

2018

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**Shareholders General Meeting**  
Grupo Catalana Occidente

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April 25, 2019

 **Catalana  
Occidente**  
Grupo asegurador

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# Strategic pillars

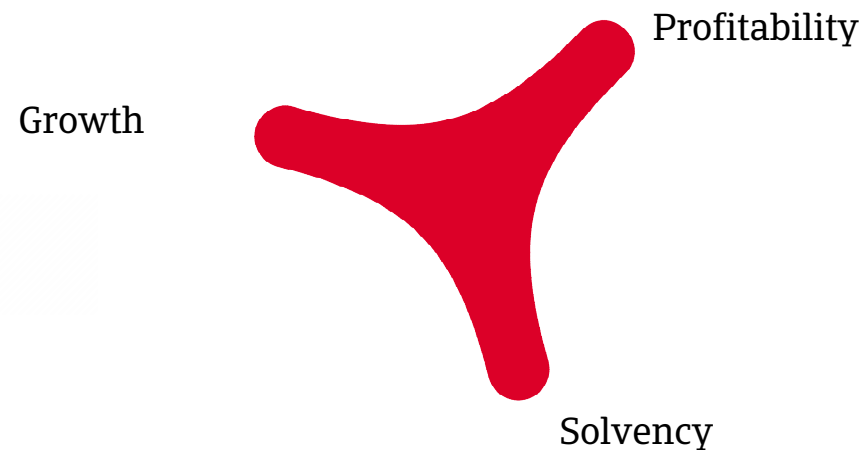
01

## Grupo Catalana Occidente

**Strategic proposal:** To be leaders in risk protection and long-term welfare of families and small businesses in Spain. and being international leaders in the coverage of trade credit risks.

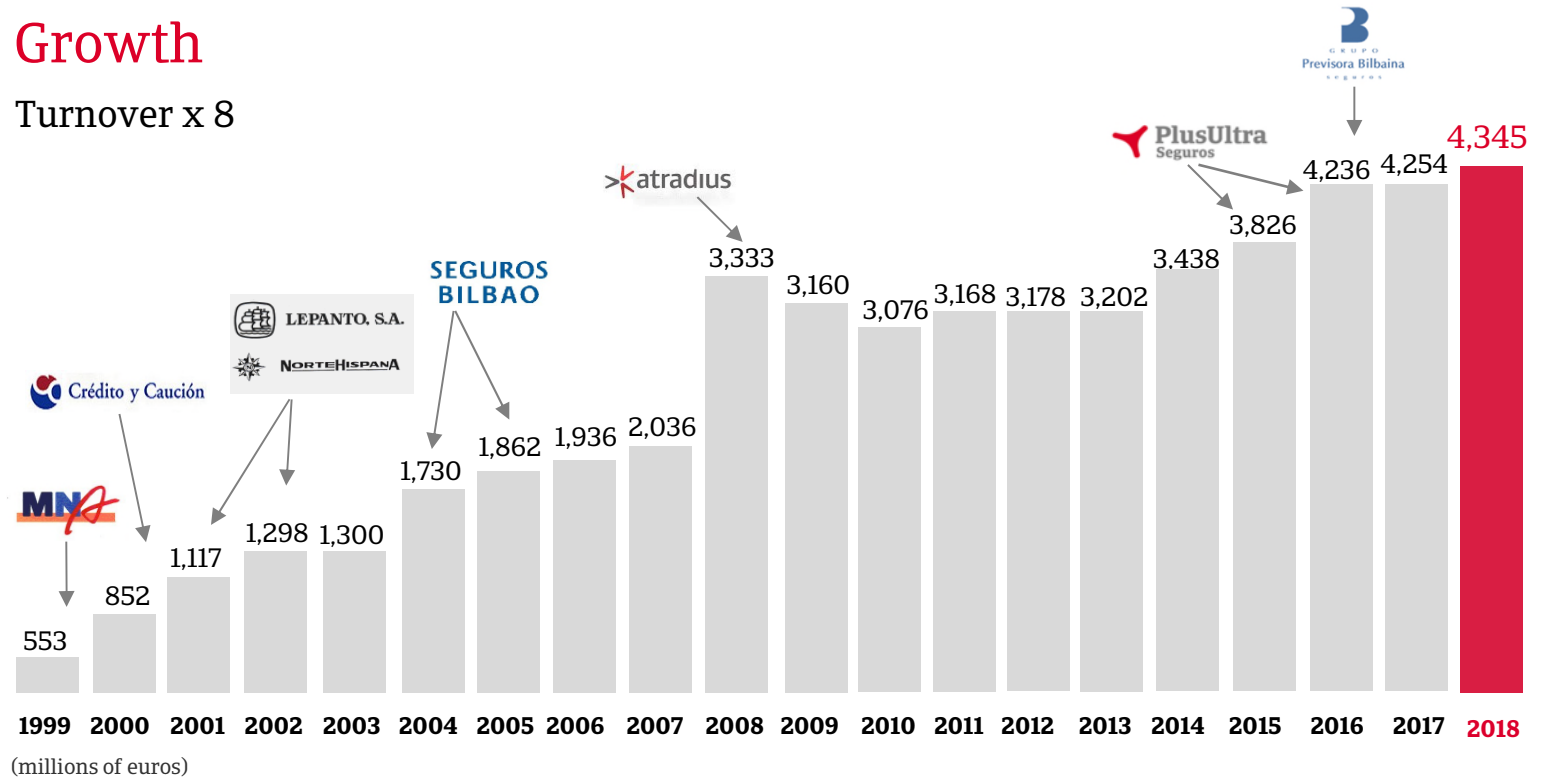
**Principle of operation:** ETHICAL actions with the stakeholders.

