Mr. FRANCISCO JOSÉ ARREGUI LABORDA, Secretary of the Board of Directors of **GRUPO CATALANA OCCIDENTE, S.A.**,

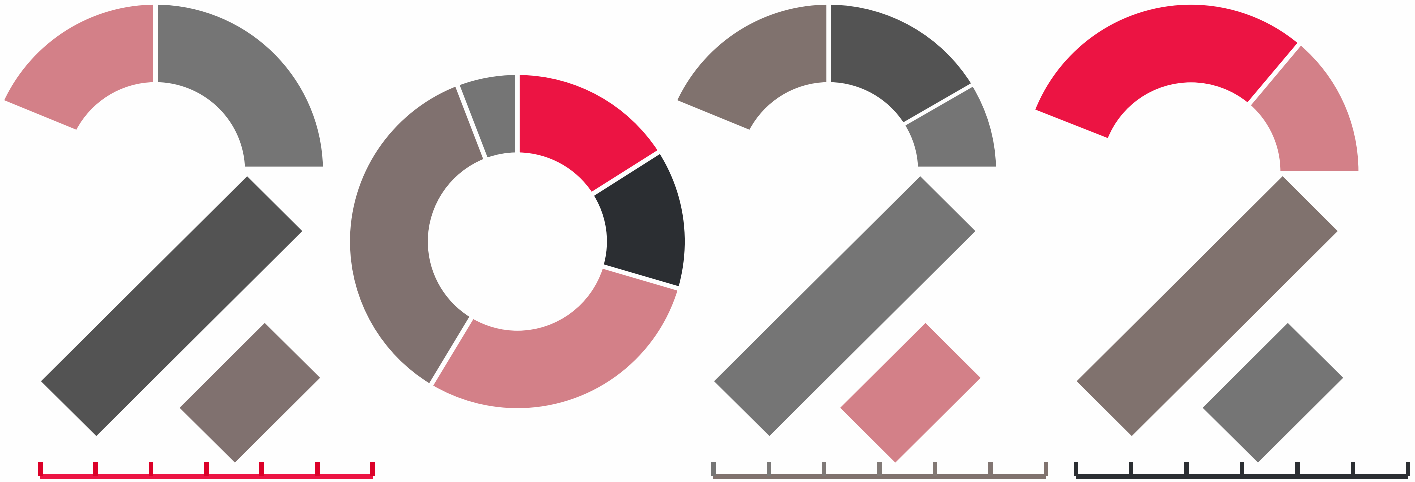
CERTIFIES THAT:

The documents submitted to the Spanish Securities Market Commission, which include the Interim Consolidated Financial Statements ("Estados Financieros *Intermedios Consolidados*") and the Interim Consolidated Management Report ("*Informe de Gestión Intermedio Consolidado*") corresponding to the first semester of 2022 as well as the External Auditor´s Report of Grupo Catalana Occidente, S.A., have been originally issued in Spanish. In the event of discrepancy between the Spanish and English versions, the former shall prevail.

In Witness Whereof, I issue this certificate in Sant Cugat del Valles (Barcelona) on July 28, 2022.

Mr. Francisco José Arregui Laborda

Half-year financial report 6M2022 Grupo Catalana Occidente, S.A.



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Keys of the period 6M2022

Key financial figures

The Group managed to increase turnover and profit over the previous year in the first half year

Growth

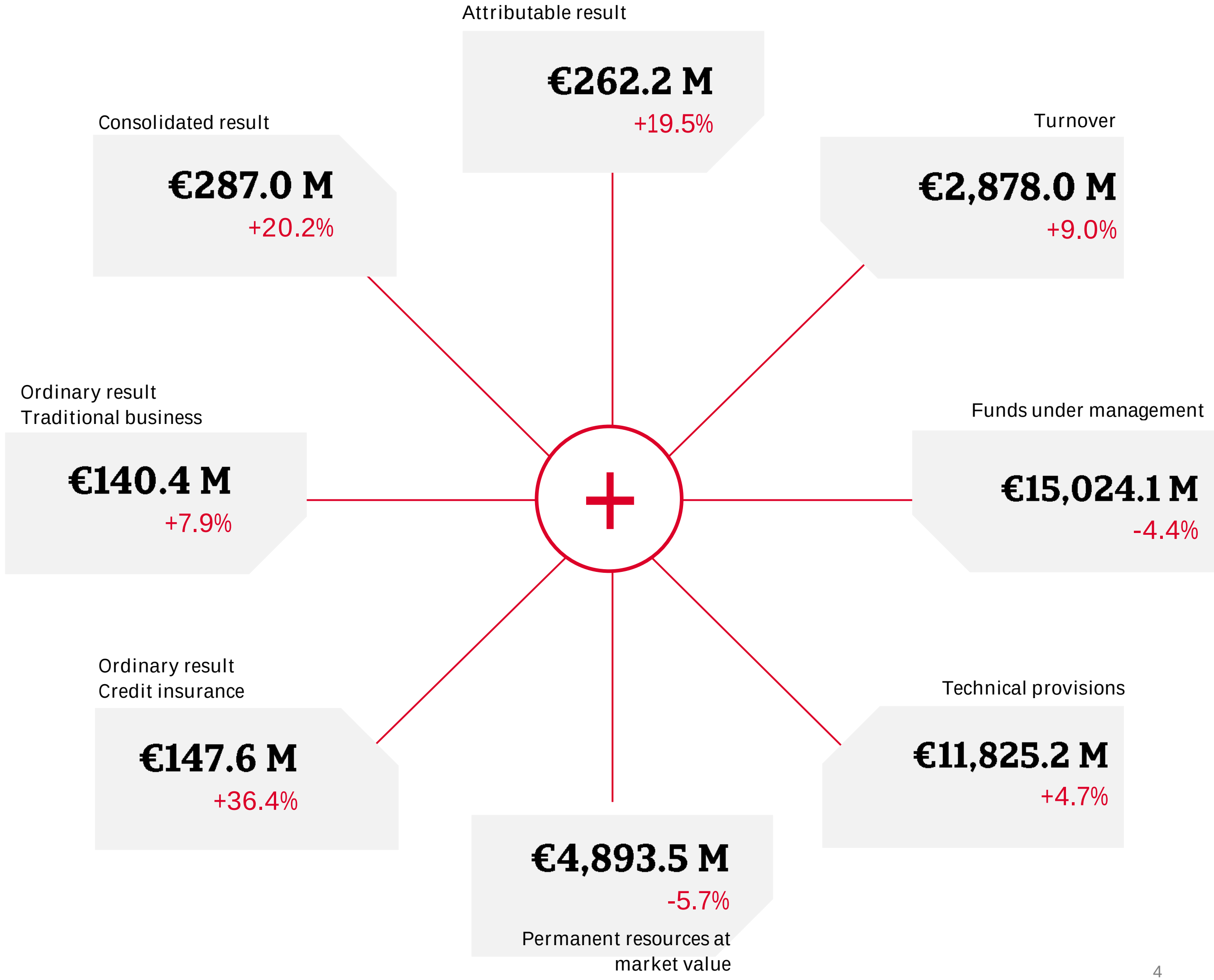
- Increase of 9.0% in turnover.

Profitability

- Increase of 19.5% in the attributed result, with €262.2 million.
- Improvement in the ordinary result of traditional business and credit insurance business:
  - +7.9% in the traditional business, with €140.4 million.
  - +36.4% in the credit insurance business, with €147.6 million.
- Combined ratio:
  - 88.7% in traditional business (non-life).
  - 74.1% in the credit insurance business (gross reinsurance).
- Commitment to shareholders: first dividend for the 2022 financial year of €21.50 million, an 7.5% increase over the first dividend of the previous financial year.

Solvency

- The Solvency II ratio at the close of 2021 for the Group is 220%.



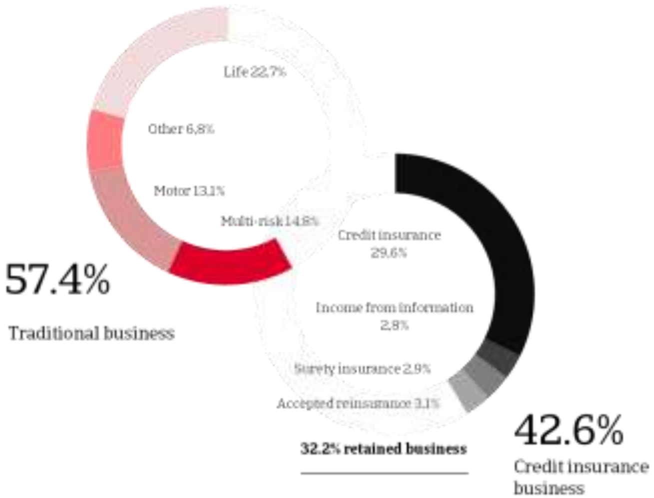
(figures in € million)

Key financial figures	6M2021	6M2022	Chg. 21-22	12M2021
GROWTH				
Turnover	2,639.5	2,878.0	9.0%	4,882.5
- Traditional business	1,525.7	1,580.2	3.6%	2,801.0
- Credit insurance business	1,113.8	1,297.8	16.5%	2,081.5
PROFITABILITY				
Consolidated result	238.8	287.0	20.2%	468.3
- Traditional business	130.1	140.4	7.9%	244.2
- Credit insurance business	108.2	147.6	36.4%	241.8
- Non-ordinary	0.5	-1.0		-17.8
Attributable result	219.4	262.2	19.5%	427.2
Combined traditional business ratio	87.9%	88.7%	0.8 p.p.	88.9%
Combined gross ratio credit insurance	60.5%	74.1%	13.6 p.p.	64.2%
Dividend per share				0.95
Pay-out				26.6%
Share price	32.6	29.8	-8.6%	30.0
PER	11.75	7.6		8.43
ROE				10.5%
NON-FINANCIAL DATA				
Number of employees	7,311	7,151	-2.2%	7,305
Number of offices	1,464	1,491	1.8%	1,481
Number of intermediaries	17,052	16,448	-3.5%	16,726

	12M2021	6M2022	% Chg. 21-22
SOLVENCY			
Permanent resources at market value	5,191.5	4,893.5	-5.7%
Technical provisions	11,294.5	11,825.2	4.7%
Funds under management	15,712.2	15,024.1	-4.4%

Business diversification 2021

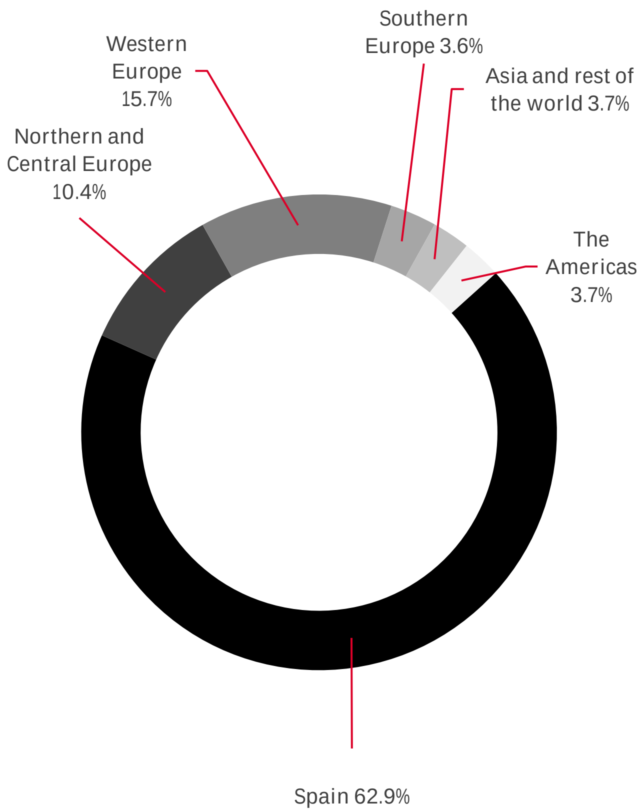
Grupo Catalana Occidente has a balanced and diversified portfolio.



In the traditional business (57.4% of the total turnover), the Group carries out its activity through the entities Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao and NorteHispana Seguros, guaranteeing a balanced and diverse implementation. In credit insurance business (32.2% of the total in terms of retained business), the Crédito y Caución brand gives it a leadership position in the Spanish market, while the Atradius brand gives it an international dimension and leadership.

Global Presence

The Group is present in over 50 countries and has a significant presence in Spain.



Grupo Catalana Occidente obtains 62.9% of its income from the Spanish domestic market, where it holds the fourth position, through the brands Seguros Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao, NorteHispana Seguros, and Crédito y Caución.

In the credit insurance business, through the brands Atradius and Atradius Re, the Group is present in over 50 countries and holds the second position on a global scale.

Evolution of the Group in 6M2022

The Group's attributable profit was €262.2 million and turnover increased by 9.0%.

Turnover increased by 9.0%, reflecting the sustained growth in traditional business with an increase of 3.6% and the positive evolution of credit insurance business which increased by 17.5%.

The technical result, at €321.8 million, grew 25.5% due to the evolution of both businesses. In the traditional business, the combined ratio was 88.7% and in the credit insurance business, the gross combined ratio was 74.1%.

The financial result contributes €42.8 million to reach €366.9 million profit before tax. Taxes represent €79.9 million, 21.8% on the profit. Consolidated income amounted to €287.0 million, an increase of 20.2%.

For further information, see annexes

(figures in € million)

Income statement	6M2021	6M2022	% Chg. 21 -22	12M2021
Written premiums	2,554.7	2,789.6	9.2%	4,746.9
Income from information	84.8	88.4	4.2%	135.6
Turnover	2,639.5	2,878.0	9.0%	4,882.5
Technical cost	1,440.7	1527.5	6.0%	2,850.3
% on total income from insurance	60.7%	59.6%		59.2%
Commissions	289.3	321.0	11.0%	594.9
% on total income from insurance	12.2%	12.5%		12.3%
Expenses	388.2	392.2	1.0%	843.2
% on total income from insurance	16.3%	15.3%		*17.5%*
Technical result	256.5	321.8	25.5%	529.4
% on total income from insurance	10.8%	12.6%		11.0%
Financial result	47.4	42.8	-9.7%	97.0
% on total income from insurance	2.0%	1.8%		2.0%
Result of non-technical non-financial account	-11.8	-5.3		-34.2
% on total income from insurance	-0.5%	-0.2%		-0.7%
Result from compl. activities Credit insurance and funeral business	12.2	7.6		15.1
% on total income from insurance	0.5%	0.3%		0.3%
Profit before tax	304.2	366.9	20.6%	607.3
% on net income	12.8%	14.3%		12.6%
Taxes	65.4	79.9		139.0
% taxes	21.5%	21.8%		22.9%
Consolidated result	238.8	287.0	20.2%	468.3
Result attributed to minorities	19.4	24.7		41.1
Attributable result	219.4	262.2	19.5%	427.2
% on total income from insurance	9.2%	10.2%		8.9%

Results by areas of activity	6M2021	6M2022	% Chg. 21-22	12M2021
Ordinary result of the traditional business	130.1	140.4	7.9%	244.2
Ordinary result from credit insurance business	108.2	147.6	36.4%	241.8
Non-ordinary result	0.5	-1.0		-17.8

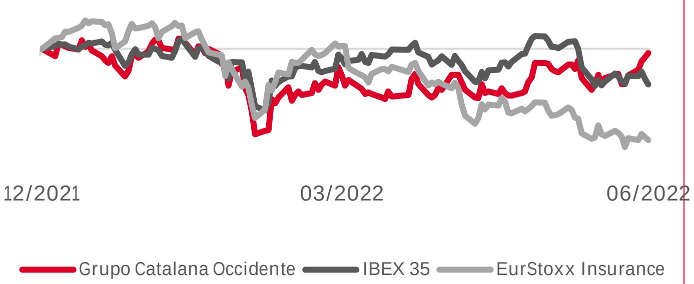
GCO shares and dividends

Share performance

Shares in Grupo Catalana Occidente end the first half year at **€29.75/share**

In this period, the share price fell by 0.8%, better than the reference index of the Spanish market.

Share performance since the end of 2021

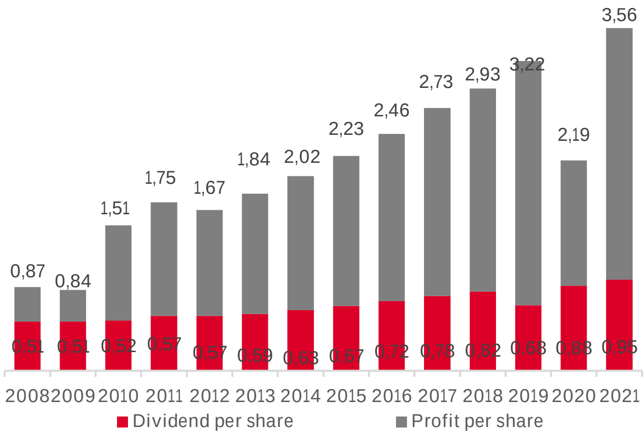


The average recommendation of the analysts is to "purchase" the share with a target price of €39.6/share (max. € 42.0/share and min. €34.3/share).

Dividends

The historical pattern of dividend distribution demonstrates the clear commitment of the Group to remunerate its shareholders.

7.5% increase in the first dividend for 2022 with regards to the same dividend for the previous year.



Active relationship with the financial market

Grupo Catalana Occidente maintains a smooth and close relationship with the financial market, offering specific communication channels

During the first six months of the year, the Group transmitted its value proposition to the financial markets through the annual retransmission of the results published (on the website, in English and Spanish) and by holding roadshows in different European countries, as well as participating in virtual and face to face forums/conferences.

Share price (euro per share)	6M2021	6M2022	12M2021
Period start	29.15	30.00	29.15
Minimum	27.80	24.90	27.75
Maximum	36.35	30.60	36.35
Period end	32.55	29.75	30.00
Average	32.83	28.42	31.81

Profitability (YTD)	6M2021	6M2022	TACC 2002 - 6M22
GCO	11.66%	-0.83%	10.78%
Ibex 35	9.26%	-7.06%	1.44%
EuroStoxx Insurance	6.74%	-13.04%	2.60%

Other data (in euro)	6M2021	6M2022	12M2021
Number of shares	120,000,000	120,000,000	120,000,000
Nominal share value	0.30	0.30	0.30
Average daily underwriting (number of shares)	71,452	31,340	55,165
Average daily underwriting (euro)	1,566,213	881,957	1,745,406

2022 macroeconomic environment

The Russia-Ukraine conflict slows the economic outlook as inflation peaks in an environment where the pandemic is not over.
Downward growth reviews: +3.2% GDP 2022e
(-0.4 p.p. compared to the April 2022 review).

Eurozone GDP +2.6% 2022e (+2.8%)

- Growth outlook trimmed due to the indirect effects of the Russian invasion.
- Concern over rising energy prices
- Tightening of monetary policy
- Weak industrial sector

United Kingdom GDP +3.2% 2022e (+3.7%)

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

United States GDP +2.3% GDP 2022e (+3.7%)

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

Asia Pacific +4.6% GDP 2022e (+5.4%)

China:

- Lockdowns continue in China causing shortages in global supply chains

Spain GDP +4.0% 2022e (+4.8%)

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

South America +3.0% GDP 2022e (+2.5%)

- Worsening financial conditions
- Weak external demand

International Monetary Fund. July 2022 review compared to April 2022 estimate

Fixed income

Start of the reduction of liquidity injection and credit support to the economy

Rising interest rates

Interest rates 6M2022 (%)	1 year	10 years
Spain	0.6	2.4
Germany	0.4	1.3
U.S.	2.7	3.0

Source: Bloomberg at the close of June 2022

Variable income

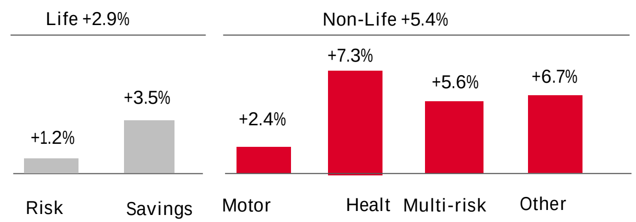
Destabilisation of stock market indexes affected by the conflict between Russia and Ukraine.

	6M2022	%Chg.
Ibex35	8,098.7	-7.1%
EuroStoxx Insurance	266.0	-13.0%
Eurostoxx50	3,454.9	-19.6%
Dow Jones	30,775.4	-15.3%

Sectoral environment

The insurance sector in Spain grew by 4.4% in turnover, both in non-life and life premiums.

Performance of turnover



Source: ICEA at the close of June 2022

Insurance group ranking performance 6M2022

Group	*Position*	*Market share*
VidaCaixa	=	*13.0%*
Mapfre	=	*11.4%*
Grupo Mutua Madrileña	=	*9.7%*
Grupo Catalana Occidente	↑ 1	*5.2%*
Allianz	↓ 1	*5.0%*
Grupo Axa	=	*4.4%*
Generali	↑ 1	*3.9%*
Zurich	↓ 1	*3.8%*
Santander Seguros	↑ 12	*3.1%*
Santalucía	↓ 1	*3.1%*

Source: ICEA as of June 2022 vs. December 2021

Outlook and challenges for 2022

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

2021 has been a year that has continued to be marked by the COVID-19 health crisis, which had a very significant impact on the economy and on the social sphere.

The key trends are:

-Recovering economic environment. After the global economic slump in 2020 (-3.1% GDP), 2021 has been a year of recovery with an estimated GDP growth of 5.9%.

- Technology. Technology and the use of data will play a key role in this. Enabling effective interaction through different channels, as well as process automation.

-Digitalization and new consumer trends. This is one of the most important transformations as a consequence of the pandemic. Since the change from office work to home office, providing a better work-life balance.

- Sustainability at the heart of the strategy. We have been integrating sustainability into the business for years, but it is undoubtedly one of the key trends and where more agreements must be reached on issues such as climate change.

- Continue focusing on innovation. Innovation plays a key role in the achievement of objectives, for the design of more sustainable products and more efficient processes.

The Group bases its strategy on 3 pillars:

Pillar		
Growth	MILESTONES	- Turnover: €4,882.5 million - Launch of new insurance products - Launch of App for customers
	CHALLENGES	- Continue promoting distribution networks - Provide customer and our distribution network with digital tools - Progress in the areas of healthcare, products for the elderly, family cybersecurity and pets
Profitability	MILESTONES	- The consolidated result amounted to €468.3 million. - Excellent combined ratio of the traditional business 88.9% - Improved performance in credit insurance higher than pre-pandemic period
	CHALLENGES	- Work on the concept of simplicity - Evolve the technology platform with a focus on self-service and process automation - Improve underwriting with new technical variants and artificial intelligence
Solvency	MILESTONES	- The estimated solvency ratio at the end of 2021 is 220%. - Sustainalytics: ESG risk rating of 15.5, considered low risk - Implementation of new hybrid work model
	CHALLENGES	- Continue to integrate sustainability in all areas of the Group - Finalise the technical and technological infrastructure to IFRS17 - Promote employer branding through enhanced professional development

Business performance in 6M2022

Traditional business

Positive evolution with growth of 5.6% in turnover of recurring premiums and 7.9% in ordinary profit.

Turnover increased by 3.6% at the close of June 2022 to €1,580.2 million. The growth of 7.9% in multi-risk and 9.4% in others should be highlighted.

The technical result increased 5.8%, supported mainly by Life business. The Non-Life technical result contributed €96.5 million, deteriorating by 3.2%, due to the performance of the motor line, which has normalised compared to the previous year. The combined ratio was 88.7%. In turn, the Life business increased its technical result by 31.4% to €46.0 million.

