RESULTS REPORT

January to June 2014

GRUPO CATALANA OCCIDENTE, S.A.
AND SUBSIDIARIES

150 years

Catalana Occidente
Insurance Group

Catalana
Occidente
Insurance Group

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INDEX

GRUPO CATALANA OCCIDENTE

The history of Grupo Catalana Occidente dates back to 1864, so it is celebrating its 150th anniversary this year. The Group is currently one of the largest operators in the Spanish market, and the second largest global player in the credit insurance business, with a presence in more than 40 countries. Over the last decade the Group has progressed well on all key indicators, maintaining sustainable and profitable growth.

The shares of the parent company, Grupo Catalana Occidente, S.A., are listed on the continuous market of the Barcelona and Madrid stock exchanges as part of the IBEX Medium Cap Index. Currently, near the 40% of its capital is floating and the main shareholder is INOC, S.A., which holds 56.71% of capital.

The following table shows the major companies included in the scope of consolidation of Grupo Catalana Occidente.

GRUPO CATALANA OCCIDENTE
Parent company

INSURANCE COMPANIES	COMPLEMENTARY TO INSURANCE ACTIVITIES	INVESTMENT COMPANIES
Seguros Catalana Occidente 100%	**Tecniseguros** 100%	**Menéndez Pelayo, SICAV** 100%
Seguros Bilbao 99.73%	**Prepersa, AIE** 100%	**Catoc Sicav** 97.25%
Nortehispana 99.78%	**S. Órbita** 99.73%	**Hercasol** 59.37%
Plus Ultra Seguros 49.00%	**Bilbao Vida** 99.73%	**Seguros Bilbao Fondos** 99.73%
Catoc Vida 79.20%	**Bilbao Telemark** 99.73%	**Bilbao Hipotecaria** 99.73%
Cosalud 100%	**Co Capital Ag. Valores** 100%	**Salerno 94** 100%
Depsa 100%	**Catalana de Tall. y Rep. 3.000, SL** 100%	**Gesiuris** 26.12%
	Inversions Catalana Occident 49.00%	
	GCO de Tecnología y Servicios, AIE 99.68%	
	GCO Contact Center AIE 99.53%	
	Asitur Asistencia 28.53%	
	Calboquer 20.00%	
Atradius Credit Insurance 83.20%	**Atradius Dutch State Business** 83.20%	**Grupo Compañía Española Crédito y Caución** 73.84%
Crédito y Caución 83.20%	**Atradius Collections** 83.20%	**Atradius NV** 83.20%
Atradius Re 83.20%	**Atradius Information Services** 83.20%	**Atradius Participations Hold** 83.20%
Atradius Trade Credit Insurance 83.20%	**Iberinform** 83.20%	**Atradius Finance** 83.20%
Atradius Seguros de Crédito 83.20%		

Traditional Business

Credit Insurance Business

Grupo Catalana Occidente incorporates the company Plus Ultra Seguros under the equity accounting consolidation method on 28 September 2012, when the transaction was closed. The Group accounts for 49% of this company's income.

KEY FIGURES

Grupo Catalana Occidente closed the first six months of financial year 2014, **marking its 150th anniversary**, with positive performance in all its key indicators:

- **Increase its performance at the consolidated and attributed level, 10.6% and 9.4% respectively**
  - **+8.4% in profit in the Traditional Business**
  - **+33.8% in profit Credit Insurance**
  - **+19.4% in profit from Plus Ultra Seguros**
- **Turnover up by 5.6% to 1,805.7 million euros**
- **Long-Term Capital up 9.6% since early in the year to 2,857.0 M€ at market value**
- **High solvency margin maintained, with an surplus of 1,858.2 million euros**
- **10% increase from the first dividend charged against profits in 2014 (*)**

(*) 5% increase compare to the latest dividends against 2013 results

Below are the key economic figures for Grupo Catalana Occidente as of June 2014, in contrast to the same period during the previous year.

(million euros)

	KEY FIGURES	6M 2013	6M 2014	% Var. 13-14	YEAR 2013
A	**TURNOVER**	**1,710.5**	**1,805.7**	**5.6%**	**3,201.8**
	- TRADITIONAL BUSINESS	885.2	934.9	5.6%	1,686.9
	- CREDIT INSURANCE BUSINESS	825.3	870.8	5.5%	1,514.9
B	**CONSOLIDATED RESULT**	**125.0**	**138.2**	**10.6%**	**243.9**
	- TRADITIONAL BUSINESS	63.0	68.3	8.4%	122.6
	- CREDIT INSURANCE BUSINESS	61.8	82.7	33.8%	126.1
	- NON-RECURRING	0.2	-12.9		-4.9
	ATTRIBUTED TO THE PARENT COMPANY	**113.9**	**124.6**	**9.4%**	**221.1**
C	LONG-TERM CAPITAL	1,871.9	2,350.1	25.5%	2,100.3
	LONG-TERM CAPITAL AT MARKET VALUE	**2,413.2**	**2,857.0**	**18.4%**	**2,607.3**
D	**TECHNICAL PROVISIONS**	**6,975.2**	**7,180.0**	**2.9%**	**6,905.5**
E	**SURPLUS SOLVENCY I**	**1,745.8**	**1,858.2**	**6.4%**	**1,774.9**
	% SOLVENCY I - CAPITAL AVAILABLE OVER CAPITAL REQUIRED	**481.0%**	**497.0%**		**484.5%**
F	**TOTAL FUNDS UNDER MANAGEMENT**	**7,998.8**	**8,958.4**	**12.0%**	**8,381.9**
H	**DATA BY SHARE (Figures in Euros)**				
	ATTRIBUTED PROFIT (*)	1.70	1.93	13.6%	1.84
	DIVIDEND PER SHARE				0.59
	PAY-OUT (%)				32.0%
	SHARE REVALUATION (%)	23.5%	1.2%		89.0%
I	**ADDITIONAL INFORMATION**				
	NO. OF EMPLOYEES	5,594	5,571	-0.4%	5,573
	NO. OF OFFICES	1,157	1,161	0.3%	1,153

(*) - Taking into account the attributed profit for the past 12 months

SALIENT EVENTS FOR THE PERIOD

150th Anniversary Celebration

- 150 years since the birth of “La Catalana” in 1864.
- Ability to adapt to the environment, clear insurance vocation and recognised agent network
- "Thinking about your future," the theme for this anniversary

New brand image

- Coinciding with the celebration of its 150th anniversary.
- The new logo provides a more organized picture of the companies that make up the Group.
- The centrepiece is the symbol, which is inspired by the layout of the Group’s headquarters.

Increase of the dividend

- Grupo Catalana Occidente increases by 10% the payment of the first dividend agains 2014 results
- It represents an increase of 5% compared to the latest dividends against 2013 reesults

Acquisition of Plus Ultra Seguros

- Acquisition in September 2012 of 49% of the capital
- 51% purchase option in 2015
- Merger for Click Seguros's absorption by Plus Ultra Seguros completed during the first half of 2014

Atradius’ subordinated debt

- Atradius will exercise the call of the current bond (120 M€) the 3 of September
- The issuance of a new subordinated bond is under analysis

COMMERCIAL PERFORMANCE

Revenues

The Group closed the period with a turnover of 1,805.7 million euros, 5.6% more than the turnover in the first six months of 2013, driven by the credit insurance business and Life premiums.

Broken down by business areas, Traditional Business premiums grew by 5.6%, reaching 934.9 million euros. Strong Life premium growth is worth highlighting. This business continues to perform better than the industry average, which, according to data from the ICEA, is down 2.9% in revenues.

Likewise, credit insurance has seen revenues of 870.8 million euros, up 5.5% from those obtained the previous financial year. In terms of premiums, with 801.8 million euros, the increase obtained was 6.0% and revenues from other activities are up 1.2% to 69.0 million euros. Strong performance in all markets is worth noting, especially in the Spanish market where after several years of decline we have achieved growth.

(million euros)

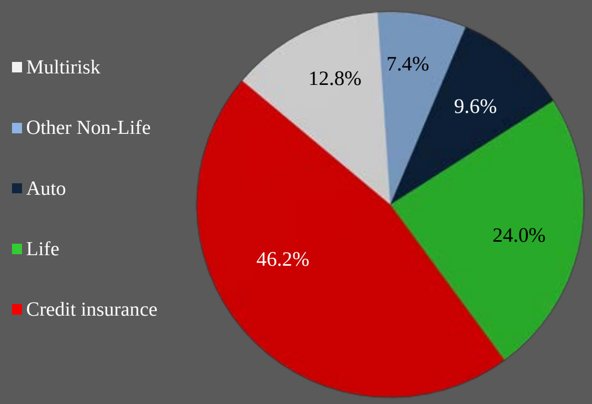
TURNOVER	6M 2013	6M 2014	Change	% Chg. 13-14
Traditional Business	885.2	934.9	49.7	5.6%
Credit Insurance Business	825.3	870.8	45.5	5.5%
TOTAL TURNOVER	**1,710.5**	**1,805.7**	**95.2**	**5.6%**

Business diversification by premiums

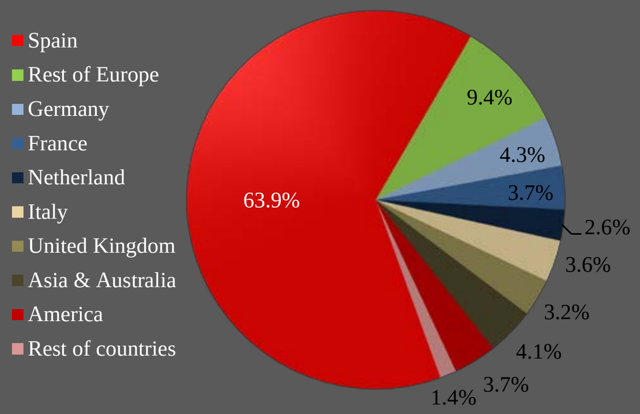
The Group diversified its business both by business areas and by country. By the end of June, business lines included in our Traditional Business represent 53.3% of the portfolio and the credit insurance business accounts for 46.2% (32.1% considering retained business).

In the proforma diversification, taking into account the Plus Ultra Seguros premiums, Traditional Business accounts for 62.9% and credit insurance for 37.1% (24.5% considering retained business).

Diversification by business



Diversification by market



RESULTS FOR THE PERIOD

Grupo Catalana Occidente closed June with a consolidated profit of 138.2 million euros, 10.6% more than the same period last year, of which 151.0 million euros is considered recurrent, 21.0% higher than the figure at the end of June 2013. Attributed profit reached 124.6 million euros, up 9.4%.

The technical result stood at 474.7million euros, up 8.5% from the same period last year (+37.1 million euros). The technical margin stood at 28.1%, improving 1.3 points (hereinafter "p.") from the result at the end of June 2013. The improvement of the technical result is explained by higher premiums (+3.5%) and better claims ratio (-1.2 p.).

Likewise, expenses have grown by 2.2% although they maintain the ratio of 18.3% over the Insurance turnover. At 30.8 million euros, the financial result improved by 4.3% over the previous year. Both items are explained in more detail in the respective sections.

The following table outlines the performance of the income statement key economic indicators, in comparison with the same period of last year.

(million euros)

PROFIT AND LOSS ACCOUNT	6M 2013	6M 2014	% Chg. 13-14	YEAR 2013
Premiums	1,642.2	1,736.6	5.7%	3,091.4
Earned premiums	1,561.9	1,617.5	3.6%	3,121.4
Information income	68.2	69.0	1.2%	110.4
Insurance turnover	**1,630.1**	**1,686.5**	3.5%	**3,231.8**
Technical cost	1,010.4	1,026.1	1.6%	1,991.8
As a % of Insurance turnover	62.0%	60.8%		61.6%
Commissions	182.1	185.7	2.0%	365.1
As a % of Insurance turnover	11.2%	11.0%		11.3%
Technical result	**437.6**	**474.7**	**8.5%**	**874.9**
As a % of Insurance turnover	26.8%	28.1%		27.1%
Expenses	302.6	309.2	2.2%	608.5
As a % of Insurance turnover	18.6%	18.3%		18.8%
Technical result after expenses	**135.0**	**165.5**	**22.6%**	**266.4**
As a % of Insurance turnover	8.3%	9.8%		8.2%
Financial result	32.2	30.8	-4.3%	73.0
As a % of Insurance turnover	2.0%	1.8%		2.3%
Non-Technical Result	-4.1	-4.2		-22.4
As a % of Insurance turnover	-0.3%	-0.2%		-0.7%
Complementary activities result and Non Technical Account	1.9	3.6	89.5%	4.9
As a % of Insurance turnover	0.1%	0.2%		0.2%
Result before tax	**165.1**	**195.7**	**18.5%**	**322.0**
As a % of Insurance turnover	10.1%	11.6%		10.0%
CONSOLIDATED RESULT	**125.0**	**138.2**	**10.6%**	**243.9**
RESULT ATTRIBUTABLE TO MINORITY INTERESTS	11.1	13.6	22.5%	22.8
RESULT ATTRIBUTABLE TO THE PARENT COMPANY	**113.9**	**124.6**	**9.4%**	**221.1**
As a % of Insurance turnover	**7.0%**	**7.4%**		**6.8%**
RECURRING RESULT	**124.8**	**151.0**	**21.0%**	**248.8**
NON RECURRING RESULT	**0.2**	**-12.9**		**-4.9**

In order to provide a better view of business performance, the following table shows results of each business area, splitting up the recurring profit of the Traditional Business from the recurring profit of the credit insurance business and the non-recurring result. **Likewise, the Annex offers a quarterly overview of results.**

RESULTS BY BUSINESS LINES

Traditional Business

The economic situation during the first six months of 2014 continues to be characterized by a fragile economic activity, although it has improved over the same period last year. The Spanish insurance sector has reduced its premium volume by 2.9%, and the biggest drop has been seen in Life (6.3%). In Non-Life the improvement over previous quarters is maintained, although it also shows a -0.1% decline in turnover.

In the Group, the Traditional Business premiums have increased by 5.6% (49.7 million euros) compared to figures achieved at the end of June of the previous year. Non-life premiums — more affected by the economic situation — fell by 1.4%, although they continue to improve over previous periods. In Life, premiums have performed positively with growth of 15.9% in the period, driven primarily by Savings premiums, although the growth rate has slowed down compared to previous periods.

In terms of results, Traditional Business is still performing in a solid, recurrent and stable fashion. At the end of June, the financial result stood at 68.3 million euros after taxes, repeating the technical result and increasing financial result. This amount represents a 8.4% increase from June 2013.

The following explains in more detail the figures obtained in each of the business areas.

