

1st. Quarter 2010 Report

2010

GRUPO CATALANA
OCCIDENTE, S.A.
and subsidiaries



Grupo  CATALANA
OCCIDENTE

2010

1st. Quarter Report
GRUPO CATALANA OCCIDENTE, S.A.
AND SUBSIDIARIES

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Grupo Catalana Occidente is made up mainly of companies directly or indirectly related to the insurance business. The parent company, Grupo Catalana Occidente, S.A., directly or indirectly administers and manages all the Group companies' investments. The parent's shares are listed on the continuous market of the Madrid Stock Exchange.

The following table shows the companies comprising Grupo Catalana Occidente consolidation scope, the Group's total ownership interest in each one and each company's principal activity.

GRUPO CATALANA OCCIDENTE Parent Company			
Seguros Catalana Occidente 100%	Tecniseguros 100%	Menéndez Pelayo, SICAV 100%	Salerno 94 100%
Depsa 100%	Prepersa, AIE 100%	Catoc Sicav 96.48%	
Nortehispana 99.78%	S. Órbita 99.72%	Seguros Bilbao Fondos 99.72%	
Catoc Vida 79.20%	Bilbao Vida 99.72%	Bilbao Hipotecaria 99.72%	
Cosalud 100%	Bilbao Telemark 99.72%	Grupo Crédito y Caución, S.L 73.84%	
Seguros Bilbao 99.72%	Co Capital Ag. Valores 100%		
Atradius NV (1) * 74.09%	GCO de Servicios Tecnológicos, AIE 99.78%		
	Depsa Servicios y Gestión Legal, SL 100%		
	Catalana de Tall. y Rep. 3.000, SL 100%		
	Asitur Asistencia 28.54%	Hercasol Sicav 47.00%	
	Calboquer 20.00%	Gesjuris 26.12%	
INSURANCE COMPANIES	COMPLEMENTARY INSURANCE COMPANIES	INVESTMENT COMPANIES	OTHER COMPANIES

(1) Atradius NV is the parent company of the Atradius Group and represents its entire group of companies, including Crédito y Caución, S.A.

Grupo Catalana Occidente holds an ownership interest of 74.09% through the 26.66% directly and the 73.84% of Grupo Crédito y Caución, SL which owns a 64.23% of Atradius NV capital.

- Fully consolidated companies
- Equity consolidated associates

The economic stake of Grupo Catalana Occidente in Atradius NV has increased over the previous year as a result of the sale purchase agreement signed with the minority shareholders of Atradius NV as described in the summary section of Significant events.

KEY FIGURES

First quarter 2010 report

The key economic figures for Grupo Catalana Occidente in the first quarter of 2010, in comparison with the same period of the previous year, are shown below.

(million of euros)

KEY FIGURES	3M 2009	3M 2010	% Chg. 09-10	2009
A REVENUES				
- FROM PREMIUMS (*)	837.0	779.7	-6.8%	3,034.6
- FROM SERVICES	69.7	55.5	-20.4%	197.8
TOTAL PREMIUMS AND CONTRIBUTIONS	906.7	835.2	-7.9%	3,232.4
- FROM INVESTMENTS	84.8	72.7	-14.3%	344.4
TOTAL REVENUES	991.5	907.9	-8.4%	3,576.8
B LONG TERM EQUITY				
- LONG TERM SHAREHOLDERS' CAPITAL	1,397.7	1,374.4	-1.7%	1,305.5
- SUBORDINATED LIABILITIES	116.1	116.8	0.6%	116.6
LONG TERM EQUITY	1,513.8	1,491.2	-1.5%	1,422.1
C TECHNICAL PROVISIONS	7,711.9	6,947.3	-9.9%	6,980.8
D TOTAL LONG TERM EQUITY AND TECHNICAL PROVISIONS	9,225.7	8,438.5	-8.5%	8,402.9
E AVAILABLE CAPITAL	1,952.9	1,962.9	0.5%	1,891.5
F TOTAL FUNDS UNDER MANAGEMENT	7,509.3	7,914.6	5.4%	7,767.9
G CONSOLIDATED PROFIT				
PROFIT AFTER TAX	-21.1	57.8		37.9
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	-39.3	7.7		-63.2
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	18.3	50.0	173.2%	101.2
H PER SHARE DATA (in euros)				
PROFIT ATTRIBUTABLE				0.84
DIVIDEND PER SHARE				0.51
PAY-OUT (%)				60.2
I OTHER DATA				
No. EMPLOYEES	6,521	5,949		6,114
No. OFFICES	1,186	1,174		1,179

(*) – Proforma figures of premiums from Credit Insurance business in the first quarter 2009

Grupo Catalana Occidente has a profitable growth strategy based on a commercial offering tailored to customer needs, solvency, cost control and disciplined finances, risk and capital management.

