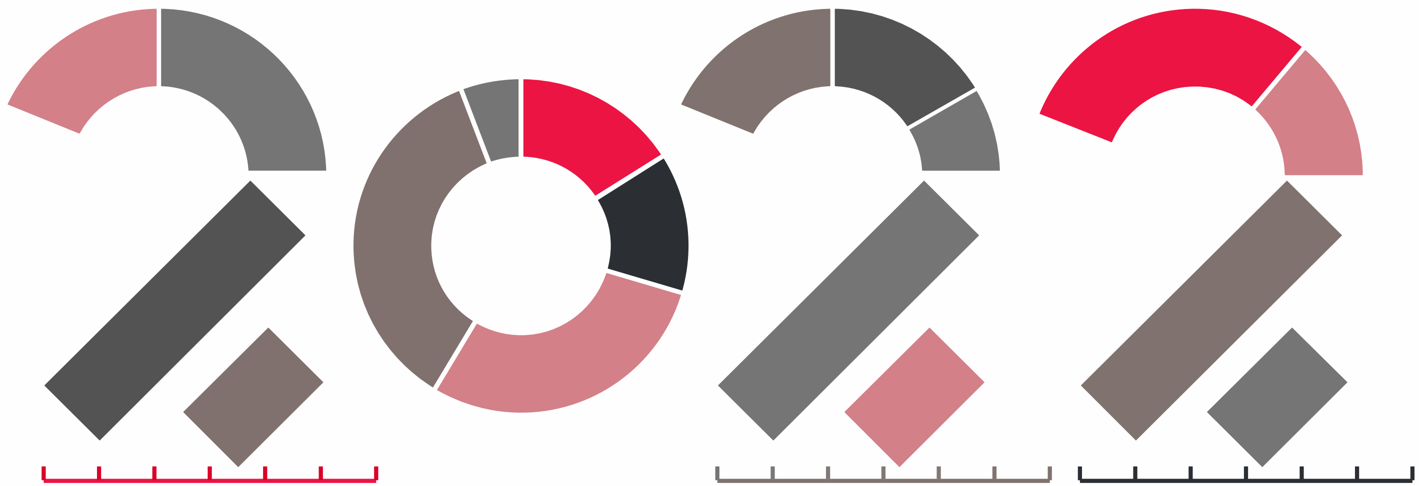
Catalana Occidente
Grupo asegurador

Solvency and Financial Condition Report (SFCR)



For more information visit

wwww.grupocatalanaoccidente.com

Table of contents

The Group's Solvency II ratio is 247%, with an excess of €3,226.5 million.

Therefore, Grupo Catalana Occidente has a robust solvency and financial position to withstand adverse situations.

The entities of the Group present average Solvency II ratios of above 190%.

Equity is of high quality (96.6% of tier1).

Executive summary

- Grupo Catalana Occidente has continued to grow profitably in 2022, with an attributable profit of €486.6 million and an increase in shareholder remuneration of 8.7%.
- The Group has shown profits and has maintained recurring dividends, including in years of economic crisis.
- The Solvency II ratio is maintained above 175%, even in adverse scenarios.
- Grupo Catalana Occidente is sufficiently capitalised, to assume the risks associated with its medium term business plans (included in the ORSA).
- The main risks are Non-Life (37.4%, the largest being credit insurance business) followed by Market (36.4%).
- The Group carries out a quantitative valuation of the risks using the standard formula, except for the credit insurance underwriting risk, which uses a partial internal model approved in July 2017.
- The risk governance and management system operates in an integrated manner, separating the management areas from the risk management control function.

Product portfolio

Multi-risk
Family-home, stores, communities, offices and SMEs.

Other
Industrial Products, engineering, accidents and civil liability.

Life
Life risk, life savings, pension plans and investment funds as well as funeral and health.

Motor
Coverage for vehicles or transport fleets

Credit insurance
Protects against financial losses due to the inability of a buyer to pay for goods purchased on credit.

Surety insurance
Protects the beneficiary if a supplier does not comply with its contractual obligations.

Reinsurance
Wide range of reinsurance options for insurance companies of the main insurers in the world.

Key financial figures

Turnover
€5,245.6 M
+7.4%

Combined ratio
90.8%
Traditional business
72.3%
Credit insurance (gross)

Attributable profit/(loss)
€486.6 M
+13.9%

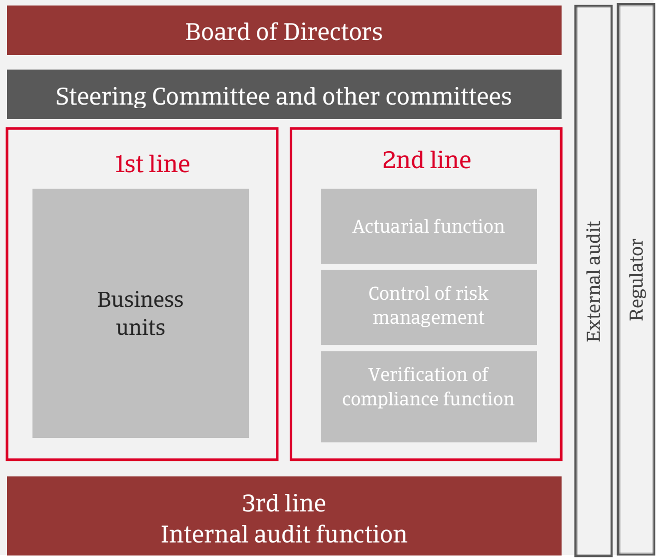
Managed funds
€14,991.1 **-4.6%**

Permanent resources at market value
€4,916.3 **-5.3%**

Employees
7,143

Intermediaries
15,032

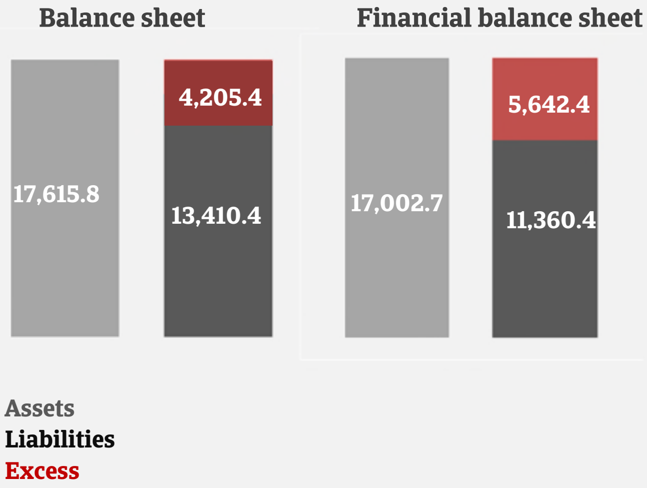
Governance system- 3 lines of defence



Risk profile

In thousands of euros	2021	2022	*Chg %*
Market SCR	1,825,025.5	1,410,680.7	-22.7%
Counterparty SCR	185,369.1	183,319.1	-1.1%
Non-Life SCR	1,324,678.1	1,449,327.5	9.4%
Life SCR	905,091.2	614,481.1	-32.1%
Health SCR	57,526.0	56,349.0	-2.0%
Diversification effect	-1,372,028.2	-1,169,719.7	-14.7%
Basic SCR (BSCR)	2,925,661.7	2,544,437.8	-13.0%
Operational SCR	148,513.8	158,177.3	6.5%
Tax effect	-629,710.3	-523,142.7	-16.9%
Solvency Capital Requirement (SCR)	**2,450,718.0**	**2,188,458.2**	**-10.7%**

Valuation for Solvency purposes



Capital management

In thousands of euros	2021	2022	*Chg %*
Eligible Equity SCR	5,398,165.5	5,414,992.3	0.3%
Eligible Equity MCR	5,368,665.1	5,389,372.4	0.4%
SCR	2,450,718.0	2,188,458.2	-10.7%
MCR	850,882.7	800,385.8	-5.9%
Coverage ratio SCR (%)	220.3%	247.4%	12.3%
Coverage ratio MCR (%)	631.0%	673.4%	6.7%

About this report

Grupo Catalana Occidente presents its consolidated solvency financial condition report (SFCR). The report is prepared in accordance with the Solvency II legal framework, developed through Act 20/2015 of 14 July, on the organisation, supervision and solvency of insurance and reinsurance undertakings, articles 80 to 82, and specifically has been based on the Delegated Acts issued by EIOPA "Guidelines on reporting and public disclosure".

The scope of information that appears in the report corresponds to Grupo Catalana Occidente, as reflected in its annual report.

The last chapter E, develops all the information relating to capital, from qualitative information on the process of capital management in Grupo Catalana Occidente to quantitative information on the capital and the capital requirements of the Group, according to Solvency II.

Throughout this report, there are cross-references to other documents of public information that extend the content of this report.

The report was approved by the Board of Directors at its meeting on 27 April 2023, having been reported on favourably by the audit committee and previously validated by the Steering Committee. The report has also been reviewed by PricewaterhouseCoopers S.L. (Paseo de la Castellana, 259 B, Torre PWC - Madrid, Spain) through a team made up of actuaries and the Group's auditors in accordance with Circulars 1/2017 of 22 February and 1/2018 of 17 April of the Directorate General of Insurance and Pension Funds (DGSFP).

In accordance with the disclosure policy approved by the Board of Directors, Grupo Catalana Occidente publishes this document on the Group's website (www.grupocatalanaoccidente.com) in the "Shareholders and Investors" section in the "Reports and Results” section.

In addition to the information shown in this report, the insurance companies of the Group publish details of their solvency and financial information on their websites, based on regulatory demands.

In the event that you should require further information contact:
Analysts and investors
+34 915 661 302
analistas@catalanaoccidente.com

About Grupo Catalana Occidente

Grupo Catalana Occidente, S.A. (hereinafter "Grupo Catalana Occidente" or "the Group"), is a public limited company that does not directly carry out insurance activities, but is the head of a group of entities that are mainly engaged in insurance activities.

The registered office of Grupo Catalana Occidente, S.A. is in Paseo de la Castellana 4, 28046 - Madrid (Spain) and its website is: www.grupocatalanaoccidente.com

Subsidiaries with insurance activity in Spain are supervised by the Directorate General of Insurance and Pension Funds, as lead supervisor of the College of Supervisors. In addition, Grupo Catalana Occidente is supervised by the Board of European Supervisors made up by the DGSFP and the Central Bank of Ireland (hereinafter, “CBI”) and headed up by DGSFP.

The Group is subject to the regulations governing insurance companies in Spain. The DGSFP supervises insurance and reinsurance entities in the areas of private 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.dgsfp.mineco.es.

The subsidiaries with insurance activities outside of Spain and its respective territories are: (I) Atradius Reinsurance DAC. in Ireland, regulated by the CBI; (II) Atradius Seguros de Crédito, S.A. in Mexico, regulated by the National Commission of Insurance and Finance (CNSF); (III) Atradius Trade Credit Insurance, Inc. in the United States, regulated by Maryland Insurance Administration (MIA); and (IV) Atradius Rus Credit Insurance LLC in Russia, which is regulated by the Central Bank of the Russian Federation. The supervisors mentioned above are responsible for regulating the calculation of the solvency margin in their respective countries.

A

Activity and results

This chapter provides an overview of the business model, strategic approach and future orientation, as well as for the environment and the results obtained in the field of underwriting, investment and other activities. In addition, it provides the Group's activities in the area of sustainability.

For more information see the annual reports available on the Group's website https://www.gco.com/

A.0 Introduction to Grupo Catalana Occidente

A.0.1. Business model

The aim of the Group is based on leadership in protection and long-term welfare for families and companies in Spain and on the coverage of commercial credit risks at the international level. For this, the Group bases its strategy on 3 basic pillars:

Growth

Definition of the markets that the Group targets, development of appropriate products and services and establishment of adequate distribution channels in order to reach customers.

Profitability

Recurring and sustained profitability through technical-actuarial rigour, diversification in investments and processes that allow for adjusted cost ratios and quality service.

Solvency

Prioritising the generation and continuous growth of own resources in order to fund the expansion of the Group, guarantee ample compliance with the commitments assumed and ensure adequate returns to shareholders.

Grupo Catalana Occidente in figures

Market capitalisation €3,546 M

Turnover €5,245.6 M

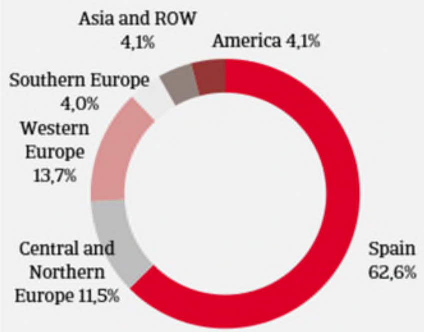
Consolidated profit/(loss) €542.6 M

Managed funds €14,991.1 M

4th Largest insurance group in Spain

2nd Largest credit insurance business in the world

Diversification by countries



Insurance specialist

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

Solid financial structure

- Listed on the stock exchange
- "A" (excellent) rating of its main operating Entities
- Solvency II ratio at 247%
- Stable, committed shareholders

Closeness – global presence

- Distribution of intermediaries
- Over 15,000 intermediaries
- 1,518 offices
- 7,143 employees
- 50 countries

Technical rigour

- Non-Life combined ratio 90.8%
- Strict cost control
- Investment portfolio diversified and prudent

Business segments of Grupo Catalana Occidente

Traditional business

The traditional business, with a wide range of insurance products, mainly aimed at households and SMEs, is managed through a dedicated network of professional agents and close to 1,500 offices in Spain.

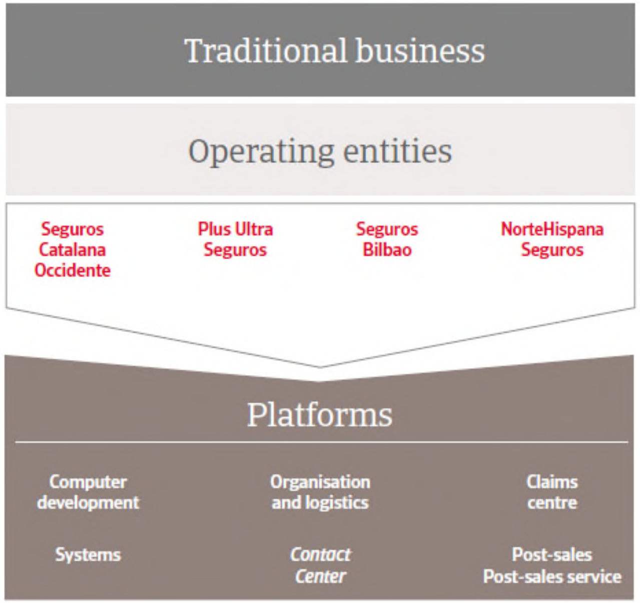
The business lines offered are:

The brands of the Group in the traditional business are:

Catalana Occidente Seguros
PlusUltra Seguros
Seguros Bilbao
NorteHispana Seguros

Operating platforms of the Group:

The operating entities of the traditional business share different operating platforms in order to improve efficiency and offer quality service to customers.



Focus on the service:

- Personalisation.
- Immediate resolution.
- Self-service.

Credit insurance business

Through credit insurance, the Group provides products and services that contribute to the growth of companies throughout the world by protecting them from the default risk associated with selling products and services with payment in instalments. This is a business structurally linked to economic performance and, in particular, to the performance of corporate defaults worldwide and of the global trade volume.

The business lines offered are:

The brands of the Group for credit insurance are:

Atradius
Crédito y Caución Atradius
Atradius Reinsurance

A.0.2. Share structure

The reference shareholder of Grupo Catalana Occidente is INOC, S.A., which controls 61.94% of the share capital of Grupo Catalana Occidente, S.A., the parent company of the Group.

Likewise, in treasury stock, Grupo Catalana Occidente, S.A., through Sociedad Gestión Catalana Occidente S.A., holds 1,977,283 shares of the company with a total acquisition cost of €22.38 million, representing 1.65% of its share capital. Grupo Catalana Occidente's free float is 33.54%, half of which is held by institutional investors. The Group does not have any information regarding the existence of agreements between the shareholders for the concerted exercise of voting rights or limiting the transmission of their shares.

Share performance

During 2022 the average share price was €28.6.

Grupo Catalana Occidente shares are listed on two Spanish stock exchanges, Barcelona and Madrid, being listed on the continuous market.

During 2022, Grupo Catalana Occidente's shares have performed similarly to the Eurostoxx Insurance and Ibex 35 indices.

Analysts' recommendations remain favourable, with a "buy" recommendation and indicating an average target price of €40.4/share.

Share data	2020	2021	2022
Minimum (€/s)	16.20	27.75	24.90
Maximum (€/s)	32.05	36.35	30.60
Period end (€/s)	29.15	30.00	29.55
Number of shares	120,000,000	120,000,000	120,000,000
Nominal share value (€/s)	0.30	0.30	0.30
Average daily underwriting (number of shares)	73,334	55,165	26,835
Average daily underwriting (euro)	1,653,784	1,745,406	762,716
Market capitalisation (€ million)	3,498	3,600	3,546

Ratios	2020	2021	2022
Profit per share	2.19	3.56	4.06
Theoretical book value	32.81	37.3	34.86
PER	13.34	8.43	7.26
ROE	7.33	10.48	12.86
Profitability per dividend	3.80	2.98	3.60

Profitability	2002	2007	2012	2020	2021	2022	TACC* 02-22
Closing price 31/12	3.99	22.91	13.77	29.15	30.00	29.55	
GCO (%)	-7.21	-16.54	12.22	-6.42	2.92	-1.50	11.02%
IBEX 35 (%)	-28.11	7.32	-4.66	-15.45	7.93	-5.56	1.56%
EUROSTOXX Insurance (%)	-51.23	-11.92	32.92	-19.04	17.08	-1.06	3.60%

* Compound Annual Growth Rate

A.0.3. Corporate structure

Grupo Catalana Occidente 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.

The following table reflects the main entities included in the consolidation perimeter of the Group at the close of 2022. All of them have their own organisational structure and network. 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.

GRUPO CATALANA OCCIDENTE **Main entities**		
Seguros Catalana Occidente	Tecniseguros	GCO Gestión de Activos
Seguros Bilbao	Bilbao Vida	GCO Gestora de Pensiones
NorteHispana Seguros	S. Órbita	Catoc Inversiones Globales
Plus Ultra Seguros	Previsora Bilbaina Agencia de Seguros	Bilbao Hipotecaria
GCO Re	Bilbao Telemark	Sogesco
	Inversions Catalana Occident	Hercasol SICAV
	CO Capital Ag. Valores	GCO Activos Inmobiliarios
	Cosalud Servicios	
	NorteHispana Mediación	
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Centre	
	Grupo Asistea	
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
Credit insurance business

For further information, see Annex A.1 and A.2 and QRT S.32.01.22

A.0.4. Regulatory environment

The insurance industry is an important sector in the economy as a whole. It offers business opportunities, favours the promotion of economic activity and contributes to the creation of wealth. This is a sector that has an impact on the protection of businesses and families and provides utility services for citizens.

The ultimate role of the financial system and its most definitive contribution to the economic activity consists in the efficient channelling of resources from agents with a capacity of savings towards those who need funding. The proper operation and adequate regulation are two of the determining parameters.

In recent years, the regulatory framework to which the insurance sector is subject to has been expanding with new regulations, not only in insurance matters, but also in terms of technological issues, corporate governance or corporate criminal liability, among others.

The supervisory authorities have extensive administrative control over various aspects of the insurance business.

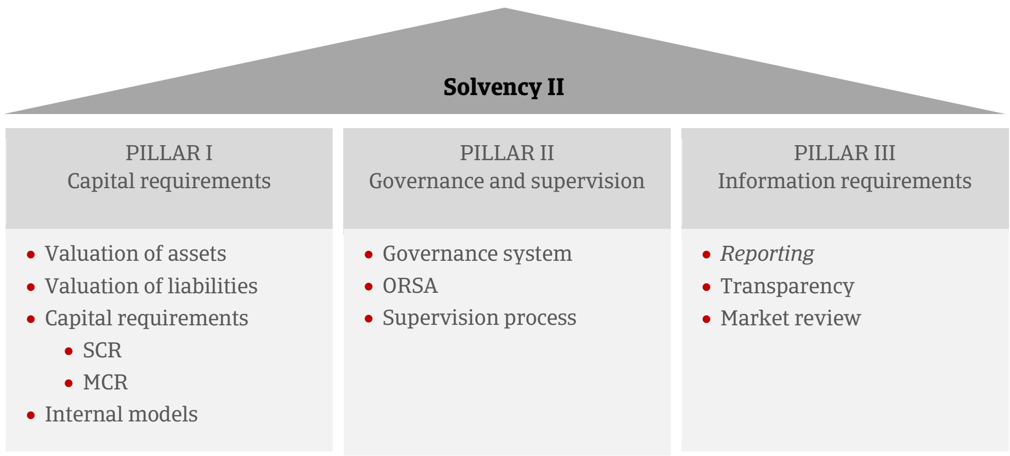
On 1 January 2016, the regulations deriving from the European Directive known as Solvency II came into force. The main objective of Solvency II is to improve the control and calibration of the risks to which this insurance activity is exposed to (underwriting risk, market risk, counterparty risk (also known as default risk) and operational risk), which leads to the capital adequacy of insurance companies to the risk assumed.

The key elements of Solvency II are arranged in three pillars:

- Pillar I: quantitative. Risk weightings assigned to the different types of risk assets. Includes operational risks. The objective is to determine the "economic balance" focused on risk and valued at market value.

- Pillar II: qualitative and governance system. Routine monitoring by the regulatory bodies.

- Pillar III: Market discipline through greater transparency and a trend towards international accounting.



A.0.5. Sustainability strategy

Grupo Catalana Occidente 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.

Detail of the progress of the Sustainability Master Plan in 2022 by line of work:

Environmental management: A commitment has been made to be a Group with zero net emissions by 2050. In addition, initiatives and campaigns have been developed to minimise environmental impacts (such as the World Clean-up day) and an environmental management system continues to be implemented in the Group.

Environmental, social and governance (ESG) risk management: In addition to integrating ESG risks alongside traditional risks by including them in the Group's risk map, in 2022 the Group continued to adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to help generate accurate and objective information on climate risks.

Responsible investments: Within the sustainable investment strategy, a new positive screening criterion has been included, which excludes investment in companies with poorer ESG risk management. New environmentally themed economic sectors in which investment will be excluded (Thermal Coal, Arctic Oil and Gas Exploration and Shale Energy) have been incorporated into the Sustainable Investment Strategy. The Annual Sustainable Investment Plan is published on the website.

Responsible products: The product offering of investment funds has been adapted to the Article 8 category of the SFDR by explicitly incorporating environmental and/or social considerations in their management.

Innovation: To promote innovation, knowledge and analysis of the trends that will shape the future of the insurance sector from within the organisation, the Group has the Xplora programme, an intra-entrepreneurship initiative

Digitization and omnichannel retailing: The Group is committed to the digitalization of its services and processes to offer a better experience to customers and allow them to interact through the channel of their choice.

Communication and stakeholder relations: A sustainability campaign has been developed with the aim of raising awareness and knowledge of ESG issues and helping to raise the profile of the SDGs.

Ethics and Integrity: ESG clauses have continued to be included in contracts with the Group's suppliers, ensuring their compliance with the Group's ethical and sustainability principles, as well as with labour regulations and tax obligations.

Employee experience: Mandatory sustainability training has been provided for all Group employees. Likewise, the results obtained in the work climate survey carried out in 2021 on traditional business employees have been analysed and a series of initiatives related to the results of the survey have been implemented, and the Atradius employee survey has been launched.

Formalise investment in society and volunteering: We have continued to participate in various corporate volunteering initiatives, generating a culture of collaboration and support for other social groups in need. In addition, the Jesús Serra Foundation has continued to develop social action projects and has joined the Foundations for the Climate pact to promote the fight for the climate emergency.

Sustainability Policy

The sustainability policy aims to respond to an increasingly demanding European and national regulatory framework, including the United Nations 2030 Agenda, the Paris Agreement of the United Nations Framework Convention on Climate Change, the European Green Pact and the European Decarbonisation Strategy to 2050 and Act 7/2021 on Climate Change and Energy Transition.
Externally, it reinforces the Group's commitment to the UN Global Compact Principles, the UN Principles for Responsible Investment (PRI), the UN Principles for Sustainable Insurance (PSI) and the Sustainable Development Goals (SDGs), and the NZIA alliance. Internally, the Policy is the key instrument to strengthen the Group's commitment to sustainability and lays the foundations on which to develop the Sustainability Master Plan.

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

A.0.6. Outlook and challenges for 2023

Grupo Catalana Occidente has reviewed its strategy, as it does every year, to continue to adapt to the major key trends.

The 2023 financial year will continue to be framed in a complex scenario, where uncertainty persists at the geopolitical level due to the conflict in Ukraine, as well as the differences between China and the United States. Rising energy costs and, consequently, inflation together with supply chain tensions and rising interest rates will be key elements.

The key trends are:

- **Economic environment marked by inflation.** Although inflation is expected to ease. This makes it difficult to manage prices and margins.

- **Increase in interest rates.** After several years of unusually low interest rates, there has been a staggered rise in rates. This will have a positive impact on financial margins and make savings products more attractive.

- **Technology**. The use of technology and data enhances customer insight, as well as improving process efficiency through automation.

- **Evolution from "policy to customer".** By focusing on the customer's needs, improving their experience and providing them with a comprehensive offer.

- **Sustainability** integrated into the strategy. Sustainability is expected to continue to gain traction in 2023

The Group bases its strategy on 3 pillars:

Pillar		
Growth	**MILESTONES**	- Turnover: €5,245.6 million - Launch of new insurance products - Consolidation of App for customers
	CHALLENGES	- Further boost distribution networks with training and digital tools - Developing omni-channel and enhancing customer self-service capabilities - Advancing digital health, products for seniors, hybrid vehicle and adjacent services - Incorporate the funeral business of "Memora"
Profitability	**MILESTONES**	- The consolidated profit amounted to €542.6 million - Excellent combined ratio of the traditional business 90.8% - Improved performance in credit insurance higher than pre-pandemic period
	CHALLENGES	- To advance the concept of simplicity with the unification of the traditional business entities - Develop the technological infrastructure to enable us to offer on-demand insurance - To advance the application of artificial intelligence in underwriting and commercial processes
Solvency	**MILESTONES**	- The solvency ratio at the end of 2022 is 247% - Sustainalytics: ASG risk rating of 15.0, considered low risk - Implementation of a new hybrid work model
	CHALLENGES	- Continue to integrate sustainability in all areas of the Group - Join forces under the umbrella of a new strong brand for traditional business - Promote employer branding through enhanced professional development

A.1. Results in underwriting matters

A.1.1. Main trends of the business

Macroeconomic environment

Increase of 3.4% in 2022 (6.0% 2021). The Russia-Ukraine conflict and inflation slow down the economic outlook across the board.

United States GDP 2.0% GDP 2022 (5.7%)

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

Eurozone GDP 3.5% 2022 (5.2%)

- Growth outlook trimmed due to the indirect effects of the Russian invasion
- Concern over rising energy prices
- Tightening of monetary policy
- Widespread inflation

United Kingdom GDP 4.1% 2022 (4.9%)

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

South America 3.9% GDP 2022 (6.9%)

- Worsening financial conditions
- Weak external demand

Spain GDP 5.2% 2022 (5.1%)

- Upward price pressure due to energy prices and the Russian conflict
- Expected deficit close to 4%
- Estimated 115% debt

Asia Pacific + 4.3% GDP 2022 (7.1%)

China 3.0% GDP 2022 (8.1%):

- Lockdowns in China caused shortages in global supply chains

Japan 1.4% GDP 2022 (-4.5%):

- Risk of economic slowdown
- Strong private consumption and public spending

***Source: International Monetary Fund review of January 2022. Percentage variation of estimated GDP to 2022 compared to variation of actual GDP of the previous year in brackets.**

Fixed income

Widespread measures to inject liquidity and credit support into economies.

Interest rates	1 year	10 years
Spain	2.7%	3.7%
Germany	2.6%	2.6%
United States	4.7%	3.9%

Source: Bloomberg. End 2022

Variable income

Recovery of the stock market indices affected by the health crisis.

	2022	%Chg.
Ibex35	8,229.1	-5.6%
MSCI World	249.0	-14.2
Eurostoxx50	3,793.6	-11.7%
S&P	3,839.5	-19.4%

Raw materials/currencies

The price of a barrel of oil has increased its price by 8.4%

The dollar loses its appeal as a safe-haven currency

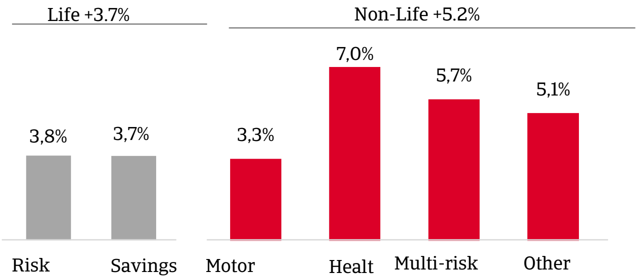
	End 2022	% Chg
Oil ($/barrel)	86.0	8.4%
Gold	1,824.2	13.5%
€/$	1.07	-6.1%
€/£	0.89	6.0%

Sectoral environment

Turnover growth of 4.7% in the insurance sector in Spain, with a 5.2% increase in Non-Life and 3.7% in Life.

Insurance industry in Spain

Performance of insurance sector and ranking in Spain



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

Source: ICEA at the close of 2022

The profit from the technical account for the sector at the end of 2022 was 10.52% of retained premiums, 0.44 percentage points higher than in the previous year, mainly due to the higher profit of the life business.

The result of the non-life technical account was reduced mainly driven by motor, which worsens its combined ratio by 3.5 percentage points to 98.4% due to the greater volume of claims.

Stability in the sector's results

ROE
13.3%

Combined ratio
93.7%*

Motor 98.4%
Multi-risk 96.7%
Health 95.2%

* Combined ratio includes Health and Funeral.
Source: ICEA at the close of 2022

In 2016, Solvency II came into effect, with the first official data coming to light in 2017. The figures published continue to reflect a consistent sectoral position. The average coverage ratio in Spain at the close of 2022 has been 235.3%, down by 5.4 p.p., lower than the average for the sector in the European Union.

Credit insurance

After two exceptional years marked by the pandemic, 2022 began in weaker-than-expected conditions, with rising energy prices, inflation, slow recovery of private consumption and mismatches caused by the supply crisis. In line with these developments, the consequences of the conflict in Ukraine, continued inflation, rising interest rates and other threats are expected to continue during 2023.

Thus, 2023 looks set to be a difficult year for both emerging markets and advanced economies. Global GDP growth is projected to decelerate from 3.4% in 2022 to 2.9% in 2023. For those markets with high public or private debt, interest rate developments will pose an additional challenge.

A.1.2. Results for the year

Growth

- Increase of 7.4% in business turnover, reaching €5,245.6 million.

Profitability

- Increase of 15.9% in the consolidated profit, reaching €542.6 million.
- Improvement of ordinary profits:
  - Traditional business, at €262.6 million, +7.5%.
  - Credit insurance business, at €54.6 million, +46.7%.
- Combined ratio:
  - 90.8% in traditional business (non-life) (+1.9 p.p.).
  - 72.3% in the credit insurance business (+8.1 p.p.).
- Commitment to the shareholder. Dividend of €123.42 million (+8.7%).

For further information, see Annex A and QRT S.05.01.02 and S. 05.02.01

figures in € million

Income statement total	**2021**	**2022**	**% Chg. 21-22**
Written premiums	4,746.9	5,103.7	7.5%
Income from information	135.6	141.9	4.7%
Net income from insurance	**4,882.5**	**5,245.6**	**7.4%**
Technical cost	3,063.8	3,063.8	7.4%
% on total net income	*59.2%*	*59.4%*	
Commissions	660.8	660.8	12.3%
% on total net income	*12.2%*	*12.8%*	
Expenses	826.5	826.5	-2.5%
% on total net income	*17.6%*	*16.0%*	
Technical profit/(loss) after expenses	**528.2**	**608.8**	**15.3%**
% on total net income	*11.0%*	*11.8%*	
Financial profit/(loss)	98.3	209.0	112.6%
% on total net income	*2.0%*	*4.1%*	
Profit/(loss) of non-technical non-financial account	-34.2	-135.2	
% on total net income	*-0.7%*	*-2.6%*	
Profit/(loss) of compl. activities credit and funeral insurance	15.1	14.6	-3.3%
% on total net income	0.3%	0.3%	
Profit/(loss) before tax	607.3	697.2	14.8%
% on total net income	*12.6%*	*13.5%*	
Taxes	154.6	154.6	
% taxes	*22.2%*	*22.2%*	
Consolidated profit/(loss)	**468.3**	**542.6**	**15.9%**
Minority interests	41.1	56.0	36.3%
Attributed profit/(loss)	**427.2**	**486.6**	**13.9%**
% on total net income	*8.9%*	*9.4%*	
Ordinary profit/(loss)	**486.1**	**617.3**	**27.0%**
Non-ordinary profit/(loss)	-17.8	-74.7	

* Total insurance income = total earned premiums and information income

Traditional business

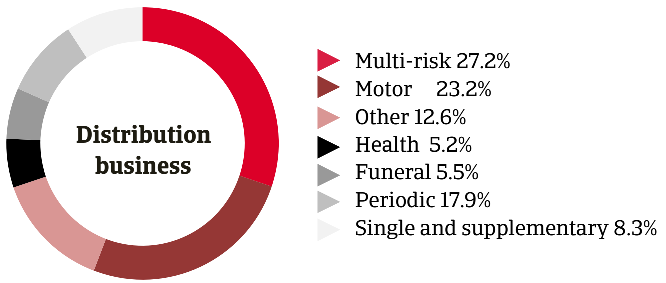
Recurring turnover (excluding single life premiums) increased by 5.4%, supported mainly by non-life insurance, where the increase in multi-risk and other premiums is noteworthy. Life business performed favourably with a 4.5% growth in income, thanks to the good performance of all business lines.

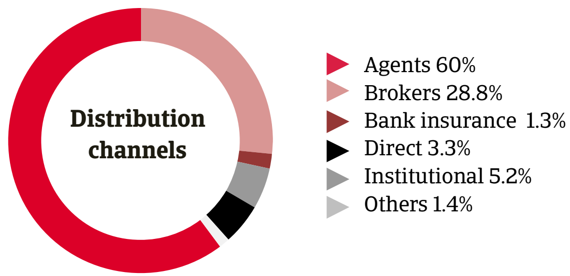
The technical profit after expenses, at €263.0 million, increased by 2.1%. Non-life business contributed €160.4 million, reflecting the increase of 1.9 p.p. in the combined ratio (excluding health and death) to 90.8%. In turn, the life business increased its technical profit by 43.7% to €102.6 million.

