

Presentation of results 12M2023  
Grupo Catalana Occidente, S.A.

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Presentation based on data from the 12M2023 report published on 29/02/2024



# 01.

Key highlights of the period

## 2023: executive summary


### GROWTH

Turnover of total business  **€5,792.6 M** +9.7%


Acquisition of 100% of Grupo Mémora 

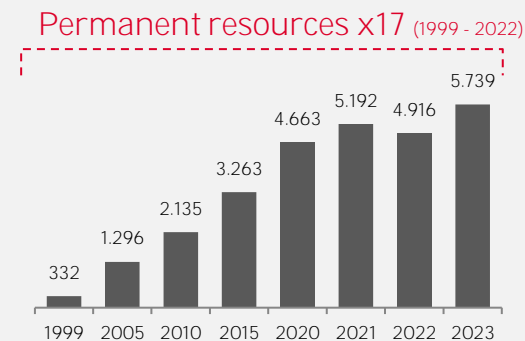
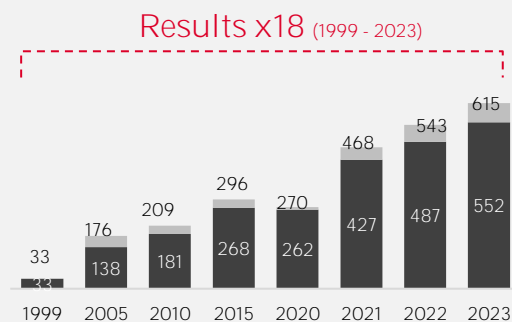
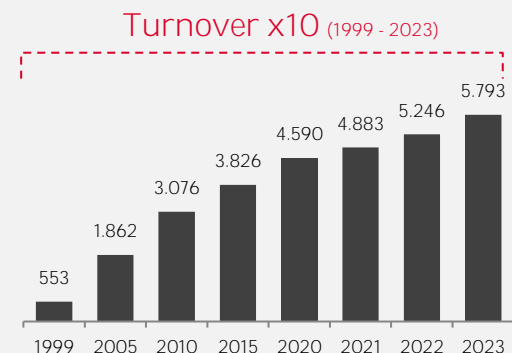
### PROFITABILITY

Consolidated result  **€615.5 M** +13.4%

Combined ratio  92.6% +1.8 p.p. Traditional business  
74.1% +1.8 p.p. Credit insurance business

### SOLVENCY

Permanent resources at market value  **€5,738.8 M** Shareholder remuneration **€134.1 M**



## 2023: keys and trends

### GROWTH

Total turnover amounted to €5,792.6 million, an increase of 9.7%, reflecting the sustained growth in the traditional business, the increase in the credit insurance business and the contribution of the funeral business.

On 9 February 2023, GCO acquired 100% of Grupo Mémora from the Ontario Teacher's Pension Plan (OTPP).

### PROFITABILITY

In traditional business, profits were affected mainly by the cost of claims due to inflationary effects and, to a lesser extent, the impact of weather events.

The credit insurance business continues to develop positively with incoming claims still slightly below the pre-pandemic period.

The funeral business contributed €13.6 million to the ordinary profit/(loss)

### SOLVENCY

The Group's solvency ratio at year-end 2024 is estimated at 232%. The solvency ratio, even in adverse scenarios, remains at around 175% on a sustained basis.

Dividend yield - the Group will pay out a total dividend of €1.177/share (€134.12 million), an increase of 8.67%.

Rating. A.M.Best maintains the rating of the main operating entities in both the traditional and credit insurance business at "A" with a stable outlook, and Moody's upgrades the rating of the entities in the credit insurance business to "A1" with a stable outlook.

## Global economic environment

The global economy shows resilience and is gradually recovering with diverging growth and moderating inflation.



### Global

GDP + 3.5%<sup>22</sup> +3.1%<sup>23</sup> +3.1%<sup>24e</sup>



### United States

GDP + 1.9%<sup>22</sup> +2.5%<sup>23</sup> +2.1%<sup>24e</sup>



### Eurozone

GDP + 3.4%<sup>22</sup> +0.5%<sup>23</sup> +0.9%<sup>24e</sup>



### Latam

GDP +4.2%<sup>22</sup> +2.5%<sup>23</sup> +1.9%<sup>24e</sup>



### Spain

GDP + 5.8%<sup>22</sup> +2.4%<sup>23</sup> +1.5%<sup>24e</sup>



### Emerging and developing economies in Asia

GDP +4.5%<sup>22</sup> +5.4%<sup>23</sup> +5.2%<sup>24e</sup>

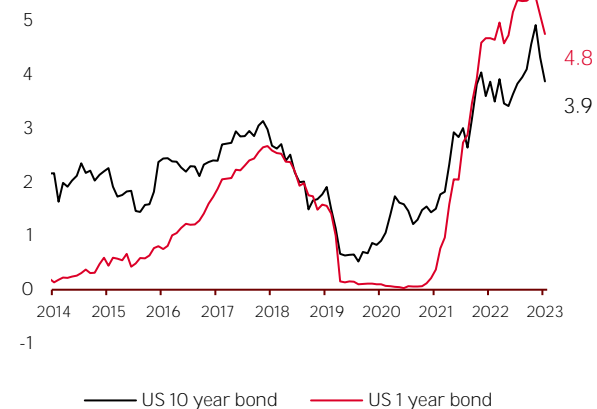
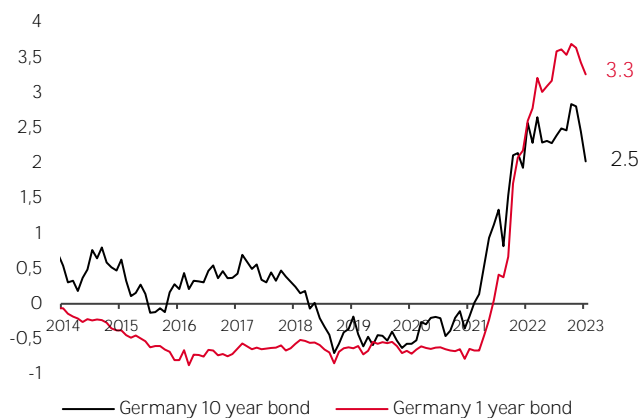
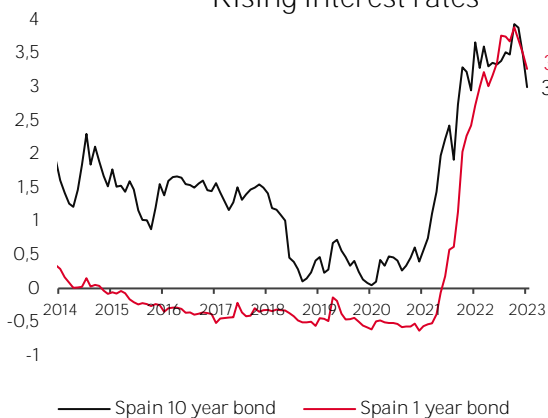


### United Kingdom

GDP +4.3%<sup>22</sup> +0.5%<sup>23</sup> +0.6%<sup>24e</sup>

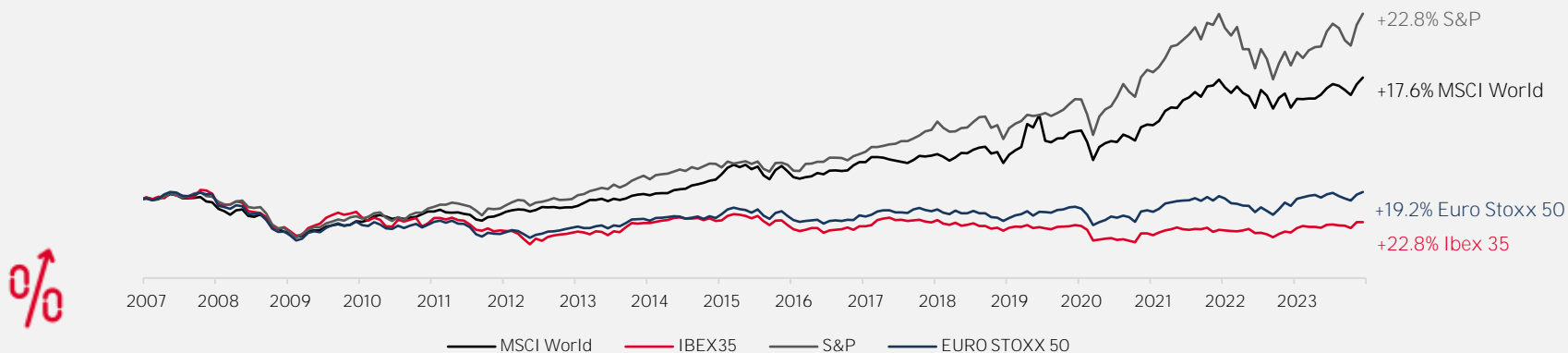
## Financial markets

### Rising interest rates



## Stock Markets

Growth 2023



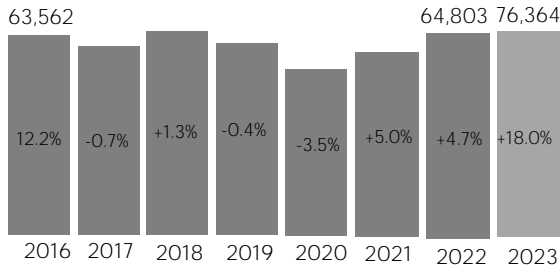
Source: Bloomberg. Updated January 2023



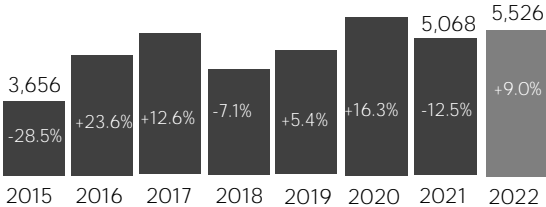
# The insurance industry in Spain

Increase in the turnover of the insurance sector in Spain

Premiums (€ M)



Technical account profit/(loss)



Insurance sector premiums 12M2023: **17.8%**

Category	% Change
Risk	-2.7%
Savings	+46.3%
Life (Total)	36.0%
Motor	+6.6%
Health	+6.6%
Multi-risk	+6.8%
Other	+7.3%
Non-Life (Total)	6.8%

Source: ICEA close December 2023





## GCO en 2023

(figures in € million)

Income	2022	2023	% Chg. 22-23
Traditional business	2,842.9	3,064.7	7.8%
Recurring premiums	2,606.4	2,741.4	5.2%
Single premiums life	236.5	323.3	36.7%
Credit insurance business	2,402.7	2,500.9	4.1%
Insurance turnover	5,245.6	5,565.6	6.1%
Funeral business income*	32.8	227.0	
<b>Total turnover</b>	<b>5,278.4</b>	<b>5,792.6</b>	<b>9.7%</b>

(figures in € million)

