

GRUPO CATALANA OCCIDENTE, S.A., en cumplimiento de lo establecido en el artículo 82 de la Ley 21/1988, de 28 de julio, del Mercado de Valores, pone en conocimiento de la Comisión Nacional del Mercado de Valores la siguiente:

HECHO RELEVANTE

Grupo Catalana Occidente, S.A. informa, a los efectos oportunos, que la agencia de calificación AM Best ha confirmado la calificación de fortaleza financiera (FSR) de “A-“ (excelente) con perspectiva estable, a las principales entidades operativas de la sociedad, Seguros Catalana Occidente, S.A. de Seguros y Reaseguros y Bilbao, Compañía Anónima de Seguros y Reaseguros.

Se adjunta nota de la agencia de calificación AM Best.

Sant Cugat del Vallés, 10 de Febrero de 2014.

Francisco José Arregui Laborda
Director General

GRUPO CATALANA OCCIDENTE, S.A.



NEWS RELEASE

A.M. BEST EUROPE – RATING SERVICES LIMITED, LONDON

FOR IMMEDIATE RELEASE

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A.M. Best Affirms Ratings of Seguros Catalana Occidente and Seguros Bilbao

LONDON, 7 February 2014—A.M. Best Europe – Rating Services Limited has affirmed the financial strength rating of A- (Excellent) and issuer credit ratings of “a-” of **Seguros Catalana Occidente, S.A. de Seguros y Reaseguros (SCO)** and **Bilbao, Compañía Anónima de Seguros y Reaseguros, S.A. (SB)**, both wholly owned subsidiaries of **Grupo Catalana Occidente, S.A. (GCO)**. All entities are domiciled in Spain. The outlook on all ratings is stable.

The ratings of SCO and SB reflect their strong risk-adjusted capitalisation, stable underwriting performance and established competitive positions in the domestic insurance market.

SCO and SB’s stand-alone risk-adjusted capitalisation remains supportive of their ratings due to their strong earnings generation. In addition, both entities benefit from the strong financial flexibility of GCO, where group capital is held and deployed as required across its subsidiaries. GCO’s consolidated risk-adjusted capitalisation is maintained at an excellent level.

Despite the challenging economic conditions in Spain and the subsequent tightening in underwriting margins, SCO and SB’s stand-alone operating performance remains strong, as demonstrated by their five-year average return on capital and surplus of 36% and 28%, respectively. Prudent underwriting guidelines and limited natural catastrophe exposures, due to the existence of the national government’s scheme covering catastrophes (Consortio de Compensación de Seguros) have resulted in relatively stable and consistent technical profits for

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both companies, with a combined ratio of less than 90% over the last five years.

A partly offsetting factor is the size of SCO and SB relative to the more dominant players in the market. The companies reported gross written premium of EUR 987 million and EUR 482 million, respectively, at year-end 2012. Additionally, the high underwriting and investment exposure to Spain, both at the company and the GCO (consolidated) level, is considered to be a negative factor, due to the fragile economic conditions.

There are currently no upwards rating pressures. Negative ratings actions could occur if operating performance or consolidated risk-adjusted capitalisation were to deteriorate to a level that does not meet A.M. Best's expectations, at both the GCO (consolidated) and stand-alone entity levels. Additionally, downwards ratings pressure could occur if the perceived ability to reallocate capital across the GCO group of companies were to weaken.

The methodology used in determining these ratings is Best's Credit Rating Methodology, which provides a comprehensive explanation of A.M. Best's rating process and contains the different rating criteria employed in the rating process. Best's Credit Rating Methodology can be found at www.ambest.com/ratings/methodology.

In accordance with Regulation (EC) No. 1060/2009, the following is a link to required disclosures:

[A.M. Best Europe - Rating Services Limited Supplementary Disclosure.](#)

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