

March 2024 Results IFRS17&9

Presentation for analysts and investors

29 April 2024



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Highlights for the period



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01. Highlights for the period

IFRS17&9

€ Gross written premiums

€251.4 m

+3.0% vs. 1Q 2023

Robust contribution by all business lines

Policyholders

€3.3 m

-4.5% vs. 1Q 2023

Segments – Net Insurance Income ¹



+3.1%

INCOME
IFRS 17

(5.6%)
POLICYHOLDERS



+4.5%

INCOME
IFRS 17

(3.9%)
POLICYHOLDERS



+7.9%

INCOME
IFRS 17

+10.7%
POLICY HOLDERS

Robust growth focused on profitability and highly profiled adjustments. **Growth in Health accelerates**
Return to profits and efficiency roadmap

Profitability and efficiency

COMBINED RATIO

97.3%

-9.5 p.p. vs. 1Q '23
-1.2 p.p. vs. 4Q '23

EXPENSE RATIO ²

22.2%

-0.4 p.p. vs. 1Q '23
-2.1 p.p. vs. 4Q '23

Financial strength

SOLVENCY II RATIO

183%

100% Tier 1 Capital

1. Equivalent to the net premiums earned under IFRS 4
2. Refer to reclassification of items between IFRS 4 and IFRS 17 and 9 in the annexes

02

March 2024 Results



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02. March 2024 Results

IFRS17&9

<i>Thousand euro</i>	3M 2024	3M 2023	<i>% var.</i>
Gross written premiums (GWP)	251,419	244,209	3.0%
Ordinary insurance activities income ¹	242,618	234,570	3.4%
Technical insurance result, net of reinsurance	6,311	(15,627)	n.a.
Investments result	9,226	8,386	10.0%
Credited interest ²	(2,182)	(425)	-413.4%
Insurance and financial result	13,355	(7,666)	n.a.
Other income/expenses and non-assignable expenses	335	608	-44.9%
Profit / (loss) before tax	13,690	(7,058)	n.a.
Income tax	(3,580)	1,767	n.a.
Profit / (loss) after tax	10,110	(5,291)	n.a.

	3M 2024	3M 2023	<i>p.p. var.</i>
Loss ratio	75.1%	84.2%	-9.1 p.p
Expense ratio	22.2%	22.6%	-0.4 p.p
Combined ratio ³	97.3%	106.8%	-9.5 p.p

1. Equivalent to the gross premium earned (before reinsurance) under IFRS 4

2. The credited interest shows the impact of last year's financial unwinding on the discounting of the provision for claims incurred. It is presented separately from the investments result for ease of understanding

3. Undiscounted combined ratio. The effect of the discounting and movement of the curve is accounted for in equity (+1.1m in 1Q 2024)

- Insurance **revenues** up **3.4%**, with all business lines making strong contributions
- **Positive technical result** resulting from the action plan resolutely implemented prioritising insurance margins
- The **combined ratio** confirms the **change of trend that started** in the second half of 2023
- **Increasing financial profit**, based mainly on higher revenue from the fixed income portfolio

02. Premiums and policyholders

Premiums and policyholders by business line

Premiums

€251.4 m



Gross Written Premiums

Thousand euro	3M 2024	3M 2023	% var.
Motor	195,771	191,526	2.2%
Home	39,270	37,607	4.4%
Health	15,579	14,335	8.7%
Other ¹	799	741	7.8%
Total	251,419	244,209	3.0%

Policyholders

3,316 thousand



Policyholders

Thousands	3M 2024	3M 2023	% var.
Motor	2,459	2,604	-5.6%
Home	727	757	-3.9%
Health	118	106	10.7%
Other ¹	12	4	216.6%
Total	3,316	3,471	-4.5%

