

2017

**Presentation of results  
(January to December 2017)**

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February, 23



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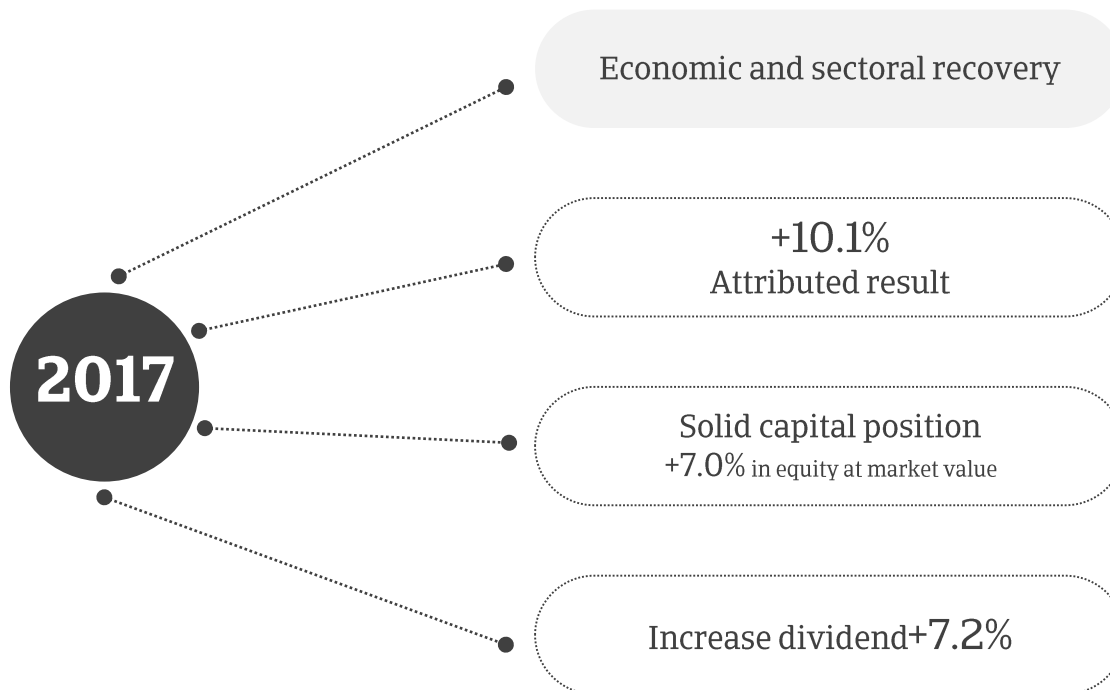
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Presentation based on the data of the report at the end of the year published on 02/22/2018

01

Keys for the period

## Favourable behaviour in the main figures



## Macroeconomic environment

*“2017 another year of economic growth in a context of volatility”*

### Global

GDP +3.7% 17 +3.9% 18e

Inflation +3.1% 17 +3.3% 18e

### United States

GDP +2.3% 17 +2.7% 18e

Inflación +2.1% 17 +2.3% 18e

### Eurozone

GDP +2.4% 17 +2.2% 18e

Inflation +1.6% 17 +1.5% 18e

### Spain

GDP +3.1% 17 +2.4% 18e

Inflación +1.9% 17 +1.4% 18e

### Pacific Asia

GDP +5.2% 17 +6.5% 18e

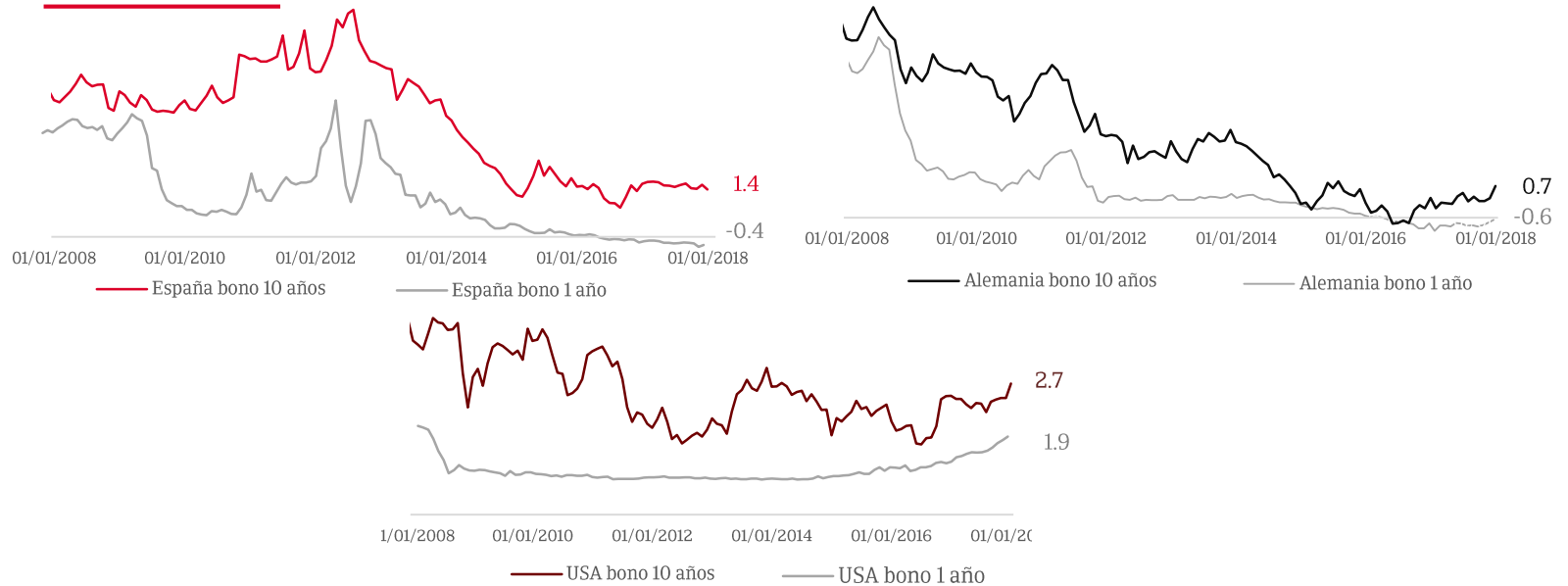
Inflación +2.5% 17 +3.6% 18e

Source: FMI. Last reviewed February 2018

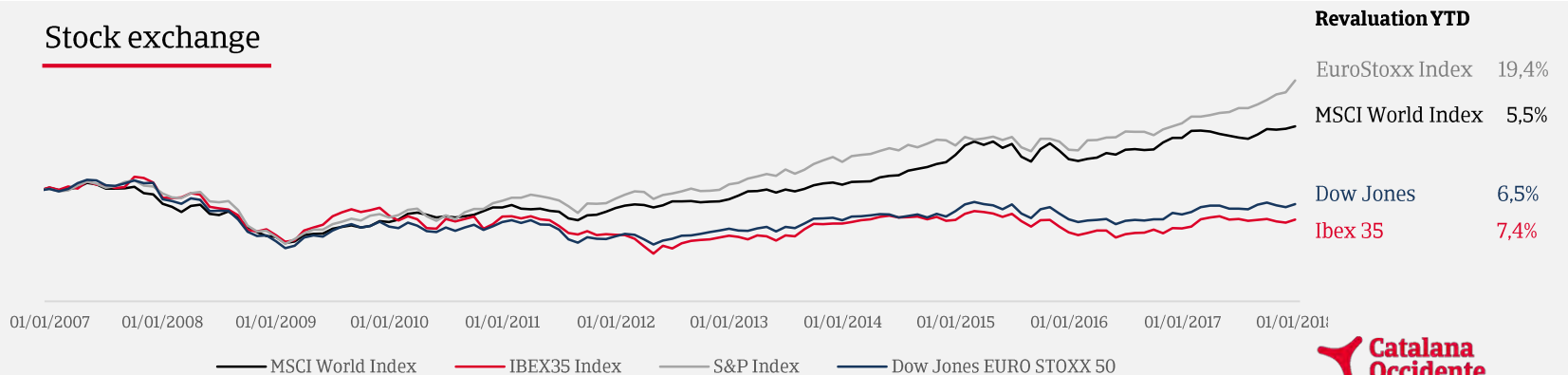
# Financial markets

Interest rates at minimums and stock exchange

## Interest rates



## Stock exchange

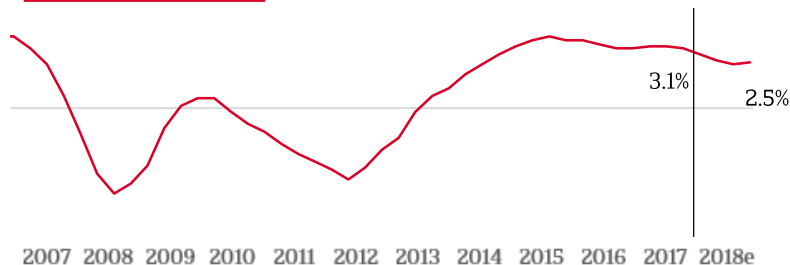


Source: Bloomberg

## Situation in Spain

*Recovery of economic indicators in Spain*

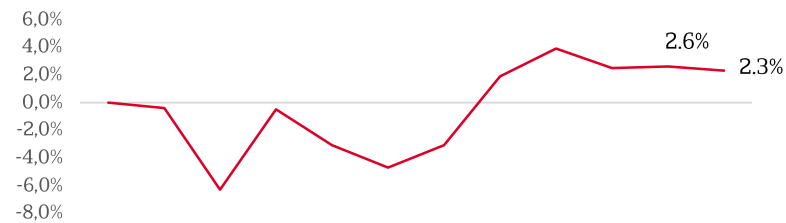
### % GDP



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018e

Source: FMI

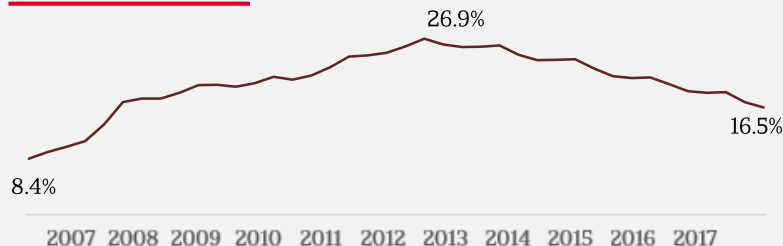
### % domestic demand



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018e

Source: BBVA Research

### % Unemployment rate



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Source: Instituto nacional de estadísticas

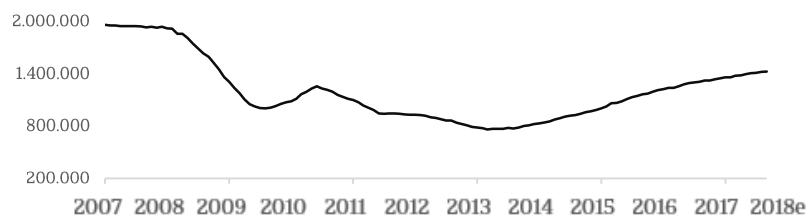
### Mortgages number



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Source: Instituto nacional de estadísticas

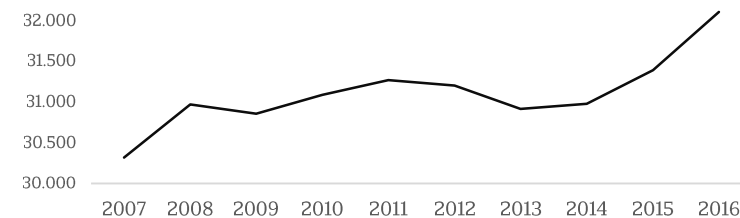
### Vehicle registrations



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018e

Source: Asociación española de fabricantes de automóviles y camiones

### Automobile park



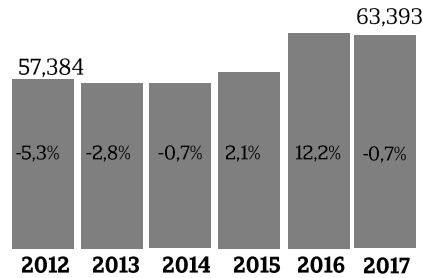
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

Source: Dirección general de tráfico

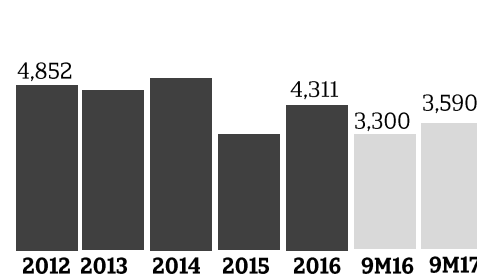
# Insurance sector in Spain

The insurance sector in Spain maintains invoicing supported by the growth of non-life

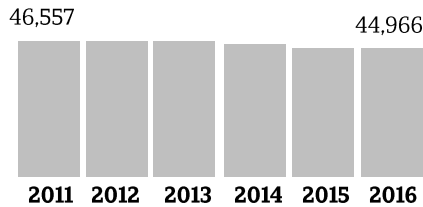
Insurance sector premiums (€M)



Insurance sector net result (€M)

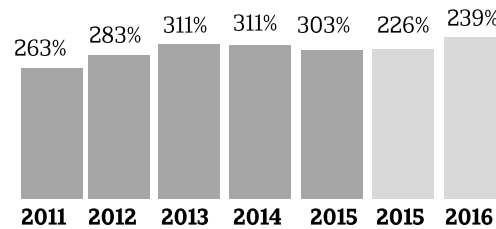


Employees

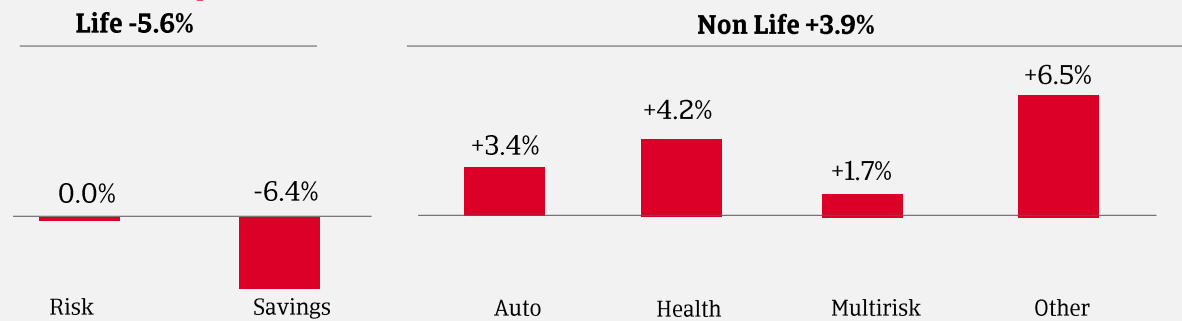


% margin solvency I

% solvency II



Insurance sector premiums



Source: ICEA.

