

2020

Presentation 9M2020
Grupo Catalana Occidente



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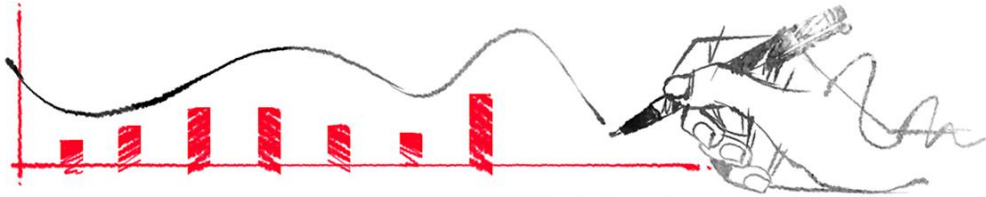


@gco_news

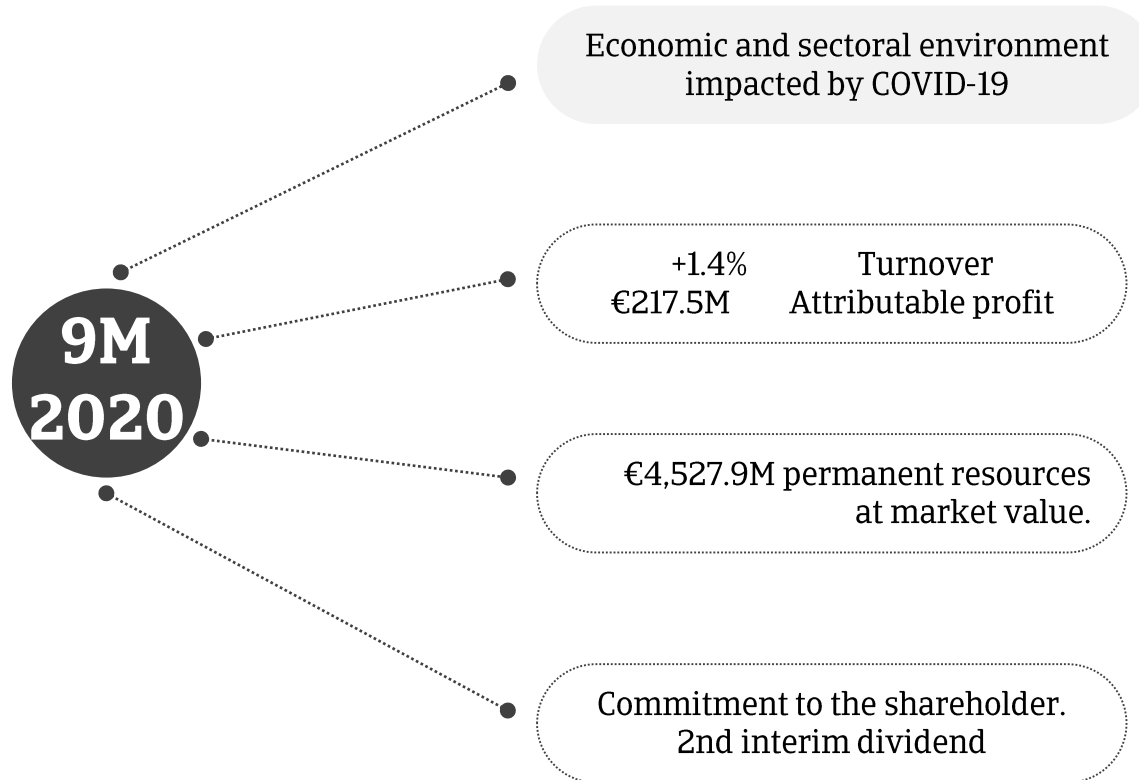
Presentation based on data from the 9M2020 quarterly report published on 29/10/2020

01

Keys of the period



Key financial figures



Global economic environment

COVID-19: strong impact on growth in the economy

Global

GDP +3.6% 18 +2.9% 19 +3.3% 20e
 Post COVID-19 update -4.4% 20e

United States

GDP +2.9% 18 +2.3% 19 +2.0% 20e
 Post COVID-19 update -4.3% 20e

Eurozone

GDP +1.9% 18 +1.2% 19 +1.3% 20e
 Post COVID-19 update -8.3% 20e

Spain

GDP +2.4% 18 +2.0% 19 +1.6% 20e
 Post COVID-19 update -12.8% 20e

Latam

GDP +1.1% 18 +0.1% 19 +1.6% 20e
 Post COVID-19 update -8.1% 20e

Emerging and developing economies in Asia

GDP +6.4% 18 +5.5% 19 +5.8% 20e
 Post COVID-19 update -1.7% 20e

Source: International Monetary Fund. January 2020 report [October 2020 report](#)

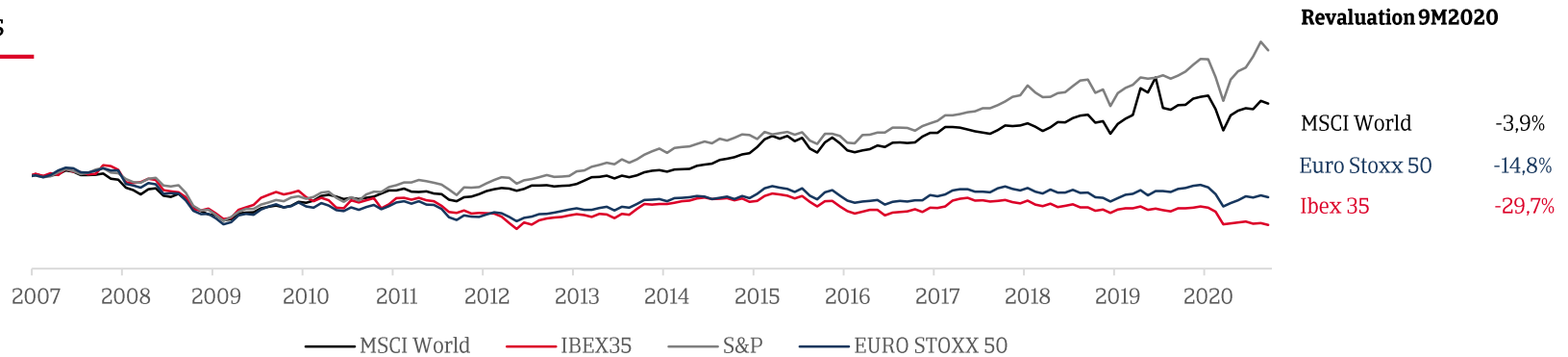
Financial markets

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

Interest rates



Stock markets

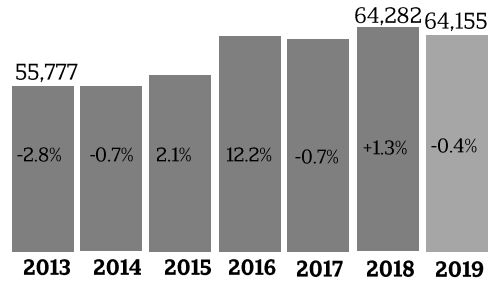


Source: Bloomberg. Updated October 2020

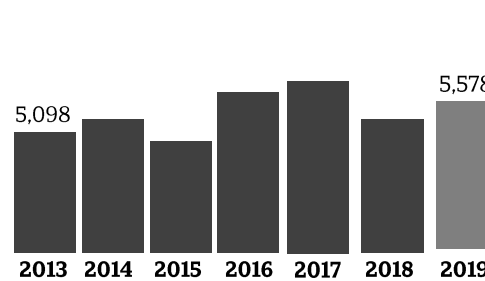
The insurance industry in Spain

Maintains growth in non-life and continues putting pressure on life savings

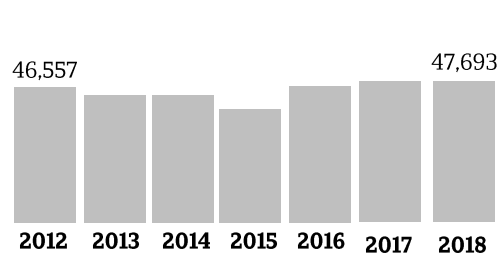
Premiums (€M)



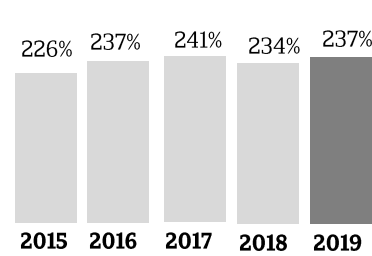
Technical account result



Employees



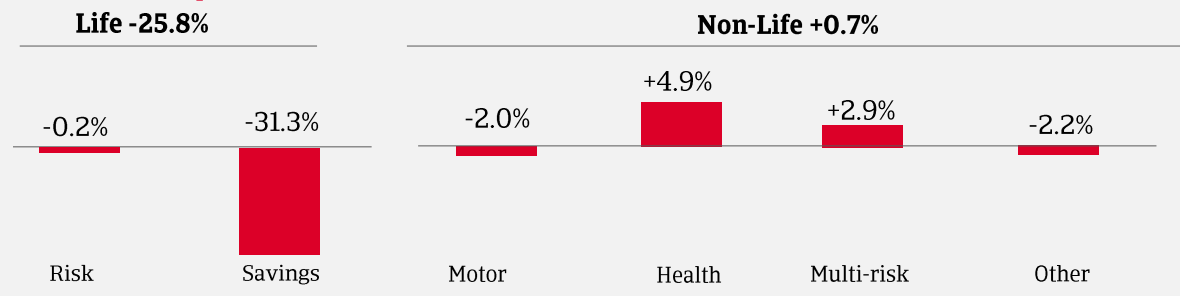
% solvency II



Stability in 2019 results

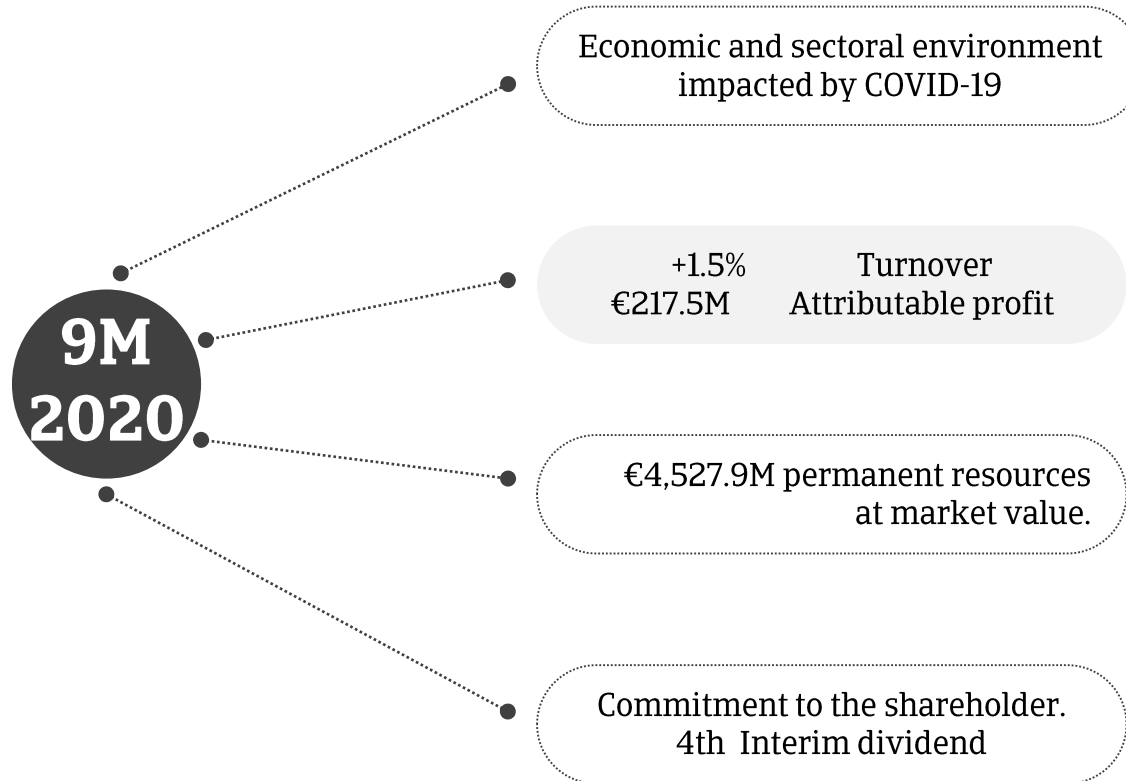
ROE 13.5%	Combined ratio 92.0%
Motor 94.8%	Multi-risk 94.0%
Health 94.6%	

