

9M2018

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**Results Presentation**  
Grupo Catalana Occidente

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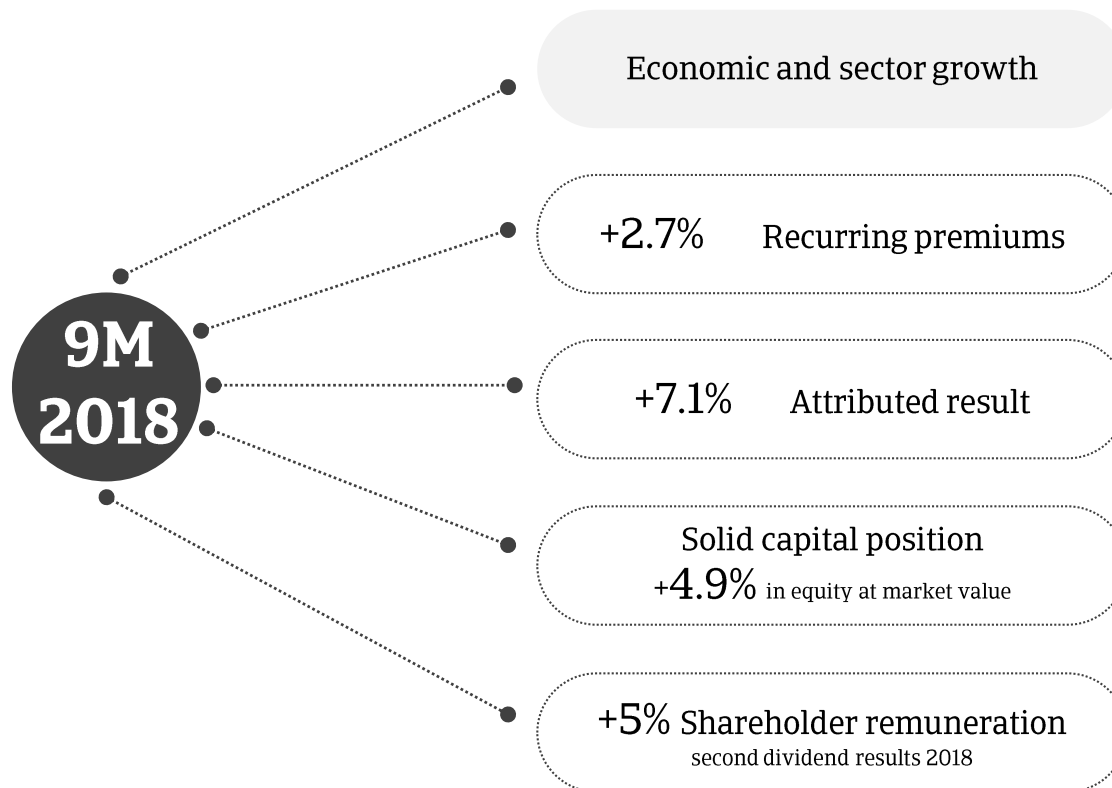
Presentation based on the report data at the close of september 2018 published on 10/25/2018

01

## Keys for the period

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

## Favourable behaviour in the main figures



## Macroeconomic environment

World GDP growth stands at 3.7%. Downward revisions due to the impact of tariff measures, higher oil costs and geopolitical tensions.

### Global

GDP +3.7% 17 +3.7% 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 +2.0% 18e

Inflation +1.6% 17 +1.7% 18e

### Spain

GDP +3.1% 17 +2.7% 18e

Inflación +2.0% 17 +1.7% 18e

### Pacific Asia

GDP +5.2% 17 +6.5% 18e

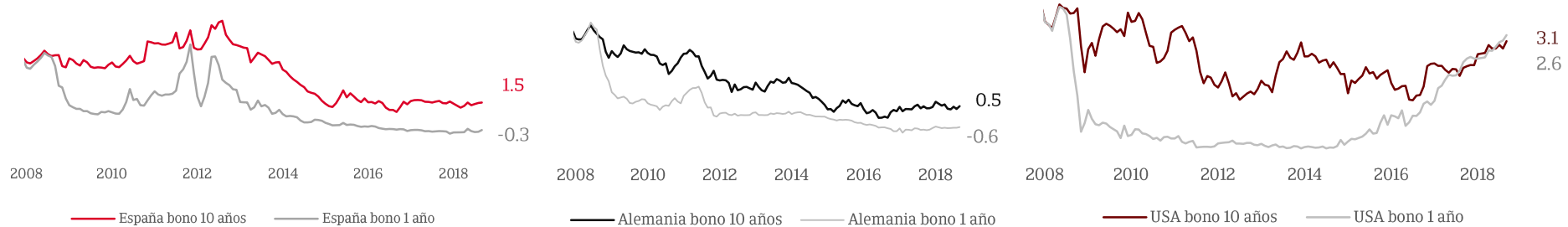
Inflación +2.5% 17 +3.6% 18e

Source: FMI. Last reviewed October 2018

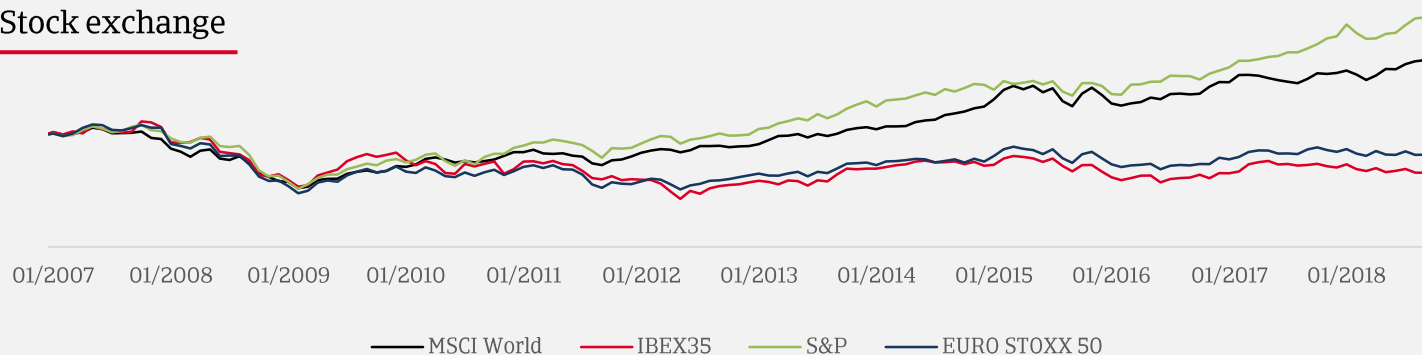
# Financial markets

*Less accommodative monetary policy and volatility in the markets for fear of a global protectionist turn and geopolitical tensions*

## Interest rates



## Stock exchange



### Revaluation 2018

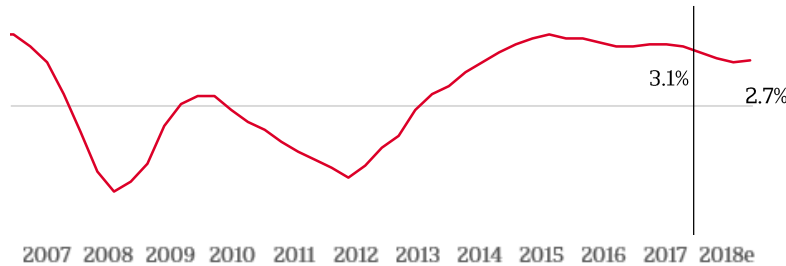
S&P	+9.0%
MSCI World	+7.3%
Euro Stoxx 50	-3.0%
Ibex 35	-6.5%

Source: Bloomberg. Last reviewed October 2018

# Situation in Spain

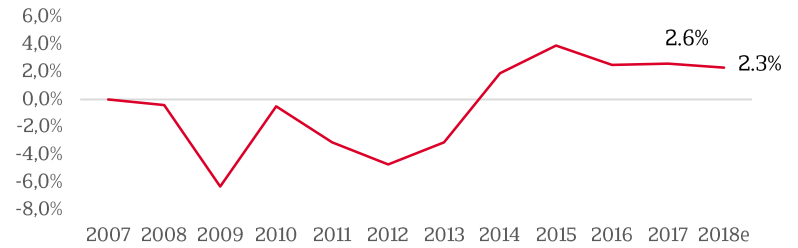
Fundamental solids in Spain with recognition from rating agencies

## % GDP



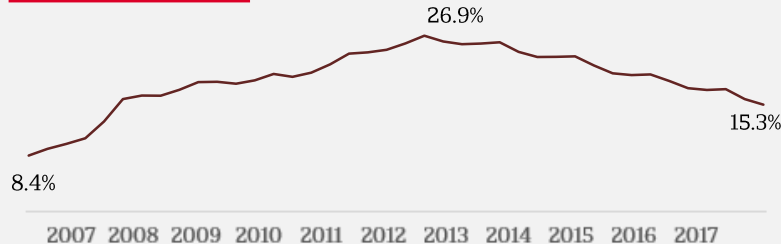
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018e  
Source: FMI

## % domestic demand



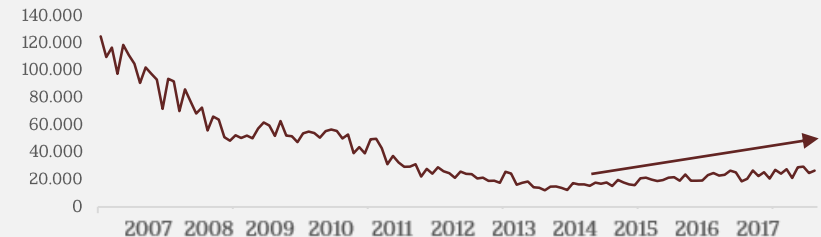
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018e  
Source: BBVA Research

## % Unemployment rate



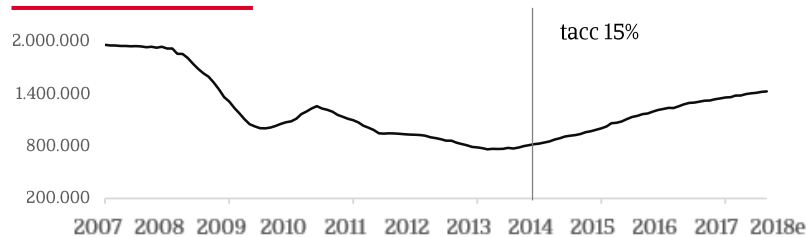
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017  
Source: Instituto nacional de estadísticas

## Mortgages number



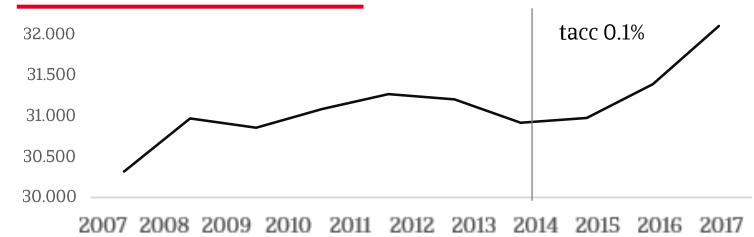
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017  
Source: Instituto nacional de estadísticas