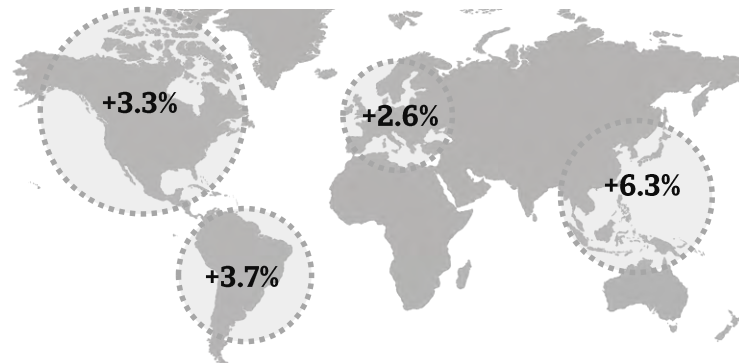


## The credit insurance sector in the world

*Fundamental solids: increased international trade and reduced levels of insolvency*

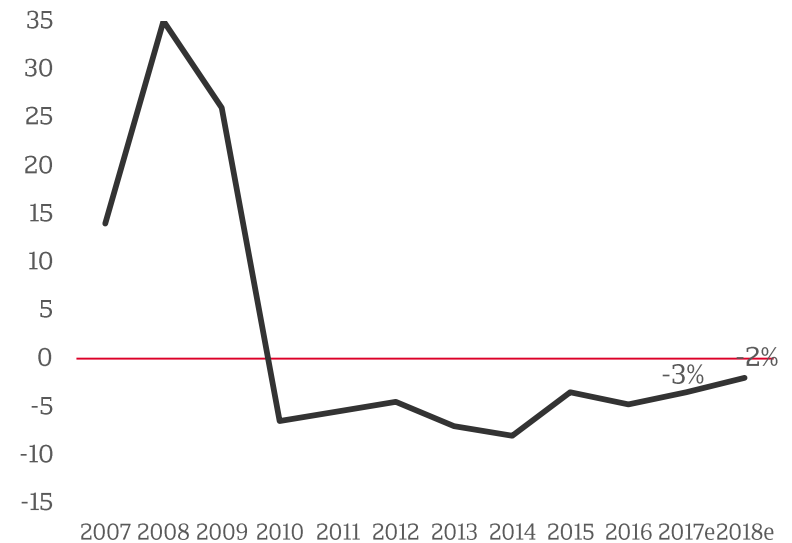
### ·Evolution of international trade (% growth versus 2016)

World trade has experienced a greater than expected expansion, growing above 4.0% in recent months:

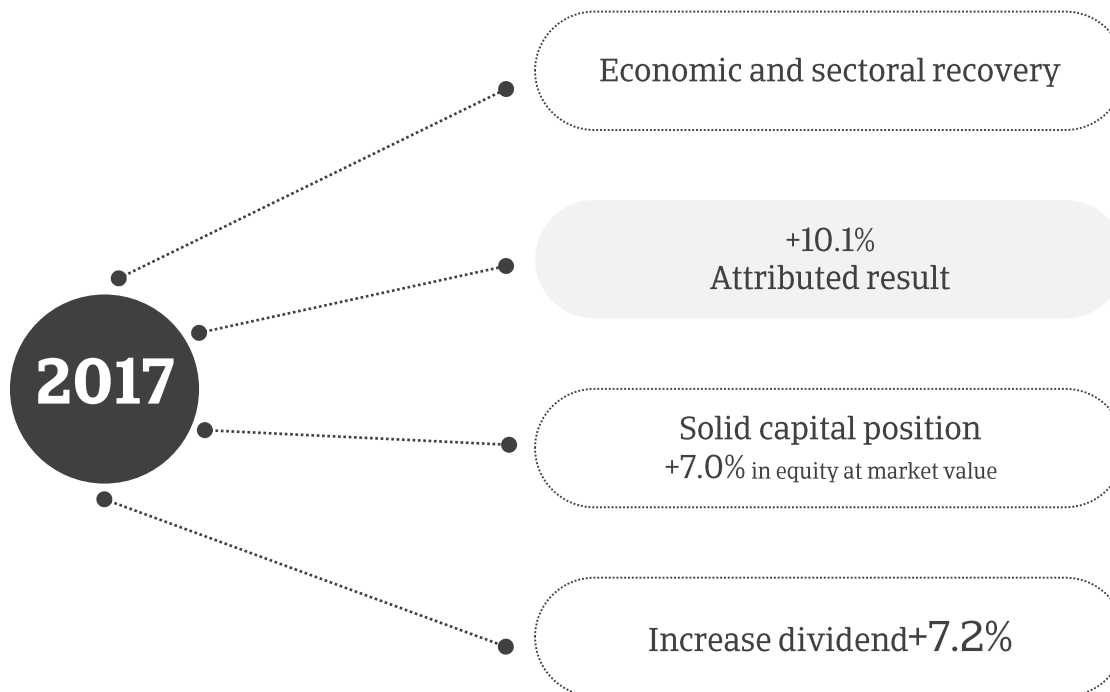


### ·Insolvency evolution (% growth versus 2016)

The forecast of insolvencies at global level presents a reduction of 3% in 2017.



## Favourable behaviour in the main figures



## Grupo Catalana Occidente in 12M 2017

(figures in million of euros)

<b>Income</b>	<b>12M 2016</b>	<b>12M 2017</b>	<b>% Chg. 16-17</b>
Traditional Business	2,547.3	2,516.1	-1.2%
Recurring premiums	2,070.7	2,153.2	4.0%
Single premiums life	476.6	362.9	-23.9%
Credit Insurance Business	1,688.5	1,738.2	2.9%
<b>Turnover</b>	<b>4,235.8</b>	<b>4,254.3</b>	<b>0.4%</b>

(figures in million of euros)

<b>Results</b>	<b>12M 2016</b>	<b>12M 2017</b>	<b>% Chg. 16-17</b>
Recurring Results Traditional Business	159.0	179.1	12.6%
Recurring Results from Credit Insurance Business	186.5	190.0	1.9%
Non-Recurring Result	-21.0	-11.8	
<b>Consolidated result</b>	<b>324.5</b>	<b>357.3</b>	<b>10.1%</b>
<b>Attributed result</b>	<b>295.6</b>	<b>325.4</b>	<b>10.1%</b>

