

POSTE ITALIANE Q3 & 9M 2020 FINANCIAL RESULTS

Rome, November 12, 2020



EXECUTIVE SUMMARY

BUSINESS REVIEW

APPENDIX



ROBUST Q3 RESULTS UNDERPINNED BY TANGIBLE PICK UP OF KEY TRENDS ACROSS ALL SEGMENTS

MAIL, PARCEL AND DISTRIBUTION OPERATING PROFIT IMPROVING IN Q3, WITH PARCEL AND DISTRIBUTION REVENUES OFFSETTING MAIL DECLINE

REVAMPED COMMERCIAL ACTIVITIES IN FINANCIAL AND INSURANCE SERVICES; PAYMENTS AND MOBILE GROWTH CONTINUED

EMERGING KEY TRENDS CONFIRM STRATEGIC VISION, IN LIGHT OF UPCOMING DELIVER 2022 UPDATE

CONFIRMED DISTRIBUTION OF 0.162 EURO INTERIM DIVIDEND (+5% Y/Y)¹ ON FY-20 RESULTS

PROVEN RESILIENCE TO FACE UNPRECEDENTED TIMES

WE ARE MORE PREPARED THIS TIME AROUND



EMPLOYEES

EMERGING NEEDS

- Highest health & safety standards: protection & sanitization and remote working
- Welfare initiatives to support employees
- Digital training and enhanced communication

CUSTOMERS & COMMUNITIES

- Business continuity guaranteed
- Enhanced digital capabilities
- Remote advisory to a wider products offer
- Early pension payment extended into 2021
- New services allowing customers to exploit 110% tax credit for eco-friendly building refurbishing
- Support to Protezione Civile, leveraging on warehousing and integrated logistic services
- Enhanced communication strategy

KEY FIGURES

- 85% eligible staff in smartworking
- €81m costs to face emergency in 9M
- Over 3m hours of online training
- Daily news broadcast

- 92% of postal offices open¹
- Over 2.0m operations in postal offices with 1.1m daily visits²
- Third party networks transaction value: +28%¹
- Digital channel transactions: +49%³
- 5.2m pension payments managed monthly
- *.trust* award for communication leadership⁴

ONGOING STRATEGIC RESPONSE TO MACRO TRENDS

TARGETED INDUSTRIAL INITIATIVES IN PLACE ANTICIPATING EVOLVING BUSINESS SCENARIOS



EMERGING MACRO TRENDS

STRATEGIC RESPONSE



MAIL & PARCEL

- Accelerated mail decline and parcel growth

- Leadership in B2C: (1) Joint Delivery Model for postal and express networks (2) Two new automated parcel sorting centres (Nov-20 and Q1-21) for both B2C & B2B
- Ongoing dialogue with relevant authorities to rethink the sustainability of postal sector



FINANCIAL & INSURANCE SERVICES

- Negative-for-longer interest rates
- Increased market volatility

- Stabilize investment portfolio contribution to P&L with a resilient mix of interest income and capital gains
- Remote advisory and sales
- Gradual accumulation and capital light life insurance products



PAYMENTS & MOBILE

- Acceleration of digital and contactless payments
- Increased demand for Telco and connectivity products

- Boost cashless payments leveraging on nationwide cashback programme
- Resilient Telco with increasing margins going forward; widen connectivity offer for retail and business

ONE COMPANY

- Increased macro uncertainty

- Focus on costs: (1) FTE management (2) insourcing (3) reduction of cost per unit in parcels and Telco
- New organizational focus on Digital Transformation & Operations (DTO)

STRENGTHENING DISTRIBUTION PLATFORM IN CHALLENGING TIMES

NEW ONGOING COMMERCIAL INITIATIVES TO SUSTAIN LONG TERM PROFITABILITY



MAIL, PARCEL & DISTRIBUTION

- Logistic and (new) warehousing services for a comprehensive parcel commercial proposition
- Record volume growth from China (also thanks to E2E products)
- Positive contribution from digital logistic chain:
 - savings on long-haul transport (sender)
 - scheduled delivery in 12 cities (MLK)



FINANCIAL SERVICES

- Upcoming new partnership on loan and mortgage distribution
- New Postal bonds campaign products
- New service in place enabling customers to benefit the "110% superbonus" tax credit related to building refurbishing



PAYMENTS & MOBILE

- Fully virtual Postepay card
- Postepay Connect on-line offer
- PosteMobile Casa Web (data only offer)
- QR code rolled-out in post office network
- Vodafone chosen as the mobile connectivity provider for PosteMobile



INSURANCE SERVICES

- Launch of capital light life insurance policies
- P&C modular offer fully operational
- #2 in P&C non-motor bancassurance market
- Digital P&C claim management for appraisal and settlement

Q3-20 & 9M-20 RESULTS OVERVIEW

STRONG Q3 PERFORMANCE, UNDERPINNED BY IMPROVING OPERATIONAL TRENDS



€ m unless otherwise stated

	Q3-19	Q3-20	Var.	Var. (%)	9M-19	9M-20	Var.	Var. (%)
TOTAL REVENUES	2,568	2,589	+22	+0.8%	8,089	7,672	(417)	(5.2%)
TOTAL COSTS	2,108	2,111	+2	+0.1%	6,549	6,428	(121)	(1.8%)
EBIT	459	479	+19	+4.2%	1,540	1,244	(296)	(19.2%)
NET PROFIT	320	353	+33	+10.3%	1,083	898	(185)	(17.1%)

ONE-OFF EMERGENCY
RELATED COSTS: 28

ONE-OFF EMERGENCY
RELATED COSTS: 81

**EBIT AT 507M IN Q3-20 (+10% Y/Y) AND 1,325M IN 9M-20 (-14% Y/Y)
NET OF ONE-OFF COSTS TO FACE THE EMERGENCY**

SEGMENT REVENUES EVOLUTION

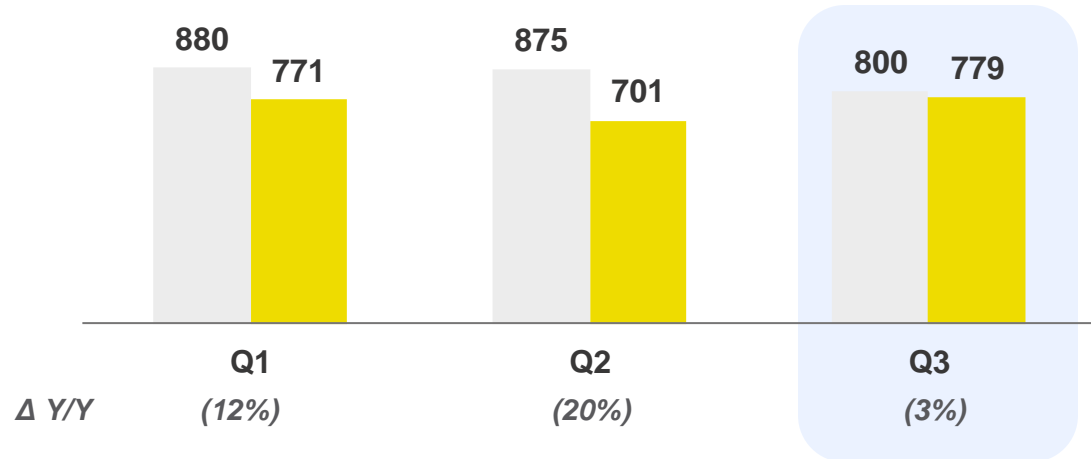
TANGIBLE PICKUP IN Q3 ACROSS OUR PLATFORM



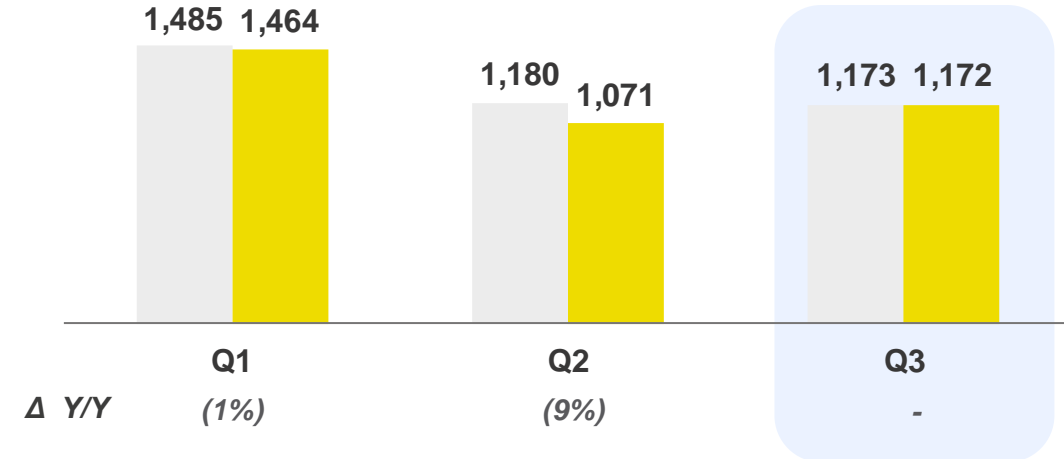
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● 2019 ● 2020

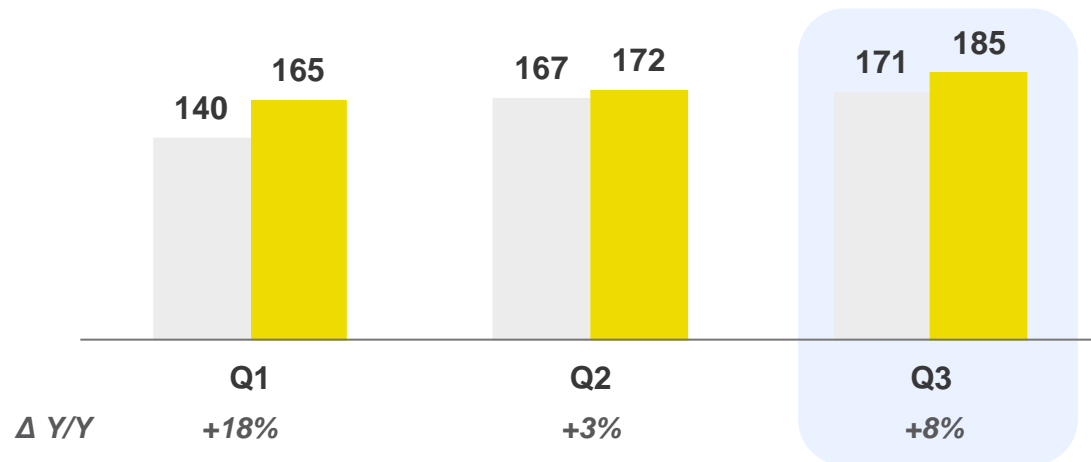
MAIL, PARCEL & DISTRIBUTION



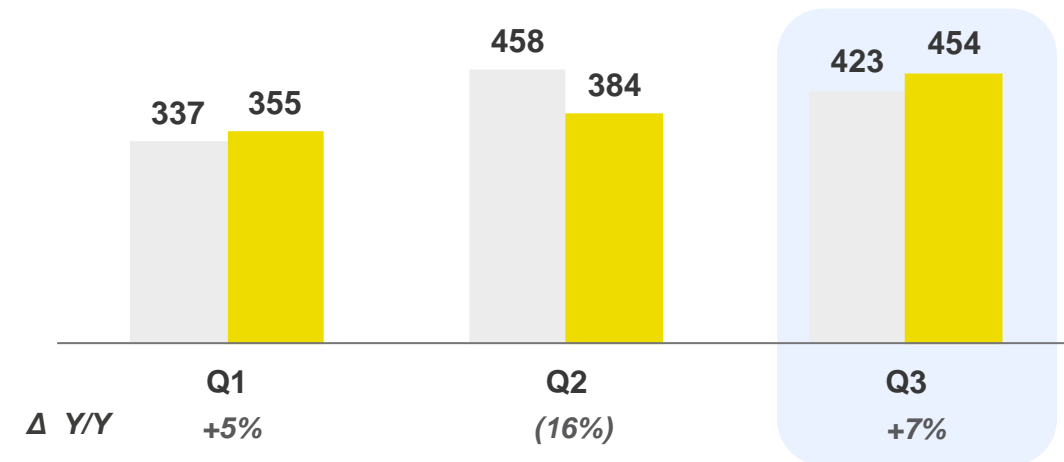
FINANCIAL SERVICES¹



PAYMENTS & MOBILE



INSURANCE SERVICES



1. Financial Services revenues presented in this slide based on gross capital gains whereas figures presented on slide 18 are based on net capital gains

STRATEGIC FOCUS ON COSTS

COST MANAGEMENT TARGETING OPERATIONAL LEVERAGE



MANAGERIAL LEVERS



AREA OF FOCUS



STRATEGIC GOAL

**EFFICIENCY
MEASURES TO
STRUCTURALLY
IMPROVE
PROFITABILITY**

**HR
COSTS**

Active retirement plan: strong track record in effective management of FTE base balancing retirements, hiring and temporary workers

**NON-HR
COSTS**

Insourcing: reskilling and upskilling to internalise specific activities, realizing cost as well as organizational efficiencies

**REAL
ESTATE**

Variable costs optimization: efficiency measures in volume driven businesses (e.g. parcel and telco) to reduce the cost per unit in growing areas

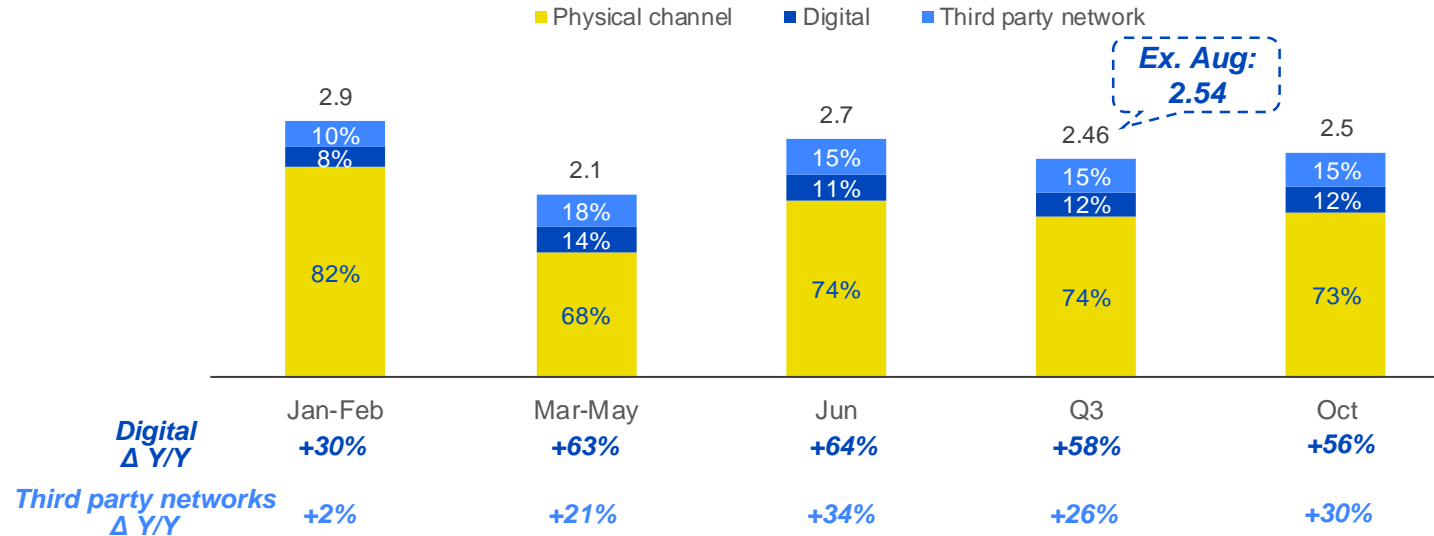
Real Estate rationalization: reassessment of non-commercial assets to refocus on core business, review space planning and reduce costs unlocking value

BUSINESS TRENDS IN 9M-20: MAIL, PARCEL AND DISTRIBUTION

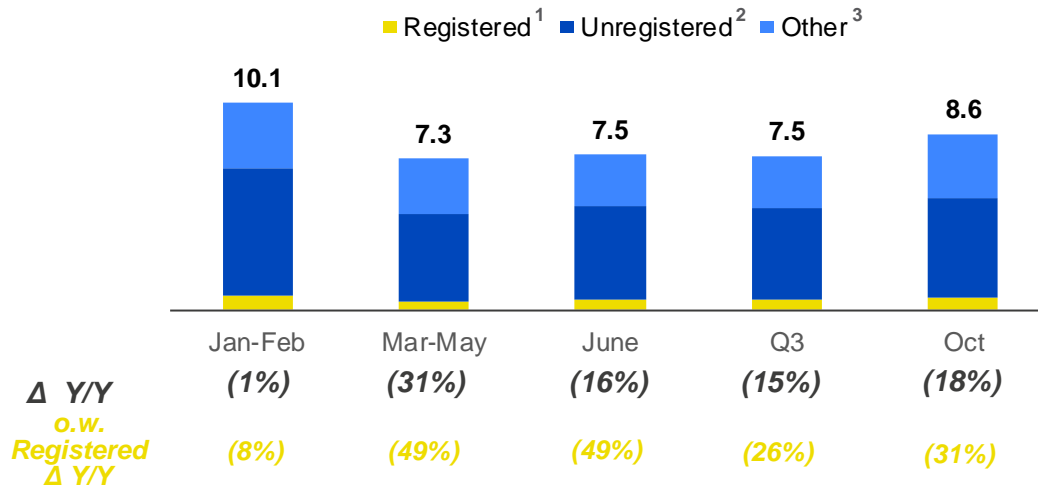
COMMERCIAL ACTIVITIES RECOVERING – PARCEL BOOST CONTINUES WHILE MAIL DECLINE SLOWING DOWN



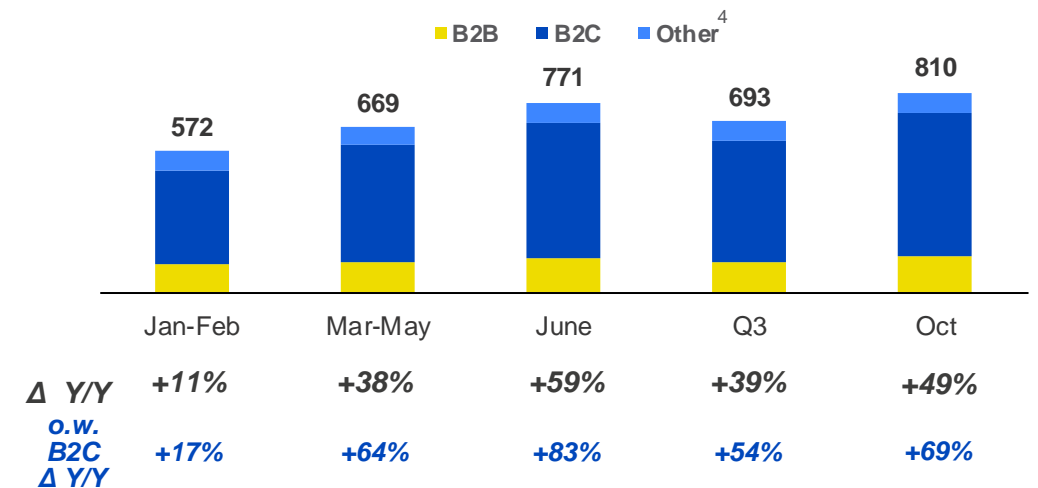
DISTRIBUTION CHANNELS (DAILY AVG, M/TRANSACTIONS)



MAIL VOLUMES (DAILY AVG, M/PCS)



PARCEL VOLUMES (DAILY AVG, K/PCS)



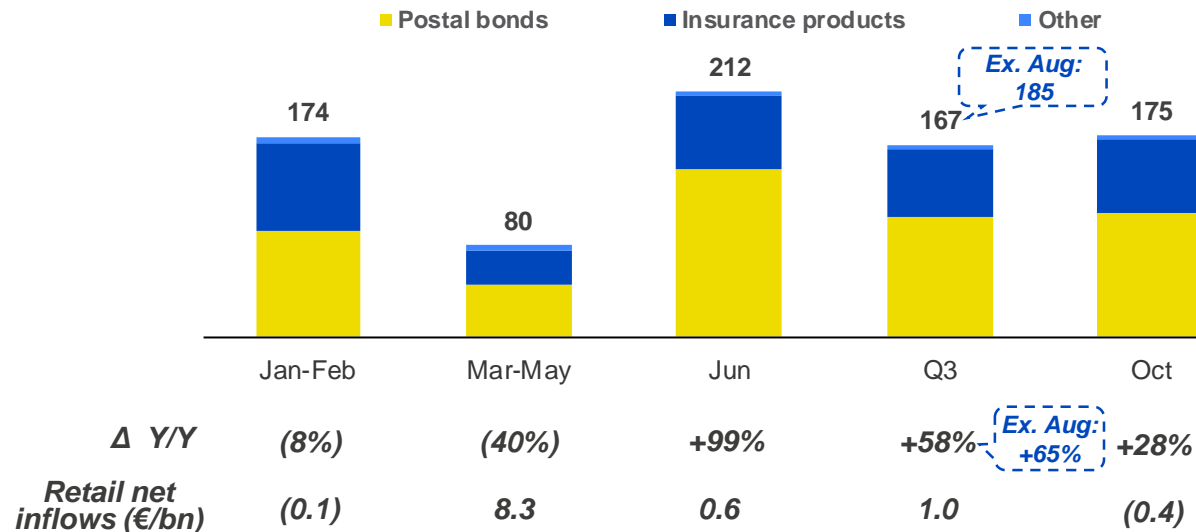
1. Includes recorded mail and integrated services (value added); 2. Includes unrecorded mail, direct marketing and editorial; 3. Includes multichannel service, basic services, Postel, other integrated services; 4. Includes C2X, International, other

