

A decorative graphic on the left side of the slide consists of several overlapping, glowing blue arrows pointing to the right. The arrows are layered, with the front-most one being the most prominent and brightest.

# Development and change based on digital innovation

*EnVent Winter Conference, 16<sup>th</sup> February 2022*

*Investor Presentation*

# AGENDA

1. Remind on business model
2. Financial Results as at 30th June 2021
3. Some preliminary consolidated results for FY2021
4. Some pictures Business model Pillars
5. Wrap up

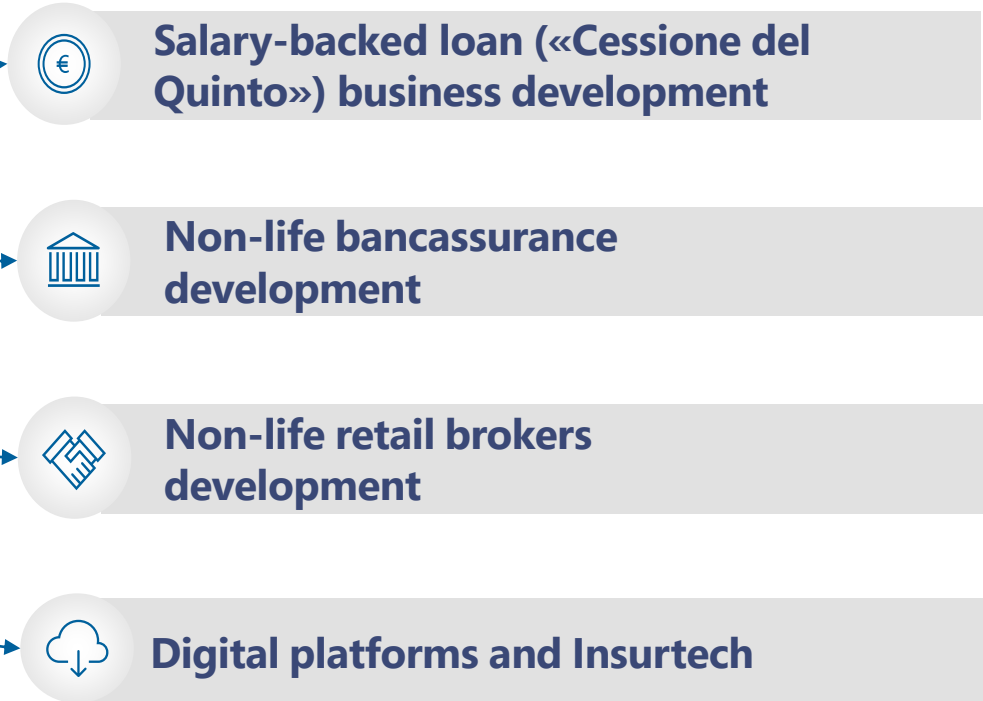
***Remind on business model***

# 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, sustained 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**

