

# 2020

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**Quarterly report 3M2020**  
Grupo Catalana Occidente S.A.

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 **Catalana  
Occidente**  
Grupo asegurador



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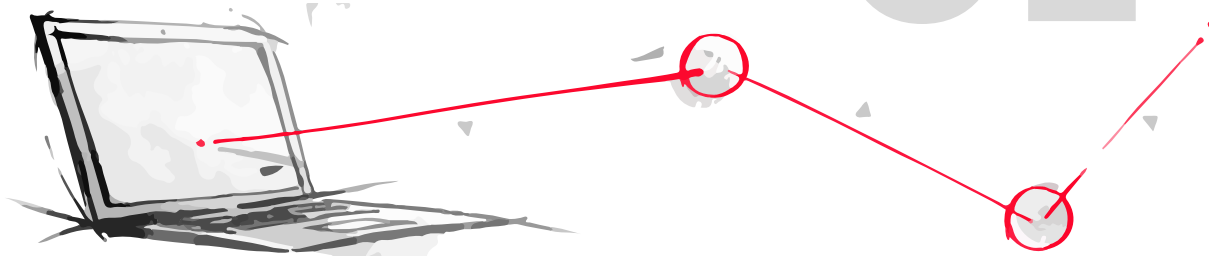


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# 01

## Keys of the period 3M2020



## Key financial figures

The Group managed to increase turnover over the previous year in the first quarter

### Growth

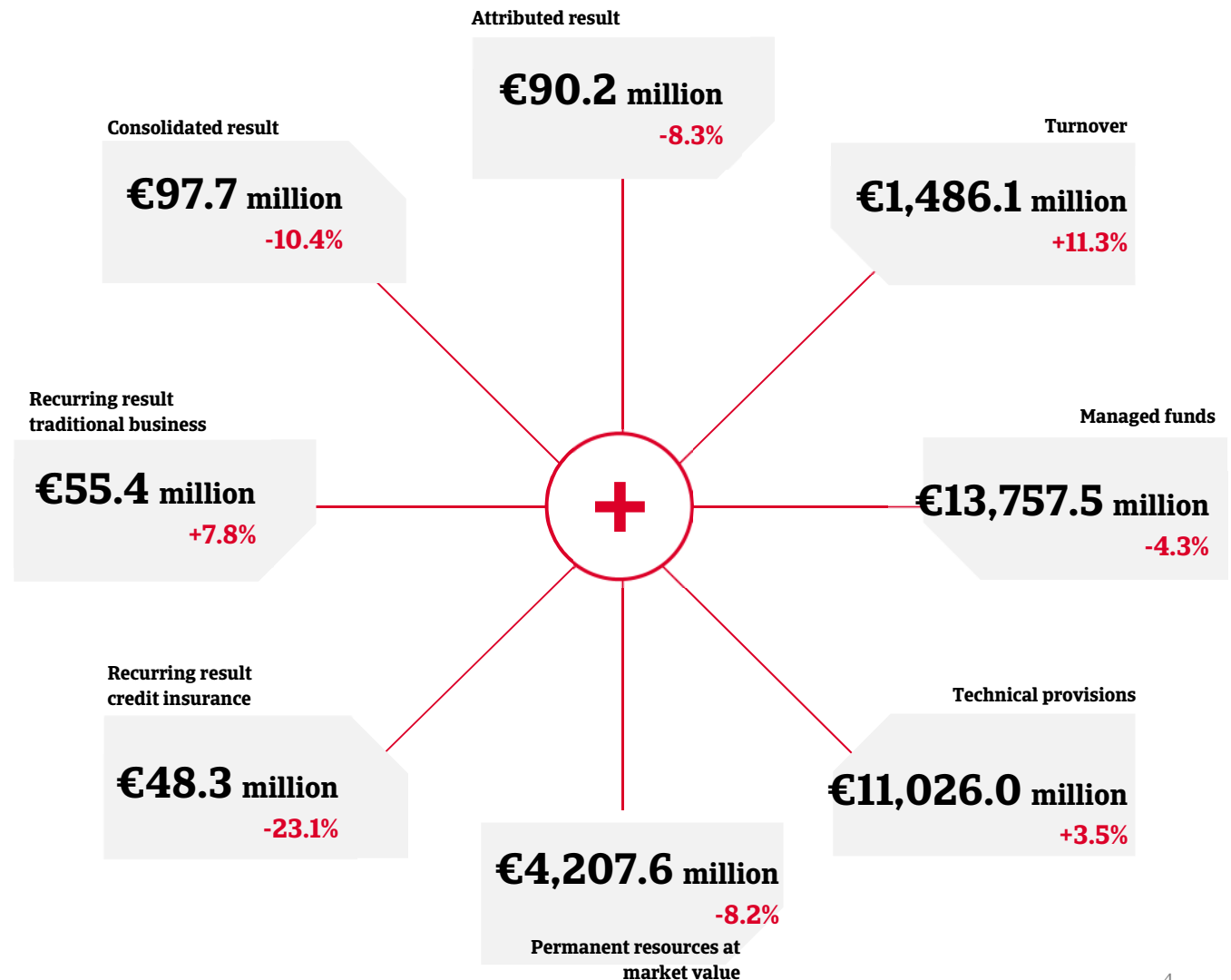
- Increase of 11.3% in turnover.

### Profitability

- Decrease of 8.3% in the attributed result, with €90.2 million.
- Improvement of the recurrent result of the traditional business. In turn, the recurrent result of the credit insurance business has been partially impacted by the COVID-19 health crisis:
  - +7.8% in the traditional business, with €55.4 million.
  - -23.1% in the credit insurance business, with €48.3 million.
- Combined ratio:
  - 89.2% in traditional business (non-life).
  - 83.1% in the credit insurance business.
- Commitment to shareholders: fourth interim dividend.

### Solvency

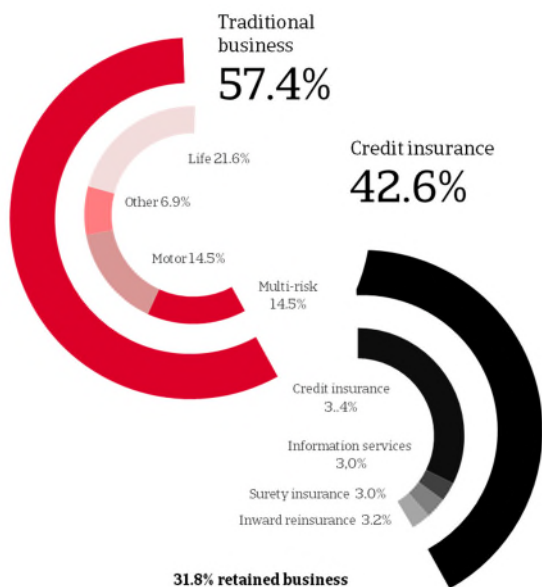
- The estimated Solvency II ratio at the close of 2019 for the Group is 213%.



(figures in € million)				
Key financial figures	3M2019	3M2020	% Chg. 19-20	12M2019
<b>GROWTH</b>				
Turnover	1,334.9	1,486.1	11.3%	4,547.7
- Traditional business	742.1	875.6	18.0%	2,612.4
- Credit insurance business	592.8	610.5	3.0%	1,935.3
<b>PROFITABILITY</b>				
Consolidated result	109.1	97.7	-10.4%	424.5
- Traditional business	51.4	55.4	7.8%	212.1
- Credit insurance business	62.8	48.3	-23.1%	238.2
- Non-recurring	-5.2	-6.0		-25.8
Attributed result	98.3	90.2	-8.3%	385.9
Combined ratio traditional business	89.6%	89.2%	-0.4p.p	90.4%
Combined ratio credit insurance	73.0%	83.1%	10.1p.p	73.4%
Dividend per share				0.68
Pay-out				21.1%
Share price	31.8	18.4	-42.1%	31.2
PER	10.6	5.9	-44.8%	9.69
ROE	11.5%	12.1%	0.6 p.p.	11.1%
<b>NON-FINANCIAL DATA</b>				
Number of employees	7,429	7,426	0.0%	7,440
Number of offices	1,650	1,601	-3.0%	1,612
Number of intermediaries	17,933	17,380	-3.1%	17,327
	<b>12M2019</b>	<b>3M2020</b>	<b>% Chg. 19-20</b>	
<b>SOLVENCY</b>				
Permanent resources at market value	4,584.8	4,207.6	-8.2%	
Technical provisions	10,652.1	11,026.0	3.5%	
Managed funds	14,377.3	13,757.5	-4.3%	

