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Report from the General Manager

A promising
project



Ignacio Eyrès
GENERAL MANAGER

Obviously, 2020 has been a unique year, both in terms of our business group and at a macroeconomic level, with events that have had a significant impact, and that will continue to do so, on our lives.

At the beginning of 2020, Helvetia started the process of acquiring a holding of almost 70% in Caser; this transaction was legally completed in June, once the corresponding regulatory requirements were completed. This marked the beginning of a new era,

ending the shareholding uncertainties seen in recent years as a result of the restructuring of the former savings banks and the consolidation of the Spanish financial sector.

We now form part of one of the strongest insurance groups in Europe, which in the project's strengths and Caser's strategy has found the perfect complement to strengthen its business, significantly expand its already attractive range of

Non-Life products and increase its sales opportunities in Spain, and the market has understood this expansion as a strategic priority.

On the other hand, during the first quarter of the year, the outbreak of COVID-19 abruptly changed our work models and caused a sudden slowdown in economic activity, resulting in national GDP falling during the first quarters of the year at rates not seen in recent history.

Thanks to our ability to adapt and huge collective efforts, we were able to successfully take all the necessary measures to continue our activities without the quality of the service being affected. Against this backdrop during the worst months of the pandemic, the performance of professionals associated with the Group's non-insurance activities, such as hospitals, dental clinics and, especially, care homes, a sector particularly punished by the health crisis and that required exceptional levels of commitment, is worthy of special recognition.

It is worth noting that efforts to respond to the pandemic have not undermined progress towards achieving the goals set out in our strategic roadmap, as not only has progress with the digital transformation sped up during 2020, but additional distribution channels to secure banking have been enhanced and the supply of insurance products and the diversification of activities have been improved. In short, a model that places customers at the heart of the organisation has been consolidated.

Now, in terms of figures, the different companies that form part of the Caser Group recognised total income of EUR 1,828 million in 2020. The 8% decrease compared to 2019 is mainly due to economic activity coming to a halt during the first half of the year.

Billing in relation to premiums in the insurance business stood at EUR 1,431 million, with the Life branch accounting for 26% and General Insurance for 74%. This was significantly better than the industry average, which was down by approximately 8%.

This relatively favourable performance in relation to insurance activity, once again confirming its anti-cyclical nature and resilience in the face of even the most unfavourable macroeconomic environment, has partly offset the figures recorded by other Group activities focussing on the provision of complementary services. This fall in income and profit can be attributed to their nature, given the circumstances, with a focus mainly on care and the maintenance

of properties and facilities. Overall, these activities earned revenue of EUR 171.7 million, down by approximately 7% year on year, although the significant recovery of figures during the final months of 2020 is quite remarkable, giving some hope of a brighter outlook for this year.

The Investment Agency reinforced its commitment to territorial expansion, especially in Andalusia, and increasing the number of financial agents that form part of its network.

Against such an adverse backdrop, the profit after tax recorded by the Caser Group in 2020 is worth particular mention: coming to EUR 45.1 million, this represented a solvency ratio of 165%.

In terms of assets under management, in 2020 they came to EUR 7,605 million.

In short, thanks to the solid backing we receive as members of the Helvetia Group, we are in a strong position to face the future with optimism, consolidating a path

of growth that exceeds the sector average, with a view to stepping up our activities in relation to complementary services to the insurance business, significantly increasing revenue and improving results in a very significant manner.

Buoyed by our ability to face uncertain scenarios and adapt to changing environments, by the talent and professionalism of the more than five thousand people who make up the Caser Group and customers' optimal valuation of our organisation and by our own financial strength, we expect, in short, a very successful 2021 financial year.