

INTERIM REPORT AT 30 JUNE 2022



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01

REPORT ON OPERATIONS AT 30 JUNE 2022





1. INTRODUCTION

The Interim Report at 30 June 2022 of the Poste Italiane Group approved by the Board of Directors on 27 July 2022, which authorised its public disclosure, also pursuant to IAS 10 includes the Report on Operations at 30 June 2022 and the Condensed consolidated half-year financial statements.

The first half of 2022 was still characterised by the Covid-19 health emergency, caused by an increase in infections due to the spread of the Omicron variants. Furthermore, the international macroeconomic scenario during the period was heavily affected by changes in the Russia-Ukraine crisis, which saw, in February 2022, the outbreak of war between the two countries as Russia invaded Ukraine.

For an explanation of the impacts of the pandemic and the actions implemented by the Group to address them, please refer to the information described hereafter in this Report on Operations.

The information in this half-year financial report takes into account the recommendations issued by the ESMA in 2021 regarding the effects of the ongoing pandemic on the Group, as well as the guidelines and recommendations issued in the first half of 2022 by the European regulatory and supervisory bodies¹ on the impacts of the Russia-Ukraine conflict on the Group's business, financial position, results of operation and future prospects.

In this regard, please refer to the section "Impacts of the pandemic and the Russia-Ukraine conflict", in the "Outlook" chapter of this Report on Operations, and to the Condensed Consolidated half-year Financial Statements at 30 June 2022, chapter "Significant events during the period".

Moreover, in the first half of 2022, the company Poste Welfare Servizi, previously allocated to the Insurance Services Strategic Business Unit, is represented in the Mail, Parcels and Distribution Strategic Business Unit. The comparable financial figures have therefore been reclassified to take account of this organisational change.

Lastly, it is noted that amounts shown in millions of euros have been rounded, with the result that the sum of the rounded figures does not always tally with the rounded total.

The following infographics are used in this document:



to indicate the possibility of consulting the definition of the content in the glossary found in Chapter 9 using a link;



to indicate the possibility of learning more about the issue discussed in the reference paragraph using a link;



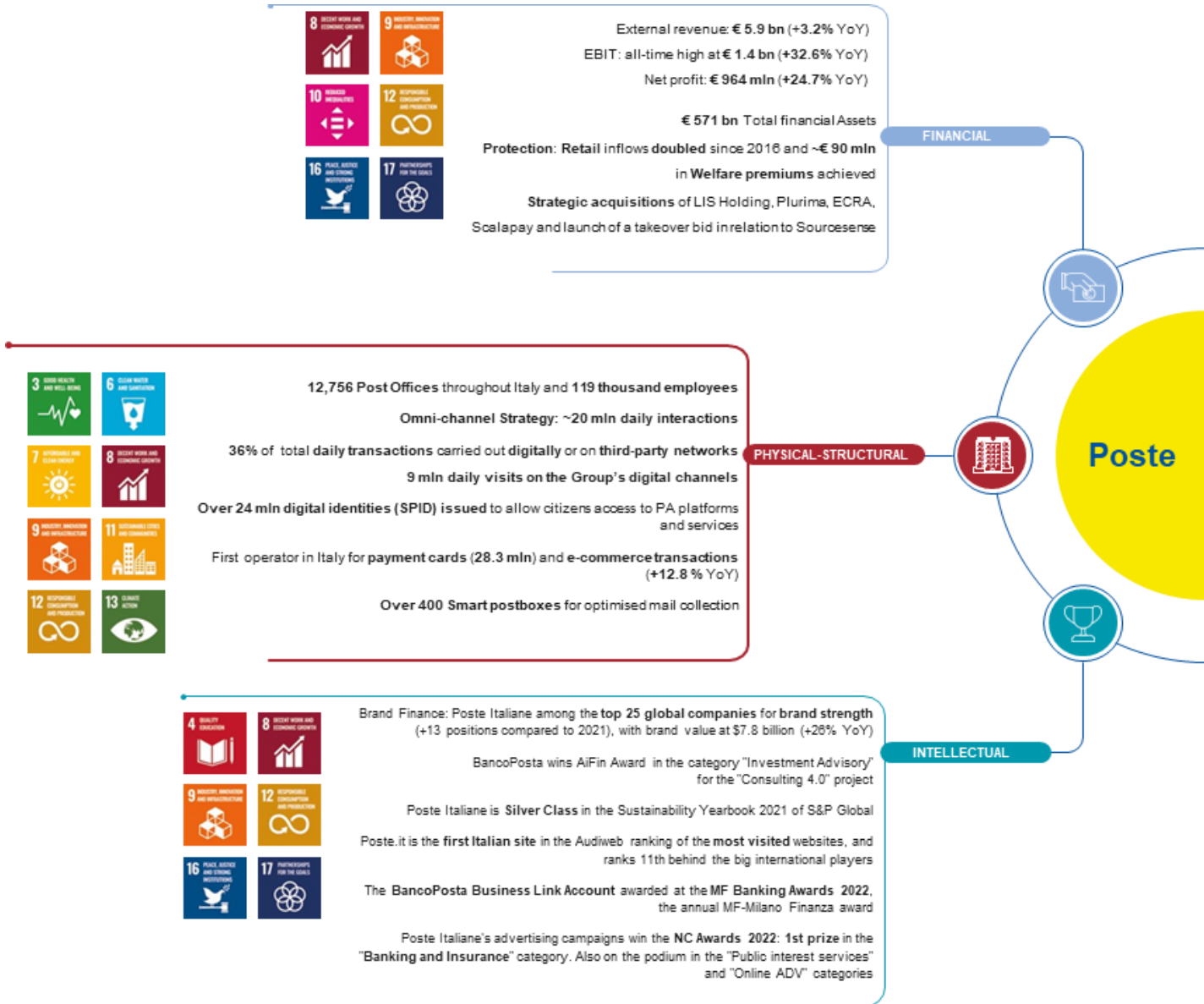
to indicate the possibility of returning to the beginning of the chapter or the general index with a link.

¹ Public statement ESMA32-63-1277 "Implications of Russia's invasion of Ukraine on half-yearly financial reports" dated 13 May 2022 and CONSOB Notice of attention no. 3/22 dated 19 May 2022.

2. HIGHLIGHTS

2022 OUTCOME OF POSTE ITALIANE'S VALUE CREATION PROCESS

During the first half of 2022, through significant investment in the six forms of capital on which the Company is based (financial, human, physical-structural, intellectual, social-relational and natural), the Poste Italiane value creation process has generated significant results for the Group with systemic value, consistent with the United Nations Sustainable Development Goals Framework.







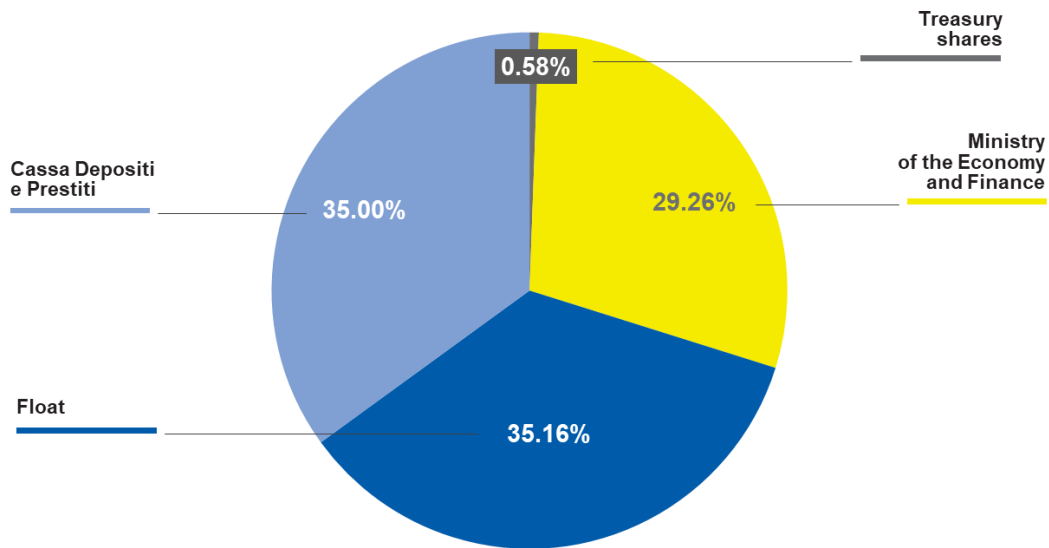
3. BUSINESS MODEL

- POSTE ITALIANE'S OWNERSHIP AND ORGANISATIONAL STRUCTURE
- POSTE ITALIANE'S CORPORATE GOVERNANCE
- GROUP STRUCTURE
- OMNI-CHANNEL APPROACH AND GROUP OPERATING SEGMENTS



POSTE ITALIANE'S OWNERSHIP AND ORGANISATIONAL STRUCTURE

POSTE ITALIANE'S OWNERSHIP STRUCTURE



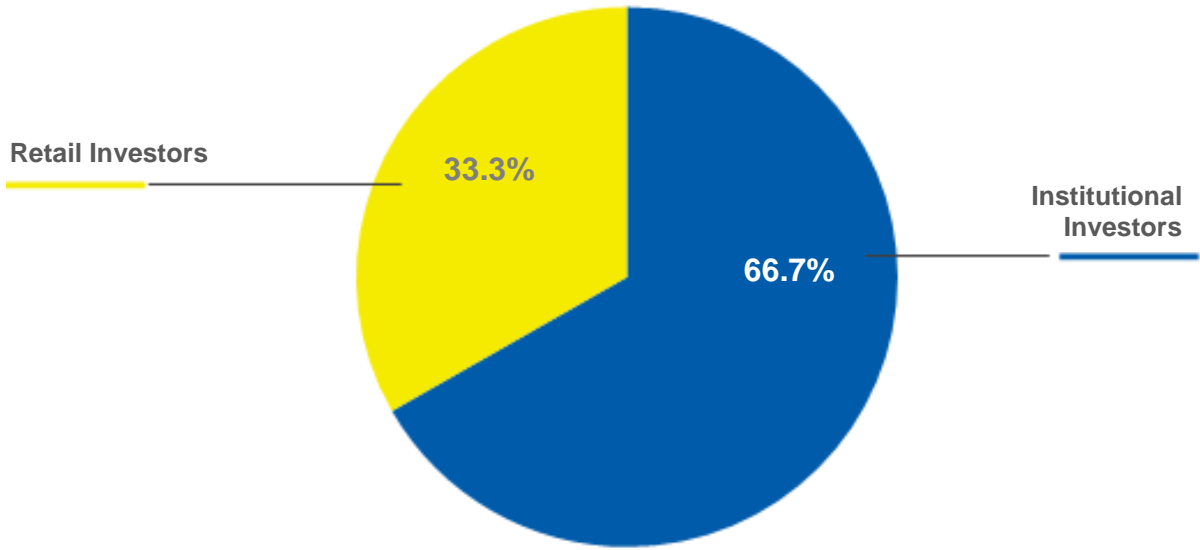
Poste Italiane has issued shares listed on the Mercato Telematico Azionario (Electronic Stock Exchange MTA) organised and managed by Borsa Italiana SpA as of 27 October 2015. At 30 June 2022, the Company is 29.26% owned by the Ministry of the Economy and Finance (MEF) and 35% owned by Cassa Depositi e Prestiti SpA (CDP), also controlled by the MEF. The remaining shares are held by institutional and retail investors. 31.1%² of shares held by Poste Italiane SpA institutional investors³ are held by investors who follow ESG criteria (Environment, Social, Governance) in their investment choices. The share capital of Poste Italiane SpA consists of 1,306,110,000 ordinary shares, of which 1,298,574,009 are outstanding at 30 June 2022 (7,535,991 treasury shares).

The Ordinary Shareholders' Meeting of 27 May 2022 authorised the Board of Directors of Poste Italiane to purchase and subsequently sell its own shares for a maximum of 2.6 million ordinary Company shares, with a maximum expenditure of up to € 40 million. The purchase of own shares was authorized over a period of eighteen months starting from the date of Meeting's resolution but no time limit was instead set for the sale of the own shares purchased. In the period between 30 May and 13 June 2022, Poste Italiane concluded its treasury share purchase programme, acquiring 2,600,000 treasury shares for a total value of around € 25.3 million.

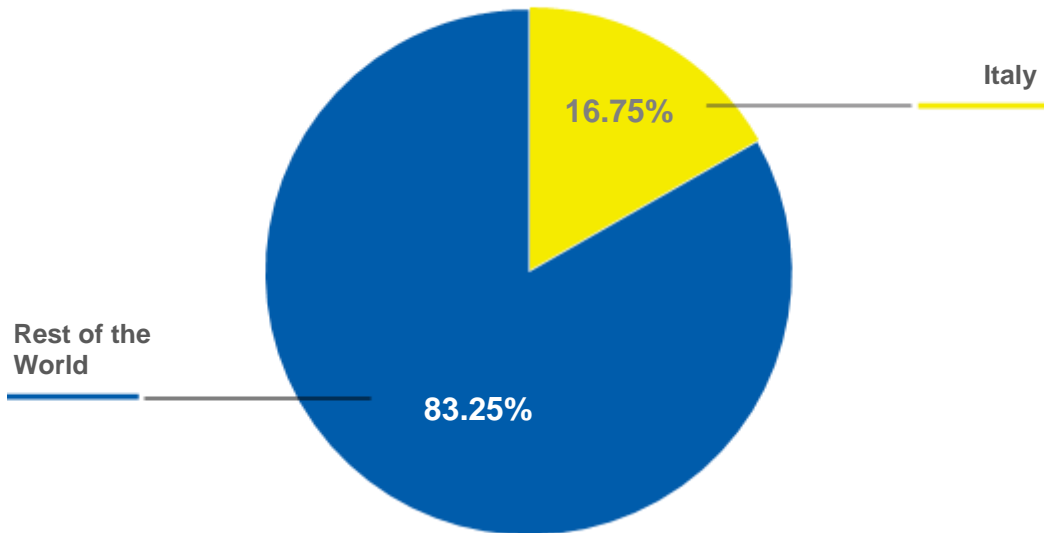
² Source: Nasdaq Corporate Solutions.

³ Poste Italiane's institutional investors represent 23.6% of the share capital and 66.7% of the floating equity.

Floating equity profile

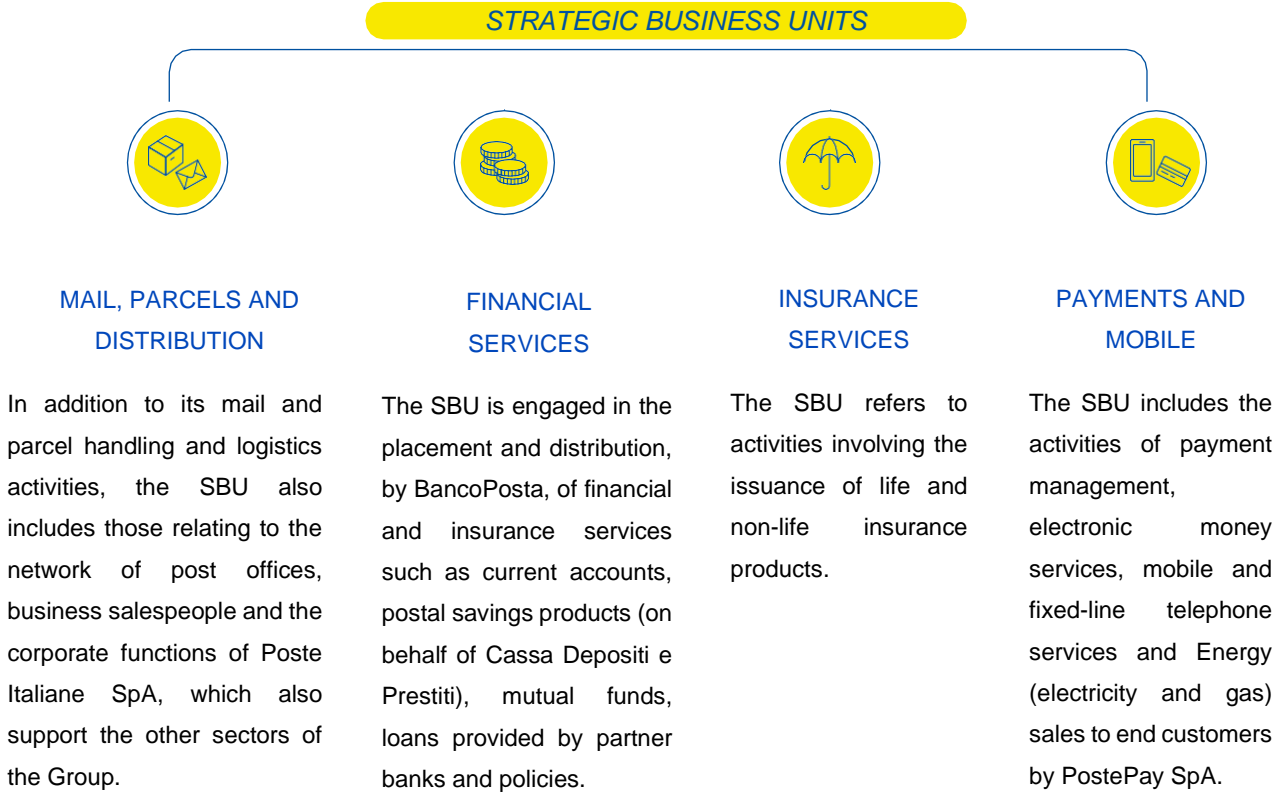


Geographical breakdown Institutional investors

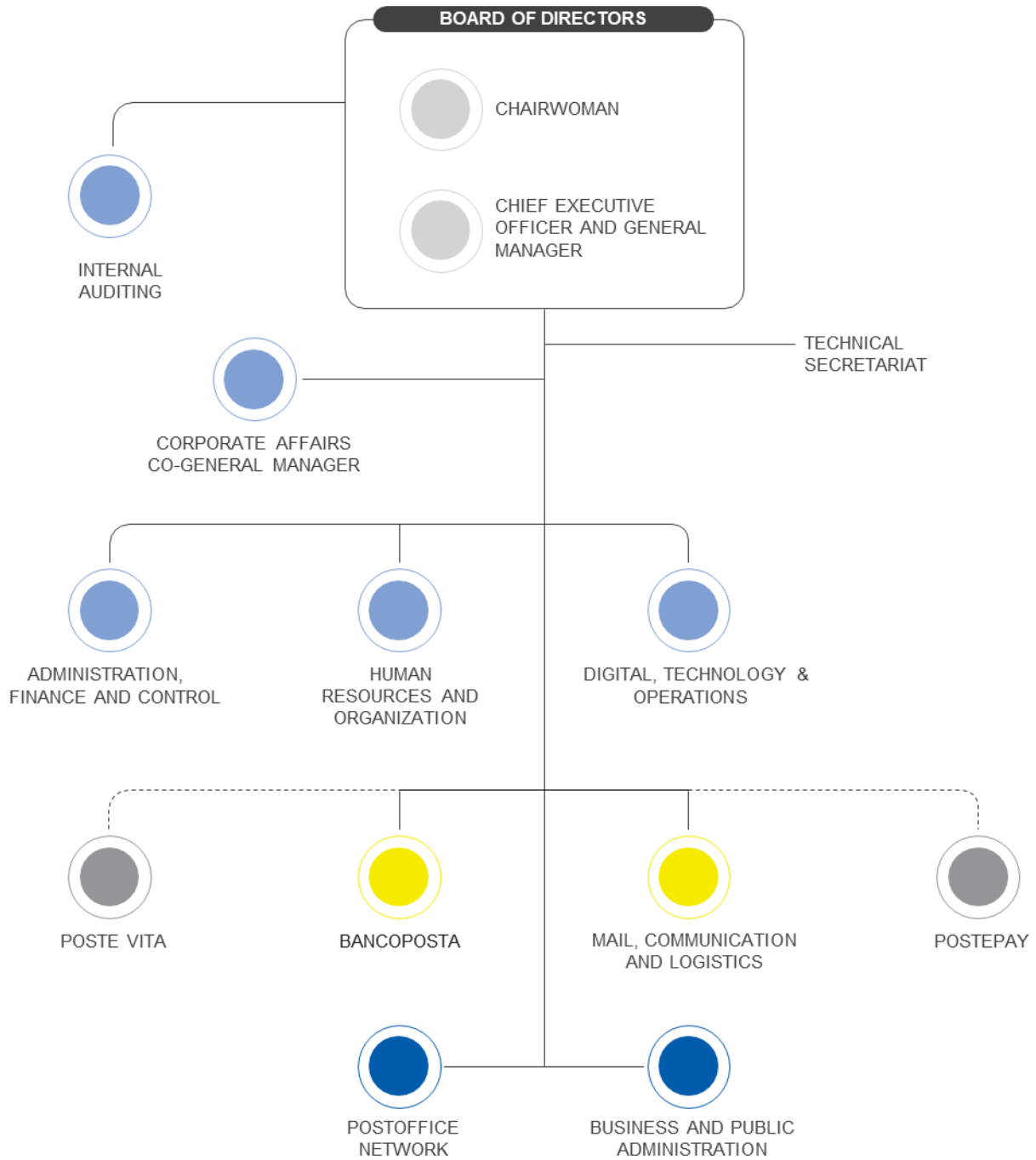


POSTE ITALIANE'S ORGANISATIONAL STRUCTURE

In line with the strategic guidelines set out in the 24SI Plus Business Plan, the Group's activities are represented by four Strategic Business Units (also referred to as operating segments in the Poste Italiane Group's financial statements): Mail, Parcels and Distribution; Financial Services; Insurance Service and Payments and Mobile.



Below is the organisational structure of Poste Italiane:



- CORPORATE FUNCTIONS
- COMMERCIAL CHANNELS
- BUSINESS AREAS
- GROUP COMPANIES

The organisation of Poste Italiane SpA envisages [business functions](#)⁴ specialising in the main areas of offer that cover the Group's 4 business sectors and [two commercial channels](#) responsible for sales of products/services, which are supported by [corporate functions](#) of guidance, governance, control and provision of services in support of [business processes](#).

With particular reference to Poste Italiane SpA corporate functions, the [Corporate Affairs](#) function's role is to guide and connect the corporate structure; moreover, in May 2020 the Head of Corporate Affairs was assigned the role and office of [Co-General Manager](#).

In the first quarter of 2022, in the Human Resources and Organisation area, the [Industrial Relations and Coordination of Local Human Resources](#) function was established to guarantee the maximum efficiency and synergy of the relations with the Trade Unions and the management of local human resources.

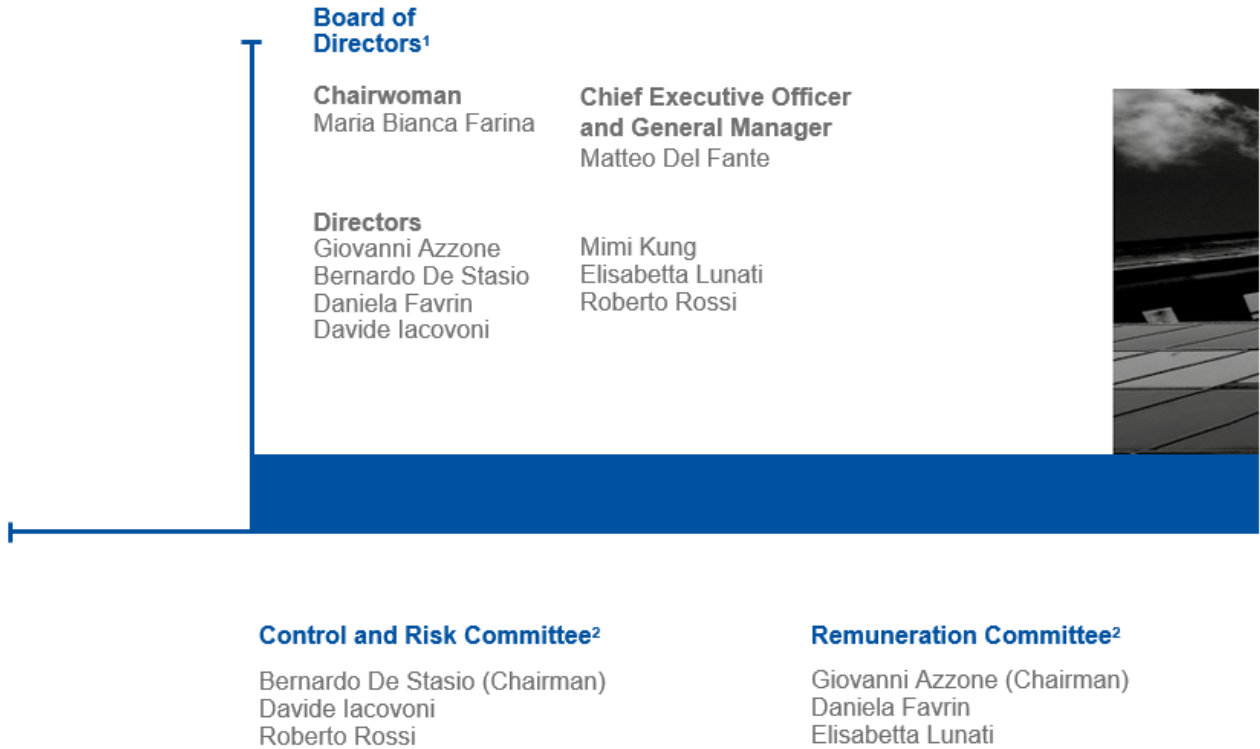
With reference to the commercial channels, in the [Private Markets](#), the local SEO (Small Economic Operator) sales professionals were divided into the Private Market Macro Area Commercial functions, by relevant geography, with the objective of facilitating the integration and development of synergies between the retail channel and the sales force dedicated to SEO customers. Furthermore, a commercial oversight was established for the management of partner channels and remote sales in the [Business and Public Administration Market](#) function.

⁴These are Mail, Communication and Logistics for mail, parcel and commercial communication services and Banca Posta as the placement intermediary for financial and insurance offerings. The other two business areas are covered by PostePay for the payments, telephony and energy offering and by Poste Vita Group for the insurance range.



POSTE ITALIANE'S CORPORATE GOVERNANCE

MANAGEMENT AND SUPERVISORY BODIES



1. The Board of Directors was elected by the Ordinary General Meeting held on 15 May 2020 to serve for a period of three years, and will remain in office until the Annual General Meeting's approval of the financial statements for the year ended 31 December 2022. Following the Board of Directors' resolution of 10 June 2020, the Co-General Manager and Head of Corporate Affairs participates in Board meetings without voting rights.

2. Committee members were appointed by the Board of Directors' meeting of 15 May 2020. At its meeting on 26/01/2022, and in order to align the Board Committees with the Bank of Italy's supervisory provisions (Bank of Italy Circular No. 285 of 17/12/2013 – 35th update) on corporate governance, the Board of Directors appointed: Giovanni Azzone as Chairman and Bernardo De Stasio as a member of the Appointments and Corporate Governance Committee. Consequently, with effect from that date, the composition of the Appointments and Corporate Governance Committee is as follows: Giovanni Azzone (Chair), Bernardo De Stasio (member), Mimi Kung (member).

Board of Statutory Auditors³

Chairman
Mauro Lonardo

Statutory Auditors
Serena Gatteschi
Gianluigi Fiorendi

Alternate Auditors
Antonio Santi
Francesco Fallacara
Sonia Ferrero

Supervisory Board⁴

Chairman
Carlo Longari

Members
Paolo Casati⁵
Massimo Lauro



Magistrate appointed by the Italian Court of Auditors to audit Poste Italiane
Piergiorgio Della Ventura⁶

Independent auditors
Deloitte&Touche SpA⁷

Appointments and Corporate Governance Committee²

Giovanni Azzone (Chairman)
Bernardo De Stasio
Mimi Kung

Related and Connected Parties Committee²

Elisabetta Lunati (Chairwoman)
Bernardo De Stasio
Mimi Kung

Sustainability Committee²

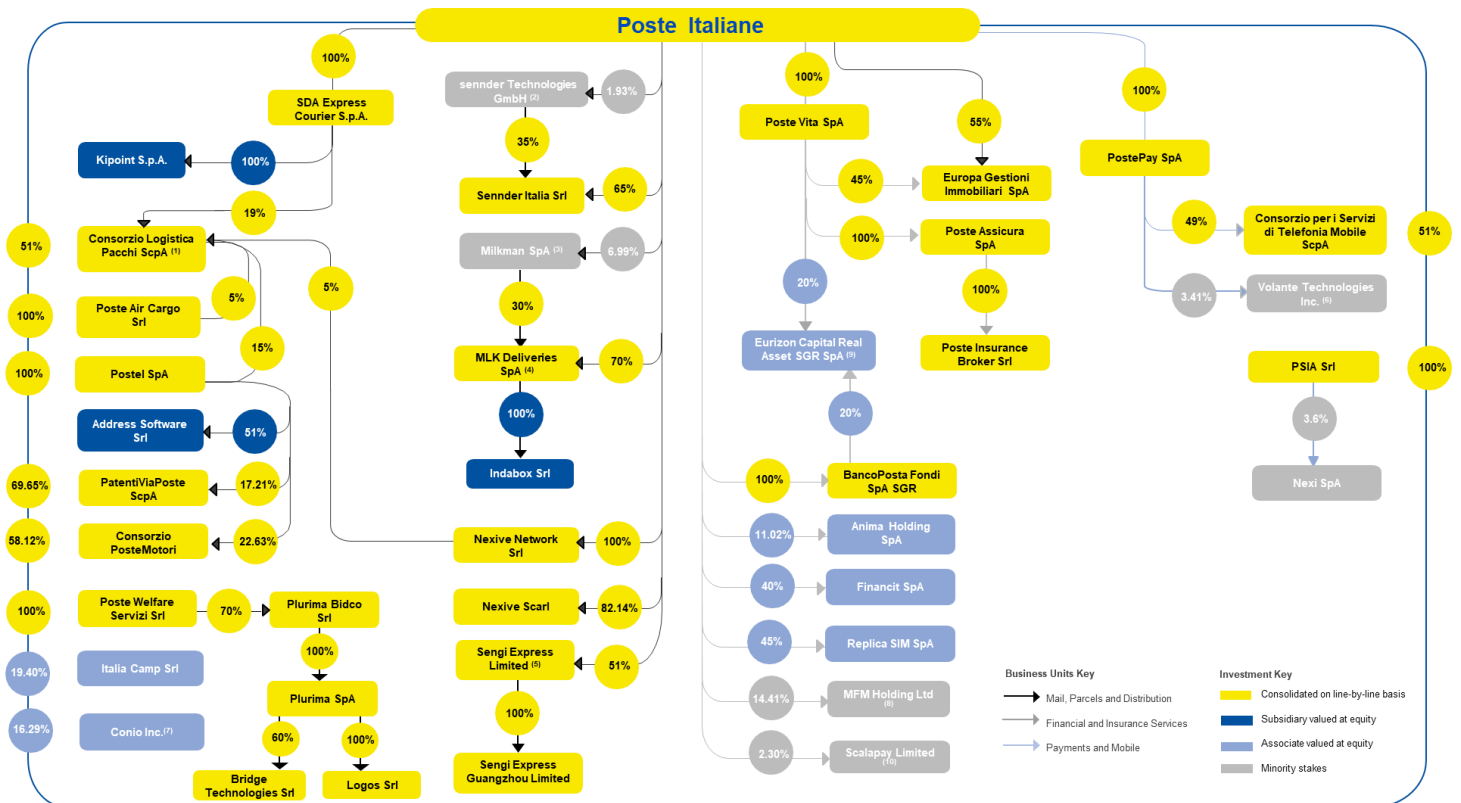
Daniela Favrin (Chairwoman)
Davide Iacovoni
Roberto Rossi

3. The Board of Statutory Auditors was elected by the Ordinary General Meeting of 27 May 2022 to serve for a period of three years and will remain in office until the General Meeting's approval of the financial statements for the year ended 31 December 2024. Until 27 May 2022, the Board of Statutory Auditors was formed as follows: Mauro Lonardo, Chair; Luigi Borrè, Standing Auditor; Maria Rosa, Adiutori, Statutory Auditor; Alberto De Nigro, Alternate Auditor; Maria Francesca Talamonti, Alternate Auditor; Antonio Santi, Alternate Auditor.
4. The Supervisory Board was appointed by the Board of Directors' meeting of 30 July 2019 for a three-year term and will remain in office until 30 July 2022.
5. The only internal member, Head of Poste Italiane SpA's Internal Auditing.
6. Assigned by the Court of Auditors with effect from 1 January 2020.
7. Company appointed to audit the accounts for the financial years 2020-2028 by resolution of the Ordinary General Meeting of 28 May 2019. Deloitte&Touche has been appointed for the entire Group.



GROUP STRUCTURE

Poste Italiane’s Business Model is implemented through the Group’s organisational structure and its companies, which contribute to the creation of value over time through the activities and services they provide. At 30 June 2022, the Group held, directly and indirectly, equity investments in 40 companies and consortia, of which 25 are consolidated on a line-by-line basis, 3 are subsidiaries and valued using the equity method, 6 are associates and valued using the equity method and 6 represent minority stakes.



- (1) The remaining 5% of Consorzio Logistica Pacchi ScpA is held by Poste Assicura SpA.
- (2) The investment in sennder Technologies GmbH fully diluted is 1.74%.
- (3) The investment in Milkman SpA fully diluted is 6.34%.
- (4) The investment in MLK Deliveries SpA fully diluted is 68.49%.
- (5) The investment in Sengi Express Limited is 51% of the shares with voting rights (40% of property rights).
- (6) The investment in Volante Technologies Inc. fully diluted is 2.95%.
- (7) The investment in Conio Inc. fully diluted is 14.53%.
- (8) The investment in MFM Holding Ltd is 14.41% of the shares with voting rights (15.35% of property rights).
- (9) The investment in ECRA totals 40% of the share capital (24.5% of the voting rights split into equal parts among the Shareholders).
- (10) The investment in Scalapay Limited fully diluted is 2.15%.


For the description of the activities of the Group companies, please see the Annual Financial Report 2021 and the Interim Report on Operations at 31 March 2022, section “Group Structure” in chapter 3 “Business Model”.

MAIN CORPORATE ACTIONS PERFORMED



PAYMENTS AND
MOBILE

Tink AB

On 23 June 2021, PostePay SpA’s Board of Directors approved the signing of binding agreements for the sale of the interest held by PostePay SpA in Tink AB, a fintech operator specialising in open banking  technology solutions, for a consideration of approximately €77 million, as part of the announced sale of 100% of Tink AB to Visa Open Connect Limited, a Visa Group company. The transaction was agreed on the basis of an enterprise value valuation of Tink AB of €1.8 billion.

It is recalled that PostePay SpA’s total investment in Tink amounted to €22.1 million, representing a 4.7% interest in the company on a fully diluted basis.

The Poste Italiane Group will continue to collaborate with Tink through the existing partnership focused on expanding the Group’s digital service offering.


The closing of the transaction was completed on 10 March 2022 following approval by the competent authorities.

LIS Holding SpA

On 25 February 2022 PostePay signed with IGT Lottery SpA (“IGT”) a binding agreement for the acquisition of 100% of LIS Holding SpA (together with the subsidiary LIS Pay SpA, “LIS”) at a price of € 700 million determined on the basis of an Enterprise Value of € 630 million and available net cash of € 70 million.

LIS offers a wide range of services through the technological management of a platform of affiliated merchants, comprising 54,000 non-specialised points of sale, of which around 33,000 are tobacconists, located across Italy. The LIS platform supports and enables the delivery of services - mainly related to collections and payments - at affiliated merchants: (i) payments (postal orders, MAV, PagoPA, etc.); (ii) Collections for prepaid card top-ups (mainly PostePay); (iii) Other types of collections for services (directly or on behalf of third parties): phone top-ups, digital TV services, as well as processing services related to mobility of tax issue, or the issue of tax stamps; (iv) Services for retailers and businesses on the aforementioned technological platform via a network of proprietary terminals.

Acquisition of 100% of the company LIS Holding SpA

This transaction consolidates PostePay’s growth also in the proximity payments market and bolsters its acquiring  services and SME

offering, in keeping with the multichannel strategy enshrined in the “24SI Plus” plan.

The boards of directors of Poste Italiane and PostePay have approved the transaction which remains subject to the usual closing conditions.

In this regard, it should be noted that on 6 June 2022, the Measure (No. 30157 of 17 May 2022) was published, in which the Autorità Garante della Concorrenza e del Mercato (“AGCM” – the Antitrust Authority) authorised the transaction in question, not deeming it to result in the establishment or strengthening of a dominant position within the meaning of Law 287/90.

On 13 July 2022, the Bank of Italy authorised the acquisition transaction.

The closing is expected within the third quarter of 2022.

Other transactions

On 25 June 2021, Poste Vita and BancoPosta Fondi SGR signed definitive agreements for the acquisition of 40% of the share capital, of which 24.50% of shares with voting rights, of **Eurizon Capital Real Asset SGR SpA (“ECRA”)**, a company specialising in investments in support of the real economy controlled by Eurizon.

At the same time as the subscription of the capital increase, the portfolio management mandate was signed by the parties; this regards the transfer to ECRA of the management of a number of alternative investment funds, thus accessing a global platform which will make it possible to develop an integrated management model along the whole life cycle of the investment. The transaction was closed on 31 January 2022, once the regulatory authorities had given their approval. We can note that ECRA continues to be controlled and consolidated by Eurizon.

On 18 March 2022, Poste Italiane signed a binding agreement with Opus Srl (“Opus”) – entirely held by the Marconi family – and the private equity operator Siparex for the acquisition of a majority stake in **Plurima SpA**

Plurima: acquired
majority stake

(“Plurima”) for a consideration based on a total enterprise value of the Company of € 130 million.

The closing took place on 2 May 2022, when the necessary authorisations were obtained from the Autorità Garante della Concorrenza e del Mercato (“AGCM” – the Antitrust Authority) received on 21 April 2022. The transaction took place through Poste Welfare Servizi S.r.l. (“PWS”), a company wholly-owned by Poste Italiane, and financed with the cash resources available.

With the conclusion of the transaction PWS holds 70% of the share capital of Plurima Bidco Srl (Bidco) which in turn holds 100% of Plurima.

Plurima is a leader in the Italian market for hospital logistics and document custody and management services for public and private hospitals. It operates through 41 logistics facilities and a fleet of around 300 vehicles.

In light of the experience gained by PWS in the health sector, it will be possible to further strengthen its role as a centre of excellence for the Poste Italiane Group in the healthcare sector. The operation is aimed at developing the skills developed by Poste Italiane through the delivery of services via the Vaccinations Platform and creating synergies with the health services provided by Plurima.

Furthermore, for the purpose of simplifying the control structure of the Poste Italiane Group, on 20 June 2022, the reverse merger plan of Bidco into Plurima was approved by the boards of directors of the two companies; the transaction will consequently be submitted to their shareholders' meetings. The transaction will illustrate its effectiveness as of 1 January 2023.

