

6M 2018



Presentation of results
Grupo Catalana Occidente

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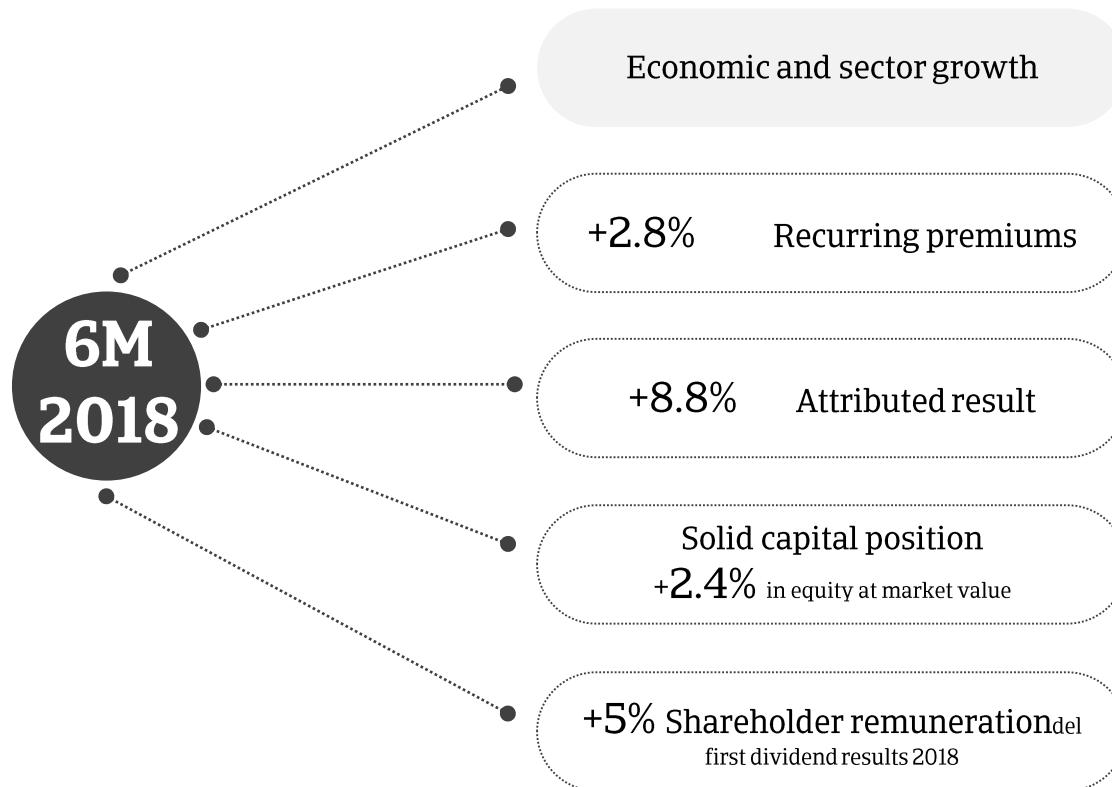
Presentation based on the report data at the close of June 2018 published on 07/26/2018

01

Keys for the period

At the end of the first half-year of 2018, the Group manages to increase turnover, profit and capital.

Favourable behaviour in the main figures



Macroeconomic environment

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

Global

GDP +3.7% 17 +3.9% 18e

Inflation +3.1% 17 +3.3% 18e

United States

GDP +2.3% 17 +2.9% 18e

Inflación +2.1% 17 +2.6% 18e

Eurozone

GDP +2.4% 17 +2.2% 18e

Inflation +1.6% 17 +1.4% 18e

Spain

GDP +3.1% 17 +2.8% 18e

Inflación +2.0% 17 +1.5% 18e

Pacific Asia

GDP +5.2% 17 +6.5% 18e

Inflación +2.5% 17 +3.6% 18e

Source: FMI. Last reviewed July 2018

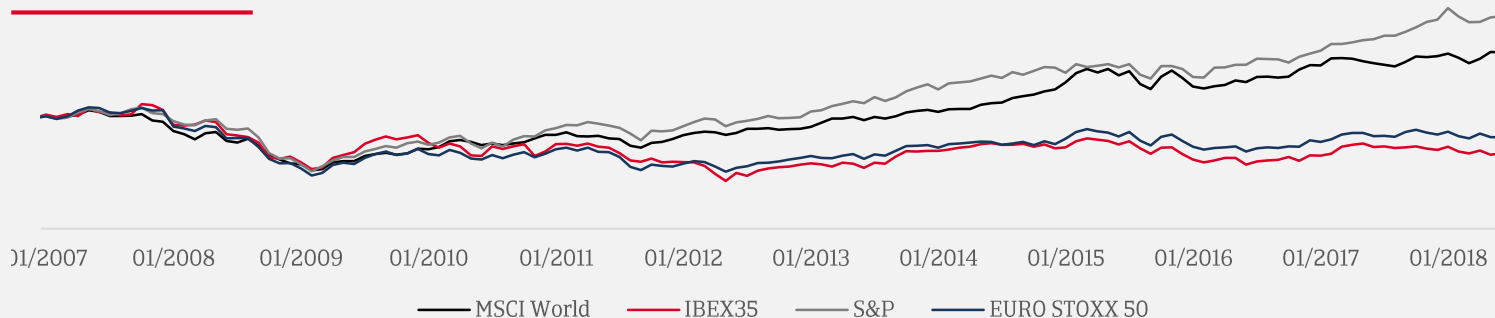
Financial markets

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

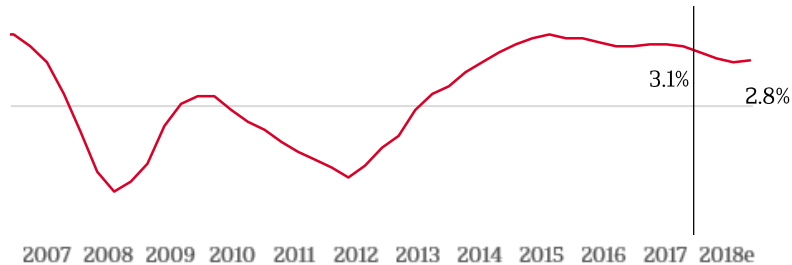
S&P	+1.7%
MSCI World	+2.2%
Euro Stoxx 50	-3.4%
Ibex 35	-4.2%

Source: Bloomberg. Last reviewed July 2018

Situation in Spain

Fundamental solids in Spain with recognition from rating agencies

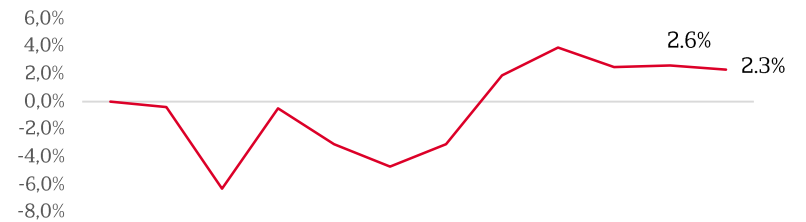
% GDP



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

Source: FMI

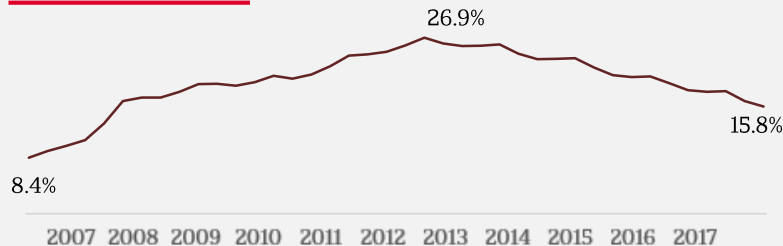
% domestic demand



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

Source: BBVA Research

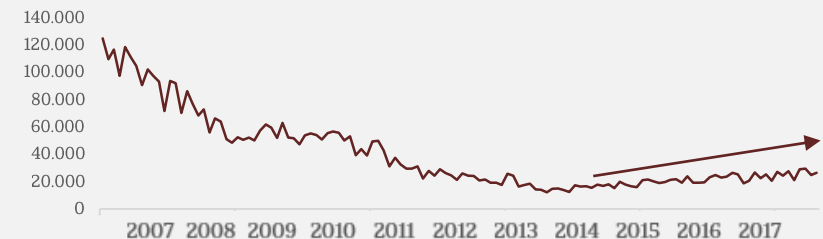
% Unemployment rate



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Source: Instituto nacional de estadísticas

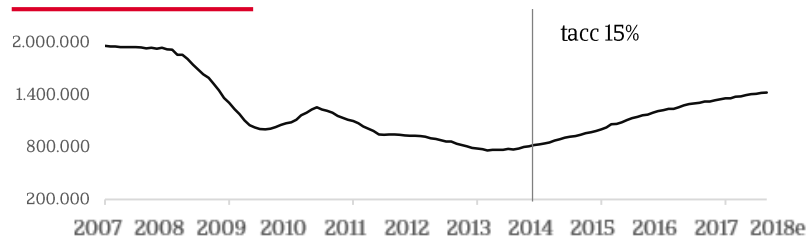
Mortgages number



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Source: Instituto nacional de estadísticas

