



PRESS RELEASE

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A.M. Best Upgrades Ratings of Seguros Catalana Occidente and Seguros Bilbao

LONDON, 16 March 2016—A.M. Best has upgraded the financial strength rating to A (Excellent) from A- (Excellent) and the issuer credit rating to “a” from “a-” of **Seguros Catalana Occidente, S.A. de Seguros y Reaseguros (SCO)** and **Bilbao, Compañía Anónima de Seguros y Reaseguros, S.A. (SB)**, both wholly owned subsidiaries of **Grupo Catalana Occidente, S.A. (GCO)**, the non-operating holding company of the GCO group. All entities are domiciled in Spain. The outlook for all ratings remains stable.

The ratings upgrade of SCO and SB reflect their strong risk-adjusted capitalisation, solid operating performance and well-established competitive positions in Spain’s domestic insurance market. Additionally, the ratings reflect GCO group’s excellent capital buffers and financial flexibility, its resilient earnings and the improvement in its traditional business profile (excluding the group’s credit insurance operations) after the successful integration of **Plus Ultra Seguros Generales y Vida S.A. de Seguros y Reaseguros (Plus Ultra)**. The ratings of SCO and SB benefit from being part of the GCO group.

SCO & SB’s risk-adjusted capitalisation has continued to improve in recent years and both entities have demonstrated a strong track record of generating profits to support their operations. Moreover, SCO and SB have sustained several years of operating performance at strong levels, despite the challenging conditions in Spain’s market. Both companies have consistently produced better loss ratios than their peers in Spain. In A.M. Best’s

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view, this reflects SCO's and SB's prudent approach toward risk underwriting, the entities' strict risk controls and the strength of their distribution network.

Both SCO and SB maintain well-established competitive market positions in Spain, where all of their insurance activities are concentrated. A.M. Best believes that the brands' good reputation in Spain has been a key factor behind the resilience of SCO's and SB's businesses during a period of severe economic stress.

Positive rating actions could occur if the underwriting performance of SCO and SB continues ahead of their peers whilst A.M. Best identifies a clear improvement in the rating fundamentals of the GCO group.

Negative ratings actions could occur if operating performance or consolidated risk-adjusted capitalisation deteriorates to a level that does not meet A.M. Best's expectations, at either the GCO (consolidated) or stand-alone entity levels.

This press release relates to rating(s) that have been published on A.M. Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see A.M. Best's [Recent Rating Activity](#) web page.

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