

December 2024 Results

IFRS17&9

Presentation for analysts and investors

29 January 2025

30
años



línea directa

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01

Where we stand



01. Context

The 2020-2024 period has been marked by a macro environment of uncertainty, COVID, supply chain disruptions, lack of resolution and geopolitical risks and sudden and abrupt inflation

But it has not prevented us from taking firm steps in our ambition for growth and transformation, building from our strengths



01. Building from our strengths

We have a leading brand in price and service - our greatest asset 

#1 The most searched Spanish insurer on Google

#1 Leader in advertising awareness (IOPE)

#3 The brand that has improved the most in consideration in 2024 (Kantar)

Quality and trust →

Transparency

Simplicity

Always good prices

Spirit of service

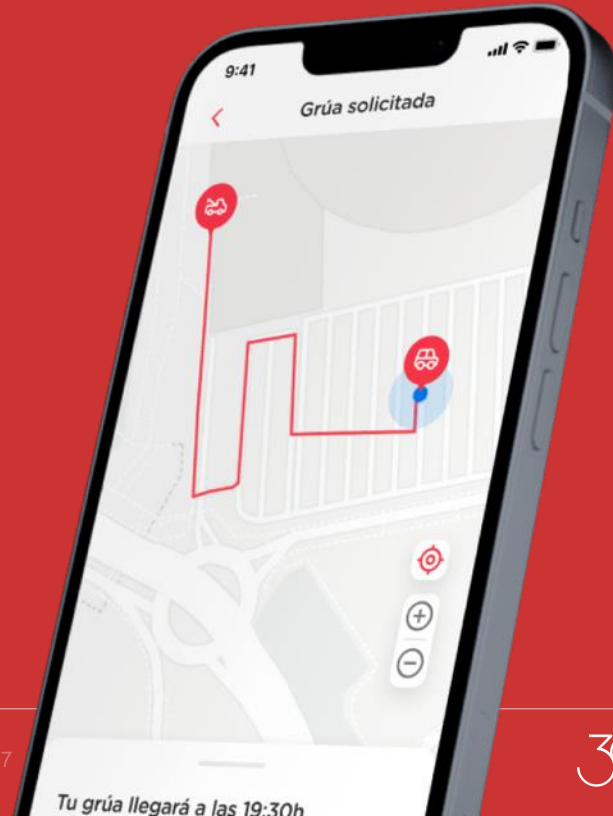


linea directa

01. Building from our strengths

➤ We want to bring the direct model to excellence

📱 Digitalisation means adapting to the way and place where the client prefers to interact with us



01. Building from our strengths

90% of our clients are now digital, and they require comprehensive and best-in-class digital assets



90%

Of our clients access our digital channels, web and App, at least once a year



51%

Of Motor and Home claims are opened digitally



60%

Of tow truck requests are made digitally



>2MM

Accesses to our digital channels every month

01. Building from our strengths

Growth and transformation

Growth

Generating **resilient growth** in our insurance margin

Becoming a **multi-product insurer**, with less dependence on Motor

Achieving attractive **returns on capital**

Efficiency

Success in business **simplification**

Continuous delivery on our ambition of **productivity** and **reduction** of administration costs

We continue to take giant steps in **digitalisation**

Technical excellence

Improved **models** and **smart** price increases

Continuous improvement in **risk selection**

Automation and **digitalisation** in processes and claims management

Innovation and analytical capacity

Cutting-edge technological **capabilities** that are constantly being optimised

Broadening of AI

Experience in leveraging the **data** model to enable better **decision-making**

Low volatility investment portfolio

Prudence and **diversification**

Low risk profile

Robust balance

Solvency more than comfortable

Employee Engagement

High degree of **identification**

Top Employer since 2020

80% of employees say they feel **proud** to work at Linea Directa

Strong corporate culture

01. Building from our strengths

Sustainability and ESG are part of Línea Directa's DNA

**Sustainability
Yearbook Member**

S&P Global Corporate Sustainability
Assessment (CSA) Score 2023

S&P Global



Dow Jones
Sustainability Indexes

76/100
POINTS

TCFD



PRI



Entidad de las Naciones Unidas para la Igualdad
de Género y el Empoderamiento de las Mujeres



ESG business

Expansion of the catalogue of sustainable products

Social footprint

Promotion of accessibility and Línea Directa Foundation (10 years)

Sustainable finance

19.1

ESG rating of the investment portfolio.
Low risk*.

