

2017

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

Sant Cugat, July 27



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Presentation based on the half-yearly report issued on 27/07/2017.

01

Keys for the period

Favourable behaviour in the main figures

Economic and sectoral recovery

- **Economic recovery and extraordinarily low interest rates**
- **Growing insurance sector, particularly for Non Life**

+9.6%
Attributed result

- Consistency of the income statement
 - 2.1% growth in business volume
 - 9.6% increase in attributable profit

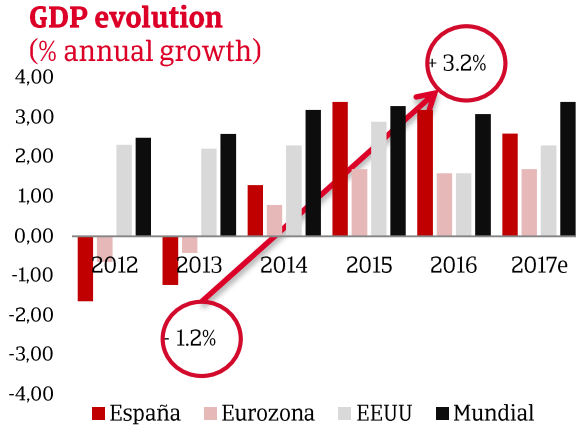
200%
Solvency II
at the end of
2016

- Increase of 2.8% in equity at market value, reaching €3.6025 M at the end of the semester
- Publication of the Group Solvency II ratio of 200% at the end of 2016

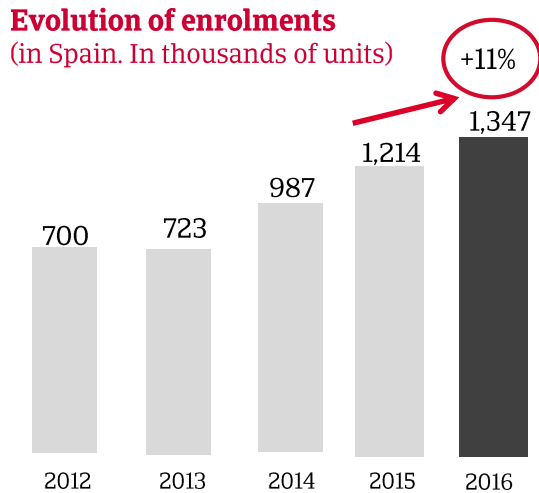
Growing remuneration for shareholders

- Increase of 5% of the first dividend on the results account for 2017.

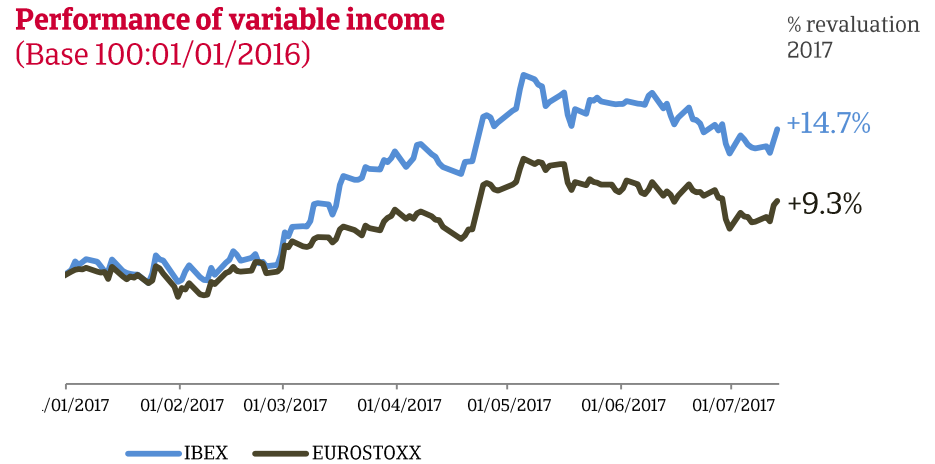
Improvement of the macroeconomic environment in Spain, extraordinarily low interest rates



Source: International Monetary Fund



Source: ANFAC



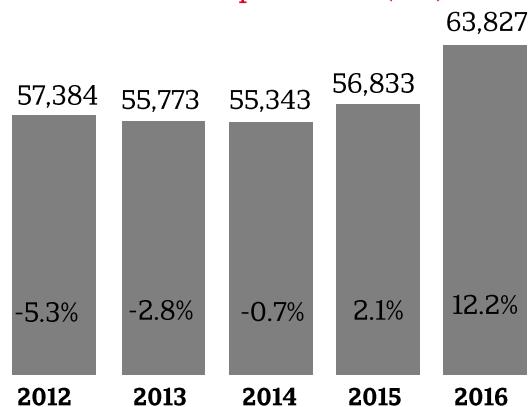
Source: Bloomberg



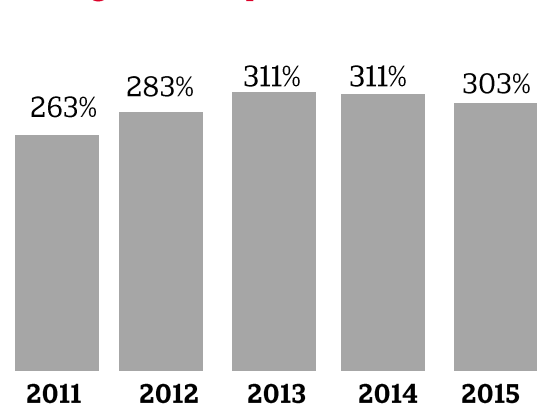
Source: Bloomberg

Stable behaviour of the insurance sector

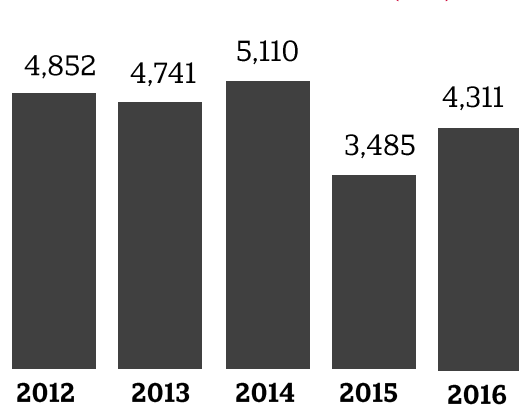
Insurance sector premiums (€M)



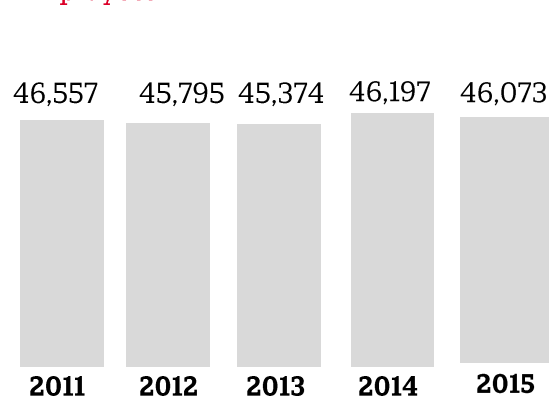
% margin solvency I



Insurance sector net result (€M)

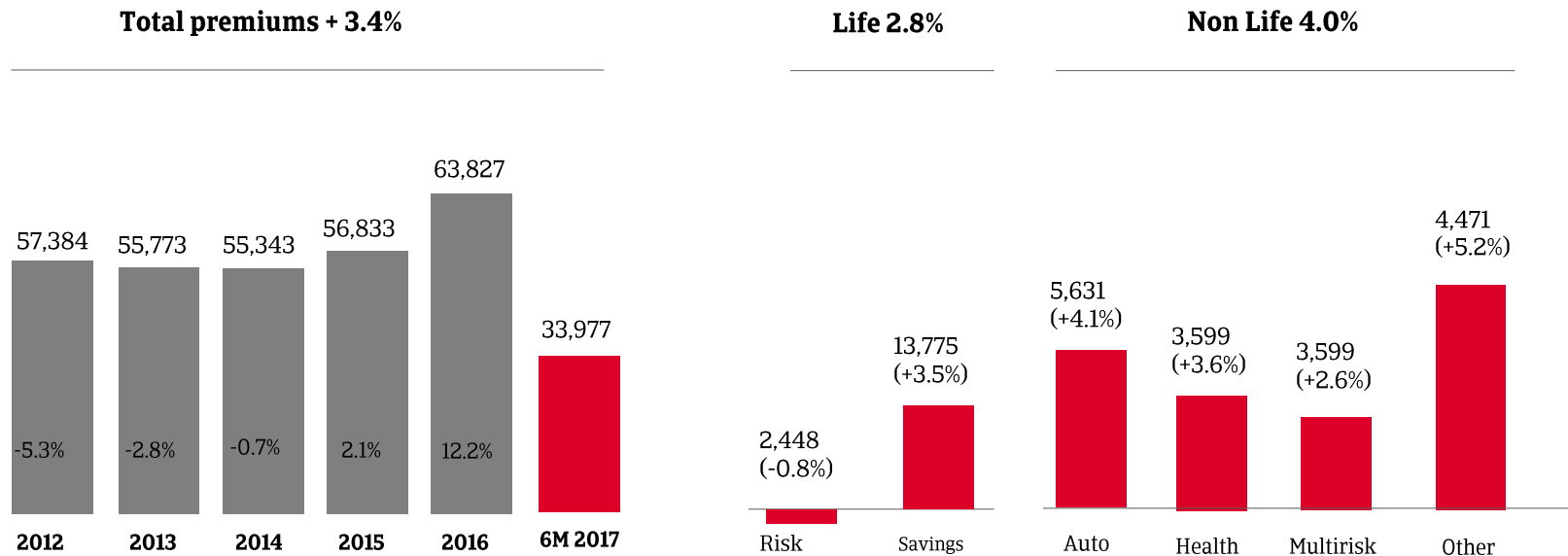


Employees



Source: ICEA.

3.4% turnover growth in the Spanish insurance sector



Source: ICEA.

