

12M2018



Results Presentation
Grupo Catalana Occidente

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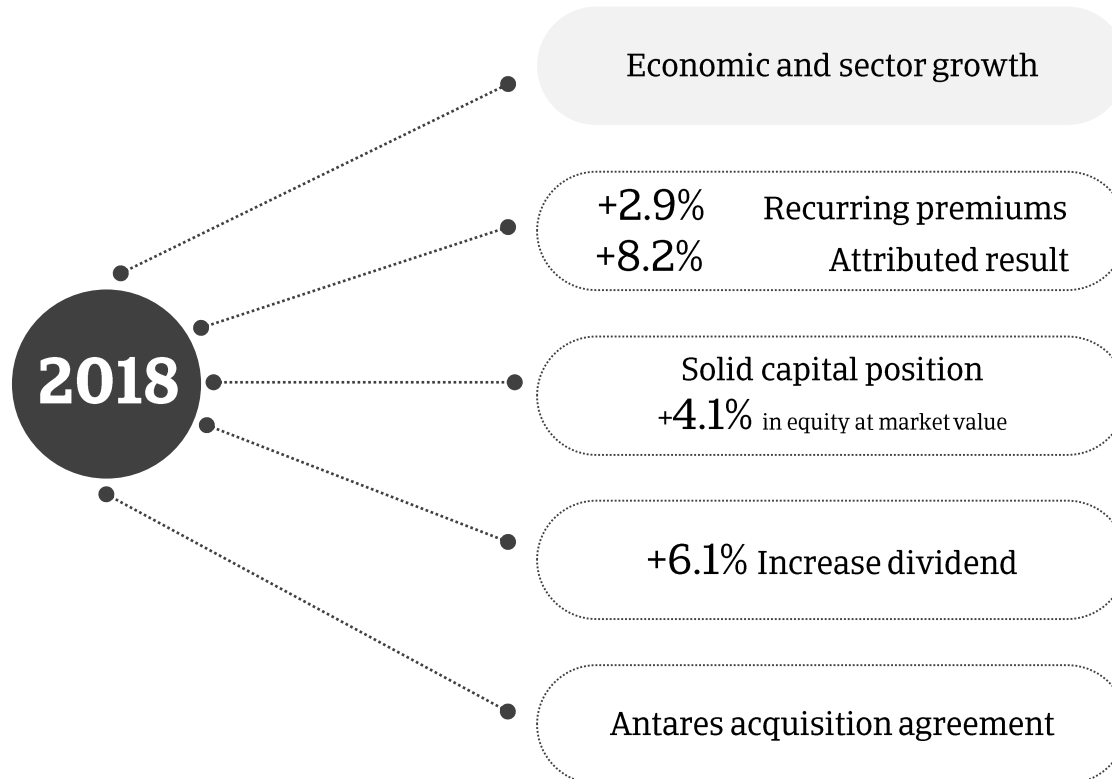
Presentation based on the report data at the close of the year 2018 published on 02/28/2019

01

Keys for the period

The Group maintained the positive evolution with growth in turnover and results, adapting to social and environmental changes.

Favourable behaviour in the main figures



Macroeconomic environment

World GDP growth stands at 3.7%. Downward reviews due to the impact of tariff measures, higher oil costs and geopolitical tensions.

Global

GDP	+3.7% 17	+3.7% 18	+3.7% 19e
Inflation	+3.1% 17	+3.3% 18e	+3.3% 19e

United States

GDP	+2.2% 17	+2.9% 18	+2.5% 19e
Inflation	+2.1% 17	+2.4% 18e	+2.4% 19e

Latam

GDP	+1.3% 17	+1.1% 18	+2.2% 19e
Inflation	+6.0% 17	+6.1% 18e	+6.1% 19e

Eurozone

GDP	+2.4% 17	+1.8% 18	+1.9% 19e
Inflation	+1.6% 17	+1.8% 18e	+1.8% 19e

Spain

GDP	+3.0% 17	+2.5% 18	+2.2% 19e
Inflation	+2.0% 17	+1.8% 18e	+1.8% 19e

Emerging economies and in development of Asia (Pacific Asia)

GDP	+6.5% 17	+6.5% 18	+6.3% 19e
Inflation	+2.5% 17	+3.6% 18e	+3.6% 19e

Source: FMI. Last reviewed January 2019

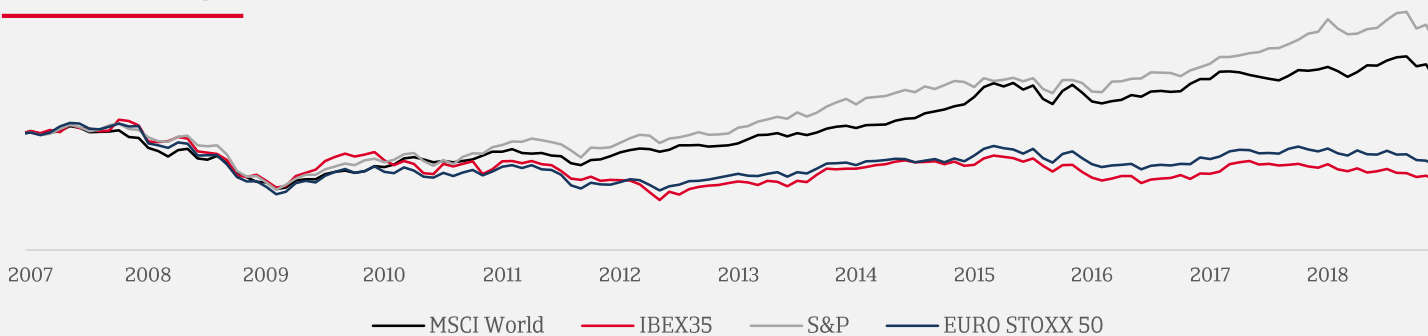
Financial markets

Less accommodative monetary policy and volatility in the markets for fear of a global protectionist turn and geopolitical tensions

Interest rates



Stock exchange



Revaluation 2018

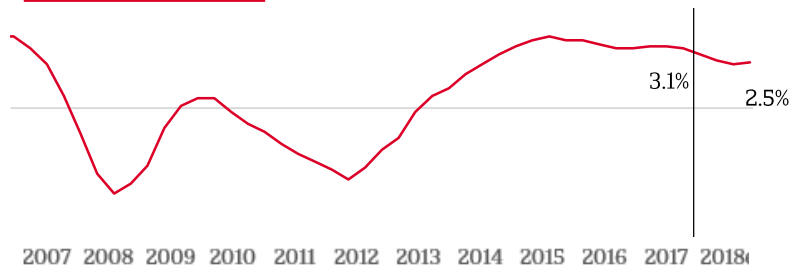
S&P	-6.2%
MSCI World	-5.9%
Euro Stoxx 50	-14.3%
Ibex 35	-15.0%

Source: Bloomberg Last reviewed January 2019

Situation in Spain

Fundamental solids in Spain with recognition from rating agencies

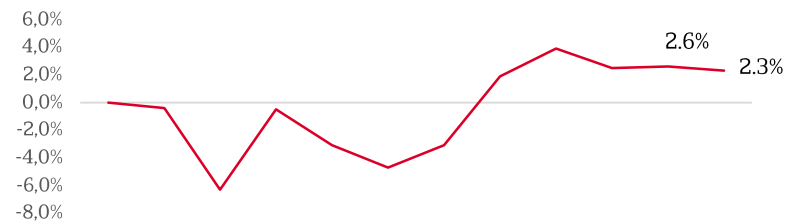
% GDP



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018e

Source: FMI

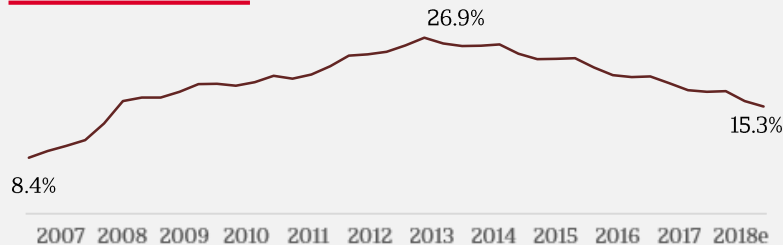
% domestic demand



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018e

Source: BBVA Research

% Unemployment rate



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018e

Source: Instituto nacional de estadísticas

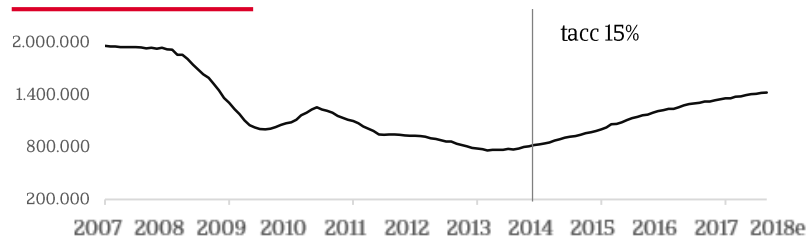
Mortgages number



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Source: Instituto nacional de estadísticas

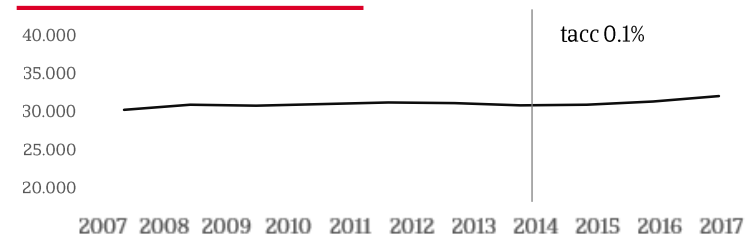
Vehicle registrations



2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018e

Source: Asociación española de fabricantes de automóviles y camiones

Automobile park



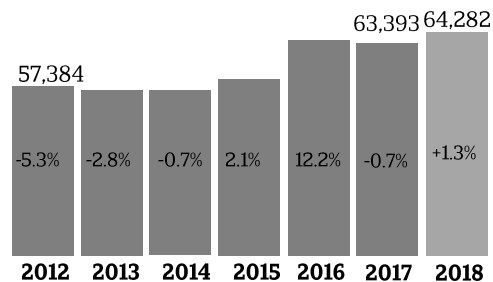
2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017

Source: Dirección general de tráfico

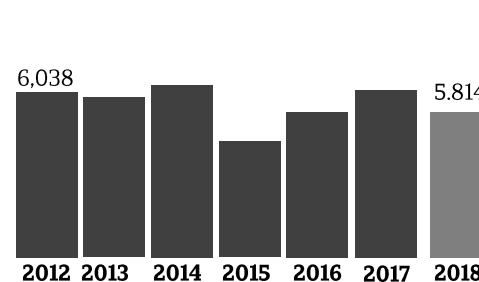
Insurance sector in Spain

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

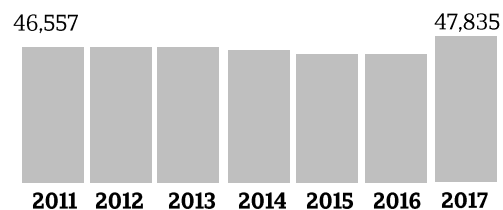
Insurance sector premiums (€M)



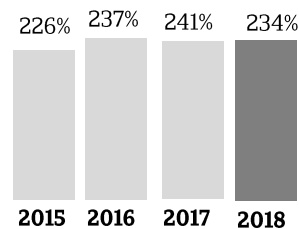
Insurance sector net result (€M)



