
2016

Results and Operations Report
January-September 2016

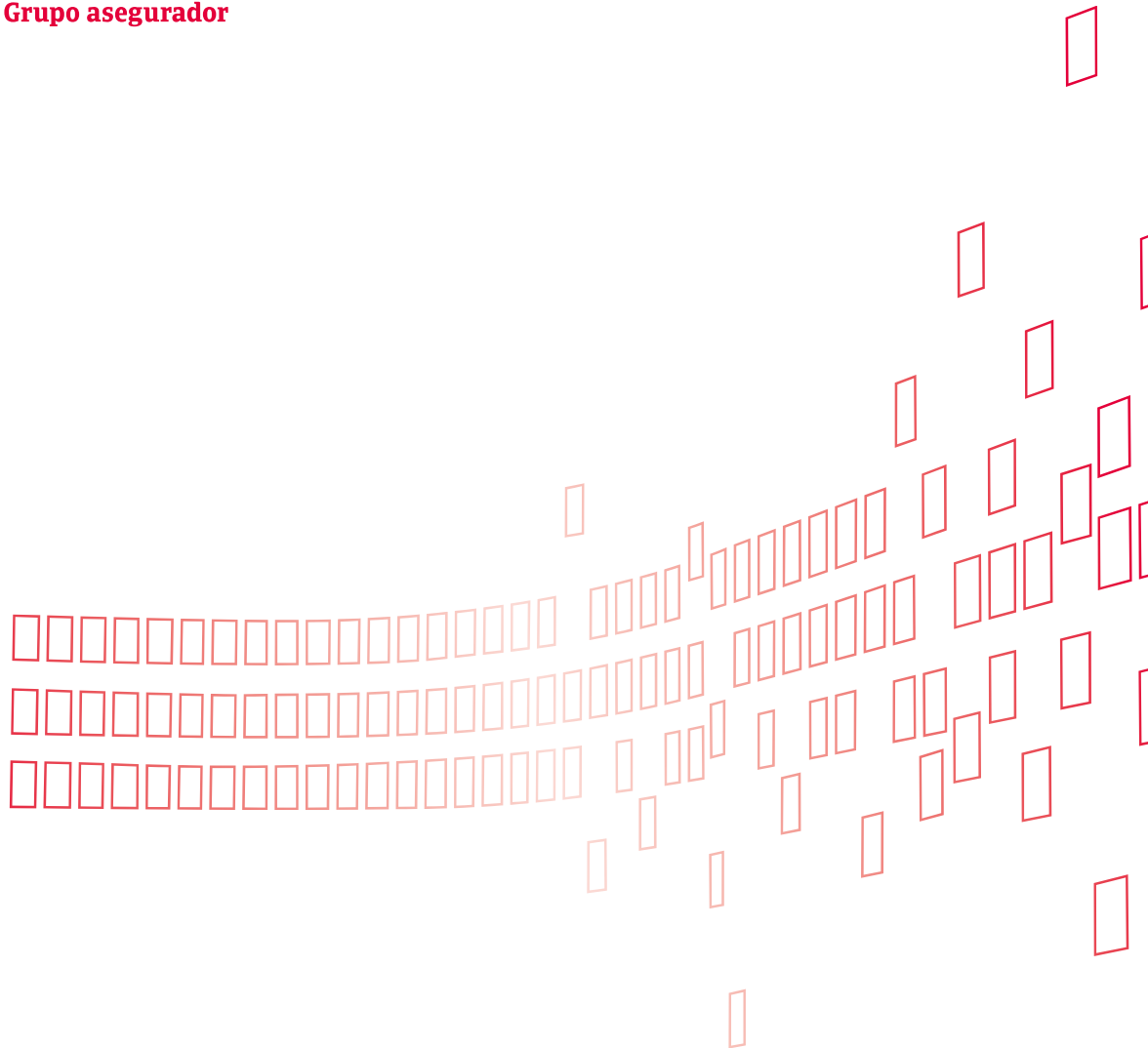


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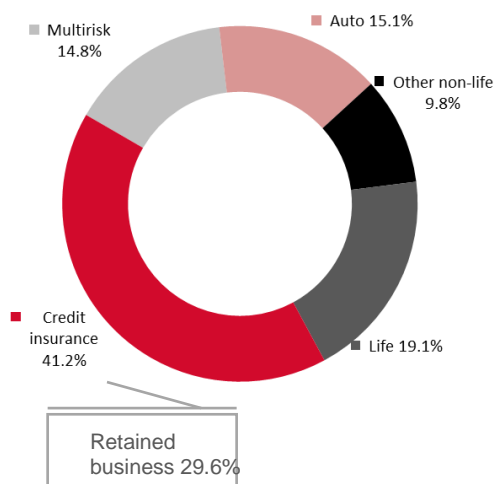
Main figures

Grupo Catalana Occidente closes September 2016 with solid profitable growth across all business lines

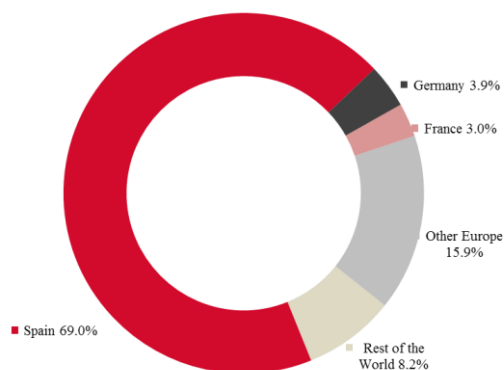
The attributed profit increases by **7.9%** with **€236.6M** thanks to the growth in premiums, the containment of the claim ratio and strict cost control

- Increase of 17.0% in turnover, reaching 3,166.5 million euros, reflecting the complete incorporation of Plus Ultra Seguros and greater commercial dynamism.
- Increase of 7.9% of attributable profit, reaching €236.6 million:
 - Traditional business, at €146.3 million, 21.2%.
 - Credit insurance business, at €147.8 million, 8.4%.
- Improvement of A.M. Best Rating Best to “A” with a stable outlook.
- Acquisition of Grupo Previsora Bilbaína, specialised in funeral insurance.
- Increase of 7.5% of the first two dividends on the results account for 2016.

Diversification by business



Diversification by country



(figures in millions of euros)

Main figures	9M 2015	9M 2016	% Chg. 15-16	12M 2015
Turnover	2,706.4	3,166.5	17.0%	3,826.1
- Traditional business	1,420.9	1,861.3	31.0%	2,150.8
- Credit insurance business	1,285.5	1,305.2	1.5%	1,675.3
Consolidated result	242.6	259.6	7.0%	296.1
- Traditional business	120.7	146.3	21.2%	148.9
- Credit insurance business	136.3	147.8	8.4%	170.4
- Non-Recurring	-14.3	-34.5		-23.1
Attributed to the parent company	219.3	236.6	7.9%	268.1
Long-term resources at market value	3,182.4	3,422.8	7.6%	3,262.5
Technical provisions	8,786.7	9,295.6	5.8%	9,074.3
Funds under management	10,810.7	11,551.4	6.9%	11,055.8
Share revaluation		-17.4%		33.5%
Dividend per share				0.67
Pay-out				30.1%
ROE	12.28	12.12		11.65
PER	11.38	11.12		14.36
Number of employees*	6,527*	6,414	-1.7%	6,486
Number of offices	1,520	1,530	0.7%	1,387

* From June 2012 to June 2015, 49% of the net result of Plus Ultra Seguros is included as part of the financial result of the traditional business. From July 2015, after the acquisition of the remaining 51%, 100% of Plus Ultra Seguros has been incorporated using the global integration method.

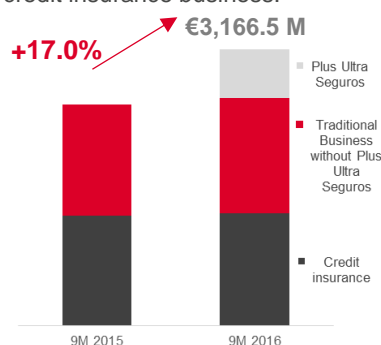
** This figure does not include the employees of Grupo Previsora Bilbaína.

Performance of Grupo Catalana Occidente

Improvement of results, income and capital

Increase in turnover of **17.0%** driven by the incorporation of Plus Ultra Seguros and organic growth

At the end of September, the Group achieved 3,166.5 million euros in turnover, which represents an increase of 17.0% compared to September 2015. The Group maintains itself in the sixth place in the Spanish market, with a market share of 4.5% and in the second place worldwide in the credit insurance business.



The traditional business continues to increase turnover, with a special emphasis on auto due to greater commercial dynamism. In total, the number of policies increased across all segments, the average rate being 3.0%.

In credit insurance (41.2% of the Group's premiums), turnover increases by 1.5%, with 1,305.2 million euros. Growth comes mainly from the increase in economic activity and the sales of our clients. The growth

in Germany and France (4.3% and +2.7%, respectively) should be especially noted.

Claims in the Group continue to be contained, improving compared to the second quarter of 2016. The technical cost ratio stands at 60.0% of net income, increasing 1.4 p.p. compared to September 2015, by incorporating the business of Plus Ultra Seguros that presents a higher number of claims (close to 10 p.p. higher than the traditional business). The ratio is maintained stable compared to the previous quarter (-0.1 p.p.).

