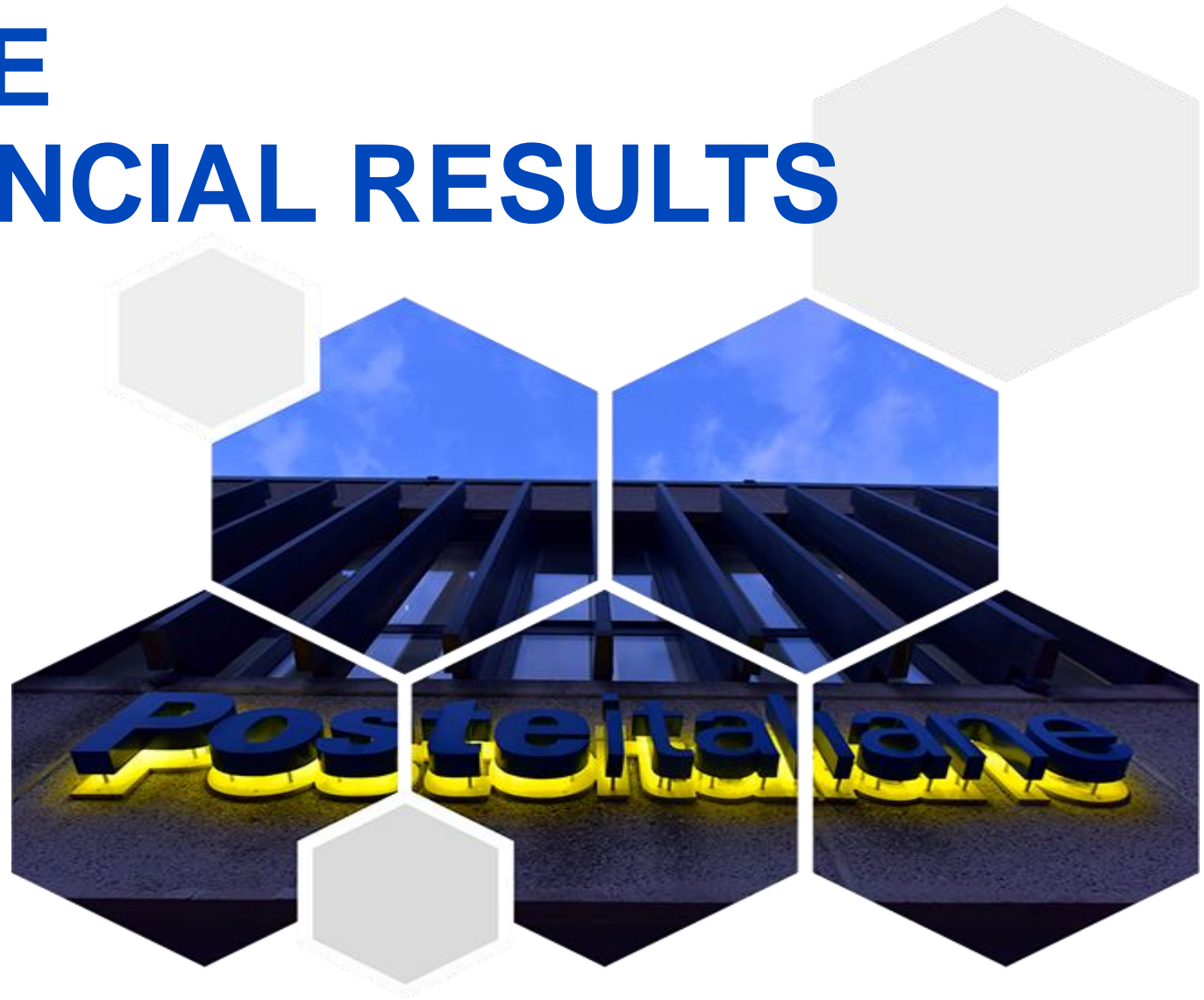


# POSTE ITALIANE Q4 & FY20 FINANCIAL RESULTS

Rome, February 17, 2021



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# EXECUTIVE SUMMARY

## BUSINESS REVIEW

## APPENDIX

**SOLID PERFORMANCE IN UNPRECEDENTED TIMES – CONFIRMING ROLE OF SYSTEMIC PLAYER IN ITALY**

**REVENUES UP IN Q4 – RESUMING AN UPWARD TRAJECTORY**

**ALL SEGMENTS CONTRIBUTING TO POSITIVE QUARTERLY EBIT PROGRESSION**

**YEARLY NET PROFIT OF € 1.2BN**

**PROPOSED DISTRIBUTION OF € 0.486 DIVIDEND ON FY20 (+5% Y/Y), PAYOUT RATIO AT 52%<sup>1,2</sup>**

**Posteitaliane**

**NETWORK OF 12.8K POST OFFICES OPERATING THROUGHOUT THE YEAR – 7K DURING THE FIRST LOCKDOWN**

**OVER 1BN PPEs DELIVERED TO SCHOOLS AND OVER 12M DIGITAL IDs ISSUED**

**575M TRANSACTIONS IN POST OFFICES, 90M ON DIGITAL CHANNELS AND 115M ON THIRD PARTY NETWORKS**

**AVERAGE DAILY GROSS INFLOWS OF C. € 150M AND RETAIL NET INFLOWS AT € 15.0BN – MOST TRUSTED FINANCIAL INSTITUTION IN ITALY**

**210M PARCELS DELIVERED (2x VS. 2016)**

**29M CARDS GENERATING € 49BN PAYMENT TRANSACTIONS (+16% Y/Y)<sup>1</sup>**

# Q4-20 & FY-20 RESULTS OVERVIEW

ACCELERATED OPERATING PERFORMANCE BEGINNING IN Q4-20 – CONTRIBUTING TO RESILIENT 2020 RESULTS



€ m unless otherwise stated

	Q4-19	Q4-20	Var.	Var. (%)	FY19	FY20	Var.	Var. (%)
<b>TOTAL REVENUES</b>	2,924	2,964	+40	+1.4%	10,960	10,526	(434)	(4.0%)
<b>TOTAL COSTS</b>	2,690	2,685	(6)	(0.2%)	9,186	9,002	(184)	(2.0%)
<b>EBIT</b>	234	280	+46	+19.6%	1,774	1,524	(250)	(14.1%)
<b>NET PROFIT</b>	259	308	+49	+18.7%	1,342	1,206	(136)	(10.2%)

INCLUDING 96M  
POSITIVE INCOME TAX  
ONE-OFF

INCLUDING 96M  
POSITIVE INCOME TAX  
ONE-OFF

# SEGMENT REVENUES EVOLUTION

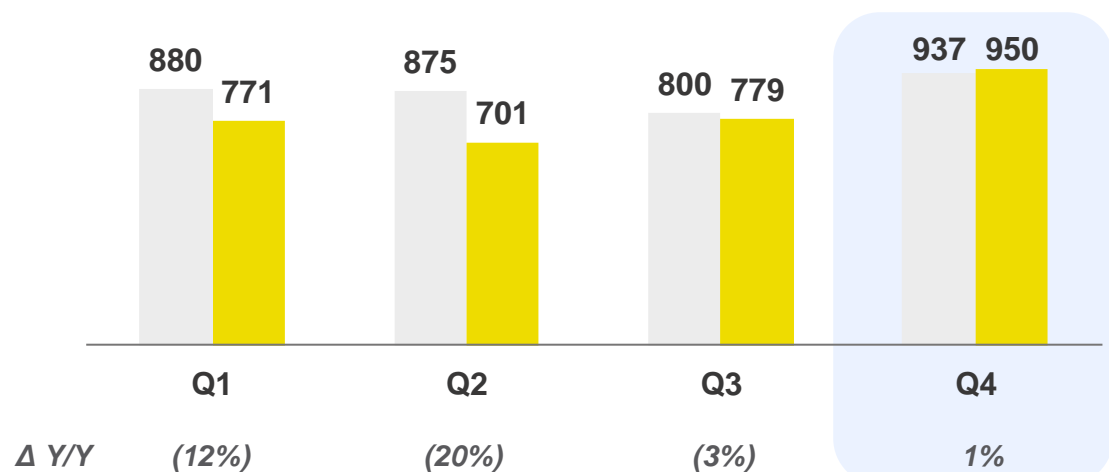
CONTINUED POSITIVE REVENUE PROGRESSION BEGINNING IN H2



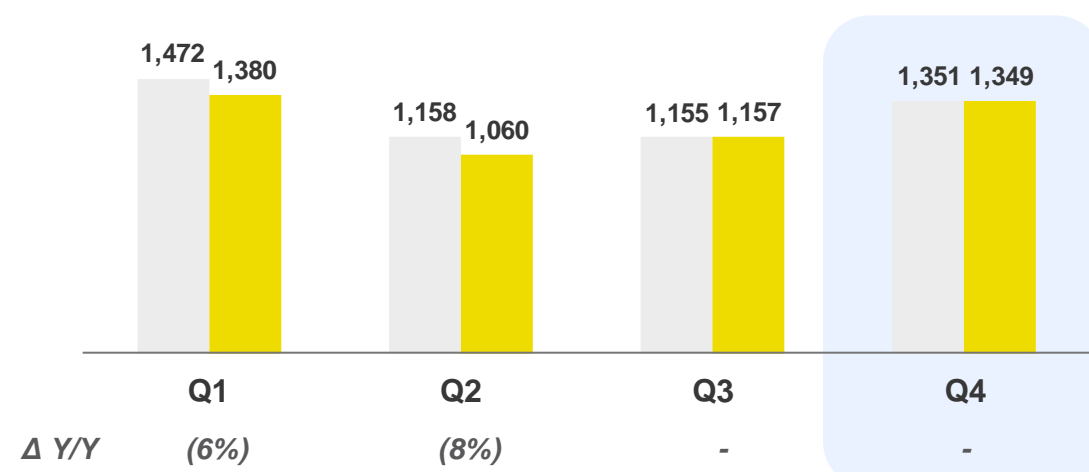
€ m unless otherwise stated

## MAIL, PARCEL & DISTRIBUTION

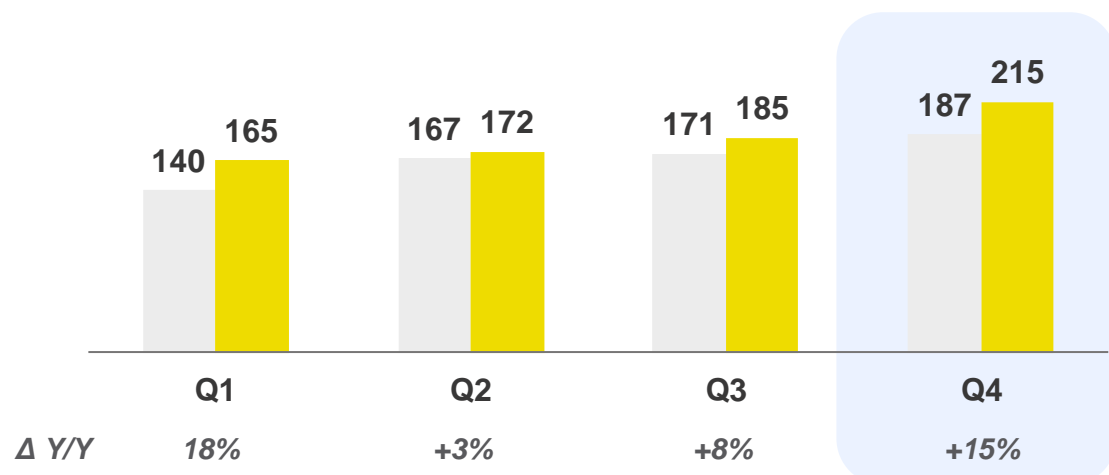
● 2019 ● 2020



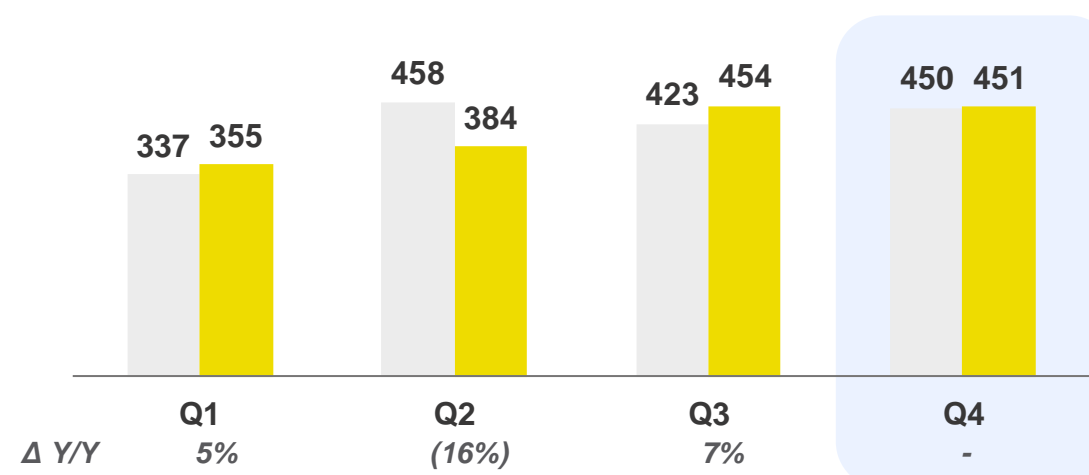
## FINANCIAL SERVICES<sup>1</sup>



## PAYMENTS & MOBILE



## INSURANCE SERVICES



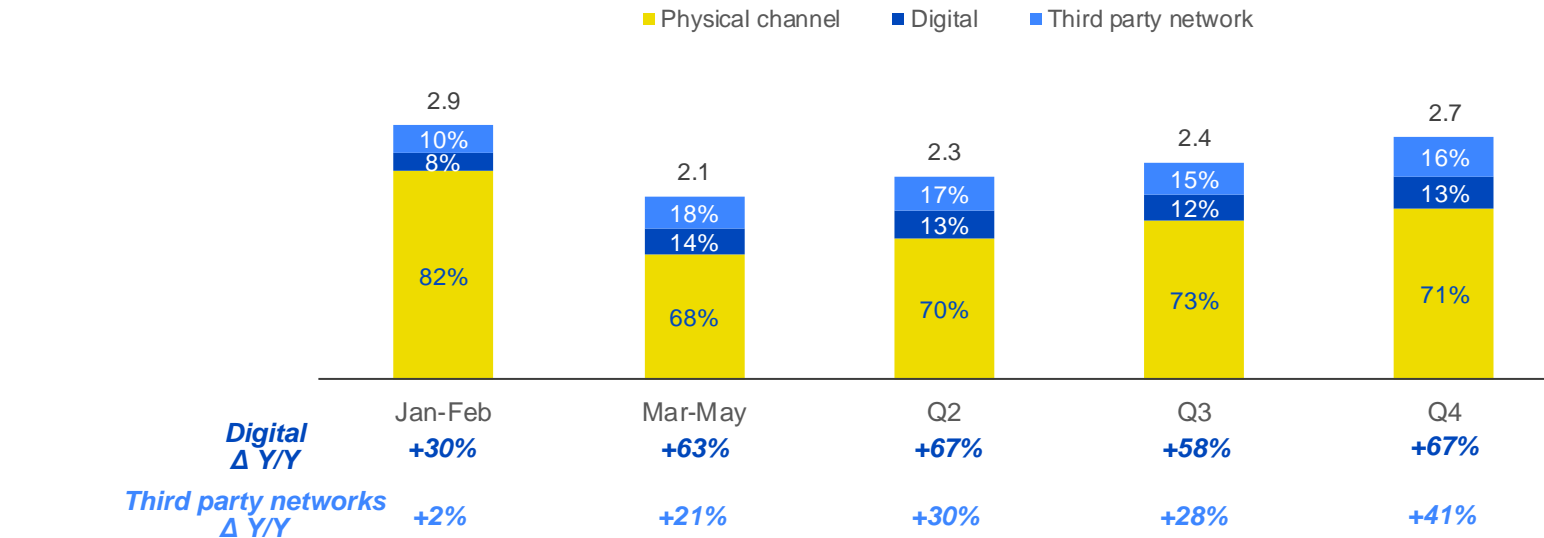
1. Revenues differ from previously communicated figures as revenues are now presented net of interest income charges and capital losses on investment portfolio, which were previously included among costs. As a result, figures for 2019 have been restated

# BUSINESS TRENDS IN FY20: MAIL, PARCEL & DISTRIBUTION

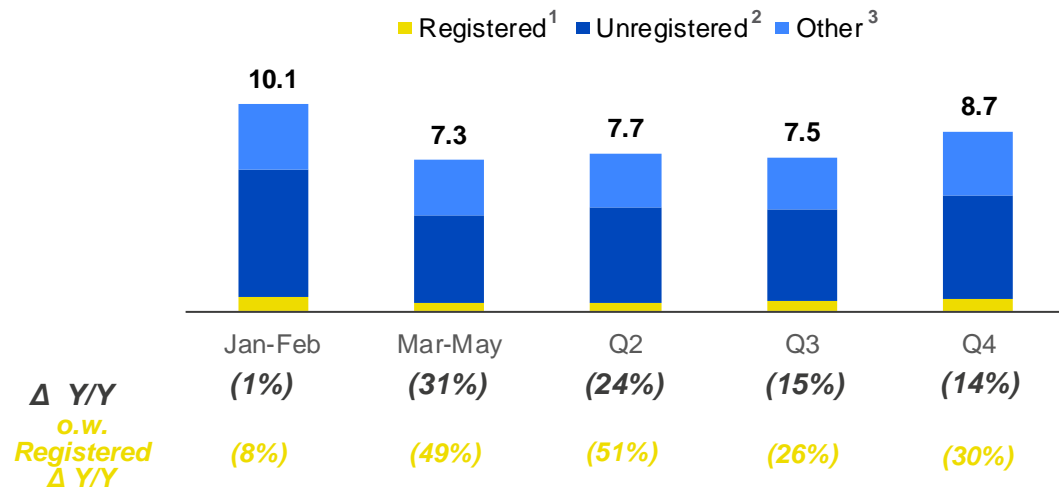
COMMERCIAL ACTIVITIES BACK ON TRACK – PARCEL BOOST CONTINUES, OFFSETTING MAIL DECLINE



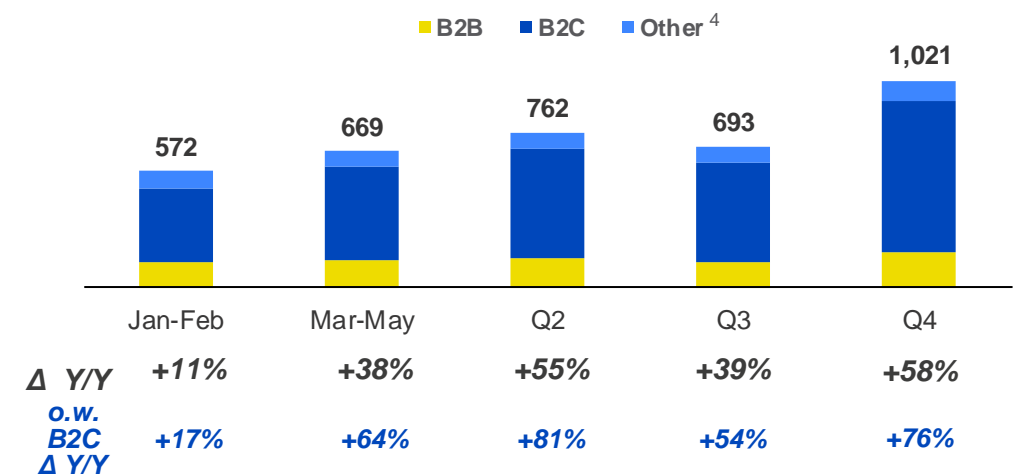
## DISTRIBUTION CHANNELS (DAILY AVG, M/TRANSACTIONS)



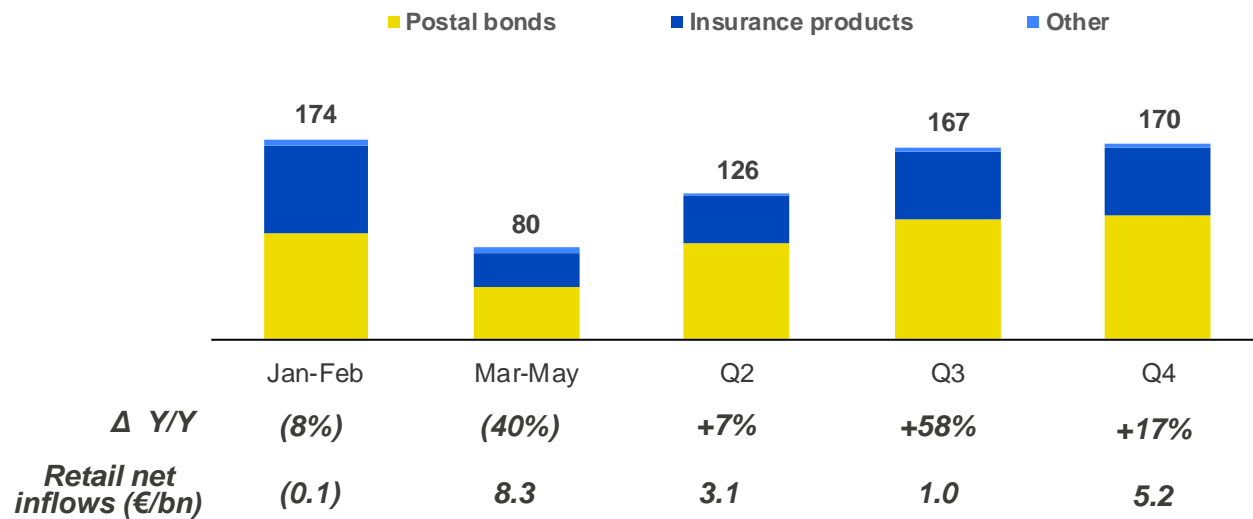
## MAIL VOLUMES (DAILY AVG, M/PCS)



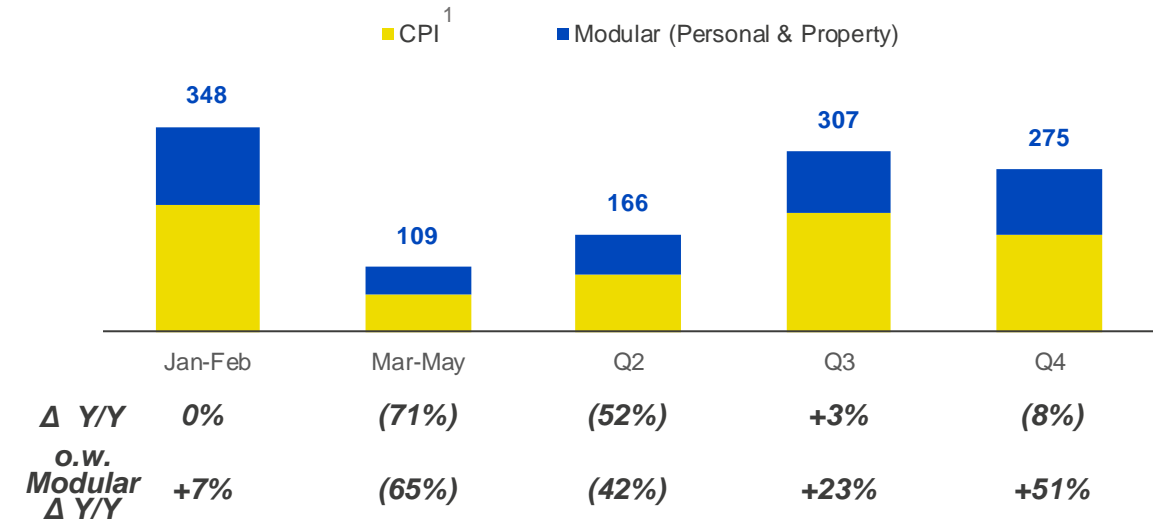
## PARCEL VOLUMES (DAILY AVG, K/PCS)



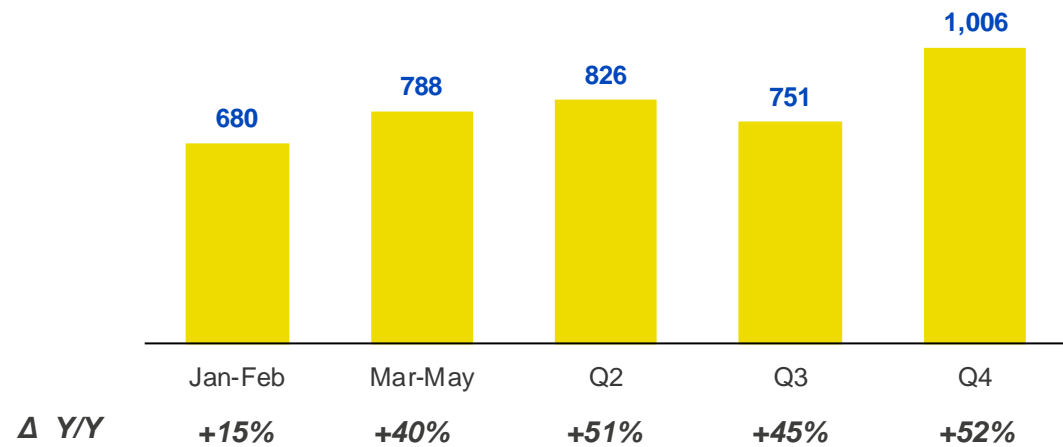
### GROSS INVESTMENT INFLOWS (DAILY AVG, €/M)



