Mr. JOAQUIN GUALLAR PEREZ, Secretary non Director of the Board of Directors of **GRUPO CATALANA OCCIDENTE, S.A.**,

CERTIFIES THAT:

The documents submitted to the Spanish Securities Market Commission, which include the Interim Consolidated Financial Statements ("Estados Financieros *Intermedios Consolidados*") and the Interim Consolidated Management Report ("*Informe de Gestión Intermedio Consolidado*") corresponding to the first semester of 2023 as well as the External Auditor´s Report of Grupo Catalana Occidente, S.A., have been originally issued in Spanish. In the event of discrepancy between the Spanish and English versions, the former shall prevail.

In Witness Whereof, I issue this certificate in Sant Cugat del Valles (Barcelona) on July 27, 2023.

Mr. Joaquin Guallar Perez

6M2023 Report

Grupo Catalana Occidente, S.A.

Table of Contents

@gco_news

01.

Keys of the period 6M2023

The accompanying information has been prepared in accordance with the accounting standards for insurance contracts (IFRS4)

See IFRS17 - pages 18 and 19

Key financial figures

The Group achieved solid results with improvements in its three strategic pillars.

Increase

- Increase of 11.4% in business turnover, reaching €3,224.6 million.

Profitability

- Increase of 19.8% in the consolidated profit, reaching €343.9 million.
- Ordinary result:
  - Traditional business, at €135.1 million, -1.9%.
  - Credit insurance business, at €211.9 million, +43.6%.
  - Funeral business, with €8.0 million includes five months of the Grupo Mémora business.
- Combined ratio:
  - 91.8% in traditional business* (non-life) (+3.1 p.p.).
  - 71.4% in the credit insurance business (-2.7 p.p.).
- Commitment to the shareholder. First dividend for the 2023 financial year of €23.11 million, a 7.5% increase over the first dividend of the previous financial year.

Solvency

- The Group's Solvency II ratio at the close of 2022 for the Group is 247%.
- A.M.Best maintains the *rating* of the main operating entities in both traditional and credit insurance business at "A" with a stable outlook, and Moody's maintains the rating of the entities in the credit insurance business at "A2" with a positive outlook.

(figures in € million)

Key financial figures	6M2022	6M2023	Chg. 22-23	12M2022
GROWTH				
Insurance turnover	2,878.0	3,117.3	8.3%	5,245.6
- Traditional business	1,580.2	1,718.1	8.7%	2,842.9
- Credit insurance business	1,297.8	1,399.2	7.8%	2,402.7
Funeral Business	16.9	107.3		32.8
Total turnover	2,894.9	3,224.6	11.4%	5,278.4
PROFITABILITY				
Consolidated result	287.0	343.9	19.8%	542.6
- Traditional business	137.7	135.1	-1.9%	257.7
- Credit insurance business	147.6	211.9	43.6%	354.6
- Funeral business	2.7	8.0		4.8
- Non-ordinary	-1.0	-11.1		-74.7
Attributable result	262.2	308.9	17.8%	486.6
Combined ratio for traditional business	88.7%	91.8%	3.1 p.p.	90.8%
Combined ratio for gross credit insurance	74.1%	71.4%	-2.7 p.p.	72.3%
Dividend per share				1.03
Pay-out				25.4%
Share price	29.8	28.2	-5.4%	29.6
PER	7.6	6.3		7.29
ROE	12.5%	12.9%		12.9%
NON-FINANCIAL DATA				
Number of employees*	7,151	8,564	19.8%	7,143
Number of offices	1,491	1,474	-1.1%	1,518
Number of intermediaries	16,448	14,913	-9.3%	15,032

	12M2022	6M2023	Chg. 22-23
SOLVENCY			
Permanent resources at market value	4,916.3	5,322.3	8.3%
Technical provisions	11,730.1	12,177.5	3.8%
Managed funds	14,991.1	15,111.6	0.8%

*The 6M2023 figure includes Grupo Mémora's newly hired employees

Key financial figures

Turnover and distribution of the business

€3,224.6 M +11.4%

53.3% Traditional business
43.4% Credit insurance business
3.3% Funeral business

Combined ratio

91.8% +3.1 p.p. Traditional business
71.4% -2.7 p.p. Credit insurance business

Profits/(losses)

Ordinary result

€135.1M -1.9% Traditional business
€211.9M +43.6% Credit insurance business
€8.0M Funeral business

Consolidated result
€343.9M

Attributed result
€308.9M

Managed funds
€15,111.6M
+0.8%

Permanent resources Market value
€5,322.3 M
8.3%

Technical provisions
€12,177.5M
+3.8%

Solid financial structure

Listed on the stock exchange.
Stable, committed shareholders.
Rating A (AM Best) y A2 (Moody's).

Technical rigour

Excellent non-life combined ratio.
Strict cost control.
Prudent and diversified investment portfolio.

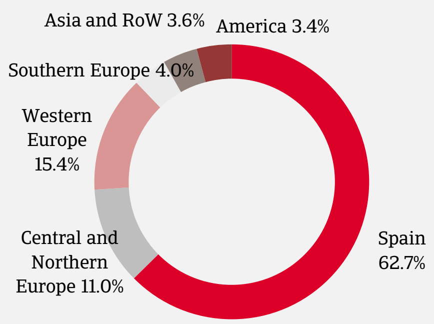
Global Presence

The Group is present in over 50 countries and has a significant presence in Spain

4th Largest insurance group in Spain
1st Largest funeral business in Spain

2nd Largest credit insurance group in the world

Diversification by countries

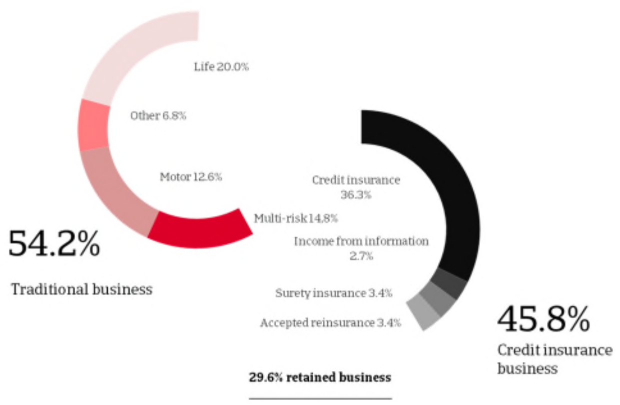


GCO obtains 62.7% of its income from the Spanish domestic market, where it holds the fourth position, through the brands that will converge in Occidente (Seguros Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao, NorteHispana Seguros) and Crédito y Caución. The funeral business is basically domestic in Spain, where it holds the leading position through the Mémora and Asistea brands, although it also has a presence in Portugal.

In the credit insurance business, through the brands Atradius and Atradius Re, the Group is present in over 50 countries and holds the second position on a global scale.

Business diversification 12M2022

GCO has a balanced and diversified portfolio



In the traditional business (54.2% of the total turnover), the Group carries out its activity through the entities Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao and NorteHispana Seguros, guaranteeing a balanced and diverse implementation. In credit insurance business (29.6% of the total in terms of retained business), the Crédito y Caución brand gives it a leadership position in the Spanish market, while the Atradius brand gives it an international dimension and leadership.

Group Performance in 6M2023

The Group's attributable profit was €308.9 million and turnover increased by 11.4%

Total turnover increased by 11.4%, reflecting the sustained growth in traditional business with an increase of 8.7% and the positive evolution of credit insurance business which increased by 7.3% and diversification into the funeral business.

The technical result of €351.8 million grew by 9.3%. In the traditional business, the combined ratio is situated in 91.8%, increasing by 3.1 percentage points, and in the credit insurance business, the gross combined ratio was 71.4%, improving by 2.7 percentage points.

The financial result contributes €79.7 million to reach €447.7 million profit before tax. Taxes represent €103.8 million, 23.2% on the profit. Consolidated profit amounted to €343.9 million, a decrease of 19.8%.

(figures in € million)

Income statement	6M2022	6M2023	% Chg. 22 -23	12M2022
Written premiums	2,789.6	3,025.8	8.5%	5,103.7
Income from information	88.4	91.5	3.5%	141.9
Insurance turnover	**2,878.0**	**3,117.3**	8.3%	**5,245.6**
Technical cost	1,527.5	1,658.1	8.5%	3,063.8
% on total income from insurance	59.6%	59.7%		59.4%
Commissions	326.0	356.3	9.3%	670.8
% on total income from insurance	12.7%	12.8%		13.0%
Expenses	387.2	410.1	5.9%	816.5
% on total income from insurance	15.1%	14.8%		*15.8%*
Technical result	**321.8**	**351.8**	9.3%	608.8
% on total income from insurance	12.6%	12.7%		11.8%
Financial result	42.8	79.1	84.8%	**209.0**
% on total income from insurance	1.7%	2.8%		4.1%
Result of non-technical non-financial account	-5.4	-14.9		-135.2
% on total income from insurance	-0.2%	-0.5%		-2.6%
Result from compl. activities Complem. Credit insurance	4.2	13.2		14.4
% on total income from insurance	0.2%	0.5%		0.3%
Technical result funeral business	3.6	18.5		0.2
Result before tax	**366.9**	**447.7**	22.0%	697.2
% on total net income	14.3%	16.1%		13.5%
Taxes	79.9	103.8	29.9%	154.6
% taxes	21.8%	23.2%		22.2%
Consolidated result	**287.0**	**343.9**	19.8%	**542.6**
Result attributable to minorities	24.7	35.0	41.7%	56.0
Attributable result	**262.2**	**308.9**	17.8%	**486.6**
% on total income from insurance	10.2%	11.1%		9.4%

Results by business lines	6M2022	6M2023	% Chg. 22 -23	12M2022
Ordinary result of the traditional business	**137.7**	**135.14**	**-1.9%**	**257.7**
Ordinary result from credit insurance business	**147.6**	**211.9**	**43.6%**	**354.6**
Result from the funeral business	**2.7**	**8.0**		**4.8**
Non-ordinary result	**-1.0**	**-11.1**		**-74.7**

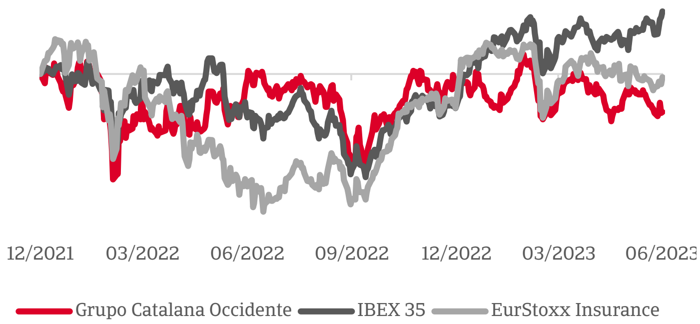
GCO shares and dividends

Share performance

Shares in GCO close the second quarter at €29.55/share.

In this period, the share price fell by 4.74%, below the reference index of the Spanish market.

Share performance since the end of 2021

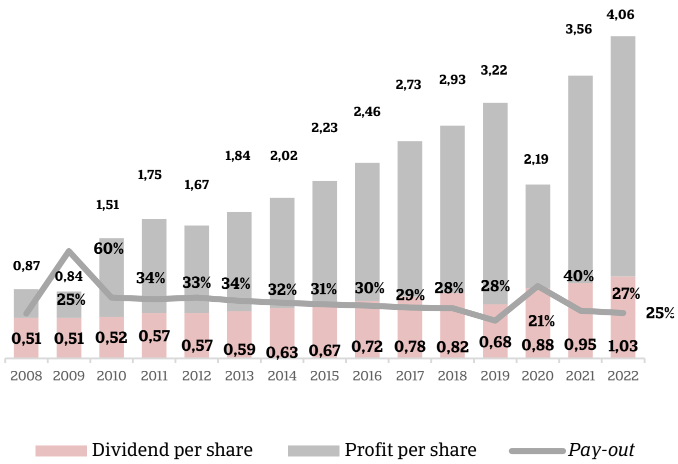


The average recommendation of the analysts is to "purchase" the share with a target price of €42.3/share (max. € 50.6/share and min. €34.2/share).

Dividends

The historical pattern of dividend distribution demonstrates the clear commitment of the Group to remunerate its shareholders.

First dividend for the 2023 financial year of €23.11 million, a 7.5% increase over the first dividend of the previous financial year.



Active relationship with the financial market

GCO maintains a fluid, close relationship with the financial market, offering specific communication channels

During the first six months of the year, the Group transmitted its value proposition to the financial markets through the annual retransmission of the results published (on the website, in English and Spanish) and by holding roadshows in different European countries, as well as participating in virtual forums/conferences.

Price (euros per share)	6M2022	6M2023	12M2022
Period start	30.00	29.55	30.00
Minimum	24.90	27.70	24.90
Maximum	30.6	30.95	30.60
Period close	29.75	28.15	29.55
Average	28.42	29.09	28.57

Profitability (YTD)	6M2022	6M2023	TACC 2002 - 6M23
GCO	-0.83%	-4.74%	9.97%
Ibex 35	-7.06%	16.57%	2.18%
EuroStoxx Insurance	-13.04%	1.39%	3.41%

Other data (in euros)	6M2022	6M2023	12M2022
Number of shares	120,000,000	120,000,000	120,000,000
Nominal value of the share	0.30	0.30	0.30
Average daily underwriting (number of shares)	31,340	81,270	26,835
Average daily underwriting (euro)	881,957	2,374,849	762,716

2023 macroeconomic environment

3.0% growth in 2023 (3.4% in 2022). The global economy continues to recover gradually after the pandemic and Russia's invasion of Ukraine.

United States GDP 1.8% GDP 2023e (1.3%)

- Largest rate hikes in the last 20 years
- Labour market under stress
- Loss of household purchasing power

Spain GDP 2.5% 2023e (1.5%)

- Upward pressure on prices due to rising inflation
- Improved growth forecasts on the back of stronger services and tourism
- Estimated 115% debt

South America 1.9% GDP 2023e (1.6%)

- Worsening financial conditions
- Weak external demand

United Kingdom GDP 0.4% 2023e (-0.3%)

- Depreciation of the pound against the dollar
- Fall in exports

Eurozone GDP 0.9% 2023e (0.8%)

- Growth outlook trimmed due to the indirect effects of the Russian invasion
- Concern over price rises due to inflation
- Tightening of monetary policy

Asia Pacific 5.3% GDP 2023e (5.3%)

China 5.2% GDP 2023e (5.2%):
- fear of deflation

Japan 1.4% GDP 2023e (1.3%):
- Risk of economic slowdown
- Strong private consumption and public spending

***Source: International Monetary Fund. July 2023 review compared to April 2023 estimate**

Fixed income

Rising interest rates

Interest rates 6M2023 (%)	**1 year**	**10 years**
Spain	3.8	3.4
Germany	3.6	2.4
United States	5.4	3.8

Source: Bloomberg at the close of June 2023

Variable income

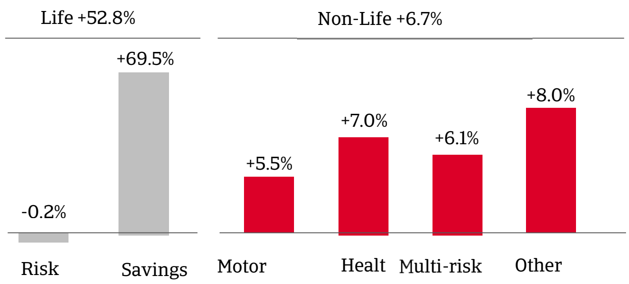
Stabilisation of stock market indices

	6M2023	**%Chg.**
Ibex35	9,593.0	+16.6%
MSCI World	277.7	+11.5%
EuroStoxx 50	4,399.1	+16.0%
S&P	4,450.4	+15.9%

Sectoral environment

The insurance sector in Spain grew by 23.7% in turnover, mainly due to the evolution of life premiums

Performance of turnover



Source: ICEA at the close of June 2023

Stability in the sector's results

ROE
13.3%

Combined ratio
94.8%*

Motor 100.9%
Multi-risk 98.5%
Health 99.5%

* Combined ratio includes Health and Funeral.
Source: ICEA at the close of March 2023

Insurance group ranking performance 12M2022

Group	*Position*	*Market share*
VidaCaixa	=	*12.0%*
Mapfre	=	*11.3%*
Grupo Mutua Madrileña	=	*10.0%*
GCO	*+1*	*4.9%*
Allianz	*-1*	*4.7%*
Grupo Axa	=	*4.6%*
Generali	*+1*	*3.8%*
Zurich	*-1*	*3.8%*
Santalucía	=	*3.6%*
Santander Seguros	*+11*	*3.2%*

Source: ICEA at the close of 2022

The result of the technical account for the sector at the end of the first quarter of 2023 was 8.0% of retained premiums, 2.3 percentage points less than in the previous year, mainly due to the lower result of the non-life business.

The result of the non-life technical account was reduced mainly driven by motor, which worsens its combined ratio from the start of the year by 2.5 percentage points to 100.9% due to the greater volume of claims.

According to Solvency II, the average coverage ratio in Spain at the close of 2022 has been 234.6%, down by 8.6 p.p., lower than the average for the sector in the European Union.

02.

Business performance in 6M2023

Traditional business

Positive evolution with an 8.7% growth in earned premiums and an ordinary profit of €135.1 million.

Turnover increased by 8.7% at the close of June 2023 to €1,718.1 million. The growth of 7.0% in multi-risk and 7.9% in others should be highlighted.

The technical profit is reduced by 15.9%. The technical profit in Non-Life amounted to €73.9 million and declined 23.4%, due to the 3.1 p.p. increase in the combined ratio to 91.8%, mainly because of the performance of the motor insurance business. Technical cost increased 3.6 percentage points while fees and expenses decreased by 0.5 percentage points. On the other hand, the Life business remained stable at €46.6 million.

The financial profit, at €63.4 million, increased by 44.7%, mainly due to the reinvestment of cash and maturities at much higher rates

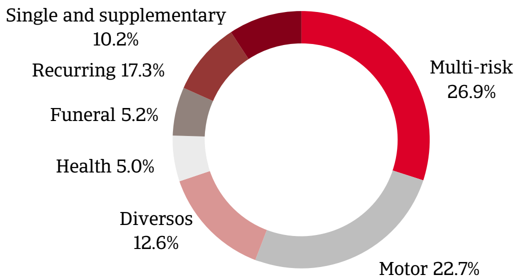
Ordinary profit after tax has decreases 1.9% reaching €135.1 million. Non-ordinary losses of €0.7 million were recorded during the year. The total profit was €134.5 million.

For further information see annexes

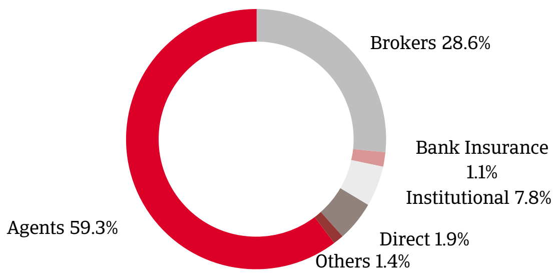
(figures in € million)

Traditional business	**6M2022**	**6M2023**	**% Chg. 22-23**	**12M2022**
Written premiums	**1,580.2**	**1,718.1**	**8.7%**	**2,842.9**
Recurring premiums	1,452.5	1,523.1	4.9%	2,606.4
Technical result	**142.5**	**119.9**	**-15.9%**	**263.0**
% of earned premiums	*10.3%*	*7.9%*		9.4%
Financial result	**43.8**	**63.4**	**44.7%**	**84.4**
% of earned premiums	3.2%	4.2%		3.0%
Non technical result	-10.4	-10.6	1.9%	-21.4
Corporate tax	*-38.2*	*-37.5*	-1.8%	-68.2
Ordinary result	**137.7**	**135.1**	**-1.9%**	**257.7**
Non-ordinary result	1.8	-0.7		-50.6
Total result	**139.5**	**134.5**	**-3.6%**	**207.1**
Earned premiums	**1,385.3**	**1,515.0**	**9.4%**	2,793.5

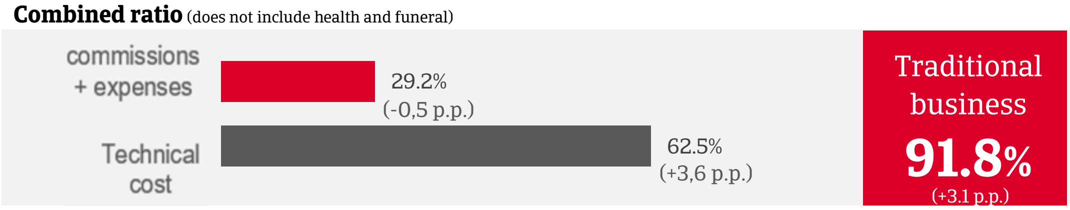
Distribution by business



Distribution channels



Combined ratio (does not include health and funeral)



Multi-risk

Growth in turnover of 7.0% to €443.8 million. The combined ratio has increased by 3.6 percentage points to 92.1%. This increase is due to higher claims costs due to inflationary effects, the occurrence of peak claims in industrial multi-risk and, to a lesser extent, the greater impact of weather events.

(figures in € million)

Multi-risk	6M2022	6M2023	% Chg. 22-23	12M2022
Written premiums	**414.9**	**443.8**	**7.0%**	**774.3**
% Technical cost	*55.4%*	*59.7%*	4.3	*59.4%*
% Commissions	*21.7%*	*21.7%*	0.0	*21.1%*
% Expenses	*11.4%*	*10.7%*	-0.7	*12.3%*
% Combined ratio	**88.5%**	**92.1%**	**3.6**	**92.8%**
Technical result after expenses	**42.1**	**30.8**	**-26.8%**	**54.1**
% on earned premiums	*11.5%*	*7.9%*		*7.2%*
Earned premiums	**365.8**	**389.7**	**6.5%**	**750.7**

Motor

Increase in turnover of 5.5% at €368.0 million. The combined ratio was 4.0 p.p. higher at 95.3%, mainly because of the increase in the cost of claims due to inflationary effects.

(figures in € million)

Motor	6M2022	6M2023	% Chg. 22-23	12M2022
Written premiums	**348.9**	**368.0**	**5.5%**	**658.6**
% Technical cost	*67.3%*	*71.9%*	4.6	*68.7%*
% Commissions	*11.9%*	*12.0%*	0.1	*11.2%*
% Expenses	*12.1%*	*11.4%*	-0.7	*12.8%*
% Combined ratio	**91.3%**	**95.3%**	4.0	**92.7%**
Technical result after expenses	**27.7**	**15.6**	-43.7%	**47.7**
% on earned premiums	*8.7%*	*4.7%*		*7.3%*
Earned premiums	**319.8**	**332.1**	**3.8%**	**651.2**

Other

Growth in turnover of 7.9% to €216.8 million. The combined ratio was 84.9%, with a slight increase of 0.8 percentage points due to an increase in the technical cost and of commissions, which was partly offset by the reduction in expenses.

(figures in € million)

Other	6M2022	6M2023	% Chg. 22-23	12M2022
Written premiums	**201.0**	**216.8**	**7.9%**	**359.0**
% Technical cost	*50.4%*	*51.5%*	1.1	*49.1%*
% Commissions	*20.7%*	*22.4%*	1.7	*19.8%*
% Expenses	*13.0%*	*11.0%*	-2.0	*14.1%*
% Combined ratio	**84.1%**	**84.9%**	0.8	**82.9%**
Technical result after expenses	**26.7**	**27.5**	3.0%	**58.5**
% on earned premiums	*15.9%*	*15.1%*		*17.1%*
Earned premiums	**167.5**	**181.7**	**8.5%**	**342.7**

Life

Life business developed favourably with a turnover of €689.5 million and a technical-financial profit that increased by 28.2%. The combined ratio reduced by 5.0 percentage points to 75.7% in the life funeral business.

(figures in € million)

Life	6M2022	6M2023	% Chg. 22-23	12M2022
Life insurance turnover	**615.4**	**689.5**	**12.0%**	**1,050.9**
Health	130.0	130.9	**0.7%**	510.1
Funeral	78.8	79.0	**0.3%**	149
Regular life savings	278.9	284.6	**2.0%**	155.3
Single life savings	127.7	195.0	**52.7%**	236.5
Pension plan contributions	24.6	20.9	**-15.0%**	51.3
Net contributions to investment funds	-2.3	-6.1		-10.7
Technical result after expenses	**46.0**	**46.0**	**0.0%**	**47.8**
% on earned premiums	*8.6%*	*7.5%*		*4.6%*
Technical-financial result	**68.4**	**87.7**	**28.2%**	**150.4**
% on earned premiums	*12.9%*	*14.3%*		*14.3%*
Earned premiums	**532.2**	**611.5**	**14.9%**	**1,048.9**

Credit insurance business

Positive development of net insurance income of 7.1 % with ordinary income of €211.9M

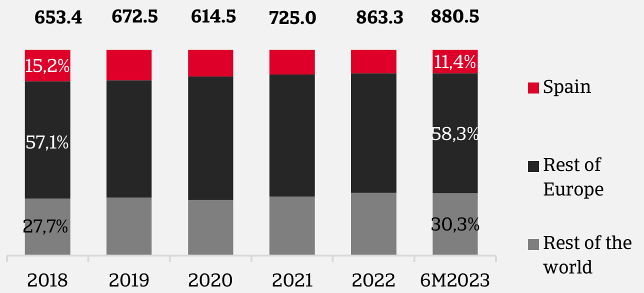
In the credit insurance business, the Group has increased its net income (earned premiums and information services) by 7.1% reaching €1,261.3 million. The earned premiums, at €1,169.8 million, have increased by 7.4%. In turn, income from information has increased by 3.5%, contributing €91.5 million.

The Group has increased its risk exposure (TPE) by 2.0% compared to the end of 2022. An exhaustive selection of risks is maintained.

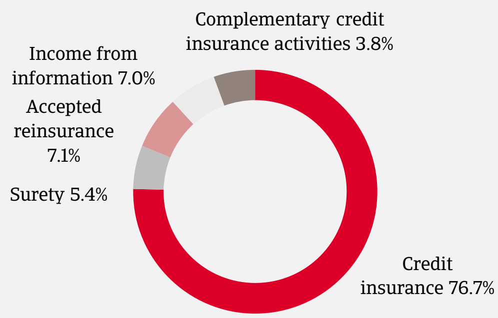
Russia - Ukraine conflict: From the point of view of the underwriting strategy, the decision has been taken not to cover new transactions in general, reducing the credit limits to the amounts pending payment. The total exposure in the region has been reduced compared to year-end 2021 by 64%, representing less than 0.4% of the total exposure.

The sale of Atradius Rus Credit Insurance LLC was completed in July. At the time of preparing these financial statements there has been no additional impact to that considered at the close of the 2022 financial year.

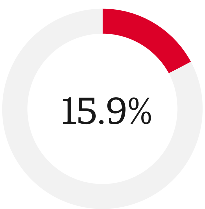
Evolution of cumulative risk (TPE)



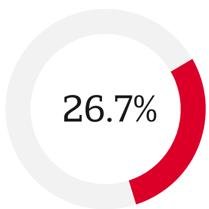
Diversification business (earned premiums)



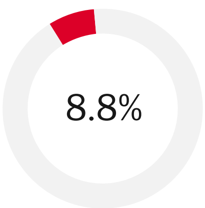
Increase of 7.4% in earned premiums to €1,169.8 million
Distribution of earned premiums by region:



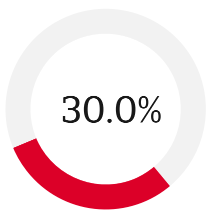
Spain and Portugal
Earned premiums: **€186.5M**
Change: **+4.2%**



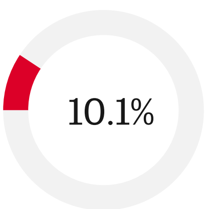
Central and Northern Europe
Earned premiums: **€312.7M**
Change **+1.8%**



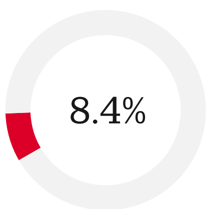
The Americas
Earned premiums: **€102.9 M**
Change **+9.4%**



Western Europe
Earned premiums: **€350.8 M**
Change **+11.9%**



Asia and rest of the world
Earned premiums: **€118.1 M**
Change **+6.6%**



Southern Europe
Earned premiums: **€98.7 M**
Change **+17.1%**

The technical profit after credit insurance expenses was €360.9 million, 18.4% higher than in the same period of 2022.

The gross combined ratio was 71.4%, 2.7 percentage points less than in the first half year of the previous financial year. The inflow of claims remains below the pre-pandemic period. However, we maintain the prudent level of provisions of previous years.

The result ceded to reinsurance was €119.2 million, 2.8% lower than in the first half of the previous year.

