

## Results presentation 6M2024

Grupo Catalana Occidente, S.A.



 **GCO** | 160<sub>years</sub>

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# Index

## 01 Keys of the period

## 02 Information 6M2024

- Income statement
- Capital, investments and solvency

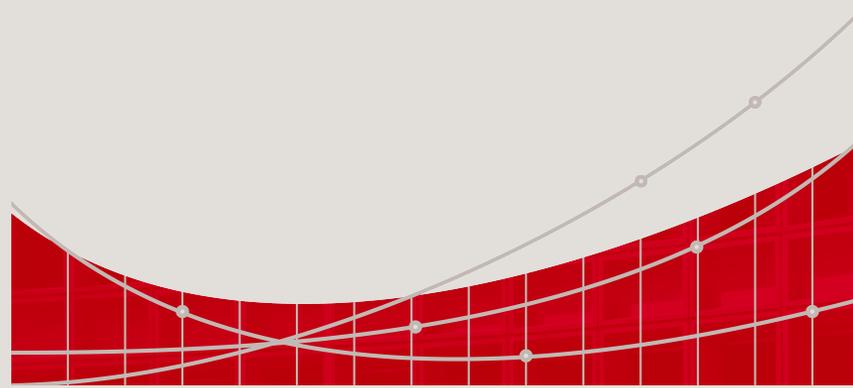
## 03 Calendar and annexes



@gco\_news

Presentation based on data from the 6M2024 report published on 25/07/2024

01.



Keys of the period

# 6M2024: executive summary

## GROWTH

Total turnover and business distribution



3,277.6 M€ +1.6%

- 54.3% Traditional business
- 41.6% Credit insurance business
- 4.1% Funeral business

## PROFITABILITY

Consolidated result



380.3 M€ +10.6%

Combined ratio



- 90.0% -1.8 p.p. Traditional business
- 74.7% +3.3 p.p. Credit insurance business

## SOLVENCY

Permanent resources at market value

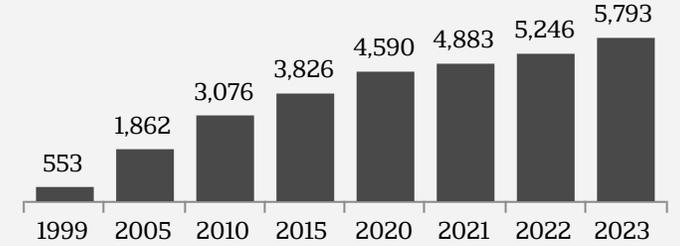
6,188.4 M€



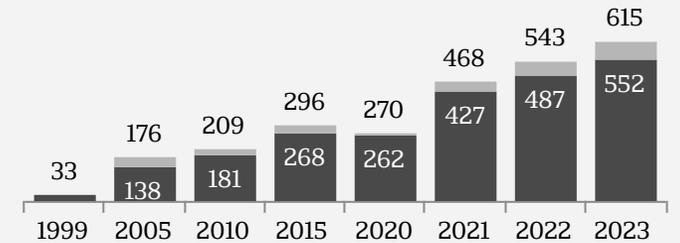
Shareholder remuneration 2023

134.12 M€

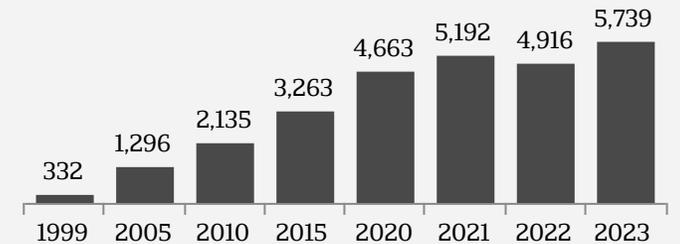
Turnover x10



Results x18



Permanent resources x17



The accompanying information has been prepared in accordance with the accounting standards for insurance contracts (IFRS4). See slides IFRS17 (26 and 27)

# Global economic environment

Global economy remains resilient despite uneven growth



## Global

GDP	+3.5%	22	+3.3%	23	+3.2%	24e
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## USA

GDP	+1.9%	22	+2.5%	23	+2.6%	24e
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## Latam

GDP	+4.2%	22	+2.3%	23	+1.9%	24e
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## Emerging and developing economies in Asia

GDP	+4.4%	22	+5.7%	23	+5.4%	24e
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## Eurozone

GDP	+3.4%	22	+0.5%	23	+0.9%	24e
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## Spain

GDP	+5.8%	22	+2.5%	23	+2.4%	24e
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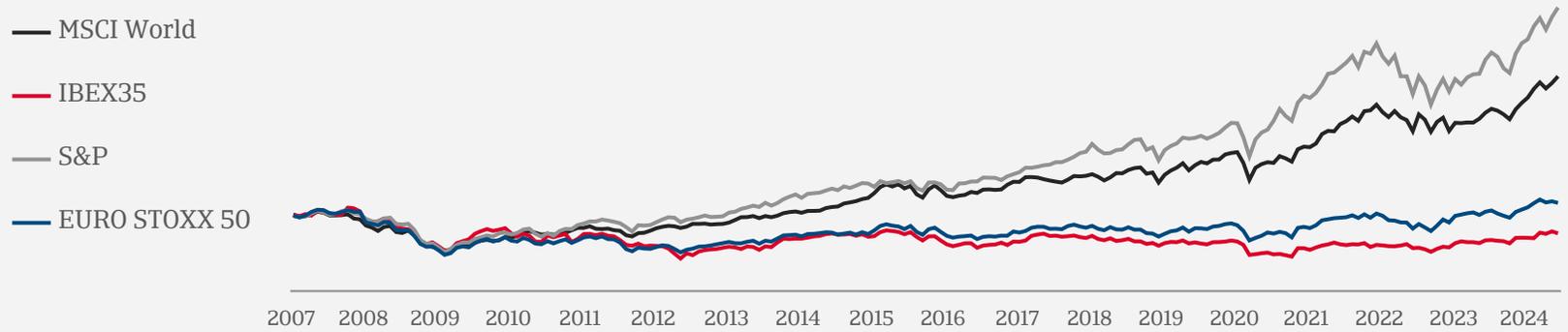


## United Kingdom

GDP	+4.3%	22	+0.1%	23	+0.7%	24e
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# Financial markets

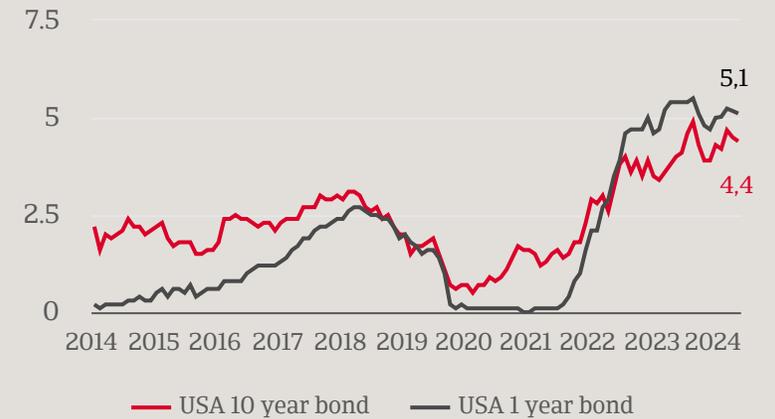
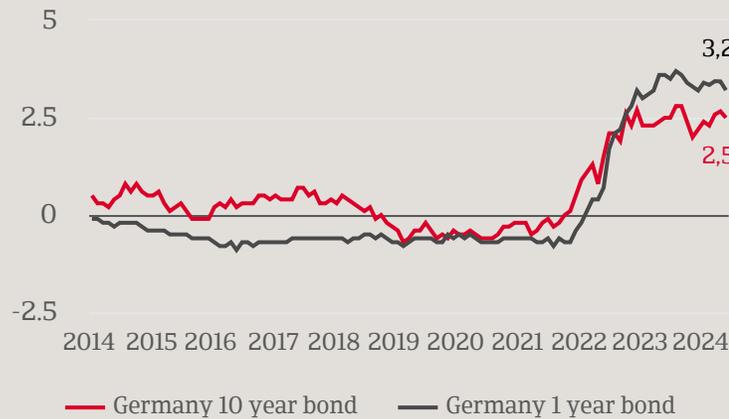
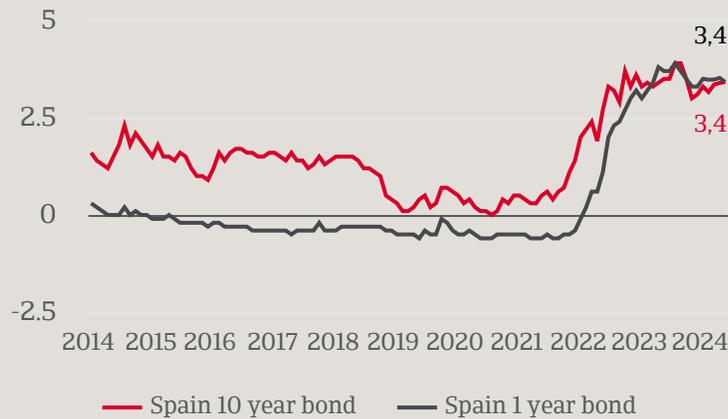
## Stock Markets



## Market appreciation 6M2024

- +14.5% S&P
- +14.2% MSCI World
- +8.2% EURO STOXX 50
- +8.3% IBEX35

## Interest rates



Source: Bloomberg. Updated June 2024

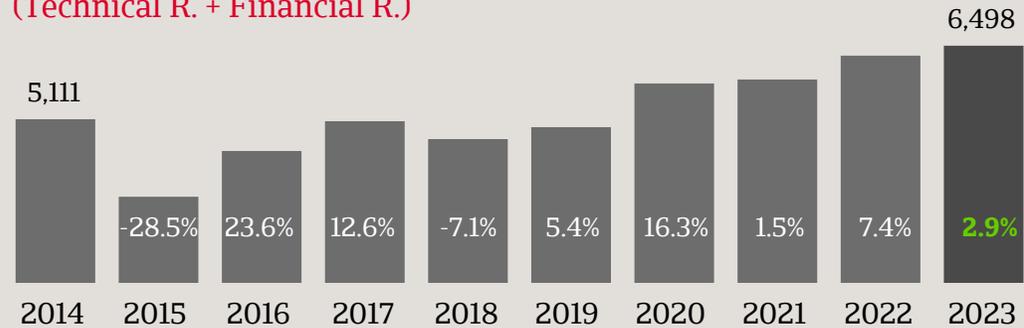
# Spanish insurance sector

Insurance sector in Spain decreases by 2.2% in turnover, mainly due to the evolution of Life premiums

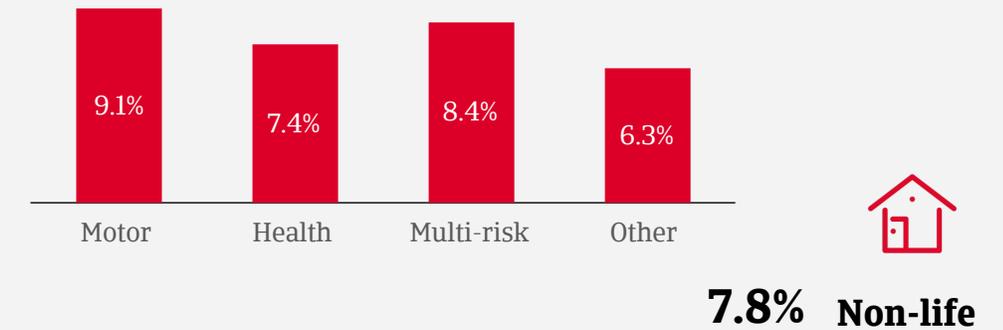
## Premiums (M€)



## Technical account result (Technical R. + Financial R.)



Insurance sector premiums 6M2024: **-2.2%**



Source: ICEA closing June 2024

## GCO in 6M2024

<b>Income (€ million)</b>	<b>6M 2023</b>	<b>6M 2024</b>	<b>% Chg.</b>
Traditional business	1,718.2	1,780.3	3.6%
Recurring premiums	1,523.2	1,616.8	6.1%
Single life premiums	195.0	163.6	-16.1%
Credit insurance business	1,399.2	1,361.8	-2.7%
<b>Insurance turnover</b>	<b>3,117.4</b>	<b>3,142.1</b>	<b>0.8%</b>
Funeral business income*	107.3	135.5	26.2%
<b>Total turnover</b>	<b>3,224.7</b>	<b>3,277.6</b>	<b>1.6%</b>