Employees



% solvency II



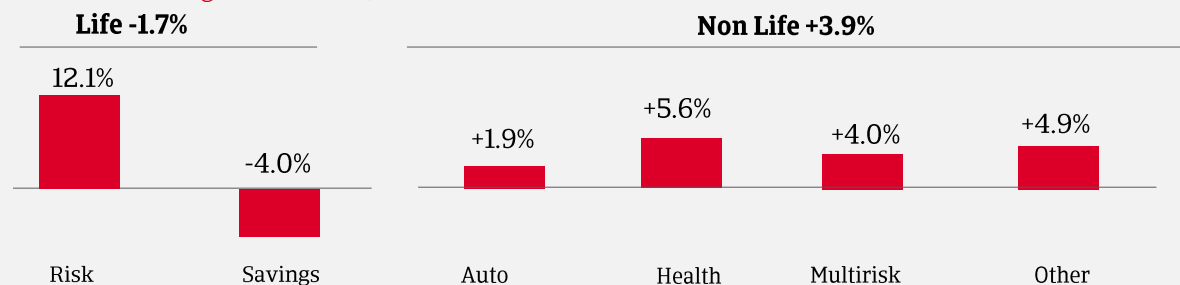
Stability in results

ROE
13.0% -1.2 p.p

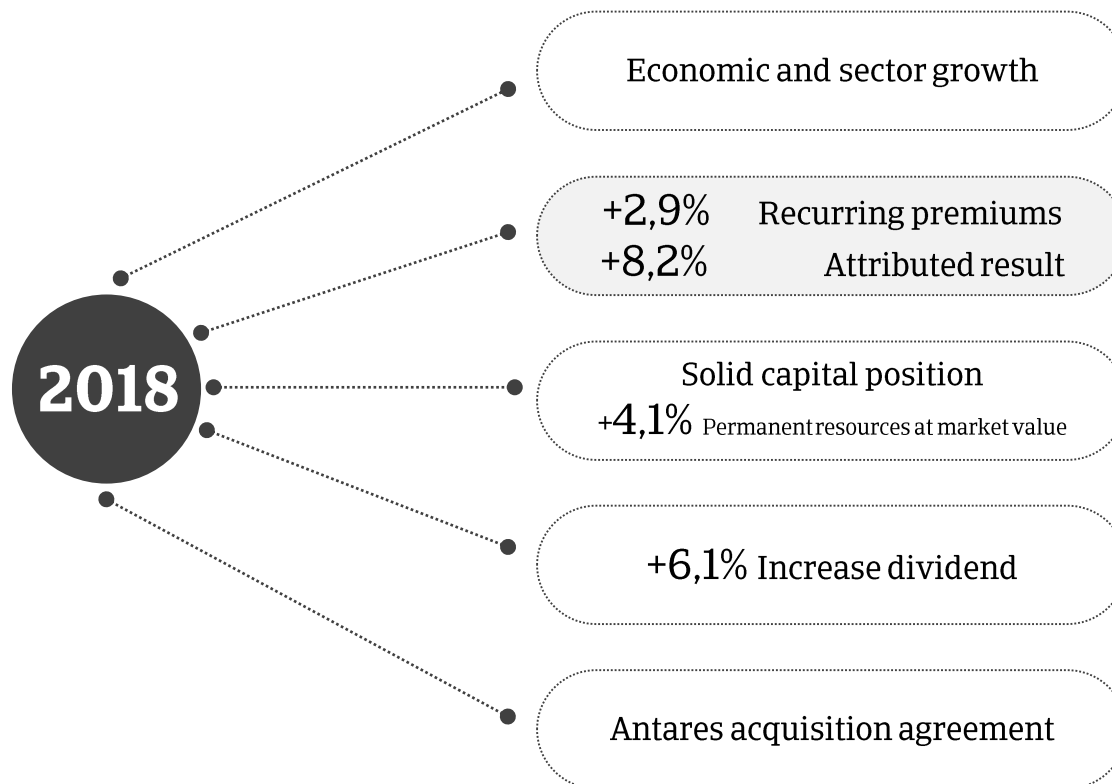
Combined ratio
91.4% -2.4 p.p

Motor	96,0%
Multirisk	95,8%
Health	92,7%

Primas sector asegurador 2018: 1.3%



Favourable behaviour in the main figures



Grupo Catalana Occidente in 12M2018

(in million of euros)

Income	12M2017	12M2018	% Var. 17-18
Traditional Business	2,516.1	2,541.2	1.0%
Recurring premiums	2,153.2	2,200.5	2.2%
Single premiums life	362.9	340.7	-6.1%
Credit Insurance Business	1,738.2	1,803.9	3.8%
Turnover	4,254.3	4,345.1	2.1%

+2.9%
Recurring premiums

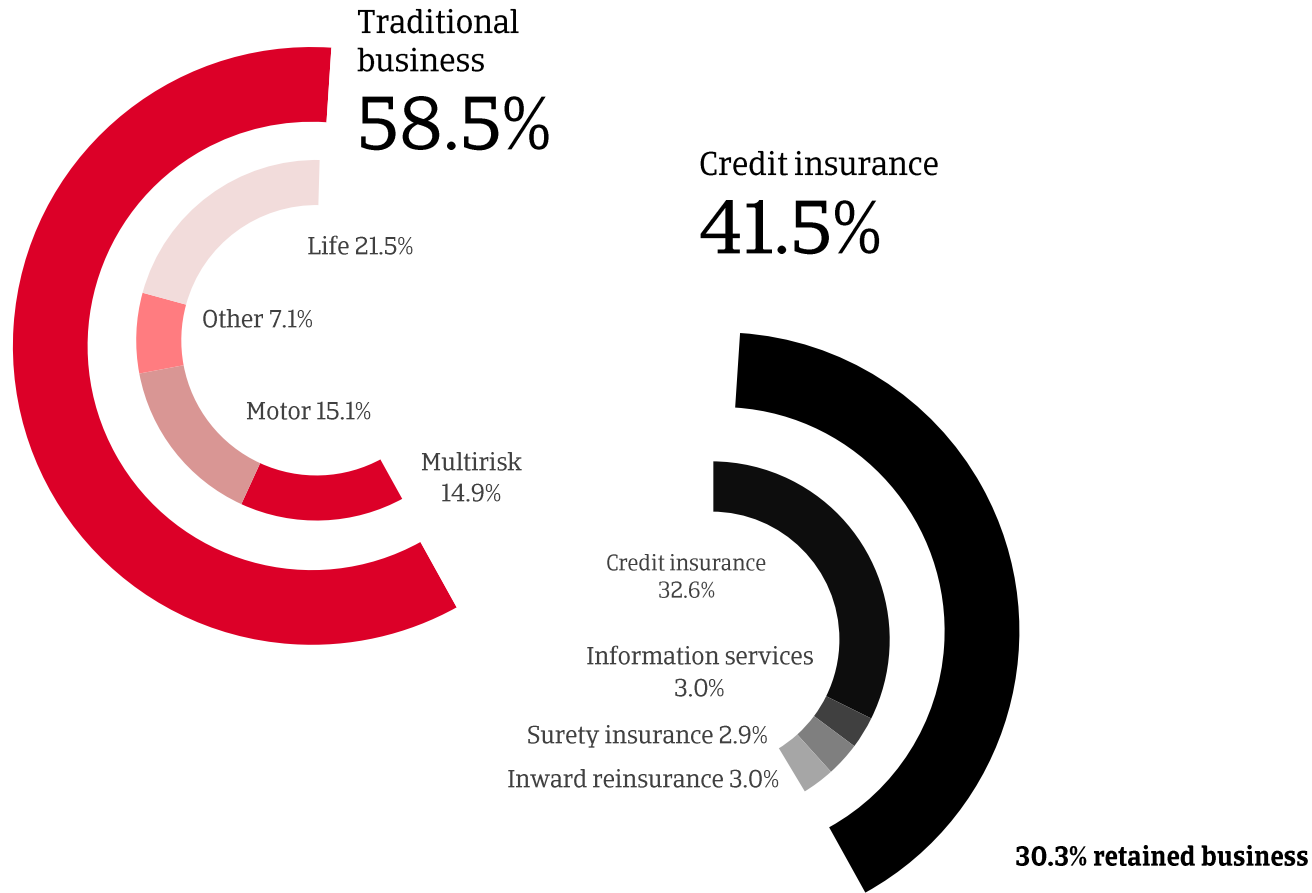
(in million of euros)

Results	12M2017	12M2018	% Var. 17-18
Recurring Results Traditional Business	179.1	195.7	9.3%
Recurring Results from Credit Insurance Business	190.0	200.9	5.8%
Non-Recurring Result	-11.8	-10.2	
Consolidated result	357.3	386.4	8.1%
Attributed result	325.4	352.1	8.2%

352.1 M€
+8.2%
Attributed result

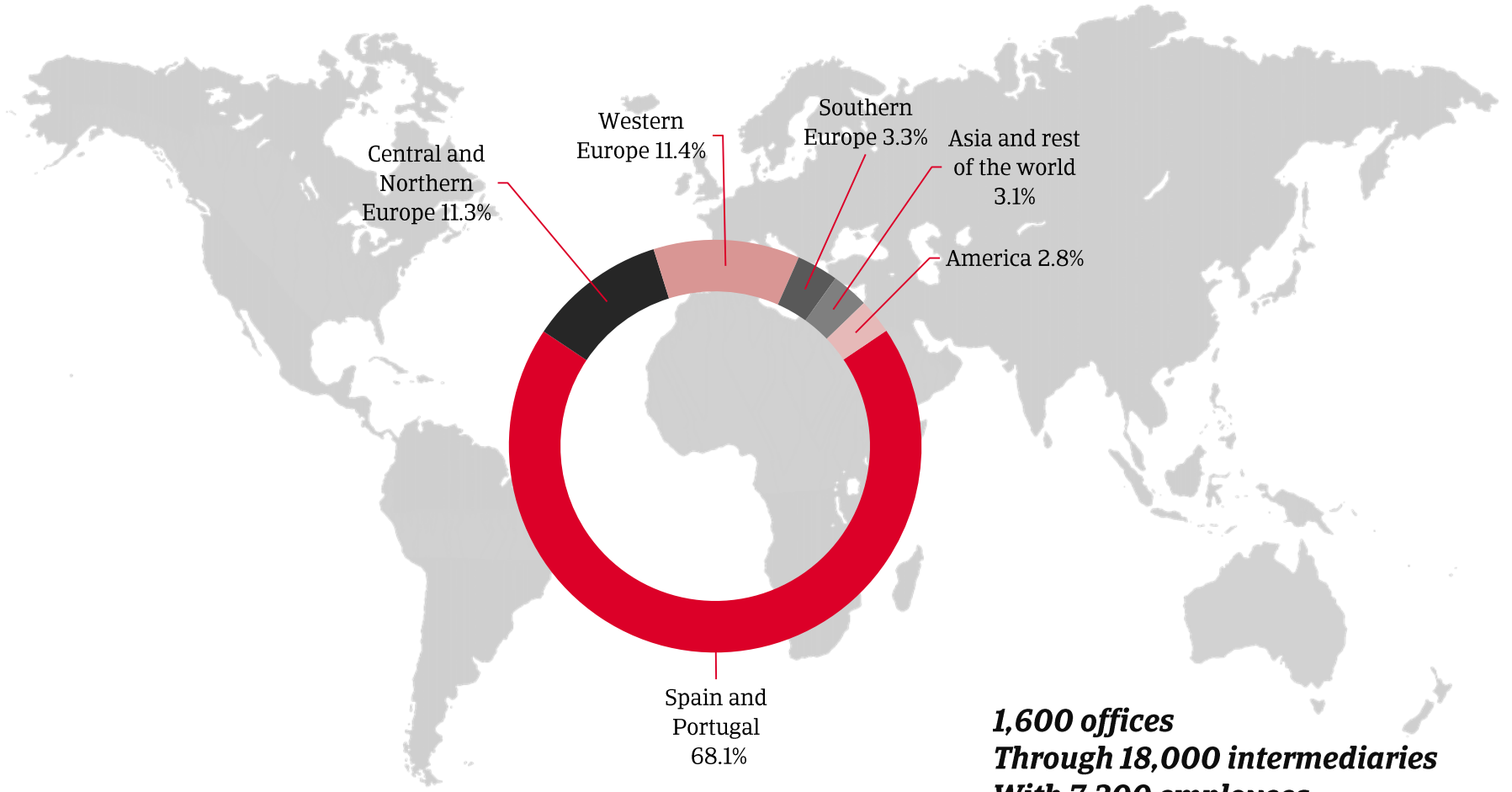
Diversification Grupo Catalana Occidente in 12M2018