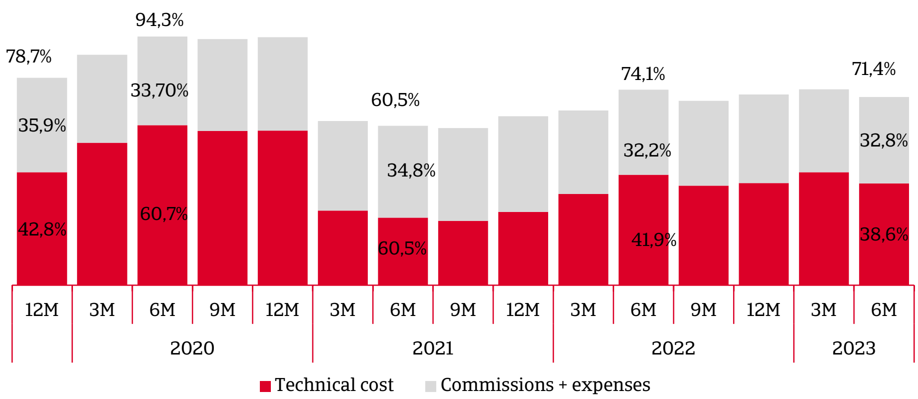
In turn, at €28.7 million, the financial result was much higher than in the same period of the previous year, mainly due to financial income from its fixed income portfolio and short term assets. The result of the complementary activities is €13.2 million.

Consequently, the ordinary result is positioned at €211.9 million, up 43.6% from the first half year of 2022. During the year there were non-ordinary losses of €9.8 million. In total, this business contributed a profit of €202.1 million to the Group, an increase of 39.6%.

(figures in € million)

Credit insurance business	6M2022	6M2023	% Chg. 22-23	12M2022
Earned premiums	1,088.8	1,169.8	7.4%	2,224.5
Income from information	88.4	91.5	3.5%	141.9
Credit insurance income	**1,177.2**	**1,261.3**	**7.1%**	**2,366.4**
Technical result after expenses	**304.9**	**360.9**	**18.4%**	**655.4**
% over income	25.9%	28.6%		27.7%
Reinsurance result	-122.6	-119.2	-2.8%	-244.8
Reinsurance transfer ratio	37.0%	37.0%		37.0%
Net technical result	**182.3**	**241.7**	**32.6%**	**410.6**
% over income	15.5%	19.2%		17.4%
Financial result	**8.2**	**28.7**		**44.8**
% over income	0.7%	2.3%		1.9%
Result from complementary activities	**4.2**	**13.2**		**8.8**
Corporate tax	-45.0	-68.7		-104.3
Adjustments	-2.1	-3.0		-5.3
Ordinary result	**147.6**	**211.9**	**43.6%**	**354.6**
Non-ordinary result	-2.7	-9.8		-23.8
Total result	**144.8**	**202.1**	**39.6%**	**330.8**

Performance of the gross combined ratio



Funeral Business

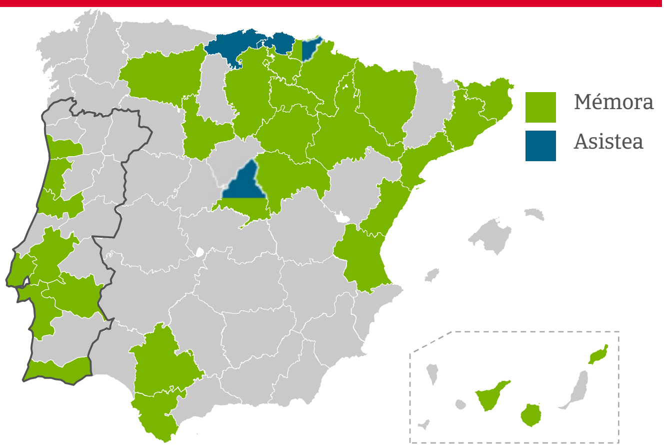
On 9 February 2023, GCO acquired 100% of Grupo Mémora from the Ontario Teacher's Pension Fund (OTPP).

Mémora is the first group in the Iberian Peninsula regarding the organisation of funeral services, and in the management of funeral parlours, cemeteries and crematoriums with presence in 21 provinces and in Portugal. Strong business growth mainly due to company acquisitions.

	Mémora				Mémora		Asistea		Mémora + Asistea	
	2019	2020	2021	2022	6M2022	6M2023	6M2022	6M2023	6M2022	6M2023
Turnover	165,742	184,347	188,530	212,213	106,604	112,883	16,878	16,625	123,482	129,508
EBITDA	46,375	49,882	47,057	56,003	31,044	30,868	4,667	3,874	35,711	34,743
Margin	*28.0%*	*27.1%*	*25.0%*	*26.4%*	29.12%	27.35%	27.65%	23.30%	28.92%	26.83%

The funeral business will provide stable income growth with high margins.

MÉMORA + ASISTEA



€401.3 M Price

Enterprise Value around €600M

The funeral business incorporates the data from Asistea and in 6M2023 also includes five months of Mémora.

(figures in € million)

Funeral Business	**6M2022**	**6M2023**
Income	**16.9**	**107.3**
EBITDA	4.7	27.8
Margin on EBITDA	27.8%	25.9%
Amortisations	1.1	9.8
Technical result after expenses	**3.6**	**17.9**
Financial result	-0.1	-8.0
Result before tax	3.5	9.9
Corporate tax	0.8	1.9
Ordinary result	**2.7**	**8.0**
Non-ordinary result	0.0	-0.7
Total result	**2.7**	**7.3**

Despite the inflationary impact on costs, we continue to consistently deliver an EBITDA margin of over 25%

Following the recent acquisition, the Group is analysing Mémora's cost structure and establishing a programme to achieve synergies.

IFRS17

IFRS17: International accounting standard establishing a new methodology for the calculation of provisions.

Treatment of insurance liabilities

IFRS17 accounting	LIFE	GENERAL INSURANCE	CREDIT
	- Savings: General methodology (BBA). Methodology analogous to Solvency and Embedded Value. **With market assumptions and valuation.** In addition, the term CSM is introduced as an estimate of future business performance. - Risk (annual): The methodology for short-term insurance, known as PAA, will be followed. No significant changes from the current one (best estimate, risk adjustment and discounting).	- No significant change from the current one, based on a best estimate with risk adjustment and discounting.	- We have opted for the general methodology (BBA): • Applies to all products and countries. • Homogeneous with reinsurance. • Suitable for the management and volatility of the credit insurance business.
	- Only affects the consolidated accounts. - Entry into force 01/01/2023.		

Impacts on Ordinary Management

FINANCIAL IMPLICATIONS

No impact

- Assets at market value against equity (OCI) similar to current portfolios
- ALM Assets - Liabilities management to reduce asymmetries is maintained

With impact

- Liabilities at market value analogous to Solvency / Embedded Value
- Recognition of the profit in Life Savings and Loan, different timing imputation
- Treatment of variable income: Market value against OCI but no possibility to recognise gain/loss on sale. Market value investment funds with P&L changes

MANAGEMENT IMPLICATIONS

On the business

- No relevant changes in risk appetite are expected
- Current business management indicators (ratios and KPIs) are maintained in parallel

On the capital

- No change in dividend distribution
- No change in the solvency position
- No change in cash generation

Comparison IFRS 17 vs IFRS 4

	6M2023		
	IFRS4	IFRS17	Chg.
Technical insurance profit/(loss	**279**	**398**	**119**
Non-attributable expenses	0	-31	-31
Total technical result	**279**	**367**	**88**
Investment result	160	192	32
Insurance expenses for financial income or expenses	-69	-87	-18
TOTAL FINANCIAL RESULT	**91**	**105**	**14**
Other profit/(losses)	77	68	-10
Result before tax	**447**	**537**	**90**
Corporate tax	104	128	24
Ordinary result	**343**	**410**	**67**
Combined ratio with attributable expenses			
Traditional business	91.8%	90.5%	-1.3 p.p.
Credit insurance business	71.4%	68.5%	-2.9 p.p.

	6M2022		
	IFRS4	IFRS17	Chg.
Ordinary result	**287**	**316**	**29**
% Increase	19.5%	29.7%	

Explanations for the technical part:

- + €28 M in life where the technical profit is basically the amortisation of the CSM concept which does not exist in IFRS4. In addition, there is also a different treatment of lifetime acquisition costs, where under IFRS4 they are expensed directly and under IFRS17 they are accrued and deferred.
- In general insurance + €27 M due to lower claims incurred as a result of bringing provisions to best estimate and the effect of discounting which does not exist in IFRS4.
- Credit insurance business: + €33 M as a result of lower claims incurred by bringing provisions to best estimate and discounting of provisions.

Explanations for the financial part:

- + €14 M in financial performance as a result of:
  - Higher financial performance mainly due to positive changes in Investment Funds (+ €14.5 M).
  - They are offset by higher financial expenses resulting from the rate curve used in IFRS17 compared to the current accounting rate curve.

Investments and managed funds

The investment operations, focused on traditional assets, have been characterised by prudence and diversification

The Group manages funds of €15,111.6 million, €120.50 million higher than at the beginning of the year.

The total investment in property at market value amounts to €1,898.1 million. The majority of the Group's properties are located in areas considered “prime” areas in the most important Spanish cities. All of the properties for use by third parties are located in these areas and have a very high rate of occupancy. Every two years they are appraised, through entities that are authorised by the supervisor. Capital gains from these properties stand at €562.6 million.

Fixed-income investment represents 53.4% of the total portfolio, standing at €7,207.2 million. The distribution of the rating in the portfolio is shown graphically below. At the close of the first half year, 67.5% of the portfolio is rated A or higher. The duration of the portfolio at the end of June is 1.88 years and profitability at 4.17%.

Variable income represents 15.4% of the portfolio and grows by 17.2%, reflecting the evolution of the financial market. The investment portfolio is widely diversified and focused on high-capitalisation securities, mainly in the Spanish market (23.9%) and the European market (59.9%), which show attractive dividend returns.

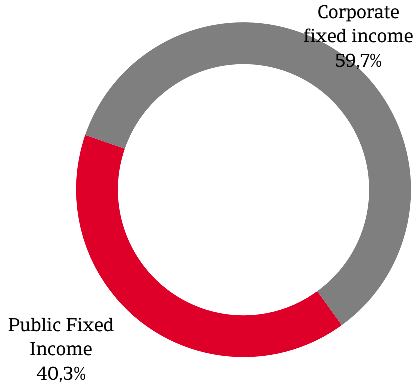
The Group maintains a liquidity position in deposits with credit institutions of €437.3 million, mainly with Banco Santander and BBVA, and a significant cash position of €1,508.5 million, which has been reduced, mainly due to the acquisition of the Grupo Mémora, as well as investment in fixed-income securities with attractive yields.

(figures in € million)

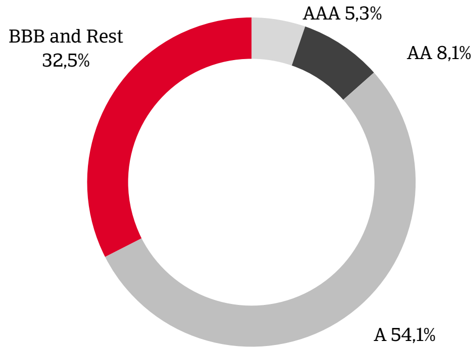
Investments and managed funds	12M2022	6M2023	% Chg. 22-23	% on Inv. R. Co.
Real Estate Property	1,762.5	1,898.1	7.7%	14.1%
Fixed income	6,926.7	7,207.2	4.0%	53.4%
Variable income	1,768.2	2,072.5	17.2%	15.4%
Deposits with credit institutions	429.3	437.3	1.9%	3.2%
Other investments	243.7	256.7	5.3%	1.9%
Cash and monetary assets	2,250.4	1,508.5	-33.0%	11.2%
Investment in investee companies	112.3	116.2	3.5%	0.9%
Total investments, risk to entity	**13,493.1**	**13,496.5**	**0.0%**	
Investments on behalf of policyholders	750.6	817.7	8.9%	
Pension plans and investment funds	747.4	797.4	6.7%	
Total investments, risk to policy holders	**1,498.0**	**1,615.1**	**7.8%**	
Investments and managed funds	**14,991.1**	**15,111.6**	**0.8%**	

Portfolio breakdown

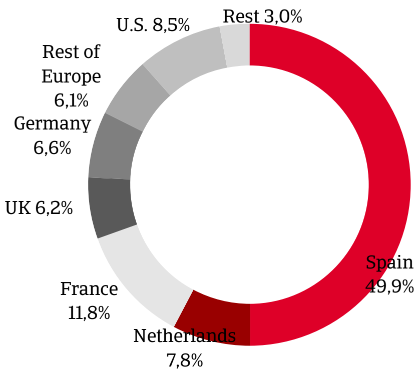
Fixed income by type



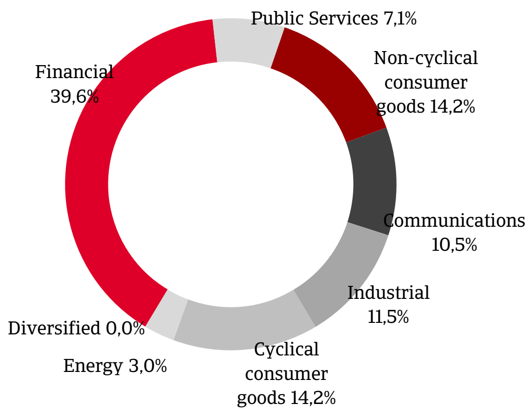
Fixed income by rating



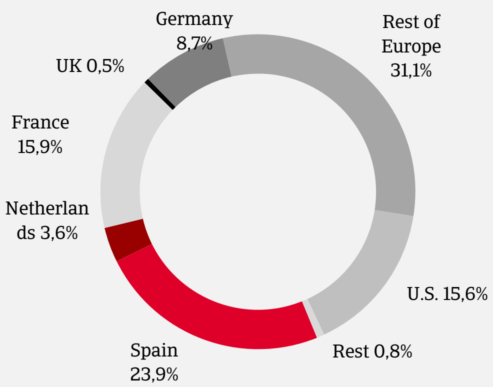
Fixed income by countries



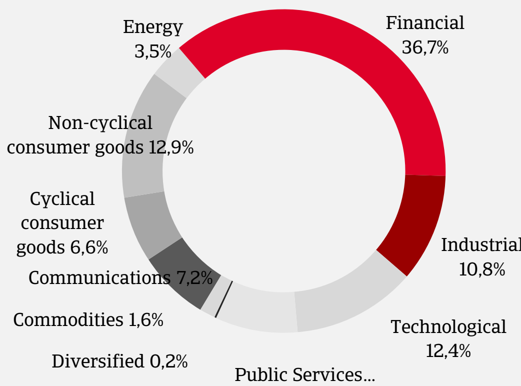
Fixed income by sectors



Variable income by countries



Variable income by sectors



Capital management

GCO manages its capital with the goal of maximising value for all its interest groups, maintaining a solid position through obtaining long-term results and a prudent policy for remunerating shareholders.

Capital management is governed by the following principles:

- Ensuring that Group companies have sufficient capital to meet their obligations, even when faced by extraordinary events.
- Managing capital taking into account the economic vision, as well as the objectives established in the risk appetite.
- Optimising the capital structure through the efficient allocation of resources between entities, ensuring financial flexibility and remunerating shareholders appropriately.

No significant changes have occurred in risk management with respect to the 2022 financial statements. For more information, please consult the report on the financial and solvency situation (SFCR) available on the Group's website.

Capitalisation €3,486 M	**High quality of own funds**	**Solvency II ratio at 247%**	**Strength for rating A**

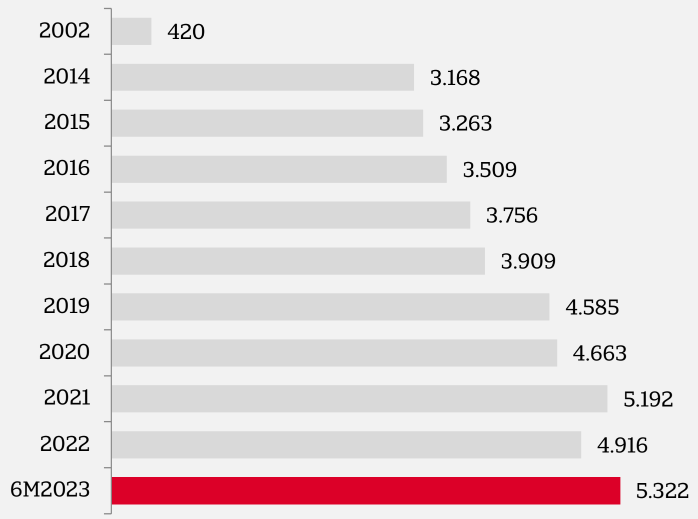
*Data at the end of 2022

Capital performance

“At the end of June, the Group's capital increased by 8.3% due to valuation adjustments.”

Permanent resources at 31/12/2022	**4,374.0**
Permanent resources at market value	**4,916.3**
Net equity on 01/01/2023	**4,182.6**
(+) Consolidated profits	343.9
(+) Dividends paid	-103.5
(+) Change in valuation adjustments	170.2
(+) Other changes	0.0
Total movements	**410.6**
Total net equity on 30/06/2023	**4,593.2**
Subordinated debt	166.5
Permanent resources at 30/06/2023	**4,759.7**
Capital gains not included in balance sheet	562.6
Permanent resources at market value	**5,322.3**

Permanent resources at market value



Market movements have led to an increase in the value of investments, with a positive impact of €170.2 million.

Also, dividends have been paid, amounting to €103.5 million, thus reducing equity by the same amount.

In October 2022, Moody's affirmed the 'A2' rating with an outlook upgrade from stable to positive for the operating entities in the credit insurance business under the Atradius brand. The confirmation of this rating reflects Moody's confidence in the strength of the Atradius brand, even in situations of economic uncertainty such as that generated by COVID-19 and the Ucrania - Russia conflict. This is due to Atradius' dynamic risk exposure management, its strong economic capitalisation and its solid positioning as the second largest credit insurer in the world.

In turn, A.M. Best confirmed in July 2023 the financial strength rating of A (excellent) with a stable outlook for the Group's main operating entities, both in traditional business and credit insurance business. This rating reflects the solid balance sheet strength, excellent operating profits and appropriate capitalisation of the Group's main operating entities. In addition, it considers that exposure to natural disasters is limited, thanks to the existence of a national coverage system (Insurance Compensation Consortium).

	A.M. Best	Moody's
Seguros Catalana Occidente	'A' stable (FSR) 'a+' stable (ICR)	
Seguros Bilbao	'A' stable (FSR) 'a+' stable (ICR)	
Plus Ultra Seguros	'A' stable (FSR) 'a+' stable (ICR)	
Atradius Crédito y Caución Seg Reas	'A' stable (FSR) 'a+' stable (ICR)	'A2' positive (IFS)
Atradius Reinsurance DAC	'A' stable (FSR) 'a+' stable (ICR)	'A2' positive (IFS)
Atradius Trade Credit Insurance, Inc.	'A' stable (FSR) 'a+' stable (ICR)	'A2' positive (IFS)
Atradius Seguros de Crédito, S.A.	'A' stable (FSR) 'a+' stable (ICR)	

Sustainability

GCO integrates a commitment to sustainability into its strategy, through responsible and sustainable management in environmental, social and economic issues. The Sustainability Policy establishes the reference framework for managing the business in accordance with this commitment and the 2021-2023 Sustainability Master Plan is the roadmap for its development.

Our commitment to the SDGs

External sustainability rating

In December 2022, the Group's ESG rating was revised to 15.0 points (low risk of experiencing material financial impacts related to ESG factors). This places GCO among the top 15 companies with the best ESG rating in the insurance sector, which includes more than 300 companies, and it has been awarded the "Industry top rated" badge.

On 23 February 2023, the Board of Directors approved the Group's Sustainability Report - Statement of Non-Financial Information 2022, verified by an independent external auditor.

GCO's main ESG initiatives are presented below:

Environmental:

- GCO takes on a commitment to be a Group with **zero net emissions in the underwriting portfolio by 2050.**
- It carries out **initiatives and campaigns to minimise environmental impacts** (such as the World Clean-up day and volunteer waste collection on beaches and marshes in Spain).
- The Group continues to implement an **environmental management system** in accordance with the ISO 14001:2015 standard, which covers all real estate asset management processes.
- The Group's **AutoPresto workshop network** is the first in Spain to hold the **"CZ Sustainable Workshop Network" certification** issued by Centro Zaragoza, which guarantees the commitment of vehicle repair workshops to sustainability and certifies the development of their activity following environmental care criteria.
- GCO is one of the **partners of Nactiva Capital Natural S.L**., an entity established in 2023 to promote social, economic, cultural and ecological transformation through the design, financing and implementation of **Natural Capital development projects** in the Mediterranean.

Social:

- **Mandatory sustainability and equality training** is provided for all Group employees.
- **Work climate surveys** are launched periodically to analyse employees' needs and implement related initiatives.
- GCO has a **Wellness Plan** to promote comprehensive employee care focused on 5 areas: Sleep well, Mindfulness, Working from home, Stress management, Healthy eating and Physical activity.
- The Group offers its employees the possibility of participating in various **corporate volunteering initiatives,** generating a culture of collaboration and support for other social groups in need.
- The Group undertakes social action and environmental protection projects through the Fundación Jesús Serra.

Governance:

- The Group complies with the **sustainability requirements established by the different regulations,** such as the EU Taxonomy and the SFDR Regulation, among others.
- Through the ESG risk map, the Group identifies the **sustainability risks** that may potentially affect its activity, classifying them according to their typology and indicating their impact and time horizon.
- The Group adopts the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to help generate accurate and objective information on climate risks, including **climate scenario** analysis.
- GCO integrates sustainability into its investment strategy, with a **Sustainable Investment Policy** and an **Annual Plan** setting out the **sustainable investment goals** to be achieved in the year.
- The Group's product offering includes **sustainable products** such as the SFDR Article 8 investment funds, which explicitly incorporate environmental and/or social considerations in their management.
- **ESG clauses are incorporated into contracts with suppliers** of traditional business companies, whereby the Group ensures that they comply with its own ethical and sustainability principles, labour regulations and tax obligations.
- GCO gives visibility to the importance of sustainability through **communication campaigns** with the aim of promoting awareness and knowledge of this issue among the general population.
- GCO is committed to the development of **new applications and innovative processes** to improve its customer service, through services such as video consultations, the incorporation of Whatsapp as a communication channel for customers, the digital signature for contracting products and the digital policy, among others.

For further information, please refer to the Sustainability Report - Statement of Non-Financial Information audited and published on our website www.gco.com

03.

Annexes

Concerning GCO

Grupo Catalana Occidente, S.A. (GCO) is a public limited company that does not directly practise in the insurance business, but that is the head of a group of dependent entities that are principally engaged in insurance activities.

The registered office of GCO is in Paseo de la Castellana 4, Madrid (Spain) and its website is: www.gco.com

The Group is subject to the rules and regulations of insurers operating in Spain. The Directorate General of Insurance and Pension Funds as leading supervisor of the College of Supervisors (hereinafter 'DGSFP') performs the functions of supervision in the field of insurance and reinsurance, insurance mediation, capitalisation and pension funds. The DGSFP is located in Madrid (Spain) in Paseo de la Castellana, 44 and its website is:

www.dgfsp.mineco.es

Insurance specialist

- Over 150 years of experience
- Complete offer
- Sustainable and socially responsible model

Closeness – global presence

- Distribution of intermediaries
- Over 15,000 intermediaries
- Over 7,100 employees
- Nearly 1,500 offices
- Over 50 countries

Solid financial structure

- Listed on the Stock exchange
- “A” Rating
- Stable, committed shareholders

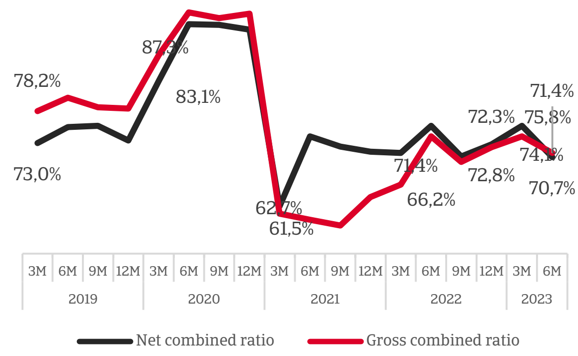
Technical rigour

- Excellent combined ratio
- Strict cost control
- 1999- 2022: profits multiplied by 10
- Diversified and prudent investment portfolio

Additional information for credit insurance

Combined ratio breakdown	6M2022	6M2023	% Chg. 22-23	12M2022
% Gross technical cost	41.9%	38.6%	-3.3	38.7%
% Gross commissions + expenses	32.2%	32.8%	0.6	33.6%
% Gross combined ratio	**74.1%**	**71.4%**	**-2.7**	**72.3%**
% Net technical cost	45.7%	41.0%	-4.7	41.3%
% Net commissions + expenses	30.1%	29.7%	-0.4	31.4%
% Net combined ratio	**75.8%**	**70.7%**	**-5.1**	**72.8%**

Combined gross and net ratio evolution.



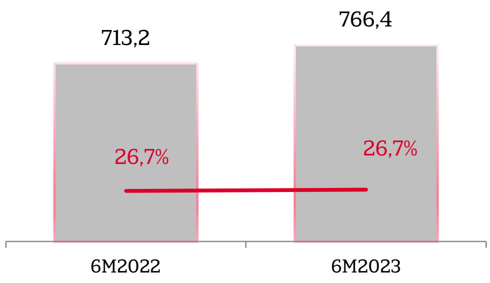
Risk accumulation per country	2019	2020	2021	2022	6M 2023	% Chg. 22-23	% total
Spain and Portugal	98,739	79,231	86,970	97,580	100,278	2.8%	11.4%
Germany	93,024	93,568	108,235	125,354	129,012	2.9%	14.7%
Australia and Asia	95,595	84,153	101,050	121,807	125,880	3.3%	14.3%
The Americas	81,269	71,765	94,039	126,191	126,805	0.5%	14.4%
Eastern Europe	68,595	64,630	77,682	88,671	91,733	3.5%	10.4%
United Kingdom	51,019	46,339	56,511	66,053	66,216	0.2%	7.5%
France	48,407	45,239	50,601	58,808	59,902	1.9%	6.8%
Italy	43,661	42,001	50,352	62,161	61,713	-0.7%	7.0%
Nordic and Baltic countries	31,748	30,779	35,311	40,912	41,727	2.0%	4.7%
The Netherlands	30,392	29,875	33,204	39,063	40,455	3.6%	4.6%
Belgium and Luxembourg	17,444	16,959	19,155	21,816	22,278	2.1%	2.5%
Rest of the world	12,627	10,011	11,934	14,835	14,463	-2.5%	1.6%
Total	**672,520**	**614,549**	**725,043**	**863,252**	**880,462**	**2.0%**	**100.0%**

Risk accumulation per sector	2019	2020	2021	2022	6M 2023	% Chg. 22-23	% total
Electronics	82,858	73,189	90,137	107,892	106,801	-1.0%	12.1%
Chemicals	87,466	82,804	99,390	123,206	124,669	1.2%	14.2%
Durable consumer goods	73,145	69,071	81,697	91,125	89,714	-1.5%	10.2%
Metals	72,285	61,597	78,757	94,888	99,387	4.7%	11.3%
Food	64,587	63,860	71,101	82,021	81,782	-0.3%	9.3%
Transport	61,128	53,098	61,673	75,650	77,905	3.0%	8.8%
Construction	51,495	47,072	53,451	62,382	65,261	4.6%	7.4%
Machinery	41,225	39,635	46,328	55,280	57,404	3.8%	6.5%
Agriculture	33,954	29,845	34,441	39,751	43,881	10.4%	5.0%
Construction materials	29,389	29,345	34,801	41,563	41,337	-0.5%	4.7%
Services	27,109	23,346	25,211	30,309	30,700	1.3%	3.5%
Textiles	19,660	15,404	16,987	19,997	21,237	6.2%	2.4%
Paper	15,065	13,151	15,572	19,227	19,850	3.2%	2.3%
Finance	13,156	13,131	15,497	19,961	20,534	2.9%	2.3%
Total	**672,520**	**614,549**	**725,043**	**863,252**	**880,462**	**2.0%**	**100.0%**

Expenses and commissions

(figures in € million)

Expenses and commissions	6M2022	6M2023	% Chg. 22-23	12M2022
Traditional business	147.2	145.3	-1.3%	306.6
Credit insurance	236.4	255.5	8.1%	497.3
Non-ordinary expenses	3.6	9.4	161.1%	12.6
Total expenses	**387.2**	**410.1**	**5.9%**	**816.5**
Commissions	**326.0**	**356.3**	**9.3%**	**670.8**
Total expenses and commissions	713.2	766.4	**7.5%**	**1,487.3**
% expenses and commissions without recurring premiums	26.7%	26.7%		**30.3%**



Financial result

(figures in € million)

Financial result	6M2022	6M2023	% Chg. 22-23	12M2022
Financial income	88.3	137.9	56.2%	188.7
Exchange-rate differences	-0.8	0.1	-112.5%	-0.8
Subsidiary companies	0.9	0.6	-33.3%	1.9
Interest applied to life	-44.5	-75.2	69.0%	-105.5
Traditional business	**43.8**	**63.4**	**44.7%**	**84.4**
% on earned premiums	**3.2%**	**4.2%**	31.3%	*3.0%*
Financial income	8.7	34.1		28.7
Exchange-rate differences	-1.3	-3.1		11.0
Subsidiary companies	7	4.1	-41.4%	17.8
Interest subordinated debt	-6.3	-6.5	3.2%	-12.7
Credit insurance	**8.2**	**28.7**		**44.8**
% on net income from insurance	**0.7%**	**2.3%**		*1.9%*
Intra-group interest adjustment	-0.2	0		-0.4
Adjusted credit insurance	7.9	28.6		**44.4**
Recurring result from funeral business	**-0.1**	**-8.0**		***0.0***
Ordinary financial	**51.8**	**84.0**	**62.2%**	**128.8**
% of total Group Income	**2.0%**	**3.0%**		*2.5%*
Non-ordinary financial	**-9.0**	**-5.0**		**80.2**
Financial result	**42.8**	**79.1**	**84.8%**	**209.0**

Non-ordinary result

(figures in € million)

Non-ordinary result	6M2022	6M2023	12M2022
Technical	0	-0.5	-53.4
Financial	-5.4	0.2	98.4
Expenses and others	4.4	-0.3	-115.5
Taxes	2.8	0	19.6
Non-ordinary from traditional business	**1.8**	**-0.7**	**-50.6**
Financial	-3.6	-3.6	-18.2
Expenses and others	0	-9.4	-4.6
Taxes	0.9	3.3	-1.0
Non-ordinary credit insurance	**-2.7**	**-9.8**	**-23.8**
Non-recurring from traditional business	0	-0.9	-0.3
Taxes	0	0.2	0.1
Non-recurring from traditional business	**0**	**-0.7**	**-0.2**
Non-ordinary net result	**-1.0**	**-11.1**	**-74.7**

Balance sheet

The assets of GCO stood at €19,210.0 million.

