

2019 Company Report



Línea Directa Aseguradora, S.A.

**MORE
DIGITAL,
MORE
USEFUL.**



3

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ABOUT THIS REPORT



COMPANY PROFILE

KEY FIGURES FROM 2019

In 2019 the Línea Directa Group attained a gross written premium of 891.3 million euros, representing an increase of 5% compared to the previous year. The client portfolio exceeded 3.1 million customers (+4.5%), mainly as a result of the growth experienced by the Health Insurance Area. Pre-tax profit surpassed 142.9 million euros, representing a decrease of 8.4% compared to 2018, due to a number of factors, such as the introduction of special claims, the slump in new vehicle registrations (-11.4%) and the proliferation of DANAS (isolated high altitude depressions), which primarily affected the Home Insurance Area. Nevertheless, the company is still the most profitable Spanish insurer, with an ROE of over 33%.

7.6%
**MARKET SHARE IN
MOTOR INSURANCE
POLICIES**



WORKFORCE

29

**NATIONALITIES
ON STAFF**

93%

**PERMANENT
CONTRACTS**

56%

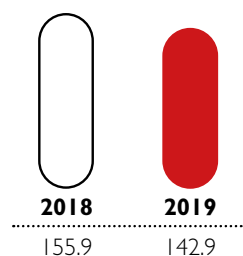
**WOMEN
ON STAFF**

44%

**MEN ON
STAFF**

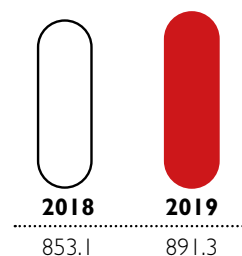
-8.4%

PRE-TAX PROFIT
Million euros



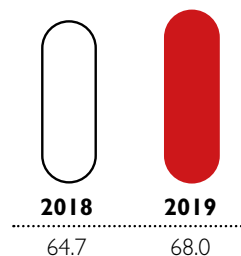
+4.5%

**GROSS WRITTEN
PREMIUM** Million euros



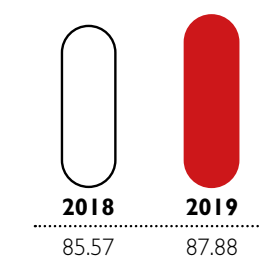
+3.3PP

NET CLAIMS RATE
%



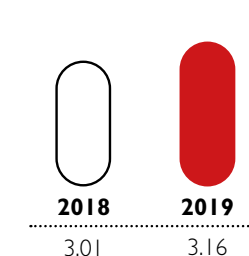
+2.3PP

COMBINED RATIO
%



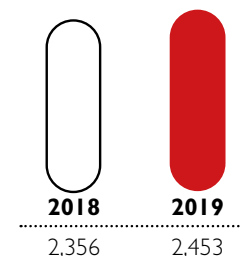
+5%

CUSTOMERS
Million policies



+4.1%

EMPLOYEES
Number



LETTER FROM THE CHAIRMAN

A project destined to keep on growing

This Company Report, which for the second consecutive year is being published in an online format as part of the company's commitment to sustainable practices and digital channels, presents the economic, social and environmental activity of Línea Directa Aseguradora in 2019, using the GRI Standards.

In macroeconomic terms, in Spain 2019 has shown certain signs of a deceleration, which, undoubtedly, has affected the growth of the country. Not surprisingly, the Spanish Gross Domestic Product (GDP) has seen a reduction in growth for the fifth consecutive year, dropping from the 3.8% recorded only 4 years ago to the 2% of last year. Particularly worrying is the slowdown in the creation of employment, with, according to data from the latest Labour Force Survey, in 2019 over 400,000 jobs being created, almost 30% less than in 2018. As a result, there is an argument for creating a political scenario that urgently addresses a calendar of reforms based on stability, moderation and transversal agreements, which would guarantee an adequate climate so that our companies are able to adapt successfully to the current environment.

In the area of insurance, the economic evolution has also been quite uneven. Data on the number of vehicle registrations has been particularly negative, falling by 11.4% compared to 2018. This drop, caused by a feeling of uncertainty among buyers, has mainly affected diesel engine vehicles, which decreased by 26% last year and 46% in only three years. In spite of this especially adverse environment, the Motor Insurance Area invoiced over 11,300 million euros in 2019, 1.5% more than in 2018; a figure that nevertheless falls far short of the growth levels recorded only a few years ago.

"THE VOLUME OF GROSS WRITTEN PREMIUM HAS REACHED 891.3 MILLION EUROS (+4.5%), WITH A GROWTH RATE DOUBLE THAT OF THE MOTOR AND HOME INSURANCE SECTOR".

+4.5%
GROSS WRITTEN PREMIUM

"THE MAIN ACHIEVEMENT OF 2019 WAS THE ANNOUNCEMENT AT THE ORDINARY GENERAL MEETING OF THE BANK MADE BY BANKINTER OF ITS INTENTION TO PROPOSE THE LISTING OF LÍNEA DIRECTA ON THE STOCK MARKET, WHICH, UNDOUBTEDLY, IS GREAT NEWS FOR BOTH COMPANIES."

With regard to the Home Insurance Area, the figures for the sector as a whole increased in 2019 by 4.2%, a percentage point more than in the same period of 2018, which confirms its status as a rising value in an unstable environment. The Health Insurance Area experienced a growth in its premium volume of 4.96%, one percentage point less than the previous year; nevertheless the trajectory of this area should be appreciated due to the fact that, in spite of price suppression, for years it has recorded a strong growth rate due to a continuous increase in customers.

In this context, Línea Directa has obtained good results. Gross written premium has reached 891.3 million euros (+4.5%), with a growth rate that is double that of the motor and home insurance sectors. Vivaz, the Group's health insurance brand, has been a great success thanks to its flexible, personalised and completely digital proposal. In fact, in only two full years of operations, it now has over 70,000 customers, which has strengthened its position as one of the driving forces in a very mature and concentrated market. This growth has allowed the company to reach a figure of 3.16 million customers, which represents an increase in the customer base of 5% compared to 2018.

However, the increase in the net claims rate as a result of the introduction of special motor insurance claims and the proliferation of DANAS (isolated high altitude depressions), has caused a downturn in this indicator, which rose by 3.3 percentage points with respect to the previous year, reaching a figure of 68%. This trend has also led to a deterioration of the combined ratio, which recorded a figure of 87.88% in 2019 (+2.3pp), although Línea Directa maintains its status as one of the best indicators in the whole insurance sector, with a differential of nearly seven points compared to its competitors. Although this has resulted in a reduction in pre-tax profit to 142.9 million euros (-8.4%), Línea Directa remains one of the most profitable companies in the sector, with an ROE of 33.3%.

But, undoubtedly, the main achievement of 2019 has been the announcement at the Ordinary General Meeting of the bank made by Bankinter of its intention to propose the listing of Línea Directa on the stock market, which is certainly great news for both companies. In 2009, Bankinter acquired from the Royal Bank of Scotland 50% of the capital of Línea Directa that it did not control for the sum

of 426 million euros. Ten years later, after having received from Línea Directa 1,058 million euros in dividends, Bankinter's Board of Directors agreed to list the insurer on the stock market, as a result of which, the shareholders of the bank will become owners of 86.6% of the company, a share that would have a value estimated at 1,184 million euros, 100% of the issue premium. The remaining 17.4% of the social capital will remain in the hands of the bank, with a total value of 1,434 million euros.

The listing of Línea Directa on the stock market is a historical opportunity for both corporations, due to the fact that in addition to offering them great flexibility, it will allow them to design their respective commercial strategies with a high level of autonomy. As independent listed companies, both Bankinter and Línea Directa will easily be able to face their respective regulatory environments, as well as operating with a more appropriate capital structure and dividend policy. In addition, this operation will enable Línea Directa to gain direct access to capital markets, which, undoubtedly, will offer it good opportunities for growth.

Converting Línea Directa into a listed company in 2020, the year that marks its twenty-fifth anniversary, in addition to being a huge challenge, is also another step in the company's success story. It is not surprising that Línea Directa Aseguradora has become one of the most well-known, valued and admired companies, constantly figuring in the main reputation rankings in our country, such as MERCO Talent, MERCO Responsibility and Corporate Governance and MERCO Companies. It has also consolidated its position as a benchmark for its application of responsible practices, an area in which it has created its own sustainability plan and a Foundation that is, in its own right, one of the main players in the area of road safety in Spain.

In conclusion, a project, destined to keep on growing, generating wealth and revitalising our economy.

Alfonso Botín-Sanz de Sautuola
Chairman of Línea Directa Aseguradora

DIALOGUE WITH MIGUEL ÁNGEL MERINO

Miguel Ángel Merino, Chief Executive Officer of the Línea Directa Group, speaks to Arantxa Sasiambarrena, CEO and co-founder of The Valley, the knowledge hub specialising in the digital world. Both discuss a number of topics as varied as the phenomenon of digitalization in Spanish companies, the financial results of Línea Directa and the challenges faced by the insurance sector.

Arantxa Sasiambarrena.- We are experiencing a new “industrial revolution”. We have witnessed the birth and universalization of the Internet, and with it, of Social Networks and global connectivity. Now the big challenge is the digitalization of the economy. How does Línea Directa face this challenge and what is, in your opinion, the current status of the insurance sector in this area?

Miguel Ángel Merino.- It is obvious that the traditional way of selling insurance is coming to an end; those that do not understand this will be at a considerable competitive disadvantage. Cultural changes are forcing companies to do things in a different way; it is now not enough to offer the best price; it is also important to manage emotions through rapid, friendly and simple forms of communication.



Until now, after selling the policy, insurance companies

Until now, after selling the policy, insurance companies have tended to shun contact with the customer; communicating with policyholders, especially when they had made claims or complaints, was thought to be asking for trouble. Now the mindset has changed radically; we must strive to form part of our customers' lives, to increase the frequency of contact and, above all else, the tone of communication. This change, together with the appearance of new forms of mobility based on the sharing economy and with new types of insurance aimed at specific moments in life, present the main challenges for the sector. This is a transformation, which, in my opinion, Línea Directa faces as the insurer currently in pole position. Clearly, we want to continue to make insurance form part of a more dynamic and competitive business, just as we did back in 1995.

A.S.- For Línea Directa, 2019 has been a key year in your digital transformation process. What is your experience of this and what challenges will you face in this process in 2020?

M.Á.M.- In Línea Directa we have faced the project of digital transformation by developing three fundamental areas. The first of these is excellence in customer relations, through which we focus on forming part of the life of the policyholder, using emotions and interacting with him or her even outside the realm of the policy itself. We have also encouraged the creation and launch of products and services unrelated to traditional insurance and we have committed ourselves to operational excellence focusing on automation and self-service and being at the forefront of a cultural change in the relationship with the customer.

As a result, I believe that all the challenges that we set ourselves in the implementation of our digitalization plan have been fully met; therefore, 2020 will be the year of artificial intelligence and the development of omnichannel systems. The objective is that each type of customer chooses his or her channel of communication and can interact through it in a flexible, agile and immediate way, saving up to 50% of time in their operations, thanks to the automation of processes.

ECONOMIC CONTEXT, RESULTS AND FLOTATION

A.S.- From a purely financial perspective, 2019 was a complicated context for the Spanish economy and for the insurance sector in particular. How do you perceive the economic environment and the possibilities for the sector in the coming years?

M.Á.M.- In 2019, we have experienced a very complex economic context, in which, despite the unforeseen changes in legislation and the proliferation and frequency of DANAS, that have fundamentally affected the Home Insurance Area, the company has beaten its sales record, with 175,000 new policyholders. In addition, Línea Directa Aseguradora has beaten its record in turnover, with an increase in gross written premium of 4.5% and has obtained a pre-tax profit of 143 million, which gives the company an ROE of 33%, the second highest in Europe. Finally, Vivaz, the Group's health insurance brand, is maturing and developing very positively, having obtained 70,000 customers in only two years.

“THE FLOTATION CREATES AN OPPORTUNITY FOR EVERYBODY, DUE TO THE FACT THAT IT WILL OFFER US THE POSSIBILITY OF FINDING NEW CHANNELS FOR GROWTH, ADAPTING OURSELVES BETTER TO THE DEMANDS OF THE REGULATOR AND GIVING US MORE AUTONOMY TO BE ABLE TO MAP OUT OUR OWN STRATEGY”.

A.S.- The big news of the year has undoubtedly been the announcement by Bankinter of the listing on the stock market of Línea Directa Aseguradora in the second half of 2020. What is your interpretation of the announcement and what perspectives do you see for the company as a listed entity?

M.Á.M.- The flotation on the stock market is remarkable news and also a nice coincidence, due to the fact that in 2020 we are celebrating our twenty-fifth anniversary. In any case, I think that the conversion of Línea Directa into a listed company was only a question of time, given the levels of maturity and profitability that the company has attained and it will allow our project to take on a much more complete and powerful dimension.



"CULTURAL CHANGES ARE FORCING COMPANIES TO DO THINGS IN A DIFFERENT WAY; IT IS NO LONGER ENOUGH TO OFFER THE BEST PRICE AND IT IS NOW REQUIRED TO MANAGE EMOTIONS WITH A COMMUNICATION CHANNEL THAT IS FAST, FRIENDLY AND SIMPLE"

The flotation on the stock market creates an opportunity for everybody, due to the fact that it will offer us the possibility of finding new channels for growth, adapting ourselves better to the demands of the regulator and giving us more autonomy to be able to map out our own strategy. As a result, we hope to be well received on the market, due to the fact that, in the current scenario of low interest rates, a company with high dividends and profit levels is a great opportunity for its shareholders.

A.S.- It's an operation that has evoked a lot of interest, especially taking into account the scarcity of this type of announcement in recent times. What is the timescale and how will the flotation be undertaken?

M.Á.M.- Last December, at the bank's General Shareholders Meeting Bankinter's Board of Directors announced its intention to propose Línea Directa Aseguradora's flotation on the stock market and to distribute the share premium as a dividend. The operation is, obviously, subject to all the regulatory timelines and the pertinent administrative authorizations, but if the formalities are met as we predict, the conversion of Línea Directa Aseguradora into a listed company will be completed in the second half of 2020.

SUSTAINABILITY

A.S.- In Línea Directa a growing importance is given to policies of sustainability and reputation. How do you organise your practices with regard to responsibility?

M.Á.M.- For Línea Directa Aseguradora, reputation is a fundamental value, due to the fact that it is increasingly considered by consumers as part of their decision to purchase. As a result, we develop powerful triennial plans, the last of which ended last year.

Currently work is being carried out on the IV Sustainability Plan, which will be implemented until 2022, and which will focus more on the 3 fundamental areas of sustainability: Good Governance, the Social Axis and the Environmental Axis. We will also continue to promote the actions of the Línea Directa Foundation, which has become a leading authority on road safety, an area with which we are very closely linked, due to the nature of our business.

Arantxa Sasiambarrera is CEO and Cofounder of The Valley



WELCOME TO OUR COMPANY REPORT

This company report, published by Línea Directa Aseguradora, S.A., contains a description of the economic, social and environmental activity of the Group in 2019, which includes information on Línea Directa Aseguradora, S.A., Insurance and Reinsurance Company, its subsidiaries and its commercial brands, following the same criteria established in the consolidation of financial information with Spain as its area of activity.

This report has been created in accordance with the "Sustainability Reporting Guidelines", and has been classified as "Core". As such, its compilation has been guided by different principles relating to quality, such as the principle of balance, comparability, precision, periodicity, clarity and reliability. In addition, by compiling, publishing and distributing its company report once a year, Línea Directa makes it possible to draw comparisons with previous years, which allows the different stakeholders to make an objective assessment of the development of the key performance indicators. For more information on the materiality and relevance of this report, consult pages 71 to 73.

ABOUT US

LÍNEA DIRECTA BURST ONTO THE SCENE IN SPAIN 25 YEARS AGO WITH A GROUNDBREAKING BUSINESS MODEL AND A FIRM COMMITMENT TO FLEXIBILITY AND TECHNOLOGY

OUR MISSION

To use our experience in direct response for the benefit of our customers, employees, shareholders, suppliers, and, by extension, to the whole of society, creating wealth, safety and an environment for life that is more responsible and sustainable for people.

OUR VISION

To be the leading insurer as a result of our respect for the groups that we deal with, especially customers, employees and suppliers. To be at the forefront of innovation in the insurance sector and to promote values linked to road safety, safety in the home, health, the environment and sustainability.

OPERATING PRINCIPLES



People



Innovation



Quality

VALUES



Respect for people



Spirit Of Constant Improvement



Enthusiasm



Focus on results



Clarity

ABOUT US

Línea Directa Aseguradora burst onto the scene in Spain 25 years ago with a groundbreaking business model that eliminated the use of intermediaries or office networks thanks to its firm commitment to flexibility and technology. It currently has over 1.5 million digital customers, which makes it the outright leader in the sector on online channels.

Línea Directa Aseguradora, which at the time of drafting this report (February 2020) has the Bankinter Group as its only shareholder, is characterised by a direct business model that does not rely on intermediaries or office networks. According to the latest data available, it occupies 5th position in the gross written premium ranking in the car insurance sector, 14th place in home

insurance and 30th in health insurance, which makes it the 12th highest company in the non-life written premium ranking. In addition, it has over 3.16 million customers, which represents a net increase in the customer base of 5% compared to the previous year.

The success of Línea Directa is down to a strategy based on personalised products and services and its excellent quality-price ratio, offering a great customer experience based on a wide range of digital services.

Línea Directa is a member of UNESPA, the business association responsible for the insurance sector, and has been recognised as one of the Spanish companies with the best reputation in the MERCO Companies ranking, where it occupies 46th position.

CORPORATE ORGANISATION OF THE LÍNEA DIRECTA ASEGURADORA GROUP

LÍNEA DIRECTA ASEGURADORA, S.A. Owner of 100% of the capital of its subsidiaries.

LÍNEA DIRECTA ASISTENCIA, S.L.U.
Road assistance and damage appraisal company.

ÁMBAR MEDLINE, S.L.U.
Company with activities relating to insurance.

ADVANCED REPAIR CENTRE (CAR) S.L.U.
The group's own repairers in Madrid and Barcelona.

LDACTIVOS, S.L.U.
The insurance group's asset management company.

CLUB MÁS MOTO, S.L.U.
Exclusive club for Línea Directa's motorbike insurance customers.

LDA REPARACIONES, S.L.U.
Línea Directa Aseguradora's repair company.