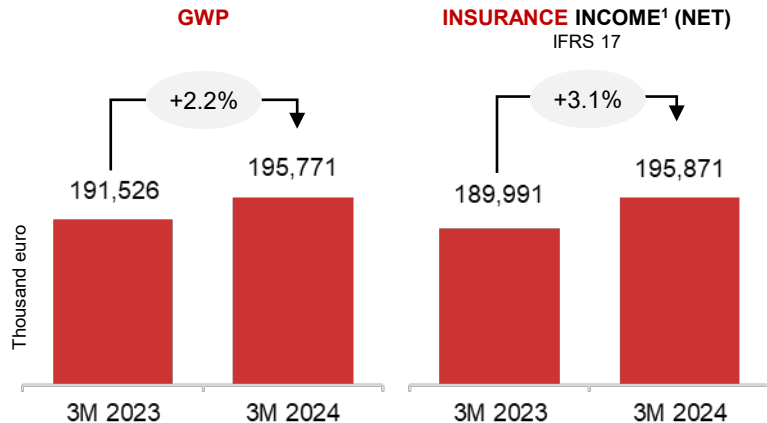
1. The Other insurance businesses segment mainly reflects the Safe&Go insurance launched in September 2021 as the first pay-as-you-go insurance for users of personal mobility vehicles, squatter protection insurance under the partnership with Movistar Prosegur Alarmas, the travel insurance business for holders of Bankinter cards under 10 group policies (not included in the figures for customers), and run-off payment protection insurance.

02. Motor Segment



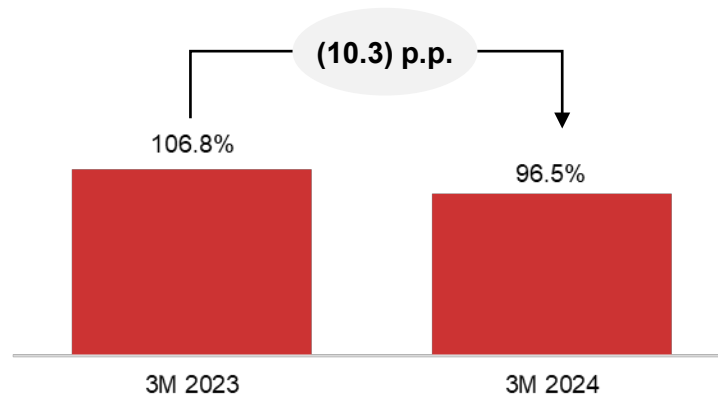
IFRS17&9

INCOME



- In the quarter, individualised adjustments were made to the most aggravated risks in the portion of the portfolio not updated in Q1 2023

COMBINED RATIO IFRS17&9



- Change of trend with a steady improvement in the combined ratio
- Excellent performance of expense items and greater efficiency in acquisition expenses

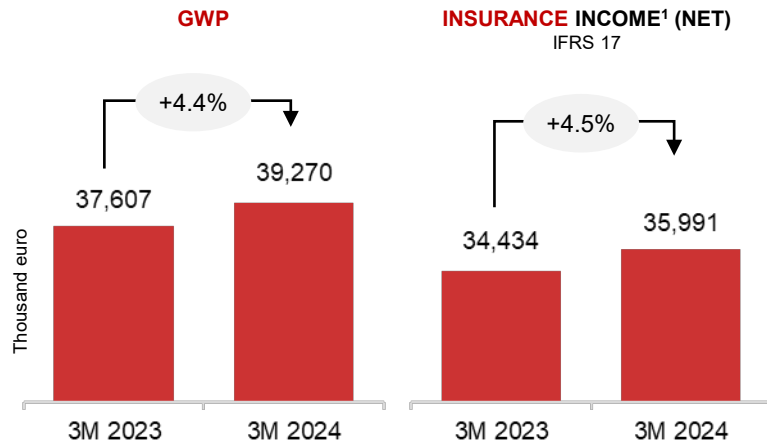
1. Equivalent to the net premium earned under IFRS 4

02. Home Segment



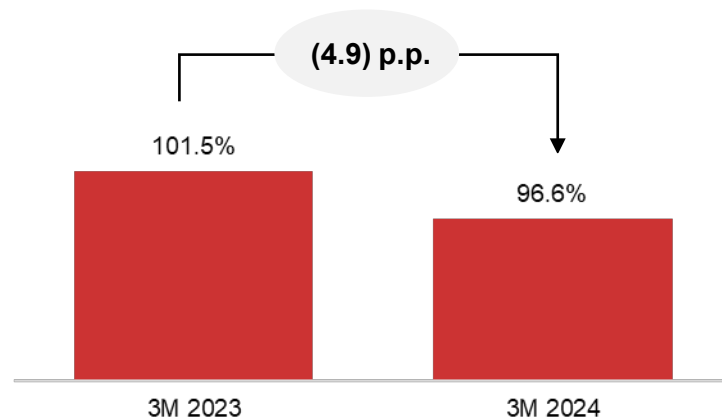
IFRS17&9

INCOME



- Robust growth in revenue prioritising profitability
- We are committed to innovation in our products, with the launch of the “car-home formula” and the “hogar despreocupado” (carefree home) policy

