

3M 2018



Presentation of results
Grupo Catalana Occidente

Table of contents

- 01** Keys for the period
- 02** Economic results 3M 2018
 - Income statement
 - Capital. investments and solvency
- 03** Calendar and annexes



Download our App



@gco_news

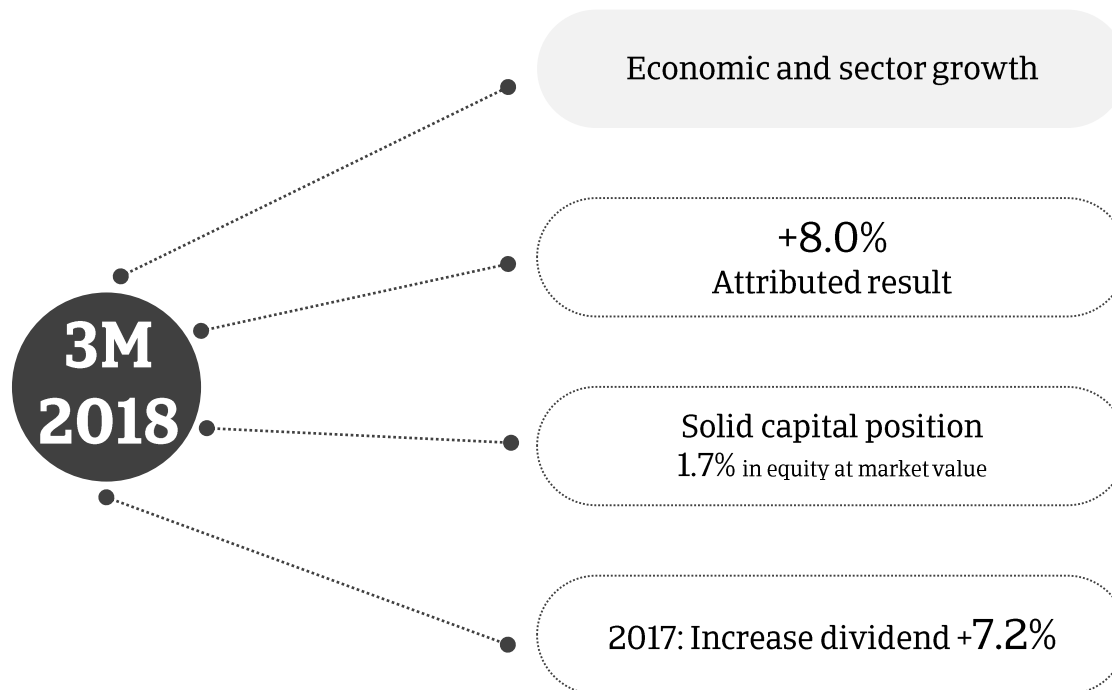
Presentation based on the report data at the close of March 2018 published on 04/26/2018

01

Keys for the period

*At the end of the first quarter of 2018,
the Group manages to increase
turnover, profit and capital.*

Favourable behaviour in the main figures



Macroeconomic environment

“Higher growth in all markets and a certain rebound in inflation”

Global

GDP +3.7% 17 +3.9% 18e

Inflation +3.1% 17 +3.3% 18e

United States

GDP +2.3% 17 +2.9% 18e

Inflación +2.1% 17 +2.6% 18e

Eurozone

GDP +2.4% 17 +2.5% 18e

Inflation +1.6% 17 +1.4% 18e

Spain

GDP +3.1% 17 +2.8% 18e

Inflación +2.0% 17 +1.5% 18e

Pacific Asia

GDP +5.2% 17 +6.5% 18e

Inflación +2.5% 17 +3.6% 18e

Source: FMI. Last reviewed April 2018

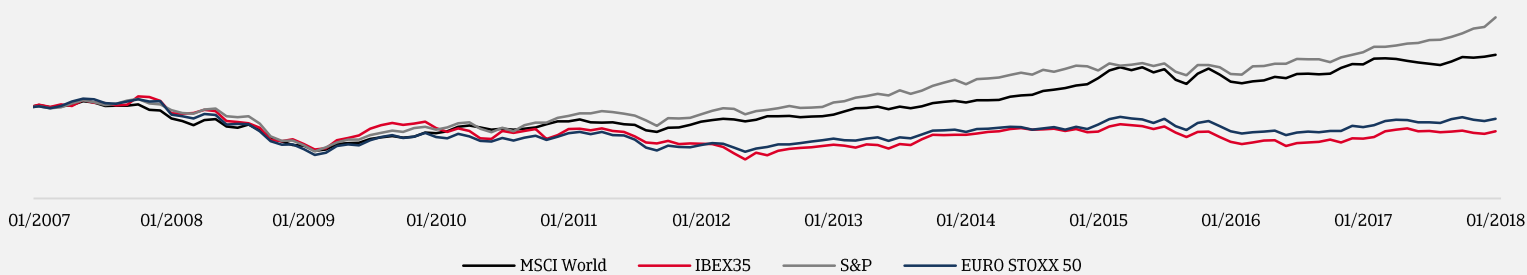
Financial markets

Interest rates at minimums and stock exchange

Interest rates



Stock exchange



Revaluation 2018

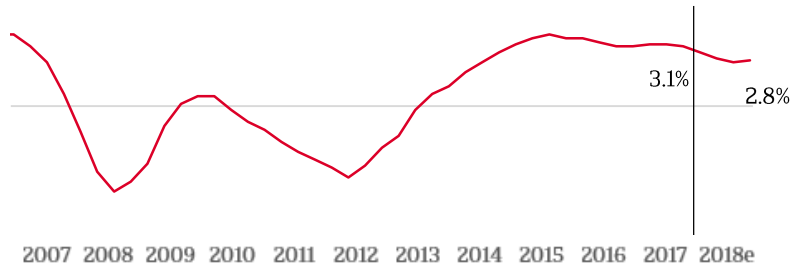
S&P	-1.2%
Ibex 35	-4.4%
Euro Stoxx 50	-3.8%
MSCI World	2.5%

Fuente: Bloomberg. Actualizado marzo 2018

Situation in Spain

Fundamental solids in Spain with recognition from rating agencies

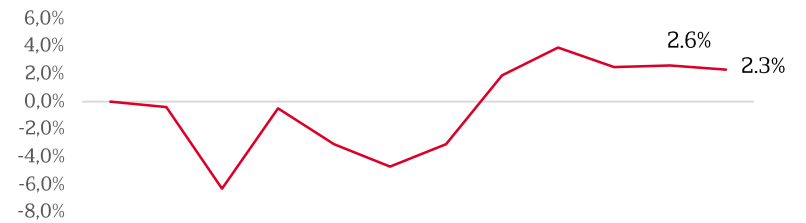
% GDP



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

Source: FMI

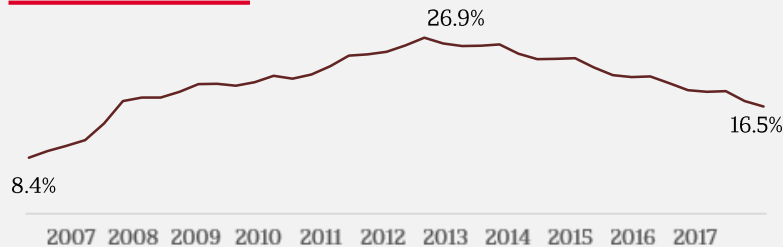
% domestic demand



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

Source: BBVA Research

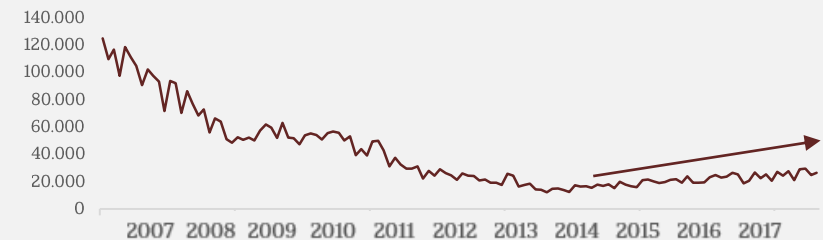
% Unemployment rate



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Source: Instituto nacional de estadísticas

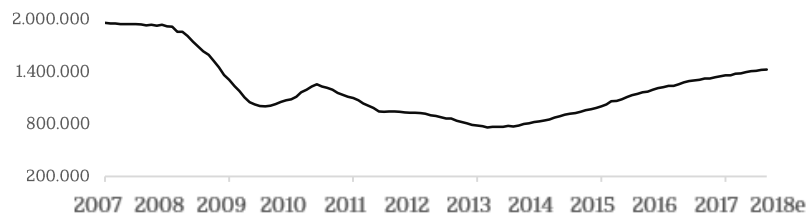
Mortgages number



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Source: Instituto nacional de estadísticas