*Morningstar Sustainability

Equality

62%

Women in Senior Management*

*Composition as of January 2025

02

December 2024 Results



02. December 2024 Results

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 **GWP | 12M '24**

€1,020M +4.8% vs. 12M '23
+8.6% vs 4Q '23

 **Net income | 12M '24**

€64.2M
(€4.4M) in 12M '23

 **Portfolio**

3.43M +3.5% vs. 12M '23
+1.5x vs. 3Q '24

Premiums in the quarter by segment



+8.2%
PREMIUMS
vs. 4Q '23

+1.5x
POLICYHOLDERS
vs. 3Q '24



+8.0%
PREMIUMS
vs. 4Q '23

+2.5x
POLICYHOLDERS
vs. 3Q '24



+17.2%
PREMIUMS
vs. 4Q '23

+8.0x
POLICYHOLDERS
vs. 3Q '24


We have navigated cost inflation and a turbulent 2023, focusing on profitable growth

 **Profitability**

COMBINED RATIO | 12M '24

94.7% -9.4 p.p. vs. 12M '23
92.6% in 4Q '24

RoAE | 12M '24 **19.6%**

 **Solvency II ratio | 12M '24**

192.5% **185.4%**¹
Pre - dividend Post - dividend

1. Including the proposed complementary dividend for the year amounting to €15 million

02. December 2024 Results

IFRS17&9

<i>Thousand euro</i>	12M 2024	12M 2023	% var.	4Q 2024
Gross written premiums (GWP)	1,019,606	973,281	4.8%	261,977
Ordinary insurance activities income ¹	991,329	960,266	3.2%	254,557
Technical insurance result, net of reinsurance	51,226	(38,225)	n.a.	18,374
Investments result	39,649	33,992	16.6%	12,744
Credited interest ²	(8,683)	(4,646)	-86.9%	(2,156)
Insurance and financial result	82,192	(8,879)	n.a.	28,962
Other income/expenses and non-assignable expenses	1,118	2,332	-52.1%	472
Profit / (loss) before tax	83,310	(6,547)	n.a.	29,433
Income tax	(19,094)	2,157	n.a.	(5,964)
Profit / (loss) after tax	64,216	(4,390)	n.a.	23,469

	12M 2024	12M 2023	<i>p.p. var.</i>	4Q 2024
Loss ratio	72.6%	81.2%	-8.6 p.p	70.2%
Expense ratio	22.1%	22.9%	-0.8 p.p	22.4%
Combined ratio ³	94.7%	104.1%	-9.4 p.p	92.6%

- **Growth acceleration** (premiums +8.6% in 4Q)
- Strengthening of customer **loyalty**
- **Excellent progress of the combined ratio** (94.7% for the period, 92.6% 4Q)
- **Outstanding improvement in claims** and very contained expenses
- **Very favorable evolution of the financial result +16.6%** with higher income from the fixed income portfolio

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 discounting in the movement of the curve is accounted for in equity (-€1,1 million for the entire year)

02. Premiums and policyholders

Premiums and policyholders by business line

Premiums

€1,020M



81%
Motor

15%
Home

3%
Health

0.2%
Other

Gross Written Premiums

Thousand euro	12M 2024	12M 2023	% var.	4Q 2024	% var. YoY
Motor	826,194	792,684	4.2%	213,706	8.2%
Home	157,858	149,430	5.6%	40,847	8.0%
Health	33,860	30,384	11.4%	7,088	17.2%
Other ¹	1,694	783	116.3%	335	n.a.
Total	1,019,606	973,281	4.8%	261,977	8.6%