COMBINED RATIO IFRS17&9



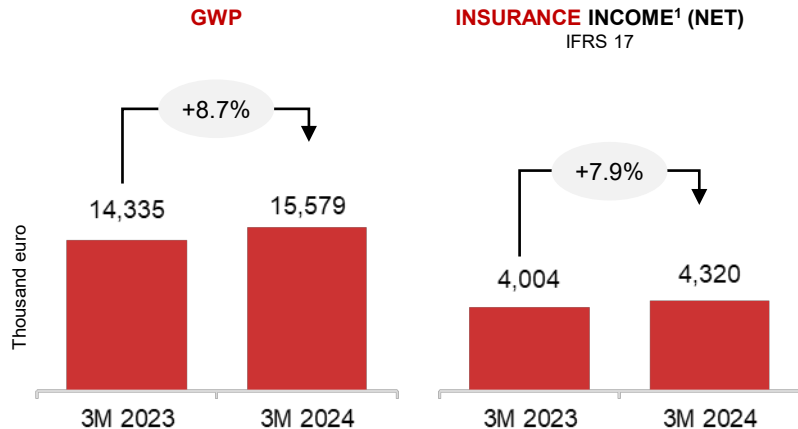
- The technical result was affected by several fire claims that have affected the loss ratio

1. Equivalent to the net premium earned under IFRS 4

02. Health Segment

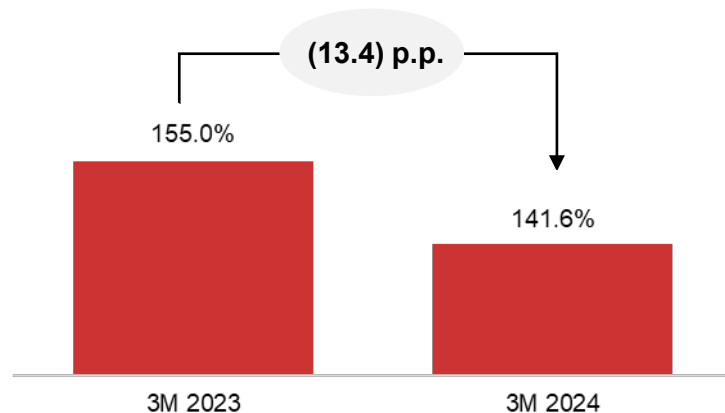
IFRS17&9

INCOME



- We are accelerating our growth under the Linea Directa brand and our multi-segment strategy

COMBINED RATIO IFRS17&9



- Excellent performance of marketing investment with greater efficiency in generating demand with the integration of the Health business into the Linea Directa brand
- The combined ratio shows an excellent evolution despite the increase in the cost of claims

1. Equivalent to the net premium earned under IFRS 4

02. Loss ratio

IFRS17&9

<i>Thousand euro</i>	3M 2024	3M 2023	% var.
Insurance income, net of reinsurance [A]	236,370	228,664	3.4%
Claims for the period, net [B]	(177,499)	(192,634)	-7.9%
Motor	(148,667)	(163,096)	-8.8%
Home	(24,877)	(25,797)	-3.6%
Health	(3,844)	(3,646)	5.4%
Other	(111)	(95)	16.8%
Loss ratio [B/A]	75.1%	84.2%	-9.1 p.p

→ CONSOLIDATED

The loss ratio improves significantly, led by the Motor segment

Motor

Considerable improvement compared to the previous year and gradual progress compared to Q4 2023

Redirection of the frequencies of own damage guarantee

Home

Lower claims frequency, although the average costs were higher than in Q1 2023

Health

Claims have suffered due to the increase in service costs

On the positive side, frequency continues to improve

02. Expense ratio

IFRS17&9

<i>Thousand euro</i>	3M 2024	3M 2023	% var.
Insurance income, net of reinsurance [A]	236,370	228,664	3.4%
Net operating expenses [B]	(52,560)	(51,657)	1.7%
Acquisition expenses	(45,501)	(44,308)	2.7%
Administrative expenses	(7,059)	(7,349)	-3.9%
Expense ratio [B/A]	22.2%	22.6%	-0.4 p.p