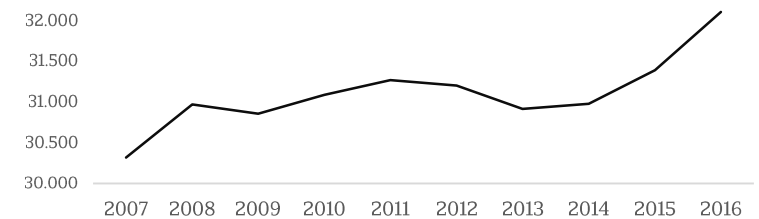
Vehicle registrations



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

Source: Asociación española de fabricantes de automóviles y camiones

Automobile park



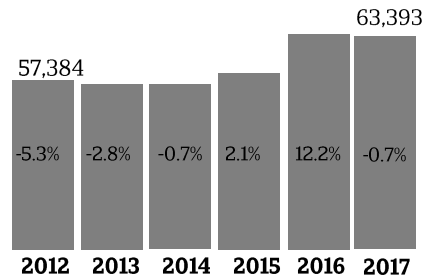
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016

Source: Dirección general de tráfico

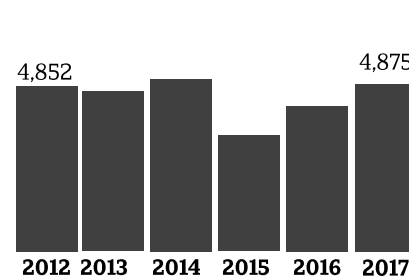
Insurance sector in Spain

Maintains growth in non-life and remains under pressure in life savings

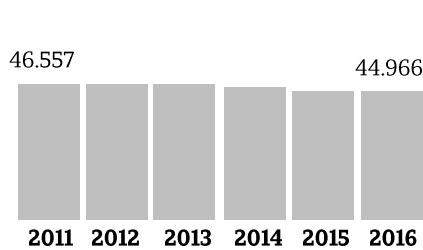
Insurance sector premiums (€M)



Insurance sector net result (€M)

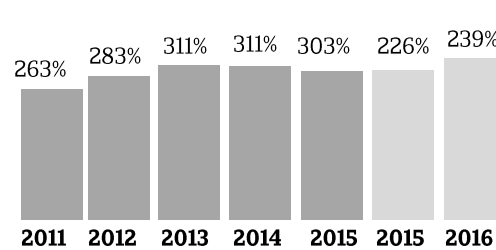


Employees

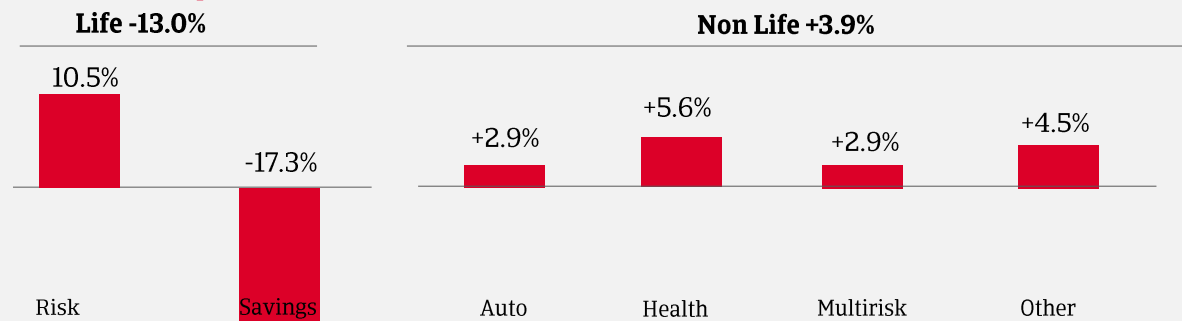


% margin solvency I

% solvency II

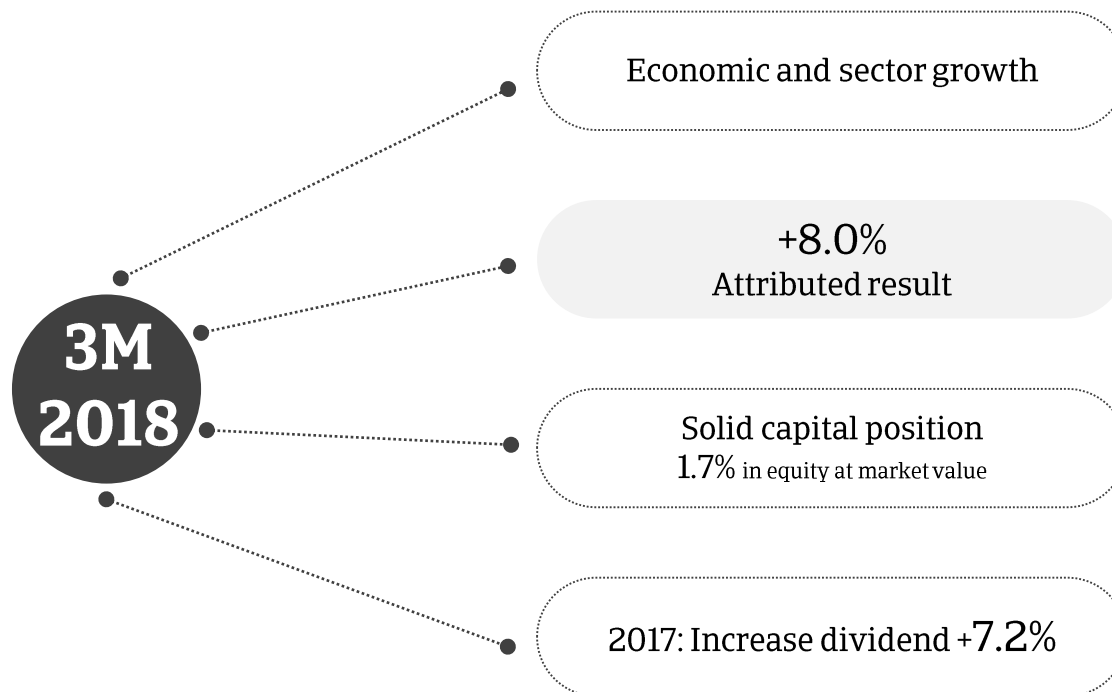


Insurance sector premiums 3M2018: -4.6%



Source : ICEA.

Favourable behaviour in the main figures



Grupo Catalana Occidente in 3M 2018

(figures in million of euros)

Income	3M2017	3M2018	% Chg. 17-18
Traditional Business	706.5	711.7	0.7%
Recurring premiums	601.9	619.5	2.9%
Single premiums life	104.6	92.2	-11.9%
Credit Insurance Business	531.6	558.1	5.0%
Turnover	1,238.1	1,269.8	2.6%

+4.0%
Recurring premiums

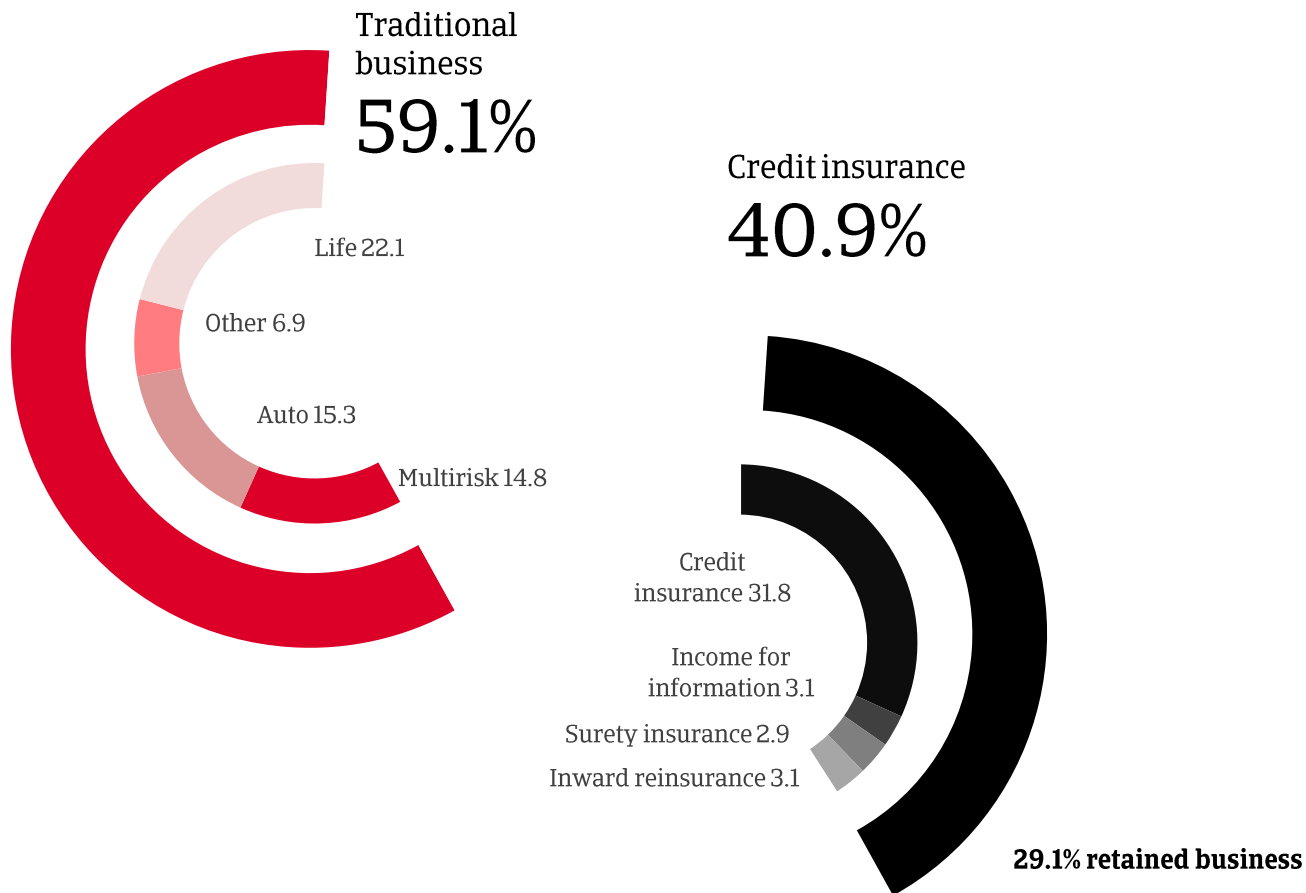
(figures in million of euros)