On 8 April 2022 Poste Italiane, with an overall investment of € 25 million, acquired 2.30% (2.15% on a fully diluted basis) of the share capital of **Scalapay Limited** ("Scalapay"), a company operating in several European countries in the Buy Now Pay Later ("BNPL") market on online and physical channels, allowing end customers to pay for a product/service in three interest-free monthly payments, against a fee paid by the merchants.

On 24 June 2022, the BoD of Poste Italiane approved the promotion, in consultation with several shareholders of **Sourcesense SpA** ("Sourcesense"), of a cash takeover bid ("OPA") for all of Sourcesense's shares and warrants.

Sourcesense is a company with shares traded on the multilateral trading system known as Euronext Growth Milan ("EGM") that operates in the IT sector in Italy and Great Britain with high expertise in the development of cloud-native solutions, based on open source technology.

In line with the objectives of the 2024 Sustain & Innovate Industrial Plan, the operation will allow Poste Italiane to strengthen its capacity for the internal development of applications based on cloud and open source technology, significantly increasing the level of internalisation of activities and evolving towards a "product factory" model, while limiting the use of external personnel for specialist technology support and non-core activities.

Following the completion of the transaction, aimed at the delisting of the shares and warrants, it is expected that Poste Italiane will hold a controlling interest in Sourcesense of 70%, and that its current controlling shareholders (acting in collaboration with Poste Italiane in launching the bids) will retain a minority stake of 30%.

The transaction involves a consideration offered for each share of € 4.20 (corresponding to a premium of 24.0% in relation to the weighted average daily official prices of Borsa Italiana for the past month) and a consideration offered for each warrant of € 0.78 (corresponding to a premium of 75.4% in relation to the weighted average daily official prices of Borsa Italiana for the past month). The transaction is expected to be concluded by the end of 2022.

Sourcesense:
promotion of a cash
takeover bid for all
shares and warrants

Intra-group transactions

On 26 January 2022 the Board of Directors of Poste Vita approved the transfer to Poste Italiane of 100% of the shares in **Poste Welfare Servizi**, in order to implement a process to reorganise the Poste Italiane Group to strengthen the role of Poste Welfare Servizi as a centre of excellence in the healthcare sector. The operation is aimed at integrating the consolidated skills developed by Poste Welfare Servizi in the health sector with those recently developed by the Parent Company through the delivery of services via the Vaccinations Platform and the Poste Medical Centre operating at the

Group's head offices at Viale Europa and providing services to employees of the Poste Italiane Group. The operation took effect from the filing at the Companies Register of the deed of sale signed on 24 February 2022.

On 26 January 2022 **MFM Holding Ltd** (Moneyfarm) launched a capital increase for an amount of approximately € 53 million, subscribed for approximately € 44 million by M&G plc, a listed asset manager based in the UK, and *pro quota* by Poste Italiane with an investment of approximately € 9 million, in order not to dilute its stake of approximately 14%.

On 24 June 2022, the BoD of Poste Italiane and the General Meeting of Shareholders of **PSIA S.r.l.** ("PSIA") approved the merger by incorporation of PSIA into Poste Italiane. The transaction, which provides for application of the simplifications envisaged by the regulations for the merger of wholly owned companies, will take effect from the date of the latest registration required by Art. 2504 of the Italian Civil Code in the Companies Register. The merger is part of a company reorganisation that will allow Poste Italiane to directly hold shares in the listed company **NEXI S.p.A.**, thus simplifying the structure of the Group.

As part of the process of streamlining the efficiency of the Poste Group's information communication technology processes, by centralising the management of the subsidiaries' information systems at the Parent Company, on 23 June 2022, the Board of Directors of BancoPosta Fondi SGR approved the sale of its ICT management business unit to Poste Italiane. The transaction, which was previously notified to the Bank of Italy, pursuant to Title IV, Chapter III - Section II, Article 1 of the collective asset management regulations, will be effective as of 1 October 2022.

The shareholders' equity of **Poste Insurance Broker** as at 31 December 2021 was €1,118,800 and reflected the loss for the year and that of previous years, falling into the situation provided for by art. 2482 bis of the Italian Civil Code⁵ (losses in excess of one third of the share capital). The Board of Directors of the Sole Shareholder Poste Assicura, at the meeting on 22 February 2022, approved the proposal to strengthen Poste Insurance Broker's capital by € 900 thousand, to cover the ascertained losses while at the same time strengthening the subsidiary's capital and its ability to continue as a going concern.



OMNI-CHANNEL APPROACH AND GROUP OPERATING SEGMENTS

OMNI-CHANNEL STRATEGY

MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

FINANCIAL SERVICES STRATEGIC BUSINESS UNIT

INSURANCE SERVICES STRATEGIC BUSINESS UNIT

PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT



OMNI-CHANNEL STRATEGY


The digital transformation undertaken by Poste Italiane in recent years has involved not only its own offerings, but also the distribution model which, through an omni-channel strategy, guarantees the Company the possibility to provide services that are in step with the needs of its customers.

The pandemic encouraged the acceleration of the transition to the new operating model, enabling the Company to respond quickly to changes in the market by leveraging its digital platforms that exploit the opportunities arising from technological

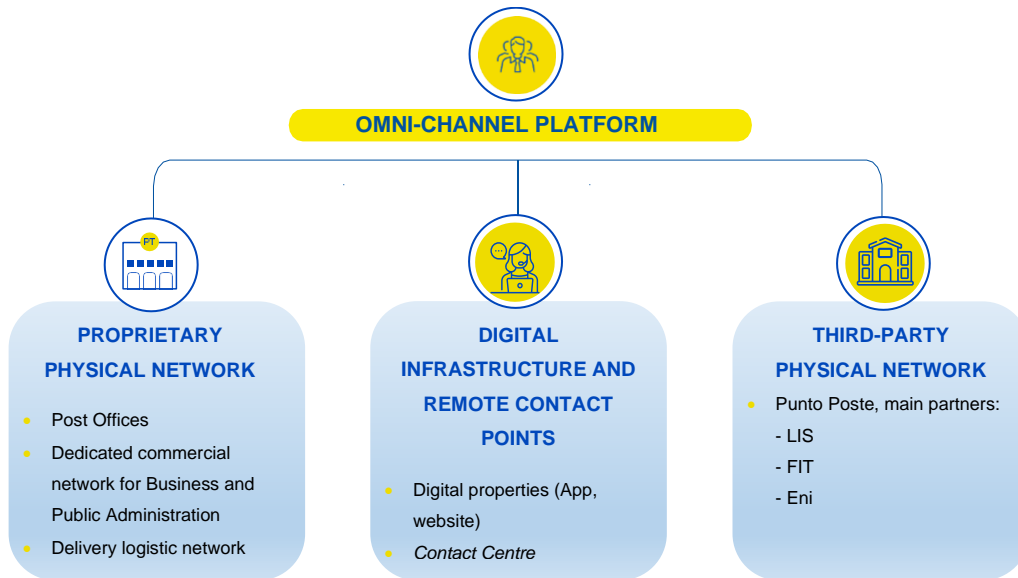
⁵Paragraph 1 of article 2482 bis of the Italian Civil Code states that "if the share capital has fallen by over one third due to losses, directors must convene the shareholders' meeting without delay for the appropriate measures". Paragraph 2 of article 2482 bis of the Italian Civil Code states that "the meeting must be the subject of a Directors' report on the financial situation of the company, including the observations of the Board of Statutory Auditors or the independent auditor".

innovation to create new personalised products and services and opening up additional channels of communication with its customers.

The Group's **integrated omni-channel platform** provides customer care and other services through **three channels**:

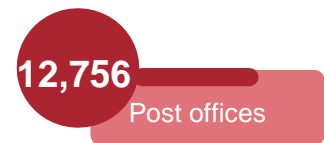
- **the physical network**: the network of **Post Offices**, the specialist commercial service for business clients and the delivery logistic network for the delivery of mail and parcels;
- **digital infrastructure and remote contact points**: all of the Group's **digital properties**  and its **Contact Centre**, able to serve the entire Italian population;
- **physical third-party networks**: around 62,000 retail outlets and the result of commercial partnership agreements for the marketing of Group products and services.

The Group's omni-channel platform is shown below:

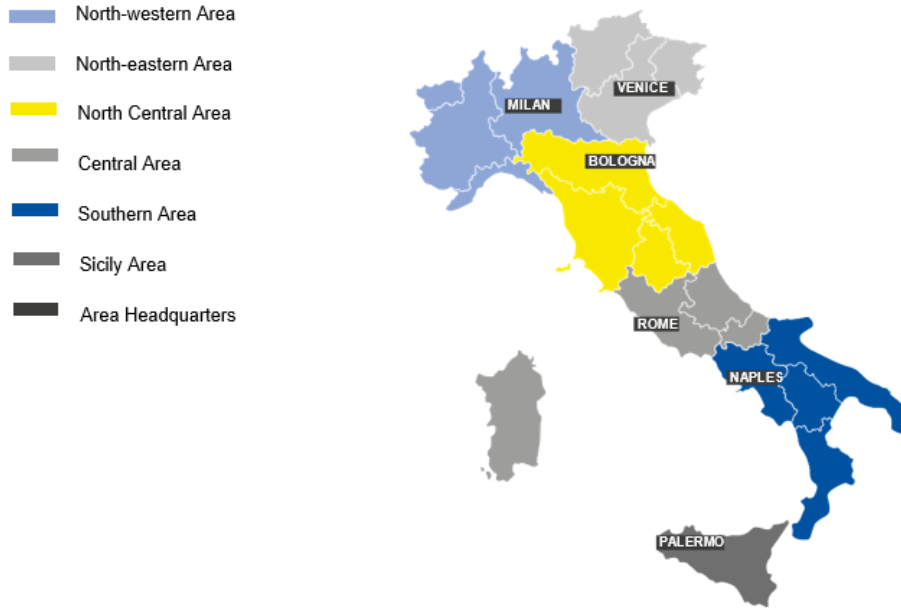


PROPRIETARY PHYSICAL NETWORK OF POST OFFICES

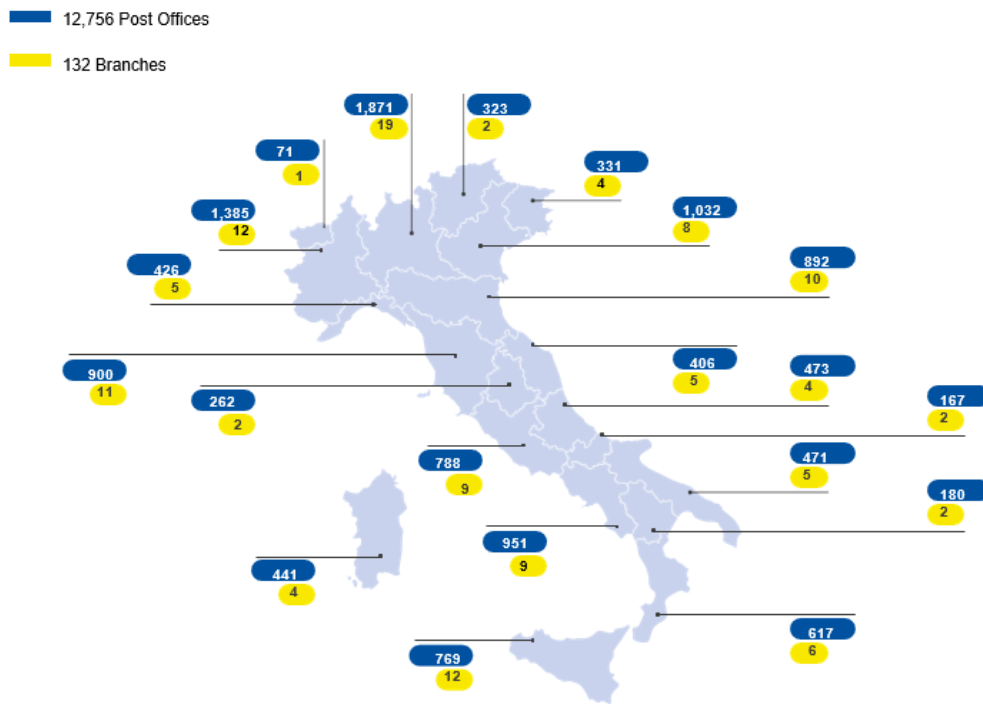
The post office network is governed by the Private Markets function, which is divided into regional Areas, Branches and Post Offices and serves the entire country.



MACRO AREAS POST OFFICE NETWORK



GEOGRAPHICAL DISTRIBUTION OF POST OFFICES AND BRANCHES



In the last quarter of 2021, the **Corner Project 2.0**⁶ was launched on a pilot scheme involving 100 Post Offices, of which 83 with queues dedicated to car civil liability products and Telephony/Postepay Cards integrated into the New Queue Manager. As part of this project, on 30 June 2022, 969 so-called PuntoPoste Casa&Famiglia Corners were set up (of which 456 corners and 513 lowered workstations). In addition, to promote the marketing of these products, a **New Queue Manager** with dedicated queues is active in over 400 post offices of the Punto Poste Casa e Famiglia network.



Furthermore, with a view to optimising the process of providing services and the offer, the Company has upgraded the network of Hospitality Operators with the aim of improving customer experience and a pilot has been launched for the SRC⁷ (Specialist Remote Consultant) project.

Lastly, from March 2022, with the aim of seizing the synergies between post offices and the sales force dedicated to Small Economic Operators (SEOs), the relative local sales professionals were divided into the Macro Area functions.

The SEO project aims to create synergies between the service models dedicated to retail customers and the one aimed at the target of self-employed professionals and small businesses, by providing the latter with the reach of the Poste Italiane network. In this context, it will be possible to seize the project changes dedicated to post offices, the range of products and the omni-channel service model (including the synergies being developed with the third-party physical network).

The current sales network dedicated to self-employed professionals and small businesses is formed of salespeople specialised in the financial sector (around 440 people) and the mail and parcels sector (around 170 people), coordinated by a team of managers (around 30 people).

With reference to the actions implemented by the Company to protect personnel and customers from the Covid-19 pandemic, see Chapter 4 “Risk Management”.



PHYSICAL NETWORK - BUSINESS AND PUBLIC ADMINISTRATION

The Group's commercial presence and the sale of products and services to businesses and the central and local public administration is provided by the Business and Public Administration function of Poste Italiane.

The organisation of the sales force guarantees **territorial coverage focused by product sector**, through:

- 3 Sales Macro Areas (Lombardy North West, Central North and North East, Central South), with exclusive commercial responsibility for mail and communication revenue and commercial support for the specialist sales force;
- 2 Sales areas dedicated to the commercial management of products/services of logistics and parcels and specialised by industry:
 - *Industry 1: Health&Beauty, Electronics and IT, Other Sectors;*
 - *Industry 2: Food&Grocery&Pet, Homeliving&Fashion, Platform&Solution Players);*
- 1 Commercial area specialising in the offer of financial and insurance products for large business customers and

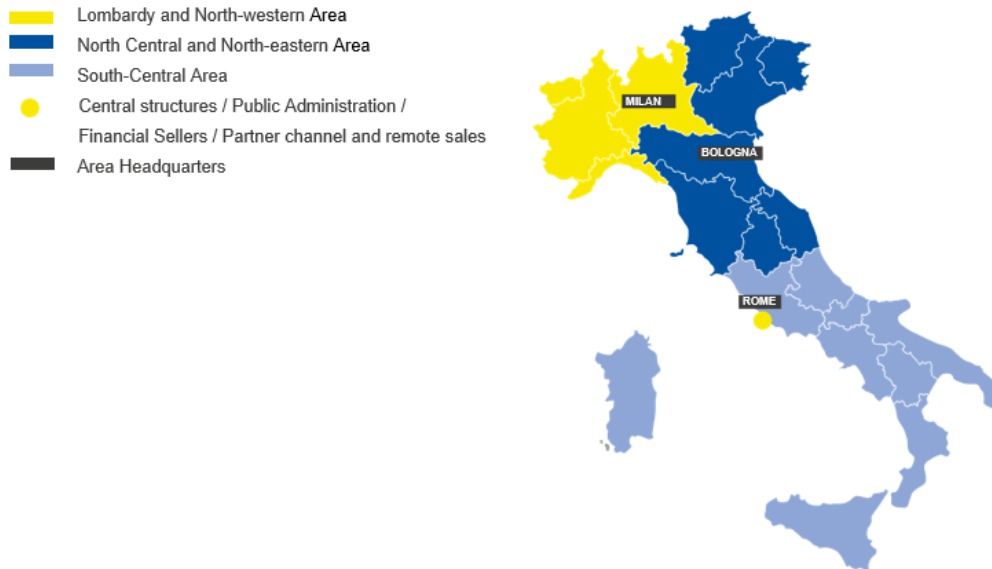
⁶ The “Punto Poste Casa e Famiglia” Project, extended across the core network (1,252 high-footfall post offices), involves an evolution of the former Postepay Corners towards a model dedicated to the marketing of products and services with a significant customer service component (Fibre, Energy, Motor Liability).

⁷ The new figure of Specialist Remote Consultant was created with the aim of equipping the network of specialists (SFC/SMC/PREMIUM) present in the post offices with an alternative channel of remote consultancy through which to reach target customers, with a high digital inclination and the use of online tools.

Public Administration;

- 1 Commercial area for Central and Local Public Administration related to Metropolitan Regions and Cities;
- 1 Commercial area devoted to the commercial management of partnerships with third parties and remote sales (from February 2022).

Macro Areas Business and Public Administration



THE LOGISTICS NETWORK

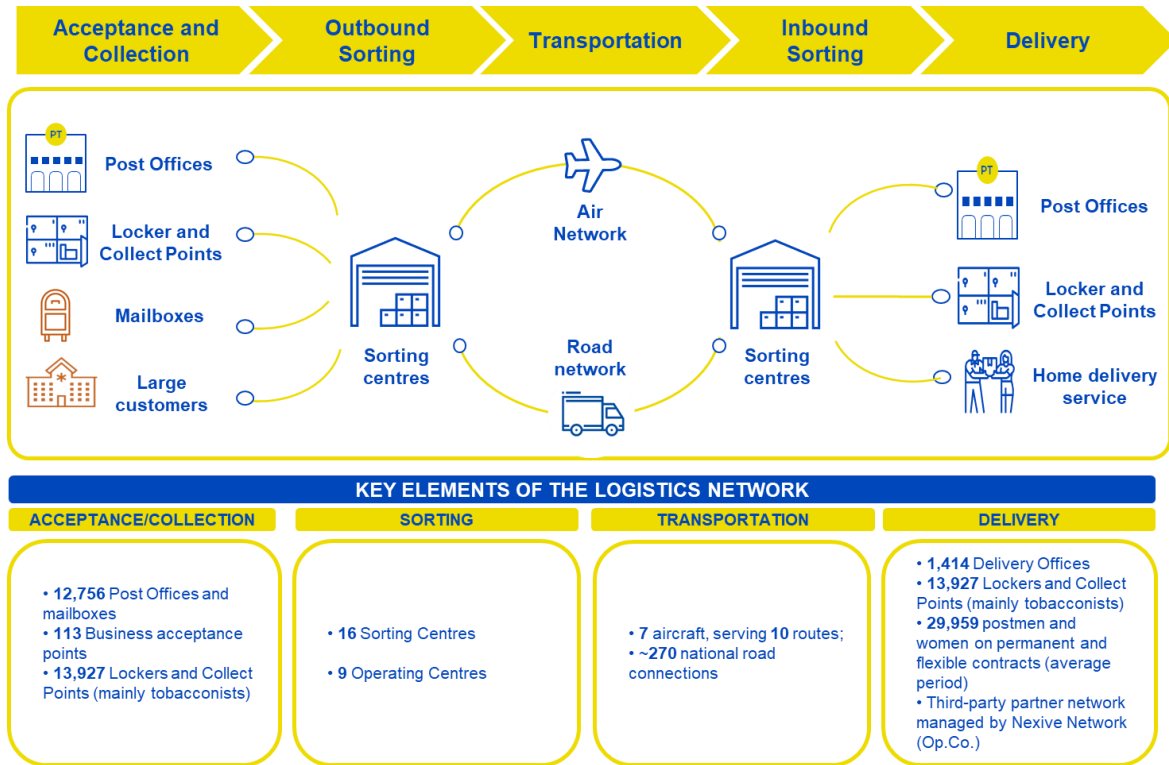
The Group's mail and parcel services are provided through two integrated and synergistic logistics networks: the **postal logistics network** for the management of mail, now evolved also to allow the management of small parcels and the **parcel logistics network** able to handle all types of parcel.

The integration between the two networks was strengthened by increasing the interchange of small parcel volumes (carriable parcels, i.e. under 5 kilos), using cost-effectiveness as the discriminating factor. The delivery of these products in Italy can be carried out indistinctly by the postal and parcel logistics network according to a dynamic approach, aimed at maximising efficiency for each area.

In addition to the two existing delivery networks (letter carriers and SDA couriers), a "**last mile**" network was added in 2020, operated by MLK Deliveries and focused mainly on parcel deliveries with value-added services (Same Day Delivery and Scheduled Delivery). With the acquisition of the Nexive Group during the first quarter of 2021 and the corporate reorganisation carried out in the subsequent months, an additional delivery network was added consisting of Nexive's current external delivery partners. As of 1 October 2021 this network is managed by Nexive Network, having a role of an operating company. It will increasingly focus on the delivery of packages and mail hand-delivered to the customer and not through the "letterbox".

THE LOGISTICS NETWORK - POSTAL LOGISTICS NETWORK ACTIVITIES

The postal logistics network accepts, sorts and delivers mail products and small parcels (carriable parcels). The following chart provides an overview of the postal logistics network value chain and the main quantitative drivers.



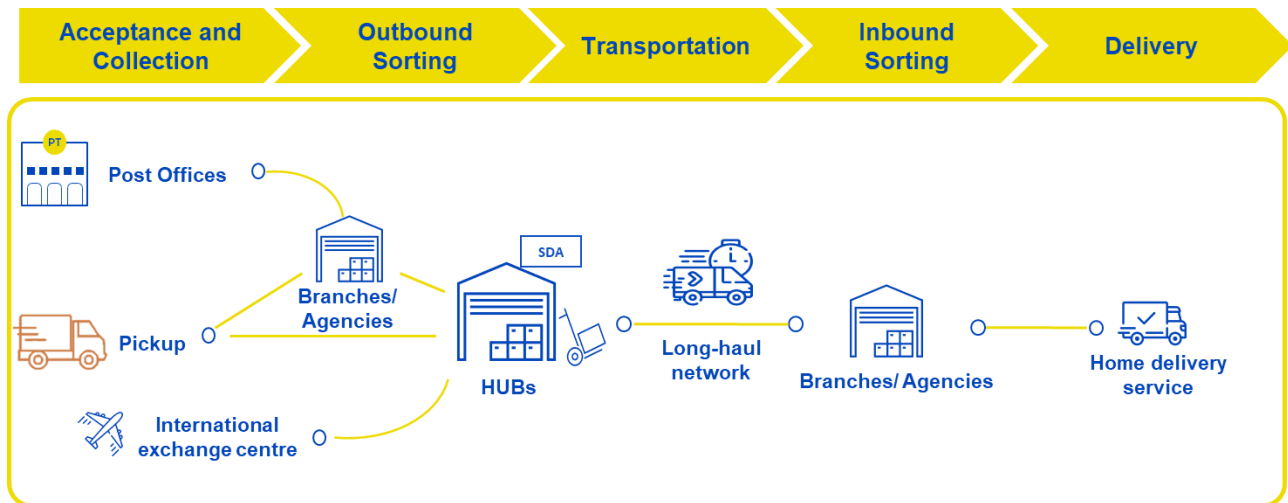
The organisational model for the postal logistics network consists of 6 Logistics Macro Areas which, coordinated centrally, internally handle all stages of the value chain: acceptance and collection, outbound sorting, transport, inbound sorting and delivery. At the same time, this model makes it possible to have a single management system for the entire territory and to be able to adapt it to each specific situation with targeted interventions.

The territorial coverage model is shown below:



THE LOGISTICS NETWORK - PARCEL LOGISTICS NETWORK ACTIVITIES

Large or non-carriable parcels and express courier products are delivered via the network of the subsidiaries, SDA Express Courier, MLK Deliveries and Nexive. The logistics flow is shown below.



KEY ELEMENTS OF THE LOGISTICS NETWORK			
ACCEPTANCE/COLLECTION	SORTING	TRANSPORTATION	DELIVERY
<ul style="list-style-type: none"> • 12,756 Post Offices • ~5,900 pick-up lines • ~88 Branches/Agencies 	<ul style="list-style-type: none"> • 4 Automated hubs, • 5 Mini hubs 	<ul style="list-style-type: none"> • ~900 road transport lines 	<ul style="list-style-type: none"> • ~5,900 SDA delivery lines • ~240 MLK delivery lines • Third-party partner network managed by Nexive Network (Op.Co.)

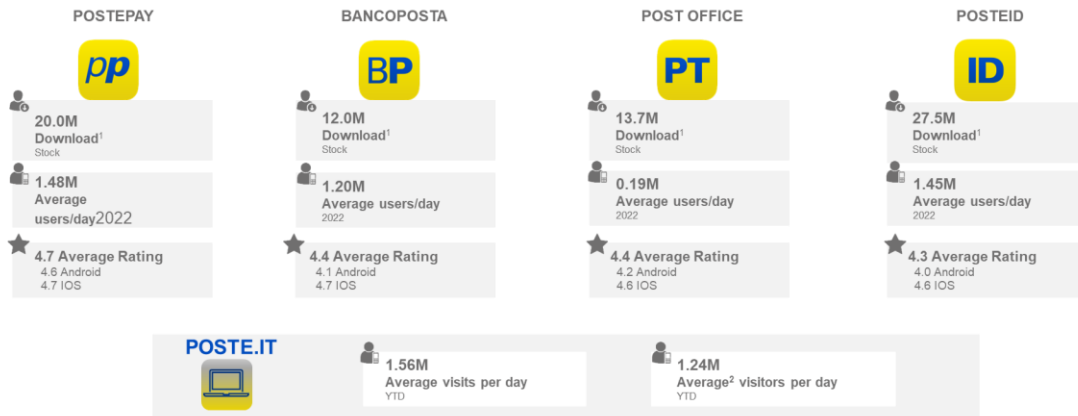
DIGITAL INFRASTRUCTURE AND REMOTE CONTACT POINTS – WEB, APP AND CONTACT CENTRE

Outside of Post Offices, the Group’s services are provided via digital channels (poste.it website and app), the use of which continued as in 2021 also during the first six months of 2022 with notable growth rates despite the gradual easing of restrictions linked to the health emergency.

The Group’s **Digital Properties** are as follows:

- BancoPosta app;
- Postepay app;
- Post Office app;
- PostelD app;
- poste.it website.

During the period, the Group worked to strengthen the digital sales channel, optimising the “one click to buy” purchasing process and expanding the range of products and services that can be purchased directly online through digital properties.



Source: Webtrends, Adobe Analytics, Store IOS, Android, Windows, internal elaboration (DTO).

Notes:

1) IOS and Android users who have downloaded the APP

2) The number of visitors represents the count of the individual cookies (browsers) that visited the site during the observation period. The same user who visits the site using different browsers and/or different devices (PC/mobile) is counted several times.

The Poste Italiane digital web and app channels provide access to online services for 35.6 million retail users (31 million at 30 June 2021) and operate as both direct sales and after-sales channels. The daily average of web and app users for the first half of 2022 was 5.6 million (4 million average daily users in the first half of 2021). Digital channel transactions also grew, and in the first half of 2022 amounted to 71.8 million for a transaction value of €18.7 billion (58.6 million transactions in the first half of 2021 for a transaction value of €15 billion).

36% of daily transactions in 1H 2022 were made on the new channels

For more details on the performance of digital channels during the period, please refer to the paragraph “Omni-channel Approach, Digital Transformation and main KPIs”.



THIRD-PARTY PHYSICAL NETWORK

Third-party networks play a crucial role in the Group’s omni-channel strategy. They have been strengthened to provide Poste Italiane customers with a valid alternative to its own networks for access to transactional services, and have become particularly significant in the context of the health emergency. The objective is to create a platform for the integration of the Group’s products with new third-party distribution channels and for the use of third-party services within the Group’s commercial offerings, also introducing innovative services with high added value. Poste Italiane has affiliated a wide network of contact points.

~14k Punto Poste package drop-off and collection points

~20 mln daily interactions as at June 2022 across multiple channels

The Punto Poste Network consists of collection points (sales points which offer parcel collection and shipping services) and lockers (self-service locations with extended hours of operation) and at 30 June 2022 had 13,927 points, mainly tobacconists.



MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

"2024 Sustain & Innovate Plus" Strategy



MAIL, PARCELS AND DISTRIBUTION

Logistic player market leader, with the objective of growing in the parcels and express courier sector

- Evolution of the logistics network
- B2C market leadership
- Growth in C2X and B2B markets

MACROECONOMIC CONTEXT

In the first half of 2022, the global economy was affected by the economic repercussions of Russia's invasion of Ukraine and the new lockdown measures adopted in China in response to the fresh wave of Covid-19. Following a brief period of easing at the start of 2022, the outbreak of the Russia-Ukraine conflict placed renewed pressure on global supply chains. Disruptions in said supply chains, combined with tensions on the commodities markets, created additional pressures on inflation in a context characterised by increasingly greater evidence of intense and extensive internal pressures on prices arising from the increase in salaries. The volatility of commodity prices, linked to critical issues in supply, was joined by progressively less accommodating financial conditions, reflected in the normalisation of the monetary policy by the main central banks, which caused a general drop in the prices of risky assets and a significant increase in returns.

The macroeconomic projections formulated by the European Central Bank⁸ in June 2022 indicated an increase in **global GDP in real terms (excluding the euro area)** by 3.0% in 2022, 3.4% in 2023 and 3.6% in 2024, outlining a weaker growth trend compared to the forecasts in March. The two fundamental adverse factors are expected to continue considerably impacting trade in the upcoming quarters.

In the June 2022 forecasts, the ECB estimated a **growth in the Eurozone GDP** of 2.8% in 2022 and 2.1% in 2023 and 2024. Consumer prices in the euro area recorded continuous increases during the six-month period, which drove inflation up, in May 2022, to a level of 8.1%⁹.

Already from the start of 2022, the **Italian economy** had entered only a marginally expansive phase (0.1% q/q in the first quarter of 2022). Confidence surveys confirmed the heterogeneity between the reaction of households and businesses to the impact of the war: the consumer confidence index in June 2022 recorded a decrease on the previous month, coming to 98.3 (reaching a new low since November 2020), while the composite index of business confidence in June 2022 rose to 113.6 from 111 in May, recording the highest value since last December¹⁰.

The manufacturing sector proved to be relatively resilient, as also shown by the data on industrial production¹¹, while services continued to benefit from a "normalisation" of spending habits in "contact-intensive" sectors, which, currently, do not seem to be affected by the new increase in infections recorded in recent weeks.

The phase of recovery in investments and the maintenance of business confidence at level higher than the long-term average is, however, associated with a worsening in the balance of trade and an acceleration in inflation. In May, the Italian national consumer price index (NIC), gross of tobacco, recorded another increase of 6.9% on an annual basis (from +6.0% in the previous month), driven both by energy prices and by a wider spread of inflation.

Following these developments, the growth prospects of the economy now appear weaker and much more uncertain than at the start of the year.

⁸ ECB - Economic Bulletin - Number 4/2022

⁹ Eurostat - Inflation in the euro area - 1 July 2022

¹⁰ Istat - Flash Statistics - Consumer and Business Confidence - June 2022.

¹¹ <https://www.istat.it/it/archivio/272870>

Istat predicts an **average growth in the Italian GDP** of 2.8%, driven by internal demand. The expansive phase of the Italian economy is also envisaged for 2023, albeit with a relatively more moderate intensity (+1.9%), supported entirely by the contribution of internal demand net of stocks.

With reference to the **postal market** in particular, it is undergoing a period of radical change, mainly due to the digital transformation, which has influenced volumes of mail and packages in circulation. In terms of macro-trends, the continuous structural decrease in volumes of traditional mail, replaced by digital forms of communication (email, instant messaging, etc.), has been accompanied by a significant increase in the volume of parcels shipped.

More specifically, for the mail market, after the significant drop in volume in 2020 (-19% with respect to 2019), 2021 saw substantial stability¹².

The parcels segment is experiencing a period of uncertainty this year, but it does not undermine the market value, which increased greatly during the years of the pandemic. The effects of the continuation of the growth trend recorded in recent years can be summarised by the general increase in costs due to the Russia-Ukraine conflict, the increase in inflation with consequent decrease in consumer purchasing power and the propensity towards private purchases (including online). This trend is also visible at global level, as shown by the results of various leading companies.

For the Italian parcel segment, estimates for 2022 therefore show a consolidation of the market value, with situations of greater growth, even in 2022, in "Food & Grocery"; however, there is a slowdown in online purchases for the more mature segments, such as clothing and IT.

REGULATORY CONTEXT

Expense of the Universal Postal Service

On **30 December 2019**, the Ministry for Economic Development and Poste Italiane signed the new **Contratto di Programma (Service Contract) for the years 2020-2024**, effective from 1 January 2020 and ending 31 December 2024.

On **1 December 2020**, the **European Commission approved the compensation** for public service obligations provided for in the 2020-2024 Service Contract in the amount of **€262 million per year**. The compensation system for the public service obligations undertaken by the Company was deemed to be fully compliant with the applicable EU rules on State aid.

On 1 July 2021, **AGCom Resolution 199/21/CONS** was published, concluding the procedure to verify the **net cost of the universal postal service incurred by Poste Italiane for the years 2017, 2018 and 2019**. In particular, the burden of the universal postal service for these years has been quantified at €354.5, €334.5 and €175 million respectively. For the 2019 financial year, although the quantified charge (€175 million) is lower than the authorised offsets (€262 million), the charge for the provision of the universal postal service over the entire period (i.e., the previous 2016-2019 Service Contract) is in any case higher than the offsets authorised by the European Commission. The Authority also established that the universal service charge for the years **2017, 2018 and 2019** is inequitable and that, for the same years, in continuity with what was established in previous years, the Compensation Fund referred to in article 10 of Legislative Decree 261/1999. Poste Italiane has appealed this decision to the Lazio Regional Administrative Court.

¹² Source: Processing of internal forecasts

Publishing tariff
subsidies

The **2020 Budget Law** (Law no. 160 of 27 December 2019) redefined the appropriations for reimbursement, providing for a value of €53.1 million for 2020, €53.2 million **for 2021 and €52.5 million for 2022.**

The **2021 Budget Law** (Law no. 178 of 30 December 2020) provided an allocation of **€52.5 million for 2023.**

The **2022 Budget Law** (Law no. 234 of 30 December 2021) made no changes to the **allocations for 2022 and 2023**, equal to **€52.5 million**, and provided the same amount for 2024.

Law Decree no. 162 of 30 December 2019 as converted by Law no. 8 of 28 February 2020 ordered that reimbursements of publisher tariff subsidies to Poste Italiane continue “for a duration equal to that of the universal postal service” (i.e. until April 2026). The application of the regulation is subject to approval by the European Commission.

The procedure for pre-notification of the Service of General Economic Interest (SGEI) to the Commission for the period 2020-2026 is under way.

EVOLUTION OF THE REGULATORY SCENARIO

The main regulatory changes made during the first half of 2022 are shown below. For a complete discussion of the regulatory scenario of the Mail, Parcels and Distribution Strategic Business Unit, please see chapter 3 “Business Model” in the 2021 Financial Report.

Competition on the
parcel delivery
market

With **AGCom resolution 212/20/CONS of 1 July 2020 (“Analysis of the parcel delivery service” - interim report)**, the Authority initiated the procedure to identify the relevant markets for parcel delivery services and to assess the relative level of competitiveness. The resolution highlights a predominant role for Poste Italiane in the C2X* market, which nevertheless has a marginal impact on the overall parcel market.

Following a structured consultation process, launched in August 2021 by Resolution 255/21/CONS, the Authority defined the matter with **Resolution 94/22/CONS** of 5 May 2022, which imposed specific reporting obligations on Amazon, as an “operator with significant market power” on the B2C segment, and a number of obligations on other operators, including Poste Italiane, present on the market of medium-to-large parcel deliveries.

In particular, the operators must send an annual series of information about the economic conditions of the services offered to the public and information of reference for the various business customer categories, the contracts in force that govern the commercial relations with sector companies and standard templates for employment contracts.

Note that, in this regard, the Authority requested that Poste Italiane provide further information about a certain type of parcel (domestic mail items with certain characteristics of thickness and volume); the Company believes that these products do not fall within the scope of application of the **European parcels regulation** (Regulation (EU) 2018/644 of the European Parliament and of the Council of 18 April 2018 on cross-border parcel delivery services). Technical discussions around this matter are ongoing between the Company and AGCom.

*The C2X market identifies Consumer-to-Consumer/Business parcels i.e. parcels sent by consumers both to other consumers and to businesses.

AGCOM
Identification of
Relevant Markets for
Mail

In March 2022, with Resolution 51/22/CONS, the public consultation was launched, “**Analysis of the mail delivery service market and determination of the maximum tariffs for universal postal services – assessment of the level of compliance and definition of regulatory remedies**”.

On 6 June 2022, **Resolution 171/22/CONS** containing the **definition of the new tariffs of the Universal Service compensation** was published; the Resolution encompasses nearly every proposal formulated by the Company in relation to tariff changes, including removing the ban on price increases until 2024 proposed by the AGCom during public consultation; further future changes may be proposed to the Authority. The new tariffs came into force on 27 June 2022.

AGCom also amended and supplemented the current access obligations defined by AGCM as part of the concentration with Nexive (proc. C12333), with particular reference to post offices (the number of which was extended from 2,000 to 4,000) and to the economic offer conditions set out by Measure 8 of the AGCM provision (which were reduced). In light of these changes, Poste Italiane must notify AGCom of wholesale offers within 60 days from the date of first application (established as 31 October 2022). During this period, the application details must be defined.

**Replicability of offers
(EU2 areas)**

In terms of access to the postal network and the repeatability of offers, with Resolution 294/20/CONS of July 2020, the process was launched to review the criteria for defining “EU2 Areas”¹³.

With **Resolution 27/22/CONS of 4 February 2022 “Revision of criteria for defining EU2 areas and identification of the relative postcodes”**, AGCom concluded the process with the identification of the EU2 post codes both for unrecorded mail (30.4% of the national population, based on the aggregate coverage of the main alternative national postal operators that offer established and continuous delivery services) and for recorded mail (10.2% of the population, based on the aggregate coverage of the main alternative national postal operators, including those that offer recorded mail services on their own behalf or on behalf of national postal operators).

