



# Development and change based on digital innovation

*Investor presentation*

*Stresa, 23<sup>rd</sup> – 24<sup>th</sup> September 2021*

# AGENDA

1. Remind on business model
2. Financial Result as at 30th June 2021
3. Some pictures Business model Pillars
4. Outlook 2021

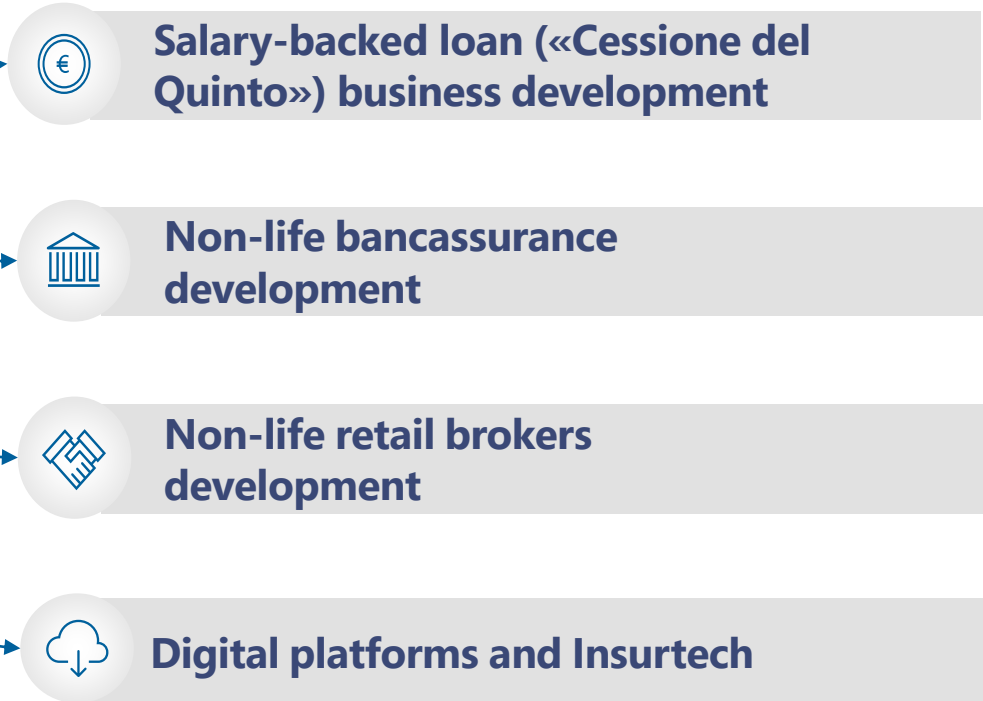
***Remind on business model***

# Business Model

## Mission

*Building an open and independent B2B2C platform specialising in people and property protection business, by capitalising on every opportunity provided by digital technologies*

## Strategic Pillars



**A business model, substained by a strong Governance model and based on a multi-specialist approach, where *protection* and *digital* add up to make NET a reference player in the insurance market**

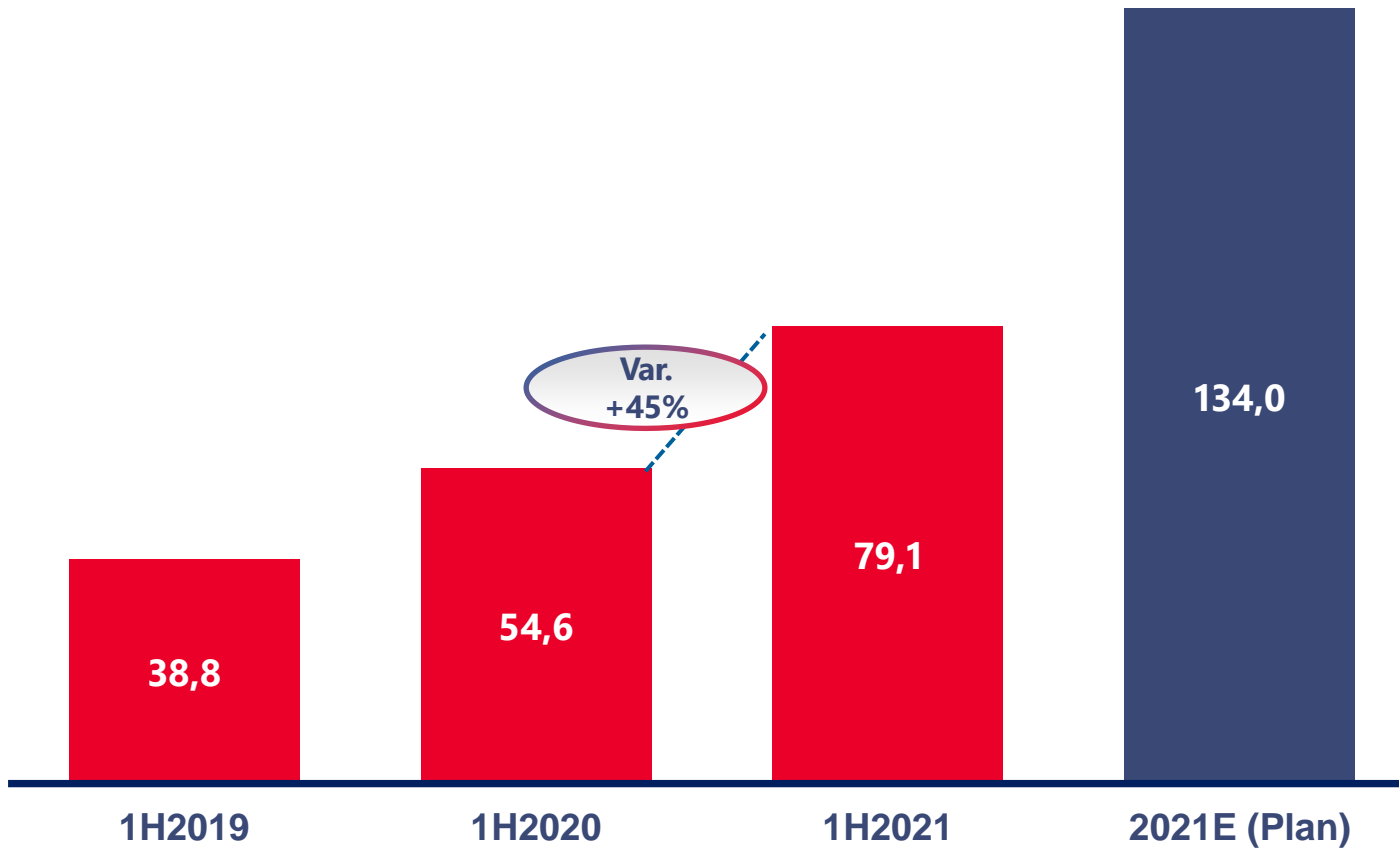
# ***Financial Result as at 30<sup>th</sup> June 2021***