3.16

MILLION CUSTOMERS

2,420,000

IN MOTOR
INSURANCE

623,000

IN HOME
INSURANCE

69,500

IN HEALTH
INSURANCE

51,500

OTHERS

TARGETS MET

MADRID EXCELLENCE SEAL MATURITY MATRIX
2019

CONCEPTS	START	IN PROGRESS	MATURITY
Focus on results.	████████████████████	████████████████████	████████████████████
Focus on the customer.	████████████████████	████████████████████	████████████████████
Leadership and coherence.	████████████████████	████████████████████	████████████████████
Process and fact management.	████████████████████	████████████████████	████████████████████
People development and involvement.	████████████████████	████████████████████	████████████████████
Continuous learning process, innovation and improvement.	████████████████████	████████████████████	████████████████████
Alliance development.	████████████████████	████████████████████	████████████████████
Corporate responsibility of the organisation.	████████████████████	████████████████████	████████████████████
Economic dimension. / Good governance / Ethics.	████████████████████	████████████████████	████████████████████
Environmental dimension.	████████████████████	████████████████████	████████████████████
Social dimension.	████████████████████	████████████████████	████████████████████
Presale.	████████████████████	████████████████████	████████████████████
Sale of product/ offering service.	████████████████████	████████████████████	████████████████████
Guarantee and support.	████████████████████	████████████████████	████████████████████



TARGETS MET

CORPORATE RESPONSIBILITY PROJECT PLAN EXTRACT

2019

PROJECTS
ACHIEVED

62

PROJECTS NOT
ACHIEVED




3

PROJECTS
IN PROGRESS

4

PROJECTS
CANCELLED

2

FOCUS OF OPERATION	OPERATIONAL AREA / STAKEHOLDER	PROJECT	ACHIEVEMENT
 We take care of the business	Motor Insurance	(F) XVI Línea Directa Road Safety Journalism Awards	✓
		(F) 3 Road Safety Studies	✓
		(F) Accelerator for Entrepreneurs in Road Safety:V Entrepreneurs and Road Safety Award	✓
		(F) Platform for reporting Black Spots	✓
		(F) Road Safety Training: Collaboration with CEPESA Foundation	✓
		Extension of Motor Insurance Culture (Social Networks)	✓
	Home Insurance	Home Study:"Tenants vs Landlords.The conflicts in rented homes in Spain (2019)".	✓
		Video shorts and preventative actions on Safety in the Home on Social Networks	✓
		Extension of Home Insurance Culture (Social Networks)	✓
	Health Insurance	Health Study:"Jubilennials:The Impact of retirement on health from the age of 65"	✓
 We take care of the organisation	Employees	Challenge- BIG IDEAS Línea Directa: Attraction of young talent	✓
		"Values that leave a mark" Award for employees	✓
		Corporate Volunteer programme	✓
		Disability programme:"Without Limits" and "You Count" Plan	✓
		Activities for promoting healthy habits in the company	✓
		Fight against gender-based violence: total commitment & companies in favour of a society free from gender-based violence	✓
	Shareholder	Promote transparency: compilation of the company report in accordance with the GRI international framework	✓
		Inclusion in reputation rankings: Merco Companies, Merco Talent and Merco CSR	✓
	Suppliers	IX Línea Directa Suppliers Awards	✓
	 We take care of society	Customers and non-customers	Awarding and renewal of Quality Seals: Línea Directa Madrid Excelente and CAR Madrid Excelente
Digital Communication (Transparency and closeness: videos of the Board of Directors)			✓
Emprendedores		MASTERCLASS "What investors focus on" for start-ups	✓
		Trustee of IESE Business School – investment forums	✓
Environment		Línea Directa Carbon Footprint (Línea Directa Aseguradora, Línea Directa Asistencia, Nuez Brand, CAR Madrid and CAR Barcelona) – 2019	✓
		Reduction of paper consumption	✓
		Savings from energy efficient systems for air-conditioning and sanitary hot water	✓
		UNE-EN ISO Certification 14001: 2015 for Environmental Management	✓
		UNE-EN ISO 50001:2011 Certification for Energy Efficiency	✓
		Electric car fleets for journeys between offices and the installation of charging points	✓
Promotion of the electric vehicle and the dissemination of the "Breathe Policy"	✓		

(F) Projects corresponding to the Línea Directa Foundation

The table above shows the main projects from the CSR plan (2017-2019).

CSR FIGURES IN 2019

EFR "FAMILY-
FRIENDLY
COMPANY"
CERTIFICATE

B+

2020 TOP
EMPLOYER
COMPANY

TOP

54

POSITION IN THE MERCO
TALENT RANKING

68

POSITION IN MERCO
RESPONSIBILITY AND
CORPORATE
GOVERNANCE
RANKING

46

POSITION IN MERCO
COMPANIES RANKING

455,000

FOLLOWERS ON
SOCIAL NETWORKS

2,007

REPORTS ENTERED FOR
THE ROAD SAFETY
JOURNALISM AWARDS

210

EMPLOYEES
PARTICIPATING IN THE
CORPORATE VOLUNTEER
NETWORK

68

PROJECTS ENTERED
FOR THE ENTREPRENEUR
AND ROAD SAFETY
AWARDS

500,000

EUROS INVESTED IN
OR ASSIGNED TO ROAD
SAFETY PROJECTS AND
THE PROMOTION OF
SAFETY

54

PROMOTIONS
AND INTERNAL
TRANSFERS

LÍNEA DIRECTA

A BRAND INSPIRING CONFIDENCE

THE LÍNEA DIRECTA BRAND COMBINES VALUES SUCH AS CONFIDENCE, AN EXCELLENT QUALITY-PRICE RATIO, DIGITALIZATION OR SUSTAINABILITY, THEREBY CONSTITUTING ONE OF THE COMPANY'S MAJOR ASSETS

Over the years, the company has become one of the leading insurers for Spanish consumers thanks to a Communication and marketing strategy that has converted the Línea Directa brand into one of the most iconic of the sector. At the end of 2019, over 3.1 million customers now place their trust in Línea Directa for the insurance of their vehicles or homes.

In 2019, Línea Directa has maintained its commitment to making a strong investment in marketing, which, for another year, has led to the company occupying top spot as the insurer with

the highest advertising profile in Spain and with the most spontaneous recognition according to IOPE tracking by the TNS brand awareness monitor.

With regard to the advertising campaign in 2019, Línea Directa has again presented, for the seventh consecutive year, the prestigious journalist Matías Prats as the face of its products and services. The television campaign, under the name of "seism" and consisting of eight advertisements dedicated to motor insurance, has focused on a powerful, groundbreaking commercial offer with 6 months free car insurance. Advertising aimed at

motorcyclists has also continued to be developed, thereby strengthening Línea Directa's message of specializing its insurance to include two-wheeled vehicles at a highly competitive price.

In 2019, Matías Prats was also the face of Línea Directa in the advertisements dedicated to home insurance, once again stressing the importance of insuring the home against the possibility of any type of accident. The campaign has shown the excellent quality-price ratio of the company in the multi-risk insurance segment.



LÍNEA DIRECTA

A BRAND INSPIRING CONFIDENCE

REPUTATION, A PRICELESS ASSET

Part of the success of the company is down to its reputation, an asset recognised by important monitors such as MERCO Companies, which, for another year, have included Línea Directa as one of the entities with the best reputation in our country. The Group has reached 46th place, thereby maintaining its position in the top 50. Within the insurance sector, it occupies 4th place.

In 2019, Línea Directa has also once again been included in MERCO Talent (54th), strengthening its status as a leader for attracting and retaining talent in Spain and in MERCO Responsibility and Corporate Governance (68th), for its powerful sustainability and corporate responsibility strategy.

SOCIAL NETWORKS, THE COMMITMENT TO DIGITAL CHANNELS

Línea Directa is committed to digital channels as a tool for communicating with its customers and with society in general. In 2019, the Group reached a community of over 455,000 users in the various social networks on which it has a presence and where it also runs a chatbot in order to offer a more agile and effective customer service. In 2019, the company was able to answer over 9,000 queries made by customers on its social network channels.

In 2019, a remarkable achievement in this area was the implementation of an *employee advocacy* project "Línea Directa Influencers". This initiative aims to involve employees in the communication strategy of the company and help them to construct their own professional brand (*personal branding*). This is achieved by staff members receiving, on a purely voluntary basis, information of professional interest about the company that they can share via their personal profiles on Twitter and LinkedIn.

SOCIAL NETWORK COMMUNITY

455,000

USERS

LÍNEA DIRECTA, A BRAND WITH GREAT FIGURES

2019

PUBLIC LEADERSHIP	2019	2018	2017
Number of news items	3,417	3,433	3,411
Audience reached (in millions)	1,156	885	713
Number of press releases	22	26	24
MERCO Companies	46	43	40
MERCO Talent	54	47	41
MERCO Responsibility and Corporate Governance		54	69
Awards	6	7	5
Followers on social networks	454,958	405,430	377,119



ANTONIO VALOR, MARKETING DIRECTOR

"In the Marketing Area we are committed to a commercial strategy that makes Línea Directa a company trusted by millions of people and which offers products and services with the best quality-price ratio in the market".

DIGITAL TRANSFORMATION: DIGITAL AND DIRECT

Línea Directa is committed to an omnichannel strategy in its relations with customers, adapting its form of communication to each type of policyholder. As a result, with the addition of telephone and online channels, Línea Directa is able to operate a very wide range of mobile services based on artificial intelligence, virtual assistants and big data that place the company at the forefront of the insurance sector.

In 1995, Línea Directa revolutionised the insurance sector with a disintermediated business model based on technology, strategic alignment and the focus on production centres, which avoids unnecessary costs and offers much more competitive prices than the average in the sector. In 1999, the company led a second revolution by becoming the first insurer to distribute policies by Internet and, 25 years later, it has initiated a third revolution based on technology and flexibility, for which it is developing a wide range of mobile services that will bring together telephone and online channels. In fact, 50% of Línea Directa policyholders, a total of over 1.5 million customers, now communicate with company through digital channels.

This strategic shift has allowed Línea Directa customers to save up to 50% of their time in their insurance operations, making all processes flexible and user-friendly. This commitment, which makes it possible for the customer to decide on the method, the place and the moment to communicate with the company, has boosted the service quality ratings and has optimised the customer journey in all processes, thanks to innovative solutions based on cutting-edge technologies such as wearables, IoT or mobile applications.

EXCLUSIVE SERVICES IN THE SECTOR

In 2019, Línea Directa presented to the media its roadmap for digital development entitled "More Digital, More Useful", that includes a range of original services such as being able to obtain the price of the policy by sending photographs of the vehicle and driving licence, appraising a claim in the home through a video of the damaged possession or arranging a medical appointment by using a voice assistant without any type of human intervention.

In addition to this ambitious plan, in 2019 the company presented a number of services that have efficiency, automation and customer protagonism as the common denominator. These included Línea Directa becoming the first company in the sector to use Whatsapp Empresa as a channel for communicating with its policyholders, who can



DIGITAL TRANSFORMATION: DIGITAL AND DIRECT

use this application to make an appointment to have their vehicles repaired in CAR Madrid and CAR Barcelona; a service that will be extended in successive phases to other network repairers and even to other business areas.

In 2019, Línea Directa also presented its new app, with a view to introducing a new model for customer relations. The new tool, which will increase the number of features on offer in the next months, will make it possible to channel such different services as requesting a recovery vehicle without the need for any human intervention in only 23 seconds or sending photographs of the car for the purposes of appraisal when purchasing the policy.

Línea Directa's new application also offers the possibility of checking vehicle traffic fines and taking the appropriate action, reviewing home insurance or Penelope policies and consulting the discount accumulated in the "Suma en Línea" programme by renewing the insurance policy.

IN 2019, LÍNEA DIRECTA ALSO PRESENTED ITS NEW APP, WITH A VIEW TO INTRODUCING A NEW MODEL FOR CUSTOMER RELATIONS.

THINKTANK DIGITAL

As part of its strategy on development and leadership in a digital framework, last year Línea Directa presented a powerful advisory task force called Digital Think Tank. The new group, whose aim is to generate and debate ideas and analyse trends in the area of digitalization, is formed by the senior managers in Línea Directa's motor insurance and digital transformation, technology, health and corporate governance areas. It also includes experts in innovation and digitalization, such as Javier Rodríguez Zapatero, president of ISDI and ex-General Director of Google Spain, Pablo Foncillas, professor at the Instituto de Empresa or Beatriz Casado, a partner in SILO (Science and Innovation Link Office).

STUDY "AND WHAT COMES AFTER SMARTPHONES, CITIZEN CYBORG?"

As part of its commitment to the digital world, Línea Directa aims to go beyond the realm of business and encourage the whole of society to focus on a world that is destined to have a considerable effect on the economic, social and human agenda in the coming decades. As a result, with a view to analysing what the next digital revolution will be like after the smartphone, it presented the study "And what comes after smartphones, Citizen Cyborg?" The conclusions of the report were quite striking with 20% of Spaniards affirming that they would be prepared to implant a chip into their body in order to substitute smartphone features. Data storage (46%), use of an integrated camera (31%) and a GPS (27%) were the features citizens said they would prefer to install into their bodies.



DIGITAL TRANSFORMATION: DIGITAL AND DIRECT

SERVICES VIA DIGITAL CHANNELS

41%

OF SERVICES IN ROADSIDE ASSISTANCE

27%

IN MOTOR INSURANCE CLAIMS

13%

IN HOME INSURANCE CLAIMS

ACCESS BY TYPE OF DIGITAL DEVICE

46%

MOBILE

26%

PC

28%

APP

60%

INTERNET QUOTATIONS

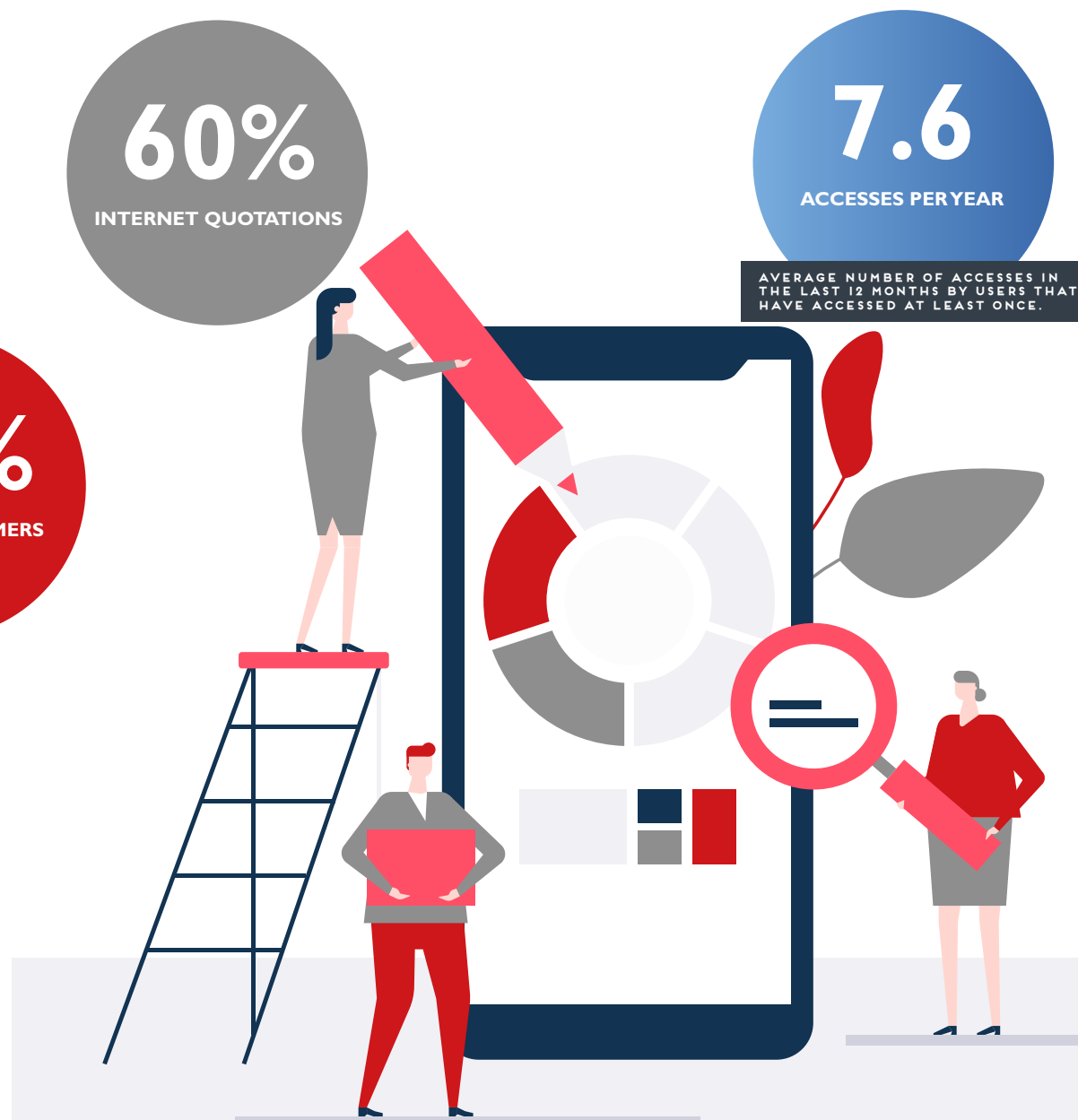
7.6

ACCESSES PER YEAR

AVERAGE NUMBER OF ACCESSES IN THE LAST 12 MONTHS BY USERS THAT HAVE ACCESSED AT LEAST ONCE.

54%

DIGITAL CUSTOMERS





GOVERNING BODIES

WE ARE THE BANKINTER GROUP

The Bankinter Group closed 2019 with a net profit of 550.7 million euros, 4.6% more than in the previous year, which represents a run of seven consecutive years of growth and, once again, a record figure in the company's history.

These results include the data from EVO Bank and Avantcard, whose integration into the Group's accounts was completed last May 31st. Nevertheless, excluding the figures from these businesses and the impact of their integration, the bank's profits in 2019 would still be higher than last year's.

The return on equity closed at 13%, one of the highest of European listed banks. The non-performing loans ratio was also impressive, standing at 2.51%, showing an improvement of 39 basis points with respect to the end of 2018.

As for solvency, the CET1 fully loaded capital ratio, at 11.61%, was higher than the BCE requirements for Bankinter, which will once again be 8.20% this year.

The customer credit portfolio increased by 9% compared to 2018; and retail funds were up by 14.3%. The balance is higher than in 2018 even without including the results from EVO Bank and Avantcard, which represents a progression that is better than the average in the sector.

As further recognition to its excellent management of sustainability, the bank was included in 2019, for the second consecutive year, in the Dow Jones Sustainability World Index, as one of the twenty-four banks with the best corporate governance and social and environmental performance on a global level.