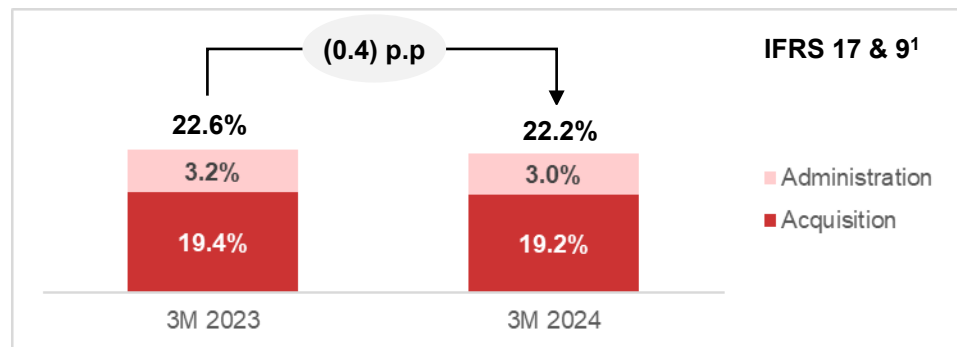
Acquisition expenses

Our customer-centric vision is enabling greater commercial efficiency, especially in Home and Health



Administration expenses

The trend in administration expenses remains excellent, falling by 3.9%



1. Refer to reclassification of items under IFRS 17 & 9 in the annex

02. Financial result

IFRS17&9

Thousand euro	3M 2024	3M 2023	% var.
Income	8,361	6,322	32.3%
Interest on bank deposits	449	150	199.3%
Interest on fixed income securities	5,072	3,669	38.2%
Income on equity instruments	839	1,305	-35.7%
Income from premium instalments	1,665	1,132	47.1%
Other financial income	336	66	409.1%
Mark-to-Market	150	399	-62.4%
Equity mutual funds	472	399	18.3%
Derivatives	(322)	-	-
Realised gains (losses) in P&L	(313)	897	-134.9%
Impairments	(59)	(58)	-1.7%
Exchange rate and conversion differences (+/-)	343	(25)	-
Financial investments result	8,482	7,535	12.6%
Real estate investments result	744	851	-12.6%
Net investments result	9,226	8,386	10.0%
Credited interest ¹	(2,182)	(425)	-413.4%
Insurance financial result	7,044	7,961	-11.5%

Higher income from the fixed income portfolio and swap, and interest earned on bank deposits

Smaller gains and sale of two USD fixed income positions

NET INCOME FROM INVESTMENTS

€9.2 m +10.0%

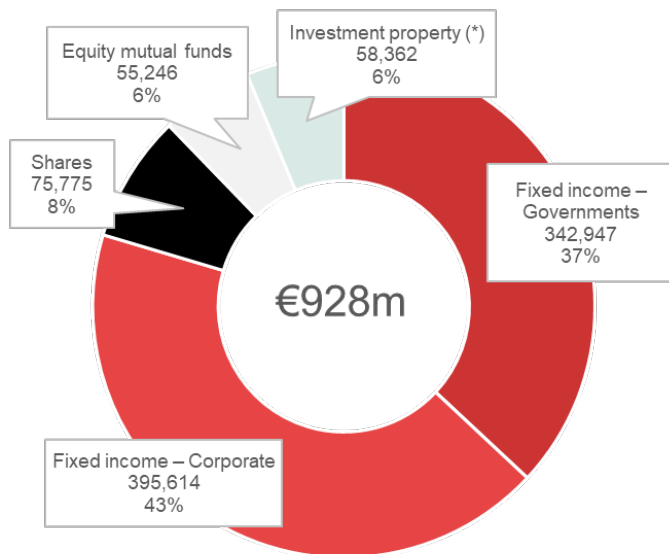
+26.9% (ex realised gains, MTM and exchange and conversion differences)

¹The interest credited shows the impact of last year's financial unwinding on the provision for claims incurred. It is presented separately from the investments result for ease of understanding

02. Investment portfolio, movements registered in OCI and other metrics

IFRS17&9

PORTFOLIO COMPOSITION



1. Revenue recognised in both the profit and loss account and OCI over the last 12 months 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 €31.5 million before tax.

