

COMUNICACIÓN DE HECHO RELEVANTE

En virtud de lo dispuesto en la Ley 24/1998, de 28 de julio, del Mercado de Valores, Grupo Catalana Occidente, SA, comunica, a los efectos oportunos, que en fecha de hoy la agencia de calificación crediticia Standard & Poor's, ha confirmado el rating A- (outlook negativo) a las principales entidades operativas de Grupo Catalana Occidente (Seguros Catalana Occidente, Seguros Bilbao, Atradius y Crédito y Caución).

Se adjunta nota publicada por Standard&Poor's.

Sant Cugat del Vallés, a 2 de diciembre de 2009.

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Research Update:

Grupo Catalana Occidente Core Entities 'A-' Ratings Affirmed; Outlook Remains Negative

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Research Update:

Grupo Catalana Occidente Core Entities 'A-' Ratings Affirmed; Outlook Remains Negative

Overview

- We are affirming the ratings on operating entities of Grupo Catalana Occidente, S.A. y Sociedades Dependientes (GCO).
- The negative outlooks reflect the possibility that the anticipated improvement in the earnings of GCO's trade credit business to historical strong levels may not take place within the rating horizon, which would delay the rebuilding of capital.
- We anticipate a short-term weakening in capitalization due to GCO's potential obligations under a put option held by its fellow shareholders in Atradius.

Rating Action

On Dec. 2, 2009, Standard & Poor's Ratings Services affirmed its ratings on four core operating entities of Spain-based insurance group Grupo Catalana Occidente, S.A. y Sociedades Dependientes (GCO; not rated). We affirmed our 'A-' long-term counterparty credit and insurer financial strength ratings on Seguros Catalana Occidente, S.A. de Seguros y Reaseguros (SCO) and Bilbao, Compañía Anonima de Seguros y Reaseguros S.A. (Seguros Bilbao). At the same time, we affirmed our 'A-/A-2' counterparty credit and 'A-' insurer financial strength ratings on Netherlands-based credit insurer Atradius Credit Insurance N.V. (Atradius) and our 'A-' long-term counterparty credit and insurer financial strength ratings on Spain-based credit insurer Compañía Española de Seguros y Reaseguros de Crédito y Caución S.A. (CyC). The outlook on all entities is negative.

Rationale

The ratings continue to reflect our view that GCO prospectively has a strong operating performance, although it may be prone to swings in economic cycles arising from its large exposure to credit insurance via Atradius and CyC. It also reflects the strong competitive position arising from the combination of the two pre-existing groups.

We consider these factors to be offset by a short-term weakness in the earnings profile derived from Atradius and CyC, and by a short-term weakness in capitalization arising from GCO's potential obligations under a put option held by GCO's fellow shareholders in Atradius.

We have observed that GCO's noncredit insurance operating performance has been very strong and stable historically. Its strict profitability targets have

made it one of the strongest performers in its peer group, with an average return on equity of more than 23% over the five years up to 2007. However, the group made a marginal return in 2008, due to a combination of underwriting losses in the then recently acquired Atradius/CyC and unrealized investment losses. While the profitability of the Spanish noncredit business remains strong as at the third quarter 2009, in our view, the current weakness in the earnings profile of Atradius/CyC is likely to constrain earnings for the consolidated GCO group over the rating horizon. This may cause a delay in the rebuilding of capital.

We consider that GCO has a good competitive position, based on its good business diversification, good brand recognition, and the strength of its agency network in Spain. In our view, the acquisition of Atradius has enhanced GCO's competitive position to a strong level by giving it a leading position in the credit insurance market worldwide and by diversifying its book of risks. On the other hand, GCO's lack of a significant competitive advantage in its Spanish domestic market, outside credit insurance, will likely remain a constraint on its competitive position.

We regard GCO's capitalization as supporting the rating. Capital adequacy may suffer a short-term weakening caused by GCO's obligations under a put option held by its fellow shareholders in Atradius. Although the shareholders' intentions are unknown, we based our view on the assumption that the options would be exercised in full.

Outlook

The negative outlook primarily reflects the possibility that earnings in GCO's trade credit business may not improve within the rating horizon as expected, which would delay in rebuilding the capital to historical strong levels. Although we acknowledge the significant progress made by GCO in returning Atradius/CyC to profitability, we continue to believe that the uncertain economic outlook may place further pressure on earnings improvement. Our view is reinforced by the prolonged downturn in the Spanish economy, which may constrain the historically very strong earnings from GCO's noncredit lines of business.

The ratings might be lowered if capitalization deteriorates further to a level that we consider not commensurate with the current rating under our criteria. It might also be lowered if earnings indicators do not improve to a ratings-appropriate extent. An outlook revision to stable will depend on GCO's ability to restore profitability in its credit insurance business to strong levels and to rebuild capital to a level more commensurate with the ratings.

Related Research

- Interactive Ratings Methodology, April 22, 2009
- Hybrid Capital Handbook: September 2008 Edition, Sept. 15, 2008

Ratings List

Ratings Affirmed

Seguros Catalana Occidente, S.A. de Seguros y Reaseguros
Counterparty Credit Rating A-/Negative/--
Insurer Financial Strength Rating A-/Negative

Bilbao, Compañía Anonima de Seguros y Reaseguros S.A.
Counterparty Credit Rating A-/Negative/--
Insurer Financial Strength Rating A-/Negative

Atradius Credit Insurance N.V.
Counterparty Credit Rating A-/Negative/A-2
Insurer Financial Strength Rating A-/Negative

Atradius Reinsurance Ltd.
Counterparty Credit Rating A-/Negative/--
Insurer Financial Strength Rating A-/Negative

Atradius Trade Credit Insurance Inc.
Counterparty Credit Rating A-/Negative/--
Insurer Financial Strength Rating A-/Negative

Compañía Española de Seguros y Reaseguros de Crédito y Caución S.A.
Counterparty Credit Rating A-/Negative/--
Insurer Financial Strength Rating A-/Negative

Atradius Finance B.V.
Subordinated Debt* BBB

*Guaranteed by Atradius Credit Insurance N.V and Atradius N.V.

NB: This list does not include all ratings affected.

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