NET INTEREST

Million euros

1,190.6
+8.8 VS 2018

GROSS MARGIN

Million euros

2,054.7
+5.9 VS 2018

TOTAL ASSETS

Million euros

83,732.3
+9.5 VS 2018

CAPITAL RATIO

CET 1 fully loaded

11.61%

NPL RATIO

2.51%

ROE

13%

NET PROFIT

Million euros

550.7
+4.6 VS 2018

PRE-TAX PROFIT

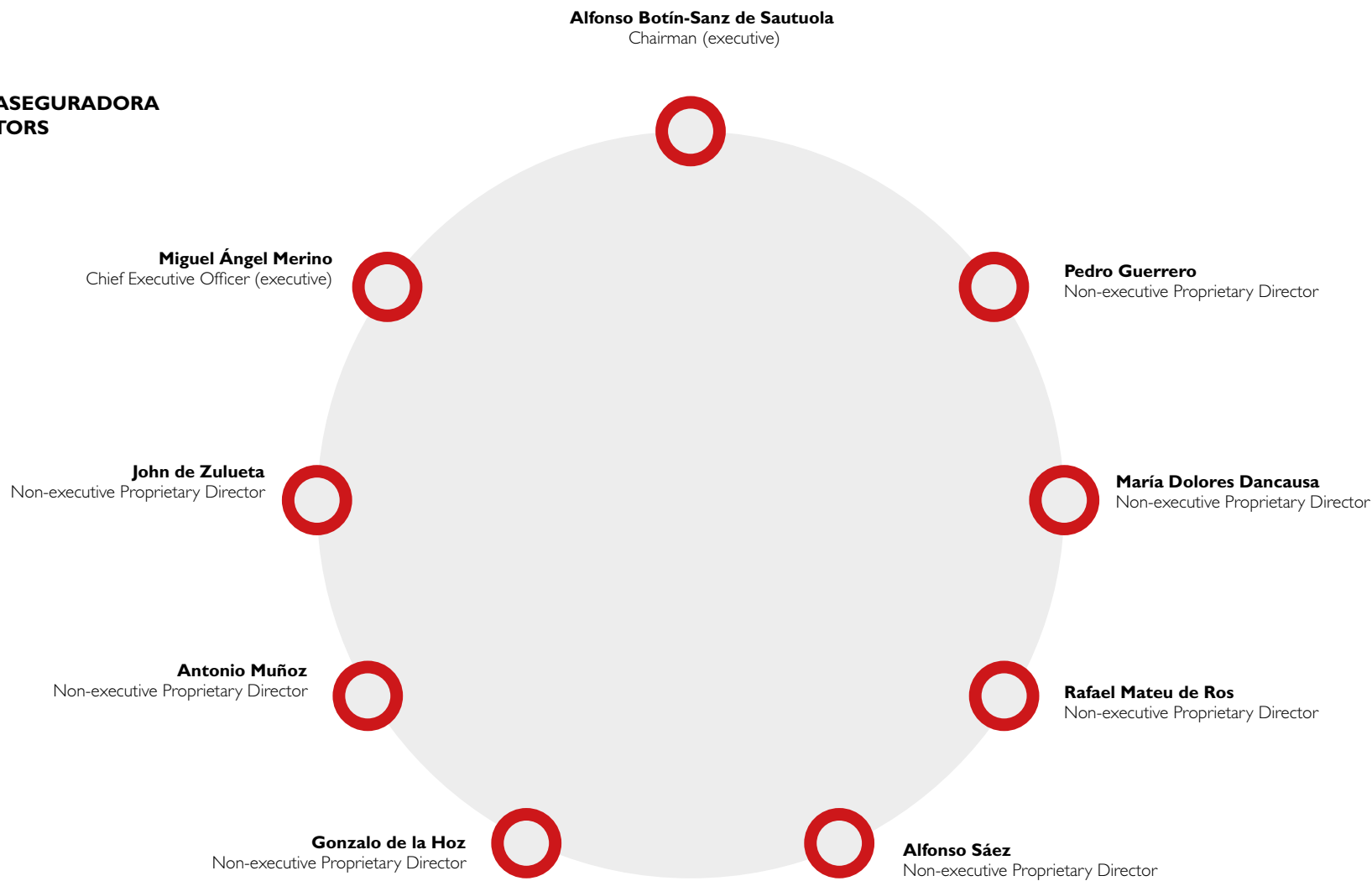
Million euros

741.4
+2.8 VS 2018

WE ARE THE BANKINTER GROUP

LÍNEA DIRECTOR ASEGURADORA BOARD OF DIRECTORS

31/12/2019



Pablo González-Schwitters
Línea Directa General Counsel (non-board member)

TEAM OF DIRECTORS

STEERING COMMITTEE

The Steering Committee is composed of the members of the Executive Committee plus the Directors of Human Resources and Internal Communication, Línea Directa Asistencia, Communication and Sustainability, Technology and the General Secretariat.

EXECUTIVE COMMITTEE

The Executive Committee is composed of the Chief Executive Officer and the Directors of Marketing, the Motor Insurance Area, the Financial Area, Health Insurance, Services and Benefits, Nuez, the Technical Area and Home Insurance.



FRONT ROW

2. JOSÉ LUIS DÍAZ

Director of Internal Auditing.

1. MIGUEL ÁNGEL MERINO

Chief Executive Officer.

3. PATRICIA AYUELA

Director of the Motor Insurance and Digital Transformation Area.

13. MAR GARRE

Director of the Human Resources and Internal Communication Area.

SECOND ROW

5. OLGA MORENO

Director of the Home Insurance Area.

7. PABLO GONZÁLEZ-SCHWITTERS

General Counsel.

9. ANA SÁNCHEZ GALAN

Chief Information Officer.

11. ANTONIO VALOR

Director of the Marketing Area.

14. DAVID PÉREZ-RENOVALES

General Director of Health Insurance.

THIRD ROW

4. JOSÉ MARÍA MATÉ

Director of the Technical Area.

6. JULIO AGULLÓ

Director of Línea Directa Asistencia.

8. FRANCISCO VALENCIA

Director of the Communication and Sustainability Area.

10. CARLOS RODRÍGUEZ

Chief Financial Officer.

12. JOSÉ ANTONIO EGIDO

Director of the Services and Benefits Area.

ETHICAL MANAGEMENT, A PRINCIPLE AND AN ASSET

With a view to promoting an ethical culture focusing on integrity and respect for regulations according to the principle of legality outlined in the company's Code of Ethics, the Línea Directa General Secretariat encourages and coordinates a wide range of training programmes for raising awareness among the Group's employees and partners.

In 2019 a review and update of Línea Directa's Regulatory Compliance and Process Management System policy was undertaken, in order to adapt to the new trends in compliance, the new regulatory requirements and the latest changes in the area of tax risk management. This update was submitted to Línea Directa's Audit, Internal Control and Regulatory Compliance Committee for approval in July last year. In addition, the controls relating to criminal risks and the drafting of the Outsourcing Policy and the Fit and Proper Policy have also been reviewed.

Furthermore, with a view to providing information on the changes to the new Code of Conduct and crime prevention, face-to-face and online training sessions were offered to almost all the company's employees. As part of its training practices and in order to and raise the awareness of its staff, the Regulatory Compliance Bulletin was further developed and distributed among areas and

bodies as diverse as the Board of Directors, the Audit, Internal Control and Regulatory Compliance Committee, the Steering Committee, the Internal Auditing, GR&CI and Legal Counselling Areas and the middle managers of the company. This bulletin was complemented with details relating to the impact of the new regulatory framework for the commercial areas affected by the measures.

Following the demands of the Insurance Distribution Directive, the Product Committee was also set up, with functions such as training all the areas involved in the design and creation of the different commercial initiatives.

Subsidiaries and the Línea Directa Foundation

In 2019, Línea Directa Aseguradora's Department of Regulatory Compliance carried out the diagnosis and analysis of the risks relating to legislation and compliance in Línea Directa Asistencia, the services company of the Group, creating, in collaboration with the heads of the different areas of the subsidiaries, a risk map that will be completed in 2020 with the control register.

In addition, the Línea Directa Foundation's new Conduct and Good Governance Code and its Prevention of Money-laundering Policy have been drafted, both of which were approved at the meeting of the Board of Trustees last 21 November 2019.



PABLO GONZÁLEZ-SCHWITTERS
GENERAL COUNSEL OF LÍNEA DIRECTA

"Línea Directa aims to be a leader in areas of good corporate governance, responsible behaviour and respect for the existing legal framework. As such, the General Secretariat Area promotes a wide range of processes focusing on establishing control, raising awareness and giving advice in the different areas, not only with a view to avoiding criminal and economic risks, but also to making reputation one of our institutional pillars"

CORPORATE RISKS, PREVENTION AND COLLABORATION

Línea Directa's Corporate Risk and Internal Control Department identifies and manages, in collaboration with the different areas of the company, the main operating and reputational risks of the company. In order to achieve this, it operates its own comprehensive action protocol that aims to offer a quick and adequate response reached by consensus to these threats.

In 2019, the Corporate Risk and Internal Control Department has continued to revise the processes of the Group in order to update the map of the different risks and controls within the organisation, integrating the corporate risk map into the health insurance area, created in 2017, and into the CAR Madrid repaire, created in 2018.

A system has also been implemented for calculating risk assessment by means of its own specifically designed methodology, with a view to boosting efficiency and reliability in the evaluation of the different risks. In addition, further control testing of processes linked to the strategic objectives has been undertaken, to such an extent that over

50% of the controls tested in 2019 related to the reputational business priorities outlined by the directors of the company. In total, 142 controls have been tested in the whole Group and over 90% of the recommendations made have been implemented within the timeframe prescribed.

In order to optimize the efficiency of the controls, the process of collecting samples has been automated and a new process known as autotesting has been introduced, which is channelled by means of a monthly survey undertaken by middle managers on the controls of processes under their supervision. This takes the form of analysing questions such as the objective or purpose of the control, the scope, the person in charge of carrying it out, the tools used or the existence of a specific monitoring process.

In 2020, the Risk and Internal Control Department will introduce a number of action plans designed to keep the percentage of recommendations implemented within the required timeframe above 90%. Furthermore, testing will continue to be optimized as a control tool and there will be an extension of the scope of application for autotesting in the different areas until they have finally been implemented in the whole company.

RECOMMENDATIONS

90%

ACHIEVED WITHIN THE
REQUIRED TIMEFRAME

CONTROLS
TESTED

142

IN THE GROUP



COMMERCIAL AREAS

MOTOR INSURANCE: THE CORE OF LÍNEA DIRECTA



LÍNEA DIRECTA'S SUCCESS IS BASED ON A PERSONALIZED OFFER AND ON THE STRONG COMMITMENT TO DIGITALIZATION AS PART OF ITS CUSTOMER SERVICE

Línea Directa's Motor Insurance Area forms the heart of the Group's business. In 2019, it represented 85% of the gross written premium of the company and it has attained a total of 2.4 million customers, 3.6% more than in 2018. This success is chiefly based on an offer of personalised products and services and on a strong commitment to digitalization as part of its customer service.

Línea Directa's Motor Insurance Area, which includes car and motorbike insurance for private customers, the Company Division or the International Area, closed 2019 with very satisfactory results. In total, it has grown by 84,000 net policies with a turnover of 761 million euros, representing 2.7% more than the previous year, almost double that of the rest of the motor insurance sector, which grew by 1.5% compared to 2018. This increase in the gross written premium makes Línea Directa one of the companies that has shown the largest growth among the top 10 motor insurers, according to ICEA figures.

MOTOR INSURANCE: over 2.4 million customers

Línea Directa's success in the motor insurance sector is down to a multibrand and multiproduct-based commercial offer, an excellent quality-price ratio, the efficiency and simplification of processes and its commitment for developing pioneering products in our country. For example, the company introduced the Póliza Respira (Breathe Policy) with a fixed premium priced at €200, an insurance policy for electric cars, the only one of its kind in Spain and the Penélope Insurance brand, specialising in services designed for female drivers. It also launched products for company fleets or driverless vehicles.

As a result, Línea Directa has reached a market share of 6.7% of the sector and has a customer base in the motor insurance area of over 2.4 million customers. In addition, the company occupies 5th position in the gross writer premium ranking in the motor insurance sector, thereby reaffirming the sustainable and profitable growth levels it has been capable of maintaining over the years.



**PATRICIA AYUELA,
DIRECTOR OF THE MOTOR INSURANCE
AND DIGITAL TRANSFORMATION AREA**

"Motor Insurance is a fundamental part of Línea Directa's digital transformation, as it is the commercial area with most customers. As a result, we are introducing systems allowing our customers to communicate with us in a different way, more in line with current technologies. And the response has been overwhelming".

QUALITY AND PROCESSES, OPTIMIZING THE BUSINESS

THE QUALITY AND PROCESSES DEPARTMENT HAS CONTINUED TO WORK ON IMPROVING COMMERCIAL EFFICIENCY, AGILITY AND THE DIGITALIZATION OF PROCESSES.

NEW DEVELOPMENTS

500

SUPPORT FOR THE GROUP'S DIGITAL TRANSFORMATION STRATEGY PLAN AND THE OPTIMIZATION OF COMMERCIAL PROCESSES

In 2019, the Quality and Processes Department in Línea Directa Aseguradora's motor insurance area has continued to work on improving commercial efficiency, agility and the digitalization of processes, thereby playing a key role in all the operations of the area as a whole.

In 2019, the Quality and Processes Department in the motor insurance area has continued to implement several projects designed to respond to the different requirements of the company. This year, the Department has focused its efforts mainly on three areas: the migration of documentation to digital media, the support of the Group's Digital Transformation Strategy Plan and the optimization of commercial processes.

In order to achieve this, 500 new developments have been launched and numerous audits on conversations with customers have been carried out with a view to ensuring that the processes within the area are correctly monitored and detecting areas for improvement and possible reviews required.

Furthermore, several initiatives have been implemented relating to the migration to digital media of the forwarding of documentation via procedures such as self-service, thereby halving the amount of paper consumption in the motor

Insurance area. In addition, in order to simplify operations for customers, "open question" has been implemented, an initiative allowing the company to attend to queries from customers in a more agile and efficient manner.

In 2019 work has also been carried out within the department on projects such as the generation of leads, the improvement of cross-selling, the adaptations for large fleets or roadshows.



COMPANY DIVISION, COMMITTED TO NEW FORMS OF MOBILITY

The results obtained by Línea Directa's Company Division in 2019 have more than met expectations. In addition, this commercial area of the Group has become a benchmark in the world of motorcycle sharing in Spain.

Línea Directa Asegurada's Company Division consists of a team of professionals offering a comprehensive service specializing in selling policies to SMEs, the self-employed or large companies, whatever their area of activity might be.

In 2019, this commercial area increased its sales by 26% compared to the previous year, thereby satisfactorily meeting the objectives set. These results confirm a sustained and profitable level of growth in an increasingly competitive market that is particularly vulnerable to the fluctuations of economic activity.

COMPANY DIVISION SALES

+26%

VS. 2018

The Company Division's firm commitment to the business of motorcycle sharing should also be highlighted. This has made a substantial contribution to the year's positive performance in sales. In 2019, new fleets belonging to such important companies as Acciona or Muving, with over 2,000 vehicles throughout Spain, were insured. This has resulted in 6,000 policies from this type of electric motorcycle being added to the customer portfolio.

In 2020, commercial areas will be focused on personalisation in insuring vehicles for SMEs, extending the range of cover and services offered for this market niche.

SOLUTIONS FOR
THE SPECIFIC
DEMANDS OF
FEMALE DRIVERS

penélope
SEGUROS

USEFUL
SOLUTIONS

As part of its multibrand strategy, in 2012 the Línea Directa Group launched a groundbreaking initiative in Spain: Penélope Seguros, offering insurance with solutions for the specific demands of female drivers.

With a view to responding to a requirement within the market, in 2012 Línea Directa Aseguradora created the brand Penélope Seguros, designed for female drivers. This policy offers its customers a range of products and services that are unique in the insurance sector, such as roadside assistance for pregnant women in the event of sickness and handbag theft cover, which compensates victims with up to 200 euros if they have their handbag stolen, a quantity which can be increased to €1,200 by taking out extended handbag theft cover.

Penelope Seguros policyholders can also benefit from the exclusive "SUMA en Línea" loyalty programme, an initiative which offers a wide range of major discounts when renewing car or motorbike insurance based on the typical costs resulting from the use of the vehicle such as fuel consumption, repair work or maintenance.

PÓLIZA RESPIRA (BREATHE POLICY) FOR A MORE SUSTAINABLE WORLD

The Póliza Respira is an insurance product that forms part of the Línea Directa Group's commitment to sustainability and the environment, through which Línea Directa offers a policy with unique features that has been specifically designed for privately owned electric cars.

As part of Línea Directa's commitment to promoting less contaminating and more sustainable mobility in Spain, in 2016 the Póliza Respira was launched, offering fully comprehensive cover with excess of €300 for privately owned electric cars at an extremely competitive price: €199 for the first year.

This insurance also includes specific cover for this type of vehicles such as roadside assistance without any limit on the number of kilometres travelled or cover for the theft of the built-in charging cable, thereby offering a response to the requests and requirements that the drivers of this type of vehicle have demanded in the market.

**AN INSURANCE
WITH EXCLUSIVE
FEATURES
THAT HAS BEEN
SPECIFICALLY
DESIGNED FOR
PRIVATELY OWNED
ELECTRIC CARS**

INTERNATIONAL DIVISION, A STRATEGIC COMMERCIAL AREA

Since it was created, over 20 years ago, Línea Directa Aseguradora's International Division has become a strategic commercial area for the Group as a result of its high profit levels and the excellent profile of its policyholders.

In 2019, Línea Directa Aseguradora's International Division maintained its status as one of the most profitable commercial areas with one of the most loyal customer bases in the Group. Last year it also managed to improve its turnover, thanks to a powerful marketing strategy and a personalized offer with solutions for English and German-speaking customers residing in Spain.

In 2020, the International Division will continue to work in response to the challenges and new requirements that the Brexit process might produce for its customers.

THE NUEZ BRAND HAS BEEN INTEGRATED INTO LÍNEA DIRECTA

In 2019, Nuez, the brand specializing on the digital environment and the Línea Directa Group's social networks, integrated its operations and its customer base into Línea Directa Aseguradora, an incorporation that was projected as part of the company's digital transformation plan. The brand, which was launched with the aim of developing new channels for maintaining relationships with the digital consumer and being a think tank in the online environment, has offered Línea Directa Aseguradora a different and very valuable vision on business, customer relations and the creation and management of large communities on social networks.

HOME INSURANCE, GROWTH AND PROFITABILITY



**FLEXIBLE PRODUCTS THAT ARE
ADAPTED TO THE REQUIREMENTS
OF EACH TYPE OF CUSTOMER**

Since its launch in 2008, Línea Directa Aseguradora's Home Insurance Division has become one of the main growth and diversification engines of the Group, thanks to its offer of flexible products that are adapted to the requirements of each type of customer at a very competitive price.

In 2019, the gross written premium of the Home Insurance Area exceeded 111.3 million euros, which represents a net increase of over 11% compared to 2018; a growth rate that is more than double that recorded by the sector as a whole. This dynamism, sustained year after year, has allowed Línea Directa to consolidate its position in a little over a decade as the 14th highest insurer in the sector by volume of premiums, all of which were obtained organically, without resorting to acquisitions or mergers.

The total number of Línea Directa home insurance customers also rose last year with an overall increase of almost 55,000 policies, which has allowed the company to reach a figure of 623,000 homes insured, 9.6% more than in 2018. As a result, the Home Insurance Area makes up almost 37% of the growth in the company's customer base and 20% of the total customer base of the Group, substantial figures taking into account the fact that this type of insurance is not compulsory.

Self-processing and customer experience

One of the strategic areas of Línea Directa Aseguradora's Digitalization Plan is the automation of all those processes that, by their very nature, can be carried out using technology and artificial intelligence, which allows the specialists of the company to focus on offering the customer real value. This includes the review of all the commercial and support processes offered by Línea Directa, with the aim of boosting self-processing among policyholders, reducing waiting times and making all operations more user-friendly.

In 2019, the Home Insurance Area has integrated intelligent telephone call routing for documentation processes, by means of which the telephone system identifies and deals with calls relating to requests for documentation from customers without making errors or requiring any type of human intervention. This process, although it is currently affecting few calls, will be increased according to requirements.

HOME INSURANCE, GROWTH AND PROFITABILITY

Synergies with other commercial areas

In 2019, synergies and cross-selling were increased with other commercial areas, which includes the gift of dental insurance from the Health Division; an operation that has met with great success as a tool for negotiation. In addition, the Home Insurance

Area has strengthened its position as a significant demand generator for Health Insurance policies, creating over 73,000 leads last year.

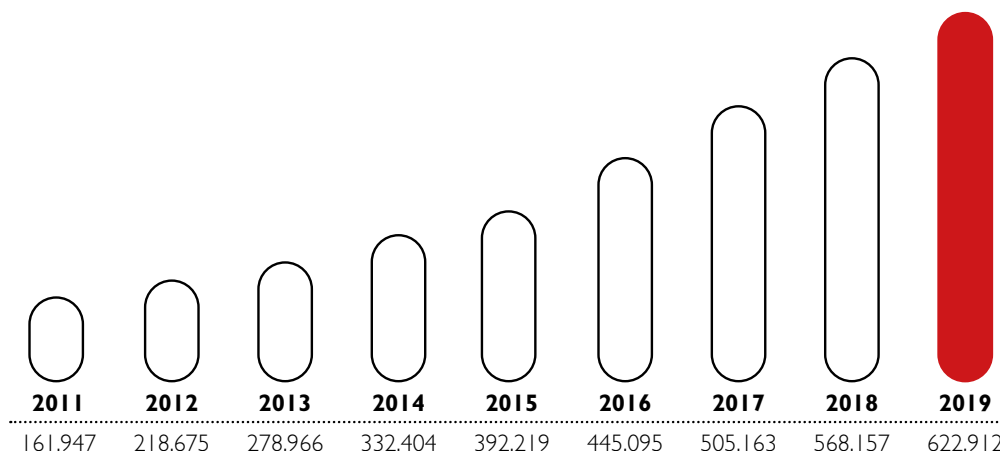
Finally, Línea Directa's Home Insurance Area forms part of SUMA, the company's loyalty plan, which allows the customer to benefit from substantial discounts when renewing his or her policy.