## 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

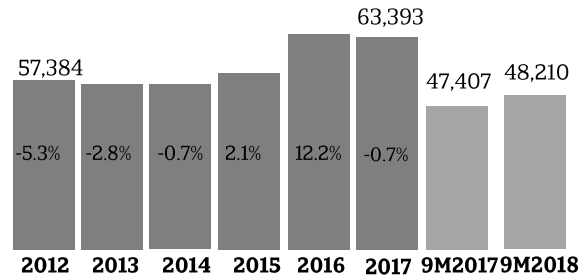


2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017  
Source: Dirección general de tráfico

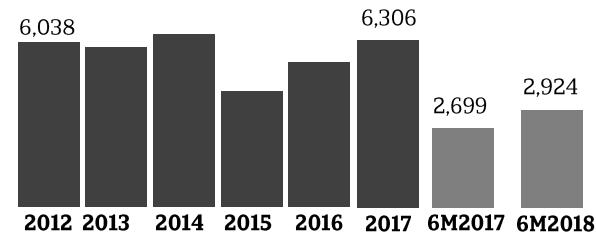
## Insurance sector in Spain

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

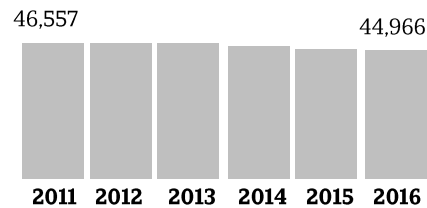
Insurance sector premiums (€M)



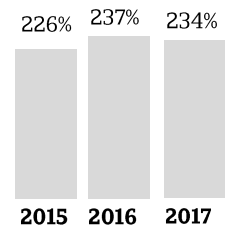
Insurance sector net result (€M)



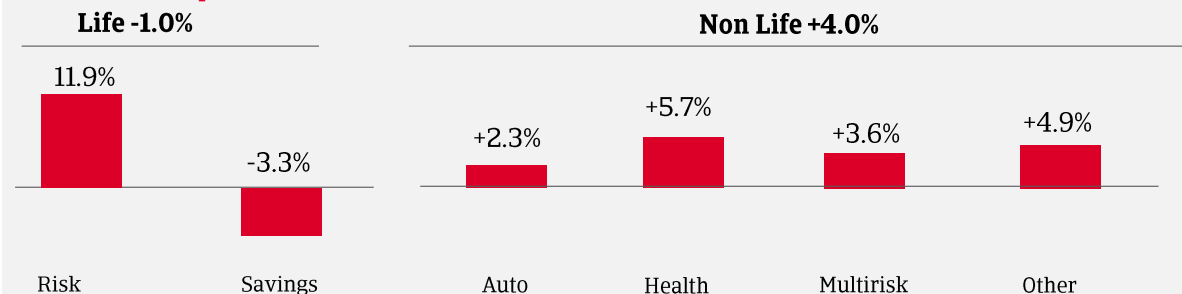
Employees



% solvency II

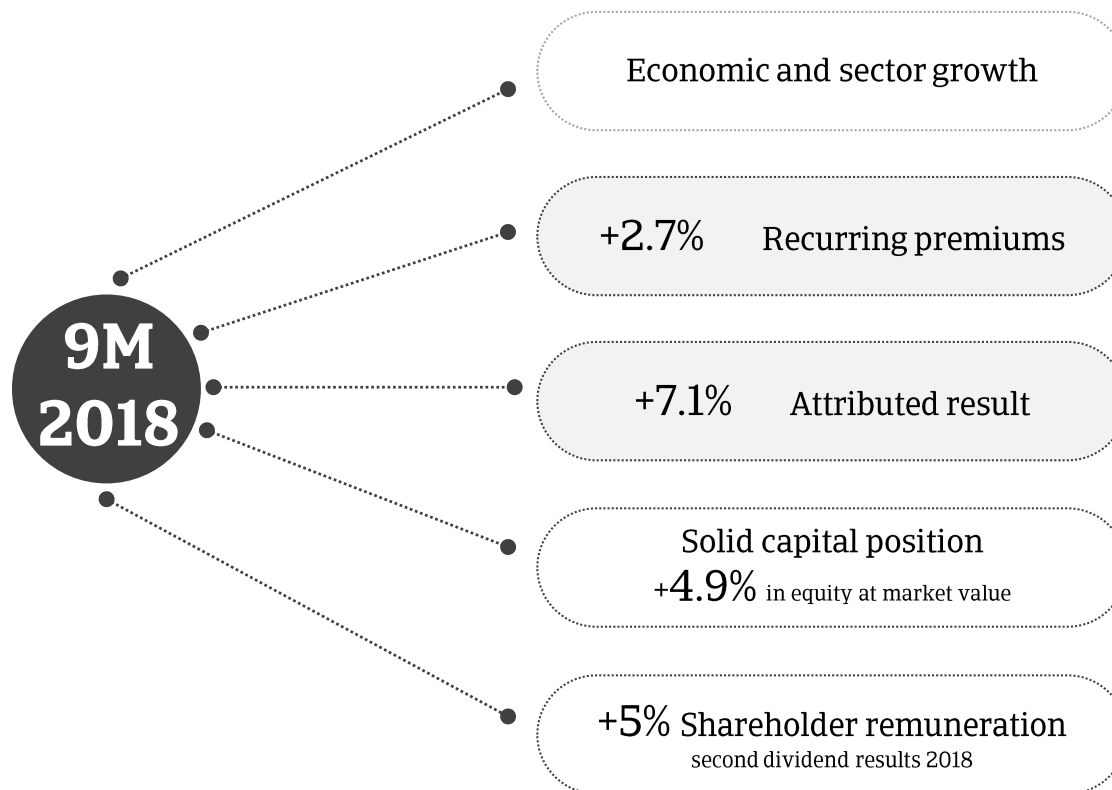


Insurance sector premiums 9M2018: 1.7%





## Favourable behaviour in the main figures



## Grupo Catalana Occidente en 9M2018

(figures in million of euros)

<b>Income</b>	<b>9M2017</b>	<b>9M2018</b>	<b>% Chg. 17-18</b>
Traditional Business	1,870.3	1,881.3	0.6%
Recurring premiums	1,617.1	1,656.0	2.4%
Single premiums life	253.2	225.3	-11.0%
Credit Insurance Business	1,349.0	1,391.3	3.1%
<b>Turnover</b>	<b>3,219.4</b>	<b>3,272.6</b>	<b>1.7%</b>

**+2.7%**  
Recurring premiums

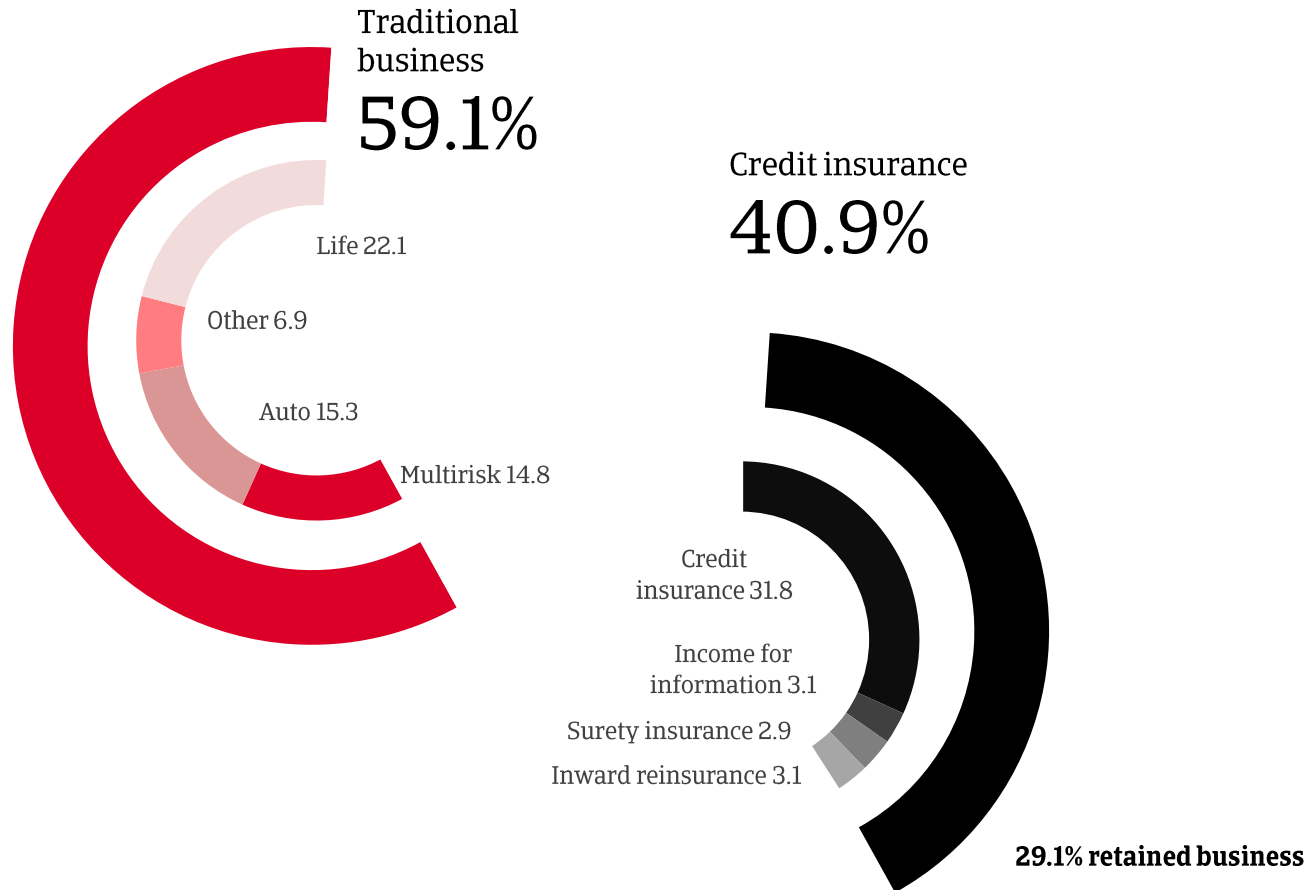
(figures in million of euros)

<b>Results</b>	<b>9M2017</b>	<b>9M2018</b>	<b>% Chg. 17-18</b>
Recurring Results Traditional Business	156.7	164.0	4.7%
Recurring Results from Credit Insurance Business	145.3	153.2	5.4%
Non-Recurring Result	-17.4	-12.3	
<b>Consolidated result</b>	<b>284.6</b>	<b>304.8</b>	<b>7.1%</b>
<b>Attributed result</b>	<b>259.7</b>	<b>278.2</b>	<b>7.1%</b>

