

September 2024 Results IFRS17&9

Presentation for analysts and investors

21 October 2024



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Highlights for the period



linea directa

01. Highlights for the period

IFRS17&9

 **GWP | 9M '24**

€757.6M

+3.5% vs. 9M 2023

 **Net income | 9M '24**

€40.7M

vs. (€12.5M) in 9M 2023

 **Portfolio**

3.38M

+1.2%
+39,471 risks
vs. 2Q '24

Segments – Net Insurance Income ¹



+2.4%

INCOME
IFRS17
vs. 9M '23

+0.8%

POLICYHOLDERS
vs. 2Q '24



+4.6%

INCOME
IFRS17
vs. 9M '23

+0.4%

POLICYHOLDERS
vs. 2Q '24



+8.7%

INCOME
IFRS17
vs. 9M '23

+0.4%

POLICYHOLDERS
vs. 2Q '24

The portfolio **accelerates its growth** in the quarter
Significant **revenue growth** for all business lines
Safe and steady progress, with a focus on growth and efficiency



Profitability and efficiency

COMBINED RATIO | 9M '24

95.4%

95.4% in 3Q '24
-10.6 p.p. vs. 9M '23

EXPENSE RATIO ² | 9M '24

22.0%

21.9% in 3Q '24
-0.4 p.p. vs. 9M '23



Solvency II ratio | 9M '24

189.5%

100% Tier I Capital

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



02

September 2024 Results



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02. September 2024 Results

IFRS17&9

<i>Thousand euro</i>	9M 2024	9M 2023	% var.	3Q 2024
Gross written premiums (GWP)	757,629	731,945	3.5%	253,729
Ordinary insurance activities income ¹	736,772	716,227	2.9%	250,165
Technical insurance result, net of reinsurance	32,852	(41,743)	n.a.	11,265
Investments result	26,905	25,360	6.1%	10,304
Credited interest ²	(6,527)	(2,735)	-138.7%	(2,214)
Insurance and financial result	53,230	(19,117)	n.a.	19,355
Other income/expenses and non-assignable expenses	646	2,073	-68.8%	236
Profit / (loss) before tax	53,877	(17,044)	n.a.	19,592
Income tax	(13,130)	4,555	n.a.	(4,263)
Profit / (loss) after tax	40,747	(12,489)	n.a.	15,329
	9M 2024	9M 2023	<i>p.p. var.</i>	3Q 2024
Loss ratio	73.4%	83.6%	-10.2 p.p	73.5%
Expense ratio	22.0%	22.4%	-0.4 p.p	21.9%
Combined ratio ³	95.4%	106.0%	-10.6 p.p	95.4%

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

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

3. The effect of the discounting and movement of the curve is accounted for in equity (-€1,0 million in the first nine months of the period)

- **Gross written premiums** grow by 5.7% in the quarter standalone compared to the previous year
- The **combined ratio** continues to improve and stands at 95.4%
- **Higher recurring financial result (+11.7%** excluding the Atos bond impairment) mainly due to higher income from the fixed income portfolio

02. Premiums and policyholders

Premiums and policyholders by business line

Premiums

€757.6M



Gross Written Premiums

Thousand euro	9M 2024	9M 2023	% var.
Motor	612,488	595,239	2.9%
Home	117,011	111,604	4.8%
Health	26,772	24,336	10.0%
Other ¹	1,359	767	77.0%
Total	757,629	731,945	3.5%

Policyholders

3,377 thousand



Policyholders

Thousand	9M 2024	9M 2023	% var.
Motor	2,484	2,512	-1.1%
Home	732	734	-0.3%
Health	118	110	6.4%
Other ¹	44	4	-
Total	3,377	3,360	0.5%