"TENANTS VERSUS LANDLORDS. THE CONFLICTS IN RENTED HOMES IN SPAIN"



In 2019, Línea Directa's Home Insurance Division published the study "Tenants versus Landlords. The conflicts in rented homes in Spain" that analyses the conditions of rented accommodation in Spain and the main problems between tenants and landlords.

One of the main conclusions of the report is that 70% of Spanish tenants accuse landlords of renting out "neglected" homes in a "bad state". In addition, 3 out of every 10 Spanish tenants state that they have on some occasion experienced conflicts with their landlord, mainly as a result of exorbitant rent increases.



THE HOME INSURANCE AREA CONTRIBUTES NEARLY 40% TO THE GROWTH IN THE GROUP'S CUSTOMER BASE.



OLGA MORENO,
DIRECTOR OF THE HOME
INSURANCE AREA

"The Home Insurance Division now contributes 37% of the Group's total growth and around 20% of its customer base, figures that strengthen the product's status as a safe asset that, in addition to diversification, offers synergies and opportunities for the rest of the commercial areas".

VIVAZ, HEALTH INSURANCE WITHIN EVERYBODY'S REACH



Pide más a tu seguro de salud

70,000
CUSTOMERS

15.7
MILLION
EUROS IN
PREMIUMS



Vivaz is Línea Directa Aseguradora's health insurance brand. In only two years of operations it has built up a customer base of 70,000 customers, placing the company among the top 30 health insurers in the country. Vivaz is characterized by its flexible, user-friendly, digital offer, which has allowed it to energize a very mature and concentrated market.

In 2109, Vivaz continued its commercial expansion and maturity process, with excellent results. In addition to doubling its customer base to 70,000 policyholders, it also reached a gross written premium of 15.7 million euros, which has allowed it to become one of the top 30 insurers in the sector in only two years of operations. 2 out of every 3 new customers purchasing their insurance from Vivaz in 2019 had not previously taken out health insurance, which meets one of the strategic objectives of this new commercial area: to introduce a new product that is still considered a luxury by some sectors.

Simplification and user-friendliness

Last year, Vivaz catered to over 30,000 customers and carried out over 343,000 medical procedures including consultations, diagnostic tests, analyses and surgical operations. These figures represent a rate of use of the product at over 80% of the customer base, with the amount paid for the services offered standing at 10.2 million euros.

One aspect that shows the simplification and user-friendliness of the insurance is that only 5% of the medical procedures undertaken by the brand last year required prior authorization; which, undoubtedly, is a major asset when constructing a unique customer journey. Vivaz also offers one of the best medical teams in the whole insurance market, with over 33,000 professionals and over 1,000 centres spread around the country. In fact, in 2019, in the quality surveys carried out on over 10,000 Vivaz customers, the brand's medical team obtained an excellent result of 66.9% on the Net Satisfaction Score (NSS) scale, which is equivalent to a global score of 8.9 out of 10.

IN ONLY TWO YEARS OF OPERATIONS,
VIVAZ IS ALREADY ONE OF THE TOP 30 MAJOR
INSURERS IN THE COUNTRY

VIVAZ, INSURANCE WITHIN EVERYBODY'S REACH

A digital commitment

Vivaz has strengthened its commitment to new technologies as a method for constructing a more enriching, comfortable and flexible user experience. In fact, the Vivaz App, which allows customers to carry out all the processes relating to insurance on their smartphone, has recorded almost 50,000 downloads and over half a million searches for medical professionals, 80% of the total for all channels, a percentage reached thanks to the wide range of solutions that the application offers, such as the virtual assistant or the geolocation of medical centres.

Other new digital features introduced by the brand are the 100% digital health insurance card, which can be downloaded onto the smartphone, and the voice assistants, an area in which an application has been launched allowing customers to interact with Vivaz through the Google Assistant.

Vivaz people, healthy people

Since it was launched in September 2017, Vivaz has encouraged and promoted the adoption of healthy habits among the population. It achieves this via the free App "Vivaz Activity", on which users are rewarded every day for walking 10,000 steps and sleeping 7 hours, recommendations from the World Health Organization for living a healthy life. The reward can be a discount of up to €200 on the renewal of the Full Vivaz insurance policy.

At the close of 2019, "Vivaz Activity" had over 23,000 registered users, more than double the amount in 2018. Furthermore, these users have been much more active, with the application having recorded a total of 17,000 million steps, 3 times more than in 2018. This means that the challenge of walking 10,000 steps a day was met on over 750,000 occasions, 4 times more than in the previous year.

At the beginning of the year, and given the importance of rest for personal wellbeing, Vivaz introduced a new feature to "Vivaz Activity": a sleep monitor which rewards customers who sleep a minimum of 7 hours, thereby becoming the first health insurer to offer rewards for having had a good night's sleep if the challenge of the 10,000 steps a day is also met.

In the area of renewals, almost 1,800 policies were renewed in 2019 with an average discount of over €31 for customers having met the steps or sleep challenge, or both. This loyalty strategy will be completed in 2020 with discounts for doing physical exercise such as swimming, cycling or activities in the gymnasium.

In addition to promoting healthy lifestyle habits, Vivaz is the first health insurance brand to offer its customers preventive diagnostic tests, even when they do not show any symptoms. The overall objective is to combine two strategies: encouraging its customers to be in better health in general and allowing them to benefit from this by paying less for their insurance.

VIVAZ ACTIVITY

23,000

REGISTERED USERS

17 MILLION STEPS



DAVID PÉREZ RENOVALES,
GENERAL DIRECTOR OF HEALTH
INSURANCE AT LÍNEA DIRECTA
ASEGURADORA, S.A.

"Vivaz has become, in slightly more than two years, the true driving force in the health insurance sector in Spain offering a flexible, simple, digital proposal which includes a unique rewards system in the sector, allowing customers to obtain substantial discounts on their insurance and improving their general state of health. This has resulted in us being able to reach a total of 70,000 customers with a turnover of 15.7 million euros in 2019".

A close-up portrait of a woman with short, white hair, smiling warmly. She is wearing a white tank top. The background is a solid orange color with a subtle, lighter orange curved shape behind her.

“JUBILENNIALS”: THE IMPACT ON RETIREMENT ON HEALTH FROM THE AGE OF 65

In 2019, Vivaz published the study “*Jubilennials*: the impact of retirement on health from the age of 65”. The report, which was compiled in collaboration with the Francisco de Vitoria University and with Manuel Castillo, President of the Spanish Society of Anti-aging and Longevity Medicine, concludes that, contrary to the widely-held belief, retirement does not lead to depression, but seems to reduce it, due to the fact that the percentage of Spaniards from 55 to 64 years old showing symptoms of depression is 27% higher than citizens between 65 and 75 years old. In fact, almost all habits become healthier when people stop working: they do more exercise on a regular basis, following healthier diets, smoking and drinking less and feeling more satisfied with their social life in general.

In addition, in spite of being older, retirees do not use health services more and have a greater awareness on prevention. In fact, Spaniards between the ages of 65 and 75 are more likely to be vaccinated against the flu, undergo more medical check-ups and have more tests designed to facilitate the detection of cancer than the rest of society.

LÍNEA DIRECTA ASISTENCIA, DIGITAL INNOVATION

LÍNEA DIRECTA ASISTENCIA HAS BECOME A LEADER IN THE AREA OF DIGITALIZATION WITHIN THE SECTOR OF ROADSIDE ASSISTANCE COMPANIES.

TURNOVER

78.7

MILLION EUROS

Línea Directa Asistencia is the Línea Directa Group's roadside assistance and services company. As part of its firm commitment to innovation and technology, the company increased its turnover in 2019 to 78.7 million euros, with a pre-tax profit of 16.5 million euros, 5.2% more than in 2018.

Línea Directa Asistencia has become a leader in the area of digitalization within the sector of roadside assistance companies. This vocation for technology and innovation has allowed it not only to diversify and optimize its commercial offer, but also to significantly increase its turnover and profit levels. In fact, in 2019, Línea Directa Group's roadside assistance and services company reached a turnover of 78.7 million euros and a pre-tax profit of 16.5 million (+5.2%), thereby strengthening its status as an extraordinarily solid and profitable company.

As part of the Group's global strategy in the area of digitalization and technology, Línea Directa Asistencia has continued to develop the automation of its processes and services. As a result, almost half of the customers requesting a recovery vehicle last year did so by using the application or website on the mobile, a channel that offers far more flexibility and precision than the analogical process.

This initiative has been accompanied by other important improvements, in which the customer has always been the focal point of all the decisions. These include the digitalization of the service for transporting the vehicle to the repair garage from the recovery vehicle base, the implementation of confirming the arrival of the service via the registration number or the improvement of the process for locating customers by means of the GIS system.

Verification to improve subscription

Within the area of service control and the fight against fraud, Línea Directa Asistencia carried out over 164,000 verifications for new policies where it detected damage valued at 60 million euros. In addition, it has committed itself to optimizing the process including the diagnosis of the vehicle via on-site appraisals of over 3,000 vehicles; an initiative

Sonrye, a solution for mobility

Sonrye is a solution for mobility proposed by Línea Directa Asistencia by means of which the company offers courtesy drivers and vehicles, in addition to other services such as the transportation of cars to the repair garages or the centres authorised for the Technical Inspection of Vehicles (ITV). Since this commercial area was launched, Sonrye has transported over 6,000 cars and collaborated with over 150 repairers in Madrid, Barcelona and Valencia

that in addition to offering new possibilities in cost control is also a useful asset for the customer, as it gives him or her information on the state of the vehicle.



**JULIO AGULLÓ,
DIRECTOR OF LÍNEA DIRECTA
ASISTENCIA**

"Línea Directa Asistencia creates an ideal platform for testing and developing new commercial solutions based on versatility, technology and efficiency. Our commitment to innovation allows us to diversify our offer year after year, thereby increasing our profits and turnover".



SUPPORT AREAS

SERVICES AND BENEFITS, THE DECISIVE MOMENT

SINCE IT WAS CREATED, THE AREA HAS BASED ITS **WORK PROCESSES** ON TECHNOLOGICAL SUPPORTS, WHICH HAS ALLOWED IT TO BOOST EFFICIENCY AND OBTAIN HIGH LEVELS OF QUALITY.

Linea Directa's Services and Benefits Area constitutes the major cost centre of the company, with a volume of payments totalling well over 581 million euros in 2019, which puts the Net Claims Rate of the Group at 68%, one of the lowest in the sector. From the very beginning, the area has based its work processes on technological supports, which has allowed it to boost efficiency and obtain high levels of quality.

The Services and Benefits Area of Línea Directa Aseguradora is made up of an extensive team of professionals who manage processes relating to claims, repairs, rehabilitation and compensation for personal injuries and material damage caused in traffic accidents. Last year, the area, formed by almost 500 professionals in different departments, recorded a claims cost of 581.9 million euros, which puts the net claims rate of the Group at 68%, one of the lowest in the insurance sector.

Material damage processing

In 2019, the Material Damage Department committed itself to boosting the digitalization and omnichannel systems used for interacting with customers, offering flexible solutions that can be specially adapted to the personal requirements of each type of customer: Línea Directa has three communication channels for presenting claims: the

webpage, the company app and the telephone, on which two million contacts are recorded every year. The digital channels underwent considerable growth in 2019, with 20% of the claims presented last year being processed online.

As for the processing of records, in 2019 work was completed on over 300,000 claims that form part of the different sectoral conventions, an area in which Línea Directa has considerably increased its participation through the company's adhesion to the SGR Convention in the motor insurance sector; an initiative that will make it possible to shorten the timeframe for making complaints. Finally, with regard to network management, the company has succeeded in channelling over 70% of the total number of vehicle repairs to the company's network repairers, a figure that has a direct effect on the quality of the service and the efficiency of operations.

DIGITAL CLAIMS

20%

IN 2019

70%

OF THE TOTAL NUMBER OF VEHICLE REPAIRS HAVE BEEN SUCCESSFULLY CHANNELLED TO THE COMPANY'S NETWORK REPAIRERS



SERVICES AND BENEFITS, THE DECISIVE MOMENT

Personal injury

Rehabilitation, compensation and care for victims of traffic accidents forms one of the most sensitive processes in the insurance sector. With this in mind, Línea Directa has always introduced services that are unique in the motor insurance sector; such as Full Medical Treatment, an extensive network of professionals that is completely free of charge and considerably reduces recovery times for injured victims. This treatment, the only one of its kind in its area, was completed last year with services such as the digitalization of healthcare management systems and home-based physiotherapy, an initiative that offers a greater level of comfort to individuals injured in traffic accidents.

In 2019, the Personal Injury Management department also encouraged the adaptation of internal processes to the changes introduced by the Organic Law 2/2019, as part of the reform of the Penal Code, as well as working on the analysis

of its impact on the instigation of minor offences resulting from traffic accidents. The company has also promoted negotiation as a means of reaching out-of-court settlements for claims filed against the company, with a view to containing the claims cost and improving the average timescale required for the resolution of cases, which allows both the company and its specialists to focus on the real necessities of its customers.

With regard to the new Personal Injury Assessment Barometer, the department's internal operations have continued to be adapted to the new system and to be improved by drawing on the experience obtained since it was introduced. In addition, the SDP-LEX tool has been implemented in the processes of the company, which will facilitate communication and the safe exchange of documentation between Línea Directa and lawyers, as a consequence of the agreement between UNESPA, the General Counsel of Lawyers and TIREA.



Fight against fraud

In January 2020 Línea Directa presented its V Insurance Fraud Barometer, the only one in the sector to offer the analysis of a whole decade. The study, that gained wide media coverage, focuses on almost 60,000 cases of fraud in the Motor Insurance Area and over 6,500 in the Home Insurance Area detected in the last two years and makes alarming conclusions, with, since 2013, the number of organised networks involved in insurance fraud having tripled and exceeding 500 in the period analysed.

These networks present structures that are extremely hierarchical, focusing mainly on personal injury fraud and tending to make claims for substantial amounts (more than €10,500 on average). Its "modus operandi" consists of pre-staged accidents on roundabouts and rear-end collisions, which are carried out "in carrousel" with a view to tricking different insurers. Outside these mafias, the insurance fraud rate has remained stable at below 6%.

In addition, for the first time in the sector, Línea Directa has thoroughly analysed fraud committed in the Home Insurance Division, an area which has special characteristics, due to the facts that the purchase of home insurance is not compulsory, the cost of a premium is considerably lower than for Motor Insurance and the level of awareness is also much lower; circumstances that have a significant impact on fraud detection. Nevertheless, the percentage of fraud was found to be higher than expected, with, in the last two years, 2 out of every 100 claims proving to be false.



JOSÉ ANTONIO EGIDO, DIRECTOR OF SERVICES AND BENEFITS

"Línea Directa has an excellent team of almost 500 professionals focused on a single objective: achieving customer satisfaction and surpassing expectations. We do this by basing our products on efficiency and flexibility in an omnichannel environment, which allows us to make the customer the focal point of all our decisions."

CAR Madrid AND CAR Barcelona

Línea Directa Aseguradora's first Advanced Repair Centre (CAR) was set up in 2008 in Madrid and was designed to offer the customer a comprehensive service, from initiating the accident claims process to the handing-over of the repaired vehicle. The project, which was extended in 2018 with the launch of CAR Barcelona, has made it possible to substantially improve the company's knowledge in the area of vehicle repairs, as well as optimizing the interaction of repair garages with administrative processes. The CAR repairers have become a successful test bed for testing state-of-the-art technological tools, ranging from spare part processing to making appointments for repair work without the need for any human intervention.

In the last year, CAR repair garages pioneered the use of WhatsApp for making appointments with customers, establishing a new form of interaction with policyholders that forms part of the Group's firm commitment to the implementation of digital, customer-centric processes.

CAR Madrid and CAR Barcelona have become two of the largest garages in Spain by volume of repairs. In fact, in 2020 it is predicted that both centres will carry out over 18,000 repairs in uninterrupted shifts of 16 hours thanks to the round-the-clock work schedules of its teams of professionals.

18,000

REPAIRS PREDICTED

**CAR MADRID AND CAR BARCELONA
HAVE BECOME TWO OF THE LARGEST
REPAIRERS IN SPAIN BY VOLUME OF
REPAIRS.**

Claims in the Home Insurance Area

The Services and Benefits Area also deals with repair work resulting from claims made in the Home Insurance Area, a process in which, in 2019, a commitment was made to implementing services that offer the customer a fast response and quality, such as Home Insurance Video Assessment, which, in addition to the awarding of compensation that allows repair work to go ahead, have led to a substantial reduction in the time required for bringing the claim process to a close. In 2020, it is hoped that 23% of claims for which on-site assessment is possible, will be appraised by video.

Also in the area of services, LDARreparaciones, the Línea Directa Group's repair company, coordinated over 55,000 services in all trades (plumbing, masonry, painting, carpentry etc.), which represents 85% of the repair work. In 2020, it is predicted that the company will process damage due to theft, acts of vandalism and fire in addition to the claims that it already coordinates, such as water, weather and sanitary ware damage.

TECHNOLOGY, EFFICIENCY AND VERSATILITY

ON EXTERNAL CHANNELS LÍNEA DIRECTA HAS BECOME THE FIRST INSURER TO USE WHATSAPP WITH ITS CUSTOMERS.

The direct model demands the use of technology as a support for the business, which makes it necessary to apply and develop state-of-the-art solutions in order to optimize the communication flow between the company and its main stakeholders. As a result, the Technological Area constitutes the key support area for the business, which it achieves through the implementation of agile methodology in areas as distinct as architecture, development, tools or infrastructure.

By offering its service across the whole of the country from a single location Línea Directa has become a true benchmark in the area of technology in Spain; a status that has been strengthened by its ambitious Digital Transformation Plan, which has promoted a new form of interacting with customers based on flexibility, agility and effective processing methods.

With this Plan, which operates under the slogan “More digital, more useful”, Línea Directa is committed to prioritising usability and adapting its commercial communication methods to each type of policyholder, for whom it offers a wide range of solutions based on artificial intelligence, virtual assistants and big data, which it completes with a powerful engineering process and the use of agile methodology, extending its application to architecture, development, tools or infrastructure.

The importance of data and innovation

In 2019, the Technological Area focused on two fundamental areas: data and operating solutions based on innovation. In the area of data there has been a focus on seven different environments: availability, traceability, security (which includes operational data and information on the databases), fulfilment, quality, uniqueness and elimination.

The area of innovation has become one of the essential pillars for optimizing the company's relations with the customer, both in the commercial processes and those relating to support. As a result, Línea Directa has committed itself to artificial intelligence to automate those processes that are by nature more mechanical, reserving the value added by personal counselling to those commercial procedures that are more complex. In order to cater for this strategy, different solutions have been

developed in the field of artificial intelligence applied to images and documents, as well as solutions as varied as video-assessment, Whatsapp and bots. As for artificial intelligence applied to documents, Línea Directa has automated the processing of non-standard documentation, which adds a greater degree of efficiency and reduces administrative procedures. With regard to images, a number of pilot schemes have been developed to identify and evaluate damage by using photographs and video, a process that, gradually, will be implemented into all areas of the company. In addition, work has been continued on the identification of customers by using voice biometrics.