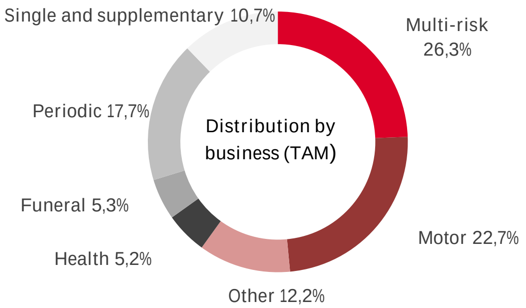
The financial result, with €43.8 million, is increased by 15.6%. Complementary activities provide €3.5 million from the funeral insurance business.

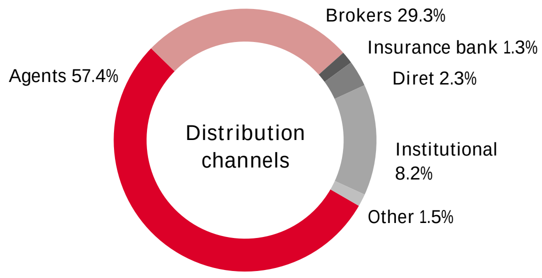
Ordinary profit after tax has increased 7.9% reaching €140.4 million. During the year there were non-ordinary profits for a value of €1.8 million. The total profit was €142.2 million, an increase of 11.5%.

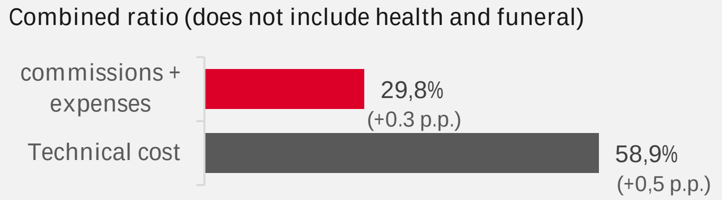
For further information, see annexes.

(figures in € million)

Traditional business	6M2021	6M2022	% Chg. 21-22	12M2021
Written premiums	1,525.7	1,580.2	3.6%	2,801.0
Recurring premiums	1,374.9	1,452.5	5.6%	2,473.2
Technical result	134.7	142.5	5.8%	258.7
% of earned premiums	*9.9%*	*10.3%*		*9.3%*
Financial result	37.9	43.8	15.6%	59.9
% of earned premiums	*2.8%*	3.2%		*2.2%*
Non-technical result	-8.7	-10.3		-18.4
Complementary act. (Funeral B.)	2.8	3.5	25.0%	5.2
Company income tax	-36.6	*-39.1*		-61.1
Ordinary result	130.1	140.4	7.9%	244.2
Non-ordinary result	-2.6	1.8		-12.44
Total result	127.5	142.2	11.5%	231.8
Earned premiums	1,359.6	1,385.3	1.9%	2,781.9







Traditional business

88.7%

(+0,8 p.p.)

Multi-risk

Turnover growth of 7.9% to €414.9 million, with a good evolution of the average premium and of the commercial activity with an increase in new policyholders and high retention of the portfolio. The combined ratio has been reduced by 2.2 percentage points to 88.5%. This decrease is due to the fact that, unlike the previous year, there were no relevant weather events.

(figures in € million)

Multi-risk	6M2021	6M2022	% Chg. 21-22	12M2021
Written premiums	384.7	414.9	7.9%	721.8
% Technical cost	*56.9%*	*55.4%*	-1.5	*56.2%*
% Commissions	*21.2%*	*21.2%*	0.0	*21.0%*
% Expenses	*12.5%*	*11.9%*	-0.6	*12.9%*
% Combined ratio	90.7%	88.5%	-2.2	90.1%
Technical result after expenses	32.3	42.1	30.3%	69.9
% on earned premiums	*9.3%*	*11.5%*		*9.9%*
Earned premiums	345.7	365.8	5.8%	705.3

Motor

Increase in turnover of 2.0% with €348.9 million. The combined ratio has been placed at 91.3%, increasing by 5.5 percentage points, as a result of the recovery of the claims frequency compared to the same period of the previous year, which was still affected by mobility restrictions.

(figures in € million)

Motor	6M2021	6M2022	% Chg. 21-22	12M2021
Written premiums	342.2	348.9	2.0%	641.1
% Technical cost	*61.9%*	*67.3%*	5.4	*65.3%*
% Commissions	*11.3%*	*11.3%*	0.0	*11.2%*
% Expenses	*12.6%*	*12.7%*	0.1	*12.7%*
% Combined ratio	85.8%	91.3%	5.5	89.3%
Technical result after expenses	45.9	27.7	-39.7%	69.6
% on earned premiums	*14.2%*	*8.7%*		*10.7%*
Earned premiums	323.4	319.8	-1.1%	650.4

For further information, see annexes.

Other

Growth in turnover of 9.4% to €201.0 million. The combined ratio was 2.0 percentage points lower at 84.1%, mainly due to the reduction in technical costs.

Other	6M2021	6M2022	% Chg. 21-22	12M2021
Written premiums	183.8	201.0	9.4%	330.8
% Technical cost	*53.7%*	*50.4%*	-3.3	*52.3%*
% Commissions	*18.2%*	*19.9%*	1.7	*19.9%*
% Expenses	*14.2%*	*13.7%*	-0.5	*13.4%*
% Combined ratio	86.1%	84.1%	-2.0	85.5%
Technical result after expenses	21.5	26.7	24.2%	46.2
% on earned premiums	*13.8%*	*15.9%*		*14.5%*
Earned premiums	155.4	167.5	7.8%	318.9

(figures in € million)

Life

The life business performed favourably, with a turnover of €615.4 million and a technical-financial result that increased by 26.9% to €68.9 million. The combined ratio in the funeral business declined 1.0 percentage points to 80.7% and the combined health ratio was 92.0%.

Life	6M2021	6M2022	% Chg. 21-22	12M2021
Life insurance turnover	615.0	615.4	0.1%	1,107.3
Health	127.9	130.0	1.6%	145.0
Funeral	75.4	78.8	4.5%	147.4
Periodic premiums	260.9	278.9	6.9%	487.1
Single premiums	150.8	127.7	-15.3%	327.7
Pension plan contributions	6.9	24.6		61.0
Net contributions to investment funds	2.7	-2.3		3.0
Technical result after expenses	35.0	46.0	31.4%	72.9
% on earned premiums	*6.5%*	*8.6%*		*6.6%*
Technical-financial result	53.9	68.4	26.9%	98.6
% on earned premiums	*10.1%*	*12.9%*		*8.9%*
Earned premiums	535.1	532.2	-0.5%	1,107.3

(figures in € million)

For further information, see annexes.

Credit insurance business

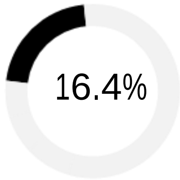
Positive development of net insurance income of 16.0% with ordinary income of €147.6 M.

In the credit insurance business, the Group has increased its net income (earned premiums and information services) by 16.0% reaching €1,177.2 million. The earned premiums, at €1,088.8 million, have increased by 17.1%. In turn, income from information has increased by 4.2%, contributing €88.4 million. The Group has increased its risk exposure (TPE) by 10.5% compared to the end of 2021. An exhaustive selection of risks is maintained.

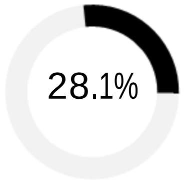
Russia - Ukraine conflict: The Group has taken all necessary actions to minimise the risks that have worsened, as a result of the invasion of Ukraine. From the point of view of the underwriting strategy, the decision has been taken not to cover new transactions in general, reducing the credit limits to the amounts pending payment. The total exposure in the region has been reduced compared to year-end 2021 by 55%, representing less than 0.4% of the total exposure. Atradius is in close contact with its customers to assess actions and their implementation. The numerous restrictions imposed on Russia and Belarus by European and U.S. authorities are carefully analysed by the organisation to ensure compliance throughout the business operations. A team has been set up for this, in close coordination between the Group's Legal and Compliance, Risk Management and Commercial units. There have been no significant impacts due to the conflict between Ukraine and Russia.

17.1% increase in earned premiums, at €1,088.8 million

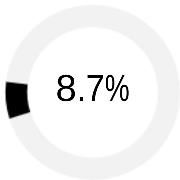
Distribution of earned premiums by region:



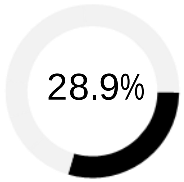
Spain and Portugal
Earned premiums: **€178.9M**
Change: +7.2%



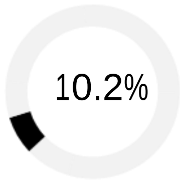
Central and Northern Europe
Earned premiums: **€305.7M**
Change +16.7%



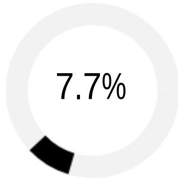
The Americas
Earned premiums: **€94.2M**
Change +46.5%



Western Europe
Earned premiums: **€314.8M**
Change +13.1%

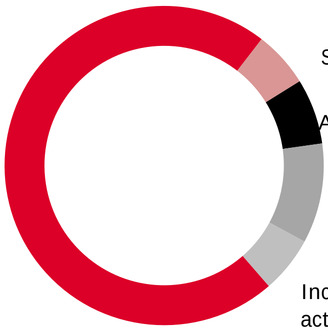


Asia and rest of the world
Earned premiums: **€110.8M**
Change +26.6%



Southern Europe
Earned premiums: **€84.4M**
Change +18.6%

Diversification of the business due to earned premiums



Surety insurance 5,2%

Accepted reinsurance 6,8%

Income from information 7,2%

Income from complementary activities 3.6%

Credit insurance 77,1%

The technical result after credit insurance expenses was €304.9 million, 24.0% less than in the same period of 2021.

The gross combined ratio was 74.1%, 13.6 percentage points higher than in the first half year of the previous financial year. Having closed the 2021 financial year with a prudent level of provisions still in place at the end of the first half of the year, the inflow of claims remain below the pre-pandemic period.

The result ceded to reinsurance amounted to €122.6m, 56.0% lower than in the first half of the previous year, as the governmental agreements underwritten in the context of the COVID-19 crisis were still in force.

In turn, the financial result was slightly higher than in the same period of the previous year, mainly due to the results of investee companies. The result of the complementary activities is €4.2 million.

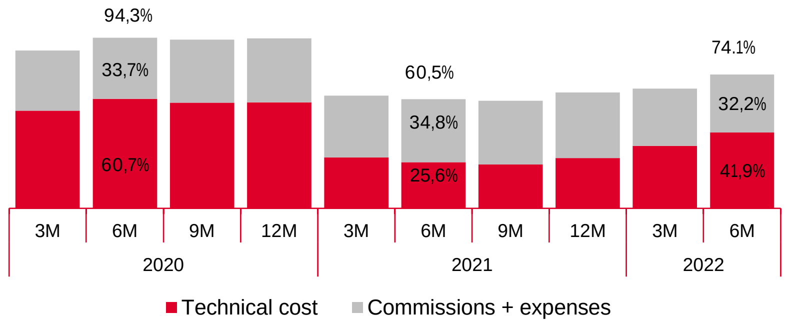
Consequently, the ordinary result is positioned at €147.6 million, up 36.4% from the first half year of 2021. During the year there were non-ordinary losses of €2.7 million. In total, this business contributed a profit of €144.8 million, an increase of 30.1%.

For further information, see annexes.

(figures in € million)

Credit insurance business	6M2021	6M2022	% Chg. 21-22	12M2021
Earned premiums	930.1	1,088.8	17.1%	1,900.3
Income from information	84.8	88.4	4.2%	135.6
Credit insurance income	1,014.9	1,177.2	16.0%	2,035.9
Technical result after expenses	401.3	304.9	-24.0%	729.5
% over income	39.5%	25.9%		35.8%
Reinsurance result	-278.6	-122.6	-56.0%	-419.8
Reinsurance transfer ratio	58.3%	37.0%		49.7%
Net technical result	122.7	182.3	48.6%	309.7
% over income	12.1%	15.5%		15.2%
Financial result	4.6	8.2	78.3%	17.7
% over income	0.5%	0.7%		0.9%
Result from complementary activities	9.5	4.2	-55.8%	9.9
Company income tax	-26.4	-45.0		-90.0
Adjustments	-2.1	-2.1		-4.7
Ordinary result	108.2	147.6	36.4%	241.8
Non-ordinary result	3.1	-2.7		-5.3
Total result	111.3	144.8	30.1%	236.5

Performance of the gross combined ratio



Investments and Managed funds

The investment operations, focused on traditional assets, have been characterised by prudence and diversification

The Group manages funds of €15,024.1 million, €688.1 million less than at the beginning of the year.

The total investment in property at market value amounts to €1,720.8 million The majority of the Group's properties are located in areas considered "prime" areas in the most important Spanish cities. All of the properties for use by third parties are located in these areas and have a very high rate of occupancy. Every two years they are evaluated, through entities that are authorised by the supervisor. Capital gains from these properties stand at €527.0 million.

Fixed-income investment represents 50.9% of the total portfolio, standing at €6,897.0 million. The distribution of the rating in the portfolio is shown graphically below. At the close of the first half year, 59.0% of the portfolio is rated A or higher. The duration of the portfolio at the end of June is 3.71 years and profitability at 2.49%.

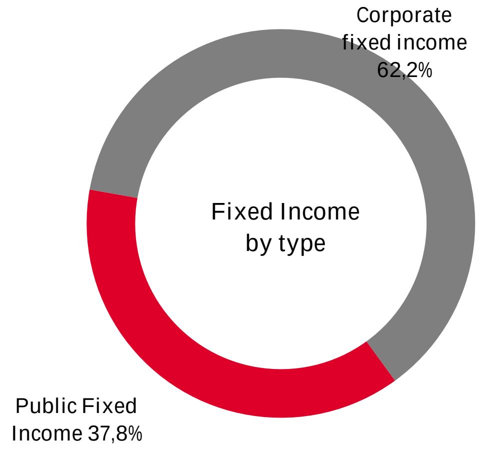
(figures in € million)

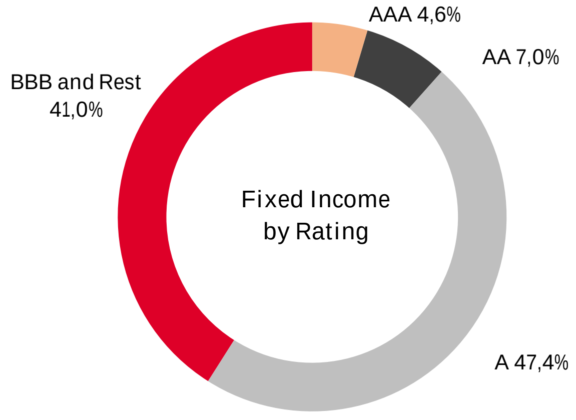
Investments and funds under management	12M2021	6M2022	% Chg. 21-22	% on Inv. R. Co.
Properties	1,732.8	1,720.8	-0.7%	12.7%
Fixed income	7,469.2	6,897.0	-7.7%	50.9%
Variable income	2,122.0	1,920.7	-9.5%	14.2%
Deposits with credit institutions	620.8	513.3	-17.3%	3.8%
Other investments	249.1	257.6	3.4%	1.9%
Cash and monetary assets	1,841.5	2,146.6	16.6%	15.8%
Investment in investee companies	99.1	102.8	3.7%	0.8%
Total investments, risk to entity	14,134.5	13,558.8	-4.1%	100.0%
Investments on behalf of policyholders	757.2	721.9	-4.7%	5.3%
Pension plans and investment funds	820.5	743.4	-9.4%	5.5%
Total investments, risk to policy holders	1,577.7	1,465.3	-7.1%	
Investments and funds under management	15,712.2	15,024.1	-4.4%	

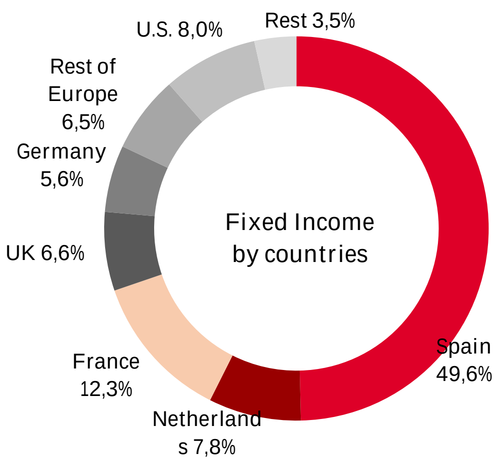
Variable income represents 14.2% of the portfolio and is reduced by 9.5%, reflecting the evolution of the financial markets. The investment portfolio is widely diversified and focused on high-capitalisation securities, mainly in the Spanish market (31.1%) and the European market (49.9%), which show attractive dividend returns.

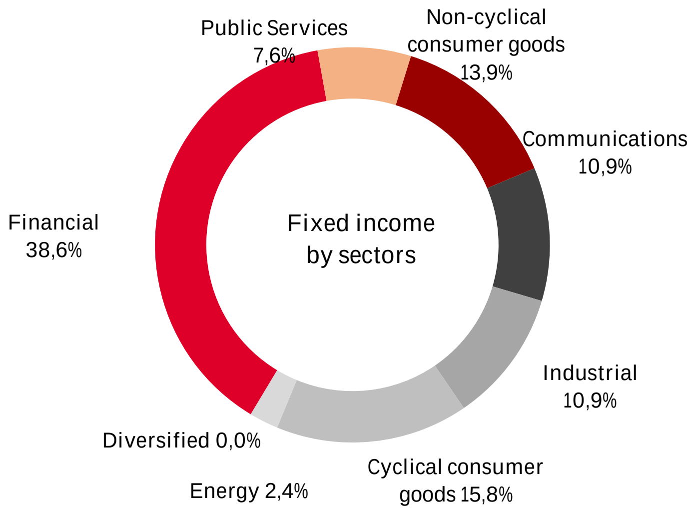
The Group maintains a liquidity position in deposits at credit institutions of €513.3 million, mainly at Banco Santander and BBVA, and a significant level of cash of €2,146.6 million.

Fixed income

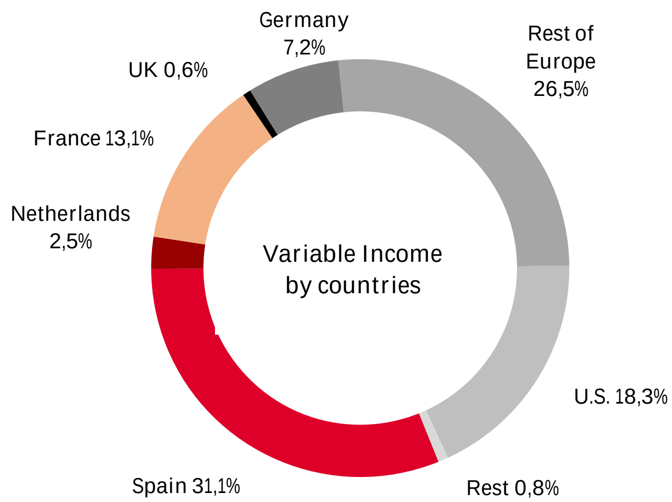


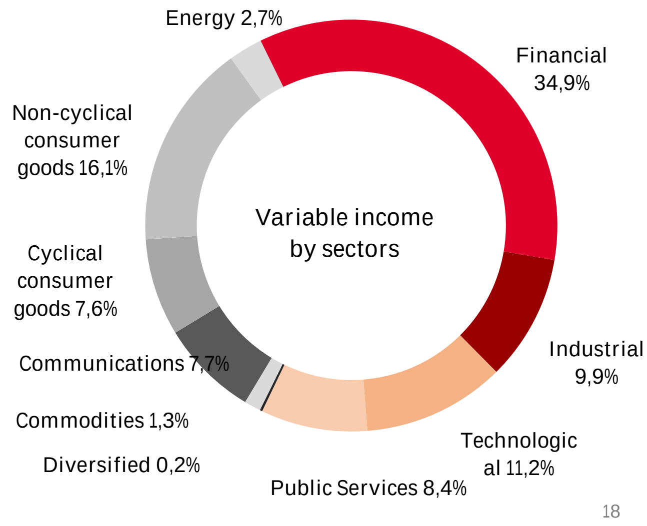






Variable income





Capital management

Grupo Catalana Occidente manages its capital with the goal of maximising value for all its interest groups, maintaining a solid position through obtaining long-term results and a prudent policy for remunerating shareholders.

Capitalisation **€3,600 M**	High quality of equity 96% Tier1	Solvency II ratio at 220%	Strength for rating A

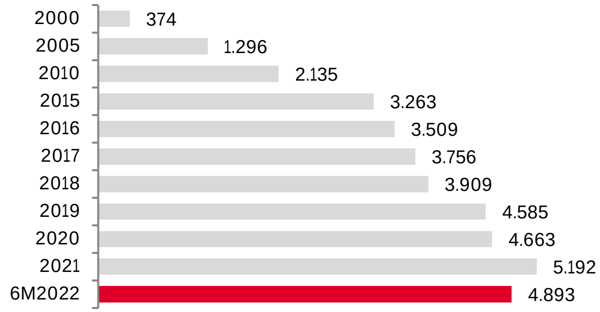
Capital management at the Group is governed by the following principles:

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

No significant changes have occurred in risk management with respect to the 2021 financial statements. For more information, please consult the report on the financial and solvency situation (SFCR) available on the Group's website.

Capital performance

At the end of June, the Group's capital was reduced by 5.7% due to valuation adjustments.



(figures in € million)

Permanent resources at market value on 31/12/2021	5,191.5
Net equity on 01/01/2022	4,472.8
(+) Consolidated results	287.0
(+) Dividends paid	-99.7
(+) Change in valuation adjustments	-500.1
(+) Other changes	11.4
Total net equity at 30/06/2022	4,171.5
Subordinated debt	195.0
Permanent resources at 30/06/2022	4,366.5
Capital gains not included in balance sheet (properties)	527.0
Permanent resources at market value on 30/06/2022	4,893.5

Market movements have led to an decrease in the value of investments, with a negative impact of €500.1 million. Dividends have also been paid, amounting to €99.7 million, thus reducing net equity by the same amount.

Credit rating

In February 2022, Moody's affirmed the 'A2' rating with stable outlook of the operating entities in the credit insurance business under the Atradius brand, The confirmation of this rating reflects Moody's confidence in the strength of the Atradius brand, even in situations of economic uncertainty such as that generated by COVID-19 and the Ukraine - Russia conflict. This is due to Atradius' dynamic risk exposure management, its strong economic capitalisation and its solid positioning as the second largest global credit insurance player.

In turn, A.M. Best confirmed in July 2021 the financial strength rating of A (excellent) with a stable outlook for the Group's main operating entities, both in traditional business and credit insurance business. This rating reflects the solid balance sheet strength, excellent operating results and appropriate capitalization of the Group's main operating entities. Furthermore, it considers that exposure to natural disasters is limited, thanks to the existence of a national coverage system (Consorcio de Compensación de Seguros).

	A.M. Best	Moody's
Seguros Catalana Occidente	'A' stable (FSR) 'a+' stable (ICR)	
Seguros Bilbao	'A' stable (FSR) 'a+' stable (ICR)	
Plus Ultra Seguros	'A' stable (FSR) 'a+' stable (ICR)	
Atradius Crédito y Caución Seg Reas	'A' stable (FSR) 'a+' stable (ICR)	'A2' negative (IFS)
Atradius Reinsurance DAC	'A' stable (FSR) 'a+' stable (ICR)	'A2' negative (IFS)
Atradius Trade Credit Insurance, Inc.	'A' stable (FSR) 'a+' stable (ICR)	'A2' negative (IFS)
Atradius Seguros de Crédito, S.A.	'A' stable (FSR) 'a+' stable (ICR)	

Sustainability

Grupo Catalana Occidente integrates a commitment to sustainability into its strategy, through responsible and sustainable management in environmental, social and economic issues.