SUMMARY OF SIGNIFICANT EVENTS

First quarter 2010 report

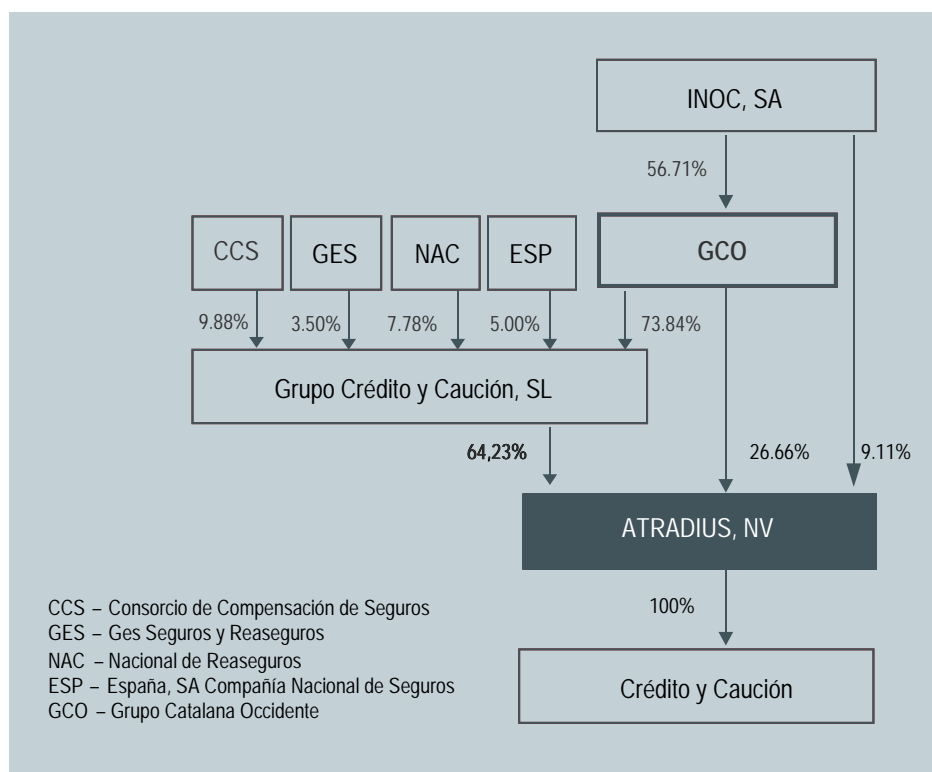
The 22 January 2010, Grupo Catalan Occidente announced the agreement to acquire the 35.8% interest in Atradius N.V. held by Swiss Re, Deutsche Bank and Sal Oppenheim. This marks the completion of the acquisition process initiated in 2003 of Atradius N.V., the world's second largest credit insurance company.

The agreed price was 18.87 euros per share that will be capitalised, based on Euribor plus 200 basis points, until the payment date.

Pursuant to the terms of the agreement, Grupo Catalana Occidente agreed to acquire the 26.66% of Atradius N.V.'s share capital for approximately 400 million euros, and INOC, S.A., which holds, directly and indirectly, 56.71% of Grupo Catalana Occidente's share capital, the 9.11% of Atradius share capital, for approximately 137 million euros.

As a consequence, Grupo Catalana Occidente have an ownership interest in Atradius N.V. of 74.09%, 26.66% directly and 47.43% indirectly through Grupo Crédito y Caución, S.L. holding company, and a controlling position of 90.89%.

Atradius N.V.'s shareholder structure result as follow:



The transaction is still contingent on regulatory approval by the supervisors in Ireland (the Irish Financial Services Regulatory Authority, IFSRA) and the Netherlands (De Nederlandsche Bank N.V., DNB).

In addition, Grupo Catalana Occidente and INOC, S.A. entered into a call option agreement for 17.2 million euros, whereby Grupo Catalana Occidente is entitled to purchase shares of Atradius owned by INOC, S.A., in whole or in part, all at once or gradually, at a certain price based on the previous transaction with minorities' price and an interest rate, at any time over the next two years.

Additionally, Grupo Catalana Occidente has cancelled the reinsurance agreement signed in 2009 between Crédito y Caución and the Consorcio de Compensación de Seguros. Over the next five years, Crédito y Caución will pay 20% of its positive underwriting result. The maximum effect on Grupo Catalana Occidente's results will be 46.9 million euros net of taxes. Furthermore, its impact on 2010 and / or subsequent years results will be conditioned by studies of expected profits in Crédito y Caución over that period of time.

REVENUES

The Group's revenues totalled 907.9 million euros at the end of the first quarter, a decrease of 8.4% in comparison to the first quarter of the last year. Additionally, contributions to pension plans have reached 15.1 million euros and net contributions to mutual funds amounted to 2.5 million euros.

Total premiums of traditional business increased by 0.1%, amounting to 469.5 million euros while the Spanish market decreased by 3.74% according to the association of insurance and assurance companies in Spain, ICEA. Credit insurance total premiums drop by 15.7% from 367.9 to 310.2 million euros. As a consequence, total premiums for the period have declined by 6.8% reaching 779.7 million euros.

Revenues from services have reduced by 20.4% to 55.5 million euros, in line with the evolution of credit insurance premiums; and return on investments totalled 72.7 million euros from 84.8 million euros in the first quarter 2009.