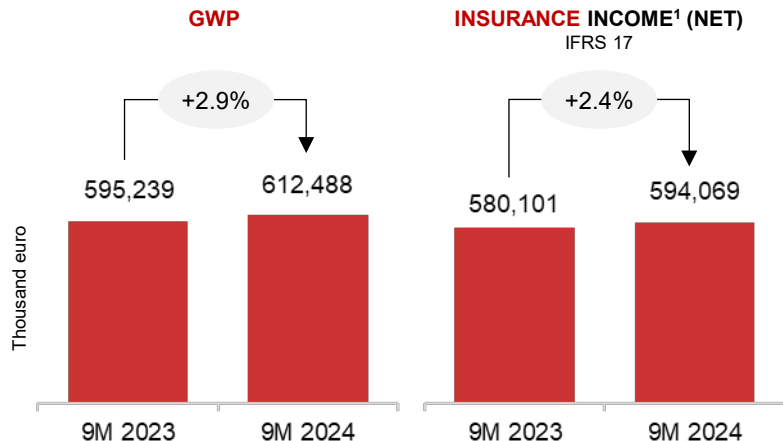
1. The Other insurance businesses segment mainly reflects the Personal Mobility insurance launched in September 2021 as the first pay-as-you-go insurance for users of personal mobility vehicles, squatter protection insurance under the partnership with Movistar Prosegur Alarmas, the travel insurance business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

02. Motor Segment



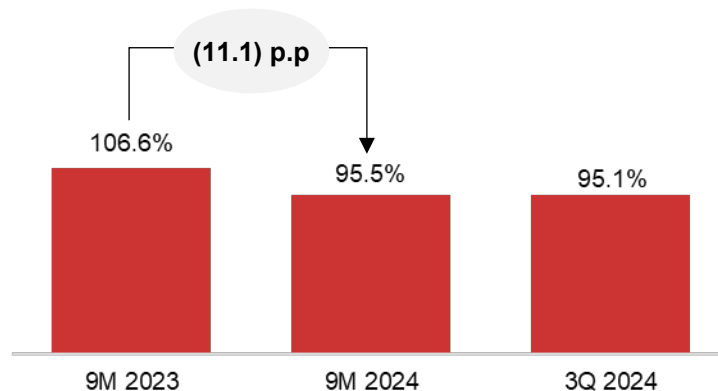
IFRS17&9

INCOME



- In the quarter, the portfolio grew by more than **19,800** policyholders, accelerating its growth trend
- Premiums grew by **5.4%** in the quarter standalone compared to the previous year

COMBINED RATIO IFRS17&9



- The combined ratio continues to improve in the third quarter, reflecting an excellent performance year-to-date
- Combined ratio for the sector as of June 2024 stood at 101%

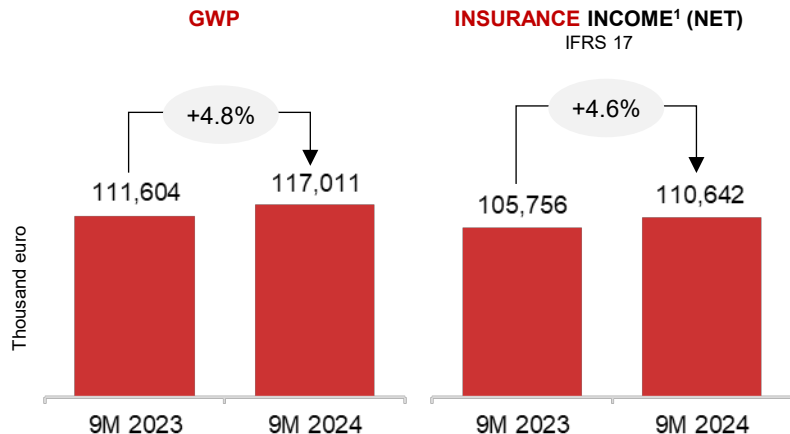
1. Equivalent to the net premium earned under IFRS 4