# Still in line with the Plan's targets during current half-year!

|   |         | TARGET 2021 | 1H2021 A |   |
|---|---------|-------------|----------|---|
| <b>Gross written Premiums</b>                   | (€/mln) | 134         | 79,1     | ✓ |
| <b>Net technical result</b>                     | (€/mln) | 12,7        | 7,6      | ✓ |
| <b>Net income</b>                               | (€/mln) | 11          | 7,2      | ✓ |
| <b>Net income adj.</b>                          | (€/mln) | 11,3        | 7,6      | ✓ |
| <b>Shareholders' equity</b>                     | (€/mln) | 71,5        | 85,3     | ✓ |
| <b>ROE</b>                                      | (%)     | 16,4        | 17,5     | ✓ |
| <b>Combined Ratio</b><br><i>(net of Reins.)</i> | (%)     | 71,5        | 67       | ✓ |
| <b>Solvency Ratio</b>                           | (%)     | ~ 165-175   | 181,1    | ✓ |

# Gross written Premiums

(€/ mln)



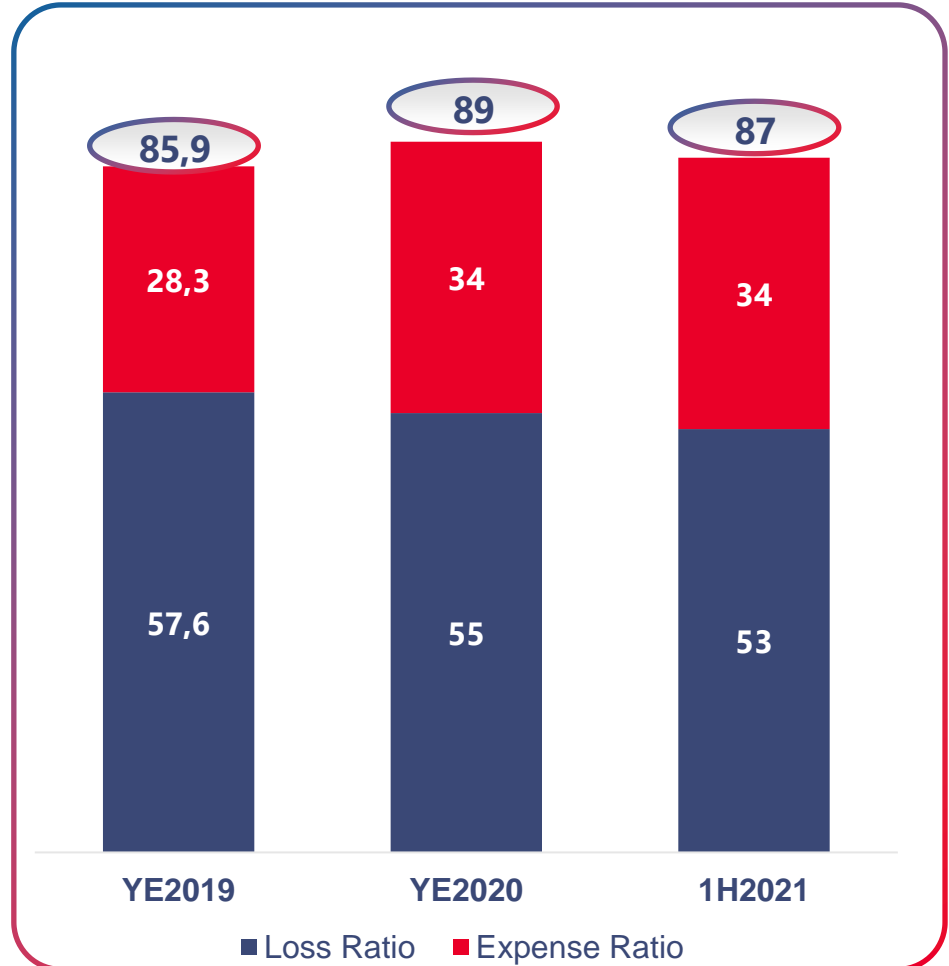
- ▶ **Increase in GWP (+45%)**
- ▶ **Excellent acceleration in development of all line of business**
- ▶ **Change percentage equal to +112% in Bancassurance GWP**
- ▶ **GWP level in line with Plan's estimates**

