

2020

Presentation 3M2020
Grupo Catalana Occidente



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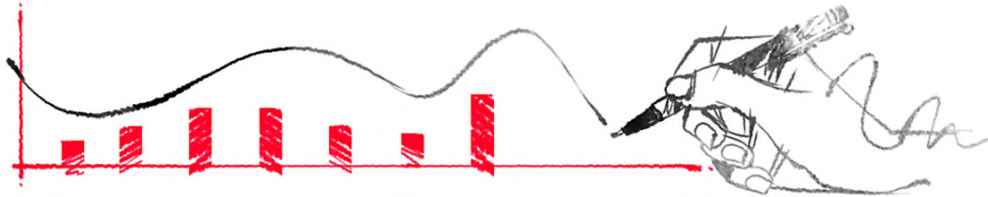


@gco_news

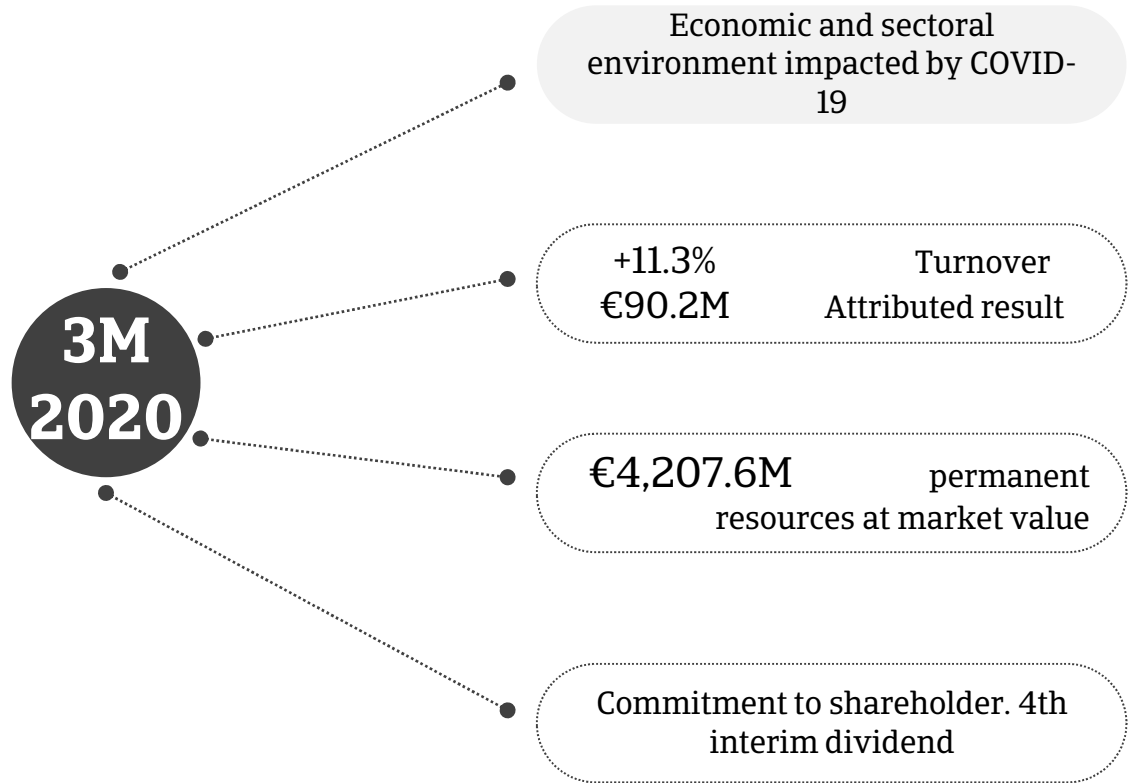
Presentation based on the report data at 3M2020 published on 30/04/2020

01

Keys for the period

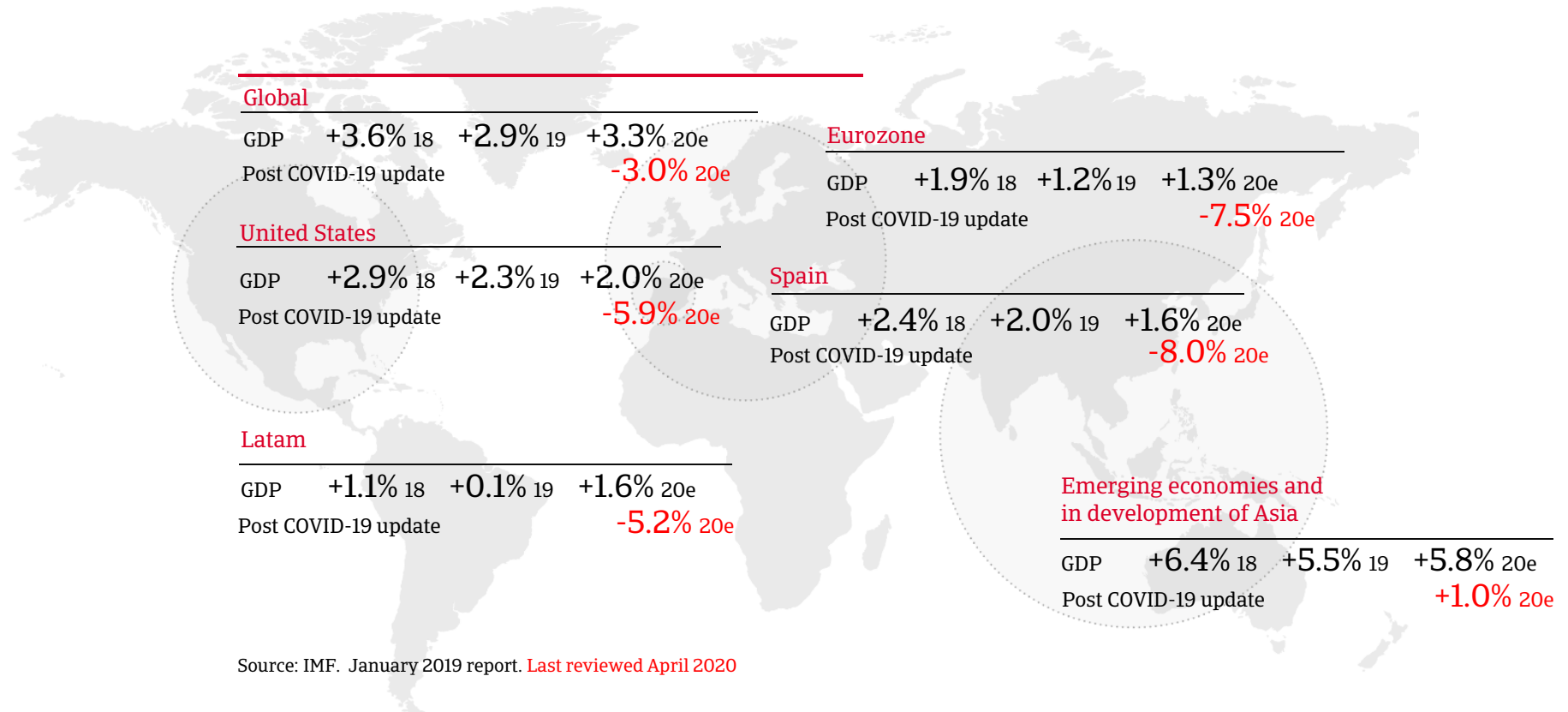


Key financial figures



Global economic environment

COVID-19. Strong negative impact of the pace of business activity.



Source: IMF. January 2019 report. Last reviewed April 2020

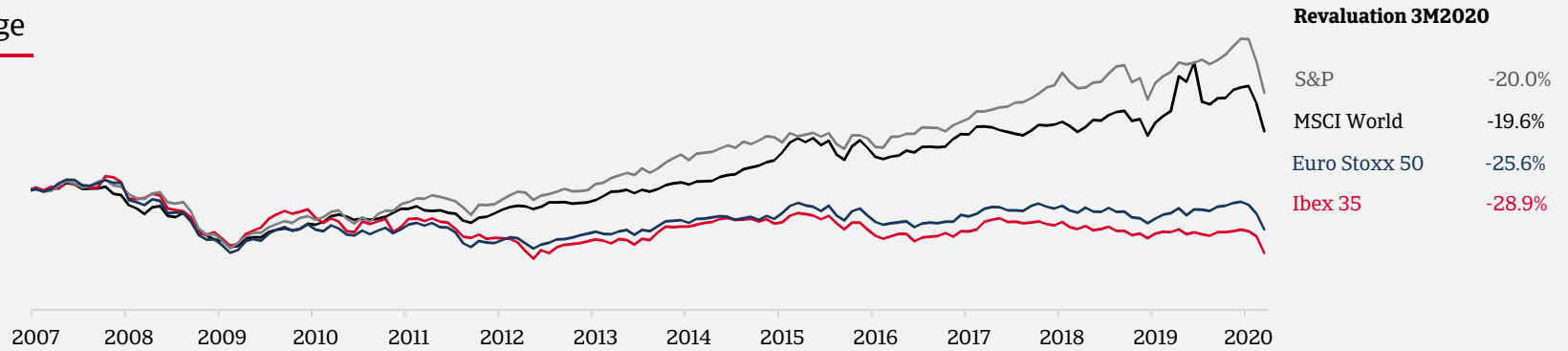
Financial markets

Less accommodative monetary policy and high market volatility caused by COVID-19.