The use of this technology has also been applied to both the internal channels (the website, the App or the call centre) and the external channels (Whatsapp and virtual assistants).



**ANA SÁNCHEZ GALÁN,
CHIEF INFORMATION OFFICER**

“Línea Directa has become a digital benchmark thanks to its firm commitment for technology, innovation and its solutions based on artificial intelligence, bots and an engineering of processes that are both flexible and constantly evolving”.



In addition, bots have been implemented in those procedures in which the attribute most requested by the customer is availability rather than advice. This solution has become a measure that is most suitable for simplifying the processing of incoming calls. In fact, last year, the company processed around 140,000 calls by means of these applications, 80,000 of which formed part of the customer identification process, which saved, on average, 40 seconds of call time for each customer. Furthermore, the automatic initiation of the motor insurance claims process has been implemented by means of the VRU, the system that interprets the information provided by the customer and incorporates it into the file.

Also in 2019, Línea Directa presented its new app that was launched with two fundamental objectives: to build a relationship with policyholders based on flexibility and omnichannel systems and to optimize the customer experience by saving up to 50% of the time required for insurance operations. In order to achieve this, the new app offers services that are unique within the sector, such as the forwarding of photographs of the car for assessment purposes or requesting a recovery vehicle in seconds without the necessity for any human intervention. Línea Directa's app also makes it possible to check outstanding traffic fines for the vehicle, process

administrative resources, review any existing valid policies and consult the amount saved via the company's "Suma en Línea" loyalty programme.

In the external channels, Línea Directa has become the first insurer to use Whatsapp in communications with its customers, who, since 2019, have been able to make an appointment with their repairer by means of this application. This service will soon also be available for CAR repair garages and subsequently it will be extended to other network repairers of the Group. In addition, a number of solutions have been developed based on the creation of virtual assistants on Google Home.

Also in the external environment, Línea Directa's Technological Area has continued to develop a wide range of projects and pilot schemes relating to IoT systems, focusing on the operation of sensors in the UBI (Usage Based Insurance) systems; a system that makes it possible to monitor the driving habits of users by means of an application installed in their smartphone, creating the possibility of offering customers products and benefits that are specially adapted to their personal requirements. Línea Directa is also working on a fall sensor that will make it easier to offer assistance to injured persons, an area that has a number of applications in the healthcare field.

THE NEW APP IS DESIGNED TO BUILD A RELATIONSHIP WITH POLICYHOLDERS BASED ON FLEXIBILITY AND OMNICHANNEL SYSTEMS AND TO OPTIMIZE THE CUSTOMER EXPERIENCE BY SAVING UP TO 50% OF THE TIME REQUIRED FOR INSURANCE OPERATIONS.

Security, guaranteeing business

The Corporate Security Department, which reports to the General Secretariat Area, aims to boost cyber-resilience in processes and areas within Línea Directa, through which it coordinates and monitors security in all applications, servers, codes and connections of the company. This work is especially important in a very complex environment that has passed from the "proof of concept" stage to one of professionalization and sophistication in the indiscriminate launch of cyber attacks.

In order to combat these, Línea Directa has substantially strengthened the Corporate Security Department, increasing both its budget and the number of its team members, which is up by 60% compared to the previous year. The objective has been to design, monitor and manage the security of the company, for which all the lines of defence of the company have been maintained and developed, with important alliances with leading companies in the sector of cybersecurity being established.



	22	23	24	25	26	27
Product A	Asst. 1	146	154	126	141	141
Product A	Europe			12,950	22,526	24,798
Product A	Asst. 4	25,559	41,756			47,766

Company's Growth

phases to allow an entrepreneur to focus attention on the greatest opportunities to increase sales. The company's target. Marketing strategy is used to increase sales and achieve the advantage of a competitive edge. Marketing is a process that involves identifying the target market, analyzing the market, and developing a marketing plan. The marketing plan is a document that outlines the company's marketing strategy and the steps that will be taken to achieve the company's marketing goals.

Opportunities to increase sales and achieve the company's target.

Category	2013	2014	2015	2016
Companys & Clients	107,110	108,241	109,372	110,503
Companys	108,000	109,131	110,262	111,393
Companys & Clients	109,110	110,241	111,372	112,503
Companys	110,000	111,131	112,262	113,393
Companys & Clients	111,110	112,241	113,372	114,503
Companys	112,000	113,131	114,262	115,393
Companys & Clients	113,110	114,241	115,372	116,503
Companys	114,000	115,131	116,262	117,393
Companys & Clients	115,110	116,241	117,372	118,503
Companys	116,000	117,131	118,262	119,393

Business Company

111 Westside Ave. Suite 100
 Irving, TX 75039
 (214) 462-1234

Current total: 170
 Net payable: 160
 Due: 12/02/2014

INVOICE

Date: 12/02/2014
 Invoice #: 123456
 Customer #: 123456

Category	Quantity	Amount
Companys & Clients	240.51	240.51
Companys	500.75	500.75
Companys & Clients	500.75	500.75
Companys	500.75	500.75
Companys & Clients	500.75	500.75
Companys	500.75	500.75
Companys & Clients	500.75	500.75
Companys	500.75	500.75
Companys & Clients	500.75	500.75
Companys	500.75	500.75

WE TAKE CARE OF WHAT MATTERS

2019 has been the last year of validity of the III Corporate Responsibility Master Plan, launched 3 years ago and which has built a strategy focused on the total care of people. In 2020, Línea Directa will launch its IV Master Plan that will include the impact of the company's CSR policies on the Objectives of Sustainable Development (OSD), promoted by the United Nations.

III CSR Master Plan (2017-2019)

2017 saw the launch of the III Línea Directa Corporate Responsibility Master Plan, approved by the company's CSR and Reputation Committee, which was in effect until December 2019. It was compiled after carrying out extensive sectorial benchmarking, organising several focus groups and interviewing directors, middle managers, employees, suppliers and different stakeholders. The result was a plan that focused mainly on the total care of people, a concept that is closely linked to the role of insurance.

With the slogan "We take care of what matters", the plan has revolved around three areas of activity: the economy, society and the environment, which are reflected in three complementary concepts:

"We take care of the business", "We take care of the organisation" and "We take care of society". It also establishes two different levels in its relations with stakeholders. The first of these consists of the stakeholders with whom the company has a contractual relationship: the shareholder, customers, employees and suppliers. The second covers the rest: the media, institutions, entrepreneurs, trade associations, opinion leaders, charity organisations, non-customers and society in general.

LINEA DIRECTA STAKEHOLDERS 2019



OUR MISSION

To use our experience in direct response for the benefit of our customers, employees, shareholders and suppliers and, by extension, for the whole of society, generating wealth, security and a more responsible and sustainable environment for people.

OUR VISION

To be the leading insurer as a result of our respect for the groups with which we interact, especially customers, employees and suppliers. To be at the forefront of innovation in the insurance sector and to promote values linked to road safety, safety in the home, health, the environment and sustainability.

OUR STRATEGY

TAKING CARE OF THE BUSINESS



Motor



Home



Health

TAKING CARE OF THE ORGANISATION



Employees



Shareholder



Suppliers

TAKING CARE OF SOCIETY



Customers and
non-customers



Social
groups



Entrepreneurs



Environment

WE TAKE CARE OF THE BUSINESS

This concept includes the Línea Directa Group's three areas of operations: motor, home and health insurance. It also includes the Fraud Barometer, compiled every two years, which has become a benchmark in the sector and in the media. Furthermore, since 2014 Línea Directa has channelled its commitment to road safety through the Línea Directa Foundation.

In the home insurance area, each year Línea Directa undertakes sociological studies on different phenomena relating to Spanish homes. And in the health insurance area, Vivaz also publishes interesting reports on healthy habits and the major challenges faced by the Spanish population on health issues, as well as encouraging the Spanish population to take 10,000 steps and sleep a minimum of 7 hours a day via its free app "Vivaz Activity".



WE TAKE CARE OF SOCIETY

One of the fundamental areas of the Línea Directa Group's corporate responsibility strategy is road safety, channelled since 2014 through the Línea Directa Foundation. The Foundation implements several initiatives such as the Road Safety Awards and the Entrepreneur and Road Safety Awards.

Línea Directa's corporate responsibility policy also includes the maintenance of socially responsible products and services such as Young Person's and Motorcyclist's Night-time Assistance, Full Medical Treatment for those injured in traffic accidents or the Póliza Respira (Breathe Policy) for electric vehicles.

Línea Directa also promotes environmental care and holds important certificates such as those corresponding to the Environmental Management System, in accordance with the international ISO 14001 standard and to the Energy Management System, in accordance with the international ISO

50001 standard. Furthermore, each year Línea Directa measures and reports on the Group's carbon footprint and promotes several projects designed to increase environmental efficiency, such as the promotion and insurance of the electric vehicle, the recycling of plastic, paper, printer toner and oils, and the total implementation of the Digital Policy.

Finally, as part of its Corporate Responsibility Master Plan, the company aims to promote and participate in initiatives that make it possible to substantially improve the wellbeing of citizens by means of technological patronage schemes such as those supporting two start-ups related to healthcare (TERAS) or the environment (APTICA).

In 2020, Línea Directa will launch its IV Master Plan that will include the impact of CSR policies on the company in the Sustainable Development Goals (SDGs) promoted by the United Nations.

**EACH YEAR LÍNEA DIRECTA
MEASURES AND REPORTS ON THE
GROUP'S CARBON FOOTPRINT
AND PROMOTES SEVERAL
PROJECTS DESIGNED TO INCREASE
ENVIRONMENTAL EFFICIENCY.**

WE TAKE CARE OF THE ORGANISATION

The shareholder, employees and suppliers are the stakeholders around which the corporate environment of the CSR Master Plan is structured.

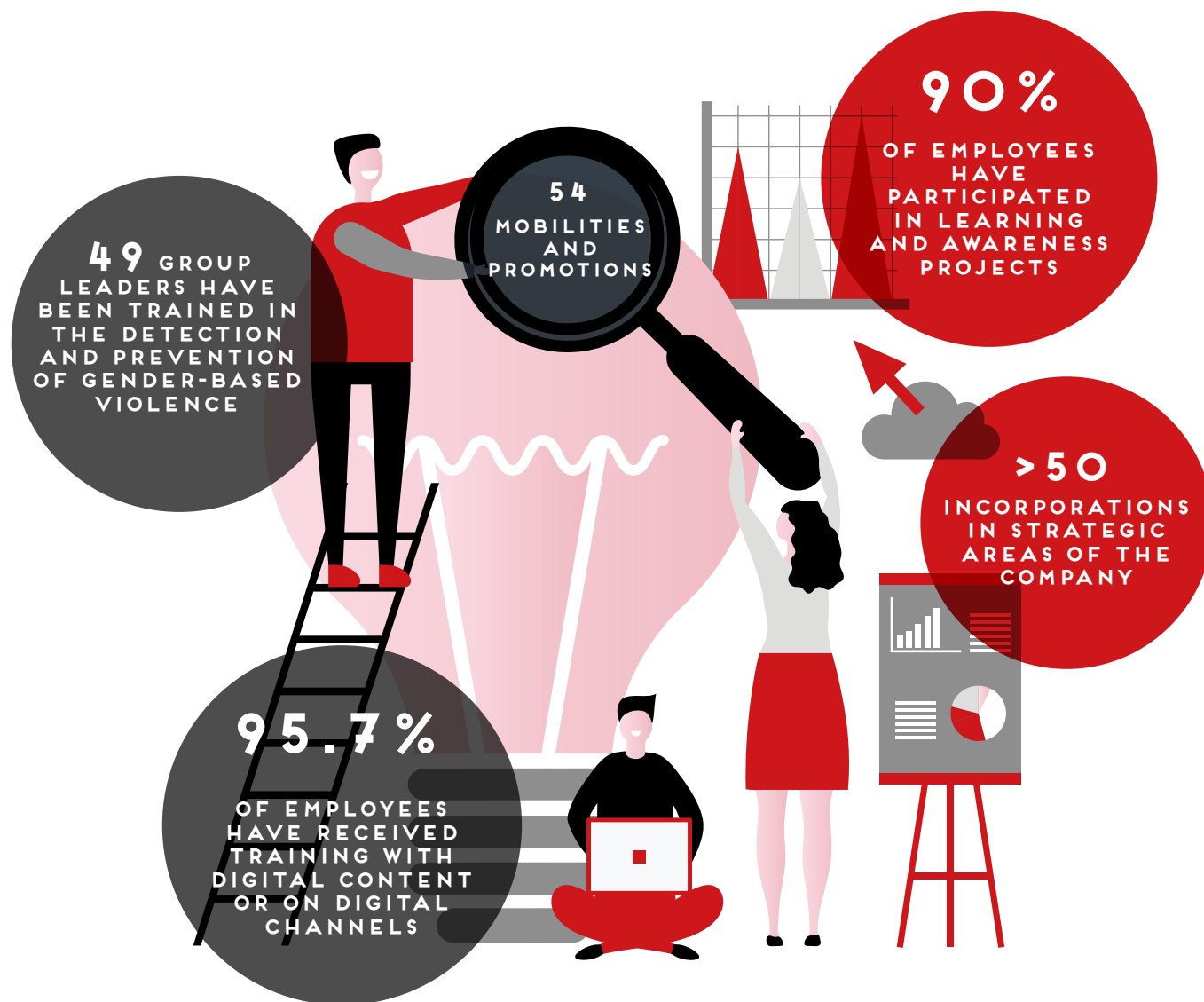
With regard to the shareholder, Línea Directa generates huge value thanks to its policies of transparency and excellence in its social and environmental behaviour. It reports its activity following the GRI Standards in the major reputation rankings of the country.

As for employees, the company has consolidated its status as an excellent place to work. Línea Directa, which employs a team of over 2,400 people, is committed to offering quality employment with 94% of its staff on permanent contracts. It also promotes smart working initiatives, encouraging flexibility in working hours and workspace, offers special licences, such as those allowing its staff to accompany family members to chemotherapy sessions, and it also promotes healthy habits among its employees.

Línea Directa also operates a Corporate Volunteer Programme and a specific Mobility and Road Safety Plan for employees, which includes a number of projects for car sharing and promoting the use of the electric car. As part of this initiative, the company offers its workforce a fleet of vehicles for journeys between work centres and for use on assignments.

With regard to its suppliers, for the last decade, each year Línea Directa has held its Partners Awards, which aims to recognise levels of excellence in the work of its suppliers and partners in 3 different dimensions: Excellence in Service, Implication in Digital Transformation and Social Value.

DIALOGUE WITH EMPLOYEES: PEOPLE MATTER TO US



Línea Directa's Human Resources and Internal Communication Area plays a key role in the digital revolution currently experienced by the company. This involves placing people at the centre of the strategy in preparation for successfully approaching the challenges of this transformation.

Línea Directa is aware that the corporate culture and people are the true driving forces behind the transformation currently experienced by society and companies. As a result, the company is committed to creating an environment in which it promotes new ways of thinking, working and leading, with people as the real protagonists.

In 2019, the Línea Directa Group's Human Resources and Internal Communication Area focused its efforts on designing the Employee Journey. This takes the form of reconsidering each moment experienced by people in their relation with the company with a view to creating unique experiences and emotions. It has also continued to promote a very horizontal and non-hierarchical set-up in which people participate in a collaborative environment where information and talent form the basis for common learning. An example of this are the internal tools such as the one for the "PI" group of analysts used for sharing information, methodologies and better practices.

DIALOGUE WITH EMPLOYEES: NOS IMPORTAN LAS PERSONAS

Innovation for reinventing processes

In the area of selection processes, means of communication with candidates have been reinvented, promoting the transparency, closeness and personalization of messages. Furthermore, in order to attract young STEM talent, Línea Directa has launched initiatives such as Big Ideas, a hackathon aimed at students through which they can access financial aid for studying a Master's, as well as developing a career plan within the company.

In 2019, the Human Resources and Internal Communication Area has continued to hold Experience Days, a commercial talent selection process that includes the participation of different commercial managers within the company, and features presentations focusing on motivation.

This year also saw the launch of the new *On Boarding* process, designed to share the corporate culture of the organization with new employees even before they join the company. This process includes aspects such as a welcome pack or specific learning tools in areas such as microcontent or gamification.

Internal digital communication

In the area of internal communication, Línea Directa encourages a direct, digital relationship with the employee using a number of channels, such as the Online Yearbook, the Intranet, the Employee Channel and interaction in an audiovisual format. The company also periodically organizes briefing sessions in which the Chief Executive Officer and senior directors inform employees about commercial progress and the most important projects of the quarter. Each year Línea Directa also holds the "People making a mark" Awards, in which the company employees select from their colleagues those individuals that best represent the corporate values.

In 2020, Línea Directa will continue to work on strengthening an inclusive culture that integrates talent of all types such as senior, junior or STEM. The objective is to incorporate experience and vision from each profile and each group with an emphasis on collaboration, training, and self-learning, with a view to generating ambitious and challenging environments.

The company will also continue to commit itself to the development of digital competencies such as agility, flexibility and talent.



MAR GARRE,
HUMAN RESOURCES AND INTERNAL
COMMUNICATION DIRECTOR

"We are experiencing a passionate transformation process and we want to prepare teams so that they can enjoy this moment together. This implies transforming the structure, the positions and the functions and developing new strategic competences in the digital world".

RISK PREVENTION IN THE WORKPLACE

Línea Directa guarantees a safe, responsible and healthy working environment for all its employees. In fact, in 2019, the accident rate was lower than the rest of the sector, dropping by 20% compared to the previous year. The incidence rate also fell from 5.1 to 3.9 for every 1000 employees, a figure that is reduced to 0 if only the actual daily working hours are taken into account.

In 2019, the Service for Risk Prevention in the Workplace offered medical check-ups to over 1,200 employees, launched a new flu prevention campaign and updated psychosocial assessment processes. It also offered general training sessions to new employees, and gave courses on first aid and back school. Finally, it worked on introducing emergency plans with the participation of the Civil Defence and the local Tres Cantos Police Force and on responding to the demands of the Regional Decree 78/2017 on cardioprotected work centres.

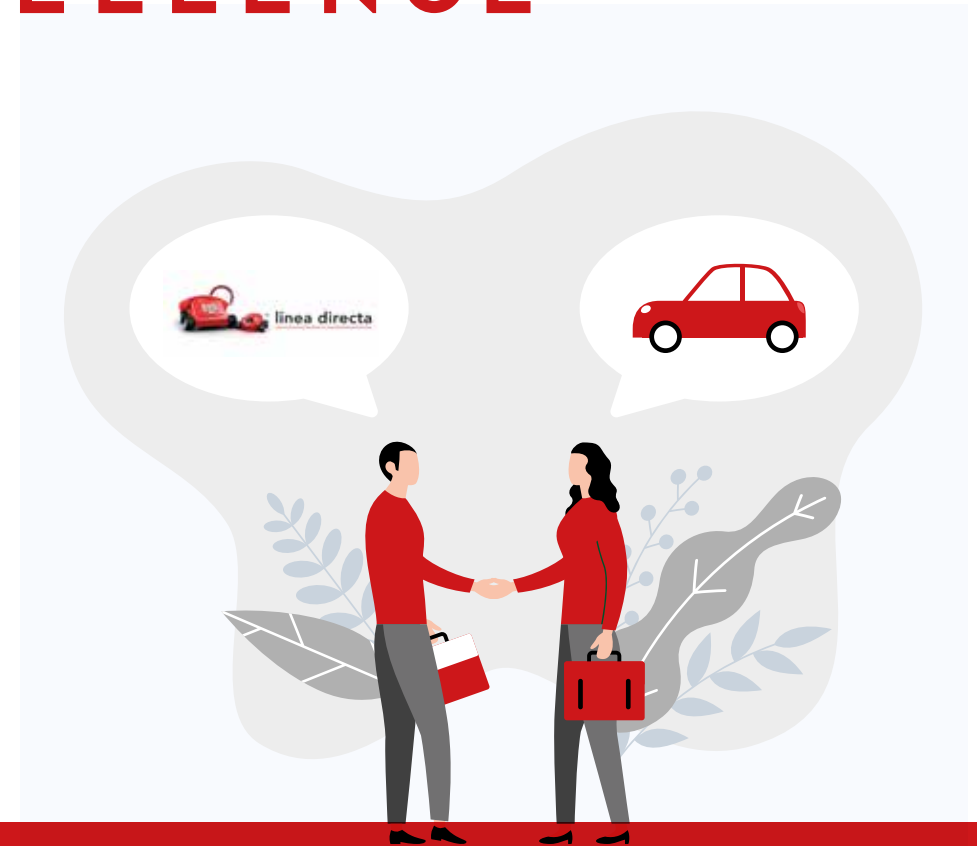
OUR CUSTOMERS: THE BASIS OF EXCELLENCE

For Línea Directa the customer constitutes the maximum strategic priority and is, together with employees, suppliers and the shareholder, one of the key stakeholders. As a result, policyholders form the basis and the focal point of all the decisions and processes of the company, which promotes a relationship with them based on trust, transparency and permanent dialogue.