Results	3M2017	3M2018	% Chg. 17-18
Recurring Results Traditional Business	43.0	47.0	9.3%
Recurring Results from Credit Insurance Business	53.5	58.0	8.4%
Non-Recurring Result	-3.8	-4.8	
Consolidated result	92.6	100.1	8.1%
Attributed result	83.4	90.1	8.0%

90.1 M€
+8.0%
Attributed result

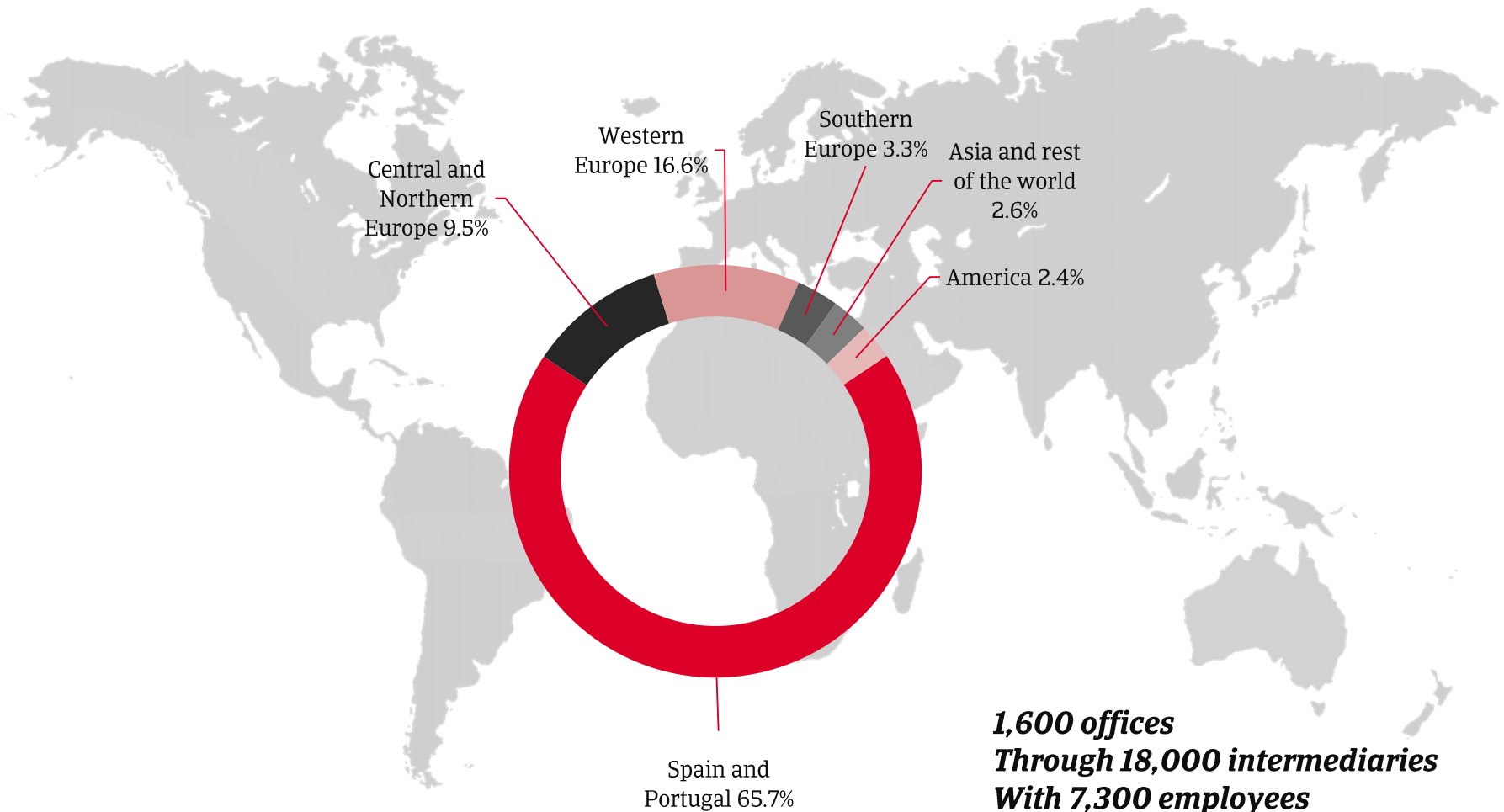
Diversification in 12M2017

balanced portfolio, complete offer



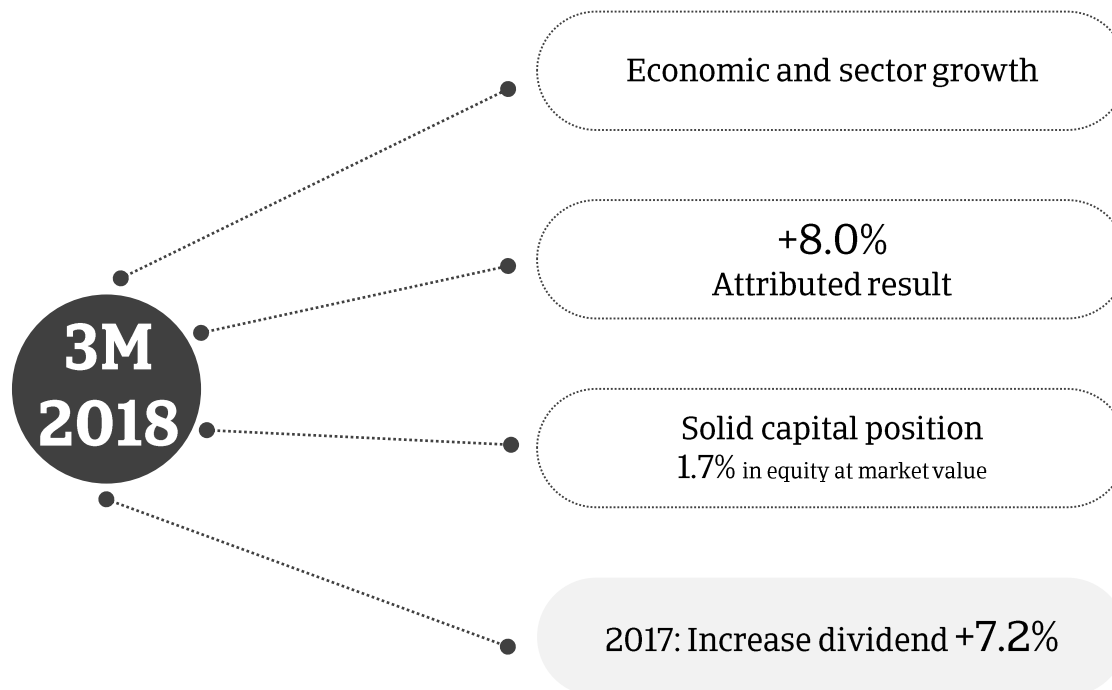
Global Presence

In over 50 countries



1,600 offices
Through 18,000 intermediaries
With 7,300 employees

Favourable behaviour in the main figures



Evolution of the price

“The share of Grupo Catalana Occidente closes the first quarter at € 35.4 share”



Profitability	2015	2016	2017	3M2018	TACC 02-3M18
GCO (%)	33.5	-2.84	18.74	-4.23	16.8%
Ibex 35 (%)	-7.15	-2.00	-2.00	-4.44	4.2%
EuroStoxx Insurance (%)	14.12	-5.60	-5.60	-1.71	4.4%