GCO closed the second quarter of 2023 with assets of €19,210.0 million, a decrease of 6.9% since the beginning of the year.

The main items that explain this increase are:

- Technical provisions, with an extra €447.4 million.
- Intangible assets and property, plant and equipment, €765.8 million more.

Note that the item “cash” does not completely reflect the Group's liquidity position as investments in deposits and money market funds are included in Financial Investments (See Investments and Managed funds table).

Likewise, it should be remembered that GCO does not account for the surplus value of its property, so they appear at the amortised cost value and not at market value.

(figures in € million)

Assets	12M2022	6M2023	% Chg. 22-23
Intangible assets and property, plant and machinery	**1,312.0**	**2,077.8**	**58.4%**
Property	**13,312.4**	**13,255.2**	**-0.4%**
Property investment	749.3	736.7	-1.7%
Financial investments	10,436.7	11,279.8	8.1%
Cash and short-term assets	2,126.4	1,238.7	-41.7%
Reinsurance share in technical provisions	**1,200.0**	**1,261.3**	**5.1%**
Other assets	**2,146.4**	**2,615.7**	**21.9%**
Deferred tax assets	282.3	294.1	4.2%
Credits	1,084.3	1,396.0	28.7%
Other assets	779.8	925.6	18.7%
Total assets	**17,970.8**	**19,210.0**	**6.9%**

Liabilities and net equity	12M2022	6M2023	% Chg. 22-23
Permanent resources	**4,374.0**	**4,759.7**	**8.8%**
Net equity	**4,182.6**	**4,593.2**	**9.8%**
Parent company	3,782.4	4,149.2	9.7%
Minority interests	400.2	444.0	10.9%
Subordinated liabilities	**191.3**	**166.5**	**-13.0%**
Technical provisions	**11,730.1**	**12,177.5**	**3.8%**
Other liabilities	**1,866.7**	**2,272.7**	**21.7%**
Other provisions	258.3	256.8	-0.6%
Deposits received due to ceded reinsurance	14.3	18.9	32.4%
Deferred tax liabilities	308.7	422.5	36.9%
Debts	1,026.7	1,325.3	29.1%
Other liabilities	258.7	249.2	-3.7%
Total net liabilities and equity	**17,970.8**	**19,210.0**	**6.9%**

Corporate structure

GCO is composed of 50 companies, mostly involved in the insurance business. The parent company is Grupo Catalana Occidente S.A., which directly and indirectly runs and manages the investments of all Group entities.

All of these have their own structure and organisational network, independent from the other insurance companies in the Group. From an organisational point of view they have a structure with functions for the centralisation and decentralisation of operations, with the following service centres: two underwriting centres, six claims centres, an administrative centre and a call centre.

GCO Main entities		
Seguros Catalana Occidente	Tecniseguros	GCO Gestión de Activos
Seguros Bilbao	Bilbao Vida	GCO Gestora de Pensiones
NorteHispana Seguros	S. Órbita	Bilbao Hipotecaria
Plus Ultra Seguros	Previsora Bilbaina Agencia de Seguros	Sogesco
GCO Re	Bilbao Telemark	Hercasol SICAV
	Inversions Catalana Occident	GCO Activos Inmobiliarios
	CO Capital Ag. Valores	Catoc Inversiones Globales
	Cosalud Servicios	
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Centre	
	Grupo Asistea	Taurus Bidco
	Grupo Mémora	
Atradius Crédito y Caución	Atradius Collections	Grupo Compañía Española Crédito y Caución
Atradius Re	Atradius Dutch State Business	Atradius NV
Atradius ATCI	Atradius Information Services	Atradius Participations Holding
Atradius Seguros de Crédito México	Iberinform International	Atradius Finance
Atradius Rus Credit Insurance*		
Crédito y Caución Seguradora de Crédito e Grantias Brazil		
INSURANCE COMPANIES	**COMPLEMENTARY INSURANCE COMPANIES**	**INVESTMENT COMPANIES**

Traditional business
Funeral Business
Credit insurance business

* July 2023, the subsidiary Atradius RUS Credit Insurance was sold

Board of Directors

GCO has a Board of Directors that applies the principles of good governance with transparency and rigour

The Board of Directors is the maximum management authority in Grupo Catalana Occidente, S.A. The Board delegates ordinary management in the management team and concentrates its activity on the supervision function which includes:

- Strategic responsibility: direct the policies of the Group.
- Supervision responsibility: control the management events.
- Communication responsibility: serve as a link between shareholders.

Among other issues, the Board of Directors is responsible for the approval of the strategic plan, the annual objectives and budgets, the investment and finance policy and the policies of corporate governance, corporate responsibility and risk control and management.

Its operation and actions are regulated by the Articles of Association and in the Regulations of the Board of Directors (available on the Group's website).

The Board of Directors annually approves the corporate governance report and the report on remuneration for the members of the Board of Directors corresponding to each year, following the guidelines established by the regulations in relation to the transparency of listed entities, and which is later submitted to a vote in the General Shareholders Meeting.

Board of Directors

Chairman

* José María Serra Farré***

Vice Chairman and Chief Executive Officer

* Hugo Serra Calderón

Board Members

Federico Halpern Blasco

** Francisco Javier Pérez Farguell

Maria Assumpta Soler Serra

** Beatriz Molins Domingo

** Raquel Cortizo Almeida

Jorge Enrich Serra

Álvaro Juncadella de Pallejá

Non-board member secretary

Joaquín Guallar Pérez

*Executive directors **Independent

Audit Committee

Chairman

Francisco Javier Pérez Farguell

Board Members

Álvaro Juncadella de Pallejá

Beatriz Molins Domingo

Appointments and Remunerations Committee

Chairman

Francisco Javier Pérez Farguell

Board Members

Jorge Enrich Serra

Beatriz Molins Domingo

The CVs are available on the Group's website

For further information about the governance system, see SFCR

***Mr. José Maria Serra Farré has voluntarily relinquished his executive powers effective 31 July 2023, so that as of that date he will be reclassified as a proprietary director.

Calendar and contact

January	February	March	April	May	June	July	August	September	October	November	December
	24 Profits/(losses) **12M2022**		**27** Profits/(losses) **3M2023**			**27** Profits/(losses) **6M2023**			**26** Profits/(losses) **9M2023**		
	24 Presentation of results **12M2022** **10.30**		**28** Presentation of results **3M2023** **11.00**			**27** Presentation of results **6M2023** **16.30**			**26** Presentation of results **9M2023** **16.30**		
			27 General Shareholders' Meeting **2022**								
	Interim dividend **2022**			Complementary dividend **2022**		Interim dividend **2023**			Interim dividend **2023**		

@gco_news

Analysts and investors

+34 915 661 302
analistas@catalanaoccidente.com

Shareholder services

+34 935 820 667
accionistas@catalanaoccidente.com

www.gco.com

Glossary

Item	Definition	Formulation	Importance and relevance of use
Technical result after expenses	Result of the insurance activity	**Technical result after expenses =** (earned premiums from direct insurance + earned premiums from accepted reinsurance + information services and commissions) – Technical cost – Bonuses and rebates - Net operating expenses - Other technical expenses	Relevant Entity Relevant investors
Reinsurance result	Result due to transferring business to the reinsurer or accepting business from other entities.	**Reinsurance result** = Result of accepted reinsurance + Result of ceded reinsurance	Relevant Entity Relevant investors
Financial result	Result of the financial investments.	**Financial result =** income from financial assets (coupons, dividends, actions) - financial expenses (commissions and other expenses) + result of subsidiary companies - interest accrued on the debt - interest paid to the insured parties of the life insurance business	Relevant Entity Relevant investors
Technical/financial result	Result of the insurance activity, including the financial Result. This result is particularly relevant for Life insurance.	**Technical/financial result =** Technical Result + Financial result	Relevant Entity Relevant investors
Result of non-technical non-financial account	Income and expenses that cannot be assigned to the technical or financial profits/(losses).	**Result of non-technical non-financial account =** Income - expenses that cannot be assigned to the technical or financial profits/(losses).	Relevant Entity Relevant investors
Result from complementary activities	Result from activities that cannot be assigned to the purely insurance business. Includes the funeral business and ancillary credit activities (mainly: information services, debt collection, management of the Dutch state's export account).	**Result from complementary activities** = income - expenses of these businesses	Relevant Entity Relevant investors
Ordinary result	Result from the entity's regular activity	**Ordinary result =** technical/financial Result + non-technical account result - taxes, all resulting from normal activity	Relevant Entity Relevant investors
Non-ordinary result	Extraordinary or atypical movements that may undermine the analysis of the income statement. These are classified depending on their nature (technical, expenses and financial) and by business type (traditional and credit insurance)	**Non-ordinary result** = technical/financial result + non-technical account result - taxes, all resulting from extraordinary or atypical activity.	Relevant Entity Relevant investors
Turnover	Turnover is the Group's business volume. It includes premiums that the Group generates in each of the business lines and the income from services pertaining to the credit insurance. Funeral Business	**Turnover =** Premiums invoiced + Income from information **Premiums invoiced =** premiums issued from direct insurance + premiums from accepted reinsurance	Relevant Entity Relevant investors

Managed funds	Amount of the financial and property assets managed by the Group	**Managed funds =** Financial and property assets entity risk + Financial and property assets policyholder risk + Managed pension funds **Managed funds =** fixed income + variable income + properties + deposits in credit entities + treasury + investee companies	Relevant investors
Financial strength	This shows the debt and solvency situation. This is principally measured through the debt ratio, the interest coverage ratio and the credit rating.	**Debt Ratio** = Debt / Equity + Debt	Relevant investors
Technical cost	Direct costs of claims coverage. See claims.	**Technical cost** = claims in the year, net of reinsurance + variation of other technical provisions, net of reinsurance	
Average cost of the claims	Reflects the average cost per claim	**Average cost of claims** = Technical cost / number of claims corresponding to that period.	
Deposits from ceded reinsurance	Deposits retained by the Group to secure the financial obligations of reinsurers	**Deposits from ceded reinsurance** Amounts received from ceded reinsurance to guarantee obligations arising from reinsurance contracts, the amount corresponds to the balance shown in the balance sheet	
Dividend yield	The profitability per dividend or dividend yield shows the relationship existing between the dividends distributed in the previous year with the value of the average share. Indicator used to value the shares of an entity	**Dividend yield** = dividend paid in the year per share / value of the price of the average share	Relevant investors
Modified Duration	Sensitivity of the value of the assets to movements in interest rates	**Modified duration**= Represents an approximation of the value of the percentage change in the value of the financial assets for each percentage point (100 basic points) of change in the interest rates.	
Expenses	The general expenses include the costs incurred for management of the business, excluding those that can be assigned to claims.	**Expenses =** personnel expenses + commercial expenses + various expenses and services (allowance, training, management rewards, material and other office expenses, leases, external services, etc.)	Relevant Entity Relevant investors
Permanence index	This measures the customer's expectations of continuing with the entity Scale from less than 1 year to over 5 years	**Permanence index=** how long do you think that you will remain a customer?	Relevant Entity Relevant investors
Satisfaction with company index	This measures the general satisfaction of the customer with the entity Scale from 1 to 10	**Overall satisfaction index** = (Satisfied – dissatisfied) / respondents Satisfied responses with result from 7 to 10 Dissatisfied responses with result from 1 to 4	Relevant Entity Relevant investors
Service satisfaction index	This measures the evaluation of the service received Scale from 1 to 10	**Service satisfaction index** = (Satisfied – dissatisfied) / respondents Satisfied responses with result from 7 to 10 Dissatisfied responses with result from 1 to 4	Relevant Entity Relevant investors
Income from insurance	This measures income directly derived from the activities of insurance and information services	**Income from insurance =** premiums accrued from direct insurance + premiums accrued fro accepted reinsurance + information services and commissions	Relevant Entity Relevant investors
Income from information	Income obtained from the study of the financial information of debtors of the credit business' policyholders in order to contract a policy	**Income from information** = Information services and commissions	Relevant Entity Relevant investors

Managed funds	A group of assets managed by the Group in order to obtain a financial return on them.	**Financial assets** on the entity's balance sheet (real estate, fixed income, equities, ...) plus assets managed by the Group for its customers in pension plans and mutual funds	Relevant Entity Relevant investors
Investments in associated / subsidiary entities	Non-dependant entities where the Group has significant influence	**Investments in associated / subsidiary entities =** accounting value of the economic investment	
Net Promoter Score NPS	This measures the degree of customer loyalty with the entity.	**Net Promoter score =** Would you recommend the company to family and friends? = (promoters-critics)/ respondents Promoters: responses with result equal to 9 or 10 Critics: responses with result from 1 to 6	Relevant Entity Relevant investors
Pay out	Ratio that indicates the part of the result distributed among investors through dividends	**Pay out** = (Total dividend/ Result of the year attributable to the parent company) x 100	Relevant investors
Price Earnings Ratio PER	The price-earnings ratio or PER measures the relationship between the price or value of the entity and the results. Its value expresses what the market pays for each monetary unit of results. It is representative of the entity's capacity to generate results.	**PER =** Price of the share at market close / Result of the year attributable to the parent company per share	Relevant investors
Recurring premiums	Total premiums without considering non-periodic premiums in the Life business	**Recurring premiums** = Earned premiums - single and supplementary life business premiums	Relevant Entity Relevant investors
Technical provisions	Amount of the obligations assumed that are derived from insurance and reinsurance contracts.		Relevant Entity Relevant investors
Combined ratio	Indicator that measures the technical profitability of the Non Life insurance policies.	**Combined ratio** = Ratio of claims + ratio of expenses	Relevant Entity Relevant investors
Net combined ratio	Indicator that measures the technical profitability of the non-life insurances net of the reinsurance effect	**Net combined ratio** = Net ratio of claims + net ratio of expenses	
Efficiency ratio	Ratio reflecting the portion of premium income devoted to operating expenses and commissions	**Efficiency Ratio** = (Total expenses and commissions) / Recurring premiums	Relevant Entity Relevant investors
Expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses.	**Expenses ratio** = Expenses from operation / Income from insurance	
Net expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses, net of the reinsurance effect	**Net expenses ratio**= (Net expenses from reinsurance operation) / (premiums attributed to direct business and accepted reinsurance + information services and commissions)	
Claims ratio	Business indicator, consisting of the proportion between claims and earned premiums.	**Claims ratio** = Claims / Income from insurance	Relevant Entity Relevant investors
Net claims ratio	Business indicator, consisting of the proportion between claims and earned premiums, net of the reinsurance effect.	**Net claims ratio=** Claims in the year, net of reinsurance / (premiums attributed to direct business and accepted reinsurance + information services and commissions)	

Permanent resources	Resources that can be included in own funds.	**Permanent resources** = Total net equity + subordinated liabilities	Relevant Entity Relevant investors
Permanent resources at market value	Resources that can be included in own funds at market value	**Permanent resources at market value =** Total net equity + subordinated liabilities + capital gains associated to properties for own use + capital gains associated to property investments	Relevant Entity Relevant investors
Resources transferred to the company	Amount that the Group returns to the main groups of interest.	**Resources transferred to the company =** claims paid + taxes + commissions + personnel expenses + dividends	
Return On Equity ROE	Financial profitability or rate of return Measures the performance of the capital	**ROE =** (Result of the year. Attributable to the parent company) / (Simple average of the Equity attributable to shareholders of the parent company at the start and end of the period (twelve months)) x 100	Relevant investors
Claims	See technical cost. Economic assessment of claims.	**Claims =** Payments made from direct insurance + Variation of the provision for services of direct insurance + expenses attributable to services	
Total expenses and commissions	Commissions and expenses (except those that can be allocated to claims) arising from the management of the business.	**Expenses and commissions** = Operating expenses + commissions paid on policies	
Total Potential Exposure TPE	This is the potential exposure to risk, also "cumulative risk".Credit insurance business term	**TPE =** the sum of the credit risks underwritten by the Group for each buyer	Relevant Entity Relevant investors
Value of responsible investments with respect to total investments and managed funds	Ratio that reflects the assets managed by the Group that comply with the Group's Responsible Investment Policy, with respect to the total investments and funds managed by the Group.	Investments that comply with the Group's Responsible Investment Policy/ Total investments and funds under management by the Group	
Generated economic value	The generated economic value is the aggregation of the value distributed by the Group and the value retained by the Group.	**Direct generated economic value** = economic value distributed + economic value retained	
Distributed economic value	Economic value that the Group has allocated to the following stakeholders: customers, public administrations, mediators, employees, shareholders and contributions to foundations and non-profit organisations.	**Distributed economic value** = payment of benefits to customers + taxes paid and social security contributions + payments to suppliers + salaries and employee benefits + dividends paid + Group contributions to foundations and non-profit organisations.	
Retained economic value	Amount of GCO's undistributed annual net income.	**Retained economic value** = Annual amount of GCO's after-tax income allocated to Reserves.	
Theoretical book value	The value per share that a company has for accounting purposes. Book value per share.	**Theoretical book value** = net equity/ number of shares	Relevant investors

Legal note

This document has been prepared by GCO exclusively for use in the presentation of results. The statements of the future or predictions that may be contained in this document do not constitute, by their very nature, guarantees of future compliance and are subject to risk, uncertainty and other relevant factors, which may determine that the development and final results differ materially from the statements made on these pages. Among these factors, we can highlight the following: performance of the insurance sector and of the overall economic situation in the countries where the entity operates; modifications to the legal framework; changes in monetary policy; pressure from the competition; changes in trends upon which the mortality and morbidity tables are based which affect the insurance activity in the areas of life and health; frequency and severity of the claims subject to coverage, both in the scope of the insurance activity and of general insurance such as life; fluctuation of the interest rates and the exchange rates; risks associated to the use of derived products; effect of future acquisitions.

GCO is not obliged to periodically revise the content of this document in order to adapt it to events or circumstances posterior to this presentation.

The statements of this declaration must be taken into account by all people or entities that may have to adopt decisions or make or publish opinions relative to securities issued by the Company and, in particular, by the analysts and investors that use this document.

04.

Interim financial statements

GRUPO CATALANA OCCIDENTE, S.A. AND SUBSIDIARIES
(Grupo Catalana Occidente)

CONDENSED CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2023
AND 31 December 2022 (Notes 1 & 2)

(Figures in thousands of euros)

ASSETS	30.06.2023		31.12.2022 (*)	
1. Cash and other cash equivalents		**1.238.707**		**2.126.407**
2. Financial assets held for trading		**-**		**-**
3. Financial assets at fair value through profit or loss (Note 7.c.)		**1.951.061**		**1.688.819**
a) Equity instruments	808.541		612.032	
b) Debt securities	108.264		107.121	
c) Investments held for the benefit of policyholders who bear the investment risk	815.222		748.723	
d) Loans	-		-	
e) Deposits with credit institutions	219.034		220.943	
4. Financial assets at fair value through changes in other comprehensive income (Note 7.c.)		**8.835.672**		**8.293.395**
a) Equity instruments	1.704.875		1.429.911	
b) Debt securities	7.030.151		6.751.811	
c) Loans	-		-	
d) Bank deposits	100.646		111.673	
e) Other	-		-	
5. Financial assets measured at amortised cost (Note 7.c.)		**1.109.905**		**901.299**
a) Debt securities	-		-	
b) Loans and other financial assets	373.273		338.856	
c) Receivables	734.127		560.612	
d) Investments held for the benefit of policyholders who bear the investment risk	2.505		1.831	
6. Hedging derivatives		**-**		**-**
7. Assets under insurance contracts		**112.017**		**105.621**
a) Assets for remaining coverage	(61.632)		(56.599)	
b) Assets for claims incurred	173.649		162.220	
8. Assets under reinsurance contracts		**929.810**		**844.869**
a) Assets for remaining coverage	487.143		472.454	
b) Assets for claims incurred	442.667		372.415	
9. Property, plant and equipment and investment property		**1.235.438**		**1.138.195**
a) Property, plant and equipment (Note 7.a.)	498.722		388.914	
b) Investment property (Note 7.a.)	736.716		749.281	
10. Intangible fixed assets (Note 7.b)		**1.579.032**		**923.036**
a) Goodwill (Note 7.b.1.)	1.112.854		787.112	
b) Policy portfolio acquisition costs	157		169	
c) Other intangible assets	466.021		135.755	
11. Investment in entities accounted for using the equity method (Note 7.d.)		**116.163**		**112.268**
12. Tax assets		**372.292**		**397.378**
a) Current tax assets	143.592		92.787	
b) Deferred tax assets	228.700		304.591	
13. Other assets		**163.968**		**143.284**
14. Assets held for sale		**27.376**		**34.742**
TOTAL ASSETS		**17.671.441**		**16.709.313**

(*) Presented solely and exclusively for comparison purposes. Comparative data have been restated. See Note 2.e) to the Explanatory Notes.
The accompanying explanatory Notes 1 to 9 are an integral part of the Condensed Consolidated Balance Sheet at 30 June 2023.

GRUPO CATALANA OCCIDENTE, S.A. AND SUBSIDIARIES
(Grupo Catalana Occidente)

CONDENSED CONSOLIDATED BALANCE SHEETS AT 30 JUNE 2023
AND 31 December 2022 (Notes 1 & 2)

(Figures in thousands of euros)

NET LIABILITIES AND EQUITY	30.06.2023		31.12.2022 (*)	
TOTAL LIABILITIES		**12.425.533**		**11.863.309**
1. Financial liabilities designated at fair value through profit or loss		**-**		**-**
2. Financial liabilities at amortised cost		**1.360.220**		**1.119.336**
a) Subordinated liabilities (Note 7.f.)	166.496		191.345	
b) Other payables	1.193.724		927.991	
3. Hedging derivatives		**-**		**-**
4. Liabilities under insurance contracts (Note 7.e.)		**9.944.229**		**9.739.910**
a) Liabilities for remaining coverage	7.896.245		7.766.614	
b) Liabilities for incurred claims	2.047.984		1.973.296	
5. Liabilities under reinsurance contracts (Note 7.e.)		**20**		**37**
a) Liabilities for remaining coverage	(10)		37	
b) Liabilities for incurred claims	30		-	
6. Non-technical provisions		**238.254**		**245.354**
7. Tax liabilities		**661.568**		**589.903**
a) Current tax liabilities	141.073		95.105	
b) Deferred tax liabilities	520.495		494.798	
8. Other liabilities		**202.794**		**146.918**
9. Liabilities linked to assets held for sale		**18.448**		**21.851**
TOTAL NET EQUITY		**5.245.908**		**4.846.004**
Equity		**4.338.599**		**4.090.865**
1. Capital		36.000		36.000
2. Share Premium Account		1.533		1.533
3. Reserves		3.953.746		3.579.175
4. *Less:* Shares and holdings in own equity (Note 7.k)		(22.787)		(22.787)
5. Profits/(losses) from previous years		-		-
6. Other contributions from shareholders		-		-
7. Profit/(loss) for the year attributable to the parent company		370.107		496.944
8. *Less:* Interim dividend		-		-
9. Other net equity instruments		-		-
Other accumulated comprehensive income		**403.698**		**301.195**
1. Items that will not be re-classified to profits/(losses)		441.693		339.976
a) Changes in the fair value of equity instruments measured at fair value through other comprehensive income	441.693		339.976	
2. Items that may be subsequently reclassified to profit or loss		(37.995)		(38.781)
a) Changes in the fair value of debt instruments measured at fair value through other comprehensive income	(148.484)		(229.267)	
b) Hedging derivatives	-		-	
c) Exchange differences	23.073		27.127	
d) Changes in the fair value of insurance contracts measured at fair value through other comprehensive income	97.900		166.456	
e) Changes in the fair value of reinsurance contracts held measured at fair value through other comprehensive income	(4.132)		44	
f) Entities accounted for using the equity method	(6.352)		(3.141)	
g) Other adjustments				
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY (Note 7.h.)		**4.742.297**		**4.392.060**
MINORITY INTERESTS (Note 7.h.)		**503.611**		**453.944**
1. Other accumulated comprehensive income		(4.687)		(11.500)
2. Other		508.298		465.444
TOTAL NET EQUITY AND LIABILITIES		**17.671.441**		**16.709.313**

(*) Presented solely and exclusively for comparison purposes. Comparative data have been restated. See Note 2.e) to the Explanatory Notes.
The accompanying explanatory Notes 1 to 9 are an integral part of the Condensed Consolidated Balance Sheet at 30 June 2023.

GRUPO CATALANA OCCIDENTE, S.A. AND SUBSIDIARIES
(Grupo Catalana Occidente)

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNTS FOR THE SIX MONTH PERIODS ENDED ON 30 JUNE 2023 AND 2022 (Notes 1 and 2)

(Figures in thousands of euros)

	1st Half-Year 2023	1st Half-Year 2022 (*)
1. Insurance service income	2.404.556	2.200.074
a) Income from contracts measured under the general method (BBA) and equity method (VFA)	1.292.375	1.160.635
a.1) Amounts related to changes in the liability for the remaining coverage	927.431	797.433
- Expected benefits and expenses	724.083	599.997
- Changes in the risk adjustment for non-financial risk	51.146	41.631
- CSM recognised for services provided	152.202	155.805
a.2) Release (recovery) of acquisition costs allocated to the period	235.413	206.871
a.3) Adjustment of experience related to current services	129.531	156.331
b) Contract income measured under the simplified approach (PAA)	1.112.181	1.039.439
2. Insurance service expenses	(1.845.638)	(1.650.883)
a) Benefits and expenses incurred	(1.372.787)	(1.193.487)
b) Amortisation of acquisition costs	(516.782)	(480.792)
c) Change in liability for incurred claims	43.931	23.396
A) PROFIT/(LOSS) ASSOCIATED WITH INSURANCE CONTRACTS ISSUED	**558.918**	**549.191**
3. Reinsurance expenses	(399.242)	(336.856)
4. Income from reinsurance recoveries	238.686	155.909
B) PROFIT/(LOSS) ASSOCIATED WITH REINSURANCE CONTRACTS HELD	**(160.556)**	**(180.947)**
C) PROFIT/(LOSS) OF THE INSURANCE SERVICE (A + B)	**398.362**	**368.244**
5. Income from interest	81.049	70.480
6. Income from dividends	45.998	40.585
7. Net gain / (loss) on financial instruments	81.086	(216.755)
8. Impairment losses on financial instruments	2.454	(12.454)
9. Net gain / (loss) for exchange rate	(2.957)	(2.152)
10. Other financial income / (expenses)	12.176	(13.373)
11. Income / (expenses) from property, plant and equipment and investment property	(3.214)	7.955
12. Profits/(losses) of entities accounted for using the equity method	4.819	7.904
D) NET INVESTMENT PROFIT/(LOSS)	**221.411**	**(117.810)**
13. Financial income / (expenses) for insurance associated with insurance contracts issued	(145.797)	139.971
14. Financial income / (expenses) associated with reinsurance contracts held	929	(16.444)
E) TOTAL FINANCIAL INCOME OR EXPENSES FOR INSURANCE	**(144.868)**	**123.527**
F) NET INSURANCE AND INVESTMENT PROFIT/(LOSS) (C+D+E))	**474.905**	**373.961**
15. Other income	258.321	162.217
16. Other expenses	(196.615)	(138.178)
F) PROFIT BEFORE TAX	**536.611**	**398.000**
17. Income tax	(128.077)	(82.305)
F) PROFIT/(LOSS) FOR THE YEAR FROM DISCONTINUED OPERATIONS	**408.534**	**315.695**
18. Profit/(loss) for the year from discontinued operations and/or held for sale, net of taxes	2.232	-
G) CONSOLIDATED PROFIT/(LOSS) FOR THE YEAR	**410.766**	**315.695**
a) Profit attributable to equity holders of the parent company	370.107	289.735
b) Profit attributable to minority interests	40.659	25.960

(figures in Euros)

PROFIT PER SHARE (Note 5.b)		
Basic	3,14	2,46
Diluted	3,14	2,46

(*) Presented solely and exclusively for comparison purposes. Comparative data have been restated. See Note 2.e) to the Explanatory Notes.

