



2019

Presentation 9M2019
Grupo Catalana Occidente

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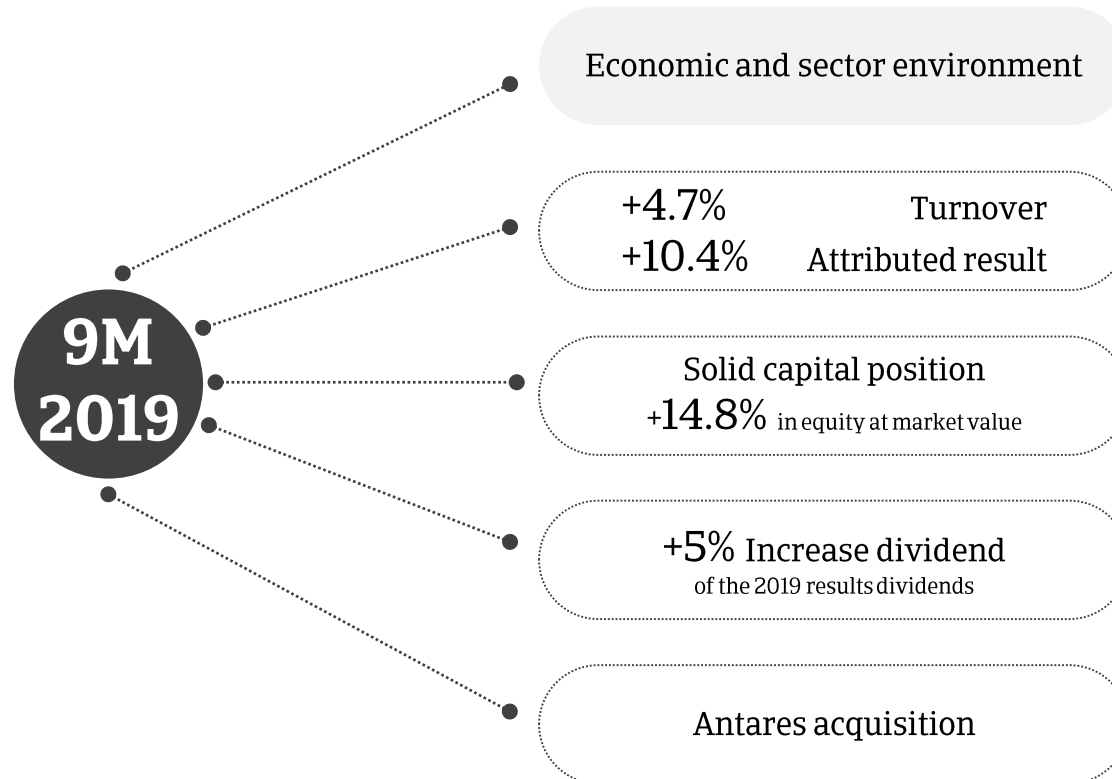
Presentation based on the report data at the close of september 2019 published on 31/10/2019

01

Keys for the period

At the end of the third quarter of 2019 the Group manages to increase turnover, profit and capital

Favourable behaviour in the main figures



Macroeconomic environment

Downward review of the expected growth in 2019 to 3.0% (-0.2 bps) and 3.4% (-0.1bps) in 2020

Generalised deterioration of the economic indicators

Commercial war between EEUU and China, principal threat for the world development

Global

GDP +3.6% 18 +3.0% 19e +3.4% 20e

Inflation +3.3% 18 +3.3% 19e

United States

PIB +2.9% 18 +2.4% 19e +2.1% 20e

Inflation +2.4% 18 +1.8% 19e

Latam

GDP +1.0% 18 +0.2% 19e +1.8% 20e

Inflation +6.2% 18 +7.2% 19e

Eurozone

GDP +1.9% 18 +1.2% 19e +1.4% 20e

Inflation +1.8% 18 +1.2% 19e

Spain

GDP +2.6% 18 +2.2% 19e +1.8% 20e

Inflation +1.7% 18 +0.7% 19e

Emerging economies and in development of Asia (Pacific Asia)

GDP +6.4% 18 +5.9% 19e +6.0% 20e

Inflation +2.6% 18 +2.7% 19e

Source: FMI. Last review October 2019

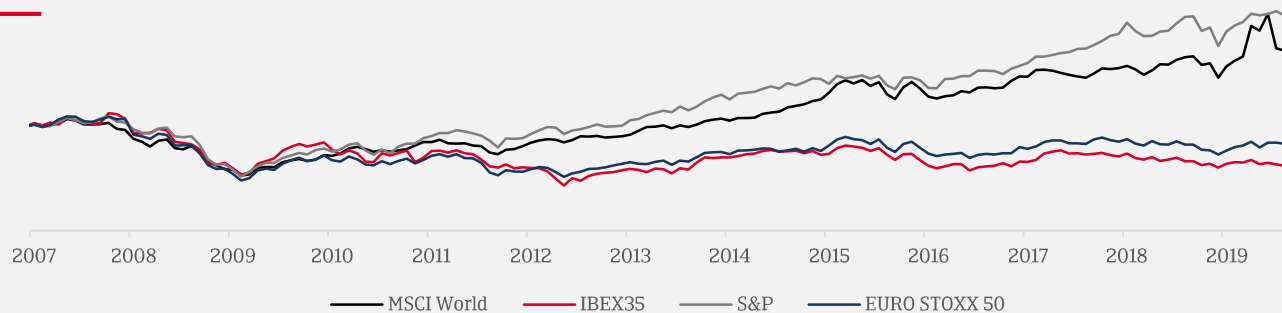
Financial markets

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 - YTD

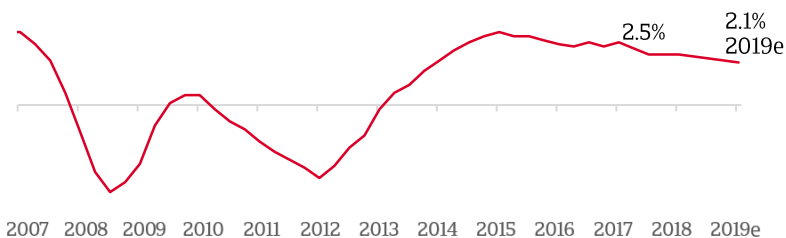
S&P	21.3%
MSCI World	18.9%
Euro Stoxx 50	18.7%
Ibex 35	8.3%

Source: Bloomberg. October 2019

Situation in Spain

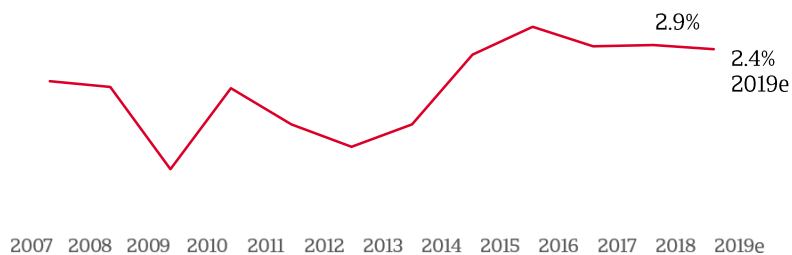
Fundamental solids in Spain with the rating agencies recognition

% GDP



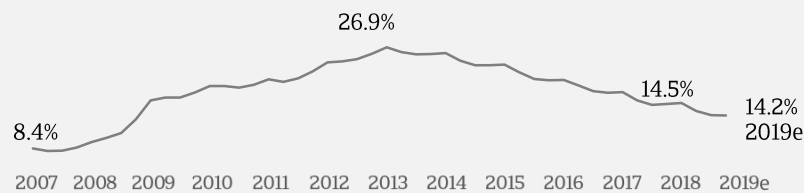
Source: FMI

% Domestic demand



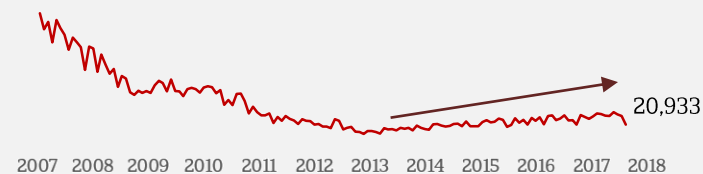
Source: BBVA Research

% Unemployment rate



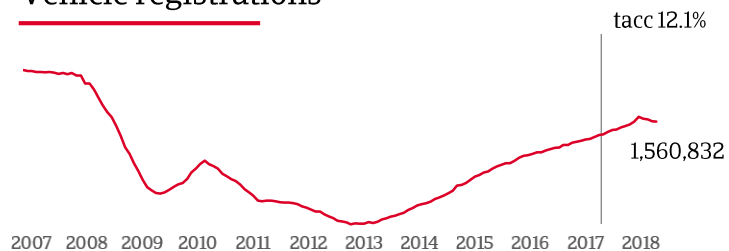
Source: Instituto nacional de estadísticas

Mortgages number



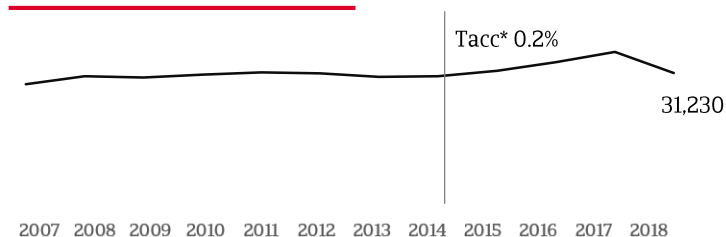
Source: Instituto nacional de estadísticas

Vehicle registrations



Source: Asociación española de fabricantes de automóviles y camiones

Automobile park

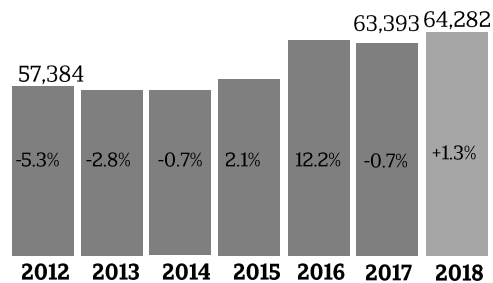


Source: Dirección general de tráfico

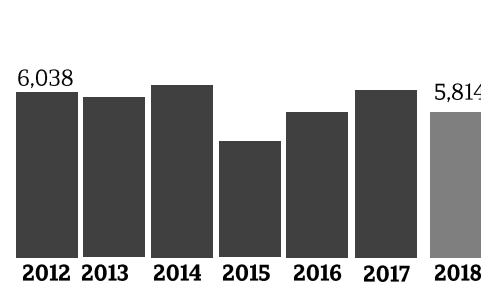
Spanish Insurance Sector

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

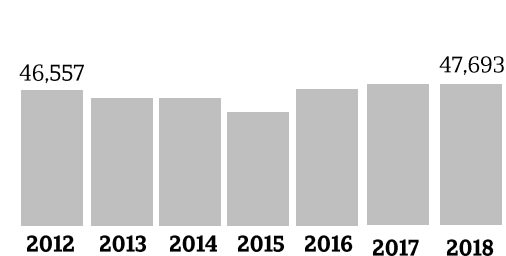
Insurance sector premiums (€M)



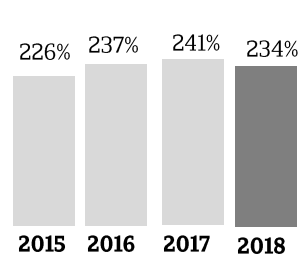
Insurance sector net result (€M)