(million euros)

PREMIUM	6M 2013	6M 2014	Change	% Chg. 13-14
Non Life	525.7	518.2	-7.5	-1.4%
Multirisk	226.4	222.9	-3.5	-1.5%
Auto	171.2	166.4	-4.8	-2.8%
Other Non Life	128.1	128.8	0.7	0.6%
Life	359.5	416.7	57.2	15.9%
Regular premiums	*148.1*	*149.2*	*1.1*	*0.7%*
Single premiums	*211.4*	*267.5*	*56.1*	*26.6%*
Traditional Business premiums	**885.2**	**934.9**	**49.7**	**5.6%**

Multirisk turnover reached 222.9 million euros, down 1.5% from the period the previous year (-3.5 million euros).

Auto has invoiced 166.4 million euros, a decrease of 2.8%. Worth noting is the improvement seen since the beginning of 2013, where premiums were down by 12.4% over the previous year. This branch has been characterized by a continuing drop in sales of new vehicles, insurance policies taken out with lower collateral and a highly competitive market, causing a drop in the average premium. The Group continues to develop commercial policies to boost loyalty and prevent policy cancellations.

Other Non-Life, with 128.8 million euros, sees turnover drop by 0.6% over the same period in 2013, mainly due to liability premiums. Health billing provides the silver lining, where the Group has grown at rates above 10%, and Burial, which increases premiums by 4.6%.

Life premiums grew by 15.9% in the period, reaching 416.7 million euros. The single premium, following the trend for 2013, increased by 26.6% due to increased confidence in the organization and lower pressure in the supply of bank deposits.

The following explains in more detail the results obtained in each of the business areas.

(million euros)

RESULTS	6M 2013	6M 2014	% Chg. 13-14
Multirisk	28.8	29.2	1.4%
Auto	13.2	13.2	0.0%
Other Non-Life	18.3	18.6	1.6%
Technical Result Non-Life	60.3	61.0	1.2%
Technical Result Life	6.2	5.3	-14.5%
Technical result after expenses	**66.5**	**66.3**	**-0.3%**
Financial result	19.9	27.3	37.2%
Result Non Technical Account	-3.9	-3.3	
Tax	-19.5	-22.0	12.8%
Recurrent result from traditional business	**63.0**	**68.3**	**8.4%**

The result of the Non-technical Account only considers the non-financial part.

The technical result after expenses stands at 66.3 million euros, 0.3% less than in the previous year. The combined ratio of the Non-Life area of the Traditional Business stood at 87.4%, 0.4 p. better thanks to a benign performance of claims ratio (-1.6 p.).

Multirisk results reached 29.2 million euros, up by 1.4% from the period the previous year. The combined ratio for Multirisk stood at 85.7%, improving 0.4p. thanks to a reduction in technical cost (-1.7 p.) both in frequency and average cost of claims.

Auto insurance results stood at 13.2 million euros, growing by 1.6% thanks to an improvement in the technical cost. The current number of claims amounted to a minimum historical levels. Consequently, the combined ratio stood at 91.8% down by 0.5 p.

Other Non-Life obtained a result of 18.6 million euros, 1.6% more than at the end of June 2013, due to favourable behaviour in claims, together with lower average cost of claims. Consequently, the combined ratio stood at 83.9%, improving by 0.3 p.

In the Life business, the technical result after expenses stood at 5.3million euros, 0.9 million euros less than the same period the previous year due to an increase in claims.

The financial result at 27.3 million euros, is up 37.2% from the result obtained at the end of June in 2013. Since the last quarter of 2012 we include 49% of the recurring income from Plus Ultra Seguros. An explanation of both items is provided below.

See Annex featuring detail and breakdown of ratios by line of business.

Credit Insurance Business

The Credit Insurance business has obtained income of 870.8 million euros, 5.5% more than in the same period the previous year. At € 801.8 million, the invoiced premium total is up by 5.9%. Revenues from information and income from complementary activities grew by 1.2% yielding a total of 69.0 million euros.

Complementary activities provide revenues of 29.1 million euros, 5.5% less than the same period last year. Consequently, revenues from credit insurance amounting to 899.9 million euros, 5.1% more than at the end of June 2013.

(million euros)

REVENUES	6M 2013	6M 2014	Change	% Chg. 13-14
Credit insurance	604.7	617.0	12.3	2.0%
Bonding	54.8	70.4	15.6	28.5%
Acepted Reinsurance	97.6	114.4	16.8	17.2%
Credit Insurance Premiums	**757.1**	**801.8**	**44.7**	**5.9%**
Information income	**68.2**	**69.0**	**0.8**	**1.2%**
Insurance turnover	**825.3**	**870.8**	**45.5**	**5.5%**
Income from complimentary activities	30.8	29.1	-1.7	-5.5%
Credit insurance revenues	**856.1**	**899.9**	**43.8**	**5.1%**
Acquired Premiums Credit Insurance Business	**708.3**	**722.1**	**13.8**	**1.9%**

Crédito y Caución turnover reached 200.0 million euros, up 2.8. In the rest of Atradius revenues from insurance stood at 670.8 million euros, up 6.5% over the same period the previous year. Taking into account the earned premiums, growth in Atradius, excluding Crédito y Caución stood at 1.9%.

Risk exposure has increased by 8.3% compared to June 2013 and 5.9% since the beginning of year. See Annexes

The recurring result from the credit insurance business closed June with 82.7 million euros after tax, 33.8% more than at the end of June 2013 due to a favourable performance of the technical cost, mainly in Crédito y Caución.

COMBINED RATIO	6M 2013	6M 2014	Change
Gross Combined Ratio	**81.0%**	**72.7%**	**-8.3**
Technical Cost	46.0%	37.1%	-8.9
Commissions + Expenses	35.0%	35.6%	0.6
Net Combined Ratio	**83.6%**	**75.2%**	**-8.4**
Technical Cost	45.7%	38.6%	-7.1
Commissions + Expenses	37.9%	36.6%	-1.3

The technical result after expenses obtained during the first six months of the year has been 216.2 million euros, greatly improving the result from the previous year. The combined gross ratio stood at 72.7%, improving by 8.3 b.p. thanks to the significant drop in claims. The improvement stems mainly from the favourable development of the Crédito y Caución technical cost due to the effect of measures implemented since the start of the crisis with better default levels. All this has allowed a gradual improvement in claims both due to reduced claims frequency and, especially, due to a lower cost of claims.

See Annex detailing exposure broken down by geographic markets and combined business ratios in Spain and other markets.

(million euros)

RESULTS	6M 2013	6M 2014	% Chg. 13-14	Atradius ex CyC	Crédito y Caución
Technical Result after expenses	**147.4**	**216.2**	**46.7%**	**138.9**	**77.7**
Reinsurance Result	-73.1	-99.6	36.3%	-60.9	-39.2
Financial Result	10.0	4.4	-56.3%	2.1	2.3
Complimentary activities result	1.9	3.6	84.9%	3.4	0.2
Tax	-22.5	-40.3	79.1%	-28.1	-12.2
Adjustments	-1.9	-1.6	-15.8%	-1.8	0.2
Recurrent result from credit insurance business	**61.8**	**82.7**	**33.8%**	**53.7**	**29.0**

Reinsurance results in a negative result for the Group of 99.6 million euros. This amount is higher than the amount in the same period the previous year, due to the improvement in claims.

Considering the effect of reinsurance, the net combined ratio stands at 75.2%, improving by 8.4p. In the Spain business, the improvement is of 21.5 p., taking the combined ratio to 66.0%. In the rest of the business the combined ratio improves on end-June 2013 by 4.4 p. to 78.1%.

The financial result has contributed 4.4 million euros (see "Financial Result" section) and complementary activities have contributed 3.6 million euros in profit.

Non-Recurring Result

The non-recurring profit, net of taxes, represents a loss of 12.9 million euros.

The Traditional Business has posted losses of 6.4 million euros, of which 5.5million come from the cost of endowment for cost of regulations in the Life business.

Likewise, the credit insurance has seen losses of 6.5million euros. This amount includes a provision of 3.9 million euros due to the update of the payback to the Consorcio de Compensación de Seguros. For further information please see Noe 2c) of the Notes to the Financial Statements.

(million euros)

NON RECURRING RESULT (net of tax)	6M 2013	6M 2014	% Chg. 13-14
Financial Result from Traditional business	-0.2	-0.1	
Other Traditional Business	-0.4	-6.3	
Non Recurring Results from Traditional business	**-0.6**	**-6.4**	
Financial Result from Credit Insurance business	0.6	-0.5	
Otros Credit Insurance Business	0.2	-6.0	
Non Recurring Results from Credit Insurance business	**0.8**	**-6.5**	
NON RECURRING RESULT (net of tax)	**0.2**	**-12.9**	

OTHER RELEVANT BUSINESS ASPECTS

General expenses and commissions

(million euros)

GENERAL EXPENSES AND COMMISSIONS	6M 2013	6M 2014	Change. 13-14
General Expenses Traditional Business	117.4	119.1	1.4%
General Expenses Credit Insurance Business	185.2	190.1	2.6%
Total Expenses	**302.6**	**309.2**	**2.2%**
Commissions	**182.1**	**185.7**	**2.0%**
General Expenses and Commissions	**484.7**	**494.9**	**2.1%**
Insurance Revenues	1,630.1	1,686.5	3.5%
% General expenses s/ Insurance revenues	18.6%	18.3%	-0.3%
% Commissions s/ Insurance revenues	11.2%	11.0%	-0.2%
% General expenses and Commissions s/ Insurance	**29.7%**	**29.3%**	**-0.4%**

Total operating expenses increased by 6.6 million euros, 2.2%, to 309.2 million euros. Commissions are 2.0% higher than in June 2013. General expenses and commissions stood at 494.9 million euros, an increase of 2.1% compared to 2013.

The ratio of general expenses and commissions over insurance revenue (earned premiums and income from information) stood at 0.4p. to 29.3%.

Financial Results

The Group has obtained a financial result of 30.8 million euros, compared to 32.2 million euros last year, due to the different impact of the outcomes considered non-recurring from credit insurance.

(million euros)

FINANCIAL RESULT	6M 2013	6M 2014	% Chg. 13-14
Financial income net of expenses	80.4	89.4	11.2%
Foreign exchange	-0.1	0.0	
Subsidiaries	7.8	7.9	1.3%
Interest paid to Life policyholders	-68.2	-69.8	2.4%
Recurrent Financial Result from Traditional Business	19.9	27.3	37.2%
Recurrent Financial Result from Credit Insurance Business	10.0	4.4	-55.8%
Recurrent Financial Result	**29.9**	**31.7**	**6.2%**
Non Recurrent Financial Result	**2.3**	**-0.9**	
FINANCIAL RESULT	**32.2**	**30.8**	**-4.3%**

The Traditional Business has posted 27.3 million euros, 7.4 million more than in the same period the previous year. At 89.4 million euros, financial revenues net of expenses are up 11.2%, boosted by greater funds under management.

In the insurance credit business the financial result was 4.4 million euros, in line with quarterly results obtained throughout the year. At the end of June 2013, it was negatively impacted by foreign exchange differences.

BALANCE SHEET PERFORMANCE

Balance Sheet

The following table lists the main Balance Sheet items.

At end-June, Grupo Catalana Occidente had assets worth 10,746.9 million euros, up 645.5 million euros (+6.4%) compared to December 2013. The increase is due mainly to the greater volume of technical provisions (+274.5 million euros) and of Equity (+249.3 million of euros).

(million of euros)

ASSETS	December 2012	6M 2014	% Chg. 13-14
Intagible assets and property, plant and equipmen	**883.3**	**884.6**	**0.1%**
Investments	**7,163.3**	**7,725.9**	**7.9%**
Property investments	226.5	224.8	-0.8%
Financial investments	6,503.8	7,075.5	8.8%
Cash and short-term deposits	433.0	425.6	-1.7%
Reinsurer's share of technical provisions	**895.2**	**880.9**	**-1.6%**
Other assets	**1,159.6**	**1,255.5**	**8.3%**
Deferred tax	115.9	116.3	0.3%
Receivables	703.2	734.7	4.5%
Other assets	340.5	404.5	18.8%
TOTAL ASSETS	**10,101.4**	**10,746.9**	**6.4%**

EQUITY AND LIABILITIES	December 2012	6M 2014	% Chg. 13-14
Long-Term Capital	**2,100.4**	**2,350.1**	**11.9%**
Equity	1,980.9	2,230.2	12.6%
Parent Company	*1,723.8*	*1,959.8*	*13.7%*
Minority interest	*257.1*	*270.4*	*5.2%*
Subordinated debt	119.5	119.9	0.3%
Technical provisions	**6,905.5**	**7,180.0**	**4.0%**
Other liabilities	**1,095.5**	**1,216.8**	**11.1%**
Other provisions	153.0	132.1	-13.7%
Diposits received for outward reinsurance	62.1	61.4	-1.1%
Deferred tax liabilities	222.3	310.4	39.6%
Payables	457.6	503.2	10.0%
Other liabilities	200.5	209.7	4.6%
TOTAL EQUITY AND LIABILITIES	**10,101.4**	**10,746.9**	**6.4%**

Long-term Capital Variation

(million euros)

LONG-TERM CAPITAL AT 12/31/13	2,100.4
EQUITY AT 12/31/13	**1,980.9**
(+) Consolidated profit	138.2
(+) Dividends	-58.6
(+) Changes in valuation adjustments	170.7
(+) Other changes	-0.9
Total movements	**249.4**
EQUITY AT 06/30/14	**2,230.3**
Subordinated debt	119.9
LONG-TERM CAPITAL AT 06/30/14	**2,350.1**
Unrealised Capital Gains off-balance sheet	506.9
LONG-TERM CAPITAL Market value at 06/30/14	**2,857.0**

The Long-Term Capital of Grupo Catalana Occidente reached 2,350.1million euros, up 11.9% from year-end 2013. Considering the capital gains form properties, not included in the balance sheet, Long-term Capital stands at 2,857.0 million euros.

Equity, at 2,230.3 million euros, has increased by 12.6%. The profit for the period contributes 138.2 million euros and the change in exchange rate adjustments stands at 170.7 million euros due to favourable developments in financial markets.

The following table shows the effects on Long-Term Capital, resulting from movements in the period.

Solvency

The following table shows the performance of the consolidated solvency margin under the current Solvency I framework. Figures as of end-June 2014 show a solvency margin surplus of 1,858.2 million euros, representing 497.0% of the minimum required.

(million euros)

SOLVENCY MARGIN	December 2013	6M 2014	% Var. 13-14
Own Uncommitted Equity	2,236.3	2,326.2	4.0%
Minimum amount of solvency margin	461.7	468.0	1.4%
Excess of Solvency Margin	**1,774.6**	**1,858.2**	**4.7%**
Assets over the required minimum represents %	**484.4**	**497.0**	

In connection with the new Solvency II directive, the Group continues to actively monitor and progress its implementation. Moreover, the Group continues to work on the internal model pre-application process for the underwriting risk for credit insurance and non-life.

