

# 2008

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London, 26th. June

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Grupo  CATALANA  
OCCIDENTE



**Achieving results while managing risks**

Mr. Juan Casanovas, CFO

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

The Company undertakes no obligation to update the forward-looking statements made in this presentation or any other forward-looking statements.

**1**  Grupo Catalana Occidente until 31/12/2007

**2**  Quartly information (1Q08)

**3**  Strategy and Guidelines



**1**

# **Grupo Catalana Occidente until 31/12/2007**

Note that this figures refers to the 2007 year end results where Atradius was consolidated by the equity method

# GRUPO CATALANA OCCIDENTE

## Overview of Grupo Catalana Occidente

- Over 140 years of history
- Stable strategy over time:
  - ✓ Well-established insurer
  - ✓ Wide range of insurance services
  - ✓ Focused on profitable growth
  - ✓ Target market: individuals and SMEs
  - ✓ Strong national presence
    - over 1,000 offices
    - around 20,000 agents
  - ✓ Professional agency network

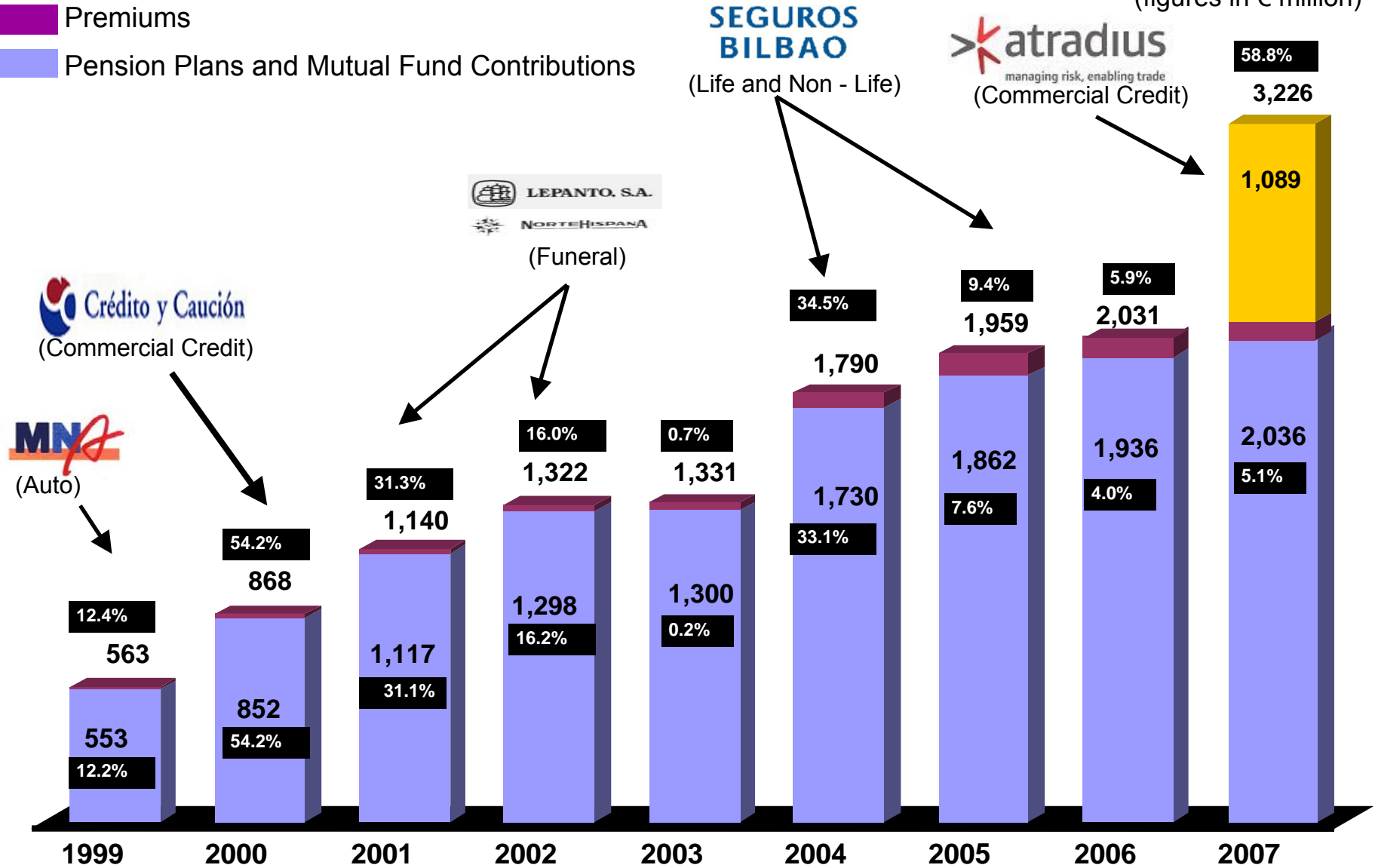


# GRUPO CATALANA OCCIDENTE

## Volume evolution

(figures in € million)

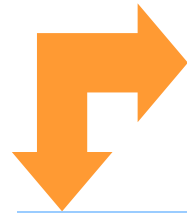
- Premiums
- Pension Plans and Mutual Fund Contributions



**Growth history – multiplying by 5.8**

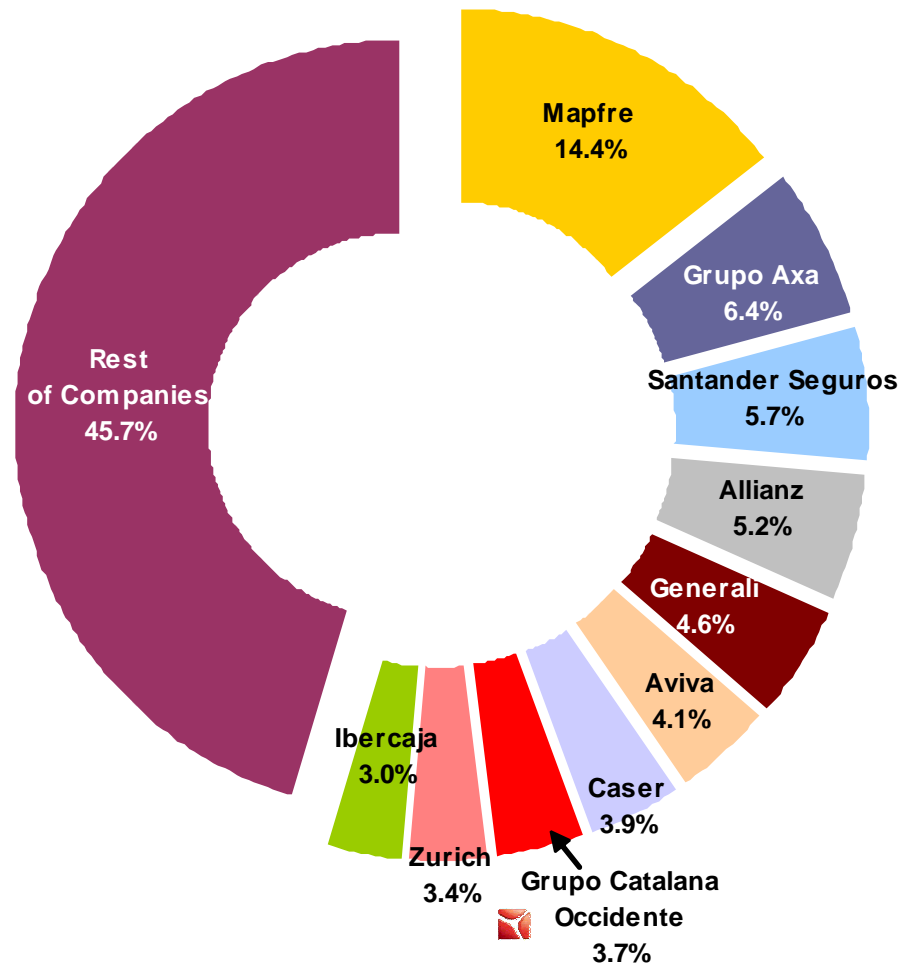
# GRUPO CATALANA OCCIDENTE

## Spanish market share



GCO in the Spanish market 2,021 € Million of premiums  
GCO in others markets 1,103 € Million of premiums

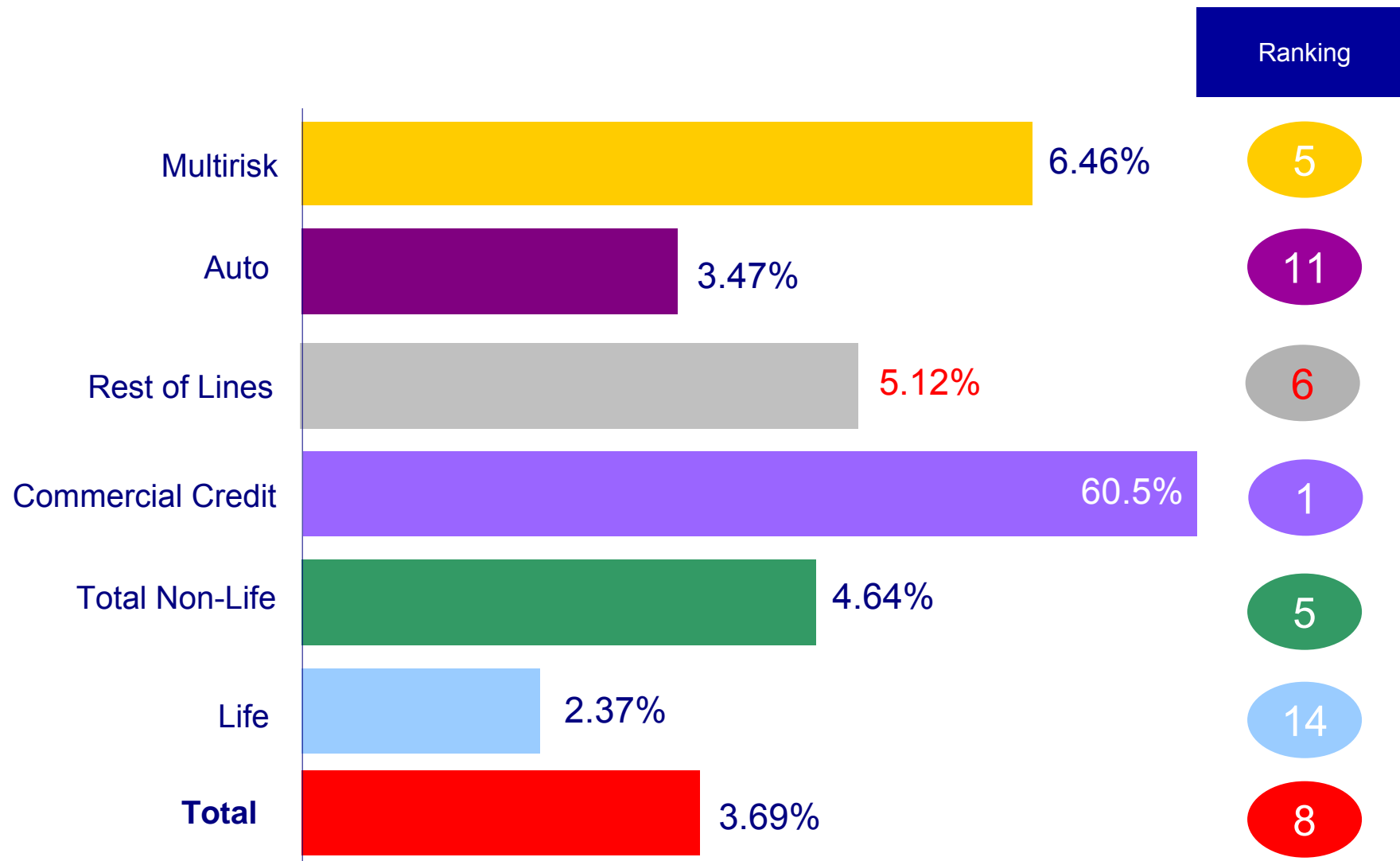
### DISTRIBUTION OF SPANISH MARKET BY BIG INSURANCE GROUPS



Source: ICEA

# GRUPO CATALANA OCCIDENTE

## Spanish market share by product 2007



Source: ICEA





Significant improvement in profit after tax ( $\Delta$  16.8%) and attributable profit ( $\Delta$  22.6%).



Moderate internal growth.