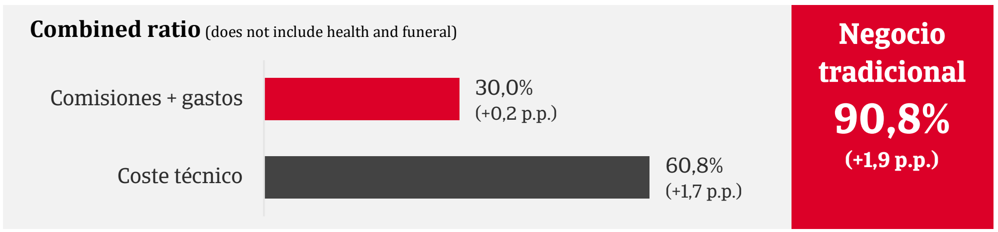
The financial profit, with €84.4 million, is reduced by 38.1%. Complementary activities provide €5.8 million from the funeral insurance business.

Ordinary profit has increased 7.5% to €262.6 million. During the year, there were non-ordinary losses of € 50.8 million, which includes a voluntary incentive exit plan derived from our progress in the corporate simplicity project; as a result, the total profit is € 211.8 million, a reduction of 8.6%.

Traditional business	**2021**	**2022**	**% Chg. 21-22**
Written premiums	**2,801.0**	**2,842.9**	**1.5%**
Recurring premiums	2,473.2	2,606.4	**5.4%**
Technical profit/(loss) after expenses	**257.6**	**263.0**	**2.1%**
% on earned premiums	*9.3%*	*9.4%*	
Financial profit/(loss)	**61.1**	**84.4**	**38.1%**
% on earned premiums	*2.2%*	*3.0%*	
Non technical profit/(loss)	-18.4	-21.3	
Complementary act. Funeral B.	5.2	5.8	
Corporate tax	-61.1	-69.3	
Ordinary profit/(loss)	**244.2**	**262.6**	**7.5%**
Non-ordinary profit/(loss)	**-12.44**	**-50.8**	
Total profit/(loss)	**231.8**	**211.8**	**-8.6%**
Earned premiums	2,781.9	2,793.5	0.4%







Multi-risk

Turnover growth of 7.3% to €774.3 million, with a good evolution of the average premium and of the commercial activity with an increase in new policyholders and high retention of the portfolio. The combined ratio has increased by 2.7 percentage points to 92.8%. This increase is due to the increase in the cost of claims, weather events and the occurrence of certain peak claims.

Multi-risk	**2021**	**2022**	**% Chg. 21-22**
Written premiums	**721.8**	**774.3**	**7.3%**
Number of claims	877,630	977,166	**11.3%**
Technical provisions	**559.0**	**619.5**	**10.8%**
% Technical cost	*56.3%*	*59.4%*	*3.1*
% Commissions	*21.0%*	*21.1%*	*0.1*
% Expenses	*12.8%*	*12.3%*	*-0.5*
% Combined ratio	**90.1%**	**92.8%**	***2.7***
Technical profit/(loss)	**69.9**	**54.1**	**-22.6%**
% on earned premiums	*9.9%*	*7.2%*	
Earned premiums	**705.3**	**750.7**	**6.4%**

(figures in € million)

Motor

Increase in turnover of 2.7% reaching €658.6 million. The combined ratio was 3.4 p.p. higher at 92.7%, as a result of the recovery in the frequency of claims and the increase in the cost of claims due to inflationary effects.

Motor	**2021**	**2022**	**% Chg. 21-22**
Written premiums	**641.1**	**658.6**	**2.7%**
Number of claims	703,262	734,804	**4.5%**
Technical provisions	**862.7**	**880.5**	**2.1%**
% Technical cost	*65.5%*	*68.7%*	*3.2*
% Commissions	*11.2%*	*11.2%*	*0.0*
% Expenses	*12.6%*	*12.8%*	*0.2*
% Combined ratio	**89.3%**	**92.7%**	*3.4*
Technical profit/(loss)	**69.6**	**47.7**	**-31.4%**
% on earned premiums	*10.7%*	*7.3%*	
Earned premiums	**650.4**	**651.2**	**0.1%**

Figures in € million)

Other

Growth in turnover of 8.5% to €359.0 million. The combined ratio was 82.9%, 2.5 p.p. lower because of the reduction in technical costs.

Other	2021	2022	% Chg. 21-22
Written premiums	**330.8**	**359.0**	**8.5%**
Number of claims	98,193	94,421	**-3.8%**
Technical provisions	**595.4**	**664.9**	**11.7%**
% Technical cost	*52.3%*	*49.1%*	*-3.2*
% Commissions	*18.4%*	*19.8%*	*1.4*
% Expenses	*14.7%*	*14.1%*	*-0.6*
% Combined ratio	**85.4%**	**82.9%**	***-2.5***
Technical profit/(loss)	**46.6**	**58.5**	**25.5%**
% on earned premiums	*14.6%*	*17.1%*	
Earned premiums	**318.9**	**342.7**	**7.5%**

(figures in € million)

Life

Life business turnover decreased by 5.1% to €1,050.9 million due to the fall in single premiums, while recurring premiums (health, death and periodic) grew by 4.5%. The technical-financial profit increased by 53.2% to €150.4 million. The combined ratio in the funeral business declined 1.5 percentage points to 80.8% and the combined health ratio was 87.4%.

Life	2021	2022	% Chg. 21-22
Life insurance turnover	**1,107.3**	**1,050.9**	**-5.1%**
Periodic life	487.1	510.1	4.7%
Health	145.0	149.0	2.8%
Funeral	147.4	155.3	5.3%
Single Life	327.7	236.5	-27.8%
Pension plan contributions	61.0	51.3	-15.9%
Net contributions to investment funds	3.0	-10.7	
Volume of managed funds	**6,771.7**	**6,620.1**	**-2.2%**
Technical profit/(loss)	**71.4**	**102.6**	**43.7%**
% on earned premiums	*6.4%*	*9.8%*	
Technical-financial profit/(loss)	**98.2**	**150.4**	**53.2%**
% on earned premiums	*8.9%*	*14.3%*	
Earned premiums	**1,107.3**	**1,048.9**	**-5.3%**

(figures in € million)

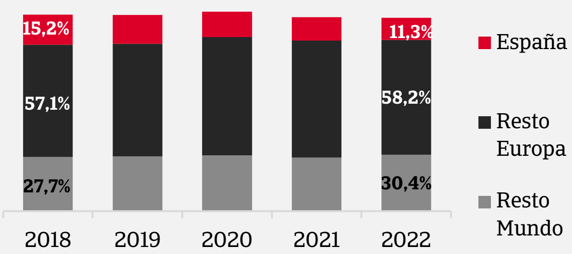
Credit insurance business

In the credit insurance business, the Group has increased its net income (earned premiums and information services) by 16.2% reaching €2,366.4 million. The earned premiums, at €2,224.5 million, have increased by 17.1%. In turn, income from information has increased by 4.7%, contributing €141.9 million.

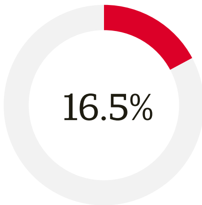
The Group has increased its risk exposure (TPE) by 19.1% compared to the end of 2021. An exhaustive selection of risks is maintained.

Russia - Ukraine conflict: The Group has taken the necessary actions to minimise the risks that have been exacerbated by the conflict in Ukraine. 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. Atradius is in close contact with its customers to evaluate the actions to be taken and their effective implementation.

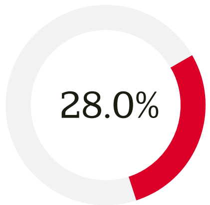
Evolution of cumulative risk (TPE)



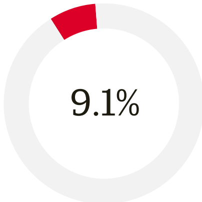
Increase of 17.1% in earned premiums to €2,224.5 million
Distribution of earned premiums by region:



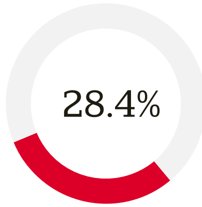
Spain and Portugal
Earned premiums: **€366.8 M**
Change: **+12.1%**



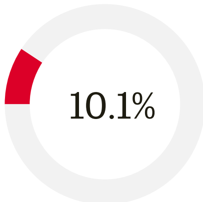
Central and Northern Europe
Earned premiums: **€621.9 M**
Change **+14.5%**



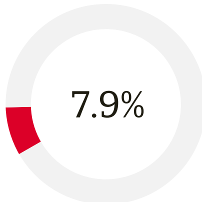
The Americas
Earned premiums: **€203.3 M**
Change **+43.0%**



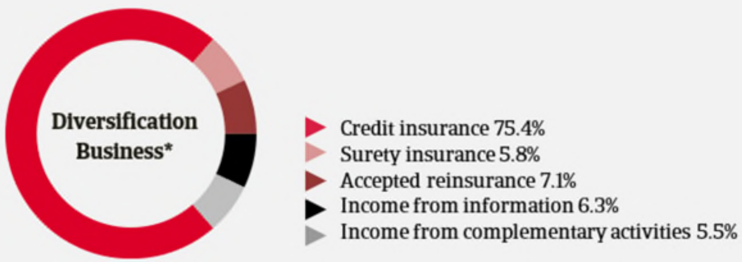
Western Europe
Earned premiums: **€632.1 M**
Change **+12.4%**



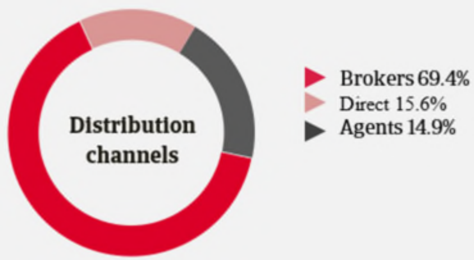
Asia and rest of the world
Earned premiums: **€225.7 M**
Change **+27.8%**



Southern Europe
Earned premiums: **€174.9 M**
Change +**17.5%**



* Earned premiums



The technical profit after credit insurance expenses was €655.4 million, 10.2% less than in the previous year.

The gross combined ratio was 72.3%, 8.1 p.p. higher than at the close of 2021. The inflow of claims remains below the pre-pandemic period.

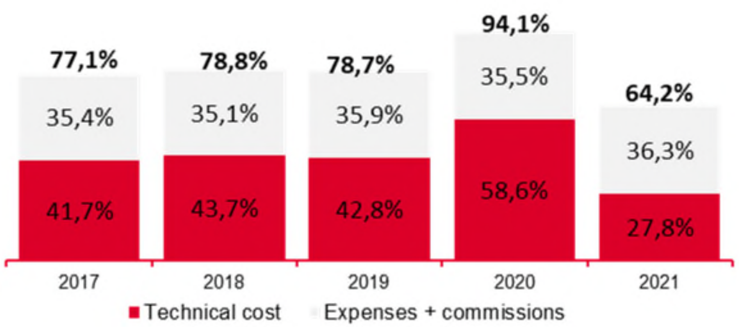
The result ceded to reinsurance is €244.8 million, 41.7% lower than in the previous year, as the governmental agreements underwritten in the context of the COVID-19 crisis were still in force in those years

The financial result increased to €44.8 million, higher than in the previous year, mainly due to the higher return on investments and, to a lesser extent, to the result of subsidiaries and exchange rate differences. The profit for complementary activities is €8.8 million.

As a result, ordinary profit amounted to €354.6 million, 46.7% more than in the same period of the previous year. Non-ordinary losses of €23.8 million were recorded. In total, this business contributed a profit of €330.8 million.

Credit insurance business	**2021**	**2022**	**% Chg. 21-22**
Earned premiums	1,900.3	2,224.5	17.1%
Income from information	135.6	141.9	4.7%
Net income	**2,035.9**	**2,366.4**	**16.2%**
Technical profit/(loss) after expenses	**729.5**	**655.4**	**-10.2%**
% on income	*35.8%*	*27.7%*	
Reinsurance profit/(loss)	-419.8	-244.8	-41.7%
Reinsurance transfer ratio	37.0	37.0	0.0%
Net technical profit/(loss)	**309.7**	**410.6**	**32.6%**
% on income	*15.2%*	*17.4%*	
Financial profit/(loss)	**17.7**	**44.8**	**153.1%**
% on income	*0.9%*	*1.9%*	
Profit/(loss) from complementary activities	**9.9**	**8.8**	**-11.1%**
Corporate tax	-90.0	-104.3	15.9%
Adjustments	-4.7	-5.3	12.8%
Ordinary profit/(loss)	**241.8**	**354.6**	**46.7%**
Non-ordinary profit/(loss)	**-5.3**	**-23.8**	
Total profit/(loss)	**236.5**	**330.8**	**39.9%**

Performance of the gross combined ratio



A.1.3. General expenses and commissions

The structure of Grupo Catalana Occidente, formed by entities that maintain autonomous management of the business, allows for the constant sharing of business best practices and efficiency in processes through common corporate departments and operative platforms.

In particular, expenses in the traditional business increased slightly by 0.5%. The credit insurance business increased 1.0% due to higher spending on technology, both in new projects and in accelerating the amortisation of completed projects.

In relative terms, the efficiency ratio declined by 1.3 p.p. to 30.3%. Since 2013, the Group has improved efficiency by 5.9 percentage points.

figures in € million

Expenses and commissions	**2021**	**2022**	**% Chg. 21-22**
Traditional business	315.0	316.6	0.5%
Credit insurance business	492.4	497.3	1.0%
Non-ordinary expenses	40.3	12.6	
Total expenses	**847.7**	**826.5**	**-2.5%**
Commissions	**588.6**	**660.8**	**12.3%**
Total expenses and commissions	**1,436.3**	**1,487.3**	**3.6%**
% expenses and commissions without recurring premiums	**31.6%**	**30.3%**	

A.1.4. Reinsurance

The transfer to reinsurance is a consequence of the direct application of the Group's risk management policy.

In credit insurance, proportional transfers are made that bring greater stability to the results over the business cycle, as well as non proportional transfers to mitigate the potential impact of relevant claims. The Group maintains the ceding ratio at 37% with private reinsurers.

Traditional business keeps a high retention of the insured business, and reinsurance is protected mainly through stop-loss contracts for relevant claims.

Overall, the cost of reinsurance has meant €273.9 million, €29.1 million from traditional business and the remaining €244.8 million from the credit insurance business.

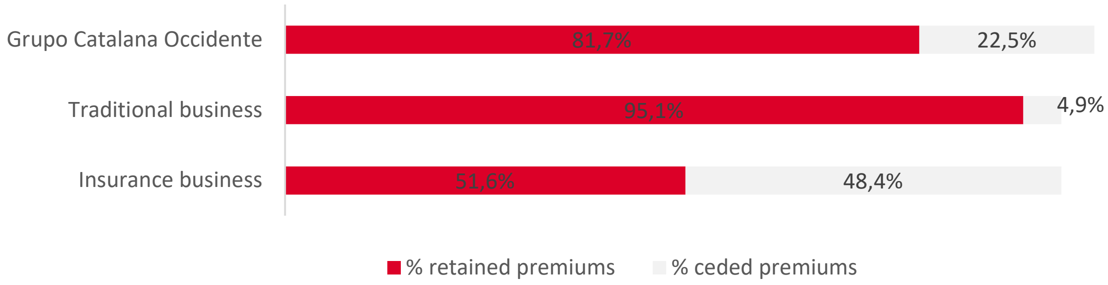
The major reinsurance brokers for both the traditional and credit insurance business are Munich Re, General Re, Swiss Re, Hannover Re and Axis. These all hold a credit rating of "A" or higher.

.

figures in € million

Reinsurance	**2021**	**2022**	**% Chg. 21-22**	**Traditional business**	**Credit insurance**
Ceded premiums	-1,055.5	-987.9	-6.4%	-127.4	-860.5
Net premiums ceded	-1,078.2	-990.1	-8.2%	-131.2	-858.9
% on earned premiums	*-23.0%*	*-19.7%*		*-4.7%*	*-38.6%*
Commissions	390.9	349.7	-10.5%	27.1	322.6
Claims	245.3	640.4	161.1%	104.1	536.3
Ceded reinsurance profit/(loss)	**-442.0**	**-273.9**	**-38.0%**	**-29.1**	**-244.8**

Reinsurance distribution between lines of business



A.2. Investment performance

A.2.1. Total distribution of the investments

Pension plans, investments and investment funds on behalf of policyholders continue to grow strongly. The Group reduced its exposure to equities and its position in cash and monetary assets.

The Group invests mainly in fixed income, which represents 51.3% of the total portfolio, at €6,926.7 million. The main asset is the Spanish sovereign debt at €3,367.8 million. At the end of the period, 62.4% of the portfolio had an A *rating* or higher, reflecting the improvement in the Spanish *rating* of the main credit rating agencies. The duration of the portfolio at the end of the financial year is 3.28 years and profitability at 3.03%.

In recent years, the Group has increased its investments in real estate. At the end of the year, this investment remained at €1,762.5 million, representing 13.1% of the total portfolio. The majority of the 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 Spanish supervisor. Capital gains from these properties stand at €624.3 million.

figures in € million

Investments and managed funds	**2021**	**2022**	**% Chg. 21-22**	**% on inv. R. Co.**
Real Estate Property	1,732.8	1,762.5	1.7%	13.1%
Fixed income	7,469.2	6,926.7	-7.3%	51.3%
Variable income	2,122.0	1,768.2	-16.7%	13.1%
Deposits with credit institutions	620.8	429.3	-30.8%	3.2%
Other investments	249.1	243.7	-2.2%	1.8%
Cash and monetary assets	1,841.5	2,250.4	22.2%	16.7%
Investment in investee companies	99.1	112.3	13.3%	0.8%
Total investments, risk to entity	**14,134.5**	**13,493.1**	**-4.5%**	**100.0%**
Investments on behalf of policyholders	757.2	750.6	-0.9%	
Pension plans and investment funds	820.5	747.4	-8.9%	
Total investments, risk to policy holders	**1,577.7**	**1,498.0**	**-5.1%**	
Investments and funds	**15,712.2**	**14,991.1**	**-4.6%**	

Variable income represents 13.1% of the portfolio and is reduced by 16.7%, reflecting the evolution of the financial market. The portfolio is broadly diversified and focused on large cap stocks, mainly in the Spanish market (28.9%) and the rest of Europe (53.5%), which have attractive dividend yields.

The Group maintains a liquidity position in deposits at credit institutions of €429.3 million, mainly at Banco Santander and BBVA, and a significant level of cash of €2,250.4 million.

A.2.2. Financial profit/(loss)

Financial profit contributed €209 million to the Group's income statement, increasing it by €110.7 million due to the different impact of the non-ordinary profit.

The financial result of the traditional business, with €84.4 million, increased due to an improvement in financial income and a reduction in interest applied to Life. In turn, credit insurance contributed €44.8 million, reflecting a greater contribution to the results of the associated companies and an increase in exchange rate gains.

Finally, non-ordinary profits improved the financial profit by €80.2 million mainly due to realisations and non-ordinary dividends.

figures in € million

Financial profit/(loss) by type of asset	Income	Profits/Losses/ Impairment
Fixed income and similar items	141,188.0	27,570.3
Variable income	81,411.0	45,738.1
Real Estate Property	54,247.2	6,891.6
Total income and achievements	**276,846.1**	**80,199.9**
Expenses	-33,524.0	
Interest applied to life	-124,758.5	
Exchange-rate differences	10,231.2	
Others	0	
Total expenses and other	**-148,051.2**	**0**
Financial profit/(loss)	**128,794.8**	**80,199.9**

figures in € million

Financial profit/(loss)	2021	2022	% Chg. 21-22
Financial income net of expenses	187.2	208.1	11.2%
Exchange-rate differences	-0.7	-0.8	
Subsidiary companies	2.2	1.9	
Interest applied to life	-127.6	-124.8	-2.2%
Ordinary profit/(loss) of the traditional business	**61.1**	**84.4**	**38.1%**
% on earned premiums	*2.2%*	*3.0%*	
Financial income net of expenses	8.5	28.7	237.6%
Exchange-rate differences	8.9	11.0	
Subsidiary companies	16.0	17.8	11.3%
Interest subordinated debt	-15.9	-12.7	
Ordinary profit/(loss) from credit insurance	**17.7**	**44.8**	**153.1%**
% on net income from insurance	*0.9%*	*1.9%*	
Intra-group interest adjustment	-0.4	-0.4	**0.0%**
Adjusted ordinary profit/(loss) from credit insurance	**17.3**	**44.4**	
Ordinary profit/(loss)	**78.5**	**128.8**	**64.1%**
% on net income from insurance	*1.6%*	*2.5%*	
Non-ordinary profit/(loss)	**19.8**	**80.2**	
Financial profit/(loss)	**98.3**	**209.0**	**112.6%**

For further information, see the Annual Report of Grupo Catalana Occidente available on the website and notes 4b and annexes I and II of the notes to the financial statements.

A.3. Results of other activities

A.3.1. Non-ordinary profit/(loss)

During the year there were non-ordinary losses mainly due to the allocation of the provision related to the planned implementation of the voluntary redundancy plan in the traditional business.

For further information, please consult the Annual Report of Grupo Catalana Occidente available on the website.

Non-ordinary profit/(loss) (net of taxes)	2021	2022
Technical	0.0	-53.4
Financial	11.8	98.4
Expenses and other non-recurring	-33.4	-115.5
Taxes	9.1	19.7
Non-ordinary from traditional business	**-12.4**	**-50.8**
Financial	8.0	-18.2
Expenses and other non-recurring	-16.4	-4.6
Taxes	3.1	-1.0
Non-ordinary from credit insurance	**-5.3**	**-23.8**
Non-ordinary profit/(loss)	**-17.8**	**-74.7**

A.3.2 Result of complementary activities

Complementary activities are an additional source of results that complement the insurance activity.

Traditional business

Pension plans, mutual funds and the funeral business form part of the Group's complementary activities to its traditional business.

In 2022 the results of the complementary activities are €3.6 million.

figures in € million

Complementary activities	2021	2022	% Chg. 21-22
Pension Plans			
Income	10.6	10.9	3.1%
Expenses	8.0	7.9	-1.2%
Attributable	2.6	3.0	16.1%
Investment Funds			
Income	1.2	1.2	-0.7%
Expenses	0.5	0.6	12.9%
Attributable	0.6	0.6	-12.2%
Profit/(loss) from complementary activities	**3.2**	**3.6**	**10.6%**

Credit insurance business

The Group's complementary credit insurance business activities include information services and recoveries.

At the end of 2022, the profit of the complementary activities of the credit insurance business amounted to €8.8 million.

figures in € million

Complementary activities	2021	2022	% Chg. 21-22
Information services	47.3	16.7	-65%
Recoveries & ADSB	70.7	69.5	-2%
Income	**118.0**	**86.2**	**-27%**
Expenses	**108.1**	**77.4**	**-28%**
Attributable	**9.9**	**8.8**	**-11%**

A.4. Any other information.

The Group has taken all necessary actions to minimise the risks that have worsened, as a result of the invasion of Ukraine by Russia. From the point of view of underwriting strategy in the credit insurance business, a decision has been taken not to cover new transactions generally in the region, reducing the credit limits to the amounts outstanding. The Group's total exposure in the region has been reduced compared to 2021 by around 64%.

Section C-7 Scenario and sensitivity analysis includes the potential impact on the Solvency Capital Requirement ratio for different components that could be part of this adverse scenario. Although it does not specifically capture the assumption of conflict between Ukraine and Russia, it is sufficiently severe and includes all the different components that could be affected due to this specific situation: loss ratio, reduction of TPE due to mitigating measures and volatility of financial markets.

A.4.1 Information on relevant ordinary operations within the Group

There are many intra-group agreements in the Group, ranging from asset management services, real estate management, internal reinsurance agreements, intra-group financing and centralisation of management liquidity, as well as claims management and services. Grupo Catalana Occidente S.A., as the parent Company, acts as a holding company and supports the different needs among which are soundness and capital. Consequently, there are numerous transactions within the Group, which can be grouped, basically, as follows:

- Dividend distribution and capital movements
- Financing that addresses both operational funding and capital needs
- Liquidity management and cash-pooling arrangements;
- Shared services;
- Other transactions.

A.4.2 Information on operations

Merger of traditional business entities

Grupo Catalana Occidente, S.A. has announced that practically all of 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 Compañíа Anónima de Seguros, Sociedad Unipersonal ("Seguros Bilbao") and GCO Reaseguros, S.A.U. will be unified into a single entity, through the absorption by Seguros Catalana Occidente of the rest of the aforementioned companies, expected by the end of 2023. In a second phase, the Entity is also expected to merge by absorption with Nortehispana de Seguros y Reaseguros, S.A.U. ("Nortehispana Seguros")

This merger is part of the corporate simplification process that the insurance group initiated with the integration of its operating and service platforms, and which later continued with the homogenisation of its products. The aim is to achieve a more agile organisation that responds quickly and effectively to market demands, while optimising processes.

Notwithstanding the above, the above entities will operate during the current financial year in cobranding under the brand name "Occident".

Purchase and sale of 100% of the shares of Bilbao Hipotecaria, S.A.U., EFC ("Bilbao Hipotecaria")

On 24 October 2022, Seguros Catalana Occidente and Seguros Bilbao entered into a private sale and purchase agreement for 100% of the shares of Bilbao Hipotecaria for an amount of €5,930,000, subject to the suspensive condition of authorisation by the Bank of Spain, by virtue of which Seguros Catalana Occidente acquired the aforementioned shares.

After obtaining the aforementioned authorisation from the Bank of Spain on 30 January 2023, on 7 February 2023, the aforementioned private sale and purchase agreement was executed and the transfer was completed.

Acquisition of Funcantabria Servicios Funerarios, S.L. ("Funcantabria")

On 27 December 2021, the indirect subsidiary of NorteHispana Seguros, Funeraria Merino Diez, S.L., signed a contract with the partners of Funcantabria for the purchase and sale of all its shares, subject to the non-opposition of the competition authorities to this transaction. After obtaining the authorisation of these authorities, the parties executed the purchase and sale of Funcantabria on 14 March 2022.

Merger of Funeraria Bilbaína and La Auxiliadora, S.L.U. (“FBLAUX) y Aguirre y García de Andoin, S.L.U (“Funeraria Aranguren”)

In the context of simplifying the administrative structure of the Asistea funeral group, of which Nortehispana Seguros is the indirect owner, on 17 May 2022 the sole partner of FBLAUX and the sole partner of Funeraria Aranguren agreed to merge the two companies through the absorption of Funeraria Aranguren by FBLAUX, which implied the extinction of the former and the transfer en bloc of its corporate assets to FBLAUX, which acquired its rights and obligations by universal succession. This transaction was not subject to any administrative authorisation and, after the execution of the merger deed, it was registered in the Bizkaia Mercantile Register on 6 July 2022.

Sale of Graydon Holding N.V.

On 28 February 2022, the subsidiary of Atradius N.V. reached an agreement with Creditsafe Nederland B.V. to sell 100% of the shareholdings in Graydon Holding N.V. (hereinafter 'Graydon') for a price of €24,250 thousand, slightly below the underlying book value (including goodwill) at year-end 2021.

Purchase and sale of 100% of the shareholdings of Asistea Servicios Integrales, SL.U ("Asistea")

On 8 November 2022, Grupo Catalana Occidente S.A. and Nortehispana Seguros signed a private contract for the sale and purchase of 100% of the shares in Asistea, the parent company of Grupo Catalana Occidente's funeral group, for the sum of €95,000,000, and this contract was made public on the same date by virtue of which the former acquired all the shares in Asistea.

B

Governance system

The aim of this chapter is to provide information about the governance system of Grupo Catalana Occidente.

The Group has a transparent organisational structure and an appropriate segregation of duties, separating management activities from risk management control, verification of the compliance and internal audit activities.

In addition, the chapter offers information on the policy for remuneration, outsourcing and fitness and good repute requirements.

B.0. Introduction

The Group is mainly subject to the supervision of the Spanish Securities Market Commission ("CNMV") and the Directorate General of Insurance and Pension Funds ("DGSFP"), among other regulators, and has a corporate governance model aligned with international best practices for both listed companies and insurance companies. The Board of Directors of Grupo Catalana Occidente S.A., the parent company of the Group, applies the established principles of good governance with transparency and rigour.

The governance structure of Grupo Catalana Occidente is consistent with the "three lines of defence", described in paragraph B..3.1.

B.1. General Information about the governance system

B.1.1. Governance structure

General shareholders' meeting

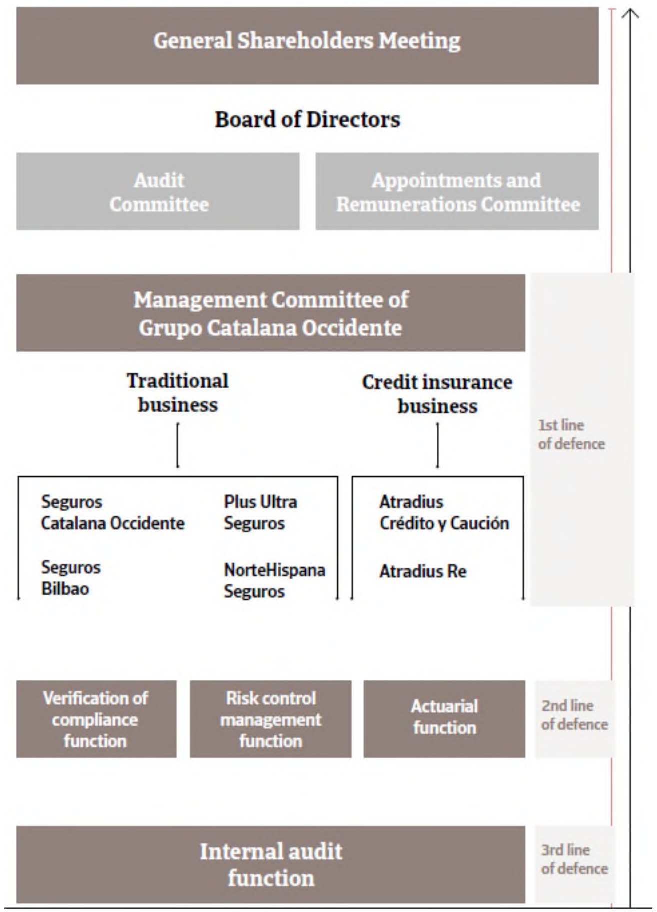
The general meeting is the body of representation for the shareholders that hold the share capital of the Group. It meets at least once a year, within the first months of each period. One of its main functions is to approve the accounts and the application of the profit/(loss). In the Group there are no restrictions on the right to vote and each share is entitled to one vote.

Its functioning and actions are regulated in the Articles of Association and in the Regulations of the General Shareholders' Meeting available on the Group's website, CNMV's website and at the Mercantile Registry of Madrid.

In order to facilitate the participation of all shareholders, the Group makes a digital forum available to all shareholders for debate as well as electronic methods that facilitate distance voting and the delegation of representation.

Grupo Catalana Occidente, S.A. also has a policy of communication of economic-financial, non-financial and corporate information and contacts with shareholders, institutional investors and voting advisors to facilitate interaction with these stakeholders.

The Group's risk management system works holistically, supported by the entire organisation and



Board of Directors

The Board of Directors is the maximum management and supervision authority in the Group. The guiding principle is to delegate the ordinary management to the management team and to concentrate its activity on the supervisory function, which includes, among others, the following responsibilities:

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

As at 31 December 2022, the Board of Directors consisted of 10 directors, of whom 4 are proprietary, 3 are independent and 3 are executive directors. During the financial year 2022, the Board of Directors met 12 times, where the Board reviewed, informed and, where applicable, made decisions regarding the financial, non financial position, non financial position and results, strategic plan, acquisition operations, policies and risk control, among other issues.

Its functioning and actions are regulated in the Articles of Association and in the Regulations of the Board of Directors, which are available on the website of the Group, of the CNMV and at the Mercantile Registry of Madrid. The Board of Directors also approves annually the annual corporate governance report and the annual report on the remuneration of the members of the Board of Directors, following the guidelines established by the regulations on transparency of listed companies.

Composition of the Board of Directors as at 31 December 2022

Chairman

* José María Serra Farré

Vice Chairman and Chief Executive Officer

* Hugo Serra Calderón

Secretary Director

* Francisco J. Arregui Laborda***

Members

** Juan Ignacio Guerrero Gilabert

** Francisco Javier Pérez Farguell

** Beatriz Molins Domingo

Federico Halpern Blasco

Jorge Enrich Serra

Álvaro Juncadella de Pallejá

Maria Assumpta Soler Serra

Deputy non-board member secretary

Joaquín Guallar Pérez****

*Executive directors **Independent
***Resigned from his position effective 1 January 2023
**** Effective 1 January 2023, he becomes a non-director secretary

Audit Committee

Chairman

Juan Ignacio Guerrero Gilabert

Members

Francisco Javier Pérez Farguell

Álvaro Juncadella de Pallejá

Appointments and Remunerations Committee

Chairman

Francisco Javier Pérez Farguell

Members

Juan Ignacio Guerrero Gilabert

Jorge Enrich Serra

The curricula vitae of the members of the Board of Directors are available on the Group's website.

Delegate committees

As a public interest entity and listed company, the Board of Directors of Grupo Catalana Occidente, S.A., has formed the Committees provided for in the Capital Companies Act. Their composition and regulation is established in the Articles of Association and the Regulations of the Board of Directors.

Audit Committee:

The powers of this Committee are those provided for in Article 529 quaterdecies of the Capital Companies Act and Article 15 of the Regulations of the Board of Directors of the Company. Among these, should be mentioned:

- To monitor the effectiveness of the internal control system.
- Examine compliance with the internal rules of conduct of the Group and its entities and the Regulations of the Board of Directors.
- To take to the Board of Directors the proposals for the selection, appointment and replacement of auditors, issuing an annual report on their independence.
- To assess the results of each audit.
- To report to the General Shareholders' Meeting on matters raised by the shareholders falling under its jurisdiction.
- To supervise the process of preparing and presenting the regulated financial reporting information.
- To report to the Board of Directors on all those matters referred to in the Law and the Articles of Association and, in particular, on (i) the financial or non-financial information that the Company must make public periodically; (ii) the creation or acquisition of special purpose entities or domiciled in tax havens and (iii) transactions with related parties.