Rating

The rating agency A.M. Best, a leading credit rating agency of companies in the insurance industry, believes that the Group's financial strength is excellent. The agency has assigned an “A-” rating to the main operating entities in the company’s Traditional Business highlighting a stable outlook. The main operating entities in the credit insurance business have been rated “A” with a stable outlook as well.

With regard to the rating of companies in the Traditional Business, the agency believes that it is based on three basic aspects: adequate capitalization through internal generation of capital, excellent operational results and a solid business model. The agency notes that despite the current economic crisis in Spain, the technical margins and operating results of Seguros Catalana Occidente and Seguros Bilbao remain strong, as shown by the average ROE of the past five years. In the same period, the combined ratio was less than 90%, resulting in stable and consistent underwriting results for both companies. Likewise, A.M. Best underscores the prudent underwriting guidelines and extensive network of agents resulting in greater customer loyalty. Moreover, A.M. Best believes that the Group has limited exposure to natural disasters due to the existence of a national system covering such catastrophes (Insurance Compensation Consortium).

Likewise, the Group has evaluated solvency with rating criteria exclusively for Atradius NV. In this respect, A.M. Best gives a rating of "A" (excellent) with a stable outlook to the main operating entities in credit insurance and the agency Moody's gives an "A3" rating with a stable outlook. Both agencies emphasize Atradius NV's strong competitive position, its conservative investment portfolio, its good capitalization and low financial leverage.

Investments and funds under management

The Group continues to manage its assets in accordance with its investment policy, detailed in the Annual Report, drawing from prudence and diversification criteria and investing in financial assets regarded as traditional. Consequently, the Group focuses the structure of its investment portfolio on the Asset/Liability relationship and the liquidity of its positions in various scenarios.

The Group manages funds totalling 8,958.4 million euros, 6.9% more than at year-end. The funds in which the Group assumes the risk stood at 8,168.9 million euros, up 7.1% from December 2013.

(million euros)

INVESTMENTS	December 2013	6M 2014	% Var. 13-14	% over Inv. R. company
Real Estate	977.3	972.4	-0.5%	**11.9%**
Fixed Income	4,114.9	4,520.7	9.9%	**55.3%**
Equity	754.3	878.5	16.5%	**10.8%**
Deposits in credit institutions	600.5	661.5	10.2%	**8.1%**
Other investments	137.7	133.9	-2.7%	**1.6%**
Total Financial Investments	**5,607.4**	**6,194.6**	**10.5%**	
Cash and monetary assets	**679.1**	**635.2**	**-6.5%**	**7.8%**
Investments in subsidiaries	**362.7**	**366.8**	**1.1%**	**4.5%**
TOTAL INVESTMENT ENTITY RISK	**7,626.5**	**8,168.9**	**7.1%**	**100%**
Investments by policyholders	281.1	298.0	6.0%	
Pension Plans and Mutual Funds	474.3	491.5	3.6%	
TOTAL INVESTMENT RISK TAKER	**755.4**	**789.4**	**4.5%**	
TOTAL FUNDS UNDER MANAGEMENT	**8,381.9**	**8,958.4**	**6.9%**	

Property investment reaches 972.4 million euros, accounting for 11.9% of the portfolio. Investment in property is maintained at amortized cost in the balance sheet. In order to have these properties cover technical provisions, and in accordance with current legislation, they are appraised periodically.

Under current legislation, property will be appraised every two years. The market values of properties listed in this report were calculated at most three years ago. Property appraisals result in a surplus of 506.9 million euros.

90% of the Group's property is located in areas considered as "prime" areas of the main Spanish cities. Also all of the property for use by third parties is located in these areas and has high occupancy rates.

The fixed income portfolio represents 55.3% of the company's total risk funds, with 4,520.7 million euros, up 9.9% over year-end 2013. Below is more detail on the portfolio.

The weight of public debt amounted to 57.7% of the same. Consequently, the weight of investment in corporate debt is 42.3%. Investment in Spanish bonds accounts for 54.9% of the total portfolio, 80.8% in government bonds and 19.2% in corporate bond spreads.

The high level of assets with BBB rating is for investments in the Kingdom of Spain. 41.4% of the portfolio is invested in assets rated A or higher. The average portfolio rating is BBB.

The weighted portfolio term, which measures the sensitivity to interest rates on fixed-income securities and represents the percentage of change that occurs in the market price of a bond for each point of variation in interest rates, stands at end-June at about 4.75 and the internal profitability rate is 3.80%.

See Annex detailing the bond portfolio by type of debt, rating, country and sector.

The equity investment stands at 878.5 million euros, accounting for 16.5% of the portfolio. The growth is due mainly to the strong performance of financial markets, which have boosted the value of these assets. The Group's equity portfolio is widely diversified and focused on Spanish and European large cap securities.

The Group holds a position of 661.5 million euros in deposits with credit institutions, representing 8.1% of the company's total risk fund.

The remaining investment item, at 133.9 million euros, is virtually the same amount as in at year-end 2013 and represents 1.6% of the company's total risk fund.

The Group continues to maintain a strong liquidity position. The investment stands at 635.2 million euros, accounting for 7.8% of the company's total risk fund. While the Balance Sheet, under the heading "Cash and short-term assets", details 425.6 million euros, in the breakdown of funds under management we include investment in monetary assets through mutual funds, which are included in the Balance Sheet under "Financial Investments".

Investments in subsidiaries totalled 366.8 million euros, accounting for 4.5% of our portfolio. This item contains the investment undertaken in the acquisition of 49% of the Plus Ultra Seguros share capital for 198.2 million euros.

Information about Plus Ultra Seguros

Below is information about the salient figures for the Plus Ultra Seguros business, since the Group includes 49% of its result as part of the Group's financial result.

For this period, the contribution of Plus Ultra Seguros to the Group has been 7.5 million euros.

Plus Ultra Seguros premiums have decreased by 1.1%, reaching 423.6million euros. This fact is especially noteworthy since it marks a watershed moment from previous years where billing was down. However, the business continues to apply pressure both due to Spain's weak economic situation and the measures taken to increase business profitability. In Life, Plus Ultra Seguros has grown by 21.3% achieving 83.4 million euros.

(million euros)

PREMIUMS	6M 2013	6M 2014	Chg.	% Chg. 13-14
Non Life	359.5	340.3	-19.2	-5.3%
Multirisk	128.6	119.8	-8.9	-6.9%
Auto	144.3	136.3	-8.0	-5.6%
Other Non Life	86.5	84.2	-2.3	-2.7%
Life	68.8	83.4	14.6	21.3%
PREMIUMS	**428.2**	**423.6**	**-4.6**	**-1.1%**

(*) Proforma 2013 including Click Seguros Business

The Plus Ultra Seguros net result net of taxes was 15.3 million euros, of which 15.6 million are considered recurring, compared to 13.1 million euros in the same period last year. This results represents an increase of 6.5% and 19.4% respectively.

The technical result after expenses presents substantial improvement over the previous year to 6.2 million euros. The combined ratio of non-life business stood at 98.9%, improving by 1.6 p. from end-June 2013, supported by an improvement in the technical cost (-2.7 p.). The financial result has decreased by 10.4% to 15.4 million euros.

(million euros)

RESULTS	6M 2013 (*)	6M 2014	% Chg. 13-14
Technical result after expenses	1.0	6.2	
Financial Result	17.2	15.4	-10.4%
Technical - Financial Result	**18.3**	**21.6**	**18.5%**
Recurring Result	**13.1**	**15.6**	**19.4%**
Non Recurring Result	**1.3**	**-0.3**	
Net Result after tax	**14.4**	**15.3**	**6.5%**

(*) Proforma 2013 including Click Seguros Business

See Annex featuring detail of ratios by line of business.

SHAREHOLDER REMUNERATION

Dividends

In relation to the distribution of 2013 profits, the Group has paid 0.5924 euros per share (71.1 million euros). This amount to increasing the amount by 4% with regard to FY 2012 results, which amounts to a pay-out of 32.2% and a dividend yield over attributable profit in 2013 of 2.3%.

The following table shows a breakdown of the various dividends for FY 2013 results.

DIVIDENDS - 2013 Results		
July 2013	P&L 2013	0.1101 €
October 2013	P&L 2013	0.1156 €
February 2014	P&L 2013	0.1156 €
May 2014	Supplementary Results 2013	0.2511 €
Total - Dividend per share		**0.5924 €**
TOTAL DIVIDENDS		**71,088,000 €**

In the Board of Directors held on June 26th, the Group approved the distribution of a gross dividend of EUR 0.1214 per share, which represents an increase of 10% to the amount distributed in the same period last year. On July 10 the payment was made.

Share performance

The table below shows the most important share price indicators until 30 June 2014.

SHARE PRICE (euros per share)	2013	6M 2014
Opening	13.77	26.02
Low	13.77	25.54
High	26.64	31.34
Closing	26.02	26.51
Average	19.62	28.20
RATIOS	**2013**	**6M 2014**
PER (Closing price / Attributable profit per share) (*)	14.12	13.72
ROE (Attributable profit / Shareholders' Equity , %) (*)	12.82	12.32
Dividend yield (Dividend / price , %) (**)	2.28	2.28
Pay-Out (Dividend / Attributable profit ; %) (**)	32.15	32.15
OTHER DATA (euros)	**2013**	**6M 2014**
Number of shares	120,000,000	120,000,000
Nominal share value	0.30	0.30
Average daily trading volme (nº shares)	176,921	181,181
Average daily trading (euros)	3,478,053	5,096,846
Dividend per share (euros)	0.59	0.59

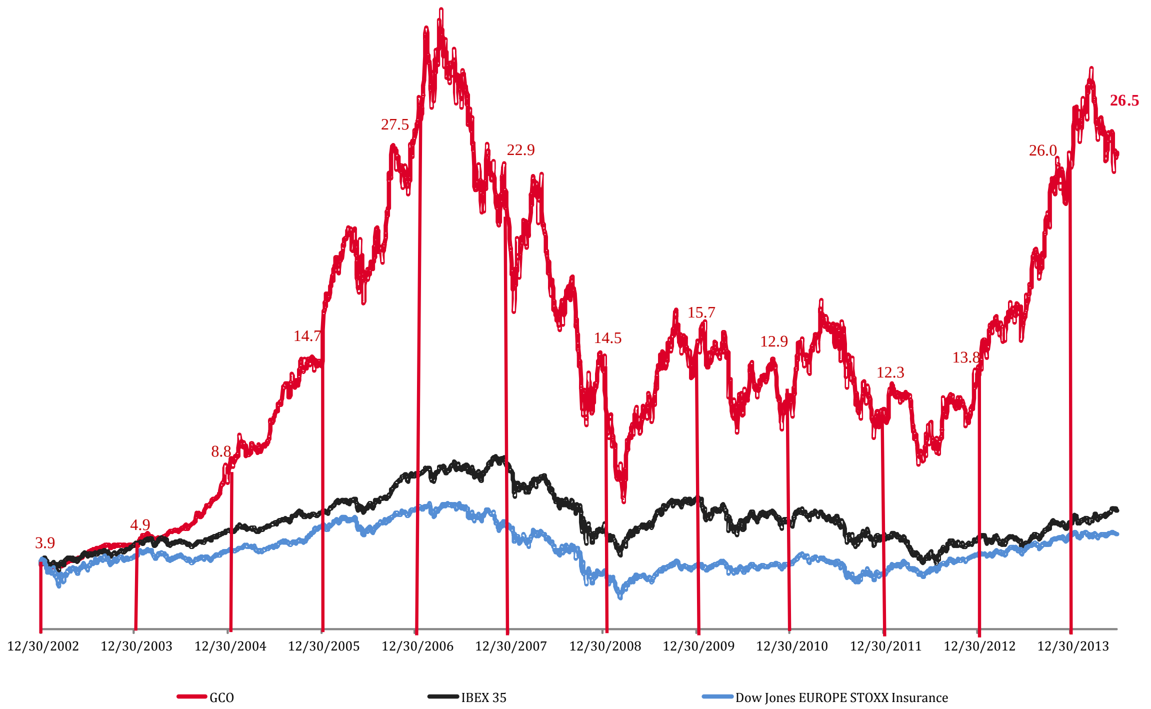
(*) MAT - Moving Annual Total attributable profit: Attributable profit in the last 12 months

(**) 2013 figures

Grupo Catalana Occidente, S.A. shares are listed on two Spanish stock exchanges, Barcelona and Madrid, being listed on the continuous market. Likewise, the stocks are also included in the Ibex Medium Cap index, with a weight of 7.6% at end-June 2014.

The Grupo Catalana Occidente, S.A. share price as of 30 June 2014 stood at 26.5 euros, up 1.88% since early this year. The Ibex ended the period 10.15% over the end of 2013. Meanwhile, the DJ Europe Stoxx Insurance Index, which measures changes in the share price of major European insurance companies, ended the period with a negative revaluation of 0.01%. The average daily trading volume has increased, reaching 181,181 shares with a market value of 5.1 million euros. The market capitalization of Grupo Catalana Occidente, S.A. at end-June was 3,181.2 million euros.

Share price performance from 30 Dec. 02 to 30 June 14



base 100: 30 Dec. 2002 Source: Bloomberg

EVOLUTION %	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	TACC 02-13	6M 2014
GCO	-7.21	23.56	78.50	67.27	86.48	-16.54	-36.67	8.27	-18.01	-3.88	12.22	88.96	18.83	1.88
IBEX 35	-28.11	28.17	17.37	18.20	31.79	7.32	-39.43	29.84	-17.43	-13.31	-4.66	21.41	4.61	10.15
DJ EUROPE STOXX Insurance	-51.23	10.41	7.89	30.50	17.18	-11.92	-46.60	12.44	-2.07	-18.35	32.92	28.86	3.45	-0.01

2014 Risks and Uncertainties

The European insurance sector faces pressure elements similar to those specified in the Annual Report 2013 which have, in fact, been around since 2008. The principal risks and uncertainties that the Catalana Occidente Group may face during 2014 are those associated with the insurance business itself, as well as macro-economic and financial situation in general. In this regard, we highlight the following as the most significant risks:

- Uncertainties relating to the prospects of economic growth for the key countries where the Group operates, which would basically affect the business volume.
- Impact of the liquidity and credit quality for companies, which may trigger greater claims frequency.
- Risk of sudden increase in the frequency and/or amount of bad debts which may result in an increase in claims and consequently, a decrease in results.
- Volatility and disruptions in the financial markets that would cause changes in interest rates, credit spreads, stock and foreign exchange prices. These could materialize adversely affecting the Group's financial position, its results and its liquidity and capital position.
- Declines in the value of properties, and consequently of the gains associated with them, would reduce the Group's overall solvency, without affecting the financial statements, because property has remained in the financial statements at their "amortized cost" value.
- New legislation and/or changes in existing laws to which the Group is subject could alter the business performance in various ways.