# Combined Ratio

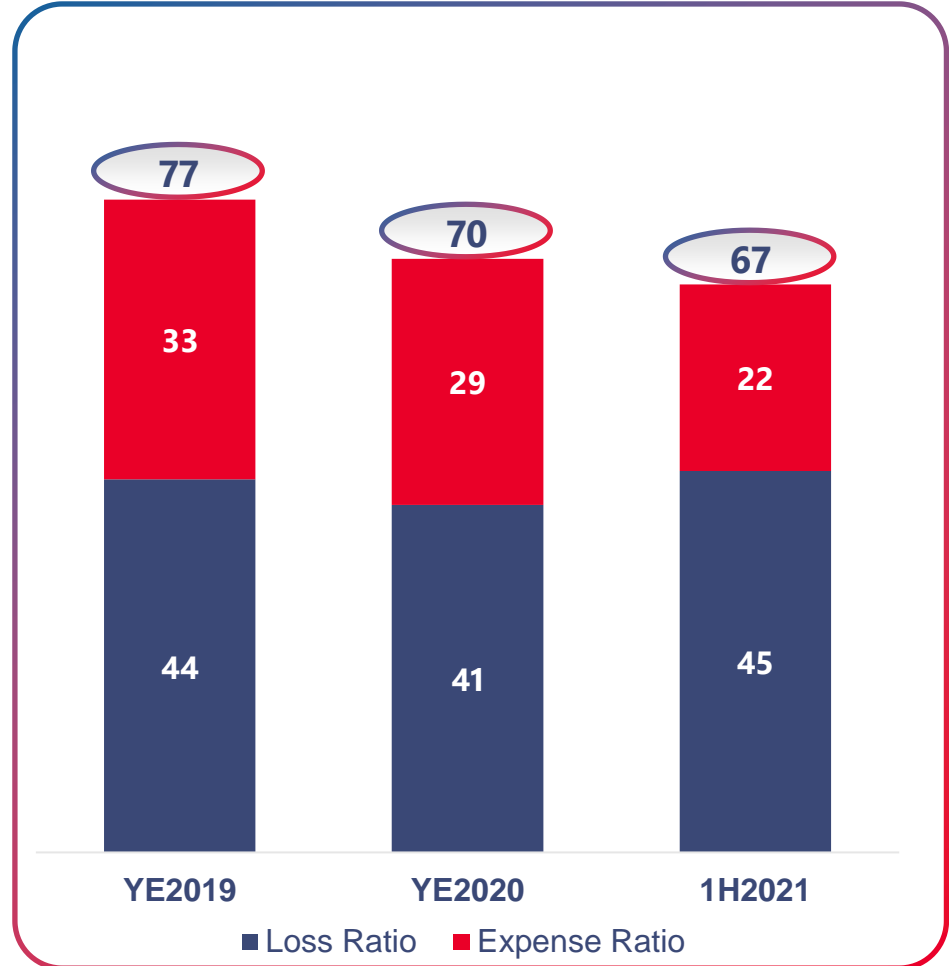
CoR in line with Plan's estimates

(%)