The new perimeter defined by the Authority will be used, in particular, in order to identify the regional coverage of wholesale access to its network pursuant to AGCM provision C12333 (provision no.28497 of 22 December 2020, which prescribed various conduct measures to Poste Italiane following the approval of the concentration operation between Poste Italiane SpA and Nexive Group S.r.l.), as well as the repeatability test of Poste Italiane’s multiple consignment offers, regulated by Resolution AGCom 452/18/Cons.

Mailboxes

In accordance with article 2, paragraph 7, of the 2020-2024 Service Contract, on 24 June 2020, Poste Italiane submitted to AGCom a proposal to **adjust the number of mailboxes to the changed size of the market and customer needs**, taking into account the trend in postal volumes and actual use by users.

With **Resolution 155/22/CONS** of 9 June 2022, the Authority launched the public consultation on the reshaping of the criteria related to the distribution of mailboxes.

Poste Italiane submitted its comments by the established deadline.

¹³ EU2 Areas: Areas where there are no competitors to Poste Italiane.

Digital notification of PA documents - new platform

Law Decree no. 76 of 16 July 2020 (“Simplifications”), converted into Law no. 120 of 11 September 2020, by means of article 26, as amended, regulates the implementation of the **platform for the digital notification of public administration acts**. The operator of the platform will be the company PagoPA, which may entrust its implementation, in whole or in part, to Poste Italiane as Universal Service Provider.

The technical and operational modes of operation of the platform were defined with Decree no. 58 of 8 February 2022 of the Ministry for Technological Innovation and Digital Transition, published in Official Gazette no. 130 of 6 June 2022.

At the request of PagoPA, Poste Italiane is contributing to the **creation of the Platform**, including through the use of its own services, on the basis of an Agreement, still being defined, which will govern the scope of the services, the responsibilities and the economic remuneration.

Guidelines for the award of public contracts for postal services

In May 2022, following a structured consultation process that began in 2020, the Official Gazette published the provision of the **National Anti-Corruption Authority (ANAC) and AGCom**, containing the “**Guidelines for the award of public contracts for postal services**” (**Resolution no. 185/2022 ANAC** of 13 April 2022).

The main topics concern: the subdivision into delivery lots as a general rule, the assessment of delivery coverage which must be developed alternatively in the technical or economic bid, the automatic non-application of the social clause, the non-admissibility of subcontracting and the mailing for notices of judicial deeds.

The document, in force from 19 May 2022, albeit not binding, shall constitute the **basis for the construction of public contracts for postal services** and shall provide economic operators with interpretation guidelines for formulating bids.

AGCM Nexive Group Srl Obligations

As part of the acquisition of Nexive, concluded in January 2021, and the related obligations of Poste Italiane, in relation to compliance checks by the Authority, technical discussions are under way regarding the interpretation of the **conduct measure relative to the maintenance of the portfolio of offerings in the two years following the transaction**.

The Company provided AGCM with additional detailed information, also taking account of the developments introduced by **AGCom Resolution 171/22/CONS** of 30 May 2022 related to the aforesaid mail market.

OPERATING REVIEW

Also in 2022, the Group continues with the process of reorganising its transport, sorting, delivery and customer experience activities, in line with the long-term objectives outlined in the new “24SI Plus” Business Plan, such as increasing efficiency, flexibility and quality in order to seize the opportunities arising from the development of e-commerce.

The following table shows the main activities of the Mail, Parcels and Distribution Strategic Business Unit for the period:

SEGMENT	OPERATING REVIEW
	The parcel offer related to the Poste Delivery Business was enriched with a new function that will allow sellers, Second Hand platform users , to ship from proximity points (post offices, shops and tobacconists in the Punto Poste Network), including in paperless mode, i.e. without the need to print a label.

The extension of **home delivery of medicines** continued in large cities and medium/small municipalities. This is offered in three modes: instant (within 90 minutes of purchase), scheduled (at the desired time) or next day (day after purchase). The service is currently active in over 170 municipalities (major cities and medium-small towns).

Parcels/Logistics



In May 2022, a majority stake was acquired in the company **Plurima**, an Italian leader in the sector of healthcare logistics.

The logistic support to the **vaccination campaign** for the delivery of Covid-19 vaccine doses continued, with over 30 million doses delivered throughout Italy. Poste Italiane also offered free access to an online vaccination booking platform. Finally, the distribution of Personal Protective Equipment (e.g. masks) throughout Italy continued.

>30 mln doses delivered to support of the vaccination campaign



Mail

>400 Smart postboxes for optimized mail collection

“**Smart Letter Boxes**”¹⁴ project. During the first half of 2022, 13 new boxes with screens were installed in Naples, joining the 405 boxes installed since the start of the programme.



In June 2022, a fee manoeuvre was launched that affected a number of Correspondence and Notification services. The price changes involved a number of products belonging to Universal Services as well as additional services¹⁵, with a view to keeping the offer consistent.

FINANCIAL SERVICES BUSINESS UNIT

The businesses included within the Financial Services SBU are managed by Bancoposta, as an intermediary that places the financial and insurance offerings of the Group.

“2024 Sustain & Innovate Plus” Strategy

FINANCIAL SERVICES
Most trusted financial institution in Italy, benefiting from an omni-channel approach

- Promoting diversification of asset allocation
- Expansion of omni-channel for the Customer
- Integration of non-life coverage into the investment offering

¹⁴This project involves replacing 10,500 traditional letterboxes with Smart boxes equipped with sensors to detect the presence of mail, environmental sensors to detect temperature, humidity and pollution and, for some, e-ink (electronic ink) screens to transmit advertising messages for the Group’s products and services.

¹⁵ For more information about the fee changes introduced, please see the following website: <https://www.poste.it/variazione-tariffe-servizi-postali-universali.html>

MARKET CONTEXT

Financial markets

After a particularly favourable year for the stock markets, 2022 began marked by a high degree of uncertainty linked to greater inflationary pressures that lasted longer than expected. After the initial negative impact due to the outbreak of the Russia-Ukraine conflict, the prices on the European stock markets initially recovered, encouraged by signs of a possible containment of the conflict and the surprisingly positive performance of corporate profits in the first quarter of the year, which strengthened the risk appetite.


In the second quarter, however, share prices dropped once more due to sharp falls in the economic forecasts, linked to the worsening of the uncertainty generated by the introduction of new Covid-19 containment measures in China. The decreases from the start of the year in the main stock markets also reflect the increase in interest rates and the downward revision of the growth expectations of corporate profits, which had supported the equity performance in 2021.


Overall, in recent months there has been a general **worsening in global financial conditions** in response to a context of growing uncertainty around the economic prospects and accelerated normalisation of monetary policies in advanced countries.

In the **USA**, the persistence of inflationary pressures led the Federal Reserve to initially increase interest rates in March by one quarter of a percentage point then in June by another 75 basis points (bps), bringing them to a range within 1.50% and 1.75%. The latest forecasts by the **Federal Open Market Committee**¹⁶ reflect further growth in expected interest rates to 3.4¹⁷% at the end of 2022 and 3.8¹⁷% as an end-rate for 2023.

In **Europe**, the potential loss of control over expected inflation led the governing council of the European Central Bank (ECB) to adopt a most restrictive approach, deciding at the meeting in March to proceed with the announced normalisation strategy of the monetary policy, while also accelerating the pace of reduction of *Asset Purchase Programme* (APP) purchases. At the Governing Council in June¹⁸, the ECB announced that it wanted to increase the rates by 25 bps in July and an additional 50 bps in September (25 bps if the inflation envisaged in the medium term was 2% or lower). At the Governing Council on 21 July, however, it revised the initial estimate, increasing the benchmark rates by 50 bps as of 27 July 2022.

Following the official meeting in June, an emergency meeting was called, focused on “**fragmentation risk**”, or the “**incorrect transmission of monetary policy drivers to real economies**” in all countries in the area, which had previously been a source of increased financial instability. On this occasion, the ECB officially announced **flexibility in reinvestments** of redemptions coming due in the *Pandemic Emergency Purchase Programme* (PEPP) as well as a new instrument to protect market stability, which will hopefully be presented at the meeting in July.

The measures adopted by the FED and the ECB, aimed at rebalancing the monetary policy conditions, led to an increase in the long-term rates: on 30 June 2022 the US 10 Year Treasury reached 2.99% (+148 bps compared to the end of 2021), the Italian Multi-year Treasury Bond (BTP)  with the same maturity 3.37% (+219 bps compared to the end of 2021), while the spread with the Bund reached 198 bps (+64 bps compared to the end of 2021).

The Italian stock market, with the FTSE MIB,  decreased in the six-month period by 22.13%¹⁹, and it was also penalised by the downward revisions of the growth expectations of corporate profits deriving from geopolitical tensions.

The table below shows the precise returns expressed in percentage terms at the end of the period for BTP and interest rate swaps²⁰.

¹⁶ The FOMC (*Federal Open Market Committee*) is the monetary committee of the Federal Reserve.

¹⁷ <https://www.bloomberg.com/news/articles/2022-06-15/the-fed-s-new-dot-plot-after-its-june-policy-meeting-chart>.

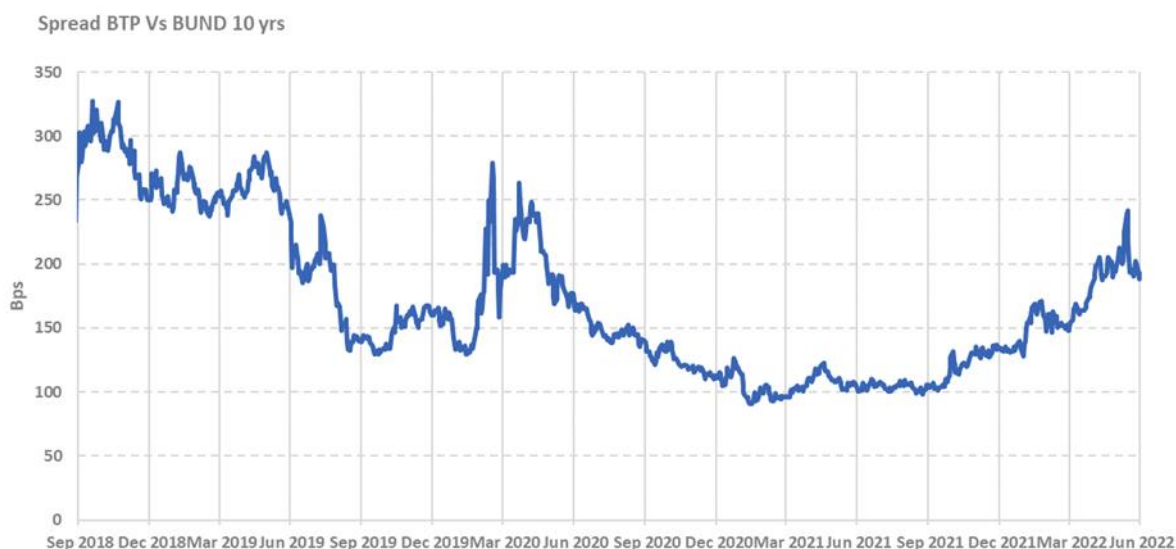
¹⁸ ECB - Monetary policy decisions - 9 June 2022.

¹⁹ Change related to the period 30.12.2021 – 30.06.2022.

²⁰ Source: Bloomberg

	Jun 2021	Sep 2021	Dec 2021	Mar 2022	Jun 2022
BTP 10Y	0.82	0.86	1.17	2.04	3.26
SWAP 10Y	0.10	0.16	0.30	1.19	2.17
BTP 15Y	1.29	1.32	1.54	2.18	3.44
SWAP 15Y	0.36	0.40	0.49	1.29	2.35
BTP 30Y	1.84	1.82	1.99	2.49	3.67
SWAP 30Y	0.48	0.48	0.48	1.02	1.98

The following graph shows the trend of the 10-year BTP-Bund spread in recent years with the values recorded up to 30 June 2022.



Banking system

On the basis of the estimates provided by the Italian Banking Association (ABI), in late May 2022²¹, **customer deposits** of the total number of banks in Italy, represented by deposits of resident customers (current accounts, deposit certificates and repurchase agreements) and bonds, increased by 3.9% year on year to around € 2,061 billion, although in the first five months of 2022 the aggregate as a whole decreased by around 8 billion: compared to December 2021, deposits increased by € 2 billion, while bond deposits recorded an outflow of around € 10 billion.


In May 2022, the **average cost of bank funding** (which includes the return on deposits, bonds and repurchase agreements from households and non-financial companies) was around 0.45%, substantially in line with December 2021 (0.44%).

Bank loans in the first five months of 2022 increased overall by around € 17 billion and the aggregate of private sector loans at May 2022 was € 1,481 billion, representing an annual variation of +2.7%. The component of loans to households and non-financial companies was slightly more dynamic, recording a 2.8% year-on-year increase in May 2022.

In the first five months of 2022, there was substantial stability in interest rates on outstanding loans to households and businesses (from 2.13% to 2.17%), as well as on rates on new business transactions (from 1.18% to 1.13%), while those on new loans to households for home purchases increased slightly (from 1.40% to 1.93%).

²¹ ABI outlook for June 2022 - <https://www.abi.it>

Asset Management

Assogestioni figures, at 31 May 2022, showed total assets of € 2,395 billion, down by 7.7% compared to € 2,594 billion at the end of 2021 (the positive contribution of inflows of 0.3% was offset by negative performance of -8.0%). With reference to portfolio management, assets amounted to approximately € 1,124 billion, down by 9.6% compared to € 1,243 billion at 31 December 2021 (result of the negative contribution from inflows of -0.6% and from performance of -9.0%). With regard to collective asset management, assets went from about €1,351 billion at the end of December 2021 to about €1,271 billion at the end of May 2022 (-6.0%). With regard to open-ended mutual investment funds  alone, customer assets at the end of May 2022 amounted to approximately € 1,189 billion, down by 6.5% compared to approximately € 1,273 billion at the end of December 2021, as a result of the positive contribution of inflows of +1.1% offset by negative performance of (-7.6%).

In terms of net inflows the asset management industry recorded a positive balance of about € 7.7 billion in the first five months of 2022, down by around 80% compared to € 41.7 billion in the same period in 2021.

REGULATORY CONTEXT

The main legislative changes made during the first half of 2022 are shown below. For a complete discussion of the legislative context of the Financial Services Strategic Business Unit, please see chapter 3 “Business Model” in the 2021 Financial Report.

Council of the EU

Restrictions due to the Russia-Ukraine conflict

In the context of the restrictive measures adopted by the European Union in response to Russia’s military attack on Ukraine, with reference to the investment services segment, Regulation (EU) 2022/328 of the Council of 25 February 2022 introduced the ban, after 12 April 2022, on selling securities denominated in euro or units in collective investment undertakings to any Russian citizen or natural person residing in Russia, or to any legal person, entity or organisation established in Russia (excluding citizens who possess Italian citizenship or citizenship of an EU state or who have a residence permit). The initiatives identified have been gradually put into operation since July 2022.

Bank of Italy

Circular no.285 of 17 December 2013

On 25 November 2021 the Bank of Italy published the **37th Update to Circular no. 285 of 17 December 2013**, concerning remuneration and incentivisation practices and policies in banks and banking groups. The key new features include the neutrality of remuneration policies with regards to gender, the management of the “retention bonus” (remuneration based on the seniority of company personnel) and exceptional bonuses. Activities were completed to adopt the developments contained in the Remuneration Guidelines of BancoPosta RFC, attached to the 2022 Report on the Remuneration Policy presented to the Shareholders’ Meeting of 27 May 2022.

On 23 February 2022, the **38th Update** to the same Circular was published, containing amendments to the regulations on the capital reserves of the banks and introduction of the capital reserve for systemic risk and macro-prudential measures based on the characteristics of customers and loans. The update has no impact on BancoPosta.


Bank of Italy

Guidelines on governance and control mechanisms for retail banking products

On 1 April 2021, the Bank of Italy published the document “**Guidelines for intermediaries on governance and control mechanisms for retail banking products (POG)**”, which requires banks and intermediaries to take appropriate initiatives to raise the level of compliance with regulations and the quality of customer relations. The Company adopted a number of best practices indicated by the EBA in the specific procedure on Product Governance.


ESMA

Guidelines on remuneration policies and practices

On **31 March 2022**, the ESMA published the “**Guidelines on remuneration policies and practices**” for personnel involved in the provision of investment services with the aim of rationalising their content and improving compliance with the provisions of the MiFID II.  The new Guidelines have no impact on BancoPosta.

EBA

Payment services (Regulatory Technical Standards)

The **European Banking Authority (EBA)** published on 5 April 2022 the **final draft of regulatory technical standards (“RTS”)**. With this document, the EBA proposed changes to **Delegated Act (EU) 2018/389**, which supplements the PSD2 Directive in terms of the regulatory technical standards for strong customer authentication and the open standards of shared and secure communication. Specifically, the EBA proposes: to introduce a new compulsory exemption for *Strong Customer Authentication (SCA)*,  when the customer’s access is carried out via an Account Information Services Provider, and to extend the expiry of the extension from the current 90 days to 180 days.

BancoPosta, alongside PostePay, is carrying out analyses and in-depth studies to analyse its relative impacts.

CONSOB

Revoked Communications

On **3 February 2022**, **CONSOB**, with a view to guaranteeing coordination between the current European regulations and the indications it had previously provided, **revoked** the following communications: i) Communication no. 9019104 of 2 March 2009, on “**The duty of the intermediary to conduct itself fairly and transparently in the distribution of illiquid financial products**”; ii) Communication no. 0097996 of 22 December 2014, on “**Communication on the distribution of complex financial products to retail customers**”. The Company launched the appropriate assessments of any impacts on the classification model of the BancoPosta product range.

Bank of Italy

Supervisory expectations for climate-related and environmental risks

On **8 April 2022**, the Bank of Italy published the “**Supervisory expectations for climate-related and environmental risks**”, containing the non-binding supervisory expectations on the integration of climate-related and environmental risks into business strategies, risk governance, control and management systems and into market disclosures by the intermediaries supervised. The document is being analysed to assess its impact as part of the risk management activities of BancoPosta.

European Commission
PSD2 -
Consultation documents

On **10 May 2022**, the European Commission published three consultation documents²² on a possible review of the PSD2 directive and further possible development of open finance. BancoPosta, jointly with PostePay, is conducting the relevant investigations to verify any potential impacts and the relative obligations.

²² The three consultation documents are as follows:

- (i) “Targeted consultation on the review of the revised payment services Directive (PSD2)”, intended to collect opinions on the possible review of the PSD2. It contains specific questions about the more technical subjects of the Directive, which therefore require more in-depth knowledge and/or experience in the field of payment services;
- (ii) “Targeted consultation on open finance framework and data sharing in the financial sector”, which hypothesises the further possible development of open finance and assesses the use of aggregate supervisory data for research and innovation as well as data sharing by financial undertakings for the purpose of risk monitoring or compliance;
- (iii) “Public consultation on the review of the revised payment services directive (PSD2) and on open finance”, which includes general questions on the review of the PSD2 Directive and is aimed at stakeholders who do not necessarily have specific and technical expertise in payment services.

**European
Commission**

Consumer protection
for financial services
contracts concluded
at a distance


On **11 May 2022** the **European Commission** published the **Directive Proposal amending Directive 2011/83/EU**, concerning **financial services contracts concluded at a distance** which will strengthen consumer rights and promote the cross-border provision of financial services in the single market. In particular, the proposal aims to: (i) make it easier to exercise the right of withdrawal; (ii) govern the content, methods and time frames of pre-contractual information; (iii) provide for special regulations for consumer protection; (iv) increase the powers of the competent authorities by tightening sanctions in the event of violation of the regulations.

The document is under review by the Council and the European Parliament.

OTHER INFORMATION

Bank of Italy

On 31 December 2021, the Bank of Italy, in the context of its periodic investigations, sent a **questionnaire regarding payment accounts and portability**, the response to which was provided by BancoPosta, jointly with PostePay, on 20 January 2022.

On 10 January 2022, following a whistleblowing report, the same Authority sent a **request for updates regarding potential critical issues in the training provided** to newly hired consultants and operating practices which were allegedly not compliant with IT security  criteria. The response note was sent on 10 March 2022.

On 20 May 2022, the Bank of Italy notified BancoPosta RFC of the conclusion of the **procedure related to the imposition of additional capital requirements** pursuant to article 53 bis, paragraph 1, letter d) of Italian Legislative Decree no. 385 of 1 September 1993 (Consolidated Law on Banking);

In particular, as of the supervisory report of 30 June 2022, BancoPosta must meet the following minimum capital requirements: (i) primary tier 1 capital ratio (CET 1 ratio): 7.80%; (ii) tier 1 capital ratio (Tier 1 ratio): 9.55%; (iii) total capital ratio: 11.95%.

Also, to ensure compliance with the binding measures outlined above and to ensure that BancoPosta's own funds can absorb any losses caused by stress scenarios, considering the results of stress tests carried out by the intermediary under ICAAP (Internal Capital Adequacy Assessment Process), the Bank of Italy has identified the following capital levels that BancoPosta will be required to maintain: (i) primary tier 1 capital ratio (CET 1 ratio): 8.55%; (ii) tier 1 capital ratio (CET 1 ratio): 10.30%; (iii) total capital ratio: 12.70%.

CONSOB

In March 2022, CONSOB launched a second* thematic survey concerning the **provision of cryptocurrency services** by financial intermediaries, with a focus on investments/financial instruments with underlying cryptocurrencies placed on behalf of customers together with any project activities planned on the matter over the next three years. The feedback was provided on 1 April 2022.

In April 2022, the Authority launched a thematic survey on the methods adopted by intermediaries to meet the **ex-post disclosure obligations to retail customers on costs and expenses incurred**. The feedback was provided on 04 July 2022.





On 6 July 2022, **CONSOB** requested an update on specific aspects (**customer profiling and concentration risk**) previously handled in the feedback provided (on 16 July 2021 and 11 February 2022) following the technical note with the results of the inspections conducted by the Authority from January to October 2020. The reply will be provided by 5 August 2022.

* The first survey on the topic was launched by CONSOB in March 2021, to which feedback was given on 19 April 2021.

For the main proceedings pending and additional relations with the Authorities, please refer to the Condensed consolidated half-year financial statements as at 30 June 2022, chapter “Proceedings pending and principal relations with the Authorities”.

OPERATING REVIEW

The following table shows the main activities of the Financial Services Strategic Business Unit during the period:

SEGMENT	OPERATING REVIEW
Postal savings	In June 2022, as a result of changes in the macroeconomic context, Cassa Depositi e Prestiti amended the range of Interest-bearing Postal Certificates , increasing the returns of the 3x4 , 4x4 and Ordinary Certificates , restoring the placement of the 3x2 Certificate and suspending the issue of the 5x5 Certificate .
Current accounts	The service for the purchase of tax credits continued in the first half, launched in 2020 and dedicated to BancoPosta current account holders.  For further information Distance sales²³ of the “ BancoPosta Affari Account ” and “ BPIOL -BancoPostaImpreseOnline ” were launched.
Asset management	In January 2022 the distribution of the “ Focus Ambiente Marzo 2028 ” Fund was launched, a balanced bond product that focuses on the potential growth of economic sectors linked to environmental protection. The Fund combines investments in bonds, accounting for at least 50% of the portfolio, with a portion invested in flexible instruments and shares. For this latter component, the exposure is focused on environmental sustainability.  Distribution of the “ Focus Nuovi Consumi 2028 ” fund was also launched, which involves an equity exposure linked to the emerging topic of new consumption (such as e-commerce). From May 2022, for the three Funds “ Azionario Flessibile ”, “ Orizzonte Reddito ” and “ Azionario Internazionale ”, the investment policy has been integrated so as to take account also of environmental sustainability, social and governance factors.
Assets under Administration	In June 2022, Poste Italiane participated in the placement of the 17th issue of the Italian Multi-year Treasury Certificate (BTP) , a security linked to the performance of Italian inflation with the new developments of the double loyalty premium (paid on two occasions, during and at the end of the life of the security) and the duration of 8 years .  

²³ Distance sales involve the management, promotion and placement of banking and financial products and services, such as the Affari account and BPIOL, to SEO and business customers using remote and electronic (email/PEC) communication methods, PEC to PEC exchange of documentation and signing contracts with the customer, seller and back office using a digital signature. The off-premises offering is aimed at the same targets, but involves sales with the seller attending the customer’s premises and the use of automated tools for signing contracts.

Distribution of third-party products

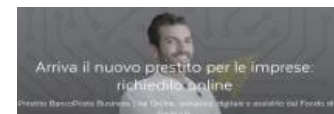
Together with the Partners for whom the **financing products** are distributed, the initiatives continued during the first half of 2022 as envisaged by the regulations and those adopted on a voluntary basis during 2020 in relation to the health emergency, in support of businesses in difficulty, as well as in relation to access to credit, to protect households and small and medium-sized businesses.

The offer of the **“Green Loan”** was also renewed, to fund home renovation works (e.g. photovoltaic plant) or the purchase of an electric or hybrid motor vehicle.



The **“Prestito BancoPosta Consolidamento”** loan consolidation was launched, which allows customers, through the settlement of existing loans with one or several institutions, to incorporate them into a single monthly commitment (a single instalment).

In April 2022, in relation to the financing dedicated to business customers, in collaboration with Credimi SpA, the **“Prestito BancoPosta Business Link Online”** loan was launched, the new range of entirely digital loans dedicated to sole traders and companies.



Tax credit acquisition

At 30 June 2022, the portfolio of tax credits acquired by Poste Italiane is worth around **€10.3 billion in nominal terms** and around **€9 billion in terms of paid value**.

Receivables acquired from customers have the following characteristics:

- 76% were acquired by legal entities and 24% by individuals;
- 91% were requested by customers via the digital* channel and 9% at post offices;
- 72% were made up of credits relating to “ordinary” building bonuses (e.g. restructuring recovery of the building stock, ordinary ecobonus, façade bonus), while the 110% superbonus represents approximately 25% of the total.

*Digital includes the web channel and large customers.



INSURANCE SERVICES STRATEGIC BUSINESS UNIT

"2024 Sustain & Innovate Plus" Strategy



INSURANCE SERVICES


Market-leading insurance company with comprehensive and sustainable product portfolio


- Life products at the heart of the group's investment offering
- Profitable growth in the non-life market
- Full integration of ESG principles and reduction of "under-insurance" in Italy

MARKET CONTEXT

Life Business 

New individual and collective life insurance policies on the Italian market amounted to approximately € 33.9 billion at the end of May 2022 and recorded a 13.1% decrease compared to the same period in 2021. If new Life business reported by EU companies is taken into account, the figure reached €39.4 billion, down 14% compared to the same period of 2021.

Analysing the figures by class of insurance, **Class I** premiums amount to €21.1 billion at the end of the first five months of 2022, down -3% compared to the same period in the previous year. With reference to inflows from **Class III** (in the exclusive unit-linked  form) there was a decrease (-16%) compared to the figure reported at the end of May 2021, against volumes of € 12.6 billion. The volume of new premiums relating to long-term health policies (**Class IV**) continued to be limited (approximately € 22.3 million) and recorded a slight increase (+1.7%) compared to the figure in the first five months of 2021. Residual inflows were from **capitalisation products (Class V)** (€183.6 million) which fell sharply in the reporting period (-28.7%) compared to the figures at the end of May 2021.

New contributions relating to the management of **pension funds**  in the first five months of 2022 recorded inflows of € 53.4 million, a decrease (-1.6%) compared to the same period in 2021.

Single premiums continued to be the preferred form of payment for policyholders, representing 95% of total premiums written and 60% of policies by number.

With regard, finally, to the **distribution channel**, 66% of new business was obtained through banks and post offices during the first five months of 2022, with premium revenue of €22.4 billion, a decrease (-10%) compared with the same period of 2021. With regard to the entire agency channel, however, the volume of new business distributed in the period in question reached €5.6 billion, recording a 15% decrease in terms of volumes recorded compared to the first five months of 2021 and with an incidence on total intermediated business of 16%.

The performance of new business obtained through authorised financial advisors was €5.2 billion, down (-23%) compared with the figure for the previous year and with an incidence compared to the total of brokered premiums equal to 15%.

Finally, the broker and distance sales channel recorded an increase during the period of +11.5% compared to the same period in 2021, with a volume of premiums placed of €0.7 billion (or 2% of the total brokered).

New Life individual business by class ^(*)

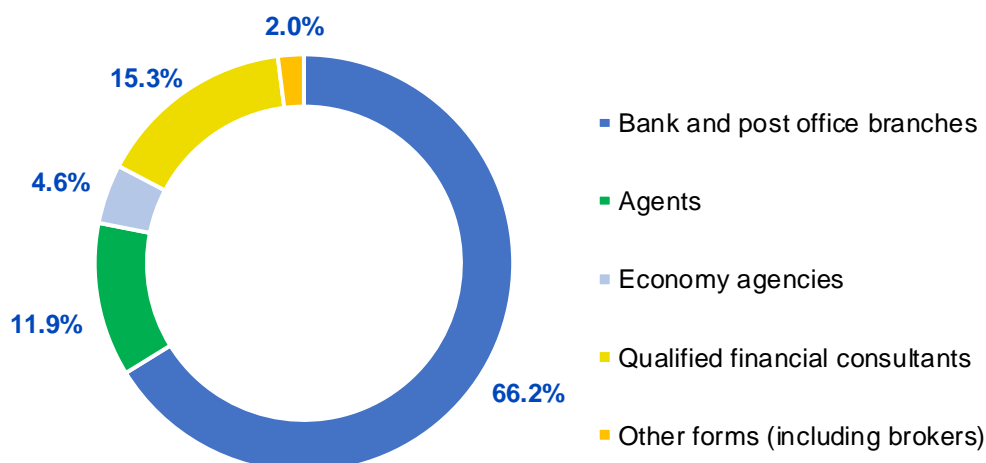
(data updated to May 2022 in €m)

Premiums by class/product	Premiums YTD	% change 05 2022 vs 05 2021
Life - class I	21,076	-11.3%
Unit-Linked - class III	12,563	-15.7%
Capitalisations - class V	184	-28.7%
Pension funds class VI	53	-1.6%
Illness class IV	22	1.7%
Italian insurers - non-EU	33,898	-13.1%
EU insurers ^(**)	5,512	-19.3%
Total	39,411	-14.0%

(*) Source: ANIA

(**) The term "EU insurers" refers to the Italian subsidiaries of undertakings with a registered office in an EU country operating under the right of establishment and freedom to provide services. The figures refer solely to undertakings taking part in the survey.

New Life individual business by distribution channel



Source: ANIA

P&C business

Relative to the **P&C insurance market**, total direct Italian premiums, also including policies sold in Italy by Italian companies and by overseas undertakings, based on the most recently available official data (source: ANIA²⁴) at the end of the first quarter of 2022, came to € 10 billion, up by 5.1% compared to the same period in 2021, in which the sector recorded an increase of 1.3%. The above increase is mainly attributable to the non-Motor sector (+9.7%) while premiums in the Motor sector were slightly down (-1.1%). With reference to the latter, the reduction in premiums in the **motor TPL class** fell by 2.7%, while the **land vehicle class** benefited from growth of 4.2%.

With reference to the **non-Motor sector**, the 9.7% growth was the result of the main insurance classes: i) the **Health class**, with volumes of € 998 million, up 9.5%; ii) the **Personal Injuries class**, with premiums of € 998 million and an increase of 5.3%; iii) the **General TPL class**, with premiums of € 1,308 million and an increase of 15%; iv) the **Property**

²⁴ ANIA Report - Year 7 - no. 29 - published 26 May 2022.

damage class with an increase of 5% and volumes of € 865 million; v) finally, the **Fire class**, with total business of €687 million and a growth of 5.9%.

As regards the **distribution channels**, the agency one is confirmed as the leader with a market share of 72% substantially in line with the figure recorded in the same period of 2021 of 71.7%. Brokers represent the second P&C premium distribution channel with a market share of 9.4% (9.7% at the end of March 2021), while bank and post office branches recorded a market share of 9% (8% in the first quarter of 2021).

As regards direct sales as a whole (including distance, telephone and internet sales), at 31 March 2022, there was an incidence of 9.2% (10.2% in the corresponding period of 2021). The remaining 0.4% (same figure as the end of March 2021) refers to premiums brokered by qualified financial advisors.

Direct P&C premiums by class (*)

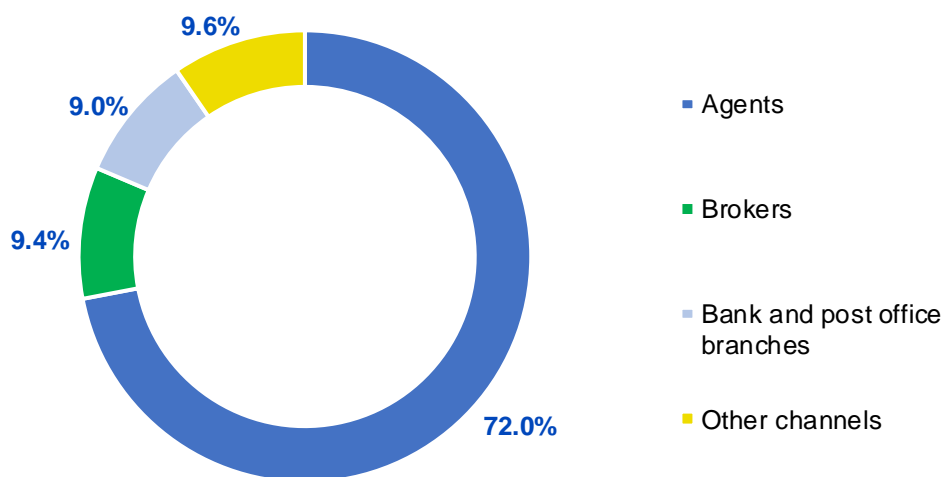
(figures updated to March 2022 in €m)

Premiums by class (**)	Premiums YTD	% change 1Q 2022 vs 1Q 2021
Total motor segment	4,009	-1.1%
Other P&C classes	6,037	9.7%
Total P&C classes	10,046	5.1%

(*) Source: ANIA

(**) Premiums refer to Italian and non-EU undertakings and EU undertakings.

Distribution of direct P&C premiums by distribution channel (*)



Source: ANIA

(*) Italian insurers and non-EU insurer representatives operating as an establishment.

REGULATORY CONTEXT

The main legislative changes made during the first half of 2022 are shown below. For a complete discussion of the legislative context of the Insurance Services Strategic Business Unit, please see chapter 3 “Business Model” in the 2021 Financial Report.

IVASS
Letter to the market
of 9 March 2022

For the purposes of **financial stability monitoring**, IVASS requires companies to provide information by 15 March 2022 relating to the **look-through²⁵ of collective investment undertakings or investments in the form of funds**, including in relation to equity investments. The files must be completed with reference to the reporting dates of 31.12.2021 and 28.2.2022, at individual level, by all companies, and at group level, by companies that send consolidated reports. **Poste Vita provided the aforementioned information on 15 March 2022, according to the required methods.**

Furthermore, with the same communication, **IVASS** drew attention to **possible cyber attacks**, inviting companies to **promptly notify** the Institute, as required by art. 16, paragraph 4 of **IVASS Regulation no. 38/2018**, of each **event that represents a serious IT security incident** and also required that they intensify the monitoring and defence activities in relation to possible malware²⁶, by adopting all risk mitigation measures that become necessary. **Poste Vita and Poste Assicura are continuing to monitor possible cyber attacks.**

IVASS
Measure no.121 of 7
June 2022

With this measure, **IVASS** amended **ISVAP Regulation no. 7 of 13 July 2007*** and relative annexes, with the primary aim of adopting the changes introduced by **IFRS 17** on the presentation and reporting of accounting entries relative to insurance contracts. The aforementioned amendments will enter into force on 1 January 2023.


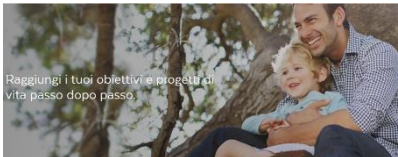
*Regulation concerning the templates for the financial statements of insurance and reinsurance undertakings that must adopt the international accounting standards set out by title VIII (financial statements and accounting records), chapter I (general provisions on financial statements), chapter II (annual financial statements), chapter III (consolidated financial statements) and chapter V (statutory audit) of Italian Legislative Decree no. 209 of 7 September 2005 (Italian Private Insurance Code).

OTHER INFORMATION

For the main proceedings pending and relations with the Authorities, please refer to the Condensed consolidated half-year financial statements as at 30 June 2022, chapter “Proceedings pending and principal relations with the Authorities”.


OPERATING REVIEW

The following table shows the main activities of the Insurance Services Strategic Business Unit during the period.

SEGMENT	OPERATING REVIEW
Life	<p>As part of the strategic guidelines outlined in the “24SI” Plan, which envisage improving the product mix in the life business with a particular focus on multi-class products, the following were launched during the period:</p> <ul style="list-style-type: none"> • “Poste Progetto Dinamico Bonus”, a restyling of the Poste Progetto Dinamico multi-class  policy, is dedicated to customers who deposit new liquidity and offers the possibility of repayment of the cost applied to the initial single premium in the form of a bonus, from the 18th month after the start date of the contract; 

²⁵ Understood as the breakdown of the fund composition in terms of asset class.

²⁶ Malware (a contraction of “malicious software”) means any type of harmful software or source of disruption, created to secretly access a device without the user’s awareness.

- the policy “**Poste Progetto Capitale**”, launched in February 2022, is a multi-class recurring life insurance contract with a 10-year duration, which combines the stability of the Separate Account  Posta ValorePiù (class I) product with the potential of the two Internal Insurance Funds (one of which is ESG). It also offers the possibility of repayment of the cost applied to the initial premium in the form of two bonuses: (i) one starting from the fifth year; (ii) the other at the maturity of the ten-year duration of the product.

P&C

In the business segment, the off-premises sale of the new “**Poste Welfare Infortuni**” **collective policy** was launched, to cover **professional** and **personal health risks** of the employees at the contracting companies.

As part of the restyling of the capital line of the modular policy “Poste Vivere Protetti²⁷”, the new “**Protezione Digitale**” cover was launched, which extends the protection of family members to the damage that could be incurred/created by activities carried out online.

²⁷The modular policy “Poste Vivere Protetti” complements the protection coverage available to retail customers, to protect their health, home and pets. Modules and related coverages can always be added or removed as customers’ needs change, and the coverages, which are indicated in the policy, always form a single contract.



PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT

The businesses included within the Payments and Mobile SBU (electronic money, telco and energy) are managed by the subsidiary PostePay SpA.

“2024 Sustain & Innovate Plus” Strategy



PAYMENTS AND MOBILE


Innovative digital platform for an integrated payment, telephony and energy offering.



- Strengthening leadership in digital payments
- New TLC offer, for both mobile and fixed lines
- Energy services from 2022, leveraging market liberalisation and customer confidence

MARKET CONTEXT



The latest data available²⁸ on the Italian market of **payment cards** show a growth in overall national transacted amounts, which, in December 2021 exceeded pre-pandemic limits, with a value of around €320 billion, an increase of 20% compared to December 2020.


