



2010

**GRUPO CATALANA
OCCIDENTE, S.A.
Y SOCIEDADES
DEPENDIENTES**



UBS PAN EUROPEAN CONFERENCE

Mr. Juan Casanovas, CFO

London, 17th May

Grupo  **CATALANA
OCCIDENTE**

AGENDA



Grupo Catalana Occidente

01

Managing the crisis: 2008 - 2010

02

Q1 2010 Financials

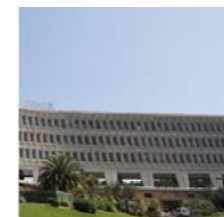
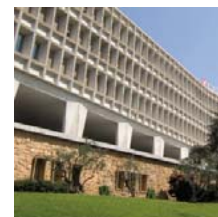
03

Investment highlights

04

01

GRUPO CATALANA OCCIDENTE

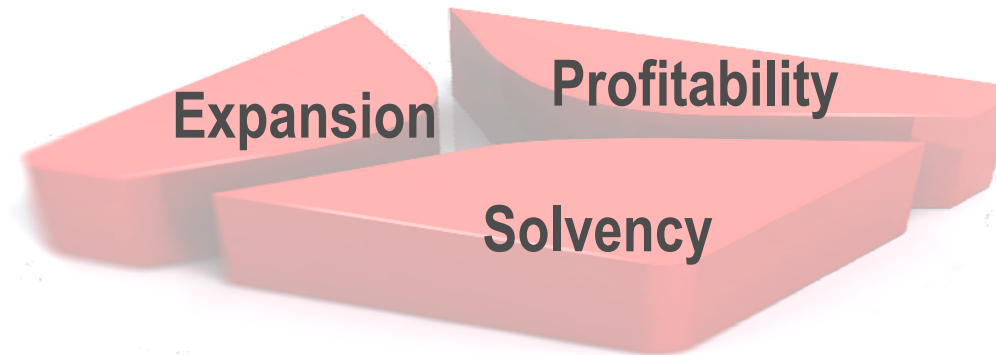




AMBITION

Become the leader insurer in families and small and medium companies

STRATEGY



KEY FACTS

- Well-established insurer (1,179 offices and presence in 42 countries)
- Wide range of insurance services
- Focused on profitable growth
- Target market: individuals and SMEs
- Own professional agency network (more than 20,000 agents)
- 6,114 employees



- Focus on customers satisfaction
- Commitment to agents and employees
 - Ongoing learning
 - Work – Life balance
 - Equal opportunity
- Shareholders engagement
- Respect for the environment → no industrial activity
- Commitment to society
 - Improving quality of life: mitigating and solving problems
 - Fundación Jesús Serra



FUNDACIÓN JESÚS SERRA

Grupo  CATALANA
OCCIDENTE

GRUPO CATALANA OCCIDENTE

Milestones in GCO's History



01

- 1864 Seguros Catalana Occidente set up
- 1995 Listed on the Spanish Stock Exchange and IPO in 1997
- 1999 MNA acquisition
- 2000 Crédito y Caución acquisition
- 2001 Takeover of Lepanto and Nortehispana
- 2004 Seguros Bilbao acquisition
- 2005 Atradius acquisition – 25.02%
- 2008 Additional acquisition in Atradius
- 2010 Atradius' minorities acquisition

145 years of tradition and expansion

GRUPO CATALANA OCCIDENTE

Key financial data



01

	2005	2006	2007	2008	2009
Premiums	1,862.2	1,936.1	2,035.5	3,231.1	3,034.6
Service revenues	34.8	38.2	42.3	225.4	197.8
Total Volume	1,897.0	1,974.3	2,077.8	3,456.5	3,232.4
Ordinary profit from Traditional business	130.5	120.0	147.8	162.6	138.1
Ordinary profit from Credit Insurance business	60.4	109.7	115.4	-172.7	-80.8
Consolidated Profit	175.5	249.5	291.4	2.8	37.9
Attributable Profit	137.6	191.4	234.7	104.4	101.2
Long-term Capital	975.6	1,343.2	1,533.9	1,604.8	1,422.1
Technical Provisions	4,613.1	4,863.8	5,045.6	7,251.4	6,980.8
Solvency I surplus	924.3	1,329.2	1,628.5	1,488.4 (*)	1,447.8 (**)
% Available capital of Cap. Required	387.5%	493.8%	569.0%	377.1%	426.2%

(figures in million euros)

(*) Due to the inclusion of the 100% of Atradius capital requirement

(**) Due to the deduction of Atradius' minorities after the announcement of the transaction

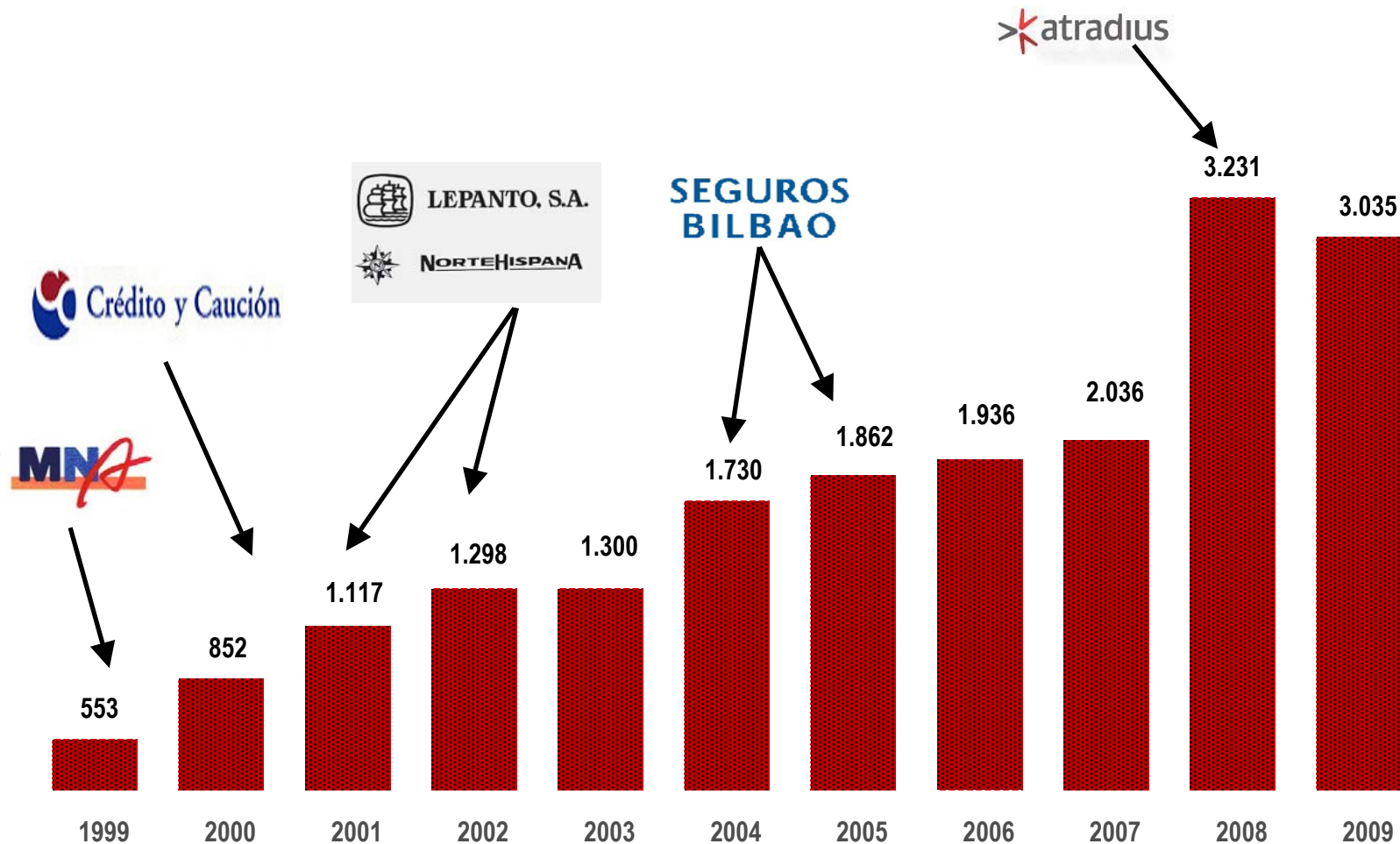
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Expansion



01

Premiums have multiplied by 5.5 with equity



(figures in millions of euros)