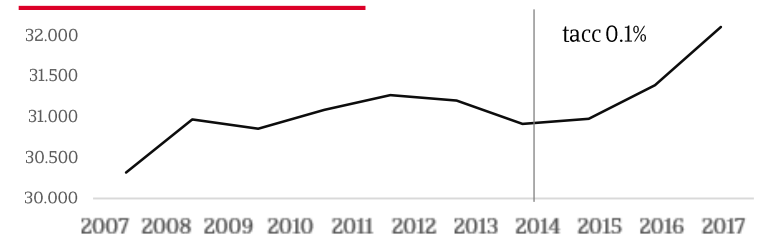
Vehicle registrations



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

Source: Asociación española de fabricantes de automóviles y camiones

Automobile park



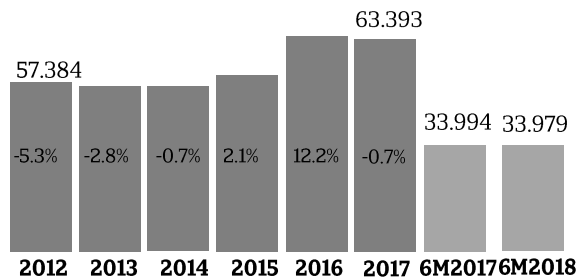
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Source: Dirección general de tráfico

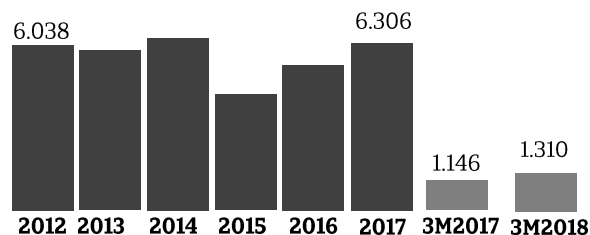
Insurance sector in Spain

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

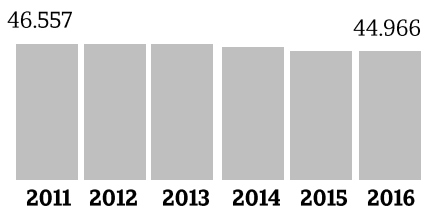
Insurance sector premiums (€M)



Insurance sector net result (€M)

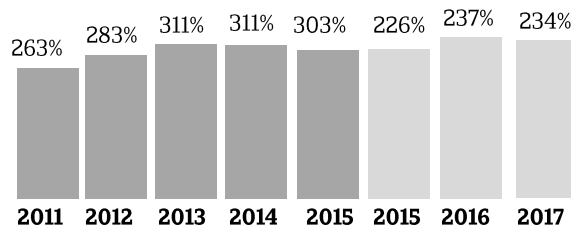


Empleados

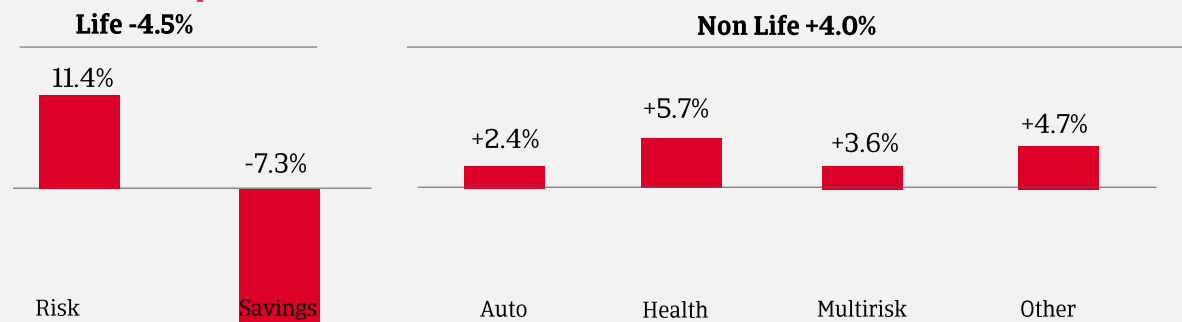


% margin solvency I

% solvency II

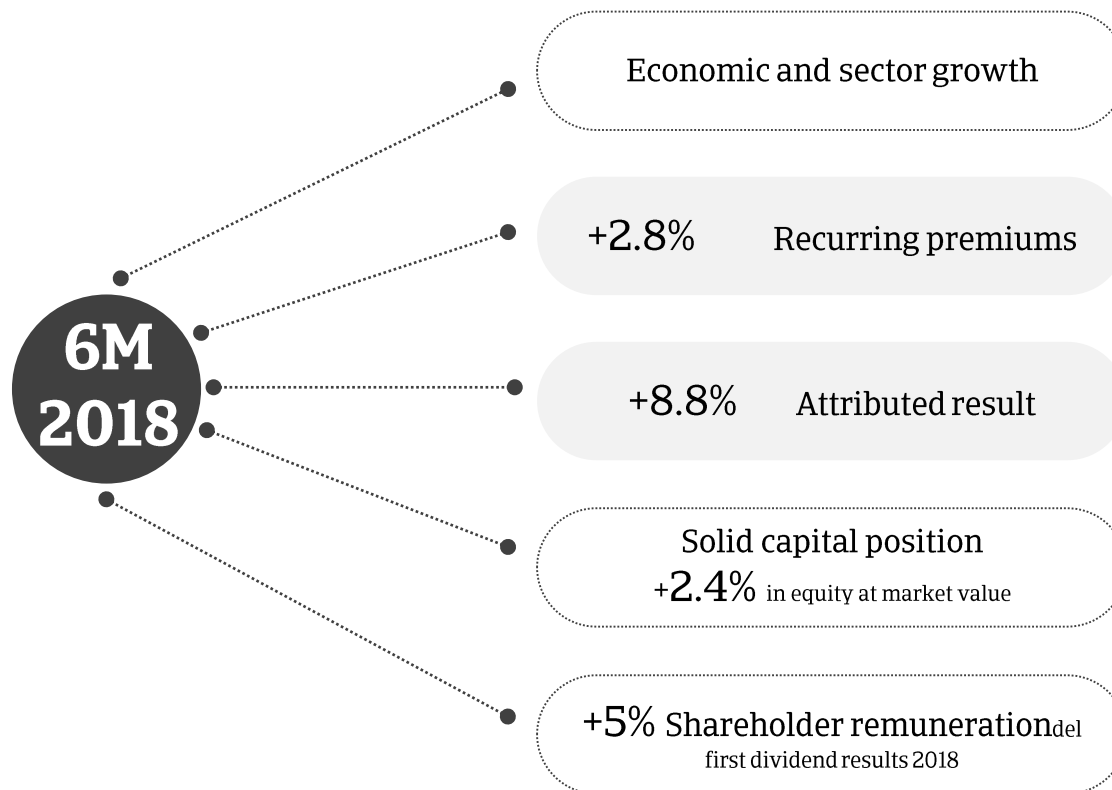


Insurance sector premiums 6M2018: -0.04%



Source : ICEA.

Favourable behaviour in the main figures



Grupo Catalana Occidente in 6M 2018

(figures in million of euros)

Income	6M2017	6M2018	% Chg. 17-18
Traditional Business	1,346.8	1,347.2	0.0%
Recurring premiums	1,149.7	1,174.9	2.2%
Single premiums life	197.1	172.3	-12.6%
Credit Insurance Business	946.4	979.2	3.5%
Turnover	2,293.2	2,326.4	1.4%

+2.8%
Recurring premiums

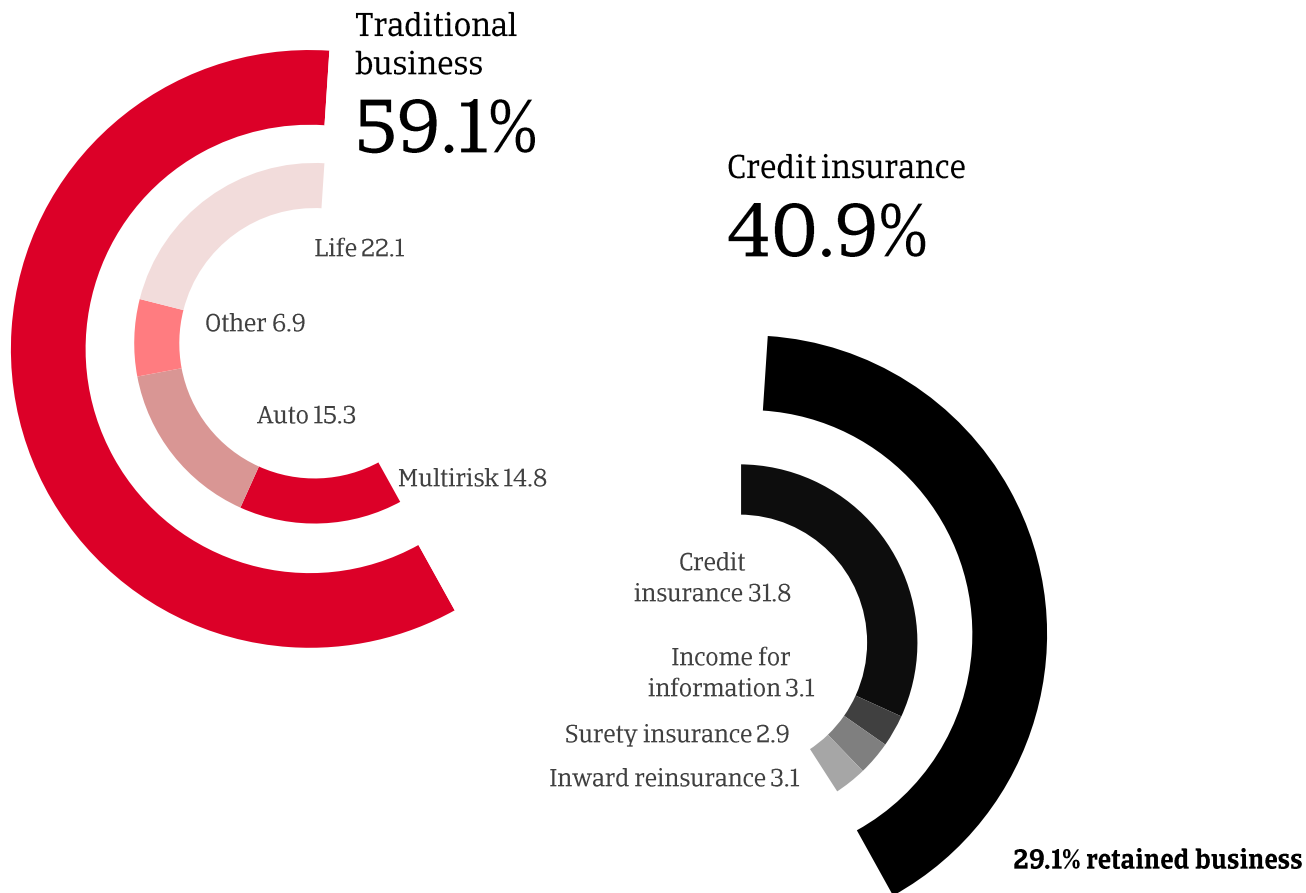
(figures in million of euros)

