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12M 2022 Results

Presentation for analysts and investors

24 February 2023



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Línea Directa is expected to publish the Group's audited results, corresponding to the fourth quarter and the full year of 2022, next Monday, 27 February 2023.

The information contained in this document may be subject to change and may differ from the final audited figures.

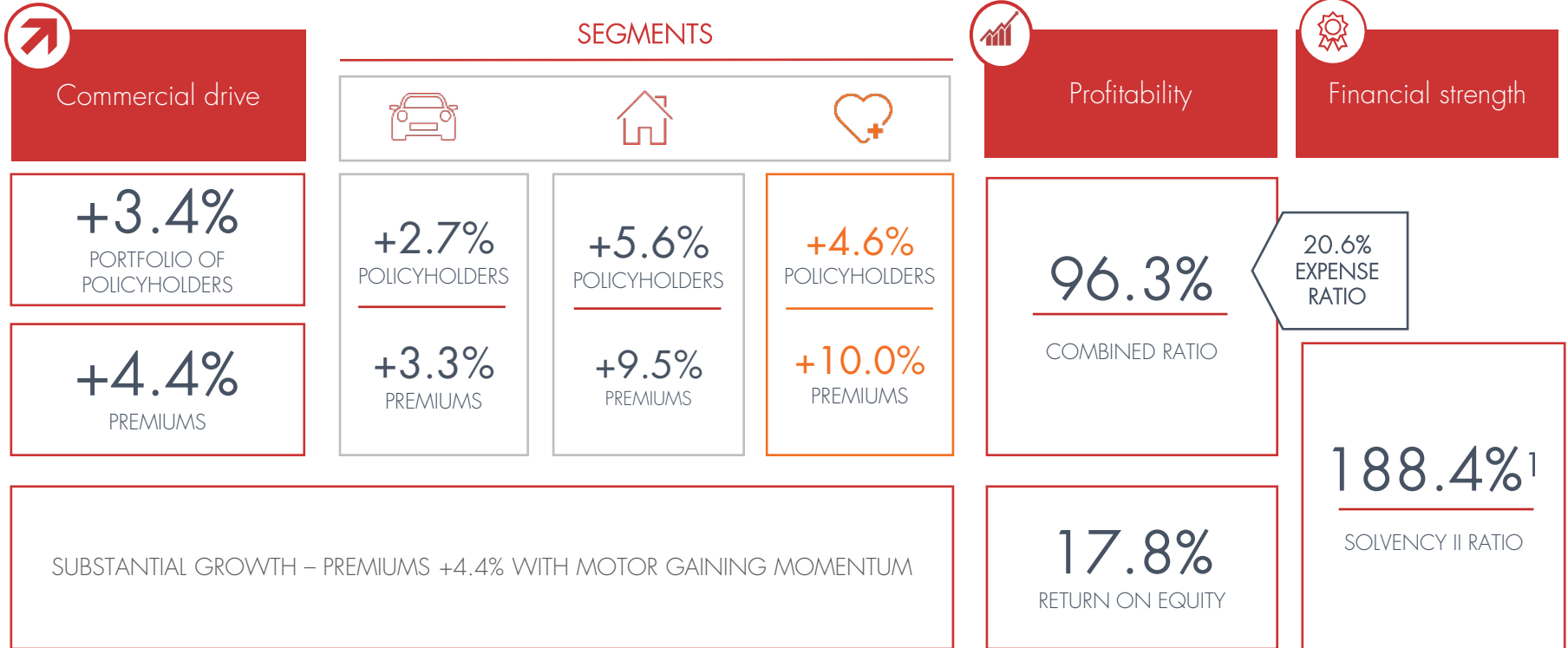


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Highlights for the period

12M 2022 Results

Growth gains momentum in a year marked by sharp cost inflation



1. Includes up to the third interim dividend for the year amounting to 8.4 million euros

We are committed to sustainable growth

We champion ESG dimensions from within the company and position our direct model as the best asset for stakeholders.



COMPLIANCE WITH THE 2022 SUSTAINABILITY PLAN



In 2022, first assessment for the Dow Jones Sustainability Index



64 points
vs. 21 points in 2021

Portfolio Sustainability Score



20.86



New Plan
2023-2025

MAIN ESG MILESTONES IN 2022

ENVIRONMENTAL

Reducing our environmental impact

-51% Carbon footprint
-45% Waste reduction



We support our customers as they undergo their own green transition

18,500 Electric vehicles and plugin hybrids insured → **31,400** Tonnes of CO2 avoided

We embrace best practices



SOCIAL

Equality and diversity

24 Nationalities
50% Women in management positions
48% Women in positions of responsibility



Quality employment and talent development

77% Vacancies filled with in-house talent
+18% Average hours of staff training
2.8% Gender pay gap

Commitment to road safety

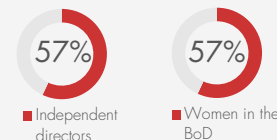


People management



GOVERNANCE

Aligned with governance best practices



- Including non-financial criteria and the recommendations of the Code of Good Governance in the Remuneration Policy of the Board of Directors.
- Sustainable Investment Policy.
- Environmental Management and Climate Change Policy.
- Responsible Purchasing Policy.



