

Grupo Catalana Occidente earns a consolidated profit of 270.1 million euros in 2020, a 36.4% drop

The Group's turnover stands at 4,559.5 million euros (+0.3%) thanks to the growth in traditional business.

Grupo Catalana Occidente closed 2020 with a consolidated profit of 270.1 million euros, 36.4% less than the previous year. This variation is due to the decline in credit insurance business as a consequence of the economic situation resulting from Covid-19, but partly offset by the growth in the traditional business. The Group's turnover amounted to 4,559.5 million euros (+0.3%).

The recurring profit of the **traditional business** (the companies Seguros Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao and NorteHispana Seguros) increased by 12.5% in 2020 to 238.6 million euros, while the turnover of business (total volum of premiums) rose by 4.1% in annual terms to 2,720.4 million euros.

Of note in this growth was the 3.8% increase in written premiums in the multi-risk area and the increase in health as a result of incorporating the January underwritten premiums in the Antares business. The combined reinsurance net ratio in traditional business (non life) was 88.6%, lower by 1.8 p.p. (percentage points).

As regards the **credit insurance business** (undertaken mainly by Atradius Crédito y Caución, and Atradius Re), the recurring result amounted to 50.4 million euros, 78.8% lower than in 2019. In addition, the credit insurance turnover fell by 5.0%, reaching 1,839.1 million euros.

The combined reinsurance gross ratio of this business was 94.1%, 15.4 p.p. more than in the previous year. The claims ratio reflects a very prudent level of provisions.

The Managing director of Grupo Catalana Occidente, Francisco Arregui, said that "the crisis derived from Covid-19 has affected the traditional business and the credit insurance business differently", underlining that "the positive evolution of the traditional business has partially compensated the decrease in the result of credit insurance business". Arregui also indicated that the Group has been able to "mitigate the impact with selective risk management measures and a suitable level of provisioning in the credit insurance business."

Financial strength

The Group estimates a solvency ratio at the close of 2020 of 216.3%. **Permanent resources** at market value in 2020 went up by 1.7% with respect to the previous year, reaching 4,663.4 million euros. Funds under management grew 2.7% to 14,758.9 million euros.

Last December, the rating agency A.M. Best renewed the 'A' (excellent) rating, with a stable outlook on the main operating entities of Grupo Catalana Occidente's traditional business and credit insurance business. Moody's recently improved the outlook from "negative" to "stable" for Grupo Catalana Occidente's main operating entities in the credit insurance business and reiterated its "A2" rating.

About Grupo Catalana Occidente

Grupo Catalana Occidente is one of the leaders in the Spanish insurance sector and the global credit insurance sector. With steady growth and a broad reach, it has more than 7,300 employees, a presence in more than 50 countries and serves more than 4,000,000 policyholders. Its network consists of over 1,600 offices and more than 17,000 mediators. It is currently ranked in fourth position in the Spanish market and second worldwide for credit insurance.

Furthermore, at its meeting today, the Board of Directors of the Group agreed to propose to the General Meeting of Shareholders a 100% increase to the final dividend to be paid on 12 May 2021. As a result, the Group would distribute €0.8821/share (105.85 million euros in total) in dividends from the 2020 results.

(figures in millions of euros)

Main figures	2019	2020	% Chg. 19-20
Growth			
Turnover	4,547.7	4,559.5	0.3%
- Traditional business	2,612.4	2,720.4	4.1%
- Credit insurance business	1,935.3	1,839.1	-5.0%
Profit			
Consolidated profit	424.5	270.1	-36.4%
- Traditional business	212.1	238.6	12.5%
- Credit insurance business	238.2	50.4	-78.8%
- Non-recurring	-25.8	-18.9	
Attributable profit	385.9	262.3	-32.0%
Combined ratio in traditional business	90.4%	88.6%	-1.8 p.p.
Combined ratio in credit insurance	78.7%	94.1%	15.4 p.p.
Solvency			
Permanent resources at market value	4,584.8	4,663.4	1.7%
Technical provisions	10,652.1	10,982.5	3.1%
Funds under management	14,377.3	14,758.9	2.7%

For more information on the results, please visit www.grupocatalanaoccidente.com

Social commitment in a year marked by Covid-19

The vocation of Grupo Catalana Occidente is to create a solid long-term business and generate sustainable social value, which means focusing on both results and the well-being of people. Therefore, in 2020, as a result of the emergency situation generated by the Covid-19 pandemic, the Group has redoubled its efforts to fulfil this commitment:

- Contribution of 2.27 million euros to the solidarity fund promoted by Unespa to protect the lives of all personnel in health centres and care homes.
- Support for the Spanish National Research Council (CSIC) in the research for a future vaccine against Covid-19.
- Collaboration with Save The Children to help families made more vulnerable by the pandemic.
- Driving measures to alleviate the financial situation of clients with flexibility on payment dates, facilitating splitting and deferment. All insured persons, regardless of their policy, were offered free 24-hour telephone medical services. and the provisions resulting from death due to Covid-19 were

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covered by the life and funeral insurance policies. Furthermore, Cyber Risk Insurance coverage has been extended to employees who telework.

- Teleworking has been implemented to protect employees.
- With regards to brokers, protocols were communicated at all times and digital signatures were quickly implemented, which has allowed brokers, thanks to their efforts and professionalism, to continue to provide personalised and agile service to customers.
- A plan was launched to anticipate, without interest, invoicing from the Group's suppliers, mostly self-employed workers, in order to prevent cash flow difficulties due to a fall in activity during the state of emergency.

Grupo Catalana Occidente has also published its Sustainability Report today, which includes the most relevant information on economic, social and environmental performance in 2020. This document has been prepared in accordance with the Global Reporting Initiative (GRI) standards. Similarly, the information contained in the Report has been verified by PricewaterhouseCoopers Auditores S.L.

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