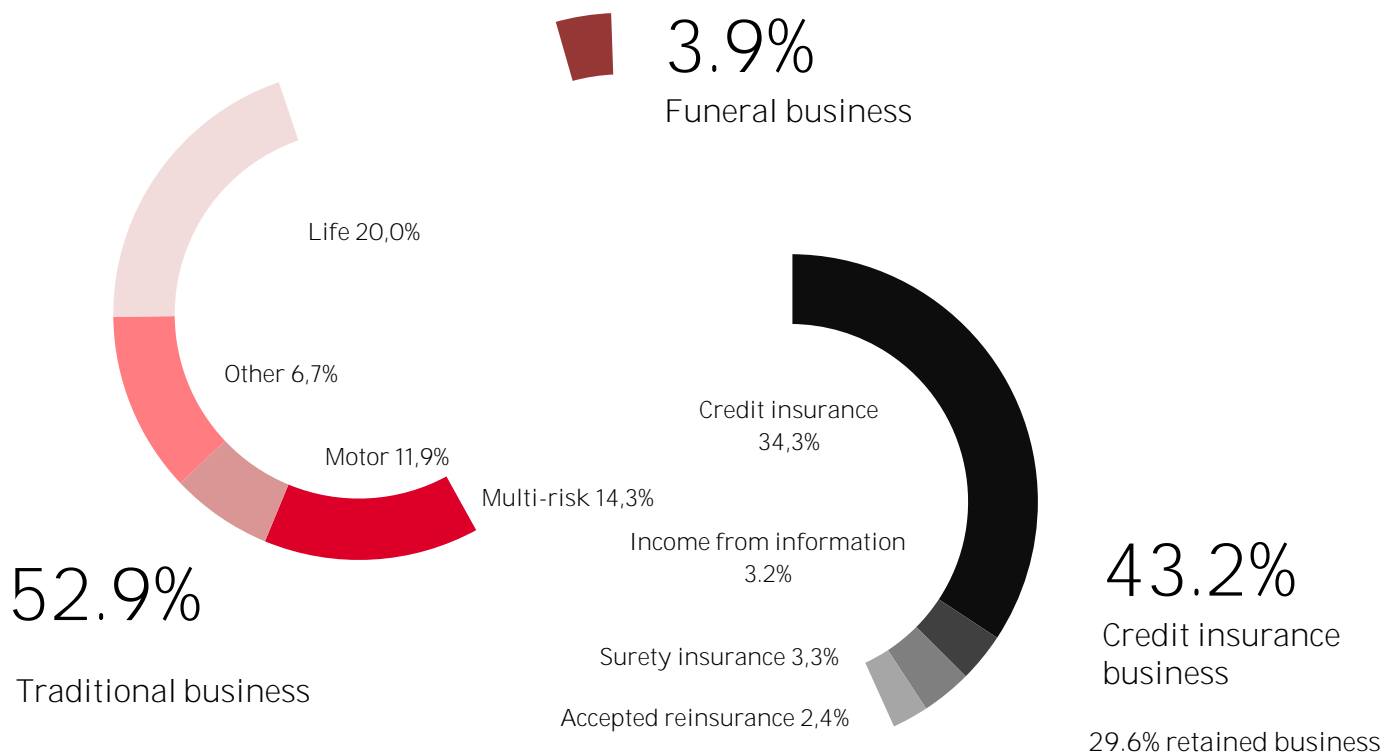
Profits/(losses)	2022	2023	% Chg. 22-23
Ordinary profit/(loss) of the traditional business	257.8	261.1	1.3%
Ordinary profit/(loss) of the credit insurance business	354.6	365.6	3.1%
Recurring profit/(loss) from funeral business*	4.8	13.6	
Non-ordinary profit/(loss)	-74.7	-24.9	
<b>Consolidated profit/(loss)</b>	<b>542.5</b>	<b>615.5</b>	<b>13.4%</b>
<b>Attributable profit/(loss)</b>	<b>486.5</b>	<b>551.8</b>	<b>13.4%</b>

\*From February 2023 data from Mémora included

## GCO diversification 12M2023



Balanced portfolio, complete offer



# Global Presence

6th Largest insurance group in Spain

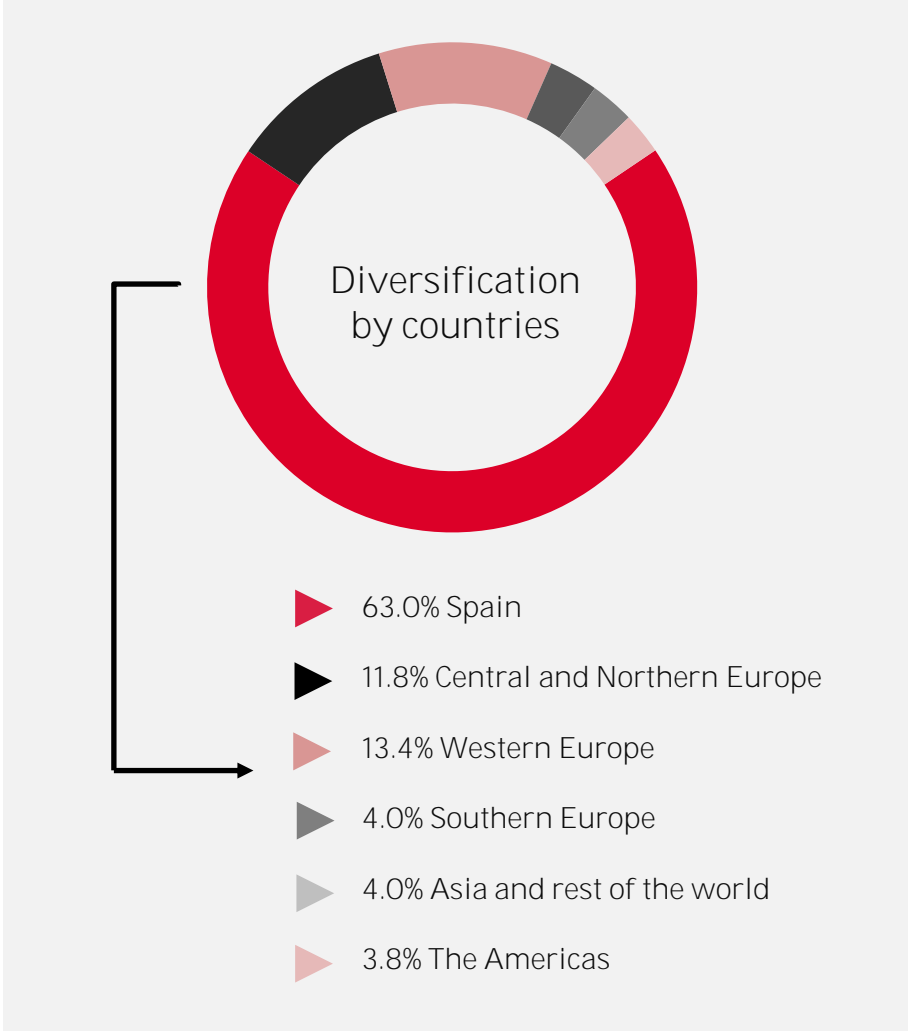


1st Largest funeral business group in the Iberian Peninsula



2nd Largest credit insurance group in the world

50 countries  
1,500 offices



# Sustainability



## Support for major international initiatives



## External sustainability rating



In December 2023, the Group's ESG rating was revised to 16.9 points (low risk of experiencing material financial impacts related to ESG factors). This places GCO among the top 30 companies with the best ESG rating in the insurance sector, which includes more than 300 companies.

## Other highlights:



Publication of GCO's Sustainability Report - EINF 2023 verified by an independent expert



GCO has updated its material issues and developed a new Sustainability Master Plan for the 2024-2026 period.



SFDR Article 8 compliant product offering of investment funds and pension schemes



Projects for the protection and regeneration of the Natural Capital in the Mediterranean

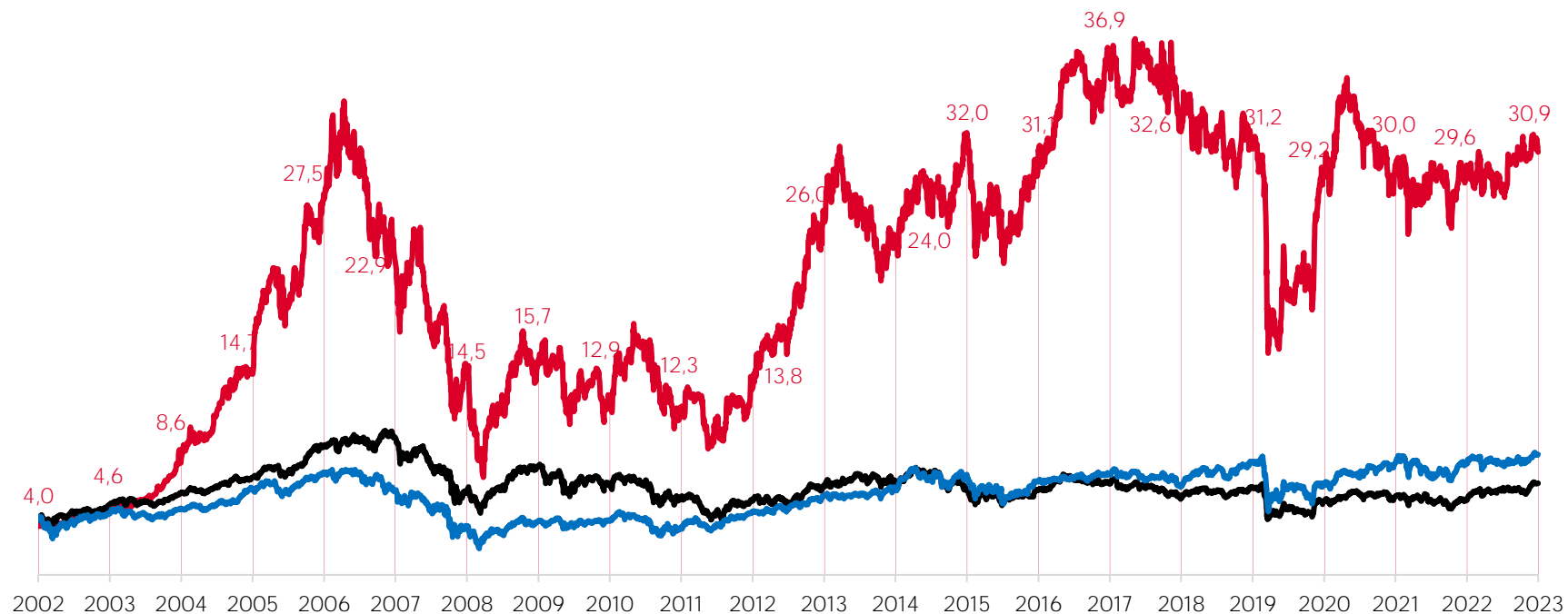


Prepersa First entity with certified sustainable workshops in Spain



## Share price evolution

GCO stock closes 2023 at €30.9/share



### Profitability (YTD)

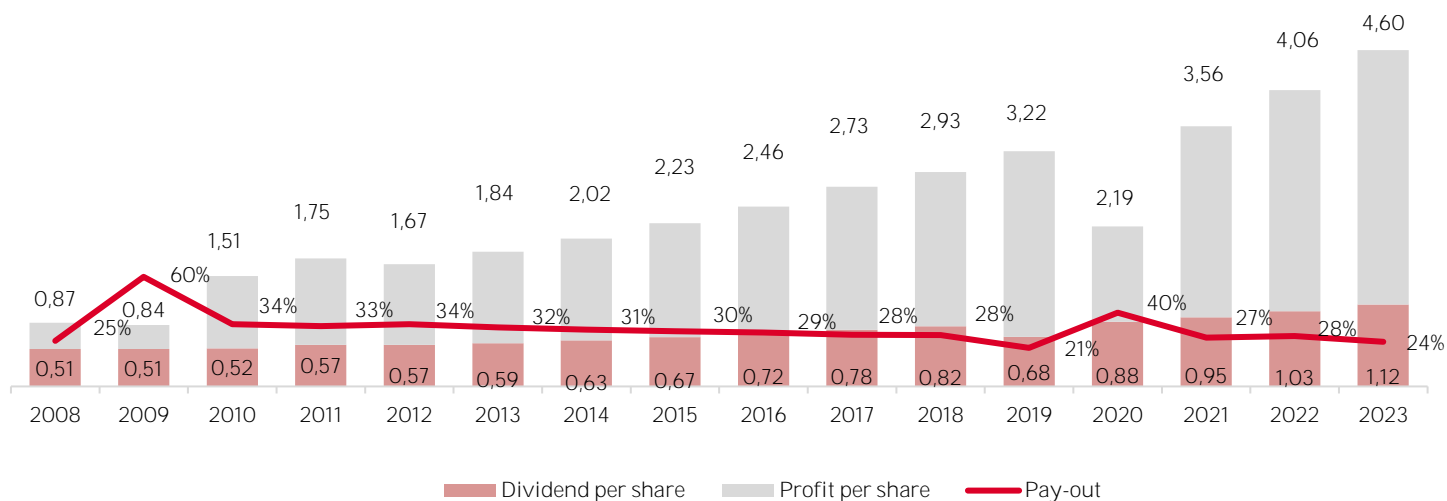
	2021	2022	2023	TACC 2002 -2023
GCO	2.92%	-1.50%	4.57%	10.71%
Ibex 35	7.93%	-5.56%	22.76%	2.48%
EuroStoxx Insurance	17.08%	-1.06%	8.76%	3.84%

\* Compound annual growth rate



## 8.67% increase in dividends from 2023 profits

Increase of 7.5% in the July, October 2023 and February 2024 dividends and 10% in the May 2024 dividend. The historical pattern of dividend distribution demonstrates the clear commitment of the Group to remunerate its shareholders.