Insurance sector premiums 9M2020: -10.8%



Source: ICEA October 2020

Key financial figures



Grupo Catalana Occidente at 9M2020

(figures in millions of euros)

Income	9M2019	9M2020	% Chg. 19-20
Traditional business	1,931.1	2,051.8	6.3%
Recurring premiums	1,703.1	1,847.0	8.5%
Single premiums life	228.0	204.8	-10.2%
Credit insurance business	1,494.9	1,423.8	-4.8%
Turnover	3,426.0	3,475.6	1.4%

+1.3%
Pro-forma increase in
recurring premiums

(figures in millions of euros)

Results	9M2019	9M2020	% Chg. 19-20
Recurring result from traditional business	176.2	194.0	10.1%
Recurring result from credit insurance business	179.0	42.5	-76.3%
Non-recurring result	-17.8	-11.5	
Consolidated result	337.4	225.1	-33.3%
Attributable result	307.2	217.5	-29.2%

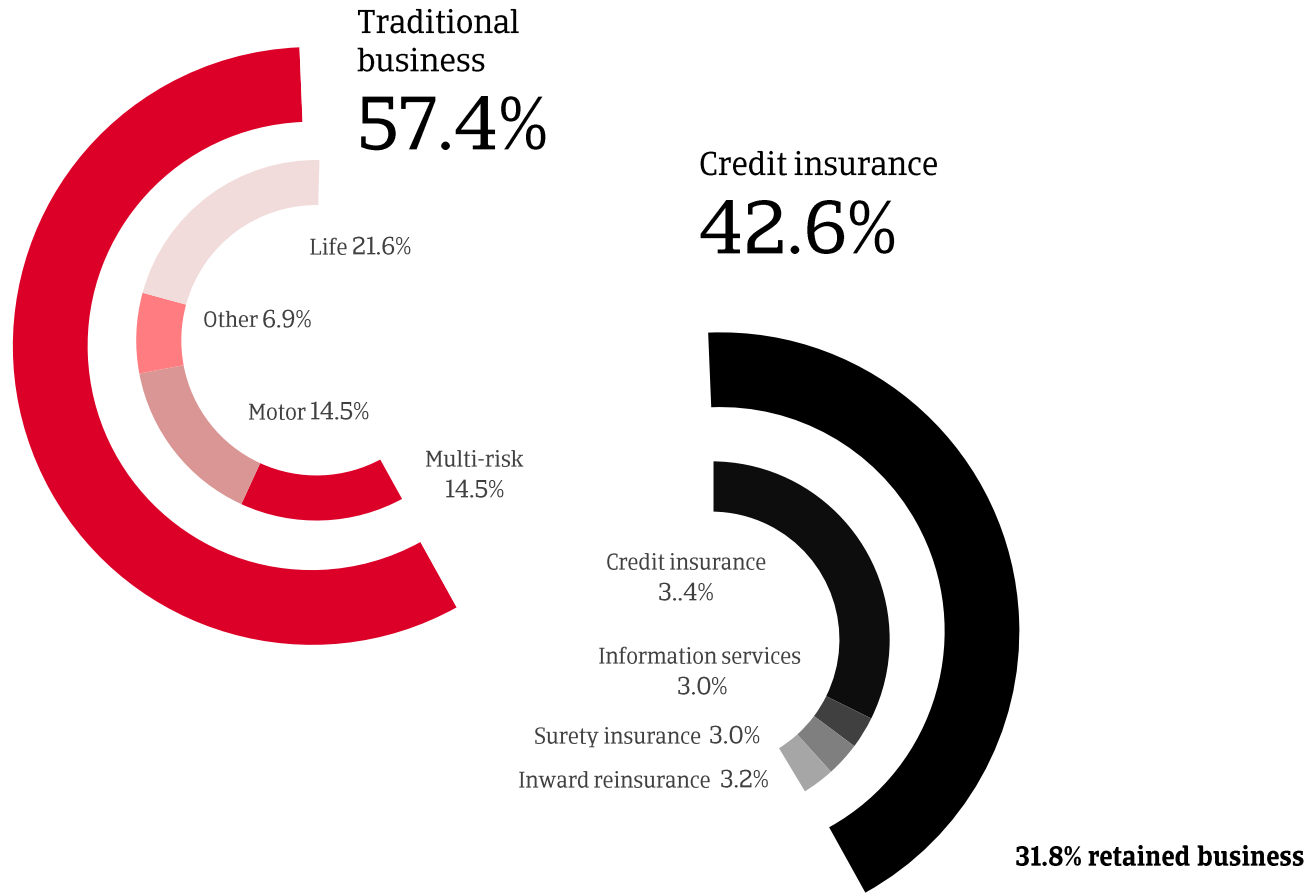
€217.5M
Attributable result

GCO: actions during the COVID-19 crisis

- **Employee protection and operational support.**
 - Ensure employee protection and continuity of work. Teleworking of all our employees.
 - We are still operational under extreme conditions.
- **Maintenance of customer service.**
 - Continuity in the relationship with the customer through telematic means.
 - Continuity in customer service for expert opinions, repairs, agency offices, etc...
- **Measures aimed at the 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 by telephone for any insured party, video consultation of medical staff and cyber-risk protection in teleworking.
- **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 various governments to support commercial activity through credit insurance.
- **Measures to support society.**
 - Participation with UNESPA in a fund to protect health workers 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.

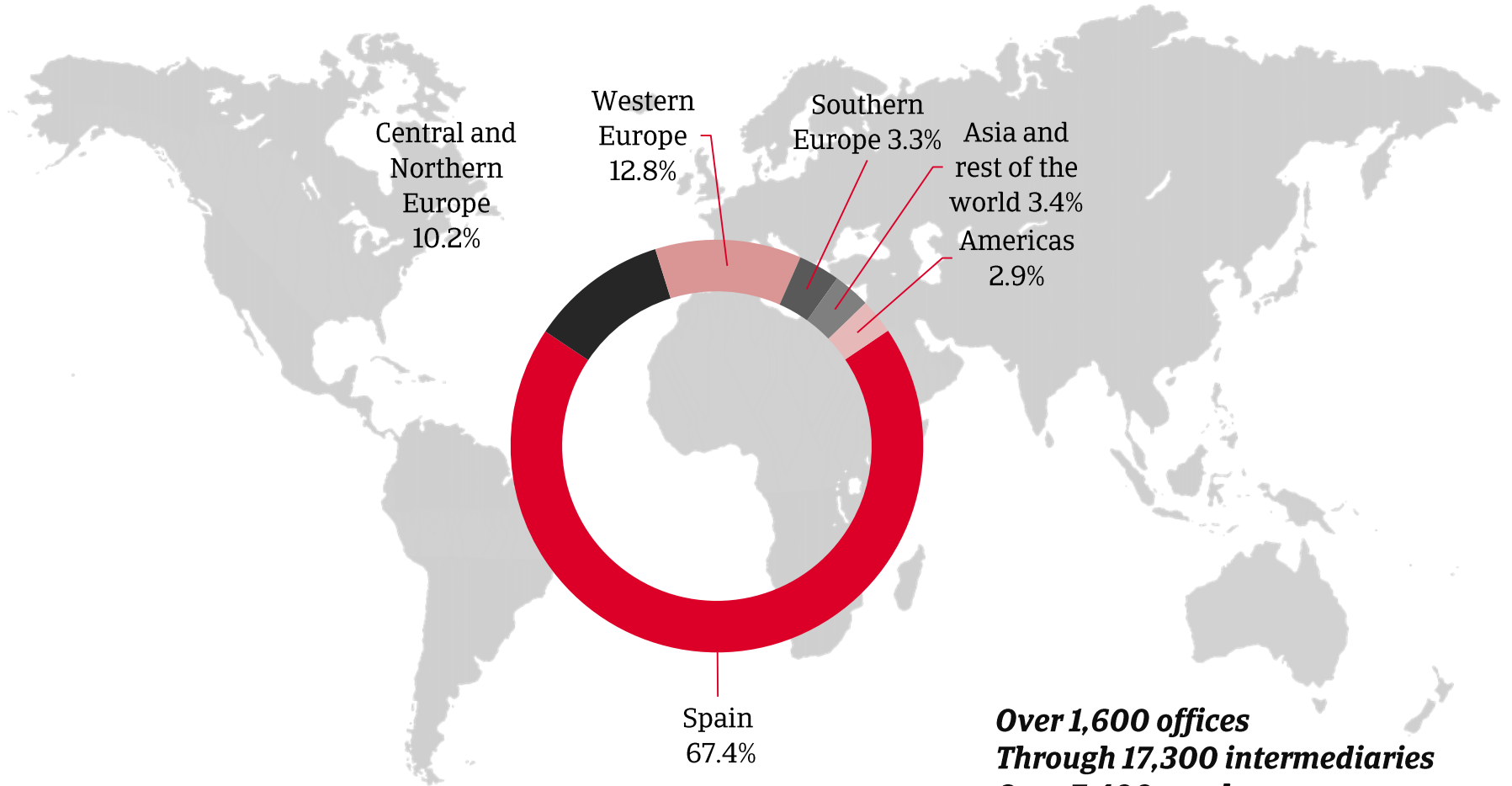
Diversification Grupo Catalana Occidente 12M2019

