Solvency and Financial Condition Report (SFCR) 2023

Grupo Catalana Occidente, S.A.

About this report

Solvency and Financial Condition Report

Grupo Catalana Occidente, S. A.

Grupo Catalana Occidente, S.A. presents its consolidated solvency financial condition report (SFCR) below. The report is prepared in accordance with the Solvency II legal framework, developed through Law 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, S.A. and its subsidiaries, 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 25 April 2024, 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, S.A., publishes this document on the Group's website (www.gco.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.

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About Grupo Catalana Occidente, S.A.

Grupo Catalana Occidente, S.A. (hereinafter "GCO" 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.gco.com

The Group and its subsidiaries with insurance activities in Spain are 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.

As a consequence of the merger between Atradius Crédito y Caución, S.A., de Seguros y Reaseguros and Atradius Reinsurance DAC, GCO is no longer supervised by the College of Supervisors formed by the DGSFP and the Central Bank of Ireland.

The subsidiaries with insurance activities outside of Spain and its respective territories are: (I) Atradius Seguros de Crédito, S.A. in Mexico, regulated by the Comisión Nacional de Seguros y Finanzas (CNSF); and (II) Atradius Trade Credit Insurance, Inc. in the United States, regulated by the Maryland Insurance Administration (MIA). The supervisors mentioned above are responsible for regulating the calculation of the solvency margin in their respective countries.

Executive summary

The Group's solvency ratio is 231.7%, with an excess of €3,281.1 million.

Therefore, GCO has a robust solvency and financial position to withstand adverse situations.

The entities of the Group present average Solvency II ratios of above 175%.

Equity is of high quality (97.3% of Tier 1).

- GCO has continued to grow profitably in 2023, with an attributable profit of €551.8 million and an increase in shareholder remuneration of 8.7%.
- The Group has shown profits and has increased recurring dividends, including in years of economic crisis.
- The Solvency ratio is maintained above 175%, even in adverse scenarios.
- GCO is sufficiently capitalised, to assume the risks associated with its medium term business plans (included in the ORSA).
- The main risks are Market risk (37.1%) followed by Non-Life risk (34.1%, the largest being credit insurance business).
- 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, businesses, communities, offices and SMEs.

Other
Industrial products, engineering, accident and liability.

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

Motor
Coverage related to motor or transport fleets.

Credit insurance
Protects against financial losses from a buyer's inability to pay for goods purchased on credit.

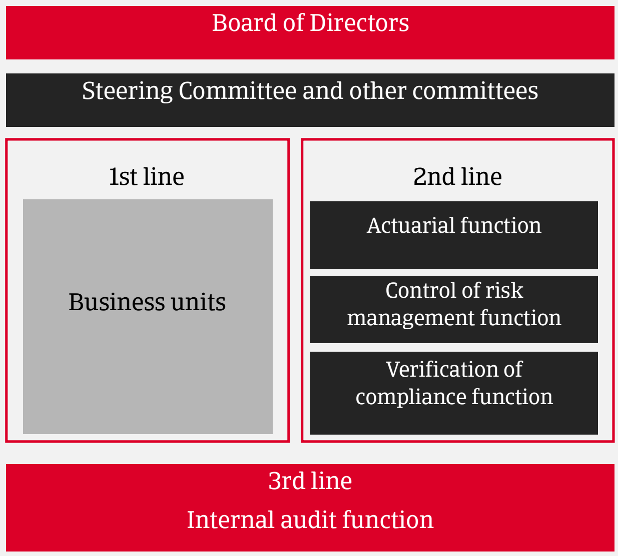
Reinsurance
Wide range of reinsurance solutions for insurance companies from the world's leading insurers.

Surety
Protects the beneficiary if the supplier fails to meet its contractual obligations.

Key financial figures

Market capitalisation	**€3,708 M**
Turnover	**€5,792.6 M** **+9.7%**
Consolidated profit/(loss)	**€615.5 M** **+13.4%**
Managed funds	**€15,364.7 M**

Governance system- 3 lines of defence



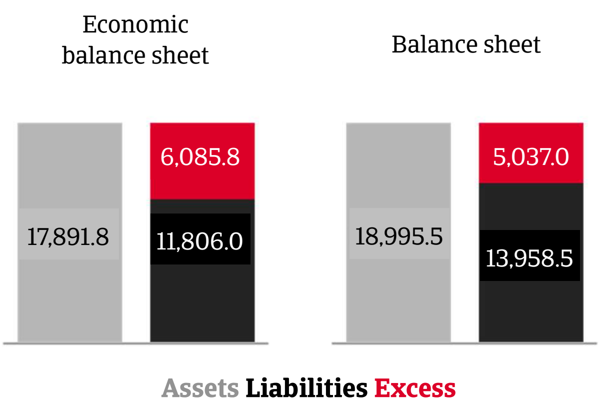
Capital management

In thousands of euros	**2022**	**2023**	**Chg %**
Eligible Equity SCR	5,414,992.3	5,773,516.0	6.6%
Eligible Equity MCR	5,389,372.4	5,773,516.0	7.1%
SCR	2,188,458.2	2,492,337.5	13.9%
MCR	800,385.8	848,087.7	6.0 %
Coverage ratio SCR (%)	247.4 %	231.7 %	(6.4) %
Coverage ratio MCR (%)	673.4 %	680.8 %	1.1 %

Risk profile

In thousands of euros	**2022**	**2023**	**Chg %**
Market SCR	1,410,680.7	1,670,123.4	18.4 %
Counterparty SCR	183,319.1	178,183.0	(2.8) %
Non-Life SCR	1,449,327.5	1,533,636.2	5.8 %
Life SCR	614,481.1	890,833.9	45.0 %
Health SCR	56,349.0	59,354.9	5.3 %
Diversification effect	-1,169,719.6	-1,403,392.8	20.0 %
Basic SCR (BSCR)	2,544,437.7	2,928,738.5	15.1 %
Operational SCR	158,177.3	166,163.6	5.0 %
Tax effect	-523,142.7	-611,138.8	16.8 %
Other financial sectors	8,985.9	8,574.3	(4.6) %
Solvency Capital Requirement (SCR)	**2,188,458.2**	**2,492,337.5**	**13.9 %**

Valuation for solvency purposes



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A. Activity and profits/(losses)

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 GCO's annual reports available on the Group's website https://www.gco.com/

A.0 Introduction to GCO

A.0.1. Business model

The Group's purpose is to be leaders in protecting and accompanying people and companies at all stages of their lives, to ensure their peace of mind at the present time and maintaining their confidence in the future. 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.

The Group in figures

Market capitalisation
€3,708 M

Turnover
€5,792.6 M

Consolidated profit/(loss)
€615.5 M

Managed funds
€15,364.7 M

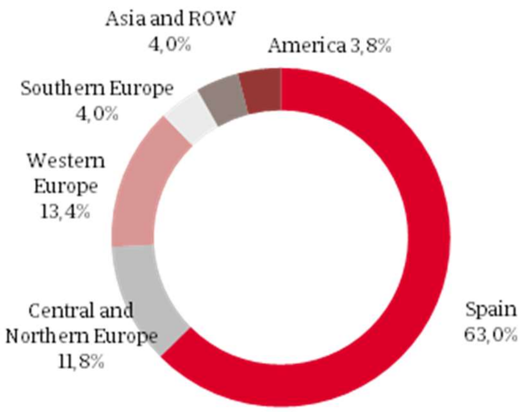
International dimension

6th largest insurance group in Spain

1st largest funeral business group in the Iberian Peninsula

2nd largest credit insurance group in the world

Diversification by countries:



Insurance specialist

- 160 years of experience
- Complete offer
- Sustainable and socially responsible model

Solid financial structure

- Listed on the stock exchange
- Rating:
  A (AM Best) for GCO's main operating entities
  A1 (Moody's) operating entities in credit business
- Solvency II ratio of 231.6%.
- Stable, committed shareholders

Technical rigour

- Non-Life combined ratio 92.6%
- Strict cost control
- Diversified and prudent investment portfolio

Closeness – global presence

- Distribution through intermediaries
- 14,709 traditional business intermediaries
- 8,614 employees
- 1,450 offices
- 50 countries

GCO's business segments

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:

Multi-risk

Family-home, businesses, communities, offices and SMEs.

Other

Industrial products, engineering, accident and liability.

Life

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

Motor

Coverage related to motor or transport fleets.

In 2023, the traditional business companies, Seguros Catalana Occidente, Plus Ultra Seguros and Seguros Bilbao, were unified under the new Occident brand. The aim of the unification is to achieve a simpler organisation and, therefore, more agile and capable of adapting quickly to market demands. In a second stage, during 2024, NorteHispana Seguros will also be integrated.

Funeral business

The funeral business accompanies families before, during and after the farewell of their loved ones and offers a comprehensive funeral service that puts families at the centre.

The culture of the business is based on "people caring for people", a key concept to have a team oriented to offer the best service every day. This team is made up of more than 1,800 professionals who combine excellent training with a vocation for service, thus contributing to the aim of caring for everyone at every stage of the end-of-life process and encouraging a change of mentality around death.

The turnover of the funeral business amounts to €227 million, which represents 3.9% of the Group's total.

Within the funeral business, the Group's brands through which it carries out its activity are as follows:

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:

Credit insurance

Protects against financial losses from a buyer's inability to pay for goods purchased on credit.

Reinsurance

Wide range of reinsurance solutions for insurance companies from the world's leading insurers.

Surety

Protects the beneficiary if the supplier fails to meet its contractual obligations.

The brands of the Group for credit insurance are:

The merger of Atradius Re and Atradius Crédito y Caución was completed in 2023.

A.0.2. Share structure

The reference shareholder of GCO is INOC, S.A., which controls 62.03% 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 €22.8 million, representing 1.65% of its share capital. GCO's free float is 33.53%, 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 2023 the average share price was €30.9/share

GCO shares are listed on two Spanish stock exchanges, Barcelona and Madrid, being listed on the Continuous Market.

During 2023, the GCO share has underperformed the Eurostoxx Insurance and Ibex 35 indices, although its long-term performance has been better.

Analysts' recommendations remain favourable, with a "buy" recommendation and indicating an average target price of €46.1/share.

Share data	2019	2020	2021	2022	2023
Minimum (€/s)	28.30	16.20	27.75	24.90	27.60
Maximum (€/s)	35.30	32.05	36.35	30.60	32.20
Period end (€/s)	31.15	29.15	30.00	29.55	30.90
Number of shares	120,000,000	120,000,000	120,000,000	120,000,000	120,000,000
Nominal share value (€/s)	0.30	0.30	0.30	0.30	0.30
Average daily underwriting (number	44,093	73,334	55,165	26,835	54,781
Average daily underwriting (euro)	1,412,462	1,653,784	1,745,406	762,716	1,618,314
Market capitalisation (€ million)	3,738	3,498	3,600	3,546	3,708

Ratios	2,019	2,020	2,021	2,022	2,023
Profit per share	3.22	2.19	3.56	4.06	4.60
Theoretical book value	32.09	32.81	37.27	34.86	41.79
PER	9.69	13.34	8.43	7.26	6.72
ROE	11.10	7.33	10.48	12.86	12.10
Profitability per dividend	2.12	3.80	2.98	3.60	3.75

Profitability	2002	2007	2012	2021	2022	2023	TACC* 22-23
Closing price 31/12	3.99	22.91	13.77	30.00	29.55	30.90	
GCO (%)	-7.21	-16.54	12.22	2.92	-1.50	4.57	10.71 %
IBEX 35 (%)	-28.11	7.32	-4.66	7.93	-5.56	22.76	2.48 %
EUROSTOXX Insurance (%)	-51.23	-11.92	32.92	17.08	-1.06	8.76	3.84 %

* Compound annual growth rate

A.0.3. Corporate structure

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

The following table reflects the main entities included in the consolidation perimeter of GCO at the close of 2023.

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

GCO
Main entities

INSURANCE COMPANIES	COMPLEMENTARY INSURANCE COMPANIES	INVESTMENT COMPANIES
Occident	Tecniseguros	GCO Gestión de Activos
NorteHispana Seguros	Bilbao Vida	GCO Gestora de Pensiones
	S. Órbita	Occident Hipotecaria
	Occident Direct*	Sogesco
	Occident Inversions*	Hercasol SICAV
	Oddident GCO Capital Ag. Valores**	GCO Activos Inmobiliarios
	Cosalud Servicios	GCO Ventures
	NH Mediación	
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Centre	
	Grupo Asistea	Taurus Bidco
	Grupo Mémora	
Atradius Crédito y Caución	Atradius Collections	Grupo Compañía Española Crédito y Caución
Atradius ATCI	Atradius Dutch State Business	Atradius NV
Atradius Seguros de Crédito México	Atradius Information Services	Atradius Participations Holding
Crédito y Caución Seguradora de Crédito e Grantias Brazil	Iberinform International	Atradius Finance

Traditional business
Funeral business
Credit insurance business

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

*In February 2024, Bilbao Telemark (Occident Direct) and Inversions Catalana Occident (Occident Inversions) changed their names.
** In March 2024 it changed its name to Occident GCO Capital Agencia de Valores (Occident GCO Capital Agencia de Valores).

A.0.4. Regulatory environment

The insurance sector is an important sector in the overall economy and sustainability. 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 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 aim 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

Solvency II
PILLAR I - Capital Requirements
Valuation of assets Valuation of liabilities Capital requirements: – SCR – MCR Internal models
PILLAR II - Governance and Supervision
Governance system ORSA Supervision process
PILLAR III - Information Requirements
Reporting Transparency Market review

A.0.5. Sustainability strategy

GCO integrates a commitment to sustainability into its strategy, through 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 has been the roadmap for its development.

GCO's main initiatives in terms of ESG:

Environmental:

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

Social:

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

Governance:

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

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

A.0.6. Outlook and challenges for 2024

In line with the 2022-24 Strategic Plan, the main projects on which GCO will focus in 2024 are based on its three Strategic Pillars: growth, profitability and solvency

The 2024 financial year will continue to be framed in a complex scenario, where geopolitical uncertainty persists, as well as the need to monitor inflation and interest rates.

The main challenges for GCO are:

- **Economic environment marked by inflation.** Although inflation is expected to fall, it is still expected to be high at around 3.5%, affecting mainly business costs.
- **Interest rates are expected to fall.** After several years with unusually low rates, in 2023 there was a staggered rise. In 2024, rates are expected to start falling, mainly from the middle of the year onwards. Margins will be maintained and continue to make savings products 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 offering them with a comprehensive offer.
- **Sustainability integrated into the strategy.** Sustainability is expected to continue to gain traction in 2024.

Growth

- Total turnover: €5,792.6 million
- Launch of new insurance products
- Consolidation of App for customers

- Further boost distribution networks with training and digital tools
- Developing omni-channel retailing and enhancing customer self-service capabilities
- Advancing digital health, products for seniors, hybrid vehicle and adjacent services
- Incorporate the funeral business of "Memora"

Profitability

- The consolidated profit amounted to €615.5 million
- Excellent combined ratio of traditional business of 92.6% maintaining the GAP with the sector
- Improved performance in credit insurance higher than pre-pandemic period

- Advance the concept of simplicity by completing the merger of the traditional business entities
- Develop the technological infrastructure to enable the offer of on-demand insurance
- Advance the application of artificial intelligence in underwriting and commercial processes
- A voluntary exit plan has been undertaken which will allow us to gain in efficiency.

Solvency

- The solvency ratio at the end of 2023 is 231.7%.
- Sustainalytics: ESG risk rating of 16.9, considered low risk
- Consolidation of the hybrid work model

- 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

Milestones

Challenges

A.1. Results in underwriting matters

A.1.1. Main trends of the business

Macroeconomic environment

3.1% growth in 2023 (3.5% in 2022). The global economy shows resilience and is gradually recovering with diverging growth and moderating inflation.

United States GDP 2.5% GDP 2023 (2.1%)

- Effects of the rise in interest rates
- Labour market under stress
- Loss of household purchasing power

South America 2.5% GDP 2023 (2.3%)

- Worsening financial conditions
- Political tensions
- Weak external demand

Eurozone GDP 0.5% 2023 (0.7%)

- Lower growth outlook due to worse-than-expected 2023 results
- Moderating inflation
- Tightening of monetary policy

Spain GDP 2.4% 2023 (2.5%)

- Soft landing after a more accelerated fall in inflation
- Labour market and activity resilience
- Estimated 110% debt

United Kingdom GDP 0.5% 2023 (0.5%)

- Depreciation of the pound against the dollar
- High energy prices
- Fall in exports

Asia Pacific 5.4% GDP 2023 (5.2%)

China 5.2% GDP 2023e (5.0%):

- Increase in public spending

Japan 1.9% GDP 2023e (2.0%):

- Risk of economic slowdown
- Depreciation of the Japanese yen

***Source: International Monetary Fund January 2024 review versus October 2023 estimate.**

Fixed income

Rising interest rates

Interest	1 year	10 years
Spain	3.3	3.0
Germany	3.3	2.0
EU	4.8	3.9

Equity

Stock market indices have rallied with year-on-year growth at record highs

	2023	% Chg
Ibex 35	10,102.0	22.8 %
MSCI World	293.0	17.6 %
Eurostoxx 50	4,521.4	19.2 %
S&P	4,769.8	24.2 %

Raw materials/currencies

The price of a barrel of oil has risen by 10.3%.

The dollar loses its appeal as a safe-haven currency.

	End 23	% Chg
Oil $/barrel	77.04	(10.3) %
Gold	1,850	1.4 %
€/$	1.1	2.8 %
€/£	0.87	(1.1) %

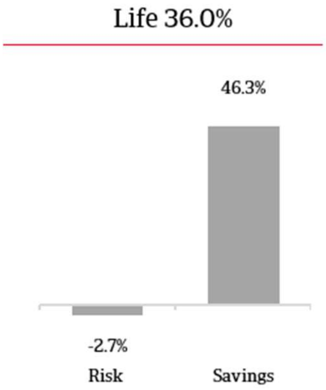
Source Bloomberg: End 2023

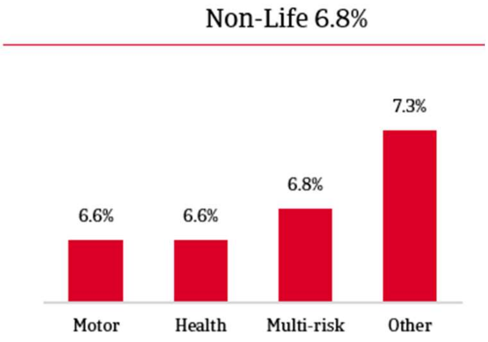
Sectoral environment

Insurance industry in Spain

Turnover growth of 17.8% in the insurance sector in Spain, a 6.8% increase in non-life and 36.0% in life.

Performance of insurance sector and ranking in Spain





Group	Position	Market share
VidaCaixa	=	14.9 %
Mapfre	=	11.1 %
Grupo Mutua Madrileña	=	9.4 %
Zurich	4	5.3 %
Grupo Axa	1	4.7 %
GCO	-2	4.5 %
Allianz	-2	4.3 %
Santalucía	1	4.3 %
Santander Seguros	1	3.5 %
Generali	-3	3.4 %

The sector's technical account profit at the end of 2023 was 9.1% of retained premiums, 1.42 percentage points lower than in the previous year, mainly due to the increase in the cost of claims.

The non-life technical account profit was reduced mainly by the motor business, whose combined ratio decreased by 3.43 percentage points to 101.9%, due to the higher claims cost.

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 2023 has been 241.9%, up by 6.0 percentage points, higher than the average for the sector in the European Union.

Stability in the sector's results

ROE
12.8%

Combined ratio
94.6%*

Motor 101.9%
Multi-risk 97.9%
Health 95.5%

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

Credit insurance

After a few exceptional years marked by the pandemic, 2023 began with the global economy continuing to recover gradually from the pandemic with diverging growth, increasing energy prices, inflation at peak levels and rising interest rates. In line with these developments, inflation will continue to be monitored and uncertainty over geopolitical conflicts will need to be addressed in 2024.

Thus, 2024 looks set to be a challenging year for both emerging markets and advanced economies. Global GDP growth is also projected to remain at 3.1% in 2024 and 3.2% in 2025. 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 and profitability

- Increase of 6.1% in the turnover of insurance business, reaching €5,565.6 million.
- Increase of 13.4% in the consolidated profit, reaching €615.5 million.
- Improvement of ordinary profits.
    - Traditional business, at €261.1 million, +1.3%.
    - Credit insurance business, at €356.6 million, +2.4%.
- Combined ratio:
    - 92.6% in traditional business (non-life) (+1.8 p.p.).
    - 74.1% in the credit insurance business (+1.8 p.p.).
- Commitment to the shareholder. Dividend of €134.1 million (+8.7%).