REVENUES	3M 2009	3M 2010	Change	% Chg. 09-10	% Chg. Market (**)
Multirisk	111.5	117.3	5.8	5.2%	1.2%
Other Non-Life	76.4	74.6	-1.8	-2.4%	
Auto	113.6	110.7	-2.9	-2.6%	-1.7%
Life	167.6	166.9	-0.7	-0.4%	-5.9%
Traditional Business	469.1	469.5	0.4	0.1%	-3.7%
Credit Insurance Business (*)	367.9	310.2	-57.7	-15.7%	
TOTAL PREMIUMS	837.0	779.7	-57.3	-6.8%	
Service revenues	69.7	55.5	-14.2	-20.4%	
TOTAL VOLUME	906.7	835.2	-71.5	-7.9%	
Return on investments	84.8	72.7	-12.1	-14.3%	
TOTAL REVENUES	991.5	907.9	-83.6	-8.4%	
Contributions to pension plans	10.6	15.1	4.5	42.5%	
Contributions to mutual funds	-2.2	2.5	4.7		

(*) Proforma figures of premiums from Credit Insurance business in the first quarter 2009

(**) According to ICEA at the end of March 2010

The Multirisk insurance line reported 117.3 million euros of premiums, an increase of 5.2% yoy and outpacing the market average according to ICEA (+ 1.16%). The sound performance of Homeowners' Community products, with a growth rate above 10%, was particularly noteworthy.

Premiums from Other non-life were 76.4 million euros, 2.4% less than the same period last year, due mainly to a lower demand on business and industrial products. However, this effect has been partially offset by the good performance of Funeral products, with an increase of 8%.

The Auto line reported 110.7 million euros of premiums, a decrease of 2.6% (-1.73 % for the Spanish market as a whole according to ICEA). Although the motor insurance sector in Spain is still shrinking, government aids to acquire new vehicles together with the expectation of higher prices, as a consequence of a VAT increase, have triggered a moderation in negative growth rates. However, the trend still reflects reductions in average premiums and coverages. The Group, with the aim of reversing this trend, has developed commercial policies focuses on increased loyalty and launched innovative products.

As a whole, Life has achieved premiums of 166.9 million euros, practically repeating the same amount as in the first quarter of 2009, which represents a decrease of 0.4%, outperforming the market (-5.5% ICEA). Higher competition from banks, offering greater interest rates on deposits, have minimized the growth of Life insurance products.

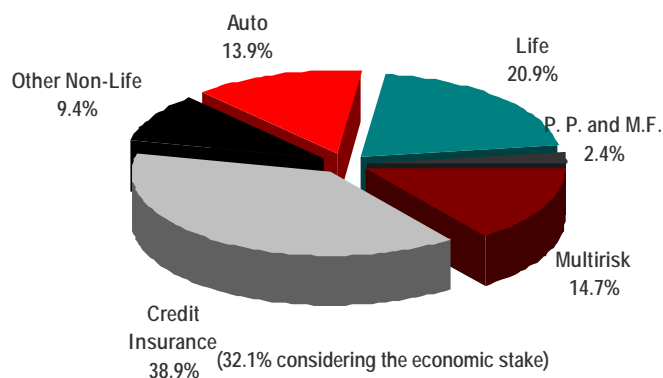
Premiums of Credit Insurance business dropped by 15.7% yoy to 365.7 million euros. Additionally, service revenues were 55.5 million euros, 20.4% lower than the same period in 2009. Both figures reflects, on one hand, the set of measures that have been adapted to recover credit insurance's results, specifically in critical sectors of the economy, and on the other hand the effect of a lower economic activity rate as well as the delay on the economic recovery in each country where the Group operates. Additionally, risk exposure has been reduced by 25.1% from the first quarter 2009.

The figure of Credit Insurance's premiums for the first quarter 2009 has been modified, for a proforma one due to changes in accounting methodologies for the regularization of premiums, being uniform with the second-half 2009 criteria and with the first quarter 2010. This change does not affect earned premiums and results.

Finally, the Group has experienced a slight recovery in saving products. To illustrate, contributions to Pension Plans were 15.1 million euros and net contributions to Mutual Funds improved to 2.5 million euros

DIVERSIFICACIÓN DEL NEGOCIO: POR RAMOS Y GEOGRÁFICA

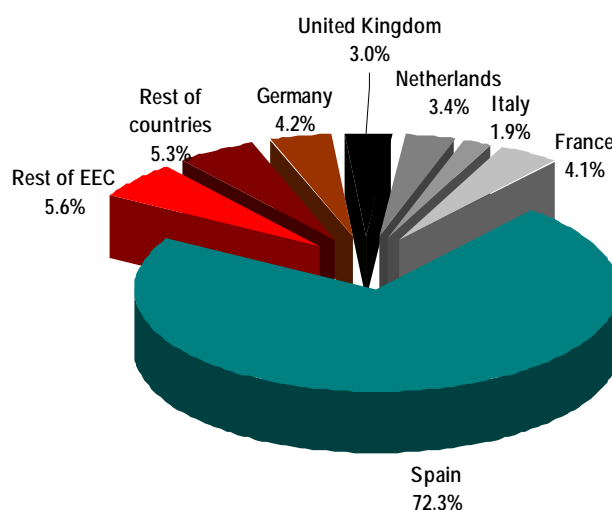
The consolidation of Atradius NV caused the Group's business mix to change considerably, with the credit insurance line gaining importance, 38.9% of the total. Nevertheless, this business line is facing lower premiums, as a consequence of the implemented measures as well as the economic situation, resulting in a higher weight for the rest of the businesses: Life 20.9%, Non-Life 38.0% and Pension Plans and Investment Funds 2.2%.



