

POSTE ITALIANE

Q2 & H1 2020 FINANCIAL RESULTS

Rome, July 31, 2020



EXECUTIVE SUMMARY

BUSINESS REVIEW

APPENDIX

EXECUTIVE SUMMARY

Q2 AND H1 FINANCIAL PERFORMANCE IMPACTED BY LOCKDOWN WHILE POSTE SUCCESSFULLY MANAGED THE EMERGENCY, STRENGTHENING ITS ROLE AS SYSTEMIC PLAYER FOR ITALY

SHARP MAIL DECLINE, PARTIALLY MITIGATED BY UPWARD TREND IN B2C

FINANCIAL & INSURANCE, PAYMENTS & MOBILE BACK TO LONG TERM TRAJECTORY

ONGOING TRANSFORMATION TO EXPLOIT EMERGING MARKET OPPORTUNITIES

TANGIBLE COST CUTTING ACTIONS ALREADY IN Q2

Q2-20 & H1-20 RESULTS OVERVIEW

FINANCIAL PERFORMANCE AFFECTED BY LOCKDOWN, STRONG COST REDUCTION MITIGATING EBIT IMPACT

€ m unless otherwise stated

	Q2-19	Q2-20	Var.	Var. (%)	H1-19	H1-20	Var.	Var. (%)
TOTAL REVENUES	2,679	2,328	(352)	(13.1%)	5,521	5,083	(438)	(7.9%)
TOTAL COSTS	2,216	2,003	(213)	(9.6%)	4,441	4,317	(123)	(2.8%)
EBIT	464	325	(139)	(29.9%)	1,081	766	(315)	(29.2%)
NET PROFIT	324	239	(85)	(26.2%)	763	546	(218)	(28.5%)



GROUP STRENGTHS

- Strong balance sheet
- Distribution platform of choice – diversified business model serving basic customer needs
- Ongoing implementation of a strategy leveraging on long-term market trends across all business lines



MANAGING THE CRISIS

- Uninterrupted services, despite a voluntary reduction of non-essential activities
- Taking care of our stakeholders' needs
 - Employees: company driven service reduction to protect health & safety
 - Customers: adopting targeted initiatives and promoting third-party and digital channels
 - Communities: cooperating with key institutions to facilitate the implementation of State's social and economic initiatives; supporting government entities with significant logistic capabilities



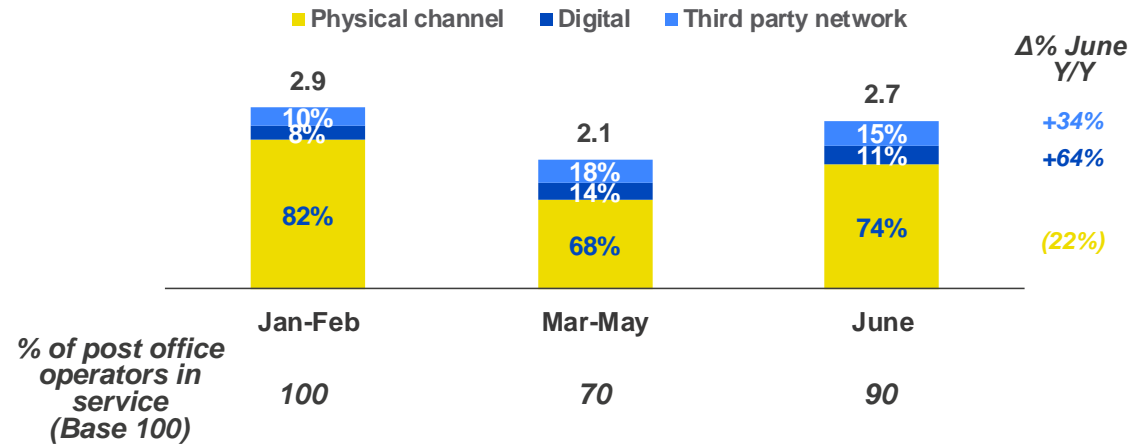
BEYOND THE EMERGENCY

- Emerging trends in line with our strategy, supported by 5-year transformation plan
- Comprehensive strategic review to seize emerging market opportunities
 - Synergies between physical, digital and third-party networks
 - Complementing in person with digital/remote interactions
 - Reassess costs to increase future profitability
 - Implemented new organization and accelerated internal processes transformation (i.e. smart-working, insourcing)

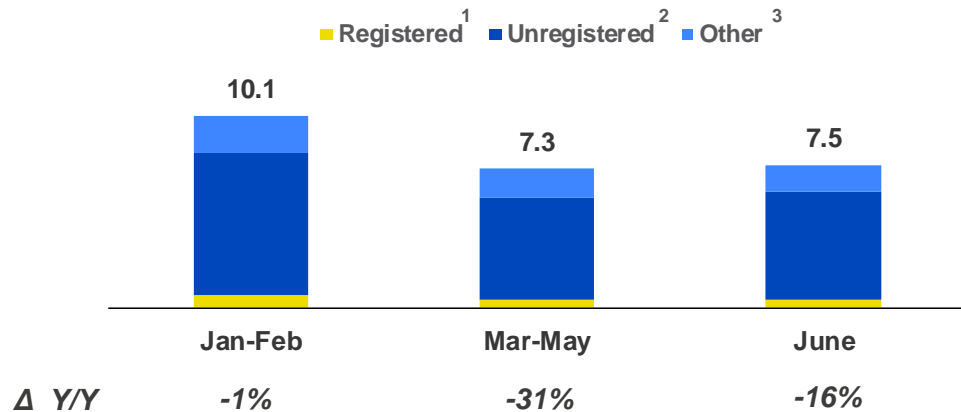
BUSINESS TRENDS IN H1-20: MAIL, PARCEL AND DISTRIBUTION

RESUMING ACTIVITIES ON ALL DISTRIBUTION CHANNELS – DIVERGING TRENDS IN MAIL & PARCELS

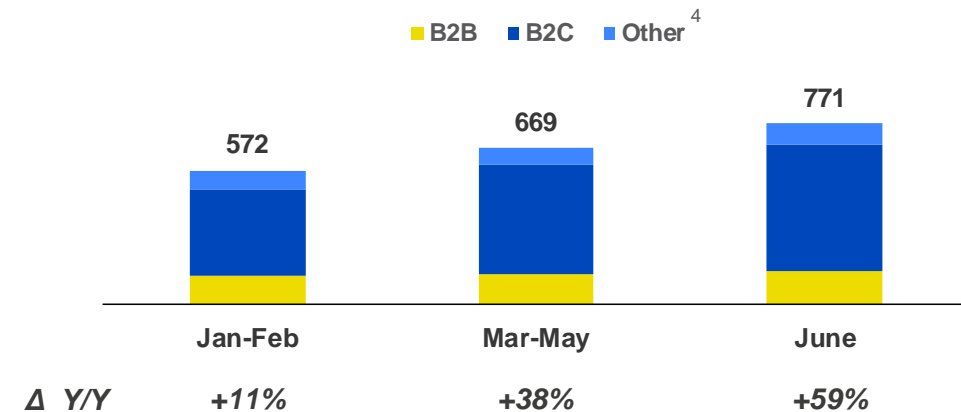
DISTRIBUTION CHANNELS (DAILY AVG, M/TRANSACTIONS)



MAIL VOLUMES (DAILY AVG, M/PCS)



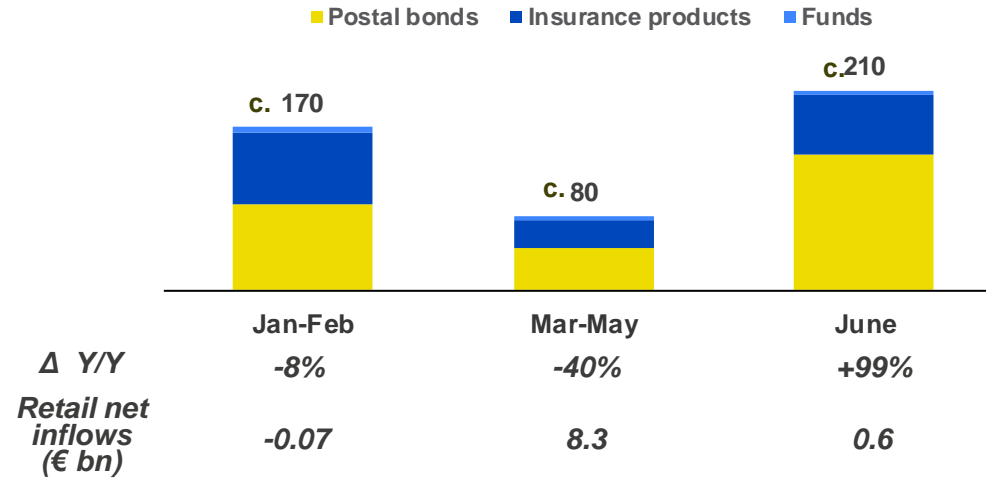
PARCEL VOLUMES (DAILY AVG, K/PCS)



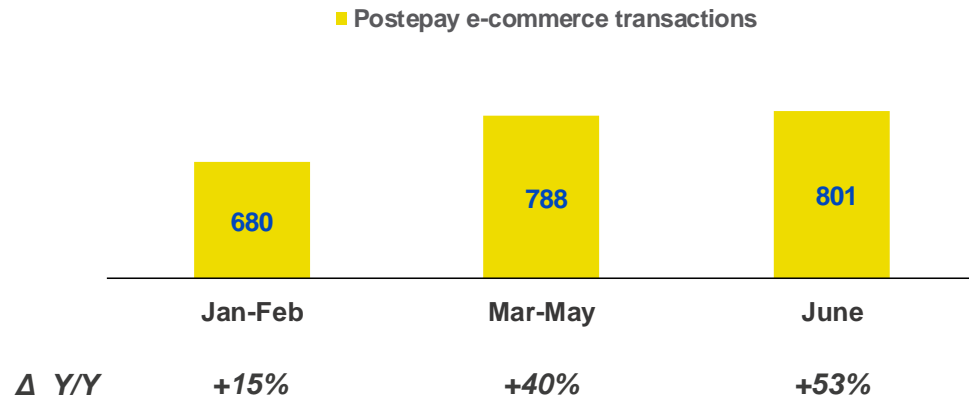
BUSINESS TRENDS IN H1-20: PAYMENTS & MOBILE, FINANCIAL AND INSURANCE

BACK TO BUSINESS FROM JUNE AND INCREASING Y/Y

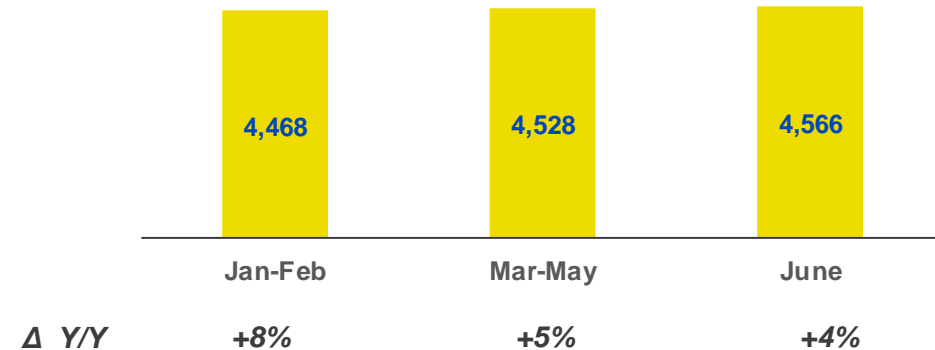
INVESTMENT GROSS INFLOWS (DAILY AVG¹, €M)



POSTEPAY DAILY AVG E-COMMERCE TRANSACTIONS (K/#)



TELCO: CUSTOMER BASE (K/#)





EXECUTIVE SUMMARY

BUSINESS REVIEW

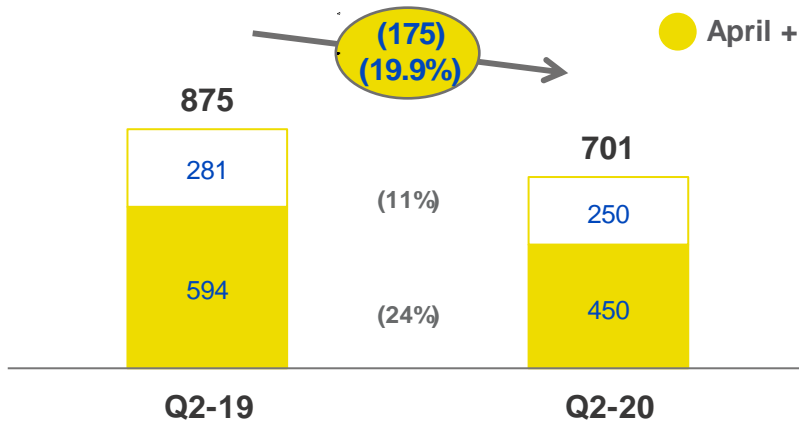
APPENDIX

SEGMENT REVENUES

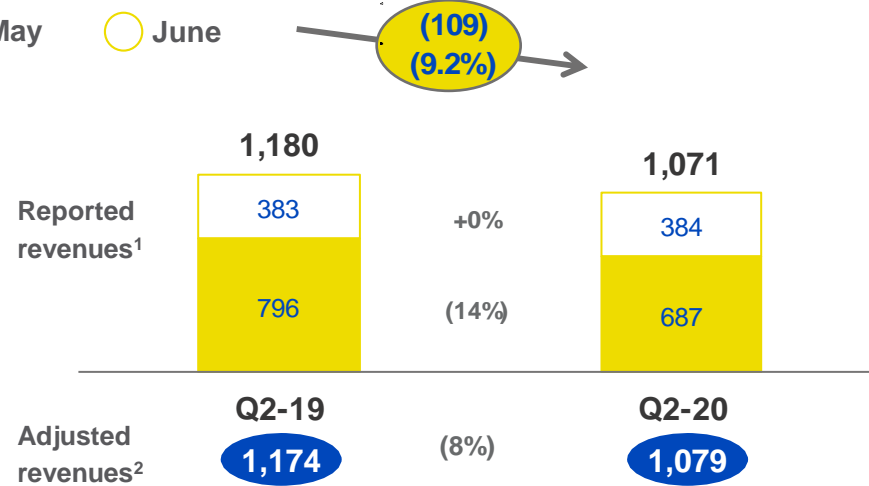
LOCKDOWN IMPACTING REVENUES ACROSS ALL SEGMENTS, RECOVERING SINCE JUNE AT GROUP LEVEL

€ m unless otherwise stated

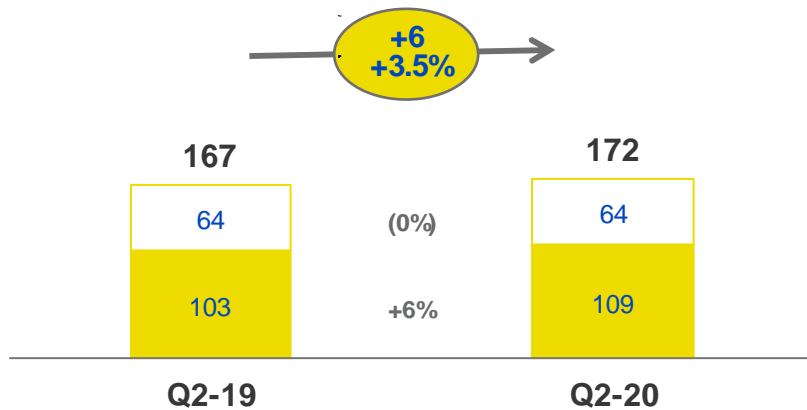
MAIL, PARCEL & DISTRIBUTION



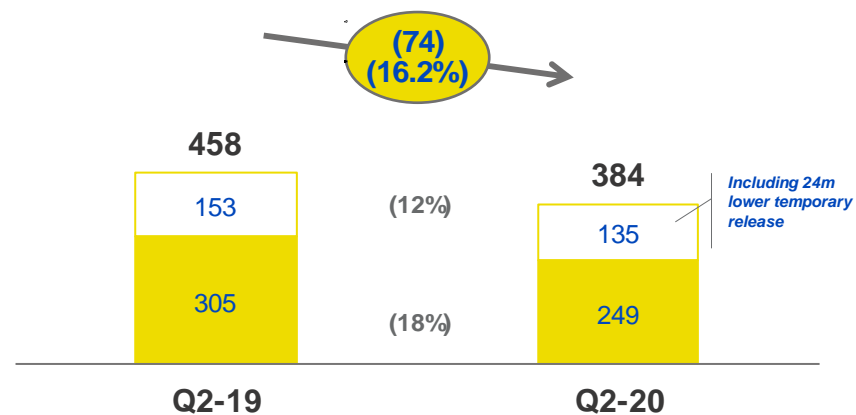
FINANCIAL SERVICES



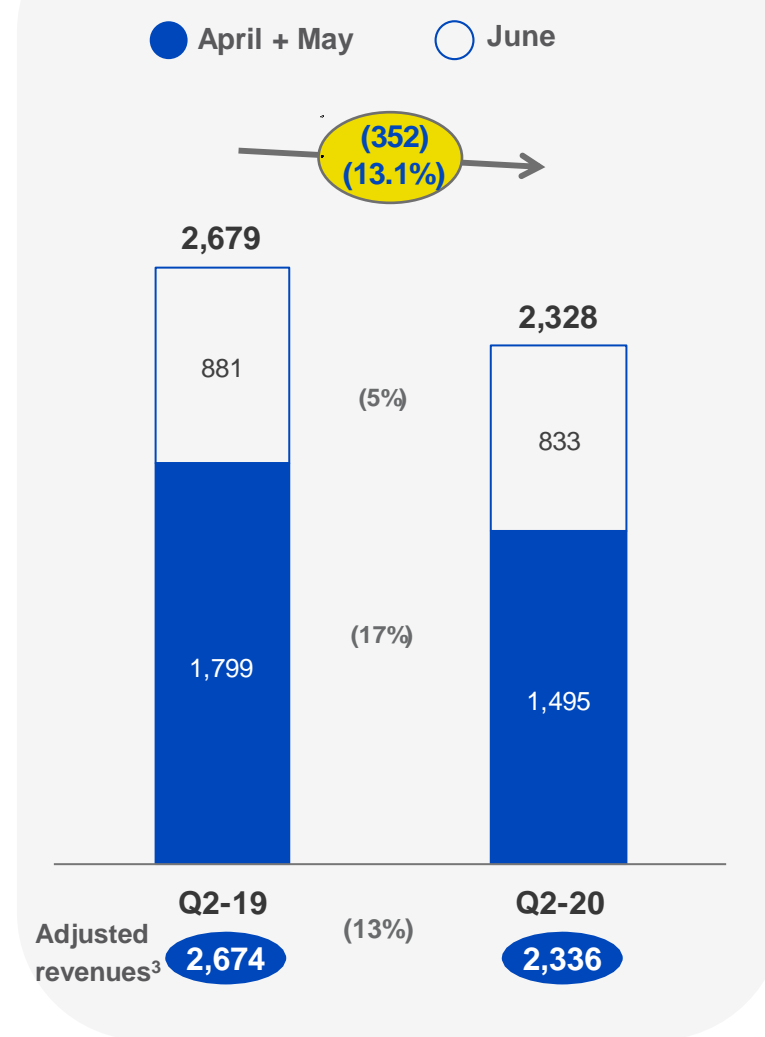
PAYMENTS & MOBILE



INSURANCE SERVICES



GROUP



1. Financial Services revenues presented in this slide based on gross capital gains whereas figures presented on slide 16 are based on net capital gains
 2. Refer to slide 37 for further details on adjustments
 3. Refer to slide 28 for further details on adjustments

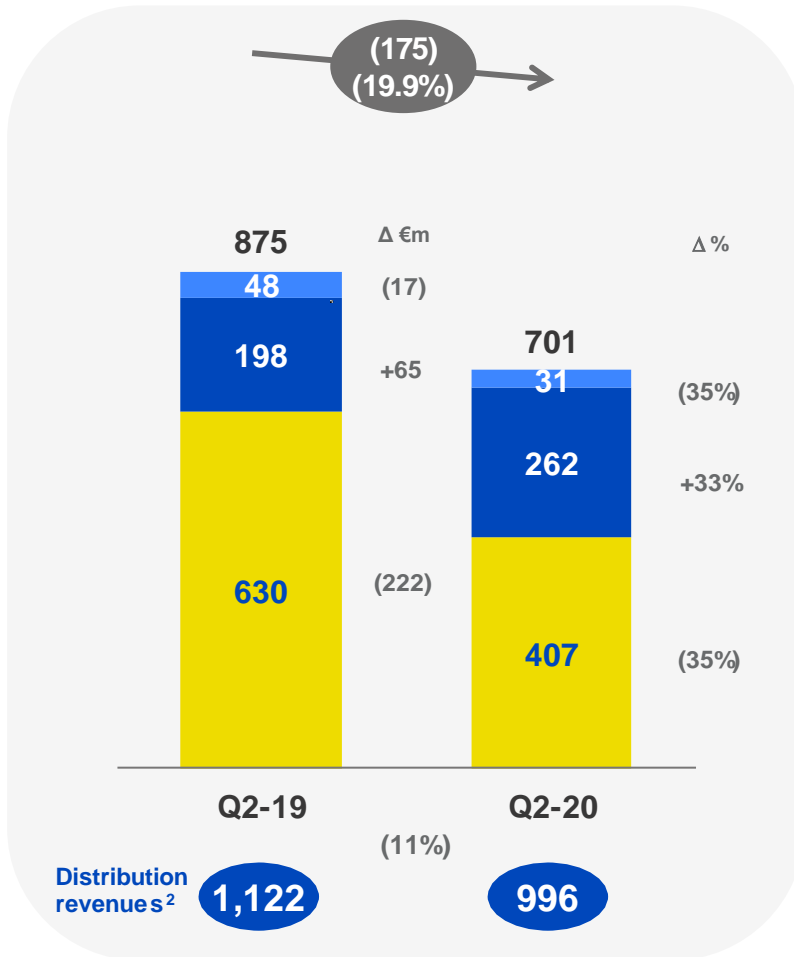
MAIL, PARCEL & DISTRIBUTION REVENUES

ACCELERATED MAIL DECLINE MITIGATED BY STRONG PARCEL REVENUES BOOSTED BY B2C GROWTH

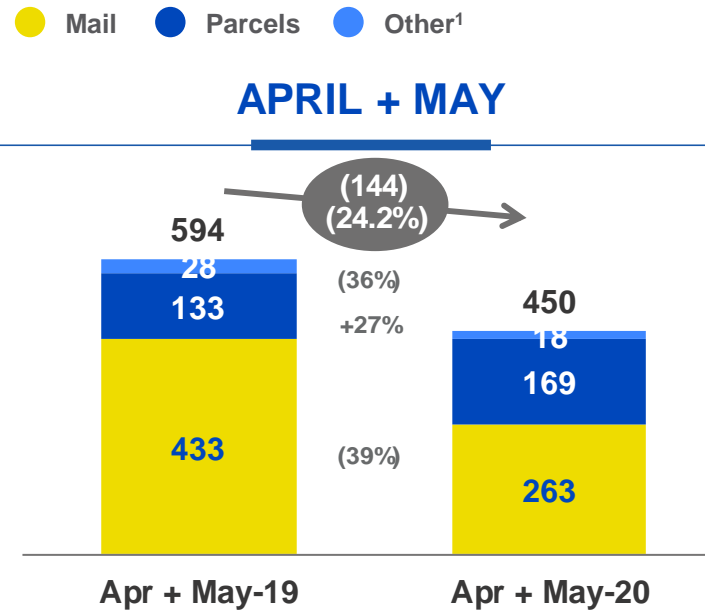


€ m unless otherwise stated

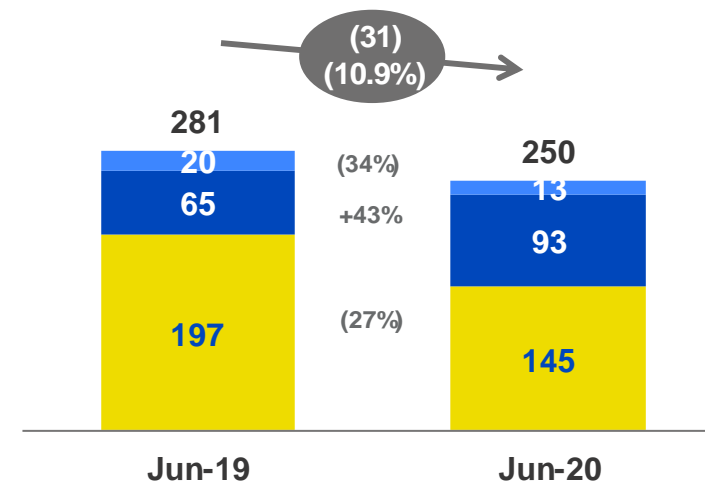
QUARTERLY SEGMENT REVENUES



APRIL + MAY



JUNE



HIGHLIGHTS

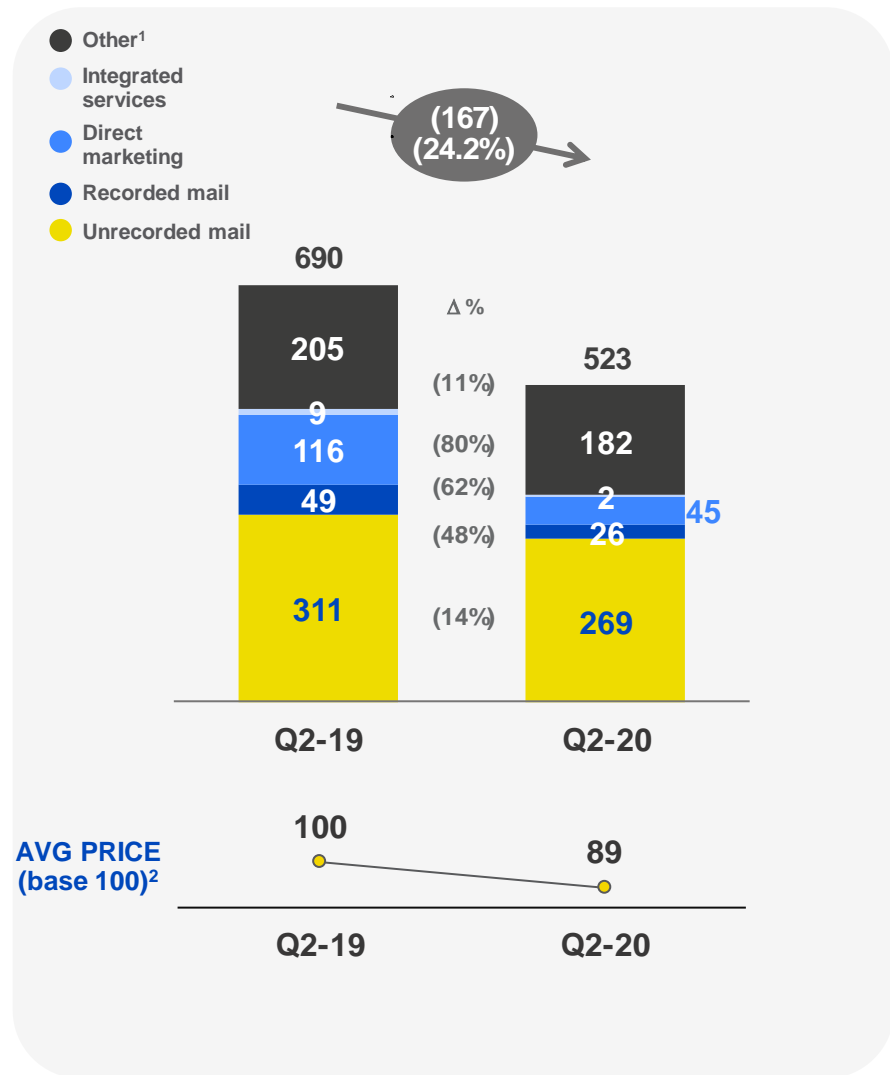
- Mail revenues down 35% impacted by lockdown, slightly recovering in June
- Parcel revenues up 33% boosted by B2C
- Distribution revenues down due to lower financial and insurance product sales y/y