Figures in € million

Income statement	2022	2023	% Chg. 22-23
Written premiums	5,103.7	5,421.8	6.2 %
Income from information	141.9	143.8	1.3 %
Turnover	**5,245.6**	**5,565.6**	**6.1 %**
Technical cost	3,063.8	3,218.3	5.0 %
*% on total income from insurance**	*59.4%*	*59.2%*	
Commissions	670.8	719.9	7.3 %
*% on total income from insurance**	*13.0%*	*13.3%*	
Expenses	816.5	866.6	6.1 %
*% on total income from insurance**	*15.8%*	*16.0%*	
Technical profit/(loss)	**608.8**	**628.1**	**3.2 %**
% on total net income	*11.8%*	*11.6%*	
Financial profit/(loss)	209.0	175.9	(15.8) %
*% on total income from insurance**	*4.1%*	*3.2%*	
Profit/(loss) of non-technical non-financial	-135.2	-54.0	
*% on total income from insurance**	*-2.6%*	*-1.0%*	
Profit/(loss) of compl. activities credit	8.8	16.7	
*% on total income from insurance**	*0.2%*	*0.3%*	
Technical profit/(loss) funeral business	5.8	31.4	
Profit/(loss) before tax	**697.2**	**798.2**	**14.5 %**
*% on total income from insurance**	*13.5%*	*14.7%*	
Taxes	154.7	182.7	
% taxes on profit	*22.2%*	*22.9%*	
Consolidated profit/(loss)	**542.5**	**615.5**	**13.4 %**
Minority interests	56.0	63.7	
Attributable profit/(loss)	**486.5**	**551.8**	**13.4 %**
*% on total income from insurance**	*9.4%*	*10.2%*	
Ordinary profit/(loss)	**617.2**	**640.4**	**3.7 %**
Non-ordinary profit/(loss)	-74.7	-24.9	

* Total insurance income = total earned premiums and information income

For further information, see Annex A and QRT S.05.01.02 and S. 05.02.04

Traditional business

Recurring turnover (excluding single life premiums) increased by 5.2%, supported mainly by non-life insurance, where the increase in multi-risk and other premiums is noteworthy. Life business developed favourably with a 10.0% growth in turnover thanks to the good performance of all business lines and the commercial momentum in single premiums.

The technical profit after expenses, at €245.7 million, decreased by 6.6%. Non-life business contributed €136.6 million, 15.0% lower because of the 1.8 percentage point rise in the combined ratio to 92.6%. In turn, the life business increased its technical profit by 6.6% to €109.4 million.

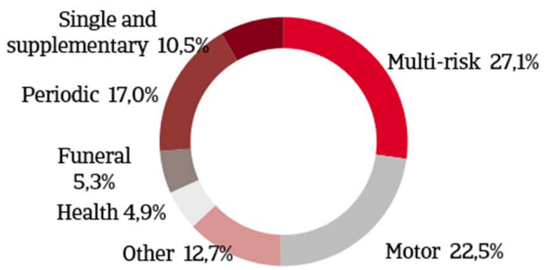
The financial profit, at € 109.8 million, increased by 29.6% as a result of higher interest rates.

Ordinary profit has increased 1.3% to €261.1 million. Non-ordinary losses of € 22.5 million were generated during the year, mainly due to the implementation of the new Occident brand. As a result, the total profit is €238.6 million, an increase of 15.1% compared to the previous year.

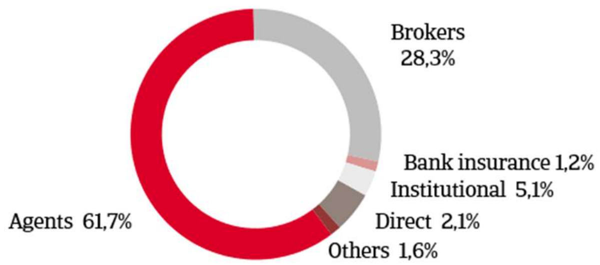
Figures in € million

Traditional business	2022	2023	% Chg
Written premiums	**2,842.9**	**3,064.7**	**7.8 %**
Recurring premiums	2,606.4	2,741.4	5.2 %
Technical profit/(loss) after	**263.0**	**245.7**	**(6.6) %**
% on earned premiums	*9.4 %*	*8.2 %*	
Financial profit/(loss)	**84.7**	**109.8**	**29.6 %**
% on earned premiums	*3.0 %*	*3.6 %*	
Non technical profit/(loss)	-21.3	-24.7	
Corporate tax	-68.3	-69.7	
Ordinary profit/(loss)	**257.8**	**261.1**	**1.3 %**
Non-ordinary profit/(loss)	**-50.6**	**-22.5**	
Total profit/(loss)	**207.2**	**238.6**	**15.1 %**
Earned premiums	2,793.5	3,010.6	7.8 %

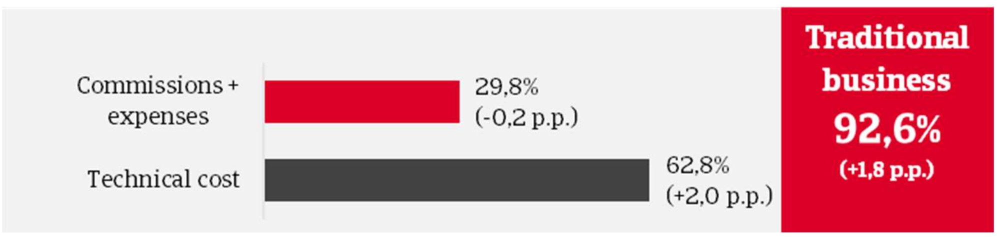
Distribution by business



Distribution channels



Combined ratio (does not include health and funeral)



Multi-risk

Turnover growth of 6.9% to €827.5 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 slightly increased by 0.3 percentage points to 93.1%. This increase is due to the higher cost of claims due to inflationary effects and the impact of weather events.

Multi-risk	2022	2023	% Chg.
Written premiums	**774.3**	**827.5**	**6.9 %**
Number of claims	977,166	1,071,172	9.6 %
Technical provisions	**619.5**	**633.1**	**2.2 %**
% Technical cost	59.4 %	60.3 %	0.9 p.p.
% Commissions	21.6 %	21.7 %	0.1 p.p.
% Expenses	11.8 %	11.1 %	-0.7 p.p.
% Combined ratio	**92.8 %**	**93.1 %**	**0.3 p.p.**
Technical profit/(loss) after expenses	**54.1**	**55.3**	**2.1 %**
on earned premiums	7.2 %	6.9 %	
Earned premiums	**750.7**	**797.7**	**6.3 %**

Figures in € million

Motor

Increase in turnover of 4.9% reaching €690.8 million. The combined ratio was 3.6 percentage points higher at 96.3%, as a result of the increase in the cost of claims due to inflationary effects.

Motor	2022	2023	% Chg.
Written premiums	**658.6**	**690.8**	**4.9 %**
Number of claims	734,804	756,168	2.9 %
Technical provisions	**880.5**	**898.8**	**1.4 %**
% Technical cost	68.7 %	72.7 %	4.0 p.p.
% Commissions	11.8 %	11.9 %	0.1 p.p.
% Expenses	12.2 %	11.7 %	-0.5 p.p.
% Combined ratio	**92.7 %**	**96.3 %**	**3.6 p.p.**
Technical profit/(loss) after expenses	**47.7**	**24.8**	**(48.1) %**
on earned premiums	7.3 %	3.7 %	
Earned premiums	**651.2**	**677.2**	**4.0 %**

Figures in € million

Other

Growth in turnover of 8.7% to reach €390.1 million. The combined ratio was 2.1 percentage points higher at 85.0% because of the increase in technical costs and fees.

Other	2022	2023	% Chg.
Written premiums	**359.0**	**390.1**	**8.7 %**
Number of claims	94,421	90,402	(4.3) %
Technical provisions	**664.9**	**680.5**	**2.3 %**
% Technical cost	49.1 %	50.3 %	1.2 p.p.
% Commissions	20.5 %	22.9 %	2.4 p.p.
% Expenses	13.3 %	11.8 %	-1.5 p.p.
% Combined ratio	**82.9 %**	**85.0 %**	**2.1 p.p.**
Technical profit/(loss) after expenses	**58.5**	**56.2**	**(3.9) %**
on earned premiums	17.1 %	15.0 %	
Earned premiums	**342.7**	**374.9**	**9.4 %**

Figures in € million

Life

Turnover in life business increased by 10.0% to €1,156.3 million, with recurring premiums (health, funeral and periodic) growing by 2.3%. The technical-financial profit increased by 23.2% to €185.3 million. The combined ratio in the funeral business declined 3.7 percentage points to 77.1% and the combined health ratio was 87.0%.

Life	2022	2023	% Chg.
Life insurance turnover	**1,050.9**	**1,156.3**	**10.0 %**
Periodic life	510.1	520.8	2.1 %
Health	149.0	151.3	1.5 %
Funeral	155.3	160.9	3.6 %
Single Life	236.5	323.3	36.7 %
Pension plan contributions	51.3	48.7	(5.1) %
Net contributions to investment funds	-10.7	-10.1	(5.6) %
Volume of managed funds	**6,620.1**	**6,588.2**	**(0.5) %**
Technical profit/(loss) after expenses	**102.6**	**109.4**	**6.6 %**
% on earned premiums	9.8 %	9.4 %	
Technical-financial profit/(loss)	**150.4**	**185.3**	**23.2 %**
% on earned premiums	14.3 %	16.0 %	
Earned premiums	**1,048.9**	**1,160.8**	**10.7 %**

Figures in € million

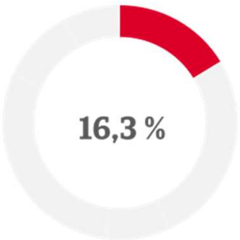
Credit insurance business

In the credit insurance business, the Group has increased its net income (earned premiums and information services) by 2.4% reaching €2,422.3 million. The earned premiums, at €2,278.5 million, have increased by 2.4%. In turn, income from information has increased by 1.3%, contributing €143.8 million.

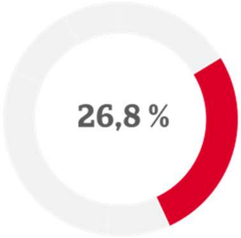
The Group has increased its risk exposure (TPE) by 3.5% compared to the end of 2022. An exhaustive selection of risks is maintained.

Increase of 2.4% in earned premiums to €2,278.5 million

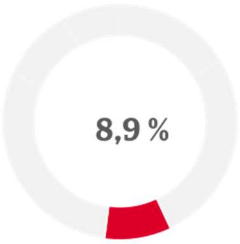
Distribution of earned premiums by region:



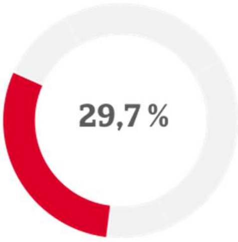
Spain and Portugal
Earned premiums: **€371.0M**
Change: **+1.2%**



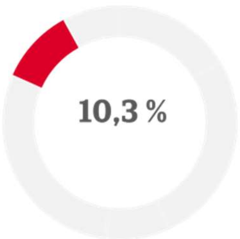
Central and Northern Europe
Earned premiums: **€611.2M**
Change **+1.7%**



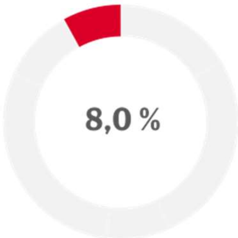
The Americas
Earned premiums: **€203.9M**
Change **+0.3%**



Western Europe
Earned premiums: **€674.0M**
Change **+6.6%**

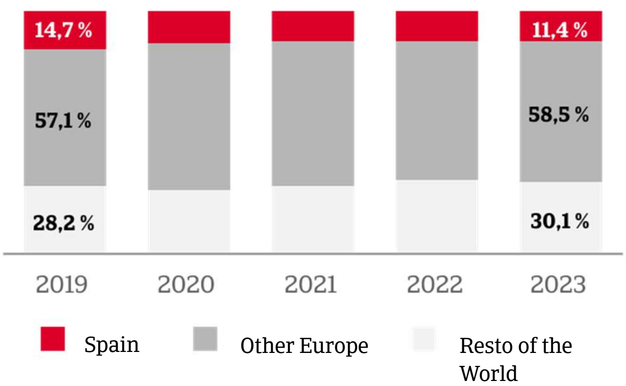


Asia and rest of the world
Earned premiums: **€235.4M**
Change **+4.3%**

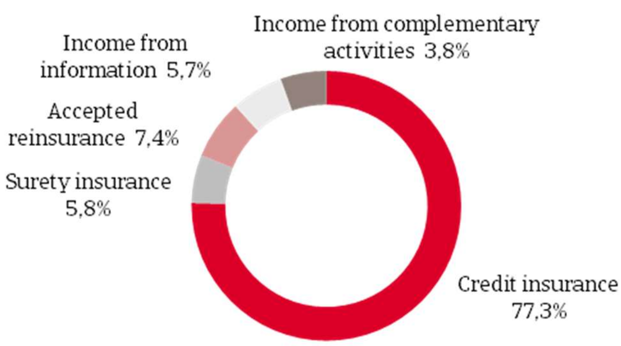


Southern Europe
Earned premiums: **€183.0 M**
Change +**4.6%**

Evolution of cumulative risk (TPE)



Diversification business (earned premiums)



The technical profit after credit insurance expenses was €626.4 million, 4.4% less than in the previous year.

The gross combined ratio was 74.1%, 1.8 percentage points higher than at the close of 2022. However, the inflow of claims remains below the pre-pandemic period. However, the prudent level of provisions of previous years is maintained.

The profit ceded to reinsurance was €212.5 million, 13.2% less than in the same period of the previous year.

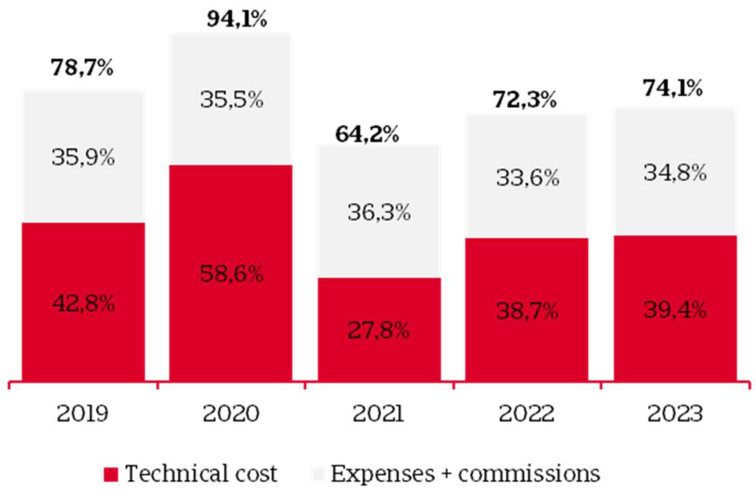
The financial profit was higher than in the same period of the previous year due to the increase in the return on its portfolio of fixed income and short-term assets. The profit for complementary activities is €16.7 million.

Consequently, ordinary profit is positioned at €365.6 million, up 3.1% than in 2022. During the year there were non-ordinary profits of €0.1 million. In total, this business contributed a profit of €365.7 million, an increase of 10.6%.

Credit insurance business	**2022**	**2023**	**% Chg.**
Earned premiums	2,224.5	2,278.5	2.4 %
Income from information	141.9	143.8	1.3 %
Net income	**2,366.4**	**2,422.3**	**2.4 %**
Technical profit/(loss) after	**655.4**	**626.4**	**(4.4) %**
% on income	*27.7 %*	*25.9 %*	
Reinsurance profit/(loss)	-244.8	-212.5	(13.2) %
Reinsurance transfer ratio	37.0 %	37.0 %	
Net technical profit/(loss)	**410.6**	**413.9**	**0.8 %**
% on income	*17.4 %*	*17.1 %*	
Financial profit/(loss)	**44.8**	**59.4**	**32.6 %**
% on income	*1.9 %*	*2.5 %*	
Profit/(loss) from complementary	**8.8**	**16.7**	
Corporate tax	-104.3	-117.6	
Adjustments	-5.3	-6.7	
Ordinary profit/(loss)	**354.6**	**365.6**	**3.1 %**
Non-ordinary profit/(loss)	-23.8	0.1	
Total profit/(loss)	**330.8**	**365.7**	**10.6 %**

Figures in € million

Performance of the gross combined ratio



Funeral business

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

Mémora is the first group in the Iberian Peninsula regarding the organisation of funeral services, and in the management of funeral parlours, cemeteries and crematoriums with presence in 21 Spanish provinces and in Portugal.

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

The funeral business incorporates the data of Asistea, a funeral group that already belonged to the Group since 2016, and in 2023 it also incorporates eleven months of Mémora.

€401.3 M Price

Enterprise Value around €600M

As a result of the inflationary impact on costs, the EBITDA margin has been reduced to 23.9%.

The Group, following the recent acquisition, is analysing Mémora's cost structure and establishing a programme of synergies and deleveraging in order to improve margins and reduce financial charges.

Funeral business	2022	2023
Income	**32.8**	**227.0**
EBITDA	8.1	54.2
Margin on EBITDA	24.7 %	23.9 %
Amortisations	2.1	21.3
Technical profit/(loss) after	**6.0**	**32.9**
Financial profit/(loss)	-0.3	-16.3
Profit/(loss) before tax	5.7	16.6
Corporate tax	1.0	3.0
Ordinary profit/(loss)	**4.8**	**13.6**
Non-ordinary profit/(loss)	-0.2	-2.5
Total profit/(loss)	**4.6**	**11.1**

A.1.3. General expenses and commissions

GCO's structure allows for consistent sharing of best business practices and process efficiencies across corporate departments and common operating platforms.

In particular, expenses in traditional business declined 0.8%. In turn, the credit insurance business increased 6.7% due to higher spending on technology, both in new projects and in accelerating the amortisation of completed projects.

In relative terms, the efficiency ratio increased slightly by 0.2 percentage points to 30.5%. Since 2013, the Group has improved efficiency ratio by 5.7 percentage points.

Expenses and	**2022**	**2023**	**% Chg.**
Traditional business	306.6	304.2	(0.8) %
Credit insurance business	497.3	530.8	6.7 %
Non-ordinary expenses	12.6	31.6	
Total expenses	**816.5**	**866.6**	**6.1 %**
Commissions	**670.8**	**719.9**	**7.3 %**
Total expenses and	**1,487.3**	**1,586.5**	**6.7 %**
% expenses and commissions without recurring premiums	**30.3 %**	**30.5 %**	

Figures in € million

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 37.6% with private reinsurers.

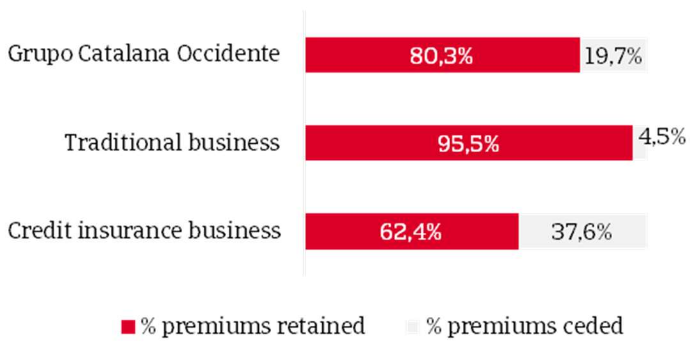
Overall, the cost of reinsurance has meant €237.3 million, €23.2 million from traditional business and the remaining €214.1 million from the credit insurance business.

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.

Reinsurance	**2022**	**2023**	**%Chg.**
Ceded premiums	-987.9	-992.5	0.5 %
Net premiums ceded	-990.1	-984.9	(0.5) %
% on earned premiums	*(19.7) %*	*(18.6) %*	
Commissions	349.7	377.3	7.9 %
Claims rate	366.6	370.3	1.0 %
Ceded reinsurance profit/(loss)	**-273.9**	**-237.3**	**(13.4) %**

Reinsurance	**Traditional business**	**Credit insurance**
Ceded premiums	-134.9	-857.6
Net premiums ceded	-133.8	-851.1
% on earned premiums	*(4.4) %*	*(37.4) %*
Commissions	26.5	350.8
Claims rate	84.1	286.2
Ceded reinsurance profit/(loss)	**-23.2**	**-214.1**

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 increased its exposure to equity and reduced its position in cash and monetary assets as a result of the acquisition of Mémora.