Spain is still the Group's main market, where it offers wide coverage in all autonomous regions. Atradius NV operates in more than 40 countries, mainly in the EU area (94.7%).

PREMIUMS	3M 2009	3M 2010	% chg.	% s/ total
Spain (*)	583.0	563.8	-3.3%	72.3%
France	35.7	32.1	-10.3%	4.1%
Italy	22.4	15.1	-32.9%	1.9%
Netherlands	30.9	26.7	-13.3%	3.4%
United Kingdom	31.2	23.6	-24.4%	3.0%
Germany	34.8	32.9	-5.6%	4.2%
Rest of E.E.C.	58.1	44.0	-24.2%	5.6%
Rest of countries	40.8	41.6	1.8%	5.3%
TOTAL	837.0	779.7	-6.8%	100.0%

(*)Proforma figures of premiums from Credit Insurance business in the first quarter 2009



FIRST QUARTER 2010 EARNINGS

First quarter 2010 report

At the consolidated level, the Group reported 57.8 million euros in contrast to a loss of 21.1 million euros in the first quarter 2009. Profit attributable to the parent company achieved 50.0 million euros in the first quarter of 2010, in comparison to 18.3 million euros in the first quarter of 2009.

Results have been triggered by the positive contribution of credit insurance business and by the higher stake in Atradius NV (47.5% in March 2009 and 74.09% currently) as a consequence of the transaction announced in January 2010.

Despite economic difficulties and thanks to the strenuous commercial effort of agents, the underwriting rigour and the set of measures to improve credit insurance results, the Group has achieved a positive technical result after expenses, consolidating and improving the Group's profit, and as a consequence increasing the shareholders' value.

The table below shows the main income statement lines for the first quarter of 2010 and a comparison with the same period last year.

		(million of euros)		
INCOME STATEMENT	3M 2010	3M 2010	3M 2009	% Chg. 09-10
Premiums (*)	837.0	779.7	837.0	-6.8%
Earned premiums	834.1	729.7	834.1	-12.5%
Technical cost and commissions	783.6	569.4	783.6	-27.3%
Underwriting Result	50.5	160.3	50.5	217.4%
<i>As a % of earned premiums</i>	<i>6.1%</i>	<i>22.0%</i>	<i>6.1%</i>	
Expenses	109.4	110.3	109.4	0.8%
<i>As a % of earned premiums</i>	<i>13.1%</i>	<i>15.1%</i>	<i>13.1%</i>	
Underwriting result after expenses	-58.9	50.0	-58.9	
<i>As a % of earned premiums</i>	<i>-7.1%</i>	<i>6.9%</i>	<i>-7.1%</i>	
Financial result	21.9	24.1	21.9	10.0%
<i>As a % of earned premiums</i>	<i>2.6%</i>	<i>3.3%</i>	<i>2.6%</i>	
Profit before tax	-37.0	74.1	-37.0	
<i>As a % of earned premiums</i>	<i>-4.4%</i>	<i>10.2%</i>	<i>-4.4%</i>	
Corporate income	-16.0	16.3	-16.0	
PROFIT AFTER TAX	-21.1	57.8	-21.1	
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	-39.3	7.8	-39.3	
PROFIT ATTRIBUTABLE TO HOLDERS OF THE PARENT	18.3	50.0	18.3	173.2%
<i>As a % of earned premiums</i>	<i>2.2%</i>	<i>6.9%</i>	<i>2.2%</i>	

(*) Proforma figures of premiums from Credit Insurance business in the first quarter 2009

For a better understanding of income of the different areas of the business, earnings have been divided into three categories: ordinary profit of the traditional business (consolidated Group without Atradius NV); ordinary profit (loss) of Atradius NV; and non-recurring income.

(million of euros)

EARNINGS BY BUSINESS LINE	3M 2009	3M 2010	% Chg. 09-10
Net Technical result			
Multirisk	4.6	0.3	-93.5%
Other Non Life	11.6	12.0	3.4%
Auto	7.9	6.2	-21.5%
Life	6.9	6.4	-7.2%
Ordinary net underwriting result after expenses	31.0	24.9	-19.7%
Financial result	14.2	10.9	-23.2%
Ordinary underwriting and financial result	45.2	35.8	-20.8%
Corporate income	12.2	10.3	-15.6%
Ordinary profit from Traditional business	33.0	25.5	-22.7%
Ordinary profit from Credit Insurance business	-71.9	30.1	
Non recurring result	17.9	2.2	-87.7%
PROFIT AFTER TAX	-21.1	57.8	
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	-39.3	7.7	
PROFIT ATTRIBUTABLE TO HOLDERS OF THE PARENT	18.3	50.0	173.2%

Traditional business

Traditional business, which includes all lines based on the Spanish market excluding credit insurance, showed a positive results after taxes of 25.5 million euros, being reduced by 7.5 million euros from the same period of the previous year.