### Gross of Reinsurance



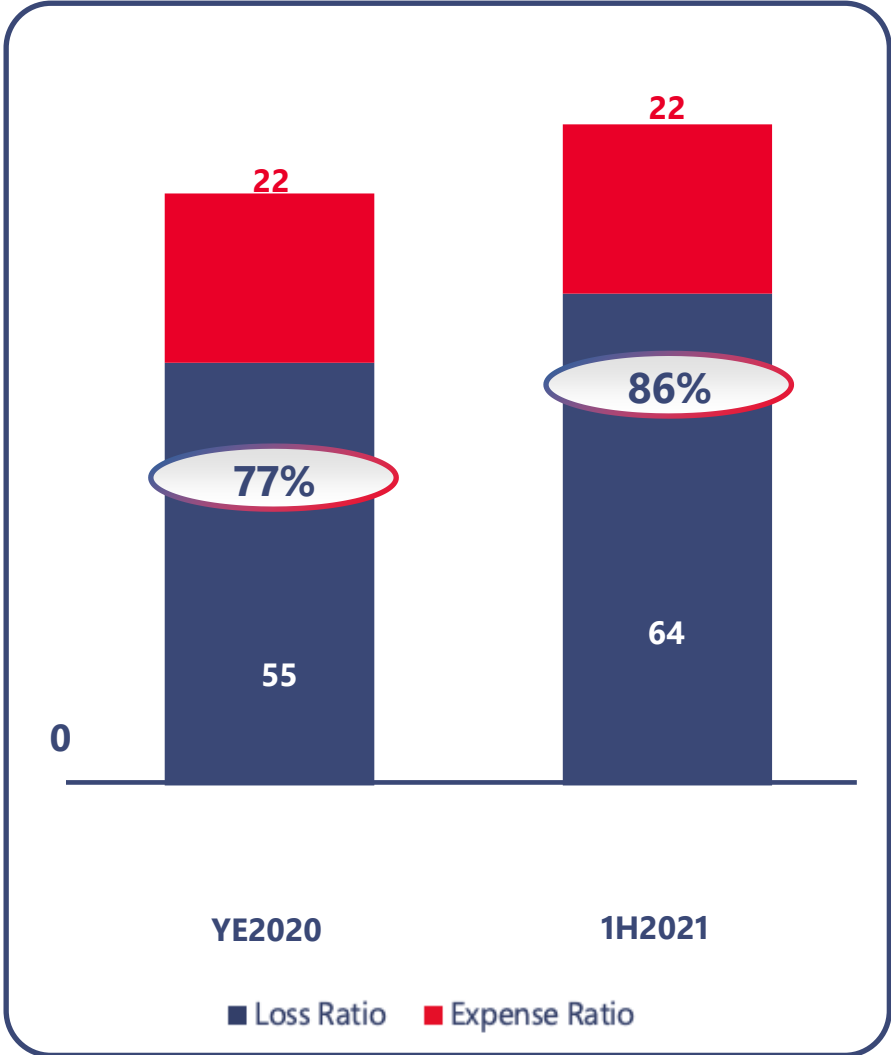
### Net of Reinsurance



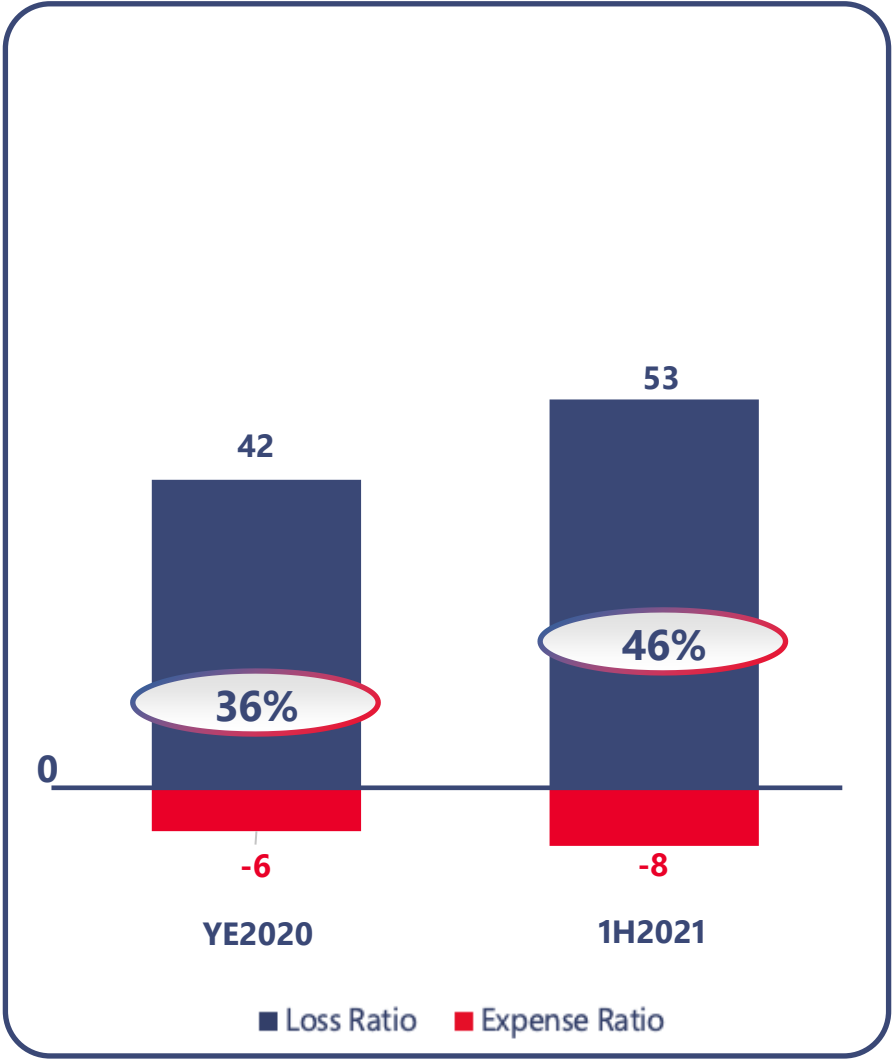


# Combined Ratio – focus on CQ business

Gross of reinsurance

