



Report 3M 2017
Grupo Catalana Occidente

Table of contents

01. Keys of the period 3M 2017.....	3
Key financial figures.....	4
Business diversification.....	5
Group performance in 3M 2017.....	7
Shareholder remuneration.....	8
Market environment.....	9
02. Business performance in 3M 2017.....	10
Traditional business.....	11
Credit insurance business.....	14
Investments and funds under management	16
Capital management.....	18
03. Appendices.....	19
Additional Information traditional business.....	20
Additional Information credit insurance.....	21
Expenses and commissions	22
Financial result	22
Non-recurring result	22
Balance Sheet	23
Corporate structure	24
Board of Directors	25
Fundación Jesús Serra	26
Calendar and contact.....	27
Glossary.....	28
Legal note.....	32

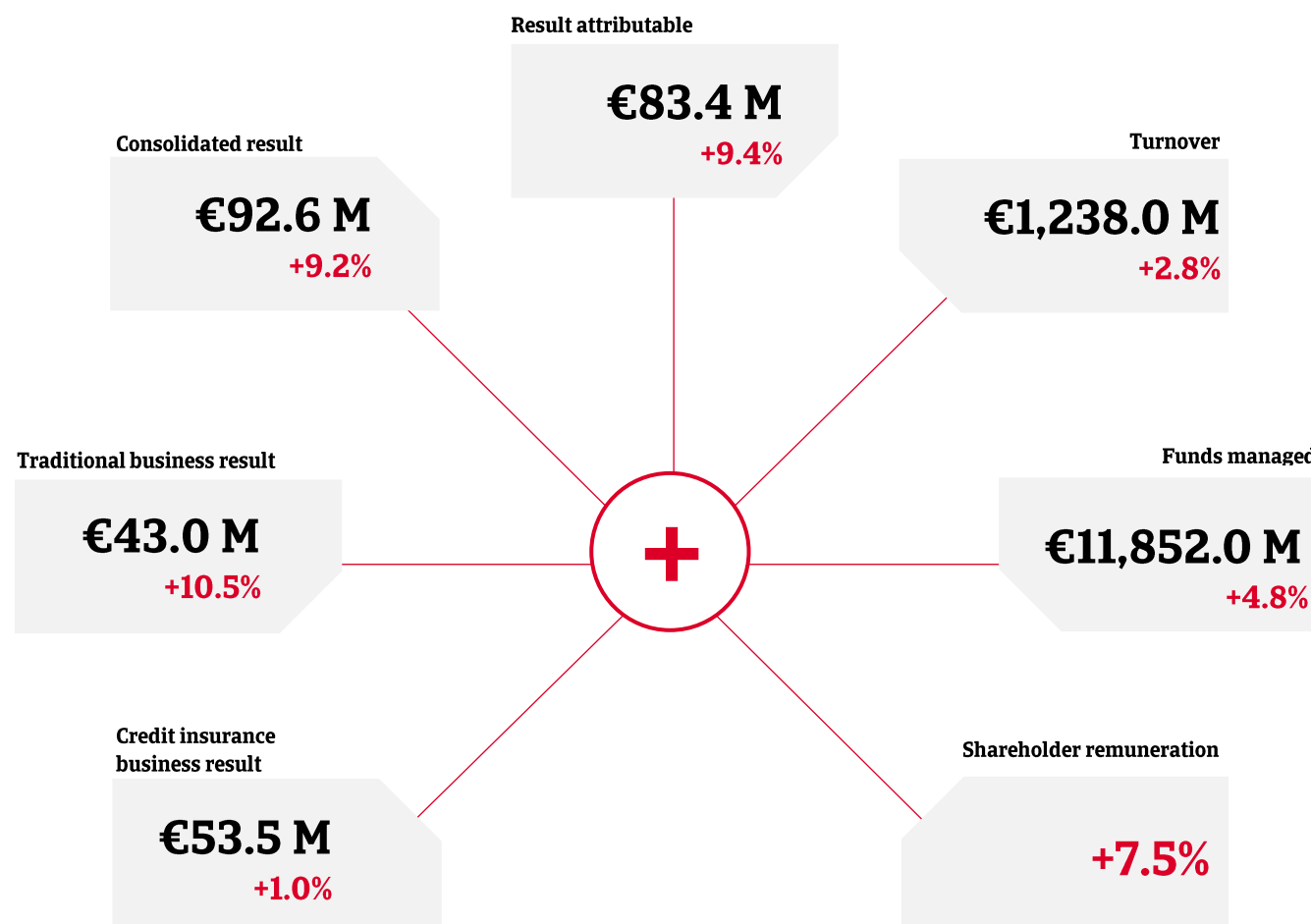
01

Keys of the period 3M 2017

Key financial figures

Grupo Catalana Occidente ended the first quarter of 2017 with favourable performance of its main figures, improving results, revenue and capital.

- Increase of 9.2% of consolidated profit, reaching €92.6 million.
- Improvement of recurring results:
 - Traditional business, at €43.0 million, +10.5%.
 - Credit insurance business, at €53.5 million, +1.0%.
- Turnover grew by +2.8%, to reach €1,238.0 million.
- Excellent combined ratio:
 - 92.2% in traditional business (non-life).
 - 72.0% in the credit insurance business.
- Strengthening financial soundness with long-term capital at market value reaching €3,608.1 million.
- 7.5% increase in shareholder remuneration with the results of the year 2016.



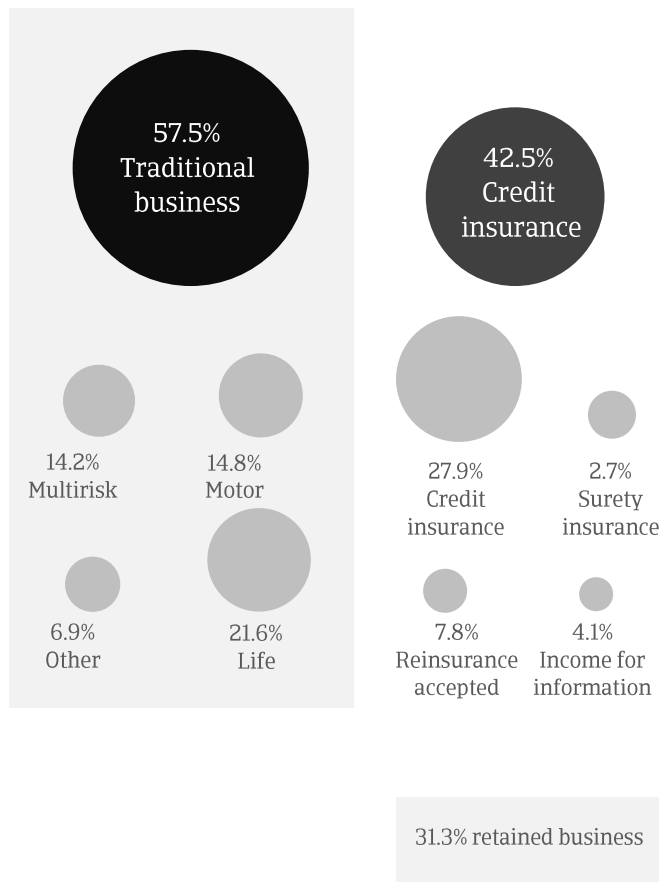
(figures in millions of euros)

Key financial figures	3M 2016	3M 2017	% Chg. 16-17	12M 2016
Turnover	1,204.6	1,238.0	2.8%	4,235.8
- Traditional business	694.1	706.4	1.8%	2,547.3
- Credit insurance business	510.5	531.6	4.1%	1,688.5
Consolidated result	84.8	92.6	9.2%	324.5
- Traditional business	38.9	43.0	10.5%	159.0
- Credit insurance business	53.0	53.5	1.0%	186.5
- Non-Recurring	-7.0	-3.8		-21.0
Result attributable	76.2	83.4	9.4%	295.6
Long-term capital	2,843.5	3,136.4	10.3%	3,039.6
Long-term capital at market value	3,308.1	3,608.1	9.1%	3,508.5
Technical Provisions	9,262.2	9,544.5	3.0%	9,351.0
Funds under management	11,307.6	11,852.0	4.8%	11,672.1
Data per share (figures in euro)				
Attributed profit				2.46
Dividend per share				0.72
Profitability per dividend				2.7%
Pay-out				29.4%
Share price				31.1
Share revaluation	-22.1%	7.0%		-2.8%
PER	10.88	13.19		12.63
ROE	11.8%	11.5%		11.7%
Non-financial data				
Number of employees	6,507	6,813	4.7%	6,817
% permanent contracts		96.3%		96.8%
% men of total employees		51.7%		51.8%
Number of offices	1,384	1,656	19.7%	1,638
Number of intermediaries	19,116	18,631	-2.5%	18,910
Satisfaction level		85.5%		83.7%
Level of promotion suggested (LPS)		34.9%		34.8%
Retention level		93.7%		92.1%

From October 2016, the Grupo Previsora Bilbaína business is included.
In 2016, items have been reclassified between recurring and non-recurring concepts.