Interest rates



Stock Exchange

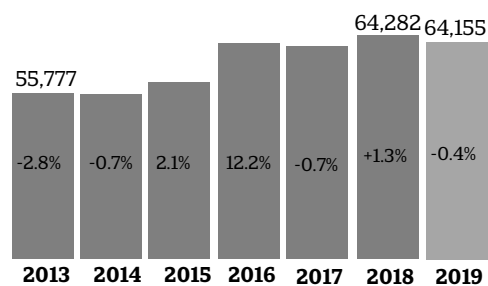


Source: Bloomberg. Updated April 2020

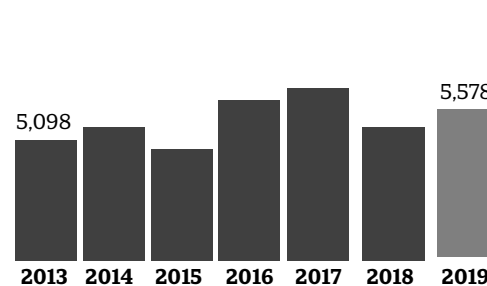
Spanish Insurance Sector

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

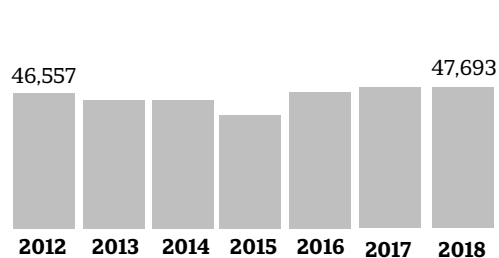
Insurance sector premiums (€ million)



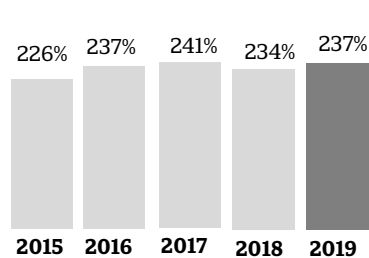
Insurance sector technical result (€ million)



Employees



% solvency II ratio



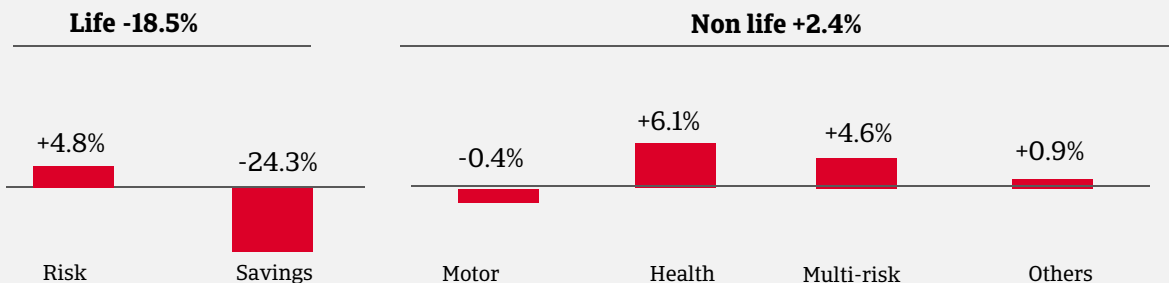
Stability in results

ROE
13.5%

Combined ratio
92.0%

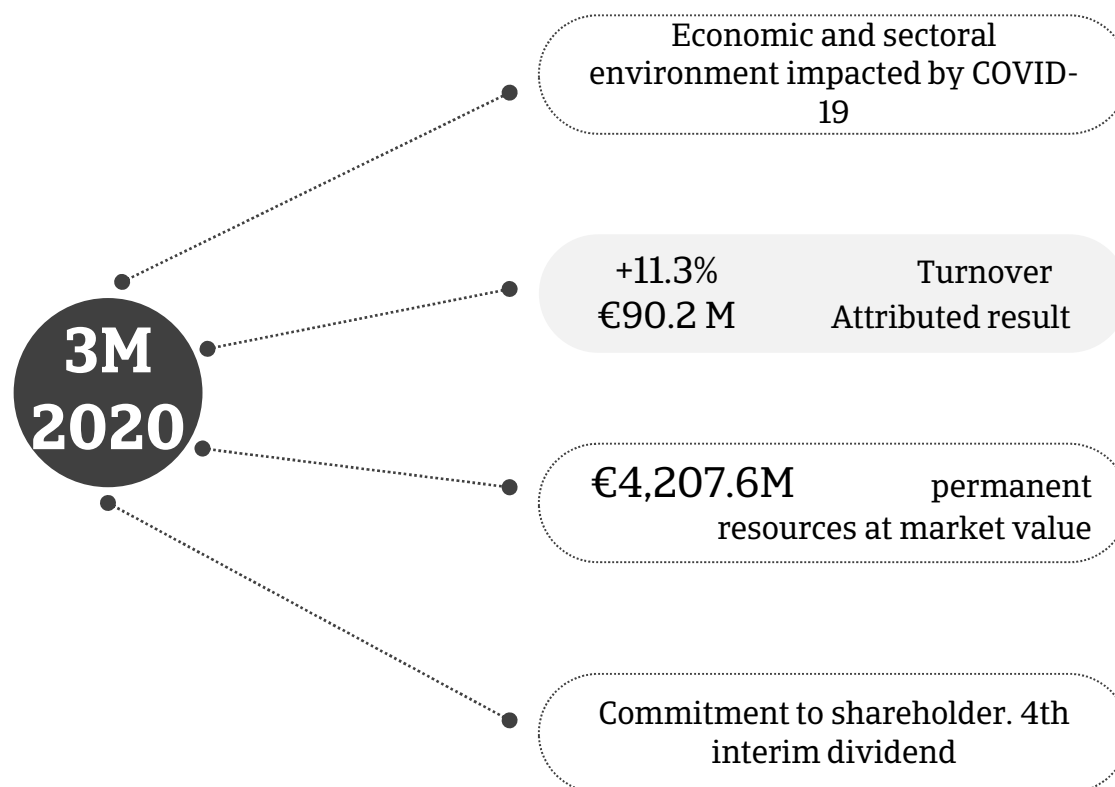
Motor	94.8%
Multi-risk	94.0%
Health	94.6%

Insurance sector premiums 3M2020: -6.8%



Source: ICEA April 2020

Key financial figures



Grupo Catalana Occidente at 3M2020

(figures in € million)

Income	3M2019	3M2020	% Chg. 19-20
Traditional business	742.1	875.7	18.0%
Recurring premiums	648.9	789.6	21.7%
Single premiums life	93.2	86.1	-7.6%
Credit insurance business	592.8	610.5	3.0%
Turnover	1,334.9	1,486.1	11.3%

+2.1%
Pro forma increase

(figures in € million)

Results	3M2019	3M2020	% Chg. 19-20
Recurring Results Traditional Business	51.4	55.4	7.8%
Recurring Results from Credit Insurance Business	62.8	48.3	-23.1%
Non-Recurring Result	-5.2	-6	15.4%
Consolidated result	109.1	97.7	-10.4%
Attributed Result	98.3	90.2	-8.3%

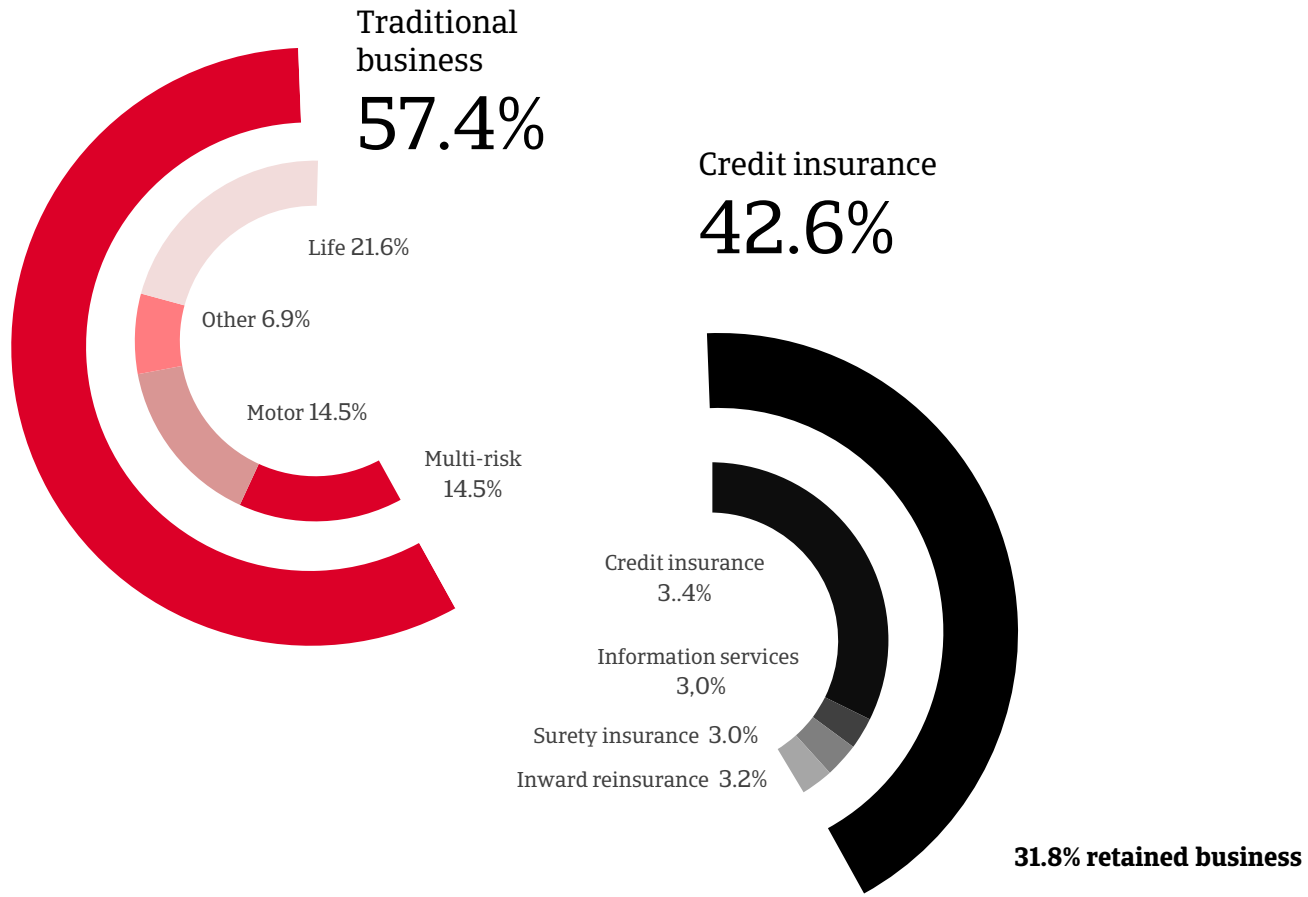
€90.2
million
Attributed result

GCO: Actions during the COVID-19 crisis

- **Employee protection and operational support.**
 - Ensure employee protection and continuity of work. Telework for all our employees.
 - Operational continuity in extreme conditions.
- **Maintenance of customer service.**
 - Proactive in our relationship with the customer through telematic means.
 - Continuity in customer service for expert reports, repairs, agency offices, ...
- **Measures aimed at traditional business.**
 - 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 for ALL our customers.
- **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.
 - Discussions with the different governments to support commercial activity through credit insurance.
- **Measures to support society**
 - Participation with UNESPA in a fund to protect healthcare professionals facing COVID-19.
 - The Jesús Serra Foundation collaborates with Save the Children and supports the CSIC for research in a future vaccine.
 - Creation of an innovation programme to overcome the health challenges involved: Beat the Vid.
 - The Group supports more than 20,000 suppliers affected by COVID-19 through interest-free advances.

