

Grupo Catalana Occidente consolidated result increased by 10.1% to 357.3 million euros in 2017

The Group has consolidated its growth in 2017, increasing the results of both traditional and credit insurance business, growing its capital by 7% and reaching a solvency ratio of 210%.

Grupo Catalana Occidente has ended 2017 with a consolidated result of 357.3 million euros, representing a 10.1% increase when compared to 2016. Furthermore, the Group's turnover reached 4,254.3 million euros. The Group's two lines of activity, the traditional business and credit insurance, have delivered positive growing both in turnover and in results.

The business volume of the **traditional business** (Seguros Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao, NorteHispana Seguros y Previsora Bilbaína) increased by 4%, without considering single premiums, to 2,153.2 million euros mainly through the good performance of no vida. This sector saw a significant rise of 2% in invoicing from car insurance and 4.8% in other insurance products. Turnover from the traditional business dropped by 1.2%, to reach 2,516.1 million euros, due to the decrease in the premiums for the life insurance business (-23.9%).

The recurring profit of the traditional business rose to 179.1 million euros, which represents significant growth of 12.6% when compared to 2016, mainly due to the good combined ratio and the full consolidation of Previsora Bilbaína.

On the other hand, the business volume of the **credit insurance business** (Atradius Crédito y Caución and Atradius Re) reached 1,738.2 million euros, which represents growth of 2.9%. The turnover in this branch rose by 2%, reaching 1,718.8 million euros, as a result of the earned premiums and information services. The increase of premiums in Europe, especially in Germany, is worth noting. The recurring profit also increased by 1.9% to 190 million euros.

Profitability and solvency

Technical rigour continues to characterise the Group, which achieved an excellent combined ratio of 91.4% in traditional business (no vida) and 75.2% in credit insurance with a claims ratio lower than the industry average in both businesses.

The Group has continued to reinforce its solvency, with permanent resources at market value of 3,755.5 million euros in 2017, 7% higher than the previous year. The funds administered by the Group rose to 11,988.2 million euros, growth of 2.7% when compared to 2016.

In 2017, the rating agency A.M. Best confirmed the "A" (excellent) rating with a stable outlook for the main entities of the Group, and Moody's has also maintained the "A3" rating for the credit insurance business. In addition, Grupo Catalana Occidente received the approval of its Solvency II partial internal model for the

About Grupo Catalana Occidente

Grupo Catalana Occidente is one of the leaders in the Spanish insurance sector and the global credit insurance sector. With steady growth and a broad reach, it has more than 7,300 employees, a presence in more than 50 countries and serves more than 4,000,000 customers. Its network consists of over 1,600 offices and nearly 19,000 mediators. It is currently ranked in sixth position in the Spanish market and second worldwide for credit insurance.

underwriting risk of credit insurance, which will allow it to apply a system that best serves this business' risk profile.

According to Francisco Arregui, the Managing Director of Grupo Catalana Occidente, the good performance of the 2017 results reaffirms the success of the strategy. "Last year we consolidated the positive evolution of the business, with an improvement in results and in turnover on our two branches of activity. These figures support our policies of action, aimed at achieving profitable growth through rigour and efficiency", he said.

The Board of Directors agreed in its meeting today to propose at the General Meeting of Shareholders an increase of 10% in the supplementary dividend, which would be paid on 9 May 2018. With this dividend, the Group would distribute a total of 0.7751 euros per share (93 million euros) of the attributed profit for the 2017 financial year, 7.2% more.

Main figures	(figures in millions of euros)		
	2016	2017	% Chg. 16-17
A Growth			
Turnover	4,235.8	4,254.3	0.4%
- Traditional business	2,547.3	2,516.1	-1.2%
- Credit Insurance business	1,688.5	1,738.2	2.9%
B Profitability			
Consolidated result	324.5	357.3	10.1%
- Traditional business	159.0	179.1	12.6%
- Credit Insurance business	186.5	190.0	1.9%
- Non-Recurring	-21.0	-11.8	
Attributed result	295.6	325.4	10.1%
Combined ratio traditional business	92.1%	91.4%	
Combined ratio credit insurance business	76.8%	75.2%	
B Solvency			
Permanent resources market value	3,508.5	3,755.5	7.0%
Technical provisions	9,351.0	9,425.2	0.8%
Funds under management	11,672.1	11,988.2	2.7%
Solvency ratio*	200%	210%	

*2016 figure calculated using standard formula and 2017 figure using internal model.

For more information, you can see the Results report at www.grupocatalanaoccidente.com

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If you require any additional information please do not hesitate to contact us

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