Favourable behaviour in the main figures

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Growing remuneration for shareholders

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Grupo Catalana Occidente in 6M2017

(figures in millions of euro)

Income	6M2016	6M2017	% Chg. 16-17
Traditional Business	1,332.1	1,346.8	1.1%
Recurring premiums	1,089.5	1,149.7	5.5%
Single premiums life	242.6	197.1	-18.8%
Credit Insurance Business	914.3	946.4	3.5%
Turnover	2,246.4	2,293.2	2.1%

(figures in millions of euro)

Results	6M2016	6M2017	% Chg. 16- 17
Recurring Results Traditional Business	92.3	100.6	9.0%
Recurring Results from Credit Insurance Business	105.0	105.0	0.0%
Non-Recurring Result	-23.5	-15.5	
Consolidated result	173.8	190.2	9.4%
Attributed result	157.0	172.1	9.6%

€172.1 M

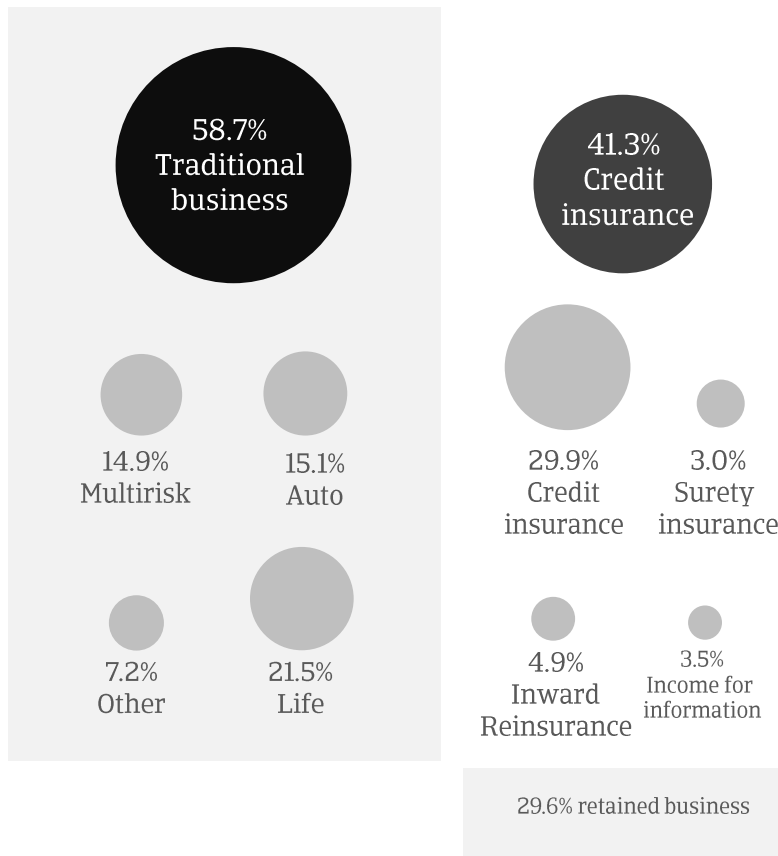
+9.6%

Attributed result

Diversification

balanced portfolio, complete offer

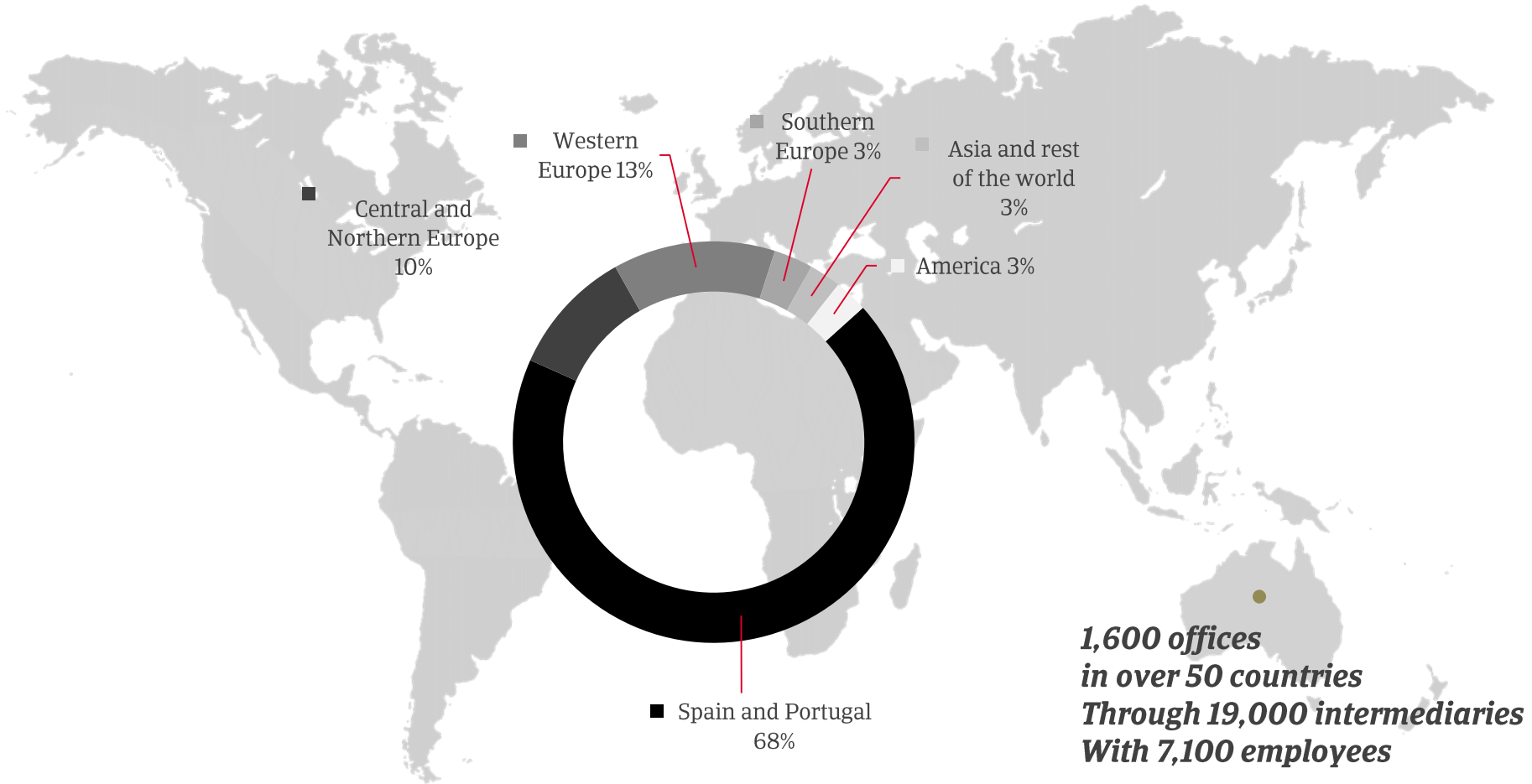
Diversification by business



Portfolio including all branches and products



Global Presence



Favourable behaviour in the main figures

Economic and sectoral recovery

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Attributed result

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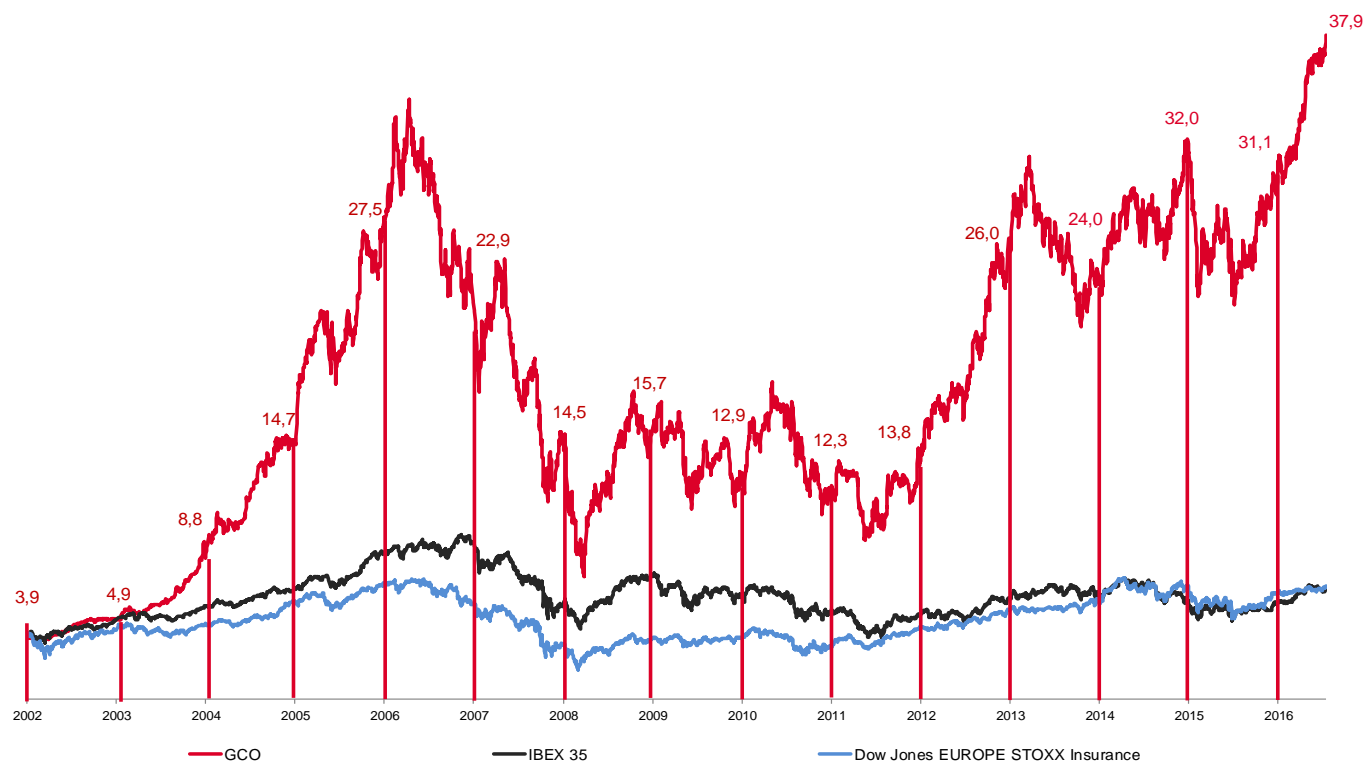
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Growing remuneration for shareholders

- **Increase of 5% of the first dividend on the results account for 2017.**

Evolution of the price



TACC*
2002-6M2017

GCO
17.3%

DJEuroStoxx

Ibex
3.9%

Insurance

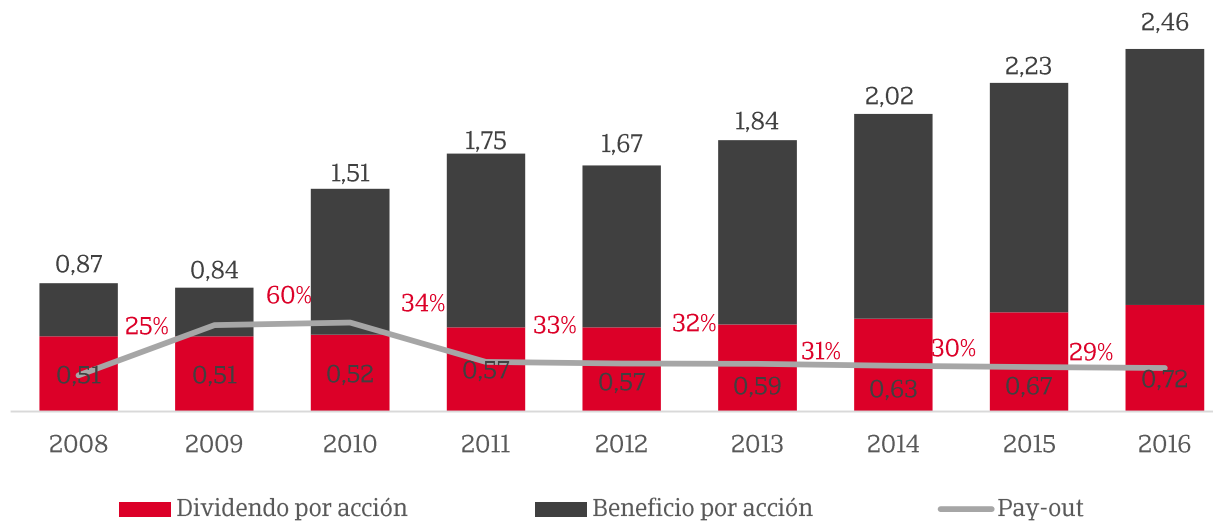
4.0%

Profitability	2002	2004	2006	2008	2010	2012	2014	2016	6M2017
GCO (%)	-7.21	78.5	86.5	-36.67	-18.01	12.22	-7.80	-2.84	18.40%
Ibex 35 (%)	-28.1	17.4	31.8	-39.43	-17.43	-4.66	3.66	-2.00	11.70%
EuroStoxx Insurance (%)	-51.2	7.89	17.2	-46.58	2.07	32.92	9.78	-5.60	2.20%