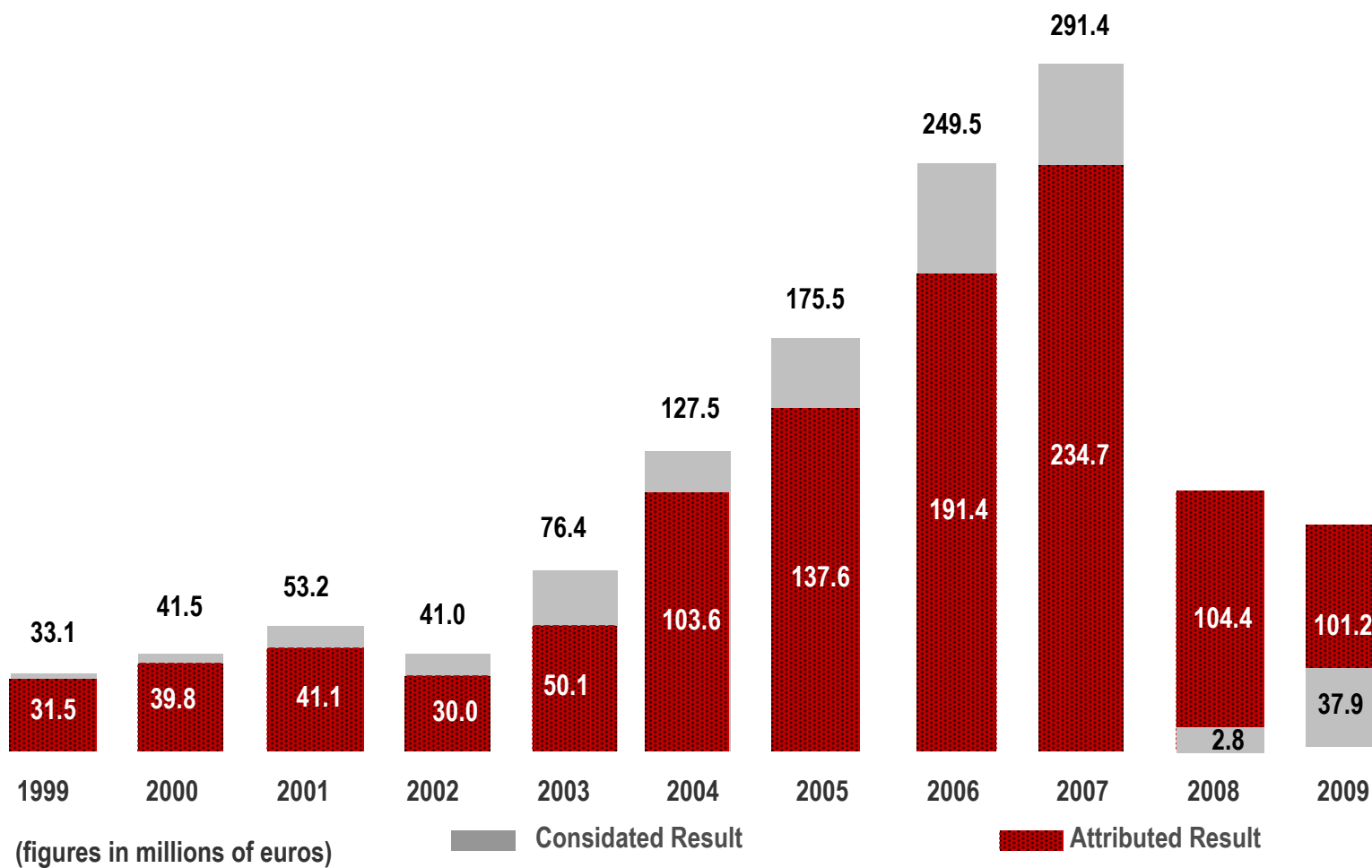
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Profitability



01

The result has been multiplied by 3.2



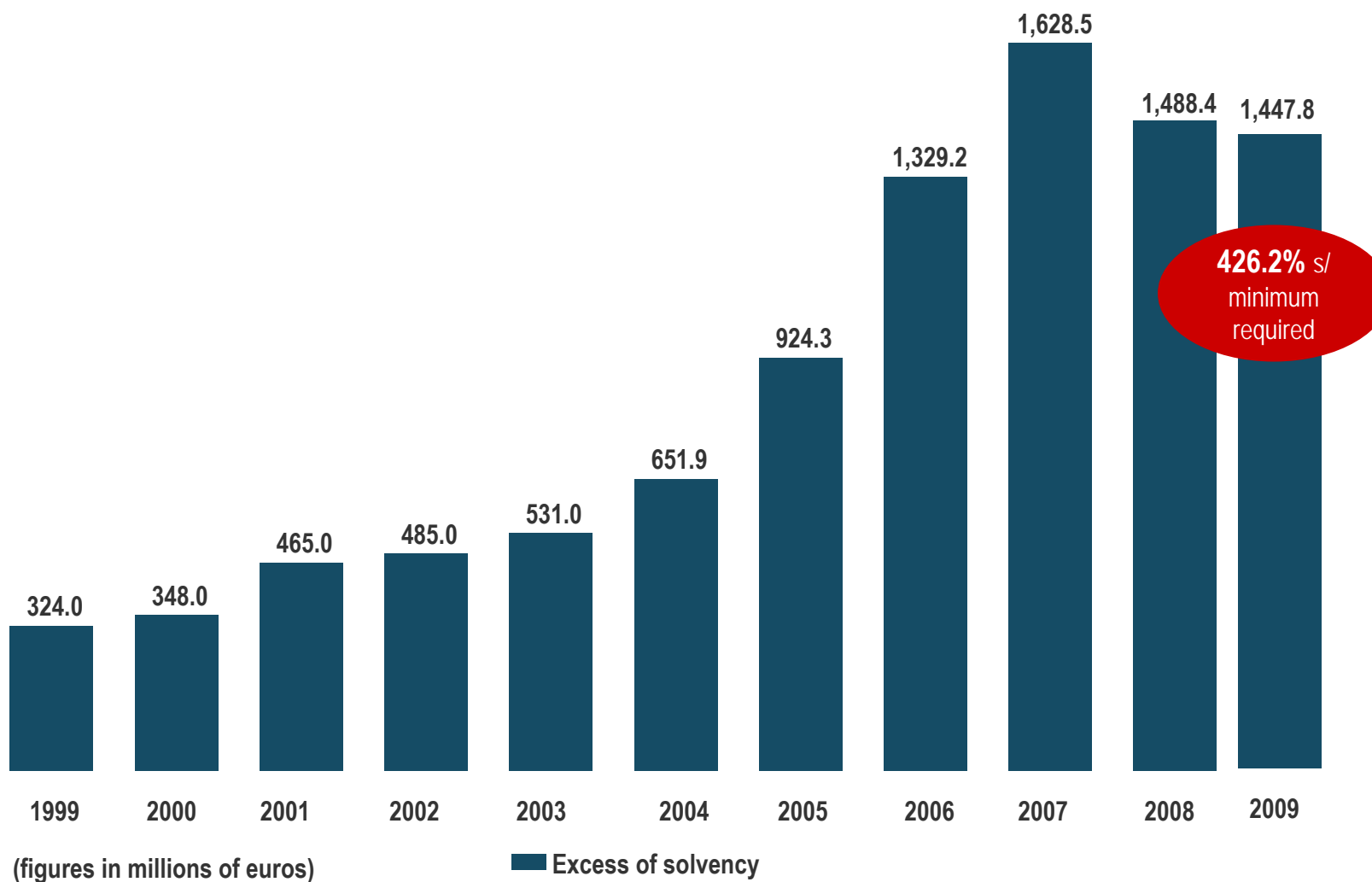
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Solvency



01

Rating A- by Standard & Poor's

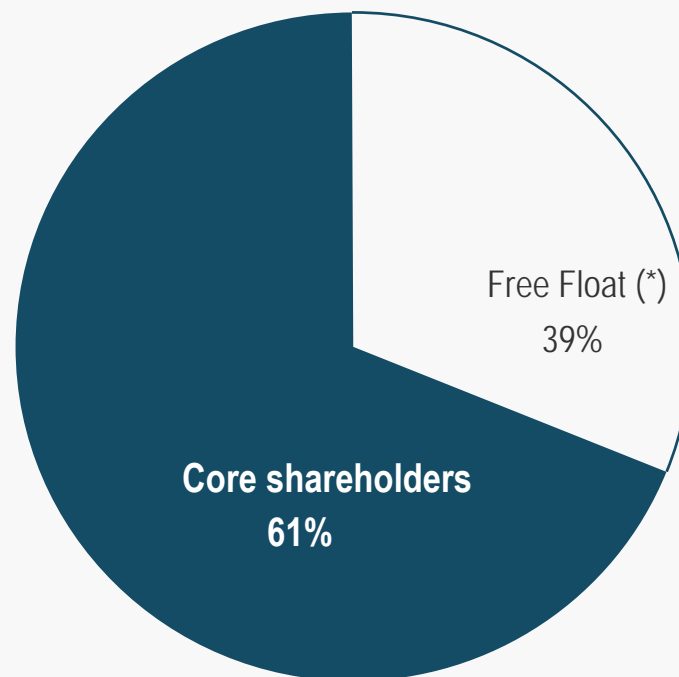


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Shareholding structure



01



* GCO was listed on 1995 on the Spanish Continuous Market and is quoted in the following indices:

- Spain MA Financial Services and Real Estate
- Ibex Medium Cap
- Wisdomtree International MidCap
- S&P Citigroup Expanded Market Index