2

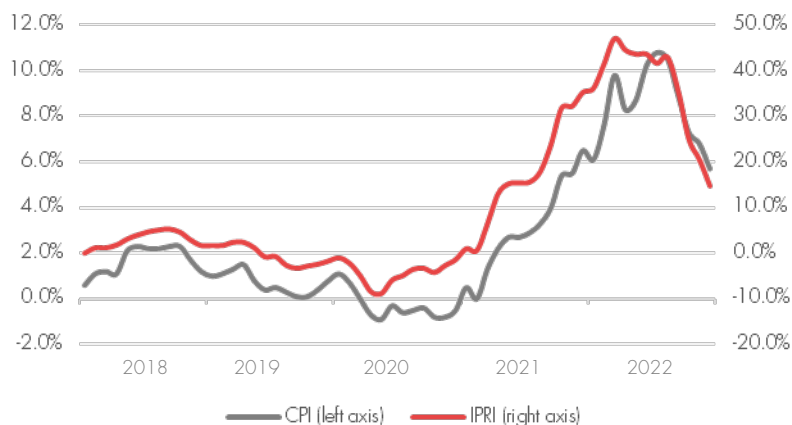


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Context

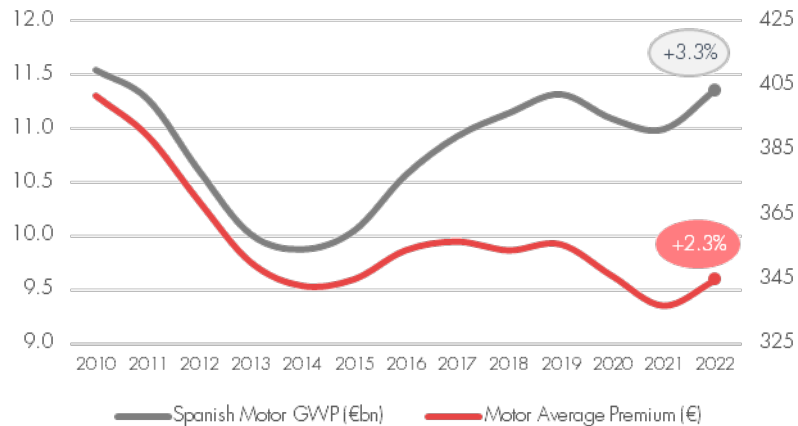
Inflation slows in December, but remains high and has hit the sector hard

INFLATION TRENDS ¹



- Inflation remains very high
- Repair costs at all-time highs

TURNOVER AND AVERAGE PREMIUM ²



- The market barely reacted in 2022, and there is still a long way to go

1. Source: INE (latest figures available at December 2022)

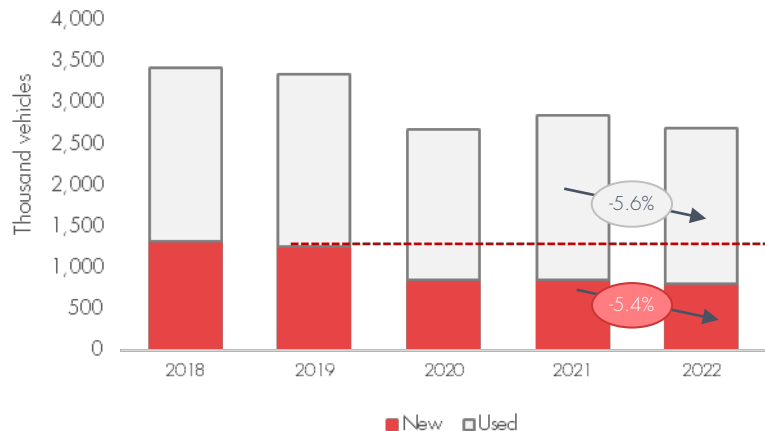
2. Sources: ICEA (latest figures available at December 2022), FIVA. Internal calculations on the average premium in the sector by dividing revenues by insured vehicles

Motor Segment |

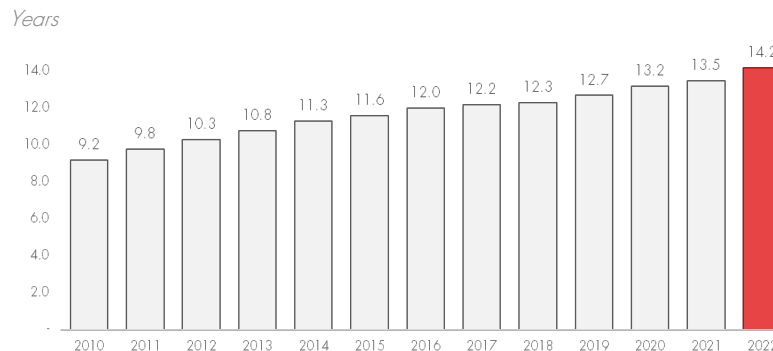


Vehicle registrations were down 5.5% in 2022

VEHICLES SOLD



AVERAGE AGE OF THE VEHICLE POPULATION



* Estimated average age at yearend 2022

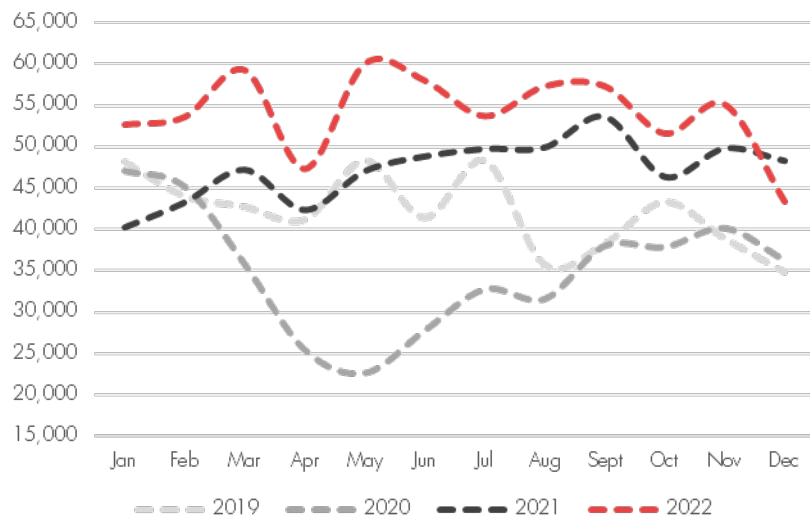
- 2022 still a far cry from pre-pandemic figures

- The vehicle population continues to age
- Manufacturing and supply bottlenecks, rising interest rates and prices, and the resulting decline in household disposable income



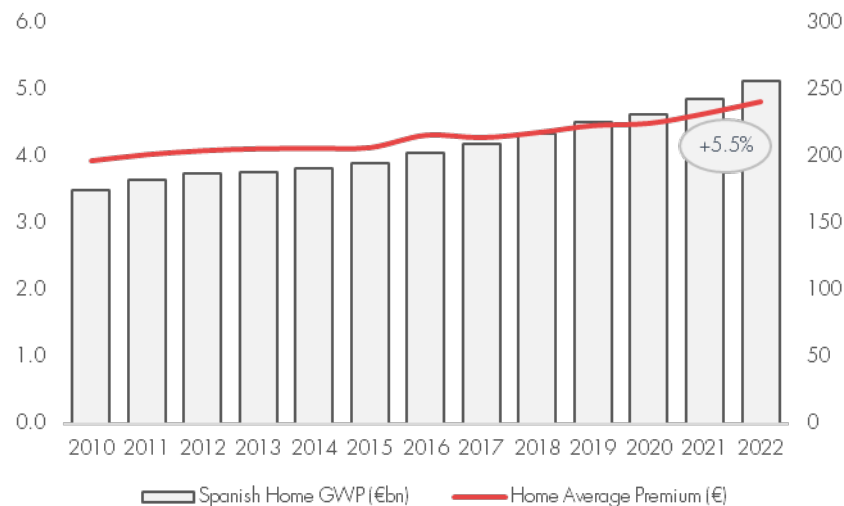
Activity and prices in the real estate market have continued to increase, although there are signs of a slowdown against a backdrop of rising interest rates and a bleaker economic outlook