The sustainability policy establishes the reference framework for managing the business in accordance with this commitment and the Sustainability Master Plan 2021-2023 is the roadmap for its development.

Breakdown of the latest progress of the Sustainability Master Plan by line of work:

Environmental management: The Group has drawn up its climate change roadmap and is committed to being a Group with zero net emissions by 2050. In addition, it is committed to protecting the environment, prioritising actions that minimise impacts and developing an environmental management system.

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

Responsible investments: The Group includes ESG criteria in its investment decision-making, in accordance with the principles set out in its Responsible Investment Policy, and is complying with regulatory requirements relating to responsible investments (Taxonomy, SFDR Regulation and amendments in IDD and MiFID

Responsible products: The Group has adopted the requirements set by the EU Taxonomy, classifying activities into eligible and non-eligible, and continues to work on the design of insurance products that incorporate the sustainability preferences of its customers.

Innovation: New initiatives continued to be launched through the Group's intrapreneurship programmes (Xplora and Evolve +) and new innovative applications and processes continue to be developed to improve customer service.

Digitization and omnichannel retailing: Bizum has been incorporated as a payment method for customers of traditional business companies, and the Group continues to focus on the digitalization of its services, through video-loss adjustments, digital signatures and digital policies.

Communication and stakeholder relations: The Group continues to promote sustainability through communication campaigns, with the aim of raising awareness and knowledge of ESG issues among the general public and helping to raise the profile of the Sustainable Development Goals (SDGs).

Ethics and Integrity: ESG clauses have been included in contracts with the Group's suppliers to ensure that they comply with the same ethical and sustainability principles, labour regulations and tax obligations.

Employee experience: Sustainability training has been offered to all employees and the Employee Wellness Project has been launched, providing sessions and workshops focused on health care and healthy habits.

Formalising investment in society and volunteering: corporate volunteering initiatives have continued to be developed, generating a culture of collaboration and support for other social groups in need. In addition, through the Jesús Serra Foundation, we continue to carry out social action projects that help to improve people's lives.

Sustainability Committee

To supervise the Group's performance in the Sustainability Master Plan and in ESG-related issues in general, there is a Sustainability Committee chaired by the Group's Chief Executive Officer and made up of the various corporate divisions. In addition, in 2022, an operational Sustainability Committee was created in the credit insurance business. Its duties include implementing the Group's ESG strategy at Atradius and putting into practice the Sustainability goals set out in the Master Plan.

External sustainability rating

The Group has an ESG risk rating of 15.5 and is considered to be at low risk of experiencing material financial impacts related to ESG factors. This rating places the Group among the top 15 companies with the best ESG rating in Sustainalytics' insurance industry ranking of more than 300 insurance companies.

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

3

Annexes

About Grupo Catalana Occidente

Grupo Catalana Occidente, S.A. is a public limited company that does not directly practise in the insurance business, but that is the head of a group of dependent entities that are principally engaged in insurance activities.

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

The Group is subject to the standards and regulations of the insurance entities that operate in Spain. The Directorate General of Insurance and Pension Funds as leading supervisor of the College of Supervisors (hereinafter 'DGSFP') performs the functions of supervision in the field of insurance and reinsurance, insurance mediation, capitalisation and pension funds. The DGSFP is located in Madrid (Spain) in Paseo de la Castellana, 44 and its website is:

www.dgfsp.mineco.es

Insurance specialist

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

Closeness – global presence

- Distribution of intermediaries
- Over 16,700 intermediaries
- Over 7,300 employees
- Over 1,400 offices
- Over 50 countries

Solid financial structure

- Listed on the Stock exchange
- "A" Rating
- Stable, committed shareholders

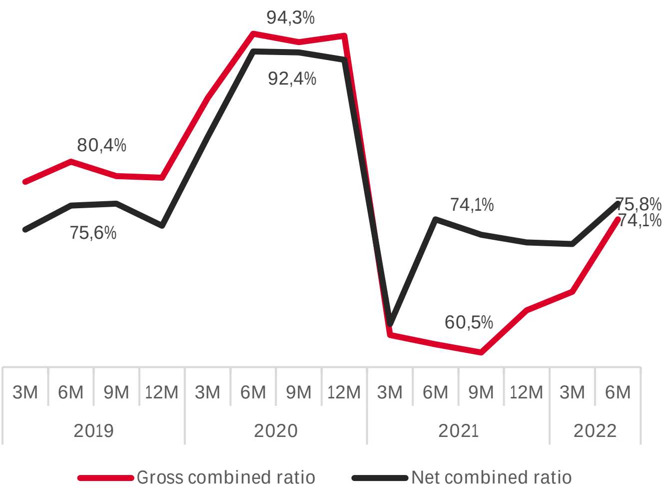
Technical rigour

- Excellent combined ratio
- Strict cost control
- 1999-2022: profits multiplied by 13
- Diversified and prudent investment portfolio

Additional information of the credit insurance

Combined ratio breakdown	6M2021	6M2022	% Chg. 21-22	12M2021
% Gross technical cost	25.6%	41.9%	16.3	27.8%
% Gross commissions + expenses	34.8%	32.2%	-2.6	36.3%
% Gross combined ratio	60.5%	74.1%	13.6	64.2%
% Net technical cost	41.4%	45.7%	4.3	37.3%
% Net commissions + expenses	32.6%	30.1%	-2.5	34.3%
% Net combined ratio	74.1%	75.8%	1.7	71.6%

Combined gross and net ratio evolution.



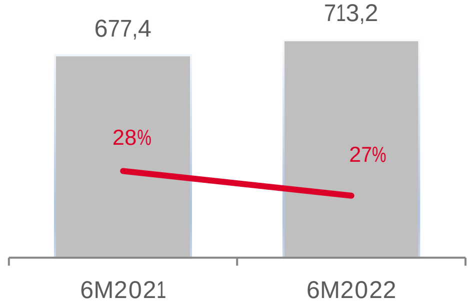
Cumulative risk by country	2018	2019	2020	2021	6M 2022	% Chg. 21-22	% total
Spain and Portugal	99,453	98,739	79,231	86,970	93,528	7.5%	11.7%
Germany	90,599	93,024	93,568	108,235	116,048	7.2%	14.5%
Australia and Asia	92,222	95,595	84,153	101,050	113,947	12.8%	14.2%
The Americas	75,773	81,269	71,765	94,039	114,080	21.3%	14.2%
Eastern Europe	63,935	68,595	64,630	77,682	82,852	6.7%	10.3%
United Kingdom	44,989	51,019	46,339	56,511	60,797	7.6%	7.6%
France	51,866	48,407	45,239	50,601	55,894	10.5%	7.0%
Italy	44,263	43,661	42,001	50,352	54,471	8.2%	6.8%
Nordic and Baltic countries	30,525	31,748	30,779	35,311	39,160	10.9%	4.9%
The Netherlands	29,650	30,392	29,875	33,204	36,047	8.6%	4.5%
Belgium and Luxembourg	17,285	17,444	16,959	19,155	20,426	6.6%	2.6%
Rest of the world	12,842	12,627	10,011	11,934	13,636	14.3%	1.7%
Total	653,404	672,520	614,549	725,043	800,885	10.5%	100.0%

Cumulative risk by sector	2018	2019	2020	2021	6M 2022	% Chg. 21-22	% on total
Electronics	77,433	82,858	73,189	90,137	98,037	8.8%	12.2%
Chemicals	86,479	87,466	82,804	99,390	110,637	11.3%	13.8%
Durable consumer goods	69,881	73,145	69,071	81,697	86,290	5.6%	10.8%
Metals	68,424	72,285	61,597	78,757	89,567	13.7%	11.2%
Food	63,001	64,587	63,860	71,101	76,399	7.5%	9.5%
Transport	60,461	61,128	53,098	61,673	70,030	13.6%	8.7%
Construction	49,773	51,495	47,072	53,451	59,295	10.9%	7.4%
Machinery	39,972	41,225	39,635	46,328	51,899	12.0%	6.5%
Agriculture	33,876	33,954	29,845	34,441	37,744	9.6%	4.7%
Construction materials	28,359	29,389	29,345	34,801	39,312	13.0%	4.9%
Services	27,837	27,109	23,346	25,211	27,610	9.5%	3.4%
Textiles	20,324	19,660	15,404	16,987	18,589	9.4%	2.3%
Paper	14,525	15,065	13,151	15,572	17,773	14.1%	2.2%
Finance	13,058	13,156	13,131	15,497	17,703	14.2%	2.2%
Total	653,404	672,520	614,549	725,043	800,885	10.5%	100.0%

Expenses and commissions

(figures in € million)

Expenses and commissions	6M2021	6M2022	% Chg. 21-22	12M2021
Traditional business	153.3	152.2	-0.7%	310.5
Credit insurance	233.3	236.4	1.3%	492.4
Non-ordinary expenses	1.6	3.6		40.3
Total expenses	388.2	392.2	1.0%	843.2
Commissions	289.3	321.0	11.0%	594.9
Total expenses and commissions	677.4	713.2	5.3%	1,438.1
% expenses and commissions without recurring premiums	28.1%	26.7%		31.6%



Financial result

(figures in € million)

Financial result	6M2021	6M2022	% Chg. 21-22	12M2021
Financial income	99.4	103.1	3.7%	187.0
Exchange Differences	-0.3	-0.8		-0.7
Subsidiary companies	1.0	0.9		2.2
Interests applied to life	-62.1	-59.4	-4.3%	-128.7
Traditional business	37.9	43.8	15.6%	59.9
% on earned premiums	2.8%	3.2%		*2.2%*
Financial income	4.7	8.7	85.1%	8.5
Exchange Differences	0.4	-1.3		8.9
Subsidiary companies	7.9	7		16.0
Interests subordinated debt	-8.4	-6.3		-15.9
Credit insurance	4.6	8.2	78.3%	17.7
% on net income from insurance	0.5%	0.7%		*0.9%*
Intra-group interest adjustment	-0.2	-0.2		-0.4
Adjusted credit insurance	4.4	7.9		17.3
Ordinary financial	42.4	51.8	22.2%	77.2
% on total Group Income	1.8%	2.0%		*1.6%*
Non-ordinary financial	5.0	-9.0		19.8
Financial result	47.4	42.8	-9.7%	97.0

Non-ordinary result

(figures in € million)

Non-ordinary result	6M2021	6M2022	12M2021
Financial	0.9	-5.4	11.8
Expenses and others	-1.6	4.4	-33.4
Taxes	-1.9	2.8	9.1
Non-ordinary from traditional business	-2.6	1.8	-12.4
Financial	4.1	-3.6	8.0
Expenses and others	0.0	0.0	-16.4
Taxes	-1.0	0.9	3.1
Non-ordinary credit insurance	3.1	-2.7	-5.3
Non-ordinary net result	0.5	-1.0	-17.8

Balance sheet

The assets of Grupo Catalana Occidente stood at €18,138.4 million.

The Catalana Occidente Group closed the first half of 2022 with assets of €18,138.4 million, a decrease of 0.7% since the beginning of the year.

The main items that explain this decrease are:

- Investments, with €588.5 million less.
- Net equity, with €301.3 million less.

Note that the item "cash" does not fully reflect the Group's liquidity position as investments in deposits and money market funds are included in Financial Investments (See Investments and Funds under Management table).

Likewise, it should be remembered that Grupo Catalana Occidente does not account for the surplus value of its property, so they appear at the amortised cost value and not at market value.

(figures in € million)

Assets	12M2021	6M2022	% Chg. 21-22
Intangible assets and property, plant and equipment	1,358.2	1,307.6	-3.7%
Investments	13,955.5	13,367.0	-4.2%
Property investment	718.3	726.7	1.2%
Financial investments	11,504.0	10,530.5	-8.5%
Cash and short-term assets	1,733.2	2,109.9	21.7%
Reinsurance share in technical provisions	1,101.5	1,162.8	5.6%
Other assets	1,857.7	2,301.0	23.9%
Deferred tax assets	226.8	229.3	1.1%
Credits	1,006.6	1,322.7	31.4%
Other assets	624.3	749.1	20.0%
Total assets	18,272.9	18,138.4	-0.7%

Net liabilities and equity	12M2021	6M2022	% Chg. 21-22
Permanent resources	4,667.7	4,366.5	-6.5%
Net equity	4,472.8	4,171.5	-6.7%
Parent company	4,076.6	3,774.7	-7.4%
Minority interests	396.2	396.8	0.2%
Subordinated liabilities	194.9	195.0	0.1%
Technical provisions	11,294.5	11,825.2	4.7%
Other liabilities	2,310.7	1,946.7	-15.8%
Other provisions	196.1	170.5	-13.1%
Deposits received on buying reinsurance	21.1	18.5	-12.3%
Deferred tax liabilities	504.2	339.8	-32.6%
Debts	1,145.6	1,216.8	6.2%
Other liabilities	443.7	201.1	-54.7%
Total net liabilities and equity	18,272.9	18,138.4	-0.7%

Corporate structure

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

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

GRUPO CATALANA OCCIDENTE Main entities		
Seguros Catalana Occidente	Tecniseguros	GCO Gestión de Activos
Seguros Bilbao	Bilbao Vida	Catoc Inversiones Globales
NorteHispana Seguros	S. Órbita	GCO Gestora de Pensiones
Plus Ultra Seguros	Previsora Bilbaina Agencia de Seguros	Bilbao Hipotecaria
GCO Re	Bilbao Telemark	Sogesco
	Inversions Catalana Occident	Hercasol SICAV
	CO Capital Ag. Valores	GCO Activos Inmobiliarios
	Cosalud Servicios	
	GCO Tecnología y Servicios	
	Prepersa	
	GCO Contact Centre	
	Grupo Asistea	
Atradius Crédito y Caución	Atradius Collections	Grupo Compañía Española Crédito y Caución
Atradius Re	Atradius Dutch State Business	Atradius NV
Atradius ATCI	Atradius Information Services	Atradius Participations Holding
Atradius Seguros de Crédito México	Iberinform International	Atradius Finance
Atradius Rus Credit Insurance		
Crédito y Caución Seguradora de Crédito e Grantias Brazil		
INSURANCE COMPANIES	COMPLEMENTARY INSURANCE COMPANIES	INVESTMENT COMPANIES

Traditional business
Credit insurance business

Board of Directors

Grupo Catalana Occidente has a Board of Directors that applies the principles of good governance with transparency and rigour.

The Board of Directors is the maximum management authority in Grupo Catalana Occidente, S.A. The Board delegates ordinary management in the management team and concentrates its activity on the supervision function which includes:

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

Among other issues, the Board of Directors is responsible for the approval of the strategic plan, the annual objectives and budgets, the investment and finance policy and the policies of corporate governance, corporate responsibility, and risk control and management.

Its operation and actions are regulated by the Articles of Association and in the Regulations of the Board of Directors (available on the Group's website).

The Board of Directors annually approves the corporate governance report and the report on remuneration for the members of the Board of Directors corresponding to each year, following the guidelines established by the regulations in relation to the transparency of listed entities, and which is later submitted to a vote in the General Shareholders Meeting.

Board of Directors

Chairman

José María Serra Farré

Vice Chairman and Chief Executive Officer

Hugo Serra Calderón*

Secretary Director

Francisco J. Arregui Laborda*

Members

Juan Ignacio Guerrero Gilabert**

Francisco Javier Pérez Farguell**

Beatriz Molins Domingo**

Federico Halpern Blasco

Jorge Enrich Serra

Álvaro Juncadella de Pallejá

Maria Assumpta Soler Serra

Deputy non-board member secretary

Joaquín Guallar Pérez

*Executive directors **Independent

Audit Committee

Chairman

Juan Ignacio Guerrero Gilabert

Members

Francisco Javier Pérez Farguell
Álvaro Juncadella de Pallejá

Appointments and Remunerations Committee

Chairman

Francisco Javier Pérez Farguell

Members

Juan Ignacio Guerrero Gilabert
Jorge Enrich Serra

The curriculums are available on the Group's website

For further information about the governance system, see SFCR

Calendar and contact

January	February	March	April	May	June	July	August	September	October	November	December
	25 Results 12M2021		28 Results 3M2022			28 Results 6M2022			27 Results 9M2022		
	26 Presentation of results 12M2021 11.30		29 Presentation of results 3M2022 12.30			28 Presentation of results 6M2022 16.30			27 Presentation of results 9M2022 16.30		
			28 General Shareholders' Meeting								
	Interim Dividend 2021			Dividend 2021		Interim Dividend 2022			Interim Dividend 2022		

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Glossary

Item	Definition	Formulation	Importance and relevance of use
Technical result after expenses	Result of the insurance activity	Technical result after expenses = (earned premiums from direct insurance + earned premiums from reinsurance accepted + information services and commissions) – Technical cost – Bonuses and rebates - Net operating expenses - Other technical expenses	Relevant Entity Relevant investors
Reinsurance result	Result due to transferring business to the reinsurer or accepting business from other entities.	Reinsurance result = Result of Inward Re + Result of ceded reinsurance	Relevant Entity Relevant investors
Financial result	Result of the financial investments.	Financial result = income from financial assets (coupons, dividends, actions) - financial expenses (commissions and other expenses) + result of subsidiary companies - interest accrued on the debt - interest paid to the insured parties of the life insurance business	Relevant Entity Relevant investors
Technical/financial result	Result of the insurance activity, including the financial result. This result is particularly relevant for Life insurance.	Technical/financial result = Technical result + Financial result	Relevant Entity Relevant investors
Result of non-technical non-financial account	Income and expenses that cannot be assigned to the technical or financial results.	Result of non-technical non-financial account = Income - expenses that cannot be assigned to the technical or financial results.	Relevant Entity Relevant investors
Result from complementary activities	Result of activities that cannot be assigned to the purely insurance business. Includes the funeral business and ancillary credit activities (mainly: information services, debt collection, management of the Dutch state's export account).	Result from complementary activities = income - expenses of these businesses	Relevant Entity Relevant investors
Ordinary result	Result of the entity's regular activity	Ordinary result = technical/financial result + non-technical account result - taxes, all resulting from normal activity	Relevant Entity Relevant investors
Non-ordinary result	Extraordinary or atypical movements that may undermine the analysis of the income statement. These are classified depending on their nature (technical, expenses and financial) and by business type (traditional and credit insurance)	Non-ordinary result = technical/financial result + non-technical account result - taxes, all resulting from extraordinary or atypical activity	Relevant Entity Relevant investors
Turnover	Turnover is the Group's business volume. It includes premiums that the Group generates in each of the business lines and the income from services pertaining to the credit insurance.	Turnover = Premiums invoiced + Income from information Premiums invoiced = premiums issued from direct insurance + premiums from accepted reinsurance	Relevant Entity Relevant investors

Funds under management	Amount of the financial and property assets managed by the Group	Funds under management = Financial and property assets entity risk + Financial and property assets policyholder risk + Managed pension funds Funds under management = fixed income + variable income + properties + deposits in credit entities + treasury + investee companies	Relevant investors
Financial strength	This shows the debt and solvency situation. This is principally measured through the debt ratio, the interest coverage ratio and the credit rating.	Debt Ratio = Debt / Equity + Debt	Relevant investors
Technical cost	Direct costs of claims coverage. See claims.	Technical cost = claims in the year, net of reinsurance + variation of other technical provisions, net of reinsurance	
Average cost of the claims	Reflects the average cost per claim	Average cost of claims = Technical cost / number of claims corresponding to that period.	
Deposits from ceded reinsurance	Deposits retained by the Group to secure the financial obligations of reinsurers	Deposits from ceded reinsurance Amounts received from ceded reinsurance to guarantee obligations arising from reinsurance contracts, the amount corresponds to the balance shown in the balance sheet	
Dividend yield	The profitability per dividend or dividend yield shows the relationship existing between the dividends distributed in the previous year with the value of the average share. Indicator used to value the shares of an entity.	Dividend yield = dividend paid in the year per share / value of the price of the average share.	Relevant investors
Modified Duration	Sensitivity of the value of the assets to movements in interest rates	Modified duration= Represents an approximation of the value of the percentage variation in the value of the financial assets for each percentage point (100 basic points) of variation in the interest rates.	
Expenses	The general expenses include the costs incurred for management of the business, excluding those that can be assigned to claims.	Expenses = personnel expenses + commercial expenses + various expenses and services (allowance, training, management rewards, material and other office expenses, leases, external services, etc.)	Relevant Entity Relevant investors
Permanence index	This measures the customer's expectations of continuing with the entity Scale from less than 1 year to over 5 years	Permanence index= how long do you think that you will remain a customer?	Relevant Entity Relevant investors
Company satisfaction index	This measures the general satisfaction of the customer with the entity Scale from 1 to 10	Overall satisfaction index = (Satisfied – dissatisfied) / respondents Satisfied responses with result from 7 to 10 Dissatisfied responses with result from 1 to 4	Relevant Entity Relevant investors
Service satisfaction index	This measures the evaluation of the service received Scale from 1 to 10	Service satisfaction index = (Satisfied – dissatisfied) / respondents Satisfied responses with result from 7 to 10 Dissatisfied responses with result from 1 to 4	Relevant Entity Relevant investors
Income from insurance	Measures the income directly derived from the activities of insurance and information services	Income from insurance = premiums accrued from direct insurance + premiums accrued fro accepted reinsurance + information services and commissions	Relevant Entity Relevant investors
Income from information	Income obtained from the study of the financial information of debtors of the credit business' policyholders in order to contract a policy	Information income = Information services and commissions	Relevant Entity Relevant investors

Funds under management	A group of assets managed by the Group in order to obtain a financial return on them.	Financial assets on the entity's balance sheet (real estate, fixed income, equities, ...) plus assets managed by the Group for its customers in pension plans and mutual funds	Relevant Entity Relevant investors
Investments in associated / subsidiary entities	Non-dependant entities where the Group has significant influence	Investments in associated / subsidiary entities = accounting value of the economic investment	
Net Promoter Score NPS	This measures the degree of customer loyalty with the entity	Net Promoter score = Would you recommend the company to family and friends? = (promoters-critics)/ respondents Promoters: responses with result equal to 9 or 10 Critics: responses with result from 1 to 6	Relevant Entity Relevant investors
Pay out	Ratio that indicates the part of the result distributed among investors through dividends	Pay out = (Total dividend/ Result of the year attributable to the parent company) x 100	Relevant investors
Price Earnings Ratio PER	The price-earnings ratio or PER measures the relationship between the price or value of the entity and the results. Its value expresses what the market pays for each monetary unit of results. It is representative of the entity's capacity to generate results.	PER = Price of the share at market close / Result of the year attributable to the parent company per share	Relevant investors
Recurring premiums	Total premiums without considering non-periodic premiums in the Life business	Recurring premiums = Earned premiums - single and supplementary life business premiums	Relevant Entity Relevant investors
Technical provisions	Amount of the obligations assumed that are derived from insurance and reinsurance contracts.		Relevant Entity Relevant investors
Combined ratio	Indicator that measures the technical profitability of the Non Life insurances.	Combined ratio = Ratio of claims + ratio of expenses	Relevant Entity Relevant investors
Net combined ratio	Indicator that measures the technical profitability of the non life insurances net of the reinsurance effect	Net combined ratio = Net ratio of claims + net ratio of expenses	
Efficiency ratio	Ratio reflecting the portion of premium income devoted to operating expenses and commissions.	Efficiency Ratio = (Total expenses and commissions) / Recurring premiums	Relevant Entity Relevant investors
Expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses.	Expenses ratio = Expenses from operation / Income from insurance	
Net expenses ratio	Ratio that reflects the part of the income from premiums dedicated to expenses, net of the reinsurance effect	Net expenses ratio= (Net expenses from reinsurance operation) / (premiums attributed to direct business and accepted reinsurance + information services and commissions)	
Claims ratio	Business indicator, consisting of the proportion between claims and earned premiums.	Claims ratio = Claims / Income from insurance	Relevant Entity Relevant investors
Net claims ratio	Business indicator, consisting of the proportion between claims and earned premiums, net of the reinsurance effect.	Net claims ratio= Claims in the year, net of reinsurance / (premiums attributed to direct business and accepted reinsurance + information services and commissions)	
Permanent resources	Resources that can be included in own funds.	Permanent resources = Total net equity + subordinated liabilities	Relevant Entity Relevant investors

Permanent resources at market value	Resources that can be included in own funds at market value	Permanent resources at market value = Total net equity + subordinated liabilities + capital gains associated to properties for own use + capital gains associated to property investments	Relevant Entity Relevant investors
Resources transferred to the company	Amount that the Group returns to the main stakeholders.	Resources transferred to the company = claims paid + taxes + commissions + personnel expenses + dividends	
Return On Equity ROE	Financial profitability or rate of return Measures the performance of the capital	ROE = (Result of the year. Attributable to the parent company) / (Simple average of the Equity attributed to shareholders of the parent company at the start and end of the period (twelve months)) x 100	Relevant investors
Claims	See technical cost. Economic evaluation of claims.	Claims = Payments made from direct insurance + Variation of the provision for services of direct insurance + expenses attributable to services	
Total expenses and commissions	Commissions and expenses (except those that can be allocated to claims) arising from the management of the business.	Expenses and commissions = Operating expenses + commissions paid on policies	
Total Potential Exposure TPE	This is the potential exposure to risk, also "cumulative risk".Credit insurance business term	TPE = the sum of the credit risks underwritten by the Group for each buyer	Relevant Entity Relevant investors
Value of responsible investments with respect to total investments and funds under management	Ratio that reflects the assets managed by the Group that comply with the Group's Responsible Investment Policy, with respect to the total investments and funds managed by the Group.	Investments that comply with the Group's Responsible Investment Policy/ Total investments and funds managed by the Group	
Generated economic value	The generated economic value is the aggregation of the value distributed by the Group and the value retained by the Group.	Direct generated economic value = economic value distributed + economic value retained	
Distributed economic value	Economic value that the Group has allocated to the following stakeholders: customers, public administrations, mediators, employees, shareholders and contributions to foundations and non-profit organisations.	Distributed economic value = payment of benefits to customers + taxes paid and social security contributions + payments to suppliers + salaries and employee benefits + dividends paid + Group contributions to foundations and non-profit organisations.	
Retained economic value	Amount of GCO's undistributed annual net income.	Retained economic value = Annual amount of GCO's after-tax income allocated to Reserves.	
Theoretical book value	The value per share that a company has for accounting purposes. Book value per share.	Theoretical book value = net equity/ number of shares	Relevant investors

Legal note

This document has been prepared by Grupo Catalana Occidente exclusively for use in the presentation of results. The forward-looking statements or predictions that may be contained in this document do not constitute, by their very nature, guarantees of future compliance, as they are subject to risks, uncertainties and other relevant factors, which may result in the developments and final results differing materially from those stated on these pages. Among these factors, we can highlight the following: performance of the insurance sector and of the overall economic situation in the countries where the entity operates; modifications to the legal framework; changes in monetary policy; pressure from the competition; changes in trends upon which the mortality and morbidity tables are based which affect the insurance activity in the areas of life and health; frequency and severity of the claims subject to coverage, both in the scope of the insurance activity and of general insurance such as life; fluctuation of the interest rates and the exchange rates; risks associated to the use of derived products; effect of future acquisitions.