Balanced portfolio, complete offer



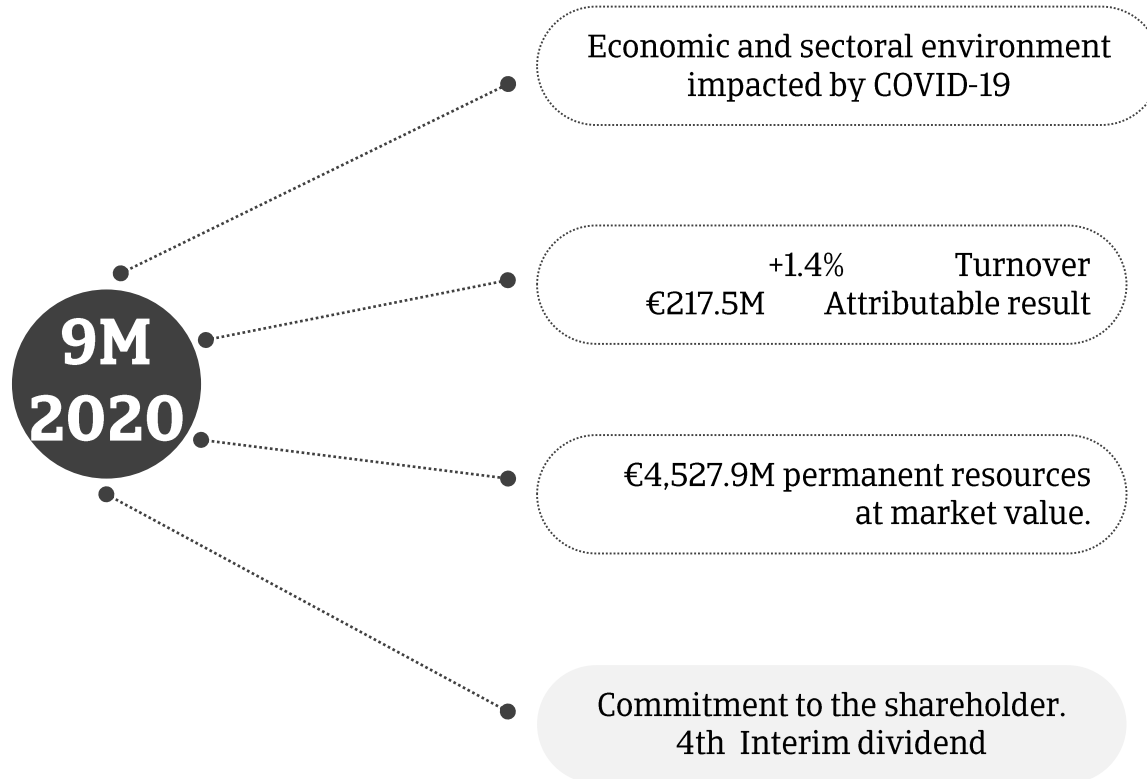
Global Presence

In over 50 countries



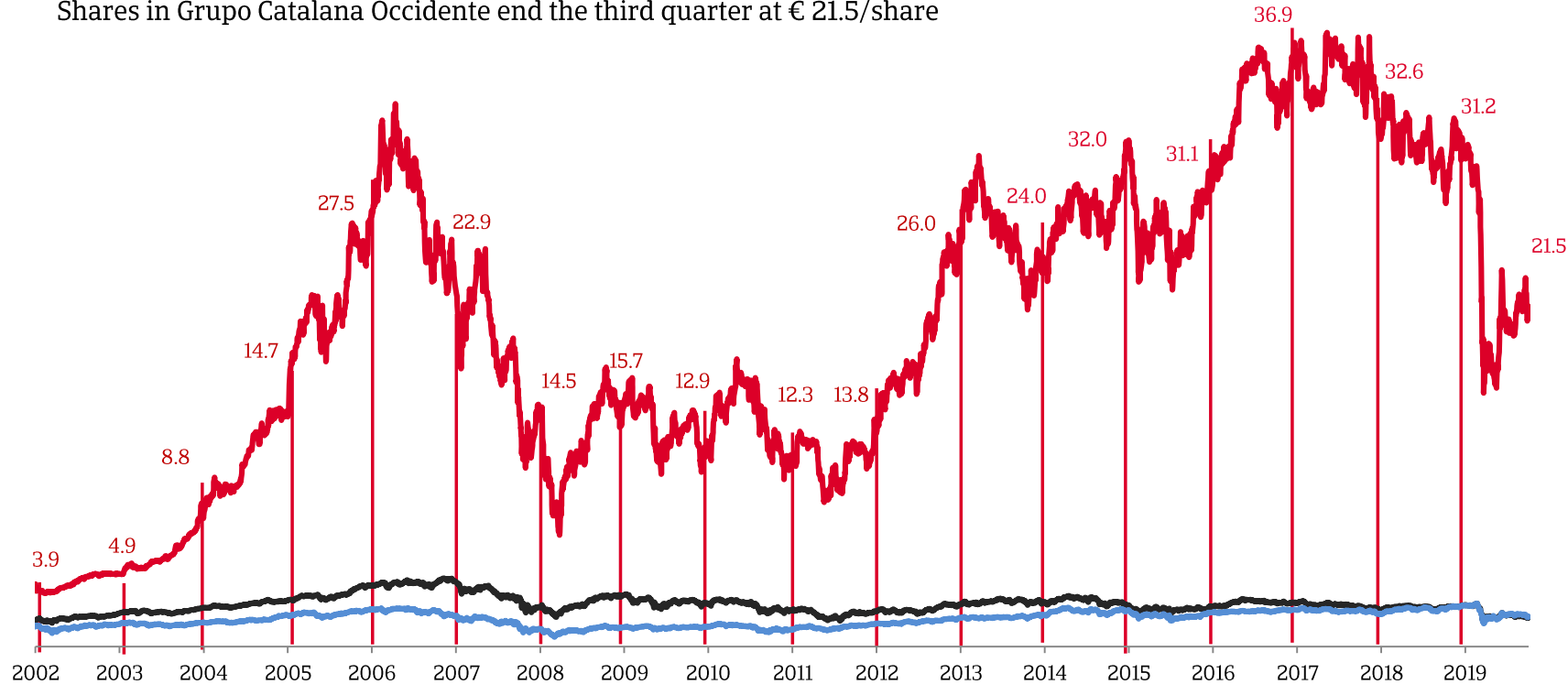
Over 1,600 offices
Through 17,300 intermediaries
Over 7,400 employees

Key financial figures



Share price evolution

Shares in Grupo Catalana Occidente end the third quarter at € 21.5/share



Profitability (YTD)

GCO
Ibex 35
EuroStoxx Insurance

9M2019

9M2020

TACC
2002 - 9M20

-10.58%

-30.98%

9.92%

8.25%

-29.66%

0.57%

16.50%

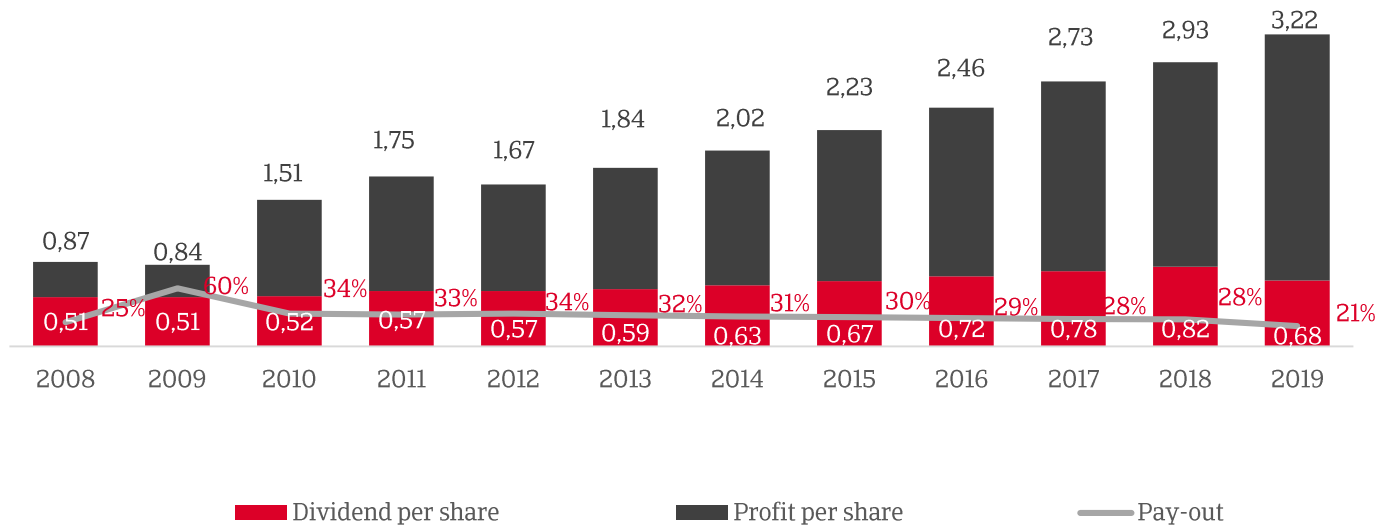
-27.22%

2.17%

* Compound annual growth rate

Commitment to our shareholder

Commitment to the shareholder. The first two interim dividends are maintained against 2020 results with respect to the previous year.



July 2019
€19.06M

Oct 2019
€19.06M

Feb 2020
€19.06M

May 2020
€24.34M

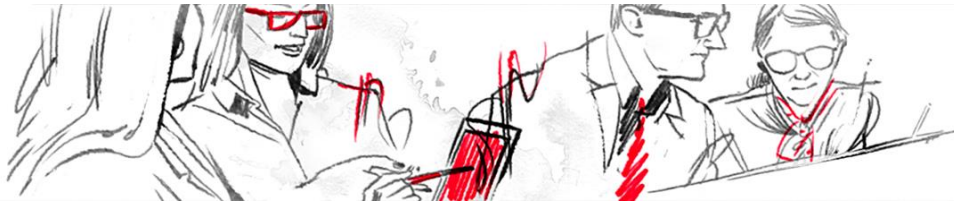
Dividends financial year 2019
€81.5M total

July 2020
€19.06M

Oct 2020
€19.06M

Dividends financial year 2020

02 Information 9M2020



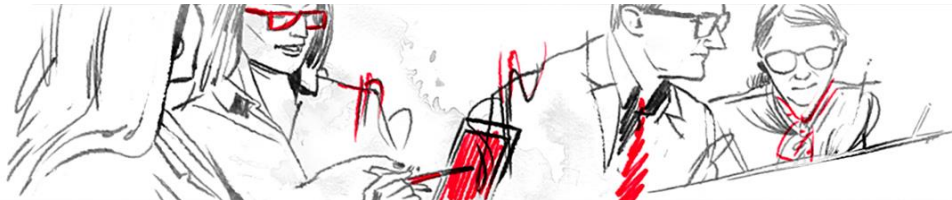
02

Income statement

Traditional business

Credit insurance business

Capital, investments and solvency



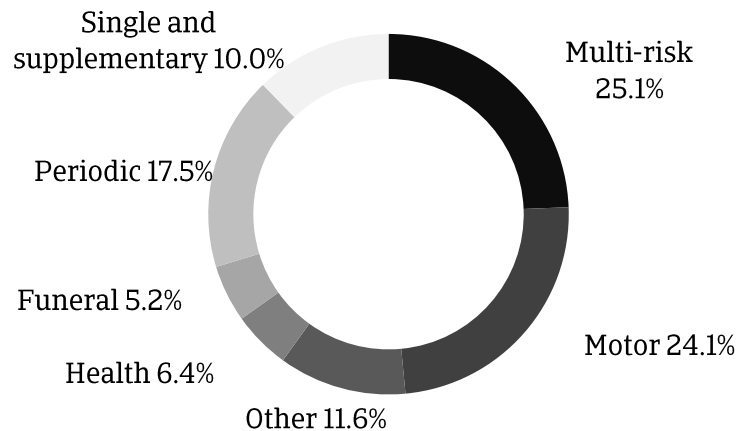
Traditional business

+8.5% €1,847.0M
Recurring premiums

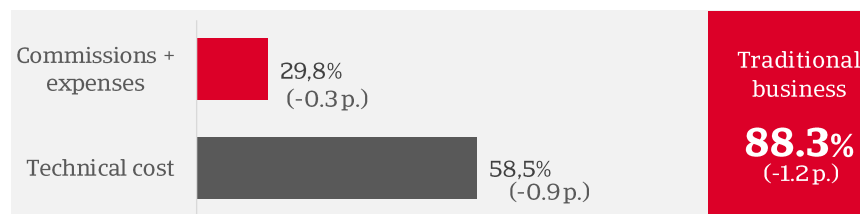
+15.9% €208.9M
Technical result

+10.1% €194.0M
Recurring result

Traditional business distribution (TAM)



Combined ratio



Traditional business Multi-risk



Earned
premiums
+3.9%

Combined
ratio
88.3%

(figures in millions of euros)

Multi-risk	9M2019	9M2020	% Chg. 19-20	12M2019
Written premiums	496.2	515.7	3.9%	661.6
<i>% Technical cost</i>	<i>53.8%</i>	<i>54.3%</i>	<i>0.5</i>	<i>55.3%</i>
<i>% Commissions</i>	<i>20.9%</i>	<i>21.0%</i>	<i>0.1</i>	<i>20.9%</i>
<i>% Expenses</i>	<i>13.2%</i>	<i>13.0%</i>	<i>-0.2</i>	<i>13.3%</i>
% Combined ratio	87.9%	88.3%	0.4	89.5%
Technical result after expenses	58.9	58.7	-0.3%	68.6
<i>% on earned premiums</i>	<i>12.1%</i>	<i>11.7%</i>		<i>10.5%</i>
Earned premiums	487.0	502.4	3.2%	653.3