02. Home Segment



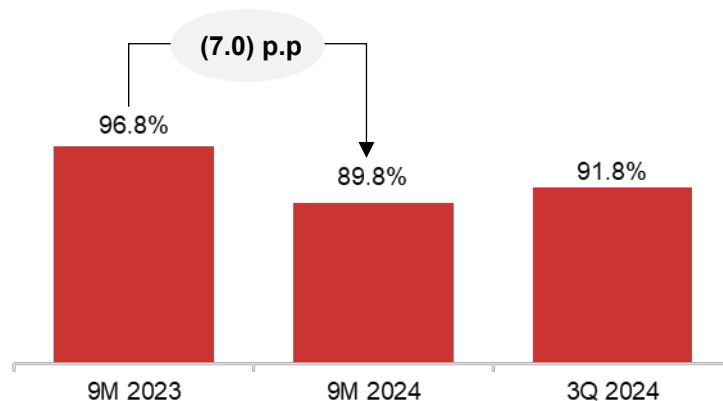
IFRS17&9

INCOME



- As with Motor, the third quarter has shown growth of more than **2,900** policyholders
- Premiums grew by **5.7%** in the quarter standalone compared to the previous year

COMBINED RATIO IFRS17&9



- Claims experience remains at excellent levels (**-6.8 p.p. 3Q '24 vs. 3Q '23**) in the absence of major atmospheric events

1. Equivalent to the net premium earned under IFRS 4

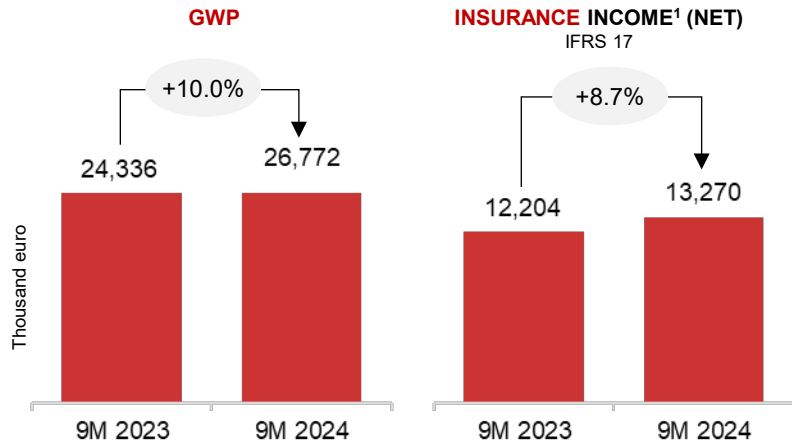


02. Health Segment



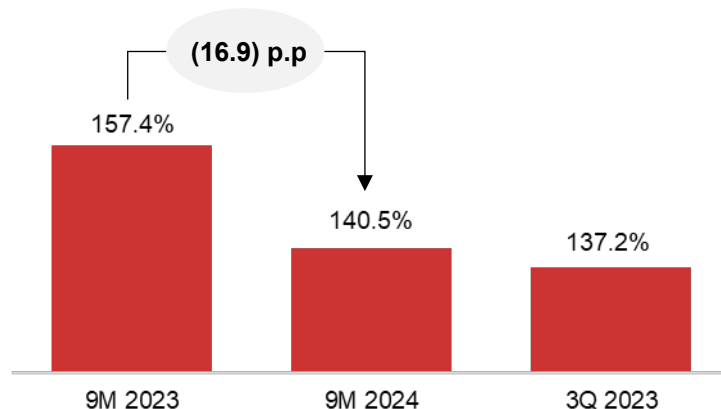
IFRS17&9

INCOME



- Positive growth in revenue and premiums year-to-date
- Premiums grew by **12.9%** in the quarter standalone compared to the previous year

COMBINED RATIO IFRS17&9



- Combined ratio continues to improve quarter-on-quarter

1. Equivalent to the net premium earned under IFRS 4



02. Loss ratio

IFRS17&9

Thousand euro	9M 2024	9M 2023	% var.	3Q 2024
Insurance income, net of reinsurance [A]	718,696	698,654	2.9%	244,177
Motor	594,069	580,101	2.4%	201,556
Home	110,642	105,756	4.6%	37,782
Health	13,270	12,204	8.7%	4,541
Other	714	593	20.4%	298
Claims for the period, net [B]	(527,584)	(584,215)	-9.7%	(179,465)
Motor	(448,476)	(502,171)	-10.7%	(152,124)
Home	(67,901)	(71,056)	-4.4%	(23,943)
Health	(10,903)	(10,683)	2.1%	(3,311)
Other	(305)	(305)	0.2%	(89)
Loss ratio [B/A]	73.4%	83.6%	-10.2 p.p	73.5%

