



2021

Quarterly Report 9M2021
Grupo Catalana Occidente S.A.

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01

Keys of the period 9M2021

Key financial figures

The Group increases turnover and profit compared to the previous year

Growth

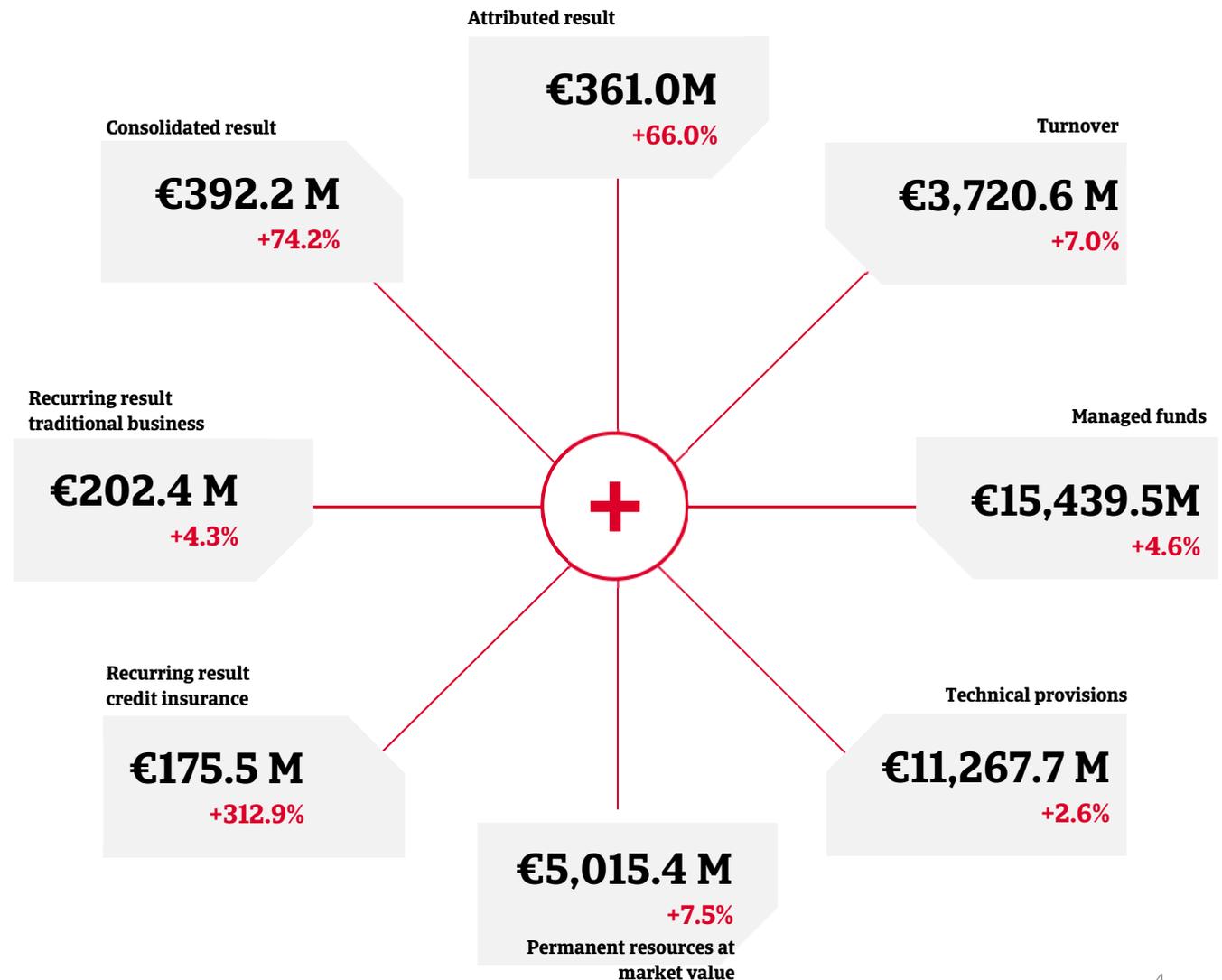
- Increase of 7.0% in turnover.

Profitability

- Increase of 66.0% in the attributed result, with €361.0 million.
- Improvement in recurrent earnings in the traditional business and in the credit insurance business, which continues to be exposed to the performance of COVID-19:
 - €202.4 million in the traditional business (+4.3%).
 - €175.5 million in the credit insurance business (312.9%).
- Combined ratio:
 - 88.1% in traditional business (non-life).
 - 59.6% in the credit insurance business (gross).
- Commitment to shareholders: two dividends in 2021 totalling €40.0 million, an increase of 5% compared to the same dividends of the previous financial year.

Solvency

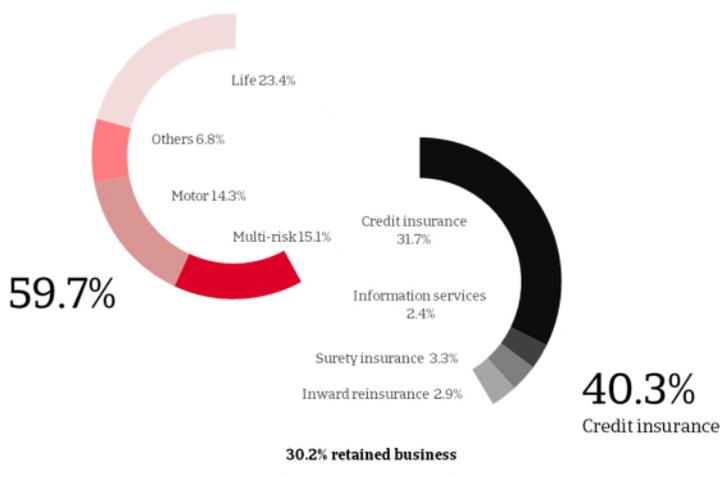
- The Solvency II ratio at the close of 2020 for the Group is 216%.



Key financial figures	(figures in € million)			
	9M2020	9M2021	Chg. 20-21	12M2020
GROWTH				
Turnover	3,475.6	3,720.6	7.0%	4,559.5
- Traditional business	2,051.8	2,123.2	3.5%	2,720.4
- Credit insurance business	1,423.8	1,597.4	12.2%	1,839.1
PROFITABILITY				
Consolidated result	225.1	392.2	74.2%	270.1
- Traditional business	194.0	202.4	4.3%	238.6
- Credit insurance business	42.5	175.5	312.9%	50.4
- Non-recurring	-11.5	14.3		-18.9
Attributed result	217.5	361.0	66.0%	262.3
Combined traditional business ratio	88.4%	88.1%	-0.3 p.p.	88.6%
Combined gross ratio credit insurance	93.4%	59.6%	-33.8 p.p.	94.1%
Dividend per share				0.88
Pay-out				40.4%
Share price	21.5	31.5	46.5%	29.2
PER	8.7	9.3		13.34
ROE				7.3%
NON-FINANCIAL DATA				
Number of employees	7,378	7,309	-0.9%	7,384
Number of offices	1,490	1,461	-1.9%	
Number of intermediaries	17,178	16,725	-2.6%	17,042
	12M2020	9M2021	Chg. 20-21	
SOLVENCY				
Permanent resources at market value	4,663.4	5,015.4	7.5%	
Technical provisions	10,982.5	11,267.7	2.6%	
Managed funds	14,758.9	15,439.5	4.6%	