Policyholders

3,435 thousand



73%
Motor

22%
Home

4%
Health

1.7%
Other

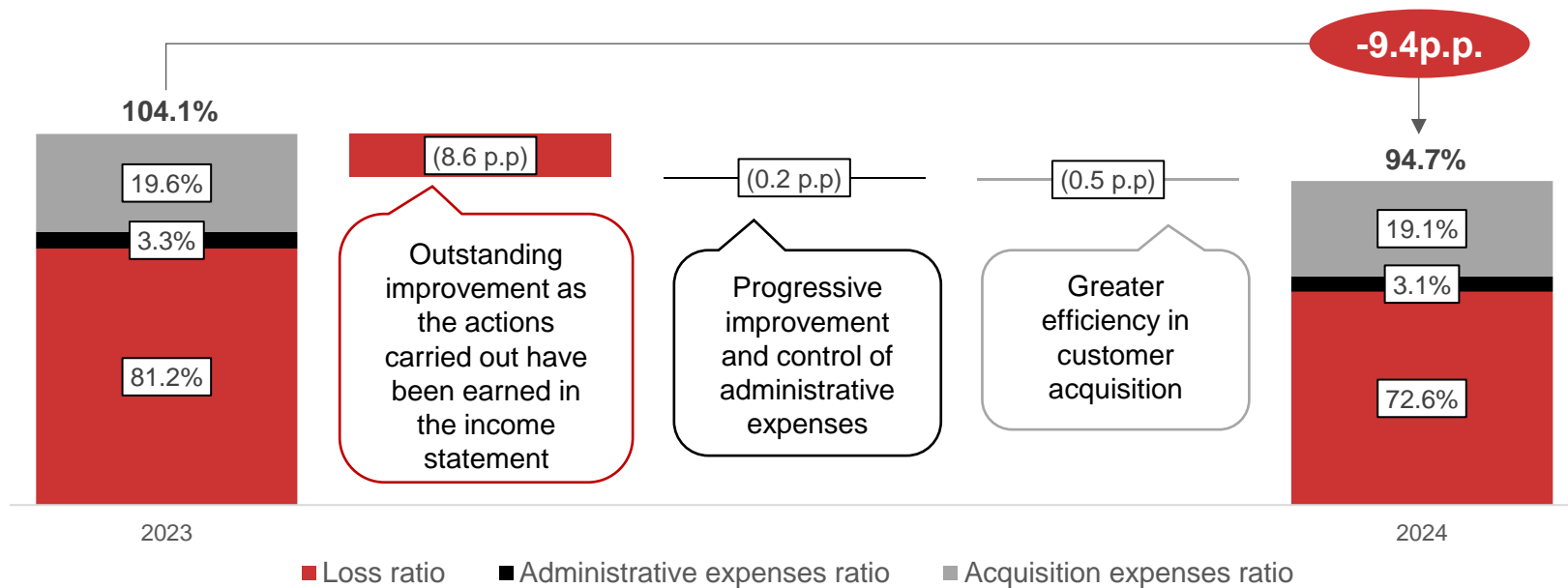
Policyholders

Thousand	12M 2024	12M 2023	% var.	4Q 2024
Motor	2,514	2,471	1.8%	30
Home	739	727	1.7%	7
Health	121	117	3.5%	4
Other ¹	60	4	-	16
Total	3,435	3,319	3.5%	57

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. Combined ratio

IFRS17&9

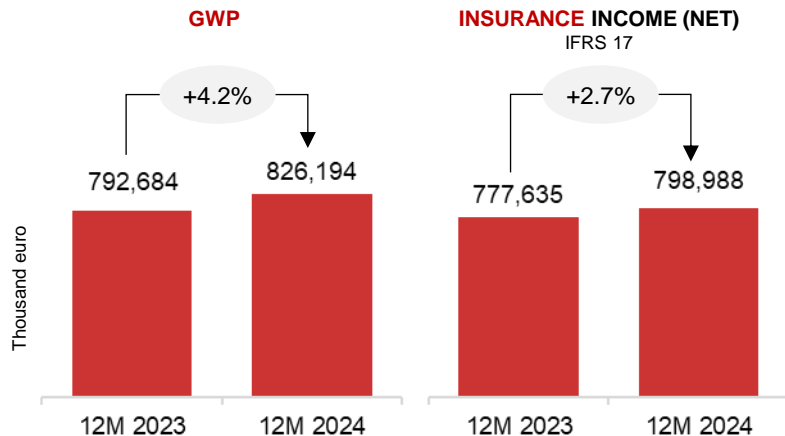


02. Motor Segment

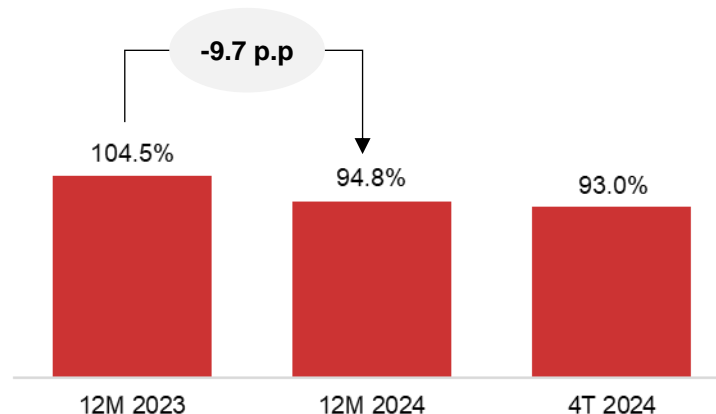


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INCOME



COMBINED RATIO IFRS17&9



- We have strengthened the focus on customer loyalty
- The portfolio accelerates its growth (+30 thousand) and premiums grow by 8.2% in 4Q