Results	6M2017	6M2018	% Chg. 17-18
Recurring Results Traditional Business	100.6	107.0	6.4%
Recurring Results from Credit Insurance Business	105.0	107.6	2.5%
Non-Recurring Result	-15.5	-8.9	
Consolidated result	190.2	205.8	8.2%
Attributed result	172.1	187.2	8.8%

187.2 M€
+8.8%
Attributed result

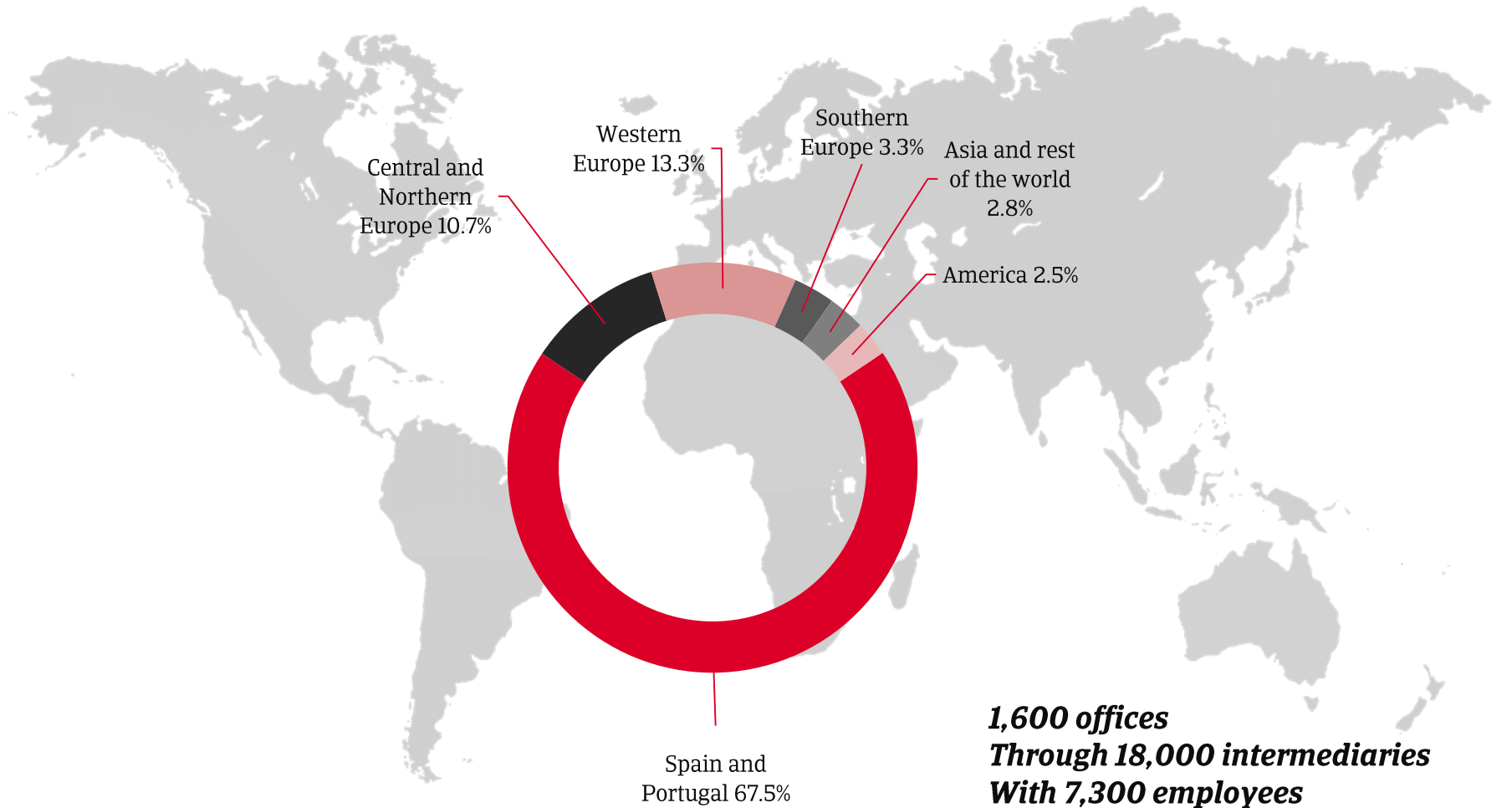
Diversification in 12M2017

balanced portfolio, complete offer

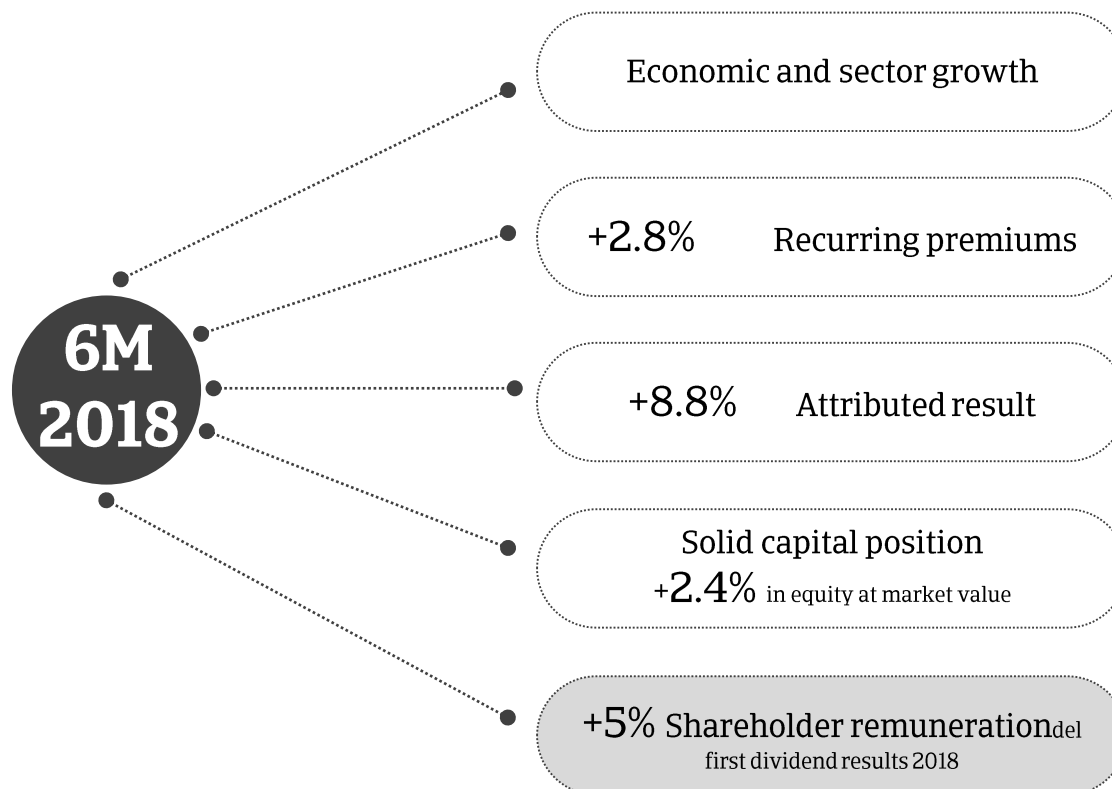


Global Presence

In over 50 countries



Favourable behaviour in the main figures



Evolution of the price

"The share of Grupo Catalana Occidente closes the first half-year at € 38.2 share"



Profitability	2015	2016	2017	6M2018	TACC 02-6M18
GCO (%)	33.5	-2.84	18.74	3.28	16.36%
Ibex 35 (%)	-7.15	-2.00	-2.00	-4.19	3.05%
EuroStoxx Insurance (%)	14.12	-5.60	-5.60	-5.08	6.64%

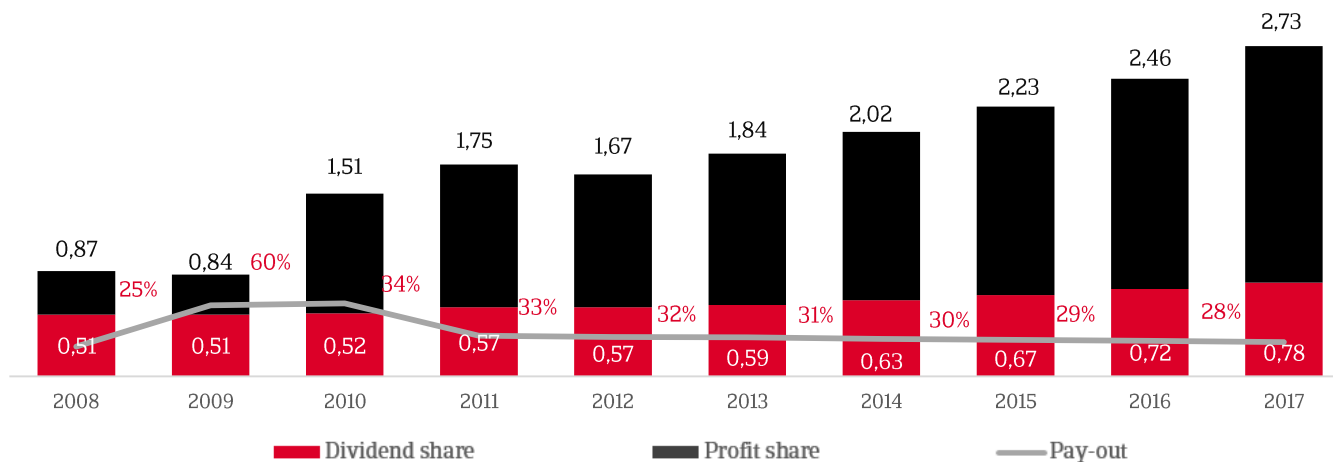
* Annual Composite Growth Rate

Increase of 5% of the first dividend to the income statement 2018

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

Jul. 2017: 0.1512 €/a

+5%



02

Economic results 6M2018

At the end of June the attributed result increases 8.8%. supported by the growth of turnover and a stable combined ratio