balanced portfolio, complete offer



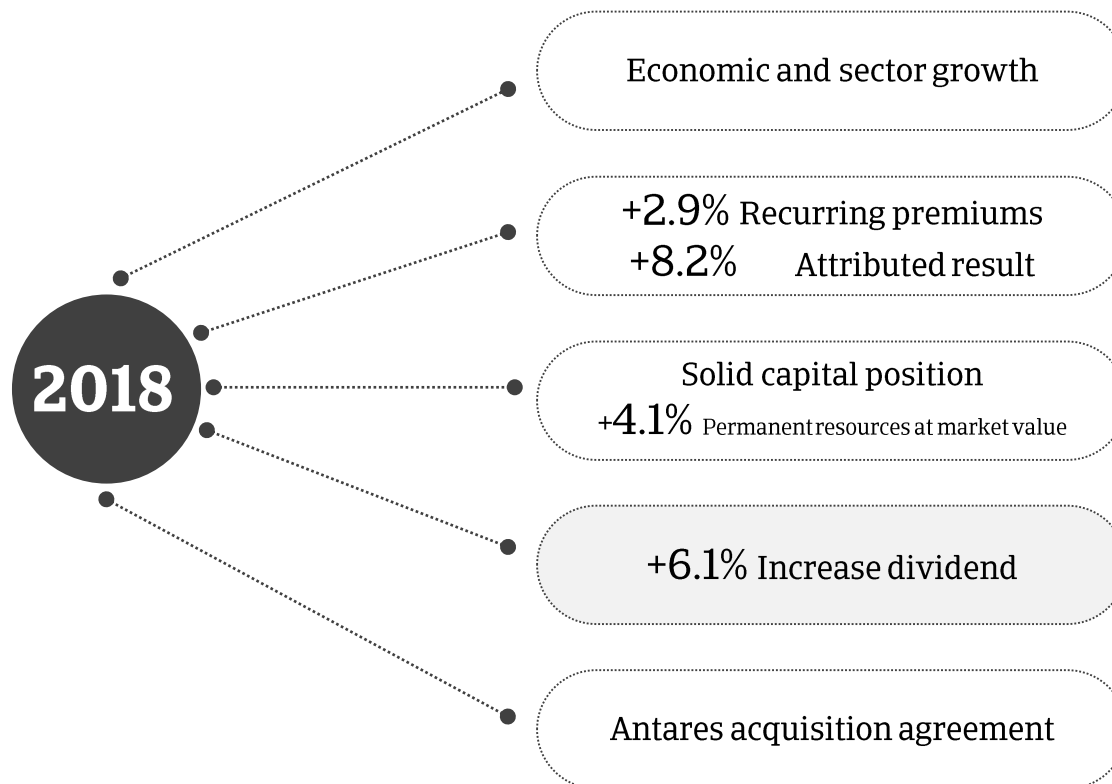
Global Presence

In over 50 countries



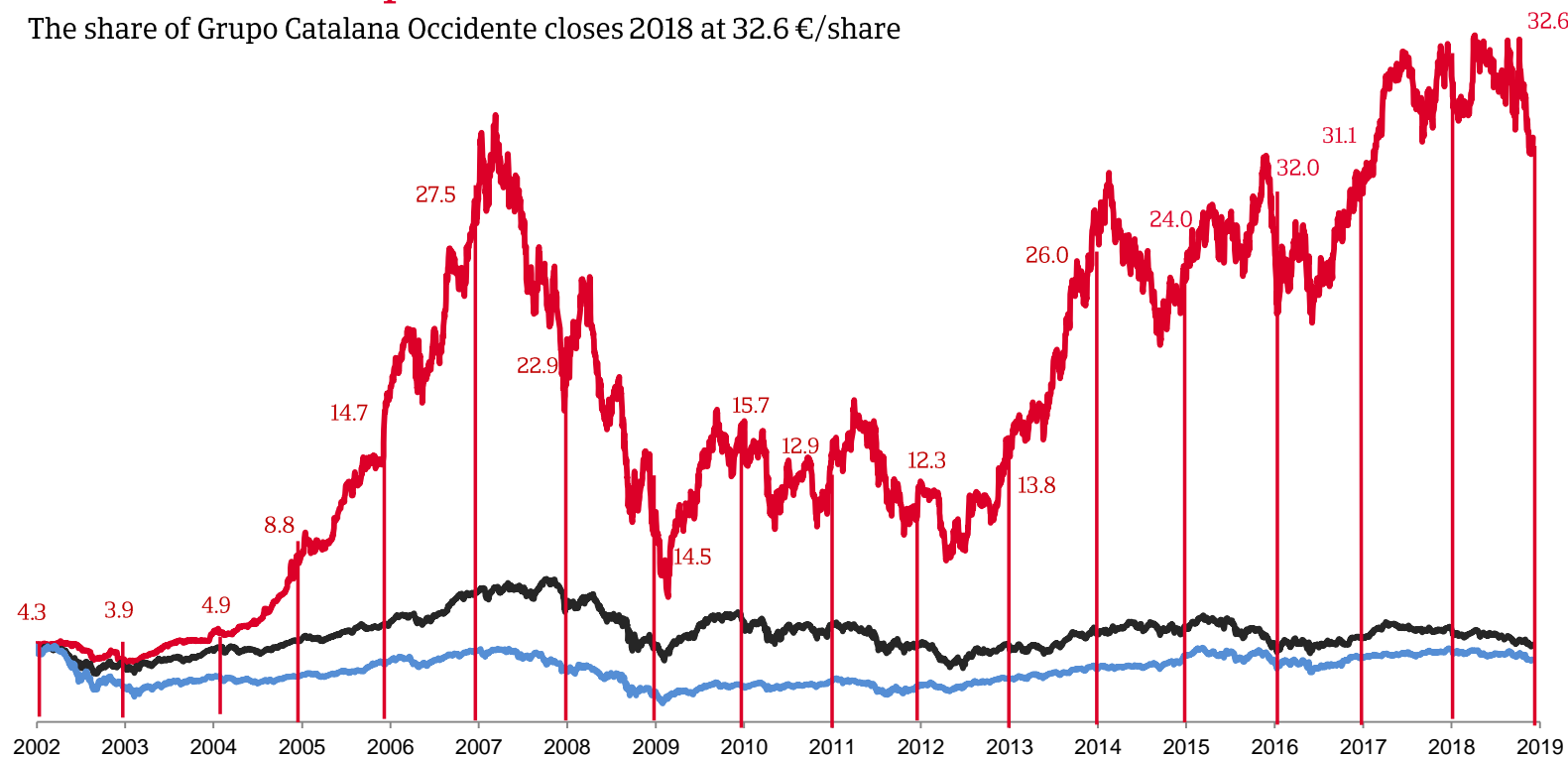
1,600 offices
Through 18,000 intermediaries
With 7,300 employees

Favourable behaviour in the main figures



Evolution of the price

The share of Grupo Catalana Occidente closes 2018 at 32.6 €/share



Profitability	2013	2014	2015	2016	2017	2018	TACC 02-18
GCO (%)	88.96	-7.80	33.5	-2.84	18.74	-11.75	14.7%
Ibex 35 (%)	21.41	3.66	-7.15	-2.00	7.40	-14.97	2.2%
EuroStoxx Insurance (%)	28.86	9.78	14.12	-5.60	6.93	-10.05	3.2%

* Annual Composite Growth Rate

Increase of 6.1% of the dividends to the income statement 2018

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

Jul. 2018: 0.1512 €/a

+5%

Oct. 2018: 0.1512 €/a

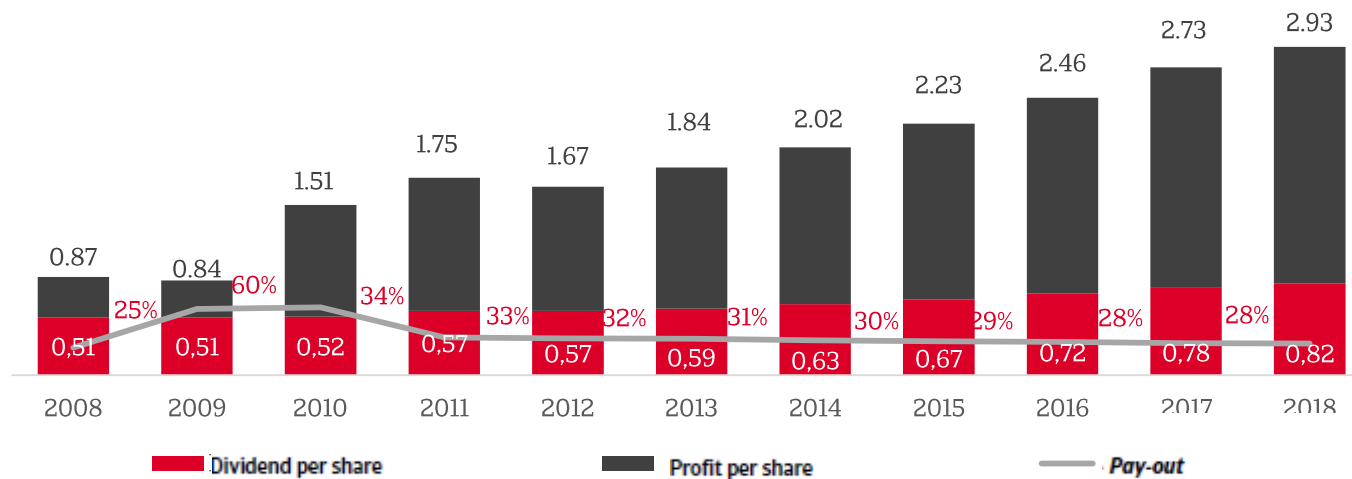
+5%

Feb. 2019: 0.1512 €/a

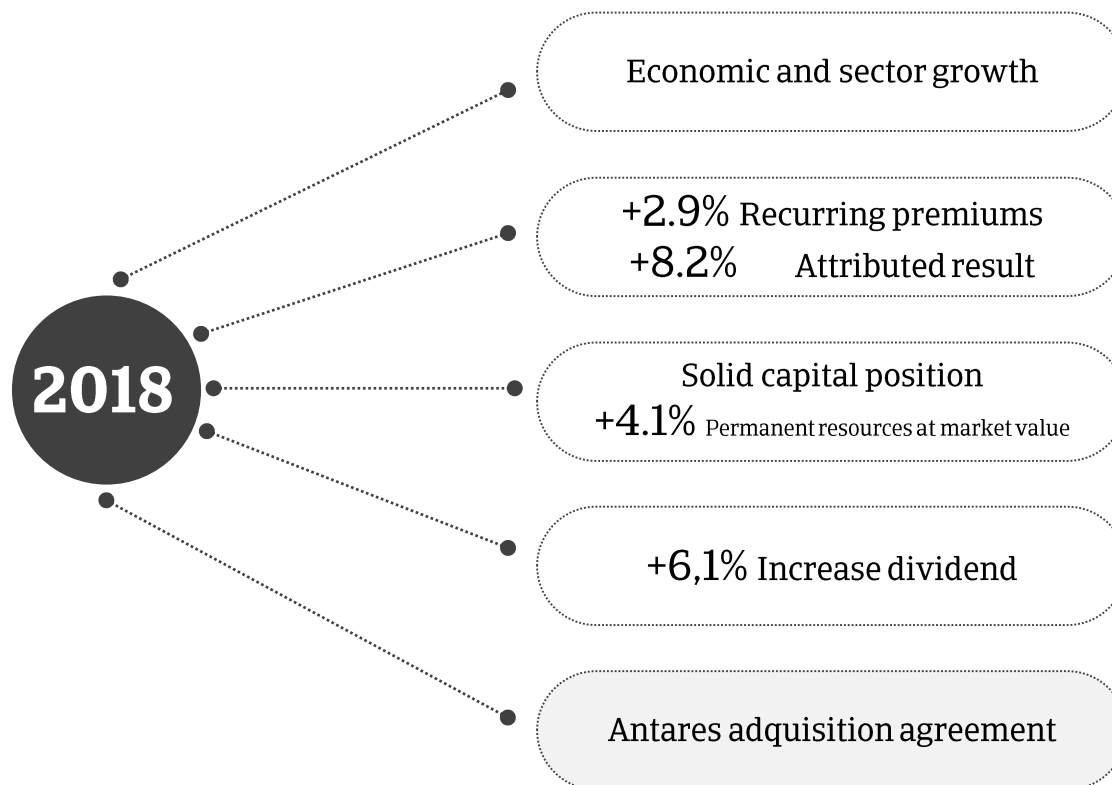
+5%

May. 2019: 0.3688 €/a

complementary **+7.49%**

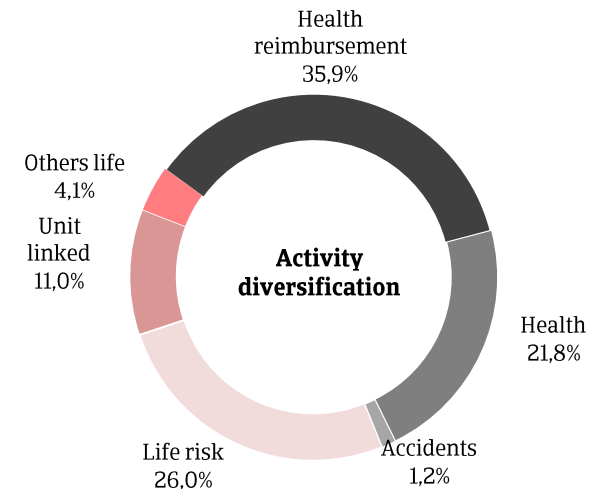


Favourable behaviour in the main figures

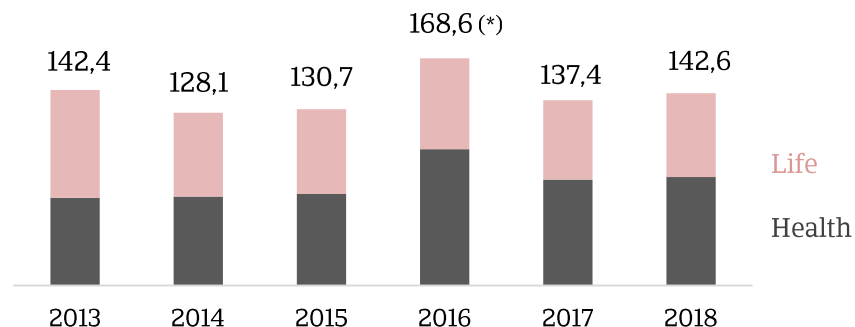


Antares acquisition agreement

- Founded in 1987 and property of Telefónica
- N° 17 in health with 0.96% of market share
- Profitable and solvent Group
- Management team with great experience and contrasted results
- Since 2011 expanding the marketing beyond Telefónica
- Insured: 245,000
- Medical team: more than 18,000 professionals

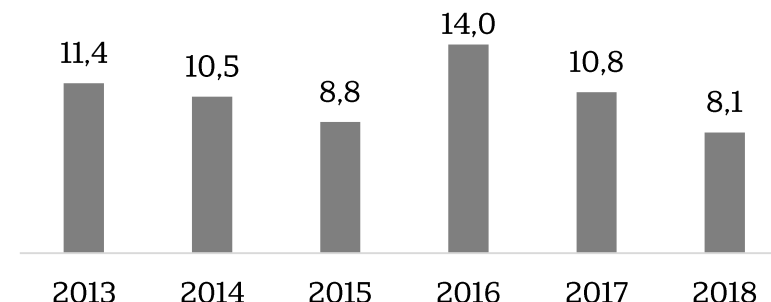


Evolution of invoicing



(*) 83% of invoice comes from Telefónica

Evolution of net results



Antares acquisition agreement

Solid strategic fit in Grupo Catalana Occidente

- Reinforce the Group position in the spanish market
- Consolidates the global offer for the customer
- Aumenta el peso del negocio de salud
 - 9th position on the Spanish market
 - 2.0% of market share
 - More than 160 million euros of invoicing
- Take advantage of the increased volume to negotiate with third parties
- Enables synergies capture in the medium term

Closing of the operation 14th February 2019

- Incorporation of 863,9 million euros on assets
- Goodwill of 11 million euros

Nº	Group	Turnover	Market share		Nº	Grupo	Turnover	Market share
6	Total	2,854.0	4.5%		6	Total	2,997.2	4.7%
4	Non life	2,104.4	6.0%		4	Non life	2,185.2	6.2%
15	Health	86.7	1.0%	→	9	Health	165.7	2.0%
10	Life	749.6	2.6%		10	Life	812.0	2.8%

Source: ICEA 2018

02

Economic results 12M2018

The group ended 2018 with a positive performance of its main figures improving in results, income and capital.