The economic environment, highlighted by lower activity rate than in the first quarter 2009, has provoked a pressure on the business volume and, as a consequence, lower margins in absolute terms. However, over this quarter different factors, mainly meteorological ones, have had an impact on the income statement, although they are not expected to reoccur in future quarters. Additionally, the high position in cash, due to the imminent payment of the purchase of Atradius' shares signed in January 2010, as well as, the increase in deposits interest rates are also temporarily affecting financial margins.

In Multirisk the result has been affected by claims related to different meteorological factors that, globally considered and after reinsurance from reinsurers and Consorcio de Compensación de Seguros, have had a higher impact than those related to the atypical cyclonic storm of January 2009. It is not expected that this will happen in the next quarters. Other Non-life business has improved its result by 3.4%, to 12.0 million euros, driven by the good claims performance of Accidents, Third-Party liability and Funeral, despite the slight reduction in premiums. Auto has continued to show a good technical result, despite the decrease in both, the volume of business and the result. This is directly related to the higher pressure in terms of prices, the weakness in car sales as well as the decrease of policy coverage. Life business has obtained 6.4 million euros in comparison to 6.9 million euros of the first quarter 2009; the margin over premiums has dropped 0.29 b.p. to 3.9%.

Financial result fell to 10.9 million euros from 14.2 million euros in the first quarter of 2009 (-23.2%), as a consequence of the higher position in cash assets, the low interest rates in the short term, the strict investment policy, prioritizing safety and liquidity of profitability, as well as temporarily offering competitive saving products to our network agency.

Credit insurance business

Credit insurance business, at the end of the first quarter 2010, showed a positive result of 30.1 million euros in contrast to the loss of 71.9 million euros in the first quarter 2009.

This change in results, that has been noticeable from the third quarter 2009, is a consequence of the set of measures applied in this business to reduce claims related to the economic crisis from the middle of 2007. Strict measures in portfolio selection, inclusion of franchises and expenses management, have enabled this change.

Within this framework, if the economic environment allows, and once both, the latter measures and the recovery of results, have been consolidated, the priority will be not only maintaining the volume of business but also to growth.

Lastly, net extraordinary income totalled 2.2 million euros vs. 17.9 million euros recorded in first quarter of 2009; in both periods this was due to market opportunities.

For more meaningful understanding, the following table has been included showing the performance in every area of business and quarter-by-quarter. The positive trend of credit insurance business (Atradius NV) can be seen from the beginning of the year and particularly in this first quarter of 2010.

(million of euros)									
EARNINGS BY BUSINESS LINE	1Q 2008	2Q 2008	3Q 2008	4Q 2008	1Q 2009	2Q 2009	3Q 2009	4Q 2009	1Q 2010
Net Technical result									
Multirisk	4.0	8.2	9.8	9.2	4.6	11.5	11.5	7.8	0.3
Other Non Life	9.3	19.7	15.9	8.4	11.6	19.2	19.2	1.1	12.0
Auto	6.8	12.4	6.1	15.2	7.9	12.9	12.9	13.1	6.2
Life	5.5	2.4	3.9	7.3	6.9	4.3	4.3	8.3	6.4
Ordinary net underwriting result after expenses	25.6	42.7	35.7	40.1	31.0	47.9	47.9	30.3	24.9
Financial result	15.7	20.3	13.4	24.1	14.2	16.9	16.9	11.0	10.9
Ordinary underwriting and financial result	41.3	63.0	49.1	64.2	45.2	64.8	64.8	41.3	35.8
Corporate income	10.7	13.6	13.4	17.3	12.2	14.7	14.7	13.3	10.3
Ordinary profit from traditional business	30.6	49.4	35.7	46.9	33.0	50.1	50.1	28.0	25.5
Ordinary profit from Credit Insurance business	25.2	10.2	-65.5	-142.6	-71.9	-33.0	-33.0	14.1	30.1
Non recurring result	6.2	31.0	-7.8	-16.5	17.9	-0.4	-0.4	-36.0	2.2
PROFIT AFTER TAX	62.0	90.6	-37.6	-112.2	-21.1	16.8	16.8	6.2	57.8
PROFIT ATTRIBUTABLE TO MINORITY INTERESTS	13.3	9.5	-39.7	-84.7	-39.3	-18.2	-18.2	-10.8	7.7
PROFIT ATTRIBUTABLE TO HOLDERS OF THE PARENT	48.6	81.2	2.1	-27.5	18.3	34.9	34.9	17.1	50.0