Audit Committee

Chairman	Members
Juan Ignacio Guerrero Gilabert	Francisco Javier Pérez Farguell
	Álvaro Juncadella de Pallejá

Appointments and Remunerations Committee:

The powers of this Committee are those provided for in Article 529 quindecies of the Capital Companies Act and Article 16 of the Regulations of the Board of Directors of the Company. Among these, should be mentioned:

- To protect the integrity of the recruitment process of directors and senior managers to ensure that the candidates match the profile required.
- To report on the number of directors that can participate as members of the Board of Directors.
- To obtain information that defines the other professional duties of the directors.
- To report to the Board of Directors on appointments and resignations of senior managers and to propose the basic conditions for their contracts.
- To monitor that the directors meet their obligations and duties as provided for in the Regulations of the Board of Directors and in the Company's Articles of Association..
- To check the transparency of the remuneration of the directors and that the information is included in the Annual Report and in the Report on the remuneration of the members of the Board of Directors.

Appointments and Remunerations Committee

Chairman	Members
Francisco Javier Pérez Farguell	Juan Ignacio Guerrero Gilabert
	Jorge Enrich Serra

Steering Committee (first line of defence)

Grupo Catalana Occidente has a corporate steering committee to which the Board of Directors has delegated the day-to-day management of the Group.

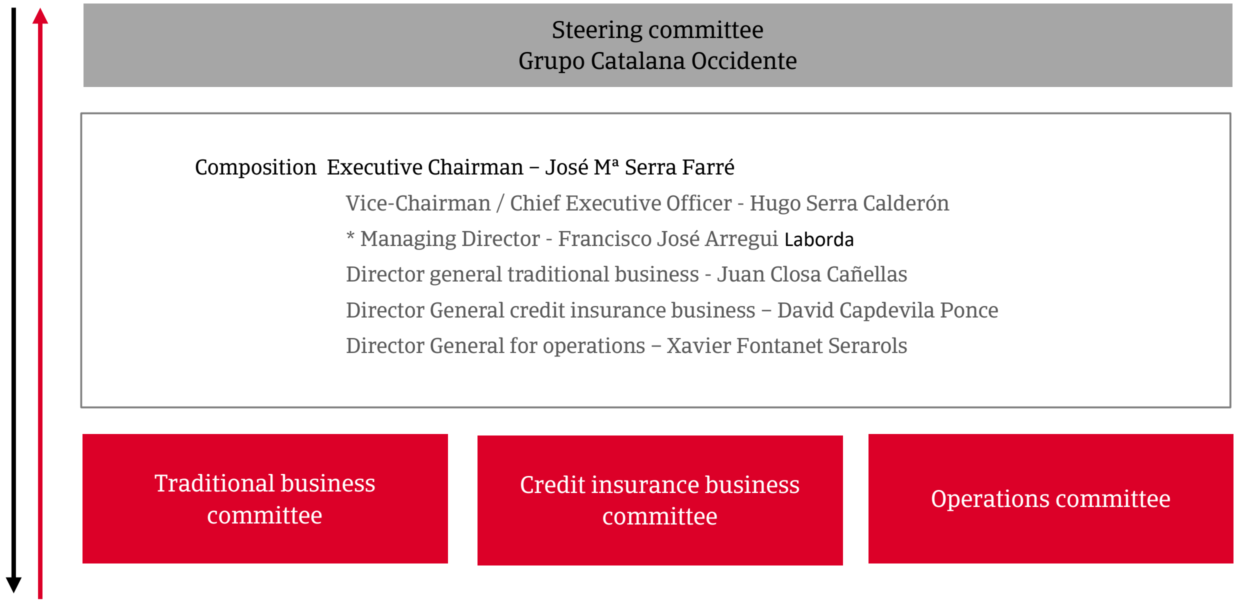
The Group also has business committees (non life, credit insurance, life) investment, commercial and operations committees to coordinate the actions of the individual entities that make it up. Finally, each insurance entity that is part of the Group has its own Steering Committee with the exception of GCO Reaseguros, S.A.U.

The Steering Committee of the Group has the following main duties:

- Control and management of the results of the Group and its evolution by lines of business.
- Evolution of the traditional business entities and credit insurance and by lines of business.
- Return on investments.
- Monitoring of the solvency position of the Group and its constituent entities.
- Monitoring the risk profile of the Group and of the solvency projections (ORSA).
- Human resources.
- Internal control and verification of compliance.
- Internal audit.
- Corporate Innovation, marketing and communication projects.

As of 1 January 2022, the Management Committee is composed of the three executive directors of Grupo Catalana Occidente, S.A. and the General Manager of the traditional business, the General Manager of the credit insurance business and the General Manager of Operations. Each of the latter members chairs, respectively, the Traditional Business Committee, the Credit Insurance Business Committee and the Operations Committee, so that information flows from the individual entities to the Group's parent company and vice versa.

Similarly, representatives of each of the insurance Entities are involved in the various corporate business committees (non-life, life, credit), investments, commercial and operations) with identical purpose.

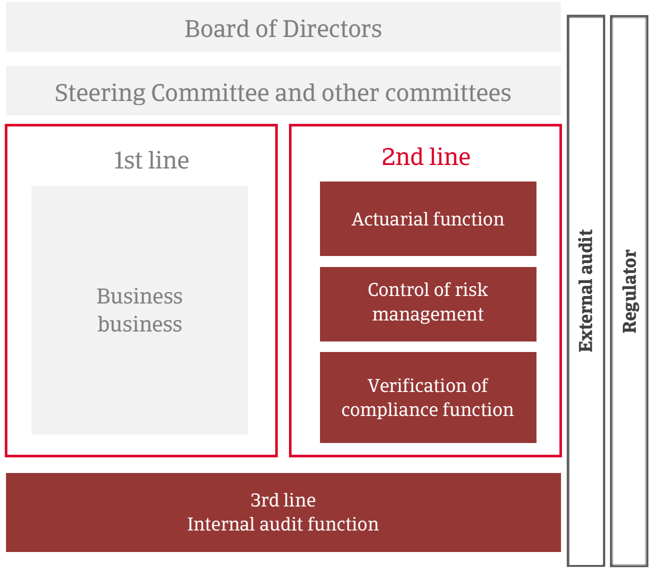


(*) Resigned as Managing Director effective 1 January 2023. As of that date, three new members have joined the Group's Management Committee: Clara Gómez Bermúdez (Finance-Risks Department), Joaquín Guallar Pérez (General Legal-Corporate Department), and Francisco Sánchez Blanco (Strategy and Business Development Department).

As mentioned above, the corporate committees and their main functions are as follows:

- **Life insurance business committee**
  Evolution of the main variables of the business
  Actuarial function
  Monitoring of underwriting risk
  Monitoring of the major projects of the action plan
- **Non Life insurance business committee**
  Evolution of the main variables of the business
  Actuarial function
  Monitoring of underwriting risk
  Monitoring of the major projects of the action plan
- **Investment Committee**
  Monitoring of the distribution of the portfolio by type of assets
  Monitoring of markets and investment needs
  Analysis of the appropriateness of the assets to the obligations contracted (liabilities) - ALM
  Follow-up of the controls on investments
  Sensitivity analysis to future scenarios
- **Operations committee**
  Follow-up of the evolution of:
  - Information systems
  - Underwriting and claims centres
  - Contact centre
  - Organisation
  - Loss adjusters and suppliers
- **Commercial committee**
  Commercial monitoring (sales, cancellations and settlements)
  Monitoring of the evolution of the distribution channels
  Monitoring of the major projects of the action plan
- **Corporative coordination committee**
  Monitoring of projects developed by corporate departments and corporate platforms.
- **Sustainability Committee**
  Decision and supervision of the Group's ESG performance (Sustainability Master Plan, non-financial reporting, sustainability policies)

Fundamental functions



Actuarial function (second line of defence)

The actuarial function fundamentally acts upon the coordination of calculation of the technical provisions and other capacities attributed by the solvency regulations.

Its main functions are:

- To express an opinion on the suitability, adequacy and sufficiency of the technical provisions.
- To express an opinion on the subscription policy.
- To express an opinion on the adequacy of the reinsurance contracts.

This function is carried out internally and has sufficient resources to fulfil its functions, reporting to the Board of Directors on an annual basis by means of a report that includes the content required by the regulations and describes the activities carried out.

For further information, see section B.6 on Actuarial Function.

Control of risk management function (second line of defence)

The control of risk management function supports the board of directors and the steering committee in the identification, evaluation and control of all risks that it is exposed to.

Its main functions are:

- To identify the various types of risks.
- To annually set the level of acceptable risk tolerance at the Group and main business levels.
- To establish measures to mitigate the impact of risk.
- To regularly monitor the risks and significant threats and ensure compliance.

This function is carried out internally and has sufficient resources to perform its functions, reporting to the Board of Directors at least annually on the risks to which the Group is exposed, both current and emerging, the quantification of these risks and their adequacy with the risk appetite approved by the Board of Directors.

For further information, see section B.3. on the Risk Management System including risk and solvency self-assessment and section B.4. on the internal control system.

Compliance verification function (second line of defence)

The compliance verification function ensures compliance with the regulations to which the Group is subject to, amongst which are:

- Capital market and listed companies regulations.
- Regulation of the insurance and financial industry.
- Prevention of money laundering and funding of terrorism.
- Protection of personal data.
- Criminal liability of legal entities.
- Fight against fraud.

The main activities carried out are:

- To implement policies and processes for monitoring and control of compliance risks.
- To assess the impact of change in the legal environment.
- To control and assess the adequacy and effectiveness of the measures and procedures to detect and mitigate the risk of non-compliance.
- To design the verification of the regulatory compliance plan.
- To advise the Board of Directors of compliance with the legal and internal regulations to which the Group is subject.

The verification function for compliance is developed in-house and is adequately resourced to fulfil its functions. Every year, the Board of Directors receives a report on the activities related to this matter during the previous year and the plan of activities to be carried out during the current year.

Internal audit function (third line of defence)

The internal audit function directly reports to the audit committee as a delegate committee of the board of directors and exercises maximum supervision of the Group's internal control. In 2022, the Group carried out a total of 73 audits, including 13 on Solvency II aspects, 4 on internal control over financial reporting (ICFR) processes, 5 on the prevention of money laundering and terrorist financing and 4 on ESG issues. In total, over 119 opinions have been issued, 97% of which are at least in the satisfactory category.

In this regard, the audit function prepares a multi-year audit plan taking into account the requirements of regulators and other bodies certifying some of the Group's businesses, as well as a report on related activities.

The internal audit function is developed in-house and is adequately resourced to fulfil its functions.

For further information, see section B.5 on Internal Audit Function.

External audit

The firm PricewaterhouseCoopers Auditores, S.L. carried out the individual external audit of the Company and the consolidated audit of the Group, as well as of most of the entities comprising it. This brings global homogeneity between all audits and, in particular, with regards to the financial information systems.

Insurance market regulator

The DGSFP is the administrative body responsible for continuous financial supervision, through the verification of financial statements, economic and financial analysis, review of regulatory compliance, and review and evaluation of the risks and solvency of insurance and reinsurance entities and groups of insurance and reinsurance entities.

B.1.2. Remuneration policy

In accordance with commercial and insurance regulations, this policy is approved for periods of three years (unless it is amended) by the General Shareholders' Meeting at the proposal of the Board of Directors of Grupo Catalana Occidente, S.A. In this regard, it was last approved at the General Shareholders' Meeting held on 28 April 2022. In addition, the Annual Report on Remuneration of the Members of the Board of Directors is published annually and submitted to the consultative vote of the General Shareholders' Meeting, which includes the remuneration received by the members of the Board of Directors both in the Company and in its subsidiaries.

The remuneration policy is aligned with ESG issues, associating variable remuneration to the commitments acquired in relation to sustainability.

In this way, it complies with the provisions of both mercantile regulations and those that are implemented by the Solvency II directive.

The Group's remuneration policy is applicable to (i) the members of the Board of Directors, (ii) the members of the Steering Committee, (iii) those responsible for basic functions and (iv) those other people who occupy critical posts ("strategic personnel"); and is aimed at the recurring generation of value and sustainability of results over time. It also seeks alignment of the interests of its employees, collaborators and shareholders and prudent risk management, in such a manner that is reasonable with the size of the entity, its economic situation and the market standards of comparable companies.

Principles and pillars

The policy is based on the following principles:

- To create long term value.
- To compensate the achievement of results based on prudent and responsible risk assumption.
- To attract and retain the best professionals.
- To compensate the level of responsibility and professional experience.
- To ensure internal equality and external competitiveness.

In this sense, the previous principles can be translated into the following pillars:

- Moderation: remuneration depending on the market requirements, promoting adequate risk management in accordance with the established tolerance limits.
- Consistency: with the commercial strategy and risk management of the entity, its risk profile, its objectives, its risk management practices and the long-term performance and interests as a whole.
- Proportionality and adequacy: this must be sufficient and appropriate for effective dedication, qualification and responsibilities without compromising independence.
- Transparency: the Entity discloses the amount of remuneration of the members of the Board of Directors in the Annual Report on Remuneration of the Members of the Board of Directors, as well as of its senior management in the notes to its financial statements in accordance with applicable commercial regulations.
- Regulatory compliance: the policy complies with the legal requirements, the alignment with the best market practices and in particular, as provided for in the rules of the directive of Solvency II.

Terms and Conditions

In accordance with the Company's Articles of Association, the members of the Board of Directors, in their capacity as such, have received remuneration in the form of statutory attentions and daily subsistence allowances for attendance at Board meetings. In turn, the executive directors have signed, in accordance with the trade regulations, their corresponding contracts which include, among other elements, and as appropriate, a fixed remuneration, variable remuneration (of which a part is deferred), payment in kind and a system of complementary social security.

Steering committee:

The remuneration of the members of the steering committee (including executive directors) may include the following components:

- Fixed remuneration.
- Variable remuneration based on the achievement of individual, corporate, financial and non-financial goals, which may not exceed 100% of the fixed remuneration for the achievement of 100% of the goals.

  In the event that the Group has (i) a loss in a given year or (ii) a solvency ratio of less than 100% at year-end, no entitlement to variable remuneration shall accrue.

  In order to promote the achievement of long-term targets, the variable remuneration includes a deferral of 30% of the remuneration to 3 years, conditioned to the fulfilment of the business targets for that period.
- The supplementary social system for defined contribution.
- Remuneration in kind.

The Steering Committee has no stock options.

Both the contracts, whether commercial, employment or senior management contracts, of executive directors of Grupo Catalana Occidente and of the staff members subject to the policy, as well as the regulations establishing the components of their variable remuneration must be favourably reported by the Appointments and Remuneration Committee of the Company and, in the case of commercial contracts of executive directors, also approved by the Board of Directors.

These regulations include clauses (i) for reduction of remuneration ("malus") so that the deferred variable remuneration pending payment will be reduced if, during the period until its consolidation, circumstances arise such as a restatement of financial statements that does not arise from a regulatory change resulting in a variable remuneration to be paid that is lower than that initially accrued or a fraudulent act by a member of the management committee that leads to the disciplinary dismissal of the member, and (ii) recovery of remuneration already paid ("clawback"), by virtue of which variable remuneration already paid shall be subject to recovery, in whole or in part, by the Entity when, during the three years following the end of the financial year from which the remuneration derives, it has been received in whole or in part on the basis of information that is proven to be false or seriously inaccurate and has a material adverse effect on the Group's consolidated accounts.

The same remuneration components and conditions apply to the heads of key functions and other strategic personnel of the Entity as appropriate.

Payments accrued in the financial year 2022

The Board of Directors of Grupo Catalana Occidente, S.A., has received a total of €5.49 million, an amount corresponding to the total compensation for all the concepts (fixed remuneration, variable remuneration, in-kind and contribution to social welfare plans) as well as that received by these in Group companies.

Likewise, the financial statements of Grupo Catalana Occidente include, in an aggregate manner, the remuneration received by the members of the Board of Directors and the senior management of the company.

For more information on the remuneration received by each member individually, see the annual report on the remuneration of the members of the Board of Directors available on the Grupo Catalana Occidente website.

B.1.3. Related operations

It should be noted that there have been no related transactions with directors or managers, with the exception of those that belong to the regular business of the Group; they have been carried out in the same standard conditions for customers, or are of little relevance. Additionally, in accordance with the reform of the Capital Companies Act introduced by Act 5/2021, of 12 April, which provides for a specific regime for the approval of intragroup related party transactions, the Entity approved the Internal Protocol of Conduct in the area of delegation of approval of intragroup related party transactions on 30 September 2021, in order to establish the regime applicable to those transactions carried out by the Bank with other Group companies subject to conflict of interest, and its review by its General Shareholders' Meeting or governing body, as appropriate.

B.2. Fitness and good repute requirements

The corporate governance of the Group not only involves the Board of Directors and other governing bodies, but extends to all aspects of the organisation and the teams that comprise it.

The Group through an adequate and transparent remuneration policy and fitness and good repute requirements ensures that the posts are carried out by the right people.

All the people who effectively manage the Group or carry put the key functions or other critical positions in it must meet the qualifications, competencies, skills and professional experience necessary to be able to carry out their functions and, consequently, each of them must comply with the requirements set out in the policy of for fitness and good repute requirements of the Grupo Catalana Occidente.

The policy sets out appropriate procedures to ensure that the above-mentioned group complies with these requirements at all times.

Fitness

It is understood that the professional is suitable if they have the training and the right profile to perform the functions entrusted to them, and the practical experience derived from previous jobs with functions similar to those to be undertaken.

In particular, in relation to the board of directors, it is verified that its members have collectively, the qualifications, knowledge and experience at least on:

- Insurance and financial markets.
- Business strategy and business model.
- Governance system.
- Financial and actuarial analysis.
- Regulatory framework and regulatory requirements.

For the purpose of assessing fitness, the Human Resources management defines a profile type of qualification, knowledge and experience for every job and evaluates fitness through documentation (copy of the accreditation of the training, consultation of professional references, curriculum vitae, etc.).

Good repute

The requirement of good repute requires that the person who is the subject of evaluation is a person of good reputation and integrity.

The process for determining good repute is carried out by the Human Resources Department and the Group's Compliance Verification Unit.

The evaluation includes an assessment of their honesty and financial solvency based on reliable information on their reputation. Grupo Catalana Occidente has a code of ethics which aims to establish the general guidelines that should govern the conduct of its directors, employees, agents and collaborators, in the performance of their duties and in their business and professional relationships.

Furthermore, as Grupo Catalana Occidente, S.A. is a listed company, both the members of the Board of Directors and of the Steering Committee and the rest of the strategic staff, are subject to the Internal Code of Conduct of Grupo Catalana Occidente, which details, among other aspects, (i) the periods of prohibition of negotiation of shares of Grupo Catalana Occidente, S.A by said persons; (ii) the regime for safeguarding privileged information; (iii) the processing of confidential documents and the rules of conduct with respect to the publication of relevant information, in addition to (iv) a regime of conflicts of interest of the persons subject to Grupo Catalana Occidente, excluding members of the Board of Directors. This exclusion is due to the fact that the regime for directors with respect to conflicts of interest is already provided for in the Capital Companies Act.

In accordance with the applicable regulations, the Group submits to both the corresponding insurance supervisor and, if appropriate, the CNMV or the Bank of Spain, all the information relating to the appointments and dismissals of its strategic staff, and in particular, that provided for in Order ECC/664/2016 of 27 April, approving the list of information to be submitted by those who intend to hold effective management positions or functions that make up the system of governance in insurance and reinsurance companies and in groups of insurance and reinsurance companies.

B.3. Risk management system including the self-assessment of risks and solvency

The risk management system of the Group and its entities works in a comprehensive manner and is supported in the organisation as a whole so that the risks are managed in the business units and are supervised by the administration and management bodies and by the fundamental functions.

The Risk Management Control function ensures the proper functioning of the risk management process that enables compliance with the risk strategy and the risk appetite defined by the Entity's Board of Directors.

The Board of Directors has approved the group Solvency II policies, including the "Risk Management System" policy, having designated as the main elements that make up this system: Risk Governance, the Risk Management Process and the Business Strategy.

The main aspects of the governance of the risk and the process of risk management of the Group are analysed below, as well as their alignment with the business strategy.

B.3.1. Governance of the risk management system

The control of the risk management system of Grupo Catalana Occidente is based on the principle of "three lines of defence". In the light of the foundations of the aforementioned principle of the three lines of defence, , Grupo Catalana Occidente defines the different levels of activity, roles and responsibilities of the units that make up the risk management system.

1st Line - Risk assumption and liability.
This includes the business units that are responsible for the risk assumed and its management.

2nd Line - Control and monitoring.

This consists of the risk management control function, compliance verification function and actuarial function. This defines controls that allow compliance with the risk management policies and processes to be ensured.

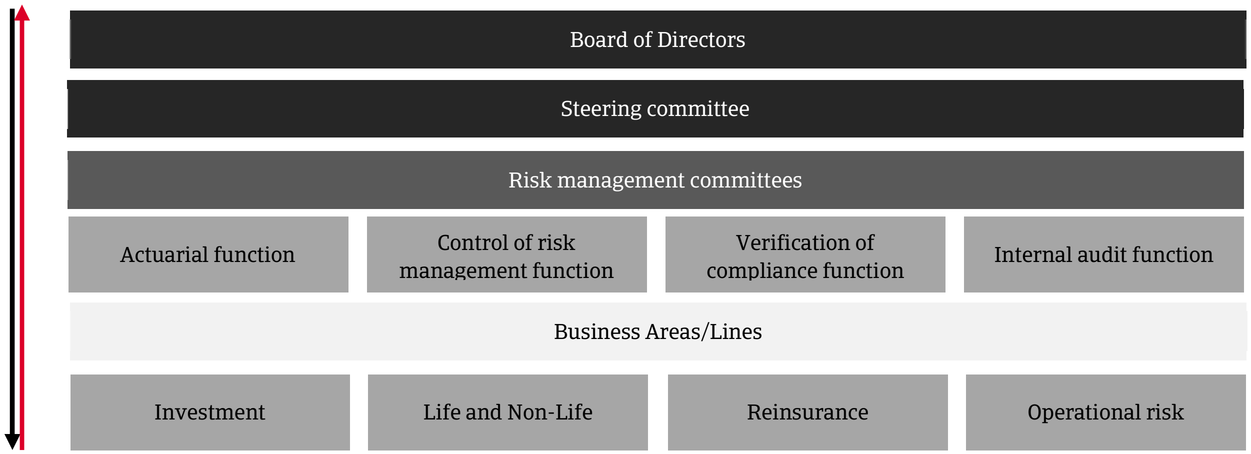
3rd Line - Internal audit.

It is responsible for carrying out an independent evaluation of the effectiveness of the governance system, the risk management system and the internal control.

Grupo Catalana Occidente has developed written policies that, together with the existing technical regulations, guarantee appropriate risk management. Specifically, the risk management policy that establishes the general guidelines to manage the risks and serves as an umbrella for the following policies:

- Underwriting risk policy, provisioning risk and claims management.
- Reinsurance policy.
- Investment policy (includes management of liquidity risk and ALM).
- Operational risk policy.
- ORSA Policy.

In addition, there are other policies of a more operational nature, such as business continuity, information security, etc. The Group defines the following responsibilities to ensure that the risk management system is duly integrated into the organisational structure and to guarantee decision-making in accordance with the defined risk appetite strategy.



a) Board of Directors

In addition to the general duties performed by the Board of Directors discussed in the chapter on the governance system, the Board of Directors is responsible for ensuring the effectiveness of the risk management system through compliance with the Group's overall strategies.

For these purposes, it is responsible for establishing the necessary mechanisms to identify the different types of risk, annually setting the appetite and tolerance of acceptable risk, establishing measures to mitigate the impact of the risks, periodically monitoring the risks and significant threats and ensuring regular monitoring of the internal information and control systems. The Board of Directors is supported by the steering committee to carry out these tasks.

For more information, see the Annual Corporate Governance Report and the Annual Report available on the Group's website.

b) Steering committee

With regard to the risk management system, the steering committee ensures its correct implementation, maintenance and monitoring according to the guidelines defined by the Board of Directors.

c) Risk management committees

To ensure that the risk management system works in a comprehensive manner and is supported in the organisation as a whole, the Group has the following committees:

- Non Life insurance business committee.
- Life insurance business committee.
- Credit insurance business committee.
- Investments and ALM committee.
- Operations committee.
- Commercial committee.
- Sustainability committee.

d) Business areas or lines

At operating level, the risk management system of Grupo Catalana Occidente works holistically, supported by the entire organisation and consolidating this management by activity, business area and support areas at corporate level. The business areas are responsible for the management of each of the respective risks.

e) Control of risk management function

The control function of risk management carries out the effective control of risks by ensuring that they are managed according to the risk appetite approved by the Board of Directors at any time taking into account a comprehensive view of all risks at all times.

In relation to the risk management control function, its main attributions, without prejudice to those indicated in section B.1.1 above, are as follows:

- The identification and assessment of current and emerging risks.
- The calculations of solvency.
- The undertaking of the prospective internal assessment of risks and solvency.
- The follow-up to the overall risk profile of the Group.
- Assistance and advice to the Board of Directors, steering committee and other functions, on the effective operation of the risk management system, even in relation to strategic issues.
- The presentation of detailed information on exposures to risks to the Board of Directors and/or the steering committee of the Group.
- With regard to the partial internal credit insurance underwriting model, this is responsible for its design, implementation and validation.

B.3.2. Risk management process

The Board of Directors is responsible for guaranteeing efficiency of the Risk Management System through compliance with the general strategies of the Group and the Steering Committee is responsible for ensuring correct implementation, maintenance and monitoring of the Risk Management System in conformance with the guidelines defined by the Board of Directors.

In order to complete the governance of the Risk Management system, the Group has developed written policies that, together with the existing Technical Standards, guarantee ideal administration of the risks. These policies, in their content, identify the own risks of each affected area, establishes risk quantification measures, determines actions to supervise and control said risks, establishes measures to mitigate the impact of the same and determines the information and internal control systems that are used to control and manage the risks.

Through the risk management process, the Group identifies, measures, controls, manages and reports the risks to which it is or could be exposed. Specifically, the Group identifies and establishes, among other aspects, (i) the different types of risks facing the group, (ii) the level of risk deemed acceptable, (iii) the mechanisms to mitigate the impact of the risks identified, should they materialize, and (iv) the information and internal control systems used to mitigate these risks, including contingent liabilities and off balance sheet risks. This system of risk management also aims to develop processes and systems of capital allocation in light of the risks assumed by each area. Based on this process, the Group defines its risk strategy by establishing the level of risk it is willing to take to achieve the targets set in its strategic plan and annual guidelines, according to the three pillars: Growth, Profitability and Solvency. In addition, risk limits are defined and monitored by the management units to ensure that the risk appetite and tolerance defined by the Board of Directors are respected and that both are aligned with day-to-day management. In the framework of risk management, the Group undertakes the internal assessment of future risks (ORSA; Own Risk and Solvency Assessment) according to the criteria defined in its ORSA Policy. Within this process, the useful stress scenarios are also defined for decision making.

The Governing Bodies (Steering Committee and Board of Directors) play an active role in the prospective internal assessment of own risks, managing the process and checking results. The Board of Directors, as ultimately responsible for risk management, approves the ORSA report specifying the capital consumption projection and capital available for the plan's medium-term time horizon (three years). The main risks that may affect the achievement of the Group's objectives are as follows:

- Technical Risks of General and Life Insurance Business and Credit Insurance Business.
- Financial Market Risks.
- Operational Risks
- Other non-operational risks such as reputational risk and strategic risk

B.3.3. Business strategy and ORSA

The business strategy is defined in the strategic plan of the Group and this is aligned with the risk strategy. The self-assessment process for risks and current solvency and as part of the medium term plan (ORSA) to guarantee this alignment. The risk management control function is responsible for carrying out this process.

The ORSA is carried out at least once a year and evaluates:

- Compliance with the capital requirements.
- Deviation between the risk and solvency profiles.
- Compliance with the capital requirements in adverse situations.

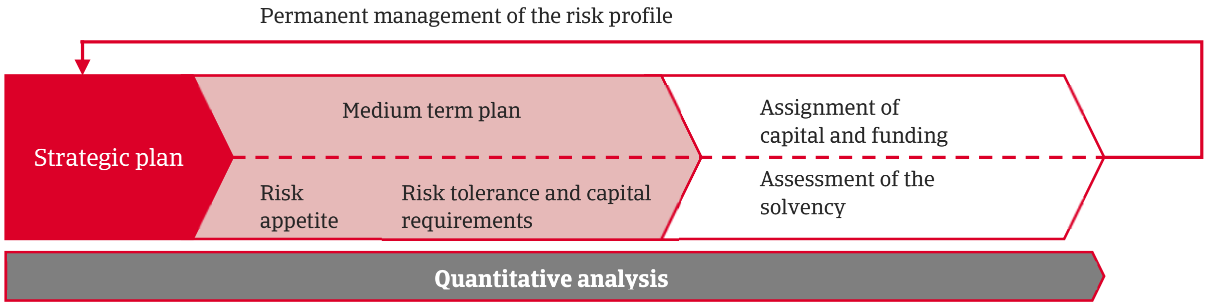
Furthermore, the ORSA contributes to distributing a common risk culture within the Group and provides a prospective vision of the risks and the solvency position through:

- A basic scenario defined in the medium-term plan
- A sensitivity analysis
- An adverse scenario

The results of the ORSA are presented, validated and approved by the steering committee and the Board of Directors. The actuarial function has issued a favourable opinion of the methodology and assumptions. This opinion is issued on an annual basis. In this way, a direct link is established between the strategic planning process and the ORSA process, which ensures that the results of the ORSA are taken into account when the strategic plan is drafted and consequently also in the Group's decision-making. Additionally, the Group has risk indicators, included in the control panel, with the aim of monitoring compliance with the established risk appetite.

For more information, see annex B.1 on Breakdown of the ORSA Process.

Planning phase



B.4. Internal control system

The internal control system makes it possible to guarantee the objectives of effectiveness and efficiency in operations, reliability of financial information, protection of assets, compliance with standards and laws, and identification and measurement of all significant existing risks that affect the Group's solvency and their adequate coverage by means of eligible equity.

To this end, the system is built around five components:

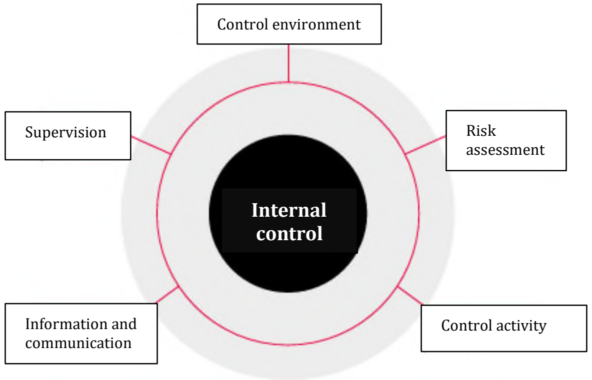
- Control environment: the existence of a control environment based on the role of the Board of Directors that applies the principles of Good Governance established in the Group's Code of Ethics with transparency and rigour, which formalises the commitment of the staff, Management and the board of directors itself to behave under the principles of good faith and integrity, in the written policies of the risk management system and in the human resources policy aimed at motivating and retaining human talent.

- Risk assessment: the Group is aware of and addresses the risks it faces, establishing mechanisms, described in section C of this report, to identify, measure, control, manage and report the risks to which it is or could be exposed.

- Control activity: the Group has a series of policies and procedures, with the appropriate levels of authorisation and adequate segregation of functions, which help to ensure that the instructions of the Board of Directors and the Steering Committee are carried out.

- Information and communication: the Group also has adequate internal and external communication systems. These include (a) the existence of Committees, circulars and internal regulations that guarantee the flow of information within the organisation, (b) the data quality policy that establishes the description of the processes for extracting the information and the respective control measures to ensure its quality and (c) a series of processes that guarantee the reliability of the Internal Control System for Financial Information (IFCS), processes described in greater detail in section F of the Group's annual corporate governance report, available on the corporate website.

- Monitoring: Finally, the internal control system is subject to an independent monitoring process that checks that it functions properly over time. The comprehensive oversight of the system is carried out by the internal audit function, with the collaboration of external experts where appropriate.



The internal control unit reports to the Group's Board of Directors every six months:

- the Group's operational risk map;
- the degree of compliance with controls and supervision of controls;
- operating loss events suffered by the group during the six-month period in question;
- the key risk indicators defined to monitor the operational risk assessment; and
- the monitoring of the actions carried out in relation to this system.

B.5. Internal audit function

The task of the internal audit function is to verify and monitor the Group's system of internal control, to assess the level of control in place and to make recommendations if deemed appropriate. This means that the internal audit function is an independent unit, with a guarantee of objectivity and has, in addition, a component of consulting services designed to add value and improve the operations of the Group.

The head of the Corporate Internal Audit Department reports directly to the Audit Committee and reports to it on all audits carried out both directly by the Entity's Internal Audit Department and by the various internal audit departments of the subsidiaries that have their own internal audit department.

Main tasks:

To establish, implement and maintain an audit plan indicating the audit work that should be carried out in the next few years.	To develop the Group's audit plan, which will contain all the audits referred to in the respective audit plans of each of the entities in the Group.	To make recommendations on each of the audits, if appropriate. The internal audit function shall report to the Audit Committee.
To produce a six-monthly activity report and another annual one on the audit activities carried out in the period.	To check the implementation of the decisions adopted by the Audit Committee in matters relating to the internal audit function.	To perform the audit and budget of estimated annual costs.
To maintain the principle of impartiality, so that it is in no way involved in operational activities or to implement any measures of internal or organisational control.	To keep updated the knowledge of auditing techniques so that it performs its activity with sufficient professional competence.	To send the interim report of the audit to the director or person in charge of the unit being audited. No report can be sent to any member of the Steering Committee and Audit Committee, without those being audited having answered the interim report.

B.6. Actuarial function

At corporate level there is the actuarial function unit whose main aim is to coordinate the methods and hypotheses used in the calculation of technical provisions and check that these are suitable for specific lines of business of the different entities and for the way in which the activities are managed, in addition, to assessing the quality of the data used to calculate the technical provisions of the various Insurance Companies of the Group.

In addition, the actuarial function reports to the Board of Directors and the steering or supervisory committee on the above issues.

It also supports the risk management control function in ORSA's technical provisions and internal model activities.

The actuarial function carries out its activities in a fully independent way to the calculation of technical provisions that are developed by the technical departments of the different entities. In the exercise of its functions using various methodologies and sensitivity analyses in order to compare the calculations of technical provisions made by the management units.