The accompanying explanatory Notes 1 to 9 are an integral part of the Condensed Consolidated Profit and Loss Account for the six month period ended on 30 June 2023.

GRUPO CATALANA OCCIDENTE, S.A. AND SUBSIDIARIES
(Grupo Catalana Occidente)

CONDENSED CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSES FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2023 AND 2022 (Notes 1 & 2)

(Figures in thousands of euros)

	1st Half-Year 2023	1st Half-Year 2022 (*)
A) CONSOLIDATED PROFIT FOR THE PERIOD	**410.766**	**315.695**
B) OTHER COMPREHENSIVE INCOME - ITEMS NOT RECLASSIFIED IN THE PROFIT/(LOSS) FOR THE PERIOD	**114.713**	**(302.323)**
1. Actuarial Gains/(losses) on long term remuneration to personnel	**(12)**	**17.836**
2. Share in other comprehensive income recognised by investments in joint ventures and associates	**-**	**-**
3. Movement related to equity instruments at fair value through other comprehensive income	**150.258**	**(413.024)**
4. Other income and expenses not reclassified in the profit/(loss) for the period	**-**	**-**
5. Tax effect	**(35.533)**	**92.865**
C) OTHER COMPREHENSIVE INCOME - ITEMS THAT CAN BE RECLASSIFIED AFTER THE RESULTS	**2.710**	**270.771**
1. Movement associated with debt instruments at fair value with changes in other comprehensive income:	**111.871**	**(385.985)**
a) Valuation gains/(losses)	113.324	(390.966)
b) Amounts transferred to the profit and loss account	(1.453)	4.981
c) Other reclassifications	-	-
2. Cash flow hedges:	**-**	**-**
a) Valuation gains/(losses)	-	-
b) Amounts transferred to the income statement	-	-
c) Amounts transferred to the initial carrying amount of hedged items	-	-
d) Other reclassifications	-	-
3. Financial income /(expenses) from insurance contracts	**(91.408)**	**613.003**
4. Financial income /(expenses) from reinsurance contracts	**(5.568)**	**(2.887)**
5. Hedges of net investments in foreign operations:	**-**	**-**
a) Valuation gains/(losses)	-	-
b) Amounts transferred to the income statement	-	-
c) Other reclassifications	-	-
6. Exchange differences:	**(5.250)**	**134.519**
a) Valuation gains/(losses)	(5.250)	134.519
b) Amounts transferred to the income statement	-	-
c) Other reclassifications	-	-
7. Assets held for sale:	**-**	**-**
a) Valuation gains/(losses)	-	-
b) Amounts transferred to the income statement	-	-
c) Other reclassifications	-	-
8. Share in other comprehensive income recognised by investments in joint ventures and associates:	**(3.211)**	**2.454**
a) Valuation gains/(losses)	(3.211)	2.454
b) Amounts transferred to the income statement	-	-
c) Other reclassifications	-	-
9. Other income and expenses that can be reclassified after the profit/(loss) for the period	**-**	**-**
10. Tax effect	**(3.724)**	**(90.333)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A + B + C)	**528.189**	**284.143**
a) Attributable to equity holders of the parent company	481.591	257.407
b) Attributable to minority interests	46.598	26.736

(*) Presented solely and exclusively for comparison purposes. Comparative data have been restated. See Note 2.e) to the Explanatory Notes.

The accompanying Notes 1 to 9 are an integral part of the Condensed Consolidated Statements of Recognised Income and Expenses for the six month period ended on 30 June 2023.

CONDENSED CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE SIX MONTH PERIODS ENDED ON 30 JUNE 2023, 31 DECEMBER 2022 AND 30 JUNE 2022 (Notes 1 & 2)

(Figures in thousands of euros)

	Equity attributable to equity holders of the parent company							
	Equity					Other accumulated comprehensive income	Minority interests	Total net equity
	Capital or mutual fund	Share premium and Reserves	Shares and holdings in own equity	Profit/(loss) for the year attributable to the parent company	(Interim dividends)			
Closing balance at 1 January 2022 (*)	**36.000**	**2.769.039**	**(23.262)**	**427.227**	**-**	**867.630**	**396.206**	**4.472.840**
Adjustment for initial application of IFRS 17 and IFRS 9 (net of tax effect)	-	898.943	-	(427.227)	-	(523.265)	38.325	(13.224)
Adjustment for errors	-	-	-	-	-	-	-	-
Adjusted opening balance at 1 January 2022 (restated)	**36.000**	**3.667.982**	**(23.262)**	**-**	**-**	**344.365**	**434.531**	**4.459.616**
I. Total recognised income/(expenses), first half-year 2022	**-**	**(15.977)**	-	**289.735**	-	**(16.351)**	**26.736**	**284.143**
II. Transactions with shareholders or owners	**-**	**(41.508)**	**475**	**-**	**(53.556)**	**-**	**(4.591)**	**(99.180)**
1. Capital increases/(decreases)	-	-	-	-	-	-	-	-
2. Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
3. Dividend distribution (See Note 5.a)	-	(41.508)	-	-	(53.556)	-	(4.591)	(99.655)
4. Transactions with shares or holdings in own equity (net) (Note 7.k)	-	-	475	-	-	-	-	475
5. Increases (decreases) due to business combinations	-	-	-	-	-	-	-	-
6. Other transactions with members or shareholders	-	-	-	-	-	-	-	-
III. Other changes in equity	**-**	**(53.556)**	-	**-**	**53.556**	**-**	**-**	**-**
1. Share-based payments	-	-	-	-	-	-	-	-
2. Transfers between equity components	-	(53.556)	-	-	53.556	-	-	-
3. Other changes	-	-	-	-	-	-	-	-
Closing balance at 30 June 2022 (*)	**36.000**	**3.556.941**	**(22.787)**	**289.735**	**-**	**328.014**	**456.676**	**4.644.579**
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjustment for errors	-	-	-	-	-	-	-	-
Opening balance adjusted	**36.000**	**3.556.941**	**(22.787)**	**289.735**	**-**	**328.014**	**456.676**	**4.644.579**
I. Total recognised income/(expenses), second half-year 2022	**-**	**45.271**	**-**	**207.209**	**-**	**(26.819)**	**19.636**	**245.297**
II. Transactions with shareholders or owners	**-**	**(21.504)**	**-**	**-**	**-**	**-**	**(22.368)**	**(43.872)**
1. Capital increases/(decreases)	-	-	-	-	-	-	-	-
2. Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
3. Dividend distribution	-	(21.504)	-	-	-	-	(22.368)	(43.872)
4. Transactions with shares or holdings in own equity (net) (Note 7.k)	-	-	-	-	-	-	-	-
5. Increases (decreases) due to business combinations	-	-	-	-	-	-	-	-
6. Other transactions with members or shareholders	-	-	-	-	-	-	-	-
III. Other changes in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Share-based payments	-	-	-	-	-	-	-	-
2. Transfers between equity components	-	-	-	-	-	-	-	-
3. Other changes	-	-	-	-	-	-	-	-
Closing balance at 31 December 2022 (*)	**36.000**	**3.580.708**	**(22.787)**	**496.944**	**-**	**301.195**	**453.944**	**4.846.004**
Adjustment for changes in accounting policies	-	(2.693)	-	-	-	-	-	(2.693)
Adjustment for errors	-	-	-	-	-	-	-	-
Opening balance adjusted to 1 January 2023	**36.000**	**3.578.015**	**(22.787)**	**496.944**	**-**	**301.195**	**453.944**	**4.843.311**
I. Total recognised income/(expenses), first half-year 2023	**-**	**8.981**	**-**	**370.107**	**-**	**102.503**	**46.598**	**528.189**
II. Transactions with shareholders or owners	**-**	**(44.616)**	**-**	**-**	**(58.908)**	**-**	**3.069**	**(100.455)**
1. Capital increases/(decreases)	-	-	-	-	-	-	-	-
2. Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
3. Dividend distribution (See Note 5.a)	-	(44.616)	-	-	(58.908)	-	(4.944)	(108.468)
4. Transactions with shares or holdings in own equity (net) (Note 7.k)	-	-	-	-	-	-	-	-
5. Increases (decreases) due to business combinations	-	-	-	-	-	-	8.013	8.013
6. Other transactions with members or shareholders	-	-	-	-	-	-	-	-
III. Other changes in equity	**-**	**412.899**	-	**(496.944)**	**58.908**	**-**	**-**	**(25.137)**
1. Share-based payments	-	-	-	-	-	-	-	-
2. Transfers between equity components	-	438.036	-	(496.944)	58.908	-	-	-
3. Other changes	-	(25.137)	-	-	-	-	-	(25.137)
Closing balance at 30 June 2023	**36.000**	**3.955.279**	**(22.787)**	**370.107**	**-**	**403.698**	**503.611**	**5.245.908**

(*) Presented solely and exclusively for comparison purposes. Comparative data have been restated. See Note 2.e) to the Explanatory Notes.

The accompanying Notes 1 to 9 are an integral part of the Condensed Consolidated Statement of Changes in Total Equity for the six month period ended on 30 June 2023.

GRUPO CATALANA OCCIDENTE, S.A. AND SUBSIDIARIES
(Grupo Catalana Occidente)

ABRIDGED CONSOLIDATED STATEMENTS OF CASH FLOWS GENERATED IN THE SIX MONTH PERIODS ENDED 30 JUNE 2023 AND 2022 (DIRECT METHOD) (Notes 1 and 2)

(Figures in thousands of euros)

	1st Half-Year 2023	1st Half-Year 2022 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3)	**298.467**	**391.545**
1. Insurance activities:	**193.662**	**584.126**
(+) Cash received from insurance activities	3.097.397	3.093.468
(-) Cash paid in insurance activities	(2.903.735)	(2.509.342)
2. Other operating activities:	**155.340**	**(126.686)**
(+) Cash received from other operating activities	295.506	175.445
(-) Cash paid in other operating activities	(140.166)	(302.131)
3. Income tax refunded/(paid)	**(50.535)**	**(65.895)**
B) CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2)	**(1.103.816)**	**58.480**
1. Cash received from investing activities:	**1.346.324**	**1.884.216**
(+) Property, plant and equipment	68	760
(+) Investment property	3.411	17.683
(+) Intangible assets	-	-
(+) Financial instruments	938.609	1.596.607
(+) Subsidiaries and other business units	-	24.250
(+) Cash collected on settlement of derivative contracts held for hedging purposes	-	-
(+) Interest received	81.049	70.480
(+) Dividends received	45.998	40.585
(+) Other cash received in relation to investing activities	277.189	133.851
2. Payments from investment activities:	**(2.450.140)**	**(1.825.736)**
(-) Property, plant and equipment	(17.417)	(11.456)
(-) Investment property	(3.719)	(8.975)
(-) Intangible assets	(13.907)	(23.430)
(-) Financial instruments	(1.809.683)	(1.635.032)
(-) Subsidiaries and other business units (Note 1.b)	(401.319)	(3.521)
(-) Cash paid on settlement of derivative contracts held for hedging purposes	-	-
(-) Other cash paid in relation to investing activities	(204.095)	(143.322)
C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2)	**(85.039)**	**(78.018)**
1. Cash received from financing activities:	**79**	**675**
(+) Subordinated liabilities	-	-
(+) Cash received from issue of equity instruments and capital increase	-	-
(+) Assessments received and contributions from members or mutual members	-	-
(+) Disposal of treasury shares (Note 7.k)	-	475
(+) Other cash received in relation to financing activities	79	200
2. Cash paid in investing activities:	**(85.118)**	**(78.693)**
(-) Dividends to shareholders (Note 5.a)	(80.412)	(73.560)
(-) Interest paid	(4.706)	(5.075)
(-) Subordinated liabilities	-	-
(-) Cash paid for return of contributions to shareholders	-	-
(-) Assessments paid and return of contributions to members or mutual members	-	-
(-) Purchase of own securities	-	-
(-) Other cash paid in relation to financing activities	-	(58)
D) EFFECT OF CHANGES IN EXCHANGE RATES	**2.688**	**4.673**
E) NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	**(887.700)**	**376.680**
F) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	**2.126.407**	**1.733.122**
G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E+F)	**1.238.707**	**2.109.802**

COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1st Half-Year 2023	1st Half-Year 2022
(+) Cash	1.232.389	1.904.708
(+) Other financial assets	6.318	205.094
(-) *Less : Bank overdrafts repayable on demand*	-	-
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1.238.707**	**2.109.802**

(*) Presented solely and exclusively for comparison purposes. Comparative data have been restated. See Note 2.e) to the Explanatory Notes.
The accompanying Notes 1 to 9 are an integral part of the Condensed Consolidated Statement of Cash Flow for the six month period ended on 30 June 2023.

Grupo Catalana Occidente, S.A.
and Subsidiaries
(Grupo Catalana Occidente)

Explanatory notes to the condensed consolidated half-year financial statements that correspond to the six-month period ending on 30 June 2023

1. General information on the Group and its business

1.a) Introduction

Grupo Catalana Occidente, Sociedad Anónima (hereafter, "the parent company") is a private entity subject to Spanish laws and regulations for insurance groups. The parent company is not directly involved in insurance activity, this is performed by companies of the Group which have the corresponding legal authority. These companies, together with the parent company and the other companies that carry out business complementary to the insurance or investment business, comprise Grupo Catalana Occidente (hereafter, "the Group").

The Articles of Association of the parent company and other public information about the group can be accessed at www.grupocatalanaoccidente.com and at the company's registered offices, Paseo de la Castellana 4, Madrid (Spain).

The 2022 consolidated annual financial statements of the Group were approved by the Annual General Shareholders' Meeting, which was held on 27 April 2023.

1.b) Grupo Catalana Occidente

Annexes I and II of the consolidated annual financial statements corresponding to the year ended 31 December 2022, provide relevant information on the companies of the Group that were consolidated on that date and those valued by the equity method.

Below is a summary of the main operations in the six-month period ending on 30 June 2023:

1.b.1) Acquisition of 100% of Grupo Mémora

On 29 July 2022, Grupo Catalana Occidente, S.A. entered into a purchase and sale agreement with Taurus Midco Limited and other minority sellers for the acquisition of 100% of the shares of Taurus Bidco, S.L. and, indirectly, of Memora Servicios Funerarios, S.L. and the subsidiaries of Grupo Mémora, for €387,500 thousand, the final price of the acquisition being subject to certain financial adjustments. The transaction was subject to the condition precedent of the mandatory authorisations by the market and competition authorities in Spain and Portugal.

In this regard, on 26 August 2022 and 25 January 2023, the Portuguese Competition Authority (Autoridade da Concorrencia) and the National Markets and Competition Commission (Comisión Nacional de los Mercados y de la Competencia), respectively, authorised the aforementioned transaction.

Once the aforementioned condition precedent had been fulfilled, and after the corresponding financial adjustments provided for in the purchase agreement, the transaction was executed on 9 February 2023 for a final price of €401,319 thousand. All of this consideration was paid in cash.

Accounting for the business mergers

The effective takeover date was 9 February 2023, the date on which the execution of the sales contract was formalised. The Group has measured the identifiable assets acquired and the liabilities assumed at fair value on the date of the combination, pursuant to International Financial Reporting Standard 3 (IFRS 3).

For this purpose, the Group has carried out a Purchase Price Allocation or PPA analysis with the support of an independent expert, in order to determine the fair value of the assets and liabilities of Taurus Bidco, S.L. and Memora Servicios Funerarios, S.L. and subsidiaries (hereinafter, 'Grupo Mémora') at the date of acquisition. Accounting regulations establish a period of one year during which the measurement of the assets and liabilities acquired is not final, so that the valuations made are the best estimate available at the date of preparation of these condensed consolidated interim financial statements (hereinafter 'half-yearly financial statements') and are, in any case, provisional.

At the date of the takeover, the fair value of the assets and liabilities of Grupo Mémora acquired is as follows:

	Thousands of Euros			
Provisional PPA	**Grupo Mémora**	**Eliminations**	**Revaluations**	**Fair Value**
Property, plant and equipment	121,461	-	-	121,461
Goodwill	223,436	(223,436)	-	-
Brands	5,989	-	97,810	103,799
Administrative concessions	167,643	-	64,792	232,435
Other intangible assets	5,128	-	-	5,128
Investments in entities accounted for using the equity method	4,359	-	2,203	6,562
Deferred tax assets	32,733	-	-	32,733
Cash and other equivalent liquid assets	59,742	-	-	59,742
Other assets	86,358	-	-	86,358
Total assets	**706,849**	**(223,436)**	**164,805**	**648,218**
Debts with credit institutions	219,152	-	-	219,152
Leasehold liabilities	148,640	-	-	148,640
Deferred tax liabilities	30,675	-	40,213	70,888
Other liabilities	133,768	-	-	133,768
Total liabilities	**532,235**	**-**	**40,213**	**572,448**
Value of revalued net assets	**174,614**	**(223,436)**	**124,592**	**75,770**
Amount of the consideration				**401,319**
Goodwill on Consolidation				**325,549**

The intangible assets recognised as a result of the business combination with Grupo Mémora relate to brands, administrative concessions and capital gains on holdings in entities accounted for using the equity method.

In the PPA exercise, such intangible assets of the acquiree, which comply with the requirements of IFRS 3 and IAS 38, have been measured:

- Brands: the brands of Grupo Mémora (Mémora, Serveis Funeraris de Barcelona and Servilusa) have been measured based on the Royalty Relief methodology, with a Royalty rate of 3.5% applied on the income projections.

- Administrative concessions: 58 administrative concessions have been measured based on the multi-period excess earnings methodology (MEEM), taking into account the period of the current contract for each of the concessions individually.

- Capital gains on holdings in entities accounted for using the equity method: holdings in associates have been measured using the multiples measurement methodology.

As a result of the provisional accounting for this business combination, deferred tax liabilities of € 40,213 thousand have been recognised.

Expenses incurred in the transaction amounted to €2,884 thousand and were recorded in the consolidated profit and loss account.

The transaction generated goodwill of €325,549 thousand (see Note 7.b.1).

1.b.2) Merger of traditional business entities project

On 27 April 2023, the governing bodies of practically all the companies that make up the traditional business of Grupo Catalana Occidente (Seguros Catalana Occidente, S.A.U. de Seguros y Reaseguros ('Seguros Catalana Occidente'), Plus Ultra Seguros Generales y Vida, S.A.U. de Seguros y Reaseguros, Bilbao Compañía Anónima de Seguros, Single Shareholder Company, and GCO Reaseguros, S.A.U.), have signed a joint merger project under which they are expected to be unified into a single entity, through the absorption by Seguros Catalana Occidente (which will change its name to Occident GCO, S.A. de Seguros y Reaseguros) of the other aforementioned companies, all subject to the condition precedent of its authorisation by the Ministry of Economic Affairs and Digital Transformation.

This project was deposited in the Mercantile Registries of Madrid and Vizcaya on 12 and 16 May 2023, respectively. Consequently, on 25 May 2023, once the aforementioned merger plan had been filed, the sole shareholders of the companies involved in the merger took the corresponding merger decisions, and the announcements were published in relation to the period for creditors to oppose the merger. Furthermore, on 8 June 2023, the application for authorisation of the merger was submitted to the Directorate General of Insurance and Pension Funds ('DGSFP') in order to comply with the aforementioned condition precedent.

As of the date of this report, the DGSFP has already acknowledged receipt of the above-mentioned request, on which it has 6 months to decide, and the merger is expected to be implemented by the end of the 2023 financial year, once this has been obtained.

1.c) Updating the risk environment

In view of the geopolitical crisis in Russia and Ukraine, the Group is closely monitoring developments and taking appropriate action as required. Through Atradius N.V., ongoing discussions are held with our customers to assess current exposure and identify areas of focus. In addition, communications are maintained with intermediaries, reinsurers and regulatory agencies, among others. Given the rapid development of the sanctions imposed, special attention is being given to this area to ensure compliance. However, no significant impact is expected on the Group's continuity, nor a relevant impact on income.

The adverse scenario calculated in the ORSA framework is sufficiently severe and includes all the different components that could be affected due to the conflict between Ukraine and Russia: claims ratio, reduction of TPE due to mitigating measures and volatility of financial markets. The solvency ratio after these adverse conditions would also be above the Group's risk appetite.

The Group takes into consideration the current economic environment of rising inflation and rising costs in its forecasts and estimates and is actively monitoring these risks. The impact of the increase in costs is transversally affecting the results of the different businesses, although it is being partially mitigated thanks to agreements with the network of suppliers (authorised workshops, large hospital groups, etc.). In credit insurance, the growth of inflation is having an impact on the insured limits (TPE), but also on the corresponding premiums.

Finally, after several years of unusually low interest rates, there has been a staggered rise in rates, which will have a positive impact on financial margins and make savings products more attractive.

1.c.1) Technical risks of the traditional business

The current economic situation, affected by the situation in Ukraine, as well as the inflationary environment and the increase in interest rates, have not had a significant impact on traditional business risks.

The main sensitivities of the Group in the traditional business (to interest rates and the increase in claims) do not differ from those indicated in Note 4.b.A of the report for the consolidated financial statements for 2022. In view of the above, no additional sensitivity scenarios have been carried out in the traditional business since the first half results have remained at the usual levels and no disruptive impacts is expected.

1.c.2) Credit insurance and Bonding risk

In response to the COVID-19 pandemic crisis, the Group took various actions to mitigate the risks arising from it: restrictive underwriting measures, risk mitigation actions taken selectively for the protection of our customers, and through the agreements established by the various European governments (see Note 4.b.B of the report for the consolidated financial statements for 2022).

Due to the high uncertainty caused by the current environmental circumstances and with regard to the provisioning of insurance liabilities, a similar approach has been adopted for the first half of 2023 as was taken for the year-end 2022. During the second half of 2020, the number of reported claims decreased significantly compared to the first half. This was partly related to a fall in insured business, measures and restrictions adopted by governments in the early 2020s, as well as government support for the economy. However, although insured sales have since recovered, the number of claims reported in 2022 and 2023 has remained at a low level. The insurance liabilities for credit insurance claims at year-end have been determined based on the assumption that the low claims experience is temporary.

By their nature, it is not easy to quantify an estimate of the inflow of large claims. The order of magnitude of this sensitivity would, in the Management's view, be similar to the sensitivity of the estimated number of claims in the most recent months, although, as is inevitable with severity risk, this has a longer run and a greater extension in time. Historical data shows that the correlation between the aggregate estimated ultimate losses from large claims per underwriting year and mass claims losses is over 80%. Considering the above, the approach based on historical experience determines a final loss from large losses as a proportion of the total losses of the last two risk years.

In addition to the contributions from the standard components of the credit insurance contract liability methodology, an Event Based Provision (EBP) has been estimated specifically for the impact of the Russia-Ukraine conflict. This liability has been set aside to cover those risks which are not considered to be fully covered by the standard methodology. On 30 June 2023, the insurance contract liability is €140 million (€98 million net of reinsurance), unchanged compared to 31 December 2022.

The Group monitors exposures by counterparty, sector and country through a single database (Symphony) that contains details of the majority of credit insurance policies and credit limits and all customers with whom the Group has exposure to default risk. Most policies, both new business and renewals, are priced according to a structured system based on the risks, costs and outlook assigned by the Group according to country, sector and buyer credit ratings.

The Group is exposed to the concentration risk by purchaser and by country and sector of the purchaser. Concentration risk is controlled and monitored through what is known as Total Potential Exposure (TPE). The TPE is a higher credit limit approximate to the real exposure with individual purchasers.

On a portfolio level, the real exposure tends to be in the range of 10% to 30% of the TPE, without taking into account that the customers also have their own withholdings. Each policy stipulates the maximum discretional limit permitted and, for the majority of policies, this is not more than €20 thousand per buyer. This illustrates that the TPE is an absolute measure of exposure and that, in aggregate, the actual exposure will be much lower.

The distribution of the TPE by country, sector and buyer group on 30 June 2023 and 31 December 2022 is detailed below:

Buyer's country	Of which	TPE to 30/06/2023 Millions of euros	TPE to 31/12/2022 Millions of euros
Denmark, Finland, Norway, Netherlands, Sweden, Baltic Countries	The Netherlands	40,456	39,063
	Other	41,727	40,912
Austria, Czech Republic, Germany, Greece, Hungary, Poland, Slovakia, Switzerland and Others	Germany	129,012	125,354
	Others (*)	91,732	88,671
UK, North America, Australia, Asia and Others	United Kingdom	59,761	59,740
	Ireland	6,455	6,313
	USA and Canada	94,445	95,616
	Mexico and Central America	17,553	16,431
	Brazil	14,807	14,144
	Asia and Australia	125,880	121,807
	Other	14,463	14,835
Southern Europe	France	59,902	58,809
	Italy	61,713	62,161
	Spain and Portugal	100,278	97,580
	Belgium and Luxembourg	22,278	21,816
Total		**880,462**	**863,252**

(*) This group includes TPE from Russia and Ukraine. The total exposure in both countries has been reduced compared to year-end 2022 by 15%, representing 0.2% of the total exposure.

Industrial sector	TPE to 30/06/2023 Millions of euros	TPE to 31/12/2022 Millions of euros
Durable consumer goods	89,714	91,125
Metals	99,387	94,888
Electronics	106,801	107,892
Construction	65,261	62,382
Chemicals	124,669	123,206
Transport	77,905	75,650
Machinery	57,404	55,280
Food	81,782	82,021
Construction materials	41,337	41,563
Services	30,700	30,309
Textiles	21,237	19,997
Finance	20,534	19,961
Agriculture	43,881	39,751
Paper	19,850	19,227
Total	**880,462**	**863,252**

Grouping by number of buyers	TPE to 30/06/2023 Millions of euros	TPE to 31/12/2022 Millions of euros
0 – 20	423,094	413,003
20 – 100	157,382	154,124
100 – 250	101,408	98,212
250 – 500	75,939	72,296
500 – 1,000	64,656	67,739
Over 1,000	57,983	57,878
Total	**880,462**	**863,252**

1.c.3) Financial market risks

In the first half of 2023, markets have been affected by the crisis of regional banks in the United States, although the feared contagion effect was relatively soon curbed, but not without repercussions in Europe, such as the fall of Credit Suisse, which already had a worrying recent history. We have had a start to the year marked by rate hikes, although they seem to be easing and tending towards stability. The markets' main concern continues to be inflation, which, although seems to be performing somewhat better, the visibility on price behaviour remains limited. Inflation is slower than expected and still far from central banks' targets.

During the latter part of the first half of 2023, we are seeing a reduction in market volatility and signs of some stability; during the second part of the year we are likely to see reduced consumption and investment due to interest rate hikes, which test financial institutions with greater vulnerability and affect business and consumer supply and demand.

The Group has monitored its exposure to the various risks, specifically:

a) The evolution of the positions held in liquidity has been monitored, although the levels of cash held minimise any impact in this regard.

b) Credit exposure to the different sectors particularly affected by the impact of the pandemic and the current economic and price situation has been controlled. Additionally, the portfolio diversification controls in place mitigate any risk in this regard.

c) The sectoral diversification of these investments has been analysed in detail regarding variable income investments, as in the case of fixed income investments.

With regards to the main sensitivities performed by the Group for the financial market risks, we can highlight:

a) Fixed Income: An increase in the curve of 100bps represents +1.2% solvency ratio whereas a decrease in the curve of 100 bps represents -4.1% in solvency ratio.

b) Variable Income: A decrease in the variable income of the stock market of -10% represents +6.5% solvency ratio whereas a decrease in the variable income of -25% represents +4.9% in solvency ratio.

c) Properties: A decrease in value of 5% of the property value implies -1.6% of the solvency ratio.

d) A combined decrease of 10% in the variable income value and of 5% in the properties implies an increase of +4.8% of the Group's solvency ratio.

The breakdown of financial assets on 30 June 2023 and 31 December 2022 according to the inputs used is as follows (in € thousand):

	Level 1	Level 2	Level 3	Total at 30/06/2023
Financial assets held for trading	**-**	**-**	**-**	**-**
Derivatives	-	-	-	-
Financial assets at fair value through profit or loss	**1,385,351**	**232,961**	**332,749**	**1,951,061**
Financial Investments in Equity	3,728	-	-	**3,728**
Stakes in investment funds	472,064	-	332,749	**804,813**
Debt securities	94,337	13,927	-	**108,264**
Investments held for the benefit of policyholders who bear the investment risk	815,222	-	-	**815,222**
Deposits with credit institutions	-	219,034	-	**219,034**
Financial assets at fair value through other comprehensive income	**8,704,702**	**109,968**	**21,002**	**8,835,672**
Financial Investments in Equity	1,683,873	-	21,002	**1,704,875**
Debt securities	7,020,829	9,322	-	**7,030,151**
Deposits with credit institutions	-	100,646	-	**100,646**
Total at 30/06/2023	**10,090,053**	**342,929**	**353,751**	**10,786,733**

	Level 1	Level 2	Level 3	Total at 31/12/2022
Financial assets held for trading	**-**	**-**	**-**	**-**
Derivatives	-	-	-	-
Financial assets at fair value through profit or loss	**1,157,809**	**234,910**	**296,100**	**1,688,819**
Financial Investments in Equity	3,278	-	-	**3,278**
Stakes in investment funds	312,654	-	296,100	**608,754**
Debt securities	93,154	13,967	-	**107,121**
Investments held for the benefit of policyholders who bear the investment risk	748,723	-	-	**748,723**
Deposits with credit institutions	-	220,943	-	**220,943**
Financial assets at fair value through other comprehensive income	**8,063,996**	**120,907**	**108,492**	**8,293,395**
Financial Investments in Equity	1,321,419	-	108,492	**1,429,911**
Debt securities	6,742,577	9,234	-	**6,751,811**
Deposits with credit institutions	-	111,673	-	**111,673**
Total at 31/12/2022	**9,221,805**	**355,817**	**404,592**	**9,982,214**

On 30 June 2023, financial instruments at fair value classified in Level 3 represent 2.97% of financial assets (3.72% on 31 December 2022).