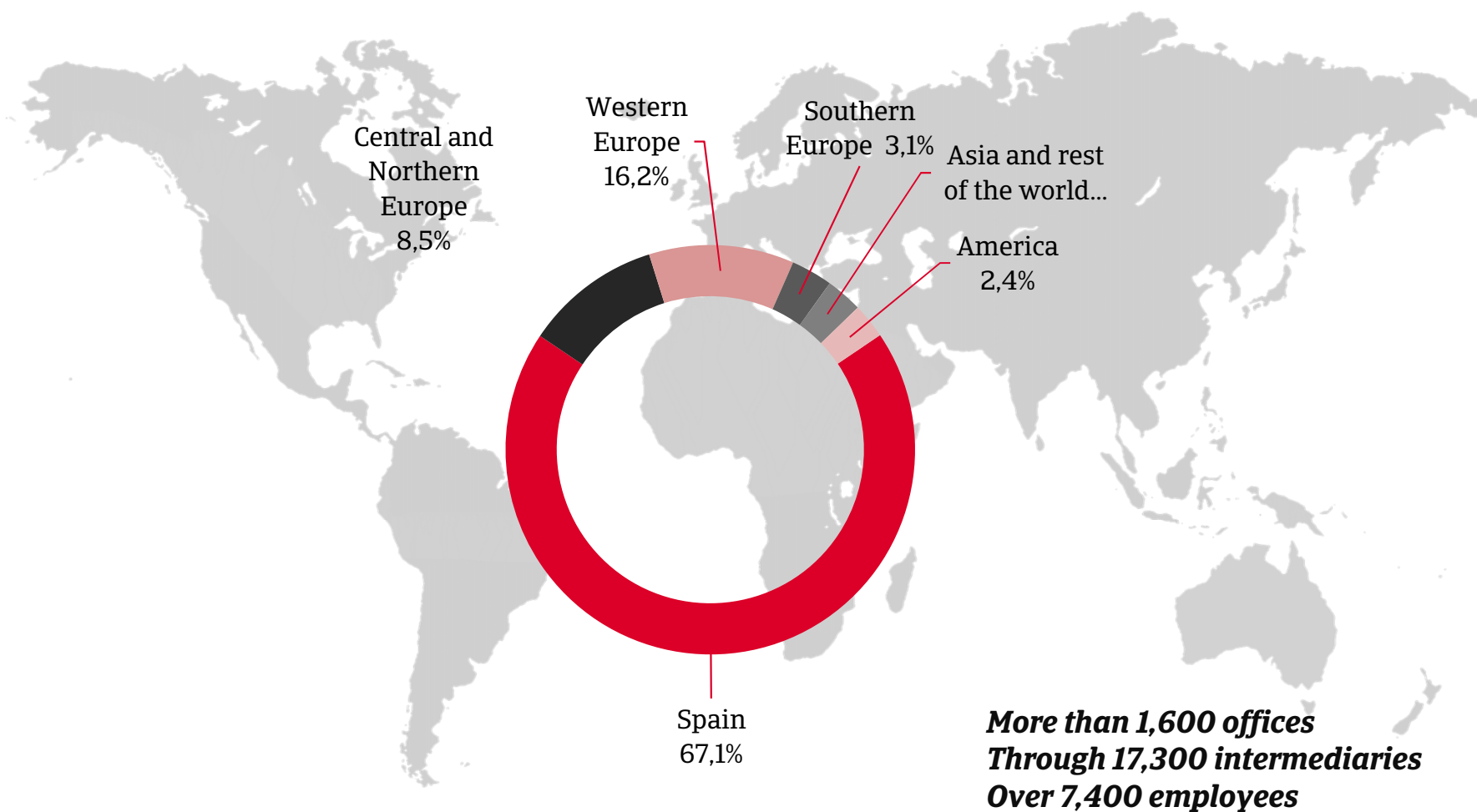
Diversification Grupo Catalana Occidente 12M2019

Balanced portfolio, complete offer

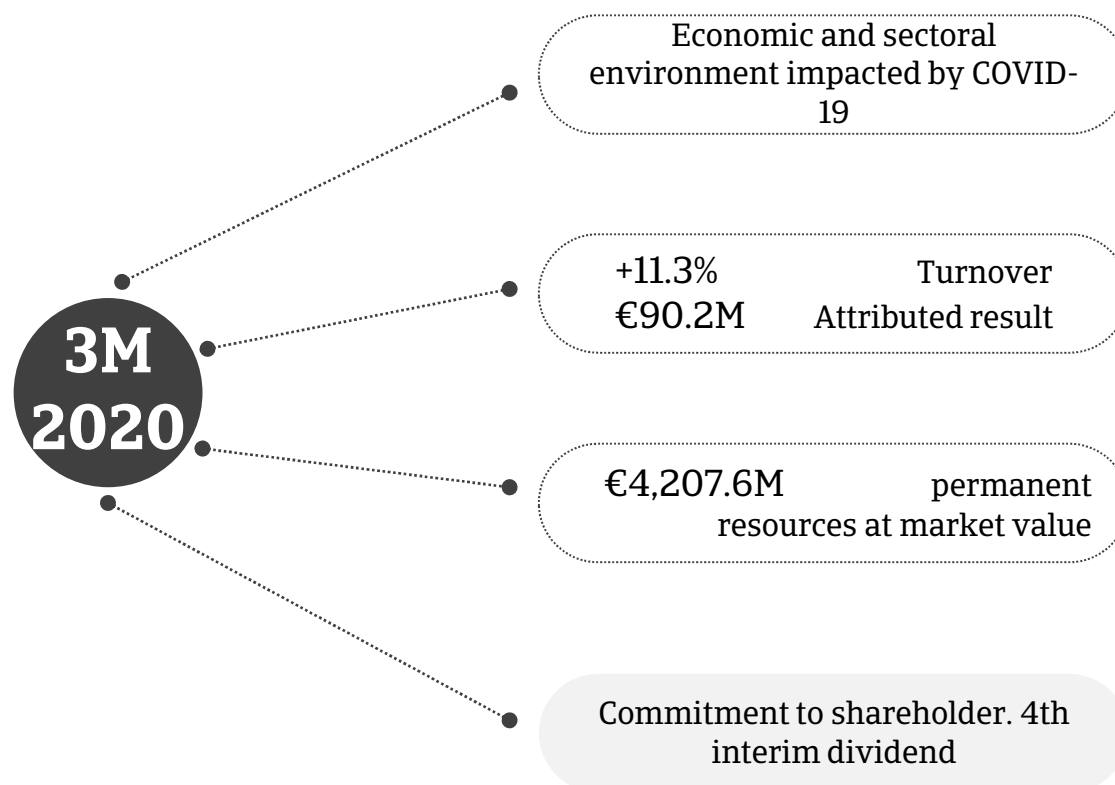


Global presence

In over 50 countries



Key financial figures



Evolution of the share price

Grupo Catalana Occidente's shares close the first quarter of 2020 at €18.4/share

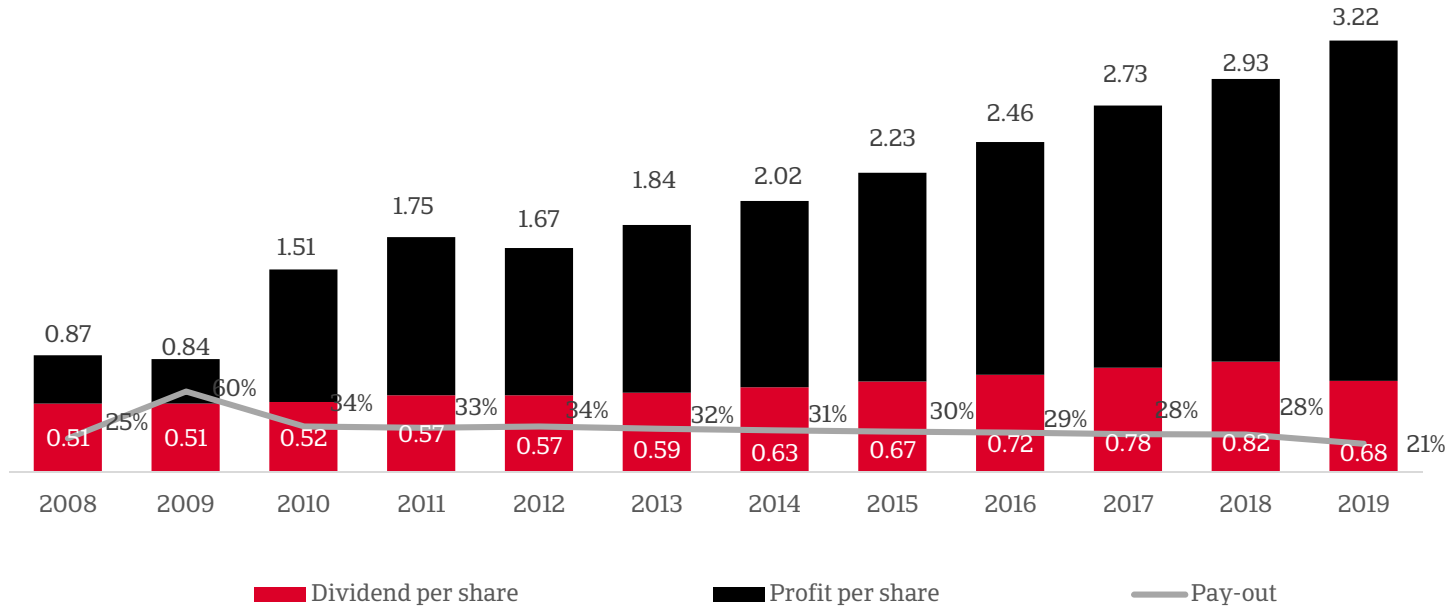


Profitability (YTD)	3M2019	3M2020	TACC 2002 - 3M20
GCO	-2.45%	-40.87%	9.84%
Ibex 35	8.20%	-28.94%	0.68%
EuroStoxx Insurance	12.13%	-35.81%	1.61%

* Annual Compound Growth Rate

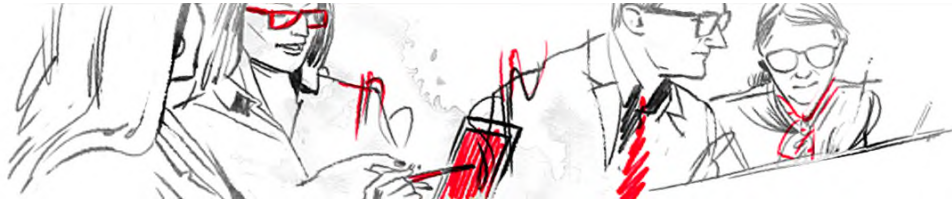
Commitment to our shareholder.