BUSINESS TRENDS: PAYMENTS & MOBILE, FINANCIAL AND INSURANCE SERVICE

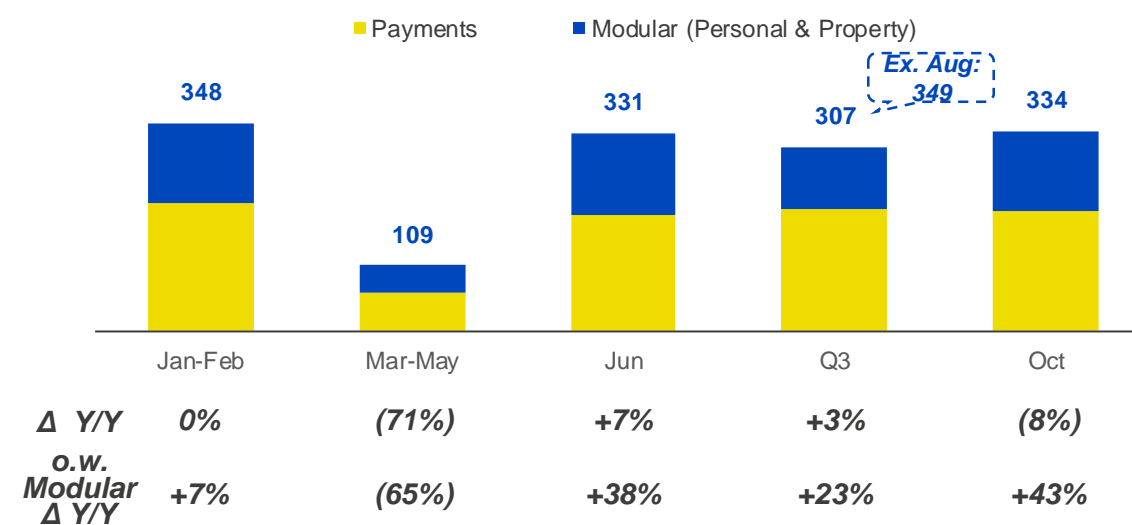
COMMERCIAL ACTIVITIES CONTINUE TO SHOW TANGIBLE SIGNS OF RECOVERY



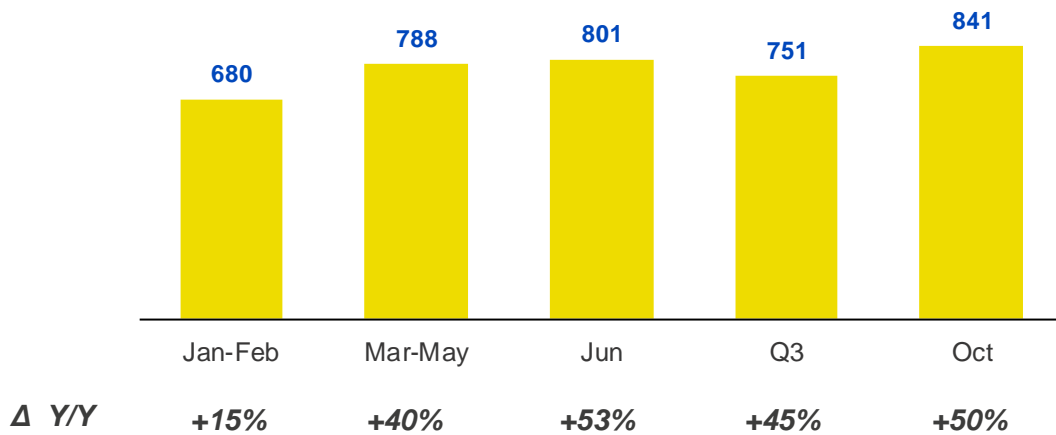
INVESTMENT GROSS INFLOWS (DAILY AVG, €/M)



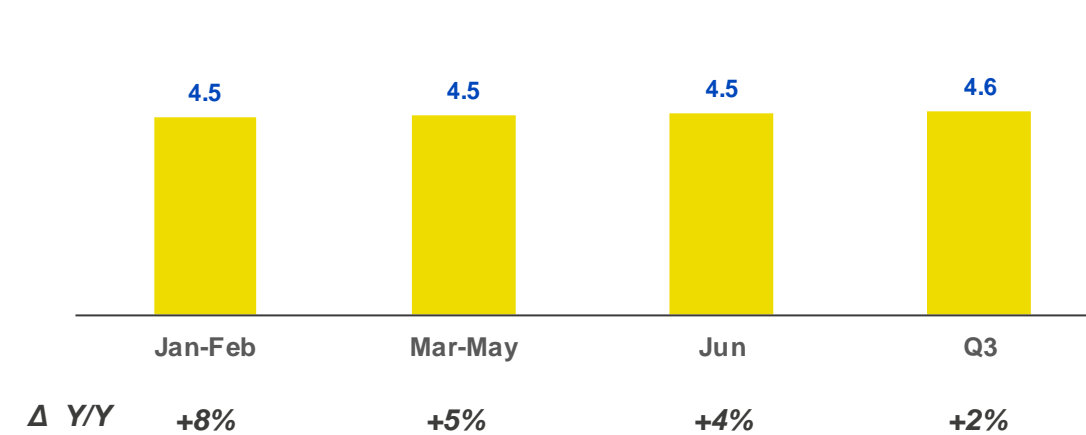
P&C NEW BUSINESS RETAIL (DAILY AVG, K/€)



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



TELCO: CUSTOMER BASE (M/#)



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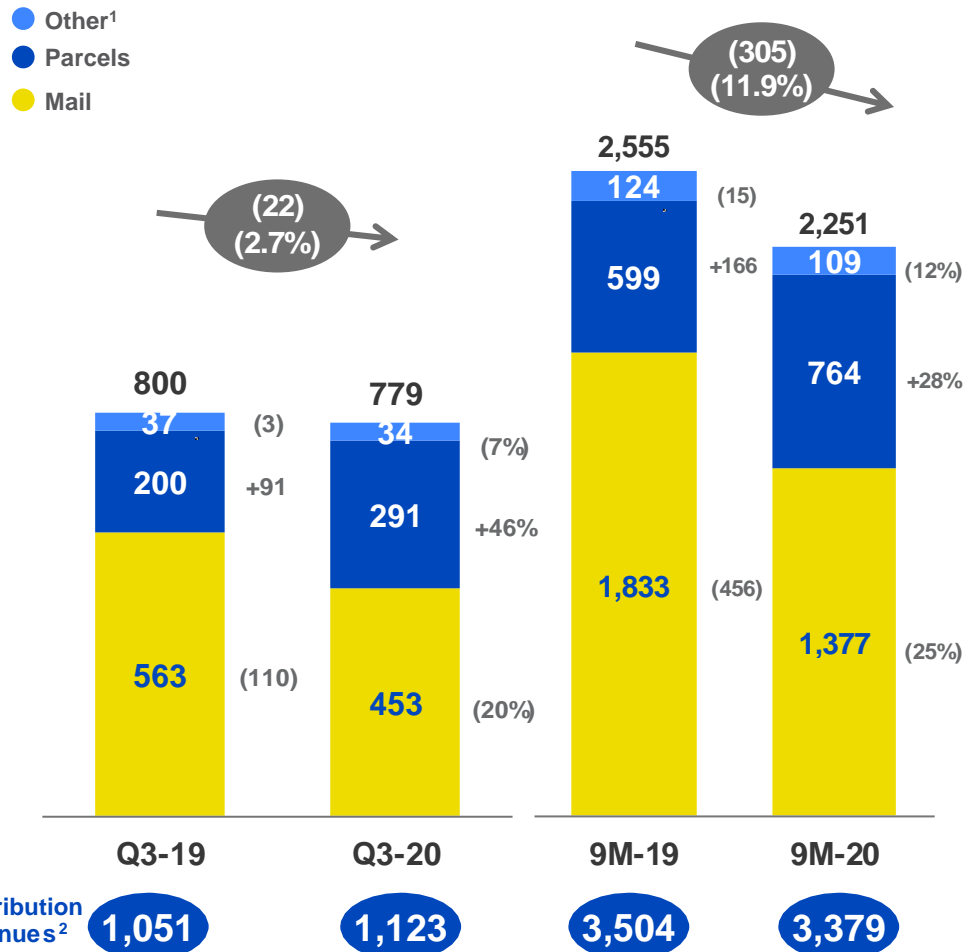
MAIL, PARCEL & DISTRIBUTION

Q3 OPERATING PROFIT IMPROVING, PARCEL AND DISTRIBUTION REVENUES OFFSETTING MAIL DECLINE

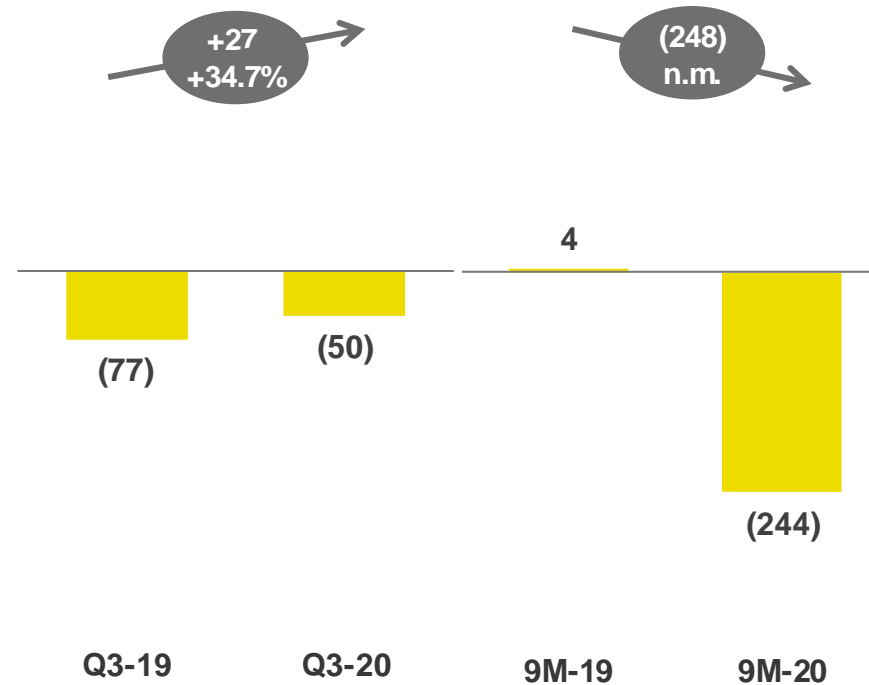


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SEGMENT REVENUES



EBIT



Q3 HIGHLIGHTS

(item by item)

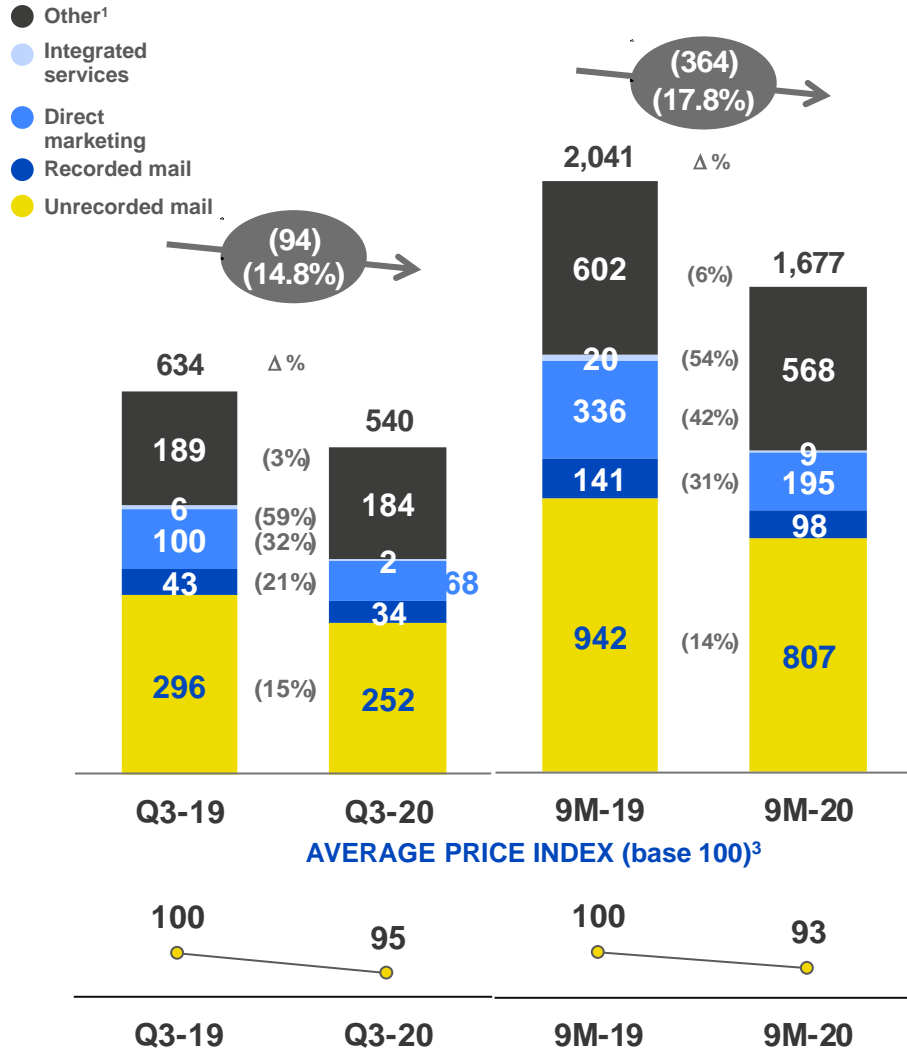
- Q3 top line steady y/y with opposite trends in mail & parcel
- EBIT improving thanks to higher distribution revenues
- Mail revenues decline slowing down vs. Q2, with subdued recovery in higher margin products
- Continued parcel revenue growth, boosted by record B2C
- Distribution revenues increasing thanks to revamped commercial activity
- FY20 mail revenues decline expected around 20% y/y

MAIL, PARCEL & DISTRIBUTION: VOLUMES AND PRICING

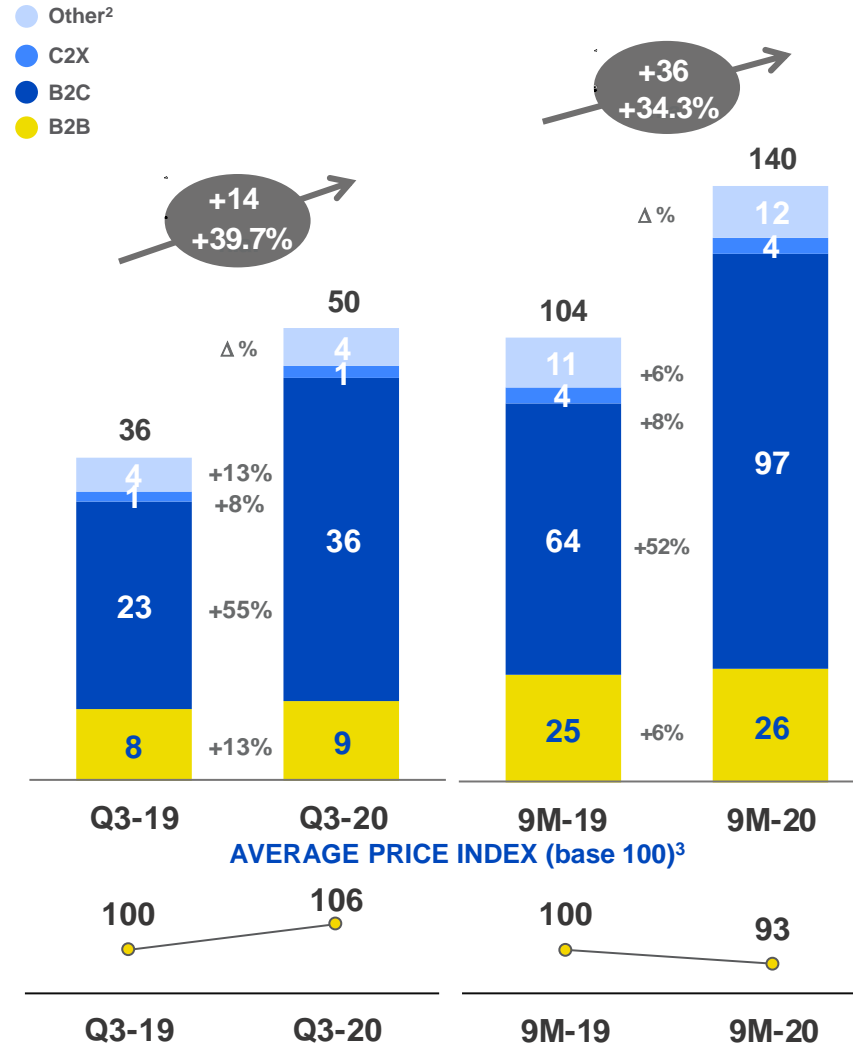
MAIL VOLUMES DECLINING AT A LOWER PACE, CONTINUED PARCEL GROWTH BOOSTED BY B2C



MAIL VOLUMES (M/PC)



PARCEL VOLUMES (M/PC)



Q3 HIGHLIGHTS

- Mail volumes recovering vs. Q2, mainly thanks to the resumption of recorded mail and direct marketing
- Parcel volumes up across all products with continued surge in B2C
- Average mail tariff down due to product-mix effect, while recovering vs. Q2
- Average parcel tariff up in Q3, with B2C +4pp y/y and additional logistic services creating value

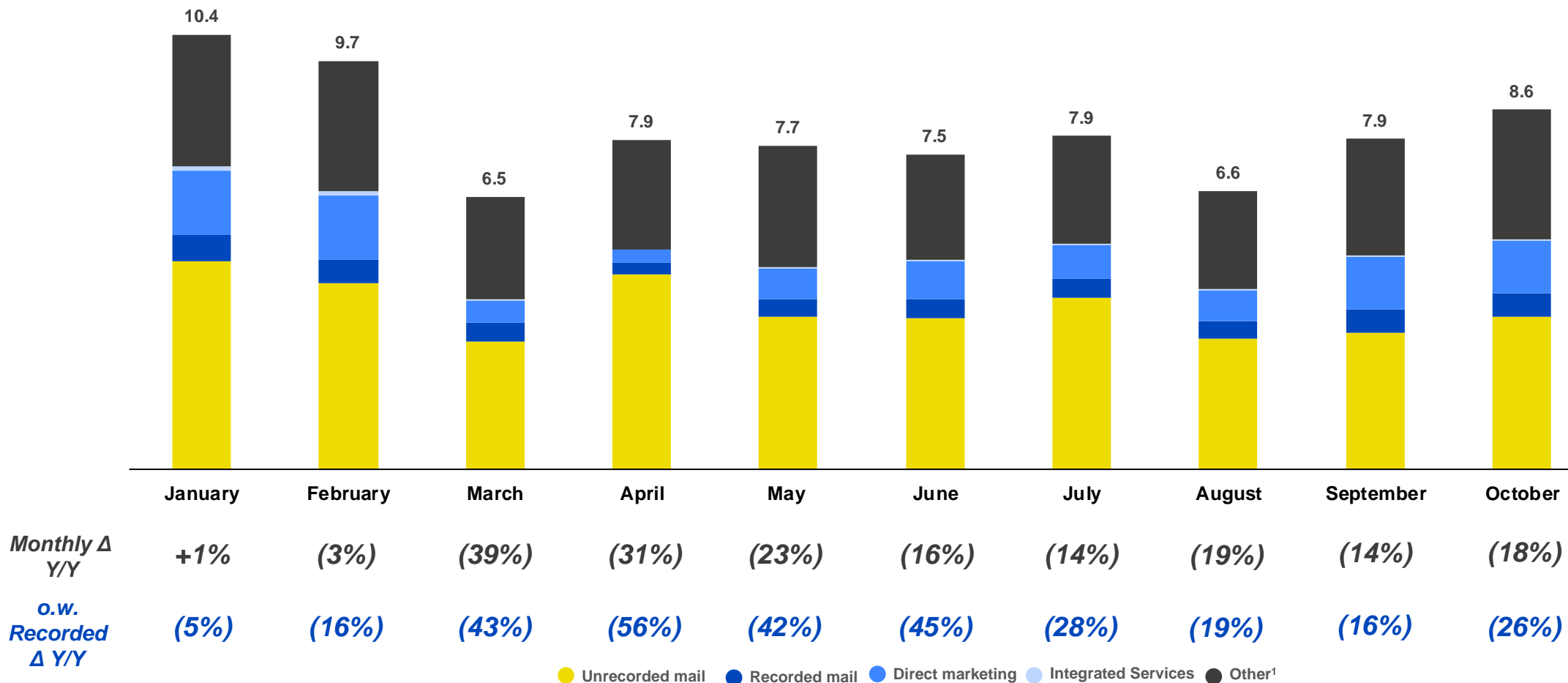
1. Includes Multichannel services, Editorial services, Postel volumes and other basic services
 2. Includes International parcels and partnership with other logistic operators
 3. Including any product mix effect

MAIL VOLUMES EVOLUTION

AVERAGE DAILY MAIL VOLUMES STABILIZING TO C. -20% Y/Y SINCE JUNE



DAILY AVERAGE MAIL VOLUME EVOLUTION (M/PC)

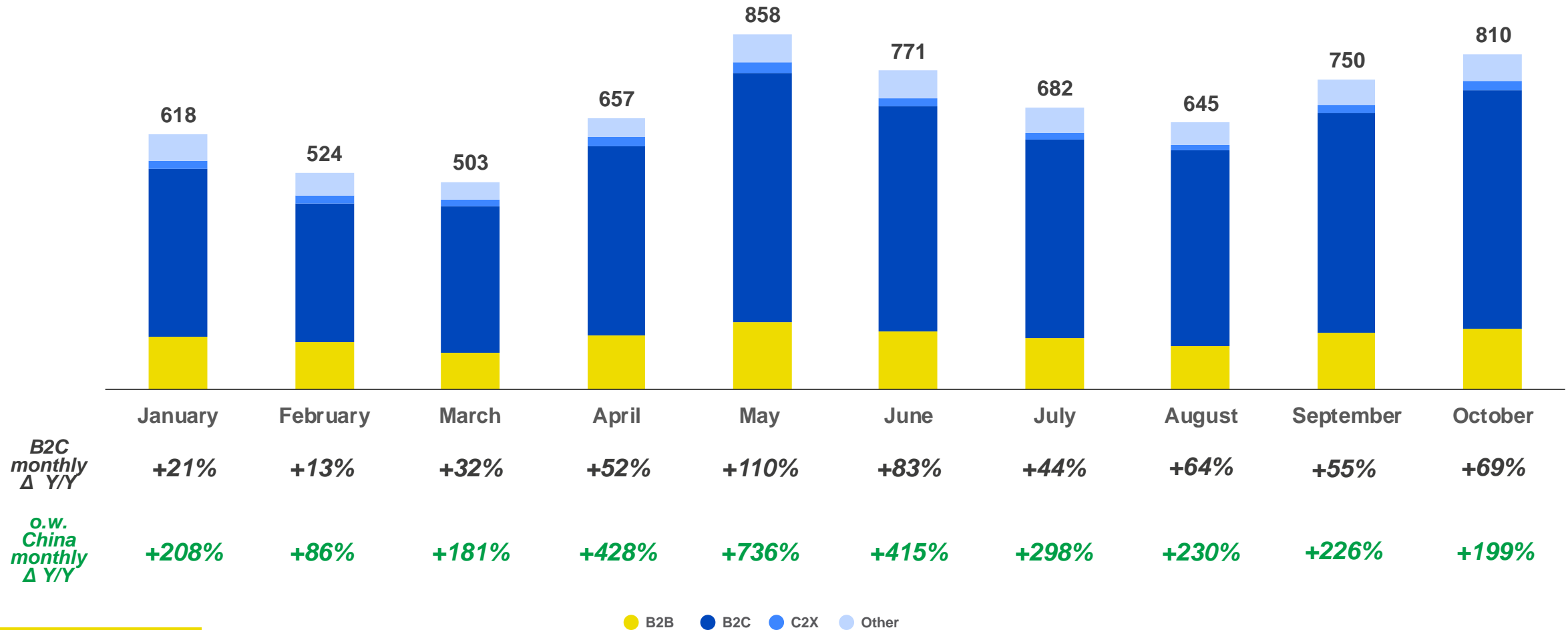


PARCEL VOLUMES EVOLUTION

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



DAILY AVERAGE PARCEL VOLUMES EVOLUTION (K/PC)