**Strategic pillars:**



## Growth

Turnover x 8



# Profitability

Profit x 11

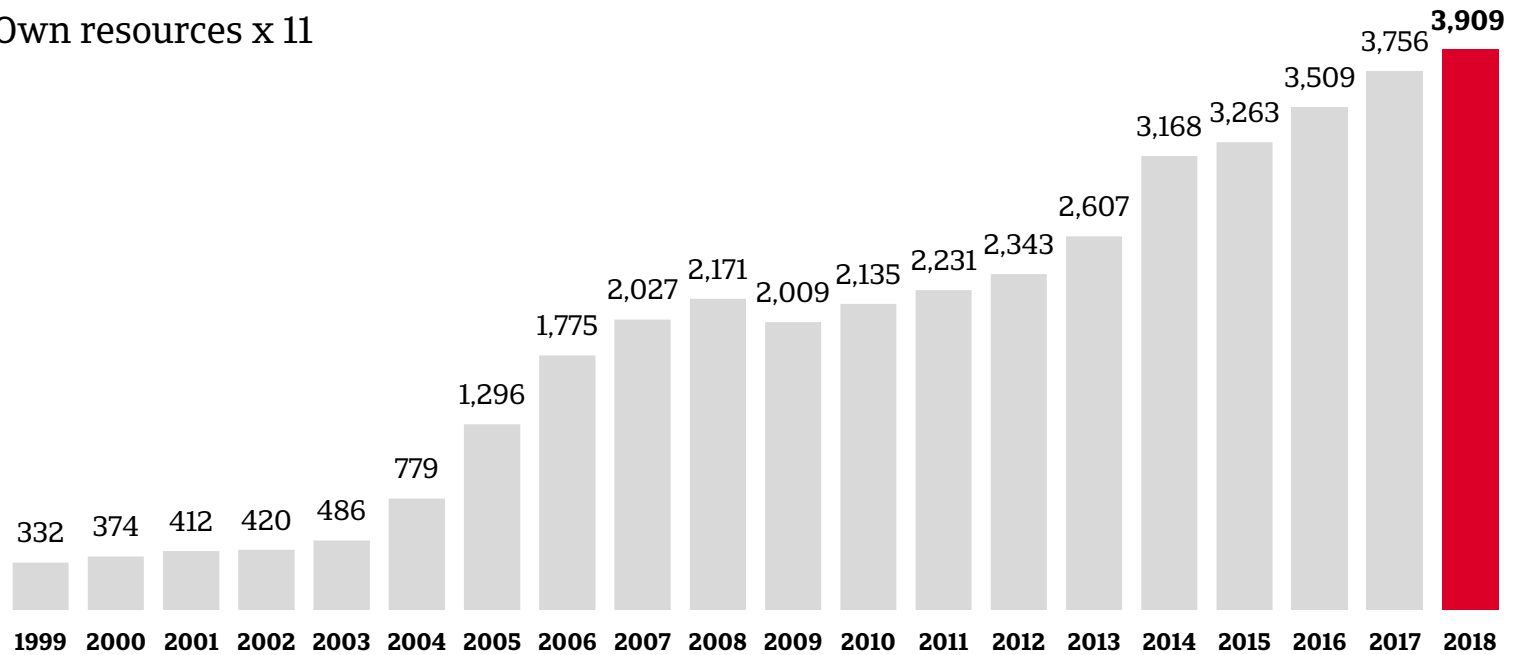


— GCO Attributed result in millions of euros

\* Annual growth rate of compound growth

## Financial Strength

Own resources x 11

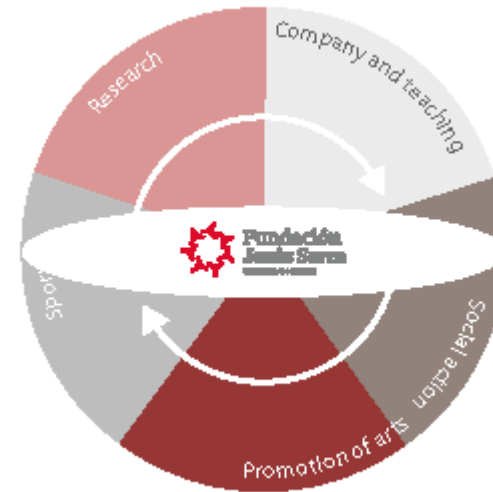


(millions of euros)

## Fundación Jesús Serra

Fundación Jesús Serra is the institution through which the social action of Grupo Catalana Occidente is channelled.

Its activities follow the humanist values of its founder, Jesús Serra Santamans



More than just insurance...

... participates in **over 60 projects** helping those who most need it in the áreas of the education, research, culture, sport and social action

