

June 2024 Results

IFRS17&9

Presentation for analysts and investors

24 July 2024



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Index

01. Highlights for the period

02. June 2024 Results

03. Q&A

04. Annex

01

Highlights for the period



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01. Highlights for the period

IFRS17&9

Gross written premiums

€503.9M

+2.4% vs. 6M 2023

€ Net income

€25.4M

vs. (€15.1M) in 6M 2023

Policyholders

3.34M

+0.7%
vs. 1Q '24

Segments – Net Insurance Income ¹



+2.3%
INCOME
IFRS 17

+0.2%
POLICYHOLDERS
vs. 1Q '24



+4.3%
INCOME
IFRS 17

+0.2%
POLICYHOLDERS
vs. 1Q '24



+8.3%
INCOME
IFRS 17

-0.5%
POLICYHOLDERS
vs. 1Q '24

The portfolio grew in the quarter

Health continues to enjoy **significant revenue growth**

We have **consolidated the profit-making trend** and **resumed dividend** distributions

Profitability and efficiency

COMBINED RATIO

95.5%

93.6% in 2Q '24
-12.4 p.p. vs. 6M '23

EXPENSE RATIO ²

22.1%

21.9% in 2Q '24
-0.1 p.p. vs. 6M '23

Solvency II ratio

191%

Post - dividend

184%³

100% Tier I 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
3. Including the first interim dividend of the year in the amount of €15mn, with payment date 1 August 2024

02

June 2024 Results



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02. June 2024 Results

IFRS17&9

<i>Thousand euro</i>	6M 2024	6M 2023	<i>% var.</i>	2Q 2024
Gross written premiums (GWP)	503,900	491,947	2.4%	252,481
Ordinary insurance activities income ¹	486,607	473,663	2.7%	243,989
Technical insurance result, net of reinsurance	21,587	(36,534)	n.a.	15,276
Investments result	16,601	16,784	-1.1%	7,375
Credited interest ²	(4,313)	(1,278)	-237.5%	(2,131)
Insurance and financial result	33,875	(21,028)	n.a.	20,520
Other income/expenses and non-assignable expenses	410	1,145	-64.2%	75
Profit / (loss) before tax	34,285	(19,883)	n.a.	20,595
Income tax	(8,867)	4,790	n.a.	(5,287)
Profit / (loss) after tax	25,418	(15,093)	n.a.	15,308
	6M 2024	6M 2023	<i>p.p. var.</i>	2Q 2024
Loss ratio	73.4%	85.7%	-12.3 p.p	71.6%
Expense ratio	22.1%	22.2%	-0.1 p.p	21.9%
Combined ratio ³	95.5%	107.9%	-12.4 p.p	93.6%

- Insurance **income** reached 486.6 million euros, an increase of 2.7%
- The **combined ratio** is excellent, being 95.5% (93.6% in the 2T)
- Higher recurring financial result (+26.2%** ex impairment of Atos bond and the MTM of the funds) mainly due to the higher fixed income portfolio
- We have **consolidated the profit-making trend**

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. The effect of the discounting and movement of the curve is accounted for in equity (+€1.2m in 1H 2024)

02. Premiums and policyholders

Premiums and policyholders by business line

Premiums

€503.9M

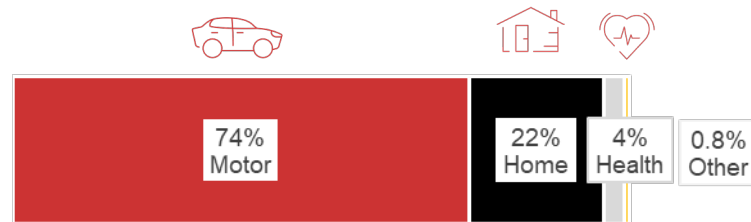


Gross Written Premiums

Thousand euro	6M 2024	6M 2023	% var.
Motor	402,583	396,107	1.6%
Home	78,628	75,283	4.4%
Health	21,656	19,803	9.4%
Other ¹	1,033	754	37.0%
Total	503,900	491,947	2.4%