Increase of 5% of the first dividend on the results account for 2017

Jul. 2017: 0.1440 euros/share

+5%



02

Economic results 6M2017

Traditional business

Credit insurance business

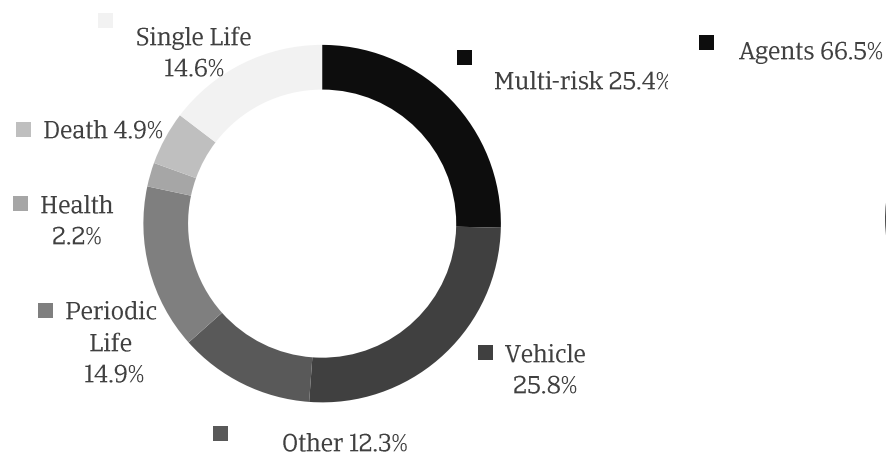
Traditional business

(figures in millions of euro)

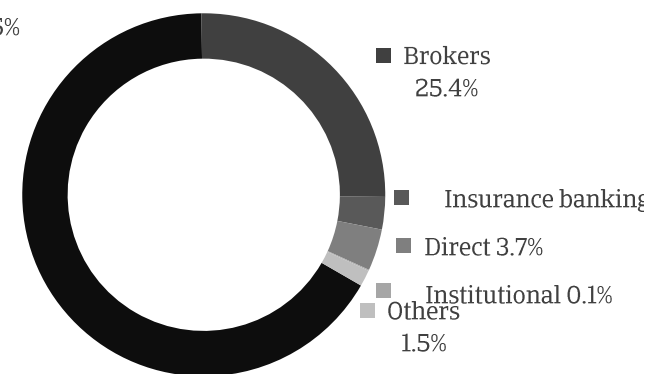
Traditional business	6M2016	6M2017	% Chg. 16-17	12M 2016
Multirisk	337.4	341.6	1.2%	624.1
Auto	337.8	347.4	2.8%	639.0
Other	153.7	165.2	7.5%	280.5
Non-Life	828.9	854.2	3.1%	1,543.6
<i>Health</i>	28.4	29.2	2.8%	53.6
<i>Funeral</i>	41.2	65.4	58.7%	92.2
Periodic	191.0	200.9	5.2%	381.3
Single and supplementary	242.6	197.1	-18.8%	476.6
Life	503.2	492.6	-2.1%	1,003.7
Written premiums	1,332.1	1,346.8	1.1%	2,547.3
Written premiums ex. single	1,089.5	1,149.7	5.5%	2,070.7

Incorporates
Previsora Bilbaina

Distribution per business



Distribution channels

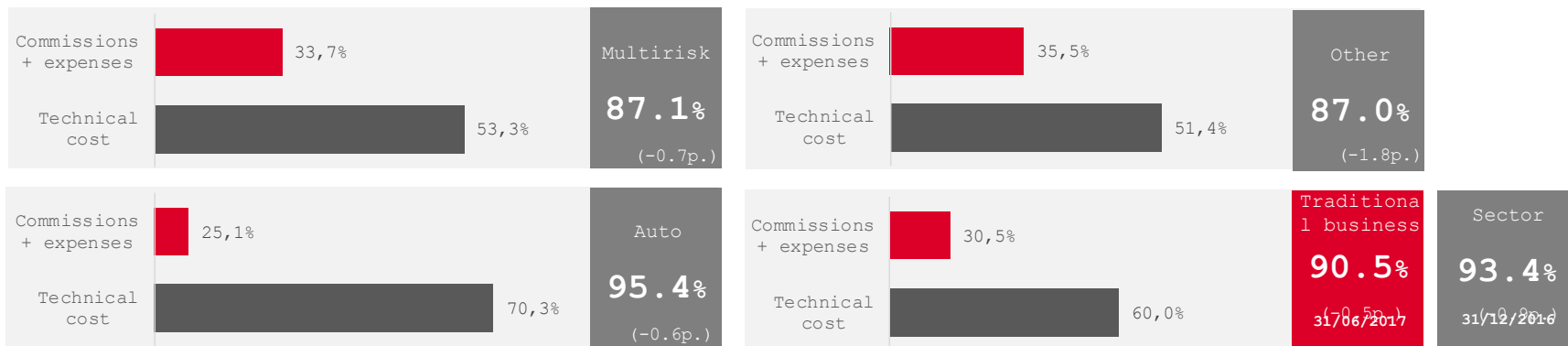


Traditional business

(figures in millions of euro)

Traditional business	6M 2016	6M 2017	% Chg. 16-17	12M 2016
Non Life technical result	68.1	73.8	8.4%	119.8.9
Life technical result	13.6	19.9	46.3%	30.9
Technical result	81.7	93.7	14.7%	150.7

Performance of the Non-Life combined ratio



Further information in annexes: combined ratio

Traditional business

(figures in millions of euro)

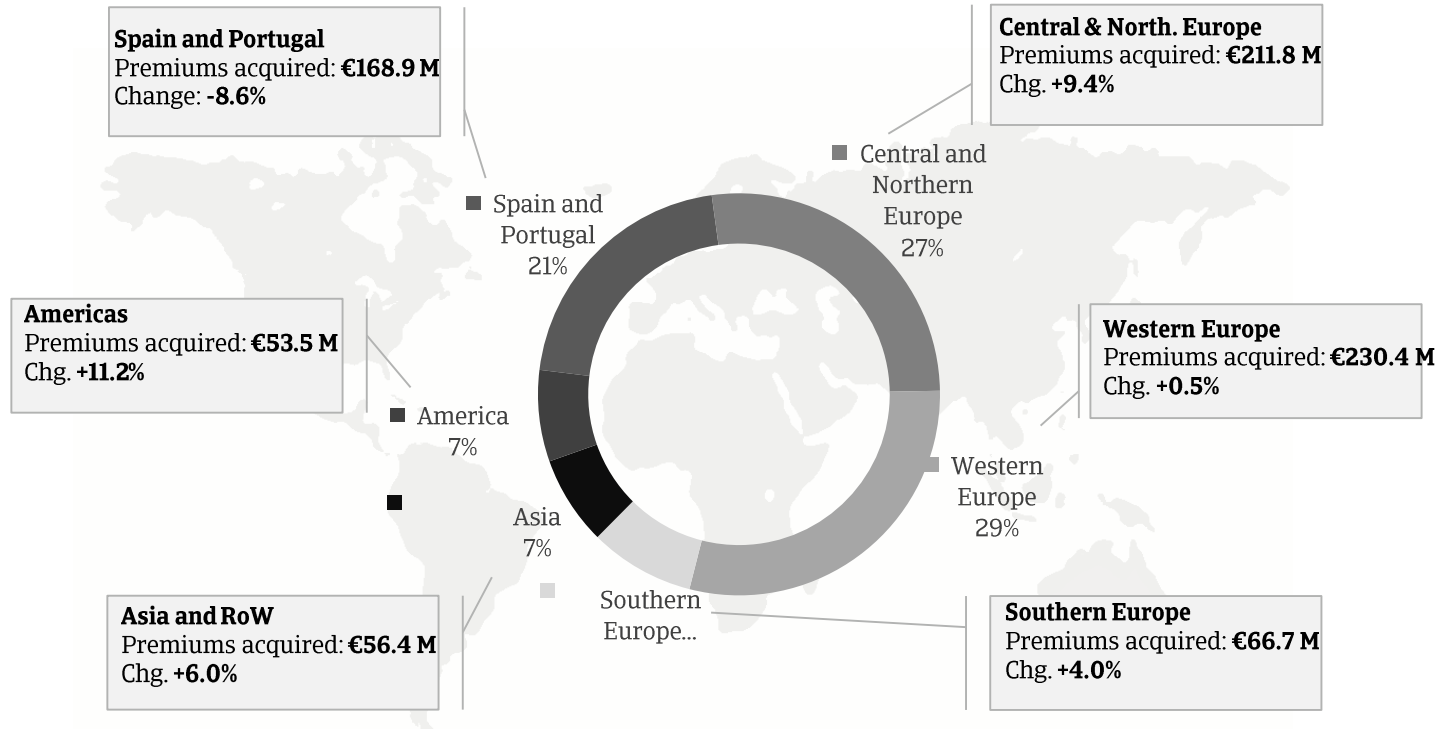
Traditional business	6M 2016	6M 2017	% Chg. 16-17	12M 2016
Written premiums	1,332.1	1,346.8	1.1%	2,547.3
Life insurance premiums, ex. single	1,089.5	1,149.7	5.5%	2,070.7
Premiums acquired	1,248.6	1,258.8	0.8%	2,527.7
Technical result	81.7	93.7	14.7%	150.7
<i>% of premiums acquired</i>	<i>6.5%</i>	<i>7.4%</i>		<i>6.0%</i>
Financial result	44.1	45.6	3.4%	71.5
<i>% of premiums acquired</i>	<i>3.5%</i>	<i>3.6%</i>		<i>2.8%</i>
Compl. Act. Funeral bus.	0.0	2.1		1.0
Recurring result	92.3	100.6	9.0%	159
Non-recurring result	-11.5	-11.6		5.1
Total result	80.8	88.9	10.0%	164.1