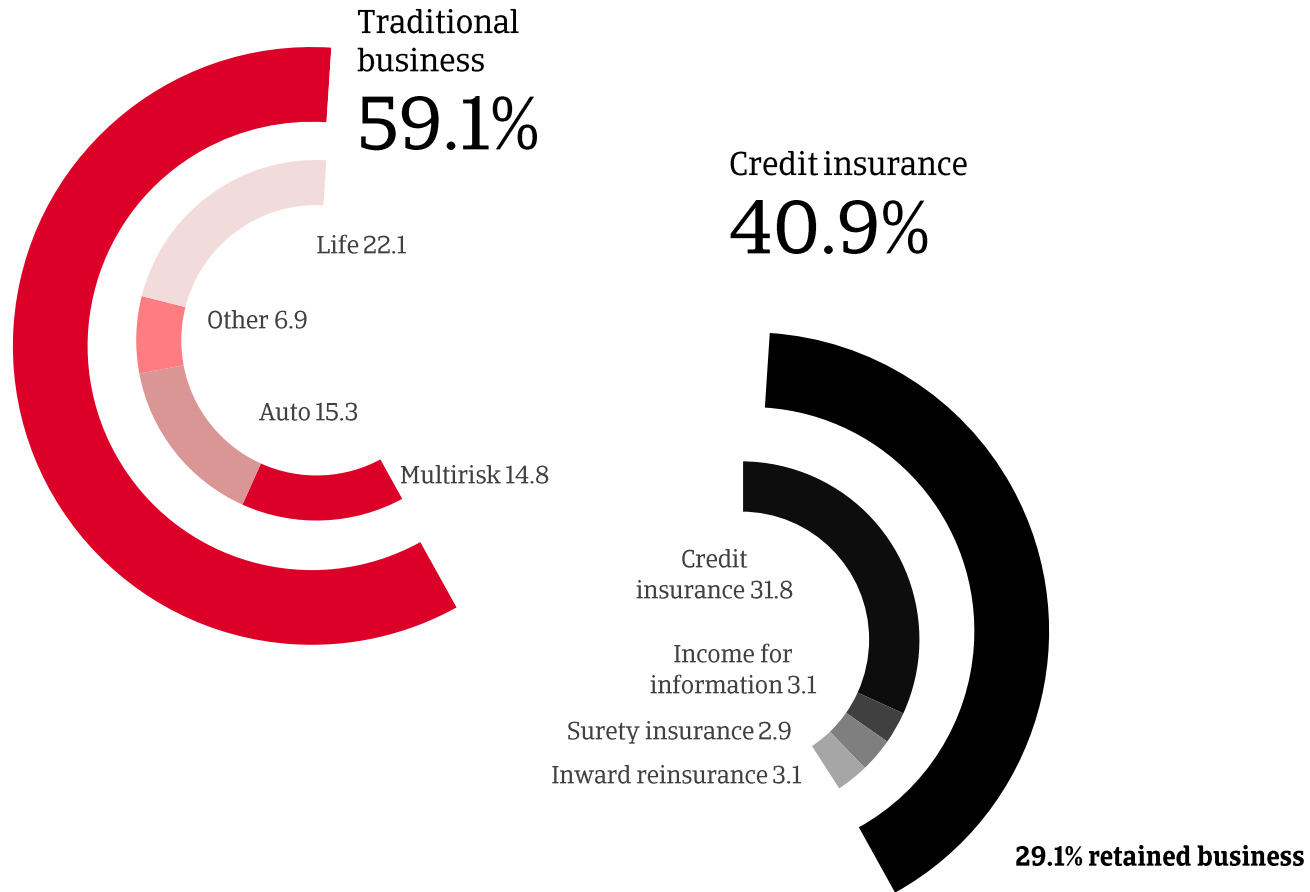
**325.4 M€**

**+10.1%**

Attributed result

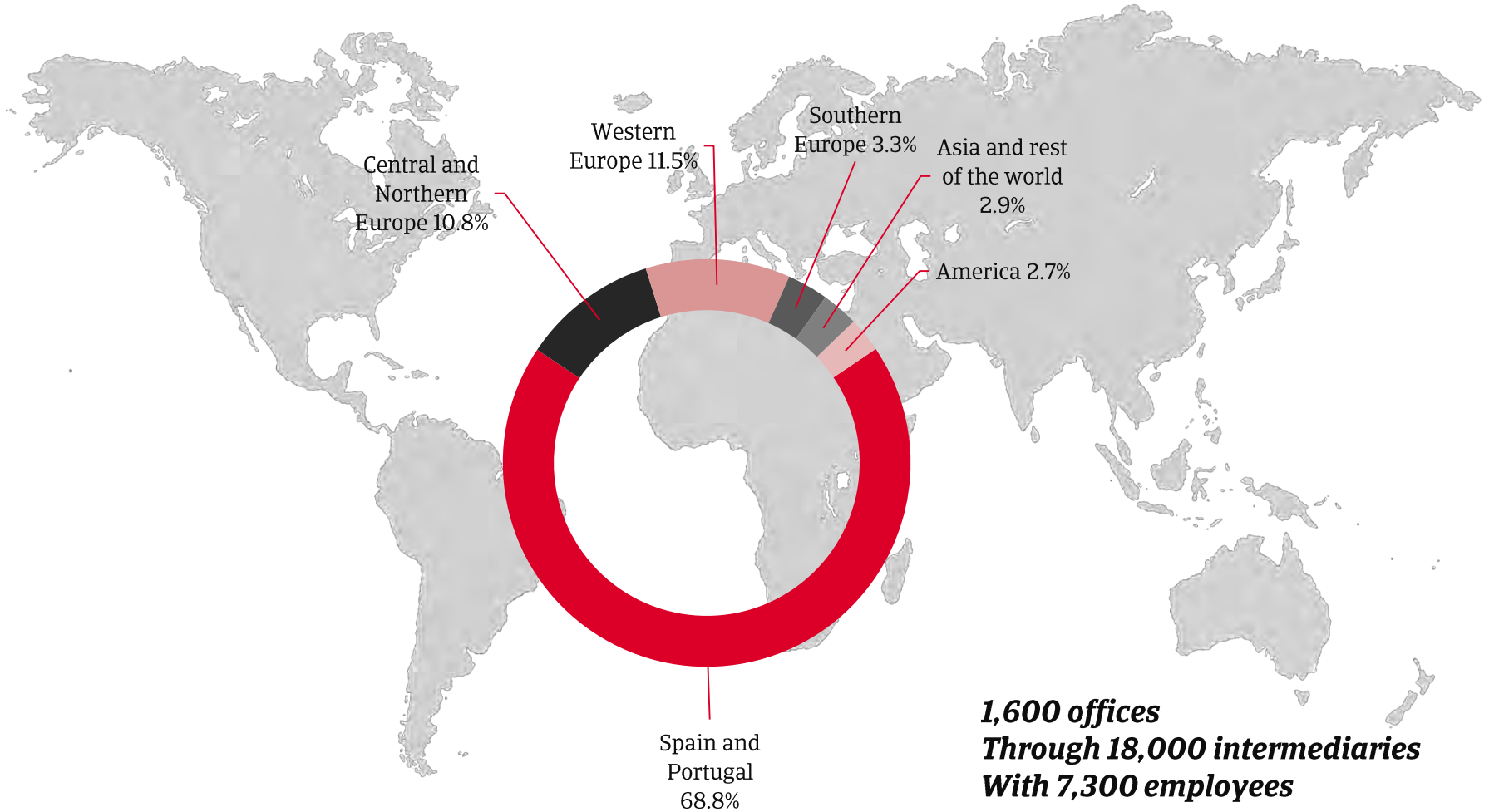
## Diversification

*balanced portfolio, complete offer*

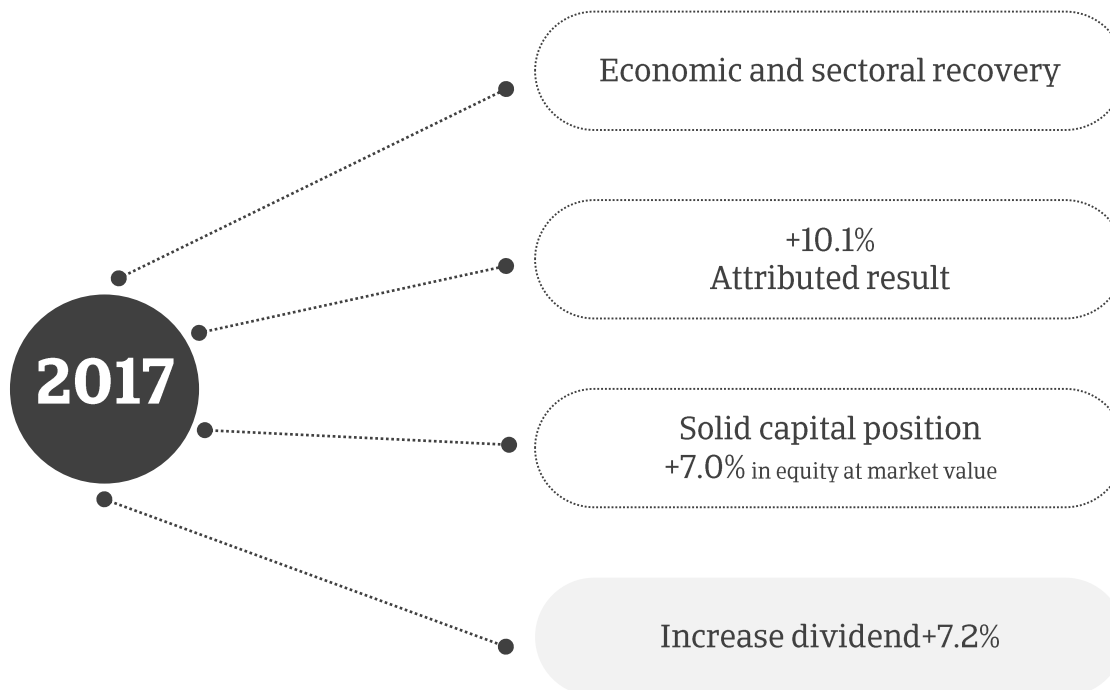


# Global Presence

In over 50 countries



## Favourable behaviour in the main figures



## Evolution of the price

*“With a revaluation of 18.74% in 2017, during the year the share price reached its historic high of € 38.57 share”*



<b>Profitability</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>TACC 02-17</b>
GCO (%)	-7.8	33.5	-2.84	18.74	16.7%
IBEX 35 (%)	3.66	-7.15	-2	7.40	3.5%
EUROSTOXX Insurance (%)	9.78	14.12	-5.6	6.93	4.1%

\* Annual Composite Growth Rate

## Increase of 7.2% on the dividend

*"In the last 10 years, Grupo Catalana Occidente has maintained a growing dividend policy"*

Jul. 2017: 0.1440 €/a

**+5%**

Oct. 2017: 0.1440 €/a

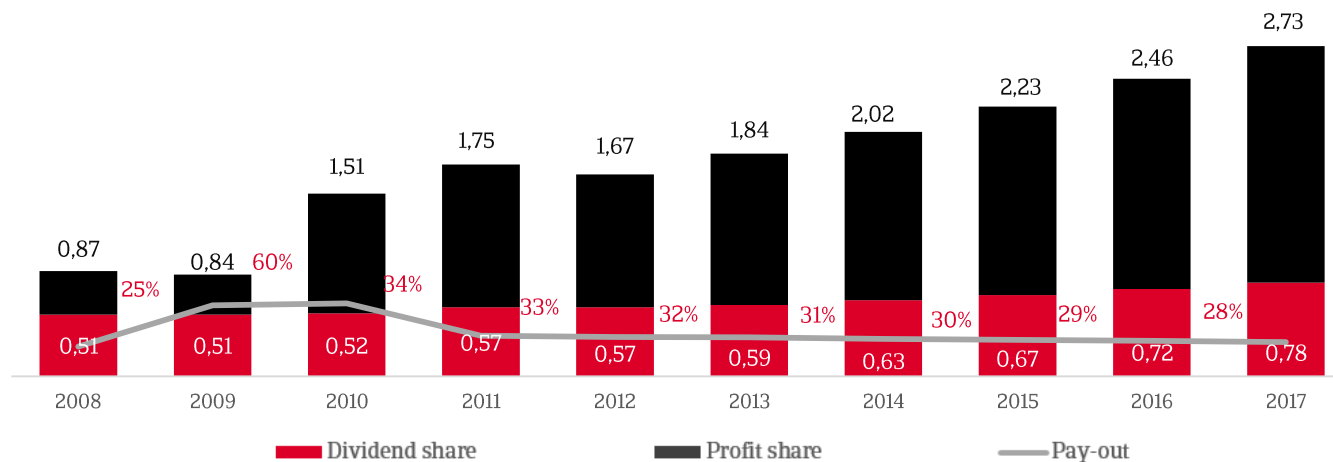
**+5%**

Feb. 2018: 0.1440 €/a

**+5%**

May. 2018: 0.3431 €/a

complementary **+10%**





02

## Economic results 12M 2017

# 02

## **Income statement**

### **Traditional business**

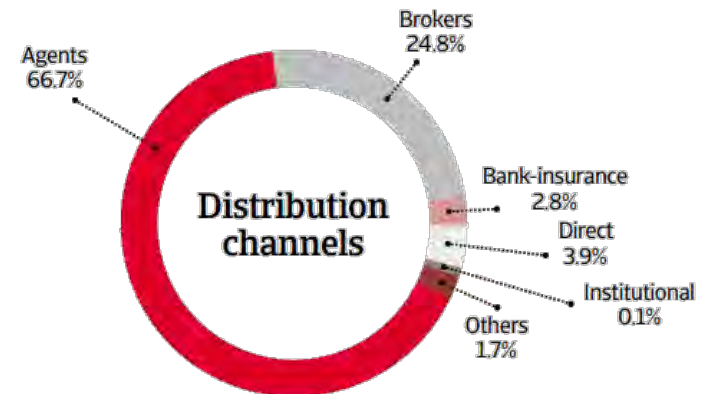
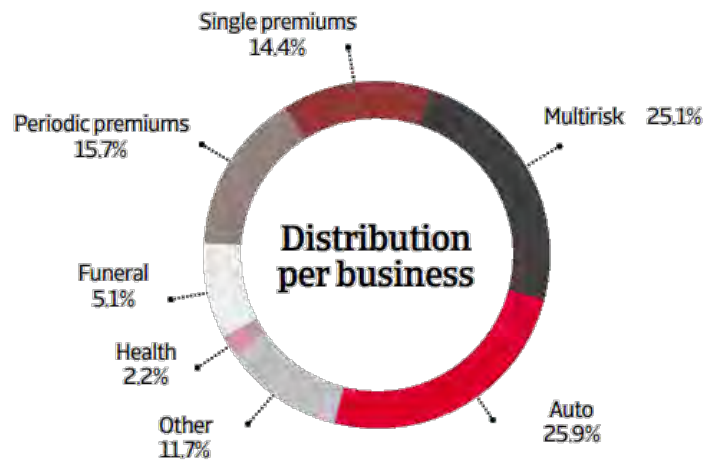
Credit insurance business

Capital, investments and solvency

## Traditional business

(figures in million of euros)

	2013	2014	2015	2016	2017	Chg.	% Chg. 16-17
<i>Multirisk</i>	410.2	407.0	508.6	624.1	631.3	7.2	1.2%
<i>Motor</i>	326.9	322.0	458.0	639.0	651.8	12.8	2.0%
<i>Other non-life</i>	140.1	137.3	196.3	280.5	293.9	13.4	4.8%
<b>Non-life</b>	<b>877.2</b>	<b>866.3</b>	<b>1162.9</b>	<b>1543.6</b>	<b>1577.0</b>	<b>33.4</b>	<b>2.2%</b>
<i>Health</i>	17.7	20.3	36.0	53.6	54.5	0.9	1.7%
<i>Funeral</i>	70.7	74.3	78.3	92.2	127.7	35.5	38.5%
<i>Periodic</i>	295.1	300.0	338.2	381.3	394.0	12.7	3.3%
<i>Single</i>	426.2	564.7	535.4	476.6	362.9	-113.7	-23.9%
<b>Life</b>	<b>809.7</b>	<b>959.3</b>	<b>987.9</b>	<b>1003.7</b>	<b>939.1</b>	<b>-64.6</b>	<b>-6.4%</b>
<b>Written premiums</b>	<b>1,686.9</b>	<b>1,825.6</b>	<b>2,150.8</b>	<b>2,547.3</b>	<b>2,516.1</b>	<b>-31.2</b>	<b>-1.2%</b>
<b>Written premiums ex. single</b>	<b>1,260.7</b>	<b>1,261.0</b>	<b>1,615.4</b>	<b>2,070.7</b>	<b>2,153.2</b>	<b>82.5</b>	<b>4.0%</b>

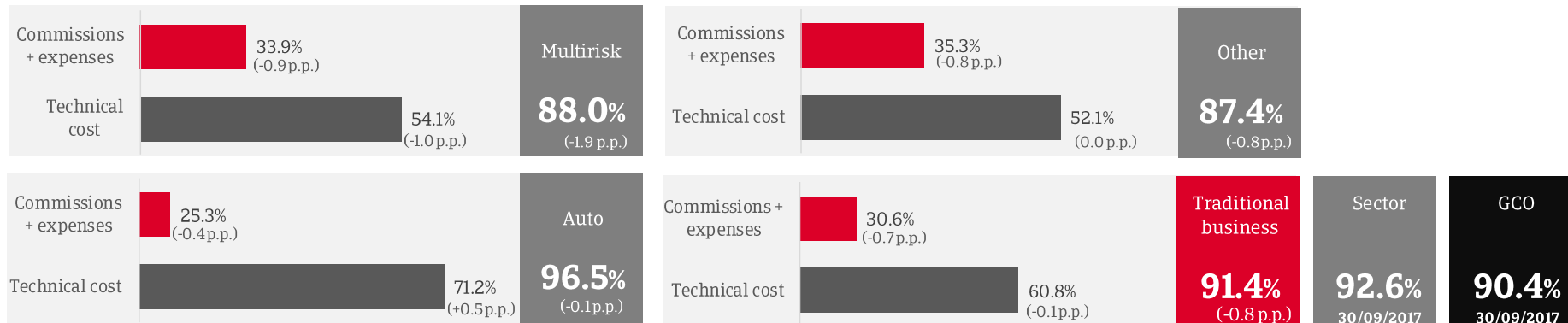


## Traditional business

(figures in million of euros)

	2013	2014	2015	2016	2017	% Chg. 16-17
Technical result non life	101.0	99.0	106.2	119.2	135.2	13.4%
Technical result	27.2	18.5	20.1	30.6	47.6	55.6%
<b>Technical result</b>	<b>128.2</b>	<b>117.5</b>	<b>126.3</b>	<b>149.8</b>	<b>182.8</b>	<b>22.0%</b>

## Combined ratio



## Traditional business

(figures in million of euros)