July 2022

**€21.50M**

Oct. 2022

**€21.50M**

Feb. 2023

**€21.50M**

May 2023

**€58.91M**

Dividends 2022 financial year

**€123.42M** total

July 2023

**€23.11M**

Oct. 2023

**€23.11M**

Feb. 2024

**€23.11M**

May 2024

**€64.80M**

Dividends 2023 financial year

**€134.12M** total

# 02.

## Information 12M2023

Income statement

- Traditional business

- Credit insurance business

- Funeral business

Capital, investments and solvency

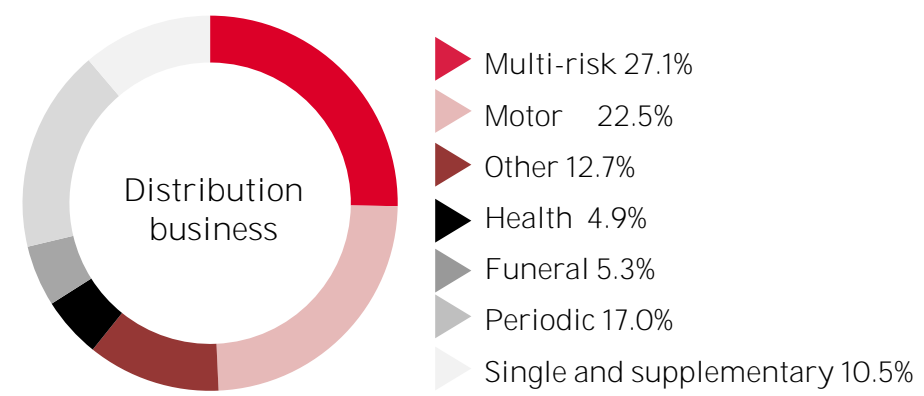
## Traditional business

**€2,741.4M** + 5.2%  
Recurring premiums

92.6% +1.8p.p  
Combined ratio

**€245.7M** -6.6%  
Technical result

**€261.1M** +1.3%  
Ordinary result



Positive evolution of recurring written premiums with a 5.2% growth. The increase of 6.9% in multi-risk and 8.7% in others should be highlighted.



## Traditional business. Multi-risk



Earned  
premiums

+6.9%

Combined  
ratio

93.1%

(figures in € million)

Multi-risk	2019	2020	2021	2022	2023	% Chg. 22-23
Written premiums	661.6	686.9	721.8	774.3	827.5	6.9%
Number of claims	719,437	841,525	877,630	977,166	1,071,172	9.6%
Technical provisions	537.7	544.4	559.0	619.5	633.1	2.2%
% <i>Technical cost</i>	55.3%	55.0%	56.3%	59.4%	60.3%	0.9
% <i>Commissions</i>	20.9%	20.9%	21.0%	21.6%	21.7%	0.1
% <i>Expenses</i>	13.4%	13.1%	12.8%	11.8%	11.1%	-0.7
% Combined ratio	89.6%	89.0%	90.1%	92.8%	93.1%	0.3
Technical result	68.0	74.5	69.9	54.1	55.3	2.1%
% <i>on earned premiums</i>	10.4%	11.0%	9.9%	7.2%	6.9%	
Earned premiums	653.3	676.1	705.3	750.7	797.7	6.3%

### Stagnant quarter combined ratio

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q24
Multi-risk	88.5%	88.4%	97.6%	96.2%	92.2%	92.0%	94.4%	93.6%

## Traditional business. Motor



Earned  
premiums

+4.9%

Combined  
ratio

96.3%

(figures in € million)

Motor	2019	2020	2021	2022	2023	% Chg. 22-23
Written premiums	657.3	653.8	641.1	658.6	690.8	4.9%
Number of claims	739,653	624,600	703,262	734,804	756,168	2.9%
Technical provisions	824.0	857.4	862.7	880.5	892.8	1.4%
% <i>Technical cost</i>	70.1%	66.5%	65.5%	68.7%	72.7%	4.0
% <i>Commissions</i>	11.1%	11.2%	11.2%	11.8%	11.9%	0.1
% <i>Expenses</i>	12.8%	12.7%	12.6%	12.2%	11.7%	-0.5
% Combined ratio	94.0%	90.3%	89.3%	92.7%	96.3%	3.6
Technical result	39.1	63.4	69.6	47.7	24.8	-48.1%
% <i>on earned premiums</i>	6.0%	9.7%	10.7%	7.3%	3.7%	
Earned premiums	655.2	655.5	650.4	651.2	677.2	4.0%

### Stagnant quarter combined ratio

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q24
Motor	90.2%	92.0%	95.0%	93.0%	93.4%	97.2%	97.9%	96.7%

## Traditional business. Other



Earned  
premiums

+8.7%

Combined  
ratio

85.0%

(figures in € million)

Other	2019	2020	2021	2022	2023	% Chg. 22-23
Written premiums	311.7	312.2	330.8	359.0	390.1	8.7%
Number of claims	100,785	93,483	98,193	94,421	90,402	-4.3%
Technical provisions	540.5	574.4	595.4	664.9	680.5	2.3%
% <i>Technical cost</i>	50.2%	51.0%	52.3%	49.1%	50.3%	1.2
% <i>Commissions</i>	19.4%	19.0%	15.4%	20.5%	22.9%	2.4
% <i>Expenses</i>	15.0%	14.3%	14.7%	13.3%	11.8%	-1.5
% Combined ratio	84.5%	84.4%	85.4%	82.9%	85.0%	2.1
Technical result	48.3	48.9	46.6	58.5	56.2	-3.9%
% <i>on earned premiums</i>	15.5%	15.7%	14.6%	17.1%	15.0%	
Earned premiums	311.8	312.4	318.9	342.7	374.9	9.4%

### Stagnant quarter combined ratio

	1Q22	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q24
Other	85.2%	83.1%	81.8%	81.9%	87.4%	82.4%	85.2%	85.0%

## Traditional business. Life



Earned  
premiums

+2.3%

Combined  
Ratio for funeral

77.1%

Combined  
Ratio for health

87.0%

(figures in € million)

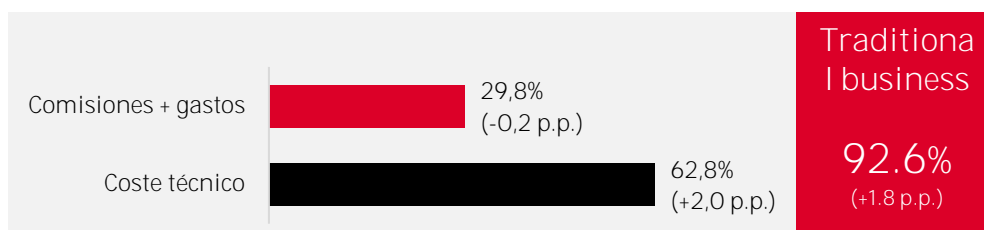
Life	2019	2020	2021	2022	2023	% Chg. 22-23
Life insurance turnover	981.8	1,067.5	1,107.3	1,050.9	1,156.3	10.0%
Periodic premiums	438.2	476.5	487.1	510.1	520.8	2.1%
Health	60.9	142.8	145.0	149.0	151.3	1.5%
Funeral	138.8	143.3	147.4	155.3	160.9	3.6%
Single premiums	343.8	304.9	327.7	236.5	323.3	36.7%
Pension plan contributions	69.1	71.8	61.0	51.3	48.7	-5.1%
Net contributions to investment funds	1.9	1.3	3.0	-10.7	-10.1	-5.6%
Volume of managed funds	6,617.3	6,695.5	6,771.7	6,620.1	6,588.1	-0.5%
Technical result after expenses	59.2	74.2	71.4	102.6	109.4	6.6%
<i>% on earned premiums</i>	<i>5.4%</i>	<i>7.0%</i>	<i>6.4%</i>	<i>9.8%</i>	<i>9.4%</i>	
Technical– financial result	81.2	95.3	98.2	150.4	185.3	23.2%
<i>% on earned premiums</i>	<i>7.5%</i>	<i>8.9%</i>	<i>8.9%</i>	<i>14.3%</i>	<i>16.0%</i>	
Earned premiums	1,087.2	1,066.1	1,107.3	1,048.9	1,160.8	10.7%

## Traditional business

(figures in € million)

Traditional business	2019	2020	2021	2022	2023	% Chg. 22-23
Written premiums	2,612.4	2,720.4	2,801.0	2,842.9	3,064.7	7.8%
Life insurance premiums, ex. single	2,268.6	2,415.5	2,473.2	2,606.4	2,741.4	5.2%
Technical result after expenses	214.6	265.4	257.6	263.0	245.7	-6.6%
<i>% on earned premiums</i>	7.9%	9.8%	9.3%	9.4%	8.2%	
Financial result	58.1	51.6	60.6	84.7	109.8	29.6%
<i>% on earned premiums</i>	2.1%	1.9%	2.2%	3.0%	3.6%	
Non technical result	-13.6	-16.3	-18.4	-21.3	-24.7	
Corporate tax	-49.2	-65.8	-59.9	-68.3	-69.7	
Ordinary result	209.9	234.9	239.9	257.8	261.1	1.3%
Non-ordinary result	-7.8	-10.3	-12.5	-50.6	-22.5	
Total result	202.1	224.6	227.4	207.2	238.6	15.1%
Earned premiums	2,707.5	2,710.1	2,781.9	2,793.5	3,010.6	7.8%

### Combined ratio



## Credit insurance business

**€2,279 M** +2.4%

Earned premiums

74.1% +1.8p.p

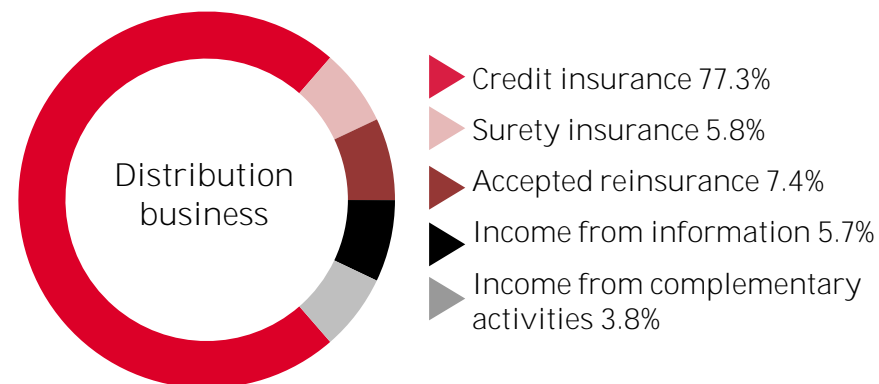
Gross combined ratio

**€413.9M€** +0.8%

Net technical result

**€365.6M** +3.1%

Ordinary result

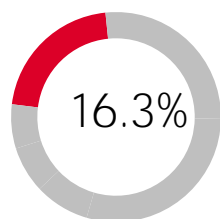


The inflow of claims remains slightly below the pre-pandemic period. However, we maintain the prudent level of provisions of previous years.

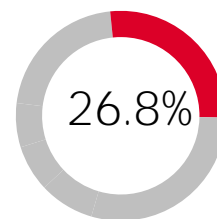
## Credit insurance business

**€2,278.5M** +2.4%

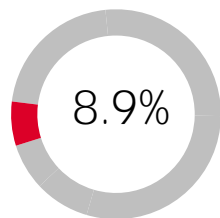
Earned premiums



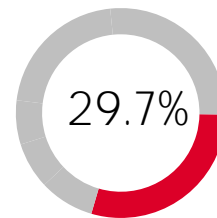
Spain and Portugal  
Earned premiums: **€371.0M**  
Change: +1.2%



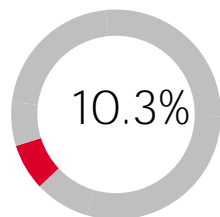
Central and Northern Europe  
Earned premiums: **€611.2M**  
Change -1.7%



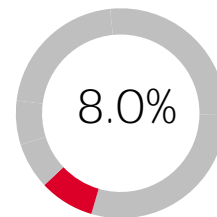
The Americas  
Earned premiums: **€203.9M**  
Change +0.3%