PAYMENTS AND MOBILE

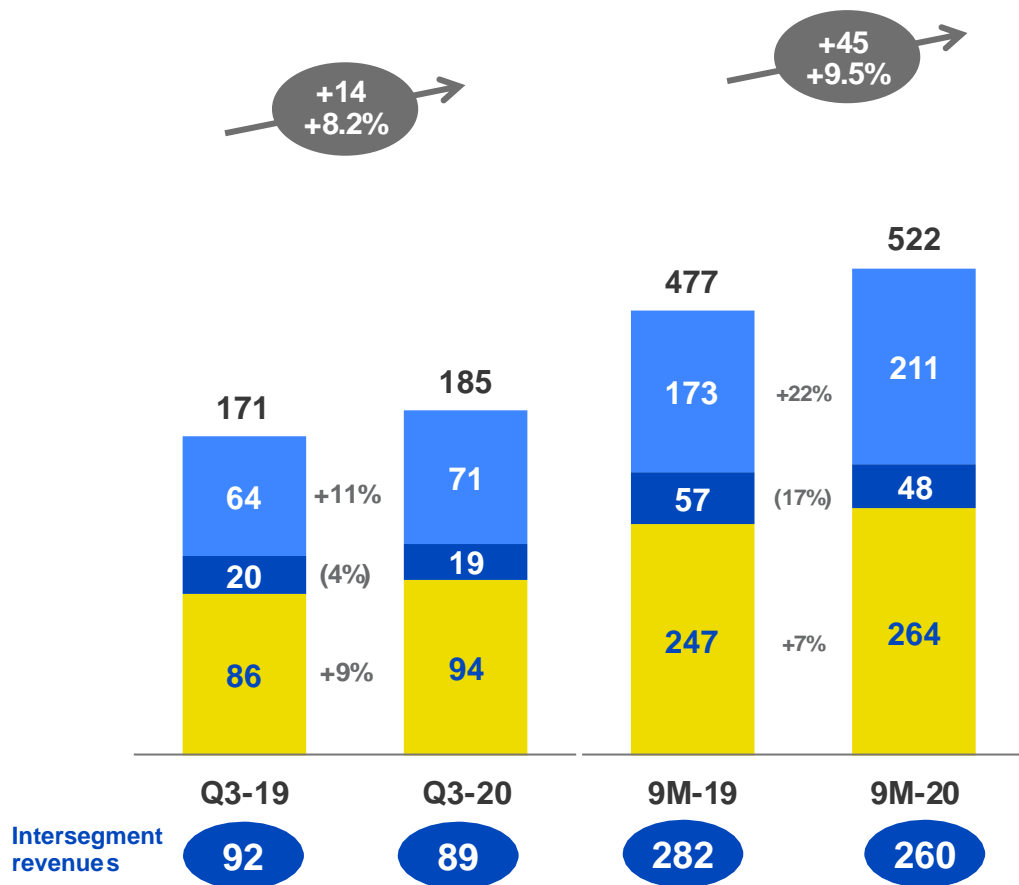
CARD PAYMENTS UP WITH ENLARGED SCOPE OF USAGE; TELCO REVENUES UP IN A COMPETITIVE ENVIRONMENT



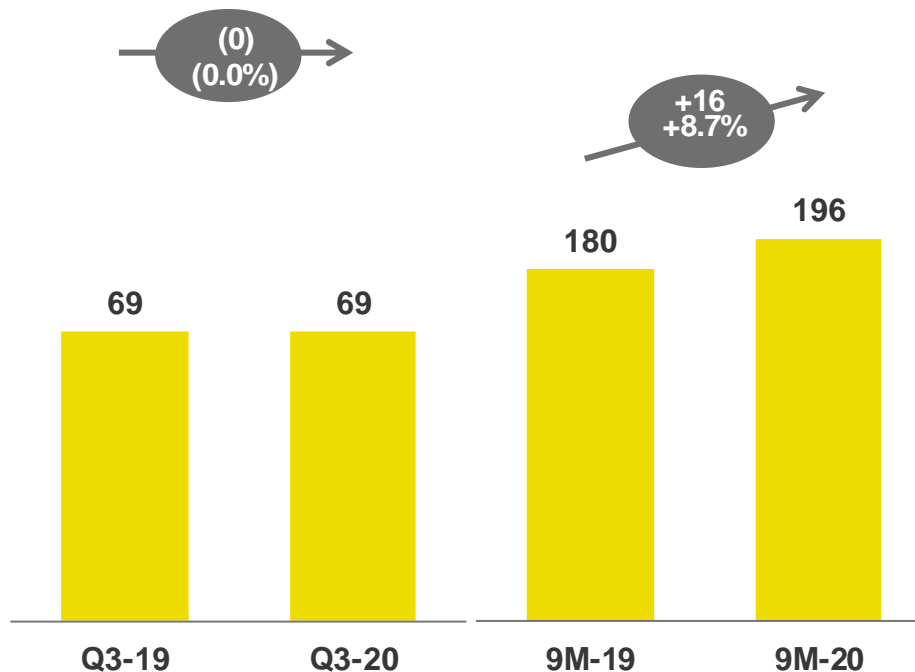
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SEGMENT REVENUES

- Telecom
- Other payments
- Card Payments



EBIT



Q3 HIGHLIGHTS

(item by item)

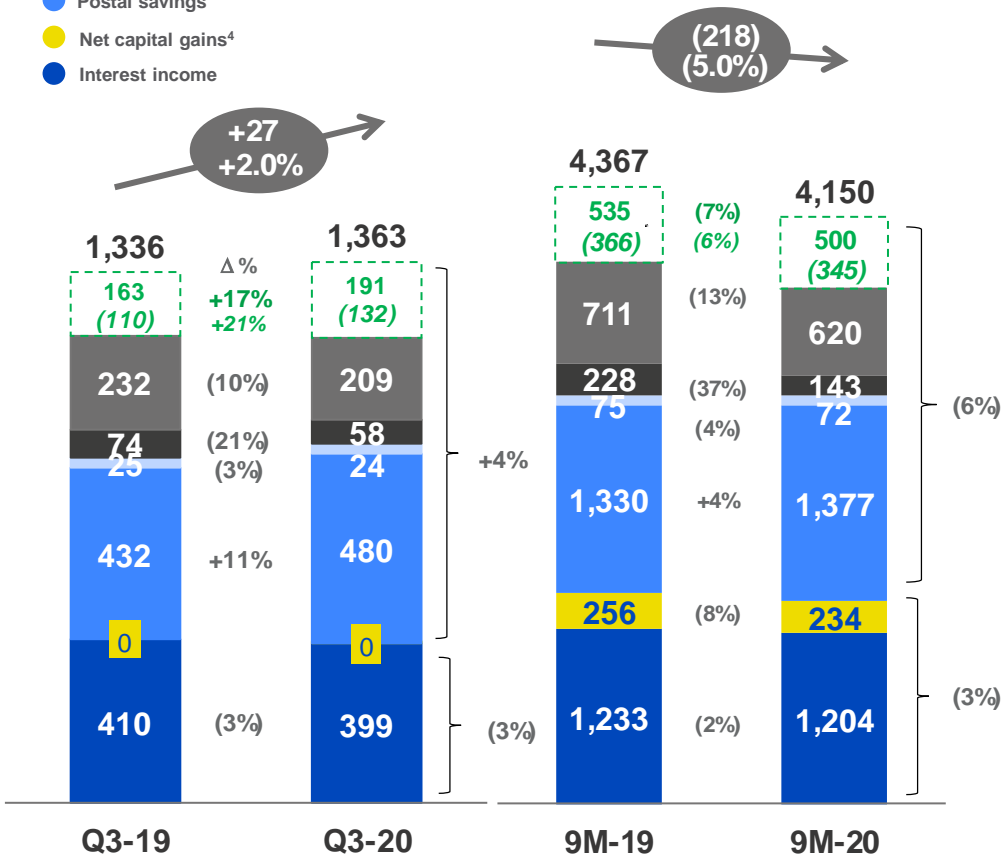
- Card payments revenues up, with higher physical and online transactions
- Other payments down, impacted by lock-down measures
- Mobile revenues up thanks to a loyal customer base
- Intersegment revenues down on lower payment slips volumes
- Q3-19 EBIT benefitted from lower one-off intersegment costs

€ m unless otherwise stated

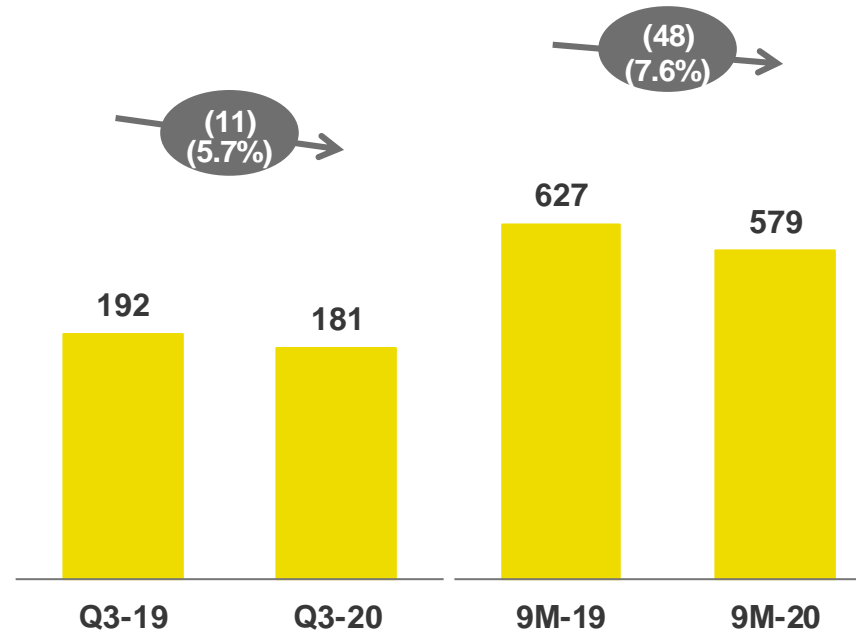
SEGMENT GROSS REVENUES¹

○ Intersegment distribution revenues (o.w. Insurance)

- Transaction banking²
- Loan & mortgage distribution³
- Asset management
- Postal savings
- Net capital gains⁴
- Interest income



EBIT



Q3 HIGHLIGHTS

(item by item)

- Interest income down on lower yields mitigated by higher volumes
- Additional 0.1bn net capital gains to be booked in Q4
- Postal saving distribution revenues up supported by new successful products
- Resilient asset management revenues thanks to recurring fees
- Loan and mortgage distribution fees accelerated recovery thanks to sustained new volumes
- Insurance product fees up thanks to higher gross and net inflows

GROUP TOTAL FINANCIAL ASSETS

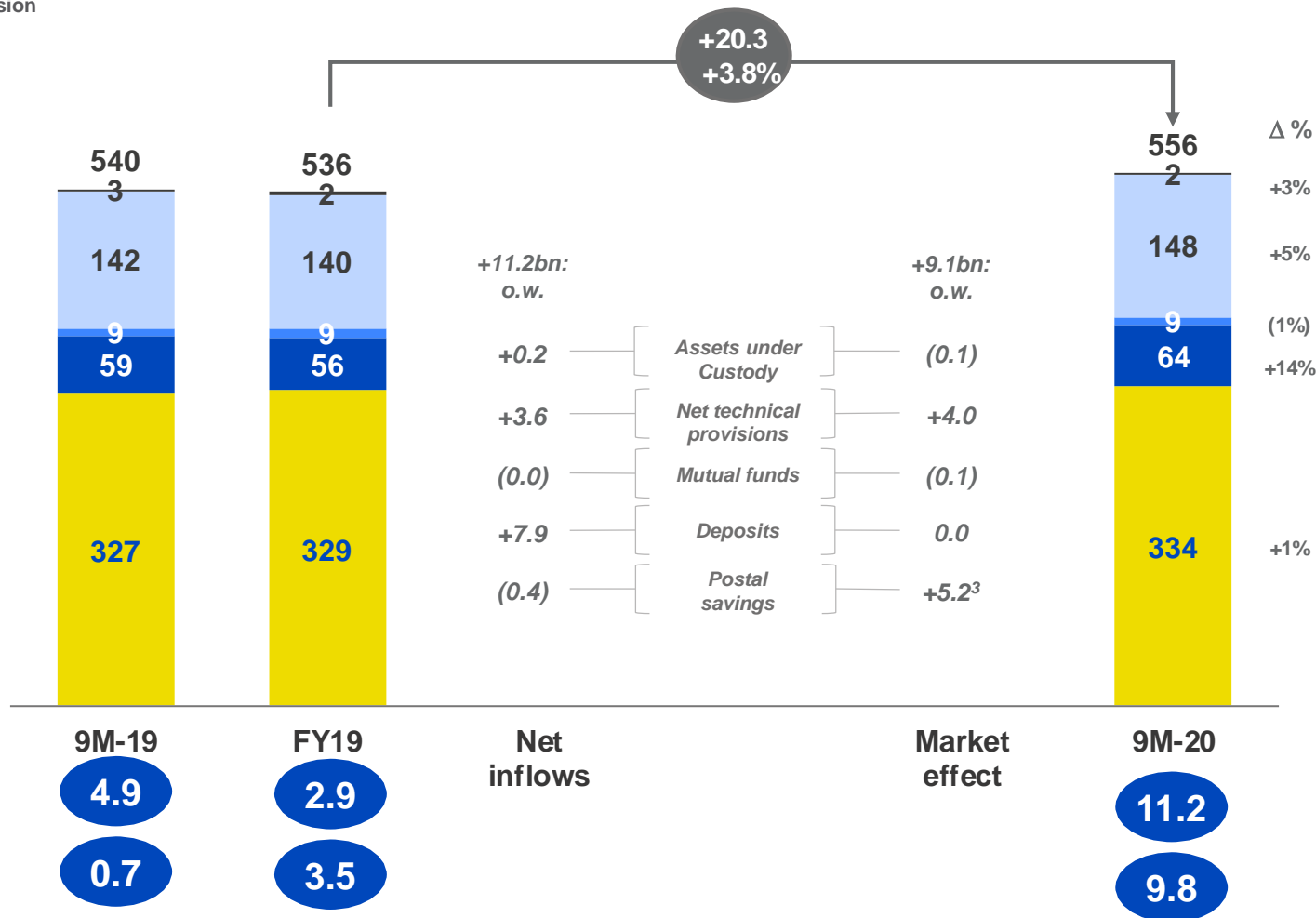
CONTINUED POSITIVE NET INFLOWS AND MARKET EFFECT RESULTING IN +€20BN TFAs YTD



Eop data, € bn unless otherwise stated

TFA EVOLUTION¹

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



HIGHLIGHTS

(item by item)

- TFAs up on both positive net inflows and performance effect
- Strong postal bonds new production offsetting redemptions
- Deposits increasing with continued preference for liquidity products
- Net technical provisions up, thanks to positive net inflows and market effect

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

INSURANCE SERVICES

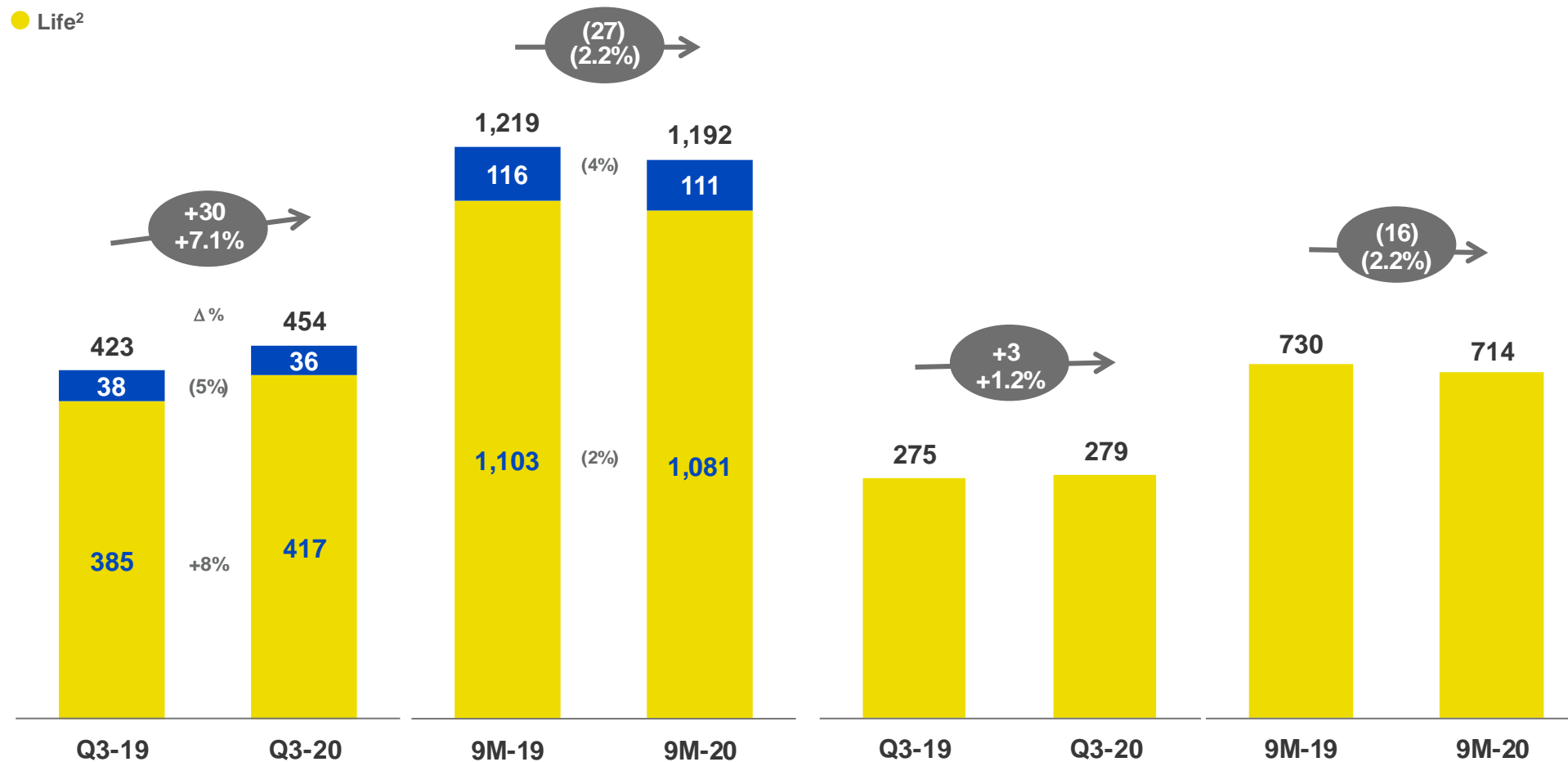
9M-20 REVENUES AND EBIT IN LINE WITH 2019, FULLY ABSORBING LOCKDOWN IMPACT



€ m unless otherwise stated

SEGMENT REVENUES

- P&C¹
- Life²



Q3 HIGHLIGHTS

(item by item)

- Revamped commercial activity, with increasing gross and net inflows
- Life revenues up thanks to:
 - Higher upfront fees supported by 1bn higher new production
 - Management fees up benefiting from higher margin multiclass products
 - Higher investment margin, frontloading FY 20 contribution to leverage on favorable market conditions
- Resilient non-life revenues
- Q3 EBIT up 1%, with higher intersegment costs to the network

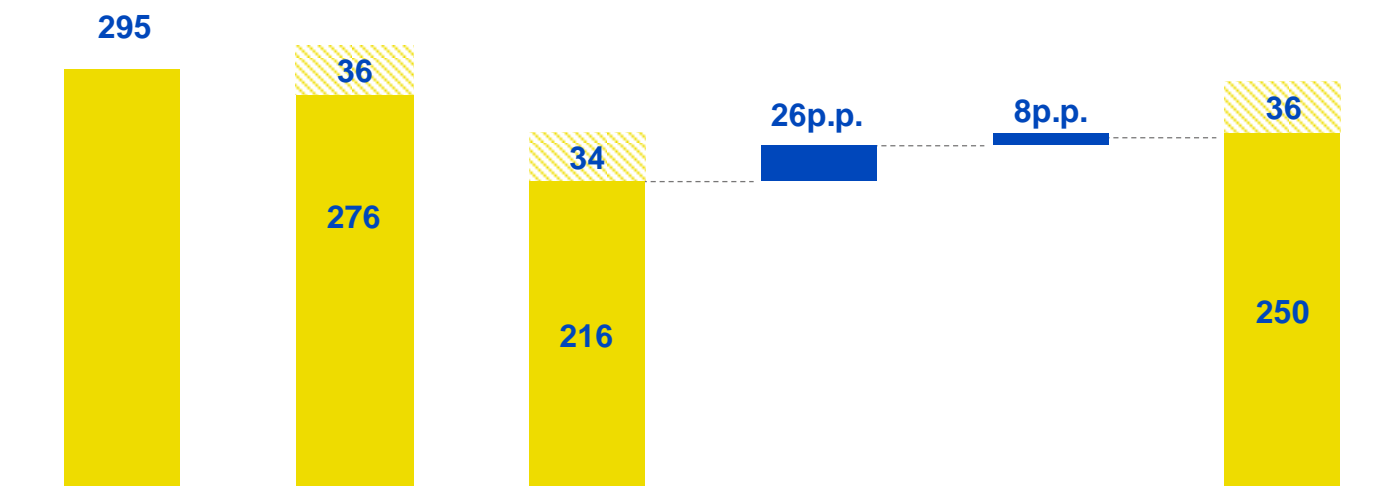
SOLVENCY II RATIO

SOLVENCY II RATIO WELL ABOVE MANAGERIAL AMBITION, BENEFITTING FROM LOWER BTP-SWAP SPREAD



SOLVENCY II RATIO EVOLUTION

Transitional measures



CORE Solvency Ratio¹ (%)

Period	Value
Sep-19	295
Dec-19	159
Jun-20	128
Sep-20	154

10Y SWAP (bp)

Period	Value
Sep-19	(15)
Dec-19	20
Jun-20	(17)
Sep-20	(23)

BTP-SWAP SPREAD (bp)

Period	Value
Sep-19	97
Dec-19	121
Jun-20	142
Sep-20	110

Δ vs. Jun-20

26p.p.

8p.p.