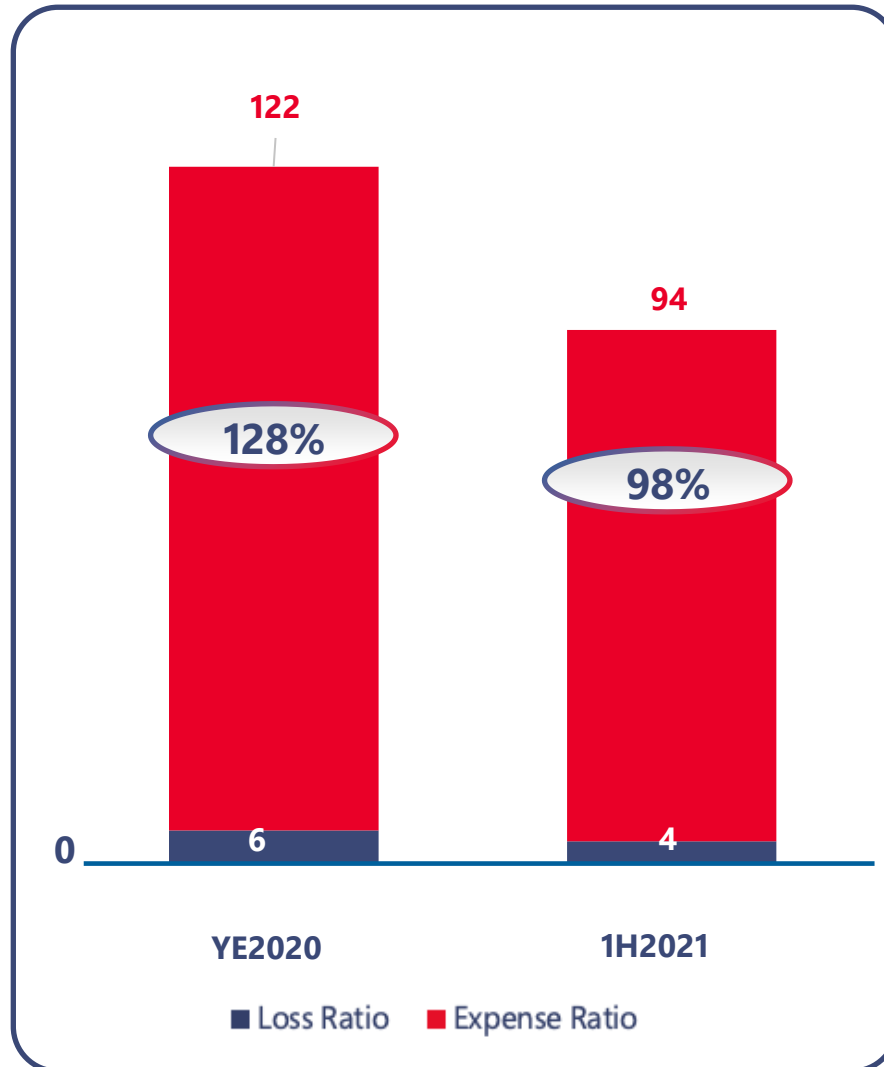


Net of reinsurance

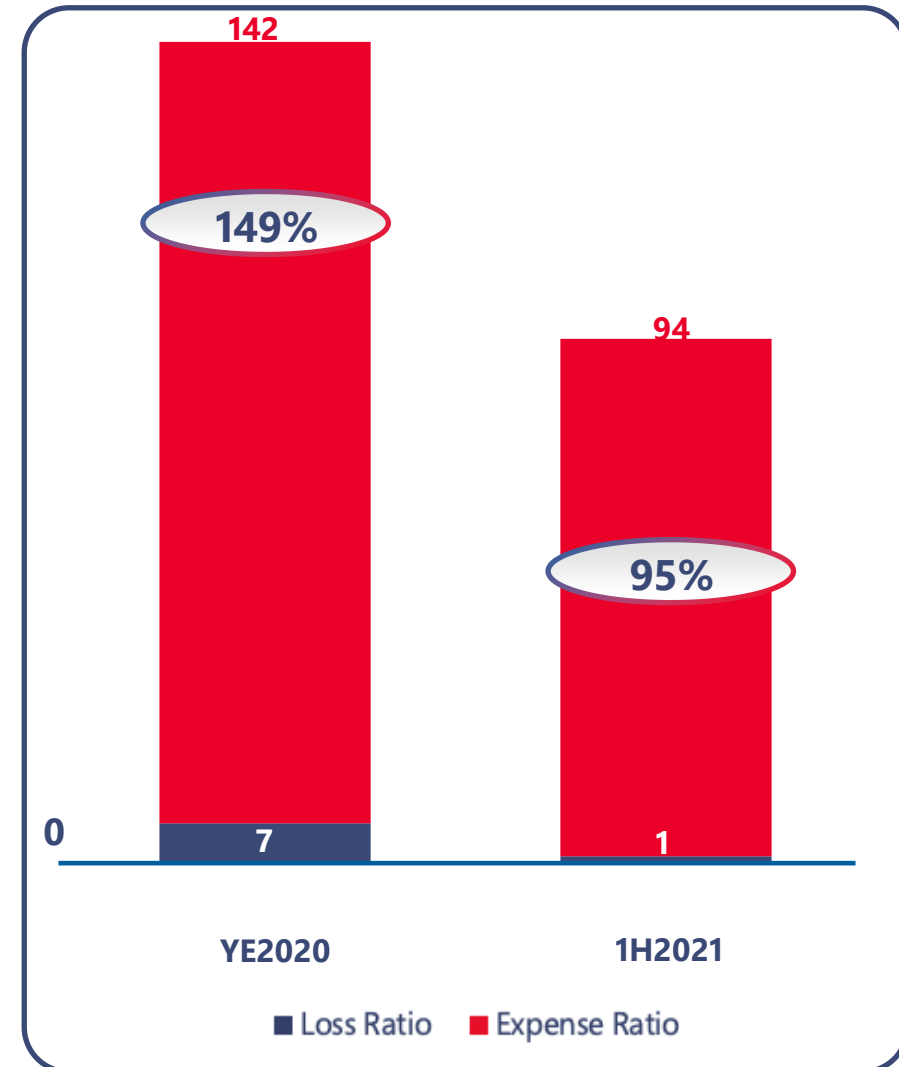


# Combined Ratio – *focus on Bancassurance*

Gross of reinsurance

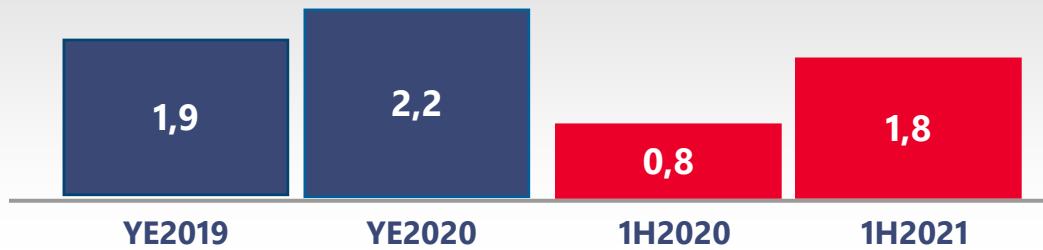


Net of reinsurance