Commitment to shareholder. 4th interim dividend



July 2019 €19.06 million	Oct 2019 €19.06 million	Feb 2020 €19.06 million	May 2020 €24.34 million	Total of dividends for 2019 €81.5 million
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02 Information 3M2020



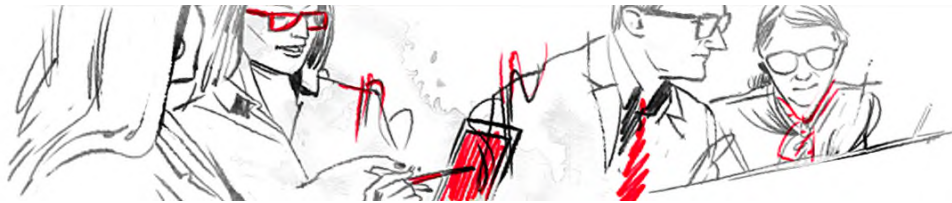
02

Income statement

Traditional business

Credit insurance business

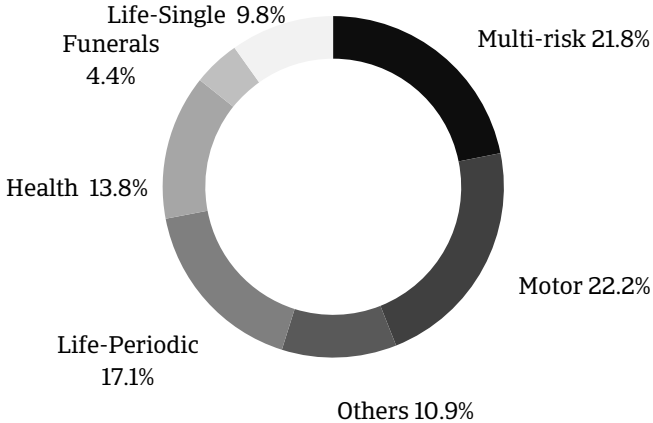
Capital, investments and solvency



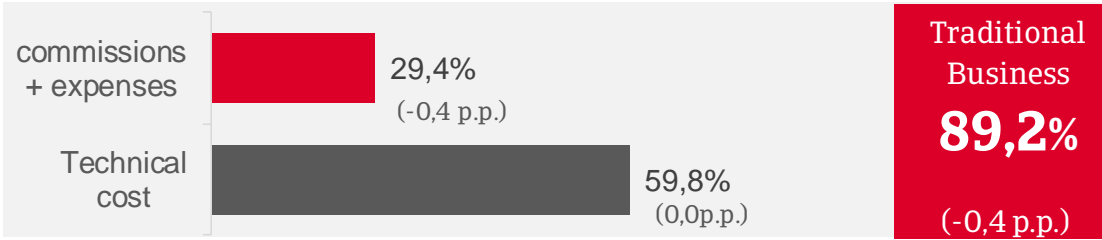
Traditional business

<p>+21.7% €789.5 million Recurring premiums</p>	<p>+8.0% €59.2 million Technical result</p>	<p>+7.8% €55.4 million Recurring result</p>
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Traditional business distribution



Combined ratio



Traditional business. Multi-risk



Written
premiums
+4.3%

Combined ratio
90.5%

(figures in € million)

Multi-risk	3M2019	3M2020	% Chg. 19-20	12M2019
Written premiums	183.2	191.1	4.3%	661.6
<i>% Technical cost</i>	<i>55.7%</i>	<i>57.1%</i>	1.4	<i>55.3%</i>
<i>% Commissions</i>	<i>20.8%</i>	<i>21.1%</i>	0.3	<i>20.9%</i>
<i>% Expenses</i>	<i>13.0%</i>	<i>12.3%</i>	-0.7	<i>13.3%</i>
% Combined ratio	89.5%	90.5%	1.0	89.5%
Technical result after expenses	16.8	15.7	-6.5%	68.6
<i>% on earned premiums</i>	<i>10.5%</i>	<i>9.5%</i>		<i>10.5%</i>
Earned premiums	160.1	166.1	3.7%	653.3

Traditional business. Motor



Written
premiums
+2.6%

Combined ratio
91.2%

(figures in € million)

Motor	3M2019	3M2020	% Chg. 19-20	12M2019
Written premiums	189.1	194.0	2.6%	657.3
<i>% Technical cost</i>	<i>69.2%</i>	<i>67.7%</i>	<i>-1.5</i>	<i>70.0%</i>
<i>% Commissions</i>	<i>11.1%</i>	<i>11.1%</i>	<i>0.0</i>	<i>11.1%</i>
<i>% Expenses</i>	<i>12.7%</i>	<i>12.4%</i>	<i>-0.3</i>	<i>12.9%</i>
% Combined ratio	93.0%	91.2%	-1.8	94.0%
Technical result after expenses	11.4	14.5	27.2%	39.6
<i>% on earned premiums</i>	<i>7.1%</i>	<i>8.9%</i>		<i>6.0%</i>
Earned premiums	160.3	163.6	2.1%	655.2

Traditional business. Others



Written premiums

+3.3%

Combined ratio

82.5%

(figures in € million)

Others	3M2019	3M2020	% Chg. 19-20	12M2019
Written premiums	92.2	95.3	3.3%	311.7
<i>% Technical cost</i>	<i>48.7%</i>	<i>49.0%</i>	<i>0.3</i>	<i>50.1%</i>
<i>% Commissions</i>	<i>21.1%</i>	<i>19.9%</i>	<i>-1.2</i>	<i>20.1%</i>
<i>% Expenses</i>	<i>13.0%</i>	<i>13.6%</i>	<i>0.6</i>	<i>14.3%</i>
% Combined ratio	82.8%	82.5%	-0.3	84.6%
Technical result after expenses	13.3	13.7	3.0%	48.0
<i>% on earned premiums</i>	<i>17.3%</i>	<i>17.5%</i>		<i>15.4%</i>
Earned premiums	77.0	78.2	1.6%	311.8

Traditional business. Life



Written
premiums
+20.3%

Funeral
combined ratio
86.5%

Health
combined ratio
95.2%

(figures in € million)

Life	3M2019	3M2020	% Chg. 19-20	12M2019
Life insurance turnover	277.5	395.2	42.4%	981.8
Health	38.6	120.4	211.9%	60.9
Funerals	37.1	38.7	4.3%	138.8
Periodic premiums	108.6	150.0	38.1%	438.2
Single premiums	93.2	86.1	-7.6%	343.8
Contributions to pension plans	11.4	16.4	43.9%	69.1
Net contributions to investment funds	0.1	0.2		1.9
Technical result after expenses	13.3	15.3	15.0%	58.4
<i>% on earned premiums</i>	<i>5.0%</i>	<i>5.6%</i>		<i>5.4%</i>
Earned premiums	265.7	275.1	3.5%	1,087.2

Traditional business

(figures in € million)

Traditional Business	3M2019	3M2020	% Chg. 19-20	12M2019
Written premiums	742.1	875.6	18.0%	2,612.4
Life insurance premiums. ex single	648.9	789.5	21.7%	2,268.6
Technical result after expenses	54.7	59.2	8.2%	214.6
<i>% on earned premiums</i>	8.2%	8.7%		7.9%
Financial result	[10, ∞) 5,0 7,0 8,0	15.3	-1.3%	59.3
<i>% on earned premiums</i>	2.3%	2.2%		2.2%
Non technical result	-4.6	-4.3		-14.6
Funeral business complementary activity	1.1	1.1	0.0%	2.7
Corporation tax	15.4	15.8	2.6%	-50
Recurring result	51.4	55.4	7.8%	212.1
Non-recurring result	-5.0	-1.3		-7.9
Total result	46.4	54.1	16.6%	204.2
Earned premiums	663.1	682.9	3.0%	2,707.5

📎 See annexes: expenses, financial result and non-recurring.

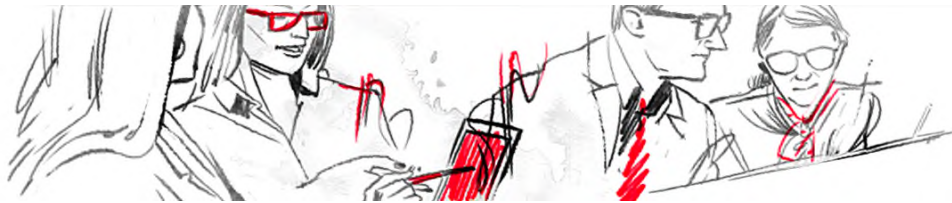
02

Income statement

Traditional business

Credit insurance business

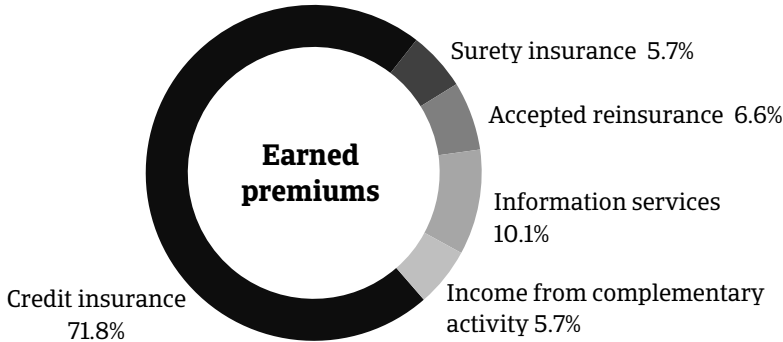
Capital, investments and solvency



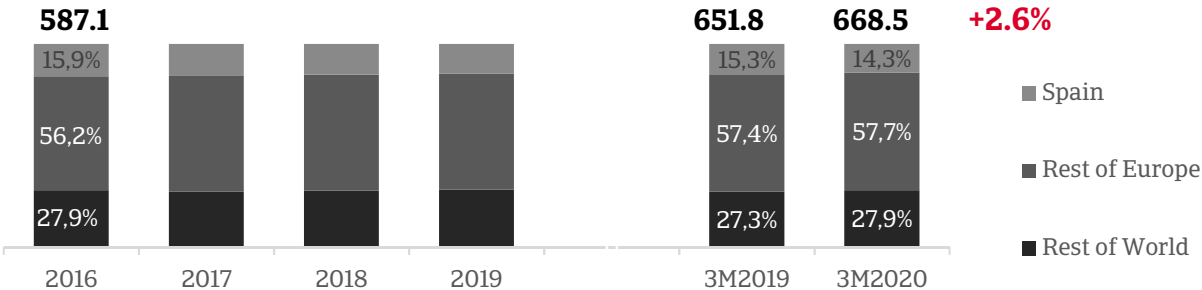
Credit insurance business

<p>+4.9% €453.9 million Earned premiums</p>	<p>-33.9% €57.1 million Net technical result</p>	<p>-23.1% €48.3 million Recurring result</p>
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Credit insurance business distribution