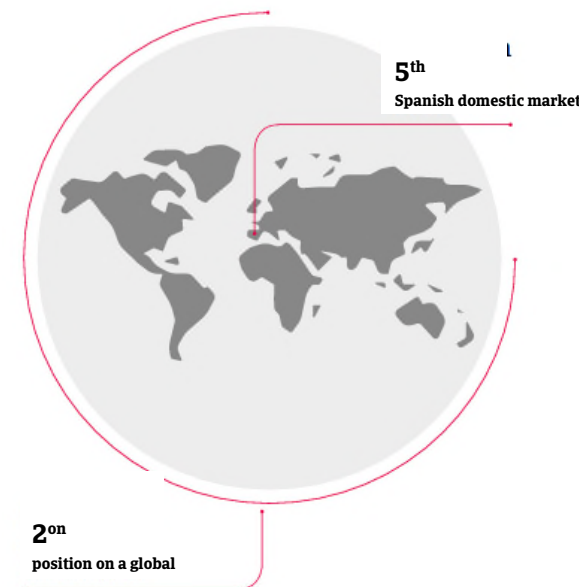
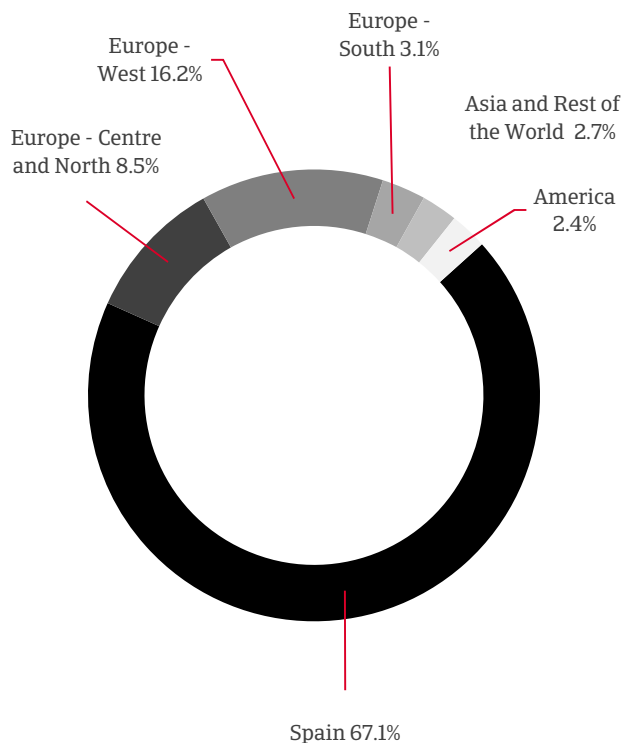
## Business diversification 12M2019 Global presence

Grupo Catalana Occidente has a balanced and diversified portfolio.



In the traditional business (57.4% of the total turnover), the Group carries out its activity through the entities Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao and NorteHispana Seguros, guaranteeing a balanced and diverse implementation. In credit insurance business (31.8% of the total in terms of retained business), the Crédito y Caución brand gives it a leadership position in the Spanish market, while the Atradius brand gives it an international dimension and leadership.

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



Grupo Catalana Occidente obtains 67.1% of its income from the Spanish domestic market, where it holds the fifth position, through the brands Seguros Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao, NorteHispana Seguros, and Crédito y Caución.

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

## Evolution of the Group in 3M2020

The Group's attributable profit was €90.2 million and turnover increased by 11.3%.

The Group's results in the first quarter have been impacted by weather events in Spain, mainly affecting the multi-risk branch, and in the credit insurance business by various factors including the COVID-19 health crisis.

Turnover increased by 11.3%, reflecting the sustained growth in traditional business and the contribution of Antares to turnover. The technical result, with €116.6 million, is down 17.0% mainly due to the impact of the credit insurance business.

The financial result contributes €3.1 million to reach €127.8 million profit before tax. Tax comes to €30.1 million, 23.5% on profit. Consolidated income amounted to €97.7 million, a decrease of 10.4%.

 For further information, see appendices.

(figures in € million)				
Income statement	3M2019	3M2020	% Chg. 19 -20	12M2019
Written premiums	1,280.6	1,431.6	11.8%	4,411.2
Income from information	54.3	54.5	0.4%	136.5
<b>Turnover</b>	<b>1,334.9</b>	<b>1,486.1</b>	<b>11.3%</b>	<b>4,603.1</b>
Technical cost	688.0	745.9	8.4%	2,739.5
% on total income from insurance	59.8%	62.6%		59.5%
Commissions	138.9	143.2	3.1%	561.1
% on total income from insurance	12.1%	12.0%		12.2%
Expenses	182.8	185.6	1.5%	764.3
% on total income from insurance	15.9%	15.6%		16.6%
<b>Technical result</b>	<b>140.5</b>	<b>116.6</b>	<b>-17.0%</b>	538.2
% on total income from insurance	12.2%	9.8%		11.7%
Financial result	9.5	3.1	-67.4%	<b>37.9</b>
% on total income from insurance	0.8%	0.3%		0.8%
Result of non-technical non-financial account	-6.8	5		-25.9
% on total income from insurance	-0.6%	0.4%		-0.6%
Result from compl. activities Credit insurance and funeral business	2.8	3.1		5.9
% on total income from insurance	0.2%	0.3%		0.1%
<b>Profit before tax</b>	<b>146.1</b>	<b>127.8</b>	<b>-12.5%</b>	556.2
% on total net income	12.7%	10.7%		12.1%
Taxes	37.0	30.1		131.7
% Taxes	25.3%	23.5%		23.7%
<b>Consolidated result</b>	<b>109.1</b>	<b>97.7</b>	<b>-10.4%</b>	<b>424.5</b>
Result attributable to minorities	10.8	7.6	-29.9%	38.6
<b>Attributed result</b>	<b>98.3</b>	<b>90.2</b>	<b>-8.3%</b>	<b>385.9</b>
% on total income from insurance	8.5%	7.6%		8.4%

Results by areas of activity	3M2019	3M2020	% Chg. 19 -20	12M2019
Recurring results traditional business	51.4	55.4	7.8%	212.1
Recurring results from credit insurance business	62.8	48.3	-23.1%	238.2
Non-recurring result	-5.2	-6.0		-25.8

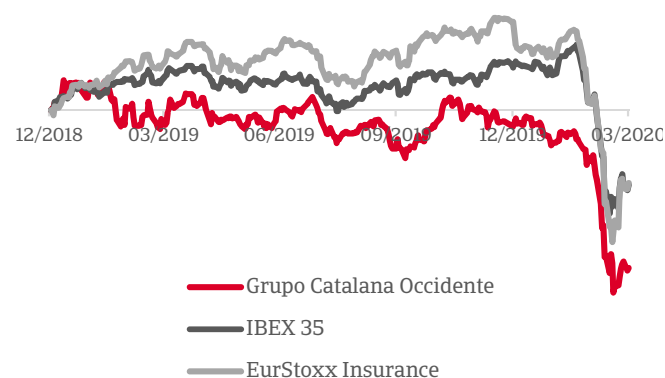
## GCO shares and dividends

### Share performance

Shares in Grupo Catalana Occidente end of the first quarter at € 18.4/share

During this period the share price fell by 40.9% due to the COVID-19 crisis.

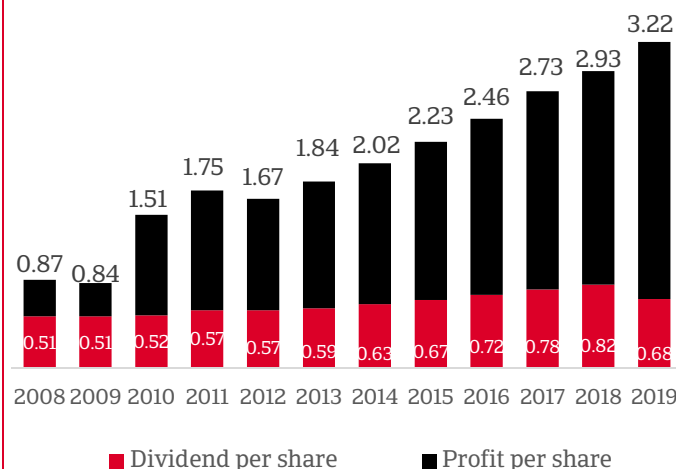
### Share performance since the beginning of 2018



The average recommendation of the analysts is to "purchase" the share with a target price of €38.7/share (max. €42.3/share and min. €28.8/share).

### Dividends

Commitment to the shareholder. Fourth interim dividend



### Active relationship with the financial market

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

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

### Share price (euro per share)

	3M2019	3M2020	12M2019
Period start	32.60	31.15	32.60
Minimum	30.90	16.02	28.30
Maximum	35.30	32.05	35.30
Period end	31.80	18.42	31.15
Average	33.35	27.22	32.09

### Profitability (YTD)

	3M2019	3M2020	TACC 2002 - 3M20
GCO	-2.45%	-40.87%	9.84%
Ibex 35	8.20%	-28.94%	0.68%
EuroStoxx Insurance	12.13%	-35.81%	1.61%

### Other data (in euro)

	3M2019	3M2020	12M2019
Number of shares	120,000,000	120,000,000	120,000,000
Nominal share value	0.30	0.30	0.30
Average daily subscription (number of shares)	63,225	75,247	44,093
Average daily subscription (euro)	2,013,203	1,829,256	1,412,462



## 2020 macroeconomic environment

Unprecedented drastic collapse of the world economy, due to the COVID-19 pandemic.

Widespread impairment of economic indicators.

Downward reviews of expected growth for 2020 to -3.0% (-6.3 p.p. compared to the January 2020 review).