Employees



% Solvency II ratio



Stability in results

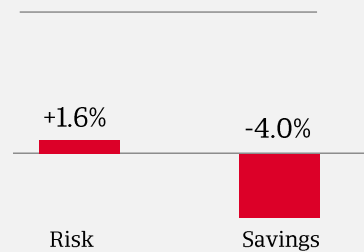
ROE
13.0% -1.2 p.p

Combined ratio
91.4% -2.4 p.p

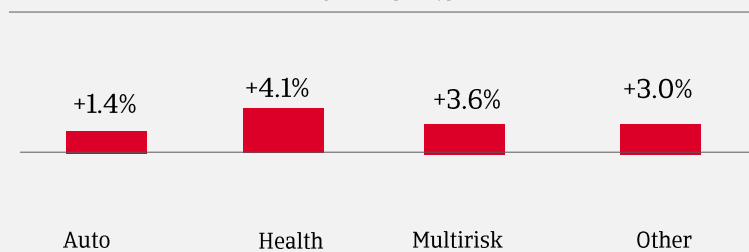
Motor	96.0%
Multirisks	95.8%
Health	92.7%

Premium insurance sector : -0.2%

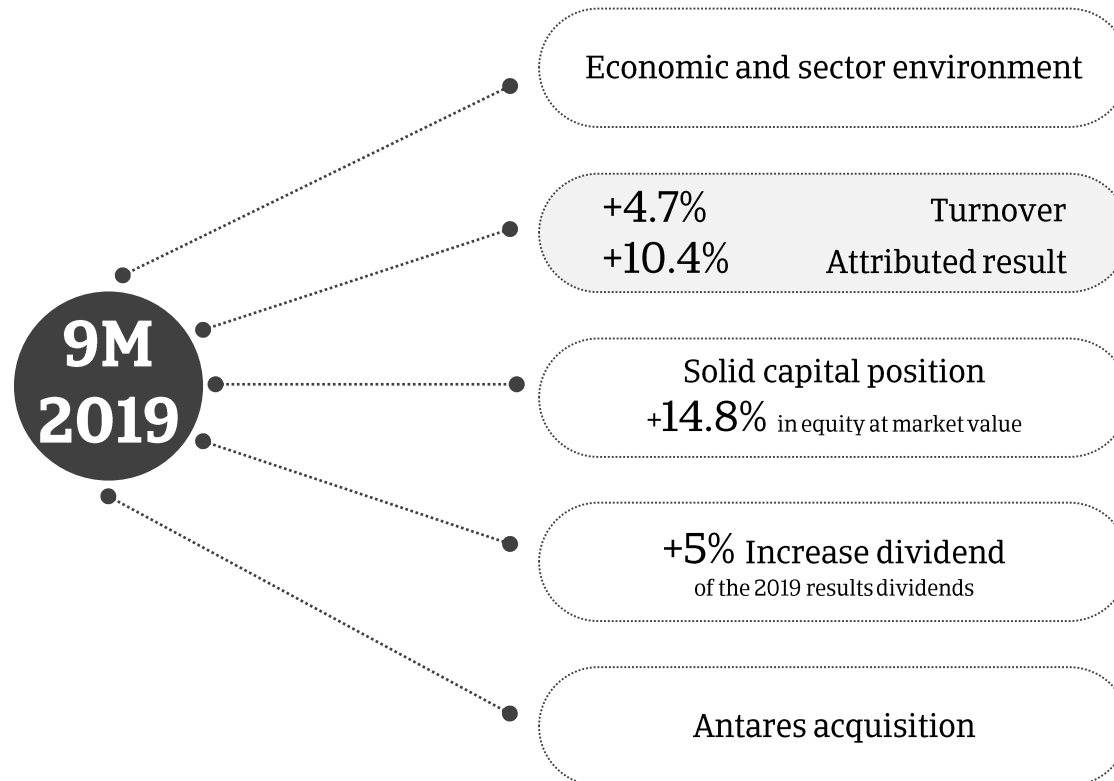
Life -3.1%



Non Life +2.9%



Favourable behaviour in the main figures



Grupo Catalana Occidente in 9M2019

(in millions of euros)

Income	9M2018	9M2019	% Chg. 18-19
Traditional business	1,881.3	1,931.1	2.6%
Recurring premiums	1,656.0	1,703.1	2.8%
Single premiums life	225.3	228.0	1.2%
Credit insurance Business	1,391.3	1,494.9	7.4%
Turnover	3,272.6	3,426.0	4.7%

+4.7%
Turnover

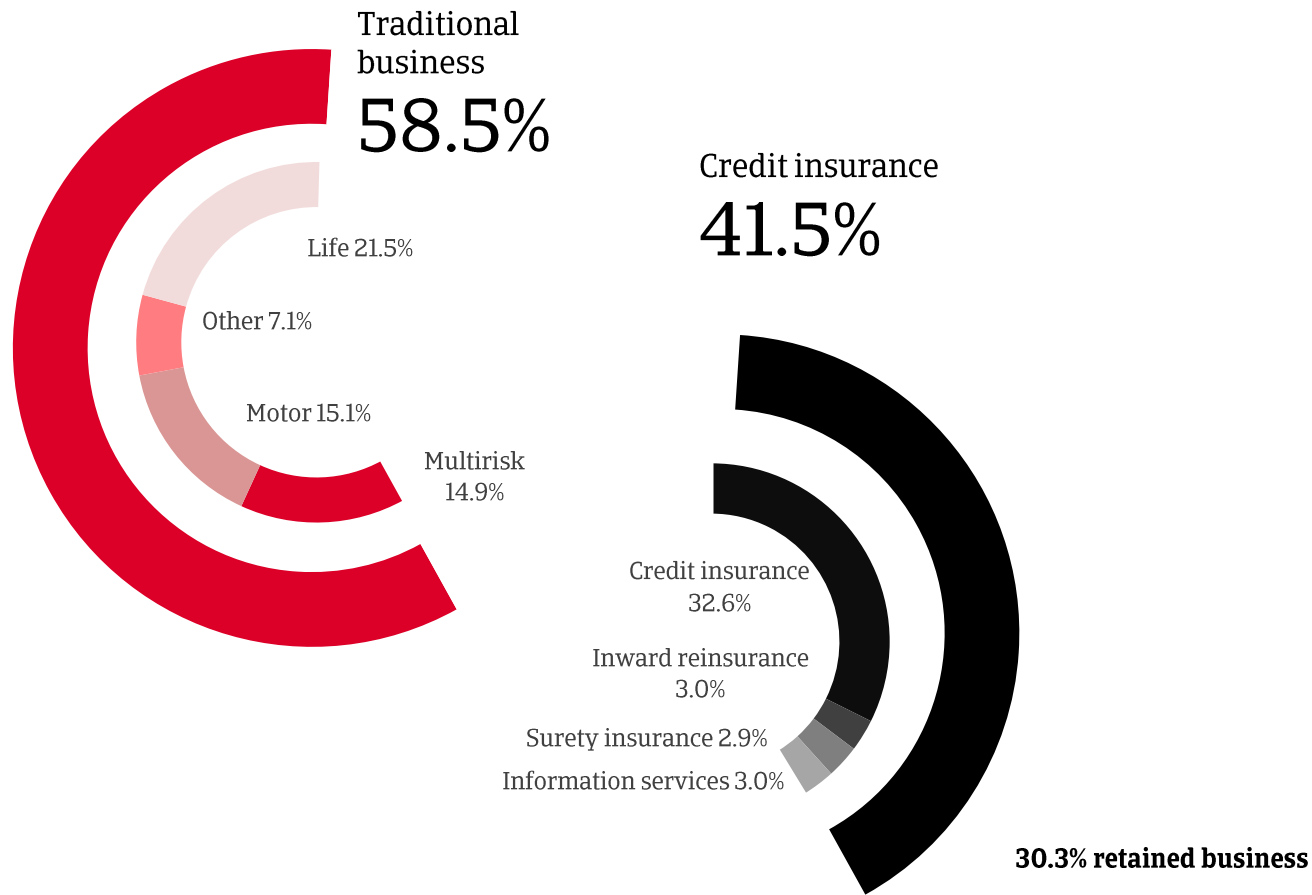
(in millions of euros)

Results	9M2018	9M2019	% Chg. 18-19
Recurring Results Traditional Business	164.0	176.2	7.4%
Recurring Results form Credit Insurance Business	153.2	179.0	16.8%
Non-Recurring Result	-12.3	-17.8	
Consolidated result	304.8	337.4	10.7%
Attributed Result	278.2	307.2	10.4%