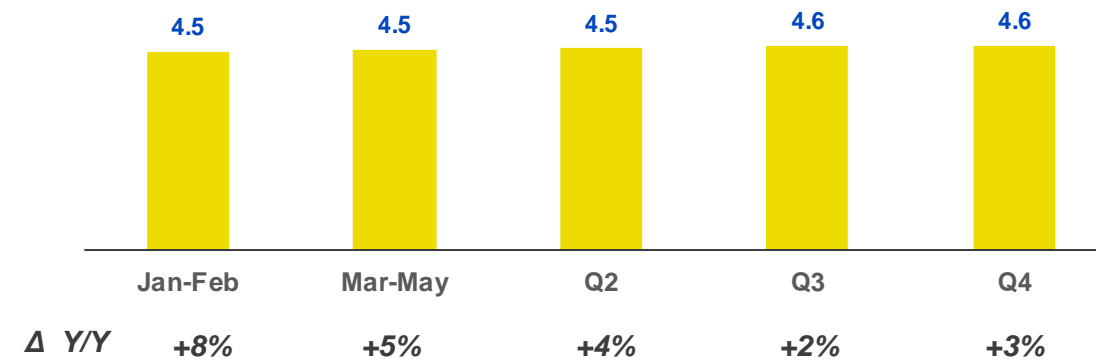
### P&C NEW BUSINESS RETAIL (DAILY AVG, K/€)



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



### TELCO: CUSTOMER BASE (M/#)





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EXECUTIVE SUMMARY

**BUSINESS REVIEW**

APPENDIX

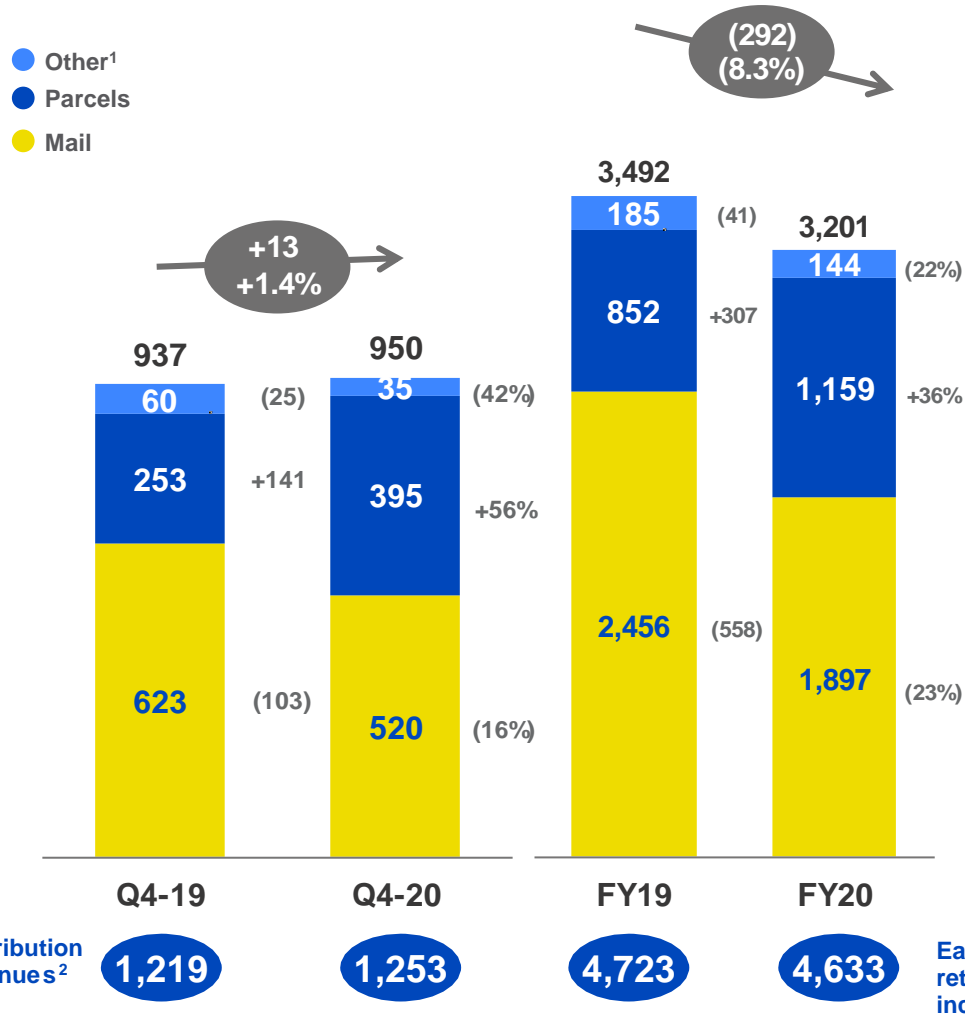
# MAIL, PARCEL & DISTRIBUTION

IMPROVING EBIT IN Q4-20 – RECORD HIGH PARCEL REVENUE GROWTH FULLY OFFSETTING MAIL DECLINE

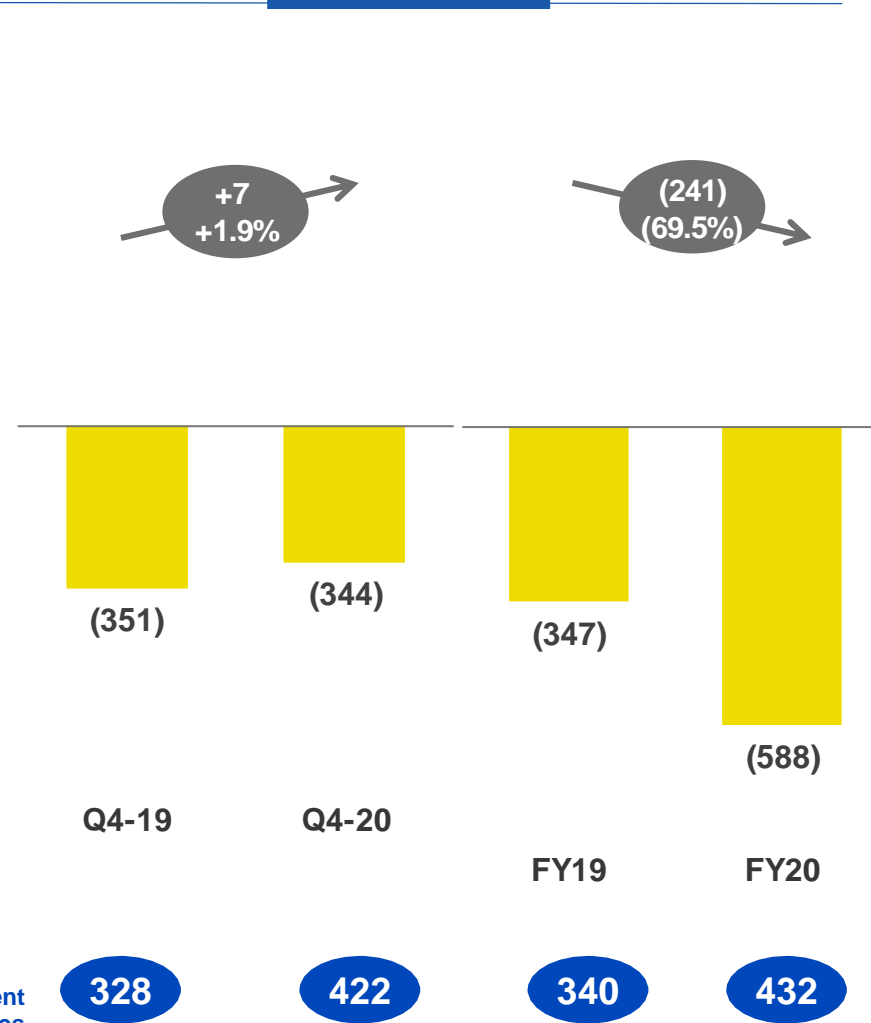


€ m unless otherwise stated

## SEGMENT REVENUES



## EBIT



## Q4 HIGHLIGHTS

(item by item)

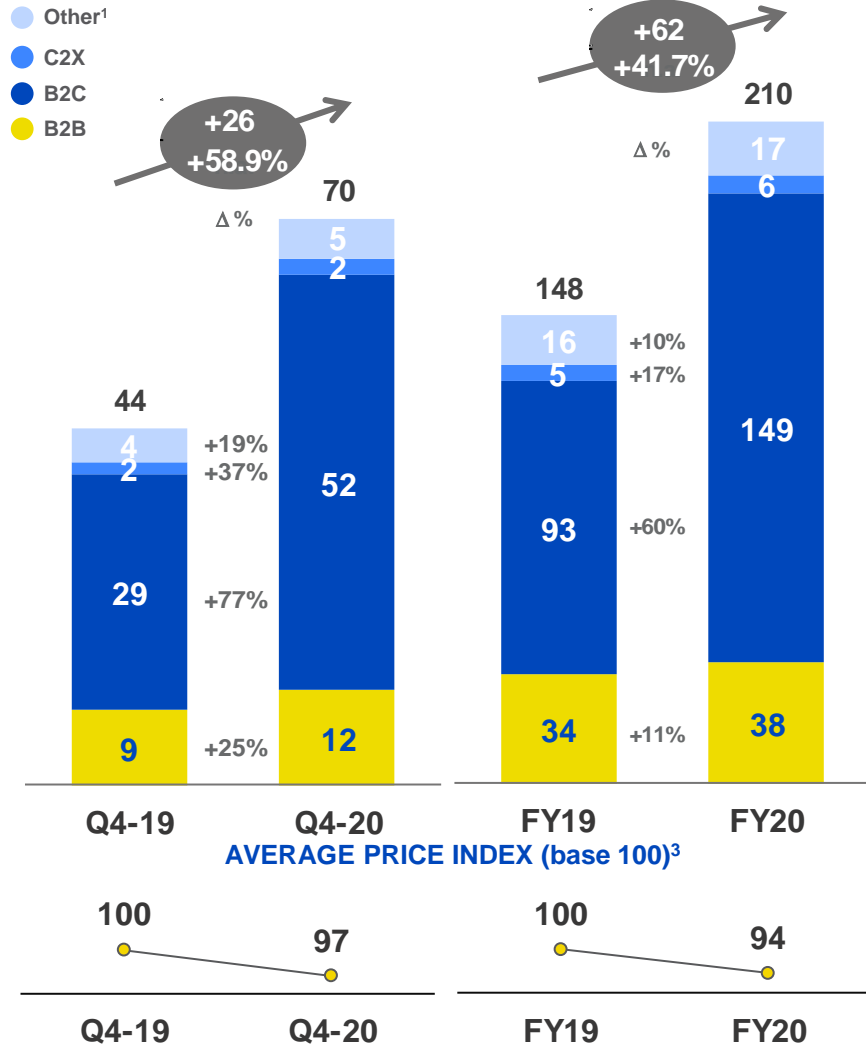
- Top line growth thanks to strong parcels acceleration and higher distribution revenues
- Mail revenues down driven by continued reduced activity, mainly impacting higher margin products
- Parcel revenues more than offsetting mail decline thanks to record B2C growth
- Distribution revenues up due to increased commercial activity
- EBIT improving y/y despite increased early retirement incentives to support renewed focus on group transformation

# MAIL, PARCEL & DISTRIBUTION: VOLUMES AND PRICING

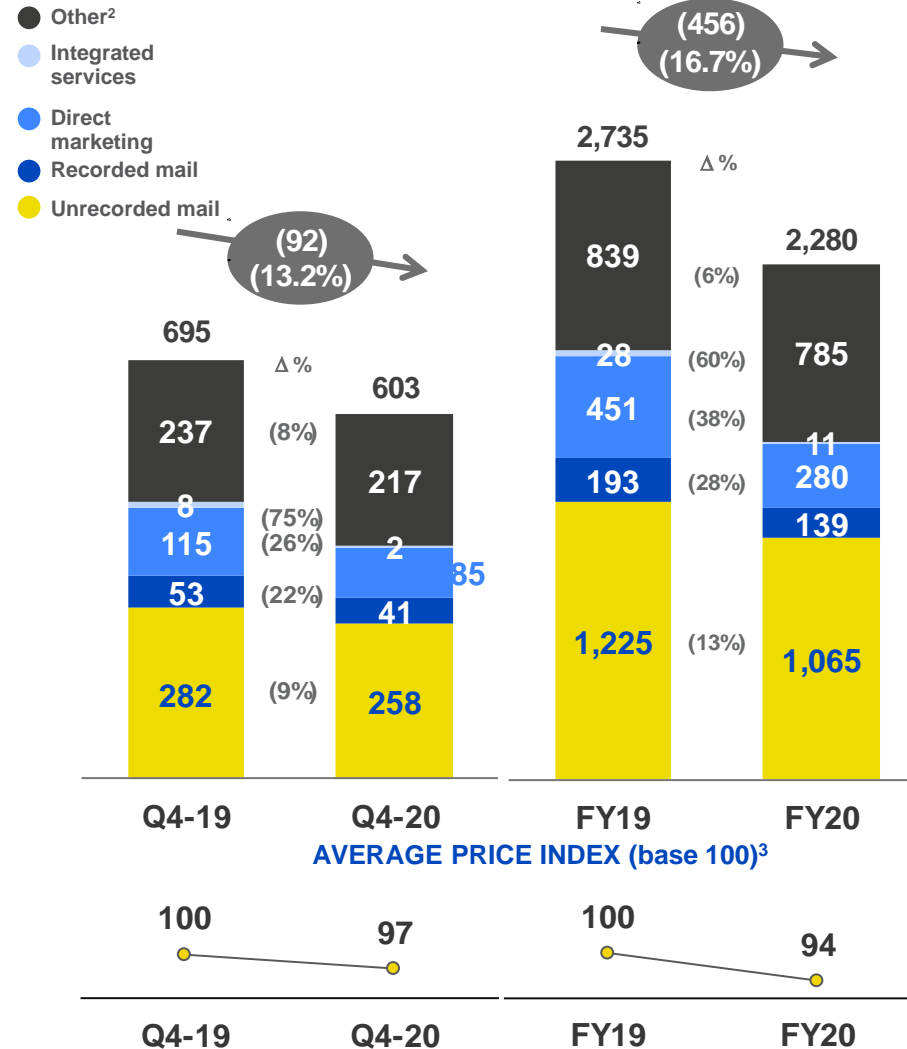
UNPRECEDENTED PARCEL GROWTH BOOSTED BY B2C – MAIL VOLUMES DOWN IN LINE WITH Q3



## PARCEL VOLUMES (M/PC)



## MAIL VOLUMES (M/PC)



## Q4 HIGHLIGHTS

- Parcel volumes up across all products, with B2C boost and B2B acceleration
- Average parcel tariff down due to product-mix effect
- Mail volumes decline slowing down vs Q3
- Average mail tariff down on product-mix effect, however higher vs Q3

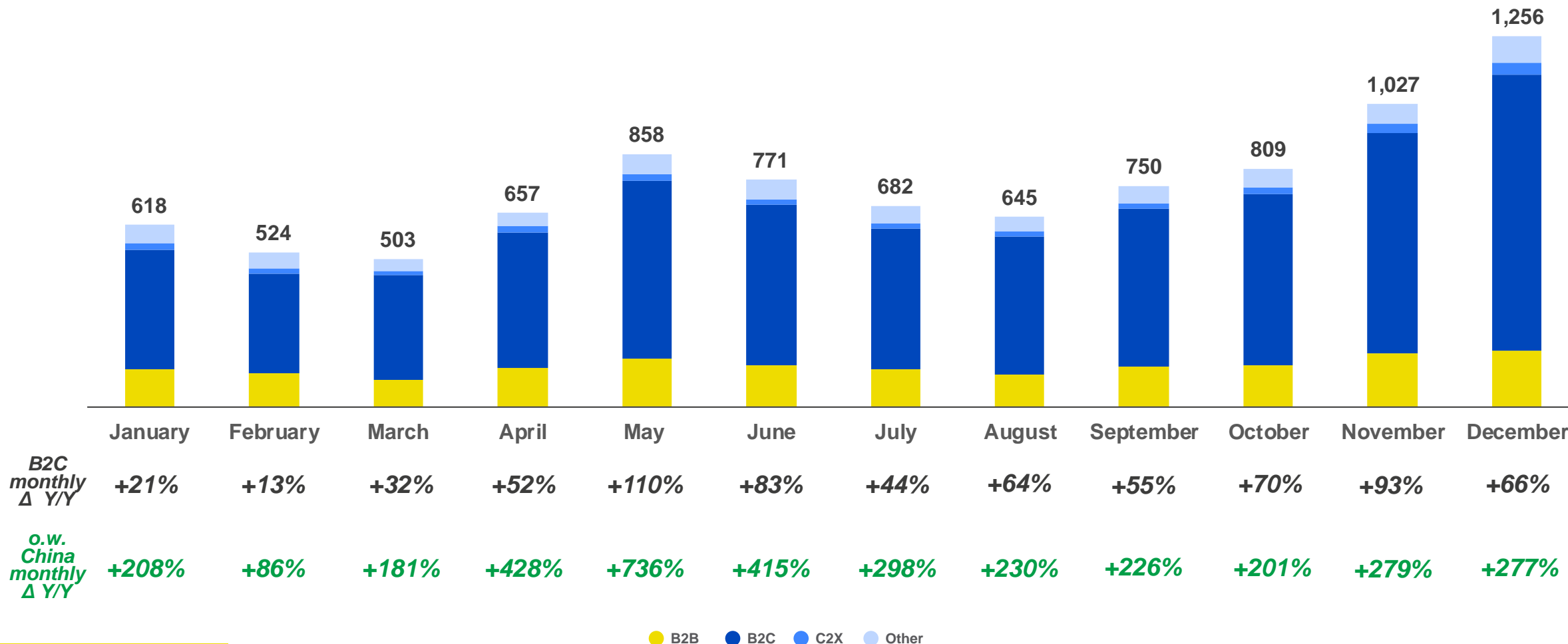
1. Includes International parcels and partnership with other logistic operators  
 2. Includes Multichannel services, Editorial services, Postal volumes and other basic services  
 3. Including any product mix effect

# PARCEL VOLUMES EVOLUTION

RECORD B2C – INBOUND FROM CHINA CONTRIBUTING TO CUSTOMER BASE DIVERSIFICATION



## DAILY AVERAGE PARCEL VOLUMES EVOLUTION (K/PC)

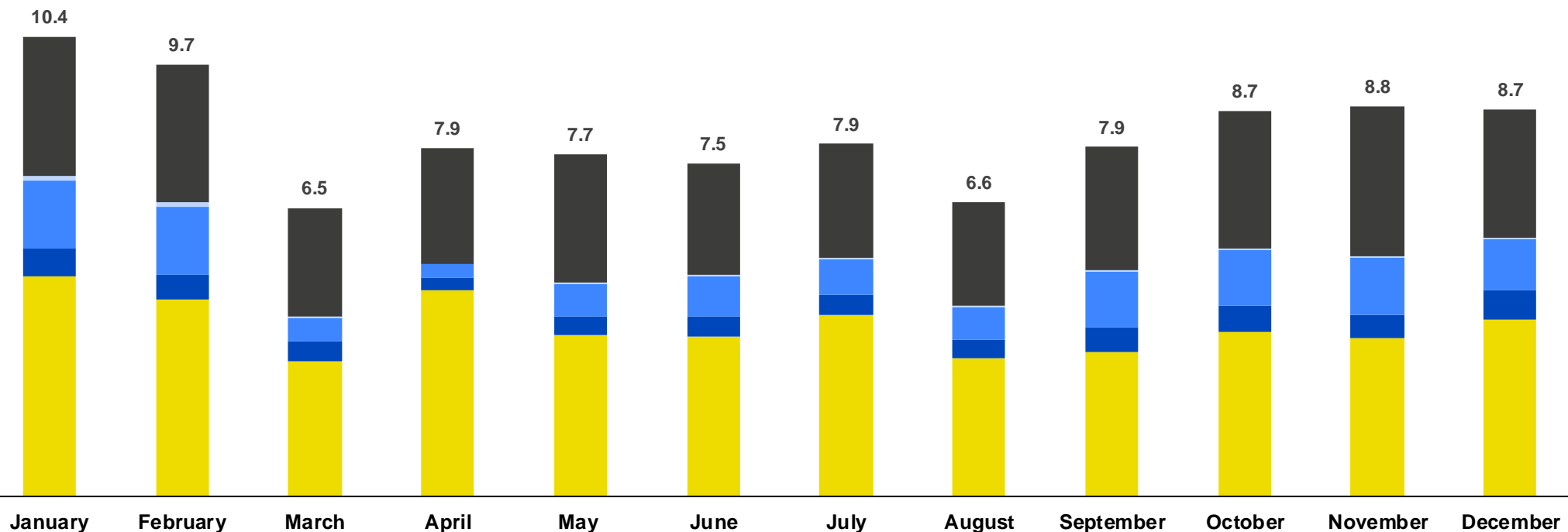


# MAIL VOLUMES EVOLUTION

MAIL VOLUME TREND IMPACTED BY HIGHER MARGIN PRODUCT DECLINE, PARTLY EXPECTED TO RECOVER IN 2024



## DAILY AVERAGE MAIL VOLUME EVOLUTION (M/PC)



<b>Monthly Δ Y/Y</b>	<b>+1%</b>	<b>(3%)</b>	<b>(39%)</b>	<b>(31%)</b>	<b>(23%)</b>	<b>(16%)</b>	<b>(14%)</b>	<b>(19%)</b>	<b>(14%)</b>	<b>(16%)</b>	<b>(19%)</b>	<b>(3%)</b>
<b>O.w. Recorded Δ Y/Y</b>	<b>(5%)</b>	<b>(16%)</b>	<b>(43%)</b>	<b>(56%)</b>	<b>(42%)</b>	<b>(45%)</b>	<b>(28%)</b>	<b>(19%)</b>	<b>(16%)</b>	<b>(24%)</b>	<b>(33%)</b>	<b>(8%)</b>

● Unrecorded mail ● Recorded mail ● Direct marketing ● Integrated Services ● Other<sup>1</sup>