Traditional business Motor



Written
premiums

+0.2%

Combined
ratio

90.6%

(figures in millions of euros)

Motor	9M2019	9M2020	% Chg. 19-20	12M2019
Written premiums	493.6	494.5	0.2%	657.3
% <i>Technical cost</i>	69.4%	66.7%	-2.7	70.0%
% <i>Commissions</i>	11.1%	11.1%	0.0	11.1%
% <i>Expenses</i>	13.0%	12.9%	-0.1	12.9%
% Combined ratio	93.5%	90.6%	-2.9	94.0%
Technical result after expenses	31.7	45.9	44.8%	39.6
% <i>on earned premiums</i>	6.5%	9.4%		6.0%
Earned premiums	488.1	490.6	0.5%	655.2

Traditional business Other



Written
premiums
-0.8%

Combined
ratio
83.4%

(figures in millions of euros)

Other	9M2019	9M2020	% Chg. 19-20	12M2019
Written premiums	240.4	238.5	-0.8%	311.7
% <i>Technical cost</i>	50.1%	50.1%	0.0	50.1%
% <i>Commissions</i>	20.4%	19.3%	-1.1	20.1%
% <i>Expenses</i>	14.0%	14.0%	0.0	14.3%
% Combined ratio	84.5%	83.4%	-1.1	84.6%
Technical result after expenses	36.3	38.2	5.2%	48.0
% <i>on earned premiums</i>	15.5%	16.5%		15.4%
Earned premiums	233.7	230.8	-1.2%	311.8

Traditional business Life



Written
Premiums

+14.6%

Combined
Ratio for funeral

81.9%

Combined
Ratio for health

83.1%

(figures in millions of euros)

Life	9M2019	9M2020	% Chg. 19-20	12M2019
Life insurance turnover	700.9	803.1	14.6%	981.8
Health	50.6	132.0	160.9%	60.9
Funeral	103.9	107.7	3.7%	138.8
Periodic premiums	318.4	358.6	12.6%	438.2
Single premiums	228.0	204.8	-10.2%	343.8
Pension plan contributions	40.9	41.5	1.5%	69.1
Net contributions to investment funds	2.2	2.7	22.7%	1.9
Technical result after expenses	53.3	66.1	24.0%	58.4
<i>% on earned premiums</i>	<i>6.9%</i>	<i>8.6%</i>		<i>5.4%</i>
Earned premiums	772.4	766.3	-0.8%	1,087.2
Combined ratio Health	87.9%	83.1%	-4.7	92.3%
Combined ratio Funeral	82.8%	81.9%	-0.9	82.9%

Traditional business

(figures in millions of euros)

Traditional business	9M2019	9M2020	% chg. 19-20	12M2019
Written premiums	1,931.1	2,051.8	6.3%	2,612.4
Life insurance premiums, ex. single	1,703.1	1,847.0	8.5%	2,268.6
Technical result after expenses	180.2	208.9	15.9%	214.6
<i>% on earned premiums</i>	<i>9.1%</i>	<i>10.5%</i>		<i>7.9%</i>
Financial result	49.4	47.5	-3.8%	59.3
<i>% on earned premiums</i>	<i>2.5%</i>	<i>2.4%</i>		<i>2.2%</i>
Non-technical result	-12.0	-12.2		-14.6
Complementary act. Funeral B.	1.9	3.9		2.7
Company income tax	-43.3	-54.1		-50
Recurring result	176.2	194.0	10.1%	212.1
Non-recurring result	-10	-10.4		-7.9
Total result	166.2	183.6	10.5%	204.2
Earned premiums	1,981.2	1,990.3	0.5%	2,707.5

➕ See annexes: expenses, financial and non-recurring results

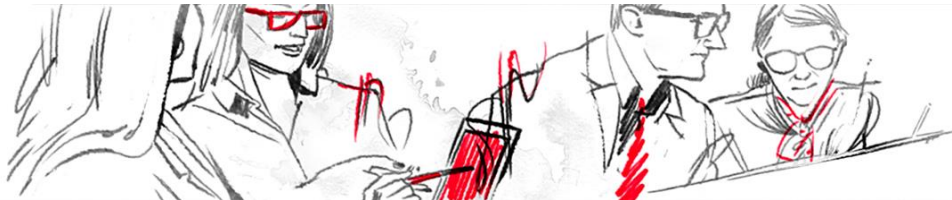
02

Income statement

Traditional business

Credit insurance business

Capital, investments and solvency



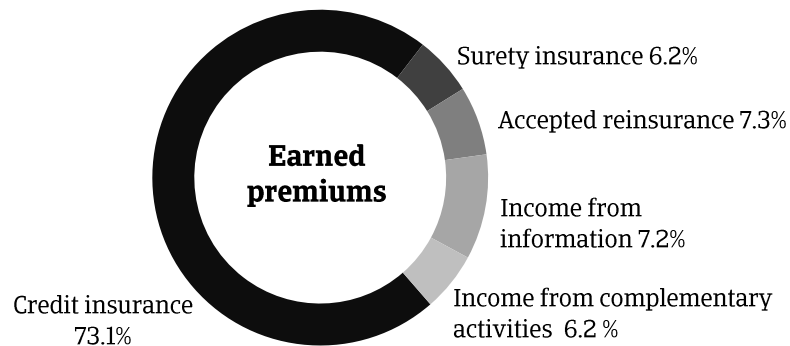
Credit insurance business

-1.0% €1,301.8M
Earned premiums

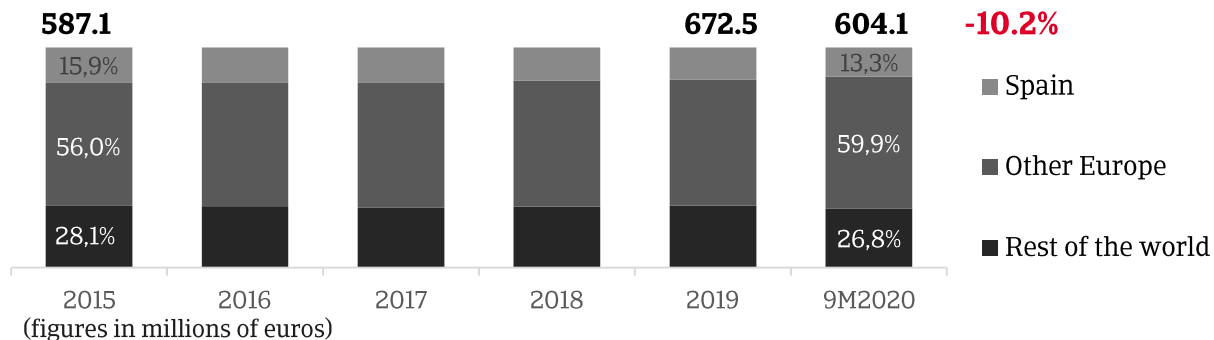
-74.3% €57.1M
Net technical result

-76.3% €42.5M
Recurring result

Distribution of credit insurance business



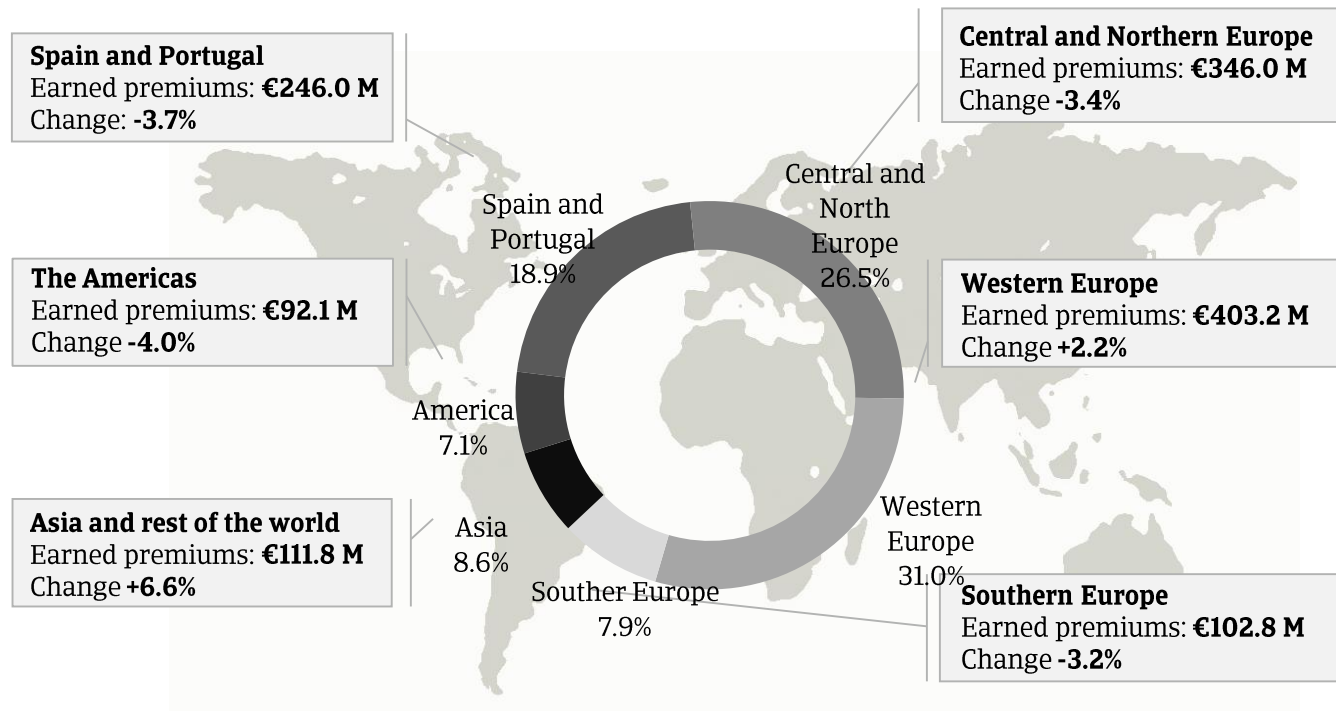
Performance of risk exposure (TPE)