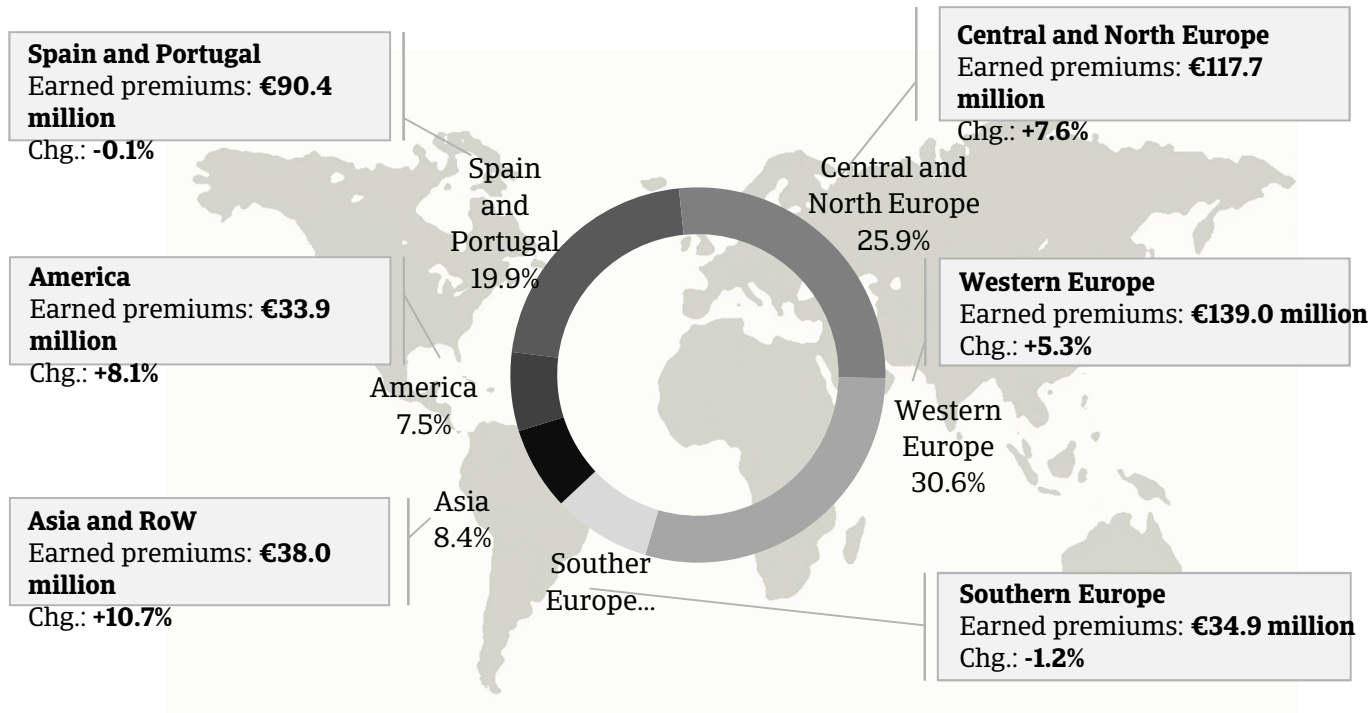
Evolution of cumulative risk (TPE)



(figures in € billion)

Credit insurance business

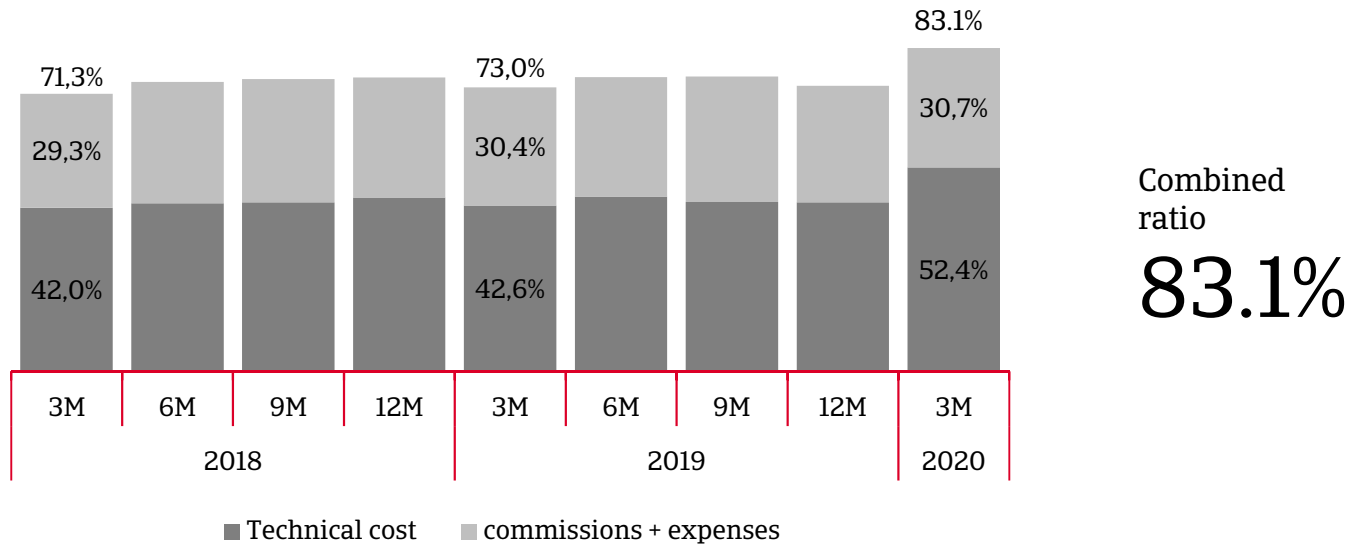
€453.9 million +4.9%
Earned premiums



€508.4 million +4.4%
Earned premiums and information services

Credit insurance business

Net combined ratio evolution



Combined ratio
83.1%

Credit insurance business

(figures in € million)

Credit insurance business	3M2019	3M2020	% Chg. 19-20	12M2019
Earned premiums	432.9	453.9	4.9%	1,759.5
Information services	54.3	54.5	0.4%	136.5
Total insurance income	487.1	508.4	4.4%	1,896.0
Technical result after expenses	106.2	64.3	-39.5%	404.8
<i>% on income</i>	21.8%	12.6%		21.4%
Reinsurance result	-19.8	-7.2	-63.6%	-82.6
<i>Reinsurance assignment rate</i>	38.0%	37.0%		38
Net technical result	86.4	57.1	-33.9%	322.2
<i>% on income</i>	17.7%	11.2%		17.0%
Financial result	-1.6	10.2		5.6
<i>% on income</i>	-0.3%	2.0%		0.3%
Result of complementary act.	1.7	2.0	17.6%	3.2
Corporate tax	-21.9	-19.6		-85.4
Adjustments	-1.8	-1.4		-7.4
Recurring result	62.8	48.3	-23.1%	238.2
Non-recurring result	-0.2	-4.7		-17.9
Total business result	62.6	43.6	-30.4%	220.3

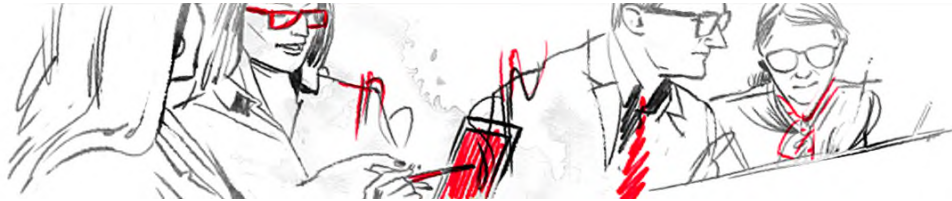
02

Income statement

Traditional business

Credit insurance business

Capital, investments and solvency



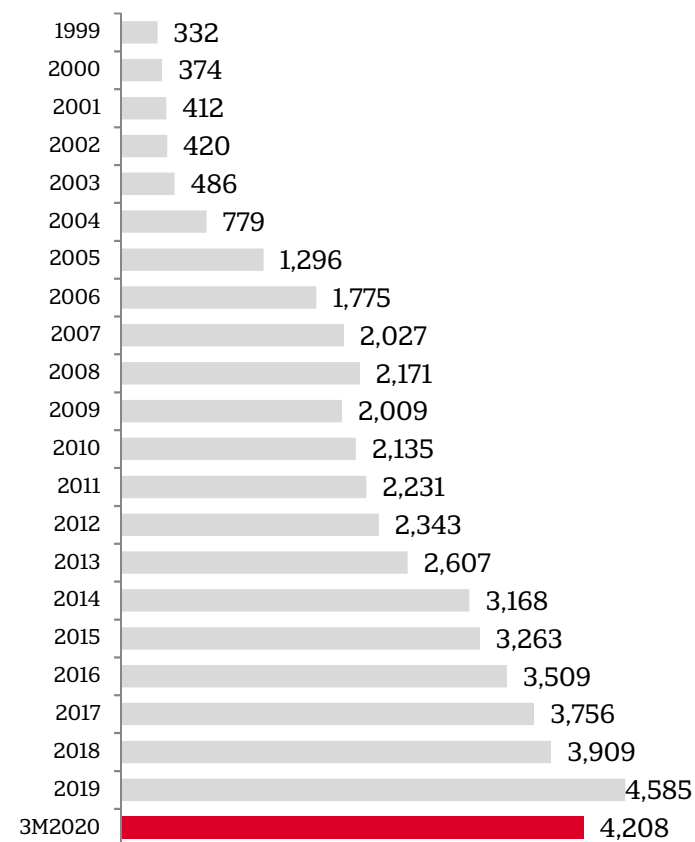
Financial strength

At the end of the first quarter of 2020 the Group's capital decreased 8.2%, mainly due to the evolution of the financial markets.

(figures in € million)

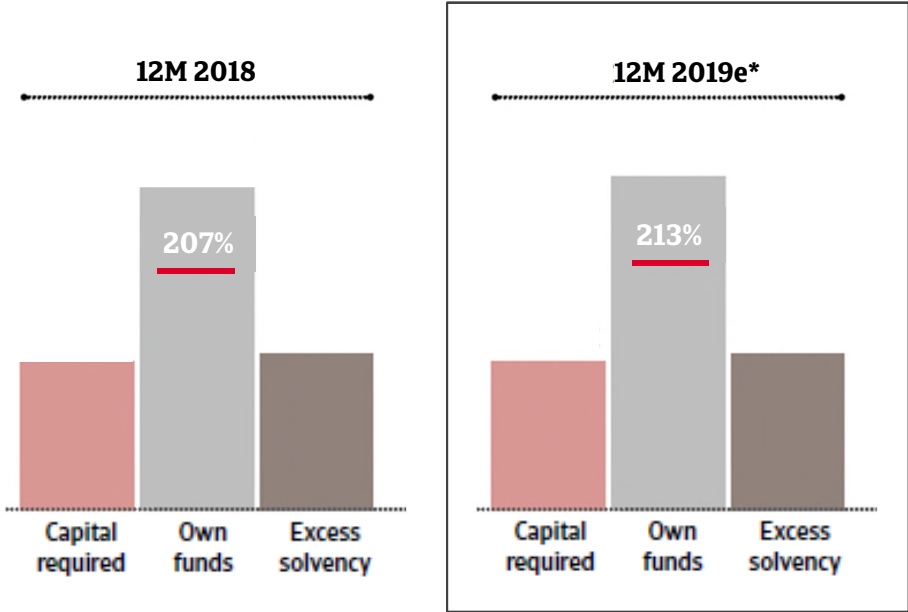
Permanent resources on 12/31/2019	4,051.7
Permanent resources at market value on 12/31/2019	4,584.8
Net equity on 01/01/2020	3,851.2
(+) Consolidated results	97.7
(+) Paid dividends	-19.1
(+) Change for valuation adjustments	-452.7
(+) Other changes	-2.0
Total movements	-376.1
Total net equity on 03/31/2020	3,475.1
Subordinated debt	200.6
Permanent resources on 03/31/2020	3,675.7
Capital gains not included in balance sheet (properties)	531.9
Permanent resources at market value 31/03/2020	4,207.6

-8.2%



Sound solvency position: 213% year end 2019e

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



The solvency II ratio remains above 175%, even in adverse scenarios.