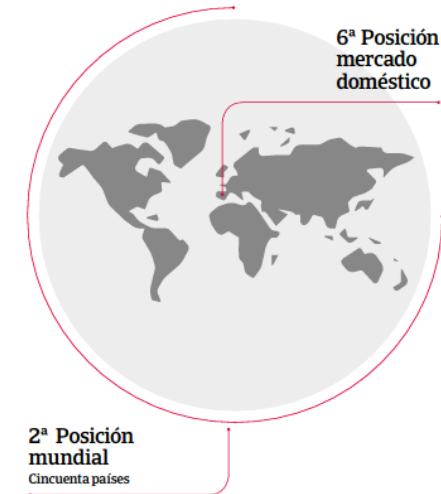
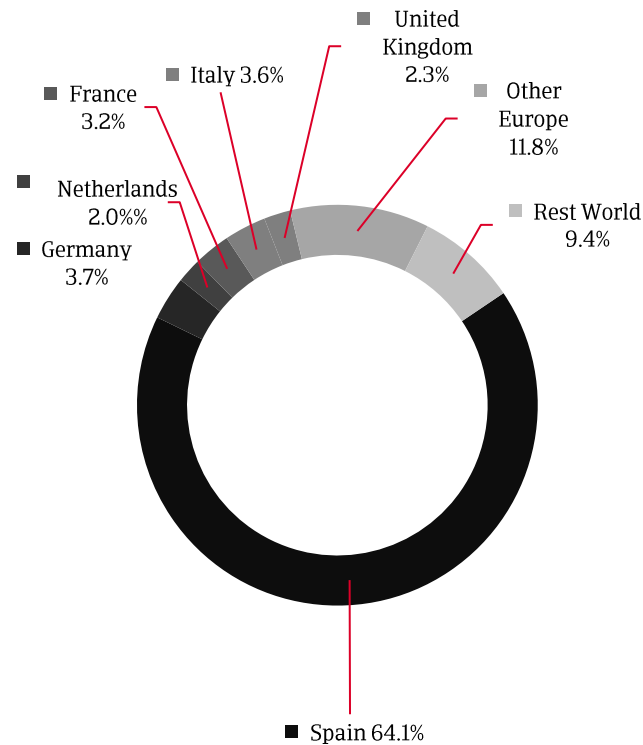
Business diversification

Grupo Catalana Occidente has a balanced and diversified portfolio.



Global Presence

Grupo Catalana Occidente is present in over 50 countries and has a significant presence in Spain.



Grupo Catalana Occidente obtains 64.1% of its income from the domestic market, where it holds the sixth position, through the brands Seguros Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao, NorteHispana Seguros, Grupo Previsora Bilbaína and Crédito y Caución.

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

Group performance in 3M 2017

Grupo Catalana Occidente has increased the result attributable by 9.4%

At the end of March 2017, the result attributable of Grupo Catalana Occidente had grown by 9.4%, supported by a solid behaviour of the traditional business and credit insurance entities.

The net income from insurance increased by 0.7%, including the good behaviour of the Non-Life business, particularly motor business.

The technical cost improved by 1.4 points with regards to the same period of the previous year, mainly due to the reduced level of claims in the credit insurance, compensating the increase due to the climatological claims in traditional business. However, the Group's combined ratio remains at excellent levels of:

- 92.2% in traditional business (non-life).
- 72.0% in the credit insurance business.

The financial result has contributed €14.9 million and complementary activities of credit insurance contribute €1.3 million. In all, the result attributable has grown by 9.4%, reaching €83.4 million.

(figures in millions of euros)

Income statement	3M2016	3M2017	% Chg. 16-17	12M 2016
Written premiums	1,156.4	1,186.4	2.6%	4,108.4
Earned premiums	1,017.6	1,021.3	0.4%	4,085.3
Income from information	48.2	51.6	7.1%	127.4
Net income from insurance	1,065.8	1,072.9	0.7%	4,212.7
Technical cost	659.2	650.3	-1.4%	2,575.4
% of net income	61.9%	60.6%		61.1%
Commissions	126.4	130.0	2.9%	508.3
% of net income	11.9%	12.1%		12.1%
Expenses	174.5	179.3	2.8%	744.8
% of net income	16.4%	16.7%		17.7%
Technical result	105.8	113.2	7.0%	384.2
% of net income	9.9%	10.6%		9.1%
Financial result	13.4	14.9	11.2%	62.3
% of net income	1.3%	1.4%		1.5%
Result of non-technical non-financial account	-6.2	-4.3		-22.2
% of net income	-0.6%	-0.4%		-0.5%
Result of complementary credit insurance activities	2.0	1.3	-35.0%	8.6
% of net income	0.2%	0.1%		0.2%
Result before tax	115.2	125.2	8.7%	432.8
% of net income	10.8%	11.7%		10.3%
% Taxes	26.4%	26.0%		
Consolidated result	84.8	92.6	9.2%	324.5
Result attributable to minorities	8.6	9.2	7.2%	28.9
Result attributable	76.2	83.4	9.4%	295.6
% of net income	7.2%	7.8%		7.0%

* From October 2016, the Grupo Previsora Bilbaina business is included.

Results by areas of activity	3M2016	3M2017	% Chg. 16-17	12M 2016
Recurring results traditional business	38.9	43.0	10.5%	159.0
Recurring results from credit insurance business	53.0	53.5	1.0%	186.5
Non-recurring result	-7.0	-3.8		-21.0

Shareholder remuneration

The Group has increased the dividend of the result of year 2016 by 7.5%

Dividends

Jul. 2016 +7.5%

Oct. 2016 +7.5%

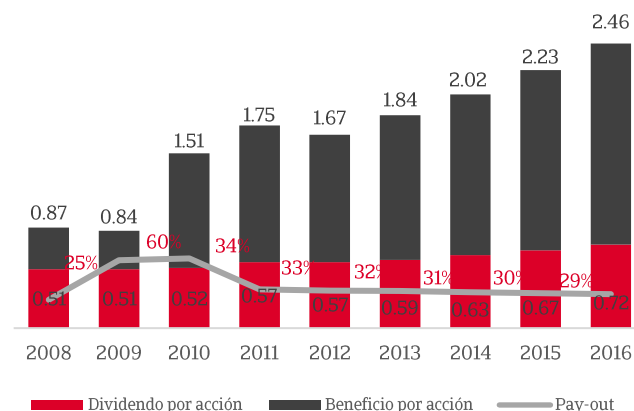
Feb. 2017 +7.5%

Apr. 2017 +7.5%

Dividend year 2016

€86.8 M

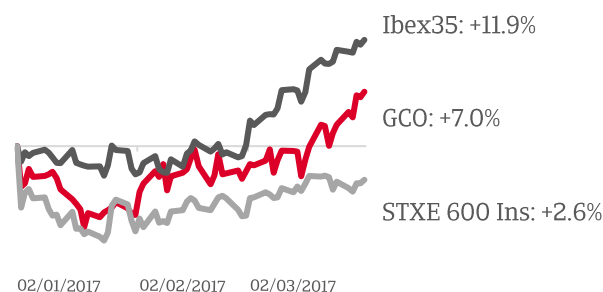
Pay-out 29.4%



Share performance

Grupo Catalana Occidente shares are listed on two Spanish stock exchanges, Barcelona and Madrid, being listed on the continuous market. Likewise, the stocks are also included in the IBEX MEDIUM CAP index, with a weight of 7.7%.

During the first quarter of 2017, the shares of Grupo Catalana Occidente have performed better than Eurostoxx Insurance.



Active relationship with the financial market

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

In April 2017, the Group transmitted its value proposition to the financial markets through the quarterly retransmission of the results published (on the website, in English and Spanish) and by holding roadshows and participating in forums/conferences. In total, there were 68 meetings with investors and over 75 calls from shareholders, analysts and investors.

Share price (euros per share)	3M2016	3M2017	12M2016
Period start	32.02	31.11	32.02
Minimum	23.28	29.82	22.77
Maximum	31.80	33.50	31.80
Period end	24.95	33.28	31.11
Average	26.86	31.39	26.60
Market capitalisation (millions of euros)	2,994	3,994	3,733

Profitability	3M2016	3M2017	TACC 2002 - 3M17
GCO	-22.08%	6.98%	16.78%
Ibex 35	-8.60%	11.88%	4.24%
EuroStoxx Insurance	-13.07%	2.61%	4.36%

Other data (in euros)	3M2016	3M2017	12M2016
Number of shares	120,000,000	120,000,000	120,000,000
Nominal share value	0.30	0.30	0.30
Average daily subscription (number of shares)	134,939	56,991	84,550
Average daily subscription (euros)	3,597,604	1,792,368	2,237,519

Macroeconomic environment

The growth of the GDP is maintained and inflation increases.