The Group invests mainly in fixed income, representing 54.1% of the total portfolio, by €7,400 million. The main asset is sovereign debt at 41.3%. At the end of the period, 71.7% 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 3.66 years and profitability is at 3.24%.

In recent years, the Group has increased its investments in real estate. At the end of the year, this investment is €1,702.8 million, representing 12.5% 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 DGSFP. Capital gains from these properties stand at €568.4 million.

Equity represents 15.8% of the portfolio and increased by 22.2%, reflecting the positive evolution of the financial market and the sale of investment funds directly invested in equities. The portfolio is broadly diversified and focused on large cap stocks, mainly in the Spanish market (27.3%) and other markets in the rest of Europe (54.8%), which have attractive dividend yields.

The Group maintains a liquidity position in deposits at credit institutions of €612.0 million, mainly at Banco Santander and BBVA, and a significant level of cash of €1,435.4 million

Investments and managed funds	**2022**	**2023**	**% Chg. 22-23**	**% on inv.**
Real Estate Property	1,626.1	1,702.8	4.7 %	12.5 %
Fixed income	6,926.7	7,400.0	6.8 %	54.1 %
Equity	1,768.2	2,160.2	22.2 %	15.8 %
Deposits with credit institutions	429.3	612.0	42.6 %	4.5 %
Other investments	243.7	236.5	(3.0) %	1.7 %
Cash and monetary assets	2,250.4	1,435.4	(36.2) %	10.5 %
Investment in investee companies	112.3	119.1	6.1 %	0.9 %
Total investments, risk to entity	**13,356.7**	**13,666.0**	**2.3 %**	**100.0 %**
Investments on behalf of policyholders	750.6	872.1	16.2 %	
Pension plans and investment funds	747.4	826.6	10.6 %	
Total investments, risk to policy holders	**1,498.0**	**1,698.7**	**13.4 %**	
Investments and managed funds	**14,854.7**	**15,364.7**	**3.4 %**	

Figures in € million

A.2.2. Financial profit/(loss)

The financial result contributed €175.9 million to the Group's income statement, decreasing by 15.8%, mainly due to the different impact of the non-ordinary profit.

The ordinary financial profit of the traditional business with €109.8 million and credit insurance with €59.4 million increased as a result of higher interest rates.

The funeral business reduced its profit by €16.3 million, as a result of the financial charges from its financing.

Finally, non-ordinary profits added €23.0 million to the financial profir, mainly due to realisations of fixed income and equities.

Financial profit/(loss) by type of asset	Income	Profits/Losses/ Impairment
Fixed income and similar items	69,211.0	36,470.0
Equity	81,411.0	-10,702.8
Real Estate Property	54,223.0	3,415.6
Total income and achievements	**204,845.0**	**29,182.8**
Expenses	106,330.0	
Interest applied to life	-161,469.2	
Exchange-rate differences	-2,913.7	
Others	0.0	
Total expenses and other	**-58,052.9**	**0.0**
Financial profit/(loss)	**146,792.1**	**29,182.8**

Figures in € million

Financial profit/(loss)	**2022**	**2023**	**% Chg.**
Financial income net of expenses	208.1	269.4	42.5 %
Exchange-rate differences	-0.8	0.2	
Subsidiary companies	1.9	1.7	
Interest applied to life	-124.8	-161.5	53.1 %
Ordinary profit/(loss) of the traditional	**84.4**	**109.8**	**29.6 %**
% on earned premiums	*3.0 %*	*3.6 %*	
Financial income net of expenses	28.7	64.2	123.7 %
Exchange-rate differences	11.0	-3.1	
Subsidiary companies	17.8	11.3	(36.5) %
Interest subordinated debt	-12.7	-12.9	
Ordinary profit/(loss) from credit insurance	**44.8**	**59.4**	**32.6 %**
% on net income from insurance	*1.9 %*	*2.5 %*	
Intra-group interest adjustment	-0.4	0.0	
Adjusted ordinary profit/(loss) from credit	**44.4**	**59.4**	
Financial profit/(loss) funeral business	**-0.3**	**-16.3**	
Ordinary profit/(loss)	**128.8**	**153.0**	**18.8 %**
% on net income from insurance	*2.5 %*	*2.8 %*	
Non-ordinary profit/(loss)	**80.2**	**23.0**	
Financial profit/(loss)	**209.0**	**175.9**	**(15.8) %**

Figures in € million

A.3. Complementary activities

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

During the year there were non-ordinary losses mainly due to the costs incurred in the implementation of the new Occident brand in the traditional business.

For more information, please refer to the GCO Annual Report available on the Group's corporate website.

Non-ordinary profit/(loss) (net of taxes)	2022	2023
Financial	98.4	-1.7
Expenses and other non-ordinary	-168.6	-26.8
Taxes	19.6	6.0
Non-ordinary from traditional	**-50.6**	**-22.5**
Financial	-18.2	26.2
Expenses and other non-ordinary	-4.6	-26.1
Taxes	-1.0	0.0
Non-ordinary from credit insurance business	**-23.8**	**0.1**
Non-recurring from traditional	-0.3	-3.0
Taxes	0.1	0.5
Non-recurring from traditional	**-0.2**	**-2.5**
Non-ordinary profit/(loss) (net of taxes)	**-74.7**	**-24.9**

figures in € million

A.3.2 Profit/(loss) for complementary activities

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

Traditional business

Pension plans and investment funds are part of the Group's traditional complementary business activities.

In 2023 the profits of the complementary activities were €4.2 million.

Complementary activities	2022	2023	% Chg.
Pension Plans			
Income	10.9	5.9	(46.0) %
Expenses	7.9	2.3	(70.9) %
Profit/(loss)	3.0	3.6	19.0 %
Investment Funds			
Income	1.2	1.1	(6.7) %
Expenses	0.6	0.5	(19.5) %
Profit/(loss)	0.6	0.6	7.3 %
Profit/(loss) from complementary activities	**3.6**	**4.2**	**17.2 %**

figures in € million

Credit insurance business

The complementary activities of the Group's credit insurance business include the provision of information services, the management of recoveries and the management of the export account of the Dutch government.

At the end of 2023, the result of the complementary activities of the credit insurance business amounted to €17.0 million.

Complementary activities	2022	2023	% Chg.
Information services	16.7	35.9	115.0 %
Recoveries & ADSB	69.5	60.8	(12.5) %
Income	**86.2**	**96.7**	**12.2 %**
Expenses	**77.4**	**79.7**	**3.0 %**
Profit/(loss)	**8.8**	**17.0**	**93.2 %**

figures in € million

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 a strategic point of view, on 19 July 2023, Atradius Insurance Holding N.V. (99.9%) and Atradius Participations Holding S.L.U. (0.10%) completed the sale of all their shares in Atradius Rus Credit Insurance Limited Liability Company, Russia. The sale of Atradius Rus Credit Insurance Limited Liability Company, Russia, resulted in the elimination of assets and liabilities classified as held for sale.

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.

The Group's parent company acts as a holding company and supports the various needs of the Group's entities, among which are soundness and capital. Consequently, there are numerous transactions within the Group, which can be grouped, basically, as follows:

a. Intra-group dividend distribution and capital movements.

b. Intra-group financing that addresses both operational funding and capital needs

c. Intra-group liquidity management and cash-pooling arrangements.

d. Shared services.

e. Other transactions.

A.4.2 Information on operations

During 2023, the Group has carried out several corporate transactions, either in the form of purchase and sale of shares or assets and liabilities, as well as structural changes to reorganise and simplify its corporate structure. Among these, should be mentioned:

Merger of traditional business entities

On 27 April 2023, the governing bodies of practically all the companies that made up the traditional business of Grupo Catalana Occidente (Seguros Catalana Occidente, S.A.U. de Seguros y Reaseguros ('Seguros Catalana Occidente'), Plus Ultra Seguros Generales y Vida, S.A.U. de Seguros y Reaseguros, Bilbao Compañía Anónima de Seguros, Sociedad Unipersonal and GCO Reaseguros, S.A.U.), subscribed to a common merger project by virtue of which their integration into a single entity was envisaged, through the absorption by Seguros Catalana Occidente (changing its corporate name to Occident GCO, S.A.U. de Seguros y Reaseguros or 'Occident') of the other aforementioned companies, all subject to the condition precedent of their authorisation by the Ministry of Economic Affairs and Digital Transformation.

Consequently, on 25 May 2023, once the aforementioned merger plan had been filed, the sole shareholders of the companies involved in the merger took the corresponding merger decisions.

After obtaining authorisation for the merger from the Ministry of Economic Affairs and Digital Transformation on 26 December 2023, the corresponding deed of merger and change of company name was registered in a public deed on 28 December 2023, and the deed was executed after submission of the said deed for registration in the Madrid and Vizcaya Mercantile Registries on 29 December 2023 and its registration on the same date.

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

On 24 October 2022, Seguros Catalana Occidente y Bilbao Compañía Anónima de Seguros, Sociedad Unipersonal 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 condition precedent 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.

Subsequently, on 29 December 2023, Bilbao Hipotecaria has changed its name to Occident Hipotecaria EFC, S.A.U.

Merger between Catoc Inversiones Globales, S.L. ('Catoc Global') and Grupo Catalana Occidente Activos Inmobiliarios, S.L. ('GCOAI')

In the context of the simplification of the administrative structure of the commercial group to which Occident belongs, on 22 May 2023 the General Shareholders' Meetings of Catoc Global and GCOAI, in which Occident held a majority stake, agreed the merger of both companies through the absorption of Catoc Global by GCOAI, which implied the extinction of the former and the transfer en bloc of its corporate assets to GCOAI, which acquired its rights and obligations by universal succession. This transaction was not subject to obtaining any administrative authorisation and, following the execution of the merger deed on 26 June 2023, the merger was registered in the Barcelona and Madrid Mercantile Registries on 30 June 2023.

Merger between Nortehispana Mediación Agencia de Seguros, S.A.U. ('NH Mediación') and Previsora Bilbaína Agencia de Seguros, S.A.U. ('PB Agencia').

In the same context of corporate simplification referred to above, on 22 May 2023, Nortehispana de Seguros y Reaseguros, S.A., a subsidiary of Occident, agreed as sole shareholder of NH Mediación and PB Agencia, to integrate their agency networks by merging the two companies through the absorption of PB Agencia by NH Mediación, which implied the extinction of the former and the transfer en bloc of its corporate assets to NH Mediación, which acquired its rights and obligations by universal succession. This transaction was not subject to obtaining any administrative authorisation and, following the execution of the merger deed on 18 September 2023, the merger was registered in the Madrid and Vizcaya Mercantile Registries on 30 September 2023.

Merger of Atradius Reinsurance DAC ("ARE") and Atradius Crédito y Caución S.A. de Seguros y Reaseguros ("ACyC")

On 16 March 2023, Atradius Insurance Holding N.V., as sole shareholder, approved the merger of ARE and ACyC into a single legal entity through the absorption of the former by the latter, subject to the relevant administrative authorisations by the Spanish and Irish authorities. Once the latter have been obtained, on 31 October 2023.

Incorporation of GCO Ventures, S.L.U.

On 17 May 2023, Grupo Catalana Occidente, S.A. incorporated a wholly-owned company, GCO Ventures, S.L.U., in order to create new businesses aligned with GCO's growth strategy. To this end, it has been given the autonomy and capabilities to identify, build and launch new ventures and develop acquired start-ups.

Acquisition of Memora Servicios Funerarios, S.L. ("MSF")

On 29 July 2022, Grupo Catalana Occidente, S.A. entered into a purchase and sale agreement with Taurus Midco Limited and other minority sellers for the acquisition of 100% of the shares of Taurus Bidco, S.L. and, indirectly, of Memora Servicios Funerarios, S.L. and the subsidiaries of Grupo Mémora, for €387.5 million, the final price of the acquisition being subject to certain financial adjustments. The transaction was subject to the condition precedent of the mandatory authorisations by the market and competition authorities in Spain and Portugal. In this regard, on 26 August 2022 and 25 January 2023, the Portuguese Competition Authority (Autoridade da Concorrencia) and the National Markets and Competition Commission (Comisión Nacional de los Mercados y de la Competencia), respectively, authorised the aforementioned transaction. Once this condition precedent had been fulfilled, and after the corresponding financial adjustments provided for in the purchase agreement, the transaction was executed on 9 February 2023 for a final price of €401.3 million.

Merger between Deymos, S.L.U. ("Deymos") and MSF

In the context of simplifying the Memora Group's administrative structure, on 24 July 2023, the General Shareholders' Meeting of MSF and the Sole Shareholder of Deymos agreed to merge the two companies through the absorption of Deymos by MSF, which entailed the extinction of MSF and the transfer en bloc of its assets and liabilities to MSF, which acquired its rights and obligations by universal succession. This transaction was not subject to obtaining any administrative authorisation and, following the execution of the merger deed on 25 September 2023, the merger was registered in the Barcelona and Valladolid Mercantile Registries on 30 September 2023.

Merger between Servicios Funerarios Miranda, S.L.U. ("SFM") and MSF

In the context of simplifying the Memora Group's administrative structure, on 24 July 2023, the General Shareholders' Meeting of MSF and the Sole Shareholder of SFM agreed to merge the two companies through the absorption of SFM by MSF, which entailed the extinction of MSF and the transfer en bloc of its assets and liabilities to MSF, which acquired its rights and obligations by universal succession. This transaction was not subject to obtaining any administrative authorisation and, following the execution of the merger deed on 25 September 2023, the merger was registered in the Barcelona and Burgos Mercantile Registries on 30 September 2023.

Merger between Tanatorio Donostialdea Beilatoki, S.A.U. ("Tadosa") and Fure, S.A.U. ("Furesa")

In the context of the simplification of the Memora Group's administrative structure, on 24 July 2023, the Sole Shareholder of Tadosa and Furesa agreed to merge the two companies through the absorption of Furesa by Tadosa, which entailed the extinction of the latter and the transfer en bloc of its corporate assets to Tadosa, which acquired its rights and obligations by universal succession. This transaction was not subject to obtaining any administrative authorisation and, following the execution of the merger deed on 25 September 2023, it was registered in the Guipuzkoa Mercantile Register with effect from 30 September 2023.

B

B. Governance system

The aim of this chapter is to provide information about the governance system of GCO.

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 to the governance structure

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 GCO 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 and key functions

General Shareholders' Meeting (single shareholder)

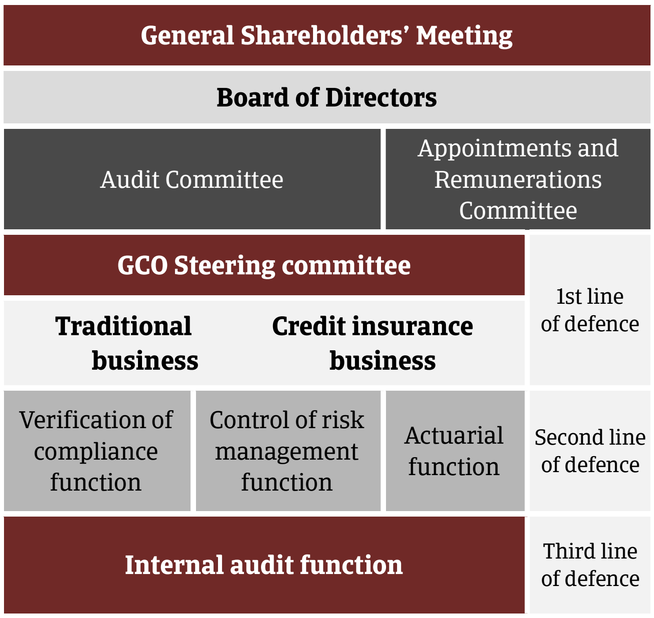
The general meeting is the body of representation for the shareholders that hold the share capital of the Group. It meets at least once a year, within the first months of each period. One of its main functions is to approve the accounts and the application of the profit/(loss). In the Group there are 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 consolidating this management by business, activity, company and support areas at corporate level.



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.
- Supervision responsibility: control management.
- Communication responsibility: serve as a link between shareholders.

As at 31 December 2023, the Board of Directors consisted of 9 directors, of whom 5 are proprietary, 3 are independent and 1 is executive director. During the 2023 financial year, the Board of Directors met 11 times, where it reviewed, informed and, where applicable, made decisions regarding the financial, non-financial position and profits/(losses, 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.

Board of Directors (at 31 December 2023)
Chairman
José María Serra Farré
Vice Chairman and Chief Executive Officer
* Hugo Serra Calderón
Board Members
Federico Halpern Blasco
** Francisco Javier Pérez Farguell
Maria Assumpta Soler Serra
** Beatriz Molins Domingo
** Raquel Cortizo Almeida
Jorge Enrich Serra
Álvaro Juncadella de Pallejá
Non-board member secretary
Joaquín Guallar Pérez

*Executive directors
**Independent directors

The curricula vitae of the members of the Board of Directors are available on the Group's corporate 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 Law. Their composition and regulation is established in the Articles of Association and the Regulations of the Board of Directors.

Audit Committee:

The powers of the Audit Committee are those provided for in Article 529 quaterdecies of the Capital Companies Law 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 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 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
Francisco Javier Pérez Farguell
Board Members
Beatriz Molins Domingo
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 Law 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
Francisco Javier Pérez Farguell
Board Members
Jorge Enrich Serra
Beatriz Molins Domingo

Management committee (first line of defence)

GCO 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 company that forms part of the Group has its own steering committee.

The Steering Committee 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.

GCO Steering committee

Chairman
José María Serra Farré

Vice Chairman / Chief Executive Officer
Hugo Serra Calderón

General Manager for Corporate Legal
Joaquín Guallar Pérez

General Manager for Financial and Risk
Clara Gómez Bermúdez

General Manager for Traditional Business
Juan Closa Cañellas

General Manager for Credit insurance Business
David Capdevila Ponce

General Manager for Operations
Xavier Fontanet Serarols

General Manager for Strategy and Business Development

Traditional Business committee	Traditional Business committee

As of 1 January 2023, the Steering Committee is composed of the executive director of Grupo Catalana Occidente, S.A. and the General Manager for corporate legal, the General Manager for finance and risk, the General Manager for strategy and business development, the General Manager for traditional business, the General Manager for the credit insurance business and the General Manager for operations. Each of the latter three members chairs, respectively, the traditional business management committee, the credit insurance business management 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.

The corporate committees as at 31 December 2023 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 portfolio allocation by asset type, markets and investment needs and investment controls.

Analysis of the adequacy of assets to obligations (liabilities) and of sensitivity to future scenarios.

Operations committee

Monitoring of the development of information systems, underwriting and claims centres, contact centre, organisation, loss adjusters and supply providers.

Commercial committee

Commercial monitoring (sales, cancellations and settlements), the evolution of distribution channels and the main projects of the action plan.

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.
- Report to the Board of Directors on the adequacy of technical provisions, underwriting policy, reinsurance treaties and ORSA.
- 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 acceptable risk tolerance level for the main businesses.
- 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:

- Regulation of the insurance and financial industry
- Prevention of money laundering and financing 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 concerning compliance with the legal and internal regulations to which this 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.

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

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 2023, the Group carried out a total of 81 audits, including 6 on Solvency II aspects, 6 on internal control over financial reporting (ICFR) processes, 3 on the prevention of money laundering and terrorist financing and 4 on ESG issues.

In total, 189 opinions were issued, 9 of which were rated unsatisfactory.

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 Grupo Catalana Occidente, S.A., 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 27 April 2023. 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 amount of the remuneration of the members of the Board of Directors and the Steering Committee is disclosed in the report on the financial statements in accordance with the applicable mercantile 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. Furthermore, the Chief Executive Officer has signed, in accordance with commercial regulations, their corresponding contract which includes, among others, and as appropriate, fixed remuneration, variable remuneration (of which a part is deferred), remuneration in kind and a supplementary defined contribution social security system.

Steering Committee and strategic personnel:

The remuneration of the members of the Steering Committee (including executive directors) may include the following components:

- Fixed remuneration.
- 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 GCO 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 GCO 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 Group as appropriate.