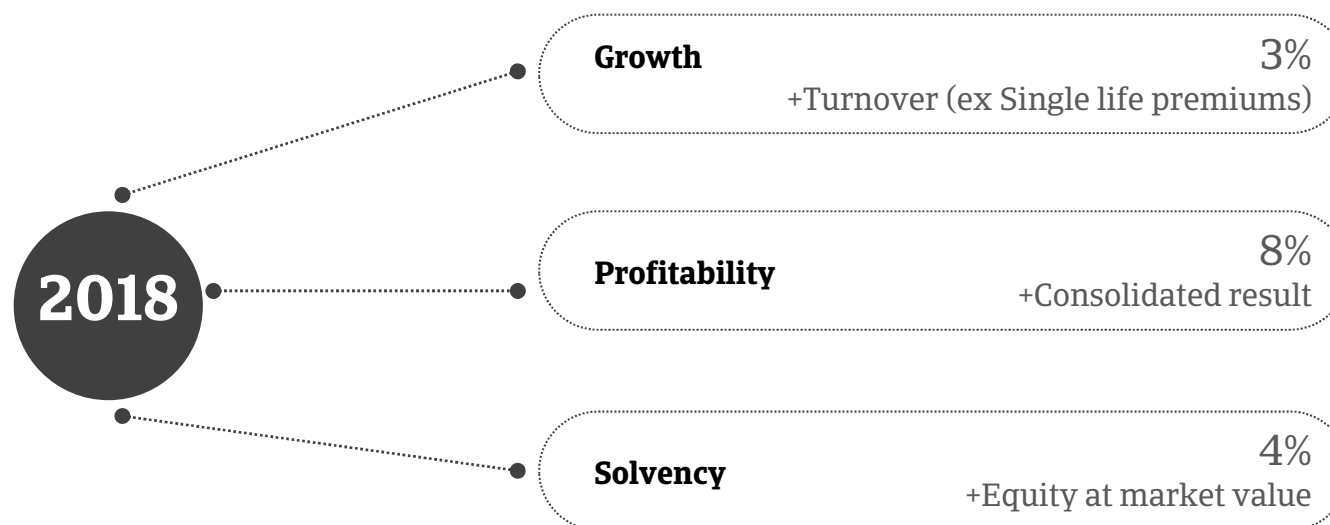


## Quantitative evaluation of the year

02

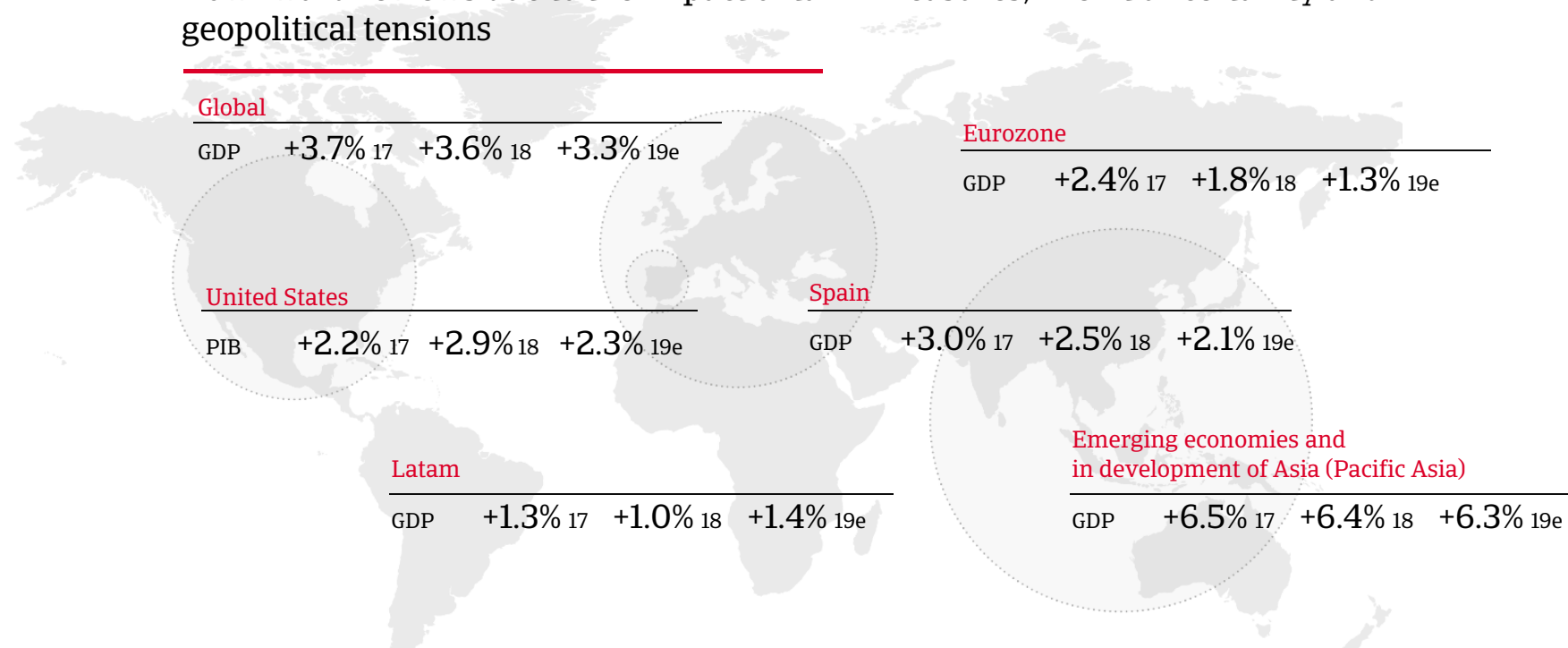
## Grupo Catalana Occidente in 2018

Advancing in the three strategic pillars



## Macroeconomic environment

Downward reviews due to the impact of tariff measures, Brexit uncertainty and geopolitical tensions



Source: FMI. Last reviewed April 2019

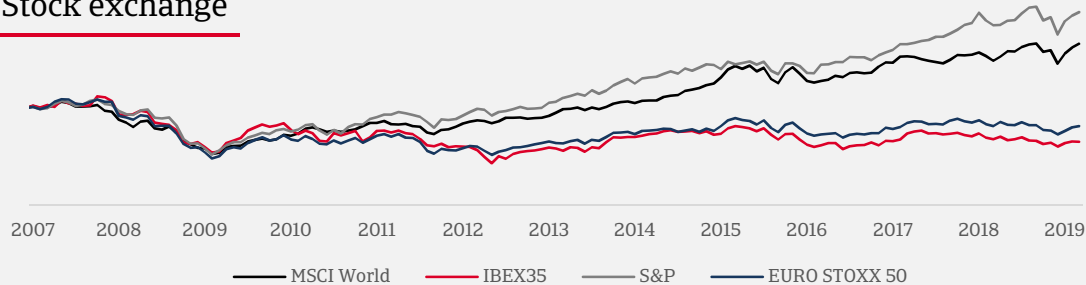
## Financial markets

Less accommodative monetary policy and volatility in the markets for fear of a global protectionist turn and geopolitical tensions

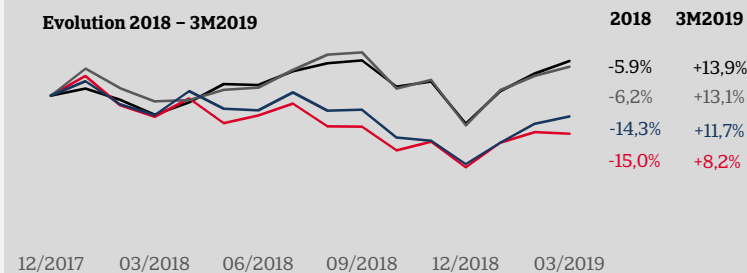
### Interest rates



### Stock exchange



### Evolution 2018 – 3M2019



Fuente: Bloomberg. Actualizado abril 2019

## Grupo Catalana Occidente in 12M2018

(figures in million of euros)

<b>Results</b>	<b>2017</b>	<b>2018</b>	<b>% Chg. 17-18</b>
<b>Attributed result</b>	<b>325.4</b>	<b>352.1</b>	<b>8.2%</b>
<b>Consolidated result</b>	<b>357.3</b>	<b>386.4</b>	<b>8.1%</b>
Results Traditional Business	180.5	191.1	5.9%
Results from Credit Insurance Business	176.8	195.2	10.4%

Similar  
contribution of  
both businesses

+8.1% Consolidated result : **386.4 M€**

## Grupo Catalana Occidente in 12M2018

(figures in million of euros)

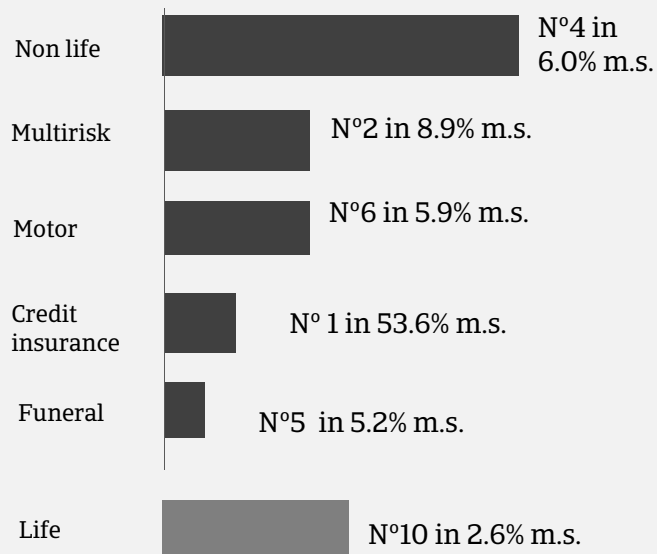
	2017	2018	% Chg. 17-18
Traditional Business	2,516.1	2,541.2	1.0%
Recurring premiums	2,153.2	2,200.5	2.2%
Single premiums life	362.9	340.7	-6.1%
Credit Insurance Business	1,738.2	1,803.9	3.8%
<b>Turnover</b>	<b>4,254.3</b>	<b>4,345.1</b>	<b>2.1%</b>