United States: +2.3% GDP for 2017e

- Growth maintained
- Inflation increase
- Increased interest rates

Latam: +4.5% GDP for 2017e

- Brazil recovery
- Deceleration of the economy in Mexico

Asia Pacific: 5.7% GDP for 2017e

- Less growth in China than in previous years
- Increased debt

Eurozone: +1.7% GDP for 2017e

- Political risk: Brexit and elections in France and Germany
- Deceleration of retail consumption
- Increased external demand
- Stable unemployment rate

Spain: +2.6% GDP for 2017e

- One of the countries with most growth in the Eurozone
- Upward review of the growth estimate
- Solidity of internal demand
- Positive trend in the labour market

Fixed-Income

Increased interest rates
Rising from minimum levels
Lax monetary policies in Europe, Japan and United States

Interest rates	1 year	5 years	10 years
Spain	-0.3	0.5	1.7
Germany	-0.7	-0.4	0.3
U.S.	1.0	1.9	2.4

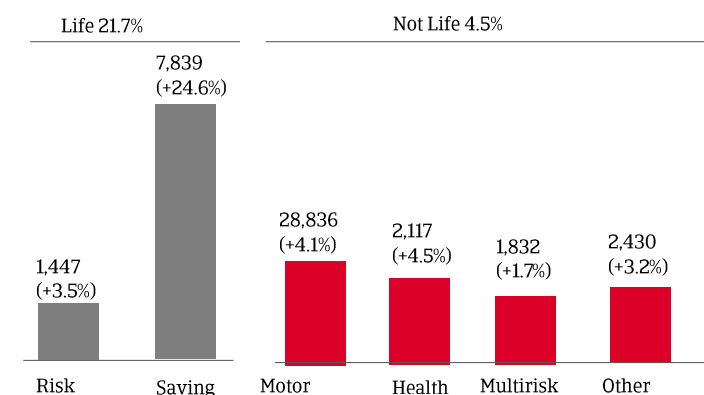
Variable Income

Strong volatility and uneven behaviour between markets

	3M2017	%Chg.
Ibex35	10,462.9	+11.9%
EuroStoxx Insurance	276.7	2.6%
Eurostoxx50	3,500.9	6.4%
DowJones	20,663.2	4.6%

Sectoral environment

The insurance industry in Spain presents favourable evolution, growing at a rate of 11.5%, boosted by life saving products.



Ranking	Dif 16/17	Market share of premiums	% var.
VidaCaixa	=	52,8%	19,4%
Mapfre	=	6,9%	10,3%
Mutua Madrileña	+1	7,9%	7,1%
Zurich	-1	-2,3%	6,1%
Allianz	=	1,7%	5,7%
Grupo Catalana Occidente	=	0,7%	4,2%
Generali	+1	6,8%	4,0%
Grupo Axa	-1	-5,9%	3,8%
BBVA Seguros	=	-7,3%	2,9%
Caser	=	3,0%	2,3%

02

Business performance in 3M2017

Traditional business

Very positive evolution, with a growth of 6.8% in turnover (ex. single) and 11.4% in results.

The turnover for traditional business at the end of March 2017 presents an increase of 1.8%, at €706.4 million. Non-Life business grew by 4.3%, supported by an increase of 4.6% in motor insurance and 9.9% in other insurances. For its part, the Life business continues focusing on the single premiums which are reduced by 19.9%.

In terms of combined ratio, it increases 0.8 points to 92.2%, due to an increase of the technical cost of 1.7 points due to adverse climatology during the period. Consequently, the Non-Life technical result contributes €30.1 million.

Including €10.6 million from the Life result, which increases by €3.4 million, the technical result with €40.7 million improves by 0.3 points over the earned premiums, including the stable contribution of the Seguros Catalana Occidente, Seguros Bilbao and NorteHispana business as well as the progressive improvement of the Plus Ultra Seguros.

The financial result contributes €17.5 million, improving 2.3% with regards to the same period in the previous year (see appendix).

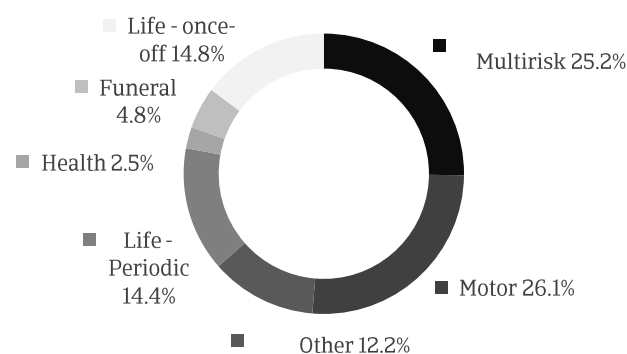
Recurring profit after tax increased 10.5% to €43.0 million. During the year, negative non-recurring results were produced for €1.8 million (see appendix), the same amount as in the same period of the previous year; consequently the total result for traditional business is €41.2 million, improving by 11.4%.

(figures in millions of euros)

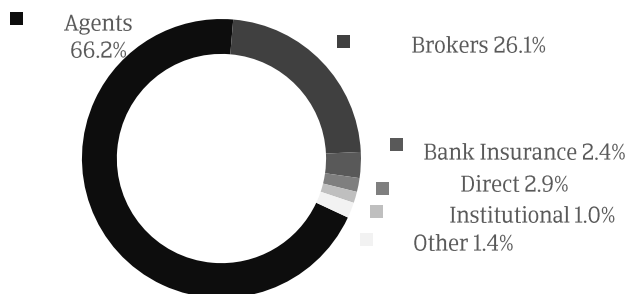
Traditional business	3M 2016	3M 2017	% Chg. 16-17	12M 2016
Written premiums	694.1	706.4	1.8%	2,547.3
Life insurance premiums, ex. single	563.5	601.8	6.8%	2,070.7
Earned premiums	629.8	632.2	0.4%	2,527.7
Technical result	38.3	40.7	6.3%	150.7
% of earned premiums	6.1%	6.4%		6.0%
Financial result	17.1	17.5	2.3%	71.5
% of earned premiums	2.7%	2.8%		2.8%
Recurring result	38.9	43.0	10.5%	159
Non-recurring result	-1.8	-1.8		5.1
Total result	37.0	41.2	11.4%	164.1

* From October 2016, the Grupo Previsora Bilbaína business is included. In 2016, the funeral and health was reclassified, moving from other to life business.

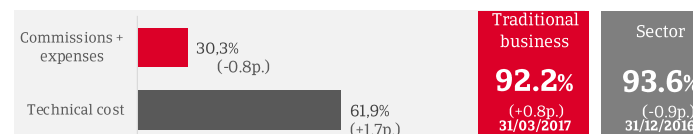
Distribution per business



Distribution channels



Combined ratio



Multi-risk

Turnover increased by 1.5%, promoted by Family Home.

Claims increased by 2.2 points due to meteorological events.

(figures in millions of euros)

Multirisk	3M2016	3M2017	% chg. 16-17	12M2016
Written premiums	175.1	177.8	1.5%	624.1
Earned premiums	155.5	155.5	0.0%	623.4
% <i>Technical cost</i>	55.3%	57.5%	2.2	52.7%
% <i>commissions</i>	20.8%	20.5%	-0.3	20.5%
% <i>expenses</i>	13.1%	13.2%	0.1	16.7%
% combined ratio	89.2%	91.2%	1.9	89.8%
Technical result after expenses	16.7	13.7	-18.0%	63.4
% <i>of earned premiums</i>	10.7%	8.7%		10.2%
Result of non-technical non-financial account	20.0	17.1	-14.5%	78.2
% <i>of earned premiums</i>	12.9%	11.0%		12.5%

Motor

Positive evolution of turnover, with a significant improvement in customer loyalty.

The combined ratio is maintained at a stable level of 95.0%.

(figures in millions of euros)

Motor	3M2016	3M2017	% chg. 16-17	12M2016
Written premiums	176.5	184.7	4.6%	639.0
Earned premiums	150.7	158.7	5.3%	622.5
% <i>Technical cost</i>	69.5%	70.2%	0.7	69.0%
% <i>commissions</i>	11.1%	11.1%	0.0	11.2%
% <i>expenses</i>	14.6%	13.7%	-0.9	16.2%
% combined ratio	95.2%	95.0%	-0.2	96.4%
Technical result after expenses	7.1	7.8	9.9%	23.3
% <i>of earned premiums</i>	4.7%	4.9%		3.7%
Result of non-technical non-financial account	11.7	12.3	5.1%	43.7
% <i>of earned premiums</i>	7.8%	7.8%		7.0%

Other

Improved results and turnover boosted by the areas of individual customers.

Increased claims due to company claims.

(figures in millions of euros)

Other	3M2016	3M2017	% chg. 16-17	12M2016
Written premiums	78.6	86.4	9.9%	280.5
Earned premiums	66.7	70.6	5.8%	279.3
% <i>Technical cost</i>	50.6%	52.9%	2.3	51.2%
% <i>commissions</i>	22.2%	21.4%	-0.8	21.2%
% <i>expenses</i>	14.7%	13.6%	-1.1	15.7%
% combined ratio	87.5%	87.9%	0.4	88.1%
Technical result after expenses	8.3	8.6	3.6%	33.1
% <i>of earned premiums</i>	12.4%	12.0%		11.9%
Result of non-technical non-financial account	10.4	10.6	1.9%	42.5
% <i>of earned premiums</i>	15.6%	15.0%		15.2%

Life

The result increased, supported by good claim behaviour.