HOUSING SALES AND PURCHASES SLOW DOWN ¹



HOUSING STOCK
26.1M ³ (+0.3% Dec 22 / Dec 21)

TURNOVER ² AND AVERAGE PREMIUM



UNINSURED HOMES
4.8M ³ (18% of the total)

1. Source: INE (latest figures available at December 2022)

2. Source: ICEA (latest figures available at December 2022). Internal calculations on the average premium in the sector by dividing revenues by homes insured

3. Total estimated housing stock at year-end 2022, considering an average increase over the last five years. Ministry of Transport, Mobility and Urban Agenda



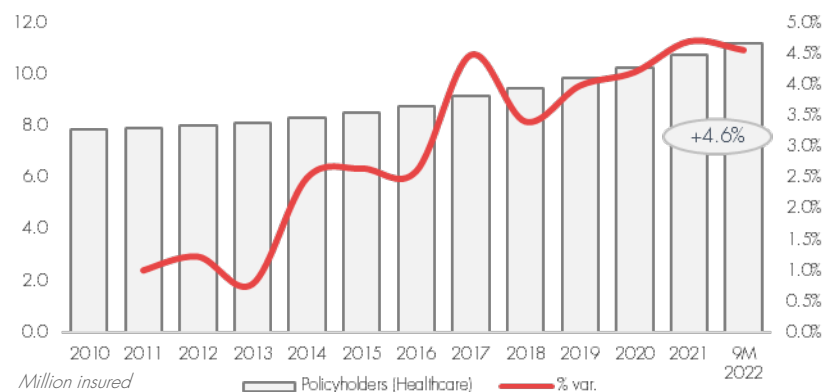
Inflow of new customers slowing

SEGMENT REVENUES ¹



- Turnover continues to show significant growth
- Rising healthcare costs and hospital tariffs

POLICYHOLDERS ²



- Slowdown in the growth of new policyholders

1. Source: ICEA (Healthcare, latest figures available at December 2022)
 2. Source: ICEA (Healthcare, latest figures available at September 2022)

3



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12M 2022 Results

Group results

Premiums gain momentum in a year marked by strong pressure on margins



<i>Thousand euro</i>	12M 2022	12M 2021 % var. 22/21	
Gross written premiums (GWP)	946,679	907,189	4.4%
Earned premiums, net of reinsurance	900,647	882,728	2.0%
Technical result	33,350	103,635	-67.8%
Financial result	39,773	34,661	14.7%
Non-technical result	5,635	6,884	-18.1%
Profit/(loss) before tax	78,758	145,180	-45.8%
Income tax	(19,235)	(35,043)	-45.1%
Profit/(loss) after tax	59,523	110,137	-46.0%
EPS (euro)	0.05	0.10	-45.9%
	12M 2022	12M 2021	<i>p.p. var.</i>
Loss ratio	75.7%	67.7%	8.0 p.p
Expense ratio	20.6%	20.5%	0.1 p.p
Combined ratio	96.3%	88.3%	8.0 p.p
Clients (thousands)	3,459	3,345	3.4%

PREMIUMS

Solid growth across all lines of business
Motor gains 3.3% in the year (4.6% in the quarter)

TECHNICAL RESULT

Outstanding expense ratio
Cost of claims impacted by rampant inflation and, to a lesser extent, higher frequency versus the previous year

FINANCIAL RESULT

During the year, capital gains were realised in investment funds prior to the arrival of IFRS 9, and also in currencies by profiting from an appreciating US dollar

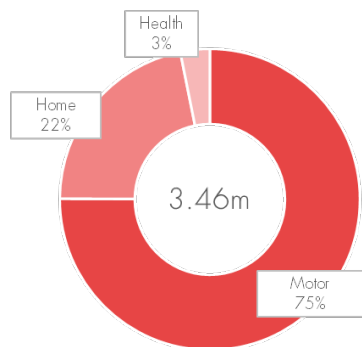
CLIENTS

We continue to grow with excellent customer retention rates

Premiums and policyholders

All segments show solid growth and Motor reflects the change in trend

POLICYHOLDERS

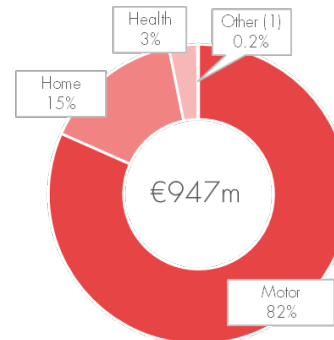


- Portfolio of 3,459 thousand policyholders, up 3.4%
- Solid growth across all lines of business

Policyholders

Thousands	12M 2022	12M 2021	% var.
Motor	2,597	2,528	2.7%
Home	752	712	5.6%
Health	110	105	4.6%
Total	3,459	3,345	3.4%

PREMIUMS



- Motor grows at 3.3%
- Excellent performance by the Home and Health segments

Gross written premiums

Thousand euro	12M 2022	12M 2021	% var.
Motor	772,787	748,100	3.3%
Home	143,713	131,243	9.5%
Health	29,082	26,449	10.0%
Other	1,097	1,397	-21.5%
Total	946,679	907,189	4.4%

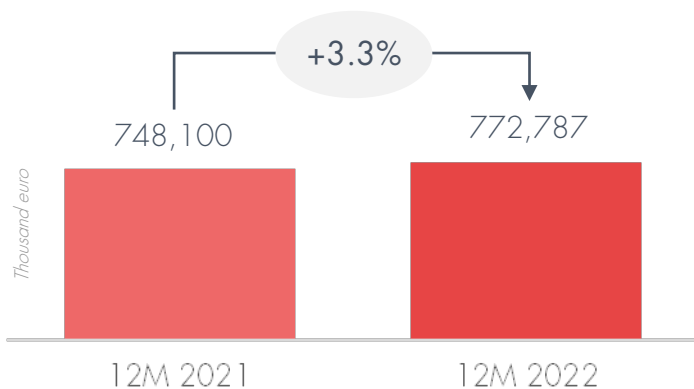
1. Customers in the "Other" segment amount to 5 and 4 thousand at December 2021 and 2022, respectively.