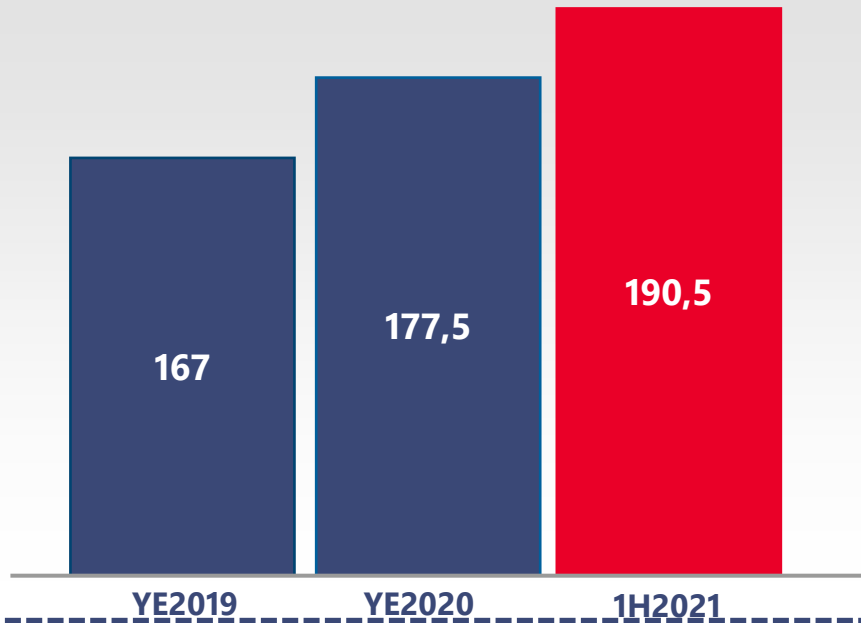


# Investments

*Financial result  
(€/mln)*

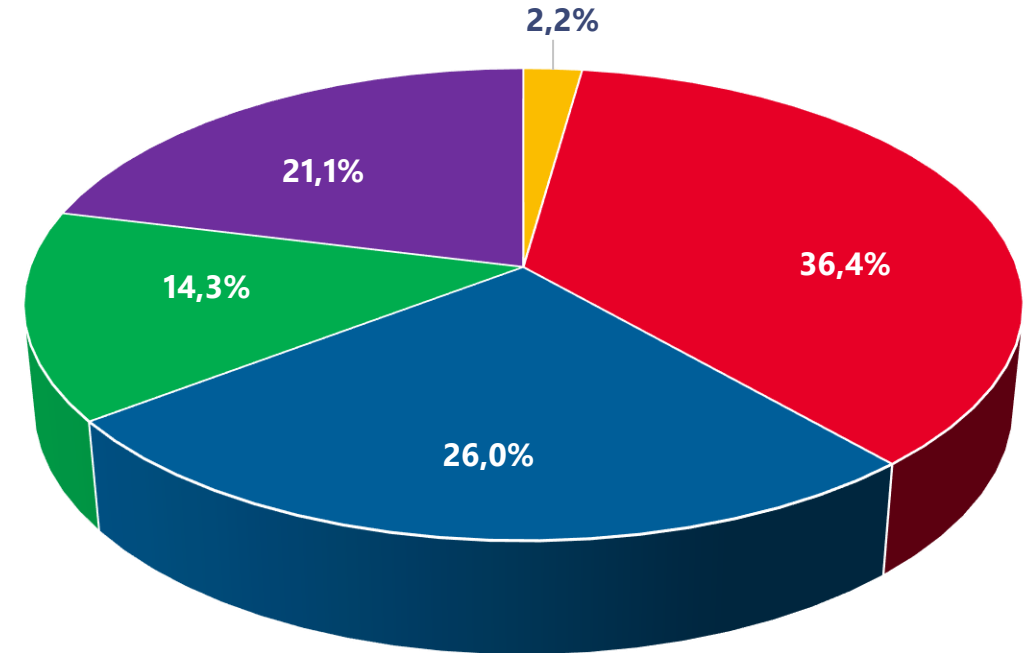


*Investments  
(€/mln)*



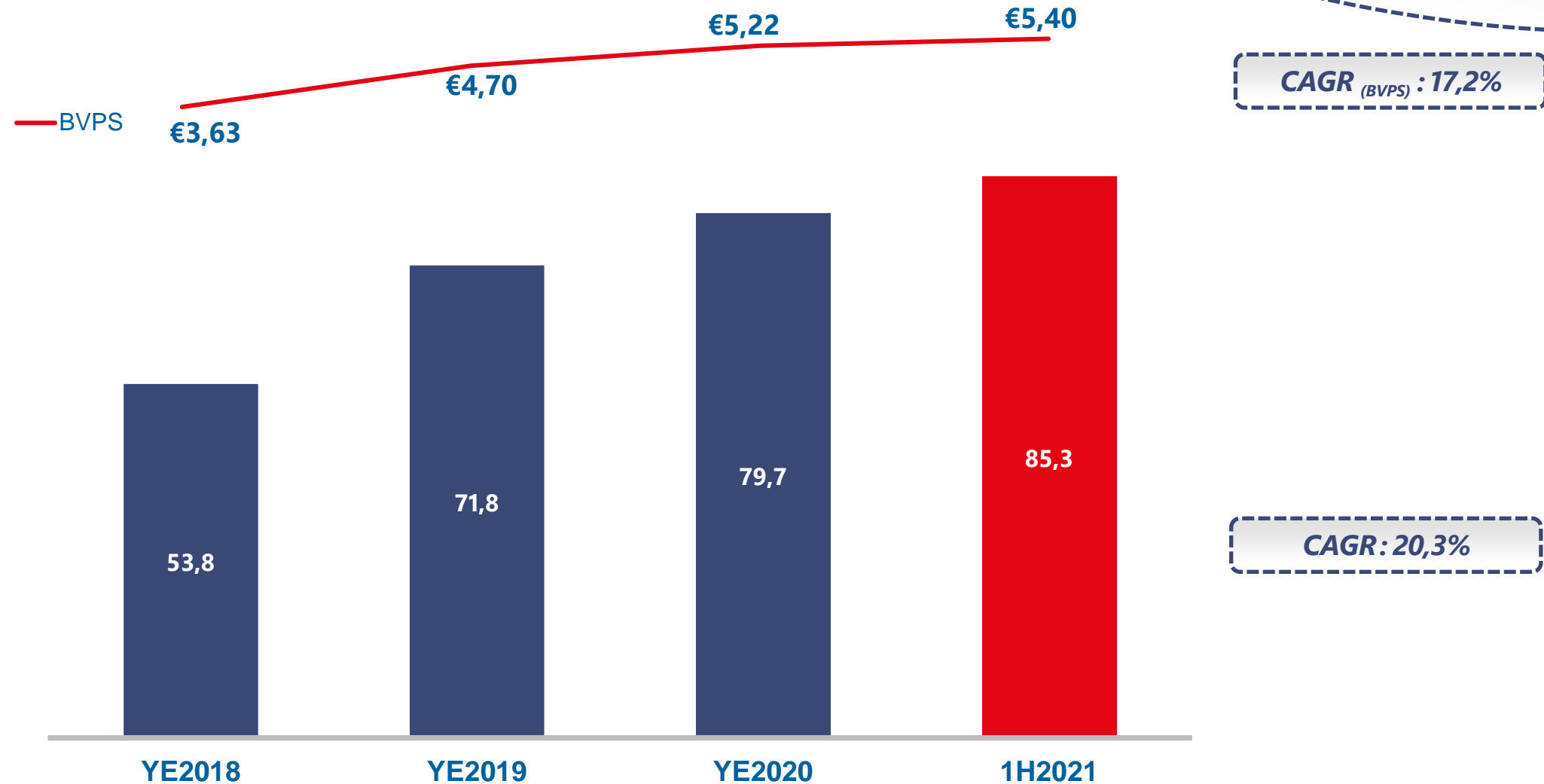