Grupo Catalana Occidente is strongly capitalized and reasonably protected in relation to the impacts that may be associated with various risks and uncertainties. This does not mean that the company would ever cease to continually analyse and review the various aspects that can be considered key to the Group's performance, both in the short and long term, in order to enable the Group to manage the impact of economic developments more flexibly and efficiently.

Corporate social responsibility

Grupo Catalana Occidente is governed by ethical principles and pursues sustainability objectives both in its social and environmental management. The Group sees transparency, continuous improvement, commitment to service and a close relationship with society as vital elements to the insurance management business.

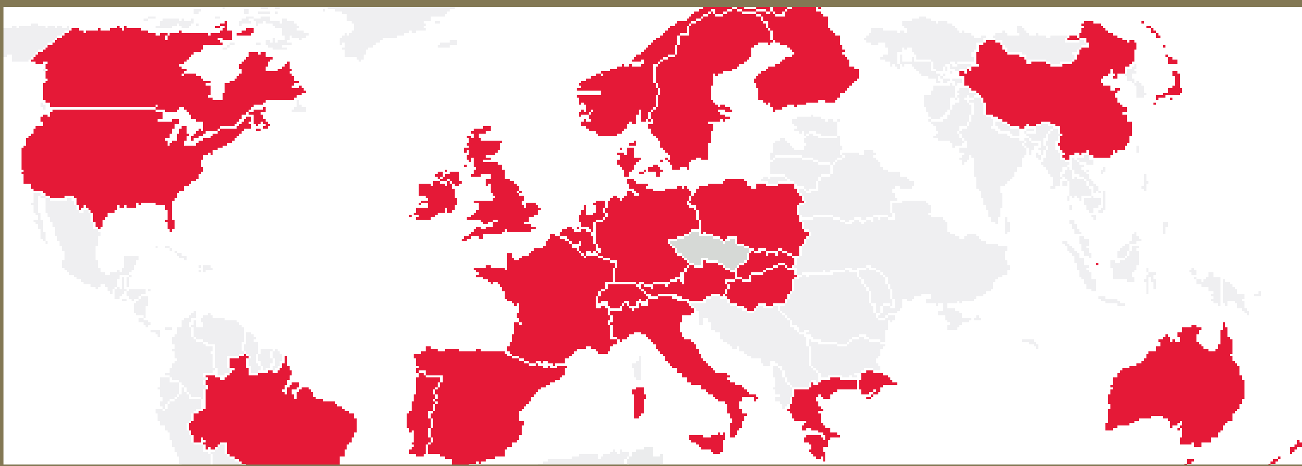
Grupo Catalana Occidente channels part of its commitment to society through the Jesús Serra Foundation. The Foundation operates in different areas and promotes projects related to business, teaching, research, culture, sports and social action.

As an insurance group, the environmental risk inherent to our business is not substantially relevant. Nevertheless, the Group approaches all its activities with a keen awareness of sustainable development, through the minimisation of waste, the use of biodegradable materials, the recycling of paper, the optimisation of energy consumption and the selection of suppliers.

ANNEXES

Additional information about GRUPO CATALANA OCCIDENTE (2013)

	Features	Business lines
Traditional Business	* Focused on Spain * Families and Small and Medium Enterprises * Network of professional agents * 2,492 employees * 1,043 offices	* Multirisk * Auto * Other Non-Life * Life and Financial Products * Health * Burial
Credit Insurance Business	* Presence in more than 40 countries * Companies * Agents & Brokers * 3,081 employees * 110 offices	* Credit Insurance * Surety * Credit Reinsurance



Results by business areas and quarters

(million euros)

	2009				2010				2011				2012				2013				2014			
RESULT BY BUSINESS AREAS	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Recurring revenue from the Traditional Business	33.0	50.1	27.7	27.8	25.5	32.1	30.8	23.5	27.9	35.5	31.0	18.6	30.0	32.8	31.8	23.5	29.3	33.9	36.5	23.0	29.1	39.2		
Recurring result from the Credit Insurance Business	-71.9	-33.0	10.0	14.1	30.1	26.4	41.1	28.7	55.6	42.7	17.3	2.7	28.5	32.0	23.3	20.7	29.9	32.0	26.1	38.2	41.9	40.8		
Non-Recurring Result	18.0	-0.4	-0.9	-36.6	2.2	2.1	-8.7	-24.6	-7.0	-8.5	1.8	24.1	2.9	-1.2	1.8	-3.2	4.4	-4.2	2.0	-7.1	-3.9	-9.0		
CONSOLIDATED PROFIT AFTER TAX	-20.9	16.7	36.8	5.3	57.8	60.6	63.2	27.6	76.5	69.7	50.1	45.4	61.4	63.6	56.9	41.0	63.6	61.5	64.6	54.2	67.1	71.1		
PROFIT ATTRIBUTED TO MINORITY INTERESTS	-39.4	-18.2	5.1	-10.8	7.7	8.8	7.1	4.3	12.5	8.3	3.9	6.5	7.4	7.1	4.2	4.1	6.2	5.0	5.2	6.5	7.5	6.1		
PROFIT ATTRIBUTED TO PARENT COMPANY	18.5	34.9	31.7	16.1	50.1	51.8	56.1	23.3	64.0	61.4	46.2	38.9	54.0	56.5	52.7	36.9	57.4	56.5	59.5	47.7	59.6	65.0		

Additional Information on Traditional Business

Combined Ratio Breakdown by Business lines

COMBINED RATIO	6M 2013	6M 2014	Change
Multirisk	**86.1%**	**85.7%**	**-0.4**
Underwriting cost	51.0%	49.3%	-1.7
Commissions	19.3%	19.5%	0.2
Expenses	15.8%	16.9%	1.1
Auto	**92.3%**	**91.8%**	**-0.5**
Underwriting cost	61.4%	59.7%	-1.7
Commissions	11.9%	11.8%	-0.1
Expenses	19.0%	20.3%	1.3
Other Non-Life	**84.2%**	**83.9%**	**-0.3**
Underwriting cost	38.9%	38.4%	-0.5
Commissions	17.6%	17.2%	-0.4
Expenses	27.7%	28.3%	0.6
Traditional business	**87.8%**	**87.4%**	**-0.4**
Underwriting cost	51.8%	50.2%	-1.6
Commissions	16.3%	16.4%	0.1
Expenses	19.7%	20.8%	1.1

Additional Information about the Credit Insurance Business

(million euros)

PREMIUMS BY COUNTRY	6M 2013	6M 2014	% Chg. 13-14	% of/ Total
Spain	180.1	183.4	1.9%	25.4%
Germany	71.0	71.0	0.0%	9.8%
Italy	51.4	50.0	-2.8%	6.9%
France	59.4	58.5	-1.4%	8.1%
Netherland	48.8	48.0	-1.6%	6.6%
United Kingdom	49.1	53.9	9.8%	7.5%
Rest of Europe	125.8	129.9	3.3%	18.0%
Asia & Australia	53.9	57.6	6.9%	8.0%
America	58.8	59.1	0.4%	8.2%
Rest of countries	10.1	10.6	5.7%	1.5%
Total Acquired Premiums	**708.3**	**722.1**	**2.0%**	**100.0%**

Combined Ratio Breakdown by Business lines

	Crédito y Caución			Atradius ex. CyC		
	6M 2013	6M 2014	Change	6M 2013	6M 2014	Change
Gross Combined Ratio	**80.0%**	**76.5%**	**-3.5**	**83.4%**	**61.4%**	**-22.0**
Technical Cost	42.1%	38.0%	-4.1	56.9%	34.7%	-22.2
Commissions + Expenses	37.9%	38.5%	0.6	26.5%	26.7%	0.2
Net Combined Ratio	**82.5%**	**78.1%**	**-4.4**	**87.5%**	**66.0%**	**-21.5**
Technical Cost	42.5%	39.5%	-3.0	55.8%	35.8%	-20.0
Commissions + Expenses	40.0%	38.6%	-1.4	31.7%	30.2%	-1.5

TPE (Potential Risk Exposure) Performance and Distribution by Country

Buyer's country	2007	2008	2009	2010	2011	2012	2013	6M2014	% Var.	% of total
Spain and Portugal	195,354	162,532	109,844	107,097	103,565	90,094	81,486	82,651	1.4%	16.9%
Germany	77,209	74,156	59,136	60,212	65,608	70,266	72,844	76,333	4.8%	15.6%
Australia and Asia	69,006	67,279	40,746	48,650	59,826	72,323	66,520	73,895	11.1%	15.1%
America	28,950	27,729	15,691	20,026	22,646	27,296	45,386	53,676	18.3%	11.0%
Eastern Europe	42,001	43,399	25,274	26,874	31,950	37,004	41,142	43,457	5.6%	8.9%
France	57,143	48,334	36,294	36,851	36,391	37,426	37,135	38,313	3.2%	7.9%
UK	44,788	33,755	20,705	23,736	25,988	28,760	34,619	33,890	-2.1%	6.9%
Italy	41,354	38,144	20,023	21,042	24,111	24,170	23,768	25,976	9.3%	5.3%
Nordic and Baltic Countrie	26,512	24,370	18,102	17,814	19,365	20,823	21,831	23,015	5.4%	4.7%
Netherlands	40,971	38,371	28,095	24,978	25,200	24,898	22,326	22,878	2.5%	4.7%
Belgium and Luxembourg	19,078	16,421	11,763	11,616	11,983	12,796	13,338	13,674	2.5%	2.8%
Total	**642,366**	**574,490**	**385,673**	**398,896**	**426,633**	**445,856**	**460,395**	**487,758**	**5.9%**	**100%**

Data in thousand million euros

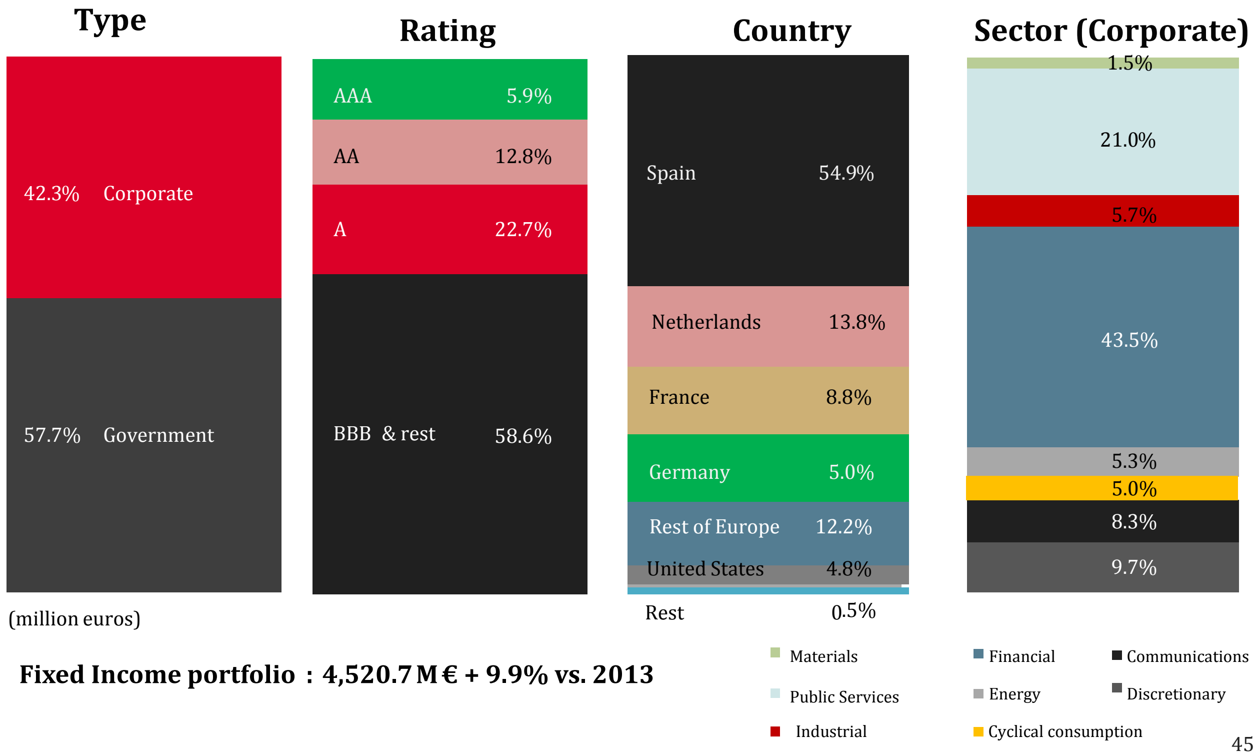
TPE (Potential Risk Exposure) Performance and Distribution by Industry

Industrial sector	2007	2008	2009	2010	2011	2012	2013	6M 2014	% Var.	% over Total
Chemicals	58,354	51,246	37,101	42,210	42,952	49,339	56,283	60,542	7.6%	12.4%
Electronics	48,187	51,169	32,139	36,064	43,740	50,957	55,912	58,723	5.0%	12.0%
Metals	72,566	66,846	39,469	45,232	47,972	54,037	50,907	54,288	6.6%	11.1%
Durable consumer goods	73,787	72,944	49,679	50,211	51,713	48,642	50,468	53,033	5.1%	10.9%
Food	63,126	52,747	42,105	40,556	42,566	40,476	42,564	45,255	6.3%	9.3%
Transport	38,196	39,959	26,793	28,217	34,145	35,248	38,366	40,811	6.4%	8.4%
Construction	93,864	64,198	37,168	32,576	21,850	35,287	33,459	35,969	7.5%	7.4%
Machinery	45,459	40,619	28,807	29,026	30,592	30,065	29,390	30,710	4.5%	6.3%
Agriculture	14,114	17,785	13,759	14,527	16,057	22,146	22,808	24,452	7.2%	5.0%
Services	40,069	28,108	21,497	20,317	21,914	20,974	21,386	21,609	1.0%	4.4%
Construction Materials	32,639	36,270	22,522	24,858	36,794	20,250	20,031	21,511	7.4%	4.4%
Textiles	30,182	23,519	13,982	13,825	13,883	16,101	16,261	17,034	4.8%	3.5%
Finance	15,719	15,011	11,567	12,142	12,105	11,453	11,755	12,125	3.1%	2.5%
Paper	16,104	14,069	9,085	9,135	10,350	10,881	10,805	11,696	8.2%	2.4%
Total	**642,366**	**574,490**	**385,673**	**398,896**	**426,633**	**445,856**	**460,395**	**487,758**	**5.9%**	**100%**