Stable shareholders and Long – term commitment

GRUPO CATALANA OCCIDENTE

Shareholders' remuneration

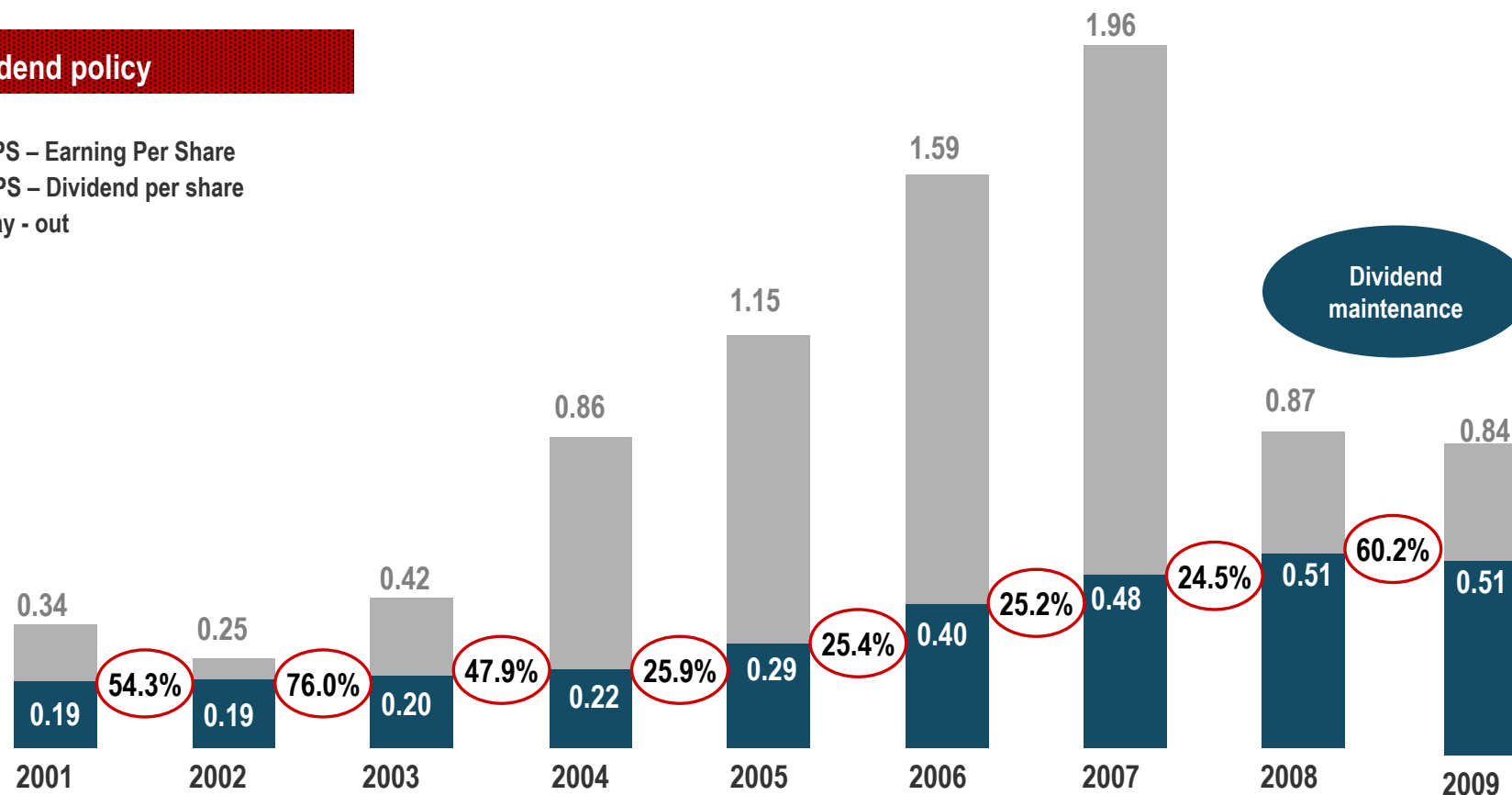


01

Shareprice performance	2002	2003	2004	2005	2006	2007	2008	2009	04/27/10	Accumulated annual rate
 GCO	-7.21	23.56	78.50	67.27	86.48	-16.54	-36.67	8.27	-2.04	20.33%
IBEX 35	-28.11	28.17	17.37	18.20	31.79	7.32	-39.43	29.84	-12.22	5.16%
Dow Jones EUROPE STOXX Insurance	-51.23	10.41	7.89	30.50	17.18	-11.92	-46.60	12.44	3.74	-10.23%

Dividend policy

- EPS – Earning Per Share
- DPS – Dividend per share
- Pay - out



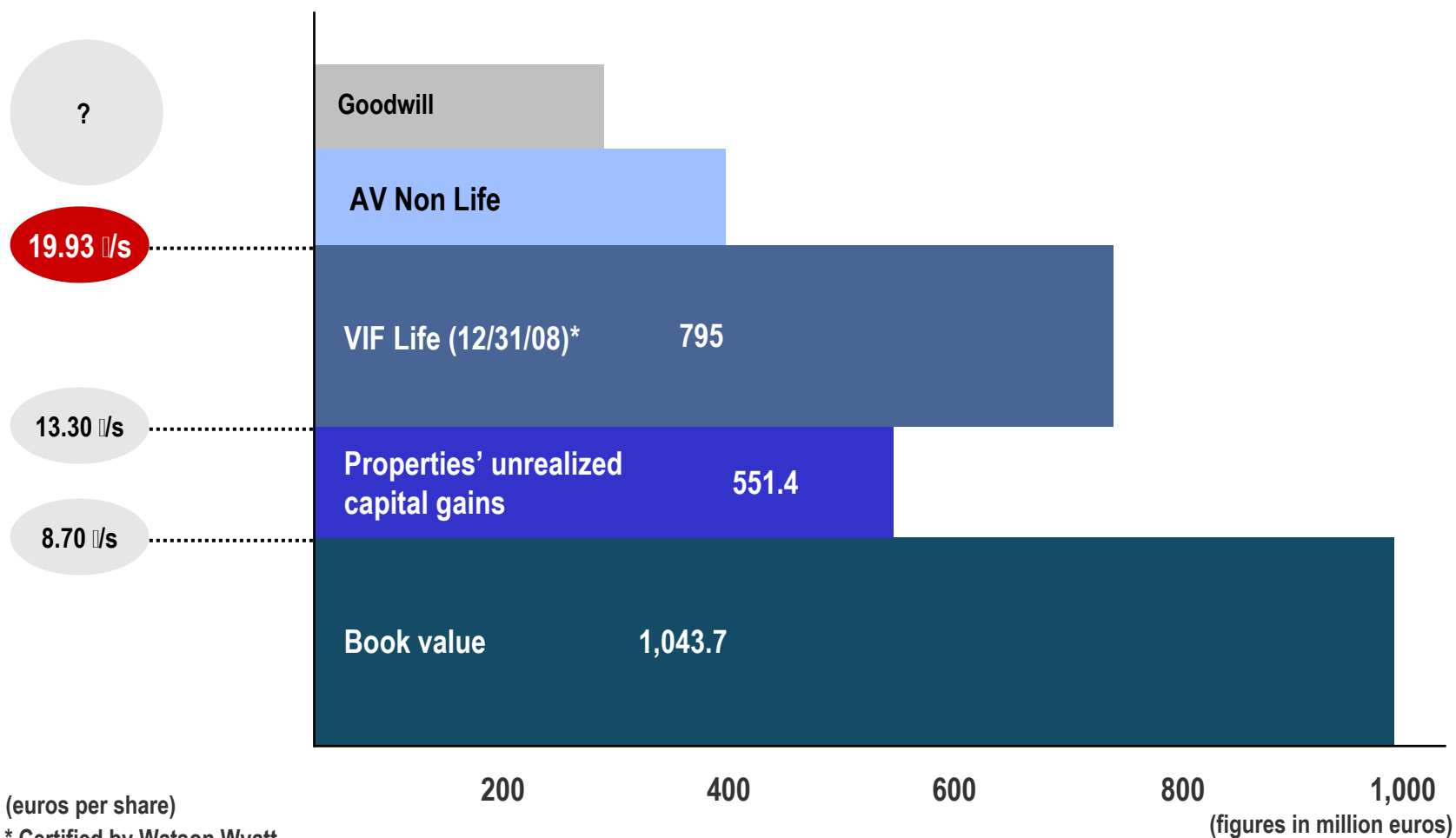
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Drivers of value – strong fundamental value



01

VALUE OF GRUPO CATALANA OCCIDENTE PER SHARE – 2009 figures



GRUPO CATALANA OCCIDENTE

Traditional and Credit insurance business



01



Premiums (M€)	3,034.6	Employees	6,114
Consolidated profit (M€)	37.9	Agents	+ 20,000
Attributable profit (M€)	101.2	Offices	1,179

BRANDS

PREMIUMS (M€)