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

Traditional business
Credit insurance business

Credit insurance business

1.9% growth in premiums acquired with €787.7 M

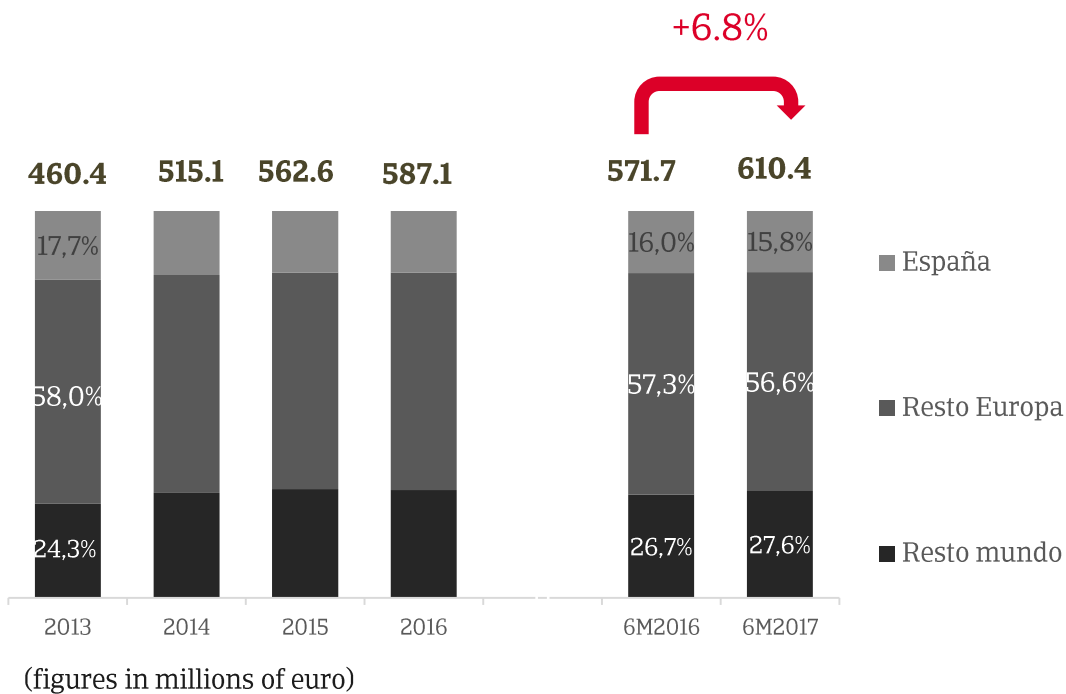


€946.4 M +3.5%

Invoiced premiums and information services

Credit insurance business

Evolution of cumulative risk (TPE)

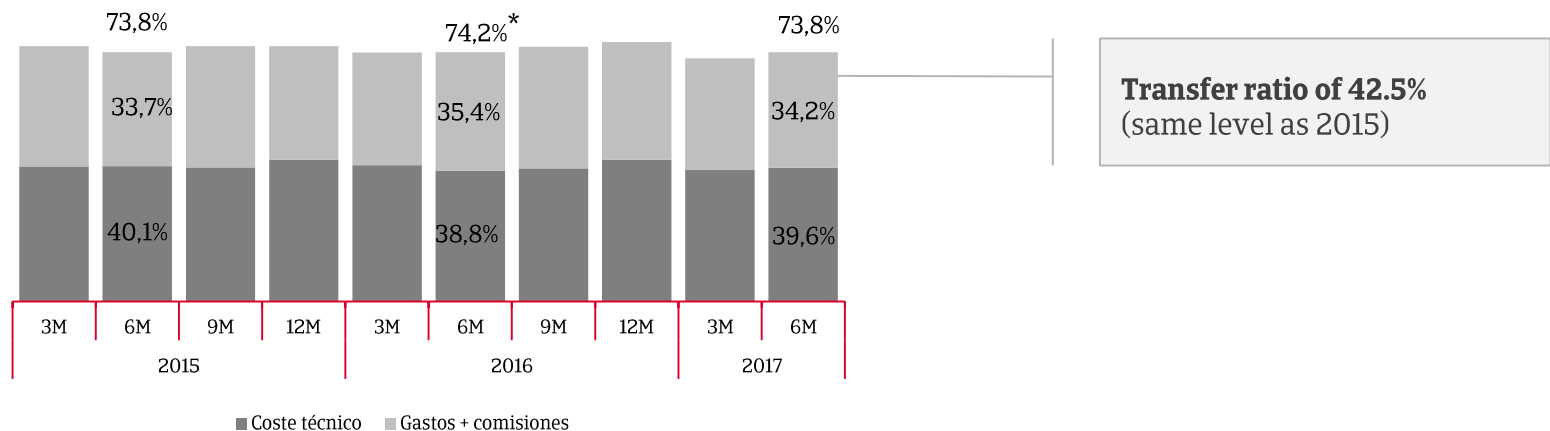


Credit insurance business combined ratio at minimum levels

(figures in millions of euro)

Credit insurance business	6M2016	6M2017	% Chg. 16-17	12M 2016
Technical result after expenses	207.5	202.6	-2.4%	376.8
% of income	24.4%	23.3%		22.4%
Net technical result	134.4	139.5	3.8%	236.7
% of income	15.8%	16.5%		14.0%

Performance of the net combined ratio



(*) Data proforma. Issued in 6M2016 of 73.8%

Credit insurance business

(figures in millions of euro)

Credit insurance business	6M 2016	6M 2017	% Chg. 16-17	12M 2016
Premiums acquired	773.0	787.7	1.9%	1,557.8
Income from information	75.7	81.3	7.4%	127.4
Credit insurance income	848.7	869.0	2.4%	1,685.2
Technical result after expenses	207.5	202.6	-2.4%	376.8
% of income	24.4%	23.3%		22.4%
Reinsurance result	-73.1	-63.1	-13.7%	-140.1
% of income	-8.6%	-7.4%		-9.0%
Net technical result	134.4	139.5	3.8%	236.7
% of income	15.8%	16.4%		14.0%
Financial result	10.1	2.4		14.8
% of income	1.2%	0.3%		0.9%
Result complementary act.	4.9	4.3	-12.0%	8.6
Company income tax	-38.9	-37.1	-4.6%	-64.3
Adjustments	-5.5	-4.0		-9.4
Recurring result	105.0	105.0	0.0%	186.5
Non-recurring result	-12.0	-3.8		-26.1
Total result	93.0	101.2	8.8%	160.4

Incorporates
Graydon

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

03

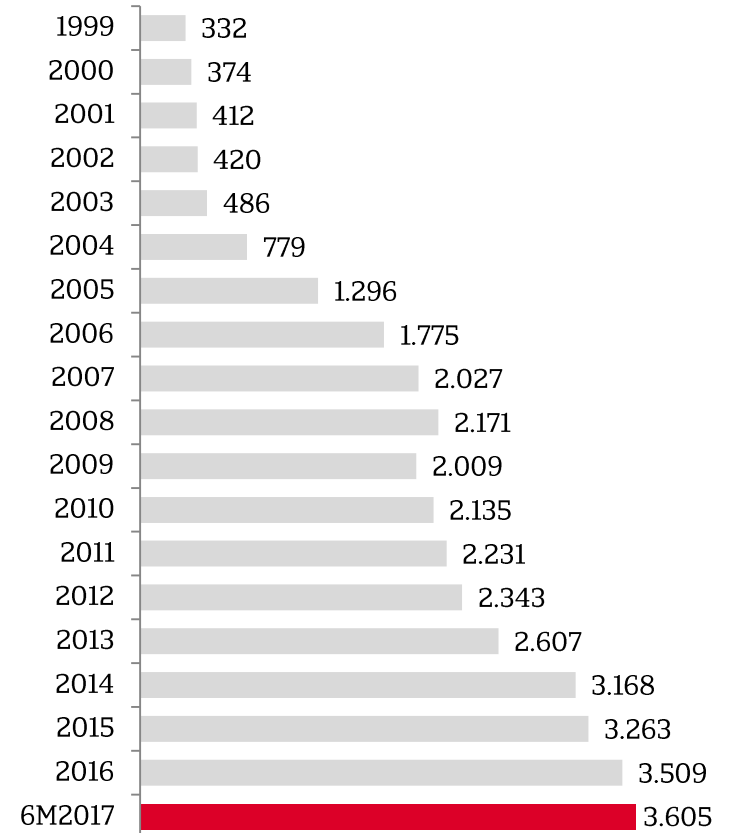
Financial strength

Financial strength: Increase in permanent resources

(figures in millions of euro)

Permanent resources on 31/12/2016	3,039.6
Permanent resources at market value on 31/12/2016	3,508.5
Net equity on 01/01/2017	2,834.7
(+) Consolidated results	190.2
(+) Dividends paid	-81.0
(+) Variation of valuation adjustments	-7.7
(+) Other changes	0.0
Total movements	101.5
Total net equity on 30/06/2017	2,936.2
Subordinated debt	194.5
Permanent resources on 30/06/2017	3,130.8
Capital gains not included in balance sheet (properties)	474.4
Permanent resources at market value on 30/06/2017	3,605.2

+2.8%



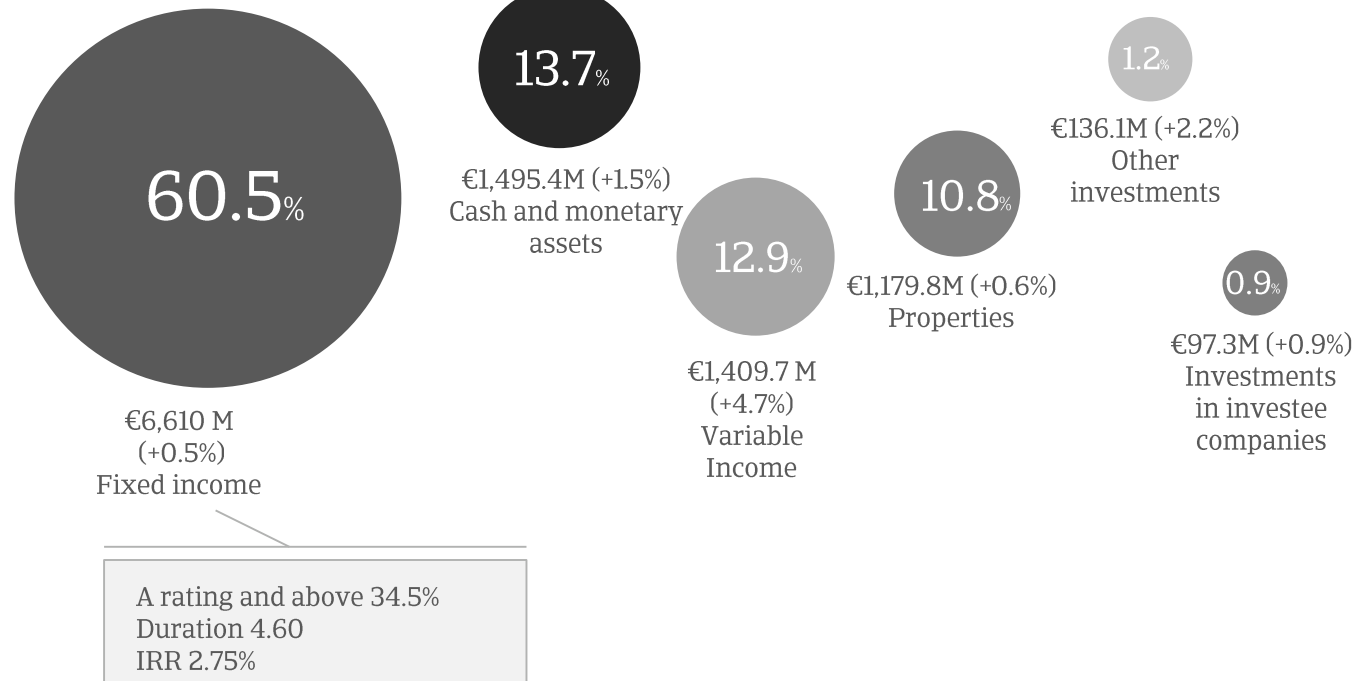
Investments

Prudent and diversified portfolio

Funds under management (% of investments)