Western Europe  
Earned premiums: **€674.0M**  
Change +6.6%



Asia and rest of the world  
Earned premiums: **€235.4M**  
Change +4.3%



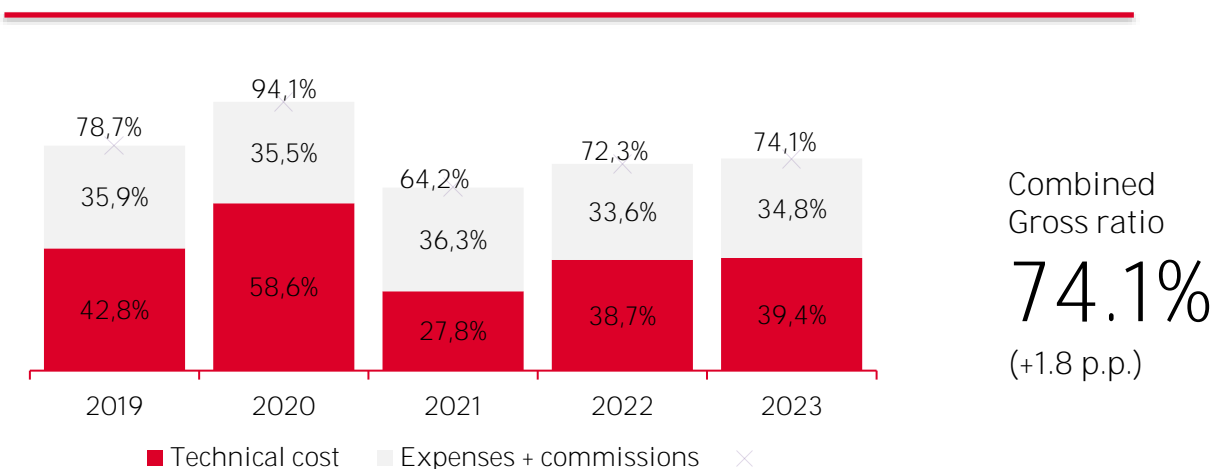
Southern Europe  
Earned premiums: **€183.0 M**  
Change +4.6%

**€2,422.3M** +2.4%

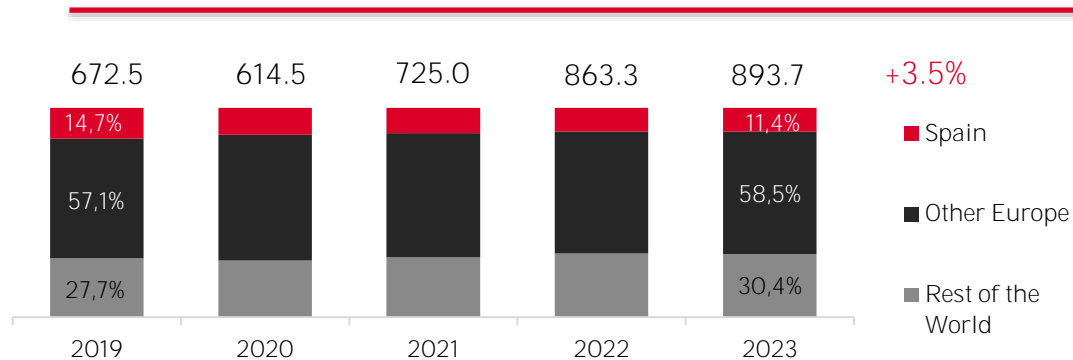
Earned premiums and information services

## Credit insurance business

Performance of the gross combined ratio



Performance of risk exposure (TPE)



(figures in € million)



## Credit insurance business

(figures in € million)

Credit insurance business	2019	2020	2021	2022	2023	% Chg. 22-23
Earned premiums	1,759.5	1,727.4	1,900.3	2,224.5	2,278.5	2.4%
Income from information	136.5	133.1	135.6	141.9	143.8	1.3%
Total income	1,896.0	1,860.5	2,035.9	2,366.4	2,422.3	2.4%
Technical result after expenses	404.8	109.3	729.5	655.4	626.4	-4.4%
<i>% on income</i>	21.4%	5.9%	35.8%	27.7%	25.9%	
Reinsurance result	-82.6	-28.1	-419.8	-244.8	-212.5	-13.2%
<i>Reinsurance transfer ratio</i>	38.0	52.1	49.8	37.0	37.0	
Net technical result	322.2	81.2	309.7	410.6	413.9	0.8%
<i>% on income</i>	17.0%	4.4%	15.2%	17.4%	17.1%	
Financial result	5.6	5.1	17.7	44.8	59.4	32.6%
<i>% on income</i>	0.3%	0.3%	0.9%	1.9%	2.5%	
Result from complementary activities	3.2	1.8	9.9	8.8	16.7	89.8%
Corporate tax	-85.4	-34.8	-90.0	-104.3	-117.6	12.8%
Adjustments	-7.4	-2.9	-4.7	-5.3	-6.7	26.4%
Ordinary result	238.2	50.4	241.8	354.6	365.6	3.1%
Non-ordinary result	-17.9	-8.6	-5.3	-23.8	0.1	
Total business result	220.3	41.8	236.5	330.8	365.7	10.6%

## Funeral business



On 9 February 2023, GCO acquired 100% of Grupo Mémora from the Ontario Teacher's Pension Fund (OTPP).

	Mémora			Mémora		Asistea		Mémora + Asistea	
	2019	2020	2021	2022	2023	2022	2023	2022	2023
Turnover	165,742	184,347	188,530	214,048	216,083	32,830	33,075	246,878	249,158
EBITDA	46,375	49,882	47,057	56,161	54,409	8,117	6,759	64,278	61,168
Margin	28.0%	27.1%	25.0%	26.2%	25.2%	24.7%	20.4%	26.0%	24.5%

(figures in € million)

Funeral business	2022	2023
Income	32.8	227.0
EBITDA	8.1	54.2
Margin on EBITDA	24.7%	23.9%
Amortisations	2.1	21.3
Technical result after expenses	6.0	32.9
Financial result	-0.3	-16.3
Result before tax	5.7	16.6
Corporate tax	1.0	3.0
Ordinary result	4.8	13.6
Non-ordinary result	-0.2	-2.5
Total result	4.6	11.1

As a result of the inflationary impact on costs, the EBITDA margin has been reduced to 23.9%.

The Group, following the recent acquisition, is analysing Mémora's cost structure and establishing a programme of synergies and deleveraging in order to improve margins and reduce financial charges.

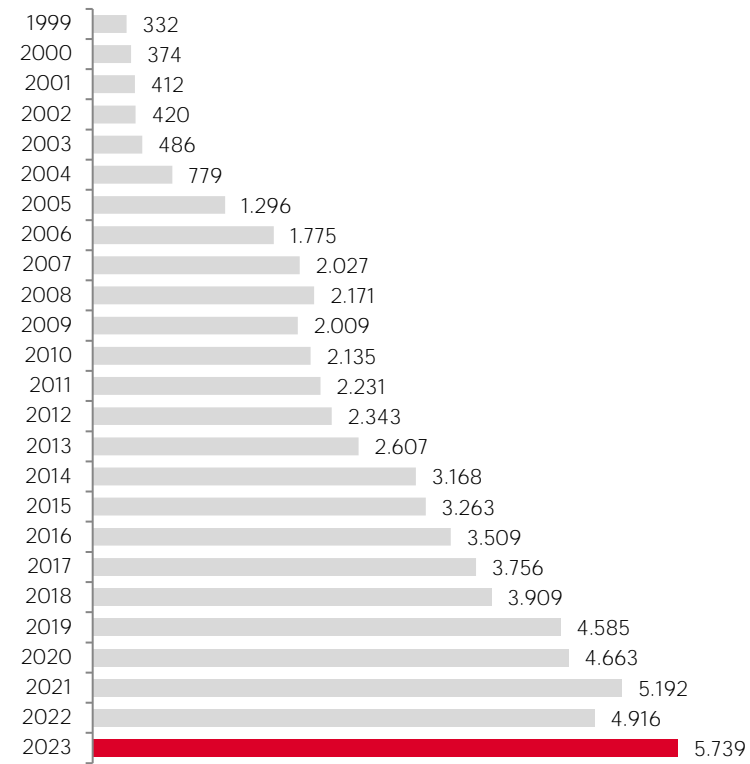
## Financial strength



At year-end 2023, permanent resources at market value have increased by 16.7%.

	(figures in € million)
Permanent resources at 31/12/2022	4,373.9
Permanent resources at market value on 31/12/2022	4,916.3
Net equity on 01/01/2023	4,182.6
(+) Consolidated profits	615.5
(+) Dividends paid	-126.6
(+) Change in valuation adjustments	360.5
(+) Other changes	-17.8
Total movements	831.6
Total net equity on 31/12/2023	5,014.2
Subordinated debt	156.2
Permanent resources at 31/12/2023	5,170.4
Capital gains not included in balance sheet (properties)	568.4
Permanent resources at market value on 31/12/2023	5,738.8




16.7%



## IFRS17.

IFRS17: International accounting standards that establish a new methodology for the calculation of provisions impact both provisions and financial investments.

### Treatment of insurance liabilities

IFRS17 accounting	 LIFE	 GENERAL INSURANCE	 CREDIT
	<p>- Savings: General methodology (BBA). Methodology analogous to Solvency and Embedded Value. With market assumptions and valuation.</p> <p>In addition, the term CSM is introduced as an estimate of future business performance.</p> <p>- Risk (annual): The methodology for short-term insurance, known as PAA, will be followed. No significant changes from the current one (best estimate, risk adjustment and discounting).</p> <p>- Only affects the consolidated accounts. - Entry into force 01/01/2024.</p>	<p>- No significant change from the current one, based on a best estimate with risk adjustment and discounting.</p>	<p>- We have opted for the general methodology (BBA):</p> <ul style="list-style-type: none"> <li>• Applies to all products and countries.</li> <li>• Homogeneous with reinsurance.</li> <li>• Suitable for the management and volatility of the credit insurance business.</li> </ul>

### Impacts on Ordinary Management

FINANCIAL IMPLICATIONS
No impact
<ul style="list-style-type: none"> <li>- Assets at market value against equity (OCI) similar to current portfolios</li> <li>- ALM Assets - Liabilities management to reduce asymmetries is maintained</li> </ul>
With impact
<ul style="list-style-type: none"> <li>- Liabilities at market value analogous to Solvency / Embedded Value</li> <li>- Recognition of the profit in Life Savings and Loan, different timing imputation</li> <li>- Treatment of variable income: Market value against OCI but no possibility to recognise gain/loss on sale. Market value investment funds with P&amp;L changes</li> </ul>

MANAGEMENT IMPLICATIONS
On the business
<ul style="list-style-type: none"> <li>- No relevant changes in risk appetite are expected</li> <li>- Current business management indicators (ratios and KPIs) are maintained in parallel</li> </ul>
On the capital
<ul style="list-style-type: none"> <li>- No change in dividend distribution</li> <li>- No change in the solvency position</li> <li>- No change in cash generation</li> </ul>

## IFRS17

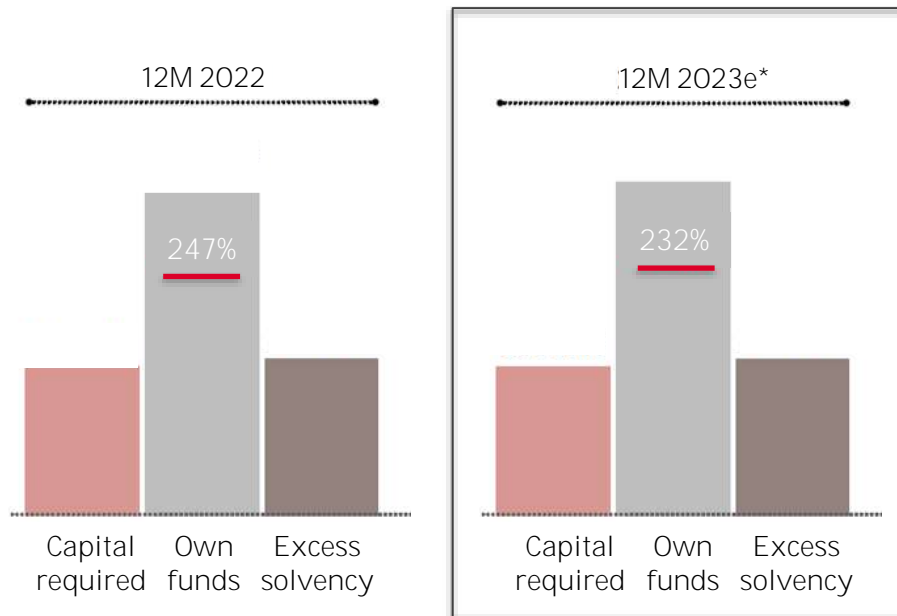
Comparison IFRS 17 vs IFRS4	12M2023		
	IFRS4	IFRS17	Chg.
Technical insurance result	668,4	812,5	144,1
Non-attributable expenses	0,0	-37,8	-37,8
Total technical result	668,4	774,7	106,3
Investment result	316,2	263,3	-52,9
Insurance expenses for financial income or expenses	-147,0	-141,6	5,4
Total financial result	169,2	121,8	-47,4
Other result	-24,6	-27,1	-2,5
Funeral business	16,6	16,6	0
Result before tax	829,6	886,0	56,4
Corporate tax	-189,3	-207,9	-18,6
Ordinary result	640,3	678,1	37,8
Total result	615,5	645,1	29,6
Combined ratio with attributable expenses			
Traditional business	92,6%	93,0%	0,3
Credit insurance business	74,1%	71,2%	-2,9
Equity	5.014	5.616	602

	12M2022		
	IFRS4	IFRS17	Chg.
Ordinary result	617,1	687,0	69,8
% Increase	3,8%	-1,3%	
Total result	542,6	528,6	-14,0

\*IFRS4 results are presented with a different breakdown than management information to make them comparable with international accounting standards.