### United States GDP -5.9% 2020e (-7.9p.p.)

- Increase in public debt to 130%
- Unemployment estimated at 10.4%

### Eurozone GDP -7.5% 2020e(-8.8p.p.)

- Negotiation of measures to address a "Marshall Plan."
- Estimated 97% public debt
- Unemployment estimated at 10.4%

### United Kingdom GDP -6.5% 2020e (-7.9p.p.)\*

- In negotiations for the Brexit transition period, which ends in 2020
- Unemployment estimated at 4.8%

### Asia Pacific GDP + 1.0% 2020e (-4.8p.p.)

- China:
- Some recovery observed since mid-February
  - Sharp drop in industrial production
  - Collapse of direct investment

### Spain GDP -8.0% 2019e (-9.6p.p.)

- Strong impact on the economy due to the important weight of tourism
- Expected deficit of 9.5%
- Expected 113% public debt
- Unemployment estimated at 20.8%

### South America GDP -5.2% 2020e (-6.8p.p.)

- Worsening financial conditions
- Weak external demand

International Monetary Fund. April 2020 review compared to January 2020 estimate

## Fixed Income

Monetary policy is acting urgently with widespread measures to inject liquidity and support credit in the national economy.

Minimum interest rates

Interest rates				
3M2020 (%)	1 year	3 years	5 years	10 years
Spain	-0.2	-0.2	0.2	0.7
Germany	-0.7	-0.7	-0.7	-0.5
U.S.	0.2	0.3	0.4	0.7

Source: Bloomberg at the close of March 2020

## Variable income

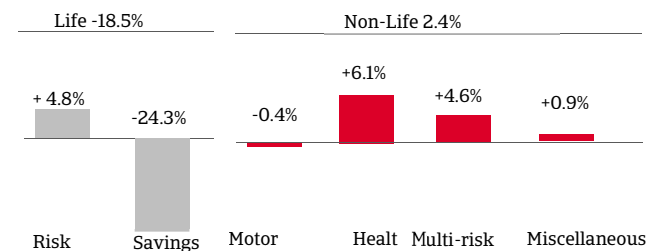
Historical collapse of the stock market indices that has affected all sectors  
Rise in volatility.

	3M2020	% Chg.
Ibex35	6,785.4	-28.9%
EuroStoxx Insurance	207.2	-35.8%
Eurostoxx50	2,786.9	-26.5%
Dow Jones	21,917.2	-23.0%

## Sectoral environment

The insurance sector in Spain has fallen by 6.8% in turnover, mainly due to the sharp drop in life premiums

### Performance of turnover



### Insurance group ranking performance (close of 2019-first quarter 2020)

Group	Position	Market share
VidaCaixa	=	14.0%
Mapfre	=	11.3%
Grupo Mutua Madrileña	=	8.6%
Allianz	=	5.9%
Grupo Catalana Occidente	=	5.2%
Grupo Axa	+1	4.7%
Zurich	-1	4.3%
Generali	+1	4.1%
Santalucía	-1	3.1%
Grupo Ibercaja	+7	2.3%

Source: ICEA at the close of March 2020

## Group actions against COVID-19

Grupo Catalana Occidente is promoting a plan of measures to support all its stakeholders and strengthen their confidence in the face of the COVID-19 health crisis.

The main measures that have been carried out could be divided into five groups:

**Employee protection and operational support.** Our employees are our most valuable asset and this has been a priority in the face of the current health crisis.

- Ensure employee protection and continuity of work. Teleworking of all our employees.
- We are still operational under extreme conditions.

**Maintenance of customer service.** The Group emphasizes its vocation of service to the customer in order to adequately attend to the needs at a time like the present.

- Continuity in the relationship with the customer through telematic means.
- Continuity in customer service for expert opinions, repairs, agency offices, etc...

**Measures aimed at the traditional business.**

- Flexibility in payment of receipts, instalments and deferment.
- Adaptation of prices according to the circumstances of the risk and the customer,
- 24-hour medical guidance by telephone for any insured party, video consultation of medical staff and cyber-risk protection in teleworking.

**Measures aimed at the credit insurance business.**

- Flexibility in payment of receipts, instalments and deferment.
- Flexibility in the period of declaration of non-payment, extending it by 30 days.
- Discussions with the various governments to support commercial activity through credit insurance.

**Measures to support society.**

- Participation with UNESPA in a fund to protect health workers facing COVID-19.
- The Jesús Serra Foundation collaborates with Save the Children and supports the CSIC for research in a future vaccine.
- Creation of an innovation programme to overcome the health challenges involved: Beat the Vid.
- The Group supports more than 20,000 suppliers affected by COVID-19 through interest-free advances.

# 02

## Evolution of the business in 3M2020



## Traditional business

Positive evolution with growth of 21.7% in turnover of recurring premiums and 7.8% in recurring profit.

Turnover increased by 18.0% at the close of March 2020 to €875.6 million. The 4.3% growth in multi-risk and health is noteworthy due to the incorporation of the premiums invoiced by Antares

The technical result increased 8.2%, supported especially by the Non-Life business, whose technical result contributed €43.9 million and grew 5.8%, thanks to an improvement of 0.4 p.p. in the combined ratio to 89.2%. The technical cost is maintained while commissions and expenses decrease. The Life business increased its technical result by 15.0% to €15.3 million.

The financial result, with €15.3 million, is reduced by 1.3%. Complementary activities provide €1.1 million from the funeral insurance business.

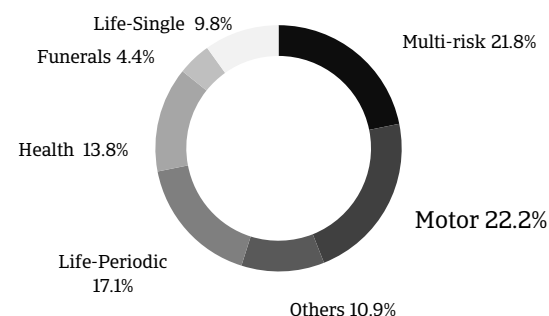
Recurring profit after tax has increased 7.8% reaching €55.4 million. During the year there have been negative non-recurring results for a value of €1.3 million; consequently, the total result is of €54.1 million, increasing by 16.6%.

 For further information, see annexes.

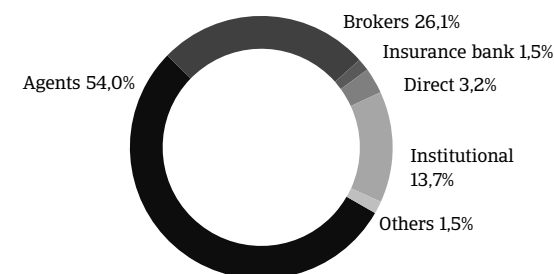
(figures in € million)

Traditional business	3M2019	3M2020	% Chg. 19-20	12M2019
<b>Written premiums</b>	<b>742.1</b>	<b>875.6</b>	<b>18.0%</b>	<b>2,612.4</b>
Recurring premiums	648.9	789.5	21.7%	2,268.6
<b>Technical result</b>	<b>54.7</b>	<b>59.2</b>	<b>8.2%</b>	<b>214.6</b>
% on earned premiums	8.2%	8.7%		7.9%
<b>Financial result</b>	<b>15.5</b>	<b>15.3</b>	<b>-1.3%</b>	<b>59.3</b>
% on earned premiums	2.3%	2.2%		2.2%
Non Technical result	-4.6	-4.3		-14.6
Complementary act. (Funeral B.)	1.1	1.1	0.0%	2.7
Corporate tax	15.4	15.8	2.6%	-50.0
<b>Recurring result</b>	<b>51.4</b>	<b>55.4</b>	<b>7.8%</b>	<b>212.1</b>
Non-recurring result	-5.0	-1.3		-7.9
<b>Total result</b>	<b>46.4</b>	<b>54.1</b>	<b>16.6%</b>	<b>204.2</b>
<b>Earned premiums</b>	<b>663.1</b>	<b>682.9</b>	<b>3.0%</b>	<b>2,707.5</b>

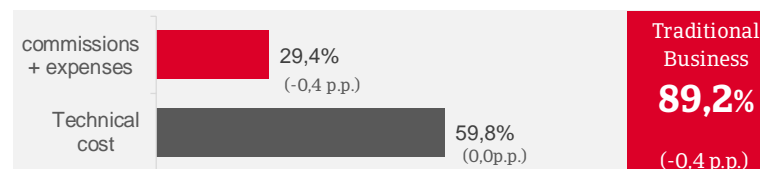
### Distribution by business (TAM)



### Distribution channels



### Combined ratio



### Multi-risk

Growth in turnover of 4.3% to €191.1 million. The combined ratio has increased by 1.0 percentage point to 90.5%. This increase is mainly due to the weather events that occurred in February (the Gloria storm).