€11,881.4 M

(+1.8% compared to funds under management at the end of 2016)



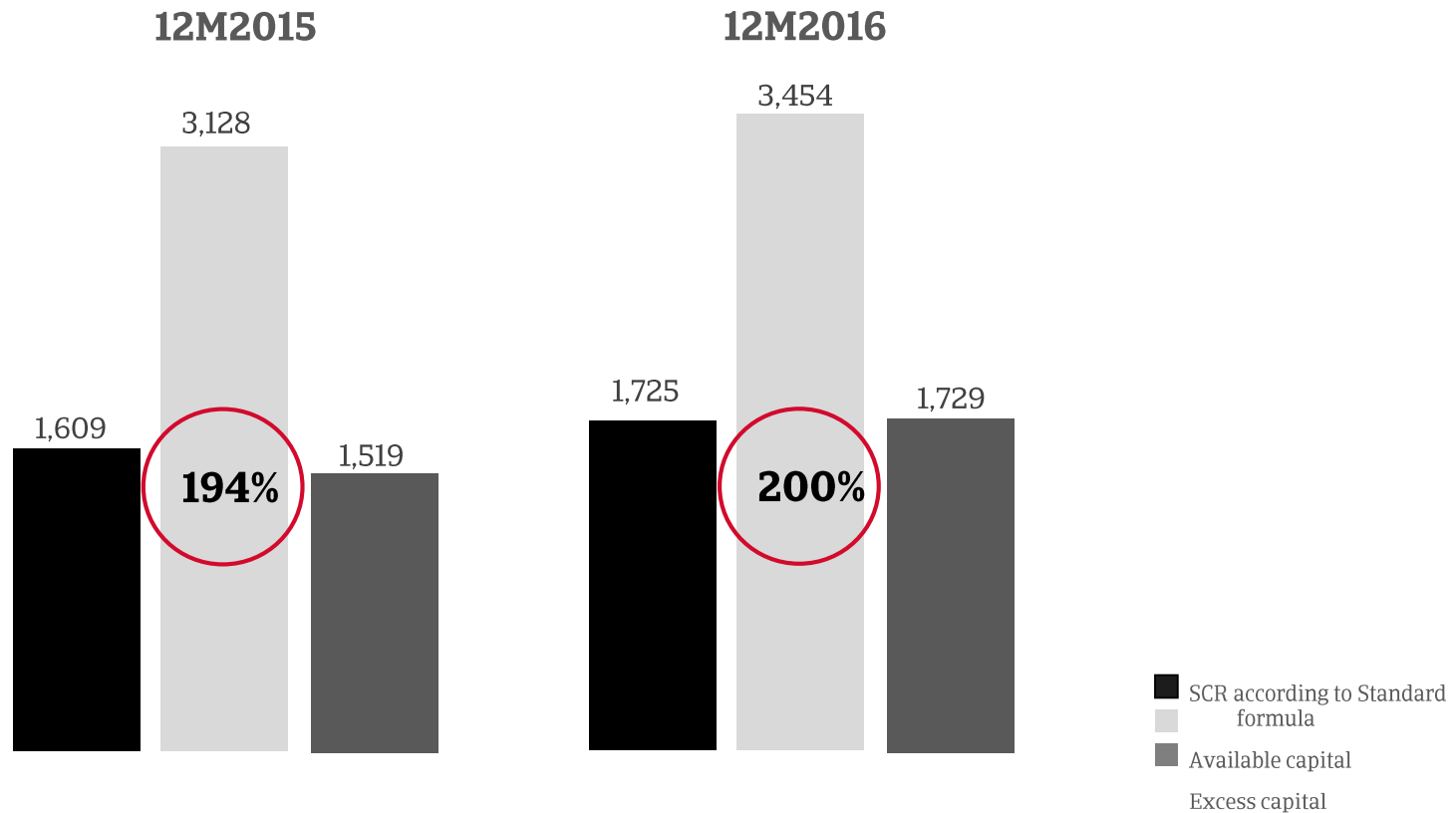
Solvency II: publication of the SFCR

"Grupo Catalana Occidente has a strong financial position and solid solvency in order to resist adverse situations"

- The solvency II ratio of the Group with standard formula is 200%, with an excess of €1.729 billion.
- The own funds are of maximum quality (over 94% in tier 1).
- The Group has presented a profit and has maintained dividends in a solid and recurring manner, including the years of economic crisis.
- The solvency II ratio remains well above 150% in a sustained manner, even in adverse scenarios.
- The main risk is that of underwriting, with credit risk being the heaviest weight. For the underwriting risk of credit insurance, the Group has presented a partial internal model to the college of supervisors for approval, given that the standard formula does not include the specificities of this business.

Solid solvency position: 200% at the end of 2016

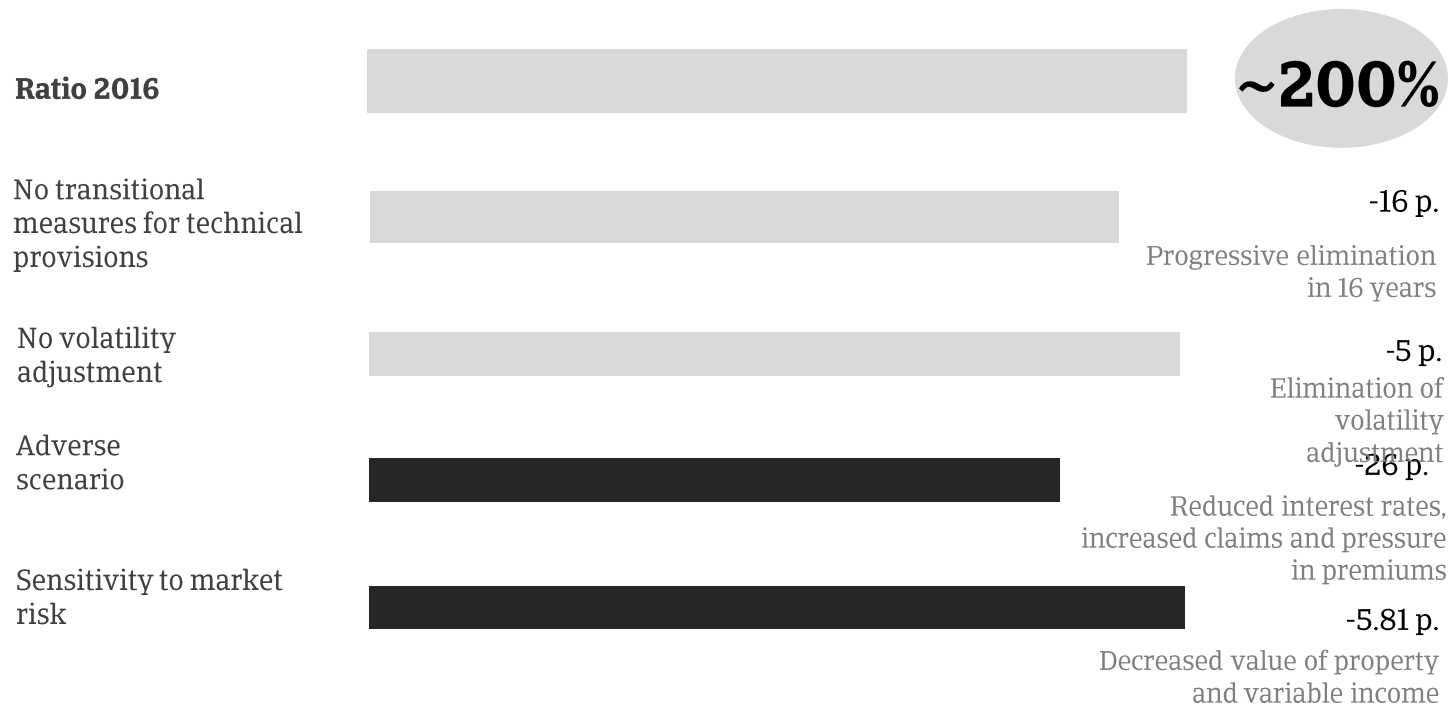
"Grupo Catalana Occidente has a strong financial position and solid solvency in order to resist adverse situations"



Resilient solvency ratio in adverse scenarios

"Grupo Catalana Occidente performs stress scenarios and sensitivity exercises in order to anticipate the resistance of the Group to adverse environments and thus adopt the necessary measures"

Sensitivity analysis of the solvency ratio



The sensitivities do not accumulate and have been performed under the framework of the projections of the ORSA 2016 exercise

Strong solvency position in credit insurance

"In credit insurance, the Group has a solid solvency ratio calculated with a standard formula"

"The Group is in the process of obtaining approval for a partial internal model for the Non Life credit insurance underwriting risk, as the standard formula does not include the specificities of this business"

**SII Ratio
above
160%**

The standard formula for solvency II is based on premiums and reserves, therefore it does not permit correct quantification of the risk profile of the credit insurance business.

The underwriting risk of credit insurance is better quantified using risk factors such as:

- the probability of default (PD),
- the loss-given-default (LGD)
- and exposure.

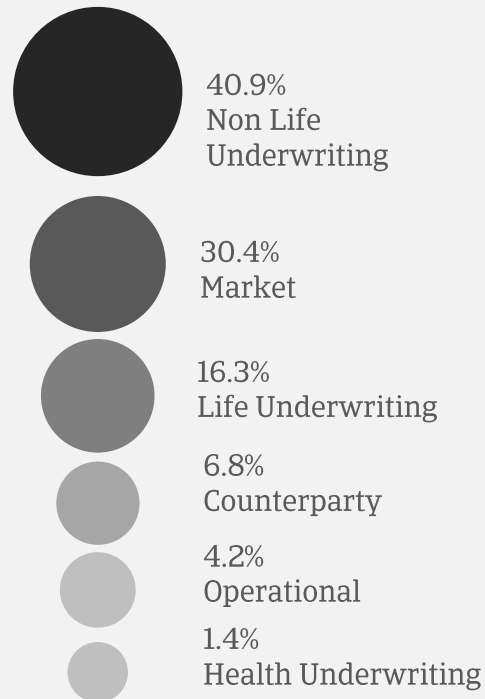
It is important to highlight that Atradius has been using this internal model since 2004 (previously known as the ECAP model) and has adapted it to make it compatible with the solvency II regulations.