MAIL VOLUMES AND PRICING

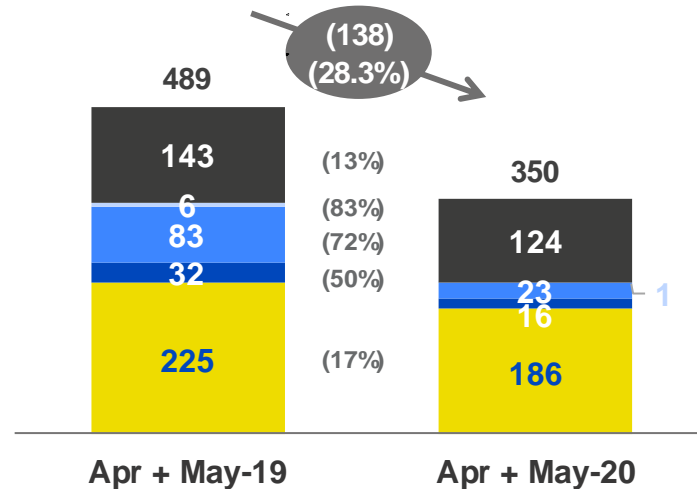
ACCELERATED VOLUME DECLINE ACROSS ALL PRODUCTS, SLOWING DOWN SINCE JUNE



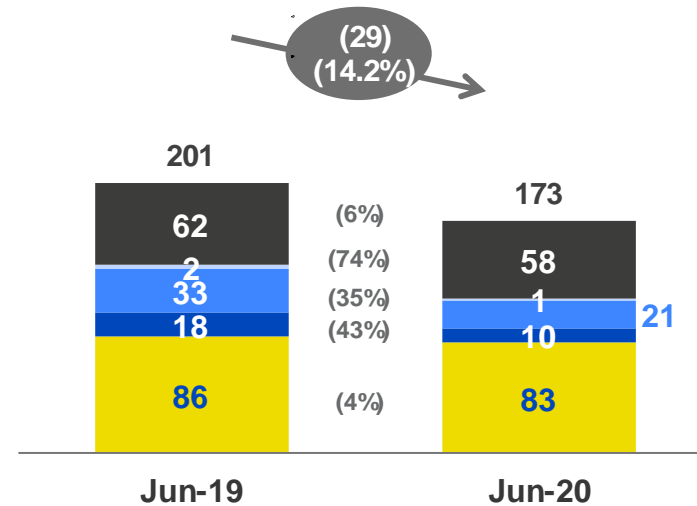
MAIL VOLUMES (M/PC)



APRIL + MAY



JUNE



HIGHLIGHTS

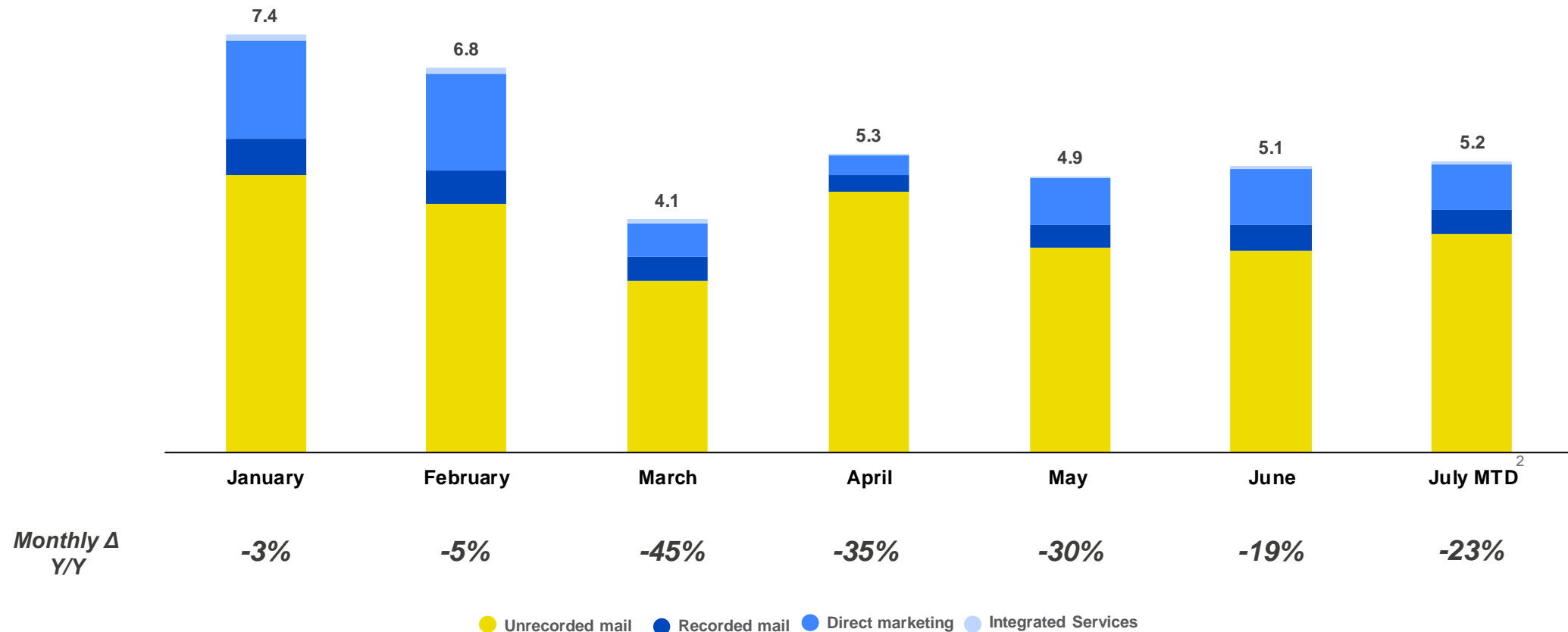
- Mail volumes, in particular higher margin products, strongly impacted by lockdown
- Direct marketing and unrecorded mail decline slowing down in June
- Recorded mail and integrated services expected to partially recover in H2
- Average tariff down due to product mix effect

MAIL VOLUME EVOLUTION

PARTIALLY RECOVERING SINCE JUNE Y/Y SUPPORTED BY LOWER MARGIN PRODUCTS



DAILY AVERAGE MAIL VOLUME EVOLUTION (K/PC)¹

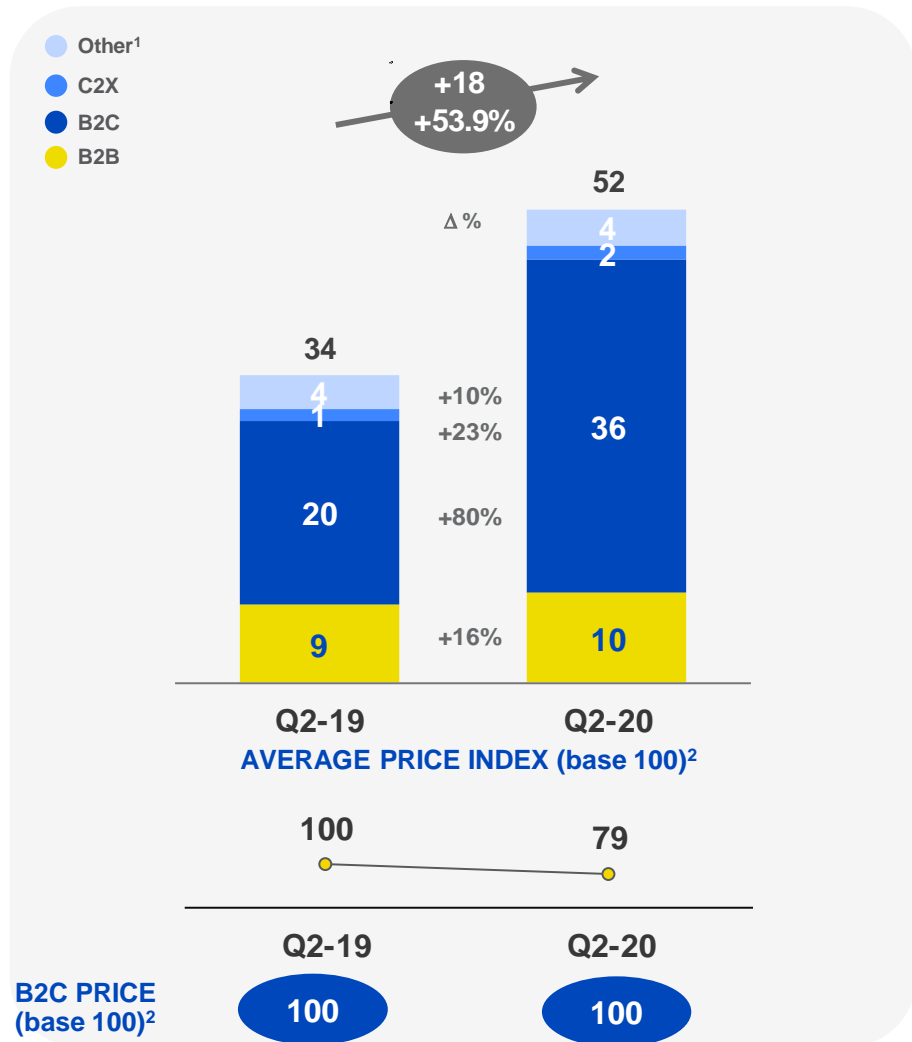


PARCEL VOLUMES AND PRICING

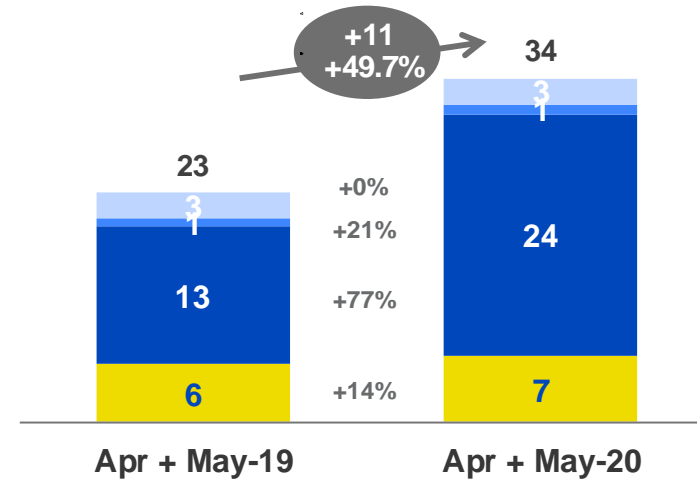
STRONG PARCEL GROWTH BOOSTED BY RECORD HIGH B2C VOLUMES



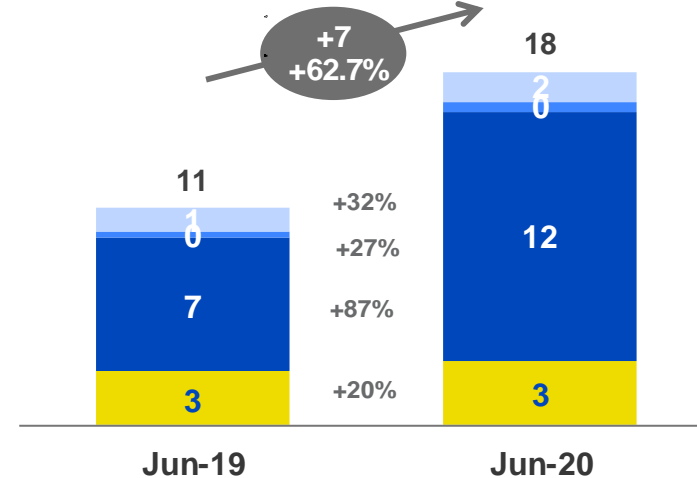
PARCEL VOLUMES (M/PC)



APRIL + MAY



JUNE



HIGHLIGHTS

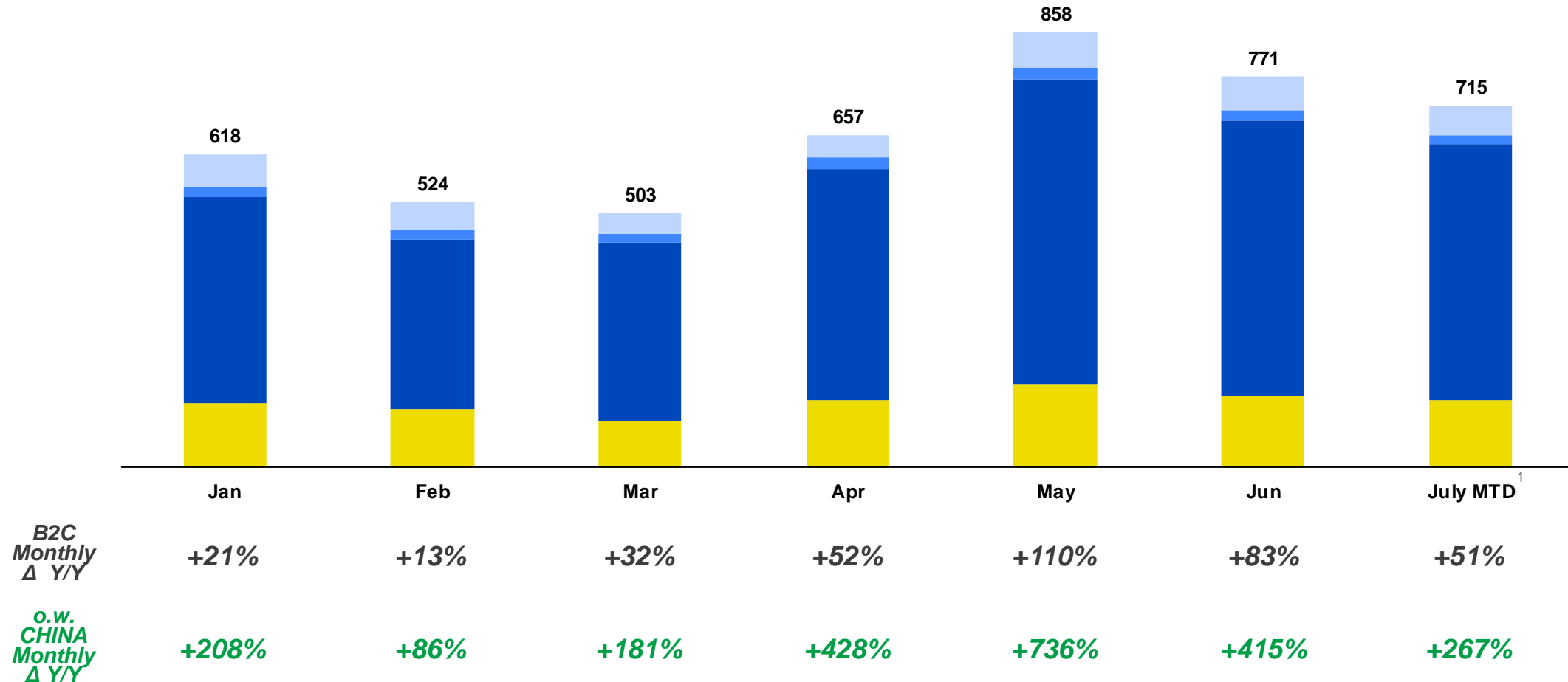
- Parcel volumes up, strongly supported by all products and surge in B2C
- B2B volumes increased, with corporates diversifying shipments also to retail customers
- Successful industrial transformation to manage record high volumes, seizing extraordinary e-commerce growth
- Average tariffs down due to mix effect, while each B2C product tariff increased

PARCEL VOLUME EVOLUTION

RECORD B2C – INTERNATIONAL INBOUND VOLUMES FROM CHINA CONTRIBUTING TO DIVERSIFY CUSTOMER BASE



DAILY AVERAGE PARCEL VOLUMES EVOLUTION (K/PC)



● B2B ● B2C ● C2X ● Other

PAYMENTS AND MOBILE

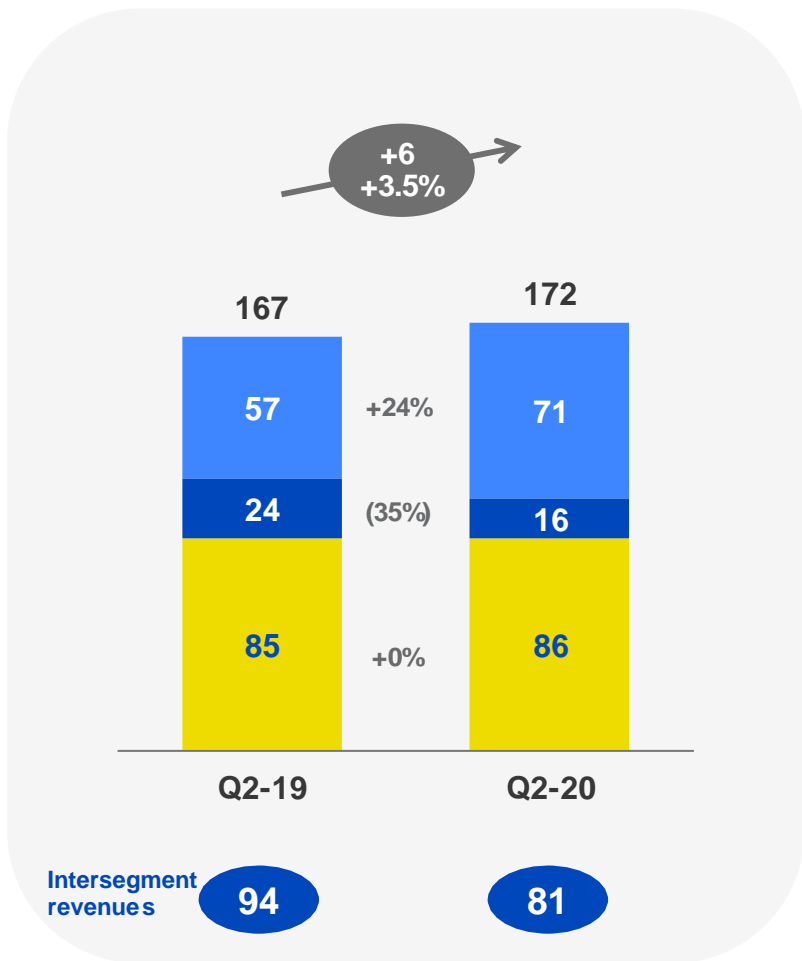
INCREASING REVENUES IN A CHALLENGING ENVIRONMENT

€ m unless otherwise stated

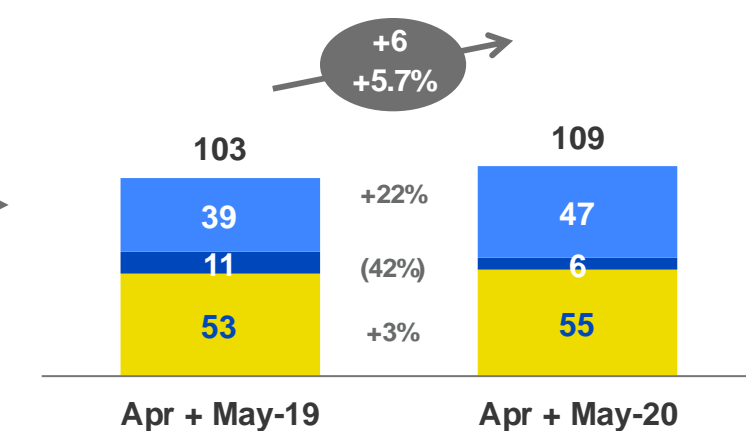


● Card payments ● Other payments ● Telecom

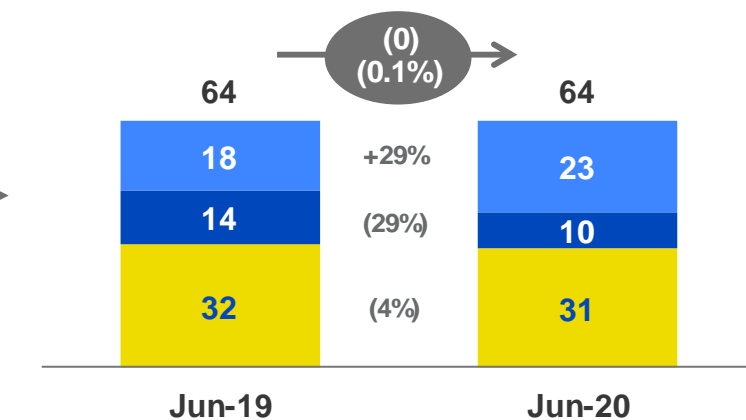
QUARTERLY SEGMENT REVENUES



APRIL + MAY



JUNE



HIGHLIGHTS

- Telco revenues increasing against a downward market trend, thanks to a widening customer base
- Other payments down, with tax payments postponed to H2
- Card payments slightly up, due to lockdown and a different transaction mix (lower international transactions and ATM withdrawals) mainly in June
- Intersegment revenues down due to lower payment-slip volumes

FINANCIAL SERVICES

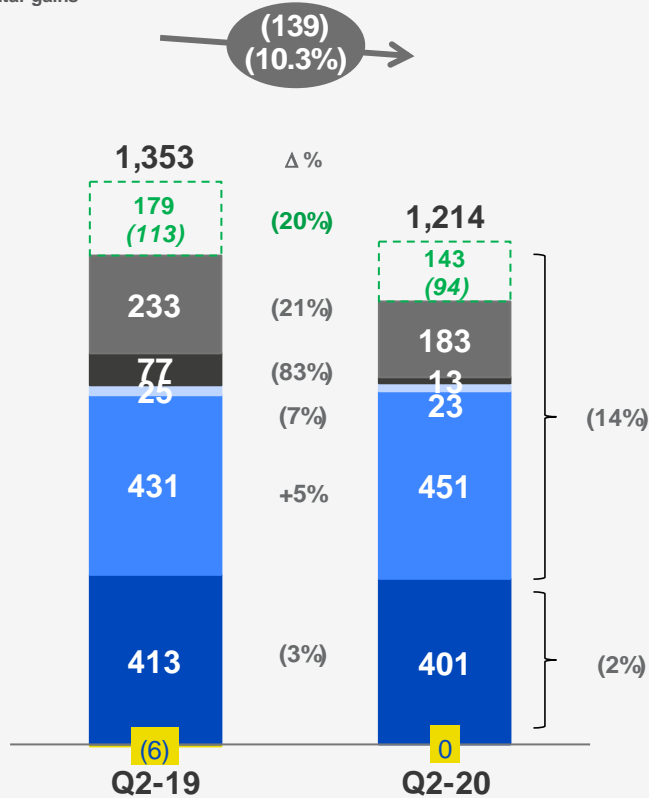
RE-IGNITING THE COMMERCIAL DISTRIBUTION ENGINE STARTING FROM JUNE

€ m unless otherwise stated

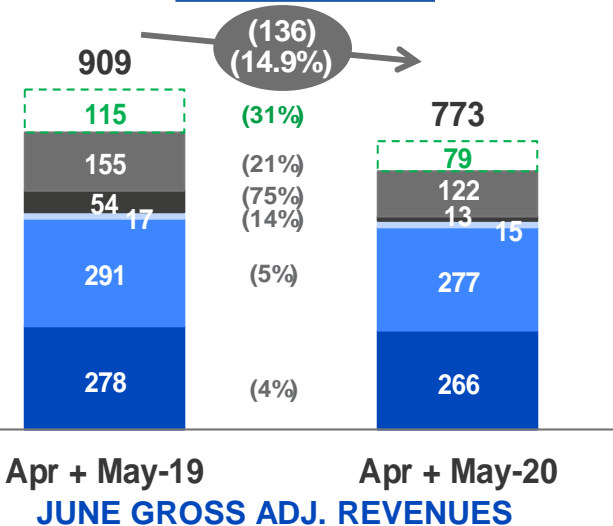


QUARTERLY GROSS REVENUES¹

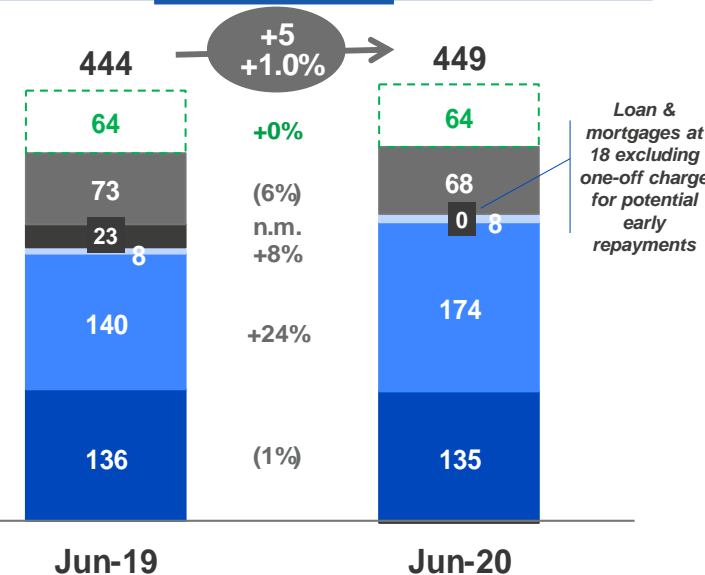
- Intersegment distribution revenues (o.w. Insurance)
- Transaction banking²
- Loan & mortgage distribution³
- Asset management
- Postal savings
- Interest income
- Net capital gains⁴



APRIL + MAY GROSS ADJ. REVENUES



JUNE GROSS ADJ. REVENUES



HIGHLIGHTS

- Interest income resilient with higher volumes mitigating lower yields impact
- Postal savings distribution fees back on track since June, thanks to successful new 'campaign products'
- Loan & mortgage fees recovering in June supported by increasing volumes
- Resilient asset management fees thanks to recurring component
- Transaction banking fees impacted by fewer payment slips during lockdown, gradually recovering starting from June