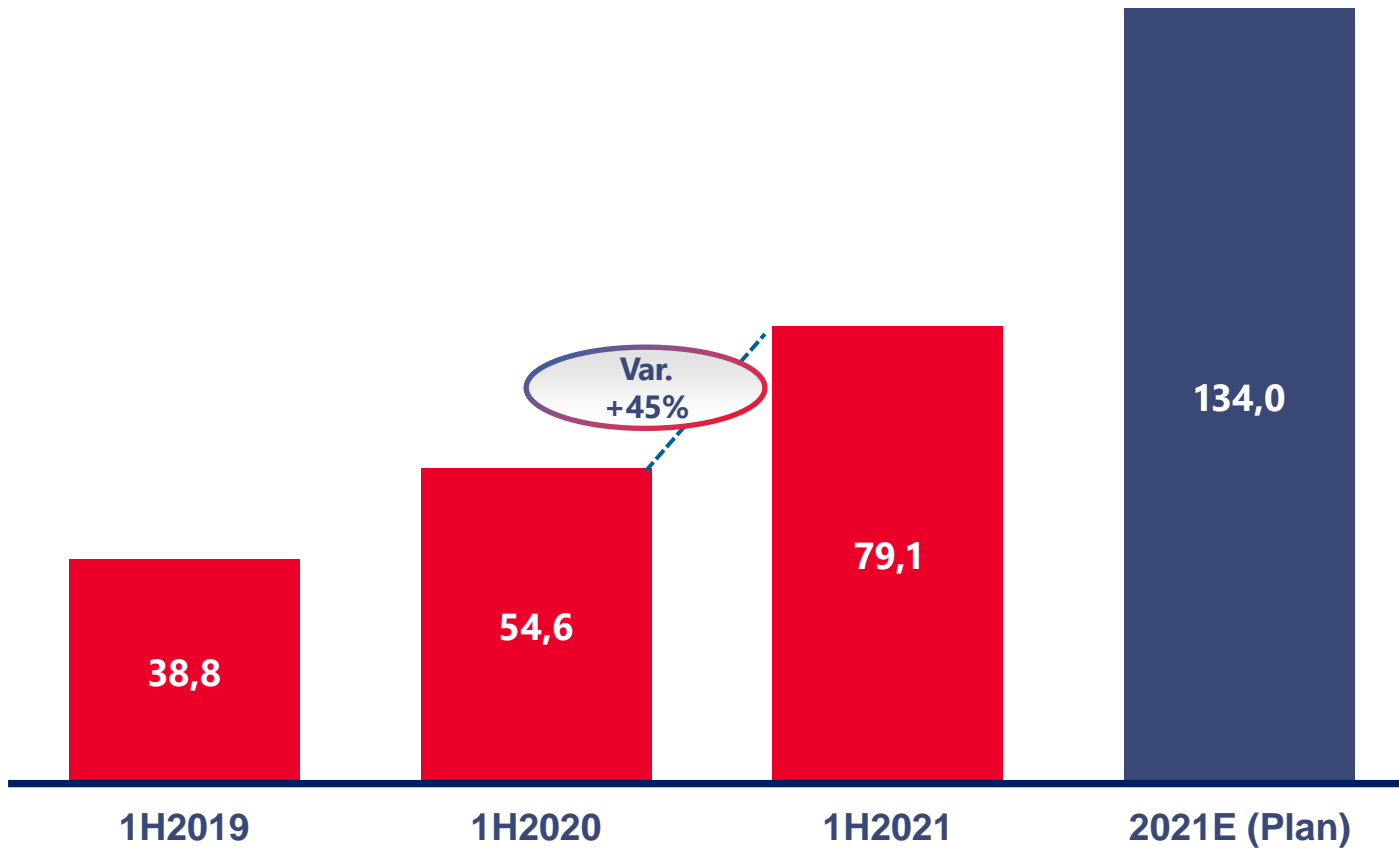
# ***Financial Results as at 30<sup>th</sup> June 2021***

# 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> <i>(net of Reins.)</i>	(%)	71,5	67	✓
<b>Solvency Ratio</b>	(%)	~ 165-175	181,1	✓

# Gross written Premiums

(€/ mln)