Non-Life	GCO $\Delta$ 4.5%	Sector $\Delta$ 5.3%
Life	GCO $\Delta$ 6.9%	Sector $\Delta$ 2.1%
Total	GCO $\Delta$ 5.1%	Sector $\Delta$ 3.9%



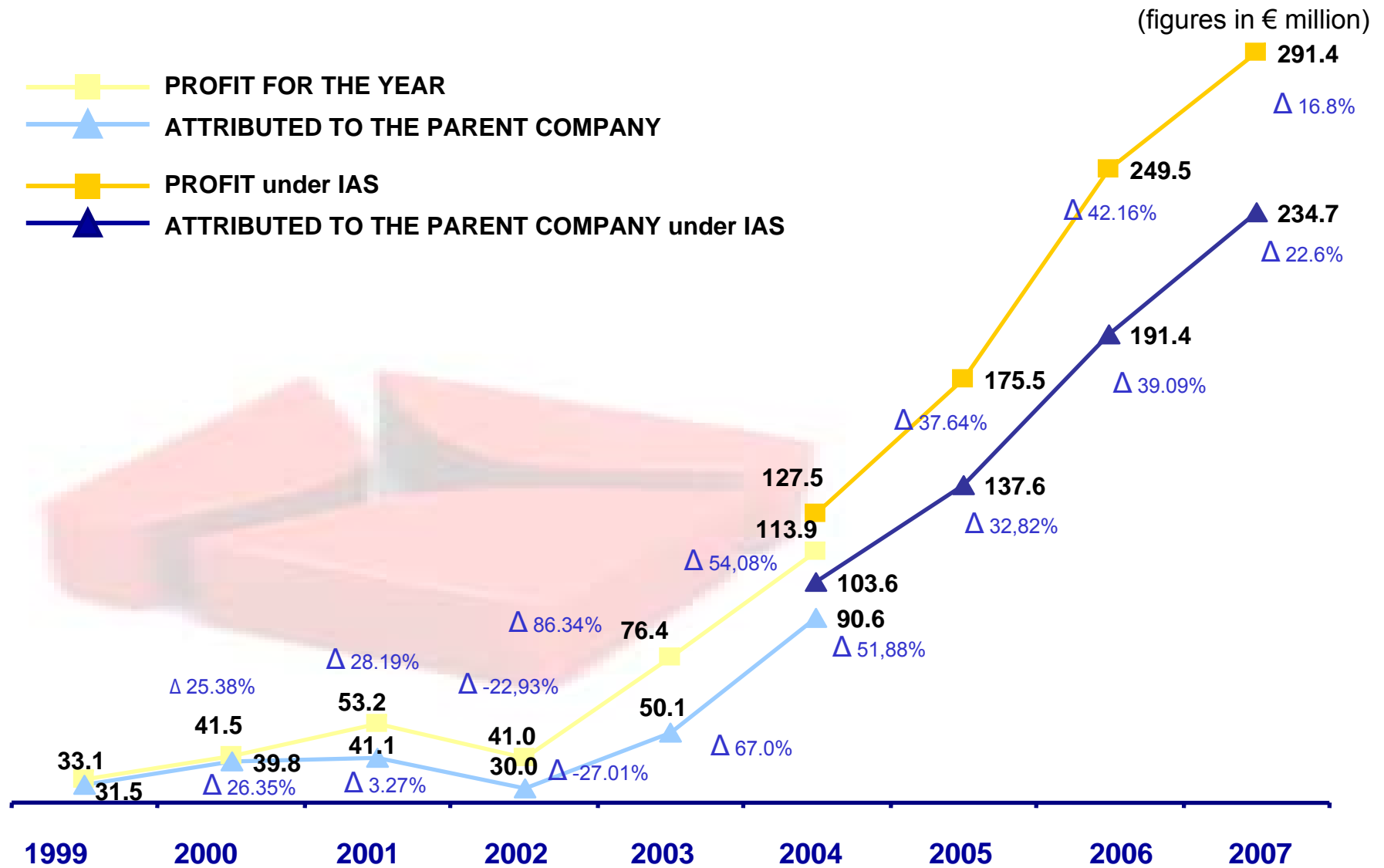
Inclusion of the Atradius Group:

→ Achieving a new dimension



# GRUPO CATALANA OCCIDENTE

Demonstrating capacity for growth while improving profitability



Attributed profit multiplied by 7.5

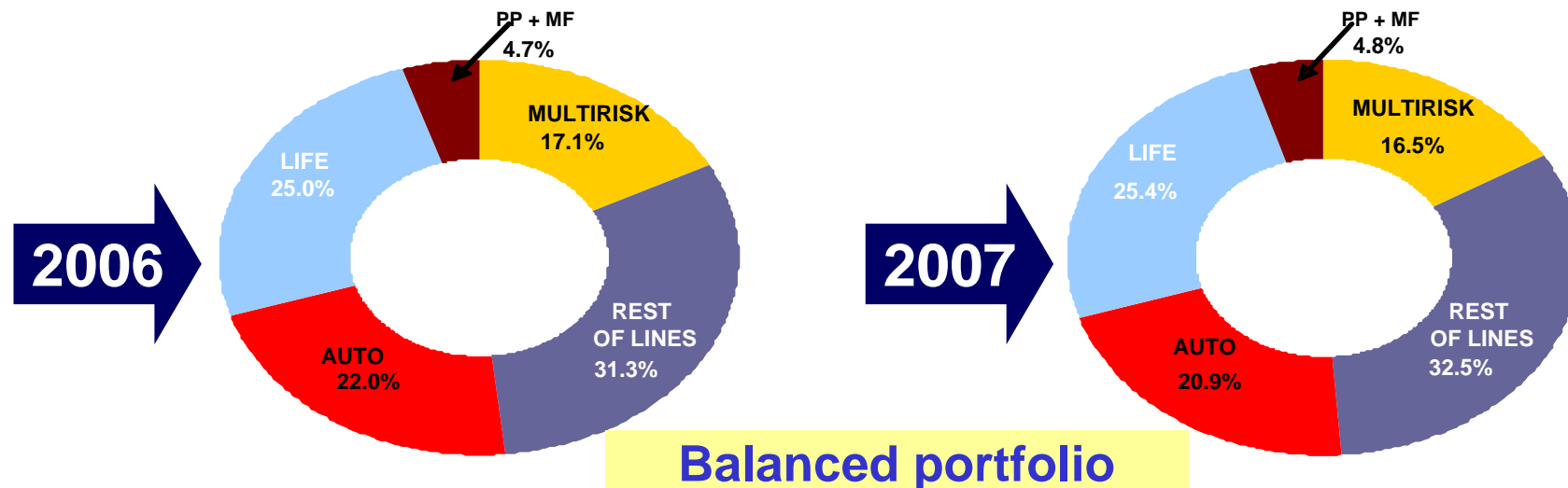
# GRUPO CATALANA OCCIDENTE

## Business performance

(figures in € million)

	2006	2007	% CHG..
MULTIRISK	347	352	1.6
REST OF LINES	635	695	9.4
AUTO	446	446	0.0
<b>TOTAL NON-LIFE</b>	<b>1,428</b>	<b>1,493</b>	<b>4.5</b>
TOTAL LIFE	508	543	6.9
<b>TOTAL PREMIUMS</b>	<b>1,936</b>	<b>2,036</b>	<b>5.1</b>
PENSION AND MUTUAL FUND CONTRIBUTIONS	95	102	7.4
<b>TOTAL VOLUME</b>	<b>2,031</b>	<b>2,138</b>	<b>5.2</b>

### Business structure

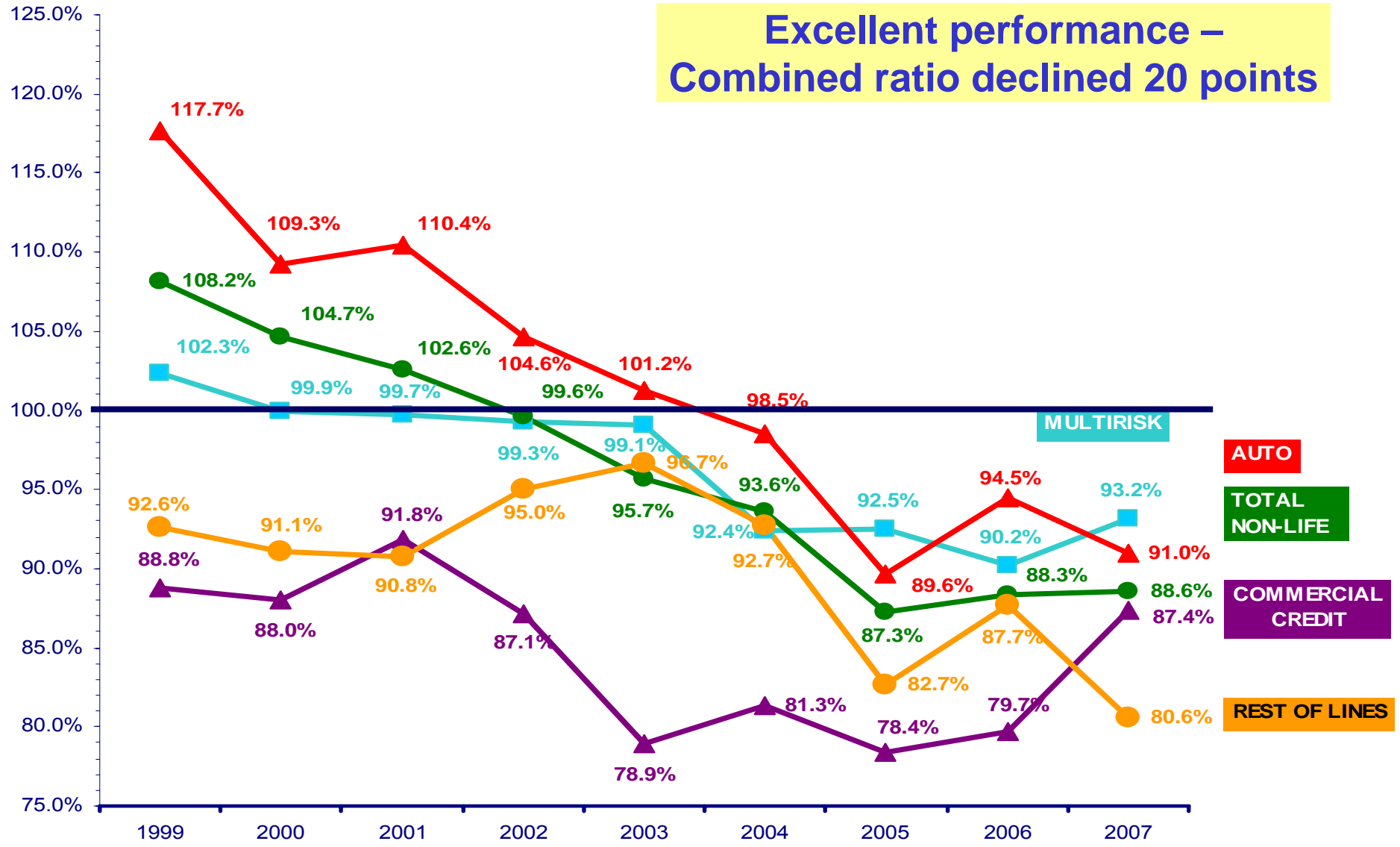


# GRUPO CATALANA OCCIDENTE

## Combined ratio



**Excellent performance –  
Combined ratio declined 20 points**



**Equity at 12/31/2006**

**€1,343.2 M**

**Profit for the year ended 12/31/07**

**+ 291.4**

**Dividends paid**

**- 51.6**

**Movement in treasury shares**

**- 5.6**

**Change in valuation adjustments (capital gains) - 46.5**

**Change in valuation of investments in  
subsidiaries and others**

**+ 3.0**

**TOTAL CHANGE IN EQUITY**

**€190.7 M**

**Total equity at December 31. 2007**

**€1,533.9 M**

***Unrealised capital gains on property assets: €493 M (€432 M in 2006)***

**Solid Balance Sheet**

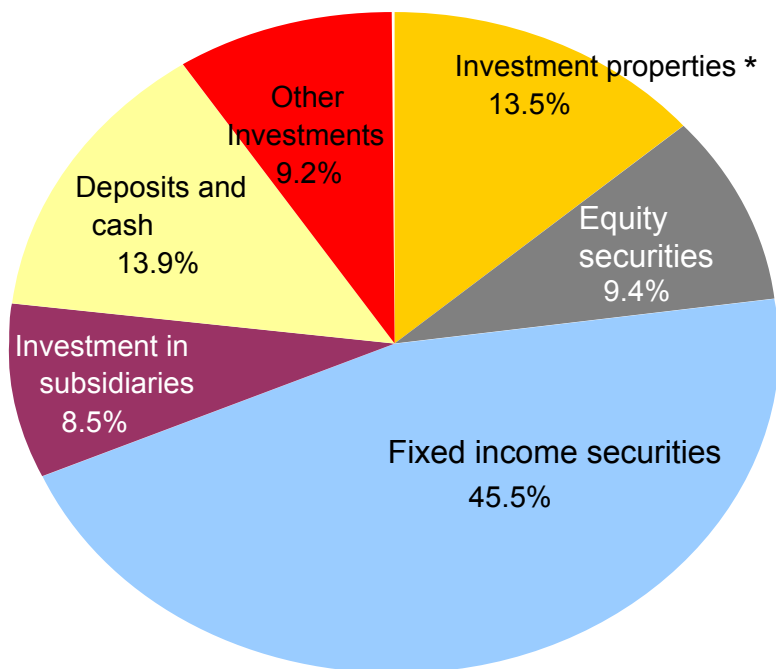
# GRUPO CATALANA OCCIDENTE

## Funds under management – conservative approach

### December 2006

Managed Funds – client risk:	€44.6 M
Managed Funds – company risk:	€,979.1 M
<b>Total</b>	<b>€,823.7 M</b>