Grupo Catalana Occidente is not obliged to periodically revise the content of this document in order to adapt it to events or circumstances posterior to this presentation.

The statements of this declaration must be taken into account by all people or entities that may have to adopt decisions or make or publish opinions relative to securities issued by the Company and, in particular, by the analysts and investors that use this document.

Interim financial statements

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

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2022
AND 31 DECEMBER 2021 (Notes 1 & 2)

(Figures in € thousand)

ASSETS	30.06.2022		31.12.2021 (*)	
1. Cash and other cash equivalents		**2.109.871**		**1.733.173**
2. Financial Assets held for trading (Note 6.c.)		**-**		**-**
3. Other financial assets at fair value through profit or loss (Note 6.c.)		**719.734**		**719.745**
a) Equity instruments	54		48	
b) Debt securities	-		-	
c) Investments held for the benefit of policyholders who bear the investment risk	719.680		719.697	
d) Loans	-		-	
e) Deposits with credit institutions	-		-	
4. Available-for-sale financial assets (Note 6.c.)		**9.297.264**		**10.213.620**
a) Equity instruments	2.108.881		2.381.083	
b) Debt securities	6.825.895		7.396.774	
c) Loans	-		-	
d) Bank deposits	362.488		435.763	
e) Other	-		-	
5. Loans and receivables (Note 6.c.)		**1.621.183**		**1.407.412**
a) Loans and other financial assets	408.444		434.072	
b) Receivables	1.210.520		935.804	
c) Investments held for the benefit of policyholders who bear the risk	2.219		37.536	
6. Held-to-maturity investments		**-**		**-**
7. Hedging derivatives		**-**		**-**
8. Reinsurer's share of technical provisions (Note 6.e)		**1.162.816**		**1.101.471**
9. Property, plant and equipment and investment property		**1.113.683**		**1.130.958**
a) Property, plant and equipment (Note 6.a.)	387.033		412.693	
b) Investment property (Note 6.a.)	726.650		718.265	
10. Intangible fixed assets (Note 6.b)		**920.573**		**945.543**
a) Goodwill (Note 6.b.1.)	787.124		802.979	
b) Policy portfolio acquisition costs	195		212	
c) Other intangible assets	133.254		142.352	
11. Investment in entities accounted for using the equity method (Note 6.d.)		**102.802**		**99.072**
12. Tax assets		**341.403**		**297.608**
a) Current tax assets	112.141		70.764	
b) Deferred tax assets	229.262		226.844	
13. Other assets		**749.054**		**624.263**
14. Assets held for sale		**-**		**-**
TOTAL ASSETS		**18.138.383**		**18.272.865**

(*) Presented solely and exclusively for comparison purposes. See Note 2.e. to the Explanatory Notes.
The accompanying Notes 1 to 8 are an integral part of the Condensed Consolidated Balance Sheet at 30 June 2022.

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

CONDENSED CONSOLIDATED BALANCE SHEET AT 30 JUNE 2022
AND 31 DECEMBER 2021 (Notes 1 & 2)

(Figures in € thousand)

NET LIABILITIES AND EQUITY	30.06.2022		31.12.2021 (*)	
TOTAL LIABILITIES		**13.966.898**		**13.800.025**
1. Financial liabilities held for trading		**-**		**-**
2. Other financial liabilities at fair value with changes in profit and loss		**-**		**-**
3. Debits and payables		**1.291.461**		**1.309.982**
a) Subordinated liabilities (Note 6.f.)	194.966		194.876	
b) Other payables	1.096.495		1.115.106	
4. Hedging derivatives		**-**		**-**
5. Technical provisions (Note 6.e.)		**11.825.184**		**11.294.466**
a) For unearned premiums	1.703.757		1.400.192	
b) For unexpired risks	1.636		1.636	
c) For life insurance				
- Provision for unearned premiums and unexpired risks	50.394		26.642	
- Mathematical provision	5.727.521		5.783.136	
- Provision for life insurance where the investment risk is borne by policyholders	721.698		757.760	
d) For claims	3.464.476		3.176.272	
e) For policyholder dividends and return premiums	31.367		31.148	
f) Other technical provisions	124.335		117.680	
6. Non-technical provisions		**170.492**		**196.056**
7. Tax liabilities		**478.620**		**555.794**
a) Current tax liabilities	138.789		51.558	
b) Deferred tax liabilities	339.831		504.236	
8. Other Liabilities		**201.141**		**443.727**
9. Liabilities linked to assets held for sale		**-**		**-**
TOTAL NET EQUITY		**4.171.485**		**4.472.840**
Equity		**3.385.626**		**3.209.004**
1. Capital		36.000		36.000
2. Share Premium Account		1.533		1.533
3. Reserves		3.108.641		2.767.506
4. *Less:* Shares and holdings in own equity (Note 6.k)		22.787		23.262
5. Earnings from previous years		-		-
6. Other contributions from members		-		-
7. Profit or loss for the year attributable to the parent company		262.239		427.227
a) Consolidated Profit or Loss	286.984		468.292	
b) Profit or Loss attributable to minority interests	24.745		41.065	
8. *Less:* Interim Dividend		-		-
9. Other net equity instruments		-		-
Other comprehensive income and accumulated in equity		**389.064**		**867.630**
1. Items not reclassified in the profit for the period		**-**		**-**
2. Items that can be reclassified after the profit for the period		389.064		867.630
a) Available-for-sale financial assets	380.668		1.059.465	
b) Hedging transactions	-		-	
c) Exchange differences	2.143		(21.661)	
d) Correction of accounting mismatches	9.880		(164.462)	
e) Entities accounted for using the equity method	(3.627)		(5.712)	
f) Other adjustments	-		-	
EQUITY ATTRIBUTABLE TO THE PARENT (Note 6.h.)		**3.774.690**		**4.076.634**
MINORITY INTERESTS (Note 6.h.)		**396.795**		**396.206**
1. Other comprehensive income and accumulated in equity		(15.190)		6.186
2. Other		411.985		390.020
TOTAL NET EQUITY AND LIABILITIES		**18.138.383**		**18.272.865**

(*) Presented solely and exclusively for comparison purposes. See Note 2.e. to the Explanatory Notes.
The accompanying Notes 1 to 8 are an integral part of the Condensed Consolidated Balance Sheet at 30 June 2022.

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

CONDENSED CONSOLIDATED PROFIT AND LOSS ACCOUNTS FOR THE SIX MONTH PERIODS ENDED IN 30 JUNE 2022 AND 2021 (Notes 1 and 2)

(Figures in € thousand)

	1st Half-Year 2022	1st Half-Year 2021 (*)
1. Earned premiums for the year, net of reinsurance	1.613.676	1.298.729
2. Income from property,plant and equipment and investments	76.705	69.259
3. Other technical income	131.694	145.666
4. Claims incurred in the year, net of reinsurance	(897.522)	(722.241)
5. Change in other technical provisions, net of reinsurance	(6.429)	(6.766)
6. Provision for policyholder dividends and return premiums	(908)	(83)
7. Net operating expenses	(517.791)	(448.592)
8. Other technical expenses	(10.776)	(4.602)
9. Expenses arising from property, plant and equipment and investments	(53.324)	(41.057)
A) NON-LIFE RESULT	**335.325**	**290.313**
10. Earned premiums for the year, net of reinsurance	378.389	385.814
11. Income from property,plant and equipment and investments	105.639	104.733
12. Income from investments assigned to insurance policies in which policyholders bear the investment risk	45.499	48.213
13. Other technical income	3.780	3.363
14. Claims incurred in the year, net of reinsurance	(393.985)	(396.142)
15. Change in other technical provisions, net of reinsurance	91.677	(33.876)
16. Provision for policyholder dividends and return premiums	(12.104)	(8.926)
17. Net operating expenses	(37.165)	(38.259)
18. Other technical expenses	(958)	(1.441)
19. Expenses arising from property, plant and equipment and investments	(29.939)	(21.537)
20. Expenses of investments assigned to insurance policies in which policyholders bear the investment risk	(114.590)	(9.665)
B) LIFE INSURANCE RESULT	**36.243**	**32.277**
C) RESULT ON TECHNICAL ACCOUNT	**371.568**	**322.590**
21. Income from property,plant and equipment and investments	(94)	(1.880)
22. Negative goodwill	-	-
23. Expenses arising from property, plant and equipment and investments	(5.997)	(11.054)
24. Other income	29.158	20.200
25. Other expenses	(27.702)	(25.611)
E) PROFIT BEFORE TAX	**366.933**	**304.245**
26. Income tax	(79.949)	(65.398)
F) PROFIT FOR THE YEAR FROM CONTINUED OPERATIONS	**286.984**	**238.847**
27. Profit for the year from discontinued operations net of taxes	-	-
G) CONSOLIDATED PROFIT FOR THE YEAR	**286.984**	**238.847**
a) Profit attributable to equity holders of the parent	262.239	219.432
b) Profit attributable to minority interests	24.745	19.415

(figures in Euros)

PROFIT PER SHARE (Note 4.b)		
Basic	2,22	1,86
Diluted	2,22	1,86

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

The accompanying Notes 1 to 8 are an integral part of the Condensed Consolidated Profit and Loss Account for the six month period ended on 30 June 2022.

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

CONDENSED CONSOLIDATED STATEMENTS OF RECOGNISED INCOME AND EXPENSE FOR THE SIX MONTH PERIODS ENDED 30 JUNE 2022 AND 2021 (Notes 1 & 2)

(Figures in € thousand)

	1st Half-Year 2022	1st Half-Year 2021 (*)
A) CONSOLIDATED PROFIT FOR THE PERIOD	**286.984**	**238.847**
B) OTHER COMPREHENSIVE INCOME - ITEMS NOT RECLASSIFIED IN THE PROFIT FOR THE PERIOD	**11.367**	**5.096**
1. Actuarial Gains/(losses) on long term remuneration to personnel	**17.836**	**8.172**
2. Share in other comprehensive income recognised by investments in joint ventures and associates	**-**	**-**
3. Other income and expenses not reclassified in the profit for the period	**-**	**-**
4. Tax effect	**(6.469)**	**(3.076)**
C) OTHER COMPREHENSIVE INCOME - ITEMS THAT CAN BE RECLASSIFIED AFTER THE PROFIT FOR THE PERIOD	**(499.941)**	**88.258**
1. Available-for-sale financial assets	**(924.843)**	**28.231**
a) Valuation gains/(losses)	(936.862)	30.623
b) Amounts transferred to the income statement	12.019	(2.392)
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	-	-
d) 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:	**28.734**	**9.192**
a) Valuation gains/(losses)	28.734	9.192
b) Amounts transferred to the income statement	-	-
c) Other reclassifications	-	-
5. Correction of accounting mismatches:	**233.525**	**66.186**
a) Valuation gains/(losses)	233.525	66.186
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	-	-
7. Share in other comprehensive income recognised by investments in joint ventures and associates	**2.454**	**735**
a) Valuation gains/(losses)	2.454	735
b) Amounts transferred to the income statement	-	-
c) Other reclassifications	-	-
8. Other income and expenses that can be reclassified after the profit for the period	**-**	**-**
9. Tax effect	**160.189**	**(16.086)**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A + B + C)	**(201.590)**	**332.201**
a) Attributable to the parent company	**(206.869)**	**305.376**
b) Attributable to minority interests	**5.279**	**26.825**

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

The accompanying Notes 1 to 8 are an integral part of the Condensed Consolidated Statements of Recognised Income and Expense for the six month period ended on 30 June 2022.

CONDENSED CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE SIX MONTH PERIODS ENDED ON 30 JUNE 2022, 31 DECEMBER 2021 AND 30 JUNE 2021 (Notes 1 & 2)

(Figures in € thousand)

	Equity attributable to equity holders of the parent company						Minority interests	Total net equity
	Shareholder's equity					Other comprehensive income and accumulated in equity		
	Capital or mutual fund	Share premium and Reserves	Treasury shares and participation units	Profit for the year attributable to the parent company	(Interim Dividends)			
Closing balance at 31 December 2020 (*)	**36.000**	**2.618.714**	**(23.539)**	**262.331**	**(38.112)**	**723.508**	**358.717**	**3.937.619**
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjustment for errors	-	-	-	-	-	-	-	-
Opening balance adjusted to 1 January 2021	**36.000**	**2.618.714**	**(23.539)**	**262.331**	**(38.112)**	**723.508**	**358.717**	**3.937.619**
I. Total recognised Income/(Expense), first half-year 2021	**-**	**4.240**	**-**	**219.432**	-	**81.704**	**26.825**	**332.201**
II. Operations with shareholders or owners	**-**	**(20.004)**	**277**	**-**	**(67.740)**	**-**	**(3.268)**	**(90.735)**
1. Capital increases/(decreases)	-	-	-	-	-	-	-	-
2. Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
3. Dividend distribution (See Note 4.a)	-	(20.004)	-	-	(67.740)	-	(3.268)	(91.012)
4. Transactions with treasury shares or holdings (net) (Note 6.k)	-	-	277	-	-	-	-	277
5. Increases (decreases) due to business combinations	-	-	-	-	-	-	-	-
6. Other transactions with members or shareholders	-	-	-	-	-	-	-	-
III. Other changes in equity	**-**	**157.792**	**-**	**(262.331)**	**105.852**	**-**	**38**	**1.351**
1. Share-based payments	-	-	-	-	-	-	-	-
2. Transfers between net equity items	-	156.479	-	(262.331)	105.852	-	-	-
3. Other changes	-	1.313	-	-	-	-	38	1.351
Closing balance at 30 June 2021 (*)	**36.000**	**2.760.742**	**(23.262)**	**219.432**	**-**	**805.212**	**382.312**	**4.180.436**
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjustment for errors	-	-	-	-	-	-	-	-
Opening balance adjusted	**36.000**	**2.760.742**	**(23.262)**	**219.432**	**-**	**805.212**	**382.312**	**4.180.436**
I. Total recognised income/(expense), second half-year 2021	**-**	**23.570**	**-**	**207.795**	**-**	**62.418**	**28.778**	**322.561**
II. Operations with shareholders or owners	**-**	**(20.004)**	**-**	**-**	**-**	**-**	**(14.951)**	**(34.955)**
1. Capital increases/(decreases)	-	-	-	-	-	-	-	-
2. Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
3. Dividend distribution	-	(20.004)	-	-	-	-	(14.951)	(34.955)
4. Transactions with treasury shares or holdings (net) (Note 6.k)	-	-	-	-	-	-	-	-
5. Increases (decreases) due to business combinations	-	-	-	-	-	-	-	-
6. Other transactions with members or shareholders	-	-	-	-	-	-	-	-
III. Other changes in equity	**-**	**4.731**	**-**	**-**	**-**	**-**	**67**	**4.798**
1. Share-based payments	-	-	-	-	-	-	-	-
2. Transfers between net equity items	-	-	-	-	-	-	-	-
3. Other changes	-	4.731	-	-	-	-	67	4.798
Closing balance at 31 December 2021 (*)	**36.000**	**2.769.039**	**(23.262)**	**427.227**	**-**	**867.630**	**396.206**	**4.472.840**
Adjustment for changes in accounting policies	-	-	-	-	-	-	-	-
Adjustment for errors	-	-	-	-	-	-	-	-
Opening balance adjusted to 1 January 2022	**36.000**	**2.769.039**	**(23.262)**	**427.227**	**-**	**867.630**	**396.206**	**4.472.840**
I. Total recognised income/(expense), first half-year 2022	**-**	**9.458**	**-**	**262.239**	-	**(478.566)**	**5.279**	**(201.590)**
II. Operations with shareholders or owners	**-**	**(41.508)**	**475**	**-**	**(53.556)**	**-**	**(4.591)**	**(99.180)**
1. Capital increases/(decreases)	-	-	-	-	-	-	-	-
2. Conversion of financial liabilities into equity	-	-	-	-	-	-	-	-
3. Dividend distribution (See Note 4.a)	-	(41.508)	-	-	(53.556)	-	(4.591)	(99.655)
4. Transactions with treasury shares or holdings (net) (Note 6.k)	-	-	475	-	-	-	-	475
5. Increases (decreases) due to business combinations	-	-	-	-	-	-	-	-
6. Other transactions with members or shareholders	-	-	-	-	-	-	-	-
III. Other changes in equity	**-**	**373.185**	**-**	**(427.227)**	**53.556**	**-**	**(99)**	**(585)**
1. Share-based payments	-	-	-	-	-	-	-	-
2. Transfers between net equity items	-	373.671	-	(427.227)	53.556	-	-	-
3. Other changes	-	(486)	-	-	-	-	(99)	(585)
Closing balance at 30 June 2022	**36.000**	**3.110.174**	**(22.787)**	**262.239**	**-**	**389.064**	**396.795**	**4.171.485**

(*) Presented solely and exclusively for comparison purposes. See Note 2.e. to the Explanatory Notes.
The accompanying Notes 1 to 8 are an integral part of the Condensed Consolidated Statement of Changes in Total Equity for the six month period ended on 30 June 2022.

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

ABRIDGED CONSOLIDATED STATEMENTS OF CASH FLOWS GENERATED IN THE SIX MONTH PERIODS ENDED 30 JUNE 2022 AND 2021 (DIRECT METHOD) (Notes 1 and 2)

(Figures in € thousand)

	1st Half-Year 2022	1st Half-Year 2021 (*)
A) CASH FLOWS FROM OPERATING ACTIVITIES (1+2+3)	**391.545**	**348.381**
1. Insurance activities:	**584.126**	**530.062**
(+) Cash received from insurance activities	3.093.468	2.976.379
(-) Cash paid in insurance activities	(2.509.342)	(2.446.317)
2. Other operating activities:	**(126.686)**	**(151.976)**
(+) Cash received from other operating activities	175.445	236.818
(-) Cash paid in other operating activities	(302.131)	(388.794)
3. Income tax refunded/(paid)	**(65.895)**	**(29.705)**
B) CASH FLOWS FROM INVESTING ACTIVITIES (1 + 2)	**58.498**	**(153.444)**
1. Cash received from investing activities:	**1.884.216**	**1.342.575**
(+) Property, plant and equipment	760	313
(+) Investment property	17.683	12.676
(+) Intangible assets	-	-
(+) Financial instruments	1.596.607	1.187.058
(+) Investments in equity instruments	-	-
(+) Subsidiaries and other business units (Note 1.b)	24.250	-
(+) Interest received	76.479	81.486
(+) Dividends received	40.379	34.999
(+) Other cash received in relation to investing activities	128.058	26.043
2. Payments from investment activities:	**(1.825.718)**	**(1.496.019)**
(-) Property, plant and equipment	(11.456)	(21.334)
(-) Investment property	(8.975)	(10.299)
(-) Intangible assets	(23.430)	(27.204)
(-) Financial instruments	(1.635.032)	(1.342.041)
(-) Investments in equity instruments	-	-
(-) Subsidiaries and other business units (Note 1.b)	(3.521)	(1.882)
(-) Other cash paid in relation to investing activities	(143.304)	(93.259)
C) CASH FLOWS FROM FINANCING ACTIVITIES (1 + 2)	**(78.018)**	**(77.374)**
1. Cash received from financing activities:	**675**	**277**
(+) 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 (Note 6.k)	475	277
(+) Other cash received in relation to financing activities	200	-
2. Cash paid in investing activities:	**(78.693)**	**(77.651)**
(-) Dividends to shareholders (Note 4.a)	(73.560)	(67.740)
(-) Interest paid	(5.075)	(5.922)
(-) 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	-	-
(-) Other cash paid in relation to financing activities	(58)	(3.989)
D) EFFECT OF CHANGES IN EXCHANGE RATES	**4.673**	**1.011**
E) NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS (A + B + C + D)	**376.698**	**118.574**
F) CASH AND CASH EQUIVALENTS AT THE START OF THE PERIOD	**1.733.173**	**1.477.975**
G) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (E+F)	**2.109.871**	**1.596.549**

COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1st Half-Year 2022	1st Half-Year 2021 (*)
(+) Cash	1.904.777	1.486.009
(+) Other financial assets	205.094	110.540
(-) *Less : Bank overdrafts repayable on demand*	-	-
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**2.109.871**	**1.596.549**

(*) Presented solely and exclusively for comparison purposes. Unaudited balances. See Note 2.e. to the Explanatory Notes.
The accompanying Notes 1 to 8 are an integral part of the Condensed Consolidated Statement of Cash Flow for the six month period ended on 30 June 2022.