To coordinate and monitor the calculation of technical provisions

To report to the Board of Directors and the steering committee on the reliability and adequacy of the calculation of technical provisions

ACTUARIAL FUNCTION

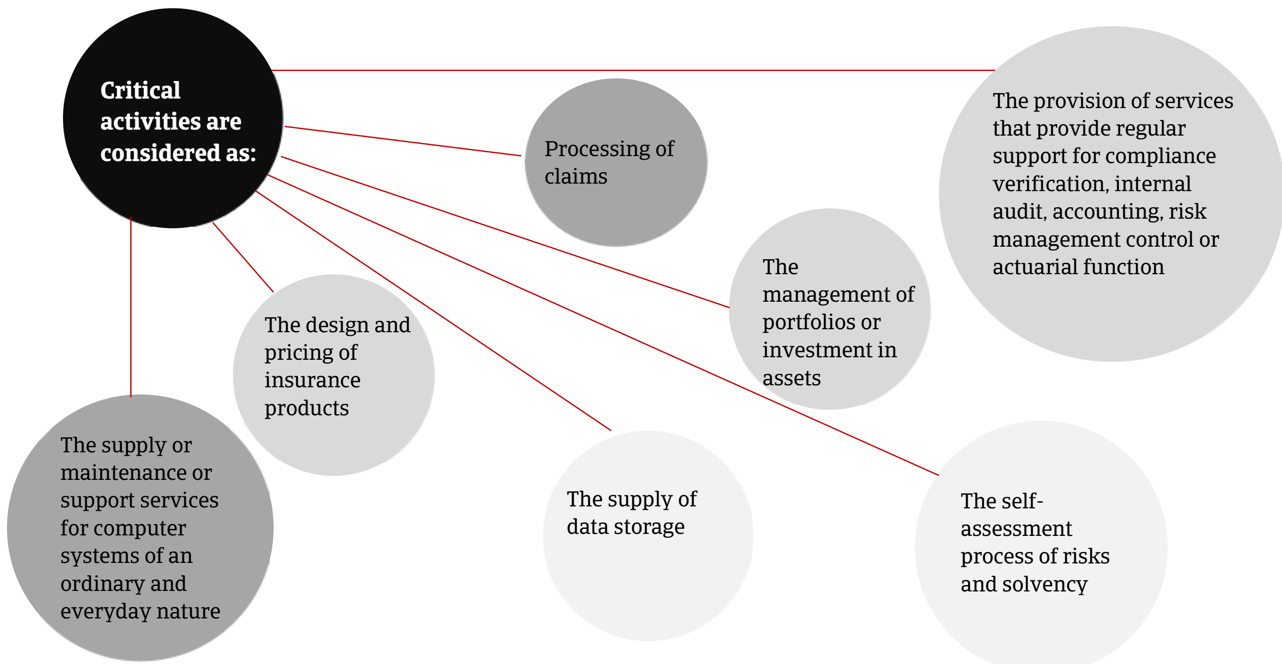
To express an opinion on the general policy, processes and procedures of underwriting

To express an opinion on the adequacy of reinsurance arrangements: policy, processes and procedures

B.7. Outsourcing

Critical activity

As established in the Solvency II regulations, Grupo Catalana Occidente defines critical activity as that activity essential to the operation of its individual entities without which they would be unable to provide their services.



Outsourcing policy and supplier selection process

The whole outsourcing process of services will follow the Group's purchasing policy described in its Procedures Manual for the Selection of Suppliers that regulates the acquisition of goods, services and supplies and the selection of suppliers. These criteria are based on objectivity, impartiality, transparency, equal treatment and socially responsible practices in the economic, social and environmental fields, quality, and seek to avoid any conflicts of interest.

Notwithstanding the above, when the outsourcing of services relates to one of the core functions or critical activities described above, the Group's entities, in accordance with the outsourcing policy, must ensure that such outsourcing is not carried out if it can:

- Significantly impair the quality of the Group's governance system or of its corresponding entity.
- Unduly increase the operational risk.
- Impair the ability of the supervisory authorities to monitor that the Group of its relevant entity meets its obligations.
- Affect the provision of the continuous and satisfactory service to policy holders of this entity.

A detailed examination is carried out for this to verify that the selected supplier is suitable to (i) provide the service; (ii) carry out the required functions or activities satisfactorily; and that it (iii) has the technical and financial capacity as well as any authorisation required by regulations to provide the service and (iv) that it has adopted the measures to ensure that no explicit or potential conflict of interest can jeopardise the needs of the specific entity.

Likewise, in the event that a fundamental function or critical activity is outsourced, a person responsible for that function or activity must be designated in the corresponding Group entity, with sufficient knowledge and experience to supervise the provision of the supplier.

Compliance of the contract

Once the corresponding contract for the provision of services has been signed, the person responsible for the contract must monitor its execution, verifying compliance with the stipulated deadlines, prices and technical and quality characteristics. They should also be in charge of carrying out the timely claims in case of breach of contract and record those significant incidents.

In the event that the service provider does not perform the functions or activities with the agreed quality and level of service, appropriate measures will be taken, including, if necessary, termination of the contract.

The assessment of the supplier and its work by the relevant Group entity that has outsourced such function or activity shall be performed at least annually in the case of outsourcing of a fundamental function or critical activity.

Intra-group outsourcing

When outsourcing takes place between entities within the Group, these will be formalised in a written contract that shall stipulate the responsibilities and obligations of both parties.

The corresponding individual entity should document what functions it outsources to another entity of the Group and ensure that the undertaking of the fundamental functions or activities are not adversely affected by such outsourcing.

Within the Group the individual entities of it, as applicable, currently outsource one or more of the following critical functions and activities:

- Control of risk management function
- Actuarial function.
- Internal audit function.
- Verification of compliance function
- Management of financial investments.
- Maintenance of computer systems and services
- Data storage
- Accounting and tax management support services
- Administrative service for claims processing and underwriting.

The only critical activity that is not fully outsourced intragroup is the 24h assistance for claims made through Asitur.

B.8. Any other information

Not applicable.

C

Risk profile

Grupo Catalana Occidente seeks to achieve profitable and recurring growth with a moderate risk profile.

Chapter C details the main risks to which the Group is exposed, explaining their origin, management, measurement and mitigation.

C.O.Introduction

Grupo Catalana Occidente defines its risk strategy as the level of risk that the entities that form part of it are willing to assume, and ensures that its integration with the business plan permits compliance with the risk appetite approved by the Board of Directors.

Grupo Catalana Occidente has defined the following concepts for risk management:

▷ **Risk profile**
Risk assumed in terms of solvency.

▷ **Risk appetite**
Risk in terms of solvency that the entities that form part of the Group anticipate to accept to achieve their goals.

▷ **Risk tolerance**
Maximum deviation with regards to the appetite they are willing to assume (tolerate).

▷ **Risk limits**
Operating limits established to comply with risk strategy.

▷ **Alert indicators**
In addition, the Group has a series of early alert indicators that are the basis both for monitoring the risks as well as for compliance with the risk appetite approved by the Board of Directors.

During the year, the Group will continue to work on optimising its risk appetite and tolerance levels.

In addition to risk appetite, the Group has also established various operating tolerances and limits for different types of risk, which are used in daily operations and are integrated into the Group through its risk management structure.

These tolerances include, but are not limited to, the following:

- Strategic asset allocation for investments.
- Exposure limits or coverage conditions for countries and industry sectors.
- Exposure limits for individual and Group buyers.
- Counterparty risk limits.
- Risk and policy underwriting power levels.

Risk map of Grupo Catalana Occidente

Risk profile according to Solvency II

Solvency II is based on three fundamental pillars. In particular, Pillar I refers to quantitative requirements and basically entails, the measurement of assets, liabilities and capital, as well as the analysis and quantification of the risks that they represent.

The capital required under Solvency II (SCR) is the level of own funds for a given probability of insolvency (confidence level of 99.5%) allows losses to be faced in the time horizon of one year.

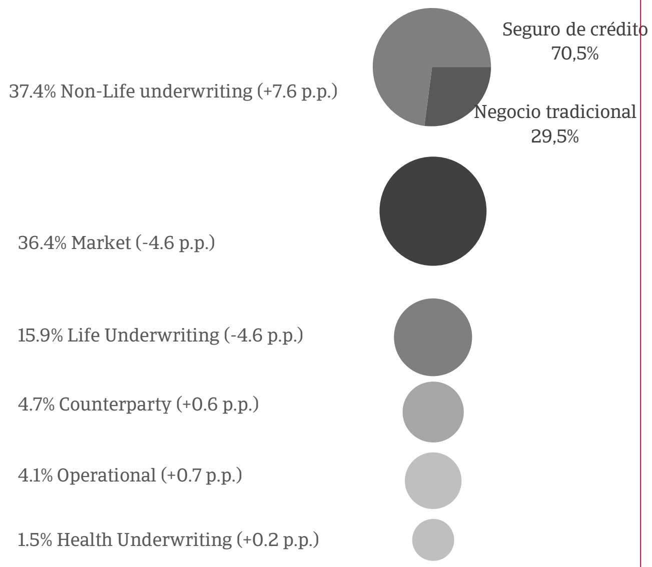
The quantification of the capital allows the Group to take strategic decisions from a perspective that combines profitability with the risk assumed.

The Group also performs sensitivity analyses of its most significant risks, which are explained in section E.2.2.

The risk profile of the Grupo Catalana Occidente is broken down into quantitative and qualitative risks. Quantitative risks are measured on the basis of the standard Solvency II formula, except for the underwriting risk of the credit insurance branch for which the partial internal model is used.

Quantitative risks

The Entity's SCR capital requirement according to the standard formula at the end of 2022 amounted to €2,188.5 million, €262.3 million lower than at the end of the previous year, mainly due to the lower SCR for Life and Market underwriting.

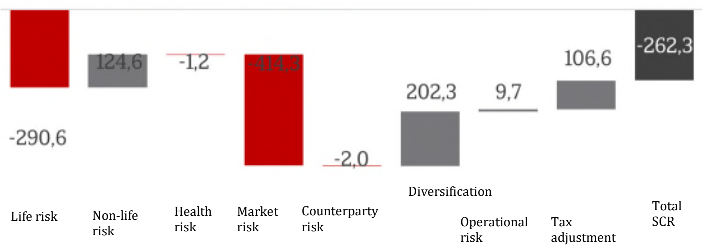


(Measured without considering the effect of diversification)

In quantitative terms, the risk requiring most capital is underwriting risk (54.8% of the total), 3.3 percentage points higher than the previous year. This is the inherent risk to the insurance business. Among the underwriting risks, the one with the greatest weight is credit insurance, representing 70.5% of the Non-Life underwriting risk.

The Group's second risk is market risk, with 36.4% of the total SCR. This risk arises from investment in financial assets, real estate and other categories of assets, which support technical provisions and own funds. In particular the major sub-risks are those related to investments in equities and real estate.

Variaciones SCR 2021 Q4 a 2022 Q4



For further information, see Annex E - QRT S.25.02.22

Qualitative risks

In qualitative terms, the main risks faced by the Group are reputational risk, strategic risk, non-compliance with regulations, competitive risk and cyber security risk.

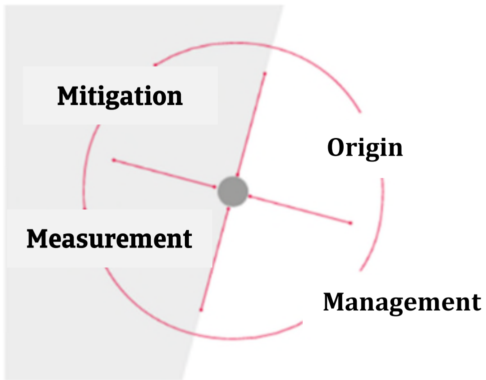
- Reputational
- Strategic
- Regulatory non-compliance
- Competitive
- Cyber Security
- Contagion
- Concentration

These are not included in the SCR calculation and the Group does not consider them significant as specific measures are applied for their management and mitigation.

In 2022 there were no material changes in the significant risks to which the Group is exposed.

The following sections present the main risks to which the Group is exposed, including their origin and how the Group manages, measures and mitigates them.

The Group also performs sensitivity analysis of capital of its significant risks which is explained in chapter E, section E.2.2.



C.1.Underwriting risk

Underwriting risk is the Group's main risk, representing 54.8% of the SCR (without considering the effect of diversification). Within underwriting risk, the most important is the risk arising from credit insurance, representing 70.5% of the non-life underwriting risk.

The underwriting risk amounted to €2,120.2 million, €167.1 million lower than in the previous year, mainly due to the lower Life underwriting SCR, because of the updating of assumptions according to the current environment conditions.

Therefore, the underwriting risk of the Group, according to the standard formula, is subdivided into:

(Figures in € thousand)

Underwriting Risk	2021	2022	% Chg.
Life	905,091.2	614,481.1	-32.1%
Non-Life	1,324,678.1	1,449,327.5	9.4%
Health	57,526.0	56,349.0	-2.0%
Total*	**2,287,295.3**	**2,120,157.6**	**-7.3%**

* No diversification

The credit insurance business accounts for 45.8% of total turnover (29.6% in terms of retained business), is the highest risk in terms of SCR in the Group.

Partial internal model

For years, Grupo Catalana Occidente has been using an internally developed economic capital model for risk management, the measurement of exposure to these risks and strategic decision-making with respect to underwriting risk in the credit insurance business.

In addition to this overall quantification, the model contributes to various risk assessment activities and enables the monitoring and better management of risk levels within the organisation through the allocation of risk-based capital.

In 2017, Grupo Catalana Occidente obtained regulatory approval to use this model for the calculation of the capital requirement under Solvency II.

For more information, see section E.4. on Differences between the standard formula and the internal model.

Origin

The underwriting risk is the inherent risk of the insurance business as a result of the underwriting of insurance policies. This is defined as the risk of loss or of adverse change in the value of commitments contracted due to possible inadequate pricing and provisioning assumptions. Underwriting risk is further divided into the following sub-risks, depending on the business:

- Non-life and Health insurance business: is broken down into premium, reserve, fall in the portfolio and catastrophic risk.
  - Premium risk refers to future claims occurring during and after the period, up to the time horizon for solvency assessment purposes. The risk is that the expenses plus the cost of claims will be higher than expected.
  - The reserve risk has two origins, on the one hand, that the absolute level of provisioning is underestimated and, on the other hand, the stochastic nature of claims payments.
  - The fall risk is considered to be the risk of losing customers due to the cancellation of a certain volume of policies before their maturity by the insured parties within the Group.
  - In the area of catastrophic risk, the Entity is exposed, among other things, to natural risks (windstorms and hail) and to man-made catastrophe risks (motor liability and fire).

  The first two (premium risk and reserve risk) cover claims with regular frequency, as extreme events fall within the scope of catastrophe risk, which with fall risk completes the underwriting risk.

- Life Insurance business: is broken down into biometric risks (which include the risks of mortality, longevity, morbidity/disability), fall in the portfolio, expenses, review and catastrophe.
  - Mortality risk consists of applying a permanent instantaneous increase of 15% in the mortality rates used to calculate the technical provisions.
  - Longevity risk consists of applying a permanent instantaneous decrease of 20% in the mortality rates used to calculate the technical provisions.
  - The morbidity/disability risk consists of applying a 35% increase in disability ratios in the following year, combined with a 25% permanent increase.

- The risk of a portfolio fall, in the same way as in the Non-Life and Health business, is considered as the risk of losing customers if a certain volume of policies is cancelled before maturity by policyholders within the Entity. The fall risk calculates the charge arising from situations in which the recoveries do not reasonably conform to the forecast that has been considered in the calculation of the technical provisions. In this sense, it is calculated as the maximum of the following assumptions:
  - Upside fall risk: consists of a permanent increase in redemption rates by 50%.
  - Downside fall risk: consists of a permanent decrease in redemption rates by 50%.
  - A massive 40% bailout in the following year.
- The expenses risk consists of applying a 10% increase in the expenses incorporated in the calculation of the technical provisions, combined with a 1 percentage point increase in the inflation rate of these expenses.
- Review risk is the risk inherent in the production of losses in the event that an annuity is reviewed after its payment has begun, due to various circumstances. The shock used is a 3% increase in income.
- Catastrophe risk refers to losses caused by an instantaneous increase of 0.15 percentage points in the mortality rates used in the calculation of technical provisions to reflect mortality experience over the following twelve months.

Management

The different business units of the Group are responsible for the management and monitoring of underwriting risk in accordance with the technical standards of each of the entities and the expert opinion of their members (underwriting, product development, actuarial and claims).

The technical underwriting standards consider the specificities of each business and establish:

- The limits for underwriting, through delegation of powers to the customers based on their specific knowledge.
- The specific approvals for operations that exceed the established limits.
- Monitoring of the business.
- The assignment of risk through reinsurance contracts.

In the credit insurance business, in addition to the above, the management of this risk is carried out daily through monitoring and limiting accumulation of risk (debtor classifications) and through the assessment and monitoring of the quality of each debtor.

The monitoring is carried out by the various business units through early warning indicators and indicators of the evolution of the business, reporting directly to the committees defined at entity and Group level and which are divided according to:

- Non Life insurance business committee.
- Credit and Surety insurance business committee.
- Life insurance business committee.

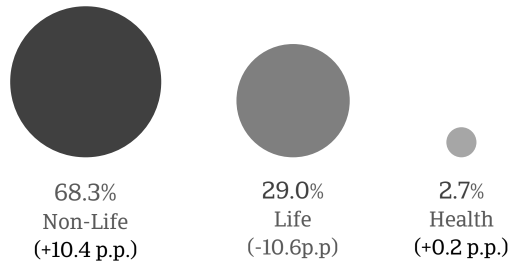
The risk management function contributes to the monitoring of early warning indicators, the SCR reports and the ORSA report.

For more information, see section C.7 on All other information and chapter E on Capital management.

Measurement

The Group measures the underwriting risk through the standard formula, except for the credit insurance business where the Group uses its internal model. Section E4 explains the differences between the standard formula and the internal model.

The Group presents the following underwriting risk profile:



The SCR of the Non-Life business is €1,449.3 million. The main capital charge comes from credit insurance risk with €1,023.4 million followed by premium and reserve risk with €415.3 million.

In the case of the Life insurance business, at €614.5 million, the main capital charge comes from the risk of the portfolio falling at €526.9 million, followed by mortality at €167.9 million.

The Group, and all entities that comprise it, apply the same systems, methodologies and tools on the basis of their business, taking into account in their specific application the particularities that each may present.

Below are some of the tools used by the Group to monitor and measure risks:

- Information management and monitoring analysis of the underwriting and claims.
- Monitoring of risk clusters in the traditional business and the credit insurance business (TPE).
- Determination of the pricing structures.
- Tariff building instruments.
- Appraisal Value: Non Life Insurance business.
- Market Consistent Embedded Value: Life insurance business (certified by Willis Towers Watson).
- Internal model of credit business (ECAP).
- Internally generated credit ratings and assigned customers of the policy-holders of the insurance contracts ("buyers") in the credit insurance.
- Capital models of the rating agencies.

Mitigation

The main mitigation techniques used by the Group are a rigorous underwriting policy and a prudent reinsurance policy (with particular emphasis on the credit insurance business).

The Group also benefits from the activity of the Insurance Compensation Consortium, which, among other functions, provides coverage for the following extraordinary catastrophic risks:

- Phenomena of nature: extraordinary floods, earthquakes, tidal waves, volcanic eruptions, atypical cyclonic storms and the fall of astral bodies and meteorites.
- Those violently caused by terrorism, rebellion, sedition, mutiny and popular tumult.
- Facts or actions of the Armed Forces or Security Forces in peacetime.

Underwriting policy
As mentioned in the previous paragraph, one of the main mitigation tools is a rigorous underwriting policy. Dynamic risk management is the main mitigating factor, especially in credit insurance, managing accumulations of risk, coverage limits and exposures through: excesses, maximum insured amounts and credit limits.

Reinsurance policy
The Group also uses reinsurance that it channels and manages through GCO Re, Atradius Re and other reinsurers as a mitigation tool, seeking not only to transfer risk but to achieve a lasting relationship with the reinsurers.

- Traditional business

  In the traditional business, non-proportional (XL) contracts are mainly used, as it is considered that, due to both the type of business (risk profile) and the volume of premiums, it is not necessary to seek protection on the frequency (number of claims).

- Credit insurance business

  In credit insurance, it should be noted that, due to its cyclical nature, the business is protected against both frequency (number) and severity (cost).

  In this sense, the main proportional credit insurance assignment contract is a separate quota with an assignment ratio of 37.0%.

For non-proportional contracts, a priority of €25 million per debtor or group of debtors after the application of the separate quota contracts. With regard to the reinsurance panel, according to the policy, the Group selects reinsurers that have a high level of solvency/credit rating. The usual minimum requirement is an 'A' rating.

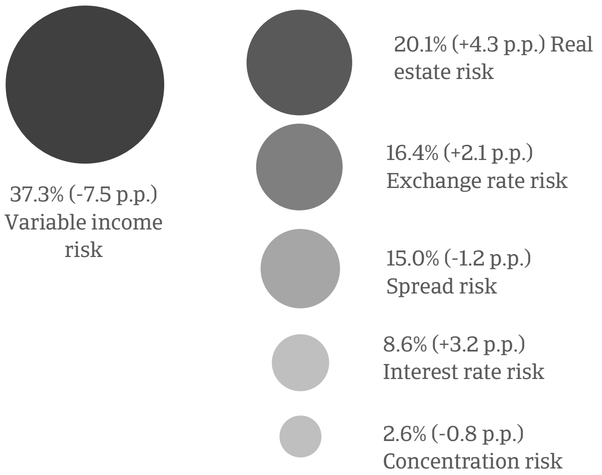
The contracts also include a clause stating that if the reinsurer were to have its credit rating listed at below 'A' during the reinsurance period, a guarantee may be requested and, if it is not provided, the reinsurance agreement with the reinsurer may be terminated.

C.2. Market risk

The market risk amounted to €1,410.7 million, which is €414.3 million lower than in the previous year due to the decline in the stock market and the rise in interest rates.

Market risk is the second most significant in the Group, accounting for 36.4% of the SCR (without considering the effect of diversification). Within the market risk, the most important sub-risks are the risk in variable income and real estate, representing 37.3% and 20.1%, respectively.

The Group's market risk according to the standard formula is subdivided into:



For further information on the distribution of the Group's investments, see section A.2 on investments.

Origin

Market risk arises as a result of the investments made by insurance companies in the course of their business. It is defined as the risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments.

Market risk is in turn divided according to the type of investment into the following sub-risks:

- Interest rate risk: Risk from changes in the interest rate curve. It particularly affects the fixed-income portfolio and its liability adequacy.
- Real estate risk: Risk due to the fall in value of real estate assets.
- Variable income risk: Risk due to changes in the price of shares.
- Spread risk: Risk from changes in credit spreads. It particularly affects the fixed income portfolio.
- Concentration risk: Risk of having excessive exposure in a single issuer.
- Exchange rate risk: Risk arising from changes in foreign exchange rates.

Management

The Group has a specialist financial investment management company called GCO Gestión de Activos. This mainly centralises the management of the financial investments of the different entities of the Group.

Investments are managed in accordance with the principles set out in the investment policy: profitability, security, liquidity, dispersion, diversification and consistency. In particular:

- They are managed on the basis of their liability adequacy.
- Management targets are established for each of the portfolios of the different businesses.
- The assets eligible for investment are defined.
- Minimum credit ratings are set.
- The procedures to be followed for the approval of investments not considered routine or with lower ratings are set.
- Diversification limits are determined.
- Investment in derivatives is permitted on an exceptional basis and under a rigorous system of approvals and delegations.
- The portfolios of pension commitments are immunized through asset swaps or flow swaps.

Targets according to portfolios:

The aim in the case of Life portfolios is to optimise asset and liability adequacy using asset liability management (ALM) frameworks, while verifying compliance with legal and internal requirements.

In the case of Non-Life insurance portfolios, the objective is to maximise the return obtained in the long term through appropriate diversification of assets.

In the insurance credit portfolios, the aim is to maintain the solvency and liquidity required by the business.

Lastly, the portfolios, in which the risk is borne by the customer (whether in insurance contracts or in any other type of financial product), are managed in accordance with the policies established in each case in the statement of terms and conditions or prospectus.

Portfolio analysis and monitoring

The Group has an investment committee which, among other matters, periodically monitors the risks assumed, the adequacy of the assets/liabilities, compliance with the controls in place, and the analysis of the impact of the various stress scenarios.

In particular, the following analyses are carried out:

- Detailed asset-liability adequacy analysis (ALM) in relation to obligations to insured parties.
- VaR (value at risk) analysis of the different investment portfolios.
- Control of modified durations of the fixed income portfolio.
- Sensitivity analysis to future scenarios.

For more information, see Chapter E, section on sensitivities of the solvency ratio to certain variables.

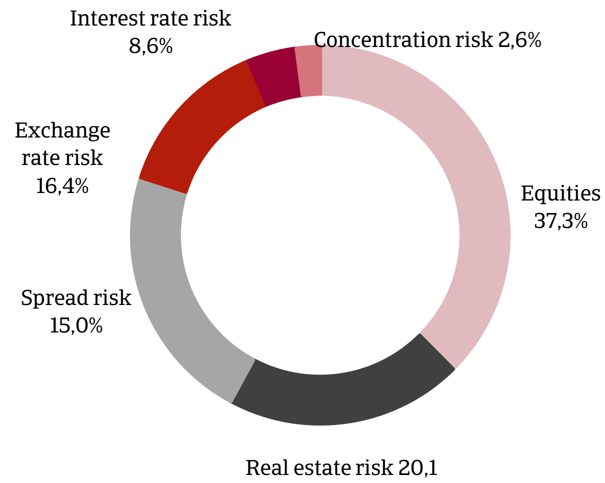
Measurement

The Group measures the market risk using the standard formula.

The SCR market at the end of 2022 amounted to €1,410.7 million, representing 36.4% of the Group's total SCR without considering diversification effects.

The main capital charges come from equity investments (37.3%) as well real estate risk (20.1%).

For more information, see chapter D on valuation for Solvency II purposes.



Mitigation

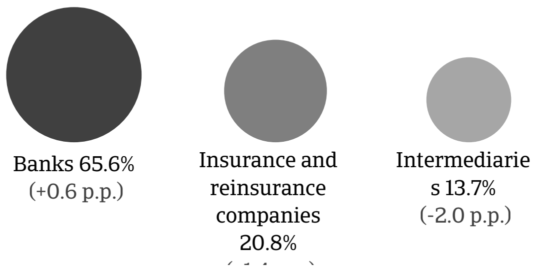
The main mitigator of market risk is the prudent management of investments itself, as well as monitoring and control mechanisms.

The Group mitigates investment risk through the following diversification and concentration limits:

- Securities issued by the same company, or loans granted to the same borrower or guaranteed by the same guarantor: the aggregate amount shall not exceed 5% of the investments. This limit will be 10% if the entity does not invest more than 40% of the investments in securities, credits and borrowers or guarantors in which the indicated 5% is exceeded.
- Some investments will not be subject to the above limits, such as: (i) financial assets issued or guaranteed by international organisations to which Member States of the European Economic Area belong, nor in this same area, those issued by States, Autonomous Communities and local corporations or public entities dependent on them; (ii) investment in shares and participations in CIIs established in the European Common Area and subject to supervision in accordance with European Directives.
- In the event of non-compliance with the established limits, the Board of Directors or other body with sufficient powers is informed and must approve them if necessary.

C.3. Credit or counterparty risk

Counterparty risk amounted to €183.3 million and was €2.1 million lower than in the previous year, mainly due to the divestment of promissory notes during the year. This risk represents 4.7% of the Group's total SCR (excluding diversification effects). The most important exposure for the Group is from banks, accounting for 65.6% of total exposure to counterparty risk.



Main features

+20 Reinsurance companies | **Diversification** | **Average rating "A"** | **Liquid assets**

Origin

Counterparty risk arises from potential losses resulting from unexpected default or impairment in the credit quality of counterparties.
The Group's exposure to counterparty risk is:

- Loans with reinsurers: the Group manages risk through the reinsurers GCORe, AtradiusRe and the technical areas of reinsurance.
- Deposits with credit institutions.
- Insurance contracts that generate receivables from insurance contract holders, and insurance intermediaries such as brokers and agents.
- Investment in debt instruments (loans).
- Cash in credit institutions.

Management

The Entity manages the counterparty risk that comes from cash in credit institutions through the specialist management company GCO Gestión de Activos.
In turn, counterparty risk arising from reinsurance recoveries (mostly from credit insurance) is managed and mitigated by the Group in a number of ways, including:

- Information on credit ratings issued by external credit rating institutions.
- Establishment of risk exposure limits.
- Inclusion of contingent collateral clauses in a reinsurance contract.
- Inclusion of compensation clauses in reinsurance contracts.

Measurement

The Group measures counterparty risk with different metrics, such as:

- Standard formula.
- Credit ratings issued by external credit assessment institutions.
- Capital models developed by rating agencies.

Mitigation

The Group believes that the best tool for mitigating counterparty risk is compliance with investment and reinsurance policies, which define guidelines for the diversification and management of investments and reinsurance. The Group also establishes exposure limits, collateral and payment procedures.

The Group manages investments through GCO Asset Management, which actively manages the liquidity of the Group and its component companies in order to minimise the possible effects of counterparty risk on cash exposures in credit institutions.

For more information, see section C.4 on Liquidity Risk.

In addition, the Group defines for the reinsurers:

- Minimum rating of "A-" for the counterparty.
- Diversification of the reinsurance panel avoiding excessive concentration in any one reinsurer.
- Preference is given to reinsurers in reinsurance tables, as stability is a goal.
- Reinsurers with experience in the business lines covered by the contract are valued.

In addition, both in credit insurance and in traditional business, the contracts include a series of specific clauses.

The inclusion of a contingent collateral clause in a reinsurance contract requires a reinsurer whose rating falls below 'A-' to provide security by pledging assets with a credit institution or providing an irrevocable letter of credit. This mitigates the increased risk.

The inclusion of compensation clauses in a reinsurance contract ensures that the Group can offset the receivables and payables of a reinsurer in the event of a default on its accounts payable. This reduces exposure to risk.

C.4. Liquidity risk

Although liquidity risk is not considered in the standard formula, the Group does consider, manage and mitigate it as shown below.

Origin

Risk of default in the event of an inability to obtain the necessary liquidity even with the necessary assets.

Management

In order to ensure that obligations to policyholders can be met, the Group takes into account both short-term and long-term liquidity risk.

The Group manages liquidity risk by adapting investments to the characteristics of the liabilities of the various businesses in which the Group operates.

Additionally, the Group continuously monitors the evolution of cash flows to always maintain sufficient cash and highly liquid securities to reduce liquidity risk to a sufficiently low level for acceptance.

Measurement

In order to determine the level of mismatch between incoming and outgoing flows, both of assets and liabilities, the Group performs ALM analyses that include the projection of these flows in a one year period. This analysis allows us to anticipate with sufficient time any cash mismatch in the different sub-portfolios being managed and to take the appropriate management measures to mitigate it.

In the case of the Life products with guaranteed profitability, in order to mitigate the liquidity risk, redemption penalties are incorporated into them, which allow the costs of making investments to be minimised, if this is necessary.

In the case of unit-linked companies, the Group takes into account the liquidity risk of its investments in relation to the liabilities arising from the obligations to insured parties, based on the immediacy with which they must meet their obligations.

In addition, the Group prepares annual budgets for the evolution of both asset and liability cash flows. This information is compared on a monthly basis with the periodic information available on the evolution of the actual cash positions and allows decisions to be taken if necessary. If relevant, such information is available by business.

If new activities are launched, as part of their business plan, liquidity and financing analyses are available to anticipate the needs to be covered in both the short and medium term.

The analyses include the potential liquidity risks associated with reinsurance operations.

Mitigation

The Group understands that the best tool for mitigating the risk is compliance with investment and reinsurance policies. The Group's policy is to maintain sufficient cash balances to meet any eventualities arising from obligations to customers.

It should be noted that the investment policy establishes the criteria for the selection and type of assets in which the entity makes its investments, the majority of which, unless expressly approved by the General Management, are liquid assets listed on the main international markets. This fact allows liquidity to be obtained to face unforeseen situations in a very short period of time. The impact on costs arising from an enforced liquidation will depend on the amount to be realised, the assets to be sold and the situation of the financial markets at any given time.

Furthermore, as a result of its regular banking operations, the Group maintains relations with various leading financial institutions in the markets. If necessary, following authorisation by the General Management, the Group may sign financing contracts to obtain additional financial resources.

It should also be noted that, given the composition of the Group's portfolios, the repurchase of fixed-income positions, mainly sovereign bonds, allows financing to be obtained if necessary. Historically, these operations have only been carried out on an extraordinary basis, with the authorisation of the General Management. The cost of these will depend on the situation of the financial markets at any given time.

In addition, a simultaneous claim payment clause is established in the main reinsurance treaties so that reinsurers can more quickly anticipate the payment of a large claim instead of applying the usual payment terms agreed in the reinsurance agreements.

C.5. Operational risk

Operational risk amounts to €158.2 million and is €9.7 million higher than in the previous year due to a higher premium volume resulting from business development. This risk represents 4.1% of the Group's total SCR.

Origin

Operational risk is defined as the risk of loss arising from the inadequacy or dysfunction of internal processes, staff or systems, or from external events.

The Group identifies the following as the main operational risks:

Operational risk category	Risks
People (risks related to people and culture within the company)	Internal Fraud / Industrial Relations and Workplace Safety / Training and Talent Retention
Processes (risks related to operational processes within the company)	Product design/ Process design and control/ Process implementation, delivery and management/ Documentation
Systems (risks related to the systems used in the company)	Complexity in the maintenance and design of a system / Information generated by systems with errors or inaccuracies / Unauthorised physical access / Critical system failures / Theft or loss of devices
Cyber Security (risks related to the deliberate sabotage of computer systems)	Social Engineering / Cybersecurity Maintenance / Vulnerability Exploitation / Denial of service
External (risks related to events occurring outside the company)	Outsourced activities and other external events (e.g. health crises)/ External fraud / Legal / Damage to physical assets

Management

Operational risk management includes: (i) the identification of risks, (ii) the assessment of those risks, (iii) the definition of controls in response to those risks and (iv) the analysis and monitoring of residual risk.

The Group has defined and implemented an internal control system that involves and affects the entire organisation and all levels. Its main objective is to minimise operational losses and improve controls.

For more information, see section B.4 on the Internal Control System.

Computer tools are used in operational risk management, differentiating traditional business from credit insurance.

The Group also incorporates action plans to prevent, eliminate, reduce or transfer risks as appropriate.

Measurement

In addition to the Solvency II standard formula measurement, operational risk is measured in terms of probability of occurrence and severity of occurrence.

The Group considers probability of occurrence to be the possibility that a risk will materialise in a given period of time and severity to be the estimated financial impact that the risk would have if it were to materialise. Risks are classified according to these two attributes in the Group's operational risk map.

In order to ensure that the information contained in the Group's operational risk map is correct, various actions are carried out, including the following: (i) the regular performance of risk assessments by risk managers, (ii) the collection and monitoring of all operational event losses above the ten thousand euro threshold and (iii) the monitoring of key risk indicators in order to anticipate possible internal control weaknesses or increases in operational risk exposure.