Equity is of high quality (more than 95% is tier1).

* Data with transitional technical provisions and partial internal model.



Presentation of the report on the financial and solvency situation
 April: Group entities
 May: Grupo Catalana Occidente

Credit rating

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

“A”

A.M. Best: Group operating entities

This 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

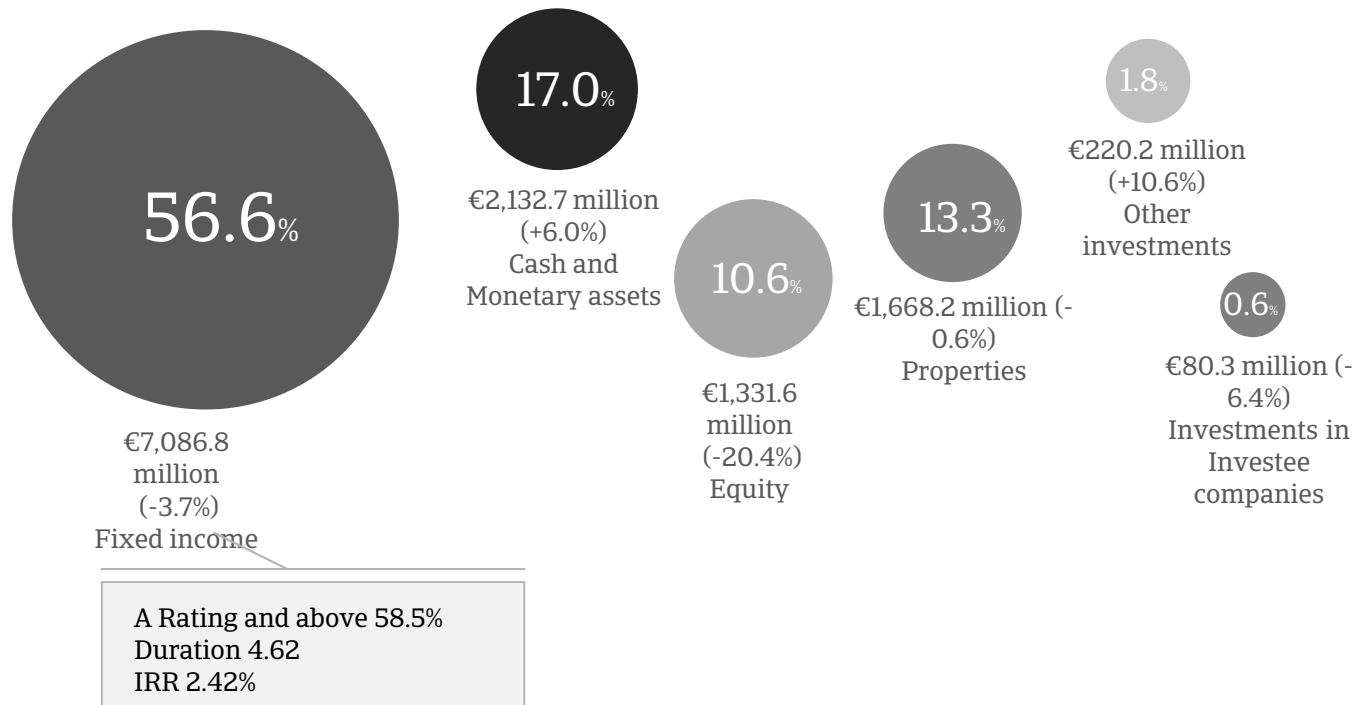
This highlights the strong competitive position, solid capitalization, low financial leverage and prudent investment portfolio.

Investments

The Group invests in traditional assets through a prudent, diversified management

€13,757.5 million

(-4.3% compared to managed funds at the end of 2019)



Sustainable business

For Grupo Catalana Occidente, corporate responsibility is the voluntary commitment of integrating responsible management into its strategy with regards to economic, social and environment factors, promoting ethical behaviour within its stakeholders, rigorously applying the principles of good governance, and contributing to the well-being of society through the creation of sustainable social value.

Grupo Catalana Occidente subscribes to the Principles of the United Nations Global Compact and y adhered to the Principles for Sustainability in Insurance (PSI). Furthermore, through current activity and social action, it also supports the Sustainable Development Goals (SDG) defined by the UN in promoting aspects such as economic growth and progress, equal opportunities, quality learning, energy efficiency and healthcare and well-being.

For more information, the Corporate Responsibility report with the certification of the essential GRI standards is available on the Group Catalana Occidente website.

Corporate Responsibility Master Plan

The Group has a corporate responsibility master plan based on three pillars: trust, excellence in service and positive impact. Its period of validity covers the three-year period 2019-2021.

Trust

- Ethics and Integrity
- Cultural keys
- Relationship Models with groups of interest

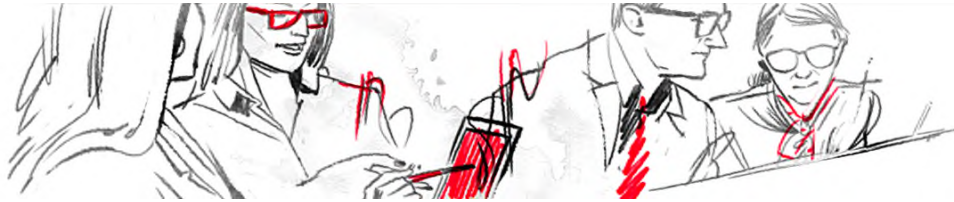
Excellence in service

- Digital Transformation
- New forms of work
- Socially responsible investment

Positive impact

- Health and well-being
- Formalise investment in volunteering
- Products that generate added social value
- Environmental Awareness

03 Calendar and annexes



Calendar

Relationship with Analysts and Investors


January	February	March	April	May	June	July	August	September	October	November	December
	27 Results 12M2019		30 Results 3M2020			30 Results 6M2020			29 Results 9M2020		
	27 Results Presentation 12M2019 16.30			4 Results Presentation 3M2020 16.30		30 Results Presentation 6M2020 16.30			29 Results Presentation 9M2020 16.30		
			30 General Shareholders' Meeting 2019								
	Interim Dividend 2019			Complementar y Dividend 2019		Interim Dividend 2020			Interim Dividend 2020		

Contact

Email: analistas@catalanaoccidente.com

Telephone number: +34.915.661.302

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

 @gco_news

Income statement

	3M2019	3M2020	% Chg. 19-20	(figures in € million) 12M2019
Premiums	1,280.6	1,431.6	11.8%	4,411.2
Information services	54.3	54.5	0.4%	136.5
Turnover	1,334.9	1,486.1	11.3%	4,603.1
Tecnical cost	688.0	745.9	8.4%	2,739.5
% on total net income	59.8%	62.6%		59.5%
Commissions	138.9	143.2	3.1%	561.1
% on total net income	12.1%	12.0%		12.2%
Expenses	182.8	185.6	1.5%	764.3
% on total net income	15.9%	15.6%		16.6%
Tecnical result	140.5	116.6	-17.0%	538.2
% on total net income	12.2%	9.8%		11.7%
Financial result	9.5	3.1	-67.4%	37.9
% on total net income	0.8%	0.3%		0.8%
Non-financial non-technical account result	-6.8	5		-25.9
% on total net income	-0.6%	0.4%		-0.6%
Comp. Act. results credit insurance and funeral business	2.8	3.1		5.9
% on total net income	0.2%	0.3%		0.1%
Profit before tax	146.1	127.8	-12.5%	556.2
% on total net income	12.7%	10.7%		12.1%
Taxes	37	30.1		131.7
% taxes	25.3%	23.5%		23.7%
Consolidated result	109.1	97.7	-10.4%	424.5
Result attributable to minorities	10.8	7.6		38.6
Attributed result	98.3	90.2	-8.3%	385.9
% on total net income	8.5%	7.6%		8.4%

Credit insurance business

(figures in € million)

Income	3M2019	3M2020	% Chg. 19-20	12M2019
Earned premiums (€ million)	432.9	453.9	4.8%	1,795.5
Credit insurance	365.35	387.4	6.0%	1,496.6
Surety insurance	29.74	30.7	3.1%	122.7
Accepted reinsurance	37.76	35.8	-5.2%	140.2
Information services	54.3	54.6	0.5%	136.5
Total insurance income	487.13	508.4	4.4%	1,896.0
Complementary act.	30.2	30.8	2.0%	118.6
Income CI	517.35	539.2	4.2%	2,014.6
Written premiums	538.5	556.0	3.3%	1,798.8

Evolution of net combined ratio

	3M2019	3M2020	% Chg. 19-20	12M2019
% Gross technical cost	44.5%	54.0%	9.5	42.8%
% Commissions + gross expenses	33.7%	33.4%	-0.3	35.9%
% Gross Combined ratio	78.2%	87.4%	9.2	78.7%
% Net technical cost	42.6%	52.4%	9.8	43.4%
% Commissions + net expenses	30.4%	30.7%	0.3	30.0%
% Net combined ratio	73.0%	83.1%	10.1	73.4%

Credit insurance business - TPE

(figures in € million)

Cumulative risk by country	2016	2017	2018	2019	3M2019	3M2020	% Chg. 19-20	% of total
Spain and Portugal	93,437	98,714	99,453	98,739	99,630	95,752	-3.9%	14.3%
Germany	82,783	86,430	90,599	93,024	90,452	92,956	2.8%	13.9%
Australia and Asia	79,013	84,233	92,222	95,595	91,733	94,544	3.1%	14.1%
Americas	71,970	73,188	75,773	81,269	73,261	79,892	9.1%	12.0%
Eastern Europe	55,098	59,253	63,935	68,595	64,717	69,456	7.3%	10.4%
United Kingdom	43,794	43,537	44,989	51,019	49,583	50,844	2.5%	7.6%
France	43,323	49,326	51,866	48,407	48,324	49,172	1.8%	7.4%
Italy	37,208	42,242	44,263	43,661	43,133	42,875	-0.6%	6.4%
Nordic and Baltic countries	26,964	28,738	30,525	31,748	30,954	32,112	3.7%	4.8%
The Netherlands	25,268	27,636	29,650	30,392	30,116	30,621	1.7%	4.6%
Belgium and Luxembourg	15,708	16,701	17,285	17,444	17,130	17,905	4.5%	2.7%
Rest of the World	12,538	12,830	12,842	12,627	12,746	12,354	-3.1%	1.8%
Total	587,104	622,829	653,404	672,520	651,779	668,484	2.6%	100%

Credit insurance business - TPE

(figures in € million)