HIGHLIGHTS

- Solvency II ratio up to 250%:
 - Positive impact from spreads narrowing across all asset classes (BTP, Corporates and High Yield)
 - Negative impact from lower risk-free rates and reduced volatility adjustment
- Solvency II ratio at 244% excluding dividend restrictions
- Transitional measures provide additional 36p.p. buffer to address market volatility

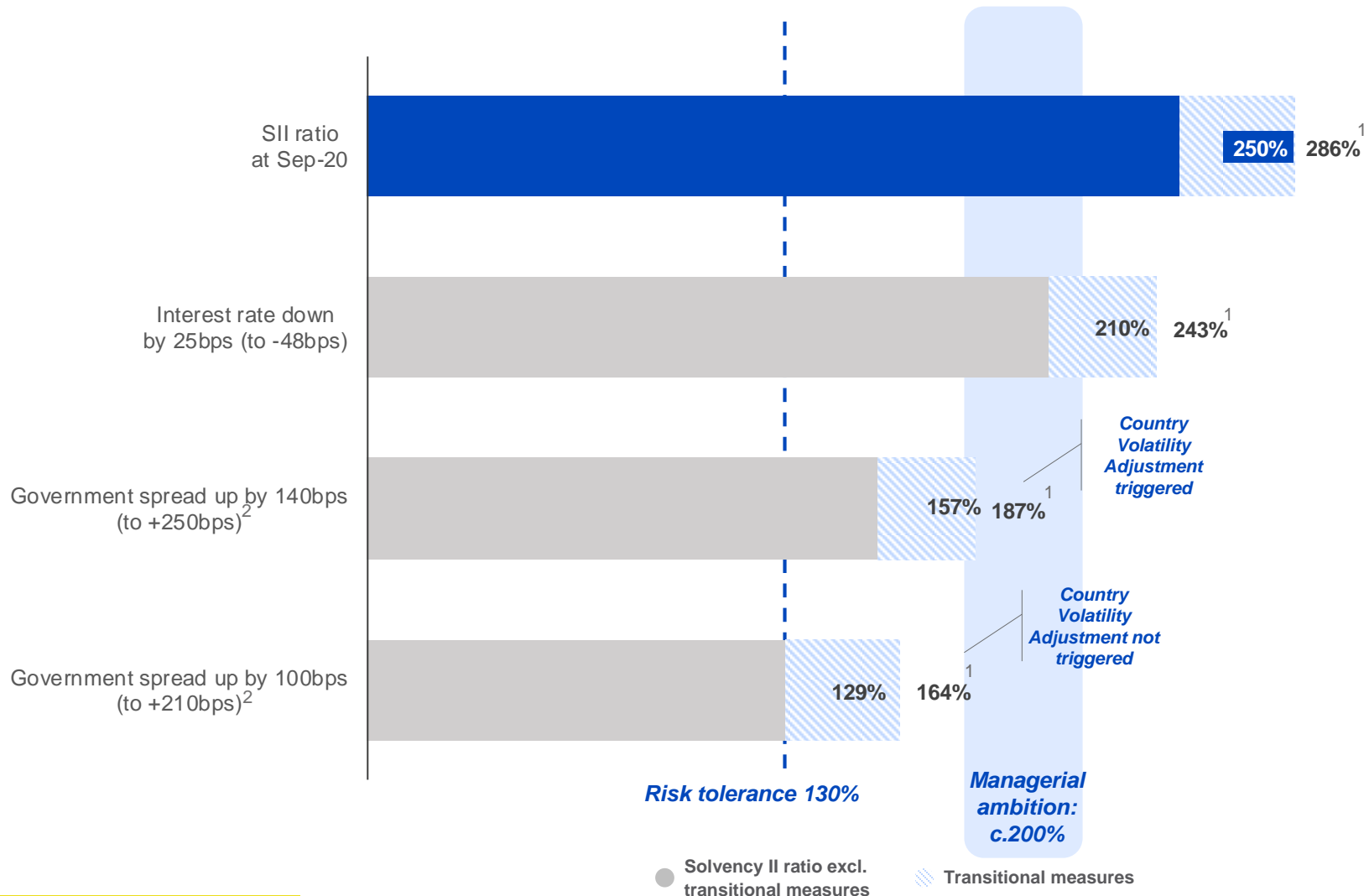
SOLVENCY II RATIO KEY SENSITIVITIES

RESILIENT UNDER ALL ASSUMED SCENARIOS



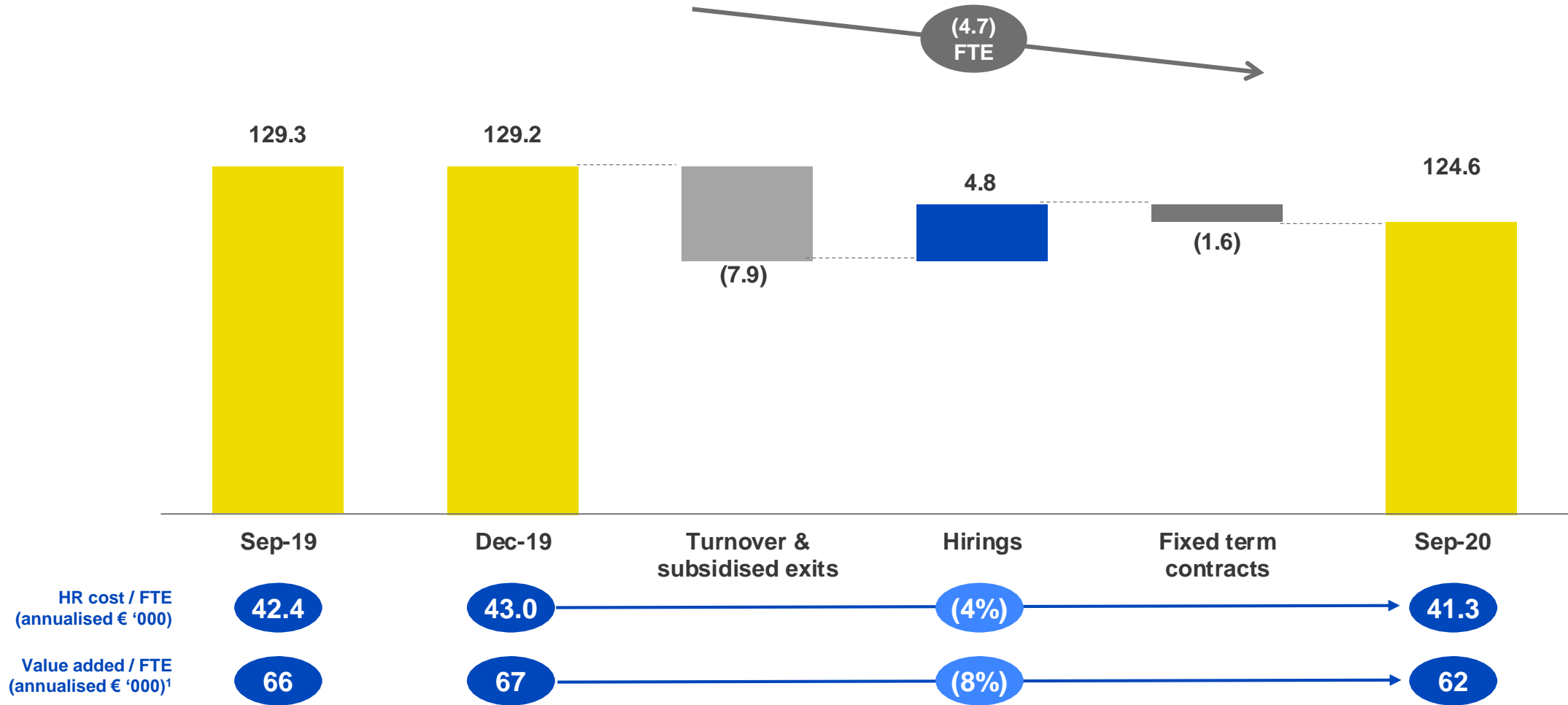
SOLVENCY II RATIO SENSITIVITIES

HIGHLIGHTS



- Solvency II ratio in line with risk tolerance under all assumed scenarios
- Transitional measures provide additional 36p.p. to address potential market headwinds
- Reduced volatility expected going forward supported by:
 - portfolio diversification
 - ongoing process to develop internal model
 - new capital light products

AVERAGE HEADCOUNT ('000/FTE)



QUARTERLY GROUP HR COSTS

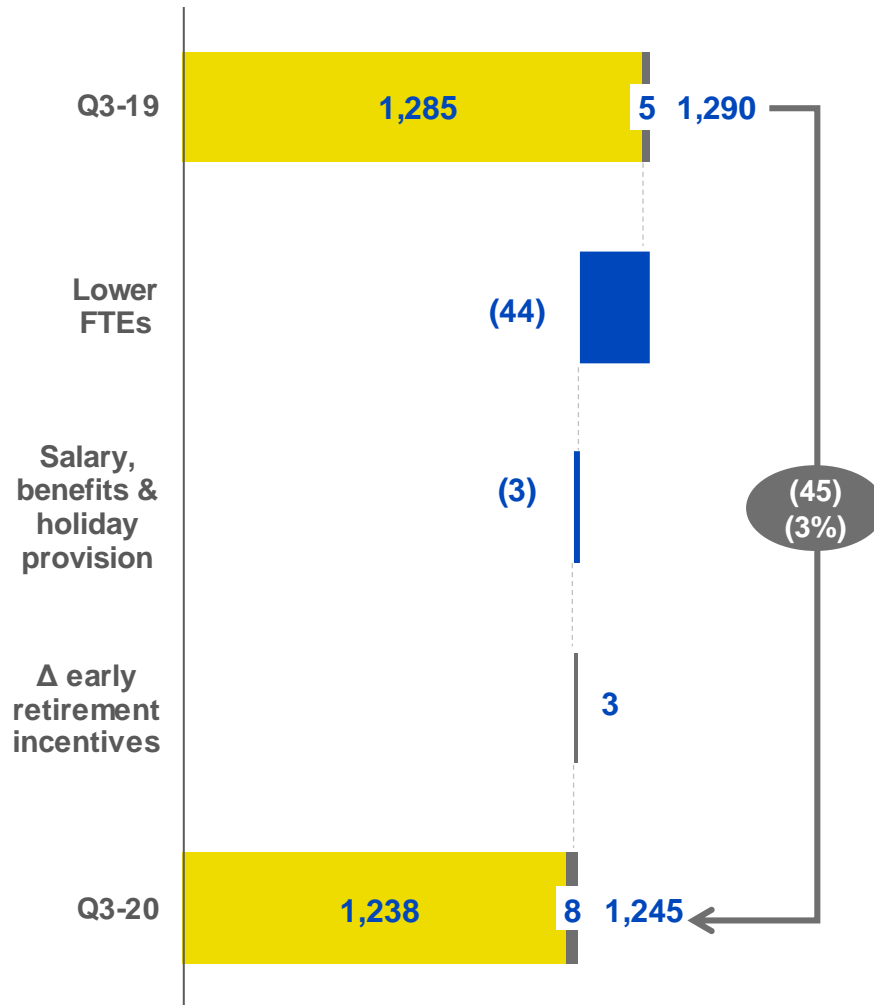
FTE REDUCTION DRIVING LOWER HR COSTS



€ m unless otherwise stated

HR COSTS EVOLUTION

- Ordinary HR costs¹
- Early retirement incentives



Q3 HIGHLIGHTS

- FTEs down 4.4k y/y delivering € 44m savings in HR costs
- Total compensation broadly stable with an increased in fixed component and a decrease in the variable one

1. Excluding legal disputes with employees

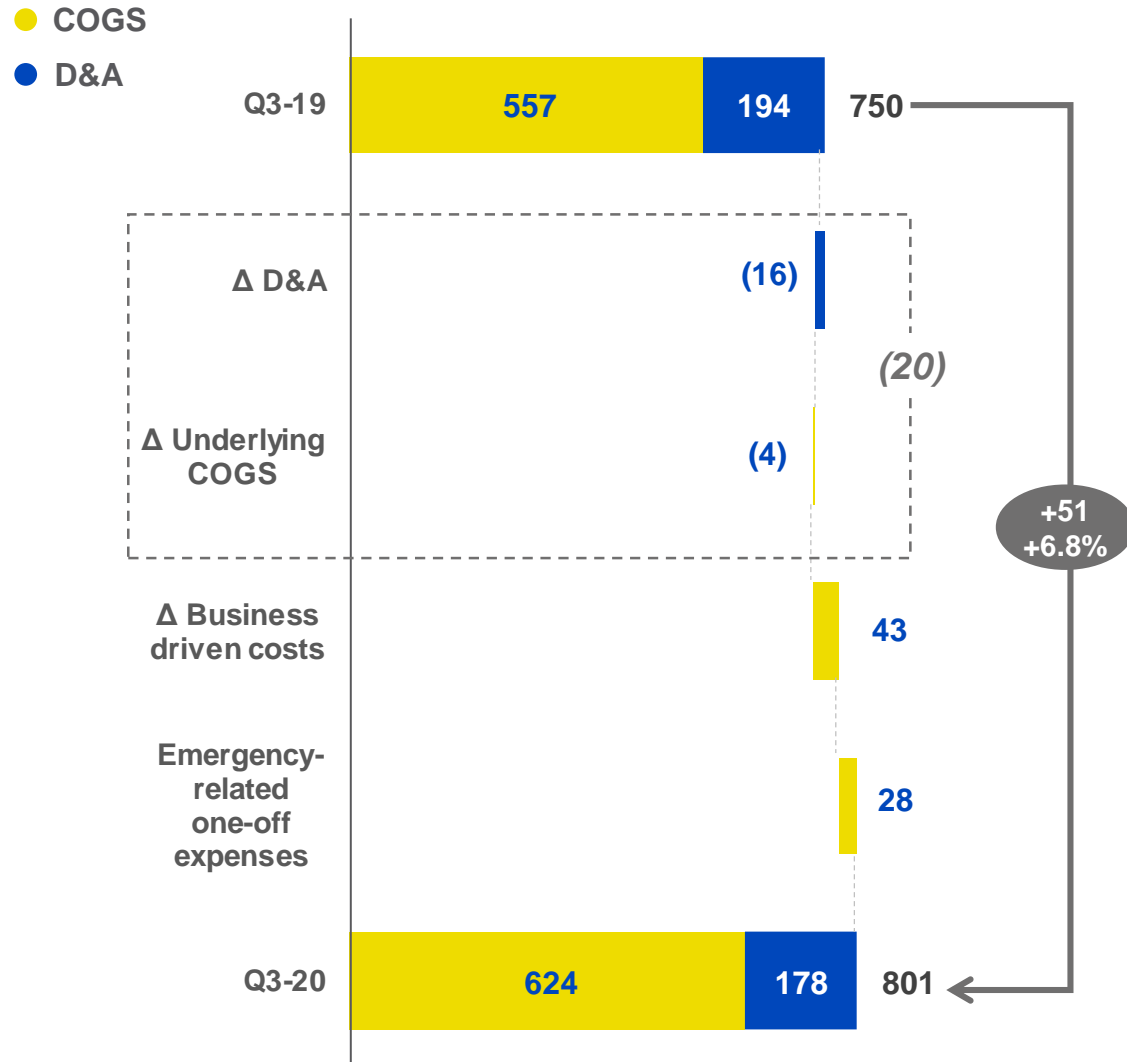
QUARTERLY GROUP NON-HR COSTS

FOCUS ON COST DISCIPLINE WHILE PRESERVING BUSINESS GROWTH



€ m unless otherwise stated

NON-HR COSTS EVOLUTION



Q3 HIGHLIGHTS

- Underlying Non HR costs excluding one-offs to face emergency and business driven costs down y/y
- Emergency related one-off expenses to provide PPEs and sanitization ensuring high safety standards for workplaces and employees
- Cost of goods sold increase mainly related to parcel delivery transport (+34m y/y) and Telco traffic (+9m y/y)
- D&A down on the reassessment of residual life and residual value of real assets (-30m y/y) partly offset by increased capex (mainly in IT developments)

COST REDUCTION LEVERS

ONGOING INITIATIVES TO REDUCE COSTS IN THE MEDIUM LONG TERM, WHILE PRESERVING GROWTH INITIATIVE



	COST INITIATIVES	DESCRIPTION	COST BASE UNDER REVIEW (€ M)	INITIAL PROPENSITY TO ACTIVATE IN 2020	EXECUTED IN 9M (€ 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	~25%	80 (+15m vs. H1-20)
	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	~20% <i>Bearing long term effects</i>	c.150 (+50m vs. H1-20)
	OTHER MEASURES	<ul style="list-style-type: none"> State wage support for employees in the emergency 	c.100	~75%	0
NON-HR COSTS	OTHER DISCRETIONARY COSTS	<ul style="list-style-type: none"> Smart-working & reskilling, consultancies, insourcing, travel expenses 	c.100	~20% <i>Bearing long term effects</i>	c.30 (+15m vs. H1-20)
	BUSINESS DRIVEN (MAINLY VARIABLE) COSTS	EFFICIENCY MEASURES TO REDUCE COST PER UNIT			

SEGMENT EBIT EVOLUTION

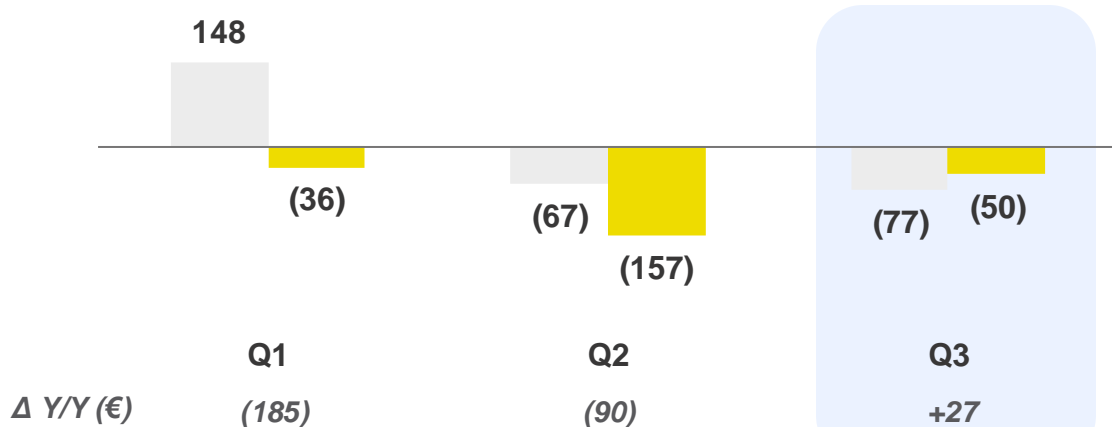
OPERATING PROFIT IMPROVEMENT SUPPORTED BY ALL SEGMENTS



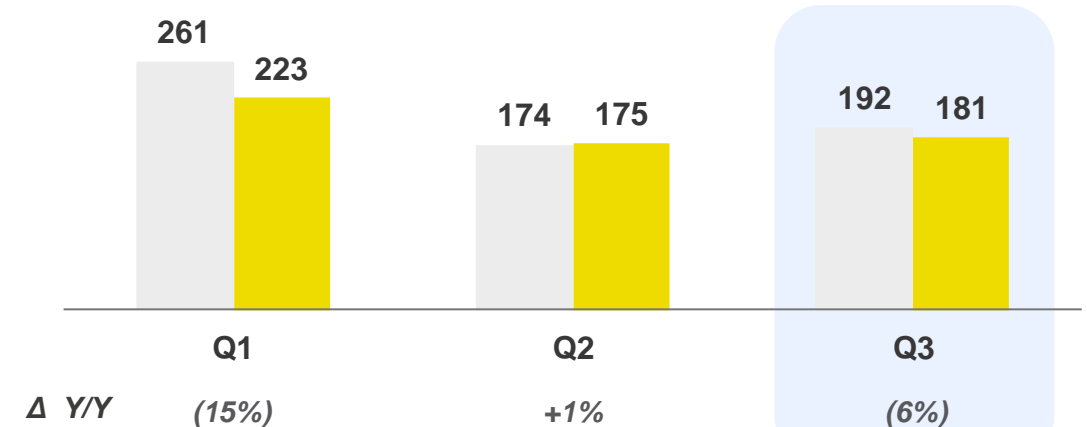
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● 2019 ● 2020

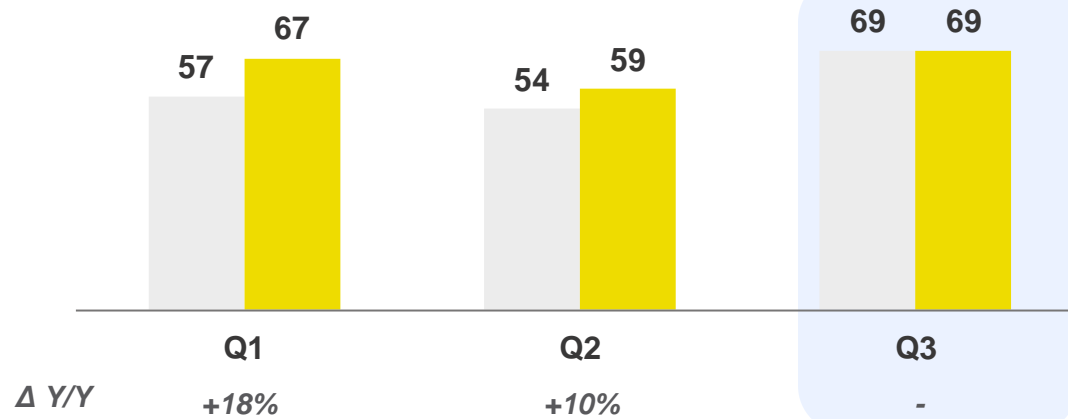
MAIL, PARCEL & DISTRIBUTION



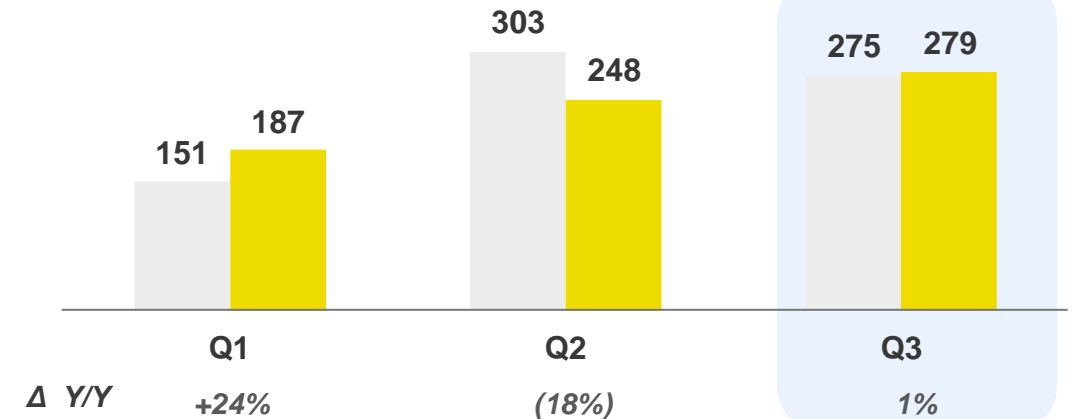
FINANCIAL SERVICES



PAYMENTS & MOBILE



INSURANCE SERVICES



VERY RESILIENT BUSINESS MODEL ACROSS ALL SEGMENTS

TFA UP 20BN YTD, DRIVEN BY STRONG RETAIL NET INFLOWS AND POSITIVE MARKET EFFECT

CONFIRMED DISTRIBUTION OF 0.162 EURO INTERIM DIVIDEND (+5% Y/Y)¹ ON FY-20 RESULTS

Q&A



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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'

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



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

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



«A» RATING

Poste has received an "A" rating by the MSCI ESG Research, one of the main providers of in-depth research, ratings and analysis of the ESG-related business practices



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



FTSE4Good

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: Q3-20 & 9M-20 ADJUSTMENTS

EXPLANATORY NOTES TO ADJUSTED FIGURES

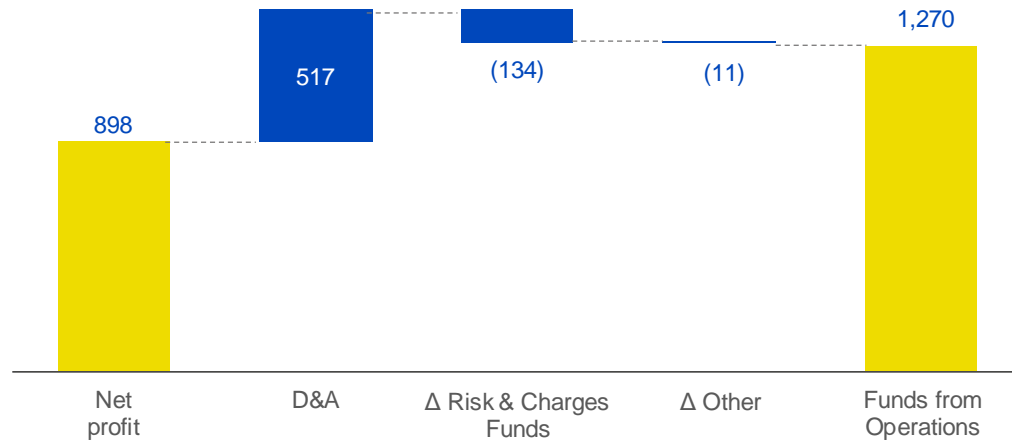


	Q3-19	Q3-20	€ m	%	9M-19	9M-20	€ m	%
REPORTED REVENUES	2,568	2,589	22	+1%	8,089	7,672	(417)	(5%)
<i>GROSS CAPITAL GAINS ON INVESTMENT PORTFOLIO</i>	0	1			261	292		
<i>VISA - FAIR VALUE VALUATION/ FAIR VALUE HEDGE</i>	3	7			19	7		
<i>VISA - CAPITAL GAIN ON SHARE DISPOSAL</i>	0	0			1	0		
ADJUSTED REVENUES	2,565	2,582	17	+1%	7,807	7,374	(433)	(6%)
REPORTED COSTS	2,108	2,111	2	+0%	6,549	6,428	(121)	(2%)
<i>CAPITAL LOSSES ON INVESTMENT PORTFOLIO</i>	0	1			6	58		
<i>EARLY RETIREMENT INCENTIVES</i>	5	8			13	12		
<i>VISA - FAIR VALUE VALUATION/ FAIR VALUE HEDGE</i>	2	0			11	10		
<i>REAL ESTATE FUNDS PROVISIONS</i>	0	0			0	(15)		
ADJUSTED COSTS	2,101	2,103	1	+0%	6,519	6,364	(155)	(2%)
REPORTED EBIT	459	479	19	+4%	1,540	1,244	(296)	(19%)
ADJUSTED EBIT	463	479	16	+3%	1,288	1,010	(278)	(22%)
<i>IMPAIRMENTS</i>	0	0			0	19		
REPORTED NET PROFIT	320	353	33	+10%	1,083	898	(185)	(17%)
ADJUSTED NET PROFIT	323	352	29	+9%	901	751	(150)	(17%)