Credit insurance business

€1,301.8M -1.0%

Earned premiums

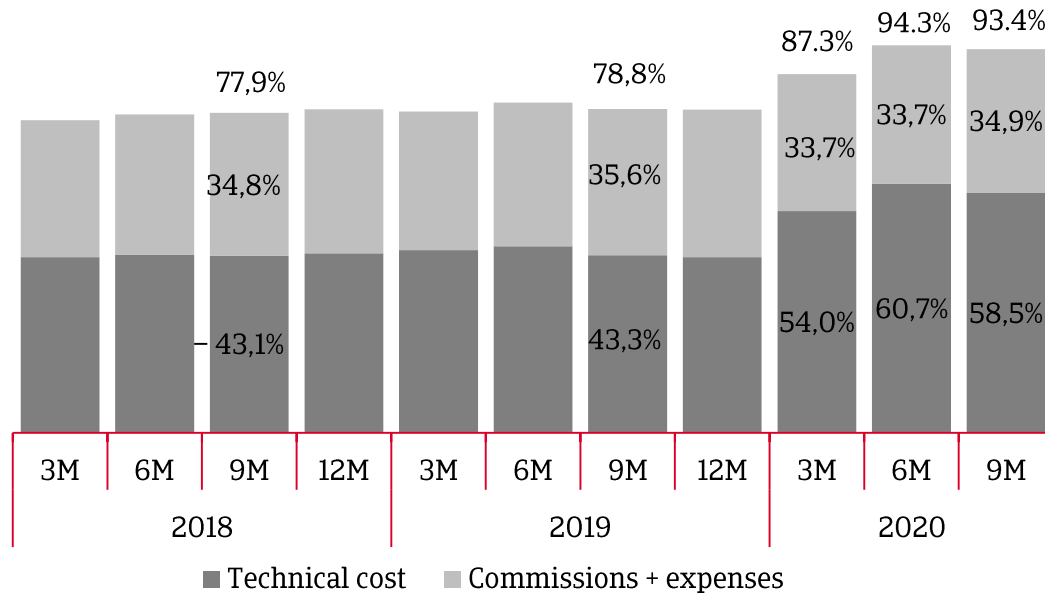


€1,410.7M -1.1%

Purchased premiums and information services

Credit insurance business

Performance of the gross combined ratio



Combined gross ratio

93.4%

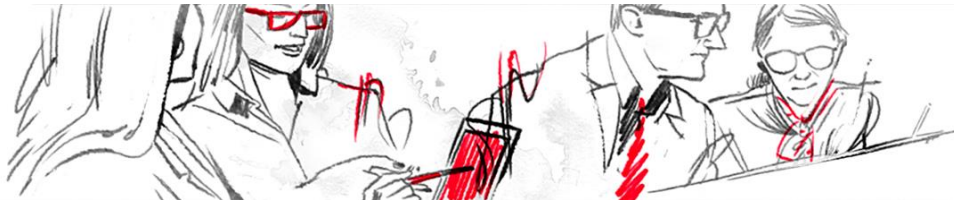
Credit insurance business

(figures in millions of euros)

Credit insurance business	9M2019	9M2020	% chg. 19-20	12M2019
Earned premiums	1,315.1	1,301.8	-1.0%	1,759.5
Income from information	111.1	108.9	-2.0%	136.5
Total income	1,426.2	1,410.7	-1.1%	1,896.0
Technical result after expenses	302.0	93.5	-69.0%	404.8
<i>% on income</i>	21.2%	6.6%		21.4%
Reinsurance result	-79.8	-36.4	-54.4%	-82.6
<i>Reinsurance transfer ratio</i>	38.0%	37.0%		38
Net technical result	222.2	57.1	-74.3%	322.2
<i>% on income</i>	15.6%	4.0%		17.0%
Financial result	11.8	4.8	-59.3%	5.6
<i>% on income</i>	0.8%	0.3%		0.3%
Result from complementary activities	4.7	8.3		3.2
Company income tax	-55.4	-23.8	-57.0%	-85.4
Adjustments	-4.3	-3.9		-7.4
Recurring result	179.0	42.5	-76.3%	238.2
Non-recurring result	-7.8	-1.0		-17.9
Total business result	171.2	41.5	-75.8%	220.3

02

Income statement
Traditional business
Credit insurance business
Capital, investments and solvency



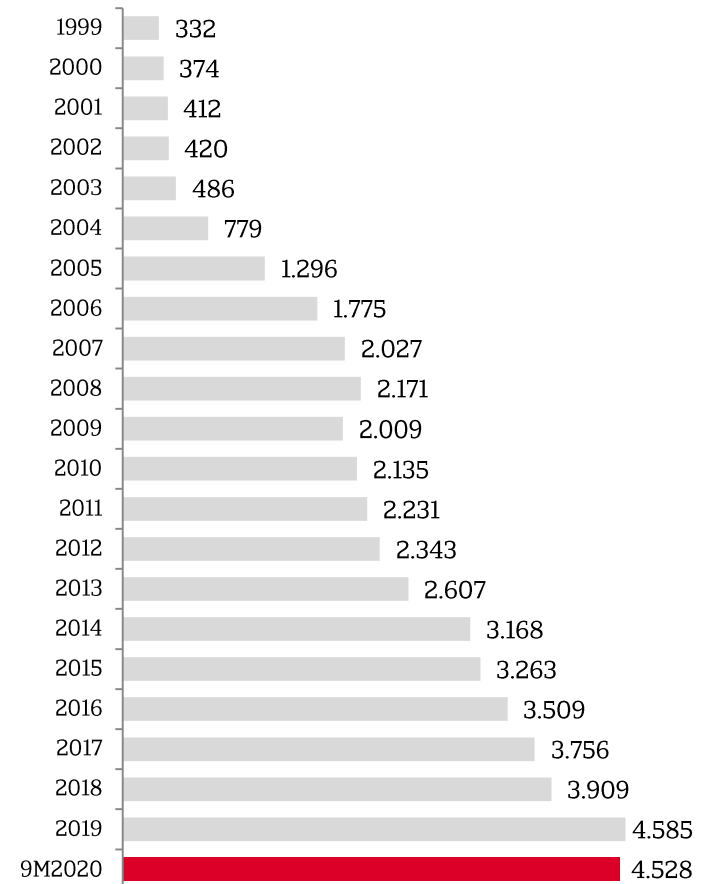
Financial strength

At the end of the third quarter of 2020, the Group's capital had fallen by 1.2%, mainly due to the performance of the financial markets

(figures in millions of euros)

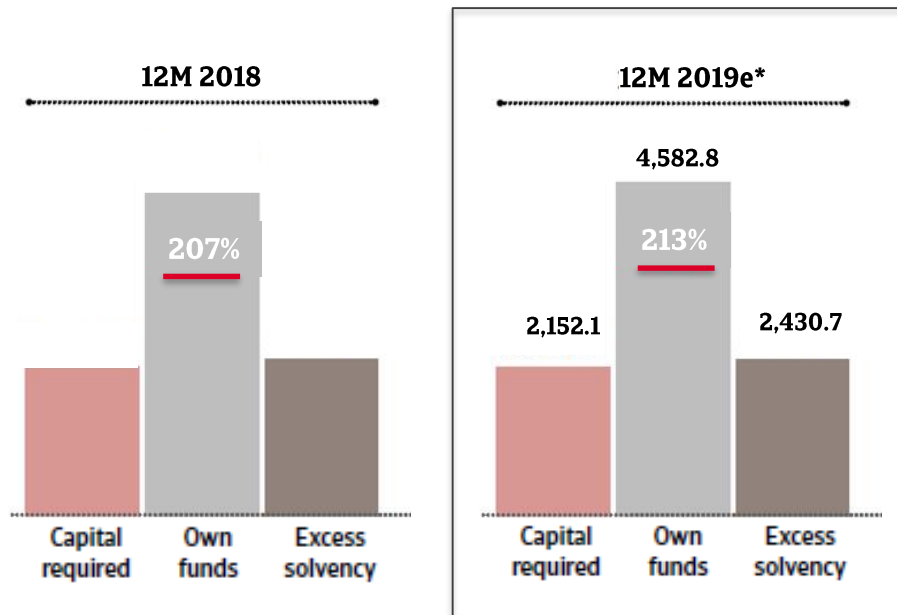
Permanent resources on 31/12/2019	4,051.7
Permanent resources at market value on 31/12/2019	4,584.8
Net equity on 01/01/2020	3,851.2
(+) Consolidated results	225.1
(+) Dividends paid	-81.5
(+) Change in valuation adjustments	-205.4
(+) Other changes	-0.9
Total movements	-62.7
Total net equity on 30/09/2020	3,788.5
Subordinated debt	200.6
Permanent resources on 30/09/2020	3,989.1
Capital gains not included in balance sheet (properties)	538.8
Permanent resources at market value on 30/09/2020	4,527.9

-1.2%



Sound solvency position 213% at the close of 2019

Catalana Occidente Group has a sound solvency and financial position to withstand adverse situations



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

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

* Data with transitional technical provisions and partial internal model.



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

Credit rating

"The "a+" rating reflects the soundness of the balance sheet, the good business model, excellent operating results and the appropriate capitalisation of the Group thanks to the internal generation of capital of the group's entities".

“A”

A.M. Best operating entities of the Group

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

“A2”

Moody's operating entities of the credit insurance business

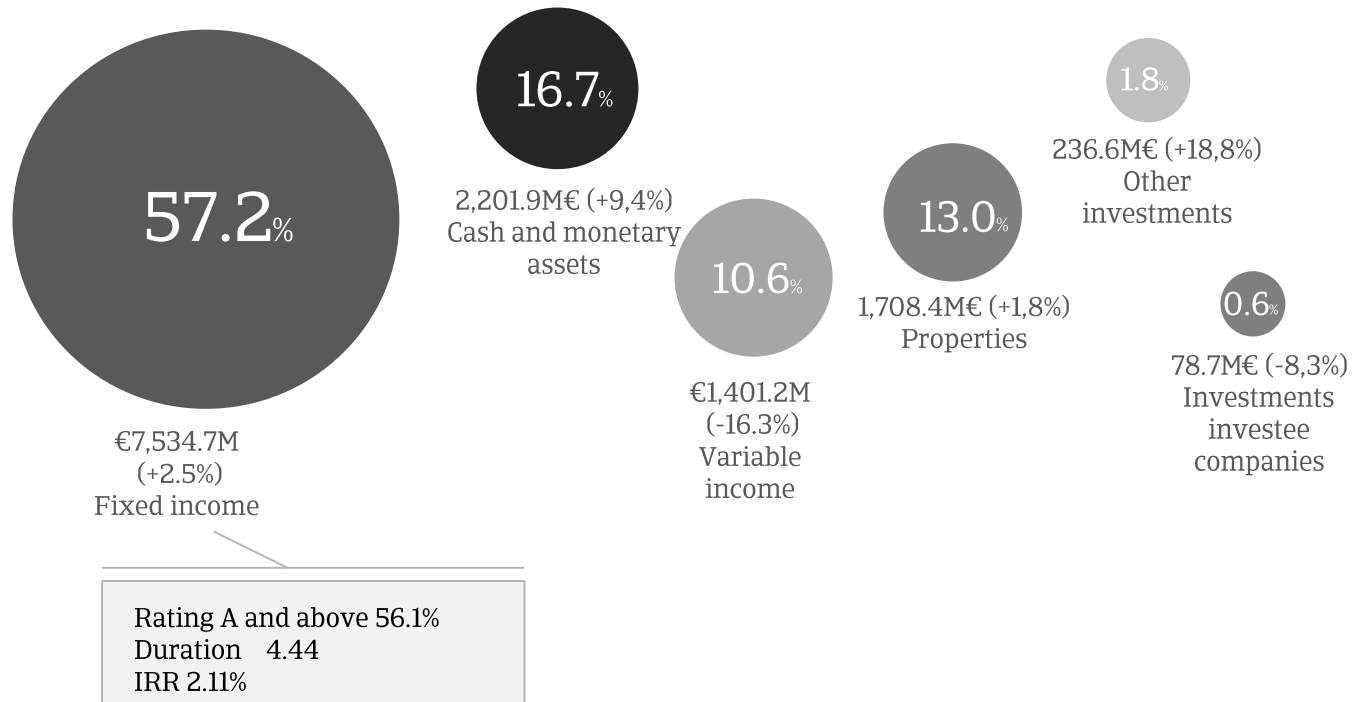
They highlight the strong competitive position, strong capitalization, low financial leverage and conservative investment portfolio.

Investments

The Group invests in traditional assets through prudent, diversified management

€14,520.3 M

(+1.0% compared to the funds managed at the end of 2019)



Sustainable business

For the Grupo Catalana Occidente, sustainability is the voluntary commitment to integrate into its strategy a responsible management of economic, social and environmental aspects, encourage ethical behaviour with its stakeholders, rigorously apply the principles of good governance and contribute 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 the Principles for Sustainability in Insurance (PSI) and has adhered to the Principles for Responsible Investment (PRI). Furthermore, through current activity and social action, it contributes to the Sustainable Development Goals (SDG) defined by the UN by promoting aspects such as economic growth and progress, equal opportunities, quality learning, energy efficiency and health and welfare care.

For more information, the Corporate Responsibility Report prepared in accordance with GRI Standards, an essential option, is now available on the Grupo Catalana Occidente website.