02

Income statement

Traditional business

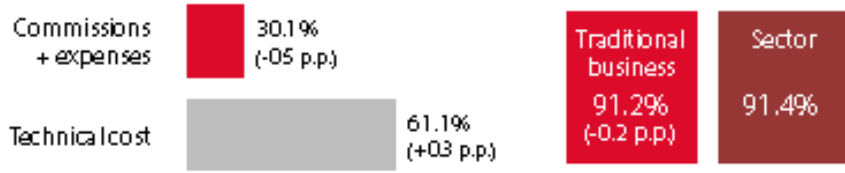
Credit insurance business

Capital, investments and solvency

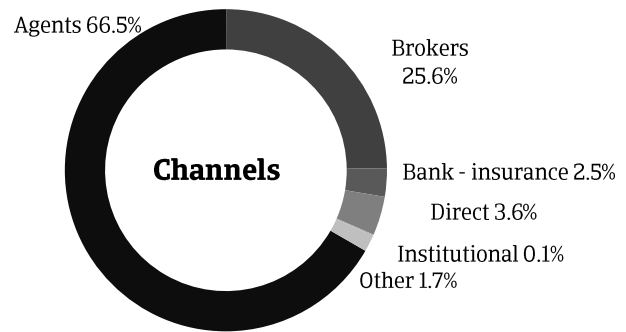
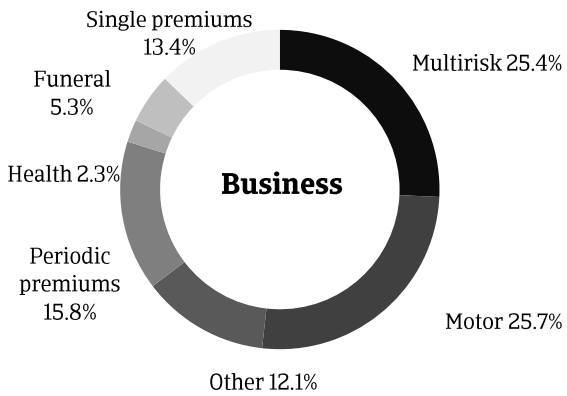
Traditional business



Combined ratio



Distribution traditional business



Traditional business. Multirisk



Written
premiums
2.3%

Combined
ratio
89.9%

(in million of euros)

Multi-risk	2014	2015	2016	2017	2018	% var. 17-18
Written premiums	407.0	508.6	624.1	631.3	645.9	2.3%
Earned premiums	410.0	517.3	623.4	629.8	638.7	1.4%
Number of claims	422,870	613,030	615,260	656,222	728,229	11.0%
Average cost of claims, in €	500.3	458.2	560.3	520.2	494.9	-4.9%
Technical Provisions	331.1	540.1	540.8	529.6	525.1	-0.8%
% <i>Technical cost</i>	51.6%	54.3%	55.1%	54.1%	55.8%	1.7
% <i>commissions</i>	19.3%	20.2%	20.5%	20.6%	20.7%	0.1
% <i>expenses</i>	16.6%	16.8%	14.3%	13.3%	13.4%	0.1
% combined ratio	87.5%	91.2%	89.9%	88.0%	89.9%	1.9
Technical result after expenses	50.7	45.6	63.1	75.8	64.5	-15.0%
% <i>of premiums acquired</i>	12.4%	8.8%	10.1%	12.0%	10.1%	

Traditional business. Motor



Written
premiums

0.4%

Combined
ratio

95.3%

(in million of euros)

Motor	2014	2015	2016	2017	2018	% var. 17-18
Written premiums	322.0	458.0	639.0	651.8	654.3	0.4%
Earned premiums	325.0	456.2	622.5	649.0	657.2	1.3%
Number of claims	189,655	523,648	561,605	574,467	578,897	0.8%
Average cost of claims, in €	1,043.6	552.3	780.3	804.4	805.9	0.2%
Technical Provisions	402.8	722.3	836.6	790.5	810.1	2.5%
% <i>Technical cost</i>	60.9%	63.4%	70.7%	71.2%	71.3%	0.1
% <i>commissions</i>	11.8%	11.3%	11.2%	11.1%	11.0%	-0.1
% <i>expenses</i>	20.1%	17.7%	14.5%	14.2%	13.0%	-1.2
% combined ratio	92.8%	92.4%	96.4%	96.5%	95.3%	-1.2
Technical result after expenses	23.7	34.6	23.1	22.7	30.9	35.9%
% <i>of premiums acquired</i>	7.3%	7.6%	3.7%	3.5%	4.7%	

Traditional business. Others



Written
premiums

4.9%

Combined
ratio

85.2%

(in million of euros)

Others	2014	2015	2016	2017	2018	% var. 17-18
Written premiums	137.3	196.3	280.5	293.9	308.4	4.9%
Earned premiums	139.3	204.5	279.3	290.4	305.2	5.1%
Number of claims	46,590	89,528	95,998	95,247	96,159	1.0%
Average cost of claims, in €	1,267.7	1,119.3	1,515.8	1,591.5	1,610.0	1.2%
Technical Provisions	285.1	477.7	403.8	495.1	489.9	-1.1%
% <i>Technical cost</i>	42.4%	49.0%	52.1%	52.1%	50.2%	-1.9
% <i>commissions</i>	21.5%	21.3%	21.2%	20.5%	20.8%	0.3
% <i>expenses</i>	18.4%	17.0%	14.9%	14.8%	14.1%	-0.7
% combined ratio	82.4%	87.3%	88.2%	87.4%	85.2%	-2.2
Technical result after expenses	24.6	26.0	33.0	36.6	45.3	23.6%
% <i>of premiums acquired</i>	17.7%	12.7%	11.8%	12.6%	14.8%	

Traditional business. Life



Recurring
premiums
2.7%

(in million of euros)

Life	2014	2015	2016	2017	2018	% var. 17 -18
Life insurance turnover	959.3	987.9	1,003.7	939.1	932.6	-0.7%
Life periodic saving	300.0	338.2	381.3	394.0	400.6	1.7%
Health	20.3	36.0	53.6	54.5	57.6	5.7%
Funeral	74.3	78.3	92.2	127.7	133.7	4.7%
Life single saving	564.7	535.4	476.6	362.9	340.7	-6.1%
Contributions to pension plans	48.3	54.8	48.9	60.3	61.2	1.5%
Net contributions to investment funds	9.6	8.5	-0.4	7.4	4.3	
Volume of funds managed	4,208.0	5,230.3	5,538.5	5,638.0	5,711.9	1.3%
Earned premiums	957.6	989.1	1,002.4	936.9	930.1	-0.7%
Technical result after expenses	18.5	20.1	30.6	47.6	60.5	27.1%
<i>% of premiums acquired</i>	<i>1.9%</i>	<i>2.0%</i>	<i>3.1%</i>	<i>5.1%</i>	<i>6.5%</i>	
Technical result - financial	55.7	50.4	62.6	79.4	92.2	16.1%
<i>% of premiums acquired</i>	<i>5.8%</i>	<i>5.1%</i>	<i>6.2%</i>	<i>8.5%</i>	<i>9.9%</i>	

Traditional business.

	(in million of euros)					
Traditional business	2014	2015	2016	2017	2018	% var. 17-18
Written premiums	1,825.7	2,150.8	2,547.3	2,516.1	2,541.2	1.0%
Life insurance premiums, ex. single	1,261.0	1,615.4	2,070.7	2,153.2	2,200.5	2.2%
Earned premiums	1,832.0	2,167.1	2,527.7	2,506.2	2,531.2	1.0%
Technical result	117.5	126.3	149.8	182.8	201.2	10.1%
<i>% of premiums acquired</i>	<i>6.4%</i>	<i>5.8%</i>	<i>5.9%</i>	<i>7.3%</i>	<i>7.9%</i>	
Financial result	54.5	70.1	72.5	72.5	74.1	2.2%
<i>% of premiums acquired</i>	<i>3.0%</i>	<i>3.2%</i>	<i>2.9%</i>	<i>2.9%</i>	<i>2.9%</i>	
<i>Non-technical result</i>	<i>-8.2</i>	<i>-11.5</i>	<i>-13.6</i>	<i>-22.0</i>	<i>-20.4</i>	
Funeral business complementary activities			1.0	3.6	2.4	
Corporation tax	-39.9	-48.4	-50.7	-55.7	-61.5	
Recurring result	123.9	136.5	159.0	179.1	195.7	9.3%
Non-recurring result	-1.9	5.1	5.1	1.44	-4.6	
Total result	122.0	141.6	164.1	180.5	191.1	5.9%

 See annexes: expenses, financial result and non-recurring

02

Income statement

Traditional business

Credit insurance business

Capital, investments and solvency

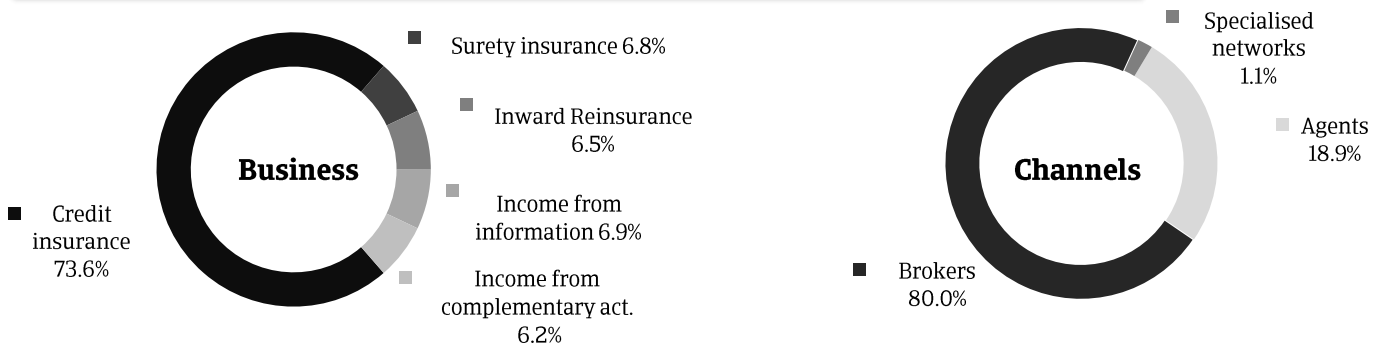
Credit insurance business

+4.0% 1,671.4 M€
Written premiums

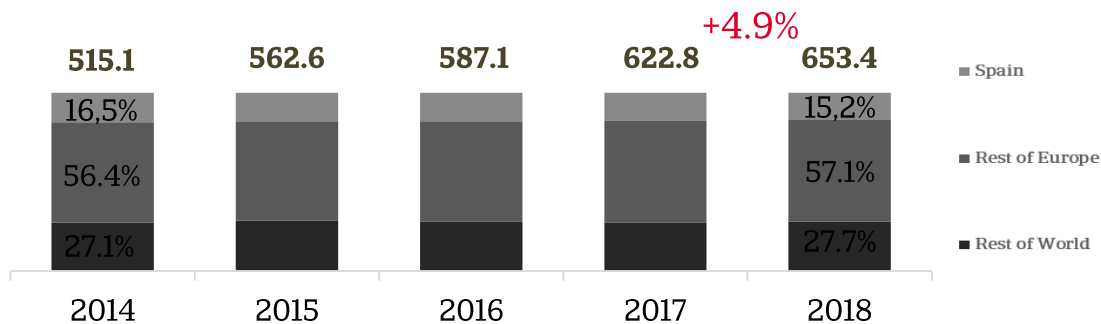
+4.9% 271.9 M€
Net technical result

+5.8% 200.9 M€
Recurring result

Distribution credit insurance business



Evolution of cumulative risk (TPE)