COMBINED RATIOS

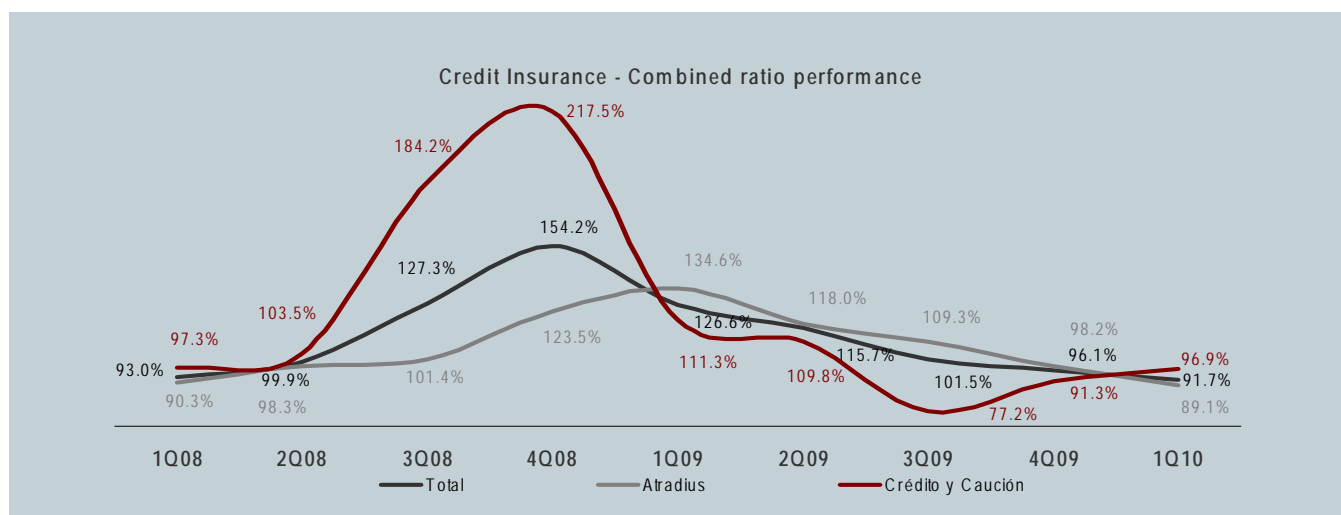
Non-life combined ratio stood at 92.3% from 110.4% of the same period in the previous year thanks to the favourable performance of the credit insurance business.

Combined ratio of the traditional business has increased due to a higher claims ratio, as a consequence of both, specific claims related to meteorological events and the different trend of premiums by each business line.

In Credit insurance, combined ratio has declined 34.9 b.p. thanks to the significant reduction of the claims ratio. Expenses ratio shows an increase of 4.6 b.p., representing 17.2% of premiums, due to the lower contribution of services revenues.

COMBINED RATIO	3M 2009	3M 2010	Change
Multirisk	91.5%	99.6%	8.1
Underwriting cost	55.1%	63.6%	8.5
Commissions	20.4%	20.1%	-0.3
Expenses	16.0%	15.9%	-0.1
Technical expenses	71.2%	80.9%	9.7
Underwriting cost	30.1%	37.3%	7.2
Commissions	16.7%	17.7%	1.0
Expenses	24.4%	25.9%	1.5
Auto	89.3%	94.0%	4.7
Underwriting cost	59.0%	63.6%	4.6
Commissions	12.6%	12.5%	-0.1
Expenses	17.7%	17.9%	0.2
Traditional business	85.5%	92.9%	7.4
Underwriting cost	50.5%	57.3%	6.8
Commissions	16.3%	16.5%	0.2
Expenses	18.7%	19.1%	0.4
Credit Insurance	126.6%	91.7%	-34.9
Underwriting cost	103.6%	64.0%	-39.6
Commissions	10.4%	10.5%	0.1
Expenses	12.6%	17.2%	4.6
Total Non-Life	110.4%	92.3%	-18.1
Underwriting cost	82.7%	61.0%	-21.7
Commissions	12.7%	13.3%	0.6
Expenses	15.0%	18.0%	3.0

The graph below shows the combined ratio performance of Credit insurance, splitting the Spanish business from the rest of the markets.



GENERAL EXPENSES AND COMMISSIONS

Expenses from the Traditional business increased by 0.7%, with an efficiency ratio of 12.5%. Expenses from Credit Insurance increased by 2.5%, despite the measures taken to reduce expenditure. That increase in, exclusively, due to effect of lower service revenues, as a consequence of the reduction in business volume.

As a whole, general expenses plus commissions totalled 191.9 million euros, a yoy decline of 4.5%.

In line with its strategy, the Group continues to apply measures aimed to reduce and control expenditure, especially in the current environment, with a focus on improving productivity and executing plans to tap synergies across its various business areas.

ORDINARY FINANCIAL RESULT FROM TRADITIONAL BUSINESS

The Group's financial result breaks down as follows:

(million of euros)			
ORDINARY FINANCIAL RESULT FROM TRADITIONAL BUSINESS	3M 2009	3M 2010	% Chg. 09-10
Financial income net of expenses	49.9	45.6	-8.6%
Subsidiaries	-0.2	0.1	
Change in gain on investments with policyholders risk	-17.2	-8.7	
Total gross returns	32.5	37.0	13.8%
Interest paid to customers risk borne by the company	33.1	32.2	-2.7%
Interest paid to customers risk borne by policyholders	-17.2	-8.7	-49.4%
Interest paid to customers	15.9	23.5	47.8%
FINANCIAL RESULT	16.6	13.5	-18.7%
Result from Non Technical Account	-2.4	-2.6	8.3%
ORDINARY FINANCIAL RESULT FROM TRADITIONAL BUSINESS	14.2	10.9	-23.2%

Financial income, net of expenses, reached 45.6 million euros which represents a decreased of 8.6% and reflects the effect of both, the lower interest rates and the high cash position. Change in gain on investments with policyholders risk totalled -8.7 million euros in comparison with 17.2 million euros in the first quarter 2009. Globally, the gross return on investments achieved 37.0 million euros with an increase of 13.8%.