Data in thousand million euros

Additional Information on Investments

Detail of the Bond Portfolio



(million euros)

Fixed Income portfolio : 4,520.7 M€ + 9.9% vs. 2013

45

Additional information on Plus Ultra Seguros

Combined Ratio Breakdown by Business lines

COMBINED RATIO	6M 2013 (*)	6M 2014	Change
Multirisk	**101.0%**	**103.7%**	**2.7**
Underwriting cost	63.7%	64.9%	1.2
Commissions	24.0%	22.9%	-1.1
Expenses	13.4%	15.9%	2.5
Motor	**102.7%**	**96.9%**	**-5.8**
Underwriting cost	74.5%	70.5%	-4.0
Commissions	10.6%	10.2%	-0.4
Expenses	17.6%	16.2%	-1.4
Other Non-Life	**96.0%**	**95.4%**	**-0.6**
Underwriting cost	65.7%	59.9%	-5.8
Commissions	8.6%	20.4%	1.8
Expenses	11.7%	15.1%	3.4
Plus Ultra Combined Ratio	**100.5%**	**98.9%**	**-1.6**
Underwriting cost	68.6%	65.9%	-2.7
Commissions	17.1%	17.2%	0.1
Expenses	14.8%	15.8%	1.0

INTERIM CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

January to June 2014

GRUPO CATALANA OCCIDENTE, S.A AND SUBSIDIARIES

GRUPO CATALANA OCCIDENTE, S.A. AND SUBSIDIARIES
(Grupo Catalana Occidente)

CONSOLIDATED BALANCE SHEET AT JUNE 30, 2014
AND DECEMBER 31, 2013 (Notes 1 & 2)

(Figures in Thousands of Euros)

A C T I V O	12.31.2013 (*)		06.30.2014	
1. Cash and cash equivalents		**432,959**		**425,555**
2. Financial assets held for trading (Note 6.c.)		**21,281**		**16,197**
3. Other financial assets at fair value through profit or loss (Note 6.c.)		**259,701**		**281,651**
a) Debt instruments	-		-	
b) Investments held for the benefit of policyholders who bear the investment risk	259,701		281,651	
c) Loans	-		-	
d) Bank Deposits	-		-	
4. Available-for-sale financial assets (Note 6.c.)		**5,315,773**		**5,830,770**
a) Equity instruments	1,148,990		1,236,289	
b) Debt securities	3,972,909		4,379,073	
c) Loans	250		213	
d) Bank deposits	193,624		215,195	
e) Other	-		-	
5. Loans and receivables (Note 6.c.)		**1,189,999**		**1,254,694**
a) Loans and other financial assets	523,035		563,822	
b) Receivables	645,560		674,568	
c) Investments held for the benefit of policyholders who bear the risk	21,404		16,304	
6. Investments held to maturity		**-**		**-**
7. Hedging derivatives		**-**		**-**
8. Reinsurer participation in technical provisions (Note 6.e.)		**895,210**		**880,873**
9. Property, plant and equipment and investment property		**463,848**		**458,933**
a) Property, plant and equipment (Note 6.a.)	237,308		234,099	
b) Investment property (Note 6.a.)	226,540		224,834	
10. Intangible assets		**645,971**		**650,465**
a) Goodwill (Note 6.b.1)	581,420		581,607	
b) Policy portfolio acquisition costs	5,263		5,262	
c) Other intangible assets	59,288		63,596	
11. Investment in entities accounted for using the equity method (Note 6.d.)		**362,587**		**366,788**
12. Tax assets		**173,558**		**176,427**
a) Current tax assets	57,676		60,138	
b) Deferred tax assets	115,882		116,289	
13. Other assets		**340,536**		**404,509**
14. Assets held for sale		**-**		**-**
TOTAL A S S E T S		**10,101,423**		**10,746,862**

(*) Presented solely and exclusively for comparison purposes. See Note 2.e. Explanatory Notes

The accompanying Notes 1 to 7 are an integral part of the Consolidated Balance Sheet at June 30, 2014.

GRUPO CATALANA OCCIDENTE, S.A. AND SUBSIDIARIES
(Grupo Catalana Occidente)

CONSOLIDATED BALANCE SHEET AT JUNE 30, 2014
AND DECEMBER 31, 2013 (Notes 1 & 2)

(Figures in Thousands of Euros)

LIABILITIES AND EQUITY	12.31.2013 (*)		06.30.2014	
TOTAL LIABILITIES		**8,120,585**		**8,516,657**
1. Financial liabilities held for trading		**-**		**-**
2. Other financial assets at fair value through profit or loss		**-**		**-**
3. Trade and other payables		**607,067**		**608,409**
a) Subordinated liabilities (Note 6.f)	119,521		119,880	
b) Other payables	487,546		488,529	
4. Derivados de cobertura				
5. Technical Provisions (Note 6.e)		**6,905,463**		**7,179,965**
a) For unearned premiums	841,105		966,742	
b) For unexpired risks	-		-	
c) For life insurance				
- Provision for unearned premiums and unexpired risks	15,903		17,238	
- Mathematical provision	3,516,813		3,706,446	
- Provision for life insurance where the investment risk is borne by policyholders	281,105		297,925	
d) For claims	2,230,765		2,171,197	
e) For policyholder dividends and return premiums	5,711		5,203	
f) Other technical provisions	14,061		15,214	
6. Non Technical Provisions		**152,966**		**132,087**
7. Tax liabilities		**254,389**		**386,445**
a) Current tax liabilities	32,087		75,998	
b) Deferred tax liabilities	222,302		310,447	
8. Other Liabilities		**200,700**		**209,751**
9. Liabilities linked to assets held for sale		**-**		**-**
TOTAL EQUITY		**1,980,838**		**2,230,205**
Equity		**1,406,805**		**1,476,916**
1. Capital		**36,000**		**36,000**
2. Share Premium Account		**1,533**		**1,533**
3. Reserves		**1,194,024**		**1,346,786**
4. *Less: Treasury shares and participation units*		**18,725**		**17,421**
5. Profit or loss for previous years		**-**		**-**
6. Contributions from shareholders		**-**		**-**
7. Profit or loss for the year attributable to the parent		**221,057**		**124,586**
a) Consolidated profit or loss	243,867		138,152	
b) Profit or loss attributable to minority interests	22,810		13,566	
8. *Less: Interim Dividend*		**27,084**		**14,568**
9. Other equity instruments		**-**		**-**
Revaluation adjustments		**316,970**		**482,911**
1. Available-for-sale financial assets		352,190		533,142
2. Hedging Transactions		-		-
3. Exchange Differences		(9,533)		(7,940)
4. Correction of accounting mismatches		(46,047)		(67,518)
5. Entities accounted for using the equity method		20,939		25,806
6. Other adjustments		(579)		(579)
EQUITY ATTRIBUTABLE TO THE PARENT COMPANY (Note 6.h.)		**1,723,775**		**1,959,827**
MINORITY INTERESTS (Note 6.h.)		**257,063**		**270,378**
1. Revaluation adjustments		(3,043)		1,749
2. Rest		260,106		268,629
TOTAL EQUITY AND LIABILITIES		**10,101,423**		**10,746,862**

(*) Presented solely and exclusively for comparison purposes See Note 2.e. of the Explanatory Notes.
The accompanying Notes 1 to 7 are an integral part of the condensed consolidated balance sheet on June 30, 2014

GRUPO CATALANA OCCIDENTE, S.A. AND SUBSIDIARIES
(Grupo Catalana Occidente)

CONDENSED CONSOLIDATED INCOME STATEMENT BY SEGMENT CORRESPONDING TO THE SIX-MONTH PERIODS ENDING JUNE 30, 2014 AND 2013 (Notes 1 & 2)

(Figures in Thousands of Euros)

	1st. Half 2013 (*)	1st. Half 2014
1. Earned premiums for the year, net of reinsurance	854,200	857,844
2. Income from property,plant and equipment and investments	46,432	35,332
3. Other technical income	97,323	95,829
4. Claims incurred in the year, net of reinsurance	(463,935)	(425,563)
5. Change in other technical provisions, net of reinsurance	55	(1,152)
6. Provision for policyholder dividends and return premiums	-	-
7. Net operating expenses	(346,327)	(348,319)
8. Other technical expenses	(9,857)	(6,750)
9. Expenses arising from property, plant and equipment and investments	(20,041)	(14,883)
A) NON-LIFE RESULT	**157,850**	**192,338**
10. Earned premiums for the year, net of reinsurance	356,445	413,543
11. Income from property, plant and equipment and investments	87,895	94,168
12. Income from investments assigned to insurance policies in which policyholders bear the	-	-
investment risk	11,160	16,989
13. Other technical income	2,581	2,616
14. Claims incurred in the year, net of reinsurance	(275,136)	(265,127)
15. Change in other technical provisions, net of reinsurance	(118,839)	(205,904)
16. Provision for policyholder dividends and return premiums	680	249
17. Net operating expenses	(30,648)	(31,144)
18. Other technical expenses	(1,641)	(1,070)
19. Expenses arising from property, plant and equipment and investments	(8,484)	(6,720)
20. Expenses of investments assigned to insurance policies in which policyholders bear the investment risk	(6,497)	(1,790)
B) LIFE INSURANCE RESULT	**17,516**	**15,810**
C) RESULT ON TECHNICAL ACCOUNT	**175,366**	**208,148**
21. Income from property, plant and equipment and investments	(3,995)	(1,944)
22. Negative goodwill	-	-
23. Expenses arising from property, plant and equipment and investments	(2,566)	(6,624)
24. Other income	2,113	2,969
25. Other expenses	(5,833)	(6,820)
E) PROFIT BEFORE TAX	**165,085**	**195,729**
26. Income tax	(40,108)	(57,577)
F) PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS	**124,977**	**138,152**
27. Profit for the year from discontinued operations, net of taxes	-	-
G) CONSOLIDATED PROFIT FOR THE YEAR	**124,977**	**138,152**
a) Attributable to equity holders of the parent	113,867	124,586
b) Profit attributable to minority interests	11,110	13,566

	(Cifras en Euros)	(Cifras en Euros)
EARNINGS PER SHARE		
Basic	0.9687	1.0563
Diluted	0.9687	1.0563

(*)Presented solely and exclusively for comparative purposes. Unaudited balances. See Note 2-e Explanatory Notes

The Explanatory Notes 1-7 are an integral part of the consolidated condensed consolidated income statement for the six months ended June 30, 2014.

GRUPO CATALANA OCCIDENTE, S.A. AND SUBSIDIARIES
(Grupo Catalana Occidente)

CONDENSED CONSOLIDATED STATEMENT OF INCOME AND EXPENSES CORRESPONDING TO THE SIX-MONTH PERIODS ENDED ON JUNE 30, 2014 AND 2013 (Notes 1 & 2)

	First Half 2013 (*)	First Half 2014
A) CONSOLIDATED PROFIT FOR THE YEAR	**124,985**	**124,977**
B) OTHER RECOGNISED INCOME/(EXPENSE)	**(25,865)**	**13,832**
Items that will not be reclassified to results-		
Gains / (losses) on long-term benefits to employees	-	-
Income tax relating to items that not be reclassified	-	-
Items that may be reclassified subsequently to results-		
1. Available-for-sale financial assets:	**(49,525)**	**16,726**
a) Valuation gains/(losses)	(43,299)	23,718
b) Amounts transferred to the income statement	(6,226)	(6,992)
c) Other reclassifications	-	-
2. Cash flow hedges:	**-**	**-**
a) Valuation gains/(losses)	-	-
b) Amounts transferred to the income statement	-	-
c) Amounts transferred to the initial carrying amount of hedged items	-	-
c) Other reclassifications	-	-
3. Hedges of net investments in foreign operations:	**-**	**-**
a) Valuation gains/(losses)	-	-
b) Amounts transferred to the income statement	-	-
c) Other reclassifications	-	
4. Exchange differences	**4,241**	**(6,621)**
a) Valuation gains/(losses)	4,241	(6,621)
b) Amounts transferred to the income statement	-	-
c) Other reclassifications	-	-
5. Correction of accounting mismatches:	**4,447**	**9,897**
a) Valuation gains/(losses)	4,447	9,897
b) Amounts transferred to the income statement	-	-
c) Other reclassifications	-	-
6. Assets held for sale:	**-**	**-**
a) Valuation gains/(losses)	-	-
b) Amounts transferred to the income statement	-	-
c) Other reclassifications	-	-
8. Entities accounted for using the equity method:	**392**	**959**
a) Valuation gains/(losses)	392	959
b) Amounts transferred to the income statement	-	-
c) Other reclassifications	-	-
9. Other recognised income and expense	**(105)**	**-**
Income tax relating to items that may be reclassified	**14,685**	**(7,129)**
TOTAL RECOGNISED INCOME / (EXPENSE) (A + B)	**99,120**	**138,809**
a) Attributable to equity holders of the parent	**84,843**	**128,692**
b) Attributable to minority interests	**14,277**	**10,117**

(*) Presented solely and exclusively for comparison purposes. Balances not audited. See Note 2.e. of the Explanatory Notes.
The explanatory notes 1 to 7 attached are an integral part of the condensed consolidated income statement corresponding to the six-month period ended on June 30, 2013.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY CORRESPONDING TO THE SIX MONTH PERIODS ENDED JUNE 30, 2014, DECEMBER 31, 2013 AND JUNE 30, 2013 (Notes 1 and 2)

(Figures in Thousands of Euros)