Policyholders

3,338 thousand



Policyholders

Thousand	6M 2024	6M 2023	% var.
Motor	2,465	2,562	-3.8%
Home	729	746	-2.4%
Health	117	108	8.4%
Other ¹	28	4	645.0%
Total	3,338	3,420	-2.4%

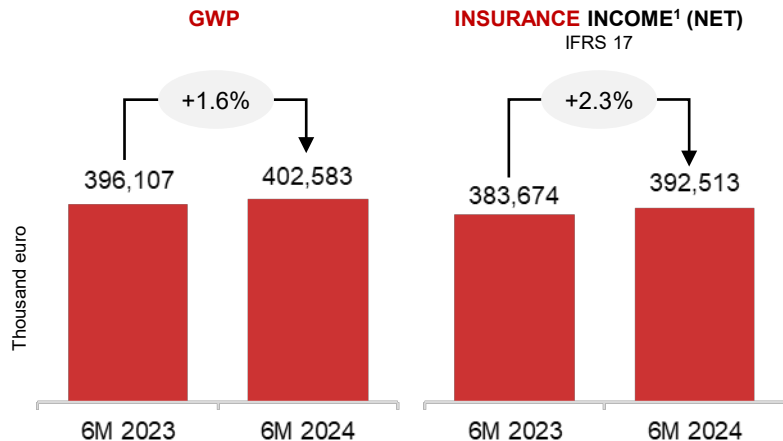
1. The Other insurance businesses segment mainly reflects the Personal Mobility insurance launched in September 2021 as the first pay-as-you-go insurance for users of personal mobility vehicles, squatter protection insurance under the partnership with Movistar Prosegur Alarmas, the travel insurance business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

02. Motor Segment



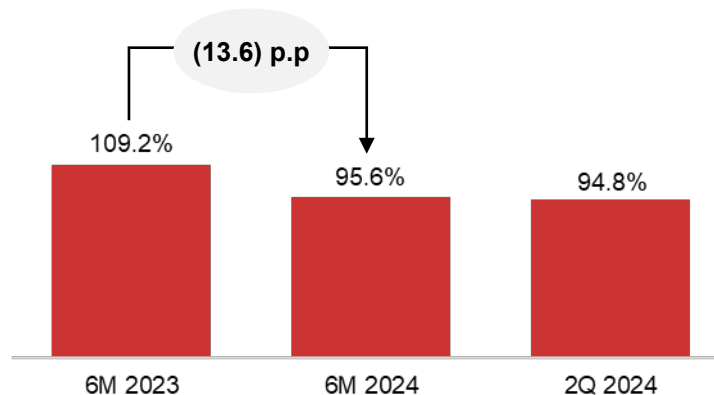
IFRS17&9

INCOME



- In the quarter, the portfolio increased by more than 5,300 policyholders, reversing the recent trend
- Slight moderation in the income figure compared to Q1

COMBINED RATIO IFRS17&9



- The combined ratio has evolved very positively, both year-on-year and quarter-on-quarter, reflecting a clear improvement in claims costs.

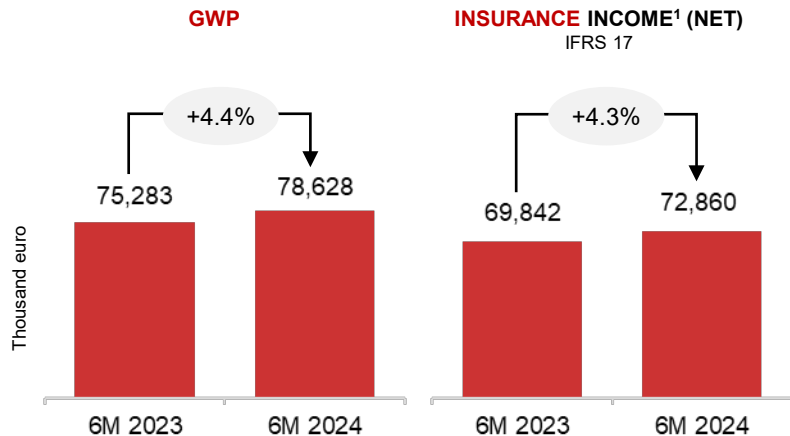
1. Equivalent to the net premium earned under IFRS 4