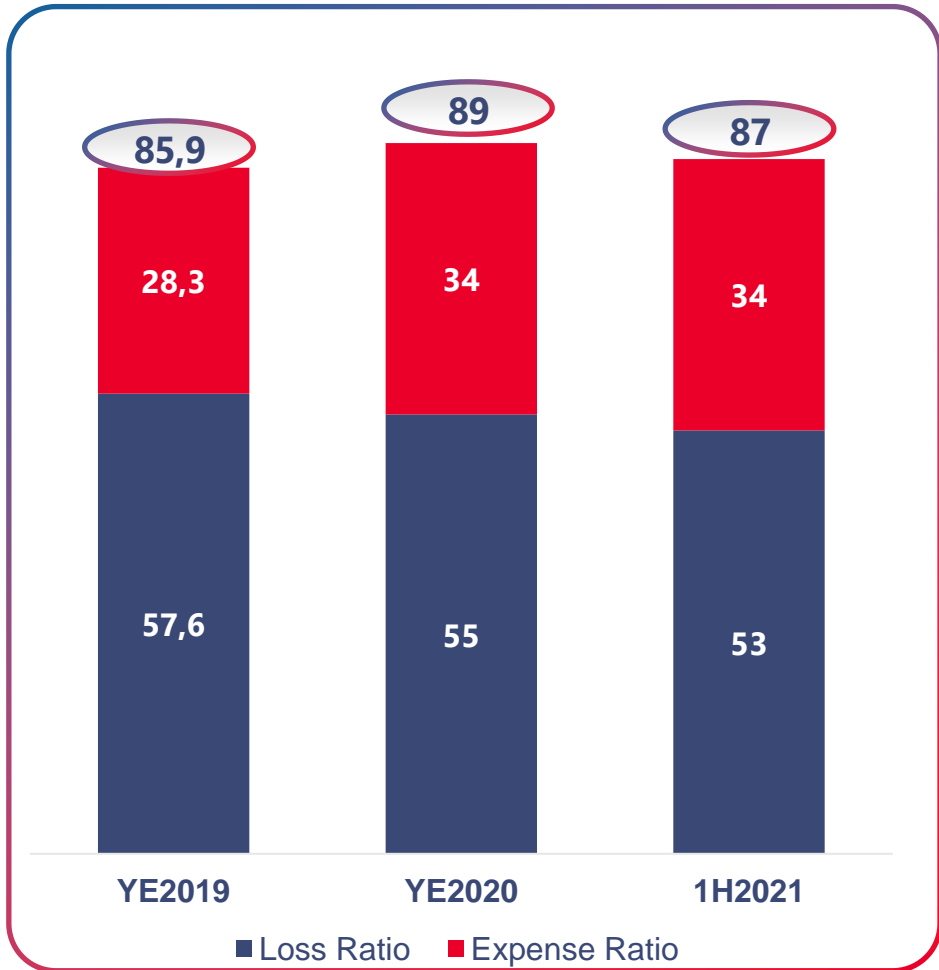
- ▶ **Increase in GWP (+45%)**
- ▶ **Excellent acceleration in development of all line of business**
- ▶ **Change percentage equal to +112% in Bancassurance GWP**
- ▶ **GWP level in line with Plan's estimates**