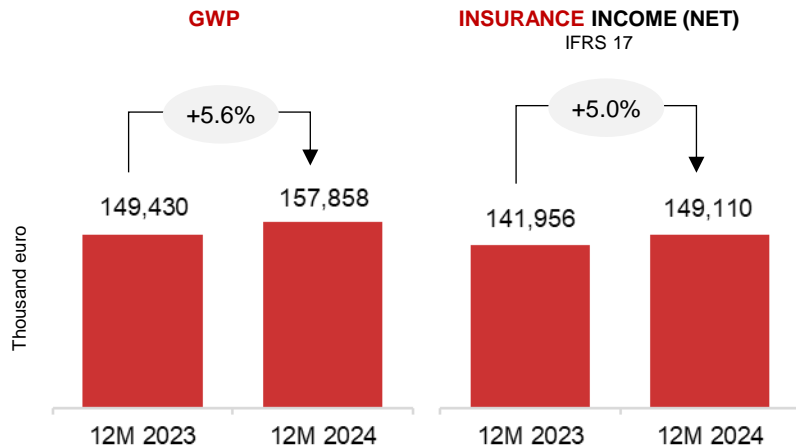
- The combined ratio has significantly improved despite the impact of DANA on claims not covered by the Consorcio and the implementation of quality measures
- Inflation has turned a corner and the outlook has improved

02. Home Segment



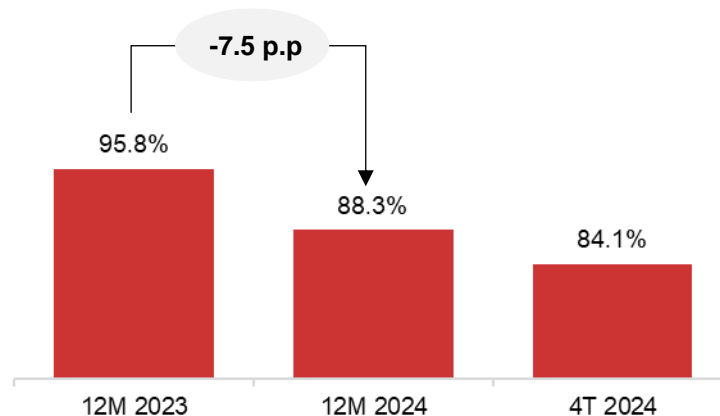
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INCOME



- As in Motor, Home posts an acceleration of its growth in the 4Q:
- The portfolio increases by more than 7.4 thousand policyholders (2.5x compared to 3Q 2024)
- Premiums rose by 8%

COMBINED RATIO IFRS17&9



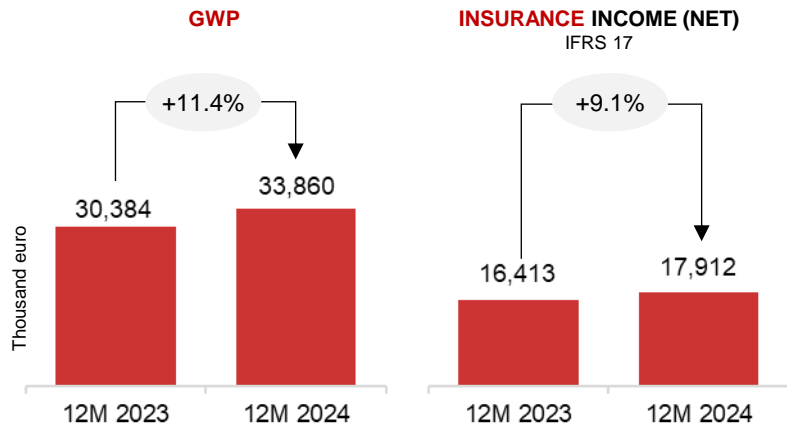
- The year has been extraordinary with a combined ratio of 88.3% (84.1% in the 4Q standalone)

02. Health Segment



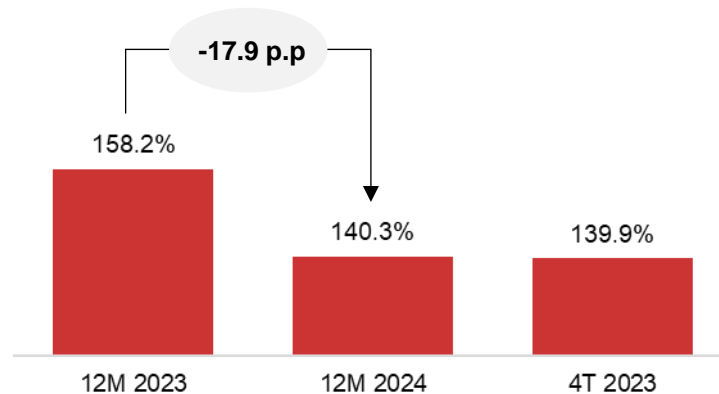
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INCOME



- Health posted outstanding growth of 17.2% in 4Q
- Premiums benefited from the improved product mix

COMBINED RATIO IFRS17&9



- Cemented underwriting discipline and risk selection, with lower frequencies than last year