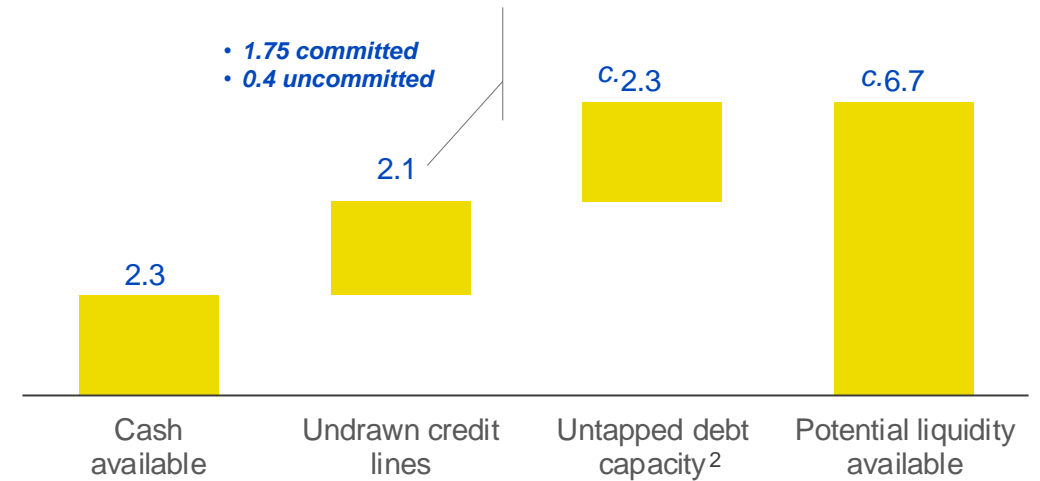
STRONG CASH GENERATION, LIMITED AND BALANCED DEBT PROFILE



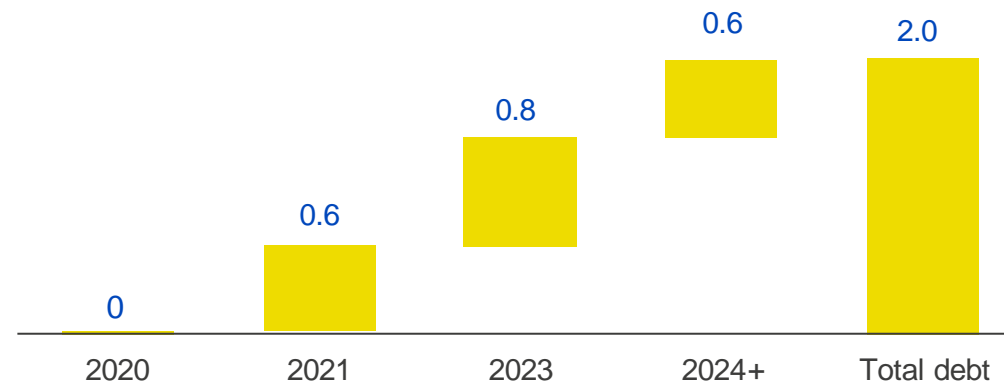
GROUP FUNDS FROM OPERATIONS (FFO) – 9M-20 (€ m)



...SIGNIFICANT LIQUIDITY RESOURCES¹ (€ bn)



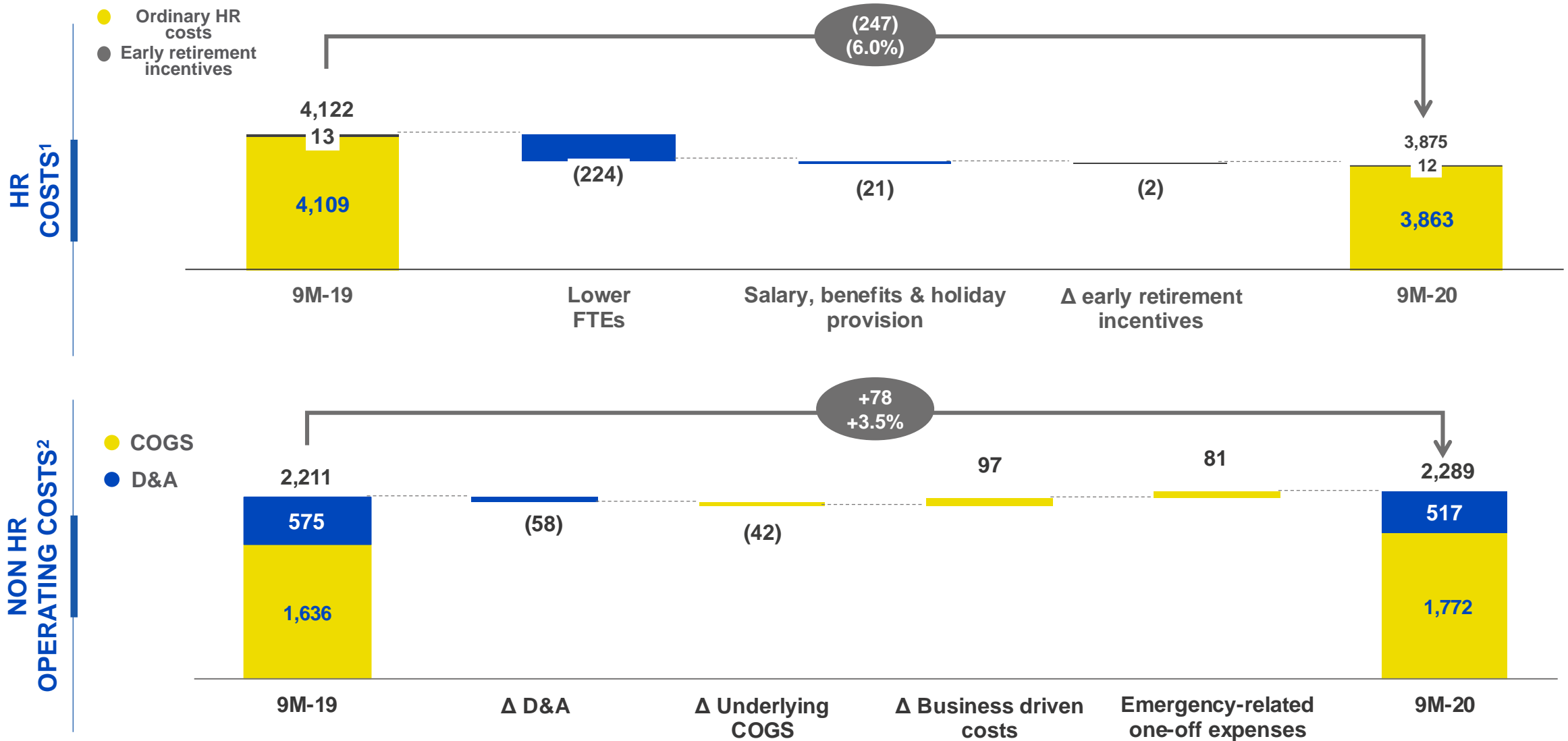
BALANCED MATURITY PROFILE (€ bn)



9M GROUP COSTS



€ m unless otherwise stated



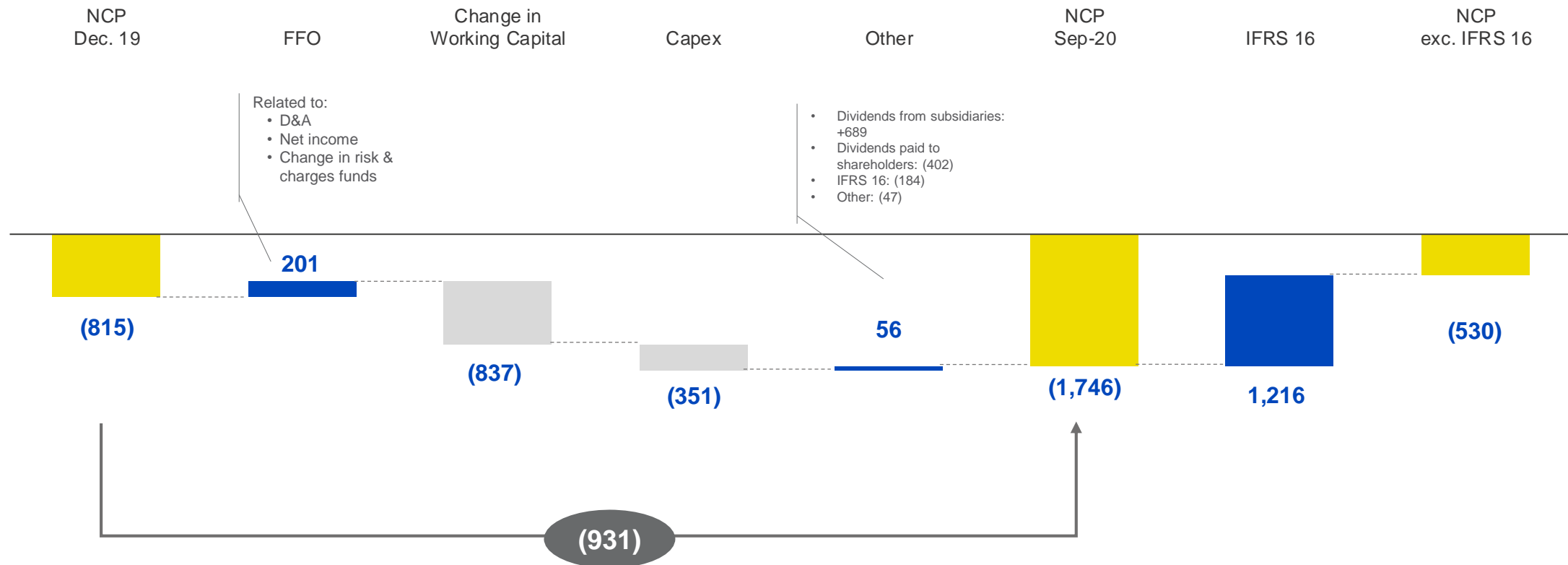
1. Excluding legal disputes with employees
 2. Excluding other Non-HR operating costs amounting to 217m in 9M-19 and 262m in 9M-20

MAIL, PARCEL & DISTRIBUTION NET CASH POSITION

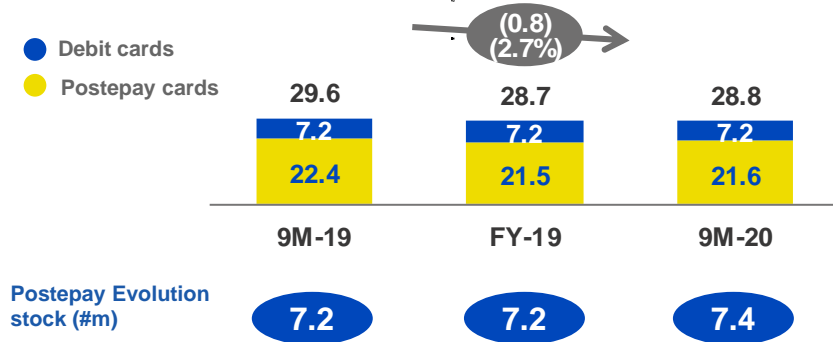


€ m unless otherwise stated

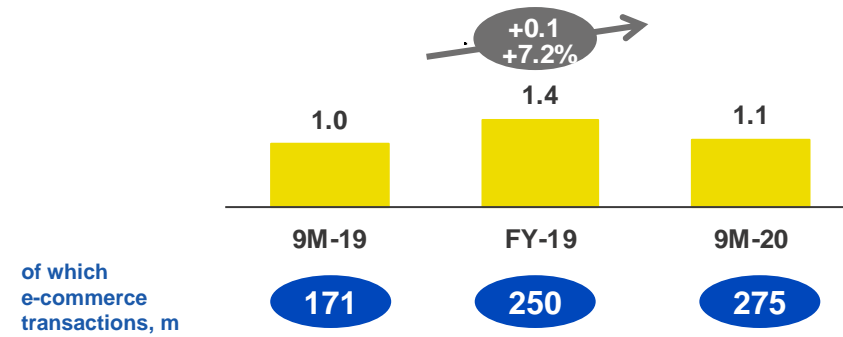
NET CASH POSITION (+ CASH – DEBT)



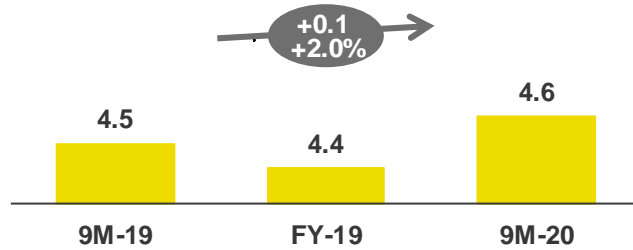
CARD STOCK¹



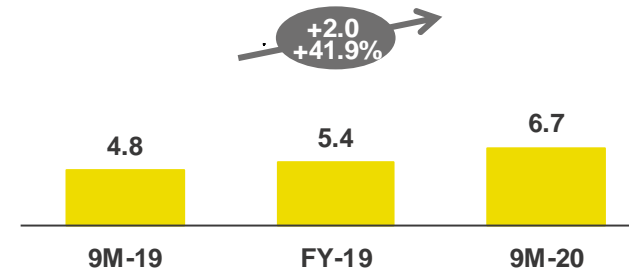
TOTAL PAYMENT CARD TRANSACTIONS (# BN)



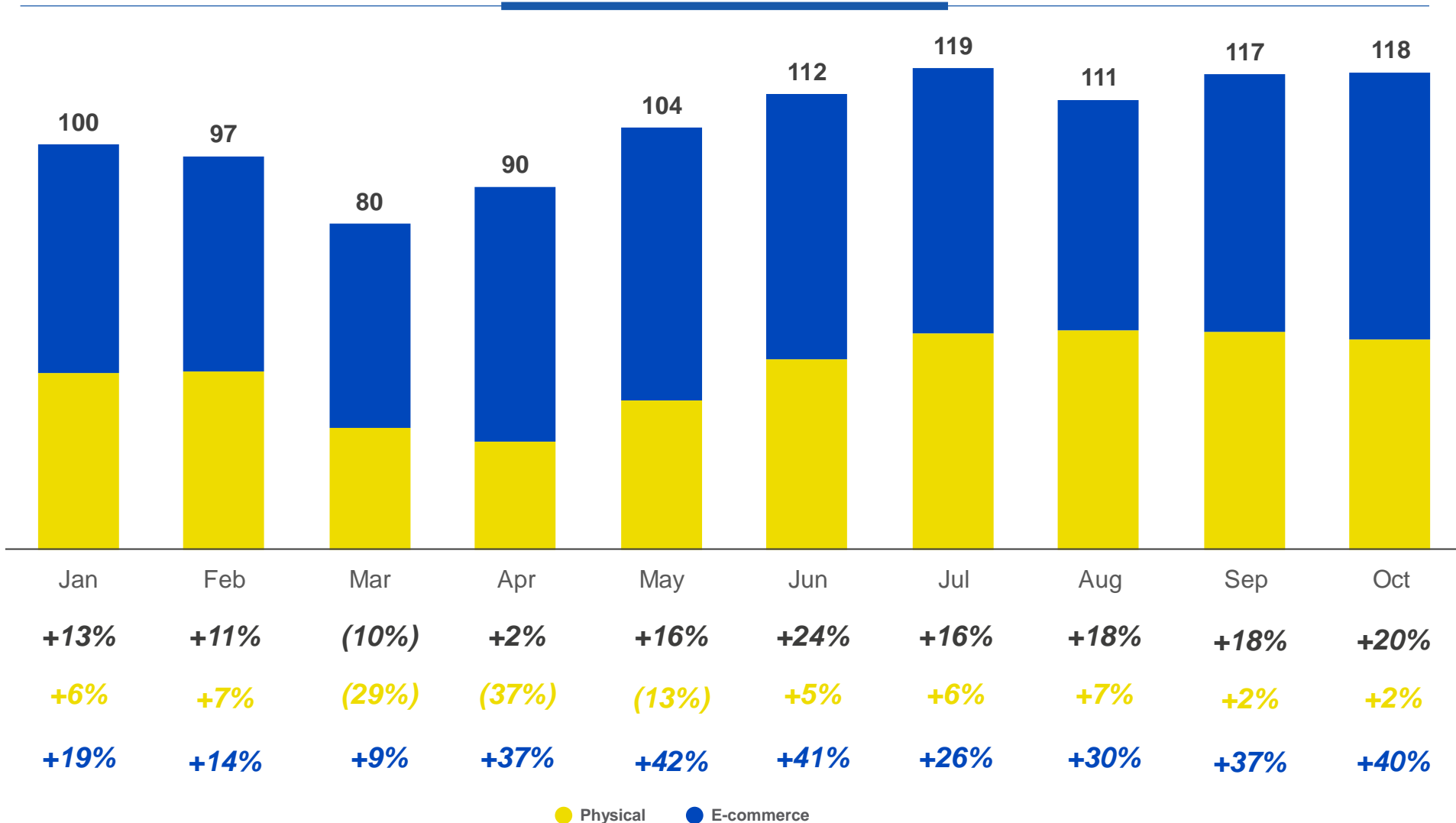
MOBILE & LAND LINE, STOCK (# M)



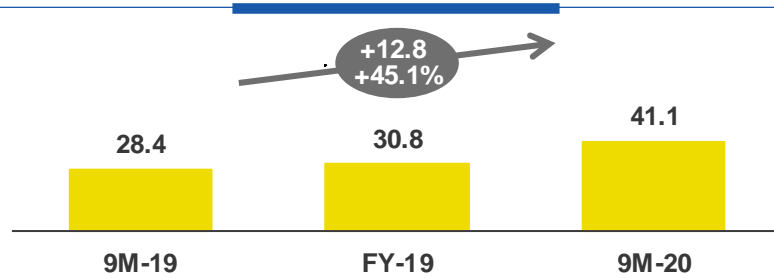
POSTE ITALIANE DIGITAL E-WALLET (# M)²



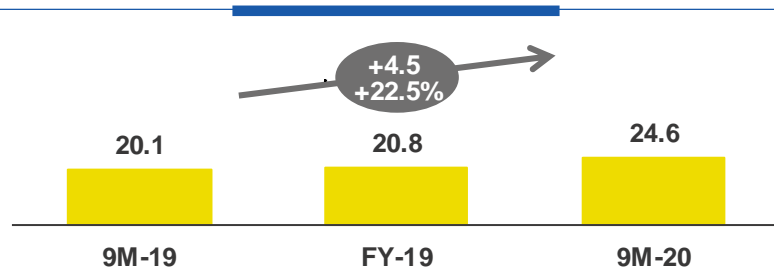
POSTEPAY DAILY AVERAGE TRANSACTION VALUE (BASE 100)



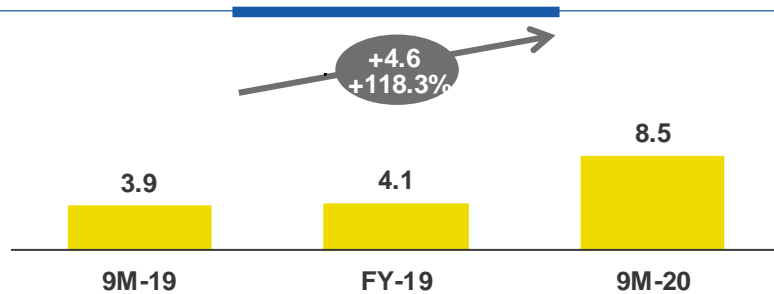
CUMULATED APP DOWNLOADS¹ (# M)



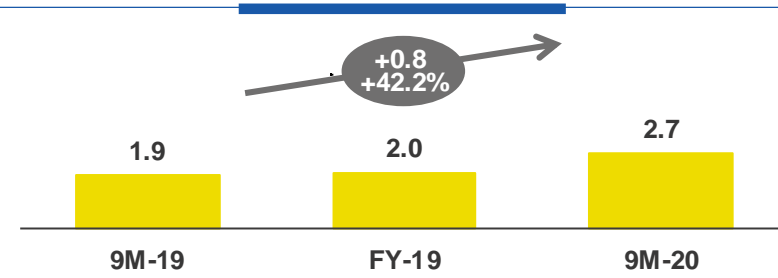
REGISTERED ONLINE USERS (# M)



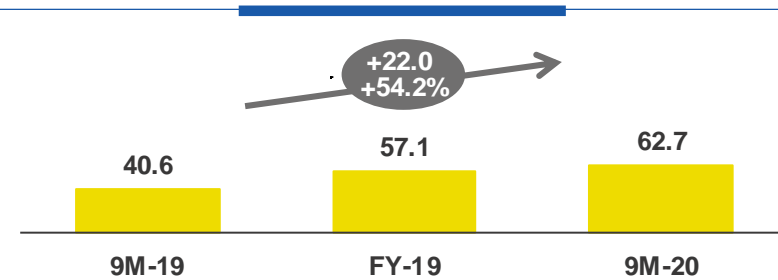
ELECTRONIC IDENTIFICATION² STOCK (# M)



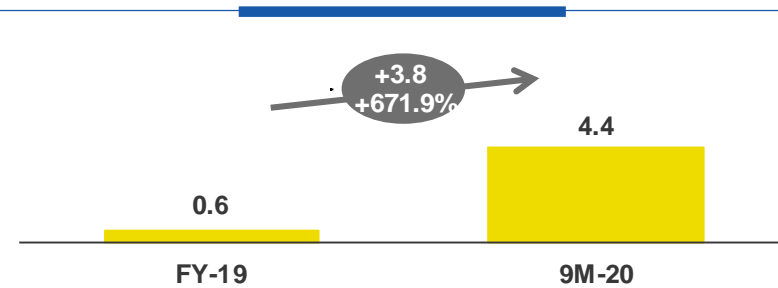
DAILY ONLINE USERS (# M)



CONSUMER FIN. TRANSACTIONS (# M)



PRIVATE DIGITAL IDs (# M)