*Very diversified asset allocation,  
which generates further profits to  
add on technical results*

*Asset allocation*



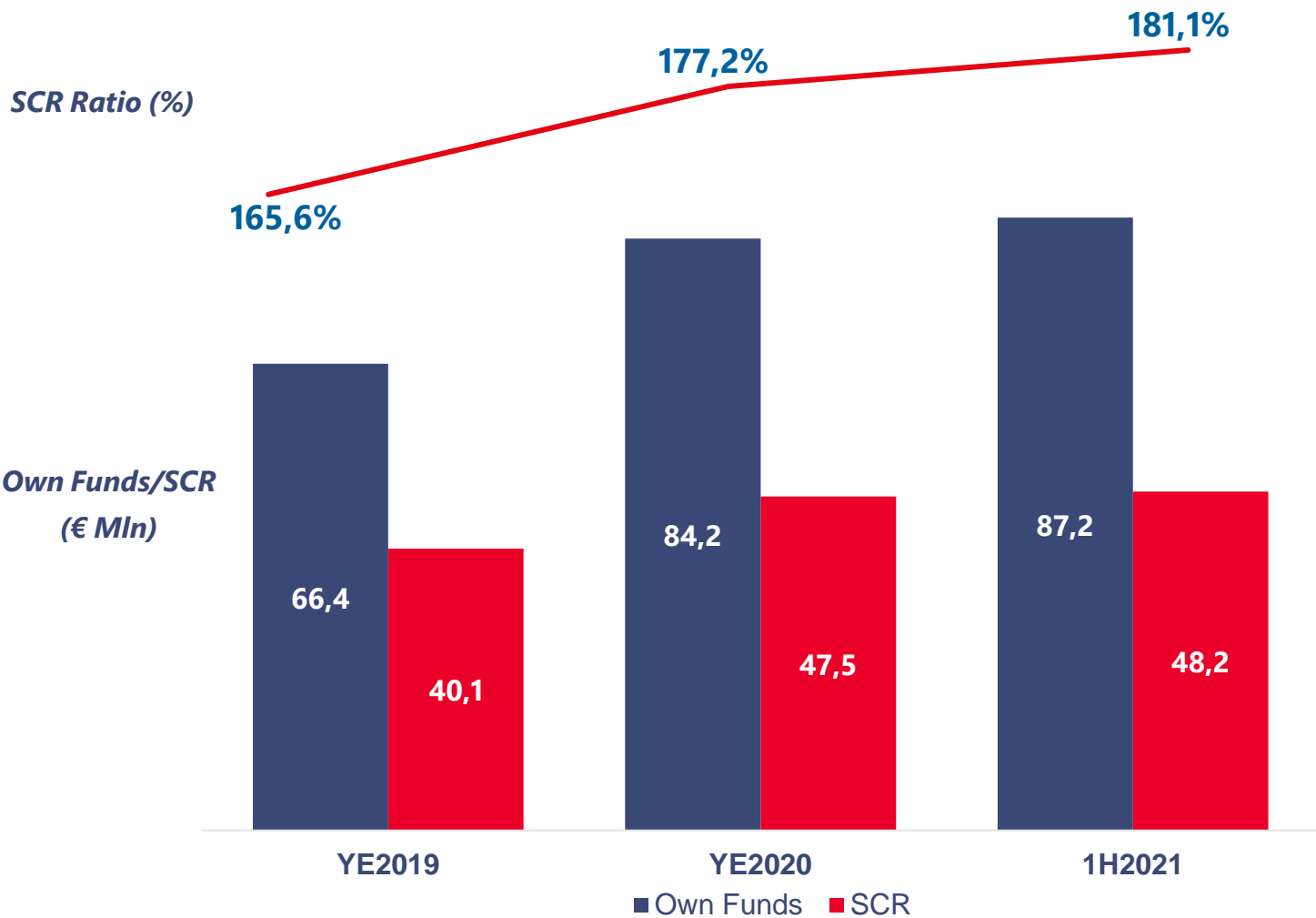
- Equity
  - Funds
  - Govies ITA
- Govies not ITA
  - Corporate bond