The measurement techniques used for the recognition and measurement of financial assets have not changed in relation to those used in the consolidated financial statements for the 2022 financial year (see Note 3.b.3 of the report for the consolidated financial statements).

The Group carries out a periodic review of the existing portfolio in order to analyse whether it is necessary to change the classification of any of the existing assets. As a result of this review, the following reclassifications between the different measurement levels that have taken place in the first half of the 2023 financial year:

From	Level 3	
A	Level 1	Level 2
Financial assets at fair value through other comprehensive income		
Financial Investments in Equity	59,568	-
Debt securities	-	-
Deposits with credit institutions	-	-
Total at 30/06/2023	**59,568**	**-**

In the first half of the 2022 financial year there were no reclassifications between the different measurement levels.

In addition, below is a breakdown of the movement in financial assets classified in Level 3 (in € thousand):

	Financial assets at fair value through profit or loss	Financial assets at fair value through other comprehensive income	Total
	Stakes in investment funds	Financial Investments in Equity	
Net book value on 1 January 2022	**192,718**	**86,156**	**278,874**
Changes to the scope	-	-	-
Purchases	71,522	15,769	**87,291**
Sales and amortisations	(3,122)	-	**(3,122)**
Reclassifications and transfers	-	-	**-**
Changes in value against results or OCI	5,239	4,327	**9,566**
Effect of changes on the exchange rates	-	-	**-**
Net book value on 30 June 2022	**266,357**	**106,252**	**372,609**
Changes to the scope	-	-	-
Purchases	35,683	40	**35,723**
Sales and amortisations	(8,223)	-	**(8,223)**
Reclassifications and transfers	-	-	**-**
Changes in value against results or OCI	2,283	2,200	**4,483**
Effect of changes on the exchange rates	-	-	**-**
Net book value on 1 January 2023	**296,100**	**108,492**	**404,592**
Changes to the scope	-	(28,000)	**(28,000)**
Purchases	46,606	-	**46,606**
Sales and amortisations	(4,560)	-	**(4,560)**
Reclassifications and transfers	-	(59,568)	**(59,568)**
Changes in value against results or OCI	(5,397)	78	**(5,319)**
Effect of changes on the exchange rates	-	-	**-**
Net book value on 30 June 2023	**332,749**	**21,002**	**353,751**

In order to obtain the fair value of the equity assets classified in level 3, for whose measurement there are no directly observable market data, alternative techniques are used, based mainly on quotations provided by brokers or market contributors. The Group has assessed that small changes in the assumptions used in these measurement models would involve no substantial changes in the values obtained.

The credit rating of the fixed income and deposits issuers in credit entities on 30 June 2023 and 31 December 2022 is shown below (amounts in € thousand):

30 June 2023	Stage 1	Stage 2	Stage 3	N/A	Total
Cash and other equivalent liquid assets	**1,238,707**	**-**	**-**	**-**	**1,238,707**
AAA	99,976	-	-	-	99,976
AA	37,009	-	-	-	37,009
A	1,050,319	-	-	-	1,050,319
BBB	23,220	-	-	-	23,220
Under investment grade	28,184	-	-	-	28,184
Non rated	-	-	-	-	-
Gross amount	1,238,708	-	-	-	1,238,708
Value adjustments for impairment	(1)	-	-	-	(1)
FA at fair value through profit or loss				**327,298**	**327,298**
Debt securities - Public issuers				**1,920**	**1,920**
AAA				-	-
AA				1,920	1,920
A				-	-
BBB				-	-
Under investment grade				-	-
Non rated				-	-
Debt securities - Private issuers				**106,344**	**106,344**
AAA				-	-
AA				-	-
A				68,459	68,459
BBB				37,885	37,885
Under investment grade				-	-
Non rated				-	-
Deposits with credit institutions				**219,034**	**219,034**
AAA				-	-
AA				-	-
A				219,034	219,034
BBB				-	-
Under investment grade				-	-
Non rated				-	-
FA at fair value through changes in other comprehensive income	**7,103,737**	**27,060**	**-**	**-**	**7,130,797**
Debt securities - Public issuers	**2,848,092**	**26,875**	**-**	**-**	**2,874,967**
AAA	348,131	-	-	-	348,131
AA	311,019	-	-	-	311,019
A	2,112,480	-	-	-	2,112,480
BBB	76,462	-	-	-	76,462
Under investment grade	-	-	-	-	-
Non rated	-	26,875	-	-	26,875
Debt securities - Private issuers	**4,154,999**	**185**	**-**	**-**	**4,155,184**
AAA	16,877	-	-	-	16,877
AA	249,855	-	-	-	249,855
A	1,810,952	-	-	-	1,810,952
BBB	1,911,670	185	-	-	1,911,855
Under investment grade	150,745	-	-	-	150,745
Non rated	14,900	-	-	-	14,900
Deposits with credit institutions	**100,646**	**-**	**-**	**-**	**100,646**
AAA	-	-	-	-	-
AA	-	-	-	-	-
A	100,646	-	-	-	100,646
BBB	-	-	-	-	-
Under investment grade	-	-	-	-	-
Non rated	-	-	-	-	-
FA at amortised cost	**325,931**	**1,105**	**8,797**	**-**	**335,833**
Deposits with credit institutions	**117,589**	**-**	**-**	**-**	**117,589**
AAA	15,553	-	-	-	15,553
AA	27,902	-	-	-	27,902
A	63,308	-	-	-	63,308
BBB	10,826	-	-	-	10,826
Under investment grade	-	-	-	-	-
Non rated	-	-	-	-	-
Gross amount	117,589	-	-	-	117,589
Value adjustments for impairment	-	-	-	-	-

30 June 2023	Stage 1	Stage 2	Stage 3	N/A	Total
Loans	**208,342**	**1,105**	**8,797**	**-**	**218,244**
AAA	-	-	-	-	-
AA	-	-	-	-	-
A	911	-	-	-	911
BBB	48,528	-	-	-	48,528
Under investment grade	49,389	-	-	-	49,389
Non rated	110,146	1,105	11,974	-	123,225
Gross amount	208,974	1,105	11,974	-	222,053
Value adjustments for impairment	(632)	-	(3,177)	-	(3,809)

31 December 2022	Stage 1	Stage 2	Stage 3	N/A	Total
Cash and other equivalent liquid assets	**2,126,407**	**-**	**-**	**-**	**2,126,407**
AAA	115,736	-	-	-	115,736
AA	45,655	-	-	-	45,655
A	1,926,602	-	-	-	1,926,602
BBB	21,062	-	-	-	21,062
Under investment grade	17,358	-	-	-	17,358
Non rated	-	-	-	-	-
Gross amount	2,126,413	-	-	-	2,126,413
Value adjustments for impairment	(6)	-	-	-	(6)
FA at fair value through profit or loss				**328,064**	**328,064**
Debt securities - Public issuers				**1,942**	**1,942**
AAA				-	-
AA				1,942	1,942
A				-	-
BBB				-	-
Under investment grade				-	-
Non rated				-	-
Debt securities - Private issuers				**105,179**	**105,179**
AAA				-	-
AA				-	-
A				67,836	67,836
BBB				37,343	37,343
Under investment grade				-	-
Non rated				-	-
Deposits with credit institutions				**220,943**	**220,943**
AAA				-	-
AA				-	-
A				220,943	220,943
BBB				-	-
Under investment grade				-	-
Non rated				-	-
FA at fair value through changes in other comprehensive income	**6,843,415**	**20,069**	**-**	**-**	**6,863,484**
Debt securities - Public issuers	**2,641,810**	**19,970**	**-**	**-**	**2,661,780**
AAA	359,759	-	-	-	359,759
AA	298,932	-	-	-	298,932
A	1,709,782	-	-	-	1,709,782
BBB	273,337	-	-	-	273,337
Under investment grade	-	-	-	-	-
Non rated	-	19,970	-	-	19,970
Debt securities - Private issuers	**4,089,932**	**99**	**-**	**-**	**4,090,031**
AAA	21,062	-	-	-	21,062
AA	222,459	-	-	-	222,459
A	1,598,386	-	-	-	1,598,386
BBB	2,089,479	99	-	-	2,089,578
Under investment grade	158,546	-	-	-	158,546
Non rated	-	-	-	-	-
Deposits with credit institutions	**111,673**	**-**	**-**	**-**	**111,673**
AAA	-	-	-	-	-
AA	-	-	-	-	-
A	111,673	-	-	-	111,673
BBB	-	-	-	-	-
Under investment grade	-	-	-	-	-
Non rated	-	-	-	-	-

31 December 2022	Stage 1	Stage 2	Stage 3	N/A	Total
FA at amortised cost	**294,873**	**1,206**	**8,386**	**-**	**304,465**
Deposits with credit institutions	**96,675**	**-**	**-**	**-**	**96,675**
AAA	-	-	-	-	-
AA	28,491	-	-	-	28,491
A	57,651	-	-	-	57,651
BBB	5,638	-	-	-	5,638
Under investment grade	4,895	-	-	-	4,895
Non rated	-	-	-	-	-
Gross amount	96,675	-	-	-	96,675
Value adjustments for impairment	-	-	-	-	-
Loans	**198,198**	**1,206**	**8,386**	**-**	**207,790**
AAA	-	-	-	-	-
AA	-	-	-	-	-
A	-	-	-	-	-
BBB	47,526	-	-	-	47,526
Under investment grade	40,508	-	-	-	40,508
Non rated	111,229	1,206	11,197	-	123,632
Gross amount	199,263	1,206	11,197	-	211,666
Value adjustments for impairment	(1,065)	-	(2,811)	-	(3,876)

On 30 June 2023 and 31 December 2022, no credit risk attributable to the Group has been identified in relation to financial assets designated as at fair value through profit or loss, as they mainly correspond to investments on behalf of policyholders who near the investment risk. Given the credit quality of the financial assets mandatorily measured at fair value through profit or loss, the credit risk is not considered to be significant in relation to their total exposure. Changes in the measurement of financial assets at fair value through profit or loss as a result of changes in credit risk are not significant due to their credit quality.

As an investment management criterion, risk diversification measures by sector are also taken into account (amounts in € thousand):

Sector	30 June 2023				31 December 2022			
	Equity instruments	%	Representative debt values	%	Equity instruments	%	Representative debt values	%
Communications	132,594	5.28%	430,132	6.03%	98,657	4.83%	440,280	6.42%
Cyclical consumer goods	121,567	4.84%	599,884	8.40%	98,247	4.81%	619,084	9.03%
Non-cyclical consumer goods	238,436	9.49%	579,523	8.12%	253,485	12.41%	587,128	8.56%
Energy	65,317	2.60%	121,690	1.70%	46,364	2.27%	95,305	1.39%
Financial	679,238	27.02%	1,620,328	22.70%	602,668	29.52%	1,574,358	22.95%
Industrial	200,024	7.96%	469,695	6.58%	159,326	7.80%	463,925	6.76%
Technological	228,644	9.10%	138,295	1.94%	146,780	7.19%	463,925	1.38%
Public Services	152,150	6.05%	289,115	4.05%	133,251	6.53%	303,825	4.43%
Diversified	3,639	0.14%	-	-	3,456	0.17%	-	-
Commodities	28,778	1.14%	16,269	0.23%	22,239	1.09%	16,268	0.24%
Governance	-	-	2,873,484	40.25%	-	-	2,663,723	38.84%
Others (*)	663,029	26.38%	-	-	477,470	23.38%	-	-
Total	**2,513,416**	**100.00%**	**7,138,415**	**100.00%**	**2,041,943**	**100.00%**	**6,858,932**	**100.00%**

(*) Includes investment funds.

1.c.4) Other risks

Of the other risks identified, the Group considers that they have not changed significantly due to the geopolitical crisis in Russia and Ukraine and the current macroeconomic situation.

The Group's directors and management are constantly monitoring the evolution of the situation in order to successfully deal with any potential financial and non-financial impacts that may arise.

With regard to environmental, social and governance risks, there has been no change in relation to the information published in the notes to the consolidated financial statements for 2022.

1.c.5) Internal Control

The control activities of the Group take place under a framework of: (i) suitable segregation of tasks and responsibilities both between the personnel and between the functions carried out, (ii) suitable structure of powers and capacities for the performance of operations linked to critical processes, establishing a system of limits adjusted to the same, (iii) authorisations prior to the assumption of risks, global guidelines for information security, understanding this to be the preservation of confidentiality, integrity and availability of the information and of the systems that process it from any threat, risk or damage that may be suffered in accordance with their importance to the Group and (iv) existence of the mechanisms necessary to guarantee the continuity of the business.

2. Basis of presentation of the half-yearly financial statements

2.a) Applicable regulations

Pursuant to Regulation (EC) number 1606/2002 of the European Parliament and Council of 19 July 2002 all companies subject to the Legislation of a member state of the European Union, and whose shares are traded on a regulated securities market of any member state, must publish their consolidated annual financial statements, as from 1 January 2005, in accordance with the International Financial Reporting Standards (hereafter IFRS) previously adopted by the European Union.

The Group’s 2022 consolidated annual financial statements were produced by the Board of Directors of the parent company at its meeting held on 23 February 2023, in accordance with the stipulations of the IFRS approved by the European Union applying the principles of consolidation, accounting policies, and appraisal criteria, as described in Notes 2 and 3 of the Notes to these Consolidated Financial Statements, in such a way that they represent a true and fair view of the equity and financial situation of the Group on 31 December 2022 and the results of its operations, changes in equity and consolidated cash flows produced in 2021.

These half-year financial statements are presented according to IAS 34 – *Interim Financial Information* and were produced by the Board of Directors on 27 July 2023, as established by the provisions of article 12 of Royal Decree (Real Decreto, hereafter “RD”) 1362/2007 and taking into account the provisions of CNMV Circular 3/2018 of 28 June.

Pursuant to IAS 34, the Group has produced the half-yearly financial statements exclusively in order to update the content of the latest consolidated annual financial statements, emphasising the new activities, events and circumstances occurred during the half-year and not duplicating the information previously published in the last consolidated annual financial statements. Therefore, for a proper understanding of the information included in these half-yearly financial statements, they should be read in conjunction with the consolidated financial statements for the 2022 financial year.

The accounting policies and methods used in the preparation of these half-yearly financial statements have not changed significantly from those applied in the consolidated financial statements for 2022, with the exception of those relating to insurance and reinsurance contract assets and liabilities and financial instruments, which are detailed in Note 3 of the report for the consolidated financial statements.

2.b) New accounting principles and policies applied in the half-yearly financial statements

2.b.1) New standards, modifications and interpretations adopted in 2023

New accounting standards and/or amendments have come into force during the first half of 2023 that the Group has, therefore, taken into consideration when preparing the half-year financial statements:

- Amendment to IAS 1 Accounting Policy Disclosures: It enables entities to properly identify material accounting policy information that should be disclosed in the financial statements.

- Amendment to IAS 8 Definition of Accounting Estimates: Amendments and clarifications on what should be understood as a change in accounting estimate.

- IFRS 17 Insurance Contract: This replaces IFRS 4 and sets out the principles for recording, measuring, presenting and disclosing insurance contracts in order for an entity to provide relevant and reliable information to enable users of the information to determine the effect of contracts on financial statements.

- Amendment to IFRS 17. Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information: Amendments of limited scope to the transition requirements of *IFRS 17 Insurance Contracts* (does not affect any other requirement of the standard). IFRS 17 and *IFRS 9 Financial Instruments* have different transition requirements. For some insurers, these differences may result in one-off accounting asymmetries between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when they apply IFRS 17 and IFRS 9 for the first time. The amendment will help insurers avoid these asymmetries and thus improve the usefulness of comparative information for investors.

- Amendment to IAS 12 Deferred taxes arising from assets and liabilities resulting from a single transaction: Clarifications on how entities should record deferred tax arising on transactions such as leases and decommissioning obligations.

As a result, the Group applies IFRS 17 and IFRS 9 for the first time on 1 January 2023. These standards entail significant changes in the accounting for insurance and reinsurance contracts and financial instruments, respectively.

IFRS 9 is the standard that replaces IAS 39 and whose aim is to establish the principles for financial reporting of financial assets and liabilities, so as to present useful and relevant information to users of financial statements for the assessment of the amounts, timing and uncertainty of the entity's future cash flows. IFRS 9 is similar in scope to IAS 39, so that financial instruments that are within the scope of IAS 39 will also be within the scope of IFRS 9. The Group has applied IFRS 9 at the same time as IFRS 17 and the comparative period has been restated.

The impact of the adoption of IFRS 9 is significant, which is why the provisions of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", IAS 34 "Interim Financial Reporting" and the IASB's amendment to IFRS 17 on comparative information on initial application of IFRS 17 and IFRS 9 have been considered (see section "Comparative information").

There are no accounting principles or measurement bases that have a material effect on the condensed consolidated financial statements for the first half of 2023 that have not been applied in their preparation.

2.b.2) Standards, amendments and interpretations issued not in force

During the first half of 2023 there are no standards and interpretations already adopted by the European Union whose effective date is later than the date of the half-yearly financial statements.

At the date these half-year financial accounts were authorised for release, the following are the most significant standards and interpretations that had been published by the IASB but had not yet come into force, either because their effective date was after the date of the consolidated financial statements, or because they have not yet been adopted by the European Union (only the most significant are included):

New standards, amendments and interpretations		Mandatory application for periods beginning as from:
Not approved for use in the European Union:		
Amendments and/or interpretations		
Amendment to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its associate or joint venture	They clarify the accounting treatment of the sales and contribution of assets between an investor and its associate or joint venture, which shall depend on whether the non-monetary assets sold or contributed to an associate or joint venture make up a “business”. The investor recognises the full gain or loss when the non-monetary assets constitute a 'business'. If the assets do not meet the definition of business, the investor recognises the gain or loss to the extent of the interests of other investors. The amendments apply only shall apply when an investor sells or contributes assets to its associate or joint venture	(*)
Amendment to IFRS 16: Lease liability in a sale and leaseback sale	Explains how a company should account for a sale and leaseback after the date of the transaction.	1 January 2024
Amendment to IAS 1: Classification of liabilities as current or non-current	Presentation of financial statements - Classification of liabilities as current or non-current.	1 January 2024
Amendment to IAS 1: Non-current liabilities with conditions ("covenants")	It seeks to improve the information provided when the right to defer payment of a liability is subject to the fulfilment of conditions ("covenants") within twelve months after the reporting period.	1 January 2024
Amendment to IFRS 7 and IAS 7: Supplier financing arrangements	This amendment introduces disclosure requirements specific to supplier financing arrangements and their effects on the company's liabilities and cash flows, including liquidity risk and associated risk management.	1 January 2024
Amendment to IAS 12: International tax reform: Pillar 2 model rules	Proposes a temporary exemption from the requirement to recognise and itemise deferred taxes arising from an enacted or substantially enacted tax law that implements the Pillar 2 model rules published by the OECD.	1 January 2023 (**)

(*) Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for annual periods beginning on or after 1 January 2016. However, at the end of 2015, the IASB took the decision to postpone the effective date of these amendments (without setting a new specific date), as a broader review is being planned that could result in simplifying the accounting for these transactions and other aspects of accounting for associates and joint ventures.

(**) However, no such disclosure is required in the interim financial statements for any interim period ending on or before 31 December 2023.

The Group has not made plans for the anticipated application of the aforementioned standards and interpretations and in any case their application will be subject to consideration by the Group upon approval, if applicable, by the European Union.

2.c) Estimates

The consolidated results, and the determination of the consolidated equity are sensitive to the accounting principles and policies, the appraisal criteria and the estimates used by the Board of Directors of the parent company in the production of the half-year financial statements. The principal accounting policies and measurement bases applied in the preparation of these half-yearly financial statements are the same as those disclosed in Note 3 of the report for the consolidated financial statements for 2022, except for those associated with insurance and reinsurance assets and liabilities and financial instruments, as a result of the entry into force of IFRS 17 on 1 January 2023, together with the application of IFRS 9. These accounting policies and principles are detailed in Note 3 of this report.

In turn, in preparing the half-year financial statements, judgements and estimates made by the Directors and the Senior Management of the parent company, and consolidated companies, have been used to quantify certain assets and liabilities, income, expenses and commitments registered by those companies. These estimates are the same as those disclosed in Note 2.c) of the report for the consolidated financial statements for 2022, with the exception of:

- The identification of investment components (Note 3.a.2)
- Interpretation of the limits of the contract (Note 3.a.4)
- The hedging unit allocation method (Note 3.a.5.1)
- Assumptions and hypotheses included in the calculation of future cash flows, discount rate and risk adjustment for non-financial risk (Note 3.a.5.1)
- Significant increase in credit risk (Note 3.b.3)
- Impairment losses on financial assets (Note 3.b.3)
- The assessment of the impracticability of the full retrospective approach on transition to IFRS 17 and the assumptions used in the calculation under the fair value methodology (Note 2.e)
- Determining the recoverable amount of brands and administrative concessions (Note 1.b.1)

Although the estimates were made on the basis of the best information available, it is possible that future events may make it necessary to change these estimates (upwards or downwards) at year-end 2023 or in subsequent years, which would be done prospectively by recognising the effects of the change in estimate in the consolidated financial statements.

During the six-month period ended 30 June 2023 no significant changes were made to the estimates made in the first half of 2022, nor from those carried out at the end of 2022, except from that indicated in these half-year financial statements.

2.d) Contingent assets and liabilities

Notes 11 and 15 of the Report for the Annual Consolidated Financial Statements corresponding to the year ending 31 December 2022 provide information on the contingent assets and liabilities on that date. During the first six months of 2023, no significant changes have occurred in the contingent assets and liabilities of the Group (see Note 7.i.).

2.e) Comparison of information

The figures as of 31 December 2022 and 30 June 2022 included in the accompanying half-yearly financial statements are presented for comparison purposes only.

As indicated in this note under "Basis of presentation of the half-yearly financial statements", the Group has applied IFRS 17 and IFRS 9 from 1 January 2023, although the transition date for IFRS 17 is 1 January 2022.

Transition

Regarding to the application of the transition approach, the decisions taken in the Group's businesses are as follows:

In the case of traditional business, it was concluded that reasonable and supportable information was not available for the application of the full retrospective method to calculate the liability for the remaining coverage of contracts measured under the General Model (or the "Building Block Approach" or "BBA") and the Variable Fee Approach (or the "VFA") for those insurance contracts issued prior to the transition date. Therefore, the fair value approach has been applied to these contracts. The application of the full retrospective method is considered impracticable, as detailed in note 2.d.3) of the consolidated financial statements for the 2022 financial year.

For products priced under the "*Premium Allocation Approach*" (PAA), for products with contract limits equal to or less than one year or eligible under paragraphs 53 (a) and 54 of the standard, it is possible to apply the full retrospective method from the date of the last issue or renewal.

In the case of the liability for claims incurred, as it has no implicit future benefit (contractual service margin), it is considered appropriate to measure this from the date of the last issue or renewal, as the amount of the liability for claims incurred is independent at each reporting date and has no effect on the contractual service margin.

In the case of the credit insurance business, the full retrospective method has been applied for annual cohorts starting from the 2021 cohort. In turn, the amended retroactive method has been applied for those cohorts starting prior to 2021 and corresponding to products with longer coverage periods. This second amended method has been applied to periods in which it is not possible to determine a future estimate of cash flows and therefore no changes are made to the models. This is a consequence of the fact that the historical source data, in order to apply them, are not available with the necessary granularity, and the cost of obtaining them is very significant, requiring efforts that are much higher than those considered reasonable.

Level of aggregation in transition

The Group has included insurance contracts prior to 1 January 2022, for traditional business, in groups of contracts issued more than one year apart, as there was no reasonable and sustainable information available to make the division into annual cohorts. In the case of the credit insurance business, the groups of contracts have been divided into annual cohorts on the basis of supportable and reasonable information at that date.

Measurement at the transition date

In the case of traditional life business measured under the general model or variable fee approach, when applying the fair value approach at the transition date, the "*Contractual Service Margin*" (or "CSM") or the loss component of the liability for the remaining hedge has been estimated as the difference between the fair value, as required by IFRS 13, and the cash flows arising from the performance of the group of contracts as of that date. In this regard, the CSM and the risk adjustment are calculated as a return on the adjusted Solvency II capital requirement, in line with the discount rate used for the calculation of the value in use of the relevant business, using a cost-of-capital method.

In applying the amended retrospective method, the credit insurance business has estimated the future cash flows from the initial recognition of the groups of contracts as equal to the amount of future cash flows at the transition date and adjusted for cash flows occurring between the date of initial recognition and the transition date. The risk adjustment was determined at the date of initial recognition by reducing the risk adjustment at the transition date for the expected release of risk prior to the transition date.

Transition discount rates

In determining the discount rates at initial recognition, the approach has varied by business and segment.

The Group has applied the bottom-up approach to the non-life business (both traditional business and credit insurance) and to the life business of the traditional business, except for the OCI matching portfolio where the top-down approach is applied. The accounting option of "Other Comprehensive Income" or "OCI" has been used for the portfolios of the pre-1999 life business and matching, provided that the option of recognising the financial impact in the income statement (P&L option) is not chosen to avoid asymmetries with the asset portfolio. For the portfolio measured under the modified BBA, the transition option chosen was not to recognise the differences between the interest rates at the current curve and those accrued on the basis of the initial recognition rate in "Other comprehensive income".

The discount rates determined under the bottom-up method are based on applying a volume- and duration-weighted average locked-in rate for each product based on the risk-free benchmark assets of the German government bond (before the euro came into force) and the Euroswap curve (after the euro came into force), which incorporate the corresponding illiquidity premiums.