* 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

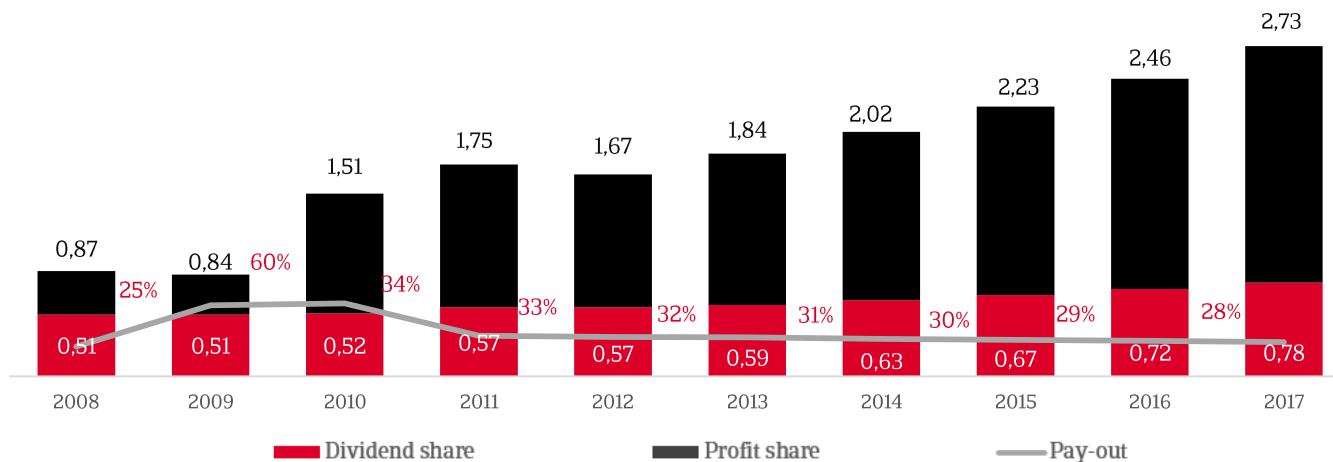
+5%

Feb. 2018: 0.1440 €/a

+5%

May. 2018: 0.3431 €/a

complementary **+10%**



02

Economic results 3M2018

At the end of March the attributed result increases 8.0%. supported by the growth of turnover and a stable combined ratio

02

Income statement

Traditional business

Credit insurance business

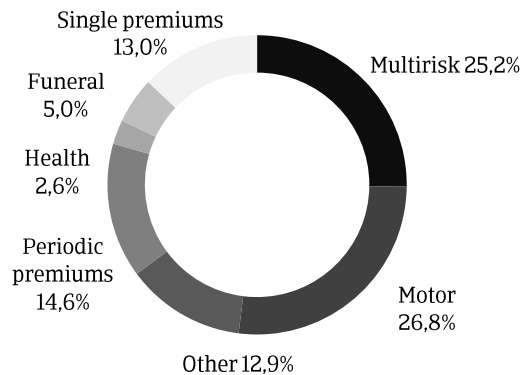
Capital, investments and solvency

Traditional business

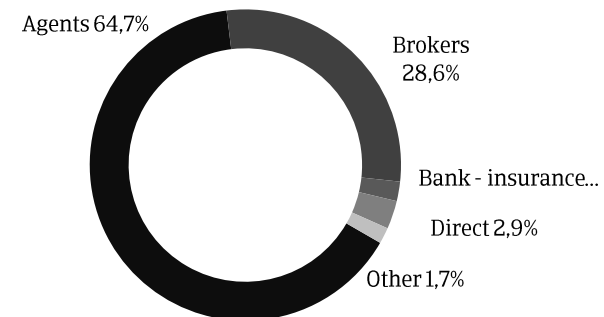
(figures in million of euros)

	3M2017	3M2018	% Chg. 17-18	12M 2017
<i>Multirisk</i>	177.8	179.3	0.8%	631.3
<i>Motor</i>	184.7	190.6	3.2%	651.8
<i>Other non-life</i>	86.4	91.8	6.3%	293.9
Non-life	448.9	461.7	2.9%	1,577.0
<i>Health</i>	17.4	18.6	6.9%	54.5
<i>Funeral</i>	34.0	35.5	4.4%	127.7
<i>Periodic</i>	101.6	103.7	2.1%	394.0
<i>Single</i>	104.6	92.2	-11.9%	362.9
Life	257.6	250.0	-3.0%	939.1
Written premiums	706.5	711.7	0.7%	2,516.1
Written premiums ex. single	601.9	619.5	2.9%	2,153.2

Distribution business



Distribution channels

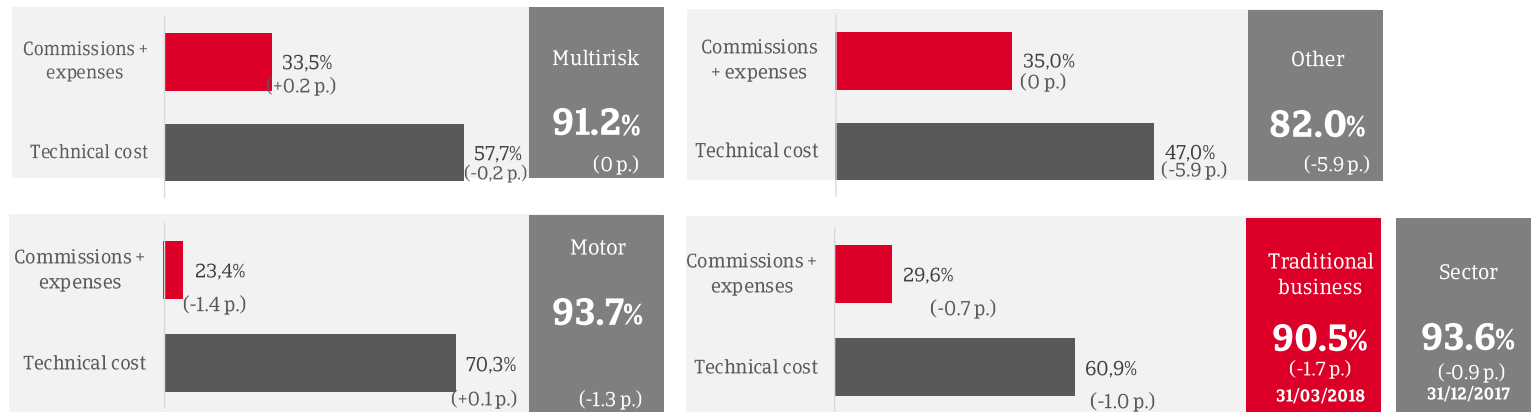


Traditional business

(figures in million of euros)

	3M 2017	3M 2018	% Chg. 17-18	12M 2017
Technical result non life	30.1	37.6	24.9%	135.1
Technical result	10.6	12.0	13.2%	47.6
Technical result	40.7	49.6	21.9%	182.8

Combined ratio 3M2018



Traditional business

(figures in million of euros)

	3M 2017	3M 2018	% Chg. 17-18	12M 2017
Written premiums	706.5	711.7	0.7%	2,516.1
Recurring premiums	601.9	619.5	2.9%	2,153.2
Premiums acquired	632.1	633.3	0.2%	2,506.2
Technical result	40.7	49.6	21.9%	182.8
<i>% of premiums acquired</i>	6.4%	7.8%		7.3%
Financial result	17.5	15.6	-10.9%	72.5
<i>% of premiums acquired</i>	2.8%	2.5%		2.9%
Complementary act. funeral business	1.3	1.0		3.6
Recurring result	43.0	47.0	9.3%	179.1
Non-recurring result	-1.8	-4.6		1.44
Total result	41.2	42.4	2.9%	180.5