	Equity attributable to equity holders of the parent						Minority Interests	Total net equity
	Equity					Revaluation adjustments		
	Capital or mutual fund	Share premium and Reserves	Treasury shares and participation units	Profit for the year attributable to equity holders of the parent	(Interim Dividends)			
Closing balance at December 31, 2012 (*)	**36,000**	**1,055,811**	**(21,332)**	**200,101**	**(26,424)**	**189,243**	**243,052**	**1,676,451**
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjustment for errors	-	-	-	-	-	-	-	-
Opening balance adjusted	**36,000**	**1,055,811**	**(21,332)**	**200,101**	**(26,424)**	**189,243**	**243,052**	**1,676,451**
I. Total recognised income/(expense) recognised on 1st. Half 2013	**-**	**-**	**-**	**113,867**	**-**	**14,825**	**10,117**	**138,809**
II. Transactions with members or shareholders	**-**	**-**	**(1)**	**-**	**(55,116)**	**-**	**(7,440)**	**(62,557)**
1. Capital increases/(decreases)	-	-	-	-	-	-	-	-
2. Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
3. Dividend distribution	-	-	-	-	(55,116)	-	(7,440)	(62,556)
4. Transactions with treasury shares or participation units (net)	-	-	(1)	-	-	-	-	(1)
5. Increases (decreases) due to business combinations	-	-	-	-	-	-	-	-
6. Other transactions with members or shareholders	-	-	-	-	-	-	-	-
III. Other changes in equity	**-**	**134,378**	**-**	**(200,101)**	**68,328**	**-**	**(2,586)**	**19**
1. Share-based payments	-	-	-	-	-	-	-	-
2. Transfers between equity components	-	131,773	-	(200,101)	68,328	-	-	-
3. Other changes	-	2,605	-	-	-	-	(2,586)	19
Closing balance at JUNE 30, 2013 (*)	**36,000**	**1,190,189**	**(21,333)**	**113,867**	**(13,212)**	**204,068**	**243,143**	**1,752,722**
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjustment for errors	-	-	-	-	-	-	-	-
Opening balance adjusted								
I. Total recognised income/(expense) recognised on 2st. Half 2013	**-**	**1,461**	**-**	**107,190**	**-**	**112,902**	**14,111**	**235,664**
II. Transactions with members or shareholders	**-**	**3,317**	**2,608**	**-**	**(13,872)**	**-**	**(93)**	**(8,040)**
1. Capital increases/(decreases)	-	-	-	-	-	-	-	-
2. Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
3. Dividend distribution	-	-	-	-	(13,872)	-	(93)	(13,965)
4. Transactions with treasury shares or participation units (net)	-	3,317	2,608	-	-	-	-	5,925
5. Increases (decreases) due to business combinations	-	-	-	-	-	-	-	-
6. Other transactions with members or shareholders	-	-	-	-	-	-	-	-
III. Other changes in equity	**-**	**590**	**-**	**-**	**-**	**-**	**(98)**	**492**
1. Share-based payments	-	-	-	-	-	-	-	-
2. Transfers between equity components	-	-	-	-	-	-	-	-
3. Other changes	-	590	-	-	-	-	(98)	492
Closing balance at DECEMBER 31, 2013 (*)	**36,000**	**1,195,557**	**(18,725)**	**221,057**	**(27,084)**	**316,970**	**257,063**	**1,980,838**
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjustment for errors	-	-	-	-	-	-	-	-
Opening balance adjusted 1st. January 2014	**36,000**	**1,195,557**	**(18,725)**	**221,057**	**(27,084)**	**316,970**	**257,063**	**1,980,838**
I. Total recognised income/(expense) recognised on 1st. Half 2014	**-**	**-**	**-**	**124,586**	**-**	**165,941**	**18,358**	**308,885**
II. Transactions with members or shareholders	**-**	**2,334**	**1,304**	**-**	**(58,572)**	**-**	**(4,672)**	**(59,606)**
1. Capital increases/(decreases)	-	-	-	-	-	-	-	-
2. Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
3. Dividend distribution	-	-	-	-	(58,572)	-	(9,458)	(68,030)
4. Transactions with treasury shares or participation units (net)	-	2,334	1,304	-	-	-	-	3,638
5. Increases (decreases) due to business combinations	-	-	-	-	-	-	4,786	4,786
6. Other transactions with members or shareholders	-	-	-	-	-	-	-	-
III. Other changes in equity	**-**	**150,428**	**-**	**(221,057)**	**71,088**	**-**	**(371)**	**88**
1. Share-based payments	-	-	-	-	-	-	-	-
2. Transfers between equity components	-	149,969	-	(221,057)	71,088	-	-	-
3. Other changes	-	459	-	-	-	-	(371)	88
Closing balance at JUNE 30, 2014	**36,000**	**1,348,319**	**(17,421)**	**124,586**	**(14,568)**	**482,911**	**270,378**	**2,230,205**

(*) Presented solely and exclusively for comparison purposes. See Note 2.e of the Explanatory Notes.
The explanatory notes 1 to 7 attached are an integral part of the condensed consolidated Statement of changes in Equity corresponding to the six month period ended on June 30, 2014.

GRUPO CATALANA OCCIDENTE, S.A. Y SOCIEDADES DEPENDIENTES
(Grupo Catalana Occidente)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT GENERATED IN THE SIX-MONTH PERIODS ENDED ON JUNE 30, 2014 AND 2013 (DIRECT METHOD) (Notes 1 and 2)

(Figures in Thousands of Euros)

	First Half 2013 (*)	First Half 2014
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3)	**216,530**	**200,484**
1. Insurance activities:	**260,359**	**427,178**
(+) Cash received from insurance activities	1,948,639	1,763,713
(-) Cash paid in insurance activities	(1,688,280)	(1,336,535)
2. Other operating activities:	**(3,721)**	**(179,262)**
(+) Cash received from other operating activities	2,112	50,154
(-) Cash paid in other operating activities	(5,833)	(229,416)
3. Income tax refunded/(paid)	**(40,108)**	**(47,432)**
B) CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2)	**(22,355)**	**(169,729)**
1. Cash received from investing activities:	**796,538**	**700,496**
(+) Property, plant and equipment	-	281
(+) Investment property	10,772	10,038
(+) Intangible assets	-	15
(+) Financial instruments	18,094	7,187
(+) Investments in equity instruments	-	-
(+) Subsidiaries and other business units	-	-
(+) Interest received	88,567	25,914
(+) Dividends received	12,347	7,284
(+) Other cash received in relation to investing activities	666,758	649,777
2. Other intangible assets	**(818,893)**	**(870,225)**
(-) Property, plant and equipment	-	(5,028)
(-) Investment property	(4,855)	(3,980)
(-) Intangible assets	-	(8,794)
(-) Financial instruments	(9,476)	(6,380)
(-) Investments in equity instruments	-	-
(-) Subsidiaries and other business units	-	(19,699)
(-) Other cash paid in relation to investing activities	(804,562)	(826,344)
C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2)	**(41,905)**	**(39,366)**
1. Cash received from financing activities:	**-**	**4,638**
(+) Subordinated liabilities	-	-
(+) Cash received from issue of equity instruments and capital increase	-	-
(+) Assessments received and contributions from members or mutual members	-	-
(+) Disposal of treasury shares	-	4,638
(+) Other cash received in relation to financing activities	-	-
2. Cash paid in investing activities:	**(41,905)**	**(44,004)**
(-) Dividends to shareholders	(41,904)	(44,004)
(-) Interest paid	-	-
(-) Subordinated liabilities	-	-
(-) Cash paid for return of contributions to shareholders	-	-
(-) Assessments paid and return of contributions to members or mutual members	-	-
(-) Purchase of own securities	(1)	-
(-) Other cash paid in relation to financing activities	-	-
D) EFFECT OF CHANGES IN EXCHANGE RATES	**-**	**1,206**
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	**152,270**	**(7,405)**
F) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	**379,888**	**432,960**
G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E+F)	**532,158**	**425,555**

COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	Primer semestre 2013 (*)	Primer semestre 2014
(+) Cash and short-term deposits	429,628	415,349
(+) Other financial assets	102,530	10,206
(-) Less : Bank overdrafts repayable on demand	-	-
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**532,158**	**425,555**

(*) Presented solely and exclusively for comparison purposes where applicable. Balances not audited. See Note 2.e. of the Explanatory Notes.
The explanatory notes 1 to 7 attached are an integral part of the condensed consolidated statement of cash flows corresponding to the six-month period ended on June 30, 2014.

EXPLANATORY NOTES ON THE INTERIM CONDENSED CONSOLIDATED HALF-YEAR

January to June 2014

GRUPO CATALANA OCCIDENTE, S.A AND SUBSIDIARIES

Grupo Catalana Occidente, S.A. and Consolidated Subsidiaries (Grupo Catalana Occidente)

Explanatory notes to the condensed consolidated financial statements that correspond to the six-month period ending on June 30, 2014.

1. General information on the Group and its business

1.a) Introduction

Grupo Catalana Occidente, Sociedad Anónima (hereafter, "the parent company") is a private entity subject to Spanish laws and regulations for insurance groups. The parent company is not directly involved in insurance activity, this is performed by companies of the Group which have the corresponding legal authority. These companies, together with the parent company and the other companies that carry out business complementary to the insurance or investment business, comprise Grupo Catalana Occidente (hereafter, "the Group").

The Articles of Association, and other public information on the Group, may be consulted on the corporate website: www.grupocatalanaoccidente.com and at the Company's registered offices, Avenida Alcalde Barnils, 63 in Sant Cugat del Vallès (Barcelona).

The 2013 consolidated annual financial statements of the Group were approved by the Annual General Meeting of Shareholders, which was held on April 24, 2014.

1.b) Grupo Catalana Occidente

Annexes I and II of the consolidated annual financial statements corresponding to the year ended December 31, 2013, provide relevant information on the companies of the Group that were consolidated on that date and those valued by the equity method.

Moreover, Note 5 of the Notes to the annual financial statements includes a description of the most significant acquisitions and sales of stakes in companies of the Group and associates by the Group during 2013.

2. Basis of presentation of the condensed consolidated half-year financial statements

2.a) Regulatory framework applied

Pursuant to Regulation (EC) no, 1606/2002 of the European Parliament and Council of July 19, 2002 all companies subject to the Legislation of a member state of the European Union, and whose shares are traded on a regulated securities market of any member state, must publish their consolidated annual financial statements, as from January 1, 2005, in accordance with the International Financial Reporting Standards (hereafter IFRS) previously adopted by the European Union.

The Group's 2013 annual consolidated financial statements were produced by the Board of Directors of the parent company at its meeting held on February 27, 2014, in accordance with the stipulations of the International Financial Reporting Standards approved by the European Union applying the principles of consolidation, accounting policies, and appraisal criteria, as described in Notes 2 and 3 of the Notes to these Consolidated Financial Statements, in such a way that they represent a true and fair view of the equity and financial situation of the Group on December 31, 2013 and the results of its operations, changes in equity and consolidated cash flows produced in 2013.

These consolidated, condensed half-year financial statements (hereinafter the half-year financial statements) are presented according to IAS 34 – Interim Financial Information and were produced by the Board of Directors on July 31, 2014, as established by the provisions of article 12 of Royal Decree (Real Decreto, hereafter "RD") 1362/2007.

Pursuant to IAS 34, the Group has produced interim financial reporting exclusively in order to update the content of the latest consolidated annual financial statements, emphasising the new activities, events and circumstances occurred during the half-year and not duplicating the information previously published in the last consolidated annual financial statements. In view of the foregoing, and in order to provide an adequate understanding of the information included in these condensed consolidated half-year financial statements, they should be read together with the 2013 consolidated annual financial statements of the Group.

The accounting policies and methods used in the production of these half-year financial statements has not changed significantly compared with those used in the consolidated annual financial statements of 2013.

2.b) New accounting principles and policies used in the condensed consolidated financial statements of the Group

New standards, modifications and interpretations adopted in 2014

Current standards and interpretations

New accounting standards have come into force in 2014 that the Group has, therefore, taken into consideration when preparing the condensed consolidated half-year financial statements.

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint agreements
- IFRS 12 Disclosure of holdings in other entities
- IAS 27(Revisded) Separate financial statements
- IAS 28 (Revised) Investments in affiliates and joint ventures
- Amendment to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and liabilities
- Amendments to IAS 36 - Disclosure of recoverable amount of non-financial assets
- Amendment to IAS 39 - Novation of derivatives and continued hedge accounting

The only impact of the entry into force of these rules in the condensed consolidated financial statements have been the inclusion in the consolidation of the entity Hercasol, SICAV, SA was considered an associated company and according to the new definition of control and the additional guidelines that gives NIIF10, then regarded a subsidiary.

Standards and interpretations issued but not yet effective

At the date of preparation of these condensed consolidated financial statements, the following standards and interpretations had been published by the IASB but had not yet entered into force, either because their effective date is subsequent to the date of the condensed consolidated financial statements or because they have not yet been adopted by the European Union:

New standards, amendments and interpretations		Mandatory Application
Approved for use in the European Union:		
IFRIC 21 Charges (published in May 2013)	Interpretation on when to recognize a liability for fees or charges that are conditional to the participation of the entity in an activity at a specified date.	Annual periods started from 17 June 2014 (*)
Not approved for use in the European Union:		
New rules		
IFRS 9 Financial Instruments:	Supersedes classification requirements, valuation of financial assets and liabilities, account cancellations and hedge accounting in IAS 39.	To be defined (**)
IFRS 15 Revenue from contracts with customers	New revenue recognition standard (supersedes IAS 11, IAS 18, IFRIC 13, IFRIC 15, IFRIC 18 and AIS 31)	Annual periods started from 1 January 2017
Amendments and/or interpretations		
Amendment to IAS 19 - Employee contributions to defined benefit plans	The amendment is issued to facilitate the possibility of deducting these contributions from the service cost in the same period in which they are paid if certain requirements are met.	Annual periods started from 1 July 2014.
Improvements to IFRS 2010-2012 Cycle and 2011-2013 Cycle	Minor modifications of a set of standards	Annual periods started from 1 July 2014
Amendment to IAS 16 and IAS 38 - Acceptable depreciation and amortization methods	It clarifies the acceptable methods of amortization and depreciation of tangible and intangible assets.	Annual periods started from 1 January 2016
Amendment to IFRS 11 - Accounting for acquisitions of holdings in joint ventures	It specifies the accounting method for the acquisition of a stake in a joint operation, whose activity constitutes a business.	Annual periods started from 1 January 2016

(*) The European Union has endorsed IFRIC 21 (EU Bulletin June 14, 2014), amending the original entry into force date established by the IASB (January 1, 2014) to June 17, 2014

(**) In November 2013 the IASB eliminated the mandatory implementation date for IFRS 9 pending establishment of a new date when the standard is complete. The new date is not expected to be any sooner than January 1, 2017.

The Group has not made plans for the anticipated application of the aforementioned standards and interpretations and in any case their application will be subject to consideration by the Group upon approval, if applicable, by the European Union.

Currently, the Group is considering the future impact of adopting the IFRS 9 standard. Providing a reasonable estimate of its effects is not possible until the analysis is complete and all the effects can be taken into consideration once the standard is completed and adopted by the European Union.

In addition the Administrators of the parent company have evaluated the potential impact of the future application of the other standards and consider their entry into force will not have a significant effect on the summarized consolidated balance sheets, except for mentioned above.

2.c) Estimates

The consolidated results, and the determination of the consolidated equity are sensitive to the accounting principles and policies, the appraisal criteria and the estimates used by the Board of Directors of the parent company in the production of the condensed consolidated half-year financial statements. The main accounting principles and policies and appraisal criteria are set out in Note 3 of the Notes to the 2013 annual consolidated financial statements.