This model contributes to a multitude of activities for risk evaluation, as well as the measurement of the risk profile, and permits Management to better supervise and manage the risk levels within the organisation through the assignment of capital based on risk.

Risk profile of the Group under the standard formula

"The principal risks are that of underwriting (58.6%, with the highest being credit insurance), followed by market risk (30%, with the highest being variable income)"

Quantitative risk profile (SCR)



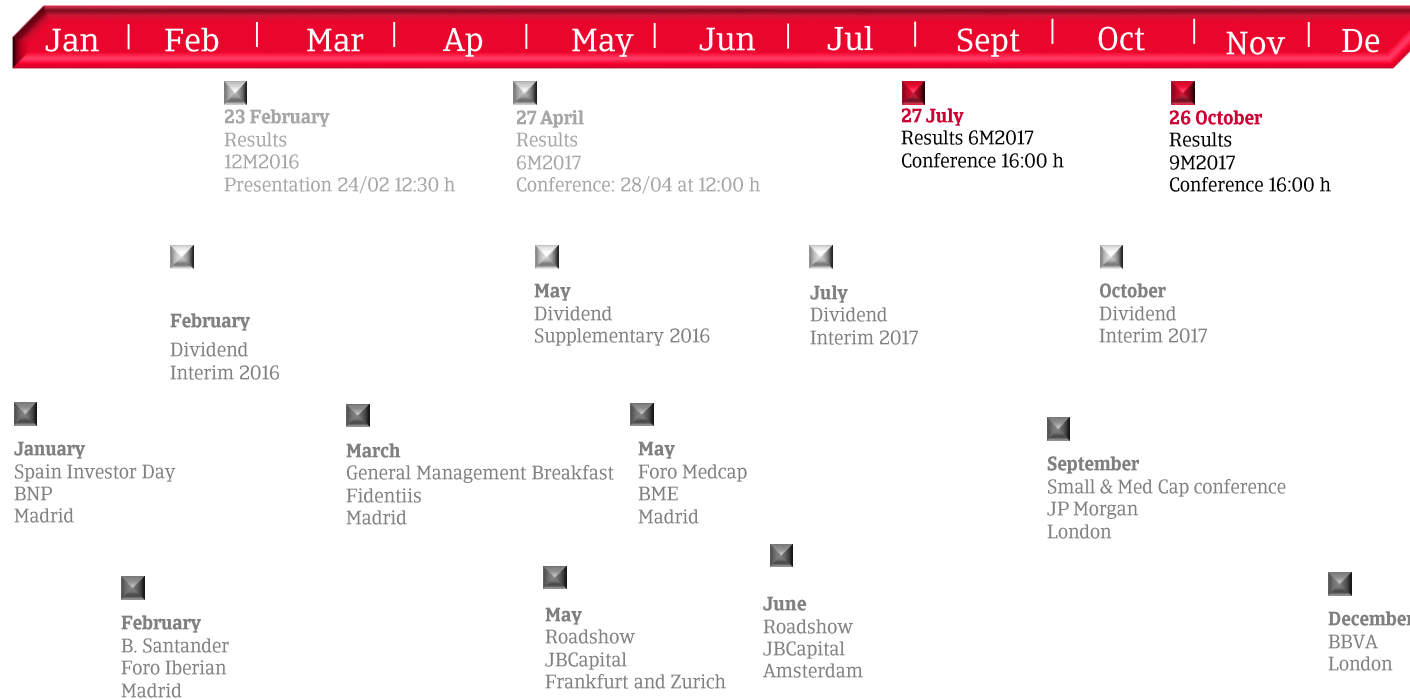
73.0% comes from credit insurance

04

Calendar and annexes

Calendar

Relationships with Analysts and Investors



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



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Income statement

(figures in millions of euro)

Income statement	6M2016	6M2017	% Chg. 16 -17	12M 2016
Written premiums	2,170.7	2,211.9	1.9%	4,108.4
Premiums acquired	2,021.6	2,046.5	1.2%	4,085.3
Income from information	75.7	81.3	7.4%	127.4
Net income from insurance	2,097.3	2,127.8	1.5%	4,212.7
Technical cost	1,277.0	1,279.5	0.2%	2,575.4
% of net income	60.9%	60.1%		61.1%
Commissions	251.6	259.4	3.1%	508.3
% of net income	12.0%	12.2%		12.1%
Expenses	352.9	359.4	1.8%	744.8
% of net income	16.8%	16.9%		17.7%
Technical result	214.1	230.5	7.7%	384.2
% of net income	10.2%	10.8%		9.1%
Financial result	29.0	34.4	18.6%	62.3
% of net income	1.4%	1.6%		1.5%
Result - Compl. Activities + Non-technical account	-5.4	-10.1		-13.6
Result before tax	237.6	254.7	7.2%	432.8
% of net income	11.3%	12.0%		10.3%
% Taxes	26.9%	25.3%		
Consolidated result	173.8	190.2	9.4%	324.5
Result attributable to minorities	16.8	18.1	7.7%	28.9
Attributed result	157.0	172.1	9.6%	295.6
% of net income	7.5%	8.1%		7.0%
Recurring result	197.3	205.6	4.2%	345.5
Non-recurring result	-23.5	-15.5		-21.0

Business income from credit insurance

(figures in millions of euro)

Income	6M 2016	6M 2017	% Chg. 16-17	12M 2016
Written premiums (€M)	838.6	865.1	3.2%	1,561.1
Credit insurance	668.0	685.3	2.6%	1,312.6
Surety insurance	55.5	68.0	22.5%	118.6
Inward Reinsurance	115.1	111.9	-2.8%	129.9
Income from information	75.7	81.3	7.4%	127.4
Total income from insurance	914.2	946.4	3.5%	1,688.5
Income from complementary activities	32.5	61.8	90.2%	79.1
Total income from credit insurance	946.7	1,008.2	6.5%	1,767.6
Premiums acquired	773.0	787.7	1.9%	1,557.8
Net income from insurance	848.7	869.0	2.4%	1,636.9

Credit insurance business

Combined ratio breakdown	[*] 6M2016	6M2017	% Chg. 16-17	12M 2016
% Gross technical cost	39.8%	41.5%	1.7	41.6%
% Gross commissions + expenses	35.8%	35.2%	-0.6	36.0%
% Gross combined ratio	75.6%	76.7%	1.1	77.6%
% Net technical cost	38.8%	39.6%	0.8	42.0%
% Net commissions + expenses	35.4%	34.2%	-1.2	34.8%
% Net combined ratio	74.2%	73.8%	-0.4	76.8%

(*) Data proforma. Issued in 6M2016 of 73.8%

Credit insurance business - TPE

(figures in millions of euro)

Cumulative risk per country	2013	2014	2015	2016	6M2016	6M2017	% Chg. 16-17	% of total
Spain and Portugal	81,486	85,165	89,601	93,437	91,479	96,415	5.4%	15.8%
Germany	72,844	77,297	80,398	82,783	83,261	84,829	1.9%	13.9%
Australia and Asia	58,725	69,210	79,668	79,013	76,091	84,764	11.4%	13.9%
Americas	45,386	59,491	65,464	71,970	64,797	70,673	9.1%	11.6%
Eastern Europe	41,142	45,925	50,805	55,098	53,753	57,901	7.7%	9.5%
UK	34,619	40,332	45,782	43,794	45,300	45,932	1.4%	7.5%
France	37,135	39,170	40,917	43,323	42,625	44,433	4.2%	7.3%
Italy	23,768	26,929	32,735	37,208	35,298	41,202	16.7%	6.8%
Nordic and Baltic countries	21,831	23,261	25,883	26,964	26,922	28,262	5.0%	4.6%
Netherlands	22,326	23,152	23,914	25,268	25,184	26,767	6.3%	4.4%
Belgium and Luxembourg	13,336	14,229	14,662	15,708	15,036	16,257	8.1%	2.7%
Rest of the world	7,795	10,954	12,817	12,538	11,942	12,931	8.3%	2.1%
Total	460,394	515,114	562,644	587,104	571,690	610,366	6.8%	100%

Credit insurance business - TPE

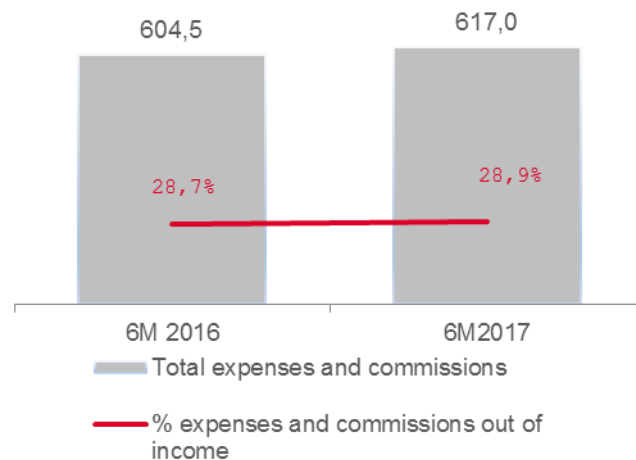
(figures in millions of euro)

Cumulative risk per sector	2013	2014	2015	2016	6M 2016	6M 2017	% Chg. 16-17	% of total
Chemicals	56,283	63,915	69,797	70,510	77,590	81,200	4.7%	13.3%
Electronics	55,912	67,007	74,538	78,593	66,480	72,564	9.2%	11.9%
Durable consumer goods	50,468	56,347	60,940	65,324	61,642	66,462	7.8%	10.9%
Metals	50,907	56,286	59,888	58,855	58,735	61,266	4.3%	10.0%
Food	42,564	48,188	52,056	55,640	54,349	57,735	6.2%	9.5%
Transport	38,366	43,705	50,612	53,434	52,348	56,075	7.1%	9.2%
Construction	33,459	37,238	41,147	43,133	42,682	46,401	8.7%	7.6%
Machinery	29,390	31,629	33,902	34,734	34,149	36,709	7.5%	6.0%
Agriculture	22,808	25,932	28,327	30,907	30,275	32,392	7.0%	5.3%
Construction materials	20,030	21,981	24,425	25,387	25,114	27,164	8.2%	4.5%
Services	21,386	21,180	24,113	25,276	24,432	26,048	6.6%	4.3%
Textiles	16,261	17,722	19,065	19,855	19,436	20,065	3.2%	3.3%
Paper	10,805	12,275	12,747	13,590	13,250	13,997	5.6%	2.3%
Finance	11,755	11,711	11,088	11,867	11,208	12,289	9.6%	2.0%
Total	460,394	515,114	562,644	587,104	571,690	610,366	6.8%	100%