# PAYMENTS & MOBILE

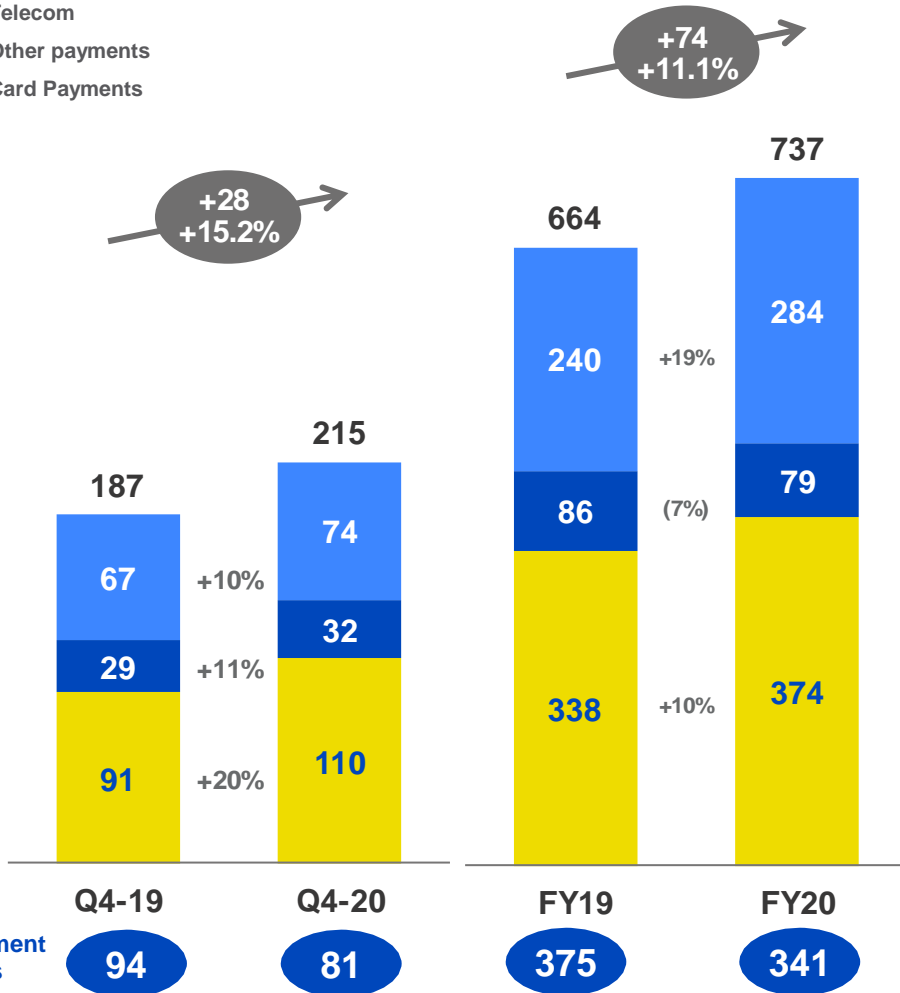
ACCELERATED DIGITAL PAYMENTS LEADING TO IMPROVING PERFORMANCE



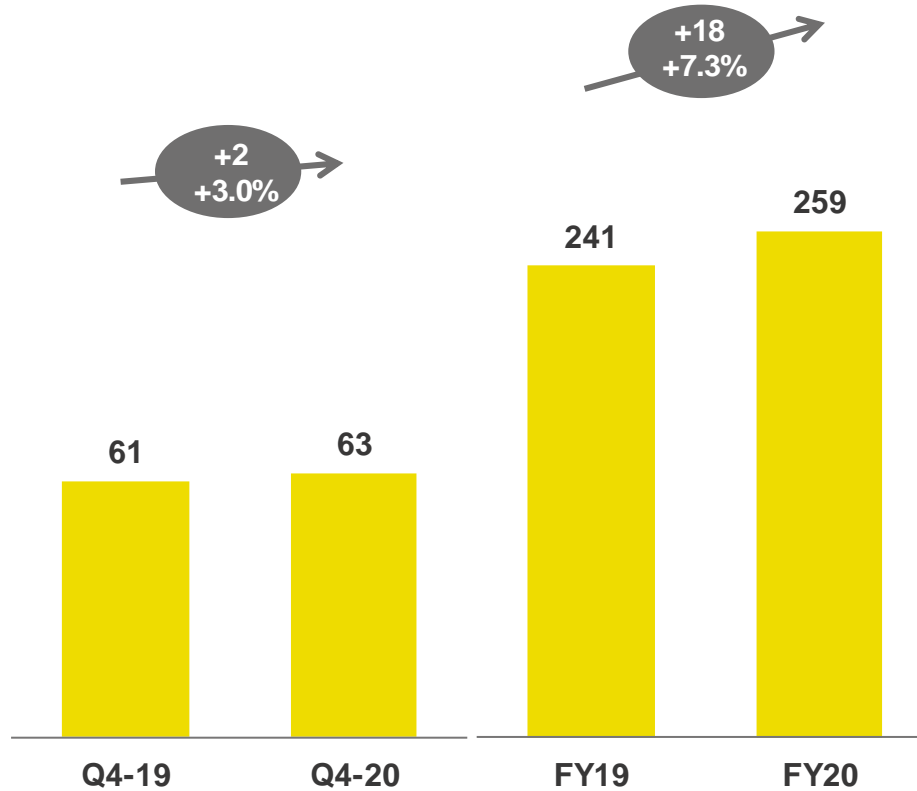
€ m unless otherwise stated

## SEGMENT REVENUES

- Telecom
- Other payments
- Card Payments



## EBIT



## Q4 HIGHLIGHTS

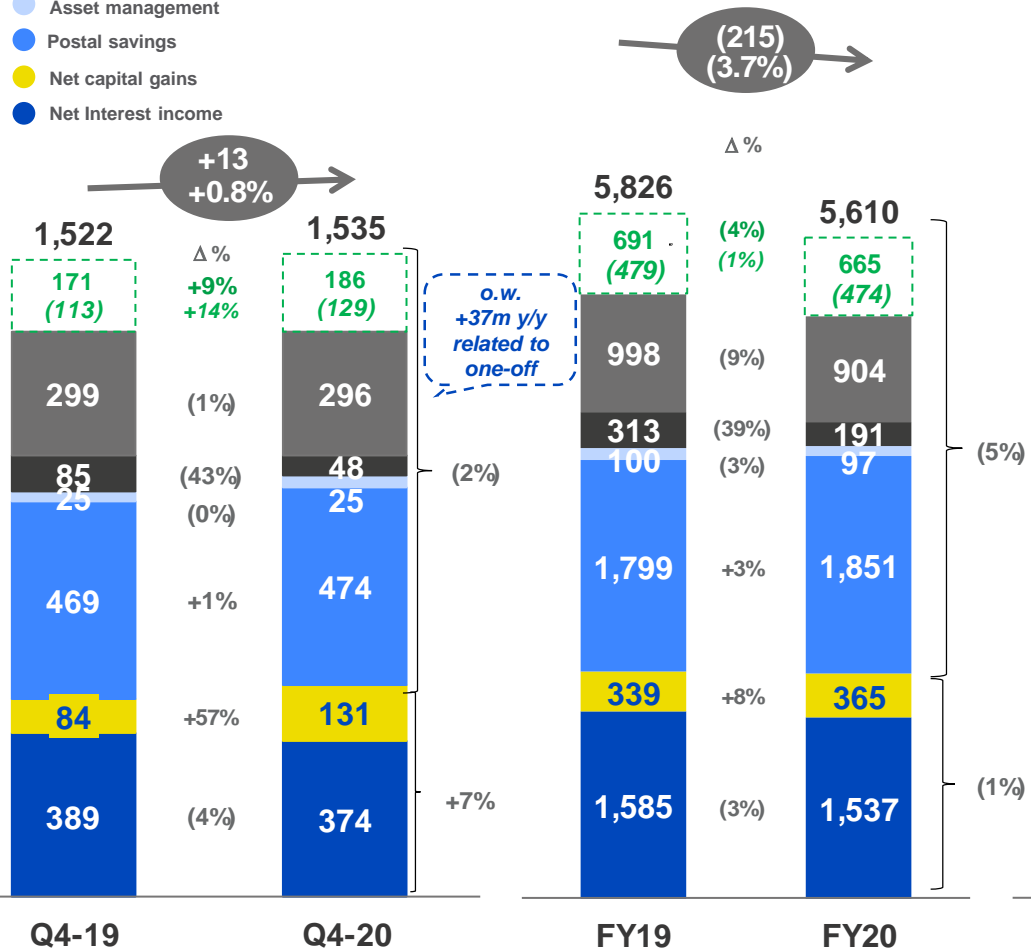
(item by item)

- Card payment revenues up thanks to increased card stock and number of transactions
- Other payments up including bank transfers
- Resilient telecom revenues in a competitive environment thanks to a loyal customer base
- Intersegment revenues down on lower payment slips volumes
- EBIT up supported by increasing digital payments

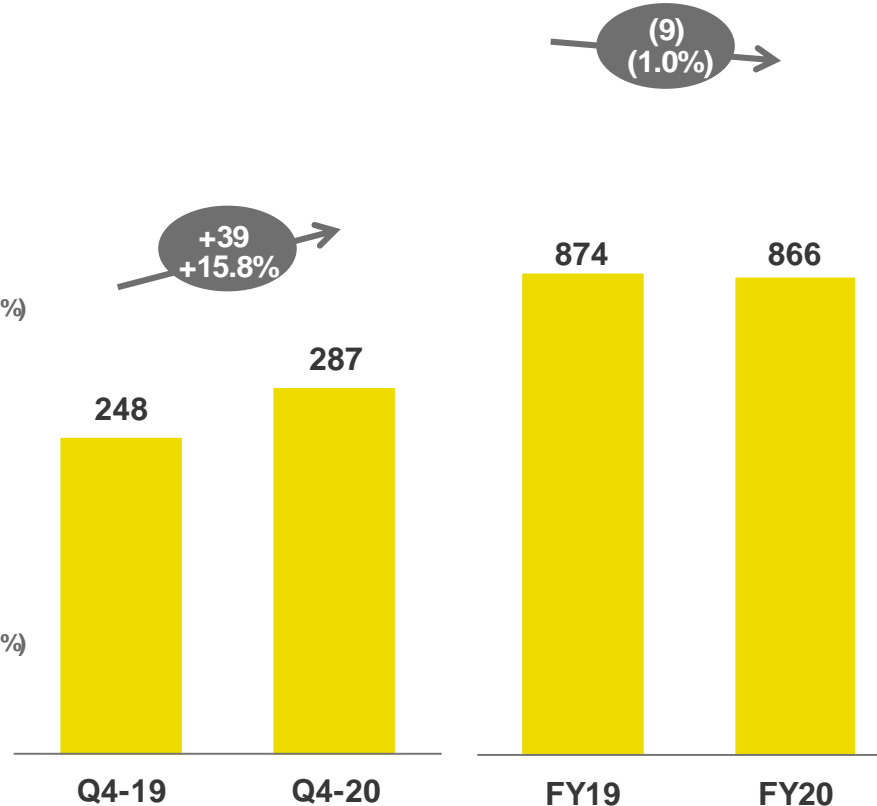
€ m unless otherwise stated

### SEGMENT GROSS REVENUES<sup>1,2</sup>

- Intersegment distribution revenues (o.w. Insurance)
- Transaction banking<sup>3</sup>
- Loan & mortgage distribution<sup>4</sup>
- Asset management
- Postal savings
- Net capital gains
- Net Interest income



### EBIT



### Q4 HIGHLIGHTS (item by item)

- Net interest income down on lower interest rates, mitigated by higher deposits
- Higher capital gains exploiting attractive market opportunities
- Postal saving fees up supported by new production
- Loan & mortgage distribution revenues down due to lower volumes and average upfront fees
- Insurance distribution fees up thanks to higher gross and net inflows
- EBIT up also benefitting from lower one-off costs

# GROUP TOTAL FINANCIAL ASSETS

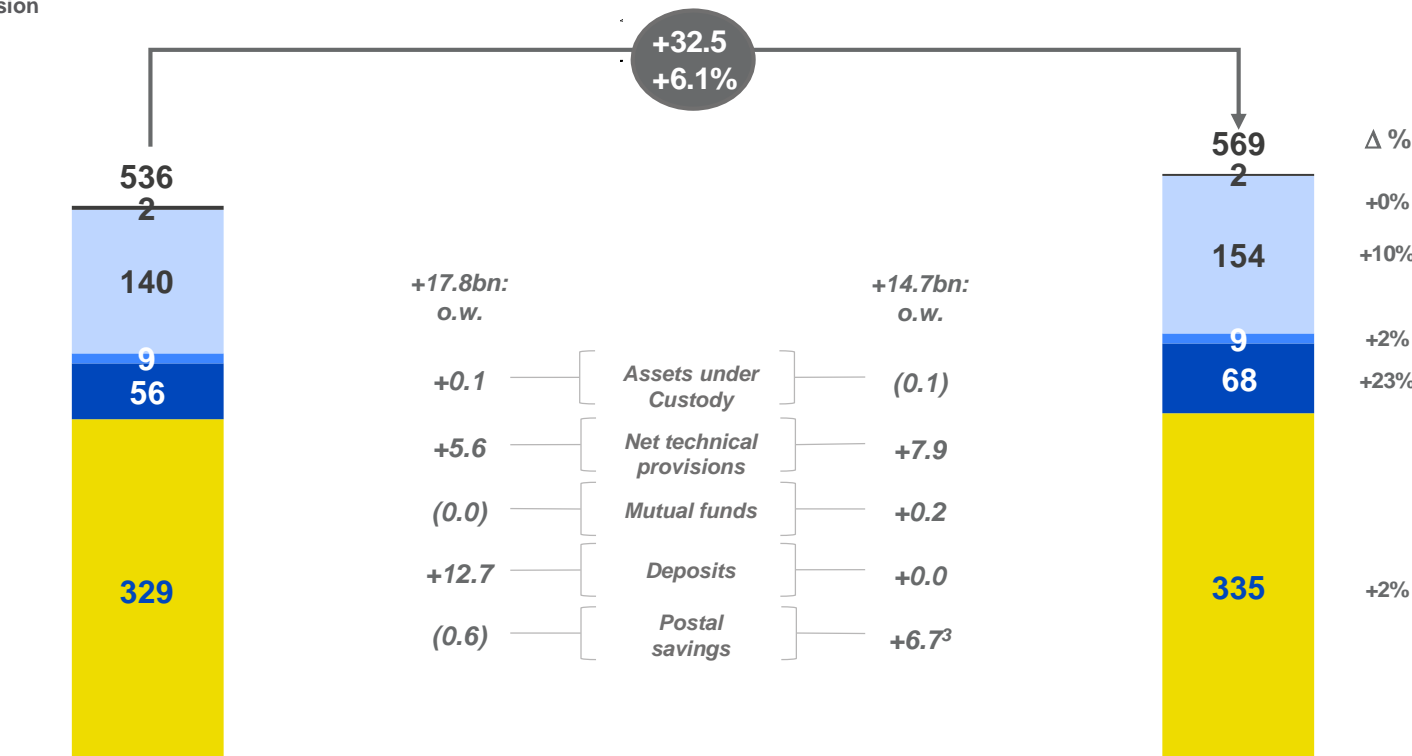
RECORD HIGH NET INFLOWS AND MARKET EFFECT RESULTING IN € 33BN TFA INCREASE



Eop data, € bn unless otherwise stated

## TFA EVOLUTION<sup>1</sup>

- Assets under custody
- Net technical provision
- Mutual funds
- Deposits<sup>2</sup>
- Postal savings



+17.8bn:  
o.w.

+14.7bn:  
o.w.

Δ %

+0%

+10%

+2%

+23%

+2%

Net inflows

2.9

Net inflows

Market effect

17.8

Retail net inflows

3.5

15.0

## HIGHLIGHTS (item by item)

- TFAs up on both positive net inflows and performance effect
- Strong postal bonds new production mitigating redemptions with record low net outflows
- 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

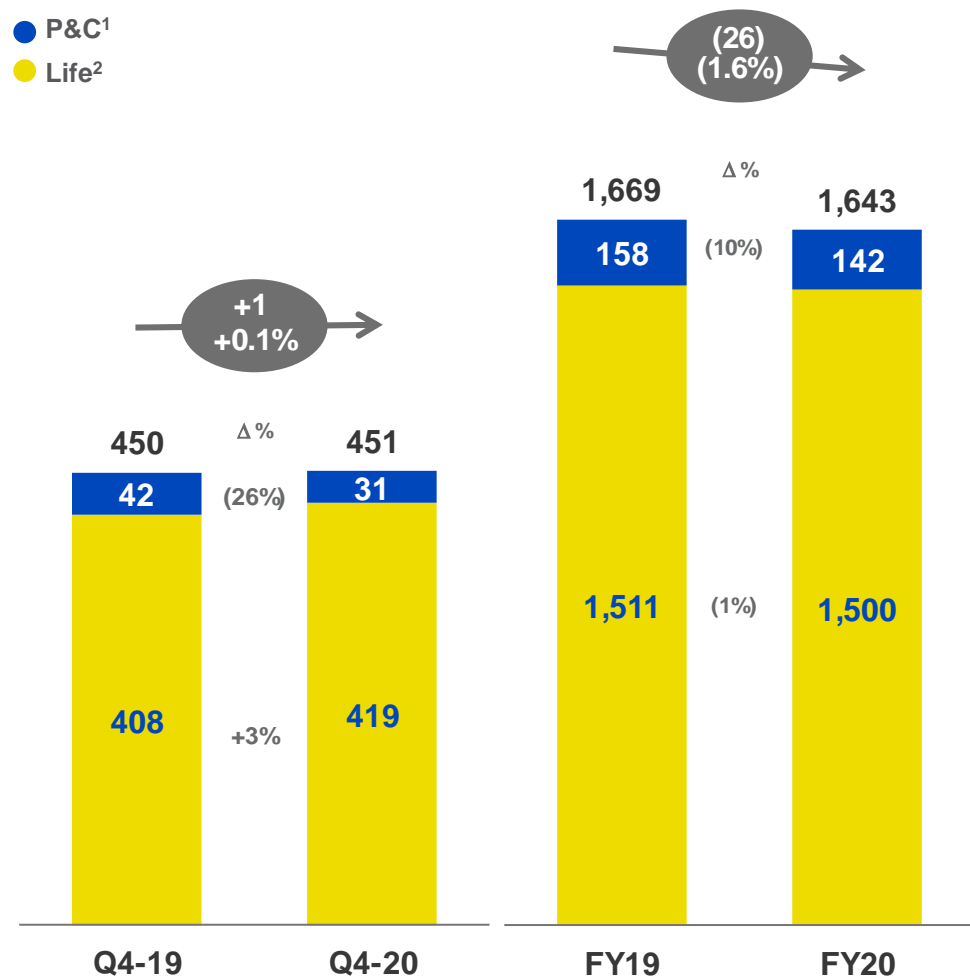
## FY20 OPERATING PROFIT STABLE IN A CHALLENGING ENVIRONMENT



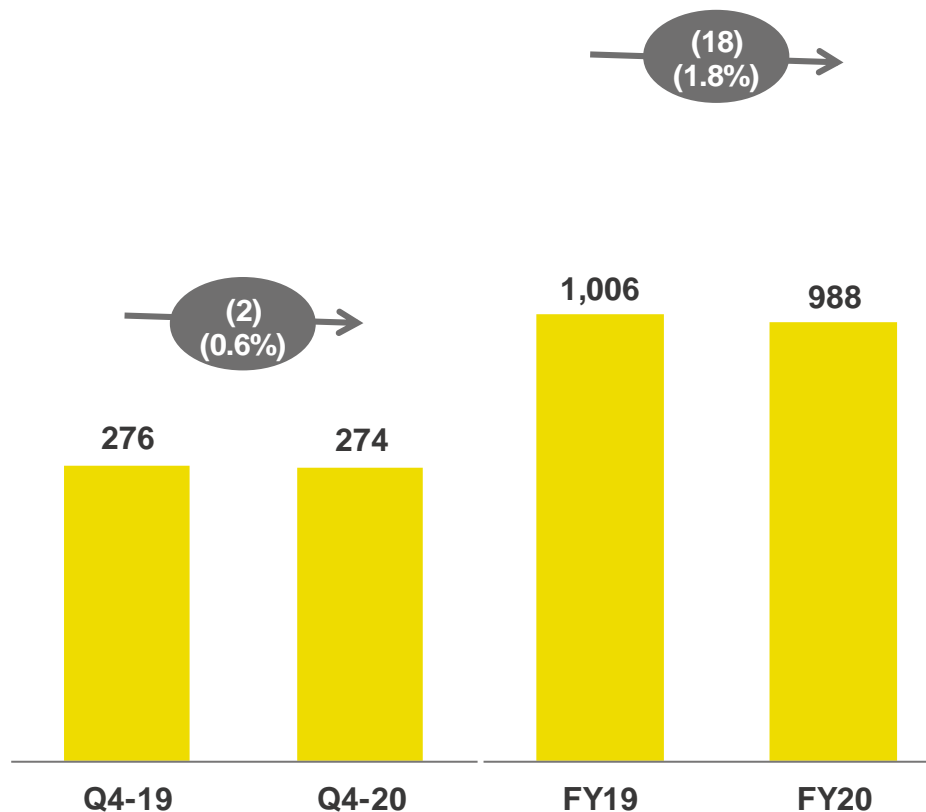
€ m unless otherwise stated

### SEGMENT REVENUES

- P&C<sup>1</sup>
- Life<sup>2</sup>



### EBIT



### Q4 HIGHLIGHTS

(item by item)

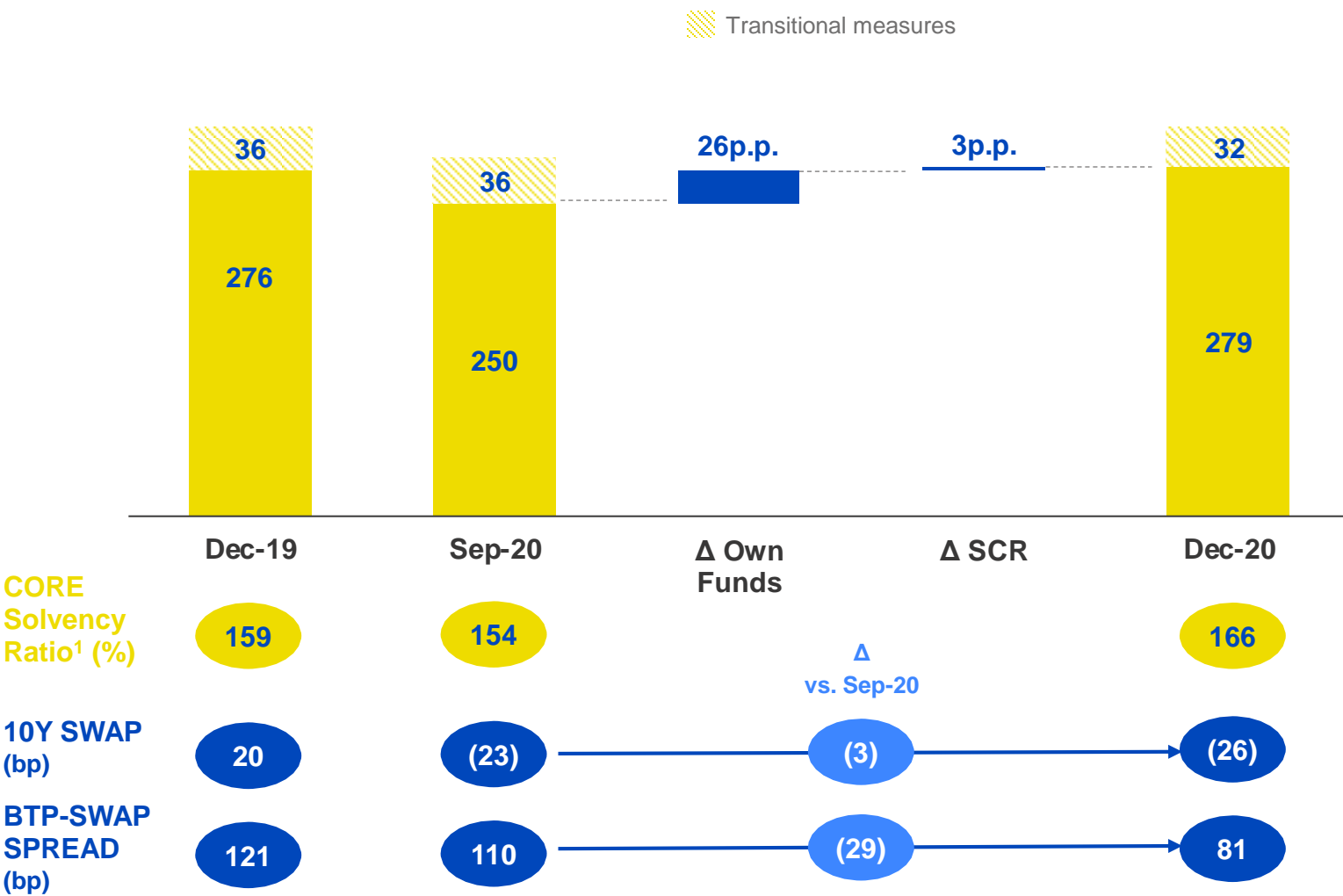
- Life revenues up with higher margin multiclass products offsetting lower investment margin frontloaded in Q3
- P&C impacted by lower volumes on CPI in a weak market, mitigated by higher volumes in welfare
- EBIT stable mirroring revenue trend

# SOLVENCY II RATIO

SOLVENCY II RATIO WELL ABOVE MANAGERIAL AMBITION – BENEFITTING FROM LOWER MARKET SPREADS



## SOLVENCY II RATIO EVOLUTION



## HIGHLIGHTS

- Solvency II ratio up to 279%, well above managerial ambition of 200% through the cycle, benefitting from spread narrowing across all asset classes (BTP, Corporates and high yield)
- Transitional measures to provide additional 32p.p. to address market volatility