Motor

Motor maintains its positive trend, with controlled frequency and average costs

Home

The absence of atmospheric events has resulted in a significantly better claims experience compared to the previous year

Health

Significant increase in turnover, while maintaining underwriting rigor, has reflected in a positive evolution of claims frequency

02. Expense ratio

IFRS17&9

Thousand euro	9M 2024	9M 2023	% var.	3Q 2024
Insurance income, net of reinsurance [A]	718,696	698,654	2.9%	244,177
Net operating expenses [B]	(158,259)	(156,183)	1.3%	(53,446)
Acquisition expenses	(135,421)	(133,388)	1.5%	(45,828)
Administrative expenses	(22,838)	(22,794)	0.2%	(7,618)
Expense ratio [B/A]	22.0%	22.4%	-0.4 p.p	21.9%

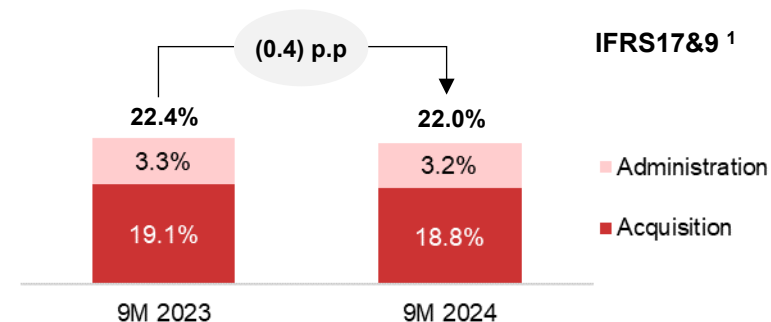
Acquisition

Acquisition costs remain under continuous control

The Health segment shows significant improvement in 2024

Administration

Excellent evolution of administrative expenses



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

02. Financial result

IFRS17&9

<i>Thousand euro</i>	9M 2024	9M 2023	% var.
Income	26,444	20,435	29.4%
<i>Interest on bank deposits</i>	1,415	1,085	30.4%
<i>Interest on fixed income securities</i>	16,540	11,877	39.3%
<i>Income on equity instruments</i>	2,003	2,673	-25.1%
<i>Income from premium instalments</i>	5,520	3,422	61.3%
<i>Other financial income</i>	966	1,378	-29.9%
Mark-to-Market	(282)	1,690	-116.7%
<i>Equity mutual funds</i>	51	1,625	-96.9%
<i>Derivatives</i>	(332)	65	-
Realised gains (losses) in P&L	(325)	902	-136.0%
Impairments	(1,430)	(13)	-
Exchange rate and conversion differences (+/-)	177	(175)	-
Financial investments result	24,584	22,839	7.6%
Real estate investments result	2,321	2,521	-8.0%
Net investments result	26,905	25,360	6.1%
<i>Credited interest¹</i>	(6,527)	(2,735)	-138.7%
Insurance financial result	20,378	22,626	-9.9%

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

Prudent impairment of the bond issued by the French technology company Atos

NET INCOME FROM INVESTMENTS

€26.9M | +6.1%

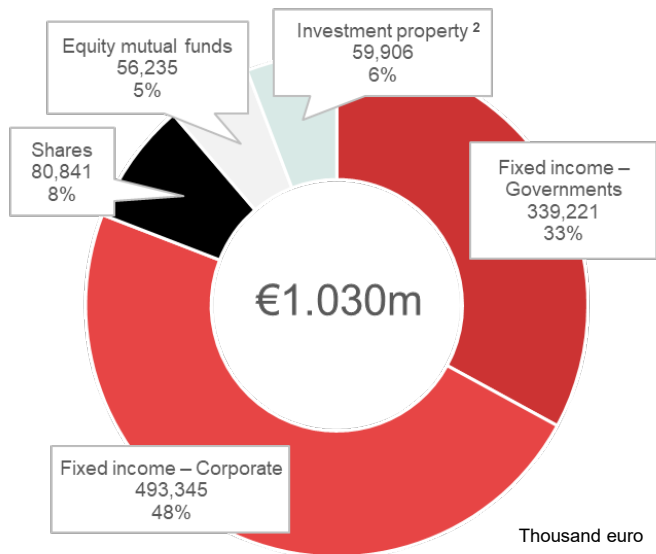
+11.7% (ex impairments)

