

## OTRAS COMUNICACIONES

En virtud de lo dispuesto en la Ley 24/1988, de 28 de julio, del Mercado de Valores, Grupo Catalana Occidente, S.A. remite, a los efectos oportunos, copia de la nota elaborada por Fitch Ratings asignando a Seguros Catalana Occidente un IFS rating de "A" de fortaleza financiera con perspectiva "estable".

Lo que se comunica para público y general conocimiento, en Sant Cugat del Vallès (Barcelona), a 5 de diciembre de 2006.



## Fitch Rates Seguros Catalana Occidente IFS 'A'

01 Dec 2006

Dear Capital Markets Participant, Fitch.

Ratings has today assigned Seguros Catalana Occidente an Insurer Financial Strength (IFS) rating of 'A' with Stable Outlook. Seguros Catalana Occidente is the largest operating insurance company of Grupo Catalana Occidente ("Catalana Occidente").

The rating reflects the group's good business position on the Spanish life and non life insurance markets as well as its growing involvement in credit insurance activities, bringing some business and geographic diversification to both the group's revenue base and risk profile. The rating also reflects the Catalana Occidente's strong earning profile and its solid capital adequacy. Nevertheless, it remains constrained by the limited, albeit improving, geographic diversification, as well as by its ownership structure, which might temper its financial flexibility.

Catalana Occidente ranks among the top 10 Spanish insurance groups with an overall market share of around 4% and total written premiums of roughly EUR2 billion in 2005. As a reflection of its relatively low risk profile, the group's focus is predominantly on individual customers as well as on small to medium-sized enterprises to which it sells a broad range of life and non-life insurance products via relatively diversified distribution channels ranging from professional exclusive tied agents (over 1,049 outlets well spread over the Spanish territory) to part-time sales people. A large number of insurance brokers also market most of the product range. Although Catalana Occidente is not materially involved in bancassurance activities that are highly popular in Spain, particularly for life activities, Fitch considers the group's business position to be good, given its track record of posting revenue growth in line with the market overall.

Fitch views positively Catalana Occidente's significant investment to build a 49.9% direct and indirect minority shareholding in Atradius, the world second largest international credit insurer, to extend the group's franchise into the credit insurance business worldwide. Although the current minority shareholding does not imply management control at this stage, Fitch expects this investment, as well as the controlling 43% interest in Credito y Caucion, the leading credit insurer in Spain, to continue to improve the group's risk profile through both revenue and risk diversification.

Fitch considers that the operating performance of Catalana Occidente in the past five years has been strong and improving, as illustrated by a solid 95.8% average combined ratio during this period. In addition, the development of life insurance and pensions activities has also been profitable and demonstrates management ability to

expand profitably in complementary business areas. At the same time, capital adequacy has improved due to strong earnings and a cautious dividend distribution policy. This was partly offset by the acquisition of Seguros Bilbao in 2004 and the strategic investment in credit insurance during 2005 and early 2006, both having been financed by the group's own resources. Catalana Occidente has no financial debt and maintains an overall cautious investment policy.

Fitch expects Catalana Occidente to continue to expand its business position on the Spanish market through both internal and external growth while maintaining its strong profitability and solid capital position. The group's recently published 9M06 results are in line with the agency's expectations.

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Regards,

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