€320 bn card transactions in 2021 in Italy: +20% YoY and above pre-pandemic levels

The number of transactions grew by 32% compared to the previous year and came to €6.7 billion, with a notable reduction in the average ticket thanks to greater adoption of payment cards (e-commerce and contactless  payments).

Debit card transactions grew by 38% compared to December 2020 and represent over half of total transactions, with a transacted amount of €184 billion (+24% compared to December 2020). **Prepaid cards**  also advanced at a rapid pace (+35% of transactions and +27% of transacted amounts compared to December 2020, for a total value exceeding €54 billion) thanks to the constant development of e-commerce and the increase in penetration at physical points. Credit cards  closed 2021 positively (transactions +15%), transacted amount of around €83 billion (+9.6% compared to December 2020) though still penalised by the contraction in business travel.

As at 31 December 2021, the number of **active cards** on the market exceeded **92 million**, up by 0.7% compared to the stock of active cards in December 2020: the highest growth was recorded on prepaid cards, the stock of which exceeded 30 million, up by 1.3% compared to December 2020. The stock of debit cards increased by 1.0% for a total of 47 million active cards, while credit cards recorded a decrease (-1.1% versus December 2020 with 15 million active cards).

In the first quarter of 2022, there was overall growth in transacted amounts and transactions: the trend of gradual use by consumers of payment cards and greater acceptance of digital payments  by merchants  continued. The stock of active cards on the market was also substantially stable and in line with the end of the previous year²⁹.

Based on the latest available figures³⁰, **mobile telephony market** penetration shows total mobile lines representing around 180% of the population, with virtual mobile operators (MVNO)³¹ representing 13.9%³². The total number of lines at 31 December 2021 amounted to 106.2 million, including approximately 28.1 million Machine to Machine (M2M) SIM  cards. PosteMobile, with a total market share of approximately 4.2%, accounts for around 40.3% of the total customers of mobile virtual network operators.

During the past year, the **Energy Market** was heavily affected by the international geopolitical context: first, the Covid-19 pandemic, then in recent months the Russia-Ukraine conflict have been influencing the markets and the prices of

²⁸ Source: Bank of Italy, Appendix to the Annual Report 2021.

²⁹ Internal processing on Bank of Italy data (Supervisory Reporting flows)

³⁰ Source: Agcom Osservatorio sulle Comunicazioni n. 1/2022, Report Operatori.

³¹ Mobile Virtual Network Operator.

³² Source: Internal Estimate PostePay Administration, Planning and Control.

commodities, especially gas, with significant repercussions on the electricity market³³. Already in the final quarter of 2021, the wholesale price of gas increased sharply following the recovery correlated with the improvement in the pandemic and the growth in international tensions, culminating in the aforesaid conflict in February 2022, which exacerbated the increases. The price of gas rose by over 500%³⁴ compared to the first half of 2021; extremely high purchase costs and high volatility of the prices are also correlated with the uncertainties around the reliability of gas supplies arriving from Russia. This said, in the past two months, the outlook has improved: stocks have increased rapidly, nearly bridging the gap with the five-year average.

In order to tackle the increase in commodity prices, the Italian government issued a series of urgent measures with the aim of mitigating the energy costs of households and companies, taking particular action on general system charges and social bonuses for families struggling financially and customers with serious health conditions. For more details about the legislative actions taken, please refer to the information in the following section.

REGULATORY CONTEXT

The main legislative changes made during the first half of 2022 are shown below. For a complete discussion of the legislative context of the Payments and Mobile Strategic Business Unit, please see chapter 3 "Business Model" in the 2021 Financial Report.

Monetics

Refer to the regulatory context of the Financial Services SBU for more information.



TLC Termination of voice calls

In the context of the **Regulation**, published in the **Official Journal of 22 April 2021**, on the single maximum termination rate for calls on mobile networks and on fixed networks in the European Union, the following rates will be applicable in Italy:

- from 1st July 2021, 0.07 euro cents per minute (excluding VAT) for fixed termination;
- from 1st January 2022, 0.55 euro cents per minute (excluding VAT) for mobile termination.

PostePay adopted the tariff system by the deadlines envisaged by legislation.

TLC International roaming

On 24 February 2021, the European Commission proposed to extend the **existing International Roaming Regulation** for an additional 10 years (until 30 June 2032), **while reducing the maximum wholesale rates charged between operators** to ensure the sustainability of the provision of retail roaming services at domestic prices, while also introducing new measures to increase transparency and ensure an effective roaming experience at domestic rates ("roam-like-at-home") in terms of quality of service and access to emergency roaming services. The reduction of the wholesale caps has a relevant impact for a mobile virtual network operator (MVNO) such as PostePay, which purchases roaming services from a mobile network operator (MNO), insofar as it allows the provision of services ("roam-like-at-home") to their respective customers while ensuring the recovery of costs incurred at wholesale level. The current regulation ceased to have effect on 30 June 2022.

The new Regulation came into effect on 1st July 2022, and the BEREC (Body of European Regulators for Electronic Communications) will soon publish guidelines on defining a

³³ The increase in the price of gas also drove electricity prices upwards, since in Italy and many other European countries the marginal price of electricity is defined by the generation costs of thermoelectric plants powered by natural gas.

³⁴ Source: Prices on the Title Transfer Facility (TTF) trading point.

number of aspects relative to the implementation of the new rules. The text of the new regulation was approved by the Parliament on 24 March 2022 and by the Council on 6 April 2022 (published in the Official Journal of the European Union on 13 April 2022, Regulation 2022/612). The text confirms the fundamental principles of the existing Regulation and provides for the progressive reduction of the maximum wholesale price limits for voice, text and data *roaming* services in line with the estimates of the Company; it also provides for further measures of transparency, customer protection and quality of service.

PostePay is committed to ensure the compliance of its services with the Regulation by the established deadline.

TLC
Donations
via telephone
credit

As part of the **donations made in favour of third sector organisations (TSOs) through telephone credit and the new version of the “Self-regulation code for the management of numberings used for non-profit telephone fundraising”** (published by AGCom on 24 February 2022), the technical round table with operators ended, intended to define the technical specifications for providing the service via SMS.

The technical document produced was submitted to AGCom, which published it on its own site on 25 May 2022. Following an explicit request to open numbering 4556/7X* sent by a Termination Operator, PostePay, like any other Access Operator, must negotiate with the former the terms and conditions to make the service accessible to its customers, subject to the signing of a specific agreement.

*Numbering used for fundraising for social benefit purposes by not-for-profit bodies, organisations and associations and public administrations via SMS or phone calls from a landline.

TLC
Exemptions for
Electronic
Communication
Operators

On the basis of Directive (EU) 2015/2366 (PSD2) and Legislative Decree no.218/2017, it is envisaged that the providers of electronic communication networks or services, operating under an **exemption**³⁵ from the full application of the **PSD2**, can offer end customers **electronic communication services** that facilitate payment transactions with a **charge to access the services or charged to a bill** (post-paid electronic communication services) **or on the so-called pre-paid telephone account** (pre-paid/top-up electronic communication services).

Operators must also **notify the competent Authorities** that they are benefiting from an **exemption**, so that the authorities can assess whether or not the envisaged requirements are met (art.37, Directive 2015/2366).

On 5 April 2022, the Bank of Italy issued the “*Measure implementing article 2, paragraph 4 -bis of Italian Legislative Decree no. 11 of 27 January 2010, related to payment services*”, repealing the obligation for providers of electronic communications networks or services to notify the Bank of Italy annually of the “number of users who make use of the services and total value of the payment transactions”. This change took effect on 17 April 2022.

³⁵ The payment transactions benefiting from an exemption are permitted for the purchase of digital content and voice-based technology services (regardless of the device used); the functioning of charitable activities or purchase of tickets (made by or using an electronic device), provided that, per individual customer (post-paid or top-up): the value of each individual payment transaction is no greater than €50; the total value of the payment transactions is no greater than €300 per month.

This is without prejudice to **the obligations of initial notice**, during subscription, and **information updates**, as well as the possibility for the Bank of Italy to request – if deemed necessary – a new notice containing updated information.

Therefore, from 17 April 2022 PostePay will no longer have to communicate this annual information.

ENERGY

2022 Budget Law

In order to contain the price hikes in the electricity and natural gas sector, Italian Decree Law no. 234 of 30 December 2021 (**2022 Budget Law**), announced for the first quarter of 2022:

- the zeroing of general charges for domestic electric customers and other uses;
- the reduction of general charges for the natural gas sector;
- the increase in the amounts of electricity and gas social bonuses.

The decree also provided for the reduction in VAT to 5% for the supply of gas for civil usage and the obligation for companies selling electricity and gas to offer domestic customers an interest-free instalment plan in the event of failure to pay bills issued in the period between 1st January and 30 April 2022.

These subsidies were substantially extended to the second quarter of 2022 (Decree Law no. 17 of 1 March 2022 and Decree Law no. 21 of 21 March 2022).

ENERGY

ARERA interventions

The aforementioned government interventions were implemented, where applicable, by the **Italian Regulatory Body for Energy, Networks and Environment (ARERA)**, with resolutions **635/2021/R/com** of 30 December 2021, **141/2022/R/com** of 30 March 2022 and **241/2022/R/com** of 31 May 2022.

With Resolution **636/2021/R/com** of 30 December 2021, ARERA implemented the provisions regarding the aforementioned obligation to split bills into instalments for domestic end customers of electricity and natural gas.

In the first half of 2022, ARERA issued further relief measures for the sector of electricity and natural gas sales to end customers, including:

- Resolutions **146/2022/R/eel** and **147/2022/R/gas** updated, for 2022, the value of the marketing and sales components respectively of electricity and natural gas for customers served in the protection service³⁶. The valuation of these components has an impact not only on the sellers that operate in the protected market and that bill these costs as determined by ARERA, but also on those that operate in the free market, where regulated prices nevertheless act as a point of reference in the process of defining the prices of offers;
- Resolution **135/2022/R/com** standardised the methods of defining “**offer codes**”³⁷ so as to contain summary information about a number of characteristics of the offer, which are easy to identify and use for the collection of information even at aggregate level about the characteristics of the offers signed by customers.


³⁶ Customers supplied in the protected market under economic and contractual conditions regulated by ARERA and who therefore have not yet signed up to an offer on the free market.

³⁷ The unique code used by each operator to identify the commercial offer signed by the customer.

OPERATING REVIEW

The following table shows the main activities of the Payments and Mobile Strategic Business Unit for the period:

SEGMENT	OPERATING REVIEW
Energy	 <p>On 15 June 2022, the Group entered the  energy market with an offer with 100% green electricity and 100% offset in terms of CO2 for gas, dedicated to employees and retirees of the Group.</p>
Monetics	<p>In March 2022, the new debit card  PostePay was launched, reserved for a specific Premium customer target. The new card, with a specific design and packaging, will be associated with exclusive features that will be launched on the market during the year, such as cash withdrawal above standard limits.</p>  <p>In line with the ESG strategic objectives, the expansion of the production of cards made from eco-friendly materials continued. Launched in 2021 with PostePay Green and the PostePay debit card, it now includes PostePay Evolution.</p> <p>As part of the PostePay Code³⁸  service, the Postepay Cashback³⁹ initiative continued in the first half of 2022.</p> <p>In the first half of 2022, changes were made to the user experience of the new e-commerce payment method (launched in October 2021) using QR Code Web (Web Code), set to go live in July 2022. The solution allows the card holder to scan the QR Code generated automatically in the payment page, with no additional clicks.</p>
Telecommunications	<p>During the first six months, the commercial actions intended to increase penetration into the ultrabroadband  market continued with the offer of PosteCasa Ultraveloce, the “data only” solution that can be subscribed to online, with a “full digital” process, which enables users to browse from home at the speed of Fibre up to 1Gbps without limits. The offer also includes a second connection on the 4G network to surf immediately without limits and take WiFi everywhere, a WiFi modem and a USB key supplied on loan for free.</p>  <p>The offer strategy was diversified on the basis of the purchasing channel (online and post offices) and an offer dedicated to Group employees.</p> <p>The migration process towards a new Mobile Host  Operator (which does not require a change of SIM) that began in June 2021, was completed.</p>

³⁸ An innovative acceptance service that allows participating merchants to collect payments ordered by the customer directly from their Postepay app, by framing the QR code  (a two-dimensional bar code that stores information that can be read by a mobile phone, using a special application) displayed by the merchant.

³⁹Service that pays €1 of cashback for PostePay Code transactions of at least €10. In order to further promote the growth of PostePay Code transactions, €3 cashback was offered in February and March.



4. RISK MANAGEMENT

POSTE ITALIANE'S INTEGRATED INTERNAL CONTROL AND RISK
 MANAGEMENT SYSTEM
 RISK MANAGEMENT MODEL AND RISK ANALYSIS
 COVID-19 RISK MANAGEMENT AT POSTE ITALIANE



POSTE ITALIANE'S INTEGRATED INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Poste Italiane Internal Control and Risk Management System (SCIGR) is a combination of tools, procedures, rules and organisational structures, designed to ensure that the business is managed in a way that is sound, fair and consistent with the corporate objectives, and to pursue sustainable success, through an adequate definitions of players, duties and responsibilities of the various corporate bodies and control functions as well as through the identification, measurement, management and monitoring of the main risks, and through the structuring of adequate reporting lines to expedite the flow of information.

This system is a fundamental element of Poste Italiane's Corporate Governance system, as it enables the Board of Directors to guide the Company in its pursuit of long-term value creation, defining the nature and level of risk compatible with its strategic objectives, and including in its assessments all elements that may be relevant to sustainable success.

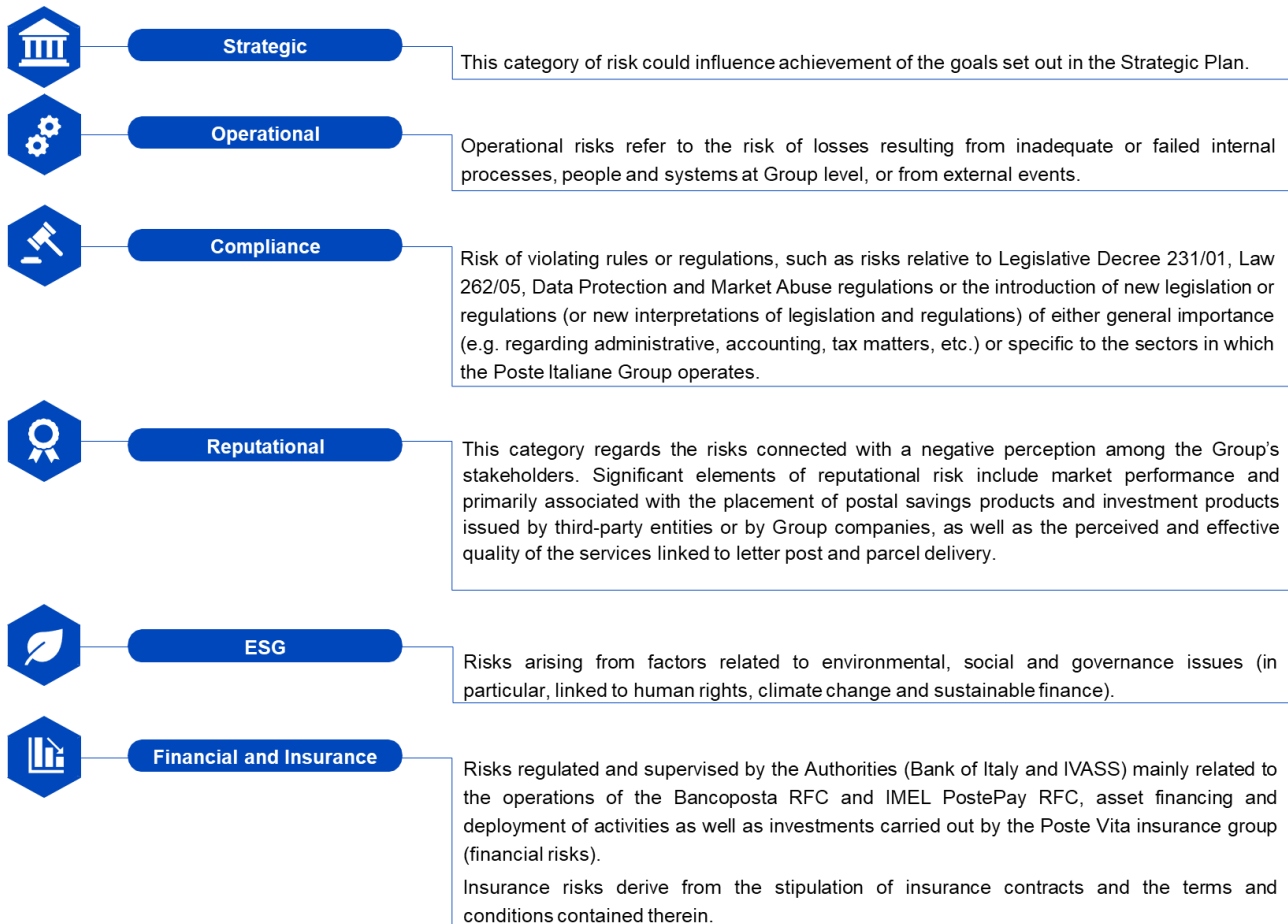
For more information on the objectives and structure of the Poste Italiane SCIGR, please refer to the contents of the Annual Report 2021 in chapter 5 "Risks and Opportunities".



RISK MANAGEMENT MODEL AND RISK ANALYSIS

Poste Italiane has adopted a Risk Management model based on the Enterprise Risk Management (ERM) framework, with the aim of providing an organic, integrated vision, as well as an effective, standardised response to the risks to which the Group is exposed. The Corporate Affairs function is responsible for ensuring that these objectives are met. This is primarily done through the definition of an integrated risk management process that relies on the coordinated involvement of all the actors in the Internal Control and Risk Management System, above all the specialist forms of second-level control, the use of standardised models and metrics based on Group-wide criteria, and the design and implementation of shared tools for assessing and managing risk. In this latter regard, the Group implemented an integrated Governance, Risk and Compliance (GRC) platform in 2018 to support the integrated risk management process. For more information on the platform's objectives, please refer to the contents of the Annual Report 2021 in chapter 5 "Risks and Opportunities".

The **principal risks** to which the Poste Italiane Group is exposed are described below.



For a complete discussion of the descriptions and monitoring of financial risks, please refer to the Condensed Consolidated half-year Financial Statements at 30 June 2022 and in the Annual Report 2021 in the chapter "Risk analysis and management". For further information on the descriptions and monitoring of risks of other nature, in particular with reference to the risks associated with climate change, please refer to the contents of chapter 5 "Risks and opportunities" of the Annual Report 2021. With reference to the management of the Covid-19 risk, please refer to what is set out later in the document.



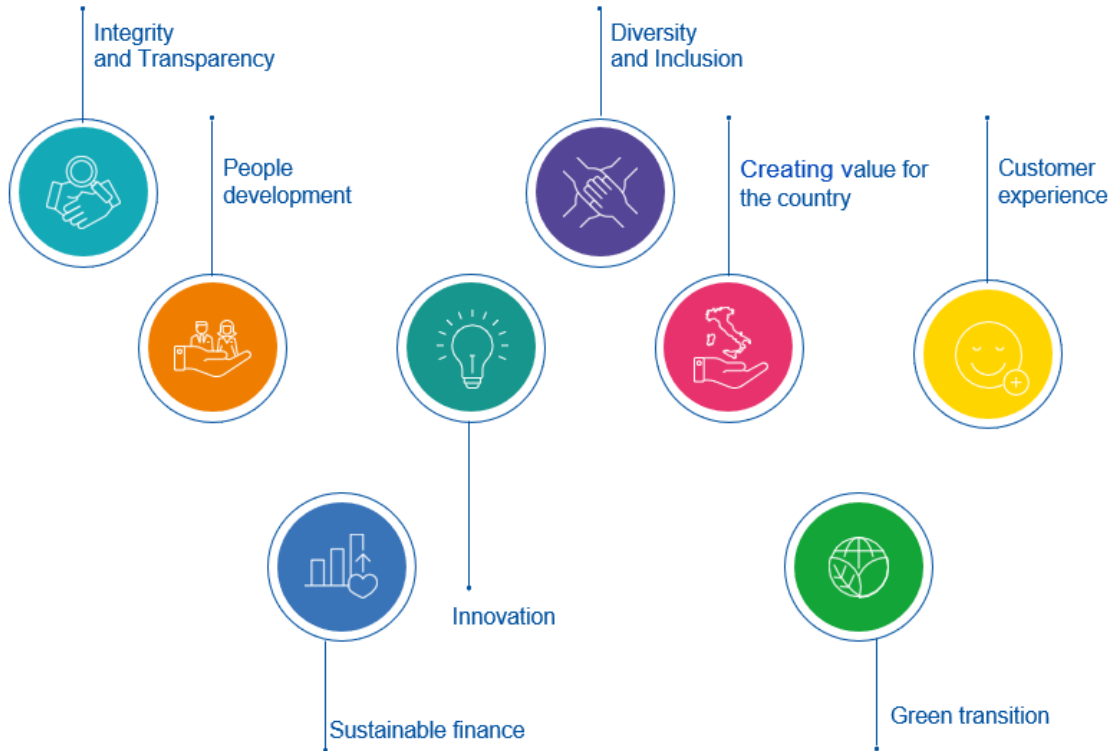
COVID-19 RISK MANAGEMENT AT POSTE ITALIANE

Poste Italiane is unique in Italy in terms of its size, recognition, capillarity and customer trust, and it is an integral part of the economic, social and productive fabric of the country. Its role in relation to the entire nation makes the Group responsible for the well-being of the communities in which it operates, in the conviction that in such a critical period of Italian history its contribution can represent a valuable tool at the service of citizens and institutions. The Covid-19 pandemic, which has been part of everyday life for a long time, has taken the whole world by surprise, requiring great efforts from all economic operators to identify solutions aimed at ensuring people's health and, at the same time, continuity of their business.

The Group has revised the way in which it provides its services, constantly taking into account the evolution of the current epidemiological situation and the consequent Government measures on the subject.

With the Law Decree no. 24 of 24 March, the Cabinet Office ordered the end of the state of emergency declared on 31 January 2020 as of 31 March 2022 to counter the spread of the Covid-19 epidemic. On 1 March 2022, an Agreement was signed with the Trade Unions to regulate the performance of work in an agile manner, as described in chapter 7 "Other information" in the paragraph "Industrial relations".

The actions undertaken by the Group are consistent with the values recognised by Poste Italiane in relation to the **sustainability strategy**, based on eight pillars, and in line with the recommendations of the Global Compact Network Italy, the UN PRI (Principles for Responsible Investment) guidelines and the additional indications provided by the United Nations in relation to the impact of the Covid-19 emergency on SDGs⁴⁰:



ACTIONS TAKEN

POSTE ITALIANE PEOPLE










<p>Establishment of bodies and tools aimed at a unified and nationally coordinated governance of containment and prevention actions (Coronavirus Risk Management Committee chaired by CEO and Co-General Manager, Strategic Crisis Committee for Coronavirus Risk Management, which involved more than 500 people from the various corporate structures of Corporate Protection, Properties, Purchasing, Communication, Human Resources, Institutional Affairs, Regulatory Affairs, Information Systems and all Business Functions).</p>	
<p>Measures to reduce the level of contagion potential: organisational measures to remodulate operations for the network of counters and logistics-postal activities (reduction in the concentration of personnel to ensure the minimum interpersonal safety distance within the operational sites), as well as the permanent need to use masks in the workplace and use, for those participating, smart working. To ensure proper distancing between employees when eating, the number of spots available in the canteens has fallen significantly (from around 600 to around 140 at the Eur canteen and from around 160 to around 80 at the Tor Pagnotta canteen). "Separate" entry and exit routes were also provided, with indication of specific</p>	

⁴⁰ "Shared Responsibility, Global Solidarity: responding to the socio-economic impacts of Covid-19", March 2020.







<p>“safety” lines in addition to signs near entrances and direction signs to prevent crowding as much as possible.</p> <p>In light of the end of the state of emergency on 31 March 2022 and the developments introduced by Italian Decree Law no. 24/2022 containing the regulations for the gradual end of measures to counter the spread of Covid-19 from 1 April 2022, in the event of a close contact with individuals who test positive for SARS-CoV-2, the quarantine measure no longer applies, only the self-monitoring measure, regardless of the individual’s vaccination status. If an employee must self-monitor, he/she must communicate this situation to his/her Manager and to Human Resources, and submit the self-declaration document to perform work, including at company premises, if the activity cannot be carried out remotely, while constantly monitoring any onset of symptoms in the days following the contact. Those who test positive for SARS-CoV-2 will continue to be subject to the isolation measure. When they return to the office, they must submit the self-declaration document for returning to work following isolation due to a positive SARS-CoV-2 test, together with the result of a negative swab.</p>	
<p>Constant distribution of PPE to exposed personnel: protective masks (approximately 7.18 million pieces), fabric/surgical masks (approximately 80.92 million pieces), hand gel (2.19 million litres), disinfectant kit (648,149 pieces); Cyclical cleaning and sanitation of the company fleet without prejudice to specific interventions in case of being in the car of an infected person. Dedicated cleaning and disinfection interventions of the workstations in the event that someone tests positive for Covid-19 and has been on the company premises.</p>	
<p>Establishment of a dual communication channel to facilitate the flow of information (web portal to allow timely verification of the actions taken by Poste and a toll-free number to request further information).</p>	
<p>From April 2022, after the agreement was signed with the Trade Unions and taking into account the evolution of the epidemic and the end of the state of emergency, it was no longer possible to use “emergency” smart working and each employee was free to express whether or not they wanted to continue to work that way according to a specific authorisation procedure.</p>	
<p>In order to reduce the risk of infection, from 10 January 2022 Poste Italiane employees and Group employees at the offices on Viale Europa, Viale Asia and Viale Beethoven and Tor Pagnotta could take a free and voluntary Covid-19 rapid antigen test. On some dedicated days in the months of May and June 2022, third-generation COI antigenic swabs were carried out on a voluntary basis and free of charge for employees of the headquarters and Tor Pagnotta.</p>	
<p>Installation of thermal cameras to detect body temperature at the headquarters, in the entire network of post offices, in logistics offices open to the public and in all other work environments with more than 150 employees, including logistics HUBs.</p>	
<p>Only external personnel who have received and accepted the document called “Disclosure for external personnel to manage and reduce the risk of SARS-CoV-2 virus contagion in Poste Italiane workplaces can access in Poste Italiane’s workplaces”.</p>	






CUSTOMERS

<p>Continuity in the opening of POs. Continuity in the provision of services (e.g. delivery, collection of pensions, etc.).</p>	
<p>Adoption of measures to ensure spacing in the PO (e.g. safety strips on the floor at each counter).</p>	





<p>Multichannel and growth in the digital segment (which ensure the service also outside the traditional post offices). Adoption of tools to discourage the use of cash (e.g. ATM,  app, digital channels, etc.).</p>	
<p>Chatbot reinforcement: addition to the Digital Mail Assistant chat channel  (chatbot) and the voice channel (voicebot), which answers numerous standardised and repetitive requests for assistance, giving valuable time to “human co-workers” to manage more complex and emergent situations.</p>	 
<p>Communication activities to customers also through advertising campaigns. Information to the PO to have the security measures adopted to contain the spread of the virus (communications via e-mail, Intranet and push app; messages/letters posted from time to time at all post offices to communicate the preventive measures taken and the required behaviour).</p>	
<p>BancoPosta account opening also from BancoPosta app. It is sufficient to choose the type of account and follow the instructions in the app with health card and a valid identity document available. The account will be opened in a few days and will be active immediately. Poste is offering more and more advanced and digital services in order to combine traditional channels with new solutions, also dedicated to young people.</p>	
<p>Installation of around 29,400 sustainable plexiglass barriers (polymethylmethacrylate PMMA) as of 30 June 2022, protective panels installed at all PO that did not have them and protective screens for consultants and Postepay corners, to protect staff and customers. The number is increasing in relation to the construction of new offices or the renovation of existing ones. Additional barriers are installed in acceptance centres dedicated to business customers, medical centres and swab areas.</p>	 

INTERNATIONAL, NATIONAL AND LOCAL AUTHORITIES

<p>Opening of an interactive channel with all the institutions potentially affected by the phenomenon starting from the Presidency of the Council. Interaction with government bodies in charge of crisis management: Civil Protection (stable and continuous presence of Poste Italiane on the Civil Protection Operations committee), Prefectures and law enforcement (Management of relations with Prefectures and law enforcement involved at the local level), CODISE and COBAN (Poste Italiane participates at all CODISE and COBAN meetings as the central operator of the country’s economic and financial system). Daily monitoring of rules and regulations relating to measures adopted by the authorities.</p>	
<p>Close collaboration with Trade Unions and constant updating with respect to the strengthening of measures to limit contagions and measures aimed at ensuring service continuity.</p>	
<p>Agreement between Poste Italiane and the Carabinieri for the provision and home delivery of pensions for citizens over 75 years of age. Following agreements with the MEF, the Civil Protection, the Ministry of Labour, INPS and the Bank of Italy, the staggered payment of pensions began in April 2020 and will continue in the first half of 2022. Synergies for the management of possible crowding outside the Offices.</p>	
<p>Listening strategy and proximity to institutions to offer, even in a limited time span, solutions to emerging critical issues.</p>	
<p>Implementation of a platform to facilitate the vaccination campaign: Covid vaccine bookings can be made using the Poste Italiane online platform, developed and made available to the Italian regions, and totally free of charge.</p>	 

<p>Logistical support for the delivery of vaccines: special vehicles, equipped with cold rooms, proceed with the delivery of vaccines to the appropriate locations.</p>	
<p>Continuous communication activities to national and local institutions aimed at raising awareness.</p>	
<p>Among the free financial education initiatives for the public, Poste Italiane is providing educational webinars with the aim of spreading and increasing awareness of financial, insurance and pension matters.</p>	
<p>TG Poste responds to the Poste Group's need to continue its mission of presence and proximity to its employees, including information and the intention to share national and international news, integrating it with corporate content, thus offering to the over 120,000 employees and the country in-depth knowledge of the largest and most widespread company in Italy. TG Poste is on the air every day, Monday to Friday, at 12 noon, visible for employees on demand from the company Intranet or the NoidiPoste app. Starting from the fourth quarter of 2020, it was broadcast to the public via the web channel Postenews.it and, progressively, on post office screens.</p>	
<p>110% superbonus and other tax credits: Poste Italiane offers the service for the transfer of tax credits aimed at individuals, businesses and self-employed professionals who are original holders of a tax credit, in line with its role in support of Italy. From 7 March 2022, after a period of suspension, Poste Italiane reactivated the platform for the purchase of tax credits following the publication in the Official Journal of the latest Decree Law amending the circulation of tax credits.</p>	

SUPPLIERS

<p>Supplier assessment by providing for the COVID risk analysis taking into account both the specific sector to which they belong, through the classification of economic activities adopted by the Italian National Institute of Statistics for national economic statistical surveys (ATECO code), and the April 2020 guidelines prepared by the Government-INAIL task force for the assessment of production sectors.</p>	
<p>Transparency in the management and maintenance of relations with the supply chain, based on stable and solid partnerships that allow reactivity of demand satisfaction (time-to-market) also thanks to the national geographic origin of suppliers.</p>	
<p>Respect for payment methods and times towards suppliers.</p>	
<p>Engagement of specialised companies for sanitisation involving more than 13,000 headquarters, production sites, management offices, post offices, with a time schedule that has involved hundreds of different locations every day.</p>	



5. CREATING VALUE

PERFORMANCE OF POSTE ITALIANE SHARES

IMPACTS ARISING FROM THE PANDEMIC AND THE RUSSIAN-UKRAINIAN CONFLICT

GROUP OPERATING RESULTS

SUMMARY OF OPERATING RESULTS BY STRATEGIC BUSINESS UNIT

MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

FINANCIAL SERVICES STRATEGIC BUSINESS UNIT

INSURANCE SERVICES STRATEGIC BUSINESS UNIT

PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT

OMNI-CHANNEL SERVICE, DIGITAL TRANSFORMATION AND MAIN KPIs

GROUP FINANCIAL POSITION AND CASH FLOW

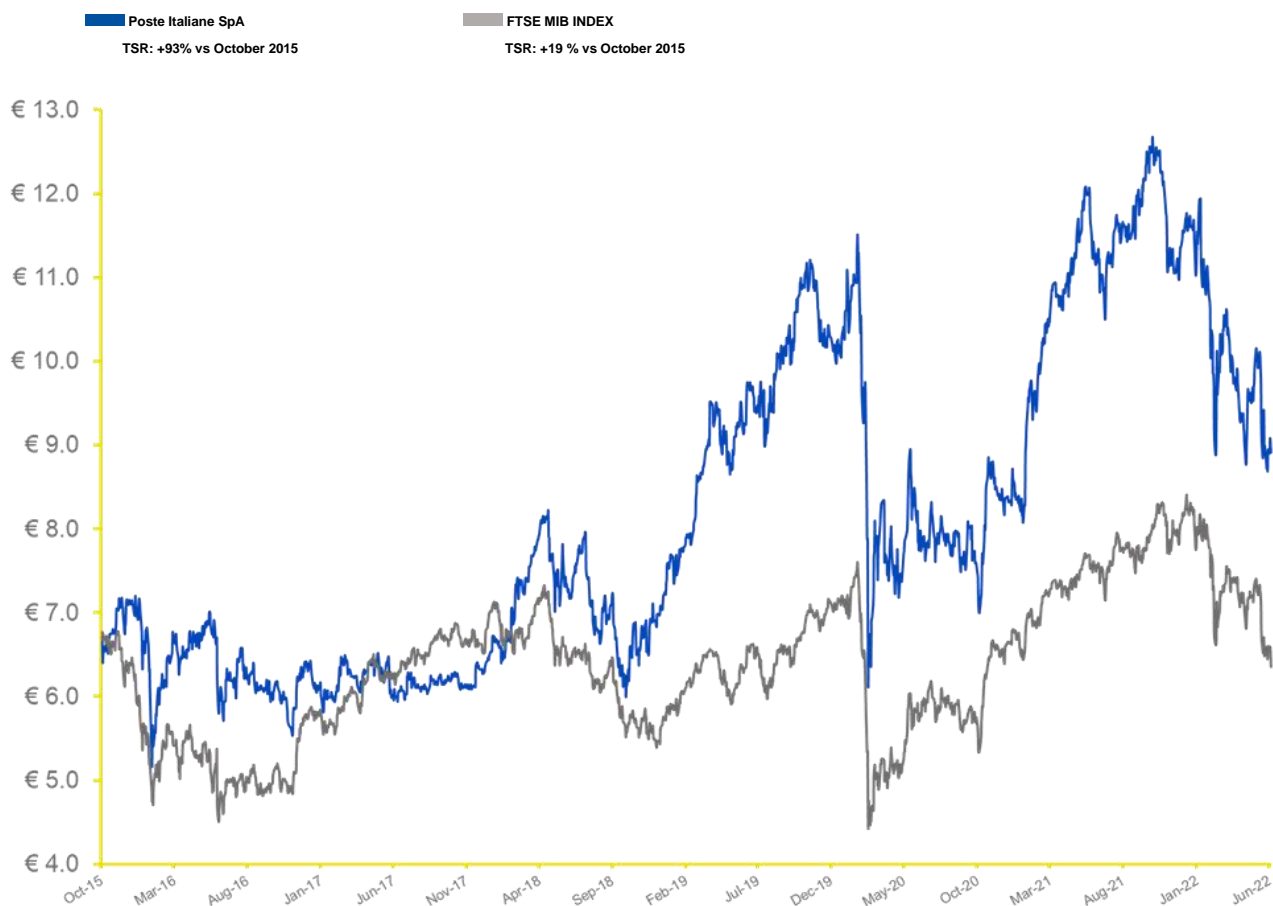


PERFORMANCE OF POSTE ITALIANE SHARES

During the first half of 2022, Poste Italiane shares decreased by 23.9% on the stock market, from €11.705 at the beginning of the year to €8.91 at the end of June 2022. In the same period, the FTSEMIB recorded a similar downward *trend*.

From the date of listing on the stock exchange (27 October 2015) to 30 June 2022, Poste Italiane's share price increased by 32.0% (while the FTSEMIB index decreased by 5.9% in the same period), guaranteeing a Total Shareholder Return⁴¹ of +93% while the main Italian stock exchange index recorded an increase of 19%.

⁴¹ It measures the total annual return for an investor and is calculated by adding the increase in the share price over a determinate period of time to the impact of dividends per share paid in the same period.



The table below shows the main information on the stock and on the Company's dividend policy as well as the relative performance recorded during the period compared to previous periods.

Share KPIs	1H 2022	FY 2021	1H 2021	FY 2020
Closing price at the end of the period (€)	8.912	11.540	11.150	8.320
Minimum price of the period (€)	8.692	8.076	8.076	6.144
	23/06/2022	(29/01/2021)	(29/01/2021)	(12/03/2020)
Maximum price of the period (€)	11.940	12.675	12.080	11.510
	03/02/2022	(26/10/2021)	(08/06/2021)	(19/02/2020)
Average price of the period (€)	10.173	10.996	10.324	8.364
Stock exchange capitalisation at the end of the period (€m)	11,640	15,073	14,563	10,867
TSR of the period (%)	(19.22)	44.83	37.79	(13.03)
TSR FTSE MIB of the period (%)	(19.62)	26.81	14.74	(3.34)
Earnings per share (€)	0.740	1.214	0.594	0.927
Dividend per share (€)	-	0.590	-	0.486
Payout ratio (%)*	-	56	-	52
Dividend Yield (%)**	-	5.1	-	5.8

Source Bloomberg.

* It is calculated as the ratio of the total dividend and the Group's net profit. The 2021 Payout Ratio is calculated from the gains due to the revaluation in SIA equal to €0.2 billion.

** Calculated as the ratio of DPS to the stock price on the closing date of the period.



IMPACTS ARISING FROM THE PANDEMIC AND THE RUSSIAN-UKRAINIAN CONFLICT

Following the recommendations issued by ESMA during the year 2021⁴² and 2022⁴³, an update as of 30 June 2022 is reported below of the main effects on the Group of the Covid-19 pandemic and the crisis in Ukraine; on the latter, for a complete overview, reference should also be made to what is reported in the business outlook and in the abbreviated half-year Financial Statements in chapter 3 "Significant events during the period".

The recent macroeconomic situation has been characterised by a combination of factors that have led to a widespread slowdown in economic growth. In particular, note: the upswing of Covid-19 infections, the invasion of Ukraine by Russia, rising inflation, which has generated an increase in the prices of raw materials (especially energy), and normalising its monetary policy strategy by the main world central banks in order to stem economic overheating. These factors interrupted the consolidation process of the post-pandemic recovery started in the initial months of 2022.