Payments accrued in the financial year 2023

The Board of Directors of Grupo Catalana Occidente, S.A., has received a total of €3.62 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 GCO 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 GCO 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 Law introduced by Law 5/2021, of 12 April, which provides for a specific regime for the approval of intragroup related party transactions, the Group 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 GCO.

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 like 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 assesses fitness through documentation (copy of the accreditation of the training, consultation of professional references, curriculum vitae, etc.).

Honour

The requirement of good repute requires that the person who is the subject of assessment 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 assessment includes an assessment of their honesty and financial solvency based on reliable information on their reputation. GCO 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 GCO, which details, among other aspects, (i) the periods of prohibition of negotiation of shares of GCO, 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 GCO, 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 Law.

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 Group 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, GCO 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.

GCO 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 that are more operational in nature, such as the continuity of the business, that of security of the information, etc.

The Group defines the following responsibilities to ensure that the risk management system is properly integrated into the organisational structure and to ensure decision-making according to the defined appetite risk strategy.

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.

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.

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:

- Business Committee (General Insurance and Life)
- Credit Business Committee
- Investment Committee
- Operations committee
- Commercial committee

Business areas or lines

At operating level, the risk management system of GCO 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.

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 (5 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.

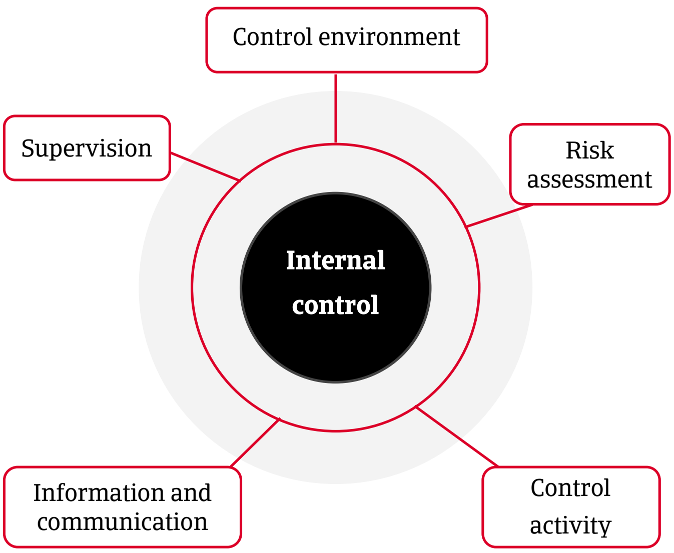
For more information, see annex B.1 on Breakdown of the ORSA Process.

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 hierarchically to the Audit Committee and reports directly to it on all audits carried out both directly by the Group'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 required by Solvency II regulations, the Group defines critical activity as activity that is essential to the operation of the Group without which it would be unable to provide its services.

Critical activities are considered as:

- Processing of claims.
- The management of portfolios or investment in assets.
- The provision of services that provide regular support for compliance verification, internal audit, accounting, risk management control or actuarial function
- The self-assessment process of risks and solvency.
- The design and pricing of insurance products
- The supply or maintenance or support services for computer systems of an ordinary and everyday nature
- The supply of data storage.

Outsourcing policy 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 the Group.

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

The Group's assessment of the supplier and its work shall be carried out at least annually in the case of outsourcing of a core 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 intra-group is the 24h assistance for claims made through Asitur.

B.8. Any other information

Not applicable.

C

C. Risk profile

GCO 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.0. Introduction

GCO defines its risk strategy as the level of risk it is willing to assume, and ensures that the integration of this strategy with the business plan enables it to comply with the risk appetite approved by the Board of Directors.

The Group 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 from the appetite that the company is 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

Risks PILLAR I	Market	Equity	Real Estate Property	Currency	Spread	Interest Rate	Concentration
	Non-Life	Internal Model	Premiums and Reserves	Catastrophic	Fall in the portfolio		
	Life	Fall in the portfolio	Mortality	Longevity	Expenses	Catastrophic	Disability
	Counterparty	Type I	Type II				
	Operational	Cybersecurity	Systems	External	Processes	Persons	
	Health	Premiums and Reserves	Fall in the portfolio	Catastrophic			
Risks PILLAR II	Liquidity						
	Other Risks	Political and economic environment	Strategic	Reputational	Contagion	Environmental, social and governance.	

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.

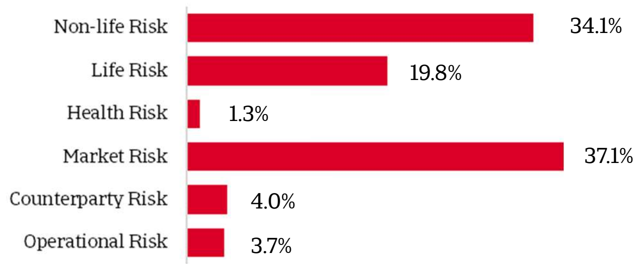
The quantification of the capital allows GCO to take strategic decisions from a perspective that combines profitability with the risk assumed.

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

The risk profile of the GCO 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 Group's SCR capital requirement according to the standard formula at year-end 2023 amounted to €2,492.3 million, €303.9 million higher than at the end of the previous year, mainly due to the Market and Life underwriting SCR.

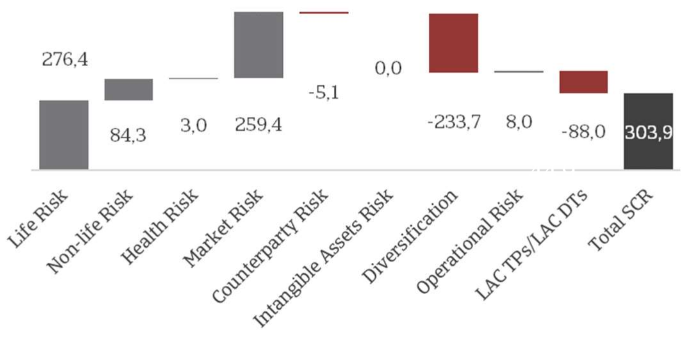


(Measured without considering the effect of diversification)

In quantitative terms, the risk requiring most capital is underwriting risk (55.2% of the total), 0.5 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 70.6% of the Non-Life underwriting risk.

The Group's second risk is market risk, with 37.1% 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.

SCR Changes 2022 Q4 to 2023 Q4



For further information, see Annex E - QRT S.25.05.22.

Qualitative risks

In qualitative terms, the main risks faced by the Entity are reputational risk, strategic risk, regulatory compliance risk and economic, geopolitical and competitive environment risk.

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.

During 2023 there have been no material changes in the significant risks to which the Group is exposed, although the risks corresponding to the funeral business have been incorporated into the risk map following the acquisition of Mémora.

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 55.2% of the SCR (without considering the effect of diversification). Within underwriting risk, the most important is the risk arising from credit insurance, representing 70.6% of the non-life underwriting risk.

The underwriting risk amounted to €2,483.8 million, €363.7 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 standard formula, is subdivided into:

(Figures in € thousand)

Underwriting Risk	2022	2023	% Chg.
Life	614,481.1	890,833.9	45%
Non-Life	1,449,327.5	1,533,636.2	6%
Health	56,349.0	59,354.9	5%
Total*	**2,120,157.6**	**2,483,824.9**	**17%**

* No diversification

The credit insurance business accounts for 43.2% of total turnover (27.0% in terms of retained business), is the highest risk in terms of SCR in the Group.

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 Group 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 Group. 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 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.

Monitoring is carried out by the different business units through early warning indicators and business evolution indicators, reporting directly to the entity and Group business committees, which are divided according to:

- Traditional business committee.
- Credit and Surety insurance business committee.

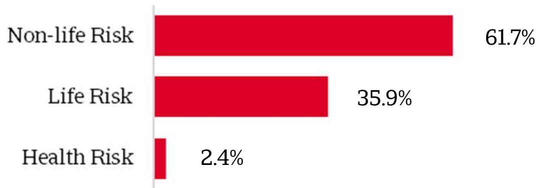
The risk management control function contributes to the monitoring of early warning indicators, the SCR reports and the ORSA report.

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 €1,533.6 million. The main capital charge comes from credit insurance risk at €1,082.6 million, followed by Non-Life premium and reserve risk from traditional business at €432.5 million.

In the case of the Life insurance business, at €890.8 million, the main capital charge comes from the risk of the portfolio falling to €802.9 million, followed by mortality at €212.9 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.
- Determination of the pricing structures.
- Tariff building instruments.
- Appraisal Value: value of Non-Life insurance business.
- Embedded Value: value of life insurance business.
- Capital models of the rating agencies.

Partial internal model

For years, GCO 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, GCO 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.

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 as a mitigation tool, seeking not only to transfer risk but also to build a lasting relationship with 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

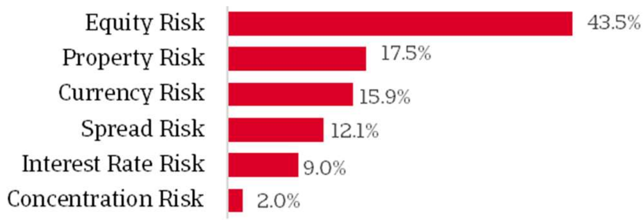
- In credit insurance, it should be noted that, due to its cyclical nature, the business is protected against both frequency (number) and severity (cost). In this sense, the main proportional credit insurance assignment contract is a separate quota with an assignment ratio of 35%. For non-proportional contracts, a priority of €26.25 million is established 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 amounts to €1,670.1 million, which is €259.4 million higher than in the previous year due to the rise in the stock market.

Market risk is the second most significant in the Group, accounting for 37.1% of the SCR (without considering the effect of diversification). Within the market risk, the most important sub-risks are the risk in equity and real estate, representing 43.5% and 17.5%, 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:

- 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.
- Equity 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 considered non-routine or with credit ratings below the established minimum are set out.
- 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 portfolio:

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 Non-Life insurance portfolios, the aim 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 2023 amounted to €1,670.1 million, representing 37.1% of the Group's total SCR without considering diversification effects.

The main capital charges come from equity investments (43.5%) as well real estate risk (17.5%).

Figures in € thousand

Market risk	2022	2023	% Chg. 22-23
Equity	723,564.8	980,470.7	35.5%
Real estate risk	388,478.7	395,930.9	1.9%
Exchange rate risk	318,228.2	357,866.8	12.5%
Spread risk	290,669.0	273,775.4	-5.8%
Interest rate risk	166,023.6	202,990.3	22.3%
Concentration risk	50,980.4	45,502.5	-10.7%

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.
- They shall not be subject to the aforementioned limits: (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 €178.2 million and was €5.1 million lower than in the previous year, mainly due to lower cash at banks. This risk represents 4.0% of the Group's total SCR (excluding diversification effects).

The most important exposure for the Group is from banks, accounting for 57.5% of total exposure to counterparty risk.

Main features

'+20 reinsurers	Diversification
Average 'A' rating	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:

- Credits with reinsurers: the Group manages the risk through the reinsurance technical areas.
- Cash 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 Group 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 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.

Measurement

GCO 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 Entity defines for reinsurers:

- Minimum rating of "A-" for the counterparty.
- Diversification of the reinsurance panel avoiding excessive concentration in any one reinsurer.
- Preference is given to current 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 €166.2 million and is €8.0 million higher than in the previous year due to a higher premium volume resulting from business development. This risk represents 3.7% 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 or cybersecurity events.

GCO identifies the following as the main operational risks:

Operational risk category	Risks
Persons (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 its 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 the Group 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.

- 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 GCO (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 goals 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

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.

GCO's annual report 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 GCO 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: Sustainability Reporting Directive (CSRD); proposal for a Directive on Due Diligence (CSDD), Regulation on the digital operational resilience of the financial sector (DORA), proposal for a review of the Solvency II Directive; proposal for a Directive on a framework for the recovery and resolution of insurance or reinsurance companies (IRRD), proposals for Regulations and Directive on the prevention of money laundering and new European authority (AMLA), and proposal for a Regulation on Artificial Intelligence (AI Regulation).

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 GCO in the future:

- Financial volatility
- Inflation
- Geopolitical risks
- Regulatory frameworks
- Cyber risks

Given the circumstances of the geopolitical crisis in Russia and Ukraine, Gaza, and the inflationary situation in the economic environment, the Bank considers the possibility of a prolonged economic slowdown to be the emerging risk that could have the greatest impact in the future. In this regard, the first three risks previously identified as emerging are included in the adverse scenario carried out by the Entity in the ORSA exercise, which shows, in all the projection years, a robust solvency ratio enabling the interests of policyholders and insured parties to be guaranteed.

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 company'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.

As sustainability and climate change risks are managed comprehensively at Group level, further information is available in GCO's Sustainability Report - Statement of Non-Financial Information, audited and published on the website www.gco.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 €1,886.4 million.

The main amount is goodwill (€1,167.5 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. Dependency 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

GCO 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 of these analyses are shown in section E.2.2. of the Capital Management chapter.

D

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 2023, the Group had assets with a market value of €17,891.8 million, 5.2% higher than at the close of 2018.

The main item corresponded to financial and real estate investments, which represented 67.8% of total assets, in line with the previous year.

In the financial balance sheet, total assets are €1,103.7 million lower than in the balance sheet. The main causes of this difference are summarised below:

Market value of assets	Market value of technical provisions
Zero value of intangibles and goodwill	Based on realistic assumptions

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, Hercasol SICAV, Occident Hipotecaria, GCO Gestión de Activos SGIIC and Catalana Occidente Capital, Agencia de Valores are reflected in the financial balance sheet as a single asset item at market value, while all their assets and liabilities are included in the accounting balance sheet.

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 financial 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 €17,891.8 million, €889.1 million more than in the previous year.

Compared to the previous year's financial assessment, the main differences are as follows:

- **Investments (other than Index-linked and Unit-linked assets):** During 2023, on-balance sheet investments increase by €763.9 million mainly due to the rise in the stock market.
- **Cash and other cash equivalents:** Cash exposure decreased by €570.7 million mainly due to the acquisition of Mémora.
- **Deferred tax assets:** These increases by €223.9 million as a result of changes in the other items of the financial balance sheet.

Figures in € thousand

Evolution of the financial balance sheet	**2022**	**2023**	**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	1,007,525.0	1,231,454.2	223,929.3
Surplus pension benefits	81,338.0	94,540.0	13,202.0
Property, land and equipment for own use	538,662.9	664,797.9	126,135.1
Investments (other than Index-linked and Unit-linked assets)	10,703,834.8	11,467,748.4	763,913.7
Investments for Unit linked	751,007.6	872,081.4	121,073.8
Loans and mortgages	208,153.8	193,980.7	-14,173.2
Reinsurance recoverables	616,345.2	611,306.6	-5,038.7
Deposits to assignors	23,605.0	24,243.6	638.6
Insurance and brokering receivables	326,433.1	314,476.7	-11,956.4
Reinsurance receivables	202,650.6	267,358.5	64,707.9
Receivables (other than from reinsurance operations)	317,440.1	451,984.4	134,544.3
Treasury shares	58,428.7	61,098.0	2,669.3
Amounts owed on equity items	0.0	0.0	0.0
Cash and other liquid assets	2,056,808.6	1,486,098.1	-570,710.5
Other assets	110,499.3	150,624.5	40,125.2
Total assets	**17,002,732.6**	**17,891,793.0**	**889,060.4**

With regard to 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.
- **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 €475.7 million less than in the balance sheet.
- **Intangible assets:** For balance sheet purposes, they are considered to have a value equal to zero.
- **Investments (other than Index-linked and Unit-linked assets):** The financial balance sheet provides €407.6 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. €414.6 million.

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

Figures in € thousand

Balance sheet 2023	**Financial**	**Accounting**	**Diff.**
Goodwill	0.0	1,167,495.9	-1,167,495.9
Other deferred acquisition costs and commissions	0.0	295,009.1	-295,009.1
Intangible assets	0.0	423,868.4	-423,868.4
Deferred tax assets	1,231,454.2	299,962.4	931,491.9
Surplus pension benefits	94,540.0	94,540.0	0.0
Property, land and equipment for own use	664,797.9	511,040.1	153,757.8
Investments (other than Index-linked and Unit-linked assets)	11,467,748.4	11,060,141.2	407,607.2
Investments for Unit linked	872,081.4	872,081.4	0.0
Loans and mortgages	193,980.7	203,091.1	-9,110.4
Reinsurance recoverables	611,306.6	1,086,968.2	-475,661.7
Deposits to assignors	24,243.6	24,243.6	0.0
Insurance and brokering receivables	314,476.7	411,538.6	-97,061.9
Reinsurance receivables	267,358.5	133,605.1	133,753.4
Receivables (other than from reinsurance operations)	451,984.4	463,673.7	-11,689.3
Treasury shares	61,098.0	22,787.2	38,310.8
Amounts owed on equity items	0.0	0.0	0.0
Cash and other liquid assets	1,486,098.1	1,495,933.1	-9,835.0
Other assets	150,624.5	429,527.7	-278,903.2
Total assets	**17,891,793.0**	**18,995,506.6**	**-1,103,713.6**

D.2. Valuation of technical provisions

Technical provisions are the main liability item of insurers 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 year-end, net technical provisions in the financial balance sheet amounted to €7,605.9 million, €34.5 million higher than in 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 items:

- 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 GCO, this value corresponds to €1,744.0 million in Life and €198 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.

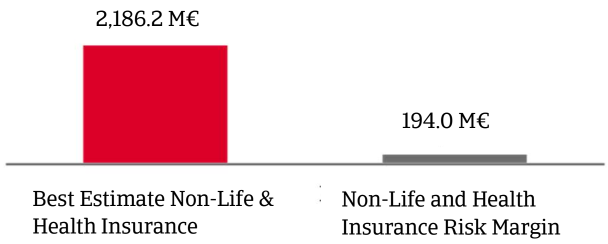
Technical provisions are detailed below according to the main business lines.

For further information, see Annex D - QRT 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 €2,380.1 million, representing 31.3% of total net technical provisions.



The best estimate according to Solvency II increased €74.6 million compared to the previous year due to the development of the credit insurance business.

Information is provided below by line of creditworthiness business.

figures in thousands of euros and net of reinsurance

	TOTAL	BEL	RM
Motor CL	567,153.2	550,127.0	17,026.2
Motor other	153,406.1	148,117.6	5,288.6
Transport*	21,156.7	19,601.0	1,555.6
Fire and other property damage *	410,967.2	393,038.5	17,928.7
Civil Liability*	133,931.3	123,471.8	10,459.5
Credit and surety	1,035,710.6	901,408.1	134,302.5
Legal expenses	1,410.9	1,343.3	67.6
Assistance	0.0	0.0	0.0
Others	6,282.4	5,796.9	485.6
Total Non Life	**2,330,018.4**	**2,142,904.2**	**187,114.2**
Total Health NSLT*	**50,058.7**	**43,254.9**	**6,803.8**

(*) 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 €1,478.6 million represent 16.9% of the total technical provisions, with motor and fire and other damages to assets being the main items.

In the financial 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.

- 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).

- 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 €901.4 million of net technical provisions represents 11.9% of total technical provisions and increases by 6.0%.

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 €5,225.7 million, representing 68.7% of the total, with the savings products with profit participation (PB in Spanish) contributing the most. The best estimate under Solvency II decreases by €272.4 million mainly due to the future profits of the Life business and the update of the assumptions according to the current environment conditions.

figures in thousands and net of reinsurance

	TOTAL	BEL	RM
Insurance with a stake in profits	4,386,125.4	4,287,744.4	98,381.1
Index-linked insurance	780,898.3	735,612.5	45,285.8
Other life insurance	45,566.3	-461,913.0	507,479.3
Accepted reinsurance	13,135.5	0.0	13,135.4
Total Life	**5,225,725.5**	**4,561,443.9**	**664,281.6**
Total Health SLT	**0.0**	**0.0**	**0.0**

In Life, the technical provisions in the financial balance sheet net of reinsurance are €1,504.9 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
Flow discount	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 insurer cannot exercise the right to cancel the contract unilaterally (except in the case of reaching the age limits for non-renewal established in the contract from the outset).
- The insurer cannot unilaterally refuse to pay premiums under the contract (except in the case of reaching the age limits for non-renewal set out in the contract from the outset).
- 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 (except when 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.