	2013	2014	2015	2016	2017	% Chg. 16 -17
<b>Written premiums</b>	<b>1,686.9</b>	<b>1,825.7</b>	<b>2,150.8</b>	<b>2,547.3</b>	<b>2,516.1</b>	<b>-1.2%</b>
Recurring premiums	1,260.7	1,261.0	1,615.4	2,070.7	2,153.2	4.0%
Premiums acquired	1,709.6	1,832.0	2,167.1	2,527.7	2,506.2	-0.9%
<b>Technical result</b>	<b>128.2</b>	<b>117.5</b>	<b>126.3</b>	<b>149.8</b>	<b>182.8</b>	<b>22.0%</b>
<i>% of premiums acquired</i>	<i>7.5%</i>	<i>6.4%</i>	<i>5.8%</i>	<i>5.9%</i>	<i>7.3%</i>	
<b>Financial result</b>	<b>45.0</b>	<b>54.5</b>	<b>70.1</b>	<b>72.5</b>	<b>72.5</b>	<b>0.0%</b>
<i>% of premiums acquired</i>	<i>2.6%</i>	<i>3.0%</i>	<i>3.2%</i>	<i>2.9%</i>	<i>2.9%</i>	
Complementary act. funeral business				1.0	3.6	
<b>Recurring result</b>	<b>122.6</b>	<b>123.9</b>	<b>136.5</b>	<b>159.0</b>	<b>179.1</b>	<b>12.6%</b>
<b>Non-recurring result</b>	<b>-6.0</b>	<b>-1.9</b>	<b>5.2</b>	<b>5.1</b>	<b>1.44</b>	
<b>Total result</b>	<b>116.6</b>	<b>122.0</b>	<b>141.7</b>	<b>164.1</b>	<b>180.5</b>	<b>10.0%</b>

➤ See annexes: expenses, financial result and non-recurring

# 02

## **Income statement**

Traditional business

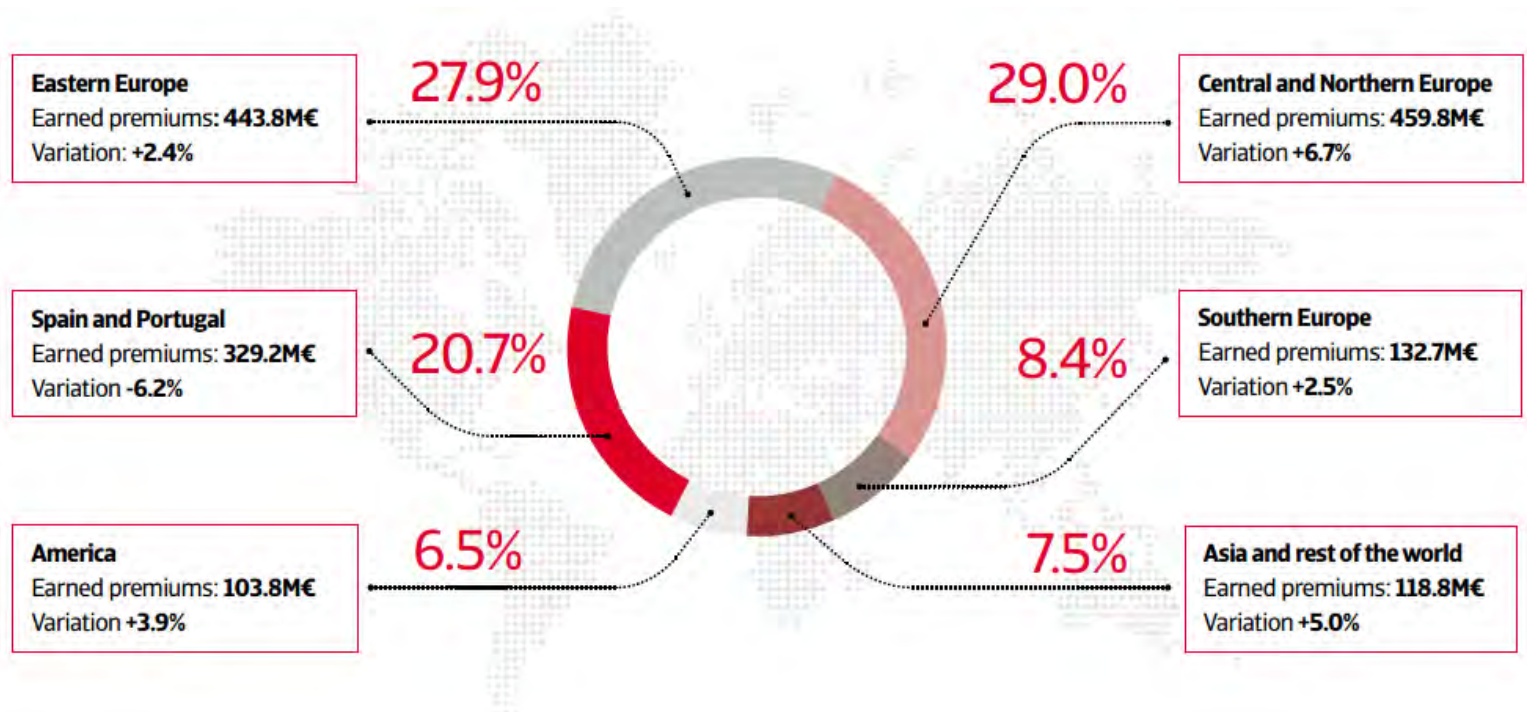
**Credit insurance business**

Capital, investments and solvency

## Credit insurance business

1,588.0 M€ +1.9%

Premiums acquired

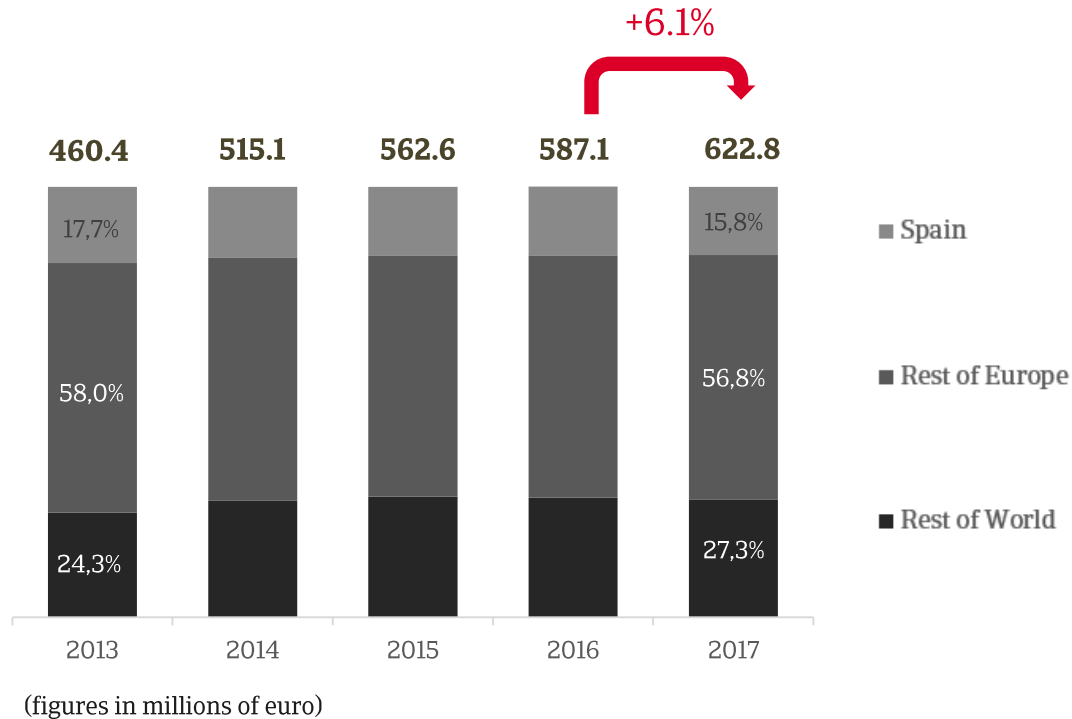


1,738.2 M€ +2.9%

Written premiums and information services

## Credit insurance business

### Evolution of cumulative risk (TPE)





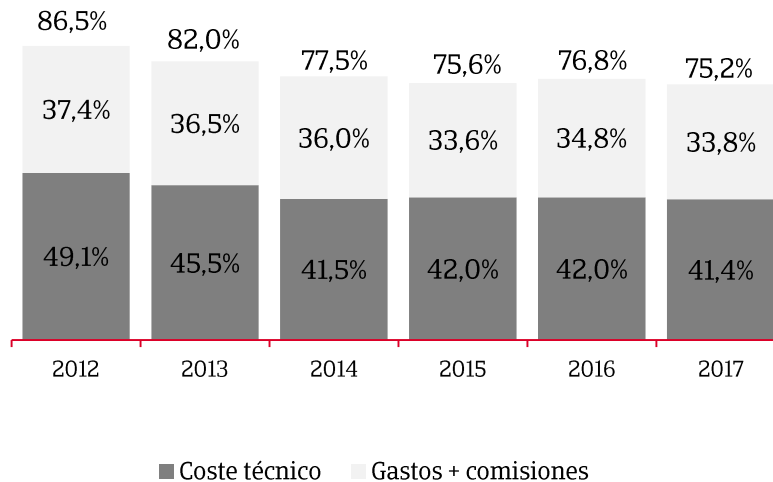
## Credit insurance business

combined ratio at minimum levels

(figures in million of euros)

	2013	2014	2015	2016	2017	% Chg. 16 -17
Technical result after expenses	289.5	355.3	343.4	376.8	392.9	4.3%
% of income	19.0%	22.6%	20.7%	22.4%	22.9%	
<b>Net technical result</b>	158.5	209.5	240.4	236.7	259.2	9.5%
% of income	10.4%	13.3%	14.5%	14.0%	15.1%	

### Performance of the net combined ratio



**Transfer ratio of 42.5%**  
(same level as 2015)

## Credit insurance business

(figures in million of euros)

	2013	2014	2015	2016	2017	% Chg. 16 -17
Premiums acquired	1,412.1	1,457.6	1,536.8	1,557.8	1,588.0	1.9%
Income from information	110.4	115.3	121.5	127.4	130.8	2.7%
<b>Credit insurance income</b>	<b>1,522.5</b>	<b>1,572.9</b>	<b>1,658.3</b>	<b>1,685.2</b>	<b>1,718.8</b>	<b>2.0%</b>
<b>Technical result after expenses</b>	289.5	355.3	343.4	376.8	392.9	4.3%
% of income	19.0%	22.6%	20.7%	22.4%	22.9%	
Reinsurance result	-131.0	-145.8	-103.0	-140.1	-133.7	-4.6%
% of income	-8.6%	-10.0%	-6.7%	-9.0%	-8.4%	
<b>Net technical result</b>	158.5	209.5	240.4	236.7	259.2	9.5%
% of income	10.4%	13.3%	14.5%	14.0%	15.1%	
<b>Financial result</b>	13.3	13.7	4.8	14.8	3.3	
% of income	0.9%	0.9%	0.3%	0.9%	0.2%	
<b>Result complementary act.</b>	4.9	4.1	8.0	8.6	6.8	-20.9%
Company income tax	-47.2	-70.4	-71.1	-64.3	-69.9	
Adjustments	-3.4	-4.6	-11.6	-9.4	-9.6	
<b>Recurring result</b>	<b>126.1</b>	<b>152.3</b>	<b>170.4</b>	<b>186.5</b>	<b>190.0</b>	<b>1.9%</b>
Non-recurring result	1.1	-6.0	-15.9	-26.1	-13.2	
<b>Total result</b>	<b>127.2</b>	<b>146.3</b>	<b>154.5</b>	<b>160.4</b>	<b>176.8</b>	<b>10.2%</b>

➤ See annexes: expenses, financial result and non-recurring

# 02

Income statement  
Traditional business  
Credit insurance business  
**Capital, investments and solvency**

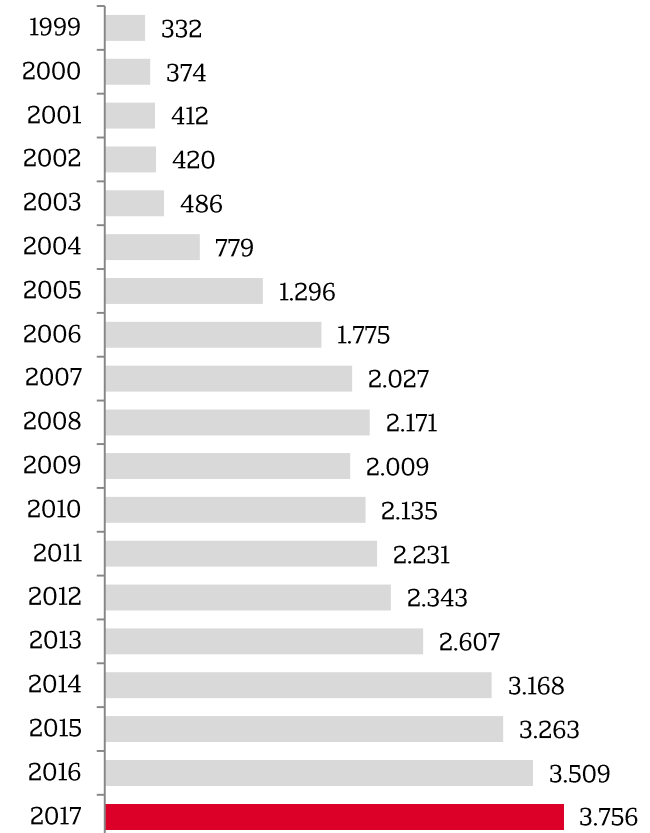
## Financial strength

At the end of 2017, the Group's capital increased by 7.0%, supported by the improvement in results

