

# RESULTS REPORT

**January to March 2014**

**GRUPO CATALANA OCCIDENTE, S.A.  
AND SUBSIDIARIES**

**150**  
years



**RESULTS REPORT**

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SUBSIDIARIES**









































## 2014 Risks and Uncertainties

The European insurance sector faces pressure elements similar to those specified in the Annual Report 2013 which have, in fact, been around since 2008. The principal risks and uncertainties that the Catalana Occidente Group may face during 2014 are those associated with the insurance business itself, as well as macro-economic and financial situation in general. In this regard, we highlight the following as the most significant risks:

- \* Uncertainties relating to the prospects of economic growth for the key countries where the Group operates, which would basically affect the business volume.
- \* Impact of the liquidity and credit quality for companies, which may trigger greater claims frequency.
- \* Risk of sudden and substantial increase in the frequency and/or amount of bad debts which may result in an increase in claims and consequently, a decrease in results.
- \* Volatility and disruptions in the financial markets that would cause changes in interest rates, credit spreads, stock and foreign exchange prices. These could materialize adversely affecting the Group's financial position, its results and its liquidity and capital position.
- \* Declines in the value of properties, and consequently of the gains associated with them, would reduce the Group's overall solvency, without affecting the financial statements, because property has remained in the financial statements at their "amortized cost" value.
- \* New legislation and/or changes in existing laws to which the Group is subject could alter the business performance in various ways.

Grupo Catalana Occidente is strongly capitalized and reasonably protected in relation to the impacts that may be associated with various risks and uncertainties. This does not mean that the company would ever cease to continually analyse and review the various aspects that can be considered key to the Group's performance, both in the short and long term, in order to enable the Group to manage the impact of economic developments more flexibly and efficiently.

## Corporate social responsibility

Grupo Catalana Occidente is governed by ethical principles and pursues sustainability objectives both in its social and environmental management. The Group sees transparency, continuous improvement, commitment to service and a close relationship with society as vital elements to the insurance management business.

Grupo Catalana Occidente channels part of its commitment to society through the Jesús Serra Foundation. The Foundation operates in different areas and promotes projects related to business, teaching, research, culture and social action.

As an insurance group, the environmental risk inherent to our business is not substantially relevant. Nevertheless, the Group approaches all its activities with a keen awareness of sustainable development, through the minimisation of waste, the use of biodegradable materials, the recycling of paper, the optimisation of energy consumption and the selection of suppliers.

# ANNEXES

## Additional information about GRUPO CATALANA OCCIDENTE (2013)

	Features	Business lines
<b>Traditional Business</b>	<ul style="list-style-type: none"> <li>* Focused on Spain</li> <li>* Families and Small and Medium Enterprises</li> <li>* Network of professional agents</li> <li>* 2,492 employees</li> <li>* 1,043 offices</li> </ul>	<ul style="list-style-type: none"> <li>* Multirisk</li> <li>* Auto</li> <li>* Other Non-Life</li> <li>* Life and Financial Products</li> <li>* Health</li> <li>* Burial</li> </ul>
<b>Credit Insurance Business</b>	<ul style="list-style-type: none"> <li>* Presence in more than 40 countries</li> <li>* Companies</li> <li>* Agents &amp; Brokers</li> <li>* 3,081 employees</li> <li>* 110 offices</li> </ul>	<ul style="list-style-type: none"> <li>* Credit Insurance</li> <li>* Surety</li> <li>* Credit Reinsurance</li> </ul>