GROUP TOTAL FINANCIAL ASSETS

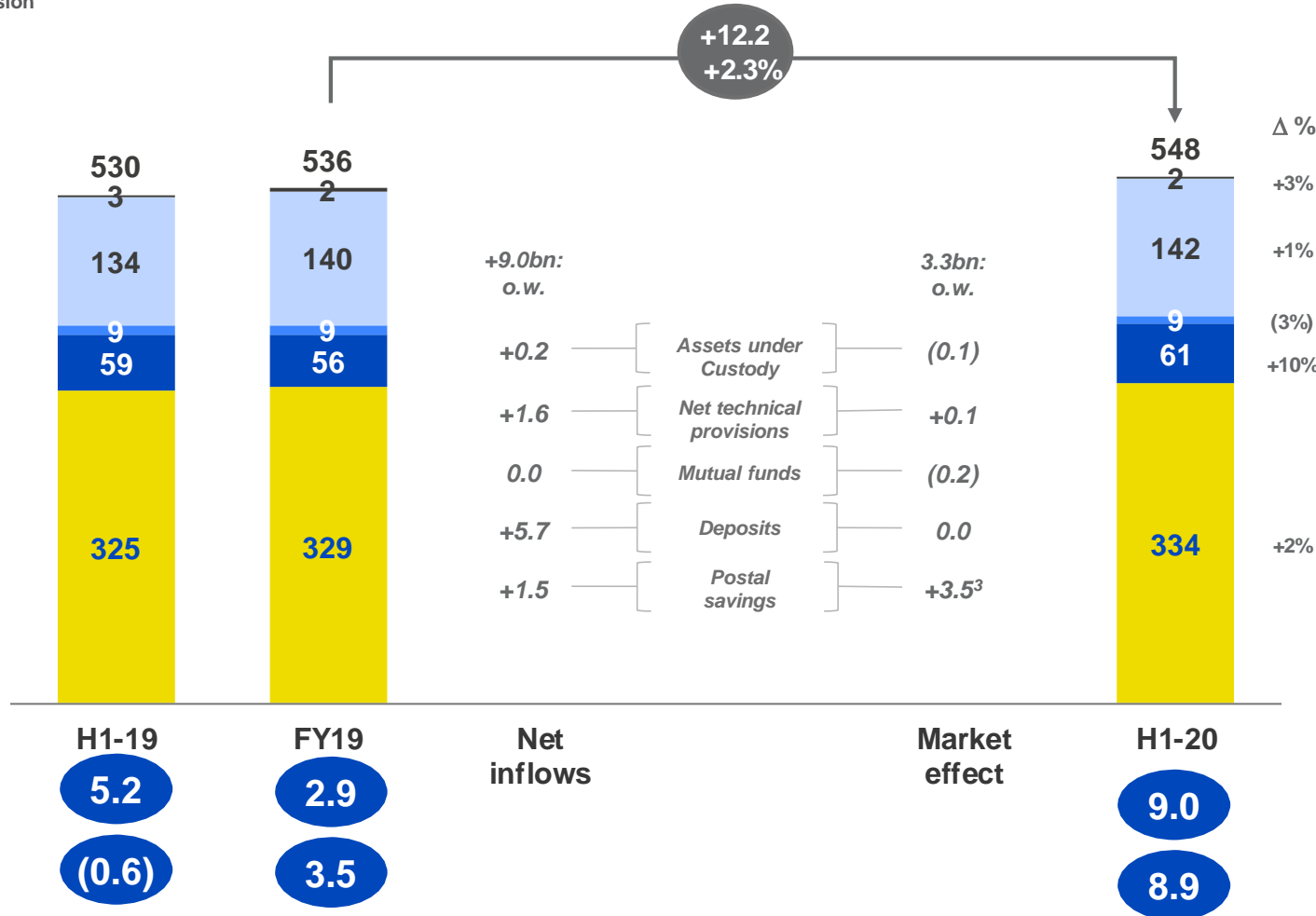
STRONG RETAIL NET INFLOWS ACROSS ALL ASSET CLASSES



Eop data, € bn unless otherwise stated

TFA EVOLUTION¹

- Assets under custody
- Net technical provision
- Mutual funds
- Deposits²
- Postal savings



HIGHLIGHTS

- Positive net inflows across all products:
- Postal savings increasing in June thanks to successful campaign products
- Deposits increasing with continued preference for liquidity products
- Net technical provisions up, thanks to commercial focus on multiclass products, with over 10bn GWP since launch in July 2018

1. End of period TFA
 2. Deposits do not include Repo and Poste Italiane liquidity
 3. Includes accrued interests

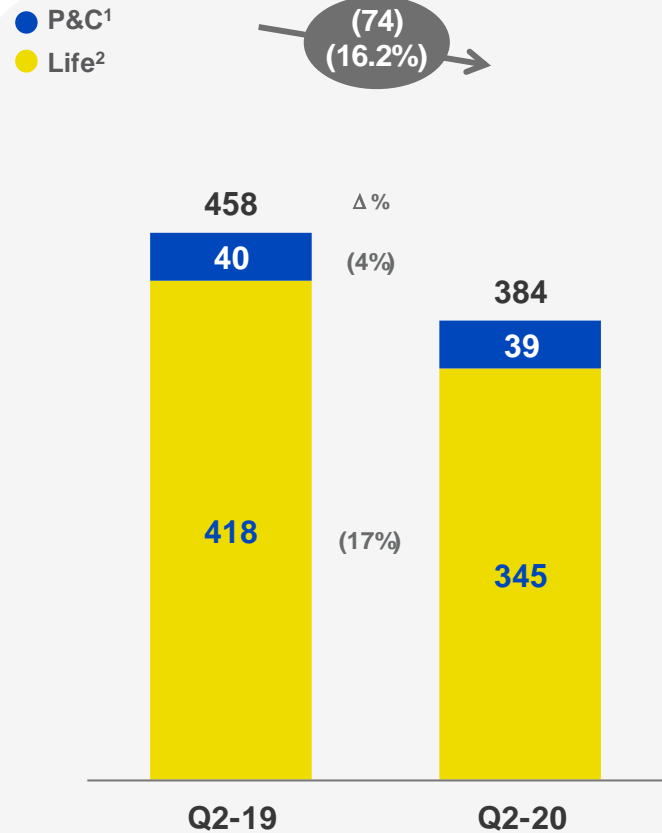
INSURANCE SERVICES

RESILIENT REVENUES WITH REDUCED CUSTOMER ACTIVITY, STEADILY RECOVERING STARTING FROM JUNE

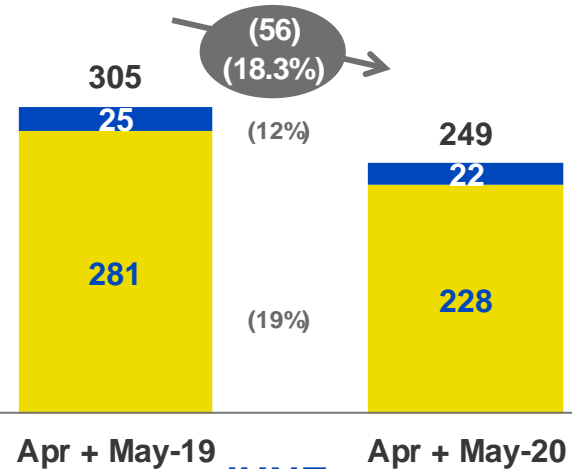


€ m unless otherwise stated

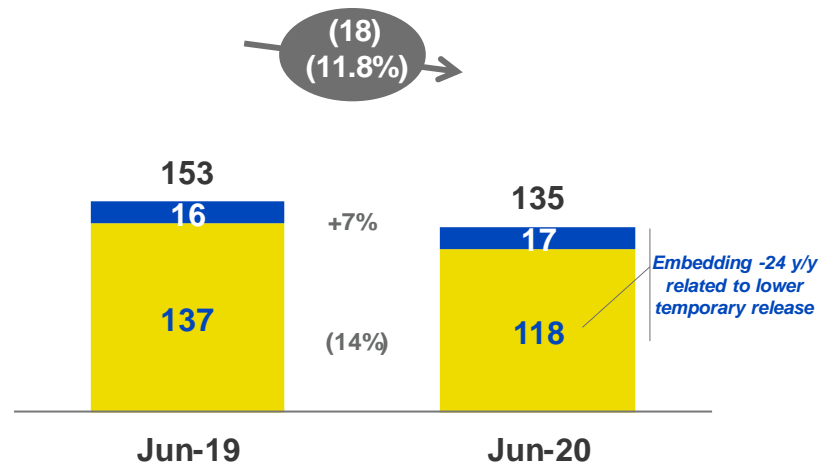
QUARTERLY SEGMENT REVENUES



APRIL + MAY



JUNE



HIGHLIGHTS

- Life revenues impacted by:
 - Lower upfront fees due to -1.0bn GWP
 - Lower temporary release on technical reserves (-24m in Jun-20 y/y), with an opposite effect expected in H2
- Non-life revenues impacted by lockdown in April and May, with strong daily average sales starting from June
- Commercial activity back on track, with GWP up y/y since June, driving higher revenues

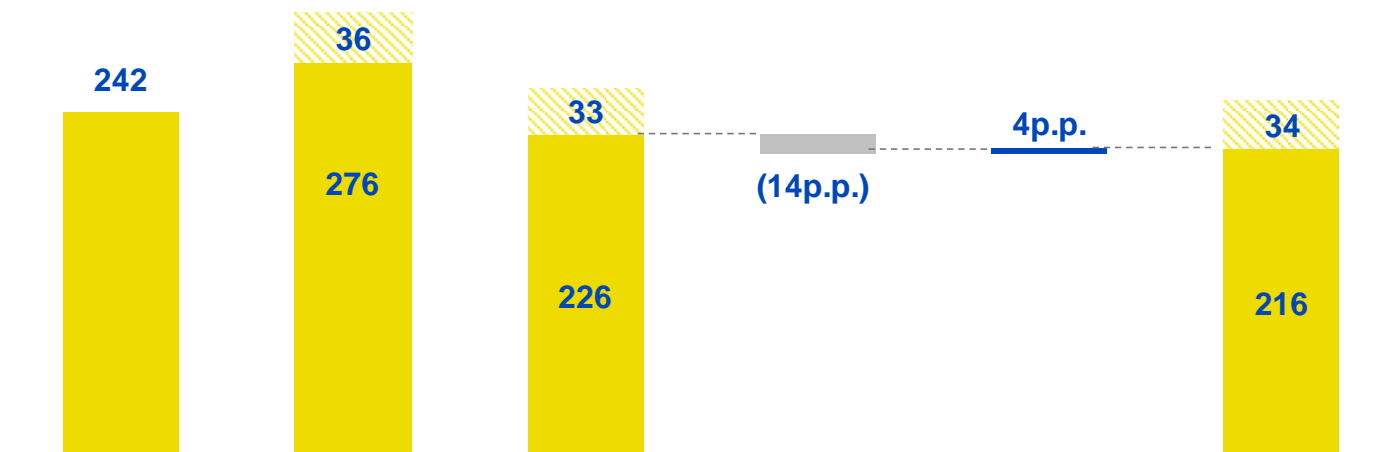
SOLVENCY II RATIO

ABOVE 200% MANAGERIAL AMBITION THROUGH THE CYCLE, RESILIENT IN A VOLATILE MARKET



SOLVENCY II RATIO EVOLUTION

Transitional measures



CORE Solvency Ratio¹ (%)

10Y SWAP (bp)

BTP-SWAP SPREAD (bp)

	Jun-19	Dec-19	Mar-20	Δ Own Funds	Δ SCR	Jun-20
CORE Solvency Ratio ¹ (%)		159	149			128
10Y SWAP (bp)	18	20	(2)	(15)		(17)
BTP-SWAP SPREAD (bp)	192	121	154	(12)		142

Δ vs. Mar-20

HIGHLIGHTS

- Solvency II ratio at 216%:
 - Negative impact from lower risk-free rates and lower VA (-27bps) more than offsetting BTP-SWAP spread tightening
 - Positive trend of corporate spreads
- Transitional measures provide additional 34p.p. buffer to address market volatility

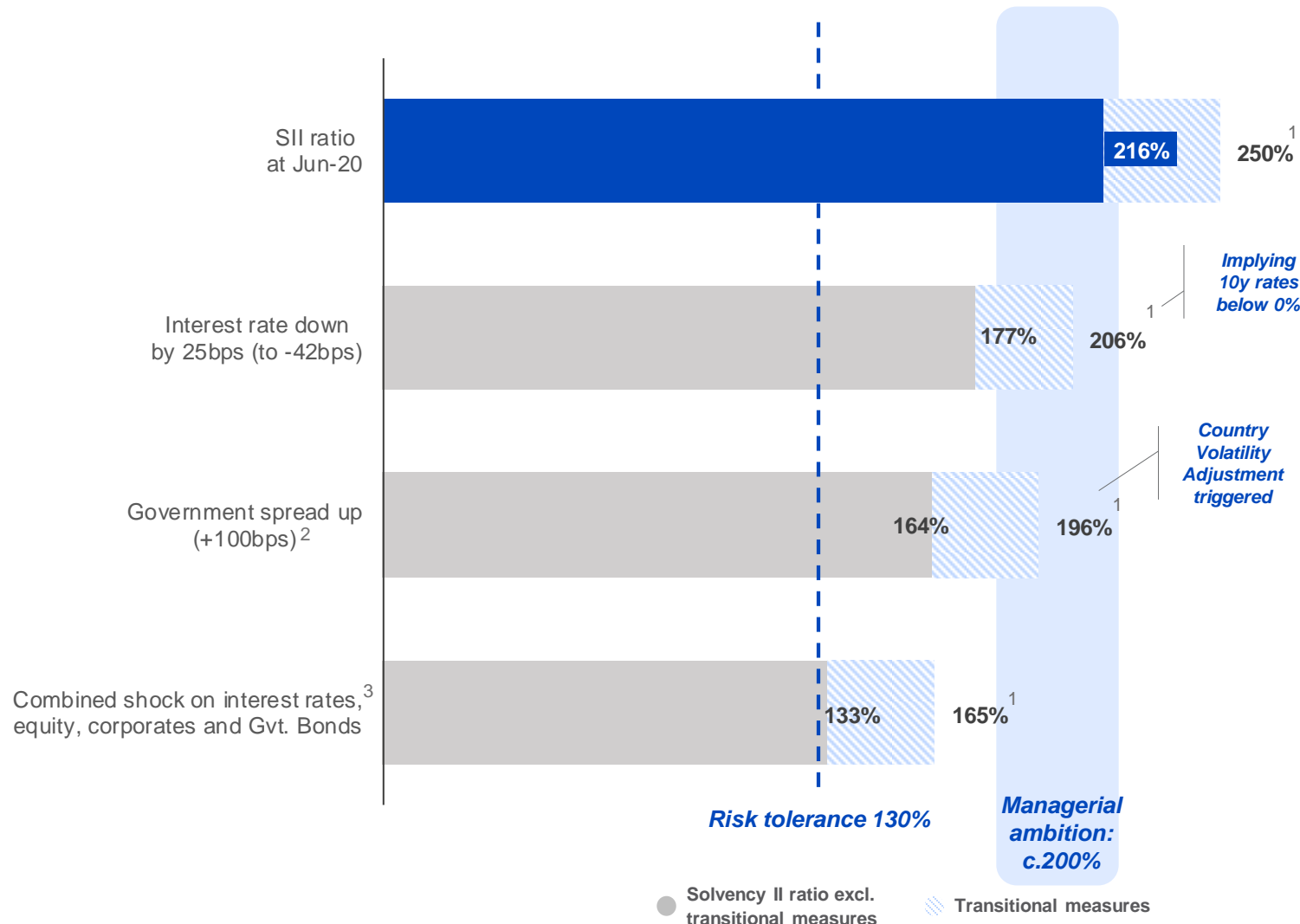
SOLVENCY II RATIO KEY SENSITIVITIES

RESILIENT UNDER SEVERE SCENARIOS



SOLVENCY II RATIO SENSITIVITIES

HIGHLIGHTS

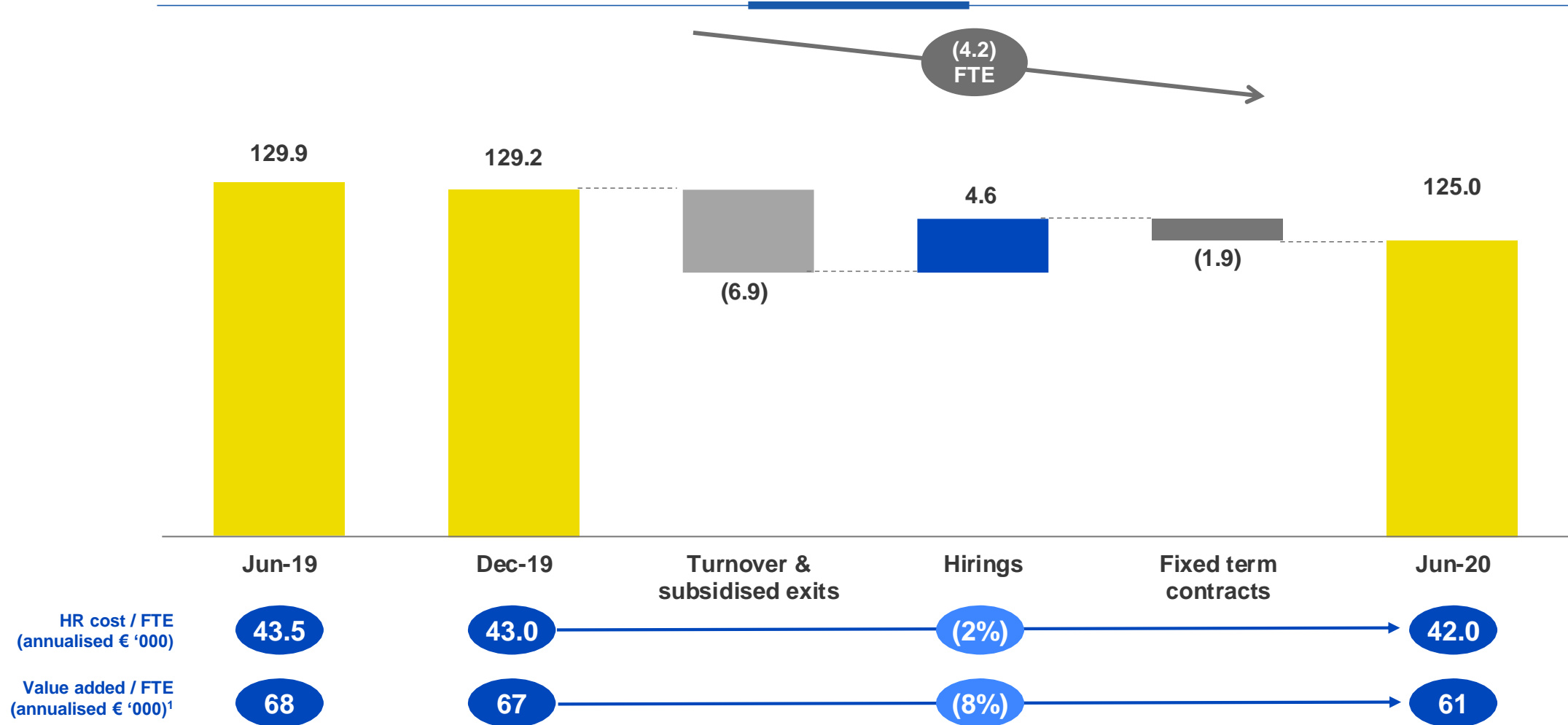


- Solvency II ratio in line with risk tolerance under all assumed scenarios
- Solvency II ratio still above risk tolerance under combined shock on interest rates (-25bp), equity (-30%), corporate spread (+100bps) and Italian Government Bond spread (+100bps), supported by currency VA
- Ongoing process to develop internal model to reduce volatility going forward

GROUP WORKFORCE EVOLUTION

SIGNIFICANT HEADCOUNT REDUCTION TO SUPPORT TRANSFORMATION

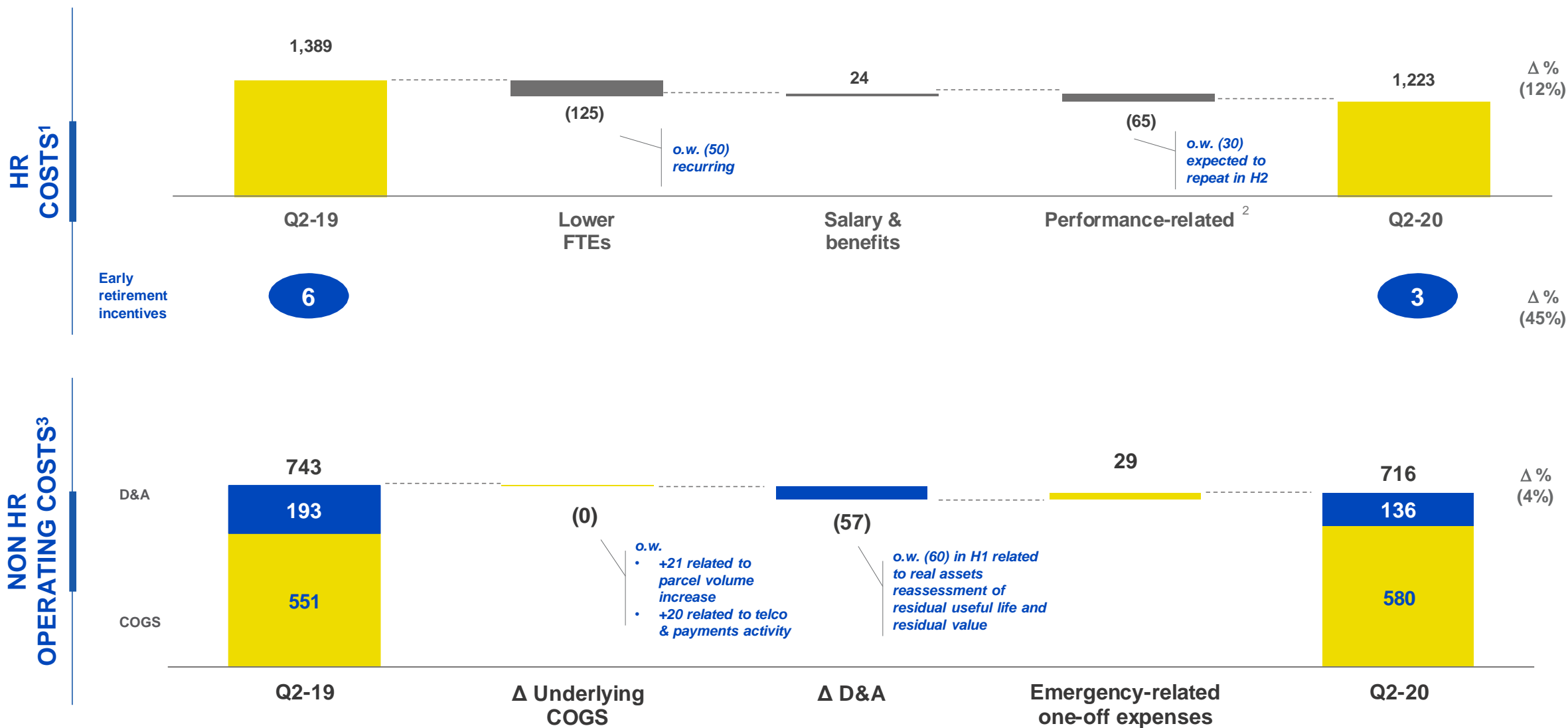
AVERAGE HEADCOUNT ('000/FTE)



QUARTERLY GROUP COSTS

MATERIAL COST REDUCTION, MORE THAN OFFSETTING EMERGENCY-RELATED ONE-OFF EXPENSES





€ m unless otherwise stated



1. Excluding legal disputes with employees
 2. Performance-related includes commercial incentives, MBO, extra-time and other
 3. Excluding other Non-HR operating costs amounting to 77m in Q2-19 and 59m in Q2-20

COST REDUCTION LEVERS

ONGOING INITIATIVES REDUCING COSTS IN 2020 – OUTPERFORMING INITIAL PROPENSITY

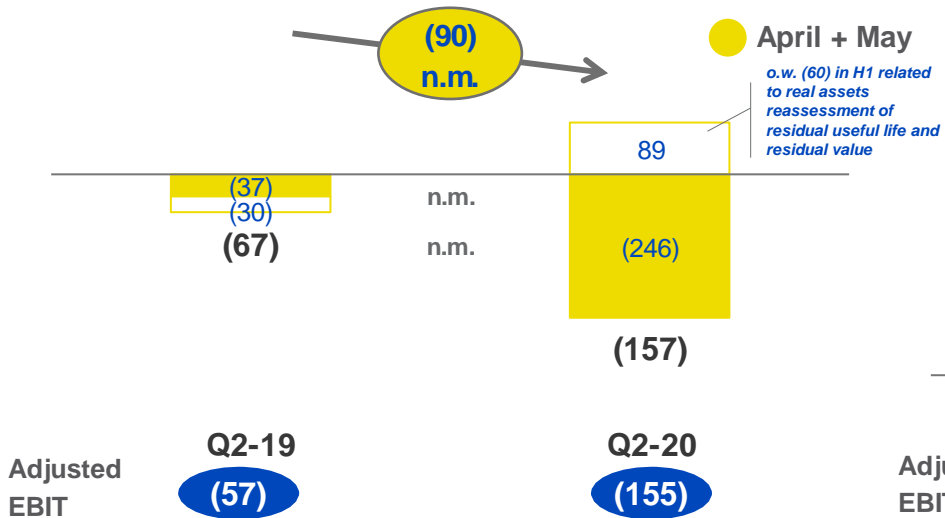
	COST INITIATIVES	DESCRIPTION	COST BASE UNDER REVIEW (€ M)	PROPENSITY TO ACTIVATE IN 2020	EXECUTED IN Q2 (€ M)
HR COSTS	PERFORMANCE RELATED INCENTIVES	<ul style="list-style-type: none"> Review of incentives related to commercial targets achievement and overall performance 	c.400		65
	HEADCOUNT FLEXIBILITY	<ul style="list-style-type: none"> Capability to adapt the workforce quickly to changing business needs Targeting a lean organization to support business, also via early retirement plans 	c.500		c.100
	OTHER MEASURES	<ul style="list-style-type: none"> State wage support for employees in the emergency 	c.100		75
NON-HR COSTS¹	OTHER DISCRETIONARY COSTS	<ul style="list-style-type: none"> Smart-working & reskilling, consultancies, insourcing, travel expenses 	c.100		c.15