02. Financial result

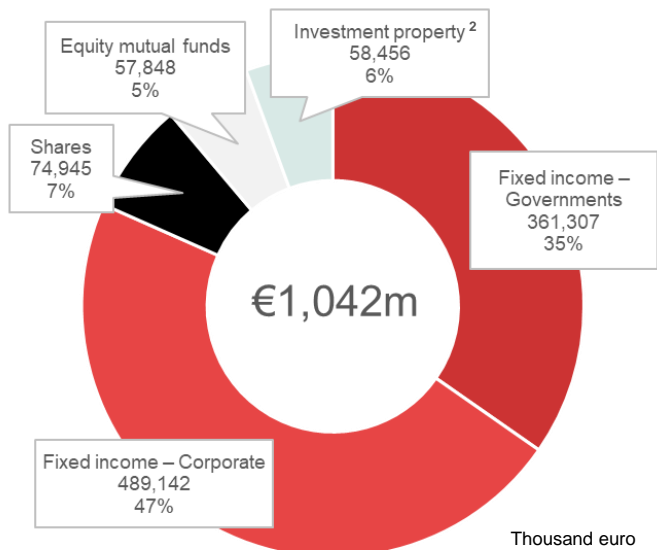
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Thousand euro	12M 2024	12M 2023	% var.	
Income	37,201	27,900	33.3%	Mainly explained by higher income from the fixed income portfolio
<i>Interest on bank deposits</i>	1,754	1,596	9.9%	
<i>Interest on fixed income securities</i>	22,306	16,854	32.3%	
<i>Income on equity instruments</i>	4,325	3,010	43.7%	Loss on a fixed income bond (Atos, French technology company)
<i>Other financial income</i>	8,816	6,440	36.9%	
Mark-to-Market (Equity mutual funds and derivatives)	157	1,880	-91.6%	
Realised gains (losses) in P&L	(1,295)	164	-889.6%	
Impairments	33	(40)	-	
Exchange rate and conversion differences (+/-)	568	(312)	-	
Financial investments result	36,664	29,592	23.9%	
Real estate investments result	2,985	4,400	-32.2%	
Net investments result	39,649	33,992	16.6%	NET INCOME FROM INVESTMENTS €39.6M +16.6%
Credited interest ¹	(8,683)	(4,646)	-86.9%	¹ The credited interest shows the impact of last year's financial unwinding on the provision for claims incurred, which increased primarily as a result of the level of interest rates over the past year
Insurance financial result	30,966	29,346	5.5%	

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

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PORTFOLIO COMPOSITION



Thousand euro	12M 2024	12M 2023	% var.
Movements registered in OCI	12,898	23,133	-44.2%
MTM fixed income and equity instruments	9,656	19,895	-51.5%
Realised gains (losses) in equity instruments	3,242	3,238	0.1%

PORTFOLIO RETURN (R12) AND OTHER METRICS¹

(%)	12M 2024	12M 2023	var. p.p
Fixed income	2.79%	2.60%	+0.19 p.p
Equity instruments	5.62%	5.01%	+0.61 p.p
Investment property	7.34%	9.77%	-2.43 p.p
Total average return	3.42%	3.44%	-0.02 p.p
Portfolio return (ex net realised gains)	3.25%	2.96%	+0.29 p.p
Reinvestment yield	3.55%	3.49%	+0.06 p.p

	12M 2024	9M 2023	var.
Fixed income duration	3.25	3.13	0.12
Fixed income modified duration	3.51%	3.22%	0.29 p.p.
VaR	1.43%	1.35%	0.08 p.p.

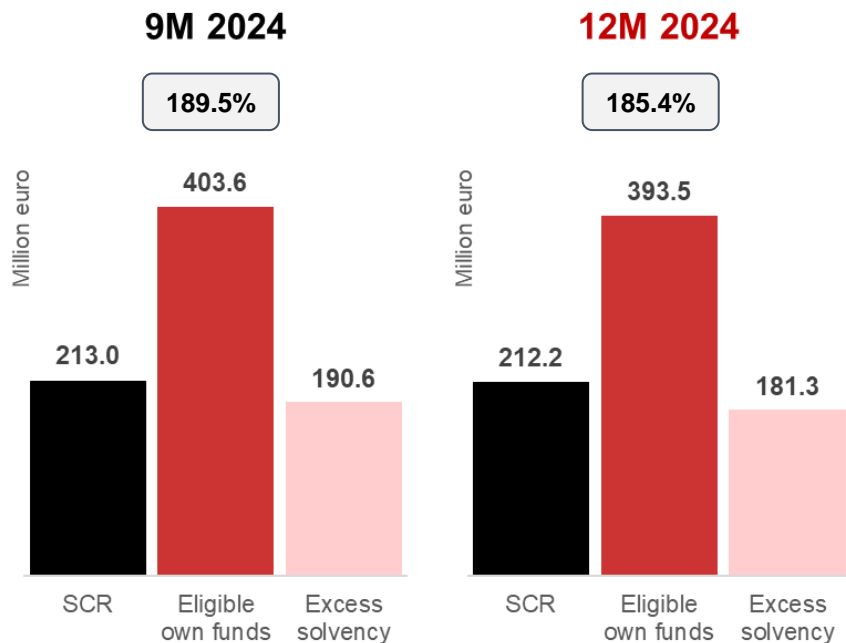
1. Revenue recognised in both the profit and loss account and OCI over the last 12 months divided by assets under management (fixed income and equity portfolios and investment property). Includes capital gains and losses realised and impairment losses.