02

Income statement

Traditional business

Credit insurance business

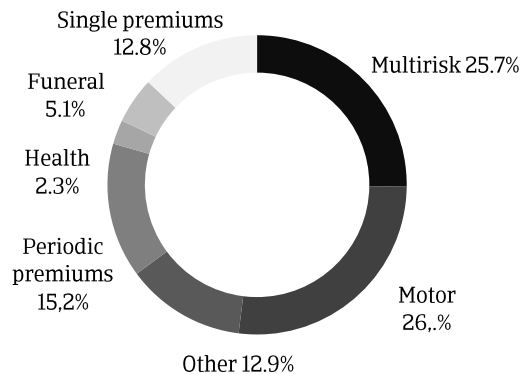
Capital, investments and solvency

Traditional business

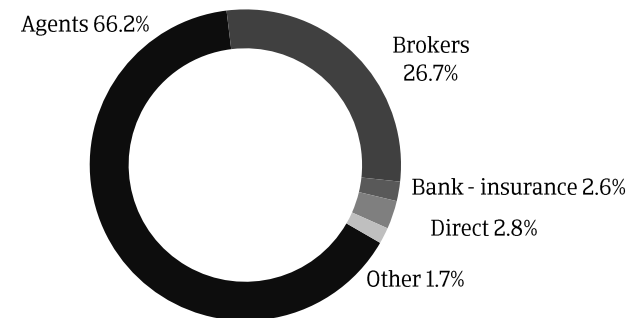
(figures in million of euros)

	6M2017	6M2018	% Chg. 17-18	12M 2017
<i>Multirisk</i>	341.6	346.8	1.5%	631.3
<i>Motor</i>	347.4	350.7	0.9%	651.8
<i>Other non-life</i>	165.2	173.5	5.0%	293.9
Non-life	854.2	871.0	2.0%	1,577.0
<i>Health</i>	29.2	30.7	5.1%	54.5
<i>Funeral</i>	65.4	68.4	4.6%	127.7
<i>Periodic</i>	200.9	204.8	1.9%	394.0
<i>Single</i>	197.1	172.3	-12.6%	362.9
Life	492.6	476.2	-3.3%	939.1
Written premiums	1,346.8	1,347.2	0.0%	2,516.1
Written premiums ex. single	1,149.7	1,174.9	2.2%	2,153.2

Distribution business



Distribution channels

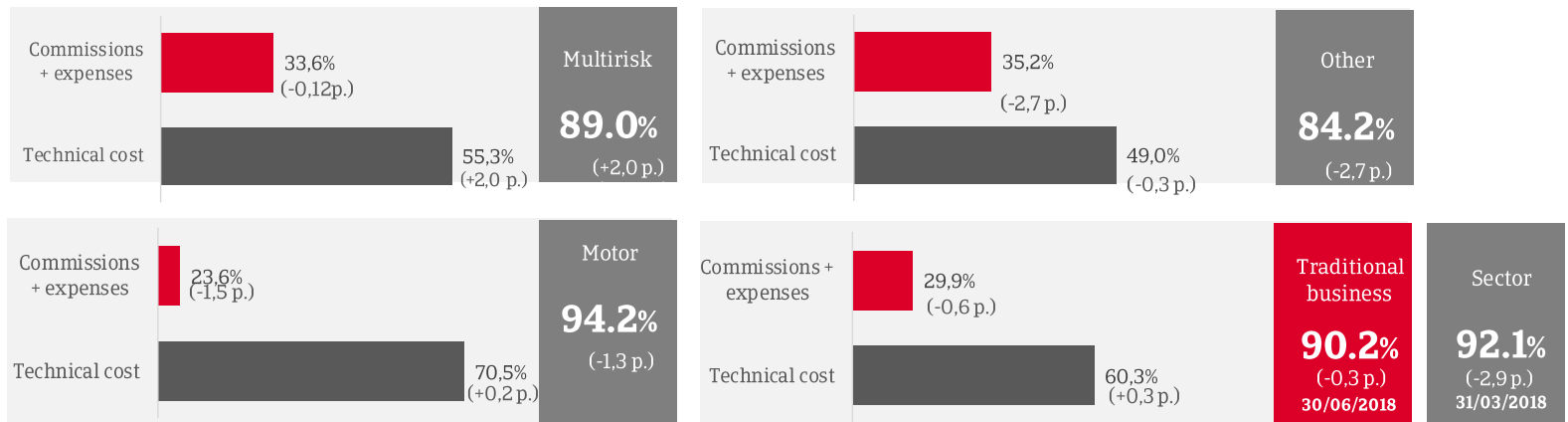


Traditional business

(figures in million of euros)

	6M 2017	6M 2018	% Chg. 17-18	12M 2017
Technical result non life	73.8	77.7	5.3%	135.1
Technical result	19.9	26.5	33.2%	47.6
Technical result	93.7	104.2	11.2%	182.8

Combined ratio 6M2018



Traditional business

(figures in million of euros)

	6M 2017	6M 2018	% Chg. 17-18	12M 2017
Written premiums	1,346.8	1,347.2	0.0%	2,516.1
Recurring premiums	1,149.7	1,174.9	2.2%	2,153.2
Premiums acquired	1,258.8	1,260.5	0.1%	2,506.2
Technical result	93.7	104.2	11.2%	182.8
<i>% of premiums acquired</i>	7.4%	8.3%		7.3%
Financial result	45.6	42.5	-6.8%	72.5
<i>% of premiums acquired</i>	3.6%	3.4%		2.9%
Complementary act. funeral business	2.1	1.6		3.6
Recurring result	100.6	107.0	6.4%	179.1
Non-recurring result	-11.7	-4.8		1.44
Total result	88.9	102.2	15.0%	180.5