# SOLVENCY II RATIO KEY SENSITIVITIES

RESILIENT UNDER ALL ASSUMED SCENARIOS

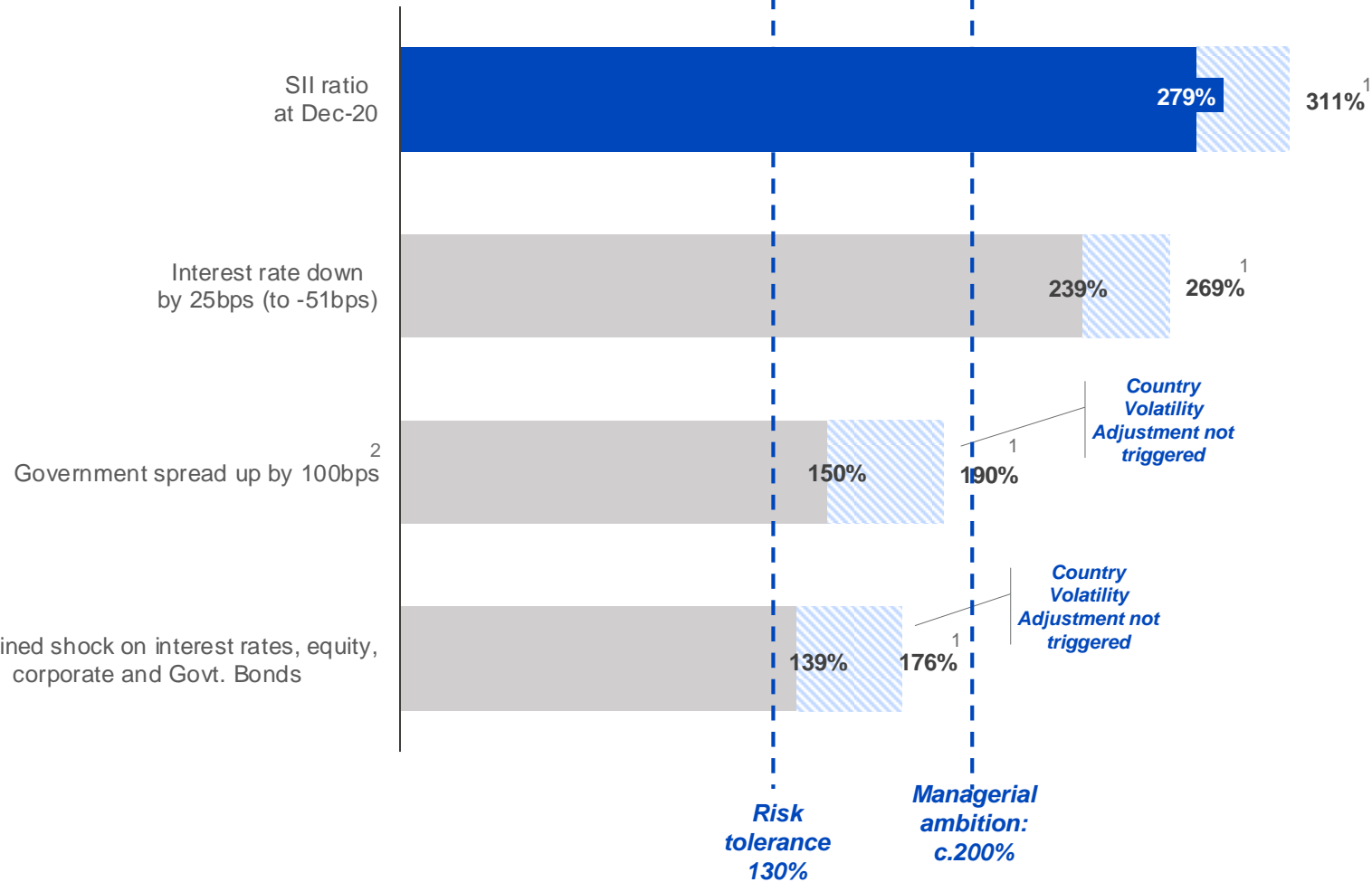


## SOLVENCY II RATIO SENSITIVITIES

## HIGHLIGHTS

● Solvency II ratio excl. transitional measures

▨ Transitional measures



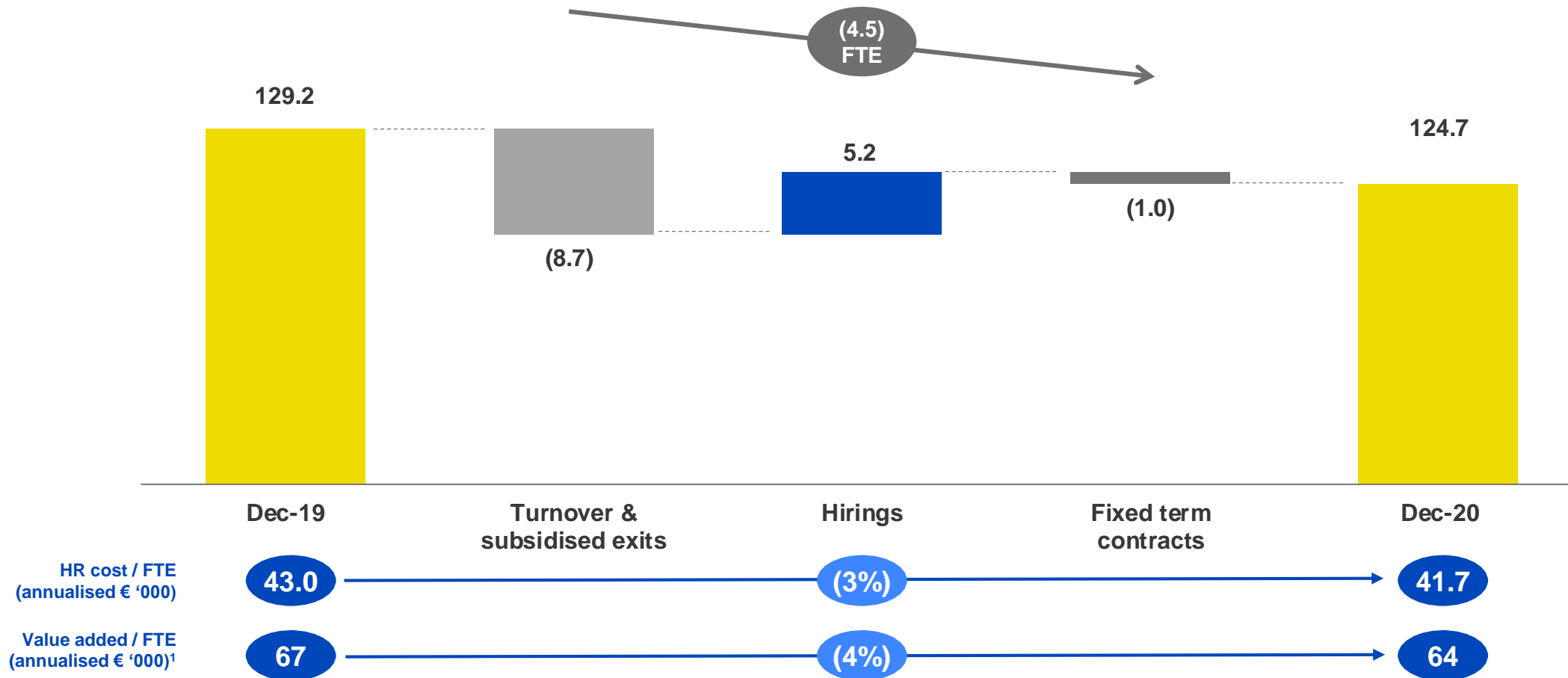
- Solvency II ratio in line with risk tolerance under all assumed scenarios
- Transitional measures provide additional 32p.p. to address potential market headwinds
- Reduced Solvency II ratio volatility expected going forward supported by:
  - portfolio diversification
  - ongoing process to develop internal model
  - new capital light products

# GROUP WORKFORCE EVOLUTION

## ACCELERATED HEADCOUNT REDUCTION



### AVERAGE HEADCOUNT ('000/FTE)

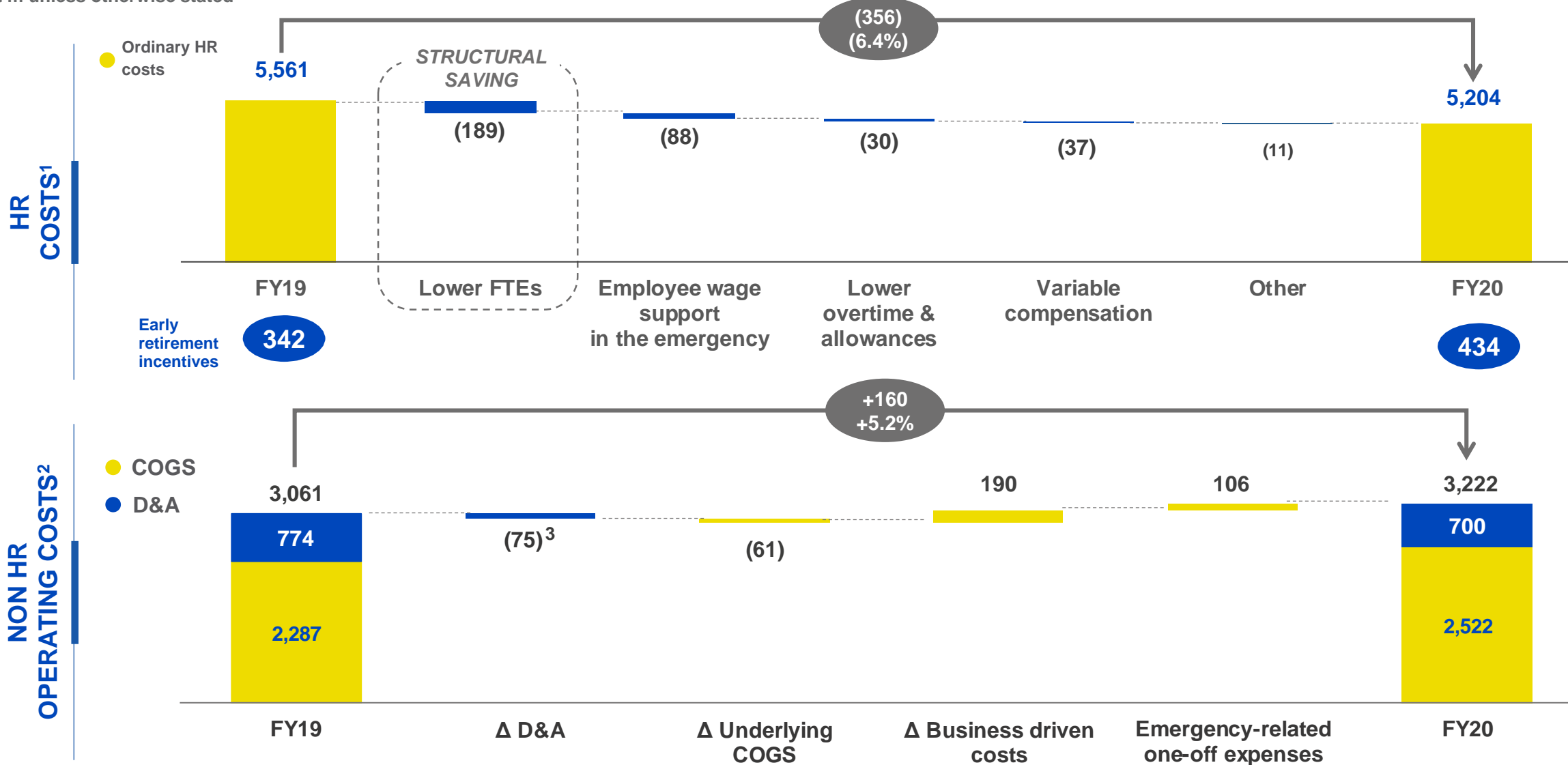


# FY20 GROUP COSTS

EFFECTIVE COST MANAGEMENT INITIATIVES MITIGATING REVENUE HEADWINDS



€ m unless otherwise stated



1. Excluding legal disputes with employees  
 2. Excluding other Non-HR operating costs amounting to 228m in FY-19 and 142m in FY-20  
 3. Due to the reassessment of residual life and residual value of real assets, partly offset by increased capex in the last years

# SEGMENT EBIT EVOLUTION

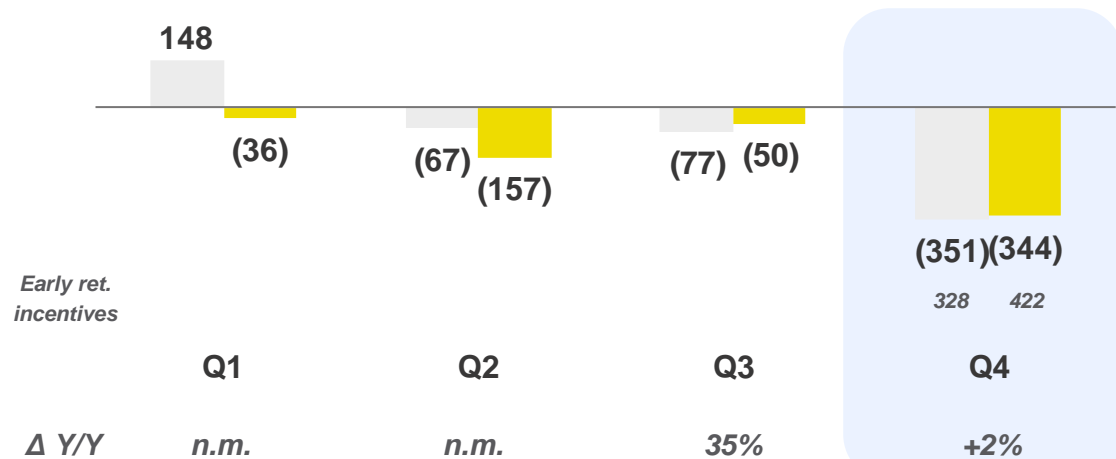
CONTINUED OPERATING PROFIT PROGRESSION BEGINNING IN Q2



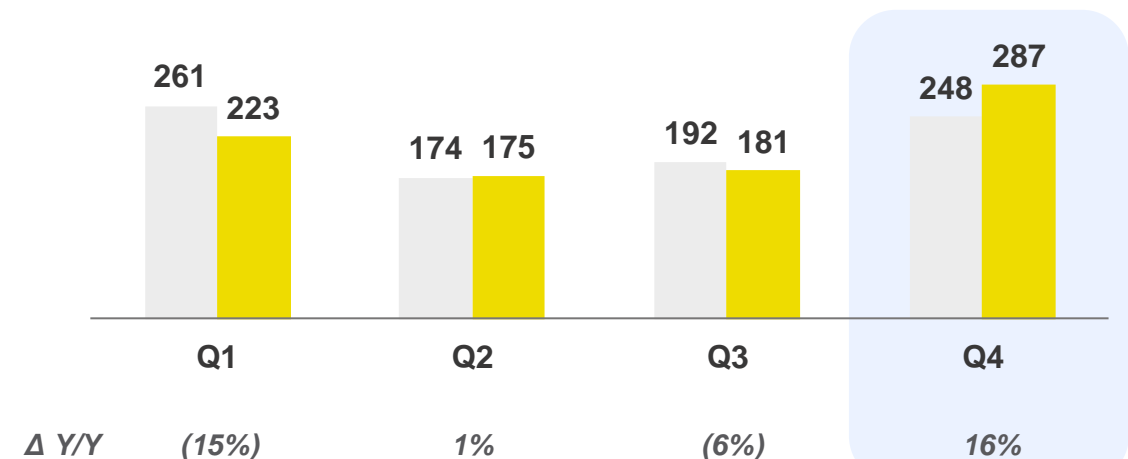
€ m unless otherwise stated

● 2019 ● 2020

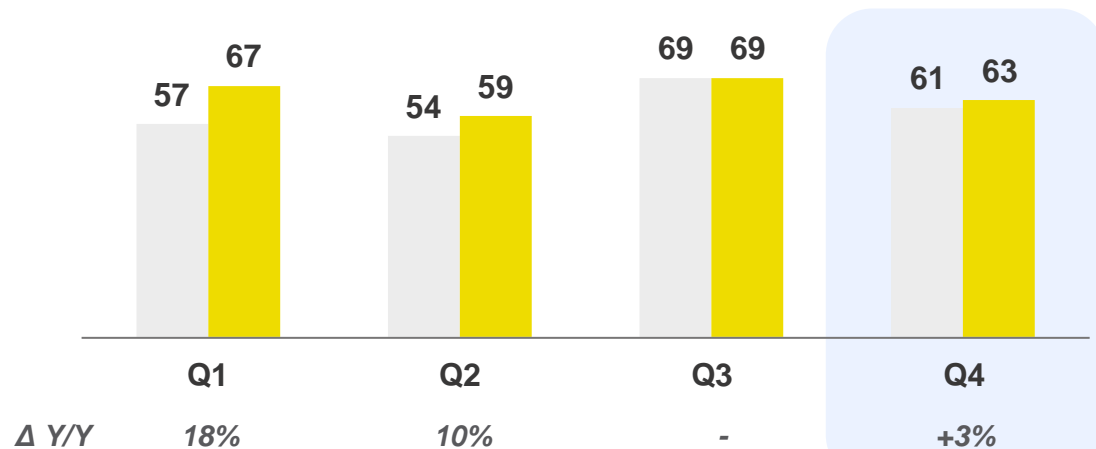
## MAIL, PARCEL & DISTRIBUTION



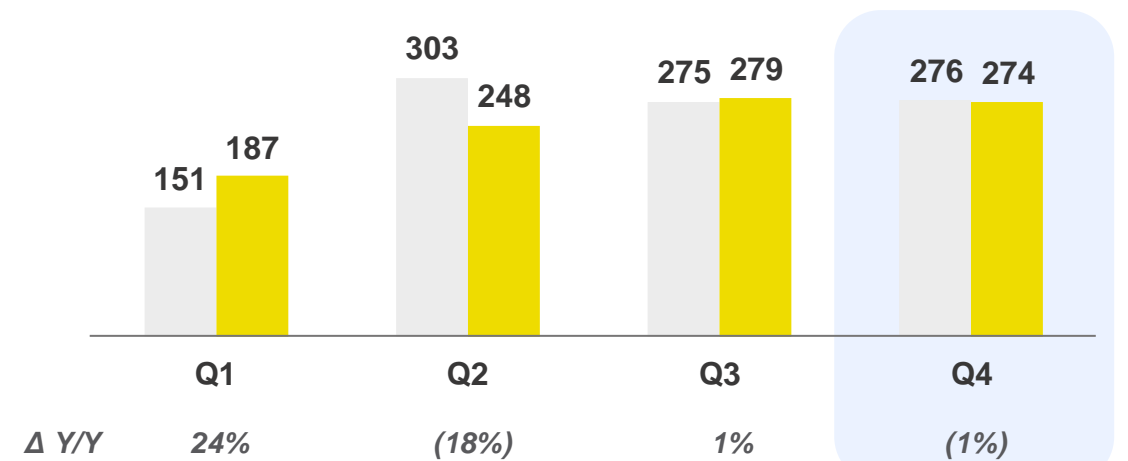
## FINANCIAL SERVICES



## PAYMENTS & MOBILE



## INSURANCE SERVICES




**POSTE ITALIANE SYSTEMIC ROLE CONFIRMED**

**ROBUST 2020 FINANCIAL RESULTS**

**2020 DIVIDEND POLICY CONFIRMED – DIVIDEND OF € 0.486<sup>1,2</sup> FOR FY20**

**NEW STRATEGIC PLAN TO BE ANNOUNCED ON 19 MARCH**

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# Q&A



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



**SILVER CLASS**  
in "S&P Global Sustainability Award" for its excellent sustainability performance and confirmed presence in the 2021 edition of the Sustainability Yearbook.



**RANKED A-**  
in the "Leadership" category by Carbon Disclosure Project



**«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 Italiane has been included in the Bloomberg Gender-Equality Index (GEI) 2021, 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: Q4-20 & FY20 ADJUSTMENTS

## EXPLANATORY NOTES TO ADJUSTED FIGURES

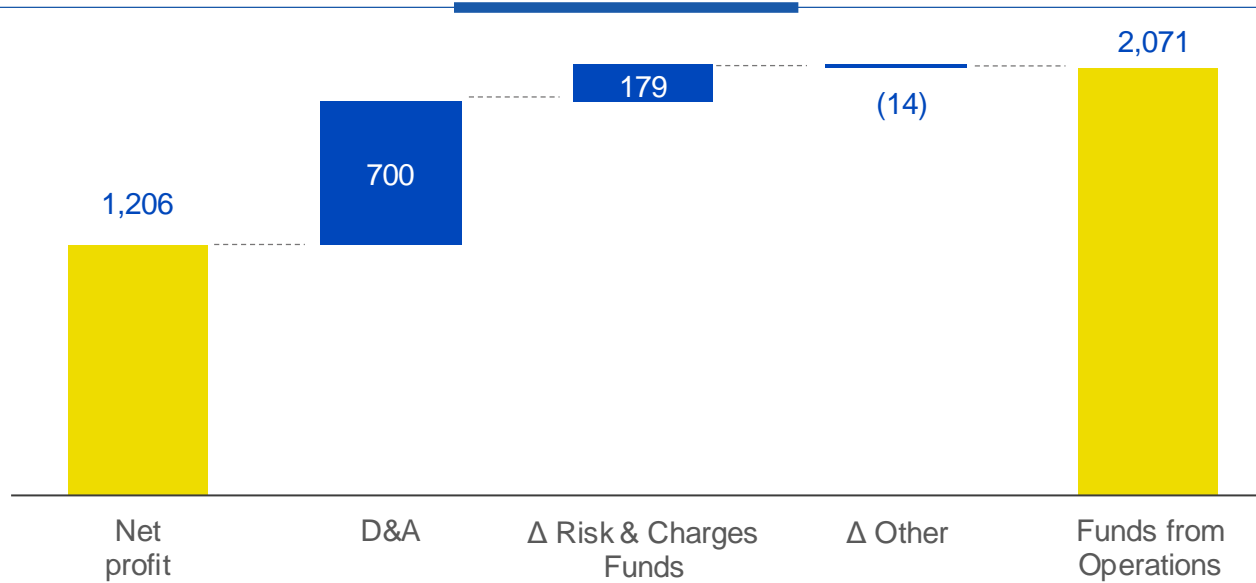


	Q4-19	Q4-20	€ m	%	FY19	FY20	€ m	%
<b>REPORTED REVENUES</b>	<b>2,924</b>	<b>2,964</b>	<b>40</b>	<b>+1%</b>	<b>10,960</b>	<b>10,526</b>	<b>(434)</b>	<b>(4%)</b>
<i>NET CAPITAL GAINS ON INVESTMENT PORTFOLIO</i>	84	131			339	365		
<i>VISA - FAIR VALUE VALUATION/ FAIR VALUE HEDGE</i>	2	(0)			10	(3)		
<i>VISA - CAPITAL GAIN ON SHARE DISPOSAL</i>	0	0			1	0		
<b>ADJUSTED REVENUES</b>	<b>2,839</b>	<b>2,834</b>	<b>(5)</b>	<b>(0%)</b>	<b>10,609</b>	<b>10,164</b>	<b>(445)</b>	<b>(4%)</b>
<b>REPORTED COSTS</b>	<b>2,690</b>	<b>2,685</b>	<b>(6)</b>	<b>(0%)</b>	<b>9,186</b>	<b>9,002</b>	<b>(184)</b>	<b>(2%)</b>
<i>EARLY RETIREMENT INCENTIVES</i>	328	423			342	434		
<i>REAL ESTATE FUNDS PROVISIONS</i>	0	(18)			0	(32)		
<b>ADJUSTED COSTS</b>	<b>2,362</b>	<b>2,280</b>	<b>(82)</b>	<b>(3%)</b>	<b>8,844</b>	<b>8,600</b>	<b>(244)</b>	<b>(3%)</b>
<b>REPORTED EBIT</b>	<b>234</b>	<b>280</b>	<b>46</b>	<b>+20%</b>	<b>1,774</b>	<b>1,524</b>	<b>(250)</b>	<b>(14%)</b>
<b>ADJUSTED EBIT</b>	<b>477</b>	<b>554</b>	<b>77</b>	<b>+16%</b>	<b>1,765</b>	<b>1,564</b>	<b>(201)</b>	<b>(11%)</b>
<i>IMPAIRMENTS</i>	(42)	0			(42)	19		
<i>TAX ONE-OFF BENEFIT</i>	0	(96)			0	(96)		
<b>REPORTED NET PROFIT</b>	<b>259</b>	<b>308</b>	<b>49</b>	<b>+19%</b>	<b>1,342</b>	<b>1,206</b>	<b>(136)</b>	<b>(10%)</b>
<b>ADJUSTED NET PROFIT</b>	<b>380</b>	<b>408</b>	<b>28</b>	<b>+7%</b>	<b>1,281</b>	<b>1,158</b>	<b>(122)</b>	<b>(10%)</b>