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

Explanatory notes to the condensed consolidated half-year financial statements that correspond to the six-month period ending on 30 June 2022.

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 of the parent company and other public information about the group can be accessed at www.grupocatalanaoccidente.com and at the company's registered offices, Paseo de la Castellana 4, Madrid (Spain).

The 2021 consolidated annual financial statements of the Group were approved by the Annual General Shareholders' Meeting, which was held on 28 April 2022.

1.b) Grupo Catalana Occidente

Annexes I and II of the consolidated annual financial statements corresponding to the year ended 31 December 2021, provide relevant information on the companies of the Group that were consolidated on that date and those valued by the equity method.

Below is a summary of the main operations in the six-month period ending on 30 June 2022:

1.b.1) Acquisition of 100% of Funcantabria Servicios Funerarios S.L.

On 27 December 2021, Grupo Catalana Occidente, through its investee Funeraria Merino Diez, S.L.U., reached an agreement to acquire 100% of the shares of Funcantabria Servicios Funerarios, S.L. (hereinafter 'Funcantabria') for a price of €3,475 thousand.

After having obtained the corresponding authorisation for the transfer and acquisition of the shares from the National Markets and Competition Commission on 16 February 2022, the execution of the sale and purchase agreement was formalised on 14 March 2022.

Finally, the agreed price was €3,671 thousand, corresponding to the initial price of €3,475 thousand, adjusted by the difference between the net financial debt at 14 March 2022 (the nearest closing date to the transaction) and the net financial debt estimated in the contract. In order to pay this consideration, €3,521 thousand were paid in cash and the remaining €150 thousand have been agreed to be paid within one year from the date of execution of the purchase and sale agreement.

Provisional accounting of the business combination

The effective takeover date was 14 March 2022, the date on which the execution of the sales contract was formalised.

The Group has valued the identifiable assets acquired and the liabilities assumed at fair value on the date of the combination, pursuant to International Financial Reporting Standard 3 (IFRS 3).

For this, the Group has performed a Purchase Price Allocation (PPA) analysis in order to determine the fair value of Funcantabria's assets and liabilities at 14 March 2022. The accounting regulations stipulates a period of one year during which the valuation of assets and liabilities acquired is not final, wherefore the valuations carried out are the best available estimate on the date of preparation of these financial statements and they are in any case interim.

The amount of the consideration paid amounts to €3,671 thousand, which corresponds to the acquisition price on the date of the business combination.

The fair value of the assets identified net of liabilities amounts to €1,348 thousand. In the exercise of the PPA, no intangible assets of the acquired entity have been recognised.

Expenses incurred in the transaction amounted to €23 thousand and were recorded in the consolidated profit and loss account.

The operation has generated goodwill of €2,323 thousand (see Note 6.b.1).

1.b.2) Sale of Graydon Holding N.V.

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

The sale of Graydon resulted, among other things, in a reduction of intangible assets (internally generated software) of €15,100 thousand and a reduction of goodwill on consolidation of €17,920 thousand (see Note 6.b.1). In addition, information services income and expenses decreased by €20,725 thousand and €20,433 thousand, respectively, in the first half of 2022, compared to the same period of the previous year.

1.b.3) Voluntary rejection of the conditions of Sociedad de Inversión de Capital Variable by Catoc SICAV, S.A.

As a result of the amendments introduced in Law 27/2014, of 27 November, on Corporate Income Tax (LIS) following the approval of Law 11/2021, of 9 July, on measures to prevent and combat tax fraud, which substantially altered the tax regime for investment companies with variable capital (SICAVs), on 3 December 2021, the National Securities Market Commission (CNMV) requested Catoc SICAV, S.A. to adopt a decision in relation to the aforementioned tax modification before 31 January 2022 and to transmit it to its management company so that the latter, in turn, could inform the CNMV.

After having analysed the different options, Catoc SICAV, S.A. agreed to propose to its shareholders to voluntarily waive its SICAV status and to process the corresponding request to the CNMV to revoke such status and be removed from the corresponding administrative register, with the ultimate aim of transforming it into a limited liability company, reminding the shareholders of the possibility established in Law 35/2003, of 4 November 2003, on Collective Investment Institutions, to request the company to repurchase their shares at the net asset value on the date of such request. In this regard, all the shareholders of Catoc SICAV, S.A. made use of this possibility, with the exception of Seguros Catalana Occidente, S.A. de Seguros y Reaseguros and Nortehispana de Seguros y Reaseguros, S.A.

In accordance with the above, on 6 May 2022, the General Shareholders' Meeting of Catoc SICAV, S.A., resolved to delist the company BME Growth and lose its SICAV status, reduce its capital by amortisation of treasury stock, transform the S.A. into an S.L. and approve new bylaws, including the change of its corporate name to CATOC INVERSIONES GLOBALES, S.L.

These agreements were executed in a public deed on 11 May 2022 and, after obtaining the different administrative authorisations and, in particular, the notification of deregistration from the Register of Investment Companies with Variable Capital by the CNMV, were registered in the Mercantile Register on 8 July 2022.

1.c) Updating the risk environment

During the last few years and as a result of the pandemic situation generated by COVID-19, the impact on both results and solvency has been monitored and analysed, and the solvency ratio has been well above the risk appetite approved by the Group.

On the other hand, in relation to the situation in Ukraine, the Group is closely monitoring developments and taking appropriate measures as required. Through Atradius N.V., ongoing discussions are held with our customers to assess current exposure and identify areas of focus. In addition, communications are maintained with intermediaries, reinsurers and regulatory agencies, among others. Given the rapid development of the sanctions imposed, special attention is being given to this area to ensure compliance. However, no significant impact is expected on the Group's continuity, nor a relevant impact on income.

The adverse scenario calculated in the ORSA framework is sufficiently severe and includes all the different components that could be affected due to the conflict between Ukraine and Russia: claims ratio, reduction of TPE due to mitigating measures and volatility of financial markets. The solvency ratio after these adverse conditions would also be above the Group's risk appetite.

The Group takes into consideration the current economic environment of rising inflation and rising costs in its forecasts and estimates, and is actively monitoring these risks. The impact of the cost increase is expected to be reduced by taking advantage of the agreements with the supplier network (contract workshops, large hospital groups, etc.). In credit insurance, the growth of inflation is having an impact on the insured limits (TPE), but also on the corresponding premiums.

1.c.1) Technical risks of the traditional business

The COVID-19 crisis and the current economic situation, affected by the situation in Ukraine, have not significantly impacted traditional business risks.

The main sensitivities of the Group's traditional business (to interest rates and to increases in claims) do not differ from those indicated in Note 4.b.A of the notes to the consolidated financial statements for 2021. In view of the above, no additional sensitivity scenarios have been performed in the traditional business as the first half results have remained at the usual levels and no significant impacts are expected.

1.c.2) Technical risks in the credit insurance business.

Now that the economic situation resulting from the pandemic crisis is returning to normal, the current loss ratio in the credit insurance business remains at very low levels, although the level of insolvencies and defaults will continue to be monitored throughout the second half of the year.

In response to this crisis, the Group took various actions to mitigate these risks: restrictive underwriting measures, risk mitigation actions taken selectively to protect our customers, and through the agreements established by the various European governments (see Note 4.b.B of the notes to the consolidated financial statements for 2021).

In 2020 the Group signed agreements in the form of reinsurance schemes under EU state aid rules with Denmark, Germany, Norway, Belgium, France, Luxembourg, the Netherlands, the United Kingdom, Italy and Spain and extended until 30 June 2021 the governance arrangements in Denmark, Germany, Norway, Belgium, Luxembourg, the Netherlands, the United Kingdom and Spain. After the expiry of the agreements until 30 June 2021, the agreements were not renewed.

The combined impacts of these measures on these condensed consolidated half-yearly financial statements (hereinafter 'half-yearly financial statements') have been as follows:

- Balance sheet: debts (net of credits) for reinsurance operations amount to €75,941 thousand at 30 June 2022 (€125,754 thousand at 31 December 2021) and the reinsurance share of technical provisions amounts to €51,312 thousand (€132,883 thousand at 31 December 2021).

- Income statement: loss of €42,253 thousand (loss of €196,344 thousand in the first half of 2021), made up of a negative impact on earned premiums from ceded reinsurance of €18,522 thousand, a negative impact on ceded reinsurance claims of €28,011 thousand as, partially offset by €4,280 thousand of commissions from ceded reinsurance.

Under normal circumstances, the most relevant assumption used in the main methods of calculating technical provisions for traditional credit insurance, in order to estimate the number of claims in the most recent months of sales, is that the claims inflow in the second half of 2022 will be around 20% higher than in the first half of 2022. The main methods of estimating claims provisions for traditional credit insurance account for 67% (2021: 74%) of traditional credit insurance claims provisions.

Due to the high uncertainty caused by the circumstances of the current environment, a similar approach has been adopted for the first half of 2022 as was taken for the end of 2021. During the second half of 2020, the number of reported claims decreased significantly compared to the first half of 2020. At the time, this was partly related to a fall in insured business, measures and restrictions adopted by governments in the early 2020s, as well as government support for the economy. However, and although insured shipments have since recovered, the number of claims reported in 2022 has remained at a low level, in line with the claims inflow in the second half of 2020, which is 40% - 60% lower than claims reported in the first half of 2020 depending on the country, although being 29% higher than in the same period of 2021. The provisions for credit insurance claims for the first half of 2022 have been determined based on the assumption that this number of low claims is temporary, with a sharp increase in the number of claims expected in the coming months, to the level of the first half of 2020 plus 10% - 40% depending on the country, due to the uncertainty of the current economic context. In the event that the expected increase in claims does not materialise, these provisions could be released for the year 2022.

The Group monitors exposures by counterparty, sector and country through a single database (Symphony) that contains details of the majority of credit insurance policies and credit limits and all customers with whom the Group has exposure to default risk. Most policies, both new business and renewals, are priced according to a structured system based on the risks, costs and outlook assigned by the Group according to country, sector and buyer credit ratings.

All customers with whom the Group has significant exposure are reviewed annually, although on a continuous basis information concerning defaults, both from companies and from individuals, is received. An indication of the sensitivity to the expected ultimate number of claims would be as follows: if the estimated ultimate number of claims during the most recent six months of risk were to change by 10%, the claims provisions would change by €36 million (€35 million in financial year 2021), gross of reinsurance: The technical provisions of the credit insurance business are considered reasonable and in line with the Group's accounting levels and policies at 30 June 2022.

The Group is exposed to the concentration risk by purchaser and by country and sector of the purchaser. Concentration risk is controlled and monitored through what is known as Total Potential Exposure (TPE). The TPE is a higher credit limit approximate to the real exposure with individual purchasers.

On a portfolio level, the real exposure tends to be in the range of 10% to 30% of the TPE, without taking into account that the customers also have their own withholdings. Each policy stipulates the maximum discretionary limit permitted and, for the majority of policies, this is not more than €20 thousand per buyer. This illustrates that the TPE is an absolute measure of exposure and that, in aggregate, the actual exposure will be much lower.

The distribution of the TPE by country, sector and buyer group at 30 June 2022 and 31 December 2021 is detailed below:

Buyer's country	Of which	TPE to 30/06/2022 Millions of euros	TPE to 31/12/2021 Millions of euros
Denmark, Finland, Norway, Netherlands, Sweden, Baltic Countries	The Netherlands	36,047	33,204
	Other	39,160	35,311
Austria, Czech Republic, Germany, Greece, Hungary, Poland, Slovakia, Switzerland and Others	Germany	116,048	108,235
	Others (*)	82,852	77,682
UK, North America, Australia, Asia and Others	United Kingdom	54,903	51,211
	Ireland	5,894	5,300
	USA and Canada	85,610	70,655
	Mexico and Central America	14,161	12,166
	Brazil	14,309	11,218
	Asia and Australia	113,947	101,050
	Other	13,636	11,933
Southern Europe	France	55,893	50,601
	Italy	54,471	50,352
	Spain and Portugal	93,528	86,970
	Belgium and Luxembourg	20,426	19,155
Total		**800,885**	**725,043**

(*) This group includes TPE from Russia and Ukraine. The total exposure in both countries has been reduced compared to year-end 2021 by 55%, representing less than 0.4% of the total exposure.

Industrial sector	TPE to 30/06/2022 Millions of euros	TPE to 31/12/2021 Millions of euros
Durable consumer goods	86,290	81,697
Metals	89,567	78,757
Electronics	98,037	90,137
Construction	59,295	53,451
Chemicals	110,637	99,390
Transport	70,030	61,673
Machinery	51,899	46,328
Food	76,399	71,101
Construction materials	39,312	34,801
Services	27,610	25,211
Textiles	18,589	16,987
Finance	17,703	15,497
Agriculture	37,744	34,441
Paper	17,773	15,572
Total	**800,885**	**725,043**

Grouping by number of buyers	TPE to 30/06/2022 Millions of euros	TPE to 31/12/2021 Millions of euros
0 – 20	396,225	364,886
20 – 100	145,604	129,838
100 – 250	87,385	78,455
250 – 500	65,462	61,236
500 – 1,000	60,943	48,517
Over 1,000	45,266	42,111
Total	**800,885**	**725,043**

1.c.3) Financial market risks

The economic situation generated by the COVID-19 pandemic has had a very significant impact on financial markets, especially on equity markets, which suffered significant falls in the first half of 2020. During the second half of 2020 and throughout 2021, the gradual recovery of economic activity and advances in vaccine development and, subsequently, in vaccination programmes, allowed a recovery in most stock exchanges to pre-pandemic levels.

In the first half of 2022, stock markets have recorded significant falls, accompanied by a spike in volatility. The causes were mainly the expectations of rising interest rates, followed by the first central bank hikes to combat inflation, and the start of the war in Ukraine in February. The invasion by Russia has caused a turning point in international relations and the geopolitical landscape. The conflict has increased the cost of energy and this increase in the price of gas, oil and other raw materials has had a significant impact on the hike in prices, raising inflation. Furthermore, the continuation of the war in Ukraine increases the likelihood of a sharp slowdown in world economic growth and even the possibility of a global recession occurring perhaps as early as 2023.

The Group has monitored its exposure to the various risks, specifically:

a) The evolution of the positions held in liquidity has been monitored, although the levels of cash held minimise any impact in this regard.

b) Credit exposure to the different sectors particularly affected by the impact of the pandemic and the current economic and price situation has been controlled. Additionally, the portfolio diversification controls in place mitigate any risk in this regard.

c) The sectoral diversification of these investments has been analysed in detail regarding variable income investments, as in the case of fixed income investments.

With regards to the main sensitivities performed by the Group for the financial market risks, we can highlight:

a) Fixed Income: An increase in the curve of 100bps represents +4.8% solvency ratio whereas a decrease in the curve of 100 bps represents -6% in solvency ratio.

b) Variable Income: An decrease in the variable income of the stock market of -10% represents +10.2% solvency ratio whereas a decrease in the variable income of -25% represents +14.6% in solvency ratio.

c) Properties: A decrease in value of 5% of the property value implies -1.5% of the solvency ratio.

d) A combined decrease of 10% in the variable income value and of 5% in the properties implies an increase of +8.6% of the Group's solvency ratio.

The breakdown of financial assets at 30 June 2022 and 31 December 2021 according to the inputs used is as follows (in € thousand):

	Level 1	Level 2	Level 3	Total at 30/06/2022
Financial assets held for trading	**-**	**-**	**-**	**-**
Derivatives	-	-	-	**-**
Other financial assets at fair value through profit or loss	**719,734**	**-**	**-**	**719,734**
Financial Investments in Equity	-	-	-	**-**
Stakes in investment funds	54	-	-	**54**
Debt securities	-	-	-	**-**
Investments held for the benefit of policyholders who bear the investment risk	719,680	-	-	**719,680**
Available-for-Sale financial assets	**8,536,345**	**388,310**	**372,609**	**9,297,264**
Financial Investments in Equity	1,343,748	-	106,252	**1,450,000**
Stakes in investment funds	392,524	-	266,357	**658,881**
Debt securities	6,800,073	25,822	-	**6,825,895**
Loans	-	-	-	**-**
Deposits with credit institutions	-	362,488	-	**362,488**
Total at 30/06/2022	**9,256,079**	**388,310**	**372,609**	**10,016,998**

	Level 1	Level 2	Level 3	Total at 31/12/2021
Financial assets held for trading	**-**	**-**	**-**	**-**
Derivatives	-	-	-	**-**
Other financial assets at fair value through profit or loss	**719,745**	**-**	**-**	**719,745**
Financial Investments in Equity	-	-	-	**-**
Stakes in investment funds	48	-	-	**48**
Debt securities	-			**-**
Investments held for the benefit of policyholders who bear the investment risk	719,697	-	-	**719,697**
Available-for-Sale financial assets	**9,468,700**	**466,046**	**278,874**	**10,213,620**
Financial Investments in Equity	1,580,761	-	86,156	**1,666,917**
Stakes in investment funds	521,448	-	192,718	**714,166**
Debt securities	7,366,491	30,283	-	**7,396,774**
Loans	-	-	-	**-**
Deposits with credit institutions	-	435,763	-	**435,763**
Total at 31/12/2021	**10,188,445**	**466,046**	**278,874**	**10,933,365**

At 30 June 2022, financial instruments at fair value classified in Level 3 represent 3.20% of financial assets (2.26% at 31 December 2021).

The valuation techniques used for the recognition and measurement of financial assets have not changed in relation to those used in the consolidated financial statements for the year 2021 (see Note 3.b.3 of the report for the consolidated financial statements).

The Group carries out a periodic review of the existing portfolio in order to analyse whether it is necessary to change the classification of any of the existing assets. As a result of this review, in the first half of 2022 there have been no reclassifications between the different valuation levels.

In addition, below is a breakdown of the movement in financial assets classified in Level 3 (in € thousand):

	Available-for-Sale financial assets (AFS)		Total
	Financial Investments in Equity	Stakes in investment funds	
Net book value on 1 January 2021	**18,042**	**111,684**	**129,726**
Purchases	67,998	16,058	**84,056**
Sales and amortisations	(298)	(57)	**(355)**
Reclassifications and transfers	-	26,874	**26,874**
Changes in value against reserves	(5,976)	(239)	**(6,215)**
Changes in value against results	-	-	**-**
Effect of changes on the exchange rates	-	-	**-**
Changes in loss due to value impairment	-	-	**-**
Net book value on 30 June 2021	**79,766**	**154,320**	**234,086**
Purchases	39	38,718	**38,757**
Sales and amortisations	-	(898)	**(898)**
Reclassifications and transfers	-	(1,615)	**(1,615)**
Changes in value against reserves	6,351	2,193	**8,544**
Changes in value against results	-	-	**-**
Effect of changes on the exchange rates	-	-	**-**
Changes in loss due to value impairment	-	-	**-**
Net book value on 1 January 2022	**86,156**	**192,718**	**278,874**
Purchases	15,769	71,522	**87,291**
Sales and amortisations	-	(3,122)	**(3,122)**
Reclassifications and transfers	-	-	**-**
Changes in value against reserves	4,327	5,239	**9,566**
Changes in value against results	-	-	**-**
Effect of changes on the exchange rates	-	-	**-**
Changes in loss due to value impairment	-	-	**-**
Net book value on 30 June 2022	**106,252**	**266,357**	**372,609**

In order to obtain the fair value of the equity assets classified in Level 3, for whose measurement there are no directly observable market data, alternative techniques are used, based mainly on quotations provided by intermediaries or market contributors. The Group has assessed that small changes in the assumptions used in these valuation models would involve no substantial changes in the values obtained.

The credit ratings of fixed-income issuers at 30 June 2022 and 31 December 2021 are detailed below (amounts in € thousand):

Rating	30/06/2022				31/12/2021			
	Public fixed income	Private fixed income	Total Fixed income	% Fixed income	Public fixed income	Private fixed income	Total Fixed income	% Fixed income
AAA	287,150	28,285	315,435	4.62%	239,673	35,325	274,998	3.72%
AA	286,332	193,829	480,161	7.03%	329,964	128,817	458,781	6.20%
A	1,675,720	1,559,323	3,235,043	47.39%	2,055,444	1,419,428	3,474,872	46.98%
BBB	287,356	2,263,192	2,550,548	37.37%	329,969	2,572,013	2,901,982	39.23%
Other	-	184,869	184,869	2.71%	-	222,373	222,373	3.01%
No rating	44,850	14,989	59,839	0.88%	15,022	48,746	63,768	0.86%
Total	**2,581,408**	**4,244,487**	**6,825,895**	**100.00%**	**2,970,072**	**4,426,702**	**7,396,774**	**100.00%**

As an investment management criterion, risk diversification measures by sector are also taken into account (amounts in € thousand):

Sector	30/06/2022				31/12/2021			
	Equity instruments	%	Representative debt values	%	Equity instruments	%	Representative debt values	%
Communications	118,961	5.64%	451,349	6.61%	146,108	6.14%	479,706	6.49%
Cyclical consumer goods	118,304	5.61%	652,463	9.56%	164,332	6.90%	775,598	10.49%
Non-cyclical consumer goods	250,193	11.86%	574,171	8.41%	300,053	12.60%	533,417	7.21%
Energy	41,384	1.96%	98,688	1.45%	14,998	0.63%	88,671	1.20%
Financial	541,143	25.66%	1,595,271	23.37%	499,119	20.96%	1,693,339	22.89%
Industrial	153,329	7.27%	450,178	6.60%	197,055	8.28%	443,878	6.00%
Technological	173,229	8.21%	94,440	1.38%	246,389	10.35%	90,973	1.23%
Public Services	129,665	6.15%	315,788	4.63%	146,785	6.17%	317,190	4.29%
Diversified	3,021	0.14%	-	-	3,451	0.14%	1,737	0.02%
Commodities	20,005	0.95%	12,140	0.18%	23,434	0.98%	2,194	0.03%
Governance	-	-	2,581,407	37.82%	-	-	2,970,071	40.15%
Others (*)	559,701	26.54%	-	-	639,407	26.85%	-	-
Total	**2,108,935**	**100.00%**	**6,825,895**	**100.00%**	**2,381,131**	**100.00%**	**7,396,774**	**100.00%**

(*) Includes mutual funds.

1.c.4) Other risks

Of the other risks identified, the Group considers that they have not changed significantly due to the impact of COVID-19, the situation in Ukraine and the current macro-economic situation.

The Group' s Directors and Management are constantly monitoring developments in order to successfully deal with the potential financial and non-financial impacts that may arise.

The numerous restrictions imposed on Russia and Belarus by the authorities of the European Union, the United Kingdom and the United States continue to be carefully studied by the Group to analyse their impact on the business.

In line with its sanctions compliance programme, Atradius N.V. continues to review the potential exposure of trading counterparties and other entities subject to sanctions, in close coordination between the Group's Legal and Compliance, Risk Management and Commercial teams, based on both its regular assessment tools and ad hoc review initiatives.

With respect to environmental, social and governance risks, there has been no change in relation to the information published in the notes to the consolidated financial statements for the 2021 financial year.

1.c.5) Internal Control

The control activities of the Group take place under a framework of: (i) suitable segregation of tasks and responsibilities both between the personnel and between the functions carried out, (ii) suitable structure of powers and capacities for the performance of operations linked to critical processes, establishing a system of limits adjusted to the same, (iii) authorisations prior to the assumption of risks, global guidelines for information security, understanding this to be the preservation of confidentiality, integrity and availability of the information and of the systems that process it from any threat, risk or damage that may be suffered in accordance with their importance to the Group and (iv) existence of the mechanisms necessary to guarantee the continuity of the business.

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

2.a) Applicable regulations

Pursuant to Regulation (EC) no, 1606/2002 of the European Parliament and Council of 19 July 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 1 January 2005, in accordance with the International Financial Reporting Standards (hereafter IFRS) previously adopted by the European Union.