On the other hand, interest paid to life policyholders has reached 23.5 million euros in contrast with 15.9 million euros of the same period of the previous year. Those where the risk ins borne by the company stood at 32.2 million euros with a decrease of 2.7%.

Taken into account all the above, the financial result from Traditional business reached 13.5 million euros with a reduction of 18.7%.

BALANCE SHEET PERFORMANCE

First quarter 2010 report

BALANCE SHEET

The main balance sheet items are as follows:

(million of euros)

ASSETS	2009	3M 2010	% Chg. 09-10
Intangible assets and property, plant and equipment	922.7	928.4	0.6%
Investments	6,399.4	6,548.9	2.3%
Property investment	175.2	174.0	-0.7%
Financial investments	5,130.0	5,099.2	-0.6%
Cash and short term deposits	1,094.2	1,275.7	16.6%
Reinsurers' share of technical provisions	1,105.3	1,043.7	-5.6%
Other assets	1,576.1	1,674.7	6.3%
assets	124.8	137.1	9.9%
Receivables	1,042.8	1,048.3	0.5%
Other assets	408.5	489.3	19.8%
TOTAL ASSETS	10,003.5	10,195.7	1.9%

EQUITY AND LIABILITIES	2009	3M 2010	% Chg. 09-10
Long-term equity	1,422.1	1,491.2	4.9%
Shareholders' equity	1,305.5	1,374.4	5.3%
Subordinated liabilities	116.6	116.8	0.2%
Technical provisions	6,980.8	6,947.3	-0.5%
Other liabilities	1,600.6	1,757.2	9.8%
Other provisions	195.6	170.7	-12.7%
Deposits received for outward reinsurance	90.1	87.5	-2.9%
Deferred tax liabilities	165.0	177.2	7.4%
Payables	975.8	1,070.7	9.7%
Other liabilities	174.1	251.1	44.2%
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	10,003.5	10,195.7	1.9%

CHANGE IN LONG-TERM CAPITAL

At the end of the first quarter 2010, Total equity of Grupo Catalana Occidente increased by 5.3% compared to year-end 2009, achieving 1,374.4 million euros. In addition, Atradius NV has a 116.8 million euros subordinated debt issue. As a result, the Group's long-term capital stood at 1,491.2 million euros compared to 1,422.1 million euros at the end of 2009, showing an increase of 4.9%.

Movements in long-term capital during the first quarter of 2010 were as follows:

	(million of euros)
LONG-TERM CAPITAL AT 12/31/09	1,422.1
EQUITY AT 12/31/09	1,305.4
(+) Consolidated profit for the period	57.8
(+) Dividends paid	0.0
(+) Changes in valuation adjustments	11.2
(+) Changes in treasury shares	0.0
Total movements	69.0
EQUITY AT 03/31/10	1,374.4
Subordinated debt	116.8
LONG-TERM CAPITAL 03/31/10	1,491.2

The improvement of the consolidated profit and the recovery of financial assets value have increased the Group's long-term capital.

SOLVENCY

The following table shows the performance of the consolidated solvency margin under Solvency I rules. Figures for the first quarter 2010 shows an increase of 3.2% achieving 1,493.9 million euros, which represents a ratio of 418.5% above the minimum requirement.

	(million of euros)	
SOLVENCY MARGIN	2009	3M 2010
Available capital	1,891.5	1,962.9
Required capital	443.8	469.0
SURPLUS	1,447.7	1,493.9
Available capital as a % of required capital	426.2	418.5

Group solvency levels remain high, well above the minimum requirement and far above the Spanish insurance sector average of 263% (according to Dirección General de Seguros y Fondos de Pensiones at year-end 2009) as well as higher than the European average of 160% (according to CEIOPS).

RATING

After the announcement of the acquisition of Atradius' minorities interest, Standard and Poor's, in its report published on 25 January 2010, confirmed the A- rating with a negative outlook for the main operating entities of Grupo Catalana Occidente. In its previous report, the agency had already taken into consideration the implication of this potential transaction.

Standard and Poor's considers that entities are powerfully capitalised and highlights the strength of their operating results, robust financial flexibility, and prudent investment strategy. The negative outlook is due to uncertainty surrounding whether or not the results of the credit insurance business will rebound to historical levels. Any improvement in this outlook will be linked to Grupo Catalana Occidente's ability to re-establish the returns of its credit insurance business.

INVESTMENTS AND FUNDS UNDER MANAGEMENT

The Group continues to manage investments according to its policy (see Annual Report for details) focused on prudence and liquidity and investing in traditional financial assets. Given the financial markets environment, Grupo Catalana Occidente maintains its asset allocation.

Total funds managed by the Group at the close of the third quarter of stood at 7,920.7 million euros, an increase of 2.0% from December 2009. Investments on behalf of policyholders, largely deriving from pension and mutual funds, stood at 803.4 million euros, 1.7% lower than at year-end 2009. Consequently, investments where risk is assumed by the Group stood at 7,117.3 million euros, up 2.4% compared to the first quarter of 2009.