## Results by business areas and quarters

RESULT BY BUSINESS AREAS	2009				2010				2011				2012				2013				2014			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Recurring revenue from the Traditional Business	33.0	50.1	27.7	27.8	25.5	32.1	30.8	23.5	27.9	35.5	31.0	18.6	30.0	32.8	31.8	23.5	29.3	33.9	36.5	23.0	29.1			
Recurring result from the Credit Insurance Business	-71.9	-33.0	10.0	14.1	30.1	26.4	41.1	28.7	55.6	42.7	17.3	2.7	28.5	32.0	23.3	20.7	29.9	32.0	26.1	38.2	41.9			
Non-Recurring Result	18.0	-0.4	-0.9	-36.6	2.2	2.1	-8.7	-24.6	-7.0	-8.5	1.8	24.1	2.9	-1.2	1.8	-3.2	4.4	-4.2	2.0	-7.1	-3.9			
CONSOLIDATED PROFIT AFTER TAX	-20.9	16.7	36.8	5.3	57.8	60.6	63.2	27.6	76.5	69.7	50.1	45.4	61.4	63.6	56.9	41.0	63.6	61.5	64.6	54.2	67.1			
PROFIT ATTRIBUTED TO MINORITY INTERESTS	-39.4	-18.2	5.1	-10.8	7.7	8.8	7.1	4.3	12.5	8.3	3.9	6.5	7.4	7.1	4.2	4.1	6.2	5.0	5.2	6.5	7.5			
PROFIT ATTRIBUTED TO PARENT COMPANY	18.5	34.9	31.7	16.1	50.1	51.8	56.1	23.3	64.0	61.4	46.2	38.9	54.0	56.5	52.7	36.9	57.4	56.5	59.5	47.7	59.6			

## Additional Information on Traditional Business

### Combined Ratio Breakdown by Business lines

COMBINED RATIO	3M 2013 (*)	3M 2014	Variation
<b>Multirisk</b>	<b>86.7%</b>	<b>88.1%</b>	<b>1.4</b>
Technical Cost	51.9%	53.2%	1.3
Commissions	19.5%	19.6%	0.1
Expenses	15.3%	15.3%	0.0
<b>Auto</b>	<b>92.1%</b>	<b>92.4%</b>	<b>0.3</b>
Technical Cost	61.4%	60.6%	-0.8
Commissions	11.8%	11.8%	0.0
Expenses	18.9%	20.0%	1.1
<b>Other Non-Life</b>	<b>84.1%</b>	<b>82.2%</b>	<b>-1.9</b>
Technical Cost	39.5%	37.4%	-2.1
Commissions	17.6%	17.5%	-0.1
Expenses	27.0%	27.3%	0.3
<b>Traditional Business</b>	<b>88.0%</b>	<b>88.2%</b>	<b>0.2</b>
Technical Cost	52.3%	51.9%	-0.4
Commissions	16.4%	16.5%	0.1
Expenses	19.3%	19.8%	0.5

## Additional Information about the Credit Insurance Business

EARNED PREMIUMS BY COUNTRY	3M 2013	3M 2014	(million euros)	
			% Var. 13-14	% over Total
Spain (Crédito y Caución)	95.1	93.8	-1.4%	25.8%
Italy	24.9	26.1	4.5%	7.2%
Germany	33.3	33.1	-0.5%	9.1%
France	29.0	29.7	2.6%	8.2%
UK	23.5	27.0	14.8%	7.4%
Netherlands	24.5	23.7	-3.1%	6.5%
Other EU	61.9	66.5	7.3%	18.3%
America	28.6	30.4	6.2%	8.4%
Asia and Australia	26.8	28.5	6.4%	7.9%
Other countries	4.3	4.2	-1.6%	1.2%
<b>Total Earned Premiums</b>	<b>351.9</b>	<b>363.0</b>	<b>3.1%</b>	<b>100.0%</b>

### Combined Ratio Breakdown by Business lines

	Atradius w/o CyC			Crédito y Caución		
	3M 2013	3M 2014	Variation	3M 2013	3M 2014	Variation
<b>Gross Combined Ratio</b>	<b>78.9%</b>	<b>73.0%</b>	<b>-5.9</b>	<b>88.8%</b>	<b>77.4%</b>	<b>-11.4</b>
Technical Cost	42.4%	35.6%	-6.8	63.0%	51.6%	-11.4
Commissions + Expenses	36.5%	37.4%	0.9	25.8%	25.7%	-0.1
<b>Net Combined Ratio</b>	<b>78.7%</b>	<b>75.5%</b>	<b>-3.2</b>	<b>92.8%</b>	<b>79.0%</b>	<b>-13.8</b>
Technical Cost	39.8%	36.5%	-3.4	61.3%	51.1%	-10.2
Commissions + Expenses	38.9%	39.0%	0.1	31.5%	27.9%	-3.6