	(figures in € million)			
	3M2019	3M2020	% chg. 19 - 20	12M2019
<b>Multi-risk</b>				
<b>Written premiums</b>	<b>183.2</b>	<b>191.1</b>	<b>4.3%</b>	<b>661.6</b>
% Technical cost	55.7%	57.1%	1.4	55.3%
% Commissions	20.8%	21.1%	0.3	20.9%
% Expenses	13.0%	12.3%	-0.7	13.3%
<b>% Combined ratio</b>	<b>89.5%</b>	<b>90.5%</b>	<b>1.0</b>	<b>89.5%</b>
<b>Technical result after expenses</b>	<b>16.8</b>	<b>15.7</b>	<b>-6.5%</b>	<b>68.6</b>
% on earned premiums	10.5%	9.5%		10.5%
Earned premiums	<b>160.1</b>	<b>166.1</b>	<b>3.7%</b>	<b>653.3</b>

### Motor

Increase in turnover of 2.6% with €194.0 million. The combined ratio improved by 1.8 p.p. to 91.2%, with reduced claims due to less frequent claims and lower expenses.

	(figures in € million)			
	3M2019	3M2020	% chg. 19 - 20	12M2019
<b>Motor</b>				
<b>Written premiums</b>	<b>189.1</b>	<b>194.0</b>	<b>2.6%</b>	<b>657.3</b>
% Technical cost	69.2%	67.7%	-1.5	70.0%
% Commissions	11.1%	11.1%	0.0	11.1%
% Expenses	12.7%	12.4%	-0.3	12.9%
<b>% Combined ratio</b>	<b>93.0%</b>	<b>91.2%</b>	<b>-1.8</b>	<b>94.0%</b>
<b>Technical result after expenses</b>	<b>11.4</b>	<b>14.5</b>	<b>27.2%</b>	<b>39.6</b>
% on earned premiums	7.1%	8.9%		6.0%
Earned premiums	<b>160.3</b>	<b>163.6</b>	<b>2.1%</b>	<b>655.2</b>

 For further information, see annexes.

## Miscellaneous

Growth in turnover of 3.3% to €95.3 million. The combined ratio was 82.5%, remaining practically stable with respect to the previous year, with a small increase in technical costs and expenses, which was offset by a reduction in fees.

	3M2019	3M2020	% chg. 19 -20	12M2019
<b>Miscellaneous</b>				
<b>Written premiums</b>	<b>92.2</b>	<b>95.3</b>	<b>3.3%</b>	<b>311.7</b>
% Technical cost	48.7%	49.0%	0.3	50.1%
% Commissions	21.1%	19.9%	-1.2	20.1%
% Expenses	13.0%	13.6%	0.6	14.3%
<b>% Combined ratio</b>	<b>82.8%</b>	<b>82.5%</b>	<b>-0.3</b>	<b>84.6%</b>
<b>Technical result after expenses</b>	<b>13.3</b>	<b>13.7</b>	<b>3.0%</b>	<b>48.0</b>
% on earned premiums	17.3%	17.5%		15.4%
Earned premiums	<b>77.0</b>	<b>78.2</b>	<b>1.6%</b>	<b>311.8</b>

## Life

The life business evolved favourably with a 42.4% growth in turnover, including the contribution of Antares to the business.

The Antares business has been incorporated since February 2019. Given that most of the invoicing takes place in the month of January, it had practically no impact on invoicing in the year 2019.

(figures in € million)

	3M2019	3M2020	% chg. 19 -20	12M2019
<b>Life</b>				
<b>Life insurance turnover</b>	<b>277.5</b>	<b>395.2</b>	<b>42.4%</b>	<b>981.8</b>
Health	38.6	120.4	<b>211.9%</b>	60.9
Funeral	37.1	38.7	<b>4.3%</b>	138.8
Periodic premiums	108.6	150.0	<b>38.1%</b>	438.2
Single premiums	93.2	86.1	<b>-7.6%</b>	343.8
Pension plan contributions	11.4	16.4	<b>43.9%</b>	69.1
Net contributions to investment funds	0.1	0.2		1.9
<b>Technical result after expenses</b>	<b>13.3</b>	<b>15.3</b>	<b>15.0%</b>	<b>58.4</b>
% on earned premiums	5.0%	5.6%		5.4%
Earned premiums	<b>265.7</b>	<b>275.1</b>	<b>3.5%</b>	<b>1,087.2</b>

 For further information, see annexes.

(figures in € million)

## Credit insurance business

Growth in net insurance income of 4.4% but with a reduction in recurring results due to the partial impact of the COVID-19 crisis

In the credit insurance business, the Group has increased its net income (earned premiums and information services) by 4.4% reaching €508.4 million. Earned premiums, at €453.9 million, have increased by 4.9%.

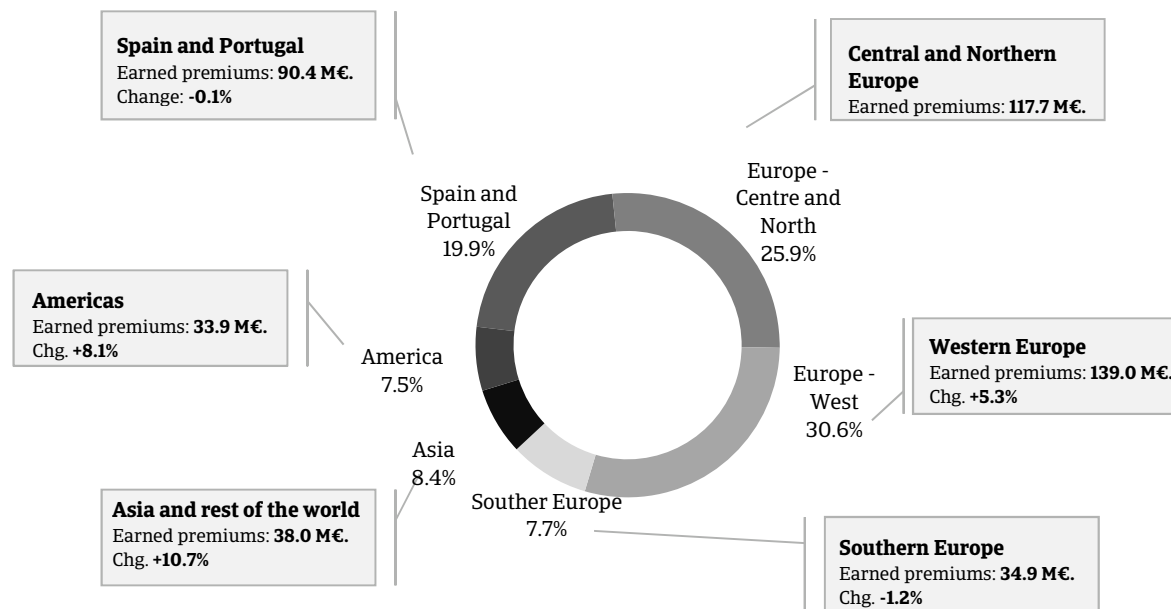
In Spain and Portugal, the Group maintains earned premiums practically stable. In the other European markets, premiums increased 5.4%, with constant growth in Germany.

In turn, income from information has increased by 0.4%, contributing €54.5 million.

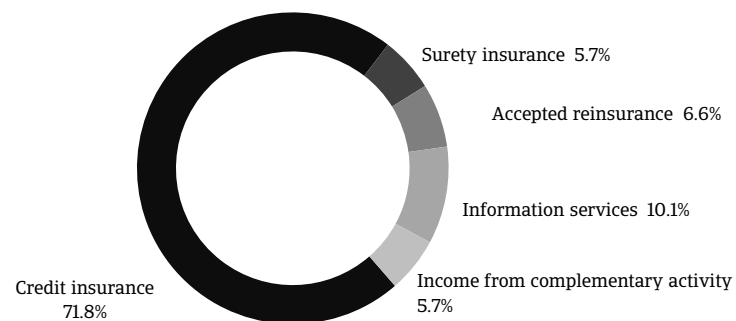
The Group increased its risk exposure (TPE) by 2.6% to €668.5 billion, although this growth has slowed down in the last quarter (-0.6% decrease compared to the end of 2019). Europe represents 72.1% of total exposure and Spain is the main market, with 14.3% of the total.

 For further information, see annexes.

### +4.9% increase in earned premiums, at €453.9 million



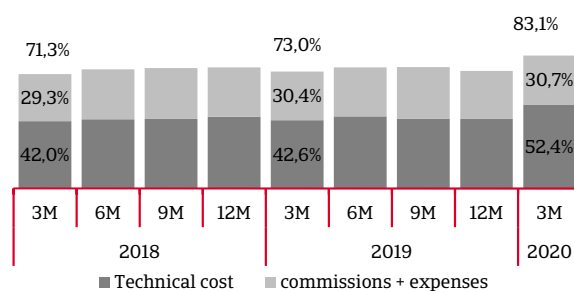
### Diversification of the business due to earned premiums



The technical result of the credit insurance is reduced by 33.9% in comparison with the same period of the previous financial year, placing it at €57.1 million. The health crisis of COVID-19 has impacted the performance of this business in this first quarter.

The combined net ratio is 83.1%, 10.1 percentage points higher than in the same period of the previous year, due to an increase in the level of provisions as a result of the partial impact of COVID-19.

#### Performance of the net combined ratio



In turn, the financial result is less than the same period of the previous financial year mainly due to the negative impact of exchange rate differences and the positive evolution of the results of the associated companies. The result of the complementary activities is €2.0 million.