With reference to the pandemic *shock*, despite the continuation of the vaccination campaign, the spread of Omicron variants starting from the end of 2021 has led to a significant increase in infections worldwide, which testifies how the virus continues to negatively affect "global health" and the consequent need to continue the containment and combat measures by governments and institutions, companies and citizens. The actions taken by the Group to deal with the health emergency and to protect the health of employees and customers also continued; in the first half of the year, the expenses incurred amounted to €29 million. Please refer to Chapter 4 "Risk Management" for an in-depth analysis of the actions taken by the Group to deal with the health emergency.

With reference to the *business* impacts of the ongoing conflict, it should be noted that the Group's area of operations is mainly domestic and it has limited commercial relations with the countries involved in the conflict; therefore, the Group has not recorded significant impacts on the various *businesses* or significant repercussions on its profitability, nor any fears about the compromise to continue as a going concern.

Nonetheless, the high uncertainty of the reference situation and inflation exacerbated by the conflict, highlighted the following evidence in the half year:

- an increase in the cost of fuel and raw materials in general, and an increase in costs on all services relating to international routes, even outside the areas affected by the conflict.
- in line with the market downsizing of the sector, there was a slowdown in the volume of parcels, recorded in particular in the B2C market as a result of the effects of inflation, and therefore, the lower propensity to consume in the e-commerce sector. The parcel segment was also affected by the repeated *lockdowns* imposed in China to stem the spread of Covid-19.
- In the financial sector, postal savings were negatively affected by the socio-economic context characterised by a significant increase in interest rates, by the increase in inflation, by the decrease in the propensity to save by households and by the reduction of the Country's growth prospects. On the other hand, the return on the financial portfolio benefited from the changed market scenario with rising interest rates.
- In the insurance sector, there is no significant evidence as the indirect exposures, within the context of multi-asset funds, to the countries involved in the conflict represent an irrelevant amount compared to the investments of the insurance group (0.03% of the total).
- the increase in gas and electricity prices and the significant price volatility, also linked to the risk of reductions and interruptions in Russian gas supplies to Europe, did not have significant repercussions on the Group's new energy business, whose offer was launched in June to a limited target (employees and pensioners).

⁴² Public Statement ESMA 32-63-1186 on 29 October 2021 "European common enforcement priorities for 2021 annual financial reports".

⁴³ Public statement ESMA32-63-1277 "Implications of Russia's invasion of Ukraine on half-yearly financial reports" dated 13 May 2022 and CONSOB Notice of attention no. 3/22 dated 19 May 2022.

In the scenario described, the *performances* recorded in the half-year by the Group are solid and higher than expected with an operating profit which, with €1.4 billion, reached a record level in the history of the Group.

The financial solidity and liquidity of the Group also made it possible to finance investments of over €220 million during the half-year, to pay shareholders €526 million as the balance of the 2021 dividend, to finance the growth of the Group through investments in strategic companies for the development of the *business*, which will be concluded in part during the current year, and to finance *buyback* operations of €25 million with own funds (for the latter, see the contents of the condensed consolidated half-year financial statements in paragraph 3.2 “Other significant events”).

As regards developments in the current year, the reference economic context is characterised by high uncertainty and instability; the short-medium term forecasts highlight the persistence of scenarios of high inflation, rising rates and downward revisions of GDP. These dynamics, within a geopolitical context characterised by the ongoing Russia-Ukraine conflict, by national political tensions and exacerbated by the rising Covid-19 infections, make the reference structure highly uncertain with repercussions on the general climate of confidence and on the stability of the financial markets, making it difficult to implement the Country's main growth and transformation plans.

The Group constantly monitors the evolution of the reference context in order to promptly assess the potential effects on operations and adjust behaviour and lines of action. The resilience and diversification of its businesses, high financial integrity and capital strength, and substantial reputational capital ensure business continuity.



GROUP OPERATING RESULTS

SUMMARY OF OPERATING RESULTS BY STRATEGIC BUSINESS UNIT

MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

FINANCIAL SERVICES STRATEGIC BUSINESS UNIT

INSURANCE SERVICES STRATEGIC BUSINESS UNIT

PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT

The Group's *performance* in the first half of 2022 increased compared to the same period of 2021, with a record level reached by EBIT, in a macroeconomic scenario characterised by high uncertainty related to the spread of the Omicron variants of Covid-19, to the Russia-Ukraine conflicts and the impacts of record inflation levels on the purchasing habits and savings capacity of the population. The results achieved also benefited from the decrease in costs, mainly attributable to lower labour costs and the lower percentage of variable costs incurred for the growth of the business.

Revenue
€5.9 bn

EBIT Record
€1.4 bn

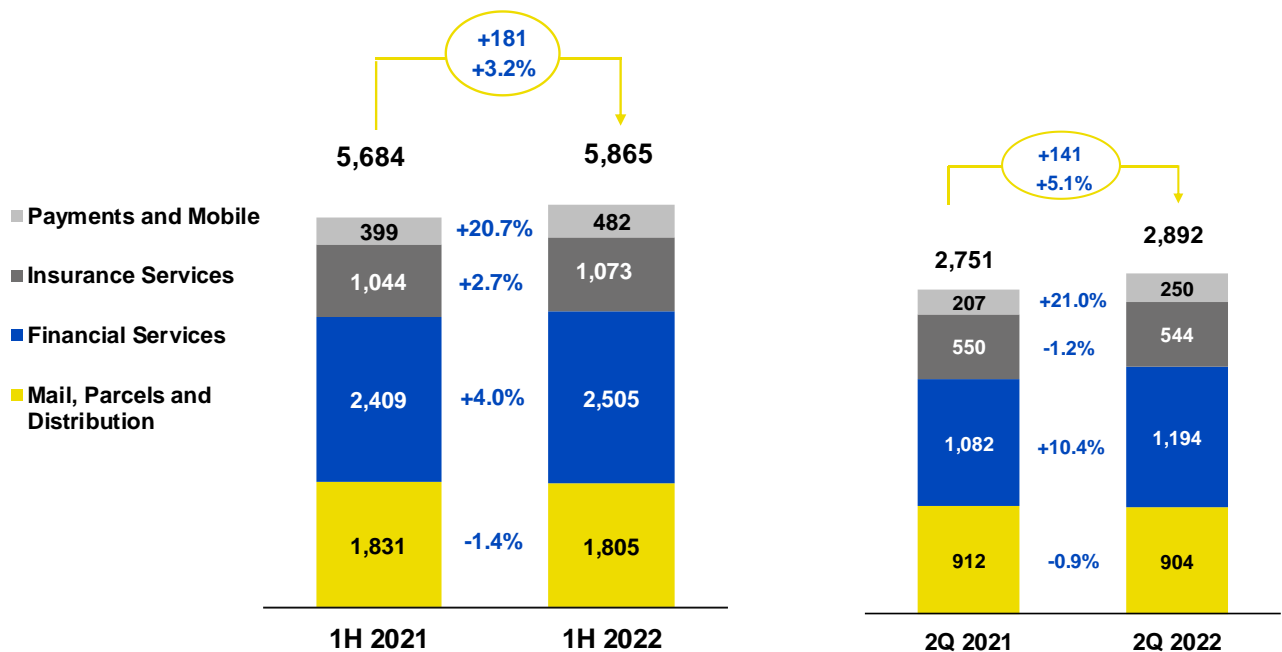
Net Profit
€964 mln

	1H 2022	1H 2021	CHANGES		2Q 2022	2Q 2021	CHANGES	
€m								
EXTERNAL REVENUE	5,865	5,684	+181	+3.2%	2,892	2,751	+141	+5.1%
TOTAL COSTS	4,473	4,634	(161)	-3.5%	2,194	2,322	(128)	-5.5%
EBIT	1,392	1,049	+342	+32.6%	698	429	+269	+62.7%
EBIT margin %	23.7%	18.5%			24.1%	15.6%		
NET PROFIT	964	773	+191	+24.7%	469	326	+143	+44.0%
NET EARNINGS PER SHARE	0.74	0.59	+0.15	+24.9%	0.36	0.25	+0.11	+44.2%
CAPEX	223	308	(85)	-27.6%	147	192	(46)	-23.7%
% of revenue	3.8%	5.4%			5.1%	7.0%		

The Group **revenues** total €5.9 billion, which is an increase of €181 million compared to the same period in 2021 (+3.2%) with the positive contribution of the Financial Services (+96 million euros, +4%), Payments and Mobile (+€83 million, +20.7%) and Insurance Services (+€29 million, +2.7%) *Strategic Business Units*. The Mail, Parcels and Distribution *Strategic Business Units* recorded lower revenues compared to the first half of 2021, by €26 million (-1.4%) respectively. The second quarter of 2022 reflects the positive performance of the first half with a more substantial growth (+€141 million equal to +5.1% compared to the second quarter of 2021) and concentrated in the *Strategic Business Units* of Financial Services (+€112 million, or + 10.4%) and Payments and Mobile (+€44 million, or + 21%).

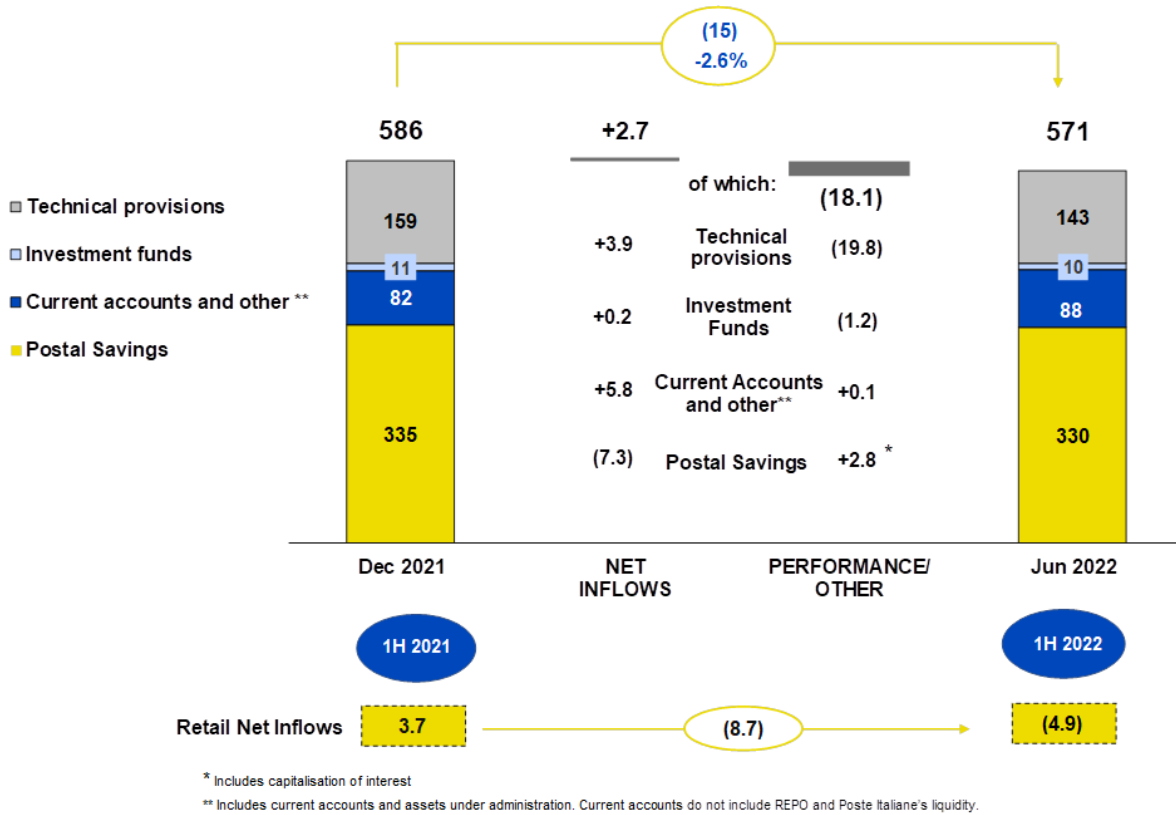
EXTERNAL REVENUE

(€m)



TOTAL FINANCIAL ASSETS

(€bn)

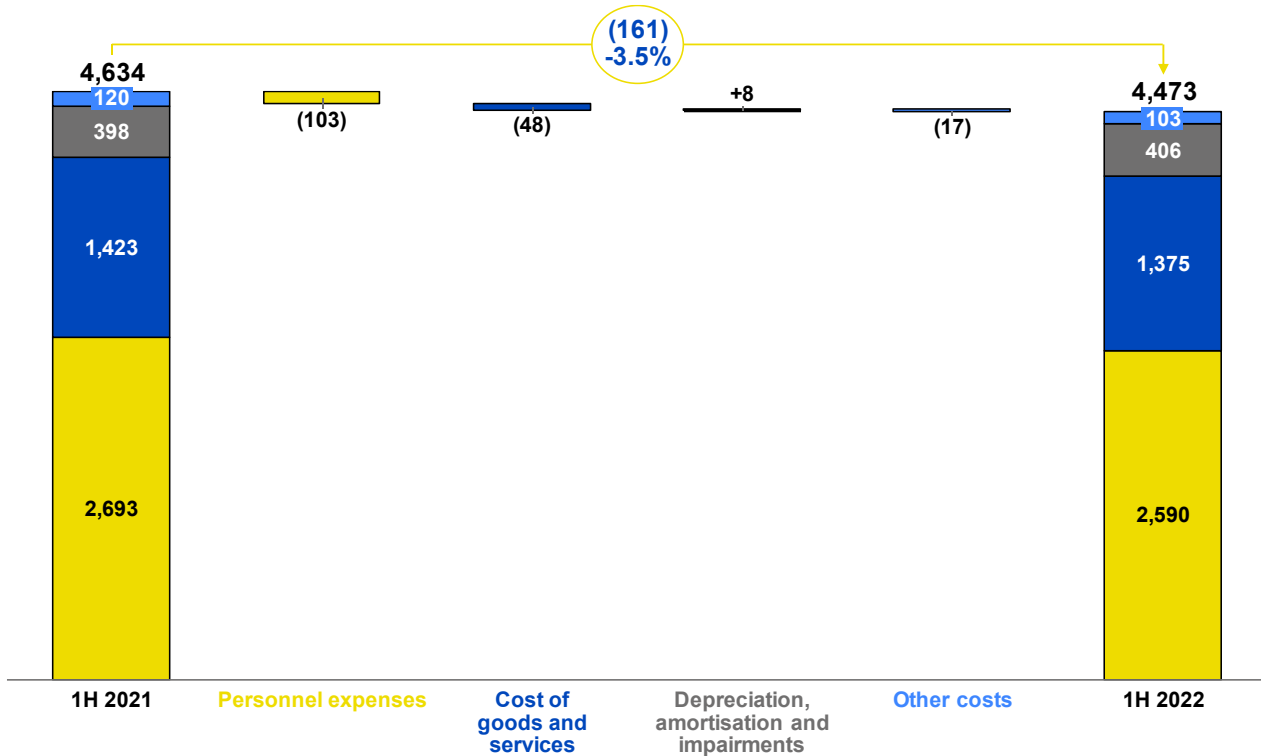


At the end of the first half of 2022, **total financial assets** amounted to €571 billion, marking a decrease of €15 billion (-2.6%) compared to the €586 billion of 31 December 2021, mainly due to the negative revenue *performance* on the technical provisions of the insurance sector related to the increase in interest rates (-€19.8 billion) mitigated by positive net revenue on current accounts (+€5.8 billion). The change in *Retail* net inflows (-€8.7 billion) is affected by health emergency-related provisions, which led to a different number of credited pension accruals between the two halves of the year (6 in the first half of 2021 and 5 in the first half of 2022); this led to lower inflows compared to the first half of 2021 of around €3.5 billion.

€571 bn
Total financial assets

TOTAL COSTS

(€m)

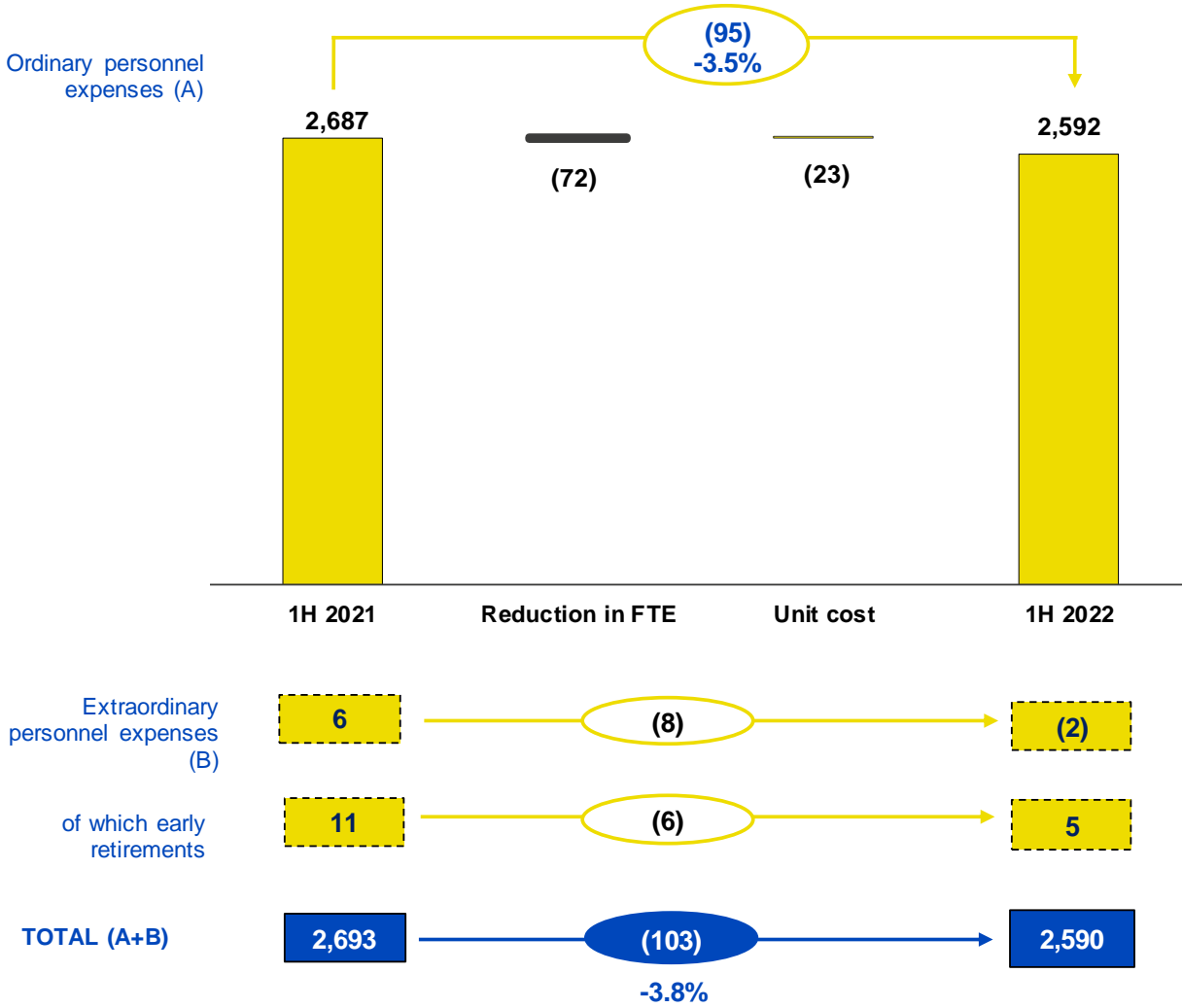


Total costs came to €4,473 million, down compared to €4,634 million in the first half of 2021 (-€161 million, -3.5%), substantially as a result of lower labour costs (-€103 million), mainly due to fewer resources employed in the period, and lower costs for goods and services (-€48 million). The value on 30 June 2022 for goods and services includes expenses incurred to deal with the health emergency, which amounted to €29 million (€48 million in the first six months of 2021). Other costs decreased by €17 million compared to the first half of 2021 mainly due to lower net provisions for risks and charges, partially mitigated by higher impairments on trade receivables from customers.

PERSONNEL EXPENSES

(€m)

The total personnel expenses decreased by €103 million (-3.8%) compared to the first six months of 2021. This change is attributable to the reduction in the ordinary component from € 2,687 million in the first half of 2021 to € 2,592 million in the same period in 2022, due to a reduction in average workforce during the period (approximately 3,300 FTE less than in the first half of 2021) and, to a lesser extent, also to the unit cost (unpaid absences, compensation, turnover).

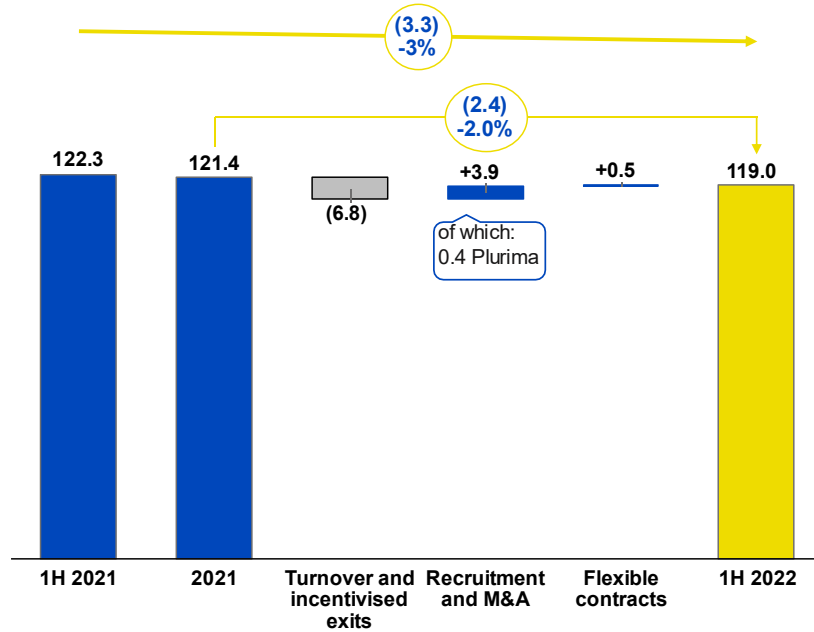


WORKFORCE

(average Full Time Equivalent in thousands)

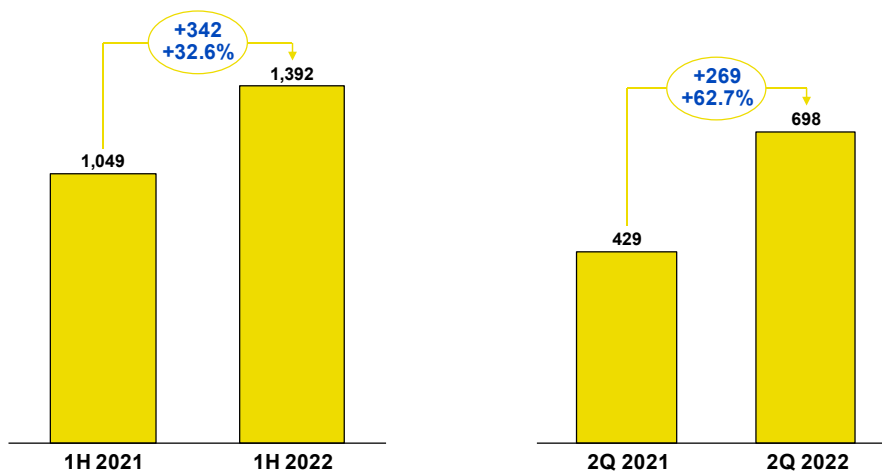
The reorganisation and rationalisation of internal processes continued in the reporting period; exits in the first six months of 2022 were 6.8 thousand (FTE) against entries of 3.9 thousand (FTE) on permanent contracts and approximately 0.5 thousand (FTE) on fixed-term contracts.

119
thousand
People employed



EBIT

(€m)



The **consolidated EBIT** of €1,392 million and records a growth of €342 million (+32.6%) compared with the same period of the previous year (€1,049 million). The increase in revenues, lower labour costs and the careful cost management by the *management* team have driven the operating profit for the period to record levels in an economic and social scenario that proves to be challenging and constantly evolving. These results were achieved with the positive contribution of all the Strategic Business Units which recorded increased operating profits compared to the first half of 2021.

The **profit for the period** came to €964 million, up by 24.7% compared to the same period in 2021 (€7747 million), and takes account of the taxes for the period equal to €432 million (€315 million in the first half of 2021).

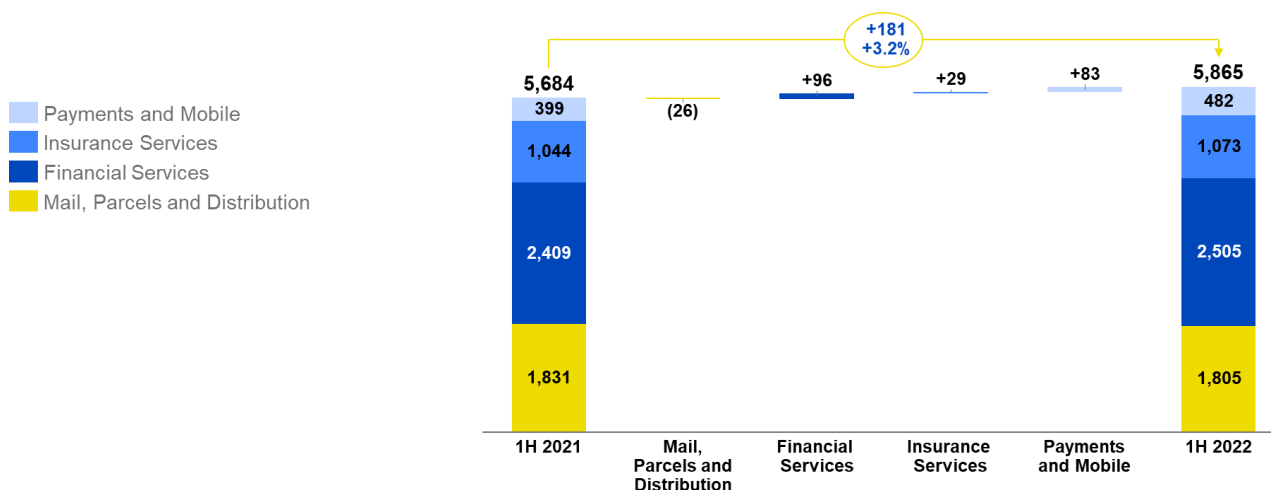


SUMMARY OF OPERATING RESULTS BY STRATEGIC BUSINESS UNIT

The main economic results by Strategic Business Unit are shown below.

EXTERNAL REVENUE

(€m)



During the first half of 2022, there was an increase in the revenues from the Financial Services for €96 million (+4%), Payments and Mobile for €83 million (+20.7%) and the Insurance Services *Strategic Business Units* for €29 million (+2.7%), compared to the same period in 2021, offset partly by the *performance* of the Mail, Parcels and Distribution *Strategic Business Units*, which recorded a decrease of €26 million (-1.4%).

Market revenues from the **Mail, Parcels and Distribution** *Strategic Business Unit* decreased from €1,831 million in the first half of 2021 to €1,805 million in the first half of 2022 (-1.4%), mainly as a result of the decline of revenues from parcels compared to the first half of 2021 (-€41 million, -5.8%), a figure strongly influenced by the “normalisation” of the market; this performance was only partly offset by the growth in other revenues supported by new *business* initiatives.

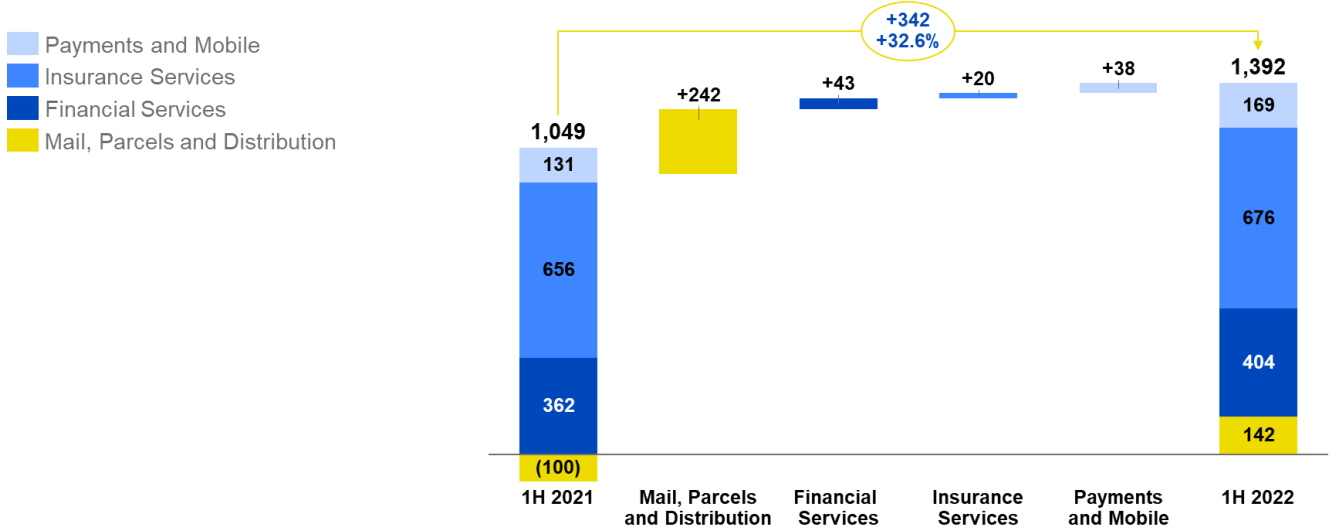
Market revenues of the **Financial Services** *Strategic Business Unit* amounted to €2,505 million and recorded a positive change of €96 million compared to €2,409 million achieved in the first half of 2021 (+4%), driven by higher interest income that has benefited from rising interest rates and the use of tax credits, as well as from higher net capital gains realised as part of proactive portfolio management; these changes were partially mitigated by lower revenues deriving from the collection and management of postal savings service, which were affected by the reference market scenario and lower revenues from collection and payment services mainly due to lower bills.

The **Insurance Services** *Strategic Business Unit* contributed €1,073 million to Group revenue in the first half of 2022, up by €29 million (+2.7%) on the same period in the previous year. The revenue generated can be traced to the Life *business*, which contributed €997 million, an increase of €22 million (+2.2%) compared to the first half of 2021 due to the positive contribution of the financial margins; whereas the Non-Life *business* revenues were €76 million, up €7 million (+9.8%) compared to the same period of 2021.

External revenue of the **Payments and Mobile** *Strategic Business Unit* in the first half of 2022 amounted to €482 million and marked an increase of €83 million (+20.7%) compared to the same period of 2021. Specifically, the Cards, and

Collection and Payment Services departments grew respectively €41 million (+19.5%) and €37 million (+92.9%) thanks to the increased operations of card payments, the growth of acquiring transactions, and increased profits from the PagoPA service. Telecommunications services recorded higher revenues for €5 million (+3.4%) compared to the same period in 2021.

EBIT
(€m)



In the first half of 2022, the Group's operating profit stood at €1,392 million and shows a growth of €342 million (+32.6%) compared to the same period in the previous year. The growth in operating *performance* involved all the *Strategic Business Units*.

For more detailed information on the performance of the individual Strategic Business Units, please refer to the dedicated paragraphs later in the chapter.



MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

The performance of the *Strategic Business Unit* in the first half of the year continues to show a recovery in the traditional mail *business*, and a decline in the parcel *business*, despite the positive contribution of revenues deriving from the recent acquisition of the company Plurima (€15 million in the second quarter of 2022).

MAIL, PARCELS AND DISTRIBUTION	1H 2022	1H 2021	CHANGES	
€m				
External revenue	1,805	1,831	(26)	-1.4%
Revenue from other sectors	2,481	2,347	+135	+5.7%
Total revenue	4,286	4,178	+108	+2.6%
Costs	4,122	4,237	(115)	-2.7%
Costs vs other sectors	22	41	(19)	-46.1%
Total costs	4,144	4,278	(134)	-3.1%
EBIT	142	(100)	+242	n.s.
EBIT margin %	3.3%	-2.4%		
NET RESULT	87	(67)	+154	n.s.

Operating KPIs	1H 2022	1H 2021	CHANGES	
Mail and parcels				
Revenue/FTE (€k)	36	34	+2	+5.5%
Parcels that can be delivered as standard mail (volumes in m)	31	39	(9)	-22.2%
New Punto Poste Network (number of lockers and alternative collection points)*	13,927	13,504	+423	+3.1%
Incidence of parcels delivered using alternative channels ¹ (%)	5.7	1.9		
Distribution				
Number of customers (m)	35.1	35.0	+0.1	+0.2%
Number of Post Offices*	12,756	12,761	(5)	+0.0%
Rooms dedicated to consultancy	7,773	6,940	+833	+12.0%
Postamat ATM network	8,108	8,022	+86	+1.1%
ESG				
Green fleet (electric vehicles)*	2,507	1,737	+770	+44.3%
Charging points installed*	2,827	1,737	+1,090	+62.8%
Smart post boxes*	418	405	+13	+3.2%
No. of buildings involved in the Smart Building project ² *	1,112	652	+460	+70.6%
Photovoltaic panels* (no. of buildings)	77	35	+42	+120.0%

n.s.: not significant

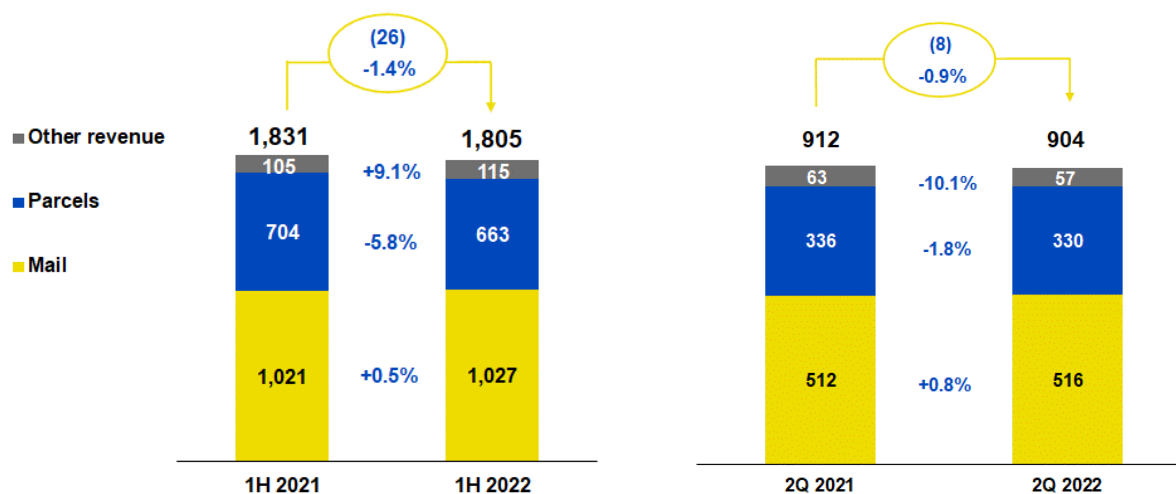
*The figure indicated in column 1H 2021 refers to 31 December 2021.

¹ Third-party networks. Calculated as volumes of packages delivered on Punto Poste Network (lockers, tobaccoists and other collect points) of the total volumes of B2C parcels.

² Automated and remote management of buildings to achieve energy efficiencies.

EXTERNAL REVENUE


(€m)



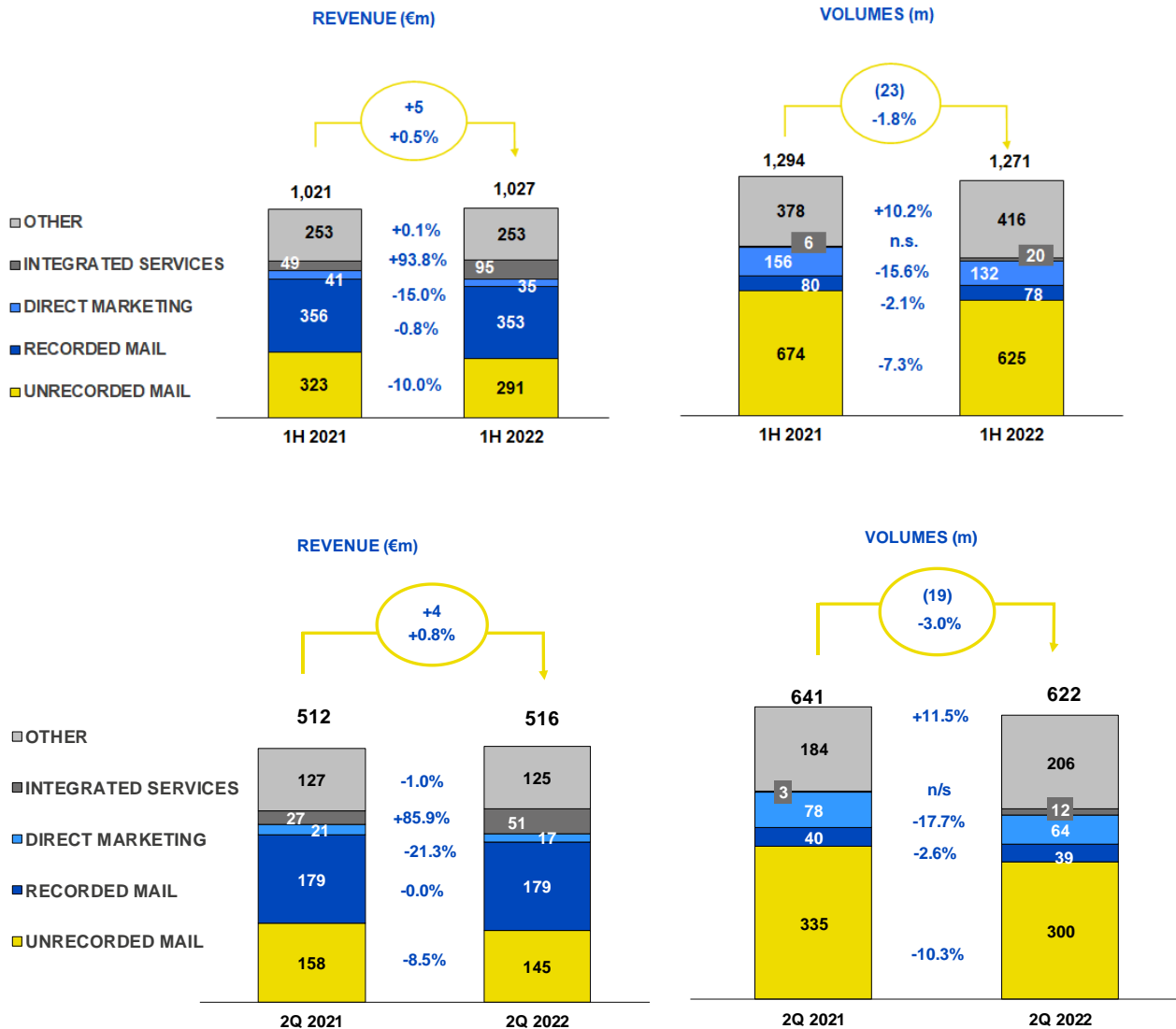
Sector revenues decreased from €1,831 million in the first half of 2021 to €1,805 million in the same period in 2022 (-€26 million equal to -1.4%).