SEGMENT OPERATING PROFIT

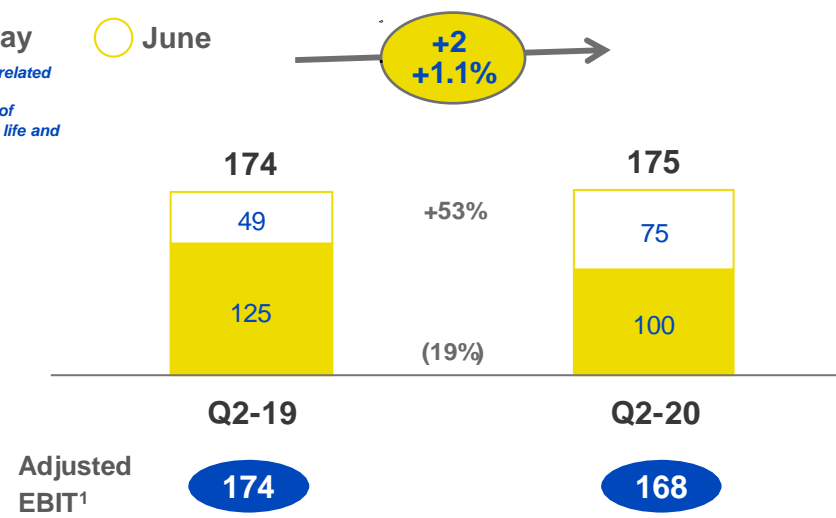
GROUP EBIT IMPACTED BY LOCKDOWN - LOWER COSTS MITIGATING IMPACT ON REVENUES

€ m unless otherwise stated

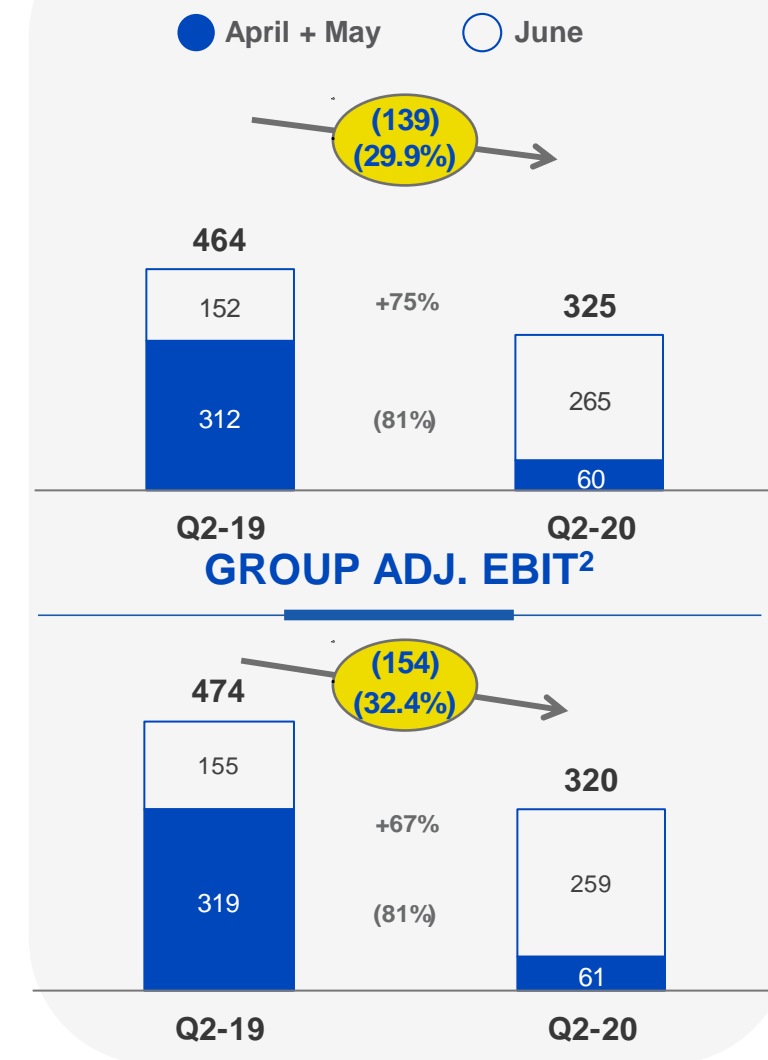
MAIL, PARCEL & DISTRIBUTION



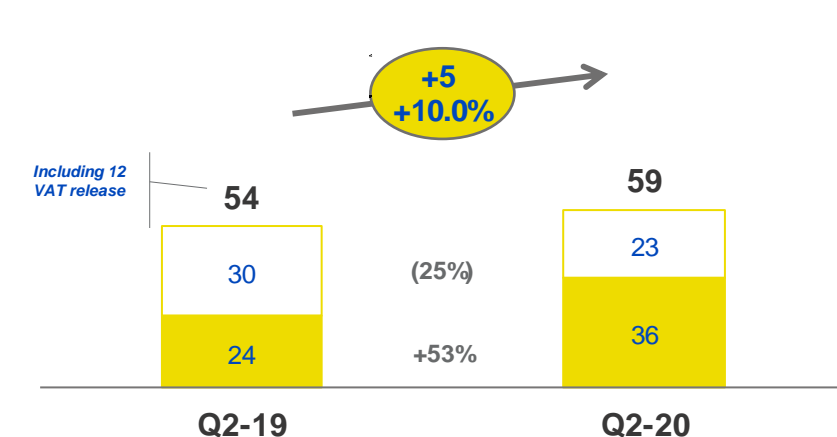
FINANCIAL SERVICES



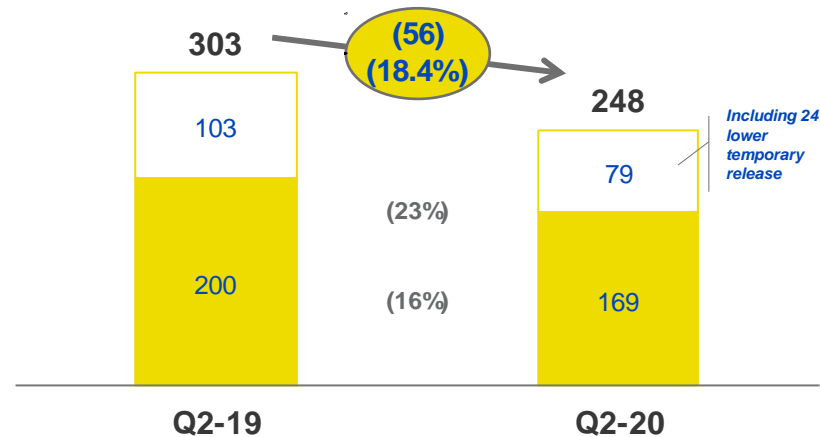
GROUP EBIT



PAYMENTS & MOBILE



INSURANCE SERVICES



SUSTAINABLE BUSINESS MODEL ENSURING LONG TERM PROFITABILITY

TARGETED INITIATIVES TO STRUCTURALLY REDUCE COST BASE

FINANCIAL & INSURANCE, PAYMENTS & MOBILE BACK ON TRACK SINCE JUNE

DIVIDEND STRATEGY UNCHANGED AHEAD OF PLAN UPDATE IN Q4



EXECUTIVE SUMMARY

BUSINESS REVIEW

APPENDIX

POSTE ITALIANE TOP RANKING WITHIN MAJOR SUSTAINABILITY INDICES



RANKED #1
in the Environment and Social fields by Institutional Shareholder Services

RANKED #1
in the Integrated Governance Index

RANKED #3
in the Gender-Parity Index

RANKED #3
among 134 companies worldwide and at European level in 'Transports and Logistics'

TOP TEN
among the best performing companies in the insurance sector worldwide

The Group is included in the international index and in the regional indices Euronext Vigeo Eurozone 120 and Europe 120

Awarded as 'Industry Mover' for the best score improvement y/y compared to selected sector peers

Dow Jones Sustainability Indices



SINCE 2019

Poste has been included in the Dow Jones Sustainability World Index and in the more selective Europe Dow Jones Sustainability Index

SINCE 2019

Poste Italiane has been included in the Bloomberg Gender-Equality Index (GEI) 2020, assessing gender equality and reporting transparency

SINCE 2019

Poste has been included in the FTSE4Good Europe and FTSE4Good Developed indices, standing out for transparent management and the application of sustainable criteria

AMONG TOP
in 2019 within Stoxx Europe 600, within the Gender Diversity Index

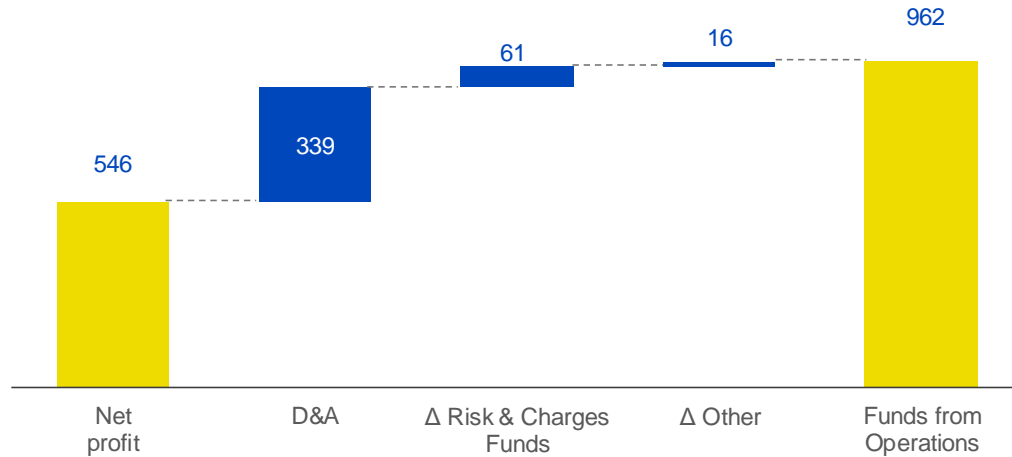
POSTE GROUP: Q2-20 & H1-20 ADJUSTMENTS

EXPLANATORY NOTES TO ADJUSTED FIGURES

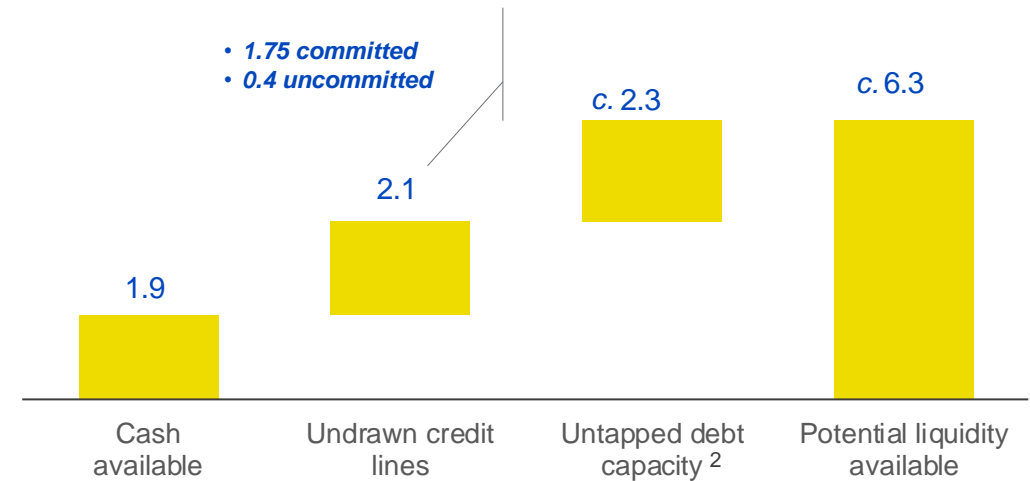
	Q2-19	Q2-20	€ m	%	H1-19	H1-20	€ m	%
REPORTED REVENUES	2,679	2,328	(352)	(13%)	5,521	5,083	(438)	(8%)
<i>GROSS CAPITAL GAINS ON INVESTMENT PORTFOLIO</i>	0	0			261	291		
<i>VISA - FAIR VALUE VALUATION/ FAIR VALUE HEDGE</i>	4	(8)			17	0		
<i>VISA - CAPITAL GAIN ON SHARE DISPOSAL</i>	1	0			1	0		
ADJUSTED REVENUES	2,674	2,336	(338)	(13%)	5,242	4,792	(450)	(9%)
REPORTED COSTS	2,216	2,003	(213)	(10%)	4,441	4,317	(123)	(3%)
<i>CAPITAL LOSSES ON INVESTMENT PORTFOLIO</i>	6	0			6	57		
<i>EARLY RETIREMENT INCENTIVES</i>	6	3			9	4		
<i>VISA - FAIR VALUE VALUATION/ FAIR VALUE HEDGE</i>	5	-1			9	10		
<i>REAL ESTATE FUNDS PROVISIONS</i>	0	-15				-15		
ADJUSTED COSTS	2,200	2,015	(184)	(8%)	4,418	4,261	(157)	(4%)
REPORTED EBIT	464	325	(139)	(30%)	1,081	766	(315)	(29%)
ADJUSTED EBIT	474	320	(154)	(32%)	825	531	(294)	(36%)
<i>IMPAIRMENTS</i>	0	19			0	19		
REPORTED NET PROFIT	324	239	(85)	(26%)	763	546	(218)	(29%)
ADJUSTED NET PROFIT	332	256	(75)	(23%)	579	399	(180)	(31%)

STRONG CASH GENERATION, LIMITED AND BALANCED DEBT PROFILE

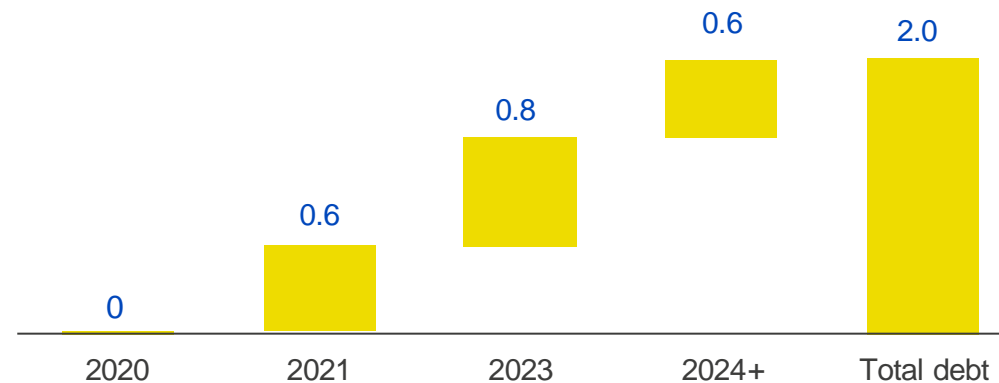
GROUP FUNDS FROM OPERATIONS (FFO) – H1-20 (€ m)



...SIGNIFICANT LIQUIDITY RESOURCES¹ (€ bn)



BALANCED MATURITY PROFILE (€ bn)



1. As of June 2020

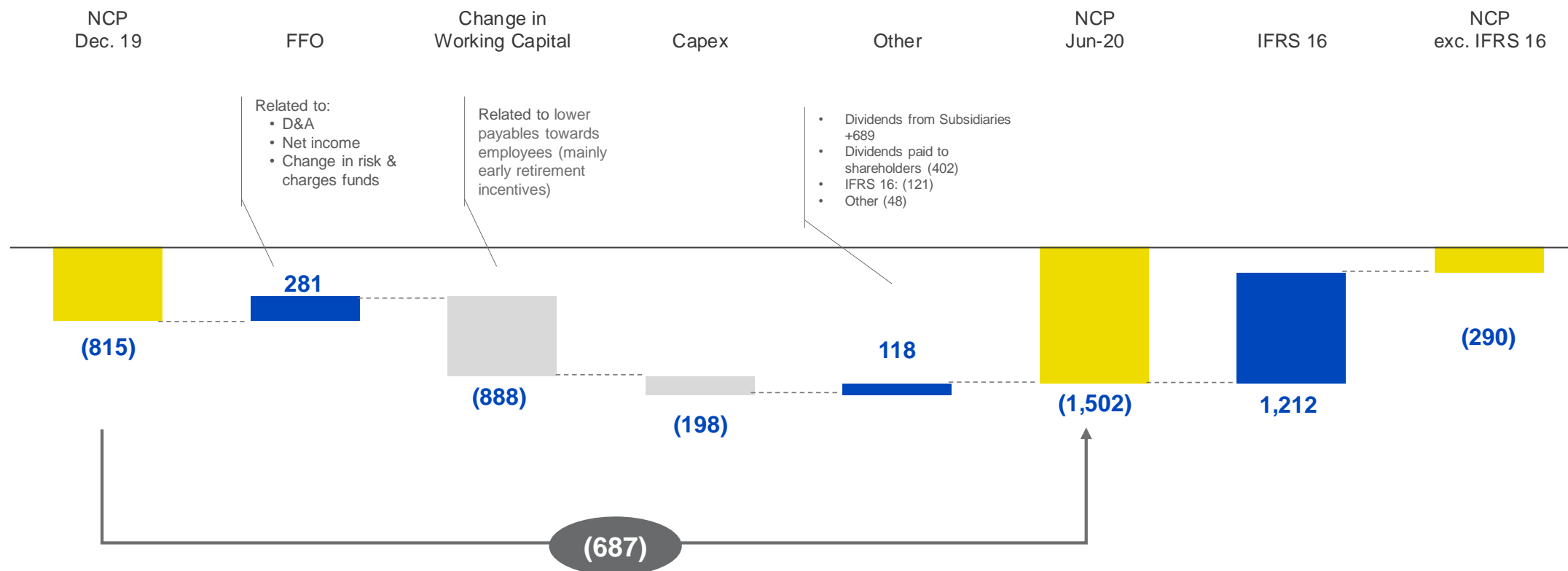
2. Debt capacity consistent with current rating (based on the Moody's "Key Indicator Report" May-20 and available for future eventual financing operations)

MAIL, PARCEL & DISTRIBUTION NET CASH POSITION



€ m unless otherwise stated

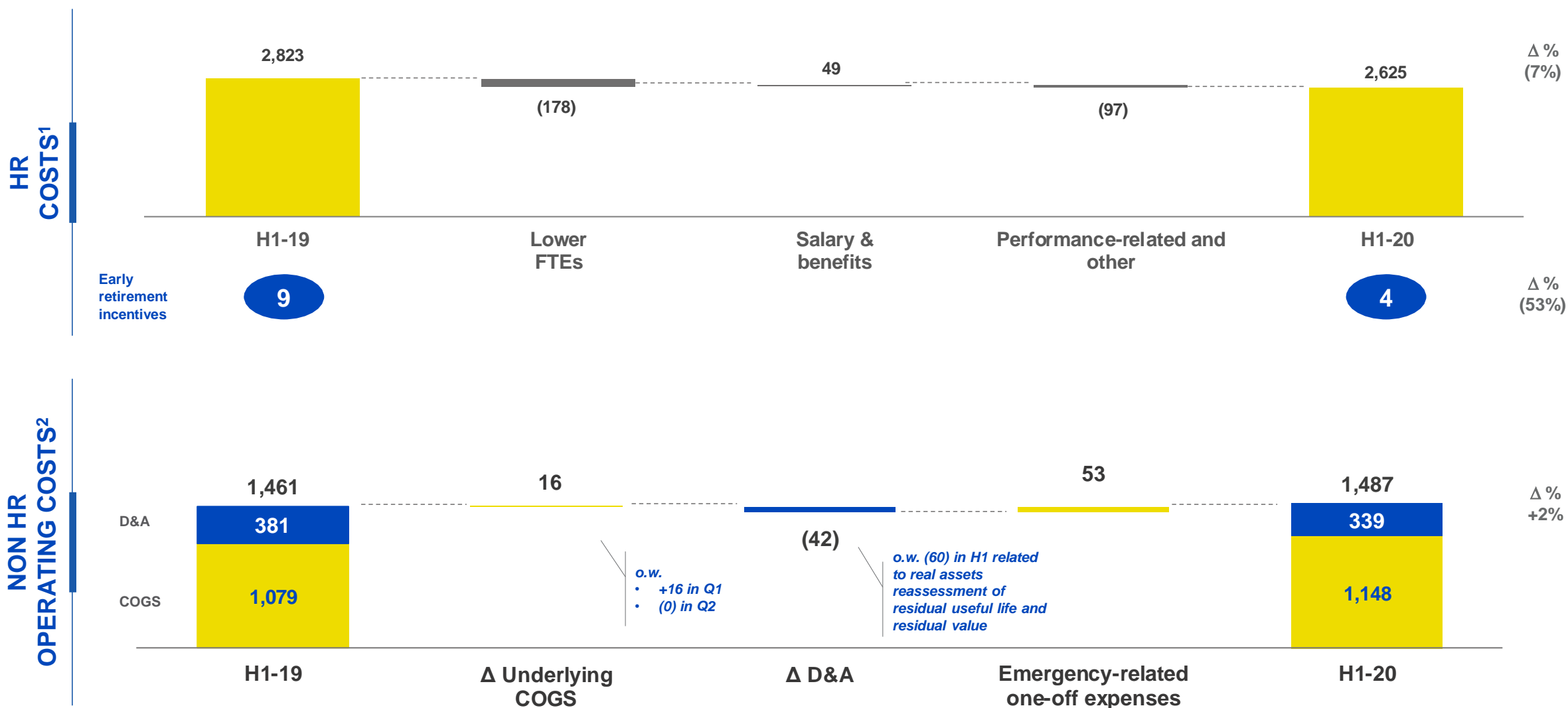
NET CASH POSITION (+CASH – DEBT)



GROUP COSTS – H1-20

SIGNIFICANT COST REDUCTION, MORE THAN OFFSETTING EMERGENCY-RELATED ONE-OFF EXPENSES

€ m unless otherwise stated



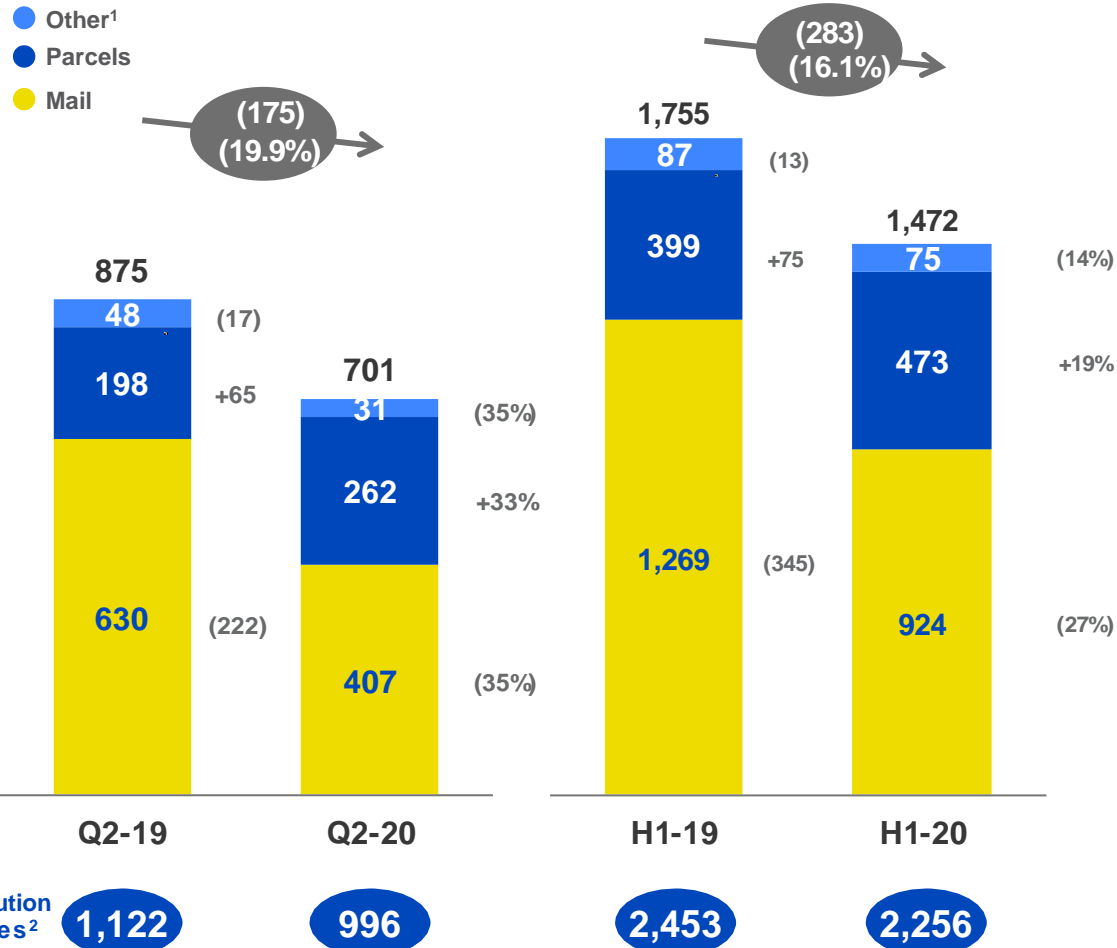
MAIL, PARCEL & DISTRIBUTION

ACCELERATED MAIL DECLINE MITIGATED BY STRONG PARCEL REVENUES BOOSTED BY B2C GROWTH

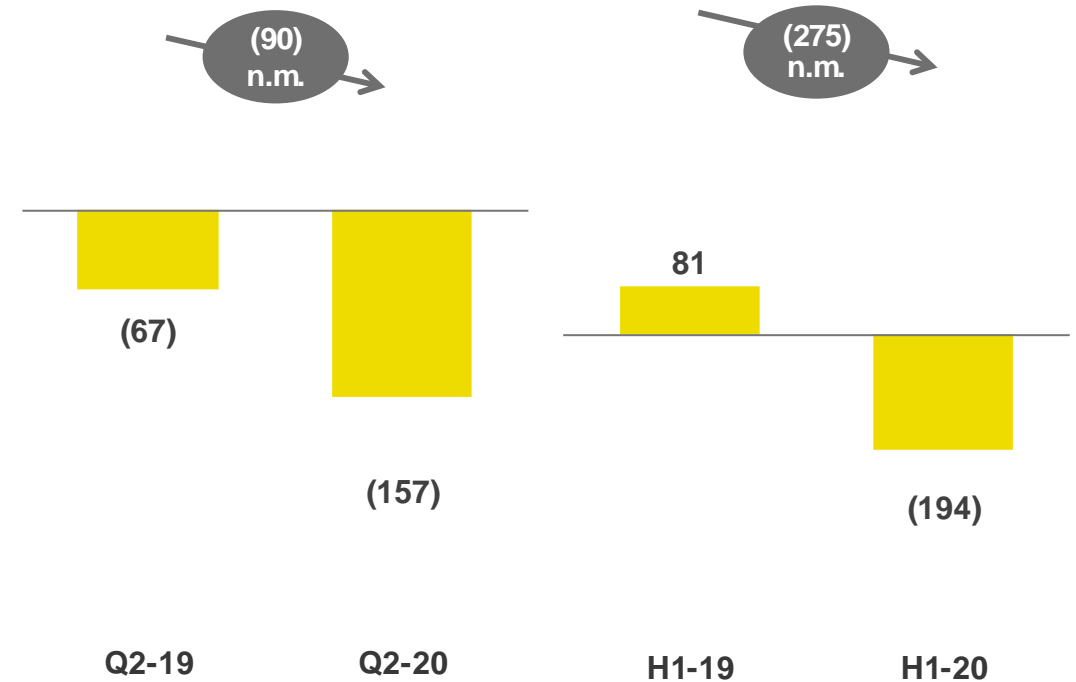


€ m unless otherwise stated

SEGMENT REVENUES



EBIT



Distribution revenues²

1. Includes Philately, Patenti Via Poste, Poste Motori, Poste Air Cargo and other revenues
 2. Includes income received by Other Segments in return for use of the distribution network and Corporate Services