Increase 2.9% ex-  
single premiums  
business

+2.1% Turnover **4,345 M€**

## Grupo Catalana Occidente in 12M2018

Turnover in Spain: **2.841 M€**



Leadership position in our preferred branches

Ranking insurance sector

	2018	2017	Market share
VidaCaixa	1	1	12.8%
Mapfre	2	2	11.3%
Grupo Mutua Madrileña	3	3	8.2%
<i>SegurCaixa Adeslas</i>			4.6%
Allianz	4	5	5.6%
Zurich	5	4	5.5%
<i>Banc Sabadell</i>			3.9%
<b>Grupo Catalana Occidente</b>	<b>6</b>	<b>6</b>	<b>4.4%</b>
AXA	7	9	4.0%
Santalucía	8	7	3.9%
Generali	9	8	3.8%
Santander seguros	10	12	3.1%

GCO 6° group by market share

## Traditional business

Consistent turnover development

(figures in million of euros)

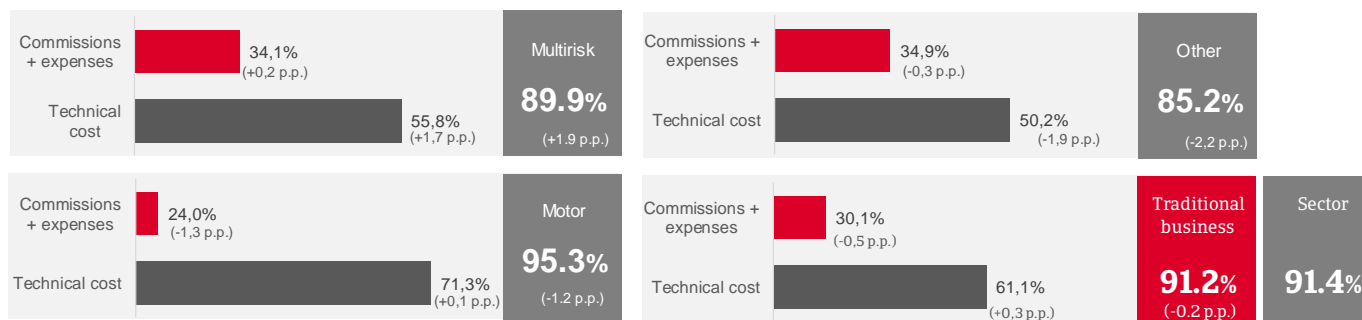
	2017	2018	Var.	% Chg. 17-18
<i>Multirisk</i>	631.3	645.9	14.6	2.3%
<i>Motor</i>	651.8	654.3	2.5	0.4%
<i>Other non-life</i>	293.9	308.4	14.5	4.9%
<b>Non-life</b>	<b>1,577.0</b>	<b>1608.6</b>	<b>31.6</b>	<b>2.0%</b>
<i>Health</i>	54.5	57.6	3.1	5.7%
<i>Funeral</i>	127.7	133.7	6.0	4.7%
<i>Periodic</i>	394.0	400.6	6.6	1.7%
<i>Single</i>	362.9	340.7	-22.2	-6.1%
<b>Life</b>	<b>939.1</b>	<b>932.6</b>	<b>-6.5</b>	<b>-0.7%</b>
<b>Written premiums</b>	<b>2,516.1</b>	<b>2,541.2</b>	<b>25.1</b>	<b>1.0%</b>
<b>Written premiums ex. single</b>	<b>2,153.2</b>	<b>2,200.5</b>	<b>47.3</b>	<b>2.2%</b>

+2.2% Recurring premiums: **2,201 M€**



## Traditional business

Excellent combined ratio

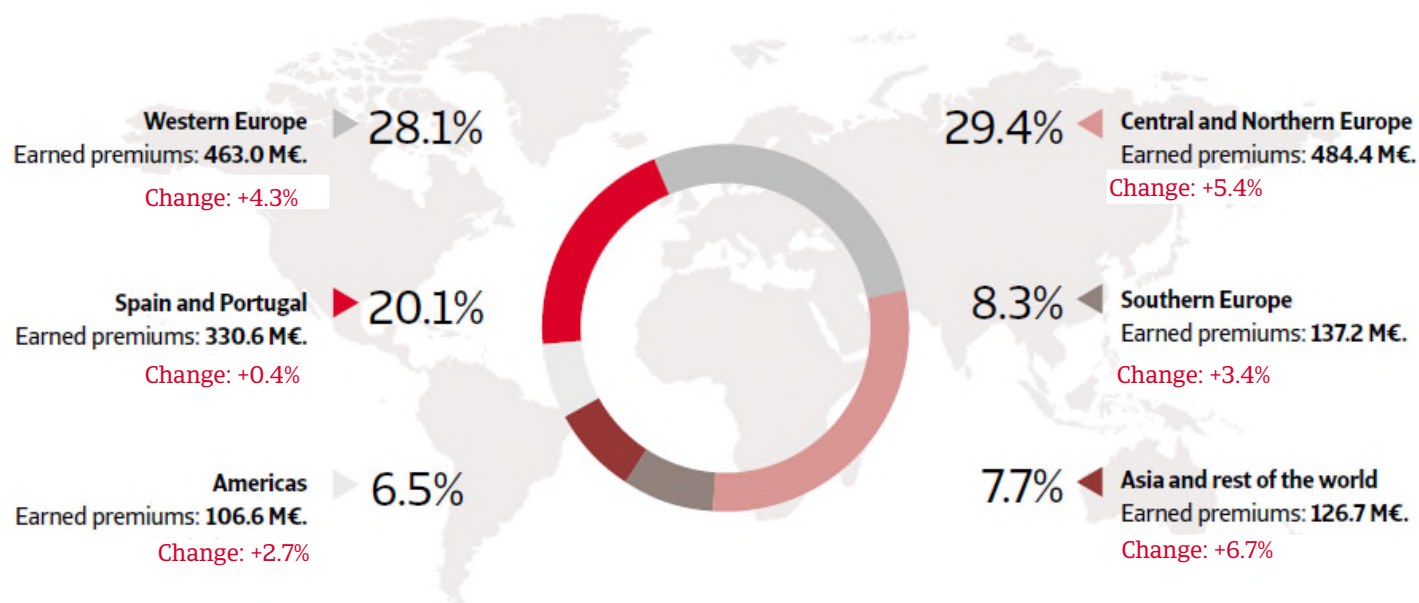


Maintaining a positive differential with the sector

	Traditional business	Multirisk	Motor
GCO	<b>91.2%</b>	GCO <b>89.9%</b>	GCO <b>95.3%</b>
Sector	<b>91.4%</b>	Sector <b>95.8%</b>	Sector <b>96.0%</b>