FINANCIAL SERVICES: Q3-20 & 9M-20 ADJUSTMENTS

EXPLANATORY NOTES TO ADJUSTED FIGURES



	Q3-19	Q3-20	€ m	%	9M-19	9M-20	€ m	%
SEGMENT REPORTED REVENUES	1,173	1,172	(1)	(0%)	3,838	3,707	(131)	(3%)
<i>GROSS CAPITAL GAINS ON INV. PORTFOLIO</i>	0	1			261	292		
<i>VISA - FAIR VALUE VALUATION/FAIR VALUE HEDGE</i>	3	7			19	7		
<i>VISA - CAPITAL GAIN ON SHARES DISPOSAL</i>	0	0			1	0		
SEGMENT ADJUSTED REVENUES	1,170	1,165	(5)	(0%)	3,556	3,409	(147)	(4%)
<i>INTERSEGMENT REVENUES</i>	163	191	28	+17%	535	500	(35)	(7%)
ADJUSTED TOTAL REVENUES	1,333	1,356	23	+2%	4,091	3,909	(182)	(4%)
REPORTED COSTS	1,144	1,182	38	+3%	3,746	3,628	(118)	(3%)
<i>EARLY RETIREMENT INCENTIVES</i>	0	0			1	1		
<i>CAPITAL LOSSES ON INV. PORTFOLIO</i>	0	1			6	58		
<i>CAPITAL GAINS COMMISSIONING</i>	0	0			199	185		
<i>REAL ESTATE FUNDS PROVISIONS</i>	0	0			0	(15)		
<i>VISA - FAIR VALUE VALUATION/FAIR VALUE HEDGE</i>	2	0			11	10		
ADJUSTED COSTS	1,141	1,182	40	+4%	3,529	3,390	(139)	(4%)
REPORTED EBIT	192	181	(11)	(6%)	627	579	(48)	(8%)
ADJUSTED EBIT	192	174	(17)	(9%)	562	519	(43)	(8%)
<i>IMPAIRMENTS</i>	0	0			0	19		
REPORTED NET PROFIT	135	134	(1)	(1%)	440	407	(33)	(8%)
ADJUSTED NET PROFIT	135	128	(7)	(5%)	391	384	(8)	(2%)

BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

PRUDENT ALM STRATEGY TO MATCH ASSETS AND LIABILITIES

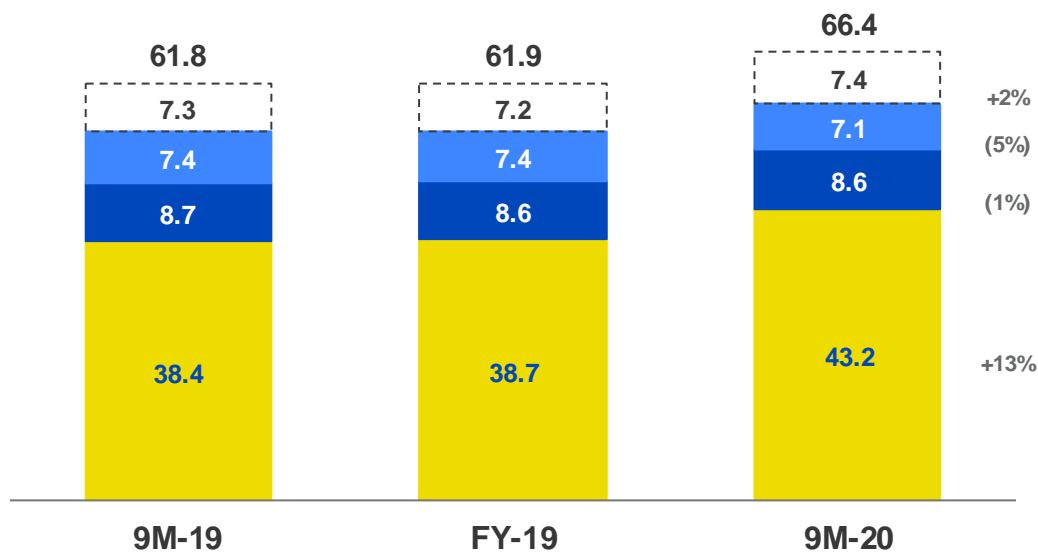


€ bn unless otherwise stated

AVERAGE CURRENT ACCOUNT DEPOSITS

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

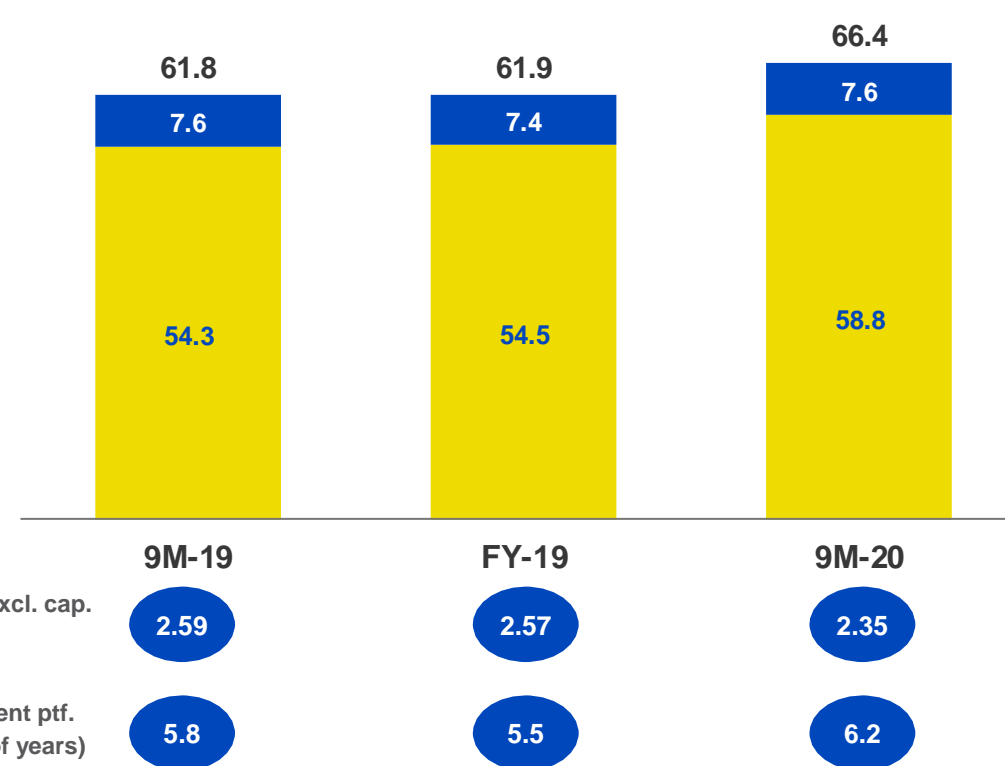
+4.6
+7.4%



AVERAGE INVESTMENT PORTFOLIO

- Deposit @ MEF³
- Italian Government Bonds

+4.6
+7.4%



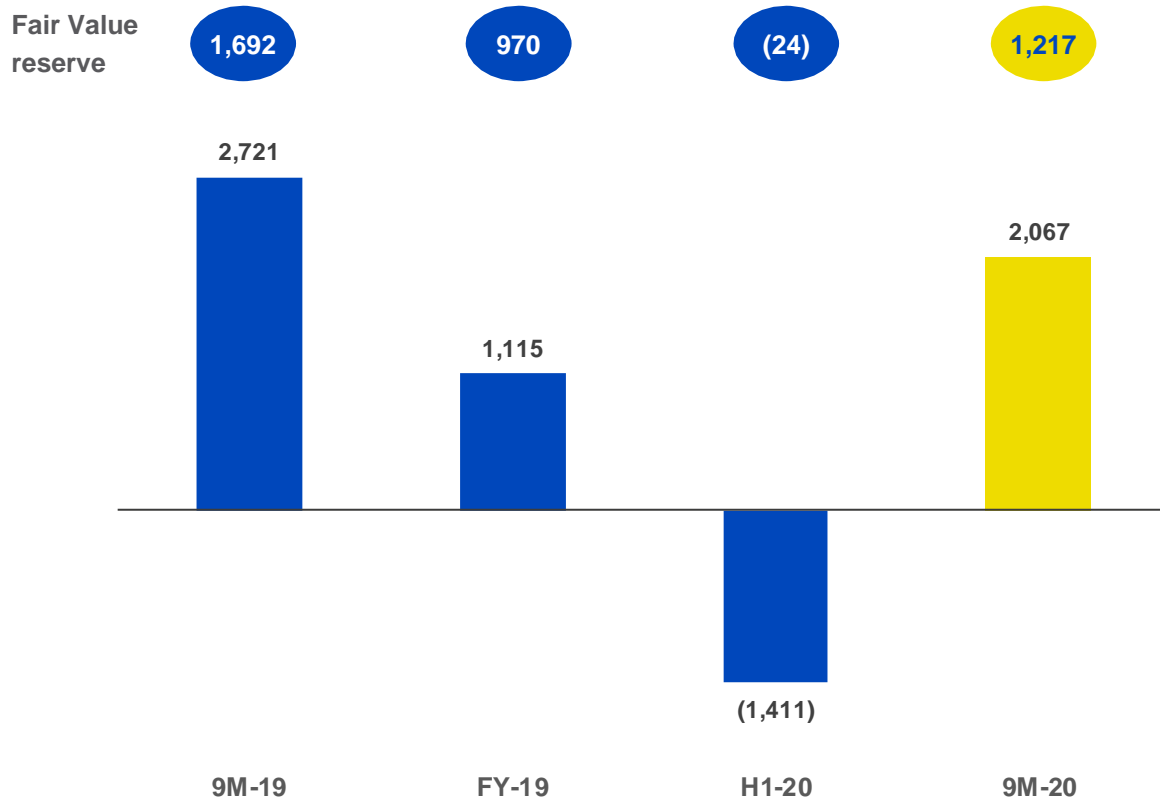
BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

NET UNREALIZED GAINS AT € 2.1BN

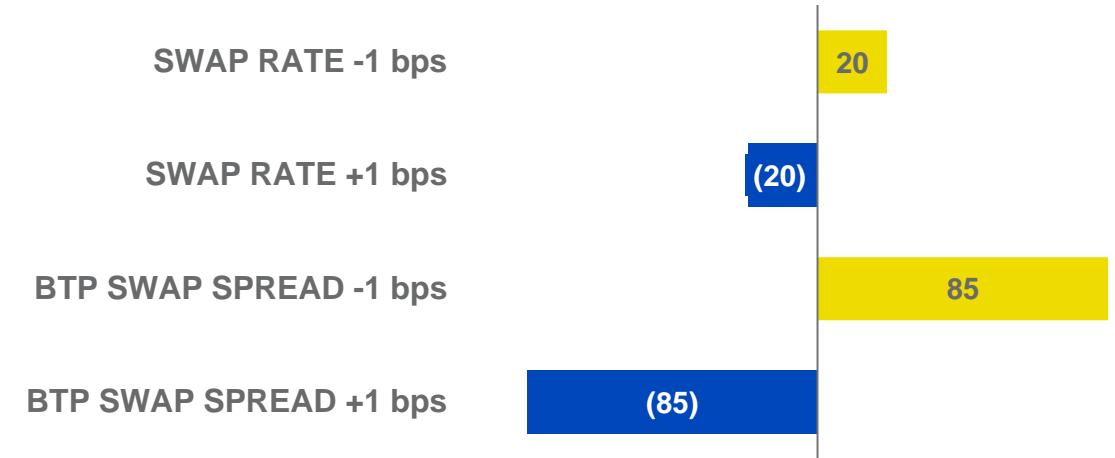


€ m unless otherwise stated

UNREALIZED GAINS/LOSSES



UNREALIZED GAINS SENSITIVITIES



	Q3-19	FY-19	Q2-20	Q3-20	Var (bps) Q3-20 vs Q2-20
BTP 10Y	0.82	1.41	1.26	0.87	(0.39)
SWAP 10Y	(0.15)	0.20	(0.17)	(0.23)	(0.06)
BTP 15Y	1.37	1.89	1.68	1.23	(0.45)
SWAP 15Y	0.08	0.46	0.0	(0.05)	(0.05)
BTP 30Y	1.91	2.47	2.22	1.75	(0.47)
SWAP 30Y	0.22	0.63	0.04	(0.01)	(0.04)

POSTAL SAVINGS

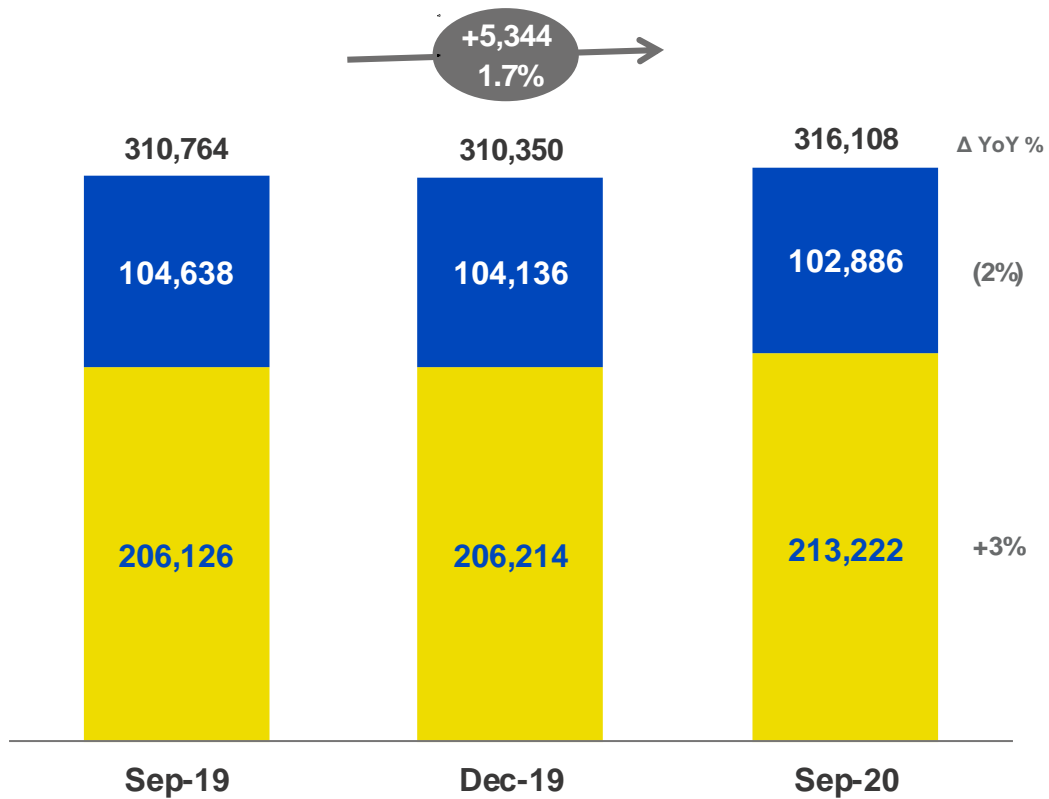
STRONG IMPROVEMENT OF NET INFLOWS, ALSO SUPPORTED BY PREFERENCE FOR LIQUIDITY PRODUCTS



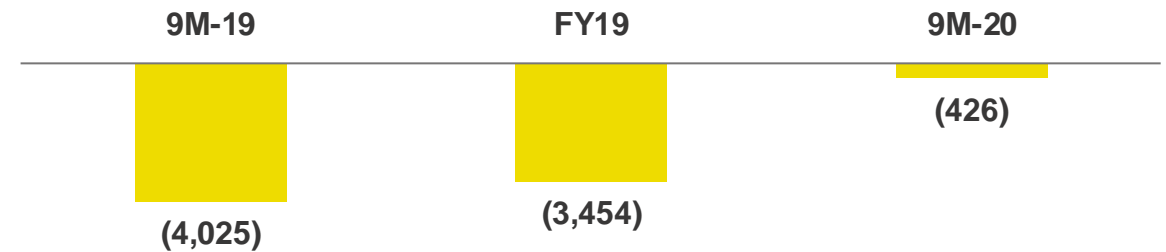
€ m unless otherwise stated

AVERAGE POSTAL SAVINGS¹

- Postal saving books
- Postal bonds



POSTAL SAVINGS NET INFLOWS



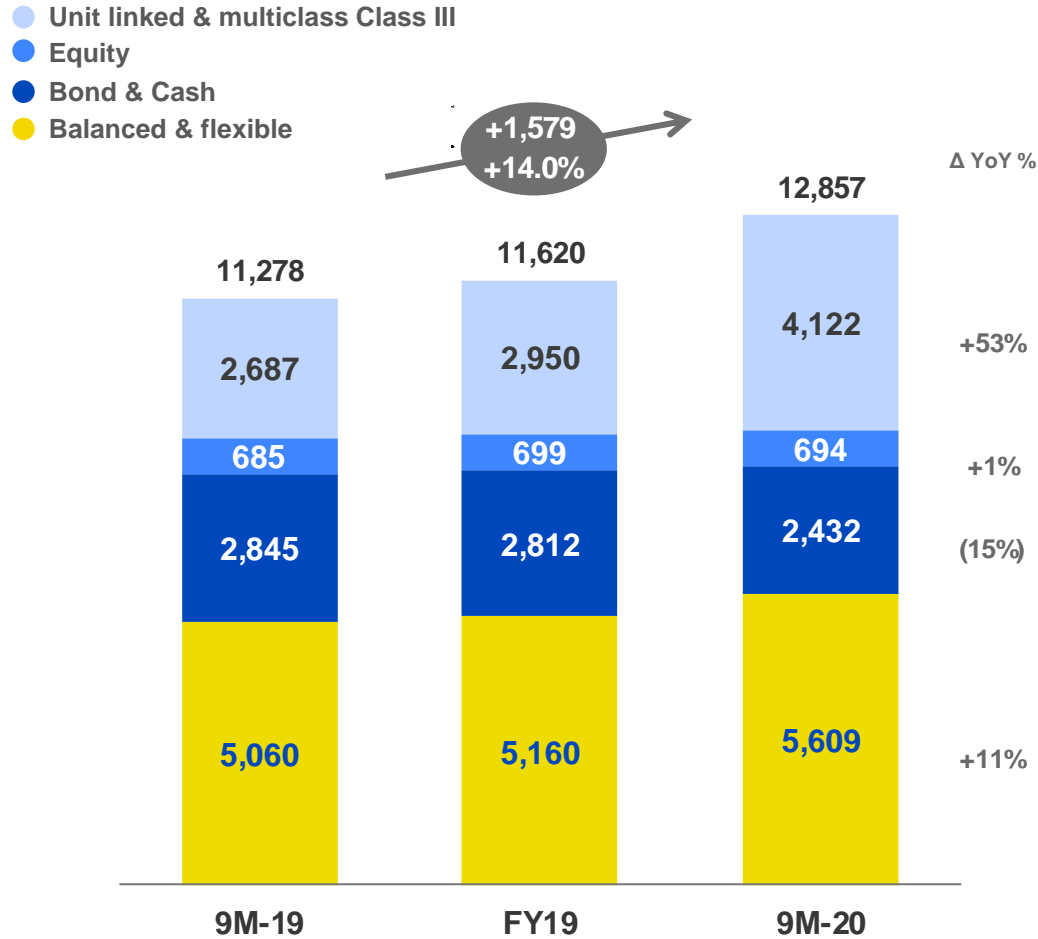
ASSET MANAGEMENT PROGRESSING

POSITIVE NET INFLOWS IN A VOLATILE MARKET ENVIRONMENT

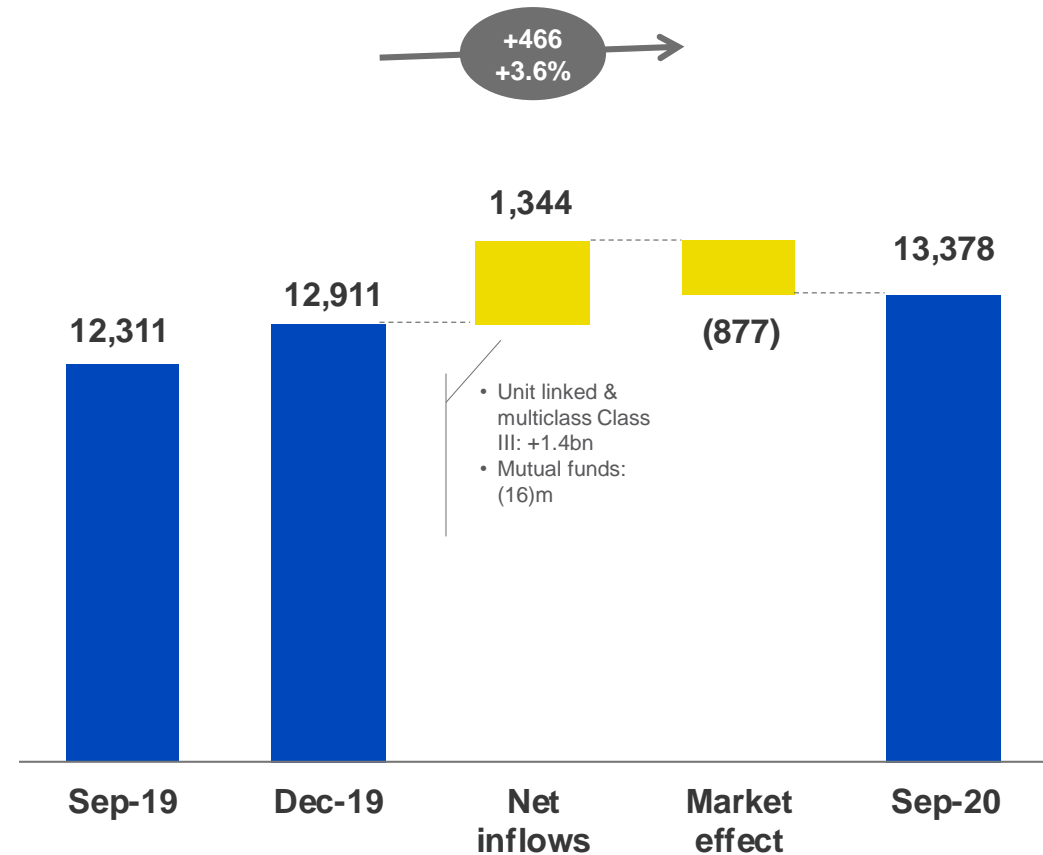


€ m unless otherwise stated

AVERAGE ASSETS UNDER MANAGEMENT



ASSETS UNDER MANAGEMENT EVOLUTION – EoP



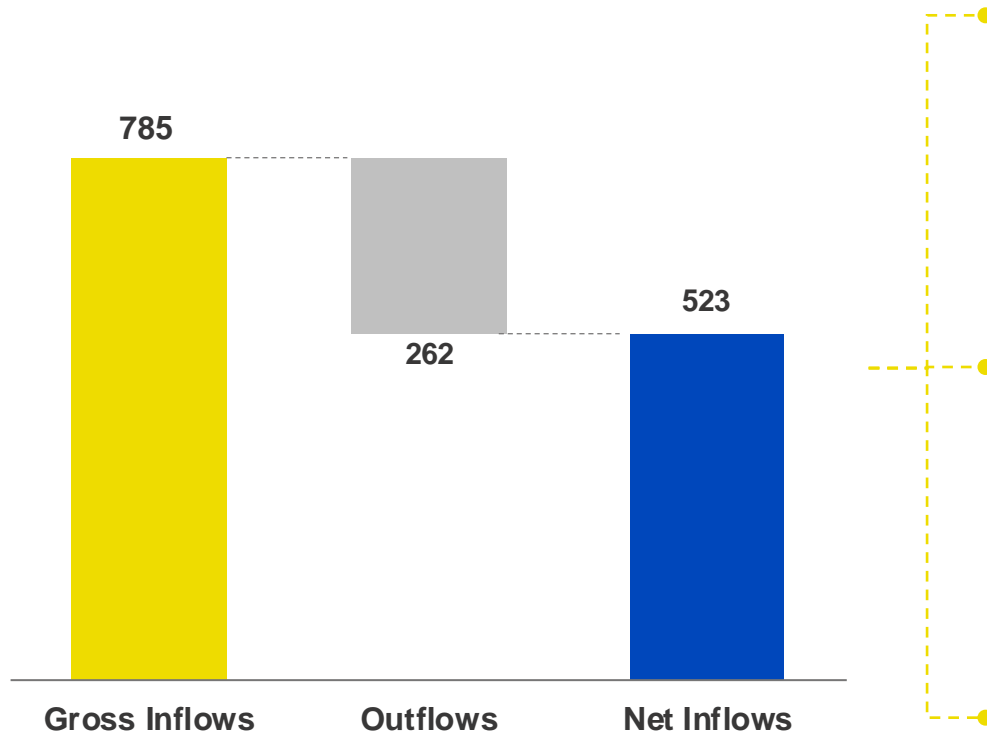
ASSET MANAGEMENT NET INFLOWS INCREASING IN Q3-20