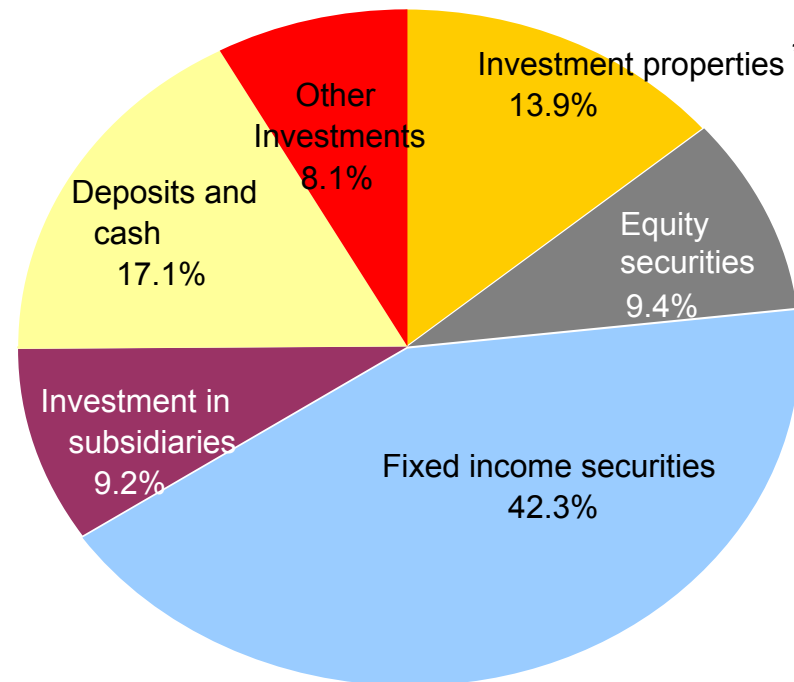
Distribution of company risk assets including capital gains on investment properties



### December 2007

Managed Funds – client risk:	€86.1 M
Managed Funds – company risk:	€,306.4 M
<b>Total</b>	<b>€,292.6 M</b>

Distribution of company risk assets including capital gains on investment properties

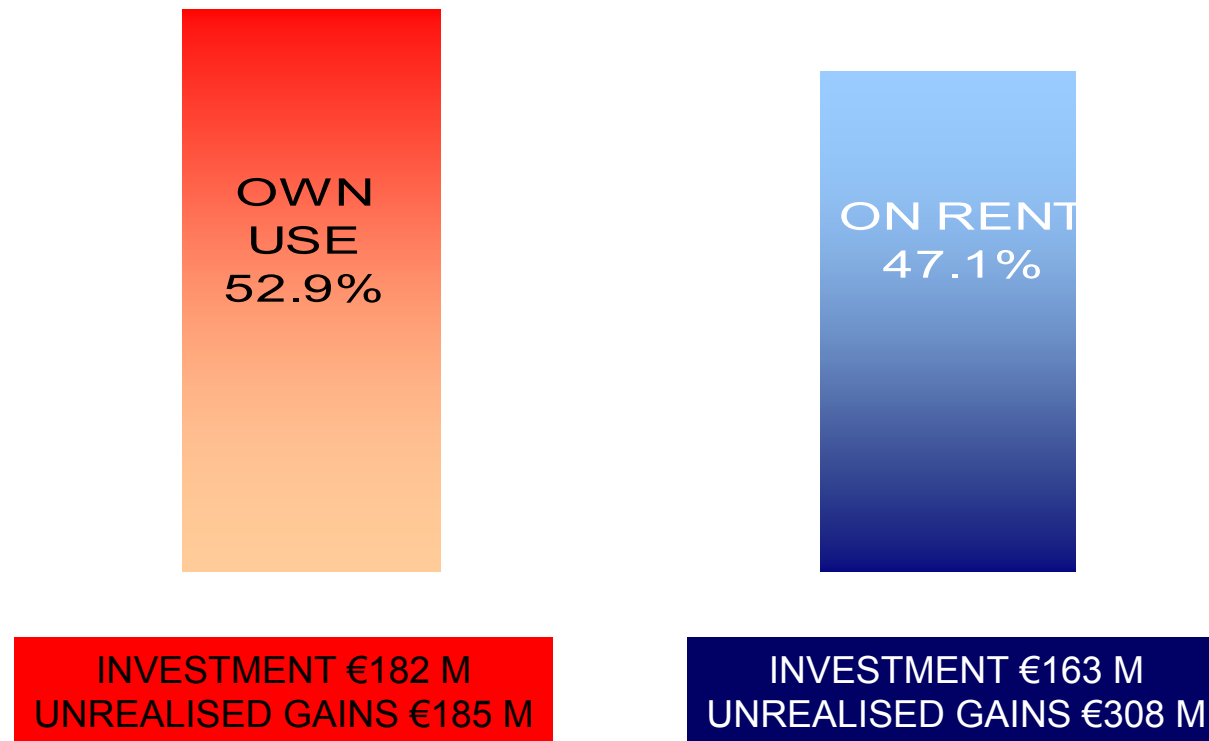


**Conservative investment policy**

\* Source: Valuation done by INMOSEGUROS (DGS's authorized agency)

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Properties – Valued by a DGS's authorized agency



Used DGS' valuation rules (restricted market value)  
Obligatory to value properties each three years (51% in last year).

# GRUPO CATALANA OCCIDENTE

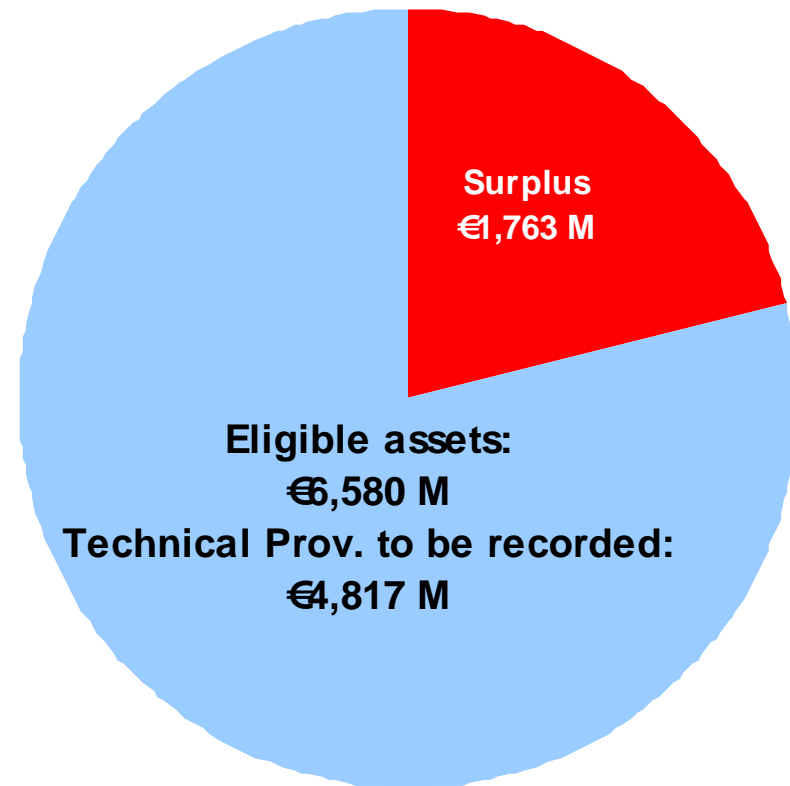
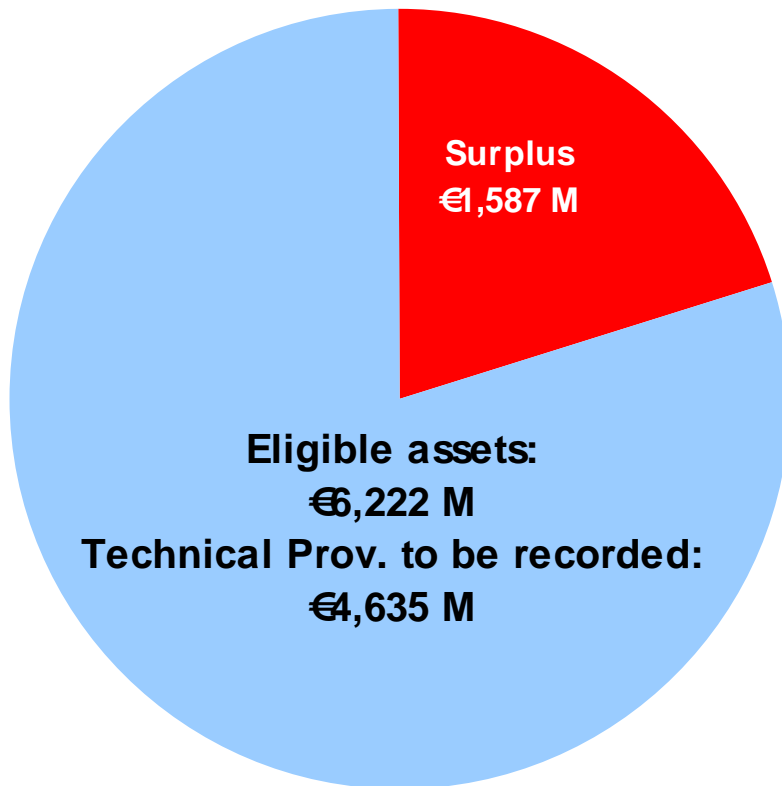
## Technical's provisions coverage



