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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, 23 July 2021—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 reflect SCO’s 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 also consider their strategic importance to SCO and GCO.

SCO’s balance sheet strength is underpinned by risk-adjusted capitalisation at the strongest level, as measured by Best’s Capital Adequacy Ratio (BCAR). AM Best expects prospective risk-adjusted capitalisation to be maintained at the strongest level, supported by continuous strong internal earnings generation. The very strong

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balance sheet strength assessment also reflects SCO's low reinsurance dependence, good liquidity and the absence of external borrowings. A partially offsetting factor is a lack of financial flexibility on a stand-alone basis, as capital is managed at the group level.

SCO's operating performance is strong, underpinned by a track record of stable and strong underwriting performance, demonstrated by a five-year (2016-2020) weighted combined ratio of 85% (as calculated by AM Best). The stability in technical earnings is 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. In 2020, the company achieved a combined ratio of 82% (2019: 85%), which partly benefited from lower claims frequency related to social restrictions due to the COVID-19 pandemic. AM Best expects SCO's operating performance to remain strong over the medium term, despite competitive market pressure from local and global insurers.

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 the domestic market. SCO is the leading entity within GCO's traditional insurance business unit, writing approximately 25% of its consolidated gross written premium in 2020. SCO, SB and PU collectively form a solid and diversified franchise with presence in all of Spain's regions and the market's distribution channels. GCO continues to invest in standardizing systems and platforms to take advantage of potential synergies and promote future cost savings.

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

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