Business diversification 12M2020

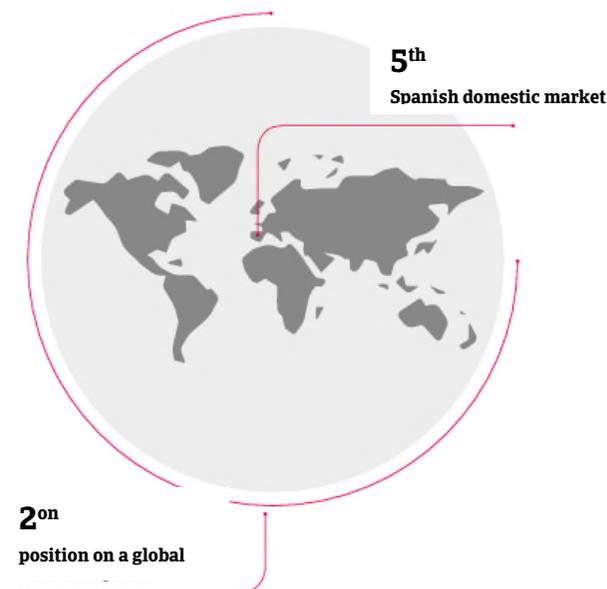
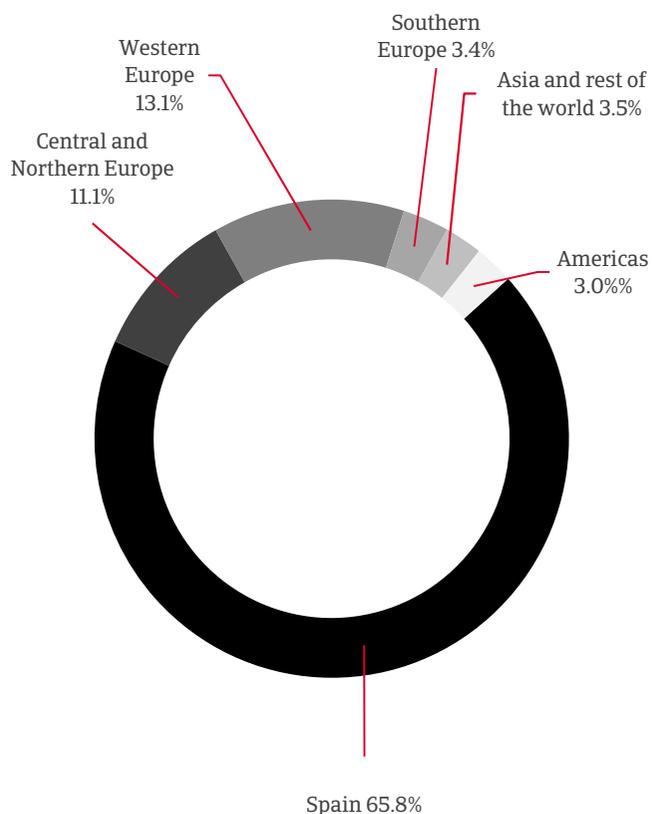
Grupo Catalana Occidente has a balanced and diversified portfolio.



In the traditional business (59.7% of the total turnover), the Group carries out its activity through the entities Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao and NorteHispana Seguros, guaranteeing a balanced and diverse implementation. In credit insurance business (30.2% of the total turnover in terms of retained business), the Crédito y Caución brand gives it a leadership position in the Spanish market, while the Atradius brand gives it an international dimension and leadership.

Global presence

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



Grupo Catalana Occidente obtains 65.8% of its income from the Spanish domestic market, where it holds the fifth position, through the brands Seguros Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao, NorteHispana Seguros, and Crédito y Caución.

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

Evolution of the Group in 9M2021

The Group's attributable profit was €361.0 million and turnover increased by 7.0%.

The Group's results were impacted in the traditional business by the meteorological events that mainly occurred in Spain in the first quarter, affecting the multi-risk business. The credit insurance business continues to be exposed to the evolution of the COVID-19 health crisis, but its results improved notably thanks to the risk management actions carried out.

Turnover increased by 7.0%, reflecting the sustained growth in traditional business and the increase in credit insurance business. The technical result, with €424.0 million, is up 57.4% due to the evolution of the credit insurance business.

The financial result contributes €75.1 million to reach €490.4 million profit before tax. Consolidated income amounted to €392.2 million, an increase of 74.2%.

 For further information, see annexes

(figures in € million)

Income statement	9M2020	9M2021	% Chg. 20 -21	12M2020
Written premiums	3,366.7	3,610.9	7.3%	4,426.4
Income from information	108.9	109.7	0.7%	133.1
Turnover	3,475.6	3,720.6	7.0%	4,559.5
Technical cost	2,162.4	2,130.5	-1.5%	2,917.8
% on total income from insurance	63.6%	59.5%		63.9%
Commissions	416.6	442.8	6.3%	560.6
% on total income from insurance	12.2%	12.4%		12.3%
Expenses	552.6	585.0	5.9%	749.5
% on total income from insurance	16.2%	16.3%		16.4%
Technical result	269.4	424.0	57.4%	339.8
% on total income from insurance	7.9%	11.8%		7.4%
Financial result	22.9	75.1		28.2
% on total income from insurance	0.7%	2.2%		0.7%
Result of non-technical non-financial account	-7.8	-22.2		-14.1
% on total income from insurance	-0.2%	-0.7%		-0.3%
Result from compl. activities Credit insurance and funeral business	12.2	13.5		6.4
% on total income from insurance	0.4%	0.4%		0.1%
Profit before tax	296.7	490.4	65.3%	364.6
% on net income	8.7%	13.7%		8.0%
Taxes	71.6	98.2		94.5
% taxes	24.1%	20.0%		25.9%
Consolidated result	225.1	392.2	74.2%	270.1
Result attributed to minorities	7.6	31.2		7.8
Attributed result	217.5	361.0	66.0%	262.3
% on total income from insurance	6.4%	10.1%		5.7%

Results by areas of activity	9M2020	9M2021	% Chg. 20-21	12M2020
Recurring results traditional business	194.0	202.4	4.3%	238.6
Recurring results from credit insurance business	42.5	175.5	312.9%	50.4
Non-recurring result	-11.5	14.3		-18.9

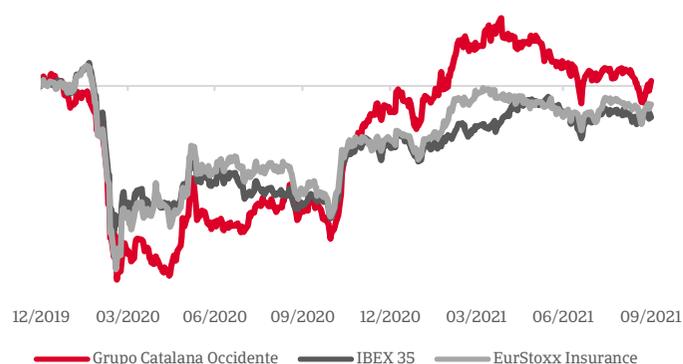
GCO shares and dividends

Share performance

Shares in Grupo Catalana Occidente closes September at €31.5/share

In this period, the share price increased by 8.06%, behaving similarly to the Spanish benchmark index.

Share performance since the end of 2019

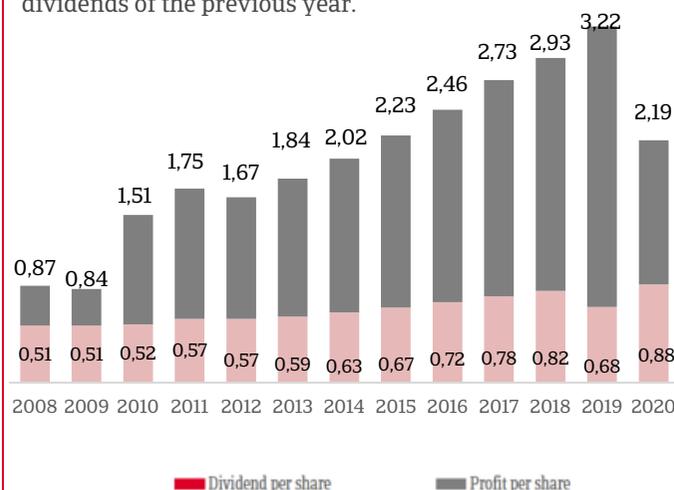


The average recommendation of the analysts is to "purchase" the share with a target price of €38.9/share (max. € 40.5/share and min. €36.8/share).

Dividends

Following the Regulators' recommendations reducing the total dividend for 2019, the Group resumes its dividend policy.

Commitment to the shareholder. 5% increase of the first two dividends of the financial year 2021 compared to the same dividends of the previous year.



Active relationship with the financial market

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

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

Share price

(euro per share)	9M2020	9M2021	12M2020
Period start	31.15	29.15	31.15
Minimum	16.20	27.80	16.20
Maximum	32.05	36.35	32.05
Period end	21.50	31.50	29.15
Average	22.60	32.50	23.24

Profitability (YTD)	9M2020	9M2021	TACC 2002 - 9M21
GCO	-30.98%	8.06%	12.18%
Ibex 35	-29.66%	8.95%	2.03%
EuroStoxx Insurance	-27.22%	10.29%	3.29%

Other data (in euro)	9M2020	9M2021	12M2020
Number of shares	120,000,000	120,000,000	120,000,000
Nominal share value	0.30	0.30	0.30
Average daily subscription (number of shares)	66,517	47,334	73,334
Average daily subscription (euro)	1,443,989	1,558,950	1,653,784

2021 macroeconomic environment

2020 saw an unprecedented drastic slump in the global economy due to the COVID-19 pandemic (-3.1%).