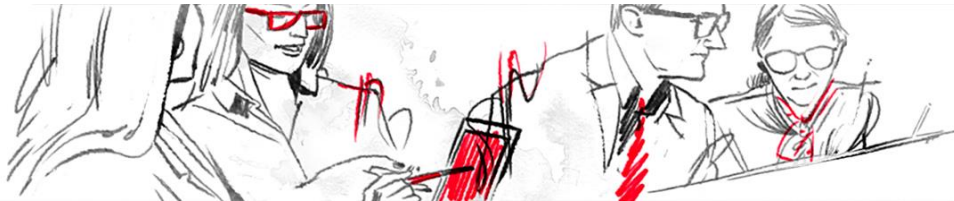
New materiality 2020

In order to identify the key issues for Grupo Catalana Occidente and its stakeholders, materiality was updated in 2020 after an internal and external analysis that includes the weighting of factors such as new legal requirements, demands from analysts and investors and challenges from the sector and from the Group itself.

Material issues of Grupo Catalana Occidente

- Customer experience.
- Ethics and transparency.
- ESG Risk management
- Attracting, developing and retaining talent
- Climate change and environmental management
- Responsible investment.
- Responsible products or ESG.
- Data protection. Cyber security.
- Innovation.
- Quality employment.
- Health and safety.
- Corporate governance.
- Commitment to society.
- Management of service providers.
- Ethics, integrity and transparency.
- Development of local communities.
- Human rights.

03 Calendar and annexes



Schedule

Analyst and investor relations

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 Presentati on of results 12M2019 16.30			4 Presentation of results 3M2020 16.30		30 Presentation of results 6M2020 16.30				2 Presentation of results 9M2020 11.30	
			30 General Shareholders' Meeting 2019						29 General Shareholders' Meeting 2019		
	Interim dividend 2019			Interim dividend 2019		Interim dividend 2020			Interim dividend 2020		

Contact

Email: analistas@catalanaoccidente.com

Phone: +34915661302

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



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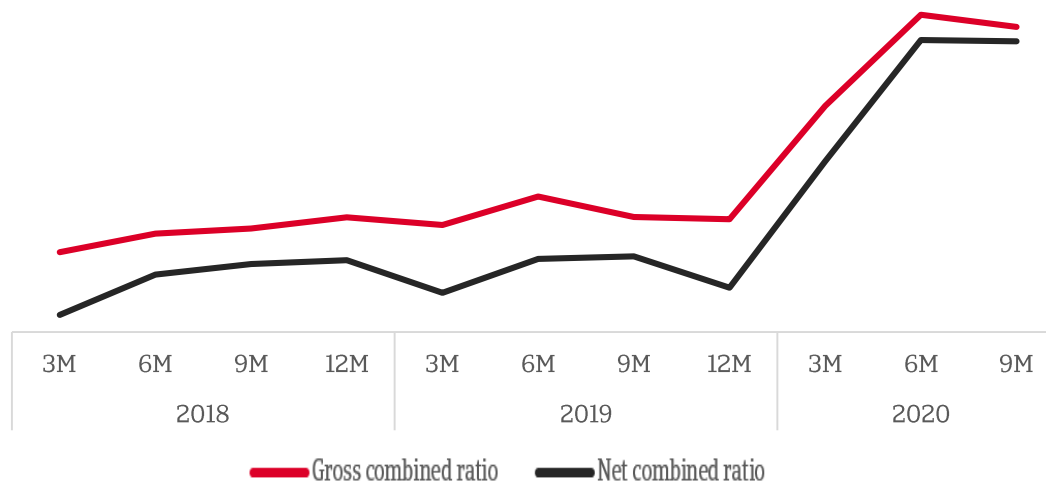
Income statement

Income statement	(figures in millions of euros)			12M2019
	9M2019	9M2020	% Chg. 19-20	
Premiums	3,314.9	3,366.7	1.6%	4,411.2
Income from information	111.1	108.9	-2.0%	136.5
Turnover	3,426.0	3,475.6	1.4%	4,547.7
Technical cost	2,019.3	2,164.4	7.2%	2,739.5
% on total net income	59.3%	63.6%		59.5%
Commissions	418.7	418.1	-0.1%	561.1
% on total net income	12.3%	12.3%		12.2%
Expenses	570.1	552.3	-3.1%	764.3
% on total net income	16.7%	16.2%		16.6%
Technical result after expenses	398.8	266.2	-33.2%	538.2
% on total net income	11.7%	7.8%		11.7%
Financial result	48.3	26.1	-46.0%	37.9
% on total net income	1.4%	0.8%		0.8%
Result of non-technical non-financial account	-21.5	-7.8	-63.7%	-25.9
% on total net income	-0.6%	-0.2%		-0.6%
Result from compl. activities Credit insurance and funeral business	6.6	12.2	84.8%	5.9
% on total net income	0.2%	0.4%		0.1%
Profit before tax	432.2	296.7	-31.4%	556.2
% on total net income	12.7%	8.7%		12.1%
Taxes	94.8	71.6		131.7
% taxes	21.9%	24.1%		23.7%
Consolidated result	337.4	225.1	-33.3%	424.5
Result attributable to minorities	30.2	7.6	-74.8%	38.6
Attributable result	307.2	217.5	-29.2%	385.9
% on total net income	9.0%	6.4%		8.4%

Credit insurance business

Performance of the net combined ratio

Combined ratio breakdown	9M2019	9M2020	% Chg. 19-20	12M2019
% Gross technical cost	43.3%	58.5%	15.2	42.8%
% Gross commissions + expenses	35.6%	34.9%	-0.7	35.9%
% Gross combined ratio	78.8%	93.4%	14.6	78.7%
% Net technical cost	43.5%	57.0%	13.5	43.4%
% Net commissions + expenses	32.3%	35.3%	3.0	30.0%
% Net combined ratio	75.8%	92.3%	16.5	73.4%



Credit insurance business

Agreement signed *	Main features	Conditions	Premiums granted
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	€81.7M
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. 35% commission.	€13.5M
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.	€77.3M
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	€15.5M
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. 35% commission.	€0.6M
France	<u>Cap releais: 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. 25% commission.	€28.2M
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	€50.8M
Norway	<u>Installment 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	€3.6M

*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.

Credit insurance business - TPE

(figures in millions of euros)

Cumulative risk by country	2016	2017	2018	2019	9M2020	% Chg. 19-20	% total
Spain and Portugal	93,437	98,714	99,453	98,739	80,330	-18.6%	13.3%
Germany	82,783	86,430	90,599	93,024	90,325	-2.9%	15.0%
Australia and Asia	79,013	84,233	92,222	95,595	82,452	-13.7%	13.6%
The Americas	71,970	73,188	75,773	81,269	69,418	-14.6%	11.5%
Eastern Europe	55,098	59,253	63,935	68,595	62,723	-8.6%	10.4%
United Kingdom	43,794	43,537	44,989	51,019	45,578	-10.7%	7.5%
France	43,323	49,326	51,866	48,407	45,141	-6.7%	7.5%
Italy	37,208	42,242	44,263	43,661	40,968	-6.2%	6.8%
Nordic and Baltic countries	26,964	28,738	30,525	31,748	30,456	-4.1%	5.0%
The Netherlands	25,268	27,636	29,650	30,392	30,097	-1.0%	5.0%
Belgium and Luxembourg	15,708	16,701	17,285	17,444	16,765	-3.9%	2.8%
Rest of the world	12,538	12,830	12,842	12,627	9,818	-22.2%	1.6%
Total	587,104	622,829	653,404	672,520	604,071	-10.2%	100%

Credit insurance business - TPE

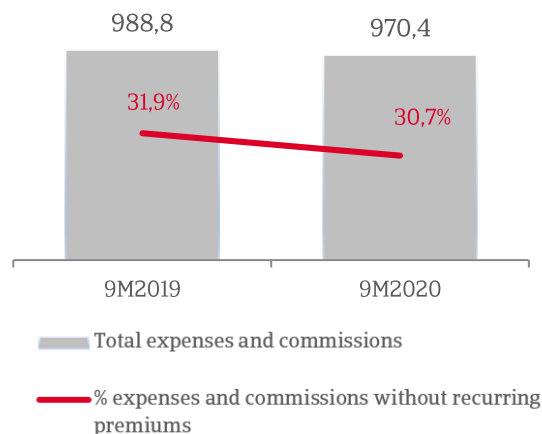
(figures in millions of euros)

Cumulative risk by sector	2016	2017	2018	2019	9M2020	% Chg. 19-20	% on total
Chemicals	70,510	74,476	77,433	82,858	80,401	-3.0%	13.3%
Electronics	78,593	82,783	86,479	87,466	69,413	-20.6%	11.5%
Durable consumer goods	65,324	68,442	69,881	73,145	67,173	-8.2%	11.1%
Metals	58,855	63,419	68,424	72,285	61,018	-15.6%	10.1%
Food	55,640	58,608	63,001	64,587	63,579	-1.6%	10.5%
Transport	53,434	56,930	60,461	61,128	52,562	-14.0%	8.7%
Construction	43,133	46,896	49,773	51,495	47,295	-8.2%	7.8%
Machinery	34,734	37,137	39,972	41,225	38,959	-5.5%	6.4%
Agriculture	30,907	33,318	33,876	33,954	29,813	-12.2%	4.9%
Construction materials	25,387	27,058	28,359	29,389	28,989	-1.4%	4.8%
Services	25,276	26,994	27,837	27,109	23,223	-14.3%	3.8%
Textiles	19,855	20,562	20,324	19,660	15,714	-20.1%	2.6%
Paper	13,590	13,929	14,525	15,065	13,035	-13.5%	2.2%
Finance	11,867	12,277	13,058	13,156	12,896	-2.0%	2.1%
Total	587,104	622,829	653,404	672,520	604,071	-10.2%	100%

General expenses and commissions

(figures in millions of euros)

Expenses and commissions	9M2019	9M2020	% Chg. 19-20	12M2019
Traditional business	230.9	231.4	0.2%	315.2
Credit insurance business	334.4	320.0	-4.3%	449.0
Non-recurring expenses	4.7	0.9		0.0
Total expenses	570.1	552.3	-3.1%	764.3
Commissions	418.7	418.1	-0.1%	561.1
Total expenses and commissions	988.8	970.4	-1.9%	1,325.4
% expenses and commissions without recurring premiums	31.9%	30.7%		32.6%



Financial result

(figures in millions of euros)

Financial result	9M2019	9M2020	% Chg. 19-20	12M2019
Financial income net of expenses	168.1	148.4	-7.6%	215.7
Exchange Differences	0.0	-0.1		0.0
Subsidiary companies	0.0	1.2		1.1
Interest applied to life	-111.7	-102.0	-8.7%	-157.6
Recurring financial results traditional business	56.8	47.5	-3.8%	59.3
% on earned premiums	2.9%	2.4%		2.2%
Financial income net of expenses	15.0	11.9	-20.7%	16.6
Exchange Differences	2.9	6.3		-1.3
Subsidiary companies	6.6	-0.9		7.1
Interest subordinated debt	-12.7	-12.7	0.0%	-16.9
Recurring financial results from credit insurance	11.8	4.8	-59.3%	5.6
% on net income from insurance	0.8%	0.3%		0.3%
Intra-group interest adjustment	-2.5	-0.8		-3.5
Adjusted recurring financial results from credit insurance	9.4	4.0		2.1
Recurring financial results	66.2	51.5	-12.3%	61.5
% on total Group Income	1.9%	1.5%		1.3%
Non-recurring financial results	-10.5	-25.4		-23.5
Financial result	55.8	26.1	-46.0%	37.9