# Shareholders' Equity



# SCR Ratio – Net Insurance Group

SCR Ratio level higher than  
~ 165%-175%  
(estimated in the Business Plan)



- ▶ Solvency position widely above regulatory minimum;
- ▶ Flexible capital structure which shows its strong resilience;
- ▶ SCR Ratio still up to Plan's estimates

# *Some pictures Business model Pillars*

# Salary backed – loan (CQ business)

- ▶ Further confirmed **leadership** position where market share (around 30%) put in evidence **high standards quality and specialization**
- ▶ **Underwriting and repricing activities**, with the scope to strengthen equilibrium and prospective industrial profitability of this line of business
- ▶ Very good **technical results** reinforced during 1H2021
- ▶ **Diversified portfolio by employers sector** (private/public/parapublic) and built using accurate underwriting criteria and scoring systems; very low level of exposure in sectors most affected by pandemic
- ▶ **High portfolio quality subject to “double hedging system”** thanks to severance indemnity (“TFR”) and reinsurance program (2/3 of the business ceded to Reinsurer)

# Bancassurance

2018

2019

2020

2021

**SPARKASSE**  
CASSA DI RISPARMIO  
(105 branches)

**BANCA POPOLARE  
DI PUGLIA E BASILICATA**  
(104 branches)

**IBL Banca**  
(54 branches)

**BPSA BANCA POPOLARE  
S. ANGELO**  
(25 branches)

**Banca del Lazio  
Popolare**  
(60 branches)

**ConfeserFIDI**  
Intermediario Finanziario Art. 106 TUB  
(31 branches)

**Banca  
Popolare  
Pugliese**  
(106 branches)

**Blu Banca**

**Banco Desio**  
(243 branches)

**Fides**  
Gruppo Banco Desio  
(33 branches)

**Banca Popolare  
Valconca**  
(23 branches)

**Banca Capasso**  
GRUPPO BANCARIO IBL BANCA  
(7 branches)

**Banca di Sconto  
e Conti Correnti**  
di Santa Maria Capua Vetere S.p.A.  
(3 branches)

**BANCA DI PIACENZA  
LA NOSTRA BANCA**  
(54 branches)

**FIGENPA**  
Diamo credito al tuo mondo.  
(30 branches)

Over no. 850 «points of sale» where NET's products are sold...  
Net Insurance is becoming reference player in this sector!



# Bancassurance

## Distribution area



## Protection solutions

The figure displays three protection solutions with corresponding icons:

- Protection Households** (Multirisk, Home, Health, Accident, PET): Represented by an icon of a house with two people.
- CPI** (Mortgages, Loans, business): Represented by an icon of a Euro symbol on a stack of coins.
- Protection Business** (Enterprise multirisk, Agricultural risk, Leasing): Represented by an icon of a building with a red exclamation mark.

Protection solutions dedicated to Person, Households and SMEs cover the entire national territory

# Digital and Broker channel

## Digital

- ▶ Signed **important agreement with Enel X**, the first Italian player on multiutilities
- ▶ **Obtained the certification ISO/IEC 27001:2013**, as main international standard principle
- ▶ Focus **on new products** dedicated to People (“mobility green” and dental with ForGreen) and dedicated to SMEs (cyber risk insurance coverage)
- ▶ NET is ready to start selling process **in freedom of service in Spain**, consolidating such partnership with Yolo

## Broker retail

- ▶ It's a **complementary channel to bancassurance** in the insurance offer
- ▶ **signed new agreements with brokers** in a very targeted way and as to products to be distributed
- ▶ **New insurance solutions** (Health product, CAT risks)
- ▶ business increased in **niche markets risks (agricultural risks and suretyship)**

# Other great results – *Rating (AM Best) affirmation*



Adequate balance sheet strength and operating performance



Appropriate ERM level which has been strengthened, concurrent with the current management team's tenure



Clear risk appetite and risk tolerance statements, as well as appropriate control systems



Leading profile as a specialist in CQ business, leveraging its expertise and innovative approach to compete in this market



***bbb-***  
***(long-term issuer credit rating)***



***B+***  
***(Financial Strength Rating)***

# Other great results



A recent market analysis done by **Nielsen Sports agency** certified NET's **brand awareness**, which now is known within **24%** of Italian population (previous percentage equal to 19% in 2020), thanks to the sponsorship with FIGC and AIA



NET received during I semester 2021 the certification "**great place to work**"



# ***Outlook 2021***

# Outlook 2021



Energetic activity of business "development" during this 3<sup>rd</sup> year of our Business Plan.  
Finalised several projects during 1H2021



We are confident in future increase of demand in **CQ business**.  
**Bancassurance** increases with a percentage above +110% in terms of gross written premiums (vs I semester 2020). New distribution agreements signed during this first part of the year...and other in pipeline!



In **digital** channel new agreements which allow to enlarge customer base

**We do not observe any factors which could represent an obstacle in order to achieve all target's Plan expected in 2021**

# 2021 Target Plan...

 **134**  
Mln eur (GWP)

 **11,3**  
Mln eur (net income adj.)

 **71,5**  
Mln eur (total equity)

 **16,4%**  
(ROE)

 **~ 165-175%**  
(SCR Ratio)

 **71,5%**  
(CoR net of Reins.)

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