TECHNICAL RESULT (M €)

PRODUCTS

MARKETS

RANKING / MARKET SHARE

2009 figures

Traditional Business				Credit Insurance Business
Multirisk	Other Non - Life	Auto	Life	Credit Insurance / Bonding / Service
385.2	253.5	417.6	660.5	1,515.6
32.9	46.7	36.8	20.8	-80.8
Family home Retail, Community Associations, Offices	Accidents, Funeral, Health, Third-Party liability	All motor coverage	Individual, Collective,	Domestic Credit insurance, Export Credit insurance, Bonding, Instalment credit protection, Information, Debt collections
DOMESTIC - Spain				42 countries - mainly European Community
5 / 6.34%	N.A.	11 / 3.51%	14 / 2.35%	2 / 32%

02

MANAGING THE CRISIS: 2008-2010





General Highlights

Traditional business

Credit Insurance business

Atradius' minorities acquisition

MANAGING THE CRISIS: 2008-2010

General highlights 2008 - 2009



02

- **Traditional business: solid results despite the economic downturn**

- 2008 and 2009 – Solid results despite the economic downturn
- January 2009 - Atypical cyclonic storm → Consorcio de Compensación de Seguros
- High competitive environment
- 2009 - Synergies achievement – set up of Corporate IT

- **Credit insurance business: more exposure to economic environment**

- 2008 - Inclusion of Atradius
- Difficulties to access cash
- Sharp increase in insolvencies and bankruptcies
- April 2009 - Special Action Plan
 - Measures on business
 - Measures on expenses



MANAGING THE CRISIS: 2008-2010

Traditional business performance



02

MULTIRISK

2009 - Good perspectives in both, premiums and results



Good performance

- Premiums have risen 5.1% (market 3.1%)
- Combined ratio at 91.2% (+ 0.1 points)
- Increase of the technical result by 5.4%

2010 - Good perspectives in both, premiums and results, but less than in 2009

AUTO

2009 - Difficulties of growth. Target to maintain business
Technical cost increase – Cost reduction



Difficulties in growth

- Premiums decreased by 5.1% (market – 5.4%)
- Combined ratio at 91.4% (+ 0.5 points)
- Technical result drop by 9.0%

2010 - Maintain business and results

MANAGING THE CRISIS: 2008-2010

Traditional business performance



02

OTHER NON - LIFE

2009 -

Difficulties of growth. Target to maintain business
Technical cost increase – Cost reduction



Difficulties in growth

- Premiums decreased by 7.4%
- Combined ratio at 83.0% (+ 2.5 points)
- Technical result drop by 12.4%

2010 -

Maintain business and results

LIFE

2009 -

More competition in saving products



Good performance

- Increase of 8.3% in premiums (market 5.8%)
- Lower contribution to Pension and Mutual Funds
- Technical result improved by 8.9%

2010 -

High competitive environment in saving products,
moderate growth and slight improvement in results

Traditional business resists the crisis well

MANAGING THE CRISIS: 2008-2010

Credit insurance business performance



02

- **August 2007 – first bankruptcies in Spain**
- **During 2008 – speed increase of bankruptcies – management of the crisis**
- **April 2009 – implementation of the Special Action Plan**
 - **Focussed on margins and technical result versus premiums growth**
 - Policy of price increase in renewals and new business
 - **Strict underwriting policy**
 - Reduction / Cancellation of levels of risk to companies with a greater risk of insolvency
 - Restructuring / Non renewal of loss policies
 - Revision of policies with high exposure
 - Inclusion of franchises
 - **Rigorous cost management and operational improvement**
 - Workforce restructuring



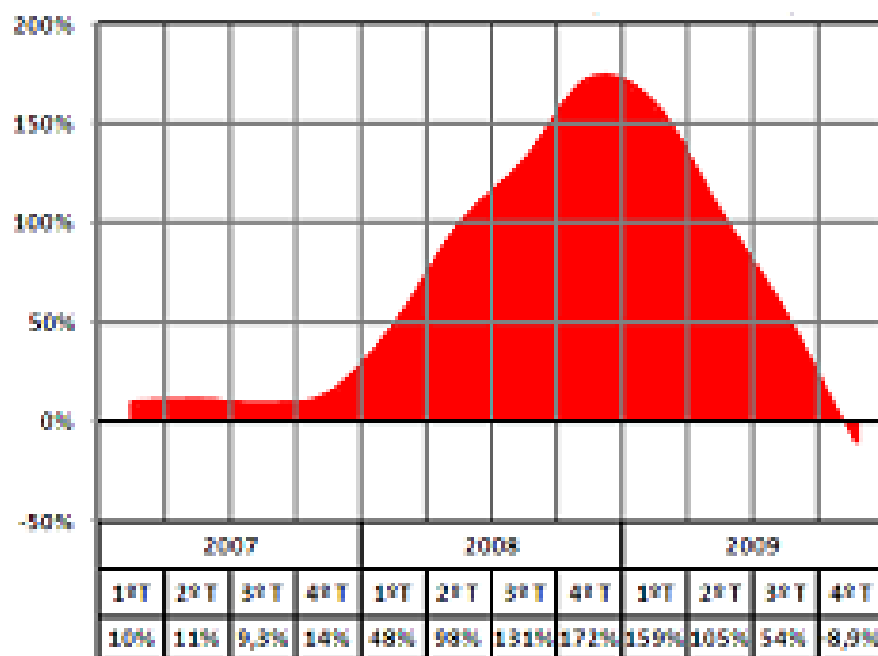
MANAGING THE CRISIS: 2008-2010

Credit insurance business performance



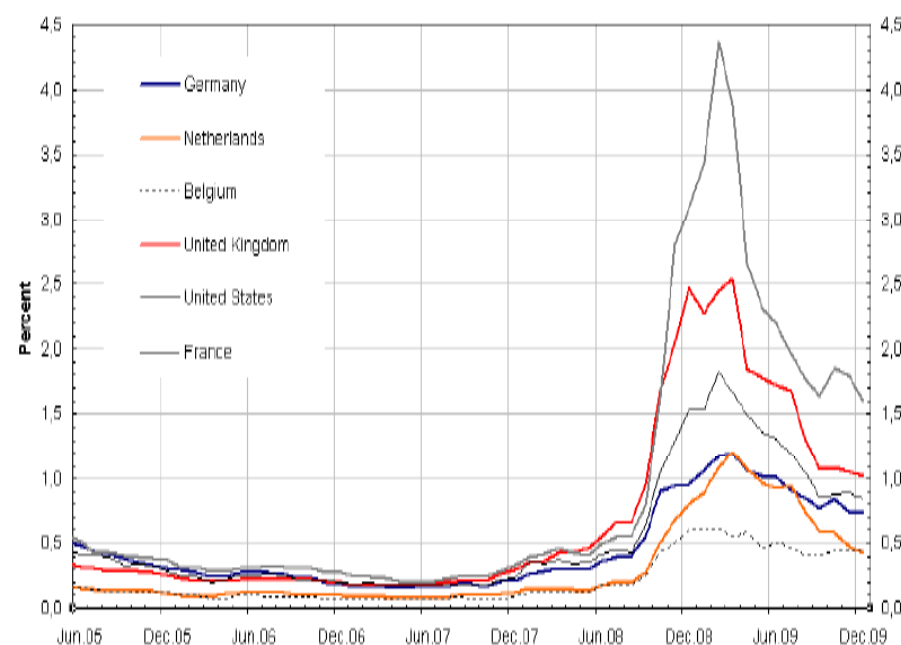
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Spain