{1}{2>General expenses and commissions<2} {3}

(figures in millions of euro)

Expenses and commissions	6M 2016	6M2017	% Chg. 16-17	12M 2016
Traditional business	150.2	152.1	1.3%	338.9
Credit insurance business	200.1	202.9	1.4%	400.9
Non-recurring expenses	2.6	4.3		5.0
Total expenses	352.9	359.4	1.8%	744.8
Commissions	251.6	259.4	3.1%	508.3
Total expenses and commissions	604.5	617.0	2.1%	1,253.1
% expenses and commissions out of income	28.7%	28.9%		29.6%



Financial result

(figures in millions of euro)

Financial result	6M 2016	6M 2017	% Chg. 16-17	12M 2016
Financial income net of expenses	119.5	124.1	3.8%	223.3
Exchange Differences	0.4	-0.2		0.1
Subsidiary companies	-0.3	0.3		0.3
Interests applied to life	-75.5	-78.6	4.0%	-152.2
Recurring financial results traditional business	44.1	45.6	3.4%	71.5
% of premiums acquired	3.5%	3.6%		2.8%
Financial income net of expenses	7.9	10.1	27.8%	17.9
Exchange Differences	5.9	-0.1		8.0
Subsidiary companies	3.5	0.8		4.6
Interests subordinated debt	-7.2	-8.4		-15.7
Recurring financial results from credit insurance	10.1	2.4		14.8
% of net income from insurance	1.2%	0.3%		0.9%
Intra-group interest adjustment	-4.9	-3.6		-8.5
Adjusted recurring financial results from credit insurance	5.2	-1.2		6.3
Recurring financial results	49.3	44.4	-10.1%	77.8
% of total Group Income	2.4%	2.1%		1.8%
Non-recurring financial results	-20.4	-10.0		-15.5
Financial result	29.0	34.4	18.6%	62.3
% of total Group Income	1.4%	1.6%		

Non-recurring result

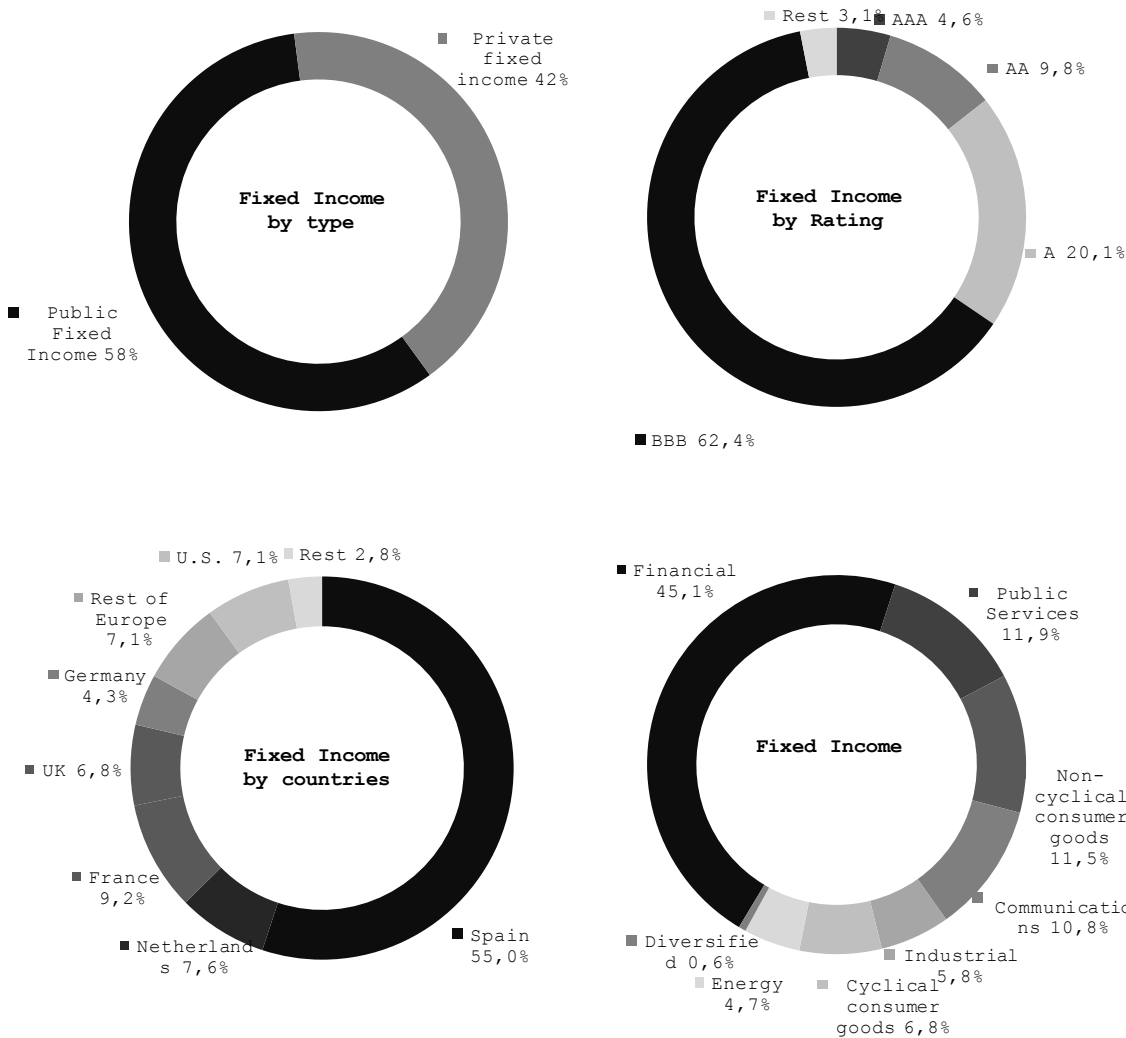
(figures in millions of euro)

Non-recurring result (net of taxes)	6M 2016	6M 2017	12M 2016
Technical	0.0	0.0	0.0
Financial	-9.7	-7.4	5.3
Expenses and other non-recurrent	-1.8	-4.2	-0.2
Non-recurrent from traditional business	-11.5	-11.7	5.1
Technical	0.0	0.0	0.0
Financial business	-10.0	-0.5	-20.8
Expenses and other non-recurrent	-2.0	-3.2	-5.3
Non-recurring from credit insurance business	-12.0	-3.8	-26.1
Consolidation adjustments			0.0
Non-recurring result net of taxes	-23.5	-15.5	-21.0

* In 2016, items were reclassified between recurring and non-recurring concepts. With the objective of being able to compare years, a proforma from previous years was offered.

Investments

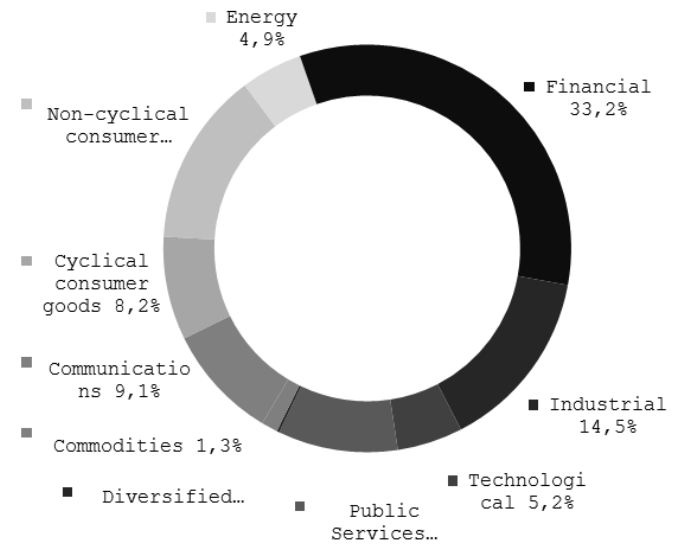
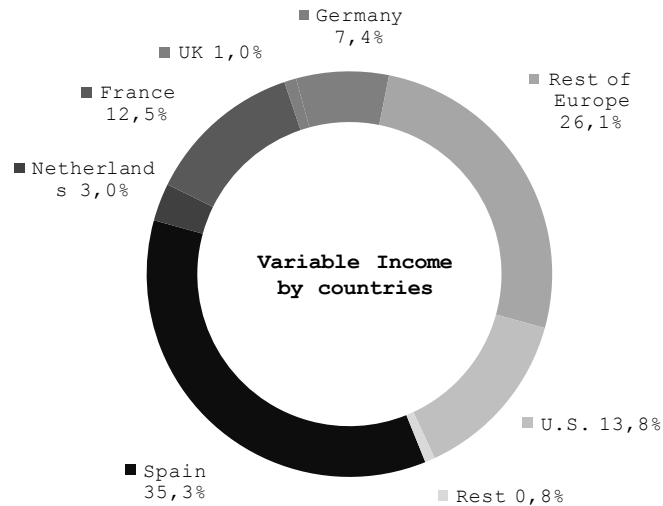
High quality fixed income portfolio



Duration 4.60
IRR 2.75%

Investments in cash equivalents

High liquidity 12.9% variable income



Balance sheet

(figures in millions of euro)

Assets	12M 2016	6M 2017	% Chg. 16-17
Intangible assets and property	1,213.1	1,215.2	0.2%
Investments	10,332.0	10,522.0	1.8%
Investment property	398.0	393.6	-1.1%
Financial investments	8,897.3	8,991.9	1.1%
Cash and short-term assets	1,036.6	1,136.5	9.6%
Reinsurer participation in technical provisions	895.1	931.0	4.0%
Other assets	1,467.2	1,640.3	11.8%
Deferred tax assets	91.1	92.0	1.0%
Credits	900.4	1,005.3	11.7%
Other assets	475.8	543.0	14.1%
Total assets	13,907.5	14,308.5	2.9%
Net liabilities and equity	12M 2016	6M 2017	% Chg. 16-17
Permanent resources	3,039.6	3,130.8	3.0%
Net equity	2,834.7	2,936.2	3.6%
Parent company	2,533.6	2,628.1	3.7%
Minority interests	301.1	308.1	2.3%
Subordinated liabilities	204.9	194.5	-5.1%
Technical Provisions	9,351.0	9,574.7	2.4%
Other liabilities	1,516.8	1,603.1	5.7%
Other provisions	186.4	177.9	-4.6%
Deposits received on buying reinsurance	59.2	56.2	-5.1%
Deferred tax liabilities	340.3	343.4	0.9%
Liabilities	623.0	709.2	13.8%
Other liabilities	308.0	316.4	2.7%
Total net liabilities and equity	13,907.5	14,308.5	2.9%

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
- 7,100 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