The Group's 2021 consolidated annual financial statements were produced by the Board of Directors of the parent company at its meeting held on 24 February 2022, in accordance with the stipulations of the IFRS 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 31 December 2021 and the results of its operations, changes in equity and consolidated cash flows produced in 2021.

These condensed consolidated 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 28 July 2022, as established by the provisions of article 12 of Royal Decree Real Decreto, hereafter "RD" 1362/2007 and taking into account the provisions of CNMV Circular 3/2018 of 28 June.

Pursuant to IAS 34, the Group has produced the half-yearly financial statements 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. Therefore, for a proper understanding of the information included in these half-yearly financial statements, they should be read in conjunction with the consolidated financial statements for the financial year 2021.

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 2021.

2.b) New accounting principles and policies applied in the half-yearly financial statements

2.b.1) New standards, revised standards and amendments adopted in the 2022 financial year

New accounting standards and/or amendments came into force in the first half of the financial year 2022, which have therefore been taken into account in the preparation of the accompanying half-yearly financial statements:

- Amendments to *IFRS 3 Reference to the Conceptual Framework*: IFRS 3 is updated to align the definitions of assets and liabilities in a business combination with those contained in the 2018 Framework. In addition, a new exception has been added in IFRS 3 for liabilities and contingent liabilities. The effective date of these amendments is 1 January 2022.

- Amendments to *IAS 16 Income obtained before intended use*: The amendment prohibits deducting any income from the sale of items produced while the entity is preparing the asset for its intended use from the cost of an item of property, plant and equipment. Income from the sale of such samples, together with production costs, are now recognised in income. The amendment also clarifies that an entity is testing whether the asset is operating properly when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment. Therefore, an asset could be capable of operating as intended by management and be subject to depreciation before it has reached the level of operating performance expected by the management. The effective date of these amendments is 1 January 2022.

- *Amendment* to *IAS 37 Contracts for pecuniary interest - Costs of performance of a contract:* Mention is made that the direct cost of performing a contract comprises the incremental costs of fulfilling that contract and an allocation of other costs that are directly related to the performance of the contract. It also clarifies that before making a separate provision for an onerous contract, an entity shall recognise any impairment loss that has occurred on the assets used to fulfil the contract, rather than on the assets dedicated to that contract. The effective date of these amendments is 1 January 2022.

- *Annual improvements to IFRS: 2018 - 2020 cycle:* The amendments affect IFRS 1, IFRS 9, IFRS 16 and IAS 411 and apply to annual periods beginning on or after 1 January 2022. Main modifications refer to:

    - *IFRS 1 First-time Adoption of IFRS:* IFRS 1 allows an exemption if a subsidiary adopts IFRS at a later date than its parent company. This amendment allows entities that have taken this exemption to also measure cumulative translation differences using the amounts recorded by the parent company, based on the date of transition of the latter to IFRS.

    - *IFRS 9 Financial Instruments:* The amendment addresses which costs should be included in the 10% test for derecognition of financial liabilities. Costs or fees could be paid to third parties or to the lender. According to the amendment, costs or fees paid to third parties will not be included in the 10% test.

There are no accounting principles or measurement bases that have a material effect on the condensed consolidated financial statements for the first half of 2022 that have not been applied in their preparation.

2.b.2) Current standards, amendments and interpretations not adopted

IFRS 9 Financial Instruments: Classification and Measurement

The effective date of IFRS 9 was 1 January 2018. The Group, however, has taken into account the application of the Deferral Approach provided for the insurance sector to postpone the application of IFRS 9 until the date of effective entry of IFRS 17, (see Note 2.b.3). The Group may apply the temporary exemption in IFRS 9 because its activities are predominantly insurance-related, as described in paragraph 20D of IFRS 4, at its annual reporting date immediately preceding 1 April 2016 (i. e. at the end of 31 December 2015).

The Group complies with this requirement because the carrying amount of liabilities arising from contracts within the scope of IFRS 4 is significant in comparison with the total amount of all its liabilities. Thus, the percentage of the total amount of its insurance-related liabilities (with regards to the total amount of all its liabilities) is greater than 80% (the amount of its technical provisions is 84.7% at 30 June 2022 and 81.8% at 31 December 2021) and the Group is not involved in a significant non-insurance activity.

IFRS 9 is the standard that replaces IAS 39 and whose aim is to establish the principles for financial reporting of financial assets and liabilities, so as to present useful and relevant information to users of financial statements for the assessment of the amounts, timing and uncertainty of the entity's future cash flows. IFRS 9 is similar in scope to IAS 39, so that financial instruments that are within the scope of IAS 39 will also be within the scope of IFRS 9.

Classification of financial instruments

IFRS 9 introduces a new classification approach based on two concepts: the entity's business model and the contractual cash flow characteristics of the assets. Accordingly, the Group classifies its financial instruments into three measurement categories (i) amortised cost, (ii) fair value through other comprehensive income (equity) and (iii) fair value through profit or loss.

(i) Financial assets at amortised cost: the aim of their business model is to hold the financial asset in order to collect contractual cash flows and, according to the terms of the contract, cash flows are received on specific dates that exclusively constitute payments of principal plus interest on such principal. Interest, impairment and exchange differences are recorded in income.

(ii) Financial assets at fair value through other comprehensive income: the business model has the aim of both obtaining contractual cash flows and selling them and, according to the terms of the contract, cash flows are received on specific dates that exclusively constitute payments of principal plus interest on such principal. Interest, impairment and exchange differences are recorded in income, as well as in the amortised cost model. Other changes in fair value are recorded in equity and may be recycled to profit or loss on their sale.

(iii) Financial assets at fair value through profit or loss: a financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income.

This category would include those instruments on which the Group has made progress in the analysis and which, following the review carried out to date, do not meet the SPPI test ("*solely payments of principal and interest*") due to the existence of characteristics such as, among others: (i) order of priority of payments; (ii) option to substitute collateral; (iii) option to substitute or amend the terms of the instrument until it is converted into principal; (iv) option to defer interest payments; (v) option to convert to bonds with interest payments at any time or on each interest payment date; (vi) non-coincidence of the periodicity of interest payments with the time horizon of the reference rate; (vii) possibility of delaying maturity for an indefinite period and without compensation.

The Group also classifies holdings in investment funds in this category, since this type of instrument does not meet the definition of equity instruments in accordance with IAS 32 and, consequently, they are not eligible for measurement at fair value through other comprehensive income and must be measured at fair value through profit or loss.

In addition, the Group has considered the application of irrevocable designation options at initial recognition:

a) An equity instrument, provided it is not held for trading purposes, may be classified at fair value through other comprehensive income (equity), but may not be recycled to profit or loss on sale, and only dividends are taken to profit or loss.

The Group has assumed that equity securities represent investments that the Group intends to hold for long-term strategic purposes. As permitted by IFRS 9, it has designated these investments as "fair value through other comprehensive income".

b) A financial asset may also be designated for measurement at fair value through profit or loss if this reduces or eliminates an accounting mismatch.

Measurement of financial Instruments

Initial measurement

The Group requires that, on initial recognition, a financial asset or financial liability is measured at fair value, increasing or decreasing, in the case of a financial asset or financial liability that is not carried at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Subsequent measurement

After initial recognition, an entity shall measure a financial asset: i) at amortised cost; ii) at fair value through other comprehensive income; or iii) at fair value through profit or loss.

The Group shall apply the impairment requirements to financial assets measured at amortised cost and those measured at fair value through other comprehensive income.

At each reporting date, the allowance for expected credit losses is measured at an amount equal to the expected credit losses over the life of the asset or the expected credit losses over the next twelve months, depending on whether the credit quality of the asset has worsened or not.

The Group will apply IFRS 9 at the same time as IFRS 17 and the comparative period will be restated according to the overlay classification approach, so that information on financial instruments that have already been derecognised as of 1 January 2023 will also be reported in accordance with IFRS 9, as if the measurement and classification requirements had always applied to them.

The first approximations of the potential impact of the standard on the Group's financial statements have been obtained and, given the current process of reviewing certain decisions and calibrating the technical models of IFRS 17 in line with the asset-liability valuation asymmetries, a definitive impact is not available, although the differences are not expected to be material.

2.b.3) Standards, amendments and interpretations issued not in force

During the first half of 2022 there are no standards and interpretations already adopted by the European Union whose effective date is later than the date of the half-year financial statements.

At the date these half-year financial accounts were authorised for release, the following are the most significant standards and interpretations that had been published by the IASB but had not yet come into force, either because their effective date was after the date of the consolidated financial statements, or because they have not yet been adopted by the European Union (only the most significant are included):

New standards, amendments and interpretations		Mandatory application for periods beginning as from:
Approved for use in the European Union:		
New rules		
IFRS 17 Insurance Contracts	It replaces IFRS 4 and sets out the principles for recording, measuring, presenting and disclosing insurance contracts in order for an entity to provide relevant and reliable information to enable users of the information to determine the effect of contracts on financial statements.	1 January 2023 (*)
Amendments and/or interpretations		
Amendment to IAS 1: Breakdown of accounting policies	It enables entities to properly identify material accounting policy information that should be disclosed in the financial statements.	1 January 2023
Amendment to IAS 8: Definition of accounting estimate	Amendments and clarifications on what should be understood as a change in accounting estimate.	1 January 2023
Amendment to IFRS 10 and IAS 28: Sale or contribution of assets between an investor and its affiliate or joint venture	Clarify the accounting treatment of the sale or contribution of assets between an investor and its associates and joint ventures, which will depend on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a “business”. The investor recognises the full gain or loss when the non-monetary assets constitute a 'business'. If the assets do not meet the definition of business, the investor recognises the gain or loss to the extent of the interests of other investors. The amendments apply only when an investor sells or contributes assets to its associate or joint venture.	(**)
Not approved for use in the European Union:		
Amendments and/or interpretations		
Amendment to IFRS 17. Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information	Amendments of limited scope to the transition requirements of *IFRS 17 Insurance Contracts* (does not affect any other requirement of the standard). IFRS 17 and *IFRS 9 Financial Instruments* have different transition requirements. For some insurers, these differences may result in one-off accounting asymmetries between financial assets and insurance contract liabilities in the comparative information they present in their financial statements when they apply IFRS 17 and IFRS 9 for the first time. The amendment will help insurers avoid these asymmetries and thus improve the usefulness of comparative information for investors.	1 January 2023
Amendment to IAS 1: Classification of liabilities as current or non-current	Presentation of financial statements - Classification of liabilities as current or non-current	1 January 2023
Amendment to IAS 12: Deferred taxes arising from assets and liabilities resulting from a single transaction	Clarifications on how entities should record deferred tax arising on transactions such as leases and decommissioning obligations.	1 January 2023

(*) IASB decided on 17 April 2020 to postpone the effective date of the Standard by one year, from 1 January 2022 to 1 January 2023
(**) Originally, these amendments to IFRS 10 and IAS 28 were prospective and effective for annual periods beginning on or after 1 January 2016. However, at the end of 2015, the IASB took the decision to postpone the effective date of these amendments (without setting a new specific date), as a broader review is being planned that could result in simplifying the accounting for these transactions and other aspects of accounting for associates and joint ventures.

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.

IFRS 17 Insurance Contracts

IFRS 17 will be applicable in annual periods that begin on 1 January 2023 (date of first application), although the presentation of comparative information is obligatory (transition date of 1 January 2022).

This standard replaces IFRS 4, a standard that permits continued use of the local accounting practices and that has led to insurance contracts being accounted for in a different manner among jurisdictions.

Unlike the earlier one, the implementation of IFRS 17 will imply undertaking consistent accounting for all insurance contracts based on an evaluation model that will use calculation hypotheses updated at each close date (such as the type of discount, actuarial hypotheses, and regarding other financial variables).

The effects of the changes on the previous hypotheses can be recognised both in the income statement and the equity, depending on their nature and on whether said changes are associated to the provision of a service that has already taken place or not, or imply reclassification among the components of the liability of registered insurance. The income or expenses can be fully registered in the income statement or in the equity.

For all contracts that are not onerous, entities shall recognise a profit margin in the profit and loss account (referred to as the 'contractual service margin') over the period in which the entity provides the service. However, if, on initial recognition or during the period in which the entity provides the service, the contract becomes onerous, the entity shall recognise the loss in profit or loss immediately.

Since the 2018 financial year, the Group has been immersed in a project to implement the standard with the aim of being able to apply the new financial disclosure standard that will apply to insurance contracts as of 1 January 2023 (with the transition requirement for the 2022 financial year). This implementation has been carried out in accordance with the action plan, which was updated in line with the achievement of the defined milestones and the progress of the requirements of the standard.

During the first half of 2022, work continued to progress as planned and involved all the areas involved (Actuarial, Accounting and Consolidation, Accounting Standards and Policies, Systems, Risk Control, Investments, etc.). The work has focused, among other matters, on the following: (i) the review of the modelling of the actuarial tools based on the changes caused as a consequence of, as can be expected to occur with any accounting standard of this magnitude, the calibration of the technical and financial models simulated in the IFRS 17 environment; (ii) as a result of the above, the update of the accounting policies under IFRS 17 and those that interact with IFRS 9; (iii) the work on systems prior to the beginning of the transition period and execution at the same time under IFRS 17 during 2022; (iv) the continuation of the validation of the correct transfer of information from the actuarial tools to the accounting application; (v) the verification of the adequacy of the parameterisation of the adjustments to be made for the purposes of the transition to IFRS 17; (vi) the preparatory tasks and continuous review of the transition balance sheet as of 1 January 2022; (vii) the analysis of the foreseeable impacts on the operational processes impacted by IFRS 17; (viii) the beginning of the definition of the governance system of the operational model.

In the second half of the 2022, it is expected that the preparatory work and testing of the interim results obtained as of 1 January 2022 will be completed, while the definition of the technical and financial issues pending at that date will be finalised, thus ensuring that the final impact of the transition to IFRS 17 will be obtained as of 1 January 2022. In parallel, it is expected that the review of the internal reporting requirements and regulatory disclosures of IFRS 17 will be completed, both for the 2022 financial statements and as from its entry into force, and that, as a continuation of the tasks already started in the first part of the year and the previous year, the design of the operating model of the new IFRS 17 processes will continue.

These activities ensure the timely transition to IFRS 17 and the preparation for its entry into force, and their timing is aligned with the defined implementation plan.

For both the traditional business and the credit insurance business, all the aforementioned areas of action have been monitored, in accordance with the requirements of the standard, by the Project Committees and the highest supervisory body of the project, the Executive Committee; these being the committees that make up the governance system of the project.

Significant accounting policies, judgements and estimates

The progress of the implementation project allows us to present the accounting policies under IFRS 17 that are significant. It should be noted that these policies have been selected and shall be applied uniformly throughout the Group, although given the specificities and individual circumstances of each business, there may be certain justified differences in the decisions taken in relation to each of them, as will be specified below.

The main policies applied in the Group are presented below, with a breakdown of the decisions, where applicable, according to the traditional business (life insurance and non-life insurance) or the credit insurance business:

Transition

With respect to the application of the transition approach, the decisions taken in the Group's businesses are as follows:

In the case of traditional business, it was concluded that reasonable and supportable information was not available for the application of the full retrospective method to calculate the liability for the remaining coverage of contracts measured under the General Model (or the "Building Block Approach" or "BBA") and the Variable Fee Approach (or the "VFA") for those insurance contracts issued prior to the transition date. Therefore, the fair value approach has been applied to these contracts. The application of the full retroactive method is considered impracticable as a result of the following factors:

(i) Inability to allocate premiums and expected benefits at the level of granularity required by IFRS 17, which prevents obtaining the initial contractual service margin.

(ii) For closings prior to the entry into force of Solvency II, it is not possible to reconstruct, under Best Estimate assumptions, the expected future cash flows, the risk adjustment, the discount rate and the coverage units. On the other hand, for closings after the entry into force of Solvency II, the information on expected cash flows cannot be obtained at the level of granularity required by IFRS 17. Therefore, it is not possible to obtain the value of the liability at each closing or the movement of the contractual service margin.

(iii) Non-availability of information on actual cash flows at the level of granularity required by IFRS 17, so it would not be possible to reconstruct the income statement or determine adjustments to the contractual service margin.

If significant costs were to be incurred in order to make these data available, it would have to be done with efforts far beyond what could be considered reasonable. This would jeopardize the timely implementation of IFRS 17.

For products valued under the Premium Allocation Approach (PAA), for products with contract limits equal to or less than one year, it is possible to apply the full retroactive method from the date of the last issue or renewal.

In the case of the liability for claims incurred, as it has no implicit future benefit (contractual service margin), it is considered appropriate to measure this from the date of the last issue or renewal, as the amount of the liability for claims incurred is independent at each reporting date and has no effect on the contractual service margin.

In the case of the credit insurance business, the full retroactive method will be applied for the annual cohorts starting from the 2020 cohort, which represent approximately 93.5% of the products (based on volume of premiums). In turn, the amended retroactive method will be applied for those cohorts starting prior to 2020 and corresponding to products with longer coverage periods. This second amended method will be applied to periods in which it is not possible to determine a future estimate of cash flows and therefore no changes will be made to the models. This is a consequence of the fact that the historical source data, in order to apply them, are not available with the necessary granularity, and the cost of obtaining them is very significant, requiring efforts that are much higher than those considered reasonable.

Aggregation level

The Group has included insurance contracts prior to 1 January 2022 and 1 January 2020 for the traditional and credit insurance business, respectively, in groups of contracts issued more than one year apart, as a result of the fact that there was no reasonable and sustainable information available to make the division into annual cohorts.

Measurement at the transition date

In applying the fair value approach at the transition date, the Contractual Service Margin (CSM) or the loss component of the liability for the remaining coverage has been estimated as the difference between the fair value, in accordance with the requirements of IFRS 13, and the cash flows arising from the performance of the group of contracts as of that date.

In applying the amended retrospective method, the credit insurance business has estimated the future cash flows from the initial recognition of the groups of contracts as equal to the amount of future cash flows at the transition date and adjusted for cash flows occurring between the date of initial recognition and the transition date. The risk adjustment was determined at the date of initial recognition by adjusting the risk adjustment at the transition date for the expected release of risk prior to the transition date.

Discount rates

In determining the discount rates at the date of initial recognition, the Group intends to use the discount rates at the transition date.

Segregation of components

The Group assesses its products to determine whether any of these components are distinct from insurance and whether they need to be separated and accounted for using other Standards. The Group has not identified components susceptible to segregation, so all components will be accounted for under IFRS 17.

Non-segregated investment components

Taking into account that the investment component is "the amount that an insurance contract requires the entity to reimburse the policyholder under any circumstances, regardless of whether the insured event has occurred", in traditional business, the existence of a non-segregated investment component has been determined for the savings and annuity business (except for annuities with no surrender option or guaranteed payments) and single premium funeral insurance. Therefore, such investment components will be accounted for under IFRS 17.

Aggregation

The Group identifies portfolios by aggregating insurance contracts that are subject to similar risks and are managed jointly. To determine the portfolios of the traditional and credit insurance business, the Group determines that there are similar risks based on the characteristics of the main and complementary guarantees of the product, including the limits of the contract (and, therefore, its measurement model) and, on the other hand, identifies that the management is joint, based on factors such as risk management, including ALM coordination, or the claims management and settlement policy, among others.

On initial recognition, the Group segregates contracts on the basis of their issue, i.e. in annual cohorts. Each portfolio is then broken down into three groups of contracts:

(i) contracts that are onerous at initial recognition;

(ii) contracts that, at initial recognition, have no significant possibility of subsequently becoming onerous; and

(iii) the remaining contracts in the portfolio.

In the case of business measured under the General Model or Variable Fee Approach, the Group concludes that all contracts belong to the same group of contracts at individual level. For contracts accounted for under the Premium Allocation Approach, the Group determines that the contracts are not onerous at initial recognition, unless facts and circumstances indicate otherwise. The Group assesses the likelihood of changes in applicable facts and circumstances to determine whether contracts that are not onerous at initial recognition belong to a group with no significant possibility of subsequently becoming onerous.

Recognition and limits of the contract

The Group recognises groups of insurance contracts issued as of the earliest of the following dates:

- at the beginning of the coverage period of the group of contracts;
- the due date of the policyholder's first payment (in the absence of the maturity date of the contract, this is considered to be when the first payment is received); and
- when the Group determines that a group of contracts becomes onerous.

The Group includes all future cash flows expected to arise within the limits of each of the contracts in the group in the measurement of a group of insurance contracts. The Group determines whether cash flows are within contract limits when substantive rights and obligations arise and exist during the reporting period in which the Group can force the policyholder to pay premiums or the Group has a substantive obligation to provide services to the insured party. The substantive obligation to provide services ends when:

- the Group has the practical ability to reassess the risks of a particular insured party and as a result reassess the premium charged or the level of benefits provided by the premium to fully reflect the new level of risk; or
- the Group has the practical ability to re-assess the portfolio premium to fully reflect the risk of all policyholders and the Group's premium setting does not take into account risks beyond the next re-assessment date.

In the case of credit insurance business, the existence of credit limits (insured sales coverage) determines the existence of the insurance contract, and not the policy itself, although insured sales are grouped by policy and month in which they occur. The definition of the insured event, as well as the occurrence of the claim, have been aligned with the description included in the policy conditions (legal insolvency or prolonged default).

Measurement of insurance contracts issued

The liability (asset) for the remaining coverage represents the Group's obligation to investigate and pay valid claims under existing contracts for insured events that have not yet occurred and comprises (a) cash flows derived from compliance related to future services and (b) the CSM.

The liability (asset) for claims incurred includes the Group's liability to investigate and pay valid claims for insured events that have already occurred, other incurred insurance expenses arising from prior service coverage and includes the reserve for claims incurred but not yet reported. It also includes the Group's obligation to pay amounts to the policyholder under the contract, including reimbursement of investment components, when a contract is terminated. Its current estimate comprises the cash flows derived from compliance related to past services assigned to the group at the reporting date.

a) Measurement model for contracts other than the Premium Allocation Approach

The Group measures a group of contracts at initial recognition as the sum of the cash flows arising from expected performance within the contract limit and at the contractual service margin representing the profit on the contracts related to the services to be rendered under the contracts.

It should be noted that the general model (BBA) applies to the credit insurance business and to those insurance contracts of the life business whose contract limits exceed one year and which do not have direct participation. In turn, the variable fee approach (VFA) applies to Unit Linked, which meet the conditions of direct participation contracts. In assessing whether a contract meets the definition of a direct participation contract, the Group takes into account the following conditions:

- The contractual terms specify the insured party's participation in a portion of a clearly identified group of underlying items;
- The payout to the policyholder is expected to be a substantial part of the fair value returns of the underlying items; and
- The Group expects that a substantial proportion of the variability in payments due to the policyholder will be due to changes in the fair value of the underlying items.

The Group's obligation to the policyholders consists of payment to the policyholders of the fair value of the underlying items less a variable fee for future services rendered under the insurance contract.

Discount rate

The Group measures the time value of money using discount rates that reflect the liquidity characteristics of the insurance contracts and the characteristics of the cash flows, consistent with current market prices and excluding factors that influence the market prices of the reference assets but do not affect the flows of the insurance contracts. In traditional business, the discount rate is calculated using the bottom-up approach after the transition based on the risk-free curve, mainly based on the curve published monthly by EIOPA (European Insurance and Occupational Pensions Authority).

Risk adjustment for non-financial risk

The Group measures the compensation required to support the uncertainty of the amount and likelihood of cash flows arising from insurance contracts, other than financial risk, separately as a non-financial risk adjustment.

To estimate the liability (asset) risk adjustment for the remaining coverage of the traditional business, the Group plans to use the Cost of Capital method. The Value at Risk method is used in the case of the risk adjustment for the liability (asset) for claims incurred. With respect to the credit insurance business, the method is under development and is currently an approximation corresponding to the application of the standard formula used in the calculation of the risk margin in Solvency II, although the use of other methodologies is being analysed.