**278.2 M€**  
**+7.1%**  
Attributed result

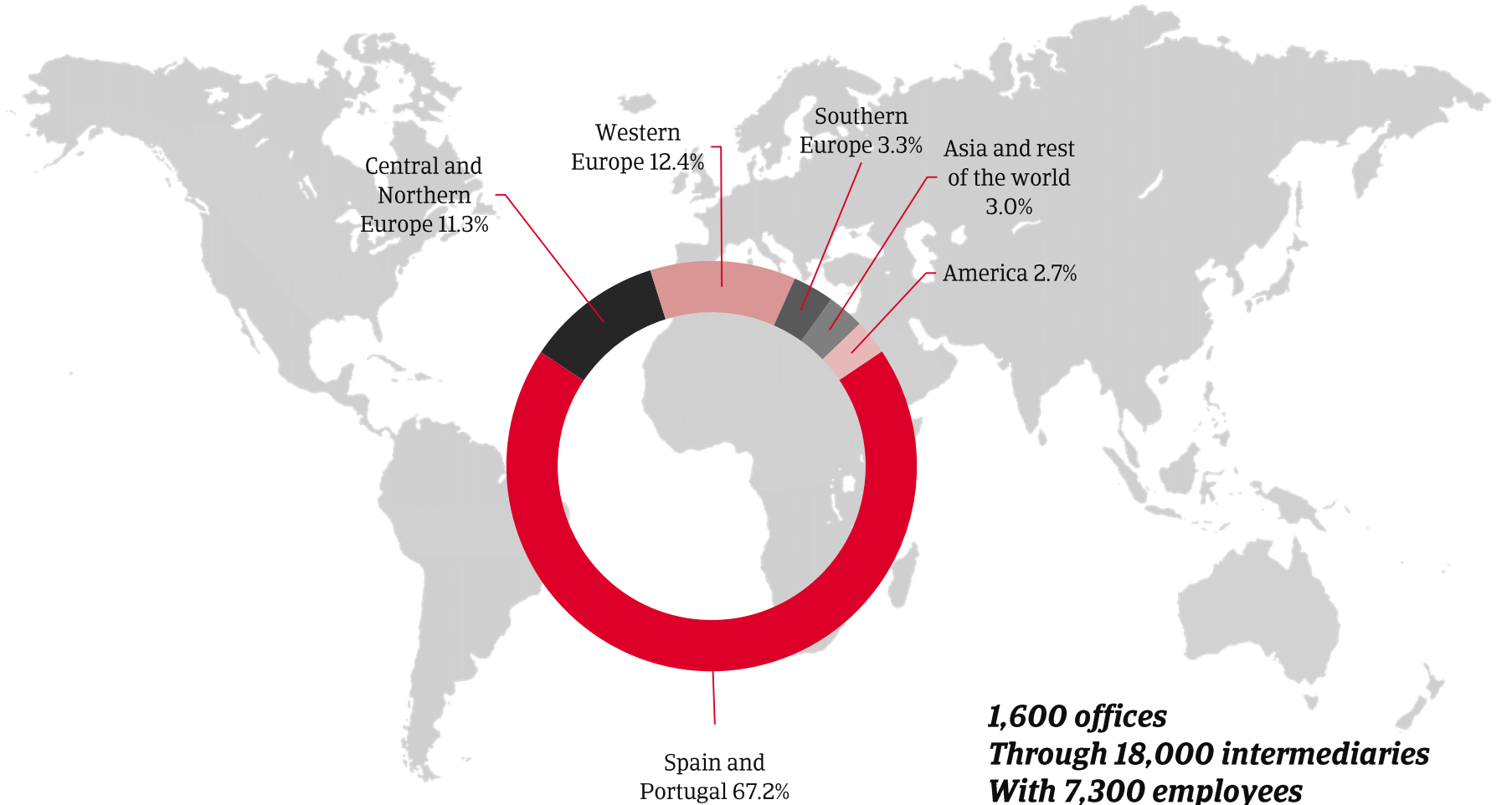
## Diversification in 12M2017

*balanced portfolio, complete offer*



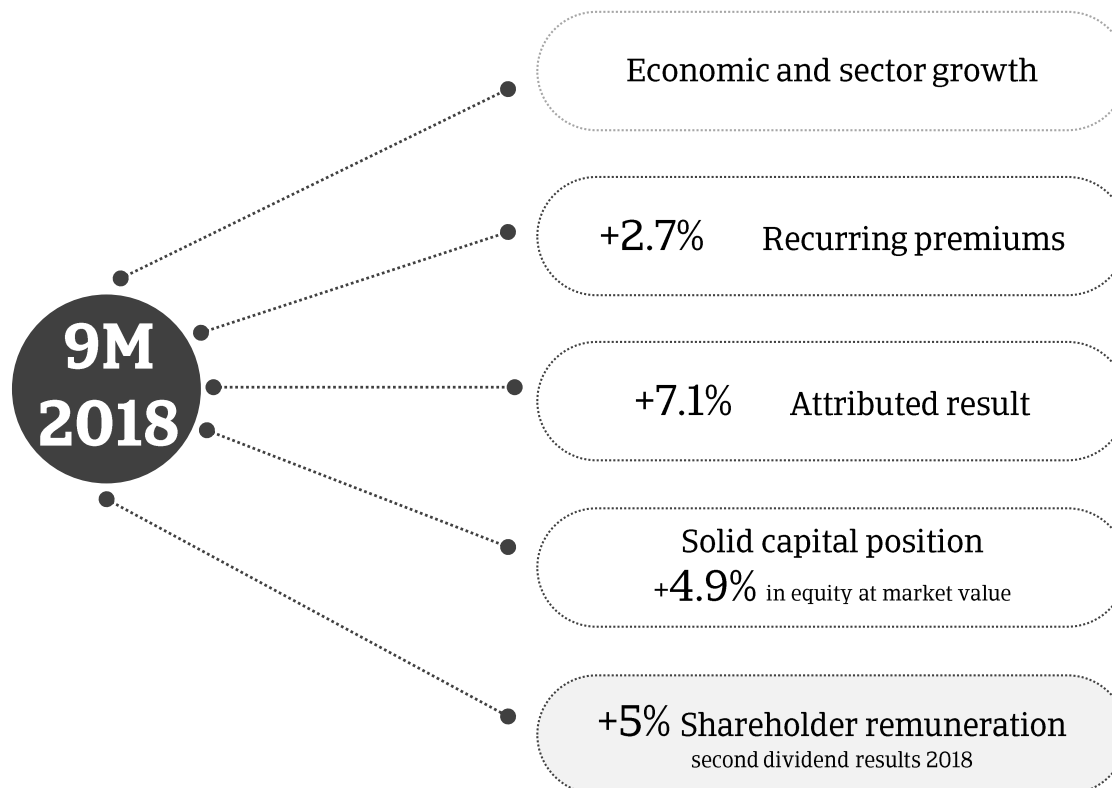
# Global Presence

*In over 50 countries*



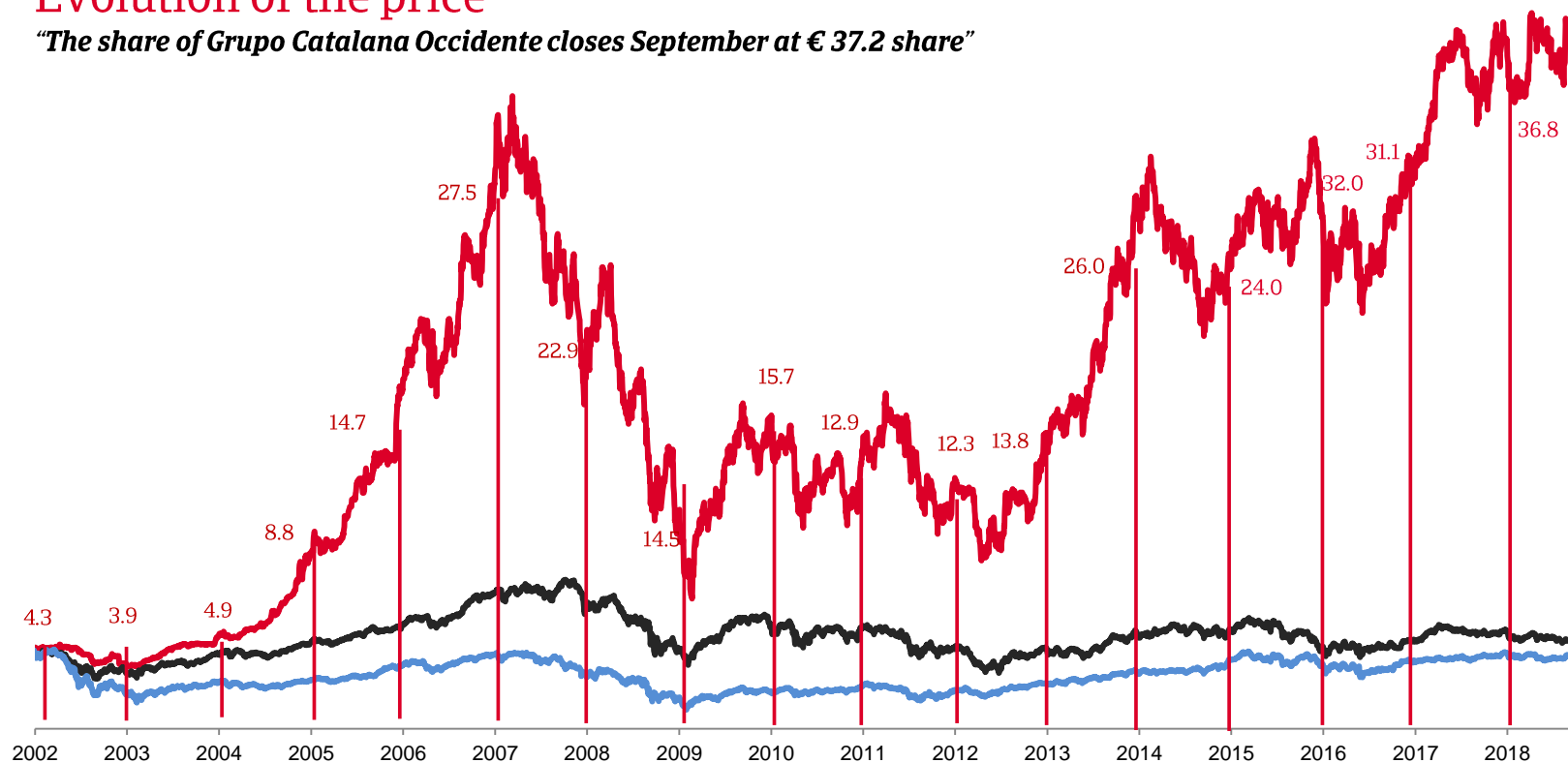
**1,600 offices**  
**Through 18,000 intermediaries**  
**With 7,300 employees**

## Favourable behaviour in the main figures



## Evolution of the price

*"The share of Grupo Catalana Occidente closes September at € 37.2 share"*



<b>Profitability</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>9M2018</b>	<b>TACC 02-9M18</b>
GCO (%)	33.5	-2.84	18.74	1.52	15.94
Ibex 35 (%)	-7.15	-2.00	-2.00	-5.52	2.84
EuroStoxx Insurance (%)	14.12	-5.60	-5.60	0.28	3.95