December  
2006



December  
2007

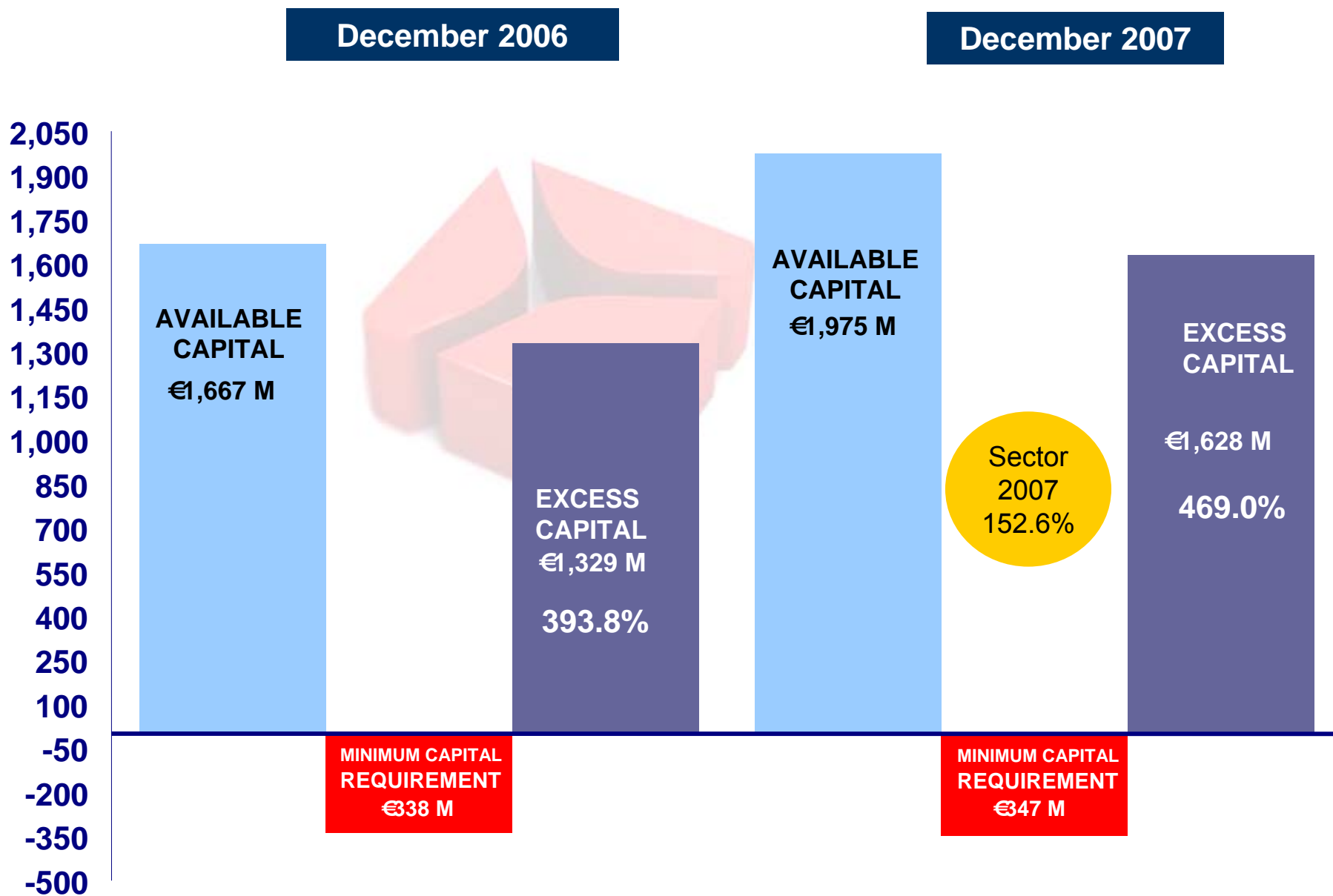


**Significant Surplus**



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## Solvency I



# GRUPO CATALANA OCCIDENTE

## Standard & Poor's: Segmented rating



FINANCIAL STRENGTH  
RATING  
MAIN OPERATIVE  
COMPANIES

**A**  
Stable

Grupo  **CATALANA  
OCCIDENTE**  
And Subsidiaries

Grupo  **CATALANA  
OCCIDENTE**

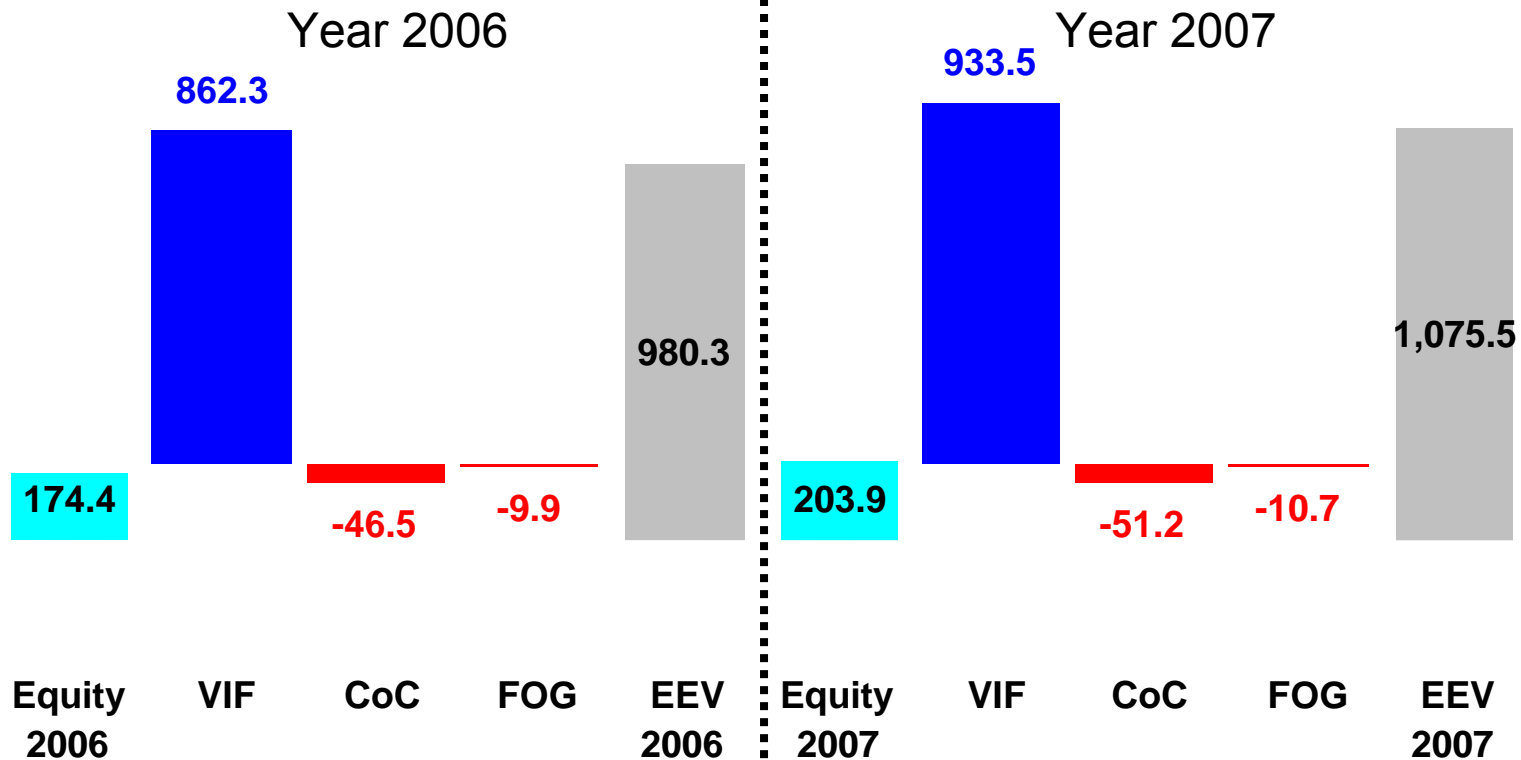
FINANCIAL STRENGTH  
RATING  
SCO & SB

**A -**  
Stable

# GRUPO CATALANA OCCIDENTE

## Embedded Value

Figures after taxes in € million



2006 Certified by Watson Wyatt

2007 Calculated by GCO pending of WW's certification

Note that this value refers to the life, savings and funeral insurance business areas

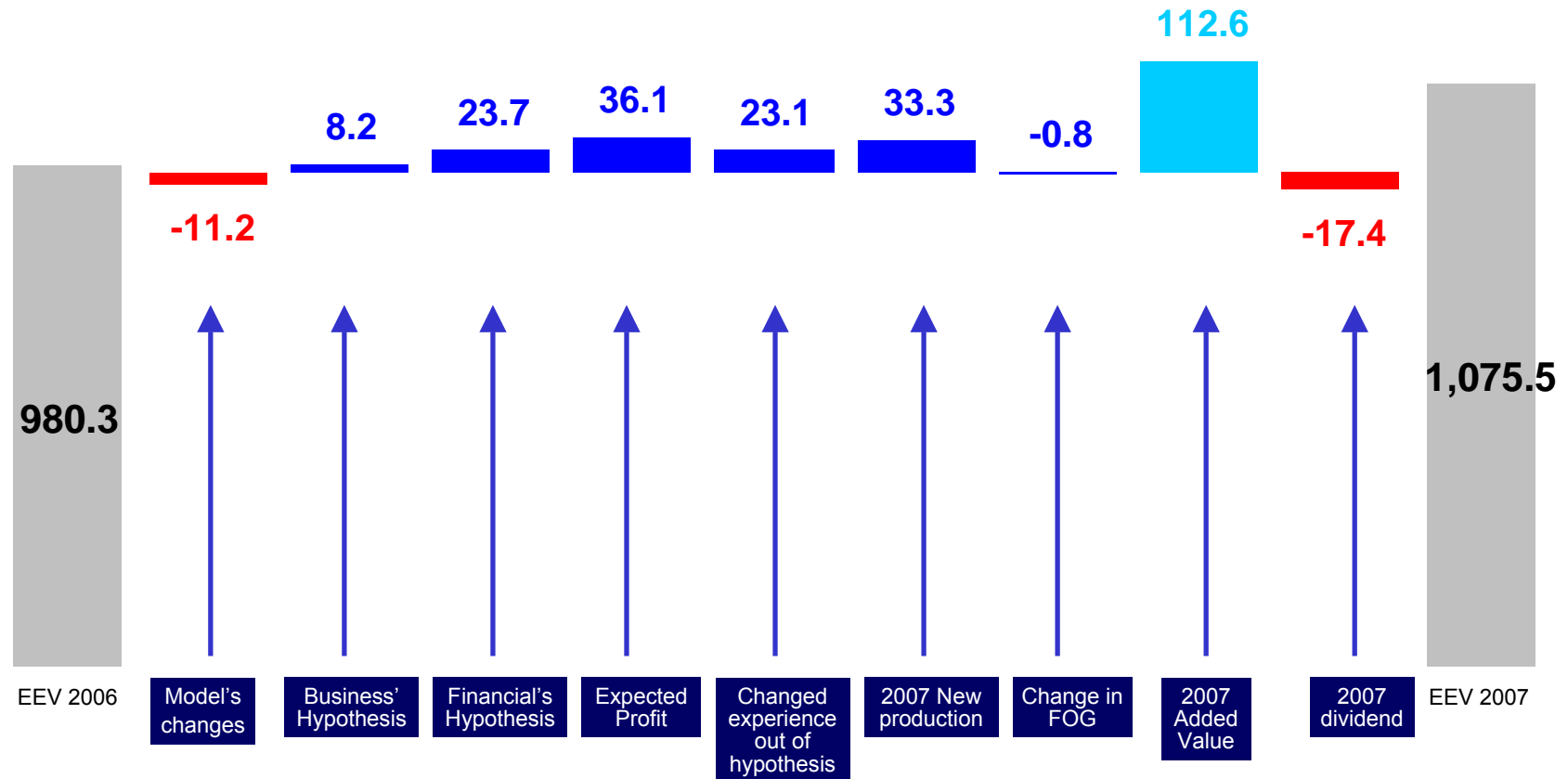
EEV: European Embedded Value  
 VIF: Value in Force  
 Coc: Cost of Capital  
 FOG: Financial options and guarantees