Mitigation

The main elements to mitigate operational risks are:

- Controls that mitigate inherent risks.
- Business continuity plans.
- Data quality and safety policy.
- Procedure for action in cases of irregularities and fraud (reporting channel).
- Ensure compliance with the Group's code of ethics and other internal regulations.

The information on operational risk is reported every six months in the internal control report to the Board of Directors of Grupo Catalana Occidente, S.A. referred to in section B.4 above.

C.6. Other significant risks

The Group includes both the risks defined in Pillar I and non-quantifiable risks in its risk map.

These risks are covered by various Group policies, are qualitatively monitored and are mitigated through effective internal control (see section B.4.).

The main risks for the Group are described below:

Economic, geopolitical and competitive environment risk

The risk of the political environment is the risk with the possibility of affecting the economic interests of companies derived from political changes either at a national or international level. In turn, the economic environment risk is the risk that measures the possible changes, as well as the uncertainty generated, which may affect the Group's results as a result of changes in the national and international economic environment. In particular, it highlights the risk of possible economic slowdowns as a result of the COVID-19 pandemic, the geopolitical crisis in Russia and Ukraine, and the inflationary situation in the economic environment:

- The Group defines the management of these risks in the Group's investment policy.
- They are measured and monitored through the various portfolio analyses and sensitivity scenarios performed by the Group (included in the financial reports, investment reports and risk control reports), and the continuous monitoring of various market indicators.
- According to the Investment policy, these are mitigated through prudent and diversified portfolio management, ALM management of assets and liabilities, the maintenance of sufficient cash balances to meet possible contingencies, and the investment management decisions taken by the various Group and Individual Entity Committees on the basis of the aforementioned analyses.

Strategic risk

Risk of loss in profit or capital resulting from inappropriate strategic decisions, defective execution of decisions or inappropriate adaptation to the evolution of the economic environment.

Compliance with the Group’s objectives is monitored by the Steering Committee and by each of the areas, in such a manner that there is exhaustive monitoring of the plan in the medium-term and of the circumstances that may occur therein.

Reputational risk

Risk associated to the occurrence of an event that has a negative impact on the image or notoriety of the Group and, in consequence on it’s reputation.

This risk is materialised through unfavourable information in public media, internet/social media or reports in the framework of a claim.

Its causes can vary from poor management of a claim, inappropriate behaviour of employees or collaborators, defects in the provision of services, fraud in mediation, etc.

In order to manage this risk the Group:

- Avails of a code of ethics signed by the board members, employees and service providers.
- Has a defined procedure for dealing with irregularities and fraud.
- Determines the requirements of aptitude and honour.
- Monitors the information published in communication media.
- Avails of protocols for action for the management of reputational risk events.

Risk of contagion

This is the risk arising from the interdependence of risks between Group entities that could lead to an error, underestimating the exposure to risk.

In order to manage this risk the Group:

- Continuously monitors all its business units, taking into account the economic environment and its interdependencies.
- Ensures that the strategic pillar of "profitability" is met in each product line.

The Group's risk map has not detected any contagion risk in addition to that arising from possible limitations on the fungibility and transferability of capital.

In establishing the capital structure, the Group takes into account the transferability of capital. The transferability of capital represents the possibility of transferring funds between the different entities that make up the Group. In order to determine the transfer of funds between Group entities, the following factors are analysed in both the periodic information and the ORSA reports:

- In accordance with the provisions of Article 71 of LOSSEAR, equity shall be classified in Tier 1, 2 or 3. In this regard, at Group level, the only item that would not be considered Tier 1 would be the subordinated bond (Tier 2).

The Group has analysed the eligibility/availability of this subordinated liability in the PPFs according to the Tier 2 limits and 100% of both can be considered as eligible.

- The corresponding adjustments to the equity of any minority interest in a subsidiary that is greater than that subsidiary's contribution to the group Solvency Capital Requirement.
- The possible limitations arising from the local requirements of the Entities or branches of the Credit business operating outside the European Economic Area. According to the analyses performed, no material adjustments are required to the Group's solvency capital requirement or shareholders' equity.

Concentration risk

The Group continuously monitors the degree of risk concentration by customer, product, portfolio, distribution channel, geographical area, sector, country, etc.

The Group is exposed to concentration risk through credit insurance, mainly by accumulating assets with a debtor and underwriting credit exposure limits on a buyer -or group of related buyers-, in a country or in a commercial sector.

The Group manages concentration risk through:

- Concentration is a driver in the economic equity model, so capital decisions take concentration risk into account;
- Concentration risk in risk exposures is normally analysed with respect to the individual buyer, customer, industry, country and/or product;
- Credit concentration limits are assigned at an aggregate level (e.g. name/group, country) in order to manage exposure concentration at portfolio level.
- For concentration on exposures to major individual buyers, special excess of loss reinsurance treaties are established to mitigate liability in the event of major claims;
- For asset concentrations, the Group limits investments with a counterparty to less than 5 % of the investment portfolio (this applies only to non-government counterparties).
- In addition, the reinsurance policy limits a maximum of 5% of reinsurance contracts with a reinsurer, unless the reinsurer is considered a principal or strategic reinsurer.

The Steering Committee in credit insurance reviews the concentration of credit limits underwritten by country and sector of activity and for the top 50 buyers.
In addition, as part of the reinsurance treaty renewal process, the Steering Committee reviews the proposed reinsurance treaties and compliance with their concentration limits.

The annual report of Grupo Catalana Occidente provides risk exposure data (TPE) detailing the concentration by country, by sector and by customer size.

Risk of regulatory non-compliance

Risk of incurring legal sanctions, regulations, financial or reputational losses due to non-compliance with established laws, regulations, self-regulatory standards and codes of conduct.

Insurance companies are exposed to a complex and changing regulatory and legal environment that can influence their capacity to grow and the development of certain businesses.

The Group constantly monitors changes in the regulatory framework, allowing it to anticipate and adapt to them sufficiently in advance, adopting the best practices and the most efficient and rigorous criteria in their implementation.

The Group controls this risk through the regulatory compliance verification function.

The main mitigation measures that the Group applies are:

- Procedure for action before irregularities.
- Advice and control in regulatory compliance and assessment of the impact of any modification of the legal environment.

There have not been any events of regulatory non-compliance but there are still significant regulatory changes: IFRS17, Personal Data Protection Regulation, Private Insurance and Reinsurance Distribution Regulation, Packaged Retail Insurance and Investment Products (PRIP), Key Information Document (KID) and Solvency II Regulatory Review.

Emerging risks

Emerging risks are risks resulting from increased exposure or susceptibility to a previously unknown factor, or associated with increased exposure to an already identified hazard.

The identification of possible emerging risks is carried out by monitoring the external environment (regulatory changes, market changes, etc.) and the company's own environment (development of new products, entry into new markets, etc.).

Of the risks defined in the Group's risk map, the following are identified as the main emerging risks that may have the greatest strategic impact on the Group in the future:

- Financial volatility
- Inflation at an all-time high
- Prolonged economic recession
- Regulatory frameworks
- Cyber risks

Taking into account the circumstances arising from the COVID-19 pandemic, the geopolitical crisis in Russia and Ukraine and the inflationary situation in the economic environment, the Group considers the possibility of a prolonged economic recession or the continuation of an inflationary environment as emerging risks that could have the greatest impact in the future.

Social, environmental and governance risks

Sustainability risks are defined as those risks that constitute the possibility of losses driven by environmental, social and governance ("ESG") factors.
Of the risks included in the Group's risk map, the following are identified as the main sustainability risks that could have the greatest strategic impact on the Group in the future, classified according to whether they are physical risks, transition risks or liability risks:

- Physical Risks: These are those arising from climate change and arise from a number of specific weather events, can have financial implications for organisations, such as direct damage to assets and indirect impacts arising from supply chain disruption (e.g. arising from increased claims and payments for insured goods due to increased natural catastrophes).
- Transition Risks: They emerge as society adapts to a low-carbon economy. There are a number of factors that influence the adjustment to a sustainable economy, such as policy developments, regulation, new technologies or business models, changing social sensitivities and preferences, or evolving legal frameworks and interpretations (e.g. the impact on the overall economy of new sustainability regulations that may affect investment portfolios, or the economic impact of pressure on certain investments due to their sustainable or non-sustainable component).
- Liability risks: They arise from weather-related insurance claims through liability insurance policies and direct legal claims against insurers for failing to manage weather risks appropriately

Bearing in mind that these risks may affect the Group as a whole, directly or indirectly, and that they must therefore be integrated transversally into the Group's risk policies, a Sustainability Committee has been set up.

The management, measurement and monitoring of these risks is defined in the climate change and environment policy, as well as in the rest of the Group's governance policies, according to which:

- The impacts of such risks, to the extent relevant, are analysed in financial planning with the aim of adapting, if necessary, strategic planning in the light of the risks identified.
- The necessary metrics are implemented to help measure and manage the risks and opportunities arising from climate change.
- A periodic report is made at the highest level on the identification of such risks and their impact on the business.

Since sustainability and climate change risks are managed in a comprehensive manner, further information is available in the Sustainability Report - Statement of non-financial information of Grupo Catalana Occidente, audited and published on the website www.grupocatalanaoccidente.com. This identifies the map of the main social, environmental and governance risks to which the Group and its individual entities would be exposed, as well as the assessment of the impact that climate change risks could have on its activity according to the adverse scenarios analysed in the framework of the risk and solvency self-assessment (ORSA).

Intangible assets and goodwill risk

The Group recognises intangible assets, deferred acquisition costs and goodwill in its balance sheet, which arise as a result of acquisitions from third parties or internal developments, amounting to €1,199.7 million.

The main amount is goodwill (€787.1 million) derived from the active acquisition policy carried out by the Group in recent years.

At balance sheet level, the Group considers the value of intangible assets and goodwill to be zero.

At balance sheet level, intangible assets are measured at net acquisition cost and impairment analyses are performed periodically.

C.7. Any other information.

C.7.1. Dependencies between the significant risks

The risks covered are aggregated among the different modules and sub-modules through the correlation matrix, stipulated by Solvency II regulations. In the case of Non-Life underwriting risk, traditional business risks (calculated according to the Standard Formula) and credit business risks (calculated according to the internal model) are aggregated without taking into account diversification benefits.

C.7.2. Sensitivity analysis of the SCR

Grupo Catalana Occidente carries out various sensitivity analyses on SCR with the aim of maximising the stability of the income statement and the levels of capital and liquidity.

These analyses allow us to test the resistance to adverse environments.

The equity model for credit insurance enables the sensitivity of underwriting risk to changes in key parameters of the credit business, such as the probability of default, severity of the losses and the correlation between the various elements, to be assessed.

The results corresponding to the impact on SCR are shown in section E.2.2. of the Capital Management chapter.

D

Valuation for Solvency purposes

The Group prepares its financial statements under IFRS. In addition, the Group must maintain sufficient equity to cover the Solvency Capital Requirement (SCR) for which purpose it applies the solvency regulations in order to establish its solvency ratio.

Equity is obtained from the difference between assets and liabilities to market value (financial balance sheet).

This chapter breaks down the main differences between the financial balance sheet for solvency purposes and the balance sheet under IFRS.

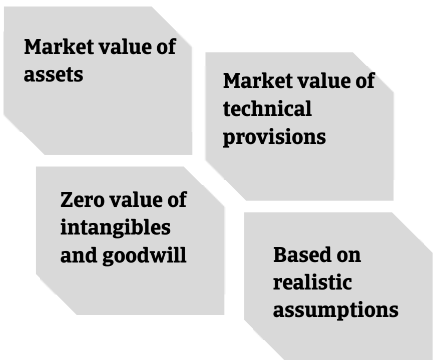
Annex D explains in detail the concepts and methods used in the preparation of the economic report and the reconciliation with the balance sheet.

D.0. Introduction

At the close of financial year 2022, Grupo Catalana Occidente had assets with a market value of €17,002.7 million, 2.4% less than at the close of 2018.

The main item corresponded to financial and real estate investments, which represented 66.1% of total assets, in line with the previous year.

In the financial balance sheet, total assets are €613.1 million lower than in the balance sheet. The main causes of this difference are summarised below:



The different scope of accounting and solvency consolidation must be taken into account in order to analyse the valuation differences between the financial balance sheet and the accounting balance sheet included in the various breakdowns. Thus, the entities Catoc SICAV, Hercasol SICAV, Bilbao Hipotecaria, GCO Gestión de Activos SGIIC, Catalana Occidente Capital and Agencia de Valores are reflected in the financial balance sheet as a single asset item at market value; while the accounting balance sheet includes all their assets and liabilities.

The external auditors, in collaboration with actuarial experts (PricewaterhouseCoopers S.L.), have carried out a review that involves analysing the significant differences between the bases, methods and main assumptions used for the valuation for solvency purposes and for the valuation of the financial statements, so as to obtain reasonable assurance on the changes made for solvency purposes.

Annex D details the information with reconciliation tables of the economic balance sheet with the accounting balance sheet, as well as the QRT S.02.01.02.

D.1. Valuation of assets

Total Group assets amounted to €17,002.7 million, €409.4 million more than in the previous year.

With regard to the economic valuation, the main differences with the previous year are:

- **Investments (other than Index-linked and Unit-linked assets):** During 2022 on-balance sheet investments decrease by €936.2 million mainly due to the stock market decline and rising interest rates.

- **Cash and other cash equivalents:** Cash exposure has increased by €403.2 million due to the evolution of the business and the Group's entity.

Figures in € thousand

Evolution of the financial balance sheet	2021	2022	Diff
Goodwill	0.0	0.0	0.0
Deferred acquisition costs	0.0	0.0	0.0
Intangible assets	0.0	0.0	0.0
Deferred tax assets	997,798.6	1,007,525.0	9,726.4
Surplus pension benefits	88,371.0	81,338.0	-7,033.0
Property, land and equipment for own use	559,212.0	538,662.9	-20,549.1
Investments (other than Index-linked and Unit-linked assets)	11,640,045.4	10,703,834.8	-936,210.6
Investments for Unit linked	757,629.0	751,007.6	-6,621.5
Loans and mortgages	216,166.0	208,153.8	-8,012.1
Reinsurance recoverables	626,629.2	616,345.2	-10,284.0
Deposits to assignors	22,100.6	23,605.0	1,504.3
Insurance and brokering receivables	271,537.0	326,433.1	54,896.1
Reinsurance receivables	151,247.9	202,650.6	51,402.7
Receivables (other than from reinsurance operations)	324,933.5	317,440.1	-7,493.4
Treasury shares	605.6	58,428.7	57,823.2
Amounts owed on equity items	0.0	0.0	0.0
Cash and other liquid assets	1,653,597.6	2,056,808.6	403,211.0
Other assets	102,227.1	110,499.3	8,272.2
Total assets	**17,412,100.5**	**17,002,732.6**	**-409,367.9**

With regard to the differences with the accounting view, the main differences are in the following items:

- **Goodwill:** For balance sheet purposes, they are considered to have a value equal to zero.

- Deferred tax assets: When considering deferred tax assets, the different measurement criteria for accounting and solvency purposes are taken into account, as well as the probability that there will be future taxable profits with respect to which the deferred tax asset can be used.

- **Investments (other than Index-linked and Unit-linked assets):** The financial balance sheet provides €469.5 million more than in the accounting records, mainly due to investments in property for the use of third parties, which are valued at market value in the financial balance sheet (corresponding to their appraisal value determined by approved appraisal bodies) and at amortised cost in the accounting records, i.e. €391.9 million.

- **Reinsurance recoverables:** In the financial balance sheet, the reinsurance recoverable is calculated using the same calculation methodology as the best estimate of technical provisions, which is €489.9 million less than in the balance sheet.

- **Deferred acquisition costs:** In the financial balance sheet they are considered to be of zero value (as they are implicitly included in the calculation of the best estimate of premiums), while for accounting purposes they represent €276.7 million.

- **Intangible assets:** For balance sheet purposes, they are considered to have a value equal to zero.

- **Property, land and equipment for own use:** In the economic balance sheet they contribute €469.5 million more than in the accounting balance sheet, due to the fact that the economic balance sheet is valued at market value, which corresponds to their appraisal value, determined by approved appraisal bodies (this appraisal is carried out every two years). In addition, the economic balance sheet includes the right of use of the long-term leased assets in which the Company acts as lessee in accordance with IFRS16. (see note 5.1 annex D).

For more information, see annex D on valuation for Solvency purposes.

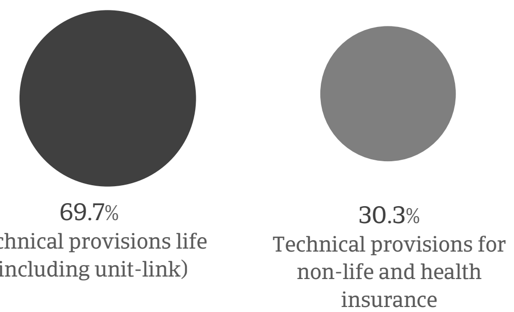
Figures in € thousand

Balance sheet 2022	Financial	Accounting	Diff
Goodwill	0.0	787,111.6	-787,111.6
Deferred acquisition costs	0.0	276,702.3	-276,702.3
Intangible assets	0.0	135,924.4	-135,924.4
Deferred tax assets	1,007,525.0	282,280.8	725,244.2
Surplus pension benefits	81,338.0	81,338.0	0.0
Property, land and equipment for own use	538,662.9	389,562.7	149,100.2
Investments (other than Index-linked and Unit-linked assets)	10,703,834.8	10,234,324.5	469,510.3
Investments for Unit linked	751,007.6	751,007.6	0.0
Loans and mortgages	208,153.8	216,777.3	-8,623.5
Reinsurance recoverables	616,345.2	1,106,207.4	-489,862.2
Deposits to assignors	23,605.0	23,605.0	0.0
Insurance and brokering receivables	326,433.1	425,128.4	-98,695.3
Reinsurance receivables	202,650.6	96,426.5	106,224.1
Receivables (other than from reinsurance operations)	317,440.1	324,524.3	-7,084.2
Treasury shares	58,428.7	22,787.2	35,641.5
Amounts owed on equity items	0.0	0.0	0.0
Cash and other liquid assets	2,056,808.6	2,140,572.5	-83,763.8
Other assets	110,499.3	321,524.6	-211,025.3
Total assets	**17,002,732.6**	**17,615,805.0**	**-613,072.4**

D.2. Valuation of technical provisions

Technical provisions are the main liability item of an insurer reflecting the amount of the obligations arising from insurance contracts and are constituted and maintained for an amount sufficient to guarantee all the obligations arising from those contracts.

At the close of the financial year, in the financial balance sheet, the net technical provisions represent 66.6% of the total of the Group's balance sheet with €7,571.4 million, net of reinsurance, reducing by €301.8 million in relation to the previous year.



Solvency II reflects the market value of the various balance sheet items. In particular, the market value of technical provisions is defined as the sum of the following two concepts:

- the Best Estimate of Liabilities (BEL) and
- the risk margin (RM).

The best estimate corresponds to the present value of the cash flows associated with insurance or reinsurance obligations, probable and discounted at the risk-free rate. The Group calculates this, based on realistic assumptions, in accordance with appropriate, applicable and relevant actuarial methods.

The benefit of future premiums is included in the calculation of the best estimate, reducing the value of technical provisions. At Grupo Catalana Occidente, this value corresponds to €1,262.7 million in Life and €224.5 million in Non-Life.

At consolidated Group level, the best estimate is the linear sum of the best estimates of each of the individual entities, once the intra-group operations have been eliminated.

The risk margin ensures that the value of technical provisions is equivalent to the amount that an insurance company would require in order to assume and meet insurance obligations.

The risk margin is calculated as the capital cost of the present value of future capital requirements (SCR).

At consolidated Group level, the risk margin is the straight-line sum of the risk margins of each of the individual entities.

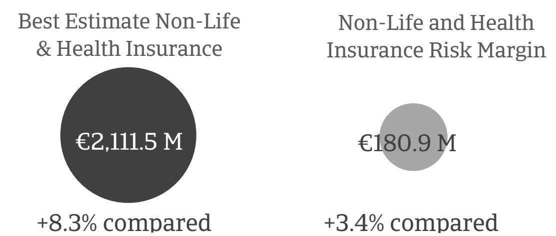
Technical provisions are detailed below according to the main business lines.

For further information, see Annex D - QRTs S.02.01.02, and S 22.01.22

D.2.1. Technical provisions for Non-Life insurance

This heading includes the Health business assimilable to Non-Life ("NSLT Health" - with techniques similar to Non-Life).

Technical provisions net of reinsurance of the Non-Life and Health NSLT business amounted to €2,292.5 million, representing 30.3% of total net technical provisions.



The best estimate according to Solvency II in the Non-Life business increases by €161.1 million due to the evolution of the Credit business.

Information is provided below by line of creditworthiness business.

figures in thousands of euros and net of reinsurance

	TOTAL	BEL	RM
Motor CL	569,697.4	554,388.3	15,309.1
Motor other	127,936.7	123,011.8	4,924.9
Transport*	20,442.4	19,241.5	1,201.0
Fire and other property damage *	404,413.8	387,509.8	16,904.0
Civil Liability*	124,026.1	115,305.5	8,720.6
Credit and surety	977,827.0	850,712.7	127,114.3
Legal expenses	1,511.7	1,447.9	63.8
Assistance	141.2	134.8	6.5
Others	7,067.0	6,459.1	607.9
Total Non Life	2,233,063.4	2,058,211.3	174,852.1
Total Health NSLT*	59,437.7	53,309.7	6,128.0

(*) Includes non-proportional reinsurance business lines

D.2.1.1. Non-Life technical provisions of the traditional business

The technical provisions of the traditional Non-Life business at €1,314.7 million represent 17.4% of the total technical provisions, with motor and fire and other damages to assets being the main items.

In the economic balance sheet, the technical provisions of the traditional business are broken down as follows:

- Premium provisions: considered unearned written premiums and the result of future premiums. Their calculation is made in accordance with Technical Annex 3 of the Guidelines.
    - o In order to determine the result of an unearned premium written, the UEPP (unearned premium provision) of the gross deferred commission adjusted by claims ratios to ultimate cost from the results obtained in determining the claims provision, administrative expenses and internal claims settlement expenses (GILS in Spanish).
    - o In order to determine the result of future premiums, the volume of tacit renewals and the volume of the unearned premium adjusted by a technical margin whose claims ratio is set at ultimate cost, is required.
- Claims provisions: according to actuarial and statistical techniques based on Chain Ladder methodologies, using realistic assumptions.
- Risk margin: calculated in accordance with the full method of Guideline 62 on the valuation of technical provisions.

Both claims and premium provisions are discounted by applying the risk-free curve published by EIOPA with adjustment for volatility.

The calculation is made by homogeneous groups of risks that coincide with the Group's management branches.

In Non-Life insurance in the traditional business, the contract limits coincide with the duration of the policy, and consequently, in practically all of them, a duration of one year is considered together with the amount of the tacit renewals.

For further information, see explanatory notes to the balance sheet in Annex D.

D.2.1.2. Non-Life technical provisions of the credit insurance business

The credit insurance business at €977.8 million of net technical provisions represents 12.9% of total technical provisions and increases by 33.5%.

The most important differences between the financial and accounting valuation are:

- Change in bases, since under accounting regulations the profit is posted to the unearned premium reserve;
- Change in the assumptions for the determination of the best estimate of the obligation.

As in the traditional business, the technical provisions of the credit business are broken down into:

- Premium Provisions (PP): PPs are the best estimate in relation to future claims events covered by insurance and reinsurance obligations within the limit of the contract. Cash flow projections for the calculation of PP include claims, expenses and premiums.
- Claims provisions: these are the best estimate of cash flows related to claims that have already occurred, regardless of whether or not the claims have been reported.

The analysis of the differences in provisions under solvency and under IFRS must be made jointly, taking into account the recoverable amounts of reinsurance and the items of other assets and other liabilities.

The methodology for calculating technical provisions for credit business depends on the various products and underlying risks.

For all products, the best estimate is made through relevant statistical and actuarial methods in combination with their realistic positions.

- *The choice of contractual limits*

Product	Contractual limit
Credit insurance	Risk insured before the balance sheet date
Special products	All policies issued before the balance sheet date that have not expired
Surety insurance	Surety issued before the balance sheet date, including extensions
Payment protection	End of the underlying credit obligation for all policies issued before the balance sheet date

Credit insurance includes the unilateral right to cancel future coverage (sales), offered under short-term policies, by varying, reviewing or cancelling decisions on policy credit limits.

- *Amounts recoverable from reinsurance*

The amounts recoverable from reinsurance contracts are calculated in a manner consistent with the limits of the underlying contracts to which they relate.

An adjustment for expected losses due to the default of the counterparty is included in the estimate of reinsurance amounts recoverable. Reinsurance has predominantly an S&P rating of "A-"or better.

- *Risk margin*

The Risk Margin is calculated in accordance with Guideline 62 on the valuation of technical provisions.

D.2.2. Technical provisions for Life insurance

This heading includes the technical provisions of unit-linked insurance.

At the end of the financial year, the net technical provisions for life insurance amounted to €5,278.9 million, representing 69.7% of the total, with the savings products with profit participation (PB in Spanish) contributing the most.

The best estimate under Solvency II decreases by €148.7 million mainly due to the update of the assumptions according to the current environment conditions.

Figures in € thousand

	TOTAL	BEL	RM
Insurance with a stake in B°	4,345,465.9	4,286,655.8	58,810.1
Index-linked insurance	640,125.7	620,269.8	19,856.0
Other life insurance	277,344.1	-73,328.6	350,672.7
Accepted reinsurance	2,227.7	263.1	1,964.6
Total Life	**5,265,163.4**	**4,833,860.1**	**431,303.4**
Total Health SLT	**13,702.5**	**13,702.5**	**0.0**

Net reinsurance figures

In Life, the technical provisions in the financial balance sheet net of reinsurance are €1,536.2 million lower than the accounting provisions due to the different calculation methodology.

The main differences in the calculation methodology are summarised below:

	Financial	Accounting
Methodology	Best estimate of expected cash flows	According to Technical Note
Discounting of flows	Volatility-adjusted risk-free interest rates	Guaranteed interest rate
Cash Flows	Flows of benefits, expenses, commissions and expected premiums	Performance, administration expenses, acquisition expenses and contract premiums
Policyholder behaviour	Assumptions of future behaviour	According to the obligations and rights of the contract
RM	It is added to the BEL	Not applicable

The main valuation change for Solvency II purposes is mainly due to the impact of the risk-free curve for discounting future flows in Life Savings products and the recognition of the future benefit of premiums for Life Risk products.

Categories and procedure for deriving assumptions

The assumptions on which the calculation of the best estimate is based fall into the following categories:

- Claims assumption
- Persistence assumption (policyholder behaviour)
- Cost assumption
- Financial assumption

The assumption derivation procedure consists of the following:

- The experience study of the last observation period is carried out.
- The hypothesis is derived from experience studies of recent periods.

Methodology for calculating best estimate assumptions

The table on the following page shows the methodology for calculating the best estimate assumptions (BEL) used, in general, by all the Group entities operating in the life insurance line, to the extent that they are applicable.

The cash flow projections used in the calculation of the best estimate for life insurance obligations are made on a policy-by-policy basis or, for group policies, on a policyholder-by-insured basis, and the assumptions mentioned above are applied.

The flows take into account all the cash inflows and outflows necessary to settle the insurance obligations over their entire term.

The interpretation criteria for considering the limit of a contract to be more than one year includes three factors:

- The insurance company cannot exercise the right to cancel the contract unilaterally (except where age limits for non-renewal set out in the contract from the outset are reached).
- The insurer may not unilaterally refuse to pay premiums under the contract (except where age limits for non-renewal set out in the contract from the outset are reached).
- The insurer cannot unilaterally modify the premiums or benefits, and must refrain from making an individual assessment of the insured party's individual risk after the one made at the outset of the

contract (unless the policyholder requests new benefits to be insured). However, this third factor is mitigated by the fact that it is established that it is possible to amend the premium or benefit rates at the level of a portfolio as long as it is due to a material deviation in the claim and the total expenses of the portfolio.

In the life insurance (death) and funeral insurance policies in which these three circumstances are present because they are reflected in the contract, the Group is considering whole life funeral insurance and projecting up to 75 years in Death policies, reflecting consequently a duration longer than the annuity of the policy.

For the calculation of the risk margin, the full method of Guideline 62 of Final Report on public Consultation No. 14/036 on Guidelines on Valuation of Technical Provisions has been used, discounting the future SCR's of the Life portfolio and applying a capital cost of 6%

Methodology for calculating best estimate assumptions

Business Assumption	**Claims**	Mortality	In Funeral, the claims assumption corresponds to applying an additional surcharge at 100% of the 2020 sectoral tables for Funeral published by the DGSFP. The surcharge is based on claims experience in recent years.
			For the rest of the products, the claims assumption corresponds to applying 100% of the 2020 sectoral tables published by the DGSFP.
		Disability	The assumption is the average disability rate of recent years.
			The disability rate for each year is equal to the percentage of actual disability over theoretical disability according to the PEAIMFI tables.
		Survival	The Survival assumption corresponds to applying 100% of the 2020 sector tables published by the DGSFP.
	Persistence	Cancellations	The assumption is the average of the cancellation rate of recent years without considering the experience of the crisis years as not representative of long-term expectations.
		Planned Premiums	The portfolio value projects the expected premiums for active policies and does not project the premiums for policies that are suspended at the valuation date.
		Supplementary Premiums	An assumption of payment of additional premiums as an amount in euros per policy is applied.
		Partial Redemption	A history is used without taking into account the years of crisis.
			The assumption is the average of the partial redemption rate in recent years without taking into account the years of crisis.
	Expenses	Director	To derive cost assumptions, they are broken down by destination: Management (management of investments, benefits, management expenses and other technical expenses). Future management costs are projected by assigning a unit management cost per policy and month. The assumption is calculated by dividing the actual expenses of the year by branch, according to the number of policies. The assumption is derived by assigning a unit management cost per policy and month.
Financial Assumptions	**Interest Rates**	Discount and Reinvestment	Discount to the risk-free curve + volatility adjustment both published by EIOPA
			Reinvestment at 1-year forward rate consistent with the discount rate
	Assets	Fixed-Income	The book return (explicit and implicit) on fixed-income assets is adjusted according to market value
		Variable Income, Treasury and Real Estate	The future returns on these assets are consistent with the relevant risk-free interest rate term structure including the volatility adjustment.
	Liabilities	Share of profits	The value of future discretionary profits is calculated separately.
		Inflation	A future inflation scenario is established that affects the future growth of expenses and invariable risk premiums.

Impact of transitional measures and volatility adjustment

The following data are presented with the impact of the application of the transitional measure of technical provisions and the adjustment for volatility. The Group is authorised by the Directorate General of Insurance and Pension Funds to apply the transitional deduction of technical provisions. However, due to the applicable limit according to Article 308d of Directive 2009/138/EC of the European Parliament and of the Council, the transitional measure for technical provisions at year-end 2022 does not apply:

figures in thousands of euros and net of reinsurance

	With VA With Transitory TP	With VA Without Transitory TP	Without VA Without Transitory TP
Technical Provisions	7,571,367.1	7,571,367.1	7,596,846.3
Solvency Capital Requirement	2,188,458.2	2,188,458.2	2,191,477.9
Minimum Capital Requirement	800,385.8	800,385.8	803,269.3
Basic Equity	5,414,992.3	5,414,992.3	5,395,882.8
Eligible Equity to cover the SCR	5,414,992.3	5,414,992.3	5,395,882.8
Eligible Equity to cover the MCR	5,389,372.4	5,389,372.4	5,370,839.6

The data shown do not take into account the adjustment of the counterparty's probability of default.

For further information, see Annex D - QRT S.22.01.22

D.2.3. Uncertainty level

The state of the economy is an important factor in the frequency and severity (average cost) of claims. In turn, all the Group's business lines may see their provisions affected as a result of legislative changes.

In life insurance, the main sources of uncertainty are the evolution of interest rates, expenses, the behaviour of the policyholders and insured parties and the evolution of mortality and survival.

In non-life insurance in traditional business, the principal sources of uncertainty are: the frequency of claims and their quantity, the number and size of serious claims and the estimate of recoverable percentages.

In non-life credit insurance the main sources of uncertainty include:

- the amounts to be paid as a percentage of the amount of the claim;
- the speed with which customers file claims, measured from the time of the insured sale, the expected average payment of claims and the expected percentage of cases that do not lead to payment;
- the expected number of claims for risks assumed in recent months;
- the entry by number and size of large claims;
- the estimation of the expected recovery rates.

In addition, the following analyses are performed to assess the level of uncertainty of technical provisions:

In the case of Non-Life traditional business:

In non-life insurance, a stochastic analysis of the "chain ladder" method is undertaken, where the aim is to obtain predictive distribution of future payments based on the company's experience. Specifically, a generalised overdispersed Poisson linear model is assumed where the prediction errors are estimated using the Bootstrap technique.

In the case of credit insurance:

The distributions of the main provisions are simulated in order to obtain their level of uncertainty.

In the case of Life insurance:

For Life insurances, there is a stochastic analysis of the value of the options and guarantees resulting from using one thousand random scenarios of the temporary structure of the interest rates without risk, including adjustment for volatility and consistent with the prices of the assets in the financial markets.

D.3. Valuation of other liabilities

Total Group liabilities amount to €11,360.4 million, €511.9 million less than in the previous year.

On the liabilities side, in addition to the technical provisions mentioned above, there are other relevant items on the balance sheet amounting to €3,172.6 million.

With respect to the economic valuation of the previous year, the main difference is in the item of:

- **Debts from reinsurance operations:** At the end of 2022, the balance sheet totalled €131.7 million, resulting in a difference of €176 million lower than in the previous year due to the development of reinsurance management.
- **Deferred tax liabilities:** They decrease by €131.6 million as a result of changes in the other items of the economic balance sheet.

Figures in € thousand

Evolution of the financial balance sheet	2021	2022	Diff
Contingent liabilities	0.0	0.0	0.0
Provisions other than technical prov.	20,599.1	132,640.1	112,041.0
Pension benefit obligations	162,372.8	115,850.8	-46,522.0
Reinsurance deposits	21,058.6	14,314.6	-6,744.1
Deferred tax liabilities	1,632,263.9	1,500,666.5	-131,597.4
Derivatives	0.0	0.0	0.0
Debts with credit institutions	235.2	0.0	-235.2
Financial liabilities other than debts to credit institutions	0.0	0.0	0.0
Debts with intermediaries	112,511.9	128,246.9	15,735.0
Debts from reinsurance operations	307,721.4	131,749.0	-175,972.4
Other debts	732,241.1	757,689.1	25,448.0
Subordinated liabilities other than Core Equity	0.0	0.0	0.0
Subordinated liabilities in Core Equity	199,676.9	185,697.0	-13,979.8
Other liabilities	183,758.6	205,786.9	22,028.3
Total other liabilities	**3,372,439.6**	**3,172,641.0**	**-199,798.6**

With regard to the accounting view, the main differences are in the following items:

- **Deferred tax liabilities**

For accounting purposes, this arises from temporary differences resulting from the different result of the accounting profit/loss and the tax base. Deferred tax liabilities in the balance sheet are recognised for the tax effect of the difference between the valuation of assets and liabilities for solvency purposes and their accounting valuation.