PAYMENTS AND MOBILE

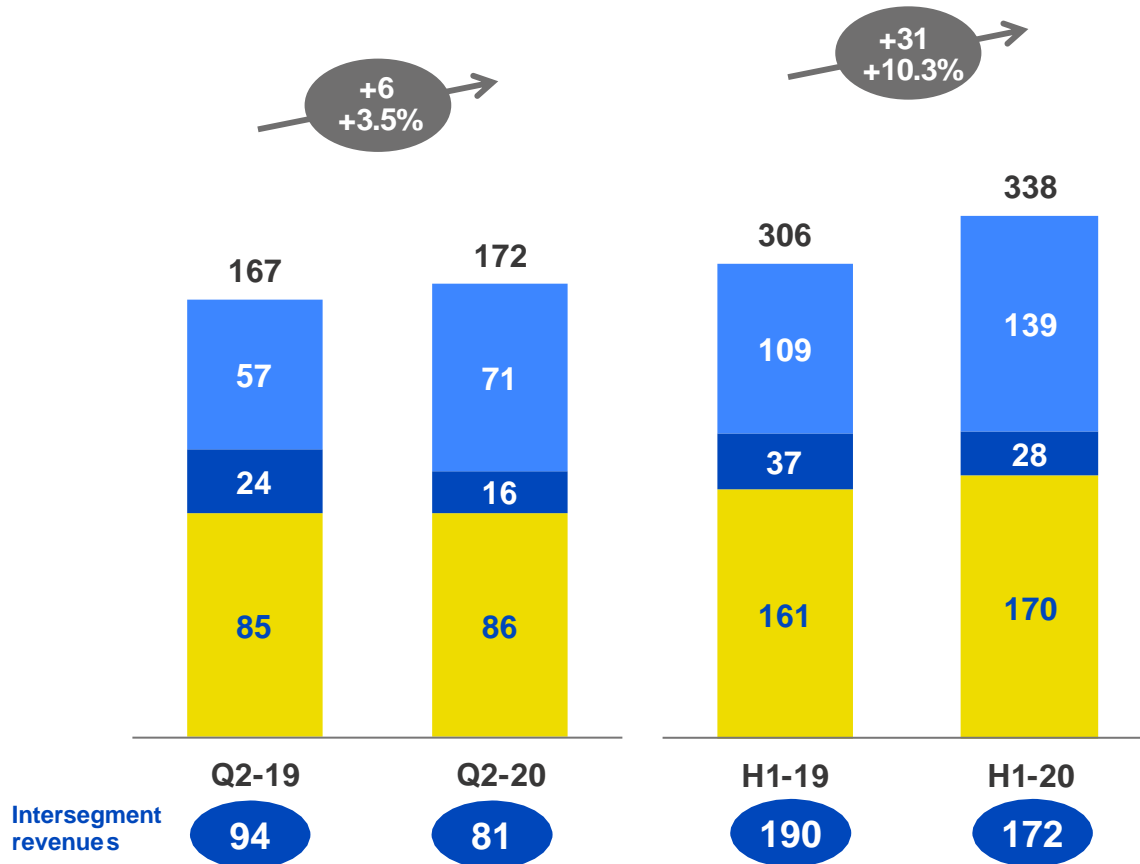
INCREASING REVENUES IN A CHALLENGING ENVIRONMENT

€ m unless otherwise stated

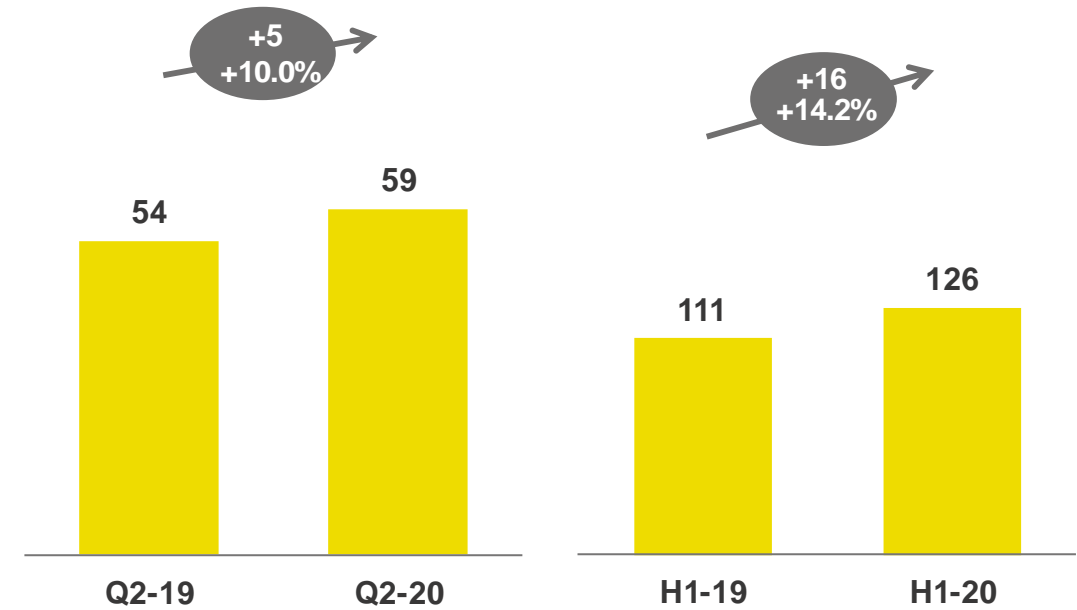


SEGMENT REVENUES

- Telecom
- Other payments
- Card Payments

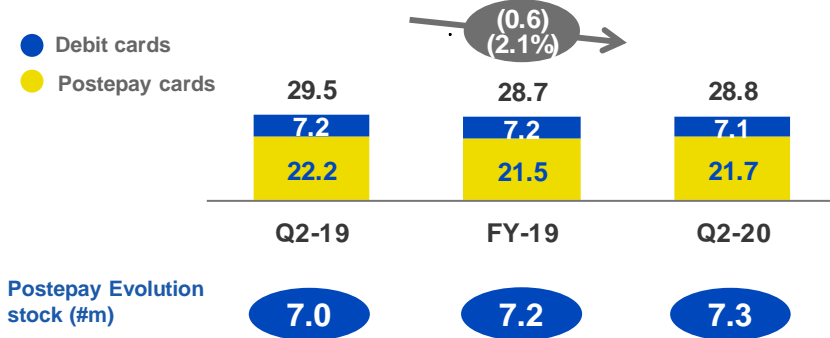


EBIT

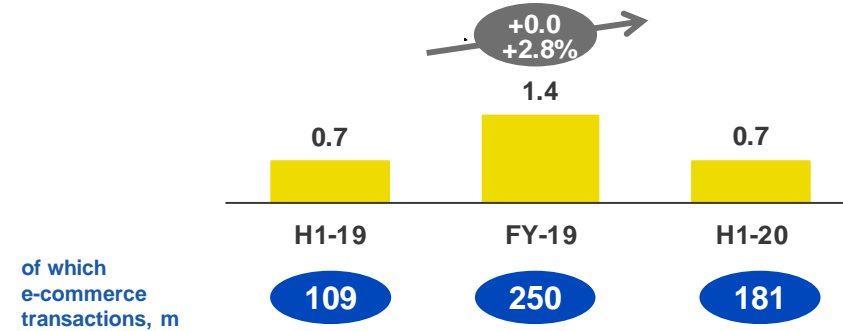




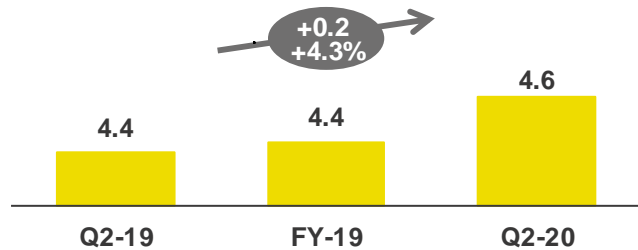
CARD STOCK¹



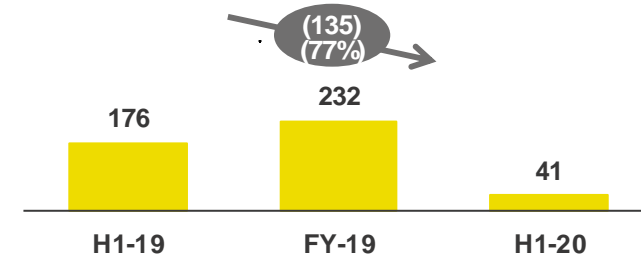
TOTAL PAYMENT CARD TRANSACTIONS (# BN)



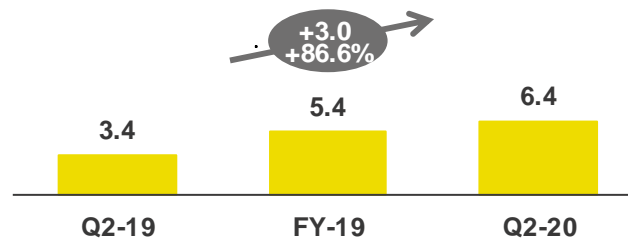
MOBILE & LAND LINE, STOCK (# M)



POSTEPAY CONNECT SUBSCRIPTIONS (# K)



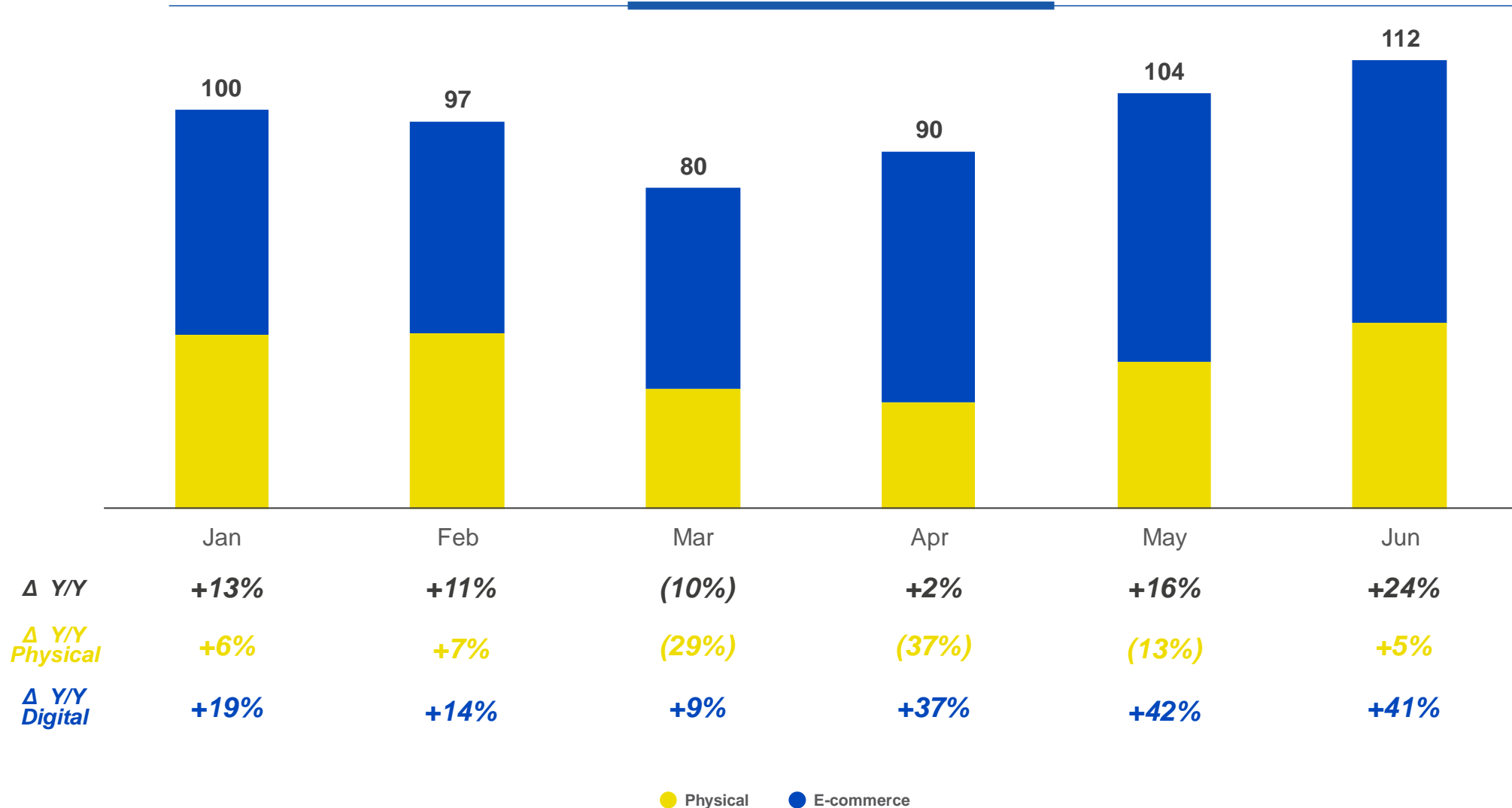
POSTE ITALIANE DIGITAL E-WALLET (# M)²



1. Including social measures related cards
 2. An innovative electronic tool associated to a single customer, able to authorize in app payment transactions



POSTEPAY DAILY AVERAGE TRANSACTION VALUE (BASE 100)

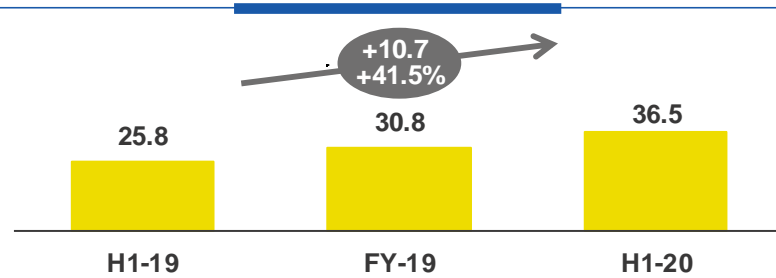


POSTE ITALIANE DIGITAL FOOTPRINT

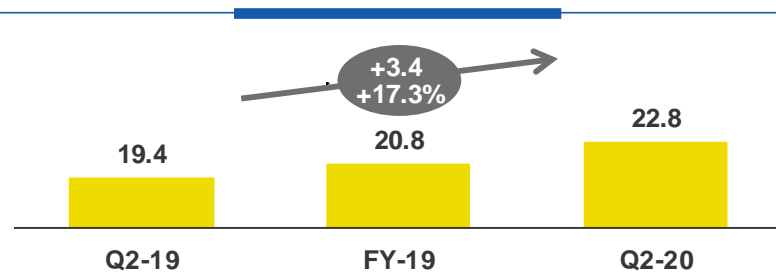
KEY METRICS CONSTANTLY IMPROVING

m

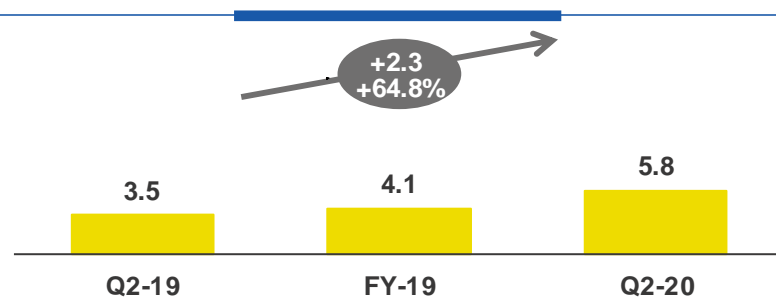
CUMULATED APP DOWNLOADS¹



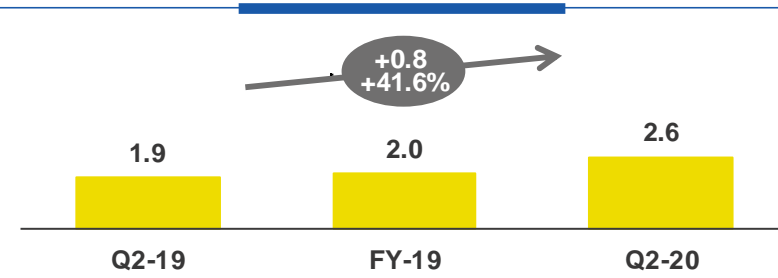
REGISTERED ONLINE USERS



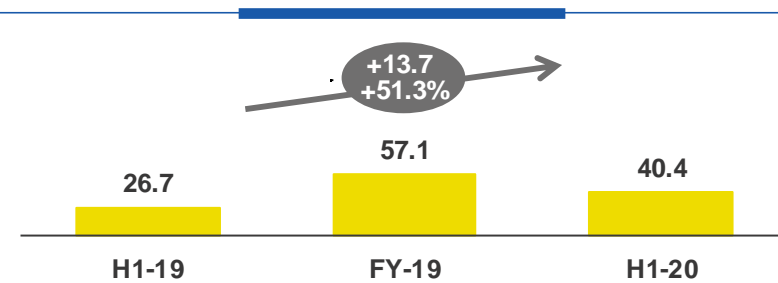
ELECTRONIC IDENTIFICATION² STOCK



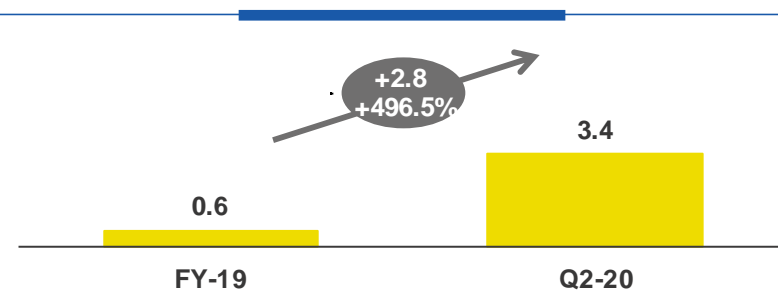
DAILY ONLINE USERS



CONSUMER FIN. TRANSACTIONS



PRIVATE DIGITAL IDs



FINANCIAL SERVICES: Q2-20 & H1-20 ADJUSTMENTS

EXPLANATORY NOTES TO ADJUSTED FIGURES



	Q2-19	Q2-20	€ m	%	H1-19	H1-20	€ m	%
SEGMENT REPORTED REVENUES	1,180	1,071	(109)	(9%)	2,665	2,535	(130)	(5%)
<i>GROSS CAPITAL GAINS ON INV. PORTFOLIO</i>	0	0			261	291		
<i>VISA - FAIR VALUE VALUATION/ FAIR VALUE HEDGE</i>	4	-8			17	0		
<i>VISA - CAPITAL GAIN ON SHARES DISPOSAL</i>	1	0			1	0		
SEGMENT ADJUSTED REVENUES	1,174	1,079	(95)	(8%)	2,386	2,244	(142)	(6%)
<i>INTERSEGMENT REVENUES</i>	179	143	(36)	(20%)	372	309	(63)	(17%)
ADJUSTED TOTAL REVENUES	1,353	1,222	(131)	(10%)	2,758	2,553	(205)	(7%)
REPORTED COSTS	1,185	1,038	(147)	(12%)	2,602	2,446	(156)	(6%)
<i>EARLY RETIREMENT INCENTIVES</i>	0	1			1	1		
<i>CAPITAL LOSSES ON INV. PORTFOLIO</i>	6	0			6	57		
<i>CAPITAL GAINS COMMISSIONING</i>	-4	0			199	185		
<i>REAL ESTATE FUNDS PROVISIONS</i>	0	-15			0	-15		
<i>VISA - FAIR VALUE VALUATION/ FAIR VALUE HEDGE</i>	5	-1			9	10		
ADJUSTED COSTS	1,179	1,053	(125)	(11%)	2,388	2,208	(179)	(8%)
REPORTED EBIT	174	175	2	+1%	435	398	(37)	(8%)
ADJUSTED EBIT	174	168	(6)	(3%)	370	345	(25)	(7%)
<i>IMPAIRMENTS</i>	0	19			0	19		
REPORTED NET PROFIT	114	117	3	+2%	305	273	(32)	(11%)
ADJUSTED NET PROFIT	115	133	18	+15%	257	256	(1)	(0%)

€ m unless otherwise stated



SEGMENT GROSS REVENUES

○ Intersegment distribution revenues (o.w. Insurance)

● Transaction banking²

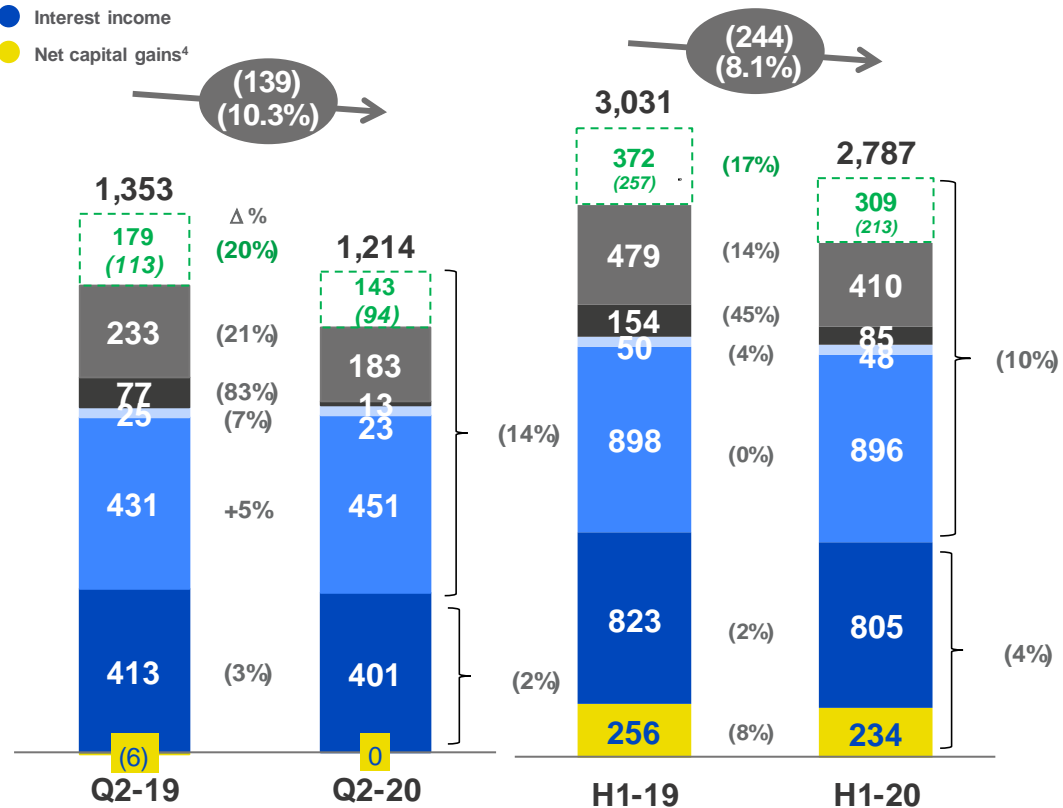
● Loan & mortgage distribution³

● Asset management

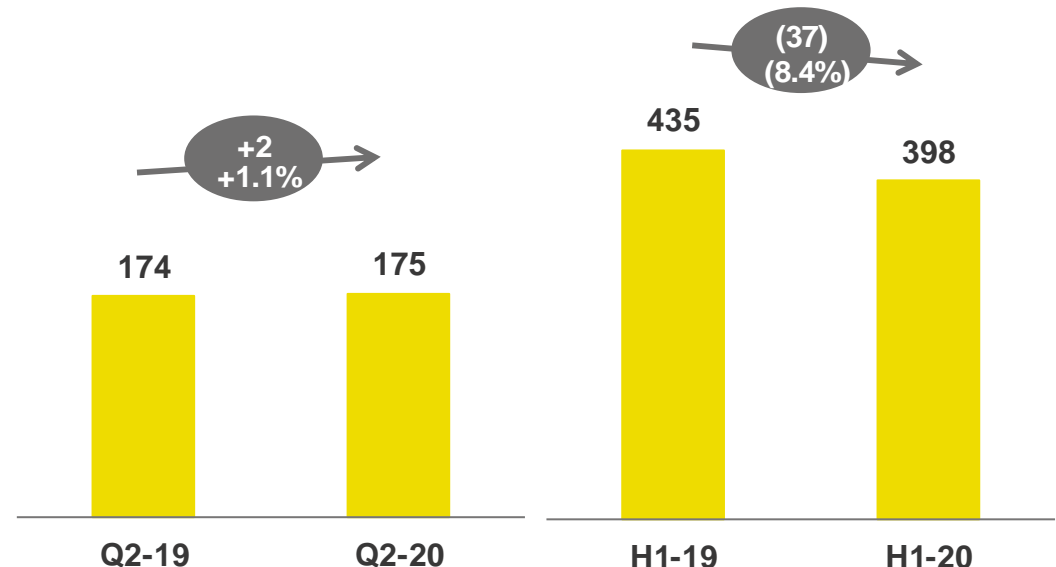
● Postal savings

● Interest income

● Net capital gains⁴



EBIT



BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

PRUDENT ALM STRATEGY TO MATCH ASSETS AND LIABILITIES

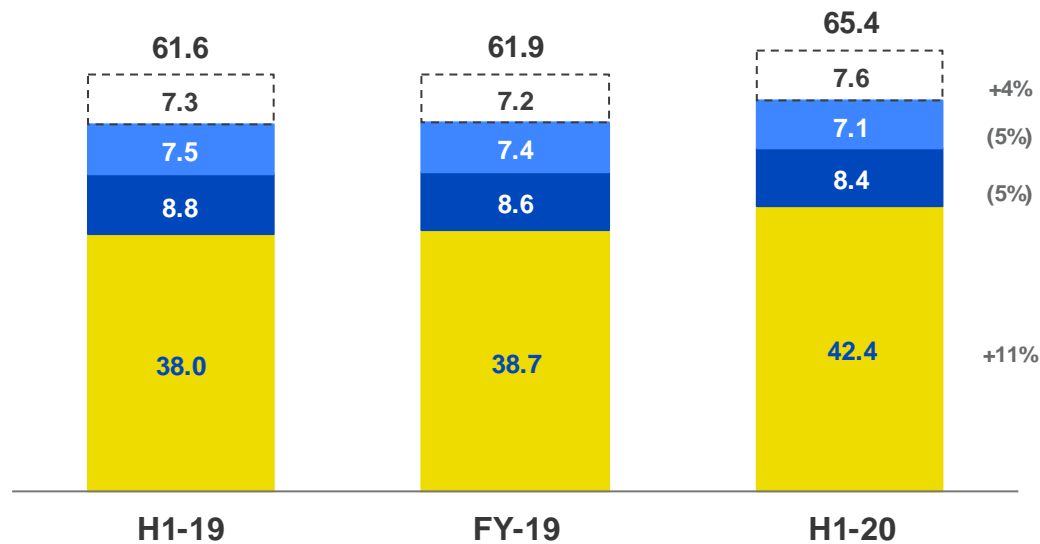


€ bn unless otherwise stated

AVERAGE CURRENT ACCOUNT DEPOSITS

- Public Administration¹
- REPO
- Corporate customers & other²
- Retail + PostePay