The commissions ratio of the Group stands at 12.1% (+0.3 p.p.), it being 11.1% in the traditional business and 12.1% in credit insurance.

The expense ratio improves 0.9 p.p. to 17.8% of net income thanks to cost containment and an increase in turnover. The Group continues to make progress in the development of corporate platforms to provide better service at lower costs.

The Group shows a combined ratio lower than 90%, with it being at 90.6% in traditional business and at 75.4% in credit insurance.

Appendices. Tables 1 and 9



	(figures in millions of euros)			
Income statement	9M 2015	9M 2016	% Chg. 15-16	12M 2015
Written premiums	2,609.7	3,066.3	17.5%	3,704.6
Premiums acquired	2,576.9	3,004.6	16.6%	3,703.9
Income from information	96.7	100.2	3.6%	121.5
Net income from insurance	2,673.6	3,104.8	16.1%	3,825.4
Technical cost	1,565.8	1,863.7	19.0%	2,339.1
% of net income	58.6%	60.0%		61.1%
Commissions	316.3	376.7	19.1%	442.1
% of net income	11.8%	12.1%		11.6%
Expenses	499.7	551.5	10.4%	698.8
% of net income	18.7%	17.8%		18.3%
Technical result	291.0	311.2	6.9%	345.4
% of net income	10.9%	10.0%		9.0%
Financial result	56.9	46.8	-17.8%	84.8
% of net income	2.1%	1.5%		2.2%
Result of non-technical non-financial account	-16.3	-14.0		-22.8
% of net income	-0.6%	-0.5%		-0.6%
Result of complementary credit insurance activities	4.7	6.1	29.8%	8.0
% of net income	0.2%	0.2%		0.2%
Result before tax	336.3	350.1	4.1%	415.4
% of net income	12.6%	11.3%		10.9%
% Taxes	27.9%	25.8%	-7.2%	
Consolidated result	242.6	259.6	7.0%	296.1
Result attributable to minorities	23.3	23.0	-1.3%	28.0
Attributed result	219.3	236.6	7.9%	268.1
% of net income	8.2%	7.6%		7.0%
Recurring result	257.0	294.1	14.4%	319.3
Non-recurring result	-14.4	-34.5		-23.1

* From June 2012 to June 2015, 49% of the net result of Plus Ultra Seguros is included as part of the financial result of the traditional business. From July 2015, after the acquisition of the remaining 51%, 100% of Plus Ultra Seguros has been incorporated using the global integration method

The recurring financial result, at 74.1 million euros, increases 34.0% (+18.8 million euros), incorporating the total data of Plus Ultra Seguros (+17.3 million euros) and thanks to the favourable impact in the performance of forex, especially credit insurance. However, by incorporating non-recurring financial results, the total financial results are down 18.0% compared to September 2015.

Appendices. Table 10

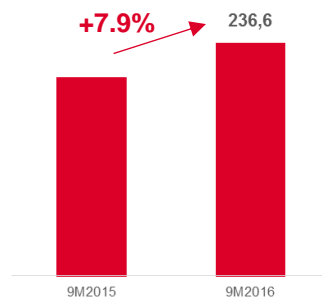
*

The high volatility in the financial markets, especially late in the third quarter, has resulted in negative non-recurring results. The impairment in the value of financial assets stands at -31.8 million euros (-15.5 million euros in the traditional business, mainly variable income, and -16.3 million euros in credit insurance, mainly due to the an adjustment in the value of an investee company).

Appendices. Table 11

*

The attributable profit stands at 236.6 million euros, growing by **7.9%** compared to September 2015



The result before taxes for the Group stood at €350.1 million, 4.1% more than the previous year. The average tax rate of the Group stood at 25.8%, close to 2.0 p.p. lower than in September 2015. The average tax rate of the traditional business stands at 23.5% (-1.7 p.p.) and for credit insurance it stands at 26.2% (-0.19 p.p.). Thus, the consolidated result, at 259.6 million euros, improved by 7.0%.

Acquisition of Grupo Previsora Bilbaína

On 6 April 2016, the Group announced the agreement to acquire Grupo Previsora Bilbaína, which specialises in funeral insurance and funeral services.

In 2015, the insurance business had a turnover of €43 million, obtaining a net result of €7 million, and the funeral business had a turnover of €13 million, with a net result of €3 million.

This operation strengthens the competitive position of the Group in funeral insurance, which will allow for obtaining a market share of over 5% (14% in the Basque Country) and exceeding one million policyholders in the branch of funeral insurance. This acquisition was formalised and executed on 30 September.

Key risks and uncertainties

The main risks and uncertainties faced by the Group are connected to insurance operations themselves, as well as the macroeconomic and financial situation in general. The most significant ones are:

- Uncertainties connected to economic growth forecasts in the main countries where the Group operates
- The impact of the economic environment and liquidity in the credit quality of the companies, which could lead to a higher claim frequency in the credit business.
- Volatility and disruptions in the financial markets, which would result in changes to interest rates, credit differentials, share prices and currencies
- Decreases in property values and, consequently, in the capital gains connected to these.
- New regulations and/or changes relating to the legislation to which the Group is subject

Grupo Catalana Occidente is solidly capitalised and reasonably protected against impacts that may be associated with the various risks and uncertainties, without neglecting to analyse and review the different aspects that may be considered key in the performance of the Group, in both the long and short term.

Macro environment and insurance industry

GDP growth and recovery in the insurance industry

Worldwide GDP growth remains stable, with the forecast for 2016 standing at 3.1% and at 3.4% in 2017

Stable GDP growth despite uncertainty increasing

The forecasts for global GDP growth for 2016 are reviewed downward to 3.1% (-0.1 p.p.), showing the moderation of perspectives of advanced economies after a vote in June where the United Kingdom decided to abandon the European Union and weaker than expected growth in the United States. Favourable macroeconomic aspects include the reaction of the markets to the Brexit shock, the short-term perspectives for China having been relieved thanks to the adoption of policies that support growth and that prices of raw materials have strengthened to some extent.

Important events have taken place during the third quarter of 2016, such as the OPEC meeting, which issued the first resolution on limiting oil production, and the FED meeting, showing that interest rates could rise in the coming months.

The United States continued to improve its main economic indicators with a strong labour market, mainly favoured by solid private consumption. Despite this, due to the

persistent weakness of investment, GDP growth forecasts for 2016 have been decreased to 1.6% (from an initial 2.0%).

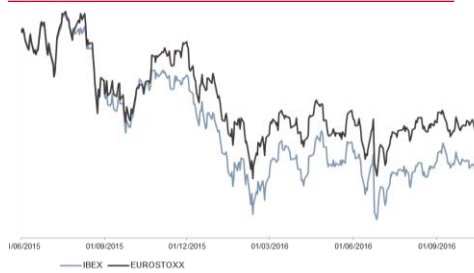
In emerging countries, activity indicators stabilise. In China, GDP growth for 2016 is estimated to stand at 6.6%, one point above the forecasts at the beginning of the year, vs. 6.9% in 2015.

In the EU, Brexit negotiations will play a key role over the coming months, while it faces a difficult political calendar with a constitutional referendum in Italy, political uncertainty in Spain and elections in Germany and France. In any case, the economic conditions in the EU remain favourable, with an estimate of GDP growth for 2016 of 1.7%.

In Spain, economic activity is progressing at a good pace, domestic demand, the creation of employment, higher bank lending, upward movement in the real estate market and the default rate continue to recover. The GDP growth estimate stands at 3.1%, 1 p.p. higher than in other European markets.

Financial markets: volatility and interest rates at historical lows

Performance of variable income (Base 100: 01/06/2015)



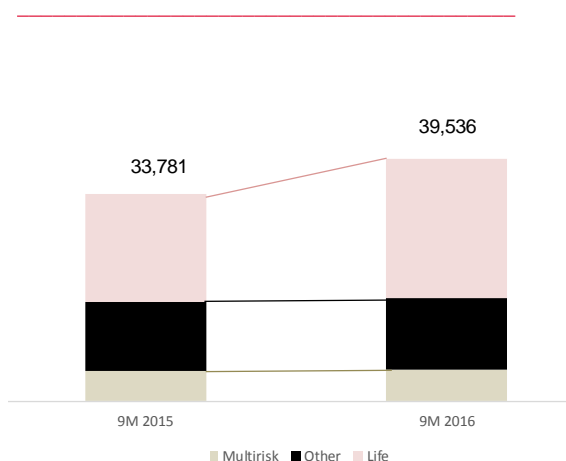
Performance of fixed income (Base 100: 01/06/2015)



Most stock markets closed with negative results, except the USA and emerging markets. EuroStoxx fell by -8.12% and Ibex35 by -8.01%

Insurance industry in Spain: growth in premiums driven by life and savings

Industry premiums 9M 2016 (€M)



+29.0%	Life	+31.6%
		Savings
		+16.0%
		Risk
+4.2%	Non-Life	+3.5%
		Multirisk
		+4.9%
		Auto

+14.8%

Increase in turnover for the insurance industry in Spain (vs. +18.4% at 6M 2016)

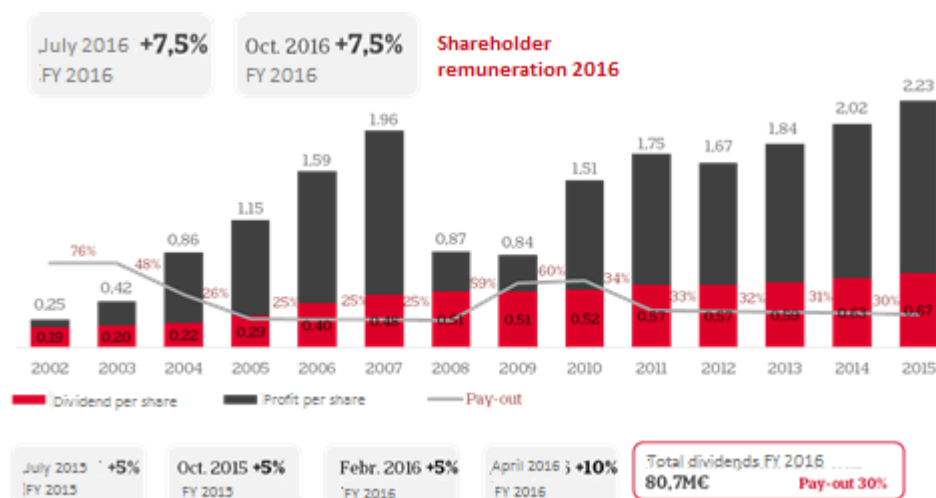
Shareholder remuneration

Increase of 7.5% in dividends.