2021 Upward reviews of expected growth by +5.9% (outlook maintained from the last review in July).

United States GDP +6.0% GDP 2021e (+7.0%)

- Contraction of investment and exports.
- Unemployment estimated at 6.1%

Eurozone GDP +5.0% 2021e (+4.6%)

- Tensions over health crisis management and vaccination.
- Estimated 100.1% public debt
- Unemployment estimated at 10.4%

United Kingdom GDP +6.8% 2021e (+7.0%)

- Internal tensions due to lack of supplies
- Depreciation of the pound against the euro
- Expected 107.0% public debt

Asia Pacific +7.2% GDP 2021e (+7.5%)

- China:
- Sharp drop in industrial production
 - Collapse of direct investment

Spain GDP +5.7% 2021e (+6.2%)

- Strong impact on the economy due to the important weight of tourism
- Expected deficit of 8.6%
- Expected 120.2% public debt
- Unemployment estimated at 15.8%

South America +6.3% GDP 2021e (+5.8%)

- Worsening financial conditions
- Weak external demand

International Monetary Fund. October 2021 review vs. July 2021 estimate

Fixed income

Widespread measures to inject liquidity and credit support in the economy.

Minimum interest rates

Interest rates				
9M2021 (%)	1 year	3 years	5 years	10 years
Spain	-0.5	-0.2	-0.1	0.4
Germany	-0.6	-0.6	-0.5	-0.2
U.S.	0.1	0.3	0.5	1.5

Source: Bloomberg at the close of September 2021

Variable income

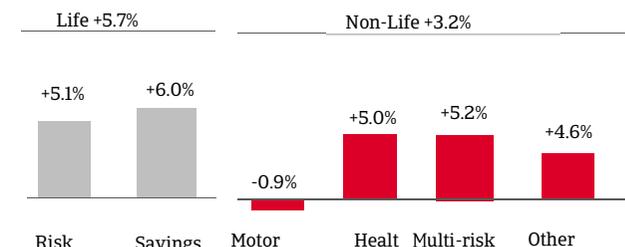
Recovery of the stock market indices affected by the health crisis.

	9M2021	% Chg.
Ibex35	8,796.3	+9.0%
EuroStoxx Insurance	288.2	+10.3%
Eurostoxx50	4,048.1	+13.9%
Dow Jones	33,843.9	+10.6%

Sectoral environment

The insurance sector in Spain grows by 4.1% in turnover, due to the accelerated growth of life premiums.

Performance of turnover



Source: ICEA at the close of September 2021

Insurance group ranking performance 9M2021 (compared to closing 2020)

Group	Position	Market share
Mapfre	↑ 1	11.9%
VidaCaixa	↓ 1	11.8%
Grupo Mutua Madrileña	=	9.4%
Allianz	↑ 1	5.4%
Grupo Catalana Occidente	↓ 1	5.2%
Grupo Axa	=	4.5%
Zurich	=	4.4%
Generali	=	3.8%
Santalucía	=	3.2%
Grupo Helvetia (Helvetia + Caser)	=	3.2%

Source: ICEA at the close of September 2021

Group actions against COVID-19

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

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

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

- To ensure employee protection and work continuity: teleworking implemented for all our employees.
- Rethinking of processes to maintain operational support under extreme conditions.

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

- Continuity in the relationship with the customer through telematic means.
- Continuity in customer service for loss adjustments, repairs, agency offices, etc... Successful implementation of undertaking loss adjustments by video

Measures aimed at the traditional business. Flexibility in payment of receipts, instalments and deferment.

- Flexibility in payment of receipts, instalments and deferment.
- Adaptation of prices according to the circumstances of the risk and the customer,
- 24-hour medical guidance by telephone for any

insured party, video consultation of medical staff and before cyber-risk protection in teleworking.

- The video consultation service for Cosalud Asistencia Sanitaria and Cosalud Reembolso policyholders was incorporated, which allows medical attention to be received without the need to travel, by those doctors and centres within the Cosalud medical team that have adhered to this functionality.
- Cover was extended to our policyholders in teleworking situations for cyber-risk insurance.

Measures aimed at the credit insurance business.

- Flexibility in payment of receipts, instalments and deferment.
- Flexibility in the period of declaration of non-payment, extending it by 30 days.
- Agreements with different Governments to support business continuity through credit insurance.

Measures to support society.

- Participation with UNESPA in a fund to protect staff in healthcare centres and nursing homes dealing with COVID-19, and to mitigate the socio-economic and health effects of COVID-19.
- The Fundación Jesús Serra collaborates with Save the Children and supports the CSIC for research in a future vaccine.
- Support to the innovation programme to overcome the health challenges caused: Beat the Vid.

Support measures for suppliers and associates.

- €20 million have been earmarked to advance the invoicing of the Group's suppliers affected by the coronavirus in Spain, in order to help them cope with the liquidity problems they may have suffered as a result of the business stoppage caused by the pandemic.

The impact of COVID-19 on individual business results can be found on page 12 for traditional business and pages 15-16 for credit insurance business. We also report impacts on investments: see page 18.

In addition, page 24 lists the agreements made with the various governments in the credit insurance business.



02

Business performance in 9M2021

Traditional business

The positive evolution continues with growth of 3.5% in turnover and 4.3% in recurring profit.

Turnover increased by 3.5% at the close of September 2021 to €2,123.2 million. The growth of 4.7% in multi-risk and 5.3% in others should be highlighted.

The technical result increased 1.5%, supported by the Non-Life business, whose result contributed €148.5 million and grew 3.9%, thanks to an improvement of 0.3 percentage points in the combined ratio to 88.1%. Technical cost declined 0.5 percentage points while fees and expenses increase by 0.2 percentage points. In turn, the Life business reduced its technical result by 3.8% to €66.7 million.

The financial result, with €48.2 million, is reduced by 8.8%. Complementary activities provide €3.7 million from the funeral insurance business.

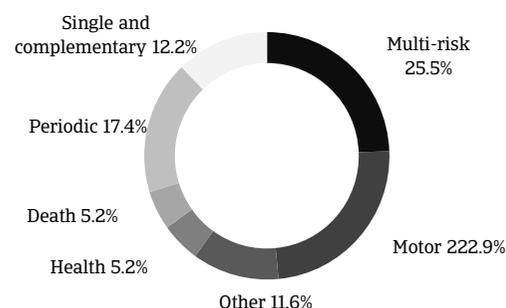
Recurring profit after tax has increased 4.3% reaching €202.4 million. During the year there have been positive non-recurring results for a value of €9.9 million; consequently, the total result is of €212.3 million, increasing by 15.6%.

 For further information, see annexes.

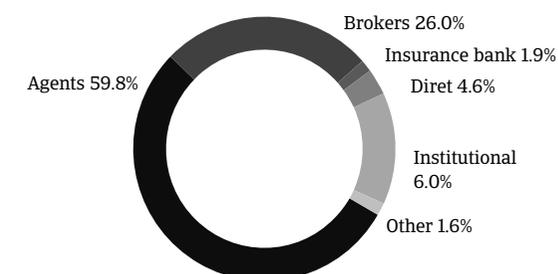
(figures in € million)

Traditional business	9M2020	9M2021	% Chg. 20-21	12M2020
Written premiums	2,051.8	2,123.2	3.5%	2,720.4
Recurring premiums	1,847.0	1,883.1	2.0%	2,415.5
Technical result	212.1	215.2	1.5%	265.4
<i>% on earned premiums</i>	10.7%	10.4%		9.8%
Financial result	44.3	48.2	8.8%	51.8
<i>% on earned premiums</i>	2.2%	2.3%		2.1%
Non technical result	-12.2	-13.1		-16.3
Complementary act. (Funeral B.)	3.9	3.7	-5.1%	4.6
Company income tax	-54.1	-51.8		-66.8
Recurring result	194.0	202.4	4.3%	238.6
Non-recurring result	-10.4	9.9		-10.3
Total result	183.6	212.3	15.6%	228.3
Earned premiums	1,990.3	2,062.6	3.6%	2,710.1

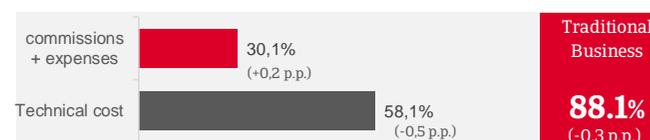
Distribution by business (TAM)



Distribution channels



Combined ratio



Multi-risk

Growth in turnover of 4.7% to €539.9 million. The combined ratio has increased by 1.07 percentage points to 90.1%. This increase is mainly due to an increase in the frequency of claims due to greater use of the home. The weather events that occurred in January (storms Filomena and Hortensia) have had a similar impact to the Gloria event of the previous year. In the third quarter there have been weather events of lesser magnitude.