MOVEMENTS REGISTERED IN OCI

Thousand euro	3M 2024	3M 2023	% var.
Movements registered in OCI	1,229	9,124	-86.5%
<i>MTM fixed income and equity instruments</i>	1,072	8,018	-86.6%
<i>Realised gains (losses) in equity instruments</i>	157	1,106	-85.8%

PORTFOLIO RETURN (R12) AND OTHER METRICS

(%)	3M 2024	3M 2023	var. p.p
Fixed income	2.76%	2.63%	+0.13 p.p
Equity instruments	3.34%	12.68%	-9.34 p.p
Investment property	9.61%	6.97%	+2.64 p.p
Total average return	3.33%	4.62%	-1.29 p.p
Portfolio return (ex net realised gains)	3.07%	2.68%	+0.39 p.p

	3M 2024	3M 2023	% var.
Fixed income duration	2.93	3.68	-0.8
Fixed income modified duration	3.05%	3.69%	-0.6 p.p.
VaR	1.05%	2.04%	-1.0 p.p.

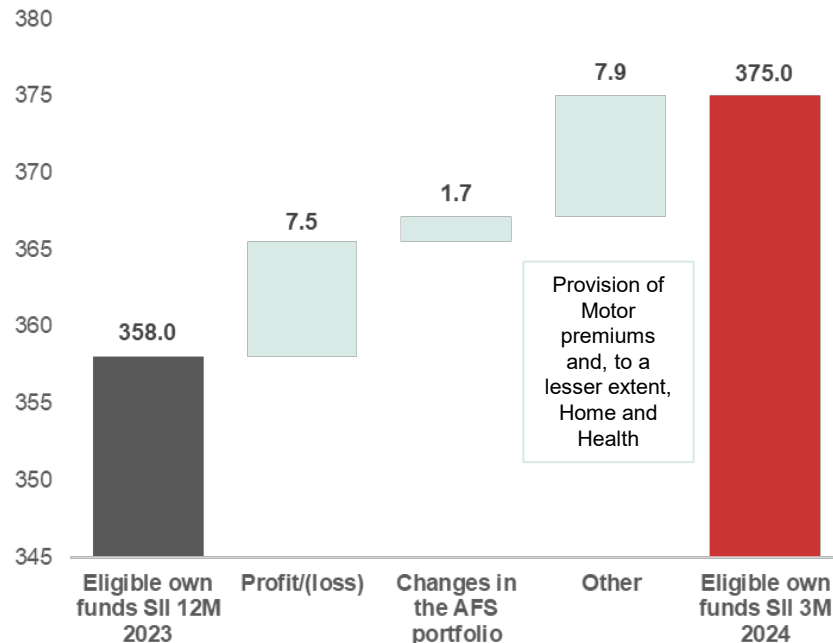
02. Solvency II

The solvency margin remains very solid and stands at 183%

Solvency margin



Solvency own funds walk 12M 2023 – 3M 2024



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

02. Solvency II

Breakdown of capital required

<i>Thousand euro</i>	3M 2024	12M 2023
SCR Market	99,594	91,493
SCR Counterparty	6,470	6,076
SCR Health	3,462	3,499
SCR Non-Life	195,555	192,387
BSCR	244,385	236,330
SCR Operational	29,043	28,812
Deferred tax adjustment	(68,357)	(66,286)
SCR	205,071	198,857
Eligible own funds Solvency II	375,026	358,002
Solvency II ratio	183%	180%

Highlights

SCR MARKET

- Increases due to (i) the symmetric adjustment of the quarter (provided by EIOPA) and (ii) greater exposure to equities

SCR COUNTERPARTY

- No significant differences

SCR HEALTH

- In line with business performance

SCR NON-LIFE

- Greater requirement due to the increase in the volume of future premiums

SCR OPERATIONAL

- Stable

03

Q&A



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04

Annex



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04. Income statement by segment

IFRS17&9

Income statement – Motor Segment

<i>Thousand euro</i>	3M 2024	3M 2023	<i>% var.</i>
Gross written premiums	195,771	191,526	2.2%
Income from ordinary insurance activities, net of reinsurance	195,871	189,991	3.1%
Claims for the period, net of reinsurance	(148,667)	(163,096)	8.8%
Net operating expenses	(40,258)	(39,906)	-0.9%
Net technical result	6,946	(13,011)	153.4%

	3M 2024	3M 2023	<i>p.p. var.</i>
Loss ratio	75.9%	85.8%	-9.9 p.p
Expense ratio	20.6%	21.0%	-0.4 p.p
Combined ratio¹	96.5%	106.8%	-10.3 p.p

1. Undiscounted

Clients (thousand)	2,459,266	2,604,274	(145,008)
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Income statement – Home Segment