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

02

Income statement

Traditional business

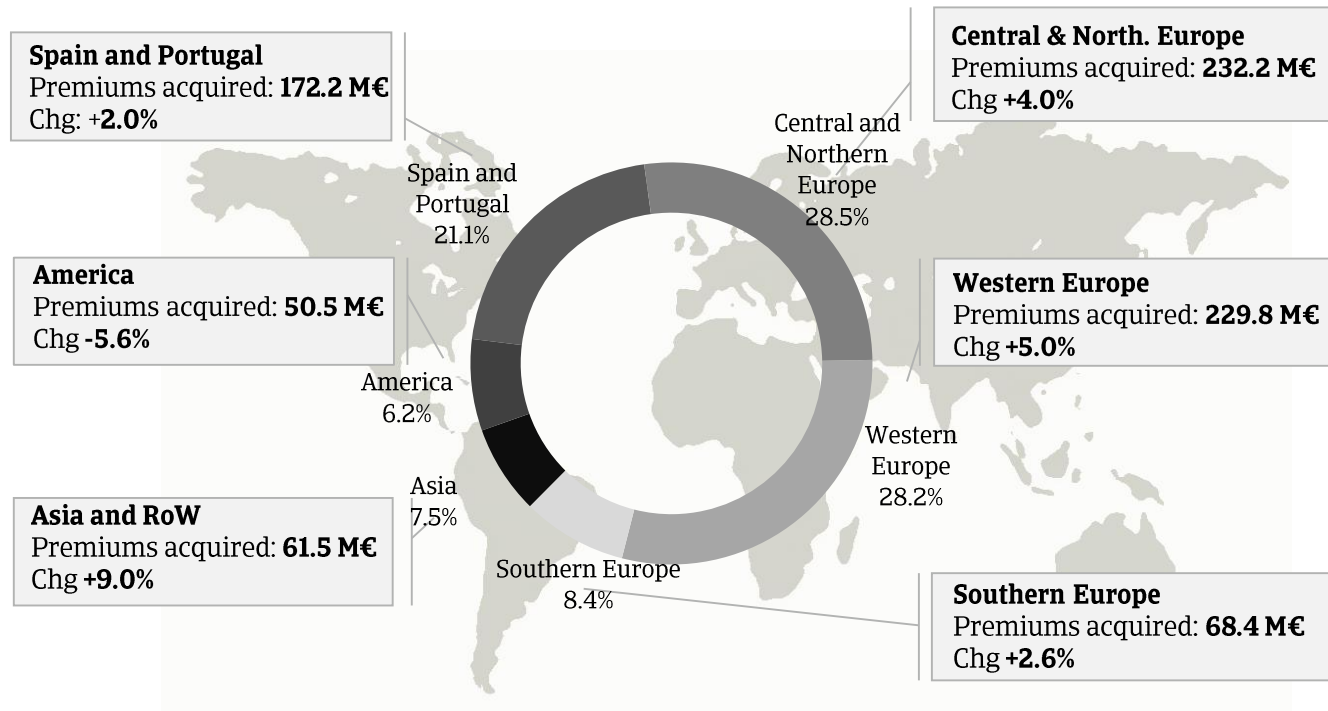
Credit insurance business

Capital, investments and solvency

Credit insurance business

814.6 M€ +3.4%

Premiums acquired

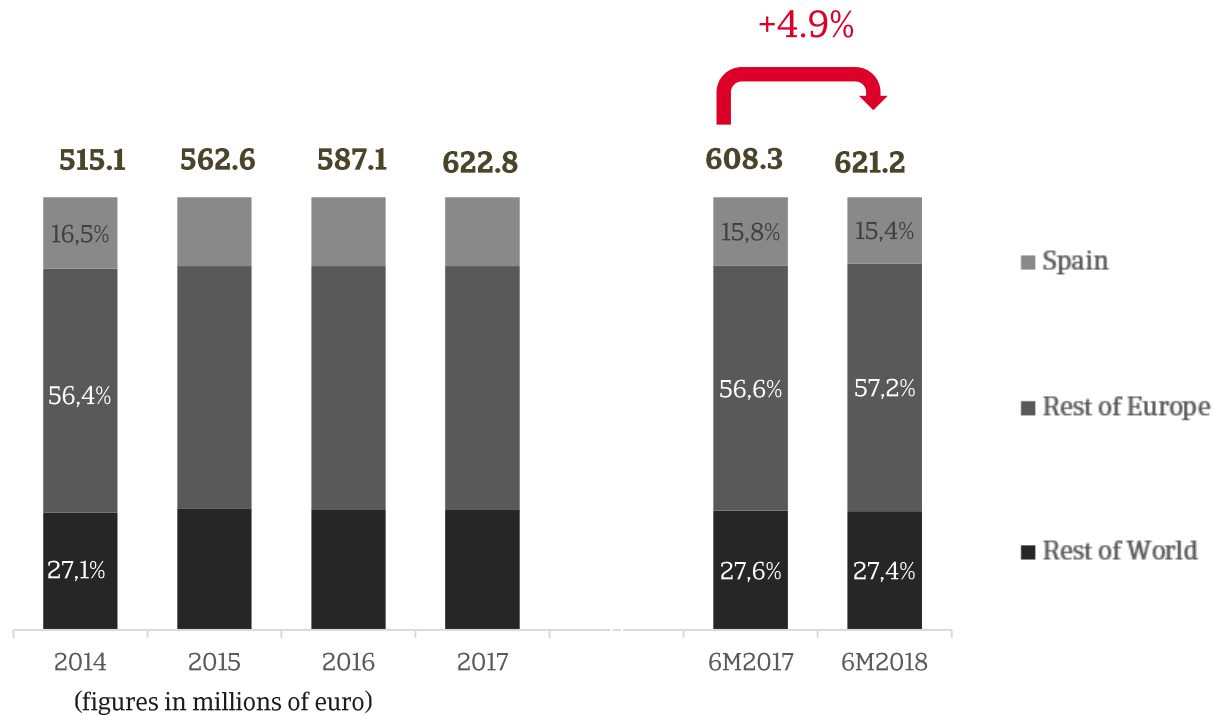


896.1 M€ +3.1%

Written premiums and information services

Credit insurance business

Evolution of cumulative risk (TPE)



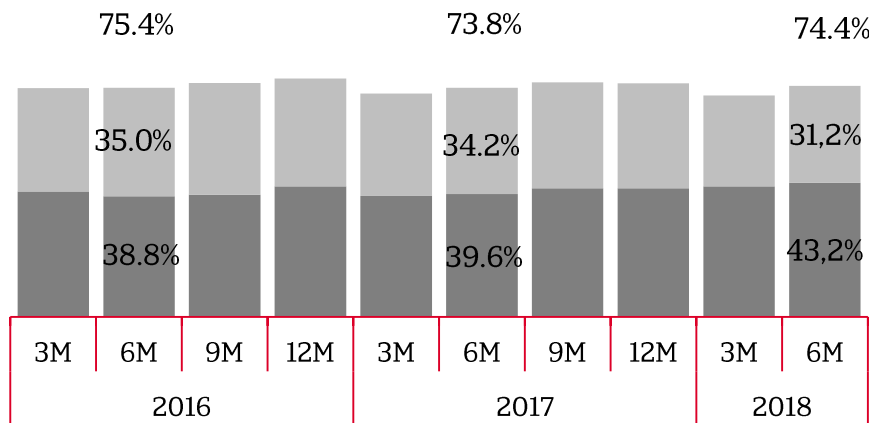
Credit insurance business

Combined ratio at minimum levels

(figures in million of euros)

	6M 2017	6M 2018	% Chg. 17-18	12M 2017
Technical result after expenses	202.6	201.2	-0.7%	392.9
% of income	23.3%	22.5%		22.9%
Net technical result	139.5	144.3	3.4%	259.2
% of income	16.1%	16.1%		15.1%

Performance of the net combined ratio



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

■ Coste técnico ■ Gastos + comisiones

Credit insurance business

(figures in million of euros)

	6M 2017	6M 2018	% Chg. 17-18	12M 2017
Premiums acquired	787.7	814.6	3.4%	1,588.0
Income from information	81.3	81.5	0.2%	130.8
Credit insurance income	869.0	896.1	3.1%	1,718.8
Technical result after expenses	202.6	201.2	-0.7%	392.9
% of income	23.3%	22.5%		22.9%
Reinsurance result	-63.1	-56.9	-9.8%	-133.7
% of income	-7.3%	-6.5%		-8.4%
Net technical result	139.5	144.3	3.4%	259.2
% of income	16.1%	16.1%		15.1%
Financial result	2.4	5.9		3.3
% of income	0.3%	0.7%		0.2%
Result complementary act.	4.3	-0.8		6.8
Company income tax	-37.1	-38.1	2.7%	-69.9
Adjustments	-4.0	-3.8		-9.6
Recurring result	105.0	107.6	2.5%	190.0
Non-recurring result	-3.8	-4.0		-13.2
Total result	101.2	103.6	2.4%	176.8

 See annexes: expenses, financial result and non-recurring

02

Income statement

Traditional business

Credit insurance business

Capital, investments and solvency

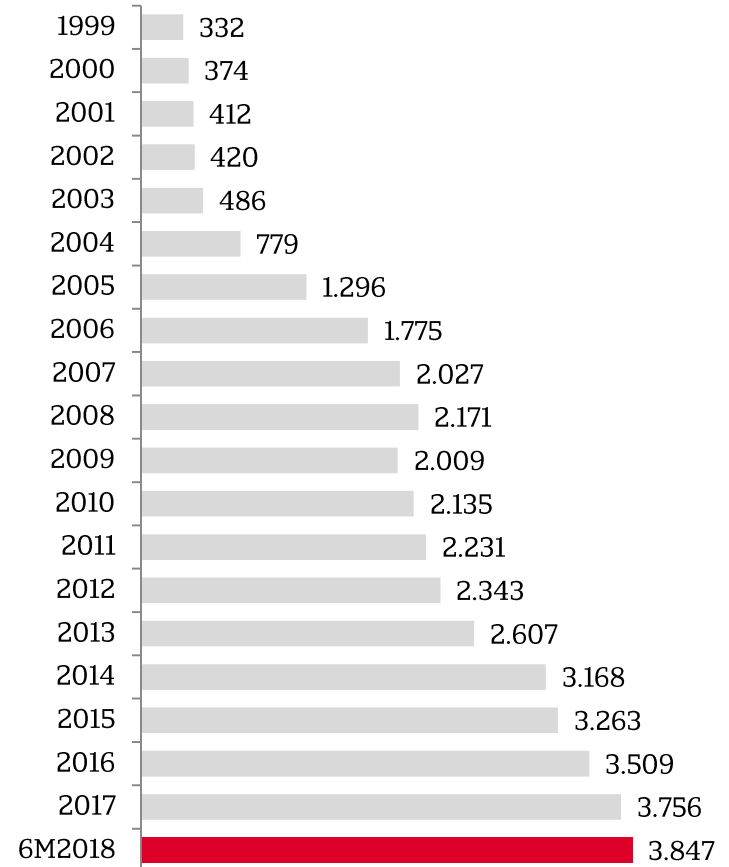
Financial strength

At the end of the first half-year of 2018, the Group's capital increased 2.4%, supported by the improvement in results

(figures in million of euros)

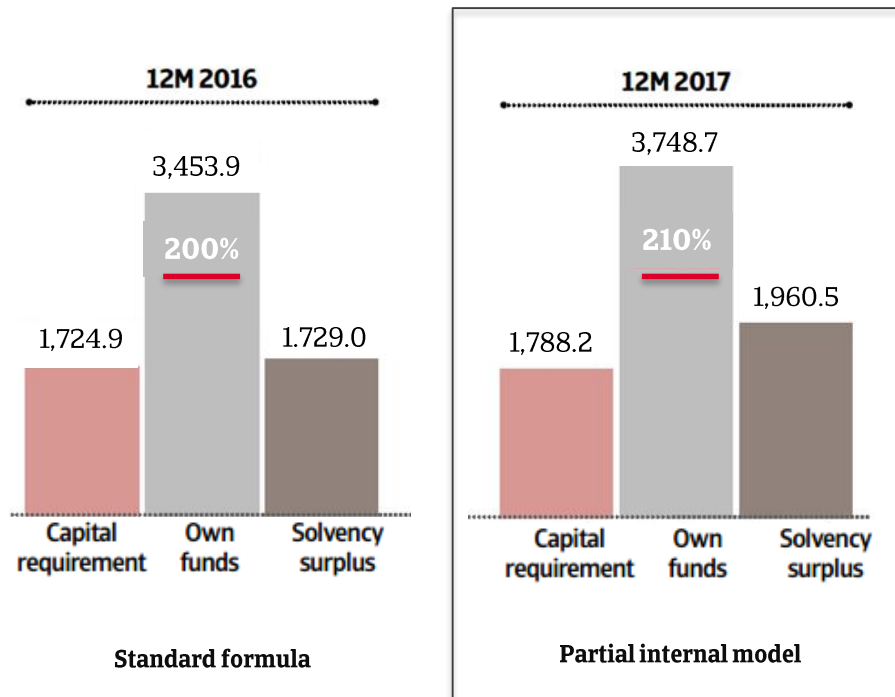
Permanent resources on 31/12/2017	3.278.9
Permanent resources at market value on 31/12/2017	3.755.5
Net equity on 01/01/2018	3.078.6
(+) Consolidated results	205.8
(+) Dividends paid	-87.4
(+) Variation of valuation adjustments	-24.1
(+) Other changes	-5.6
Total movements	88.7
Total net equity on 30/06/2018	3.167.3
Subordinated debt	200.4
Permanent resources on 30/06/2018	3.367.7
Capital gains not included in balance sheet (properties)	479.5
Permanent resources at market value on 30/06/2018	3.847.2

+2.4%



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.