A direct company that does not employ intermediaries, agents or office networks, is required to integrate a different client experience into all its processes. Therefore, Línea Directa periodically tests the satisfaction levels of its customers with exhaustive analyses that allow it to identify the areas for improvement and the needs of its customers.

Last year, the company implemented a new scorecard that makes it possible to carry out continuous monitoring of the main indicators of customer experience, satisfaction (NSS) and recommendation (NPS), as well as receiving feedback on the experience of the policyholder in real time, which allows Línea Directa to be informed on the strengths and weaknesses of each procedure.

This monitoring also makes it possible to take specific measures with customers at risk of cancelling contracts, thereby increasing the chances of renewal, satisfaction and cost reduction in negotiation. Speed and flexibility is maintained through a wide range of artificial intelligence processes, such as Speech to Text and Text Analytics that make it possible to transcribe audios and texts so that they can be grouped into a common code plan.



POLICYHOLDERS FORM THE BASIS AND THE FOCAL POINT OF ALL THE DECISIONS AND PROCESSES OF THE COMPANY, WHICH PROMOTES A RELATIONSHIP WITH THEM BASED ON TRUST, TRANSPARENCY AND PERMANENT DIALOGUE.

OUR CUSTOMERS: THE BASIS OF EXCELLENCE

Suma en línea

In 2019, "SUMA en Línea", the company's loyalty programme, boasted some 325,000 customers, which represents a growth of 30% compared to the previous year. This programme allows customers to obtain major discounts on their habitual purchases relating to the vehicle, including refuelling.

In 2019 Eurotaller was added to the partners that already formed part of the programme (Midas, Norauto and CEPSA). The agreement with this partner will allow the insurer's customers to accumulate a saving of 10% on the amount that they spend in the Eurotaller Plus centres, which will be discounted at a later stage from the policy renewal price. In addition, Línea Directa customers who use Eurotaller services will be able to benefit from a free inspection of the 50 key points that play a role in the safety of their vehicles.

In 2019, other agreements were also reached that will benefit "SUMA en Línea" customers. Policyholders that use Midas services can receive discounts for 8% of the bill, payable when they renew their insurance. With the official servicing of the vehicle in Norauto, Línea Directa customers can obtain discounts of €20 on the bill and can accumulate a further €10 on the SUMA card. Finally, by subscribing to CEPSA Home services, policyholders of the company can benefit from a €10 discount if they contract electricity and a further €10 if they contract gas.

Línea Directa also launched a new "SUMA en Línea" app, which will enhance the user experience, as it is more intuitive and user-friendly and allows immediate access to Wallet.

Complaints, an opportunity for improvement

Throughout 2019, the Complaints and Objections Service has implemented an ambitious plan of action focusing on reducing the number of incidences with customers. The plan, which has succeeded in reducing customer complaints by 35%, is based on the transfer of information to the different commercial areas and the analysis of official complaints and objections, as well as the improvement of the processing tools and the reduction in the average resolution time, which now stands at below 30 days.

Of the total of official complaints and objections received in 2019, 68.42% were resolved by the Complaints and Objections Service in the customer's favour. The average cost of processing incidents was €94.72 and the most common motives relate to damage not being covered in claims, delays in offering the service and requests for a refund on non-consumed premiums.

EVOLUTION OF COMPLAINTS AND OBJECTIONS

OFFICIAL COMPLAINTS

1,265

1,926 EN 2018
1,672 EN 2017

OBJECTIONS

6,398

10,021 EN 2018
8,905 EN 2017

68.4 %
ASSESSED IN 2019
WITH AN AVERAGE
COST OF THOSE
ACCEPTED OF
94.72 €.

2019 DISTRIBUTION BY AREAS

Category	%
Services and Benefits	58.27%
Policy Management	32.27%
Quotation and Policy Closing	4.37%
Roadside Assistance	2.56%
Additional Services	2.02%
Health Insurance Services	0.38%
Wellbeing	0.08%
New Products	0.05%



JOSÉ MARÍA MATÉ, DIRECTOR OF THE TECHNICAL AREA

"The success of a commercial offer is based on a constant balance between competitive prices and an adequate underwriting risk. But this balance disappears when customer satisfaction is not achieved, because it is the customer who brings viability and projected growth to a project".

OUR SUPPLIERS: COLLABORATING IN EXCELLENCE

Línea Directa has a direct business model, which does not rely on agents or offices, which is why its collaborators and partners play a fundamental role in the company's value chain, constituting a key ally, both on a commercial and reputational level.

In the direct business model, suppliers and partners are of paramount importance, due to the fact that they make up the real face of the company. As a result, Línea Directa uses a demanding selection procedure based on the quality of the service offered, the alignment with the corporate values and principles of its operations and total respect for the law and responsible practices.

In addition, Línea Directa has established an Ethical Code of Conduct for Suppliers, approved by the Board of Directors, which is based on the principles of ethics and transparency, regulatory compliance and respect for free competition, confidentiality and respect for intellectual property, respect for employment legislation and human rights and the protection of the environment. Furthermore, the suppliers registered on the Group Purchasing Platform must inform Línea Directa of its practices in the ASG area (environmental, social and good governance), which constitutes an important selection criterion.



NEGOTIATED
PERIMETER

95

MILLION EUROS

PURCHASING
PROCESSES
UNDERTAKEN

325

PERCENTAGE
OF SAVING
OBTAINED

22.1%

SPANISH
SUPPLIERS

99%

LÍNEA DIRECTA PARTNERS

AWARDS

As partners are one of the principal stakeholders for Línea Directa, each year the company recognizes their work and contribution with The Partners Awards, an event that has just celebrated its tenth edition.

The candidates for each edition are proposed by each area of the company in three different categories: the "Excellent Service Award", the "Implication in Digital Transformation Award", and the "Social Value Award". The first category is also divided into "Business to Consumer" (B2C) and "Business to Business" (B2B) and the second into "Business to Business (B2B) and "Business to Employee" (B2E), depending on who finally receives the service.

WINNERS OF THE

X EDITION OF THE PARTNERS AWARDS

Excellent Service Award

B2B: Abdón Pedrajas

B2C: El Campeón Recovery Vehicles

Implication in Digital Transformation Award

Technological Development: Babel Information Systems and CSS (shared)

Digital Positioning: Facebook and The Key Talent (shared)

Social Value Award

Pablo Ugarte Association and Lee Hecht Harrison (shared)

A DIFFERENT MODEL OF ENVIRONMENTAL MANAGEMENT

As a result of its business model, which is direct and does not rely on office networks, Línea Directa is a company that is extraordinarily efficient in the area of environmental sustainability, an area in which it has introduced its own management system that is designed to achieve the maximum reduction of its environmental impact. It also holds an ISO 14001 certificate and operates through an Energy Management System based on international standard ISO 50001.

Under the slogan of "We take care of what matters" in the III Corporate Responsibility Master Plan (2017-2019), Línea Directa has implemented its own management system designed to reduce its levels of consumption and make progress in its offsetting of emissions, and to promote new forms of mobility with an ambitious progressive strategy that was approved by the company's senior directors on the Corporate Responsibility and Reputation Committee.

As a result, Línea Directa Directa Aseguradora, together with Línea Directa Asistencia, Ámbar Medline and CAR, has progressively incorporated the calculation and management of its levels of consumption and emissions as part of its strategy to reduce consumption with a view to progressing towards a more sustainable energy model. In 2019, Línea Directa carried out its second review of the

Environmental Management System corresponding to UNE-EN ISO 14001: 2015 and the first review of standard UNE-EN ISO 50001:2011 on Energy Efficiency.

SUPPORT FOR NEW FORMS OF MOBILITY

Línea Directa supports new forms of mobility with its responsible products policies, aimed at reducing the emissions caused by traffic. This has been achieved via the commercialisation of the "Póliza Respira" (Breathe Policy), the first insurance policy in the sector specifically designed for electric cars, and by entering into a number of agreements with car sharing or motorcycle sharing companies offering electric vehicles. In fact, last year, Línea Directa closed a partnership agreement with the hire company Cooltra, and reached agreements to insure the fleets of electric motorcycles belonging to Acciona or IoScoot.

In addition, the company offers its employees electric vehicles for journeys between the different office buildings, which, in 2019, avoided the direct emission of 1.76 tons of CO₂ into the atmosphere.

OTHER SUSTAINABLE INITIATIVES

In 2019, Línea Directa participated in a wide range of projects for tackling climate change, including the "Earth Hour" campaign, the WWF's initiative to raise awareness on the necessity of reducing CO₂ emissions on a global level. In addition, it completed the acquisition and restructuring of a new office building that incorporates strict environmental criteria reducing the impact of its activity, including energy consumption. In this way, by means of measures such as the optimization of the use of natural light, the installation of low consumption lighting, the efficient watering of gardens, the use of low-consumption plants or the incorporation of renewable energy, the company has clearly shown

its commitment to implementing eco-efficient technology in its installations.

Furthermore, with its "Digital Policy", Línea Directa has succeeded in reducing its physical delivery processes by up to 40%, with the corresponding savings in the use of paper, emissions and the use of plastic in coverings and for shrink-wrapping. The objective is to make Línea Directa a paperless company, a concept that it also promotes through its monitoring and optimization of internal consumption.

In addition, Línea Directa has launched several awareness campaigns for employees designed to promote the correct separation of waste and the correct use of recycling points available in offices.

EMISSION OF 1.76 TONS OF CO₂
INTO THE ATMOSPHERE AVOIDED

THE COMPANY OFFERS ITS EMPLOYEES
ELECTRIC VEHICLES FOR JOURNEYS
BETWEEN THE DIFFERENT OFFICE
BUILDINGS

1.76

A DIFFERENT MODEL OF ENVIRONMENTAL MANAGEMENT

ENERGY CONSUMPTION

The main entities that make up the Línea Directa Group, Línea Directa Aseguradora, Línea Directa Asistencia and Ambar Medline (Nuez), have together reduced their levels of energy consumption by 1.42% compared to 2018. The integration of Nuez's activity into the parent company and an increased control of consumption throughout the year, led to a substantial reduction of up to 320 Gigajoules in 2019.

ENERGY CONSUMPTION

(GJ)

	2018	GJ/EMP	2019	GJ/EMP
Línea Directa Aseguradora	20,471.50	8.37	20,063.00	9.54
Línea Directa Asistencia	1,847.17	7.66	1,972.41	8.57
Ambar Medline (Nuez)	189.72	12.64	152.85	10.19

*Includes energy consumption in electricity, natural gas and diesel.

CARBON FOOTPRINT

2017-2019

CARBON FOOTPRINT

In 2019, the Línea Directa Group calculated its carbon footprint by following an international GHG Protocol model, which includes direct, indirect and induced emissions. For the second consecutive year, it has passed all its environmental information to the Bankinter Group in accordance with the Non-financial and Diversity Law 11/2018. For the first time, CAR Barcelona has also been included within the scope of the Línea Directa Group. The Management Report consolidated with Bankinter, which incorporates the information of the Group, has been verified by PWC.

EMISIONES CO ₂ EMISSIONS (T)	LÍNEA DIRECTA ASEGURADORA	
	2018	2019
From gas*/diesel** fuel consumption	351.0	331.4
Emissions/employee	0.16	0.16
*Natural Gas 2019 (1,601,953 Kwh). **Type C Diesel 2019 (2,166 litres) Source: MITECO. Emission factors recorded for carbon footprint, offsetting and carbon dioxide absorption projects (Version 12 – April 2019)		
INDIRECT CO ₂ EMISSIONS (T)		
From electricity consumption	1,030.97	949.04
Emissions/employee	0.46	0.45
Source: MITECO. Emission factors recorded for carbon footprint, offsetting and carbon dioxide absorption projects ENGIE.S.A. / From October GESTERNOVA (Version 12 – April 2019)		
INDUCED CO ₂ EMISSIONS (T)		
Commuting	2,518.2	2,405.2
Business trips	17.9	16.1
Water	5.4	6.1
Internal paper consumption	14.0	56.0
TOTAL	2,555.5	2,483.6
Emission/employee	1.14	1.14
Source: SIMAPRO (Ecoinvent System Processes, tap water; at user; RER/S). Updated 2018. Source: SIMAPRO (Ecoinvent System Processes 3; paper production), newsprint). Updated 2019. Source: Average car unknown. GHG Protocol – mobile public transport. Defra's business travel – land guidance. Version 1.2 2019 Note: Business trips and commutes only include those journeys made by car. Since October 2019, Línea Directa has had access to the supply of renewable electricity, thereby eliminating emissions of CO ₂ .		

DIRECT CO ₂ EMISSIONS (T)	LÍNEA DIRECTA ASISTENCIA	
	2018	2019
From gas*/diesel** fuel consumption	39.7	49.56
Emissions/employee	0.16	0.22
*Línea Directa Asistencia does not consume Natural Gas. **Type C Diesel 2019 (17,281.75 litres) Source: MITECO. Emission factors recorded for carbon footprint, offsetting and carbon dioxide absorption projects (Version 12 – April 2019)		
INDIRECT CO ₂ EMISSIONS (T)		
From electricity consumption	102.6	102.1
Emissions/employee	0.43	0.44
Source: MITECO. Emission factors recorded for carbon footprint, offsetting and carbon dioxide absorption projects IBERDROLA CLIENTES S.A. (Version 12 – April 2019)		
INDUCED CO ₂ EMISSIONS (T)		
Commuting	323.5	285.34
Business trips	5.9	10.1
Water	0.6	0.6
Internal paper consumption	0.2	1.7
TOTAL	330.21	297.85
Emission/employee	1.37	1.30
Source: SIMAPRO (Ecoinvent System Processes, tap water; at user; RER/S). Updated 2018. Source: SIMAPRO (Ecoinvent System Processes 3; paper production), newsprint). Updated 2019. Source: Average car unknown. GHG Protocol – mobile public transport. Defra's business travel – land guidance. Version 1.2 2019 Note: Business trips and commutes only include those journeys made by car. Since October 2019, Línea Directa has had access to the supply of renewable electricity, thereby eliminating emissions of CO ₂ .		

A DIFFERENT MODEL OF ENVIRONMENTAL MANAGEMENT

CARBON FOOTPRINT

2017-2019

DIRECT CO ₂ EMISSIONS (T)		
	CAR MADRID	
	2018	2019
From gas*/diesel** fuel consumption	148.5	143.3
Emissions/employee	2.4	2.2
* Natural Gas 2019 (706,330.00 Kwh). Source: MITECO. Emission factors recorded for carbon footprint, offsetting and carbon dioxide absorption projects (Version 12– April 2019)		
INDIRECT CO ₂ EMISSIONS (T)		
From electricity consumption	0	257.6
Emissions/employee	0.00	3.96
Source: MITECO. Emission factors recorded for carbon footprint, offsetting and carbon dioxide absorption projects IBERDROLA CLIENTES (Version 12 – April 2019)		
INDUCED CO ₂ EMISSIONS (T)		
Commuting	N.A.	N.A.
Business trips	N.A.	N.A.
Water	0.3	0.4
Internal paper consumption	0.1	1.0
TOTAL	0.4	1.4
Emission/employee	0.01	0.02
Source: SIMAPRO (Ecoinvent System Processes, tap water; at user; RER/S). Updated 2018. Source: SIMAPRO (Ecoinvent System Processes 3, paper production), newsprint). Updated 2019.		

DIRECT CO ₂ EMISSIONS (T)		
	CAR BARCELONA	
	2018	2019
From gas*/diesel** fuel consumption	-	130.2
Emissions/employee	-	2.7
* Natural Gas 2019 (641,728 Kwh). ** Ambar Medline does not consume diesel. Source: MITECO. Emission factors recorded for carbon footprint, offsetting and carbon dioxide absorption projects (Version 12– April 2019)		
INDIRECT CO ₂ EMISSIONS (T)		
From electricity consumption	-	151.1
Emissions/employee	-	3.21
Source: MITECO. Emission factors recorded for carbon footprint, offsetting and carbon dioxide absorption projects IBERDROLA CLIENTES S.A. (Version 12 – April 2019)		
INDUCED CO ₂ EMISSIONS (T)		
Commuting	N.A.	N.A.
Business trips	N.A.	N.A.
Water	-	0.3
Internal paper consumption	-	0.2
TOTAL	-	0.59
Emission/employee	-	0.01
Source: SIMAPRO (Ecoinvent System Processes, tap water; at user; RER/S). Updated 2018. Source: SIMAPRO (Ecoinvent System Processes 3, paper production), newsprint). Updated 2019.		

DIRECT CO ₂ EMISSIONS (T)		
	ÁMBAR MEDLINE (NUEZ)	
	2018	2019
From gas*/diesel** fuel consumption	1.9	0.6
Emissions/employee	0.12	0.05
* Natural Gas 2019 (706,330.00 Kwh). ** Ambar Medline does not consume diesel. Source: MITECO. Emission factors recorded for carbon footprint, offsetting and carbon dioxide absorption projects (Version 12– April 2019)		
INDIRECT CO ₂ EMISSIONS (T)		
From electricity consumption	12.2	10.9
Emissions/employee	0.8	0.7
Source: MITECO. Emission factors recorded for carbon footprint, offsetting and carbon dioxide absorption projects IBERDROLA CLIENTES S.A. (Version 12 – April 2019)		
INDUCED CO ₂ EMISSIONS (T)		
Commuting	3.3	1.6
Business trips	N.A.	N.A.
Water	0.04	0.15
Internal paper consumption	0.01	0
TOTAL	3.41	1.80
Emission/employee	0.22	0.12
Source: SIMAPRO (Ecoinvent System Processes, tap water; at user; RER/S). Updated 2018. Source: SIMAPRO (Ecoinvent System Processes 3, paper production), newsprint). Updated 2019. Source: Average car unknown. GHG Protocol – mobile public transport. Defra's business travel – land guidance. Version 1.2 2019 Note: Business trips and commutes only include those journeys made by car. In 2019, Nuez was integrated into Línea Directa Aseguradora.		

LÍNEA DIRECTA FOUNDATION

fundación
linea directa



LÍNEA DIRECTA FOUNDATION, THE VALUE OF COMMITMENT

Research

Training

Dissemination

Social action

**OPERATIONAL AREAS
OF THE LÍNEA DIRECTA
FOUNDATION**

The Línea Directa Foundation was created in 2014 with a view to reducing the number of road deaths, thereby picking up the baton from the company itself, which had made road safety its main area of focus in the CSR environment. The Foundation develops four operational areas: Research, Training, Dissemination and Social Action, with one clear objective: to promote responsible driving habits.