Accumulated inter - annual variation rate / Source: Crédito y Caución

European Economic Community and United States of America



Expected Default Frequency rate / Source: Atradius y KMV

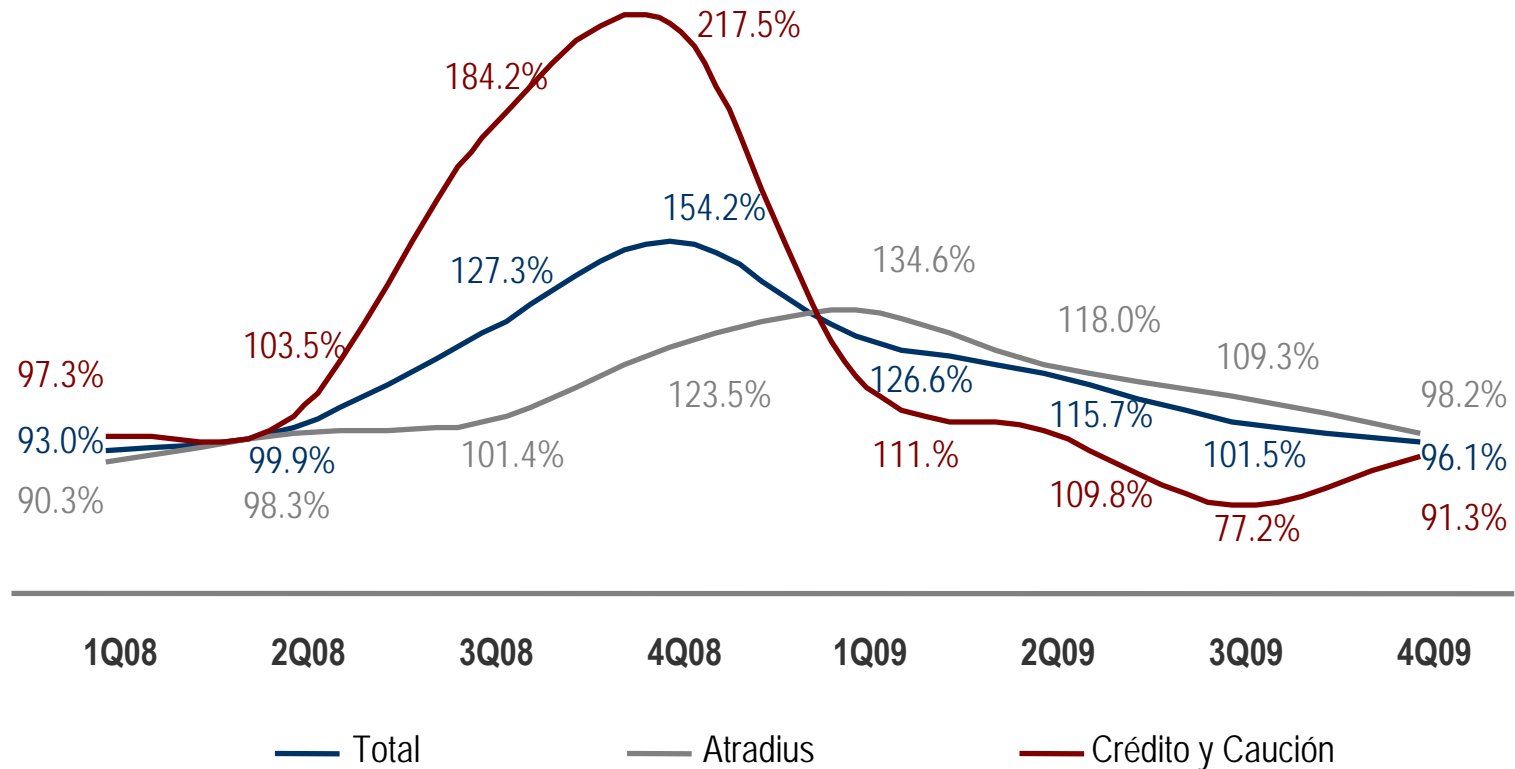
MANAGING THE CRISIS: 2008-2010

Credit insurance business



02

Combined credit insurance ratio performance quarter to quarter



Ordinary
profit (M€)

25.2

10.2

-65.5

-142.6

-71.9

-33.0

10.0

14.1

Profit 2008: -172.1 M€
Attributed profit: - 78.0 M€

Profit 2009: - 80.8 M€
Attributed Profit: - 54.8 M€

MANAGING THE CRISIS: 2008-2010

Credit insurance business – Special Action Plan - Workforce



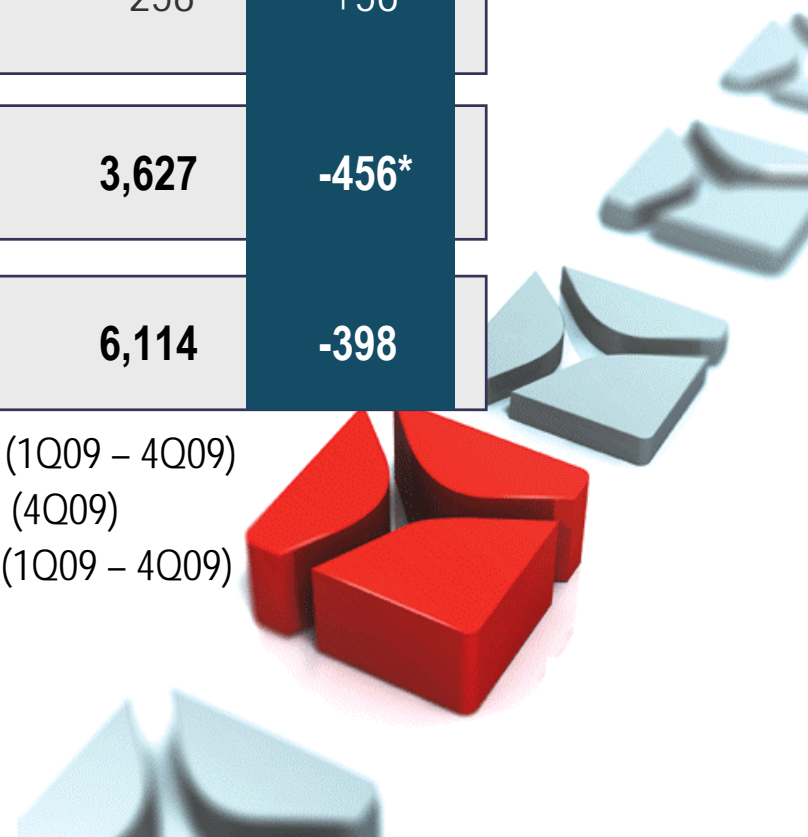
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Workforce evolution	2008	2009	Chg.
Traditional business	2,429	2,487	+58
Insurance activities	2,123	2,113	-10
Insurance complementary activities	104	116	+12
Other business	202	258	+56
Credit insurance business	4,083	3,627	-456*
Total employees	6,512	6,114	-398

* Known leavers (including temporal workers)
Workforce restructuring (500 estimate)
Obliged entries – Maternity

- 282 (1Q09 – 4Q09)
- 242 (4Q09)
+ 68 (1Q09 – 4Q09)

Estimate workforce restructuring: 500 employees
Cost saving estimate: 35 M€ annually