This situation has led to changes in the classification and valuation changes of certain items in the consolidated financial statements (amounts in thousands of euros):

Balance sheet reconciliation as at 1-1-2023

(Figures in Thousands of Euros)

ASSETS	31/12/2022	Reclassifications	Changes in measurement	01/01/2023 restated
Cash and other cash equivalent assets	**2,126,413**	**-**	**(6)**	**2,126,407**
Financial assets held for trading	**-**	**-**	**-**	**-**
Other financial assets at fair value through profit or loss	**748,769**	**(748,769)**	**-**	
a) Equity instruments	46	(46)	-	
b) Debt securities	-	-	-	
c) Investments held for the benefit of policyholders who bear the investment risk	748,723	(748,723)	-	
Available-for-Sale financial assets	**9,233,445**	**(9,233,445)**	**-**	
a) Equity instruments	2,041,897	(2,041,897)	-	
b) Debt securities	6,858,932	(6,858,932)	-	
c) Loans	-	-	-	
d) Bank deposits	332,616	(332,616)	-	
Loans and receivables	**1,333,738**	**(1,333,738)**	**-**	
a) Loans and other financial assets	340,409	(340,409)	-	
b) Receivables	991,498	(991,498)	-	
c) Investments held for the benefit of policyholders who bear the investment risk	1,831	(1,831)	-	
Financial assets at fair value through profit or loss		**1,688,819**	**-**	**1,688,819**
a) Equity instruments		612,032	-	612,032
b) Debt securities		107,121	-	107,121
c) Investments held for the benefit of policyholders who bear the investment risk		748,723	-	748,723
d) Bank deposits		220,943	-	220,943
Financial assets at fair value through other comprehensive income		**8,293,395**	**-**	**8,293,395**
a) Equity instruments		1,429,911	-	1,429,911
b) Debt securities		6,751,811	-	6,751,811
c) Loans		-	-	-
d) Bank deposits		111,673	-	111,673
Financial assets measured at amortised cost		**1,333,738**	**(432,439)**	**901,299**
a) Loans and other financial assets		340,409	(1,553)	338,856
b) Receivables		991,498	(430,886)	560,612
c) Investments held for the benefit of policyholders who bear the investment risk		1,831	-	1,831
Reinsurer's share of technical provisions	**1,200,037**	**-**	**(1,200,037)**	
Assets under insurance contracts		**-**	**105,621**	**105,621**
a) Assets for remaining coverage		-	(56,599)	(56,599)
b) Assets for claims incurred		-	162,220	162,220
Reinsurance contract assets		**-**	**844,869**	**844,869**
a) Assets for remaining coverage		-	472,454	472,454
b) Assets for claims incurred		-	372,415	372,415
Property, plant and equipment and investment property	**1,138,195**	**-**	**-**	**1,138,195**
Intangible fixed assets	**923,036**	**-**	**-**	**923,036**
Investments in entities accounted for using the equity method	**112,268**	**-**	**-**	**112,268**
Tax assets	**375,068**	**-**	**22,310**	**397,378**
Other assets	**705,187**	**-**	**(561,903)**	**143,284**
Assets held for sale	**74,626**	**-**	**(39,884)**	**34,742**
TOTAL ASSETS	**17,970,782**	**-**	**(1,261,469)**	**16,709,313**

(Figures in Thousands of Euros)

LIABILITY	31/12/2022	Reclassifications	Changes in measurement	01/01/2023 restated
TOTAL LIABILITIES	**13,788,162**	**-**	**(1,924,853)**	**11,863,309**
Debits and payables	**1,137,213**	**(1,137,213)**	**-**	
Financial liabilities at amortised cost		**1,137,213**	**(17,877)**	**1,119,336**
Technical provisions	**11,730,108**	**-**	**(11,730,108)**	
a) For unearned premiums	1,485,407	-	(1,485,407)	
b) For unexpired risks	1,822	-	(1,822)	
c) For life insurance				
- Provision for unearned premiums and unexpired risks	27,376	-	(27,376)	
- Mathematical provision	5,627,816	-	(5,627,816)	
- Provision for life insurance where the investment risk is borne by policyholders	750,878	-	(750,878)	
d) For claims	3,634,013	-	(3,634,013)	
e) For policyholder dividends and return premiums	31,371	-	(31,371)	
f) Other technical provisions	171,425	-	(171,425)	
Liabilities from insurance contracts		**-**	**9,739,910**	**9,739,910**
a) Liabilities for remaining coverage		-	7,766,614	7,766,614
b) Liabilities for incurred claims		-	1,973,296	1,973,296
Liabilities under reinsurance contracts		**-**	**37**	**37**
a) Liabilities for remaining coverage		-	37	37
b) Liabilities for incurred claims		-	-	-
Non-technical provisions	**258,296**	**-**	**(12,942)**	**245,354**
Tax liabilities	**403,797**	**-**	**186,106**	**589,903**
Other liabilities	**191,304**	**-**	**(44,386)**	**146,918**
Liabilities linked to assets held for sale	**67,444**	**-**	**(45,593)**	**21,851**
TOTAL NET EQUITY	**4,182,620**	**-**	**663,384**	**4,846,004**
Shareholders' equity	**3,605,313**	**42,906**	**442,646**	**4,090,865**
Capital	36,000	-	-	36,000
Issue premium	1,533	-	-	1,533
Reserves	3,103,999	42,906	432,270	3,579,175
Less: Shares and holdings in own equity	(22,787)	-	-	(22,787)
Profit/(loss) for the year attributable to the parent company	486,568	-	10,376	496,944
Less: Interim dividend	-	-	-	-
Other accumulated comprehensive income	**177,099**	**(42,906)**	**167,002**	**301,195**
Items that will not be re-classified to profits/(losses)	-	339,976	-	339,976
a) Changes in the fair value of equity instruments measured at fair value through other comprehensive income		339,976	-	339,976
Items that may be subsequently reclassified to profit or loss	177,099	(382,882)	167,002	(38,781)
a) Available-for-sale financial assets	153,468	(86,360)	(67,108)	
b) Changes in the fair value of debt securities measured at fair value through other comprehensive income		(253,616)	24,349	(229,267)
c) Exchange differences	(16,134)	-	43,261	27,127
d) Correction of accounting mismatches	42,906	(42,906)	-	
e) Insurance contracts		-	166,456	166,456
f) Reinsurance contracts		-	44	44
g) Entities accounted for using the equity method	(3,141)	-	-	(3,141)
h) Other adjustments	-	-	-	-
EQUITY OF THE PARENT COMPANY	**3,782,412**	**-**	**609,648**	**4,392,060**
MINORITY INTERESTS	**400,208**	**-**	**53,736**	**453,944**
Other accumulated comprehensive income	(23,076)	-	11,576	(11,500)
Other	423,284	-	42,160	465,444
TOTAL EQUITY AND LIABILITIES	**17,970,782**	**-**	**(1,261,469)**	**16,709,313**

Balance sheet reconciliation as at 01-01-2022

(Figures in Thousands of Euros)

ASSETS	31/12/2021	Reclassifications	Changes in measurement	01/01/2022 restated
Cash and other equivalent liquid assets	**1,733,173**	**-**	**(51)**	**1,733,122**
Financial assets held for trading	**-**	**-**	**-**	**-**
Other financial assets at fair value through profit or loss	**719,745**	**(719,745)**	**-**	
a) Equity instruments	48	(48)	-	
b) Debt securities	-	-	-	
c) Investments held for the benefit of policyholders who bear the investment risk	719,697	(719,697)	-	
Available-for-Sale financial assets	**10,213,620**	**(10,213,620)**	**-**	
a) Equity instruments	2,381,083	(2,381,083)	-	
b) Debt securities	7,396,774	(7,396,774)	-	
c) Loans	-	-	-	
d) Bank deposits	435,763	(435,763)	-	
Loans and receivables	**1,407,412**	**(1,407,412)**	**-**	
a) Loans and other financial assets	434,072	(434,072)	-	
b) Receivables	935,804	(935,804)	-	
c) Investments held for the benefit of policyholders who bear the investment risk	37,536	(37,536)	-	
Financial assets at fair value through profit or loss		**1,874,271**	**-**	**1,874,271**
a) Equity instruments		718,044	-	718,044
b) Debt securities		139,539	-	139,539
c) Investments held for the benefit of policyholders who bear the investment risk		719,697	-	719,697
d) Bank deposits		296,991	-	296,991
Financial assets at fair value through other comprehensive income		**9,059,094**	**-**	**9,059,094**
a) Equity instruments		1,663,087	-	1,663,087
b) Debt securities		7,257,235	-	7,257,235
c) Loans		-	-	-
d) Bank deposits		138,772	-	138,772
Financial assets measured at amortised cost		**1,407,412**	**(376,516)**	**1,030,896**
a) Loans and other financial assets		434,072	(1,502)	432,570
b) Receivables		935,804	(375,014)	560,790
c) Investments held for the benefit of policyholders who bear the investment risk		37,536	-	37,536
Reinsurer's share of technical provisions	**1,101,471**	**-**	**(1,101,471)**	
Assets under insurance contracts		**-**	**132,810**	**132,810**
a) Assets for remaining coverage		-	(46,568)	(46,568)
b) Assets for claims incurred		-	179,378	179,378
Reinsurance contract assets		**-**	**782,592**	**782,592**
a) Assets for remaining coverage		-	397,105	397,105
b) Assets for claims incurred		-	385,487	385,487
Property, plant and equipment and investment property	**1,130,958**	**-**	**-**	**1,130,958**
Intangible fixed assets	**945,543**	**-**	**-**	**945,543**
Investments in entities accounted for using the equity method	**99,072**	**-**	**-**	**99,072**
Tax assets	**297,608**	**-**	**77,238**	**374,846**
Other assets	**624,263**	**-**	**(498,945)**	**125,318**
Assets held for sale	**-**	**-**	**-**	**-**
TOTAL ASSETS	**18,272,865**	**-**	**(984,343)**	**17,288,522**

LIABILITY	31/12/2021	Reclassifications	Changes in measurement	01/01/2022 restated
TOTAL LIABILITIES	**13,800,025**	-	**(971,119)**	**12,828,906**
Debits and payables	**1,309,982**	**(1,309,982)**	-	
Financial liabilities at amortised cost		**1,309,982**	**(38,724)**	**1,271,258**
Technical provisions	**11,294,466**	**-**	**(11,294,466)**	
a) For unearned premiums	1,400,192	-	(1,400,192)	
b) For unexpired risks	1,636	-	(1,636)	
c) For life insurance				
- Provision for unearned premiums and unexpired risks	26,642	-	(26,642)	
- Mathematical provision	5,783,136	-	(5,783,136)	
- Provision for life insurance where the investment risk is borne by policyholders	757,760	-	(757,760)	
d) For claims	3,176,272	-	(3,176,272)	
e) For policyholder dividends and return premiums	31,148	-	(31,148)	
f) Other technical provisions	117,680	-	(117,680)	
Liabilities from insurance contracts		**-**	**10,645,339**	**10,645,339**
a) Liabilities for remaining coverage		-	8,707,038	8,707,038
b) Liabilities for incurred claims		-	1,938,301	1,938,301
Liabilities under reinsurance contracts		**-**	**34**	**34**
a) Liabilities for remaining coverage		-	78	78
b) Liabilities for incurred claims		-	(44)	(44)
Non-technical provisions	**196,056**	**-**	**(14,305)**	**181,751**
Tax liabilities	**555,794**	**-**	**48,270**	**604,064**
Other liabilities	**443,727**	**-**	**(317,267)**	**126,460**
Liabilities linked to assets held for sale	**-**	**-**	**-**	**-**
TOTAL NET EQUITY	**4,472,840**	**-**	**(13,224)**	**4,459,616**
Shareholders' equity	**3,209,004**	**(164,462)**	**636,178**	**3,680,720**
Capital	36,000	-	-	36,000
Issue premium	1,533	-	-	1,533
Reserves	2,767,506	(164,462)	1,063,405	3,666,449
Less: Shares and holdings in own equity	(23,262)	-	-	(23,262)
Profit/(loss) for the year attributable to the parent company	427,227	-	(427,227)	-
Less: Interim dividend	-	-	-	-
Other accumulated comprehensive income	**867,630**	**164,462**	**(687,727)**	**344,365**
Items that will not be re-classified to profits/(losses)	-	631,286	-	631,286
a) Changes in the fair value of equity instruments measured at fair value through other comprehensive income		631,286	-	631,286
Items that may be subsequently reclassified to profit or loss	867,630	(466,824)	(687,727)	(286,921)
a) Available-for-sale financial assets	1,059,465	(832,706)	(226,759)	
b) Changes in the fair value of debt securities measured at fair value through other comprehensive income		201,420	10,384	211,804
c) Exchange differences	(21,661)	-	-	(21,661)
d) Correction of accounting mismatches	(164,462)	164,462	-	
e) Insurance contracts		-	(471,352)	(471,352)
f) Reinsurance contracts		-	-	-
g) Entities accounted for using the equity method	(5,712)	-	-	(5,712)
h) Other adjustments	-	-	-	-
EQUITY OF THE PARENT COMPANY	**4,076,634**	**-**	**(51,549)**	**4,025,085**
MINORITY INTERESTS	**396,206**	**-**	**38,325**	**434,531**
Other accumulated comprehensive income	6,186	-	(6,047)	139
Other	390,020	-	44,372	434,392
TOTAL EQUITY AND LIABILITIES	**18,272,865**	**-**	**(984,343)**	**17,288,522**

The reconciliation of the consolidated profit and loss accounts under IFRS 4 and IFRS 17 as of 30 June 2023 and 30 June 2022 is presented below:

(Figures in thousands of euros)	30/06/2023 IFRS 4	Reclassifications	Changes in measurement	30/06/2023 IFRS 17
Earned premiums for the year, net of reinsurance	2,180,751	-	(2,180,751)	
Income from property, plant and equipment and investments	220,906	(220,906)	-	
Income from insurance investments where the risk is borne by the policyholder	66,868	(66,868)	-	
Other technical income	143,251	(143,251)	-	
Claims incurred in the year, net of reinsurance	(1,485,347)	-	1,485,347	
Change in other technical provisions, net of reinsurance	24,271	-	(24,271)	
Provision for policyholder dividends and return premiums	(17,667)	-	17,667	
Net operating expenses	(581,898)	-	581,898	
Other technical expenses	(15,664)	15,664	-	
Expenses arising from property, plant and equipment and investments	(77,017)	77,017	-	
Expenses for investments relating to insurance where the policyholder bears the risk	(4,074)	4,074	-	
Technical account profit/(loss)	**454,380**	**(334,270)**	**(120,110)**	
I) Insurance service income		-	**2,404,556**	**2,404,556**
I.1) Income measured under the simplified BBA and VFA)		-	1,292,375	1,292,375
I.1.1. Amounts related to changes in the liability for the remaining coverage		-	927,431	927,431
I.1.1.1. Expected benefits and expenses		-	724,083	724,083
I.1.1.2. Changes in the risk adjustment for non-financial risks		-	51,146	51,146
I.1.1.3. CSM recognised for services provided		-	152,202	152,202
I.1.2) Release (recovery) of acquisition costs allocated to the period		-	235,413	235,413
I.1.3) Adjustment of experience related to current services		-	129,531	129,531
I.2) Income from contracts measured under PAA		-	1,112,181	1,112,181
II) Insurance service expenses		-	**(1,845,638)**	**(1,845,638)**
II.1. Benefits and expenses incurred		-	(1,372,787)	(1,372,787)
II.2. Amortisation of acquisition costs		-	(516,782)	(516,782)
II.3. Change in liability for incurred claims		-	43,931	43,931
III) Profit/(loss) associated with insurance contracts issued (I+ II)		-	**558,918**	**558,918**
IV.1) Reinsurance expenses		-	(399,242)	(399,242)
IV.2) Income from reinsurance recoveries		-	238,686	238,686
IV) Profit/(loss) associated with reinsurance contracts held (IV.1+ IV.2))		-	**(160,556)**	**(160,556)**
V) Insurance service result (III+IV)		-	**398,362**	**398,362**
VI) Net investment profit/(loss)		**184,487**	**36,924**	**221,411**
Financial income / (expenses) for insurance associated with insurance contracts issued		-	(145,797)	(145,797)
Financial income / (expenses) associated with reinsurance contracts held		-	929	929
VII) Total financial income or expenses for insurance		-	**(144,868)**	**(144,868)**
VIII) Net insurance and investment income (V+ VI+VII)		**184,487**	**290,418**	**474,905**
Income from property, plant and equipment and investments	(9,044)	9,044	-	
Expenses arising from property, plant and equipment and investments	(13,152)	13,152	-	
Other income	112,744	145,577	-	258,321
Other expenses	(100,400)	(17,990)	(78,225)	(196,615)
Profit before tax	**444,528**	-	**92,083**	**536,611**
Tax on profits	(103,826)	-	(24,251)	(128,077)
Profit/(loss) for the period from on-going transactions	**340,702**	-	**67,832**	**408,534**
Profit/(loss) for the year from discontinued operations and/or held for sale, net of taxes	3,179	-	(947)	2,232
Consolidated profit/loss for the year	**343,881**	-	**66,885**	**410,766**
a) Profit attributable to equity holders of the parent company	308,851	-	61,256	370,107
b) Profit attributable to minority interests	35,030	-	5,629	40,659

Consolidated Profit and Loss Account - Reconciliation of the restatement of balances at 30-06-2022

(Figures in thousands of euros)	30/06/2022	Reclassifications	Changes in measurement	30/06/2022 restated
Earned premiums for the year, net of reinsurance	1,992,065	-	(1,992,065)	
Income from property, plant and equipment and investments	182,344	(182,344)	-	
Income from insurance investments where the risk is borne by the policyholder	45,499	(45,499)	-	
Other technical income	135,474	(135,474)	-	
Claims incurred in the year, net of reinsurance	(1,291,507)	-	1,291,507	
Change in other technical provisions, net of reinsurance	85,248	-	(85,248)	
Provision for policyholder dividends and return premiums	(13,012)	-	13,012	
Net operating expenses	(554,956)	-	554,956	
Other technical expenses	(11,734)	11,734	-	
Expenses arising from property, plant and equipment and investments	(83,263)	83,263	-	
Expenses for investments relating to insurance where the policyholder bears the risk	(114,590)	114,590	-	
Technical account profit/(loss)	**371,568**	**(153,730)**	**(217,838)**	
I) Insurance service income		**-**	**2,200,074**	**2,200,074**
I.1) Income measured under the simplified BBA and VFA)		-	1,160,635	1,160,635
I.1.1. Amounts related to changes in the liability for the remaining coverage		-	797,433	797,433
I.1.1.1. Expected benefits and expenses		-	599,997	599,997
I.1.1.2. Changes in the risk adjustment for non-financial risks		-	51,631	51,631
I.1.1.3. CSM recognised for services provided		-	155,805	155,805
I.1.2) Release (recovery) of acquisition costs allocated to the period		-	206,871	206,871
I.1.3) Adjustment of experience related to current services		-	156,331	156,331
I.2) Income from contracts measured under PAA		-	1,039,439	1,039,439
II) Insurance service expenses		**-**	**(1,650,883)**	**(1,650,883)**
II.1. Benefits and expenses incurred		-	(1,193,487)	(1,193,487)
II.2. Amortisation of acquisition costs		-	(480,792)	(480,792)
II.3. Change in liability for incurred claims		-	23,396	23,396
III) Profit/(loss) associated with insurance contracts issued (I+ II)		**-**	**549,191**	**549,191**
IV.1) Reinsurance expenses		-	(336,856)	(336,856)
IV.2) Income from reinsurance recoveries		-	155,909	155,909
IV) Profit/(loss) associated with reinsurance contracts held (IV.1+ IV.2))		**-**	**(180,947)**	**(180,947)**
V) Insurance service result (III+IV)		**-**	**368,244**	**368,244**
VI) Net investment profit/(loss)		**23,899**	**(141,709)**	**(117,810)**
Financial income / (expenses) for insurance associated with insurance contracts issued		-	139,971	139,971
Financial income / (expenses) associated with reinsurance contracts held		-	(16,444)	(16,444)
VII) Total financial income or expenses for insurance		**-**	**123,527**	**123,527**
VIII) Net insurance and investment income (V+ VI+VII)		**23,899**	**350,062**	**373,961**
Income from property, plant and equipment and investments	(94)	94	-	
Expenses arising from property, plant and equipment and investments	(5,997)	5,997	-	
Other income	29,158	133,059	-	162,217
Other expenses	(27,702)	(9,319)	(101,157)	(138,178)
Profit before tax	**366,933**	**-**	**31,067**	**398,000**
Tax on profits	(79,949)	-	(2,356)	(82,305)
Profit/(loss) for the period from on-going transactions	**286,984**	**-**	**28,711**	**315,695**
Profit/(loss) for the year from discontinued operations and/or held for sale, net of taxes	-	-	-	-
Consolidated profit/loss for the year	**286,984**	**-**	**28,711**	**315,695**
a) Profit attributable to equity holders of the parent company	262,239	-	27,496	289,735
b) Profit attributable to minority interests	24,745	-	1,215	25,960

The following is an explanation of the main changes in the new IFRS 17 compared to the previous accounting standard IFRS 4. Compared to the information presented under IFRS 4, IFRS 17 involves a change in the presentation of balance sheet items, but primarily in the income statement. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. The following changes and impacts, among others, should be highlighted:

- The heading "Financial assets at amortised cost" groups together those previously called "Loans and receivables", with the main exception of:
    - The fractioning of premiums to be issued, classified in IFRS 4 under the asset item "Receivables from direct insurance operations", which in IFRS 17 is classified under the liability item "Liabilities for remaining hedges".
    - Part of the receivables from the credit insurance business, which are included in the calculation of the current value of the cash flows under the heading "Liabilities for remaining coverage."
- IFRS 17 introduces the heading "Assets under insurance contracts", which mainly classifies consumer credit contracts (ICP) from the credit insurance business, where premium and recovery flows exceed payment and expense flows.
- The accrual of acquisition commissions and expenses, classified in IFRS 4 under "Other assets", is classified in IFRS 17 under the liability item "Liabilities for remaining hedges".
- IFRS 17 introduces a general model (BBA) that measures groups of contracts based on estimates of the current value of future cash flows (FCF), an explicit risk adjustment for non-financial risk and a contractual service margin (CSM). Current assumptions at each close are used to calculate the liability for the remaining hedge. The establishment of the CSM is one of the relevant factors causing the increase in insurance contract liabilities in the transition, in addition to the remeasurement of the cash flows arising from compliance.

  In the case of the simplified model (PAA), the measurement of liabilities for remaining coverage is similar to the treatment in IFRS4.
- In measuring incurred claims liabilities, future cash flows are discounted (unless they are expected to occur within one year or less from the date on which the claims are incurred) and an explicit risk adjustment for non-financial risk is included.
- The impact on OCI mainly comprises two components: i) changes in value of the investment portfolio classified at fair value with changes in other comprehensive income and ii) changes in value of liabilities between the initial recognition rate (the so-called "locked-in-rate") and the current rate.
- Under IFRS 17, the Group no longer applies the shadow accounting approach. This has an impact on "Other comprehensive income" and "Other liabilities" with a corresponding deferred tax impact.
- Insurance service income: Income from premiums is replaced by changes in the liability for the remaining coverage in the BBA and VFA models, including the recognition of the service margin earned on insurance contracts (CSM). In the PAA model, the insurance service income is similar to the earned premium concept under IFRS4.

  In the case of the credit insurance business, income derived from risk analyses of its policyholders' debtors (known as verification fees) is not considered as insurance service income and is therefore accounted for under IFRS 15 and classified under "Other income".
- Investment components are no longer included in insurance service income or expenses.
- Insurance finance income and expenses: includes the effect of credited interest on the current value of the associated future cash flows, on the risk adjustment and on the CSM of insurance contract liabilities, as well as the effect of discount rate restatement for insurance contract liabilities measured under BBA/VFA and allocated to the income statement.

Additionally, at balance sheet level, the above changes imply, in terms of presentation, both in assets and liabilities, the replacement of the current headings of "Reinsurance participation in technical provisions" and "Technical provisions" by "Assets/liabilities under reinsurance contracts held" and "Assets/liabilities under insurance contracts issued", respectively.

2.f) Seasonal nature of the Group's activities

Given the activities that the companies of the Group carry out, their transactions are not marked by a strongly cyclical or seasonal character. For this reason, no specific disclosures have been included in these explanatory notes to the abridged consolidated financial statements that correspond to the six-month period ending on 30 June 2023.

2.g) Relative Importance

When determining the information to be divulged on the different items of the financial statements or other topics, the Group, in accordance with IAS 34, has considered the relative importance in terms of the abridged consolidated financial statements of the first half-year.

3. Significant accounting policies and principles and measurement bases applied

In the preparation of the half-yearly financial statements, all principles and measurement criteria that could have a material effect have been applied.

Except as indicated below, the Group's half-yearly financial statements have been prepared using the same accounting principles, policies and criteria as described in Note 3 of the report for the consolidated financial statements for 2022.

3.a) Assets and liabilities arising from insurance and reinsurance contracts

3.a.1) Definition and classification

The Group has assessed that the contracts meet the definition of an insurance contract and has not identified any contracts that have the legal form of an insurance contract but do not transfer significant insurance risk (with the exception of managed vehicles: Investment Funds and Pensions).

3.a.2) Segregation of components

The Group assesses its products to determine whether any of these components are distinct from insurance and whether they need to be separated and accounted for using other Standards. The Group has not identified components susceptible to segregation, so all components will be accounted for under IFRS 17.

3.a.3) Aggregation

The Group has defined the units of account based on the portfolio mix, year of issue and profitability, as detailed below.

In terms of portfolios, the Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and are managed together, depending on the characteristics of the product's main and supplementary guarantees and factors such as risk management, including ALM coordination, or claims management and settlement policy, among others, respectively.

As for the second level of aggregation, on initial recognition the Group segregates contracts on the basis of their issuance, i.e. in annual cohorts.

Finally, each portfolio is then broken down into three groups of contracts: (i) contracts that are onerous on initial recognition, (ii) contracts that, on initial recognition, have no significant possibility of subsequently becoming onerous, and (iii) the remaining contracts in the portfolio.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured and not subsequently reconsidered:

Traditional business

- In the case of traditional business measured under the General Model or Variable Fee Approach, the Group concludes that all contracts belong to the same group of contracts at individual level.

- For contracts accounted for under the Premium Allocation Approach, the Group determines that the contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise.

Credit insurance business

Local credit business and surety business is managed at the level of the country that issued the insurance contracts. However, comprehensive credit insurance, special products and payment protection insurance are managed at Group level.

3.a.4) Recognition and limits of the contract

The Group includes all future cash flows expected to arise within the limits of each of the contracts in the group in the measurement of a group of insurance contracts.

In the case of credit insurance business, the existence of credit limits (insured sales coverage) determines the existence of the insurance contract, and not the policy itself, although insured sales are grouped by policy and month in which they occur. The definition of the insured event, as well as the occurrence of the claim, have been aligned with the description included in the policy conditions (legal insolvency or prolonged default).

3.a.5) Measurement of insurance contracts issued

The liability (asset) for the remaining coverage represents the Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred and comprises (a) cash flows derived from compliance related to future services and (b) the CSM.

The liability (asset) for claims incurred includes the Group's liability to investigate and pay valid claims for insured events that have already occurred, other incurred insurance expenses arising from prior service coverage and includes the reserve for claims incurred but not yet reported.

3.a.5.1) Measurement model for contracts other than the Premium Allocation Approach

In the case of Liability for Remaining Coverage (or "LRC"), the Group measures a group of contracts at initial recognition as the sum of the cash flows arising from expected performance within the contract boundary and the contractual service margin.

It should be noted that the general model (BBA) applies to the credit insurance business and to those insurance contracts of the life business whose contract limits exceed one year and which do not have direct holding. In turn, the variable fee approach (VFA) applies to Unit Linked, which meet the conditions of direct participation contracts.

In the case of the Liability for Incurred Claims (LIC), which is measured under the general model, it should be noted that it is composed of the case-by-case reserve, the IBNR provision and the provision for internal settlement and claims expenses. The IBNR provision for traditional non-life business for the IFRS 17 process is calculated by reserving line of business, by accident year and mainly using the global projection method. Based on this method, the IBNR provision is calculated by the chain ladder method, differentiating, if applicable, between mass claims and peak claims.

For credit insurance business, the date of occurrence of claims corresponds to the insolvency date or the end date of the extended period of default, in accordance with the policy conditions and in line with Solvency II. The incurred claims provision is calculated by applying the best estimate to reported claims on a case-by-case basis, and by applying claims input distribution models for the IBNR provision (Bornhuetter-Ferguson model) for mass claims.

Cash flows within the limits of the contract

The Group estimates the expected future cash flows for a group of contracts at portfolio level and then allocates them to the groups in that portfolio in a systematic and rational manner. The explicit risk adjustment for non-financial risk is estimated separately from the other estimates.

Contracts with cash flows that are dependent on underlying items that do not meet the definition of direct holding contracts (indirect holding contracts)

There is a variation of the BBA, the Modified BBA approach, which is applied to those contracts measured by the BBA model where changes in financial variables have a material effect on the flows paid to the policyholder, which in the case of the Group would correspond to indexed universal life products.

Discount rate

The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with current market prices and excluding factors that influence the market prices of the reference assets but do not affect the flows of the insurance contracts. In the traditional and credit insurance business, the discount rate is calculated by the bottom-up approach after the transition ("bottom-up") on the basis of the risk-free curve, mainly on the basis of the curve published monthly by EIOPA (European Insurance and Occupational Pensions Authority), assimilating the volatility adjustment to the illiquidity premium.

The discount curves used at 30 June 2023 and 31 December 2022 are shown below:

		30 June 2023					31 December 2022				
	Currency	1 year	5 years	10 years	20 years	30 years	1 year	5 years	10 years	20 years	30 years
Traditional business	EUR	3.93%	3.10%	3.03%	2.91%	2.91%	3.37%	3.32%	3.28%	2.96%	2.89%
Credit insurance business	EUR	3.74%	2.91%	2.84%	2.72%	2.75%	3.18%	3.13%	3.09%	2.77%	2.73%
	GBP	5.25%	4.43%	4.04%	3.92%	3.77%	4.46%	4.06%	3.71%	3.54%	3.36%
	USD	5.05%	3.51%	3.35%	3.32%	3.07%	5.07%	3.95%	3.75%	3.63%	3.27%

Risk adjustment for non-financial risk

The Group uses the Value at Risk ("VaR") method to estimate the risk adjustment to the liability (asset) for the remaining coverage and the risk adjustment to the liability (asset) for claims incurred from traditional business. In the case of the liability (asset) risk adjustment for the remaining coverage of the credit insurance business, the Group uses the Cost of Capital method by simplifying the calculation used in Solvency.

As for the calculation of Value-at-Risk in traditional non-life business, this is done at "reserving line” level. The main assumptions are: (i) calculation separately for both "mass" and "peak" claims; (ii) normal distribution; (iii) the parameters used for this distribution are the "mean" of the present value of discounted future flows, without taking into account the provision for internal claims settlement expenses and the "standard deviation" depending on the method used to calculate the provision for outstanding claims "IBNR".

The Group allocates the total risk adjustment for life business at entity level to the groups based on each group's contributions to the underwriting SCR (Life and Non-Life).

The Group shall disaggregate, for life business, the change in the risk adjustment between the insurance service component and the financial component.

Applying the confidence level technique, the Group has estimated the probability distribution of the expected present value of the future cash flows of the insurance contracts at 30 June 2023 and 31 December 2022 and calculated the risk adjustment for non-financial risk as the excess of the value at risk at the 70-75th percentile (target confidence levels) for both traditional and credit insurance business over the expected present value of the future cash flow.

Contractual service margin (or "CSM")

CSM is a component of the total amount of a group of insurance contracts that represents the unearned benefit that the Group will recognise as it provides insurance contract services during the period of coverage for the portfolio of insurance contracts existing at that date.