02. Home Segment



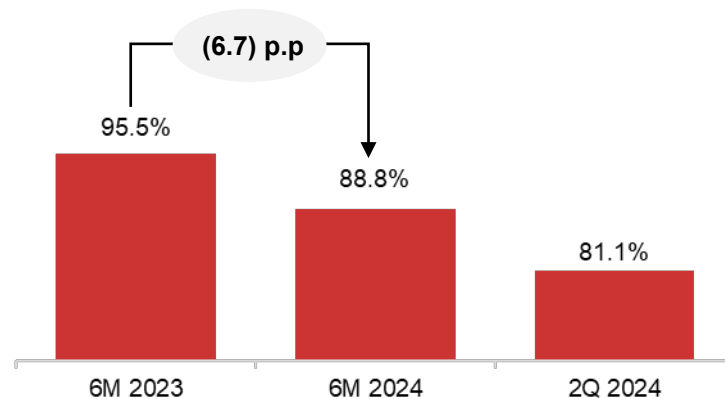
IFRS17&9

INCOME



- As with Motor, the second quarter has shown growth of more than 1,800 policyholders
- Insurance income has continued at the same rate as in Q1

COMBINED RATIO IFRS17&9



- The level of claims has been excellent, helped by the lack of atmospheric events in the quarter

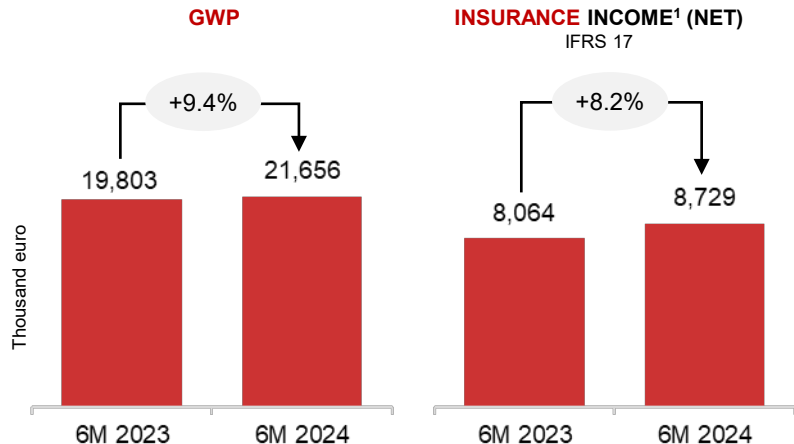
1. Equivalent to the net premium earned under IFRS 4

02. Health Segment



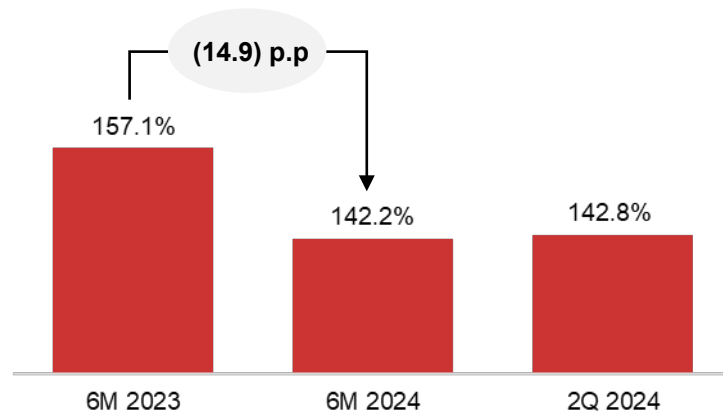
IFRS17&9

INCOME



- Notable growth continues, although the business mix reflects more basic products

COMBINED RATIO IFRS17&9



- Frequencies and average costs have been contained while we continue to work on the expense ratio