Dividends

+7.5%

The first two dividends on the results account for 2016.



Share performance

26.45 euros per share:
-17.40% vs -18.17% Euro-Stoxx Insurance

TACC 2002/2016:
15.49% GCO
2.92% EuroStoxx Insurance

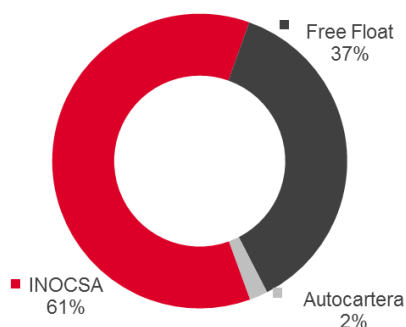
Price (euros per share)	9M 2015	9M 2016	12M 2015
Start period	23.99	32.02	23.99
Minimum	23.32	22.77	23.32
Maximum	29.54	32.02	32.33
Closing period	25.65	26.45	32.02
Average	27.33	26.16	27.63
Market capitalisation (millions of euros)	3,078	3,174	3,842

Profitability	2015	9M2016	TACC 2002 - 9M 16
GCO	33.50%	-17.40	15.49%
Ibex 35	-7.15%	-8.01	2.76%
EuroStoxx Insurance	14.12%	-18.17	2.92%

Other data (in euros)	3M2015	9M2016	12M 2015
Number of shares	120,000,000	120,000,000	120,000,000
Nominal value of the share	0.30	0.30	0.30
Average daily subscription (number of shares)	71,052	91,681	72,331
Average daily subscription (euros)	1,940,964	2,402,506	2,019,052
Dividend per share	0.63	0.67	0.67
Profitability by dividend (dividend/price)	2.31%	2.56%	2.43%

Relationship to the financial market

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

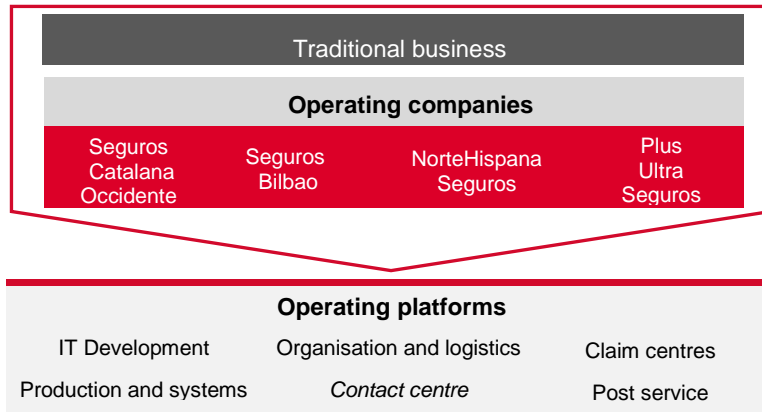


The Group transmits the results published (on the website, in English and Spanish) every quarter and holds 5 roadshows in different European countries, as well as 3 forums/conferences. In total, there were 95 meetings with investors and over 130 calls from shareholders, analysts and investors.

Analysis of results by business

Solid growth in recurring results
 Greater commercial dynamism
 Reduced claim levels
 Containment of costs

Traditional business



+31.0%

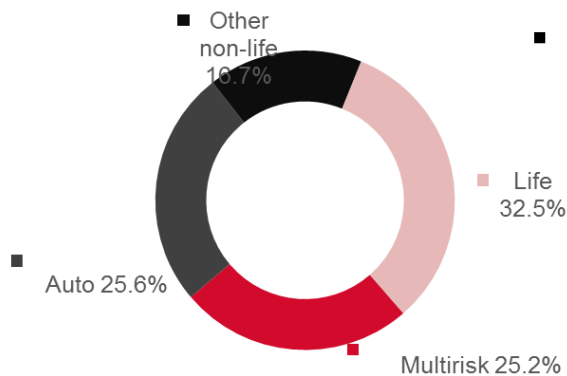
increase in turnover, reaching
 €1,861.3 million

(figures in millions of euros)

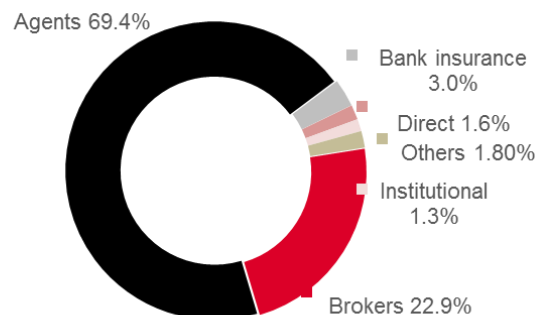
Traditional business	9M 2015	9M 2016	% Chg. 15-16	12M 2015
Written premiums	1,420.9	1,861.3	31.0%	2,150.8
Life insurance premiums, ex. single	1,109.6	1,538.5	38.7%	1,622.9
Acquired premiums	1,434.0	1,839.8	28.3%	2,167.1
Technical result	111.7	133.6	19.6%	138.0
% of Acquired premiums	7.8%	7.3%		6.4%
Financial result	56.3	65.5	16.3%	74.8
% of Acquired premiums	3.9%	3.6%		3.5%
Recurring result	120.7	146.3	21.2%	148.9
Non-recurring result	-7.3	-16.6		-7.2
Total result	113.4	129.7	14.4%	141.7

* From June 2012 to June 2015, 49% of the net result of Plus Ultra Seguros is included as part of the financial result of the traditional business. From July 2015, after the acquisition of the remaining 51%, 100% of Plus Ultra Seguros has been incorporated using the global integration method.

Business diversification



Distribution channels



At the end of September, turnover shows an increase of 31.0%, showing both the greater commercial dynamism and the incorporation of Plus Ultra Seguros.

Recurring premiums (without including single) have increased 38.7% and the technical result, at €133.6 million, grew by 19.6%, supported by a combined ratio of 90.6%, down 0.2 p.p. compared to the first half of 2016.

The technical cost is up 3.8 p.p. after incorporating the business of Plus Ultra Seguros, with higher claims.

The expense ratio improves by 1.7 p.p., reflecting the effort in cost containment, the efficient use of operating platforms and the increase in turnover.

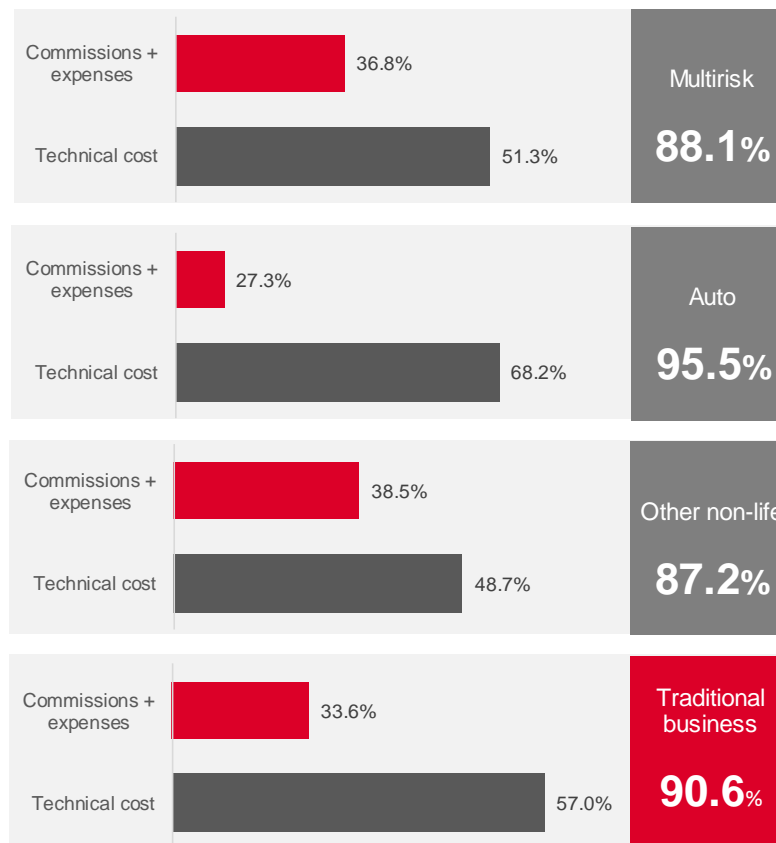
For its part, the financial result provides 65.5 million euros (+9.2 million euros), driven by the financial income of Plus Ultra Seguros.