**High and growing portfolio's value**

# GRUPO CATALANA OCCIDENTE

## Embedded Value – Value movement 2007

Figures after taxes in € million



2006 Certified by Watson Wyatt

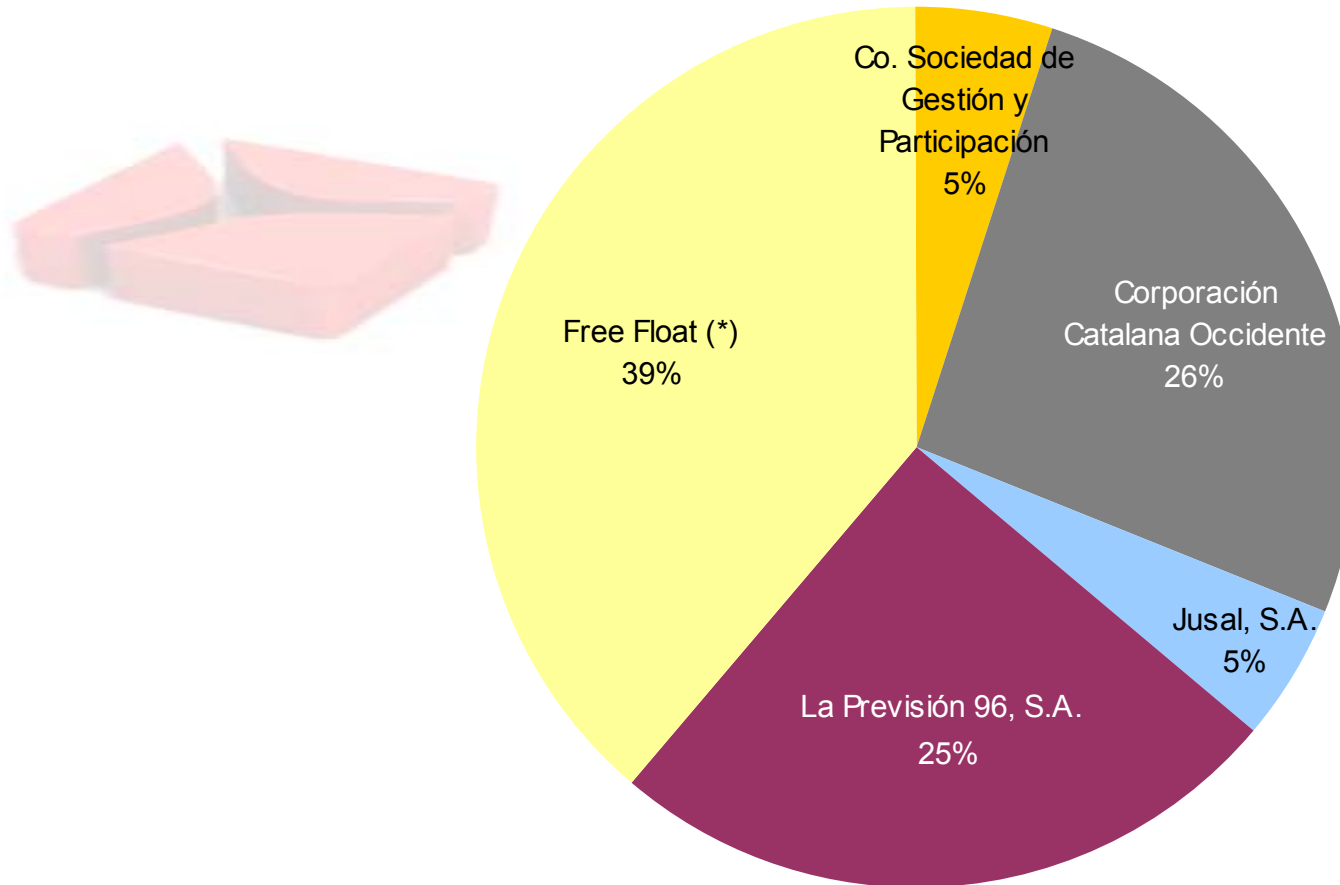
2007 Calculated by GCO pending of WW's certification

Note that this value refers to the life, savings and funeral insurance business areas

**High value portfolio**

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## Shareholders – Long – term commitment



\* GCO was listed in 1996 on the Spanish Continuous Market and is quoted in the following indexes:

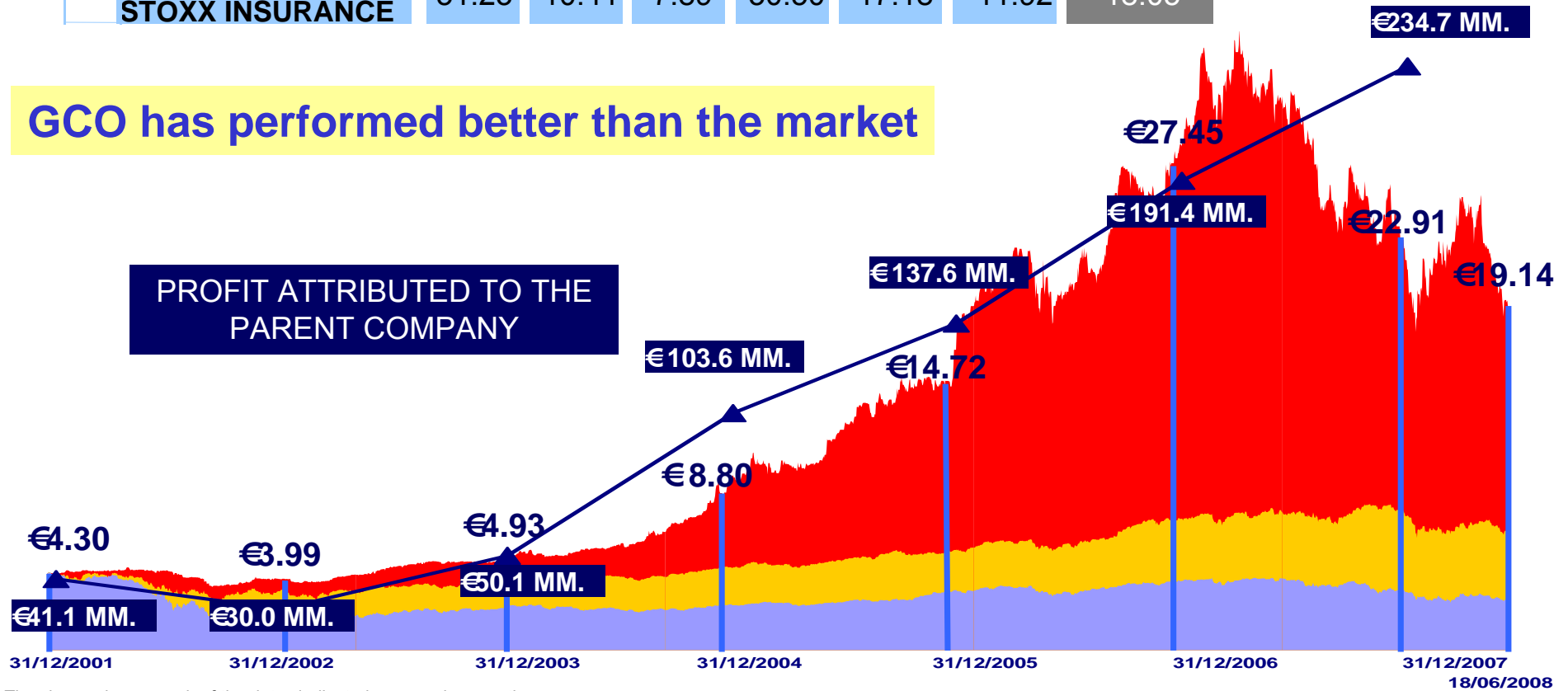
- Spain MA Financial Services and Real State
- Ibex Medium Cap
- Wisdomtree International MidCap
- S&P Citigroup Expended Market Index

# GRUPO CATALANA OCCIDENTE

## Stock Market performance

% Annual change	2002	2003	2004	2005	2006	2007	18/6/2008
 GCO	-7.21	23.56	78.50	67.27	86.48	-16.54	-16.46
IBEX 35	-28.11	28.17	17.37	18.20	31.79	7.32	-16.80
DOW JONES EUROPE	-51.23	10.41	7.89	30.50	17.18	-11.92	-18.05
STOXX INSURANCE							

**GCO has performed better than the market**



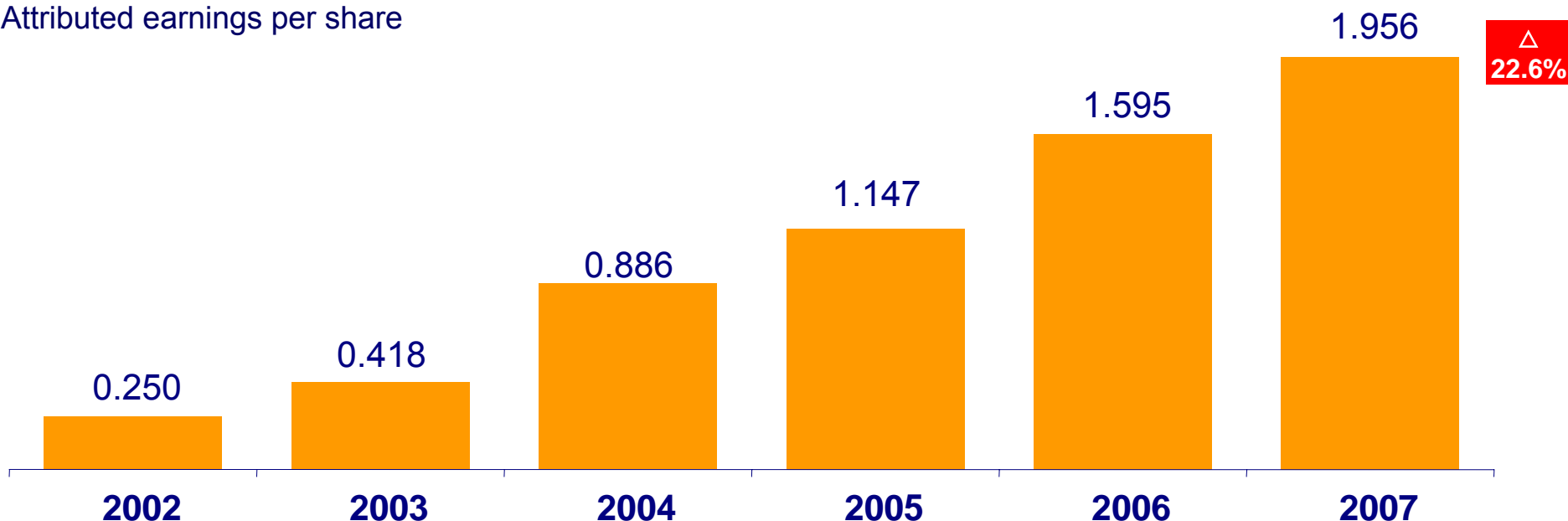
The share price on each of the dates indicated appears in parentheses  
 Prices for 2001 and 2005 are recalculated based on the number of shares in 2006

Base 100 at 1/1/02

# GRUPO CATALANA OCCIDENTE

## Main performance indicators and shareholder's remuneration

Attributed earnings per share

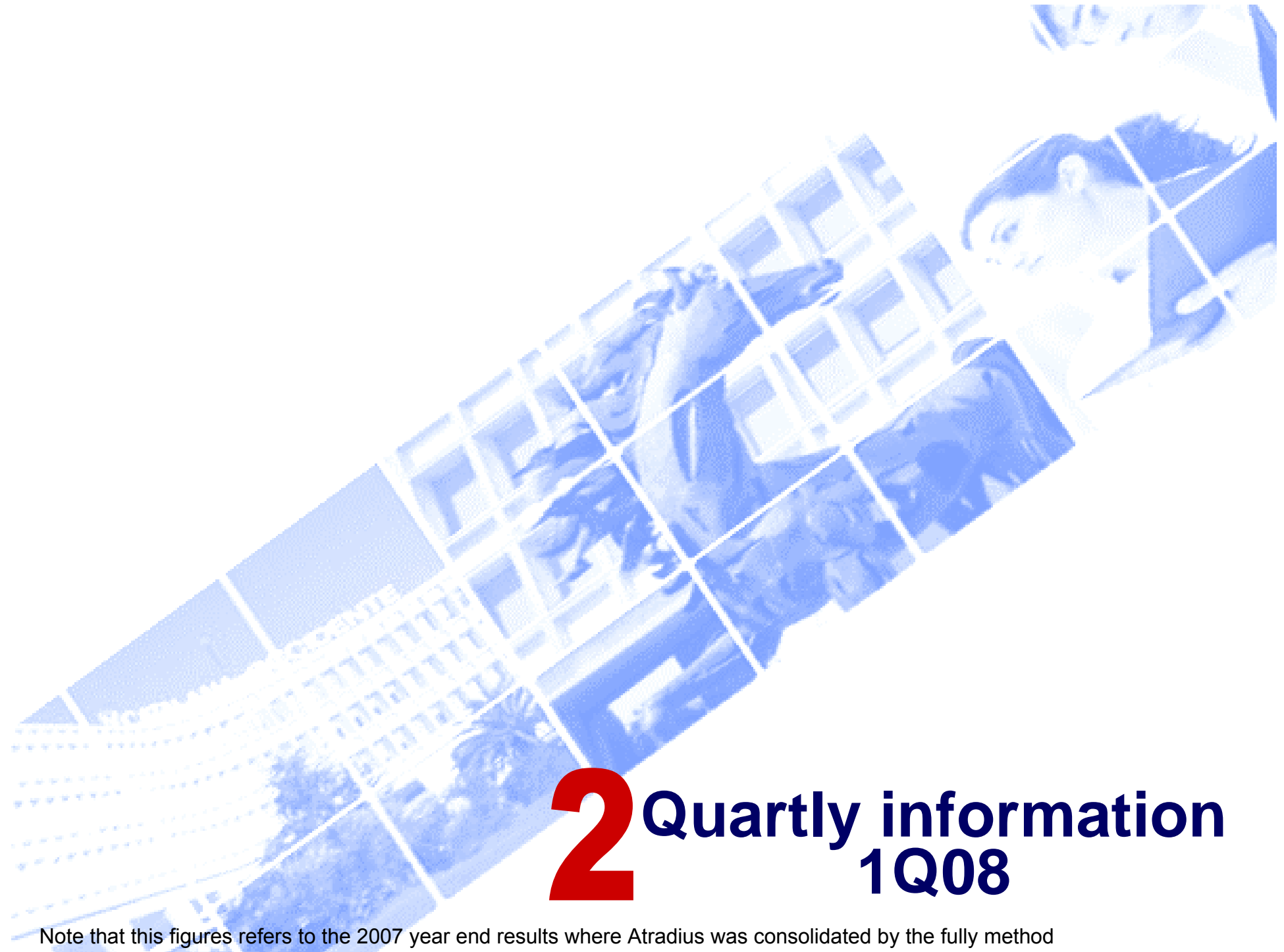


	2002	2003	2004	2005	2006	2007
ROE (12/31 attributed profit / 2006 average equity 2007) (*)	11.2	17.1	25.1	19.1	21.2	22.2
PER (price at 2007 / attributed earnings per share) (*)	16	11.8	11.7	12.8	17.2	11.7
Dividend per share (€)	0.194	0.204	0.224	0.292	0.400	0.480
Yield (dividend/price at 12/31)	4.9	4.1	2.5	2.0	1.5	2.1
Pay Out (dividend / attributed profit)	77.6	48.9	25.9	25.5	25.2	24.5