## Credit insurance business

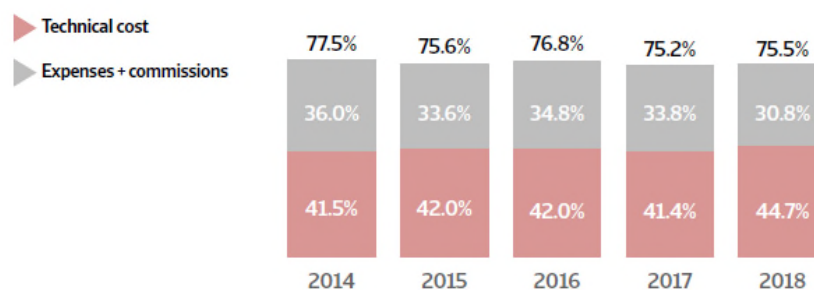
Diversified global presence



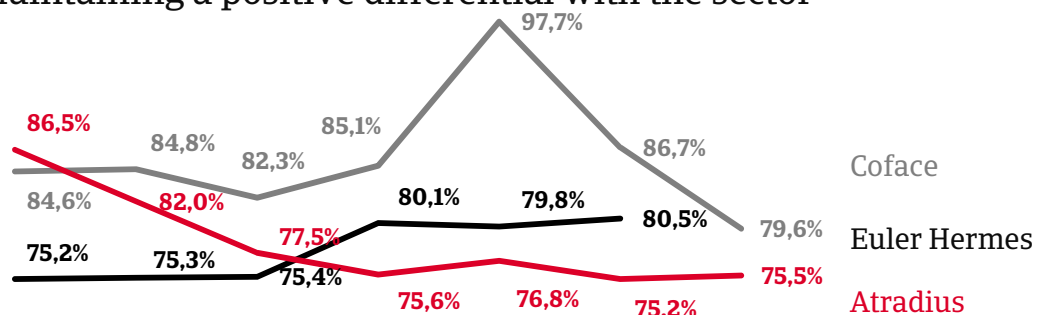
Balanced growth in  
main markets: **1,781 M€ + 3.6%**

## Credit insurance business

Excellent combined ratio



Maintaining a positive differential with the sector



## Grupo Catalana Occidente in 3M2019

(figures in million of euros)

<b>Income</b>	<b>3M2018</b>	<b>3M2019</b>	<b>% Chg. 18-19</b>
Traditional Business	711.7	742.1	4.3%
Recurring premiums	619.5	648.9	4.7%
Life single premiums	92.2	93.2	1.1%
Credit Insurance Business	558.1	592.8	6.2%
<b>Turnover</b>	<b>1,269.8</b>	<b>1,334.9</b>	<b>5.1%</b>

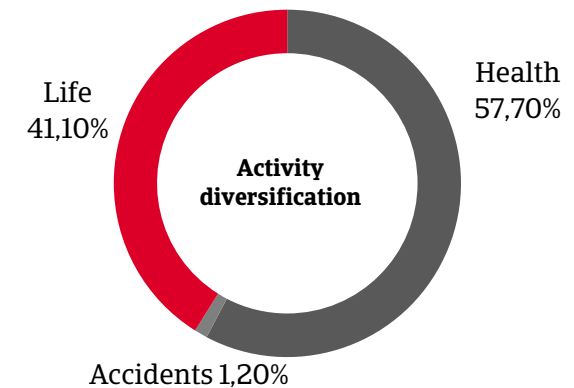
(figures in million of euros)

<b>Results</b>	<b>3M2018</b>	<b>3M2019</b>	<b>% Chg. 18-19</b>
Recurring Results Traditional Business	47.0	51.4	9.4%
Recurring Results from Credit Insurance Business	58.0	62.8	8.4%
Non-Recurring Result	-4.8	-5.2	
<b>Consolidated result</b>	<b>100.1</b>	<b>109.1</b>	<b>9.0%</b>
<b>Attributed result</b>	<b>90.1</b>	<b>98.3</b>	<b>9.1%</b>

+9.0%  
Consolidated result  
**109.1 M€**

## Antares acquisition agreement

- Founded in 1987 and property of Telefónica
- N° 17 in health with 0.96% of market share
- Profitable and solvent Group
- Management team with great experience and contrasted results
- Since 2011 expanding the marketing beyond Telefónica
- Insured: 245,000
- Medical team: more than 18,000 professionals



## Antares acquisition agreement

Solid strategic fit in Grupo Catalana Occidente

- Reinforce the Group position in the spanish market
- Consolidates the global offer for the customer
- Increase health business weight
  - 9th position on the Spanish market
  - 2.0% of market share
- More than 160 million euros of invoicing
- Take advantage of the increased volume to negotiate with third parties
- Enables synergies in the medium term

### Closing of the operation 14th February 2019

- Incorporation of 863,9 million euros on assets
- Goodwill of 7.2 millon euros

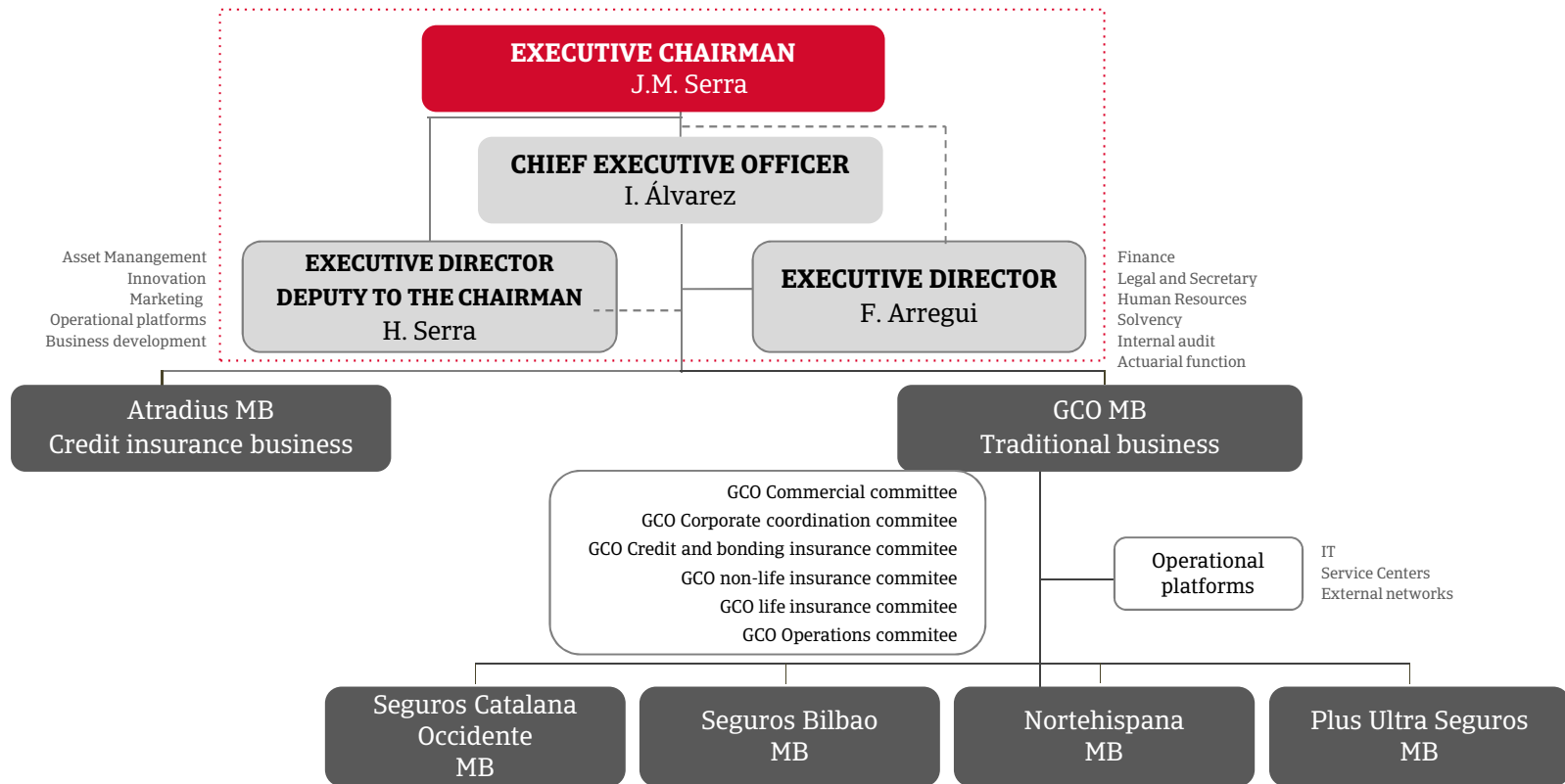
Nº	Group	Turnover	Market share		Nº	Group	Turnover	Market share
6	Total	2,854.0	4.5%		6	Total	2,997.2	4.7%
4	Non life	2,104.4	6.0%		4	Non life	2,185.2	6.2%
15	Health	86.7	1.0%	→	9	Health	165.7	2.0%
10	Life	749.6	2.6%		10	Life	812.0	2.8%