Recurring profit after tax has increased 21.2% to €146.3 million.

€146.3M

Recurring result
+21.2%

Combines ratio traditional business



Sector
6M 2016
92.1%



Appendices. Table 3

Plus Ultra Seguros Business

+2.5%
Turnover ex. single

Turnover growth in all segments except in multirisk due to the execution of bank-insurance agreements

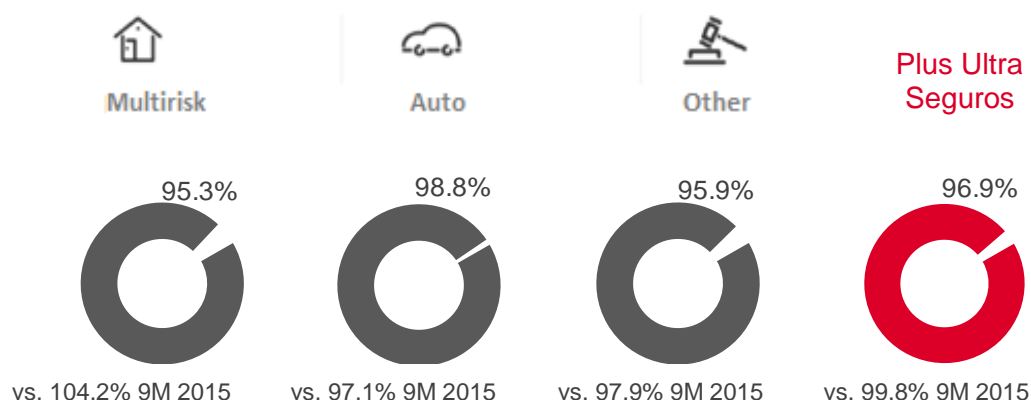
(figures in millions of euros)

Plus Ultra Seguros Business	9M 2015	9M 2016	% Chg. 15-16	12M 2015
Multirisk	154.5	148.7	-3.8%	619.1
Auto	190.8	202.3	6.0%	208.9
Other non-life	112.4	117.8	4.8%	259.6
Non-Life	457.7	468.8	2.4%	150.6
Periodical	42.2	43.7	3.6%	63.8
Single	28.4	47.9	68.7%	46.2
Life	70.6	91.6	29.7%	110.0
Written premiums	528.3	560.4	6.1%	729.2
Written premiums ex. single	499.9	512.5	2.5%	683.0
Technical result	4.3	18.2		7.8
% of acquired premiums	0.8%	3.2%		1.1%

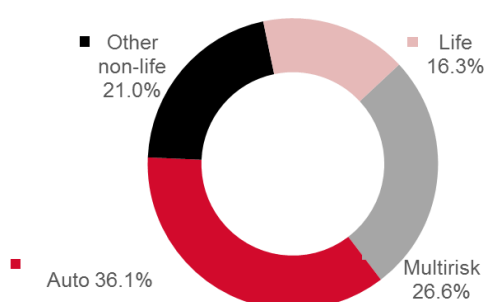
Significant improvement in the technical result, with a combined ratio of **96.9%** Improving by 2.8 points both due to the improvement in claims of -1.9 p.p. and an expense ratio down -1.0 p.p.

Combined ratio

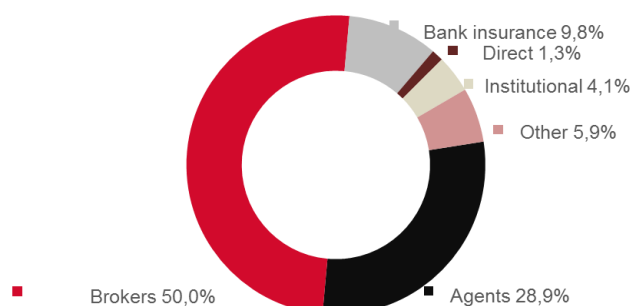
Appendices. Table 3



Business diversification



Distribution channels



Credit insurance business



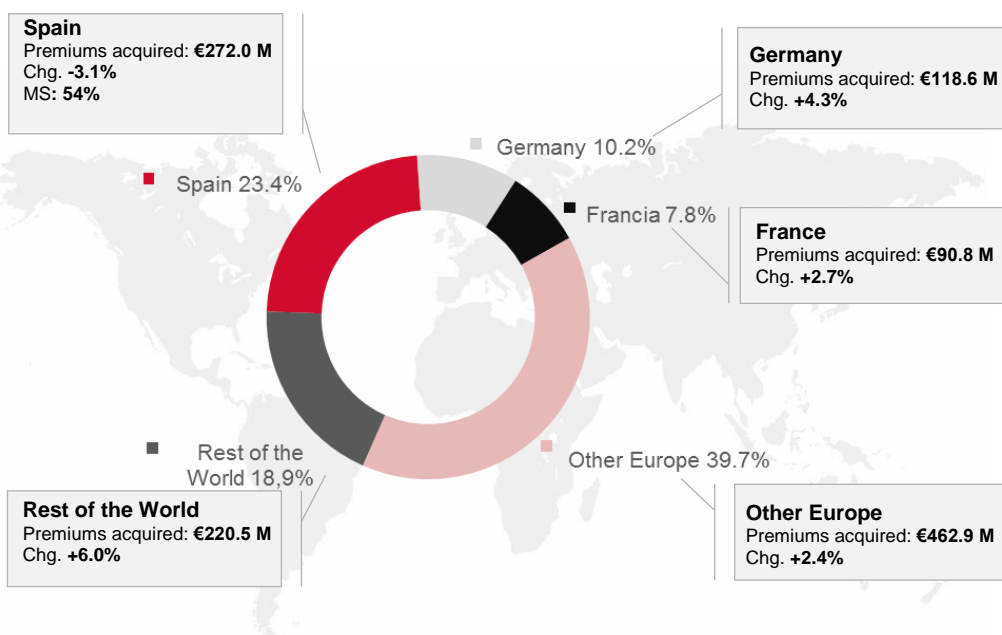
Appendices. Tables 4 to 8

(figures in millions of euros)

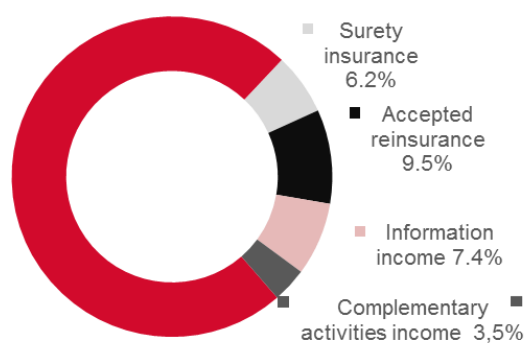
Credit insurance business	9M 2015	9M 2016	% Chg. 15-16	12M 2015
Net insurance income	1,239.7	1,265.0	2.0%	1,658.3
Technical result after expenses	321.2	303.8	-5.4%	343.4
% of insurance income	25.9%	24.0%		20.7%
Reinsurance result	-137.4	-114.9	-16.4%	-103.0
% of insurance income	-11.1%	-9.1%		-6.7%
Technical result after reinsurance	183.8	188.9	2.8%	240.4
% of insurance income	14.8%	14.9%		14.5%
Financial result	8.7	15.3	75.9%	4.8
% of insurance income	0.7%	1.2%		0.3%
Complementary activities result	4.7	6.1	29.8%	8.0
Corporate tax	-52.1	-55.0		-71.1
Adjustments	-8.8	-7.6		-11.6
Recurring result	136.3	147.8	8.4%	170.4
Non-recurring result	-7.0	-17.9		-6.0
Total result	129.3	129.9	0.5%	170.4

Growth in turnover in the main markets of the Group, maintaining claims and costs

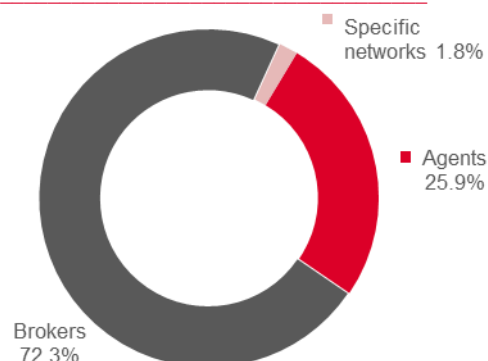
+8,4% increase in recurring results



Business diversification



Distribution channels



We are making progress in strengthening our position in the market

In 2016, opening of a service company in South Korea and expansion of surety operations in Benelux

Launch of agent projects in Italy and Belgium

TPE increases 6.1% compared to September 2015 and 3.1% from the beginning of the year.

Growth comes from the main European markets, especially France and Germany (+6.8% and +4.7% respectively).

75.4%

Net combined ratio, with a level of claims of 39.4%

Through a single direct insurance company in the EU

- Single regulatory environment
- Single corporate governance framework (especially important under Solvency II)

Europe represents 72.7% of total exposure and Spain is the main market, with 15.9% of the total. Asia and Australia represent 13.4% and exposure is down 2.3% since the beginning of the year.

Since 2010, the prime/exposure ratio is reduced gradually. The reason is mainly Europe, where risks of default have decreased significantly. However, in Spain, the average premium continues 11.5% above 2007.