MARKET ROE 18.8%

△ 20.0%

(\*) Figures under IFRS from 2005



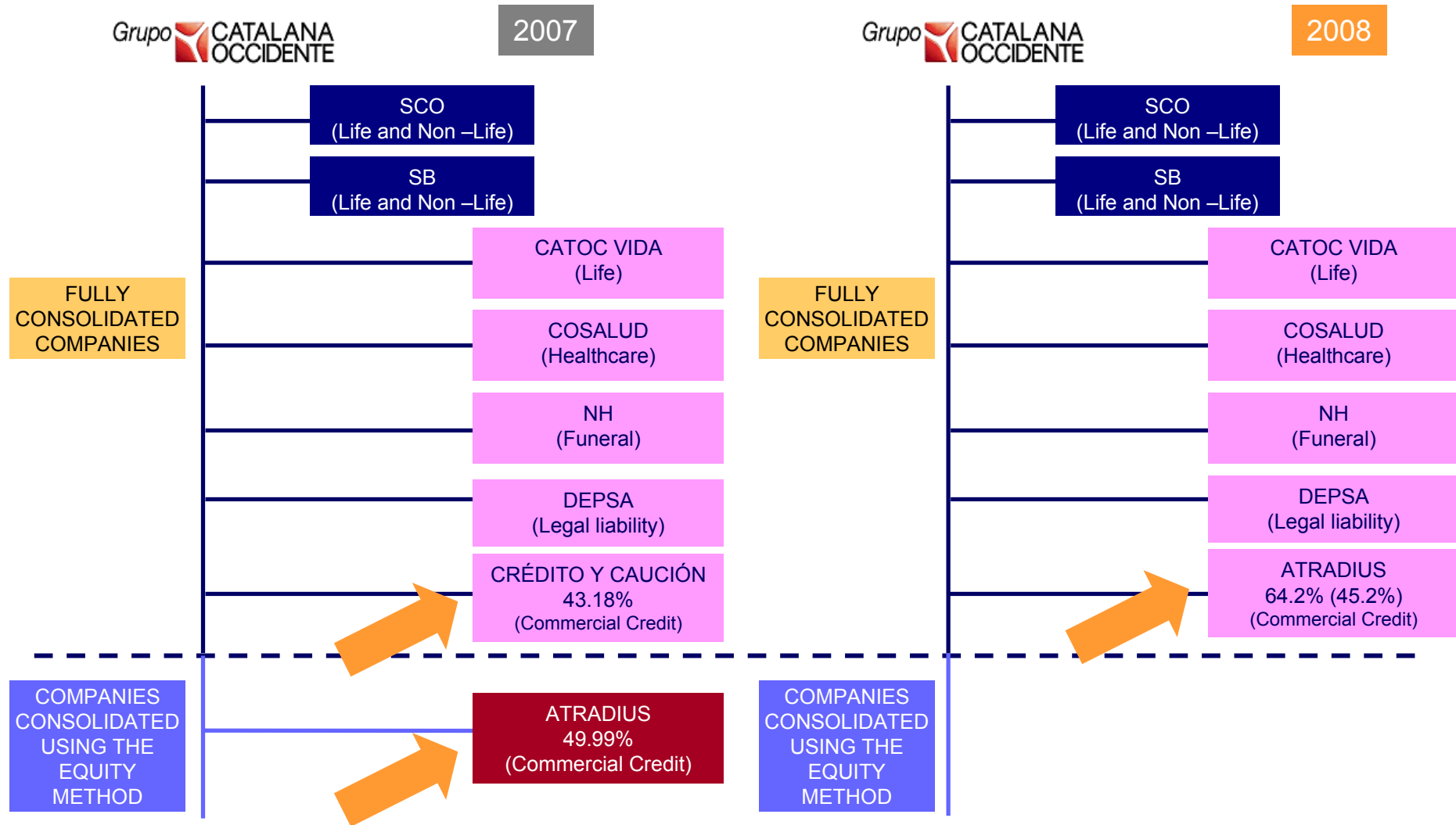
# **2** Quarterly information **1Q08**

Note that this figures refers to the 2007 year end results where Atradius was consolidated by the fully method



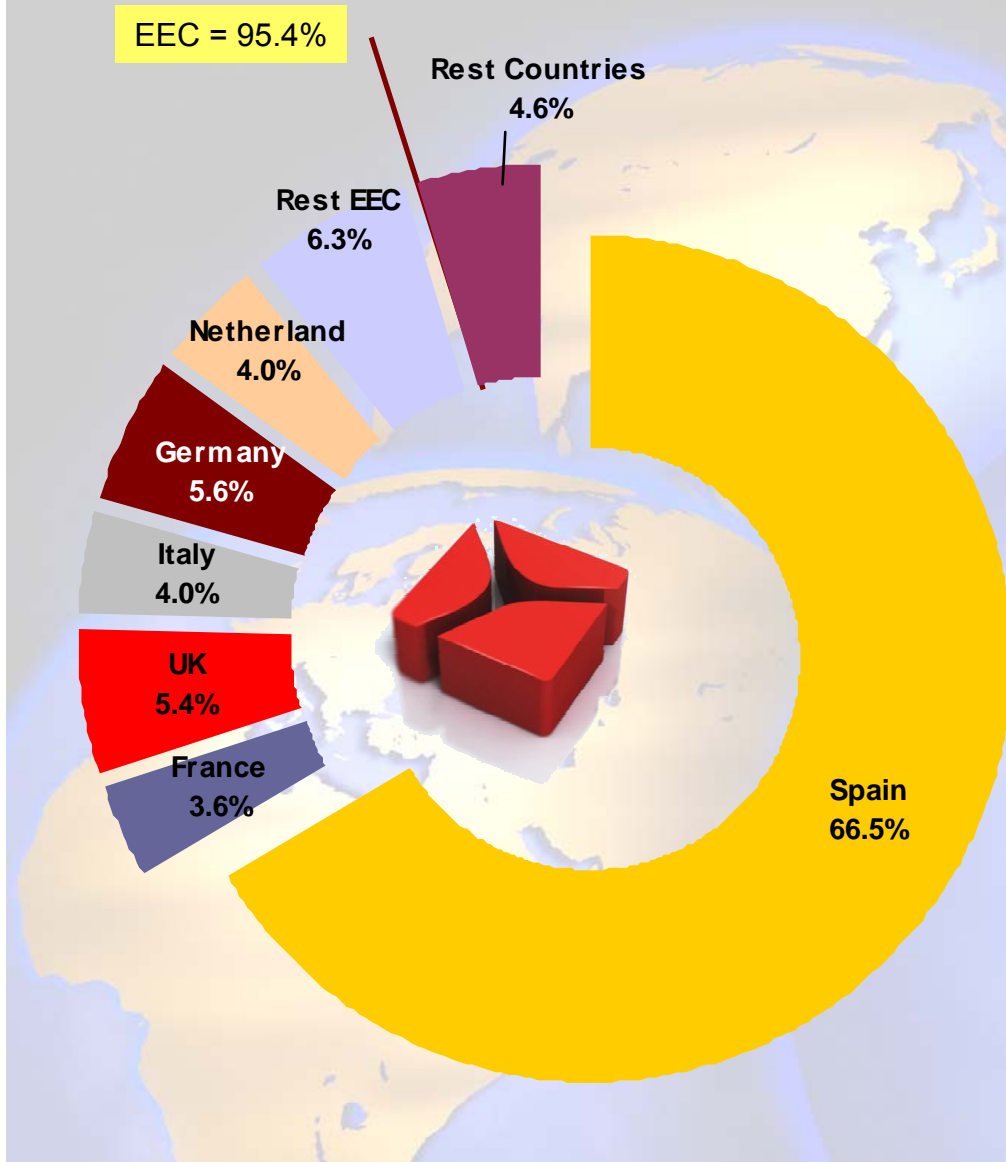
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## Group's structure



# GRUPO CATALANA OCCIDENTE

## International dimension

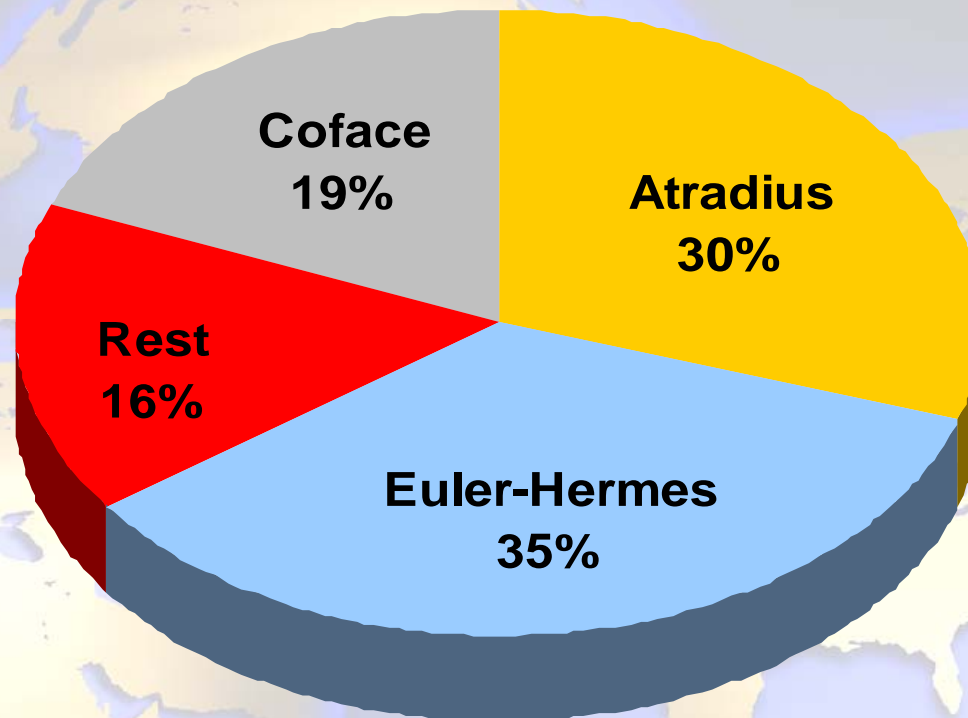


COUNTRIES	%
Spain	66.45
France	3.61
UK	5.42
Italy	3.97
Germany	5.59
Netherland	4.03
Rest EEC	6.29
Rest Countries	4.64
	100%