307.2 M€
+10.4%
Attributed result

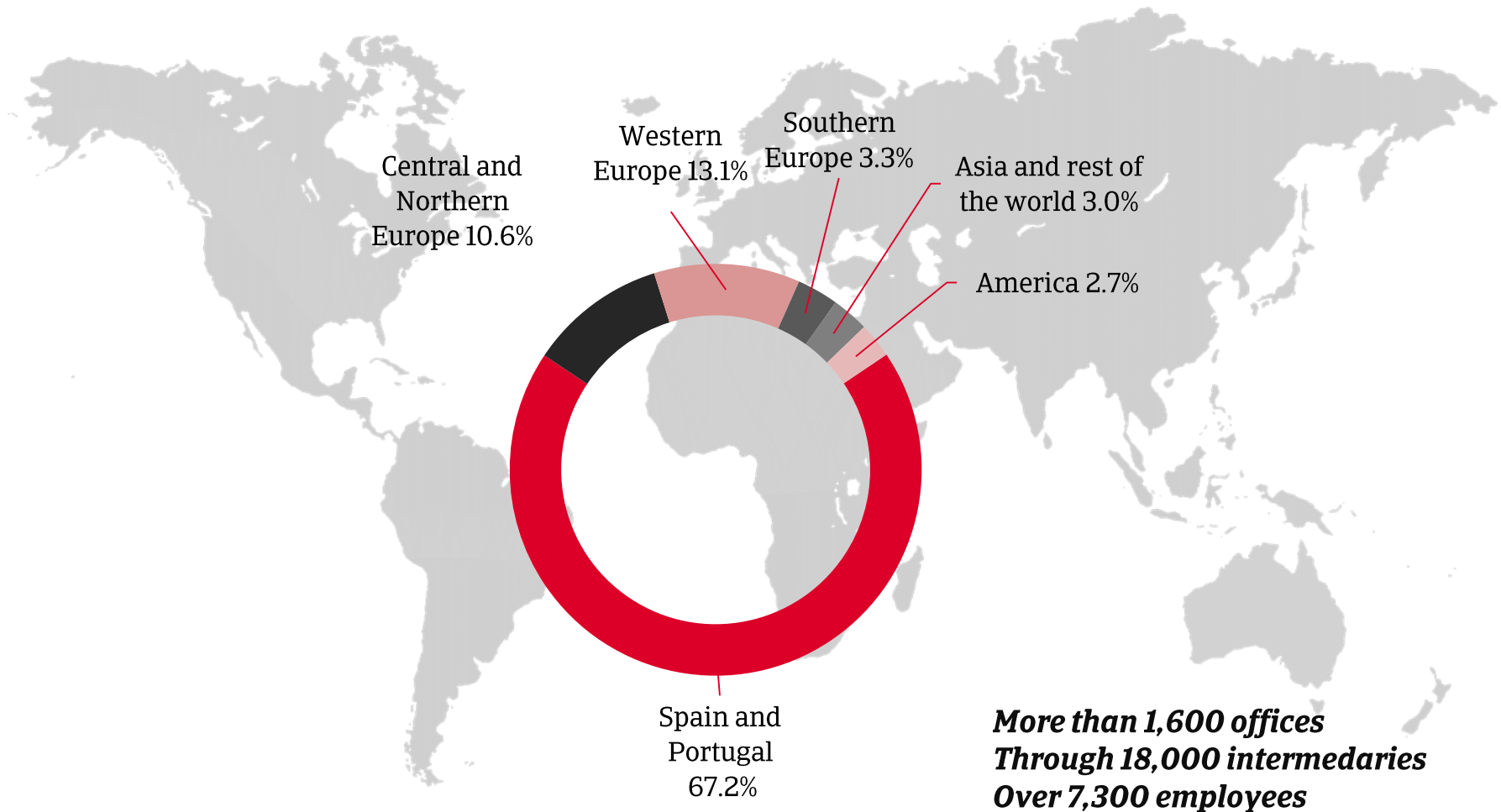
Diversification in 12M2018

Balanced portfolio, complete offer

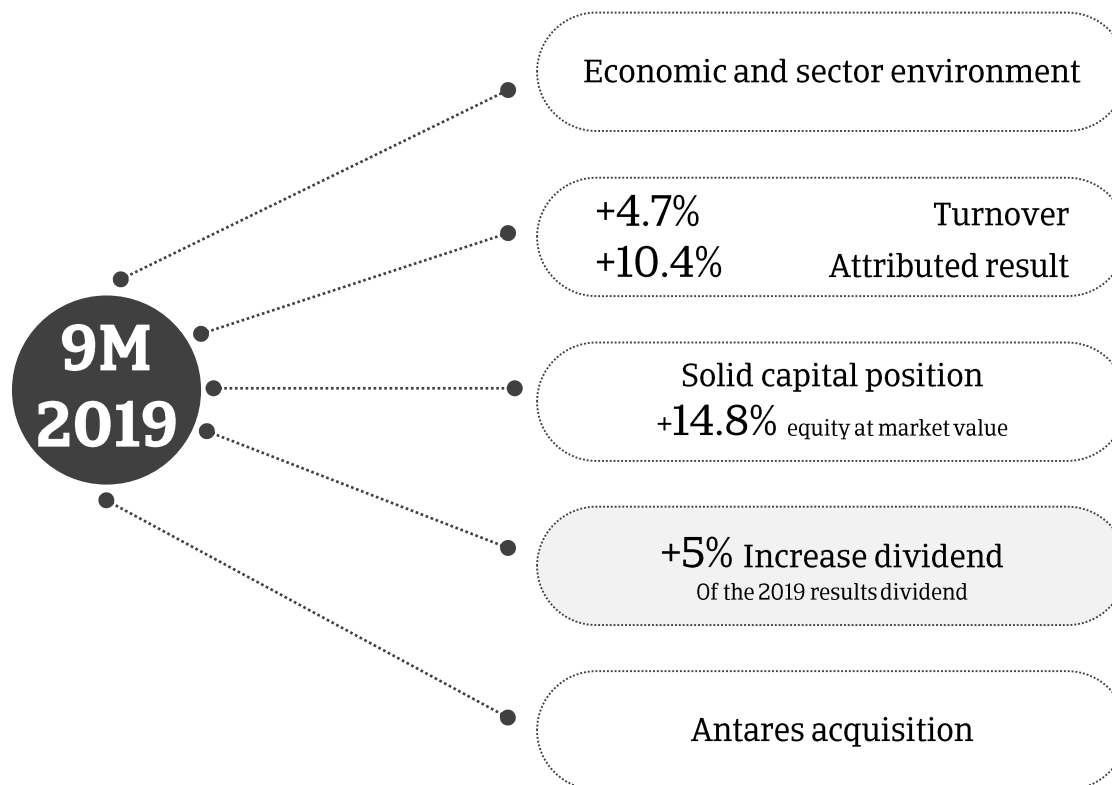


Global Presence

In over 50 countries

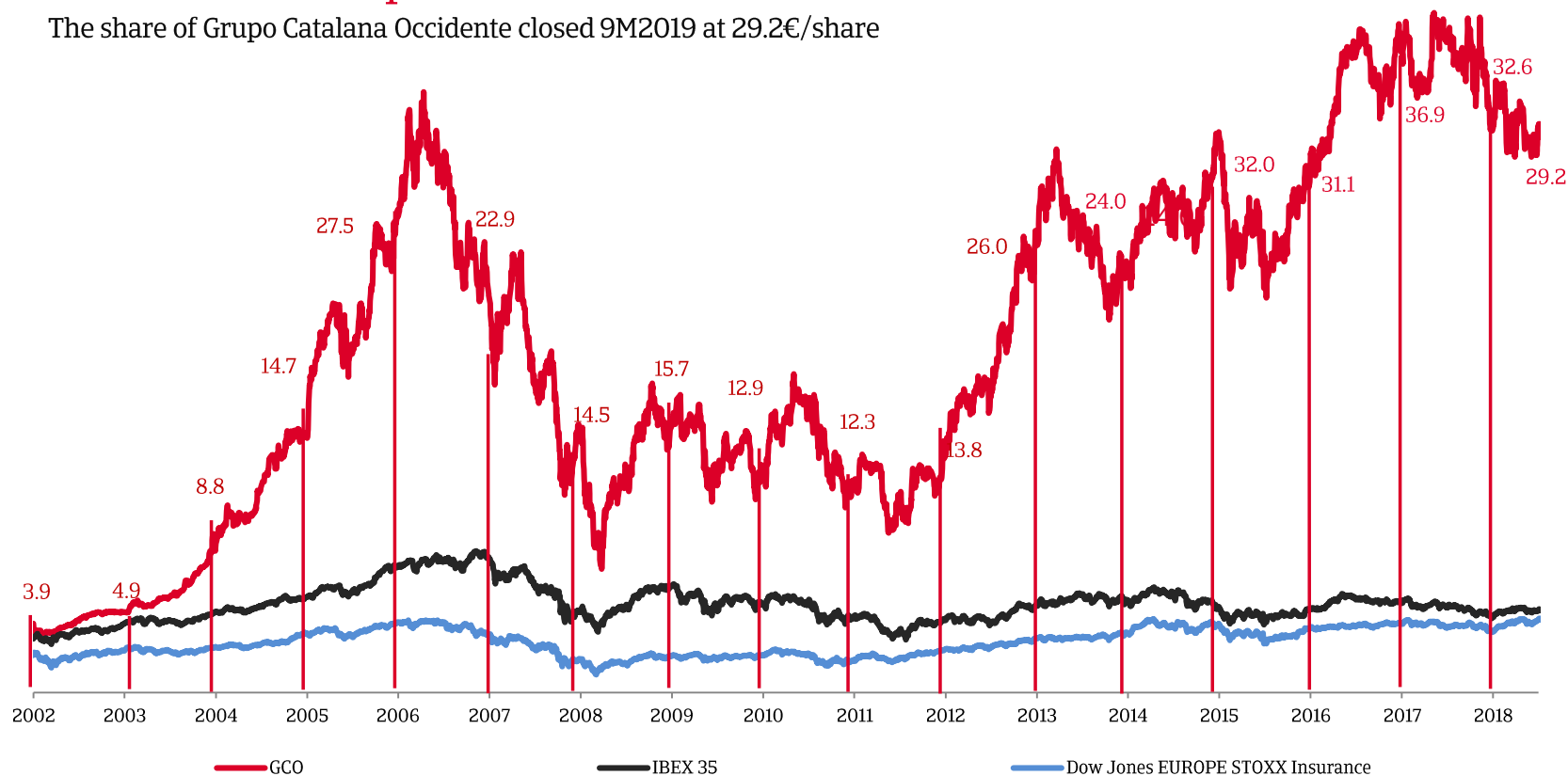


Favourable behaviour in the main figures



Evolution of the price

The share of Grupo Catalana Occidente closed 9M2019 at 29.2€/share



Profitability (YTD)

	9M2018	9M2019	TACC 2002 - 9M19
GCO	-11.75%	-10.58%	12.42%
Ibex 35	-14.97%	8.25%	2.43%
EuroStoxx Insurance	-10.05%	16.50%	3.75%

* Annual Compound Growth Rate

Increase of 5% of the dividends to the income statement 2019

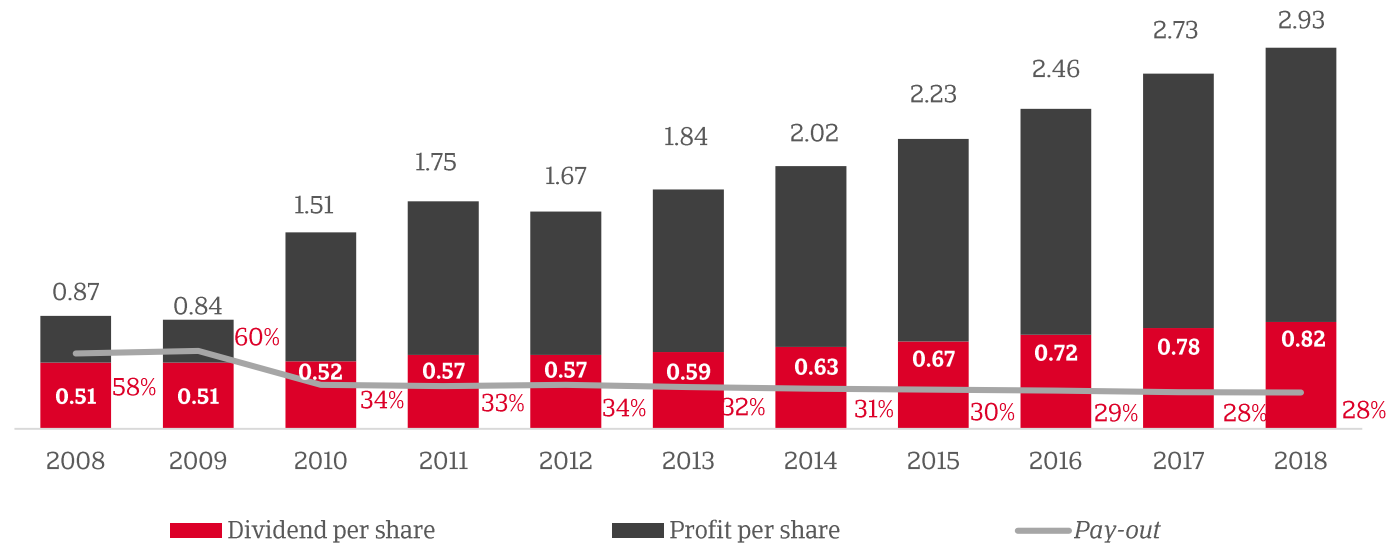
In the last 10 years, Grupo Catalana Occidente has maintained a growing dividend policy