General Highlights

Traditional business

Credit Insurance business

Atradius' minorities acquisition



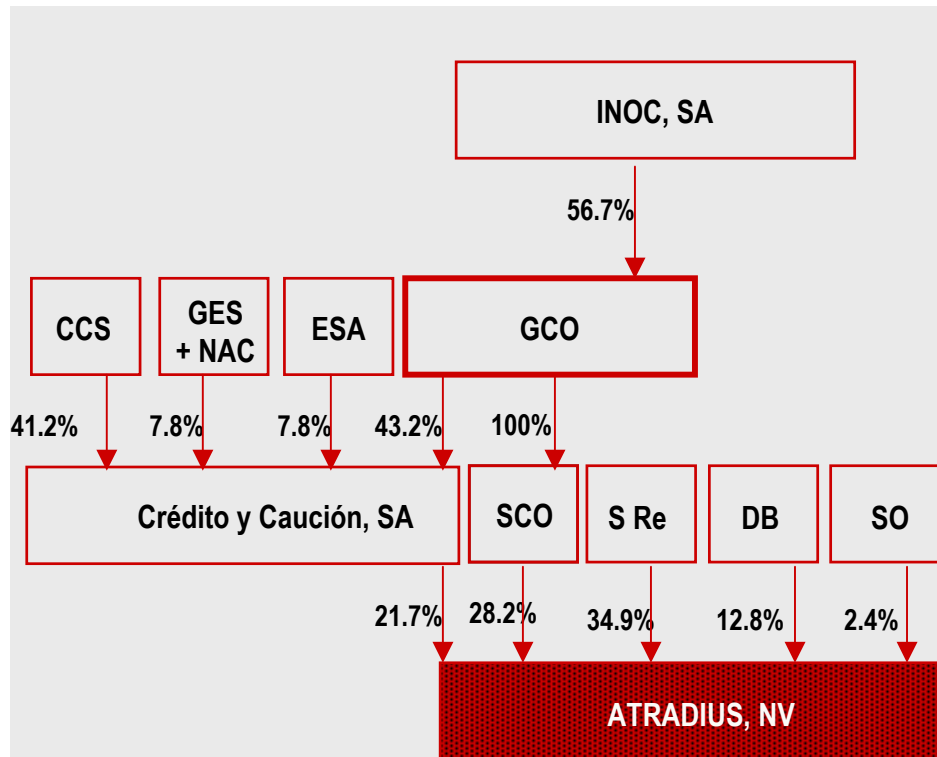
MANAGING THE CRISIS: 2008-2010

Atradius' minorities acquisition



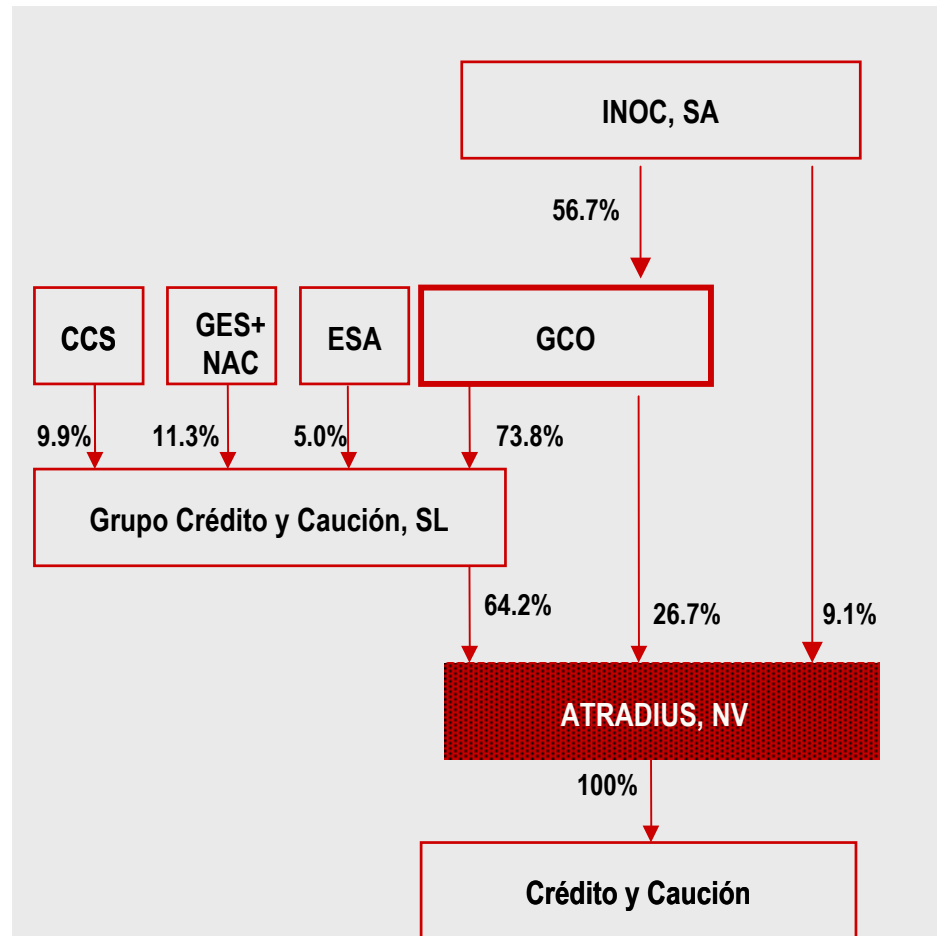
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2007 Structure



Equity method
Economic stake of 37.57%

2010 Structure



Fully consolidated
Economic stake of 74.09%

03

Q1 2010 FINANCIALS



Q1 2010 FINANCIALS

Premiums



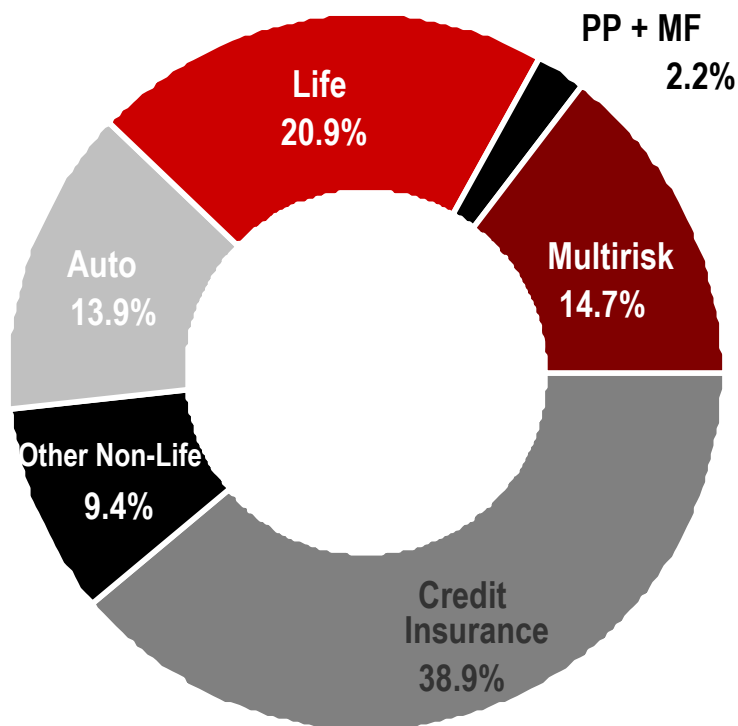
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REVENUES	3M 2009	3M2010	% CHG.	% CHG. market (*)
Multirisk	111.5	117.3	5.2%	1.2%
Other Non-Life	76.4	74.6	-2.4%	
Auto	113.6	110.7	-2.6%	-1.7%
Life	167.6	166.9	-0.4%	-5.9%
Traditional Business	469.1	469.5	0.1%	
Credit insurance	367.9	310.2	-15.7%	-3.7%
TOTAL PREMIUMS	837.0	779.7	-6.8%	
Service revenues	69.7	55.5	-20.4%	
TOTAL VOLUME	906.7	835.2	-7.9%	
Return on investments	84.8	72.7	-14.3%	
TOTAL REVENUES	991.5	907.9	-8.4%	
Pension Plan Contributions	10.6	15.1	42.5%	
Mutual Fund Contributions	-2.2	2.5		

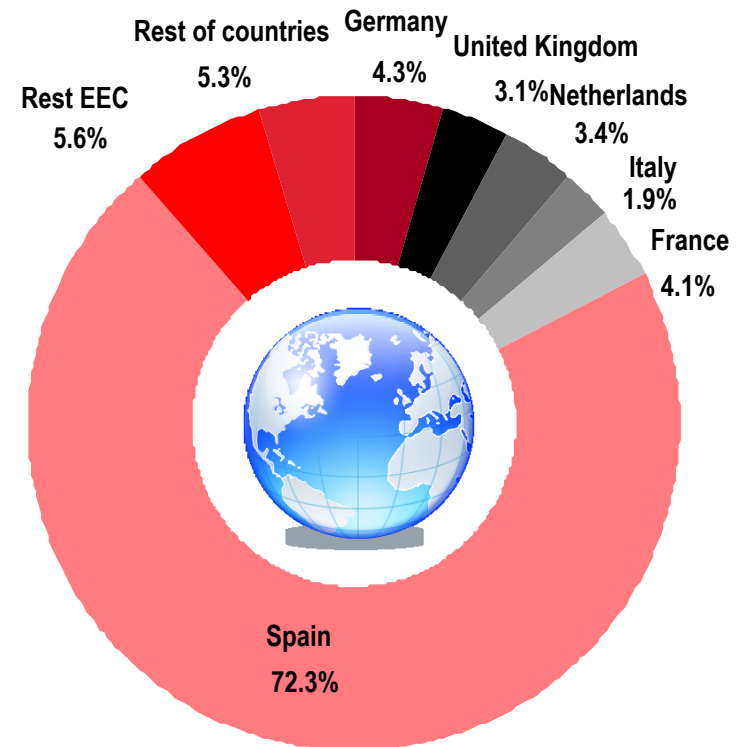
(figures in million euros)



DIVERSIFICATION BY BUSINESS



DIVERSIFICATION BY COUNTRY



Diversification and complementarity of business mix

Q1 2010 FINANCIALS

Results



03

RESULTS BY BUSINESS LINE	3M 2009	3M 2010	% GHG.
Multirisk	4.6	0.3	
Other Non-Life	11.6	12.0	3.4%
Auto	7.9	6.2	-21.5%
Life	6.9	6.4	-7.2%
ORDINARY NET TECHNICAL RESULT	31.0	24.9	-19.7%
Financial result	14.2	10.9	-23.2%
ORDINARY TECHNICAL AND FINANCIAL RESULT	45.2	35.8	-20.8%
Corporate income tax	12.2	10.3	-15.6%
ORDINARY PROFIT FROM TRADITIONAL BUSINESS	33.0	25.5	-22.7%
ORDINARY PROFIT FROM CREDIT INSURANCE BUSINESS	-71.9	30.1	
NON RECURRING PROFIT	17.9	2.2	-87.7%
CONSOLIDATED PROFIT	-21.1	57.8	
Attributable to minority interests	-39.3	7.7	
Attributable to the parent company	18.3	50.0	173.2%

(figures in million euros)

Q1 2010 FINANCIALS

Quarter to quarter results



03

QUARTER TO QUARTER RESULTS	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010
Net technical result									
Multirisk	4.0	8.2	9.8	9.2	4.6	11.5	9.0	7.8	0.3
Other Non-Life	9.3	19.7	15.9	8.4	11.6	19.2	14.8	1.1	12.0
Auto	6.8	12.4	6.1	15.1	7.9	12.9	2.9	13.1	6.2
Life	5.5	2.4	3.9	7.3	6.9	4.3	1.3	8.3	6.4
Ordinary Net Technical Result	25.6	42.7	35.7	40.1	31.0	47.9	28.0	30.3	24.9
Financial result	15.7	20.3	13.4	24.1	14.2	16.9	8.3	11.0	10.9
Ordinary Technical and Financial Result	41.3	63.0	49.1	64.2	45.2	64.8	36.3	41.3	35.8
Corporate income tax	10.7	13.6	13.4	17.3	12.2	14.7	9.3	13.3	10.3
Ordinary profit from traditional business	30.6	49.4	35.7	46.9	33.0	50.1	27.0	28.0	25.5
Ordinary profit from Credit Insurance business	25.2	10.2	-65.5	-142.6	-71.9	-33.0	10.0	14.1	30.1
Non Recurring Profit	6.2	31.0	-7.8	-16.5	17.9	-0.4	-0.9	-36.0	2.2
CONSOLIDATED PROFIT	62.0	90.6	-37.6	-112.2	-21.1	16.8	36.0	6.2	57.8
ATTRIBUTABLE TO MINORITY INTERESTS	13.3	9.5	-39.7	-84.7	-39.3	-18.2	5.1	-10.8	7.7
ATTRIBUTABLE TO THE PARENT COMPANY	48.6	81.2	2.1	-27.5	18.3	34.9	30.9	17.1	50.0

