



HIGHLIGHTS OF THE
ANNUAL ACCOUNTS

2019





THE GROUP

The companies forming the OCASO GROUP operate mainly in Spain but also have a long-standing presence in overseas markets.

The main company, OCASO S.A. is an established Spanish insurer and market leader, providing all types of insurance and financial services to its clients both directly and via its subsidiary companies.

The composition of the OCASO GROUP is as follows:

- Ocaso S.A.
- Eterna Aseguradora S.A.
- Servicios Especiales S.A.

OCASO S.A. was founded in 1920, and has always remained independent of any external financial organisations, providing confidence and peace of mind to millions of people in Spain and overseas.

In the U. K., OCASO underwrites insurance business through its new office in London, is a member of the Association of British Insurers and is subject to limited regulation by the Financial Conduct Authority (FCA). OCASO has been present in the UK market since 1973.

OUR CLIENTS

Our insureds, of whom we have about 7,000,000, place their confidence in Ocaso, a company which, for generations, has been meeting their insurance needs as well as those of their families.

OCASO prides itself on the levels of service provided through its network of offices both in Spain and the United Kingdom and our policyholders can rest assured that their policies reflect their needs and expectations.

OUR PRODUCTS

In an environment of constant change, OCASO is committed to offering the best available products to our clients, geared to their needs. Achieving a high level of customer satisfaction is our main objective.

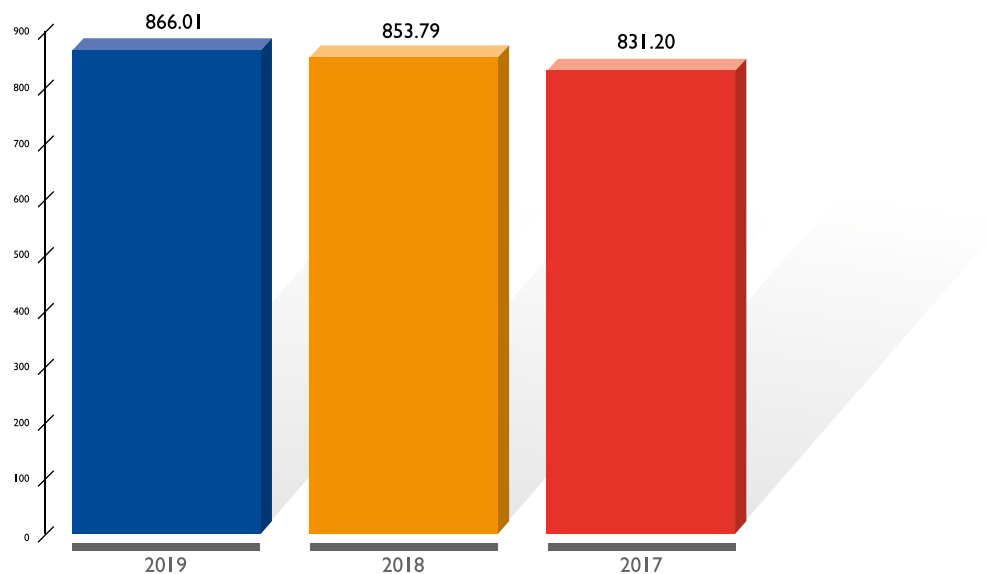
OCASO is always improving its products and extending the terms of cover, in particular, its more important schemes for Household, Funeral Expenses, Condominiums, Commercial Risks, Life and Pensions.

VOLUME OF BUSINESS

The Annual Accounts for the year ended at 31st December 2019 show a gross premium (direct business) income amounting to £866,005,000.

The portfolio is made up of £450,165,000 in Funeral Expenses, £267,520,000 Multirisks and other classes and £148,320,000 Life.

Volume of Premiums
(in £ million)



INCREASE IN TECHNICAL RESERVES

The technical reserves continued to grow during 2019, reaching £1,919,230,000 at the end of the year, which represents an increase of 5.63% and 221.62% of the earned premiums.

Technical Reserves (Direct Business)	2019	2018	2017
Unearned Premiums and Other Reserves	1,013.08	931.30	857.45
Outstanding Claims Reserves	176.48	168.56	170.12
Mathematical Reserves	729.67	717.01	712.04
Total Technical Reserves	1,919.23	1,816.87	1,739.61
Earned Premiums	866.01	853.79	831.20
Percentage of Earned Premiums	221.62%	212.80%	209.29%

(in £ millions)

The direct claims paid in 2019 amounted to £435,913,000.

The technical reserves relating to the U.K. Branch in 2019 now represents 139.95% of earned premiums.

SOLVENCY II

At December 31, 2019, the Shareholders' Funds of OCASO amounted to £1,137,229,985 which represents 3.04 times the Mandatory Solvency Capital and, when compared to the Mandatory Minimum Capital, it represents 11.07 times the amounts required.

INVESTMENTS

The investment policy has for a further year obtained positive results. At 31st December 2019 the total amount of financial and property investment was £2,842,753,000, a 10.49% increase on the previous year. The performance from these investments generated a gross financial income of £96,053,000 (not including capital gains).

Development of Investments and Gross Financial Income	2019	2018
Gross financial Income	96.05	91.54
Investments	2,842.75	2,572.85

(in £ millions)

RETURNS AND SHAREHOLDERS FUNDS

OCASO obtained a pre-tax profit of £78,376,533 during the 2019 fiscal year. After the distribution of this income, the Company's Shareholders Funds have reached £985,792,165 with an increase at the end of the year of 19.46%. This profit has been achieved thanks to the trust of our policyholders in the Company and the permanent efforts and dedication of OCASO's staff.

The composition is as follows:

Paid-Up Capital	£ 340,320,000
Legal Reserve	£ 68,064,000
Other Reserves	£ 482,190,935
Accumulated Other Comprehensive Income	£ 95,217,230
Total Shareholders Funds	£ 985,792,165

The prestigious firm AM Best Company has affirmed the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Rating of "a+" (Excellent) of Ocaso, S.A. Seguros y Reaseguros. The outlook of these Credit Ratings (ratings) is stable.

The ratings reflect Ocaso's balance sheet strength, which AM Best categorises as strongest, as well as its strong operating performance, neutral business profile and appropriate enterprise risk management. Ocaso's balance sheet strength assessment is underpinned by its risk-adjusted capitalisation, as measured by Best's Capital Adequacy Ratio (BCAR), at the strongest level. The assessment factors in Ocaso's limited dependence on reinsurance, excellent liquidity and absence of financial leverage.

EXPANSION OF THE TERRITORIAL NETWORK

OCASO's success has been largely due to the Company's continued policy of being in close contact with both its clients and brokers

	2019	2018
Offices	369	370
Employees	1,679	1,663

OCASO operates with the support of more than 30,000 professional agents, suppliers and contractors.

Ocaso now hosts all UK operations at its new, technologically advanced, London office. This investment underlines a significant commitment to the long term future of the UK business.

The U.K. operations are further supported by Business Development Representatives based in strategic locations around the country.

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OCASO IS AUTHORISED IN SPAIN BY THE GENERAL DIRECTORATE OF INSURANCE AND PENSIONS AND SUBJECT TO LIMITED REGULATION BY THE FINANCIAL CONDUCT AUTHORITY.

DETAILS ABOUT THE EXTENT OF OUR REGULATION BY THE FINANCIAL CONDUCT AUTHORITY ARE AVAILABLE FROM US ON REQUEST.