\* Annual Composite Growth Rate

## Increase of 5% of the first two dividends to the income statement 2018

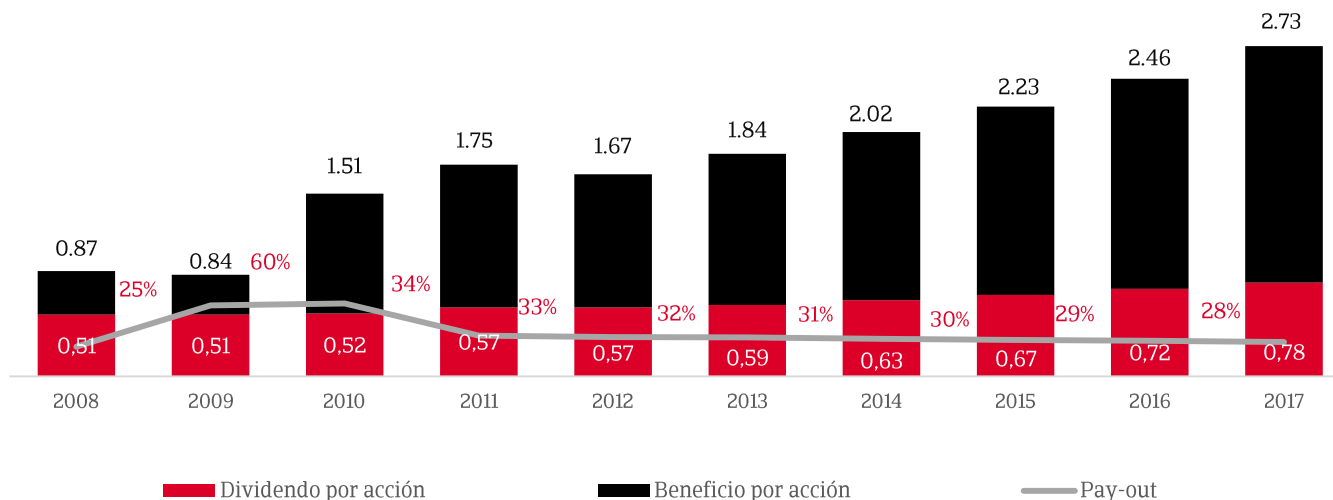
*In the last 10 years, Grupo Catalana Occidente has maintained a growing dividend policy*

Jul. 2018: 0.1512 €/a

**+5%**

Oct. 2018: 0.1512 €/a

**+5%**



02

## Economic results 9M2018

*At the end of September the attributed result increases 7.1%. supported by the growth of turnover and a stable combined ratio*



# 02

## **Income statement**

### **Traditional business**

Credit insurance business

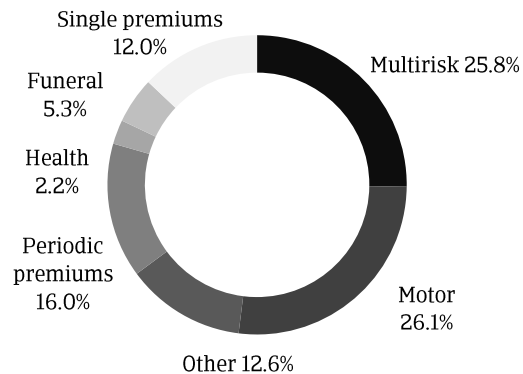
Capital, investments and solvency

## Traditional business

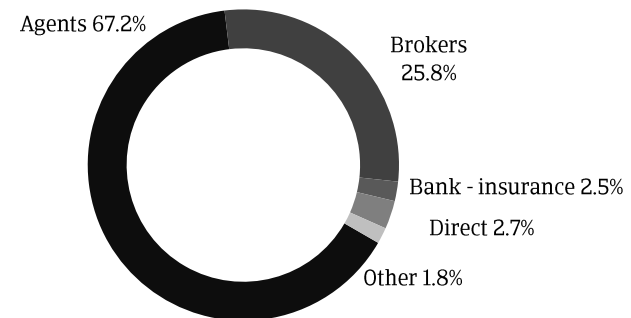
(figures in million of euros)

	9M2017	9M2018	% Chg. 17-18	12M 2017
<i>Multirisk</i>	475.5	485.2	2.0%	631.3
<i>Motor</i>	489.5	492.0	0.5%	651.8
<i>Other non-life</i>	220.8	236.2	7.0%	293.9
<b>Non-life</b>	<b>1.185.8</b>	<b>1.213.4</b>	<b>2.3%</b>	<b>1.577.0</b>
<i>Health</i>	40.2	42.1	4.7%	54.5
<i>Funeral</i>	95.7	100.3	4.8%	127.7
<i>Periodic</i>	295.4	300.2	1.6%	394.0
<i>Single</i>	253.2	225.3	-11.0%	362.9
<b>Life</b>	<b>684.5</b>	<b>667.9</b>	<b>-2.4%</b>	<b>939.1</b>
<b>Written premiums</b>	<b>1.870.3</b>	<b>1.881.3</b>	<b>0.6%</b>	<b>2.516.1</b>
<b>Written premiums ex. single</b>	<b>1.617.1</b>	<b>1.656.0</b>	<b>2.4%</b>	<b>2.153.2</b>

## Distribution business



## Distribution channels

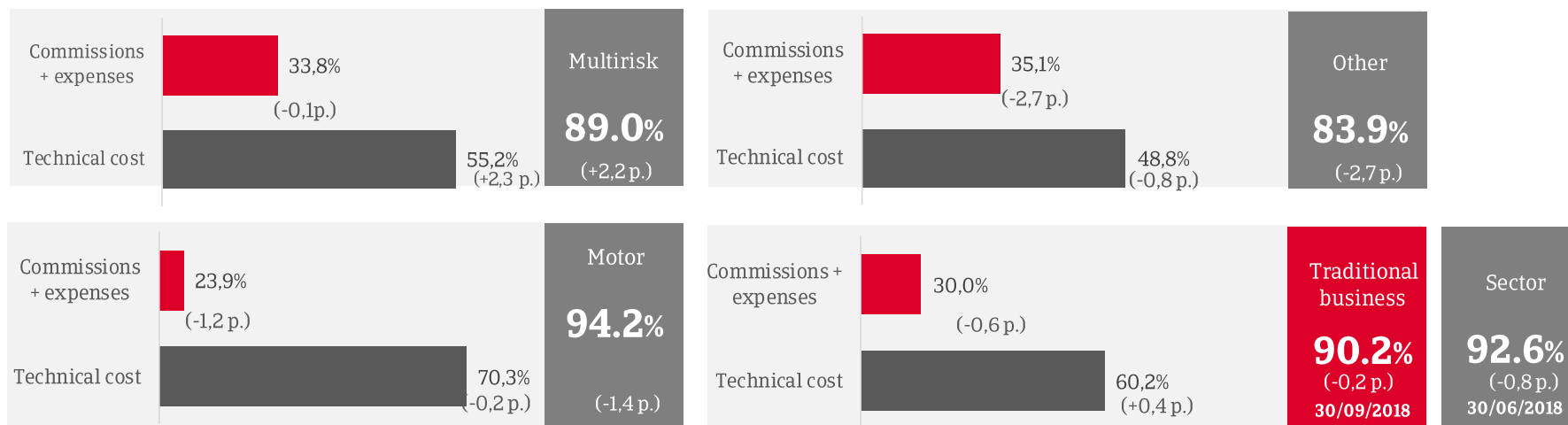


## Traditional business

(figures in million of euros)

	9M2017	9M2018	% Chg. 17-18	12M 2017
Technical result non life	112.1	117.2	4.5%	135.1
Technical result	39.0	45.4	16.3%	47.6
<b>Technical result</b>	<b>151.1</b>	<b>162.6</b>	<b>7.6%</b>	<b>182.8</b>

### Combined ratio 9M2018



## Traditional business

(figures in million of euros)

	9M2017	9M2018	% Chg. 17-18	12M 2017
<b>Written premiums</b>	<b>1.870.3</b>	<b>1.881.3</b>	<b>0.6%</b>	<b>2.516.1</b>
Recurring premiums	1.617.1	1.656.0	2.4%	2.153.2
Premiums acquired	1.852.3	1.862.9	0.6%	2.506.2
<b>Technical result</b>	<b>132.0</b>	<b>162.6</b>	<b>7.6%</b>	<b>182.8</b>
<i>% of premiums acquired</i>	<i>7.1%</i>	<i>8.7%</i>		<i>7.3%</i>
<b>Financial result</b>	<b>61.6</b>	<b>59.5</b>	<b>-3.4%</b>	<b>72.5</b>
<i>% of premiums acquired</i>	<i>3.3%</i>	<i>3.2%</i>		<i>2.9%</i>
Non-technical account result	-12.1	-12.2		22.0
<b>Complementary act. funeral business</b>	<b>2.6</b>	<b>2.0</b>		<b>3.6</b>
Corporation tax	-46.6	-48.0		-57.6
<b>Recurring result</b>	<b>156.7</b>	<b>164.0</b>	<b>4.7%</b>	<b>179.1</b>
<b>Non-recurring result</b>	<b>-10.8</b>	<b>-8.1</b>		<b>1.44</b>
<b>Total result</b>	<b>145.9</b>	<b>155.9</b>	<b>6.9%</b>	<b>180.5</b>