1. Equivalent to the net premium earned under IFRS 4

02. Loss ratio

IFRS17&9

Thousand euro	6M 2024	6M 2023	% var.	2Q 2024
Insurance income, net of reinsurance [A]	474,519	461,994	2.7%	238,149
Motor	392,513	383,674	2.3%	196,642
Home	72,860	69,842	4.3%	36,869
Health	8,729	8,064	8.2%	4,409
Other	416	413	0.7%	228
Claims for the period, net [B]	(348,119)	(396,045)	-12.1%	(170,620)
Motor	(296,352)	(342,468)	-13.5%	(147,685)
Home	(43,958)	(45,860)	-4.1%	(19,081)
Health	(7,592)	(7,523)	0.9%	(3,748)
Other	(216)	(195)	10.8%	(105)
Loss ratio [B/A]	73.4%	85.7%	-12.3 p.p	71.6%

Motor

Motor has evolved very positively, driven by a stabilised claims performance and contained frequencies

Home

Home stood out in the quarter with a very moderate claims cost, aided by the absence of atmospheric events

Health

The notable increase in business volumes has not been at the expense of underwriting, which remains prudent with falling frequencies

02. Expense ratio

IFRS17&9

Thousand euro	6M 2024	6M 2023	% var.	2Q 2024
Insurance income, net of reinsurance [A]	474,519	461,994	2.7%	238,149
Net operating expenses [B]	(104,813)	(102,482)	2.3%	(52,253)
Acquisition expenses	(89,593)	(87,343)	2.6%	(44,092)
Administrative expenses	(15,220)	(15,139)	0.5%	(8,190)
Expense ratio [B/A]	22.1%	22.2%	-0.1 p.p	21.9%

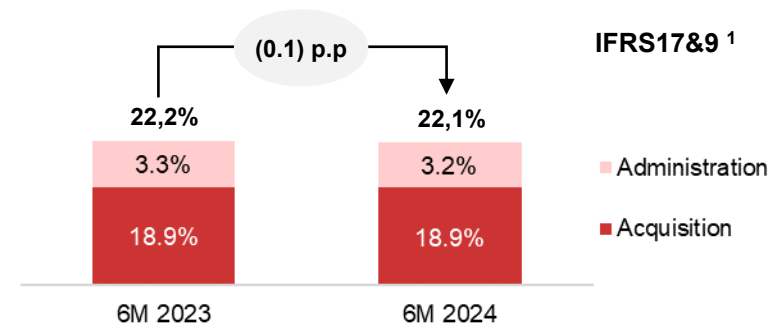
Acquisition

Contained acquisition expenses

The Health segment has decreased markedly in 2024

Administration

The trend in administrative expenses continues to be excellent



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

02. Financial result

IFRS17&9

Thousand euro	6M 2024	6M 2023	% var.
Income	17,569	12,908	36.1%
Interest on bank deposits	874	514	70.0%
Interest on fixed income securities	10,825	7,484	44.6%
Income on equity instruments	1,702	2,327	-26.9%
Income from premium instalments	3,522	2,281	54.4%
Other financial income	646	302	113.9%
Mark-to-Market	(1,206)	1,614	-174.7%
Equity mutual funds	(874)	1,539	-156.8%
Derivatives	(332)	75	-
Realised gains (losses) in P&L	(306)	896	-134.2%
Impairments	(1,342)	(4)	<i>n.a.</i>
Exchange rate and conversion differences (+/-)	379	(324)	-
Financial investments result	15,094	15,090	0.0%
Real estate investments result	1,507	1,693	-11.0%
Net investments result	16,601	16,783	-1.1%
Credited interest ¹	(4,313)	(1,278)	-237.5%
Insurance financial result	12,288	15,505	-20.7%

Greater income in the fixed-income portfolio and to a lower extent, income from the swap and interest on bank deposits

