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
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)
Long-term capital	Resources that can be included in own funds.	Permanent resources = Total net equity + subordinated liabilities
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
Resources transferred to society	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 attributed to shareholders of the parent company at the start and end of the period (twelve months)) x 100
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 Potential ExposureTPE	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

Legal note

This document has been prepared by Grupo Catalana Occidente exclusively for use in the presentation of results. The forward-looking statements or predictions that may be contained in this document do not constitute, by their very nature, guarantees of future compliance, as they are subject to risks, uncertainties and other relevant factors, which may result in the developments and final results differing materially from those stated 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.

Grupo Catalana Occidente is not obliged to periodically revise the content of this document in order to adapt it to events or circumstances posterior to this presentation.

The statements of this declaration must be taken into account by all people or entities that may have to adopt decisions or make or publish opinions relative to securities issued by the Company and, in particular, by the analysts and investors that use this document.

www.grupocatalanaoccidente.com For
further information, please contact:
analistas@catalanaoccidente.com
+34 93 582 05 18