Cumulative risk by sector	2016	2017	2018	2019	3M2019	3M2020	% Chg. 19-20	% on total
Electronics	70,510	74,476	77,433	82,858	85,006	79,995	-5.9%	12.0%
Chemicals	78,593	82,783	86,479	87,466	76,616	87,541	14.3%	13.1%
Durable consumer goods	65,324	68,442	69,881	73,145	68,111	70,604	3.7%	10.6%
Metals	58,855	63,419	68,424	72,285	70,799	72,177	1.9%	10.8%
Food	55,640	58,608	63,001	64,587	62,716	64,460	2.8%	9.6%
Transport	53,434	56,930	60,461	61,128	60,575	61,168	1.0%	9.2%
Construction	43,133	46,896	49,773	51,495	49,228	51,459	4.5%	7.7%
Machinery	34,734	37,137	39,972	41,225	40,778	41,604	2.0%	6.2%
Agriculture	30,907	33,318	33,876	33,954	34,383	34,197	-0.5%	5.1%
Construction materials	25,387	27,058	28,359	29,389	29,046	29,710	2.3%	4.4%
Services	25,276	26,994	27,837	27,109	26,947	27,428	1.8%	4.1%
Textiles	19,855	20,562	20,324	19,660	20,418	19,484	-4.6%	2.9%
Paper	13,590	13,929	14,525	15,065	14,744	14,877	0.9%	2.2%
Finances	11,867	12,277	13,058	13,156	12,413	13,779	11.0%	2.1%
Total	587,104	622,829	653,404	672,520	651,780	668,484	2.6%	100%

General expenses and commissions

(figures in € million)

Expenses and commissions	3M2019	3M2020	% Chg. 19-20	12M2019
Traditional business	74.8	75.4	0.8%	315.2
Credit insurance business	107.0	110.2	3.0%	449.0
Non-recurring expenses	1.0	0		0.0
Total expenses	182.8	185.6	1.5%	764.3
Commissions	138.9	143.2	3.1%	561.1
Total expenses and commissions	321.7	328.8	2.2%	1,325.4
% of recurring premiums	27.0%	24.4%		32.6%

Financial result

(figures in € million)

Financial result	3M2019	3M2020	% Chg. 19-20	12M2019
Financial income net of expenses	55.2	49.5	-10.3%	215.7
Exchange rate differences	0.0	-0.1		0.0
Subsidiary companies	0.2	0.2		1.1
Interest applied to life	-39.9	-34.4	-13.8%	-157.6
Financial recurring result of traditional business	15.5	15.3	-1.3%	59.3
% earned premiums	2.3%	2.2%		2.2%
Financial income net of expenses	4.0	3.8	26.7%	16.6
Exchange rate differences	-1.8	9.5		-1.3
Subsidiary companies	1.4	1.2	-14.3%	7.1
Interest for subordinated debt	-4.2	-4.2		-16.9
Financial recurring result of insurance credit business	-1.6	10.2		5.6
% net insurance income	-0.3%	2.0%		0.3%
Intra group interest adjustments	-1.1	-0.4		-3.5
Recurring financial result of adjusted credit insurance	-2.8	9.8		2.1
Recurring financial result	12.8	25.1		61.5
% on total Group's Income	1.1%	2.1%		1.3%
Non-recurring financial result	-3.2	-22.1		-23.5
Financial result	9.5	3.1	-67.4%	37.9

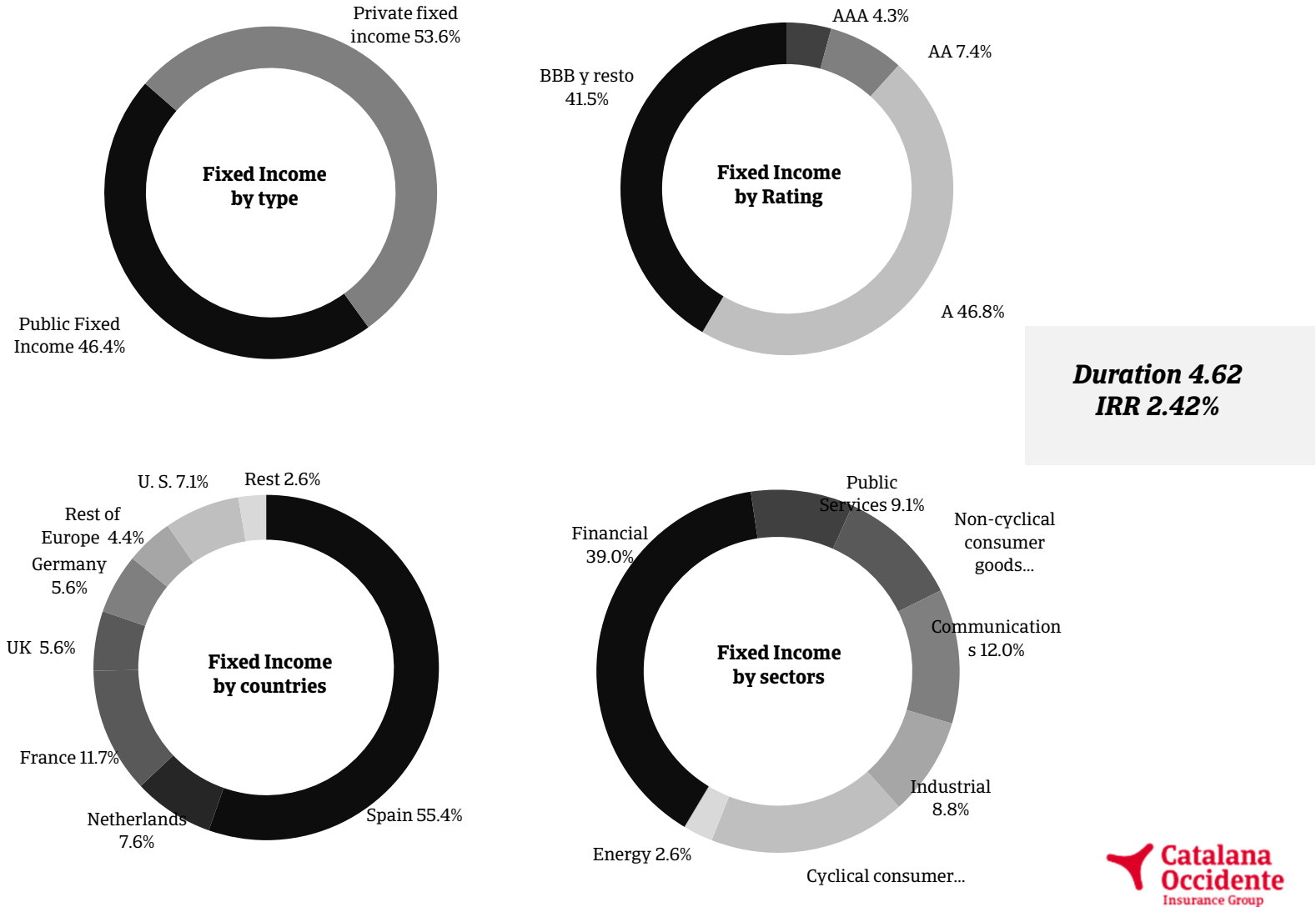
Non-recurring result

(figures in € million)

Non-recurring result (net of taxes)	3M2019	3M2020	12M2019
Financial	-4.0	-16.5	-5.4
Expenses and other non-recurrent	-0.8	11.1	-3.9
Taxes	-0.2	4.1	1.4
Non-recurring from traditional business	-5.0	-1.3	-7.9
Financial	-0.8	-5.6	-18.1
Expenses and other non-recurring	-1.0	0	0.0
Taxes	-0.1	0.9	0.2
Non-recurring from credit insurance business	-0.2	-4.7	-17.9
Non-recurring result net of taxes	-5.2	-6.0	-25.8

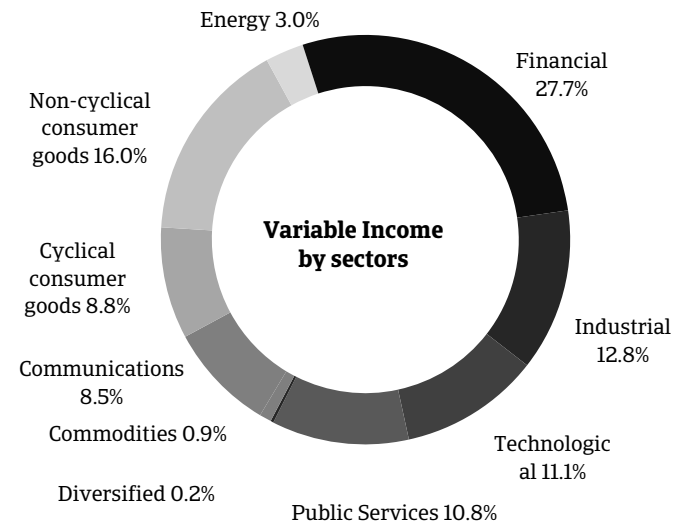
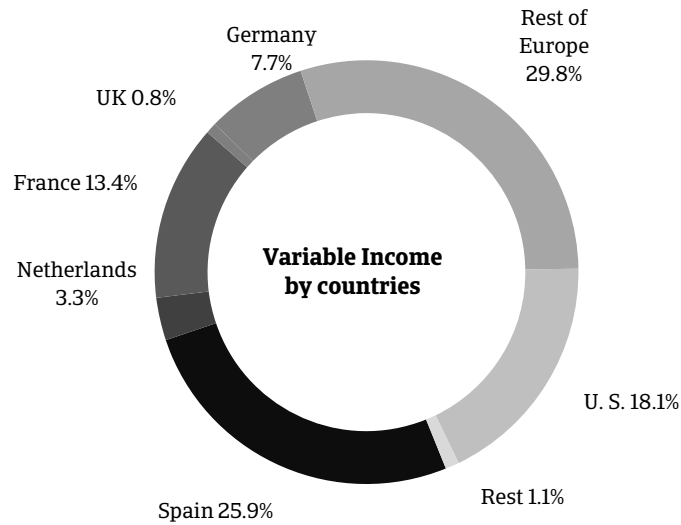
Investments

High quality from the fixed income portfolio



Investments in equity

High liquidity 10.6% equity



Balance Sheet

	(figures in € million)		
Assets	12M2019	3M2020	% Chg. 19-20
Intangible assets and property	1,429.1	1,430.6	0.1%
Investments	12,618.4	12,080.9	-4.3%
Investment property	661.4	657.4	-0.6%
Financial investments	10,602.3	9,915.8	-6.5%
Cash and short-term assets	1,354.7	1,507.7	11.3%
Reinsurance of technical provisions	874.3	984.0	12.6%
Other assets	1,756.0	2,133.6	21.5%
Deferred tax assets	226.3	275.2	21.6%
Credits	951.0	1,208.3	27.1%
Other assets	578.7	650.1	12.3%
Total assets	16,677.9	16,629.2	-0.3%
Net liabilities and equity	12M2019	3M2020	% Chg. 19-20
Permantent resources	4,051.7	3,675.7	-9.3%
Net equity	3,851.2	3,475.1	-9.8%
Parent Company	3,477.1	3,114.6	-10.4%
Minority interests	374.1	360.5	-3.6%
Subordinated liabilities	200.5	200.6	0.0%
Technical provisions	10,652.1	11,026.0	3.5%
Other liabilities	1,974.1	1,927.5	-2.4%
Other provisions	210.5	201.8	-4.1%
Deposits received for assigned reinsurance	52.9	54.9	3.8%
Deferred tax liabilities	488.4	412.0	-15.6%
Debts	767.8	859.3	11.9%
Other liabilities	454.5	399.4	-12.1%
Total net liabilities and equity	16,677.9	16,629.2	-0.3%