Jul. 2019: 0.1588 €/a

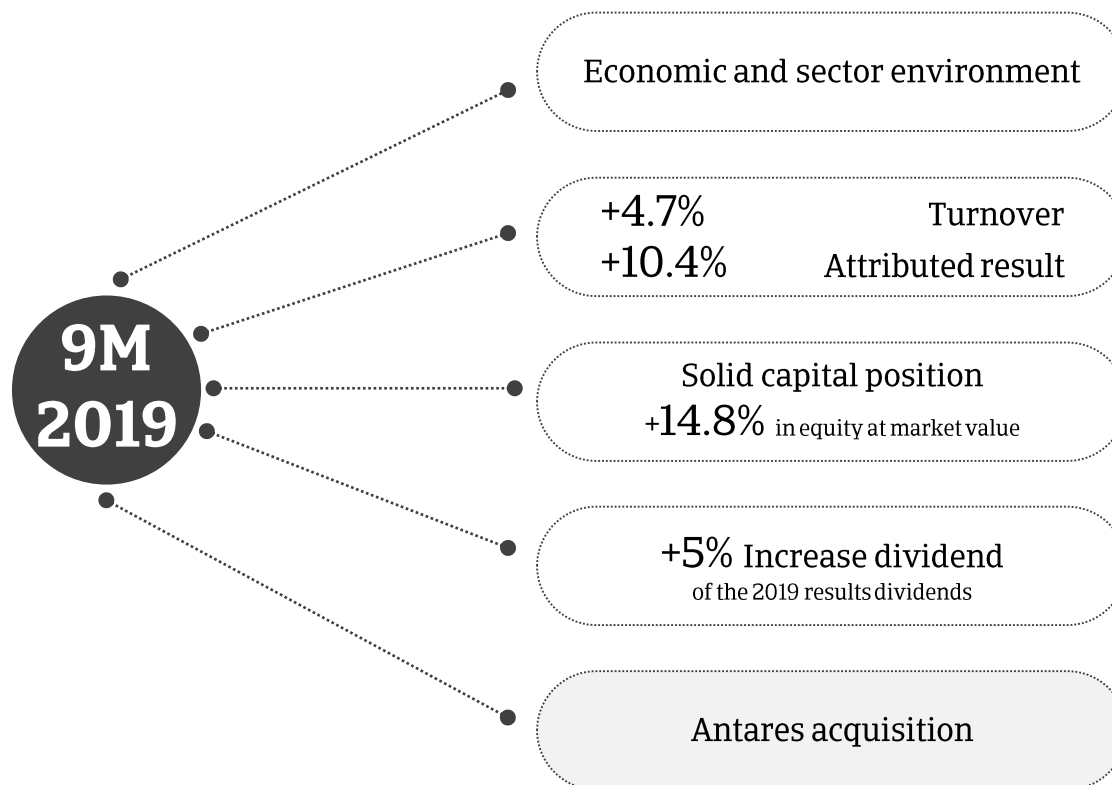
+5%

Oct. 2019: 0.1588 €/a

+5%



Favourable behaviour in the main figures



 See annexes

02

Economic results 9M2019

The Group ended 9M2019 with a positive performance of its main figures improving in results, turnover and capital.

02

Income statement

Traditional business

Credit insurance business

Capital, investments and solvency

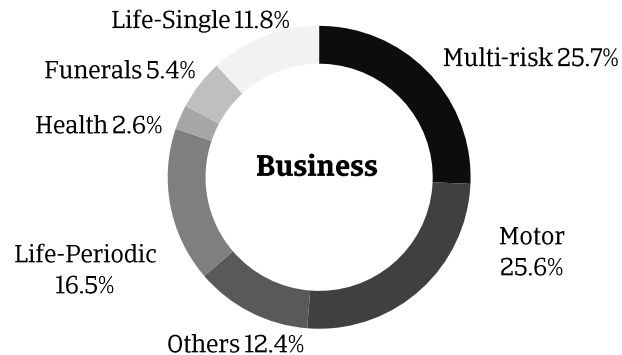
Traditional business

+2.8% 1,703.1M€
Recurring premiums

+6.2% 172.7M€
Technical result

+7.4% 176.2M€
Recurring result

Traditional business distribution



Combined ratio

		Traditional business 30/09/2019	Traditional business 30/06/2019	Sector 30/06/2019
Commissions + expenses	30,1% (+0.1p.)	89.5% (-0.7p.)	89.2% (-1.0p.)	91.9% (-1.3p.)
Technical cost	59,4% (-0.8p.)			

Traditional business. Multirisk



Written
premiums

+2.3%

Combined
ratio

87.9%

(in millions of euros)

Multirisk	9M2018	9M2019	% Chg. 18-19	12M2018
Written premiums	485.2	496.2	2.3%	645.9
% <i>Technical cost</i>	55.2%	53.8%	-1.4	55.8%
% <i>Commissions</i>	20.6%	20.9%	0.3	20.7%
% <i>Expenses</i>	13.2%	13.2%	0.0	13.4%
% Combined ratio	89.0%	87.9%	-1.1	89.9%
Technical result after expenses	52.4	58.9	12.4%	64.5
% <i>of earned premiums</i>	11.0%	12.1%		10.1%
 Earned premiums	 477.6	 487.0	 2.0%	 638.7

Traditional business. Motor



Written
premiums

+0.3%

Combined
ratio

93.5%

(in millions of euros)

Motor	9M2018	9M2019	% Chg. 18-19	12M2018
Written premiums	492.0	493.6	0.3%	654.3
% <i>Technical cost</i>	70.3%	69.4%	-0.9	71.3%
% <i>Commissions</i>	11.0%	11.1%	0.2	11.0%
% <i>Expenses</i>	12.9%	13.0%	0.1	13.0%
% Combined ratio	94.2%	93.5%	-0.7	95.3%
Technical result after expenses	28.4	31.7	11.8%	30.9
% <i>of earned premiums</i>	5.8%	6.5%		4.7%
 Earned premiums	 491.5	 488.1	 -0.7%	 657.2

Traditional business. Others



Written
premiums
+1.8%

Combined
ratio
84.5%

(in millions of euros)

Others	9M2018	9M2019	% Chg. 18-19	12M2018
Written premiums	236.2	240.4	1.8%	308.4
% <i>Technical cost</i>	48.8%	50.1%	1.3	50.2%
% <i>Commissions</i>	21.1%	20.4%	-0.7	20.8%
% <i>Expenses</i>	14.0%	14.0%	0.0	14.1%
% Combined ratio	83.9%	84.5%	0.6	85.2%
Technical result after expenses	36.5	36.3	-0.4%	45.3
% <i>of earned premiums</i>	16.0%	15.5%		14.8%
 Earned premiums	 227.2	 233.7	 2.9%	 305.2

Traditional business. Life



Written
premiums
+4.9%

(in millions of euros)

Life	9M2018	9M2019	% Chg. 18-19	12M2018
Life insurance turnover	667.9	700.9	4.9%	932.6
Health	42.1	50.6	20.2%	57.6
Funerals	100.3	103.9	3.6%	133.7
Periodic premiums	300.2	318.4	6.1%	400.6
Single premiums	225.3	228.0	1.2%	340.7
Contributions to pension plans	36.1	40.9	13.3%	61.2
Net contributions to investment funds	3.1	2.2	-29.0%	4.3
Technical result after expenses	45.4	45.8	1.0%	60.5
<i>% earned premiums</i>	<i>6.8%</i>	<i>5.9%</i>		<i>6.5%</i>
Earned premiums	666.7	772.4	15.9%	930.1

Traditional business

	(in millions of euros)			
Traditional business	9M2018	9M2019	% Chg. 18 -19	12M2018
Written premiums	1,881.3	1,931.1	2.6%	2,541.2
Life insurance premiums, ex single	1,656.0	1,703.1	2.8%	2,200.5
Technical result after expenses	162.6	172.7	6.2%	201.2
<i>% of earned premiums</i>	<i>8.7%</i>	<i>8.7%</i>		<i>7.9%</i>
Financial result	59.5	56.8	-4.5%	74.1
<i>% earned premiums</i>	<i>3.2%</i>	<i>2.9%</i>		<i>2.9%</i>
Non technical result	-12.2	-12.0		-20.4
Funeral business complementary activity	2.0	1.9		2.4
Corporation tax	-48.0	-43.3		-61.5
Recurring result	164.0	176.2	7.4%	195.7
Non-recurring result	-8.1	-10.0		-4.6
Total result	155.9	166.2	6.6%	191.1
 Earned premiums	 1,862.9	 1,981.2	 6.4%	 2,531.2

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

02

Income statement

Traditional business

Credit insurance business

Capital, investments and solvency

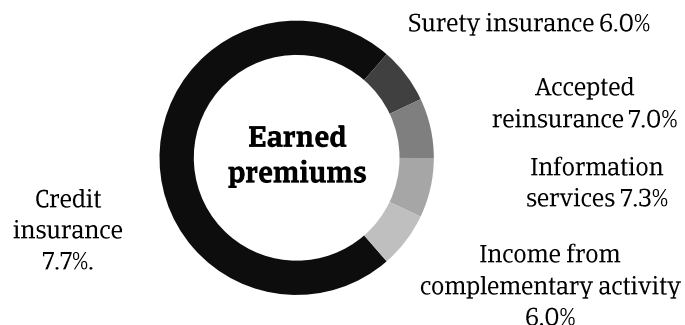
Credit insurance business

+7.3% 1,315.1M€
Earned premiums

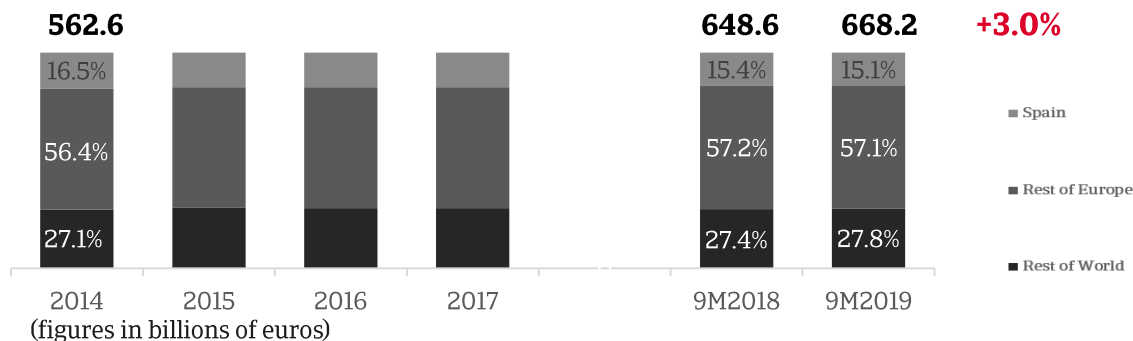
+7.5% 222.2M€
Net technical result

+16.8% 179.0M€
Recurring result

Credit insurance business distribution



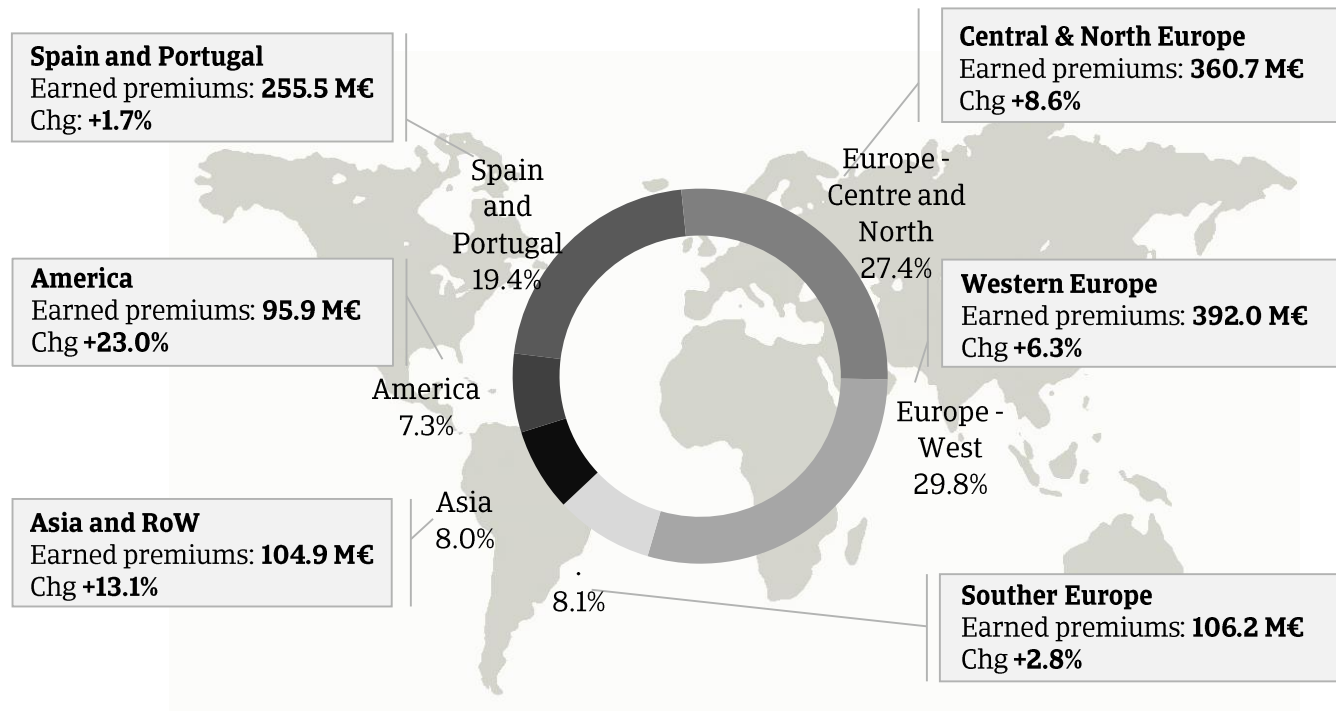
Cumulative risk evolution (TPE)