For more information, see annex D on valuation for Solvency purposes.

Figures in € thousand

Balance sheet 2022	Financial	Accounting	Diff
Contingent liabilities	0.0	0.0	0.0
Provisions other than technical prov.	132,640.1	142,244.9	-9,604.8
Pension benefit obligations	115,850.8	116,050.4	-199.6
Reinsurance deposits	14,314.6	14,314.6	0.0
Deferred tax liabilities	1,500,666.5	310,195.0	1,190,471.5
Derivatives	0.0	0.0	0.0
Debts with credit institutions	0.0	0.0	0.0
Financial liabilities other than debts to credit institutions	0.0	0.0	0.0
Debts with intermediaries	128,246.9	143,573.4	-15,326.5
Debts from reinsurance operations	131,749.0	113,334.4	18,414.6
Other debts	757,689.1	770,707.7	-13,018.6
Subordinated liabilities other than Core Equity	0.0	0.0	0.0
Subordinated liabilities in Core Equity	185,697.0	191,345.2	-5,648.1
Other liabilities	205,786.9	193,613.9	12,173.0
Total other liabilities	**3,172,641.0**	**1,995,379.5**	**1,177,261.5**

D.4. Alternative valuation methods

In accordance with Solvency II regulations, Grupo Catalana Occidente understands alternative valuation methods as all those that do not correspond to: (i) quoted prices on active markets for the same assets, or (ii) quoted prices on active markets for similar assets, with adjustments made for differences.

Accordingly, the types of assets that are measured using alternative valuation methods are as follows:

- Property, plant and equipment and investment property: The assets classified in this category are valued on the basis of their market value. This is determined according to the appraisal value determined by approved appraisal companies every two years.
- Loans and receivables: They are valued at market value, which coincides with their amortised cost.
- Shareholdings and investments in unlisted equities: They are valued according to their theoretical accounting value corrected by those adjustments that according to the Solvency regulations can be identified.
- Investments in unlisted equities: They are valued according to their theoretical accounting value. In the case of shareholdings in insurance companies, the market value is calculated on the basis of the Equity calculated in accordance with Solvency II regulations.
- Asset swaps, SPVs, trust deposits and other long-term deposits: their valuation is carried out by applying the principle of transparency or the look-through approach, breaking down the investment into each of the parts that make it up, so that each is valued separately in order to finally calculate an aggregate valuation of the entire operation. Each of the assets is valued by discounting the flows, taking into account the credit risk associated with each one. According to the methodology used in the valuation, the valuation will be sensitive both to changes in the risk-free curve and to the evolution of the counterparty's CDS.
- Bonds with an early redemption option and assets with a coupon payment option: these are valued using mark-to-model techniques by external valuation agencies. These valuations are internally contrasted using models such as the Black-Derman-Toy model, which is based on binary interest rate trees.

D.5. Any other information

Not applicable.

E

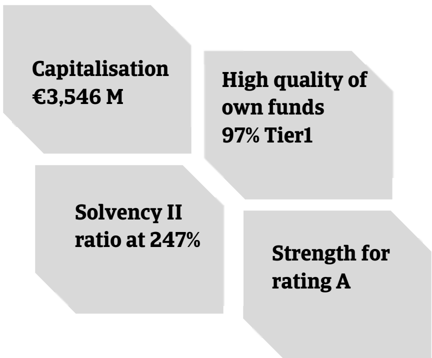
Capital management

This chapter explains the principles and objectives and the process of planning and capital management of Grupo Catalana Occidente.

It also includes qualitative and quantitative information at consolidated level on available equity and the risk breakdown requirements of the Solvency Capital Requirement.

E.0. Introduction

Grupo Catalana Occidente 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.



For more information, see chapter C on risk profile, which explains risk appetite and risk tolerance.

E.0.1. Principles and objectives

Capital management at the Group is governed by the following principles:

- To ensure that Group entities have sufficient capitalisation to meet their financial obligations, even as they face of extraordinary events.
- To manage the capital adequacy of the Group and its companies, taking into account the economic and accounting outlook and capital requirements.
- To optimise the capital structure through efficient allocation of resources between entities, ensuring financial flexibility and properly remunerating shareholders.

The Group defines the strategic plan and the risk strategy considering the capital management policy, using the solvency projections made in the internal evaluation process of risks and solvency (ORSA).

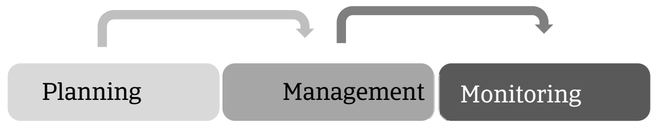
Capital quantification is carried out at the Group level and at the level of each of the entities, using different regulatory models for monitoring.

The main objectives of the Group are:

- To maximise the value for shareholders in the long term
- To meet regulatory solvency and credit rating agency requirements
- To maintain the financial strength within the "A" rating range

E.0.2. Process of capital management

Grupo Catalana Occidente manages the capital taking into account its structure and the characteristics of the elements that make it up, short and long term planning and its follow-up and monitoring. The Group's Board of Directors determines the capital management strategy and establishes the principles, rules and policies for implementing the strategy.



Capital planning

Grupo Catalana Occidente carries out its capital planning with the objective of having sufficient short and long term equity in normal and stressful situations and uses tools such as the annual budget, the medium term plan and the consumption of capital that comes from the ORSA.

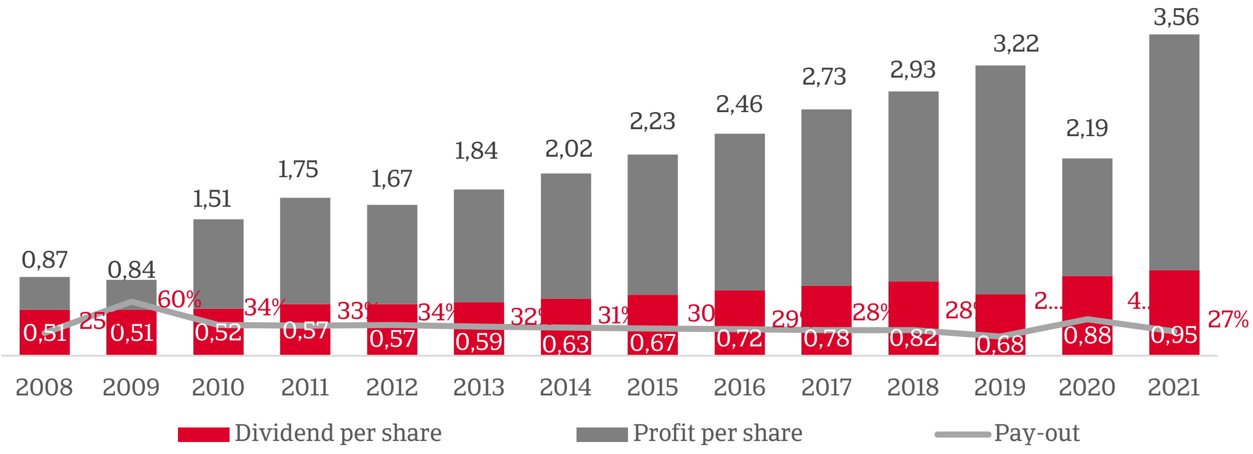
Grupo Catalana Occidente considers the consumption of capital in the medium term for decisions on dividend distribution, organic growth or acquisition of companies, asset allocation of investments, reinsurance programs and financing alternatives (financial flexibility), among other issues. In this way, an understanding of how risk-taking consumes capital enables the Group to manage by making risk-based decisions.

Capital management

Grupo Catalana Occidente understands capital management through the following 6 aspects:

- **Recurring results**
  Rigorous technical-actuarial management
  Optimal management of investments
- **Stable and growing dividend**
  Average growth in line with profits
- **Solvency as a strategic pillar**
  Development in accordance with the appetite and tolerance levels to risk
- **Protection through reinsurance**
  Depending on business type
  Diversified and high credit quality
- **Financial flexibility**
  Transfer and fungibility of capital within the Group
  Capacity to attend the capital market
  Reduced indebtedness level
- **Culture**
  Clear and transparent governance
  Discipline for risk assumption
  Continuous contribution from the human team

Distribution of dividends according to results



Capital monitoring

The Group measures the capital position mainly through:

- Regulatory capital (standard formula)
- Projections of capital (ORSA)
- Financial capital (internal models)
- Models of the rating agencies
- Other models (appraisal and embedded value)

E.0.3. Holding - entity relationship

The management and control of capital in Grupo Catalana Occidente is comprehensively carried out to guarantee solvency, comply with regulatory requirements and maximise the profitability of each of the entities that make it up.

Autonomy of capital. The Group's corporate structure is based on a model of legally independent entities that are autonomous in capital and liquidity, which provides advantages when obtaining finance and limits the contagion risk thus reducing systemic risk. All entities must maintain the necessary financial strength to carry out the business strategy, taking prudent risks and meeting the required solvency needs.

Coordination in the control. The entities are exposed to a dual supervision and internal control. The Group carries out a centralised follow-up of the capital of the entities so as to ensure an integral vision. In this way the control exercised in the first instance by the entities is complemented with the follow-up provided by business units.

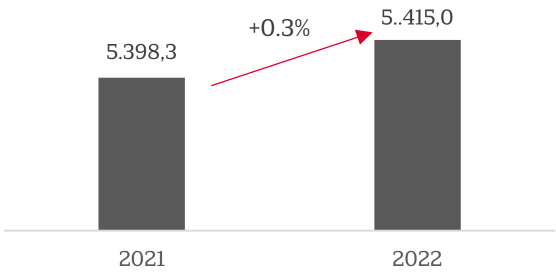
E.1. Equity

E.1.1. Structure and quality

The Group's equity under solvency at the end of 2022 amounted to €5,415.0 million and consisted of:

- Share capital.
- The reconciliation reserve, which includes the valuation differences between accounting and solvency assets and liabilities (these differences are explained chapter D, valuation section), accumulated reserves, adjustments for valuation changes and the results for the year, deducting distributable dividends.
- Items that do not meet the criteria for consideration as equity under Solvency II are deducted.
- Other elements authorised as Core Equity: The subordinated debt issued by Atradius Finance Bv on 23 September 2014 for the amount of €250 million, maturing in September 2044 and with a first possibility of redemption as of September 2024. It bears interest at a fixed rate of 5.25% for the first ten years and thereafter the interest rate is variable 3-month Euribor plus 5.03%. The nominal amount of the subordinated debt computable for Group purposes is €193.7 million, after deducting the €56.3 million represented by the investment that Plus Ultra Seguros; Seguros Bilbao and Seguros Catalana Occidente maintain in the bond issued by Atradius.

Evolution of available capital



A breakdown of the adjusted core capital is given below:

Core equity	(Figures in € thousand)
Share Capital of Common Shares (including treasury shares)	36,000.0
Initial mutual fund	0.0
Common share issue premium	1,532.9
Preference share issue premium	0.0
Reconciliation reserve	5,065,797.9
Surplus funds	0.0
Other elements authorised as Core Equity	185,697.0
Value of net deferred tax assets	0.0
Other items approved as Core Equity by the supervisory authority not contained in the cells above	0.0
Minority interests at Group level	400,207.8
Equity of the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria for classification as Solvency II equity	-274,243.4
Total core equity after adjustments	5,414,992.2

The movement of the reconciliation reserve is as follows:

Reconciliation reserve	(Figures in € thousand)
Excess of assets over liabilities	5,642,379.3
Treasury shares (included as assets in the balance sheet)	-58,428.7
Planned dividends and distributions	-80,412.0
Other core equity items	-437,740.7
Adjustment of restricted equity items to limited availability	0.0
Total reconciliation reserve	**5,065,797.9**

At year-end, the Group had €5,415.0 million of equity, which is considered to be core equity. All are considered Tier 1 with the exception of the subordinated bond which is considered Tier 2. The Group's Tier 1 equity accounts for 96.6% of the total; and has no Tier 3 equity.

(Figures in € thousand)

Equity structure	**2021**	**2022**
Core	5,398,165.5	5,414,992.3
Complementary	0.0	0.0
Total	5,398,165.5	5,414,992.3
% Equity	100%	100%

(Figures in € thousand)

Quality of equity	2021	2022
Tier 1	5,198,488.6	5,229,295.2
% Equity	96.3%	96.6%
Tier 2	199,676.9	185,697.0
% Equity	3.7%	3.4%
Tier 3	0	0
% Equity	0%	0%
Total	5,398,165.5	5,414,992.3
% Equity	100%	100%

For further information, see Annex E - QRT S.23.01.22

E.1.2. Excess of assets over liabilities over net book equity

Net book equity consists of share capital, accumulated reserves, adjustments for changes in valuation and profit for the year. At the end of the year this amount was €4,205.4 million.

Under Solvency II, the excess of assets over liabilities of Grupo Catalana Occidente amounts to €5,642.4 million, with a change of €102.5 million compared to the previous year.

Loss absorption mechanism

Grupo Catalana Occidente does not have equity items with loss absorption mechanisms to comply with the provisions of article 71 of the Delegated Regulations.

Net worth of the Financial Statements	**4,205,407.5**
Change in assets	
Intangible assets and deferred acquisition costs	-1,199,738.2
Real estate capital gains	541,014.0
Capital gains of investees	236,909.4
Capital gains of financial assets	-159,312.9
Best Estimate reinsurance technical provisions	-489,862.2
Credits receivable	444.6
Deferred tax	725,244.2
Loans and Mortgages	-8,623.5
Treasury shares	35,641.5
Cash and other assets	-294,789.1
Change in liabilities	
Best Estimate technical provisions direct insurance	3,839,589.2
Risk Margin technical provisions direct insurance	-612,283.5
Other liabilities	-12,173.0
Pension benefit obligations	199.6
Reinsurance deposits	0.0
Subordinated liabilities in Core Equity	5,648.1
Deferred tax	-1,190,471.5
Financial liabilities other than debts to credit institutions	0.0
Debts	9,930.6
Other non-technical provisions	9,604.8
Excess assets over liabilities	**5,642,379.3**

For more information, see Annex D.1 on Reconciliation of the economic and accounting balance sheet and Annex E - QRT S.23.01.01

E.1.3. Restriction of available equity

Grupo Catalana Occidente's equity is available and transferable.

The ability of Group entities to pay dividends may be restricted or influenced by the solvency requirements imposed by the regulators of the countries in which they operate. Although Grupo Catalana Occidente is an international group, it has no limitations on the availability of funds by entities operating in countries outside the European Economic Area.

E.2. Solvency Capital Requirement and Minimum Capital Requirement

Solvency II is based on three fundamental pillars. In particular, Pillar I refers to quantitative requirements and basically entails, the measurement of assets, liabilities and capital, as well as the analysis and quantification of the risks that they represent.

The capital required under Solvency II (SCR) is the level of equity for a given probability of insolvency (confidence level of 99.5%) allows losses to be faced in the horizon of one year.

The quantification of the capital allows the Group to measure the management and take strategic decisions from a perspective that combines profitability with the risk assumed.

The MCR, minimum capital requirement, is the level of assets below which special measures must be taken to restore the capital to the minimum level.

At year-end 2022, the Group's Solvency Capital Requirement (SCR) amounted to €2,188.5 million (€262.3 million lower than in the previous year) and the Minimum Capital Requirement (MCR) to €800.4 million (€50.5 million lower than in the previous year).

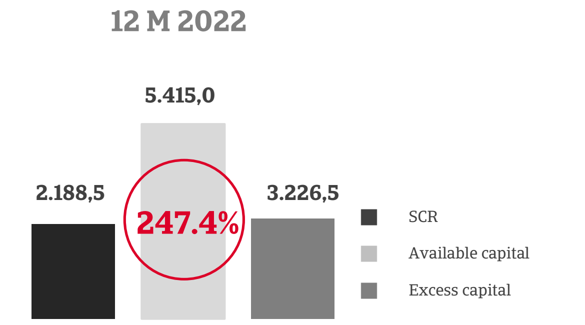
For more information, see Chapter C, section on risk profile, and Annex E - QRT S.25.02.22

The total SCR starts from the basic SCR to which the operational risk is added and is adjusted, among other things, by the loss absorption capacity of the deferred taxes.

E.2.1. Solvency ratio

The Group has solid hedging ratios that are within the ranges established by the Group's risk appetite:

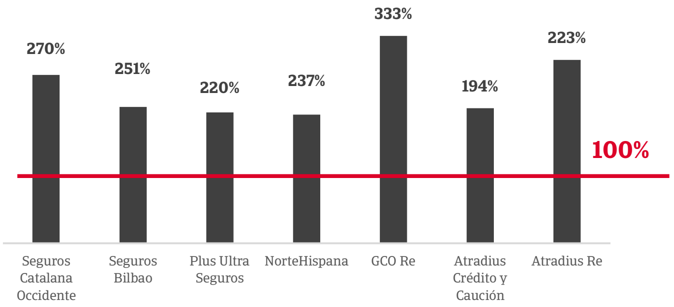
247.4 % on SCR **673.3%** on MCR



(figures in € million)

All the Group's entities have equity that exceeds the minimum required by applicable regulations.

Solvency Ratio II of Group Companies



E.2.2. Analysis of sensitivity to the solvency ratio

Grupo Catalana Occidente performs stress scenarios and sensitivity exercises in order to anticipate the Group's resistance to adverse environments and adopt the necessary measures.

The Group's aim is to maximise the stability of the income statement and of capital and liquidity levels

Main assumptions in sensitivity analysis:

- **Non Life underwriting**
  Increase in claim rates.
  Decrease in premiums.
- **Life underwriting**
  Low long-term interest rate scenario (Japanese scenario).
  Scenario of 100bps increase or decrease in the rate curve.
- **Market**
  5% decrease in the value of the properties.
  A 10%/25% drop in the value of variable income.
  Staggered fall in fixed income rating.
  100bp increase in the credit spread.
- **Other scenarios**
  In addition, the Group analyses its solvency position under the criteria of the Solvency II standard formula and the rating agencies for the following transactions:
  · Distribution of dividends
  · Reduction of the proportional reinsurance quota
  · Acquisition of Entities
  · Investments in real estate and financial assets

Stress scenarios and Analysis of sensitivity to the solvency ratio.

Main ratio scenario	**247.4%**
Underwriting scenarios	
Lowering premiums -5%	-0.8 p.p.
Increased claims ratio*	-12.2 p.p.
Set of scenarios	-12.8 p.p.
Market scenarios	
Variable income -10%	+5.5 p.p.
Real estate -5%	-1.6 p.p.
Set of scenarios	+3.7 p.p.
-25% VI	+2.6 p.p.
Rates curve +100 bps	-0.9 p.p.
Rates curve -100 bps	-2.3 p.p.
Spread +100 bps	-4.3 p.p.
Impairment rating	-0.8 p.p.
Adverse scenario**	**-58.0 p.p.**
No VA and no PPTT transient	**-1.2 p.p.**

* Fire and other property damage, motor OG +10p.p and Motor CL +5 p.p
Credit insurance claims ratio +10p.p.
** -5% vol. premiums Fire and Other Damage to Goods, Motor CL and OG.
+10p.p claims ratio of Fire and Other Damage to Goods and Motor OG.
+5p.p claims ratio of Motor CL.
Low interest rate environment.
-35% of variable income.
-15% of properties
+200bps credit spreads
Credit insurance claims ratio 101.5%.

E.2.3. Solvency for rating agency purposes

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. This is due to Atradius' dynamic risk exposure management, its strong economic capitalisation and its solid positioning as the second largest global credit insurance player.

In turn, A.M. Best confirmed in July 2022 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 results and appropriate capitalization 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 (Consorcio de Compensación de Seguros).

"A" A.M. Best operating entities of the Group	Best highlights the prudence in underwriting, which is reflected in a positive record of operating results with an excellent combined ratio and a high return on equity (ROE)
"A2" Moody's operating entities of the credit insurance business	They highlight the strong competitive position, strong capitalization, low financial leverage and conservative investment portfolio.

Rating **of Group entities**

	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)	

*In October 2022 Moody's upgraded the outlook for entities in the credit insurance business improving from positive from stable.

E.3. Use of the duration-based equity risk sub-module in the Solvency Capital Requirement calculation

Not applicable.

E.4. Differences between the standard formula and any internal model used

Solvency II regulations allow insurance companies to calculate solvency capital requirements using internal models. This offers the opportunity to model a company's specific risks more accurately than by using the standard formula.

Grupo Catalana Occidente uses an internal model to calculate the solvency capital requirement of the underwriting risk of the entities within its credit insurance and guarantee business line. In 2017, the use of its internal model to calculate capital requirements was approved. Grupo Catalana Occidente has not created an internal model to calculate the solvency capital requirement as a result of the entry into force of Solvency II, but has adapted its model, which it has been using since 2004, in order to align capital management, risk management and business strategy.

The standard formula is a methodology that is applied in the same way to all business lines in the non-life segment, through the following risk sub-modules:

- Premium and reserve risk
- Fall risk
- Catastrophe risk

The Solvency Capital Requirement (SCR) for underwriting risk is derived from the capital amounts linked to each of the three modules above. This is done by aggregating these amounts, using a correlation matrix established in the regulations, in a similar way to all non-life insurance entities and business lines.

The specific characteristics of the credit insurance and surety business line make it inadvisable to manage or measure it using the standard formula. Underwriting risk within the credit insurance and surety business is best quantified using factors such as the probability of default and loss given default by counterparties, along with exposures.

The internal model is a sophisticated mathematical and statistical model used to obtain a loss distribution that is in line with the Group's risk profile. Under Solvency II rules, the internal model is used to achieve the 99.5 percentile of losses from risk exposure over a one-year horizon.

The main inputs to the internal model are total potential risk exposure (TPE), probabilities of default and losses from default.

To obtain the above-mentioned loss distribution, the internal model uses a Monte Carlo simulation with one million economic scenarios.

The internal model applies to all product segments within credit insurance except for instalment payment protection which represents less than 1% of the business in terms of TPE.

The internal model is not exclusively used to calculate the SCR. It is widely used in credit insurance for decision making and risk management, including:

- Underwriting Strategy
- Fixing prices
- Business planning
- Renewal of the reinsurance treaty
- Capital optimization initiatives
- Product development

In the context of the risk management function, the internal model is used in the ORSA process, the risk strategy, the risk appetite framework and the risk reports.

Grupo Catalana Occidente operates with a specific internal model governance system to ensure adequate control over, among other things, statistical quality, data quality, validation and calculation processes.

E.5. Non-compliance with the Minimum Capital Requirement and the Solvency Capital Requirement

The Group has not presented capital levels below those required.

E.6. Any other information

E.6.1. Recognition and justification of Deferred Tax Assets

Insurance and reinsurance companies recognise and value the deferred taxes corresponding to all assets and liabilities that are recognised for tax or solvency purposes.

Deferred tax assets are generated by:

- Temporary differences as a result of the different result between the accounting profit/loss and the tax base (unused tax credits or losses).
- Differences between valuation criteria for accounting and solvency purposes.
- Instantaneous loss that would occur in a scenario equal to the Solvency Capital Requirement (SCR). The adjustment to take into account the loss-absorbing capacity of deferred taxes included in the SCR corresponds to the entity's current corporate income tax rate on the basic SCR and the operational SCR.

With regard to the loss absorption capacity of deferred taxes, at Group level they are calculated as a proportion of the sum of the SCR tax adjustments of the individual entities comprising the Group. The ratio used is that corresponding to the division of the Group SCR before tax adjustment by the sum of the SCRs before tax adjustment of the individual entities.

In order to demonstrate the recognition and justification of deferred tax assets, deferred tax liabilities in the Entity's balance sheet (DTLs) and future taxable profits to be generated that are not recognised in the balance sheet are taken into consideration, in both cases according to their temporary enforceability. Deferred tax assets that cannot be supported by the resources defined above cannot be computed. Grupo Catalana Occidente carries out this study for each tax jurisdiction, both for those corresponding to the economic balance sheet and those corresponding to the loss absorption capacity of the deferred taxes of the Solvency Capital Requirement.

F

Annexes

The purpose of this chapter is to complete the information shown in the previous chapters.

A. Activity and results

A.1. Details of subsidiaries

(Figures in € thousand)

Company		% of voting rights			Summarised financial information						
(Name and address)	Activity	Direct	Indirect	Total	Total assets	Share Capital	Equity reserves	Year result, net of dividend	Other comprehensive income and accumulated in equity	Premiums attributed net of reinsurance	Ordinary Income
Seguros Catalana Occidente, S.A.U. de Seguros y Reaseguros Paseo de la Castellana, 4 Madrid	Insurance and reinsurance	100%	-	100%	5,580,844	18,030	345,686	68,033 *(1)*	145,072	1,103,350	-
Grupo Compañía Española de Crédito y Caución, Sociedad Limitada Paseo de la Castellana, 4 Madrid	Holds shares	73.84%	-	73.84%	642,303	18,000	622,562	1,117 *(2)*	-	-	105,710
Atradius N.V. y Sociedades Dependientes David Ricardostraat, 1 1066 JS Amsterdam (The Netherlands)	Credit and surety insurance and complementary insurance activities	35.77%	47.43%	83.20%	6,287,830	79,122	1,875,869	332,212	(111,753)	1,366,401	225,708
Sociedad Gestión Catalana Occidente, S.A.U. Paseo de la Castellana, 4 Madrid	Financial investments	100%	-	100%	54,093	721	50,824	2,545	-	-	1,947
Cosalud Servicios, S.A.U. Avenida Alcalde Barnils, 63 Sant Cugat del Vallés (Barcelona)	Intermediation of health centres	100%	-	100%	16,162	3,005	2,196	138	(274)	-	75
Grupo Catalana Occidente Gestión de Activos S.A.U.,S.G.I.I.C. Cedaceros, 9 – planta baja Madrid	Financial investments	100%	-	100%	6,495	391	5,253	102 *(3)*	(33)	-	12,964
GCO Reaseguros, S.A.U. Paseo de la Castellana, 4 Madrid	Reinsurance	100%	-	100%	153,370	9,050	14,639	1,602 *(4)*	(764)	3,967	-
GCO Gestora de Pensiones, EGFP, S.A.U. Paseo de la Castellana, 4 Madrid	Pension fund management	100%	-	100%	3,339	2,500	274	103	(49)	-	5,863
Bilbao, Compañía Anónima de Seguros y Reaseguros, Sociedad Unipersonal Paseo del Puerto, 20 Getxo (Vizcaya)	Insurance and reinsurance	-	100%	100%	2,013,128	27,933	133,465	69,948 *(5)*	41,197	488,689	-
Bilbao Hipotecaria, S.A.U., E.F.C. Paseo del Puerto, 20 Getxo (Vizcaya)	Mortgage Credit	-	100%	100%	59,654	5,000	930	288	-	-	2,081
S. Órbita, Sociedad Agencia de Seguros, S.A.U. Paseo del Puerto, 20 Getxo (Vizcaya)	Insurance broker	-	100%	100%	2,683	1,100	322	98	-	-	430
Bilbao Telemark, S.L.U. Paseo del Puerto, 20 Getxo (Vizcaya)	Tele-marketing	-	100%	100%	532	37	76	37	-	-	1,533
Bilbao Vida y Gestores Financieros, S.A.U. Paseo del Puerto, 20 Getxo (Vizcaya)	Insurance broker	-	100%	100%	1,080	60	65	207	-	-	6,368
Nortehispana de Seguros y Reaseguros, S.A.U. Paseo de la Castellana, 4 Madrid	Insurance and reinsurance	-	100%	100%	570,526	20,670	100,241	37,964	5,914	208,842	-

(Figures in € thousand)

Company		% of voting rights			Summarised financial information						
(Name and address)	Activity	Direct	Indirect	Total	Total assets	Share Capital	Equity reserves	Year result, net of dividend	Other comprehensive income and accumulated in equity	Premiums attributed net of reinsurance	Ordinary Income
Plus Ultra, Seguros Generales y Vida, S.A. de Seguros y Reaseguros, Sociedad Unipersonal Plaza de las Cortes, 8 Madrid	Insurance and reinsurance	-	100%	100%	2,811,220	97,619	277,986	48,361 *(6)*	47,123	874,536	-
Hercasol, S.A. SICAV Avenida Diagonal, 399 Barcelona	Financial investments	-	87.65% (*)	87.65% (*)	59,997	57,792	19,711	(17,840)	-	-	(17,184)
Catoc Inversiones Globales, S.L. Cedaceros, 9 – planta baja Madrid	Financial investments	-	100%	100%	184,504	8,286	200,199	(18,888)	(959)	-	3,693
Prepersa, Peritación de Seguros y Prevención, A.I.E. Jesús Serra Santamans, 1 Sant Cugat del Vallés (Barcelona)	Prevention and loss adjustment	-	100%	100%	2,418	60	1,003	8	-	-	6,637
Tecniseguros, Sociedad de Agencia de Seguros, S.A.U. Avenida Alcalde Barnils, 63 Sant Cugat del Vallés (Barcelona)	Insurance broker	-	100%	100%	917	60	(82)	149	-	-	7,401
Nortehispana Mediacion, Agencia De Seguros S.A.U. Paseo Castellana, 4 Madrid	Insurance broker	-	100%	100%	803	60	3	256	-	-	10,195
Previsora Bilbaina Agencia de Seguros, S.A.U. Alameda Mazarredo, 73 Bilbao	Insurance broker	-	100%	100%	12,679	60	9,162	1,242	(48)	-	6,780
Catalana Occidente Capital, Agencia de Valores, S.A.U. Avenida Alcalde Barnils, 63 Sant Cugat del Vallés (Barcelona)	Stock broker	-	100%	100%	3,252	300	2,455	367	(74)	-	1,696
Grupo Catalana Occidente Tecnología y Servicios, A.I.E. Avenida Alcalde Barnils, 63 Sant Cugat del Vallés (Barcelona)	Auxiliary insurance services	0.42%	99.54%	99.96%	109,390	35,826	175	(32)	-	-	160,938
Grupo Catalana Occidente Contact Center, A.I.E. Jesús Serra Santamans, 3 - 4º planta Sant Cugat del Vallés (Barcelona)	Telephone attention	-	100%	100%	3,202	600	89	-	-	-	9,881
Grupo Catalana Occidente Activos Inmobiliarios S.L.U. Avenida Alcalde Barnils 63 Sant Cugat del Vallés (Barcelona)	Real Estate Development	-	100%	100%	337,870	116,801	206,514	5,007	1,200	-	18,803
Inversions Catalana Occident, S.A.U. Avinguda Carlemany, 65 Escaldes Engordany (Andorra)	Creation, management and operation of insurance entities	-	100%	100%	6,725	60	315	(10)	-	-	3,281
Asistea Henao, 19 Bilbao	Funeral Business	-	100%	100%	82,290	2,003	43,657	4,509	-	-	31,484

(*) Only the shares outstanding have been taken into account to determine the share percentage. Likewise, the value of treasury shares has been deducted from the above equity reserves.

(1) The Company has recognised an increase in the stabilisation reserve for an amount of €5,221 thousand.

(2) The Company paid an interim dividend of €103,050 thousand.

(3) The Company paid an interim dividend of €1,000 thousand.

(4) The Company has recognised an increase in the stabilisation reserve for an amount of €294 thousand.

(5) The Company has recognised an increase in the stabilisation reserve for an amount of €3,228 thousand.

(6) The company has paid an interim dividend of €9,000 thousand and has posted an increase in the equalisation provision for the amount of €7,681 thousand.

The financial information given for the aforementioned Group companies (total assets, share capital, equity reserves, profit for the year net of dividend, earned premiums less reinsurance and ordinary income) has been obtained from the latest individual or consolidated financial statements available for the 2022 financial year, prepared in accordance with the regulatory framework for financial information applicable to each of the companies. These financial statements have been duly adapted by each company to the Group's accounting policies.

In the case of insurance companies, the figure for earned premiums net of reinsurance is given. In all other companies, the figure given is ordinary income.

The figures for Atradius N.V. include the data for their subsidiaries relating to the profit or loss for the year and equity reserves.

A.2. Details of associated entities with voting rights

(Figures in € thousand)

Company (Name and address)	Activity	% of voting rights Direct	Indirect	Total	Summarised financial information Total assets	Share Capital	Equity reserves	Year result, net of dividend	Other comprehensive income and accumulated in equity	Premiums attributed net of reinsurance	Ordinary Income
Inversiones Credere S.A. Santiago - Chile	Holds shares	49.99%	-	49.99%	-	-	-	-	-	-	-
Calboquer, S.L. Villarroel, 177-179 Barcelona	Medical, social, psychological, and legal advice	-	20.00%	20.00%	664	60	442	(124)	-	-	2,119
Asitur Asistencia. S.A. Avenida Encuartes, 21 Tres Cantos (Madrid)	Assistance	-	42.86%	42.86%	41,228	2,945	11,738	4,269	-	-	319,223
Gesiuris Asset Management, S.G.I.I.C., S.A., Cedaceros, 9 Madrid	Investment company	-	26.12% (*)	26.12% (*)	9,092	301	7,966	170 *(1)*	(74)	-	7,507
CLAL Credit Insurance Ltd. Tel Aviv - Israel	Credit and surety insurance	-	16.64%	16.64%	124,998	3,570	82,920	8,908	(9,170)	16,730	-
Compañía de Seguros de Crédito Continental S.A. Santiago - Chile	Credit and surety insurance	-	41.60%	41.60%	159,086	3,538	62,928	18,722	10,320	18,050	-
Credit Guarantee Insurance Corporation of Africa Ltd. Johannesburg-South Africa	Credit and surety insurance	-	20.80%	20.80%	158,727	151	60,706	26,448	(350)	58,630	-

(*) Only the shares outstanding have been taken into account to determine the share percentage. Likewise, the value of treasury shares has been deducted from the above equity reserves.

(1) The Company paid an interim dividend of €200 thousand.

The financial information given for the aforementioned Group companies (total assets, share capital, equity reserves, profit for the year net of dividend, earned premiums less reinsurance and ordinary income) has been obtained from the latest individual or consolidated financial statements available for the 2022 financial year, prepared in accordance with the regulatory framework for financial information applicable to each of the companies. These financial statements have been duly adapted by each company to the Group's accounting policies. The financial statements of the above companies are for the period ended 31 December 2022.