On occasions, in preparing the half-year financial statements, judgments and estimates made by the Board and the management board of the parent company, and consolidated companies, have been used to quantify certain assets and liabilities, revenues, expenses and commitments registered by those companies. Basically, those estimates, produced with the best information available, refer to the reasonable value of certain financial assets and liabilities, impairment losses, the useful life of tangible and intangible assets, the measurement of consolidation goodwill, the actuarial hypothesis used in the calculation of pension commitments, the hypotheses used in the calculation of the liability adequacy test, the hypotheses used in transferring a portion of the unrealised gains on the portfolio of financial assets designated as "available for sale" or "at fair value through changes in profit or loss" to a higher amount of the life insurance provision, as well as the final liability derived from the incurred claims. Moreover, they also refers to profit tax expenses which, in accordance with IAS 34, is recognised in interim periods on the best estimate of the weighted average tax rate that the Group expects for the year.

Although the estimations previously described were performed according to the best information available at that time, it is possible that future events may oblige an amendment (up or down) at the end of the 2014 financial year or in later years; which would, if precise, and pursuant to IAS 8, prospectively recognise the effects of the change in estimation of the consolidated profit and loss account for the years affected.

During the six-month period ended June 30, 2014 no significant changes were made to the estimates made in the first half of 2013, nor from those carried out at the end of 2013, except from that indicated in these condensed consolidated half-year financial statements.

Reinsurance Contract with the Consorcio de Compensación de Seguros.

As of June 30, 2014 the estimate of obligation arising from this contract has been updated, resulting in a total of 22.2 million euros. This figure corresponds to an amount paid in the month of July of 8.7 million euros based on the 2013 experience account and an estimate of 13.5 million euros based on expected results for 2014. These amounts are recorded respectively under "Other liabilities - Liabilities from reinsurance operations" and under "Other liabilities - Accruals and deferrals" in the consolidated balance sheet herein. In terms of the amount of the liability recognised at 30 June, 2014, this valuation represents a higher expense in Non-life technical results of the period of 5.5 million euros, ex-tax (3.8 million euros net).

2.d) Contingent assets and liabilities

Notes 10 and 14 of the Notes to the Annual Consolidated Financial Statements of the Group corresponding to the year ending December 31, 2013 provide information on the contingent assets and liabilities on that date. During the first six months of 2014, no significant changes have occurred in the contingent assets and liabilities of the Group except those indicated in Note 2.c.

2.e) Comparison of information

The Condensed Consolidated Balance Sheet of June 30, 2014 and the Condensed Consolidated Income Statement of the six month period ended on the same date, as well as the rest of the statements that the Board of Directors has produced are presented comparatively with the statements of the previous year, in accordance with the groups, chapters and items of the latest consolidated financial statements of the year ending December 31, 2012. The information contained in these accounts corresponding to the year 2013 are presented exclusively for comparative effects with the relative information of the six month period ended on June 30, 2014, for all those chapters and concepts applicable.

2.f) Seasonability of the transactions of the Group

Given the activities that the companies of the Group carry out, their transactions are not marked by a strongly cyclical or seasonal character. For this reason, no specific disclosures have been included in these explanatory notes to the condensed consolidated financial statements that correspond to the six-month period ending on June 30, 2014.

2.g) Relative Importance

When determining the information to be divulged on the different items of the financial statements or other topics, the Group, in accordance with IAS 34, has considered the relative importance in terms of the condensed consolidated financial statements of the first half-year.

2.h) Post Balance Sheet Events

After the close of the six-month period until the date of preparation of these condensed consolidated financial statements have not produced facts that affect them significantly that are not already explained in the other notes thereto.

3. Financial information by segment

3.a) Revenue and Technical Costs Per Segment – Life and Non-Life

IFRS 8 – Segment Reporting confirms the principles governing the preparation of financial information by business lines and geographical area.

Segment information is presented according to the control, monitoring and internal management of the Group's insurance activities and results and is prepared for all the insurance lines and sub-lines which the Group operates, taking the Group's structure and organisation into account.

Pursuant to the requirements of IAS 34, below are the ordinary revenues and results of the main lines of business according the previous definition of the Group, related to the first half year of 2014, as well as the same information on the same period of the previous year:

Business Segment	Ordinary Revenues		Profit before tax	
	1st Half-Year 2013	1st Half-Year 2014	1st Half-Year 2013	1st Half-Year 2014
Non-life (*)	1,302,778	1,311,433	157,850	192,338
Life (**)	447,376	510,869	17,516	15,810
Other activities (***)	(3,995)	(1,944)	(10,281)	(12,419)
Total	**1,746,159**	**1,820,358**	**165,085**	**195,729**

(*) Ordinary revenues from the Non-Life segment includes the earned premiums from direct business of Non-Life insurance, revenues from investments assigned to this segment, as well as other technical revenues earned by Atradius, N.V.

(**) Ordinary revenues from the Life segment include the earned premiums from direct business of Life insurance and revenues from investments assigned to this segment.

(***) Ordinary revenues from the Other activities sector includes revenues from the investments assigned to this segment.

In addition to the volume of ordinary revenues, the Group has managed payments to pension plans and investment funds, not reflected in the condensed consolidated income statement, amounting to 21,856 thousand euros during the period (13,522 thousand euros in the previous equivalent period).

Both the assets and liabilities of the segments as well as the revenues and expenses were set before the elimination of the balances and intra-group transactions carried out in the consolidation process, except when those balances and transactions were undertaken between companies within one segment. This is the prevailing scenario in the Group, with all intra-group transactions being carried out at current market prices.

3.b) Premiums by geographical segment

The secondary segments defined by the Group correspond, basically, to the location of the insured clients in the European Union and other countries, belonging or not to the OECD:

Geographical Area	Distribution of earned premiums in the period, net of reinsurance per geographical area			
	1st Half-Year 2013		1st Half-Year 2014	
	Non-Life Segment	Life Segment	Non-Life Segment	Life Segment
Domestic market	553,663	353,431	543,664	411,005
Export:				
a) European Union	243,562	-	251,885	
b) OECD countries	39,748	-	43,082	
c) Other countries	17,227	3,014	19,213	2,538
Total	**854,200**	**356,445**	**857,844**	**413,543**

4. Dividends paid and earnings per share

4.a) Dividends paid by the parent company

Below are the dividends agreed by the parent company during the first six months of 2014 and 2013 and their date of payment, which correspond to dividends agreed on the 2014, 2013 and 2012 results, as appropriate:

Government Body	Date of Agreement	Date of Payment	Type of Dividend	Per share in Euros	Total (thousand euros)
Board of Directors	01/31/2013	02/14/2013	3rd Interim dividend 2012	0.1101	13,212
Annual General Meeting	04/25/2013	05/09/2013	Supplementary 2012	0.2391	28,692
Board of Directors	06/27/2013	07/10/2013	1st Interim dividend 2013	0.1101	13,212
1st Half-Year Total 2013					**55,116**

Government Body	Date of Agreement	Date of Payment	Type of Dividend	Per share in Euros	Total (thousand euros)
Board of Directors	01/30/2014	02/13/2014	3rd Interim dividend 2013	0.1156	13,872
Annual General Meeting	04/24/2014	05/15/2014	Supplementary 2013	0.2511	30,132
Board of Directors	06/26/2014	07/10/2014	1st Interim dividend 2014	0.1214	14,568
1st Half-Year Total 2014					**58,572**

The provisional financial statements produced by the parent company in accordance with the legal requirements, declaring the existence of sufficient resources to distribute the interim dividends, are as follows:

	Thousands of Euros			
	Jan, 30, 2013	June 26, 2013	January 29, 2014	June 25, 2014
Amount of available and realisable assets	100,957	59,531	44,784	57,278
Amount of callable liabilities (*)	54,958	47,829	42,918	28,780
Estimated surplus liquidity	45,999	11,702	1,866	28,498

(*) Includes the interim dividend proposed on each date

The completed dividend payouts broken down in the table above, comply with the requirements and limitations established by the current legal framework and Articles of Association.

4.b) Earnings per share in continued and discontinued activities

The earnings per share are determined by dividing the net result attributable to the Group by the weighted average of ordinary shares outstanding during the period, excluding the average number of treasury shares held over that time.

The earnings per share of continuing and discontinued operations on June 30, 2014 and 2013 are as follows:

	1st Half-Year 2013	1st Half-Year 2014
From continued and discontinued operations:		
Net profit attributable to equity holders of the parent company (thousand euros)	113,867	124,586
Weighted average number of shares issued (thousands of shares)	120,000	120,000
Less:Weighted treasury shares (thousands of shares) (*)	(2,454)	(2,054)
Weighted average number of shares outstanding (thousands of shares)	117,546	117,946
Earnings per share (Euros)	**0.97**	**1.06**
From discontinued operations:		
Net profit attributable to equity holders of the parent from discontinued operations (thousands of euros)	-	-
Earnings per share (Euros)	**0.97**	**1.06**

(*) Refers to treasury shares held in treasury stock for the different periods.

As there are no stock options, warrants or other equivalent instruments that might cause a potential dilutive effect on the shares of the parent, the earnings per share figure is the same as the diluted earnings per share in the different periods presented.

5. Remuneration and other benefits of the board of directors and management board of the parent company

Note 20 of the Notes to the Annual Consolidated Financial Statements of the Group which correspond to year end December 31, 2013, explains the remuneration and other benefits paid to the members of the Board of Directors of the parent company of the companies in 2013.

Below is a summary of the most important information on the remuneration and benefits that corresponds to the six-month period ending on June 30, 2014 and 2013: .

Remuneration to members of the Board of Directors

Members of the Board of Directors	Thousands of Euros	
	1st Half-Year 2013	1st Half-Year 2014
Remunerative concept		
Fixed remuneration	608	766
Variable remuneration	-	-
Allowances	328	345
Bylaws	-	-
Transactions with shares and/or other financial instruments	-	-
Other (*)	6	10
	942	**1,121**

Other Board Members' retributions

Members of the Board of Directors	Thousands of Euros	
	1st Half-Year 2013	1st Half-Year 2014
Other benefits-	-	-
Advances	-	-
Loans	-	-
Pension schemes and funds: Contributions	-	-
Pension schemes and funds: Liabilities incurred	-	-
Life insurance premiums	156	89
Guarantees provided in favour of Board Members	-	-

Remuneration of members of the senior management, excluding members of the Board of Directors

Senior Management	Thousands of Euros	
	1st Half-Year 2013	1st Half-Year 2014
Total remuneration received by senior management	577	927

In the production of these Interim condensed consolidated financial statements, and the effects of the above table, 7 people were considered as senior executives at 30 June 2014 (4 people at June 30, 2013).

On June 30, 2014 there have been no advances or loans granted by the Parent company to the members of the Board of Directors, nor have any liabilities been incurred by these members as security.

6. Information on certain items of the condensed consolidated financial statements

6.a) Property Investments and owner occupied property.

The disclosure by type of items that make up the balance of this segment and sub segment of the condensed consolidated income statement, on June 30, 2014 is as follows (in thousands of euros):

Details of Net Book Value on June 30, 2014:	Owner-Occupied Property	Property investments, third party use
Cost at June 30, 2014	241,380	300,494
Accumulated Depreciation on June 30, 2014	(59,508)	(75,134)
Impairment Losses	(6,738)	(526)
Net book value at June 30, 2014	175,134	224,834
Market value	323,741	583,108
Net unrealised gains on June 30, 2014	148,607	358,274

On June 30, 2014, the Group holds full ownership of these properties. None of the properties are affected by a guarantee of any type. Moreover, the Group has no agreements in place to acquire new property.

During the first six months of 2014 there have been no impairment losses of property and plant.

During the same period last year there were impairment losses on tangible assets and material investments amounting to 267 thousand euros.

The market value of the properties has been obtained from appraisal reports performed by independent experts under the current rules, which determine the maximum from 3 to 2 years. For properties situated in Spain, the prior market value has been determined in accordance with the Order ECO/805/2003, of March 27, partially amended by Order EHA 3011/2007, of October 4, on rules for the valuation of property and determined rights for certain financial purposes.

Additional, on June 30, 2014, the balance corresponding to the tangible assets of own use gathers 58.965 thousands of Euros for furniture and installations, equipment for data processing and improvements in own buildings, among others.

6.b) Intangible Assets

The Group has goodwill on consolidation to the value of 581,607 thousand euros at June 30, 2014 together with other intangible assets, totalling 68,858 thousand euros.

6.b.1) Goodwill on consolidation

The disclosure of goodwill according to the generating company is as follows:

Companies	Thousands of Euros	
	12/31/2013	06/30/2014
Fully consolidated companies:		
Lepanto, S.A. Cía, de Seguros y Reaseguros S.A. Nortehispana de Seguros y Reaseguros, S.A. (*)	25,945	25,945
Bilbao Compañía Anónima de Seguros y Reaseguro	94,398	94,398
Atradius N.V. – Crédito y Caución	459,544	459,531
Others	1,533	1,733
Gross Total	**581,420**	**581,607**
Less: Impairment Losses	-	-
Net Book value	**581,420**	**581,607**

(*) Corresponds to the residual goodwill that was established for both companies together on acquisition of the companies Lepanto and Nortehispana. At the end of 2006, Lepanto was absorbed by Seguros Catalana Occidente, S.A. de Seguros y Reaseguros.

During the first six months of 2014 there have been no impairment losses that affect goodwill on consolidation. According to the estimations and projections that the Board of Directors and Management Board of the parent company have available, the prediction of revenues and cash flow attributable to the Group from these companies will support the net value of the registered goodwill.