**1/3 GCO's portfolio in the international market**

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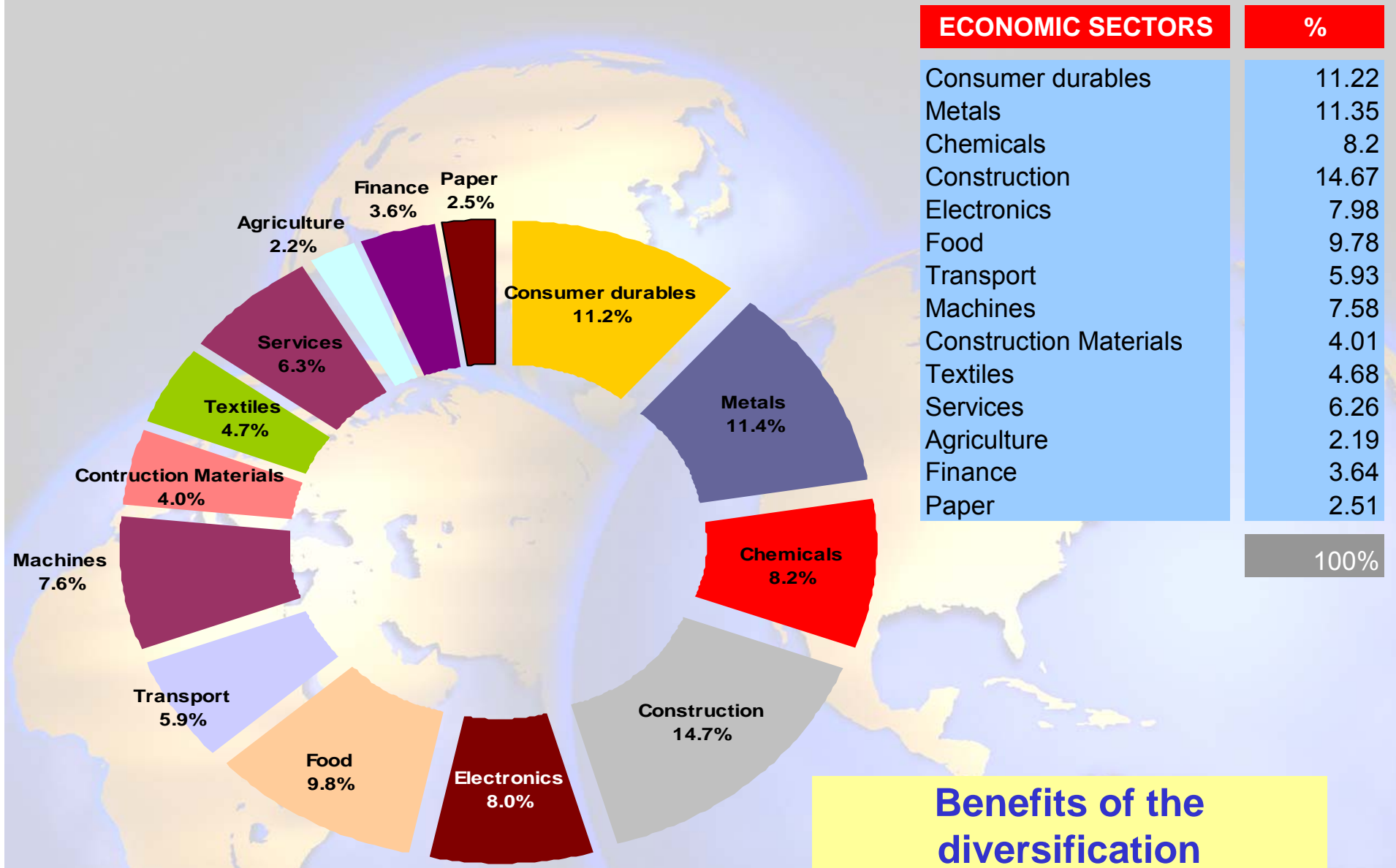
Second player in commercial credit market



**Market value (approximately) €6.000 M**

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## Atradius - Sectorial diversification



**Benefits of the diversification**

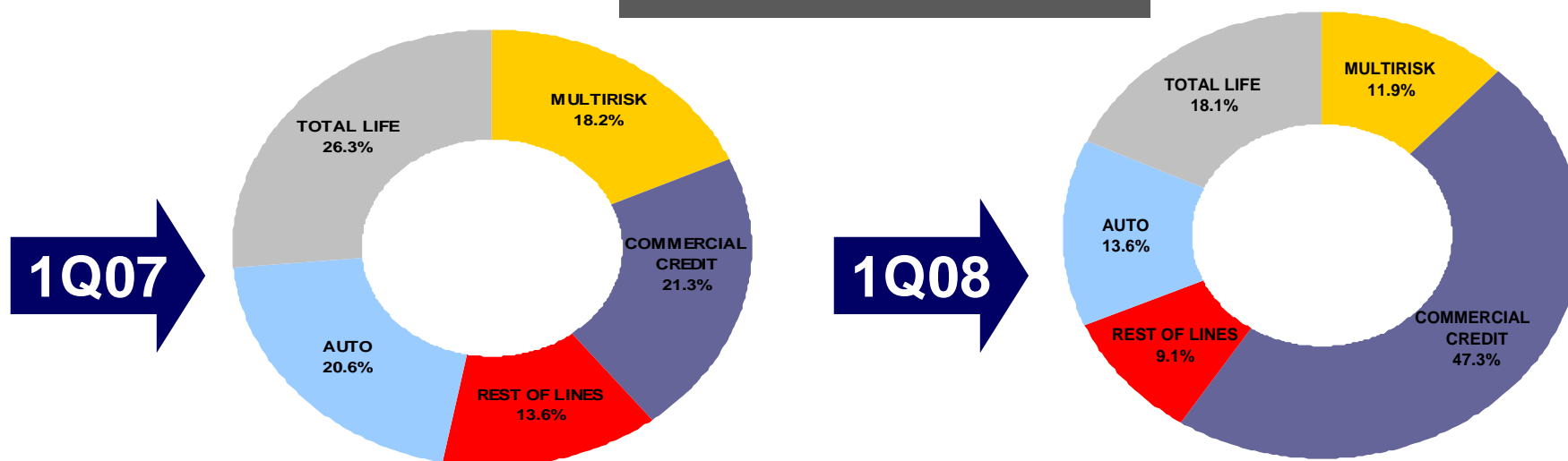
# GRUPO CATALANA OCCIDENTE

## 1Q08 Business performance

(figures in € million)

	1Q2007	1Q2008	% CHG.
MULTIRISK	104	106	1.9
COMMERCIAL CREDIT	121	418	245.8
REST OF LINES	78	81	4.0
AUTO	117	120	2.5
<b>TOTAL NON-LIFE</b>	<b>420</b>	<b>725</b>	<b>72.8</b>
TOTAL LIFE	150	160	6.8
<b>TOTAL PREMIUMS</b>	<b>569</b>	<b>885</b>	<b>55.4</b>
SERVICE REVENUES	11	56	407.9
<b>TOTAL VOLUME</b>	<b>580</b>	<b>941</b>	<b>62.1</b>
RETURN ON INVESTMENTS	85	91	7.7
<b>TOTAL REVENUES</b>	<b>665</b>	<b>1,032</b>	<b>55.2</b>
PENSION PLANS CONTRIBUTIONS	16	23	42.6
MUTUAL FUND CONTRIBUTIONS	16	-4	-

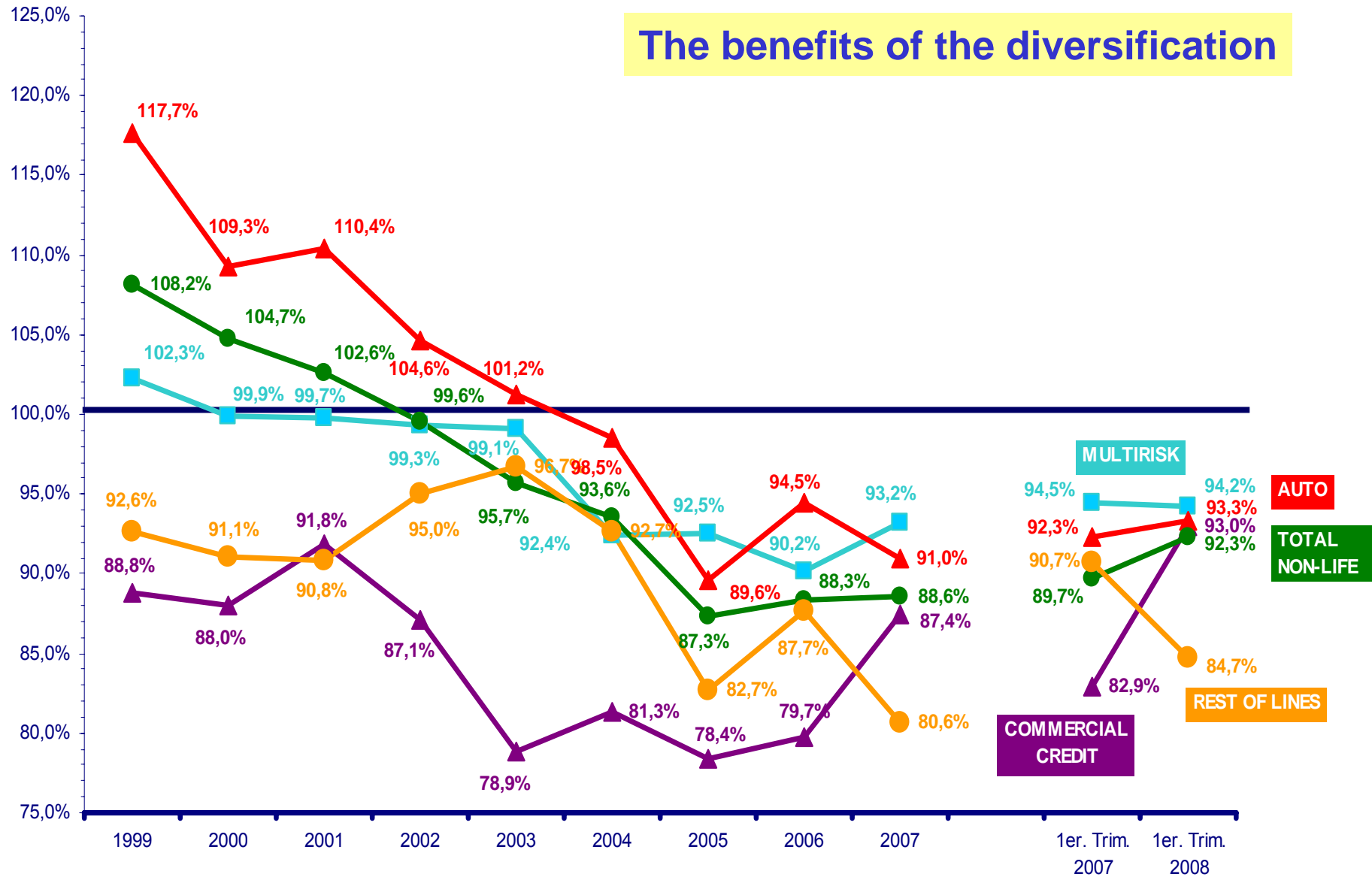
### Business structure



# GRUPO CATALANA OCCIDENTE

## 1Q08 Combined ratio

### The benefits of the diversification



# GRUPO CATALANA OCCIDENTE

## 1Q08 Profit and Loss Account

(figures in € million)

	1Q 2007	1Q 2008	% CHG..
Premiums	569.3	884.9	55.4
Premiums acquired	524.7	826.2	57.5
<b>TECHNICAL RESULT</b>	<b>108.9</b>	<b>166.4</b>	<b>52.8</b>
Expenses	67.0	110.8	65.0
<b>TECHNICAL RESULT AFTER EXPENSES</b>	<b>41.9</b>	<b>55.7</b>	<b>32.9</b>
Financial income	57.1	23.2	-59.4
Interest paid to life policyholders(*)	38.4	2.7	-92.9
Realised capital gains	19.2	8.1	-57.5
<b>FINANCIAL RESULT</b>	<b>37.9</b>	<b>28.6</b>	<b>-24.4</b>
<b>PROFIT BEFORE TAX</b>	<b>79.8</b>	<b>84.3</b>	<b>5.7</b>
Corporate income tax	25.3	22.3	-11.5
<b>PROFIT AFTER TAX</b>	<b>54.5</b>	<b>62.0</b>	<b>13.7</b>
<b>PROFIT ATTRIBUTED TO THE PARENT COMANY</b>	<b>43.5</b>	<b>48.7</b>	<b>11.8</b>