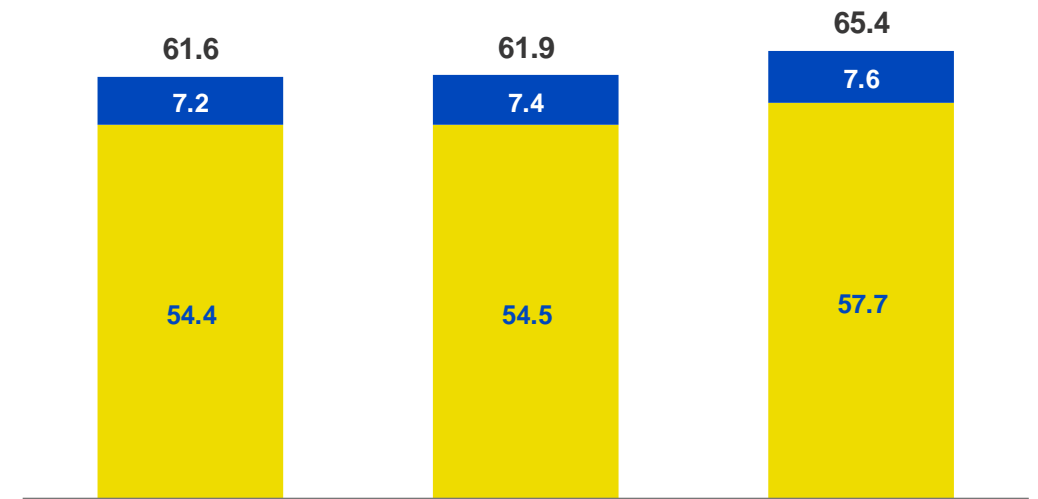
+3.7
+6.1%



AVERAGE INVESTMENT PORTFOLIO

- Deposit @ MEF³
- Italian Government Bonds

+3.7
+6.1%



Avg. return excl. cap. gains (%)⁴

2.63

2.57

2.40

BTP investment ptf. duration (# of years)

5.6

5.5

6.2

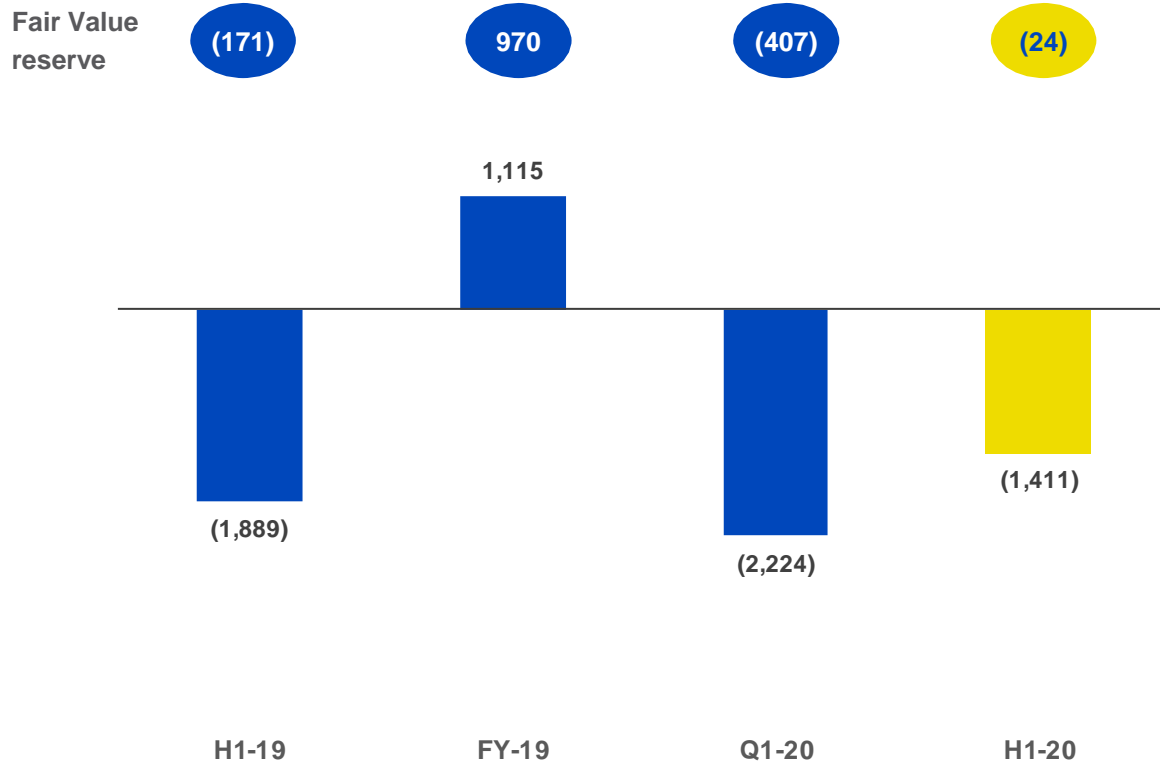
BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

NET UNREALIZED LOSSES AT - €1.4BN

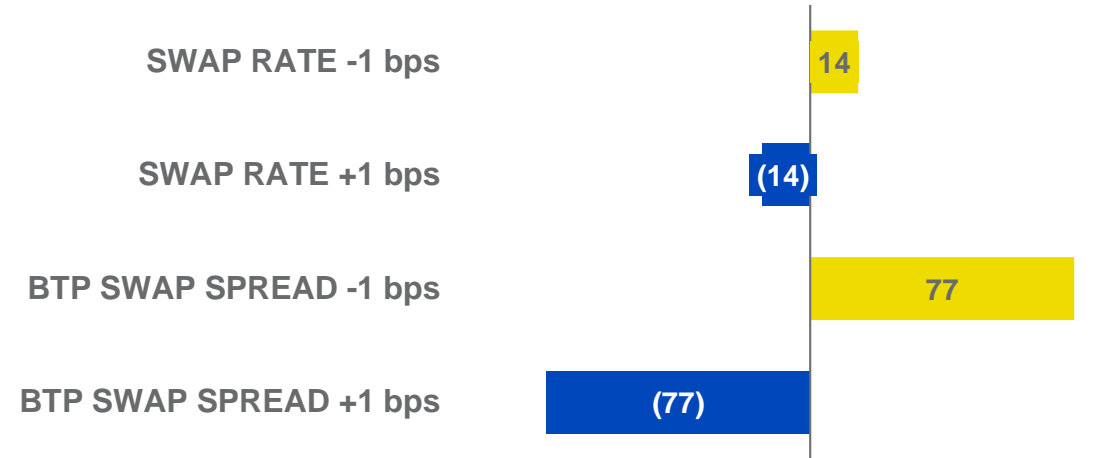
€ m unless otherwise stated



UNREALIZED GAINS/LOSSES



UNREALIZED GAINS SENSITIVITIES



	H1-19	FY-19	Q1-20	Q2-20	Var (bps) Q2-20 vs Q1-20
BTP 10Y	2.10	1.41	1.52	1.26	(27)
SWAP 10Y	0.18	0.20	(0.02)	(0.17)	(15)
BTP 15Y	2.55	1.89	1.92	1.68	(24)
SWAP 15Y	0.49	0.46	0.16	0.0	(16)
BTP 30Y	3.09	2.47	2.44	2.22	(22)
SWAP 30Y	0.72	0.63	0.17	0.04	(14)

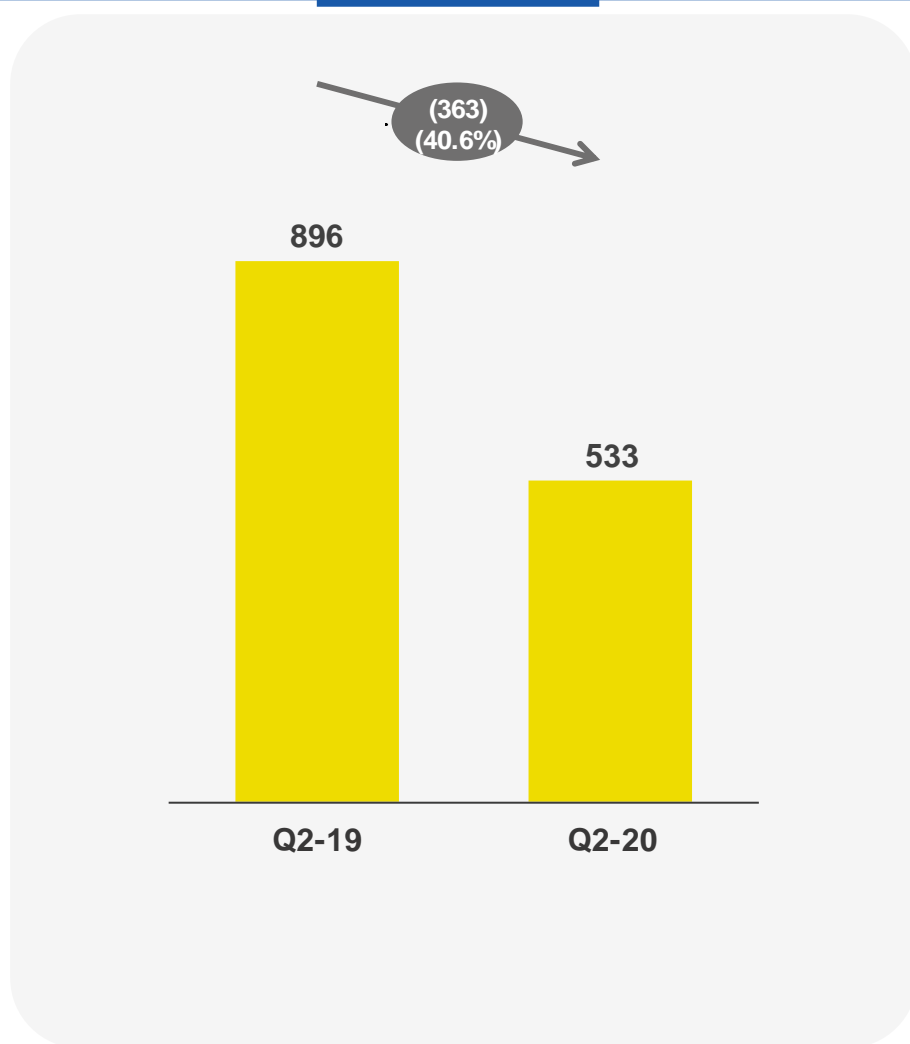
LOAN AND MORTGAGE DISTRIBUTION

VOLUMES RECOVERING SINCE JUNE IN A DOWNWARD TRENDING MARKET

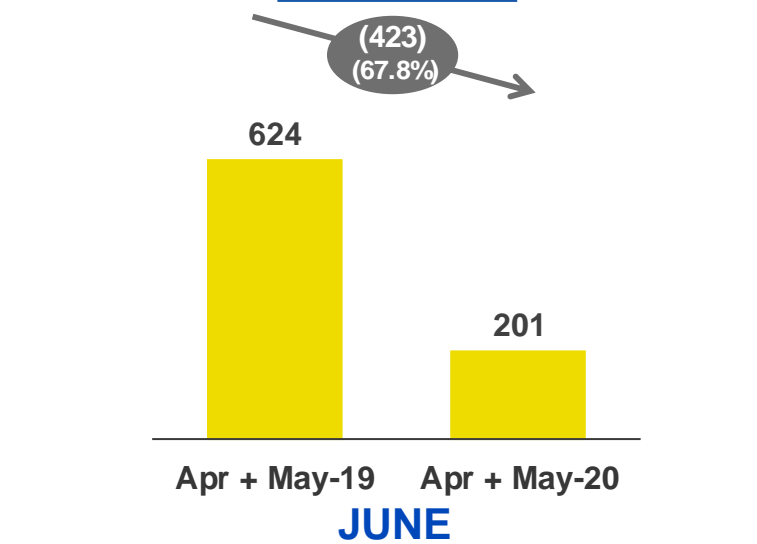


€ bn unless otherwise stated

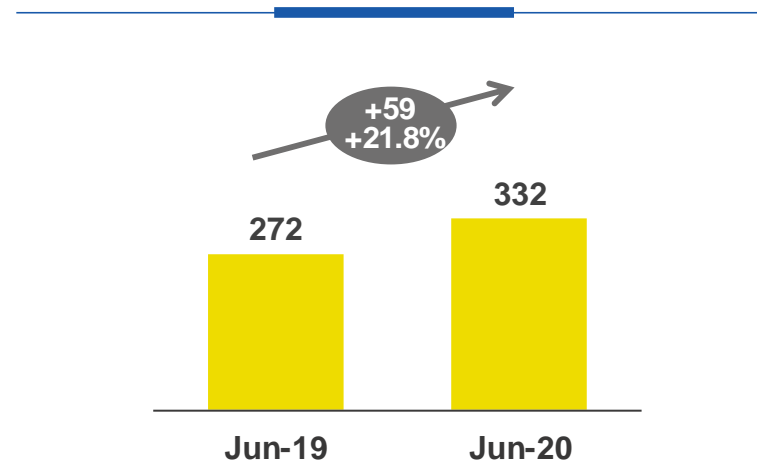
Q2 VOLUMES



APRIL + MAY



JUNE



POSTAL SAVINGS

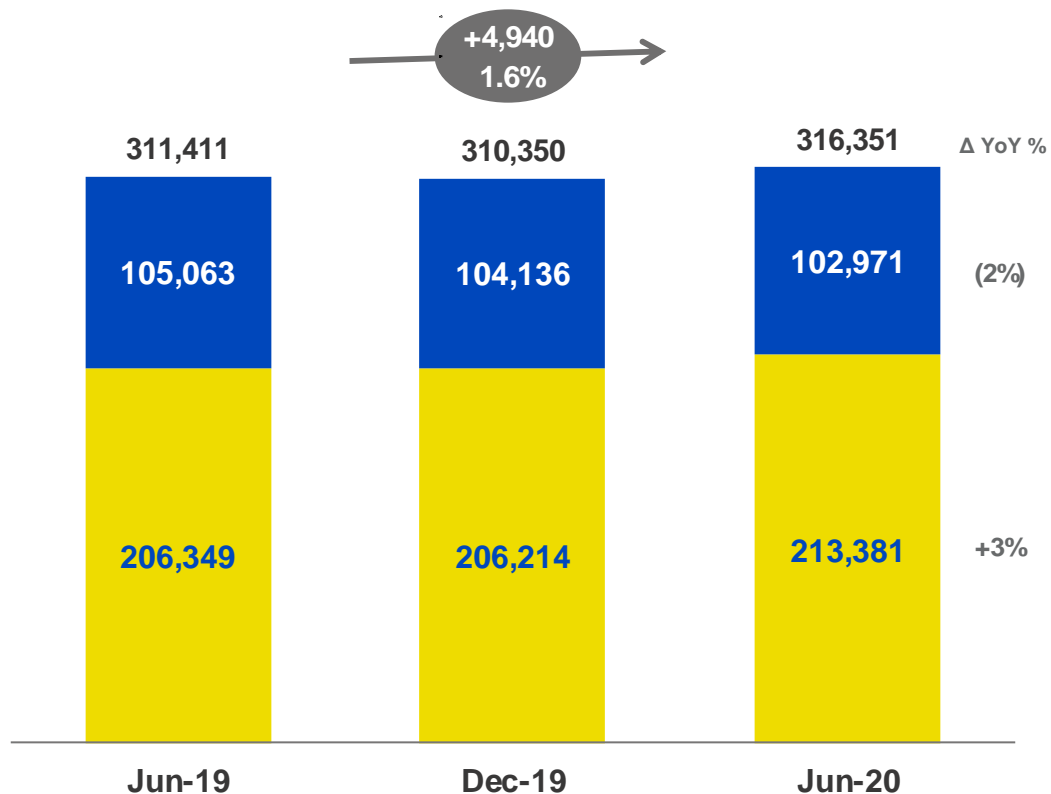
CUSTOMER PREFERENCE FOR LIQUIDITY PRODUCTS RESULTED IN €1.5BN NET INFLOWS



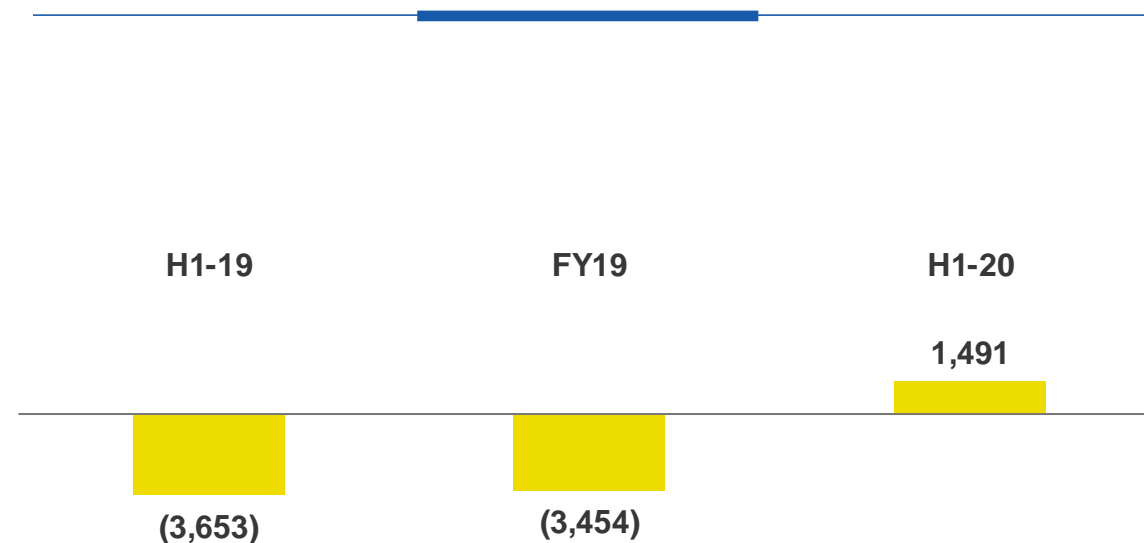
€ m unless otherwise stated

AVERAGE POSTAL SAVINGS¹

- Postal saving books
- Postal bonds



POSTAL SAVINGS NET INFLOWS



ASSET MANAGEMENT PROGRESSING

POSITIVE NET INFLOWS IN A VOLATILE MARKET ENVIRONMENT

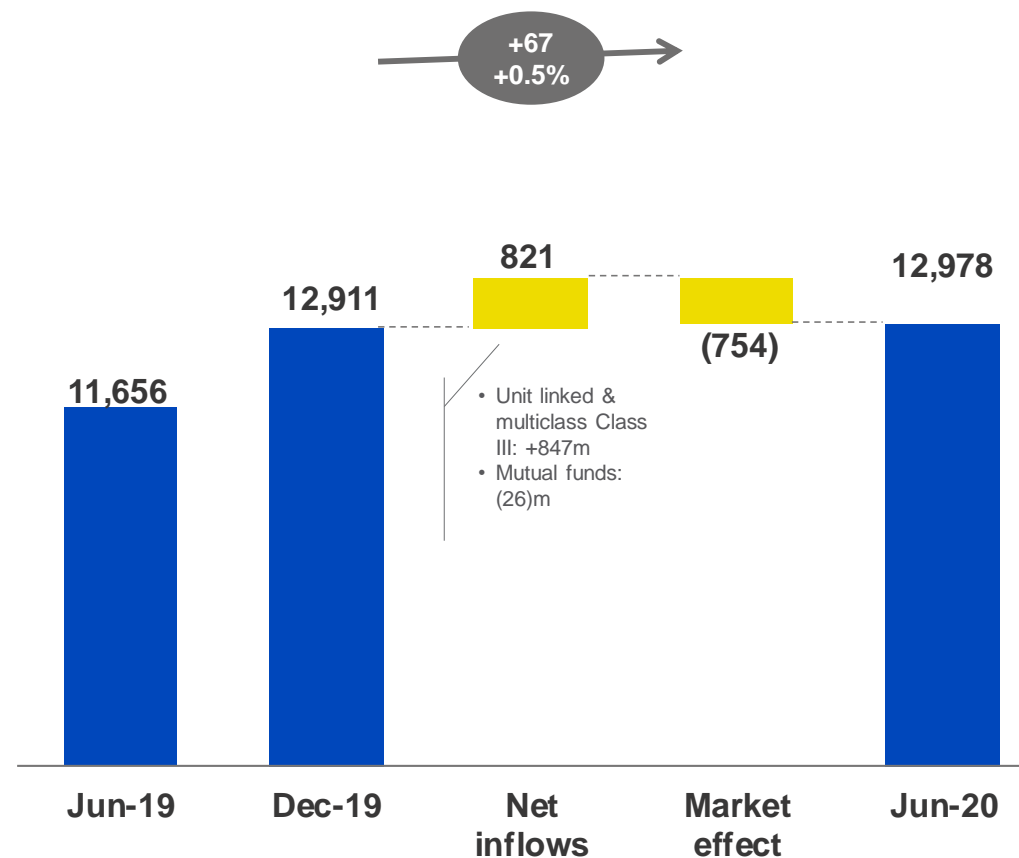
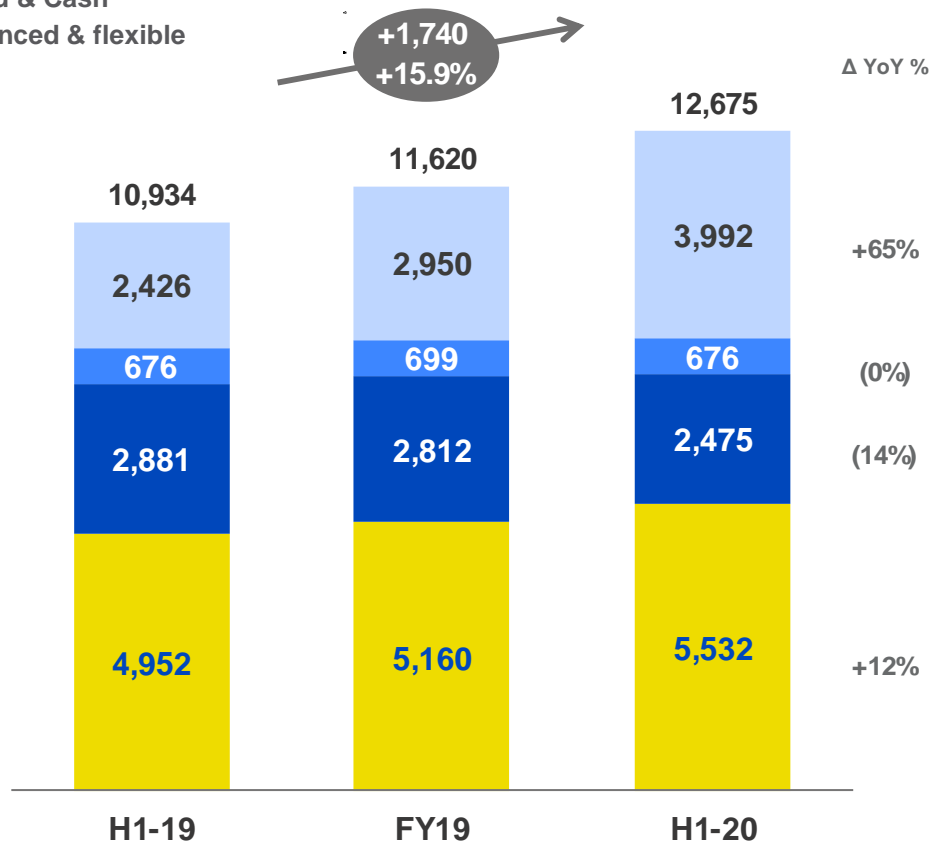
€ m unless otherwise stated



AVERAGE ASSETS UNDER MANAGEMENT

ASSETS UNDER MANAGEMENT EVOLUTION – EoP

- Unit linked & multiclass Class III
- Equity
- Bond & Cash
- Balanced & flexible



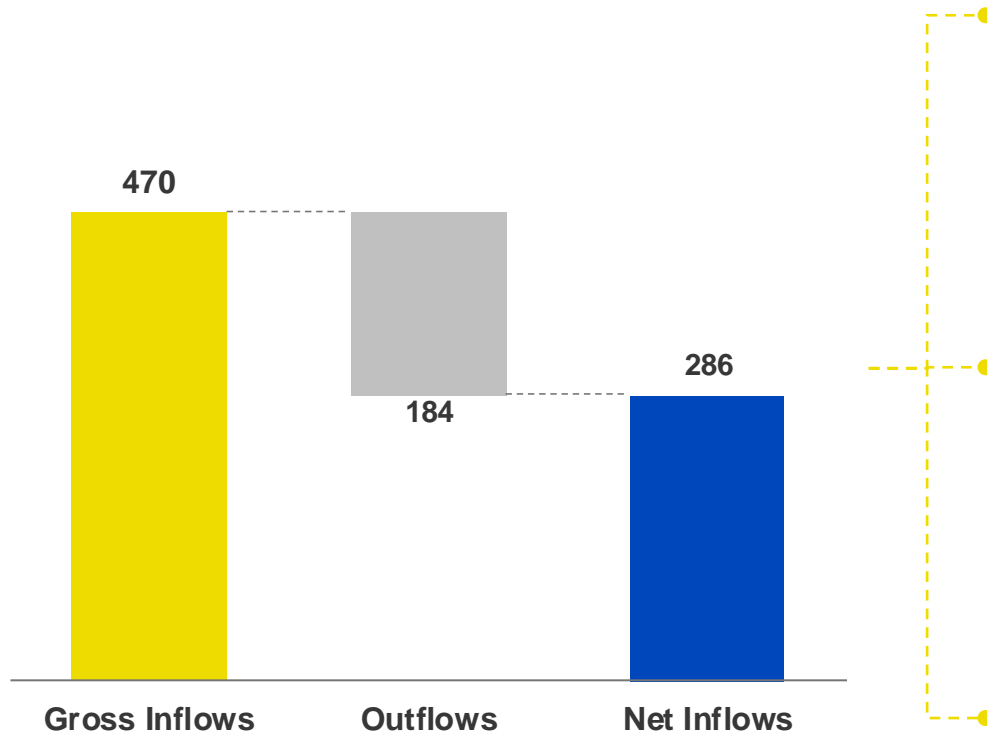
ASSET MANAGEMENT NET INFLOWS INCREASING IN Q2-20