If a group of contracts is onerous, the Group recognises a loss on recognition.

The assessment of onerousness, for contracts not measured under the Premium Allocation Approach in traditional business, is done at the individual contract level; in credit insurance business the analysis is done at a level higher than the individual, but sufficiently homogeneous.

Recognition of the CSM in profits/(losses)

The CSM is released and recognised as income due to the transfer of services in the period and such release is made based on the allocation of coverage units. The proposed MSM release pattern by product type is as follows:

Traditional business:

- Non-renewable risk life and funeral: pattern based on the sum insured per death reached in each period.
- Annuities: pattern based on the amount of annuity paid in the period plus the surrender value (if the policy has this right)
- Other life savings:

  a) General Model: pattern based on the survival capital achieved in the period plus the additional amount guaranteed in case of death. In traditional insurance, the survival capital taken into account is the amount payable at maturity, including the accumulated profit participation. In the case of universal modalities, the survival capital to be considered will be the accumulated balance of the policy at any given moment.

  b) Variable fee approach: same pattern concept as for the General Model.

Credit business:

- Standard credit insurance: based on the expected period in which customer invoices are settled. After this payment, the Group no longer has any insurance risk.
- Surety business: pro rata for the period of cover.

3.a.5.2) Measurement model for contracts measured under the Premium Allocation Approach

The Group applies the Premium Allocation Approach mainly to: (i) those products whose coverage period is one year or less, as is mostly the case in the non-life business of the traditional business and, exceptionally, those whose measurement under the Premium Allocation Approach (PAA) and the General Model (BBA) does not differ significantly and no significant variability in flows is expected; (ii) life business products (including renewable life) whose contract limits do not exceed one year.

On initial recognition, the Group measures the liability (asset) for the remaining coverage as the amount of premiums collected. It should be noted that in the traditional non-life business, the accounting policy option of amortising acquisition expenses according to the coverage of the contract has been chosen, while in life business, acquisition expenses are recorded when they have been incurred.

3.a.6) Reinsurance Contracts ceded or held

Reinsurance contracts ceded or retained are measured separately from the underlying insurance contracts written, with no difference in pooling and valuation from that shown for direct insurance.

3.a.7) Financial income or expenses from insurance contracts

The measurement, in interaction between IFRS 9 and IFRS 17, through the possibility of applying the "other comprehensive income option" or the "income statement option", both for changes in the financial value of investments and liabilities, aims to eliminate any additional volatility in the income statement in a transparent, consistent manner, while maximising comparability.

The choice of the accounting option is made at the level of the portfolio of insurance contracts. In this respect, the "other comprehensive income option" is chosen for the portfolios of insurance contracts of traditional business and credit insurance, with the exception of those whose assigned assets have not passed the SPPI test (see Note 3.b.1)) and, therefore, in order to avoid asymmetries between assets and liabilities in their measurement, the "income statement option" is used.

For indirect holding contracts, the amount presented in profit or loss is based on a systematic allocation of the total expected total insurance financial income or expense over the life of the group's contracts. For the duration of the contracts in the group, the total amount recognised in OCI will be zero.

3.b) Financial instruments

3.b.1) Classification of financial instruments

The criteria established by the accounting regulatory framework for the classification of financial assets according to the following variables: the entity's business model and the contractual cash flow characteristics of the assets. Accordingly, the Group classifies its financial assets as follows:

(i) Financial assets at amortised cost: the aim of their business model is to hold the financial asset in order to collect contractual cash flows and, according to the terms of the contract, cash flows are received on specific dates that exclusively constitute payments of principal plus interest on such principal. Interest, impairment and exchange differences are recorded in income.

(ii) Financial assets at fair value through other comprehensive income: the business model has the aim of both obtaining contractual cash flows and selling them and, according to the terms of the contract, cash flows are received on specific dates that exclusively constitute payments of principal plus interest on such principal. Interest, impairment and exchange differences are recorded in income, as well as in the amortised cost model. Other changes in fair value are recorded in equity and may be recycled to profit or loss on their sale.

(iii) Financial assets at fair value through profit or loss: a financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

This category includes instruments that do not meet the SPPI ("*solely payments of principal and interest*") test and units in mutual funds, since this type of instrument does not meet the definition of equity instruments in accordance with IAS 32 and, consequently, cannot be measured at fair value through other comprehensive income and must be measured at fair value through profit or loss.

In addition, the Group has considered the application of irrevocable designation options at initial recognition:

a) An equity instrument, provided it is not held for trading purposes, may be classified at fair value through other comprehensive income (equity), but may not be recycled to profit or loss on sale, and only dividends are taken to profit or loss.

   The Group has assumed that equity securities represent investments that the Group intends to hold for long-term strategic purposes. As permitted by IFRS 9, it has designated these investments as "fair value through other comprehensive income".

b) A financial asset may also be designated for measurement at fair value through profit or loss if doing so reduces or eliminates an accounting mismatch.

Financial liabilities are classified into the following categories: "Financial liabilities held for trading" and "Financial liabilities at amortised cost". In particular, financial liabilities that are not classified as held for trading are recorded in the "Financial liabilities at amortised cost" portfolio. Balances recorded in this category include subordinated liabilities, as well as accounts payable and deposits linked to the insurance business.

3.b.2) Measurement of financial instruments

The Group requires that, on initial recognition, a financial asset or financial liability is measured at fair value, increasing or decreasing, in the case of a financial asset or financial liability that is not carried at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

After initial recognition, an entity shall measure a financial asset: i) at amortised cost; ii) at fair value through other comprehensive income; or iii) at fair value through profit or loss.

3.b.3) Impairment of financial assets

The Group applies the impairment requirements to financial assets measured at amortised cost and those measured at fair value through other comprehensive income.

Impairment losses for the period on debt instruments are recognised as an expense under "Impairment losses on credit risk" in the profit and loss account. Impairment losses on debt instruments at amortised cost are recognised against an allowance account that reduces the carrying amount of the asset, while those at fair value through other comprehensive income are recognised against accumulated other comprehensive income.

The amount of impairment loss allowances is calculated based on whether or not there has been a significant increase in credit risk since the initial recognition of the transaction, and whether or not an event of default has occurred. The Group assumes that the credit risk of a financial instrument has not increased significantly since initial recognition if the credit risk of that instrument at the reporting date is determined to be low, i.e. equivalent to an Investment Grade credit rating (AAA to BBB-), which results in recognising an impairment provision for 12-month expected credit losses. The Group has defined a set of indications that identify events of default (Stage 3) and significant increases in risk (Stage 2) at the transaction level for all financial instruments measured at amortised cost and at fair value through other comprehensive income, assuming that the so-called expected credit loss is recognised over the life of the transaction.

The main aspects to be considered in the Group's estimation of expected loss are the probability of default, the size of the debt or exposure at default ('EAD') and the discounted cash flows.

The credit risk of financial investments is determined on the basis of an average of the four rating agencies S&P, Moody's, Fitch and DBRS, known as a composite rating. In turn, these are grouped into higher levels called buckets, so that each financial asset in the Group will have one bucket assigned at initial recognition of the asset and another assigned at the reporting date based on the combined rating at the reporting date.

4. Financial information by segment

4.a) Attributable income and expenses by segments

The Group has defined the main segments as 'Traditional Business', 'Credit Insurance Business' and 'Funeral Business'.

The insurance companies that depend on Grupo Catalana Occidente, S.A. operate in the following lines: life, credit, surety, accident, illness, health care, land vehicles, sea, lake and river vehicles (hulls), air vehicles, railway vehicles, transported goods, fire and natural elements, other damage to property (combined agricultural insurance, theft or other), civil liability (in land motor vehicles, air vehicles, sea, lake and river vehicles, derived from nuclear risks or other risks), various pecuniary losses, legal defence, assistance and funeral business. The Group considers all of the branches it operates in to be traditional business except for the Credit and Surety lines, which is included within the credit insurance business.

IFRS 8 – Segment Reporting confirms the principles governing the preparation of financial information by business lines and geographical area.

Segment information is presented according to the control, monitoring and internal management of the Group's insurance activities and results and is prepared for all the insurance lines and sub-lines which the Group operates, taking the Group's structure and organisation into account. The Board of Directors of Grupo Catalana Occidente is the highest body in terms of making operational decisions to define the operating segments.

The current management of the business is based on financial information reported in IFRS4 to the Group's management and, therefore, the information by segment and geographical area is broken down under the accounting principles established by said standard, until the management of the business and decision-making are based on financial information reported (including the consolidated management report) under the principles established in IFRS 17 (accounting standards applicable in these half-yearly financial statements).

Pursuant to the requirements of IAS 34, below are the ordinary revenues and results of the main lines of business according the previous definition of the Group, related to the first half year of 2023, as well as the same information on the same period of the previous year:

Business Segment	Ordinary income		Profit before tax	
	1st Half-Year 2023	1st Half-Year 2022	1st Half-Year 2023	1st Half-Year 2022
Traditional business				
Non-life (+)	1,238,620	1,171,362	126,984	143,492
Life (*)	483,294	410,432	59,873	36,243
Other activities	3,055	12,881	(23,206)	(8,518)
Credit insurance business (*)	1,210,469	1,124,729	270,702	191,833
Funeral Business	109,689	16,277	13,354	3,883
Total IFRS 4	**3,045,127**	**2,735,681**	**447,707**	**366,933**
Reconciliation adjustments	**(382,250)**	**(373,390)**	**88,904**	**31,067**
Total IFRS 17	**2,662,877**	**2,362,291**	**536,611**	**398,000**

(*) In IFRS 4 ordinary income from non-life, life and credit insurance business includes premiums earned from direct insurance and other technical income, respectively.

(**) In IFRS17, ordinary income from non-life, life and credit insurance business includes income from insurance written and other technical income, respectively. The reconciliation of the consolidated condensed profit and loss accounts under IFRS 4 and IFRS 17 as of 30 June 2023 and 2022 is presented in Note 2.e).

In addition to the volume of ordinary income, the Group has managed payments to pension plans and investment funds, not reflected in the abridged consolidated profit and loss account, amounting to €14,783 thousand during the period (€22,374 thousand in the previous equivalent period).

In accordance with the requirements of IAS 34, below are details of the measurement of the assets and liabilities of the main business segments, according to the previous definition made by the Group, relating to the first half of the financial year 2023, as well as the same information relating to the close of the previous year:

ASSETS	30 June 2023			
	Traditional business	**Credit insurance business**	**Funeral Business**	**TOTAL**
Cash and other cash equivalent assets	531,197	654,280	53,231	**1,238,708**
Other financial assets at fair value through profit or loss	815,282	-	-	**815,282**
Available-for-Sale financial assets	6,939,486	3,030,943	1,122	**9,971,551**
Loans and receivables	2,436,174	(426,223)	(381,226)	**1,628,725**
Reinsurer's share of technical provisions	180,696	1,080,584	-	**1,261,280**
Property, plant and equipment and investment property	930,033	178,085	127,320	**1,235,438**
Intangible fixed assets	322,844	547,067	709,121	**1,579,032**
Shareholdings in group companies and associates	12,847	96,632	6,684	**116,163**
Tax assets	242,930	164,729	30,506	**438,165**
Other assets	208,526	643,927	6,177	**858,630**
Assets held for sale	-	66,989	-	**66,989**
TOTAL ASSETS IFRS 4	**12,620,015**	**6,037,013**	**552,935**	**19,209,963**
			Reconciliation adjustments	**(1,538,522)**
			TOTAL ASSETS IFRS 17	**17,671,441**

LIABILITIES AND EQUITY	Traditional business	Credit insurance business	Funeral Business	TOTAL
Debits and payables	113,678	797,527	458,168	**1,369,373**
Technical provisions	8,958,434	3,219,083	-	**12,177,517**
Non-technical provisions	194,700	61,086	1,046	**256,832**
Tax liabilities	296,276	195,991	71,525	**563,792**
Other liabilities	2,905	179,839	3,226	**185,970**
Liabilities linked to assets held for sale	-	63,275	-	**63,275**
Net equity	3,054,022	1,520,212	18,970	**4,593,204**
TOTAL LIABILITIES AND EQUITY IFRS 4	**12,620,015**	**6,037,013**	**552,935**	**19,209,963**
			Reconciliation adjustments	**(1,538,522)**
			TOTAL LIABILITIES AND EQUITY IFRS 17	**17,671,441**

ASSETS	31 December 2022			
	Traditional business	**Credit insurance business**	**Funeral Business**	**TOTAL**
Cash and other cash equivalent assets	1,531,122	575,789	19,502	**2,126,413**
Other financial assets at fair value through profit or loss	748,769	-	-	**748,769**
Available-for-Sale financial assets	6,364,660	2,839,961	28,824	**9,233,445**
Loans and receivables	1,793,181	(377,151)	(82,292)	**1,333,738**
Reinsurer's share of technical provisions	160,034	1,040,003	-	**1,200,037**
Property, plant and equipment and investment property	947,005	173,937	17,253	**1,138,195**
Intangible fixed assets	324,165	555,485	43,386	**923,036**
Shareholdings in group companies and associates	12,078	100,190	-	**112,268**
Tax assets	205,892	168,848	328	**375,068**
Other assets	181,439	523,253	495	**705,187**
Assets held for sale	-	74,626	-	**74,626**
TOTAL ASSETS IFRS 4	**12,268,345**	**5,674,941**	**27,496**	**17,970,782**
			Reconciliation adjustments	**(1,261,469)**
			TOTAL ASSETS IFRS 17	**16,709,313**

LIABILITIES AND EQUITY	Traditional business	Credit insurance business	Funeral Business	TOTAL
Debits and payables	327,407	800,320	9,486	**1,137,213**
Technical provisions	8,786,775	2,943,333	-	**11,730,108**
Non-technical provisions	197,896	59,856	544	**258,296**
Tax liabilities	239,848	163,732	217	**403,797**
Other liabilities	432	190,710	162	**191,304**
Liabilities linked to assets held for sale	-	67,444	-	**67,444**
Net equity	2,715,987	1,449,546	17,087	**4,182,620**
TOTAL LIABILITIES AND EQUITY IFRS 4	**12,268,345**	**5,674,941**	**27,496**	**17,970,782**
			Reconciliation adjustments	**(1,261,469)**
			TOTAL LIABILITIES AND EQUITY IFRS 17	**16,709,313**

4. b) Premiums by geographical area

The distribution of earned net reinsurance premiums for the first half of the 2023 financial year, as well as the same information relating to the comparative period of the previous financial year, is as follows:

Geographical Area	Earned premiums in the period, net of reinsurance per geographical area							
	1st half-year 2023				1st half-year 2022			
	Traditional business		Credit insurance business	TOTAL	Traditional business		Credit insurance business	TOTAL
	Non-Life	Life			Non-Life	Life		
Domestic market	981,578	447,820	107,549	**1,536,947**	934,358	376,800	101,263	**1,412,421**
International market								
a) European Union								
a.1) Euro zone	9,166	-	376,457	**385,623**	8,483	-	318,398	**326,881**
a.2) Non-Euro zone	12	-	50,776	**50,788**	4	-	42,954	**42,958**
b) Other	7,742	1,937	197,713	**207,392**	7,081	1,589	201,135	**209,805**
Total IFRS 4	**998,498**	**449,757**	**732,495**	**2,180,750**	**949,926**	**378,389**	**663,750**	**1,992,065**
Reconciliation adjustments				**(175,435)**				**(128,848)**
Total IFRS 17				**2,005,315**				**1,863,217**

5. Dividends paid and earnings per share

5.a) Dividends paid by the parent company

The dividends agreed by the parent company during the first six months of 2023 and 2022 and their payment date are listed below:

Governing Body	Date of agreement	Date of payment	Type of dividend	Per share in euros	Total (€ thousand)
Board of Directors	26 January 2023	8 February 2023	Dividend charged to reserves	0.1792	21,504
General Shareholders' Meeting	27 April 2023	10 May 2023	2022 complementary dividend	0.4909	58,908
Board of Directors	29 June 2023	12 July 2023	Dividend charged to reserves	0.1926	23,112
1st Half-Year Total 2023					**103,524**

Governing Body	Date of agreement	Date of payment	Type of dividend	Per share in euros	Total (€ thousand)
Board of Directors	27 January 2022	9 February 2022	Dividend charged to reserves	0.1667	20,004
General Shareholders' Meeting	28 April 2022	11 May 2022	2021 complementary dividend	0.4463	53,556
Board of Directors	30 June 2022	13 July 2022	Dividend charged to reserves	0.1792	21,504
1st Half-Year Total 2022					**95,064**

The completed dividend payouts broken down in the table above, comply with the requirements and limitations established by the current legal framework and Articles of Association of the parent company.

The decision to distribute dividends is based on a thorough, thoughtful analysis of the Group's situation, does not compromise either the Group's future solvency or the protection of policyholders' and insured party's interests, and is made in the context of the supervisors' recommendations on this matter.

5.b) Earnings per share

Basic earnings per share are determined by dividing net income attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the year, excluding the average number of treasury shares held during the year.

This calculation is illustrated as follows:

	1st half-year 2023	1st half-year 2022
Net profit attributable to equity holders of the parent company (€ thousand)	370,107	289,735
Average weighted number of shares issued (thousands of shares)	120,000	120,000
Less: Weighted treasury shares (thousands of shares) (*)	(1,977)	(2,012)
Weighted average number of shares outstanding (thousands of shares)	118,023	117,988
Earnings per share (Euros)	**3.14**	**2.46**

(*) Refers to the average of the treasury shares held in treasury stock for the different periods.

As there are no stock options, *warrants* or other equivalent instruments that might cause a potential dilutive effect, the earnings per share figure is the same as the diluted earnings per share in the different periods presented.

6. Remuneration and other benefits of the Board of Directors and Senior Staff of the parent company

Note 21. b) of the Notes to the Annual Consolidated Financial Statements which correspond to year end 31 December 2022, explains the remuneration and other benefits paid to the members of the Board of Directors of the parent company from the subsidiaries in 2022.

The General Meeting of Shareholders held on 27 April 2023 agreed on the remuneration for all directors, in their capacity as such, for the financial year 2023, established the allowances for attending Board meetings, the maximum annual amount of remuneration for all directors, in their capacity as such, for the financial year 2023 and submitted the Annual Report on Directors' Remuneration in the 2022 financial year to the consultative vote of the General Meeting. In addition, due to the resignation of the Secretary Director and General Manager, Mr. Francisco José Arregui Laborda, effective 1 January 2023 and accepted by resolution of the Board of Directors on 27 October 2022, it was agreed at this Meeting to set the number of members of the Board of Directors at 9.

Below is a summary of the most important information on the remuneration and benefits that corresponds to the six-month period ending on 30 June 2023 and 2022:

Remuneration to Members of the Board of Directors

Members of the Board of Directors	Thousand of euros	
	1st Half-Year 2023	1st Half-Year 2022
Remuneration item-		
Wages	413	695
Variable cash remuneration	-	-
Remuneration due to being a Board member	210	322
Share-based remuneration systems	-	-
Severance payments	-	-
Long-term savings systems	52	94
Other items	41	73
	716	**1,184**

In addition, non-consolidated deferred variable remuneration amounts to €82 thousand.

The Board of Directors of the parent company consists of 9 individual directors, 6 men and 3 women (10 individual directors as of 30 June 2022).

Remuneration of members of the Senior Management, excluding members of the Board of Directors

Senior Management	Thousand of euros	
	1st Half-Year 2023	1st Half-Year 2022
Total remuneration received by Senior Management	1,381	869

In addition, non-consolidated deferred variable remuneration amounts to €377 thousand.

In the preparation of these half-yearly financial statements and for the purposes of the above table, 7 persons (6 men and 1 woman) have been considered as senior management personnel as of 30 June 2023 (4 persons as of 30 June 2022).

On 30 June 2023 and 2022 there have been no advances or loans granted by the Parent company to the members of the Board of Directors, nor have any liabilities been incurred by these members as security.

7. Information on certain items of the half-year financial statements

7.a) Property Investments and owner occupied property

The breakdown by type of items that make up the balance of this segment and sub segment of the abridged consolidated income statement, on 30 June 2023 is as follows (in thousands of euros):

Breakdown of Net Book Value at 30 June 2023:	Owner-Occupied Property	Property investments, third party use
Cost at 30 June 2023	334,998	937,132
Accumulated Depreciation at 30 June 2023	(105,980)	(193,739)
Impairment losses	(9,409)	(6,677)
Net book value at 30 June 2023	219,609	736,716
Market value	377,253	1,141,668
Unrealised gains on 30 June 2023	157,644	404,952

The breakdown at 31 December 2022 is as follows (in thousands of euros):

Breakdown of Net Book Value at 31 December 2022:	Owner-Occupied Property	Property investments, third party use
Cost at 31 December 2022	270,059	929,621
Accumulated Depreciation at 31 December 2022	(80,129)	(174,114)
Impairment losses	(6,905)	(6,226)
Net book value at 31 December 2022	183,025	749,281
Market value	333,422	1,141,195
Unrealised gains at 31 December 2022	150,397	391,914

On 30 June 2023, the Group holds full ownership of these properties, none of the properties are affected by a guarantee of any type.

On 8 November 2019, Seguros Bilbao signed a private purchase agreement with Metrovacesa Promoción y Arrendamiento, S.A. for the future construction of a building on calle Foresta 8 (Madrid), subject to a condition precedent. By virtue of this contract, Seguros Bilbao paid €13,167 thousand during the financial years 2019, 2020 and 2021, as advances, as established in the aforementioned purchase contract. On 22 December 2022, once the conditions precedent had been fulfilled, the sale and purchase agreement was recorded in a public deed. During 2022, € 30,145 thousand were paid, completing an acquisition price of € 43,312 thousand in accordance with the contract.

The Group has no other commitments to acquire new properties.

During the first six months of 2023, impairment losses on investment property amounting to €479 thousand (€113 thousand in the first half of 2022) were recognised.

The market value of buildings for own use has been obtained from valuation reports carried out by independent experts. The generally used valuation methods correspond to the methodology established in the Order ECO/805/2003, of 27 March, partially amended by Order EHA 3011/2007, of 4 October: the method of comparison, the method of cost, the residual abbreviated method and the method of income update, depending on the characteristics of the asset to be valued.

These valuations correspond to Level 2 and Level 3 of the hierarchy of fair value established by *IFRS 13 Valuation of the fair value*, depending on whether said value is determined depending on variables observed in the market or on estimates where a significant variable is not based on observable market data, respectively.

The market value of the investment property has been obtained in accordance with the valuation methods described in the previous section on owner-occupied property. In addition, the market value of investment property for non-insurance companies has been obtained from valuations under RICS standards, based on the rental update method and comparable market methods.

In addition, on 30 June 2023, the balance of property, plant and equipment for own use includes €279,113 thousand for rights of use of leased assets, furniture and fixtures, data processing equipment and improvements to own buildings, among others.

7.b) Intangible assets

The Group has goodwill on consolidation of €1,112,854 thousand on 30 June 2023, together with other intangible assets of €466,178 thousand, mainly comprising internally generated software from Atradius N.V Grupo Mémora. amounting to €80,667 thousand and intangible assets arising from the Plus Ultra acquisition cost allocation processes. Currently, the net book value of Plus Ultra's distribution network amounts to €3,228 thousand, respectively, and the net book value associated with Antares' distribution contract amounts to €18,425 thousand. As for the Grupo Mémora, the net book value of the brand and administrative concessions amount to €99,509 thousand and €235,706 thousand, respectively.

7.b.1) Goodwill

The breakdown of the goodwill in the consolidated balance sheet, listed according to originating undertaking is as follows:

	Thousand of euros	
CGU	**30/06/ 2023**	**31/12/2022**
Fully consolidated companies:		
Atradius N.V.	461,334	461,363
Grupo Mémora (*)	325,771	-
Plus Ultra Seguros Generales y Vida, S.A. de Seguros y Reaseguros	123,002	123,002
Bilbao, Compañía Anónima de Seguros y Reaseguros, S.A.	94,398	94,398
Nortehispana de Seguros y Reaseguros, S.A.	38,396	38,396
Seguros Catalana Occidente, S.A. de Seguros y Reaseguros	23,086	23,086
Asistea Servicios Integrales S.L.U.	43,372	43,372
Grupo Catalana Occidente Activos Inmobiliarios, S.L.	3,255	3,255
Others	240	240
Gross Total	**1,112,854**	**787,112**
Less: Impairment losses	-	-
Net book value	**1,112,854**	**787,112**

(*) The increase was €325,771 thousand, of which €325,549 thousand came from the incorporation of the Mémora Group (see Note 1.b.1) and €222 thousand from the acquisition of Funeraria Virgen Blanca during the first half of 2023.

The Group continuously evaluates whether there are any signs that the value of the consolidation goodwill could have been impaired, based on internal and external factors that imply an adverse incidence in the same.

During the first six months of 2023 there have been no impairment losses that affect goodwill on consolidation. The Group has reviewed goodwill on consolidation for impairment and concluded that there is no indication of impairment.

7.c) Financial investments

The breakdown of the Group's financial assets is as follows, without taking into account holdings in entities accounted for using the equity method, as of 30 June 2023 and 31 December 2022, presented by nature and categories for valuation purposes (in € thousand):

Investments classified by category of financial asset and by type	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income	Financial assets measured at amortised cost	Total at 30/06/2023
	Designated	Compulsory			
Financial investments:	**3,728**	**1,947,333**	**8,835,672**	**375,778**	**11,162,511**
Equity instruments	3,728	804,813	1,704,875	-	2,513,416
- Financial investments in capital	3,728	-	1,704,875	-	1,708,603
- Stakes in investment funds	-	804,813	-	-	804,813
Debt securities	-	108,264	7,030,151	-	7,138,415
Deposits with credit institutions	-	219,034	100,646	117,588	437,268
Derivatives	-	-	-	-	-
Investments held for the benefit of policyholders who bear the investment risk	-	815,222	-	2,505	817,727
Loans	-	-	-	218,245	218,245
Other financial assets	-	-	-	13,207	13,207
Deposits for accepted reinsurance	-	-	-	24,233	24,233
Receivables:	**-**	**-**	**-**	**734,127**	**734,127**
Receivables from direct insurance and coinsurance operations	-	-	-	273,471	273,471
Receivables arising from reinsurance operations	-	-	-	136,968	136,968
Other receivables	-	-	-	323,688	323,688
Total financial assets	**3,728**	**1,947,333**	**8,835,672**	**1,109,905**	**11,896,638**

Investments classified by category of financial asset and by type	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income	Financial assets measured at amortised cost	Total at 31/12/2022
	Designated	Compulsory			
Financial investments:	**3,278**	**1,685,541**	**8,293,395**	**340,687**	**10,322,901**
Equity instruments	3,278	608,754	1,429,911	-	2,041,943
- Financial investments in capital	3,278	-	1,429,911	-	1,433,189
- Stakes in investment funds	-	608,754	-	-	608,754
Debt securities	-	107,121	6,751,811	-	6,858,932
Deposits with credit institutions	-	220,943	111,673	96,675	429,291
Derivatives	-	-	-	-	-
Investments held for the benefit of policyholders who bear the investment risk	-	748,723	-	1,831	750,554
Loans	-	-	-	207,790	207,790
Other financial assets	-	-	-	10,787	10,787
Deposits for accepted reinsurance	-	-	-	23,604	23,604
Receivables:	**-**	**-**	**-**	**560,612**	**560,612**
Receivables from direct insurance and coinsurance operations	-	-	-	225,055	225,055
Receivables arising from reinsurance operations	-	-	-	116,563	116,563
Other receivables	-	-	-	218,994	218,994
Total financial assets	**3,278**	**1,685,541**	**8,293,395**	**901,299**	**10,883,513**

The Group measures its financial investments at fair value, except for financial assets at amortised cost, which do not differ significantly from their book value.

During the first six months of the 2023 financial year, an impairment loss recovery of €2,454 thousand has been recognised in the consolidated income statement and a recovery of €3,667 thousand in OCI. In the first half of 2022 impairment losses of (€12,454) thousand were recognised in the consolidated income statement and (€16,980) thousand in OCI.

Most of the revaluations recognised with a payment or charge to reserves and the abridged consolidated profit and loss account, net of the corresponding tax effect and the involvement of external partners, have occurred through financial instruments traded on organised markets (Level 1 of fair value). The remaining amount has originated financial instruments whose fair value was calculated using valuation techniques based on observable market data directly or indirectly (level 2 of fair value).