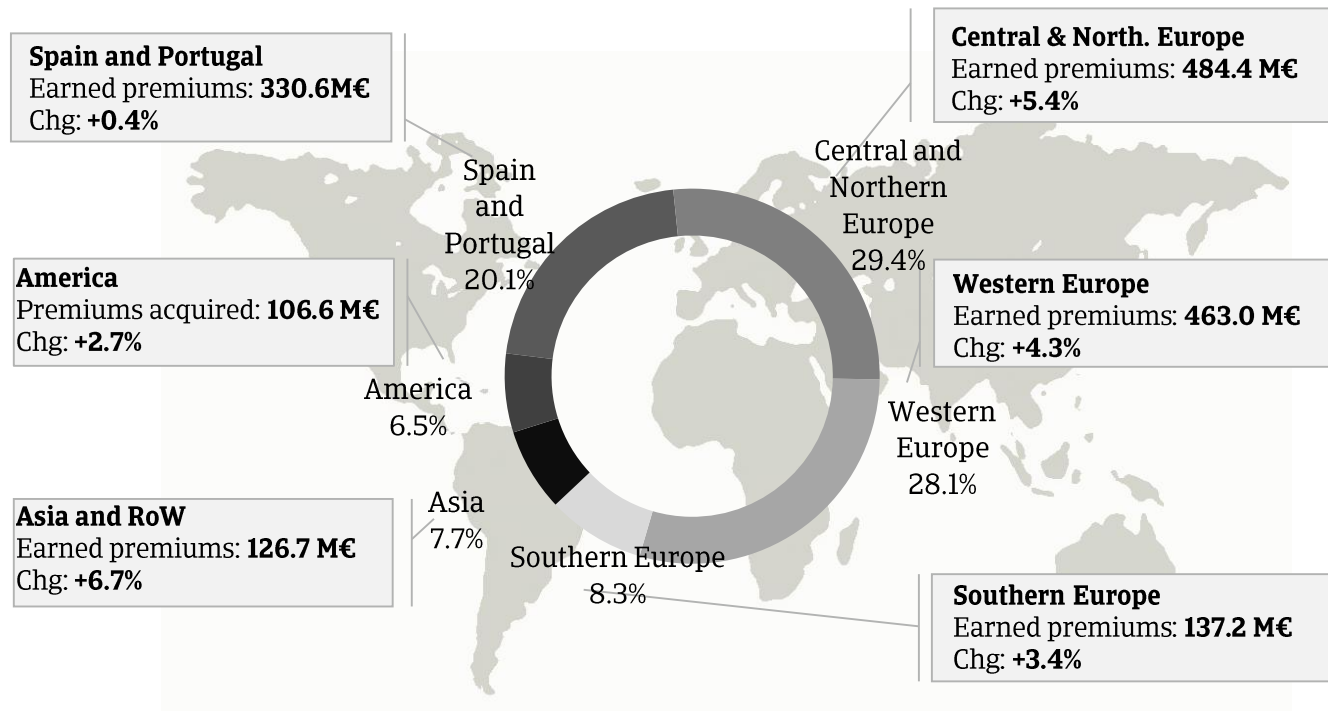


(figures in billions of euro)

Credit insurance business

1,648.5 M€ +3.8%

Earned premiums

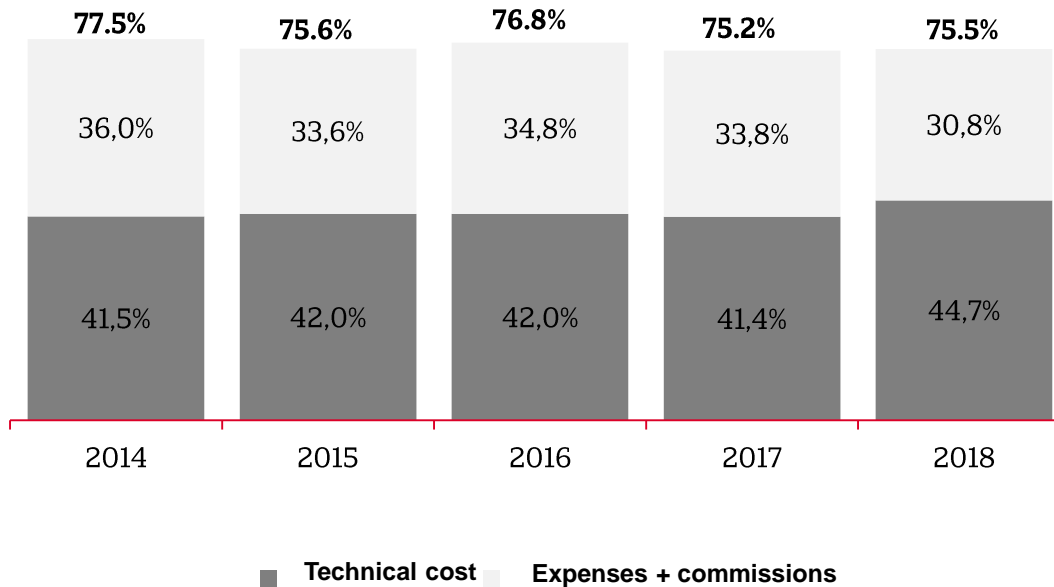


1,781.0 M€ +3.6%

Earned premiums and information services

Credit insurance business

Combined ratio



Increase in business retention
Transfer rate of 40.0%
(2.5 p.p less than in previous years)

Credit insurance business

(in million of euros)

Credit insurance business	2014	2015	2016	2017	2018	% var. 17-18
Earned premiums	1,457.6	1,536.8	1,557.8	1,588.0	1,648.5	3.8%
Information services	115.3	121.5	127.4	130.8	132.5	1.3%
Credit insurance income	1,572.9	1,658.3	1,685.2	1,718.8	1,781.0	3.6%
Technical result after expenses	355.3	343.4	376.8	392.9	377.6	-3.9%
<i>% of income</i>	<i>22.6%</i>	<i>20.7%</i>	<i>22.4%</i>	<i>22.9%</i>	<i>21.2%</i>	
Reinsurance result	-145.8	-103.0	-140.1	-133.7	-105.6	-21.0%
<i>% of income</i>	<i>-9.3%</i>	<i>-6.2%</i>	<i>-8.3%</i>	<i>-7.8%</i>	<i>-5.9%</i>	
Ceded reinsurance ratio	45.0%	42.5%	42.5%	42.5%	40.0%	
Net technical result	209.5	240.4	236.7	259.2	271.9	4.9%
<i>% of income</i>	<i>13.3%</i>	<i>14.5%</i>	<i>14.0%</i>	<i>15.1%</i>	<i>15.3%</i>	
Financial result	13.7	4.8	14.8	3.3	9.2	
<i>% of income</i>	<i>0.9%</i>	<i>0.3%</i>	<i>0.9%</i>	<i>0.2%</i>	<i>0.5%</i>	
Result complementary act.	4.1	8.0	8.6	6.8	3.8	-44.1%
Company income tax	-70.4	-71.1	-64.3	-69.9	-76.6	
Adjustments	-4.6	-11.6	-9.4	-9.6	-7.4	
Recurring result	152.3	170.4	186.5	190.0	200.9	5.8%
Non-recurring	0.5	-15.9	-26.1	-13.2	-5.7	
Total result	152.8	154.5	160.4	176.8	195.2	10.4%

02

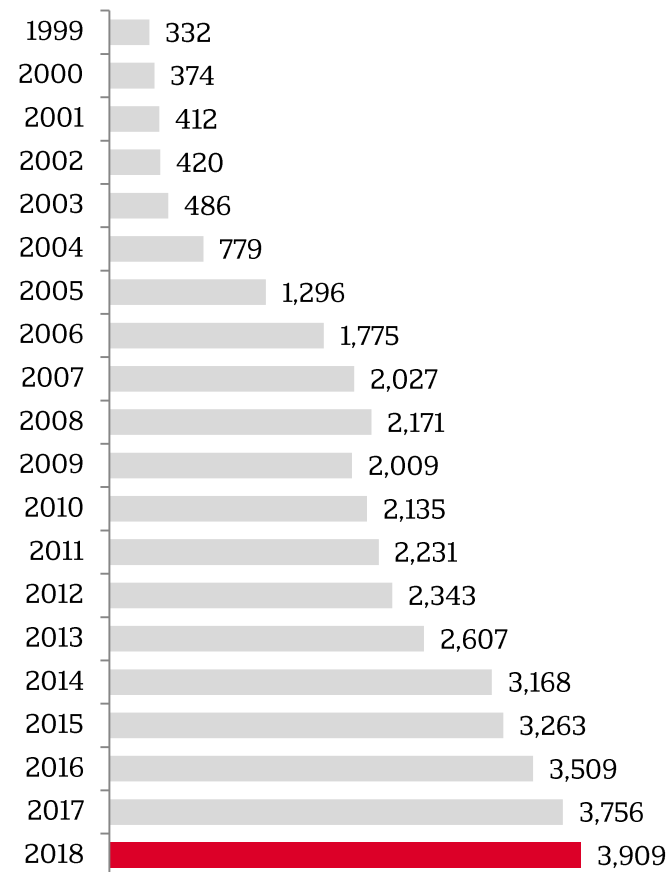
Income statement
Traditional business
Credit insurance business
Capital, investments and solvency

Financial strength

At the end of 2018, the Group's capital increased 4.1%, supported by the improvement in results

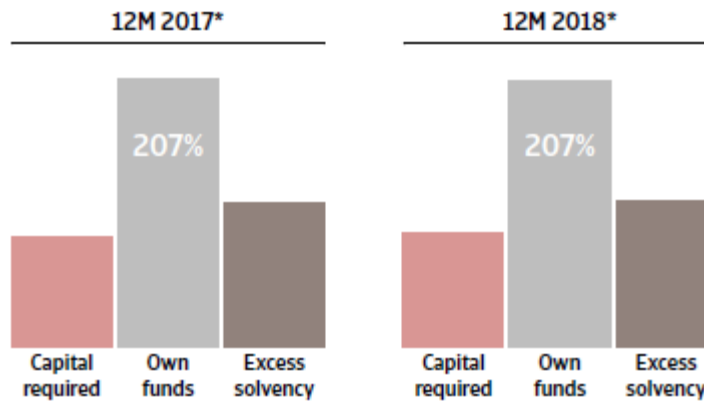
	(in million of euros)
Permanent resources on 31/12/2017	3,278.9
Permanent resources at market value on 31/12/2017	3,755.5
<hr/>	
Net equity on 01/01/2018	3,078.6
(+) Consolidated results	386.4
(+) Dividends paid	-94.7
(+) Variation of valuation adjustments	-153.2
(+) Other changes	-12.9
Total movements	125.6
Total net equity on 31/12/2018	3,204.2
Subordinated debt	200.4
Permanent resources on 31/12/2018	3,404.6
Capital gains not included in balance sheet (properties)	504.1
Permanent resources at market value on 31/12/2018	3,908.7

+4.1%



Solid solvency position: 207% year end 2018

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



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

Own funds are of high quality (93.6% of tier1).

Data without transition of technical provisions and with partial internal model.
2018 data pending audit



Solvency and financial condition reporting presentation

April: Group entities

June: Grupo Catalana Occidente

Credit rating

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

2018

"a+"

A.M. Best increases the rating to the main entities of Group

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

"A2"

Moody's increases the rating to the main entities of the credit insurance business

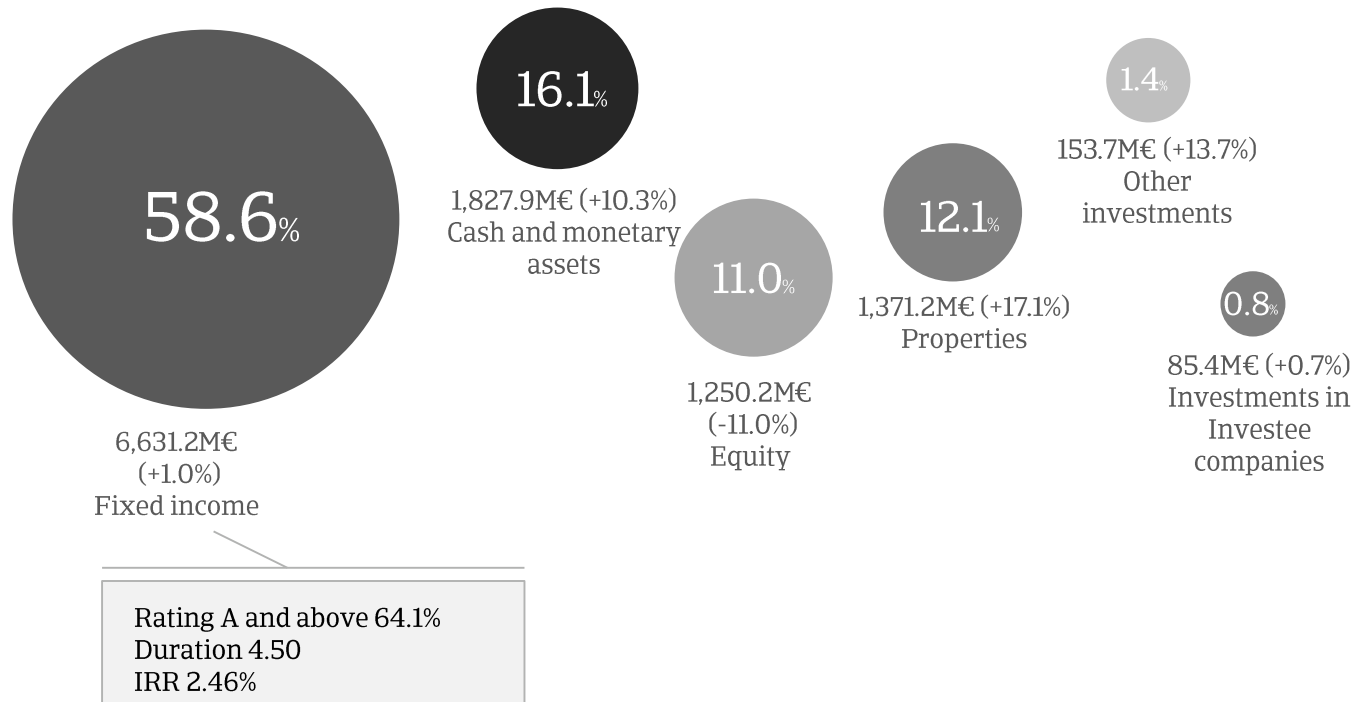
It highlights the strong competitive position, the solid capitalization, the low financial leverage and the prudent investment portfolio.

