

Grupo Catalana Occidente obtains a consolidated profit of 155.6 million euros in the first half of the year, a 31.3% drop

The Group's turnover increases by 3.5% as a result of the growth of the traditional business and Antares' contribution

Grupo Catalana Occidente has obtained a consolidated profit of 155.6 million euros in the first half of 2020, which represents a drop of 31.3% compared to the same period in the previous year. This decrease is largely due to the lower insurance result of the credit business. However, the Group's turnover is up 3.5% due to the growth of the traditional business and Antares' contribution.

The recurring profit of the **traditional business** (the companies Seguros Catalana Occidente, Plus Ultra Seguros, Seguros Bilbao and NorteHispana Seguros) grew by 10.7% between January and June of this year to 128.8 million euros, while the turnover (total volume of premiums) rose by 8.2% year-on-year to 1,499 million euros.

This increase is notable for a 3.7% rise in multi-risk and a 20.1% increase in life, due to Antares' contribution (health sector). Without considering the contribution of Antares, the growth of recurring premiums would have reached 1.2%. In addition, the combined reinsurance net ratio in traditional business (non life) stands at 88.4%, up 0.8 p.p., (percentage points).

As regards **credit insurance** (undertaken mainly by Atradius Crédito y Caución and Atradius Re), the recurring profit stands at 35.8 million euros, 69.9% down on the first half of 2019. Meanwhile, the credit insurance turnover fell by 2.6%, dropping to 1,023.4 million euros.

The combined reinsurance gross ratio of credit insurance rose 13.9 p.p. up to 94.3%. The technical performance of credit insurance dropped by 72.3%, when compared to the same period in the previous year, to 42.1 million euros, impacted by the Covid-19 health crisis.

The Managing Director of Grupo Catalana Occidente, Francisco Arregui, says that "the positive behaviour of the traditional business has allowed us to sustain the impact on the credit insurance business that we had already anticipated from the Covid-19 crisis". The manager also highlights the Group's firm solvency position, with a solvency ratio of 213% at the end 2019.

Arregui also underlines that the pandemic has strongly affected the global economy, and this is why different countries have launched measures that help the business fabric through credit insurance. "The aim of these measures is to guarantee sufficient liquidity in the market; counteract the damage suffered by companies affected by the economic crisis; and preserve the continuity of the activity. In short, guaranteeing that the commercial credit insurance services remain available to all companies" emphasises the director.

Permanent resources at market value in the first half are down 2.8% with respect to 2019 year-end, reaching 4,457.9 million euros. This decrease is mainly due to the performance of the financial markets. Funds under management stood at 14,324.8 million euros.

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 7,400 employees, a presence in more than 50 countries and serves more than 4,000,000 customers. Its network consists of over 1,600 offices and more than 17,000 mediators. It is currently ranked in fifth position in the Spanish market and second worldwide for credit insurance.

(figures in millions of euros)

Main figures	6M2019	6M2020	% Chg. 19-20	12M2019
GROWTH				
Turnover	2,436.9	2,522.4	3.5%	4,547.7
- Traditional business	1,385.8	1,499.0	8.2%	2,612.4
- Credit Insurance business	1,051.1	1,023.4	-2.6%	1,935.3
PROFIT				
Consolidated profit	226.4	155.6	-31.3%	424.5
- Traditional business	116.3	128.8	10.7%	212.1
- Credit Insurance business	118.9	35.8	-69.9%	238.2
- Non-recurring	-8.8	-9.0		-25.8
Attributable profit	206.5	149.3	-27.7%	385.9
Combined net ratio in traditional business	89.2%	88.4%	-0.8 p.p.	90.4%
Combined gross ratio in credit insurance	80.4%	94.3%	13.9 p.p.	78.7%
	12M2019	6M2020	% Chg. 19-20	
SOLVENCY				
Permanent funds at market value	4,584.8	4,457.9	-2.8%	
Technical provisions	10,652.1	11,181.3	5.0%	
Funds under management	14,377.3	14,324.8	-0.4%	

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

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If you require any additional information please do not hesitate to contact us

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