COVID-19 impact: modification of the casuistry of claims received as a consequence of the greater use of the home compared to 2020, in which lockdown occurred from the second half of March onwards.

Motor

Decrease in turnover of 2.8% with €480.9 million. The combined ratio improved 3.3 p.p. to 87.4%, with a lower claims ratio due to a lower frequency of claims.

COVID-19 impact: claims frequency starts to normalise from the second half of the financial year 2021.

(figures in € million)

	9M2020	9M2021	chg. 20-21	12M2020
Multi-risk				
Written premiums	515.7	539.9	4.7%	686.9
% Technical cost	54.3%	56.1%	1.8	55.0%
% Commissions	21.0%	21.1%	0.1	20.9%
% expenses	13.1%	12.9%	-0.2	13.1%
% Combined ratio	88.4%	90.1%	1.7	89.0%
Technical result after expenses	58.4	52.0	-11.0%	74.5
% on earned premiums	11.7%	9.9%		11.1%
Earned premiums	502.4	523.4	4.2%	676.1

(figures in € million)

	9M2020	9M2021	chg. 20-21	12M2020
Motor				
Written premiums	494.5	480.9	-2.8%	653.8
% Technical cost	66.9%	63.2%	-3.7	66.5%
% Commissions	11.1%	11.3%	0.2	11.2%
% expenses	12.7%	12.9%	0.2	12.7%
% Combined ratio	90.7%	87.4%	-3.3	90.3%
Technical result after expenses	45.7	61.5	34.6%	63.4
% on earned premiums	9.4%	12.6%		9.7%
Earned premiums	490.6	486.6	-0.8%	655.5

Other

Growth in turnover of 5.3% to reach €251.1 million. The combined ratio was 85.2%, an increase of 2.0 percentage points due to an increase in the technical cost and of commissions, which was partly offset by the reduction in expenses.

COVID-19 impact: lower turnover in lines related to economic activity (Civil Liability, Accidents...), offset by higher commercial activity.

Life

Life business performed favourably, with turnover increasing 6.0%. The combined ratio reduced by 1.0 percentage points to 80.1% in the life funeral business

COVID-19 Impact: Reduction of the combined ratio in the healthcare business by 0.6 percentage points to 82.5%.

	9M2020	9M2021	chg. 20-21	12M2020
Other				
Written premiums	238.5	251.1	5.3%	312.2
% Technical cost	50.1%	51.9%	1.8	51.0%
% Commissions	18.7%	20.0%	1.3	19.0%
% expenses	14.4%	13.2%	-1.2	14.3%
% Combined ratio	83.2%	85.2%	2.0	84.4%
Technical result after expenses	38.8	35.0	-9.8%	48.9
% on earned premiums	16.5%	14.8%		15.4%
Earned premiums	230.8	235.7	2.1%	312.4

(figures in € million)

	9M2020	9M2021	chg. 20-21	12M2020
Life				
Life insurance turnover	803.1	851.3	6.0%	1,067.5
Health	132.0	133.3	1.0%	142.8
Funeral	107.7	110.5	2.6%	143.3
Regular life savings	358.6	367.4	2.5%	476.5
Single life savings	204.8	240.1	17.2%	304.9
Pension plan contributions	41.5	38.5	-7.2%	71.8
Net contributions to investment funds	2.7	1.5	-44.4%	1.3
Technical result after expenses	69.3	66.7	-3.8%	74.2
% on earned premiums	8.6%	8.2%		7.0%
Technical-financial result	85.3	88.0	3.2%	95.3
% on earned premiums	11.1%	10.8%		8.9%
Earned premiums	766.3	816.9	6.6%	1,066.1

(figures in € million)

Credit insurance business

Growth in net insurance income of 7.7% with recurring income of €175.5 million

In the credit insurance business, the volume of business increased at a rate of 12.2% (written premiums plus income from information), as a result of the reactivation of economic activity, although this increase is tempered by the accrual of income made in the earned premium. As a result, the Group increased its net income (earned premiums plus information income) by 7.7% to €1,519.8 million.

In Spain and Portugal, the Group's earned premiums grew slightly. In the rest of the European markets, they increased by an average of 10.0%, with the growth in Central and Northern Europe standing out with 14.9%.

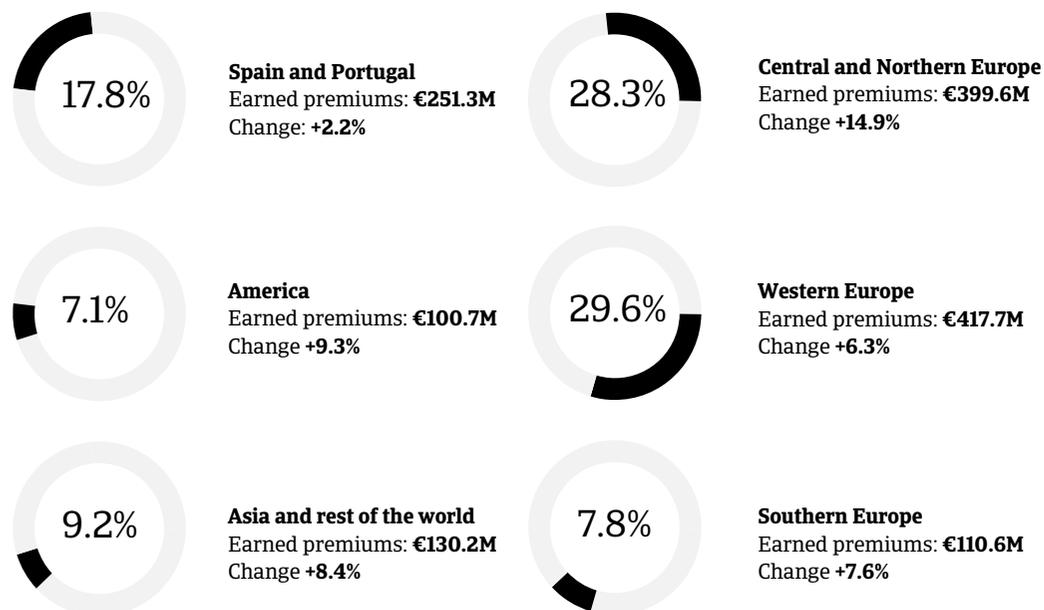
In turn, income from information has increased by 0.7%, contributing €109.7 million.

The Group has increased its risk exposure (TPE) by 12.1% compared to the end of 2020. This is because after adjusting risks during the previous year, in 2021 the levels start to recover while maintaining prudent risk selection. Europe accounts for 72.2% of the total exposure.

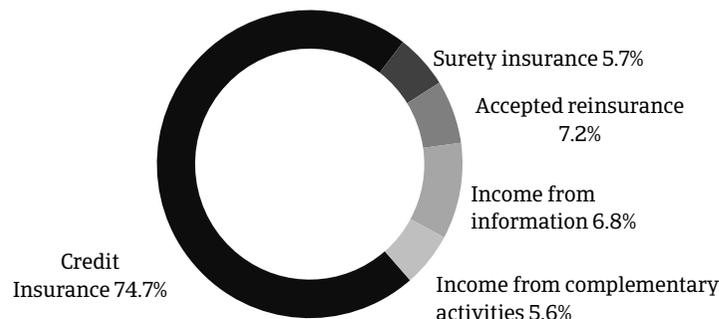
 For further information, see annexes.

8.3% increase in earned premiums, at €1,410.1 million

Distribution of earned premiums by region:



Diversification of the business due to earned premiums



The technical result after credit insurance expenses amounted to €614.1 million, €520.6 million more than in the same period of the previous financial year, which was heavily impacted by the COVID-19 health crisis. The effectiveness of the implementation of the risk management measures will lead to a stabilisation of margins in the first nine months of 2021.

The gross combined ratio was 59.6%. Having closed the 2020 financial year with a prudent level of provisions that continues to be maintained at the close of September, the inflow of claims is lower than expected. As a result of these improved expectations, reinsurers also earn an additional profit. Specifically, the result granted to reinsurance increased to €403.2 million, of which €267.1 million correspond to governmental agreements.