Credit insurance business

1,315.1M€ +7.3%

Earned premiums

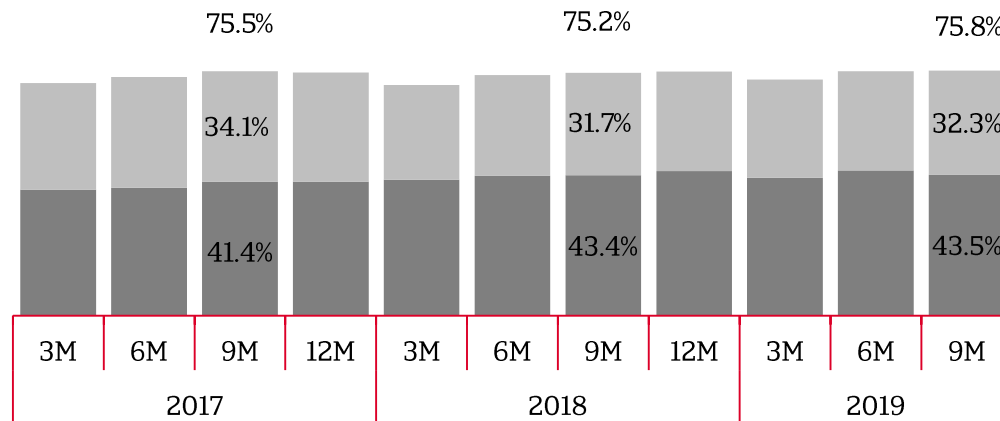


1,426.2M€ +7.0%

Earned premiums and information services

Credit insurance business

Net combined ratio evolution



Combined ratio

75.8%

■ Technical cost ■ Commissions + net expenses

Credit insurance business

(in millions of euros)

Credit insurance business	9M2018	9M2019	% var. 18 -19	12M2018
Earned premiums	1,226.2	1,315.1	7.3%	1,648.5
Information services	106.7	111.1	4.1%	132.5
Total insurance income	1,332.9	1,426.2	7.0%	1,781.0
Technical result after expenses	294.2	302.0	2.7%	377.6
<i>% of income</i>	22.1%	21.2%		21.2%
Reinsurance result	-87.5	-79.8	-8.8%	-105.6
<i>Reinsurance cession rate</i>	40.0%	38.0%		40.0%
Net technical result	206.7	222.2	7.5%	271.9
<i>% of income</i>	15.5%	15.6%		15.3%
Financial result	6.1	11.8	93.4%	9.2
<i>% of income</i>	0.5%	0.9%		0.5%
Complementary act. result	0.3	4.7		3.8
Company tax	-54.6	-55.4	1.5%	-76.6
Adjustments	-5.3	-4.3		-7.4
Recurring result	153.2	179.0	16.8%	200.9
Non-recurring result	-4.2	-7.8		-5.7
Total business result	149.0	171.2	14.9%	195.2

02

Income statement

Traditional business

Credit insurance business

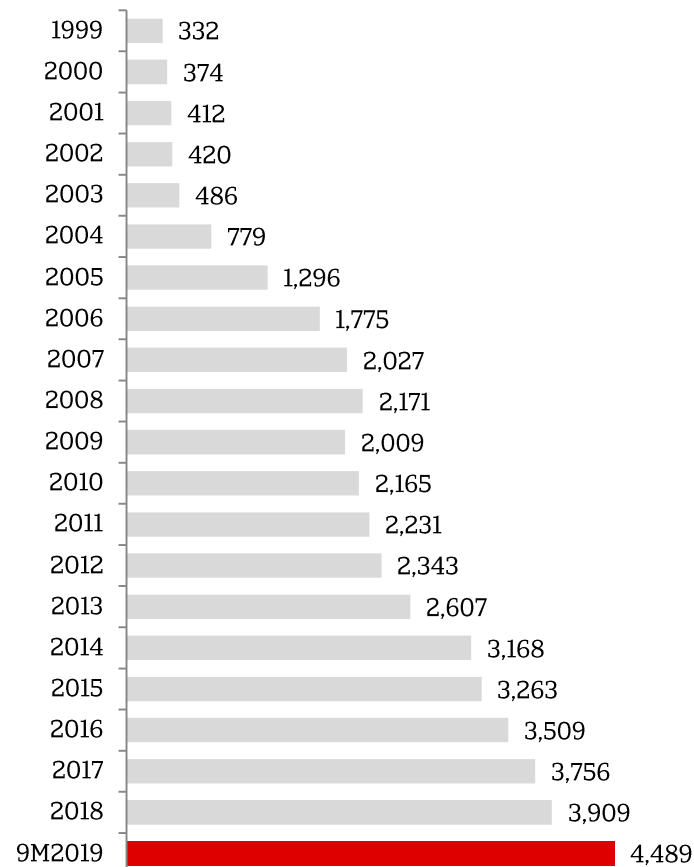
Capital, investments and solvency

Financial strength

At the end of the third quarter of 2019 the Group's capital increased 14.8%, due to the results improvement and the positive evolution of the financial markets

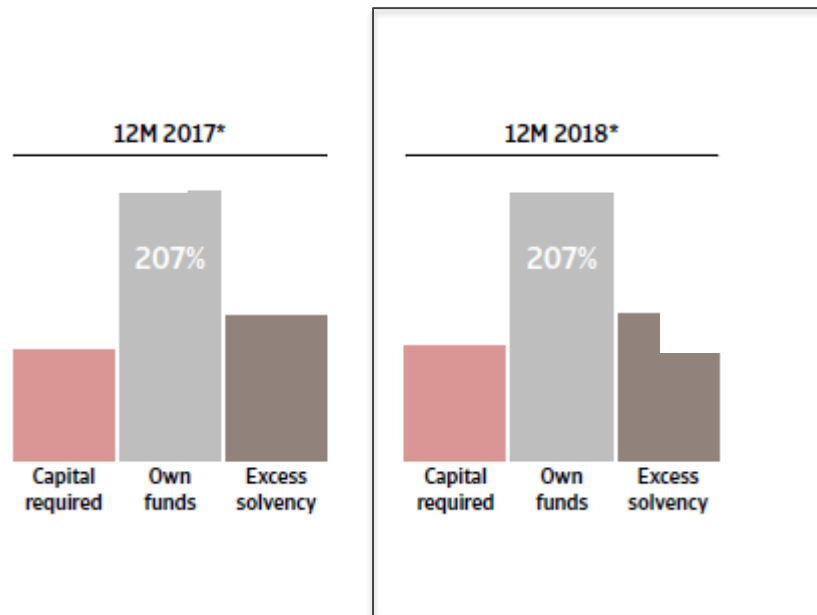
	(in millions of euros)
Permanent resources on 31/12/18	3,404.5
Permanent resources at market value on 31/12/2018	3,908.7
Net equity on 01/01/19	3,204.1
(+) Consolidated results	337.4
(+) Paid dividends	-100.5
(+) Change for valuation adjustments	370.5
(+) Other changes	-30.3
Total movements	577.1
Total net equity on 30/09/19	3,781.2
Subordinated debt	200.5
Permanent resources on 30/09/19	3,981.7
Capital gains not included in balance sheet (properties)	507.3
Permanent resources at market value 30/09/19	4,489.0

+14.8%



Solid solvency position: 207% year end 2018

Grupo Catalana Occidente has a solid financial and solvency position withstand adverse scenarios



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

High quality own funds(93.6% of tier1).

* Data without transitional technical provision measure and with partial internal model.



Solvency and financial condition reporting presentation

April: Group entities

June: Grupo Catalana Occidente

Credit rating

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

2019

“a+”

A.M. Best: Group operating entities

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

“A2”

Moody's operating entities of the credit insurance business

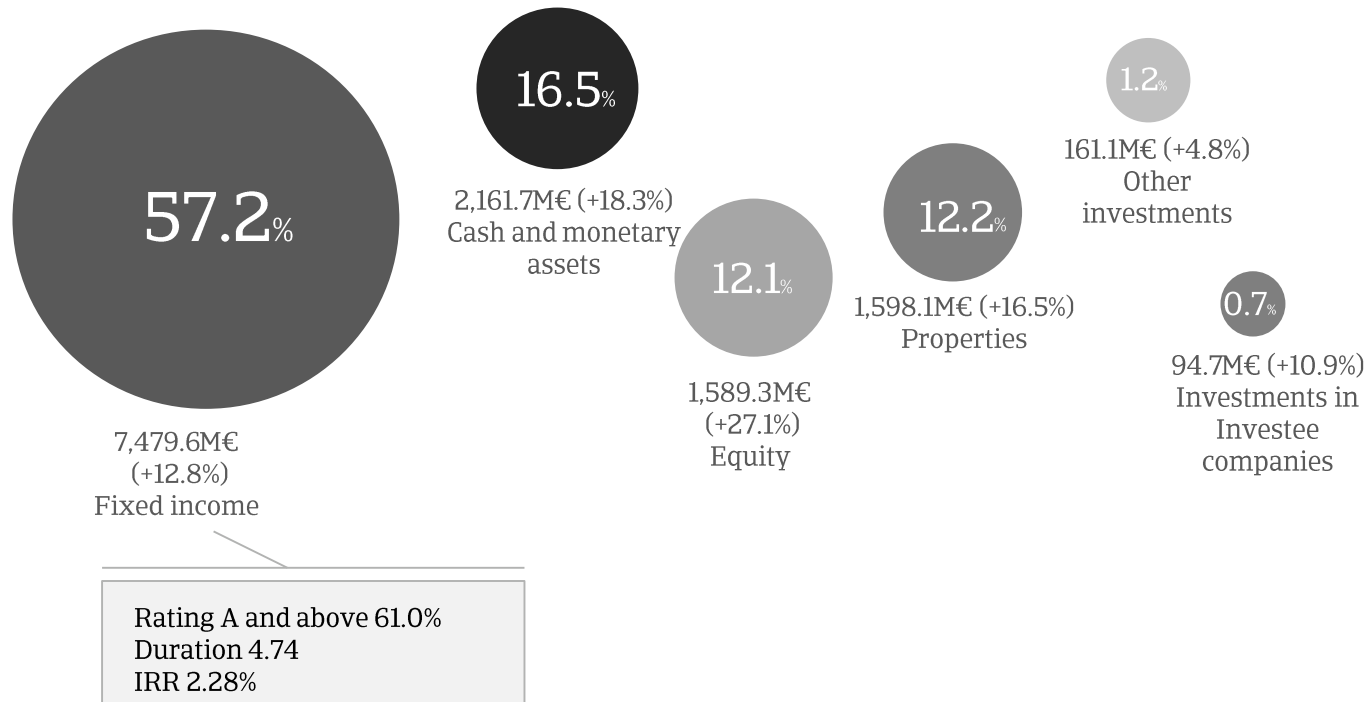
It highlights the strong competitive position, the solid capitalization, the low financial leverage and the prudent investment portfolio