Thus, the consolidated result, at €48.3 million, reduced by 23.1%. By incorporating the non-recurring results, the total result is placed at €43.6 million.



For further information, see annexes.

(figures in € million)

Credit insurance business	3M2019	3M2020	% Chg. 19-20	12M2019
Earned premiums	432.9	453.9	4.9%	1,759.5
Income from information	54.3	54.5	0.4%	136.5
<b>Credit insurance income</b>	<b>487.1</b>	<b>508.4</b>	<b>4.4%</b>	<b>1,896.0</b>
<b>Technical result after expenses</b>	<b>106.2</b>	<b>64.3</b>	<b>-39.5%</b>	<b>404.8</b>
% on income	21.8%	12.6%		21.4%
Reinsurance result	-19.8	-7.2	-63.6%	-82.6
Reinsurance transfer ratio	38.0%	37.0%		38.0%
<b>Net technical result</b>	<b>86.4</b>	<b>57.1</b>	<b>-33.9%</b>	<b>322.2</b>
% on income	17.7%	11.2%		17.0%
<b>Financial result</b>	<b>-1.6</b>	<b>10.2</b>		<b>5.6</b>
% on income	-0.3%	2.0%		0.3%
<b>Result from complementary activities</b>	<b>1.7</b>	<b>2.0</b>	<b>17.6%</b>	<b>3.2</b>
Corporate tax	-21.9	-19.6		-85.4
Adjustments	-1.8	-1.4		-7.4
<b>Recurring result</b>	<b>62.8</b>	<b>48.3</b>	<b>-23.1%</b>	<b>238.2</b>
Non-recurring result	-0.2	-4.7		-17.9
<b>Total result</b>	<b>62.6</b>	<b>43.6</b>	<b>-30.4%</b>	<b>220.3</b>



## Investments and managed funds

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

The Group manages funds amounting to €13,757.5 million, €619.8 million less than the start of the year.

The total investment in property at market value amounts to €1,668.2 million. The majority of the Group's properties are located in areas considered "prime" areas in the most important Spanish cities. All of the properties for use by third parties are located in these areas and have a very high rate of occupancy. Every two years they are evaluated, through entities that are authorised by the supervisor. Capital gains from these properties stand at €531.9 million.

Fixed-income investment represents 56.6% of the total portfolio, standing at €7,086.8 million. The distribution of the rating in the portfolio is shown graphically below. At the close of the first quarter, 58.5% of the portfolio is rated A or higher. The duration of the portfolio at the end of March is 4.62 years and profitability at 2.42%.

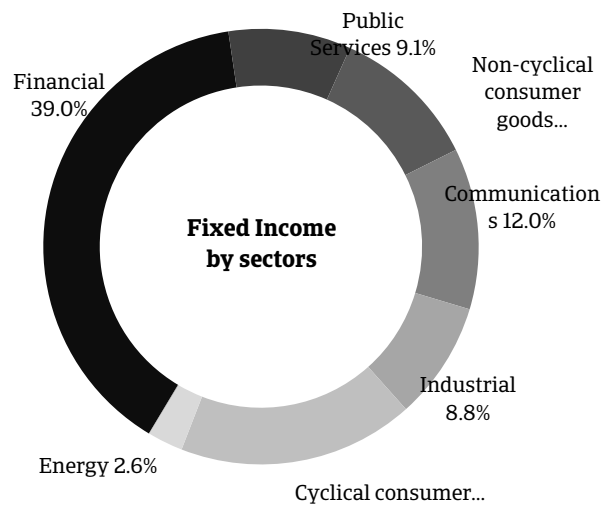
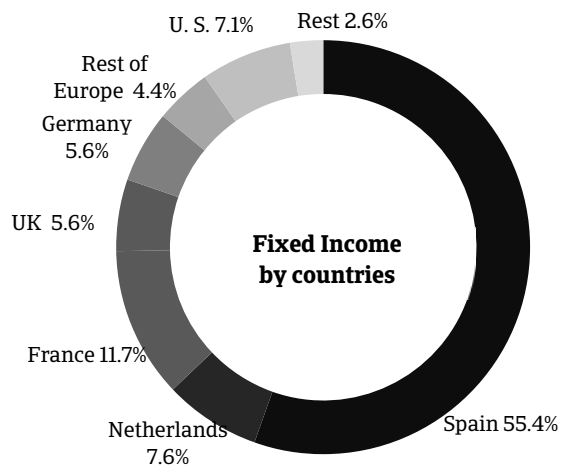
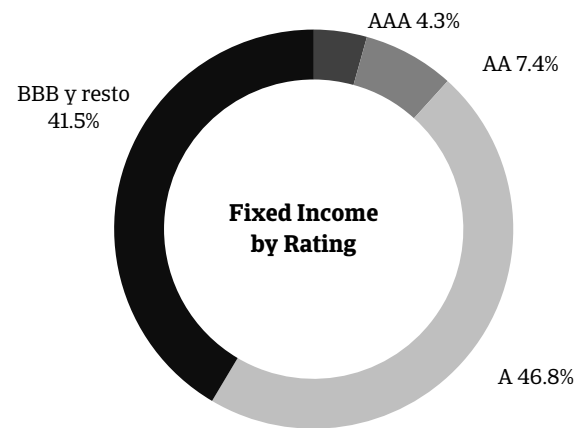
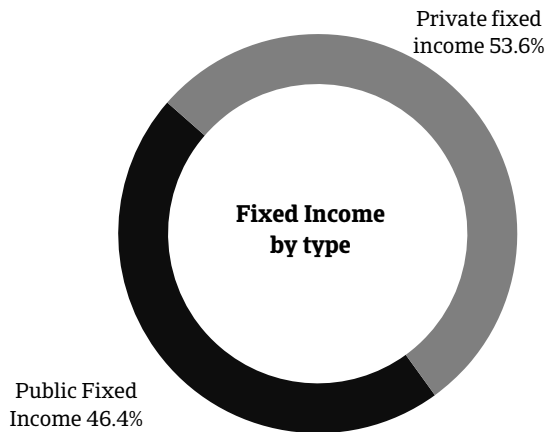
(figures in € million)

<b>Investments and managed funds</b>	<b>12M2019</b>	<b>3M2020</b>	<b>% Chg. 19-20</b>	<b>% of Inv. R. Co.</b>
Properties	1,678.5	1,668.2	-0.6%	13.3%
Fixed Income	7,361.2	7,086.8	-3.7%	56.6%
Variable income	1,673.7	1,331.6	-20.4%	10.6%
Deposits with credit institutions	608.6	581.4	-4.5%	4.6%
Other investments	199.1	220.2	10.6%	1.8%
Cash and monetary assets	1,403.5	1,551.3	10.5%	12.4%
Investment in investee companies	85.8	80.3	-6.4%	0.6%
<b>Total investments, risk to entity</b>	<b>13,010.5</b>	<b>12,519.8</b>	<b>-3.8%</b>	<b>100.0%</b>
Investments on behalf of policyholders	575.1	521.2	-9.4%	4.2%
Pension plans and investment funds	791.7	716.6	-9.5%	5.7%
<b>Total investments, risk to policy holders</b>	<b>1,366.8</b>	<b>1,237.7</b>	<b>-9.4%</b>	
<b>Investments and managed funds</b>	<b>14,377.3</b>	<b>13,757.5</b>	<b>-4.3%</b>	

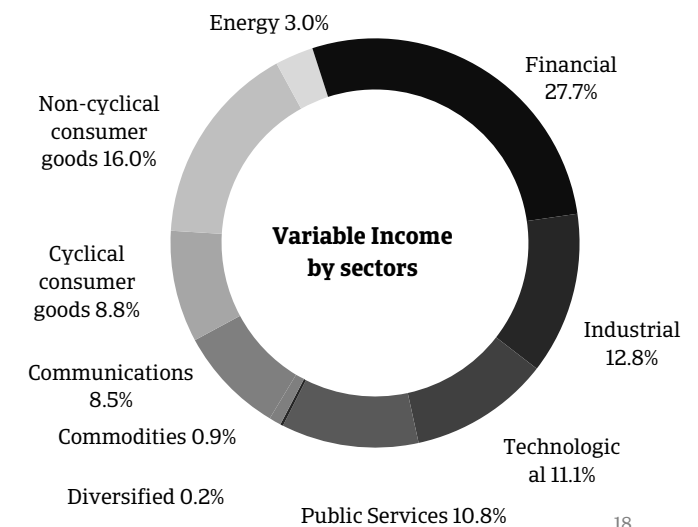
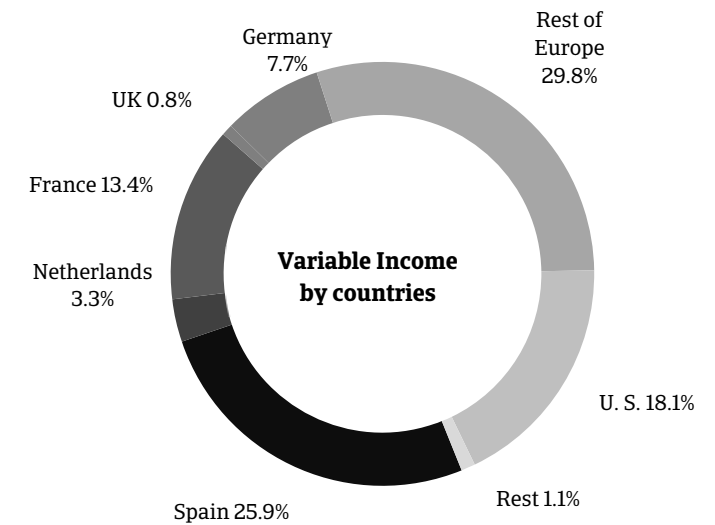
Equities represent 10.6% of the portfolio and is reduced by 20.4%, reflecting the lesser revaluation of the financial market. The investment portfolio is widely diversified and focused on high-capitalisation securities, mainly in the Spanish market (25.9%) and the European market (54.9%), which show attractive dividend returns.