Motor Segment |

Motor continues to gain momentum



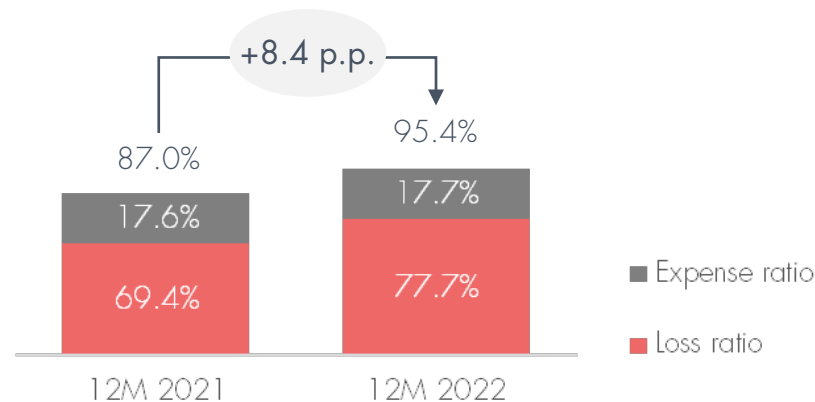
PREMIUMS



- We continue to report excellent retention rates
- The portfolio of policyholders gains 2.7%
- Premium growth in line with the market ¹

1. Growth for the Motor segment: 3.3%. Source: ICEA, December 2022

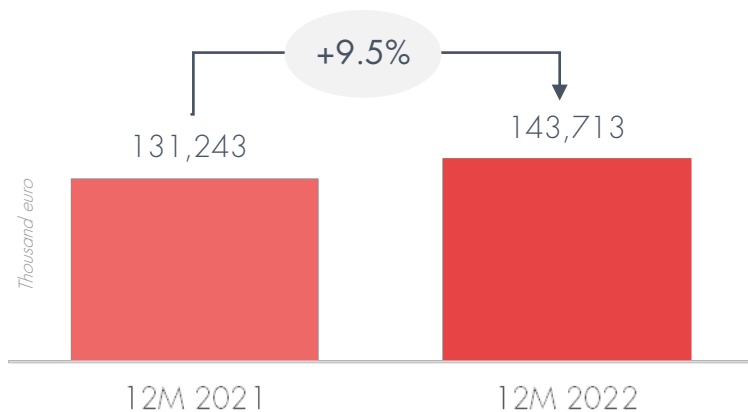
COMBINED RATIO



- Excellent expense ratio
- Strong cost inflation has had an immediate impact on the sector, while premiums have a longer way to go

Home continues with its good performance

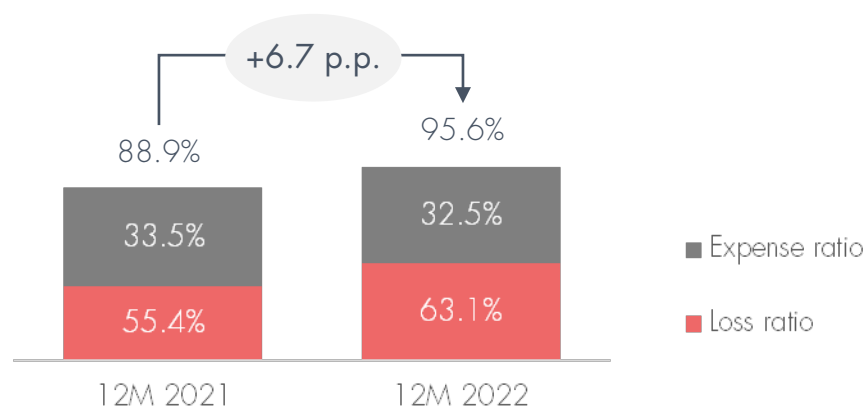
PREMIUMS



- Growth at 4 p.p. above the market¹
- Rising average premiums and excellent retention rates
- The portfolio of policyholders gains 5.6%

1. Growth for the Home segment: 5.5%. Source: ICEA, December 2022
 2. Expense ratio for the Home segment: 34.6%. Source: ICEA, December 2022

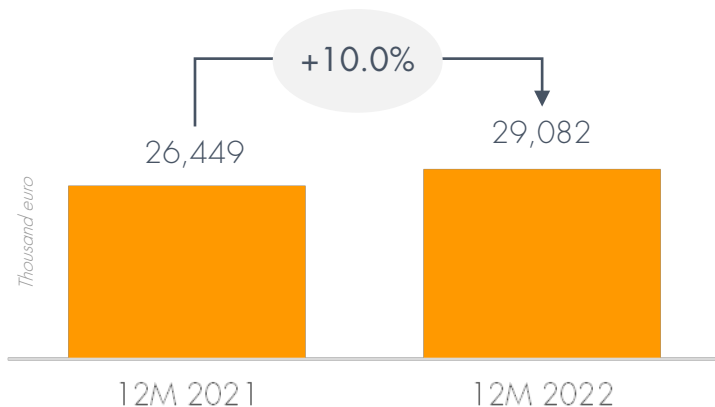
COMBINED RATIO



- Expense ratio below the market at 2.1 p.p.²
- Loss ratio mainly affected by frequency of water and glass damage

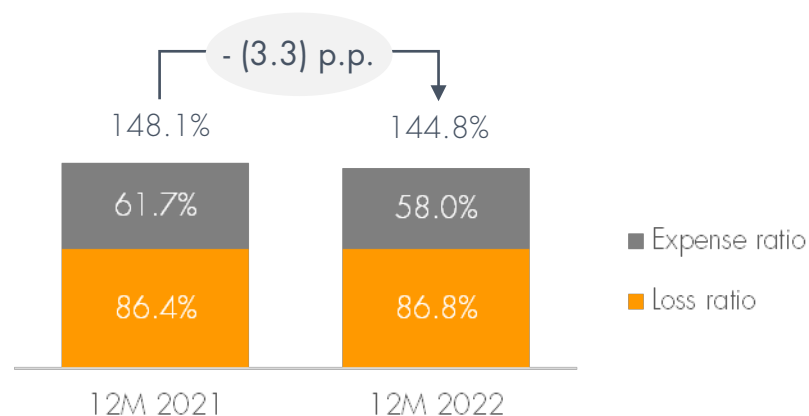
Growth slowing while we continue to improve our technical result