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

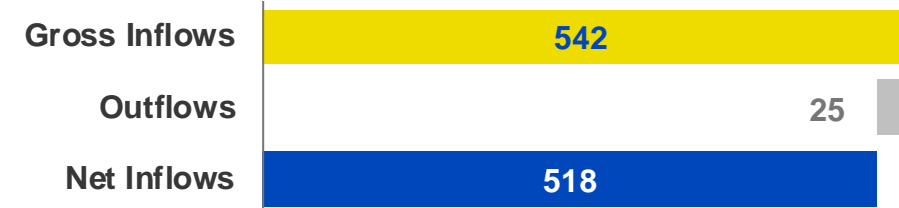


€ m unless otherwise stated

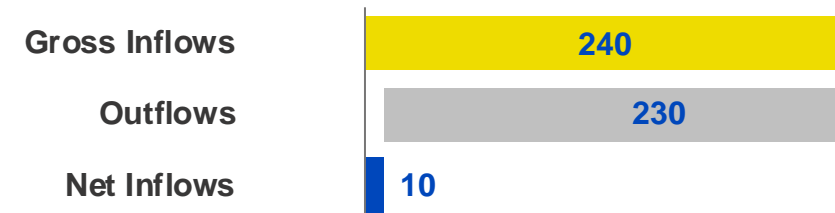
TOTAL NET INFLOWS – Q3-20



MULTICLASS CLASS III¹ – Q3-20



MUTUAL FUNDS – Q3-20



UNIT LINKED (CLASS III) – Q3-20

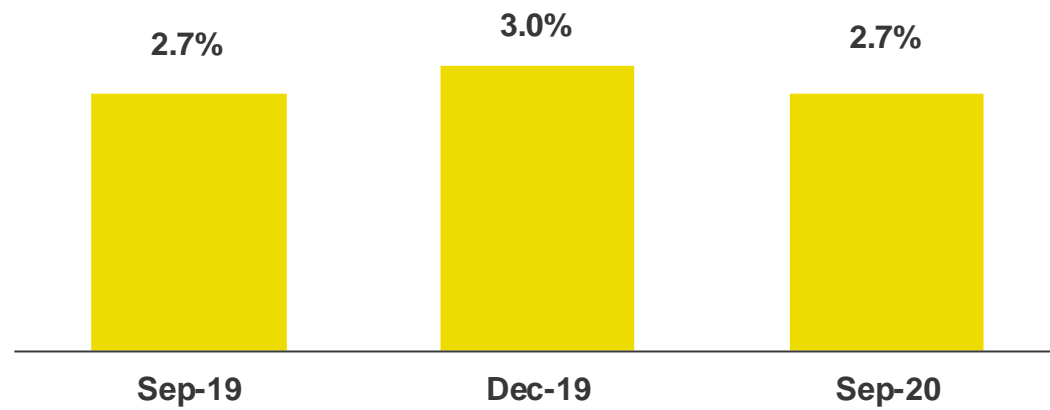


BANCOPOSTA: SOLID AND EFFICIENT CAPITAL POSITION

AN ASSET GATHERER WITH A CAPITAL LIGHT BALANCE SHEET



LEVERAGE RATIO



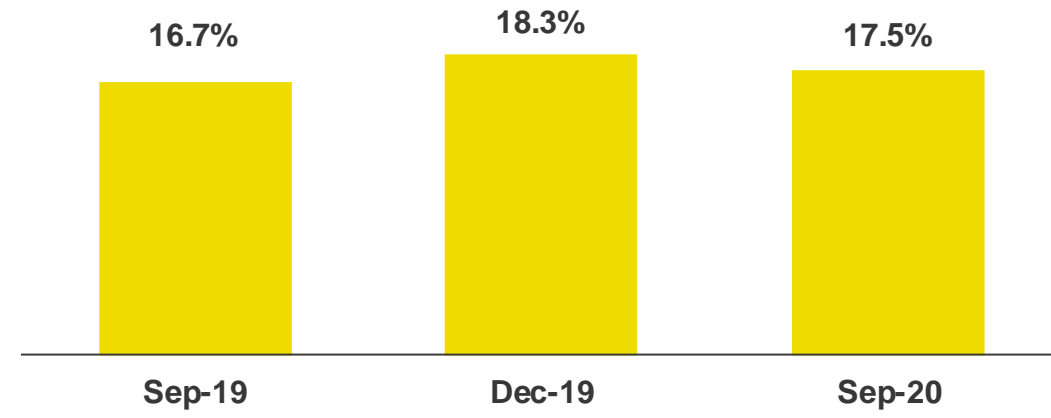
Exposure Measure (€ bn)

84.4

79.6

87.9

CET 1 RATIO



RWA (€ bn)

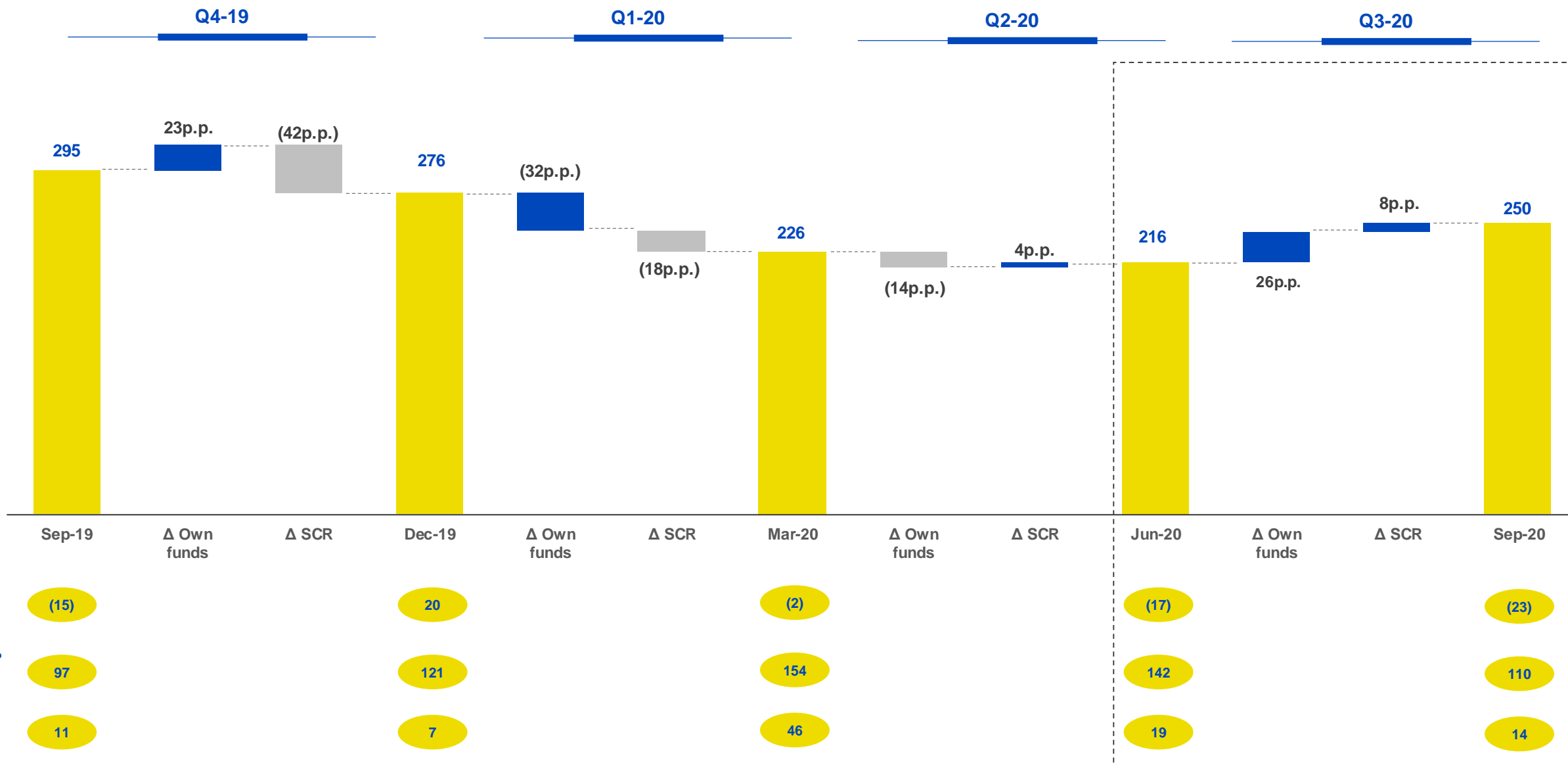
13.7

13.0

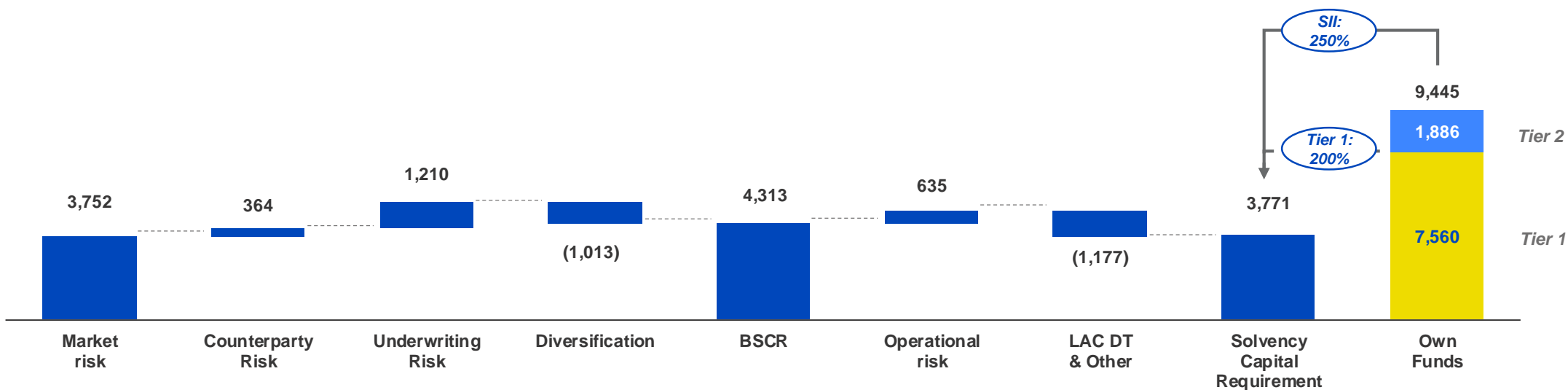
13.6

INSURANCE SERVICES

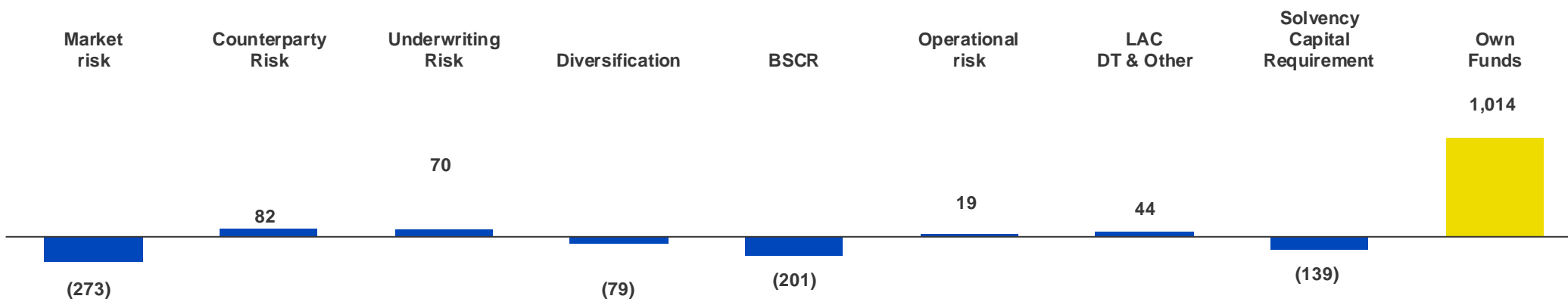
SOLVENCY II EVOLUTION



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



CHANGE VS. JUNE 2020 (€ M)



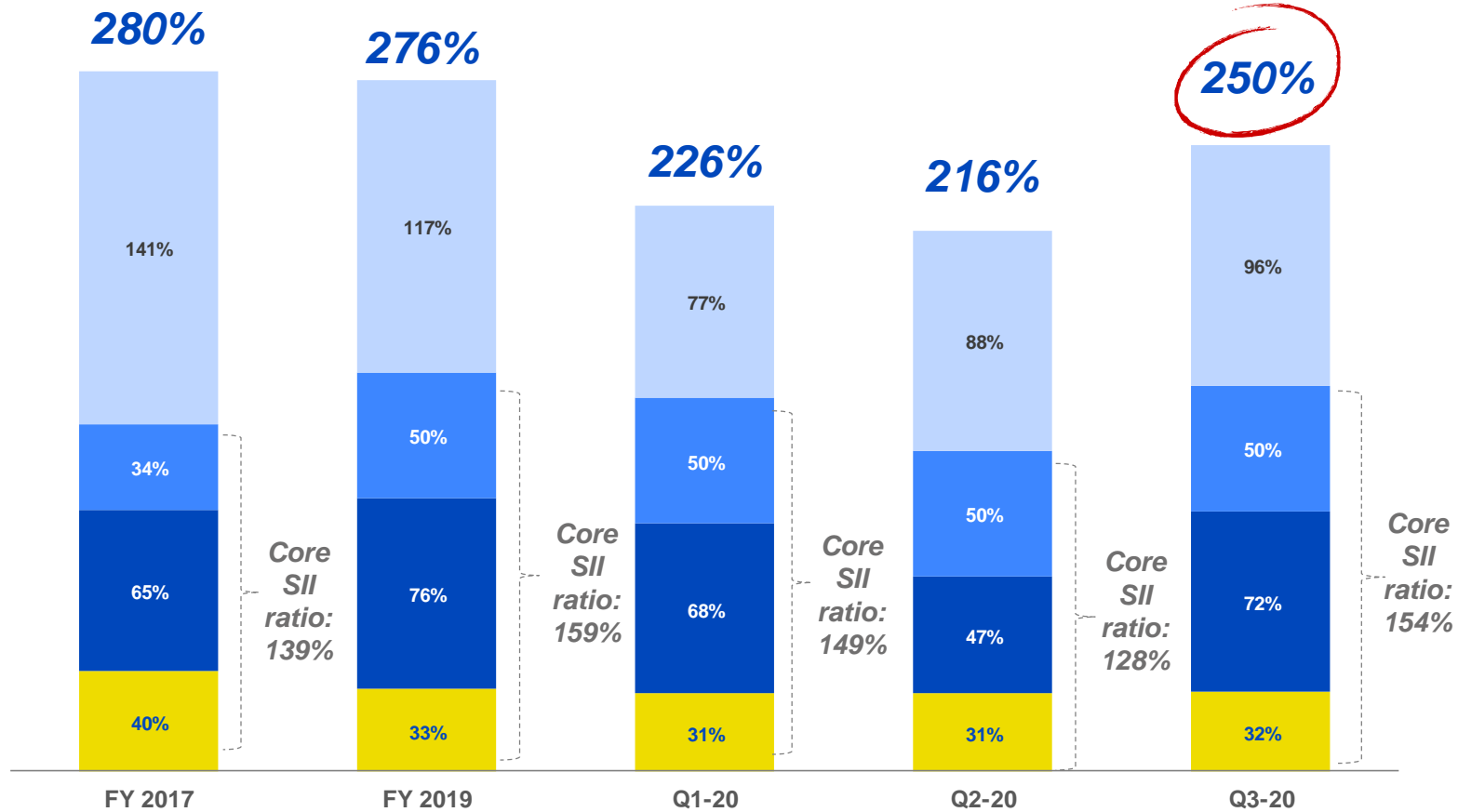
INSURANCE SERVICES: SOLVENCY II RATIO COMPOSITION

CORE SOLVENCY II RATIO UP TO 154%



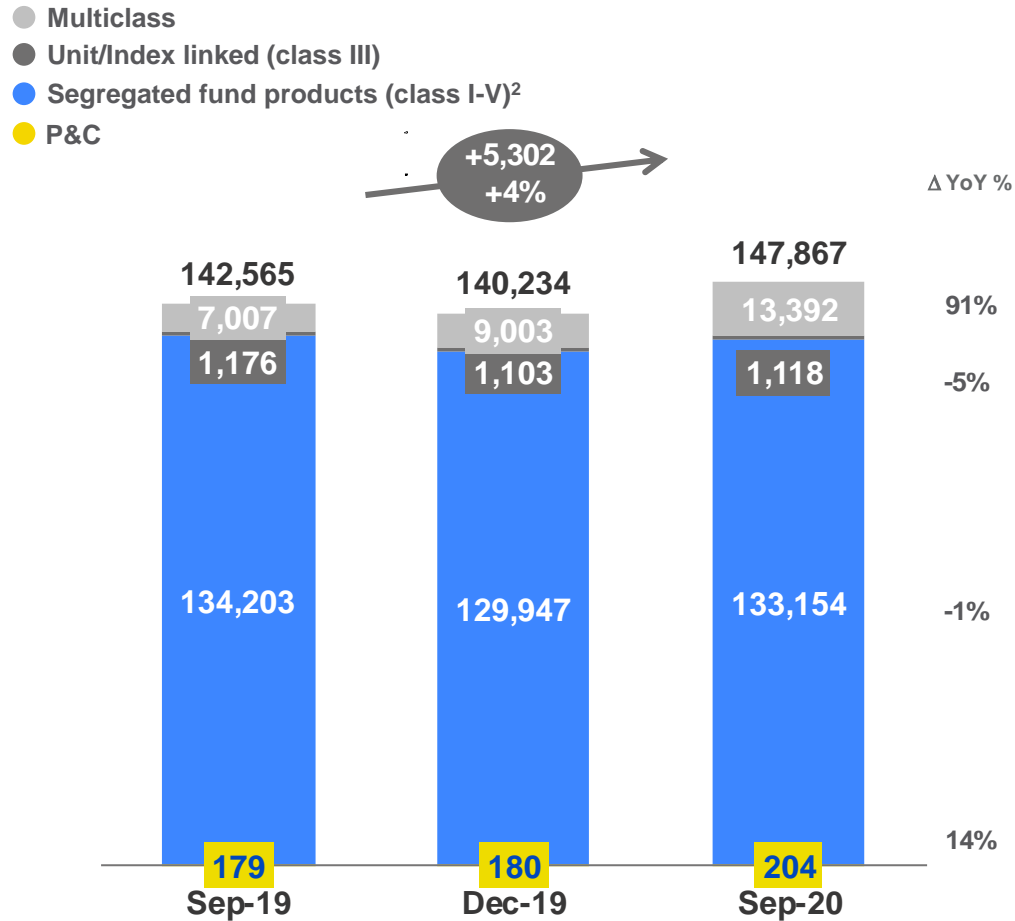
CORE SOLVENCY II RATIO – EXCLUDING TRANSITIONAL MEASURES