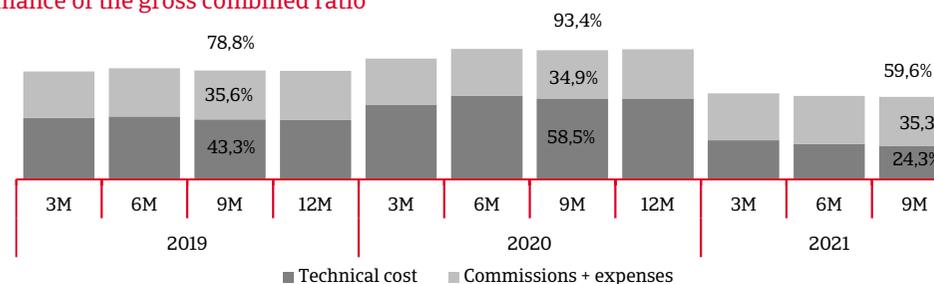
In turn, the financial result increased to €10.1 million, higher than in the same period of the previous financial year, mainly due to the positive results of subsidiaries. The result of the complementary activities is €9.8 million.

As a result, recurring profit amounted to €175.5 million, 312.9% more than in the same period of the previous year. At the end of September, there were positive non-recurring results amounting to €4.4 million. In total, this business contributed a result of €179.9 million.

COVID-19 Impact: Re-pricing of risks and adaptation of risk appetite. Finalisation of reinsurance agreements with European governments (Annexes) in June.

	(figures in € million)			
Credit insurance business	9M2020	9M2021	% Chg. 20-21	12M2020
Earned premiums	1,301.8	1,410.1	8.3%	1,727.4
Income from information	108.9	109.7	0.7%	133.1
Credit insurance income	1,410.7	1,519.8	7.7%	1,860.5
Technical result after expenses	93.5	614.1	556.8%	109.3
% on income	6.6%	40.4%		5.9%
Reinsurance result	-36.4	-403.2		-28.1
Reinsurance transfer ratio	51.1%	53.5%		52.1%
Net technical result	57.1	210.9	269.4%	81.2
% on income	4.0%	13.9%		4.4%
Financial result	4.8	10.1	110.4%	5.1
% on income	0.3%	0.7%		0.3%
Result from complementary activities	8.3	9.8	18.1%	1.8
Company income tax	-23.8	-52.0		-34.8
Adjustments	-3.9	-3.2		-2.9
Recurring result	42.5	175.5	312.9%	50.4
Non-recurring result	-1.0	4.4		-8.6
Total result	41.5	179.9	333.5%	41.8

Performance of the gross combined ratio



 For further information, see annexes.

Investments and Managed funds

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

The Group manages funds amounting to €15,439.5 million, €680.6 million more than in the previous year.

The total investment in property at market value amounts to €1,742.5 million. The majority of the Group's properties are located in areas considered "prime" areas in the most important Spanish cities. All of the properties for use by third parties are located in these areas and have a very high rate of occupancy. Every two years they are evaluated, through entities that are authorised by the supervisor. Capital gains from these properties stand at €525.0 million.

Fixed-income investment represents 53.4% of the total portfolio, standing at €7,446.5 million. The distribution of the rating in the portfolio is shown graphically below. At the end of September, 53.3% of the portfolio was rated A or higher. The duration of the portfolio at the end of September is 4.13 years and profitability at 1.90%.

(figures in € million)

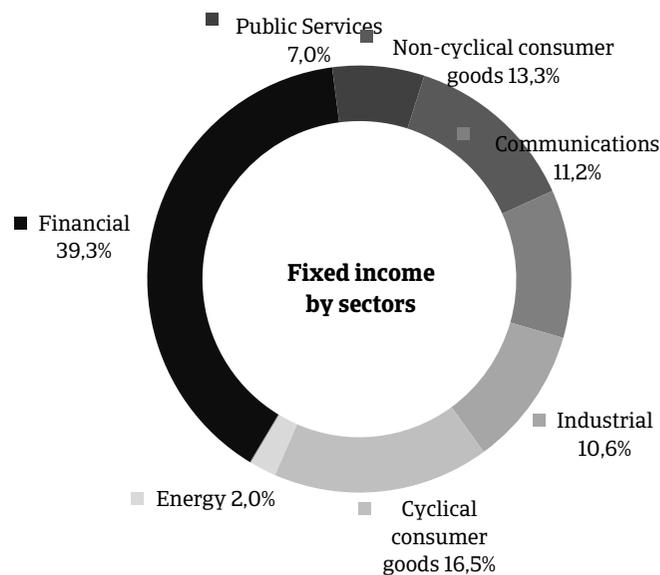
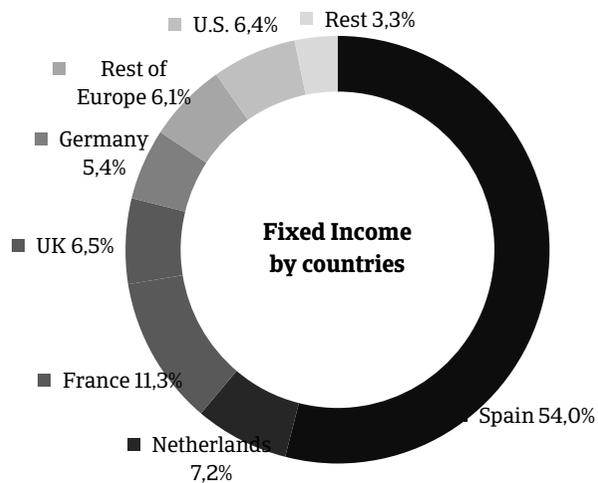
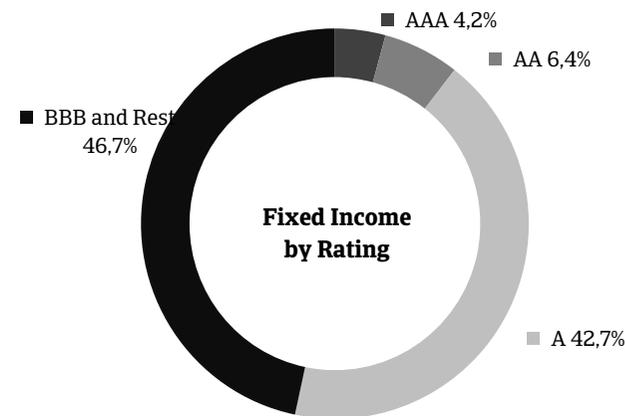
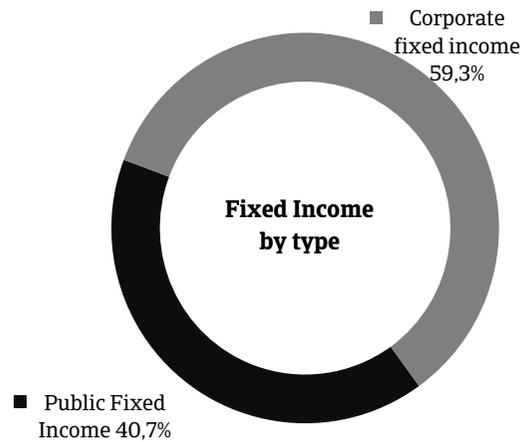
Investments and Managed funds	12M2020	9M2021	% Chg. 20-21	% on Inv. R. Co.
Properties	1,735.4	1,742.5	0.4%	12.5%
Fixed income	7,604.1	7,446.5	-2.1%	53.4%
Variable income	1,656.4	1,967.7	18.8%	14.1%
Deposits with credit institutions	573.4	640.1	11.6%	4.6%
Other investments	229.2	249.5	8.9%	1.8%
Cash and monetary assets	1,535.5	1,809.4	17.8%	13.0%
Investment in investee companies	85.2	93.1	9.3%	0.7%
Total investments, risk to entity	13,419.2	13,948.8	3.9%	100.0%
Investments on behalf of policyholders	618.4	712.1	15.2%	
Pension plans and investment funds	721.3	778.6	7.9%	
Total investments, risk to policy holders	1,339.7	1,490.7	11.3%	
Investments and Managed funds	14,758.9	15,439.5	4.6%	

Variable income represents 14.1% of the portfolio and is increased by 18.8%, reflecting the revaluation of the financial market. The investment portfolio is widely diversified and focused on high-capitalisation securities, mainly in the Spanish market (27.2%) and the rest of the European market (52.7%), which show attractive dividend returns.