Life insurance policies (death and/or disability) and funeral insurance policies in which the three above circumstances are reflected in the contract, are considered by the Group to be whole life insurance policies and, consequently, for 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 rate	Mortality	In Funeral, the claims assumption corresponds to applying an additional surcharge on 100% of the 2020 second-order sectoral tables for Funeral Expenses published by the DGSFP. The surcharge is based on claims experience in recent years.
			For all other products, the claims assumption corresponds to applying 100% of the second-order 2020 sectoral tables published by the DGSFP.
		Disability	The assumption is the average disability rate of recent years. The assumption of the previous year has been maintained for 4Q 2023.
			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 cancellation rate of recent years. Cancellation rates are calculated by product and policy year. For Life and Funeral products, cancellation is measured by frequency and for Savings products by volume of provisions.
		Planned Premiums	Expected premiums are projected for policies that are active and premiums for policies in suspense are not projected.
		Supplementary Premiums	Supplementary premium assumptions are not applied as they are outside the limits of the contract and are subject to acceptance by the Insurer.
		Partial Redemption	The assumption is the average of the partial surrender rates of the experience studies of recent years. The surrender rate is calculated per product and per volume of provisions.
	Expenses	Management	The assumption is derived by allocating the annual increase to the unit management cost per policy per month of the previous year. Management expenses comprise the following expenses according to the classification by purpose: investment management, benefits, administration expenses and other technical expenses.
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
		Equity, 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	For discretionary profit sharing (PB) products, a PB assumption is set as a percentage of the return on investments subject to provision coverage.
		Inflation	A future inflation assumption is established that affects the future growth of expenses, and increases in guaranteed capital in invariable risk policies and in funeral policies consistent with the inflation estimates of the European Central Bank.

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 2023 does not apply:

figures in thousands of euros and net of reinsurance

	With VA	With VA	Without VA
	With Transitory TP	**Without Transitory TP**	**Without Transitory TP**
Technical provisions	7,605,803	7,605,803	7,625,129
Solvency Capital Requirement	2,492,338	2,492,338	2,495,299
Minimum Capital Requirement	848,088	848,088	854,326
Basic Equity	5,773,516	5,773,516	5,759,275
Eligible Equity to cover the SCR	5,773,516	5,773,516	5,759,275
Eligible Equity to cover the MCR	5,773,516	5,773,516	5,759,275

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.23.01.22

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 amounted to €11,806.1 million, €445.7 million more 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 €3,588.9 million.

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

- **Other liabilities:** These increased by € 230.3 million compared to the previous period due to the incorporation of the Mémora Group.
- **Deferred tax liabilities:** They increase by €236.4 million as a result of changes in the other items of the financial balance sheet.

Figures in € thousand

Evolution of the financial balance sheet	**2022**	**2023**	**Diff**
Contingent liabilities	0.0	0.0	0.0
Provisions other than technical prov.	132,640.1	137,555.9	4,915.8
Pension benefit obligations	115,850.8	107,367.9	-8,482.9
Reinsurance deposits	14,314.6	15,252.3	937.7
Deferred tax liabilities	1,500,666.5	1,737,048.6	236,382.1
Derivatives	0.0	0.0	0.0
Bank borrowings	0.0	778.8	778.8
Financial liabilities other than debts to credit institutions	0.0	0.0	0.0
Liabilities from insurance and coinsurance operations	128,246.9	118,351.1	-9,895.9
Debts from reinsurance operations	131,749.0	139,200.6	7,451.6
Other debts	757,689.1	987,986.9	230,297.8
Subordinated liabilities other than Core Equity	0.0	0.0	0.0
Subordinated liabilities in Core Equity	185,697.0	154,936.7	-30,760.4
Other liabilities	205,786.9	190,428.6	-15,358.4
Total other liabilities	**3,172,641.0**	**3,588,907.3**	**416,266.3**

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 2023	**Financial**	**Accounting**	**Diff**
Contingent liabilities	0.0	0.0	0.0
Provisions other than technical prov.	137,555.9	159,636.5	-22,080.6
Pension benefit obligations	107,367.9	107,496.2	-128.3
Reinsurance deposits	15,252.3	15,252.3	0.0
Deferred tax liabilities	1,737,048.6	469,165.3	1,267,883.4
Derivatives	0.0	0.0	0.0
Bank borrowings	778.8	778.8	0.0
Financial liabilities other than debts to credit institutions	0.0	0.0	0.0
Liabilities from insurance and coinsurance operations	118,351.1	133,424.8	-15,073.8
Debts from reinsurance operations	139,200.6	119,863.6	19,337.1
Other debts	987,986.9	988,504.6	-517.6
Subordinated liabilities other than Core Equity	0.0	0.0	0.0
Subordinated liabilities in Core Equity	154,936.7	156,204.8	-1,268.1
Other liabilities	190,428.6	206,896.2	-16,467.7
Total other liabilities	**3,588,907.3**	**2,357,222.9**	**1,231,684.4**

D.4. Alternative valuation methods

In accordance with Solvency II regulations, the Group 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 GCO.

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

E.0. Introduction

The Group manages its capital with the aim of maximising value for all its stakeholders, 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

GCO 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

GCO carries out its capital planning with the aim 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.

GCO 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

GCO understands capital management through the following 6 aspects:

Ordinary profit/(loss):

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

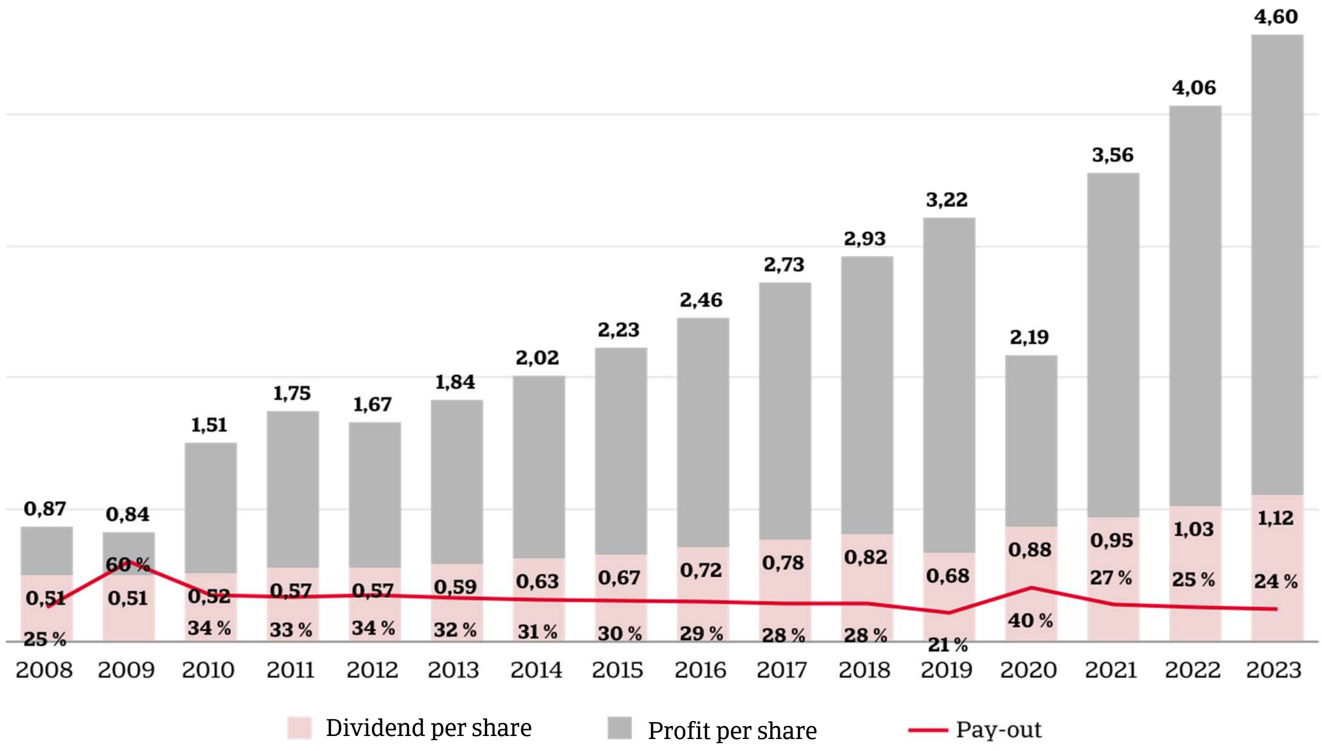
Clear and transparent governance

Discipline for risk assumption

Continuous contribution from the human team

Distribution of dividends according to results

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



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 GCO 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. Shareholders' equity

E.1.1. Structure and quality

The Group's equity under Solvency II at the end of 2023 amounted to €5,773.5 million and consisted of:

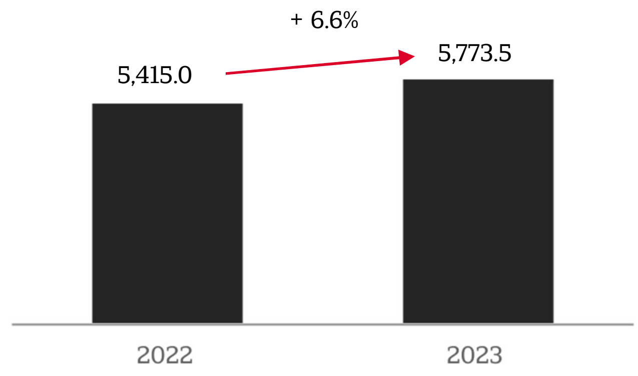
- Share capital
- The reconciliation reserve, which includes the valuation differences between accounting and solvency assets and liabilities (these differences are explained chapter D, valuation section), accumulated reserves, adjustments for valuation changes and the results for the year, deducting 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 amount of this subordinated debt, computable for Group purposes, has been reduced by €95.5 million due to the investment that some entities of the traditional business hold in the bond.

On 23 September 2014, Atradius Finance Bv issued a subordinated debt, replacing the €120 million bond issued in September 2004. This subordinated debt issue, amounting to €250 million, matures in September 2044 and has a first redemption possibility 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 eligible for Group purposes at the end of 2023 amounted to €154.5 million, after deducting the €95.5 million represented by Occident's investment in the bond issued by Atradius.

On 8 April 2024, GCO announced the launch of a repurchase invitation to the holders of this subordinated bond, accepting the repurchase in cash of the subordinated bonds validly tendered under this offer, which have been duly redeemed. Following this transaction, the outstanding nominal amount of these subordinated bonds computable for the Group's purposes is practically immaterial.

Furthermore, on 17 April 2024, Atradius Crédito y Caución S.A. de Seguros y Reaseguros issued subordinated bonds for a nominal amount of €300 million maturing on 17 April 2034 with a fixed coupon of 5% per annum. The amount of this subordinated debt, computable for Group purposes, has been reduced by €45 million due to the investment that entities of the traditional business hold in the bond.

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	5,445,609.9
Surplus funds	0.0
Other elements authorised as Core Equity	154,936.7
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	453,623.7
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	-318,187.2
Total core equity after adjustments	**5,773,516.0**

The movement of the reconciliation reserve is as follows:

(Figures in € thousand)

Reconciliation reserve	
Excess of assets over liabilities	6,085,776.6
Treasury shares (included as assets in the balance sheet)	-61,098.0
Planned dividends and distributions*	-87,912.0
Other core equity items	-491,156.6
Adjustment of restricted equity items to limited availability	0.0
Total reconciliation reserve	**5,445,609.9**

At year-end, the Group had €5,773.5 million in 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 97.3% of the total; and has no Tier 3 equity.

(Figures in € thousand)

Equity structure	2022	2023
Core	5,414,992.3	5,773,516.0
Complementary	0.0	0.0
Total	**5,414,992.3**	**5,773,516.0**
% Equity	100 %	100 %

Figures in € thousand

Quality of equity	2022	2023
Tier 1	5,229,295.2	5,618,579.3
% Equity	97 %	97%
Tier 2	185,697.0	154,936.7
% Equity	3 %	3%
Tier 3	0.0	0.0
% Equity	— %	— %
Total	5,414,992.3	5,773,516.0
% Equity	100 %	100%

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

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

Equity consists of share capital, accumulated reserves, valuation adjustments and profit for the year, which at year-end 2023 amounted to € 5,037.0 million:

Under Solvency II the excess of assets over liabilities of GCO amount to €6,085.3 million which is an increase of 7.9% compared to the previous year-end.

Loss absorption mechanism

The Group has no equity items that are required to have loss absorption mechanisms in order to comply with article 71 of the Delegated Regulation.

Net worth of the Financial Statements	5,037,023.1
Change in assets	
Intangible assets and deferred acquisition costs	-1,886,373.3
Real estate capital gains	568,385.6
Capital gains of investees	72,775.5
Capital gains of financial assets	-79,796.1
Best Estimate reinsurance technical provisions	-475,661.7
Credits receivable	25,002.2
Deferred tax	931,491.9
Loans and Mortgages	-9,110.4
Treasury shares	38,310.8
Cash and other assets	-288,738.1
Change in liabilities	
Best Estimate technical provisions direct insurance	4,242,351.1
Risk Margin technical provisions direct insurance	-858,199.6
Other liabilities	16,467.7
Pension benefit obligations	128.3
Reinsurance deposits	0.0
Subordinated liabilities in Core Equity	1,268.1
Deferred tax	-1,267,883.4
Financial liabilities other than debts to credit institutions	0.0
Debts	-3,745.7
Other non-technical provisions	22,080.6
Excess assets over liabilities	**6,085,776.6**

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

E.1.3. Restriction of available equity

GCO'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 GCO 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 2023, the Group's Solvency Capital Requirement (SCR) amounted to €2,492.3 million (€303.9 million higher than in the previous year) and the Minimum Capital Requirement (MCR) was €848.1 million (€47.7 million higher than in the previous year).

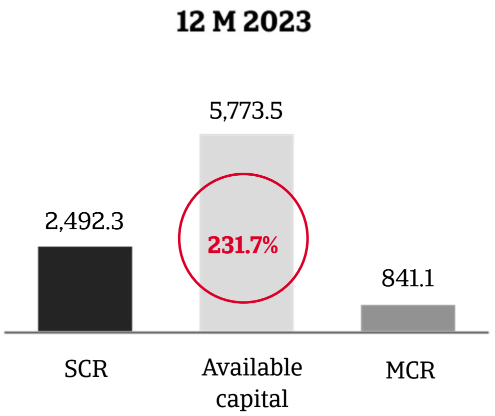
For more information, see Chapter C, section on risk profile, and Annex E - QRT S.25.05.22

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:

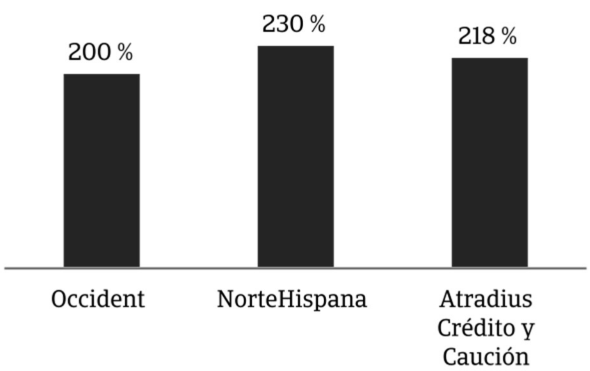
231.7 % on SCR   680.8% on MCR



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

GCO 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 equity.
  - 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:
    - Dividend distribution
    - Reduction of the proportional reinsurance quota
    - Acquisition of Entities
    - Investments in real estate and financial assets

Disruption scenarios

Main ratio scenario	**231.7%**
Underwriting scenarios	
Lowering premiums -5%	-0.9%
Increased claims ratio*	-11.8%
Set of scenarios	-12.5%
Market scenarios	
Equity -10%	6.0%
Real estate -5%	-1.5%
Set of scenarios	4.5%
-25% VI	7.8%
Rates curve +100 bps	-1.5%
Rates curve -100 bps	-0.5%
Spread +100 bps	-5.1%
Impairment rating -10%	-0.7%
Adverse scenario**	**-45.7%**
No volatility adjustment and no transitional PPTT measure	**-0.9%**

* Fire and other property damage, motor OG +10p.p and Motor CL +5 p.p. Credit insurance claims ratio 101.6%.

** -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 equity.

-15% of properties

+200bps credit spreads

Credit insurance claims ratio 101.6%

E.2.3. Solvency for rating agency purposes

In October 2023, Moody affirmed the 'A1' rating with a stable outlook of the operating entities in the credit insurance business under the Atradius brand. The improvement of this rating reflects Moody's confidence in the strength of the Atradius brand, even in situations of economic uncertainty such as that generated by COVID-19 and the Ukraine - Russia conflict. This is due to the high quality of its risk exposure, its strong economic capitalisation and its solid positioning as the world's second largest credit insurer.

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

“A”

A.M. Best operating entities of the Group

Of note was the solid balance sheet strength, the excellent operating results and the appropriate capitalisation of the Group's main operating entities.

“A1”

Moody's operating entities of the credit insurance business

Of note is the high quality of its risk exposure, its strong economic capitalisation and its solid positioning as the world's second largest credit insurer.

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 (IFS)	‘A’ stable (FSR) ‘a+’ stable (ICR)	‘A1' stable (IFS)
Atradius Reinsurance DAC* (IFS)	‘A’ stable (FSR) ‘a+’ stable (ICR)	‘A1' stable (IFS)
Atradius Trade Credit Insurance, Inc. (IFS)	‘A’ stable (FSR) ‘a+’ stable (ICR)	‘A1' stable (IFS)
Atradius Seguros de Crédito, S.A.	‘A’ stable (FSR) ‘a+’ stable (ICR)	

*Merged entities as at 31 December 2023

E.3. Use of the equity risk sub module of risk based on the duration in the calculation of the solvency capital requirement

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.

GCO 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. GCO 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.