## Sound solvency position: 232% at the close of 2023e

GCO has a sound solvency and financial position to withstand adverse situations



\* Dato con modelo interno parcial.

The Solvency II ratio is maintained around 175%, even in adverse scenarios.

Equity is of high quality (96.6% of tier1).



Presentation of the report on the financial and solvency situation  
 April: Group companies  
 May: GCO

## Credit rating

A and A1 ratings, awarded by AM Best and Moody's respectively, reflect the Group's strong balance sheet, good business model, excellent operating results and appropriate capitalisation thanks to the entities' internal capital generation.

A.M. Best

**“A”**

Rating of the Group's operating entities

Best highlights the prudence in underwriting, which is reflected in a positive record of operating results with an excellent combined ratio and a high return on equity (ROE)

Moody's

**“A1”**

Ratings of operating entities in the credit insurance business

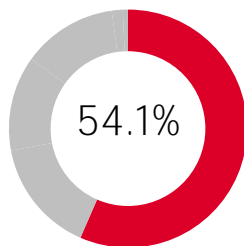
In October 2023, Moody affirmed the 'A1' rating with a stable outlook of the operating entities in the credit insurance business. It highlights the strong competitive position, strong capitalization, low financial leverage and conservative investment portfolio.

## Investments

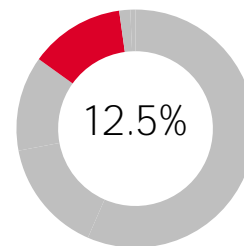
The Group invests in traditional assets through prudent, diversified management

**€15,364.7 M**

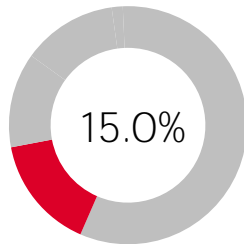
(+3.4% compared to the managed funds at the end of 2022)



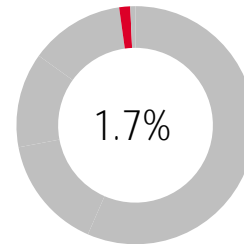
Fixed income  
€7,400.0M (+6.8%)



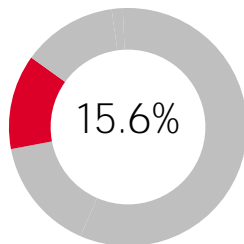
Real Estate Property  
€1,702.8M (+4.7%)



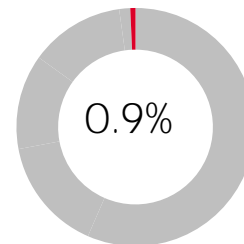
Cash and monetary assets  
€2,047.4 M (-23.6%)



Other investments  
€236.5M (-3.0%)



Variable income  
€2,160.2M (+22.2%)



Investment in investee companies  
€119.1M (+6.1%)





## Q&A

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Ms. Clara Gómez  
Managing Director of Finance and  
Risks



Mr. Carlos González  
Chief Financial Officer



Ms. Nawal Rim  
Investor Relations, Rating Agencies  
and Sustainability Director

# 03.

Calendar and annexes

## Calendar

## Analyst and investor relations

January	February	March	April	May	June	July	August	September	October	November	December
	29 Result 12M2023		25 Result 3M2024			25 Result 6M2024			31 Result 9M2024		
		1 Presentation of results 12M2023 11.30	26 Presentation of results 3M2024 11.00			25 Presentation of results 6M2024 16.30			31 Presentation of results 9M2024 16.30		
			25 General Shareholders' Meeting 2023								
	Interim dividend 2023			Complement ary dividend 2023		Interim dividend 2024			Interim dividend 2024		

## Income statement

(figures in € million)

	2019	2020	2021	2022	2023	% Chg. 22-23
Earned	4,411.2	4,426.4	4,746.9	5,103.7	5,421.8	6.2%
Income from information	136.5	133.1	135.6	141.9	143.8	1.3%
Net income from insurance	4,547.7	4,559.5	4,882.5	5,245.6	5,565.6	6.1%
Technical cost	2,738.5	2,917.8	2,853.3	3,063.8	3,218.3	5.0%
<i>% on total net income</i>	59.5%	63.8%	59.2%	59.4%	59.2%	
Commissions	558.6	558.6	588.6	670.8	719.9	7.3%
<i>% on total net income</i>	12.1%	12.2%	12.2%	13.0%	13.3%	
Expenses	767.7	750.1	847.7	816.5	866.6	6.1%
<i>% on total net income</i>	16.7%	16.4%	17.6%	15.8%	16.0%	
Technical result after expenses	538.3	344.1	528.2	608.8	628.1	3.2%
<i>% on total net income</i>	11.7%	7.5%	11.0%	11.8%	11.6%	
Financial result	37.0	28.2	98.3	209.0	175.9	-15.8%
<i>% on total net income</i>	0.8%	0.6%	2.0%	4.1%	3.2%	
Result of non-technical non-financial account	-25.0	-14.1	-34.2	-135.2	-54.0	
<i>% on total net income</i>	-0.5%	-0.3%	-0.7%	-2.6%	-1.0%	
Result from compl. act. Credit Ins.	3.2	1.8	9.9	8.8	16.7	
<i>% on total net income</i>	0.1%	0.0%	0.2%	0.2%	0.3%	
Result from Completm. act. Funeral business	2.7	4.6	5.2	5.8	31.4	
Result before tax	556.2	364.6	607.3	697.2	798.2	14.5%
<i>% on total net income</i>	12.1%	8.0%	12.6%	13.5%	14.7%	
Taxes	131.7	94.5	139.0	154.7	182.7	
<i>% taxes</i>	23.7%	25.9%	22.9%	22.2%	22.9%	
Consolidated result	424.5	270.1	468.3	542.5	615.5	13.4%
attributed to minorities	38.6	7.8	41.1	56.0	63.7	
Attributable result	385.9	262.3	427.2	486.5	551.8	13.4%
<i>% on total net income</i>	8.4%	5.7%	8.9%	9.4%	10.2%	

## Credit insurance business

### Performance of the gross combined ratio

	2019	2020	2021	2022	2023	% Chg. 22-23
% Gross technical cost	42.8%	58.6%	27.8%	38.7%	39.4%	0.7
% Gross commissions + expenses	35.9%	35.5%	36.3%	33.6%	34.8%	1.2
% Gross Combined Ratio	78.7%	94.1%	64.2%	72.3%	74.1%	1.8
% Net technical cost	43.4%	55.9%	37.3%	41.3%	42.4%	1.1
% Net commissions + expenses	30.0%	35.6%	34.3%	31.4%	31.3%	-0.1
% Net Combined Ratio	73.4%	91.5%	71.6%	72.8%	73.7%	0.9

## Credit insurance business - TPE

(figures in € million)

	2019	2020	2021	2022	2023	% chg. 22-23	% total
Spain and Portugal	98,739	79,231	86,970	97,580	101,442	4.0%	11.4%
Germany	93,024	93,568	108,235	125,354	129,890	3.6%	14.5%
Australia and Asia	95,595	84,153	101,050	121,807	127,402	4.6%	14.3%
The Americas	81,269	71,765	94,039	126,191	126,836	0.5%	14.2%
Eastern Europe	68,595	64,630	77,682	88,671	93,574	5.5%	10.5%
United Kingdom	51,019	46,339	56,511	66,053	70,907	7.3%	7.9%
France	48,407	45,239	50,601	58,808	60,226	2.4%	6.7%
Italy	43,661	42,001	50,352	62,161	62,570	0.7%	7.0%
Nordic and Baltic countries	31,748	30,779	35,311	40,912	41,773	2.1%	4.7%
The Netherlands	30,392	29,875	33,204	39,063	41,116	5.3%	4.6%
Belgium and Luxembourg	17,444	16,959	19,155	21,816	22,631	3.7%	2.5%
Rest of the world	12,627	10,011	11,934	14,835	14,911	0.5%	1.7%
Total	672,520	614,549	725,043	863,252	893,277	3.5%	100%

## Credit insurance business - TPE

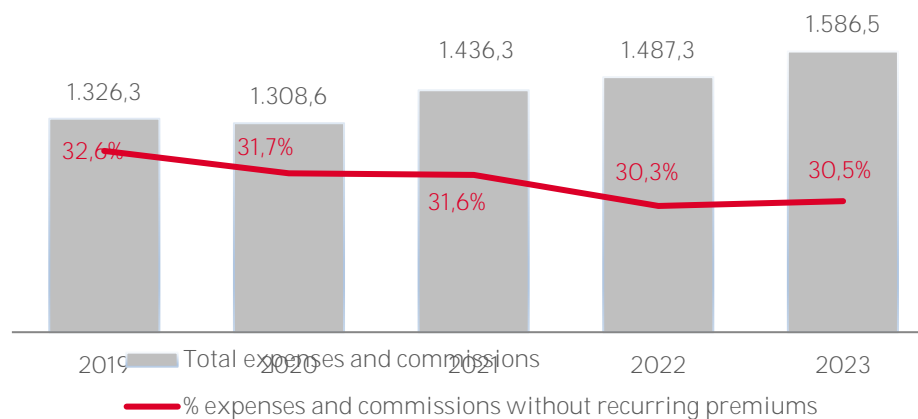
(figures in € million)

	2019	2020	2021	2022	2023	% chg. 22-23	% on total
Electronics	82,858	73,189	90,137	107,892	107,461	-0.4%	12.0%
Chemicals	87,466	82,804	99,390	123,206	126,643	2.8%	14.2%
Durable consumer goods	73,145	69,071	81,697	91,125	91,213	0.1%	10.2%
Metals	72,285	61,597	78,757	94,888	99,523	4.9%	11.1%
Food	64,587	63,860	71,101	82,021	84,098	2.5%	9.4%
Transport	61,128	53,098	61,673	75,650	81,113	7.2%	9.1%
Construction	51,495	47,072	53,451	62,382	66,469	6.6%	7.4%
Machinery	41,225	39,635	46,328	55,280	57,551	4.1%	6.4%
Agriculture	33,954	29,845	34,441	39,751	43,483	9.4%	4.9%
Construction Materials	29,389	29,345	34,801	41,563	41,276	-0.7%	4.6%
Services	27,109	23,346	25,211	30,309	31,928	5.3%	3.6%
Textiles	19,660	15,404	16,987	19,997	21,054	5.3%	2.4%
Paper	15,065	13,151	15,572	19,227	19,674	2.3%	2.2%
Finance	13,156	13,131	15,497	19,961	21,791	9.2%	2.4%
Total	672,520	614,549	725,043	863,252	893,277	3.5%	100%

## General expenses and commissions

(figures in € million)

	2019	2020	2021	2022	2023	% Chg. 22-23
Traditional business	318.7	312.6	315.0	306.6	304.2	-0.8%
Credit insurance business	449.0	433.7	492.4	497.3	530.8	6.7%
Non-ordinary expenses	0.0	3.8	40.3	12.6	31.6	
Total expenses	767.7	750.1	847.7	816.5	866.6	6.1%
Commissions	558.6	558.6	588.6	670.8	719.9	7.3%
Total expenses and commissions	1,326.3	1,308.6	1,436.3	1,487.3	1,586.5	6.7%
% expenses and commissions without recurring premiums	32.6%	31.7%	31.6%	30.3%	30.5%	0.2%





## Financial profit/(loss)

(figures in € million)