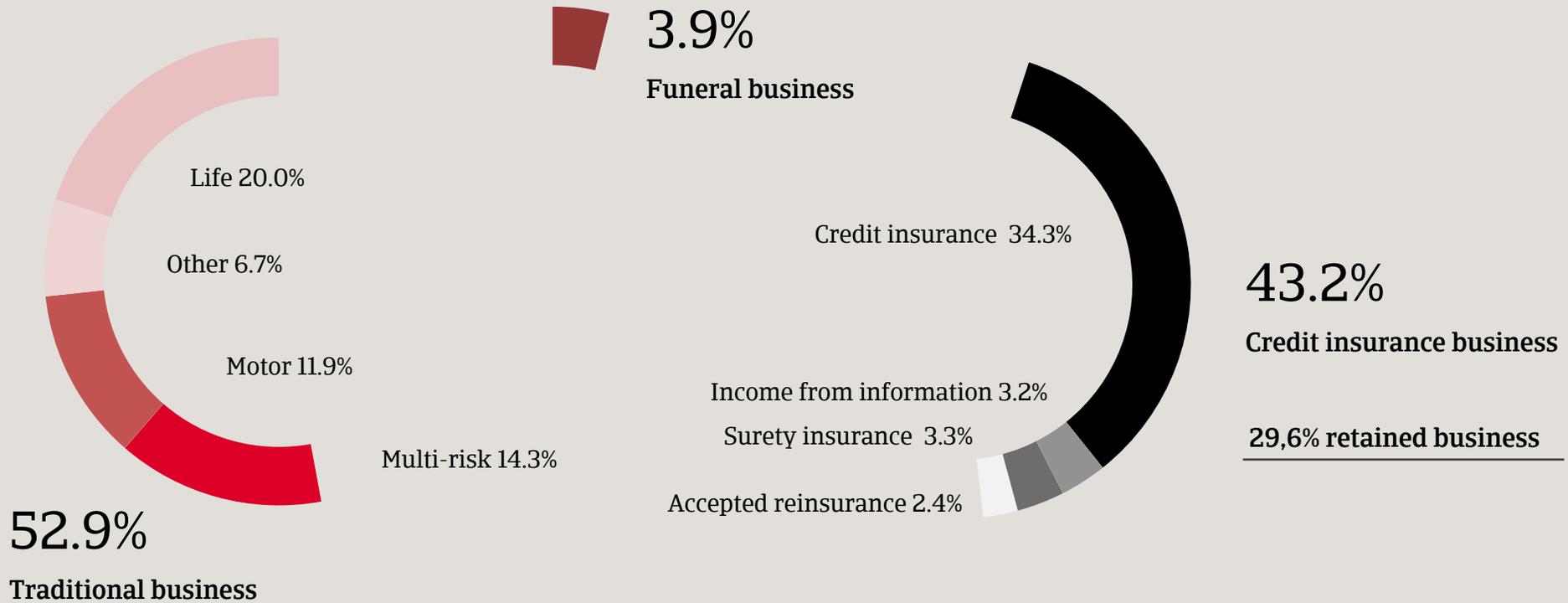
<b>Results (€ million)</b>	<b>6M 2023</b>	<b>6M 2024</b>	<b>% Chg.</b>
Ordinary result of the traditional business	135.1	156.1	15.5%
Ordinary result of the credit insurance business	211.9	209.2	-1.3%
Recurring result from funeral business*	8.0	12.1	52.0%
Non-ordinary result	-11.1	2.9	---
<b>Consolidated result</b>	<b>343.9</b>	<b>380.3</b>	<b>10.6%</b>
<b>Attributable result</b>	<b>308.9</b>	<b>344.6</b>	<b>11.6%</b>

\*Memora data are included as of February 2023

# GCO Diversification 12M2023



## Balanced portfolio, complete offer



## Global presence

6<sup>th</sup> Largest insurance group in Spain

1<sup>st</sup> Largest funeral business in Iberian Peninsula



2<sup>nd</sup> Largest credit insurance group in the world

50 countries  
1,370 offices



- 64.2% Spain
- 10.7% Central and Northern Europe
- 15.0% Western Europe
- 3.5% Southern Europe
- 3.3% Asia and rest of the world
- 3.3% The Americas

# Sustainability





**External sustainability rating**

In December 2023, the Group's ESG rating was reviewed, granting it a rating of 16.9 points (low risk of experiencing material financial impacts related to ESG factors). In this way, GCO is among the top 30 companies with the best ESG rating in the insurance sector, which includes more than 300 companies.



**Support for main international initiatives**






**Pillar I**  
Good government



**Pillar II**  
Sustainable business



**Pillar III**  
Social commitment



**Pillar IV**  
Environmental responsibility



**Strengthen sustainability in governance and throughout the Group's value chain**

Méndez Álvaro building with LEED Platinum certification

**3.23% of GCO premiums aligned with Taxonomy vs 2.74% average in Europe**

Expansion of the hybrid teleworking model for NT employees

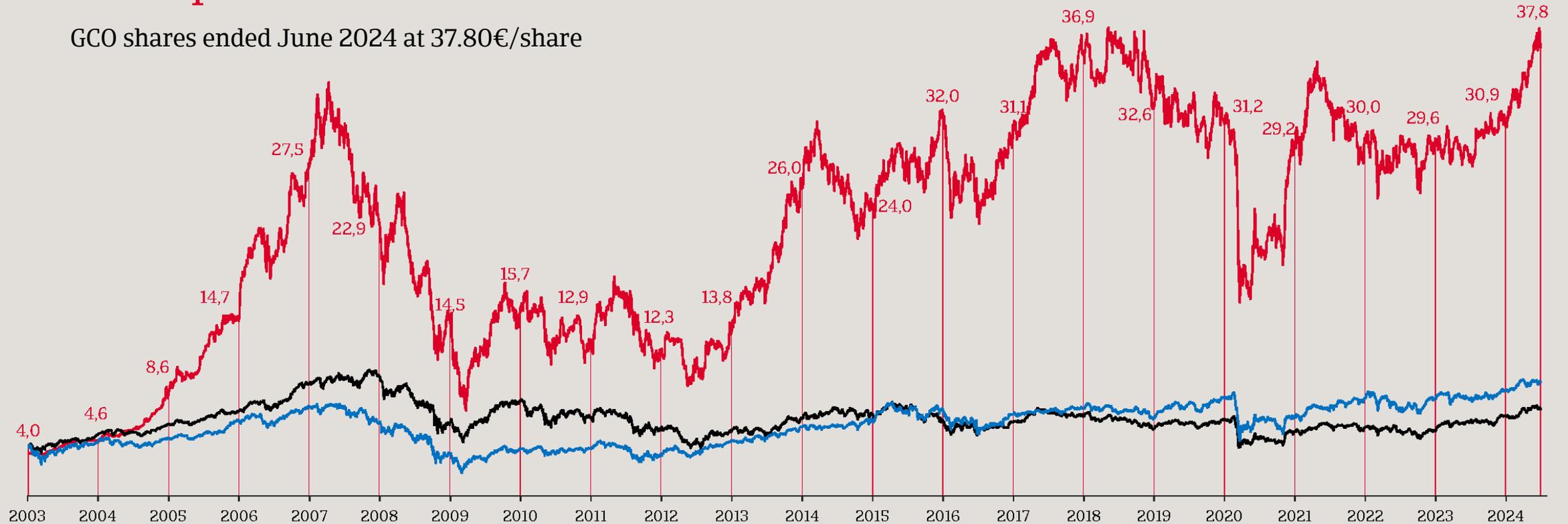
Increase in the budget of the Occident Foundation

100% renewable electricity in Spain in the insurance business

Solar panel installation project

# Share price evolution

GCO shares ended June 2024 at 37.80€/share



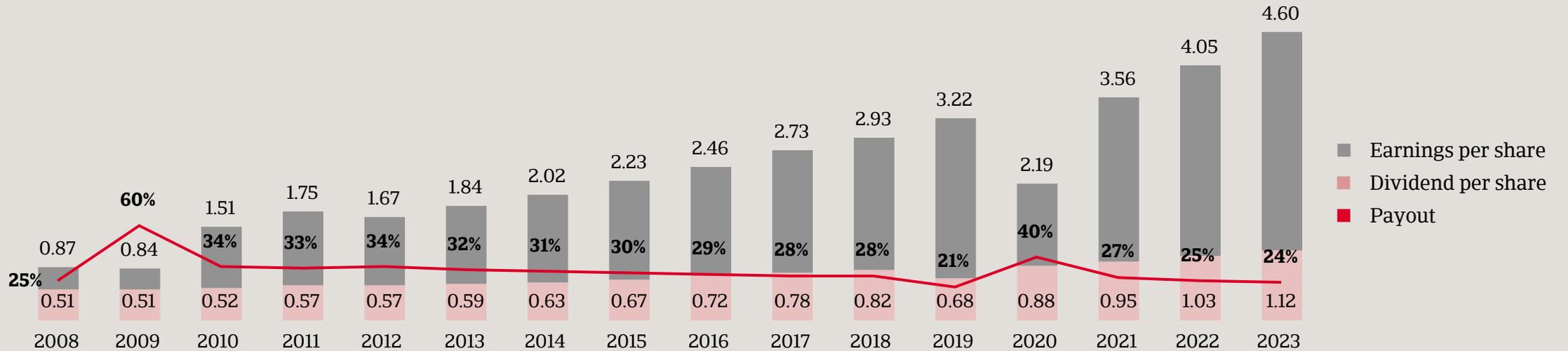
<b>Profitability (YTD)</b>	<b>6M2023</b>	<b>6M2024</b>	<b>CAGR* 12M02 -6M24</b>
GCO	-4.74%	22.33%	11.49%
IBEX 35	16.57%	8.33%	2.81%
EuroStoxx Insurance	1.39%	8.09%	4.13%

\*Compound annual growth rate

# Dividends from 2023 profits rise by 8.67%

## July 2024 Dividend Increases by 7.48%

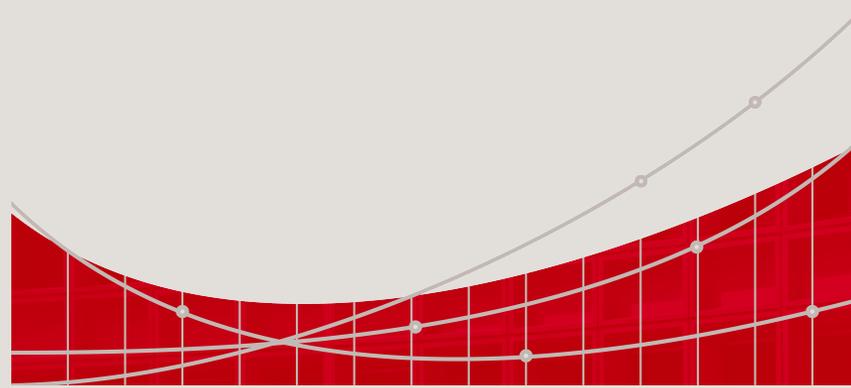
The historical behaviour of dividend distribution demonstrates the Group's clear commitment to shareholder remuneration.



Jul. 2023 <b>23.11 M€</b>	Oct. 2023 <b>23.11 M€</b>	Feb. 2024 <b>23.11 M€</b>	May. 2024 <b>64.80 M€</b>	<b>Fiscal year 2023 Dividends</b> <b>€134.12 M</b>
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Jul. 2024  
**24.84 M€**

02.



## Information 6M2024

*Income statement*

*Traditional business*

*Credit insurance business*

*Funeral business*

*Capital, investments and solvency*

## Traditional business

**+3.6%** 1,780.3 M€

Written premiums

**90.0%** -1.8 p.p.

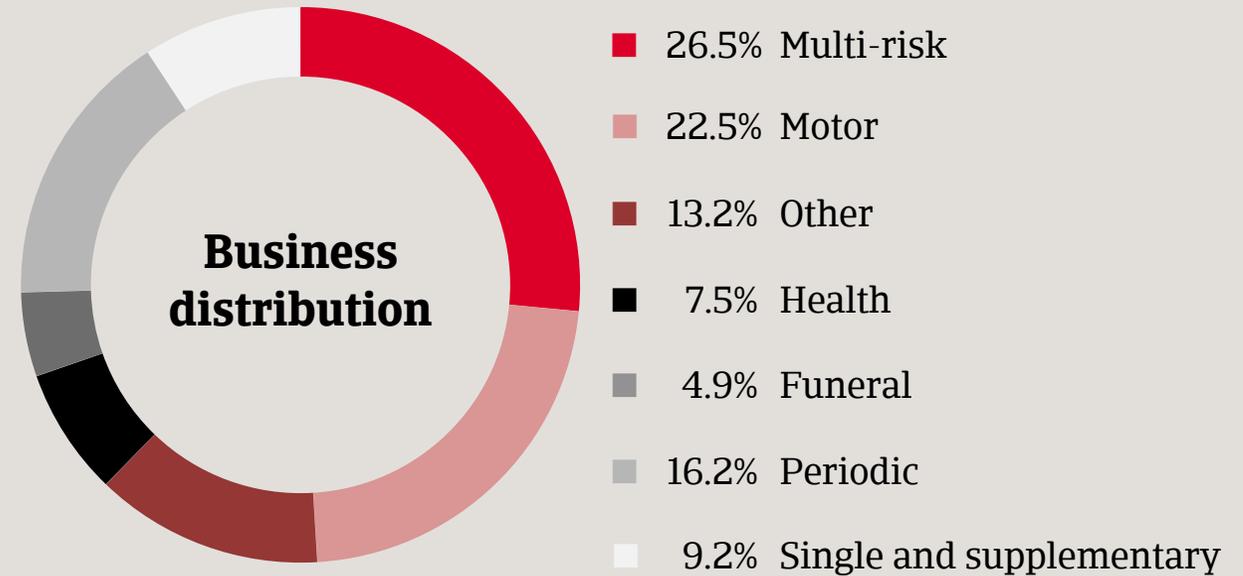
Combined ratio

**+22.3%** 146.7 M€

Technical result

**+15.5%** 156.1 M€

Ordinary result



Positive evolution of recurring written premiums with a growth of 6.1%. The increase of 8.9% in motor and 8.3% in other items stands out.