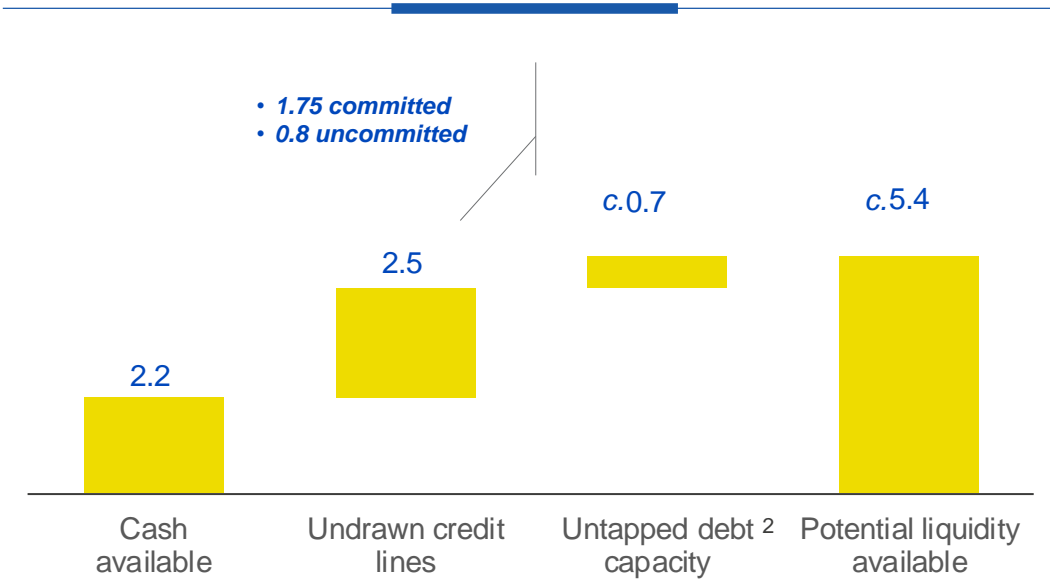
# STRONG CASH GENERATION, AMPLE LIQUIDITY RESOURCES AND BALANCED DEBT PROFILE



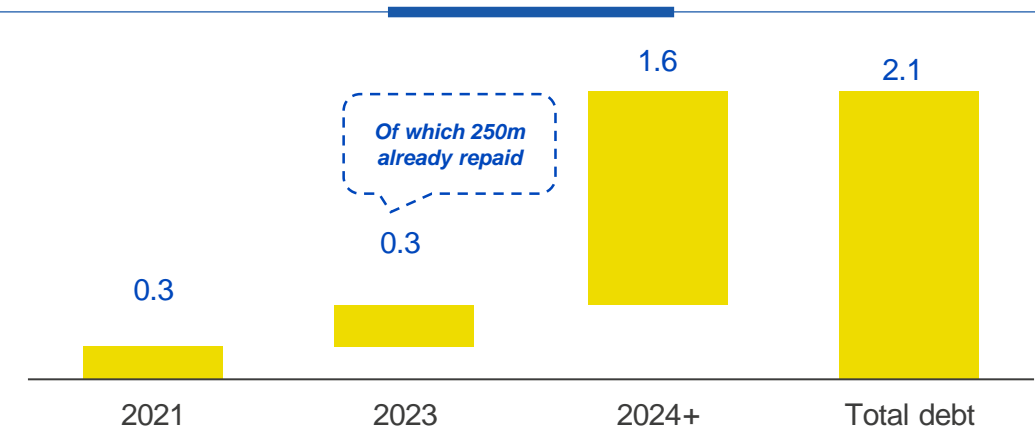
## GROUP FUNDS FROM OPERATIONS (FFO) – FY20 (€ m)



## ...SIGNIFICANT LIQUIDITY RESOURCES<sup>1</sup> (€ bn)

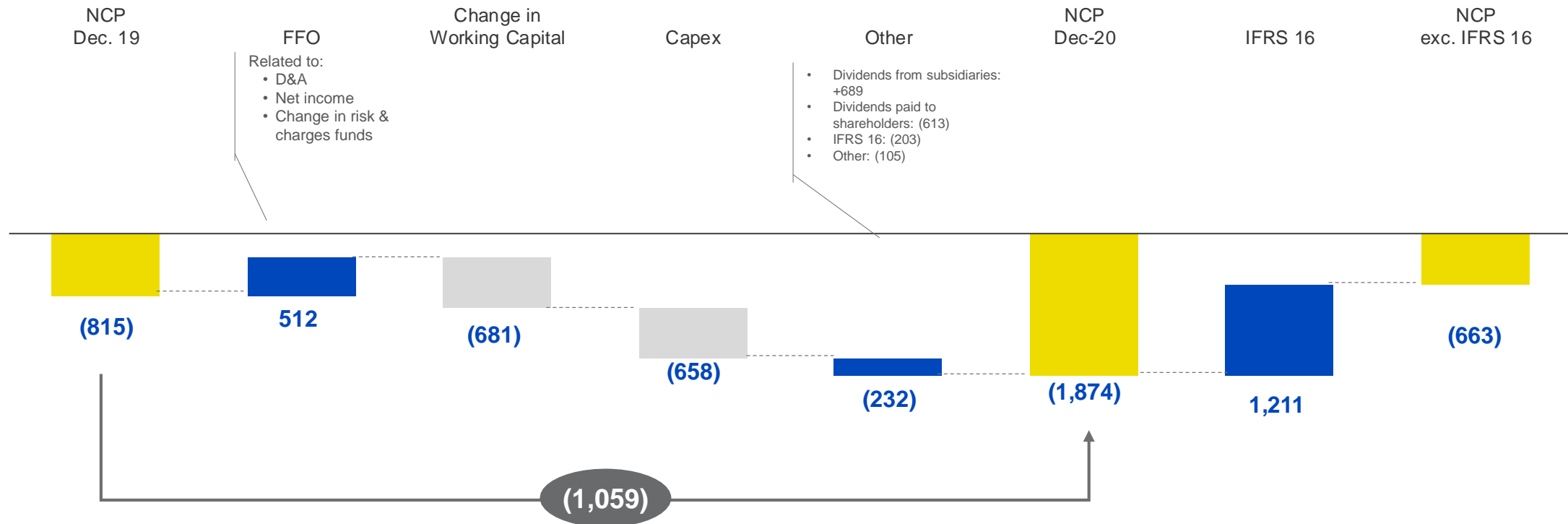


## BALANCED MATURITY PROFILE (€ bn)



€ m unless otherwise stated

## NET CASH POSITION (+ CASH – DEBT)

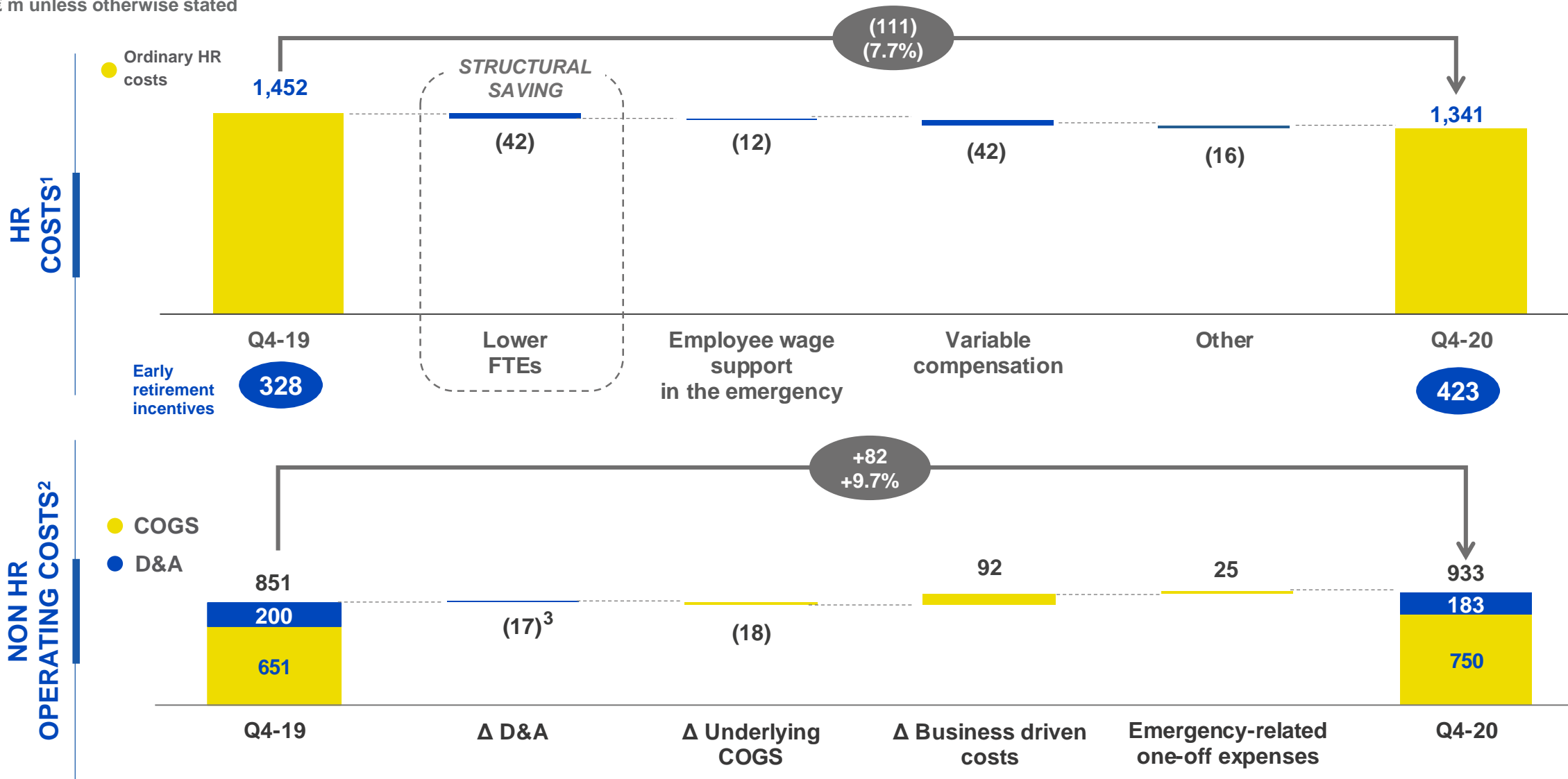


# Q4-20 GROUP COSTS

EFFECTIVE COST MANAGEMENT INITIATIVES MITIGATING REVENUE HEADWINDS

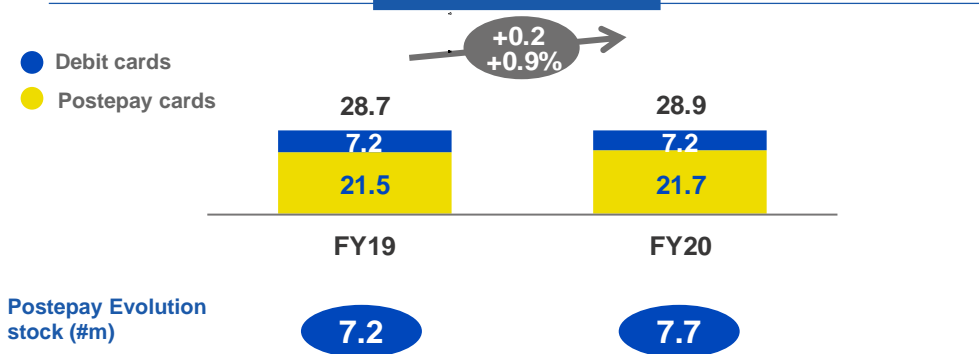


€ m unless otherwise stated

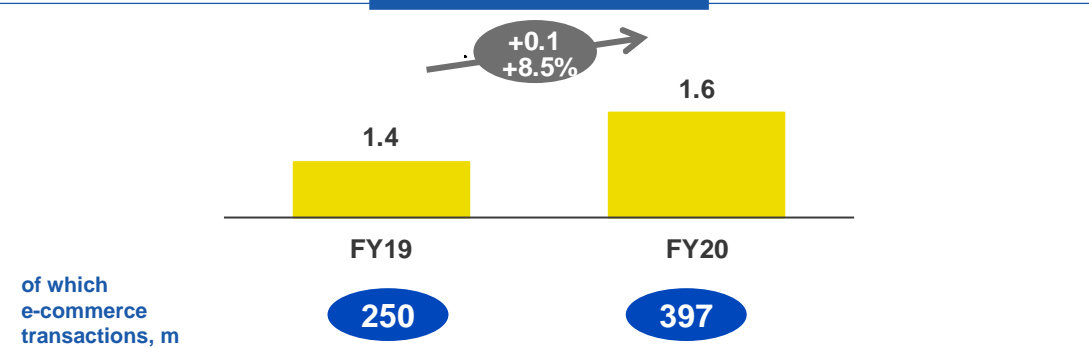


1. Excluding legal disputes with employees  
 2. Excluding other Non-HR operating costs amounting to 64m in Q4-19 and (9)m in Q4-20  
 3. Due to the reassessment of residual life and residual value of real assets, partly offset by increased capex in the last years

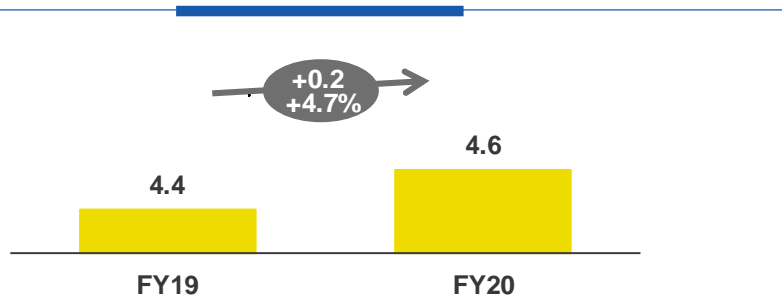
## CARD STOCK<sup>1</sup>



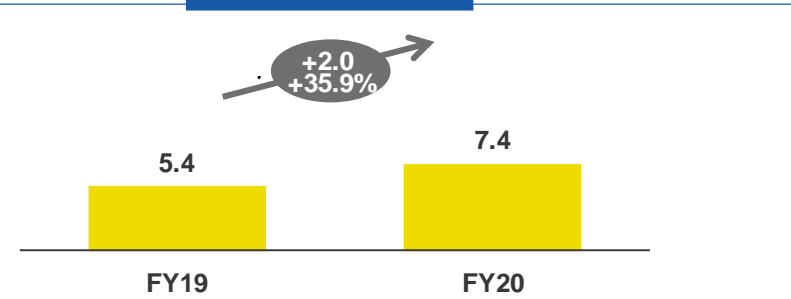
## TOTAL CARD TRANSACTIONS (# BN)<sup>2</sup>



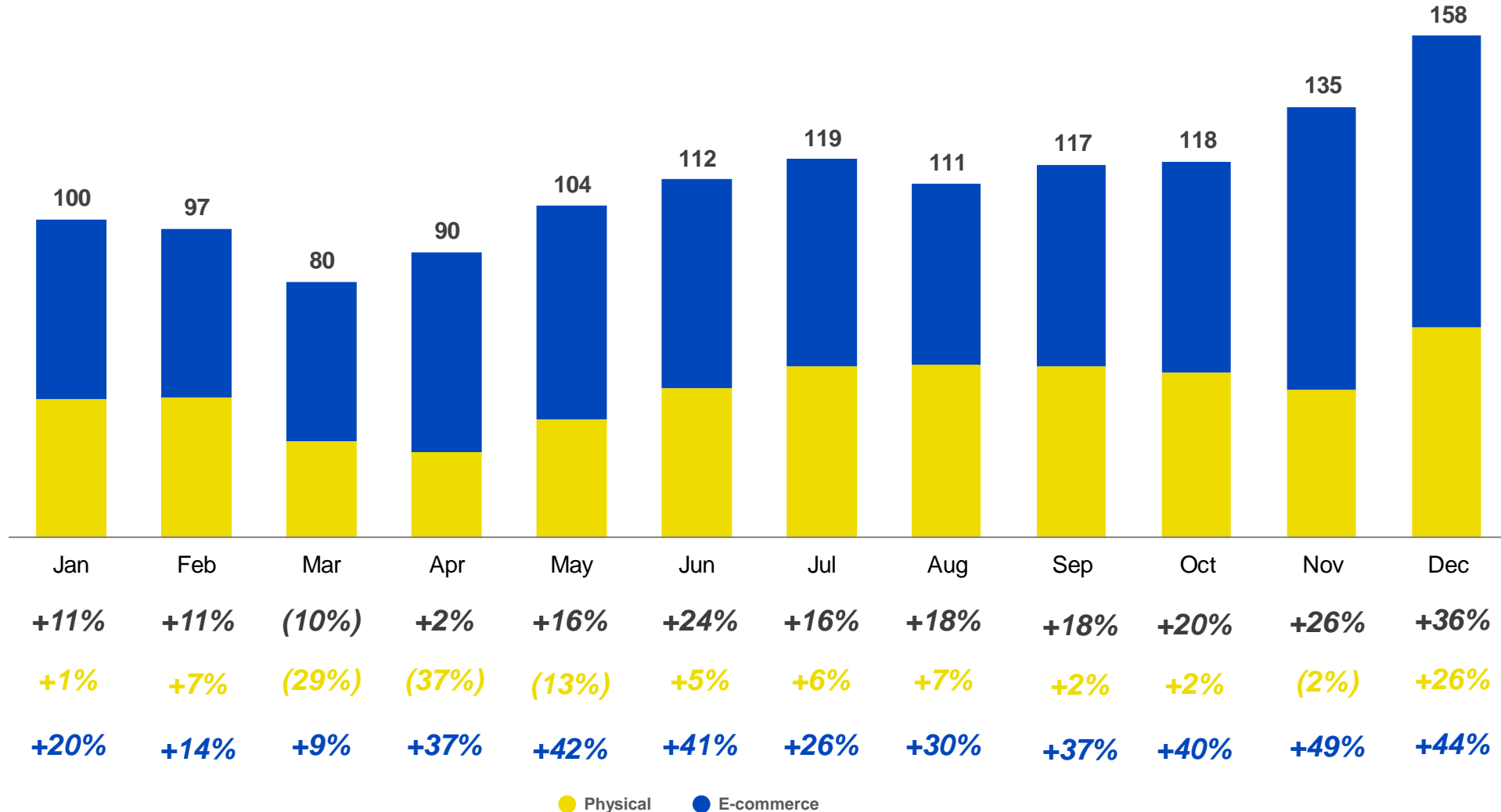
## MOBILE & LAND LINE, STOCK (# M)



## POSTE ITALIANE DIGITAL E-WALLET (# M)<sup>3</sup>

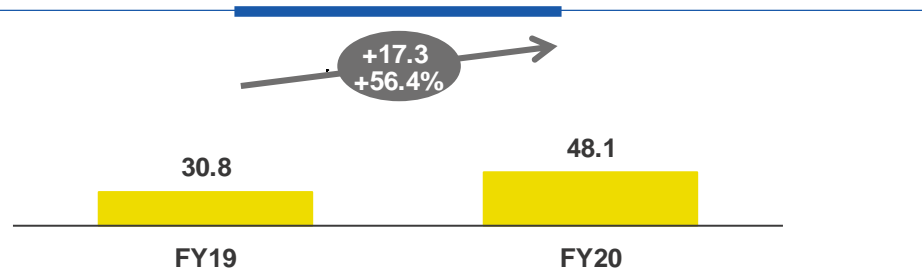


POSTEPAY DAILY AVERAGE TRANSACTION VALUE (BASE 100)

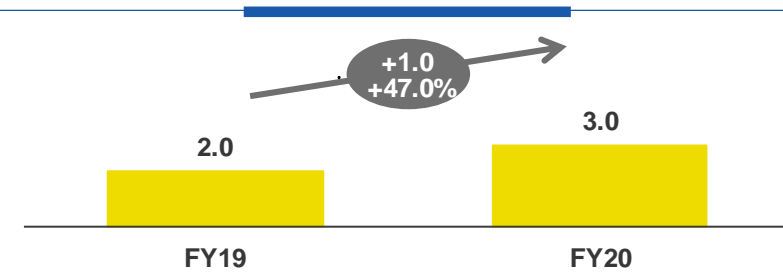




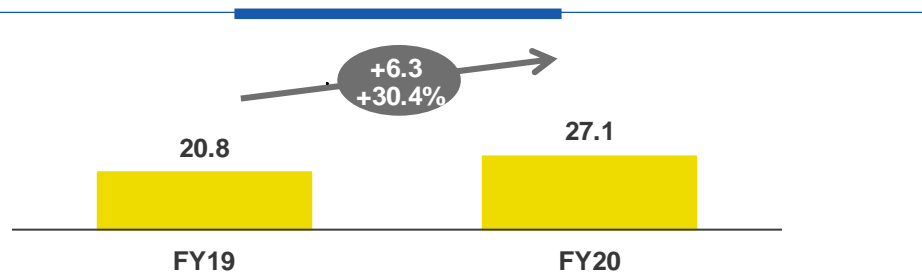
### CUMULATED APP DOWNLOADS<sup>1</sup> (# M)



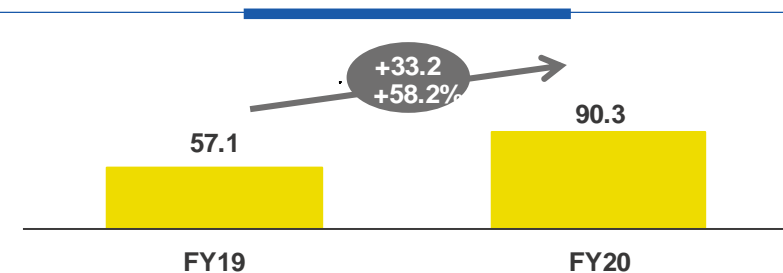
### DAILY ONLINE USERS (# M)



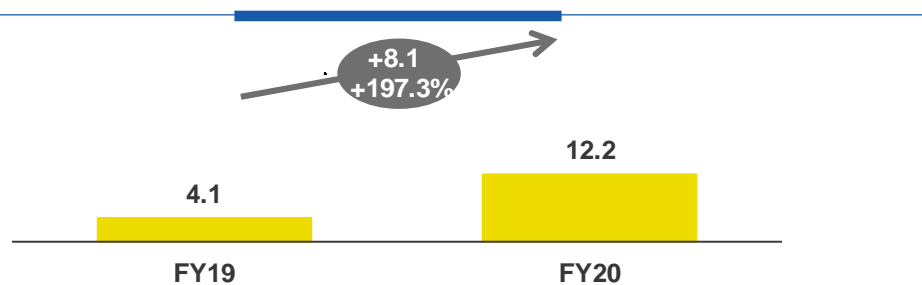
### REGISTERED ONLINE USERS (# M)



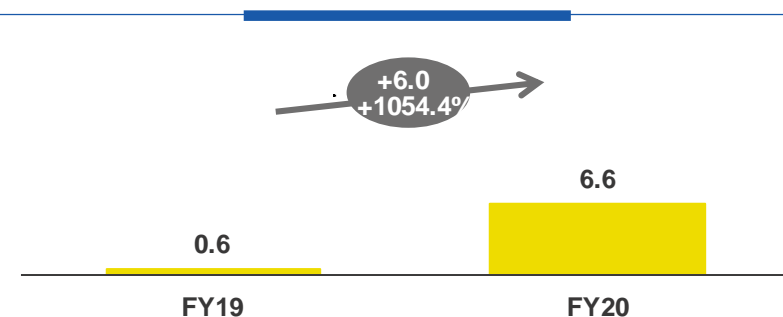
### CONSUMER FIN. TRANSACTIONS (# M)



### ELECTRONIC IDENTIFICATION<sup>2</sup> STOCK (# M)



### PRIVATE DIGITAL IDs (# M)



1. Source: App stores (iOS and Android)  
2. Electronic identification refers to number of ID outstanding

# FINANCIAL SERVICES: Q4-20 & FY20 ADJUSTMENTS

## EXPLANATORY NOTES TO ADJUSTED FIGURES



	Q4-19	Q4-20	€ m	%	FY19	FY20	€ m	%
<b>SEGMENT REPORTED REVENUES</b>	<b>1,351</b>	<b>1,349</b>	<b>(2)</b>	<b>(0%)</b>	<b>5,135</b>	<b>4,945</b>	<b>(190)</b>	<b>(4%)</b>
<i>NET CAPITAL GAINS ON INV. PORTFOLIO</i>	84	131			339	365		
<i>VISA - FAIR VALUE VALUATION/FAIR VALUE HEDGE</i>	2	0			10	(3)		
<i>VISA - CAPITAL GAIN ON SHARES DISPOSAL</i>	0	0			1	0		
<b>SEGMENT ADJUSTED REVENUES</b>	<b>1,265</b>	<b>1,218</b>	<b>(47)</b>	<b>(4%)</b>	<b>4,784</b>	<b>4,583</b>	<b>(201)</b>	<b>(4%)</b>
<i>INTERSEGMENT REVENUES</i>	171	186	15	+9%	691	665	(25)	(4%)
<b>ADJUSTED TOTAL REVENUES</b>	<b>1,436</b>	<b>1,404</b>	<b>(33)</b>	<b>(2%)</b>	<b>5,475</b>	<b>5,248</b>	<b>(226)</b>	<b>(4%)</b>
<b>REPORTED COSTS</b>	<b>1,274</b>	<b>1,248</b>	<b>(26)</b>	<b>(2%)</b>	<b>4,951</b>	<b>4,745</b>	<b>(207)</b>	<b>(4%)</b>
<i>EARLY RETIREMENT INCENTIVES</i>	0	0			2	1		
<i>CAPITAL GAINS COMMISSIONING</i>	65	104			265	289		
<i>REAL ESTATE FUNDS PROVISIONS</i>	0	(18)			0	(32)		
<b>ADJUSTED COSTS</b>	<b>1,209</b>	<b>1,162</b>	<b>(47)</b>	<b>(4%)</b>	<b>4,685</b>	<b>4,487</b>	<b>(198)</b>	<b>(4%)</b>
<b>REPORTED EBIT</b>	<b>248</b>	<b>287</b>	<b>39</b>	<b>+16%</b>	<b>874</b>	<b>866</b>	<b>(9)</b>	<b>(1%)</b>
<b>ADJUSTED EBIT</b>	<b>228</b>	<b>242</b>	<b>14</b>	<b>+6%</b>	<b>790</b>	<b>761</b>	<b>(29)</b>	<b>(4%)</b>
<i>IMPAIRMENTS</i>	0	0			0	19		
<i>TAX ONE OFF BENEFIT</i>	0	(23)			0	(23)		
<b>REPORTED NET PROFIT</b>	<b>200</b>	<b>240</b>	<b>40</b>	<b>+20%</b>	<b>640</b>	<b>647</b>	<b>7</b>	<b>+1%</b>
<b>ADJUSTED NET PROFIT</b>	<b>186</b>	<b>186</b>	<b>(0)</b>	<b>(0%)</b>	<b>577</b>	<b>569</b>	<b>(8)</b>	<b>(1%)</b>

# BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

PRUDENT ALM STRATEGY TO MATCH ASSETS AND LIABILITIES

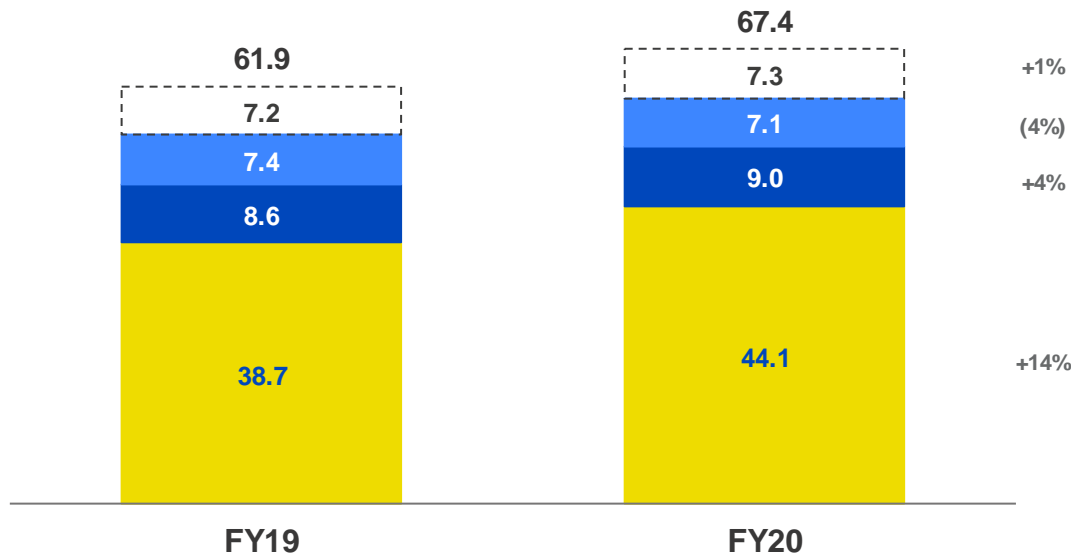


€ bn unless otherwise stated

## AVERAGE CURRENT ACCOUNT DEPOSITS

- Public Administration<sup>1</sup>
- REPO
- Corporate customers & other<sup>2</sup>
- Retail + PostePay

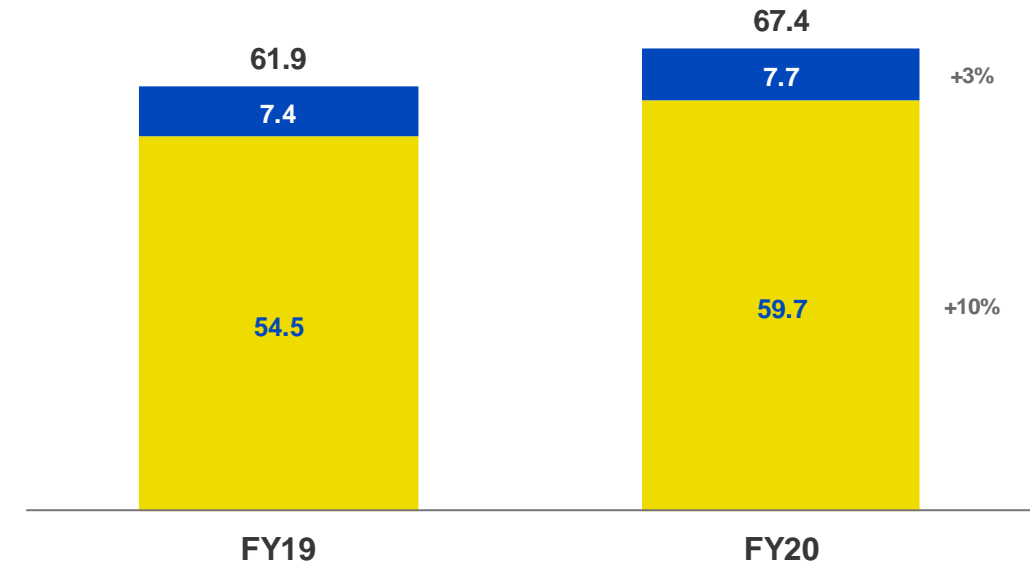
+5.5  
+8.9%



## AVERAGE INVESTMENT PORTFOLIO

- Deposit @ MEF<sup>3</sup>
- Italian Government Bonds

+5.5  
+8.9%



Avg. return excl. cap. gains (%)<sup>4</sup>

2.57

2.30

BTP investment ptf. duration (# of years)

5.5

6.2

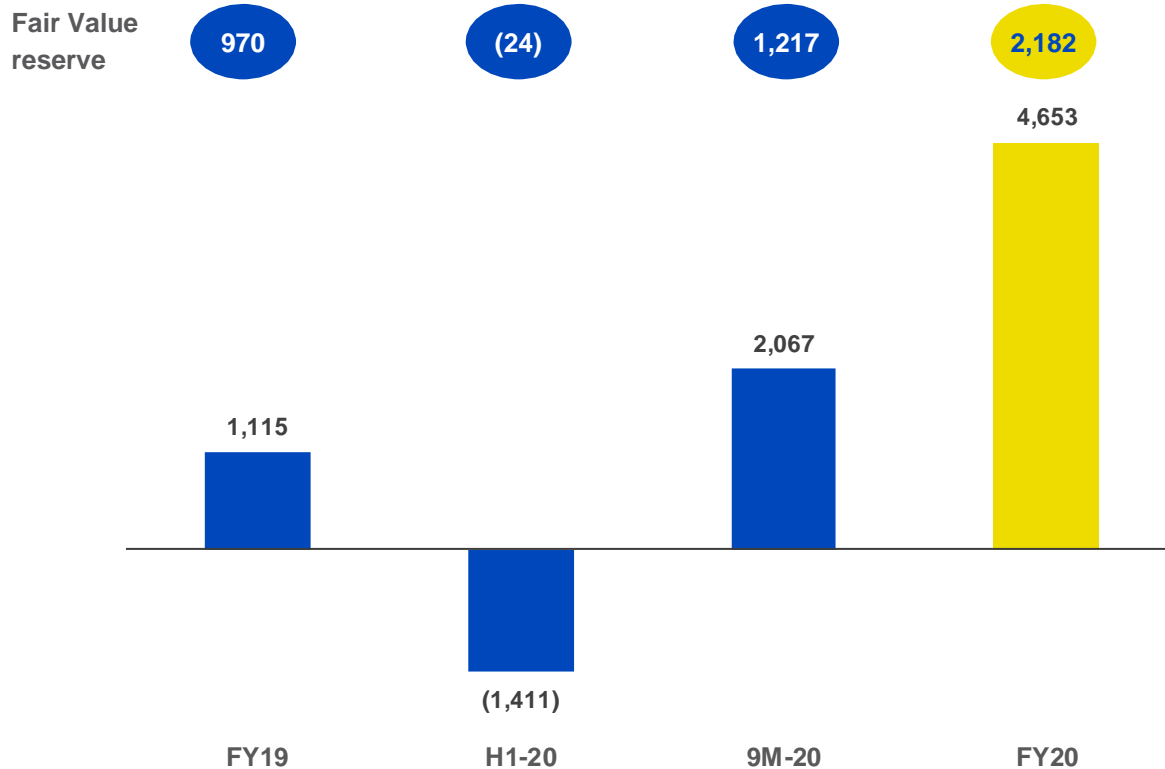
# BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

NET UNREALIZED GAINS AT € 4.7BN

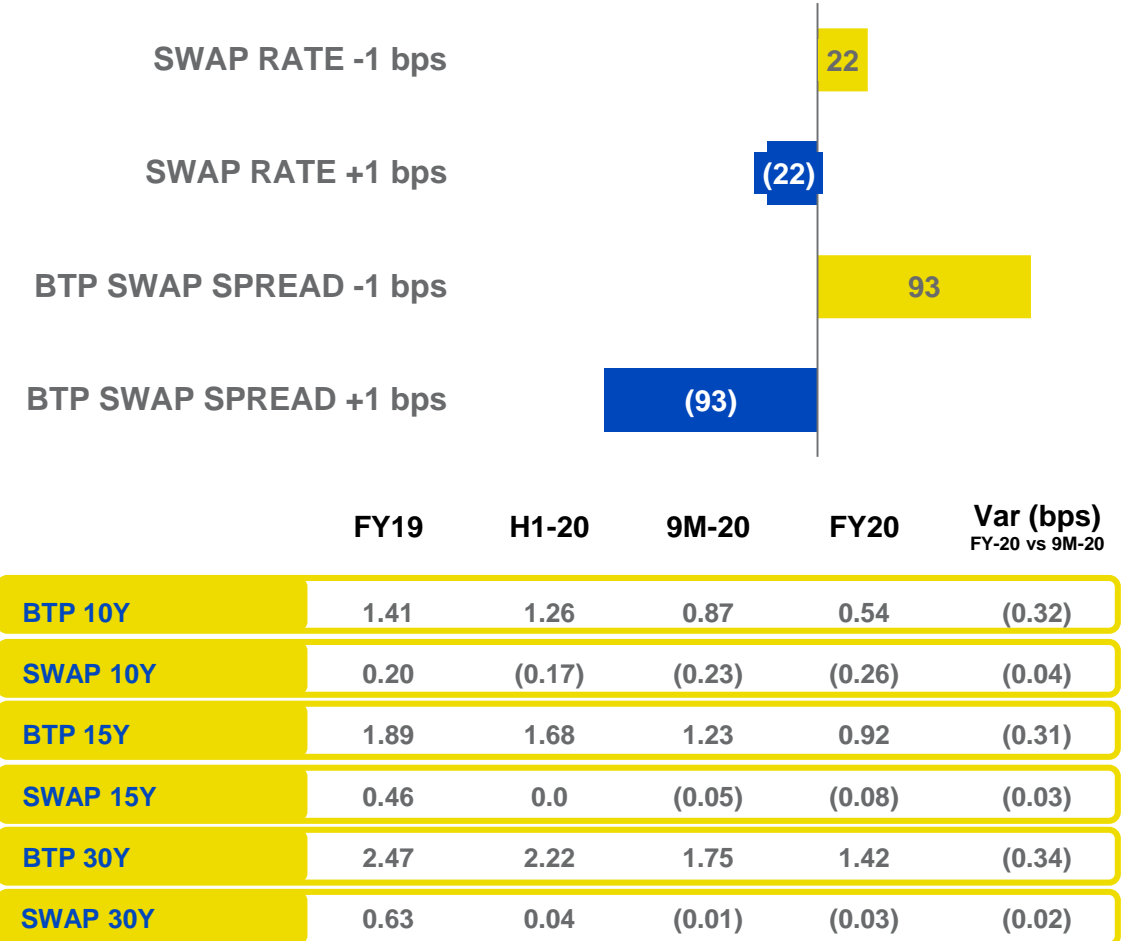


€ m unless otherwise stated

## UNREALIZED GAINS/LOSSES



## UNREALIZED GAINS SENSITIVITIES



# POSTAL SAVINGS

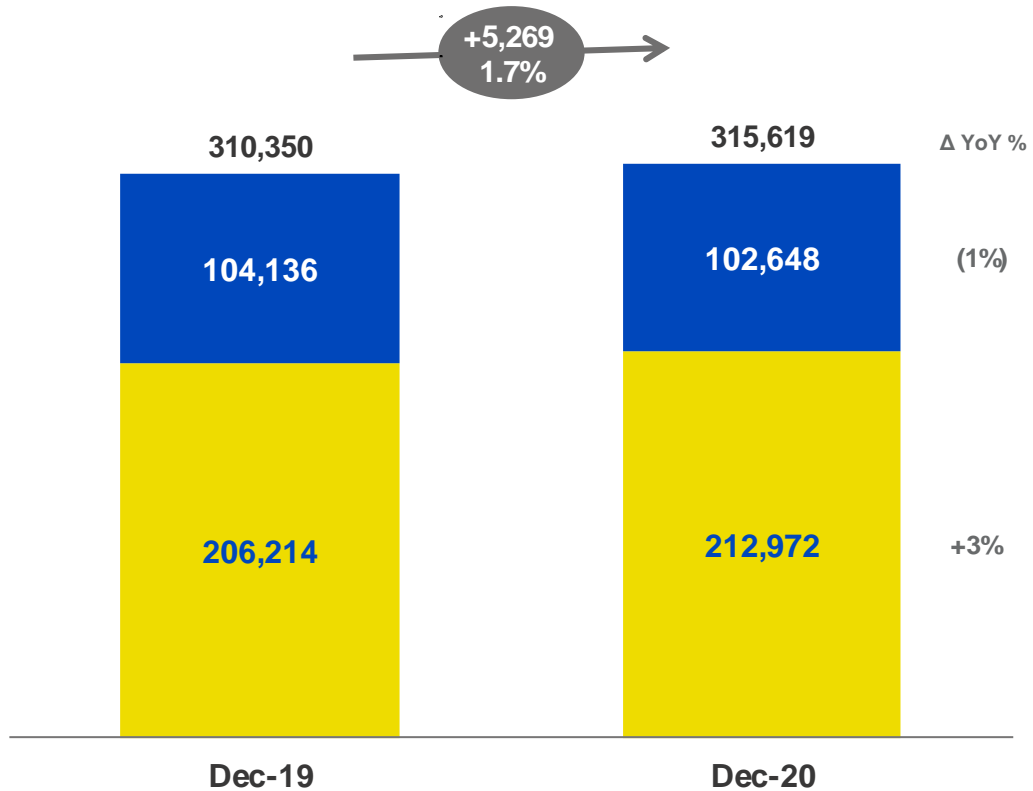
STRONG IMPROVEMENT OF NET INFLOWS, ALSO SUPPORTED BY PREFERENCE FOR LIQUIDITY PRODUCTS



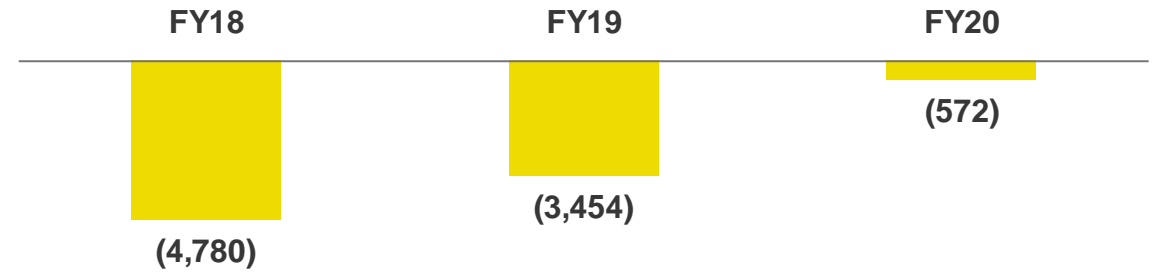
€ m unless otherwise stated

## AVERAGE POSTAL SAVINGS<sup>1</sup>

- Postal saving books
- Postal bonds



## POSTAL SAVINGS NET INFLOWS



# ASSET MANAGEMENT PROGRESSING

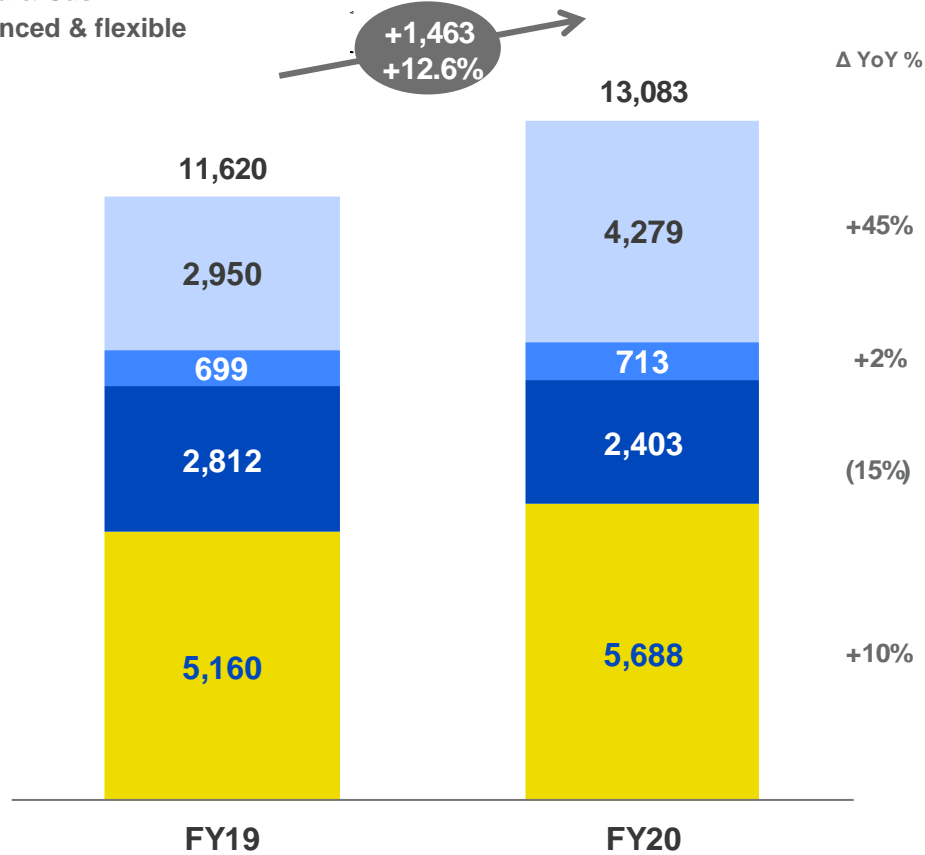
## POSITIVE NET INFLOWS IN A VOLATILE MARKET ENVIRONMENT



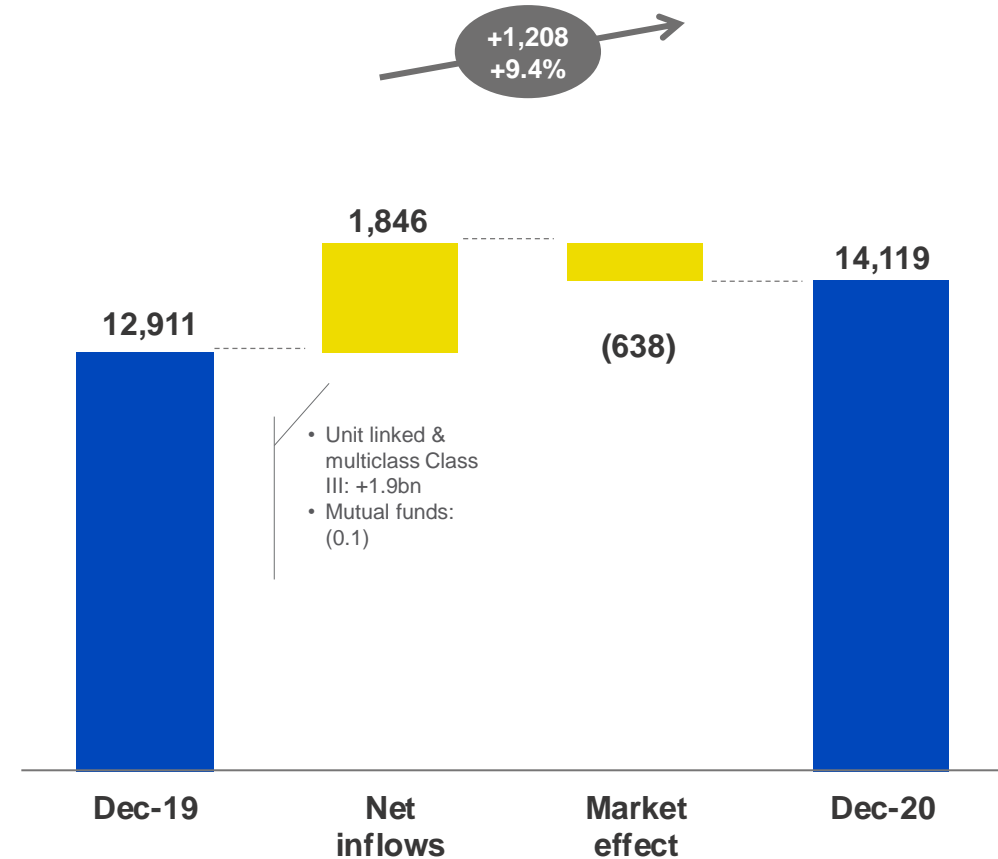
€ m unless otherwise stated

### AVERAGE ASSETS UNDER MANAGEMENT

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



### ASSETS UNDER MANAGEMENT EVOLUTION – EoP



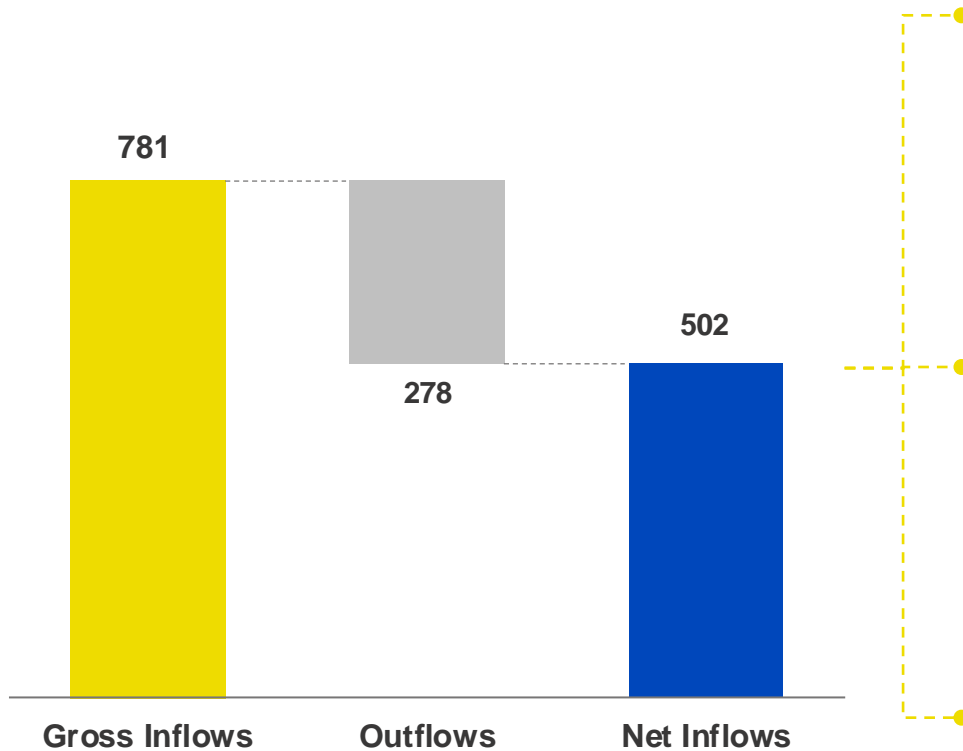
# ASSET MANAGEMENT NET INFLOWS INCREASING IN Q4-20

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



€ m unless otherwise stated

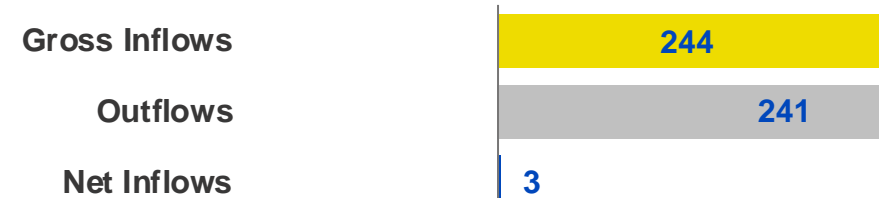
## TOTAL NET INFLOWS – Q4-20



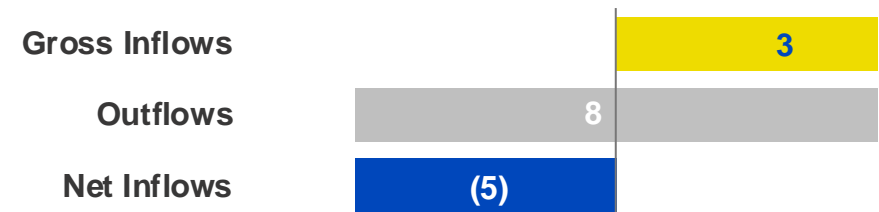
## MULTICLASS CLASS III<sup>1</sup> – Q4-20