Impairment of the bond in the French technology company Atos

NET INCOME FROM INVESTMENTS

€16.6M (1.1)%

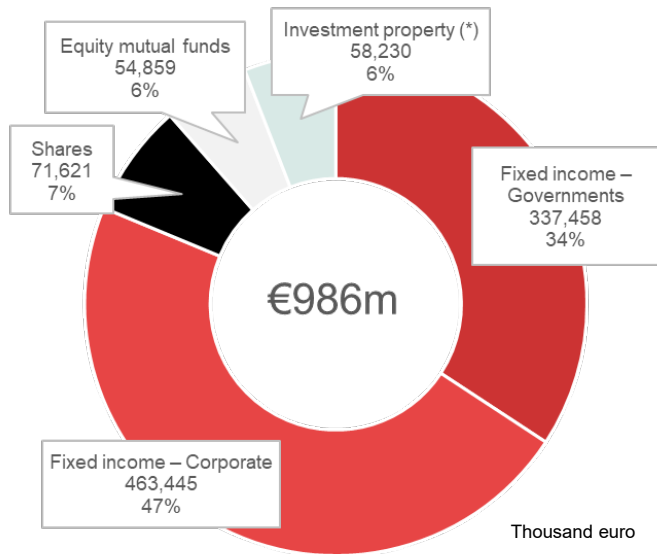
+26.2% (ex impairment of Atos bonds and MTM of the funds)

¹ The credited interest 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 €31.8 million before tax.

MOVEMENTS REGISTERED IN OCI

Thousand euro	6M 2024	6M 2023	% var.
Movements registered in OCI	1,694	9,933	-82.9%
<i>MTM fixed income and equity instruments</i>	(634)	7,846	-108.1%
<i>Realised gains (losses) in equity instruments</i>	2,328	2,087	11.5%

PORTFOLIO RETURN (R12) AND OTHER METRICS

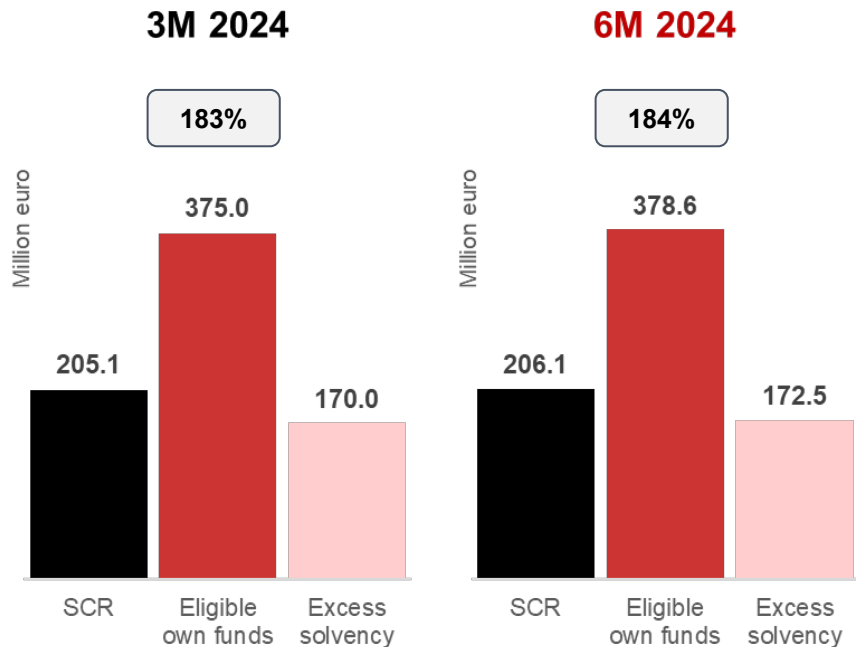
(%)	6M 2024	6M 2023	var. p.p
Fixed income	2.62%	2.56%	+0.06 p.p
Equity instruments	3.92%	12.48%	-8.56 p.p
Investment property	9.45%	7.09%	+2.36 p.p
Total average return	3.25%	4.38%	-1.13 p.p
Portfolio return (ex net realised gains)	2.95%	2.78%	+0.17 p.p

	6M 2024	6M 2023	var.
Fixed income duration	3.23	3.27	-0.04
Fixed income modified duration	3.32%	3.36%	-0.04 p.p.
VaR	1.13%	1.78%	-0.65 p.p.