6.c) Financial Investments

On the next page is the disclosure of the financial assets of the Group, apart from the balances included in the sections " Investments accounted for using the Equity method, and certain receivables presented in different sections and sub sections of condensed consolidated balance sheet on June 30, 2014 and December 31, 2013, presented by their nature and categories for valuation purposes:

Investments classified by category of financial asset and by type	06/30/2014				
	Financial Assets held for trading (HFT)	Other financial assets at fair value through profit or loss (FVPL)	Available-for-Sale financial assets (AVS)	Loans and receivables (LR)	Total at 06/30/2014
FINANCIAL INVESTMENTS:	**16,197**	**281,651**	**5,830,770**	**580,126**	**6,708,744**
Equity Instruments					
- Financial Investments in Equity	-	-	518,749	-	**518,749**
- Stakes in mutual funds	-	-	717,540	-	**717,540**
Debt securities	-	-	4,379,073	-	**4,379,073**
Derivatives	16,197	-	-	-	**16,197**
Investments by policyholders assuming the investment risk	-	281,651	-	16,304	**297,955**
Loans	-	-	213	80,223	**80,436**
Other non-published financial assets of prices	-	-	-	4,352	**4,352**
Deposits with credit institutions	-	-	215,195	446,309	**661,504**
Deposits for accepted reinsurance accepted	-	-	-	32,938	**32,938**
CREDITS:	-	-	-	**674,568**	**674,568**
Receivables arising from insurance operations direct and coinsurance	-	-	-	283,165	**283,165**
Receivables arising from reinsurance operations	-	-	-	16,447	**16,447**
Other receivables	-	-	-	374,956	**374,956**
Total	**16,197**	**281,651**	**5,830,770**	**1,254,694**	**7,383,312**

Investments classified by category of financial asset and by type	12/31/2013				
	Financial Assets held for trading (HFT)	Other financial assets at fair value through profit or loss (FVPL)	Available-for-Sale financial assets (AVS)	Loans and receivables (LR)	Total at 12/31/2013
FINANCIAL INVESTMENTS:	**21,181**	**259,701**	**5,315,773**	**544,439**	**6,141,194**
Equity Instruments					
- Financial Investments in Equity	-	-	401,713	-	401,713
- Stakes in mutual funds	-	-	747,277	-	747,277
Debt securities	-	-	3,972,909	-	3,972,909
Derivatives	21,281	-	-	-	21,281
Investments by policyholders assuming the investment risk	-	259,701	-	21,404	281,105
Loans	-	-	250	72,225	72,475
Other financial assets without publication of prices	-	-	-	4,225	4,225
Deposits with credit institutions	-	-	193,624	406,852	600,476
Deposits for accepted reinsurance accepted	-	-	-	39,733	39,733
CREDITS:	**-**	**-**	**-**	**645,560**	**645,560**
Receivables arising from insurance operations direct and coinsurance	-	-	-	236,418	236,418
Receivables arising from reinsurance operations	-	-	-	21,438	21,438
Other receivables	-	-	-	387,704	387,704
Total	**21,281**	**259,701**	**5,315,773**	**1,189,999**	**6,786,754**

During the first six months of 2014, impairment losses have been recognised for equity instruments worth 17,000 euros. In the first half of 2013 impairment losses were 1,910 thousand euros.

Most of the revaluations recognised with a payment or charge to reserves and the condensed consolidated profit and loss account, net of the corresponding tax effect and the involvement of external partners, have occurred through financial instruments traded on organised markets (Level 1 fair value). The remaining amount has originated financial instruments whose fair value was calculated using valuation techniques based on observable market data directly or indirectly (Level 2 fair value).

6.d) Investments accounted for using the equity method (equity-accounted associates)

The composition and movements during the first six months of 2014 of those investments in the capital of companies over which the Group exercises significant influence is as follows:

Society	Thousands of Euros				
	Balances 12/31/2013	Additions and removals from consolidation scope	Increases due to profit for the year	Other changes due to valuations	Balances 06/30/2014
Plus Ultra Seguros Generales y Vida, S.A. de Seguros y Reaseguros (1)	239,886	-	5,689	5,194	250,769
Hercasol, S.A. SICAV	6,524	(6,524)	-	-	-
Asitur Asistencia, S.A.	3,431	-	152	(6)	3,577
Sersanet Red de Servicios Sanitarios, S.A.	305	(268)	(37)	-	-
Calboquer, S.L.	12	-	(9)	25	28
Gesiuris, S.A. S.G.I.I.C. (2)	3,032	-	83	(15)	3,100
Graydon Holding NV, Amsterdam (3)	72,363	-	140	(1,855)	70,648
CLAL Credit Insurance, Tel Aviv (3)	8,238	-	513	170	8,921
Compañía de Seguros de Crédito Continental S.A., Santiago de Chile (3)	26,090	-	2,586	(1,297)	27,379
The Lebanese Credit Insurer S.A.L,, Beirut (3)	2,706	-	(332)	15	2,389
Inversiones Credere S.A., Santiago de Chile(4)	-	-	-	(23)	(23)
Gross Total	**362,587**	**(6,792)**	**8,785**	**2,208**	**366,788**
Impairment Losses	**-**	-	-	-	**-**
Net Total	**362,587**	**(6,792)**	**8,785**	**2,208**	**366,788**

(1) Includes goodwill totalling 76,003 thousand euros
(2) Includes goodwill totalling 1,836 thousand euros.
(3) Participated through the company Atradius N.V.
(4) Spin-off of Compañía de Seguros de Crédito Continental, S.A.

The profit share, after tax, which corresponds to the Group in 2014 amounts to 8,785 thousand euros (11,654 thousand euros in the same period of the previous year) and is presented under the heading "Result of the Company where the Group has a minority stake" of the profit and loss account according to the segment to which the investments are assigned.

6.e) Technical provisions

A breakdown of the provisions established at June 30, 2014 and their movements respect to the year ended December 31, 2013 are shown below together with Reinsurers' participation.

Provision	Thousands of Euros			
	Balances at 12/31/2013	Provisions charged against profit	Amounts released with a credit to profit	Balances at 06/30/2014
Technical Provisions:				
Unearned premiums	841,105	966,742	(841,105)	966,742
Provision for unexpired risks	-	-	-	-
Life insurance:				
- For life insurance (*)	3,532,716	3,723,684	(3,532,716)	3,723,684
- For life insurance where the risk is borne by policyholders	281,104	297,925	(281,104)	297,925
Provisions	2,230,765	2,171,197	(2,230,765)	2,171,197
Provision for policyholder dividends and return premiums	5,711	5,203	(5,711)	5,203
Other technical provisions	14,061	15,214	(14,061)	15,214
	6,905,463	**7,179,965**	**(6,905,463)**	**7,179,965**
Reinsurer's share of Technical provisions (ceded):				
Provisions for unearned premiums	144,891	163,442	**(144,891)**	163,442
Life insurance provision	1,372	1,570	**(1,372)**	1,570
Claims provision	748,947	715,861	**(748,947)**	715,861
Other technical provisions	-	-	-	-
	895,210	**880,873**	**(895,210)**	**880,873**

(*) On June 30, 2014 includes 17,238 thousand euros corresponding to provisions for unearned premiums for products with coverage of less than one year.

The movement of the provision for profit sharing from the mathematical provision has not been significant in the first half of 2014, in the same way as the previous year.

6.f) Subordinated liabilities

Subordinated liabilities exclusively include the subordinated debt emissions issued by Atradius Finance B.V.

In September 2004 Atradius Finance B.V. issued subordinated bonds to the amount of 120,000 thousand euros. Atradius may redeem the bonds, in whole or in part, on September 3, 2014 and thereafter on each interest payment date. Unless an early redemption thereof occurs, the bonds will be redeemed at maturity on September 3, 2024. The bonds pay a fixed rate of 5.875% per annum, payable annually during the first ten years. From that point on, the floating rate will be based on Euribor plus a margin of 275 base points per annum, payable quarterly for the remaining 10 years. The bonds are guaranteed by Atradius N.V. and Atradius Credit Insurance N.V.

The Group company Atradius Finance BV has announced that the September 3 exercise the option to amortize the bond current 120 million. The Group is studying that Atradius issues a new bond taking advantage of the conditions of market.

6.g) Provisions for Risks and Expenses

The Group has no complaints, trials, or law suits of any significance, other than those specified in the interim financial statements, except those that correspond to the nature of the insurance business, and in this case, they are duly valued and included, where necessary, in the claims provisions, which individually imply damage or that may affect the consolidated financial statements as well as contingent liabilities that could involve the Group in law suits or involve the imposition of sanctions or penalties with a significant effect on the company's Equity.

6.h) Equity

6.h.1) Capital

The parent company's registered share capital, on June 30, 2014, stands at 36,000 thousand euros consisting of 120,000,000 fully subscribed and paid in book entry shares of 0.30 euros par value each represented in book-entry form. All shares have the same rights, and the parent company may issue shares without voting rights.

The shareholders owning 10% or more of the parent's share capital on June 30, 2014 were as follows:

	Percentage of shareholding
Corporación Catalana Occidente, S.A.	26.13%
La Previsión 96, S.A.	25%

INOC, S.A. which owns 100% of the companies in the above table, direct and indirectly owns 57.03% of the parent company on June 30, 2014 and belongs to a group whose parent is CO Sociedad de Gestión y Participación, S.A.

During the first half-year of 2014 and during the previous year, no significant movements occurred in the share capital of the parent or in the percentages of ownership interest shown in the above table.

6.h.2) Reserves and Other reserves for changes in accounting criteria

The condensed consolidated statement of changes in equity, attached to this half-year financial statement, includes details of the balances of the reserves for accumulated retained earnings at the start of financial year 2013 and on June 30, 2014 as well as the movements produced during the periods and the reconciliations between the amounts for each class of equity and for each class of reserves, informing separately on each movement that is produced.

6.i) Tax Situation

The calculation of the expense for profit tax in the first half 2014 is based on the best estimate of the average tax rate that will be applicable on the expected result of the year 2014. To do so, the amounts calculated for the tax expense for the current interim period may be adjusted in later periods should the annual interest rate estimates change.

In the first half of 2014 there has not been some variation in relation to the 2011 tax inspection and the corrresponding appeal filed by Grupo Catalana Occidente. In connection with the 2013 tax inspection, on June 3, 2014 Grupo Catalana Occidente has received from the tax authorities an amendment agreement increasing the amount of the minutes in 7,523 thousand euros, against which the Group has filed an appeal on June 18, 2014.

Other contingent tax liabilities might arise as a consequence of an eventual different interpretation of the tax regulations applicable to the years open to tax inspection, which cannot be objectively quantified. However, the Directors of the Company believe that the tax debt, if any, that could eventually materialize, would not have a material effect on the interim financial statements. (See Note 10.e of the 2013 consolidated financial statements).

6.j) Related Party Transactions

In addition to dependent entities, associates and multi-group, the following are also considered “related parties”; “key personnel” of the Management of the Group (members of its Board of Directors and the Management Board together with their close families), as well as those entities over which the key personnel may exercise a significant interest or control.

Operations between companies of the consolidated Group

During the first half-year 2014, there have been no relevant operations by the company with other companies in the same Group that have not been eliminated in the process of producing the consolidated financial statements and that do not form part of the normal business of the company.

All the significant reciprocal translations have been duly eliminated in the process of consolidation.

6.k) Stocks and Treasury Shares

The balance of this subheading, which is deducted from the equity attributable to the shareholders of the parent company’s consolidated balance sheet on June 30, 2014, and December 31, 2013 in accordance with the reporting requirements established by IAS 32, corresponds to the shares of the Group held, exclusively, by the Group company Salerno 94, S.A.

The total of Group shares owned by the company of the Group Salerno 94, S.A. on June 30, 2014 represents 1.67% of the capital issued as of that date (1.80% as of December 31 2013). These shares are available-for-sale in order to safeguard liquidity. There are no more Grupo Catalana Occidente S.A. shares held by other Group companies or third parties that operate on their behalf. Additionally, on June 30, 2014, neither the parent company, nor the companies of the Group held obligations based on the payment of shares of the parent company.

The evolution of the movements of purchasing and sales made by 94 Salerno, SA during the first half of 2014 and the previous comparative period has been the following:

	Thousands of Euros		Number of shares
	Acquisition Cost	Book Value	
Balance on January 1, 2013	**21,332**	**736**	**2,454,222**
Additions	1		60
Withdrawals	-	-	-
Balance on June 30, 2013	**21,333**	**736**	**2,454,282**
Additions			
Withdrawals	(2,608)	(90)	(300,000)
Balance on January 1, 2014	**18,725**	**646**	**2,154,282**
Additions	-	-	-
Withdrawals	(1,304)	(45)	(150,000)
Balance on June 30, 2014	**17,421**	**601**	**2,004,282**

7. Other information

The average number of employees of the parent company and companies of its Group on June 30, 2014 and 2013, distributed by gender, is as follows:

	Number of people	
	06/30/2013	06/30/2014
Men	3,047	3,132
Women	2,709	2,672
Total	**5,756**	**5,804**

The Board of Directors of the parent company is made up of 9 individual members, 8 men and 1 woman, and 7 corporate members, represented physically by 7 men.

AUDITOR’S LIMITED REVIEW REPORT

January to June 2014

GRUPO CATALANA OCCIDENTE, S.A AND SUBSIDIARIES

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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of Grupo Catalana Occidente, S.A. at the request of the Board of Directors:

Report on the half-yearly condensed consolidated financial statements

Introduction

We have performed a limited review of the accompanying half-yearly condensed consolidated financial statements ("the half-yearly financial statements") of Grupo Catalana Occidente, S.A. ("the Parent entity") and Subsidiaries ("the Group"), which comprise the condensed consolidated balance sheet at 30 June 2014 and the related condensed consolidated income statement, condensed consolidated statement of recognised income and expense, condensed consolidated statement of changes in total equity, condensed consolidated statement of cash flows and explanatory notes thereto for the six-month period then ended. The directors of the Parent entity are responsible for the preparation of these half-yearly financial statements in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these half-yearly financial statements based on our limited review.

Scope of the review

We conducted our limited review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A limited review is substantially less in scope than an audit conducted in accordance with the audit regulations in force in Spain and, consequently, it does not enable us to obtain assurance that we would have become aware of all significant matters that might have been identified in an audit. Accordingly, we do not express an audit opinion on the accompanying half-yearly financial statements.

Conclusion

As a result of our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing came to our attention that might cause us to believe that the accompanying half-yearly financial statements for the six-month period ended 30 June 2014 were not prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, pursuant to Article 12 of Royal Decree 1362/2007, for the preparation of interim condensed financial statements.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Emphasis of matter paragraph

We draw attention to Note 1 to the accompanying half-yearly condensed consolidated financial statements, which indicates that the aforementioned accompanying half-yearly financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying half-yearly financial statements should be read in conjunction with the Group's consolidated financial statements for the year ended 31 December 2013. This matter does not qualify our conclusion.

Report on other legal and regulatory requirements

The accompanying interim consolidated directors' report for the six-month period ended 30 June 2014 contains the explanations which the directors of the Parent entity consider appropriate about the significant events which took place in that period and their effect on the half-yearly financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the interim consolidated directors' report is consistent with that contained in the half-yearly financial statements for the six-month period ended 30 June 2014. Our work was confined to checking the interim consolidated directors' report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of the Parent entity and Subsidiaries.

Paragraph on other matters

This report was prepared at the request of the Board of Directors in relation to the publication of the half-yearly financial report required by Article 35 of Spanish Securities Market Law 24/1988, of 28 July, implemented by Royal Decree 1362/2007, of 19 October.

DELOITTE, S.L.

Jordi Montalbo

31 July 2014

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Insurance Group