## MUTUAL FUNDS – Q4-20



## UNIT LINKED (CLASS III) – Q4-20

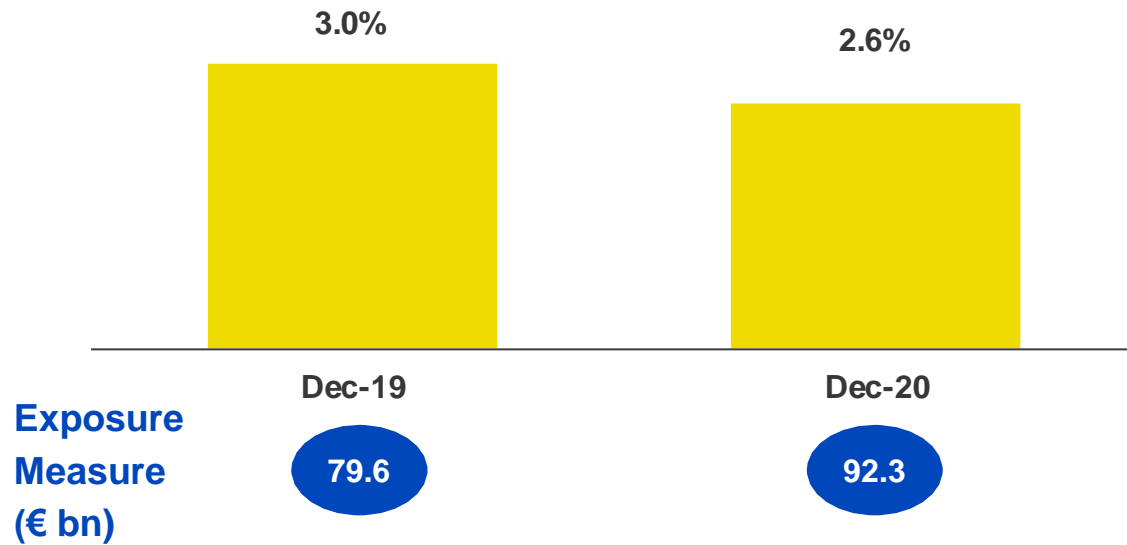


# BANCOPOSTA: SOLID AND EFFICIENT CAPITAL POSITION

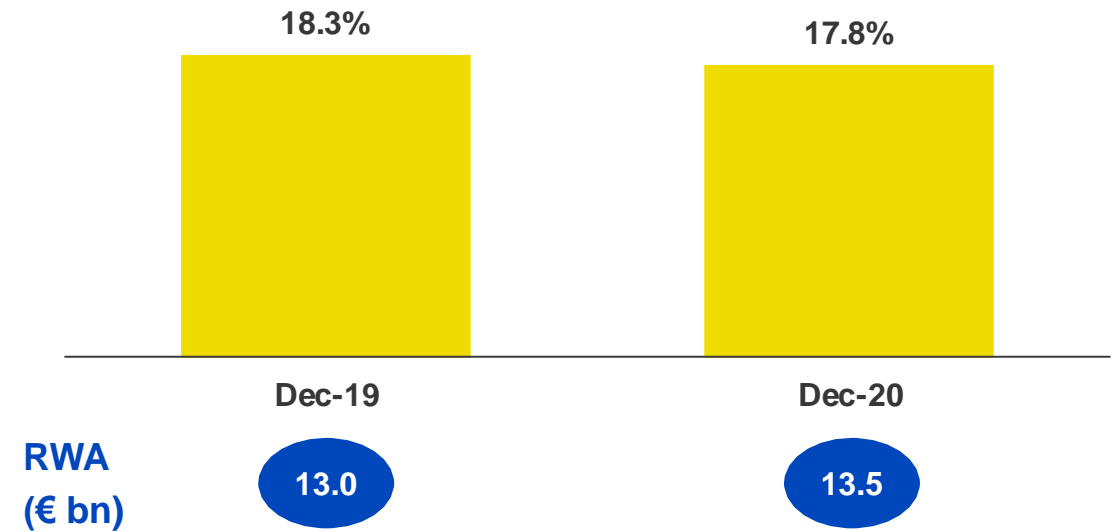
AN ASSET GATHERER WITH A CAPITAL LIGHT BALANCE SHEET



## LEVERAGE RATIO



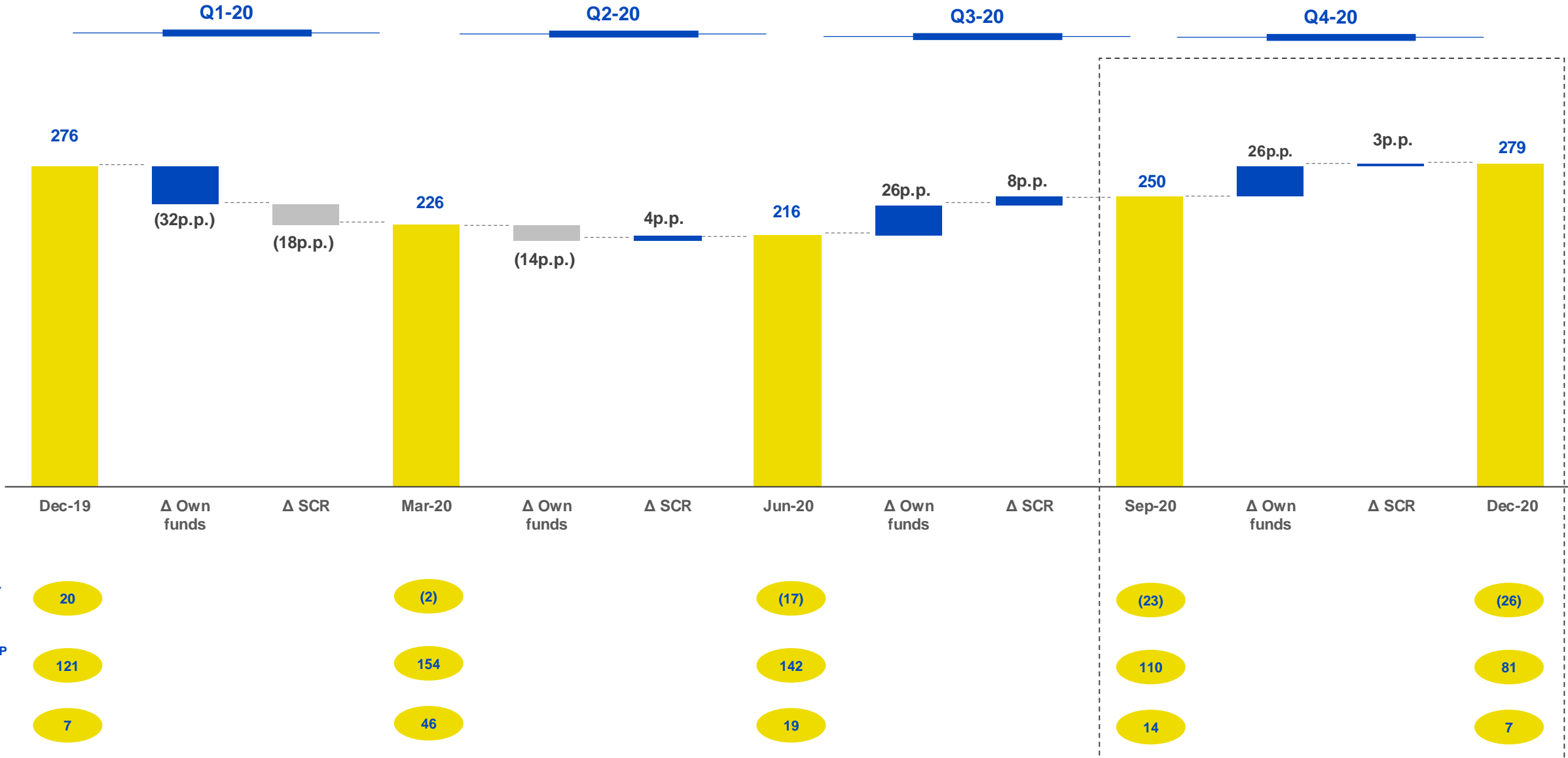
## CET 1 RATIO



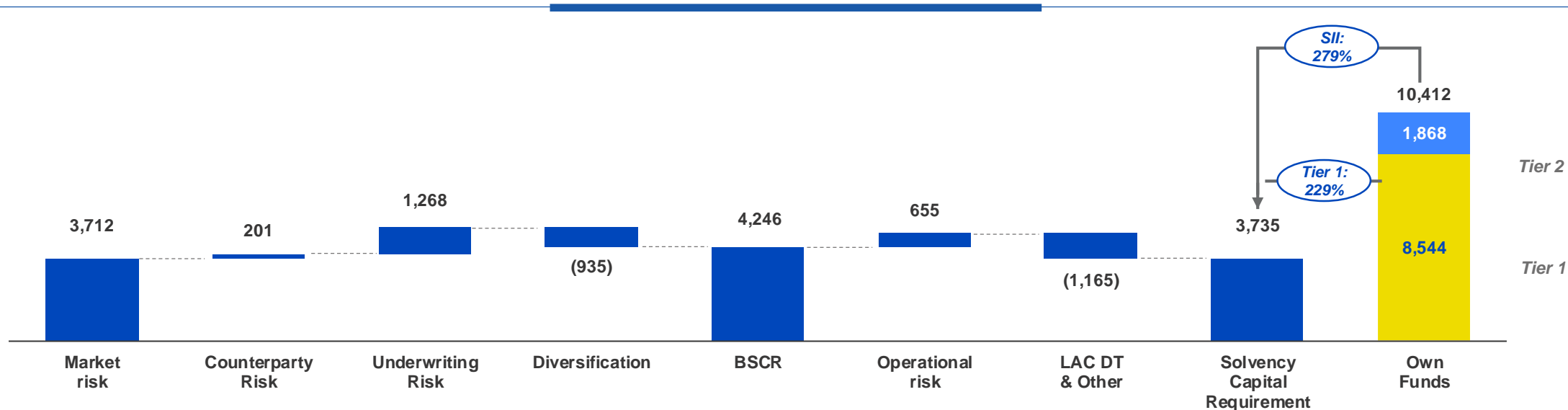


# INSURANCE SERVICES

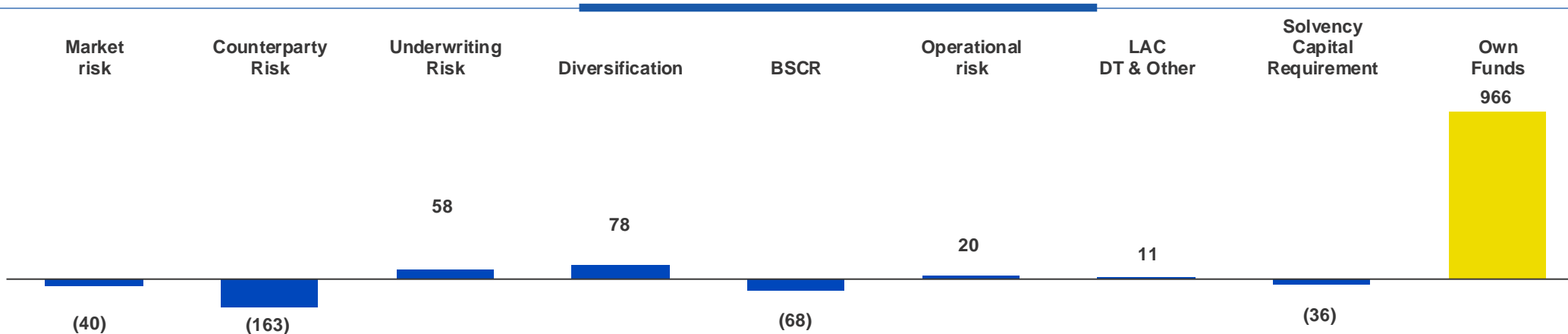
## SOLVENCY II EVOLUTION



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



### CHANGE VS. SEPTEMBER 2020 (€ M)

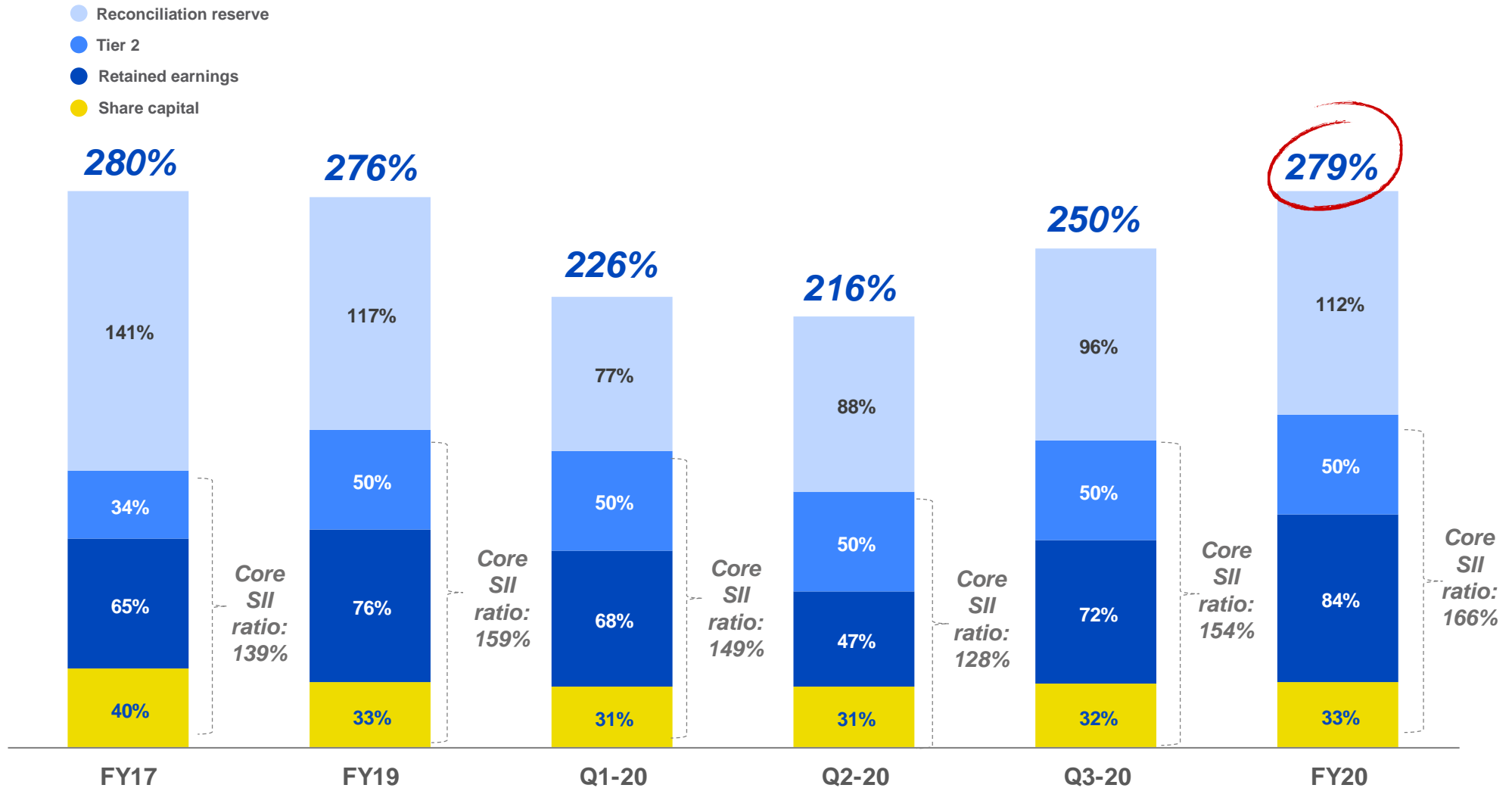


# INSURANCE SERVICES: SOLVENCY II RATIO COMPOSITION

CORE SOLVENCY II RATIO UP TO 166%

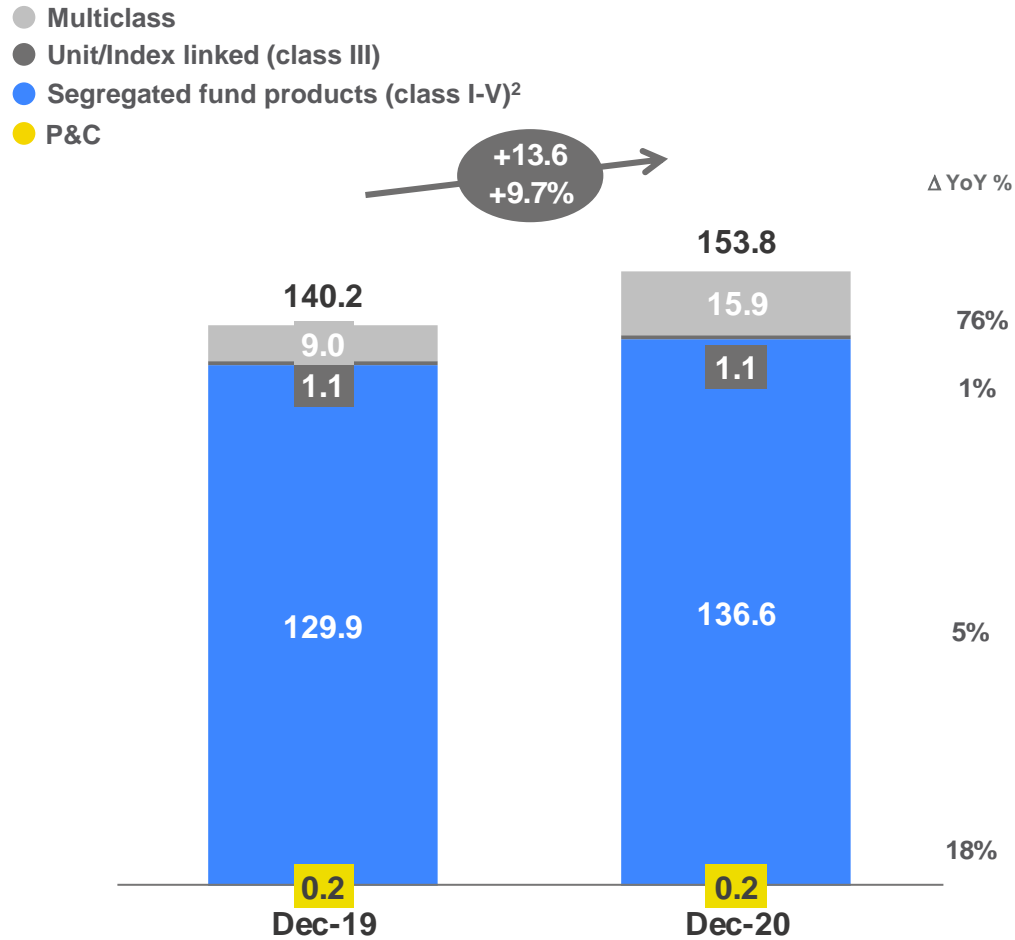


## CORE SOLVENCY II RATIO – EXCLUDING TRANSITIONAL MEASURES

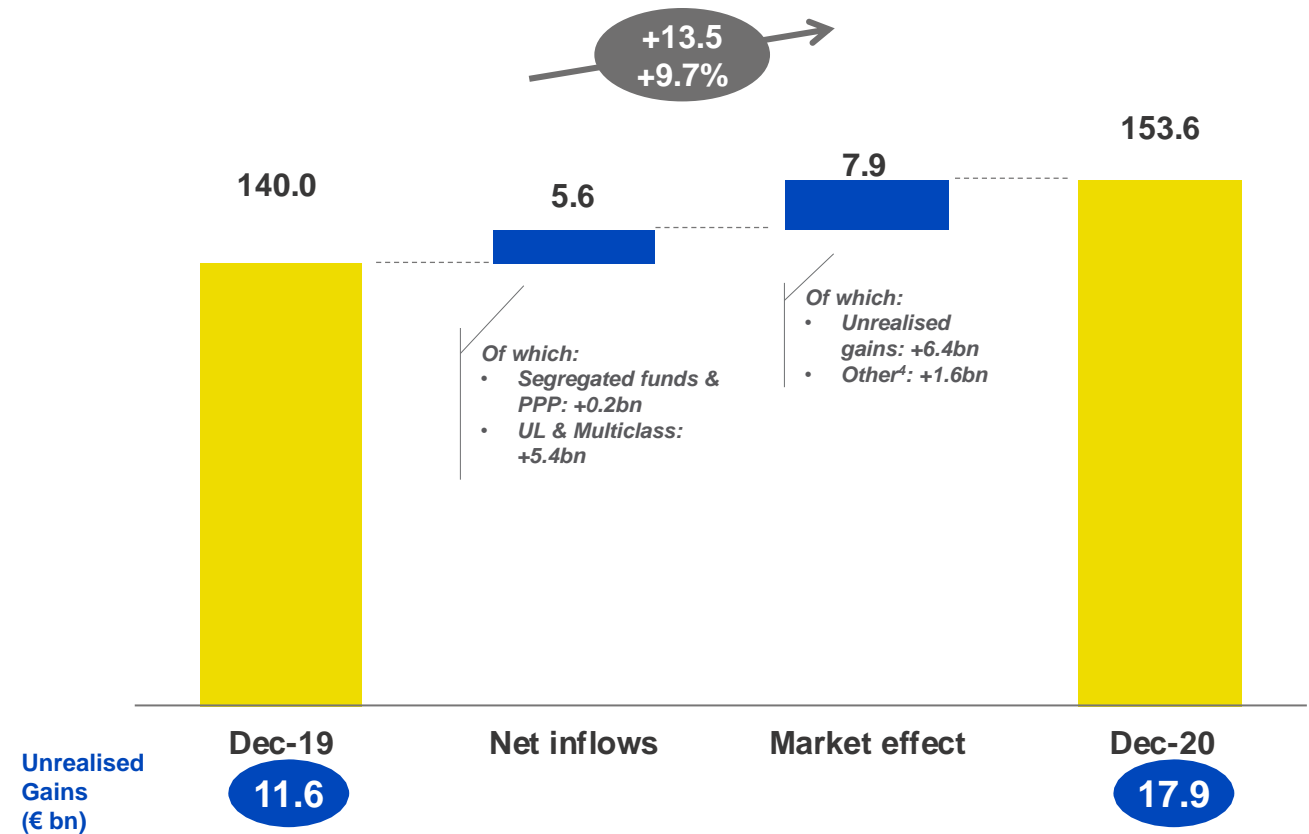


€ m unless otherwise stated

### GROUP NET TECHNICAL PROVISIONS<sup>1</sup>



### LIFE NET TECHNICAL PROVISIONS EVOLUTION<sup>3</sup>



# INSURANCE SERVICES

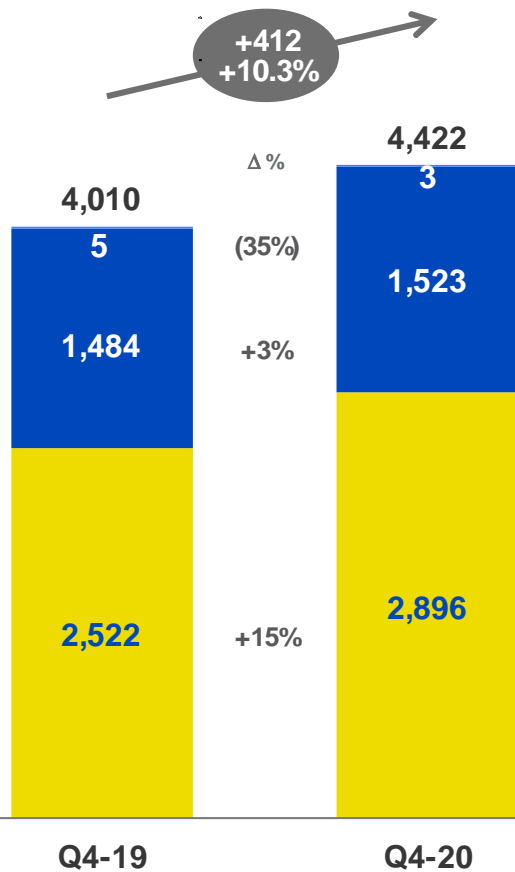
## GROSS WRITTEN PREMIUM MIX IN Q4-20



€ m unless otherwise stated

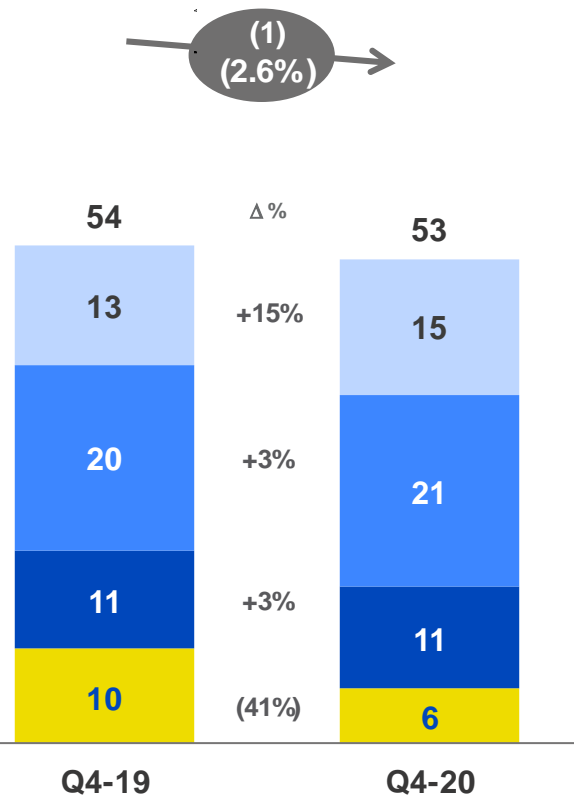
### LIFE

- Unit linked (class III)
- Multiclass
- Segregated fund products (class I-V)<sup>1</sup>