Each year, the terrible tragedy of traffic accidents leaves an everlasting mark on the lives of thousands of families in our country. As a result of its awareness of the scope of the problem, Línea Directa created its own Foundation in 2014 in its

fight to meet a challenge that until recently seemed impossible. However, a greater social awareness, the explosion of technology and the connected car and the improvement of infrastructures, have made the current climate a decisive moment for designing a safer mobility.

As a result, the Línea Directa Foundation organizes and promotes different initiatives in four lines of operation: Research, Training, Dissemination and Social Action. In 2019, these included three studies focusing on a number of issues relating to road accidents, held the XVI edition of the Road Safety Journalism Awards, and the VI edition of the Entrepreneurs and Road Safety Awards, as well as implementing several initiatives in the area of training and social action.

OBJECTIVE: TO PROMOTE RESPONSIBLE DRIVING HABITS



**FRANCISCO VALENCIA,
GENERAL DIRECTOR OF THE
LÍNEA DIRECTA FOUNDATION**

"The fight to reduce the number of road accidents is a challenge for us all. As a result, the Línea Directa Foundation aims to raise awareness, carry out research and divulge values that help us to build a society that is safer and free from traffic accidents".

GENERAL DIRECTOR**FRANCISCO
VALENCIA**Communication and Sustainability
Director of Línea Directa Aseguradora**GENERAL COUNSEL****PABLO
GONZÁLEZ-SCHWITTERS**Director of the General Secretariat of Línea
Directa Aseguradora**CONFIGURATION OF THE BOARD OF TRUSTEES OF THE LÍNEA DIRECTA FOUNDATION****fundación**
línea directa**CHAIRMAN****ALFONSO BOTÍN-SANZ
DE SAUTUOLA**

Chairman of Línea Directa

VICE CHAIRMAN**MIGUEL ÁNGEL
MERINO**CEO of Línea Directa
Aseguradora**PEDRO
GUERRERO**
Chairman of Bankinter**PEDRO MIRÓ**
Ex-CEO of Cepsa and
Ex-Chairman of the
CEPSA Foundation**MATÍAS PRATS**
Journalist and
Antena 3 TV Newsreader**MARÍA SEGUÍ**
Ex- General Director of
the Directorate-General
for TrafficPresident of the Spanish
Parliament's Road Safety and
Sustainable Mobility Commission
(10th Legislature)**TRUSTEES**

RESEARCH IS A COMMITMENT TO LIFE

Research constitutes one of the principal means used by the Línea Directa Foundation to offer society and institutions analysis and conclusions that make it possible to raise awareness, which is essential for improving safety measures on our roads.



Since it was created, the Línea Directa Foundation has carried out important studies focusing on a wide range of issues regarding accidents, with the purpose of making society aware of the necessity for encouraging responsible habits among drivers and pedestrians.

To this end, the Foundation regularly collaborates with certain prestigious institutions and organizations in the area of road safety together with those that analyse the official data regarding the accident rate. Furthermore, thanks to its close collaboration with Línea Directa Aseguradora, it also draws upon the vision, knowledge and extensive experience provided by the company in the area, as a result of its direct contact with accidents and victims.



In 2019, the Línea Directa Foundation carried out 3 studies, which were widely reported by the media, and featured almost 1,100 times in the press reaching an accumulated audience of 445 million.



“Personal mobility vehicles (PMV): threat or opportunity for road safety?”

The report, which sets out the opinion of the Spanish population on this increasingly popular means of transport, included almost 2,600 interviews with citizens from across the country. The Foundation also carried out a thorough analysis of the accidents that occurred in the previous year, as well as a prediction of the number of accidents for 2019, thereby alerting society to the fact that, if their use was not regulated in cities and on roads, the death rate could increase considerably in 2019.

“Smartphones: the impact of addiction to the mobile on traffic accidents”

This study, carried out in collaboration with INTRAS (the University of Valencia's Traffic and Road Safety Institute), estimated the number of deaths caused each year by the misuse of the smartphone. The figures are alarming, with the report concluding that every year 20% of traffic accidents (some 390 deaths in numerical terms) are caused by failing to use a mobile with a handsfree system while driving; a practice which 1 of every 2 Spaniards admits to.

“Black Spots: traffic accidents in Spanish capitals”

The Línea Directa Foundation conducted this study in collaboration with Línea Directa Aseguradora in order to identify those areas in cities where most traffic accidents occur. This was achieved by analysing almost 500,000 accidents recorded by the DGT and over 70,000 serious claims processed by the insurer. Results showed that the El Padro Tunnels and the exit roads for Mercamadrid on the M-40 in Madrid, the Avenida Diagonal between Plaça Pius XII and Doctor Marañón in Barcelona and the Recoletos-Castellana junctions in Cibeles, Nuevos Ministerios and the Santiago Bernabéu, were the most dangerous black spots in Spain. In addition, the Línea Directa Foundation created a sophisticated online reporting platform for citizens to share those points on the road network that they consider to be especially dangerous.

TALKING ABOUT ROAD SAFETY DESERVES AN AWARD



The Línea Directa Foundation is fully aware of the key role played by the media in the dissemination of good driving habits. As a result, every year, it holds the Road Safety Journalism Awards, one of the most prestigious events in the area of road safety in our country.

In 2019, the Línea Directa Foundation held the XVI edition of the Road Safety Journalism Awards, recognising the best reports on road safety that aim to raise awareness in society on the importance of responsible driving habits.

In the XVI edition, the winners, selected from over 2,000 entries, were: Sara Soria, from Coches.net in the Written Press and Online Media category; Álvaro Gómez, from Onda Cero Segovia, in the Radio category; and the Team of Editors from the Quéquicom Programme on TV3, in the Television category.

Awards are also presented in two other categories: the Solidarity Award, which was won by the National ASPAYM Federation – the association that works for people with spinal cord injuries and other physical disabilities – and the Honorary Road Safety Journalism Award, presented posthumously to Gonzalo Estefanía, who passed away in 2017 at the age of 36, for his excellent work in the field of road safety broadcasting throughout his career.

The Canal Theatres in Madrid were the venue for the award ceremony, which was presided over by Fernando Grande-Marlaska, the Spanish Government's Minister of the Interior. The master of ceremonies was the renowned journalist Pepa Bueno, who conducted a live interview with Jesús Vidal, winner of the Goya Award for best new actor for his performance in the film "Campeones".

In addition, the XVI edition of the Road Safety Journalism Awards, which had the celebration of life as its leitmotif, surprised the audience with a performance by Estrella Morente of "Hallelujah", the song by Leonard Cohen, which had been covered by Enrique Morente on the album "Omega".

The significant impact that the Awards had on social networks should also be noted, where, for yet another year, they became a trending topic in Madrid and throughout Spain.



AWARDS JURY

- **Pere Navarro Olivella**, Director-General of the DGT (Spanish Directorate-General for Traffic), President of the Jury.
- **María del Pilar González de Frutos**, President of UNESPA (Spanish Union of Insurance and Reinsurance Organisations).
- **Pere Macias i Arau**, President of the Spanish Parliament's Road Safety Commission during the 2011-2015 legislature.
- **Pedro Guerrero Guerrero**, Chairman of Bankinter.
- **Matías Prats**, Journalist and presenter of Noticias Fin De Semana (Weekend News) on Antena 3.
- **Fernando Garea**, President of the EFE Agency.
- **Paloma Zuriaga**, Director of RNE.
- **Javier García Vila**, Director of Europa Press.
- **Carlos Franganillo**, Journalist and presenter of Telediario 2 (News 2) on La 1 of TVE.
- **Leticia Iglesias**, Journalist and Telecinco news presenter.
- **Esther Vaquero**, Journalist and presenter of Noticias 2 (News 2) on Antena 3.
- **José Manuel Abad**, Journalist and winner of the XV edition of the Road Safety Journalism Award in the category of Written Press and Online Media.

TRAINING FOR SAVING LIVES

**ROAD SAFETY
EDUCATION IS
A KEY TOOL
FOR REACHING
THE OBJECTIVE
OF 0 DEATHS
FROM TRAFFIC
ACCIDENTS.**

The Línea Directa Foundation includes training as one of its work processes because it understands that road safety education is a key tool for reaching the objective of 0 deaths from traffic accidents.

The Línea Directa Foundation has continued to work on a wide range of initiatives designed to improve road safety training for different groups with an aim to reducing human errors and irresponsible driving practices. In 2019, the Línea Directa Foundation collaborated with the Cepsa Foundation and the Tomillo Foundation to organize a one-day workshop on road safety for young people at risk of social exclusion.

The workshop, which was attended by over 65 people between the ages of 15 and 20, included an important practical component, in which, by means of simulators, participants could learn at first hand the dangers of driving under the influence of alcohol. In addition, it included a talk from a traffic accident victim who is a member of AESLEME, an association that is very active in raising awareness and offering training.

Last year, the Línea Directa Foundation once again gave presentations at the National Road Safety and Disability Congress, organized by the ASPAYM National Federation, which aims to raise awareness on different issues relating to road safety. During the round table, the Foundation took part in debates on the risks of vulnerable road users and the challenges posed by new forms of mobility.



**FOLLOWERS ON
SOCIAL NETWORKS**

4,100

+ 4% VS 2018

The Línea Directa Foundation has a presence on social networks -Facebook, Twitter and Youtube – channels on which it posts its different initiatives and promotes road safety. At the close of 2019, it now has over 4,100 followers, which represents an increase of 4% compared to the previous year.



SOCIAL ACTION, IDEAS FOR A BETTER WORLD

ONE OF THE MOST NOTEWORTHY ACHIEVEMENTS OF THE FOUNDATION HAS BEEN THE LAUNCH OF A **PLATFORM** THROUGH WHICH THE CITIZEN CAN REPORT ON THOSE ROADS THAT MIGHT BE A DANGER FOR DRIVERS.

The Línea Directa Foundation continues to work to promote the participation of the whole of society in the fight to reduce the number of traffic accidents. As part of its social action procedures, 2019 saw the fifth edition of the Entrepreneurs and Road Safety Awards and the launch of a pioneering initiative in Spain, a platform allowing citizens to report black spots.

In 2019, the Línea Directa Foundation held the fifth edition of the Entrepreneurs and Road Safety Awards, a project for encouraging entrepreneurs to develop projects aimed at the prevention of accidents and improving road safety. For the first time, the requirement for "co-investment" of the net total of 20,000 euros that the winner receives was eliminated and the participation of the winner and the runner-up, chosen by the jury for their innovative nature, was included in the South Summit-Spain Startup.

The fifth edition of the Entrepreneurs and Road Safety Awards received a total of 68 entries, 13% more than in 2018, consolidating its status as the first Spanish initiative to encourage those startups whose ideas are focused on completely eliminating the number of victims caused by road accidents.

Platform for reporting black spots

One of the most noteworthy achievements of the Foundation last year was the launch in Spain of a pioneering platform for citizens to report on those roads that might be a danger for drivers. This initiative is free of charge, can be used anonymously and is designed to encourage the participation of road users themselves in reducing the number of road accidents in our country.

The reporting of these "black spots" can very easily be carried out by introducing the address on the web page or entering the geolocation of the black spot on the computer, tablet or smartphone. At a later stage, the Línea Directa Foundation validates the spot and reports it to the relevant authority so that it can assess the requirement for repair work.

ENTRIES FOR THE FIFTH EDITION OF THE
ENTREPRENEURS AND ROAD SAFETY AWARDS

68

+13% VS 2018



2019 RESULTS

RESULTS



CARLOS RODRÍGUEZ,
CHIEF FINANCIAL OFFICER

"In a complex context, Línea Directa has obtained very solid results that strengthens its status as one of the most profitable companies in the whole insurance sector; with a record turnover of 891 million euros and an ROE of 33%, one of the highest in Spain".

RESULTS	2019	2018	2017
GROUP INCOME STATEMENT			
Written premium (€)	891,294,952	853,119,551	797,422,437
Profit before tax	142,864,953	155,992,756	152,003,353
Profit after tax	107,316,073	117,233,148	112,000,887
GROUP MANAGEMENT RATIOS			
Net claims incurred	68.07%	64.78%	65.96%
Net combined ratio	87.88%	85.57%	85.32%
Own resources	391,162,264	385,270,208	403,638,547
Solvency margin surplus	205,488,681	201,089,109	225,814,055
GROUP BALANCE SHEET			
Technical reserves	725,859,675	725,891,300	713,681,289
Total assets	1,332,809,957	1,296,206,052	1,218,785,234
Equity	325,124,403	288,247,473	307,170,668
CUSTOMERS			
Total customers	3,163,443	3,014,140	2,793,529
Motor insurance policies	2,419,544	2,335,568	2,207,070
Home insurance policies	622,912	568,157	505,163
Wellbeing insurance	51,527	77,468	75,846
Health	69,460	32,947	5,450
EMPLOYEES			
Employees	2,453	2,356	2,194

RESULTS

CONSOLIDATED TECHNICAL ACCOUNT	2019	2018	2017
Net accrued reinsurance premiums	854,762,892	816,288,820	761,302,984
Net cost of reinsurance claims	-581,871,070	-528,753,587	-502,151,170
Net operational and technical costs	-169,324,935	-169,767,560	-147,375,017
Net financial income	31,680,983	33,547,554	35,121,136
Result of technical insurance account	135,247,870	151,315,226	146,897,933
Other net financial income			
Other income	14,510,662	14,073,960	14,879,819
Other expenses	-6,893,580	-9,396,430	-9,774,399
Non-technical account result	7,617,082	4,677,530	5,105,420
Pre-tax consolidated income	142,864,953	155,992,756	152,003,353
Tax on Profits	-35,548,880	-38,759,608	-40,002,466
Consolidated income after tax	107,316,073	117,233,148	112,000,887

RESULTS

CONSOLIDATED BALANCE	2019	2018	2017
Asset			
Liquid assets	144,936,593	166,776,076	148,916,932
Investment portfolio, available for sale	825,186,998	775,379,231	734,517,862
Loans, deposits and receivables	106,758,071	112,957,726	103,708,539
Share of the reinsurer in technical provisions	9,517,193	7,317,988	5,719,171
Fixed assets and property investments	114,587,925	110,843,951	113,860,565
Intangible assets	11,844,770	7,592,788	7,036,438
Advance payments and accruals	95,112,407	86,041,808	81,026,371
Tax assets	24,857,027	27,425,404	23,999,355
Assets held for sale	0	1,871,080	
Total assets	1,332,809,957	1,296,206,052	1,218,785,234
Net liability and equity			
Debts and accounts payable	203,727,348	207,302,067	120,177,804
Hedging derivatives	13,583,959	3,385,351	
Technical provisions	725,859,675	725,891,300	713,681,289
Non-technical provisions	22,815,872	24,652,041	23,199,046
Other liabilities	1,713,266	2,193,662	720,937
Current and deferred tax liabilities	39,985,434	44,534,158	53,835,490
Total liabilities	1,007,685,554	1,007,958,579	911,614,566
Own resources	287,945,434	273,677,362	268,305,762
Adjustments for changes in value	37,178,969	14,570,112	38,864,906
Total net equity	325,124,403	288,247,473	307,170,668
Total liabilities and equity	1,332,809,957	1,296,206,052	1,218,785,234

RESULTS

CONSOLIDATED SOLVENCY MARGIN	2019	2018	2017
Minimum solvency required	185,673,582	184,181,099	177,824,492
Available funds	391,162,264	385,270,208	403,638,547
Solvency margin surplus	205,488,681	201,089,109	225,814,055
Solvency ratio	210.67%	209.18%	227%



ABOUT THIS REPORT

ABOUT THIS REPORT

Relevance and materiality of this report

In compiling its annual report Línea Directa analyses and systemises all the information it receives from its main stakeholders (customers, employees and suppliers). This information is collected through the different channels of communication, with the sustainability framework and the principle of exhaustiveness having been taken into consideration.

The III Corporate Social Responsibility Master Plan (2017-2019) contains the results of the analysis of materiality. Approved by the senior directors and the chairman of the company in the Corporate Responsibility Committee, it applies to all the companies in the Línea Directa Group and its commercial brands with the aim of providing a strategic response to the requirements that arise in its relationship with its different stakeholders. In this respect, the relevant areas that form part of the Plan are: road safety, safety in the home, the promotion of healthy habits, the protection of the environment, best practices in corporate governance and the ethical management of people. In this plan the key stakeholders for the organisation and the main lines of operation relating to sustainability are identified, including the challenges resulting from the new commercial area.

The 3rd Corporate Social Responsibility Plan was drawn up in collaboration with the SGS consultancy firm, who incorporated conclusions from surveys conducted with directors, mid-managers, employees and suppliers in addition to an analysis of a sectorial benchmarking process, which determined the degree of maturity of Línea Directa. The Plan prioritises the stakeholders of the company according to their importance for the business and in response to the main challenges of the sector. As a result of this analysis, new operations were approved that will help the Group to give a response to the input from stakeholders.

Principles to which we are committed

The Línea Directa Aseguradora, S.A. Group focuses its CSR Master Plan on care and concern for the individual. Under the guiding concept of "We take care of what matters" it promotes three areas that include economic, social, environmental and good governance aspects. Furthermore, its values of "Respect for people" and "Spirit of improvement", are reflected in the aforementioned plan, with activities aimed at the defence of human and employment rights, respect for the environment and the fight against corruption.

Validation

The Corporate Responsibility and Reputation Committee met twice in 2019 to monitor the progress of each of the objectives, to review the evolution of indicators and to take decisions when required.

Verification

The economic information published in this report has been checked by an independent auditor. Línea Directa will produce a new report in 2021 that will comply with the obligations of transparency for financial and non-financial information and that will be subject to an external review of all its contents. In addition, it will continue to be compiled in accordance with the GRI Standards. As a result of Law 11/2018 on the divulgence of the Group's non-financial information and its information on diversity, the ASG indicators are included in consolidated form in the Bankinter Group's Management Report, which, as the parent company of Línea Directa and its subsidiaries, has been verified by the PwC consulting firm.

Stakeholders

The Línea Directa Group operates on two different levels in its relations with its stakeholders. The first consists of the stakeholders with whom it maintains a contractual relationship: the shareholder, customers, employees and suppliers. The second features the stakeholders with whom it does not maintain a formal contractual relationship: the media, institutions, entrepreneurs, trade associations, opinion leaders, charity organisations, non-customers and society in general. Furthermore,

Línea Directa collaborates with different associations, companies and institutions related to the activity of the Group, establishing alliances and cooperative partnerships that are key to the fulfilment of its goals and objectives, both in a financial and non-financial context.

The GRI content index can be consulted by clicking on the following link:

<https://info.lineadirecta.com/quienes-somos>

Dialogue channels with stakeholders

The promotion of active listening with its stakeholders throughout its value chain is a priority for the Línea Directa Group. It achieves this by establishing different communication channels, in which it combines more traditional interactions with more agile and direct channels. This includes identifying those aspects of its activity that have a major impact on its relations with the stakeholders and those requirements that promote a more sustainable and safer society.