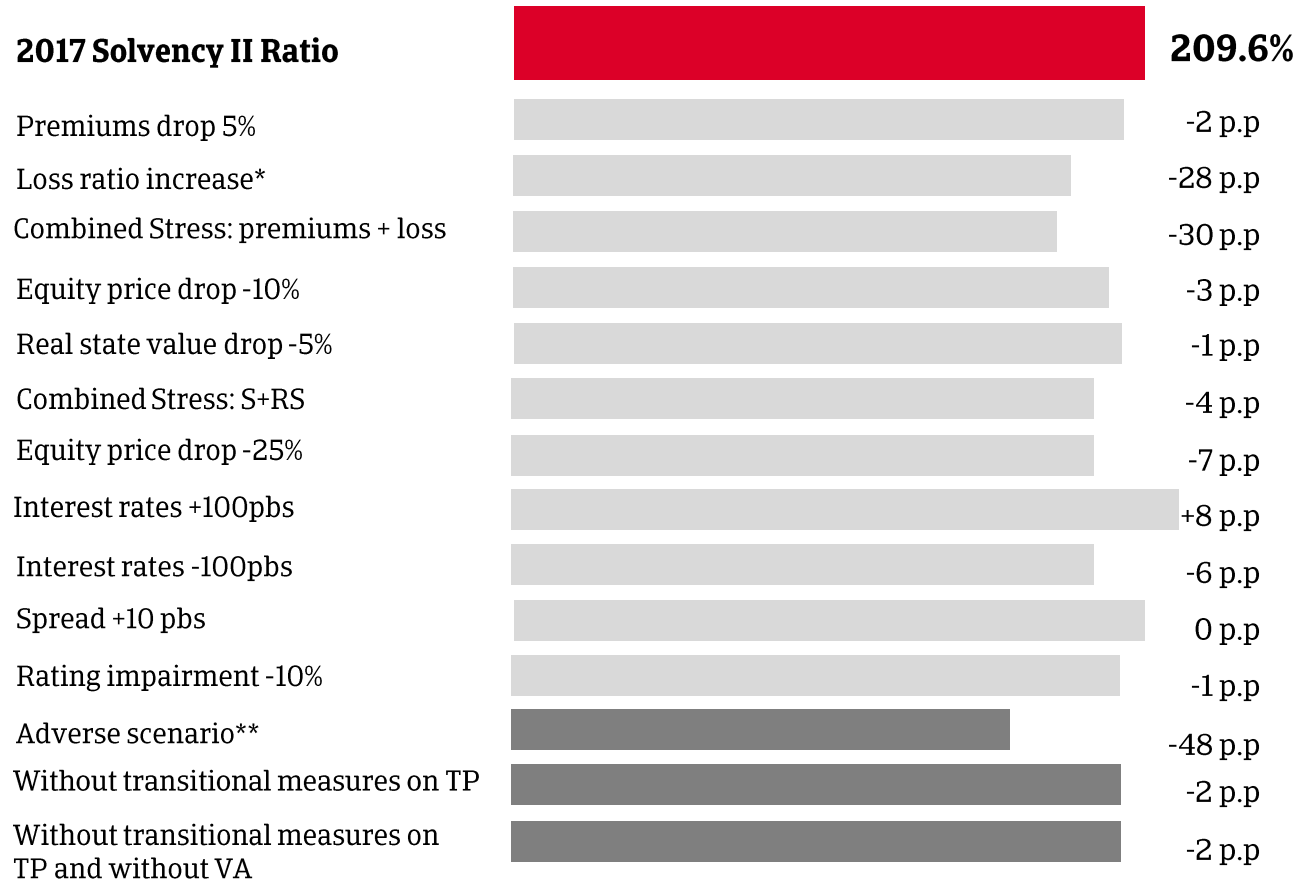
Own funds are of high quality (93.6% of tier1).

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

Stress scenarios and sensitivity analysis of the solvency ratio



* Increase in claims ratio, in credit insurance business the same increase during the financial crisis and in traditional business increasing in the main lines of business such as fire, other damage and motor.

** Adverse scenario measured as a drop in premiums for the main LoBs; increase in claims ratio, with credit insurance business experiencing the same increase during the period of financial crisis and traditional business increasing in the main lines of business such as fire, other damage and motor; reduction in equity prices and maintenance of low interest rates.

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 the traditional business

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

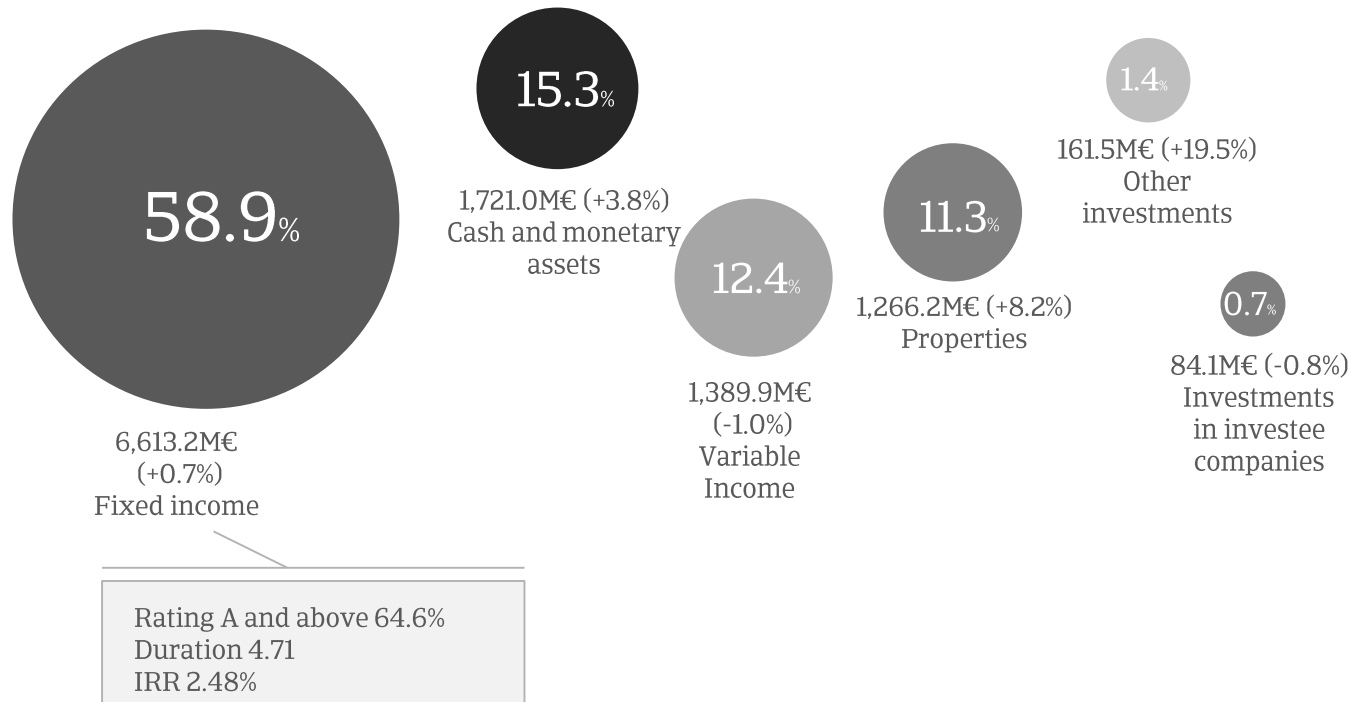
Highlights the strong competitive position, the solid capitalization, the low financial leverage and the conservative investment portfolio.