(figures in millions of euros)

Life	2015	2016	% chg. 16-17	12M2016
Life insurance turnover	264.0	257.6	-2.4%	1,003.7
Periodic premiums	95.8	101.6	6.1%	53.6
Health	16.8	17.4	3.6%	92.2
Funeral	20.8	34.0	63.5%	381.3
Single premiums	130.6	104.6	-19.9%	476.6
Pension plan contributions	11.0	11.7	6.4%	48.9
Net contributions to investment funds	0.5	0.7	40.0%	-0.4
Earned premiums	256.9	247.4	-3.7%	1,002.4
Technical result after expenses	6.2	10.6	71.0%	30.9
% <i>of earned premiums</i>	2.4%	4.3%		3.1%
Result of non-technical non-financial account	13.0	18.3	40.8%	62.9
% <i>of earned premiums</i>	5.1%	7.4%		6.3%

Credit insurance business

Stable performance with slight growth of premiums and result

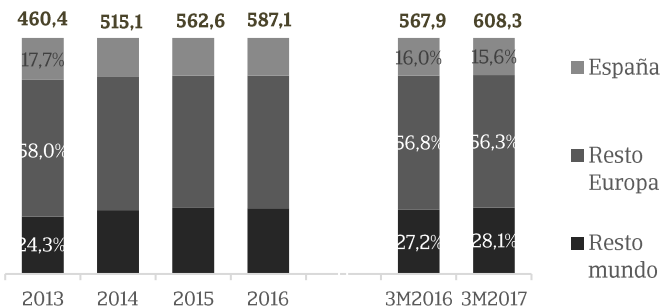
In the credit insurance business, the Group has increased its income by 1.1% to €440.9 million. The earned premiums, with €389.3 million, have increased by 0.3%, showing significant differences between markets.

In Spain, the main market, the earned premiums decreased by 9.6% whereas in the other European markets the premiums increased, highlighting the growth of France and Italy. In the rest of the world, the premiums grew by 10.8% due to increases in Asia and Australia.

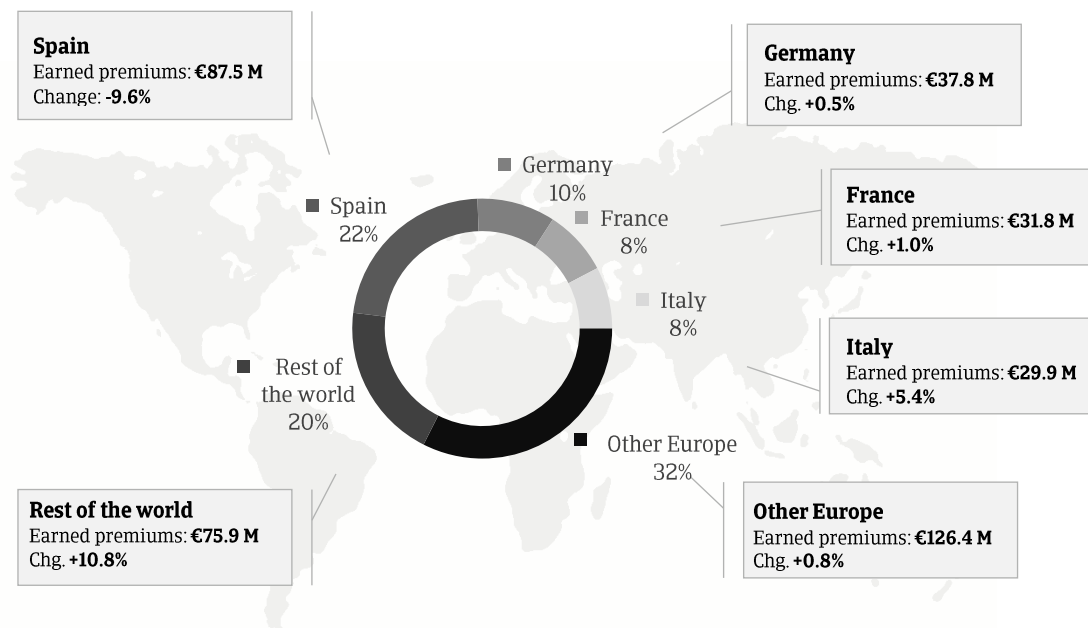
For their part, the information services have grown by 7.1%, with €51.6 million.

In terms of volume, measured as cumulative risk (TPE), the Group has grown by 7.1% to €608.291 billion. Europe represents 71.9% of total exposure and Spain is the main market, with 15.6% of the total.

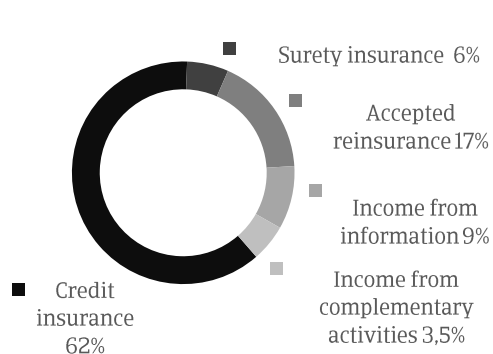
Evolution of cumulative risk (Total TPE)



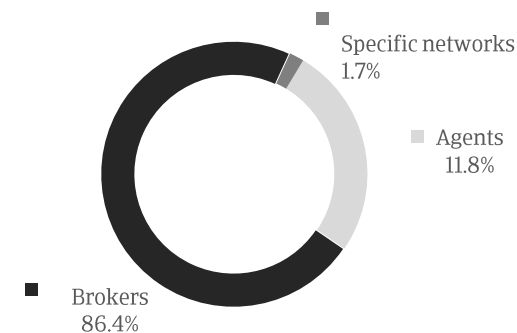
Increase of +0.3% of earned premiums with €389.3 million.



Business diversification



Distribution channels



The transfer ratio to reinsurance is maintained at the same level as the previous year, at 42.5% of the earned premiums.

The net technical result for reinsurance improved by 13.7%, supported by a reduction of 0.6 points in claims due to a stable number of claims and a certain reduction in the average cost of the same.

Including the amount of expenses and commissions, the combined ratio is positioned at minimum levels of 72.0%, improving by 1.7 points with regards to the same period of the previous year.

The financial result does not contribute to the results account due to the lower result of the subsidiary companies, the negative impact of exchange differences and higher interests of subordinate debt (see appendix).

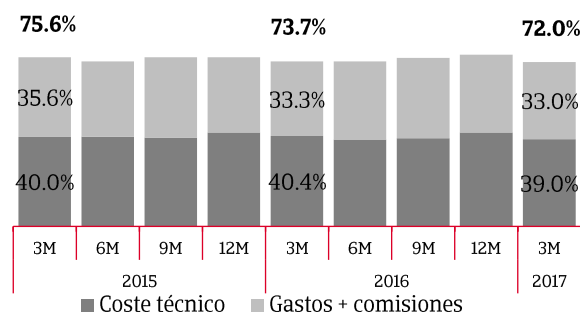
In addition, the complementary activities contribute €1.3 million. From October 2016, the Graydon business is included.

The recurring result, at €53.5 million, improved by 1.0%. By including non-recurring results (see appendix), the total result is positioned at €51.5 million, increasing by 7.7%.

(figures in millions of euros)

Credit insurance business	3M 2016	3M 2017	% Chg. 16-17	12M 2016
Earned premiums	388.1	389.3	0.3%	1557.8
Income from information	48.2	51.6	7.1%	127.4
Total income	436.3	440.9	1.1%	1,685.2
Technical result after expenses	101.0	110.3	9.2%	376.8
% income	23.1%	25.3%		22.4%
Reinsurance result	-33.8	-34.0	0.6%	-140.1
% income	-7.7%	-7.8%		-9.0%
Net technical result	67.2	76.4	13.7%	236.7
% income	15.4%	17.5%		14.0%
Financial result	6.9	0.0		14.8
% income	1.6%	0.0%		0.9%
Result from complementary activities	2.0	1.3	-35.0%	8.6
Company income tax	-20.0	-21.6	8.0%	-64.3
Adjustments	-3.2	-2.7		-9.4
Recurring result	53.0	53.5	1.0%	186.5
Non-recurring result	-5.2	-2.0		-26.1
Total result	47.8	51.5	7.7%	160.4

Performance of the net combined ratio



Investments and funds under management

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

The Group manages funds amounting to €11,852.0 million, €179.9 million more than in the previous year.

The total investment in property at market value amounts to €1,174.5 million. The majority of the Group's properties are located in areas considered "prime" areas in the most important Spanish cities. All of the properties for use by third parties are located in these areas and have a very high rate of occupancy. Every two years they are evaluated through entities authorised by the supervisor. Capital gains from these properties stand at €471.1 million.

Fixed-income investment represents 59.3% of the total portfolio, standing at €6,469.2 million. The distribution of the rating in the portfolio is shown graphically below. At year end, 35.6% of the portfolio is rated A or higher, while the average rating is BBB, corresponding to investment in bonds in the Spanish market. The duration of the portfolio at closure of the year is positioned at 4.65 and profitability at 2.84%.