(figures in million of euros)

<b>Permanent resources on 31/12/2016</b>	<b>3,039.6</b>
<b>Permanent resources at market value on 31/12/2016</b>	<b>3,508.5</b>
<b>Net equity on 01/01/2017</b>	<b>2,834.7</b>
(+) Consolidated results	357.3
(+) Dividends paid	-98.2
(+) Variation of valuation adjustments	-47.1
(+) Other changes	31.9
<b>Total movements</b>	<b>243.9</b>
<b>Total net equity on 30/09/2017</b>	<b>3,078.6</b>
Subordinated debt	200.3
<b>Permanent resources on 30/09/2017</b>	<b>3,278.9</b>
Capital gains not included in balance sheet (properties)	476.6
<b>Permanent resources at market value on 30/09/2017</b>	<b>3,755.5</b>

**+7.0%**

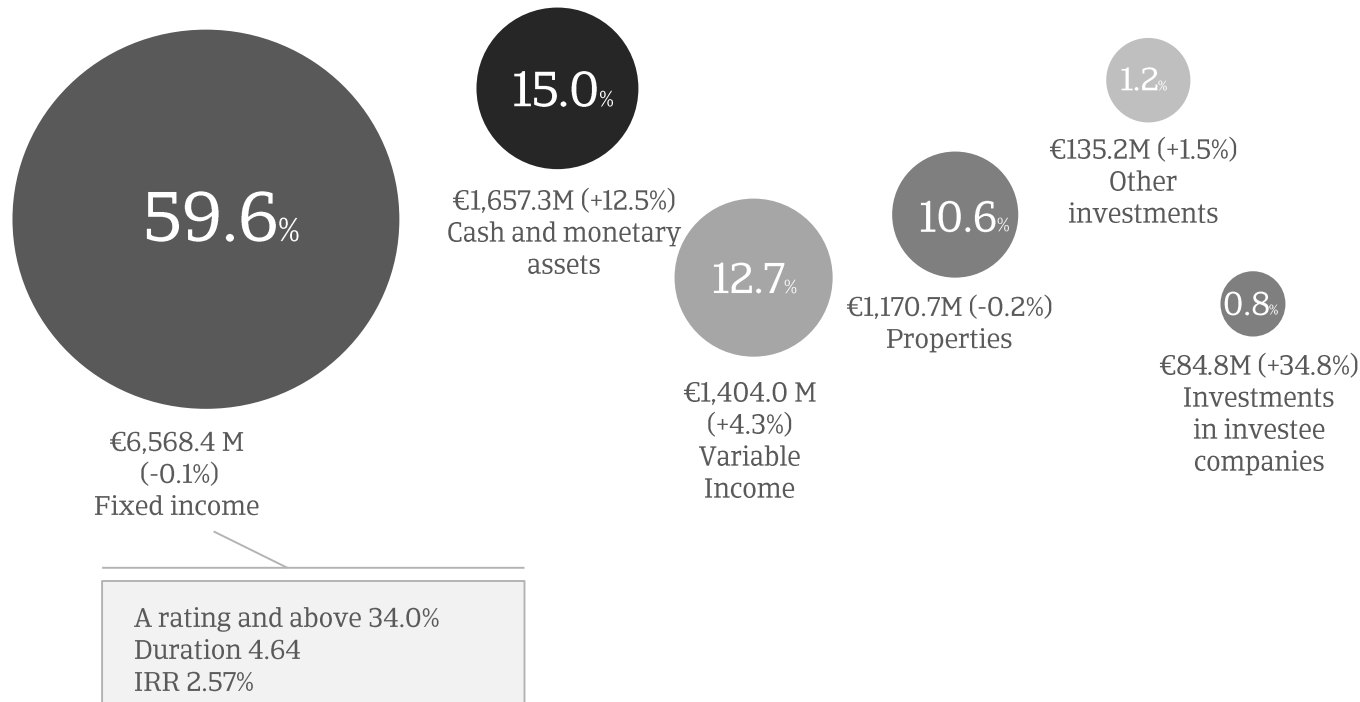


## Investments

*Prudent and diversified portfolio*

### €11,988.2 M

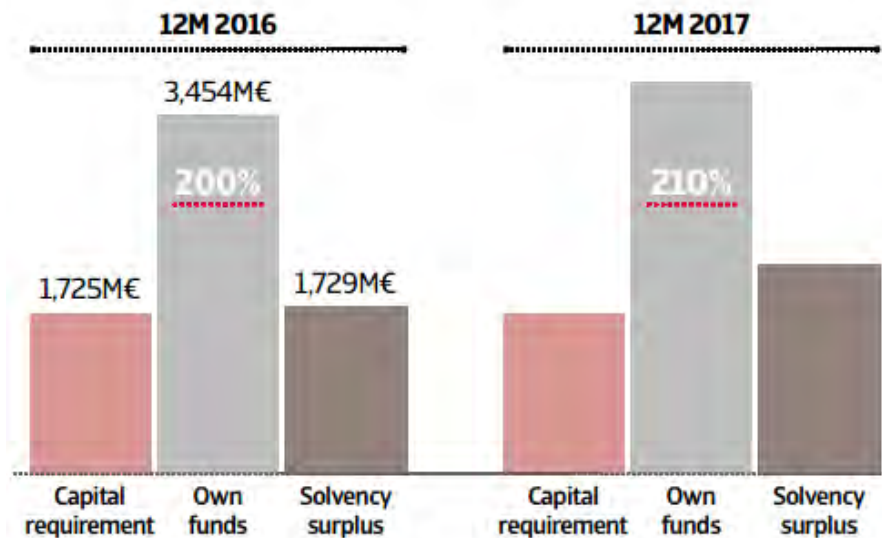
(+2.7% compared to funds under management at the end of 2016)



## Solid solvency position: 210% at the end of 2017

*“Grupo Catalana Occidente has a solid financial and solvency position to withstand adverse situations”*

### Approval of the partial internal model in solvency II



Maximum quality of own funds (more than 94% of tier 1)

**“A”**

Moody's rating confirmation with potential for improvement

\*Data 2016 standard formula and data 2017 internal model (unaudited)



Presentation of the solvency and financial condition reporting  
 May: Group entities  
 June: Grupo Catalana Occidente

03

## Calendar and annexes

## Calendar

## Relationships with Analysts and Investors

January	February	March	April	May	June	July	August	September	October	November	December
	22 Results 12M2017		26 Results 3M2018			26 16:00 Presentation Results 6M2018			25 16:00 Presentation Results 9M2018		
	23 11:00 Presentation Results 12M2017		26 General Meeting of Shareholders Financial year 2017								
			27 11:00 Presentation Results 3M2018								
	Dividend 2017			Dividend Complement- ary 2017		Dividend 2018			Interim dividend 2018		

### Contact

Email: [analistas@catalanaoccidente.com](mailto:analistas@catalanaoccidente.com)

Phone: +34935820518

<https://www.grupocatalanaoccidente.com/accionistas-e-inversores>



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## Income statement

(figures in million of euros)

	2013	2014	2015	2016	2017	% Chg. 16 -17
Written premiums	3,091.4	3,322.2	3,704.6	4,108.4	4,123.5	0.4%
Premiums acquired	3,121.4	3,289.6	3,703.9	4,085.3	4,094.2	0.2%
Income from information	110.4	115.3	121.5	127.4	130.8	2.7%
<b>Net income from insurance</b>	<b>3,231.8</b>	<b>3,404.8</b>	<b>3,825.4</b>	<b>4,212.7</b>	<b>4,225.0</b>	<b>0.3%</b>
Technical cost	1,991.8	2,088.9	2,339.1	2,605.3	2,548.4	-2.2%
% of net income	61.6%	61.4%	61.1%	61.8%	60.3%	
Commissions	365.1	372.9	442.1	508.3	521.9	2.7%
% of net income	11.3%	11.0%	11.6%	12.1%	12.4%	
Expenses	608.5	628.4	698.8	715.8	717.3	0.2%
% of net income	18.8%	18.5%	18.3%	17.0%	17.0%	
<b>Technical result</b>	<b>266.5</b>	<b>314.5</b>	<b>345.4</b>	<b>383.3</b>	<b>437.4</b>	<b>14.1%</b>
% of net income	8.2%	9.2%	9.0%	9.1%	10.4%	
Financial result	73.0	73.9	84.8	63.2	61.2	
% of net income	2.3%	2.2%	2.2%	1.5%	1.4%	
Non-financial non-technical account result	-17.5	-6.6	-14.8	-13.8	-23.1	
% of net income	-0.6%	-0.2%	-0.4%	-0.3%	-0.6%	
Result before tax	322.0	381.8	415.4	432.8	475.5	9.9%
% of net income	10.0%	11.2%	10.9%	10.3%	11.3%	
Consolidated result	243.9	268.1	296.1	324.5	357.3	10.1%
Result attributable to minorities	22.8	26.0	28.0	28.9	31.9	10.4%
Attributed result	221.1	242.1	268.1	295.6	325.4	10.1%
% of net income	6.8%	7.1%	7.0%	7.0%	7.7%	
Recurring result	248.8	260.0	306.9	345.5	369.1	6.8%
Non-recurring result	-4.9	8.1	-10.8	-21.0	-11.8	

## Business income from credit insurance

(figures in million of euros)

<b>Income</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>% Chg. 16 -17</b>
<b>Written premiums (€M)</b>	<b>1,404.6</b>	<b>1,496.6</b>	<b>1,553.8</b>	<b>1,561.1</b>	<b>1,607.4</b>	<b>3.0%</b>
Credit insurance	1,192.5	1,239.2	1,305.1	1,312.6	1,353.7	3.1%
Surety insurance	100.5	121.3	110.8	118.6	122.5	3.3%
Inward Reinsurance	111.6	136.1	137.9	129.9	131.2	1.0%
<b>Income from information</b>	<b>110.4</b>	<b>115.3</b>	<b>121.5</b>	<b>127.4</b>	<b>130.8</b>	<b>2.7%</b>
<b>Total income from insurance</b>	<b>1,515.0</b>	<b>1,611.9</b>	<b>1,675.3</b>	<b>1,688.5</b>	<b>1,738.2</b>	<b>2.9%</b>
Income from complementary act.	60.0	58.4	63.3	79.1	121.9	54.1%
<b>Total income from credit insurance</b>	<b>1,575.0</b>	<b>1,670.3</b>	<b>1,738.6</b>	<b>1,767.6</b>	<b>1,860.1</b>	<b>5.2%</b>

## Credit insurance business

<b>Combined ratio</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>% Chg. 16 -17</b>
% Gross technical cost	45.6%	40.7%	43.5%	41.6%	41.7%	0.1
% Gross commissions + expenses	35.4%	36.7%	35.8%	36.0%	35.4%	-0.6
<b>% Gross combined ratio</b>	<b>81.0%</b>	<b>77.4%</b>	<b>79.3%</b>	<b>77.6%</b>	<b>77.1%</b>	<b>-0.5</b>
% Net technical cost	45.5%	41.5%	42.0%	42.0%	41.4%	-0.6
% Net commissions + expenses	36.5%	36.0%	33.6%	34.8%	33.8%	-1.0
<b>% Net combined ratio</b>	<b>82.0%</b>	<b>77.5%</b>	<b>75.6%</b>	<b>76.8%</b>	<b>75.2%</b>	<b>-1.6</b>

## Credit insurance business - TPE

(figures in million of euros)

<b>Cumulative risk per country</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>% Chg. 16-17</b>	<b>% total</b>
Spain and Portugal	81,486	85,165	89,601	93,437	98,714	5.6%	15.8%
Germany	72,844	77,297	80,398	82,783	86,430	4.4%	13.9%
Australia and Asia	58,725	69,210	79,668	79,013	84,233	6.6%	13.5%
Americas	45,386	59,491	65,464	71,970	73,188	1.7%	11.8%
Eastern Europe	41,142	45,925	50,805	55,098	59,253	7.5%	9.5%
UK	34,619	40,332	45,782	43,794	43,537	-0.6%	7.0%
France	37,135	39,170	40,917	43,323	49,326	13.9%	7.9%
Italy	23,768	26,929	32,735	37,208	42,242	13.5%	6.8%
Nordic and Baltic countries	21,831	23,261	25,883	26,964	28,738	6.6%	4.6%
Netherlands	22,326	23,152	23,914	25,268	27,636	9.4%	4.4%
Belgium and Luxembourg	13,336	14,229	14,662	15,708	16,701	6.3%	2.7%
Rest of the world	7,795	10,954	12,817	12,538	12,830	2.3%	2.1%
<b>Total</b>	<b>460,394</b>	<b>515,114</b>	<b>562,644</b>	<b>587,104</b>	<b>622,829</b>	<b>6.1%</b>	<b>100%</b>