Regarding the calculation methodology under the Cost of Capital methodology, this is done by analysing the distribution of the best estimate of liabilities (BEL), projecting the SCR, but without including operational, market and counterparty risk, and aggregating the risks through correlation matrices.

The Value at Risk (VaR) calculation will be carried out with a certain confidence interval, taking into account a maximum loss probability, although this method is currently under final calibration.

Contractual service margin (or "CSM")

The CSM is a component of the total amount of a group of insurance contracts that represents the unearned benefit that the Group will recognise as it provides insurance contract services during the coverage period.

If a group of contracts is onerous, the Group recognises a loss on initial recognition, resulting in the amount of the liability for the group being equal to the cash flows arising from performance and, therefore, a nil CSM. The Group determines, at initial recognition, the Group's coverage units and allocates the Group's CSM based on the coverage units provided in the period.

At subsequent points in time, the following changes in cash flows derived from compliance are considered to be related to future services and are adjusted to the CSM: (i) experience adjustments related to premiums received and any related cash flows in the period that relate to future services; (ii) the change in the estimate of the current value of expected future cash flows on the remaining coverage liability measured at the discount rates of initial recognition; (iii) changes in the risk adjustment for non-financial risk related to future services; (iv) the differences between the amount of the investment components expected to be paid in the period and the actual ones. The CSM is released and recognised as income due to the transfer of services in the period and such release is made based on the allocation of coverage units. It is worth mentioning that, in this sense, different amortisation patterns are being considered to carry out this release of the CSM.

Additionally, for contracts valued under VFA, changes in cash flows arising from performance that adjust the CSM are changes in the amount of the Group's interest in the fair value of the underlying items and changes in cash flows arising from performance that do not vary based on the performance of the underlying items.

b) Valuation model for contracts measured under the Premium Allocation Approach

The Group applies the Premium Allocation Approach mainly to: (i) those products whose coverage period is one year or less, as is mostly the case in the non-life business of the traditional business and, exceptionally, those whose valuation under the Premium Allocation Approach (PAA) and the General Model (BBA) does not differ significantly and no significant variability in flows is expected; (ii) life business products whose contract limits do not exceed one year.

On initial recognition, the Group measures the liability (asset) for the remaining coverage as the amount of premiums collected. It should be noted that in the traditional non-life business, the accounting policy option of amortising acquisition expenses according to the coverage of the contract has been chosen, while in life business, acquisition expenses are recorded when they have been incurred.

Applying the Premium Allocation Approach, insurance income is measured by the allocated amount of expected premium receipts, excluding any investment component. The allocation is made on the basis of the passage of time unless the expected pattern of risk release differs significantly from the passage of time, in which case it is recognised at the expected time of claims and benefits incurred.

Reinsurance Contracts ceded or held

Reinsurance contracts ceded or held are valued separately from the underlying insurance contracts issued. The Group disaggregates a portfolio of its reinsurance contracts into three groups of contracts:

a) those that at initial recognition have a net gain;

b) those that at initial recognition have a net cost and have no significant possibility of subsequent net gain; and

c) remaining contracts.

The limit of a reinsurance contract held includes the cash flows resulting from the underlying contracts covered by the reinsurance contract. This includes cash flows from insurance contracts expected to be issued by the Group in the future, if these contracts are expected to be issued within the limit of the reinsurance contract held.

Reinsurance contracts held measured under the General Model

The Group measures reinsurance contracts held and underlying insurance contracts issued using consistent assumptions. The Group includes the effect of any risk of default by the reinsurer in the estimates of the current value of expected future cash flows for a group of reinsurance contracts held. The effect of the reinsurer's default risk is assessed at each reporting date and the effect of changes in default risk is always recognised in profit or loss as part of the insurance service result.

In determining the asset representing the risk adjustment for the non-financial risk transferred to the reinsurer, the Group assesses the amount of risk transferred by the Group to the reinsurer by calculating the risk adjustment of the underlying contracts before and after the effect of the reinsurance contracts held. The difference is then recognised as the asset representing the reinsured's risk adjustment.

For a group of reinsurance contracts held covering an underlying group of onerous contracts, the Group adjusts the CSM of the group of reinsurance contracts held and recognises income when a loss is recorded on initial recognition of a group of underlying onerous insurance contracts or when adding underlying onerous insurance contracts to that group. A loss recovery component of the asset is generated and subsequently adjusted for the remaining coverage of a group of reinsurance contracts held.

For a group of reinsurance contracts held, the Group adjusts the amount of the CSM at the end of a reporting period to reflect changes in cash flows arising from compliance using the same approach as for direct insurance.

Reinsurance contracts held measured under the Premium Allocation Approach

Under the Premium Allocation Approach or PAA method, the initial measurement of the asset is equal to the reinsurance premium paid. The group measures the amount relating to the remaining coverage by allocating the premium paid over the period of the group's coverage.

When the reinsurance contracts held cover a group of onerous underlying insurance contracts, the Group adjusts the value of the asset for the remaining coverage and recognises a gain when, in the same period, it reports a loss on initial recognition of an onerous group of underlying insurance contracts or on additional losses on a previously onerous group of underlying contracts. The recognition of this gain results in the recognition of the loss recovery component of the asset for the remaining coverage of a group of reinsurance contracts held. This component is subsequently adjusted for any applicable changes.

Amendment and derecognition of insurance contracts

The Group derecognises the original contracts and recognises the amended contract as a new contract if the terms of the insurance contracts are amended and the following conditions are met:

a) If the amended terms had been included at the start of the contract and the Group had concluded that the amended contract:

   - is outside the scope of IFRS 17;
   - would result in a different insurance contract, as a consequence of the separation of components from the main or master contract;
   - results in different contract limits;
   - would be included in a different group of contracts.

b) the original contract met the definition of an insurance contract with direct participation features, but the amended contract no longer meets that definition;

c) the original contract was accounted for using the Premium Allocation Approach, but the amended contract no longer meets the eligibility criteria for applying the Premium Allocation Approach.

If the contract amendment meets any of the conditions, the Group performs all applicable valuations at initial recognition, derecognises the original contract and recognises the new amended contract as if it were issued for the first time.

If the contract amendment does not comply with any of the conditions, the Group treats the effect of the amendment as changes in the estimates of cash flows arising from compliance.

IFRS 9 and IFRS 17 interaction

The measurement, in interaction between IFRS 9 and IFRS 17, through the possibility of applying the "other comprehensive income option" or the "income statement option", both for changes in the financial value of investments and liabilities, aims to eliminate any additional volatility in the income statement in a transparent, consistent manner, while maximising comparability. The OCI option makes it possible to disaggregate insurance financial income or expenses between the income statement and accumulated other comprehensive income, in order to reduce accounting asymmetries, instead of allocating them only to the income statement. Insurance financial income and expenses consist of changes in the carrying value of the group of insurance contracts arising from: (i) effect and changes in the time value of money; (ii) effect and changes in financial risk excluding those contracts with direct participation characteristics.

The choice of the accounting option is made at the insurance contract portfolio level and, therefore, in order to maintain a stable income statement and balance sheet, the "other comprehensive income option" or the "income statement option" has been chosen depending on the valuation of the assets allocated under IFRS 9. In this regard, the "other comprehensive income option" is chosen for the insurance contract portfolios of the traditional life business, with the exception of those whose allocated assets have not passed the SPPI test (see section "IFRS 9 Financial Instruments: Classification and valuation") and, therefore, to avoid asymmetries between assets and liabilities in their valuation, the "income statement option" is used.

Nature of the main impacts arising from IFRS 17

The main changes of the new IFRS 17 standard compared to the current accounting standard IFRS 4 and Solvency II are presented below, and finally, the impact on the reading that users of financial information will make of alternative performance measures is assessed:

1) Impacts compared to financial information under IFRS 4

   Compared to the information currently presented in accordance with IFRS 4, IFRS 17 involves a change in the presentation of balance sheet items, but mainly in the income statement. IFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts and reinsurance contracts. The following changes and impacts, among others, should be highlighted:

   - IFRS 17 introduces a model that measures groups of contracts based on estimates of the current value of future cash flows that the company expects to arise from the performance of the group of contracts, an explicit risk adjustment for non-financial risk and a CSM.
   - The establishment of the CSM is the main factor that will cause the increase in insurance contract liabilities in the transition, in addition to the remeasurement of cash flows derived from compliance. Consequently, an increase in liabilities is expected, which will be recorded as a decrease in equity.
   - Investment components are no longer included in insurance income or insurance service expenses.
   - When measuring the liabilities for the remaining coverage, the PAA is similar to the previous accounting treatment.
   - In measuring incurred claims liabilities, future cash flows are discounted (unless expected to occur within one year or less from the date on which the claims are incurred) and include an explicit risk adjustment for non-financial risk.

     In this respect, and as mentioned above, for the credit insurance business, the liabilities for claims incurred will be reflected at the moment in which the legal insolvency occurs, or a similar situation, or at the end of the period of prolonged default, as defined in the policy terms and conditions, as opposed to the criterion observed under IFRS 4, in which the occurrence of the loss is recognised at the time the sale is made (or at the theoretical maturity thereof in the case of the Spain and Portugal portfolio or legal insolvency if earlier), in line with the recognition of the premium as earned at those dates.
   - Premium income is replaced by the recognition of the service margin earned on insurance contracts. While under IFRS 17, business profits are recorded as a CSM and recognised over the life of the contract, under IFRS 4, such recognition is made immediately in profit or loss.

- In the case of the credit insurance business, income derived from risk analysis of its policyholders' debtors (known as verification fees), is considered outside insurance service income, and therefore under IFRS 15, as opposed to the current presentation as Income from insurance operations.

At balance sheet level, the above changes imply, in terms of presentation, both in assets and liabilities, the replacement of the current headings of "Reinsurance participation in technical provisions" and "Technical provisions" by "Assets/liabilities under reinsurance contracts held" and "Assets/liabilities under insurance contracts issued", respectively. However, the structure of the summarised consolidated income statement under IFRS 17 is presented below, since the changes are more significant:

Insurance service income
Unmeasured insurance income under PAA
- Release of liability for remaining coverage not measured under PAA
- Release (recovery) of acquisition costs Allocated to the period
- Adjustment of premiums

Insurance income under PAA

It includes:
- Expected benefits and expenses
- Release of risk adjustment
- CSM release

Insurance service expenses
Benefits and expenses incurred
Amortisation of acquisition costs
Change in liability for incurred claims
Losses on onerous contracts and reversal of these losses

It includes:
- Claims and actual attributable expenses
- Losses and loss reversals on onerous business

Profit/(loss) associated with insurance contracts issued

Profit/(loss) associated with reinsurance contracts held

Profit/(loss) of the insurance service
Net investment profit/(loss)
Insurance financial income / (expenses)

It includes:
- Interest, dividends and other
- Changes in the fair value of financial assets measured at fair value through other comprehensive income and realised gains/losses on assets measured at fair value through profit or loss.

Includes credit for interest and financial changes (P&L option) of insurance and reinsurance contract assets/liabilities

Net insurance and investment profit/(loss)
Other income
Other expenses
Profit/(loss)for companies valued using the equity method

Profit before taxes
Tax on profits

Consolidated profit/loss for the year

2) Impacts compared to Solvency II

With respect to Solvency II, there are synergies in terms of the data and inputs used and the processes carried out, given the essence of both regulations. In this regard, the main similarities are linked to the measurement of insurance contract liabilities and, specifically, to the use of estimates of future cash flows, discount rates consistent with current rates in the financial markets and risk adjustments (similar to the risk margin under solvency II). The key difference between IFRS 17 and Solvency II, apart from certain specific nuances in terms of the methodology for calculating flows derived from compliance aligned with regulatory requirements, is the IFRS 17 requirement to calculate and maintain a "contractual service margin", as Solvency II does not have an equivalent concept.

In addition, it should be noted that, for the credit insurance business, and with the change in the definition of occurrence of a claim under IFRS 17, there is greater alignment between the financial information (liabilities for claims incurred) and Solvency II.

3) Alternative Performance Measures ("APMs")

Regarding the business measured under PAA, the main alternative performance measures will continue to be the combined ratio, adapted to IFRS 17, and the profitability measured from the result generated by each business, so considering this measurement method, the impact on the main metrics for users of financial information is not expected to be significant.

With respect to the business measured under models other than the PAA, one of the main measures, in addition to the profitability measured by the result of each business, will revolve around the CSM (both the volume generated specifically for new production and the growth of CSM from one period to the next), as this reflects the value generated by the business in the future. Therefore, profitable business will drive growth in the CSM, resulting in future earnings growth. For this second group, with the exception of Unit Linked, a change of relevance is expected in terms of the reading of the main ratios, as a consequence of the new IFRS 17 paradigm and the changes expected in terms of measurement of insurance contract obligations.

Progress in estimating the impact on transition

Various approximations of the potential impact of the standard on the Group's consolidated financial statements at the transition date have been obtained and, given the current process of calibrating the technical and/or financial models, and as a consequence of decisions under review, the quantitative results are under continuous analysis and should not be taken as final figures.

2.c) Estimates made

The consolidated results, and the determination of the consolidated equity are sensitive to 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 half-year financial statements. The main accounting principles and policies and valuation criteria applied in preparing these half-year financial statements are the same as those indicated in Note 3 of the report for the consolidated financial statements for 2021.

In turn, in preparing the half-year financial statements, judgements 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. These estimates are the same as those disclosed in Note 2.c) of the notes to the consolidated financial statements for 2021.

Although the estimates were made on the basis of the best information available, it is possible that future events may make it necessary to change these estimates (upwards or downwards) at year-end 2022 or in subsequent years, which would be done prospectively by recognising the effects of the change in estimate in the consolidated financial statements.

During the six-month period ended 30 June 2022 no significant changes were made to the estimates made in the first half of 2021, nor from those carried out at the end of 2021, except from that indicated in these half-year financial statements.

2.d) Contingent assets and liabilities

Notes 11 and 15 of the Notes to the Annual Consolidated Financial Statements corresponding to the year ending 31 December 2021 provide information on the contingent assets and liabilities on that date. During the first six months of 2022, no significant changes have occurred in the contingent assets and liabilities of the Group (see Note 6.i.).

2.e) Comparison of information

The information contained in these half-yearly financial statements as of 31 December 2021 and 30 June 2021 is presented for comparison purposes only and exclusively with the information as of 30 June 2022.

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 abridged consolidated financial statements that correspond to the six-month period ending on 30 June 2022.

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.

3. Financial information by segment

3.a) Income and Technical Costs Per Segment

The insurance companies that depend on Grupo Catalana Occidente, S.A. operate in the following lines: life, credit, surety, accident, illness, health care, land vehicles, sea, lake and river vehicles (hulls), air vehicles, transported goods, fire and natural elements, other damage to property (combined agricultural insurance, theft or other), civil liability (in land motor vehicles, air vehicles, sea, lake and river vehicles, derived from nuclear risks or other risks), various pecuniary losses, legal defence, assistance and funeral. The Group considers all of the branches it operates in to be traditional business except for the Credit and Surety lines, which is included within the credit insurance business.

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. The Board of Directors of Grupo Catalana Occidente is the highest body in terms of making operational decisions to define the operating segments.

The Group has defined as the main segments those corresponding to the 'Traditional business' and the 'Credit insurance business'.

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 2022, as well as the same information on the same period of the previous year:

Business Segment	Ordinary income		Profit before tax	
	1st Half-Year 2022	1st Half-Year 2021	1st Half-Year 2022	1st Half-Year 2021
Traditional business				
Non-life (+)	1,171,362	1,112,849	143,492	148,587
Life (*)	410,432	415,109	36,243	32,277
Other activities	29,158	20,200	(4,635)	(18,345)
Credit insurance business (*)	1,124,729	994,244	191,833	141,726
Total	**2,735,681**	**2,542,402**	**366,933**	**304,245**

(*) Ordinary income from non-life, life and credit insurance business includes premiums earned from direct insurance and other technical income, respectively.

In addition to the volume of ordinary income, the Group has managed payments to pension plans and investment funds, not reflected in the abridged consolidated profit and loss account, amounting to €22,374 thousand during the period (€28,771 thousand in the previous equivalent period).

In accordance with the requirements of IAS 34, below are details of the measurement of the assets and liabilities of the main business segments, according to the previous definition made by the Group, relating to the first half of the financial year 2022, as well as the same information relating to the close of the previous year:

ASSETS	30 June 2022			31 December 2021		
	Traditional business	Credit insurance business	TOTAL	Traditional business	Credit insurance business	TOTAL
Cash and other cash equivalents	1,519,371	590,500	**2,109,871**	1,233,780	499,393	**1,733,173**
Other financial assets at fair value through profit or loss	719,734	-	**719,734**	719,745	-	**719,745**
Available-for-Sale financial assets	6,510,336	2,786,928	**9,297,264**	7,428,800	2,784,820	**10,213,620**
Loans and items receivable	1,898,680	(277,497)	**1,621,183**	1,694,769	(287,357)	**1,407,412**
Reinsurer's share of technical provisions	140,659	1,022,157	**1,162,816**	145,628	955,843	**1,101,471**
Property, plant and equipment and investment property	945,304	168,379	**1,113,683**	952,353	178,605	**1,130,958**
Intangible assets	371,071	549,502	**920,573**	369,919	575,624	**945,543**
Shareholdings in group companies and associates	12,737	90,065	**102,802**	11,910	87,162	**99,072**
Tax assets	196,198	145,205	**341,403**	221,389	76,219	**297,608**
Other assets	197,211	551,843	**749,054**	167,416	456,847	**624,263**
TOTAL ASSETS	**12,511,301**	**5,627,082**	**18,138,383**	**12,945,709**	**5,327,156**	**18,272,865**

LIABILITIES AND EQUITY	30 June 2022			31 December 2021		
	Traditional business	Credit insurance business	TOTAL	Traditional business	Credit insurance business	TOTAL
Debits and payables	352,131	939,330	**1,291,461**	314,910	995,072	**1,309,982**
Technical provisions	8,887,010	2,938,174	**11,825,184**	8,789,999	2,504,467	**11,294,466**
Non-technical provisions	83,040	87,452	**170,492**	91,025	105,031	**196,056**
Tax liabilities	309,759	168,861	**478,620**	426,127	129,667	**555,794**
Other Liabilities	38,586	162,555	**201,141**	277,339	166,388	**443,727**
Net equity	2,840,775	1,330,710	**4,171,485**	3,046,309	1,426,531	**4,472,840**
TOTAL LIABILITIES AND EQUITY	**12,511,301**	**5,627,082**	**18,138,383**	**12,945,709**	**5,327,156**	**18,272,865**

3.b) Premiums by geographical area

The distribution of earned net reinsurance premiums for the first half of the 2022 financial year, as well as the same information relating to the comparative period of the previous financial year, is as follows:

Geographical Area	Earned premiums in the period, net of reinsurance per geographical area							
	1st Half-Year 2022				1st Half-Year 2021			
	Traditional business		Credit insurance business	TOTAL	Traditional business		Credit insurance business	TOTAL
	Non-Life	Life			Non-Life	Life		
Domestic market	934,358	376,800	101,263	**1,412,421**	895,911	383,877	47,253	**1,327,041**
International market								
a) European Union								
a.1) Euro zone	8,483	-	318,398	**326,881**	6,493	-	186,817	**193,310**
a.2) Non-Euro zone	4	-	42,954	**42,958**	5	-	37,225	**37,230**
b) Other	7,081	1,589	201,135	**209,805**	7,770	1,937	117,255	**126,962**
Total	**949,926**	**378,389**	**663,750**	**1,992,065**	**910,179**	**385,814**	**388,550**	**1,684,543**

4. Dividends paid and earnings per share

4.a) Dividends paid by the parent company

The dividends agreed by the parent company during the first six months of 2022 and 2021 and their payment date are listed below:

Governing Body	Date of Agreement	Date of Payment	Type of Dividend	Per share in euros	Total (€ thousand)
Board of Directors	27/01/2022	09/02/2022	Dividend charged to reserves	0.1667	20,004
Annual General Meeting	28/04/2022	11/05/2022	Supplementary 2021	0.4463	53,556
Board of Directors	30/06/2022	13/07/2022	Dividend charged to reserves	0.1792	21,504
1st Half-Year Total 2022					**95,064**

Governing Body	Date of Agreement	Date of Payment	Type of Dividend	Per share in euros	Total (€ thousand)
Board of Directors	28/01/2021	10/02/2021	3rd Interim Dividend 2020	0.1588	19,056
Annual General Meeting	29/04/2021	12/05/2021	Supplementary 2020	0.4057	48,684
Board of Directors	23/06/2021	07/07/2021	Dividend charged to reserves	0.1667	20,004
1st Half-Year Total 2021					**87,744**

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 of the parent company.

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

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 30 June 2022 and 2021 are as follows:

	1st Half-Year 2022	1st Half-Year 2021
From continued and discontinued operations:		
Net profit attributable to equity holders of the parent company (€ thousand)	262,239	219,432
Weighted average number of shares issued (thousands of shares)	120,000	120,000
Less: Weighted treasury shares (thousands of shares) (*)	(2,012)	(2,035)
Weighted average number of shares outstanding (thousands of shares)	117,988	117,965
Earnings per share (Euros)	**2.22**	**1.86**
From discontinued operations: Net profit attributable to equity holders of the parent from discontinued operations (thousands of euros)	-	-
Earnings per share (Euros)	**2.22**	**1.86**

(*) 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 Senior Staff of the parent company

Note 20. b) of the Notes to the Annual Consolidated Financial Statements which correspond to year end 31 December 2021, explains the remuneration and other benefits paid to the members of the Board of Directors of the parent company from the subsidiaries in 2021.

The General Meeting of Shareholders held on 28 April 2022 agreed on the remuneration for all directors, in their capacity as such, for the financial year 2022, established the allowances for attending Board meetings, the maximum annual amount of remuneration for all directors, in their capacity as such, for the financial year 2022 and submitted the Annual Report on Directors' Remuneration in the financial year 2021 to the consultative vote of the General Meeting. In addition, at said General Meeting it was agreed to reduce the minimum and maximum number of Board members to those indicated in Recommendation 13 of the Good Governance Code of Listed Companies, i.e., 5 and 15 members, respectively, setting the number of members at 10 directors, all of them individuals in accordance with the provisions of the Capital Companies Law.

Below is a summary of the most important information on the remuneration and benefits that corresponds to the six-month period ending on 30 June 2022 and 2021:

Remuneration to members of the Board of Directors

	€ thousand	
Members of the Board of Directors	**1st Half-Year 2022**	**1st Half-Year 2021**
Remuneration item-		
Wages	695	909
Variable cash remuneration	-	-
Remuneration due to being a Board member	322	355
Share-based remuneration systems	-	-
Severance payments	-	-
Long-term savings systems	94	97
Other items	73	86
	1,184	**1,447**

In addition, deferred variable remuneration not consolidated amounts to €89 thousand.

The Board of Directors of the parent company consists of 10 individual directors, 8 men and 2 women (12 individual directors and 4 corporate directors as at 30 June 2021).

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

	€ thousand	
Senior Management	**1st Half-Year 2022**	**1st Half-Year 2021**
Total remuneration received by senior management	869	1,298

In addition, deferred variable remuneration not consolidated amounts to €437 thousand.

In the production of these half-year financial statements, and the effects of the above table, 4 people were considered as senior executives at 30 June 2022 (7 people at 30 June 2021).

On 30 June 2022 and 2021 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 half-year financial statements

6.a) Property Investments and owner occupied property.