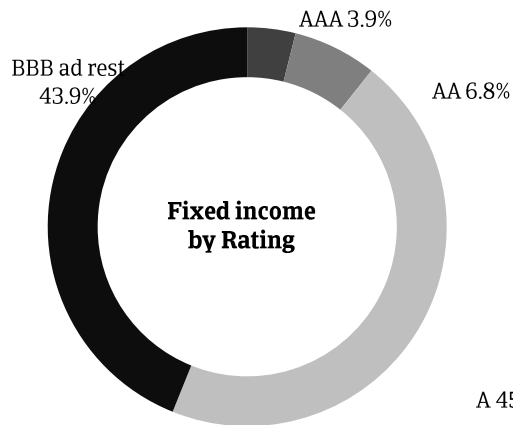
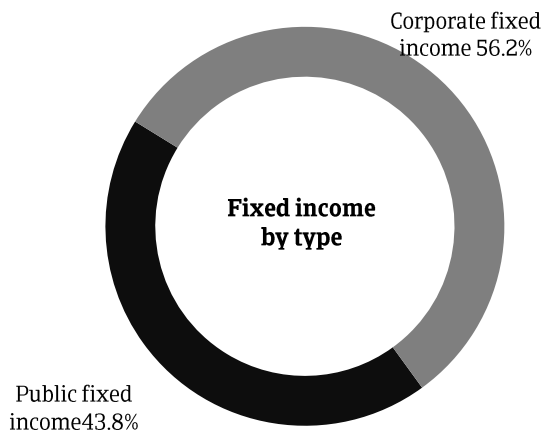
Non-recurring result

(figures in millions of euros)

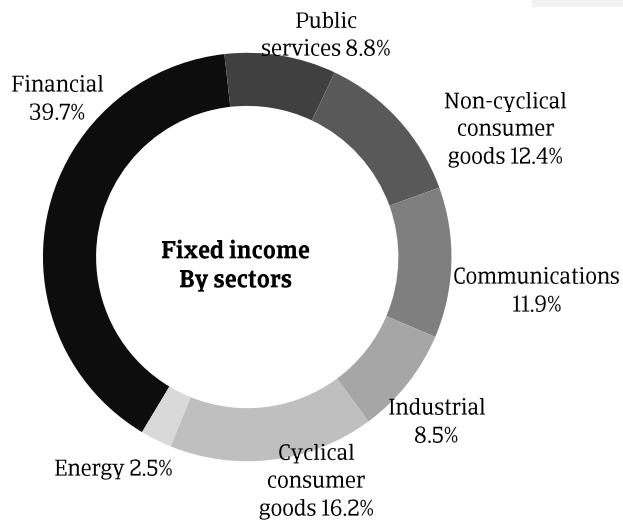
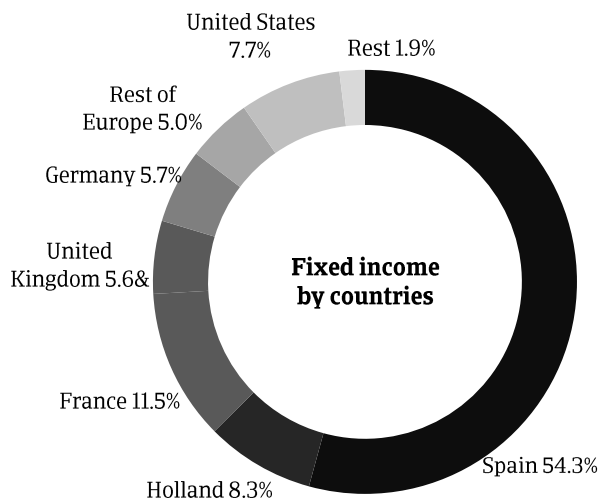
Non-recurring result (net of taxes)	9M2019	9M2020	12M2019
Financial	-6.0	-25.2	-5.4
Expenses and other non-recurring	-5.3	9.0	-3.9
Taxes	1.2	5.8	1.4
Non-recurring from traditional business	-10.0	-10.4	-7.9
Financial	-4.5	-0.2	-18.1
Expenses and other non-recurring	-4.7	-0.2	0.0
Taxes	1.5	-0.6	0.2
Non-recurring from credit insurance business	-7.8	-1.0	-17.9
Non-recurring result net of taxes	-17.8	-11.5	-25.8

Investments

High fixed-income portfolio quality

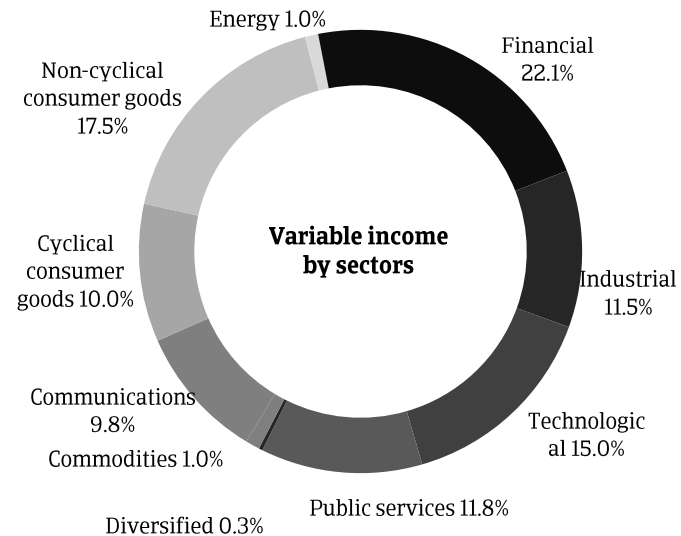
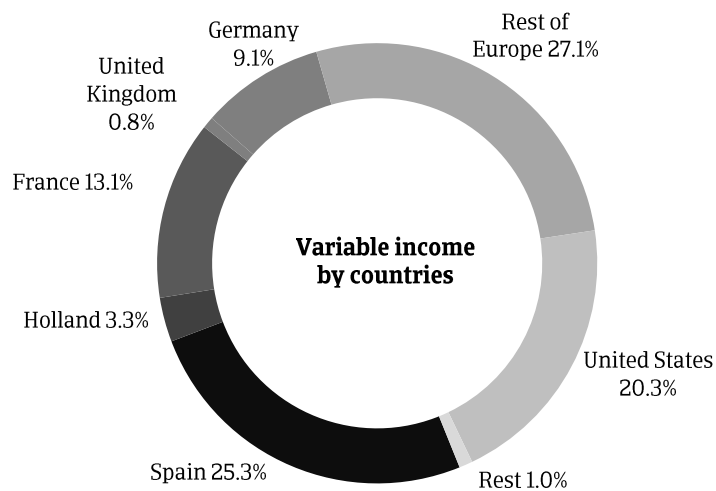


Duration 4.44
IRR 2.11%



Investments in liquid assets

High liquidity 10.6% variable income



Balance sheet

(figures in millions of euros)

Assets	12M2019	9M2020	% Chg. 19-20
Intangible assets and property	1,429.1	1,435.2	0.4%
Investments	12,618.4	12,769.5	1.2%
Property investment	661.4	681.2	3.0%
Financial investments	10,602.3	10,526.9	-0.7%
Cash and short-term assets	1,354.7	1,561.5	15.3%
Reinsurer participation in technical provisions	874.3	1,113.2	27.3%
Other assets	1,756.0	1,959.5	11.6%
Deferred tax assets	226.3	277.6	22.7%
Credits	951.0	1,135.1	19.4%
Other assets	578.7	546.8	-5.5%
Total assets	16,677.9	17,277.5	3.6%
Net liabilities and equity	12M2019	9M2020	% Chg. 19-20
Permanent resources	4,051.7	3,989.1	-1.5%
Net equity	3,851.2	3,788.5	-1.6%
Parent company	3,477.1	3,421.5	-1.6%
Minority interests	374.1	366.9	-1.9%
Subordinated liabilities	200.5	200.6	0.0%
Technical provisions	10,652.1	11,095.9	4.2%
Other liabilities	1,974.1	2,192.5	11.1%
Other provisions	210.5	200.5	-4.8%
Deposits received on buying reinsurance	52.9	50.1	-5.3%
Deferred tax liabilities	488.4	471.2	-3.5%
Debts	767.8	1,002.5	30.6%
Other liabilities	454.5	468.1	3.0%
Total net liabilities and equity	16,677.9	17,277.5	3.6%

Grupo Catalana Occidente

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

Insurance specialist



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

Closeness – global presence



- Distribution of intermediaries
- Over 17,600 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

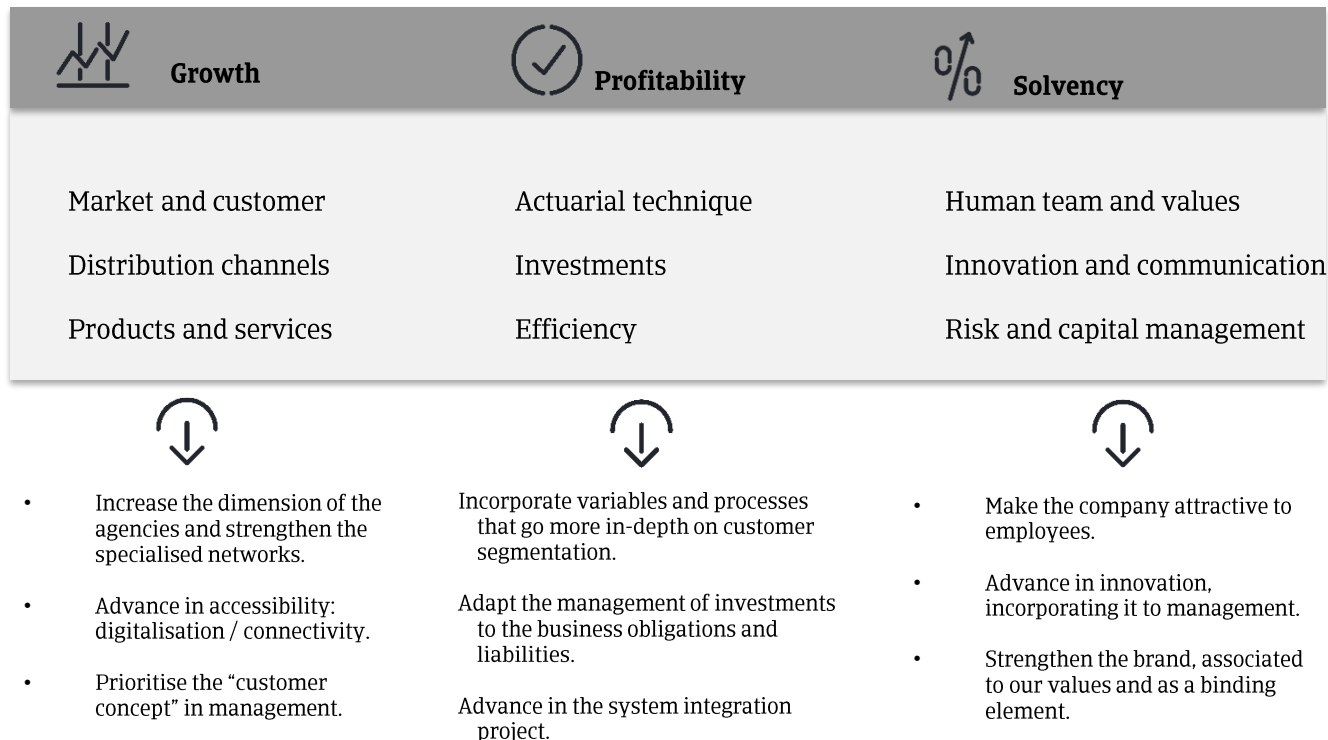
Technical rigour



- Excellent combined ratio
- Strict cost control
- 1999- 2019: profits multiplied by 10
- Diversified and prudent investment portfolio

Challenges for 2020

Our three strategic pillars are developed around nine lines of action



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 Dordrecht
Norway	Oslo
Poland	Warsaw Krakow Poznan Jelenia Gora
Portugal	Lisbon Porto
Russia	Moscow (***)
Slovakia	Bratislava
Spain	Basque Country, Catalonia, Galicia, Andalusia, Asturias, Cantabria, La Rioja, Murcia, Valencia, Aragon, Castilla la Mancha, Navarra, Extremadura, Madrid, Castilla-Leon, 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 (*)

The Americas

Argentina	Buenos Aires (*)
Brazil	São Paulo
Canada	Almonte (Ontario) Mississauga (Ontario) Duncan (British Columbia)
Chile	Santiago de Chile (*)
Mexico	Mexico City, Guadalajara, Monterrey,
Peru	Lima (*)
USA	Hunt Valley (Maryland) Chicago (Illinois) 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 comply with the risk appetite approved by the board.