Investments

The Group invests in traditional assets through a prudent and diversified investments management

14,347.3 M€

(+16.4% compared to managed funds at the end of 2018)



03

Calendar and annexes

Calendar

Relationship with Analysts and Investors

Enero	Febrero	Marzo	Abril	Mayo	Junio	Julio	Agosto	Setiembre	Octubre	Noviembre	Diciembre
	28 Results 12M2018		25 Results 9M2019			25 Results 9M2019			31 Results 9M2019		
		1 Results Presentation 12M2018 11.00	26 Results Presentation 9M2019 11.00			25 Results Presentation 9M2019 16.30			31 Results Presentation 9M2019 16.30		
			25 Annual General Meeting 2018								
	Intenrim Dividend 2018			Complemen tary Dividend 2018		Intenrim Dividend 2019			Intenrim Dividend 2019		

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



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Income statement

	9M 2018	9M 2019	% Var. 18 -19	(in millions of euros) 12M 2018
Written premiums	3,165.9	3,314.9	4.7%	4,212.6
Information services	106.7	111.1	4.1%	132.5
Turnover	3,272.6	3,426.0	4.7%	4,345.2
Technical cost	1,895.6	2,026.8	6.9%	2,584.7
% of net income	59.3%	59.5%		60.0%
Commissions	396.8	418.7	5.5%	532.8
% of net income	12.4%	12.3%		12.4%
Expenses	535.6	570.1	6.4%	726.6
% of net income	16.8%	16.7%		16.9%
Technical result	367.3	391.3	6.5%	467.3
% of net income	11.5%	11.5%		10.8%
Financial result	55.7	55.8	0.2%	80.1
% of net income	1.7%	1.6%		1.9%
Non-financial non-technical account result	-20.5	-21.5	4.9%	-31.0
% of net income	-0.6%	-0.6%		-0.7%
Comp. Act. results credit insurance and funeral business	2.3	6.6	187.0%	6.4
% of net income	0.1%	0.2%		0.1%
Result before tax	404.9	432.2	6.7%	522.8
% of net income	12.7%	12.7%		12.1%
Consolidated result	304.8	337.4	10.7%	386.4
Result attributable to minorities	26.7	30.2	13.1%	34.3
Attributed result	278.2	307.2	10.4%	352.1
% of net income	8.7%	9.0%		8.2%
Total net income	3,195.2	3,407.0	6.6%	4,311.4

Credit insurance business

(in million of euros)

Income	9M2018	9M2019	% Var. 18-19	12M 2018
Earned premiums (M€)	1,226.1	1,315.06	7.3%	1,648.5
Credit insurance	1,035.1	1,117.2	7.9%	1,397.2
Surety insurance	88.7	91.4	3.1%	119.9
Inward insurance	102.4	106.4	4.0%	131.4
Income from information	106.7	111.1	4.1%	132.5
Total income from insurance	1,332.9	1,426.2	7.0%	1,781.0
Income from complementary activities	88.0	89.9	2.1%	120.1
Total Income from credit insurance	1,420.9	1,516.0	6.7%	1,901.1
 Written premiums	 1,284.6	 1,383.8	 7.7%	 1,671.4

Evolution of net combined ratio

Combined ratio breakdown	9M2018	9M2019	% Var. 18-19	12M 2018
% Gross technical cost	43.1%	43.3%	0.2	43.7%
% Commissions + gross expenses	34.8%	35.6%	0.8	35.1%
% Gross Combined ratio	77.9%	78.8%	0.9	78.8%
% Net technical cost	43.4%	43.5%	0.1	44.7%
% Commissions + net expenses	31.7%	32.3%	0.6	30.8%
% Net combined ratio	75.2%	75.8%	0.6	75.5%

Credit insurance business- TPE

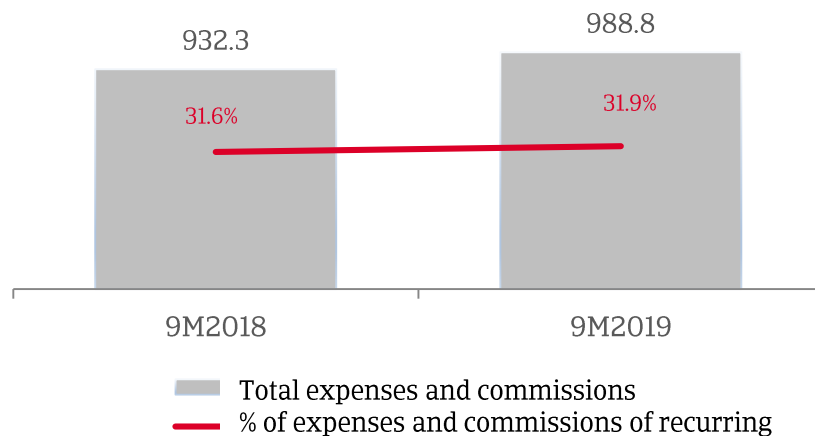
(in millions of euros)								
Risk cluster by sector	2015	2016	2017	2018	9M2018	9M2019	% Chg. 18-19	% total
Spain and Portugal	89,601	93,437	98,714	99,453	99,722	100,821	1.1%	15.1%
Germany	80,398	82,783	86,430	90,599	90,508	93,047	2.8%	13.9%
Australia and Asia	79,668	79,013	84,233	92,222	92,262	94,005	1.9%	14.1%
Americas	65,464	71,970	73,188	75,773	73,364	78,947	7.6%	11.8%
Eastern Europe	50,805	55,098	59,253	63,935	62,632	67,429	7.7%	10.1%
United Kingdom	45,782	43,794	43,537	44,989	50,043	49,547	-1.0%	7.4%
France	40,917	43,323	49,326	51,866	46,855	48,905	4.4%	7.3%
Italy	32,735	37,208	42,242	44,263	43,589	43,559	-0.1%	6.5%
Nordic and Baltic countries	25,883	26,964	28,738	30,525	30,300	31,632	4.4%	4.7%
Netherlands	23,914	25,268	27,636	29,650	29,661	30,487	2.8%	4.6%
Belgium and Luxembourg	14,662	15,708	16,701	17,285	17,267	17,177	-0.5%	2.6%
Rest of the World	12,817	12,538	12,830	12,842	12,380	12,604	1.8%	1.9%
Total	562,644	587,104	622,829	653,404	648,584	668,159	3.0%	100%

Credit insurance business- TPE

Risk cluster by sector	2015	2016	2017	2018	(in millions of euros)			
					9M2018	9M2019	% Chg. 18-19	% s/ total
Electronics	69,797	70,510	74,476	77,433	84,945	86,701	2.1%	13.0%
Chemicals	74,538	78,593	82,783	86,479	76,201	80,919	6.2%	12.1%
Durable consumer goods	60,940	65,324	68,442	69,881	69,124	70,493	2.0%	10.6%
Metals	59,888	58,855	63,419	68,424	67,621	73,071	8.1%	10.9%
Food	52,056	55,640	58,608	63,001	62,890	63,875	1.6%	9.6%
Transport	50,612	53,434	56,930	60,461	59,784	61,589	3.0%	9.2%
Construction	41,147	43,133	46,896	49,773	50,045	52,049	4.0%	7.8%
Machinery	33,902	34,734	37,137	39,972	40,240	40,808	1.4%	6.1%
Agriculture	28,327	30,907	33,318	33,876	34,024	33,992	-0.1%	5.1%
Construction materials	24,425	25,387	27,058	28,359	28,256	29,343	3.8%	4.4%
Services	24,113	25,276	26,994	27,837	27,918	27,169	-2.7%	4.1%
Textiles	19,065	19,855	20,562	20,324	20,530	19,929	-2.9%	3.0%
Paper	12,747	13,590	13,929	14,525	14,312	15,166	6.0%	2.3%
Finances	11,088	11,867	12,277	13,058	12,693	13,055	2.9%	2.0%
Total	562,644	587,104	622,829	653,404	648,584	668,159	3.0%	100%

General expenses and commissions

	(in millions of euros)			
	9M2018	9M2019	% Var. 18-19	12M 2018
Traditional business	226.0	230.9	2.2%	305.8
Credit insurance business	306.4	334.4	9.1%	413.4
Non-recurring expenses	3.2	4.7		7.4
Total expenses	535.6	570.1	6.4%	726.6
Commissions	396.8	418.7	5.5%	532.8
Total expenses and commissions	932.3	988.8	6.1%	1,259.4
% of recurring premiums	31.6%	31.9%		32.3%



Financial result

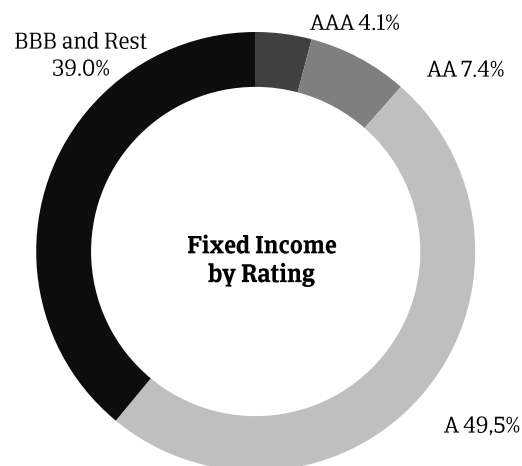
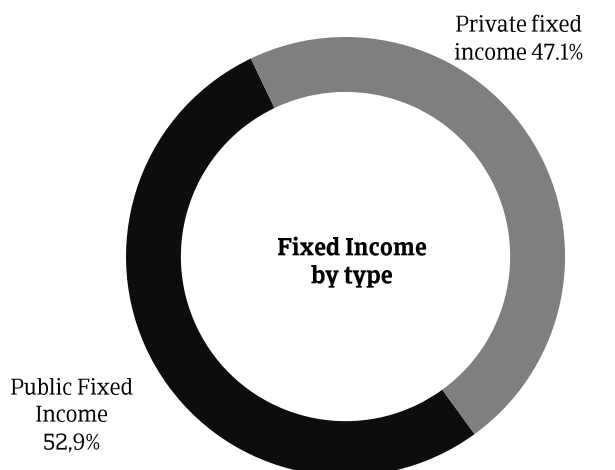
	(in millions of euros)			
Financial result	9M2018	9M2019	% Chg. 18-19	12M 2018
Financial income net of expenses	160.1	168.1	5.0%	204.4
Exchange differences	0.0	0.0		0.1
Subsidiary companies	0.6	0.0		1.0
Interests applied to life	-101.2	-111.7	10.4%	-131.4
Financial recurring result of traditional business	59.5	56.8	-4.5%	74.1
% earned premiums	3.2%	2.9%		2.9%
Financial income net of expenses	14.0	15.0	7.1%	16.7
Exchange differences	1.2	2.9		4.8
Subsidiary companies	3.5	6.6		4.7
Interests subordinated debt	-12.7	-12.7	0.0%	-16.9
Financial recurring result of insurance credit business	6.1	11.8	93.4%	9.2
% net insurance income	0.5%	0.8%		0.5%
Intragrup interest adjustments	-4.2	-2.5		-5.4
Recurring financial result of adjusted credit insurance	1.9	9.4		3.8
Recurring financial result	61.4	66.2	7.8%	77.9
% of total Group's Income	1.9%	1.9%		1.8%
Non-recurring financial result	-5.6	-10.5		2.2
Financial result	55.7	55.8	0.2%	80.1