	2019	2020	2021	2022	2023	% Chg. 22-23
Financial income net of expenses	206.5	182.5	186.7	189.0	269.4	42.5%
Exchange-rate differences	0.0	0.0	-0.7	-0.8	0.2	
Subsidiary companies	1.1	1.8	2.2	1.9	1.7	
Interest applied to life	-149.5	-132.7	-127.6	-105.5	-161.5	53.1%
Ordinary result of the traditional business	58.1	51.6	60.6	84.7	109.8	29.6%
<i>% on earned premiums</i>	2.2%	1.9%	2.2%	3.0%	3.6%	
Financial income net of expenses	16.6	12.9	8.5	28.7	64.2	123.7%
Exchange-rate differences	-1.3	5.5	8.9	11.0	-3.1	
Subsidiary companies	7.1	2.9	16.0	17.8	11.3	-36.5%
Interest subordinated debt	-16.9	-16.9	-15.9	-12.7	-12.9	
Ordinary result from credit insurance	5.6	5.1	17.7	44.8	59.4	32.6%
<i>% on net income from insurance</i>	0.3%	0.3%	0.9%	1.9%	2.5%	
Intra-group interest adjustment	-3.5	-0.9	-0.4	-0.4	0.0	
Adjusted recurring financial ordinary from credit insurance	2.1	4.2	17.3	44.4	59.4	
Financial result from funeral business	0.2	0.2	0.5	-0.3	-16.3	
Ordinary financial result	60.5	55.8	78.5	128.8	153.0	18.8%
<i>% on net income from insurance</i>	1.3%	1.3%	1.6%	2.5%	2.8%	
Non-ordinary financial result	-23.5	-27.8	19.8	80.2	23.0	
Financial result	37.0	28.2	98.3	209.0	175.9	-15.8%

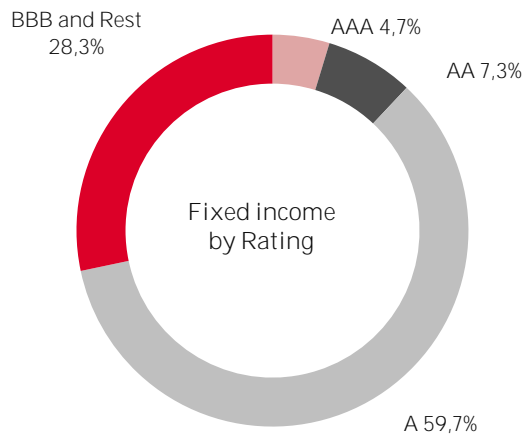
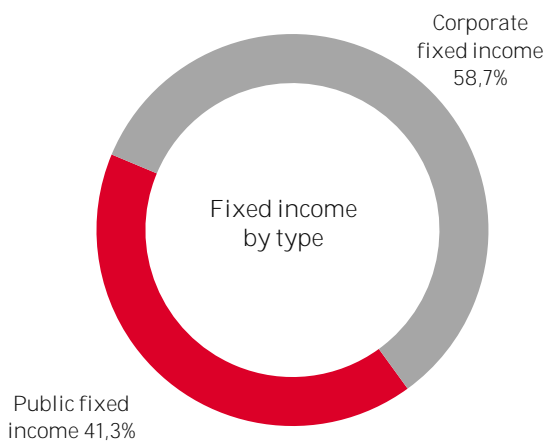
## Non-ordinary profit/(loss)

(figures in € million)

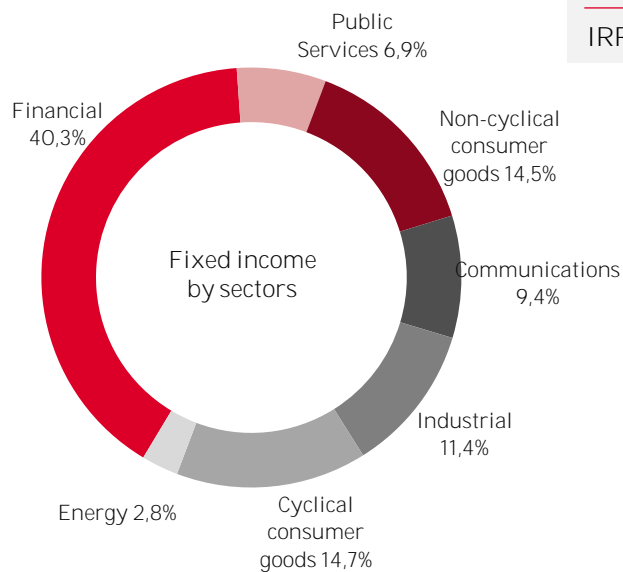
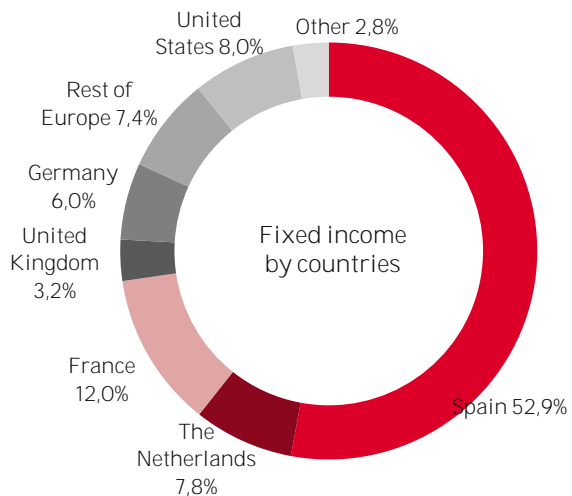
	2019	2020	2021	2022	2023
Financial	-5.3	-22.1	11.8	98.4	-1.7
Expenses and other non-ordinary	-3.9	6.1	-33.4	-168.6	-26.8
Taxes	1.4	5.7	9.1	19.6	6.0
Non-ordinary from traditional business	-7.8	-10.3	-12.5	-50.6	-22.5
Financial	-18.1	-5.7	8.0	-18.2	26.2
Expenses and other non-ordinary	0.0	-3.8	-16.4	-4.6	-26.1
Taxes	0.2	0.9	3.1	-1.0	0.0
Non-ordinary from credit insurance business	-17.9	-8.6	-5.3	-23.8	0.1
Non-recurring from traditional business	-0.1	0.0	0.0	-0.3	-3.0
Taxes	0.0	0.0	0.0	0.1	0.5
Non-recurring from traditional business	-0.1	0.0	0.0	-0.2	-2.5
Non-ordinary result (net of taxes)	-25.8	-18.9	-17.8	-74.7	-24.9

# Investments

High fixed-income portfolio quality

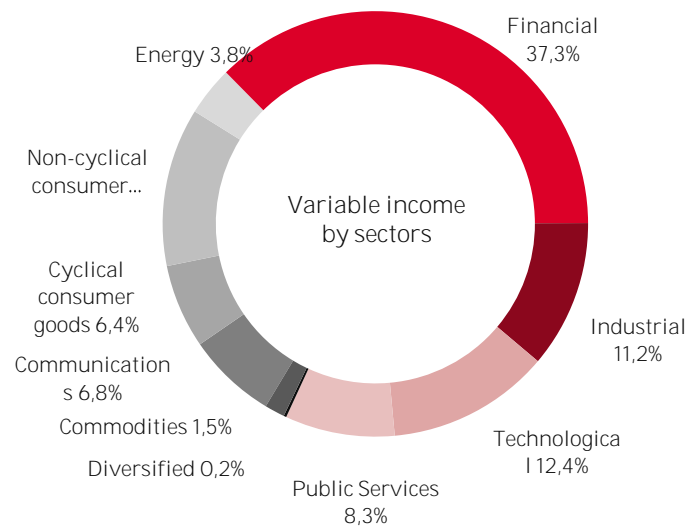
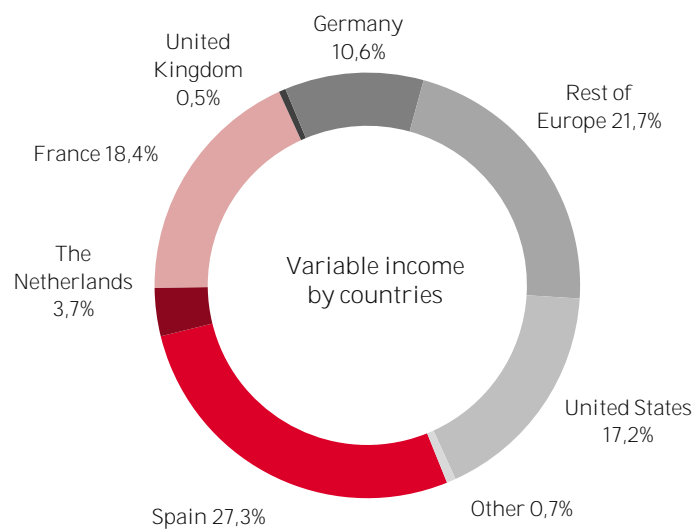


	2022	2023
Duration	3.25	3.66
IRR	3.03%	3.24%



## Investments in liquid assets

High liquidity 15.6% variable income



## Balance sheet

(figures in € million)

Assets	2019	2020	2021	2022	2023	% Chg. 22-23
Intangible assets and property, plant and machinery	1,429.1	1,440.1	1,358.2	1,312.0	2,102.4	60.2%
Investments	12,618.4	13,066.4	13,955.5	13,312.4	13,664.6	2.6%
Property investments	661.4	692.9	718.3	749.3	731.9	-2.3%
Financial investments	10,602.3	10,895.6	11,504.0	10,436.7	11,559.0	10.8%
Cash and short-term assets	1,354.7	1,478.0	1,733.2	2,126.4	1,373.7	-35.4%
Reinsurance of technical provisions	874.3	1,108.1	1,101.5	1,200.0	1,245.2	3.8%
Other assets	1,756.0	1,753.2	1,857.7	2,146.4	2,394.8	11.6%
Deferred tax assets	226.3	271.9	226.8	282.3	300.0	6.3%
Credits	951.0	971.0	1,006.6	1,084.3	1,275.9	17.7%
Other assets	578.7	510.3	624.3	779.8	819.0	5.0%
<b>Total assets</b>	<b>16,677.9</b>	<b>17,367.7</b>	<b>18,272.9</b>	<b>17,970.8</b>	<b>19,407.0</b>	<b>8.0%</b>
Net liabilities and equity	2019	2020	2021	2022	2023	% Chg. 22-23
Permanent resources	4,051.7	4,138.3	4,667.7	4,374.0	5,170.4	18.2%
Net equity	3,851.2	3,937.6	4,472.8	4,182.6	5,014.2	19.9%
Parent company	3,477.1	3,578.9	4,076.6	3,782.4	4,561.3	20.6%
Minority interests	374.1	358.7	396.2	400.2	452.9	13.2%
Subordinated liabilities	200.5	200.7	194.9	191.3	156.2	-18.3%
Technical provisions	10,652.1	10,982.5	11,294.5	11,730.1	12,035.6	2.6%
Other liabilities	1,974.1	2,247.0	2,310.7	1,866.7	2,201.0	17.9%
Other provisions	210.5	234.6	196.1	258.3	267.1	3.4%
Deposits received due to ceded reinsurance	52.9	58.3	21.1	14.3	15.3	7.0%
Deferred tax liabilities	488.4	488.8	504.2	308.7	469.2	52.0%
Debts	767.8	969.8	1,145.6	1,026.7	1,242.6	21.0%
Other liabilities	454.5	495.5	443.7	258.7	206.9	-20.0%
<b>Total net liabilities and equity</b>	<b>16,677.9</b>	<b>17,367.7</b>	<b>18,272.9</b>	<b>17,970.8</b>	<b>19,407.0</b>	<b>8.0%</b>

## GCO

The Group's business model is based on being leaders in protecting and accompanying people and companies at all stages of their lives, to ensure their peace of mind at the present time and their confidence in the future.

### Insurance specialist



- Over 160 years of experience
- Complete offer
- Sustainable and socially responsible model

### Closeness – global presence



- Distribution of intermediaries
- Over 14,500 intermediaries
- Over 8,600 employees
- Nearly 1,400 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- 2023: profits multiplied by 18
- Diversified and prudent investment portfolio

## Challenges for 2024

The Group bases its strategy on 3 pillars:

 <p>Increase</p>	<ul style="list-style-type: none"> <li>- Total turnover <b>€5,792.6 million</b></li> <li>- Launch of new insurance products</li> <li>- Consolidation of App for customers</li> </ul> <ul style="list-style-type: none"> <li>- Further boost distribution networks with training and digital tools</li> <li>- Developing omni-channel and enhancing customer self-service capabilities</li> <li>- Advancing digital health, products for seniors, hybrid vehicle and adjacent services</li> <li>- Incorporation of the funeral business of "Memora"</li> </ul>
 <p>Profitability</p>	<ul style="list-style-type: none"> <li>- The consolidated profit amounted to <b>€615.5 million</b></li> <li>- Excellent combined ratio of traditional business 92.6% maintaining the differential with the sector</li> <li>- Improved performance in credit insurance higher than pre-pandemic period</li> </ul> <ul style="list-style-type: none"> <li>- Advance the concept of simplicity by completing the merger of the traditional business entities</li> <li>- Develop the technological infrastructure to enable the offer of on-demand insurance</li> <li>- Advance the application of artificial intelligence in underwriting and commercial processes</li> </ul>
 <p>Solvency</p>	<ul style="list-style-type: none"> <li>- The estimated solvency ratio at the end of 2023 is 232%</li> <li>- Sustainalytics: ESG risk rating of 16.9, considered low risk</li> <li>- Consolidation hybrid work model</li> </ul> <ul style="list-style-type: none"> <li>- Continue to integrate sustainability in all areas of the Group</li> <li>- Join forces under the umbrella of a new Occident brand for traditional business</li> <li>- Promote employer branding through enhanced professional development</li> </ul>

## Creation of value

The vocation of the group is to consolidate a solid business and generate sustainable social value. In 2023, the Group contributed **€5,054.6 million** to society.