Investments

The Group invests in traditional assets through prudent and diversified management

12.230.6 M€

(+2.0% 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)

	6M 2017	6M 2018	% Chg. 17-18	12M 2017
Written premiums	2,211.9	2,245.0	1.5%	4,123.5
Premiums acquired	2,046.5	2,074.5	1.4%	4,094.2
Income from information	81.3	81.5	0.2%	130.8
Net income from insurance	2,127.8	2,155.9	1.3%	4,225.0
Technical cost	1,279.5	1,290.2	0.8%	2,548.4
% of net income	60.1%	59.8%		60.3%
Commissions	259.4	265.4	2.3%	521.9
% of net income	12.2%	12.3%		12.4%
Expenses	359.4	353.9	-1.5%	717.3
% of net income	16.9%	16.4%		17.0%
Technical result	229.5	246.5	7.4%	437.4
% of net income	10.8%	11.4%		10.4%
Financial result	34.4	44.7	29.9%	61.2
% of net income	1.6%	2.1%		1.4%
Non-financial non-technical account result	-9.1	-16.3		-23.1
% of net income	-0.4%	-0.8%		-0.6%
Result before tax	254.7	274.9	7.9%	475.5
% of net income	12.0%	12.7%		11.3%
Consolidated result	190.2	205.8	8.2%	357.3
Result attributable to minorities	18.1	18.5	2.2%	31.9
Attributed result	172.1	187.2	8.8%	325.4
% of net income	8.1%	8.7%		7.7%

Business income from credit insurance

(figures in million of euros)

	6M 2017	6M 2018	% Chg. 17-18	12M 2017
Written premiums (€M)	865.1	897.8	3.8%	1,607.4
Credit insurance	685.3	709.5	3.5%	1,353.7
Surety insurance	68.0	69.0	1.6%	122.5
Inward Reinsurance	111.9	119.2	6.6%	131.2
Income from information	81.3	81.5	0.2%	130.8
Total income from insurance	946.4	979.2	3.5%	1,738.2
Income from complementary act.	61.8	59.4	-3.9%	121.9
Total income from credit insurance	1,008.2	1,038.6	3.0%	1,860.1

Credit insurance business

	6M 2017	6M 2018	% Chg. 17-18	12M 2017
% Gross technical cost	41.5%	43.3%	1.8	41.7%
% Gross commissions + expenses	35.2%	34.3%	-0.9	35.4%
% Gross combined ratio	76.7%	77.6%	0.9	77.1%
% Net technical cost	39.6%	43.2%	3.6	41.4%
% Net commissions + expenses	34.2%	31.2%	-3.0	33.8%
% Net combined ratio	73.8%	74.4%	0.6	75.2%

Credit insurance business - TPE

(figures in million of euros)

Cumulative risk per country	2014	2015	2016	2017	6M 2017	6M 2018	%	
							Chg. 17-18	% total
Spain and Portugal	85.165	89.601	93.437	98.714	96.415	98.731	3.4%	15.8%
Germany	77.297	80.398	82.783	86.430	84.829	88.239	1.1%	13.9%
Australia and Asia	69.210	79.668	79.013	84.233	84.764	90.904	-0.4%	13.8%
Americas	59.491	65.464	71.970	73.188	70.673	71.937	-4.6%	11.1%
Eastern Europe	45.925	50.805	55.098	59.253	57.901	61.717	6.1%	9.7%
UK	40.332	45.782	43.794	48.009	45.932	50.818	7.4%	7.8%
France	39.170	40.917	43.323	44.854	44.433	46.439	4.0%	7.3%
Italy	26.929	32.735	37.208	42.242	41.202	42.872	-0.1%	6.6%
Nordic and Baltic countries	23.261	25.883	26.964	28.738	28.262	30.132	4.9%	4.7%
Netherlands	23.152	23.914	25.268	27.636	26.767	29.029	7.5%	4.5%
Belgium and Luxembourg	14.229	14.662	15.708	16.701	16.257	17.153	4.8%	2.7%
Rest of the world	10.954	12.817	12.538	12.830	12.931	12.591	-1.3%	2.1%
Total	515.114	562.644	587.104	622.829	610.366	640.563	2.1%	100%

Credit insurance business - TPE

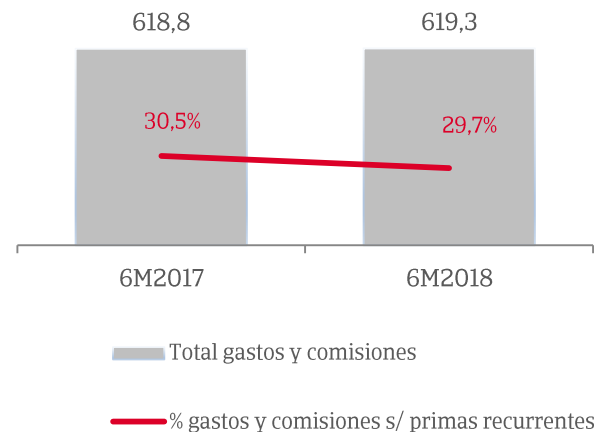
(figures in million of euros)

Cumulative risk per sector	2014	2015	2016	2017	6M 2017	6M 2018	% Chg. 17-18	% s/ total
Chemicals	63.915	69.797	70.510	74.476	81.200	84.520	-0.1%	13.2%
Electronics	67.007	74.538	78.593	82.783	72.564	75.916	1.1%	11.8%
Durable consumer goods	56.347	60.940	65.324	68.442	66.462	69.028	1.2%	10.8%
Metals	56.286	59.888	58.855	63.419	61.266	66.468	5.3%	10.4%
Food	48.188	52.056	55.640	58.608	57.735	60.746	2.1%	9.5%
Transport	43.705	50.612	53.434	56.930	56.075	58.764	1.6%	9.1%
Construction	37.238	41.147	43.133	46.896	46.401	49.134	4.5%	7.6%
Machinery	31.629	33.902	34.734	37.137	36.709	39.611	5.8%	6.2%
Agriculture	25.932	28.327	30.907	33.318	32.392	33.911	4.5%	5.4%
Construction materials	21.981	24.425	25.387	27.058	27.164	28.088	3.0%	4.4%
Services	21.180	24.113	25.276	26.994	26.048	27.220	-0.2%	4.2%
Textiles	17.722	19.065	19.855	20.562	20.065	20.491	0.9%	3.3%
Paper	12.275	12.747	13.590	13.929	13.997	14.024	-1.7%	2.2%
Finance	11.711	11.088	11.867	12.277	12.289	12.642	-2.0%	1.9%
Total	515.114	562.644	587.104	622.829	610.366	640.563	2.1%	100%

General expenses and commissions

(figures in million of euros)

	6M 2017	6M 2018	% Chg. 17-18	12M 2017
Traditional business	152.1	149.0	-2.0%	311.6
Credit insurance business	202.9	202.2	-0.3%	400.8
Non-recurring expenses	4.3	2.7		4.8
Total expenses	359.4	353.9	-1.5%	717.3
Commissions	259.4	265.4	2.3%	521.9
Total expenses and commissions	618.8	619.3	0.1%	1.239.2
% expenses and commissions out recurring premiums	30.5%	29.7%		32.8%



Financial result

(figures in million of euros)

	6M 2017	6M 2018	% Chg. 17-18	12M 2017
Financial income net of expenses	124.1	109.4	-11.8%	221.1
Exchange Differences	-0.2	0.0		-0.5
Subsidiary companies	0.3	0.2		0.7
Interests applied to life	-78.3	-67.2	-14.2%	-148.7
Recurring financial results traditional business	45.6	42.5	-6.8%	72.5
% of premiums acquired	3.6%	3.4%		2.9%
Financial income net of expenses	10.1	8.8	-12.9%	15.3
Exchange Differences	-0.1	3.6		0.5
Subsidiary companies	0.8	2.0		4.3
Interests subordinated debt	-8.4	-8.5	1.2%	-16.9
Recurring financial results from credit insurance	2.4	5.9		3.3
% of net income from insurance	0.3%	0.7%		0.2%
Intra-group interest adjustment	-3.6	-3.0		-7.0
Adjusted recurring financial results from credit insurance	-1.2	3.0		-3.7
Recurring financial results	44.4	45.5	2.5%	68.9
% of total Group Income	2.1%	2.1%		1.6%
Non-recurring financial results	-10.0	-0.8		-7.7
Financial result	34.4	44.7	29.9%	61.2

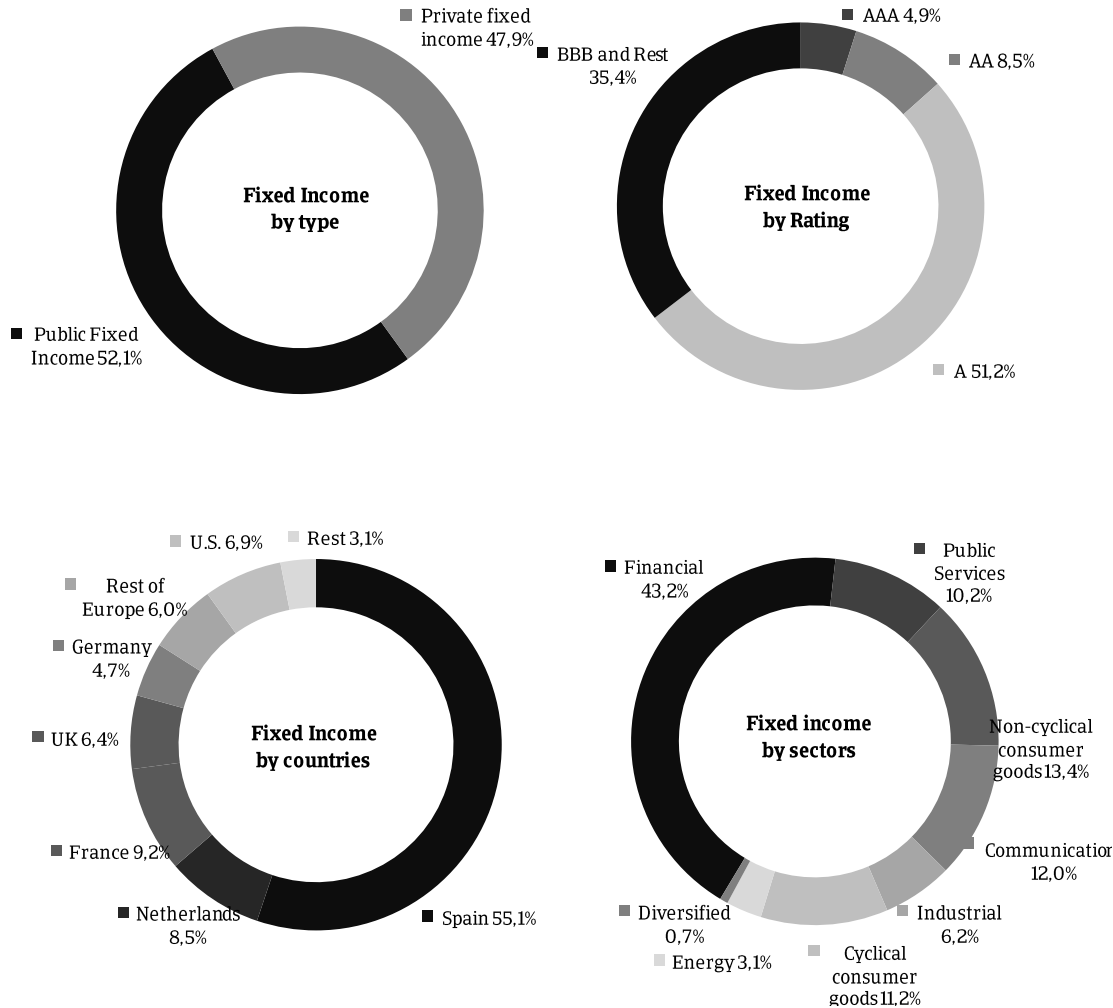
Non-recurring result

(figures in million of euros)