The table below shows a breakdown of the investment portfolio:

		(million of euros)		
INVESTMENTS AND FUNDS UNDER MANAGEMENT	2009	3M 2010	% Chg. 09-10	% t/ Co. Risk
Owner-occupied property	289.2	293.8	1.6%	
Investment properties	175.1	173.9	-0.7%	
Investments in real estate funds	10.3	10.2	-1.0%	
Unrealized capital gains	587.3	588.3	0.2%	
Total Property	1,061.9	1,066.2	0.4%	15.0%
Fixed income	3,600.7	3,537.9	-1.7%	49.7%
Equities	562.7	570.3	1.4%	8.0%
Other investments	351.3	341.6	-2.8%	4.8%
Total Financial instruments	4,514.7	4,449.8	-1.4%	
Cash and short term deposits	1,263.8	1,489.0	17.8%	20.9%
Investments in subsidiaries	109.9	112.3	2.2%	1.6%
TOTAL INVESTMENTS COMPANY RISK	6,950.3	7,117.3	2.4%	100%
Investments on behalf on policyholders	325.5	313.8	-3.6%	
Pension plans and Mutual Funds	492.1	489.6	-0.5%	
TOTAL INVESTMENTS POLICYHOLDERS RISK	817.6	803.4	-1.7%	
TOTAL INVESTMENTS AND FUNDS UNDER MANAGEMENT	7,767.9	7,920.7	2.0%	

Investment in property totalled 1,066.2 million euros, a rise of 0.4% vs. year-end 2009. It is highlighted that the most recent appraisals confirm the previous ones, putting capital gains at 588.3 million euros, a rise of 0.2% compared to year-end 2009.

Fixed income securities accounted for 49.7% of investments where the risk is borne by the company (3,537.9 million euros vs. 3,600.7 million euros at year-end 2009). The average rating of the investment portfolio is AA-, with public debt representing 38.4% of the total.

Investment in equity securities stood at 581.9 million euros, increasing 1.4%, and accounting for 8.2% of the portfolio. The increase is due to the positive impact on valuation of the stock markets performance. As explained previously, the company's equity portfolio is widely diversified, with a focus on Spanish and European large cap stocks.

"Other investments," mainly long-term deposits held by financial institutions, stood at 341.6 million euros at March 31, 2009, representing 4.8% of the total investment risk borne by the company.

The total invested in cash and cash equivalents totalled 1,489.0 million euros, accounting for 17.8% of investment risk born by the company. This level reflects the Group's conservative strategy as well as the planning for the future payment to Atradius' minorities' shareholders after the purchase agreement signed at the beginning 2010. Investments are largely in very short-term government debt securities (repos).

Investments in Investees totalled 112.3 million euros, accounting for 1.6% of the total investment risk borne by the Company.

DIVIDENDS

During 2009, the Group has paid three interim dividends out of 2009 profit. The Group decided to advance the payment of the third from February 2010 to December 2009. The Board of Directors is proposing at the Annual General Meeting a fourth dividend charged against 2009 profit of 0.2070 euros per share, expected to be paid in May.

DIVIDENDS		
July 2009	Dividend against 2009 results	0.1001 €
October 2009	Dividend against 2009 results	0.1001 €
December 2009	Dividend against 2009 results	0.1001 €
May 2010 - pending	Dividend complementary to 2009 results	0.2070 €
Total - Dividend per share		0.5073 €
TOTAL DIVIDENDS		60,876,000.00 €

With the payment of the fourth dividend, the total dividend paid against 2009 earnings brings 0.5073 euros per share, maintaining the amount paid in the previous year against 2008 profit.

SHAREPRICE PERFORMANCE

The table below shows the key stock exchange data in the first quarter 2010.

SHARE PRICE (euros per share)	2009	3M 2010
Opening	14.4	15.71
Low	7.12	14.60
High	17.83	17.17
Closing	15.71	15.07
Average	13.03	15.71
RATIOS	2009	3M 2010
PER (Closing price / Attributable profit per share) (*)	18.6	11.6
ROE (Attributable profit / Shareholders' Equity, %) (*)	9.7	12.1
Dividend Yield (Dividend / Share price, %)	3.2	3.2
Pay-Out (Dividend / Attributable profit, %)	60.2	60.2
OTHER DATA	2009	3M 2010
Number of shares	120,000,000	120,000,000
Nominal share value	0.30	0.30
Average daily trading volume (nº shares)	128,473	104,374
Average daily trading (euros)	1,981,662	1,658,274
Dividend per share (euros)	0.51	0.51
(*) MAT - Moving Annual Total attributable profit: Attributable profit in the last 12 months		

Grupo Catalana Occidente stocks are listed on the continuous market of the Madrid and Barcelona Stock Exchange. Likewise, the stocks are included in the Ibex Medium Cap Index with a weight of 6.43% at 2009 on 31 March 2010.

At the end of March, Grupo Catalana Occidente's share reached 15.07 euros per share, a decrease of 4.07% from the beginning of the year (- 8.95% Ibex and + 5.43% Europe Stoxx Insurance). The daily average trading volume stood at 104,374 shares with an effective value of 1.66 million euros. Market capitalization reached 1,808.4 million euros.



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