## Traditional business. Multi-risk



Written premiums

**+6.4%**

Combined ratio

**+87.5%**

<b>Multi-risk (€ million)</b>	<b>6M 2023</b>	<b>6M 2024</b>	<b>% Chg.</b>	<b>12M 2023</b>
<b>Written premiums</b>	<b>443.8</b>	<b>472.1</b>	<b>6.4%</b>	<b>827.5</b>
<i>% Technical cost</i>	<i>59.7%</i>	<i>55.7%</i>	<i>-4.0 p.p.</i>	<i>60.3%</i>
<i>% Commissions</i>	<i>21.7%</i>	<i>22.3%</i>	<i>0.6 p.p.</i>	<i>21.7%</i>
<i>% Expenses</i>	<i>10.7%</i>	<i>9.5%</i>	<i>-1.2 p.p.</i>	<i>11.1%</i>
<b>% Combined ratio</b>	<b>92.1%</b>	<b>87.5%</b>	<b>-4.6 p.p.</b>	<b>93.1%</b>
<b>Technical result after expenses</b>	<b>30.8</b>	<b>51.9</b>	<b>68.5%</b>	<b>55.3</b>
<i>% on earned premiums</i>	<i>7.9%</i>	<i>12.5%</i>	<i>58.2%</i>	<i>6.9%</i>
Earned premiums	389.7	415.9	6.7%	797.7

### Stand-alone quarter combined ratio

	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>
<b>Multi-risk</b>	<b>92.2%</b>	<b>92.0%</b>	<b>94.4%</b>	<b>93.6%</b>	<b>88.5%</b>	<b>86.5%</b>

## Traditional business. Motor



Written premiums

**+8.9%**

Combined ratio

**+95.2%**

<b>Motor (€ million)</b>	<b>6M 2023</b>	<b>6M 2024</b>	<b>% Chg.</b>	<b>12M 2023</b>
<b>Written premiums</b>	<b>368.0</b>	<b>400.8</b>	<b>8.9%</b>	<b>690.8</b>
<i>% Technical cost</i>	<i>71.9%</i>	<i>74.7%</i>	<i>2.8 p.p.</i>	<i>72.7%</i>
<i>% Commissions</i>	<i>12.0%</i>	<i>11.8%</i>	<i>-0.2 p.p.</i>	<i>11.9%</i>
<i>% Expenses</i>	<i>11.4%</i>	<i>8.8%</i>	<i>-2.6 p.p.</i>	<i>11.7%</i>
<b>% Combined ratio</b>	<b>95.3%</b>	<b>95.2%</b>	<b>-0.1 p.p.</b>	<b>96.3%</b>
<b>Technical result after expenses</b>	<b>15.6</b>	<b>16.7</b>	<b>7.1%</b>	<b>24.8</b>
<i>% on earned premiums</i>	<i>4.7%</i>	<i>4.8%</i>	<i>2.1%</i>	<i>3.7%</i>
Earned premiums	332.1	350.8	5.6%	677.2

### Stand-alone quarter combined ratio

	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>
<b>Motor</b>	<b>93.4%</b>	<b>97.2%</b>	<b>97.9%</b>	<b>96.7%</b>	<b>94.6%</b>	<b>95.9%</b>

## Traditional business. Other



Written premiums

**+8.3%**

Combined ratio

**+85.9%**

<b>Other (€ million)</b>	<b>6M 2023</b>	<b>6M 2024</b>	<b>% Chg.</b>	<b>12M 2023</b>
<b>Written premiums</b>	<b>216.8</b>	<b>234.7</b>	<b>8.3%</b>	<b>390.1</b>
<i>% Technical cost</i>	<i>51.5%</i>	<i>52.8%</i>	<i>1.3 p.p.</i>	<i>50.3%</i>
<i>% Commissions</i>	<i>22.4%</i>	<i>23.3%</i>	<i>0.9 p.p.</i>	<i>22.9%</i>
<i>% Expenses</i>	<i>11.0%</i>	<i>9.8%</i>	<i>-1.2 p.p.</i>	<i>11.8%</i>
<b>% Combined ratio</b>	<b>84.9%</b>	<b>85.9%</b>	<b>1.0 p.p.</b>	<b>85.0%</b>
<b>Technical result after expenses</b>	<b>27.5</b>	<b>28.2</b>	<b>2.5%</b>	<b>56.2</b>
<i>% on earned premiums</i>	<i>15.1%</i>	<i>14.1%</i>	<i>-6.6%</i>	<i>15.0%</i>
Earned premiums	181.7	200.3	10.2%	374.9

### Stand-alone quarter combined ratio

	<b>1Q23</b>	<b>2Q23</b>	<b>3Q23</b>	<b>4Q23</b>	<b>1Q24</b>	<b>2Q24</b>
Other	<b>87.4%</b>	<b>82.4%</b>	<b>85.2%</b>	<b>85.0%</b>	<b>85.4%</b>	<b>86.5%</b>

## Traditional business. Life



Periodic premiums

**+2.9%**

Combined ratio for funeral

**+76.4%**

Combined ratio for health

**+94.9%**

<b>Life (€ million)</b>	<b>6M 2023</b>	<b>6M 2024</b>	<b>% Chg.</b>	<b>12M 2023</b>
<b>Life Insurance Turnover</b>	<b>689.5</b>	<b>672.6</b>	<b>-2.5%</b>	<b>1,156.2</b>
<i>Health</i>	<i>130.9</i>	<i>132.5</i>	<i>1.2%</i>	<i>151.3</i>
<i>Funeral</i>	<i>79.0</i>	<i>87.8</i>	<i>11.1%</i>	<i>160.9</i>
<i>Periodic premiums</i>	<i>284.6</i>	<i>288.8</i>	<i>1.5%</i>	<i>520.8</i>
Single premiums	195.0	163.6	-16.1%	323.3
Contributions to pension plans	20.9	24.5	17.2%	48.7
<i>Net contributions to investment funds</i>	<i>-6.1</i>	<i>-2.7</i>	<i>55.7%</i>	<i>-10.1</i>
<b>Technical result after expenses</b>	<b>46.0</b>	<b>49.9</b>	<b>8.5%</b>	<b>109.4</b>
% on earned premiums	7.5%	8.5%		9.4%
<b>Technical - financial result</b>	<b>87.7</b>	<b>96.8</b>	<b>10.4%</b>	<b>185.3</b>
% on earned premiums	14.3%	16.4%		16.0%
<b>Earned premiums</b>	<b>611.5</b>	<b>588.6</b>	<b>-3.7%</b>	<b>1,160.8</b>
Combined Health Ratio	98.1%	94.9%	-3.2 p.p.	87.0%
Combined Funeral Ratio	75.7%	76.4%	0.7 p.p.	77.1%

## Traditional business

<b>Traditional business (€ million)</b>	<b>6M 2023</b>	<b>6M 2024</b>	<b>% Chg.</b>	<b>12M 2023</b>
<b>Written premiums</b>	<b>1,718.2</b>	<b>1,780.3</b>	<b>3.6%</b>	<b>3,064.6</b>
Life insurance premiums, ex. single	1,523.2	1,616.8	6.1%	2,741.3
<b>Technical result after expenses</b>	<b>119.9</b>	<b>146.7</b>	<b>22.4%</b>	<b>245.8</b>
<i>% on earned premiums</i>	<i>7.9%</i>	<i>9.4%</i>		<i>8.2%</i>
<b>Financial result</b>	<b>63.4</b>	<b>69.5</b>	<b>9.6%</b>	<b>109.8</b>
<i>% on earned premiums</i>	<i>4.2%</i>	<i>4.5%</i>		<i>3.6%</i>
Non-technical result	-10.6	-16.8	-58.5%	-24.7
Corporate tax	-37.5	-43.3	-15.5%	-69.7
<b>Ordinary result</b>	<b>135.1</b>	<b>156.1</b>	<b>15.5%</b>	<b>261.1</b>
<b>Non-ordinary result</b>	<b>-0.7</b>	<b>7.3</b>	<b>---</b>	<b>-22.5</b>
<b>Total result</b>	<b>134.5</b>	<b>163.4</b>	<b>21.5%</b>	<b>238.6</b>
Earned premiums Non-Life	903.5	967.0	7.0%	1,849.9

### Combined ratio

Commissions + expenses  28.0% (-0.6 p.p.)

Technical cost  62.0% (-1.3 p.p.)

Traditional  
business

**90.0%**  
(-1.8 p.p.)

## Credit insurance business

**-2.6%** 1,139.8 M€

Earned premiums

**74.7%** +3.3 p.p.

Gross combined ratio

**-13.3%** 312.8 M€

Technical result

**-1.3%** 209.2 M€

Ordinary result



- 74.6% Credit insurance
- 6.2% Surety insurance
- 8.0% Reinsurance accepted
- 7.4% Income from information
- 3.8% Income from complementary activities

The inflow of claims continues to be below the pre-pandemic period. However, we maintain the prudent level of provisions from previous years.

## Credit insurance business

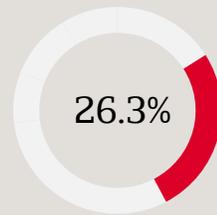
1,139.8 M€ -2.6%

Earned premiums



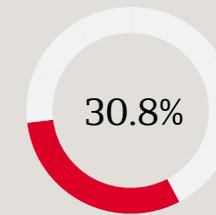
### Spain and Portugal

Earned premiums: €182.2M  
Variation: -2.0%



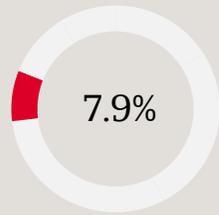
### Central and northern Europe

Earned premiums: €299.7M  
Variation: -4.1%



### Western Europe

Earned premiums: €350.5M  
Variation: -0.1%



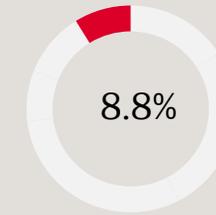
### Southern Europe

Earned premiums: €89.6M  
Variation: -9.3%



### Asia and rest of the world

Earned premiums: €116.7M  
Variation: -1.2%



### The Americas

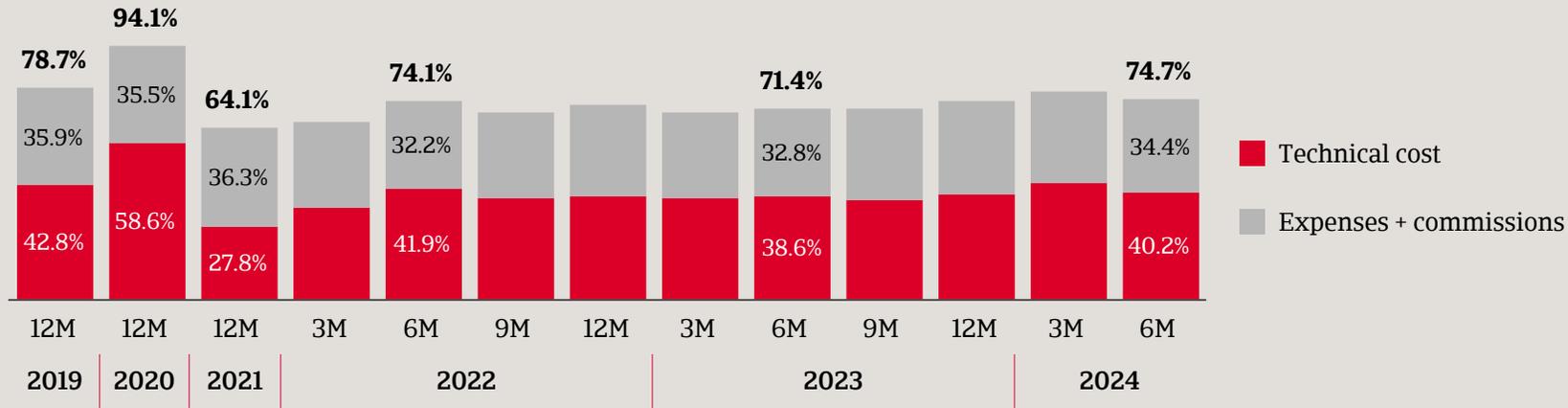
Earned premiums: €100.5M  
Variation: -2.3%

1,234.8 M€ -2.1%

Earned premiums and information services

# Credit insurance business

## Evolution of the gross combined ratio

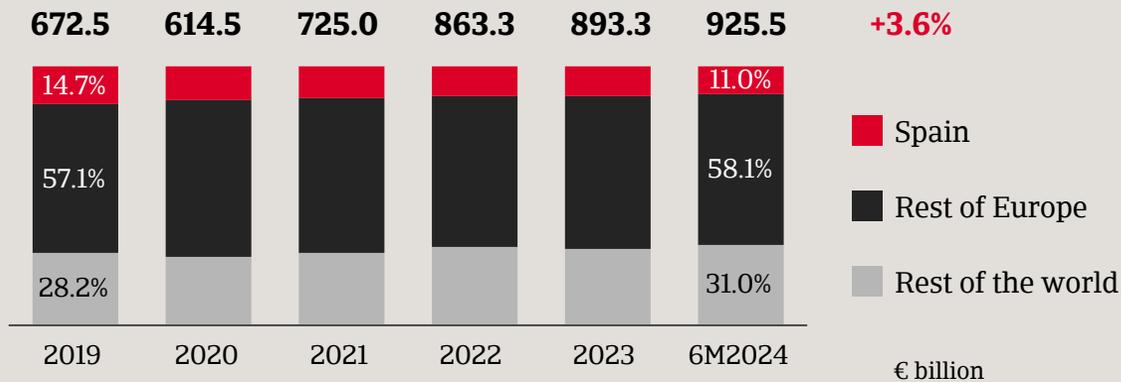


Combined gross ratio

**74.7%**

(+3.3) p.p.

## Evolution of risk exposure (TPE)



€ billion

## Credit insurance business

<b>Credit insurance business (€ million)</b>	<b>6M 2023</b>	<b>6M 2024</b>	<b>% Chg.</b>	<b>12M 2023</b>
Earned premiums	1,169.8	1,139.8	-2.6%	2,278.5
Income from information	91.5	95.0	3.9%	143.8
<b>Total income</b>	<b>1,261.2</b>	<b>1,234.8</b>	<b>-2.1%</b>	<b>2,422.3</b>
<b>Technical result after expenses</b>	<b>360.9</b>	<b>312.8</b>	<b>-13.3%</b>	<b>626.4</b>
<i>% of income</i>	<i>28.6%</i>	<i>25.3%</i>		<i>25.9%</i>
Reinsurance result	-119.1	-93.8	21.3%	-212.5
Reinsurance cession ratio	37%	35%		37%
Net technical result	241.7	219.0	-9.4%	413.9
<i>% of income</i>	<i>19.2%</i>	<i>17.7%</i>		<i>17.1%</i>
Financial result	28.7	52.1	81.5%	59.4
<i>% of income</i>	<i>2.3%</i>	<i>4.2%</i>		<i>2.5%</i>
Result from complementary activities	13.2	8.4	-36.4%	16.7
Corporate tax	-68.7	-67.8		-117.7
Adjustments	-3.0	-2.5		-6.7
<b>Ordinary result</b>	<b>211.9</b>	<b>209.2</b>	<b>-1.3%</b>	<b>365.6</b>
Non-ordinary result	-9.8	-3.9		0.1
<b>Total business result</b>	<b>202.2</b>	<b>205.3</b>	<b>1.5%</b>	<b>365.7</b>

## Funeral business

 On February 9, 2023, GCO acquired 100% of the Grupo Mémora from the Ontario Teachers' Pension Plan (OTPP).