This decline is mainly attributable to the reduction in revenue from the parcels segment (-€41 million; -5.8%), due to both the normalisation of market performance and to the effects on the economy deriving from the Russia-Ukraine conflict. Added to this are the slowdown in inflows from China linked to *low value consignment* regulations and the restrictive measures to deal with the health emergency, which affected much of the first half. Deceleration offset by the positive contribution deriving from the hospital logistics *business* carried out by the company Plurima acquired by the Group during the period (+€15 million).

On the other hand, revenues from the traditional mail sector, thanks to the recovery of activities which in 2021 had experienced a slowdown due to the pandemic, recorded an increase compared to the same period in the previous financial year (+€5 million; equal to +0.5%).

Furthermore, there was growth in Other revenues equal to €10 million (+9.1% compared to the first half of 2021) mainly attributable to the payment, applied from the end of 2021, for the activities to issue digital identities to citizens (SPID –  Public System for Digital Identity), for those who request the service through in-person or remote identification, and the activities to purchase tax credits.

Mail



Unrecorded Mail: standard mail service with mailbox delivery.

Recorded Mail: delivery to the person with proof of delivery and tracking for retail and business customers. This category includes in particular: registered mail, insured mail and judicial documents.

Direct Marketing: service for the sending by companies and Public Administration entities of communications with advertising, promotional or informative content.

Integrated services: integrated and customised offers for specific customer segments, in particular Public Administration, large companies and professional firms. The most relevant integrated service is the Integrated Notification Service, for the management of the entire process of notification of administrative and judicial documents (e.g. violations of the Highway Code).

Other: services for publishers, multi-channel services, printing, document management, other basic services. This item also includes tariff subsidies relating to external revenue earned on products and services discounted in accordance with the law and the Universal Postal Service Compensation (also includes compensation relating to ordinary parcels).

The performance of the Mail services recorded by the Group in the first half of 2022 showed a decrease in volumes for 1.8% (-23 million mail items), accompanied by a growth in revenue equal to 0.5% (+€5 million) compared to the same period in the previous year. This performance is attributable to the different product mix recorded in the first half of the

current year: the decrease in lower value products is offset by the increase in volumes of some higher value products present in the family of Integrated Services and Recorded Mail (Legal Document).

Recorded Mail registered a volume decrease of 2.1% (-2 million items) accompanied by a decrease in revenue of 0.8% (-€3 million).

Unrecorded Mail recorded a reduction in both volumes and revenues for 7.3% (-49 million items) and 10% (-€32 million) respectively compared to the same period in 2021, attributable to both a drop in retail volumes and a decrease in the volumes arriving from foreign countries.

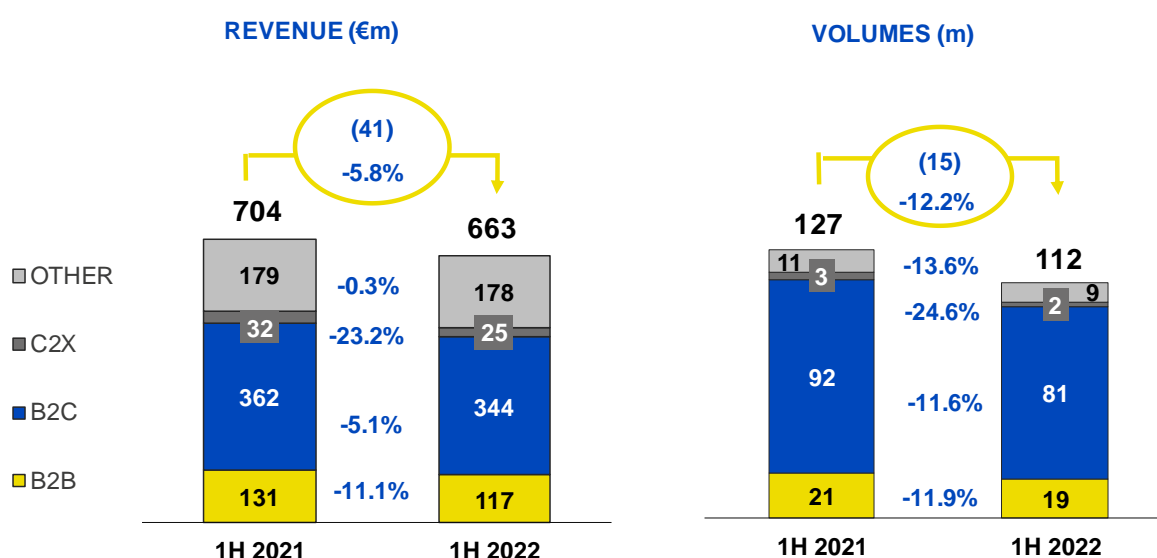
Integrated Services recorded higher volumes and revenues compared to the same period in 2021, for 14 million items and €46 million respectively, due to the positive contribution coming from the recovery of notification activities, including products such as administrative and court documents and the recovery in tax collection notices, which in 2021 had been affected by the continuation of the effects caused by the pandemic on mail item notifications.

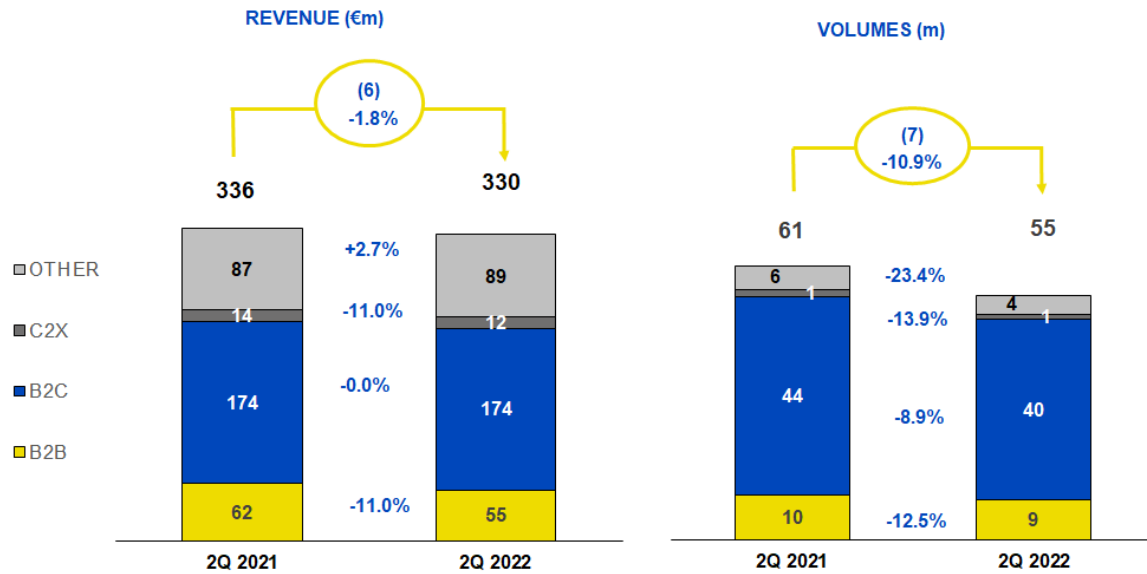
Direct Marketing continues to show a decrease in volumes of 15.6% (-24 million items), which determines a negative change in revenue of approximately €6 million (-15.0%), attributable to the phenomenon of e-substitution.

The item Other, which also includes the services marketed by Postel, shows volumes recorded in the first half of the year up compared to the same period of 2021 (+38 million mail items; equal to + 10.2%) and revenues substantially in line. The item also includes the fee for the Universal Service Compensation (€131 million) and the tariff subsidies in the publishing service: both items show results in line with those of the same period of the previous year.

The growth of the mail sector is mainly concentrated in the second quarter of the current financial year (+€4 million, equal to +0.8%), thanks to the *performance* of revenues from integrated services which went from €27 million to €51 million (+85.9%), which offset the decline in revenues from the Unrecorded Mail (-€13 million, -8.5%) and Direct Marketing (-€5 million, -21.3%).

Parcels





B2B: acronym for Business to Business. Company to company shipping services. Offer that focuses on quality and reliability, with delivery options with defined delivery times, mainly multi parcel shipments.

B2C: acronym for Business to Consumer. A modular offer created for e-commerce with a choice of additional services.

C2X: identifies Consumer-to-Consumer/Business parcels i.e. parcels sent by consumers both to other consumers and to businesses.

OTHER: includes international revenues and shipments, and from *partnerships* with other logistics operators. This item also includes revenues from dedicated services (highly customised services designed for the specific requirements of banks, insurance companies, public administrations or customers with the same technical/operational features), from integrated logistics services (warehouse management), included as part of the fee for the contract awarded by the Ministry of the Interior for distribution of personal protective equipment. Finally, it includes the long-haul road transport service operated by the subsidiary Sennder Italia and the revenues from hospital logistics, a service performed by the company Plurima.

The parcels business recorded a decrease in both volumes and revenue in the first half of 2022, for 12.2% (-15 million items) and 5.8% (-€41 million) respectively, compared with the same period in the previous year. This performance was distributed across all segments and is attributable to the fall in demand, due to the return to pre-pandemic growth levels and the effects deriving from the Russian-Ukrainian conflict. The decline in revenues is offset by the new hospital logistics business operated by the Plurima company (+€15 million).

In detail, the decrease is mainly concentrated on the B2C segment, which in the first half of 2022 generated revenues for €344 million, down by 5.1% (-€18 million), against 81 million shipments (-11 million items, -11.6%) compared to the same period in 2021. The B2B segment recorded non-positive performances with revenues achieved in the first half of 2022 equal to €117 million (-€15 million, -11.1%) against 19 million shipments managed (-3 million items, -11.9%), compared to the first half of 2021. The C2X segment recorded lower revenues and volumes, for €7 million (-23.2%) and 1 million items (-24.6%) respectively compared to the same period in 2021, especially as a result of a notable contraction in the market compared to the first half of 2021. Lastly, the item Other shows a reduction in revenues for €1 million (-0.3%), accompanied by a related reduction in volumes equal to €1 million mail items (-13.6%), compared to the first half of 2021.

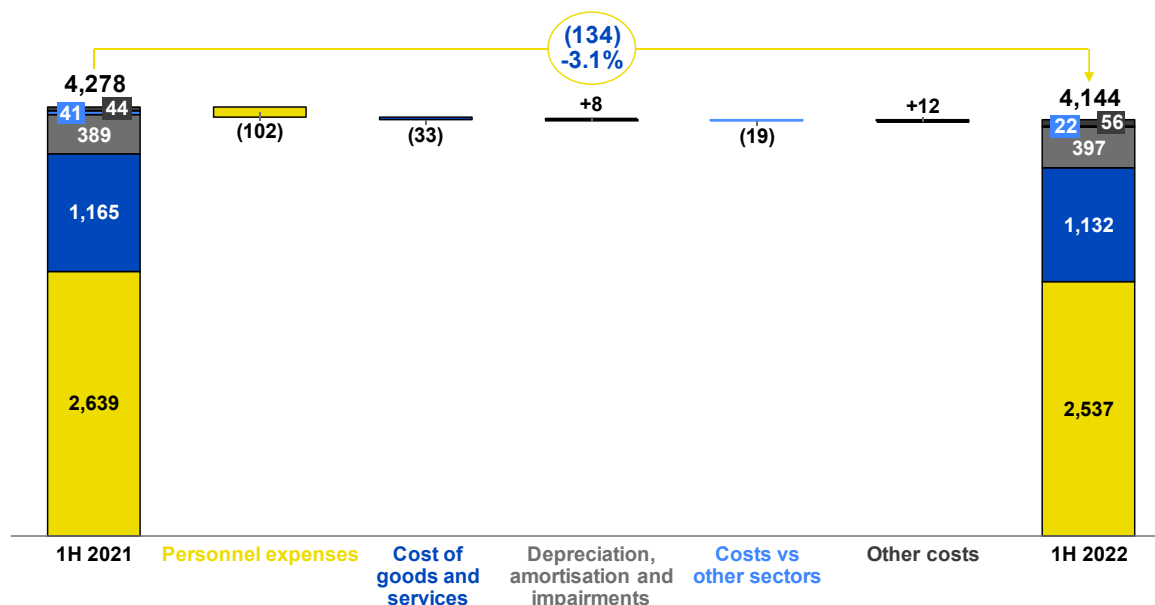
It should be noted that the greatest decline in the parcels segment is mainly concentrated in the first quarter, which was still significantly affected by the latest effects attributable to the pandemic restrictions (-€35 million, -9.5%). In the second quarter, the decline in *business* continued mainly due to the drop in demand resulting from the decrease in the level of

consumer confidence and effects of inflation that worsened due to the ongoing Russia-Ukraine conflict. These effects are mitigated by the arrival of revenue from hospital logistics carried out by the Plurima company (-€6 million, -1.8%).

Revenues from other sectors amounted to €2,481 million, up by €135 million (+5.7%) compared to the first half of 2021 mainly due to the higher commissions paid by BancoPosta to the commercial network for the placement of financial products.

COSTS

(€m)



Costs, including depreciation and amortisation for 2022, amounted to €4,144 million, down €134 million (-3.1%) compared to the first half of 2021.

This performance is mainly attributable to Labour Costs, which came to €2,537 million, down by €102 million (-3.9%) compared to the first half of 2021, essentially due to the reduction in the average workforce (around 3,300 FTE less than the same period in 2021).

Costs for goods and services recorded a decrease of €33 million (-2.9%), reaching €1,132 million in the first half of 2022. This performance is attributable to the joint effect of the reduction in variable costs linked to the drop in volumes of demand in the parcels segment and the increase in costs generated by the international inflation scenario exacerbated by the Russian-Ukrainian conflict, which is causing an increase in the costs of commodities and fuel on the Strategic Business Unit.

The item Depreciation, amortisation and impairments recorded an increase of €8 million (+2.1% compared to the first half of 2021).

In light of the above, the Mail, Parcels and Distribution *Strategic Business Unit* recorded an operating profit for the first half of the year that was positive for €142 million, a significant increase compared to the operating profit of the same period in the previous year equal to -€100 million (+€242 million).



FINANCIAL SERVICES STRATEGIC BUSINESS UNIT

The operating profit of the SBU for the period increased compared to the same period of the previous year, mainly thanks to the significant contribution to revenues from income related to the financial investments of the portfolio. As at 30 June 2022, the Total Capital Ratio amounted to 23.7%, confirming the financial solidity of BancoPosta.

FINANCIAL SERVICES	1H 2022	1H 2021	CHANGES	
€m				
External revenue	2,505	2,409	+96	+4.0%
Revenue from other sectors	398	380	+17	+4.6%
Total revenue	2,903	2,789	+114	+4.1%
Costs	70	99	(29)	-29.2%
Costs vs other sectors	2,429	2,329	+100	+4.3%
Total costs	2,499	2,428	+71	+2.9%
EBIT	404	362	+43	+11.8%
EBIT margin %	13.9%	13.0%		
NET PROFIT	269	264	+5	+2.0%
Operating KPIs	1H 2022	1H 2021	CHANGES	
Total financial assets (€bn)*	570.7	586.1	(15)	-2.6%
Net inflows (€m)	2,691	5,805	(3,114)	-53.6%
Unrealized capital gains/losses (€m)	(1,945)	4,335	(6,280)	-144.9%
Current accounts (average deposits for the period in €bn)	86.1	75.7	+10.3	+13.6%
Investment portfolio return ¹	2.07%	1.93%		
Postal savings (average deposits in €bn)	317.9	319.6	(1.7)	-0.5%
Loans (disbursed in €m)	1,703	1,711	(7.6)	-0.4%
Tax credits acquired at the end of the period (in billions of euro) ²	9.0	1.6	+7.4	n/s

n.s.: not significant

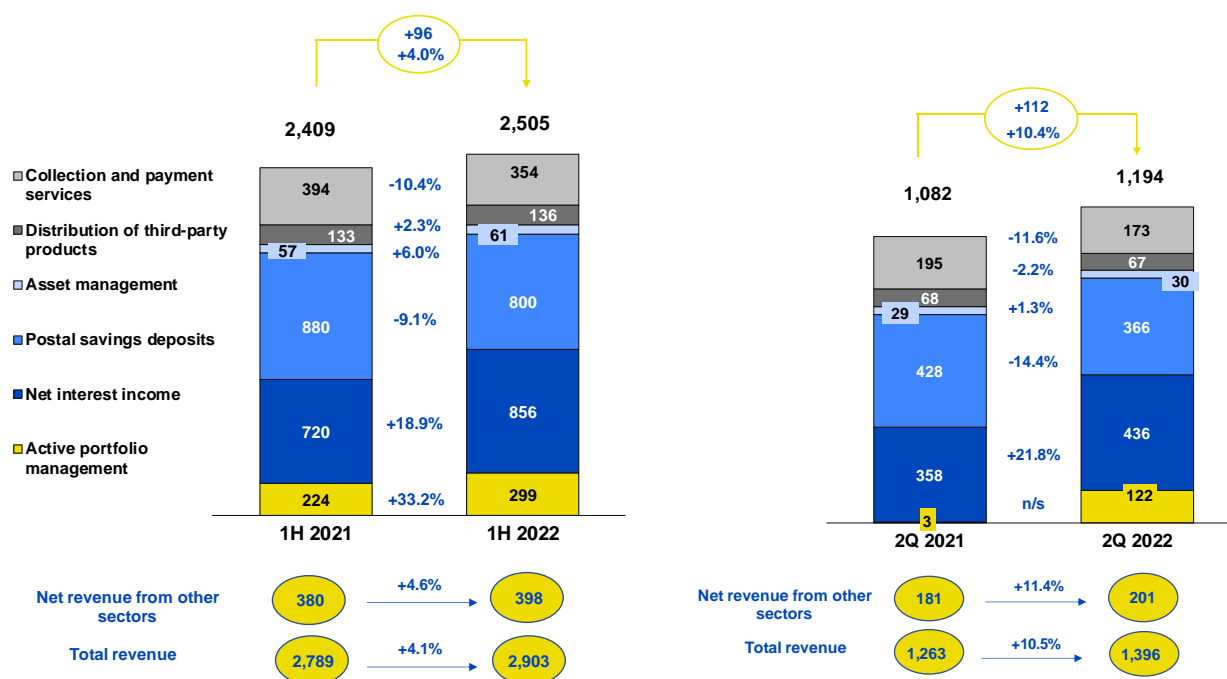
*The figure indicated in column 1H 2021 refers to 31 December 2021.

¹ Excluding returns from proactive portfolio management

² Paid value

EXTERNAL AND OTHER SECTORS REVENUES

(€m)



Distribution of third-party products: Distribution of products disbursed/issued by third-party partners (financing, mortgages, loans, credit cards, etc.).

Collection and payment services: slips, collections and payments PP.AA., transfer of funds and ancillary services for current accounts.

Asset management: collective asset management through mutual investment funds and management of individual portfolios relating to institutional mandates attributable to the Group.

Postal savings deposits: savings deposits through Interest-bearing Postal Certificates and Postal Savings Books issued by Cassa Depositi e Prestiti.

Net interest income: income from investment of liquidity revenue via postal current account deposits, net of interest expense and other financial transaction costs. Including profits from tax credits.

Active portfolio management: gains from the sale of securities in the BancoPosta Portfolio, net of losses.

External revenue in the first half of 2022 amounted to €2,505 million and recorded an increase of €96 million compared to €2,409 million achieved in the same period of the previous year (+4%).

More specifically, the period in question shows: (i) Net interest income up from the first half of 2021 (+18.9%), mainly due to income from the investment in tax credits (+€131 million); (ii) Net capital gains realised as part of the pro-active management of the securities portfolio of €299 million, an increase of €74 million from €224 million in the same period of 2021, which represent a temporary effect linked to the different time frames of the regulation on the securities' sale transactions during the year.

Revenue from postal savings collection and management services amounted to €800 million, down 9.1% (-€80 million) from the same period of 2021 and were affected by the conditions of the macroeconomic context of the period, while revenue from collection and payment services amounted to €354 million, down 10.4% (-€41 million) from the same period of the previous year, primarily due to lower volumes on payment slips and for effect of the transfer of the "Debit Cards" business unit to Postepay SpA, which took place in October 2021.

Revenue from the distribution of third-party products amounted to €136 million, up €3 million from €133 million in the first half of 2021. This positive change was mainly due to higher volumes disbursed in personal loans.

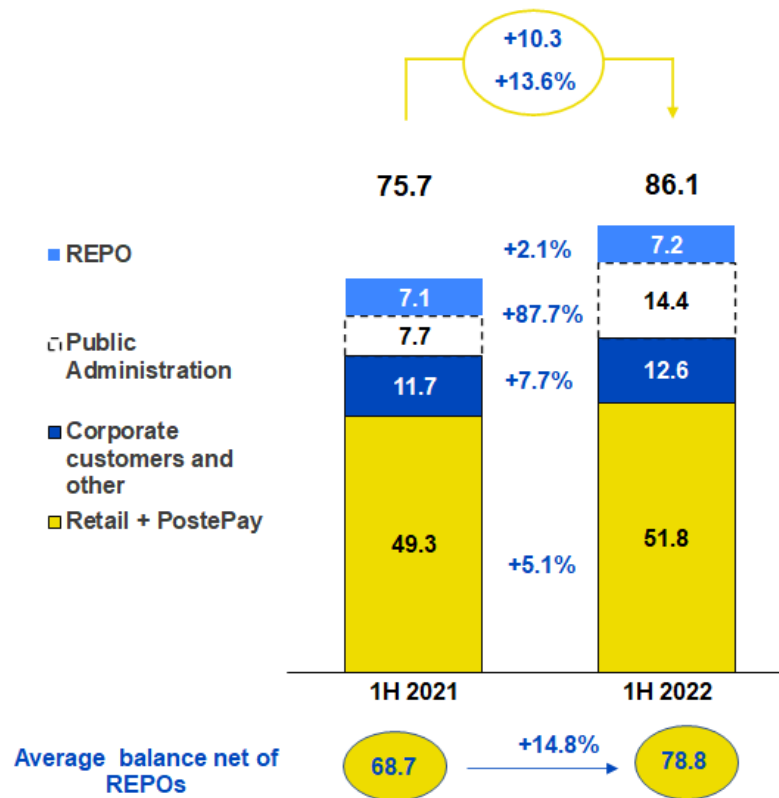
Revenue from Asset Management increased by 6% million (+€ 3 million) compared to the same period of the previous year, mainly due to management fees for mutual funds.

Finally, revenue from other sectors amounted to €398 million (+4.6% compared to the same period in 2021). The positive change is mainly attributable to the growth in revenue deriving from the placement of Postepay products.

The second quarter of 2022 shows market revenue up by €112 million (+10.4%) compared to the same period of 2021, mainly attributable to higher revenue deriving from active portfolio management (+€120 million) and from interest income (+€78 million). These positive changes are partially mitigated by lower revenue from the collection and management of postal savings (-€62 million) and from collection and payment services (-€23 million).

AVERAGE CURRENT ACCOUNT DEPOSIT

(€bn)

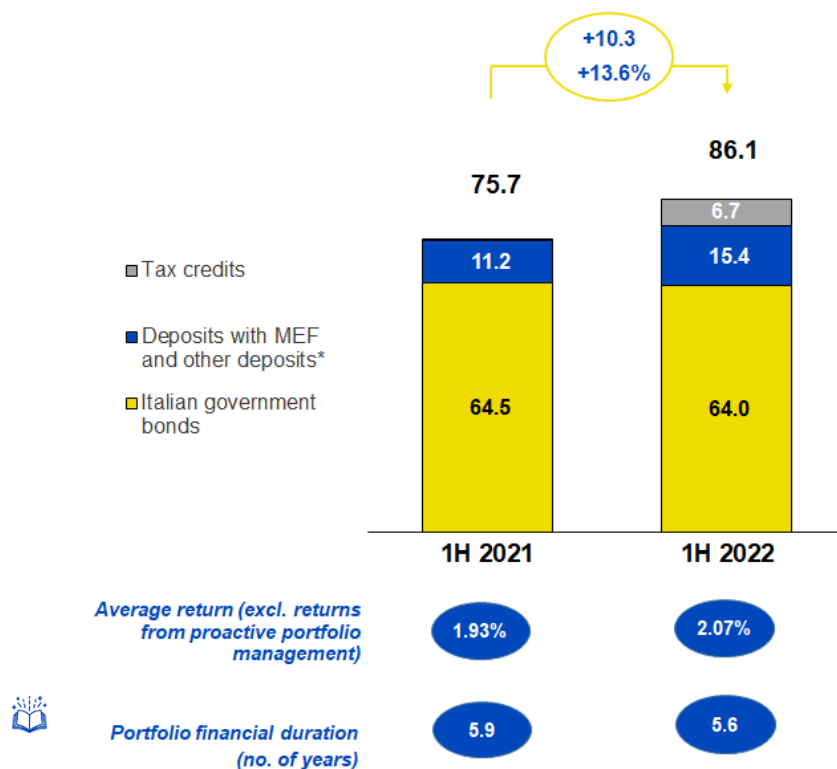


The average balance of current accounts for the first half of 2022 grew compared to the first half of 2021, going from €75.7 billion to €86.1 billion. The increase, of €10.3 billion, can be traced to the increase in revenue recorded in all *business* segments and mainly to the positive contribution coming from the Public Administration (+€6.7 billion, +87.7%), as well as from *Retail* and *Postepay* customers (+€2.5 billion, +5.1%) and *Corporate* customers (+€0.9 billion, +7.7%). The contribution of REPOs⁴⁴ remains largely unchanged (+€0.1 billion).

⁴⁴ Repurchase agreements consist of a spot sale of securities and a simultaneous forward repurchase commitment (for the counterparty, in a symmetrical commitment of spot purchase and forward sale).

COMPOSITION OF INVESTMENT PORTFOLIO

(AVERAGE BALANCE in €bn)



* Includes liquidity on the Buffer, deposits with other financial institutions, additional short-term lending (< 12 months) and excludes liquidity of Poste Italiane.

The **average balance of the investment portfolio** consists primarily of Italian government securities and debt securities issued by Cassa Depositi e Prestiti and guaranteed by the Italian State (€64 billion), in which funding from private customers on postal current accounts is invested, and deposits with the MEF (approximately €15 billion) represented by funding from postal current accounts belonging to public customers.

The investment portfolio also includes average deposits used by BancoPosta to acquire tax credits which, at 30 June 2022, amounted to €6.7 billion.

On the **operational** side, in the first half of 2022, rates were rising and the BTP credit *spread* was widening, constituted opportunities for the Group to purchase securities.

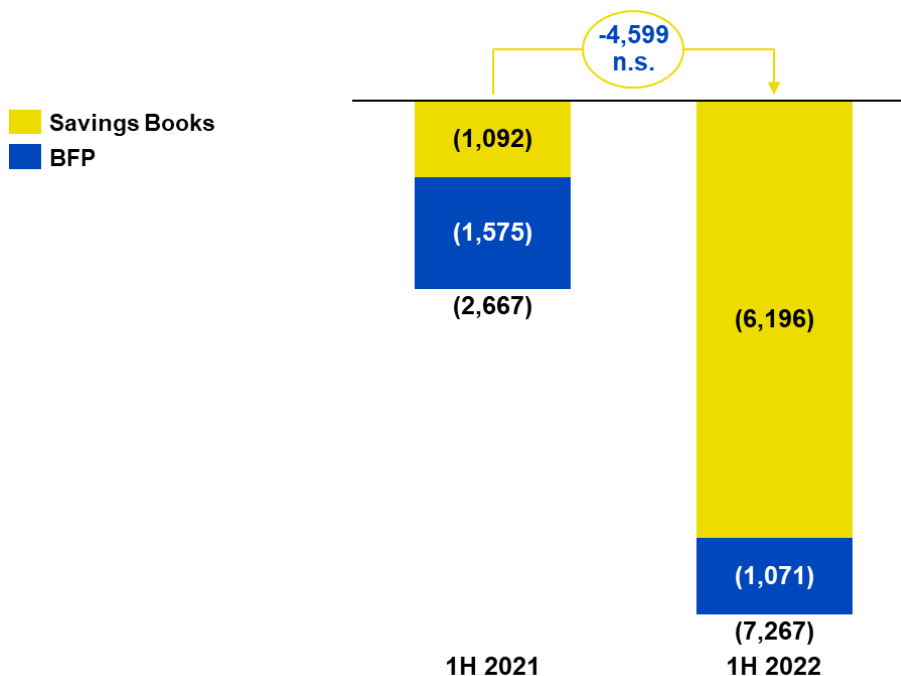
At the same time, the general rise in rates led to an increase in the market value of *Interest rate swaps* used to hedge the *fair value* of the securities portfolio, which transform the latter's return from fixed to variable. In February and May 2022, early redemption transactions were carried out for part of this derivatives portfolio (equal to a notional amount of approximately €7 billion). The transaction as a whole did not have significant immediate repercussions on the income statement, but allowed the consolidation of a fixed return, in line with the market situation and with the Group's return objectives, not susceptible to rate fluctuations, whilst also improving the income profile of a portion of the securities portfolio for subsequent years.

In the same reference period, the following was also stipulated: (i) management of hedges on the return of the deposit with the MEF upon collection from PA, with the aim of making it less susceptible to changes in returns from Government Bonds;

(ii) forward sales contracts with a value date of 2023 in order to launch the capital gains realisation programme for next year.

POSTAL SAVINGS NET INFLOWS

(€m)

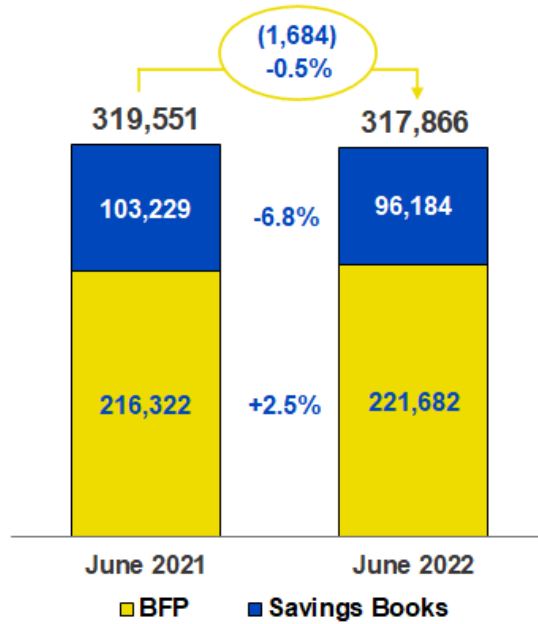


In the first half of 2022, Postal Savings Net Inflows amounted to around -€7.3 billion, about €4.6 billion less compared to the value of the same period of the previous year. There was a decrease of approximately €5.1 billion in **Savings books** compared to the first half of 2021, due to a lower savings capacity of customers, linked to the particular national and international economic context, as well as the high inflation of the period. It should also be noted that the comparison with the first half of 2021 is not even: during the first half of 2021, in fact, six pension payments were credited as a result of health emergency-related provisions, compared to five in 2022 (the March 2022 pension payment, credited at the end of February, was the last payment paid in advance).

With regard to **Interest-bearing Postal Certificates (BFP)**, the change compared to the first half of 2021 is positive for around €0.5 billion: against subscription volumes (€14.8 billion) substantially in line with those of the first half of 2021 (-1%), there was a more substantial decrease in the volumes of BFPs repaid, linked to the fewer maturities of the first half of the year compared to those of the first half of 2021 – and consequently lower repayments of accrued BFPs – which more than offset the significant increase in the BFPs repaid early. The latter, in fact, grew by 26% compared to 30 June 2021 due to the increase in market rates which led many savers, on the one hand, to seek alternative forms of investment, and, on the other, to replace previously subscribed BFPs with new series, as of 9 June 2022, with the highest return.

POSTAL SAVINGS AVERAGE DEPOSIT*

(€m)

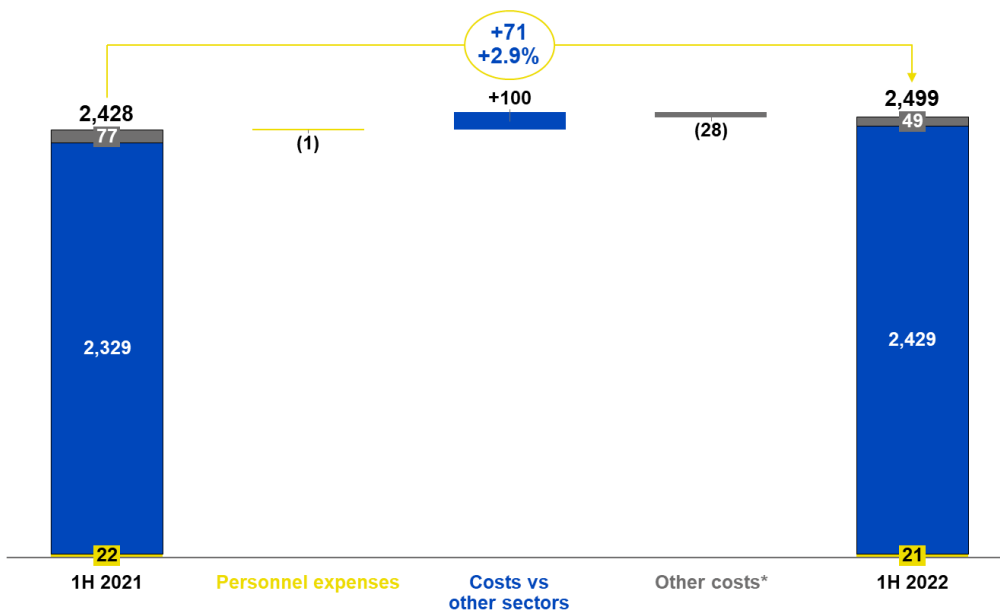


* Calculation of interest is done at the beginning of the year relative to interest maturing the previous year. Average deposit value excludes both capitalisation of interest for the period and interest accrued, but not yet due, on Interest-bearing Postal Certificates that have not expired at the reporting date.

The average balance of postal savings in the first half of 2022 was down by approximately €1.7 billion from the same period of 2021. Postal savings books performance continues to be adversely affected by the reduction in liquidity acquired during the health emergency, while growth in the Average Balance of Interest-bearing Postal Certificates (BFP) is primarily attributable to the capitalisation of interest.

TOTAL COSTS

(€m)



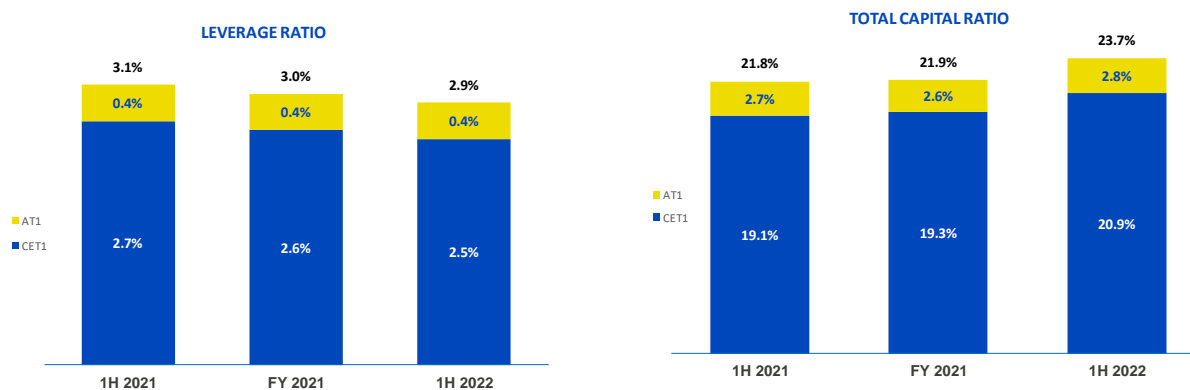
* This item includes costs for goods and services, adjustments/reversals and other costs and expenses

The *Strategic Business Unit's* total costs amount to €2,499 million and recorded an increase of €71 million (+2.9%) from the €2,428 million of the first half of 2021, primarily due to higher costs in other segments of the Poste Italiane group. This change is partially mitigated by lower provisions for risk Funds relating to Postal Savings products.

The operating profit (EBIT) of the sector for the first half of 2022 amounted to €404 million, up 11.8% compared to the same period of the previous year (+€43 million).

Taking into account financial management (negative for €22 million) and taxes for the period (€113 million), the Financial Services *Strategic Business Unit* closed the first half with a net result of €269 million, up €5 million compared to €264 million in the first half of 2021 (+2%).

€m	1H 2021	FY 2021	1H 2022
CET1 CAPITAL	2,443	2,633	2,606
TOTAL CAPITAL	2,793	2,983	2,956
TOTAL ASSETS	100,632	109,072	106,942
RWA - Risk Weighted Assets	12,808	13,612	12,489



The value of the Leverage Ratio stood at 2.9% at 30 June 2022. Developing the indicator, compared to 31 December 2021, mainly resulted from the loss of benefit deriving from altering BancoPosta's "Cash and deposits at the Bank of Italy" value to calculate the corrections recognised for assets reported as denominator of the ratio formula. This correction was applied until the first quarter of 2022 due to the health emergency⁴⁵. The CET 1 Ratio on 30 June 2022 was 20.9%, while the Total Capital Ratio including Additional Tier 1 was 23.7%, confirming the financial solidity of BancoPosta.

⁴⁵ Communication from the Bank of Italy dated 1 March 2022: "End of the temporary measures introduced following the pandemic regarding: i) Liquidity Coverage Ratio (LCR), Capital Conservation Buffer (CCB) and Pillar 2 Guidance (P2G); ii) exclusion of some exposures to banks from calculation of the leverage requirement".



INSURANCE SERVICES STRATEGIC BUSINESS UNIT

The SBU's operating *performance* for the first half was solid and up on results for the same period of 2021 due to revenue growth in both of these segments: Life and Non-Life. The Solvency Ratio of 222% at the end of the first half confirms the solvency of the insurance Group.