 See annexes: expenses, financial result and non-recurring

02

Income statement

Traditional business

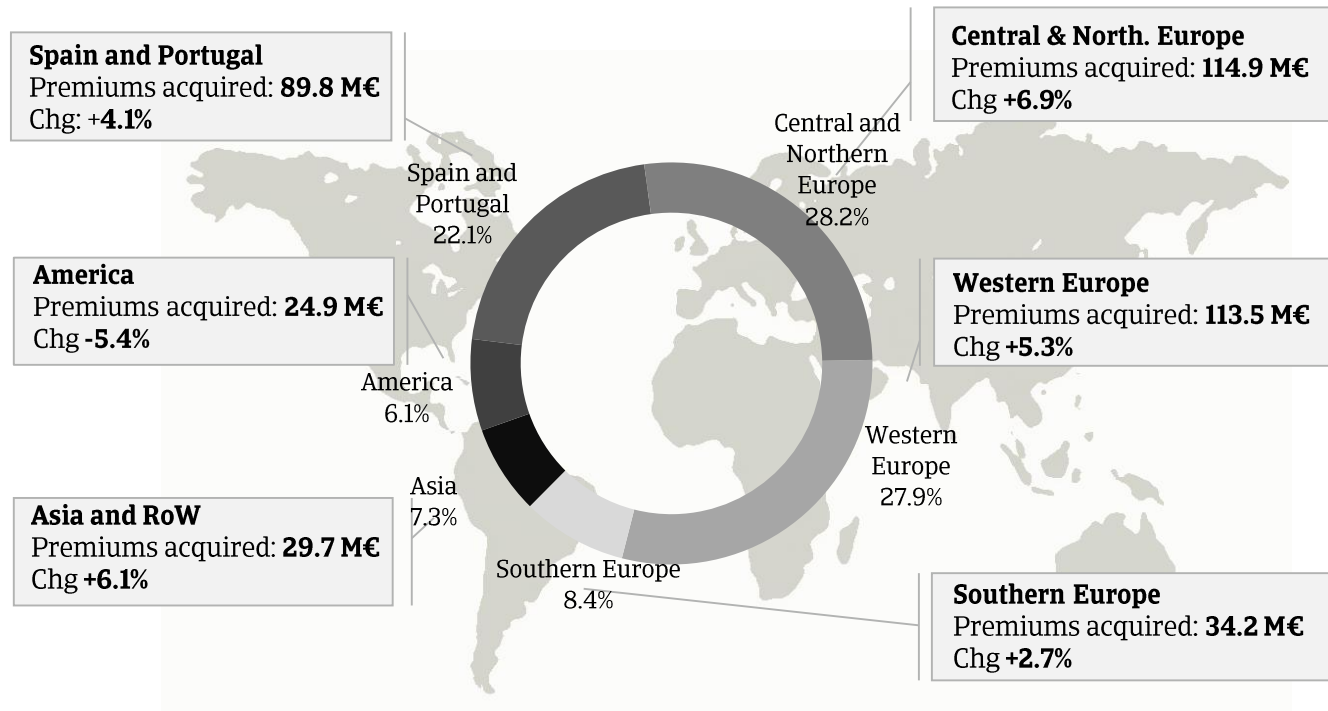
Credit insurance business

Capital, investments and solvency

Credit insurance business

407.1 M€ +4.6%

Premiums acquired

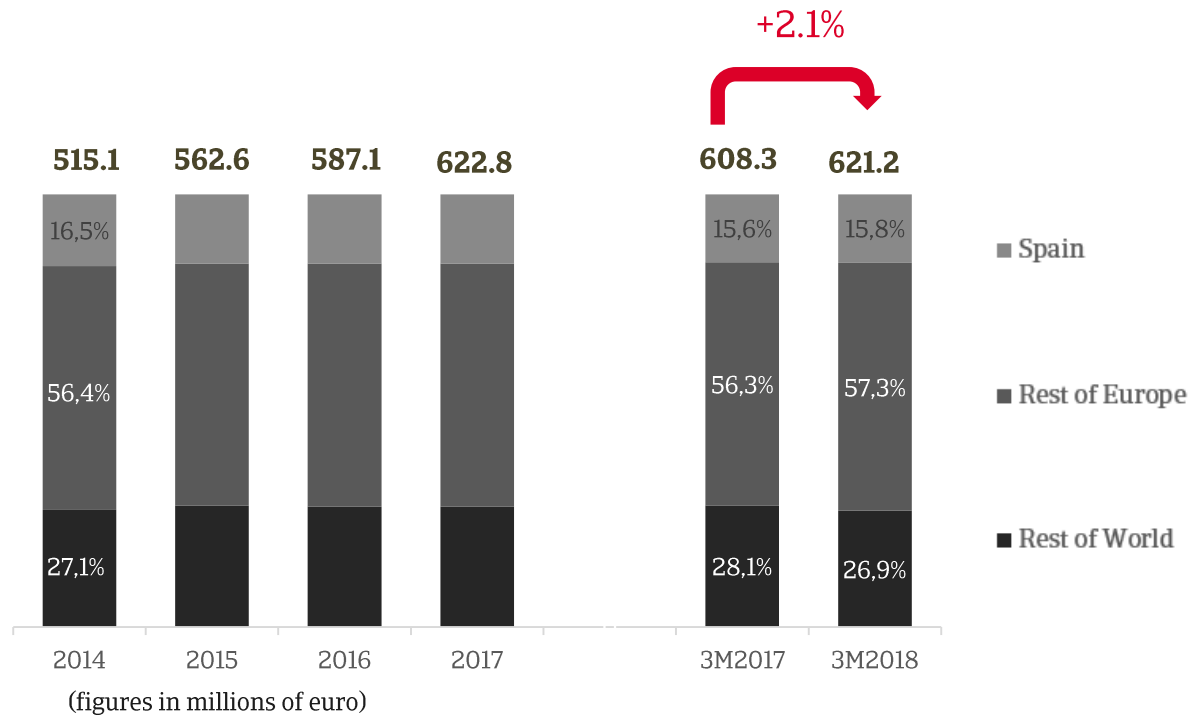


558.1 M€ +5.0%

Written premiums and information services

Credit insurance business

Evolution of cumulative risk (TPE)



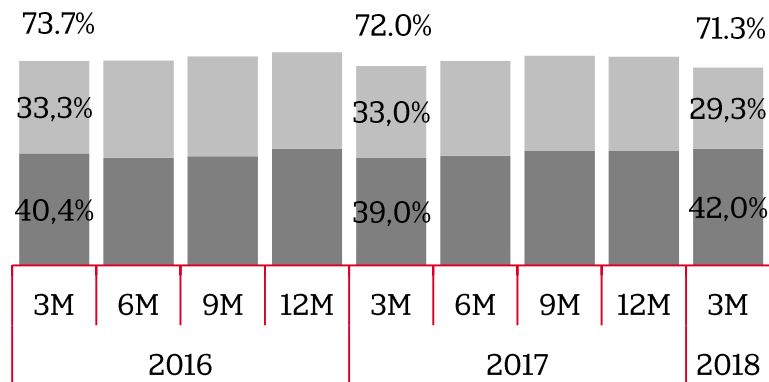
Credit insurance business

Combined ratio at minimum levels

(figures in million of euros)

	3M 2017	3M 2018	% Chg. 17-18	12M 2017
Technical result after expenses	110.3	109.6	-0.6%	392.9
% of income	25.0%	24.9%		22.9%
Net technical result	76.4	84.1	10.1%	259.2
% of income	17.3%	19.1%		15.1%

Performance of the net combined ratio



Increase in business retention
Transfer rate of 40.0%
(2.5 p.p less than in previous years)

■ Coste técnico ■ Gastos + comisiones

Credit insurance business

(figures in million of euros)

	3M 2017	3M 2018	% Chg. 17-18	12M 2017
Premiums acquired	389.3	407.1	4.6%	1,558.0
Income from information	51.6	52.0	0.8%	130.8
Credit insurance income	440.9	459.1	4.1%	1,718.8
Technical result after expenses	110.3	109.6	-0.6%	392.9
% of income	25.0%	23.9%		22.9%
Reinsurance result	-34.0	-25.6	-24.7%	-133.7
% of income	-7.7%	-5.8%		-8.4%
Net technical result	76.4	84.1	10.1%	259.2
% of income	17.3%	18.3%		15.1%
Financial result	0.0	-1.3		3.3
% of income	0.0%	-0.3%		0.2%
Result complementary act.	1.3	0.0		6.8
Company income tax	-21.6	-22.8	5.6%	-69.9
Adjustments	-2.7	-2.0		-9.6
Recurring result	53.5	58.0	8.4%	190.0
Non-recurring result	-2.0	-0.2		-13.2
Total result	51.5	57.8	12.2%	176.8

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

02

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

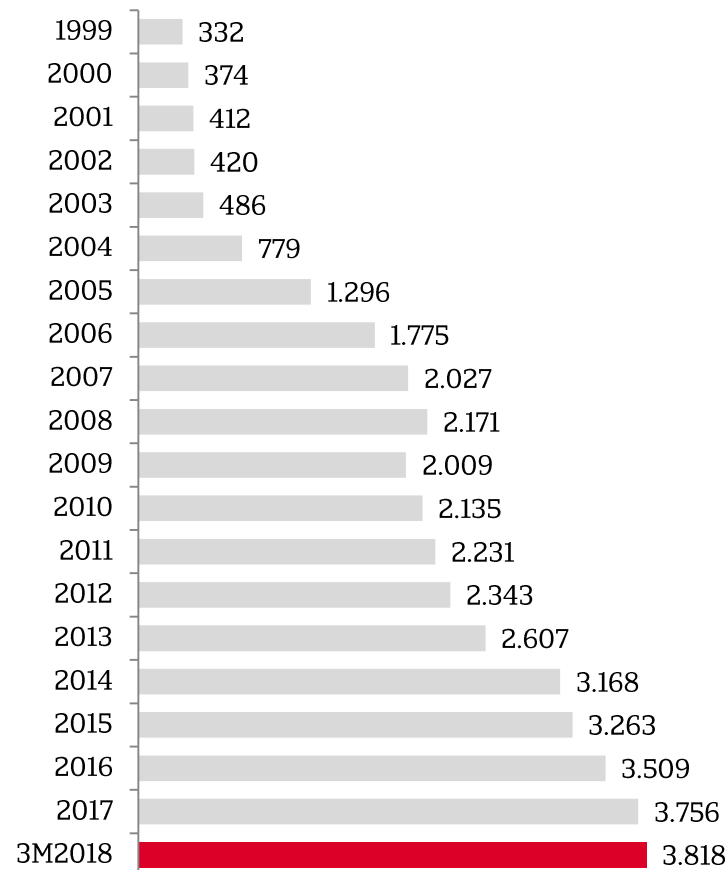
Financial strength

At the end of the first quarter of 2018, the Group's capital increased 1.7%, supported by the improvement in results