PREMIUMS



- Policyholders up by 4,823 (+4.6%)
- Premium growth 2.6 p.p. above the market

COMBINED RATIO



- We continue to maintain strict risk selection and underwriting

1. Growth for the Healthcare segment: 7.4%. Source: ICEA, December 2022

Management ratios



	Loss ratio			Expense ratio			Combined ratio		
	12M 2022	12M 2021	<i>p.p. var.</i>	12M 2022	12M 2021	<i>p.p. var.</i>	12M 2022	12M 2021	<i>p.p. var.</i>
Motor	77.7%	69.4%	8.3 p.p	17.7%	17.6%	0.1 p.p	95.4%	87.0%	8.4 p.p
Home	63.1%	55.4%	7.7 p.p	32.5%	33.5%	-1.0 p.p	95.6%	88.9%	6.7 p.p
Health	86.8%	86.4%	0.4 p.p	58.0%	61.7%	-3.7 p.p	144.8%	148.1%	-3.3 p.p
Other	0.9%	0.0%	0.9 p.p	66.0%	50.9%	15.1 p.p	66.9%	50.9%	16.0 p.p
Total	75.7%	67.7%	8.0 p.p	20.6%	20.5%	0.1 p.p	96.3%	88.3%	8.0 p.p

Loss ratio

- Loss ratio for the Motor segment reflects immediate cost inflation, while premiums have a longer cycle ahead
- Increase in claims frequency in the Motor and Home segments compared to the previous year

Expense ratio

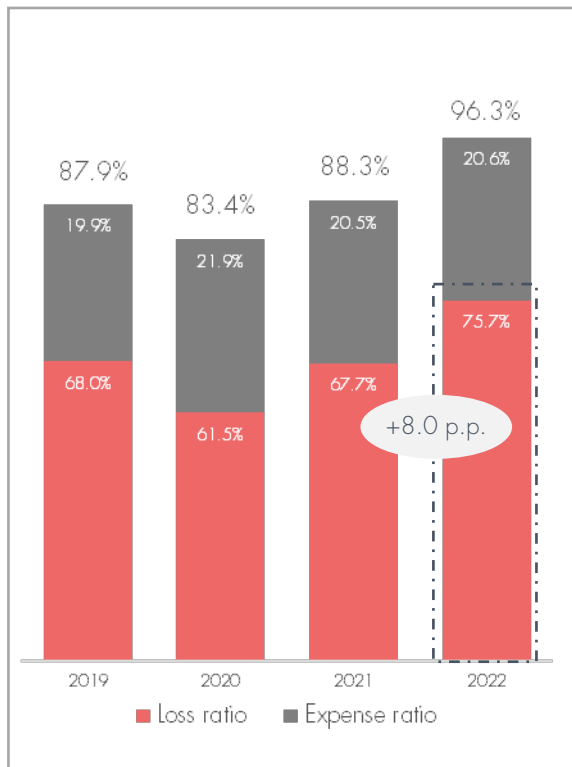
- Excellent performance within a strategy of strict expense control

Combined ratio

- The combined ratio has been affected by sharp cost inflation

Combined ratio: loss ratio

Premiums earned lag behind heavy cost inflation



<i>% over earned premiums net of reinsurance</i>	12M 2022	12M 2021	% var
Claims incurred for the year	(681,500)	(597,820)	14.0%
Motor	(585,329)	(518,866)	12.8%
Home	(81,840)	(66,003)	24.0%
Health	(14,321)	(12,951)	10.6%
Other	(10)	(0)	-
LOSS RATIO	75.7%	67.7%	7.9 p.p

Thousand euro

MOTOR	% IMPACT DISTRIBUTION	
	Average cost	Frequency
12M '22 vs '21	61%	39%
4Q '22 standalone vs '21	104%	-4%

MOTOR is enduring heavy cost inflation while premiums earned have a longer cycle

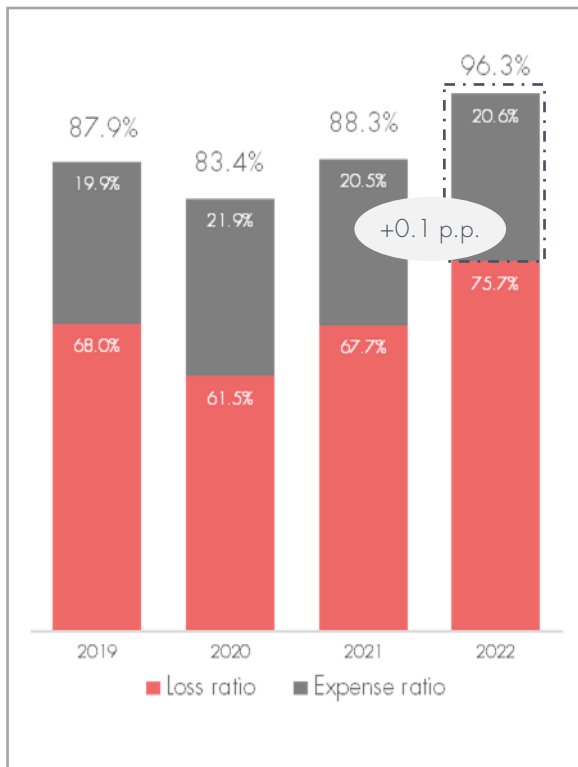
HOME	% IMPACT DISTRIBUTION	
	Average cost	Frequency
12M '22 vs '21	38%	62%
4Q '22 standalone vs '21	46%	54%

Combined ratio: expense ratio

We maintain strict control of expenses



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% over earned premiums net of reinsurance	12M 2022	12M 2021	% var
Net operating expenses	(202,182)	(203,458)	-0.6%
Acquisition expenses	(180,371)	(181,972)	-0.9%
Administrative expenses	(26,043)	(26,510)	-1.8%
Reinsurance commissions and profit participation	4,232	5,024	-15.8%
Profit sharing	(637)	(594)	7.2%
Other technical revenue and expenses	17,022	22,779	-25.3%
EXPENSE RATIO	20.6%	20.5%	0.1 p.p.

Thousand euro

INCREASED EFFICIENCY IN
POLICY RETENTION

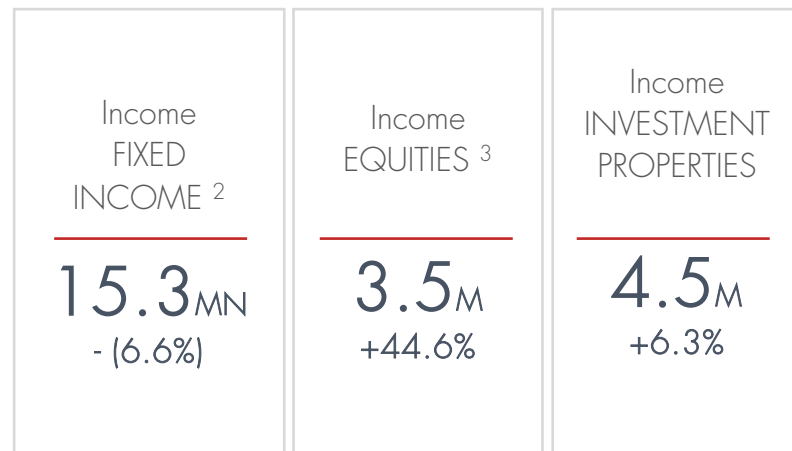
STRICT CONTROL OF
OVERHEAD EXPENSES

We remain firmly
committed to
DIGITALISATION AND
TECHNOLOGY

Financial result

During the year, capital gains were realised in mutual funds prior to the arrival of IFRS 9, and also in currencies by profiting from an appreciating US dollar