The Group maintains a liquidity position in deposits at credit institutions of €581.4 million, mainly at Banco Santander and BBVA, and a significant level of cash of €1,551.3 million.

## Fixed income



## Variable income



## Capital management

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

<b>Capitalisation</b> €3,738 million	<b>High quality of own funds</b> 95% Tier1	<b>Solvency II ratio at</b> 213% <sup>e</sup>	<b>Strength for rating A</b>
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\*Estimated data at the end of 2019

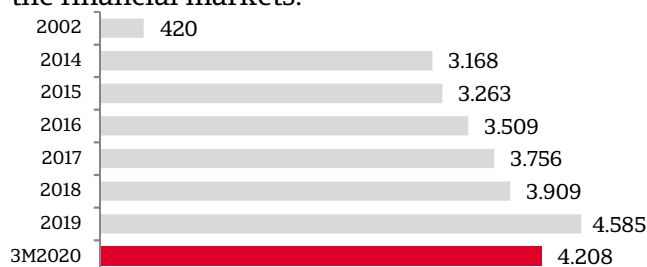
Capital management at the Group is governed by the following principles:

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

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

## Capital performance

At the end of March, the Group's capital was reduced by 8.2%, mainly due to the evolution of the financial markets.



(figures in € million)

<b>Permanent resources at market value on 31/12/2019</b>	<b>4,584.8</b>
<b>Net equity on 01/01/2020</b>	<b>3,851.2</b>
(+) Consolidated results	97.7
(+) Dividends paid	-19.1
(+) Change in valuation adjustments	-452.7
(+) Other changes	-2.0
<b>Total net equity on 31/03/2020</b>	<b>3,475.1</b>
Subordinated debt	200.6
<b>Permanent resources on 31/03/2020</b>	<b>3,675.7</b>
Capital gains not included in balance sheet (properties)	531.9
<b>Permanent resources at market value on 31/03/2020</b>	<b>4,207.6</b>

Market movements have led to an decrease in the value of investments, with a negative impact of €452.7 million. Dividends have also been paid, amounting to €19.1 million, thus reducing net equity by the same amount.

## Credit rating

In November 2019, A.M. Best confirmed the financial strength rating of A (excellent) with a stable outlook for the Group's main operating entities, both in traditional business and credit insurance. This rating reflects the solid balance sheet strength, excellent operating results and appropriate capitalization of the Group's main operating entities.

At the end of March 2020, Moody's ratified the 'A2' rating of the entities operating in the credit business under the Atradius brand and reviewed its outlook from 'stable' to 'negative', together with other companies in the credit insurance sector, due to the uncertainty of the effects of COVID-19 on this sector. The confirmation of this rating reflects Moody's confidence in the strength of the Atradius brand, thanks to its dynamic management of risk exposure, its strong economic capitalisation and its solid position as the second largest global credit insurance operator.

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

## Corporate responsibility

### The corporate responsibility strategy of Grupo Catalana Occidente is the framework under which it develops its business with the criteria of creating value for society, ethics, transparency and commitment to legal compliance.

For the Grupo Catalana Occidente, corporate responsibility is the voluntary commitment to integrate into its strategy a responsible management of economic, social and environmental aspects, encourage ethical behaviour with its stakeholders, rigorously apply the principles of good governance and contribute to the well-being of society through the creation of sustainable social value.

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

The Board of Directors is responsible for setting and guiding the corporate responsibility strategy, while management involves all the business areas and entities of the Group.

The commitment to transparency is materialised through the publication of a Corporate Responsibility Report, which together with the Group's Policy are available on the corporate website.

The corporate responsibility committee also continued to

operate, this year focusing on the development of a reporting model for non-financial information. The Committee is made up of those responsible for the different areas that represent the interest groups.

The materiality analysis was conducted in 2017 and will be updated in 2020. The material issues identify the key matters for the Group and its stakeholders:

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

Internal and external application framework

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

Externally, Grupo Catalana Occidente subscribes to the Principles of the United Nations Global Compact and in February 2020 adhered to the Principles for Sustainability in Insurance (PSI) and the Principles for Responsible Investment (PRI). Furthermore, through current activity and social action, it also supports the Sustainable Development Goals (SDG) defined by the UN by promoting aspects such as economic growth and progress, equal opportunities, quality learning, energy efficiency and health and welfare care.

In Spain, the entities of the group are also involved in the main sectoral associations (ICEA and UNESPA) that have corporate responsibility programmes:

### Corporate Responsibility Director Plan

At the end of 2018, the Group approved a corporate responsibility master plan based on three pillars: trust, service excellence and positive impact. Its period of validity covers the three-year period 2019-2021.

#### Trust

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

#### Excellence in service

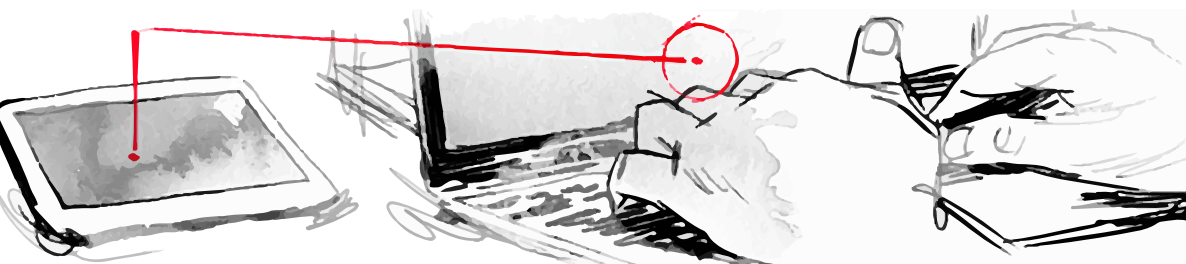
- Digital Transformation
- New forms of work
- Socially responsible investment

#### Positive impact

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

# 03

## Annexes



## About Grupo Catalana Occidente

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

The registered office of Grupo Catalana Occidente is in Paseo de la Castellana 4, Madrid (Spain) and its website is: [www.grupocatalanaoccidente.com](http://www.grupocatalanaoccidente.com)

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

[www.dgfsp.mineco.es](http://www.dgfsp.mineco.es)

### Insurance specialist



- Over 150 Years' experience
- Global offer
- Sustainable and socially responsible model.

### Closeness – global presence



- Distribution of intermediaries
- Over 17,600 intermediaries
- Over 7,350 employees
- Over 1,600 offices
- Over 50 countries

### Sound financial structure



- Listed on the stock exchange
- "A" rating
- Stable, committed shareholders

### Technical rigour



- Excellent combined ratio
- Strict cost control
- 1999-2019: Ten-fold increase in profits
- Prudent and diversified investment portfolio

## Additional information of the credit insurance

(figures in € million)				
Income	3M2019	3M2020	% Chg. 19-20	12M2019
<b>Earned premiums (€ million)</b>	<b>432.9</b>	<b>453.9</b>	<b>4.8%</b>	<b>1,795.5</b>
Credit insurance	365.35	387.4	6.0%	1,496.6
Surety insurance	29.74	30.7	3.1%	122.7
Accepted reinsurance	37.76	35.8	-5.2%	140.2
<b>Income from information</b>	<b>54.3</b>	<b>54.6</b>	<b>0.5%</b>	<b>136.5</b>
<b>Income from insurance</b>	<b>487.13</b>	<b>508.4</b>	<b>4.4%</b>	<b>1,896.0</b>
Complementary activities	30.2	30.8	2.0%	118.6
<b>Total income</b>	<b>517.35</b>	<b>539.2</b>	<b>4.2%</b>	<b>2,014.6</b>
Written premiums	538.5	556.0	3.3%	1,798.8
<b>Combined ratio breakdown</b>	3M2019	3M2020	% Chg. 19-20	12M2019
% Gross technical cost	44.5%	54.0%	9.5	42.8%
% Gross commissions + expenses	33.7%	33.4%	-0.3	35.9%
<b>% Gross combined ratio</b>	<b>78.2%</b>	<b>87.4%</b>	<b>9.2</b>	<b>78.7%</b>
% Net technical cost	42.6%	52.4%	9.8	43.4%
% Net commissions + expenses	30.4%	30.7%	0.3	30.0%
<b>% Net combined ratio</b>	<b>73.0%</b>	<b>83.1%</b>	<b>10.1</b>	<b>73.4%</b>