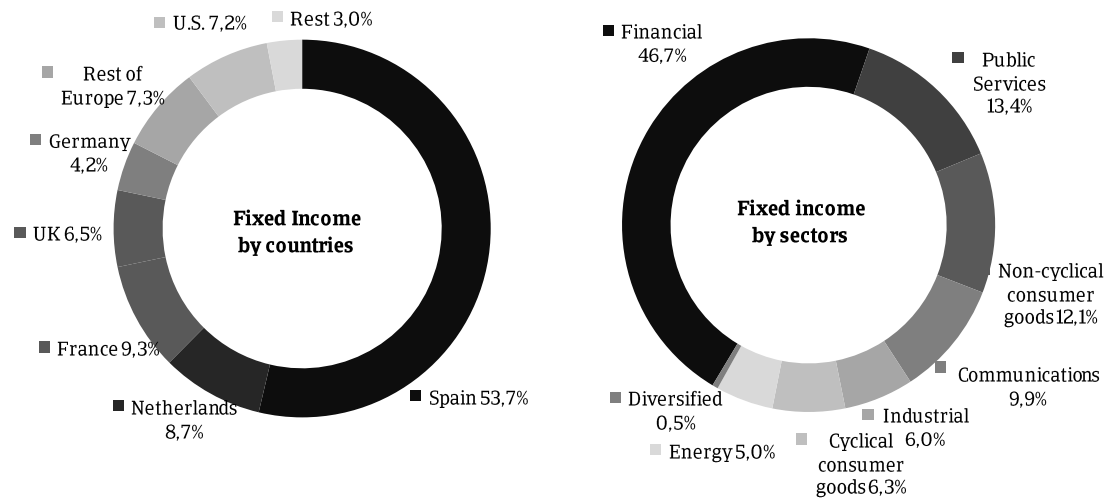
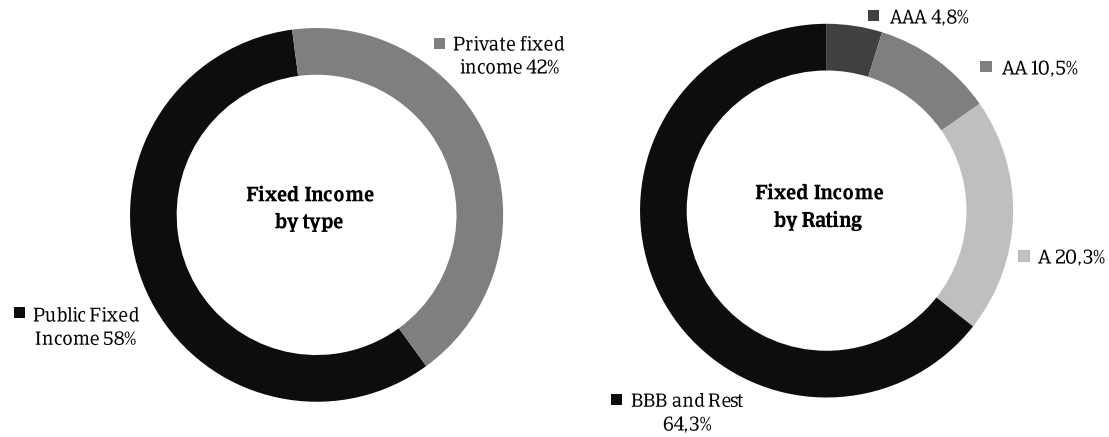
(figures in millions of euros)

Investments and funds under management	12M 2016	3M 2017	% Chg. 16-17	% of Inv. R. Co.
Properties	1,173.2	1,174.5	0.1%	10.8%
Fixed-Income	6,578.0	6,469.2	-1.7%	59.3%
Variable Income	1,345.8	1,436.8	6.8%	13.2%
Deposits with credit institutions	412.6	387.5	-6.1%	3.6%
Other investments	133.2	138.1	3.7%	1.3%
Cash and monetary assets	1,060.6	1,238.5	16.8%	11.4%
Investment in investee companies	62.9	64.4	2.4%	0.6%
Total investments, risk to entity	10,766.3	10,908.9	1.3%	100.0%
Investments on behalf of policyholders	332.5	352.7	6.1%	3.2%
Pension plans and investment funds	573.2	590.4	3.0%	5.4%
Total investments, policyholders risk	905.7	943.1	4.1%	
Investments and funds under management	11,672.1	11,852.0	1.5%	

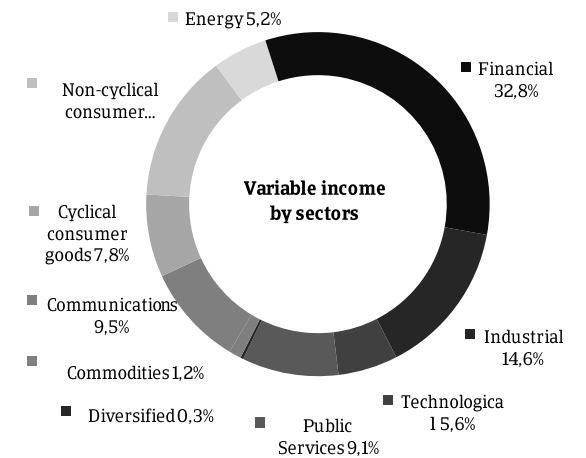
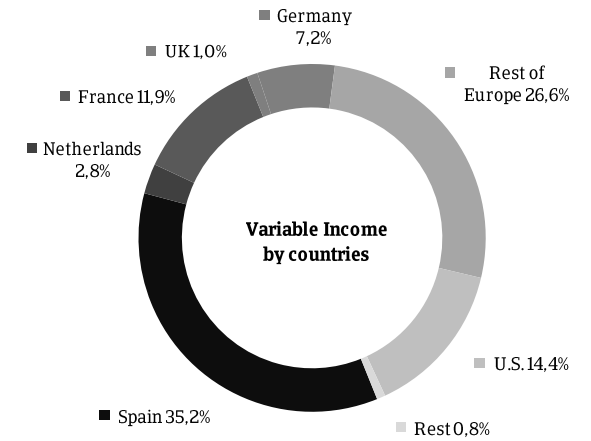
Variable income represents 13.2% of the portfolio and increases by 6.8%, reflecting the higher evaluation of the financial market. The investment portfolio is widely diversified and focused on high-capitalisation securities, mainly in the Spanish market (35.2%) and the European market (49.5%), which show attractive dividend returns.

The Group maintains a liquidity position of €1,626.0 million (€387.5 million in deposits with credit institutions, mainly at Banco Santander and BBVA).

Fixed income



Variable Income



Capital management

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

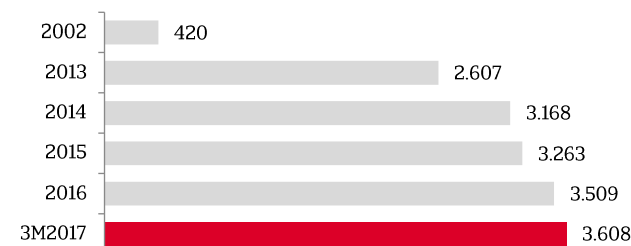
All Group entities must maintain the necessary financial strength to develop the business strategy, taking risks prudently and meeting the required solvency needs.

Principles of capital management

Capital management at the Group is governed by the following principles:

- Ensuring that Group companies have sufficient capital to meet their obligations, even when faced by extraordinary events
- Manage the capital taking into consideration the economic and accounting perspective and the objectives established in the risk appetite.
- Optimising the capital structure through the efficient allocation of resources between entities, ensuring financial flexibility and remunerating shareholders appropriately.

Capital performance



(figures in millions of euros)

Long-term capital at 31/12/2016	3,039.6
Long-term capital at market value at 31/12/2016	3,508.5
Net equity on 01/01/2017	2,834.7
(+) Consolidated results	92.6
(+) Dividends paid	-16.5
(+) Variation of valuation adjustments	27.9
(+) Other changes	0.0
Total movements	104.1
Total net equity at 31/03/2017	2,938.8
Subordinated debt	197.6
Long-term capital at 31/03/2017	3,136.4
Capital gains not included in balance sheet (properties)	471.7
Long-term capital at market value at 31/03/2017	3,608.1

The improved result has helped to boost the Company's equity position. Market movements have led to an increase in the value of investments, with a positive impact of €27.9 million. Also, dividends have been paid, amounting to €16.5 million, thus reducing the Net Equity by the same amount.

Stable "A" rating

A.M. Best highlights three basic aspects from the companies in the traditional business:

- A good business model
- Excellent operating results
- Appropriate capitalisation, thanks to the internal generation of capital

Likewise, A.M. Best underscores the prudent underwriting guidelines and extensive network of agents resulting in greater customer loyalty. Furthermore, it considers that exposure to natural disasters is limited, thanks to the existence of a national coverage system.