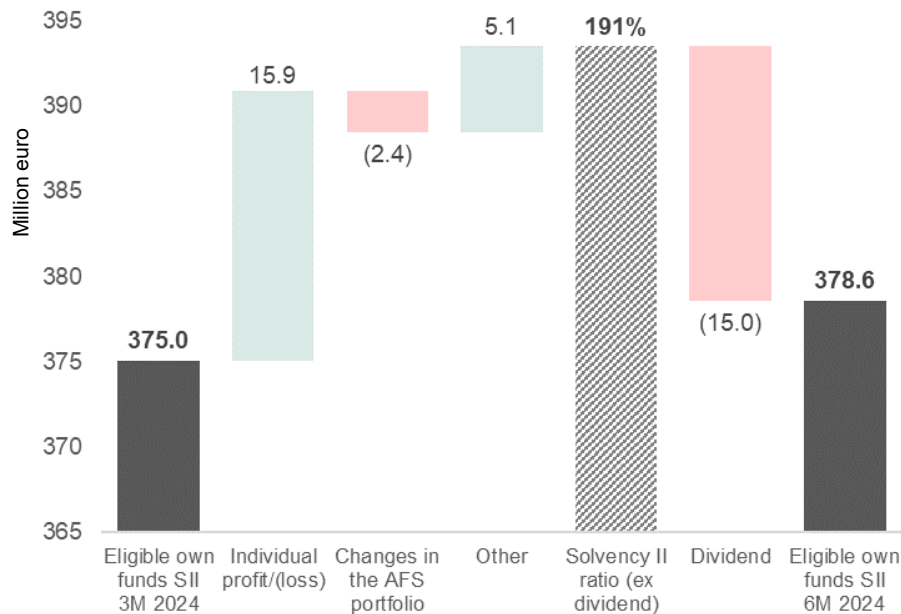
02. Solvency II

The solvency margin remains very solid, reaching 184% after approval of the first interim dividend for the year.

Solvency margin (post-dividend)



Solvency own funds walk 3M 2024 – 6M 2024



- Solvency ratio and eligible own funds refer to Línea Directa Aseguradora stand-alone
- Eligible own funds as of June 2024 include the first interim dividend of the year (€15 million) with payment date 1 August 2024

02. Solvency II

Breakdown of capital required

<i>Thousand euro</i>	6M 2024	3M 2024
SCR Market	102,573	99,594
SCR Counterparty	6,064	6,470
SCR Health	3,311	3,462
SCR Non-Life	195,052	195,555
BSCR	245,543	244,385
SCR Operational	29,193	29,043
Deferred tax adjustment	(68,684)	(68,357)
SCR	206,052	205,071
Eligible own funds Solvency II	378,589	375,026
<div style="border: 1px solid black; padding: 5px; display: inline-block; margin-top: 5px;"> Includes the first interim dividend of the year for €15 million with payment date 1 August 2024 </div>		
Solvency II ratio	184%	183%

Highlights

SCR MARKET

- Increases mainly due to the greater exposure to corporate fixed income (spread and interest rate risk)

SCR COUNTERPARTY

- Lower balances of the deposits

SCR HEALTH

- In line with the business mix

SCR NON-LIFE

- Reflects moderation in turnover

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>	6M 2024	6M 2023	<i>% var.</i>
Gross written premiums	402,583	396,107	1.6%
Income from ordinary insurance activities, net of reinsurance	392,513	383,674	2.3%
Claims for the period, net of reinsurance	(296,352)	(342,468)	-13.5%
Net operating expenses	(79,019)	(76,428)	3.4%
Net technical result	17,142	(35,222)	-148.7%