	6M 2017	6M 2018	12M 2017
Financial	-7.4	-1.4	6.2
Expenses and other	-4.2	-3.4	-4.8
Non-recurrent from traditional business	-11.7	-4.8	1.4
Financial	-0.5	-0.3	-8.8
Expenses and other	-3.2	-3.7	-4.4
Non-recurring from credit insurance business	-3.8	-4.0	-13.2
Non-recurring result net of taxes	-15.5	-8.9	-11.8

Investments

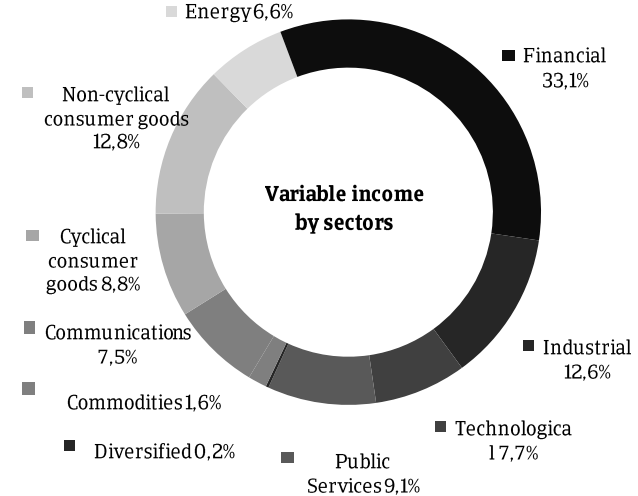
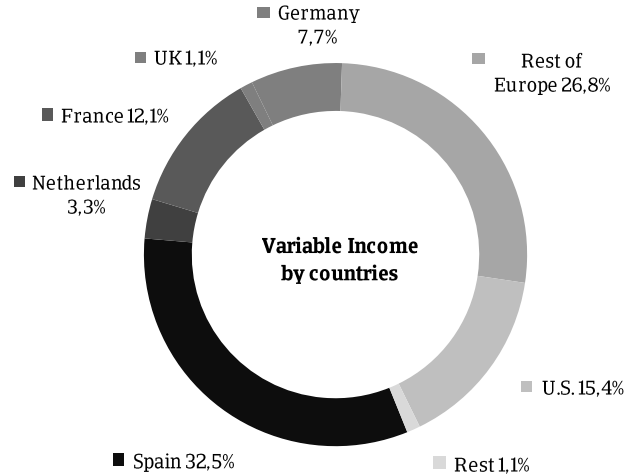
High quality fixed income portfolio



Duration 4.71
IRR 2.48%

Investments in cash equivalents

High liquidity 12.4% variable income



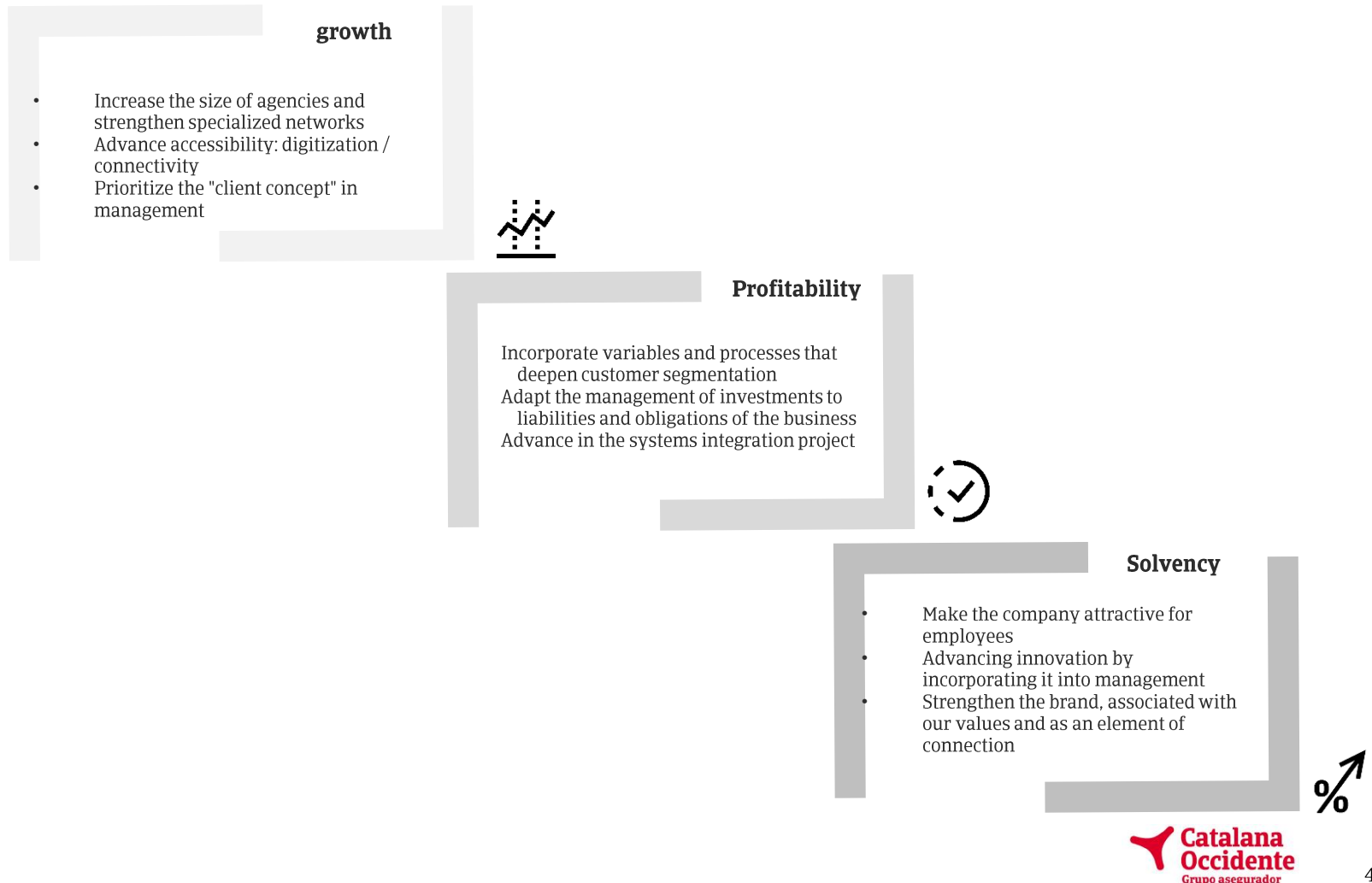
Balance sheet

(figures in million of euros)

Assets	12M 2017	6M 2018	% Chg. 17-18
Intangible assets and property	1,218.8	1,260.4	1.6%
Investments	10,596.9	10,816.6	2.0%
Investment property	382.8	471.4	22.9%
Financial investments	8,957.9	9,226.2	2.6%
Cash and short-term assets	1,256.2	1,119.0	-8.4%
Reinsurer participation in technical provisions	842.5	859.6	3.0%
Other assets	1,543.2	1,653.7	7.5%
Deferred tax assets	84.3	98.5	3.0%
Credits	946.4	972.6	3.9%
Other assets	512.5	582.5	14.8%
Total assets	14,201.4	14,590.3	2.6%
Net liabilities and equity	12M 2017	6M2018	% Chg. 17-18
Permanent resources	3,278.9	3,367.7	1.7%
Net equity	3,078.6	3,167.3	1.8%
Parent company	2,752.6	2,836.0	1.8%
Minority interests	326.0	331.3	1.8%
Subordinated liabilities	200.3	200.4	0.0%
Technical Provisions	9,425.2	9,618.8	1.8%
Other liabilities	1,497.3	1,603.8	9.4%
Other provisions	165.2	159.6	-0.3%
Deposits received on buying reinsurance	57.7	56.2	-1.7%
Deferred tax liabilities	332.6	336.7	2.5%
Liabilities	618.7	734.0	17.7%
Other liabilities	323.1	317.3	7.7%
Total net liabilities and equity	14,201.4	14,590.3	2.6%

Challenges for 2018

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



Grupo Catalana Occidente

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

Insurance specialist



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

Closeness – global presence



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

Solid financial structure



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

Technical rigour



- Excellent combined ratio:
- Strict cost control
- 1999-2017: profitable multiplied by 10
- Prudent and diversified investment portfolio

Global Presence

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

Asia

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

Africa

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

Americas

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

Oceania

Australia	Sydney Brisbane Melbourne Perth
New Zealand	Wellington

(*) Asociación y acuerdos colaboración

(***) Servicios establecido con partners locales

Corporate structure

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

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

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

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

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

Thanks

www.grupocatalanaoccidente.com