A.3. QRT S.05.01.02 and S.05.02.01

S.05.01.02 - Premiums, claims and expenses by line of business -

	Línea de negocio: obligaciones de seguro y reaseguro de no vida (seguro directo y reaseguro proporcional aceptado)												Línea de negocio: reaseguro no proporcional aceptado				
	Seguro de gastos médicos	Seguro de protección de ingresos	Seguro de accidentes laborales	Seguro de responsabilidad civil de vehículos automóviles	Otro seguro de vehículos automóviles	Seguro marítimo, de aviación y de transporte	Seguro de incendio y otros daños a los bienes	Seguro de responsabilidad civil general	Seguro de crédito y caución	Seguro de defensa jurídica	Seguro de asistencia	Pérdidas pecuniarias diversas	Enfermedad	Responsabilidad civil por daños	Marítimo, de aviación y transporte	Daños a los bienes	Total
Primas devengadas																	
Importe bruto — Seguro directo	148.894	58.186	0	346.864	311.907	29.357	881.876	149.846	1.954.701	4.043	283	7.875					3.893.833
Importe bruto — Reaseguro proporcional aceptado	0	0	0	0	0	0	0	0	302.029	0	0	0					302.029
Importe bruto — Reaseguro no proporcional aceptado													0	0	0	7.064	7.064
Cuota de los reaseguradores	2.295	758	0	9.630	6.993	1.078	55.103	33.909	863.711	39	0	119	0	0	0	873	974.506
Importe neto	146.599	57.428	0	337.234	304.914	28.279	826.774	115.937	1.393.019	4.005	283	7.756	0	0	0	6.191	3.228.419
Primas imputadas																	
Importe bruto — Seguro directo	147.148	57.790	0	344.926	306.245	29.242	851.823	143.533	1.932.052	3.899	283	8.013					3.824.954
Importe bruto — Reaseguro proporcional aceptado	0	0	0	0	0	0	0	0	289.944	0	0	0					289.944
Importe bruto — Reaseguro no proporcional aceptado													0	0	0	6.796	6.796
Cuota de los reaseguradores	2.295	790	0	10.228	7.467	1.039	59.062	33.240	861.030	39	0	88	0	0	0	872	976.151
Importe neto	144.854	56.999	0	334.698	298.778	28.203	792.761	110.293	1.360.966	3.861	283	7.924	0	0	0	5.924	3.145.543
Siniestralidad																	
Importe bruto — Seguro directo	109.836	21.974	0	246.885	173.395	12.051	489.774	57.936	744.848	791	71	1.834					1.859.395
Importe bruto — Reaseguro proporcional aceptado	0	0	0	0	0	0	0	0	121.760	0	0	0					121.760
Importe bruto — Reaseguro no proporcional aceptado													0	0	0	1.235	1.235
Cuota de los reaseguradores	1.773	-405	0	8.204	938	-289	50.079	12.616	291.498	27	0	74	0	0	0	0	364.515
Importe neto	108.064	22.379	0	238.681	172.457	12.340	439.695	45.320	575.110	764	71	1.760	0	0	0	1.235	1.617.875
Variación de otras provisiones técnicas																	
Importe bruto — Seguro directo	0	0	0	0	0	0	0	0	0	0	0	0					0
Importe bruto — Reaseguro proporcional aceptado	0	0	0	0	0	0	0	0	0	0	0	0					0
Importe bruto — Reaseguro no proporcional aceptado													0	0	0	0	0
Cuota de los reaseguradores	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Importe neto	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gastos incurridos	18.392	22.759	0	105.450	72.910	9.756	291.203	38.681	586.453	1.548	297	4.896	0	0	0	779	1.153.125
Otros Gastos																	275
Total Gastos																	1.153.399

	Línea de negocio: obligaciones de seguro de vida						Obligaciones de reaseguro de vida		
	Seguro de enfermedad	Seguro con participación en beneficios	Seguro vinculado a índices y fondos de inversión	Otro seguro de vida	Rentas derivadas de contratos de seguro de no vida y correspondientes a obligaciones de seguro de enfermedad	Rentas derivadas de contratos de seguro de no vida y correspondientes a obligaciones de seguro distintas de las obligaciones de seguro de enfermedad	Reaseguro de enfermedad	Reaseguro de vida	Total
Primas devengadas									
Importe bruto	33	427.841	170.755	308.647	0	0	0	0	907.276
Cuota de los reaseguradores	156	59	2	13.143	0	0	0	0	13.359
Importe neto	-123	427.782	170.753	295.504	0	0	0	0	893.917
Primas imputadas									
Importe bruto	35	427.832	170.754	307.748	0	0	0	0	906.367
Cuota de los reaseguradores	156	62	1	13.736	0	0	0	0	13.955
Importe neto	-121	427.769	170.752	294.012	0	0	0	0	892.412
Siniestralidad									
Importe bruto	0	554.657	101.759	181.603	144	0	0	0	838.163
Cuota de los reaseguradores	0	0	0	2.008	56	0	0	0	2.064
Importe neto	0	554.657	101.759	179.595	88	0	0	0	836.099
Variación de otras provisiones técnicas									
Importe bruto	-1.644	-93.687	-5.656	-14.162	0	0	0	0	-115.149
Cuota de los reaseguradores	0	0	0	262	0	0	0	0	262
Importe neto	-1.644	-93.687	-5.656	-14.424	0	0	0	0	-115.411
Gastos incurridos	13	30.871	18.117	101.286	0	0	0	0	150.288
Otros Gastos									0
Total Gastos									150.288

S.05.02.01 - Premiums, claims and expenses by country -

	País de origen	Cinco países principales (por importe de primas brutas devengadas) — obligaciones de no vida					Total de 5 principales y país de origen
		DE	IT	GB	NL	FR	
Primas devengadas							
Importe bruto — Seguro directo	2.263.318	241.727	146.229	157.534	147.604	150.032	3.106.444
Importe bruto — Reaseguro proporcional aceptado	629	582	20.431	3.851	13.469	299	39.261
Importe bruto — Reaseguro no proporcional aceptado	43	422	722	0	-122	12	1.077
Cuota de los reaseguradores	253.037	97.504	60.644	61.808	77.746	59.958	610.698
Importe neto	2.010.953	145.226	106.738	99.577	83.204	90.385	2.536.084
Primas imputadas							
Importe bruto — Seguro directo	2.213.480	246.382	141.468	155.780	147.695	150.382	3.055.187
Importe bruto — Reaseguro proporcional aceptado	872	424	19.605	2.874	13.705	241	37.721
Importe bruto — Reaseguro no proporcional aceptado	93	422	722	0	-122	12	1.127
Cuota de los reaseguradores	255.186	100.215	58.723	61.176	78.054	60.154	613.509
Importe neto	1.959.259	147.013	103.073	97.477	83.223	90.481	2.480.526
Siniestralidad							
Importe bruto — Seguro directo	1.203.913	64.830	25.941	72.107	117.340	63.919	1.548.050
Importe bruto — Reaseguro proporcional aceptado	2.034	188	9.370	342	-1.463	230	10.700
Importe bruto — Reaseguro no proporcional aceptado	737	19	64	0	-19	-44	758
Cuota de los reaseguradores	102.005	20.303	10.321	27.567	29.898	25.686	215.781
Importe neto	1.104.680	44.734	25.054	44.881	85.961	38.418	1.343.728
Variación de otras provisiones técnicas							
Importe bruto — Seguro directo	0	0	0	0	0	0	0
Importe bruto — Reaseguro proporcional aceptado	0	0	0	0	0	0	0
Importe bruto — Reaseguro no proporcional aceptado	0	0	0	0	0	0	0
Cuota de los reaseguradores	0	0	0	0	0	0	0
Importe neto	0	0	0	0	0	0	0
Gastos incurridos	616.156	42.614	19.271	72.738	110.440	32.257	893.476
Otros Gastos							274
Total Gastos							893.750

	País de origen	Cinco países principales (por importe de primas brutas devengadas) — obligaciones de no vida					Total de 5 principales y país de origen
Primas devengadas							
Importe bruto	904.151	0	0	0	0	0	904.151
Cuota de los reaseguradores	13.359	0	0	0	0	0	13.359
Importe neto	890.791	0	0	0	0	0	890.791
Primas imputadas							
Importe bruto	903.250	0	0	0	0	0	903.250
Cuota de los reaseguradores	13.955	0	0	0	0	0	13.955
Importe neto	889.295	0	0	0	0	0	889.295
Siniestralidad							
Importe bruto	834.934	0	0	0	0	0	834.934
Cuota de los reaseguradores	2.064	0	0	0	0	0	2.064
Importe neto	832.870	0	0	0	0	0	832.870
Variación de otras provisiones técnicas							
Importe bruto	-115.307	0	0	0	0	0	-115.307
Cuota de los reaseguradores	262	0	0	0	0	0	262
Importe neto	-115.569	0	0	0	0	0	-115.569
Gastos incurridos	149.877	0	0	0	0	0	149.877
Otros Gastos							0
Total Gastos							149.877

B. Governance system

B.1. Breakdown of ORSA processes

As part of the Risk Management System, the Group and all its entities carry out internal risk and solvency assessments on an annual basis and, in any case, immediately after any significant change in their risk profile. Internal risk and solvency assessment is an integral part of the business strategy and is taken into account on an ongoing basis in the strategic decisions of the Group and its entities.

ORSA Process

The Group has implemented processes that involve all the Organisation and that allow the risks to which the Group is and could be exposed in the short and long term to be properly identified and assessed.

Stages of the ORSA Process

The processes defined in the execution of the ORSA exercise are the following:

1. To describe the business profile
2. To define the strategic plan and draw up the medium-term plan in accordance with the strategic plan
3. To define the adverse scenario and sensitivity analyses
4. To review the methodologies and assumptions used in ORSA to ensure that they are appropriate for the risk assessment
5. To run ORSA projections
6. To assess the results of the ORSA
7. To assess and determine the necessary management actions in the light of the results obtained
8. Writing up of the ORSA reports
9. Approval of ORSA reports
10. ORSA report sent to the supervisor

C. Risk profile

QUANTITATIVE RISKS INCLUDED IN THE SOLVENCY RATIO					
TIER 1 Risks	**Description**	**Internal Regulations**	**External Regulations**	**Quantification**	**Mitigation**
Credit underwriting risk	Risk of loss or of adverse change in the value of commitments contracted due to possible inadequate pricing and provisioning assumptions. In the case of credit insurance, the risk arises from the non-payment by our customers' buyers, and in the case of surety, from the non-fulfilment of the contractual, legal or fiscal obligations of our customers	- Underwriting policy and rate setting regulation - Underwriting guidelines - Authorisation matrices - Buyer rating monitoring and credit limit concessions	- IFRS and Local Regulations	- Internal Model (except ICP) - ICP: Solvency II Standard Formula - Risk self-assessments and ORSAs are analysed - Scenario analysis	- Reinsurance Policy - DEM - Strict underwriting control - Control and monitoring of buyers' default risks
Non-life underwriting risk	Risk of loss or of adverse change in the value of commitments contracted due to possible inadequate pricing and provisioning assumptions	- Underwriting and reserve policies - Reinsurance policy - Underwriting manual and technical standards - Data quality policy	- National and international insurance regulations - Good practice guides - Consortium	- Solvency II Standard Formula - Analysed in the risk self-assessments and ORSA. - Scenario analysis - Appraisal Value - Rating agencies	- Strict control and monitoring of the combined ratio - Non-life catastrophe risks also mitigated through CCS - Business value - Reinsurance policy - Maintenance of business diversification - Report on adequacy of calculation of technical reserves - Annual actuarial report
Health underwriting risk	Risk of loss or of adverse change in the value of commitments contracted due to possible inadequate pricing and provisioning assumptions	- Underwriting and reserve policies - Underwriting manual and technical standards - Data quality policy	- National and international insurance regulations - Good practice guides	- Solvency II Standard Formula - The risk self-assessments and ORSA are analysed - Embedded Value - Rating agencies	- Strict control and monitoring of combined ratio - Business value - Maintenance of business diversification - Tariff adequacy and cancellation rate report - Annual actuarial report - Management report "Company's income statement"
Life and funeral underwriting risk	Risk of loss or of adverse change in the value of commitments contracted due to possible inadequate pricing and provisioning assumptions. This is broken down into biometric risks (which include the risks of mortality, longevity, morbidity/disability) and non biometric risks (fall in the portfolio, expenses, review and catastrophe)	- Underwriting and reserve policies - Reinsurance policy - Underwriting manual and technical standards - Data quality policy	- National and international insurance regulations - Good practice guides	- Solvency II Standard Formula - The risk self-assessments and ORSA are analysed. - Embedded Value - Profit test - Rating agencies	- Strict control and monitoring of the adequacy of the tariff and loss ratio - Business value and profit test - Reinsurance policy - Maintenance of business diversification - Monthly provisioning (accounting) - Monthly margin account (Life Income Statement)
Market risk	Risk of loss or of adverse change in the financial situation resulting, directly or indirectly, from fluctuations in the level and in the volatility of market prices of assets, liabilities and financial instruments	- Investment policy - Management based on the principle of prudence - Asset and liability valuation policy	- Insurance regulations (LOSSP) - CNMV regulations - Distribution regulations	- Solvency II Standard Formula - Analysed in the risk self-assessments and ORSA. - VaR - Scenario analysis - Liability commitments to be covered. Detailed analysis of asset-liability management (ALM), as well as sensitivity analysis for future scenarios	- Asset management based on the principle of prudence - Control of the different types of portfolio according to objectives - Liability commitments to be covered. Detailed asset-liability matching analysis (ALM) as well as sensitivity analysis to future scenarios - Investment policy defined by the Board of Directors - Average credit rating to be maintained - Dispersion and diversification limits
Counterparty risk	Counterparty risk arises from losses resulting from unexpected default or impairment in the credit quality of counterparties	- Investment policy - Reinsurance policy - Management based on the principle of prudence	- Insurance regulations - CNMV regulations - Distribution regulations	- Solvency II Standard Formula - Analysed in risk self-assessments and ORSA - Scenario analysis	- Reinsurance policy (Reinsurance with counterparties with high credit ratings) - Diversified investment portfolio with a high rating - Credit rating control of the main financial counterparties and the reinsurer table
Operational risk	Risk of loss arising from inadequate or dysfunctional internal processes, personnel or systems or external processes. Within the operational risks, the risk of non-compliance with regulations (as a consequence of the increasing developments and supervisory requirements that impact our activity) and cyber-security risk are particularly noteworthy	- SolvPRC / Risk Register tool - Contingency plans - Data security and quality policy - Code of ethics - Procedure for action in cases of fraud (whistle-blowing channel). - Operational Risk Management Policy. - Internal control policy. - Verification of regulatory compliance policy. - Externalisation policy. - Safety policy, regulations and procedures. (Tier I, Tier II and Tier III).	- Insurance regulations - Three Lines of Defence Principles (COSO regulation) - Guidelines on information and communications technology governance and security (EIOPA) - Guidelines on outsourcing to cloud service providers (EIOPA)	- Solvency II Standard Formula - Risk self-assessments and ORSA are analysed - Monitoring and measuring through the SolvPRC tool (measured in terms of probability of occurrence and severity) or Risk Register	- Internal Control System - SolvPRC - Control of inherent risk and residual risk through the implementation of preventive and mitigating controls upon the occurrence of an event. - Cybersecurity Action Plan - Contingency Plans
QUALITATIVE RISKS NOT INCLUDED IN THE SOLVENCY RATIO					

TIER 1 Risks	Description	Internal Regulations	External Regulations	Quantification	Mitigation
Liquidity risk	Risk of non-compliance of obligations due to an inability to obtain the necessary liquidity even if sufficient assets are in place	- Investment policy - Management based on the principle of prudence - Reinsurance policy	- Insurance regulations - CNMV regulations - Distribution regulations	- Risk self-assessments and ORSA are analysed. - Cash flow statements and investment statements are analysed - Scenario analysis	- Prudent-based asset management - Control of the different types of portfolio - Liability commitments to be covered. Detailed asset-liability matching (ALM) analysis as well as sensitivity analysis to future scenarios - Typology of financial portfolio investments - Dispersion and diversification limits - Low level of debt
Political and economic environment risks	Risks arising from the national and international economic and political environment, which have an impact on the volatility of financial variables and on the real economy. In particular, the risk of a global pandemic associated with Covid, the global economic crisis and the lax monetary policy with interest rates at minimum levels should be highlighted	- Underwriting regulations - Written Policies (in particular investment policy) - Occupational risk prevention regulations - Internal Rules of Conduct	- European regulation - Sectoral analysis - Global regulation associated with the economic downturn and the pandemic	- Risk self-assessments and ORSA are analysed - Certain risks are to some extent covered by the Solvency II Standard Formula - Scenario analysis	- Occupational health and safety regulations to protect our employees and customers - Underwriting risk - Strategic planning process and its follow up - Sectoral analysis. In the Credit business, specific event-driven monitoring and analysis is carried out by the Economic Research Unit - Internal audit, internal control, claims and whistle-blowing channel - Geographical and branch diversification in the traditional business. Geographic and sectoral diversification in the Credit business - Contingency plans (Brexit)
Social, environmental and governance risk	Risk that constitutes the potential for losses driven by environmental, social and governance factors	- General Shareholders' Meeting Bylaws - Regulations of the Board of Directors - Prevention of money laundering - Code of Ethics - Written policies (sustainability policy, climate change and environment policy, tax policy, outsourcing policy) - Sustainability Master Plan	- Non-financial reporting regulations - European Sustainability Regulations (ESMA, EIOPA...) - Climate Change and Energy Transition Act. - United Nations Sustainable Development Goals and Agenda 2030 - Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) - Environmental taxonomy (applicable as of 2022). - Social Taxonomy (not yet in application) - Universal Declaration of Human Rights - United Nations	- Risk self-assessments and ORSA are analysed - Analysis of adverse climate scenarios - Taxonomy - Sustainability Report	- Internal Audit - Internal Control - Whistle-blowing Channel - Occupational health and safety regulations - Sustainability Report - Monitoring and adaptation of strategic planning - Code of Ethics - Written policies (e.g. sustainability policy, climate change and environment policy,...) - Sustainability Master Plan
Other risks	Risks not included in the previous groups, such as the loss risks arising from inadequate strategic decisions, their defective implementation or inadequate adaptation to changes in the economic or social environment (strategic risk), the risk associated with the occurrence of an event that has a negative impact on the Group's reputation (reputational risk) or the risk arising from the interdependence of the risks existing between Group entities (contagion risk)	- Written policies - Reputational risk management protocol - Social media usage manual - Reputational risk management protocol	- Advertising regulations - UNESPA Guides to which the company has adhered. - Guidelines - Guidelines under the Insurance Distribution Directive on Insurance-based investment products that incorporate a structure which makes it difficult for the customer to understand the risks involved	- Risk self-assessments and ORSA are analysed. - Indicators to monitor media appearances and complaints through social networks	- Exhaustive monitoring of the plan in the medium-term - Code of ethics - Procedure in case of irregularities and frauds - Requirements of aptitude and reputation - Monitoring of information published in the media and social networks - Control of the manual for the use of social networks - Action protocols for the management of reputational risk events - Continuous monitoring of business units

D. Valuation for solvency purposes

The valuation principles of Solvency II are in accordance with Articles 75 to 86 of the Solvency II Directive, Articles 7to16 of the Delegated Regulation implementing it, the Guidelines and Recommendations supplementing the Solvency Regulation and regulations LOSSEAR and ROSSEAR transposing Community regulations.

The general assessment criterion for the purposes of the Solvency Directive II states that:

a) Assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.

b) Liabilities shall be valued at the amount for which they could be transferred, or settled, between knowledgeable willing parties in an arm's length transaction.

In addition, they provide that, unless otherwise stated, assets and liabilities, other than technical provisions, shall be recognised in accordance with international accounting standards, provided that they include valuation methods consistent with the valuation approach described in Article 75 of the Directive.

Functional and reporting currencies

The items included in the financial statements of each of the Group entities are constructed using the currency in which the entity operates (the "functional currency").

The balance sheet of Solvency II is presented in euros.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Gains and losses resulting from the settlement of foreign transactions and from the translation at year-end of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement under IFRS and form part of the eligible capital in the financial balance sheet.

D.1. Reconciliation of the economic balance sheet with the accounting balance sheet and explanatory notes (figures in euro).

	Financial 21	Financial 22	Accounting	
Goodwill	0	0	787,111,624	
Deferred acquisition costs	0	0	276,702,261	Note 2.
Intangible assets	0	0	135,924,352	Note 3.
Deferred tax assets	997,798,609	1,007,524,964	282,280,812	Note 4.
Surplus pension benefits	88,371,000	81,338,000	81,338,000	
Property, land and equipment for own use	559,211,960	538,662,852	389,562,691	Note 5.1.
Investments (other than Index-linked and Unit-linked assets)	11,640,045,389	10,703,834,780	10,234,324,495	Note 5.2. Note 6
Assets held for unit-linked fund purposes	757,629,032	751,007,578	751,007,578	
Loans and mortgages	216,165,966	208,153,817	216,777,286	Note 7.
Reinsurance recoverables	626,629,224	616,345,217	1,106,207,402	Note 8.
Deposits to assignors	22,100,644	23,604,990	23,604,990	
Insurance and brokering receivables	271,537,034	326,433,142	425,128,445	Note 9.
Reinsurance receivables	151,247,934	202,650,606	96,426,486	
Receivables (other than from insurance operations)	324,933,464	317,440,070	324,524,314	Note 9.
Treasury shares	605,555	58,428,713	22,787,227	
Amounts due from equity items or initial fund required but not disbursed	0	0	0	
Cash and other equivalent liquid assets	1,653,597,589	2,056,808,637	2,140,572,468	
Other assets	102,227,075	110,499,252	321,524,554	Note 10.
Total assets	**17,412,100,474**	**17,002,732,616**	**17,615,804,984**	

	Financial 21	Financial 22	Accounting	
Technical provisions - Non-Life	2,749,748,902	2,908,730,440	4,599,847,207	Note 11.
Technical provisions - Life	5,750,045,892	5,278,981,883	6,815,170,774	Note 12.
Other technical provisions	0	0	0	
Contingent liabilities	0	0	0	
Other non-technical provisions	20,599,106	132,640,109	142,244,875	
Provisions for pensions and similar obligations	162,372,813	115,850,820	116,050,391	Note 15.
Reinsurance deposits	21,058,617	14,314,564	14,314,564	
Deferred tax liabilities	1,632,263,871	1,500,666,520	310,194,991	Note 4.
Derivatives	0	0	0	
Debts with credit institutions	235,210	-3	-3	
Financial liabilities other than debts to credit institutions	0	0	0	
Liabilities from insurance and coinsurance operations	112,511,901	128,246,909	143,573,413	
Liabilities from reinsurance operations	307,721,437	131,749,005	113,334,430	
Other debts and items payable	732,241,117	757,689,122	770,707,745	Note 13.
Subordinated liabilities	199,676,888	185,697,040	191,345,176	Note 14.
Other liabilities, not shown under other headings	183,758,628	205,786,916	193,613,879	Note 16.
Liabilities	**11,872,234,381**	**11,360,353,322**	**13,410,397,441**	
Available equity	**5,539,866,092**	**5,642,379,294**	**4,205,407,543**	
Total liabilities and equity	**17,412,100,474**	**17,002,732,616**	**17,615,804,984**	

Breakdown of the main asset headings

	Financial 21	Financial 22	Accounting	
Investments (other than Index-linked and Unit-linked assets)	**11,640,045,389**	**10,703,834,780**	**10,234,324,495**	
Investments in real estate (other than for own use)	1,095,571,367	1,141,194,248	749,280,436	Note 5.2
Shareholdings	371,629,326	349,177,343	112,267,976	Note 6.1
Variable income	1,411,357,620	1,282,450,614	1,435,621,308	Note 6.2
Variable income - Type 1	1,324,379,388	1,173,136,955	1,326,307,648	
Variable income - Type 2	86,978,232	109,313,660	109,313,660	
Bonds	7,367,885,035	6,858,177,675	6,864,319,877	Note 6.3
Public debt	3,064,597,299	2,765,507,436	2,771,649,638	
Private fixed income	4,292,612,732	4,083,552,621	4,083,552,621	
Structured financed assets	10,675,004	9,117,618	9,117,618	
Securities with collateral	0	0	0	
Investment funds	711,997,137	606,322,076	606,322,076	Note 6.4
Derivatives	0	0	0	
Deposits (other than cash equivalents)	681,604,904	466,512,823	466,512,823	Note 6.5
Other Investments	0	0	0	

	Financial 21	Financial 22	Accounting	
Loans and Mortgages	**216,165,966**	**208,153,817**	**216,777,286**	Note 7
Loans and mortgages to individuals	382,170	388,423	388,423	
Other loans and mortgages	197,565,693	191,408,562	200,032,031	
Loans and policies	18,218,104	16,356,833	16,356,833	

	Financial 21	Financial 22	Accounting
Reinsurance Recoverables:	**626,629,224**	**616,345,217**	**1,106,207,402**
Non-life and health similar to non-life	624,298,189	616,229,263	1,099,646,293
Non-life excluding health	623,326,589	615,952,231	1,098,766,879
Health similar to non-life	971,600	277,032	879,414
Life and health similar to life, excluding health and index-linked and unit-linked	2,331,035	115,954	6,561,109

Breakdown of the main liability items

	Financial 21	Financial 22	Accounting	
Technical provisions - non-life insurance	**2,749,748,902**	**2,908,730,440**	**4,599,847,207**	Note 11.
Technical provisions - non-life insurance (excluding illness)	2,683,924,957	2,849,015,658	4,504,568,945	
Best Estimate (BE)	*2,515,305,982*	*2,674,163,523*	*0*	
Risk margin (RM)	*168,618,975*	*174,852,135*	*0*	
Technical provisions - health insurance (similar to non-life insurance)	65,823,945	59,714,781	95,278,262	
Best Estimate (BE)	*59,387,919*	*53,586,737*	*0*	
Risk margin (RM)	*6,436,026*	*6,128,044*	*0*	
Technical provisions - life insurance (excluding index-linked and unit-linked)	**5,100,252,134**	**4,638,856,148**	**6,064,293,227**	Note 12.
Technical provisions - health insurance (similar to non-life insurance)	16,634,758	13,702,489	13,702,489	
Best Estimate (BE)	*16,634,758*	*13,702,489*	*0*	
Risk margin (RM)	*0*	*0*	*0*	
Technical provisions - life insurance (excluding health, index-linked and unit-linked)	5,083,617,376	4,625,153,659	6,050,590,738	
Best Estimate (BE)	*4,351,614,356*	*4,213,706,260*	*0*	
Risk margin (RM)	*732,003,020*	*411,447,399*	*0*	
Technical provisions - index-linked and unit-linked	**649,793,757**	**640,125,735**	**750,877,547**	
Best Estimate (BE)	*633,288,665*	*620,269,782*	*0*	
Risk margin (RM)	*16,505,093*	*19,855,952*	*0*	

Explanatory notes to the balance sheet:

Note 1. Goodwill

"Goodwill on Consolidation" reflects any positive consolidation differences arising from the acquisition of equity interests in subsidiaries. It is equal to the excess of the cost of the business combination according to the net fair value of the identifiable assets, liabilities and contingent liabilities acquired, provided such excess cannot be assigned to specific tangible or intangible assets.

For balance sheet purposes it is valued at zero.

Note 2. Deferred acquisition costs

Costs corresponding to earned premiums that are attributable to the period between the closing date and the end of coverage of the contracts, with the expenses charged to profits/(losses) corresponding to those actually borne in the period with the limit established in the technical bases.

For financial balance sheet purposes, they are included in the flows of the calculation of the Best Estimate of the Direct Insurance of the technical provisions. Therefore, their value is zero.

Note 3. Intangible assets

"Intangible assets" comprise all identifiable non-monetary assets without physical substance that arise as a result of an acquisition from a third party or are generated internally by a company of the Group. Intangible assets that are identifiable, have future economic benefits and are under the Group's control are recognised if, and only if, their cost can be reliably estimated and the future economic benefits associated with them are likely to flow to the Group.

For the purposes of Solvency II, they are valued at zero, unless the intangible asset can be sold separately and the insurance or reinsurance undertaking can demonstrate that identical or similar assets have a value obtained in accordance with Article 10, Section 2 of the Delegated Regulation, in which case they are valued in accordance with that Article.

The Group has assigned a zero value to intangible assets for the purposes of calculating the financial balance sheet.

Note 4. Deferred tax assets and liabilities

Temporary differences give rise to deferred tax assets and liabilities in the balance sheet as a result of the difference between the accounting profit/loss and the tax base (unused tax credits or losses).

Deferred tax liabilities in the economic balance sheet are additionally recognised for the tax effect of the difference between the valuation of assets and liabilities for solvency purposes and their accounting valuation. When considering deferred tax assets, account is taken not only of the different measurement criteria for accounting and solvency purposes, but also of the possibility of offsetting them against deferred tax liabilities and the likelihood of future taxable profits in respect of which the deferred tax assets can be used.

Adjustment of the loss absorption capacity of deferred taxes

The Group SCR tax adjustments are calculated as a proportion of the sum of the SCR tax adjustments of the individual entities that comprise it. The ratio used is that corresponding to the division of the Group SCR before tax adjustment by the sum of the SCRs before tax adjustment of the individual entities.

In addition, and for the purposes of their recognition, firstly, and taking into account their temporary nature, the net deferred tax liabilities (DTLs minus DTAs) shown in the financial balance sheet are taken into account and secondly, a recoverability test is carried out on the remaining amount. For the purposes of the recoverability test, the business plan used to make the estimates of future taxable income is in line with market reality and the specificities of the Entity, and specifically with the assumptions contained in the ORSA report.

Note 5. Tangible fixed assets and investment property

The heading 'Tangible fixed assets and investment property' includes tangible assets intended to be used on a lasting basis by companies, which may be of a movable or immovable nature. In the case of the latter, classification as tangible fixed assets or investment property will depend on the destination of the property.

Real estate can be placed in the following categories:

5.1 Tangible fixed assets - Property, land and equipment for own use:

Those tangible assets used in the production or supply of goods or services, or for administrative purposes, are classified as tangible fixed assets.

5.2 Real estate investments (not for own use):

Real estate that is held for rental income, such as in the case of leasing, capital gains or both, other than for sale in the ordinary course of business, qualifies as investment property for use by third parties. Land and buildings whose future use has not been decided at the time of incorporation are also assigned to this category.

In the financial statements, they are initially measured at acquisition or production cost and are subsequently reduced by the corresponding accumulated depreciation and impairment losses, if any.

For financial balance sheet purposes, assets classified in this category are measured at market value. This is determined according to the appraisal value carried out by approved appraisal companies. The difference lies in the consideration, under Solvency II, of unrealised capital gains/depreciation.

Note 6. Investments (other than Index-linked and Unit-linked assets)

A financial instrument is a contract that gives rise to a financial asset in an entity and, simultaneously, to a financial liability or equity instrument in another company.

In general, the valuation of financial assets coincides between the different regulations, IFRS and Solvency II; the differences are specified in more detail within each type.

6.1 Shareholdings in Group companies and associates:

Group entities are considered to be those entities linked to the Company by a control relationship that have not been fully integrated for solvency purposes.

Associates are entities, other than subsidiaries, over which the Group has significant influence, i.e. the power to participate in the financial and operating policy decisions of the investee but not to exercise full or joint control over it.

In general, it is presumed that the Group exercises significant influence if it holds, directly or indirectly, 20% or more of the voting power of the investee, unless it can be clearly demonstrated that such influence does not exist (Annex II to the Annual Report provides relevant information on these entities).

In Solvency, the shareholdings are valued at market value, the market value of the insurance companies being their equity in accordance with Solvency II regulations. Consequently, no account is taken of the implicit goodwill that forms part of the value of the shareholding. In the case of shareholdings in non-insurance companies, they are valued according to their adjusted theoretical book value.

6.1 Variable income:

For accounting purposes, variable income valued on the basis of their fair value, with the valuation in both regimes coinciding.

Solvency II breaks down two types of variable income (type 1 and type 2):

Type 1: Shares listed on regulated markets in the OECD or the European Economic Area. They are measured at market value, and changes in equity are recorded until the asset is sold or becomes impaired, at which time the cumulative gains or losses are recognised in the income statement.

Type 2: Share listed in non-OECD and non-ESA markets, private equity, hedge funds, commodities and other alternative investments. These are valued at their adjusted theoretical book value.

6.2 Fixed income

In general, the measurement coincides in both regimes and is carried out on the basis of fair value, with changes in equity being recorded until the asset is sold or becomes impaired, at which time these profits/(losses) are recorded in the income statement.

There are three types.

- Public debt
- Private fixed income
- Structured financial assets

The valuation is the same in both regimes.

6.3 Investment Funds

In general, the measurement coincides in both regimes and is carried out on the basis of fair value, with changes in equity being recorded until the asset is sold or becomes impaired, at which time these accumulated profits/(losses) are recorded in the profit and loss account.

6.4 Deposits (other than cash equivalents)

In general, the measurement coincides in both regimes and is carried out on the basis of fair value, with changes in equity being recorded until the asset is sold or becomes impaired, at which time these accumulated profits/(losses) are recorded in the profit and loss account.

The differences between the two environments are due to the different valuation of SPVs and trust deposits. In the accounting balance sheet, the valuation performed by the counterparty is considered in the case of fiduciary deposits, since in the case of SPVs it is the institution that values them, while in the economic balance sheet they are valued by applying the look-through approach, breaking down the investment into each of the parts that make it up, so that each asset is valued separately. The individual valuation of each of these parts is made by discounting flows taking into account the credit risk associated with each.

Note 7. Loans and Mortgages

Loans and mortgages are valued for accounting purposes at amortised cost.

In Solvency they are valued at market value. The directors consider that the market value can be assimilated to the amortised cost.

Note 8. Reinsurance Recoverables

The recoverables from ceded and retroceded reinsurance correspond to the amounts to be recovered from reinsurers in respect of the transfer of direct insurance and accepted reinsurance respectively.

For the purposes of Solvency II, the amounts recoverable from Non-Life reinsurance are reduced by a probability of default (PD) calculated for each branch and type of provision (premiums or claims) according to the reinsurer's rating. Finally, the resulting flows are financially discounted by applying the risk-free curve with volatility adjustment published by EIOPA.

The differences by valuation methodology of Solvency II in the technical provisions are reflected in the same way in the recoverable amounts.

Note 9. Insurance and brokering receivables

Receivables are valued for accounting purposes at amortised cost.

The differences in valuation between the two schemes in both traditional business and credit insurance business are due to the fact that claims for unearned and unwritten premiums and claims corresponding to claims settlement agreements are not taken into account for the purposes of Solvency II, because they are included in the flows for calculating the best estimate of technical provisions.

Note 10. Other assets, not shown under other headings

The Entity has in its balance sheet 'Other assets, not shown under other items' which contains the concept of surety bonds.