POSITIVE NET INFLOWS THANKS TO MULTICLASS CLASS III COMPONENT OF INSURANCE PRODUCTS

€ m unless otherwise stated



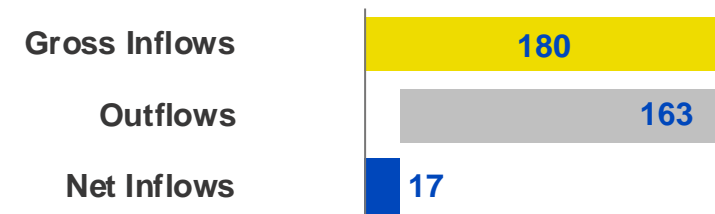
TOTAL NET INFLOWS – Q2-20



MULTICLASS CLASS III¹ – Q2-20



MUTUAL FUNDS – Q2-20



UNIT LINKED (CLASS III) – Q2-20

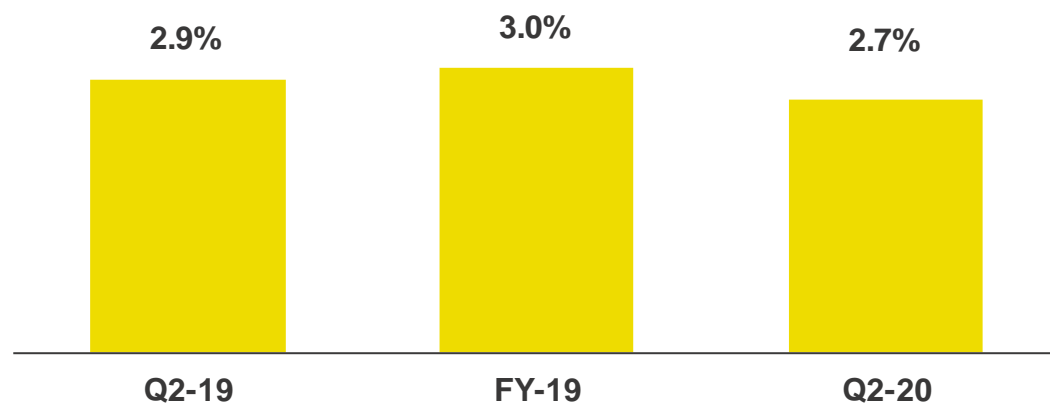


BANCOPOSTA'S SOLID AND EFFICIENT CAPITAL POSITION

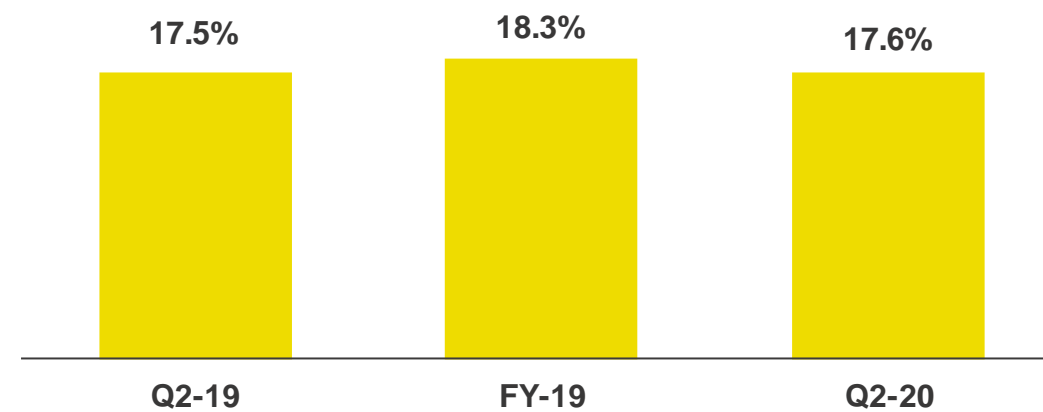
AN ASSET GATHERER WITH A CAPITAL LIGHT BALANCE SHEET



LEVERAGE RATIO



CET 1 RATIO



Exposure Measure (€ bn)

79.5

79.6

89.0

RWA (€ bn)

13.1

13.0

13.5

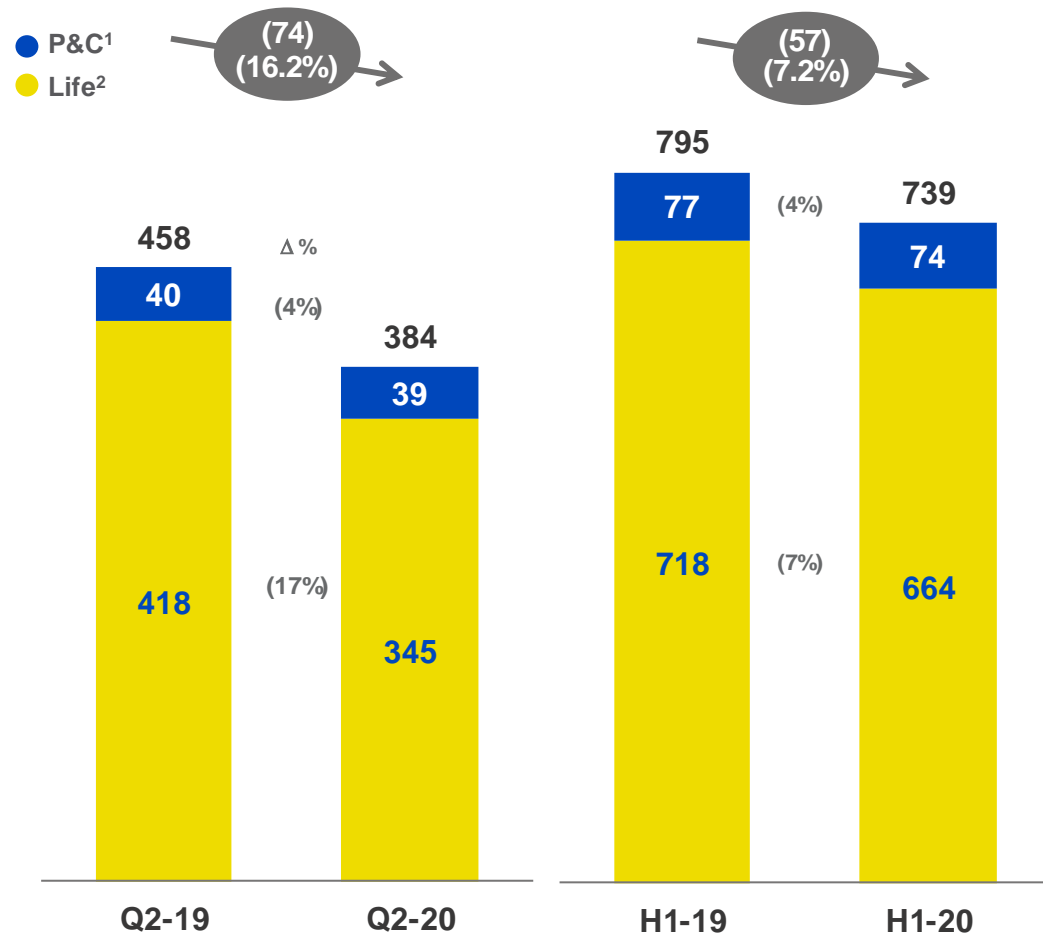
INSURANCE SERVICES

RESILIENT REVENUES WITH REDUCED CUSTOMER ACTIVITY, STEADILY RECOVERING STARTING FROM JUNE

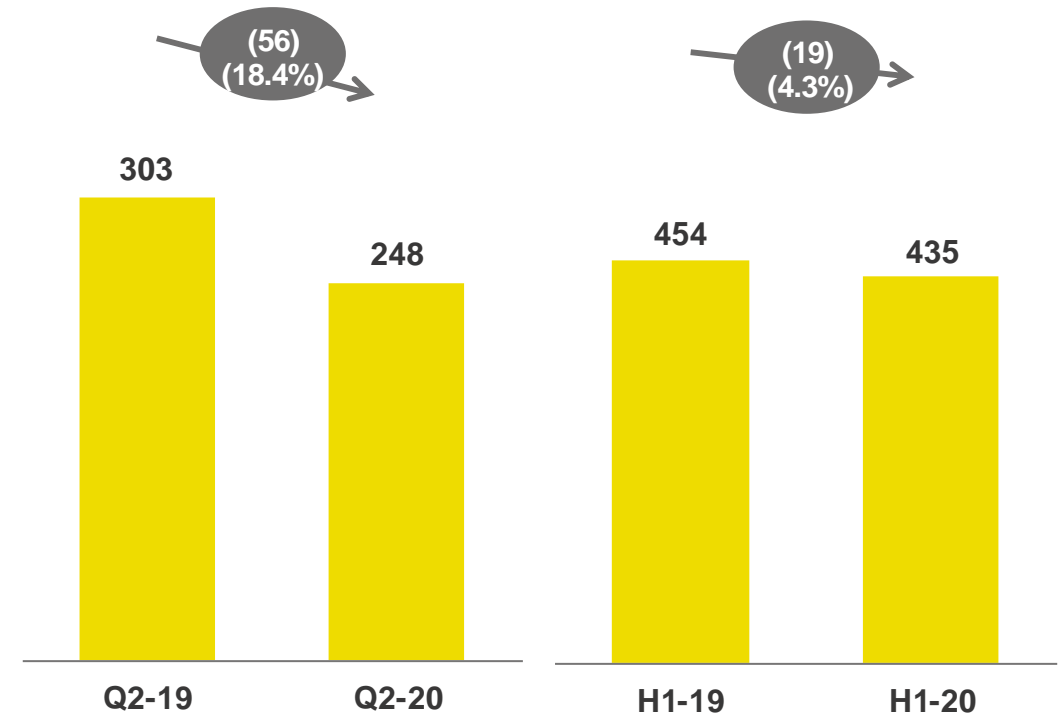


€ m unless otherwise stated

SEGMENT REVENUES



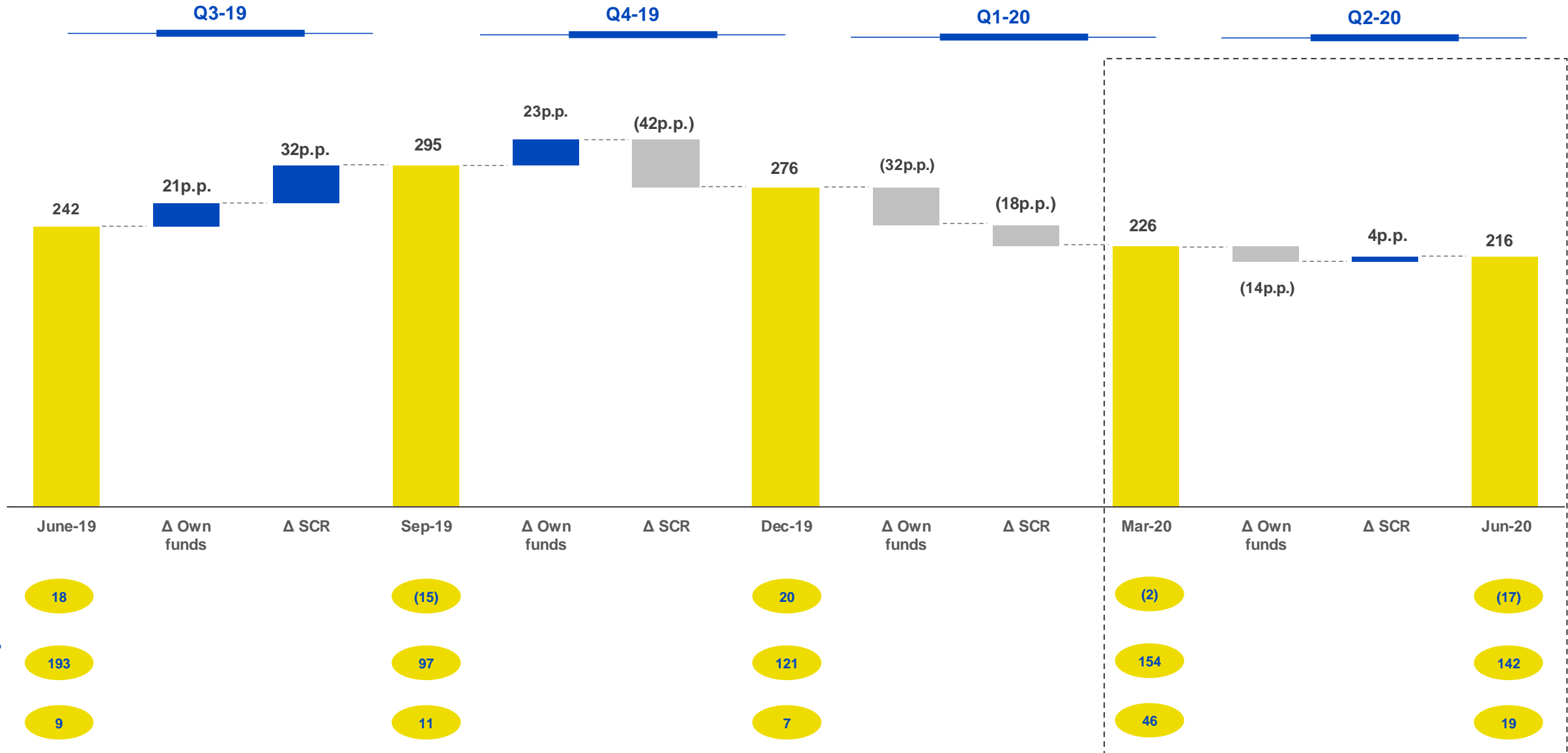
EBIT



1. Includes Poste Welfare Servizi (PWS)
2. Includes Private Pension Plan (PPP)

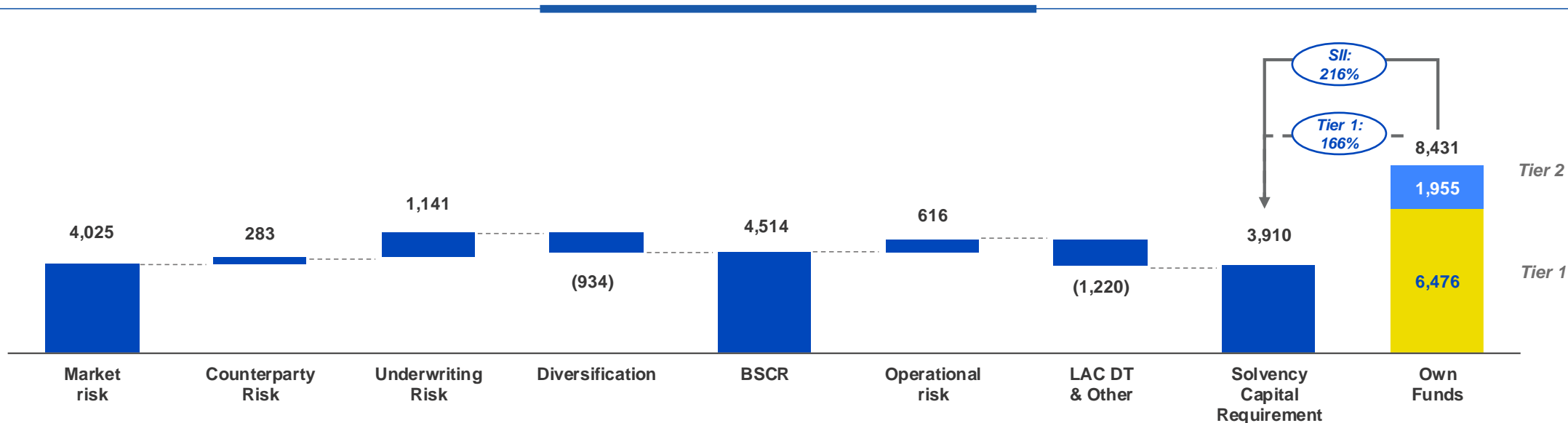
INSURANCE SERVICES

SOLVENCY II EVOLUTION

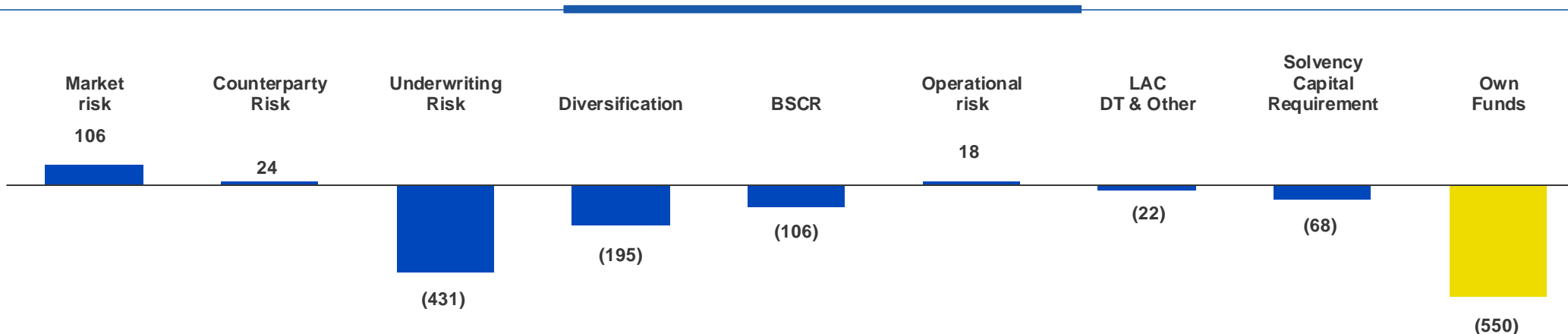




SOLVENCY II CAPITAL AND SOLVENCY II CAPITAL REQUIREMENT EVOLUTION (€ M)



CHANGE VS. MARCH 2020 (€ M)



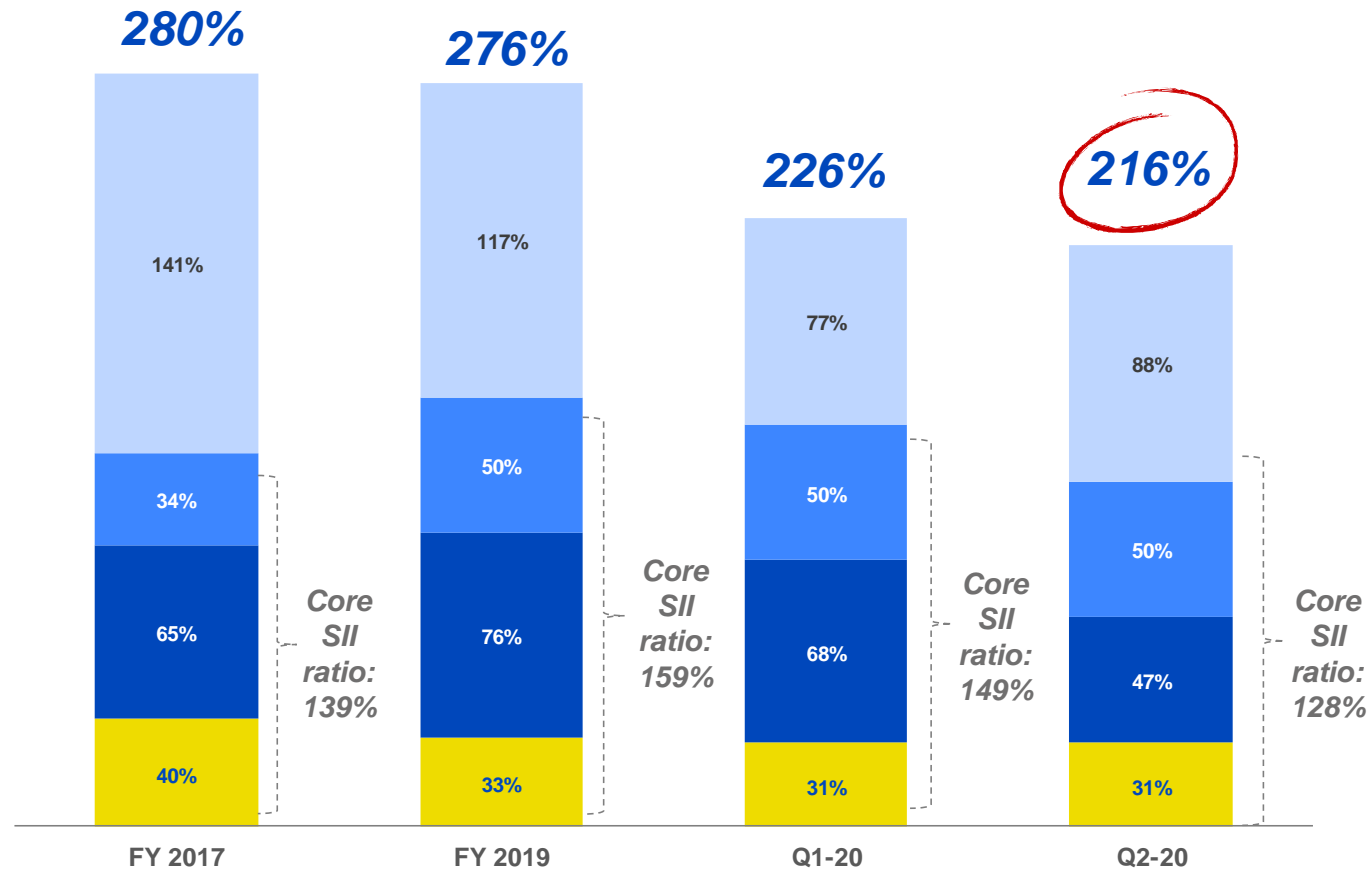
INSURANCE SERVICES: SOLVENCY II RATIO COMPOSITION