Source: ICEA 2018

Our guidelines

03

# Corporate governance





## Guidelines until 2017



1. Promote the development of the distribution network.
2. Focus the company towards growth.
3. Maintain the differential of technical expenditure with the market.
4. Improve the efficiency ratio.
5. Generate common knowledge and values.
6. Understand and adapt to social change.

## Strategy overview



Strategic purpose

- To be leaders in risk protection and long-term insurance in the retail and SME market.
- To become global leaders in trade credit risk management.



Principles

- Ethical action towards stakeholders.



Strategic pillars

**Growth**

**Profitability**

**Solvency**



## The evolution of our guidelines



### **Growth**

Market and customer

Distribution channels

Products and services



### **Profitability**

Actuarial technique

Efficiency

Investments



### **Solvency**

Human team and values

Innovation and  
communication

Risk and capital  
management

## Guidelines on growth



### Growth

Market and customer

Digitalization and omnichannel.  
Data analysis.  
Customer experience.

Distribution channels

Agencies dimension.  
Balanced grow in agents.  
Commercial reorganization.

Products and services

Updated portfolio.  
Incorporate services to guarantees.  
DNA

## Guidelines on growth



### Growth

#### Market and customer

Digitalization and omnichannel.

Data analysis.

Customer experience.



## Guidelines on growth



### Growth

#### Market and customer

Digitalization and omnichannel.  
Data analysis.  
Customer experience.

#### Distribution channels

Agencies dimension.  
Balanced grow in agents.  
Commercial reorganization.

#### Products and services

Updated portfolio.  
Incorporate services to guarantees.  
DNA

## Guidelines on profitability



### Profitability

#### Actuarial technique

Look after margins.  
Segmentation.  
Management of margins in life business.

#### Efficiency

Corporate departments and platforms.  
System integration.

#### Investments

Maximize profitability without putting solvency at risk.  
Adapt the management to the liabilities and obligations of the business.  
Real estate projects.

## Guidelines on solvency



### Solvency

Human team and values

Cultural keys .  
Improve productivity  
Talent management.

Innovation and  
communication

Innovate in all areas.  
Strengthen the brand  
Effective communication.

Risk and capital  
management

Implementation of new regulations.  
Evolution "solvency function" and "actuarial  
function".  
Adaptation to IFRS17.



## Guidelines on solvency

c/o

### Solvency

#### Human team and values

Cultural keys .

Improve productivity

Talent management.

#### Pillars

Growth

Profitability

Solvency

#### Cultural keys

Innovation

Self-criticism

Austerity

Long term view

People

Commitment

#### Behaviour

We always look for new challenges

We are self-demanding

We avoid the unnecessary

We manage in a sustainable way

We believe and trust in people

We are committed to what we do

## Guidelines on solvency



### Solvency

#### Innovation and communication

Innovate in all areas.  
Strengthen the brand  
Effective communication.



***Connected car***

**Evolution CC**

**IA in recoveries**

**IOT – *Connected home***

**e-Client**

**Non-invasive detection**

***Insurtech/Fintech***

**Mobile**

**Home examination**

## Guidelines on solvency

c/c

### Solvency

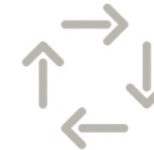
#### Risk and capital management

Implementation of new regulations.

Evolution "solvency function" and "actuarial function".

Adaptation to IFRS17.

*The next exercises will be especially intense in regulatory and regulatory changes.*



Balance sheet, capital and solvency 2016  
Individual GCO accounts  
Share performance and remuneration to  
shareholders

04

## Balance Sheet

(figures in million of euros)

<b>Assets</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>% Chg. 17-18</b>
<b>Intangible assets and property</b>	<b>1,213.1</b>	<b>1,218.8</b>	<b>1,242.1</b>	<b>1.9%</b>
<b>Investments</b>	<b>10,332.0</b>	<b>10,596.9</b>	<b>10,873.7</b>	<b>2.6%</b>
Investment property	398.0	382.8	561.1	46.6%
Financial investments	8,897.3	8,957.9	9,149.1	2.1%
Cash and short-term assets	1,036.6	1,256.2	1,163.5	-7.4%
<b>Reinsurance of technical provisions</b>	<b>895.1</b>	<b>842.5</b>	<b>837.4</b>	<b>-0.6%</b>
<b>Other assets</b>	<b>1,467.2</b>	<b>1,543.2</b>	<b>1,526.2</b>	<b>-1.1%</b>
<b>Total assets</b>	<b>13,907.5</b>	<b>14,201.4</b>	<b>14,479.4</b>	<b>2.0%</b>