Technical result after reinsurance grew 2.8%, supported by an increase in turnover and a stable claims ratio. The reinsurance transfer ratio stands at 42.5%, the same level as the year before.

The number of claims over the period is down 2.8%, the Spanish market being where it improves the most. The increase of 1.0 p.p. in expenses and commissions is explained by the different impact of reinsurance commissions.

The financial result has contributed €15.3 million, driven by movements in forex, and complementary activities contribute €6.1 million. This has placed the recurring profit after tax at €147.8 million, 8.4% higher than the previous year.

Corporate simplification

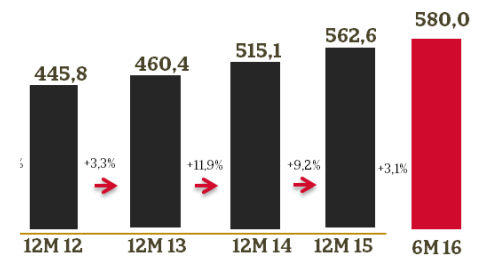
On 2 February 2016, the merger of Atradius Credit Insurance N. V. and Compañía Española de Seguros y Reaseguros de Crédito y Caución, S. A. U. was approved.

Atradius N.V. will continue to be the Dutch holding company of a leading international network offering credit insurance, surety, reinsurance, collections and information services.

The resulting legal structure will become effective after obtaining the relevant regulatory authorisations (the expected date is late 2016).

The transaction will have no impact on the business model, the financial statements or the established brands. Grupo Catalana Occidente remains committed to maintaining the Atradius entities well capitalised and with the same financial and operational autonomy.

Evolution of cumulative risk (TPE)

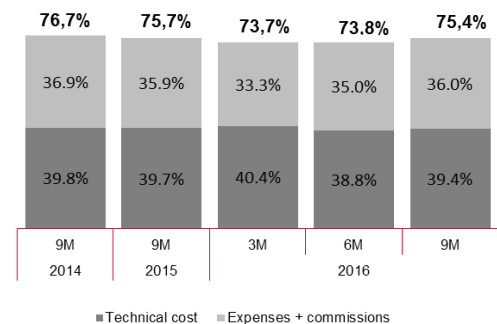


(figures in billions of euros)

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Appendices. Tables 7 and 8

Performance of the net combined ratio



Investments and funds under management

Prudence and diversification

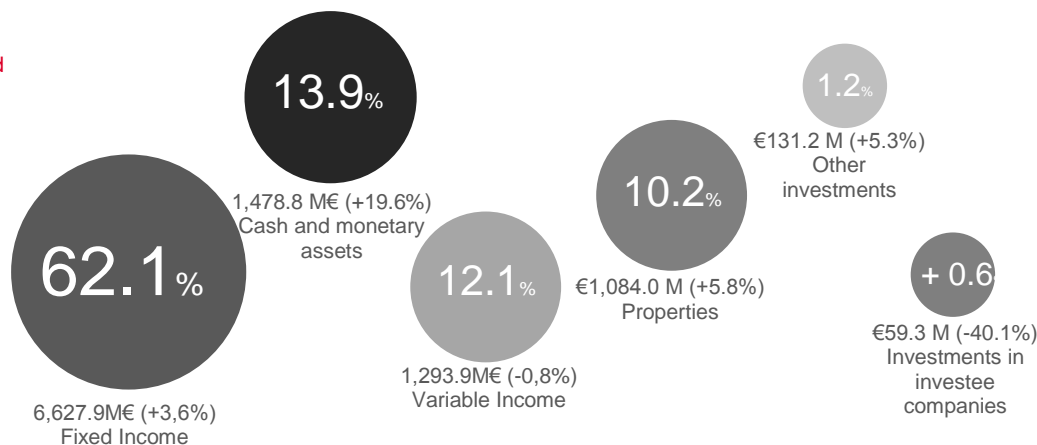
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Funds under management (% of investments)

Appendices. Table 2

€11.551.4 M

(+4.5% compared to funds under management at the end of 2015)



In these three quarters, over 35 million euros have been invested in property for the use of third parties in Barcelona and Madrid.

The decrease in the amount of variable income is due exclusively to the evolution of the financial markets.

The Group manages funds amounting to €11,551.4 million, up 4.5%. The funds in which the Group assumes the risk stood at €10,675.1 million, 4.8% more than in the previous year.

The total investment in property at market value amounts to €1,084.0 million, up 5.8% (59.6 million euros more). The majority of the Group's properties are located in areas considered "prime" areas in the most important Spanish cities. Also, all of the properties for use by third parties are located in these areas and have a very high rate of occupancy.

For the purpose of assigning these properties to covering technical provisions and pursuant to legislation in force, they are appraised every two years, through entities authorised by the regulating authority. Capital gains from these properties stand at €471.6 million.

The equity investment is €1,293.9 million, representing 12.1% of the portfolio. The investment portfolio is widely diversified and focused on high-capitalisation securities, mainly in the European market (85.3%), giving greater weight to Spain (34.9%), which show attractive dividend returns.

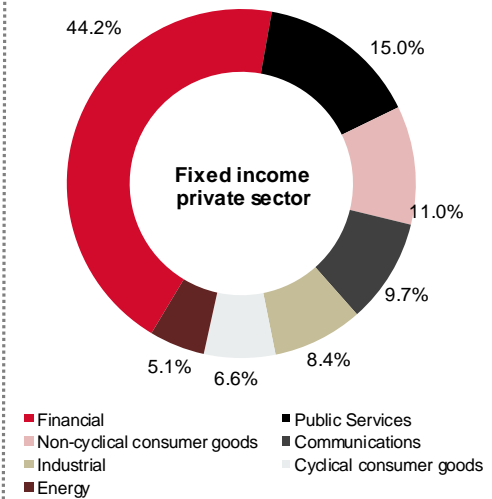
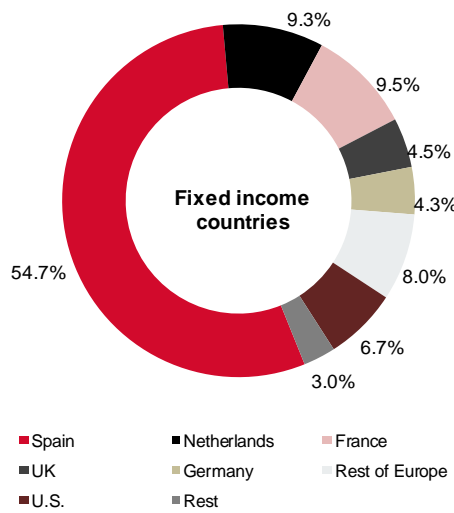
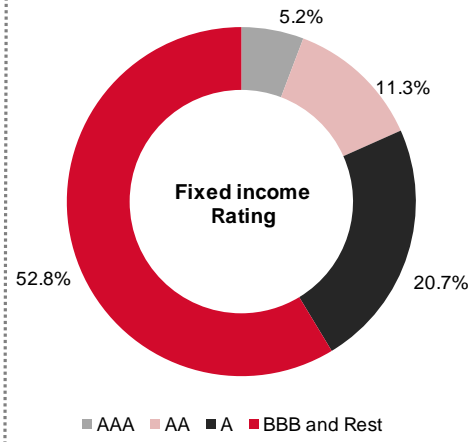
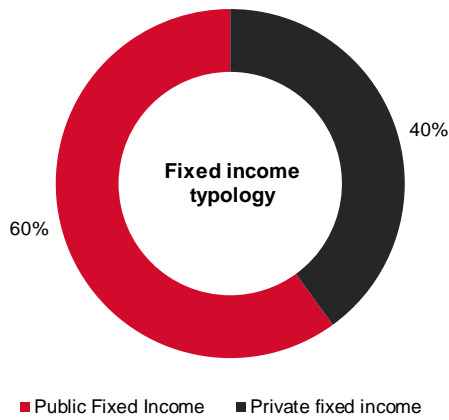
The Group maintains a liquidity position of €1,478.8 million (€457.1 million in deposits with credit institutions, mainly at BBVA and Banco Santander).

Fixed-income investment represents 62.1% of the total portfolio, standing at €6,627.9 million. The distribution of the *rating* in the portfolio is shown graphically below. The position in BBB bonds responds to the investment of the Group in bonds in the Spanish market (€3,593.9 million). At year end, 37.2% of the portfolio is *rated* A or higher.