The risk strategy is materialised through:

▷ **Risk profile**

Risk assumed in terms of solvency.

▷ **Risk appetite**

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

▷ **Risk tolerance**

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

▷ **Risk limits**

Operative limits established to comply with the Risk Strategy.

▷ **Alert indicators**

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

Risk map

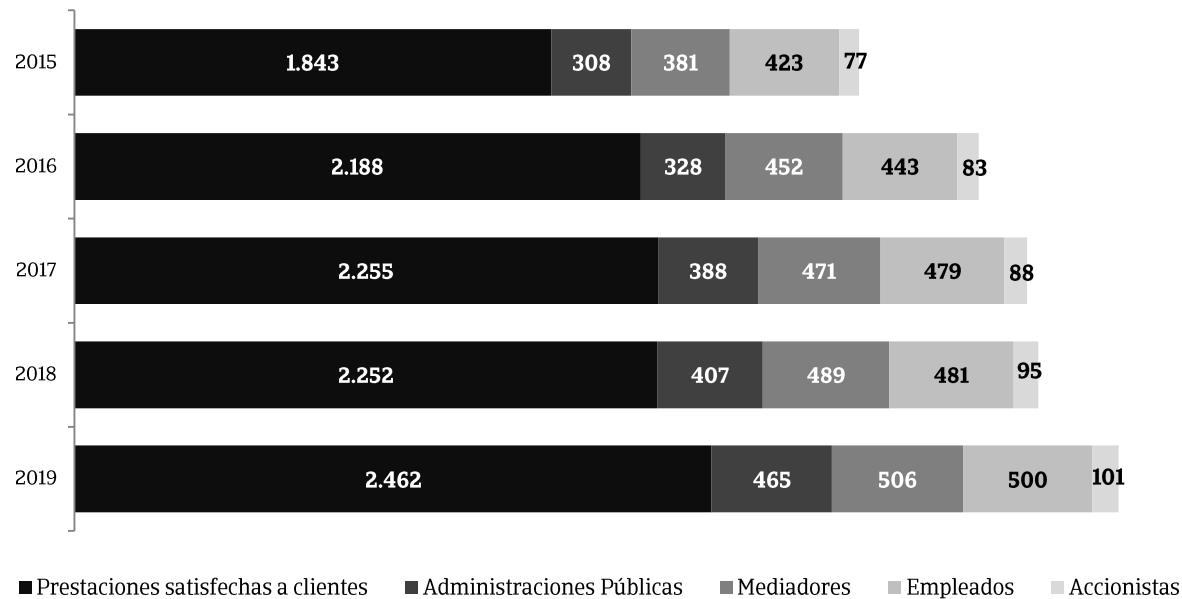
During the year, there has been more improvement and particularly, the risks not measured by the standard formula or the internal model are being analysed. Particular attention has been paid to risks arising from the Brexit, trade tensions between China and the United States, cyber-risk and data protection.

	Description	Regulation	Mitigation	Impact in 2019
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	See section 7: relationship with groups of interest.
Non-life underwriting risk	Control of underwriting and claims through strict control of combined ratio and default credit risk, also supported on the reinsurance policies.	Underwriting and reserve policies. Reinsurance policy. Manual and technical standards for underwriting. Data quality policy.	Reinsurance and strict control of the combined ratio. Maintenance of the business diversification.	Claims ratio in traditional business of 90.4%. Claims ratio in credit insurance of 73.4%. For risk quantification, see SFCR.
Underwriting risk for life, health and funeral	Control of underwriting, claims and portfolio value, also supported on the reinsurance policies.	Underwriting and reserve policies. Reinsurance policy. Manual and technical standards for underwriting. Data quality policy.	Reinsurance and strict control of the underwriting risk.	For risk quantification, see SFCR.
Market risk	Detailed analysis of asset-liability management (ALM), analysis, and sensitivity analysis for future scenarios.	Investment policy. Management based on principle of prudence. Asset and liability assessment policy.	Management of assets based on principle of prudence. *Control of different types of portfolio and objectives. *Commitments of liabilities to cover. *Typology of investments considered suitable for investment. *Diversification limits and credit rating to be maintained.	Financial result for net income of 0.8% impacted by maintenance of reduced interest rates and exchange differences. Non-recurring result of -€25.8 million due to impairment in value of two subsidiaries. For risk quantification, see SFCR.
Counterparty risk	Control of credit rating for the principal financial counterparties and rating of the reinsurance panel. Monitoring of risk exposure for commercial credit.	Reinsurance policy. Investment policy.	Reinsurance with counterparties with good credit rating. Diversified investment portfolio with high rating.	No impact. Average reinsurer rating of "A". Average investment portfolio rating of "BBB". For risk quantification, see SFCR.
Operational and regulatory compliance risk	Control of inherent risk and residual risk through the implementation of preventive controls and mitigation in the case of occurrence of an event. Includes non-compliance risk Regulation and evaluation of the impact of any change in the legal environment.	Contingency plans. Data quality and safety policy. Code of ethics. Procedure for action in cases of irregularities and fraud (report channel). Internal Code of Conduct. Verification of regulatory compliance policy. Prevention of money laundering and funding of terrorism Outsourcing policy. Cyber risk / data protection.	Implementation of an efficient internal control system.	No impact. Positive result of the "cyber risk attacks". For risk quantification, see SFCR. There have not been any events of regulatory non-compliance but there are still significant imminent regulatory changes.
Market Liquidity	Control of liquidity in the companies and the obligations.	Investment policy.	Low debt ratio.	Over €1,800 million in liquid assets and deposits. For risk quantification, see SFCR.
Strategic risk	Controlled by the Board of Directors and the Steering Committee through the <i>Strategic Plan</i> and the guidelines of the Group.	Strategic plan and medium-term plan.	Continuous monitoring of the regulatory frameworks, allowing the entity to adopt the best practices and most efficient and rigorous criteria for implementation.	Solvency ratio of 200%, slightly higher than the European average. Favourable performance of solvency publication financial statements and tax risk management and control policy. Political situation in Spain.
Reputational risk	Continuous improvement of customer service and the image of the Group and the risks that may have an impact on the Group.	Procedure for action for irregularities. Code of conduct Code of ethics. Policy of aptitude and honour.	Frequent contact with the rating agencies. Implementation of an efficient internal control system.	

Creation of value

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

Evolution of contribution to society

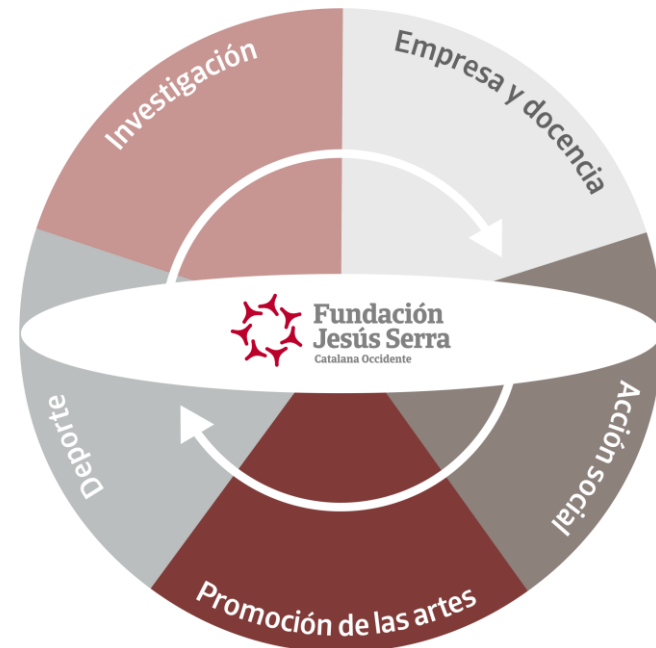


Fundación Jesús Serra



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

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



More than insurance....

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

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	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	<p>Turnover is the Group's business volume.</p> <p>It includes premiums that the Group generates in each of the business lines and the income from services pertaining to the credit insurance.</p>	<p>Turnover = written premiums + Income from information Written premiums = premiums issued from direct insurance + premiums from accepted reinsurance</p>
Managed funds	<p>Amount of the financial and property assets managed by the Group</p>	<p>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</p>
Financial strength	<p>This shows the debt and solvency situation.</p> <p>This is principally measured through the debt ratio, the interest coverage ratio and the credit rating.</p>	<p>Debt ratio = Net equity + Debt / Debt</p> <p>Interest coverage ratio = result before taxes / Interest</p>
Technical cost	<p>Direct costs of accident coverage. See claims.</p>	<p>Technical cost = claims in the year, net of reinsurance + variation of other technical provisions, net of reinsurance</p>
Dividend yield	<p>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.</p> <p>Indicator used to value the shares of an entity.</p>	<p>Dividend yield = dividend paid in the year per share / value of the price of the average share.</p>
Amended duration	<p>Sensitivity of the value of the assets to movements in interest rates</p>	<p>Amended 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.</p>
Expenses	<p>The general expenses include the costs incurred for management of the business, excluding those that can be assigned to claims.</p>	<p>Expenses = personnel expenses + commercial expenses + various expenses and services (allowance, training, management rewards, material and other office expenses, leases, external services, etc.)</p>
Permanence index	<p>This measures the customer's expectations of continuing with the entity</p> <p>Scale from less than 1 year to over 5 years</p>	<p>Permanence index= how long do you think that you will remain a customer?</p>

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 = Price of the share at market close / Result of the year attributable to the parent company per share
Ex. single premiums	Total premiums without considering non-periodic premiums in the Life business	Ex. single premiums = Invoiced premiums - single premiums in the life business
Technical provisions	Amount of the obligations assumed that are derived from insurance and reinsurance contracts.	
Combined ratio	Indicator that measures the technical profitability of the Non Life insurances.	Combined ratio = Ratio of claims + ratio of expenses

Net combined ratio	Indicator that measures the technical profitability of the non life insurances net of the reinsurance effect	Net combined ratio = Net ratio of claims + net ratio of expenses
Expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses.	Expenses ratio = Expenses from operation / Income from insurance
Net expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses, net of the reinsurance effect	Net expenses ratio = (Net expenses from reinsurance operation) / (premiums attributed to direct business and accepted reinsurance + information services and commissions)
Claims ratio	Business indicator, consisting of the proportion between claims and earned premiums.	Claims ratio = Claims / Income from insurance
Net claims ratio	Business indicator, consisting of the proportion between claims and earned premiums, net of the reinsurance effect.	Net claims ratio = Claims in the year, net of reinsurance / (premiums attributed to direct business and accepted reinsurance + information services and commissions)
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) / (Simple average of the Equity attributed to shareholders of the parent company at the start and end of the period (twelve months)) x 100
Claims	See technical cost. Economic evaluation of claims.	Claims = Payments made from direct insurance + Variation of the provision for services of direct insurance + expenses attributable to services
Total Potential Exposure TPE	This is the potential exposure to risk, also "cumulative risk". Credit insurance business term	TPE = the sum of the credit risks underwritten by the Group for each buyer

Disclaimer

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Thank you

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