 See annexes: expenses, financial result and non-recurring

# 02

## **Income statement**

Traditional business

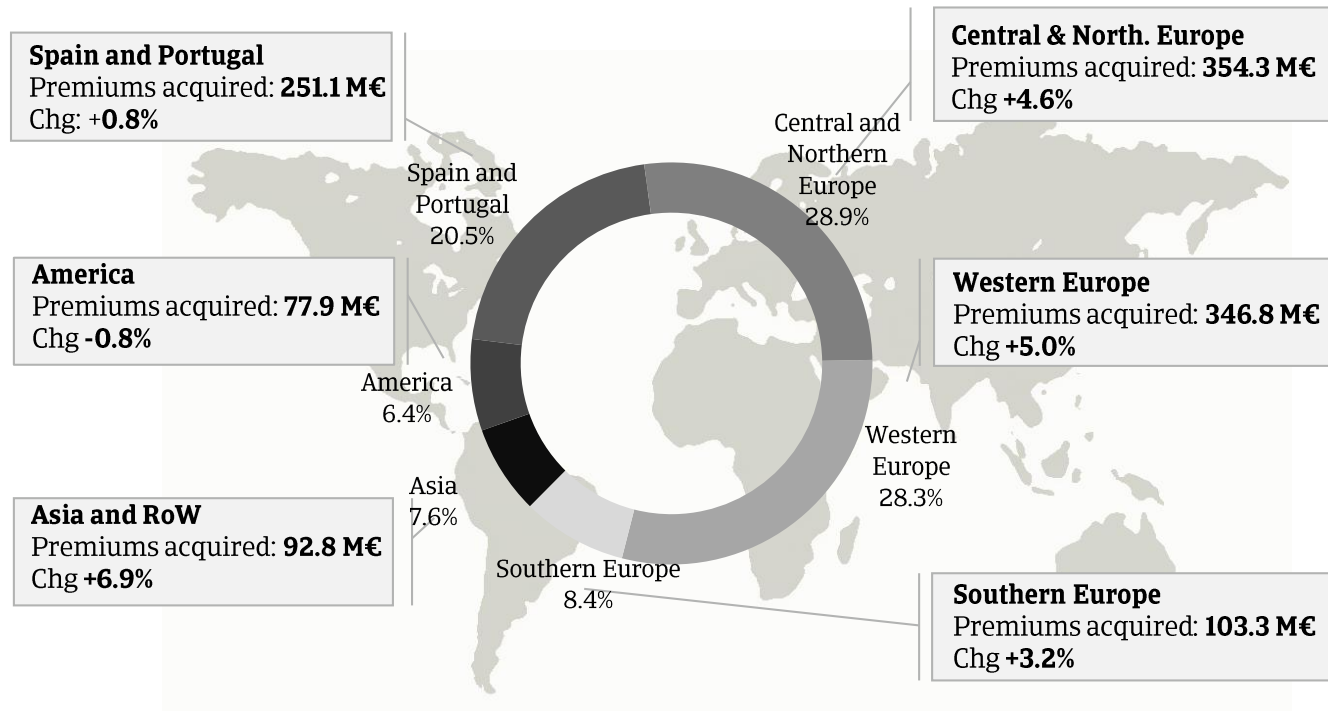
**Credit insurance business**

Capital, investments and solvency

## Credit insurance business

1,226.2 M€ +3.6%

Premiums acquired

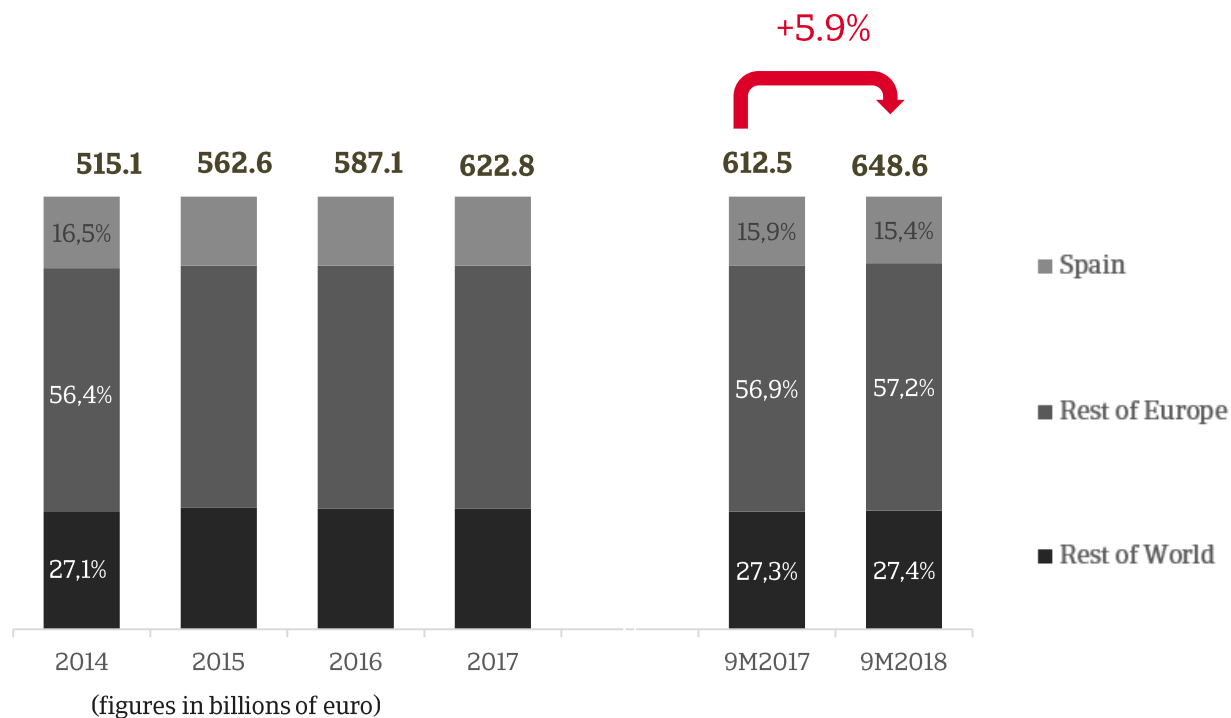


1,332.9 M€ +3.4%

Premiums acquired and information services

## Credit insurance business

### Evolution of cumulative risk (TPE)

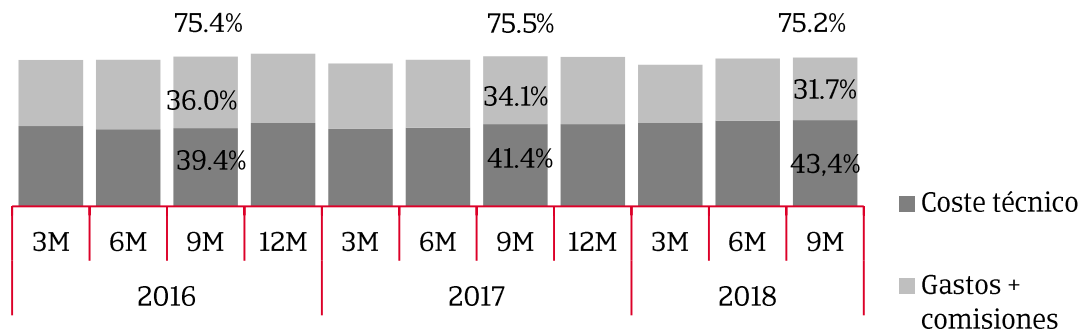


## Credit insurance business

(figures in million of euros)

	9M2017	9M2018	% Chg. 17-18	12M 2017
<b>Credit insurance income</b>	<b>1.288.9</b>	<b>1.332.9</b>	<b>3.4%</b>	<b>1.718.8</b>
<b>Technical result after expenses</b>	<b>294.3</b>	<b>294.2</b>	<b>0.0%</b>	<b>392.9</b>
% of income	22.8%	22.1%		22.9%
Reinsurance result	-102.9	-87.5	-15.0%	-133.7
% of income	-8.0%	-6.6%		-8.4%
<b>Net technical result</b>	<b>191.4</b>	<b>206.7</b>	<b>8.0%</b>	<b>259.2</b>
% of income	14.8%	15.5%		15.1%
<b>Financial result</b>	<b>5.0</b>	<b>6.1</b>		<b>3.3</b>
% of income	0.4%	0.5%		0.2%
<b>Result complementary act.</b>	<b>5.5</b>	<b>0.3</b>		<b>6.8</b>
Company income tax	-50.3	-54.6	8.5%	-69.9
Adjustments	-6.3	-5.3		-9.6
<b>Recurring result</b>	<b>145.3</b>	<b>153.2</b>	<b>5.4%</b>	<b>190.0</b>
Non-recurring result	-6.6	-4.2		-13.2
<b>Total result</b>	<b>138.7</b>	<b>149.0</b>	<b>7.4%</b>	<b>176.8</b>

### Performance of the net combined ratio



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



# 02

Income statement

Traditional business

Credit insurance business

**Capital, investments and solvency**

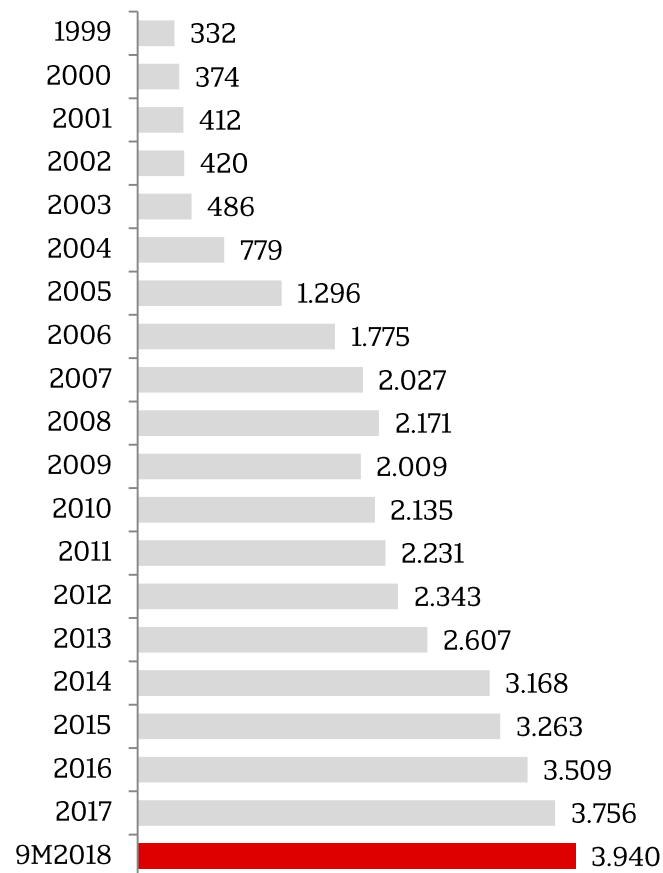
## Financial strength

At the end of the third quarter of 2018, the Group's capital increased 4.9%, supported by the improvement in results

(figures in million of euros)

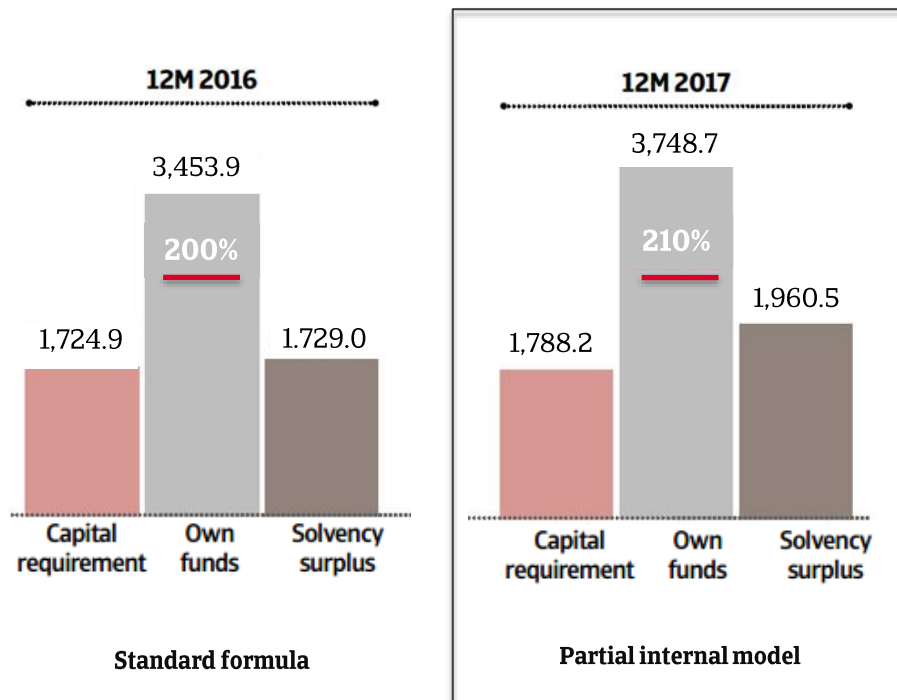
<b>Permanent resources on 31/12/2017</b>	<b>3,278.9</b>
<b>Permanent resources at market value on 31/12/2017</b>	<b>3,755.5</b>
<b>Net equity on 01/01/2018</b>	<b>3,078.6</b>
(+) Consolidated results	304.8
(+) Dividends paid	-94.7
(+) Variation of valuation adjustments	-21.6
(+) Other changes	-8.2
<b>Total movements</b>	<b>180.3</b>
<b>Total net equity on 30/09/2018</b>	<b>3,258.9</b>
Subordinated debt	200.4
<b>Permanent resources on 30/09/2018</b>	<b>3,459.2</b>
Capital gains not included in balance sheet (properties)	481.1
<b>Permanent resources at market value on 30/09/2018</b>	<b>3,940.3</b>

**+4.9%**



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

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



The ratio increases 10 points compared to 2016, driven by an increase in solvency surplus.