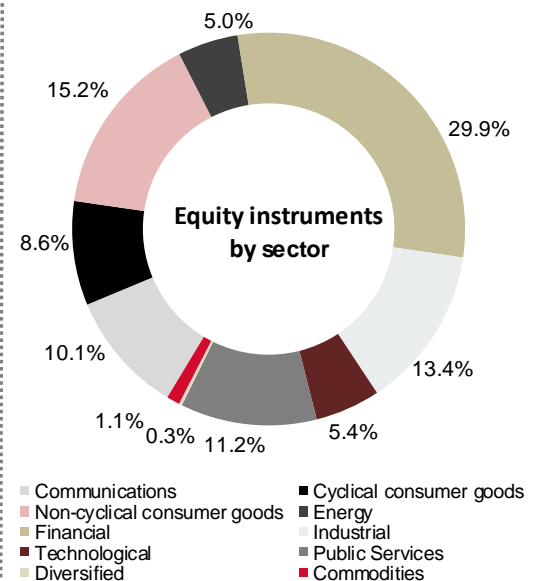
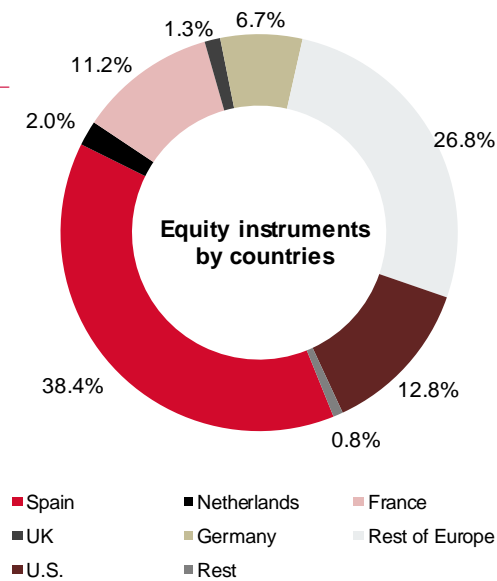
High fixed-income portfolio quality

97.3% investment grade

Duration of 4.84 and IRR of 3.11%



Variable income represents 12.1% of the portfolio



Capital management

Recurring results that guarantee solvency

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

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
- Managing the capital adequacy of the Group and its companies, taking into

account the economic and accounting outlook and capital requirements

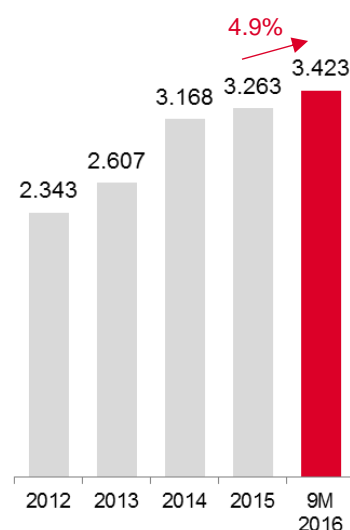
- Optimising the capital structure through the efficient allocation of resources between entities, ensuring financial flexibility and remunerating shareholders appropriately
- Defining the risk strategy and the capital management of the Group as part of the Own Risk and Solvency Assessment (ORSA) process

Increase in permanent resources

(figures in millions of euros)

PERMANENT RESOURCES ON 31/12/15	2,797.7
PERMANENT RESOURCES at market value on 31/12/2015	3,262.5
NET EQUITY ON 01/01/16	2,585.8
(+) Consolidated results	259.6
(+) Dividends paid	-83.0
(+) Variation of valuation adjustments	40.2
(+) Other changes	-61.0
Total movements	155.8
TOTAL NET EQUITY ON 30/09/16	2,741.6
Subordinated debt	209.6
PERMANENT RESOURCES ON 30/09/16	2,951.3
Capital gains not included in balance sheet (properties)	471.6
PERMANENT RESOURCES at market value on 30/09/2016	3,422.8

* The amount of the subordinated debt to be calculated for the purposes of the Group has been reduced by €41,0 million after deducting the investment that Plus Ultra Seguros and Seguros Catalana Occidente has in the bond.



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 €40.2 million.

Rating of "A" stable by A.M. Best



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

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

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:

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

On 16 March 2016, the A.M. Best rating agency increased the rating for companies of the traditional business to "A" with a stable outlook.

For the first time, in September, Plus Ultra Seguros received a rating of "A" stable by A.M. Best

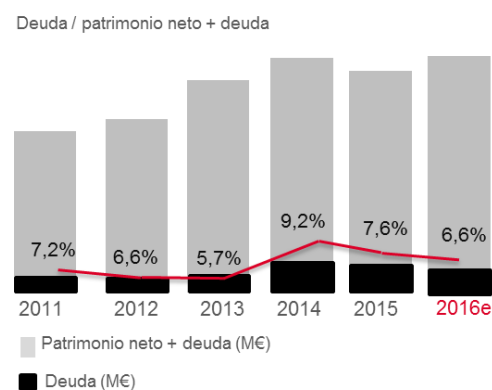
	AMBest	Moody's
Seguros Catalana Occidente	A stable	
Seguros Bilbao	A stable	
Plus Ultra Seguros	A stable	
Atradius Credit Insurance	A stable	A3 stable
Crédito y Caución	A stable	A3 stable
Atradius Re	A stable	A3 stable

Financial strength

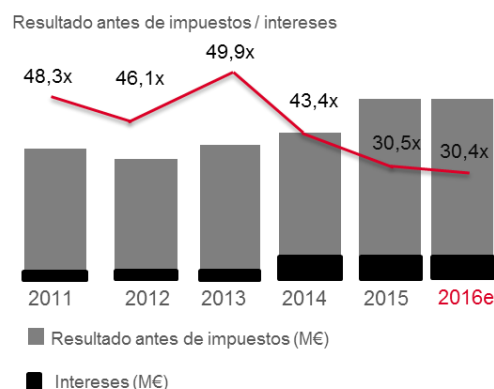
The Group has a debt ratio of 6.6%. The debt corresponds to the issuance of subordinated debt amounting to €250 million by Atradius, maturing in September 2044, which can be fully amortised from September 2024. It bears interest at a fixed rate of 5.25% for the first ten years and, thereafter, the interest rate is variable 3-month Euribor plus 5.03%.

The interest coverage ratio stands at 30.4, collecting the higher amount of interest on debt since 2015 due to the size of the issuance.

Debt ratio



Interest coverage ratio



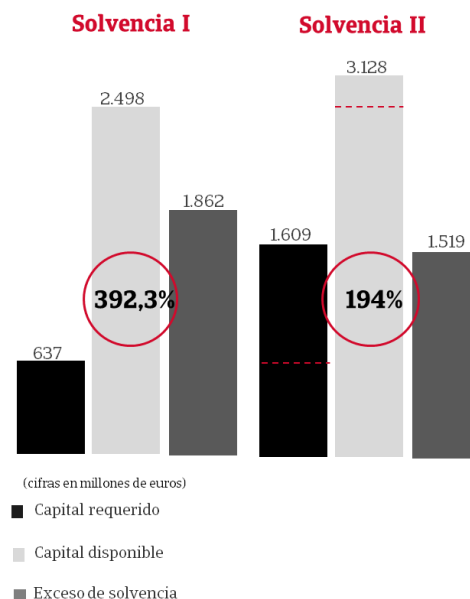
Strong Solvency II ratio

Solvency II entered into force in January 2016 and the first solvency results compared to the end of 2015 and the first half of 2016 have already been reported to regulators.

The Solvency II ratio of Grupo Catalana Occidente, at the end of 2015, according to the standard formula and considering the transitional measures of technical provisions and variable income, rises to 194%.

Despite the capital requirements being multiplied 2.5x compared to the capital required by Solvency I, excess capital in the Group is maintained above 1,500 million euros, which confirms the Group policy of maintaining robust solvency.

Solvency II regulations allows insurance entities to calculate their capital requirements using their own internally developed models. For this purpose, the Group manages the credit and surety business through an internal model, which was submitted for approval before the College of Supervisors in December 2015, for the purpose of using it to calculate the capital required for the purposes of Solvency II.



Grupo Catalana Occidente

Leadership in protection and long-term welfare for families and companies in Spain and on the coverage of commercial credit risks at the international level, seeking growth, profitability and solvency.

Insurance specialist



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

Closeness – global presence



- Distribution of intermediaries
- Over 20,000 agents
- 6,500 employees
- Over 1,500 offices
- Over 50 countries

Solid financial structure



- Listed on the Stock exchange
- "A" Rating
- + Solvency II 190%
- Stable, committed shareholders

Technical rigor



- CR below 90%
- Strict cost control
- 1999-2016: profitable *8

Traditional business

The traditional business, with a wide range of insurance products, mainly aimed at households and SMEs, is managed through a dedicated network of professional agents and over 1,400 offices in Spain.

Companies operating in the traditional business share the different operating platforms of the business such as software development, contact centre, organisation and logistics, claim centres and post-sales services.



Multirisk

Family-home, stores, communities, offices and SMEs



Auto

Coverage for vehicles or transport fleets



Prevention

Continuous follow-up of the clients of our policyholders



Compensation

Guarantees for credit opinions covered by insurance.



Other non-life

Industrial products, engineering, accidents and civil liability insurance, as well as funeral and health



Life

Life risk, life savings, pension plans and investment funds



Recovery

Recovery of outstanding debt in any market in the world



Services

Coverage throughout the client cycle: prospecting markets, customising control and improving liquidity.