A.M. Best and Moody's highlight the strong competitive position of the credit insurance companies, through:

- Good capitalisation
- Low financial leveraging
- The conservative investment portfolio

	AMBest	Moody's
Seguros Catalana Occidente	A stable	
Seguros Bilbao	A stable	
Plus Ultra Seguros	A stable	
Atradius Crédito y Caución	A stable	A3 stable
Atradius Re	A stable	A3 stable

03

Appendix

Additional information on the traditional business

Traditional business	Multi-risk			Motor			Other			General insurance		
	3M2016	3M2017	Var.	3M2016	3M2017	Var.	3M2016	3M2017	Var.	3M2016	3M2017	Var.
Earned premiums	155.5	155.5	0.0%	150.7	158.6	5.2%	66.7	70.6	5.8%	372.9	384.7	3.2%
% technical cost	55.3%	57.5%	2.2	69.5%	70.2%	0.7	50.6%	52.9%	2.3	60.2%	61.9%	1.7
% commissions	20.8%	20.5%	-0.3	11.1%	11.1%	0.0	22.2%	21.4%	-0.8	17.1%	16.8%	-0.3
% expenses	13.1%	13.2%	0.1	14.6%	13.7%	-0.9	14.7%	13.6%	-1.1	14.0%	13.5%	-0.5
% combined ratio	89.2%	91.2%	1.9	95.2%	95.0%	-0.2	87.5%	87.9%	0.4	91.4%	92.2%	0.8
Technical result	16.7	13.7	-18.0%	7.1	7.8	9.9%	8.3	8.6	3.6%	32.1	30.1	-6.2%

Traditional Business without Plus Ultra Seguros	Multi-risk			Motor			Other			General insurance		
	3M2016	3M2017	Var.	3M2016	3M2017	Var.	3M2016	3M2017	Var.	3M2016	3M2017	Var.
Earned premiums	104.0	106.2	2.1%	84.7	91.0	7.4%	36.2	39.1	8.0%	224.9	236.3	5.1%
% technical cost	52.5%	56.1%	3.6	66.6%	68.9%	2.3	43.5%	45.8%	2.3	56.4%	59.3%	3.0
% commissions	19.7%	19.4%	-0.3	11.4%	11.5%	0.1	22.5%	21.7%	-0.7	17.0%	16.7%	-0.3
% expenses	12.9%	12.7%	-0.2	13.9%	13.3%	-0.6	16.4%	14.2%	-2.2	13.8%	13.2%	-0.7
% combined ratio	85.1%	88.2%	3.1	91.9%	93.7%	1.8	82.3%	81.7%	-0.6	87.2%	89.2%	2.0
Technical result	15.5	12.6	-19.1%	6.9	5.7	-16.8%	6.4	7.1	11.9%	28.8	25.5	-11.7%

Plus Ultra Seguros	Multi-risk			Motor			Other			General insurance		
	3M2016	3M2017	Var.	3M2016	3M2017	Var.	3M2016	3M2017	Var.	3M2016	3M2017	Var.
Earned premiums	51.6	49.3	-4.3%	66.1	67.7	2.4%	30.5	31.5	3.4%	148.1	148.5	0.3%
% technical cost	61.1%	60.6%	-0.5	73.3%	72.0%	-1.3	59.0%	61.6%	2.6	66.1%	66.0%	-0.1
% commissions	23.0%	22.7%	-0.3	10.7%	10.6%	-0.1	21.9%	20.9%	-1.0	17.3%	16.8%	-0.5
% expenses	13.7%	14.4%	0.7	15.6%	14.4%	-1.2	12.7%	12.9%	0.2	14.3%	14.1%	-0.3
% combined ratio	97.7%	97.7%	-0.1	99.6%	97.0%	-2.6	93.6%	95.5%	1.9	97.7%	96.9%	-0.8
Technical result	1.2	1.2	-1.9%	0.2	2.0		1.9	1.4	-26.8%	3.4	4.6	37.2%

Additional information on credit insurance

Combined ratio breakdown	3M 2016	3M 2017	% Chg. 16-17	12M 2016
% Gross technical cost	41.9%	40.3%	-1.6	41.6%
% Gross commissions + expenses	34.2%	34.7%	0.5	36.0%
% Gross combined ratio	76.1%	75.0%	-1.1	77.6%
% Net technical cost	40.4%	39.0%	-1.4	42.0%
% Net commissions + expenses	33.3%	33.0%	-0.3	34.8%
% Net combined ratio	73.7%	72.0%	-1.7	76.8%

(figures in millions of euros)

Risk accumulation per country	2013	2014	2015	2016	3M 2016	3M 2017	% Chg. 16-17	% of total
Spain and Portugal	81,486	85,165	89,601	93,437	90,884	94,975	4.5%	15.6%
Germany	72,844	77,297	80,398	82,783	82,021	85,194	3.9%	14.0%
Australia and Asia	58,725	69,210	79,668	79,013	77,524	85,790	10.7%	14.1%
Americas	45,386	59,491	65,464	71,970	64,956	72,045	10.9%	11.8%
Eastern Europe	41,142	45,925	50,805	55,098	53,204	56,842	6.8%	9.3%
UK	34,619	40,332	45,782	43,794	44,615	45,282	1.5%	7.4%
France	37,135	39,170	40,917	43,323	42,363	43,541	2.8%	7.2%
Italy	23,768	26,929	32,735	37,208	34,692	41,323	19.1%	6.8%
Nordic and Baltic countries	21,831	23,261	25,883	26,964	26,238	27,894	6.3%	4.6%
Netherlands	22,326	23,152	23,914	25,268	24,562	26,155	6.5%	4.3%
Belgium and Luxembourg	13,336	14,229	14,662	15,708	14,805	15,997	8.1%	2.6%
Rest of the world	7,795	10,954	12,817	12,538	12,048	13,254	10.0%	2.2%
Total	460,394	515,114	562,644	587,104	532,935	608,291	7.1%	100%

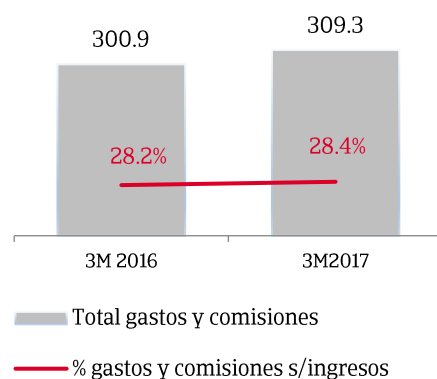
(figures in millions of euros)

Risk accumulation per sector	2013	2014	2015	2016	3M 2016	3M 2017	% Chg. 16-17	% of total
Chemicals	56,283	63,915	69,797	70,510	77,704	81,935	5.4%	13.5%
Electronics	55,912	67,007	74,538	78,593	66,713	72,498	8.7%	11.9%
Durable consumer goods	50,468	56,347	60,940	65,324	61,264	66,138	8.0%	10.9%
Metals	50,907	56,286	59,888	58,855	60,058	61,401	2.2%	10.1%
Food	42,564	48,188	52,056	55,640	53,027	57,568	8.6%	9.5%
Transport	38,366	43,705	50,612	53,434	51,854	55,802	7.6%	9.2%
Construction	33,459	37,238	41,147	43,133	41,568	45,371	9.1%	7.5%
Machinery	29,390	31,629	33,902	34,734	33,579	36,163	7.7%	5.9%
Agriculture	22,808	25,932	28,327	30,907	29,873	32,093	7.4%	5.3%
Construction materials	20,030	21,981	24,425	25,387	24,725	26,509	7.2%	4.4%
Services	21,386	21,180	24,113	25,276	24,043	26,278	9.3%	4.3%
Textiles	16,261	17,722	19,065	19,855	19,366	20,090	3.7%	3.3%
Paper	10,805	12,275	12,747	13,590	12,989	14,122	8.7%	2.3%
Finance	11,755	11,711	11,088	11,867	11,152	12,323	10.5%	2.0%
Total	460,394	515,114	562,644	587,104	532,935	608,291	7.1%	100%

Expenses and commissions

(figures in millions of euros)

Expenses and commissions	3M 2016	3M2017	% Chg. 16-17	12M 2016
Traditional business	73.7	74.2	0.7%	338.9
Credit insurance business	100.7	100.9	0.2%	400.9
Non-recurring expenses	0.0	4.2		5.0
Total expenses	174.5	179.3	2.8%	744.8
Commissions	126.4	130.0	2.9%	508.3
Total expenses and commissions	300.9	309.3	2.8%	1,253.1
% expenses and commissions out of income	28.2%	28.4%		29.6%



Financial result

(figures in millions of euros)

Financial result	3M 2016	3M 2017	% Chg. 16-17	12M 2016
Financial income net of expenses	54.8	59.2	8.0%	223.3
Exchange Differences	-0.1	0.0		0.1
Subsidiary companies	0.1	0.2		0.3
Interests applied to life	-37.8	-41.9	10.8%	-152.2
Recurring financial results traditional business	17.1	17.5	2.3%	71.5
% of earned premiums	2.7%	2.8%		2.8%
Financial income net of expenses	3.9	4.2	7.7%	17.9
Exchange Differences	2.8	-0.7		8.0
Subsidiary companies	3.5	0.7		4.6
Interests subordinated debt	-3.3	-4.2		-15.7
Recurring financial results from credit insurance	6.9	0.0		14.8
% of net income from insurance	1.6%	0.0%		0.9%
Intra-group interest adjustment	-2.7	-1.9		-8.5
Adjusted recurring financial results from credit insurance	4.2	-1.9		6.3
Recurring financial results	21.3	15.6	-26.7%	77.8
% of total Group Income	2.0%	1.5%		1.8%
Non-recurring financial results	-7.8	-0.7		-15.5
Financial result	13.4	14.9	11.2%	62.3
% of total Group Income	1.3%	1.4%		

Non-recurring result

(figures in millions of euros)

Non-recurring result (net of taxes)	3M 2016	3M 2017	12M 2016
Technical	0.0	0.0	0.0
Financial	-1.8	-1.8	5.3
Expenses and other non-recurrent	0.0	0.0	-0.2
Non-recurrent from traditional business	-1.8	-1.8	5.1
Technical	0.0	0.0	0.0
Financial from business	-5.2	1.2	-20.8
Expenses and other non-recurrent	0.0	-3.2	-5.3
Non-recurring from credit insurance business	-5.2	-2.0	-26.1
Consolidation adjustments	0.0	0.0	0.0
Non-recurring result net of taxes	-7.0	-3.8	-21.0

Balance Sheet

The assets of Grupo Catalana Occidente increased by €322,1 million

Grupo Catalana Occidente ended the first quarter of 2017 with assets of €14,229.6 million, an increase of 2.3%.