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

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

IFRS17&9

PORTFOLIO COMPOSITION



1. Revenue recognised in both the profit and loss account and OCI over the last 12 months divided by assets under management (fixed income and equity portfolios and investment property). Includes capital gains and losses realised and impairment losses.

2. Off-balance sheet capital gains on investment property and property for own use amount to €31.5 million before tax.

MOVEMENTS REGISTERED IN OCI

Thousand euro	9M 2024	9M 2023	% var.
Movements registered in OCI	14,600	4,320	238.0%
<i>MTM fixed income and equity instruments</i>	12,130	1,718	606.2%
<i>Realised gains (losses) in equity instruments</i>	2,470	2,602	-5.1%

PORTFOLIO RETURN (R12) AND OTHER METRICS¹

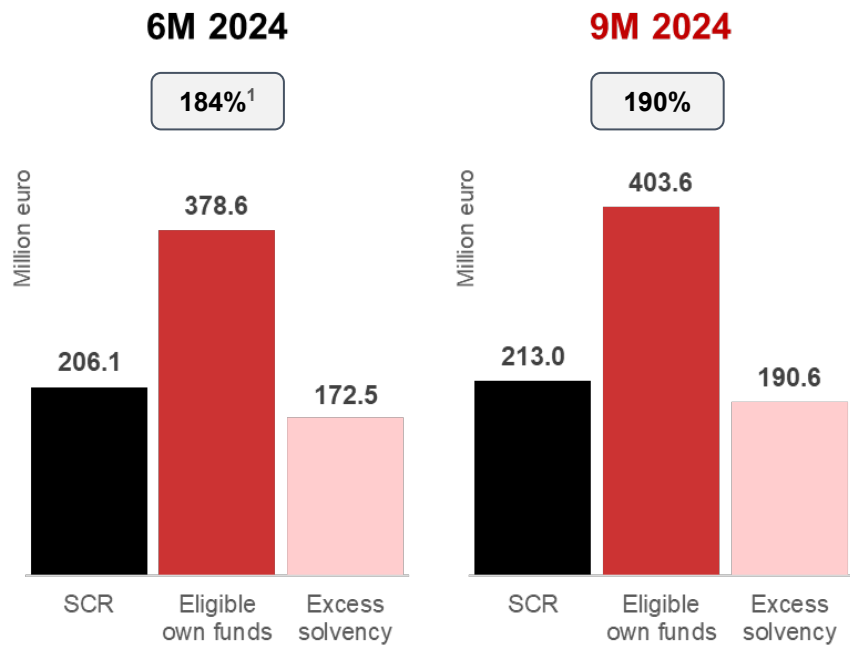
(%)	9M 2024	9M 2023	var. p.p
Fixed income	2.68%	2.54%	+0.14 p.p
Equity instruments	3.58%	10.93%	-7.35 p.p
Investment property	9.22%	7.18%	+2.04 p.p
Total average return	3.23%	4.15%	-0.92 p.p
Portfolio return (ex net realised gains)	2.93%	2.88%	+0.05 p.p
Reinvestment yield	3.77%	3.17%	+0.60 p.p

	9M 2024	9M 2023	var.
Fixed income duration	3.12	3.00	0.12
Fixed income modified duration	3.38%	3.12%	0.26 p.p.
VaR	1.02%	1.58%	-0.56 p.p.