# Combined Ratio

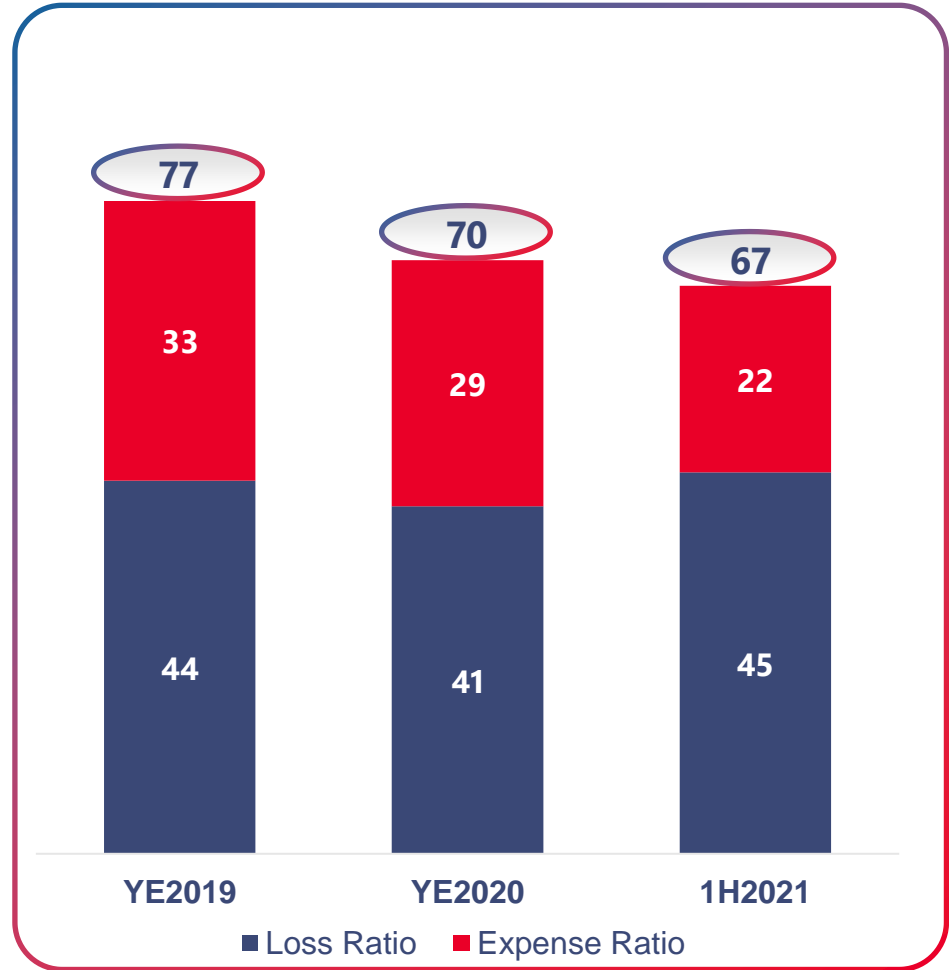
CoR in line with Plan's estimates

(%)