Note 11. Technical provisions other than Life

For the purposes of this report, the methodology of the Non-Life business is broken down into the credit insurance branch and the non-credit insurance branch (traditional business).

Non-Life technical provisions (traditional business):

Provisions are broken down into premiums and claims

- **Premium Provision**

  For the purposes of Solvency II, the valuation of the best estimate of premiums follows the methodology set out in Technical Annex 3 of the Guidelines and is calculated by applying the acquisition costs to the volume of gross unearned premiums:

  - Claim ratio: ultimate (final loss) for each business line
  - Administration costs and claims handling expenses of the income statement

  In addition, the amount corresponding to tacit renewals and the profits corresponding to premiums collected in instalments that do not form part of the assets in the financial balance sheet are taken into account.

  The corresponding premium provision flows are obtained from the payment patterns. They are finally discounted using the risk-free curve published by EIOPA together with the volatility adjustment.

For Group purposes, the provision is the sum of the companies' premium provisions after deducting intra-group transactions.

- **Claims Provisions**

For the purposes of Solvency II, the best estimate of claims is calculated on the basis of the technical provisions for accounting claims for direct insurance and accepted reinsurance, gross of reinsurance ceded and retroceded, respectively. This concept includes the provision for benefits pending settlement and/or payment, the provision for benefits pending declaration and the provision for internal claims settlement expenses, all calculated using realistic assumptions and commonly accepted methodologies. The payment patterns are applied to this provision to obtain the cash flows and then the financial discount is made by applying the risk-free curve with volatility adjustment published by EIOPA.

For Group purposes, the provision is the sum of the companies' premium provisions after deducting intra-group transactions

The risk margin is calculated as the linear sum of the risk margins of each individual entity, without eliminating intra-group adjustments. These margins are calculated in the same way for all individual entities.

- In the Non-life underwriting risk of the reference entity, the sub-modules of premiums and reserves, fall and catastrophe are calculated according to the Standard Formula and under the assumption that the entity does not accept new business, it is considered that in the case of premiums the policies are not renewed and in the case of reserves the flow of its obligations is consumed.
- For counterparty risk, the projection is made according to the evolution of the reinsurance BEL.
- In the case of operational risk, since it is calculated according to the volume of premiums and reserves, these volumes are determined using the same criteria as for premium and reserve risk.
- Finally, Market SCR is considered to be non-material.

Non-Life Technical Provisions (Credit Insurance Business):

- **Premium Provision:**

As with traditional Non-Life lines of business, the best estimate of premiums includes the best estimate of future claims that are within the limits of the contract, including:

- Future claims: the expected value of future claims in respect of reported or unreported claims where the claim event has not yet taken place (in credit insurance, extended default coverage allows claims to be reported that have not yet taken place).
- The benefits/losses related to the UEPP.
- The amount of future premiums in accordance with the limits of the Solvency II contract.
- Estimated recoveries corresponding to future claims.
- Other future expenses: investment expenses, management expenses, administration expenses and commissions.

- **Claims Provisions**

For the purposes of the flows to be considered in each of the provisions, it is essential to determine:

- o The contract limit.
- o The date of occurrence and its distribution over time in order to break down the provision for claims in the premium reserve. Additionally, the payment patterns that serve as the basis for applying the discount curve for the calculation of the BEL are determined.

The risk margin in the credit insurance business is calculated in accordance with Method 1 of EIOPA Guide 62. The methodology is as follows:

- Future annual SCRs are calculated for the existing business from the standard formula applying certain simplifications. The simplification is used for the counterparty SCR and for the operational SCR.
- The cost of capital of 6% is applied to future SCRs discounted to the risk-free curve in accordance with solvency methodology II.
- Market SCR is assumed to be zero.

Note 12. Technical provisions for life insurance, including Unit Link

For Solvency II purposes, the best estimate is equal to the present value of expected future cash flows taking into account the time value of money by applying the relevant risk-free interest rate structure. The cash flow projections used in the calculation are made policy by policy in accordance with Chapter III of the Delegated Regulations, including all the flows corresponding to existing insurance contracts:

- Payment of benefits to policyholders and beneficiaries.
- Payments of all expenses incurred by the entity to meet insurance obligations.
- Premium payments and any additional flows arising from such premiums.
- Payments between the entity and intermediaries in relation to insurance obligations.

This cash flow projection takes into account all the uncertainties related to:

- Assumptions on the behaviour of annulments and the behaviour of policyholders.
- Assumption of death.
- Changes in demographic assumptions and premium payments.
- Uncertainty about cost assumptions.

The Risk Margin is calculated as the linear sum of the risk margins of the individual entities without eliminating intra-group adjustments. These margins are calculated in the same way for all individual entities, in accordance with Guideline 62 on the valuation of technical provisions, simplified methods 2 and 3 are not appropriate when BEL is negative in any of the projection years, as is the case for flows from the Temporary Annual Renewable Insurance and Funeral Insurance.

- The flows from both the central BEL and the stressed BEL are used in the life underwriting risk of the reference entity and the resulting SCR is calculated year by year, assuming that the entity does not accept new business and therefore consumes the flow of its obligations;
- For the remaining risk modules, if their calculation is based on the BEL, the projection of the BEL is considered and the resulting SCRs are calculated;
- Finally, Market SCR is considered to be non-material.

Note 13. Other debts

The valuation coincides in both regimes, except for the changes in the scope.

Note 14. Subordinated liabilities

The Group has a subordinated issue made through its entity Atradius.

Note 15. Provisions for pensions and similar obligations

The Group has post-employment pension obligations classified as either defined-contribution plans or defined-benefit plans, which are covered by insurance policies and employment pension plans or trustee-administered funds. Other post-employment benefits, as well as long-term benefits, such as service awards, are covered by internal provisions. The valuation is the same except for changes in the scope of consolidation.

Note 16. Other liabilities, not shown under other headings

Among other items, this balance sheet heading includes accounting asymmetries, as well as the accrual of commissions and acquisition expenses pending allocation in the future corresponding to the ceded reinsurance business. Both concepts are included in the calculation of the "Best Estimate" of technical provisions under solvency II, so their valuation is equal to zero.

D.2 QRT S.02.01.02, S.22.01.22 and S.32.01.22

S.02.01.02 - Balance sheet

Activo	Valor de Solvencia II
Fondo de comercio	
Costes de adquisición diferidos	
Activos intangibles	0
Activos por impuestos diferidos	1.007.525
Superávit de las prestaciones de pensión	81.338
Inmovilizado material para uso propio	538.663
Inversiones (distintas de los activos mantenidos a efectos de contratos vinculados a índices y fondos de inversión)	10.703.835
Inmuebles (distintos a los destinados al uso propio)	1.141.194
Participaciones en empresas vinculadas	349.177
Acciones	1.282.451
Acciones - cotizadas	1.173.137
Acciones - no cotizadas	109.314
Bonos	6.858.178
Bonos públicos	2.765.507
Bonos de empresa	4.083.553
Bonos estructurados	9.118
Valores con garantía real	0
Organismos de inversión colectiva	606.322
Derivados	0
Depósitos distintos de los equivalentes a efectivo	466.513
Otras inversiones	0
Activos mantenidos a efectos de contratos vinculados a índices y fondos de inversión	751.008
Préstamos con y sin garantía hipotecaria	208.154
Préstamos sobre pólizas	16.357
Préstamos con y sin garantía hipotecaria a personas físicas	388
Otros préstamos con y sin garantía hipotecaria	191.409
Importes recuperables de reaseguro de:	616.345
No vida y enfermedad similar a no vida	616.229
No vida, excluida enfermedad	615.952
Enfermedad similar a no vida	277
Vida y enfermedad similar a vida, excluidos enfermedad y vinculados a índices y fondos de inversión	116
Enfermedad similar a vida	0
Vida, excluidos enfermedad y vinculados a índices y fondos de inversión	116
Vida vinculados a índices y fondos de inversión	0
Depósitos en cedentes	23.605
Cuentas a cobrar de seguros e intermediarios	326.433
Cuentas a cobrar de reaseguro	202.651
Cuentas a cobrar (comerciales, no de seguros)	317.440
Acciones propias (tenencia directa)	58.429
Importes adeudados respecto a elementos de fondos propios o al fondo mutual inicial exigidos pero no desembolsados aún	0
Efectivo y equivalente a efectivo	2.056.809
Otros activos, no consignados en otras partidas	110.499
Total activo	17.002.733

Pasivo	Valor de Solvencia II
Provisiones técnicas - no vida	2.908.730
Provisiones técnicas - no vida (excluida enfermedad)	2.849.016
Provisiones técnicas calculadas como un todo	0
Mejor estimación	2.674.164
Margen de riesgo	174.852
Provisiones técnicas - enfermedad (similar a no vida)	59.715
Provisiones técnicas calculadas como un todo	0
Mejor estimación	53.587
Margen de riesgo	6.128
Provisiones técnicas - vida (excluidos vinculados a índices y fondos de inversión)	4.638.856
Provisiones técnicas - enfermedad (similar a vida)	13.702
Provisiones técnicas calculadas como un todo	0
Mejor estimación	13.702
Margen de riesgo	0
Provisiones técnicas - vida (excluidos enfermedad y vinculados a índices y fondos de inversión)	4.625.154
Provisiones técnicas calculadas como un todo	0
Mejor estimación	4.213.706
Margen de riesgo	411.447
Provisiones técnicas - vinculados a índices y fondos de inversión	640.126
Provisiones técnicas calculadas como un todo	0
Mejor estimación	620.270
Margen de riesgo	19.856
Otras provisiones técnicas	
Pasivos contingentes	0
Otras provisiones no técnicas	132.640
Obligaciones por prestaciones de pensión	115.851
Depósitos de reaseguradores	14.315
Pasivos por impuestos diferidos	1.500.667
Derivados	0
Deudas con entidades de crédito	0
Pasivos financieros distintos de las deudas con entidades de crédito	0
Cuentas a pagar de seguros e intermediarios	128.247
Cuentas a pagar de reaseguro	131.749
Cuentas a pagar (comerciales, no de seguros)	757.689
Pasivos subordinados	185.697
Pasivos subordinados que no forman parte de los fondos propios básicos	0
Pasivos subordinados que forman parte de los fondos propios básicos	185.697
Otros pasivos, no consignados en otras partidas	205.787
Total pasivo	11.360.353

Excedente de los activos respecto a los pasivos	5.642.379

S.22.01.22 - Impacto de las medidas de garantías a largo plazo y las medidas transitorias -

	Importe con medidas de garantías a largo plazo y medidas transitorias	Impacto de la medida transitoria sobre las provisiones técnicas	Impacto de la medida transitoria sobre el tipo de interés	Impacto del ajuste por volatilidad fijado en cero	Impacto del ajuste por casamiento fijado en cero
Provisiones técnicas	8.187.712	0	0	25.798	0
Fondos propios básicos	5.414.992	0	0	-19.109	0
Fondos propios admisibles para cubrir el capital de solvencia obligatorio	5.414.992	0	0	-19.109	0
Capital de solvencia obligatorio	2.188.458	0	0	3.020	0

S.32.01.22 - Companies within the scope of group -

								Influence criteria						Inclusion in the scope of group supervision		Calculation of group solvency
Country	Company identification code	Type of company identification code	Business name of the company	Type of company	Legal status	Category (mutual/non-mutual)	Supervisory authority	Percentage share in capital	% used for the preparation of consolidated financial statements	% of voting rights	Other criteria	Level of influence	Proportional share used to calculate the group's solvency	YES/NO	Date of decision, if Article 214 applies	Method used and, according to method 1, treatment of the company
ES	95980020140006033383	LEI	GCO Reaseguros, S.A.	(Re)insurance entities	Limited company	Non-mutual	Dirección General de Seguros y Fondos de Pensiones (DGSFP)	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800SUL3RYS1DXTM22	LEI	Grupo Compañía Española de Crédito y Caución, S.L.	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited company	Non-mutual	NA	73.84%	100.00%	73.84%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800V7RYS0SBDHZD65	LEI	Cosalud Servicios, S.A.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800HNWAK1KG9EJK63	LEI	Grupo Catalana Occidente Gestión de Activos S.A.U., S.G.I.I.C.	Credit institutions, investment firms and financial institutions	Limited company	Non-mutual	Comisión Nacional del Mercado de Valores (CNMV)	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Method 1: Sectoral Standards
ES	959800BJ6BDHSLGDRU96	LEI	Bilbao Hipotecaria, S.A.U., E.F.C.	Credit institutions, investment firms and financial institutions	Credit Institution	Non-mutual	Banco de España (BdE)	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Method 1: Sectoral Standards
ES	959800TMUKV2B1SB4X26	LEI	Seguros Órbita, Sociedad Agencia de Seguros, S.A.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800EAE51QTVPN2Z81	LEI	Bilbao Telemark, S.L.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800A46282L0P1YS51	LEI	Bilbao Vida y Gestores Financieros, S.A.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	9598006T6XHEPH82C668	LEI	Catoc Inversiones Globales, S.L.	Other Sectors	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Other methods
ES	959800AHXRU6CQK5W909	LEI	PREPERSA, Peritación de Seguros y Prevención, A.I.E.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Economic Interest Group	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800JMFGYBU2W6T783	LEI	Tecniseguros, Sociedad de Agencia de Seguros, S.A.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800A7QQ40PVG1QD88	LEI	Catalana Occidente Capital, Agencia de Valores, S.A.U.	Credit institutions, investment firms and financial institutions	Limited company	Non-mutual	Comisión Nacional del Mercado de Valores (CNMV)	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Method 1: Sectoral Standards
ES	959800W0FZTBMSZAEU82	LEI	Grupo Catalana Occidente, Tecnología y Servicios, A.I.E.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Economic Interest Group	Non-mutual	NA	99.96%	100.00%	99.96%	NA	Parent company	1	Yes		Consolidation/full integration
ES	95980020140005338378	LEI	Seguros Catalana Occidente, Sociedad Anónima de Seguros y Reaseguros	Joint venture	Limited company	Non-mutual	Dirección General de Seguros y Fondos de Pensiones (DGSFP)	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	95980020140005405017	LEI	Bilbao, Compañía Anónima de Seguros y Reaseguros, S.A.	Joint venture	Limited company	Non-mutual	Dirección General de Seguros y Fondos de Pensiones (DGSFP)	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800PAQJABFQWKRF36	LEI	Nortehispana. De Seguros y Reaseguros, S.A.	Joint venture	Limited company	Non-mutual	Dirección General de Seguros y Fondos de Pensiones (DGSFP)	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	95980020140005374850	LEI	Plus Ultra, Seguros Generales y Vida, S.A. de Seguros y Reaseguros	Joint venture	Limited company	Non-mutual	Dirección General de Seguros y Fondos de Pensiones (DGSFP)	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800S7E9AZZLQ12L60	LEI	Grupo Catalana Occidente Contact Center, A.I.E	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Economic Interest Group	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
AD	GRO0009AD00001	Local Code	Inversions Catalana Occident, S.A.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	95980020140005290557	LEI	Hercasol, S.A. SICAV	Other Sectors	Limited company	Non-mutual	Comisión Nacional del Mercado de Valores (CNMV)	87.65%	87.65%	87.65%	NA	Parent company	1	Yes		Other methods
CL	GRO0009CL00001	Local Code	Inversiones Credere S.A.	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited company	Non-mutual	NA	50.00%	50.00%	50.00%	NA	Significant	1	Yes		Consolidation/Method of participation
ES	B61022695	Local Code	Calboquer, S.L.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	20.00%	20.00%	20.00%	NA	Significant	0	Yes		Other methods
ES	A28749976	Local Code	Asitur Asistencia. S.A.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	42.86%	42.86%	42.86%	NA	Significant	0	Yes		Other methods
ES	95980020140005888465	LEI	Gesiuris Asset Management, S.G.I.I.C., S.A.	Credit institutions, investment firms and financial institutions	Limited company	Non-mutual	Comisión Nacional del Mercado de Valores (CNMV)	26.12%	26.12%	26.12%	NA	Significant	0	Yes		Method 1: Sectoral Standards
NL	A01	Local Code	Atradius NV	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
NL	017	Local Code	Atradius Collections Holding B.V.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration

NL	677	Local Code	Atradius Credit Management Services B.V.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
NL	611	Local Code	Atradius Collections B.V.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
MX	GRO0009MX00601	Local Code	Atradius Collections, S.A. de C.V.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
BR	GRO0009BR00681	Local Code	Atradius Collections Serviços de Cobranças de Dividas Ltda.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
ES	631	Local Code	Atradius Collections, S.L.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
SG	GRO0009SG00669	Local Code	Atradius Collections Pte. Ltd.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
GB	613	Local Code	Atradius Collections Ltd. (UK)	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
AU	GRO0009AU00659	Local Code	Atradius Collections Pty Ltd.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
US	GRO0009US00681	Local Code	Atradius Collections, Inc.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
CA	GRO0009CA00607	Local Code	Atradius Collections Ltd. (Canada)	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
HK	GRO0009HK00665	Local Code	Atradius Collections Ltd. (Hong Kong)	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
CN	GRO0009CN00667	Local Code	Atradius Corporate Management Consulting (Shangai) Co. Ltd.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
NL	B04	Local Code	Atradius Insurance Holding N.V.	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
NL	411	Local Code	Atradius Information Services B.V.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
KR	GRO0009KR00473	Local Code	Atradius Trade Insurance Brokerage Yuhan Hoesa (Corea del Sur)	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
RU	GRO0009RU00483	Local Code	Atradius Credit Management Services (RUS) LLC	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
IN	GRO0009IN00475	Local Code	Atradius India Credit Management Services Private Ltd.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
MX	GRO0009MX00401	Local Code	Informes Mexico S.A. de C.V.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
ID	GRO0009ID00010	Local Code	PT Atradius Information Services Indonesia	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
GB	2138006QLK376R83QG40	LEI	Atradius Pension Trustees Ltd.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800BM073UU643XQ92	LEI	Iberinform Internacional S.A.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Private Single-Entity Limited Company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800R9CZW0EHQH4851	LEI	B2B Safe S.A.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800EA0RB0DBRBPR75	LEI	Iberinmobiliaria S.A.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Private Single-Entity Limited Company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
BR	GRO0009BR00295	Local Code	Atradius Crédito y Caución Seguradora de Crédito S.A.	General insurance company	Limited company	Non-mutual	Superintendência de Seguros Privados (SUSEP)	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
BR	GRO0009BR00495	Local Code	Crédito y Caución do Brasil Gestao de Riscos de Crédito e Serviços LTDA	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
US	GRO0009US00003	Local Code	Atradius Credit Insurance Agency, Inc.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
MX	GRO0009MX00201	Local Code	Atradius Seguros de Crédito S.A.	General insurance company	Limited company	Non-mutual	Comision Nacional de Seguros y Finanzas (CNSF)	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
NL	301	Local Code	Atradius Dutch State Business N.V.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
US	254900FJ2LXLJ6M30X10	LEI	Atradius Trade Credit Insurance, Inc.	General insurance company	Limited company	Non-mutual	Maryland Insurance Administration (MIA)	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration

RU	GRO0009RU00285	Local Code	Atradius Rus Credit Insurance LLC	General insurance company	Limited company	Non-mutual	Central Bank of the Russian Federation	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
NL	724500I3T05PCARWAF68	LEI	Atradius Finance B.V.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
ES	B06	Local Code	Atradius Participations Holding S.L.U.	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
IT	329	Local Code	Atradius Italia Intermediazioni SRL	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
CL	GRO0009CL00005	Local Code	Compañía de Seguros de Crédito Continental S.A.	General insurance company	Limited company	Non-mutual	Superintendencia de Valores y Seguros (SVS)	41.60%	41.60%	41.60%	NA	Significant	0	Yes		Consolidation/Method of participation
IL	GRO0009IL00003	Local Code	CLAL Credit Insurance, Ltd.	General insurance company	Limited company	Non-mutual	Supervisor of Insurance	16.64%	16.64%	16.64%	NA	Significant	0	Yes		Consolidation/Method of participation
ES	959800H2P9S8MS95DT42	LEI	Grupo Catalana Occidente, Sociedad Anónima	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited company	Non-mutual	NA	100.00%	0.00%	0.00%	NA		0	Yes		Consolidation/full integration
ES	B95115572	Local Code	Funerarias Bilbaina y La Auxiliadora S.L.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	B39475843	Local Code	Funeraria Merino Diez S.L.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	B95583910	Local Code	Mediagen S.L.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	B95542015	Local Code	Servicios Funerarios del Nervión S.L.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	50.00%	100.00%	50.00%	NA	Parent company	1	Yes		Consolidation/full integration
IE	6354003PFJVHJUGQQA54	LEI	Atradius Reinsurance DAC	(Re)insurance entities	Limited company	Non-mutual	Central Bank of Ireland (CBI)	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
ES	9598002U9BK2VP1RTG14	LEI	Atradius Crédito y Caución S.A. de Seguros y Reaseguros	General insurance company	Private Single-Entity Limited Company	Non-mutual	Dirección General de Seguros y Fondos de Pensiones (DGSFP)	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
PL	GRO0009PL00695	Local Code	Starzynski i Wspólnicy Kancelaria Prawna Sp. k.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
ZA	GRO0009ZA00007	Local Code	Credit Guarantee Insurance Corporation of Africa Limited	General insurance company	Limited company	Non-mutual	Financial Services Board	20.80%	20.80%	20.80%	NA	Significant	0	Yes		Consolidation/Method of participation
ES	9598009ND0L37V1EF569	LEI	GCO Gestora de Pensiones, EGFP, S.A.U.	Credit institutions, investment firms and financial institutions	Limited company	Non-mutual	Dirección General de Seguros y Fondos de Pensiones (DGSFP)	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Method 1: Sectoral Standards
ES	959800SJ70968SV2L842	LEI	Grupo Catalana Occidente Activos Inmobiliarios, S.L.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800Q3FUHA8MYC9M92	LEI	Sociedad Gestión Catalana Occidente, S.A.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	959800JNSR2YG5AXMD91	LEI	Previsora Bilbaina Agencia de Seguros, S.A.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	B80125172	Local Code	Funeraria Nuestra Señora de los Remedios, S.L.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	A88127642	Local Code	Nortehispana Mediación, Agencia de Seguros, S.A.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
ES	95980034G7DC99E4ME72	LEI	Asistea Servicios Integrales, S.L.U	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration
VN	GRO0009VN00509	Local Code	Atradius Information Services Vietnam Company Limited	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
CN	GRO0009CN00467	Local Code	AEMC Ltd Shanghai	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
AE	GRO0009AE00719	Local Code	Atradius Collections DMCC	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
BR	GRO0009BR00999	Local Code	Atradius Reinsurance DAC Escritório de Representação no Brasil Ltda.	(Re)insurance entities	Limited company	Non-mutual	Superintendência de Seguros Privados (SUSEP)	83.20%	100.00%	83.20%	NA	Parent company	1	Yes		Consolidation/full integration
ES	B39341896	Local Code	Funcantabria Servicios Funerarios, S.L.U.	Ancillary services company as defined in Art. 1 (53) of Delegated Regulation (EU) 2015/35	Limited company	Non-mutual	NA	100.00%	100.00%	100.00%	NA	Parent company	1	Yes		Consolidation/full integration

E. Capital management

E.1. SCR breakdown by module

Data in € thousand

RISKS	31/12/2022
Non-Life risk	**1,449,327.5**
Internal Model	1,023,390.0
Premium and reserve risk	415,257.7
Fall risk	9,351.9
Catastrophe risk	36,448.8
Life Risk	**614,481.1**
Mortality risk	167,882.3
Longevity risk	54,580.4
Disability risk	33,849.2
Fall risk	526,948.3
Expenses risk	50,579.9
Review risk	0.0
Catastrophic	42,601.0
Health Risk	**56,349.0**
Premium and reserve risk	55,937.4
Fall risk	3,933.7
Catastrophic	1,056.8
Market risk	**1,410,680.7**
Interest rate risk	166,023.6
Variable income risk	723,564.8
Real estate risk	388,478.7
Spread risk	290,669.0
Concentration risk	50,980.4
Exchange rate risk	318,228.2
Counterparty risk	**183,319.1**
Intangible asset risk	**0.0**
Operational risk	**158,177.3**
SCR Other Financial Sectors	**8,985.9**
SCR Total	**2,188,458.2**
MCR	**800,385.8**

E.2. QRT S.23.01.22 and S.25.02.22

S.23.01.22 - Fondos propios -

	Total	Nivel 1 - No restringido	Nivel 1 - restringido	Nivel 2	Nivel 3
Fondos propios básicos antes de la deducción por participaciones en otro sector financiero					
Capital social ordinario (sin deducir las acciones propias)	36.000	36.000		0	
Capital social ordinario exigido pero no desembolsado no disponible, a nivel de grupo	0	0		0	
Primas de emisión correspondientes al capital social ordinario	1.533	1.533		0	
Fondo mutual inicial, aportaciones de los miembros o elemento equivalente de los fondos propios básicos para las mutuas y empresas similares	0	0		0	
Cuentas de mutualistas subordinadas	0		0	0	0
Cuentas de mutualistas subordinadas no disponibles, a nivel de grupo	0		0	0	0
Fondos excedentarios	0	0			
Fondos excedentarios no disponibles, a nivel de grupo	0	0			
Acciones preferentes	0		0	0	0
Acciones preferentes no disponibles a nivel de grupo	0		0	0	0
Primas de emisión correspondientes a las acciones preferentes	0		0	0	0
Primas de emisión correspondientes a las acciones preferentes no disponibles, a nivel de grupo	0		0	0	0
Reserva de conciliación	5.065.798	5.065.798			
Pasivos subordinados	185.697		0	185.697	0
Pasivos subordinados no disponibles, a nivel de grupo	0		0	0	0
Importe igual al valor de los activos netos por impuestos diferidos	0				0
Importe igual al valor de los activos netos por impuestos diferidos no disponible, a nivel de grupo	0				0
Otros elementos aprobados por la autoridad de supervisión como fondos propios básicos no especificados anteriormente	0	0	0	0	0
Fondos propios no disponibles correspondientes a otros elementos de los fondos propios aprobados por la autoridad de supervisión	0	0	0	0	0
Participaciones minoritarias (si no se notifican como parte de un elemento concreto de los fondos propios)	400.208	400.208	0	0	0
Participaciones minoritarias no disponibles, a nivel de grupo	274.243	274.243	0	0	0
Fondos propios de los estados financieros que no deban estar representados por la reserva de conciliación y no cumplan los requisitos para ser clasificados como fondos propios según Solvencia II					
Fondos propios de los estados financieros que no deban estar representados por la reserva de conciliación y no cumplan los requisitos para ser clasificados como fondos propios según Solvencia II	0				
Deducciones					
Deducciones por participaciones en otras empresas financieras, incluidas las empresas no reguladas que desarrollan actividades financieras	0	0	0	0	0
De las cuales: deducciones de conformidad con el artículo 228 de la Directiva 2009/138/CE	0	0	0	0	
Deducciones por participaciones en caso de no disponibilidad de información (artículo 229)	0	0	0	0	0
Deducción por participaciones incluidas por el método de deducción y agregación cuando se utiliza una combinación de métodos	0	0	0	0	0
Total de elementos de los fondos propios no disponibles	274.243	274.243	0	0	0
Total deducciones	274.243	274.243	0	0	0

	Total	Nivel 1 - No restringido	Nivel 1 - restringido	Nivel 2	Nivel 3
Total de fondos propios básicos después de las deducciones	5.414.992	5.229.295	0	185.697	0
Fondos propios complementarios					
Capital social ordinario no exigido y no desembolsado exigible a la vista	0			0	
Fondo mutual inicial, aportaciones de los miembros o elemento equivalente de los fondos propios básicos para las mutuas y empresas similares, no exigidos y no desembolsados y exigibles a la vista	0			0	
Acciones preferentes no exigidas y no desembolsadas exigibles a la vista	0			0	0
Compromiso jurídicamente vinculante de suscribir y pagar pasivos subordinados a la vista	0			0	0
Cartas de crédito y garantías previstas en el artículo 96, apartado 2, de la Directiva 2009/138/CE	0			0	
Cartas de crédito y garantías previstas en el artículo 96, apartado 2, de la Directiva 2009/138/CE	0			0	0
Contribuciones suplementarias exigidas a los miembros previstas en el artículo 96, apartado 3, párrafo primero, de la Directiva 2009/138/CE	0			0	
Contribuciones suplementarias exigidas a los miembros distintas de las previstas en el artículo 96, apartado 3, párrafo primero, de la Directiva 2009/138/CE	0			0	0
Fondos propios complementarios no disponibles, a nivel de grupo	0			0	0
Otros fondos propios complementarios	0			0	0
Total de fondos propios complementarios	0			0	0
Fondos propios de otros sectores financieros					
Entidades de crédito, empresas de inversión, entidades financieras, gestores de fondos de inversión alternativos, sociedades de gestión de OICVM — Total	0	0	0	0	
Fondos de pensiones de empleo	0	0	0	0	0
Entidades no reguladas que desarrollan actividades financieras	0	0	0	0	
Total de fondos propios de otros sectores financieros	0	0	0	0	0
Fondos propios cuando se utiliza el método de deducción y agregación, exclusivamente o en combinación con el método 1					
Fondos propios agregados cuando se utiliza el método de deducción y agregación y una combinación de métodos	0	0	0	0	0
Fondos propios agregados cuando se utiliza el método de deducción y agregación y una combinación de métodos netos de operaciones intragrupo	0	0	0	0	0
Total de fondos propios disponibles para cubrir el SCR del grupo consolidado (excluidos fondos propios de otro sector financiero y de las empresas incluidas por el método de deducción y agregación)	5.414.992	5.229.295	0	185.697	0
Total de fondos propios disponibles para cubrir el SCR del grupo consolidado mínimo	5.414.992	5.229.295	0	185.697	
Total de fondos propios admisibles para cubrir el SCR del grupo consolidado (excluidos fondos propios de otro sector financiero y de las empresas incluidas por el método de deducción y agregación)	5.414.992	5.229.295	0	185.697	0
Total de fondos propios admisibles para cubrir el SCR del grupo consolidado mínimo	5.389.372	5.229.295	0	160.077	
SCR del grupo consolidado mínimo	800.386				

	Total	Nivel 1 - No restringido	Nivel 1 - restringido	Nivel 2	Nivel 3
Ratio entre fondos propios admisibles y SCR del grupo consolidado mínimo	7				
Total de fondos propios admisibles para cubrir el SCR del grupo (incluidos fondos propios de otro sector financiero y de las empresas incluidas por el método de deducción y agregación)	5.414.992	5.229.295	0	185.697	0
SCR del Grupo	2.188.458				
Ratio entre fondos propios admisibles y SCR del grupo (incluidos otros sectores financieros y empresas incluidas por el método de deducción y agregación)	2				

Reserva de conciliación	
Excedente de los activos respecto a los pasivos	5.642.379
Acciones propias (tenencia directa e indirecta)	58.429
Dividendos, distribuciones y costes previsibles	80.412
Otros elementos de los fondos propios básicos	437.741
Ajuste por elementos de los fondos propios restringidos en el caso de carteras sujetas a ajuste por casamiento y de fondos de disponibilidad limitada	0
Otros fondos propios no disponibles	0
Reserva de conciliación antes de la deducción por participaciones en otro sector financiero	5.065.798
Beneficios esperados	
Beneficios esperados incluidos en primas futuras --- Actividad de vida	1.262.671
Beneficios esperados incluidos en primas futuras --- Actividad de no vida	224.489
Total de beneficios esperados incluidos en primas futuras	1.487.160

S.25.02.22 - Capital de solvencia obligatorio - para grupos que utilizan la fórmula estándar y el modelo interno parcial -

Número único del componente	Descripción de los componentes	Capital de solvencia obligatorio bruto	Importe modelizado	Parámetros específicos de la empresa	Simplificaciones
1	RIESGO DE MERCADO	1.410.681	0		
2	RIESGO DE CONTRAPARTE	183.319	0		
3	RIESGO DE SUSCRIPCIÓN DE RIESGOS DE VIDA	614.481	0	Ninguno	
4	RIESGO DE SUSCRIPCIÓN DE SALUD	56.349	0	Ninguno	
5	RIESGO DE SUSCRIPCIÓN DE NO VIDA	1.449.327	1.023.390	Ninguno	
7	RIESGO OPERACIONAL	158.177	0		
9	CAP IMPUESTOS DIFERIDOS (CUANTÍA NEGATIVA)	-523.143	0		

Cálculo del capital de solvencia obligatorio	
Total de componentes no diversificados	3.349.192
Diversificación	-1.169.720
Capital obligatorio para las actividades desarrolladas de acuerdo con el artículo 4 de la Directiva 2003/41/CE	0
Capital de solvencia obligatorio, excluida la adición de capital	2.179.472
Adición de capital ya fijada	0
Capital de solvencia obligatorio	2.188.458
Otra información sobre SCR	
Importe/estimación de la capacidad general de absorción de pérdidas de las provisiones técnicas	0
Importe/estimación de la capacidad general de absorción de pérdidas de los impuestos diferidos	-523.143
Capital obligatorio par el submódulo de riesgo de acciones basado en la duración	0
Importe total del capital de solvencia obligatorio nocional para la parte restante	0
Importe total del capital de solvencia obligatorio nocional para fondos de disponibilidad limitada (distintos de los correspondientes a las actividades desarrolladas de acuerdo con el artículo 4 de la Directiva 2003/41/CE [medida transitoria])	0
Importe total del capital de solvencia obligatorio nocional para las carteras sujetas a ajuste por casamiento	0
Efectos de diversificación debidos a la agregación del SCR nocional para los fondos de disponibilidad limitada a efectos del artículo 304	0
Capital de solvencia obligatorio del grupo consolidado mínimo	800.386
Información sobre otras entidades	
Capital obligatorio para otros sectores financieros (capital obligatorio para empresas no de seguros)	0
Capital obligatorio para otros sectores financieros (capital obligatorio para empresas no de seguros) — En tidades de crédito, empresas de inversión y entidades financieras, gestores de fondos de inversión alternati vos, sociedades de gestión de OIC	0
Capital obligatorio para otros sectores financieros (capital obligatorio para empresas no de seguros) — Fondos de pensiones de empleo	0
Capital obligatorio para otros sectores financieros (capital obligatorio para empresas no de seguros) — Capital obligatorio para empresas no reguladas que desarrollen actividades financieras	0
Capital obligatorio para participaciones no de control	8.986
Capital obligatorio para las restantes empresas	0
SCR para empresas incluidas por el método de deducción y agregación	0
Capital de Solvencia Obligatorio	2.188.458

G

Review report

For further information please contact:

Analysts and investors
+34 915 661 302
analistas@catalanaoccidente.com

Catalana Occidente
Grupo asegurador