(figures in € million)								
Risk accumulation per country	2016	2017	2018	2019	3M2019	3M2020	% Chg. 19-20	% of total
Spain and Portugal	93,437	98,714	99,453	98,739	99,630	95,752	-3.9%	14.3%
Germany	82,783	86,430	90,599	93,024	90,452	92,956	2.8%	13.9%
Australia and Asia	79,013	84,233	92,222	95,595	91,733	94,544	3.1%	14.1%
Americas	71,970	73,188	75,773	81,269	73,261	79,892	9.1%	12.0%
Eastern Europe	55,098	59,253	63,935	68,595	64,717	69,456	7.3%	10.4%
United Kingdom	43,794	45,537	44,989	51,019	49,583	50,844	2.5%	7.6%
France	43,323	49,326	51,866	48,407	48,324	49,172	1.8%	7.4%
Italy	37,208	42,242	44,263	43,661	43,133	42,875	-0.6%	6.4%
Nordic and Baltic countries	26,964	28,738	30,525	31,748	30,954	32,112	3.7%	4.8%
The Netherlands	25,268	27,636	29,650	30,392	30,116	30,621	1.7%	4.6%
Belgium and Luxembourg	15,708	16,701	17,285	17,444	17,130	17,905	4.5%	2.7%
Rest of the world	12,538	12,830	12,842	12,627	12,746	12,354	-3.1%	1.8%
<b>Total</b>	<b>587,104</b>	<b>622,829</b>	<b>653,404</b>	<b>672,520</b>	<b>651,779</b>	<b>668,484</b>	<b>2.6%</b>	<b>100.0%</b>

(figures in € million)								
Risk accumulation per sector	2016	2017	2018	2019	3M2019	3M2020	% Chg. 19-20	% on total
Electronics	70,510	74,476	77,433	82,858	85,006	79,995	-5.9%	12.0%
Chemicals	78,593	82,783	86,479	87,466	76,616	87,541	14.3%	13.1%
Durable consumer goods	65,324	68,442	69,881	73,145	68,111	70,604	3.7%	10.6%
Metals	58,855	63,419	68,424	72,285	70,799	72,177	1.9%	10.8%
Food	55,640	58,608	63,001	64,587	62,716	64,460	2.8%	9.6%
Transport	53,434	56,930	60,461	61,128	60,575	61,168	1.0%	9.2%
Construction	43,133	46,896	49,773	51,495	49,228	51,459	4.5%	7.7%
Machinery	34,734	37,137	39,972	41,225	40,778	41,604	2.0%	6.2%
Agriculture	30,907	33,318	33,876	33,954	34,383	34,197	-0.5%	5.1%
Construction materials	25,387	27,058	28,359	29,389	29,046	29,710	2.3%	4.4%
Services	25,276	26,994	27,837	27,109	26,947	27,428	1.8%	4.1%
Textiles	19,855	20,562	20,324	19,660	20,418	19,484	-4.6%	2.9%
Paper	13,590	13,929	14,525	15,065	14,744	14,877	0.9%	2.2%
Finance	11,867	12,277	13,058	13,156	12,413	13,779	11.0%	2.1%
<b>Total</b>	<b>587,104</b>	<b>622,829</b>	<b>653,404</b>	<b>672,520</b>	<b>651,780</b>	<b>668,484</b>	<b>2.6%</b>	<b>100.0%</b>

## Expenses and commissions

Expenses and commissions	(figures in € million)			
	3M2019	3M2020	% Chg. 19-20	12M2019
Traditional business	74.8	75.4	0.8%	315.2
Credit insurance	107.0	110.2	3.0%	449.0
Non-recurring expenses	1.0	0		0.0
<b>Total expenses</b>	<b>182.8</b>	<b>185.6</b>	<b>1.5%</b>	<b>764.3</b>
<b>Commissions</b>	<b>138.9</b>	<b>143.2</b>	<b>3.1%</b>	<b>561.1</b>
<b>Total expenses and commissions</b>	<b>321.7</b>	<b>328.8</b>	<b>2.2%</b>	<b>1,325.4</b>
% expenses and commissions without recurring premiums	27.0%	24.4%		32.6%

## Financial result

Financial result	(figures in € million)			
	3M2019	3M2020	% Chg. 19-20	12M2019
<b>Financial result</b>				
Financial income	55.2	49.5	-10.3%	215.7
Foreign exchange differences	0.0	-0.1		0.0
Subsidiary companies	0.2	0.2		1.1
Interests applied to life	-39.9	-34.4	-13.8%	-157.6
<b>Traditional business</b>	<b>15.5</b>	<b>15.3</b>	<b>-1.3%</b>	<b>59.3</b>
% on earned premiums	2.3%	2.2%		2.2%
Financial income	3.0	3.8	26.7%	16.6
Foreign exchange differences	-1.8	9.5		-1.3
Subsidiary companies	1.4	1.2	-14.3%	7.1
Interests subordinated debt	-4.2	-4.2		-16.9
<b>Credit insurance</b>	<b>-1.6</b>	<b>10.2</b>		<b>5.6</b>
% over net income from insurance	-0.3%	2.0%		0.3%
Intra-group interest adjustment	-1.1	-0.4		-3.5
<b>Adjusted credit insurance</b>	<b>-2.8</b>	<b>9.8</b>		<b>2.1</b>
<b>Recurring financial</b>	<b>12.8</b>	<b>25.1</b>		<b>61.5</b>
% on total Group Income	1.1%	2.1%		1.3%
<b>Non-Recurring financial</b>	<b>-3.2</b>	<b>-22.1</b>		<b>-23.5</b>
<b>Financial result</b>	<b>9.5</b>	<b>3.1</b>	<b>-67.4%</b>	<b>37.9</b>

## Non-recurring result

Non-recurring result	(figures in € million)		
	3M2019	3M2020	12M2019
<b>Non-recurring result</b>			
Financial	-4.0	-16.5	-5.4
Expenses and others	-0.8	11.1	-3.9
Taxes	-0.2	4.1	1.4
<b>Non-recurrent from traditional business</b>	<b>-5.0</b>	<b>-1.3</b>	<b>-7.9</b>
Financial	-0.8	-5.6	-18.1
Expenses and others	-1.0	0	0.0
Taxes	-0.1	0.9	0.2
<b>Non-recurring from credit insurance</b>	<b>-0.2</b>	<b>-4.7</b>	<b>-17.9</b>
<b>Net non-recurring result</b>	<b>-5.2</b>	<b>-6.0</b>	<b>-25.8</b>



## Balance sheet

The assets of Grupo Catalana Occidente stood at €16,629.2 million.

The Catalana Occidente Group closed the first quarter of 2020 with assets of €16,629.2 million, a decrease of 0.3% since the beginning of the year.

The main items that explain this decrease are:

- Investments, with €537.5 million less.
- Net equity, with €376.1 million less.

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

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

	(figures in € million)		
	12M2019	3M2020	% Chg. 19-20
<b>Assets</b>			
<b>Intangible assets and property, plant and equipment</b>	<b>1,429.1</b>	<b>1,430.6</b>	<b>0.1%</b>
<b>Investments</b>	<b>12,618.4</b>	<b>12,080.9</b>	<b>-4.3%</b>
Property investments	661.4	657.4	-0.6%
Financial investments	10,602.3	9,915.8	-6.5%
Cash and short-term assets	1,354.7	1,507.7	11.3%
<b>Reinsurance share in technical provisions</b>	<b>874.3</b>	<b>984.0</b>	<b>12.6%</b>
<b>Other assets</b>	<b>1,756.0</b>	<b>2,133.6</b>	<b>21.5%</b>
Deferred tax assets	226.3	275.2	21.6%
Credits	951.0	1,208.3	27.1%
Other assets	578.7	650.1	12.3%
<b>Total assets</b>	<b>16,677.9</b>	<b>16,629.2</b>	<b>-0.3%</b>
	12M2019	3M2020	% Chg. 19-20
<b>Net liabilities and equity</b>			
<b>Permanent resources</b>	<b>4,051.7</b>	<b>3,675.7</b>	<b>-9.3%</b>
<b>Net equity</b>	<b>3,851.2</b>	<b>3,475.1</b>	<b>-9.8%</b>
Parent company	3,477.1	3,114.6	-10.4%
Minority interests	374.1	360.5	-3.6%
<b>Subordinated liabilities</b>	<b>200.5</b>	<b>200.6</b>	<b>0.0%</b>
<b>Technical provisions</b>	<b>10,652.1</b>	<b>11,026.0</b>	<b>3.5%</b>
<b>Other liabilities</b>	<b>1,974.1</b>	<b>1,927.5</b>	<b>-2.4%</b>
Other provisions	210.5	201.8	-4.1%
Deposits received on buying reinsurance	52.9	54.9	3.8%
Deferred tax liabilities	488.4	412.0	-15.6%
Debts	767.8	859.3	11.9%
Other liabilities	454.5	399.4	-12.1%
<b>Total net liabilities and equity</b>	<b>16,677.9</b>	<b>16,629.2</b>	<b>-0.3%</b>