<i>Thousand euro</i>	3M 2024	3M 2023	<i>% var.</i>
Gross written premiums	39,270	37,607	4.4%
Income from ordinary insurance activities, net of reinsurance	35,991	34,434	4.5%
Claims for the period, net of reinsurance	(24,877)	(25,797)	3.6%
Net operating expenses	(9,895)	(9,153)	-8.1%
Net technical result	1,219	(516)	336.2%

	3M 2024	3M 2023	<i>p.p. var.</i>
Loss ratio	69.1%	74.9%	-5.8 p.p
Expense ratio	27.5%	26.6%	0.9 p.p
Combined ratio¹	96.6%	101.5%	-4.9 p.p

1. Undiscounted

Clients (thousand)	726,800	756,659	(29,859)
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04. Income statement by segment

IFRS17&9

Income statement – Health Segment

<i>Thousand euro</i>	3M 2024	3M 2023	% var.
Gross written premiums	15,579	14,335	8.7%
Income from ordinary insurance activities, net of reinsurance	4,320	4,004	7.9%
Claims for the period, net of reinsurance	(3,844)	(3,646)	-5.4%
Net operating expenses	(2,271)	(2,562)	11.4%
Net technical result	(1,795)	(2,204)	18.6%

	3M 2024	3M 2023	<i>p.p. var.</i>
Loss ratio	89.0%	91.1%	-2.1 p.p
Expense ratio	52.6%	64.0%	-11.4 p.p
Combined ratio¹	141.6%	155.0%	-13.4 p.p
<i>1. Undiscounted</i>			
Clients (thousand)	117,567	106,197	11,370

Income statement – Other Insurance Businesses¹

<i>Thousand euro</i>	3M 2024	3M 2023	% var.
Gross written premiums	799	741	7.8%
Income from ordinary insurance activities, net of reinsurance	188	235	-20.0%
Claims for the period, net of reinsurance	(111)	(95)	-16.8%
Net operating expenses	(136)	(36)	-277.8%
Net technical result	(59)	104	-156.7%

	3M 2024	3M 2023	<i>p.p. var.</i>
Combined ratio	131.4%	55.7%	75.7 p.p
Clients (thousand)	12,284	3,880	8,404

04. Annex 1. The Other insurance businesses segment mainly reflects the Safe&Go insurance launched in September 2021 as the first pay-as-you-go insurance for users of personal mobility vehicles, squatter protection insurance under the partnership with Movistar Prosegur Alarmas, the travel insurance business for holders of Bankinter cards under 10 group policies (not included in the figures for customers), and run-off payment protection insurance.

04. Consolidated balance sheet

IFRS17&9

Assets

Thousand euro

ASSETS	3M 2024	12M 2023	% var.
Cash and cash equivalents	64,435	41,746	54.4%
Financial assets at fair value through P&L	55,274	53,998	2.4%
<i>Equity instruments</i>	55,274	53,998	2.4%
Financial assets at fair value through equity	814,308	823,345	-1.1%
<i>Equity instruments</i>	75,747	63,524	19.2%
<i>Debt securities</i>	738,561	759,821	-2.8%
Financial assets at amortised cost	15,803	15,456	2.2%
Hedging derivatives	5,147	5,909	-12.9%
Reinsurance contract assets	31,100	31,939	-2.6%
Property, plant and equipment and investment property	100,918	101,600	-0.7%
<i>Tangible fixed assets</i>	42,556	43,077	-1.2%
<i>Investment property</i>	58,362	58,523	-0.3%
Intangible assets	30,864	29,188	5.7%
Other assets	24,743	22,141	11.8%
Total assets	1,142,592	1,125,322	1.5%

Liabilities and Equity

Thousand euro

LIABILITIES AND EQUITY	3M 2024	12M 2023	% var.
Financial liabilities at amortised cost	66,258	65,313	1.4%
Hedging derivatives	-	-	-
Liabilities under insurance contracts	714,009	715,311	-0.2%
<i>Liabilities for remaining coverage</i>	340,813	339,352	0.4%
<i>Liabilities for claims incurred</i>	373,196	375,959	-0.7%
Non-technical provisions	898	375	139.5%
Other liabilities	35,912	31,288	14.8%
Total liabilities	817,077	812,287	0.6%
Equity	340,354	330,087	3.1%
Valuation adjustments	(14,839)	(17,052)	-13.0%
<i>Financial assets at fair value through equity</i>	(17,154)	(18,226)	-5.9%
<i>OCI insurance contracts</i>	2,626	1,689	55.5%
<i>OCI reinsurance contracts</i>	(311)	(515)	-39.6%
Total equity	325,515	313,035	4.0%
Total liabilities and equity	1,142,592	1,125,322	1.5%