### Gross of Reinsurance



### Net of Reinsurance



The expense ratio includes also commission ratio

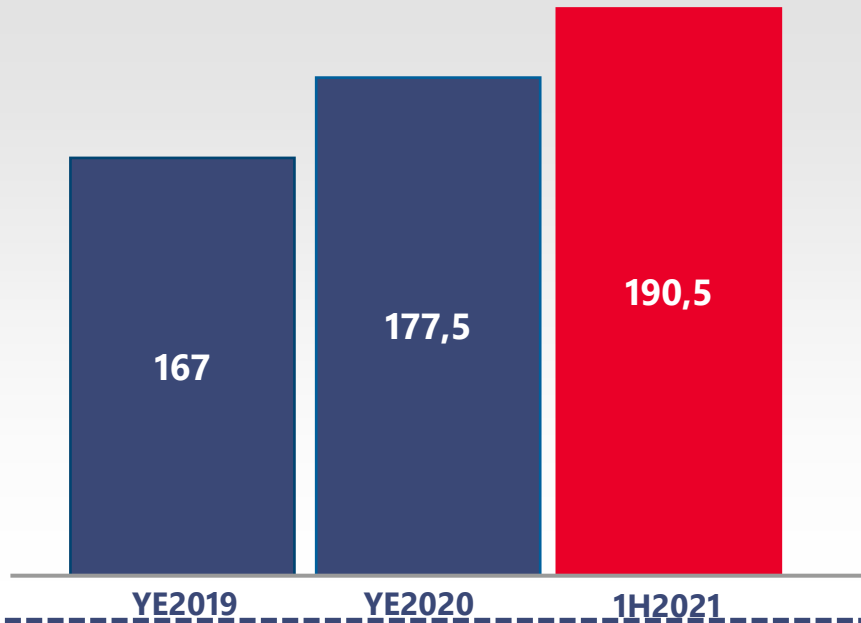


# Investments

*Financial result  
(€/mln)*

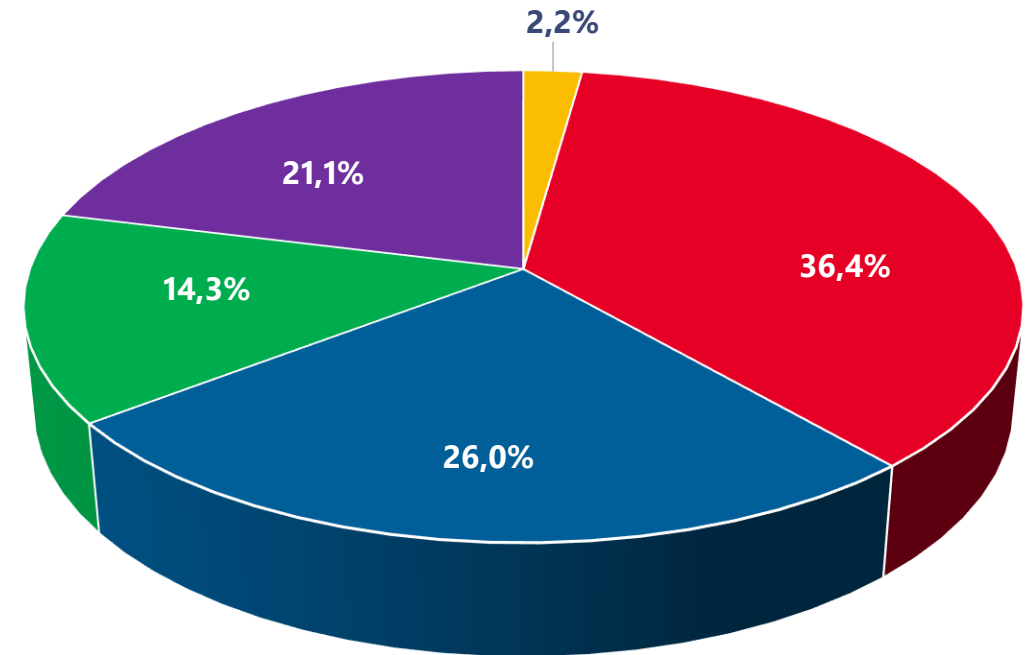


*Investments  