2. Off-balance sheet capital gains on investment property and property for own use amount to €27.1 million before tax.

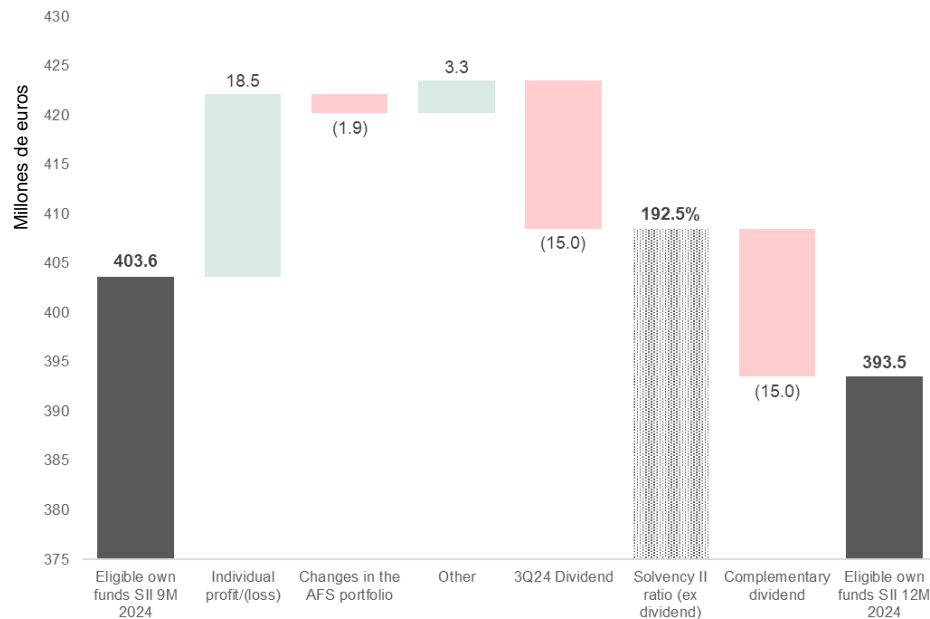
02. Solvency II

Robust solvency margin

Solvency margin (post-dividend)



Solvency own funds walk 9M 2024 – 12M 2024



1. Solvency ratio and eligible own funds refer to Línea Directa Aseguradora stand-alone
2. The eligible own funds as of December 2024 includes the proposal for a complementary dividend for the year (15 million euros)

02. Solvency II

Breakdown of capital required

<i>Thousand euro</i>	12M 2024	9M 2024
SCR Market	106,446	107,502
SCR Counterparty	5,273	5,704
SCR Health	4,123	3,864
SCR Non-Life	201,179	201,667
BSCR	253,234	254,537
SCR Operational	29,749	29,419
Deferred tax adjustment	(70,746)	(70,989)
SCR	212,237	212,967
Eligible own funds Solvency II	393,542	403,611
Solvency II ratio	185.4%	189.5%

Includes the proposal for a complementary dividend of 15 million euros

SCR MARKET

- Lower exposure to equities and reduction in quarterly symmetrical adjustment (provided by EIOPA)

SCR COUNTERPARTY

- Lower balances of the deposits

SCR HEALTH

- In line with business growth

SCR NON-LIFE

- Reflects two opposite effects: (i) business growth, (ii) which is offset by an improvement in the specific parameter linked to lower volatility in the Motor segment

SCR OPERATIONAL

- Stable

03

Q&A



04

Annex

04. Income statement by segment

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Income statement – Motor Segment

<i>Thousand euro</i>	12M 2024	12M 2023	<i>% var.</i>
Gross written premiums	826,194	792,684	4.2%
Income from ordinary insurance activities, net of reinsurance	798,988	777,635	2.7%
Claims for the period, net of reinsurance	(596,949)	(652,866)	-8.6%
Net operating expenses	(160,685)	(159,676)	0.6%
Net technical result	41,354	(34,907)	<i>n.a.</i>

	12M 2024	12M 2023	<i>p.p. var.</i>
Loss ratio	74.7%	84.0%	-9.3 p.p
Expense ratio	20.1%	20.5%	-0.4 p.p
Combined ratio¹	94.8%	104.5%	-9.7 p.p

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

Clients (thousand)	2,514,371	2,471,102	43,269
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Income statement – Home Segment