Investments

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

12,323.5 M€

(+2.8% compared to funds under management at the end of 2017)

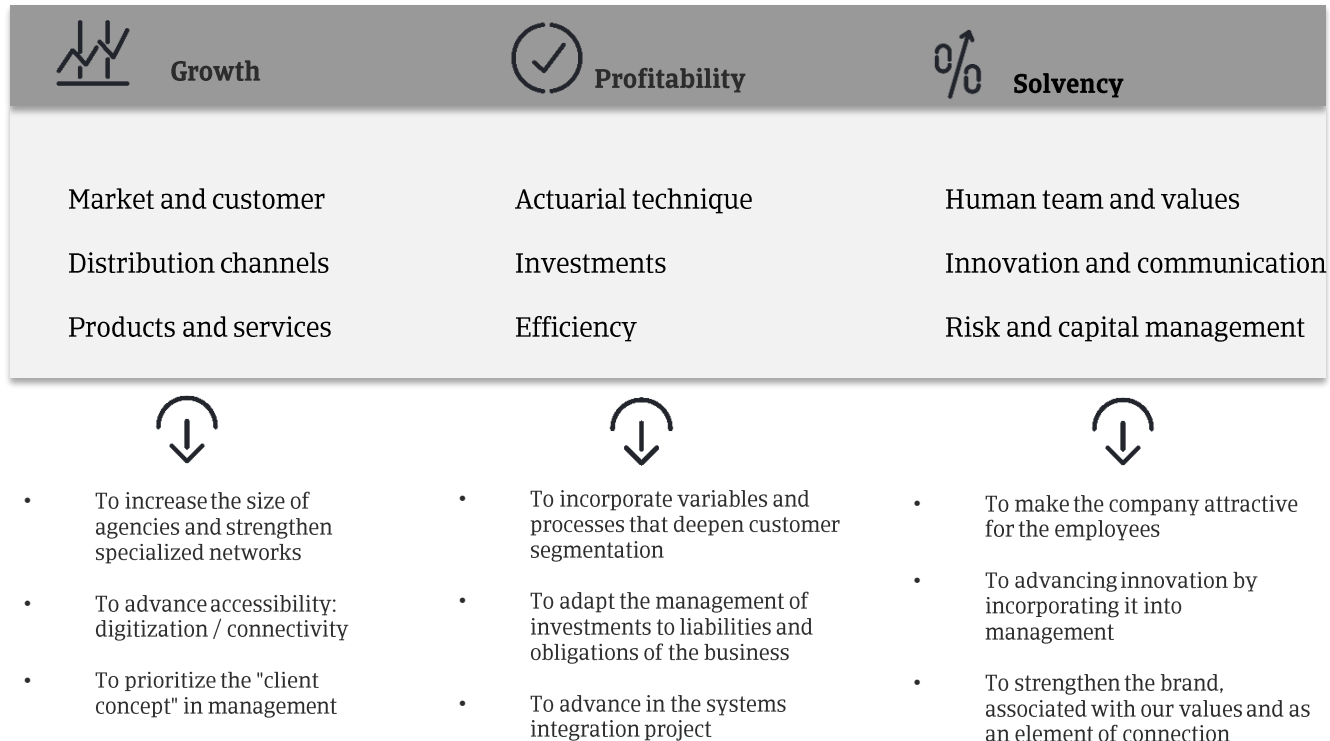


03

Guidelines

Challenges for 2019

Our three strategic pillars are developed in nine lines of action



04

Calendar and annexes

Calendar

Relationships with Analysts and Investors

January	February	March	April	May	June	July	August	September	October	November	December
	28 Results 12M2018		25 Results 3M2019			25 Results 6M2019			31 Results 9M2019		
		1 Results Presentation 12M2018 11.00	26 Results Presentation 3M2019 11.00			26 Results Presentation 6M2019 11.00				1 Results Presentation 9M2019 11.00	
			25 General Meeting of Shareholders 2018								
	Interim dividend 2018			Complemen tary dividend 2018		Interim dividend 2019			Interim dividend 2019		

Contact

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Telephone: +34935820518

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



@gco_news

Income statement

(in million of euros)

	2014	2015	2016	2017	2018	% var. 17 -18
Written premiums	3,322.2	3,704.6	4,108.4	4,123.5	4,212.6	2.2%
Earned premiums	3,289.6	3,703.9	4,085.3	4,094.2	4,178.9	2.1%
Information services	115.3	121.5	127.4	130.8	132.5	1.3%
Net income from insurance	3,404.8	3,825.4	4,212.7	4,225.0	4,311.4	2.0%
Technical cost	2,088.9	2,339.1	2,605.3	2,548.4	2,584.7	1.4%
<i>% of net income</i>	<i>61.4%</i>	<i>61.1%</i>	<i>61.8%</i>	<i>60.3%</i>	<i>60.0%</i>	
Commissions	372.9	442.1	508.3	521.9	532.8	2.1%
<i>% of net income</i>	<i>11.0%</i>	<i>11.6%</i>	<i>12.1%</i>	<i>12.4%</i>	<i>12.4%</i>	
Expenses	628.4	698.8	715.8	717.3	726.6	1.3%
<i>% of net income</i>	<i>18.5%</i>	<i>18.3%</i>	<i>17.0%</i>	<i>17.0%</i>	<i>16.9%</i>	
Technical result	314.5	345.4	383.3	437.4	467.3	6.8%
<i>% of net income</i>	<i>9.2%</i>	<i>9.0%</i>	<i>9.1%</i>	<i>10.4%</i>	<i>10.8%</i>	
Financial result	73.9	84.8	63.2	61.2	80.1	
<i>% of net income</i>	<i>2.2%</i>	<i>2.2%</i>	<i>1.5%</i>	<i>1.4%</i>	<i>1.9%</i>	
Non-financial non-technical account result	-14.8	-30.8	-31.8	-33.5	-31.0	
<i>% of net income</i>	<i>-0.4%</i>	<i>-0.8%</i>	<i>-0.8%</i>	<i>-0.8%</i>	<i>-0.7%</i>	
<i>Resultado act. Complemt. seguro crédito y negocio funerario</i>	4.1	8.0	9.6	10.4	6.4	-38.6%
<i>% of net income</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.2%</i>	<i>0.2%</i>	<i>0.1%</i>	
Result before tax	381.8	415.4	432.8	475.5	522.8	9.9%
<i>% of net income</i>	<i>11.2%</i>	<i>10.9%</i>	<i>10.3%</i>	<i>11.3%</i>	<i>12.1%</i>	
Consolidated result	268.1	296.1	324.5	357.3	386.4	8.1%
Result attributable to minorities	26.0	28.0	28.9	31.9	34.3	7.5%
Attributed result	242.1	268.1	295.6	325.4	352.1	8.2%
<i>% of net income</i>	<i>7.1%</i>	<i>7.0%</i>	<i>7.0%</i>	<i>7.7%</i>	<i>8.2%</i>	

Business income from credit insurance

	(in million of euros)					
	2014	2015	2016	2017	2018	% var. 17 - 18
Written premiums (€M)	1,496.6	1,553.8	1,561.1	1,607.4	1,671.4	4.0%
Credit insurance	1,239.2	1,305.1	1,312.6	1,353.7	1,416.2	4.6%
Surety insurance	121.3	110.8	118.6	122.5	130.1	6.2%
Inward Reinsurance	136.1	137.9	129.9	131.2	125.2	-4.6%
Income from information	115.3	121.5	127.4	130.8	132.5	1.3%
Total income from insurance	1,611.9	1,675.3	1,688.5	1,738.2	1,804.0	3.8%
Income from complementary act.	58.4	63.3	7.1	121.9	120.1	-1.5%
Total income from credit insurance	1,670.3	1,738.6	1,767.6	1,860.1	1,924.1	3.4%
Premiums acquired	1,457.6	1,536.8	1,557.8	1,588.0	1,648.5	3.8%
	2014	2015	2016	2017	2018	% var. 17 - 18
% Gross technical cost	40.7%	43.5%	41.6%	41.7%	43.7%	2.0
% Gross commissions + expenses	36.7%	35.8%	36.0%	35.4%	35.1%	-0.3
% Gross combined ratio	77.4%	79.3%	77.6%	77.1%	78.8%	1.7
% Net technical cost	41.5%	42.0%	42.0%	41.4%	44.7%	3.3
% Net commissions + expenses	36.0%	33.6%	34.8%	33.8%	30.8%	-3.0
% Net combined ratio	77.5%	75.6%	76.8%	75.2%	75.5%	0.3

Credit insurance business - TPE

(in million of euros)

	2014	2015	2016	2017	2018	% Var. 17-18	% total
Spain and Portugal	85,165	89,601	93,437	98,714	99,453	0.7%	15.2%
Germany	77,297	80,398	82,783	86,430	90,599	4.8%	13.9%
Australia and Asia	69,210	79,668	79,013	84,233	92,222	9.5%	14.1%
Americas	59,491	65,464	71,970	73,188	75,773	3.5%	11.6%
Eastern Europe	45,925	50,805	55,098	59,253	63,935	7.9%	9.8%
UK	40,332	45,782	43,794	43,537	44,989	3.3%	6.9%
France	39,170	40,917	43,323	49,326	51,866	5.1%	7.9%
Italy	26,929	32,735	37,208	42,242	44,263	4.8%	6.8%
Nordic and Baltic countries	23,261	25,883	26,964	28,738	30,525	6.2%	4.7%
Netherlands	23,152	23,914	25,268	27,636	29,650	7.3%	4.5%
Belgium and Luxembourg	14,229	14,662	15,708	16,701	17,285	3.5%	2.6%
Rest of the world	10,954	12,817	12,538	12,830	12,842	0.1%	2.0%
Total	515,114	562,644	587,104	622,829	653,404	4.9%	100%

Credit insurance business - TPE

(in million of euros)

	2014	2015	2016	2017	2018	% Var. 17-18	% s/ total
Electronics	67,007	69,797	70,510	74,476	77,433	4.0%	11.9%
Chemicals	63,915	74,538	78,593	82,783	86,479	4.5%	13.2%
Durable consumer goods	56,347	60,940	65,324	68,442	69,881	2.1%	10.7%
Metals	56,286	59,888	58,855	63,419	68,424	7.9%	10.5%
Food	48,188	52,056	55,640	58,608	63,001	7.5%	9.6%
Transport	43,705	50,612	53,434	56,930	60,461	6.2%	9.3%
Construction	37,238	41,147	43,133	46,896	49,773	6.1%	7.6%
Machinery	31,629	33,902	34,734	37,137	39,972	7.6%	6.1%
Agriculture	25,932	28,327	30,907	33,318	33,876	1.7%	5.2%
Construction materials	21,981	24,425	25,387	27,058	28,359	4.8%	4.3%
Services	21,180	24,113	25,276	26,994	27,837	3.1%	4.3%
Textiles	17,722	19,065	19,855	20,562	20,324	-1.2%	3.1%
Paper	12,275	12,747	13,590	13,929	14,525	4.3%	2.2%
Finance	11,711	11,088	11,867	12,277	13,058	6.4%	2.0%
Total	515,114	562,644	587,104	622,829	653,404	4.9%	100%

General expenses and commissions

(in million of euros)

	2014	2015	2016	2017	2018	% var. 17-18
Traditional business	240.9	286.8	309.9	311.6	305.8	-1.9%
Credit insurance business	388.6	389.3	400.9	400.8	413.4	3.1%
Non-recurring expenses	-1.1	22.7	5.0	4.8	7.4	
Total expenses	628.4	698.8	715.8	717.3	726.6	1.3%
Commissions	372.9	442.1	508.3	521.9	532.8	2.1%
Total expenses and commissions	1,001.3	1,140.9	1,224.1	1,239.2	1,259.4	1.6%
% expenses and commissions out recurring premiums	36.4%	35.3%	33.6%	32.8%	32.3%	

Financial result

(in million of euros)

	2014	2015	2016	2017	2018	% var. 17-18
Financial income	176.2	212.5	223.3	221.1	204.4	-7.6%
Exchange Differences	-0.1	0.1	1.0	-0.5	0.1	
Subsidiary companies	18.9	4.9	0.3	0.7	1.0	
Interests applied to life	-140.5	-147.4	-152.2	-148.7	-131.4	-11.6%
Traditional business	54.5	70.1	72.5	72.5	74.1	2.2%
<i>% of premiums acquired</i>	<i>3.0%</i>	<i>3.2%</i>	<i>2.8%</i>	<i>2.9%</i>	<i>2.9%</i>	
Financial income	16.0	17.4	17.9	15.3	16.7	9.2%
Exchange Differences	-1.2	-0.4	8.0	0.5	4.8	
Subsidiary companies	7.2	0.9	4.6	4.3	4.7	9.3%
Interests subordinated debt	-8.3	-13.1	-15.7	-16.9	-16.9	0.0%
Credit insurance	13.7	4.8	14.8	3.3	9.2	178.8%
<i>% of net income from insurance</i>	<i>0.9%</i>	<i>0.3%</i>	<i>0.9%</i>	<i>0.2%</i>	<i>0.5%</i>	
Intra-group interest adjustment	0.0	-12.4	-8.5	-7.0	-5.4	
Adjusted credit insurance	13.7	-7.6	6.3	-3.7	3.8	
Recurring financial	68.2	62.5	78.7	68.9	77.9	13.1%
<i>% of net income from insurance</i>	<i>2.0%</i>	<i>1.6%</i>	<i>1.8%</i>	<i>1.6%</i>	<i>1.8%</i>	
Non-recurring financial	5.7	22.3	-15.5	-7.7	2.2	
Financial result	73.9	84.8	63.2	61.2	80.1	30.9%