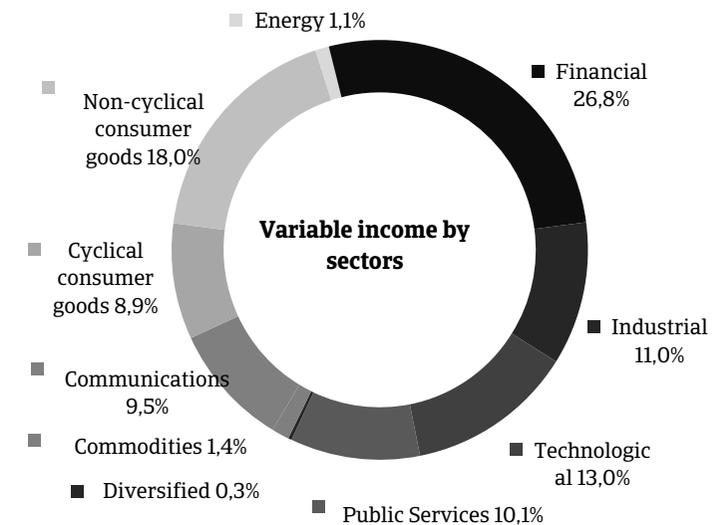
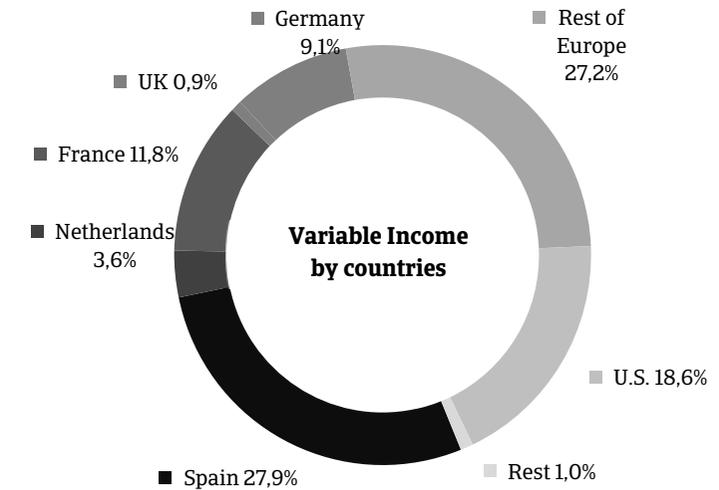
The Group maintains a liquidity position in deposits at credit institutions of €640.1 million, mainly at Banco Santander and BBVA, and a significant level of cash of €1,809.4 million.

COVID-19 Impact: Recovery of valuations to pre-COVID-19 levels.

Fixed income



Variable income



Capital management

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

Capitalisation €3,498 M	High quality of own funds 95% Tier1	Solvency II ratio at 216%	Strength for rating A
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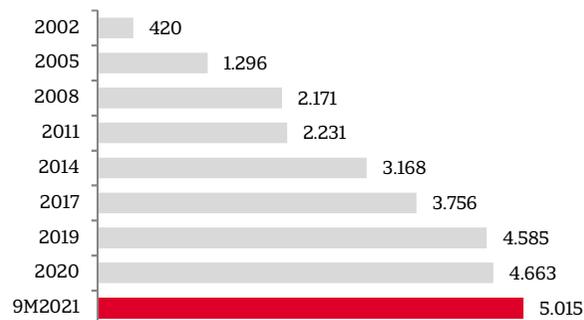
Capital management at the Group is governed by the following principles:

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

No significant changes have occurred in risk management with respect to the 2020 financial statements. For more information, consult the report on the financial and solvency situation (SFCR) available on the Group's website.

Capital performance

At the end of September, the Group's capital increased by 7.5%, supported by the results.



(figures in € million)

Permanent resources at market value on 31/12/2020	4,663.4
Net equity on 01/01/2021	3,937.6
(+) Consolidated results	392.2
(+) Dividends paid	-107.7
(+) Change in valuation adjustments	74.7
(+) Other changes	-1.2
Total net equity on 30/09/2021	4,295.6
Subordinated debt	194.8
Permanent resources at 30/09/2021	4,490.4
Capital gains not included in balance sheet (properties)	525.0
Permanent resources at market value on 30/09/2021	5,015.4

Market movements have led to an increase in the value of investments, with a positive impact of €74.7 million. Dividends have also been paid, amounting to €107.7 million, thus reducing net equity by the same amount.

Credit rating

In February 2021, Moody's affirmed the 'A2' rating of the operating entities in the credit insurance business under the Atradius brand, upgrading the outlook to stable. The confirmation of this rating reflects Moody's confidence in the strength of the Atradius brand, even in situations of economic uncertainty such as that generated by COVID-19. This is due to Atradius' dynamic risk exposure management, its strong economic capitalisation and its solid positioning as the second largest global credit insurance player.

In turn, A.M. Best confirmed in July 2021 the financial strength rating of A (excellent) with a stable outlook for the Group's main operating entities, both in traditional business and credit insurance business. This rating reflects the solid balance sheet strength, excellent operating results and appropriate capitalization of the Group's main operating entities. Furthermore, it considers that exposure to natural disasters is limited, thanks to the existence of a national coverage system (Consortio de Compensación de Seguros).

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

Sustainability

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

Social value is the result of focusing our activity not only on obtaining good financial results but also on favouring the welfare of the stakeholders to which the group's entities respond. This value becomes sustainable when it is integrated into the business strategy not only in the short term but also in the medium and long term.

This commitment is materialised through our Sustainability Policy and the Sustainability Master Plan 2020-2023.

Sustainability policy

In January 2021, the Board of Directors approved the Sustainability Policy of Grupo Catalana Occidente, which replaces the former Corporate Responsibility Policy in force until then.

This document establishes the reference framework for the Group and the Entities that comprise it to develop and promote socially responsible behaviour. It includes the general principles of action in the area of sustainability, as well as specific sustainability goals pursued by the Group.

The new Sustainability Policy aims to respond to an increasingly demanding European and national regulatory framework, which includes the United Nations 2030 Agenda, the Paris Agreement of the United Nations Framework Convention on Climate Change, the European Green Pact and the European Strategy for decarbonisation

to 2050.

Externally, it strengthens its commitment to the United Nations Global Compact Principles, the United Nations Principles for Responsible Investment (PRI), the Principles for Sustainable Insurance (PSI) and the Sustainable Development Goals (SDGs).

Internally, the Policy is the key instrument to strengthen the Group's commitment to sustainability and lays the foundations on which to develop the Sustainability Master Plan.

Sustainability Master Plan

The Sustainability Master Plan is the main instrument through which Grupo Catalana Occidente develops and implements its sustainability strategy. In 2020, the Group updated its materiality study with the aim of identifying issues relevant to the Group and its stakeholders. Based on the new list of material issues, a new Sustainability Master Plan was established for the period 2020-2023, which replaces the previous Corporate Responsibility Master Plan 2019-2021.

Issues identified as material to the Group

- Customer experience
- Data protection and cybersecurity
- Innovation
- Corporate governance
- Ethics and transparency
- Risk management
- Responsible investment.
- Responsible products
- Climate change and
- Attracting, developing and retaining talent
- Quality employment
- Health and safety
- Management of service providers
- Commitment to Society
- Development of local communities

Sustainability Master Plan 2020-2023



The Sustainability Master Plan has been structured by identifying three fundamental areas of development: excellence in service, positive contribution and trust; and a transversal area of transparency common to these areas: dissemination and reporting. Within each axis, specific lines of action have been established with the aim of creating value in a sustainable manner, with actions for their development, those responsible for their execution, the scope of the action and indicators for their monitoring.

Among the main actions carried out during the first nine months of 2021 are the adaptation to the regulations on the disclosure of sustainability information and on Taxonomy, publishing the Sustainability Report 2020 verified and in accordance with GRI standards, including sustainability risks in the SFCR report according to the supervision priorities published by the ESMA, continuing to collaborate with our main alliances and organisations of reference in the field (such as the PRI, PSI, Global Compact, SDG and UNESPA, among others) and making progress in the study of more sustainable and innovative solutions. In economic performance, no significant changes have occurred in environmental and social management and R+D with respect to the 2020 financial statements. No significant changes have occurred with regards to the average period of payment with respect to the 2020 financial statements.



