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## FOR IMMEDIATE RELEASE

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### **AM Best Affirms Credit Ratings of Core Traditional Insurance Subsidiaries of Grupo Catalana Occidente S.A.**

**AMSTERDAM, 13 July 2023**—AM Best has affirmed the Financial Strength Rating of A (Excellent) and the Long-Term Issuer Credit Ratings of “a+” (Excellent) of Seguros Catalana Occidente, S.A. de Seguros y Reaseguros (SCO), Bilbao, Compañía Anónima de Seguros y Reaseguros, S.A. (SB) and Plus Ultra Seguros Generales y Vida, S.A. de Seguros y Reaseguros (PU). All three companies are wholly owned subsidiaries of Grupo Catalana Occidente S.A. (GCO), the non-operating holding company of the GCO group, and are the traditional insurance business units of the group. These companies are domiciled in Spain. The outlook of these Credit Ratings (ratings) is stable.

The ratings of SCO reflect its balance sheet strength, which AM Best assesses as very strong, as well as its strong operating performance, neutral business profile and appropriate enterprise risk management. The ratings also reflect lift from GCO, which considers the strategic importance of the traditional insurance business to the GCO group, and the track record of financial and operational support from GCO. The ratings of PU and SB consider their strategic importance to SCO and GCO.

SCO’s risk-adjusted capitalisation, as measured by Best’s Capital Adequacy Ratio (BCAR), is expected to be maintained at the strongest level, underpinned by strong earnings generation. The company’s balance sheet strength assessment also benefits from low reinsurance dependence, good liquidity and the absence of external

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—2—

debt. A partially offsetting factor is a lack of financial flexibility on a stand-alone basis, as capital is managed at the group level.

SCO has a track record of strong operating performance, as evidenced by a five-year weighted average return-on-equity ratio of 23% (2018-2022), as calculated by AM Best, with balanced contributions from technical and investment income. In 2022, the company reported a stable and strong combined ratio of 86% (2021: 84%). SCO has maintained strong and consistent underwriting performance across most non-life and life business segments despite competitive market conditions in its domestic market of Spain. Technical earnings are supported by the company's extensive agency network, which has been in place for a number of years and allows SCO to manage the underwriting process tightly.

The traditional insurance business units of GCO operate exclusively in Spain and collectively maintain a top 10 position in several retail lines of business in its domestic market. SCO is the leading entity within GCO's traditional insurance business unit, writing approximately 25% of its consolidated gross written premium in 2022. SCO, SB and PU collectively form a solid and diversified franchise with an established presence in all of Spain's regions and the market's distribution channels.

**This press release relates to Credit Ratings that have been published on AM Best's website. For all rating information relating to the release and pertinent disclosures, including details of the office responsible for issuing each of the individual ratings referenced in this release, please see AM Best's [Recent Rating Activity](#) web page. For additional information regarding the use and limitations of Credit Rating opinions, please view [Guide to Best's Credit Ratings](#). For information on the proper use of Best's Credit Ratings, Best's Performance Assessments, Best's Preliminary Credit Assessments and AM Best press releases, please view [Guide to Proper Use of Best's Ratings & Assessments](#).**

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—3—

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