### Evolution of contribution to society

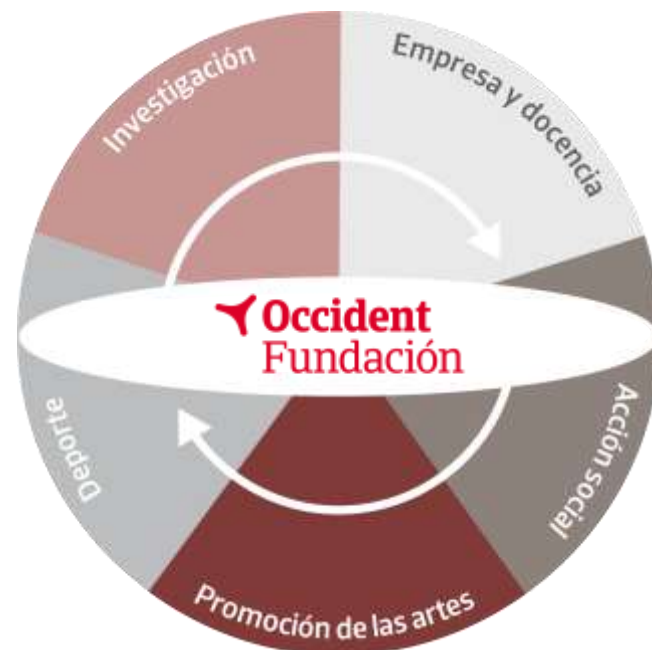
(figures in € million)

	2021	2022	2023
Direct economic value generated	3,905.5	4,175.8	5,054.6
Distributed economic value	3,883.3	4,110.6	4,987.1
Provisions provided to customers	2,183.8	2,306.9	2,992.3
Public Administrations	541.1	582.8	646.3
Intermediaries	542.0	588.9	643.3
Employees	504.7	513.1	576.2
Shareholders	107.7	116.6	126.6
Contributions to non-profit entities and foundations	4.0	2.3	2.4
Retained economic value	22.2	65.2	67.5



## Occident Foundation

The GCO Foundation, which changed its name to the Occident Foundation on 1 January 2024, is a private non-profit organisation created in memory of Jesús Serra Santamans, founder of GCO, whose purpose is to develop projects with the aim of making society better for everyone, always guided by values such as solidarity, effort and teamwork.



### More than insurance....

... it participates in more than 60 projects helping those who need it most in the fields of research, business and teaching, social action, sport and promotion of the arts

## Corporate structure

GCO Main entities		
Occident	Tecniseguros	GCO Gestión de Activos
NorteHispana Seguros	Bilbao Vida	GCO Gestora de Pensiones
	S. Órbita	Occident Hipotecaria
	Occident Direct*	Sogesco
	Occident Inversions*	Hercasol SICAV
	CO Capital Ag. Valores	GCO Activos Inmobiliarios
	Cosalud Servicios	GCO Ventures
	NH Mediación	
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Centre	
		Grupo Asistea
Grupo Mémora		
Atradius Crédito y Caución	Atradius Collections	Grupo Compañía Española Crédito y Caución
Atradius ATCI	Atradius Dutch State Business	Atradius NV
Atradius Seguros de Crédito México	Atradius Information Services	Atradius Participations Holding
Crédito y Caución Seguradora de Crédito e Grantias Brazil	Iberinform International	Atradius Finance
INSURANCE COMPANIES	COMPLEMENTARY INSURANCE COMPANIES	INVESTMENT COMPANIES

Traditional business

Funeral business

Credit insurance business

## Risk strategy

GCO defines its risk strategy based on risk appetite and tolerance, and ensures that its integration with the business plan allows it to comply with the risk appetite approved by the board.

The risk strategy is materialised through:

▷ Risk profile

Risk assumed in terms of solvency.

▷ Risk appetite

Risk in terms of solvency that the entity plans to accept in order to achieve its objectives.

▷ Risk tolerance

Maximum deviation from the Appetite that the company is willing to assume (tolerate).

▷ Risk limits

Operative limits established to comply with the Risk Strategy.

▷ Alert indicators

In addition, the Group avails of a series of early alert indicators that are the basis both for monitoring the risks and for compliance with the risk appetite approved by the Board of Directors.

# Risk map

QUANTITATIVE RISKS INCLUDED IN THE SOLVENCY RATIO					
Risks TIER 1	Description	Internal Regulations	External Regulations	Quantification	Mitigation
Credit Underwriting Risk	Risk of loss or of adverse change in the value of commitments contracted due to possible inadequate pricing and provisioning assumptions. In the case of credit insurance, the risk arises from the non-payment by our buyers (customers) of our customers, and in the case of surety, from the non-fulfilment of the contractual, legal or fiscal obligations of our customers.	<ul style="list-style-type: none"> <li>- Underwriting policy and rate setting regulation</li> <li>- Underwriting guidelines</li> <li>- Authorisation matrices</li> <li>- Buyer rating monitoring and credit limit concessions</li> </ul>	<ul style="list-style-type: none"> <li>- IFRS and Local Regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Internal Model (except ICP)</li> <li>- ICP: Solvency II Standard Formula</li> <li>- Risk self-assessments and ORSAs are analysed</li> <li>- Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Reinsurance Policy</li> <li>- DEM</li> <li>- Strict underwriting control</li> <li>- Control and monitoring of buyers' default risks</li> </ul>
Non-life Underwriting Risk	Risk of loss or of adverse change in the value of commitments contracted due to possible inadequate pricing and provisioning assumptions	<ul style="list-style-type: none"> <li>- Underwriting and reserve policies</li> <li>- Reinsurance policy</li> <li>- Underwriting manual and technical standards</li> <li>- Data quality policy</li> </ul>	<ul style="list-style-type: none"> <li>- National and international insurance regulations</li> <li>- Good practice guides</li> <li>- Consortium</li> </ul>	<ul style="list-style-type: none"> <li>- Solvency II Standard Formula</li> <li>- Analysed in the risk self-assessments and ORSA.</li> <li>- Scenario analysis</li> <li>- Appraisal Value</li> <li>- Rating agencies</li> </ul>	<ul style="list-style-type: none"> <li>- Strict control and monitoring of the combined ratio</li> <li>- Catastrophic non-life risks are also mitigated through CCS</li> <li>- Business value</li> <li>- Reinsurance policy</li> <li>- Maintenance of business diversification</li> </ul>
Health Underwriting Risk	Risk of loss or of adverse change in the value of commitments contracted due to possible inadequate pricing and provisioning assumptions	<ul style="list-style-type: none"> <li>- Underwriting and reserve policies</li> <li>- Underwriting manual and technical standards</li> <li>- Data quality policy</li> </ul>	<ul style="list-style-type: none"> <li>- National and international insurance regulations</li> <li>- Good practice guides</li> </ul>	<ul style="list-style-type: none"> <li>- Solvency II Standard Formula</li> <li>- The risk self-assessments and ORSA are analysed</li> <li>- Embedded Value</li> <li>- Rating agencies</li> </ul>	<ul style="list-style-type: none"> <li>- Strict control and monitoring of the combined ratio</li> <li>- Business value</li> <li>- Reinsurance policy</li> </ul>
Life and Funeral Underwriting Risk	Risk of loss or of adverse change in the value of commitments contracted due to possible inadequate pricing and provisioning assumptions. This is broken down into biometric risks (which include the risks of mortality, longevity, morbidity/disability) and non biometric risks (fall in the portfolio, expenses, review and catastrophe)	<ul style="list-style-type: none"> <li>- Underwriting and reserve policies</li> <li>- Reinsurance policy</li> <li>- Underwriting manual and technical standards</li> <li>- Data quality policy</li> </ul>	<ul style="list-style-type: none"> <li>- National and international insurance regulations</li> <li>- Good practice guides</li> </ul>	<ul style="list-style-type: none"> <li>- Solvency II Standard Formula</li> <li>- The risk self-assessments and ORSA are analysed.</li> <li>- Embedded Value</li> <li>- Profit test</li> <li>- Rating agencies</li> </ul>	<ul style="list-style-type: none"> <li>- Strict control and monitoring of the adequacy of the tariff and the claims ratio</li> <li>- Business value and profit test</li> <li>- Reinsurance policy</li> <li>- Maintenance of business diversification</li> </ul>
Market risk	Risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments	<ul style="list-style-type: none"> <li>- Investment policy</li> <li>- Management based on the principle of prudence</li> <li>- Asset and liability valuation policy</li> </ul>	<ul style="list-style-type: none"> <li>- Insurance regulations (LOSSEAR)</li> <li>- CNMV regulations</li> <li>- Distribution regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Solvency II Standard Formula</li> <li>- Analysed in the risk self-assessments and ORSAs.</li> <li>- VaR</li> <li>- Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Asset management based on the principle of prudence</li> <li>- Control of the different types of portfolio according to objectives</li> <li>- Liability commitments to be covered. Detailed asset-liability matching analysis (ALM) and sensitivity analysis to future scenarios</li> <li>- Types of investments suitable for hedging</li> <li>- Dispersion and diversification limits</li> <li>- Credit rating to be maintained</li> </ul>
Counterparty Risk	Counterparty risk arises from losses resulting from unexpected default or impairment in the credit quality of counterparties	<ul style="list-style-type: none"> <li>- Investment policy</li> <li>- Reinsurance policy</li> <li>- Management based on the principle of prudence</li> </ul>	<ul style="list-style-type: none"> <li>- Insurance regulations</li> <li>- CNMV regulations</li> <li>- Distribution regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Solvency II Standard Formula</li> <li>- Analysed in risk self-assessments and ORSA</li> <li>- Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Reinsurance policy (Reinsurance with counterparties with high credit ratings)</li> <li>- Diversified investment portfolio with a high rating</li> <li>- Credit rating control of the main financial counterparties and the reinsurer table</li> </ul>