7.d) Investments accounted for using the equity method (equity-accounted associates)

The composition and movements during the first six months of 2023 of those investments in the capital of companies over which the Group exercises significant influence is as follows:

Company	Thousand of euros					
	Balances at 31/12/2022	Changes in the scope	Increases due to non-distributed profit for the year	Other valuation changes	Impairment losses	Balances at 30/06/2023
Asitur Asistencia, S.A.	8,102	-	578	209	-	8,889
Calboquer, S.L.	75	(79)	4	-	-	-
Gesiuris Asset Management, S.G.I.I.C., S.A. (1)	3,901	-	2	55	-	3,958
Inversiones Credere, S.A.	-	-	-	-	-	-
CLAL Credit Insurance Ltd. (2) (5)	19,376	-	594	(1,258)	-	18,712
Compañía de Seguros de Crédito Continental S.A. (3) (5)	59,076	-	(520)	(24)	-	58,532
Credit Guarantee Insurance Corporation of Africa Limited (5)	21,738	-	285	(2,634)	-	19,389
Funerarias Gaditanas Asociadas, S.A. (4) (6)	-	3,857	93	-	-	3,950
Servicios Funerarios Costa de Barcelona, S.L. (6)	-	9	2	-	-	11
Serfunle, S.A. (6)	-	2,697	26	-	-	2,723
TOTAL	**112,268**	**6,484**	**1,063**	**(3,652)**	**-**	**116,163**

(1) Gesiuris Includes goodwill totalling €1,836 thousand.
(2) CLAL includes goodwill totalling €2,127 thousand.
(3) CSC Continental includes goodwill of €11,366 thousand.
(4) CLAL includes goodwill totalling €2,203 thousand.
(5) Participated through the company Atradius N.V.
(6) Participated through Grupo Mémora.

On 30 June 2023, the Group has reviewed the goodwill embedded in the equity investments in associates for indications of impairment and concluded that there are no indications of impairment.

7.e) Assets and liabilities from insurance and reinsurance contracts

The breakdown of insurance and reinsurance contract assets and liabilities on 30 June 2023 and 31 December 2022 is shown below:

30 June 2023	Traditional business							Credit insurance business	TOTAL
	Life				Non-Life				
	Life Risk (*)	Life Savings	Contracts for direct shareholdings	Other life	Motor	Multi-risk	Other miscellaneous		
Assets under insurance contracts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**112,017**	**112,017**
Assets for remaining coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(61,632)**	**(61,632)**
Assets for the remaining coverage under BBA/VFA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(61,632)**	**(61,632)**
Estimation of the current value of FCF	-	-	-	-	-	-	-	(257)	(257)
Risk Adjustment	-	-	-	-	-	-	-	1,603	1,603
Contractual service margin	-	-	-	-	-	-	-	(62,978)	(62,978)
Assets for the remaining coverage under PAA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Assets for claims incurred	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**173,649**	**173,649**
Estimation of the current value of FCF	-	-	-	-	-	-	-	180,769	180,769
Risk Adjustment	-	-	-	-	-	-	-	(7,120)	(7,120)
Assets under reinsurance contracts	**14,602**	**(53)**	**-**	**(336)**	**31,181**	**47,244**	**92,342**	**744,830**	**929,810**
Assets for remaining coverage	**7,589**	**(4)**	**-**	**34**	**7,051**	**2,482**	**51,606**	**418,385**	**487,143**
Assets for the remaining coverage under BBA/VFA	**3,325**	**-**	**-**	**-**	**-**	**-**	**-**	**418,385**	**421,710**
Estimation of the current value of FCF	(2,206)	-	-	-	-	-	-	355,007	352,801
Risk Adjustment	-	-	-	-	-	-	-	58,225	58,225
Contractual service margin	5,531	-	-	-	-	-	-	5,153	10,684
Assets for the remaining coverage under PAA	**4,264**	**(4)**	**-**	**34**	**7,051**	**2,482**	**51,606**	**-**	**65,433**
Assets for claims incurred	**7,013**	**(49)**	**-**	**(370)**	**24,130**	**44,762**	**40,736**	**326,445**	**442,667**
Estimation of the current value of FCF	7,013	(49)	-	(370)	21,859	37,763	35,972	292,480	394,668
Risk Adjustment	-	-	-	-	2,271	6,999	4,764	33,965	47,999
Liabilities under insurance contracts	**225,324**	**5,399,655**	**820,328**	**51,298**	**773,069**	**508,858**	**349,249**	**1,816,448**	**9,944,229**
Liabilities for remaining coverage	**122,957**	**5,297,046**	**816,223**	**9,015**	**251,928**	**266,052**	**129,216**	**1,003,808**	**7,896,245**
Liabilities for the remaining coverage under BBA/VFA	**77,508**	**5,297,204**	**816,223**	**-**	**-**	**-**	**-**	**1,003,808**	**7,194,743**
Estimation of the current value of FCF	4,746	5,012,280	669,541	-	-	-	-	731,378	6,417,945
Risk Adjustment	16,593	88,485	49,939	-	-	-	-	61,270	216,287
Contractual service margin	56,169	196,439	96,743	-	-	-	-	211,160	560,511
Liabilities for the remaining coverage under PAA	**45,449**	**(158)**	**-**	**9,015**	**251,928**	**266,052**	**129,216**	**-**	**701,502**
Liabilities for incurred claims	**102,367**	**102,609**	**4,105**	**42,283**	**521,141**	**242,806**	**220,033**	**812,640**	**2,047,984**
Estimation of the current value of FCF	97,780	102,609	4,105	30,466	500,796	225,593	203,768	737,080	1,902,197
Risk Adjustment	4,587	-	-	11,817	20,345	17,213	16,265	75,560	145,787
Liabilities under reinsurance contracts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**20**	**20**
Liabilities for remaining coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10)**	**(10)**
Liabilities for the remaining coverage under BBA/VFA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(10)**	**(10)**
Estimation of the current value of FCF	-	-	-	-	-	-	-	15	15
Risk Adjustment	-	-	-	-	-	-	-	(7)	(7)
Contractual service margin	-	-	-	-	-	-	-	(18)	(18)
Liabilities for the remaining coverage under PAA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Liabilities for incurred claims	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**30**	**30**
Estimation of the current value of FCF	-	-	-	-	-	-	-	27	27
Risk Adjustment	-	-	-	-	-	-	-	3	3

(*) Includes funeral.

31 December 2022	Traditional business							Credit insurance business	TOTAL
	Life				Non-Life				
	Life Risk (*)	Life Savings	Contracts for direct shareholdings	Other life	Motor	Multi-risk	Other miscellaneous		
Assets under insurance contracts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**105,621**	**105,621**
Assets for remaining coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(56,599)**	**(56,599)**
Assets for the remaining coverage under BBA/VFA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(56,599)**	**(56,599)**
Estimation of the current value of FCF	-	-	-	-	-	-	-	5,402	5,402
Risk Adjustment	-	-	-	-	-	-	-	1,090	1,090
Contractual service margin	-	-	-	-	-	-	-	(63,091)	(63,091)
Assets for the remaining coverage under PAA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Assets for claims incurred	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**162,220**	**162,220**
Estimation of the current value of FCF	-	-	-	-	-	-	-	169,407	169,407
Risk Adjustment	-	-	-	-	-	-	-	(7,187)	(7,187)
Assets under reinsurance contracts	**4,080**	**(35)**	**-**	**(276)**	**32,179**	**51,194**	**68,136**	**689,591**	**844,869**
Assets for remaining coverage	**(532)**	**(5)**	**-**	**(34)**	**1,331**	**2,192**	**28,218**	**441,284**	**472,454**
Assets for the remaining coverage under BBA/VFA	**(687)**	**-**	**-**	**-**	**-**	**-**	**-**	**441,284**	**440,597**
Estimation of the current value of FCF	(417)	-	-	-	-	-	-	341,243	340,826
Risk Adjustment	-	-	-	-	-	-	-	41,472	41,472
Contractual service margin	(270)	-	-	-	-	-	-	58,569	58,299
Assets for the remaining coverage under PAA	**155**	**(5)**	**-**	**(34)**	**1,331**	**2,192**	**28,218**	**-**	**31,857**
Assets for claims incurred	**4,612**	**(30)**	**-**	**(242)**	**30,848**	**49,002**	**39,918**	**248,307**	**372,415**
Estimation of the current value of FCF	4,612	(30)	-	(242)	28,616	41,866	35,638	222,110	332,570
Risk Adjustment	-	-	-	-	2,232	7,136	4,280	26,197	39,845
Liabilities under insurance contracts	**194,333**	**5,419,729**	**772,131**	**46,859**	**759,172**	**488,538**	**320,121**	**1,739,027**	**9,739,910**
Liabilities for remaining coverage	**87,931**	**5,307,015**	**768,340**	**5,089**	**226,252**	**240,887**	**93,190**	**1,037,910**	**7,766,614**
Liabilities for the remaining coverage under BBA/VFA	**67,567**	**5,307,290**	**768,340**	**-**	**-**	**-**	**-**	**1,037,910**	**7,181,107**
Estimation of the current value of FCF	1,304	5,035,738	627,341	-	-	-	-	807,675	6,472,058
Risk Adjustment	14,777	90,659	46,892	-	-	-	-	64,373	216,701
Contractual service margin	51,486	180,893	94,107	-	-	-	-	165,862	492,348
Liabilities for the remaining coverage under PAA	**20,364**	**(275)**	**-**	**5,089**	**226,252**	**240,887**	**93,190**	**-**	**585,507**
Liabilities for incurred claims	**106,402**	**112,714**	**3,791**	**41,770**	**532,920**	**247,651**	**226,931**	**701,117**	**1,973,296**
Estimation of the current value of FCF	101,815	112,714	3,791	29,953	510,418	225,103	208,251	633,777	1,825,822
Risk Adjustment	4,587	-	-	11,817	22,502	22,548	18,680	67,340	147,474
Liabilities under reinsurance contracts	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**37**	**37**
Liabilities for remaining coverage	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**37**	**37**
Liabilities for the remaining coverage under BBA/VFA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**37**	**37**
Estimation of the current value of FCF	-	-	-	-	-	-	-	(2)	(2)
Risk Adjustment	-	-	-	-	-	-	-	-	-
Contractual service margin	-	-	-	-	-	-	-	39	39
Liabilities for the remaining coverage under PAA	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Liabilities for incurred claims	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Estimation of the current value of FCF	-	-	-	-	-	-	-	-	-
Risk Adjustment	-	-	-	-	-	-	-	-	-

(*) Includes funeral.

7.e.1) Amounts determined at transition

For contracts not measured under the simplified approach, details of insurance income (reinsurance expenses for reinsurance contracts held) and the movement in CSM broken down by transitional approach as of 30 June 2023 and 31 December 2022 are shown below:

	Business at the start of the transition (1 January 2022)					Business after 1 January 2022			
	Fair value approach			Modified Retroactive Approach	Full Retroactive Approach	Traditional business			Credit insur-ance business
	Traditional business			Credit insurance business	Credit insurance business				
	Life Risk (*)	Life Savings	Contracts with direct holding			Life Risk (*)	Life Savings	Contracts with direct holding	
Income from contracts measured under the general method (BBA) and equity method (VFA)	**17,882**	**53,250**	**6,135**	**118,338**	**262,706**	**769**	**9,264**	**4,402**	**819,629**
CSM at 1 January 2023	**47,455**	**170,770**	**85,733**	**81,658**	**41,639**	**4,031**	**10,122**	**8,375**	**105,656**
Changes related to current services									
CSM recognised for services provided	(2,276)	(8,455)	(2,587)	(30,560)	(11,783)	(39)	(478)	(145)	(95,879)
Changes related to future services									
Contracts initially recognised in the year	-	-	-	13	414	(2,219)	16,185	2,650	202,257
Changes in estimates adjusting the CSM	7,573	(1,533)	(43,019)	8,372	(249)	1,621	8,097	(2,361)	(26,026)
Financial expenses on insurance contracts recognised in the income statement	(45)	1,497	42,967	19	(112)	11	268	5,153	2,686
Effect of changes in exchange rates	-	-	-	(307)	(894)	-	-	-	(2,766)
CSM at 30 June 2023	**52,707**	**162,279**	**83,094**	**59,195**	**29,015**	**3,405**	**34,194**	**13,672**	**185,928**

(*) Includes funeral.

	Business at the start of the transition (1 January 2022)					Business after 1 January 2022			
	Fair value approach			Modified Retroactive Approach	Full Retroactive Approach	Traditional business			Credit insurance business
	Traditional business			Credit insurance business	Credit insurance business				
	Life Risk (*)	Life Savings	Contracts with direct holding			Life Risk (*)	Life Savings	Contracts with direct holding	
Income from contracts measured under the general method (BBA) and equity method (VFA) for the 2022 financial year	**31,817**	**118,456**	**13,147**	**404,626**	**919,443**	**694**	**9,563**	**8,446**	**761,572**
CSM at 1 January 2022	**48,277**	**203,301**	**99,695**	**133,967**	**164,704**	**-**	**-**	**-**	**-**
Changes related to current services									
CSM recognised for services provided	(3,890)	(19,705)	(5,586)	(71,632)	(73,917)	(139)	(131)	(150)	(95,346)
Changes related to future services									
Contracts initially recognised in the year	-	-	-	425	36,864	361	5,695	7,649	218,629
Changes in estimates adjusting the CSM	3,336	(14,360)	62,724	19,351	(83,623)	3,810	4,590	8,528	(17,718)
Financial expenses on insurance contracts recognised in the income statement	(268)	1,534	(71,100)	(67)	(739)	(1)	(32)	(7,652)	160
Effect of changes in exchange rates	-	-	-	(386)	(1,650)	-	-	-	(69)
CSM at 31 December 2022	**47,455**	**170,770**	**85,733**	**81,658**	**41,639**	**4,031**	**10,122**	**8,375**	**105,656**

(*) Includes funeral.

The same information is then provided for the reinsurance contracts held on 30 June 2023 and 31 December 2022. The CSM of reinsurance contracts held includes the loss recovery component:

	Business at the start of the transition (1 January 2022)			Business after 1 January 2022	
	Fair value approach	Modified Retroactive Approach	Full Retroactive Approach	Traditional business	Credit insurance business
	Traditional business	Credit insurance business	Credit insurance business		
	Life (*)			Life (*)	
Reinsurance expenses on treaties measured under the general (BBA) and participation (VFA) methods	**-**	**(3,555)**	**(30,557)**	**(4,019)**	**(296,711)**
CSM at 1 January 2023	**(2,955)**	**68,530**	**3,934**	**2,685**	**62,995**
Changes related to current services					
CSM recognised for services provided	80	38,503	21,197	407	88,584
Changes related to future services					
Contracts initially recognised in the year	-	(29,584)	(15,509)	364	(73,043)
Changes in estimates adjusting the CSM	802	(3,192)	(9,105)	4,146	(43,537)
Financial expenses on reinsurance contracts recognised in the income statement	1	(2)	44	-	1,168
Effect of changes in exchange rates	-	(474)	(540)	-	(530)
CSM at 30 June 2023	**(2,072)**	**73,781**	**21**	**7,602**	**35,637**

(*) Includes funeral.

	Business at the start of the transition (1 January 2022)			Business after 1 January 2022	
	Fair value approach	Modified Retroactive Approach	Full Retroactive Approach	Traditional business	Credit insurance business
	Traditional business	Credit insurance business	Credit insurance business		
	Life (*)			Life (*)	
Reinsurance expenses from contracts measured under the general method (BBA) and equity method (VFA) for the 2022 financial year	**-**	**(51,933)**	**(220,130)**	**-**	**(173,360)**
CSM (excluding loss recovery component) as of 1 January 2022	**-**	**74,650**	**47,722**	**-**	**2,782**
Changes related to current services					
CSM recognised for services provided	121	(7,400)	1,921	(104)	**19,990**
Changes related to future services					
Contracts initially recognised in the year	-	373	13,384	(138)	**63,353**
Changes in estimates adjusting the CSM	(3,076)	894	(58,919)	2,927	**(22,930)**
Financial expenses on reinsurance contracts recognised in the income statement	-	(1)	-	-	(200)
Effect of changes in exchange rates	-	14	(174)	-	-
CSM (excluding loss recovery component) as of 31 December 2022	**(2,955)**	**68,530**	**3,934**	**2,685**	**62,995**

(*) Includes funeral.

7.f) Subordinated liabilities

Subordinated liabilities include the subordinated debt emissions issued by Atradius Finance B.V., subsidiary of Atradius N.V.

On 23 September 2014, Atradius Finance B.V. issued subordinated bonds for a nominal aggregate amount of €250,000 thousand with a maturity of 30 years, which may be re-purchased beginning on the tenth year, on a quarterly basis. The bonds are irrevocably, unconditionally and subordinately guaranteed by Atradius N.V., a Group company. During the first 10 years, bonds have a fixed nominal annual interest rate of 5.250%, payable in annual instalments and, from that date, they will have a nominal variable interest rate of Euribor 3 months plus 5.031%, payable quarterly in arrears. The bonds are listed on the Luxembourg Stock Exchange.

On the date of issue, Plus Ultra issued €40,000 thousand for the aforementioned subordinated bonds. Subsequently, in 2016, 2017 and 2022, Seguros Catalana Occidente and Seguros Bilbao subscribed €17,041 thousand and €3,000 thousand of nominal value, respectively. In addition, during the 2023 financial year, Seguros Catalana Occidente subscribed €25,005 thousand of nominal value. These operations have been eliminated in the consolidation process.

As of 30 June 2023, the Group estimates the fair value of 100% of the subordinated bonds at €255,579 thousand (€250,538 thousand as at 31 December 2022), based on binding quotes from independent experts, which corresponds to Level 2 in the fair value hierarchy set out in *IFRS 13 Fair Value Measurement.* During the first six months of the financial year 2023, interest of €6,682 thousand was paid on subordinated bonds.

7. g) Provisions for Risks and Expenses

Besides the stipulations noted in Note 7.i) and the risks that correspond to the nature of the insurance business which are duly valued and included, where necessary, in the claims provisions, the Group has no significant claims, lawsuits or court processes which individually imply damage or that may affect the half-yearly financial statements as well as contingent liabilities that could involve the Group in law suits or involve the imposition of sanctions or penalties with a significant effect on the company's Equity (see Note 2.d.).

The Group has approved and presented a voluntary redundancy plan for up to 488 employees. The aim is to achieve a better organisational fit following the corporate unification of the Group's traditional business in 2023. This exit plan has been communicated to the trade unions, with whom a framework collective agreement on termination of contracts has been signed within the framework of the Occident merger discussed in note 1.b.2) of these half-yearly financial statements, with these departures materialising during the financial years 2023 and 2024. The estimated and provisioned amount for this item at 30 June 2023 and 31 December 2022 is €120 million, which could be affected by employee take-up ratios.

7.h) Equity

7.h.1) Capital

The parent company's subscribed capital, on 30 June 2023, stands at €36,000 thousand consisting of 120,000,000 fully subscribed and paid in book entry shares of 0.30 euros par value each represented in book-entry form. All shares have the same rights, and the parent company may issue shares without voting rights.

The shareholders owning 10% or more of the parent company's share capital on 30 June 2023 were as follows:

	Percentage of method
Inoc, S.A.	36.94%
La Previsión 96, S.A.	25.00%

The shareholding percentage of the former shareholders has not changed in any way with respect to the percentage at 31 December 2022. The company Inoc, S.A., which owns 72.25% of La Previsión 96, S.A., holds directly and indirectly 55.00% of the parent company and belongs to a group whose parent company is CO Sociedad de Gestión y Participación, S.A.

7.h.2) Reserves and Other reserves for changes in accounting criteria

The condensed consolidated statement of changes in equity, attached to this half-year financial statement, includes details of the balances of the reserves for accumulated retained earnings at the start of financial year 2022 and on 30 June 2023 as well as the movements produced during the periods and the reconciliations between the amounts for each class of equity and for each class of reserves, informing separately on each movement that is produced.

7.i) Tax position

The calculation of the expense for profit tax in the first half 2023 is based on the best estimate of the average tax rate that will be applicable on the expected result of the year 2023. To do so, the amounts calculated for the tax expense for the current interim period may be adjusted in later periods should the annual interest rate estimates change.

In general, the Group companies are open to inspection by the tax authorities for the years determined by the applicable tax regulations in relation to the main taxes applicable to them, without prejudice to the following:

(i) On 2 January 2019, Plus Ultra and Grupo Catalana Occidente received communication of the start of proceedings for audit and investigation of a partial character. In particular, the inspection is designed to check the tax deductible financial goodwill regarding the Corporate Tax of Plus Ultra Companies (financial years 2014 and 2015) and the individual corporation tax of this (financial years 2016 and 2017). Therefore, the statute of limitations period for the years 2014 and 2015 Corporate Income Tax of Plus Ultra was interrupted.

In this sense, in the past, the Tax Authority already inspected this same concept and, at the opening of 2019, Plus Ultra has opened a number of contentious-administrative proceedings against the records of inspection: (i) in relation to the goodwill deducted in 2005 to 2010, the Company had filed a contentious-administrative appeal with the Spanish National Appellate Court ("AN") against the decision of the Central Economic Administrative Tribunal ("TEAC") of 13 January 2016, amounting to €4,021 thousand; and (ii) in relation to the goodwill deducted in 2011 to 2013, the Company is awaiting a ruling from the TEAC, which amounts to €2,022 thousand.

On 19 December 2019, the AN issued a judgement, the content of which was made known to Plus Ultra on 27 January 2020. In that judgement, the AN upheld the Company's claims, confirming that the total amount of goodwill for accounting purposes is tax deductible for the purposes of determining the taxable income for income tax purposes for 2007, 2008, 2009 and 2010. On 2 June 2020, the AN declares the previous sentence to be final and the Administration is notified for its execution and compliance.

As a result of the foregoing, the Group has recognised a provision of €11,419 thousand under "Tax Liabilities" in the consolidated balance sheet, relating to the risk associated with this contingency from 2007 to the present day. During the first half of 2020, the Group has recognised the aforementioned amount as income under the heading 'Other non-technical income' in the income statement for the period, thereby cancelling this provision.

On 23 May 2022, the AN issued a judgement, the content of which was made known to Plus Ultra on 27 May 2022. In that judgement, the AN upheld the Company's claims, confirming that the goodwill for accounting purposes is tax deductible for the purposes of determining the taxable income for income tax purposes for 2011, 2012 and 2013.

(ii) On 5 July 2018, Atradius Crédito y Caución, S.A. de Seguros y Reaseguros (hereinafter "Atradius Crédito") received notification of the initiation of partial verification and investigation proceedings. Specifically, the purpose of the inspection was to verify the R&D+IT deduction for the 2013 and 2014 financial years. Therefore, the limitation period for Atradius Crédito y Caución's corporate income tax for the years 2013 and 2014 was interrupted.

On 30 September 2020, the Tax Agency notified Atradius Crédito y Caución of the Settlement Agreement issued, with a total settlement of €1,789 thousand due to discrepancies regarding the quantification of the deduction for the development of innovation and development activities applied in 2013 and 2014.

This settlement was paid and was the object of an Economic-Administrative Claim, presented in due time and form. In addition, the Tax Agency opened a penalty proceeding against Atradius Crédito y Caución for a total of €734 thousand.

On 19 May 2021, Atradius Crédito y Caución filed a written economic-administrative claim against the penalty imposed by the Tax Agency, having submitted the corresponding allegations on 25 November 2021. The TEAC has partially upheld ACyC's claims, annulling the penalty but confirming the regularisation.

(iii) On 20 November 2020, the tax authorities notified Grupo Catalana Occidente, S.A., in its capacity as the parent company of the consolidated tax group, of the commencement of partial tax audits limited to the verification of the tax credit for international double taxation applied in 2016, 2017 and 2018 by Seguros Catalana Occidente. Although this inspection was closed on 18 February 2022, the statute of limitations period for the aforementioned years of the consolidated group was again interrupted.

(iv) In October 2021, the Tax Agency notified Atradius Collections S.L. of the initiation of a limited verification procedure for Value Added Tax for the year 2020. Consequently, the statute of limitations period for Value Added Tax of Atradius Collections S.L. for the aforementioned financial year was interrupted.

(v) In June 2023, the Spanish Tax Authorities notified Atradius Collections S.L. of a request for information relating to corporate income tax for 2019 and 2020. Consequently, the statute of limitations period for the aforementioned years of the consolidated group has been interrupted.

The foregoing shall be interpreted without prejudice to Article 66.bis of Act 58/2003, of 17 December, General Tax, which establishes the right in favour of the Administration to start the procedure for checking: (i) the bases or fees offset or pending offset or deductions applied or pending application, will expire after 10 years from the day after the end of the regulatory deadline established for filing the declaration or self-assessment corresponding to the tax year or period in which the right to offset said bases or quotas or to implement said deductions was generated; and (ii) to investigate the facts, acts, elements, activities, operations, businesses, values and other determining factors of the tax obligation in order to verify correct compliance with the applicable regulations.

On the other hand, as a result of possible varying interpretations of applicable tax legislation for the years subject to inspection, contingent tax liabilities might result, which cannot be objectively quantified. However, the Directors of the parent company believe that the tax debt, if any, that could eventually materialise, would not have a material effect on the interim financial statements (see Note 11.f of the consolidated financial statements for the 2022 financial year).

7.j) Related-party transactions

“Related parties" to the Group, in addition to subsidiaries and associates, are considered to be the "key personnel" of the Group's management (members of the Board of Directors and the General Managers, together with their close family members), as well as shareholders who can directly or indirectly, exercise control over the Group. In the first half of 2023 there were no new transactions with related parties.

Transactions between companies of the consolidated Group

During the first half of financial year 2023, there have been no relevant transactions between companies in the Group that have not been eliminated in the process of producing the half-yearly financial statements and that do not form part of the normal business of the Group.

All the significant reciprocal transactions have been duly eliminated in the process of consolidation.

7.k) Stocks and Treasury Shares

The balance of this subheading, which is the result of deducting the equity attributable to the shareholders of the parent company from the consolidated balance sheet on 30 June 2023 and on 31 December 2022, in accordance with the reporting requirements established by IAS 32, which corresponds to the shares of Grupo Catalana Occidente, S.A. property of the consolidated subsidiary Sociedad Gestión Catalana Occidente, S.A.These shares are reflected in its acquisition cost.

The total of Group shares owned by the company of the subsidiary Sociedad Gestión Catalana Occidente, S.A. on 30 June 2023 represents 1.65% of the capital issued as of that date (1.65% as of 31 December 2022). These shares are available-for-sale in order to safeguard liquidity. There are no more Grupo Catalana Occidente S.A. shares held by other Group companies or third parties that operate on their behalf. Additionally, on 30 June 2023, neither the parent company, nor the companies of the Group held obligations based on the payment of shares of the parent company.

The development in the movement of acquisitions and sales made during the first half of 2023 and the comparative period of the previous year is as follows:

	Thousand of euros		Number of shares
	Cost of acquisition	Nominal Value	
Balance at 1 January 2022	**23,262**	**606**	**2,018,515**
Additions	-	-	-
Withdrawals (*)	(475)	(13)	(41,232)
Balance at 30 June 2022	**22,787**	**593**	**1,977,283**
Additions	-	-	-
Withdrawals	-	-	-
Balance at 1 January 2023	**22,787**	**593**	**1,977,283**
Additions	-	-	-
Withdrawals	-	-	-
Balance at 30 June 2023	**22,787**	**593**	**1,977,283**

(*) Purchases and sales made by Sociedad Gestión Catalana Occidente, S.A.

8. Other Information

The average number of full-time employees (or equivalent) of the parent company and subsidiaries as of 30 June 2023 and 2022, broken down by gender, is as follows:

	Number of people	
	30 June 2023	30 June 2022
Men	4,644	3,776
Women	3,920	3,375
Total	**8,564**	**7,151**

Figures as at 30 June 2023 include Grupo Mémora employees.

9. Subsequent events

Sale of Atradius Rus Credit Insurance LLC

The sale of Atradius Rus Credit Insurance LLC was completed in July 2023. At 31 December 2022, the assets and liabilities related to this entity were classified as held for sale (see note 18 of the consolidated financial statements for the 2022 financial year). In the first half of 2023, the Group recorded a net tax result of €2 million from discontinued operations and/or operations held for sale.

In addition to this sale, no other events have occurred after the end of the six-month period and up to the date of preparation of these condensed consolidated financial statements that have not already been explained in the other notes to the consolidated financial statements.

05.

Auditors report

Grupo Catalana Occidente, S.A.
and subsidiaries dependientes

Report on limited review of
condensed consolidated interim financial statements
June 30, 2023
Interim consolidated managements report

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation

Report on limited review of condensed consolidated interim financial statements

To the shareholders of Grupo Catalana Occidente, S.A.

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of Grupo Catalana Occidente, S.A. (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the balance sheet as at 30 June 2023, and the profit or loss account, statement of comprehensive income, total statement of changes in equity, cash flow statement and related notes, all condensed and consolidated, for the seis-month period then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with legislation governing the audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the seis-month period ended 30 June 2023 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

Emphasis of matter

We draw attention to note 2.a of the condensed consolidated interim financial statements, in which it is mentioned that these condensed consolidated interim financial statements do not include all the information required in a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards, as adopted by the European Union, and therefore the accompanying condensed consolidated interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 December 2022. Our conclusion is not modified in respect of this matter.

Other matters

Consolidated interim management report

The accompanying consolidated interim management report for the seis-month period ended 30 June 2023 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this management report is in agreement with that of the interim financial statements for the seis-month period ended 30 June 2023. Our work as auditors is limited to checking the consolidated interim management report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Grupo Catalana Occidente, S.A. and its subsidiaries' accounting records.

Preparation of this review report

This report has been prepared at the request of Board of Directors of the Parent company in relation to the publication of the half-yearly financial report required by Article 100 of Law 6/2023, of March 17, on Securities Markets and Investment Services.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Enrique Anaya Rico

27 July 2023

www.gco.com
For further information please contact:
analistas@catalanaoccidente.com
+34 91 566 13 02