INSURANCE SERVICES	1H 2022	1H 2021	CHANGES	
€m				
External revenue	1,073	1,044	+29	+2.7%
Revenue from other sectors	1	1	+0	+2.6%
Total revenue	1,074	1,046	+29	+2.7%
Costs	66	71	(5)	-7.1%
Costs vs other sectors	332	318	+14	+4.4%
Total costs	399	389	+9	+2.3%
EBIT	676	656	+20	+3.0%
EBIT margin %	62.9%	62.8%		
NET PROFIT	487	479	+9	+1.8%

Operating KPIs	30 June 2022	31 December 2021	CHANGES	
Net technical provisions Poste Vita Group (€bn)	143.2	159.0	(15.8)	-9.9%
<i>Solvency Ratio</i>	222%	261%		
Life business	1H 2022	1H 2021	CHANGES	
Gross premium revenue - Life (€m) ¹	9,241	10,167	(926)	-9.1%
<i>of which: Classes I-IV-V</i>	7,113	8,138	(1,025)	-12.6%
<i>of which: Class III²</i>	2,128	2,029	+99	+4.9%
Incidence of Multi-class premiums on total	55%	54%		
Unrealized capital gains (€bn)	(6.7)	15.2	(21.8)	-143.9%
Lapse rate	3.9%	3.0%		
% of ESG products on investment products ³	60%	50%		
P&C business	1H 2022	1H 2021	CHANGES	
Gross premium revenue - non-life (€m) ⁴	210	168	+43	+25.3%
Average daily premiums - modular offer (€k) ⁵	283	207	+76	+36.7%
Intermediated premiums on motor (€k)	5,902	1,845	+4,057	n/s
Combined ratio (net reinsurance) ⁶	86.4%	86.4%		
<i>Loss ratio</i>	57.7%	53.5%		

n.s.: not significant

¹ Includes premium revenue before outward reinsurance premiums and intra-group portions.

² Gross class II premium revenue includes the target portion of the new multi-class products, with "linked" portion definition

³ For products being placed, the presence of an ESG component is enhanced. Product campaigns are excluded with gross annual inflows that are less than €100 million.

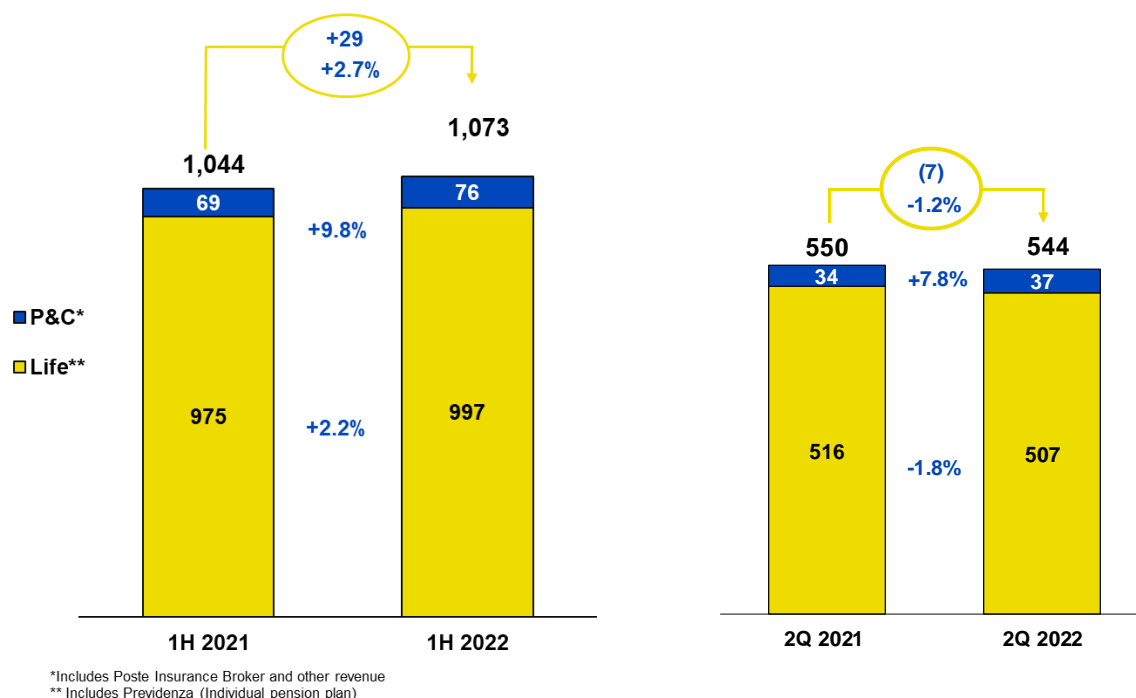
⁴ Includes gross premium revenue before the premium reserve, outward reinsurance premiums and intra-group portions.

⁵ Calculated on net annual premiums, including Property and Casualty policies.

⁶ Corresponds to the ratio between the total amount of costs incurred (commissions for the year + charges relating to claims + balance of business ceded + operating costs + other technical expenses and income) and gross premiums earned.

EXTERNAL REVENUE

(€m)




Life revenue: placement commissions on the sale of Class I, III and V policies; management commissions on Class I and III policies; protection margins on the sale of protection products (Credit Protection Insurance policies (CPI), Temporanea Caso Morte (TMC) and Long Term Care (LTC) policies) and changes in other technical provisions on life policies.

P&C revenue: revenue from retail (Modular and Payments) and group (Welfare) protection policies, as well as from motor policy sales and other revenue.

Market revenue rose from €1,044 million in the first half of 2021 to €1,073 million in the first half of 2022 (+2.7%), essentially due to the life *business*, which contributed €997 million, whilst non-life business contributed a total of €76 million.

Specifically, Life net revenue increased by 2.2% (+€22 million) from the same period of 2021, mainly due to the positive contribution of the financial margin (which rose from €801 million in the first half of 2021 to €852 million in Q1 2022 – an increase of +€51 million); the latter benefited from the growth in average assets under management (higher total average reserves of €9.8 billion, of which € 7 billion in Class I and € 2.8 billion in Class III compared to the same period of 2021) and higher profitability thanks to the increasing returns of Separately Managed Accounts⁴⁶. Financial margin growth was only partially offset by the reduction in loadings (-€21 million), against the decrease in gross inflows.


The returns gained during the first six months 2022 by Separately Managed Accounts (2.61% for the management of PostaPensione and 2.58% for PostaValorePiù) are positively influenced, for a total equal to €514 million, from the increase in rate of inflation with reference to the so-called “Inflation Linked”  held in the Poste Vita portfolio (for a nominal value of approximately €9.2 billion on 30 June 2022). This income, realised by the Company, have been recognised to the insured for the most part through the revaluation of the commitments to the same representatives to the value of the technical reserves.

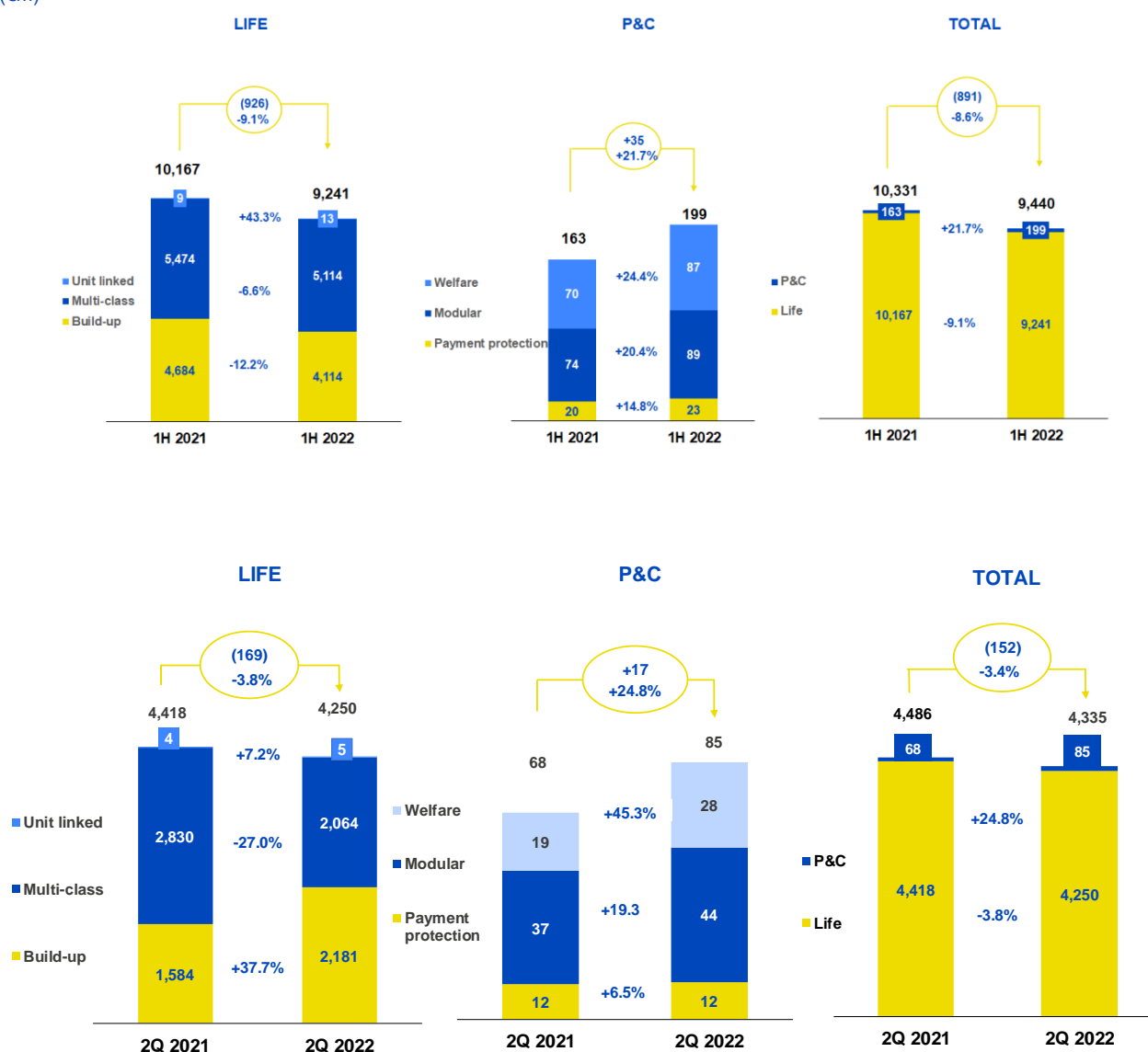
P&C net revenue amounted to €76 million, up compared to the same period of 2021 (+€7 million, +9.8%). In particular, gross premium revenue grew by €35 million (+21.7%) compared to the first six months of 2021, while charges for claims increased

⁴⁶ PostaValorePiù yield as at 30.06.2022 equal to 2.58% vs. 2.31% on 30.06.2021.

by €26 million (+36.5%) related to the new modular offer guarantees and the growth of the Welfare business. The *Combined Ratio*, net of reinsurance, was 86.4%, in line with the corresponding figure for the corresponding period in 2021.

The second quarter shows a decrease in Life net revenue of €9 million (-1.8%) compared to the same period of the previous year, relating to: i) the performance of the financial margin (-€17 million compared to the second quarter of 2021), resulting from lower revenue related to *inflation linked* securities due to different time frames in recognising returns to policyholders, ii) reduction (-€5 million) of the technical protection margin mainly due to the higher provisions relating to dormant policies⁴⁷, iii) lower loading (-€3 million) linked to a decline in inflows. These changes are only partially offset by the change in other technical provisions and other technical income/charges (+€16 million) mainly relating to the change in the expense reserve for an update of the related calculation parameters. In the Non-Life segment, there was an increase in revenue (+€3 million) compared to the second quarter of 2021, due to the growth in earned premiums only partially mitigated by the increase in expenses for claims.

 MARKET GROSS PREMIUM REVENUE
(€m)



⁴⁷ Policies for which the capital or the return have already accrued but have not been collected by the beneficiaries of the policies and lie with the companies awaiting the statute of limitations.

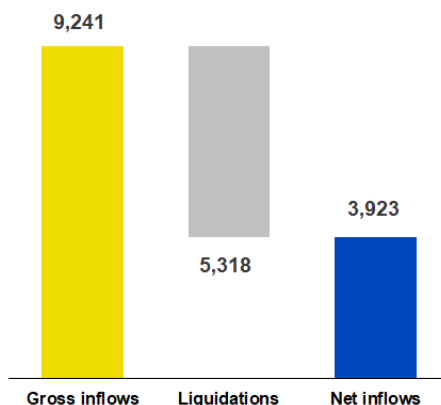
Gross inflows from the Life *business* amounted to €9.2 billion, down by 9.1% compared to the first six months of 2021 due to the decrease in inflows relating to traditional revalued products which went from €4.7 billion at 30 June 2021 to €4.1 billion at 30 June 2022 and of the inflows relating to the multi-class product which recorded a decrease of €0.4 billion in the period, but with an incidence on total business which continues to be significant (55%) and growing compared to the 54% recorded in the corresponding period of 2021.

~€90 mln
The Inflows on "Welfare"; "Retail" P&C premiums doubled compared to 2016

Gross premium revenue in the P&C *business* amounted to €199 million, up €35 million (+21.7%) from the first half of 2021 (€163 million), driven by all segments: i) the "Modular protection" line + 20.4%; ii) payment protection policies (CPI) + 14.8%; iii) the "Welfare" segment, whose premiums rose from €70 million recorded at the end of June 2021 to €87 million in the first half of 2022, supported mainly by the new distribution agreements signed with *corporate* clients (Employee Benefits).

LIFE NET INFLOWS AT 30 JUNE 2022

(€m)



Life net inflows amounted to €3.9 billion (€4.2 billion in the first half of 2021), down mainly due to the performance of gross inflows and remained positive on all the Separately Managed⁴⁸ and Internal Fund portfolios⁴⁹. The redemption rate of 3.9% is up on the same period last year (3%) but still well below the average market figure of 6.19% on 31 March 2022⁵⁰.

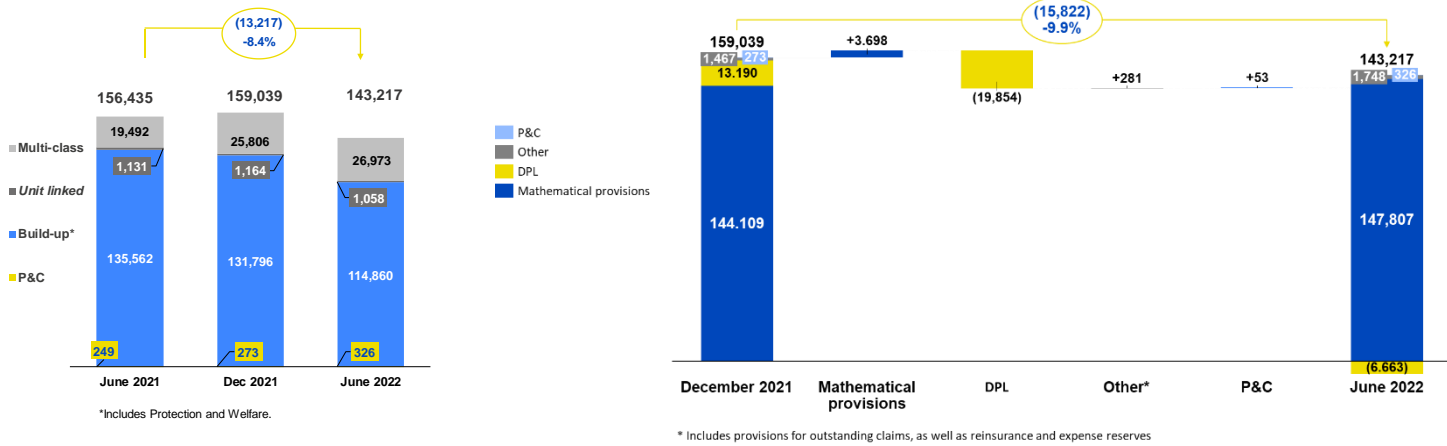
⁴⁸ The separately managed accounts identify an investment portfolio, specifically created by the insurance company, in which the premiums of customers who subscribe to a life insurance policy (Class I products) are invested and revalued on the basis of the account results.

⁴⁹ The Internal Fund represents a type of investment management within a company in which the premiums invested flow into the company's assets (shares). The premiums, net of costs, are converted into units, invested in shares or bonds.

⁵⁰ Source: Ania Trends – Life flows and provisions – Publication No. 1, 19 May 2022

NET TECHNICAL PROVISIONS

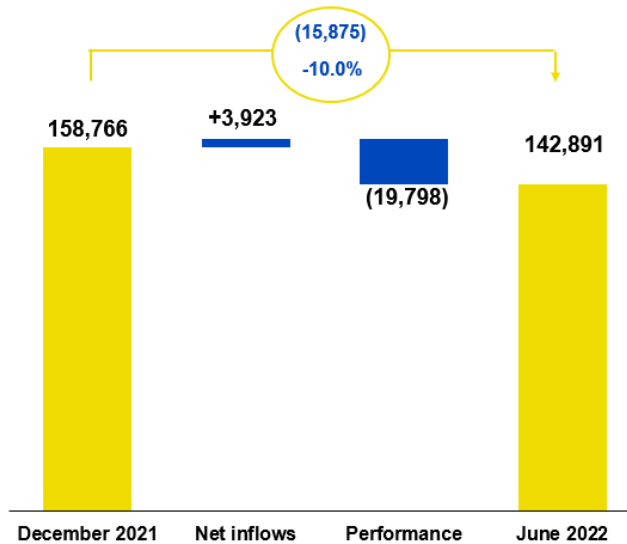
(€m)



Life *business* technical provisions amounted to €142.9 billion and decreased by €15.9 billion compared to 31 December 2021, mainly due to the decrease in *Deferred Policyholder Liabilities* 📖 (-€19.9 billion) in the face of financial dynamics recorded in the period affected by the evolution of rates and *spreads*. This change was only partially offset by increased mathematical provisions (+€3.7 billion) due to positive net inflows. Technical provisions for the Non-Life business, net of the portion ceded to reinsurers, 📖 amounted to €326 million at the end of the period, up from €273 million recorded on 31 December 2021).

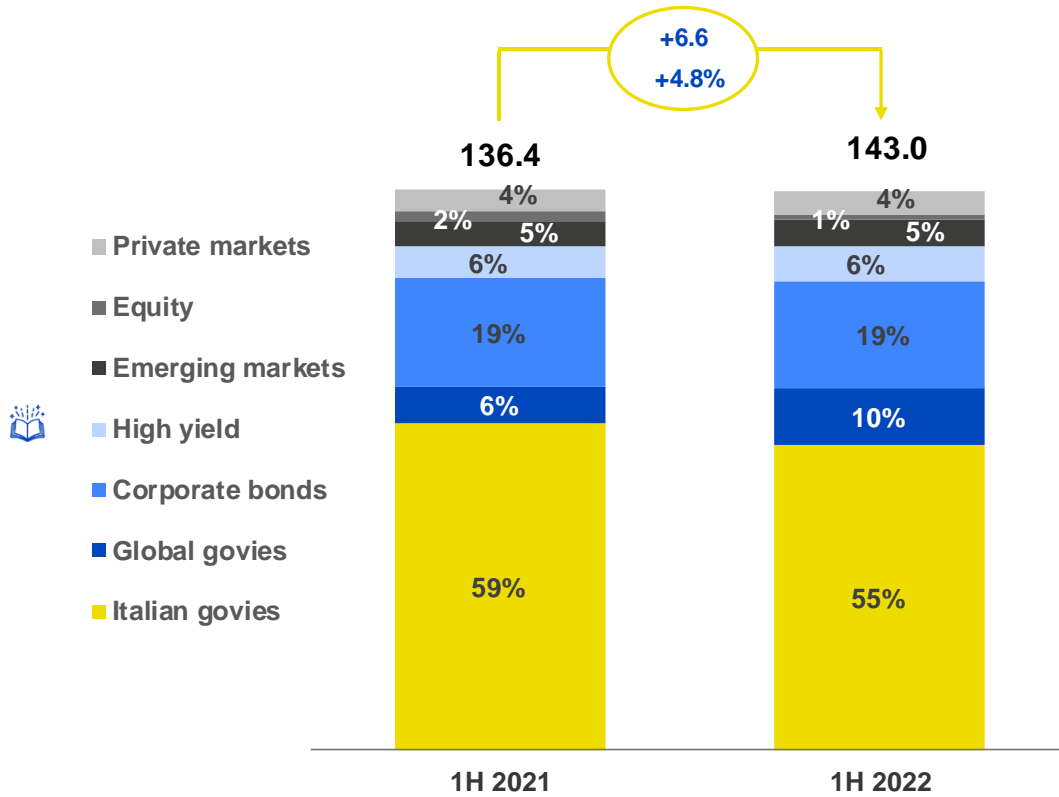
CHANGES IN NET TECHNICAL PROVISIONS FOR LIFE BUSINESS

(€m)



BREAKDOWN OF THE INVESTMENT PORTFOLIO

(€bn)



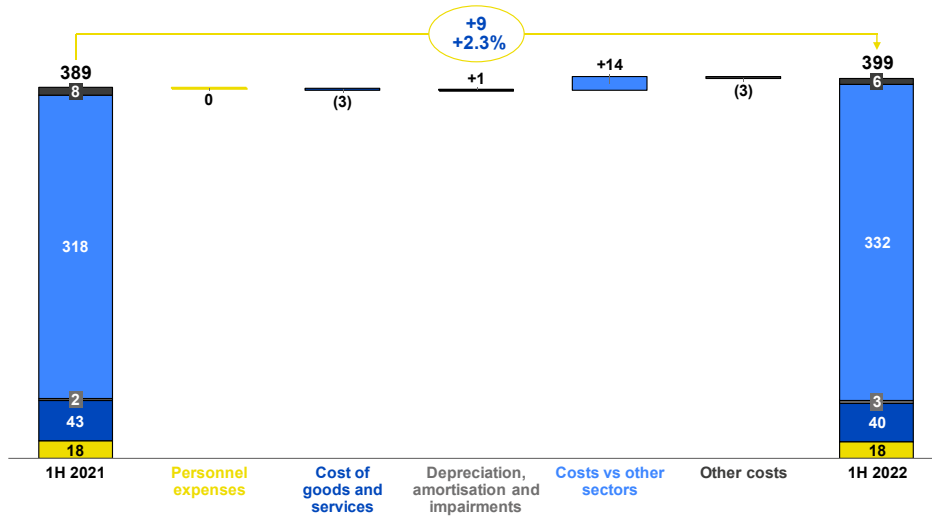
In the first half of 2022, in line with the latest *asset allocation* approved by the Company, the process of portfolio diversification continued, with the objective of reducing the concentration of risk in Italy, in favour of *asset class* with a lower correlation to the risks associated with Italian government securities⁵¹ (e.g. ex-Italy government bonds and *Corporate* bonds).

Within investment funds, diversification has been evident with a reduction in the concentration of risk associated with government securities.

⁵¹ Included within the Italy Govies asset class is the Company's financial liquidity (cash awaiting transfer to the asset class managers). In the first half of 2022, financial liquidity accounted for approximately 0.92% of the entire portfolio. The value of the investment portfolio on 30 June 2022 differs from the Life technical provisions represented in the previous diagram. The difference is due to the different assessment of the individual items ("cost" principle in the investment portfolio representation, IFRS ("market value") in the reserves representation), as well as a different reference perimeter; specifically, the value of the investment portfolio does not include the value of the Class D (Branch III) investments and also considers the total of the free capital.

TOTAL COSTS

(€m)

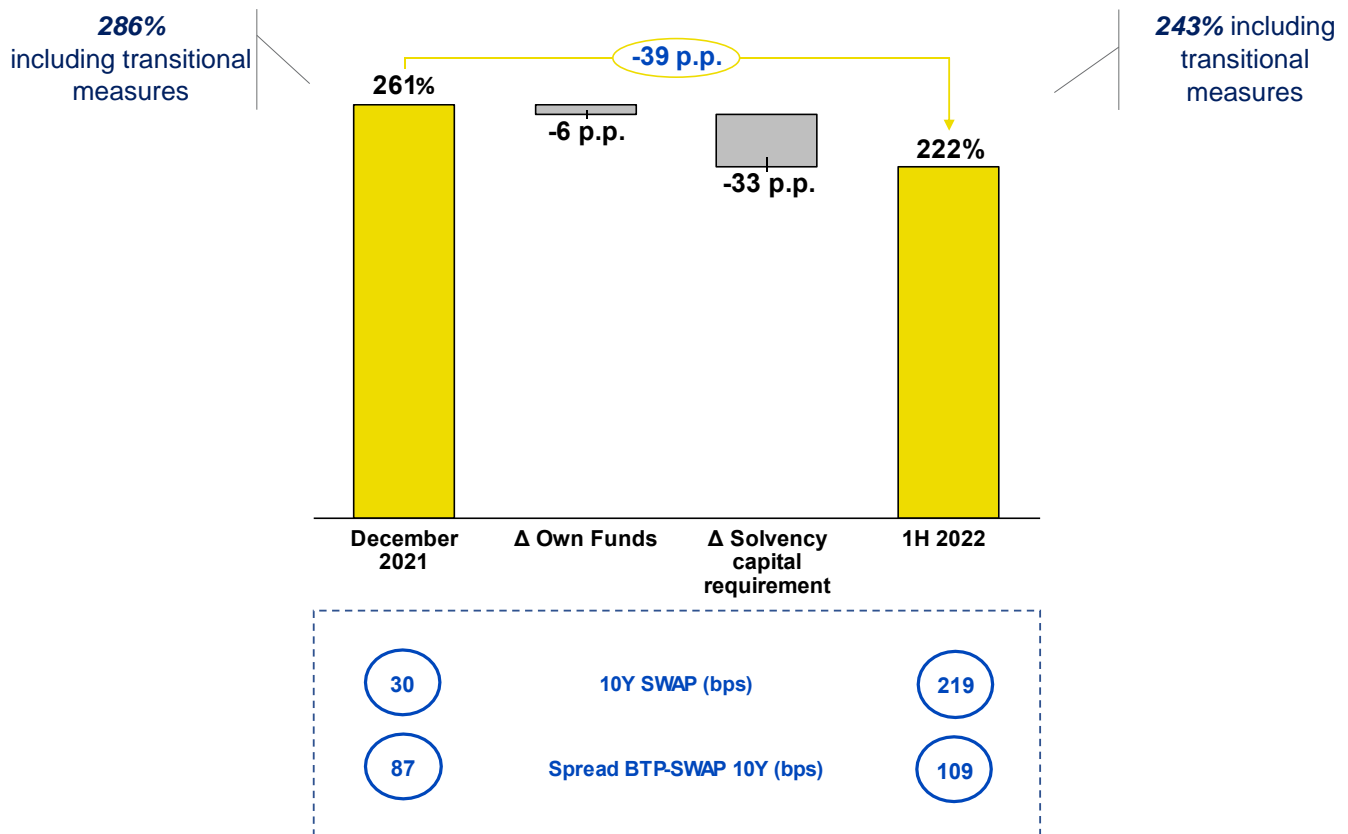


Total costs at 30 June 2022 amounted to €399 million, an increase of €9 million compared to 30 June 2021 mainly due to the higher costs in other segments relating to: i) higher commission paid to the Financial Services *Strategic Business Unit* (+€8 million); in detail, there are mainly higher maintenance commissions paid in the period (+€28 million) due to the growth in average assets under management only partially offset by the lower commissions paid for distribution activities (-€22 million) following the decrease in gross inflows; ii) higher costs recognised to the Parent Company (+€4 million) mainly related to *call centre* and *back office* activities.

In light of the results illustrated, the Insurance Services *Strategic Business Unit* generated EBIT of €676 million in the first six months of 2022, an increase of 3% (€ +20 million) compared to the same period in 2021 (€ 656 million).

Taking financial management into account (positive for € 23 million), as well as taxes for the period (€ 211 million), the Insurance Services *Strategic Business Unit* registered a net result € 487 million at 30 June 2022, up 1.8% (€ +9 million) compared to the same period of 2021.

SOLVENCY RATIO PERFORMANCE



The Poste Vita Group's *Solvency Ratio* stood at 222% on 30 June 2022⁵², down compared to the 261% reported in December 2021 (-39%), and remains above the regulatory requirements and *management's* expectations (200%).

The change in the period is due to a slight decrease in available capital (-6 p.p.) following the dynamics of the interest rate trend (+189 bps 10-year swap rate) and the BTP-Swap spread (+22 bps 10-year spread) which cause a reduction in Own Funds, due to the reduction in market value of the investments offset by the reduction in technical provisions and an increase in the capital requirement.

The increase in capital requirement (-33 p.p.) is mainly due to higher underwriting risks and specifically to the "redemption risk". The latter is calculated, as established by the standard formula⁵³, by providing a scenario of redemption of 40% of the policies, which, in an economic context of growing interest rates such as that recorded in the first half of the year, recorded a significant increase in value. The increase in redemption risk was not offset by the reduction of the other risks mainly represented by the lower market risk due to the conditions of the economic scenario of the period.

The inclusion of the transitional measures on technical provisions approved in 2019 has resulted in an increase in eligible own funds bringing the Solvency Ratio to 243% at 30 June 2022 (286% at 31 December 2021).

⁵² The indicator takes into account the share (50%) of the expected dividends in favour of the Parent Company for the year 2022. The value of the *Solvency Ratio* is being reviewed every six months and will be communicated to IVASS by 4 August 2022.

⁵³ Formulas for calculation established by IVASS to calculate capital requirement of insurance Companies that do not adopt the internal calculation model.



PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT

The SBU's *performance* in the first half is up on the results of the first half of 2021, with positive contributions from all segments (monetics, collections and payments and telecommunications).

PAYMENTS AND MOBILE	1H 2022	1H 2021	CHANGES	
€m				
External revenue	482	399	+83	+20.7%
Revenue from other sectors	136	167	(31)	-18.8%
Total revenue	618	567	+51	+9.0%
Costs	216	228	(12)	-5.1%
Costs vs other sectors	233	208	+25	+12.0%
Total costs	449	435	+13	+3.0%
EBIT	169	131	+38	+28.8%
EBIT margin %	27.4%	23.2%		
NET PROFIT	121	99	+22	+22.8%

Operating KPIs	1H 2022	1H 2021	CHANGES	
Monetics				
Total value of card transactions ("on us" and "off us") (€m) ¹	32,580	27,772	+4,808	+17.3%
Total value of card transactions ("off us") (€m) ²	26,194	22,340	+3,854	+17.3%
Number of cards (m) ³	28.3	28.6	(0.3)	-1.0%
of which Postepay cards (m)*	20.8	21.1	(0.3)	-1.4%
of which Postepay Evolution cards (in millions) ⁴	8.8	8.4	+0.4	+4.3%
of which Postepay Green (in thousands)*	48.3	30.1	+18.2	+60.4%
of which Postepay Connect (thousands)*	473.0	418.1	+54.9	+13.1%
Number of card transactions (m)	1,075	934	+141	+15.1%
of which number of e-commerce transactions (m) ⁵	280	248	+32	+12.8%
Instances of payments slips accepted on alternative channels**(%)	39%	39%		
Instances of Postepay top-ups made on alternative channels**(%)	83%	80%		
TLC				
SIM PosteMobile landlines and mobile telephones (stock in thousands)*	4,882	4,725	+156	+3.3%
of which mobile Sim (stock in thousands)*	4,547	4,427	+120	+2.7%
of which Casa Sim (stock in thousands)*	335	298	+36	+12.1%
of which Fibra Sim (stock in thousands)*	69.5	28.4	+41.1	n/s
MNP (Mobile Number Portability) - acquisitions (in thousands)	320.4	323.4	(3.0)	-0.9%
MOBILE DATA usage (GB per active SIM per month)	7.6	7.6	(0.1)	-0.7%
MOBILE VOICE usage (min per active SIM per month)	421.3	459.3	(37.9)	-8.3%

n.s.: not significant.

*The figure indicated in column 1H 2021 refers to 31 December 2021.

** includes transactions made on Digital and Third-Party Network channels (properties and other digital channels).

¹ Transaction relating to payments made with Postamat and Postepay on internal and external payment circuits ("on us" and "off us").

² Transactions relating to payments made with Postamat and Postepay on external payment circuits ("off us").

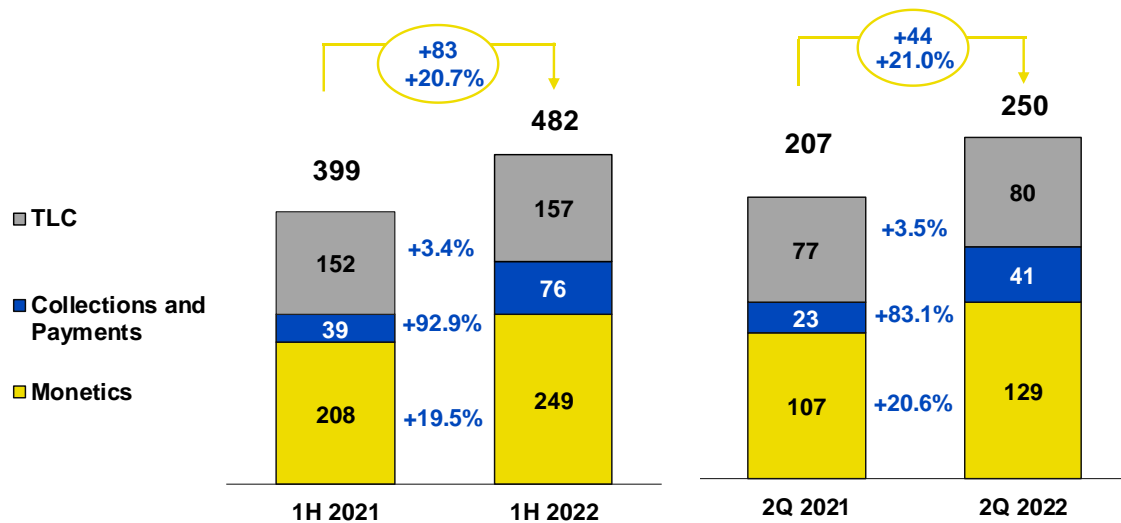
³ Includes Postepay cards and debit cards.

⁴ Includes business customers and Postepay Connect cards

⁵ Includes e-commerce transactions + web (on Poste Italiane's digital properties).

EXTERNAL REVENUE

(€m)



Collections and payments: Tax payment service by acceptance of the F23 and F24 forms; transfer of funds to send money abroad through Moneygram and Western Union, postgiro transfers and direct debit by Postepay Evolution, payments on the PagoPA system.

Monetics: prepaid cards (top-ups, payments, withdrawals, fees, issuance), debit cards (postpay debit - *interchange fees* on card transactions; from October 2021 also withdrawals, P2P top-ups and instalments to customers); *acquiring services* (fees on transactions, fees and services) related to the provision of POS (mobile, physical, and virtual) for the acceptance of card payments (debit, credit, and prepaid).

TLC: mobile phones (revenue from traffic, and the sale of mobile phones and *routers* from PO *corners*) and fixed line (PosteMobile Casa and Poste Casa Ultraveloce).

Market revenue in the first half of 2022 amounted to €482 million, an increase of €83 million compared to June 2021 (+20.7%), due to the positive contribution of all segments.

In detail, revenue from the electronic money sector show a growth of €41 million, going from €208 million in the first half of 2021 to €249 million in the first half of 2022 due to higher revenue generated by payment card operations and of the higher revenues from *Acquiring services*.

Revenue from Collection and Payment services show an increase of €37 million (+92.9%), going from €39 million recorded in the first half of 2021 to €76 million in the first half of 2022 driven by PagoPA services to the Public Administration and *instant transfers* from Postepay Evolution.

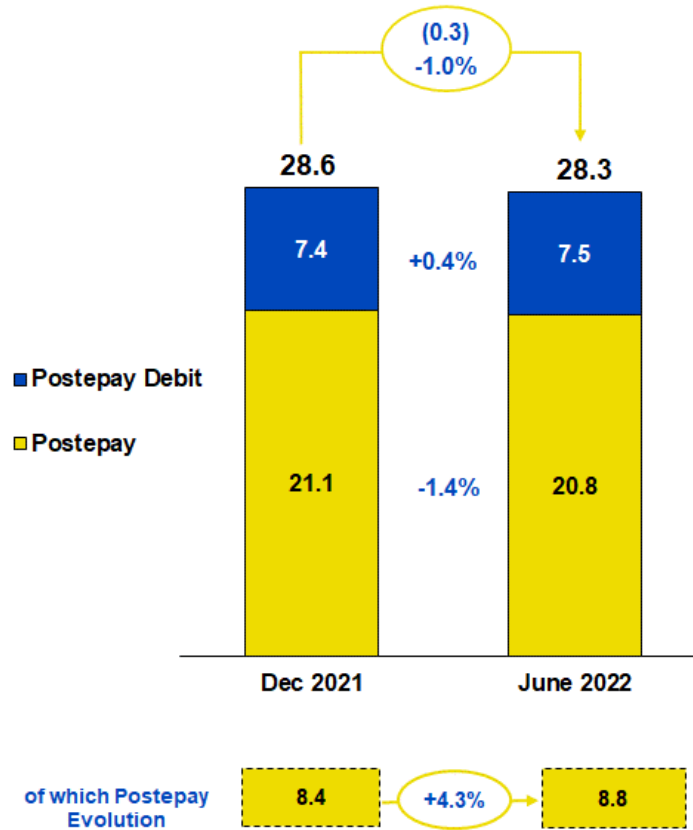
The telecommunications segment recorded an increase of €5 million, compared to the €152 million of revenue achieved in the first half of 2021 (+3.4%). The increase is attributable to higher fixed telephony revenues driven by revenue from the fibre optic connectivity service.

The performance of the second quarter confirms sustained growth in all businesses. High activity of payment cards with the increase in transactions carried out both on physical and digital channels, drove revenue for the electronic money segment, which in the second quarter, amounted to €129 million, with a growth of 20.6% compared to the second quarter of 2021. Revenues from collection and payment services in the second quarter of 2022 amounted to €41 million (+83.1%

compared to the same period of 2021) mainly due to the positive contribution of the PagoPA payment service to the Public Administration. Positive *performance* also for the telecommunications segment which achieved revenue of €80 million (+€3 million, +3.5% compared to the second quarter of 2021) supported by growth of the fibre service customer base.

CARDS STOCK

(€m)



On 30 June 2022, the total *stock* of prepaid and Postepay debit cards amounted to 28.3 million, with total transactions⁵⁴ of €32.6 billion, up by approximately €4.8 billion (+17.3%) compared to 30 June 2021.

More specifically, PostePay cards totalled 20.8 million (-1.4% compared to December 2021) and Postepay Evolution cards totalled around 8.8 million on 30 June 2021, showing an increase of 4.3% compared to the value as at 31 December 2021. In the first half of 2022, the sale of Postepay Connect continued⁵⁵, with approximately 121 thousand activations at 30 June 2022 and a stock of 473 thousand cards (+13.1% compared to December 2021).

28.3 mln
the card stock at 30 June 2022

During the first half of 2022, there was an increase in payment card transactions of 15.1% (equal to +141 million transactions) compared to the first half of 2021, also thanks to *e-commerce*⁵⁶ transactions.