Corporate structure

GRUPO CATALANA OCCIDENTE Principales entidades		
Seguros Catalana Occidente	Tecniseguros	GCO Gestión de Activos
Seguros Bilbao	Bilbao Vida	Catoc SICAV
NorteHispana Seguros	S. Órbita	Bilbao Hipotecaria
Plus Ultra Seguros	Azkaran	Salerno 94
GCO Re	Agesal	Hercasol SICAV
Previsora Bilbaina Seguros	Bilbao Telemark	Previsora Inversores SICAV
Previsora Bilbaina Vida	Inversions Catalana Occident	Arroita 1878
	CO Capital Ag. Valores	
	Cosalud Servicios	
	GCO Tecnología y Servicios	
	Prepersa, AIE	
	GCO Contact Center	
	Grupo Funeuskadi	
Atradius Crédito y Caución	Atradius Collections	Grupo Compañía Española Crédito y Caución, S.L.
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		
SOCIEDADES DE SEGUROS	SOCIEDADES COMPLEMENTARIAS DE SEGUROS	SOCIEDADES DE INVERSIÓN

NEGOCIO TRADICIONAL

NEGOCIO SEGURO DE CRÉDITO

Global Presence

Saudi Arabia	Dubai (**)
Europe	
Austria	Vienna
Belgium	Namur Antwerp
Czech Republic	Prague
Denmark	Copenhagen Århus
Finland	Helsinki
France	Paris Bordeaux Compiègne Lille Lyon Marseille Nancy Orléans Rennes Strasbourg Toulouse
Germany	Cologne Berlin Bielefeld Bremen Dortmund, Frankfurt Freiburg Hamburg Hanover Kassel, Munich Nuremberg Stuttgart
Greece	Athens
Hungary	Budapest
Ireland	Dublin
Italy	Rome Milan
Luxembourg	Luxembourg
Netherlands	Amsterdam Dordrecht
Norway	Oslo
Poland	Warsaw Krakow Poznan Jelenia Gora
Portugal	Lisbon Porto
Russia	Moscow (***)
Slovakia	Bratislava
Spain	Basque Country, Catalonia, Galicia, Andalusia, Asturias, Cantabria, La Rioja, Murcia, Comunidad Valenciana, Aragón, Castile-La Mancha, Navarra, Extremadura, Madrid, Castile and Leon, Balearic Islands, Canary Islands, Ceuta and Melilla.
Sweden	Stockholm
Switzerland	Zurich Lausanne Lugano
Turkey	Istanbul
United Kingdom	Cardiff Belfast Birmingham London Manchester
Middle East	
Israel	Tel Aviv (*)
Lebanon	Beirut (*)
United Arab Emirates	Dubai (**)
Saudi Arabia	Dubai (**)

Asia

China	Shanghai (***)
Hong Kong	Hong Kong (***)
India	Mumbai (***)
Indonesia	Jakarta (**)
Japan	Tokyo
Malaysia	Kuala Lumpur (**)
Philippines	Manila (**)
Singapore	Singapore
Taiwan	Taipei (**)
Thailand	Bangkok (**)
Vietnam	Hanoi (**)

Africa

Kenya	Nairobi (*)
South Africa	Johannesburg (*)
Tunisia	Tunis (*)

Americas

Argentina	Buenos Aires (*)
Brazil	São Paulo
Canada	Almonte (Ontario) Mississauga (Ontario) Duncan (British Columbia)
Chile	Santiago de Chile (*)
Mexico	Mexico City, Guadalajara, Monterrey,
Peru	Lima (*)
USA	Hunt Valley (Maryland) Chicago (Illinois) Los Angeles (California) New York (New York)

Oceania

Australia	Sydney Brisbane Melbourne Perth
New Zealand	Wellington

(*) Association and collaboration agreements

(***) Services established with local partners

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



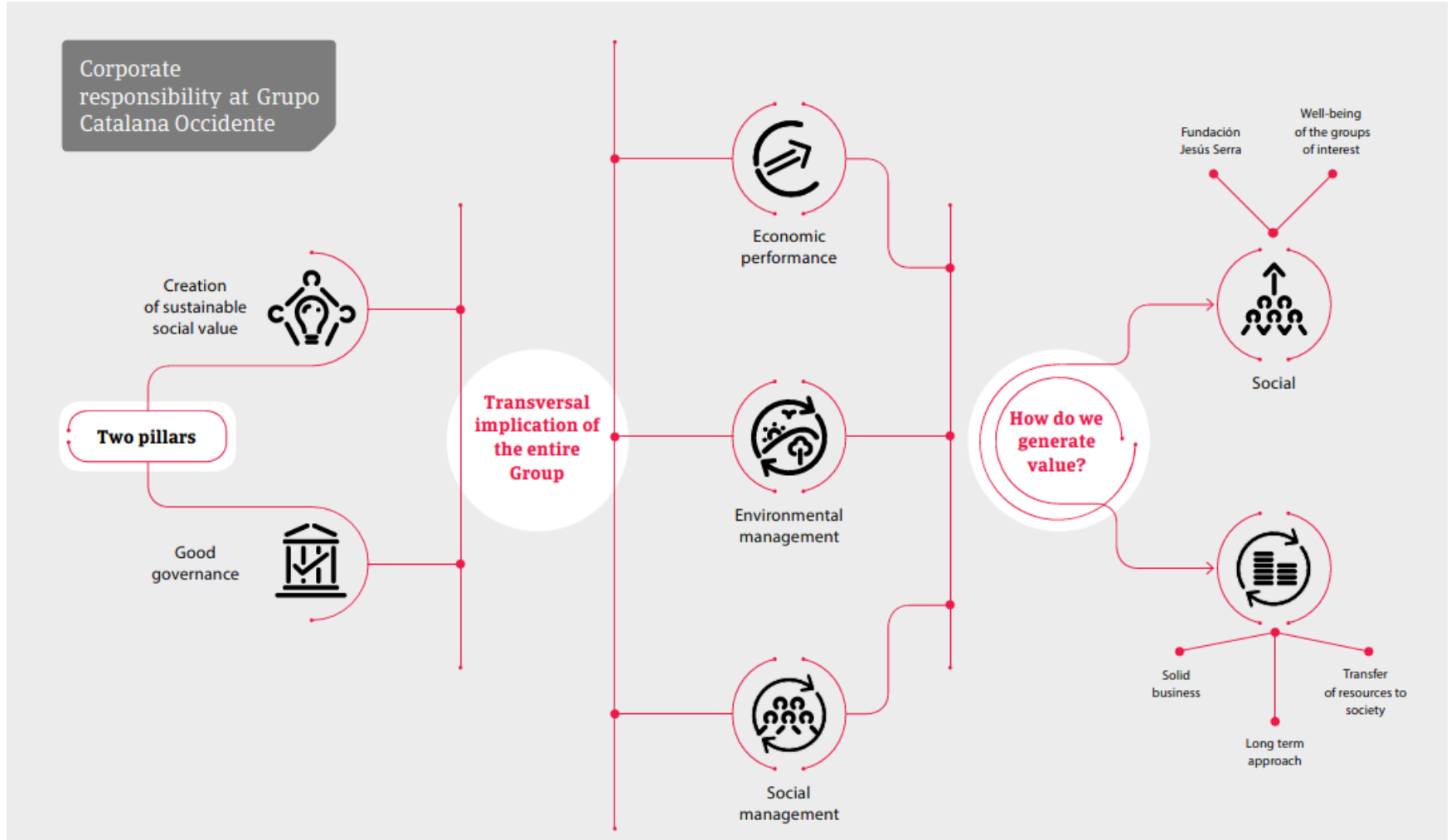
Social action



More than just insurance...

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

Corporate responsibility strategy



Glossary

Concept	Definition	Formulation
Technical result	Result of the insurance activity	Technical result = Income from insurance - Technical cost - Commissions - Expenses
Reinsurance result	Result of transferring business to the reinsurer or accepting business from other entities.	Reinsurance result = Result of inward reinsurance + 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 · Collections · Management of the export account of the Dutch state. 	Result of credit insurance complementary activities = income - expenses
Recurring result	Result of the normal activity of the entity	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	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.	Turnover = Premiums invoiced + Income from information Premiums invoiced = premiums issued from direct insurance + premiums from inward reinsurance

Managed funds	Amount of the financial and property assets managed by the Group	Managed funds = Financial and property assets entity risk + Financial and property assets policyholder risk + Pension funds managed Funds managed = fixed income + variable income + property + deposits in credit entities + treasury + investee companies
Financial strength	This shows the debt and solvency situation. This is principally measured through the debt ratio, the interest coverage ratio and the credit rating.	Debt ratio = Net equity + Debt / Debt Interest coverage ratio = result before taxes / interest
Technical cost	Direct costs of accident coverage. See claims.	Technical cost = total claims - claims covered by reinsurance + cost of reinsurance + increase of technical provisions
Dividend yield	The profitability per dividend or dividend yield shows the relationship existing between the dividends distributed in the previous year with the value of the share upon closing. Indicator used to value the shares of an entity.	Dividend yield = dividend paid in the year per share / value of the price of the share upon closing
Modified duration	Sensitivity of the value of the assets to movements in interest rates	Modified duration = Represents an approximation of the value of the percentage variation in the value of the financial assets for each percentage point (100 basic points) of variation in the interest rates.
Expenses	The general expenses include the costs incurred for management of the business, excluding those that can be assigned to claims.	Expenses = personnel expenses + commercial expenses + various expenses and services (allowance, training, management rewards, material and other office expenses, leases, external services, etc.)
Prevalence rate	This measures the customer's expectations of continuing with the entity Scale from less than one year to over 5 years	Retention index = how long do you think that you will remain a customer?
Satisfaction index	This measures the general satisfaction of the customer with the entity Scale from 1 to 10	General satisfaction index = (Satisfied – unsatisfied) / surveyed Satisfied responses with result from 7 to 10 Unsatisfied responses with result from 1 to 4
Service satisfaction index	This measures the evaluation of the service received Scale from 1 to 10	Service satisfaction index = (Satisfied – unsatisfied) / surveyed Satisfied responses with result from 7 to 10 Unsatisfied responses with result from 1 to 4

Income from insurance	Concept used in the credit insurance business This measures the income obtained from the main activity of the credit insurance entity	Income from insurance = premiums acquired + income from information
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		Net Promoter Score = Would you recommend the
NPS		company to family and friends? = (promoters - critics)/surveyed Promoters: responses with results from 9 to 10 Critics: responses with results from 1 to 6
Pay out	Ratio that indicates the part of the result distributed among investors through dividends	Pay out = dividend distributed in the year / attributed result
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 = Market price of the share / result attributed 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.	Net combined ratio = ((Claims + increase in technical provisions) + Commissions + Expenses) / Income from insurance
Net combined ratio	Indicator that measures the technical profitability of the Non Life insurances net of the reinsurance effect	Net combined ratio = ((Claims - claims covered by the reinsurance + reinsurance cost + increase in technical provisions) + Commissions + Expenses) / (Income from insurance - Premiums acquired transferred to reinsurance)
Expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses.	Expenses ratio = Expenses / Income from insurance
Net expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses, net of the reinsurance effect	Expenses ratio = (Expenses - commission of transferred reinsurance) / (Income from insurance - Premiums acquired transferred to reinsurance)

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

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Thank you

www.grupocatalanaoccidente.com