(figures in million of euros)

Permanent resources on 31/12/2017	3,278.9
Permanent resources at market value on 31/12/2017	3,755.5
Net equity on 01/01/2018	3,078.6
(+) Consolidated results	100.2
(+) Dividends paid	-17.3
(+) Variation of valuation adjustments	-15.9
(+) Other changes	-10.3
Total movements	56.7
Total net equity on 31/03/2018	3,353
Subordinated debt	200.3
Permanent resources on 31/03/2018	3,335.6
Capital gains not included in balance sheet (properties)	482.3
Permanent resources at market value on 31/03/2018	3,817.9

+1.7%

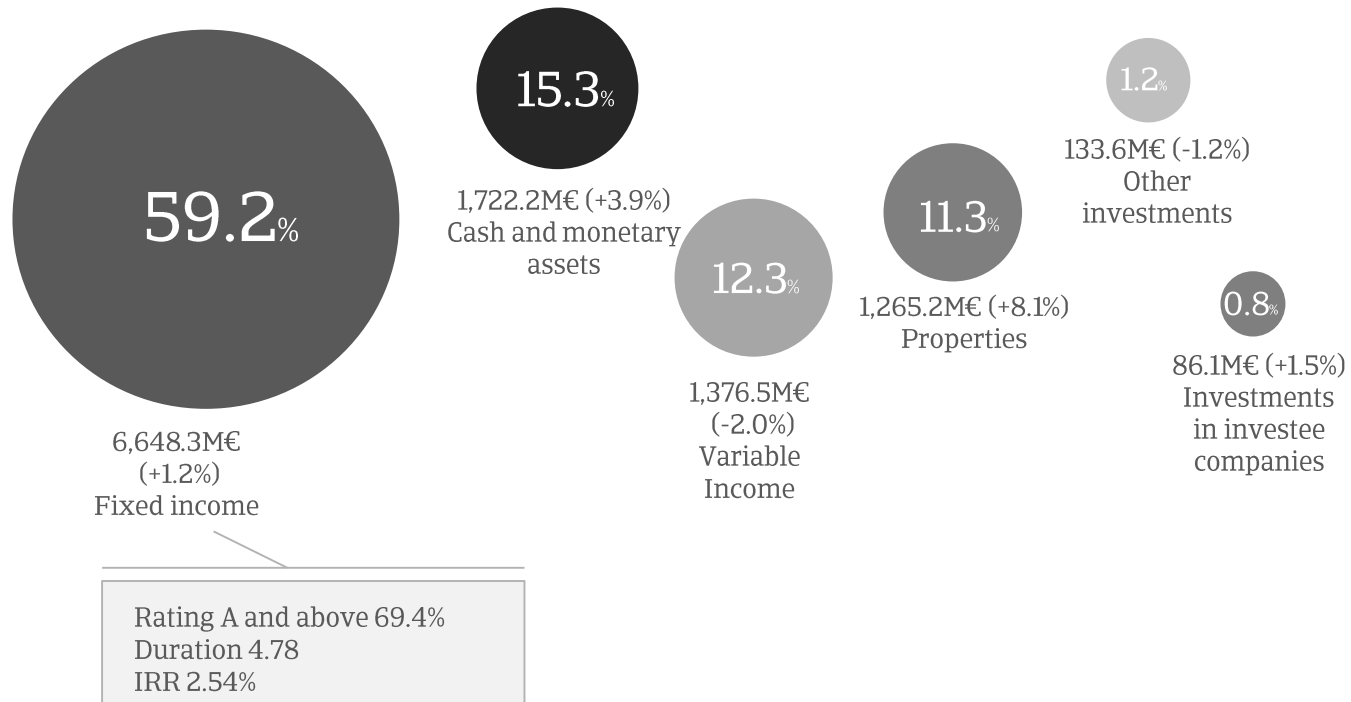


Investments

The Group invests in traditional assets through prudent and diversified management

12,206.9 M€

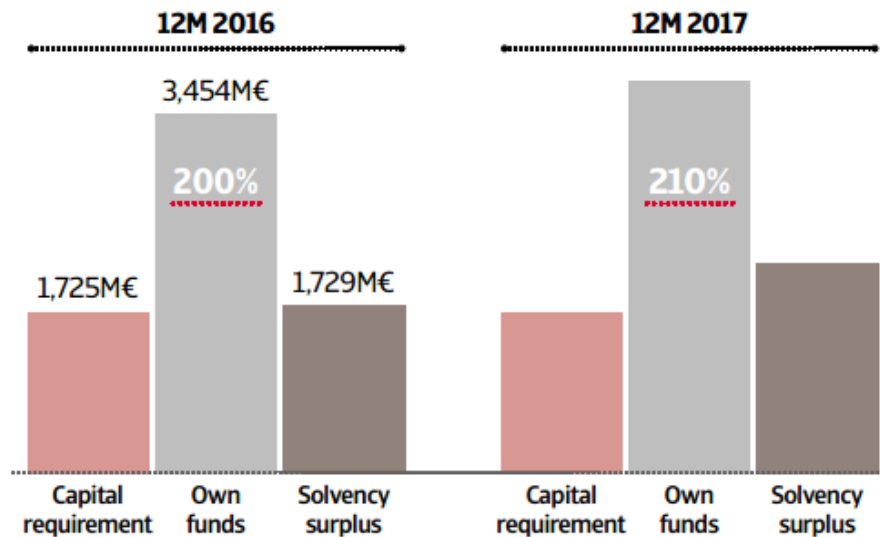
(+1.8% compared to funds under management at the end of 2017)



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)

“A2”

Moody's rating upgrade "A2" with stable outlook

*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 dividend 2017		Dividend Complemen- tary 2017			Dividend dividend 2018			Interim dividend 2018		

Contact

Email: analistas@catalanaoccidente.com

Phone: +34935820518

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



@gco_news

Income statement

(figures in million of euros)

	3M 2017	3M 2018	% Chg. 17-18	12M 2017
Written premiums	1,186.5	1,217.8	2.6%	4,123.5
Premiums acquired	1,021.3	1,040.4	1.9%	4,094.2
Income from information	51.6	52.0	0.8%	130.8
Net income from insurance	1,072.9	1,092.4	1.8%	4,225.0
Technical cost	650.3	652.3	0.3%	2,548.4
% of net income	60.6%	59.7%		60.3%
Commissions	130.0	131.5	1.1%	521.9
% of net income	12.1%	12.0%		12.4%
Expenses	179.3	175.2	-2.3%	717.3
% of net income	16.7%	16.0%		17.0%
Technical result	113.2	133.4	17.8%	437.4
% of net income	10.6%	12.2%		10.4%
Financial result	14.9	9.9	-33.6%	61.2
% of net income	1.4%	0.9%		1.4%
Non-financial non-technical account result	-4.3	-5.5		-23.1
% of net income	-0.4%	-0.5%		-0.6%
Result before tax	125.2	137.7	10.0%	475.5
% of net income	11.7%	12.6%		11.3%
Consolidated result	92.6	100.1	8.1%	357.3
Result attributable to minorities	9.2	10.0	8.7%	31.9
Attributed result	83.4	90.1	8.0%	325.4
% of net income	7.8%	8.2%		7.7%

Business income from credit insurance

(figures in million of euros)

	3M 2017	3M 2018	% Chg. 17-18	12M 2017
Written premiums (€M)	480.0	506.1	5.4%	1,607.4
Credit insurance	348.1	366.0	5.2%	1,353.7
Surety insurance	33.9	35.3	4.1%	122.5
Inward Reinsurance	98.0	104.8	6.9%	131.2
Income from information	51.6	52.0	0.8%	130.8
Total income from insurance	531.6	558.1	5.0%	1,738.2
Income from complementary act.	30.3	28.8	-5.0%	121.9
Total income from credit insurance	561.9	586.9	4.4%	1,860.1

Credit insurance business

	3M 2017	3M 2018	% Chg. 17-18	12M 2017
% Gross technical cost	40.3%	42.8%	2.5	41.7%
% Gross commissions + expenses	34.7%	33.3%	-1.4	35.4%
% Gross combined ratio	75.0%	76.1%	1.1	77.1%
% Net technical cost	39.0%	42.0%	3.0	41.4%
% Net commissions + expenses	33.0%	29.3%	-3.7	33.8%
% Net combined ratio	72.0%	71.3%	-0.7	75.2%

Credit insurance business - TPE

(figures in million of euros)