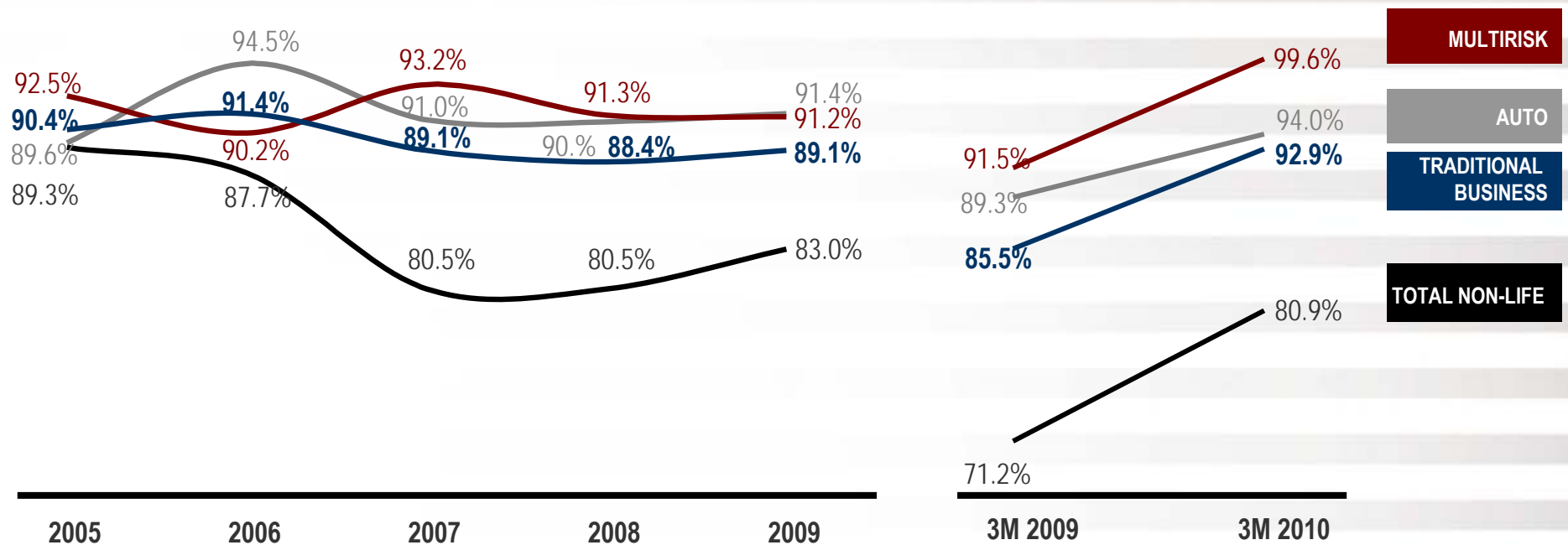
(figures in million of euros)

Q1 2010 FINANCIALS

Traditional business combined ratio



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Combined ratio = (Technical Expenses + Commissions + General Expenses) / Earned Premiums

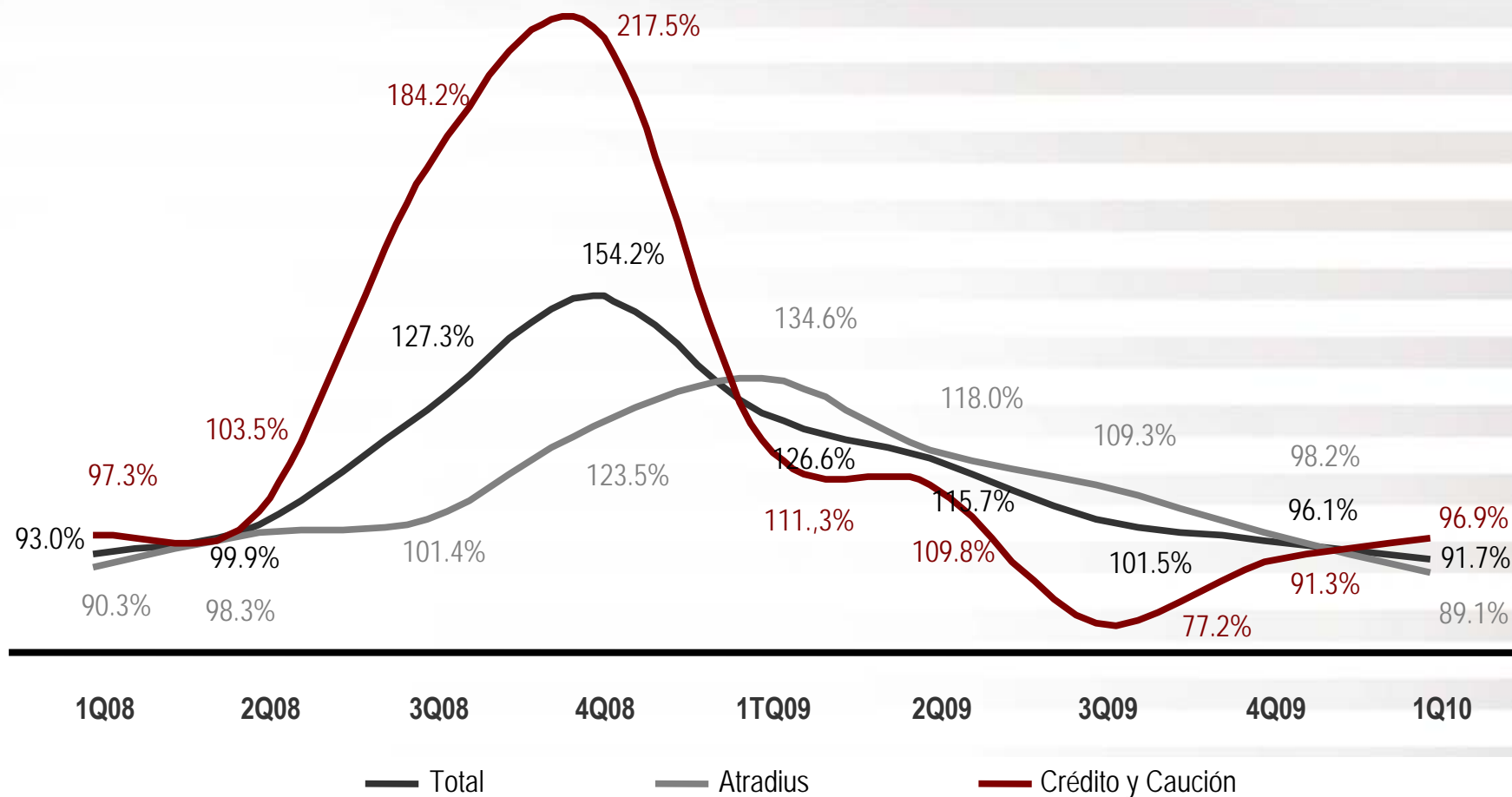
Q1 2010 FINANCIALS

Credit insurance combined ratio



03

Credit insurance - combined ratio performance (quarter to quarter)



Q1 2010 FINANCIALS

Long – term Capital



03

Long - term capital at 12/31/2009 (*)	1,422.1
Equity at 12/31/2009	1,305.4
Consolidated profit	57.8
Dividends paid	0.0
Change in valuation	11.2
Movements	69.0
Equity at 03/31/2010	1,374.4
Subordinated debt	116.8
Long – term capital at 03/31/2010	1,491.2

(figures in million euros)



Solid balance structure

(*) According to NIFF's - Not considering Atradius' minorities acquired by the transaction
Properties' unrealized capital gains 588.3 M€(587.3 M€at Dec. 2009)