Main companies for the traditional business



Main companies for credit insurance



Corporate structure

Grupo Catalana Occidente – Parent company

Seguros Catalana Occidente 100%	GCO Tecnología y Servicios 99.95%	Menéndez Pelayo 99.99%
Plus Ultra Seguros 100%	GCO Contact Center 99.95%	Catoc Sicav 99.84%
Seguros Bilbao 99.73%	GCO Gestión de Activos 100%	Hercasol 59.50%
NorteHispana Seguros 99.78%	CO Capital Ag. Valores 100%	Bilbao Hipotecaria 99.73%
GCO Reaseguros 100%	Prepersa 100%	Salerno 94 100%
Atradius Credit Insurance 83.20%	Cosalud Servicios 100%	Grupo Compañía Española Crédito y Caución 73.84%
Crédito y Caución 83.20%	Tecniseguros 100%	Atradius NV 83.20%
Atradius Re 83.20%	S. Órbita 99.73%	Atradius Participations Holding 83.20%
Atradius Trade Credit Insurance 83.20%	Bilbao Vida 99.73%	Atradius Finance 83.20%
Atradius Seguros de Crédito México 83.20%	Bilbao Telemark 99.73%	
Atradius Rus Seguros de Crédito Rusia 83.20%	Inversions Catalana Occident 100%	
Crédito y Caución Seguradora de Crédito e Garantías Brazil 83.20%	Atradius Dutch State Business 83.20%	
	Atradius Collections 83.20%	
	Atradius Information Services 83.20%	
	Iberinform International 83.20%	
Compañía de Seguros Genera- les Continental 49.99%	Asitur Asistencia 42.82%	Gesiuoris 26.12%
Compañía de Seguros de Cré- dito Continental 41.60%	Calboquer 20.00%	
Insurance companies*	Complementary Insurance Companies	Investment Companies



Main companies consolidated using the equity method

Fully consolidated companies

* **Grupo Previsora Bilbaína:** the companies in the Group acquired on 30 September 2016 are not included

* **ASEQ** has been dissolved as a consequence of the full transfer of all its assets and liabilities to Seguros Catalana Occidente

Results by business lines

(figures in millions of euros)

*
Table 1

Results by business lines	9M 2015	9M 2016	% Chg. 15-16	12M 2015
Recurring results from traditional business	120.7	146.3	21.2%	148.9
Recurring results from credit insurance business	136.3	147.8	8.4%	170.4
Non-recurring result	-14.3	-34.5		-23.1
Consolidated result	242.6	259.6	7.0%	296.1
Result attributable to minorities	23.3	23.0	-1.3%	28.0
Attributed result	219.3	236.6	7.9%	268.1

* From June 2012 to June 2015, 49% of the net result of Plus Ultra Seguros is included as part of the financial result of the traditional business. From July 2015, after the acquisition of the remaining 51%, 100% of Plus Ultra Seguros has been incorporated using the global integration method

Investments and funds under management

*
Table 2

Investments and funds under management	12M 2015	9M 2016	% Chg. 15-16	% of Inv. R. Co.
Real estate	1,024.4	1,084.0	5.8%	10.2%
Fixed Income	6,396.3	6,627.9	3.6%	62.1%
Equity instruments	1,304.3	1,293.9	-0.8%	12.1%
Deposits with credit institutions	464.4	457.1	-1.6%	4.3%
Other investments	124.6	131.2	5.3%	1.2%
Cash and monetary assets	772.2	1,021.7	32.3%	9.6%
Investment in subsidiaries	99.0	59.3	-40.1%	0.6%
Total entity risk investments	10,185.2	10,675.1	4.8%	100.0%
Investments by policyholders	315.7	322.1	2.0%	
Pension plans and mutual funds	554.9	554.2	-0.1%	
Total policy holders risk investments	870.6	876.3	0.7%	
Investments and funds under management	11,055.8	11,551.4	4.5%	

Additional Information traditional business

Table 3



Traditional
business

Traditional business	9M 2015			9M 2016			9M 2015			9M 2016		
	9M 2015	9M 2016	Chg.	9M 2015	9M 2016	Chg.	9M 2015	9M 2016	Chg.	9M 2015	9M 2016	Chg.
Acquired premiums	360.0	466.3	29.5%	306.0	463.3	51.4%	216.4	304.8	40.9%	882.4	1,234.4	39.9%
% technical cost	51.4%	51.3%	-0.2	63.4%	68.2%	4.8	41.8%	48.7%	7.0	53.2%	57.0%	3.8
% commissions	20.0%	20.5%	0.4	11.5%	11.2%	-0.3	16.9%	17.4%	0.5	16.3%	16.2%	-0.1
% expenses	16.7%	16.3%	-0.4	17.9%	16.1%	-1.8	25.1%	21.1%	-4.0	19.2%	17.4%	-1.7
% combined ratio	88.2%	88.1%	-0.1	92.8%	95.5%	2.7	83.7%	87.2%	3.5	88.7%	90.6%	2.0
Technical result	42.6	55.6	30.5%	22.3	21.0	-5.8%	35.2	39.0	10.8%	100.1	115.6	15.5%

Traditional Business ex Plus Ultra Seguros	9M 2015			9M 2016			9M 2015			9M 2016		
	9M 2015	9M 2016	Chg.	9M 2015	9M 2016	Chg.	9M 2015	9M 2016	Chg.	9M 2015	9M 2016	Chg.
Acquired premiums	306.2	312.3	2.0%	242.3	262.3	8.3%	179.0	188.0	5.0%	727.5	762.6	4.8%
% technical cost	49.4%	49.1%	-0.3	61.9%	65.7%	3.8	38.4%	39.7%	1.3	50.9%	52.5%	1.6
% commissions	19.5%	19.4%	-0.1	11.6%	11.6%	0.0	16.5%	16.3%	-0.2	16.1%	16.0%	-0.2
% expenses	16.4%	15.9%	-0.5	18.1%	15.6%	-2.5	27.4%	25.8%	-1.6	19.7%	18.3%	-1.4
% combined ratio	85.3%	84.5%	-0.8	91.5%	92.9%	1.4	82.3%	81.8%	-0.5	86.7%	86.7%	0.1
Technical result	44.7	48.4	8.2%	20.5	18.6	-9.4%	31.7	34.2	7.9%	96.9	101.2	4.4%

Plus Ultra Seguros	9M 2015			9M 2016			9M 2015			9M 2016		
	9M 2015	9M 2016	Chg.	9M 2015	9M 2016	Chg.	9M 2015	9M 2016	Chg.	9M 2015	9M 2016	Chg.
Acquired premiums	162.1	153.9	-5.1%	189.0	201.0	6.3%	111.1	116.7	5.0%	462.2	471.6	2.0%
% technical cost	63.8%	55.5%	-8.3	68.7%	71.3%	2.7	65.3%	63.3%	-2.1	66.1%	64.2%	-1.9
% commissions	22.7%	22.6%	-0.1	10.7%	10.7%	0.0	18.4%	19.0%	0.6	16.8%	16.6%	-0.1
% expenses	17.7%	17.2%	-0.6	17.8%	16.8%	-1.0	14.2%	13.6%	-0.6	16.9%	16.1%	-0.8
% combined ratio	104.2%	95.3%	-8.9	97.1%	98.8%	1.7	97.9%	95.9%	-2.1	99.8%	96.9%	-2.8
Technical result	-6.9	7.2		5.5	2.4		2.3	4.8		0.9	14.4	

Additional Information credit insurance

Credit insurance income

(figures in millions of euros)

Credit insurance business	9M 2015	9M 2016	% Chg. 15-16	12M 2015
Written premiums	1,188.8	1,205.0	1.4%	1,553.8
Spain	280.8	272.0	-3.1%	354.9
Germany	113.7	118.6	4.3%	153.4
France	88.4	90.8	2.7%	118.5
Other Europe	452.0	462.9	2.4%	605.3
Rest of the world	208.0	220.5	6.0%	304.7
Acquired premiums	1,142.9	1,164.8	1.9%	1,536.8
Income from information	96.7	100.2	3.6%	121.5
Total income from insurance	1,285.5	1,305.2	1.5%	1,675.3
Income from complementary credit insurance activities	45.9	47.7	3.9%	63.3
Total income from credit insurance	1,331.4	1,352.9	1.6%	1,738.6

Table 4

Detail of premiums acquired by country

(figures in millions of euros)

Acquired premiums	9M 2015	9M 2016	Chg.	% of total
Spain	280.8	272.0	-3.1%	23.4%
Germany	113.7	118.6	4.3%	10.2%
Asia and Australia	101.1	104.3	3.2%	9.0%
France	88.4	90.8	2.8%	7.8%
America	94.6	91.5	-3.3%	7.9%
UK	89.8	85.6	-4.7%	7.3%
Italy	85.6	89.4	4.4%	7.7%
Netherlands	75.8	77.1	1.7%	6.6%
Other EU	200.9	210.9	5.0%	18.1%
Other countries	12.4	24.7		2.1%
TOTAL BY COUNTRY	1,142.9	1,164.8	1.9%	100.0%

Table 5

Combined ratio credit insurance

Combined ratio breakdown	9M 2015	9M 2016	% Chg. 15-16	12M 2015
% Gross technical cost	37.5%	40.2%	2.7	43.5%
% Gross commissions + expenses	36.6%	35.8%	-0.8	35.8%
% Gross combined ratio	74.1%	76.0%	1.9	79.3%
% Net technical cost	39.7%	39.4%	-0.3	42.0%
% Net commissions + expenses	35.9%	36.0%	0.0	33.6%
% Net combined ratio	75.7%	75.4%	-0.3	75.6%

Table 6

Cumulative risk (TPE)

(figures in millions of euros)