Cumulative risk per country	2014	2015	2016	2017	3M 2017	3M 2018	%	
							Chg. 17-18	% total
Spain and Portugal	85.165	89.601	93.437	98.714	94.975	98.159	3.4%	15.8%
Germany	77.297	80.398	82.783	86.430	85.194	86.103	1.1%	13.9%
Australia and Asia	69.210	79.668	79.013	84.233	85.790	85.448	-0.4%	13.8%
Americas	59.491	65.464	71.970	73.188	72.045	68.763	-4.6%	11.1%
Eastern Europe	45.925	50.805	55.098	59.253	56.842	60.317	6.1%	9.7%
UK	40.332	45.782	43.794	48.009	45.282	48.650	7.4%	7.8%
France	39.170	40.917	43.323	44.854	43.541	45.264	4.0%	7.3%
Italy	26.929	32.735	37.208	42.242	41.323	41.284	-0.1%	6.6%
Nordic and Baltic countries	23.261	25.883	26.964	28.738	27.894	29.265	4.9%	4.7%
Netherlands	23.152	23.914	25.268	27.636	26.155	28.127	7.5%	4.5%
Belgium and Luxembourg	14.229	14.662	15.708	16.701	15.997	16.762	4.8%	2.7%
Rest of the world	10.954	12.817	12.538	12.830	13.254	13.083	-1.3%	2.1%
Total	515.114	562.644	587.104	622.829	608.291	621.226	2.1%	100%

Credit insurance business - TPE

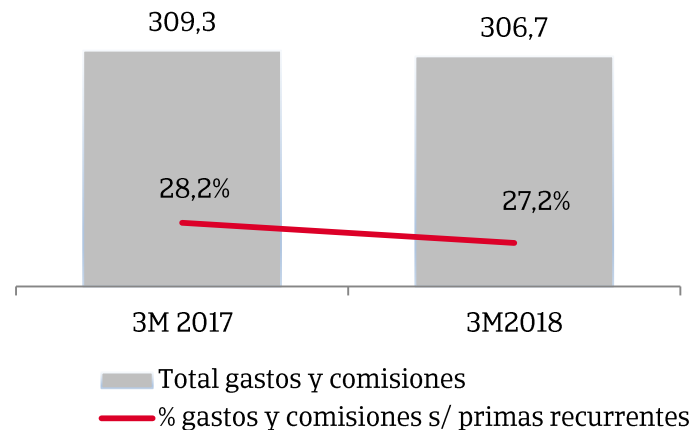
(figures in million of euros)

Cumulative risk per sector	2014	2015	2016	2017	3M 2017	3M 2018	%	
							Chg. 17-18	% s/ total
Chemicals	63.915	69.797	70.510	74.476	81.935	81.879	-0.1%	13.2%
Electronics	67.007	74.538	78.593	82.783	72.498	73.290	1.1%	11.8%
Durable consumer goods	56.347	60.940	65.324	68.442	66.138	66.954	1.2%	10.8%
Metals	56.286	59.888	58.855	63.419	61.401	64.670	5.3%	10.4%
Food	48.188	52.056	55.640	58.608	57.568	58.782	2.1%	9.5%
Transport	43.705	50.612	53.434	56.930	55.802	56.685	1.6%	9.1%
Construction	37.238	41.147	43.133	46.896	45.371	47.422	4.5%	7.6%
Machinery	31.629	33.902	34.734	37.137	36.163	38.243	5.8%	6.2%
Agriculture	25.932	28.327	30.907	33.318	32.093	33.551	4.5%	5.4%
Construction materials	21.981	24.425	25.387	27.058	26.509	27.313	3.0%	4.4%
Services	21.180	24.113	25.276	26.994	26.278	26.216	-0.2%	4.2%
Textiles	17.722	19.065	19.855	20.562	20.090	20.264	0.9%	3.3%
Paper	12.275	12.747	13.590	13.929	14.122	13.876	-1.7%	2.2%
Finance	11.711	11.088	11.867	12.277	12.323	12.080	-2.0%	1.9%
Total	515.114	562.644	587.104	622.829	608.291	621.226	2.1%	100%

General expenses and commissions

(figures in million of euros)

	3M 2017	3M 2018	% Chg. 17-18	12M 2017
Traditional business	74.2	73.8	-0.6%	311.6
Credit insurance business	100.9	100.8	-0.1%	400.8
Non-recurring expenses	4.2	0.6		4.8
Total expenses	179.3	175.2	-2.3%	717.3
Commissions	130.0	131.5	1.1%	521.9
Total expenses and commissions	309.3	306.7	-0.8%	1.239.2
% expenses and commissions out recurring premiums	28.2%	27.2%		32.8%



Financial result

(figures in million of euros)

	3M 2017	3M 2018	% Chg. 17-18	12M 2017
Financial income net of expenses	59.2	47.6	-19.6%	221.1
Exchange Differences	0.0	0.0		-0.5
Subsidiary companies	0.2	0.0		0.7
Interests applied to life	-41.9	-32.0	-23.7%	-148.7
Recurring financial results traditional business	17.5	15.6	-10.9%	72.5
% of premiums acquired	2.8%	2.5%		2.9%
Financial income net of expenses	4.2	2.6	-38.1%	15.3
Exchange Differences	-0.7	-1.2	71.4%	0.5
Subsidiary companies	0.7	1.6	128.6%	4.3
Interests subordinated debt	-4.2	-4.2	0.0%	-16.9
Recurring financial results from credit insurance	0.0	-1.3		3.3
% of net income from insurance	0.0%	-0.3%		0.2%
Intra-group interest adjustment	-1.9	-1.6		-7.0
Adjusted recurring financial results from credit insurance	-1.9	-2.9		-3.7
Recurring financial results	15.6	12.7	-19.1%	68.9
% of total Group Income	1.5%	1.2%		1.6%
Non-recurring financial results	-0.7	-2.9		-7.7
Financial result	14.9	9.9	-33.6%	61.2

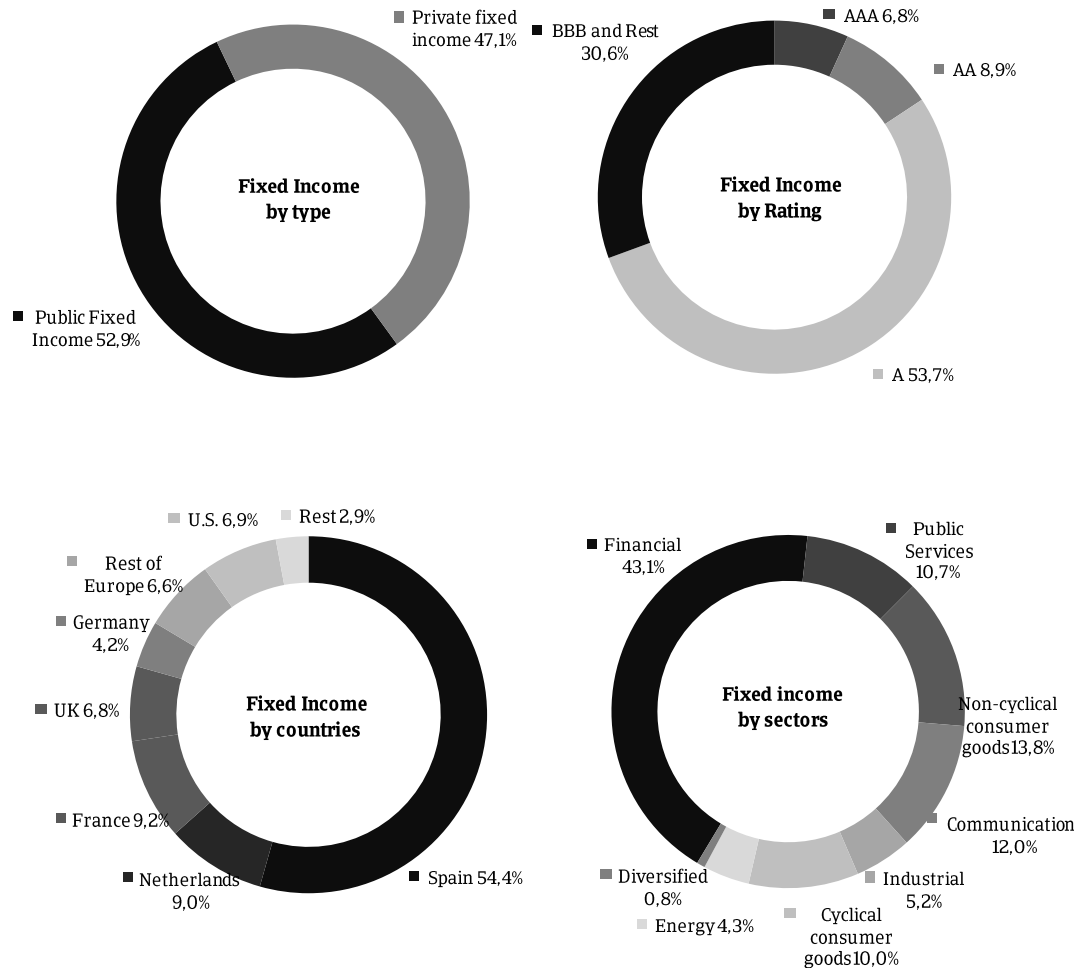
Non-recurring result

(figures in million of euros)