<i>Thousand euro</i>	12M 2024	12M 2023	<i>% var.</i>
Gross written premiums	157,858	149,430	5.6%
Income from ordinary insurance activities, net of reinsurance	149,110	141,956	5.0%
Claims for the period, net of reinsurance	(90,039)	(94,121)	-4.3%
Net operating expenses	(41,646)	(41,833)	-0.4%
Net technical result	17,425	6,002	190.3%

	12M 2024	12M 2023	<i>p.p. var.</i>
Loss ratio	60.4%	66.3%	-5.9 p.p
Expense ratio	27.9%	29.5%	-1.6 p.p
Combined ratio¹	88.3%	95.8%	-7.5 p.p

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

Clients (thousand)	738,995	726,654	12,341
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04. Income statement by segment

IFRS17&9

Income statement – Health Segment

<i>Thousand euro</i>	12M 2024	12M 2023	% var.
Gross written premiums	33,860	30,384	11.4%
Income from ordinary insurance activities, net of reinsurance	17,912	16,413	9.1%
Claims for the period, net of reinsurance	(14,500)	(13,299)	9.0%
Net operating expenses	(10,633)	(12,672)	-16.1%
Net technical result	(7,221)	(9,558)	-24.5%

	12M 2024	12M 2023	<i>p.p. var.</i>
Loss ratio	81.0%	81.0%	0.0 p.p
Expense ratio	59.4%	77.2%	-17.8 p.p
Combined ratio¹	140.3%	158.2%	-17.9 p.p

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

Clients (thousand)	121,408	117,354	4,054
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Income statement – Other Insurance Businesses¹

<i>Thousand euro</i>	12M 2024	12M 2023	% var.
Gross written premiums	1,694	783	116.3%
Income from ordinary insurance activities, net of reinsurance	1,089	773	40.9%
Claims for the period, net of reinsurance	(412)	(476)	-13.4%
Net operating expenses	(1,009)	(59)	1610.2%
Net technical result	(332)	238	-239.5%

	12M 2024	12M 2023	<i>p.p. var.</i>
Combined ratio	130.5%	69.2%	61.3 p.p

Clients (thousand)	60,019	3,544	56,475
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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	12M 2024	12M 2023	% var.
Cash and cash equivalents	16,709	41,746	-60.0%
Financial assets at fair value through P&L	57,876	53,998	7.2%
<i>Equity instruments</i>	57,876	53,998	7.2%
Financial assets at fair value through equity	925,367	823,345	12.4%
<i>Equity instruments</i>	74,918	63,524	17.9%
<i>Debt securities</i>	850,449	759,821	11.9%
Financial assets at amortised cost	34,341	15,456	122.2%
Hedging derivatives	4,652	5,909	-21.3%
Reinsurance contract assets	34,097	31,939	6.8%
Property, plant and equipment and investment property	100,807	101,600	-0.8%
<i>Tangible fixed assets</i>	42,351	43,077	-1.7%
<i>Investment property</i>	58,456	58,523	-0.1%
Intangible assets	45,345	29,188	55.4%
Other assets	16,942	22,141	-23.5%
Total assets	1,236,135	1,125,322	9.8%

Liabilities and Equity

Thousand euro

LIABILITIES AND EQUITY	12M 2024	12M 2023	% var.
Financial liabilities at amortised cost	77,315	65,313	18.4%
Liabilities under insurance contracts	767,467	715,311	7.3%
<i>Liabilities for remaining coverage</i>	362,277	339,352	6.8%
<i>Liabilities for claims incurred</i>	405,190	375,959	7.8%
Non-technical provisions	3,649	375	873.1%
Other liabilities	29,389	31,288	-6.1%
Total liabilities	877,819	812,287	8.1%
Equity	366,829	330,087	11.1%
Valuation adjustments	(8,513)	(17,052)	-50.1%
<i>Equity instruments at fair value through equity</i>	727	1,034	-29.7%
<i>Debt securities at fair value through equity</i>	(9,297)	(19,260)	-51.7%
<i>OCI insurance contracts</i>	203	1,689	-88.0%
<i>OCI reinsurance contracts</i>	(146)	(515)	-71.7%
Total equity	358,316	313,035	14.5%
Total liabilities and equity	1,236,135	1,125,322	9.8%