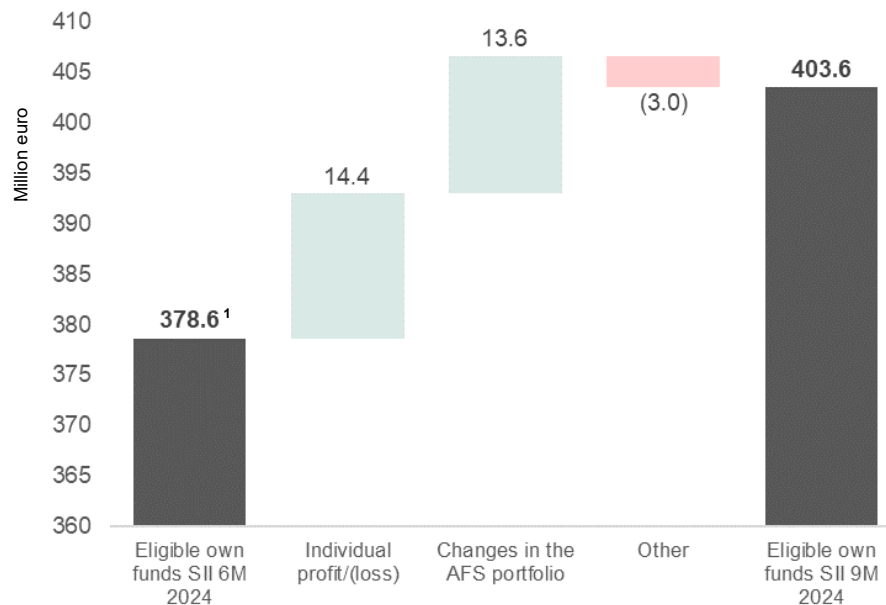
02. Solvency II

The solvency margin remains very solid, reaching 190%

Solvency margin



Solvency own funds walk 6M 2024 – 9M 2024



1. Solvency ratio and eligible own funds as of June 2024 include the first interim dividend of the year (€15 million) with payment date 1 August 2024

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

02. Solvency II

Breakdown of capital required

<i>Thousand euro</i>	9M 2024	6M 2024
SCR Market	107,502	102,573
SCR Counterparty	5,704	6,064
SCR Health	3,864	3,311
SCR Non-Life	201,667	195,052
BSCR	254,537	245,543
SCR Operational	29,419	29,193
Deferred tax adjustment	(70,989)	(68,684)
SCR	212,967	206,052
Eligible own funds Solvency II	403,611	378,589
Solvency II ratio	190%	184% ¹

Highlights

SCR MARKET	<ul style="list-style-type: none"> Increases due to (i) greater exposure to fixed income (spread risk) and equities, and (ii) the symmetric adjustment of the quarter (provided by EIOPA)
SCR COUNTERPARTY	<ul style="list-style-type: none"> Lower balances of the deposits
SCR HEALTH	<ul style="list-style-type: none"> In line with the business mix
SCR NON-LIFE	<ul style="list-style-type: none"> Greater requirement due to the increase in business volume
SCR OPERATIONAL	<ul style="list-style-type: none"> Stable

1. Solvency ratio and eligible own funds as of June 2024 include the first interim dividend of the year (€15 million) with payment date 1 August 2024

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

03

Q&A



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04

Annex



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04. Income statement by segment

IFRS17&9

Income statement – Motor Segment

<i>Thousand euro</i>	9M 2024	9M 2023	% var.
Gross written premiums	612,488	595,239	2.9%
Income from ordinary insurance activities, net of reinsurance	594,069	580,101	2.4%
Claims for the period, net of reinsurance	(448,476)	(502,171)	-10.7%
Net operating expenses	(118,602)	(116,299)	2.0%
Net technical result	26,992	(38,369)	-170.3%

	9M 2024	9M 2023	p.p. var.
Loss ratio	75.5%	86.6%	-11.1 p.p
Expense ratio	20.0%	20.0%	0.0 p.p
Combined ratio¹	95.5%	106.6%	-11.1 p.p

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

Clients (thousand)	2,484,431	2,512,048	(27,617)
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Income statement – Home Segment