	3M 2017	3M 2018	12M 2017
Financial	-1.8	-3.8	6.2
Expenses and other	0	-0.8	-4.8
Non-recurrent from traditional business	-1.8	-4.6	1.4
Financial	1.2	0.3	-8.8
Expenses and other	-3.2	-0.5	-4.4
Non-recurring from credit insurance business	-2.0	-0.2	-13.2
Non-recurring result net of taxes	-3.8	-4.8	-11.8

Investments

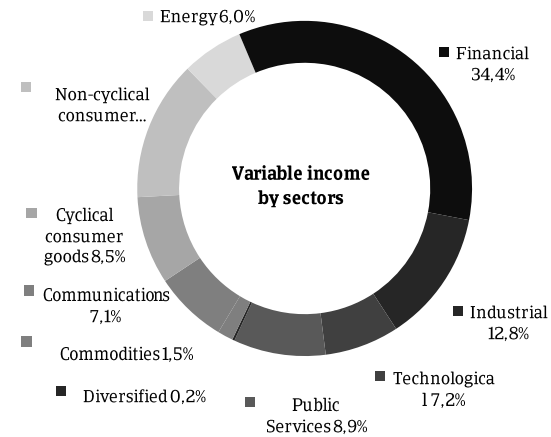
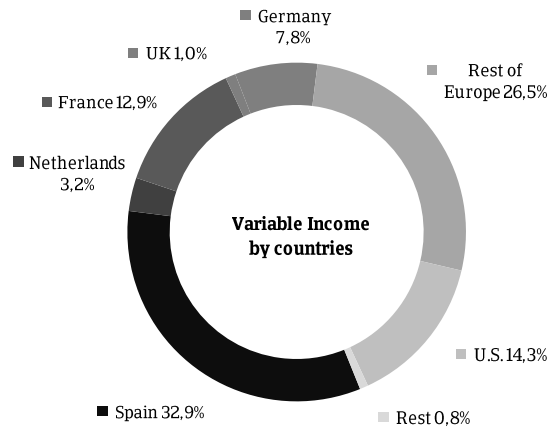
High quality fixed income portfolio



Duration 4.78
IRR 2.54%

Investments in cash equivalents

High liquidity 12.3% variable income



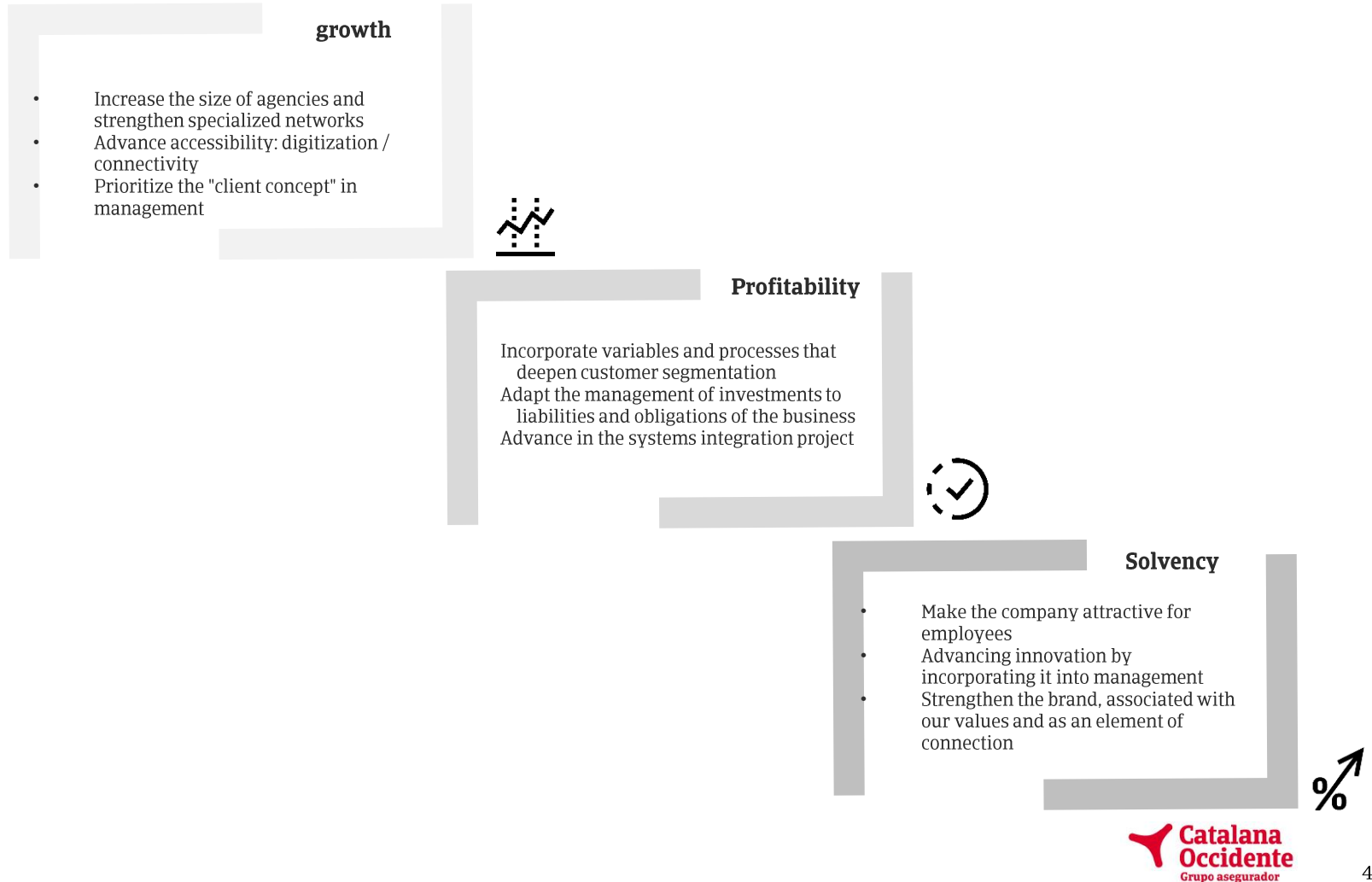
Balance sheet

(figures in million of euros)

Assets	12M 2017	3M 2018	% Chg. 17-18
Intangible assets and property	1,218.8	1,237.8	1.6%
Investments	10,596.9	10,808.5	2.0%
Investment property	382.8	470.6	22.9%
Financial investments	8,957.9	9,187.0	2.6%
Cash and short-term assets	1,256.2	1,150.9	-8.4%
Reinsurer participation in technical provisions	842.5	867.9	3.0%
Other assets	1,543.2	1,658.8	7.5%
Deferred tax assets	84.3	86.8	3.0%
Credits	946.4	983.5	3.9%
Other assets	512.5	588.4	14.8%
Total assets	14,201.4	14,572.9	2.6%
Net liabilities and equity	12M 2017	3M 2018	% Chg. 17-18
Permanent resources	3,278.9	3,335.6	1.7%
Net equity	3,078.6	3,135.3	1.8%
Parent company	2,752.6	2,803.5	1.8%
Minority interests	326.0	331.8	1.8%
Subordinated liabilities	200.3	200.3	0.0%
Technical Provisions	9,425.2	9,598.9	1.8%
Other liabilities	1,497.3	1,638.4	9.4%
Other provisions	165.2	164.7	-0.3%
Deposits received on buying reinsurance	57.7	56.7	-1.7%
Deferred tax liabilities	332.6	340.9	2.5%
Liabilities	618.7	728.0	17.7%
Other liabilities	323.1	348.1	7.7%
Total net liabilities and equity	14,201.4	14,572.9	2.6%

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
- 1999-2017: profitable multiplied by 10
- Prudent and diversified investment portfolio

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 Hannover 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 Góra		
Portugal	Lisbon Porto		
Russia	Moscow (***)		
Slovakia	Bratislava		
Spain	País Vasco, Cataluña, Galicia, Andalucía, Asturias, Cantabria, La Rioja, Murcia, Comunidad Valenciana, Aragón, Castilla la Mancha, Na Chgra, Extremadura, Madrid, Castilla-Leon, Islas Baleares, Islas Canarias, Ceuta y 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

(*) Asociación y acuerdos colaboración

(***) Servicios establecido con partners locales

Corporate structure

Grupo Catalana Occidente - Sociedad dominante

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 Bilbaina Seguros	Inversions Catalana Occident	Gesiuris
Previsora Bilbaina Vida	CO Capital Ag. Valores	Hercasol SICAV
	Cosalud Servicios	Previsora Inversiones SICAV
	GCO Tecnología y Servicios	GCO Activos inmobiliarios
	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		
Sociedades de seguros	Sociedades complementarias de seguros	Sociedades de inversión

■ NEGOCIO TRADICIONAL
 ■ NEGOCIO SEGURO DE CRÉDITO

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
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

Disclaimer

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

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

The contents of this declaration must be taken into consideration by all people or entities that may need to make decisions or create or publish opinions related to values issued by the Company and, in particular, by the analysts and investors managing this document.

Thanks

www.grupocatalanaoccidente.com