The Group 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 Group'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. GCO carries out this study for each tax jurisdiction, both for those corresponding to the financial 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 profits/(losses)

A.1. Breakdown of Investees at 31 December 2023

Company		% of voting rights			Figures in € Thousand					
					Summarised financial information					
(Name and address)	Activity	Direct	Indirect	Total	Total Assets	Capital Social	Equity reserves	Year result, net of dividend	Other accumulate d comprehen	Income
Occident GCO, S.AU. de Seguros y Reaseguros Paseo de la Castellana, 4 Madrid	Insurance and reinsurance	100 %	— %	100 %	10,434,746	18,030	555,520	199,931 (1)	499,681	2,663,036
Grupo Compañía Española de Crédito y Caución, Sociedad Limitada Paseo de la Castellana, 4 Madrid	Holds shares	74 %	— %	74 %	643,622	18,000	623,678	L213 (2)	0	124,378
Atradius N.V. y sociedades dependientes David Ricardostraat, 1 1066 JS Amsterdam (The Netherlands)	Credit and surety insurance and complementary insurance activities	36 %	47 %	83 %	5,528,153	79,122	2,264,062	379,081	62,420	2,300,480
Sociedad Gestión Catalana Occidente, S.AU. Paseo de la Castellana, 4 Madrid	Financial investments	100 %	— %	100 %	56,942	721	53,369	2,726	0	2,967
Cosalud Servicios, S.AU. Avenida Alcalde Barnils, 63 Sant Cugat del Vallés (Barcelona)	Intermediation of health centres	100 %	— %	100 %	7,432	3,005	2,334	192	-146	197
Grupo Catalana Occidente Gestión de Activos SA.U.,S.G.I.I.C. Cedaceros, 9- planta baja Madrid	Financial investments	100 %	— %	100 %	7,138	391	5,356	284 (3)	29	14,803
GCO Gestora de Pensiones, EGFP, S.A.U. Paseo de la Castellana, 4 Madrid	Pension fund management	100 %	— %	100 %	3,599	2,500	377	89	-5	6,155
Grupo Catalana Occidente Tecnología y Servicios, A.I.E. Avenida Alcalde Barnils, 63 Sant Cugat del Vallés (Barcelona)	Auxiliary insurance services	— %	100 %	100 %	110,625	35,826	176	262	0	120,097
GCO Ventures, S.L.U. Avenida Alcalde Barnils, 63 Sant Cugat del Vallés (Barcelona)	Corporate venturing	100 %	— %	100 %	3L079	3,200	28,800	(L639)	-1	239
Asistea Servicios Integrales S.L.U. y sociedades dependientes Henao, 19 Bilbao	Funeral business	100 %	— %	100 %	67,303	3,103	58,023	2,929	0	110,506
Taurus Bidco, S.LU. Paseo Zona Franca (torre Auditori), 111, planta 8° Barcelona	Holds shares	100 %	— %	100 %	240,847	3	-3,888	-3,023	0	L036
Mémora Servicios Funerarios, S.L. y sociedades dependientes Paseo Zona Franca (torre AuditorD, 111, planta 8° Barcelona	Funeral business	35 %	65 %	100 %	639,308	36	194,006	10,908	0	219,885
Nortehispana de Seguros y Reaseguros, S.AU. Paseo de la Castellana, 4 Madrid	Insurance and reinsurance	— %	100 %	100 %	642,413	20,670	144,093	39,886	17,976	220,363
Grupo Catalana Occidente Contact Center, AI.E. Jesús Serra Santamans, 3- 4° planta Sant Cugat del Vallés (Barcelona)	Telephone attention	— %	100 %	100 %	2,625	600	89	1	0	9,844

Catalana Occidente Capital, Agenda de Valores, S.AU. Avenida Alcalde Barnils, 63 Sant Cugat del Vallés (Barcelona)	Stock broker	— %	100 %	100 %	3,159	300	2,455	384	-29	L592
Prepersa, Peritación de Seguros y Prevención, AI.E. Jesús Serra Santamans, 1 Sant Cugat del Vallés (Barcelona)	Prevention and loss adjustment	— %	100 %	100 %	2,741	60	1,011	2	0	7,217
Tecniseguros, Sociedad de Agenda de Seguros, SAU. Avenida Alcalde Barnils, 63 Sant Cugat del Vallés (Barcelona)	Insurance broker	— %	100 %	100 %	L185	60	68	99	0	7,628
Inversions Catalana Occident, SA.U. Avinguda Carlemany, 65 Escaldes Engordany (Andorra)	Creation, management and operation of insurance entities	— %	100 %	100 %	7,604	60	306	-5	0	3,672
Calboquer, S.L. Villarroel, 177-179 Barcelona	Medical, social, psychological, and legal advice	— %	100 %	100 %	975	60	317	272	0	2,245
Occident Hipotecaria, S.AU., E.F.C. Paseo del Puerto, 20 Getxo (Vizcaya)	Mortgage Credit	— %	100 %	100 %	54,180	8,000	L218	311	0	2,659
S. órbita, Sociedad Agencia de Seguros, S.A.U. Paseo del Puerto, 20 Getxo (Vizcaya)	Insurance broker	— %	100 %	100 %	2,650	L100	420	60	0	0
Bilbao Telemark, S.L.U. Paseo del Puerto, 20 Getxo (Vizcaya)	Tele-marketing	— %	100 %	100 %	949	37	113	141	0	L924
Bilbao Vida y Gestores Financieros, S.AU. Paseo del Puerto, 20 Getxo (Vizcaya)	Insurance broker	— %	100 %	100 %	L392	60	272	206	0	6,691
Nortehispana Mediacion, Agencia De Seguros S.AU. Paseo Castellana, 4 Madrid	Insurance broker	— %	100 %	100 %	3,483	60	724	516	0	19,046
Hercasol, S.A. SICAV Avenida Diagonal, 399 Barcelona	Financial investments	— %	88% (*)	88% (*)	77,684	57,792	L591	16,657	0	17,407
Grupo Catalana Occidente Activos Inmobiliarios S.L.U. Avenida Alcalde Barnils 63 Sant Cugat del Vallés (Barcelona)	Real Estate Development	— %	100 %	100 %	543,811	174,436	305,218	13,489	38,807	22,884

(*) 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 €14,503 thousand.

(2) The company has paid an interim dividend of €121,770 thousand and has posted an increase in the equalisation provision for the amount of €7,681 thousand.

(3) The Company paid an interim dividend of €1,100 thousand.

The financial information indicated for the above companies included in the scope of consolidation (total assets, share capital, equity reserves, profit for the year net of dividends and income) has been obtained from the latest available individual or consolidated financial statements for the 2023 financial year, prepared in accordance with the regulatory financial reporting framework 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 2023.

A.2. QRT S.05.01.02 and S.05.02.04

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	150.866	53.358	0	345.123	345.103	29.974	954.529	162.205	2.039.411	4.394	0	7.512					4.092.497
Importe bruto — Reaseguro proporcional aceptado	0	0	0	0	0	0	0	0	308.905	0	0	0					308.905
Importe bruto — Reaseguro no proporcional aceptado													0	0	0	11.928	11.928
Cuota de los reaseguradores	2.296	766	0	10.194	9.981	1.326	58.876	37.757	858.578	39	0	363	0	0	0	149	980.324
Importe neto	148.591	52.593	0	334.928	335.122	28.648	895.653	124.448	1.489.739	4.356	0	7.150	0	0	0	11.779	3.433.006
Primas imputadas																	
Importe bruto — Seguro directo	149.375	52.785	0	347.704	329.648	30.195	915.650	157.701	1.986.634	4.180	0	7.621					3.981.493
Importe bruto — Reaseguro proporcional aceptado	0	0	0	0	0	0	0	0	287.845	0	0	0					287.845
Importe bruto — Reaseguro no proporcional aceptado													0	0	0	10.678	10.678
Cuota de los reaseguradores	2.296	769	0	10.419	9.674	1.336	57.342	37.597	852.674	39	0	305	0	0	0	149	972.601
Importe neto	147.079	52.016	0	337.285	319.974	28.859	858.308	120.104	1.421.804	4.141	0	7.316	0	0	0	10.529	3.307.415
Siniestralidad																	
Importe bruto — Seguro directo	111.218	20.065	0	256.258	205.523	12.783	538.081	69.684	830.257	1.025	0	222					2.045.115
Importe bruto — Reaseguro proporcional aceptado	0	0	0	0	0	0	0	0	65.881	0	0	0					65.881
Importe bruto — Reaseguro no proporcional aceptado													0	0	0	4.230	4.230
Cuota de los reaseguradores	1.953	-27	0	9.151	1.102	405	46.445	20.174	286.236	23	0	85	0	0	0	42	365.590
Importe neto	109.264	20.091	0	247.107	204.421	12.378	491.635	49.510	609.902	1.002	0	136	0	0	0	4.188	1.749.636
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	18.246	20.913	0	101.805	79.269	9.880	308.806	41.199	618.322	1.439	0	4.724	0	0	0	1.355	1.205.958
Saldo - Otros Gastos/Ingresos Técnicos																	-235.085
Gastos Técnicos Totales																	970.873

	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	Reaseguro de enfermedad	Reaseguro de vida	Total
Primas devengadas									
Importe bruto	0	503.441	174.022	329.971	0	0	0	0	1.007.434
Cuota de los reaseguradores	0	69	1	12.096	0	0	0	0	12.166
Importe neto	0	503.372	174.021	317.874	0	0	0	0	995.268
Primas imputadas									
Importe bruto	0	503.573	174.039	336.759	0	0	0	0	1.014.371
Cuota de los reaseguradores	0	70	1	12.184	0	0	0	0	12.255
Importe neto	0	503.504	174.038	324.575	0	0	0	0	1.002.116
Siniestralidad									
Importe bruto	0	746.272	138.025	177.544	0	0	0	0	1.061.842
Cuota de los reaseguradores	0	100	0	4.611	0	0	0	0	4.711
Importe neto	0	746.173	138.025	172.933	0	0	0	0	1.057.131
Variación de otras provisiones técnicas									
Importe bruto	0	-184.236	121.698	-11.687	0	0	0	0	-74.226
Cuota de los reaseguradores	0	0	0	0	0	0	0	0	0
Importe neto	0	-184.236	121.698	-11.687	0	0	0	0	-74.226
Gastos incurridos	0	28.866	16.916	108.168	0	0	0	0	153.970
Saldo - Otros Gastos/Ingresos Técnicos									-7.562
Gastos Técnicos Totales									146.408
Importe Total Rescates	0	376.400	78.635	10.040	0	0	0	0	465.075

S.05.02.04 - 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	FR	NL	
Primas devengadas							
Importe bruto — Seguro directo	2.378.144	255.524	156.611	156.213	149.438	133.128	3.229.058
Importe bruto — Reaseguro proporcional aceptado	409	597	24.035	510	193	242	25.987
Importe bruto — Reaseguro no proporcional aceptado	0	231	1.415	0	29	-14	1.661
Cuota de los reaseguradores	258.187	103.676	62.102	61.482	62.675	80.177	628.298
Importe neto	2.120.366	152.676	119.960	95.241	86.986	53.178	2.628.407
Primas imputadas							
Importe bruto — Seguro directo	2.323.141	244.713	146.440	162.129	149.295	131.801	3.157.519
Importe bruto — Reaseguro proporcional aceptado	409	597	24.034	511	193	242	25.987
Importe bruto — Reaseguro no proporcional aceptado	17	231	1.166	0	29	-14	1.429
Cuota de los reaseguradores	257.539	98.469	56.867	63.630	62.064	78.979	617.550
Importe neto	2.066.028	147.072	114.773	99.010	87.454	53.049	2.567.385
Siniestralidad							
Importe bruto — Seguro directo	1.343.546	67.789	42.010	75.871	35.552	79.118	1.643.886
Importe bruto — Reaseguro proporcional aceptado	480	224	9.115	415	189	-291	10.134
Importe bruto — Reaseguro no proporcional aceptado	28	10	327	0	-3	-1	360
Cuota de los reaseguradores	127.787	27.744	15.799	14.094	15.102	28.830	229.356
Importe neto	1.216.267	40.280	35.653	62.192	20.636	49.996	1.425.024
Gastos incurridos	656.853	35.597	25.938	74.004	26.386	105.027	923.805
Balance - Otros Gastos/Ingresos Técnicos							-57.655
Total Gastos Técnicos							866.151

	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	1.003.894	0	0	0	0	0	1.003.894
Cuota de los reaseguradores	12.166	0	0	0	0	0	12.166
Importe neto	991.727	0	0	0	0	0	991.727
Primas imputadas							
Importe bruto	1.010.839	0	0	0	0	0	1.010.839
Cuota de los reaseguradores	12.255	0	0	0	0	0	12.255
Importe neto	998.584	0	0	0	0	0	998.584
Siniestralidad							
Importe bruto	1.057.054	0	0	0	0	0	1.057.054
Cuota de los reaseguradores	4.711	0	0	0	0	0	4.711
Importe neto	1.052.343	0	0	0	0	0	1.052.343
Gastos incurridos	153.597	0	0	0	0	0	153.597
Balance - Otros Gastos/Ingresos Técnicos							-7.562
Total Gastos Técnicos							146.035

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 Entity has implemented processes that involve all the Organisation and that allow the risks to which the Entity 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:

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

C. Risk profile

QUANTITATIVE RISKS INCLUDED IN THE SOLVENCY RATIO OF GRUPO CATALANA OCCIDENTE					
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 pricing rules - Underwriting guidelines - Authorisation matrices - Rating buyer and credit limit monitoring	- IFRS and Local Regulations	- Internal Model (except ICP) - ICP: Solvency II Standard Formula - Risk self-assessments and ORSA 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	- Subscription and reserve policies - Reinsurance Policy - Manual and technical standards for underwriting - Data quality policy	- National and international insurance regulations - Best practice guide - Consortium	- Solvency II Standard Formula - Risk self-assessments and ORSA are analysed - Scenario analysis - Appraisal Value - Rating agencies	- Strict control and monitoring of the combined ratio - Non-life catastrophe risks are also mitigated through CCS - Value of business - Reinsurance Policy - Maintenance of business diversification - Report on the adequacy of the calculation of technical provisions
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 - Best practice guide	- Solvency II Standard Formula - Risk self-assessments and ORSA are analysed - Embedded Value - Rating agencies	- Strict control and monitoring of the combined ratio - Business value - Maintenance of business diversification - Tariff adequacy and cancellation rate report - Annual actuarial report - Management report 'Company performance book'
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)	- Subscription and reserve policies - Reinsurance Policy - Manual and technical standards for underwriting - Data quality policy	- National and international insurance regulations - Best practice guide	- Solvency II Standard Formula - Risk self-assessments and ORSA are analysed - Embedded Value - Profit test - Rating agencies	- Strict control and monitoring of the adequacy of the tariff and the claims 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 - Risk self-assessments and ORSA are analysed - Scenario analysis	- Reinsurance Policy (Reinsurance with counterparties with good credit rating) - Diversified investment portfolio with high rating - Control of credit rating for the principal financial counterparties and reinsurance panel.

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 controls and mitigation in the case of occurrence of an event. - Cybersecurity Action Plan - Contingency Plans
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 Law. - 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 -	- 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 risk of loss 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.

Solvency II sets out the following general principles:

- Assets shall be valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction.
- 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 financial balance sheet with the accounting balance sheet and explanatory notes (figures in euro).

	Financial 22	Financial 23	Accounting	
Goodwill	0	0	1,167,495,850	
Deferred acquisition costs	0	0	295,009,055	Note 2.
Intangible assets	0	0	423,868,431	Note 3.
Deferred tax assets	1,007,524,964	1,231,454,241	299,962,371	Note 4.
Surplus pension benefits	81,338,000	94,540,000	94,540,000	
Property, land and equipment for own use	538,662,852	664,797,928	511,040,084	Note 5.1. Note 5.2
Investments (other than Index-linked and Unit-linked assets)	10,703,834,780	11,467,748,435	11,060,141,216	Note 6
Assets held for unit-linked fund purposes	751,007,578	872,081,385	872,081,385	
Loans and mortgages	208,153,817	193,980,658	203,091,092	Note 7.
Reinsurance recoverables	616,345,217	611,306,564	1,086,968,241	Note 8.
Deposits to assignors	23,604,990	24,243,571	24,243,571	
Insurance and brokering receivables	326,433,142	314,476,743	411,538,617	Note 9.
Reinsurance receivables	202,650,606	267,358,458	133,605,061	
Receivables (other than from insurance operations)	317,440,070	451,984,377	463,673,687	Note 9.
Treasury shares	58,428,713	61,098,045	22,787,227	
Amounts due from equity items or initial fund required but not disbursed	0	0	0	
Cash and cash equivalents	2,056,808,637	1,486,098,109	1,495,933,075	
Other assets	110,499,252	150,624,477	429,527,648	Note 10.
Total assets	**17,002,732,616**	**17,891,792,991**	**18,995,506,610**	

	Financial 22	Financial 23	Accounting	
Technical provisions - Non-Life	2,908,730,440	2,992,356,078	4,817,374,273	Note 11.
Technical provisions - Life	5,278,981,883	5,224,753,043	6,783,886,343	Note 12.
Other technical provisions	0	0	0	
Contingent liabilities	0	0	0	
Other non-technical provisions	132,640,109	137,555,863	159,636,475	
Provisions for pensions and similar obligations	115,850,820	107,367,903	107,496,157	Note 15.
Reinsurance deposits	14,314,564	15,252,258	15,252,258	
Deferred tax liabilities	1,500,666,520	1,737,048,635	469,165,250	Note 4.
Derivatives	0	0	0	
Bank borrowings	-3	778,825	778,825	
Financial liabilities other than debts to credit institutions	0	0	0	
Liabilities from insurance and coinsurance operations	128,246,909	118,351,056	133,424,810	
Liabilities from reinsurance operations	131,749,005	139,200,620	119,863,563	
Other debts and items payable	757,689,122	987,986,926	988,504,570	Note 13.
Subordinated liabilities	185,697,040	154,936,661	156,204,751	Note 14.
Other liabilities, not shown under other headings	205,786,916	190,428,563	206,896,229	Note 16.
Liabilities	**11,360,353,322**	**11,806,016,432**	**13,958,483,503**	
Available equity	**5,642,379,294**	**6,085,776,558**	**5,037,023,106**	
Total liabilities and equity	**17,002,732,616**	**17,891,792,991**	**18,995,506,610**	

Breakdown of the main asset headings

	Financial 22	Financial 23	Accounting	
Investments (other than Index-linked and Unit-linked assets)	**10,703,834,780**	**11,467,748,435**	**11,060,141,216**	
Investments in real estate (other than for own use)	1,141,194,248	1,146,494,364	731,866,568	Note 5.2
Shareholdings	349,177,343	191,851,479	119,075,981	Note 6.1
Equity	1,282,450,614	1,789,913,900	1,855,422,487	Note 6.2
Equity - Type 1	1,173,136,955	1,764,170,937	1,829,678,377	
Equity - Type 2	109,313,660	25,742,963	25,744,110	
Bonds	6,858,177,675	7,306,850,623	7,312,540,155	Note 6.3
Public debt	2,765,507,436	3,137,125,736	3,137,125,736	
Private fixed income	4,083,552,621	4,166,814,931	4,172,504,463	
Structured financed assets	9,117,618	2,909,957	2,909,957	
Securities with collateral	0	0	0	
Investment funds	606,322,076	523,894,839	532,492,794	Note 6.4
Derivatives	0	0	0	
Deposits (other than cash equivalents)	466,512,823	508,743,230	508,743,230	Note 6.5
Other Investments	0	0	0	

	Financial 22	Financial 23	Accounting	
Loans and Mortgages	**208,153,817**	**193,980,658**	**203,091,092**	**Note 7**
Loans and mortgages to individuals	388,423	420,269	420,269	
Other loans and mortgages	191,408,562	179,535,151	188,645,586	
Loans and policies	16,356,833	14,025,237	14,025,237	

	Financial 22	Financial 23	Accounting
Reinsurance Recoverables:	**616,345,217**	**611,306,564**	**1,086,968,241**
Non-life and health similar to non-life	616,229,263	612,279,049	1,082,668,362
Non-life excluding health	615,952,231	612,214,919	1,081,946,775
Health similar to non-life	277,032	64,130	721,587
Life and health similar to life, excluding health and index-linked and unit-linked	115,954	-972,486	4,299,879

Breakdown of the main liability items

	Financial 22	Financial 23	Accounting	
Technical provisions - non-life insurance	**2,908,730,440**	**2,992,356,078**	**4,817,374,273**	**Note 11.**
Technical provisions - non-life insurance (excluding illness)	2,849,015,658	2,942,233,294	4,723,869,783	
Best Estimate (BE)	2,674,163,523	2,755,119,097	0	
Risk margin (RM)	174,852,135	187,114,197	0	
Technical provisions - health insurance (similar to non-life insurance)	59,714,781	50,122,784	93,504,491	
Best Estimate (BE)	53,586,737	43,318,990	0	
Risk margin (RM)	6,128,044	6,803,795	0	
Technical provisions - life insurance (excluding index-linked and unit-linked)	**4,638,856,148**	**4,443,854,737**	**5,911,804,957**	**Note 12.**
Technical provisions - health insurance (similar to non-life insurance)	13,702,489	0	0	
Best Estimate (BE)	13,702,489	0	0	
Risk margin (RM)	0	0	0	
Technical provisions - life insurance (excluding health, index-linked and unit-linked)	4,625,153,659	4,443,854,737	5,911,804,957	
Best Estimate (BE)	4,213,706,260	3,824,858,946	0	
Risk margin (RM)	411,447,399	618,995,791	0	
Technical provisions - index-linked and unit-linked	**640,125,735**	**780,898,306**	**872,081,385**	
Best Estimate (BE)	620,269,782	735,612,510	0	
Risk margin (RM)	19,855,952	45,285,796	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. Other deferred acquisition costs and commissions

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 fixed 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 financial 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, accounting 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 relationship of control.

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 Entity 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.

Under Solvency II, shareholdings are valued at market value, which in the case of insurance companies corresponds to the excess of assets over liabilities in accordance with Solvency II rules. 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. (the value of goodwill and other intangible assets is deducted from the value of the related company's shareholding, provided that they have a value equal to zero).

6.2 Equity:

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

Solvency II breaks down two types of equity (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.

6.3 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.

6.4 Investment funds

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 profit and loss account.

The fair value is calculated using the look-through approach, breaking down the investment into each of its component parts, so that each asset is valued separately. The individual measurement of each of these parts is made by discounting flows taking into account the credit risk associated with each.

6.5 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 measurement of SPVs and trust deposits. In the accounting balance sheet, the measurement 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 financial 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 measurement 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 measurement 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 measured for accounting purposes at amortised cost.

The measurement differences between the two schemes are due to the disregard of claims for unearned and unwritten premiums and claims related to claims settlement agreements for Solvency II purposes, because they are included in the flows of the best estimate calculation of technical provisions.

Note 10. Other assets, not shown under other headings

The Group 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).