ABOUT THIS REPORT

DIALOGUE CHANNELS WITH THE STAKEHOLDERS

2019

STAKEHOLDERS



Shareholder

Investors and
Analysts

Customers

Regulatory
bodies
(DGSFP and
CNMV)

Employees



Partners

Partners
(University
and Business
Schools)

Third Sector



Media



Society

DIALOGUE CHANNELS

Board of Directors

Company Report,
Company WebsiteRoad Maps,
Report on the
financial situation
and solvencyGroup's
Corporate
WebsiteSocial Networks
(Facebook, Twitter,
Youtube, Instagram,
LinkedIn)

Quality Surveys

Insurance
OmbudsmanDirectorate-
General of
Insurance and
Pension FundsCommercial
Multichannel
System

Circulars

Focus Group

Employee
attention

Climate surveys

Virtual
Communities

Intranet

In-house events:
breakfasts and
conventionsConfidential
Complaints
ChannelSatisfaction
Questionnaires

Shopping portal

Partners Awards

Meetings

Forums

Open Days

Meetings

Social Networks

Línea Directa
Foundation
Website

Press Conferences

Company Website

Línea Directa
Foundation
WebsiteJournalist
QuestionnairesPress Conference
(Press releases,
dossiers,
presentations)Social Networks
(Facebook,
Twitter)

Company Website

Línea Directa
Foundation
WebsiteSocial Networks
(Facebook,
Twitter, Youtube,
Instagram,
Linked in)

PERSON(S) IN CHARGE

General
CounselCommunication
and
Sustainability
Director

Chief Financial
OfficerCommunication
and
Sustainability
Director

General Counsel

Marketing
DirectorGeneral
CounselHuman
Resources and
Internal
Communication
Director
Steering
Committee
Ethical
ManagementCommunication
and
Sustainability
Director

Chief
Financial
OfficerHuman
Resources and
Internal
Communication
Director

Communication
and Sustainability
DirectorHuman
Resources and
Internal
Communication
Director

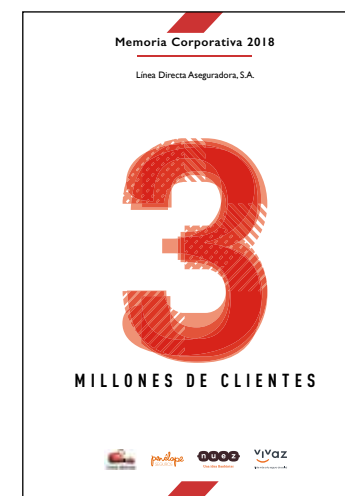
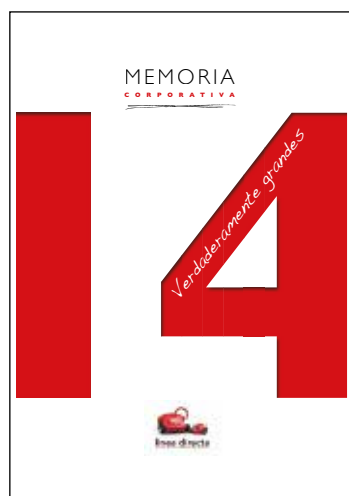
Communication
and Sustainability
DirectorCommunication
and
Sustainability
DirectorCommunication
and
Sustainability
Director

PREVIOUS REPORTS

All of Línea Directa's annual reports are available in pdf format, and can be seen online or downloaded at the website:

<http://info.lineadirecta.com>

If you have any queries, you can send an email to comunicacion.externa@lineadirecta.es or call: 91 807 20 00.



Línea Directa Aseguradora, S.A.

Calle Torres de Quevedo, 1.
28760 Tres Cantos, Madrid
Tel.: 91 807 20 00

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bankinter.
company



GRI STANDARDS CONTENT INDEX

2019 COMPANY REPORT

For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with the appropriate sections in the body of the report. The service was performed on the Spanish version of the report.



GRI STANDARDS CONTENT INDEX

GRI 101: Foundation 2016

Disclosure	Description	Page Number(s) / Direct Response
GRI 102: General Disclosures 2016		
ORGANISATIONAL PROFILE		
102-1	Name of the organisation	Page 12. Línea Directa Group.
102-2	Activities, brands, products and services	Pages 12, 16-17, 18-20, 28, 30, 31, 34 and 37.
102-3	Location of headquarters	Page 74, Torres de Quevedo nº1-28760 Tres Cantos, Madrid.
102-4	Location of operations	All the significant operations take place in Spain.
102-5	Ownership and legal form	Pages 12, 71. Parent company: Línea Directa Aseguradora, S.A., Insurance and Reinsurance Company.
102-6	Markets served	Business model Pages 4, 12, 28 and 30-37.
102-7	Scale of the organisation	Pages 4 and 66-69.
102-8	Information on employees and other workers	Pages 4 and 66.
102-9	Supply chain	Pages 12 and 53-54.
102-10	Significant changes in the organisation and its supply chain	Pages 10 and 55. In 2019 Línea Directa Aseguradora acquired a new building located at Calle Torres de Quevedo nº1, 28760 Tres Cantos, Madrid.
102-11	Precautionary Principle or approach	Business model and Risk Management (Pages 25-26). Environment (Pages 55-56).
102-12	External initiatives	III CSR Master Plan (Pages 45-48), Environment (Pages 55-56), Línea Directa Foundation (Pages 59-64).
102-13	Membership in associations	Pages 12 and 59.
STRATEGY		
102-14	Statement from senior decision-makers	Pages 5-6, 7-9, Letter from the Chairman, Dialogue with Miguel Ángel Merino (CEO).
102-15	Key impacts, risks and opportunities	Pages 5-6, 7-9. Letter from the Chairman, Dialogue with Miguel Ángel Merino (CEO), Pages 25-26.

ETHICS AND INTEGRITY

I02-16	Values, principles, standards and norms of behaviour	Pages 11 and 25
I02-17	Mechanisms for advice and concerns about ethics	Pages 25 and 23. All areas of Línea Directa have been analysed to ensure the implementation of the Code of Ethics (including aspects related to corruption). 100% of the companies in the Group are affected by the compliance with and respect for the Code of Ethics. (It includes references that are fundamental for human rights).

GOVERNANCE

I02-18	Governance Structure	Board of Directors and Committees (Appointments and Remuneration, and Internal Control and Regulatory Compliance): Structure of the Company's Board of Directors. Page 23.
I02-19	Delegating authority	Chairman + Chief Executive Officer and delegation of powers according to the company's empowerment policy.
I02-20	Executive level responsibility for economic, environmental and social topics	Executive directors (Chairman and Chief Executive Officer).
I02-21	Consulting stakeholders on economic, environmental and social topics	Board of Directors: Structure of the Company's Board of Directors. Page 21.
I02-22	Composition of the highest governance body and its committees	The Chairman of the Board of Directors and the Chief Executive Officer have executive roles.
I02-23	Chair of the highest governance body	Tienen funciones ejecutivas el Presidente del Consejo de Administración y el Consejero Delegado.
I02-24	Nominating and selecting the highest governance body	a. Commission of Appointments and Remuneration. b. The Board in its entirety meets the standards of aptitude and honourability required by legislation.
I02-25	Conflicts of interest	Annual questionnaire for members of the Board of Directors and managers of the subsidiaries.
I02-26	Role of highest governance body in setting purpose, values, and strategy	CSR and Reputation Committee Board of Directors approves the Business Plan and the Company's strategy on a yearly basis.
I02-27	Collective knowledge of highest governance body	Annual questionnaire for members of the Board of Directors and managers of the subsidiaries.
I02-28	Evaluating the highest governance body's performance	The Company has an Aptitude and Honourability Policy that provides for an annual review.
I02-29	Identifying and managing economic, environmental, and social impacts	The risk, Regulatory Compliance, Internal Auditing and Actuarial functions are reported to the CACICN. The report on the Internal Review of Risks and Solvency is approved by the CACICN and submitted to the Board.
I02-30	Effectiveness of risk management processes	The report on the Internal Review of Risks and Solvency is approved by the CACICN and submitted to the Board. This report includes information relating to the effectiveness of the internal control procedures.
I02-31	Review of economic, environmental, and social topics	Periodic meetings at least once a quarter. The CSR and Reputation Committee meets every six months.
I02-32	Highest governance body's role in sustainability reporting	The Board of Directors approves the CSR Plan and the Steering Committee regularly monitors this plan via the CSR Committee.

FUNCTIONS OF THE HIGHEST GOVERNANCE BODY IN THE ASSESSMENT OF THE ECONOMIC, ENVIRONMENTAL AND SOCIAL PERFORMANCE

I02-33	Communicating critical concerns	Any instances of non-compliance are reported to the Board by means of the Communication channel
I02-34	Nature and total number of critical concerns	In 2019 40 communications were received, of which 3 were considered critical concerns.
I02-35	Remuneration policies	Remuneration Policy and periodic reporting to the Commission of Appointments and Remuneration
I02-36	Process for determining remuneration	Regulated by the Remuneration Policy
I02-37	Stakeholders' involvement in remuneration	The maximum remuneration limit is approved by the shareholders in the Annual General Meeting

THE STAKEHOLDERS' ENGAGEMENT

I02-40	List of stakeholders	Pages 45-48 and 71-73.
I02-41	Collecting bargaining agreements	100% of employees are covered by the Collective Insurance and Reinsurance Agreement. Considering that Línea Directa operates in Spain and complies with the current legislation, no significant risks have been identified.
I02-42	Identifying and selecting stakeholders	Pages 45-48 and 72.
I02-43	Approach to stakeholder engagement	Pages 45-48 and 71-73.
I02-44	Key topics and concerns raised	Pages 45-48 and 71-72.

REPORTING PRACTICES

I02-45	Entities included in the consolidated financial statements	Page 12.
I02-46	Defining report content and topic boundaries	Page 71 and III CSR Master Plan (Pages 45-48)
I02-47	List of material topics	III CSR Master Plan (Pages 45-48).
I02-48	Restatements of information	Pages 10, 56-57, 71. The Non-Financial information of the Línea Directa Group has been consolidated with the Bankinter Group. The same official conversion factors have been used in order facilitate a direct comparison. The measurement of emissions from CAR Barcelona have been included.
I02-49	Changes in reporting	The Scope and Coverage of each aspect is indicated in the GRI Content Index. The measurement of emissions from CAR Barcelona have been included. The rest of the report has not undergone significant changes.
I02-50	Reporting period	1st January 2019-31st December 2019.
I02-51	Date of most recent report	2018 Annual Company Report Published in March 2019.
I02-52	Reporting cycle	Page 71. Annual.
I02-53	Contact point for questions regarding the report	Page 74 comunicacion.externa@lineadirecta.es
I02-54	Claims of reporting in accordance with the GRI Standards	This report has been compiled in accordance with the Essential Option of the GRI Standards.
I02-55	GRI content index	Pages 75-86
I02-56	External assurance	The 2019 Company Report has not been verified externally.

ECONOMIC DIMENSION

ECONOMIC PERFORMANCE

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Pages 71-73).
103-2	The management approach and its components	Pages 26 and 45-48.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 201: Economic performance 2016

201-1	Direct economic value generated and distributed	Pages 4, 22, and 66-69.
201-2	Financial implications and other risks and opportunities due to climate change	Environmental issues (Pages 55-57). The Spanish insurance sector operates with the CCS, a public state entity that tackles issues relating to extreme weather conditions due to climate change.
201-4	Financial assistance received from the government	No type of significant aid has been received from Public Administrations.

MARKET PRESENCE

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Pages 71-73).
103-2	The management approach and its components	Pages 26 and 45-48.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 202: Market Presence 2016

202-2	Proportion of senior management hired from the local community	100% of the senior directors in Línea Directa are locals, by which is meant persons born or who are entitled to permanent residence in Spain.
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INDIRECT ECONOMIC IMPACTS

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Pages 71-73).
103-2	The management approach and its components	Pages 45-48 and 59-64.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 203: Indirect economic impacts 2016

203-1	Infrastructure investments and services supported	Pages 4 and 59-64.
203-2	Significant indirect economic impacts	Pages 4 and 59-64. Línea Directa invested almost 500 thousand euros in Road Safety projects (Línea Directa Foundation), the environment, road accident victim associations and several charity projects in 2019. https://www.fundacionlineadirecta.org

ANTI-CORRUPTION

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Pages 71-73).
103-2	The management approach and its components	Pages 25 and 53. The Línea Directa Group's Code of Ethics and the Suppliers Conduct Code of Ethics.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 205: Anti-corruption 2016

205-1	Operations assessed for risks related to corruption	Page 25. All areas of Línea Directa have been analysed in order to ensure that the Code of Ethics has been implemented (Including aspects relating to corruption).
205-2	Communication and training about anti-corruption policies and procedures	Management Employees: 100% have received training on the Code of Ethics and Criminal Risk Prevention in 1 hour 30 minute face-to-face sessions. Non-management employees: All the new employees have received training on the Code of Ethics and Criminal Risk Prevention, and in 2019 a training pill was launched for all the workforce as part of the review of the Code of Ethics.
205-3	Confirmed incidents of corruption and actions taken	In 2019 one case of corruption was detected in one of the subsidiaries where it was reported on the communication channel of the Code of Ethics. Once the relevant checks had been completed, the individual under investigation was dismissed for not complying with the Code of Ethics.

ANTI-COMPETITIVE BEHAVIOUR

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Page 25. The Línea Directa Group's Code of Ethics
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 206: Anti-competitive behaviour 2016

206-1	Legal actions for anti-competitive behaviour; anti-trust and monopolistic practices	No legal actions for monopolistic and anti-competitive practices have been detected in 2019.
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ENVIRONMENTAL DIMENSION

ENERGY

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Pages 55-57
103-3	Evaluation of the management approach	Pages 47-48 and 71.

GRI 302: Energy 2016

302-1	Energy consumption within the organisation	Page 56. The energy calculation includes: the consumption of electricity, natural gas and diesel.
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WATER

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Pages 55-57.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 303: Water 2016

303-1	Water withdrawal by source	Page 55. All the water used by Línea Directa Aseguradora comes from a municipal supply.
303-2	Water sources significantly affected by withdrawal of water	Línea Directa Aseguradora has its offices in urban areas; therefore both the water used and discharged as waste uses the urban network.
303-3	Water recycled and reused	Línea Directa Aseguradora has its offices in urban areas; therefore both the water used and discharged as waste uses the urban network.

EMISSIONS

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Pages 55-57.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 305: Emissions 2016

305-1	Direct (Scope 1) GHG Emissions	Pages 56 and 57
305-2	Energy indirect (Scope 2) GHG emissions	Pages 56 and 57
305-3	Other indirect (Scope 3) GHG emissions	Pages 56 and 57
305-5	Reduction of GHG emissions	Pages 56 and 57

EFFLUENTS AND WASTE

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Pages 55-57.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 306: Effluents and Waste 2016

306-1	Water discharge by quality and destination	Línea Directa Aseguradora uses and discharges water via the urban network. It is estimated that the quantity of water discharged and consumed is similar; due to the fact that there do not exist any other waste water generation processes.
306-2	Waste by type and disposal method	Confidential paper (13,000 kg) and toner (50kg) waste is managed by authorised operators who certify its reuse for new purposes. CAR processes its dangerous waste through Ambar Plus, which recovers and assesses this waste, according to the case in question, in an internal management process that complies with the applicable environmental legislation.
306-3	Significant spills	Línea Directa has its offices in urban areas, and as a result of its activity, has not generated any significant spills in 2019.
306-4	Transport of hazardous waste	As a result of its activity Línea Directa does not transport waste. The transportation of the waste produced in the Group's installations is undertaken by authorised operators and transport firms.
306-5	Water bodies affected by water discharges and/or runoff	Línea Directa has its offices in urban settings; therefore it has no impact on protected natural areas and/or biodiversity.

ENVIRONMENTAL COMPLIANCE

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Pages 55-57.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 307: Environmental Compliance 2016

307-1	Non-compliance with environmental laws and regulations	No significant kind of penalty or fine has been received regarding environment issues.
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SOCIAL DIMENSION

EMPLOYMENT

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Pages 49-50.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 401: Employment 2016

401-1	New employee hires and staff turnover	Pages 4 and 49-50.
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 49-50. There is no difference between the benefits offered to full-time employees and to part-time employees.
401-3	Parental leave	100% of employees taking maternity or paternity leave rejoin the company.

OCCUPATIONAL HEALTH AND SAFETY

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Page 50.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 403: Occupational Health and Safety 2016

403-3	Workers with high incidence or high risk of diseases related to their occupation	No professions have been identified with a high risk of disease
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TRAINING AND EDUCATION

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Pages 50-51.
103-3	Evaluation of the management approach	Pages 45-48, and 71.

GRI 404: Training and education 2016

404-2	Programmes for upgrading employee skills and transition assistance programmes	Pages 49-50.
404-3	Percentage of employees receiving regular performance and career development reviews	Pages 49-50. 98% of employees receive regular evaluations on their performance and professional development.

DIVERSITY AND EQUAL OPPORTUNITIES

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Pages 49-50.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 405: Diversity and Equal Opportunities 2016

405-1	Diversity of governance bodies and employees	Pages 4, 23, 24 and 49.
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NON-DISCRIMINATION

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Page 25.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 406: Non-discrimination 2016

406-1	Cases of discrimination and corrective actions taken	There have been no significant incidents relating to discrimination.
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SECURITY PRACTICES

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Page 25.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 410: Security practices 2016

410-1	Security personnel trained in human rights policies or procedures	100% of the personnel from security firms operating in Línea Directa are certified to offer their services. The partner company guarantees the training, requirements, quality and hiring formulas for these types of professionals and services, and the specific training in deontology and basic rights.
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HUMAN RIGHTS ASSESSMENT

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Page 25.
103-3	Evaluation of the management approach	Pages 45-48 and 71

GRI 412: Human Rights Assessment 2016

412-2	Employee training on human rights policies or procedures	Management Employees: 100% have received training on the Code of Ethics and the Prevention of Criminal Risks in 1 hour 30 minute face-to-face sessions. Non-management employees: All new Línea Direct employees have received training on the Code of Ethics and the Prevention of Criminal Risks and in 2019 a training pill was launched for all the workforce as part of the review of the Code of Ethics.
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	The Línea Directa Group operates in Spain (an OECD country), and has not identified any significant risks in this area. In 2018 there was no contract with these characteristics.

LOCAL COMMUNITIES

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Pages 45-48 and 59-64. III CSR Master Plan "We take care of what matters" and Línea Directa Foundation.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 413: Local Communities 2016

413-1	Operations with local community engagement, impact assessments and development programmes	Pages 45-48, 55-56, 59 and 61-64. Línea Directa operates an environmental management and energy efficiency programme. Línea Directa has invested a total of 500 thousand euros in projects on road safety (Línea Directa Foundation), the environment, traffic victim associations and several charity projects in 2019.
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PUBLIC POLICY

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Page 25; The Línea Directa Group's Code of Ethics, pages 10-11.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 415: Public Policy 2016

415-1	Contributions to parties and/or political representatives	The Línea Directa Group's Code of Ethics, pages 10-11. These types of contributions are regulated by the Línea Directa Group's Code of Ethics in section 8 "Measures against bribery and corruption"
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CUSTOMER HEALTH AND SAFETY

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Pages 51 and 52.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 416: Customer Health and Safety 2016

416-1	Assessment of the health and safety impacts of product and service categories	Línea Directa guarantees confidentiality in the processing of information that is managed by means of security measures in accordance with current legislation and the new Organic Data Protection Law. It also has a DPO.
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Línea Directa has not had any significant incident in this area.

MARKETING AND LABELLING

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Pages 51 and 52.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 417: Marketing and Labelling 2016

417-1	Requirements for product and service information and labelling	Línea Directa has a Product Committee and a Product Governance Policy. Línea Directa complies with the current legislation in this area and its contracts include clauses providing information on the rights and obligations of its customers.
417-3	Incidents of non-compliance concerning marketing communications	In 2019, there have been no sanctions for non-compliance concerning marketing communications.

CUSTOMER PRIVACY

GRI 103: Management approach 2016

103-1	Explanation of the material topics and its boundaries	Relevance and Materiality (Page 71).
103-2	The management approach and its components	Page 26.
103-3	Evaluation of the management approach	Pages 45-48 and 71.

GRI 418: Customer Privacy 2016

418-1	Substantiated complaints regarding breaches of customer privacy and losses of customer data	There have been no substantiated complaints regarding breaches of customer privacy and losses of customer data
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