Q1 2010 FINANCIALS

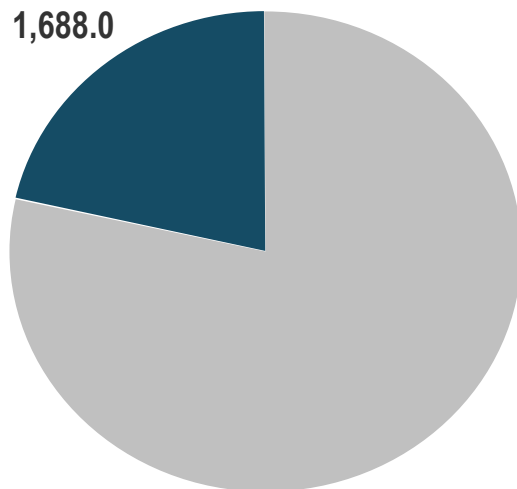
Technical provisions coverage



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2009

Surplus
1,688.0

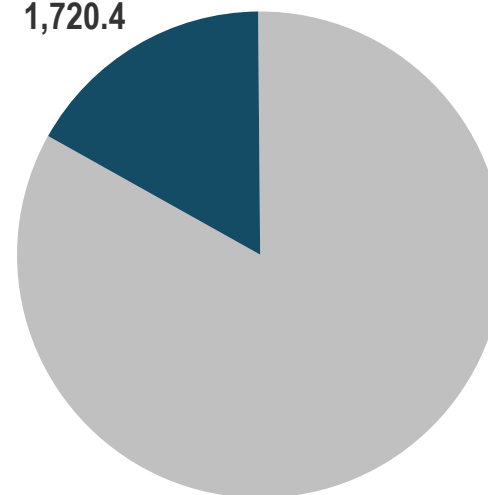


Eligible assets
8,498.7

124.8%
Eligible assets s/
Provisions

3M 2010

Surplus
1,720.4



Eligible assets
8,433.0

125.6%
Eligible assets s/
Provisions

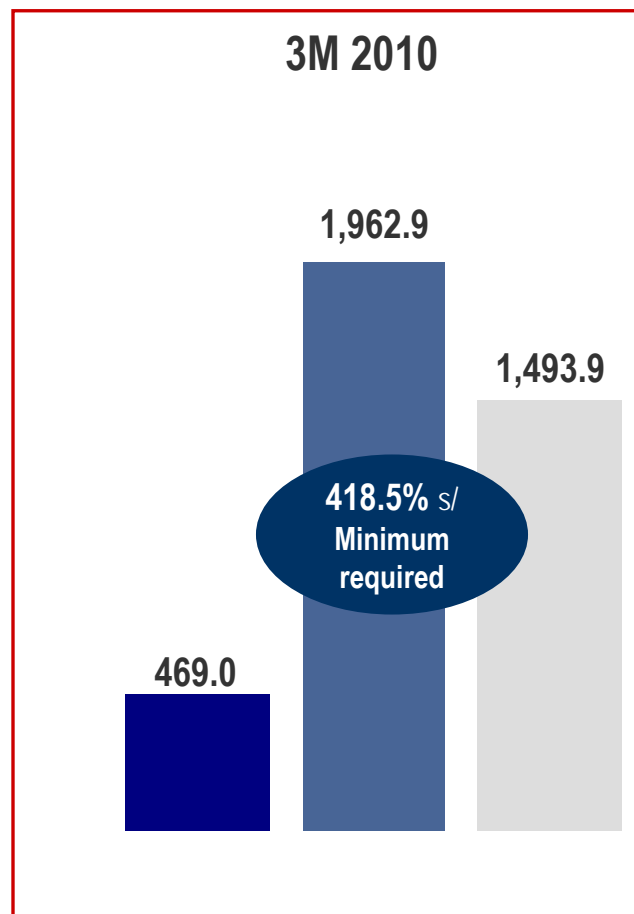
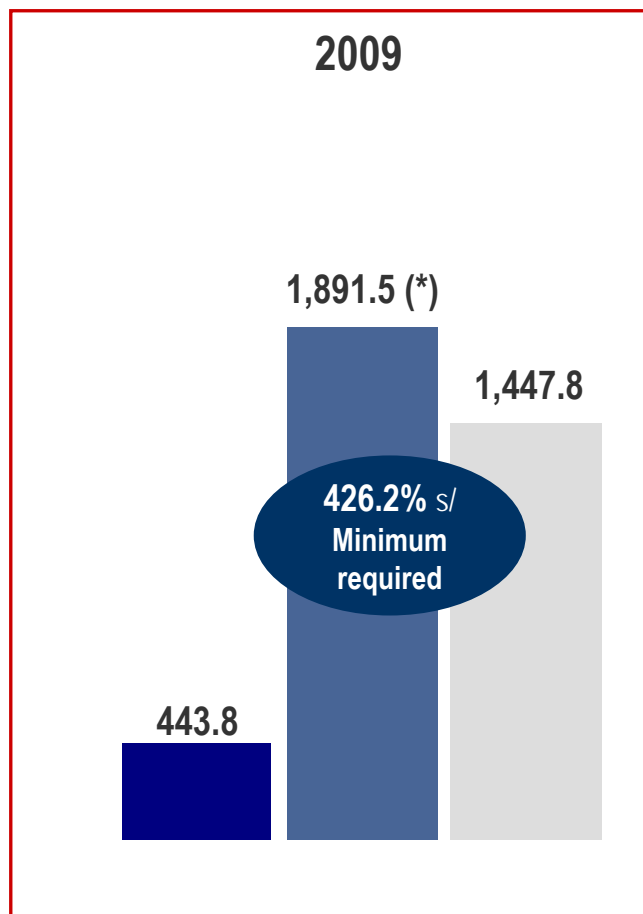
(figures in million euros)

Q1 2010 FINANCIALS

Solvency



03



Spain average
263% of
Minimum
required

Europe Average
160% s/ of
Minimum
required

(figures in million euros)

- Required capital
- Available capital
- Excess of solvency

(*) – Without considering Atradius' minority interests acquired by the transaction
Average Spanish excess of Solvency I according to ICEA. Europe, according to CEIOPS



Q1 2010 FINANCIALS

Investment portfolio



03

2009 – 6,950.3 M€ Co. risk

1.6%	Subsidiaries	109.9
18.2%	Cash and short term	1,263.8
5.0%	Other investments	351.3
8.1%	Equity	562.7
51.8%	Fixed Income	3,600.7
15.3%	Properties	1,061.9
	Client risk	817.7

1Q2010 – 7,117.3 M€ Co. risk

1.6%	Subsidiaries	112.3
20.9%	Cash and short term	1,489.0
4.8%	Other investments	341.6
8.0%	Equity	570.3
49.7%	Fixed Income	3,537.9
15.0%	Properties	1,066.2
	Client risk	8103.4

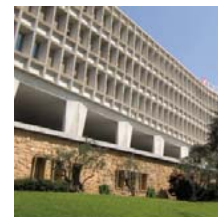
- Only traditional assets
- Large investment in short term
- Fixed income
 - Average rating of AA –
 - 38.4% Governments (50% Spain)
- Properties
 - Restrictive criteria on valuations (Spanish regulator)
 - Last appraisals confirm the value

Investment policy maintenance
Short term increase

(figures in million euros)

04

INVESTMENT HIGHLIGHTS





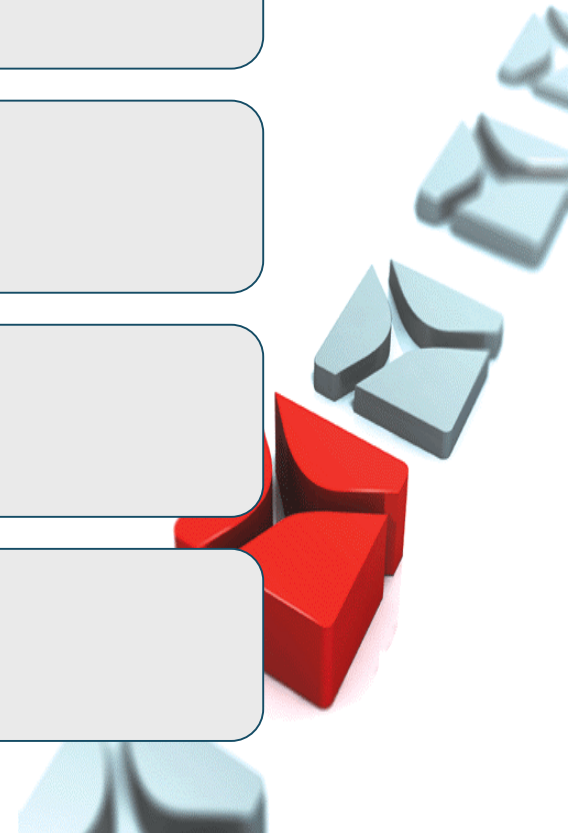
Solid and profitable traditional business

Credit insurance: long term investment

Conservative and prudent investment policy

Robust balance with insignificant financial debt

Important excess capital



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This presentation includes oral and written “forward-looking statements” with respect to certain plans and current goals and expectations relating to its future financial condition, performance and results. These forward-looking statements represents a simple forecast whose formulation does not represent a guarantee with respect to the future performance of the Company. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which may be beyond the Company’s control such as general economic conditions, performance of financial markets, the frequency and severity of insured loss events, mortality and morbidity levels and trends, persistency levels, interest rate levels, currency exchange rates, general competitive factors, changes in laws and regulations, changes in the policies of governments or regulatory authorities.

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