04. Management ratios

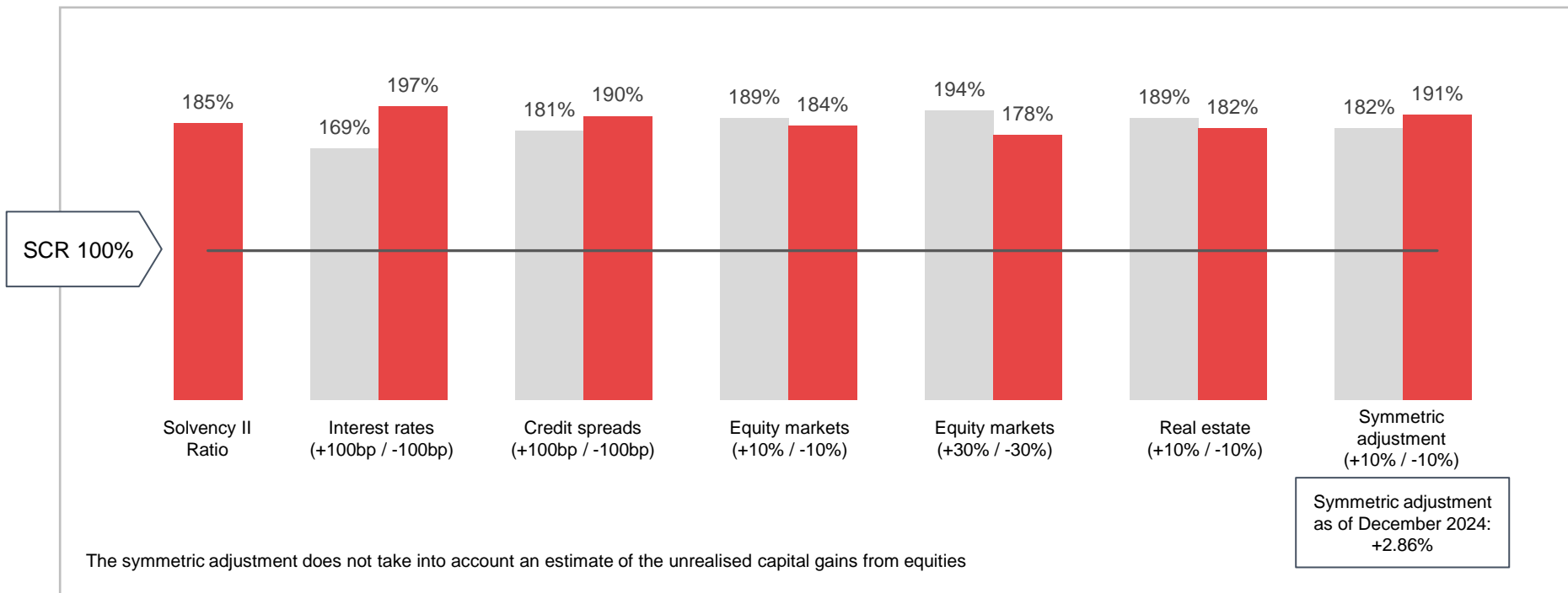
IFRS17&9 and IFRS4

<i>IFRS 17</i>	Loss Ratio			Expense Ratio			Combined Ratio		
	12M 2024	12M 2023	<i>p.p. var.</i>	12M 2024	12M 2023	<i>p.p. var.</i>	12M 2024	12M 2023	<i>p.p. var.</i>
Motor	74.7%	84.0%	-9.3 p.p	20.1%	20.5%	-0.4 p.p	94.8%	104.5%	-9.7 p.p
Home	60.4%	66.3%	-5.9 p.p	27.9%	29.5%	-1.6 p.p	88.3%	95.8%	-7.5 p.p
Health	81.0%	81.0%	0.0 p.p	59.4%	77.2%	-17.8 p.p	140.3%	158.2%	-17.9 p.p
Other	37.8%	61.6%	-23.8 p.p	92.7%	7.6%	85.1 p.p	130.5%	69.2%	61.3 p.p
Total	72.6%	81.2%	-8.6 p.p	22.1%	22.9%	-0.8 p.p	94.7%	104.1%	-9.4 p.p

<i>IFRS 4</i>	Loss Ratio			Expense Ratio			Combined Ratio		
	12M 2024	12M 2023	<i>p.p. var.</i>	12M 2024	12M 2023	<i>p.p. var.</i>	12M 2024	12M 2023	<i>p.p. var.</i>
Motor	79.5%	88.6%	-9.1 p.p	16.6%	16.9%	-0.3 p.p	96.1%	105.5%	-9.4 p.p
Home	61.5%	68.6%	-7.1 p.p	28.0%	29.5%	-1.5 p.p	89.4%	98.0%	-8.6 p.p
Health	81.6%	89.8%	-8.2 p.p	59.1%	78.5%	-19.4 p.p	140.7%	168.2%	-27.5 p.p
Other	9.4%	10.8%	-1.4 p.p	121.5%	58.4%	63.1 p.p	130.9%	69.2%	61.7 p.p
Total	76.7%	85.5%	-8.8 p.p	19.2%	19.9%	-0.7 p.p	95.9%	105.4%	-9.5 p.p

04. Solvency II

Sensitivities to the solvency margin



Thank you



30 años



línea directa