Funeral business (€ million)	6M 2023	6M 2024	% Chg.	12M 2023*
<b>Income</b>	<b>107.3</b>	<b>135.5</b>	<b>26.3%</b>	<b>227.0</b>
EBITDA	27.8	35.1	26.3%	54.2
EBITDA margin	25.9%	25.9%	0.0 p.p.	23.9%
Amortization	9.9	11.4	15.2%	21.3
<b>Technical result after expenses</b>	<b>17.9</b>	<b>23.7</b>	<b>32.4%</b>	<b>32.9</b>
Financial result	-8.0	-8.5	-6.3%	-16.3
Result before taxes	9.9	15.2	53.5%	16.6
Corporate taxes	2.0	3.1	55.0%	3.0
<b>Ordinary result</b>	<b>8.0</b>	<b>12.1</b>	<b>51.3%</b>	<b>13.6</b>
Non-ordinary result	-0.7	-0.5	28.6%	-2.4
<b>Total result</b>	<b>7.2</b>	<b>11.6</b>	<b>61.1%</b>	<b>11.1</b>

In 6M2023 funeral business includes Asistea data and it also incorporates five months of Mémora.

Despite the inflationary impact on costs, we continue to consistently deliver an EBITDA margin of over 25%

\* It includes Mémora's data from February 2023.

# IFRS 17

**IFRS17: International accounting regulations that establish a new methodology for calculating provisions impacts both provisions and financial investments.**

## Treatment of insurance liabilities.

IFRS17 Accounting	 LIFE	 NON-LIFE	 CREDIT
	<ul style="list-style-type: none"> <li>Savings: General methodology (BBA). Methodology analogous to Solvency and Embedded Value. With hypothesis and market valuation.</li> <li>Furthermore, the term CSM is introduced as an estimate of the future result of the business.</li> <li>Risk (annual): The methodology for short-term insurance called PAA will be followed. There are no significant changes compared to the current one (best estimate, risk adjustment and discount).</li> </ul>	<ul style="list-style-type: none"> <li>There are no significant changes compared to the current one, based on a best estimate with risk and discount adjustment.</li> </ul>	<ul style="list-style-type: none"> <li>We have chosen the general methodology (BBA):</li> <li>Applies to all products and countries.</li> <li>Homogeneous with reinsurance.</li> <li>Suitable for the management and volatility of the credit insurance business.</li> </ul>
<ul style="list-style-type: none"> <li>It exclusively affects consolidated accounts.</li> <li>Entry into force 01/01/2023.</li> </ul>			

## Impacts on Ordinary Management.

FINANCIAL IMPLICATIONS	MANAGEMENT IMPLICATIONS
<p><b>No impact</b></p> <ul style="list-style-type: none"> <li>Assets at market value against equity (OCI) similar to current portfolios</li> <li>ALM Assets – Liabilities managements to reduce asymmetries, is maintained</li> </ul>	<p><b>From the business</b></p> <ul style="list-style-type: none"> <li>No relevant changes are expected in risk appetite</li> <li>Current business management indicators (ratios and KPIs) are maintained in parallel</li> </ul>
<p><b>With impact</b></p> <ul style="list-style-type: none"> <li>Liabilities at market value analogous to Solvency / Embedded Value</li> <li>Recognition of the result in Life Savings and loan, different timing imputation</li> <li>Variable income treatment: Market value against OCI but without the possibility of recognizing profits/losses on sale. Investment funds market value with P&amp;L changes</li> </ul>	<p><b>Of capital</b></p> <ul style="list-style-type: none"> <li>There are no changes in the dividend distribution</li> <li>The solvency position is not modified</li> <li>Cash generation is not modified</li> </ul>

## IFRS 17

### Comparison IFRS 17 vs IFRS 4

	6M 2024		
	IFRS4	IFRS17	Chg.
Insurance technical result	363	396	33
Non-attributable expenses	0	-5	-5
<b>Total technical result</b>	<b>363</b>	<b>391</b>	<b>28</b>
Result of company risk investments	278	282	4
Income or financial expenses of risk	-157	-168	-11
<b>Total financial result</b>	<b>121</b>	<b>114</b>	<b>-7</b>
Other profit/losses	4	2	-2
Result before taxes	488	507	19
Corporation tax	-111	-116	-5
<b>Ordinary result</b>	<b>377</b>	<b>391</b>	<b>14</b>

#### Combined ratio with attributable expenses

Traditional business	90.0%	89.5%	-0.5 p.p.
Credit insurance business	74.7%	75.6%	0.9 p.p.

	6M2023		
	IFRS4	IFRS17	Chg.
<b>Ordinary result</b>	<b>343</b>	<b>410</b>	<b>67</b>
% Increase	9.9%	-4.6%	

#### Explanatory technical part:

- +24.8 million euros in Life: The technical result is higher for the Savings and Funeral businesses due to different timing recognition of the expected profit.
- +1.6 million euros in Non-Life: Due to a different level of provisioning.
- +1.5 million euros in Credit Insurance: Due to different accrual of income and expenses.

#### Explanatory financial part:

- -7.0 million euros in Financial Result: Mainly due to the interest recognized in the provisions of Non-Life.

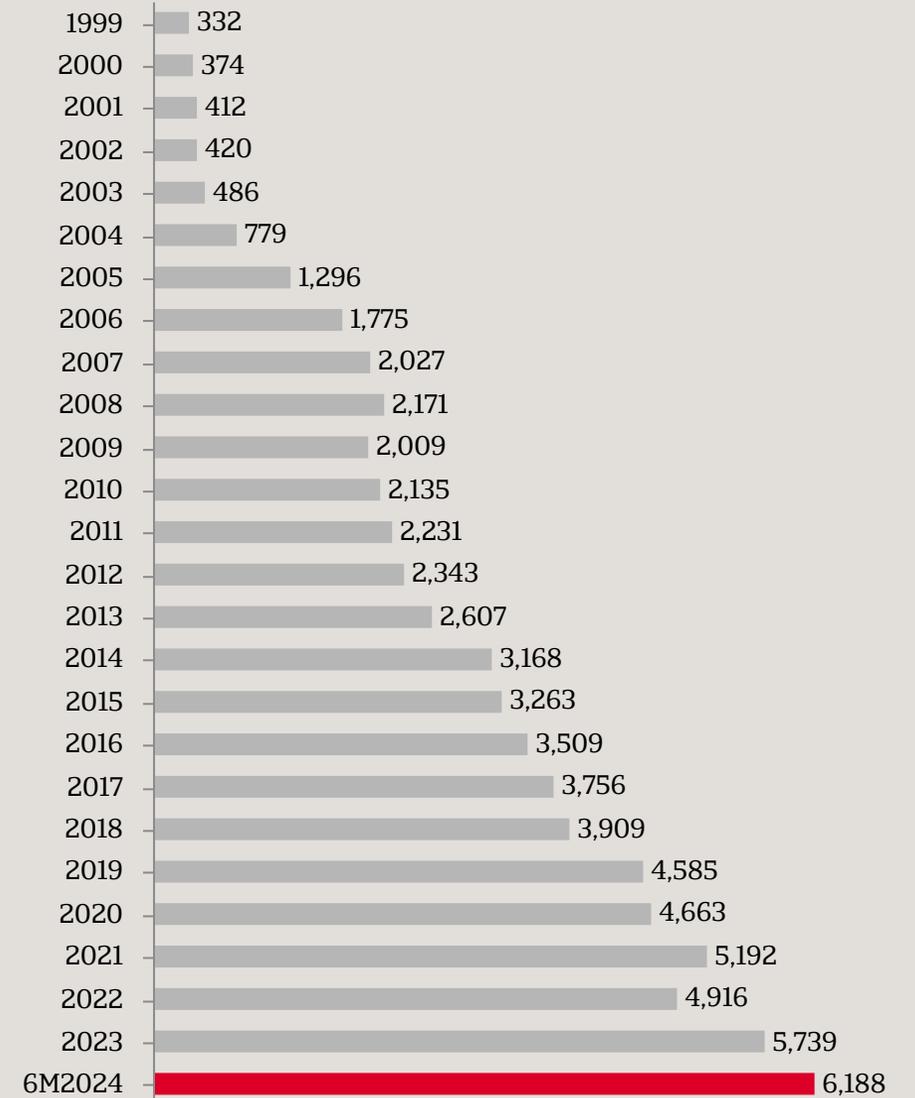
## Financial strength



At the end of June 2024, the Group's capital has increased by 7.8%

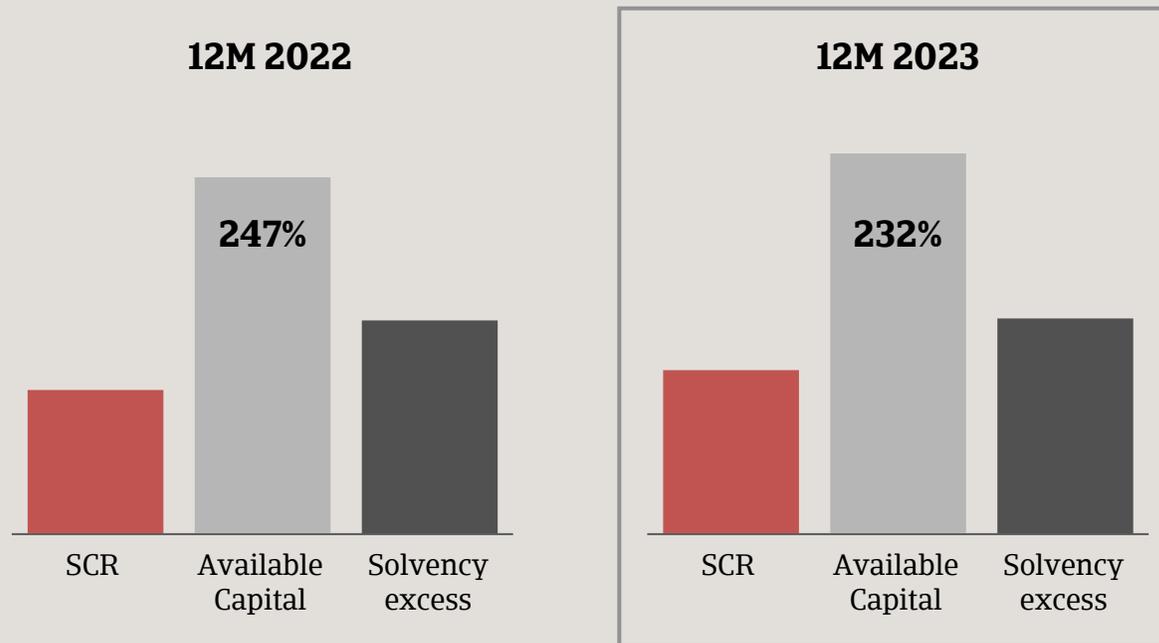
<b>Permanent resources as of 12/31/23 (€ million)</b>	<b>5,170.4</b>
<b>Permanent resources at market value 12/31/2023</b>	<b>5,738.8</b>
<b>Net equity as of 01/01/24</b>	<b>5,014.2</b>
(+) Consolidated profits	380.3
(+) Dividends paid	-112.8
(+) Changes in valuation adjustments	77.7
(+) Other changes	1.0
<b>Total movements</b>	<b>346.3</b>
<b>Total net equity as of 06/30/24</b>	<b>5,360.6</b>
Subordinated debt	256.6
<b>Permanent resources as of 06/30/24</b>	<b>5,617.1</b>
Capital gains not included in the balance sheet (real estate)	571.3
<b>Permanent resources at market value 06/30/24</b>	<b>6,188.4</b>

+7.8%



## Sound solvency position: 232% at the end of 2023

GCO has a solid financial and solvency position to withstand adverse situations



The solvency ratio II remains around 175%, even in adverse scenarios.

Own funds are of high quality (97% tier1).



Presentation of the report on the financial situation and solvency situation

April 4: Group entities

May 17: GCO

## Credit rating

The A and A1 ratings, granted by AM Best and Moody's respectively, reflect the solidity of the balance sheet, the good business model, the excellent operating results and the appropriate capitalization of the Group thanks to the internal capital generation of the entities.