## Credit insurance business - TPE

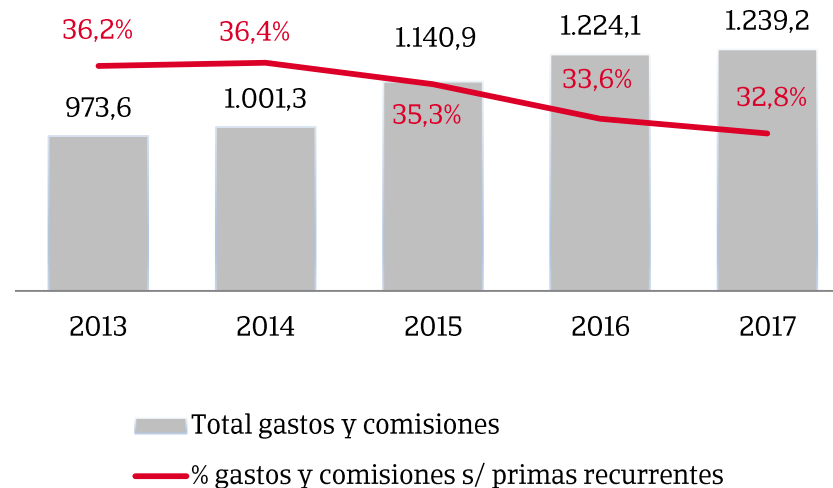
(figures in million of euros)

<b>Cumulative risk per sector</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>% Chg. 16-17</b>	<b>% s/ total</b>
Chemicals	55,912	67,007	69,797	70,510	74,476	5.6%	12.0%
Electronics	56,283	63,915	74,538	78,593	82,783	5.3%	13.3%
Durable consumer goods	50,468	56,347	60,940	65,324	68,442	4.8%	11.0%
Metals	50,907	56,286	59,888	58,855	63,419	7.8%	10.2%
Food	42,564	48,188	52,056	55,640	58,608	5.3%	9.4%
Transport	38,366	43,705	50,612	53,434	56,930	6.5%	9.1%
Construction	33,459	37,238	41,147	43,133	46,896	8.7%	7.5%
Machinery	29,390	31,629	33,902	34,734	37,137	6.9%	6.0%
Agriculture	22,808	25,932	28,327	30,907	33,318	7.8%	5.3%
Construction materials	20,030	21,981	24,425	25,387	27,058	6.6%	4.3%
Services	21,386	21,180	24,113	25,276	26,994	6.8%	4.3%
Textiles	16,261	17,722	19,065	19,855	20,562	3.6%	3.3%
Paper	10,805	12,275	12,747	13,590	13,929	2.5%	2.2%
Finance	11,755	11,711	11,088	11,867	12,277	3.5%	2.0%
<b>Total</b>	<b>460,394</b>	<b>515,114</b>	<b>562,644</b>	<b>587,104</b>	<b>622,829</b>	<b>6.1%</b>	<b>100%</b>

## General expenses and commissions

(figures in million of euros)

	2013	2014	2015	2016	2017	% Chg. 16 -17
Traditional business	238.9	240.9	286.8	309.9	311.6	0.6%
Credit insurance business	360.4	388.6	389.3	400.9	400.8	0.0%
Non-recurring expenses	9.2	-1.1	22.7	5.0	4.8	
<b>Total expenses</b>	<b>608.5</b>	<b>628.4</b>	<b>698.8</b>	<b>715.8</b>	<b>717.3</b>	<b>0.2%</b>
<b>Commissions</b>	<b>365.1</b>	<b>372.9</b>	<b>442.1</b>	<b>508.3</b>	<b>521.9</b>	<b>2.7%</b>
<b>Total expenses and commissions</b>	<b>973.6</b>	<b>1,001.3</b>	<b>1,140.9</b>	<b>1,224.1</b>	<b>1,239.2</b>	<b>1.2%</b>
% expenses and commissions out recurring premiums	36.2%	36.4%	35.3%	33.6%	32.8%	



## Financial result

(figures in million of euros)

	2013	2014	2015	2016	2017	% Chg. 16-17
Financial income net of expenses	164.9	176.2	212.5	223.3	221.1	-1.0%
Exchange Differences	-0.4	-0.1	0.1	1.0	-0.5	
Subsidiary companies	17.8	18.9	4.9	0.3	0.7	
Interests applied to life	-138.3	-140.5	-147.4	-152.2	-148.7	-2.3%
<b>Recurring financial results traditional business</b>	<b>44.0</b>	<b>54.5</b>	<b>70.1</b>	<b>72.5</b>	<b>72.5</b>	<b>0.0%</b>
% of premiums acquired	2.6%	3.0%	3.2%	2.8%	2.9%	
Financial income net of expenses	17.3	16.0	17.4	17.9	15.3	-14.5%
Exchange Differences	-2.7	-1.2	-0.4	8.0	0.5	
Subsidiary companies	5.8	7.2	0.9	4.6	4.3	
Interests subordinated debt	-7.1	-8.3	-13.1	-15.7	-16.9	7.6%
<b>Recurring financial results from credit insurance</b>	<b>13.3</b>	<b>13.7</b>	<b>4.8</b>	<b>14.8</b>	<b>3.3</b>	
% of net income from insurance	0.9%	0.9%	0.3%	0.9%	0.2%	
Intra-group interest adjustment	0.0	0.0	-12.4	-8.5	-7.0	
<b>Adjusted recurring financial results from credit insurance</b>	<b>13.3</b>	<b>13.7</b>	<b>-7.6</b>	<b>6.3</b>	<b>-3.7</b>	
<b>Recurring financial results</b>	<b>57.3</b>	<b>68.2</b>	<b>62.5</b>	<b>78.7</b>	<b>68.9</b>	<b>-12.5%</b>
% of total Group Income	1.8%	2.0%	1.6%	1.8%	1.6%	
<b>Non-recurring financial results</b>	<b>15.7</b>	<b>5.7</b>	<b>22.3</b>	<b>-15.5</b>	<b>-7.7</b>	
<b>Financial result</b>	<b>73.0</b>	<b>73.9</b>	<b>84.8</b>	<b>63.2</b>	<b>61.2</b>	<b>-3.2%</b>

## Non-recurring result

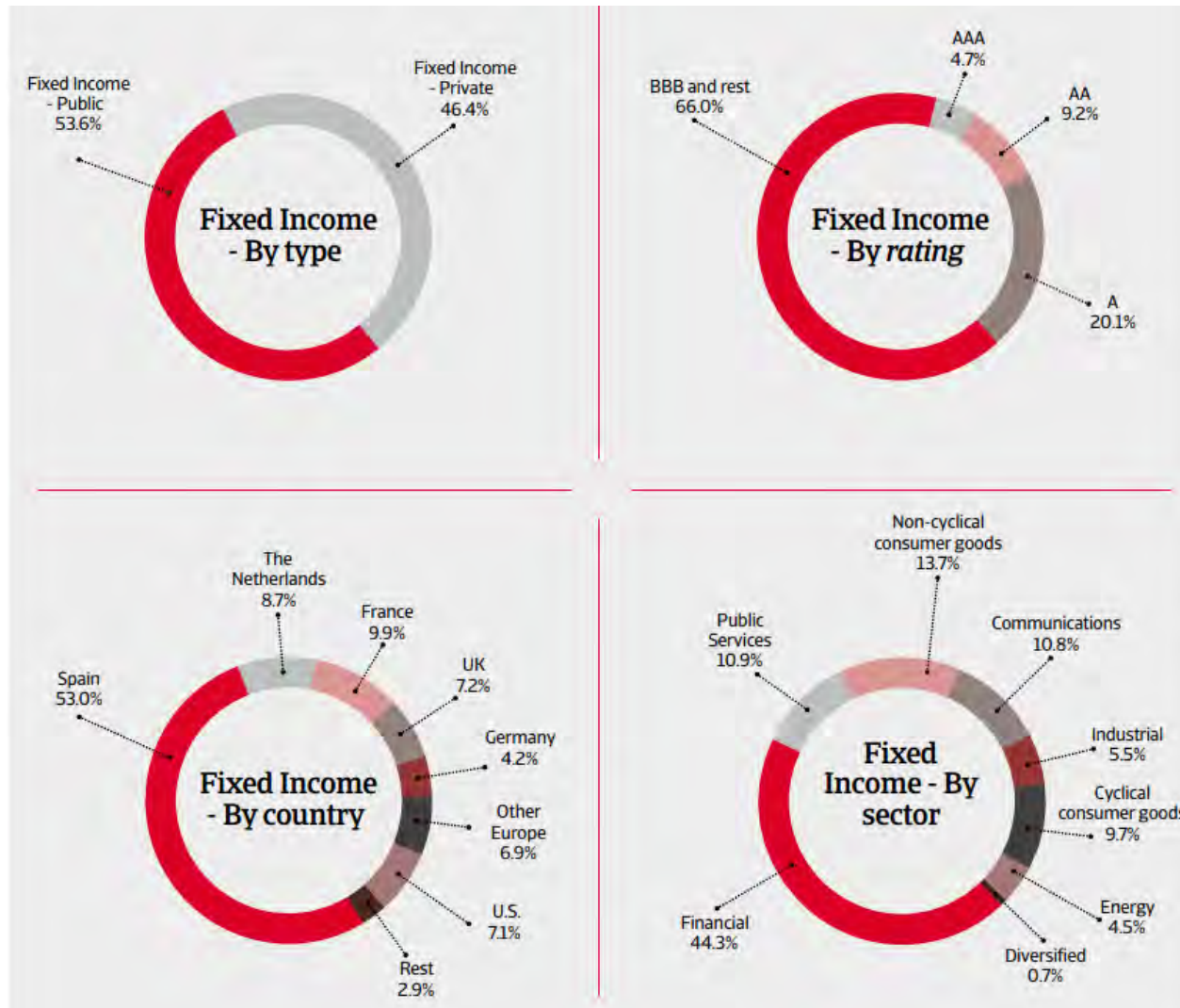
(figures in million of euros)

	2013	2014	2015	2016	2017
Traditional business technical	-0.2	-0.1	0.0	0.0	0.0
Financial	4.3	0.3	9.7	5.3	6.2
Expenses and other	-10.1	-2.2	-4.6	-0.2	-4.8
<b>Non-recurrent from traditional business</b>	<b>-6.0</b>	<b>-1.9</b>	<b>5.2</b>	<b>5.1</b>	<b>1.4</b>
Traditional business technical	-5.8	-6.5	0.0	0.0	0.0
Financial	6.9	0.5	1.7	-20.8	-8.8
Expenses and other	0.0	0.0	-17.6	-5.3	-4.4
<b>Non-recurring from credit insurance business</b>	<b>1.1</b>	<b>-6.0</b>	<b>-15.9</b>	<b>-26.1</b>	<b>-13.2</b>
<b>Non-recurring result net of taxes</b>	<b>-4.9</b>	<b>8.1</b>	<b>-10.8</b>	<b>-21.0</b>	<b>-11.8</b>



## Investments

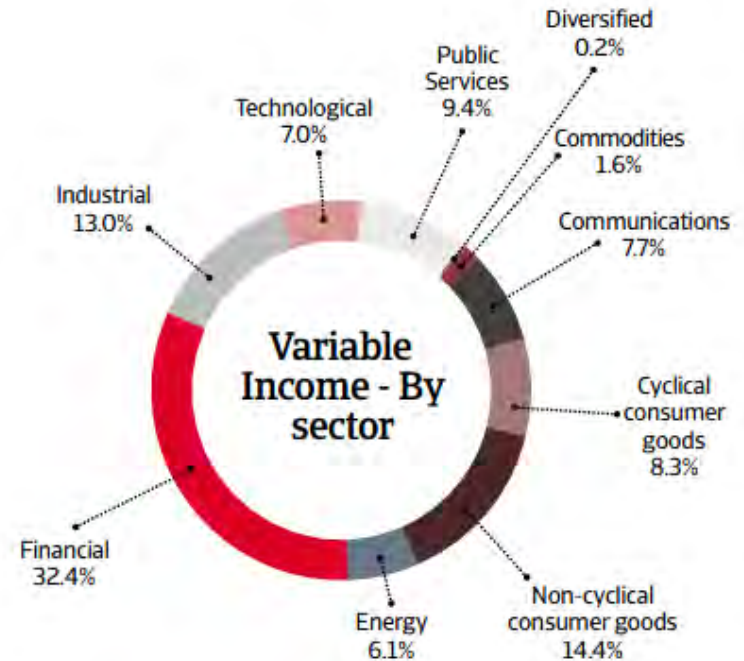
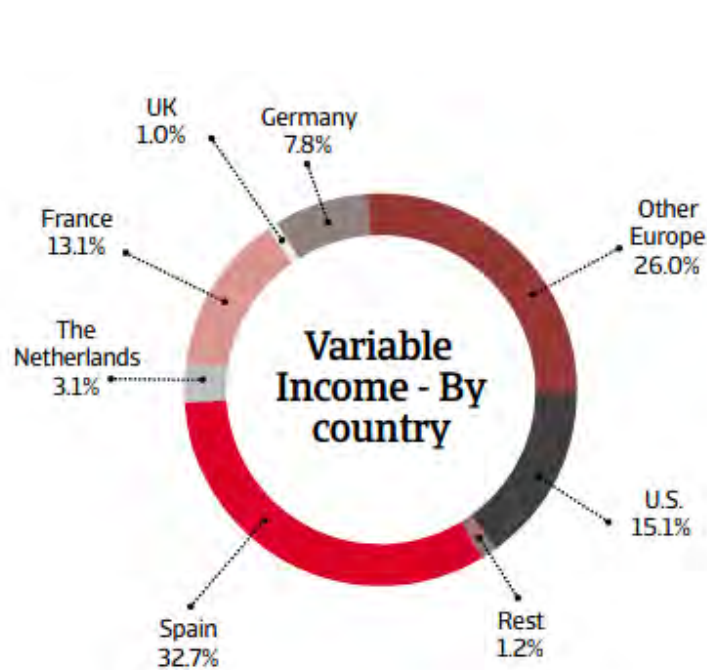
### High quality fixed income portfolio