## TPE (Potential Risk Exposure) Performance and Distribution by Country

Buyer's country	2007	2008	2009	2010	2011	2012	2013	3M2014	% Var.	% of total
Spain and Portugal	195,354	162,532	109,844	107,097	103,565	90,094	81,486	81,804	0.4%	17.4%
Germany	77,209	74,156	59,136	60,212	65,608	70,266	72,844	74,894	2.8%	15.9%
Australia and Asia	69,006	67,279	40,746	48,650	59,826	72,323	66,520	69,453	4.4%	14.7%
America	28,950	27,729	15,691	20,026	22,646	27,296	45,386	46,035	1.4%	9.8%
Eastern Europe	42,001	43,399	25,274	26,874	31,950	37,004	41,142	42,367	3.0%	9.0%
France	57,143	48,334	36,294	36,851	36,391	37,426	37,135	38,156	2.7%	8.1%
UK	44,788	33,755	20,705	23,736	25,988	28,760	34,619	35,163	1.6%	7.5%
Italy	41,354	38,144	20,023	21,042	24,111	24,170	23,768	24,723	4.0%	5.2%
Nordic and Baltic Countries	26,512	24,370	18,102	17,814	19,365	20,823	21,831	22,504	3.1%	4.8%
Netherlands	40,971	38,371	28,095	24,978	25,200	24,898	22,326	22,410	0.4%	4.8%
Belgium and Luxembourg	19,078	16,421	11,763	11,616	11,983	12,796	13,338	13,538	1.5%	2.9%
<b>Total</b>	<b>642,366</b>	<b>574,490</b>	<b>385,673</b>	<b>398,896</b>	<b>426,633</b>	<b>445,856</b>	<b>460,395</b>	<b>471,047</b>	<b>2.3%</b>	<b>100%</b>