	6M 2024	6M 2023	<i>p.p. var.</i>
Loss ratio	75.5%	89.3%	-13.8 p.p
Expense ratio	20.1%	19.9%	0.2 p.p
Combined ratio¹	95.6%	109.2%	-13.6 p.p

1. The effect of the discounting and movement of the curve is accounted for in equity

Clients (thousand)	2,464,589	2,561,562	(96,973)
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Income statement – Home Segment

<i>Thousand euro</i>	6M 2024	6M 2023	<i>% var.</i>
Gross written premiums	78,628	75,283	4.4%
Income from ordinary insurance activities, net of reinsurance	72,860	69,842	4.3%
Claims for the period, net of reinsurance	(43,958)	(45,860)	-4.1%
Net operating expenses	(20,709)	(20,863)	-0.7%
Net technical result	8,193	3,119	162.7%

	6M 2024	6M 2023	<i>p.p. var.</i>
Loss ratio	60.3%	65.7%	-5.4 p.p
Expense ratio	28.4%	29.9%	-1.5 p.p
Combined ratio¹	88.8%	95.5%	-6.7 p.p

1. The effect of the discounting and movement of the curve is accounted for in equity

Clients (thousand)	728,613	746,476	(17,863)
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04. Income statement by segment

IFRS17&9

Income statement – Health Segment

Thousand euro	6M 2024	6M 2023	% var.
Gross written premiums	21,656	19,803	9.4%
Income from ordinary insurance activities, net of reinsurance	8,729	8,064	8.2%
Claims for the period, net of reinsurance	(7,592)	(7,523)	0.9%
Net operating expenses	(4,818)	(5,148)	-6.4%
Net technical result	(3,681)	(4,607)	-20.1%

	6M 2024	6M 2023	p.p. var.
Loss ratio	87.0%	93.3%	-6.3 p.p
Expense ratio	55.2%	63.8%	-8.6 p.p
Combined ratio¹	142.2%	157.1%	-14.9 p.p

1. The effect of the discounting and movement of the curve is accounted for in equity

Clients (thousand)	117,014	107,956	9,058
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Income statement – Other Insurance Businesses¹

Thousand euro	6M 2024	6M 2023	% var.
Gross written premiums	1,033	754	37.0%
Income from ordinary insurance activities, net of reinsurance	416	413	0.7%
Claims for the period, net of reinsurance	(216)	(195)	10.8%
Net operating expenses	(267)	(43)	520.9%
Net technical result	(67)	175	-138.3%

	6M 2024	6M 2023	p.p. var.
Combined ratio	116.1%	57.6%	58.5 p.p

Clients (thousand)	27,663	3,713	23,950
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04. Consolidated balance sheet

IFRS17&9

Assets

Thousand euro

ASSETS	6M 2024	12M 2023	% var.
Cash and cash equivalents	31,428	41,746	-24.7%
Financial assets at fair value through P&L	54,886	53,998	1.6%
<i>Equity instruments</i>	54,886	53,998	1.6%
Financial assets at fair value through equity	872,496	823,345	6.0%
<i>Equity instruments</i>	71,593	63,524	12.7%
<i>Debt securities</i>	800,903	759,821	5.4%
Financial assets at amortised cost	17,593	15,456	13.8%
Hedging derivatives	6,468	5,909	9.5%
Reinsurance contract assets	29,688	31,939	-7.0%
Property, plant and equipment and investment property	100,251	101,600	-1.3%
<i>Tangible fixed assets</i>	42,021	43,077	-2.5%
<i>Investment property</i>	58,230	58,523	-0.5%
Intangible assets	31,813	29,188	9.0%
Other assets	21,407	22,141	-3.3%
Total assets	1,166,031	1,125,322	3.6%