<i>Thousand euro</i>	9M 2024	9M 2023	% var.
Gross written premiums	117,011	111,604	4.8%
Income from ordinary insurance activities, net of reinsurance	110,642	105,756	4.6%
Claims for the period, net of reinsurance	(67,901)	(71,056)	-4.4%
Net operating expenses	(31,435)	(31,305)	0.4%
Net technical result	11,306	3,395	233.0%

	9M 2024	9M 2023	p.p. var.
Loss ratio	61.4%	67.2%	-5.8 p.p
Expense ratio	28.4%	29.6%	-1.2 p.p
Combined ratio¹	89.8%	96.8%	-7.0 p.p

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

Clients (thousand)	731,544	733,763	(2,219)
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04. Income statement by segment

IFRS17&9

Income statement – Health Segment

Thousand euro	9M 2024	9M 2023	% var.
Gross written premiums	26,772	24,336	10.0%
Income from ordinary insurance activities, net of reinsurance	13,270	12,204	8.7%
Claims for the period, net of reinsurance	(10,903)	(10,683)	2.1%
Net operating expenses	(7,738)	(8,521)	-9.2%
Net technical result	(5,370)	(7,000)	-23.3%

	9M 2024	9M 2023	p.p. var.
Loss ratio	82.2%	87.5%	-5.3 p.p
Expense ratio	58.3%	69.8%	-11.5 p.p
Combined ratio¹	140.5%	157.4%	-16.9 p.p

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

Clients (thousand)	117,503	110,459	7,044
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Income statement – Other Insurance Businesses¹

Thousand euro	9M 2024	9M 2023	% var.
Gross written premiums	1,359	767	77.0%
Income from ordinary insurance activities, net of reinsurance	714	593	20.4%
Claims for the period, net of reinsurance	(305)	(305)	0.2%
Net operating expenses	(485)	(58)	742.4%
Net technical result	(76)	231	-132.8%

	9M 2024	9M 2023	p.p. var.
Combined ratio	110.6%	61.0%	49.6 p.p

Clients (thousand)	43,872	3,606	40,266
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1. The Other insurance businesses segment mainly reflects the Personal Mobility insurance launched in September 2021 as the first pay-as-you-go insurance for users of personal mobility vehicles, squatter protection insurance under the partnership with Movistar Prosegur Alarmas, the travel insurance business for holders of Bankinter cards under 10 group policies (not included in the figures for customers), Pet insurance and run-off payment protection insurance.

04. Consolidated balance sheet

IFRS17&9

Assets

Thousand euro

ASSETS	9M 2024	12M 2023	% var.
Cash and cash equivalents	33,160	41,746	-20.6%
Financial assets at fair value through P&L	56,263	53,998	4.2%
<i>Equity instruments</i>	56,263	53,998	4.2%
Financial assets at fair value through equity	913,380	823,345	10.9%
<i>Equity instruments</i>	80,814	63,524	27.2%
<i>Debt securities</i>	832,566	759,821	9.6%
Financial assets at amortised cost	17,305	15,456	12.0%
Hedging derivatives	3,992	5,909	-32.4%
Reinsurance contract assets	31,531	31,939	-1.3%
Property, plant and equipment and investment property	99,308	101,600	-2.3%
<i>Tangible fixed assets</i>	41,248	43,077	-4.2%
<i>Investment property</i>	58,060	58,523	-0.8%
Intangible assets	37,106	29,188	27.1%
Other assets	15,799	22,141	-28.6%
Total assets	1,207,844	1,125,322	7.3%

Liabilities and Equity

Thousand euro

LIABILITIES AND EQUITY	9M 2024	12M 2023	% var.
Financial liabilities at amortised cost	71,034	65,313	8.8%
Liabilities under insurance contracts	754,329	715,311	5.5%
<i>Liabilities for remaining coverage</i>	354,439	339,352	4.4%
<i>Liabilities for claims incurred</i>	399,890	375,959	6.4%
Non-technical provisions	1,694	375	351.7%
Other liabilities	29,020	31,288	-7.2%
Total liabilities	856,077	812,287	5.4%
Equity	357,692	330,087	8.4%
Valuation adjustments	(5,925)	(17,052)	-65.3%
<i>Equity instruments at fair value through equity</i>	2,878	1,034	178.3%
<i>Debt securities at fair value through equity</i>	(8,974)	(19,260)	-53.4%
<i>OCI insurance contracts</i>	216	1,689	-87.2%
<i>OCI reinsurance contracts</i>	(45)	(515)	-91.3%
Total equity	351,767	313,035	12.4%
Total liabilities and equity	1,207,844	1,125,322	7.3%