The main items that explain this increase are:

- Technical provisions, at €193.5 million.
- Treasury, with €177.3 million.
- Net equity, at €104.1 million.

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

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

(figures in millions of euros)

Assets	12M 2016	3M 2017	% Chg. 16-17
Intangible assets and property	1,213.1	1,209.1	-0.3%
Investments	10,332.0	10,495.3	1.6%
Property investment	398.0	398.7	0.2%
Financial investments	8,897.3	8,882.7	-0.2%
Cash and short-term assets	1,036.6	1,213.9	17.1%
Reinsurance participation in technical provisions	895.1	952.7	6.4%
Other assets	1,467.2	1,572.5	7.2%
Deferred tax assets	91.1	91.4	0.3%
Credits	900.4	939.8	4.4%
Other assets	475.8	541.3	13.8%
Total assets	13,907.5	14,229.6	2.3%
Net liabilities and equity	12M 2016	3M 2017	% Chg. 16-17
Long-term capital	3,039.6	3,136.4	3.2%
Net equity	2,834.7	2,938.8	3.7%
Parent company	2,533.6	2,626.8	3.7%
Minority interests	301.1	312.0	3.6%
Subordinated liabilities	204.9	197.7	-3.5%
Technical provisions	9,351.0	9,544.5	2.1%
Other liabilities	1,516.8	1,548.7	2.1%
Other provisions	186.4	176.6	-5.3%
Deposits received on buying reinsurance	59.2	56.6	-4.4%
Deferred tax liabilities	340.3	345.8	1.6%
Liabilities	623.0	648.2	4.0%
Other liabilities	308.0	321.4	4.4%
Total net liabilities and equity	13,907.5	14,229.6	2.3%

Corporate structure

Grupo Catalana Occidente consists of over 50 entities, mostly entities linked to insurance activity.

The parent company is Grupo Catalana Occidente S.A., which directly and indirectly administers and manages the investments of all Group entities.

The following graph shows the principal entities included in the consolidation perimeter of Grupo Catalana Occidente at the end of 2016 and the activity carried out, differentiating between the insurance entities, the entities that support the insurance business and the entities that channel the investment.

GRUPO CATALANA OCCIDENTE Principales entidades		
Seguros Catalana Occidente	Tecniseguros	GCO Gestión de Activos
Seguros Bilbao	Bilbao Vida	Menéndez Pelayo SICAV
NorteHispana Seguros	S. Órbita	Catoc SICAV
Plus Ultra Seguros	Azkaran	Bilbao Hipotecaria
GCO Re	Agesal	Salerno 94
Previsora Bilbaína Seguros	Bilbao Telemark	Hercasol SICAV
Previsora Bilbaína Vida	Inversions Catalana Occident	Previsora Inversores SICAV
	CO Capital Ag. Valores	Arroita 1878
	Cosalud Servicios	
	GCO Tecnología y Servicios	
	Prepersa, AIE	
	GCO Contact Center	
	Grupo Funeuskadi	
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 International	Atradius Finance
Atradius Rus Credit Insurance	Graydon	
Crédito y Caución Seguradora de Crédito e Grantias Brazil		
SOCIEDADES DE SEGUROS	SOCIEDADES COMPLEMENTARIAS DE SEGUROS	SOCIEDADES DE INVERSIÓN

■ NEGOCIO TRADICIONAL

■ NEGOCIO SEGURO DE CRÉDITO

Board of Directors

The Board of Directors is the maximum management authority in the Group. The guiding principle for action is to delegate the ordinary management to the management team and to concentrate the activity on the supervision function which includes:

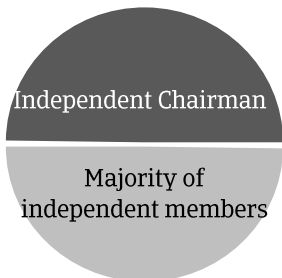
- Strategic responsibility: direct the policies of the Group.
- Supervision responsibility: control management events.
- Communication responsibility: serve as a link between shareholders.

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

Its operation and actions are regulated by the regulations of the board of directors (available on the Group website).



Delegate committees:



Consejo de Administración



*Consejeros ejecutivos / **Independientes / Consultar los currículos en la web del Grupo

Comisiones delegadas

Comité de auditoría



Comisión de nombramientos y retribuciones



El perfil de los miembros del Consejo y de las comisiones puede consultarse en la página web del Grupo Catalana Occidente

Fundación Jesús Serra

Fundación Jesús Serra is the institution through which the social action of Grupo Catalana Occidente is channelled. Founded in 1998, its activities faithfully follow the humanistic values of its founder, Jesús Serra, supporting initiatives in the areas of music and poetry, research, teaching, sports and charity.

Music and poetry

The support for culture is based on the promotion of two of its main manifestations: music and poetry. The foundation collaborates with the María Canals International Piano Competition, one of the most relevant on a global scale, sponsoring the Spanish tour for the winner of each edition. In parallel, it organises the Pianos in the Street initiative, which consists of placing these instruments in various cities in order to promote learning and interest in music. In 2016, seven grand pianos were placed in the main streets of Madrid, Barcelona, Salamanca and Cadiz.

For their part, in 2016, 950 poems by young writers from 28 countries participated in the Poetry Competition, a figure which increases each year.

Research and teaching

The Visiting Researchers program by Fundación Jesús Serra (FJS), developed in collaboration with the National Cardiovascular Research Centre (CNIC), the National Oncological Research Centre (CNIO) and the Astrophysics

Institute of the Canary Islands (IAC), consists of procuring the attendance of visiting researchers of high prestige at these entities, with the objective of strengthening the scientific relationship of the host research group with the group from the original centre of the visiting researchers, as well as to initiate new lines of action derived from the generation of common scientific interests.

We can also highlight the participation in the Comfuturo project, led by the CSIC Foundation, which seeks to promote employment among young researchers, helping them to complete their studies and thus to form part of the research community in Spain, avoiding the emigration of talent.

In 2016, the boost for teaching took shape in the provision of university scholarships in Abat Oliba CEU for the schools that won the school tennis tournament by Fundación Jesús Serra and in business schools such as ESADE or Deusto Business.

Sport

In the area of promoting sports among children and young people, we can highlight the traditional Skiing championship by Fundación Jesús Serra, which is celebrated in the winter station of Baqueira Beret, with prizes consisting of assistance bags for winners.

Charity

Sports and charity came together to support the disabled tennis players Quico Tur and Lola Ochoa, that formed part

of the Spanish delegation to the Paralympic Games in Rio de Janeiro in the month of September.

Contributing to improving the education of those that need it most, Fundación Jesús Serra provides, as part of the Dignified Africa project, scholarships for girls in Kenya so that they can complete their studies and then get a job to maintain themselves and to help their families and their community.