## Corporate structure

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

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

<b>GRUPO CATALANA OCCIDENTE</b>		
<b>Main entities</b>		
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
	Inversions Catalana Occident	Hercasol SICAV
	CO Capital Ag. Valores	GCO Activos Inmobiliarios
	Cosalud Servicios	
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Center	
	Grupo Asistea	
Atradius Crédito y Caución	Atradius Collections	Grupo Compañía Española Crédito y Caución
Atradius Re	Atradius Dutch State Business	Atradius NV
Atradius ATCI	Atradius Information Services	Atradius Participations Holding
Atradius Seguros de Crédito México	Iberinform International	Atradius Finance
Atradius Rus Credit Insurance	Graydon	
Crédito y Caución Seguradora de Crédito e Grantias Brazil		
<b>INSURANCE COMPANIES</b>	<b>COMPLEMENTARY INSURANCE COMPANIES</b>	<b>INVESTMENT COMPANIES</b>

**Traditional business**

**Credit insurance business**

## Board of Directors

**Grupo Catalana Occidente has a Board of Directors that applies the principles of good governance with transparency and rigour.**

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

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

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

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

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

### Board of Directors

#### Chairman

\* José M<sup>a</sup> Serra Farré

#### Chief Executive Officer

\* José Ignacio Álvarez Juste

#### Members of the board

Jorge Enrich Izard

\*\* Juan Ignacio Guerrero Gilabert

Federico Halpern Blasco

\*\* Francisco Javier Pérez Farguell

\*Hugo Serra Calderón

María Assumpta Soler Serra

Cotyp, S. L.

Alberto Thiebaut Estrada

Ensivest Bros 2014, S. L.

Jorge Enrich Serra

#### Vice chairman

Gestión de Activos y Valores S.L.

Javier Juncadella Salisachs

#### Director and Secretary

\* Francisco J. Arregui Laborda

Enrique Giró Godó

Jusal, S. L.

José M.<sup>a</sup> Juncadella Sala

Lacanuda Consell, S. L.

Carlos Halpern Serra

Villasa, S. L.

Fernando Villavecchia Obregón

#### Vice secretary - Non member

Joaquín Guallar Pérez

### Delegate committees

#### Audit Committee

##### Chairman

Juan Ignacio Guerrero Gilabert

##### Members of the board

Francisco Javier Pérez Farguell

Lacanuda Consell, S. L.

#### Appointments and Remuneration Committee

##### Chairman


Francisco Javier Pérez Farguell


##### Members of the board

Juan Ignacio Guerrero Gilabert

Gestión de Activos y Valores S.L.

\*Executive directors \*\*Independent

 The curriculums are available on the Group's website

 For further information about the governance system, see SFCR

## Calendar and contact

January	February	March	April	May	June	July	August	September	October	November	December
	27 Results 12M2019		30 Results 3M2020			30 Results 6M2020			29 Results 9M2020		
	27 Presentation of results 12M2019 16.30			4 Presentation of results 3M2020 16.30		30 Presentation of results 6M2020 16.30			29 Presentation of results 9M2020 16.30		
			30 General Shareholders' Meeting 2019								
	Interim Dividend 2019			Interim Dividend 2019		Interim Dividend 2020			Interim Dividend 2020		



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[www.grupocatalanaoccidente.com](http://www.grupocatalanaoccidente.com)

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

## Glossary

Concept	Definition	Formulation
<b>Technical result</b>	Result of the insurance activity	<b>Technical result</b> = (premiums accrued from direct insurance + premiums accrued from reinsurance accepted + information services and commissions) - Technical cost - Participation in benefits and return premiums - Net operating expenses - Other technical expenses
<b>Reinsurance result</b>	Result due to transferring business to the reinsurer or accepting business from other entities.	<b>Reinsurance result</b> = Result of Inward Re + 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>· Recoveries</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 entity's regular activity	<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>	<p>Turnover is the Group's business volume.</p> <p>It includes premiums that the Group generates in each of the business lines and the income from services pertaining to the credit insurance.</p>	<p><b>Turnover</b> = Premiums invoiced + Income from information</p> <p><b>Premiums invoiced</b> = premiums issued from direct insurance + premiums from accepted reinsurance</p>
<b>Managed funds</b>	<p>Amount of the financial and property assets managed by the Group</p>	<p><b>Managed funds</b> = Financial and property assets entity risk + Financial and property assets policyholder risk + Managed pension funds</p> <p><b>Managed funds</b> = fixed income + variable income + properties + deposits in credit entities + treasury + investee companies</p>
<b>Financial strength</b>	<p>This shows the debt and solvency situation. This is principally measured through the debt ratio, the interest coverage ratio and the credit rating.</p>	<p><b>Debt ratio</b> = Net equity + Debt / Debt</p> <p><b>Interest coverage ratio</b> = result before taxes / Interest</p>
<b>Technical cost</b>	<p>Direct costs of accident coverage. See claims.</p>	<p><b>Technical cost</b> = claims in the year, net of reinsurance + variation of other technical provisions, net of reinsurance</p>
<b>Dividend yield</b>	<p>The profitability per dividend or dividend yield shows the relationship existing between the dividends distributed in the previous year with the value of the average share. Indicator used to value the shares of an entity.</p>	<p><b>Dividend yield</b> = dividend paid in the year per share / value of the price of the average share.</p>
<b>Duration modified</b>	<p>Sensitivity of the value of the assets to movements in interest rates</p>	<p><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.</p>
<b>Expenses</b>	<p>The general expenses include the costs incurred for management of the business, excluding those that can be assigned to claims.</p>	<p><b>Expenses</b> = personnel expenses + commercial expenses + various expenses and services (allowance, training, management rewards, material and other office expenses, leases, external services, etc.)</p>
<b>Permanence index</b>	<p>This measures the customer's expectations of continuing with the entity Scale from less than 1 year to over 5 years</p>	<p><b>Permanence index</b> = how long do you think that you will remain a customer?</p>
<b>Company satisfaction index</b>	<p>This measures the general satisfaction of the customer with the entity Scale from 1 to 10</p>	<p><b>Overall satisfaction index</b> = (Satisfied - dissatisfied) / respondents Satisfied responses with result from 7 to 10 Dissatisfied responses with result from 1 to 4</p>

<b>Service satisfaction index</b>	This measures the evaluation of the service received Scale from 1 to 10	<b>Service satisfaction index</b> = (Satisfied – dissatisfied) / respondents Satisfied responses with result from 7 to 10 Dissatisfied responses with result from 1 to 4
<b>Income from insurance</b>	Measures the income directly derived from the activities of insurance and information services	<b>Income from insurance</b> = premiums accrued from direct insurance + premiums accrued from accepted reinsurance + information services and commissions
<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 NPS</b>	This measures the degree of customer loyalty with the entity	<b>Net Promoter score</b> = Would you recommend the company to family and friends? = (promoters-critics)/ respondents Promoters: responses with result equal to 9 or 10 Critics: responses with result from 1 to 6
<b>Pay out</b>	Ratio that indicates the part of the result distributed among investors through dividends	<b>Pay out</b> = (Total dividend/ Result of the year attributable to the parent company) x 100
<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> = Price of the share at market close / Result of the year attributable to the parent company 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>Combined ratio</b> = Ratio of claims + ratio of expenses
<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> = Net ratio of claims + net ratio of expenses
<b>Expenses ratio</b>	Ratio that reflects the part of the income from premiums dedicated to expenses.	<b>Expenses ratio</b> = Expenses from operation / 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>Net expenses ratio</b> = (Net expenses from reinsurance operation) / (premiums attributed to direct business and accepted reinsurance + information services and commissions)

<b>Claims ratio</b>	Business indicator, consisting of the proportion between claims and earned premiums.	<b>Claims ratio</b> = Claims / Income from insurance
<b>Net claims ratio</b>	Business indicator, consisting of the proportion between claims and earned premiums, net of the reinsurance effect.	<b>Net claims ratio</b> = Claims in the year, net of reinsurance / (premiums attributed to direct business and accepted reinsurance + information services and commissions)
<b>Permanent resources</b>	Resources that can be included in own funds.	<b>Permanent resources</b> = Total net equity + subordinated liabilities
<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> = Total net equity + subordinated liabilities + capital gains associated to properties for own use + capital gains associated to property investments
<b>Resources transferred to the company</b>	Amount that the Group returns to the main stakeholders.	<b>Resources transferred to the company</b> = claims paid + taxes + commissions + personnel expenses + dividends
<b>Return On Equity ROE</b>	Financial profitability or rate of return Measures the performance of the capital	<b>ROE</b> = (Result of the year. Attributable to the parent company) / (Simple average of the Equity attributed to shareholders of the parent company at the start and end of the period (twelve months)) x 100
<b>Claims</b>	See technical cost. Economic evaluation of claims.	<b>Claims</b> = Payments made from direct insurance + Variation of the provision for services of direct insurance + expenses attributable to services
<b>Total Potential Exposure TPE</b>	This is the potential exposure to risk, also "cumulative risk".Credit insurance business term	TPE = the sum of the credit risks underwritten by the Group for each buyer



## Legal note

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

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

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