Liabilities and Equity

Thousand euro

LIABILITIES AND EQUITY	3M 2024	12M 2023	% var.
Financial liabilities at amortised cost	66,775	65,313	2.2%
Liabilities under insurance contracts	721,797	715,311	0.9%
<i>Liabilities for remaining coverage</i>	348,874	339,352	2.8%
<i>Liabilities for claims incurred</i>	372,923	375,959	-0.8%
Non-technical provisions	1,450	375	286.7%
Other liabilities	34,555	31,288	10.4%
Total liabilities	824,577	812,287	1.5%
Equity	357,945	330,087	8.4%
Valuation adjustments	(16,491)	(17,052)	-3.3%
<i>Equity instruments at fair value through equity</i>	2,312	1,034	123.6%
<i>Debt securities at fair value through equity</i>	(21,172)	(19,260)	9.9%
<i>OCI insurance contracts</i>	2,563	1,689	51.7%
<i>OCI reinsurance contracts</i>	(194)	(515)	-62.3%
Total equity	341,454	313,035	9.1%
Total liabilities and equity	1,166,031	1,125,322	3.6%

04. Management ratios

IFRS17&9 y IFRS4

IFRS 17	Loss Ratio			Expense Ratio			Combined Ratio		
	6M 2024	6M 2023	p.p. var.	6M 2024	6M 2023	p.p. var.	6M 2024	6M 2023	p.p. var.
Motor	75.5%	89.3%	-13.8 p.p	20.1%	19.9%	0.2 p.p	95.6%	109.2%	-13.6 p.p
Home	60.3%	65.7%	-5.4 p.p	28.4%	29.9%	-1.5 p.p	88.8%	95.5%	-6.7 p.p
Health	87.0%	93.3%	-6.3 p.p	55.2%	63.8%	-8.6 p.p	142.2%	157.1%	-14.9 p.p
Other	51.9%	47.2%	4.7 p.p	64.2%	10.4%	53.8 p.p	116.1%	57.6%	58.5 p.p
	73.4%	85.7%	-12.3 p.p	22.1%	22.2%	-0.1 p.p	95.5%	107.9%	-12.4 p.p

IFRS 4	Loss Ratio			Expense Ratio			Combined Ratio		
	6M 2024	6M 2023	p.p. var.	6M 2024	6M 2023	p.p. var.	6M 2024	6M 2023	p.p. var.
Motor	80.4%	93.0%	-12.6 p.p	16.8%	16.8%	0.0 p.p	97.1%	109.8%	-12.7 p.p
Home	59.3%	66.1%	-6.8 p.p	28.4%	29.9%	-1.5 p.p	87.8%	96.0%	-8.2 p.p
Health	85.4%	93.6%	-8.2 p.p	55.2%	64.1%	-8.9 p.p	140.6%	157.8%	-17.2 p.p
Other	12.1%	10.5%	1.6 p.p	104.3%	47.0%	57.3 p.p	116.4%	57.5%	58.9 p.p
	77.2%	88.9%	-11.7 p.p	19.3%	19.7%	-0.4 p.p	96.5%	108.5%	-12.0 p.p



04. Combined ratio – comparison and brief description

IFRS17&9 vs. IFRS4

COMBINED RATIO 6M 2024

	IFRS 4	IFRS 17
Premiums earned, net of reinsurance	474,606	
Insurance income, net of reinsurance	-	474,519
Total claims	(366,324)	(348,119)
Claims paid, net of reinsurance	(304,650)	(291,510)
Change in provision	(1,179)	3,808
Claims expenses	(60,494)	(60,415)
Losses on onerous contracts and adjustments	-	-
Reinsurance recoverable loss component	-	-
Change in reinsurer default effect	-	(2)
LOSS RATIO	77.2%	73.4%
Total expenses	(91,771)	(104,813)
Acquisition expenses	(89,938)	(89,593)
Administrative expenses	(12,700)	(12,674)
Investment management expenses	-	(836)
Other technical expenses	(2,234)	(1,739)
Reinsurance commissions	29	29
Change in the provision of agreements	13,238	-
Profit sharing	(166)	-
EXPENSE RATIO	19.3%	22.1%
COMBINED RATIO	96.5%	95.5%

Loss ratio

- The loss ratio does not include the discounting effect in the curve's movement, which is recorded in OCI, €1.2 million at June 2024, – (€0.2) million at June 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

24 July 2024



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