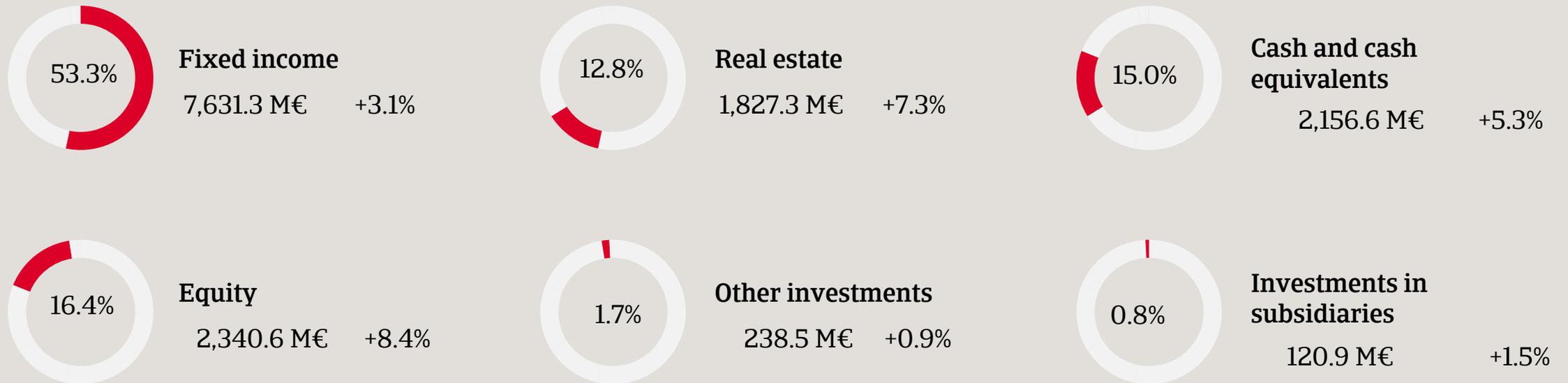
<p>A.M. Best</p> <p><b>"A"</b></p> <p>Rating of operating entities of the Group</p>	<p>Prudence in underwriting stands out, which is reflected in a positive track record of operating results, with an excellent combined ratio and a high return on equity (ROE).</p>
<p>Moody's</p> <p><b>"A1"</b></p> <p>Rating operating entities of the credit insurance business</p>	<p>In July 2024, Moody's confirmed the rating to 'A1' with a stable outlook for operating entities in the credit insurance business. The strong competitive position, solid capitalization, low financial leverage and conservative investment portfolio stand out.</p>

# Investments

The Group invests in traditional assets through prudent and diversified management

## 16,189.2 M€

(+5.4% regarding managed funds at the end of 2023)



Distribution of entity risk investments



# Q&A

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**Ms. Clara Gómez**

Financial and Risk  
Management Officer



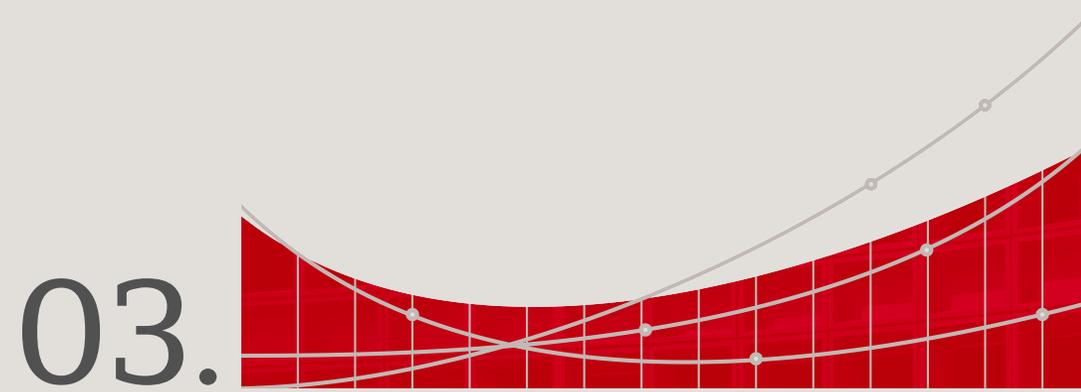
**Mr. Carlos González**

CFO



**Ms. Nawal Rim**

Director of Investor  
Relations, Rating Agencies  
and Sustainability



## Calendar and annexes

# Calendar

## Analyst and investor relations

January	February	March	April	May	June	July	August	September	October	November	December
	<b>29</b> <b>Results</b> <b>12M2023</b>		<b>25</b> <b>Results</b> <b>3M2024</b>			<b>25</b> <b>Results</b> <b>6M2024</b>			<b>31</b> <b>Results</b> <b>9M2024</b>		
		<b>1</b> <b>Results</b> <b>Presentation</b> <b>12M2023</b> <b>11.30</b>	<b>26</b> <b>Results</b> <b>Presentation</b> <b>3M2024</b> <b>11.00</b>			<b>25</b> <b>Results</b> <b>Presentation</b> <b>6M2024</b> <b>16.30</b>			<b>31</b> <b>Results</b> <b>Presentation</b> <b>9M2024</b> <b>16.30</b>		
			<b>25</b> <b>General</b> <b>shareholders'</b> <b>meeting</b> <b>2023</b>								
	<b>Interim</b> <b>dividend</b> <b>2023</b>			<b>Complement</b> <b>ary dividend</b> <b>2023</b>		<b>Interim</b> <b>dividend</b> <b>2024</b>			<b>Interim</b> <b>dividend</b> <b>2024</b>		

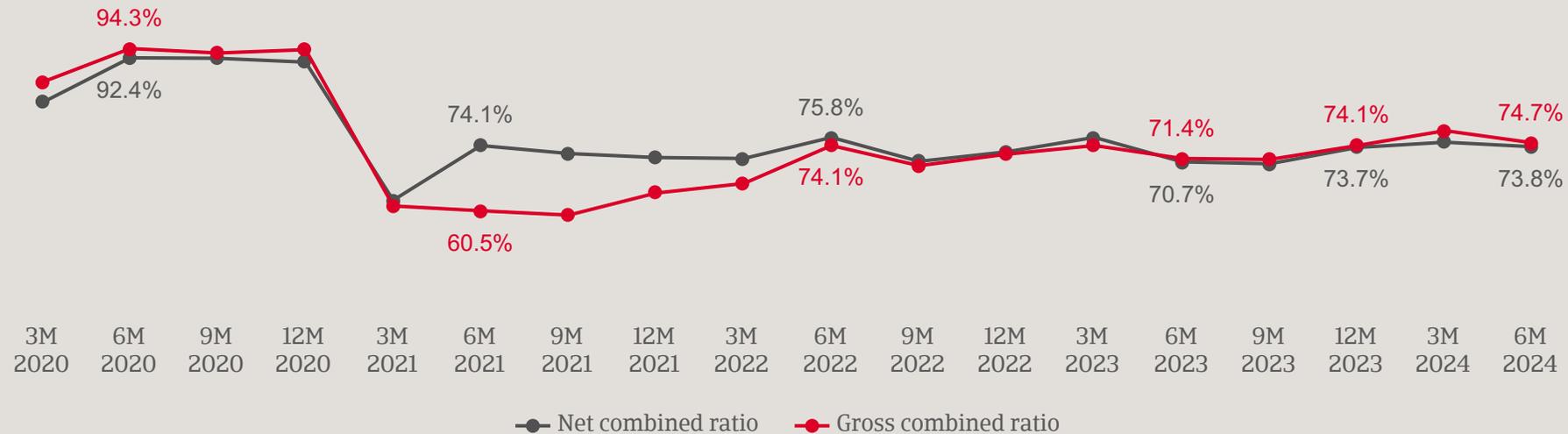
## Income statement

Income statement (€ million)	6M 2023	6M 2024	% Chg.	12M 2023
Written premiums	3,025.9	3,047.1	0.7%	5,421.8
Income from information	91.5	95.0	3.9%	143.8
<b>Insurance turnover</b>	<b>3,117.4</b>	<b>3,142.1</b>	<b>0.8%</b>	<b>5,565.6</b>
Technical cost	1,658.1	1,647.7	-0.6%	3,218.3
<i>% on total net income</i>	<i>59.7%</i>	<i>59.0%</i>		<i>59.2%</i>
Commissions	356.3	380.3	6.7%	719.9
<i>% on total net income</i>	<i>12.8%</i>	<i>13.6%</i>		<i>13.3%</i>
Expenses	410.1	401.9	-2.0%	866.6
<i>% on total net income</i>	<i>14.8%</i>	<i>14.4%</i>		<i>16.0%</i>
<b>Technical result after expenses</b>	<b>351.8</b>	<b>360.5</b>	<b>2.5%</b>	<b>628.2</b>
<i>% on total net income</i>	<i>12.7%</i>	<i>12.9%</i>		<i>11.6%</i>
Financial result	79.1	124.0	56.8%	175.9
<i>% on total net income</i>	<i>2.8%</i>	<i>4.4%</i>		<i>3.2%</i>
Non-technical non-financial account	-14.9	-22.0	-47.1%	-54.0
<i>% on total net income</i>	<i>-0.5%</i>	<i>-0.8%</i>		<i>-1.0%</i>
Current result Complement. credit	13.2	8.4	-36.4%	16.7
<i>% on total net income</i>	<i>0.5%</i>	<i>0.3%</i>		<i>0.3%</i>
Funeral business technical result	18.5	23.0	24.3%	31.4
<b>Result before taxes</b>	<b>447.7</b>	<b>494.0</b>	<b>10.3%</b>	<b>798.2</b>
<i>% on total net income</i>	<i>16.1%</i>	<i>17.7%</i>		<i>14.7%</i>
Taxes	103.8	113.7	9.5%	182.7
<i>% taxes</i>	<i>23.2%</i>	<i>23.0%</i>		<i>22.9%</i>
<b>Consolidated result</b>	<b>343.9</b>	<b>380.3</b>	<b>10.6%</b>	<b>615.5</b>
Result attributed to minorities	35.0	35.7	2.0%	63.7
<b>Attributed result</b>	<b>308.9</b>	<b>344.6</b>	<b>11.6%</b>	<b>551.8</b>
<i>% on total net income</i>	<i>11.1%</i>	<i>12.3%</i>		<i>10.2%</i>

# Credit insurance business

## Evolution of the combined gross and net ratio

Combined ratio breakdown	6M 2023	6M 2024	% Chg.	12M 2023
% Gross technical cost	38.6%	40.2%	1.6 p.p.	39.4%
% Commissions + Gross Expenses	32.8%	34.4%	1.7 p.p.	34.8%
<b>% Gross Combined Ratio</b>	<b>71.4%</b>	<b>74.7%</b>	<b>3.3 p.p.</b>	<b>74.1%</b>
% Net technical cost	41.0%	42.2%	1.2 p.p.	42.4%
% Commissions + Net Expenses	29.7%	31.7%	2.0 p.p.	31.3%
<b>% Net Combined Ratio</b>	<b>70.6%</b>	<b>73.8%</b>	<b>3.2 p.p.</b>	<b>73.7%</b>



## Credit insurance business - TPE

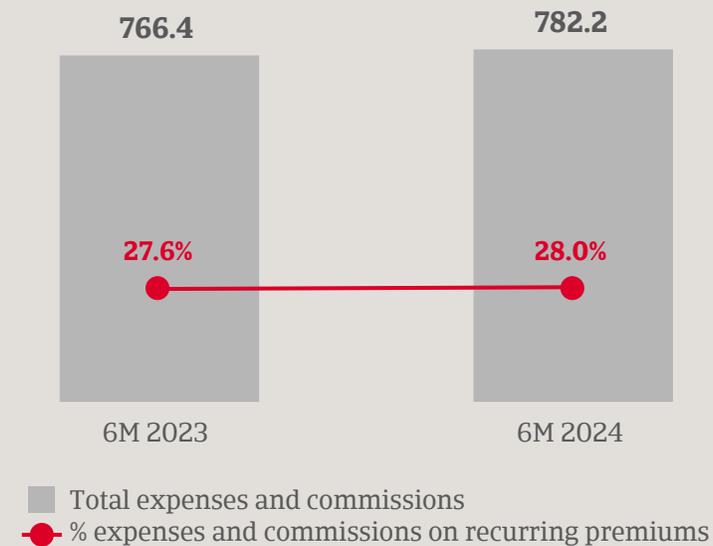
<b>Country risk accumulation (TPE) (€ million)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>6M 2024</b>	<b>% Chg.</b>	<b>% total</b>
Spain and Portugal	98,739	79,231	86,970	97,580	101,442	101,408	0.0%	11.0%
Germany	93,024	93,568	108,235	125,354	129,890	131,832	1.5%	14.2%
Australia and Asia	95,595	84,153	101,050	121,807	127,402	137,113	7.6%	14.8%
The Americas	81,269	71,765	94,039	126,191	126,836	133,670	5.4%	14.4%
Eastern Europe	68,595	64,630	77,682	88,671	93,574	97,012	3.7%	10.6%
United Kingdom	51,019	46,339	56,511	66,053	70,907	72,209	1.8%	7.8%
France	48,407	45,239	50,601	58,808	60,226	62,258	3.4%	6.7%
Italy	43,661	42,001	50,352	62,161	62,570	64,301	2.8%	6.9%
Nordics and Baltics countries	31,748	30,779	35,311	40,912	41,773	44,258	5.9%	4.8%
The Netherlands	30,392	29,875	33,204	39,063	41,116	42,173	2.6%	4.6%
Belgium and Luxembourg	17,444	16,959	19,155	21,816	22,631	23,569	4.1%	2.5%
Rest of the world	12,627	10,011	11,934	14,835	14,911	15,712	5.4%	1.7%
<b>Total</b>	<b>672,520</b>	<b>614,549</b>	<b>725,043</b>	<b>863,252</b>	<b>893,277</b>	<b>925,515</b>	<b>3.6%</b>	<b>100%</b>

## Credit insurance business - TPE

<b>Risk accumulation by industrial sector (TPE) (€ million)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>6M 2024</b>	<b>% Chg.</b>	<b>% total</b>
Electronics	82,858	73,189	90,137	107,892	107,461	110,596	2.9%	11.9%
Chemical products	87,466	82,804	99,390	123,206	126,643	133,903	5.7%	14.5%
Durable consumer goods	73,145	69,071	81,697	91,125	91,213	93,474	2.5%	10.1%
Metals	72,285	61,597	78,757	94,888	99,523	98,932	-0.6%	10.7%
Food	64,587	63,860	71,101	82,021	84,098	90,428	7.5%	9.8%
Transport	61,128	53,098	61,673	75,650	81,113	86,428	6.6%	9.3%
Construction	51,495	47,072	53,451	62,382	66,469	68,070	2.4%	7.4%
Machinery	41,225	39,635	46,328	55,280	57,551	59,270	3.0%	6.4%
Agriculture	33,954	29,845	34,441	39,751	43,483	41,300	-5.0%	4.5%
Construction materials	29,389	29,345	34,801	41,563	41,276	44,072	6.8%	4.8%
Services	27,109	23,346	25,211	30,309	31,928	35,038	9.7%	3.8%
Textiles	19,660	15,404	16,987	19,997	21,054	21,771	3.4%	2.3%
Paper	15,065	13,151	15,572	19,227	19,674	19,439	-1.2%	2.1%
Finance	13,156	13,131	15,497	19,961	21,791	22,794	4.6%	2.4%
<b>Total</b>	<b>672,520</b>	<b>614,549</b>	<b>725,043</b>	<b>863,252</b>	<b>893,277</b>	<b>925,515</b>	<b>3.6%</b>	<b>100%</b>