Group entities have average solvency II ratios above 160%.

The solvency II ratio remains above 160% even in adverse scenarios.

Own funds are of high quality (93.6% of tier1).

The Group performs a quantitative assessment of the risks using the standard formula, except for the risk of underwriting the credit insurance that uses a partial internal model approved in July 2017.



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

## Credit rating

*"The "a +" rating reflects the strength of the balance, the good business model, the excellent operating results and the appropriate capitalization of the Group thanks to the internal generation of capital of the entities"*

# 2018

**"a+"**

A.M. Best increases the rating to the main entities of Group

It highlights the prudence in the subscription that is reflected in a positive trajectory of operating results with an excellent combined ratio and a high return on capital (ROE).

**"A2"**

Moody's increases the rating to the main entities of the credit insurance business

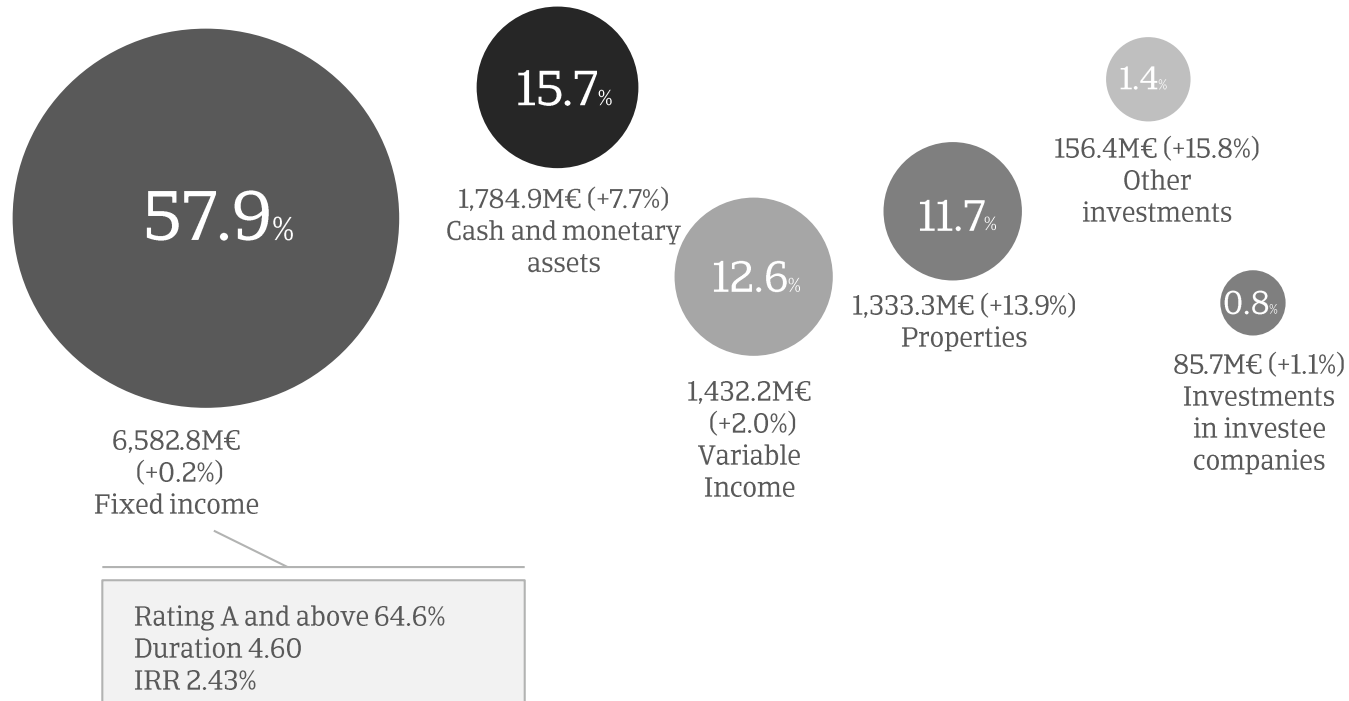
Highlights the strong competitive position, the solid capitalization, the low financial leverage and the conservative investment portfolio.

## Investments

*The Group invests in traditional assets through prudent and diversified management*

### 12,410.8 M€

(+3.5% compared to funds under management at the end of 2017)



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

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## Income statement

(figures in million of euros)

	9M2017	9M2018	% Chg. 17 -18	12M 2017
Written premiums	3,113.7	3,165.9	1.7%	4,123.50
Premiums acquired	3,035.6	3,088.5	1.7%	4,094.20
Income from information	105.6	106.7	1.0%	130.8
<b>Net income from insurance</b>	<b>3,141.2</b>	<b>3,195.2</b>	<b>1.7%</b>	<b>4,225.00</b>
Technical cost	1,878.9	1,895.6	0.9%	2,548.40
% of net income	59.8%	59.3%		60.30%
Commissions	388.9	396.8	2.0%	521.9
% of net income	12.4%	12.4%		12.40%
Expenses	535.5	535.6	0.0%	717.3
% of net income	17.0%	16.8%		17.00%
<b>Technical result</b>	<b>339.0</b>	<b>367.3</b>	<b>8.3%</b>	<b>437.4</b>
% of net income	10.8%	11.5%		10.40%
Financial result	49.0	55.7	13.7%	61.2
% of net income	1.6%	1.7%		1.40%
Non-financial non-technical account result	-20.7	-20.5		-33.5
% of net income	-0.7%	-0.6%		-0.8%
Result of complementary activities	8.1	2.3		10.4
% of net income	0.3%	0.1%		0.2%
<b>Result before tax</b>	<b>375.4</b>	<b>404.9</b>	<b>7.9%</b>	<b>475.5</b>
% of net income	12.0%	12.7%		11.30%
<b>Consolidated result</b>	<b>284.6</b>	<b>304.8</b>	<b>7.1%</b>	<b>357.3</b>
Result attributable to minorities	24.9	26.7	7.2%	31.9
<b>Attributed result</b>	<b>259.7</b>	<b>278.2</b>	<b>7.1%</b>	<b>325.4</b>
% of net income	8.3%	8.7%		7.70%



## Business income from credit insurance

(figures in million of euros)

	9M2017	9M2018	% Chg. 17-18	12M 2017
<b>Written premiums (€M)</b>	<b>1,243.4</b>	<b>1,284.6</b>	<b>3.3%</b>	<b>1,607.4</b>
Credit insurance	1,027.5	1,062.0	3.4%	1,353.7
Surety insurance	92.4	96.0	3.9%	122.5
Inward Reinsurance	123.6	126.5	2.3%	131.2
<b>Income from information</b>	<b>105.6</b>	<b>106.7</b>	<b>1.0%</b>	<b>130.8</b>
<b>Total income from insurance</b>	<b>1,349.0</b>	<b>1,391.3</b>	<b>3.1%</b>	<b>1,738.2</b>
Income from complementary act.	91.3	88.0	-3.6%	121.9
<b>Total income from credit insurance</b>	<b>1,440.3</b>	<b>1,479.3</b>	<b>2.7%</b>	<b>1,860.1</b>

## Credit insurance business

	9M2017	9M2018	% Chg. 17-18	12M 2017
% Gross technical cost	41.9%	43.1%	1.2	41.7%
% Gross commissions + expenses	35.3%	34.8%	-0.5	35.4%
<b>% Gross combined ratio</b>	<b>77.2%</b>	<b>77.9%</b>	<b>0.7</b>	<b>77.1%</b>
% Net technical cost	41.4%	43.4%	2.0	41.4%
% Net commissions + expenses	34.1%	31.7%	-2.4	33.8%
<b>% Net combined ratio</b>	<b>75.5%</b>	<b>75.2%</b>	<b>-0.3</b>	<b>75.2%</b>

## Credit insurance business - TPE

(figures in million of euros)

Cumulative risk per country	2014	2015	2016	2017	9M2017	9M2018	%	
							Chg. 17-18	% total
Spain and Portugal	85,165	89,601	93,437	98,714	97,382	99,722	2.4%	15.4%
Germany	77,297	80,398	82,783	86,430	86,062	90,508	5.2%	14.0%
Australia and Asia	69,210	79,668	79,013	84,233	84,362	92,262	9.4%	14.2%
Americas	59,491	65,464	71,970	73,188	70,133	73,364	4.6%	11.3%
Eastern Europe	45,925	50,805	55,098	59,253	57,785	62,632	8.4%	9.7%
UK	40,332	45,782	43,794	48,009	46,024	50,043	8.7%	7.7%
France	39,170	40,917	43,323	44,854	44,370	46,855	5.6%	7.2%
Italy	26,929	32,735	37,208	42,242	41,854	43,589	4.1%	6.7%
Nordic and Baltic countries	23,261	25,883	26,964	28,738	28,743	30,300	5.4%	4.7%
Netherlands	23,152	23,914	25,268	27,636	27,043	29,661	9.7%	4.6%
Belgium and Luxembourg	14,229	14,662	15,708	16,701	16,344	17,267	5.6%	2.7%
Rest of the world	10,954	12,817	12,538	12,830	12,427	12,380	-0.4%	1.9%
<b>Total</b>	<b>515,114</b>	<b>562,644</b>	<b>587,104</b>	<b>622,829</b>	<b>612,529</b>	<b>648,584</b>	<b>5.9%</b>	<b>100%</b>

## Credit insurance business - TPE

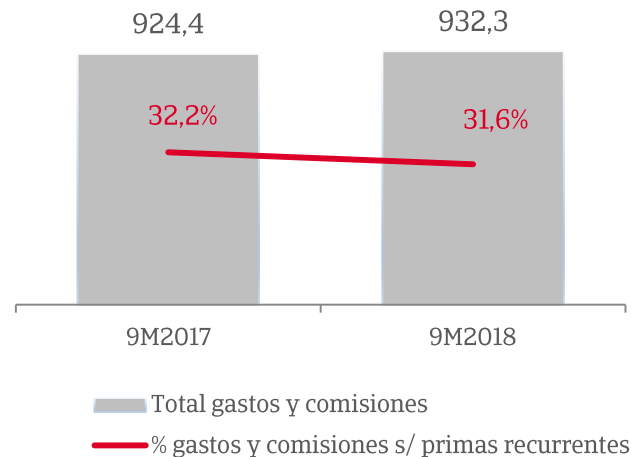
(figures in million of euros)