(\*) Includes increment capital gains / capital loss holder's risk

# GRUPO CATALANA OCCIDENTE

## 1Q08 Funds under management – conservative approach

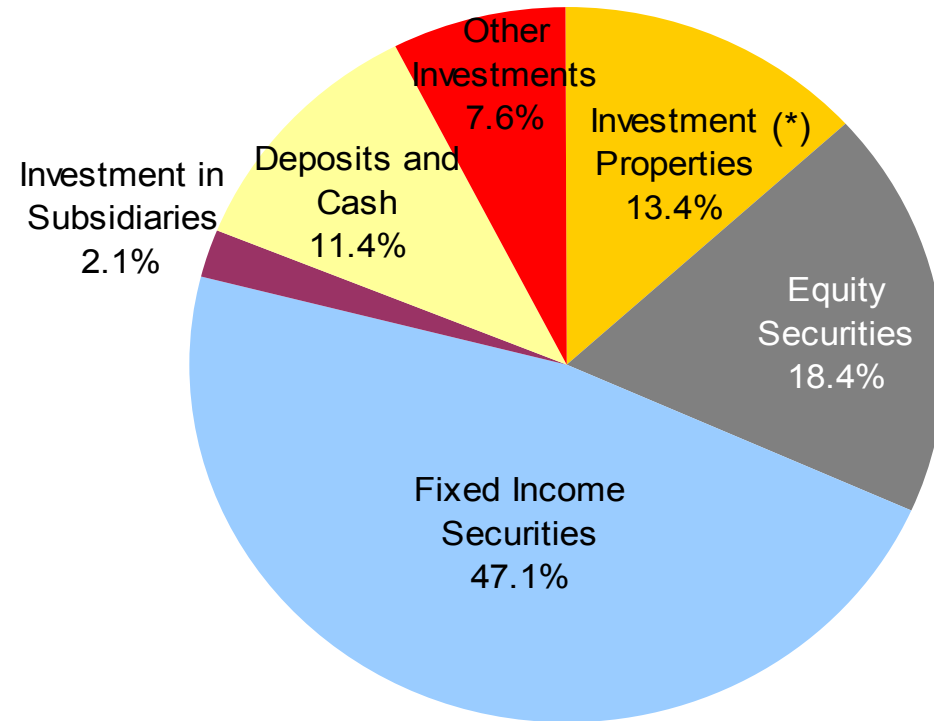
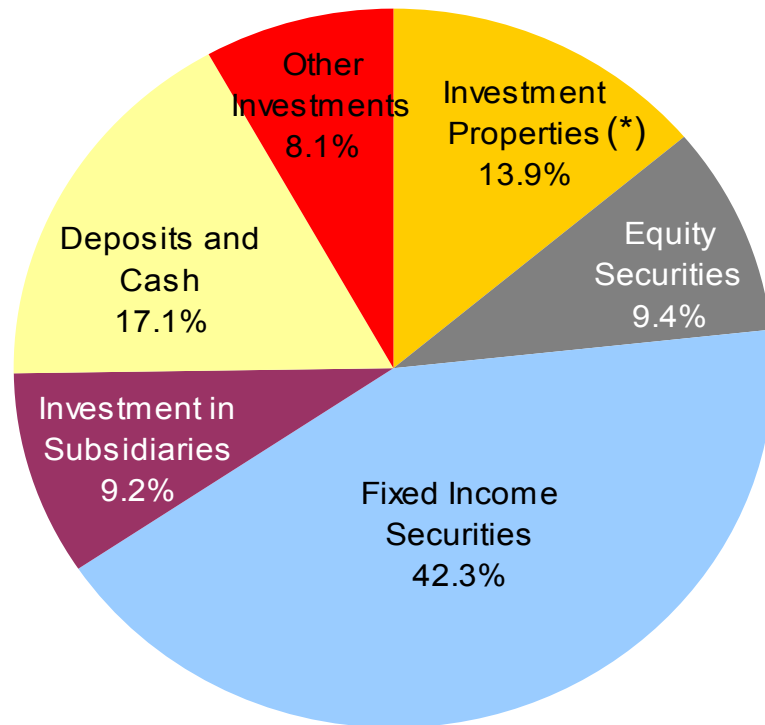
**December 2007**



**1Q08**

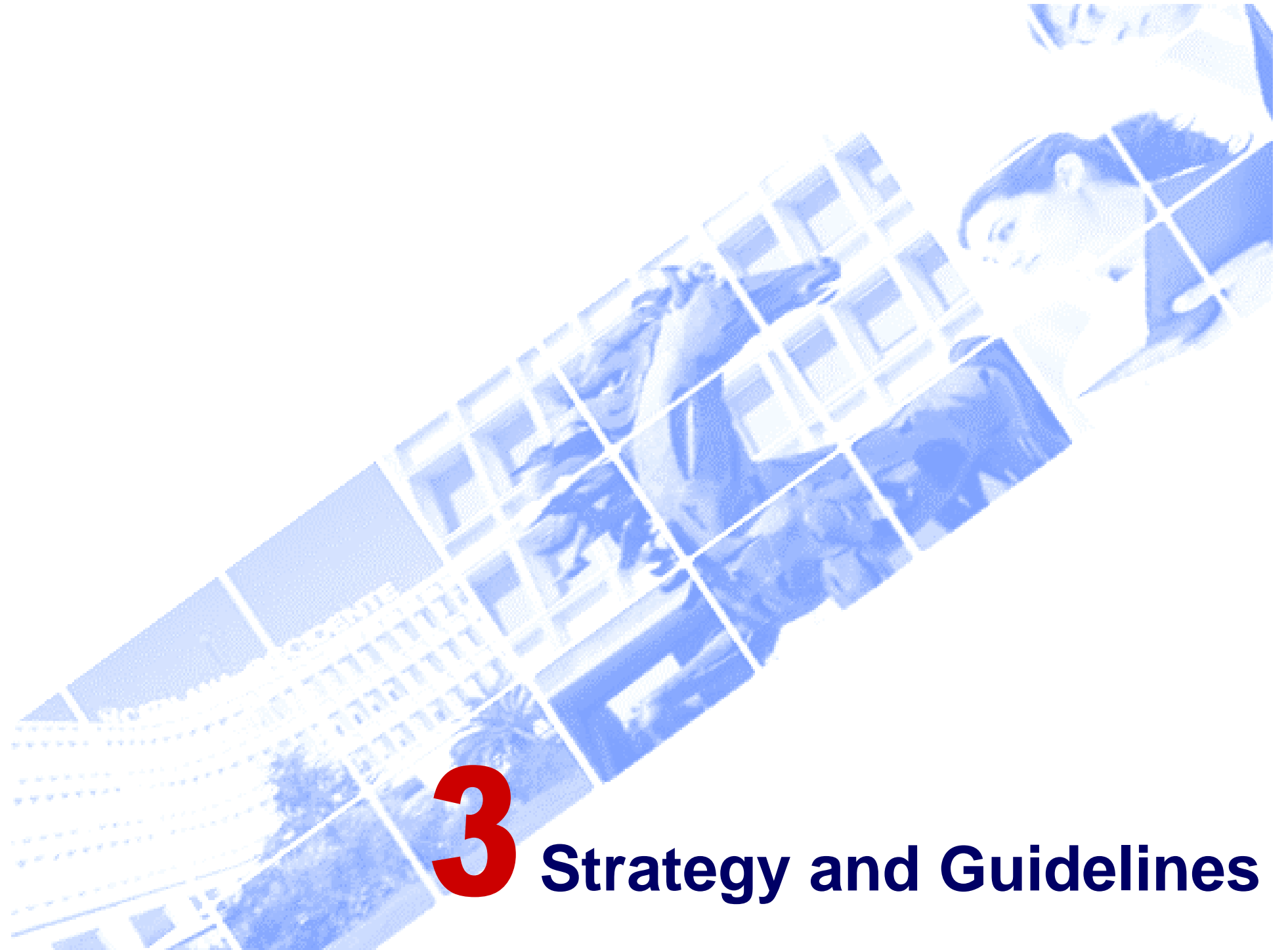
Distribution of company risk assets including capital gains on investment properties

Distribution of company risk assets including capital gains on investment properties

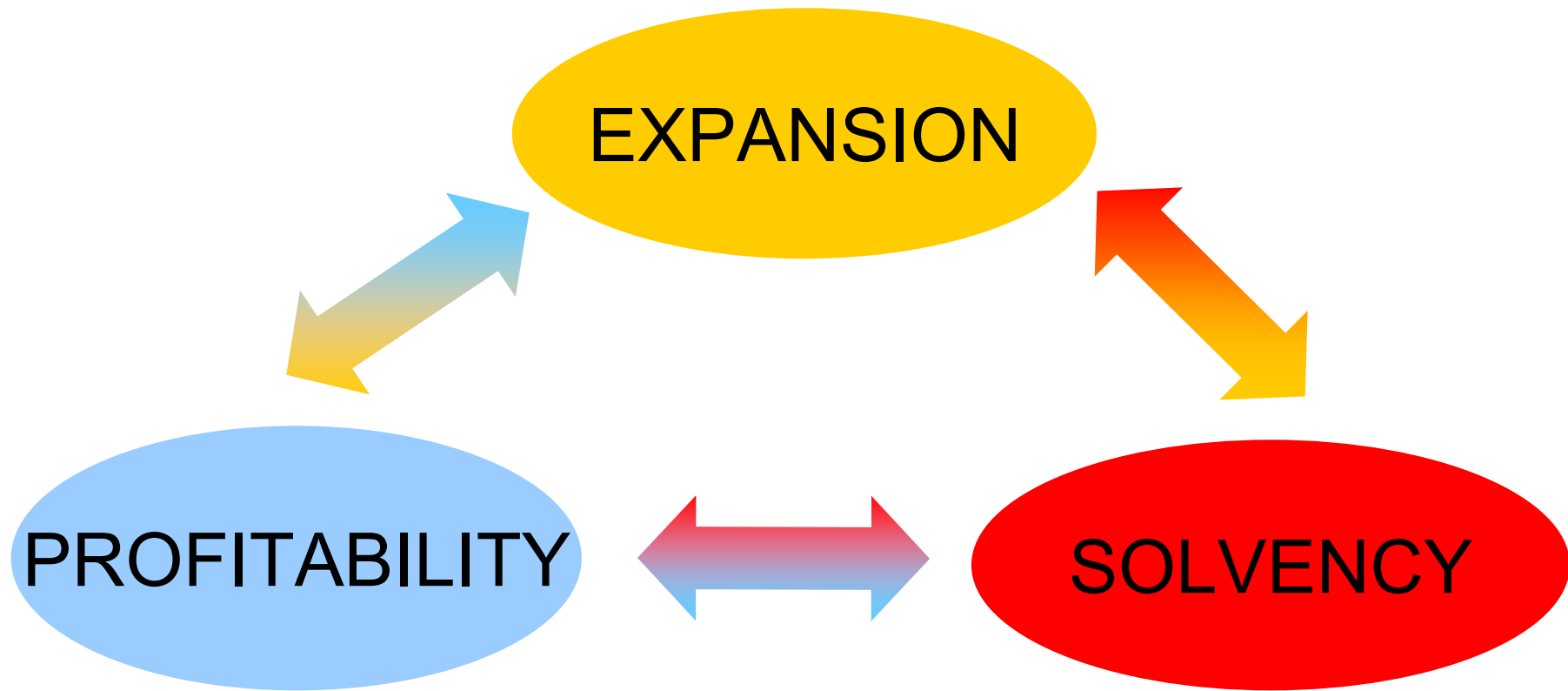


\* Source: Valuation done by INMOSEGUROS (DGS's authorized agency)





# **3** Strategy and Guidelines



### EXPANSION

- INTERNAL → Guidance to growth
- Improve customers and agents' service
- Support to the commercial activity
- Rise commercial productivity
- Network

EXTERNAL

### PROFITABILITY

MAINTAINING TECHNICAL COST AND COMBINED RATIO

- PRODUCTIVITY INCREMENT → Improvement of technical and administrative management
- Improvement of resources management

GROUP EXPENSES → Severity

SYNERGIES

### SOLVENCY

IMPROVEMENT SOLVENCY → Maintaining Pay Out  $\Delta$  25%

IMPLEMENTING NEW METHODOLOGIES – Risk Control / Internal, QIS4 and Solvency II

OBTAINING S&P RATING

DEVELOPMENT CAPITAL MODEL

A 3D bar chart with several bars of varying heights. The bars are colored in a gradient from light blue to red. The chart is set against a white background with faint, light blue text and numbers scattered around it. The text includes "Thank you for your attention", "For further information please contact:", "0034935820667", "accionistas@catalanaoccidente.com", and "www.grupocatalanaoccidente.com".

**Thank you for your attention**  
**For further information please contact:**

**0034935820667**  
**accionistas@catalanaoccidente.com**

**www.grupocatalanaoccidente.com**

# 2008

London, 26th. June

Grupo  CATALANA  
OCCIDENTE



**Achieving results while managing risks**

Mr. Juan Casanovas, CFO