(€/mln)*



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

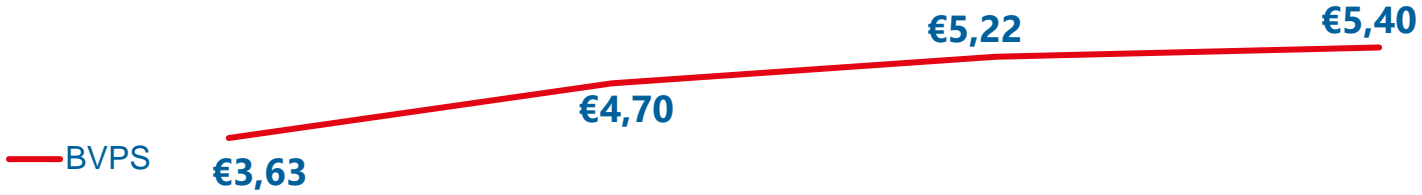
*Asset allocation*



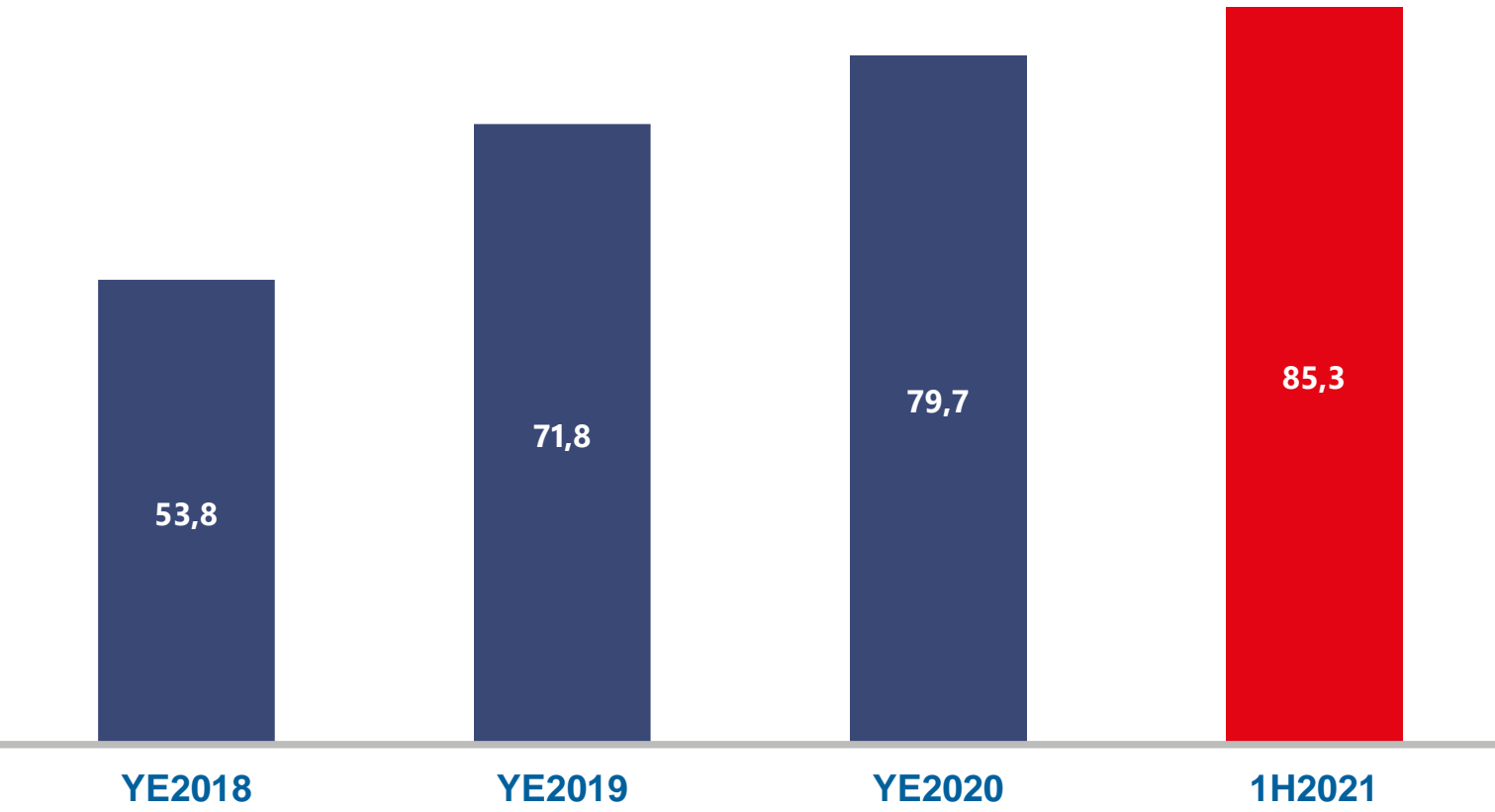
- Equity
- Funds
- Govies ITA
- Govies not ITA
- Corporate bond