<b>Cumulative risk per sector</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>9M2017</b>	<b>9M2018</b>	<b>% Chg. 17-18</b>	<b>% s/ total</b>
Chemicals	63,915	69,797	70,510	74,476	80,942	84,945	4.9%	13.1%
Electronics	67,007	74,538	78,593	82,783	72,395	76,201	5.3%	11.7%
Durable consumer goods	56,347	60,940	65,324	68,442	67,033	69,124	3.1%	10.7%
Metals	56,286	59,888	58,855	63,419	60,953	67,621	10.9%	10.4%
Food	48,188	52,056	55,640	58,608	57,604	62,890	9.2%	9.7%
Transport	43,705	50,612	53,434	56,930	56,855	59,784	5.2%	9.2%
Construction	37,238	41,147	43,133	46,896	46,804	50,045	6.9%	7.7%
Machinery	31,629	33,902	34,734	37,137	37,220	40,240	8.1%	6.2%
Agriculture	25,932	28,327	30,907	33,318	32,793	34,024	3.8%	5.2%
Construction materials	21,981	24,425	25,387	27,058	27,527	28,256	2.6%	4.4%
Services	21,180	24,113	25,276	26,994	26,357	27,918	5.9%	4.3%
Textiles	17,722	19,065	19,855	20,562	19,932	20,530	3.0%	3.2%
Paper	12,275	12,747	13,590	13,929	14,018	14,312	2.1%	2.2%
Finance	11,711	11,088	11,867	12,277	12,093	12,693	5.0%	2.0%
<b>Total</b>	<b>515,114</b>	<b>562,644</b>	<b>587,104</b>	<b>622,829</b>	<b>612,529</b>	<b>648,584</b>	<b>5.9%</b>	<b>100%</b>

## General expenses and commissions

(figures in million of euros)

	9M2017	9M2018	% Chg. 17-18	12M 2017
Traditional business	231.1	226.0	-2.2%	311.6
Credit insurance business	299.7	306.4	2.2%	400.8
Non-recurring expenses	4.7	3.2		4.8
<b>Total expenses</b>	<b>535.5</b>	<b>535.6</b>	<b>0.0%</b>	<b>717.3</b>
<b>Commissions</b>	<b>388.9</b>	<b>396.8</b>	<b>2.0%</b>	<b>521.9</b>
<b>Total expenses and commissions</b>	<b>924.4</b>	<b>932.3</b>	<b>0.9%</b>	<b>1.239.2</b>
% expenses and commissions out recurring premiums	32.2%	31.6%		32.8%



## Financial result

(figures in million of euros)

	9M2017	9M2018	% Chg. 17-18	12M 2017
Financial income net of expenses	174.8	160.1	-8.4%	221.1
Exchange Differences	-0.2	0.0		-0.5
Subsidiary companies	0.4	0.6		0.7
Interests applied to life	-113.4	-101.2	-10.8%	-148.7
<b>Recurring financial results traditional business</b>	<b>61.6</b>	<b>59.5</b>	<b>-3.4%</b>	<b>72.5</b>
% of premiums acquired	3.3%	3.2%		2.9%
Financial income net of expenses	17.6	14.0	-20.5%	15.3
Exchange Differences	-2.3	1.2		0.5
Subsidiary companies	2.2	3.5		4.3
Interests subordinated debt	-12.6	-12.7	0.8%	-16.9
<b>Recurring financial results from credit insurance</b>	<b>5.0</b>	<b>6.1</b>		<b>3.3</b>
% of net income from insurance	0.4%	0.5%		0.2%
Intra-group interest adjustment	-5.3	-4.2		-7.0
<b>Adjusted recurring financial results from credit insurance</b>	<b>-0.3</b>	<b>1.9</b>		<b>-3.7</b>
<b>Recurring financial results</b>	<b>61.3</b>	<b>61.4</b>	<b>0.2%</b>	<b>68.9</b>
% of total Group Income	2.0%	1.9%		1.6%
<b>Non-recurring financial results</b>	<b>-12.3</b>	<b>-5.6</b>		<b>-7.7</b>
<b>Financial result</b>	<b>49.0</b>	<b>55.7</b>	<b>13.7%</b>	<b>61.2</b>

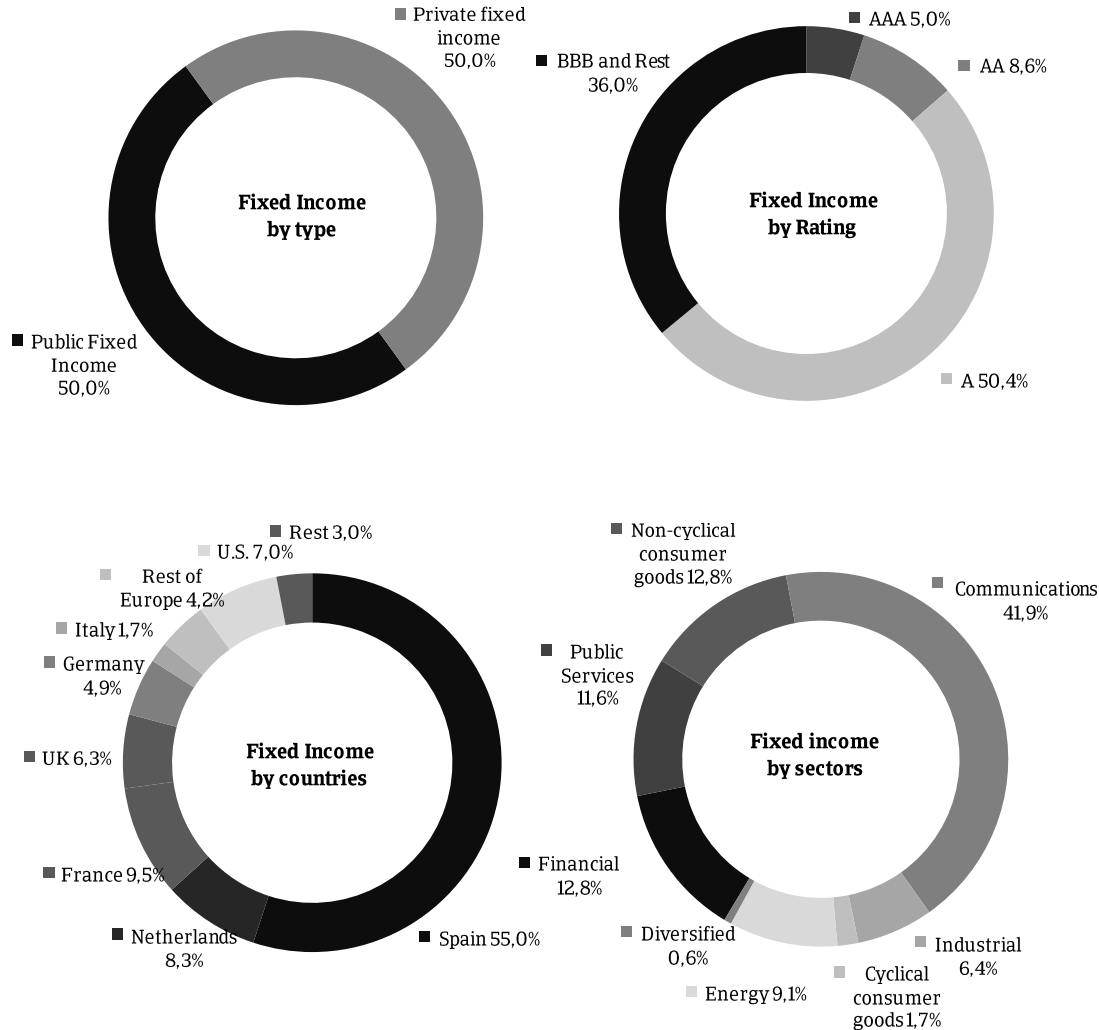
## Non-recurring result

(figures in million of euros)

	9M2017	9M2018	12M 2017
Financial	-8.6	-3.9	0.4
Expenses and other	-4.6	-4.3	-5.2
Tax	2.4	0.1	6.2
<b>Non-recurrent from traditional business</b>	<b>-10.8</b>	<b>-8.1</b>	<b>1.4</b>
Financial	-3.7	-1.8	-8.1
Expenses and other	-4.7	-3.2	-5.9
Tax	1.8	0.8	0.8
<b>Non-recurring from credit insurance business</b>	<b>-6.6</b>	<b>-4.2</b>	<b>-13.2</b>
<b>Non-recurring result net of taxes</b>	<b>-17.4</b>	<b>-12.3</b>	<b>-11.8</b>

# Investments

## High quality fixed income portfolio

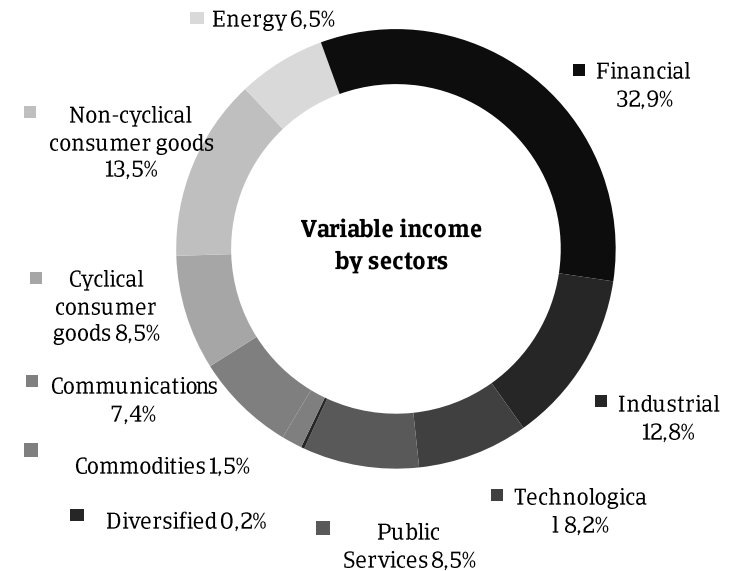
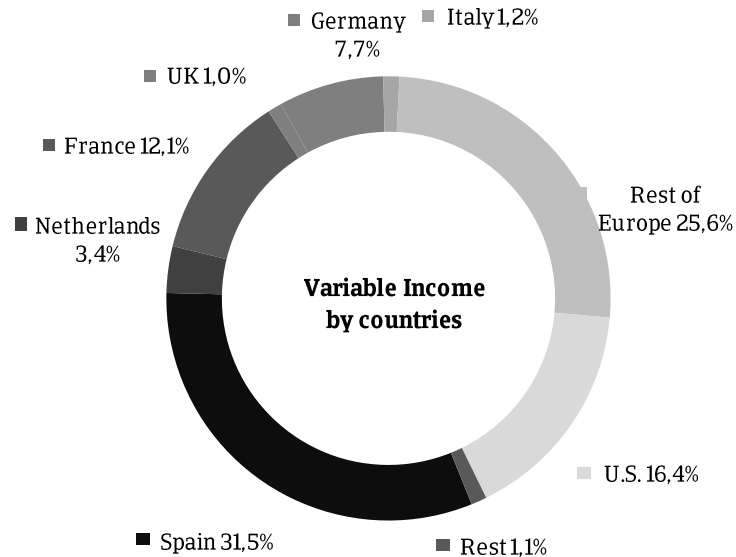