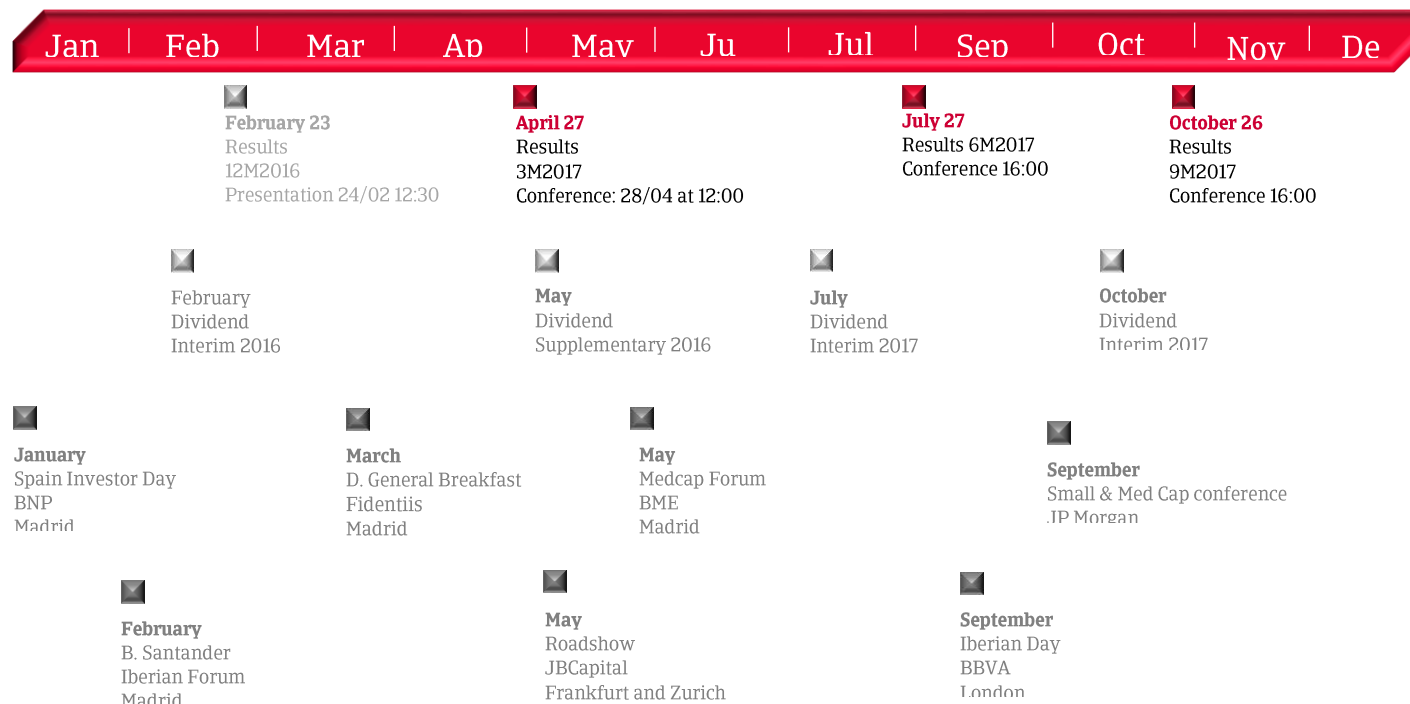
In 2016, new projects were launched, such as the Milky Way, together with Fundación Olvidados, to provide infant milk to children between 0-3 years whose family had scarce economic resources.

Promotion of internal participation

Fundación Jesús Serra plays an important role in the construction of a common culture for the Group, facilitating the meeting and participation of employees from all of the companies in different programs and events. It should be noted that 17 teams participated in Trailwalker Oxfam 2016, with editions in Girona, Euskadi and Madrid.

Aimed at families, a charitable magic festival was also held close to Christmas, an event that in two years has exceeded a thousand attendees.

Calendar and contact



www.grupocatalanaoccidente.com

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

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Glossary

Term	Definition	Formulation
Technical result	Result of the insurance activity	Technical result = Income from insurance - Technical cost - Commissions - Expenses
Reinsurance result	Result provided from transferring business to the reinsurer or accepting business from other entities.	Reinsurance result = Result of the reinsurance accepted + Result of the reinsurance transferred
Financial result	Result of the financial investments.	Financial result = income from financial assets (coupons, dividends, performances) - financial expenses (commissions and other expenses) + result of subsidiary companies - interest accrued on the debt - interests paid to the policyholders of the life insurance business
Technical result/ market	Result of the insurance activity including the financial result. This result is particularly relevant for Life insurances.	Technical/financial result = Technical result + Financial result
Result of non-technical non-financial account	The income and expenses that cannot be attributed to technical or financial results.	Non-technical non-financial account result = Income - expenses that cannot be attributed to the technical or financial results.
Result of complementary credit insurance activities	Result of activities that cannot be assigned to the purely insurance business. Principally distinguishes the activities of: <ul style="list-style-type: none"> · Information services · Recoveries · Management of the export account of the Dutch State. 	Result of complementary credit insurance activities = income - expenses
Recurring result	Result of the regular activity of the entity	Recurring result = technical/financial result + non-technical account result - taxes, all resulting from regular activity

Non-recurring result	Extraordinary or atypical activities that may detract from the analysis of the results account. 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 movements.
Turnover	Turnover is the Group's business volume It includes the premiums that the Group generates in each of the areas of activity and the income from services related to the credit insurance	Turnover = Premiums invoiced + Income from information Premiums invoiced = premiums issued from direct insurance + premiums from reinsurance accepted
Funds managed	Amount of the financial and property assets managed by the Group	Funds managed = Financial and property assets entity risk + Financial and property assets policyholder risk + Pension funds managed Funds managed = fixed income + variable income + properties + deposits in credit entities + treasury + subsidiaries
Financial strength	Shows the situation of debt and solvency. 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 / interests
Technical cost	Direct cost of the claim coverage. See claims.	Technical cost = total claims - claims from the reinsurance + cost of the reinsurance + increase of technical provisions
Dividend yield	The dividend yield shows the relationship existing between the dividends distributed in the last year with the value of the share upon closing. Indicator used to value the shares in an entity	Dividend yield = dividend paid in the year per share / listed value of the share upon closing
Modified duration	Sensitivity of the value of the shares to the interest rate movements	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 of the interest rates.
Expenses	The general expenses include the costs incurred for business management excluding those that can be attributed to the claims.	Expenses = personnel expenses + commercial expenses + other services and expenses (food, training, management awards, material and other office expenses, rents, external services, etc.).
Retention level	Measures the customers expectations to continue with the entity Scale from less than 1 year to over 5 years	Retention level = how long do you think that you will remain a customer?

Satisfaction level	Measures the level of general satisfaction of the customer with the entity Scale from 1 to 10	General satisfaction level = (Satisfied - Unsatisfied) / surveyed Satisfied responses with result from 7 to 10 Unsatisfied response with result from 1 to 4
Service satisfaction level	Measures the evaluation of the service received Scale from 1 to 10	Service satisfaction level = (Satisfied - Unsatisfied) / surveyed Satisfied responses with result from 7 to 10 Unsatisfied response with result from 1 to 4
Income from insurance	Term used in the credit insurance businessMeasures the income obtained from the principal activity of the credit insurance entity	Income from insurance = earned premiums + income from information
Shares in associated / subsidiary entities	Non-dependent entities where the Group has significant influence	Shares in associated / subsidiary entities = book value of the economic participation
Net Promoter Score NPS		Net Promoter Score = Would you recommend the company to family and friends? = (promoters-detractors)/ surveyed Promoters: responses with result equal to 9 or 10 Detractors: responses with result from 1 to 6
Pay out	Ratio that indicates the part of the result distributed to investors through dividends	Pay out = dividend distributed in the year / result attributable
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 is paid by the market for each monetary unit of results. It is representative of the entity's capacity to generate results.	PER = Market price of the share / result attributable per share
Ex. single premiums	Total premiums without considering non-periodic premiums of the Life business	Ex. single premiums = Premiums invoiced - single premiums of the life business
Technical provisions.	Amount of the assumed obligations derived from the insurance and reinsurance contracts.	
Combined ratio	Indicator that measures the technical profitability of the Non-Life insurance.	Net Combined Ratio = ((Claims + increase of technical provisions) + Commissions + Expenses) / Income from insurance

Net combined ratio	Indicator that measures the technical profitability of the Non-Life insurance net of the reinsurance effect	Net combined ratio = ((Claims - claims covered by the reinsurance + cost of the reinsurance + increase of technical provisions) + Commissions + Expenses) / (Income from insurance - Earned premiums transferred to reinsurance)
Expenses ratio	Ratio that reflects the part of income from premiums dedicated to expenses.	Expenses ratio = Expenses / Income from insurance
Net expenses ratio	Ratio that reflects the part of income from premiums dedicated to expenses net of the reinsurance effect	Expenses ratio = (Expenses - commission of the reinsurance earned) / (Income from insurance - Earned premiums transferred to reinsurance)
Claims ratio	Business indicator, consisting of the proportion between claims and earned premiums	Claims = (Claims + increase of technical provisions) / 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 - claims covered by the reinsurance + increase of technical provisions) / (Income from insurance - Earned premiums transferred to reinsurance)
Long-term capital	Resources assimilable to own funds.	Long-term capital = Net equity + Subordinate debt
Long-term capital at market value	Resources assimilable to own funds at market value	Long-term capital at market value = Net equity + Subordinate debt + capital gains not included in the balance sheet
Resources transferred to society	Amount that the Group returns to the principal groups of interest.	Resources transferred to the company = claims paid + taxes + commissions + personnel expenses + dividends
Return On Equity ROE	Financial profitability or return rate Measures the capital performance	ROE = result attributable / Attributed net equity
Claims	See technical cost. Economic evaluation of the claims.	Claims = Payment for claims + Variation of the provision for contributions
Total Potential ExposureTPE	This is the potential exposure to risk, also "risk accumulation".Business term for credit insurance	TPE = the sum of the credit limits subscribed by the Group in each "buyer"

Legal Note

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