Grupo Catalana Occidente

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

Insurance specialist



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

Closeness – global presence



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

Sound financial structure









- Listed on the stock exchange
- "A" rating
- Stable, committed shareholders

Technical rigour



- Excellent combined ratio
- Strict cost control
- 1999-2019: Ten-fold increase in profits
- Prudent and diversified investment portfolio

Challenges for 2020

 Growth	 Profitability	 Solvency
<p>Distribution channels</p> <p>Products and services</p> <p>Customer orientation</p>	<p>Actuarial technique</p> <p>Investments</p> <p>Efficiency</p>	<p>Human team and values</p> <p>Innovation and branding</p> <p>Risk and capital management</p>
 <ul style="list-style-type: none"> • Increase the size of agencies and strengthen the specialised networks. • Advance in accessibility: digitization / connectivity • Prioritise the “customer concept” in management. 	 <ul style="list-style-type: none"> • Continue to refine underwriting and technical management to improve margins • Adapt the management of investments to liabilities and obligations of the business • Advance in the simplicity of products, processes and systems. 	 <ul style="list-style-type: none"> • Develop internal talent and enhance corporate culture. • Advance innovation by incorporating it into management • Maintain financial strength, risk management capabilities and control systems.

Global presence



Saudi Arabia Dubai(**)

Europe

Austria Vienna

Belgium Namur, Antwerp

Czech Republic Prague

Denmark Copenhagen, Århus

Finland Helsinki

France Paris, Bordeaux, Compiègne, Lille, Lyon, Marseille, Nancy, Orléans, Rennes, Strasbourg, Toulouse

Germany Cologne, Berlin, Bielefeld, Bremen, Dortmund, Frankfurt, Freiburg, Hamburg, Hanover, Kassel, Munich, Nuremberg, Stuttgart

Greece Athens

Hungary Budapest

Ireland Dublin

Italy Rome, Milan

Luxembourg Luxembourg

The Netherlands Amsterdam, Maastricht

Norway Oslo

Poland Warsaw, Krakow, Poznan, Jelenia Góra

Portugal Lisbon, Porto

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, Balearic Islands, Canary Islands, Ceuta and Melilla.

Sweden Stockholm

Switzerland Zurich, Lausanne, Lugano

Turkey Istanbul

United Kingdom Cardiff, Belfast, Birmingham, London, Manchester

Middle East

Israel Tel Aviv(*)

Lebanon Beirut(*)

United Arab Emirates Dubai(**)

Saudi Arabia Dubai(**)

Asia

China Shanghai(***)

Hong Kong Hong Kong

India Mumbai(***)

Indonesia Jakarta(**)

Japan Tokyo

Malaysia Kuala Lumpur(**)

Philippines Manila(**)

Singapore Singapore

Taiwan Taipei(**)

Thailand Bangkok(**)

Vietnam Hanoi(**)

Africa

Kenya Nairobi(*)

South Africa Johannesburg(*)

Tunisia Tunis(*)

Americas

Argentina Buenos Aires(*)

Brazil São Paulo

Canada Almonte (Ontario), Mississauga (Ontario), Duncan (British Columbia), Santiago de Chile(*)

Chile Santiago de Chile(*)

Mexico Mexico City, Guadalajara, Monterrey

Peru Lima(*)

USA Hunt Valley (Maryland), Chicago (Illinois), The Angeles (California), New York (New York)

Oceania

Australia Sydney, Brisbane, Melbourne, Perth

New Zealand Wellington

(*) Partnership and collaboration agreements
 (***) Services established with local partners

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
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 Center	
	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 risk appetite and tolerance, and ensures that its integration with the business plan allows it to meet 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**

Operating limits established in order to comply with the Risk Strategy.

▷ **Alert indicators**

In addition, the Group has a series of early warning indicators that serve as a basis both for monitoring risks and for complying with the risk appetite approved by the Board of Directors.

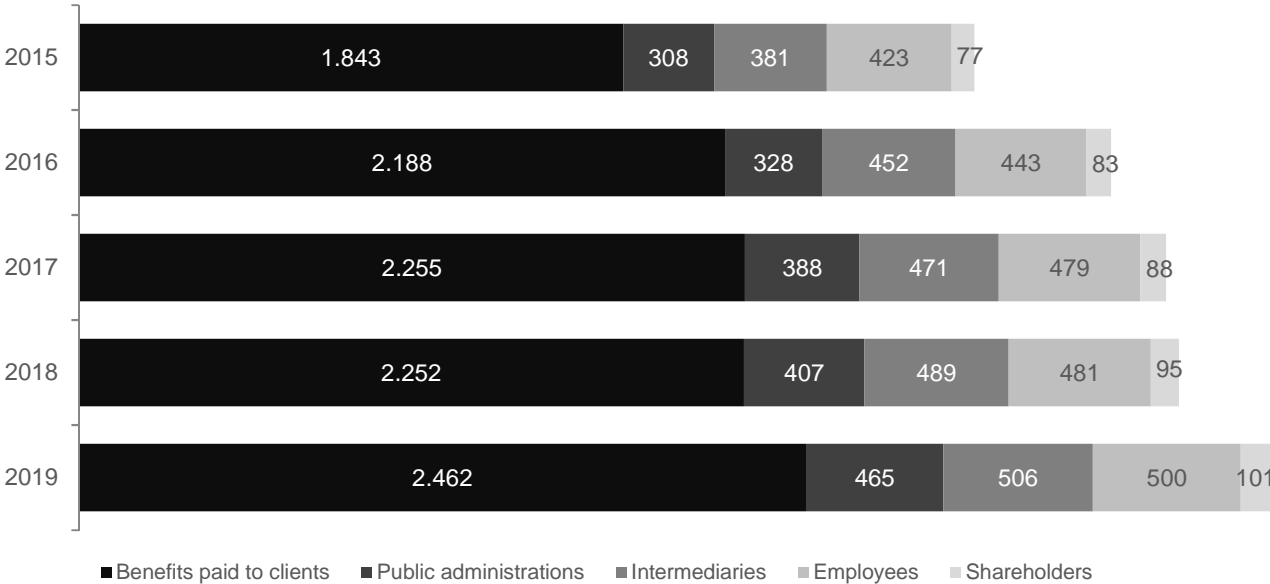
Risk map

Risk map	Description	Management	Mitigation	Risk map
Underwriting 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, also supported by reinsurance policies.	Underwriting and reserve policies. Reinsurance policy. Underwriting manual and technical standards.	Reinsurance and strict control of the combined ratio.	Underwriting risk Non-Life
Underwriting risk for life, health and funeral.	Control of underwriting, claims and value of the portfolio, also supported by the reinsurance policies.	Underwriting and reserve policies. Reinsurance policy. Underwriting manual and technical standards.	Reinsurance and strict control of the underwriting of risks.	Underwriting risk for life, health and funeral.
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 be covered. *Type of investments considered appropriate for investment. *Credit diversification and rating limits to be maintained	Market risk
Counterparty risk	Control of credit rating of the principal financial counterparties and rating of the reinsurance table. Monitoring of commercial credit risk exposures	Reinsurance policy. Investment policy.	Reinsurance with counterparties with good credit rating. Diversified investment portfolio with high rating.	Counterparty risk
Operational risk	Control of the inherent risk and residual risk through the implementation of preventative and mitigation events in the case of a claim.	Contingency plans. Data quality and safety policy. <i>Code of Ethics</i> . Procedure in cases of irregularities and fraud (reporting channel).	Implementation of an efficient internal control system.	Operational risk
Liquidity risk	Control of company liquidity and obligations.	Investment policy.	Low debt ratio	Liquidity risk
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 their implementation.	Strategic risk
Reputational risk	Continuous improvement of customer service and the Group's image 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> . Policy of aptitude and honourability.	Frequent contact with the rating agencies Implementation of an efficient internal control system.	Reputational risk
Environmental, social and sustainability risk (Social, environmental and sustainability risks)	Risks arising from the national and international economic, political and social environment and from the new habits of society Specifically this year, Brexit, a lax monetary policy with minimum interest rates, slower world economic growth and an aging population, stands out.	Underwriting regulations, written policies (in particular investment policy) Internal Code of Conduct. Corporate Social Responsibility Unit	Underwriting risk, Internal Audit, Internal Control, Claims and Complaints Channel, Occupational Health and Safety Area and strategic plan process and sector analysis	Environmental, social and sustainability risk (Social, environmental and sustainability risk)

Creation of value

The vocation of Grupo Catalana Occidente is to consolidate a social business and generate sustainable social value. In 2019, the Group contributed €4,034 million to society.

Evolution of contribution to society

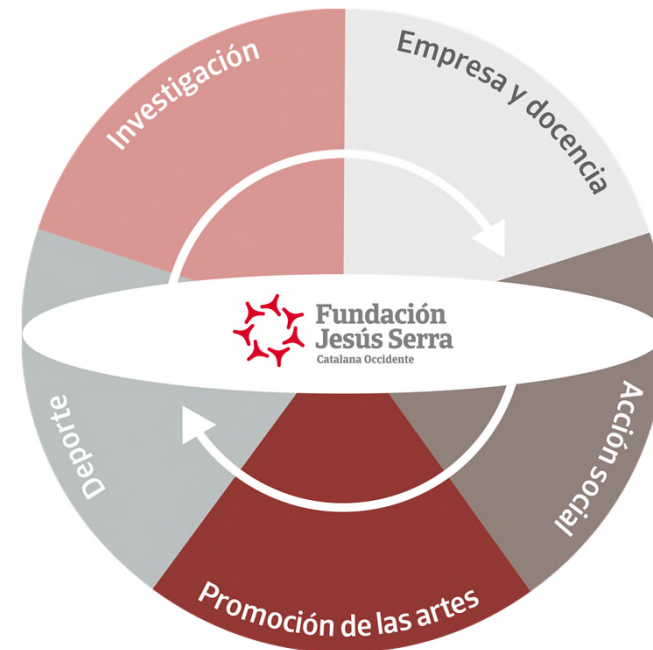


More information. See non-financial information in annual report 2019

Fundación Jesús Serra

La Fundación Jesús 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 ...

... it participates in **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 typical 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 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	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 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 = 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 insurance net of the reinsurance effect.	Net combinado 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 net equity.	Permanent resources = Total net equity + subordinated liabilities
Permanent resources at market value	Resources that can be included in net equity 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 potencial exposure to risk, also "cumulative risk". Credit insurance business term.	TPE = the sum of the credit risks underwritten by the Group for each buyer.

Disclaimer

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Thank you

www.grupocatalanaoccidente.com