**Duration 4,64**  
**IRR 2,57%**

## Investments in cash equivalents

### High liquidity 12.7% variable income



## Balance sheet

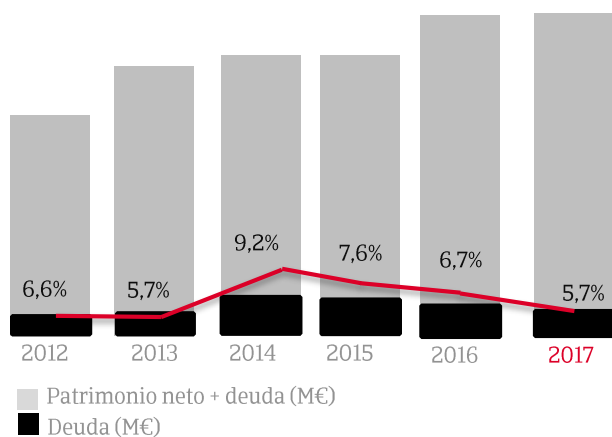
(figures in million of euros)

<b>Assets</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>% Chg. 16-17</b>
<b>Intangible assets and property</b>	<b>883.3</b>	<b>876.6</b>	<b>1,100.8</b>	<b>1,213.1</b>	<b>1,218.8</b>	<b>0.5%</b>
<b>Investments</b>	<b>7,163.3</b>	<b>8,258.3</b>	<b>9,763.0</b>	<b>10,332.0</b>	<b>10,596.9</b>	<b>2.6%</b>
Investment property	226.5	223.3	278.7	398.0	382.8	-3.8%
Financial investments	6,503.8	7,448.5	8,874.5	8,897.3	8,957.9	0.7%
Cash and short-term assets	433.0	586.5	609.7	1,036.6	1,256.2	21.2%
<b>Reinsurer participation in technical provisions</b>	<b>895.2</b>	<b>889.4</b>	<b>1,002.1</b>	<b>895.1</b>	<b>842.5</b>	<b>-5.9%</b>
<b>Other assets</b>	<b>1,159.6</b>	<b>1,192.2</b>	<b>1,430.1</b>	<b>1,467.2</b>	<b>1,543.2</b>	<b>5.2%</b>
Deferred tax assets	115.9	127.2	96.1	91.1	84.3	-7.5%
Credits	703.2	702.2	873.0	900.4	946.4	5.1%
Other assets	340.5	362.8	461.1	475.8	512.5	7.7%
<b>Total assets</b>	<b>10,101.4</b>	<b>11,216.5</b>	<b>13,296.0</b>	<b>13,907.5</b>	<b>14,201.4</b>	<b>2.1%</b>
<b>Net liabilities and equity</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>% Chg. 16-17</b>
<b>Permanent resources</b>	<b>2,100.3</b>	<b>2,685.7</b>	<b>2,797.7</b>	<b>3,039.6</b>	<b>3,278.9</b>	<b>7.9%</b>
<b>Net equity</b>	<b>1,980.8</b>	<b>2,437.6</b>	<b>2,585.8</b>	<b>2,834.7</b>	<b>3,078.6</b>	<b>8.6%</b>
Parent company	1,723.8	2,167.1	2,299.7	2,533.6	2,752.6	8.6%
Minority interests	257.1	270.5	286.1	301.1	326.0	8.3%
<b>Subordinated liabilities</b>	<b>119.5</b>	<b>248.1</b>	<b>211.8</b>	<b>204.9</b>	<b>200.3</b>	<b>-2.3%</b>
<b>Technical Provisions</b>	<b>6,905.5</b>	<b>7,235.0</b>	<b>9,074.3</b>	<b>9,351.0</b>	<b>9,425.2</b>	<b>0.8%</b>
<b>Other liabilities</b>	<b>1,095.6</b>	<b>1,295.8</b>	<b>1,424.0</b>	<b>1,516.8</b>	<b>1,497.3</b>	<b>-1.3%</b>
Other provisions	153.0	148.0	161.1	186.4	165.2	-11.4%
Deposits received on buying reinsurance	62.1	60.4	82.3	59.2	57.7	-2.5%
Deferred tax liabilities	222.3	320.3	328.9	340.3	332.6	-2.3%
Liabilities	457.6	524.6	574.3	623.0	618.7	-0.7%
Other liabilities	200.6	242.5	277.3	308.0	323.1	4.9%
<b>Total net liabilities and equity</b>	<b>10,101.4</b>	<b>11,216.5</b>	<b>13,296.0</b>	<b>13,907.5</b>	<b>14,201.4</b>	<b>2.1%</b>

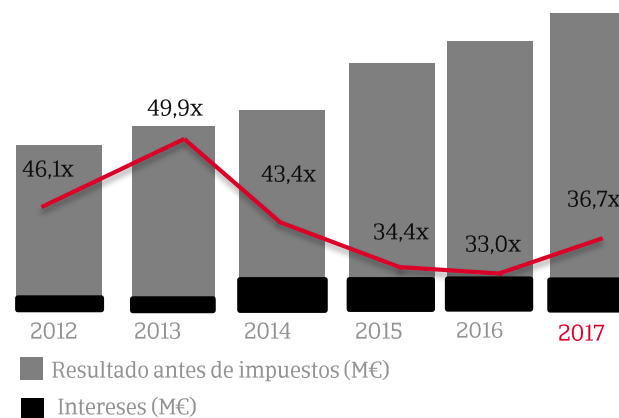
## Financial strength

*“The Group has a debt ratio of 5.7%, decreasing by 1p.p. thanks to the increase in net worth. The debt corresponds to the issue from the group entity in the credit insurance: Atradius”*

### Reducing the debt ratio

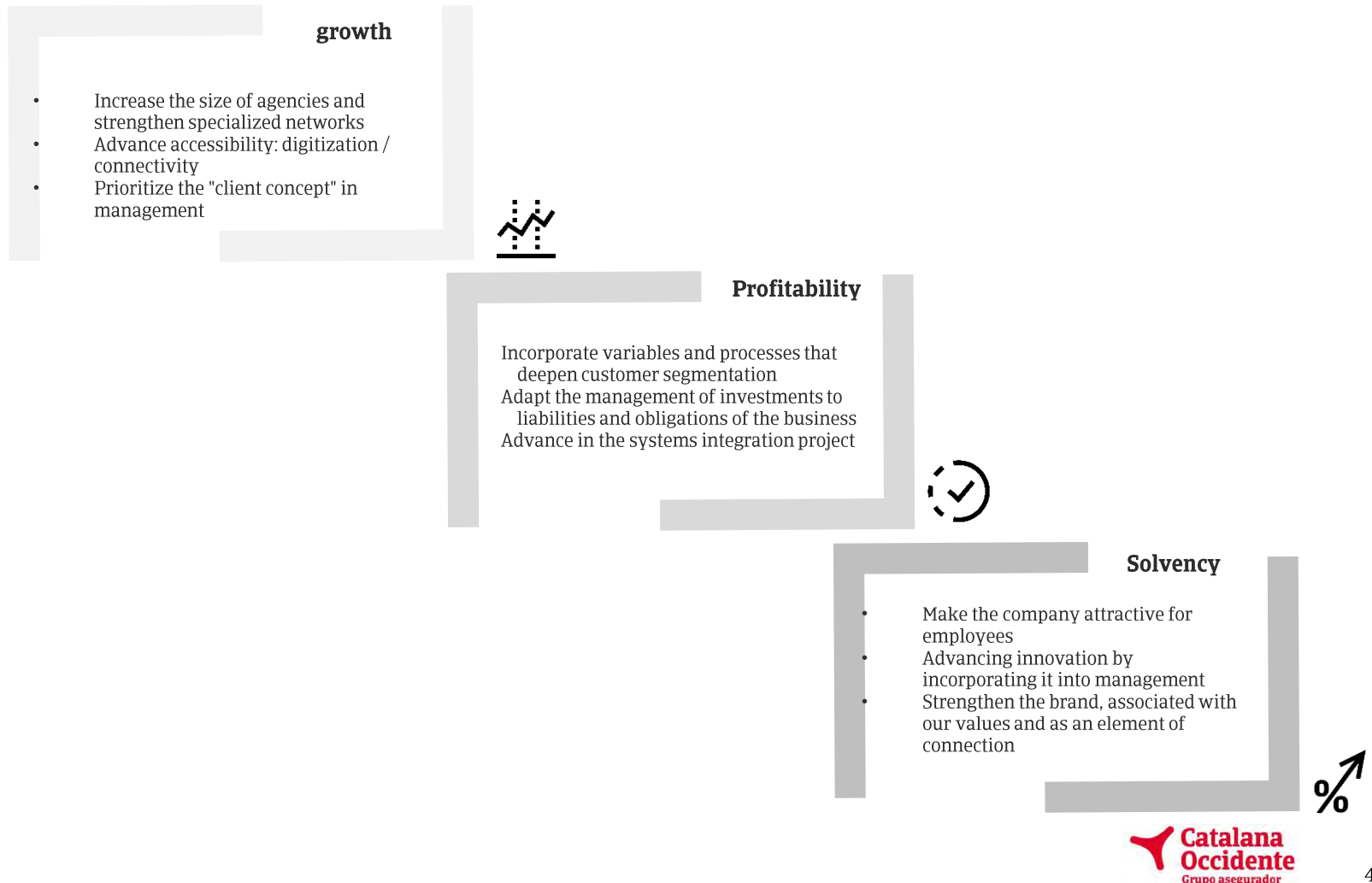


### Strong interest coverage ratio



## Challenges for 2018

*“The guidelines for the financial year 2018 are based on the three strategic pillars of the Group: growth, profitability and solvency. We understand that the best way to give continuity to the achievements we are achieving is to reaffirm our strategic principles”*



## Grupo Catalana Occidente

The business model of the Group is based on leadership in protection and long-term welfare for families and companies in Spain and on the coverage of commercial credit risks at the international level, seeking growth, profitability and solvency.

### Insurance specialist



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

### Closeness – global presence



- Distribution of intermediaries
- Over 18,000 agents
- 7,300 employees
- Over 1,600 offices
- Over 50 countries

### Solid financial structure



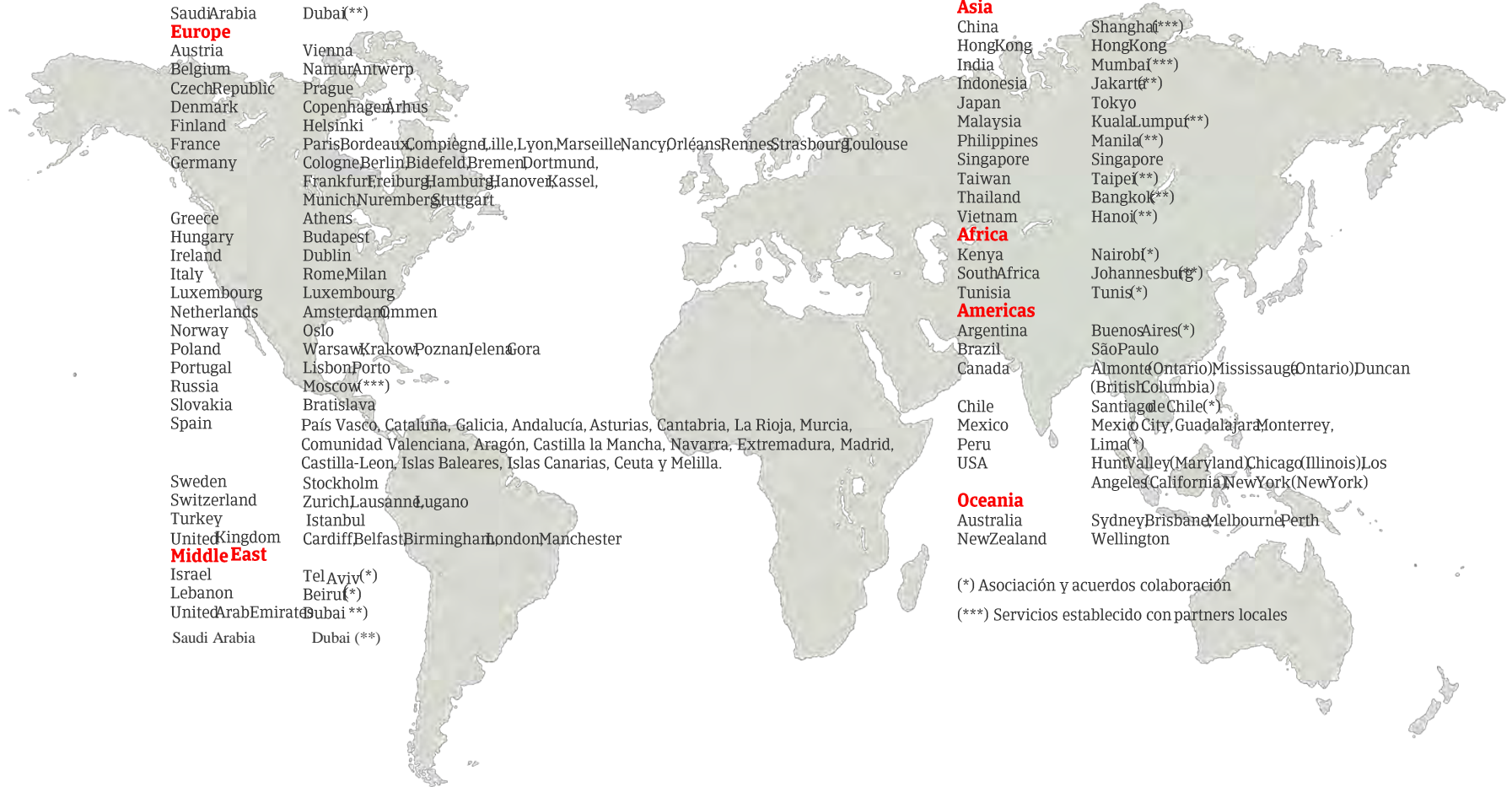
- Listed on the Stock exchange
- “A” Rating
- Stable, committed shareholders