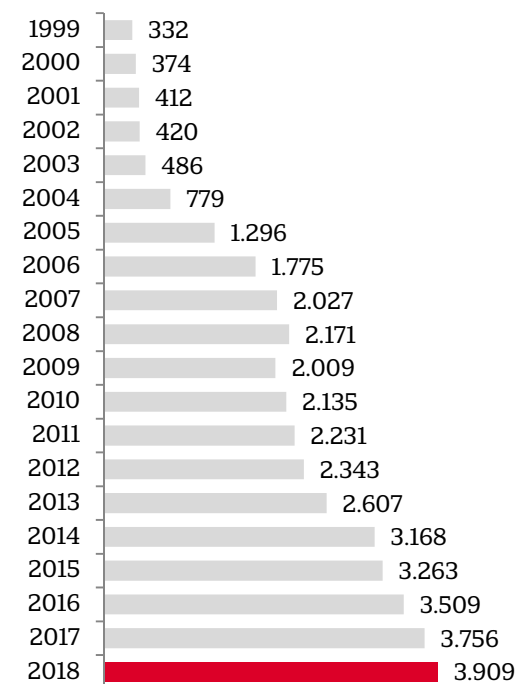
<b>Net liabilities and equity</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>% Chg. 17-18</b>
<b>Long-term capital</b>	<b>3,039.6</b>	<b>3,278.9</b>	<b>3,404.6</b>	<b>3.8%</b>
<b>Net equity</b>	<b>2,834.7</b>	<b>3,078.6</b>	<b>3,204.1</b>	<b>4.1%</b>
Parent company	2,533.6	2,752.6	2,863.8	4.0%
Minority interests	301.1	326.0	340.3	4.4%
<b>Subordinated liabilities</b>	<b>204.9</b>	<b>200.3</b>	<b>200.4</b>	<b>0.0%</b>
<b>Technical provisions</b>	<b>9,351.0</b>	<b>9,425.2</b>	<b>9,567.7</b>	<b>1.5%</b>
<b>Other liabilities</b>	<b>1,516.8</b>	<b>1,497.3</b>	<b>1,507.1</b>	<b>0.7%</b>
<b>Total net liabilities and equity</b>	<b>13,907.5</b>	<b>14,201.4</b>	<b>14,479.4</b>	<b>2.0%</b>

## Financial strength

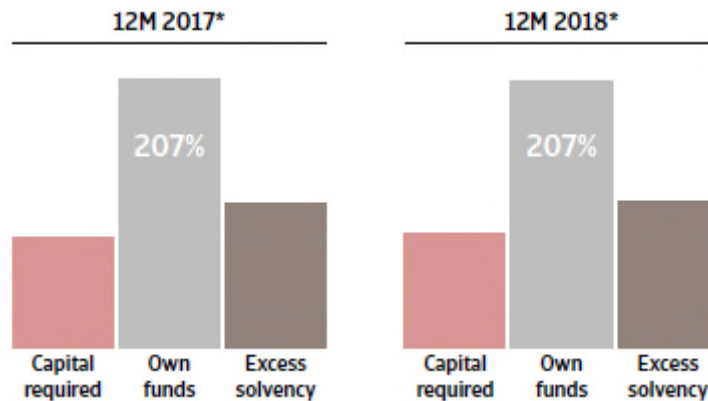
(figures in million of euros)

<b>Permanent resources on 31/12/2017</b>	<b>3,278.9</b>
<b>Permanent resources at market value on 31/12/2017</b>	<b>3,755.5</b>
<b>Net equity on 01/01/2018</b>	<b>3,078.6</b>
(+) Consolidated results	386.4
(+) Dividends paid	-94.7
(+) Variation of valuation adjustments	-153.2
(+) Other changes	-12.9
<b>Total movements</b>	<b>125.6</b>
<b>Total net equity on 31/12/2018</b>	<b>3,204.2</b>
Subordinated debt	200.4
<b>Permanent resources on 31/12/2018</b>	<b>3,404.6</b>
Capital gains not included in balance sheet (properties)	504.1
<b>Permanent resources at market value on 31/12/2018</b>	<b>3,908.7</b>

**+4.1%**



## Solid solvency position: 207% year end 2018



Data without transitional measure of technical provisions and with partial internal model. 2018 data pending audit

The solvency II ratio remains above 160%. even in adverse scenarios.

High quality own funds (93.6% of tier1).



Solvency and financial condition reporting presentation

April: Group entities

June: Grupo Catalana Occidente

## Credit rating

### 2018

**“a+”**

A.M. Best increases the rating to the main entities of Group

It highlights the prudence in the underwriting that is reflected in a positive evolution of operating results with an excellent combined ratio and a high return on capital (ROE).

**“A2”**

Moody's increases the rating to the main entities of the credit insurance business

It highlights the strong competitive position, the solid capitalization, the low financial leverage and the prudent investment portfolio.



## Individual GCO - main figures

(figures in million of euros)

<b>Income statement</b>	<b>2017</b>	<b>2018</b>	<b>% Chg. 17-18</b>
Income from investments	144.4	179.2	24.1%
Expenses from investments	-9.5	-6.4	-32.6%
Profit before tax	134.8	172.8	28.2%
Company income tax	5.1	4.1	-19.6%
<b>Profit after tax</b>	<b>140.0</b>	<b>176.9</b>	<b>26.4%</b>

(figures in million of euros)

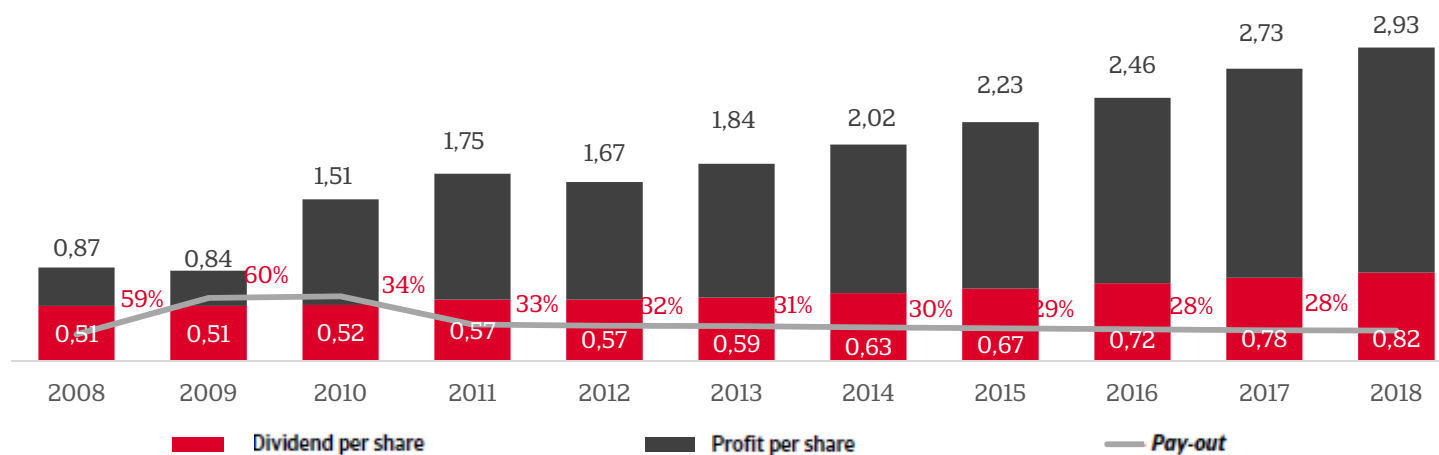
<b>Income statement</b>	<b>2017</b>	<b>2018</b>	<b>% Chg. 17-18</b>
To dividends	93.0	98.7	6.1%
To reserves	47.0	78.2	66.4%
<b>Profit after tax</b>	<b>140.0</b>	<b>176.9</b>	<b>26.4%</b>