<i>Thousand euro</i>	12M 2022	12M 2021	% var.
Investment income ¹	72,406	57,904	25.0%
Investment expenses ¹	(32,633)	(23,243)	-40.4%
Financial result	39,773	34,661	14.7%
<i>of which realised gains (losses):</i>	10,950	6,566	66.8%
<i>Fixed income</i>	(599)	(1,093)	-45.2%
<i>Equity instruments</i>	7,782	7,808	-0.3%
<i>Foreign currencies</i>	3,767	(149)	-
<i>Impairments</i>	-	-	-



Financial result (ex capital gains) +2.6%

1. The interest rate swap and the underlying government bonds with a nominal value of €50 million are recognised under income and expense on investments, with opposite sign, and are netted against each other

2. Includes implicit interest on debt

3. Does not include Economic Interest Groupings (EIGs) amounting to 4.8 million euro

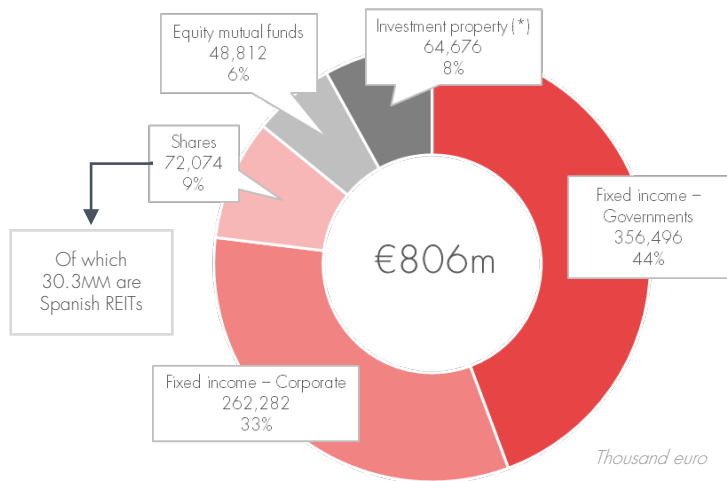
Investment portfolio

Portfolio composition and other metrics



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PORTFOLIO COMPOSITION



Portfolio Sustainability Score (ESG Risk)



Corporate Sustainability Score



Sovereign Sustainability Score



PROFITABILITY (Rolling 12) ¹

(%)	12M 2022	12M 2021	var. p.p
Fixed income	2.46%	1.90%	+0.56 p.p
Equity instruments	12.59%	10.72%	+1.87 p.p
Investment property	6.86%	6.40%	+0.46 p.p
Total average return	4.39%	3.48%	+0.91 p.p
Portfolio return (ex net realised gains)	2.61%	2.29%	+0.32 p.p

OTHER METRICS

	12M 2022	12M 2021
Fixed income duration	3.62	4.14
Fixed income modified duration	3.81%	4.87%

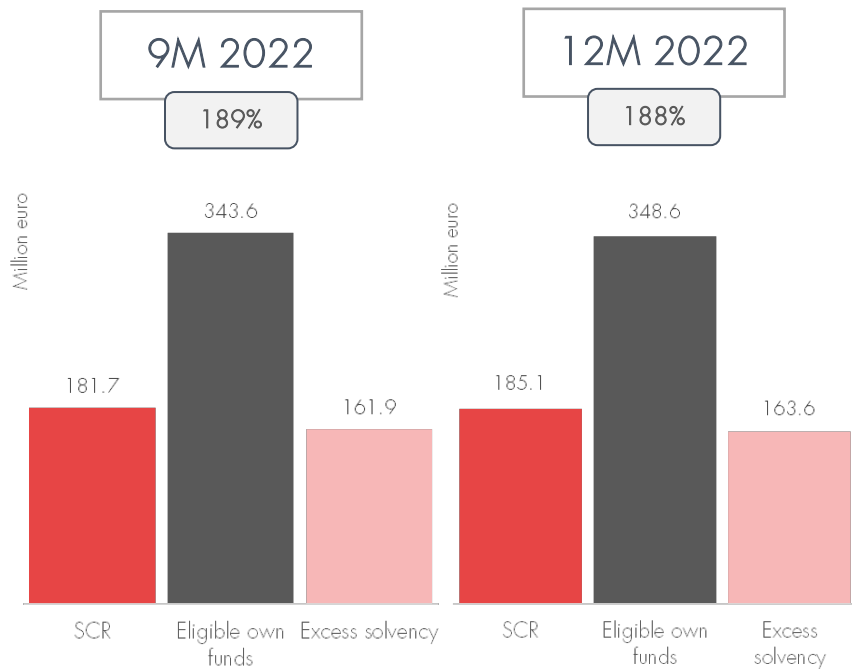
¹. Income recognised in the statement of profit or loss during the period divided by assets under management (fixed income and equity portfolios and investment property). Includes capital gains and losses realised and impairment losses.

(*) Off-balance sheet capital gains on investment property and property for own use amount to €32.1 million before tax.

Solvency II

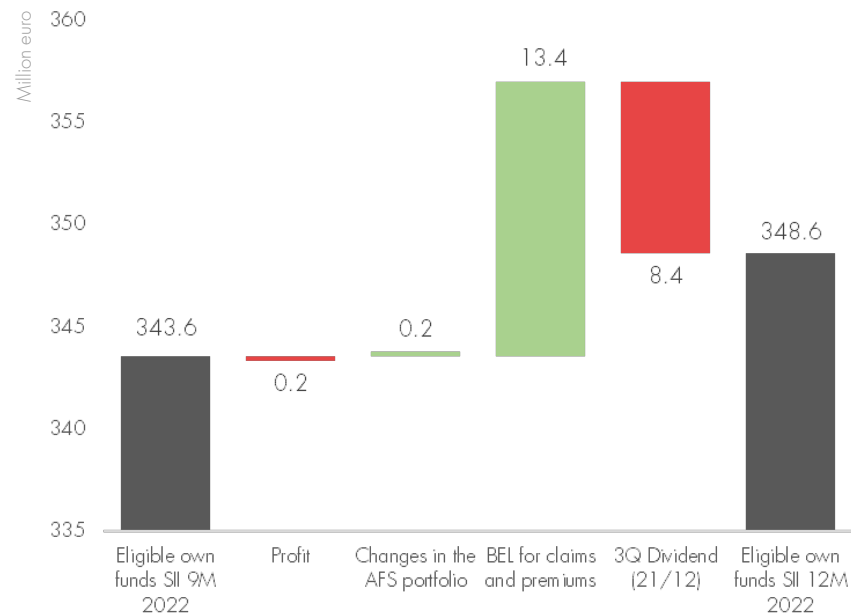
Resilient capitalisation

Solvency margin



1. Solvency ratio and eligible own funds refer to Línea Directa Aseguradora stand-alone

Solvency own funds walk 9M 2022 – 12M 2022



Solvency II

Resilient capitalisation



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Breakdown of required capital – SCR