03 Annexes

About Grupo Catalana Occidente

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

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

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

Insurance specialist



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

Closeness – global presence



- Distribution of intermediaries
- Over 17,400 intermediaries
- Over 7,350 employees
- Over 1,600 offices
- Over 50 countries

Solid financial structure



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

Technical rigour

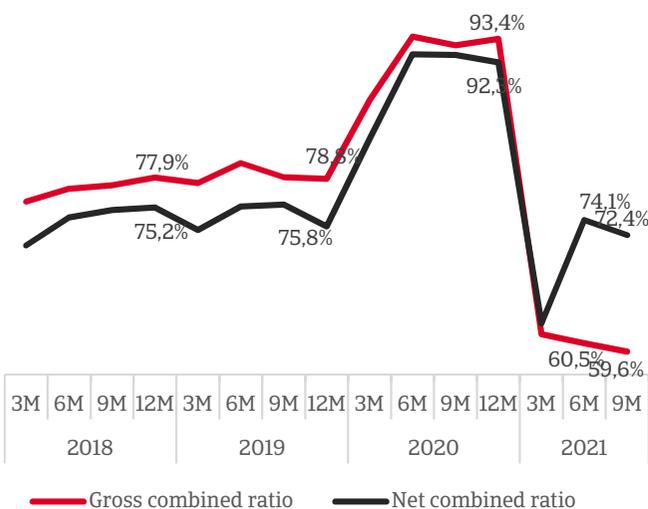


- Excellent combined ratio
- Strict cost control
- 1999-2020: profits multiplied by 10
- Diversified and prudent investment portfolio

Additional information of the credit insurance

	9M2020	9M2021	% Chg. 20-21	12M2020
Combined ratio breakdown				
% Gross technical cost	58.5%	24.3%	-34.2	58.6%
% Gross commissions + expenses	34.9%	35.3%	0.4	35.5%
% Gross combined ratio	93.4%	59.6%	-33.8	94.1%
% Net technical cost	57.0%	39.3%	-17.7	55.9%
% Net commissions + expenses	35.3%	33.2%	-2.1	35.6%
% Net combined ratio	92.3%	72.4%	-19.9	91.5%

Combined gross and net ratio evolution.



Risk accumulation per country	2017	2018	2019	2020	9M 2021	% Chg. 20-21	% total
Spain and Portugal	98,714	99,453	98,739	79,231	84,668	6.9%	12.3%
Germany	86,430	90,599	93,024	93,568	104,172	11.3%	15.1%
Australia and Asia	84,233	92,222	95,595	84,153	95,222	13.2%	13.8%
The Americas	73,188	75,773	81,269	71,765	85,224	18.8%	12.4%
Eastern Europe	59,253	63,935	68,595	64,630	74,174	14.8%	10.8%
United Kingdom	43,537	44,989	51,019	46,339	52,812	14.0%	7.7%
France	49,326	51,866	48,407	45,239	49,377	9.1%	7.2%
Italy	42,242	44,263	43,661	42,001	46,113	9.8%	6.7%
Nordic and Baltic countries	28,738	30,525	31,748	30,779	34,130	10.9%	5.0%
The Netherlands	27,636	29,650	30,392	29,875	32,984	10.4%	4.8%
Belgium and Luxembourg	16,701	17,285	17,444	16,959	18,630	9.9%	2.7%
Rest of the world	12,830	12,842	12,627	10,011	11,288	12.8%	1.6%
Total	622,829	653,404	672,520	614,549	688,794	12.1%	100.0%

Cumulative risk by sector	2017	2018	2019	2020	9M2021	% Chg. 20-21	% on total
Electronics	74,476	77,433	82,858	73,189	83,059	13.5%	12.1%
Chemicals	82,783	86,479	87,466	82,804	93,023	12.3%	13.5%
Durable consumer goods	68,442	69,881	73,145	69,071	78,191	13.2%	11.4%
Metals	63,419	68,424	72,285	61,597	72,739	18.1%	10.6%
Food	58,608	63,001	64,587	63,860	69,411	8.7%	10.1%
Transport	56,930	60,461	61,128	53,098	57,947	9.1%	8.4%
Construction	46,896	49,773	51,495	47,072	52,434	11.4%	7.6%
Machinery	37,137	39,972	41,225	39,635	44,561	12.4%	6.5%
Agriculture	33,318	33,876	33,954	29,845	33,682	12.9%	4.9%
Construction materials	27,058	28,359	29,389	29,345	33,284	13.4%	4.8%
Services	26,994	27,837	27,109	23,346	24,669	5.7%	3.6%
Textiles	20,562	20,324	19,660	15,404	16,206	5.2%	2.4%
Paper	13,929	14,525	15,065	13,151	14,816	12.7%	2.2%
Finance	12,277	13,058	13,156	13,131	14,741	12.3%	2.1%
Total	622,829	653,404	672,520	614,549	688,764	12.1%	100.0%

Agreements adopted in the credit insurance business

The government reinsurance arrangements are part of an overall package of measures and aim to ensure that sufficient liquidity is available in the market. All contracts apply to direct business (gross reinsurance).

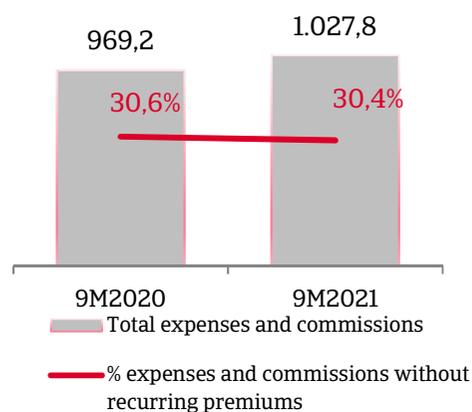
The contracts signed bring positive results to the Group as the ratio of claims in the countries covered deteriorates further. At the end of September, the assignment of premiums net of commissions was higher than the claims assigned, and the result of these contracts was a loss of €267.1 million.

Agreement signed *	Main features	Conditions 2020	Renewal conditions H1 2021	Premiums ceded 20	Premiums ceded 21
Germany	<u>Guarantee contracts similar to proportional reinsurance.</u> Cover for risks underwritten between 1 January and 31 December 2020 (excluding claims reported before 1 March 2020).	65% of the premiums. 90% of the claims. No commissions	90% of the premiums. 90% of the claims. With commissions.	€103.9 M	€75.7M
Belgium	<u>Instalment contract by tranches according to the claim ratio.</u> Cover for risks underwritten between 1 January and 31 December 2020 (excluding claims reported before 27 March 2020).	Depending on the claims ratio, between 50% and 90% of premiums and claims are ceded. With commissions.	Depending on the claims ratio, between 50% and 90% of premiums and claims are ceded. With commissions.	€18.2 million	€10.1M
The Netherlands	<u>Proportional reinsurance agreement.</u> Cover for insured risks underwritten between 1 January and 31 December 2020 (excluding claims reported before 29 February 2020).	90% of premiums and claims from new policyholders. 100% of premiums and 90% of claims of the insured in the portfolio. The government assumes all costs.	90% of premiums and claims from new policyholders. 90% of premiums and 90% of claims of the insured in the portfolio. The government assumes all costs.	€102.9M	€54.7M
Denmark	<u>Guarantee contracts similar to proportional reinsurance.</u> Cover for risks underwritten between 1 January and 31 December 2020 (excluding claims reported before 01 March 2020).	65% of the premiums. 90% of the claims. No commissions	58.5% of the premiums. 90% of the claims. No commissions	€21.0M	€8.8M
Luxembourg	<u>Instalment contract by tranches according to the claim ratio.</u> Cover for risks underwritten between 1 January and 31 December 2020 (excluding claims reported before 01 March 2020).	Depending on the claims ratio, between 50% and 90% of premiums and claims are ceded. With commissions.	Depending on the claims ratio, between 50% and 90% of premiums and claims are ceded. With commissions.	€0.9M	€0M
France	<u>Reinsurance contract with a performance similar to that of the quota share with certain particularities depending on the quality of the risks assumed.</u> Coverage of risks underwritten between 16 March and 31 December 2020.	75% of the premiums. 75% of the claims. With commissions.	75% of the premiums. 75% of the claims. With commissions.	€42.8M	€7.2M
United Kingdom	<u>Guarantee contracts similar to proportional reinsurance.</u> Coverage of risks underwritten between 1 April and 31 December 2020.	100% of the premiums. 90% of the claims. No commissions	90% of the premiums. 90% of the claims. With commissions.	€78.9M	€52.6M
Norway	<u>Instalment contract part.</u> Cover for risks underwritten between 1 January and 31 December 2020 (excluding claims reported before 12 March 2020).	65% of the premiums. 90% of the claims. No commissions	58.5% of the premiums. 90% of the claims. No commissions	€5.0M	€2.2.
Spain	<u>Reinsurance contract in addition to that underwritten in the private market.</u> Premiums and Claims from 1 October 2020 to 30 June 2021.	31% of the premiums. 31% of the claims. With commissions.	42% of the premiums. 42% of the claims. With commissions.	€7.9M	€75.7M
Italy	<u>Proportional reinsurance agreement.</u> Coverage of risks underwritten between 19 May to 31 December 2020.	90% of the premiums. 90% of the claims. With commissions.	90% of the premiums. 90% of the claims. With commissions.	€32.9 M	€31.1M

*The measure is for trade credit originated by insured persons operating in the country with a signed agreement and covers debtors from inside and outside that country. The average commission is 30% All agreements were renewed until 30 June 2021. No new renewals have been agreed.