	2012	2013	2014	2015	9M 2015	9M 2016	% Chg. 15-16	% of total
Country								
Spain and Portugal	90,084	81,486	85,165	89,601	89,187	92,123	3.3%	15.9%
Germany	70,266	72,844	77,297	80,398	80,524	84,283	4.7%	14.5%
Australia and Asia	65,064	58,725	69,210	79,668	76,677	77,852	1.5%	13.4%
Americas	27,296	45,386	59,491	65,464	61,569	68,243	10.8%	11.8%
Eastern Europe	37,004	41,142	45,925	50,805	48,189	54,749	13.6%	9.4%
UK	28,760	34,619	40,332	45,782	43,397	43,377	0.0%	7.5%
France	37,426	37,135	39,170	40,917	40,305	43,057	6.8%	7.4%
Italy	24,170	23,768	26,929	32,735	31,559	36,334	15.1%	6.3%
Nordic and Baltic countries	20,823	21,831	23,261	25,883	25,370	26,982	6.4%	4.7%
Netherlands	24,898	22,326	23,152	23,914	23,859	25,479	6.8%	4.4%
Belgium and Luxembourg	12,796	13,336	14,229	14,662	14,211	15,164	6.7%	2.6%
Rest of the world	7,259	7,795	10,954	12,817	11,796	12,389	5.0%	2.1%
Total	445,846	460,394	515,114	562,644	546,643	580,032	6.1%	100%

Table 7

	2012	2013	2014	2015	9M 2015	9M 2016	% Chg. 15-16	% of total
Industrial sector								
Chemicals	49,339	56,283	63,915	69,797	71,422	78,072	9.3%	13.5%
Electronics	50,957	55,912	67,007	74,538	68,092	68,480	0.6%	11.8%
Durable consumer goods	48,642	50,468	56,347	60,940	58,806	63,951	8.7%	11.0%
Metals	54,037	50,907	56,286	59,888	56,859	58,316	2.6%	10.1%
Food	40,476	42,564	48,188	52,056	50,967	55,416	8.7%	9.6%
Transport	35,248	38,366	43,705	50,612	48,718	52,970	8.7%	9.1%
Construction	35,287	33,459	37,238	41,147	40,957	43,254	5.6%	7.5%
Machinery	30,065	29,390	31,629	33,902	33,703	34,309	1.8%	5.9%
Agriculture	22,146	22,808	25,932	28,327	27,699	30,589	10.4%	5.3%
Construction materials	20,250	20,030	21,981	24,425	23,903	25,186	5.4%	4.3%
Services	20,974	21,386	21,180	24,113	22,999	24,845	8.0%	4.3%
Textiles	16,101	16,261	17,722	19,065	19,024	19,680	3.4%	3.4%
Paper	10,871	10,805	12,275	12,747	12,547	13,439	7.1%	2.3%
Finance	11,453	11,755	11,711	11,088	10,945	11,524	5.3%	2.0%
Total	445,846	460,394	515,114	562,644	546,643	580,032	6.1%	100%

Table 8

Other relevant aspects of the business

*

Table 9

Expenses and commissions

(figures in millions of euros)

EXPENSES AND COMMISSIONS	9M 2015	9M 2016	% Chg. 15-16	12M 2015
Traditional business	199.3	248.5	24.7%	286.8
Credit insurance business	300.1	297.9	-0.7%	389.3
Non-recurring expenses	0.3	5.1		22.7
Total expenses	499.7	551.5	10.4%	698.8
Commissions	316.3	376.7	19.1%	442.1
Total expenses and commissions	816.0	928.2	13.8%	1,140.9
% expenses and commissions of income	30.5%	29.7%	-2.6	29.2%

Financial result

(figures in millions of euros)

Financial result	9M 2015	9M 2016	% Chg. 15-16	12M 2015
Financial income net of expenses	157.4	179.4	14.0%	215.5
Exchange differences	0.0	-0.1		0.1
Subsidiary companies	6.4	-0.1		6.6
Interests applied to life	-107.5	-113.8	5.9%	-147.4
Recurring financial results from traditional business	56.3	65.4	16.2%	74.8
% of acquired premiums	3.9%	3.6%		3.4%
Financial income net of expenses	13.0	15.0	15.4%	17.3
Exchange differences	2.3	7.8		-0.4
Subsidiary companies	3.2	4.0	25.0%	0.9
Interests of subordinated debt	-9.8	-11.5	17.3%	-13.1
Consolidation adjustment	0.0	0.0		0.0
Recurring financial results from credit insurance	8.7	15.3	75.9%	4.8
% of net income from insurance	0.7%	1.2%		0.3%
Intra-group interest adjustment	-9.7	-6.6		-12.4
Adjusted recurring financial results from credit insurance	-1.0	8.7		-7.5
Recurring financial results	55.3	74.1	34.0%	67.2
% of total Group Income	2.1%	2.4%		1.8%
Non-recurring financial results	1.5	-27.8		17.6
Financial result	56.8	46.6	-18.0%	84.8
% of total Group Income	2.1%	1.5%		

*

Table 10

Non-recurring result

(figures in millions of euros)

Non-recurring result (net of taxes)	9M 2015	9M 2016	12M 2015
Technical from traditional business	-3.8	-4.2	-5.8
Financial from traditional business	1.3	-9.6	0.3
Expenses and other non-recurrent from traditional business	-3.0	0.3	-2.2
Non-recurring result Plus Ultra	-1.8	-3.1	
Non-recurrent from traditional business	-7.3	-16.6	-7.7
Technical and expenses from credit insurance	0.0	0.0	0.6
Financial from credit insurance business	-6.7	-14.0	0.5
Expenses and other non-recurrent from traditional business	-0.3	-3.9	-7.1
Non-recurring from credit insurance business	-7.0	-17.9	-6.0
Consolidation adjustments	0.0	0.0	0.0
Non-recurring result net of taxes	-14.3	-34.5	-13.7

*

Table 11

Balance sheet

(figures in millions of euros)

Table 12

Assets	12M 2015	9M 2016	% Chg. 15-16
Intangible assets and property	1,100.8	1,161.1	5.5%
Investments	9,763.0	10,243.1	4.9%
Property investment	278.7	314.3	12.8%
Financial investments	8,874.5	8,950.0	0.9%
Cash and short-term assets	609.7	978.7	60.5%
Reinsurance share in technical provisions	1,002.1	957.1	-4.5%
Other assets	1,430.1	1,540.6	7.7%
Deferred tax assets	96.1	131.2	36.5%
Credits	873.0	915.5	4.9%
Other assets	461.1	493.9	7.1%
Total assets	13,296.0	13,901.9	4.6%
Liabilities and equity	12M 2015	9M 2016	% Chg. 15-16
Long-term capital	2,797.7	2,951.3	5.5%
Equity	2,585.8	2,741.6	6.0%
Parent company	2,299.7	2,452.7	6.7%
Minority interests	286.1	288.9	1.0%
Subordinated liabilities	211.8	209.6	-1.0%
Technical provisions	9,074.3	9,295.6	2.4%
Other liabilities	1,424.0	1,655.0	16.2%
Other provisions	161.1	216.2	34.2%
Deposits received for transferred reinsurance	82.3	85.0	3.3%
Deferred tax liabilities	328.9	367.5	11.7%
Liabilities	574.3	645.2	12.3%
Other liabilities	277.3	341.1	23.0%
Total liabilities and equity	13,296.0	13,901.9	4.6%

Fundación Jesús Serra

The Foundation in figures



10 researchers received at the CNIO
20 scholarships to attend university
27 grants for skiers
Pianos on the Street in Barcelona, Madrid and Seville
1,410 families benefited by the Trailwalker race
79,250 people benefited by the donation of healthcare equipment to the Mahrastra hospital in India, a project of Manos Unidas
22,095 children treated at health centres in Niger, through the collaboration with Doctors without Borders

Composition of the Board of Directors

Board of Directors

Chair
José María Serra Farré

Vice-Chair
JS Invest, S.L. – Javier Juncadella Salisachs

Chief Executive Officer
***José Ignacio Álvarez Juste**

Secretary Director
Francisco José Arregui Laborda*

Members
Jorge Enrich Izard
Juan Ignacio Guerrero Gilabert**
Federico Halpern Blasco
Francisco Javier Pérez Farguell**
Hugo Serra Calderón*
María Assumpta Soler Serra
Cotyp, S. L. – Alberto Thiebaut Estrada
Ensivest Bros 2014, S. L. – Jorge Enrich Serra
Inversiones Giró Godó, S. L. – Enrique Giró Godó
Jusal, S. L. – José María Juncadella Sala
Lacanuda Consell, S. L. – Carlos Halpern Serra
Villasa, S. L. – Fernando Villavecchia Obregón

Non-Secretary Vice-Chair
Joaquin Guallar Pérez

*Executive Directors

**Independent Directors

Commissions of the Board of Directors

Audit Committee

Chair
Francisco Javier Pérez Farguell

Members
Juan Ignacio Guerrero Gilabert
Lacanuda Consell, S. L.

Acting as Secretary
Francisco José Arregui Laborda

Appointments and Remuneration Committee

Chair
Juan Ignacio Guerrero Gilabert

Members
JS Invest, S. L.
Francisco Javier Pérez Farguell

Acting as Secretary
Francisco José Arregui Laborda

CVs are available on the website of Grupo Catalana Occidente

Shareholder and investor calendar

Ene	Feb	Mar	Abr	May	Ju	Jul	Sep	Oct	Nov	Dic
	25 February Results 12M2015 Presentation 5 pm		28 April Results 3M2016 Conference: 29/04 at 12 pm			28 July Results 6M2016 Conference 4 pm		27 October Results 9M2016 Presentation 5 pm		
	February Interim Dividend 2015		May Supplementary Dividend 2015		July Interim Dividend 2016			October Interim Dividend 2016		



Download our App

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