<i>Thousand euro</i>	12M 2022	9M 2022
SCR Market	91,899	93,177
SCR Counterparty	7,027	10,708
SCR Health	3,142	3,733
SCR Non-Life	172,651	164,822
BSCR	218,947	214,740
SCR Operational	27,795	27,574
Deferred tax adjustment	(61,686)	(60,578)
SCR	185,057	181,735
Eligible own funds Solvency II	348,621	343,593
Solvency II ratio	188%	189%

HIGHLIGHTS

MARKET SCR

- The lower exposure has offset the reduction in the symmetric adjustment (-3.02 at December 2022 vs. -8.10% at September 2022)

COUNTERPARTY SCR

- (+) Lower exposure to cash

HEALTH SCR

- In line with business performance

NON-LIFE SCR

- (-) Increase in premiums and cost of claims

OPERATIONAL SCR

- In line

1. Solvency ratio and eligible own funds refer to Linea Directa Aseguradora stand-alone



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Thank you



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Appendices

Consolidated balance sheet



Assets

Thousand euro

Assets	12M 2022	12M 2021	% var.
Cash and cash equivalents	51,661	115,788	-55.4%
Available-for-sale financial assets	739,664	864,978	-14.5%
<i>Equity instruments</i>	120,886	153,963	-21.5%
<i>Debt securities</i>	618,778	711,015	-13.0%
Loans and receivables	123,448	120,615	2.3%
Hedging derivatives	7,808	-	-
Reinsurers' share of technical provisions	19,263	20,153	-4.4%
Property, plant and equipment and investment property	110,044	110,721	-0.6%
<i>Investment property</i>	64,676	65,457	-1.2%
<i>Property, plant and equipment</i>	45,368	45,264	0.2%
Intangible assets	14,482	14,121	2.6%
Other assets	129,045	122,102	5.7%
Total assets	1,195,415	1,368,478	-12.6%

Liabilities and Equity

Thousand euro

Liabilities and Equity	12M 2022	12M 2021	% var.
Debt and accounts payable	59,288	175,406	-66.2%
Hedging derivatives	-	9,447	-100.0%
Technical provisions	791,040	738,158	7.2%
<i>Provision for unearned premiums</i>	470,783	449,740	4.7%
<i>Provision for unexpired risks</i>	2,378	3,280	-27.5%
<i>Provision for claims</i>	317,879	285,138	11.5%
Nontechnical provisions	26,118	22,133	18.0%
Other liabilities	28,469	45,059	-36.8%
Total liabilities	904,915	990,203	-8.6%
Equity	320,356	334,909	-4.3%
Valuation adjustments	(29,856)	43,366	-168.8%
Total equity	290,500	378,275	-23.2%
Total liabilities and equity	1,195,415	1,368,478	-12.6%

Statement of profit or loss by segment

Statement of profit or loss – Motor Segment



<i>Thousand euro</i>	12M 2022	12M 2021	% var.
Gross written premiums (GWP)	772,787	748,100	3.3%
Premiums earned, net of reinsurance	753,278	747,292	0.8%
Claims incurred, net of reinsurance	(585,329)	(518,866)	12.8%
Net operating expenses	(150,800)	(154,310)	-2.3%
Other technical expenses and income	17,506	22,877	-23.5%
Technical result	34,655	96,993	-64.3%

	12M 2022	12M 2021	p.p. var.
Loss ratio	77.7%	69.4%	8.3 p.p.
Expense ratio	17.7%	17.6%	0.1 p.p.
Combined ratio	95.4%	87.0%	8.4 p.p.

Clients (thousands)	2,597	2,528	69
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Statement of profit or loss – Home Segment



<i>Thousand euro</i>	12M 2022	12M 2021	% var.
Gross written premiums (GWP)	143,713	131,243	9.5%
Premiums earned, net of reinsurance	129,799	119,067	9.0%
Claims incurred, net of reinsurance	(81,840)	(66,003)	24.0%
Net operating expenses	(41,989)	(39,888)	5.3%
Other technical expenses and income	(241)	(5)	5130.8%
Technical result	5,729	13,171	-56.5%

	12M 2022	12M 2021	p.p. var.
Loss ratio	63.1%	55.4%	7.6 p.p.
Expense ratio	32.5%	33.5%	-1.0 p.p.
Combined ratio	95.6%	88.9%	6.6 p.p.

Clients (thousands)	752	712	40
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Statement of profit or loss by segment



Statement of profit or loss – Health Segment



<i>Thousand euro</i>	12M 2022	12M 2021	% var.
Gross written premiums (GWP)	29,082	26,449	10.0%
Premiums earned, net of reinsurance	16,505	14,981	10.2%
Claims incurred, net of reinsurance	(14,321)	(12,951)	10.6%
Net operating expenses	(9,327)	(9,147)	2.0%
Other technical expenses and income	(243)	(93)	161.8%
Technical result	(7,386)	(7,210)	2.4%

	12M 2022	12M 2021	p.p. var.
Loss ratio	86.8%	86.4%	0.3 p.p
Expense ratio	58.0%	61.7%	-3.7 p.p
Combined ratio	144.8%	148.1%	-3.4 p.p
Clients (thousands)	110	105	5