04. Management ratios

IFRS17&9 and IFRS4

IFRS 17	Loss Ratio			Expense Ratio			Combined Ratio		
	3M 2024	3M 2023	p.p. var.	3M 2024	3M 2023	p.p. var.	3M 2024	3M 2023	p.p. var.
Motor	75.9%	85.8%	-9.9 p.p	20.6%	21.0%	-0.4 p.p	96.5%	106.8%	-10.3 p.p
Home	69.1%	74.9%	-5.8 p.p	27.5%	26.6%	0.9 p.p	96.6%	101.5%	-4.9 p.p
Health	89.0%	91.1%	-2.1 p.p	52.6%	64.0%	-11.4 p.p	141.6%	155.0%	-13.4 p.p
Other	59.0%	40.4%	18.6 p.p	72.3%	15.3%	57.0 p.p	131.4%	55.7%	75.7 p.p
Total	75.1%	84.2%	-9.1 p.p	22.2%	22.6%	-0.4 p.p	97.3%	106.8%	-9.5 p.p

IFRS 4	Loss Ratio			Expense Ratio			Combined Ratio		
	3M 2024	3M 2023	p.p. var.	3M 2024	3M 2023	p.p. var.	3M 2024	3M 2023	p.p. var.
Motor	80.4%	88.8%	-8.4 p.p	17.3%	19.1%	-1.8 p.p	97.7%	107.9%	-10.2 p.p
Home	70.1%	71.9%	-1.8 p.p	27.5%	26.6%	0.9 p.p	97.6%	98.5%	-0.9 p.p
Health	88.3%	95.1%	-6.8 p.p	52.5%	64.5%	-12.0 p.p	140.8%	159.6%	-18.8 p.p
Other	8.9%	8.2%	0.7 p.p	122.2%	47.7%	74.5 p.p	131.1%	55.9%	75.2 p.p
Total	78.9%	86.3%	-7.4 p.p	19.6%	21.0%	-1.4 p.p	98.5%	107.3%	-8.8 p.p



04. Combined ratio – comparison and brief description

IFRS17&9 vs. IFRS 4

COMBINED RATIO 3M 2024

	IFRS 4	IFRS 17
Premiums earned, net of reinsurance	236,348	
Insurance income, net of reinsurance	-	236,370
Total claims	(186,439)	(177,499)
Claims paid, net of reinsurance	(152,852)	(147,123)
Change in provision	(3,443)	(412)
Claims expenses	(30,144)	(29,964)
Losses on onerous contracts and adjustments	-	-
Reinsurance recoverable loss component	-	-
Change in reinsurer default effect	-	-
LOSS RATIO	78.9%	75.1%
Total expenses	(46,373)	(52,560)
Acquisition expenses	(45,491)	(45,501)
Administrative expenses	(6,063)	(6,111)
Investment management expenses	-	(431)
Other technical expenses	(782)	(517)
Reinsurance commissions	-	-
Change in the provision of agreements	6,057	-
Profit sharing	(94)	-
EXPENSE RATIO	19.6%	22.2%
COMBINED RATIO	98.5%	97.3%

Loss ratio

- The undiscounted loss ratio (the effect of the discount is recorded in OCI, 1.1 million at March 2024, -(0.7) million at March 2023)
- We include expenses attributable to claims in the loss ratio, as under IFRS 4
- Losses on onerous contracts reflect the release (allowance) in Health insurance during the year. The calculation under IFRS 17 takes only one financial year into account (two under IFRS 4), although the concept is similar to the provision for unexpired risks. There were no changes during the quarter. The recoverable component of reinsurance reflects the ceded portion

Expense ratio

- Investment management expenses are now recognised in the expense ratio (they used to be part of the financial result under IFRS 4)
- Under local standards, the change in the provision for claims settlement agreements when the policyholder is innocent was recorded under expenses (as they constitute settlement agreements between parties and are regulated accordingly by the Spanish Directorate General for Insurance and Pension Funds). Under IFRS 17, they are now included in the loss ratio
- In addition, the profit sharing of the “Other” segment (from travel insurance to cardholders) is now included in the loss ratio

Thank you

29 April 2024



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