Non-recurring result

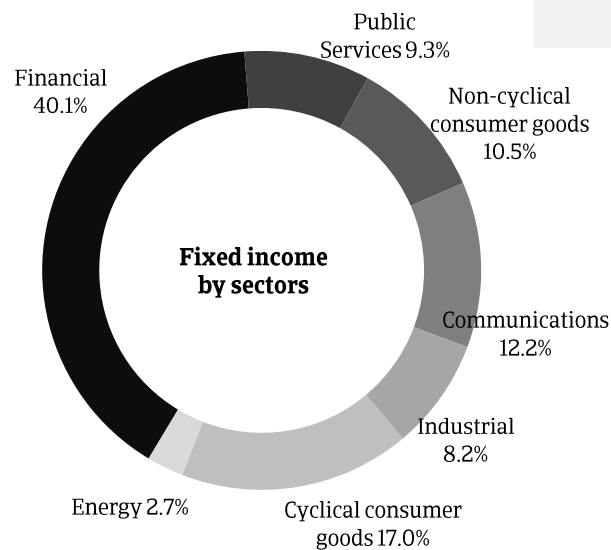
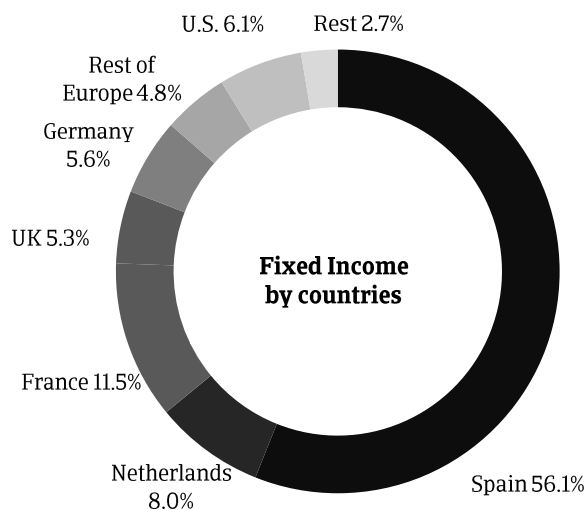
	(in millions of euros)		
Non-recurring result (net of taxes)	9M2018	9M2019	12M 2018
Financial	-3.9	-6.0	2.3
Expenses and other non-recurrent	-4.3	-5.3	-4.6
Taxes	0.1	1.2	-2.3
Non-recurring from traditional business	-8.1	-10.0	-4.6
Financial	-1.8	-4.5	-0.1
Expenses and other non-recurring	-3.2	-4.7	-7.4
Taxes	0.8	1.5	1.9
Non-recurring from credit insurance business	-4.2	-7.8	-5.7
Non-recurring result net of taxes	-12.3	-17.8	-10.2

Investments

High quality of the fixed income portfolio

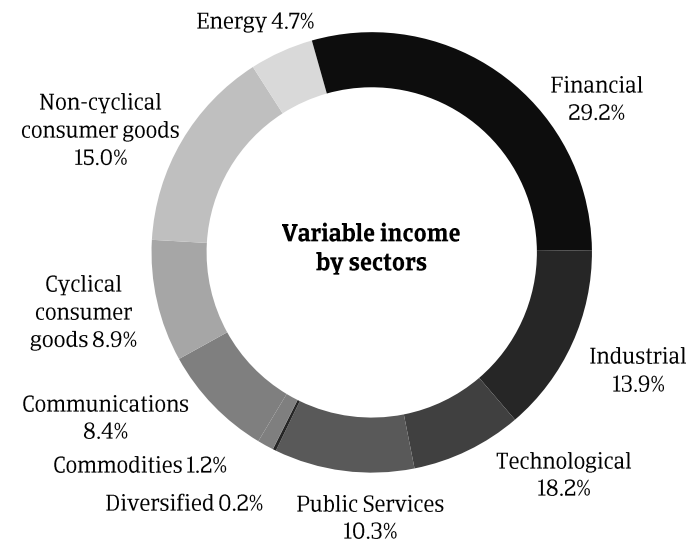
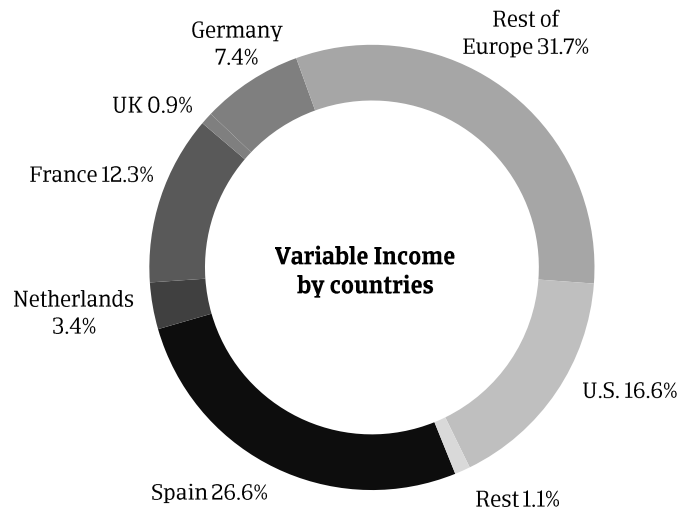


Duración 4.74
TIR 2.28%



Investments in equity

High liquidity 12.1% equity

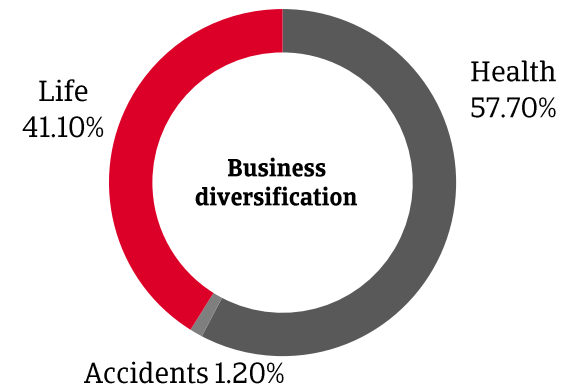


Balance sheet

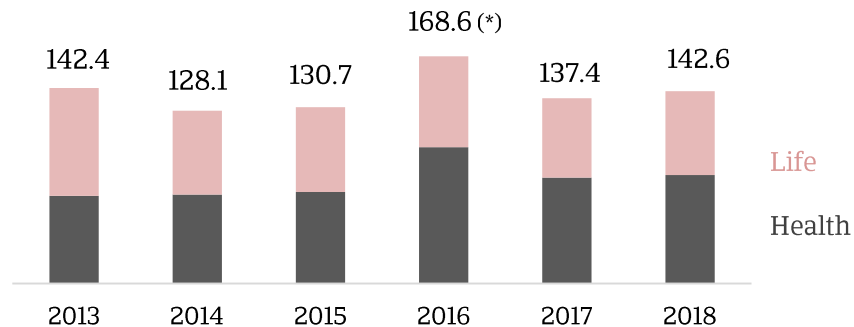
	(in million of euros)		
Assets	12M 2018	9M2019	% Chg. 18-19
Intangible assets and property	1,242.1	1,409.1	13.4%
Investments	10,873.7	12,696.2	16.8%
Property investments	561.1	610.5	8.8%
Financial investments	9,149.1	10,725.6	17.2%
Cash and short-term assets	1,163.5	1,360.2	16.9%
Reinsurance participation in technical provisions	837.4	984.8	17.6%
Other assets	1,526.2	1,695.9	11.1%
Deferred tax assets	96.5	133.4	38.2%
Credits	885.3	975.8	10.2%
Other assets	544.4	586.7	7.8%
Total assets	14,479.4	16,786.0	15.9%
Net liabilities and equity	12M 2018	9M2019	% Chg. 18-19
Permantent resources	3,404.6	3,981.7	17.0%
Net equity	3,204.1	3,781.3	18.0%
Parent Company	2,863.8	3,416.9	19.3%
Minority interests	340.3	364.3	7.1%
Subordinated liabilities	200.4	200.5	0.0%
Technical provisions	9,567.7	10,744.0	12.3%
Other liabilities	1,507.1	2,060.2	36.7%
Other provisions	184.1	207.5	12.7%
Received deposits on buying reinsurance	52.8	53.7	1.7%
Deferred tax liabilities	280.9	411.4	46.5%
Debts	687.1	908.9	32.3%
Other liabilities	302.2	478.7	58.4%
Total net liabilities and equity	14,479.4	16,786.0	15.9%

Antares acquisition agreement

- Founded in 1987 and property of Telefónica
- N° 17 in health business with 0.96% of market share
- Profitable and solvent Group
- Management team with great experience
- Turnover 140M. result 11M and Solvency 185%
- Since 2011 expanding the marketing beyond Telefónica
- Insured number: 245,000
- Medical team: more than 18,000 professionals

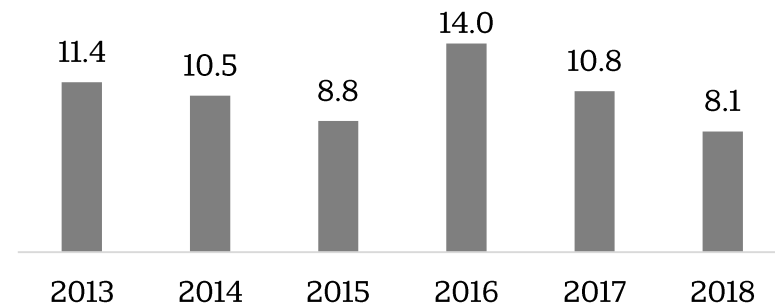


Turnover evolution



(*) 83% of invoice comes from Telefónica

Net results evolution



Antares acquisition agreement

Solid strategic fit in Grupo Catalana Occidente

- Reassures the Group position in the spanish market
- Strengthen the global supply for the customer
- Increases the weight of the health business
 - More than 160 millions of euros turnover
 - 2.0% market share
 - 9th position on the spanish market
- Allows the engagement of synergies in the medium run
- Takes advantage of the increased volume to negotiate with third parties

Closing of the operation 14th February 2019

- Payment of 160M€
- Goodwill of 5M€

Nº	Group	Premiums	Market share		Nº	Group	Premiums	Market share
6	Total	2,854.0	4.5%		6	Total	2,997.2	4.7%
4	No Vida	2,104.4	6.0%		4	No Vida	2,185.2	6.2%
15	Salud	86.7	1.0%	→	9	Salud	165.7	2.0%
10	Vida	749.6	2.6%		10	Vida	812.0	2.8%

Fuente: ICEA cierre 2018

Grupo Catalana Occidente

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

Insurance specialist



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

Closeness – global presence



- Distribution of intermediaries
- Close to 18,000 intermediaries
- Over 7,400 employees
- Over 1,600 offices
- Over 50 countries