Non-recurring result

(in million of euros)

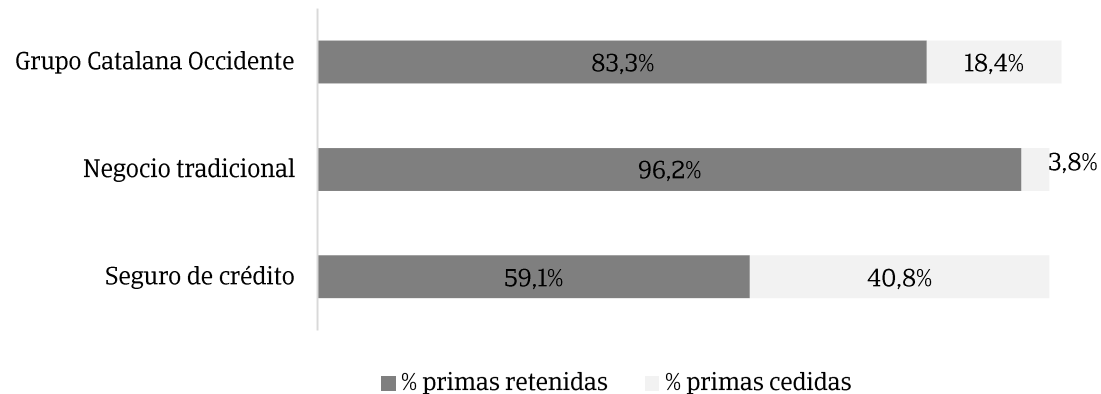
	2014	2015	2016	2017	2018
Financial	2.6	13.5	5.4	0.4	2.3
Expenses and other	-10.0	-3.0	-2.5	-5.2	-5.6
Taxes	0.7	-5.4	2.2	6.2	-1.3
Non-recurrent from traditional business	-6.7	5.1	5.1	1.4	-4.6
Financial	4.2	6.7	-20.7	-8.1	-0.1
Expenses and other	-9.2	-23.7	-7.1	-5.9	-7.4
Taxes	-1.1	1.1	1.7	0.8	1.9
Non-recurring from credit insurance business	-6.1	-15.9	-26.1	-13.2	-5.7
Non-recurring result net of taxes	-8.1	-10.8	-21.0	-11.8	-10.2

Reinsurance result

(in million of euros)

	2014	2015	2016	2017	2018	% var. 17-18	Traditional business	Credit insurance
Ceded premium	-710.8	-742.2	-749.4	-774.0	-770.4	-0.5%	-95.9	-674.5
Increases in unearned premiums reserves	15.4	-1.3	-2.6	6.1	1.8		-0.7	2.5
Net ceded premiums	-695.4	-743.5	-752.0	-767.9	-768.6	0.1%	-96.6	-672.0
% of earned premiums	-21.1%	-20.1%	-18.4%	-18.8%	-18.4%		-3.8%	-40.8%
Commissions	254.9	275.7	267.8	272.0	299.0	9.9%	15.6	283.4
Claims cost	274.2	351.3	340.1	324.8	323.9	-0.3%	40.9	282.9
Ceded reinsurance result	-166.3	-116.5	-144.1	-171.1	-145.8	-14.8%	-40.2	-105.6

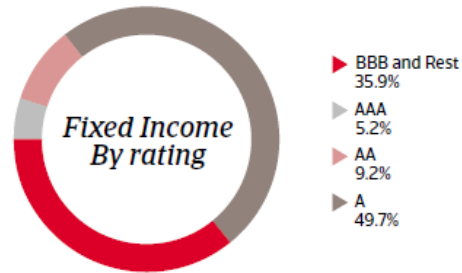
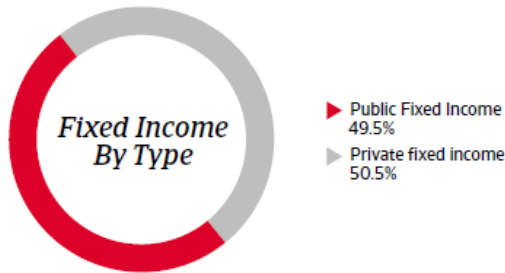
Distribution of the reinsurance between business lines



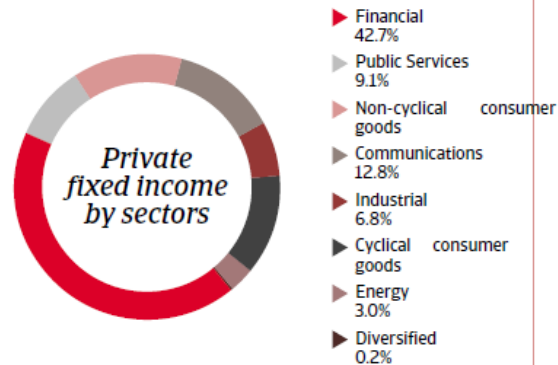
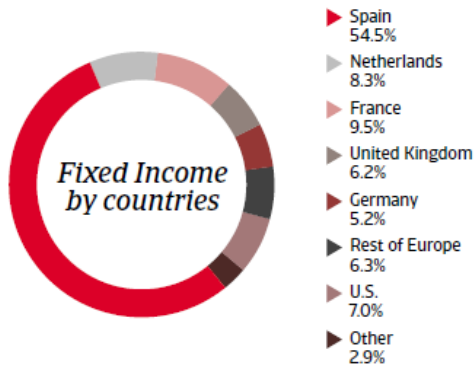
Increase in business retention
Transfer rate of 40.0%
(2.5 p.p less than in previous years)

Investments

High quality fixed income portfolio

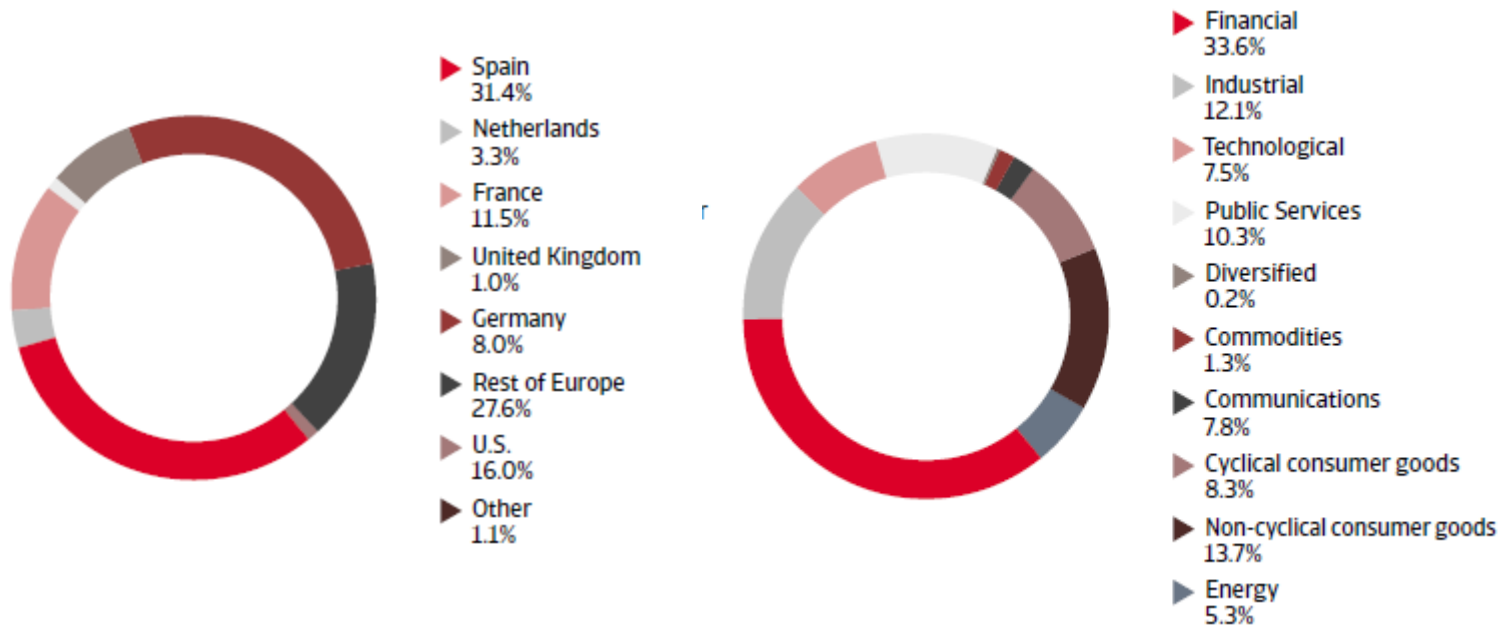


Duration 4.50
IRR 2.46%



Investments in equity

High liquidity 12.6% equity



Balance sheet

(in million of euros)

Assets	2014	2015	2016	2017	2018	% var. 17 - 18
Intangible assets and property	876.6	1,100.8	1,213.1	1,218.8	1,242.1	1.9%
Investments	8,258.3	9,763.0	10,332.0	10,596.9	10,873.7	2.6%
Investment property	223.3	278.7	398.0	382.8	561.1	46.6%
Financial investments	7,448.5	8,874.5	8,897.3	8,957.9	9,149.1	2.1%
Cash and short-term assets	586.5	609.7	1,036.6	1,256.2	1,163.5	-7.4%
Reinsurer participation in technical provisions	889.4	1,002.1	895.1	842.5	837.4	-0.6%
Other assets	1,192.2	1,430.1	1,467.2	1,543.2	1,526.2	-1.1%
Deferred tax assets	127.2	96.1	91.1	84.3	96.5	14.5%
Credits	702.2	873.0	900.4	946.4	885.3	-6.5%
Other assets	362.8	461.1	475.8	512.5	544.4	6.2%
Total assets	11,216.5	13,296.0	13,907.5	14,201.4	14,479.4	2.0%
Net liabilities and equity	2014	2015	2016	2017	2018	% var. 17 - 18
Permanent resources	2,685.7	2,797.7	3,039.6	3,278.9	3,404.6	3.8%
Net equity	2,437.6	2,585.8	2,834.7	3,078.6	3,204.1	4.1%
Parent company	2,167.1	2,299.7	2,533.6	2,752.6	2,863.8	4.0%
Minority interests	270.5	286.1	301.1	326.0	340.3	4.4%
Subordinated liabilities	248.1	211.8	204.9	200.3	200.4	0.0%
Technical Provisions	7,235.0	9,074.3	9,351.0	9,425.2	9,567.7	1.5%
Other liabilities	1,295.8	1,424.0	1,516.8	1,497.3	1,507.1	0.7%
Other provisions	148.0	161.1	186.4	165.2	184.1	11.4%
Deposits received on buying reinsurance	60.4	82.3	59.2	57.7	52.8	-8.5%
Deferred tax liabilities	320.3	328.9	340.3	332.6	280.9	-15.5%
Liabilities	524.6	574.3	623.0	618.7	687.1	11.1%
Other liabilities	242.5	277.3	308.0	323.1	302.2	-6.5%
Total net liabilities and equity	11,216.5	13,296.0	13,907.5	14,201.4	14,479.4	2.0%

Grupo Catalana Occidente

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

Insurance specialist



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

Closeness – global presence



- Distribution of intermediaries
- Close to 18,000 intermediaries
- Over 7,300 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
- 1999-2018: profitable multiplied by 10
- Prudent and diversified investment portfolio

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 Hannover Kassel, Munich Nuremberg Stuttgart
Greece	Athens
Hungary	Budapest
Ireland	Dublin
Italy	Rome Milan
Luxembourg	Luxembourg
Netherlands	Amsterdam Dordrecht
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-Leon, Islas Baleares, Islas Canarias, Ceuta y 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)
Chile	Santiago de Chile (*)
Mexico	Mexico City, Guadalajara, Monterrey,
Peru	Lima (*)
USA	Hunt Valley (Maryland) Chicago (Illinois) Los Angeles California New York (New York)

Oceania

Australia	Sydney Brisbane Melbourne Perth
New Zealand	Wellington

(*) Asociación y acuerdos colaboración

(***) Servicios establecido con partners locales

Corporate structure

Grupo Catalana Occidente - Principal 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 Bilbalna Agencia de Seguros	Bilbao Hipotecaria
GCO Re	Bilbao Telemark	Sogesco
	Inversions Catalana Occident	Gesluris
	CO Capital Ag. Valores	Hercasol SICAV
	Cosalud Servicios	GCO Activos Inmobiliarios
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Center	
	Asitur Asistencia	
	Grupo Asistea	
Atradius Crédito y Caución	Atradius Collections	Grupo Compañía Española Crédito y Caución S.L.
Atradius Re	Atradius Dutch State Business	Atradius NV
Atradius ATCI	Atradius Information Services	Atradius Participations Holding
Atradius Seguros de Crédito México	Iberinform Internacional	Atradius Finance
Atradius Rus Credit Insurance	Graydon	
Crédito y Caución Seguradora de Crédito e Grantias Brazil		
Insurance companies	Complementary Insurance companies	Investment companies

▶ Traditional business ▶ Credit insurance business

Risk strategy

Grupo Catalana Occidente defines its risk strategy based on the risk appetite and tolerance, and ensures that integration of the same with the business plan allows compliance with the risk appetite approved by the board.

