

GRUPO CATALANA OCCIDENTE, S.A., in compliance with article 228 of the Spanish Securities Market Act passed by the Royal Decree 4/2015, of October 23, informs the Spanish Securities & Exchange Commission (“Comisión Nacional del Mercado de Valores”), of the following:

RELEVANT FACT

Grupo Catalana Occidente, S.A. informs, for the appropriate purposes, that the rating agency A.M. Best has confirmed the "A" (excellent) financial strength rating (FSR) with stable outlook to the Group's main operating entities in the traditional business: Seguros Catalana Occidente, S.A. de Seguros y Reaseguros, Bilbao, Compañía Anónima de Seguros y Reaseguros y Plus Ultra Seguros Generales y Vida, S.A. de Seguros y Reaseguros.

Sant Cugat del Vallés (Barcelona), on May 5th 2017.

Francisco José Arregui Laborda
General Manager – Secretary of the Board of Directors
GRUPO CATALANA OCCIDENTE



PRESS RELEASE

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FOR IMMEDIATE RELEASE

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A.M. Best Affirms Credit Ratings of Core Business Subsidiaries of Grupo Catalana Occidente, S.A.

LONDON, 4 May 2017—A.M. Best has affirmed the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Ratings of “a” of **Seguros Catalana Occidente, S.A. de Seguros y Reaseguros (SCO)** (Spain), **Bilbao, Compañía Anónima de Seguros y Reaseguros, S.A. (SB)** (Spain) and **Plus Ultra Seguros Generales y Vida, S.A. de Seguros y Reaseguros (Plus Ultra)** (Spain). All three companies are wholly owned subsidiaries of **Grupo Catalana Occidente, S.A. (GCO)**, the non-operating holding company of the GCO group, and form the traditional business unit of the group. The outlook of these Credit Ratings (ratings) remains stable.

The ratings of SCO, SB and Plus Ultra reflect the companies’ integral role within the GCO group along with their strong level of risk-adjusted capitalisation and track record of solid earnings. The ratings of all three companies also benefit from the financial strength of GCO and the support provided by the group.

GCO exhibits a strong level of risk-adjusted capitalisation that has been supported partly by minimal net exposure to catastrophes, good earnings retention, a stable dividend policy, low levels of financial leverage and good quality of capital. During 2016, GCO’s equity increased by 10% to EUR 2.8 billion (including minority interests) benefiting from stronger underwriting results across the group’s operations. During 2016, GCO demonstrated its resilient profitability associated with the traditional businesses in Spain combined with solid earnings of its worldwide credit insurance operations.

GCO’s traditional business unit maintains a solid competitive position in Spain as the top sixth insurer in

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the country by premium volumes. In addition, GCO's global credit insurance operations also have a dominating position worldwide, holding a 22% market share in a segment that maintains high barriers for new entrants.

Despite the entities' strong profile, all three companies are highly exposed to Spain's insurance market, where the outlooks remain challenged by high levels of competition in personal lines and limited opportunities for organic growth.

SCO is the leading insurance entity within the traditional business unit of the GCO group. Since SB and Plus Ultra were incorporated into the group, they have undergone a strategic transformation that has solidified its profile, taking advantage of all the shared platforms within the GCO group and implementing stricter underwriting guidelines, which have delivered improved profitability. All three entities operate exclusively in Spain and together they conform a solid and diversified franchise with presence in all the regions and distribution channels of Spain's insurance market.

This press release relates to Credit Ratings that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Understanding Best's Credit Ratings](#).

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