# Shareholders' Equity

Total equity benefits from net income and already above Plan's estimates



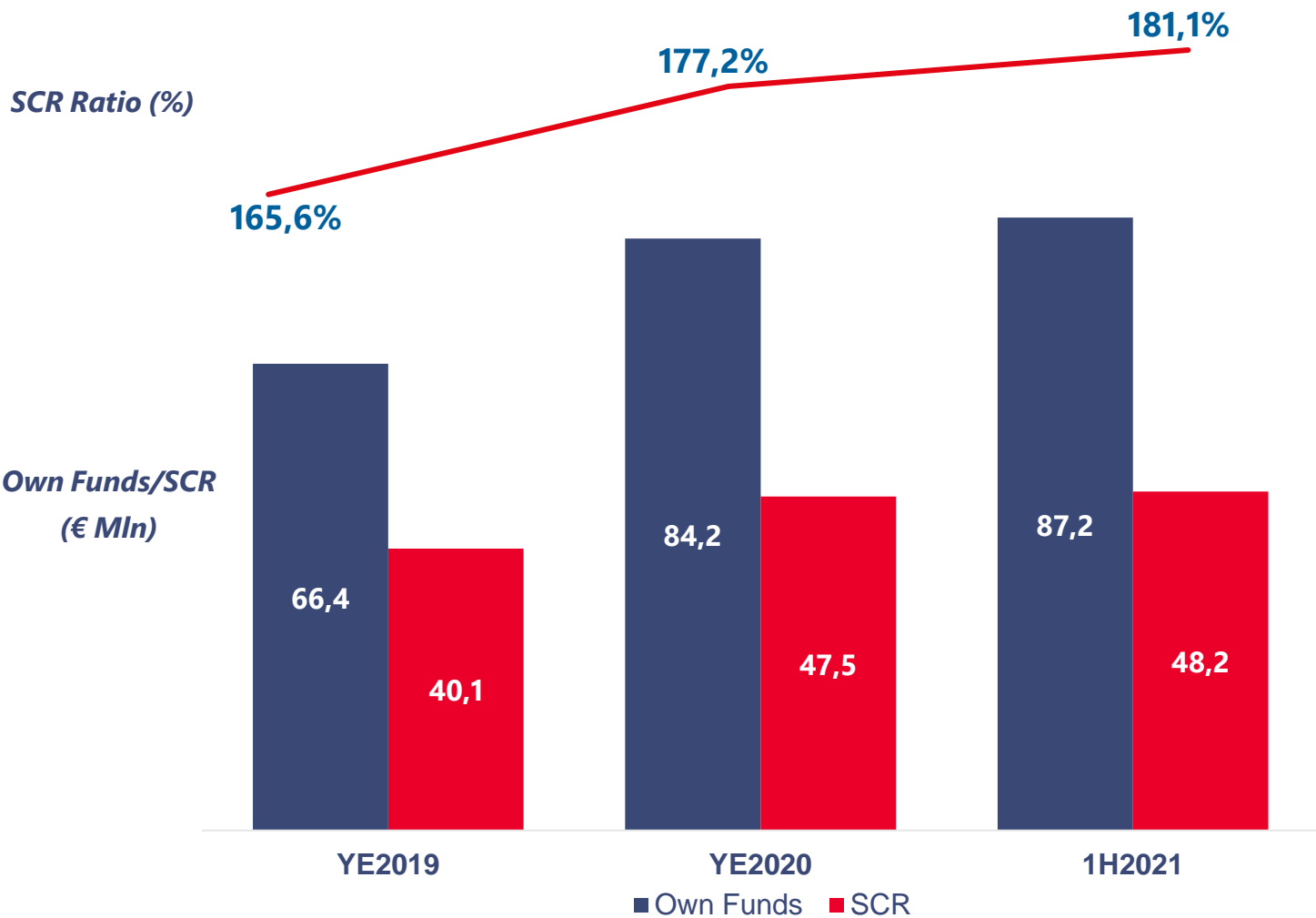
CAGR (BVPS) : 17,2%



CAGR : 20,3%

# 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 preliminary consolidated results for FY2021***

# Some preliminary consolidated results for FY2021...

	2020 A		2021 A		TARGET 2021	
<b>Gross written Premiums</b> (€/mln)	117,7	+26%	149	+11%	134	✓
<b>Solvency Ratio</b> (%)	177,2%	+3,5 p.p.	180,7%	+15 p.p.	~ 165-175%	✓

# *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!



## Distribution area



## Protection solutions

The figure displays three protection solutions with their respective icons:

- Protection Households** (Multirisk, Home, Health, Accident, PET): Represented by an icon of a house with a family.
- CPI** (Mortgages, Loans, business): Represented by an icon of stacked Euro 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**"



# *Wrap up*

# Wrap up



Strong development business during this central 3<sup>rd</sup> year of the Business Plan, with several projects concluded until now. **CQ business** confirms leadership position of NET in this nich market and **Bancassurance** increases with a percentage above +110%, in terms of GWP during I semester 2021



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 reach 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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