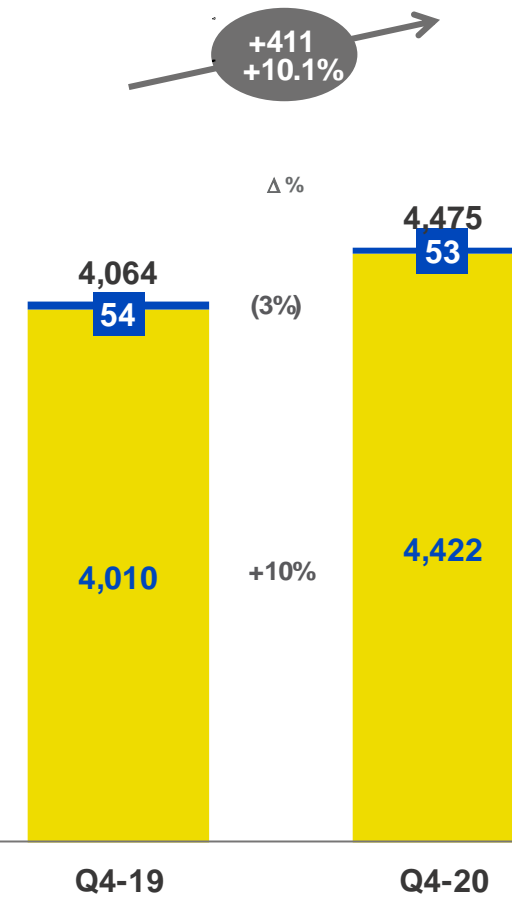
### NON-LIFE

- Welfare
- Personal
- Property
- Payments



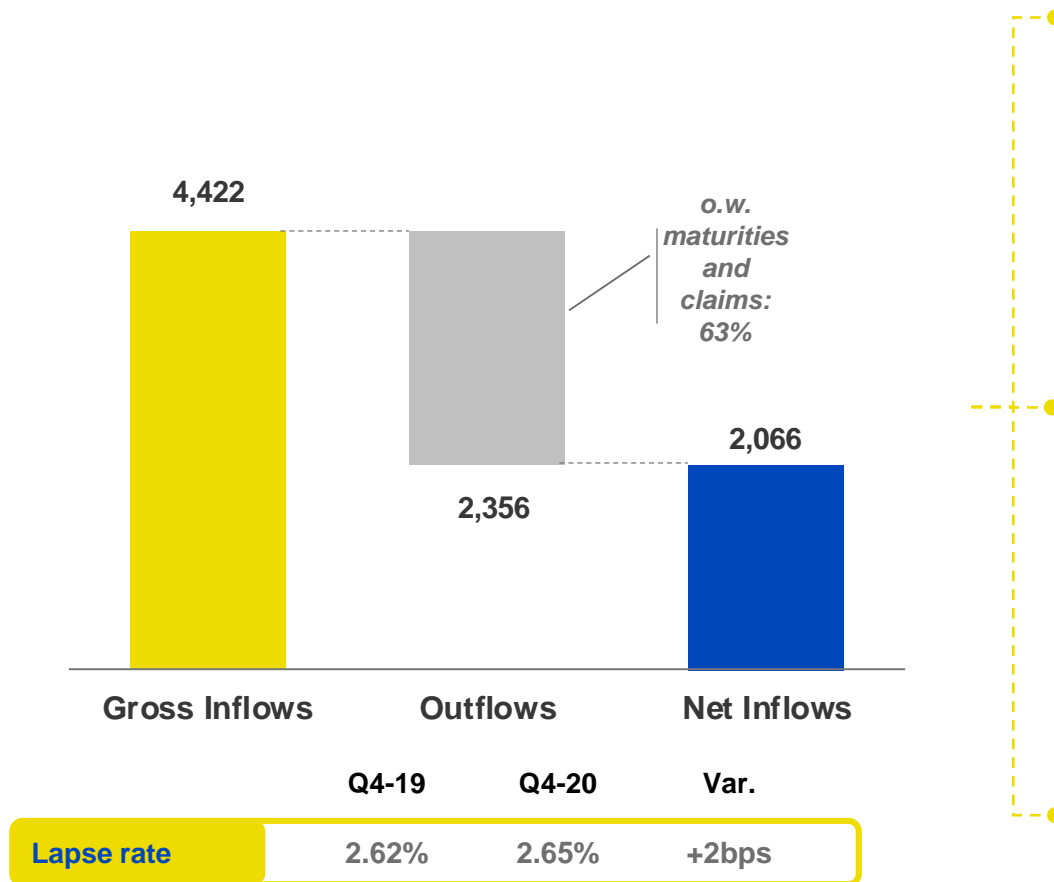
### TOTAL

- P&C
- Life



€ m unless otherwise stated

### TOTAL NET INFLOWS – QUARTER



### UNIT LINKED (CLASS III)



### MULTICLASS

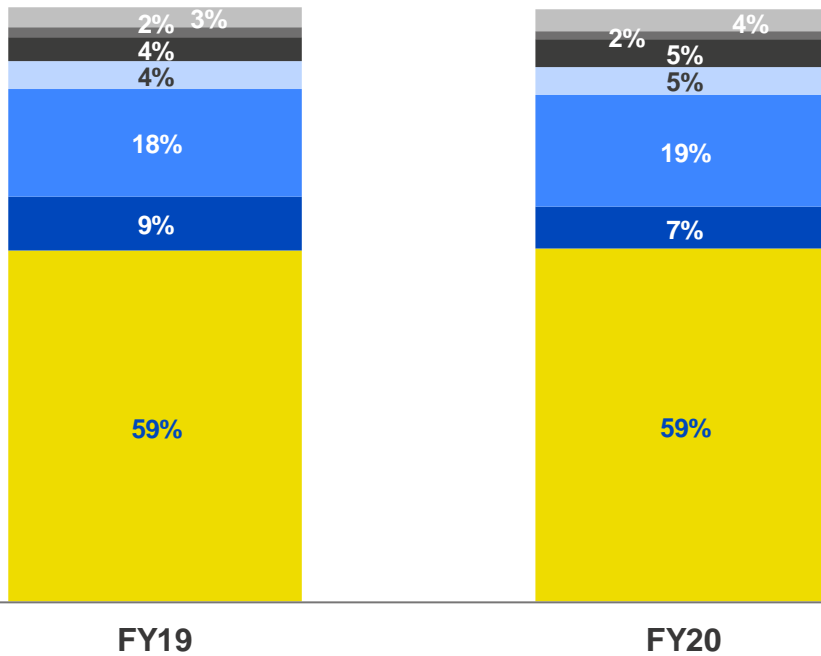


### SEGREGATED FUNDS & PPP<sup>1</sup>



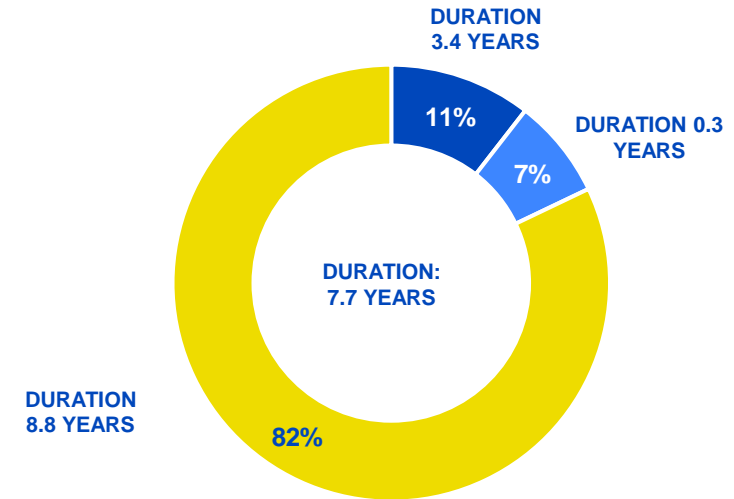
### INVESTMENT PORTFOLIO BREAKDOWN

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



### FIXED INCOME BREAKDOWN BY RATE TYPE

- Floating
- Inflation linked
- Fixed income

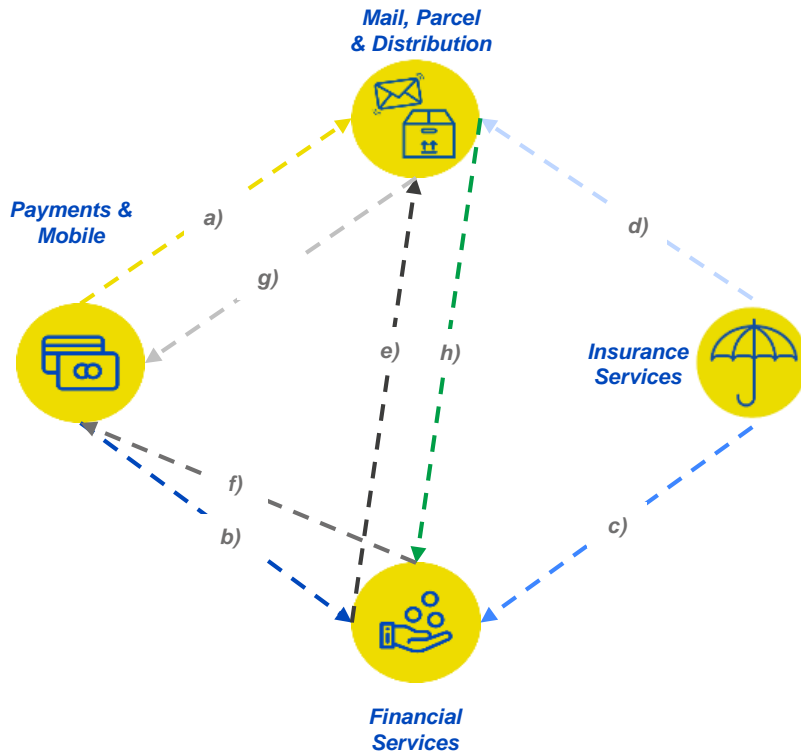


	FY19	H1-20	9M-20	FY20	Var. YoY
Minimum guaranteed return (Class I) (%)	0.67	0.61	0.60	0.57	(10)bps
Segregated fund return (%)	2.38	2.19	2.22	2.16	(22)bps

OPERATIONAL KPI's		Q4-19	Q4-20	Δ% YoY	FY19	FY20	Δ% YoY
<b>MAIL PARCEL &amp; DISTRIBUTION</b>	Mail Volumes (#m)	695	603	(13%)	2,735	2,280	(17%)
	Parcels delivered by mailmen (#m)	14	21	+49%	52	74	+44%
	Parcel volumes (#m)	44	70	+59%	148	210	+42%
	B2C Revenues (€m)	125	205	+63%	383	603	+57%
<b>PAYMENTS &amp; MOBILE</b>	PostePay cards (#m)				21.5	21.7	+1%
	<i>of which PostePay Evolution cards (#m)</i>				7.2	7.7	+7%
	Total payment cards transactions (#bn)				1.4	1.6	+9%
	<i>of which eCommerce transactions (#m)</i>				249.9	397.0	+59%
	Mobile & land-line (#m)				4.4	4.6	+5%
Poste Italiane Digital e-Wallets (#m)				5.4	7.4	+36%	
<b>FINANCIAL SERVICES</b>	Total Financial Assets - TFAs (€/bn)				536	569	+6%
	Unrealized gains (€m)				1,115	4,653	+317%
<b>INSURANCE SERVICES</b>	Gross Written Premiums (€m)	4,064	4,475	+10%	17,972	16,898	(6%)
	GWP – Life (€m)	3,659	4,044	+11%	16,643	15,566	(6%)
	GWP – Private Pension Plan (€m)	351	378	+8%	1,088	1,095	+1%
	GWP – P&C (€m)	54	53	(3%)	240	237	(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 services<sup>1</sup>;
- 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

a) 52 +10%

b) 56 -

**Total: 108**

### • Insurance Services remunerates:

- c) **Financial Services** for promoting and selling insurance products<sup>2</sup> and for investment management services<sup>3</sup>;
- d) **Mail, Parcel and Distribution** for providing corporate services<sup>1</sup>;

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

c) 130 +15%

d) 14 n.m.

**Total: 143**

### • Financial Services remunerates:

- e) **Mail, Parcel and Distribution** for promoting and selling Financial, Insurance and PMD products throughout the network and for providing corporate services<sup>4</sup>;
- f) **Payments & Mobile** for providing certain payment services<sup>5</sup>

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

e) 1,186 +2%

f) 71 (14%).

**Total: 1,251**

### • 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) 9 (7%)

h) 10 +11%

**Total: 19**

# CONSOLIDATED ACCOUNTS

## PROFIT & LOSS



€m	Q4-19	Q4-20	Var.	Var. %	FY19	FY20	Var.	Var. %
<b>Total revenues</b>	<b>2,924</b>	<b>2,964</b>	<b>40</b>	<b>+1%</b>	<b>10,960</b>	<b>10,526</b>	<b>(434)</b>	<b>(4%)</b>
of which:								
Mail, Parcel and Distribution	937	950	13	+1%	3,492	3,201	(292)	(8%)
Payments and Mobile	187	215	28	+15%	664	737	74	+11%
Financial Services	1,351	1,349	(2)	(0%)	5,135	4,945	(190)	(4%)
Insurance Services	450	451	1	+0%	1,669	1,643	(26)	(2%)
<b>Total costs</b>	<b>2,690</b>	<b>2,685</b>	<b>(6)</b>	<b>(0%)</b>	<b>9,186</b>	<b>9,002</b>	<b>(184)</b>	<b>(2%)</b>
of which:								
Total personnel expenses	1,776	1,760	(15)	(1%)	5,896	5,638	(258)	(4%)
<i>of which personnel expenses</i>	<i>1,452</i>	<i>1,341</i>	<i>(111)</i>	<i>(8%)</i>	<i>5,561</i>	<i>5,204</i>	<i>(356)</i>	<i>(6%)</i>
<i>of which early retirement incentives</i>	<i>328</i>	<i>423</i>	<i>94</i>	<i>+29%</i>	<i>342</i>	<i>434</i>	<i>93</i>	<i>+27%</i>
<i>of which legal disputes with employees</i>	<i>5</i>	<i>3</i>	<i>(2)</i>	<i>(32%)</i>	<i>6</i>	<i>1</i>	<i>(5)</i>	<i>n.m.</i>
Other operating costs	715	741	26	+4%	2,515	2,664	149	+6%
Depreciation, amortisation and impairments	200	183	(17)	(8%)	774	700	(75)	(10%)
<b>EBIT</b>	<b>234</b>	<b>280</b>	<b>46</b>	<b>+20%</b>	<b>1,774</b>	<b>1,524</b>	<b>(250)</b>	<b>(14%)</b>
EBIT Margin	+8%	+9%			+16%	+14%		
Finance income/(costs) and profit/(loss) on investments accounted for using the equity method	76	25	(51)	(67%)	99	52	(46)	(47%)
<b>Profit before tax</b>	<b>310</b>	<b>305</b>	<b>(5)</b>	<b>(2%)</b>	<b>1,873</b>	<b>1,576</b>	<b>(296)</b>	<b>(16%)</b>
Income tax expense	51	(3)	(54)	(106%)	530	370	(160)	(30%)
<b>Profit for the period</b>	<b>259</b>	<b>308</b>	<b>49</b>	<b>+19%</b>	<b>1,342</b>	<b>1,206</b>	<b>(136)</b>	<b>(10%)</b>

# MAIL, PARCEL & DISTRIBUTION

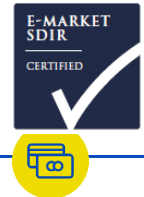
## PROFIT & LOSS



€m	Q4-19	Q4-20	Var.	Var. %	FY19	FY20	Var.	Var. %
Segment revenues	937	950	13	+1%	3,492	3,201	(292)	(8%)
Intersegment revenue	1,219	1,253	34	+3%	4,723	4,633	(90)	(2%)
<b>Total revenues</b>	<b>2,156</b>	<b>2,203</b>	<b>47</b>	<b>+2%</b>	<b>8,215</b>	<b>7,833</b>	<b>(382)</b>	<b>(5%)</b>
Personnel expenses	1,746	1,736	(11)	(1%)	5,782	5,539	(242)	(4%)
<i>of which personnel expenses</i>	<i>1,418</i>	<i>1,313</i>	<i>(105)</i>	<i>(7%)</i>	<i>5,442</i>	<i>5,107</i>	<i>(335)</i>	<i>(6%)</i>
<i>of which early retirement incentives</i>	<i>328</i>	<i>422</i>	<i>95</i>	<i>+29%</i>	<i>340</i>	<i>432</i>	<i>92</i>	<i>+27%</i>
Other operating costs	557	615	58	+10%	1,985	2,143	158	+8%
Intersegment costs	18	19	1	+6%	72	73	1	+2%
<b>Total costs</b>	<b>2,321</b>	<b>2,370</b>	<b>49</b>	<b>+2%</b>	<b>7,838</b>	<b>7,755</b>	<b>(83)</b>	<b>(1%)</b>
<b>EBITDA</b>	<b>(165)</b>	<b>(167)</b>	<b>(2)</b>	<b>(1%)</b>	<b>377</b>	<b>78</b>	<b>(299)</b>	<b>(79%)</b>
Depreciation, amortisation and impairments	186	178	(8)	(5%)	724	667	(58)	(8%)
<b>EBIT</b>	<b>(351)</b>	<b>(344)</b>	<b>7</b>	<b>+2%</b>	<b>(347)</b>	<b>(588)</b>	<b>(241)</b>	<b>(69%)</b>
EBIT MARGIN	(16%)	(16%)			(4%)	(8%)		
Finance income/(costs)	(43)	6	49	n.m.	(36)	12	48	n.m.
<b>Profit/(Loss) before tax</b>	<b>(394)</b>	<b>(338)</b>	<b>55</b>	<b>+14%</b>	<b>(384)</b>	<b>(577)</b>	<b>(193)</b>	<b>(50%)</b>
Income tax expense	(98)	(96)	2	+2%	(77)	(158)	(80)	n.m.
<b>Profit for the period</b>	<b>(296)</b>	<b>(242)</b>	<b>54</b>	<b>+18%</b>	<b>(306)</b>	<b>(419)</b>	<b>(113)</b>	<b>(37%)</b>

# PAYMENTS & MOBILE

## PROFIT & LOSS



€m	Q4-19	Q4-20	Var.	Var. %	FY19	FY20	Var.	Var. %
Segment revenue	187	215	28	+15%	664	737	74	+11%
Intersegment revenue	94	81	(13)	(14%)	375	341	(34)	(9%)
<b>Total revenues</b>	<b>280</b>	<b>296</b>	<b>16</b>	<b>+6%</b>	<b>1,039</b>	<b>1,079</b>	<b>40</b>	<b>+4%</b>
Personnel expenses	8	6	(1)	(19%)	31	25	(6)	(19%)
<i>of which personnel expenses</i>	7	6	(1)	(17%)	31	25	(6)	(19%)
<i>of which early retirement incentives</i>	0	0	(0)	n.m.	0	0	(0)	n.m.
Other operating costs	101	115	14	+14%	322	384	62	+19%
Intersegment costs	103	108	4	+4%	418	385	(32)	(8%)
<b>Total costs</b>	<b>212</b>	<b>229</b>	<b>17</b>	<b>+8%</b>	<b>771</b>	<b>795</b>	<b>24</b>	<b>+3%</b>
<b>EBITDA</b>	<b>68</b>	<b>67</b>	<b>(1)</b>	<b>(2%)</b>	<b>268</b>	<b>284</b>	<b>16</b>	<b>+6%</b>
Depreciation, amortisation and impairments	7	4	(3)	(42%)	27	25	(2)	(6%)
<b>EBIT</b>	<b>61</b>	<b>63</b>	<b>2</b>	<b>+3%</b>	<b>241</b>	<b>259</b>	<b>18</b>	<b>+7%</b>
EBIT MARGIN	22%	21%			23%	24%		
Finance income/(costs)	93	2	(91)	n.m.	99	8	(91)	n.m.
<b>Profit/(Loss) before tax</b>	<b>155</b>	<b>66</b>	<b>(89)</b>	<b>(58%)</b>	<b>340</b>	<b>267</b>	<b>(74)</b>	<b>(22%)</b>
Income tax expense	17	17	(0)	(0%)	68	73	4	+6%
<b>Profit for the period</b>	<b>138</b>	<b>49</b>	<b>(89)</b>	<b>(65%)</b>	<b>272</b>	<b>194</b>	<b>(78)</b>	<b>(29%)</b>

€m	Q4-19	Q4-20	Var.	Var. %	FY19	FY20	Var.	Var. %
Segment revenue	1,351	1,349	(2)	(0%)	5,135	4,945	(190)	(4%)
Intersegment revenue	171	186	15	+9%	691	665	(25)	(4%)
<b>Total revenues</b>	<b>1,522</b>	<b>1,535</b>	<b>13</b>	<b>+1%</b>	<b>5,826</b>	<b>5,610</b>	<b>(215)</b>	<b>(4%)</b>
Personnel expenses	11	11	(0)	(3%)	43	40	(3)	(7%)
<i>of which personnel expenses</i>	11	10	(0)	(3%)	42	39	(3)	(7%)
<i>of which early retirement incentives</i>	0	0	(0)	(3%)	2	1	(0)	(27%)
Other operating costs	18	(13)	(32)	(172%)	107	46	(61)	(57%)
Depreciation, amortisation and impairments	0	0	0	+21%	0	0	0	+4%
Intersegment costs	1,245	1,251	6	+0%	4,801	4,658	(142)	(3%)
<b>Total costs</b>	<b>1,274</b>	<b>1,248</b>	<b>(26)</b>	<b>(2%)</b>	<b>4,951</b>	<b>4,745</b>	<b>(207)</b>	<b>(4%)</b>
<b>EBIT</b>	<b>248</b>	<b>287</b>	<b>39</b>	<b>+16%</b>	<b>874</b>	<b>866</b>	<b>(9)</b>	<b>(1%)</b>
EBIT MARGIN	16%	19%			15%	15%		
Finance income/(costs)	11	3	(8)	n.m.	6	(9)	(15)	n.m.
<b>Profit/(Loss) before tax</b>	<b>258</b>	<b>289</b>	<b>31</b>	<b>+12%</b>	<b>881</b>	<b>857</b>	<b>(24)</b>	<b>(3%)</b>
Income tax expense	58	49	(9)	(15%)	240	210	(30)	(13%)
<b>Profit for the period</b>	<b>200</b>	<b>240</b>	<b>40</b>	<b>+20%</b>	<b>640</b>	<b>647</b>	<b>7</b>	<b>+1%</b>

€m	Q4-19	Q4-20	Var.	Var. %	FY19	FY20	Var.	Var. %
Segment revenue	450	451	1	+0%	1,669	1,643	(26)	(2%)
Intersegment revenue	0	1	1	+299%	1	1	1	+119%
<b>Total revenues</b>	<b>450</b>	<b>452</b>	<b>1</b>	<b>+0%</b>	<b>1,670</b>	<b>1,644</b>	<b>(25)</b>	<b>(2%)</b>
Personnel expenses	11	8	(3)	(28%)	40	33	(7)	(17%)
<i>of which personnel expenses</i>	11	8	(3)	(28%)	40	32	(8)	(19%)
<i>of which early retirement incentives</i>	0	0	0	n.m.	0	1	1	n.m.
Other operating costs	39	25	(14)	(36%)	102	92	(10)	(10%)
Depreciation, amortisation and impairments	6	1	(5)	(81%)	24	8	(15)	(66%)
Intersegment costs	118	143	26	+22%	499	523	25	+5%
<b>Total costs</b>	<b>174</b>	<b>177</b>	<b>3</b>	<b>+2%</b>	<b>664</b>	<b>656</b>	<b>(8)</b>	<b>(1%)</b>
<b>EBIT</b>	<b>276</b>	<b>274</b>	<b>(2)</b>	<b>(1%)</b>	<b>1,006</b>	<b>988</b>	<b>(18)</b>	<b>(2%)</b>
EBIT MARGIN	61%	61%			60%	60%		
Finance income/(costs)	15	14	(1)	(5%)	30	41	12	+39%
<b>Profit/(Loss) before tax</b>	<b>291</b>	<b>289</b>	<b>(2)</b>	<b>(1%)</b>	<b>1,035</b>	<b>1,029</b>	<b>(6)</b>	<b>(1%)</b>
Income tax expense	73	27	(46)	(63%)	298	245	(54)	(18%)
<b>Profit for the period</b>	<b>218</b>	<b>262</b>	<b>44</b>	<b>+20%</b>	<b>737</b>	<b>784</b>	<b>47</b>	<b>+6%</b>

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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.

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