## Risk map

QUALITATIVE RISKS NOT INCLUDED IN THE SOLVENCY RATIO					
Risks TIER 1	Description	Internal Regulations	External Regulations	Quantification	Mitigation
Liquidity risk	Risk of non-compliance of obligations due to an inability to obtain the necessary liquidity even if sufficient assets are in place	<ul style="list-style-type: none"> <li>- Investment policy</li> <li>- Management based on the principle of prudence</li> <li>- Reinsurance policy</li> </ul>	<ul style="list-style-type: none"> <li>- Insurance regulations</li> <li>- CNMV regulations</li> <li>- Distribution regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Risk self-assessments and ORSA are analysed.</li> <li>- Cash flow statements and investment statements are analysed</li> <li>- Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Prudent-based asset management</li> <li>- Control of the different types of portfolio</li> <li>- Liability commitments to be covered. Detailed asset-liability matching (ALM) analysis as well as sensitivity analysis to future scenarios</li> <li>- Typology of investments suitable for hedging</li> <li>- Dispersion and diversification limits</li> <li>- Low level of indebtedness</li> </ul>
Political and Economic Environment Risks	Risks arising from the national and international economic and political environment, which have an impact on the volatility of financial variables and on the real economy. In particular, economic slowdowns as a result of the COVID-19 pandemic, the geopolitical crisis in Russia and Ukraine, and the inflationary situation in the economic environment are highlighted.	<ul style="list-style-type: none"> <li>- Underwriting regulations</li> <li>- Written Policies (in particular investment policy)</li> <li>- Occupational risk prevention regulations</li> <li>- Internal Rules of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>- European regulation</li> <li>- Sectoral analysis</li> <li>- Global regulation associated with the economic downturn and the pandemic</li> </ul>	<ul style="list-style-type: none"> <li>- Risk self-assessments and ORSA are analysed</li> <li>- Certain risks are to some extent covered by the Solvency II Standard Formula</li> <li>- Scenario analysis</li> </ul>	<ul style="list-style-type: none"> <li>- Occupational health and safety regulations to protect our employees and customers</li> <li>- Underwriting risk</li> <li>- Strategic planning process and its follow up</li> <li>- Sectoral analysis. In the Credit business, specific event-driven monitoring and analysis is carried out by the Economic Research Unit</li> <li>- Internal audit, internal control, claims and whistle-blowing channel</li> <li>- Geographical and branch diversification in the traditional business. Geographic and sectoral diversification in the Credit business</li> <li>- Contingency plans (Brexit)</li> </ul>
Social, environmental and governance risk	Risk that constitutes the possibility of losses driven by environmental, social and governance factors (associated with the lack of business development under criteria of value for society, ethics, transparency and commitment to legality)	<ul style="list-style-type: none"> <li>- General Shareholders' Meeting Bylaws</li> <li>- Regulations of the Board of Directors</li> <li>- Prevention of money laundering</li> <li>- Code of conduct</li> <li>- Written policies (sustainability policy, climate change and environment policy, tax policy, outsourcing policy)</li> <li>- Sustainability Master Plan</li> </ul>	<ul style="list-style-type: none"> <li>- Non-financial reporting regulations</li> <li>- European Sustainability Regulations (ESMA, EIOPA...)</li> <li>- Draft legislation on climate change</li> <li>- United Nations Sustainable Development Goals and Agenda 2030</li> <li>- Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD)</li> </ul>	<ul style="list-style-type: none"> <li>- Risk self-assessments and ORSA are analysed</li> <li>- Analysis of adverse climate scenarios</li> <li>- ESG Taxonomy</li> <li>- Sustainability Report</li> </ul>	<ul style="list-style-type: none"> <li>- Internal Audit</li> <li>- Internal Control</li> <li>- Complaints channel</li> <li>- Occupational health and safety regulations</li> <li>- Corporate social responsibility report</li> <li>- Monitoring and adaptation of strategic planning</li> <li>- Code of conduct</li> <li>- Written policies (e.g. sustainability policy, climate change and environment policy,...)</li> <li>- Sustainability Master Plan</li> </ul>
Other Risks	Risks not included in the previous groups, such as the risk of loss arising from inadequate strategic decisions, their defective implementation or inadequate adaptation to changes in the economic or social environment (strategic risk), the risk associated with the occurrence of an event that has a negative impact on the Group's reputation (reputational risk) or the risk arising from the interdependence of the risks existing between Group entities (contagion risk)	<ul style="list-style-type: none"> <li>- Written policies</li> <li>- Reputational risk management protocol</li> <li>- Social media usage manual</li> </ul>	<ul style="list-style-type: none"> <li>- Advertising regulations</li> </ul>	<ul style="list-style-type: none"> <li>- Risk self-assessments and ORSA are analysed.</li> <li>- Indicators to monitor media appearances and complaints through social networks</li> </ul>	<ul style="list-style-type: none"> <li>- Exhaustive monitoring of the plan in the medium-term</li> <li>- Code of ethics</li> <li>- Procedure in case of irregularities and frauds</li> <li>- Requirements of aptitude and reputation</li> <li>- Monitoring of information published in the media and social networks</li> <li>- Control of the manual for the use of social networks</li> <li>- Action protocols for the management of reputational risk events</li> <li>- Continuous monitoring of business units</li> </ul>

## Glossary

Item	Definition	Formulation	Importance and relevance of use
Technical profit/(loss) after expenses	Result of the insurance activity	Technical profit/(loss) after expenses = (earned premiums from direct insurance + earned premiums from accepted reinsurance + information services and commissions) – Technical cost – Bonuses and rebates - Net operating expenses - Other technical expenses	Relevant Entity Relevant investors
Reinsurance profit/(loss)	Profit/(loss) due to transferring business to the reinsurer or accepting business from other entities.	Reinsurance profit/(loss) = Profit/(loss) of accepted reinsurance + Profit/(loss) of ceded reinsurance	Relevant Entity Relevant investors
Financial profit/(loss)	Profit/(loss) of the financial investments.	Financial profit/(loss) = income from financial assets (coupons, dividends, actions) - financial expenses (commissions and other expenses) + profit/(loss) of subsidiary companies - interest accrued on the debt - interest paid to the insured parties of the life insurance business	Relevant Entity Relevant investors
Technical/financial profit/(loss)	Profit/(loss) of the insurance activity, including the financial Profit/(loss). This profit/(loss) is particularly relevant for Life insurance.	Technical/financial profit/(loss) = Technical Profit/(loss) + Financial profit/(loss)	Relevant Entity Relevant investors
Profit/(loss) of non-technical non-financial account	Income and expenses that cannot be assigned to the technical or financial profits/(losses).	Profit/(loss) of non-technical non-financial account = Income - expenses that cannot be assigned to the technical or financial profits/(losses).	Relevant Entity Relevant investors
Profit/(loss) from complementary activities	Profit/(loss) from activities that cannot be assigned to the purely insurance business. Mainly differentiates 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>	Profit/(loss) from credit insurance complementary activities = income - expenses	Profit/(loss) from activities that cannot be assigned to the purely insurance business. Includes the funeral business and ancillary credit activities (mainly: information services, debt collection, management of the Dutch state's export account).
Ordinary profit/(loss)	Profit/(loss) from the entity's regular activity	Ordinary profit/(loss) = technical/financial Profit/(loss) + non-technical account profit/(loss) - taxes, all resulting from normal activity	Relevant Entity Relevant investors

Turnover	Turnover is the Group's business volume.  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  Written premiums = premiums issued from direct insurance + premiums from accepted reinsurance	Relevant Entity Relevant investors
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 + Managed pension funds Managed funds = fixed income + variable income + properties + deposits in credit entities + treasury + investee companies	Relevant investors
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 = Debt / Equity + Debt	Relevant investors
Technical cost	Direct costs of claims coverage. See claims.	Technical cost = claims in the year, net of reinsurance + variation of other technical provisions, net of reinsurance	
Average cost of the claims	Reflects the average cost per claim	Average cost of claims = Technical cost / number of claims corresponding to that period.	
Deposits from ceded reinsurance	Deposits retained by the Group to secure the financial obligations of reinsurers	Deposits from ceded reinsurance Amounts received from ceded reinsurance to guarantee obligations arising from reinsurance contracts, the amount corresponds to the balance shown in the balance sheet	
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 average share. Indicator used to value the shares of an entity	Dividend yield = dividend paid in the year per share / value of the price of the average share	Relevant investors
Duration Duration	Sensitivity of the value of the assets to movements in interest rates	Modified duration= Represents an approximation of the value of the percentage change in the value of the financial assets for each percentage point (100 basic points) of change 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.)	Relevant Entity Relevant investors
Permanence index	This measures the customer's expectations of continuing with the entity Scale from less than 1 year to over 5 years	Permanence index= how long do you think that you will remain a customer?	Relevant Entity Relevant investors
Satisfaction with company index	This measures the general satisfaction of the customer with the entity Scale from 1 to 10	Overall satisfaction index = (Satisfied – dissatisfied) / respondents Satisfied responses with result from 7 to 10 Dissatisfied responses with result from 1 to 4	Relevant Entity Relevant investors
Service satisfaction index	This measures the evaluation of the service received Scale from 1 to 10	Service satisfaction index = (Satisfied – dissatisfied) / respondents Satisfied responses with result from 7 to 10 Dissatisfied responses with result from 1 to 4	Relevant Entity Relevant investors

Income from insurance	This measures income directly derived from the activities of insurance and information services	Income from insurance = premiums accrued from direct insurance + premiums accrued from accepted reinsurance + information services and commissions	Relevant Entity Relevant investors
Income from information	Income obtained from the study of the financial information of debtors <b>of the credit business' policyholders in order to contract a policy</b>	Income from information = Information services and commissions	Relevant Entity Relevant investors
Managed funds	A group of assets managed by the Group in order to obtain a financial return on them.	Financial assets on the entity's balance sheet (real estate, fixed income, equities, ...) plus assets managed by the Group for its customers in pension plans and mutual funds	Relevant Entity Relevant investors
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 NPS	This measures the degree of customer loyalty with the entity.	Net Promoter score = 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	Relevant Entity Relevant investors
Pay out	Ratio that indicates the part of the result distributed among investors through dividends	Pay out = (Total dividend/ Result of the year attributable to the parent company) x 100	Relevant investors
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 = Price of the share at market close / Result of the year attributable to the parent company per share	Relevant investors
Recurring premiums	Total premiums without considering non-periodic premiums in the Life business	Recurring premiums = Earned premiums - single and supplementary life business premiums	Relevant Entity Relevant investors
Technical provisions	Amount of the obligations assumed that are derived from insurance and reinsurance contracts.		Relevant Entity Relevant investors
Combined ratio	Indicator that measures the technical profitability of the Non Life insurance policies.	Combined ratio = Ratio of claims + ratio of expenses	Relevant Entity Relevant investors
Net combined ratio	Indicator that measures the technical profitability of the non-life insurances net of the reinsurance effect	Net combined ratio = Net ratio of claims + net ratio of expenses	
Efficiency ratio	Ratio reflecting the portion of premium income devoted to operating expenses and commissions	Efficiency Ratio = (Total expenses and commissions) / Recurring premiums	Relevant Entity Relevant investors
Expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses.	Expenses ratio = Expenses from operation / Income from insurance	
Net expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses, net of the reinsurance effect	Net expenses ratio = (Net expenses from reinsurance operation) / (premiums attributed to direct business and accepted reinsurance + information services and commissions)	
Claims ratio	Business indicator, consisting of the proportion between claims and earned premiums.	Claims ratio = Claims / Income from insurance	Relevant Entity Relevant investors



Net claims ratio	Business indicator, consisting of the proportion between claims and earned premiums, net of the reinsurance effect.	Net claims ratio= Claims in the year, net of reinsurance / (premiums attributed to direct business and accepted reinsurance + information services and commissions)	
Permanent resources	Resources that can be included in own funds.	Permanent resources = Total net equity + subordinated liabilities	Relevant Entity Relevant investors
Permanent resources at market value	Resources that can be included in own funds at market value	Permanent resources at market value = Total net equity + subordinated liabilities + capital gains associated to properties for own use + capital gains associated to property investments	Relevant Entity Relevant investors
Resources transferred to society	Amount that the Group returns to the main stakeholders.	Resources transferred to the company = claims paid + taxes + commissions + personnel expenses + dividends	
Return On Equity ROE	Financial profitability or rate of return Measures the performance of the capital	ROE = (Result of the year. Attributable to the parent company) / (Simple average of the Equity attributable to shareholders of the parent company at the start and end of the period (twelve months)) x 100	Relevant investors
Claims	See technical cost. Economic assessment of claims.	Claims = Payments made from direct insurance + Variation of the provision for services of direct insurance + expenses attributable to services	
Total expenses and commissions	Commissions and expenses (except those that can be allocated to claims) arising from the management of the business.	Expenses and commissions = Operating expenses + commissions paid on policies	
Total Potential Exposure TPE	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	Relevant Entity Relevant investors
Value of responsible investments with respect to total investments and funds under management	Ratio that reflects the assets managed by the Group that comply with the Group's Responsible Investment Policy, with respect to the total investments and funds managed by the Group.	Investments that comply with the Group's Responsible Investment Policy/ Total investments and funds under management by the Group	
Generated economic value	The generated economic value is the aggregation of the value distributed by the Group and the value retained by the Group.	Direct generated economic value = economic value distributed + economic value retained	
Distributed economic value	Economic value that the Group has allocated to the following stakeholders: customers, public administrations, mediators, employees, shareholders and contributions to foundations and non-profit organisations.	Distributed economic value = payment of benefits to customers + taxes paid and social security contributions + payments to suppliers + salaries and employee benefits + dividends paid + Group contributions to foundations and non-profit organisations.	
Retained economic value	Amount of GCO's undistributed annual net income.	Retained economic value = Annual amount of GCO's after-tax income allocated to Reserves.	
Theoretical book value	The value per share that a company has for accounting purposes. Book value per share.	Theoretical book value = net equity/ number of shares	Relevant investors

## Disclaimer

This document has been prepared by GCO 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.

GCO is not obliged to periodically revise the content of this document in order to adapt it to events or circumstances posterior to this presentation.

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.

Thank you

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 **GCO** | 160<sub>years</sub>