## General expenses and commissions

Expenses and commissions (€ million)	6M 2023	6M 2024	% Chg.	12M 2023
Traditional business	145.3	133.0	-8.4%	304.2
Credit insurance business	255.5	263.7	3.2%	530.8
Non-ordinary expenses	9.4	5.1	-45.3%	31.6
<b>Total expenses</b>	<b>410.1</b>	<b>401.9</b>	<b>-2.0%</b>	<b>866.6</b>
Commissions	356.3	380.3	6.7%	719.9
<b>Total expenses and commissions</b>	<b>766.4</b>	<b>782.2</b>	<b>2.1%</b>	<b>1,586.5</b>
<i>% on recurring premiums</i>	<i>27.6%</i>	<i>28.0%</i>		<i>29.2%</i>



## Financial result

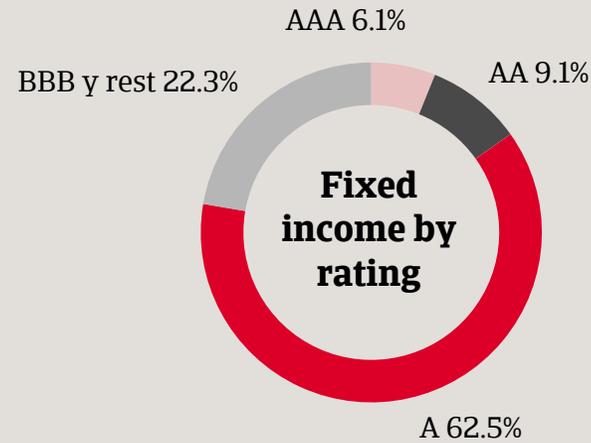
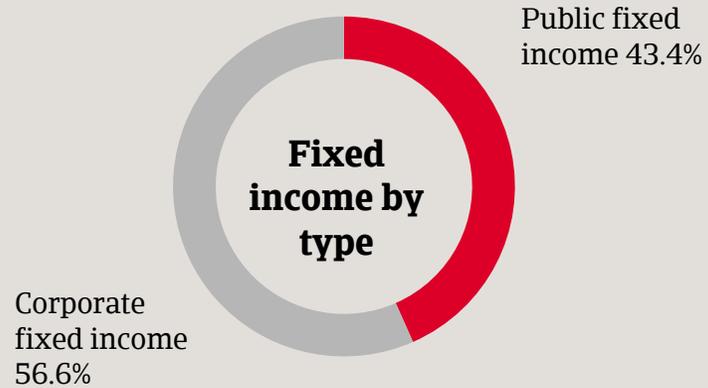
<b>Financial result (€ million)</b>	<b>6M 2023</b>	<b>6M 2024</b>	<b>% Chg.</b>	<b>12M 2023</b>
Financial income net of expenses	138.0	159.6	15.7%	269.4
Exchange rate differences	0.1	-0.5	---	0.2
Subsidiary companies	0.6	0.7	16.7%	1.7
Interest applied to life	-75.4	-90.3	-19.8%	-161.5
<b>Ordinary financial result of traditional business</b>	<b>63.4</b>	<b>69.5</b>	<b>9.6%</b>	<b>109.8</b>
<i>% on earned premiums</i>	<i>4.2%</i>	<i>4.5%</i>		<i>3.6%</i>
Financial income net of expenses	34.2	51.3	50.0%	64.4
Exchange rate differences	-3.1	5.0	---	-3.1
Subsidiary companies	4.1	5.3	29.3%	11.3
Interest on subordinated debt	-6.7	-9.4	-40.3%	-13.4
<b>Ordinary financial result of credit insurance</b>	<b>28.6</b>	<b>52.2</b>	<b>82.5%</b>	<b>59.4</b>
<i>% of net insurance income</i>	<i>2.3%</i>	<i>4.2%</i>		<i>2.5%</i>
Intra-group interest adjustment	0.0	0.2	—%	0.0
<b>Adjusted ordinary financial result of credit insurance</b>	<b>28.6</b>	<b>52.4</b>	<b>83.2%</b>	<b>59.5</b>
<b>Financial result funeral business</b>	<b>-8.0</b>	<b>-8.5</b>	<b>-6.3%</b>	<b>-16.3</b>
<b>Ordinary financial result</b>	<b>84.0</b>	<b>113.4</b>	<b>35.0%</b>	<b>153.0</b>
<i>% of net insurance income</i>	<i>2.7%</i>	<i>3.6%</i>		<i>2.7%</i>
<b>Non-ordinary financial result</b>	<b>-5.0</b>	<b>10.7</b>	<b>---</b>	<b>23.0</b>
<b>Financial result</b>	<b>79.0</b>	<b>124.1</b>	<b>57.1%</b>	<b>175.9</b>

## Non-ordinary result

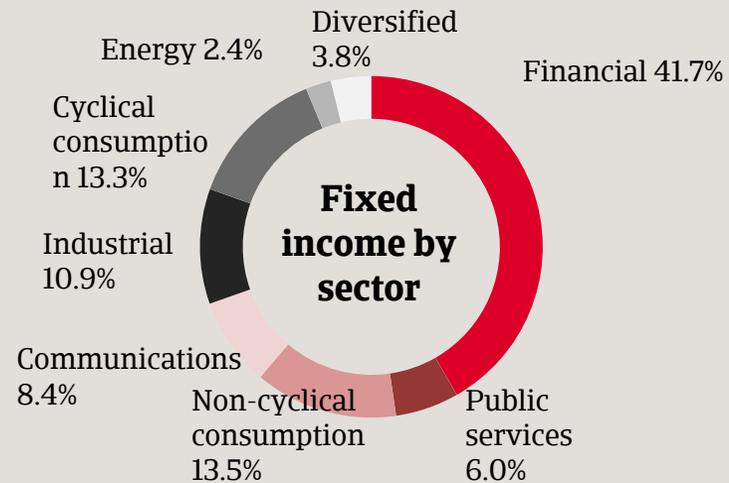
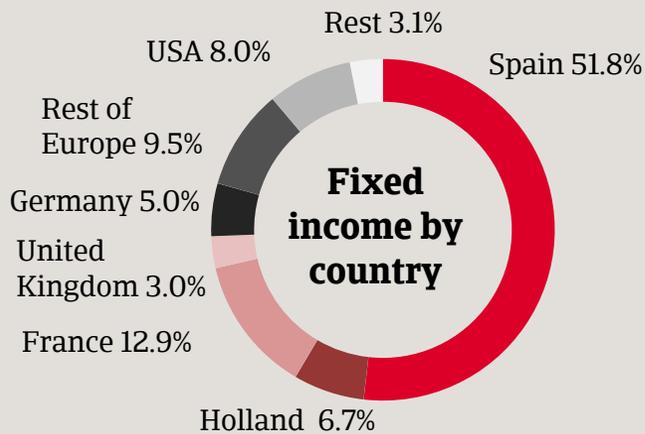
Non-ordinary result (€ million)	6M 2023	6M 2024	12M 2023
Technical	-0.5	0.0	0.0
Financial	0.2	10.4	-1.7
Expenses and other non-ordinary	-0.3	-1.7	-26.8
Taxes	0.0	-1.4	6.0
<b>Non-ordinary from traditional business</b>	<b>-0.7</b>	<b>7.3</b>	<b>-22.5</b>
Financial	-3.6	0.3	26.2
Expenses and other non-ordinary	-9.4	-5.1	-26.1
Taxes	3.3	0.9	0.0
<b>Non-ordinary from business credit insurance</b>	<b>-9.8</b>	<b>-3.9</b>	<b>0.1</b>
Non-recurring funeral business	-0.9	-0.7	-3.0
Taxes	0.2	0.2	0.5
<b>Non-recurring from funeral business</b>	<b>-0.7</b>	<b>-0.5</b>	<b>-2.4</b>
<b>Non-ordinary result (net of taxes)</b>	<b>-11.1</b>	<b>2.9</b>	<b>-24.9</b>

# Investments

## High quality of the fixed income portfolio

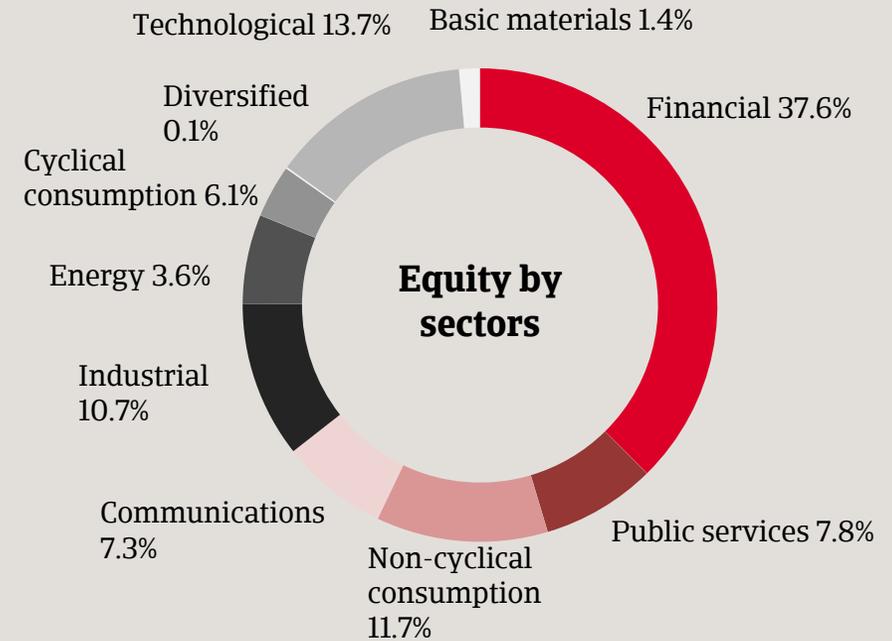
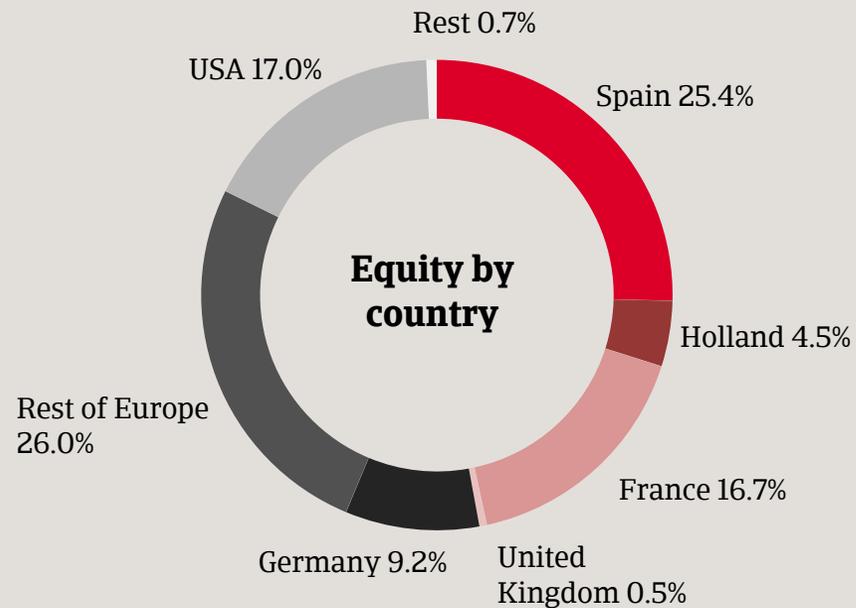


**Duration 3.93**  
**IRR 3.44%**



# Investments in liquid assets

High liquidity 16.4% equity



## Balance sheet

<b>Asset (€ million)</b>	<b>12M 2023</b>	<b>6M 2024</b>	<b>% Chg.</b>	<b>Liabilities and net worth (€ million)</b>	<b>12M2023</b>	<b>6M 2024</b>	<b>% Chg.</b>
<b>Intangible assets and fixed assets</b>	<b>2,102.4</b>	<b>2,137.1</b>	<b>1.6%</b>	<b>Permanent resources</b>	<b>5,170.4</b>	<b>5,617.1</b>	<b>8.6%</b>
<b>Investments</b>	<b>13,664.6</b>	<b>14,410.0</b>	<b>5.5%</b>	<b>Net equity</b>	<b>5,014.2</b>	<b>5,360.6</b>	<b>6.9%</b>
Real estate investment	731.9	851.7	16.4%	Parent company	4,560.6	4,869.6	6.8%
Financial investments	11,559.0	12,336.6	6.7%	Minority interests	453.6	491.0	8.2%
Cash and short-term assets	1,373.7	1,221.6	-11.1%	<b>Subordinated liabilities</b>	<b>156.2</b>	<b>256.6</b>	<b>64.2%</b>
<b>Reinsurance participation in technical provisions</b>	<b>1,245.2</b>	<b>1,285.1</b>	<b>3.2%</b>	<b>Technical provisions</b>	<b>12,035.6</b>	<b>12,537.0</b>	<b>4.2%</b>
<b>Other assets</b>	<b>2,394.8</b>	<b>2,691.8</b>	<b>12.4%</b>	<b>Other liabilities</b>	<b>2,201.0</b>	<b>2,369.8</b>	<b>7.7%</b>
Deferred tax assets	300.0	310.0	3.3%	Other provisions	267.1	235.8	-11.7%
Credits	1,275.9	1,433.4	12.3%	Deposits received due to ceded reinsurance	15.3	15.4	0.9%
Other assets	819.0	948.4	15.8%	Deferred tax liabilities	469.2	509.3	8.6%
<b>Total assets</b>	<b>19,407.0</b>	<b>20,523.9</b>	<b>5.8%</b>	Debts	1,242.6	1,434.5	15.4%
				Other liabilities	206.9	174.9	-15.5%
				<b>Total liabilities and net equity</b>	<b>19,407.0</b>	<b>20,523.9</b>	<b>5.8%</b>

## GCO

The Group's business model is based on leadership in the protection and long-term welfare of families and companies in Spain and in the coverage of commercial credit risks internationally, pursuing growth, profitability and solvency.