<u>Non-Life technical provisions (traditional business):</u>

Provisions are broken down into premiums and claims

- Premium Provision

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

  - Claims ratio: average ultimate claims ratio per occurrence divided by earned premium for each line of business.
  - Ratio of administrative expenses, claims settlement, investments and other technical expenses in the income statement.

  In addition, the amount corresponding to profits from tacit renewals and unwritten earned premiums that do not form part of the assets in the financial balance sheet is 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 in accordance with Guideline 62 on the valuation of technical provisions.

- 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.

<u>Non-Life Technical Provisions (Credit Insurance Business):</u>

- 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:

  - The contract limit.
  - 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

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 in accordance with Guideline 62 on the valuation of technical provisions, simplified methods 2 and 3 are not appropriate when there are negative BELs in any of the projection years, as is the case for Temporary and Funeral Insurance flows.

- 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 assigned 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 adquisiciÃ³n diferidos	
Activos intangibles	0
Activos por impuestos diferidos	1.231.454
Superávit de las prestaciones de pensión	94.540
Inmovilizado material para uso propio	664.796
Inversiones (distintas de los activos mantenidos a efectos de contratos vinculados a índices y fondos de inversión)	11.467.748
Inmuebles (distintos a los destinados al uso propio)	1.146.494
Participaciones en empresas vinculadas	191.851
Acciones	1.789.914
Acciones - cotizadas	1.764.171
Acciones - no cotizadas	25.743
Bonos	7.306.851
Bonos públicos	3.137.126
Bonos de empresa	4.166.815
Bonos estructurados	2.910
Valores con garantía real	0
Organismos de inversión colectiva	523.895
Derivados	0
Depósitos distintos de los equivalentes a efectivo	508.743
Otras inversiones	0
Activos mantenidos a efectos de contratos vinculados a índices y fondos de inversión	872.081
Préstamos con y sin garantía hipotecaria	193.981
Préstamos sobre pólizas	14.025
Préstamos con y sin garantía hipotecaria a personas físicas	420
Otros préstamos con y sin garantía hipotecaria	179.535
Importes recuperables de reaseguro de:	611.307
No vida y enfermedad similar a no vida	612.279
No vida, excluida enfermedad	612.215
Enfermedad similar a no vida	64
Vida y enfermedad similar a vida, excluidos enfermedad y vinculados a índices y fondos de inversión	-972
Enfermedad similar a vida	0
Vida, excluidos enfermedad y vinculados a índices y fondos de inversión	-972
Vida vinculados a índices y fondos de inversión	0
Depósitos en cedentes	24.244
Cuentas a cobrar de seguros e intermediarios	314.477
Cuentas a cobrar de reaseguro	267.358
Cuentas a cobrar (comerciales, no de seguros)	451.984
Acciones propias (tenencia directa)	61.098
Importes adeudados respecto a elementos de fondos propios o al fondo mutual inicial exigidos pero no desembolsados aún	0
Efectivo y equivalente a efectivo	1.486.098
Otros activos, no consignados en otras partidas	150.624
Total activo	17.891.793

Pasivo	Valor de Solvencia II
Provisiones técnicas - no vida	2.992.356
Provisiones técnicas - no vida (excluida enfermedad)	2.942.233
Provisiones técnicas calculadas como un todo	0
Mejor estimación	2.755.119
Margen de riesgo	187.114
Provisiones técnicas - enfermedad (similar a no vida)	50.123
Provisiones técnicas calculadas como un todo	0
Mejor estimación	43.319
Margen de riesgo	6.804
Provisiones técnicas - vida (excluidos vinculados a índices y fondos de inversión)	4.443.855
Provisiones técnicas - enfermedad (similar a vida)	0
Provisiones técnicas calculadas como un todo	0
Mejor estimación	0
Margen de riesgo	0
Provisiones técnicas - vida (excluidos enfermedad y vinculados a índices y fondos de inversión)	4.443.855
Provisiones técnicas calculadas como un todo	0
Mejor estimación	3.824.859
Margen de riesgo	618.996
Provisiones técnicas - vinculados a índices y fondos de inversión	780.898
Provisiones técnicas calculadas como un todo	0
Mejor estimación	735.613
Margen de riesgo	45.286
Otras provisiones técnicas	
Pasivos contingentes	0
Otras provisiones no técnicas	137.556
Obligaciones por prestaciones de pensión	107.368
Depósitos de reaseguradores	15.252
Pasivos por impuestos diferidos	1.737.049
Derivados	0
Deudas con entidades de crédito	779
Pasivos financieros distintos de las deudas con entidades de crédito	0
Cuentas a pagar de seguros e intermediarios	118.351
Cuentas a pagar de reaseguro	139.201
Cuentas a pagar (comerciales, no de seguros)	987.987
Pasivos subordinados	154.937
Pasivos subordinados que no forman parte de los fondos propios básicos	0
Pasivos subordinados que forman parte de los fondos propios básicos	154.937
Otros pasivos, no consignados en otras partidas	190.429
Total pasivo	11.806.016

Excedente de los activos respecto a los pasivos	6.085.777

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	8.217.109,12	0,00	0,00	19.326,92	0,00
Fondos propios básicos	5.773.515,99	0,00	0,00	-14.240,63	0,00
Fondos propios admisibles para cubrir el capital de solvencia obligatorio	5.773.515,99	0,00	0,00	-14.240,63	0,00
Capital de solvencia obligatorio	2.492.337,53	0,00	0,00	2.961,92	0,00

S.32.01.22 - Empresas en el ámbito del grupo -

								Criterios de influencia						Inclusión en el ámbito de la supervisión de grupo		Cálculo de la solvencia del grupo
País	Código de identificación de la empresa	Tipo de código de identificación de la empresa	Razón social de la empresa	Tipo de empresa	Forma jurídica	Categoría (mutua/no mutua)	Autoridad de supervisión	Cuota porcentual en el capital	% utilizado para la elaboración de cuentas consolidadas	% de los derechos de voto	Otros criterios	Nivel de influencia	Cuota proporcional utilizada para el cálculo de la solvencia del grupo	SÍ/NO	Fecha de la decisión, si se aplica el artículo 214	Método utilizado y, con arreglo al método 1, tratamiento de la empresa
ES	959800PAQJABFQWKRF36	LEI	Nortehispana de Seguros y Reaseguros, S.A.U.	Compañia mixta	Private Single-Entity Limited Company	No mutua	Dirección General de Seguros y Fondos de Pensiones (DGSFP)	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800SUL3RYS1DXTM22	LEI	Grupo Compañia Española de Crédito y Caución, S.L.	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited company	No mutua	NA	73,83 %	100,00 %	73,83 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800V7RYS0SBDHZD65	LEI	Cosalud Servicios, S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800HNWAK1KG9EJK63	LEI	Grupo Catalana Occidente Gestión de Activos S.A.U., S.G.I.I.C.	Entidad de crédito, empresas de inversión y entidades financieras	Private Single-Entity Limited Company	No mutua	Comisión Nacional del Mercado de Valores (CNMV)	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Método 1: Normas Sectoriales
ES	959800BJ6BDHSLGDRU96	LEI	Occident Hipotecaria, S.A.U., E.F.C.	Entidad de crédito, empresas de inversión y entidades financieras	Credit Institution	No mutua	Banco de España (BdE)	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Método 1: Normas Sectoriales
ES	959800TMUKV2B1SB4X26	LEI	Seguros Órbita, Sociedad Agencia de Seguros, S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800EAE51QTVPN2Z81	LEI	Bilbao Telemark, S.L.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800A46282L0P1YS51	LEI	Bilbao Vida y Gestores Financieros, S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800AHXRU6CQK5W909	LEI	PREPERSA, Peritación de Seguros y Prevención, A.I.E.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Economic Interest Group	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800JMFGYBU2W6T783	LEI	Tecniseguros, Sociedad de Agencia de Seguros, S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800A7QQ40PVG1QD88	LEI	Catalana Occidente Capital, Agencia de Valores, S.A.U.	Entidad de crédito, empresas de inversión y entidades financieras	Private Single-Entity Limited Company	No mutua	Comisión Nacional del Mercado de Valores (CNMV)	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Método 1: Normas Sectoriales
ES	959800W0FZTBMSZAEU82	LEI	Grupo Catalana Occidente, Tecnologia y Servicios, A.I.E.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Economic Interest Group	No mutua	NA	99,96 %	100,00 %	99,96 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800S7E9AZZLQ12L60	LEI	Grupo Catalana Occidente Contact Center, A.I.E	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Economic Interest Group	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
AD	GRO0009AD00001	Código Local	Inversions Catalana Occident, S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	95980020140005290557	LEI	Hercasol, S.A. SICAV	Otros Sectores	Sociedad limitada	No mutua	Comisión Nacional del Mercado de Valores (CNMV)	88,01 %	88,01 %	88,01 %	NA	Dominante	1	Si		Otros métodos
CL	GRO0009CL00001	Código Local	Inversiones Credere S.A.	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Sociedad limitada	No mutua	NA	49,99 %	49,99 %	49,99 %	NA	Significativa	0	Si		Consolidación/Método de participación
ES	B61022695	Código Local	Calboquer, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Otros métodos
ES	A28749976	Código Local	Asitur Asistencia. S.A.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	42,85 %	42,85 %	42,85 %	NA	Significativa	0	Si		Otros métodos
ES	95980020140005888465	LEI	Gesiuris Asset Management, S.G.I.I.C., S.A.	Entidad de crédito, empresas de inversión y entidades financieras	Sociedad limitada	No mutua	Comisión Nacional del Mercado de Valores (CNMV)	26,12 %	26,12 %	26,12 %	NA	Significativa	0	Si		Método 1: Normas Sectoriales
NL	A01	Código Local	Atradius NV	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Sociedad limitada	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
NL	017	Código Local	Atradius Collections Holding B.V.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
NL	677	Código Local	Atradius Credit Management Services B.V.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
NL	611	Código Local	Atradius Collections B.V.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
MX	GRO0009MX00601	Código Local	Atradius Collections, S.A. de C.V.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
BR	GRO0009BR00681	Código Local	Atradius Collections Serviços de Cobranças de Dividas Ltda.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	631	Código Local	Atradius Collections, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
SG	GRO0009SG00669	Código Local	Atradius Collections Pte. Ltd.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
GB	613	Código Local	Atradius Collections Ltd. (UK)	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
AU	GRO0009AU00659	Código Local	Atradius Collections Pty Ltd.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
US	GRO0009US00681	Código Local	Atradius Collections, Inc.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
CA	GRO0009CA00607	Código Local	Atradius Collections Ltd. (Canada)	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
HK	GRO0009HK00665	Código Local	Atradius Collections Ltd. (Hong Kong)	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
CN	GRO0009CN00667	Código Local	Atradius Corporate Management Consulting (Shangai) Co. Ltd.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
NL	B04	Código Local	Atradius Insurance Holding N.V.	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Sociedad limitada	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
NL	411	Código Local	Atradius Information Services B.V.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración

S.32.01.22 - Empresas en el ámbito del grupo -

								Criterios de influencia						Inclusión en el ámbito de la supervisión de grupo		Cálculo de la solvencia del grupo
País	**Código de identificación de la empresa**	**Tipo de código de identificación de la empresa**	**Razón social de la empresa**	**Tipo de empresa**	**Forma jurídica**	**Categoría (mutua/no mutua)**	**Autoridad de supervisión**	**Cuota porcentual en el capital**	**% utilizado para la elaboración de cuentas consolidadas**	**% de los derechos de voto**	**Otros criterios**	**Nivel de influencia**	**Cuota proporcional utilizada para el cálculo de la solvencia del grupo**	**SÍ/NO**	**Fecha de la decisión, si se aplica el artículo 214**	**Método utilizado y, con arreglo al método 1, tratamiento de la empresa**
KR	GRO0009KR00473	Código Local	Atradius Trade Insurance Brokerage Yuhan Hoesa (Corea del Sur)	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
RU	GRO0009RU00483	Código Local	Atradius Credit Management Services (RUS) LLC	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
IN	GRO0009IN00475	Código Local	Atradius India Credit Management Services Private Ltd.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
MX	GRO0009MX00401	Código Local	Informes Mexico S.A. de C.V.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
ID	GRO0009ID00010	Código Local	PT Atradius Information Services Indonesia	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
GB	2138006QLK376R83QG40	LEI	Atradius Pension Trustees Ltd.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800BM073UU643XQ92	LEI	Iberinform Internacional S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800R9CZW0EHQH4851	LEI	B2B Safe S.A.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800EA0RB0DBRBPR75	LEI	Iberinmobiliaria S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
BR	GRO0009BR00295	Código Local	Atradius Crédito y Caución Seguradora de Crédito S.A.	Compañia de seguros generales	Sociedad limitada	No mutua	Superintendência de Seguros Privados (SUSEP)	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
BR	GRO0009BR00495	Código Local	Crédito y Caución do Brasil Gestao de Riscos de Crédito e Serviços LTDA	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
US	GRO0009US00003	Código Local	Atradius Credit Insurance Agency, Inc.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
MX	GRO0009MX00201	Código Local	Atradius Seguros de Crédito S.A.	Compañia de seguros generales	Sociedad limitada	No mutua	Comision Nacional de Seguros y Finanzas (CNSF)	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
NL	301	Código Local	Atradius Dutch State Business N.V.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
US	254900FJ2LXLJ6M30X10	LEI	Atradius Trade Credit Insurance, Inc.	Compañia de seguros generales	Sociedad limitada	No mutua	Maryland Insurance Administration (MIA)	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
NL	724500I3T05PCARWAF68	LEI	Atradius Finance B.V.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	B06	Código Local	Atradius Participations Holding S.L.U.	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
IT	329	Código Local	Atradius Italia Intermediazioni SRL	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
CL	GRO0009CL00005	Código Local	Compañia de Seguros de Crédito Continental S.A.	Compañia de seguros generales	Sociedad limitada	No mutua	Superintendencia de Valores y Seguros (SVS)	41,60 %	41,60 %	41,60 %	NA	Significativa	0	Si		Consolidación/Método de participación
IL	GRO0009IL00003	Código Local	CLAL Credit Insurance, Ltd.	Compañia de seguros generales	Sociedad limitada	No mutua	Supervisor of Insurance	16,64 %	16,64 %	16,64 %	NA	Significativa	0	Si		Consolidación/Método de participación
ES	959800H2P9S8MS95DT42	LEI	Grupo Catalana Occidente, Sociedad Anónima	Insurance holding company as defined in Article 212(1) (f) of Directive 2009/138/EC	Sociedad limitada	No mutua	NA	100,00 %	100,00 %	0,00 %	NA		1	Si		Consolidación/plena integración
ES	B95115572	Código Local	Funerarias Bilbaina y La Auxiliadora S.L.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	B39475843	Código Local	Funeraria Merino Diez S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	B95583910	Código Local	Mediagen S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	9598002U9BK2VP1RTG14	LEI	Atradius Crédito y Caución S.A. de Seguros y Reaseguros	Compañia de seguros generales	Private Single-Entity Limited Company	No mutua	Dirección General de Seguros y Fondos de Pensiones (DGSFP)	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
PL	GRO0009PL00695	Código Local	Pakula, Podebski i Wspólnicy Kancelaria Prawna spólka komandytowa	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
ZA	GRO0009ZA00007	Código Local	Credit Guarantee Insurance Corporation of Africa Limited	Compañia de seguros generales	Sociedad limitada	No mutua	Financial Services Board	20,80 %	20,80 %	20,80 %	NA	Significativa	0	Si		Consolidación/Método de participación
ES	9598009ND0L37V1EF569	LEI	GCO Gestora de Pensiones, EGFP, S.A.U.	Entidad de crédito, empresas de inversión y entidades financieras	Private Single-Entity Limited Company	No mutua	Dirección General de Seguros y Fondos de Pensiones (DGSFP)	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Método 1: Normas Sectoriales
ES	959800SJ70968SV2L842	LEI	Grupo Catalana Occidente Activos Inmobiliarios, S.L.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	959800Q3FUHA8MYC9M92	LEI	Sociedad Gestión Catalana Occidente, S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	B80125172	Código Local	Funeraria Nuestra Señora de los Remedios, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	A88127642	Código Local	Nortehispana Mediación, Agencia de Seguros, S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	95980034G7DC99E4ME72	LEI	Asistea Servicios Integrales, S.L.U	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
VN	GRO0009VN00509	Código Local	Atradius Information Services Vietnam Company Limited	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración
CN	GRO0009CN00467	Código Local	AEMC Ltd Shanghai	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Si		Consolidación/plena integración

S.32.01.22 - Empresas en el ámbito del grupo -

								Criterios de influencia						Inclusión en el ámbito de la supervisión de grupo		Cálculo de la solvencia del grupo
País	Código de identificación de la empresa	Tipo de código de identificación de la empresa	Razón social de la empresa	Tipo de empresa	Forma jurídica	Categoría (mutua/no mutua)	Autoridad de supervisión	Cuota porcentual en el capital	% utilizado para la elaboración de cuentas consolidadas	% de los derechos de voto	Otros criterios	Nivel de influencia	Cuota proporcional utilizada para el cálculo de la solvencia del grupo	SÍ/NO	Fecha de la decisión, si se aplica el artículo 214	Método utilizado y, con arreglo al método 1, tratamiento de la empresa
AE	GRO0009AE00719	Código Local	Atradius Collections DMCC	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Sí		Consolidación/plena integración
BR	GRO0009BR00999	Código Local	Atradius Reinsurance DAC Escritório de Representação no Brasil Ltda.	Entidades (re)aseguradoras	Limited company	No mutua	Superintendência de Seguros Privados (SUSEP)	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B39341896	Código Local	Funcantabria Servicios Funerarios, S.L.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B85012441	Código Local	Mémora Servicios Funerarios, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B87885646	Código Local	Taurus Bidco, S.L.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B13803747	Código Local	GCO Ventures, S.L.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	95980020140005338378	LEI	OCCIDENT GCO, S.A.U. DE SEGUROS Y REASEGUROS	Compañía mixta	Private Single-Entity Limited Company	No mutua	Dirección General de Seguros y Fondos de Pensiones (DGSFP)	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
SI	500	Código Local	PRO KOLEKT CCR d.o.o.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Sí		Consolidación/plena integración
RO	496	Código Local	PRO KOLEKT Credit Management Services Bucuresti Srl	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Sí		Consolidación/plena integración
HR	GRO0009HR00495	Código Local	PRO KOLEKT d.o.o.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Sí		Consolidación/plena integración
BA	GRO0009BA00498	Código Local	PRO KOLEKT d.o.o. Sarajevo	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Sí		Consolidación/plena integración
MK	GRO0009MK00494	Código Local	PRO KOLEKT DOOEL Skopje	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Sí		Consolidación/plena integración
RS	GRO0009RS00497	Código Local	PRO KOLEKT drustvo za naplatu duga doo Beograd	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Sí		Consolidación/plena integración
BG	493	Código Local	PRO KOLEKT Sofia OOD	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	83,20 %	100,00 %	83,20 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	A11217080	Código Local	Funerarias Gaditanas Asociadas, S.A.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	49,99 %	49,99 %	49,99 %	NA	Significativa	0	Sí		Consolidación/Método de participación
ES	B66830894	Código Local	Servicios Funerarios Costa de Barcelona, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	49,99 %	49,99 %	49,99 %	NA	Significativa	0	Sí		Consolidación/Método de participación
ES	A24475873	Código Local	Serfunle, S.A.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	49,00 %	49,00 %	49,00 %	NA	Significativa	0	Sí		Consolidación/Método de participación
ES	B50851914	Código Local	Mémora Serv Funerarios Internacionales, S.L.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	A61317442	Código Local	Serveis Funeraris de Barcelona, S.A.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B61172227	Código Local	Transports Sanitaris Parets, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B43999275	Código Local	Mémora Serveis Funeraris del Camp, S.L	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B67283515	Código Local	Portal Funerario, S.L.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B67367177	Código Local	Electium People, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	A78145281	Código Local	Servicios Funerarios Montero, S.A	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	A20631362	Código Local	Tanatorio Donostialdea S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	A20366027	Código Local	Tanatorio del Bidasoa, S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B20531448	Código Local	Landarri, S.L.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	A20454187	Código Local	Zentolen Berri, S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	V20726998	Código Local	Eusko Funerariak Taldea, A.I.E.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Economic Interest Group	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B56569619	Código Local	Flores Mémora, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B42177972	Código Local	Servicios Funerarios y Tanatorios de Soria, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	99,96 %	100,00 %	99,96 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B50742360	Código Local	Pompas Fúnebres Mediterráneas, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	99,87 %	100,00 %	99,87 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	A78920204	Código Local	Eurofunerarias, S.A.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	92,47 %	100,00 %	92,47 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	A19018514	Código Local	Serv.Fun.Ntra.Sra. La Antigua, S.A.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	90,00 %	100,00 %	90,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	A20156717	Código Local	Servicios Funerarios Zarautz, S.A.U.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Private Single-Entity Limited Company	No mutua	NA	90,00 %	100,00 %	90,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B75186973	Código Local	Servicios Funerarios Baztan Bidasoa, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	80,00 %	100,00 %	80,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	A50051952	Código Local	Servicios Funerarios del Torrero, S.A.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	76,00 %	100,00 %	76,00 %	NA	Dominante	1	Sí		Consolidación/plena integración
ES	B50850361	Código Local	Tanatorio SE 30 Sevilla, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	73,50 %	100,00 %	73,50 %	NA	Dominante	1	Sí		Consolidación/plena integración