(figures in million of euros)

<b>Balance of the year</b>	<b>Assets</b>		<b>Liabilities</b>	
Investments in Group companies	1,145.9	Net equity	1,010.7	
Commercial debts and others	26.7	Debts Group companies	199.0	
Cash and others	46.6	Others	9.5	
<b>Total assets</b>	<b>1,219.2</b>		<b>1,219.2</b>	

## Shareholder remuneration

Increase of 6.1% % in dividends in 2018



Jul. 2018 **+5%**

Oct. 2018 **+5%**

Feb. 2019 **5%**

May. 2019 **+7.49%**

Dividends year 2018 total

**98.69M€** **Pay-out 28,%**

## Shareholder remuneration

Increase of 6.1% % in dividends in 2018

Year 2017			Year 2018		
Date	Dividend	Per share	Date	Dividend	Per share
July 2017	17,280,000	0.1440	July 2018	18,144,000	0.1512
October 2017	17,280,000	0.1440	October 2018	18,144,000	0.1512
February 2018	17,280,000	0.1440	February 2019	18,144,000	0.1512
May 2018	41,172,000	0.3431	May 2019	44,255,783	0.3688
<b>TOTAL</b>	<b>93,012,000</b>	<b>0.7751</b>	<b>TOTAL</b>	<b>98,687,783</b>	<b>0.8224</b>

+6.1%

# Audit committee chairman report

05

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## Audit committee chairman report

- Report from the audit committee
- Regulation, composition and functions.
- Activities developed during 2018
- Activities developed in relation to the agreements to be adopted by the Shareholders General Meeting.
- Other functions performed.
- Evaluation by an external expert of the functioning of the Board and its Committees.

Report on the other issues  
on the agenda

06

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## Report on the other issues on the agenda

**One.** Examination and approval, where applicable, of the annual accounts and the report on individual management corresponding to the year 2018.

**Two.** Distribution of results from the year 2018.

**Three.** Annual accounts and management report of the consolidated Group.

Examination and approval, where applicable, of the annual accounts and the report on management of the consolidated Group corresponding to the year 2018.

Examination and approval, as the case may be, of the Consolidated Non-Financial Information State included in the Consolidated Group's Management Report for the 2018 fiscal year.

**Four.** Approval, if applicable, of the management of the Board of Directors during the year 2018.

## Report on the other issues on the agenda

**Five.-** Re-election and where applicable, appointment of board members.

By statutory  
provision  
(Art. 13 E.S.)

Mr. José Ignacio Álvarez Juste

- Executive nature

Mr. Francisco José Arregui Laborda

- Executive nature

Mr. Francisco Javier Pérez Farguell

- Independent board member

Designate by  
cooptation  
(Consejo 28.2.2019)

Mr. Enrique Giró Godó

- Proprietary director
- Proposed by Inocsa



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## Report on the other issues on the agenda

**Six.-** Remuneration of board members

Amount of the fixed remuneration for the Board of Directors for the year 2019.

Allowances for attendance at Board meetings for the year 2019.

Maximum annual amount of remuneration for the entirety of the board members, in their role as such, for the year 2019.

**Seven.-** Submit the annual report on remuneration of the board members to a consultative vote by the General Shareholders Meeting.

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## Report on the other issues on the agenda

**Eight.-** Delegation of authorities to formalise, execute and register the agreements adopted by the Shareholders General Meeting.

Delegation of  
authorities

- Mr. José M<sup>a</sup> Serra Farré (Chair).
- Mr. Francisco José Arregui Laborda (Secretary).

# Shareholders comments and queries

07

## Adoption of agreements

08

## Adoption of agreements

- Submit each of the agreements proposed to the General Shareholders Meeting.
- Integral text of the agreements proposed such as:
  - Annual accounts, management reports and audit reports
  - Annual report on Corporate Governance
  - Report on the remuneration of board members
  - Report from the audit committee
  - Report on the re-election and/or appointment of board members
  - Professional profile of the board members whose re-election or appointment is proposed to the General Shareholders Meeting
- Available to shareholders, from the invitation to the General Meeting, on the Company's website: ([www.grupocatalanaoccidente.com](http://www.grupocatalanaoccidente.com)) and at the CNMV.
  - Sent, on paper, to the shareholders that request the same.
  - Delivered with the documentation of the Shareholders General Meeting.
  - Explained at the General Meeting.

## Adoption of agreements

One

Examination and approval, where applicable, of the annual accounts and the report on individual management corresponding to the year 2018.

Two

Distribution of results from the year 2018:

To dividends..... € 98,688,000,00€

To voluntary reserves..... € 78,249,885.95€

Total ..... € 176,937,885.95€

The complementary dividend is of €0.3688 per share and will be effective on May 8, 2019.

The result of the Consolidated Group reaches € 386,421,731.06, with €352,160,016.85 being the result attributed to the parent company.

## Adoption of agreements

Three

Annual accounts and Annual Report of the Consolidated Group.

3.1. Examination and approval, where applicable, of the annual accounts and the Annual Report of the Consolidated Group for the year 2018.

3.2. Examination and approval, where applicable, of the consolidated non-financial information included in the Annual Report of the Consolidated Group for the year 2018.

Four

Approval, if applicable, of the management of the Board of Directors during the year 2018.

## Adopción de acuerdos

Five

Re-election and/or, where applicable, appointment of board members.

5.1. Re-election of Mr. José Ignacio Álvarez Juste

5.2. Re-election of Mr. Francisco José Arregui Laborda

5.3. Re-election of Mr. Francisco Javier Pérez Farguell

5.4. Re-election of Mr. Enrique Giró Godó



## Adoption of agreements

Six

Remuneration of board members

- 6.1. Approve the amount of the fixed remuneration for the Board of Directors for the year 2019.
- 6.2. Approve the allowances for attendance at Board meetings for the year 2019.
- 6.3. Approve the maximum annual amount of remuneration for the entirety of the board members, in their role as such, for the year 2019.

Seven

Submit the annual report on remuneration of the board members to a consultative vote by the Shareholders General Meeting.

Eight

Delegation of authorities to formalise, execute and register the agreements adopted by the Shareholders General Meeting.

Thank you

[www.grupocatalanaoccidente.com](http://www.grupocatalanaoccidente.com)

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