### Insurance specialist



- More than 160 years of experience
- Global offer
- Sustainable and socially responsible model

### Solid financial structure



- Listed on the Stock Exchange
- Rating "A"
- Stable and committed shareholders

### Proximity – global presence



- Distribution intermediaries
- More than 14,500 mediators
- More than 8,600 employees
- About 1,450 offices
- More than 50 countries

### Technical rigour



- Excellent combined ratio
- Strict cost control
- 1999-2023: results multiplied by 18
- Diversified and prudent investment portfolio

Data as of year end 2023

# Challenges for 2024

The Group bases its strategy on three pillars



## Growth

- Total turnover: 5,792.6 million euros
- Launch of new insurance products
- Consolidation of the App for clients
- Continue promoting distribution networks with training and digital tools
- Develop omnichannel and improve customer self-service capabilities
- Advance in digital health, products for “seniors”, hybrid vehicles and adjacent services
- Incorporation of the “Memora” funeral business



## Profitability

- The consolidated profit has reached 615.5 million euros
- Excellent combined ratio of the traditional business 92.6%, maintaining the differential with the sector
- Improved performance in credit insurance, higher than the pre-pandemic period
- Advance the concept of simplicity with the unification of the traditional business entities
- Develop the technological infrastructure that allows offering on-demand insurance
- Advance the application of artificial intelligence in underwriting and commercial processes
- A voluntary departure plan has been undertaken that will allow us to gain efficiency



## Solvency

- The solvency ratio at the end of 2023 is 232%
- Sustainalytics: ESG risk rating of 16.9, considered low risk
- Consolidation of hybrid work model
- Continue integrating sustainability in all areas of the Group
- Join forces under the protection of the new Occident brand for the traditional business
- Promote employer branding through better professional development

## Value creation

The GCO's vocation is to consolidate a solid business and generate sustainable social value. In 2023 the Group has contributed 5,054.6 million euros to society.

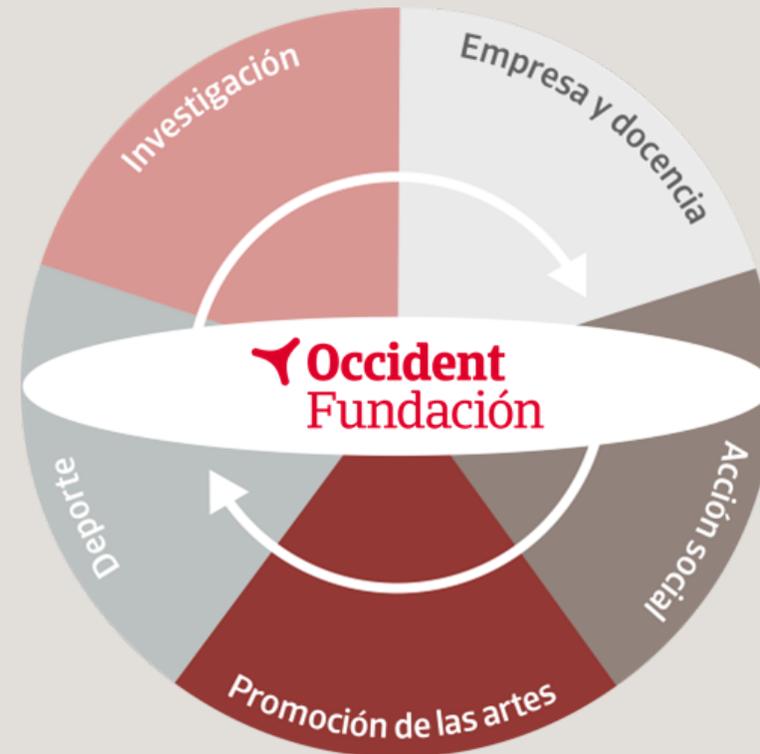
### Evolution contribution to society

	2021	2022	2023
<b>Direct economic value generated</b>	<b>3,905.5</b>	<b>4,175.8</b>	<b>5,054.6</b>
<b>Distributed economic value</b>	<b>3,883.3</b>	<b>4,110.6</b>	<b>4,987.1</b>
Services rendered to customers	2,183.8	2,306.9	2,992.3
Public administrations	541.1	582.8	646.3
Mediators	542.0	588.9	643.3
Employees	504.7	513.1	576.2
Shareholders	107.7	116.6	126.6
Contributions to foundations and non-profit entities	4.0	2.3	2.4
<b>Retained economic value</b>	<b>22.2</b>	<b>65.2</b>	<b>67.5</b>

For more information, see the 2023 sustainability report.

## Fundación Occident

The GCO Foundation, which changed its name to Fundación Occident on January 1, 2024, is a private non-profit entity created in memory of Jesús Serra Santamans, founder of the GCO, whose purpose is to develop projects in order to make a better society for everyone, always guided by values such as solidarity, effort and teamwork.



### More than insurance...

... participates in **more than 60 projects** helping those who need it most in the fields of research, business and teaching, social action, sports and promotion of the arts.

# Corporate structure

<b>GCO</b>		
<b>Main entities</b>		
Occident	Occident Mediadores	GCO Gestión de Activos
NorteHispana Seguros	S. Órbita	Occident Pensiones
	Occident Direct	Occident Hipotecaria
	Occident Inversions	Sogesco
	Occident GCO Capital Ag. Valores	Hercasol SICAV
	Cosalud Servicios	GCO Activos Inmobiliarios
	NH Mediación	GCO Ventures
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Center	
	Asistea Group	Taurus Bidco
	Mémora Group	
Atradius Crédito y Caución	Atradius Collections	Grupo Compañía Española Crédito y Caución
Atradius IH	Atradius Dutch State Business	Atradius NV
Atradius Seguros de Crédito México	Atradius Information Services	Atradius Participations Holding
Crédito y Caución Seguradora de Crédito e Grantias Brazil	Iberinform International	Atradius Finance
INSURANCE COMPANIES	COMPLEMENTARY INSURANCE COMPANIES	INVESTMENT COMPANIES

<b>Traditional business</b>
<b>Funeral business</b>
<b>Credit insurance business</b>

## Risk strategy

GCO defines its risk strategy based on risk appetite and tolerance, and ensures that its integration with the business plan allows it to comply with the risk appetite approved by the board.

The risk strategy is materialized through:

- **Risk profile**

Risk assumed in terms of solvency.

- **Risk appetite**

Risk in terms of solvency that the entity plans to accept to achieve its objectives.

- **Risk tolerance**

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

- **Risk limits**

Operational limits established to comply with the Risk Strategy.

- **Alert indicators**

Additionally, the Group has a series of early warning indicators that serve as a basis for both risk monitoring and compliance with the risk appetite approved by the Board of Directors.

# Risk map

QUANTITATIVE RISKS INCLUDED IN THE SOLVENCY RATIO					
LEVEL 1 Risks	Description	Internal Regulations	External Regulations	Quantification	Mitigation
<b>Credit underwriting risk</b>	Risk of loss or adverse modification of the value of the commitments made as a result of the possible inadequacy of the pricing and provisioning assumptions. In the case of credit insurance, the risk comes from non-payment by our clients' buyers, and in the case of surety, from non-compliance with the contractual, legal or fiscal obligations of our clients.	Underwriting policy and pricing regulations Underwriting guides Authorization matrices Monitoring buyer rating and credit limit concessions	IFRS and Local Regulations	Internal Model (except ICP) ICP: Solvency II Standard Formula It is analyzed in risk self-assessments and ORSA Scenario analysis	Reinsurance Policy DEM Strict underwriting control Control and monitoring of buyers' default risk
<b>Non-life underwriting risk</b>	Risk of loss or adverse modification of the value of the commitments made as a result of the possible inadequacy of the pricing and provisioning assumptions	Underwriting and reserve policies Reinsurance policy Underwriting manual and technical standards Data quality policy	National and international insurance regulations Good practice guides Consortium	Solvency II Standard Formula It is analyzed in risk self-assessments and ORSA Scenario analysis Appraisal Value Rating agencies	Strict control and monitoring of the combined ratio Non-life catastrophic risks are also mitigated through CCS Business value Reinsurance policy Business diversification maintenance Report on the adequacy of the calculation of technical provisions Actuarial annual report
<b>Health underwriting risk</b>	Risk of loss or adverse modification of the value of the commitments made as a result of the possible inadequacy of the pricing and provisioning assumptions	Underwriting and reserve policies Underwriting manual and technical standards Data quality policy	National and international insurance regulations Good practice guides	Solvency II Standard Formula It is analyzed in risk self-assessments and ORSA Embedded Value Rating agencies	Strict control and monitoring of the combined ratio Business value Business diversification maintenance Report on rate adequacy and cancellation rate Actuarial annual report
<b>Life and funeral underwriting risk</b>	Risk of loss or adverse modification of the value of the commitments made as a result of the possible inadequacy of the pricing and provisioning assumptions. It is broken down into biometric risks (including mortality, longevity, morbidity/disability risks) and non-biometric risks (portfolio decline, expenses, review and catastrophe)	Underwriting and reserve policies Reinsurance policy Underwriting manual and technical standards Data quality policy	National and international insurance regulations Good practice guides	Solvency II Standard Formula It is analyzed in risk self-assessments and ORSA Embedded Value Profit test Rating agencies	Strict control and monitoring of rate adequacy and claims experience Business value and profit testing Reinsurance policy Business diversification maintenance Monthly balance of provisions (accounting) Monthly margin account (Life Income Statement)
<b>Market risk</b>	Risk of loss or adverse modification of the financial situation resulting, directly or indirectly, from fluctuations in the level and volatility of market prices of assets, liabilities and financial instruments	Investment policy Management based on the principle of prudence Asset and liability valuation policy	Insurance regulations (LOSSP) CNMV regulations Distribution regulations	Solvency II Standard Formula It is analyzed in risk self-assessments and ORSA VaR Scenario analysis Commitments of liabilities to be covered. Detailed analysis of active-liability adequacy (ALM) as well as sensitivity analysis to future scenarios	Asset management based on the principle of prudence Control of different types of portfolio according to objectives Commitments of liabilities to be covered. Detailed analysis of active-liability adequacy (ALM) as well as sensitivity analysis to future scenarios Investment policy defined by the Board of Directors Average credit rating to maintain Limits of dispersal and diversification
<b>Counterparty risk</b>	Counterparty risk arises from losses arising from unexpected default or deterioration in the credit quality of counterparties.	Investment policy Reinsurance policy Management based on the principle of prudence	Insurance regulations CNMV regulations Distribution regulations	Solvency II Standard Formula It is analyzed in risk self-assessments and ORSA Scenario analysis	Reinsurance Policy (Reinsurance with counterparties with good credit rating) Diversified investment portfolio with a high rating Control of the credit rating of the main financial counterparties and the reinsurers team
<b>Operational risk</b>	Risk of loss arising from the inadequacy or dysfunction of internal processes, personnel or systems or external processes. Among the operational risks, the risk of regulatory non-compliance (a consequence of the increasing developments and supervisory requirements that impact our activity) and the risk of cybersecurity stand out in particular.	SolvPRC/Risk Register Tool Contingency plans Data security and quality policy Ethical code Procedure for action in cases of fraud (complaints channel) Operational Risk Management Policy. Internal Control Policy. Regulatory Compliance Verification Policy. Outsourcing Policy. Security policy, regulations and procedures. (Tier I, Tier II and Tier III).	Insurance regulations Principles of three lines of defense (COSO regulations) Guidelines on governance and security of information and communications technologies (EIOPA) Guidelines on Outsourcing to Cloud Service Providers (EIOPA)	Solvency II Standard Formula It is analyzed in risk self-assessments and ORSA Monitored and measured through the SolvPRC tool (measured in terms of probability of occurrence and severity) or Risk Register	Internal control system SolvPRC Control of inherent and residual risk through the implementation of preventive and mitigation controls in the event of an occurrence Cybersecurity action plan Contingency plans