Statement of profit or loss – Other Insurance Businesses ¹

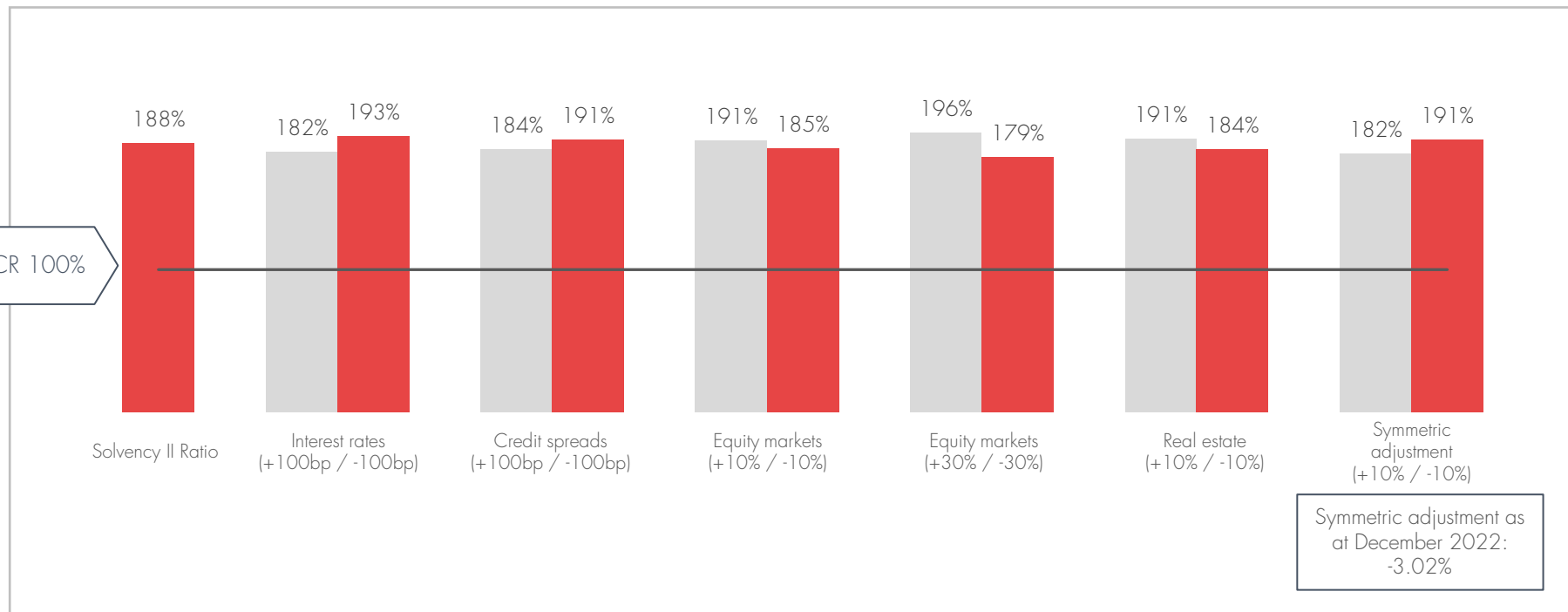
<i>Thousand euro</i>	12M 2022	12M 2021	% var.
Gross written premiums (GWP)	1,097	1,397	-21.5%
Premiums earned, net of reinsurance	1,065	1,388	-23.2%
Claims incurred, net of reinsurance	(10)	(0)	42726.6%
Profit sharing and premiums refunds	(637)	(594)	7.2%
Net operating expenses	(66)	(113)	-41.3%
Other technical revenues and expenses	-	-	-
Technical result	352	681	-48.3%

	12M 2022	12M 2021	p.p. var.
Loss ratio	0.9%	0.0%	0.9 p.p
Expense ratio	66.0%	50.9%	15.1 p.p
Combined ratio	66.9%	50.9%	16.0 p.p
Clients (thousands)	4	5	(1)

1. The Other insurance businesses segment mainly shows the travel insurance business for holders of Bankinter cards under 10 collective policies not included in the customer figure, as well as a payment protection policy in run-off

Solvency II

Sensitivities to the solvency margin



1. The symmetric adjustment does not take into account an estimate of the unrealised capital gains on equities

Market shares



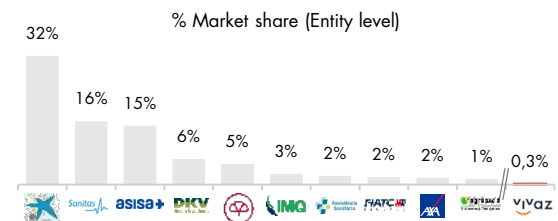
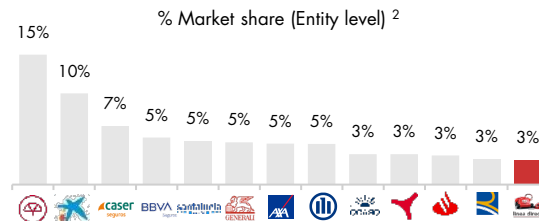
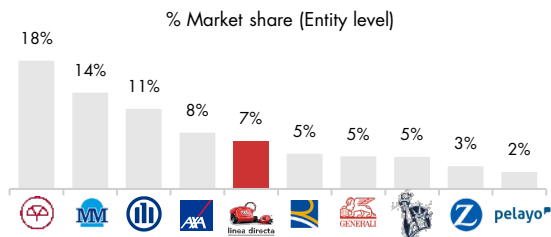
5# in MOTOR ¹



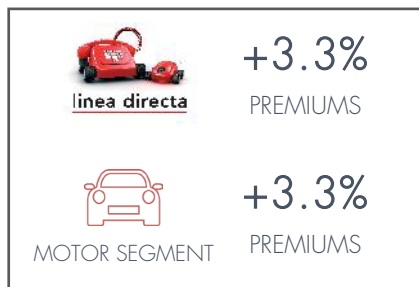
13# in HOME ¹



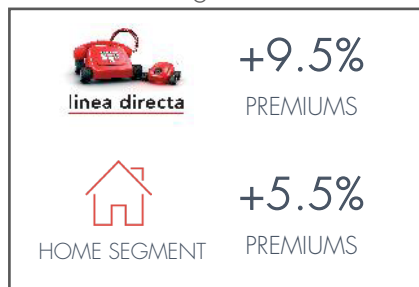
21# in HEALTHCARE ¹



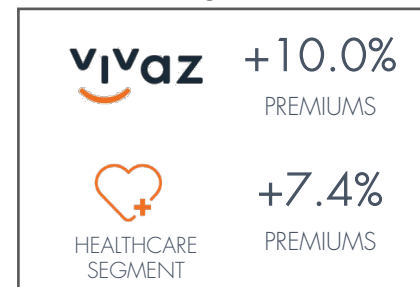
Change 22/21



Change 22/21



Change 22/21



1. Source: ICEA (latest figures available at December 2022 for the Motor and Home segments, and September 2022 for the Healthcare segment)
 2. Including Caser (previously not reporting entity level data)