CORE SOLVENCY II RATIO BROADLY STABLE IN A VOLATILE MARKET



CORE SOLVENCY II RATIO – EXCLUDING TRANSITIONAL MEASURES

- Reconciliation reserve
- Tier 2
- Retained earnings
- Share capital



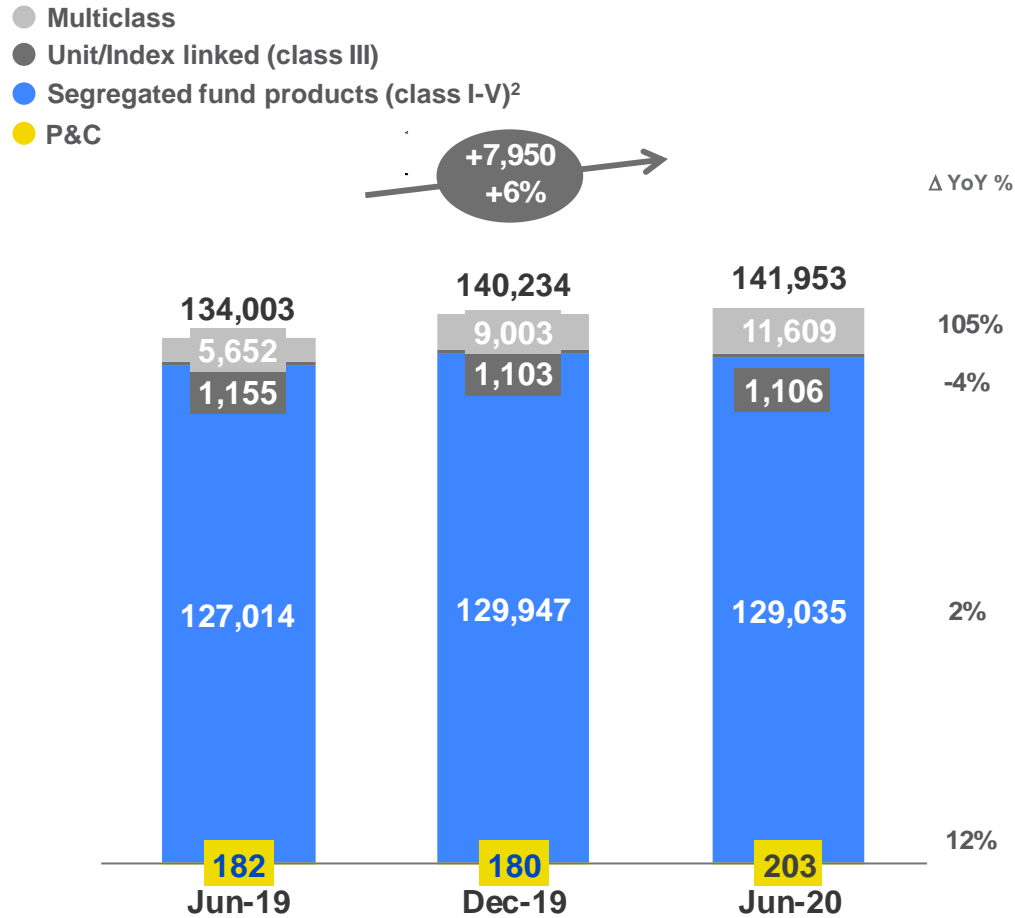
INSURANCE SERVICES

CONTINUED DIVERSIFICATION TOWARDS MORE CAPITAL EFFICIENT PRODUCTS

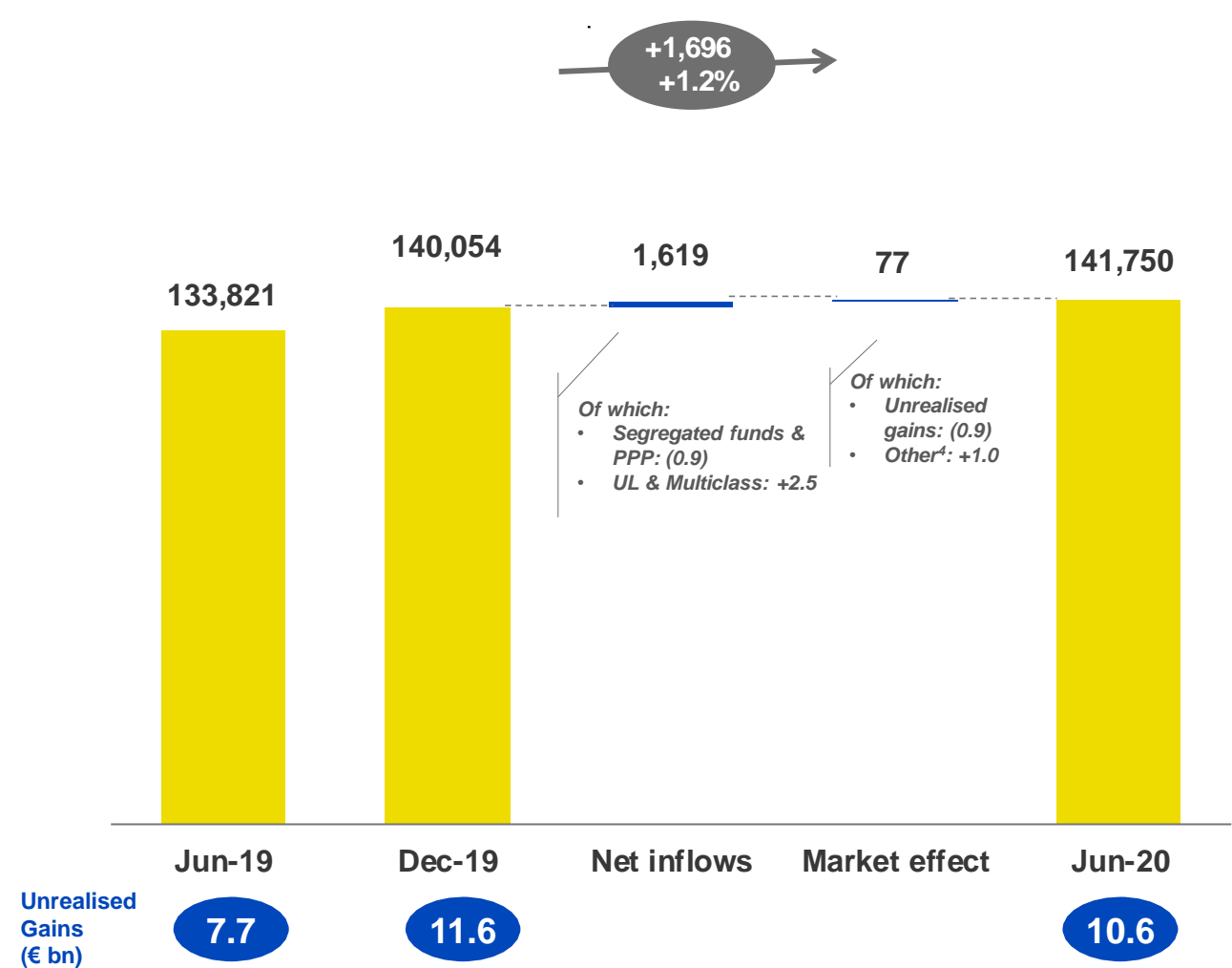


€ m unless otherwise stated

GROUP NET TECHNICAL PROVISIONS¹



LIFE NET TECHNICAL PROVISIONS EVOLUTION³



INSURANCE SERVICES

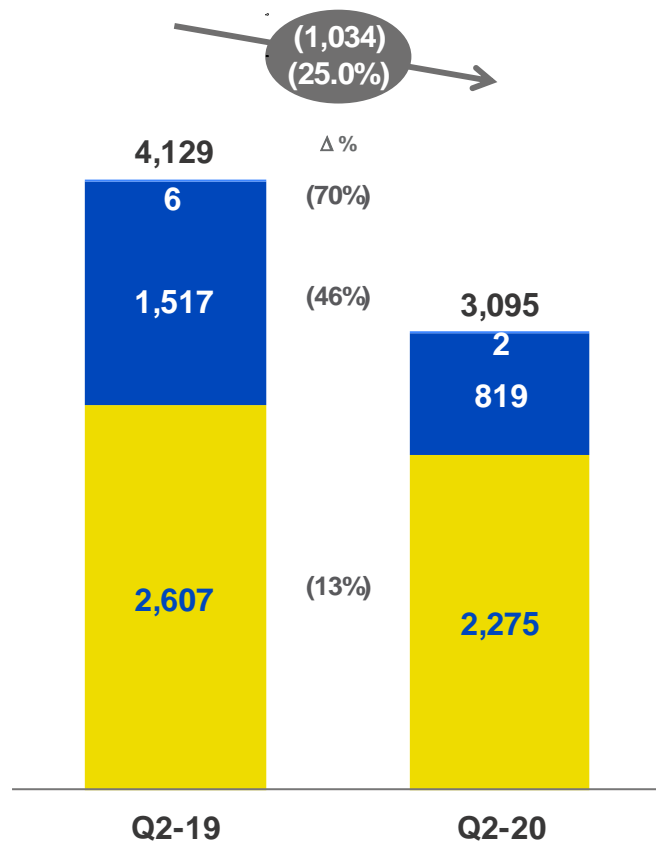
GROSS WRITTEN PREMIUM MIX IN Q2-20



€ m unless otherwise stated

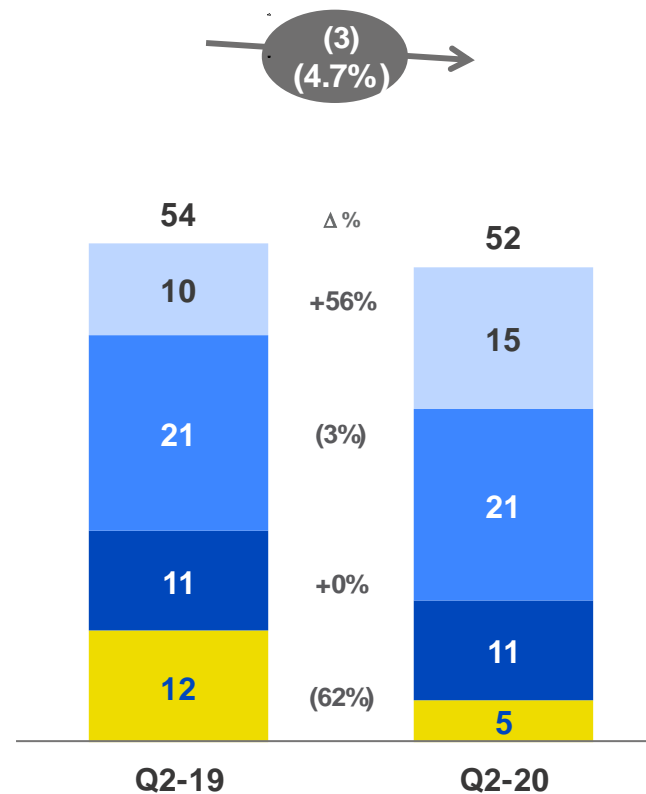
LIFE

- Unit linked (class III)
- Multiclass
- Segregated fund products (class I-V)¹



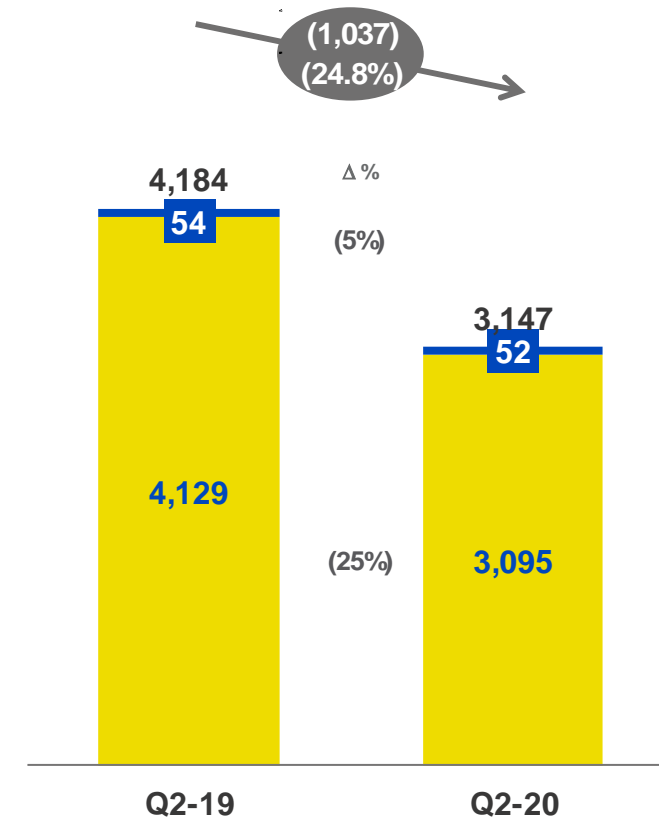
NON-LIFE

- Welfare
- Personal
- Property
- Payments



TOTAL

- P&C
- Life



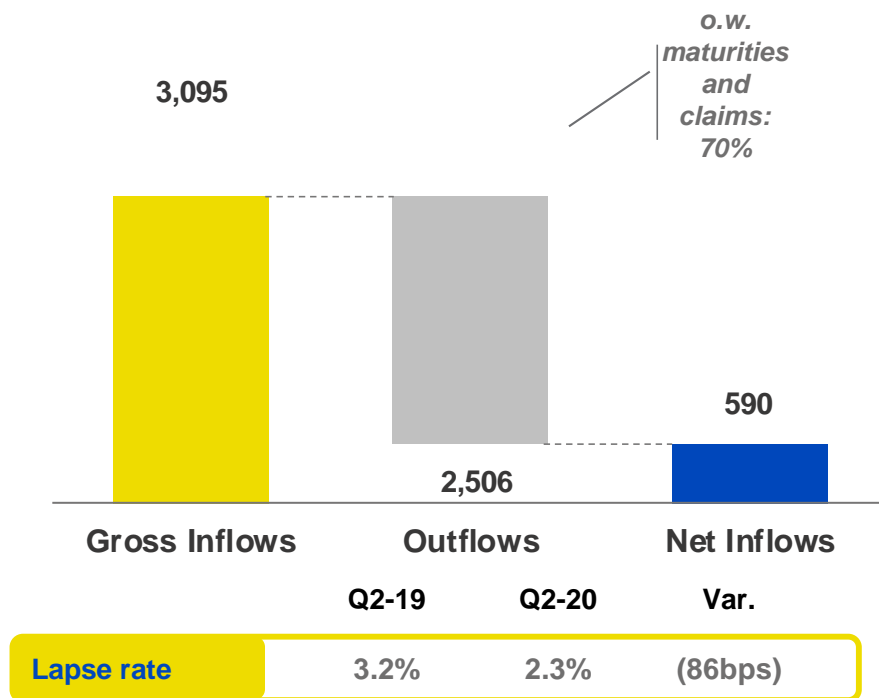
INSURANCE SERVICES

POSITIVE NET INFLOWS IN Q2 THANKS TO NEW MULTICLASS ACCUMULATION PRODUCT



€ m unless otherwise stated

TOTAL NET INFLOWS – QUARTER



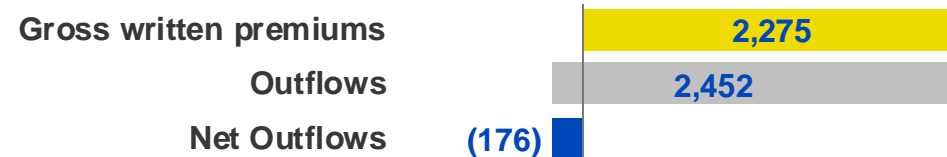
UNIT LINKED (CLASS III)



MULTICLASS



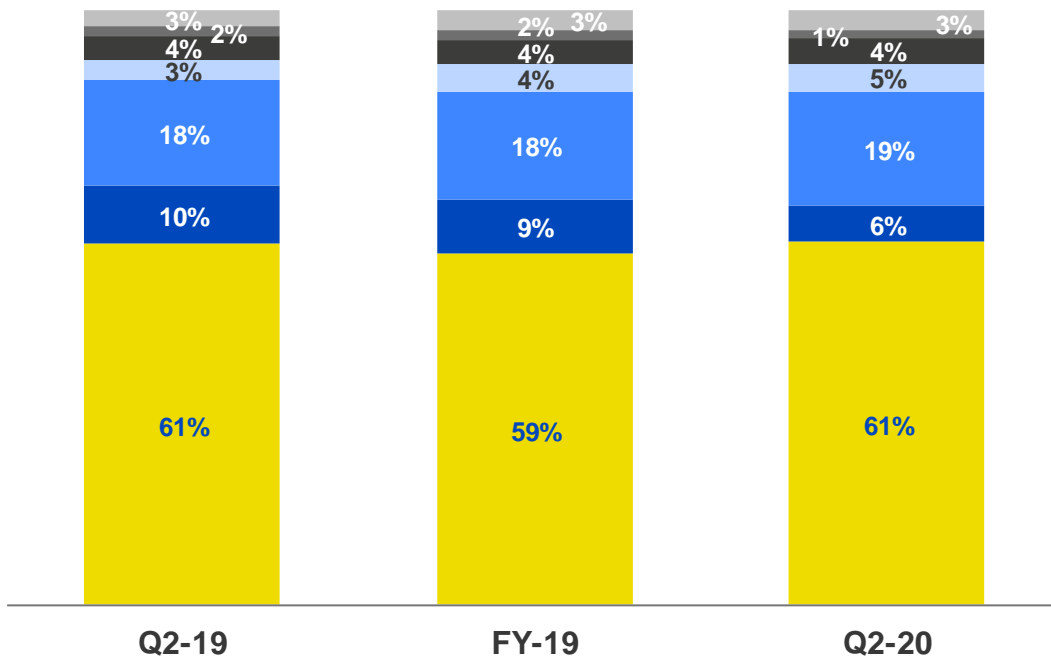
SEGREGATED FUNDS & PPP¹





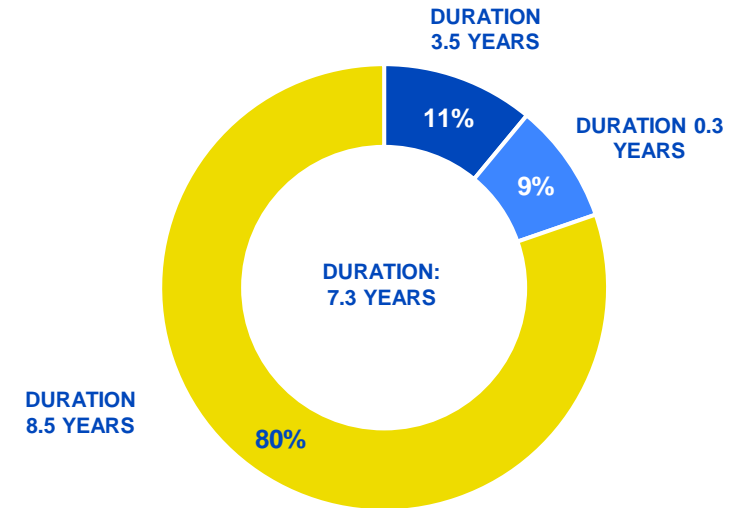
INVESTMENT PORTFOLIO BREAKDOWN

- Private markets
- Equity
- Emerging markets
- High yield
- Corporate bonds
- Global govies
- Italian Govies



FIXED INCOME BREAKDOWN BY RATE TYPE





- Floating
- Inflation linked
- Fixed income



	1H 2019	FY 2019	Q1-20	H1-20	Var. YoY
Minimum guaranteed return (Class I) (%)	0.72	0.67	0.64	0.61	(11)bps
Segregated fund return (%)	2.36	2.38	2.06	2.19	(17)bps

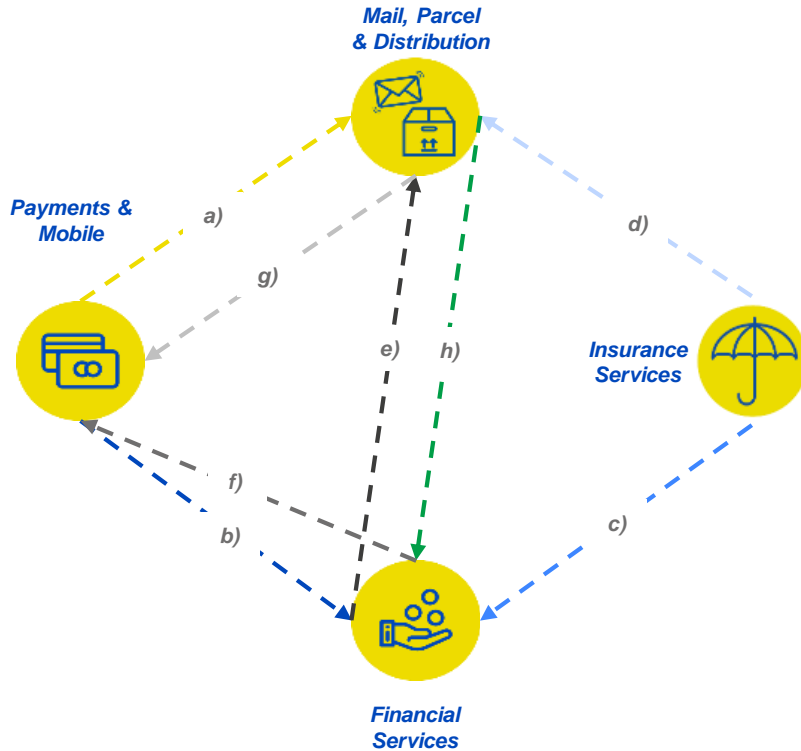
GROUP PERFORMANCE

MAIN KPIs

OPERATIONAL KPI's		Q2-19	Q2-20	Δ% YoY	H1-19	H1-20	Δ% YoY
 MAIL PARCEL & DISTRIBUTION	Mail Volumes (#m)	690	523	(24%)	1,407	1,137	(19%)
	Parcels delivered by mailmen (#m)	11	19	+71%	24	33	+42%
	Parcel volumes (#m)	34	52	+54%	68	90	+31%
	B2C Revenues (€m)	81	145	+80%	167	254	+52%
 PAYMENTS & MOBILE	PostePay cards (#m)				22.2	21.7	(3%)
	<i>of which PostePay Evolution cards (#m)</i>				6.9	7.3	+5%
	Total payment cards transactions (#bn)				0.7	0.7	+3%
	<i>of which eCommerce transactions (#m)</i>				0.1	0.2	+66%
	Mobile & land-line (#m)				4.4	4.6	+4%
	Poste Italiane Digital e-Wallets (#m)				3.4	6.4	+87%
 FINANCIAL SERVICES	Total Financial Assets - TFAs (€/bn)				530	548	+3%
	Product Sales (#m)				4.2	3.5	(15%)
	Unrealized gains (€m)				(1,889)	(1,411)	+25%
 INSURANCE SERVICES	Gross Written Premiums (€m)	4,184	3,147	(25%)	10,173	7,746	(24%)
	GWP – Life (€m)	3,903	2,877	(26%)	9,540	7,150	(25%)
	GWP – Private Pension Plan (€m)	227	218	(4%)	499	467	(7%)
	GWP – P&C (€m)	54	52	(5%)	133	128	(4%)

INTERSEGMENT COSTS AS OF Q2-20

INTERSEGMENT COST FLOWS



MAIN RATIONALE

INDICATIVE MAIN REMUNERATION SCHEME

€ m

Δ Y/Y

• Payments and Mobile remunerates:

- a) **Mail, Parcel and Distribution** for providing IT, delivery volume and other corporates services¹;
- b) **Financial Services** for promoting and selling card payments and other payments (e.g. tax payments) throughout the network;

- a) Number of payment transactions x flat fee (depending on the product)
- b) Fixed % of revenues

Total: 90

• Insurance Services remunerates:

- c) **Financial Services** for promoting and selling insurance products² and for investment management services³;
- d) **Mail, Parcel and Distribution** for providing corporate services¹;

- c) Fixed % of upfront fees
- d) Depending on service/product

Total: 107

• Financial Services remunerates:

- e) **Mail, Parcel and Distribution** for promoting and selling Financial, Insurance and PMD products throughout the network and for proving corporate services⁴;
- f) **Payments & Mobile** for providing certain payment services⁵

- e) Fixed % (depending on the product) of revenues
- f) Depending on service/product

Total: 1,007

• Mail, Parcel and Distribution remunerates:

- g) **Payments & Mobile** for acquiring services and postman electronic devices
- h) **Financial Services** as distribution fees related to "Bollettino DTT"

- g) Annual fee
- h) Flat fee for each «Bollettino»

Total: 17

CONSOLIDATED ACCOUNTS

PROFIT & LOSS

€m	Q2-19	Q2-20	Var.	Var. %	H1-19	H1-20	Var.	Var. %
Total revenues	2,679	2,328	(352)	(13%)	5,521	5,083	(438)	(8%)
of which:								
Mail, Parcel and Distribution	875	701	(174)	(20%)	1,755	1,472	(283)	(16%)
Payments and Mobile	167	172	6	+3%	306	338	31	+10%
Financial Services	1,180	1,071	(109)	(9%)	2,665	2,535	(130)	(5%)
Insurance Services	458	384	(74)	(16%)	795	739	(57)	(7%)
Total costs	2,216	2,003	(213)	(10%)	4,441	4,317	(123)	(3%)
of which:								
Total personnel expenses	1,395	1,228	(167)	(12%)	2,833	2,633	(200)	(7%)
<i>of which personnel expenses</i>	1,389	1,223	(166)	(12%)	2,823	2,625	(198)	(7%)
<i>of which early retirement incentives</i>	6	3	(3)	(45%)	9	4	(5)	(53%)
<i>of which legal disputes with employees</i>	1	2	1	n.m.	1	3	2	n.m.
Other operating costs	627	638	11	+2%	1,227	1,346	119	+10%
Depreciation, amortisation and impairments	193	136	(57)	(30%)	381	339	(42)	(11%)
EBIT	464	325	(139)	(30%)	1,081	766	(315)	(29%)
EBIT Margin	+17%	+14%			+20%	+15%		
Finance income/(costs) and profit/(loss) on investments accounted for using the equity method	12	1	(11)	(89%)	18	8	(10)	(57%)
Profit before tax	476	326	(149)	(31%)	1,099	773	(326)	(30%)
Income tax expense	151	87	(64)	(42%)	336	228	(108)	(32%)
Profit for the period	324	239	(85)	(26%)	763	546	(218)	(29%)

MAIL, PARCEL & DISTRIBUTION

PROFIT & LOSS



€m	Q2-19	Q2-20	Var.	Var. %	H1-19	H1-20	Var.	Var. %
Segment revenue	875	701	(175)	(20%)	1,755	1,472	(283)	(16%)
Intersegment revenue	1,122	996	(126)	(11%)	2,453	2,256	(197)	(8%)
Total revenues	1,997	1,697	(300)	(15%)	4,208	3,728	(480)	(11%)
Personnel expenses	1,368	1,206	(162)	(12%)	2,775	2,581	(193)	(7%)
<i>of which personnel expenses</i>	1,362	1,203	(159)	(12%)	2,767	2,579	(188)	(7%)
<i>of which early retirement incentives</i>	6	3	(3)	(54%)	8	3	(5)	(66%)
Other operating costs	499	504	5	+1%	959	987	29	+3%
Intersegment costs	17	17	(0)	(2%)	37	34	(3)	(9%)
Total costs	1,884	1,726	(157)	(8%)	3,770	3,602	(168)	(4%)
EBITDA	114	(29)	(143)	(126%)	438	126	(312)	(71%)
Depreciation, amortisation and impairments	181	128	(53)	(29%)	357	319	(37)	(10%)
EBIT	(67)	(157)	(90)	(135%)	81	(194)	(275)	(339%)
EBIT MARGIN	(3%)	(9%)			+2%	(5%)		
Finance income/(costs)	2	3	2	+100%	4	6	2	+48%
Profit/(Loss) before tax	(65)	(154)	(89)	(136%)	85	(187)	(273)	(319%)
Income tax expense	(14)	(50)	(36)	(257%)	35	(53)	(88)	(249%)
Profit for the period	(51)	(104)	(52)	(102%)	50	(135)	(185)	(370%)

PAYMENTS & MOBILE

PROFIT & LOSS



€m	Q2-19	Q2-20	Var.	Var. %	H1-19	H1-20	Var.	Var. %
Segment revenue	167	172	6	+3%	306	338	31	+10%
Intersegment revenue	94	81	(13)	(14%)	190	172	(19)	(10%)
Total revenues	261	254	(7)	(3%)	496	509	13	+3%
Personnel expenses	6	6	(0)	(5%)	15	13	(2)	(16%)
<i>of which personnel expenses</i>	6	6	(0)	(5%)	15	13	(2)	(16%)
<i>of which early retirement incentives</i>	0	0	0	n.m.	0	0	0	n.m.
Other operating costs	62	91	30	+48%	134	178	44	+33%
Intersegment costs	132	90	(42)	(32%)	223	177	(45)	(20%)
Total costs	200	188	(13)	(6%)	372	368	(4)	(1%)
EBITDA	61	66	5	+9%	124	141	17	+14%
Depreciation, amortisation and impairments	7	7	0	+0%	13	15	1	+9%
EBIT	54	59	5	+10%	111	126	16	+14%
EBIT MARGIN	21%	23%			22%	25%		
Finance income/(costs)	2	-3	(6)	n.m.	4	0	(4)	n.m.
Profit/(Loss) before tax	56	56	(0)	(1%)	115	126	12	+10%
Income tax expense	15	16	1	+8%	32	36	4	+13%
Profit for the period	41	39	(2)	(4%)	83	90	7	+9%



€m	Q2-19	Q2-20	Var.	Var. %	H1-19	H1-20	Var.	Var. %
Segment revenue	1,180	1,071	(109)	(9%)	2,665	2,535	(130)	(5%)
Intersegment revenue	179	143	(36)	(20%)	372	309	(63)	(17%)
Total revenues	1,359	1,214	(145)	(11%)	3,037	2,844	(193)	(6%)
Personnel expenses	10	10	(1)	(5%)	22	20	(2)	(7%)
<i>of which personnel expenses</i>	10	9	(1)	(9%)	21	20	(1)	(7%)
<i>of which early retirement incentives</i>	0	1	0	+368%	1	1	(0)	(29%)
Other operating costs	48	22	(26)	(55%)	91	134	43	+47%
Depreciation, amortisation and impairments	0	0	(0)	n.m.	0	0	(0)	(26%)
Intersegment costs	1,127	1,007	(120)	(11%)	2,488	2,291	(198)	(8%)
Total costs	1,185	1,038	(147)	(12%)	2,602	2,446	(156)	(6%)
EBIT	174	175	2	+1%	435	398	(37)	(8%)
EBIT MARGIN	13%	14%	0	+13%	14%	14%		
Finance income/(costs)	(4)	(12)	(8)	n.m.	(2)	(14)	(11)	n.m.
Profit/(Loss) before tax	170	163	(6)	(4%)	432	384	(48)	(11%)
Income tax expense	55	46	(9)	(17%)	128	112	(16)	(12%)
Profit for the period	114	117	3	+2%	305	273	(32)	(11%)



€m	Q2-19	Q2-20	Var.	Var. %	H1-19	H1-20	Var.	Var. %
Segment revenue	458	384	(74)	(16%)	795	739	(57)	(7%)
Intersegment revenue	0	0	0	+311%	0	0	(0)	(73%)
Total revenues	458	384	(74)	(16%)	796	739	(57)	(7%)
Personnel expenses	10	7	(3)	(30%)	20	18	(2)	(11%)
<i>of which personnel expenses</i>	10	7	(3)	(30%)	20	17	(3)	(15%)
<i>of which early retirement incentives</i>	0	0	0	n.m.	0	1	1	n.m.
Other operating costs	20	21	1	+4%	43	46	3	+7%
Depreciation, amortisation and impairments	6	1	(4)	(77%)	11	6	(6)	(51%)
Intersegment costs	118	107	(11)	(10%)	267	234	(32)	(12%)
Total costs	155	136	(18)	(12%)	341	304	(38)	(11%)
EBIT	303	248	(56)	(18%)	454	435	(19)	(4%)
EBIT MARGIN	66%	64%			57%	59%		
Finance income/(costs)	12	13	2	+16%	12	15	3	+24%
Profit/(Loss) before tax	315	261	(54)	(17%)	466	450	(17)	(4%)
Income tax expense	95	75	(20)	(21%)	141	133	(8)	(6%)
Profit for the period	220	186	(34)	(15%)	325	317	(8)	(3%)

This document contains certain forward-looking statements that reflect Poste Italiane's management's current views with respect to future events and financial and operational performance of the Company and of the Company's Group.

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Pursuant to art. 154- BIS, par.2, of the Consolidated Financial Bill of February 24, 1998, the executive (Dirigente Preposto) in charge of preparing the corporate accounting documents at Poste Italiane, Alessandro Del Gobbo, declares that the accounting information contained herein corresponds to document results and accounting books and records.

This presentation includes summary financial information and should not be considered a substitute for Poste Italiane's full financial statements.

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