# Risk map

QUANTITATIVE RISKS INCLUDED IN THE SOLVENCY RATIO					
LEVEL 1 Risks	Description	Internal Regulations	External Regulations	Quantification	Mitigation
<b>Liquidity risk</b>	Risk of defaulting on obligations due to the inability to obtain necessary liquidity despite having sufficient assets	Investment policy Management based on the principle of prudence Reinsurance policy	Insurance regulations CNMV regulations Distribution regulations	It is analyzed in risk self-assessments and ORSA It is analyzed in cash flow statements and investment statements. Scenario analysis	Prudence-based asset management Control of different types of portfolio Commitments of liabilities to be covered. Detailed analysis of active-liability adequacy (ALM) as well as sensitivity analysis to future scenarios Typology of financial portfolio investments Limits of dispersal and diversification Low level of debt
<b>Risks from the political and economic environment</b>	Risks derived from the national and international economic and political environment, which cause an impact on the volatility of financial variables and the real economy. Specifically, the global economic crisis and high inflation stand out.	Underwriting regulations Written Policies (in particular investment policy) Regulations for the prevention of occupational risks Internal Rules of Conduct	European regulation Sectoral analysis Global regulation associated with the economic recession and the pandemic	It is analyzed in risk self-assessments and ORSA Certain risks are to some extent covered by the Solvency II Standard Formula Scenario analysis	Occupational health and safety regulations to protect our employees and customers Underwriting risk Strategic planning process and its monitoring Sectoral analysis. In the Credit business, specific "event-driven" monitoring and analysis is carried out by the Economic Research Unit Internal Audit, Internal control, complains and whistleblowing channel Geographic and branch diversification in the traditional business. Geographic and sectoral diversification in the Credit business Contingency plans
<b>Social, environmental and governance risk</b>	Risk that constitutes the possibility of losses driven by environmental, social and governance factors	General Meeting Bylaws Regulations of the Board of Directors Prevention of money laundering Ethical code Written policies (sustainability policy, climate change and environment policy, tax policy, outsourcing policy) Sustainability Master Plan	Non-financial information regulations European Sustainability Regulations (ESMA, EIOPA...) Climate change and energy transition law Sustainable Development Goals and United Nations 2030 Agenda Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) Environmental taxonomy (in application from 2022) Social Taxonomy (not yet in application) Universal Declaration of Human Rights United Nations	It is analyzed in risk self-assessments and ORSA Analysis of adverse climate scenarios Taxonomy Sustainability Report	Internal audit Internal control Whistleblowing Channel Occupational Health and safety Regulations Sustainability Report Monitoring and adaptation of strategic planning Ethical code Written policies (e.g. sustainability policy, climate change and environment policy,...) Sustainability Master Plan
<b>Other risks</b>	Risks not included in the previous groups, such as the risk of loss derived from inadequate strategic decisions, defective execution of these or inadequate adaptation to changes in the economic or social environment (Strategic Risk), the risk associated with the occurrence of an event that negatively impacts the Group's reputation (Reputational Risk) or the risk derived from the interdependence of existing risks between Group entities (Contagion Risk)	Written policies Reputational risk management protocol Social media user manual Reputational risk management protocol	Advertising regulations UNESPA guides to which the company has adhered. Guidelines- Guidelines under the Insurance Distribution Directive on Insurance-based investment products that incorporate a structure which makes it difficult for the customer to understand the risks involved	It is analyzed in risk self-assessments and ORSA. Indicators for monitoring appearances in the Media and complaints through social networks	Exhaustive monitoring of the medium-term plan Ethical code Procedure for action in case of irregularities and fraud Fit and proper requirements Monitoring of information published in the media and social networks Social media usage manual control Action protocols for the management of reputational risk events Continuous monitoring of business units

# Glossary

Concept	Definition	Formulation	Importance and relevance of use
<b>Technical result after expenses</b>	Insurance activity result	<b>Technical result after expenses</b> = (earned premiums from direct insurance + earned premiums from accepted reinsurance + information services and commissions) – Technical cost – Bonuses and rebates – Net operating expenses – Other technical expenses	Relevant Entity Relevant investors
<b>Reinsurance result</b>	Result produced by ceding business to the reinsurer or accepting business from other entities.	<b>Reinsurance result</b> = Accepted reinsurance result + Ceded reinsurance result	Relevant Entity Relevant investors
<b>Financial result</b>	Result of financial investments.	<b>Financial result</b> = income from financial assets (coupons, dividends, actions) - financial expenses (commissions and other expenses) + result from subsidiary companies - interest accrued on debt - interest paid to the insured parties of the life insurance business	Relevant Entity Relevant investors
<b>Technical/financial result</b>	Result of the insurance activity including the financial result. This result is especially relevant for Life insurance.	<b>Technical/financial result</b> = Technical result + Financial result	Relevant Entity Relevant investors
<b>Non-technical non-financial account result</b>	Those income and expenses not assignable to technical or financial result.	<b>Non-technical non-financial account result</b> = Income - expenses not assignable to technical or financial result.	Relevant Entity Relevant investors
<b>Result complementary activities</b>	Result of activities not assignable to the purely insurance business. Mainly the activities of: <ul style="list-style-type: none"> <li>· Information services</li> <li>· Recoveries</li> <li>· Management of the Dutch state export account.</li> </ul>	<b>Result complementary activities of credit insurance</b> = income - expenses	Result of activities not assignable to the purely insurance business. It includes the funeral business and complementary credit activities (mainly: information services, collections, management of the Dutch state export account).
<b>Ordinary result</b>	Result of the entity's regular activity	<b>Ordinary result</b> = technical/financial result + non-technical account result - taxes, all resulting from habitual activity	Relevant Entity Relevant investors

# Glossary

Concept	Definition	Formulation	Importance and relevance of use
<b>Turnover</b>	Turnover is the Group's business volume  Includes the premiums that the Group generates in each of the business lines and the income from services from credit insurance.	<b>Turnover</b> = Premiums invoiced + Income from information  <b>Written premiums</b> = direct insurance premiums issued + accepted reinsurance premiums	Relevant Entity Relevant investors
<b>Managed funds</b>	Amount of financial and real estate assets managed by the Group	<b>Managed funds</b> = Financial and real estate assets, entity risk + Financial and real estate assets, policyholder risk + Managed pension funds <b>Managed funds</b> = fixed income + variable income + real estate + deposits in credit institutions + treasury + investee companies	Relevant investors
<b>Financial strength</b>	Shows the debt and solvency situation. It is mainly measured through the debt ratio, the interest coverage ratio and the credit rating (rating).	<b>Debt ratio</b> = Debt / Net worth + Debt	Relevant investors
<b>Technical cost</b>	Direct costs of claims coverage. See accidents.	<b>Technical cost</b> = claims in the year, net of reinsurance + variation in other technical provisions, net of reinsurance	
<b>Average cost of claims</b>	Reflects the average cost per claim	<b>Average cost of claims</b> = Technical Cost / number of claims corresponding to said period.	
<b>Deposits for ceded reinsurance</b>	Deposits retained by the Group in order to guarantee the financial obligations of reinsurers	<b>Deposits for ceded reinsurance</b> Amounts received from reinsurance ceded in order to guarantee the obligations arising from reinsurance contracts, their amount corresponds to the balance recorded in the Balance Sheet	
<b>Dividend yield</b>	The dividend yield shows the relationship between the dividends distributed in the last year with the average share value.  Indicator used to value the actions of an entity	<b>Dividend yield</b> = dividend paid in the year per share / average share price value	Relevant investors
<b>Modified Duration</b>	Sensitivity of asset values to movements in interest rates	<b>Modified duration</b> = Represents an approximation of the value of the percentage change in the value of financial assets for each percentage point (100 basis points) of change in interest rates.	
<b>Expenses</b>	General expenses include the costs that arise for business management, excluding those properly assignable to claims.	<b>Expenses</b> = personnel expenses + commercial expenses + services and miscellaneous expenses (subsistence allowances, training, management awards, material and other office expenses, rent, external services, etc.)	Relevant Entity Relevant investors
<b>Permanence index</b>	Measures the customer's expectation of continuing with the entity Scale from less than 1 year to more than 5 years	<b>Permanence rate</b> = How long do you think you would continue to be a customer?	Relevant Entity Relevant investors
<b>Satisfaction index with the company</b>	Measures the degree of general customer satisfaction with the entity Scale from 1 to 10	<b>General satisfaction index</b> = (Satisfied - dissatisfied) / respondents Satisfied answers with result from 7 to 10 Dissatisfied answers with result from 1 to 4	Relevant Entity Relevant investors
<b>Service satisfaction index</b>	Measures the evaluation of the service received Scale 1 to 10	<b>Service satisfaction index</b> = (Satisfied - dissatisfied) / respondents Satisfied answers with result from 7 to 10 Dissatisfied answers with result from 1 to 4	Relevant Entity Relevant investors

# Glossary

Concept	Definition	Formulation	Importance and relevance of use
<b>Insurance income</b>	Measures income derived directly from insurance activity and information services	<b>Insurance income</b> = premiums earned from direct insurance + premiums earned from accepted reinsurance + information services and commissions	Relevant Entity Relevant investors
<b>Income from information</b>	Income obtained from the study of the financial information of the debtors of the credit business for contracting a policy	<b>Income from information</b> = Information services and commissions	Relevant Entity Relevant investors
<b>Managed funds</b>	Set of assets managed by the Group in order to obtain financial performance from them.	<b>Financial assets</b> from the entity's balance sheet (properties, fixed income, equity,...) plus assets managed by the Group for its clients in pension plans and mutual funds	Relevant Entity Relevant investors
<b>Investments in associated / subsidiaries entities</b>	Non-dependent entities in which the Group has significant influence	<b>Investments in associated / subsidiaries entities</b> = book value of the economic participation	
<b>Net Promoter Score NPS</b>	Measures the degree of customer loyalty with the entity.	<b>Net Promoter score</b> = Would you recommend the company to family and friends? = (promoters-detractors)/ respondents Promoters: responses with a result equal to 9 or 10 Detractors: answers with result from 1 to 6	Relevant Entity Relevant investors
<b>Pay out</b>	Ratio that indicates the part of the result that is distributed to investors via dividends	<b>Pay out</b> = (Total dividend / Profit for the year attributable to the Parent Company) x 100	Relevant investors
<b>Price Earnings Ratio</b>	The price-earnings ratio or PER measures the relationship between the price or value of the entity and the result.	<b>PER</b> = Closing market price of the share / Profit for the year attributable to the Parent Company per share	Relevant investors
<b>PER</b>	Its value expresses what the market pays for each monetary unit of result. It is representative of the entity's ability to generate result.		
<b>Recurring premiums</b>	Total premiums without considering non-periodic premiums of the Life business	<b>Recurring Premiums</b> = Earned premiums - single and supplemental life business premiums	Relevant Entity Relevant investors
<b>Technical provisions</b>	Amount of assumed obligations arising from insurance and reinsurance contracts.		Relevant Entity Relevant investors
<b>Combined ratio</b>	Indicator that measures the technical profitability of Non-Life insurance.	<b>Combined Ratio</b> = Ratio of claims + Expense Ratio	Relevant Entity Relevant investors
<b>Net combined ratio</b>	Indicator that measures the technical profitability of Non-Life insurance net of the reinsurance effect	<b>Net Combined Ratio</b> = Net Ratio of claims + Net Expense Ratio	
<b>Efficiency ratio</b>	Ratio that reflects the part of premium income dedicated to operating expenses and commissions	<b>Efficiency ratio</b> = (Total Expenses and commissions) / Recurring premiums	Relevant Entity Relevant investors
<b>Expense ratio</b>	Ratio that reflects the part of premium income dedicated to expenses.	<b>Expense ratio</b> = Operating expenses / Insurance income	
<b>Net expense ratio</b>	Ratio that reflects the portion of premium income dedicated to expenses net of the reinsurance effect	<b>Net expense ratio</b> = (Net reinsurance operating expenses) / (imputed premiums for direct business and accepted reinsurance + information services and commissions)	
<b>Accident ratio</b>	Business indicator, consisting of the proportion between claims and earned premiums.	<b>Claims ratio</b> = Claims / Insurance income	Relevant Entity Relevant investors

# Glossary

Concept	Definition	Formulation	Importance and relevance of use
<b>Net claims ratio</b>	Business indicator, consisting of the proportion between claims and earned premiums net of the reinsurance effect.	<b>Net claims ratio</b> = Claims for the year, net of reinsurance / (imputed premiums for direct business and accepted reinsurance + information services and commissions)	
<b>Permanent resources</b>	Resources comparable to own funds.	<b>Permanent resources</b> = Total net equity + subordinated liabilities	Relevant Entity Relevant investors
<b>Permanent resources at market value</b>	Resources comparable to own funds at market value	<b>Permanent resources at market value</b> = Total net equity + subordinated liabilities + capital gains associated with real estate for own use + capital gains associated with real estate investments	Relevant Entity Relevant investors
<b>Resources transferred to company</b>	Amount that the Group returns to the main interest groups.	<b>Resources transferred to the company</b> = claims paid + taxes + commissions + personnel expenses + dividends	
<b>Return On Equity</b>	Financial profitability or rate of return	<b>ROE</b> = (Result for the year, Attributable to the parent company) / (Simple average of the Equity attributed to the shareholders of the Parent Company at the beginning and end of the period (twelve months)) x 100	Relevant investors
<b>ROE</b>	Measures return on capital		
<b>Claims rate</b>	See technical cost. Economic valuation of claims.	<b>Claims rate</b> = Benefits paid from direct insurance + Variation in the provision for direct insurance benefits + expenses attributable to benefits	
<b>Total expenses and commissions</b>	Commissions and expenses (except those assignable to claims) that arise for business management.	<b>Expenses and commissions</b> = Operating expenses + commissions paid on the policies	
<b>Total Potential Exposure TPE</b>	It is the potential exposure to risk, also "cumulative risk." Term of credit insurance business	<b>TPE</b> = the sum of the credit risk underwritten by the Group in each buyer	Relevant Entity Relevant investors
<b>Value of responsible investments with respect to the total investments and managed funds</b>	Ratio that reflects the assets managed by the Group that comply with the Group's Responsible Investment Policy, with respect to the total investments and funds managed by the Group.	Investments that comply with the Group's Responsible Investment Policy/ Total investments and funds managed by the Group	
<b>Generated economic value</b>	The generated economic value responds to the aggregation of the value distributed by the Group and the value retained by the Group.	<b>Direct economic value generated</b> = economic value distributed + economic value retained	
<b>Distributed economic value</b>	Economic value that the Group has allocated to the following interest groups: clients, public administrations, mediators, employees, shareholders and contributions to foundations and non-profit entities.	<b>Distributed economic value</b> = payment of benefits to clients + taxes paid and Social Security contributions + payments to suppliers + salaries and benefits of employees + dividends paid + contributions from the Group to foundations and non-profit entities.	
<b>Retained economic value</b>	Amount of GCO's annual net result not distributed.	<b>Retained economic value</b> = Annual amount of GCO's after-tax result allocated to Reserves.	
<b>Theoretical book value</b>	Value per share that a company has in accounting terms. Book value per share.	<b>Theoretical book value</b> = Net equity/ number of shares	Relevant investors

## Disclaimer

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