Data in thousand million euros

## TPE (Potential Risk Exposure) Performance and Distribution by Industry

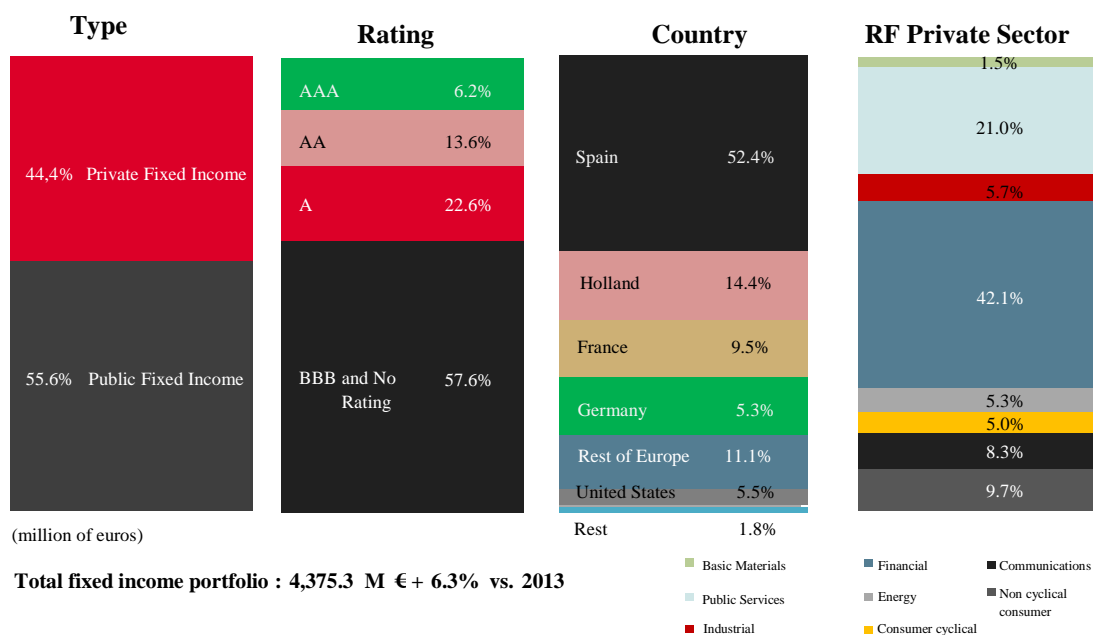
Industrial sector	2007	2008	2009	2010	2011	2012	2013	3M 2014	% Var.	% over Total
Chemicals	58,354	51,246	37,101	42,210	42,952	49,339	56,283	58,806	4.5%	12.5%
Electronics	48,187	51,169	32,139	36,064	43,740	50,957	55,912	55,508	-0.7%	11.8%
Metals	72,566	66,846	39,469	45,232	47,972	54,037	50,907	53,444	5.0%	11.3%
Durable consumer goods	73,787	72,944	49,679	50,211	51,713	48,642	50,468	49,842	-1.2%	10.6%
Food	63,126	52,747	42,105	40,556	42,566	40,476	42,564	43,359	1.9%	9.2%
Transport	38,196	39,959	26,793	28,217	34,145	35,248	38,366	39,404	2.7%	8.4%
Construction	93,864	64,198	37,168	32,576	21,850	35,287	33,459	34,662	3.6%	7.4%
Machinery	45,459	40,619	28,807	29,026	30,592	30,065	29,390	29,997	2.1%	6.4%
Agriculture	14,114	17,785	13,759	14,527	16,057	22,146	22,808	23,783	4.3%	5.0%
Services	40,069	28,108	21,497	20,317	21,914	20,974	21,386	21,474	0.4%	4.6%
Construction Materials	32,639	36,270	22,522	24,858	36,794	20,250	20,031	20,774	3.7%	4.4%
Textiles	30,182	23,519	13,982	13,825	13,883	16,101	16,261	16,815	3.4%	3.6%
Finance	15,719	15,011	11,567	12,142	12,105	11,453	11,755	11,917	1.4%	2.5%
Paper	16,104	14,069	9,085	9,135	10,350	10,881	10,805	11,262	4.2%	2.4%
<b>Total</b>	<b>642,366</b>	<b>574,490</b>	<b>385,673</b>	<b>398,896</b>	<b>426,633</b>	<b>445,856</b>	<b>460,395</b>	<b>471,047</b>	<b>2.3%</b>	<b>100%</b>

Data in thousand million euros



## Additional Information on Investments

### Detail of the Bond Portfolio



## Additional information on Plus Ultra

### Combined Ratio Breakdown by Business lines

COMBINED RATIO	3M 2013 (*)	3M 2014	Variation
<b>Multirisk</b>	<b>109.7%</b>	<b>104.9%</b>	<b>-4.8</b>
Technical Cost	70.9%	66.6%	-4.3
Commissions + Expenses	38.8%	38.3%	-0.5
<b>Auto</b>	<b>103.7%</b>	<b>99.6%</b>	<b>-4.1</b>
Technical Cost	74.5%	74.0%	-0.5
Commissions + Expenses	29.2%	25.6%	-3.6
<b>Other Non-Life</b>	<b>91.7%</b>	<b>102.9%</b>	<b>11.2</b>
Technical Cost	61.2%	68.3%	7.1
Commissions + Expenses	30.5%	34.6%	4.1
<b>COMBINED RATIO</b>	<b>103.1%</b>	<b>102.3%</b>	<b>-0.8</b>
Technical Cost	70.2%	70.0%	-0.2
Commissions + Expenses	32.9%	32.3%	-0.6

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