### Technical rigour



- Excellent combined ratio:
- Strict cost control
- 1999-2016: profitable multiplied by 8.2
- Prudent and diversified investment portfolio

# Global Presence



(\*) Asociación y acuerdos colaboración  
 (\*\*\*) Servicios establecido con partners locales

## Corporate structure

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
GCO Re	Bilbao Telemark	Sogesco
Previsora Bilbaína Seguros	Inversions Catalana Occident	Gesiuris
Previsora Bilbaína Vida	CO Capital Ag. Valores	Hercasol SICAV
	Cosalud Servicios	Previsora Inversiones SICAV
	GCO Tecnología y Servicios	PB Cemer 2002
	Prepersa, AIE	
	GCO Contact Center	
	Asitur Asistencia	
	Calboquer	
	Grupo Funeuskadi	
	Arroita 1878	
Atradius Crédito y Caución	Atradius Collections	Grupo Compañía Española Crédito y Caución S.L.
Atradius Re	Atradius Duch State Business	Atradius NV
Atradius ATCI	Atradius Information Services	Atradius Participations Holding
Atradius Seguros de Crédito México	Iberinform Internacional	Atradius Finance
Atradius Rus Credit Insurance	Graydon	
Crédito y Caución Seguradora de Crédito e Grantias Brazil		
<b>Insurance companies</b>	<b>Complementary insurance companies</b>	<b>Investment companies</b>

Traditional business

Credit insurance business



## Risk strategy

Grupo Catalana Occidente defines its risk strategy based on the risk appetite and tolerance, and ensures that integration of the same with the business plan permits compliance with the risk appetite approved by the board.

The risk strategy consists of:

▷ **Risk profile**

Risk assumed in terms of solvency.

▷ **Risk appetite**

Risk in terms of solvency that the entity intends to accept in order to reach its objectives.

▷ **Risk tolerance**

Maximum deviation with regards to the Appetite that the company is willing to assume (tolerate).

▷ **Risk limits**

Operative limits established in order to comply with the Risk Strategy.

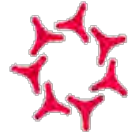
▷ **Alert indicators**

In addition, the Group avails of a series of early warning indicators that serve as a base, both for monitoring the risks and for compliance with the risk appetite approved by the board of administrators.

## Risk map

Risk map	Description	Management	Mitigation
Subscription risk Non-Life	Control of underwriting and claims through strict control of the combined ratio and the <i>default</i> risk in the credit area, supported by the reinsurance policies too.	Subscription and reserve policies. Reinsurance policy. Manual and technical regulations for subscription.	Reinsurance and strict control of the combined ratio.
Subscription risk for life, health and funeral.	Control of subscription, claims and value of the portfolio, also supported by the reinsurance policies.	Subscription and reserve policies. Reinsurance policy. Manual and technical regulations for subscription.	Reinsurance and strict control of the subscription of risks.
Market risk	Detailed analysis of the asset-liability management (ALM), as well as sensitivity analysis for future scenarios.	Investment policy. Management based on the principle of prudence.	Asset management based on the principle of prudence. *Control of the different types of portfolio and the management objectives of each one. *Liability commitments to cover. *Type of investments considered appropriate for investment. *Credit diversification and rating limits to maintain
Counterparty risk	Control of credit rating of the principal financial counterparties and rating of the reinsurance table. Exposure from commercial credit risk with agents and the age of the debt is also monitored.	Reinsurance policy. Investment policy.	Reinsurance with counterparties with good credit rating. Diversified investment portfolio with high rating.
Operational risk	Control of the inherent risk and residual risk through the implementation of preventative controls and mitigation in the case of an event.	Contingency plans. Data quality and safety policy. <i>Code of Ethics</i> . Procedure in cases of irregularities and fraud (report channel).	Implementation of an efficient internal control system.
Liquidity risk	Control of company liquidity and obligations.	Investment policy.	Low debt ratio
Strategic risk	Controlled by the Board of Directors and the steering committee through the strategic plan and the guidelines of the Group.	Strategic plan and Medium term plan	Continuous surveillance of the regulatory frameworks allowing the entity to adopt best practices and the most efficient and rigorous criteria for implementation.
Regulatory non-compliance risk	Guidance and control for regulatory compliance and evaluation of the impact of any modification on the legal environment.	<i>Code of Conduct</i> . Regulatory compliance policy.	Frequent contact with the rating agencies
Reputational risk	Continuous improvement of customer service and the image of the Group and of the risks that may have an impact on the Group.	Procedure in the case of irregularities. <i>Code of Conduct</i> . <i>Code of Ethics</i> . Skill and honour policy.	Implementation of an efficient internal control system.

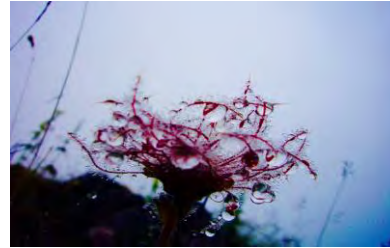
Fundación Jesús Serra



Fundación Jesús Serra is the institution through which the social action of Grupo Catalana Occidente is channelled.

Its activities follow the humanist values of its founder, Jesús Serra Santamans

Research and teaching



Music and poetry



Sport



Social action



More than just insurance...

... participates in **over 60 projects** in the areas of the company, education, research, culture, sport and social action

## Glossary

Concept	Definition	Formulation
<b>Technical result</b>	Result of the insurance activity	<b>Technical result</b> = Income from insurance - Technical cost - Commissions - Expenses
<b>Reinsurance result</b>	Result of transferring business to the reinsurer or accepting business from other entities.	<b>Reinsurance result</b> = Result of inward reinsurance + Result of ceded reinsurance
<b>Financial result</b>	Result of the financial investments.	<b>Financial result</b> = 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
<b>Technical/financial result</b>	Result of the insurance activity, including the financial result. This result is particularly relevant for Life insurance.	<b>Technical/financial result</b> = Technical result + Financial result
<b>Result of non-technical non-financial account</b>	Income and expenses that cannot be assigned to the technical or financial results.	<b>Result of non-technical non-financial account</b> = Income - expenses that cannot be assigned to the technical or financial results.
<b>Result of credit insurance complementary activities</b>	Result of activities that cannot be assigned to the purely insurance business. Mainly distinguishes the activities of: <ul style="list-style-type: none"> <li>· Information services</li> <li>· Collections</li> <li>· Management of the export account of the Dutch state.</li> </ul>	<b>Result of credit insurance complementary activities</b> = income - expenses
<b>Recurring result</b>	Result of the normal activity of the entity	<b>Recurring result</b> = technical/financial result + non-technical account result - taxes, all resulting from normal activity
<b>Non-recurring result</b>	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)	<b>Non-recurring result</b> = technical/financial result + non-technical account result - taxes, all resulting from extraordinary or atypical activity
<b>Turnover</b>	Turnover is the business volume of the Group. It includes premiums that the Group generates in each of the business lines and the income from services pertaining to the credit insurance.	<b>Turnover</b> = Premiums invoiced + Income from information <b>Premiums invoiced</b> = premiums issued from direct insurance + premiums from inward reinsurance

<b>Managed funds</b>	Amount of the financial and property assets managed by the Group	<b>Managed funds</b> = Financial and property assets entity risk + Financial and property assets policyholder risk + Pension funds managed <b>Funds managed</b> = fixed income + variable income + property + deposits in credit entities + treasury + investee companies
<b>Financial strength</b>	This shows the debt and solvency situation. This is principally measured through the debt ratio, the interest coverage ratio and the credit rating.	<b>Debt ratio</b> = Net equity + Debt / Debt  <b>Interest coverage ratio</b> = result before taxes / interest
<b>Technical cost</b>	Direct costs of accident coverage. See claims.	<b>Technical cost</b> = total claims - claims covered by reinsurance + cost of reinsurance + increase of technical provisions
<b>Dividend yield</b>	The profitability per dividend or dividend yield shows the relationship existing between the dividends distributed in the previous year with the value of the share upon closing. Indicator used to value the shares of an entity.	<b>Dividend yield</b> = dividend paid in the year per share / value of the price of the share upon closing
<b>Modified duration</b>	Sensitivity of the value of the assets to movements in interest rates	<b>Modified duration</b> = 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.
<b>Expenses</b>	The general expenses include the costs incurred for management of the business, excluding those that can be assigned to claims.	<b>Expenses</b> = personnel expenses + commercial expenses + various expenses and services (allowance, training, management rewards, material and other office expenses, leases, external services, etc.)
<b>Prevalence rate</b>	This measures the customer's expectations of continuing with the entity Scale from less than one year to over 5 years	<b>Retention index</b> = how long do you think that you will remain a customer?
<b>Satisfaction index</b>	This measures the general satisfaction of the customer with the entity Scale from 1 to 10	<b>General satisfaction index</b> = (Satisfied – unsatisfied) / surveyed Satisfied responses with result from 7 to 10 Unsatisfied responses with result from 1 to 4
<b>Service satisfaction index</b>	This measures the evaluation of the service received Scale from 1 to 10	<b>Service satisfaction index</b> = (Satisfied – unsatisfied) / surveyed Satisfied responses with result from 7 to 10 Unsatisfied responses with result from 1 to 4

<b>Income from insurance</b>	Concept used in the credit insurance business This measures the income obtained from the main activity of the credit insurance entity	<b>Income from insurance</b> = premiums acquired + income from information
<b>Investments in associated / subsidiary entities</b>	Non-dependant entities where the Group has significant influence	<b>Investments in associated / subsidiary entities</b> = accounting value of the economic investment
<b>Net Promoter Score</b>		<b>Net Promoter Score</b> = Would you recommend the
<b>NPS</b>		company to family and friends? = (promoters - critics)/surveyed Promoters: responses with results from 9 to 10 Critics: responses with results from 1 to 6
<b>Pay out</b>	Ratio that indicates the part of the result distributed among investors through dividends	<b>Pay out</b> = dividend distributed in the year / attributed result
<b>Price Earnings Ratio PER</b>	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.	<b>PER</b> = Market price of the share / result attributed per share
<b>Ex. single premiums</b>	Total premiums without considering non-periodic premiums in the Life business	<b>Ex. single premiums</b> = Invoiced premiums - single premiums in the life business
<b>Technical Provisions</b>	Amount of the obligations assumed that are derived from insurance and reinsurance contracts.	
<b>Combined ratio</b>	Indicator that measures the technical profitability of the Non Life insurances.	<b>Net combined ratio</b> = ((Claims + increase in technical provisions) + Commissions + Expenses) / Income from insurance
<b>Net combined ratio</b>	Indicator that measures the technical profitability of the Non Life insurances net of the reinsurance effect	<b>Net combined ratio</b> = ((Claims - claims covered by the reinsurance + reinsurance cost + increase in technical provisions) + Commissions + Expenses) / (Income from insurance - Premiums acquired transferred to reinsurance)
<b>Expenses ratio</b>	Ratio that reflects the part of the income from premiums dedicated to expenses.	<b>Expenses ratio</b> = Expenses / Income from insurance
<b>Net expenses ratio</b>	Ratio that reflects the part of the income from premiums dedicated to expenses, net of the reinsurance effect	<b>Expenses ratio</b> = (Expenses - commission of transferred reinsurance) / (Income from insurance - Premiums acquired transferred to reinsurance)

<b>Claims ratio</b>	Business indicator, consisting of the proportion between claims and premiums acquired.	<b>Claims ratio</b> = (Claims + increase in technical provisions) / Income from insurance
<b>Net claims ratio</b>	Business indicator, consisting of the proportion between claims and premiums acquired, net of the reinsurance effect.	<b>Net claims ratio</b> = (Claims - claims covered by the reinsurance + increase in technical provisions) / (Income from insurance - Premiums acquired transferred to reinsurance)
<b>Permanent resources</b>	Resources that can be included in own funds.	<b>Permanent resources</b> = Net equity + subordinate debt
<b>Permanent resources at market value</b>	Resources that can be included in own funds at market value	<b>Permanent resources at market value</b> = Net equity + Subordinate debt + capital gains not included in the balance
<b>Resources transferred to society</b>	Amount that the Group returns to the main groups of interest.	<b>Resources transferred to the company</b> = claims paid + taxes + commissions + personnel expenses + dividends
<b>Return On Equity ROE</b>	Financial profitability or return rate This measures the capital performance	<b>ROE</b> = Attributed result / Attributed net equity
<b>Claims</b>	See technical cost. Economic evaluation of claims.	<b>Claims</b> = Payments for claims + Variation of the provision for services
<b>Total Potential Exposure TPE</b>	This is the potential exposure to risk, also "cumulative risk". Term of the credit insurance business	<b>TPE</b> = the sum of the credit risks underwritten by the Group for each buyer

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