04. Management ratios

IFRS17&9 y IFRS4

IFRS 17	Loss Ratio			Expense Ratio			Combined Ratio		
	9M 2024	9M 2023	p.p. var.	9M 2024	9M 2023	p.p. var.	9M 2024	9M 2023	p.p. var.
Motor	75.5%	86.6%	-11.1 p.p	20.0%	20.0%	0.0 p.p	95.5%	106.6%	-11.1 p.p
Home	61.4%	67.2%	-5.8 p.p	28.4%	29.6%	-1.2 p.p	89.8%	96.8%	-7.0 p.p
Health	82.2%	87.5%	-5.3 p.p	58.3%	69.8%	-11.5 p.p	140.5%	157.4%	-16.9 p.p
Other	42.7%	51.3%	-8.6 p.p	67.9%	9.7%	58.2 p.p	110.6%	61.0%	49.6 p.p
Total	73.4%	83.6%	-10.2 p.p	22.0%	22.4%	-0.4 p.p	95.4%	106.0%	-10.6 p.p

IFRS 4	Loss Ratio			Expense Ratio			Combined Ratio		
	9M 2024	9M 2023	p.p. var.	9M 2024	9M 2023	p.p. var.	9M 2024	9M 2023	p.p. var.
Motor	80.2%	90.9%	-10.7 p.p	16.6%	16.6%	0.0 p.p	96.8%	107.5%	-10.7 p.p
Home	60.4%	68.1%	-7.7 p.p	28.4%	29.6%	-1.2 p.p	88.8%	97.7%	-8.9 p.p
Health	82.2%	88.3%	-6.1 p.p	58.3%	70.0%	-11.7 p.p	140.5%	158.3%	-17.8 p.p
Other	9.4%	13.0%	-3.6 p.p	101.2%	48.0%	53.2 p.p	110.6%	61.0%	49.6 p.p
Total	77.1%	87.3%	-10.2 p.p	19.3%	19.5%	-0.2 p.p	96.4%	106.8%	-10.4 p.p



04. Combined ratio – comparison and brief description

IFRS17&9 vs. IFRS4

COMBINED RATIO 9M 2024	IFRS 4	IFRS 17
Premiums earned, net of reinsurance	718,880	
Insurance income, net of reinsurance	-	718,696
Total claims	(554,373)	(527,584)
Claims paid, net of reinsurance	(438,168)	(418,817)
Change in provision	(21,930)	(14,738)
Claims expenses	(94,275)	(94,026)
Losses on onerous contracts and adjustments	-	-
Reinsurance recoverable loss component	-	-
Change in reinsurer default effect	-	(3)
LOSS RATIO	77.1%	73.4%
Total expenses	(138,536)	(158,259)
Acquisition expenses	(136,333)	(135,421)
Administrative expenses	(18,942)	(18,796)
Investment management expenses	-	(1,251)
Other technical expenses	(3,543)	(2,821)
Reinsurance commissions	29	29
Change in the provision of agreements	20,491	-
Profit sharing	(238)	-
EXPENSE RATIO	19.3%	22.0%
COMBINED RATIO	96.4%	95.4%

Loss ratio

- The loss ratio does not include the discounting effect in the curve's movement, which is recorded in OCI, -(€1.0) million at September 2024, -(€1.5) million at September 2023
- We include expenses attributable to claims in the loss ratio, as under IFRS 4
- Losses on onerous contracts reflect the release (allowance) in Health insurance during the year. The calculation under IFRS 17 takes only one financial year into account (two under IFRS 4), although the concept is similar to the provision for unexpired risks. There were no changes during the quarter. The recoverable component of reinsurance reflects the ceded portion

Expense ratio

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

Thank you

21 October 2024



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