The risk strategy consists of:

▷ **Risk profile**

Risk assumed in terms of solvency.

▷ **Risk appetite**

Risk in terms of solvency that the entity intends to accept in order to reach its objectives.

▷ **Risk tolerance**

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

▷ **Risk limits**

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

▷ **Alert indicators**

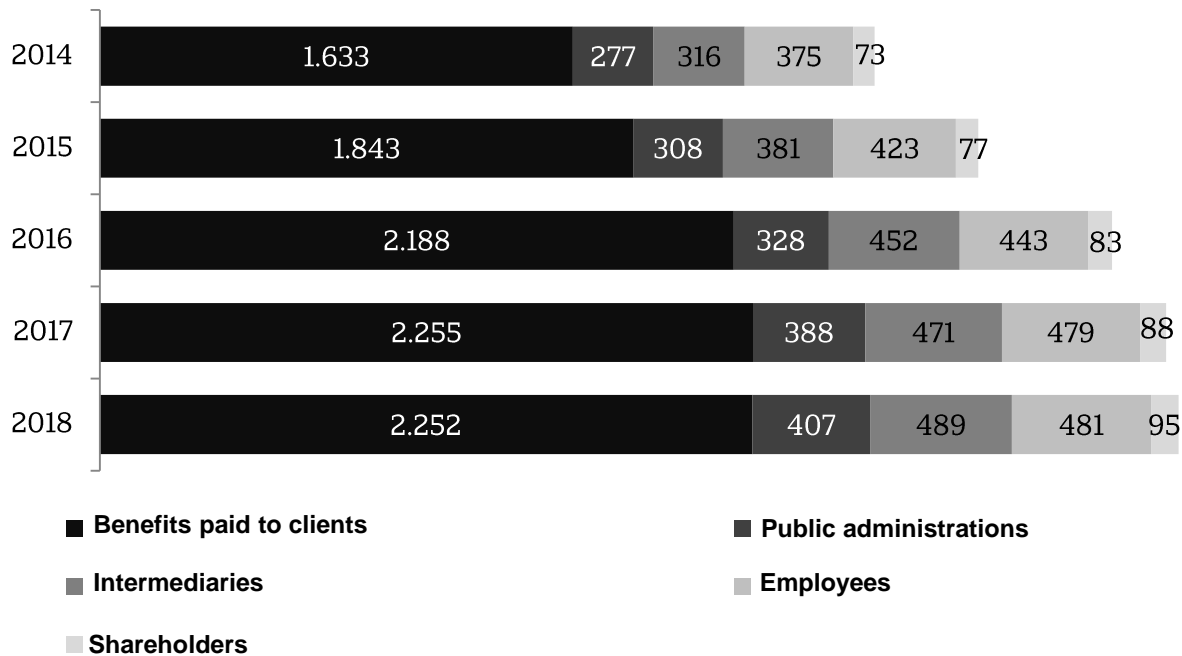
In addition, the Group avails of a series of early warning indicators that serve as a base, both for monitoring the risks and for compliance with the risk appetite approved by the board members.

Risk map

	Description	Regulation	Mitigation	Impact In 2018
Risk of subscription non-life	Control of subscription and claims through strict control of combined ratio and default credit risk, also supported on the reinsurance policies.	Subscription and reserve policies. Reinsurance policy. Manual and technical standards for subscription. Data quality policy.	Reinsurance and strict control of the combined ratio. Maintenance of the business diversification.	Claims ratio in traditional business of 61.1%. Claims ratio in credit insurance of 44.7%. For risk quantification, see SFCR.
Subscription risk for life, health and death	Control of subscription, of claims and portfolio value, also supported on the reinsurance policies.	Subscription and reserve policies. Reinsurance policy. Manual and technical standards for subscription. Data quality policy.	Reinsurance and strict control of the risk subscription.	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 evaluation policy.	*Control of different types of portfolio and objectives. *Commitments of liabilities to cover. *Typology of investments considered suitable for investment. *Diversification and credit rating to be maintained.	Financial result for net income of 1.4% impacted by maintenance of reduced interest rates and exchange differences. Non-recurring result of -€2.5M due to deterioration in value of a subsidiary entity. For risk quantification, see SFCR.
Market 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 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 risk non-compliance Regulatory, advice and control for regulatory compliance and evaluation of the impact of any modification to the legal setting.	Contingency plans. Data quality and safety policy. Code of ethics. Procedure for action in cases of irregularities and fraud (report channel). Code of behaviour. Verification of regulatory compliance policy.	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: IFRS17, Data protection regulation; PRIIPS, distribution regulation.
Liquidity risk	Control of liquidity in the companies and the obligations.	Investment policy.	Low debt ratio.	Over €1.600M in liquid assets and deposits. For risk quantification, see SFCR.
Strategic risk	Controlled by the Board of Directors and the management committee through the strategic plan 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 above 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.
Reputation 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 behaviour. Code of ethics. Policy of aptitude and honour.	Frequent contact with the rating agencies. Implementation of an efficient internal control system.	
Social, environmental and governance risk	The business is developed under criteria of value for society, ethics, transparency and commitment to legality.	General Shareholders Meeting Articles of Association Board of Administrators Regulation Prevention of money laundering.	Internal audit Internal control Channel for claims and complaints Occupational health and benefits area.	See section 7: relationship with groups of interest.

Creation of value

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

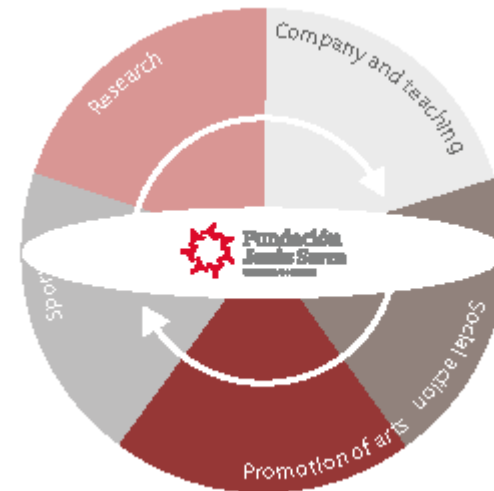


Fundación Jesús Serra



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

Its activities follow the humanist values of its founder, Jesús Serra Santamans



More than just insurance...

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

Glossary

Concept	Definition	Formulation
Technical result	Result of the insurance activity	Technical result = (premiums accrued from direct insurance + premiums accrued from reinsurance accepted + information services and commissions) - Technical cost - Participation in benefits and return premiums - Net operating expenses - Other technical expenses
Reinsurance result	Result due to transferring business to the reinsurer or accepting business from other entities.	Reinsurance result = Result of Inward Re + Result of ceded reinsurance
Financial result	Result of the financial investments.	Financial result = income from financial assets (coupons, dividends, actions) - financial expenses (commissions and other expenses) + result of subsidiary companies - interest accrued on the debt - interest paid to the insured parties of the life insurance business
Technical/financial	Result of the insurance activity, including the financial result. This result is particularly relevant for Life insurance.	Technical/financial result = Technical result + Financial result.
Result of non-technical non-financial account	Income and expenses that cannot be assigned to the technical or financial results.	Result of non-technical non-financial account = Income - expenses that cannot be assigned to the technical or financial results.
Result of credit insurance complementary activities	Result of activities that cannot be assigned to the purely insurance business. Mainly distinguishes the activities of: <ul style="list-style-type: none"> • Information services • Collections • Management of the export account of the Dutch state 	Result of credit insurance complementary activities = Income - expenses
Recurring result	Result of the entity's regular activity	Recurring result = technical/financial result + non-technical account result - taxes, all resulting from normal activity
Non-recurring result	Extraordinary or atypical movements that may undermine the analysis of the income statement. These are classified depending on their nature (technical, expenses and financial) and by business type (traditional and credit insurance)	Non-recurring result = technical/financial result + non-technical account result - taxes, all resulting from extraordinary or atypical activity
Turnover	Turnover is the Group's business volume It includes premiums that the Group generates in each of the business lines and the income from services pertaining to the credit insurance.	Turnover = Premiums invoiced + Income from information. Premiums Involved = premiums issued for direct insurance + premiums from accepted reinsurance.

Managed funds	Amount of the financial and property assets managed by the Group	Managed funds = Financial and property assets entity risk + Financial and property assets policyholder risk + Managed pension funds Managed funds = fixed income + variable income + property + deposits in credit institutions + treasury + subsidiary companies
Financial strength	This shows the debt and solvency situation. This is principally measured through the debt ratio, the interest coverage ratio and the credit rating.	Debt ratio = Net equity + debt / debt. Interest coverage ratio = result before taxes / interest.
Technical cost	Direct costs of accident coverage. See claims.	Technical cost = claims in the year, net of reinsurance + variation of other technical provisions, net of reinsurance
Dividend yield	The profitability per dividend or <i>dividend yield shows the relationship existing between the dividends distributed in the previous year with the value of the average share.</i> Indicator used to value the shares of an entity.	Dividend yield = dividend paid in the year per share / value of the price of the average share.

Concept	Definition	Formulation
Modified duration	Sensitivity of the value of the assets to movements in interest rates	Modified duration = Represents an approximation of the value of the percentage variation in the value of the financial assets for each percentage point (100 basic points) of variation in the interest rates.
Expenses	The general expenses include the costs incurred for management of the business, excluding those that can be assigned to claims.	Expenses = personnel expenses + commercial expenses + various expenses and services (allowance, training, management rewards, material and other office expenses, leases, external services, etc.)
Permanence Index	Measures the customers expectation of staying with the entity Scale of less than 1 year to over 5 years	Permanence index= how long do you think that you will remain a customer?
Company satisfaction Index	This measures the degree of general satisfaction with the entity Scale from 1 to 10	General satisfaction level = (Satisfied - unsatisfied) / survey participants Satisfied responses from 7 to 10 Unsatisfied responses from 1 to 4
Service satisfaction Index	This measures the evaluation of the service received Scale from 1 to 10	Service satisfaction level = (Satisfied - unsatisfied) / survey participants Satisfied: responses from 7 to 10 Unsatisfied: responses from 1 to 4
Income from Insurance	Measures the income directly derived from the activities of insurance and information services	Income from Insurance = premiums accrued from direct insurance + premiums accrued 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? = (advocates - opponents) / survey participants Advocates: responses with result equal to 9 to 10 Opponents: responses from 1 to 6
Pay out	Ratio that indicates the part of the result distributed among investors through dividends	Pay out = (Total dividend/ Result of the year attributable to the parent company) x 100
Price Earnings Ratio PER	The price-earnings ratio or PER measures the relationship between the price or value of the entity and the results. Its value expresses what the market pays for each monetary unit of results. It is representative of the entity's capacity to generate results.	PER = Price of the share at market close / Result of the year attributable to the parent company per share
Ex. single premiums	Total premiums without considering non-periodic premiums in the Life business	Ex. single premiums = Invoiced premiums - single premiums in the life business
Technical Provisions	Amount of the obligations assumed that are derived from insurance and reinsurance contracts.	
Combined ratio	Indicator that measures the technical profitability of the Non Life insurances.	Combined ratio = Ratio of claims + ratio of expenses
Net combined ratio	Indicator that measures the technical profitability of the non life insurances net of the reinsurance effect	Net combined ratio = Net ratio of claims + net ratio of expenses
Expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses.	Expenses ratio = Expenses from operation / Income from insurance
Net expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses, net of the reinsurance effect	Net expenses ratio = (Net expenses from reinsurance operation) / (premiums attributed to direct business and accepted reinsurance + information services and commissions)
Claims ratio	Business indicator, consisting of the proportion between claims and earned premiums.	Claims ratio = Claims / Income from insurance

Concept	Definition	Formulation
Permanent resources	Resources that can be included in own funds.	Permanent resources = Total net equity + subordinated liabilities
Permanent resources at market value	Resources that can be included in own funds at market value	Permanent resources at market value = Total net equity + subordinated liabilities + capital gains associated to properties for own use + capital gains associated to property investments
Resources transferred to the Company	Amount that the Group returns to the main groups of interest.	Resources transferred to the Company = claims paid + taxes + commissions + personnel expenses + dividends
Return On Equity ROE	Financial profitability or rate of return Measures the performance of the capital.	ROE = (Result of the year. Attributable to the parent company) / (Simple average of the Equity attributed to shareholders of the parent company at the start and end of the period (twelve months)) x 100
Claims	See technical cost. Economic evaluation of claims.	Claims = Payments made from direct insurance + Variation of the provision for services of direct insurance + expenses attributable to services
Total Potential Exposure TPE	This is the potential exposure to risk, also "cumulative risk". Credit insurance business term.	TPE = the sum of the credit risks underwritten by the Group for each buyer

Disclaimer

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Thank you

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