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

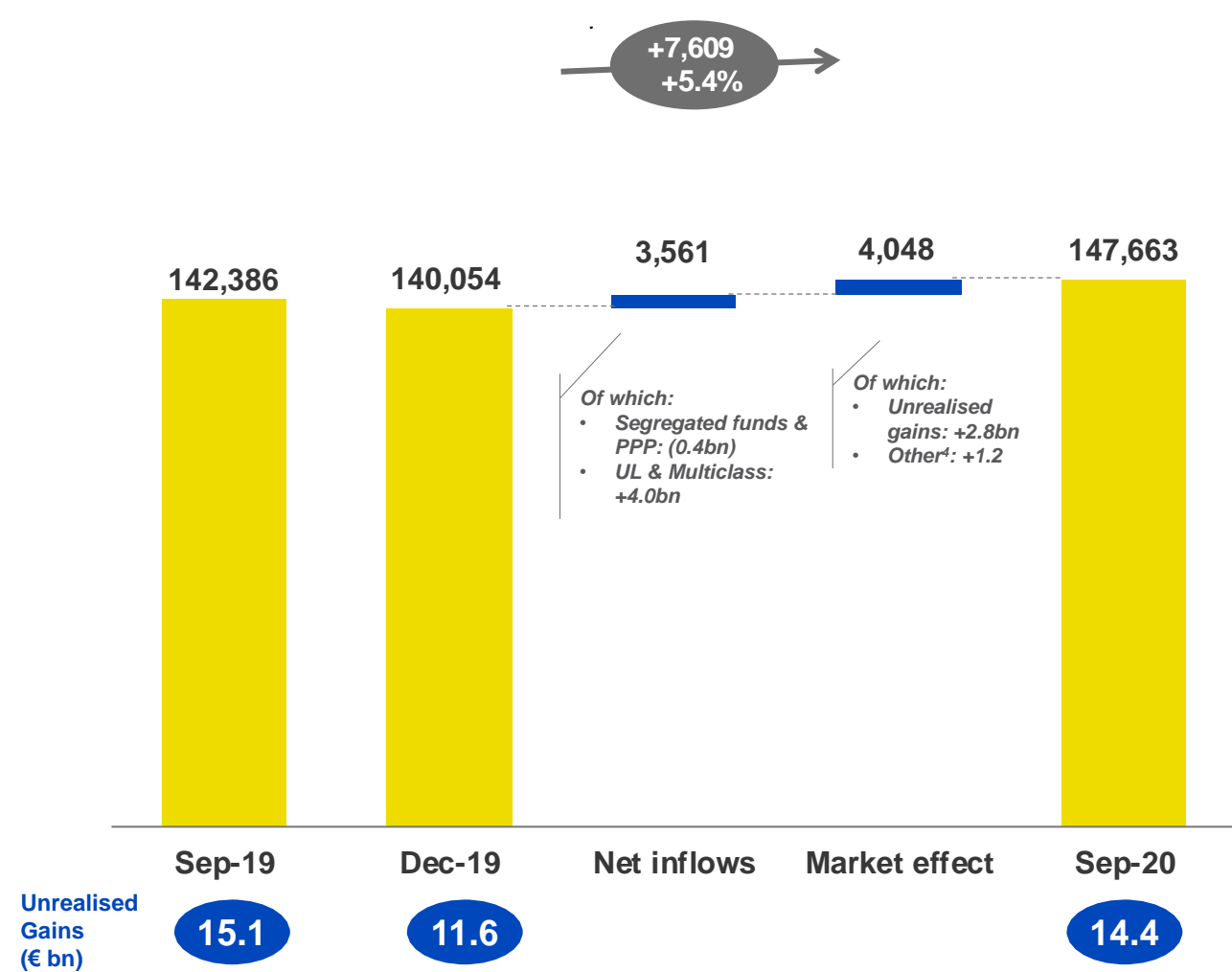


€ m unless otherwise stated

GROUP NET TECHNICAL PROVISIONS¹



LIFE NET TECHNICAL PROVISIONS EVOLUTION³



INSURANCE SERVICES

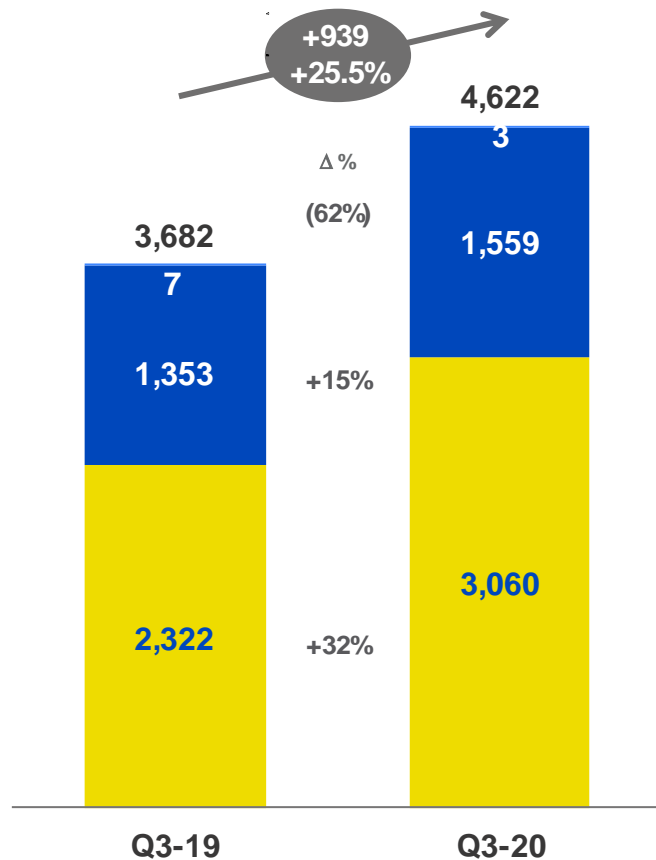
GROSS WRITTEN PREMIUM MIX IN Q3-20



€ m unless otherwise stated

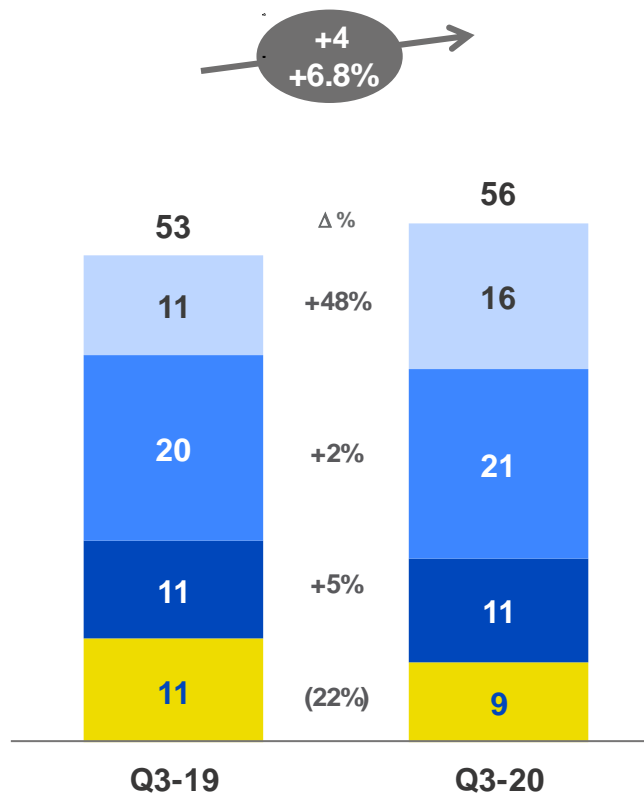
LIFE

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



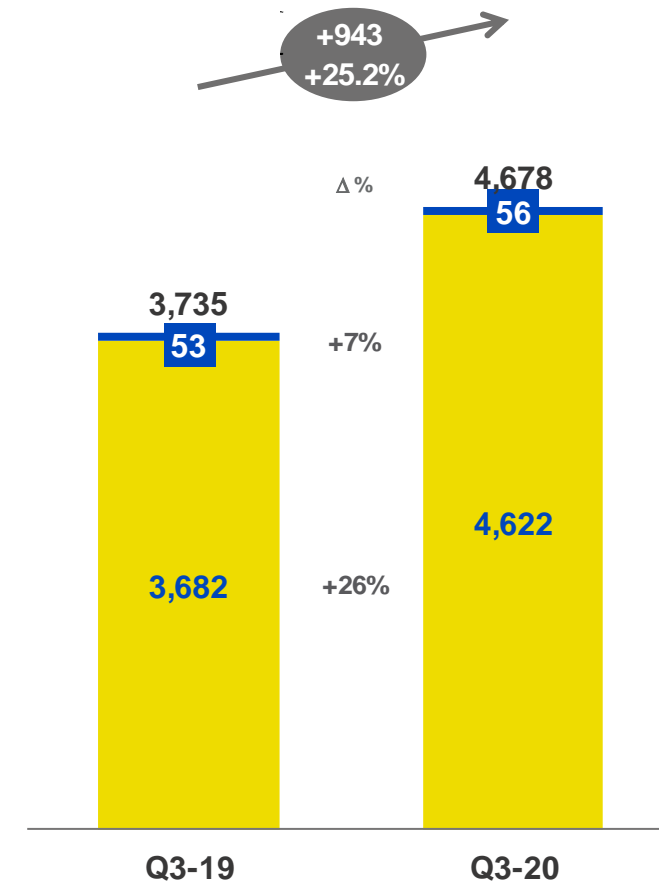
NON-LIFE

- Welfare
- Personal
- Property
- Payments



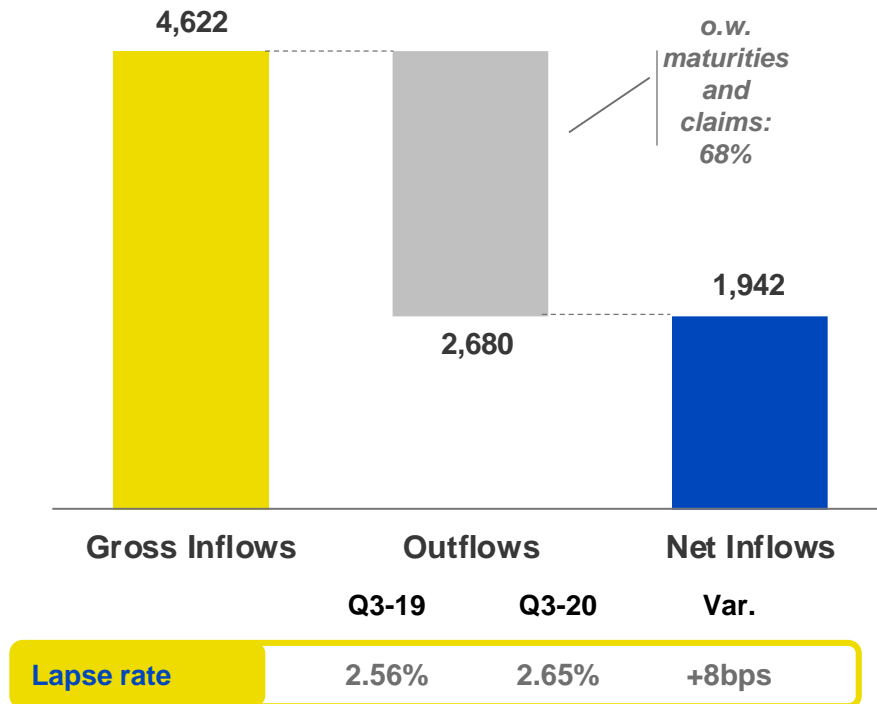
TOTAL

- P&C
- Life



€ m unless otherwise stated

TOTAL NET INFLOWS – QUARTER



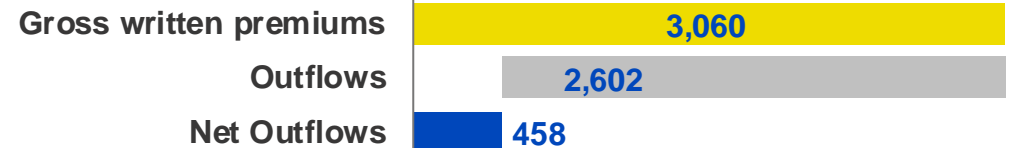
UNIT LINKED (CLASS III)



MULTICLASS

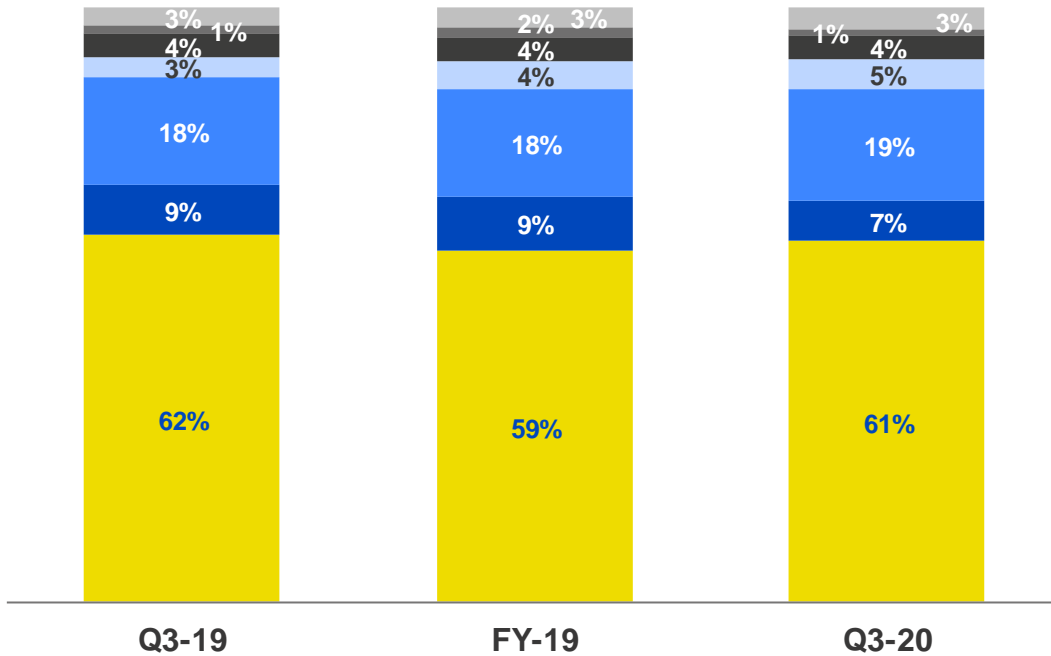


SEGREGATED FUNDS & PPP¹



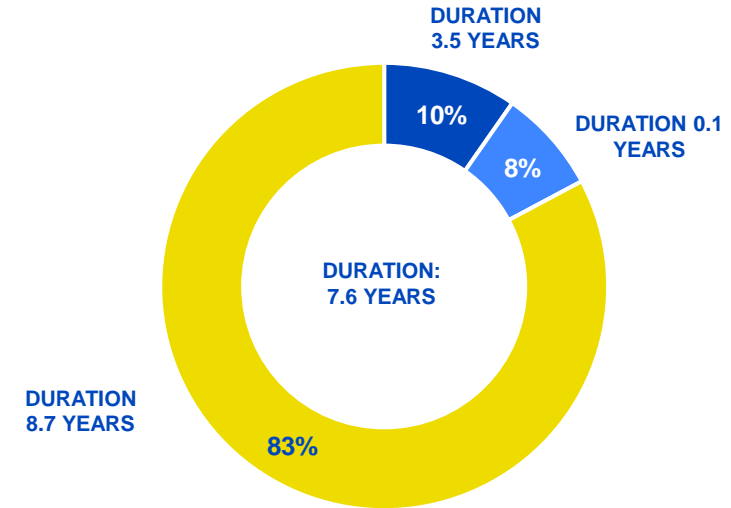
INVESTMENT PORTFOLIO BREAKDOWN

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



FIXED INCOME BREAKDOWN BY RATE TYPE

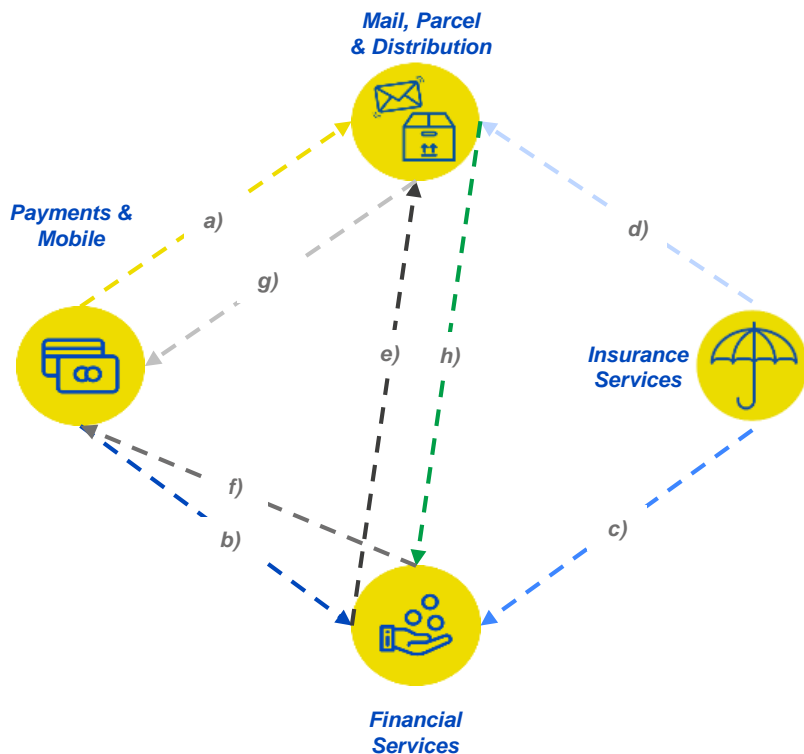
- Floating
- Inflation linked
- Fixed income



	9M-19	FY-19	H1-20	9M-20	Var. YoY
Minimum guaranteed return (Class I) (%)	0.70	0.67	0.61	0.60	(10)bps
Segregated fund return (%)	2.39	2.38	2.19	2.22	(17)bps

OPERATIONAL KPI's		Q3-19	Q3-20	Δ% YoY	9M-19	9M-20	Δ% YoY
MAIL PARCEL & DISTRIBUTION	Mail Volumes (#m)	634	540	(15%)	2,041	1,677	(18%)
	Parcels delivered by mailmen (#m)	14	20	+41%	37	53	+42%
	Parcel volumes (#m)	36	50	+40%	104	140	+34%
	B2C Revenues (€m)	91	145	+58%	258	398	+54%
PAYMENTS & MOBILE	PostePay cards (#m)				22.4	21.6	(3%)
	<i>of which PostePay Evolution cards (#m)</i>				7.2	7.4	+3%
	Total payment cards transactions (#bn)				1.0	1.1	+7%
	<i>of which eCommerce transactions (#m)</i>				171.0	274.7	+61%
	Mobile & land-line (#m)				4.5	4.6	+2%
	Poste Italiane Digital e-Wallets (#m)				4.8	6.7	+42%
FINANCIAL SERVICES	Total Financial Assets - TFAs (€/bn)				540	556	+3%
	Product Sales (#m)				6.0	5.8	(3%)
	Unrealized gains (€m)				2,721	2,067	(24%)
INSURANCE SERVICES	Gross Written Premiums (€m)	3,735	4,678	+25%	13,908	12,424	(11%)
	GWP – Life (€m)	3,445	4,372	+27%	12,985	11,522	(11%)
	GWP – Private Pension Plan (€m)	238	250	+5%	737	717	(3%)
	GWP – P&C (€m)	53	56	+7%	186	185	(1%)

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 flat fee (depending on the product)
- b) Fixed % of revenues

Total: 100

• 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

c) 122 +12%

d) 13 n.m.

Total: 135

• Financial Services remunerates:

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

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

e) 1,057 +6%

f) 79 (5%).

Total: 1,138

• 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»

g) 10 +36%

h) 10 +15%

Total: 20

CONSOLIDATED ACCOUNTS

PROFIT & LOSS



€m	Q3-19	Q3-20	Var.	Var. %	9M-19	9M-20	Var.	Var. %
Total revenues	2,568	2,589	22	+1%	8,089	7,672	(417)	(5%)
of which:								
Mail, Parcel and Distribution	800	779	(22)	(3%)	2,555	2,251	(305)	(12%)
Payments and Mobile	171	185	14	+8%	477	522	45	+10%
Financial Services	1,173	1,172	(1)	(0%)	3,838	3,707	(131)	(3%)
Insurance Services	423	454	30	+7%	1,219	1,192	(27)	(2%)
Total costs	2,108	2,111	2	+0%	6,549	6,428	(121)	(2%)
of which:								
Total personnel expenses	1,288	1,245	(43)	(3%)	4,121	3,878	(243)	(6%)
<i>of which personnel expenses</i>	1,285	1,238	(48)	(4%)	4,109	3,863	(245)	(6%)
<i>of which early retirement incentives</i>	5	8	3	+59%	13	12	(2)	(13%)
<i>of which legal disputes with employees</i>	(2)	(0)	2	+79%	(1)	3	4	n.m.
Other operating costs	626	688	62	+10%	1,853	2,034	181	+10%
Depreciation, amortisation and impairments	194	178	(16)	(8%)	575	517	(58)	(10%)
EBIT	459	479	19	+4%	1,540	1,244	(296)	(19%)
EBIT Margin	+18%	+18%			+19%	+16%		
Finance income/(costs) and profit/(loss) on investments accounted for using the equity method	4	19	15	n.m.	23	27	4	+19%
Profit before tax	464	498	34	+7%	1,563	1,271	(291)	(19%)
Income tax expense	144	145	1	+1%	480	373	(107)	(22%)
Profit for the period	320	353	33	+10%	1,083	898	(185)	(17%)

MAIL, PARCEL & DISTRIBUTION

PROFIT & LOSS



€m	Q3-19	Q3-20	Var.	Var. %	9M-19	9M-20	Var.	Var. %
Segment revenues	800	779	(22)	(3%)	2,555	2,251	(305)	(12%)
Intersegment revenue	1,051	1,123	73	+7%	3,504	3,379	(124)	(4%)
Total revenues	1,851	1,902	51	+3%	6,059	5,630	(429)	(7%)
Personnel expenses	1,261	1,222	(38)	(3%)	4,036	3,804	(232)	(6%)
<i>of which personnel expenses</i>	1,256	1,215	(41)	(3%)	4,023	3,794	(230)	(6%)
<i>of which early retirement incentives</i>	4	7	3	+69%	12	10	(2)	(19%)
Other operating costs	470	541	71	+15%	1,428	1,528	100	+7%
Intersegment costs	17	20	3	+20%	54	54	(0)	(0%)
Total costs	1,747	1,783	36	+2%	5,517	5,385	(132)	(2%)
EBITDA	104	119	15	+14%	542	245	(297)	(55%)
Depreciation, amortisation and impairments	181	170	(12)	(7%)	538	489	(49)	(9%)
EBIT	(77)	(50)	27	+35%	4	(244)	(248)	n.m.
EBIT MARGIN	n.m.	n.m.			n.m.	n.m.		
Finance income/(costs)	2	(1)	(3)	n.m.	6	5	(1)	(13%)
Profit/(Loss) before tax	(75)	(51)	24	+32%	10	(238)	(249)	n.m.
Income tax expense	(15)	(9)	6	+39%	20	(62)	(82)	n.m.
Profit for the period	(60)	(42)	18	+30%	(10)	(177)	(167)	n.m.

PAYMENTS & MOBILE

PROFIT & LOSS



€m	Q3-19	Q3-20	Var.	Var. %	9M-19	9M-20	Var.	Var. %
Segment revenue	171	185	14	+8%	477	522	45	+10%
Intersegment revenue	92	89	(3)	(3%)	282	260	(21)	(8%)
Total revenues	262	274	11	+4%	759	783	24	+3%
Personnel expenses	9	6	(2)	(26%)	24	19	(5)	(19%)
<i>of which personnel expenses</i>	9	6	(2)	(26%)	24	19	(5)	(19%)
<i>of which early retirement incentives</i>	0	0	0	n.m.	0	0	0	n.m.
Other operating costs	86	91	5	+5%	221	269	48	+22%
Intersegment costs	92	100	9	+9%	314	278	(37)	(12%)
Total costs	186	197	11	+6%	559	566	7	+1%
EBITDA	76	76	0	+0%	200	217	17	+9%
Depreciation, amortisation and impairments	7	7	0	+3%	20	21	1	+7%
EBIT	69	69	(0)	(0%)	180	196	16	+9%
EBIT MARGIN	26%	25%			24%	25%		
Finance income/(costs)	2	6	4	n.m.	6	6	(0)	n.m.
Profit/(Loss) before tax	71	75	4	+5%	186	201	15	+8%
Income tax expense	20	20	0	+0%	51	56	4	+8%
Profit for the period	51	55	4	+7%	134	145	11	+8%

€m	Q3-19	Q3-20	Var.	Var. %	9M-19	9M-20	Var.	Var. %
Segment revenue	1,173	1,172	(1)	(0%)	3,838	3,707	(131)	(3%)
Intersegment revenue	163	191	28	+17%	535	500	(35)	(7%)
Total revenues	1,336	1,364	27	+2%	4,373	4,208	(165)	(4%)
Personnel expenses	10	9	(1)	(12%)	32	29	(3)	(9%)
<i>of which personnel expenses</i>	10	9	(1)	(10%)	31	29	(2)	(8%)
<i>of which early retirement incentives</i>	0	0	(0)	(46%)	1	1	(0)	(36%)
Other operating costs	51	36	(15)	(30%)	142	170	28	+20%
Depreciation, amortisation and impairments	0	0	0	n.m.	0	0	(0)	(0%)
Intersegment costs	1,083	1,138	55	+5%	3,571	3,429	(143)	(4%)
Total costs	1,144	1,182	38	+3%	3,746	3,628	(118)	(3%)
EBIT	192	181	(11)	(6%)	627	579	(48)	(8%)
EBIT MARGIN	14%	13%	(0)	(8%)	14%	14%		
Finance income/(costs)	(2)	2	4	n.m.	(4)	(11)	(7)	n.m.
Profit/(Loss) before tax	190	183	(7)	(4%)	623	568	(55)	(9%)
Income tax expense	55	49	(6)	(11%)	183	161	(22)	(12%)
Profit for the period	135	134	(1)	(1%)	440	407	(33)	(8%)

€m	Q3-19	Q3-20	Var.	Var. %	9M-19	9M-20	Var.	Var. %
Segment revenue	423	454	30	+7%	1,219	1,192	(27)	(2%)
Intersegment revenue	0	0	0	+69%	0	0	(0)	(44%)
Total revenues	423	454	30	+7%	1,219	1,192	(27)	(2%)
Personnel expenses	9	7	(1)	(17%)	29	25	(4)	(13%)
<i>of which personnel expenses</i>	9	7	(2)	(18%)	29	24	(5)	(16%)
<i>of which early retirement incentives</i>	0	0	0	n.m.	0	1	1	n.m.
Other operating costs	20	21	1	+7%	63	67	4	+7%
Depreciation, amortisation and impairments	6	1	(5)	(78%)	17	7	(10)	(60%)
Intersegment costs	114	145	32	+28%	381	380	(1)	(0%)
Total costs	148	175	27	+18%	490	479	(11)	(2%)
EBIT	275	279	3	+1%	730	714	(16)	(2%)
EBIT MARGIN	65%	61%			60%	60%		
Finance income/(costs)	3	12	10	+359%	15	27	12	+84%
Profit/(Loss) before tax	278	291	13	+5%	744	741	(4)	(0%)
Income tax expense	84	85	1	+1%	225	218	(7)	(3%)
Profit for the period	194	206	12	+6%	519	523	3	+1%

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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