**Duration 4.60**  
**IRR 2.43%**



## Investments in cash equivalents

### High liquidity 12.6% variable income



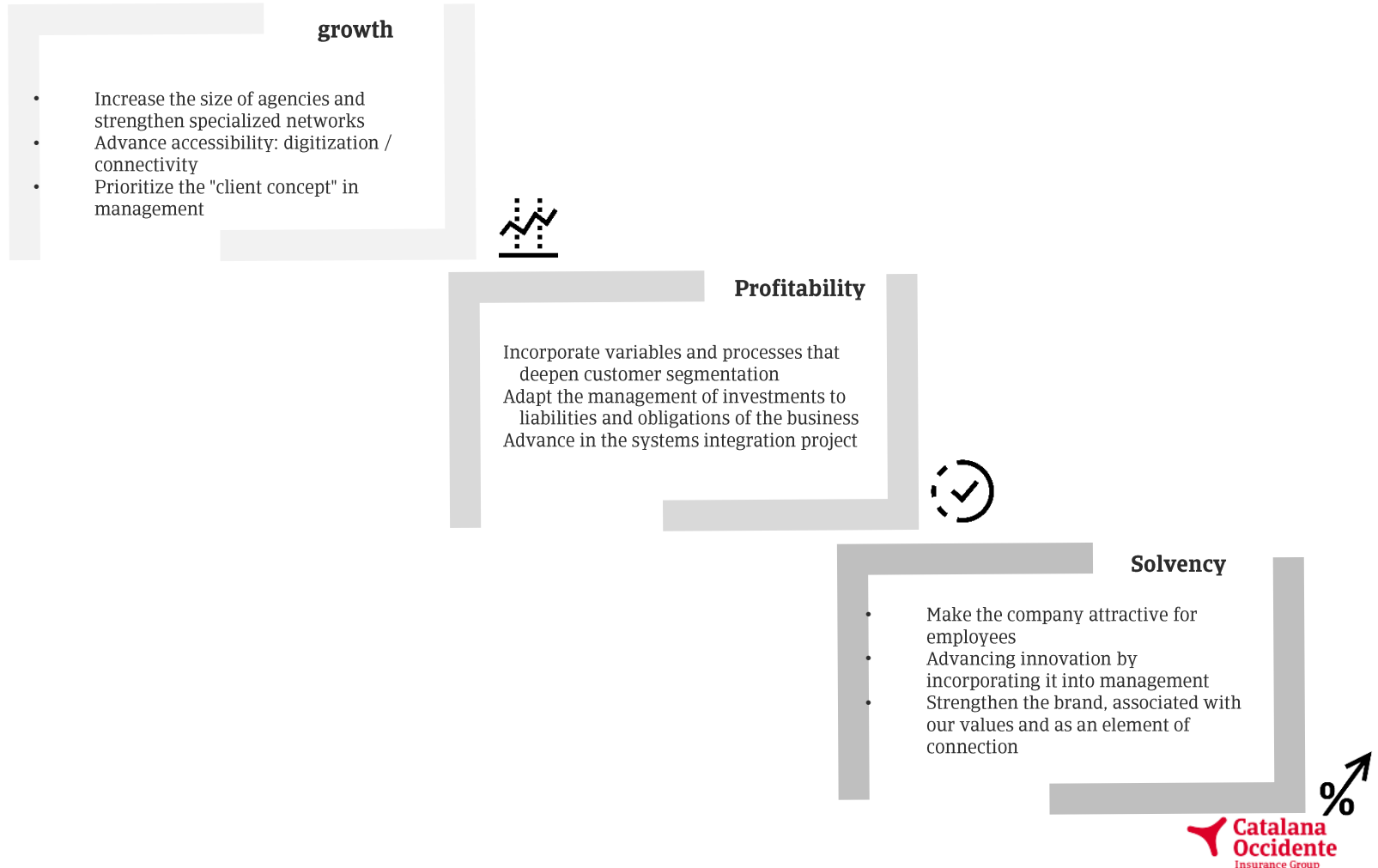
## Balance sheet

(figures in million of euros)

<b>Assets</b>	<b>12M 2017</b>	<b>9M2018</b>	<b>% Chg. 17-18</b>
<b>Intangible assets and property</b>	<b>1,218.8</b>	<b>1,262.4</b>	<b>3.6%</b>
<b>Investments</b>	<b>10,596.9</b>	<b>10,952.2</b>	<b>3.4%</b>
Investment property	382.8	530.4	38.6%
Financial investments	8,957.9	9,294.2	3.8%
Cash and short-term assets	1,256.2	1,127.6	-10.2%
<b>Reinsurer participation in technical provisions</b>	<b>842.5</b>	<b>848.5</b>	<b>0.7%</b>
<b>Other assets</b>	<b>1,543.2</b>	<b>1,539.3</b>	<b>-0.3%</b>
Deferred tax assets	84.3	91.5	8.5%
Credits	946.4	891.3	-5.8%
Other assets	512.5	556.4	8.6%
<b>Total assets</b>	<b>14,201.4</b>	<b>14,602.4</b>	<b>2.8%</b>
<b>Net liabilities and equity</b>	<b>12M 2017</b>	<b>9M2018</b>	<b>% Chg. 17-18</b>
<b>Permanent resources</b>	<b>3,278.9</b>	<b>3,459.2</b>	<b>5.5%</b>
<b>Net equity</b>	<b>3,078.6</b>	<b>3,258.9</b>	<b>5.9%</b>
Parent company	2,752.6	2,918.4	6.0%
Minority interests	326.0	340.5	4.4%
<b>Subordinated liabilities</b>	<b>200.3</b>	<b>200.4</b>	<b>0.0%</b>
<b>Technical Provisions</b>	<b>9,425.2</b>	<b>9,568.2</b>	<b>1.5%</b>
<b>Other liabilities</b>	<b>1,497.3</b>	<b>1,575.0</b>	<b>5.2%</b>
Other provisions	165.2	151.7	-8.2%
Deposits received on buying reinsurance	57.7	54.3	-5.9%
Deferred tax liabilities	332.6	325.7	-2.1%
Liabilities	618.7	737.8	19.3%
Other liabilities	323.1	305.4	-5.5%
<b>Total net liabilities and equity</b>	<b>14,201.4</b>	<b>14,602.4</b>	<b>2.8%</b>

## 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 (**)		
<b>Europe</b>			
Austria	Vienna		
Belgium	Namur Antwerp		
Czech Republic	Prague		
Denmark	Copenhagen Århus		
Finland	Helsinki		
France	Paris Bordeaux Compiègne Lille Lyon Marseille Nancy Orléans Rennes Strasbourg Toulouse		
Germany	Cologne Berlin Bielefeld Bremen Dortmund. Frankfurt Freiburg Hamburg Hanover Kassel. Munich Nuremberg Stuttgart		
Greece	Athens		
Hungary	Budapest		
Ireland	Dublin		
Italy	Rome Milan		
Luxembourg	Luxembourg		
Netherlands	Amsterdam Maastricht		
Norway	Oslo		
Poland	Warsaw Krakow Poznan Jelenia Gora		
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		
<b>Middle East</b>			
Israel	Tel Aviv (*)		
Lebanon	Beirut (*)		
United Arab Emirates	Dubai (**)		
Saudi Arabia	Dubai (**)		
		<b>Asia</b>	
		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 (**)
		<b>Africa</b>	
		Kenya	Nairobi (*)
		South Africa	Johannesburg (*)
		Tunisia	Tunis (*)
		<b>Americas</b>	
		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)
		<b>Oceania</b>	
		Australia	Sydney Brisbane Melbourne Perth
		New Zealand	Wellington

(\*) Asociación y acuerdos colaboración

(\*\*\*) Servicios establecido con partners locales

## Corporate structure

<b>GRUPO CATALANA OCCIDENTE</b>		
<b>Principales entidades</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
Previsora Bilbaína Seguros	Inversions Catalana Occident	Gesiuris
Previsora Bilbaína Vida	CO Capital Ag. Valores	Hercasol SICAV
	Cosalud Servicios	Previsora Inversiones
	GCO Tecnología y Servicios	GCO Activos Inmobiliarios
	Prepersa	
	GCO Contact Center	
	Asitur Asistencia	
	Calboquer	
	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		
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
<b>Technical result</b>	Result of the insurance activity	<b>Technical result</b> = Income from insurance - Technical cost - Commissions - Expenses
<b>Reinsurance result</b>	Result of transferring business to the reinsurer or accepting business from other entities.	<b>Reinsurance result</b> = Result of inward reinsurance + Result of ceded reinsurance
<b>Financial result</b>	Result of the financial investments.	<b>Financial result</b> = income from financial assets (coupons, dividends, actions) - financial expenses (commissions and other expenses) + result of subsidiary companies - interest accrued on the debt - interest paid to the insured parties of the life insurance business
<b>Technical/financial result</b>	Result of the insurance activity, including the financial result. This result is particularly relevant for Life insurance.	<b>Technical/financial result</b> = Technical result + Financial result
<b>Result of non-technical non-financial account</b>	Income and expenses that cannot be assigned to the technical or financial results.	<b>Result of non-technical non-financial account</b> = Income - expenses that cannot be assigned to the technical or financial results.
<b>Result of credit insurance complementary activities</b>	Result of activities that cannot be assigned to the purely insurance business. Mainly distinguishes the activities of: <ul style="list-style-type: none"> <li>· Information services</li> <li>· Collections</li> <li>· Management of the export account of the Dutch state.</li> </ul>	<b>Result of credit insurance complementary activities</b> = income - expenses
<b>Recurring result</b>	Result of the normal activity of the entity	<b>Recurring result</b> = technical/financial result + non-technical account result - taxes, all resulting from normal activity
<b>Non-recurring result</b>	Extraordinary or atypical movements that may undermine the analysis of the income statement. These are classified depending on their nature (technical, expenses and financial) and by business type (traditional and credit insurance)	<b>Non-recurring result</b> = technical/financial result + non-technical account result - taxes, all resulting from extraordinary or atypical activity
<b>Turnover</b>	Turnover is the business volume of the Group. It includes premiums that the Group generates in each of the business lines and the income from services pertaining to the credit insurance.	<b>Turnover</b> = Premiums invoiced + Income from information <b>Premiums invoiced</b> = premiums issued from direct insurance + premiums from inward reinsurance

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

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

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

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# Thank you

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