Expenses and commissions

(figures in € million)				
Expenses and commissions	9M2020	9M2021	% Chg. 20-21	12M2020
Traditional business	231.7	229.9	-0.8%	312.6
Credit insurance	320.0	352.0	10.0%	433.7
Non-recurring expenses	0.9	3.1		3.8
Total expenses	552.6	585.0	5.9%	750.1
Commissions	416.6	442.8	6.3%	558.6
Total expenses and commissions	969.2	1,027.8	6.0%	1,308.6
% expenses and commissions without recurring premiums	30.6%	30.4%		28.5%



Financial result

(figures in € million)				
Financial result	9M2020	9M2021	% Chg. 20-21	12M2020
Financial income	143.1	145.1	1.4%	182.7
Exchange-rate differences	-0.1	-0.5		0.0
Subsidiary companies	1.2	1.7		1.8
Interests applied to life	-99.9	-98.1	-1.8%	-132.7
Traditional business	44.3	48.2	8.8%	51.8
% on earned premiums	2.2%	2.3%		1.9%
Financial income	11.9	8.6	-27.7%	13.5
Exchange-rate differences	6.3	3.4		5.5
Subsidiary companies	-0.9	10.5		2.9
Interest subordinated debt	-12.7	-12.6		-16.9
Credit insurance	4.8	10.1	110.4%	5.1
% on net income from insurance	0.3%	0.7%		0.3%
Intra-group interest adjustment	-0.8	-0.3		-0.9
Adjusted credit insurance	4.0	9.8		4.2
Recurring financial	48.3	58.0	20.1%	60.3
% on total Group Income	1.4%	1.6%		1.3%
Non-Recurring financial	-25.4	17.2		-27.8
Financial result	22.9	75.1		28.2

Non-recurring result

(figures in € million)			
Non-recurring result	9M2020	9M2021	12M2020
Financial	-25.2	12.3	-22.1
Expenses and others	9.0	-8.3	6.1
Taxes	5.8	5.9	5.7
Non-recurring from traditional business	-10.4	9.9	-10.3
Financial	-0.2	4.9	-5.7
Expenses and others	-0.2	0.8	-3.8
Taxes	-0.6	-1.2	0.9
Non-recurring from credit insurance	-1.0	4.4	-8.6
Net non-recurring result	-11.5	14.3	-18.9

Balance sheet

The assets of Grupo Catalana Occidente stood at €18,162.7 million.

The Catalana Occidente Group closed September 2021 with assets of €18,162.7 million, a decrease of 4.6% since the beginning of the year.

The main items that explain this increase are:

- Technical provisions, with an extra €285.3 million
- €631.9 million in investments.

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

Likewise, it should be remembered that Grupo Catalana Occidente does not account for the surplus value of its property, so they appear at the amortised cost value and not at market value.

(figures in € million)

	12M2020	9M2021	% Chg. 20-21
Assets			
Intangible assets and property, plant and machinery	1,440.1	1,423.3	-1.2%
Investments	13,066.4	13,698.3	4.8%
Property investments	692.9	701.4	1.2%
Financial investments	10,895.6	11,293.4	3.7%
Cash and short-term assets	1,478.0	1,703.5	15.3%
Reinsurance share in technical provisions	1,108.1	1,082.1	-2.3%
Other assets	1,753.2	1,959.0	11.7%
Deferred tax assets	271.9	246.5	-9.3%
Credits	971.0	1,118.1	15.1%
Other assets	510.3	594.4	16.5%
Total assets	17,367.7	18,162.7	4.6%
Liabilities and net equity	12M2020	9M2021	% Chg. 20-21
Permanent resources	4,138.3	4,490.4	8.5%
Net equity	3,937.6	4,295.6	9.1%
Parent company	3,578.9	3,903.1	9.1%
Minority interests	358.7	392.5	9.4%
Subordinated liabilities	200.7	194.8	-2.9%
Technical provisions	10,982.5	11,267.7	2.6%
Other liabilities	2,247.0	2,404.7	7.0%
Other provisions	234.6	229.2	-2.3%
Deposits received on buying reinsurance	58.3	58.1	-0.3%
Deferred tax liabilities	488.8	474.6	-2.9%
Debts	969.8	1,209.0	24.7%
Other liabilities	495.5	433.8	-12.5%
Total net liabilities and equity	17,367.7	18,162.7	4.6%

Corporate structure

Grupo Catalana Occidente is made up of 50 companies, mostly involved in the insurance business. The parent company is Grupo Catalana Occidente S.A., which directly and indirectly administers and manages the investments of all different entities that make up the Group.

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

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
GCO Re	Bilbao Telemark	Sogesco
	Inversions Catalana Occident	Hercasol SICAV
	CO Capital Ag. Valores	GCO Activos Inmobiliarios
	Cosalud Servicios	
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Centre	
	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

Board of Directors

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

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

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

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

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



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

Board of Directors

Chairman

* José María Serra Farré

Chief Executive Officer

* José Ignacio Álvarez Juste

Members

Jorge Enrich Izard

Enrique Giró Godó

** Juan Ignacio Guerrero Gilabert

Federico Halpern Blasco

** Francisco Javier Pérez Farguell

Maria Assumpta Soler Serra

Alberto Thiebaut Estrada

Fernando Villavecchia Obregón

Deputy non-board member secretary

Joaquín Guallar Pérez

*Executive directors **Independent

Audit Committee

Chairman

Juan Ignacio Guerrero Gilabert

Vice-chairman

* Hugo Serra Calderón

Secretary Director

* Francisco J. Arregui Laborda

Jorge Enrich Serra

Jusal, S.L.

José M.^a Juncadella Sala

Lacanuda Consell, S.L.

Carlos Halpern Serra

Gestión de Activos y Valores S.L.

Álvaro Juncadella de Pallejá

Members

Francisco Javier Pérez Farguell

Lacanuda Consell, S.L.



The curriculums are available on the Group's website



For further information about the governance system, see SFCR

Appointments and Remunerations Committee

Chairman

Francisco Javier Pérez Farguell

Members

Juan Ignacio Guerrero Gilabert

Alberto Thiebaut Estrada

Calendar and contact

January	February	March	April	May	June	July	August	September	October	November	December
	25 Results 12M2020		29 Results 9M2021			29 Results 9M2021			28 Results 9M2021		
	25 Presentation of results 12M2020 16.30		30 Presentation of results 9M2021 11.30			29 Presentation of results 9M2021 16.30			28 Presentation of results 9M2021 16.30		
			29 General Shareholders' Meeting 2020								
	Interim dividend 2020			Complementary dividend 2020		Interim dividend 2021			Interim dividend 2021		



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

Glossary

Item	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	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 · Recoveries · 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 from 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 + properties + deposits in credit entities + treasury + investee companies
Financial strength	This shows the debt and solvency situation. This is principally measured through the debt ratio, the interest coverage ratio and the credit rating.	Debt ratio = Net equity + Debt / Debt Interest coverage ratio = result before taxes / Interest
Technical cost	Direct costs of accident coverage. See claims.	Technical cost = claims in the year, net of reinsurance + variation of other technical provisions, net of reinsurance
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.
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	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?
Company satisfaction 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

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
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 from 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? = (promoters-critics)/ respondents Promoters: responses with result equal to 9 or 10 Critics: responses with result 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 = Closing market price of the share / Profit for the year attributable to the parent company year-on-year (in case of quarterly closing) 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)
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 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) / (Equity attributable to the shareholders of the parent company at year-end)) 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

Legal note

This document has been prepared by Grupo Catalana Occidente exclusively for use in the presentation of results. The forward-looking statements or predictions that may be contained in this document do not constitute, by their very nature, guarantees of future compliance, as they are subject to risks, uncertainties and other relevant factors, which may result in the developments and final results differing materially from those stated 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.

Grupo Catalana Occidente 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.

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