Solid financial structure



- Listed on the stock exchange
- “A” rating
- Stabled, committed shareholders

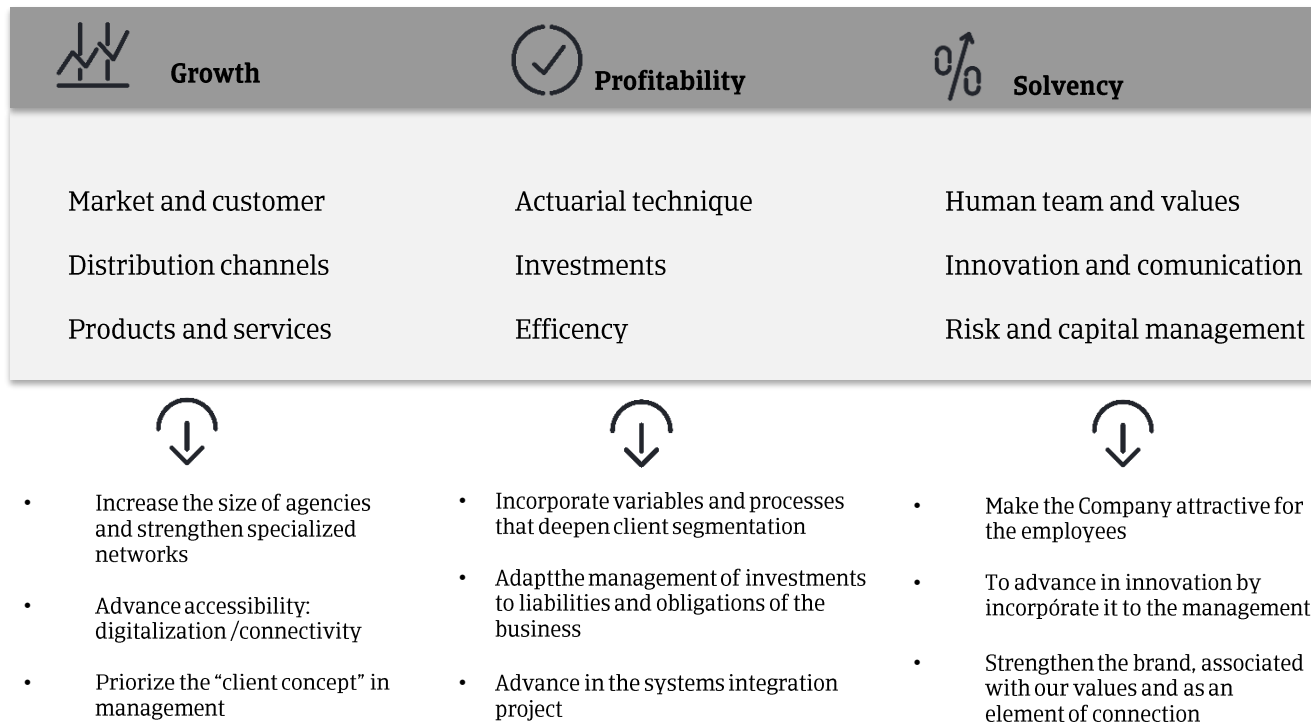
Technical rigour



- Excelent combined ratio
- Strict cost control
- 1999-2018: 10 times increase of profits
- Prudent and diversified investment portfolio

Challenges for the 2019

Our three strategic pillars are developed in nine lines of action



Global Presence



Saudi Arabia	Dubai(**)
Europe	
Austria	Vienna
Belgium	NamurAntwerp
Czech Republic	Prague
Denmark	CopenhagenÅrhus
Finland	Helsinki
France	ParisBordeauxCompiègneLilleLyonMarseilleNancyOrléansRennesStrasbourgToulouse
Germany	CologneBerlinBielefeldBremenDortmund. FrankfurtFreiburgHamburgHanoverKassel. MunichNurembergStuttgart
Greece	Athens
Hungary	Budapest
Ireland	Dublin
Italy	RomeMilan
Luxembourg	Luxembourg
Netherlands	AmsterdamUmmen
Norway	Oslo
Poland	WarsawKrakowPoznanJeleniagóra
Portugal	LisbonPorto
Russia	Moscow(***)
Slovakia	Bratislava
Spain	País Vasco, Cataluña, Galicia, Andalucía, Asturias, Cantabria, La Rioja, Murcia. Comunidad Valenciana, Aragón, Castilla la Mancha, Navarra, Extremadura, Madrid. Castilla-León, Islas Baleares, Islas Canarias, Ceuta y Melilla.
Sweden	Stockholm
Switzerland	ZurichLausannedugano
Turkey	Istanbul
United Kingdom	CardiffBelfastBirminghamLondonManchester
Middle East	
Israel	Tel Aviv(*)
Lebanon	Beirut(*)
United Arab Emirates	Dubai(**)
Saudi Arabia	Dubai (**)
Asia	
China	Shanghai(***)
HongKong	HongKong
India	Mumbai(***)
Indonesia	Jakarta(**)
Japan	Tokyo
Malaysia	KualaLumpur(**)
Philippines	Manila(**)
Singapore	Singapore
Taiwan	Taipei(**)
Thailand	Bangkok(**)
Vietnam	Hanoi(**)
Africa	
Kenya	Nairobi(*)
South Africa	Johannesburg(*)
Tunisia	Tunis(*)
Americas	
Argentina	BuenosAires(*)
Brazil	São Paulo
Canada	Almonte(Ontario)Mississauga(Ontario)Duncan (British Columbia)
Chile	Santiagode Chile(*)
Mexico	Mexico City, GuadalajaraMonterrey.
Peru	Lima(*)
USA	HuntValley(Maryland)Chicago(Illinois)Los AngelesCaliforniaNewYork(NewYork)
Oceania	
Australia	SydneyBrisbaneMelbournePerth
New Zealand	Wellington

(*) Asociación y acuerdos colaboración

(***) Servicios establecido con partners locales

Corporate structure

GRUPO CATALANA OCCIDENTE		
Main entities		
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
Antares	Bilbao Telemark	Sogesco
GCO Re	Inversions Catalana Occident	Gesiuris
	CO Capital Ag. Valores	Hercasol SICAV
	Cosalud Servicios	GCO Activos Inmobiliarios
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Center	
	Asitur Asistencia	
	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		
INSURANCE COMPANIES	COMPLEMENTARY INSURANCE COMPANIES	INVESTMENT COMPANIES

Traditional business
Credit insurance business

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 allows the 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**

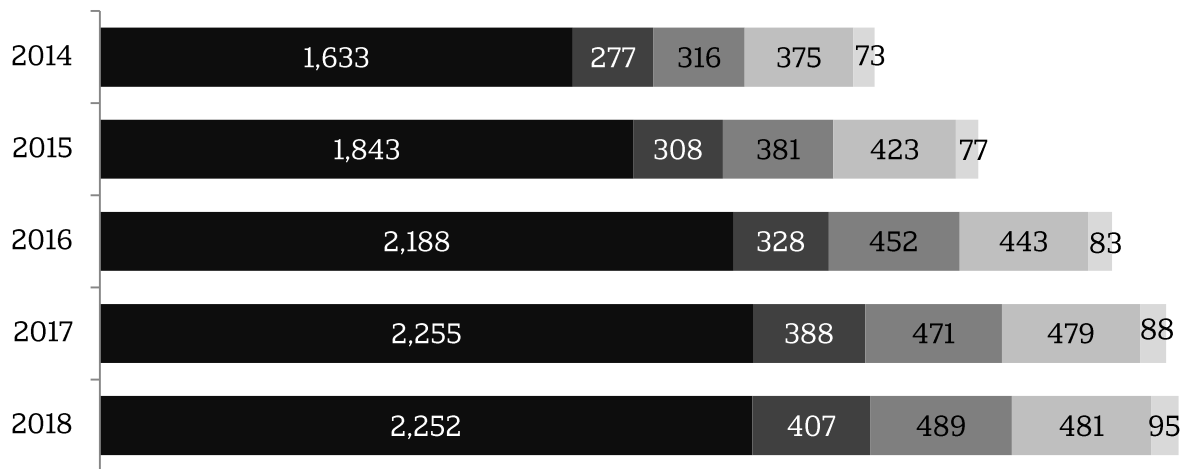
In addition, the Group avails of a series of early warning indicators that serve as a base, both for monitoring the risks and for compliance with the risk appetite approved by the board members.

Risks 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. Frequent contact with the rating agencies Implementation of an efficient internal control system.
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.	
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.	

Creation of value

The vocation of Grupo Catalana Occidente is to consolidate a social business and generate sustainable social value. In 2018, the Group contributed €3,724 million to society



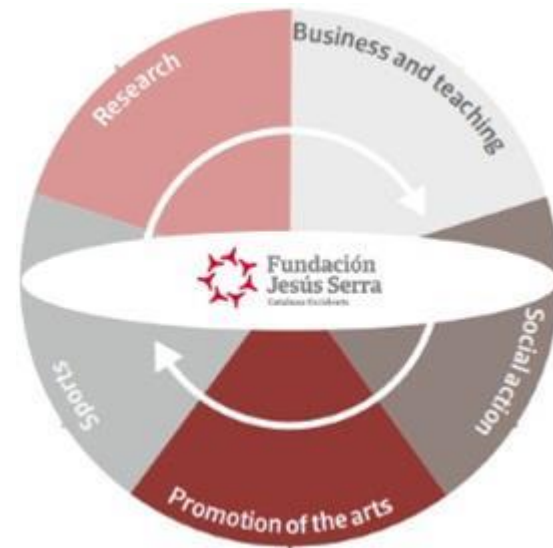
■ Benefits paid to clients ■ Public administrations ■ Intermediaries ■ Employees ■ Shareholders

Fundación Jesús Serra



Fundación Jesús Serra is the institution through which the social action of Grupo Catalana Occidente is channelled.

Its actions follow the human values of its founder, Jesus Serra Santamans



More than just insurance...

... participates **over 60 projects** helping those who most need it in the areas of research, education, culture, sport and social action.

Glossary

Concept	Definition	Formulation
Technical result	Result of the insurance activity	Technical result = (premiums accrued from direct insurance + premiums accrued from reinsurance accepted + information services and commissions) – Technical cost – Participation in benefits and return premiums – Net operating expenses – Other technical expenses
Reinsurance result	Result due to transferring business to the reinsurer or accepting business from other entities.	Reinsurance result = Result of inward Re + 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 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 entity's regular activity	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 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. Premiums invoiced = premiums issued for direct insurance + premiums from accepted 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 + Managed pension funds Managed funds = fixed income + variable income + property + deposits in credit institutions + treasury + subsidiary 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 = claims in the year, net of reinsurance + variation of other technical provisions, net of reinsurance
Dividend yield	The profitability per dividend or <i>dividend yield shows the relationship existing between the dividends distributed in the previous year with the value of the average share.</i> 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.

Glossary

Concept	Definition	Formulation
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.)
Permanence index	Measures the customers expectation of staying with the entity Scale of less than 1 year to over 5 years	Permanence index= how long do you think that you will remain a customer?
Company satisfaction index	This measures the degree of general satisfaction with the entity Scale from 1 to 10	General satisfaction level = (Satisfied - unsatisfied) / survey participants Satisfied responses from 7 to 10 Unsatisfied responses from 1 to 4
Service satisfaction index	This measures the evaluation of the service received Scale from 1 to 10	Service satisfaction level = (Satisfied - unsatisfied) / survey participants Satisfied: responses from 7 to 10 Unsatisfied: responses from 1 to 4
Income from insurance	Measures the income directly derived from the activities of insurance and information services	Income from insurance = premiums accrued from direct insurance + premiums accrued fro accepted reinsurance + information services and commissions
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? = (advocates - oppo- nents)/ survey participants Advocates: responses with result equal to 9 to 10 Opponents: responses from 1 to 6
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
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
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.	Combined ratio = Ratio of claims + ratio of expenses
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
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
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)

Glossary

Concept	Definition	Formulation
Permanent resources	Resources that can be included in own funds.	Permanent resources = Total net equity + subordinated liabilities
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
Resources transferred to the Company	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 rate of return Measures the performance of the capital.	ROE = (Result of the year. Attributable to the parent company) / (Simple average of the Equity attributed to shareholders of the parent company at the start and end of the period (twelve months)) x 100
Claims	See technical cost. Economic evaluation of claims.	Claims = Payments made from direct insurance + Variation of the provision for services of direct insurance + expenses attributable to services
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

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