The breakdown by type of items that make up the balance of this segment and sub segment of the abridged consolidated income statement, on 30 June 2022 is as follows (in € thousand):

Details of Net Book Value on 30 June 2022:	**Owner-Occupied Property**	**Property investments, third party use**
Cost at 30 June 2022	275,786	900,627
Accumulated Depreciation at 30 June 2022	(80,443)	(168,074)
Impairment Losses	(7,014)	(5,903)
Net carrying amount at 30 June 2022	188,329	726,650
Market value	337,647	1,104,360
Unrealised gains on 30 June 2022	149,318	377,710

The breakdown at 31 December 2021 is as follows (in € thousand):

Details of Net Book Value on 31 December 2021:	**Owner-Occupied Property**	**Property investments, third party use**
Cost at 31 December 2021	287,055	883,785
Accumulated Depreciation at 31 December 2021	(81,468)	(159,243)
Impairment Losses	(7,065)	(6,277)
Net book value at 31 December 2021	198,522	718,265
Market value	345,041	1,095,571
Unrealised gains at 31 December 2021	146,519	377,306

On 30 June 2022, the Group holds full ownership of these properties, none of the properties are affected by a guarantee of any type.

On 8 November 2019, Bilbao Compañía Anónima de Seguros y Reaseguros, S.A. (hereinafter 'Seguros Bilbao'), entered into a private purchase and sale contract with Metrovacesa Promoción y Arrendamiento, S.A. for the future construction of a building at calle Foresta 8 (Madrid) subject to a condition precedent. Under this contract, Seguros Bilbao paid €6,497 thousand relating to 15% of the purchase price, which was recognised as an advance on other property, plant and equipment. In addition, in 2020, €4,331 thousand were paid, corresponding to 10% of the purchase price. As of 31 December 2020, the building permit was obtained and building started in January 2021, which is progressing normally and according to schedule. During the 2021 financial year, an additional €2,880 thousand have been disbursed for the future construction of this property. In the first half of 2022, an additional disbursement of €995 thousand was made, as the milestones established in the contract were met.

The Group has no other commitments to acquire new properties.

During the first six months of 2022, impairment losses on investment property amounting to € 113 thousand (€ 985 thousand in the first half of 2021) were recognised.

The market value of buildings for own use has been obtained from valuation reports carried out by independent experts. The generally used valuation methods correspond to the methodology established in the Order ECO/805/2003, of March 27, partially modified by Order EHA 3011/2007, of 4 October: the method of comparison, the method of cost, the residual abbreviated method and the method of income update, depending on the characteristics of the asset to be valued.

These valuations correspond to Level 2 and Level 3 of the hierarchy of fair value established by *IFRS 13 Valuation of the fair value*, depending on whether said value is determined depending on variables observed in the market or on estimates where a significant variable is not based on observable market data, respectively.

The market value of the investment property has been obtained in accordance with the valuation methods described in the previous section on owner-occupied property. In addition, the market value of investment property for non-insurance companies has been obtained from valuations under RICS standards, based on the rental update method and comparable market methods.

In addition, at 30 June 2022, the balance of property, plant and equipment for own use includes € 198,704 thousand for rights of use of leased assets, furniture and fixtures, data processing equipment and improvements to own buildings, among others.

6.b) Intangible assets

The Group has goodwill on consolidation of €787,124 thousand at 30 June 2022, together with other intangible assets of €133,449 thousand, mainly comprising internally generated software from Atradius N.V. amounting to €84,078 thousand and intangible assets arising from the Plus Ultra acquisition cost allocation processes. Currently, the net book value of the Plus Ultra brand and distribution network amounts to €883 thousand and €4,842 thousand, respectively, and the net book value of the Antares policy portfolio amounts to €21,725 thousand.

6.b.1) Goodwill

The breakdown of the goodwill in the consolidated balance sheet, listed according to originating undertaking is as follows:

	€ thousand	
CGU	**30/06/2022**	**31/12/2021**
Fully consolidated companies:		
Atradius N.V.	461,375	461,633
Plus Ultra Seguros Generales y Vida, S.A. de Seguros y Reaseguros	123,002	123,002
Bilbao, Compañía Anónima de Seguros y Reaseguros, S.A.	94,398	94,398
Nortehispana de Seguros y Reaseguros, S.A.	38,396	38,396
Seguros Catalana Occidente, S.A. de Seguros y Reaseguros	23,086	23,086
Asistea Servicios Integrales S.L.U. (*)	43,372	41,049
Graydon Holding N.V. (**)	-	17,920
Grupo Catalana Occidente Activos Inmobiliarios, S.L.	3,255	3,255
Other	240	240
Gross Total	**787,124**	**802,979**
Less: Impairment Losses	-	-
Net book value	**787,124**	**801,972**

(*) The increase in the first half of 2022 was €2,323 thousand and is due to the incorporation of Funcantabria (see Note 1.b.1).

(**) In the first half of 2022, the Group sold Graydon (see Note 1.b.2).

The Group continuously evaluates whether there are any signs that the value of the consolidation goodwill could have been impaired, based on internal and external factors that imply an adverse incidence in the same.

During the first six months of 2022 there have been no impairment losses that affect goodwill on consolidation. The Group has reviewed goodwill on consolidation for impairment and concluded that there is no indication of impairment.

6.c) Financial investments

The breakdown of the Group's financial assets is as follows, without taking into account holdings in entities accounted for using the equity method, as of 30 June 2022 and 31 December 2021, presented by nature and categories for valuation purposes (in € thousand):

Investments classified by category of financial asset and by type	Other financial assets at fair value through profit or loss (FVPL)	Available-for-Sale financial assets (AFS)	Loans and receivables (LR):	Total at 30/06/2022
FINANCIAL INVESTMENTS:	**719,734**	**9,297,264**	**410,663**	**10,427,661**
Equity Instruments				
- Financial Investments in Equity	-	1,450,000	-	1,450,000
- Stakes in investment funds	54	658,881	-	658,935
Debt securities	-	6,825,895	-	6,825,895
Derivatives	-	-	-	-
Hybrid instruments	-	-	-	-
Investments on behalf of policyholders assuming the investment risk	719,680	-	2,219	721,899
Loans	-	-	224,461	224,461
Other financial assets	-	-	10,818	10,818
Deposits with credit institutions	-	362,488	150,793	513,281
Deposits for accepted reinsurance	-	-	22,372	22,372
RECEIVABLES:	**-**	**-**	**1,210,520**	**1,210,520**
Credits for direct insurance and coinsurance operations	-	-	532,200	532,200
Receivables arising from reinsurance operations	-	-	86,853	86,853
Other receivables	-	-	591,467	591,467
Total net	**719,734**	**9,297,264**	**1,621,183**	**11,638,181**

Investments classified by category of financial asset and by type	Other financial assets at fair value through profit or loss (FVPL)	Available-for-Sale financial assets (AFS)	Loans and receivables (LR):	Total at 31/12/2021
FINANCIAL INVESTMENTS:	**719,745**	**10,213,620**	**471,608**	**11,404,973**
Equity Instruments				
- Financial Investments in Equity	-	1,666,917	-	1,666,917
- Stakes in investment funds	48	714,166	-	714,214
Debt securities	-	7,396,774	-	7,396,774
Derivatives	-	-	-	-
Hybrid instruments	-	-	-	-
Investments on behalf of policyholders assuming the investment risk	719,697	-	37,536	757,233
Loans	-	-	216,551	216,551
Other financial assets	-	-	10,427	10,427
Deposits with credit institutions	-	435,763	184,993	620,756
Deposits for accepted reinsurance	-	-	22,101	22,101
RECEIVABLES:	**-**	**-**	**935,804**	**935,804**
Credits for direct insurance and coinsurance operations	-	-	374,375	374,375
Receivables arising from reinsurance operations	-	-	74,652	74,652
Other receivables	-	-	486,777	486,777
Total net	**719,745**	**10,213,620**	**1,407,412**	**12,340,777**

The Group values its financial investments at fair value, except for loans and receivables, which do not differ significantly from their carrying amount.

During the first six months of 2022, impairment losses have been recognised in an amount of €746 thousand, mainly in equity instruments. In the first half of 2021, impairment losses amounting to €6,736 thousand were recognised, mainly on equity instruments.

Most of the revaluations recognised with a payment or charge to reserves and the abridged 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 2022 of those investments in the capital of companies over which the Group exercises significant influence is as follows:

Company	€ thousand					
	Balances at 31/12/2021	Consolidation perimeter inputs and outputs	Increases due to non-distributed profit for the year	Other valuation changes	Impairment Losses	Balances at 30/06/2022
Asitur Asistencia, S.A.	7,761	-	848	178	-	8,787
Calboquer, S.L.	96	-	(9)	4	-	91
Gesiuris Asset Management, S.G.I.I.C., S.A. (1)	4,129	-	(94)	(100)	-	3,935
Inversiones Credere, S.A.	-	-	-	-	-	-
CLAL Credit Insurance Ltd. (2) (4)	19,429	-	713	(492)	-	19,650
Compañía de Seguros de Crédito Continental S.A. (3) (4)	46,860	-	1,059	1,525	-	49,444
The Lebanese Credit Insurer S.A.L. (4)	-	-	-	-	-	-
Credit Guarantee Insurance Corporation of Africa Limited (4)	20,797	-	(1,501)	1,599	-	20,895
TOTAL	**99,072**	**-**	**1,016**	**2,714**	**-**	**102,802**

(1) Includes goodwill totalling €1,836 thousand.
(2) CLAL includes goodwill totalling €2,127 thousand.
(3) CSC Continental includes goodwill of €11,366 thousand.
(4) Participated through the company Atradius N.V.

At 30 June 2022, the Group has reviewed the goodwill underlying in the equity investments in associates for indications of impairment and concluded that there are no indications of impairment.

6.e) Technical provisions

A breakdown of the provisions established at 30 June 2022 and their movements respect to the year ended 31 December 2021 are shown below together with Reinsurers' participation.

Provision	Balances on 31/12/2021	Change in profit and loss account	Change in exchange rate	Consolidation adjustments	Balances at 30/06/2022
Technical Provisions:					
Unearned premiums	1,400,192	286,012	17,553	-	1,703,757
Provision for unexpired risks	1,636	-	-	-	1,636
Life insurance:					
- Provision for unearned premiums.	26,642	23,752	-	-	50,394
- Mathematical provision	5,783,136	(55,615)	-	-	5,727,521
- For life insurance where the risk is borne by policyholders	757,760	(36,062)	-	-	721,698
Provisions	3,176,272	249,616	49,285	(*) (10,697)	3,464,476
Provision for policyholder dividends and return premiums	31,148	219	-	-	31,367
Other technical provisions	117,680	6,429	-	226	124,335
	11,294,466	**474,351**	**66,838**	**(10,471)**	**11,825,184**
Reinsurer's share of technical provisions (transferred):					
Provision for unearned premiums.	210,412	28,571	4,854	-	243,837
Life insurance provision:					
- Provision for unearned premiums.	1,058	3,418	-	-	4,476
- Mathematical provision	-	-	-	-	-
Claims provision	889,025	26,968	10,331	(*) (13,023)	913,301
Other technical provisions	976	-	-	226	1,202
	1,101,471	**58,957**	**15,185**	**(12,797)**	**1,162,816**

(**) The most relevant adjustment corresponds to the activation of collections in the credit insurance business. In the calculation of the impact on the profit and loss account, these collections are counted within the change of the technical provision of benefits. For the purposes of inclusion on the balance sheet, collections are presented separately from the technical provision of benefits.

The movement of the provision for profit sharing from the mathematical provision has not been significant in the first half of 2022, in the same way as the previous year.

6.f) Subordinated liabilities

Subordinated liabilities include the subordinated debt emissions issued by Atradius Finance B.V., subsidiary of Atradius N.V.

On 23 September 2014, Atradius Finance B.V. issued subordinated bonds for a nominal aggregate amount of €250,000 thousand with a maturity of 30 years, which may be re-purchased beginning on the tenth year, on a quarterly basis. The bonds are irrevocably, unconditionally and subordinately guaranteed by Atradius N.V., a Group company. During the first 10 years, bonds have a fixed nominal annual interest rate of 5.250%, payable in annual instalments and, from that date, they will have a nominal variable interest rate of Euribor 3 months plus 5.031%, payable quarterly in arrears. The bonds are listed on the Luxembourg Stock Exchange.

On the date of issue, Plus Ultra issued €40,000 thousand for the aforementioned subordinated bonds. Later, during the year 2016, Seguros Catalana Occidente and Seguros Bilbao underwrote €11,291 thousand and €2,000 thousand of nominal value, respectively. In addition, during the year 2017, Seguros Catalana Occidente and Seguros Bilbao issued €2,000 thousand and €1,000 thousand of nominal value, respectively. These operations have been eliminated in the consolidation process.

As at 30 June 2022, the Group estimates the fair value of 100% of the subordinated bonds at €260,569 thousand (€280,399 thousand as at 31 December 2021), based on binding quotes from independent experts, which corresponds to Level 2 in the fair value hierarchy set out in *IFRS 13 Fair Value Measurement.* During the first six months of the financial year 2022, interest of €6,563 thousand was paid on subordinated bonds.

6.g) Provisions for Risks and Expenses

Besides the stipulations noted in Note 6.i) and the risks that correspond to the nature of the insurance business which are duly valued and included, where necessary, in the claims provisions, the Group has no significant claims, lawsuits or court processes which individually imply damage or that may affect the half-yearly 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 (see Note 2.d.).

6.h) Net equity

6.h.1) Capital

The parent company's subscribed capital, on 30 June 2022, stands at €36,000 thousand 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 company's share capital on 30 June 2022 were as follows:

	Shareholding percentage
Inoc, S.A.	36.94%
La Previsión 96, S.A.	25.00%

The shareholding percentage of the former shareholders has not changed in any way with respect to the percentage at 31 December 2021. The company Inoc, S.A., which owns 72.25% of La Previsión 96, S.A., holds directly and indirectly 55.00% of the parent company and belongs to a group whose parent company is CO Sociedad de Gestión y Participación, S.A.

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

The abridged 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 2021 and on 30 June 2022 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 position

The calculation of the expense for profit tax in the first half 2022 is based on the best estimate of the average tax rate that will be applicable on the expected result of the year 2022. 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 general, the Group companies are open to inspection by the tax authorities for the years determined by the applicable tax regulations in relation to the main taxes applicable to them, without prejudice to the following:

(i) On 2 January 2019, Plus Ultra and Grupo Catalana Occidente received communication of the start of proceedings for audit and investigation of a partial character. In particular, the inspection is designed to check the tax deductible financial goodwill regarding the Corporate Tax of Plus Ultra (years 2014 and 2015) and the individual corporation tax of the same, (years 2016 and 2017). Therefore, the statute of limitations period for the years 2014 and 2015 Corporate Income Tax of Plus Ultra was interrupted.

In this sense, in the past, the Tax Authority already inspected this same concept and, at the opening of 2019, Plus Ultra has opened a number of contentious-administrative proceedings against the records of inspection: (i) in relation to the goodwill deducted in 2005 to 2010, the Company had filed a contentious-administrative appeal with the Spanish National Appellate Court ("AN") against the decision of the

Central Economic Administrative Tribunal ("TEAC") of 13 January 2016, amounting to €4,021 thousand; and (ii) in relation to the goodwill deducted in 2011 to 2013, the Company is awaiting a ruling from the TEAC, which amounts to €2,022 thousand.

On 19 December 2019, the AN issued a judgement, the content of which was made known to Plus Ultra on 27 January 2020. In that judgement, the AN upheld the Company's claims, confirming that the total amount of goodwill for accounting purposes is tax deductible for the purposes of determining the taxable income for income tax purposes for 2007, 2008, 2009 and 2010. On 2 June 2020, the AN declares the previous sentence to be final and the Administration is notified for its execution and compliance.

As a result of the foregoing, the Group has recognised a provision of €11,419 thousand under "Tax Liabilities" in the consolidated balance sheet, relating to the risk associated with this contingency from 2007 to the present day. During the first half of 2020, the Group has recognised the aforementioned amount as income under the heading 'Other non-technical income' in the income statement for the period, thereby cancelling this provision.

On 23 May 2022, the AN issued a judgement, the content of which was made known to Plus Ultra on 27 May 2022. In that judgement, the AN upheld the Company's claims, confirming that the goodwill for accounting purposes is tax deductible for the purposes of determining the taxable income for income tax purposes for 2011, 2012 and 2013.

(ii) On 5 July 2018, Atradius Crédito y Caución, S.A. de Seguros y Reaseguros (hereinafter 'Atradius Crédito') received notification of the initiation of partial verification and investigation proceedings. Specifically, the purpose of the inspection was to verify the R&D+IT deduction for the 2013 and 2014 financial years. Consequently, the limitation period for the 2013 and 2014 corporate income tax years of Atradius Crédito y Caución was interrupted.

On 30 September 2020, the Tax Agency notified Atradius Crédito y Caución of the Settlement Agreement issued, with a total settlement of €1,789 thousand due to discrepancies regarding the quantification of the deduction for the development of innovation and development activities applied in 2013 and 2014.

This settlement was paid and was the object of an Economic-Administrative Claim, presented in due time and form. In addition, the Tax Agency opened a penalty proceeding against Atradius Crédito y Caución for a total of €734 thousand.

On 19 May 2021, Atradius Crédito y Caución filed a written economic-administrative claim against the penalty imposed by the Tax Agency, having submitted the corresponding allegations on 25 November 2021.

(iii) On 20 November 2020, the tax authorities notified Grupo Catalana Occidente, S.A., in its capacity as the parent company of the consolidated tax group, of the commencement of partial tax audits limited to the verification of the tax credit for international double taxation applied in 2016, 2017 and 2018 by Seguros Catalana Occidente. Although this inspection was closed on 18 February 2022, the statute of limitations period for the aforementioned years of the consolidated group was again interrupted.

(iv) In October 2021, the Tax Agency notified Atradius Collections S.L. of the initiation of a limited verification procedure for Value Added Tax for the year 2020. Consequently, the statute of limitations period for Value Added Tax of Atradius Collections S.L. for the aforementioned financial year was interrupted.

The foregoing shall be interpreted without prejudice to Article 66.bis of Act 58/2003, of 17 December, General Tax, which establishes the right in favour of the Administration to start the procedure for checking: (i) the bases or fees offset or pending offset or deductions applied or pending application, will expire after 10 years from the day after the end of the regulatory deadline established for filing the declaration or self-assessment corresponding to the tax year or period in which the right to offset said bases or quotas or to implement said deductions was generated; and (ii) to investigate the facts, acts, elements, activities, operations, businesses, values and other determining factors of the tax obligation in order to verify correct compliance with the applicable regulations.

On the other hand, as a result of possible varying interpretations of applicable tax legislation for the years subject to inspection, contingent tax liabilities might result, which cannot be objectively quantified. However, the directors of the parent company are of the opinion that any tax liabilities that may arise would not have a material effect on the half-yearly financial statements (see Note 11.f of the consolidated financial statements for the year 2021).

6.j) Related-party transactions

"Related parties" to the Group, in addition to subsidiaries and associates, are considered to be the "key personnel" of the Group's management (members of the Board of Directors and the General Managers, together with their close family members), as well as shareholders who can directly or indirectly, exercise control over the Group. In the first half of 2022 there were no new transactions with related parties.

Operations between companies of the consolidated Group

During the first half of financial year 2022, there have been no relevant operations between companies in the Group that have not been eliminated in the process of producing the consolidated condensed financial statements and that do not form part of the normal business of the Group.

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 the result of deducting the equity attributable to the shareholders of the parent company from the consolidated balance sheet on 30 June 2022 and on 31 December 2021, in accordance with the reporting requirements established by IAS 32, which corresponds to the shares of Grupo Catalana Occidente, S.A. property of the consolidated subsidiary Sociedad Gestión Catalana Occidente, S.A.These shares are reflected in its acquisition cost.

The total of Group shares owned by the company of the subsidiary Sociedad Gestión Catalana Occidente, S.A. on 30 June 2022 represents 1.65% of the capital issued as of that date (1.68% as of 31 December 2021). 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 30 June 2022, neither the parent company, nor the subsidiaries of the Group held obligations based on the payment of shares of the parent company.

The development in the movement of acquisitions and sales made during the first half of 2022 and the comparative period of the previous year is as follows:

	€ thousand		**Number of shares**
	Cost of acquisition	**Book Value**	
Balance at 1 January 2021	**23,539**	**613**	**2,042,524**
Additions	-	-	-
Withdrawals (*)	(277)	(7)	(24,009)
Balance at 30 June 2021	**23,262**	**606**	**2,018,515**
Additions	-	-	-
Withdrawals	-	-	-
Balance at 1 January 2022	**23,262**	**606**	**2,018,515**
Additions	-	-	-
Withdrawals (*)	(475)	(13)	(41,232)
Balance at 30 June 2022	**22,787**	**593**	**1,977,283**

(*) Purchases and sales made by Sociedad Gestión Catalana Occidente, S.A.

7. Other Information

The average number of full-time employees (or equivalent) of the parent company and subsidiaries as of 30 June 2022 and 2021, broken down by gender, is as follows:

	Number of people	
	30/06/2022	**30/06/2021**
Men	3,776	3,858
Female	3,375	3,453
Total	**7,151**	**7,311**

8. Subsequent events

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

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Catalana Occidente
Insurance Group

Auditors report

Grupo Catalana Occidente, S.A.
and subsidiaries

Report on limited review of
condensed consolidated interim financial statements
June 30, 2022
Interim consolidated managements Report

Report on limited review of condensed consolidated interim financial statements

To the shareholders of Grupo Catalana Occidente, S.A.

Introduction

We have performed a limited review of the accompanying condensed consolidated interim financial statements (hereinafter, the interim financial statements) of Grupo Catalana Occidente, S.A. (hereinafter, the Parent company) and its subsidiaries (hereinafter, the Group), which comprise the balance sheet as at 30 June 2022, and the income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and related notes, all condensed and consolidated, for the six-month period then ended. The Parent company's directors are responsible for the preparation of these interim financial statements in accordance with the requirements of International Accounting Standards (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of condensed interim financial statements, as provided in Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

Scope of 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 legislation governing the Audit practice in Spain and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on these interim financial statements.

Conclusion

Based on our limited review, that cannot be considered as an audit, nothing has come to our attention that causes us to believe that the accompanying interim financial statements for the six-month period ended 30 June 2022 have not been 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, as provided in Article 12 of Royal Decree 1362/2007, for the preparation of condensed interim financial statements.

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Emphasis of matter

We draw attention to note 2 "Basis of presentation of the abridged consolidated half-year financial statements", in which it is mentioned that these interim financial statements do not include all the information required in 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 condensed consolidated interim financial statements should be read together with the consolidated annual accounts of the Group for the year ended 31 December 2021. Our conclusion is not modified in respect of this matter.

Other matters

Consolidated interim management report

The accompanying consolidated interim management report for the six-month period ended 30 June 2022 contains the explanations which the Parent company's directors consider appropriate regarding the principal events of this period and their impact on the interim financial statements presented, of which it does not form part, as well as the information required under the provisions of Article 15 of Royal Decree 1362/2007. We have verified that the accounting information contained in this management report is in agreement with that of the interim financial statements for the six-month period ended 30 June 2022. Our work as auditors is limited to checking the consolidated interim management report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from Grupo Catalana Occidente, S.A. and its subsidiaries' accounting records.

Preparation of this review report

This report has been prepared at the request of Board of Directors in relation to the publication of the half-yearly financial report required by Article 119 of Royal Legislative Decree 4/2015 of 23 October, approving the revised text of the Securities Market Law developed by Royal Decree 1362/2007, of 19 October.

PricewaterhouseCoopers Auditores, S.L.

PRICEWATERHOUSECOOPERS AUDITORES, S.L.

Original in Spanish signed by
Ana Isabel Peláez Morón

July 28, 2022

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