S.32.01.22 - Empresas en el ámbito del grupo -

								Criterios de influencia						Inclusión en el ámbito de la supervisión de grupo		Cálculo de la solvencia del grupo
Pais	Código de identificación de la empresa	Tipo de código de identificación de la empresa	Razón social de la empresa	Tipo de empresa	Forma jurídica	Categoría (mutua/no mutua)	Autoridad de supervisión	Cuota porcentual en el capital	% utilizado para la elaboración de cuentas consolidadas	% de los derechos de voto	Otros criterios	Nivel de influencia	Cuota proporcional utilizada para el cálculo de la solvencia del grupo	Sí/NO	Fecha de la decisión, si se aplica el artículo 214	Método utilizado y, con arreglo al método 1, tratamiento de la empresa
ES	B05321781	Código Local	Serveis Funeraris Memora Santa Tecla, S.L	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	65,00 %	100,00 %	65,00 %	NA	Dominante	1	Si		Consolidación/plena integración
ES	B60801248	Código Local	Funeflor, S.L.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	60,00 %	100,00 %	60,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	500365571	Código Local	Servilusa Agencias Funerarias, S.A.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Sociedad limitada	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	507050835	Código Local	Servilusa, Lda.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	507745507	Código Local	Funelvas. Lda.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	513213457	Código Local	Servilusa - Centro Funerario de Cascais, Lda	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	506467562	Código Local	Funeraria Triunfo, Lda.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	514589027	Código Local	Crematorio de Leiria, Lda	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	515155896	Código Local	Crematorio de Santarem, Lda.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	516709925	Código Local	Funeraria Santos & Filho II, Lda	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	501413693	Código Local	Agencia Funeraria Valongo Lda	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	515327174	Código Local	Crematorio de Faro, Lda.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	516847210	Código Local	Tributo 2013 Unipessoal, Lda	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	100,00 %	100,00 %	100,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	508235391	Código Local	Funfoz, Lda.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	95,00 %	100,00 %	95,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	514671556	Código Local	Servilusa Crematorio Guimaraes, Lda.	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	95,00 %	100,00 %	95,00 %	NA	Dominante	1	Si		Consolidación/plena integración
PT	516486616	Código Local	Servilusa Centro Funerario de Aveiro, Lda	Empresa de servicios auxiliares como definido en Art. 1 (53) del Reglamento Delegado (EU) 2015/35	Limited company	No mutua	NA	95,00 %	100,00 %	95,00 %	NA	Dominante	1	Si		Consolidación/plena integración

D.3. IAS 39 / IFRS 4 and IFRS 9/17 balance sheet reconciliation

Balance sheet 2023 (figures in euro)	Accounting IAS 39 / IFRS 4	Accounting NIIF 9/17	Differences	
Goodwill	1,167,495,850	1,167,495,850	0	
Deferred acquisition costs	295,009,055	0	295,009,055	Note 1
Intangible assets	423,868,431	423,868,431	0	
Deferred tax assets	299,962,371	281,413,165	18,549,207	Note 2
Surplus pension benefits	94,540,000	94,540,000	0	
Property, land and equipment for own use	511,040,084	511,040,084	0	
Investments (other than Index-linked and Unit-linked assets)	11,060,141,216	11,060,141,216	0	
Investments for Unit linked	872,081,385	872,081,385	0	
Loans and mortgages	203,091,092	202,489,240	601,853	Note 3
Reinsurance recoverables	1,086,968,241	780,048,713	306,919,528	Note 4
Deposits to assignors	24,243,571	24,243,571	0	
Insurance and brokering receivables	411,538,617	36,904,668	374,633,949	Note 5
Reinsurance receivables	133,605,061	8,222,786	125,382,275	Note 5
Receivables (other than from insurance operations)	463,673,687	460,830,983	2,842,704	Note 6
Treasury shares	22,787,227	22,787,227	0	
Amounts owed on equity items	0	0	0	
Cash and other liquid assets	1,495,933,075	1,495,932,451	623	Note 3
Other assets	429,527,648	199,870,188	229,657,460	Note 7
Total assets (*)	**18,995,506,610**	**17,641,909,956**	**1,353,596,653**	

Balance sheet 2023 (figures in euro)	Accounting IAS 39 / IFRS 4	Accounting NIIF 9/17	Difference	
Technical provisions	11,601,260,616	9,839,513,542	1,761,747,074	Note 4
Other technical provisions	0	0	0	
Contingent liabilities	0	0	0	
Provisions other than technical prov.	159,636,475	137,731,611	21,904,864	Note 6
Pension benefit obligations	107,496,157	107,496,157	0	
Reinsurance deposits	15,252,258	15,252,258	0	
Deferred tax liabilities	469,165,250	577,574,522	-108,409,272	Note 2
Derivatives	0	0	0	
Bank borrowings	778,825	778,825	0	
Financial liabilities other than debts to credit institutions	0	0	0	
Debts with intermediaries and for insurance operations	133,424,810	43,607,904	89,816,905	Note 5
Liabilities from reinsurance operations	119,863,563	10,573,723	109,289,839	Note 5
Other debts	988,504,570	995,322,319	-6,817,749	Note 5
Subordinated liabilities	156,204,751	156,204,751	0	
Other liabilities	206,896,229	118,778,914	88,117,315	Note 8
Total liabilities	**13,958,483,503**	**12,002,834,527**	**1,955,648,976**	
Available equity	5,037,023,106	5,639,075,429	-602,052,323	Note 9
Total liabilities and equity(*)	**18,995,506,610**	**17,641,909,956**	**1,353,596,653**	

(*) The total assets and liabilities and shareholders' equity under IFRS 9/17 differs from the financial statements contained in the consolidated financial statements for the year 2023 due to the different presentation of treasury shares. In this balance sheet, in accordance with the financial balance sheet structure, treasury shares are shown under assets, whereas in the restated financial statements they are shown as a reduction of equity.

Explanatory notes to the balance sheet:

Note 1: Deferred acquisition costs

They are included in the calculation flows of technical provisions under IFRS 17.

Note 2: Deferred tax assets and liabilities

Tax effects arising from equity adjustments between the two accounts.

Note 3: Loans and mortgages / Cash and other liquid assets.

Expected credit losses (ECL) on financial assets measured at amortised cost under IFRS 9.

Note 4: Reinsurance recoverables / Technical provisions.

Different measurement methodology for insurance and reinsurance contracts under IFRS 17.

Note 5: Receivables and payables from insurance, intermediaries and reinsurance operations.

Effect derived mainly from the different classification of receipts and commissions pending settlement or issue, which are included in the calculation flows of technical provisions under IFRS 17.

Note 6: Receivables / Provisions other than technical provisions.

Effect mainly due to receivables and the provision for claims settlement agreement payments, which are included in the calculation flows of technical provisions under IFRS 17.

Note 7: Other assets

Accruals for commissions and acquisition costs, as well as earned and unwritten premiums, which are included in the calculation flows of technical provisions under IFRS 17. Insurance contract assets under IFRS 17 are also included under this heading.

Note 8: Other liabilities

Accruals for commissions and reinsurance acquisition expenses that are included in the calculation flows of technical provisions under IFRS 17. In addition, liabilities for accounting mismatches have been eliminated under IFRS 17. Liabilities for reinsurance contracts under IFRS 17 have also been included under this heading.

Note 9: Available equity

Equity impact (net of tax effect) caused by differences in measurement policies applied in IFRS 9/17 compared to those resulting from IAS 39 / IFRS 4.

E. Capital management

E.1. SCR breakdown by module

RISKS	31/12/2023
Non-Life risk	**1,533,636**
Internal Model	1,082,641
Premium and reserve risk	432,523
Fall risk	11,229
Catastrophe risk	58,862
Life Risk	**890,834**
Mortality risk	212,908
Longevity risk	56,522
Disability risk	35,694
Fall risk	802,938
Expenses risk	51,629
Review risk	0
Catastrophic	43,184
Health Risk	**59,355**
Premium and reserve risk	58,986
Fall risk	4,023
Catastrophic	901
Market risk	**1,670,123**
Interest rate risk	202,990
Equity risk	980,471
Real estate risk	395,931
Spread risk	273,775
Concentration risk	45,503
Exchange rate risk	357,867
Counterparty risk	**178,183**
Intangible asset risk	**0**
Operational risk	**166,164**
SCR Other Financial Sectors	**8,574**
SCR Total	**2,492,338**
MCR	**848,088**

(Figures in € thousand)

E.2. QRT S.23.01.22 and S.25.05.22

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)	36.000,00	36.000,00		0,00	
Capital social ordinario exigido pero no desembolsado no disponible, a nivel de grupo	0,00	0,00		0,00	
Primas de emisión correspondientes al capital social ordinario	1.532,88	1.532,88		0,00	
Fondo mutual inicial, aportaciones de los miembros o elemento equivalente de los fondos propios básicos para las mutuas y empresas similares	0,00	0,00		0,00	
Cuentas de mutualistas subordinadas	0,00		0,00	0,00	0,00
Cuentas de mutualistas subordinadas no disponibles, a nivel de grupo	0,00		0,00	0,00	0,00
Fondos excedentarios	0,00	0,00			
Fondos excedentarios no disponibles, a nivel de grupo	0,00	0,00			
Acciones preferentes	0,00		0,00	0,00	0,00
Acciones preferentes no disponibles a nivel de grupo	0,00		0,00	0,00	0,00
Primas de emisión correspondientes a las acciones preferentes	0,00		0,00	0,00	0,00
Primas de emisión correspondientes a las acciones preferentes no disponibles, a nivel de grupo	0,00		0,00	0,00	0,00
Reserva de conciliación	5.445.609,92	5.445.609,92			
Pasivos subordinados	154.936,66		0,00	154.936,66	0,00
Pasivos subordinados no disponibles, a nivel de grupo	0,00		0,00	0,00	0,00
Importe igual al valor de los activos netos por impuestos diferidos	0,00				0,00
Importe igual al valor de los activos netos por impuestos diferidos no disponible, a nivel de grupo	0,00				0,00
Otros elementos aprobados por la autoridad de supervisión como fondos propios básicos no especificados anteriormente	0,00	0,00	0,00	0,00	0,00
Fondos propios no disponibles correspondientes a otros elementos de los fondos propios aprobados por la autoridad de supervisión	0,00	0,00	0,00	0,00	0,00
Participaciones minoritarias (si no se notifican como parte de un elemento concreto de los fondos propios)	453.623,72	453.623,72	0,00	0,00	0,00
Participaciones minoritarias no disponibles, a nivel de grupo	318.187,18	318.187,18	0,00	0,00	0,00
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	0,00				
Deducciones					
Deducciones por participaciones en otras empresas financieras, incluidas las empresas no reguladas que desarrollan actividades financieras	0,00	0,00	0,00	0,00	0,00
De las cuales: deducciones de conformidad con el artículo 228 de la Directiva 2009/138/CE	0,00	0,00	0,00	0,00	
Deducciones por participaciones en caso de no disponibilidad de información (artículo 229)	0,00	0,00	0,00	0,00	0,00
Deducción por participaciones incluidas por el método de deducción y agregación cuando se utiliza una combinación de métodos	0,00	0,00	0,00	0,00	0,00
Total de elementos de los fondos propios no disponibles	318.187,18	318.187,18	0,00	0,00	0,00
Total deducciones	318.187,18	318.187,18	0,00	0,00	0,00

	Total	Nivel 1 - No restringido	Nivel 1 - restringido	Nivel 2	Nivel 3
Total de fondos propios básicos después de las deducciones	5.773.515,99	5.618.579,33	0,00	154.936,66	0,00
Fondos propios complementarios					
Capital social ordinario no exigido y no desembolsado exigible a la vista	0,00			0,00	
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	0,00			0,00	
Acciones preferentes no exigidas y no desembolsadas exigibles a la vista	0,00			0,00	0,00
Compromiso jurídicamente vinculante de suscribir y pagar pasivos subordinados a la vista	0,00			0,00	0,00
Cartas de crédito y garantías previstas en el artículo 96, apartado 2, de la Directiva 2009/138/CE	0,00			0,00	
Cartas de crédito y garantías previstas en el artículo 96, apartado 2, de la Directiva 2009/138/CE	0,00			0,00	0,00
Contribuciones suplementarias exigidas a los miembros previstas en el artículo 96, apartado 3, párrafo primero, de la Directiva 2009/138/CE	0,00			0,00	
Contribuciones suplementarias exigidas a los miembros distintas de las previstas en el artículo 96, apartado 3, párrafo primero, de la Directiva 2009/138/CE	0,00			0,00	0,00
Fondos propios complementarios no disponibles, a nivel de grupo	0,00			0,00	0,00
Otros fondos propios complementarios	0,00			0,00	0,00
Total de fondos propios complementarios	0,00			0,00	0,00
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	0,00	0,00	0,00	0,00	
Fondos de pensiones de empleo	0,00	0,00	0,00	0,00	0,00
Entidades no reguladas que desarrollan actividades financieras	0,00	0,00	0,00	0,00	
Total de fondos propios de otros sectores financieros	0,00	0,00	0,00	0,00	0,00
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	0,00	0,00	0,00	0,00	0,00
Fondos propios agregados cuando se utiliza el método de deducción y agregación y una combinación de métodos netos de operaciones intragrupo	0,00	0,00	0,00	0,00	0,00
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)	5.773.515,99	5.618.579,33	0,00	154.936,66	0,00
Total de fondos propios disponibles para cubrir el SCR del grupo consolidado mínimo	5.773.515,99	5.618.579,33	0,00	154.936,66	
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)	5.773.515,99	5.618.579,33	0,00	154.936,66	0,00
Total de fondos propios admisibles para cubrir el SCR del grupo consolidado mínimo	5.773.515,99	5.618.579,33	0,00	154.936,66	
SCR del grupo consolidado mínimo	848.087,69				

	Total	Nivel 1 - No restringido	Nivel 1 - restringido	Nivel 2	Nivel 3
Ratio entre fondos propios admisibles y SCR del grupo consolidado mínimo	6,8077				

S.23.01.22 - Fondos propios -

	Total	Nivel 1 - No restringido	Nivel 1 - restringido	Nivel 2	Nivel 3
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)	5.773.515,99	5.618.579,33	0,00	154.936,66	0,00
SCR del Grupo	2.492.337,53				
Ratio entre fondos propios admisibles y SCR del grupo (incluidos otros sectores financieros y empresas incluidas por el método de deducción y agregación)	2,3165				

Reserva de conciliación	
Excedente de los activos respecto a los pasivos	6.085.776,56
Acciones propias (tenencia directa e indirecta)	61.098,04
Dividendos, distribuciones y costes previsibles	87.912,00
Otros elementos de los fondos propios básicos	491.156,60
Ajuste por elementos de los fondos propios restringidos en el caso de carteras sujetas a ajuste por casamiento y de fondos de disponibilidad limitada	0,00
Otros fondos propios no disponibles	0,00
Reserva de conciliación antes de la deducción por participaciones en otro sector financiero	5.445.609,92
Beneficios esperados	
Beneficios esperados incluidos en primas futuras --- Actividad de vida	1.744.039,53
Beneficios esperados incluidos en primas futuras --- Actividad de no vida	198.031,86
Total de beneficios esperados incluidos en primas futuras	1.942.071,39

S.25.05.22 - Requerimiento de Capital de Solvencia - para empresas que utilizan un modelo interno (parcial o completo) -

	Requerimiento de Capital de Solvencia	Asignación de ajustes debido a RFF y carteras de ajuste por Matching	Consideración de las acciones de gestión futuras respecto a provisiones técnicas y/o impuestos diferidos	Cantidad modelada
Tipo de riesgo				
Diversificación total	-1.403.393	0		0
Riesgo total diversificado antes de impuestos	3.094.902	0		0
Riesgo total de mercado y crédito	2.483.763	0		0
Riesgo total de mercado y crédito	0	0		0
Riesgo de mercado y crédito - diversificado	0	0		0
Riesgo de eventos de crédito no cubierto en riesgo de mercado y crédito	0	0		0
Riesgo de eventos de crédito no cubierto en riesgo de mercado y crédito - diversificado	0	0		0
Riesgo total de negocio	0	0		0
Riesgo total de negocio - diversificado	0	0		0
Riesgo total de suscripción no vida neto	1.592.991	0		1.017.988
Riesgo total de suscripción no vida neto - diversificado	0	0		0
Riesgo total de suscripción vida y salud	1.202.874	0		0
Riesgo total de suscripción vida y salud - diversificado	890.834	0		0
Riesgo operacional total	166.164	0		0
Riesgo operacional total - diversificado	0	0		0
Otros riesgos	0	0		0

Cálculo del Requerimiento de Capital de Solvencia	
Componentes no diversificados totales	3.887.156
Diversificación	-1.403.393
Ajuste debido a la agregación RFF/MAP nSCR	0
Requerimiento de capital para actividades comerciales realizadas de acuerdo con el Artículo 4 de la Directiva 2003/41/CE	0
Capital de solvencia obligatorio calculado sobre la base del art. 336 (a) del Reglamento Delegado (UE) 2015/35, excluida la adición de capital.	2.483.763
Adicionales de capital ya establecidos	0
de los cuales, adicionales de capital ya establecidos - Tipo a del Artículo 37 (1)	0
de los cuales, adicionales de capital ya establecidos - Tipo b del Artículo 37 (1)	0
de los cuales, adicionales de capital ya establecidos - Tipo c del Artículo 37 (1)	0
de los cuales, adicionales de capital ya establecidos - Tipo d del Artículo 37 (1)	0
SCR Grupo Consolidado	2.483.763
Otra información sobre el CSO	
Cantidad/estimación de la capacidad global de absorción de pérdidas de provisiones técnicas	0
Cantidad/estimación de la capacidad de absorción de pérdidas para impuestos diferidos	-611.139
Requerimiento de capital para el submódulo de riesgo patrimonial basado en la duración	0
Cantidad total de Requerimientos de Capital de Solvencia Notional para la parte restante	0
Cantidad total de Requerimientos de Capital de Solvencia Notional para fondos cercados	0
Cantidad total de Requerimientos de Capital de Solvencia Notional para carteras de ajuste por equivalencia	0
Efectos de diversificación debido a la agregación RFF nSCR para el artículo 304	0
Capital de solvencia mínimo obligatorio del grupo consolidado	848.088
Información sobre otras entidades	
Requerimiento de capital para otros sectores financieros (Requisitos de capital no relacionados con seguros)	8.574
Requerimiento de capital para otros sectores financieros (Requisitos de capital no relacionados con seguros) - Entidades de crédito, empresas de servicios de inversión e instituciones financieras, gestoras de fondos de inversión alternativos, sociedades gestoras de UCITS	8.574
Requerimiento de capital para otros sectores financieros (Requerimientos de capital no relacionados con seguros) - Instituciones de provisiones para la jubilación ocupacional	0
Requerimiento de capital para otros sectores financieros (Requisitos de capital no relacionados con seguros) - Requerimiento de capital para empresas no reguladas que realizan actividades financieras	0
Requerimiento de capital para participación no controlada	0
Requerimiento de capital para empresas residuales	0
Requerimiento de capital para instituciones de inversión colectiva o inversiones empaquetadas como fondos	0
SCR General	
SCR para empresas incluidas mediante el método D&A	0
Capital de solvencia obligatorio total del grupo	2.492.338

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