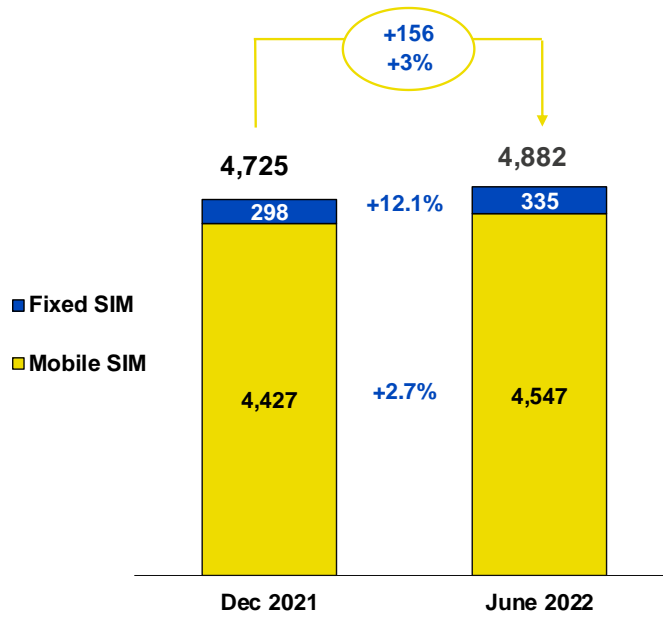
⁵⁴ The figure refers to “on us” and “off us” transactions.

⁵⁵ Offer that integrates the prepaid Postepay Evolution card and the PosteMobile SIM.

⁵⁶ Includes e-commerce transactions and web (on Poste Italiane’s digital properties).

SIM STOCK

(€k)

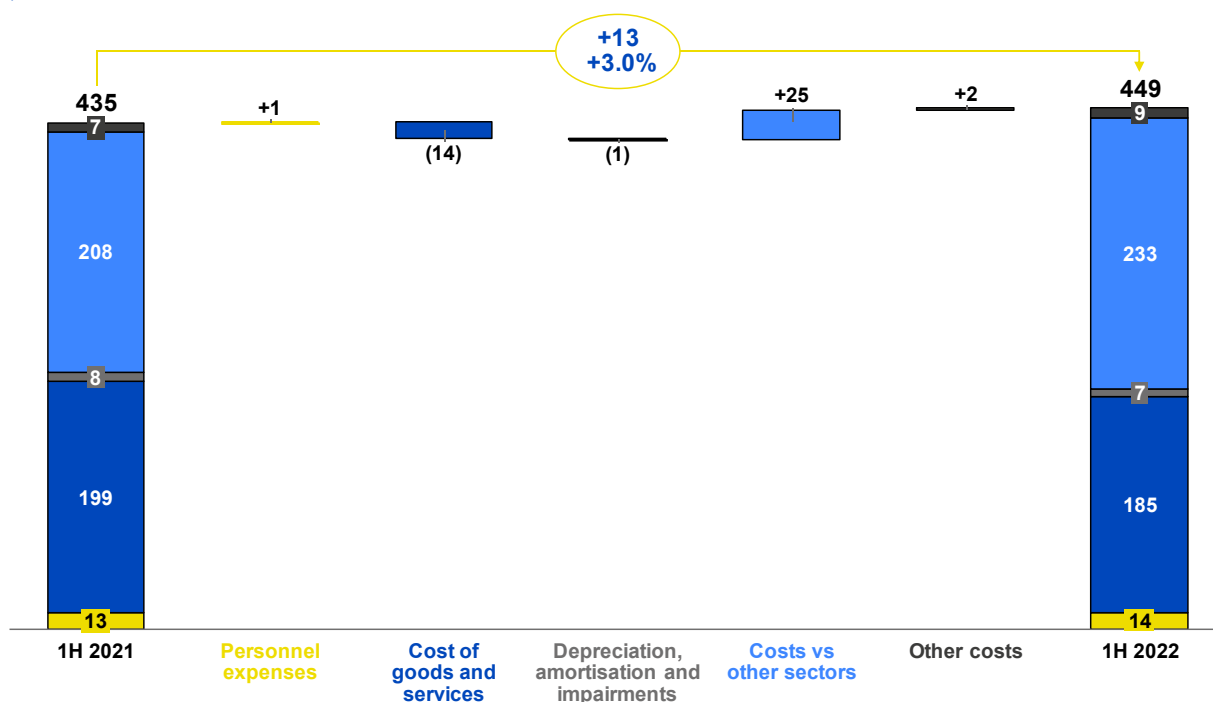


In Telecommunications, the customer base related to mobile telephony, at 30 June 2022, is represented by approximately 4.5 million lines, which recorded a slight increase (+2.7%) compared to 31 December 2021. With reference to Fixed Telephony services, the “PosteMobile Casa” offer and the optical fibre “PosteCasa Ultraveloce” offer show a 12.1% increase in lines, rising from 298 thousand at 31 December 2021 to 335 thousand at June 2022 thanks to the contribution of the fibre lines which reached approximately 70 thousand units in June 2022 after just over a year from the launch of the service.

During the first half of 2022, data *usage* (GB per active SIM per month) remained substantially unchanged compared to June 2022, while voice *usage* (minutes per active SIM per month) decreased by 8.3% compared to in June 2021.

TOTAL COSTS

(€m)



Total costs of the *Strategic Business Unit* amounted to €449 million, up 3% (+€13 million) from €435 million in the first half of 2021.

In detail, the decrease in costs of goods and services is essentially relating to lower costs from telephone traffic in the telecommunications segment. This decrease is only partially offset by the higher variable costs related to card operations within the electric money segment.

The increase in costs in other segments (+€25 million) compared to the first half of 2021 is mainly determined by the higher costs for outsourcing to the Parent Company, in particular, with reference to the distribution of payment services in addition to the higher outsourcing costs recorded as part of the energy segment's development.

In light of the results described, the Company's economic performance in the first half of 2022 shows EBIT of €169 million, up by 28.8% with respect to the same period the previous year.

The operating profit, net of the start-up costs of the Energy business launched in June 2022 to a limited target (employees and pensioners of the Group), is equal to €175 million.

Profit amounts to €121 million, an increase of 22.8% compared to the value of the first half of 2021 (€99 million).





OMNI-CHANNEL SERVICE, DIGITAL TRANSFORMATION AND MAIN KPIS

The Group, in line with the strategic lines of the “24SI Plus” Business Plan, acts as a driver of innovation and digitalisation of the country, guaranteeing the accessibility and functionality of its offer to all citizens.

In this context, the Company aims to connect Italian SMEs, Public Administration and citizens also through the strengthening of partnerships in order to provide innovative digital services.

The Group’s omni-channel strategy aims to create an “ecosystemic” and multichannel platform model that thanks to cutting-edge physical and digital channels and simplified processes for serving customers, aims to guarantee an excellent customer experience “*without differences*” at all contact points.

To support digitalisation, a technology engine based on *hybrid*  *cloud*, open API  and exponential technologies has been implemented and applied to all the Group’s activities and infrastructures.

Within the year’s business defined by the company to address the health emergency, a platform was developed, dedicated to vaccine booking.



Vaccine platform to support the health emergency

Starting from January 2021, Poste Italiane has provided the Regions of Italy with a **Computer Platform** that implements a specific set of functions needed to support the logistics and traceability, request reservation and vaccine administration management processes at vaccine centres.

To date, eight Regions are licensed (Abruzzo, Basilicata, Calabria, Lombardy, The Marches, Sardinia, Sicily, and Val D’Aosta) as well as the management of the vaccine process for the Defence, for a total as of 30 June 2022 of over 40 million bookings, of which over 5 million were made in the first semester of 2022.

> 40
million

vaccine bookings made through
the Poste Italiane IT platform

DIGITAL PROPERTIES

The Group has implemented a programme of “digital transformation” of all its service and offer models in order to guarantee its customers full digital contact experiences. This programme was significantly accelerated since 2021, in view of the effects of the current health emergency, in order to make the Group’s products available to customers in conditions of absolute safety.

Digital Market With reference to the *Digital Marke*⁶⁷, in 2021 in Italy more than 51 million people are accessing it *online* and 43 million are present and active on *social channels* (an increase of almost 5.4% compared to 2020). 97% of Italians use a *smartphone* and 75% a *desktop or laptop computer*, while the growth of *smartwatches* (+13.3%) and *smart home devices* (+23.4% compared 2020) continues. As for *e-commerce*, 6.9% more money was spent in 2021 in Italy than in 2020 in the *consumer goods* world.

⁶⁷ Source: <https://wearesocial.com/it/blog/2022/02/digital-2022-i-dati-italiani/>.

Key KPIs Digital and Third-Party Networks (B2B2C)	1H 2022	1H 2021	CHANGES	
KPIs Digital + B2B2C				
Digital+contact center+B2B2C interactions/Total daily interactions*	68.1%	64.8%		
Digital transactions + B2B2C/Total transactions	36%	32%		
KPIs Digital				
Customers registered on Poste Italiane's digital channels (websites and apps) (m)*	35.6	33.8	+1.8	5.3%
Daily users (website and apps) (m) ¹	5.6	4.0	+1.6	40.6%
Number of digital - consumer transactions (m)	71.8	58.6	+13.1	22.4%
App downloads (m)*	77.9	70.3	+7.7	10.9%
Poste Italiane Digital e-Wallets (m)*	9.9	9.1	+0.8	8.8%
Active digital identities (m)*	23.1	21.2	+2.0	9.2%
Private active digital identities (m)*	14.1	11.8	+2.3	19.5%
Digitally enabled customers (%) ²	70.1%	63.3%		
Customers who use Poste services digitally (%) ³	20.0%	17.0%		
PO ticket booking through App (m)	10.8	12.4	(1.6)	-12.9%
KPIs Third-Party Networks (B2B2C)				
Payslip volumes (m)	27.0	36.2	(9.3)	-25.6%
Postepay top-ups (m)	25.2	27.9	(2.6)	-9.5%
Postemobile top-ups (m)	5.4	5.4	+0.0	0.7%
Parcels delivered (m)	4.6	1.7	+0.0	n/s

n.s.: not significant

* The figure indicated in 1H 2021 refers to 31 December 2021.

¹ Average daily values during reference period.² Customers who have access credentials to digital channels.³ Customers who have made a payment on digital channels using Poste's payment instruments.


Traffic growth in visits and visitors of digital channels continues in 2022, rising from 6.2 million average daily visits in June 2021 to 9.0 million average daily visits in 2022. In particular, *web* traffic increased from an average of approximately 1.18 million visitors in the first half of 2021 to 1.24 million visitors in the same period of 2022; apps also increased, going from 2.78 million to 4.32 million daily visitors. The average number of transactions carried out on digital channels was approximately 12.0 million monthly transactions (+22% compared to the first half of 2021) with transactions of approximately €3.12 billion monthly (+25% compared to the first half of 2021).


 9
million


 daily average visits to the
Group's digital channels


 >24
million


 the digital identities, with
79% market share

At 30 June 2022, there are more than 14.1 million active Private Digital Identities (Poste Italiane accounts). The Private Digital Identity  is intended to provide functional and secure access to all digital properties (data, internet accounts and other rights in the digital world) of the Group.


Poste Italiane is confirmed as the first SPID Digital Identity Manager. In the first half of 2022, Poste Italiane held a market share of 79%, with a *customer base* of around 24.44 million public Digital Identities as at 30 June 2022, of which 23.12 million were active, against over 2 million new activations in the period. In order to continue to ensure the highest quality of the Service and to propose new “digital citizenship” tools to users, also enhancing the favoured partnership with Institutions and supporting the evolution of the Public Digital Identity System (SPID), Poste Italiane is committed to the implementation of the SPID digital identity solution for minor-age citizens and to the launch of SPID digital identity solutions for professionals and businesses, giving access to online services via special paid offers.

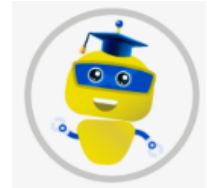
Starting from November 2021, Poste Italiane started to apply an activation fee to those citizens who request the SPID through the identification of an operator in presence or remotely.


Strengthening of digital channels



During the first six months of 2022, important services were implemented that strengthen Poste Italiane's presence on digital channels:

- In March 2022, the **Google Pay** service (already present in the PostePay app) was extended in the BancoPosta app. With this service, users can **make payments** from Android smartphones, charged to BancoPosta debit cards and Postepay prepaid cards.
- As part of the development of the fibre offer, new services have been made available in the app (e.g. being able to define the payment method and receipt of the invoice); the possibility of subscribing to the offer was also enabled in the BancoPosta app and in the Postepay app, and sales from the *contact centre* were activated.
- The **Internet Banking**  area has introduced a simplified process for **payment of F24 forms** by automatically filling in the data in the PDF document. There is also now the option of **viewing bank transfer and giro receipts** as well as **bill payment** receipts from the app and from poste.it directly on the noticeboard or shared by email;
- Work continued on **upgrading the technological infrastructure** of the **PosteBusiness** app aimed at integrating the entire range of financial services and *Value Added Services* for **business customers** managed via a **single channel** (*One App Business*); from the first half of the year, the new version of the **PosteBusiness** app is available, including new features for customers (configuring the *Business Showcase* and managing collections via Mobile POS).
- In order to improve the *customer experience*, from the first quarter of 2022 Poste Italiane will be able to **recognise users** who book an **appointment ticket** at the Post Office through the various digital channels; starting from June, **personalised offers** are sent based on their profiling, before the post office appointment.
- During the launch, the remote financial offering on all post offices, which offers the possibility of sending in the reserved area for customers the **consultancy proposal and the possibility of finalising it via a digital funnel**.
- **The digital assistant service** (BOT) has been developed in order to monitor the status of shipments.
- The subscription of the PostePay Digital card has also been activated from the *web* channel, as well as from the app.

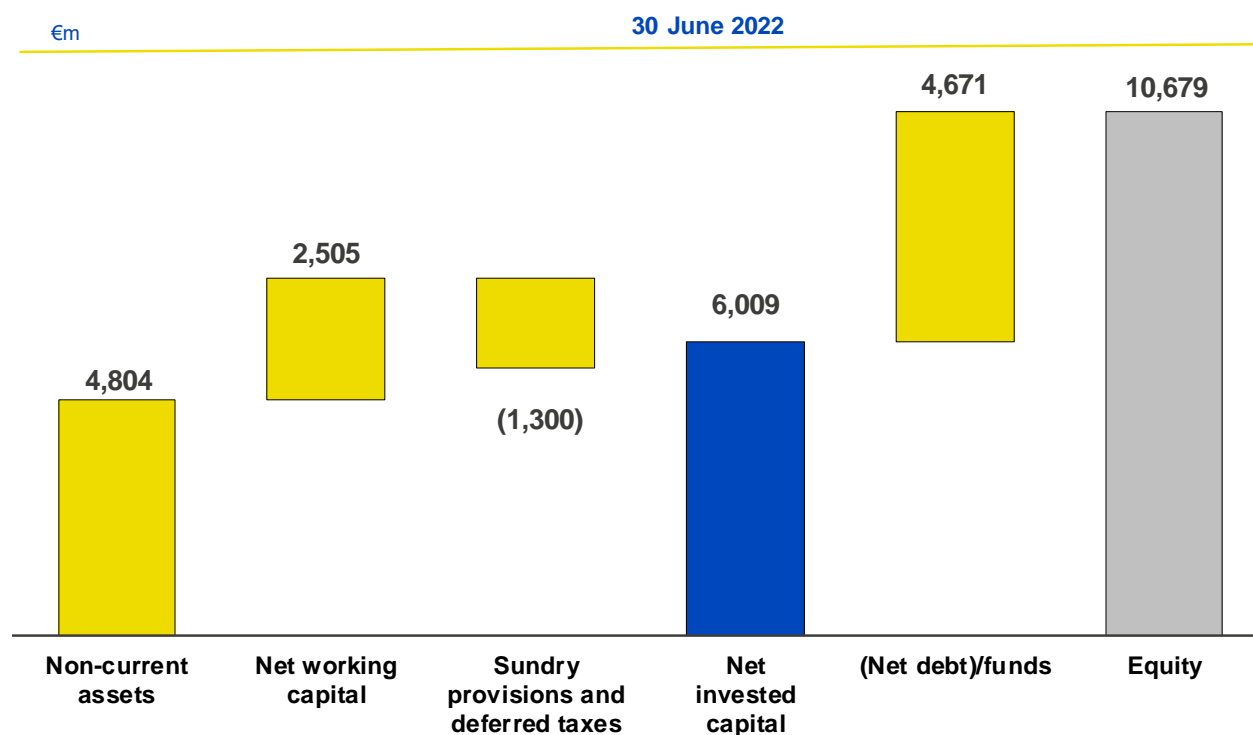


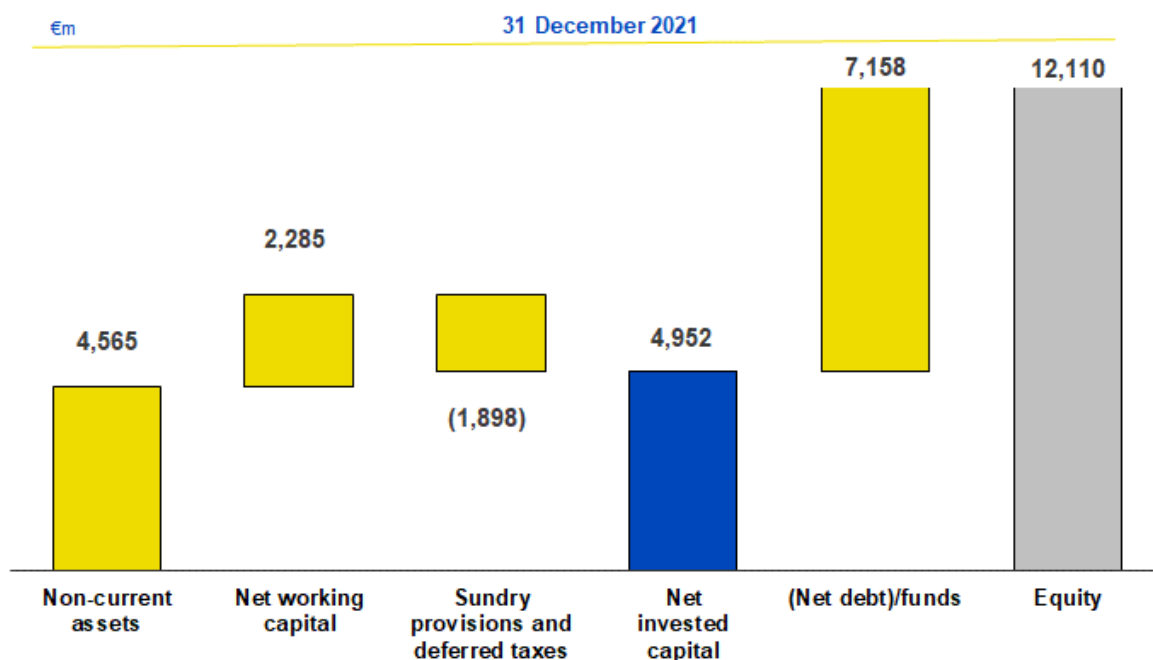
⁵⁸ The PagoPA service, already implemented on the digital *retail* channels and in the Post Office, requires the Creditor to provide the user with payment notices and the latter carries out the payment through the *online* or physical channels, made available by the Payment Service Providers participating (e.g. banks, PostePay, Tobacconists, GDO). The choice of PSP  is made by users by physically or digitally accessing the chosen PSP.



GROUP FINANCIAL POSITION AND CASH FLOW

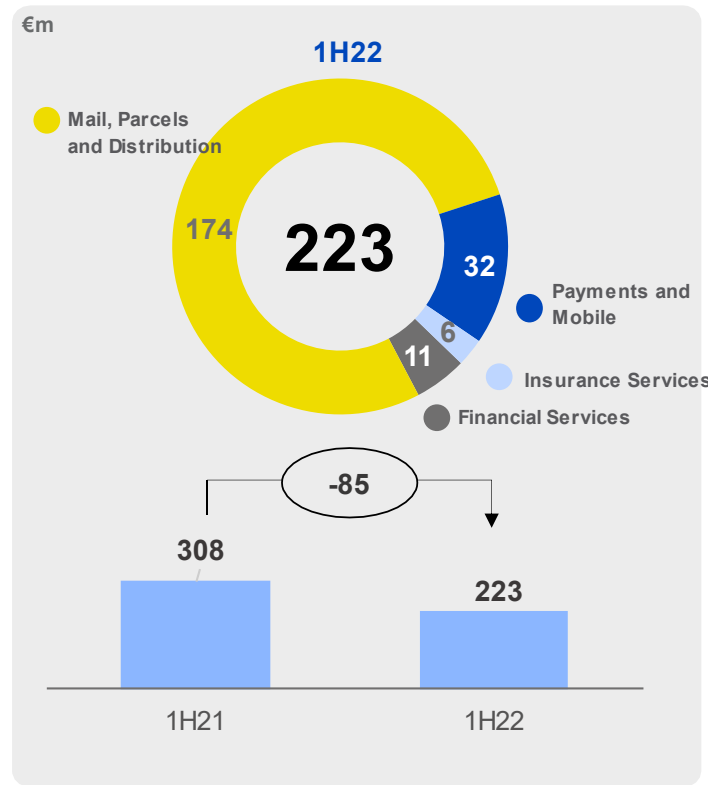
€m	30 June 2022	31 December 2021	CHANGES	
NON-CURRENT ASSETS	4,804	4,565	+239	+5%
NET WORKING CAPITAL	2,505	2,285	+220	+10%
GROSS INVESTED CAPITAL	7,308	6,850	+458	+7%
SUNDRY PROVISIONS AND OTHER ASSETS/LIABILITIES	(1,300)	(1,898)	+598	+32%
NET INVESTED CAPITAL	6,009	4,952	+1,057	+21%
EQUITY	10,679	12,110	(1,431)	-12%
NET DEBT/(FUNDS) (SURPLUS)	(4,671)	(7,158)	+2,487	+35%
<i>of which: Net debt/(funds) of the Mail, Parcels and Distribution SBU (DEBT)</i>	1,516	1,284	+232	+18%





The Poste Italiane Group's **non-current assets** at 30 June 2022 amount to €4,804 million, an increase of €239 million compared with the end of 2021. Non-current assets absorbed €223 million and a €210 million increase in rights of use for the stipulation of new contracts, renewals and contractual changes within the scope of IFRS 16. In addition, we note the increase resulting from the first consolidation of the Plurima group for a total of €231 million (of which €123 million relating to the provisional recognition of goodwill deriving from the acquisition). These changes were partially offset by depreciation and amortisation of €406 million. This item also includes investments accounted for using the equity method totalling €259 million, relating mainly to investments in Anima Holding, Financit and Replica SIM. With reference to the investment in Anima Holding SpA, it should be noted that in the first half of the year, a write-down for *impairment* of €21 million was made following the execution of the *impairment* test carried out on the value of the investment conducted as at 30 June 2022. For further details, see paragraph 2.3 – Use of estimates.

Group **investments** in the first half of 2022 amounted to €223 million. Investments classified as ESG, i.e. complying with the reference principles of the Group's 8 Pillars of Sustainability, represent approximately 70% of the total value. The main projects include energy efficiency measures for real estate, the introduction of three-wheeled vehicles for deliveries, improving the customer experience of products and services offered to customers from a multi-channel and digital perspective, and the adoption of management systems, equipment and infrastructure for health and safety.



In line with the investment programme for the period 2021-2024, designed to support the objectives of the “24SI Plus” Strategic Plan, around 80% of the Group’s investments (€174 million) focused on the automation and modernisation of the [Mail, Parcels and Distribution Strategic Business Unit](#).

In particular, in the first half of 2022, the renewal of the delivery fleet progressed with the introduction of about 12,000 new vehicles, of which about 770 were electric, 6,000 were hybrid and the remainder were low-emission. A further 1,000 electric vehicle charging plants have also been installed. As of 30 June 2022, more than 2,800 electric columns have been put in place.

Property investments concerned remodelling of Post Offices and the creation of new spaces for consultants. With regard to the containment of


environmental impact, work continued on replacing traditional lamps with LED technology (additional 30,000 in the first half of 2022), automation and remote control of plant management (450 buildings involved in the Smart Building project in the first half of 2022) in order to reduce electricity consumption and CO2 emissions. Over 40 photovoltaic systems were also installed during the period.

In the first half of 2022, work continued on Poste Italiane’s video surveillance service at sites not yet served and existing systems were upgraded by gradually replacing obsolete digital video recorders (DVRs) and intrusion detection units. In particular, more than 41 new cameras were installed, replacing more than 150, as well as more than 80 intrusion detection units replaced.

~20,000
low-emissions vehicles available in the fleet, of which approximately 2,500 are electric

>1,000
buildings involved in the Smart Building project at 30 June 2022

~410 thousand
LED lamps installed on 30 June 2022

Technological Transformation and Engineering continued with the migration of existing digital services to the new infrastructure based on *Hybrid Cloud* continued, through a procedure of “containerisation”  of the application components. Furthermore, in the first half of 2022, the consolidation of the Data Centres continued, which saw the closure of the Rozzano (MI) site.

In the [Financial Services Strategic Business Unit](#), total investments amounted to €11 million and involved the expansion of the range of the Postal Savings, Life and Funds product range with a multi-channel approach.

In the [Insurance Services Strategic Business Unit](#), design activities continued in the first half of 2022 to support industrial development and the continuous functional/infrastructural improvement of the most important business support systems, as well as the upgrading of systems for regulatory compliance. Total investments in the half-year amounted to €6 million.

Investments in the [Payments and Mobile Strategic Business Unit](#) for the period amounted to €32 million and concerned development work on the fixed and mobile network offer to make it more competitive on the market; similarly, investments were made in IT systems to support the launch of the electricity and gas offer on the domestic market. Interventions were also made for sales via *call centres* and integrated voice-fibre sales.

For further details on initiatives aimed at accelerating digitalisation processes and omnichannel use of the offers of various *Strategic Business Units*, see the section on “Strengthening of digital channels”



Net working capital at 30 June 2022 amounted to €2,505 million and increased by €220 million compared to the end of 2021. The following mainly contributed to this change:

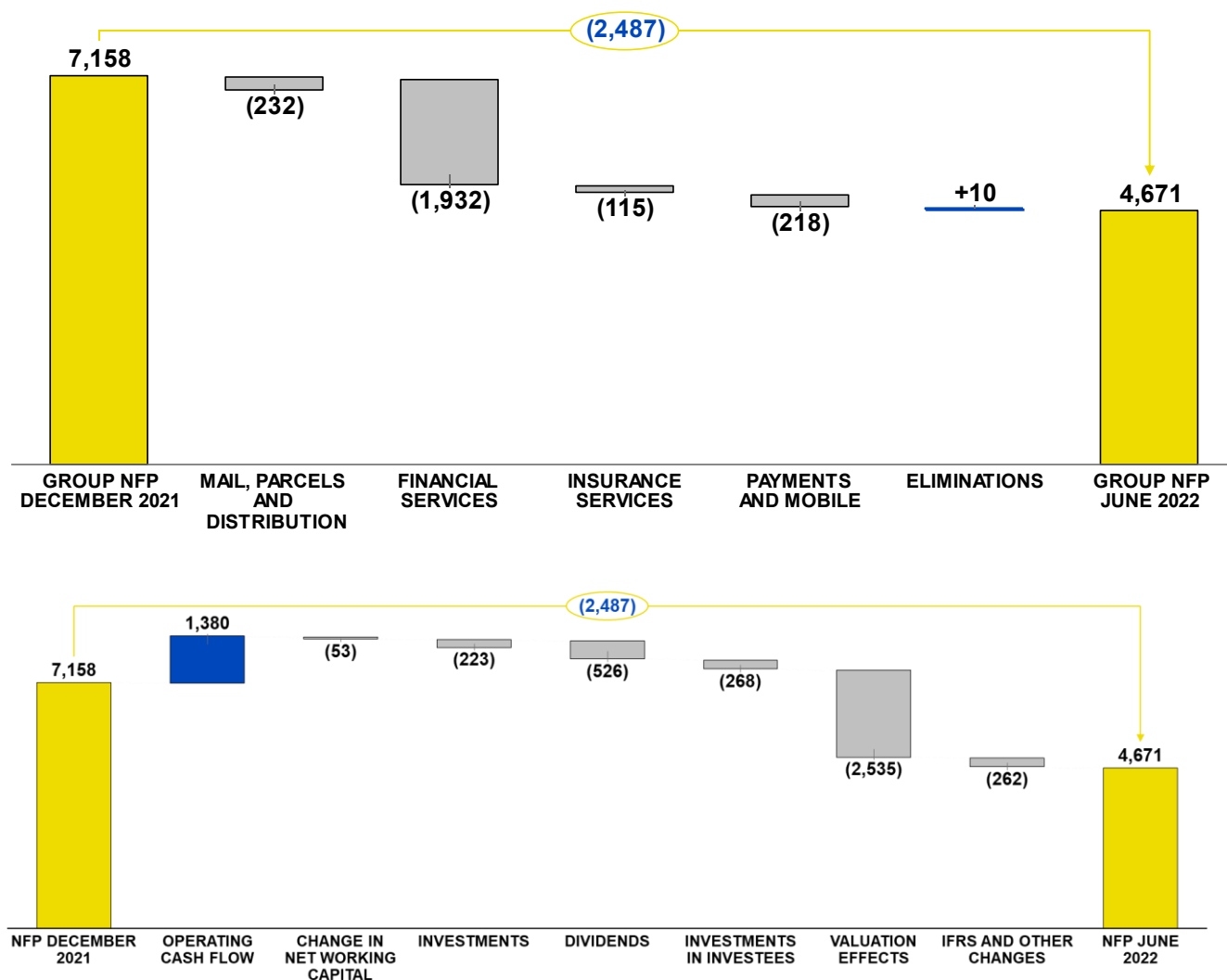
- lower Trade payables of €172 million partially offset by a decrease in Trade receivables of €107 million;
- a decrease in Other liabilities of €367 million and a decrease in Other receivables and assets of €183 million, for an overall net increase in working capital referred to the items concerned of €184 million. This change is mainly relating to lower payables to personnel and social security agencies of approximately €324 million (mainly relating to the reduction in the payable for incentives) and to the net decrease in tax items relating mainly from operations of the *Strategic Business Units* Insurance Services and Financial Services of approximately €100 million;
- net current tax assets with a decrease of €24 million, mainly due to recognition of taxes for the period, partially offset by payments for advances of the period.

The balance of **Sundry provisions and Other assets/liabilities** at 30 June 2022 amounted to €1,300 million and decreased by €598 million compared to 31 December 2021 mainly due to higher net deferred tax assets of €424 million (largely due to the negative changes in the fair value relating to financial instruments classified as FVOCI) and the reduction in severance indemnities of €178 million.

Shareholders' equity at 30 June 2022 amounted to €10,679 million, and decreased by €1,431 million compared with 31 December 2021. This change is mainly relating to the positive effect of the profit for the period of €964 million, which was more than offset by the distribution of dividends of €526 million and the decrease in the *fair value* reserve (combined effect of the negative change in *fair value* and sales made during the period of financial instruments classified in the FVTOCI category) for €1,952 million.

Group Net (Debt)/Funds

(€m)

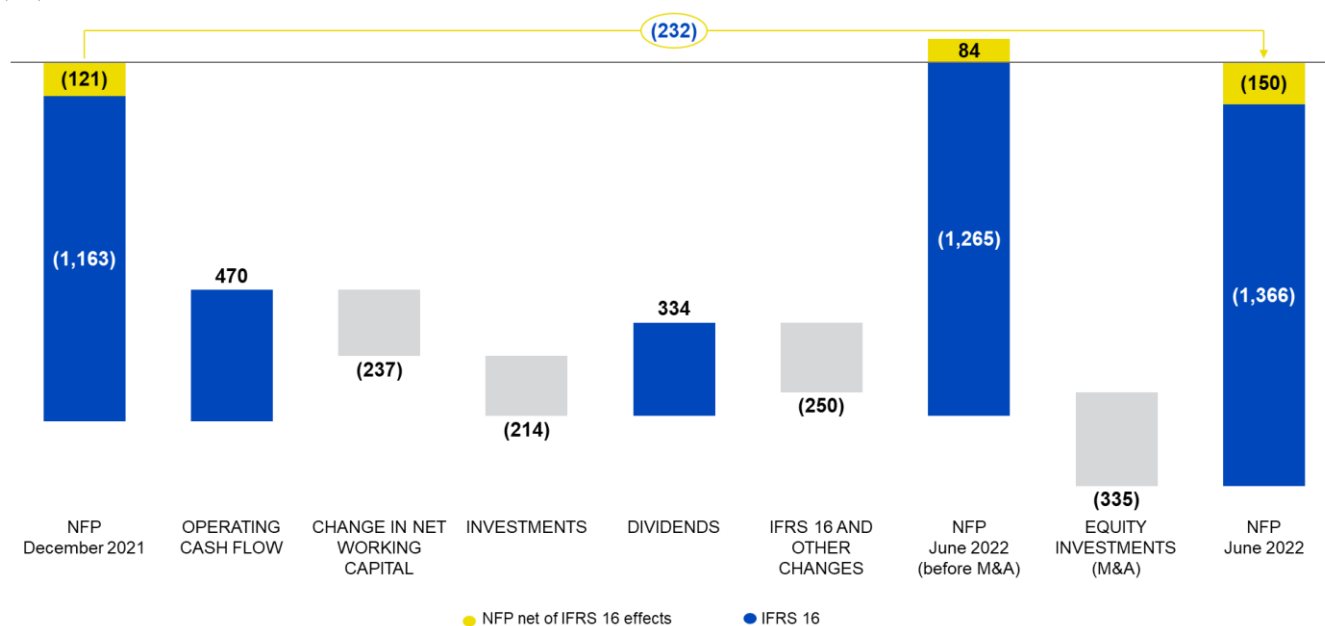


The total **Net Financial Position** at 30 June 2022 shows a surplus of €4,671 million, down €2,487 million with respect to the amounts at 31 December 2021 (surplus of € 7,158 million). The following contributed to this change:

- a positive operating result of €1,380 million (of which €964 million attributable to the profit for the period and €406 million to depreciation for the period);
- the negative effect of the change in working capital and taxes amounting to approximately €53 million;
- investments for €223 million;
- the negative effects deriving from the distribution of dividends of €526 million;
- Investments in investees of €268 million, of which €265 million relating to the overall effect deriving from the acquisition of the Plurima group and €3 million for the investment in Eurizon Capital Real Asset;
- negative valuation effects of €2,535 million for the period (as a result of the combined effect of negative oscillations in value and sales made during the period of investments classified as FVTOCI, held mainly by the Financial Services Strategic Business Unit);
- other decreases totalling €262 million, mainly due to the increase in financial liabilities for leases falling within the scope of IFRS 16 for €220 million.

Analysis of the net (debt)/funds of the Mail, Parcels and Distribution Strategic Business Unit

(€m)



Total (net debt)/funds of the Mail, Parcels and Distribution Strategic Business Unit at 30 June 2022 showed a debt of €1,516 million, a worsening of €232 million compared to 31 December 2021 (when there was a net debt of €1,284 million). Net of the financial lease liabilities provided for by IFRS 16 for €1,366 million, (net debt)/funds showed debt of €150 million (at 31 December 2021, it showed debt of €121 million).

The movement reflects:

- a positive operating result of €470 million, mainly due to the positive result for the period of €87 million and non-monetary costs (amortisation) of €397 million;
- a negative effect related to the change in net working capital of €237 million, due mainly to:
 - the decrease in net trade payables and receivables of approximately €135 million;
 - net negative effect relating to other liabilities and other receivables for a total of €112 million attributable to lower overall payables to personnel and social security agencies of approximately €310 million (mainly due to the reduction in the payable for incentives), higher net tax payables to other operating segments of approximately €120 million and, to a lesser degree, to other items due to personnel related to the renewal of the National Collective Labour Contract (positive effect of approximately €35 million) and other receivables and payables of various kinds;
- new investments for €214 million;
- a positive net cash flow from dividends of €334 million, which takes into account dividends paid to shareholders (€526 million);
- investments in investees of €335 million, of which €265 million relating to the overall effect deriving from the acquisition of the Plurima group and €70 million for the acquisition by Poste Italiane of the investment in Poste Welfare Servizi, previously held by Poste Vita;
- other decreases totalling €250 million, mainly due to higher financial liabilities for leases falling within the scope of IFRS 16 for €219 million.

The **payables** shown in the (net debt)/funds of the Mail, Parcel and Distribution Strategic Business Unit primarily relates to:

- use of uncommitted credit line for short-term loans for a total of €400 million;
- an EIB loan of € 173 million maturing in March 2026;
- an EIB loan of €400 million maturing in October 2026;
- an EIB loan of €150 million, maturing in May 2028;
- an EIB loan of €100 million, disbursed in May 2022 and maturing in May 2028;
- private placement of about €50 million maturing in October 2023;
- two senior unsecured bonds issued on 10 December 2020 with a total nominal value of €1 billion, the first of €500 million maturing in December 2024 and the second of €500 million maturing in December 2028.

Furthermore, on 31 March 2022, a further EIB loan of €600 million was stipulated, not yet paid, with an availability period until 31 March 2023.

Analysis of the ESMA net debt/(funds) of the Mail, Parcels and Distribution Strategic Business Unit

Financial debt ESMA

€m	At 30 June 2022	At 31 December 2021
A. Cash	(2,004)	(2,122)
B. Cash equivalents	-	-
C. Other current financial assets	(8)	(8)
D. Liquidity (A + B + C)	(2,012)	(2,130)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	697	785
F. Current portion of the non-current financial payable	3	-
G. Current financial debt (E + F)	700	785
H. Net current financial debt (G + D)	(1,313)	(1,345)
I. Non-current financial debt (excluding current portion and debt instruments)	2,016	1,705
J. Debt instruments	1,047	1,047
K. Trade payables and other non-current payables	22	22
L. Non-current financial debt (I + J + K)	3,085	2,774
M. Total financial indebtedness (H + L)	1,772	1,429

ESMA financial debt reconciliation with Net debt/(funds) including intersegment transactions

€m	At 30 June 2022	At 31 December 2021
M. Total financial indebtedness (H + L)	1,772	1,429
Non-current financial assets	(207)	(76)
K. Trade payables and other non-current payables	(22)	(22)
Tax credits Law no. 77/2020	(574)	(448)
(Net debt)/funds	970	883
Intersegment financial receivables and payables	546	401
Net debt/(funds) including intersegment transactions	1,516	1,284

Existing cash and credit lines are amply sufficient to cover expected financial requirements. More specifically, at 30 June 2022, cash and cash equivalents for the Mail, Parcels and Distribution Strategic Business Unit amounted to € 2.0 billion (of which €1.9 billion relating to the Parent Company), while unused committed and uncommitted lines for short-term loans to support liquidity totalled approximately €2.6 billion.

The table below provides details of the credit lines at 30 June 2022 and 31 December 2021.

Description	(€m)	
	Balance at 30.06.2022	Balance at 31.12.2021
Committed credit lines	1,750	1,750
Short-term loans	1,750	1,750
Uncommitted credit lines	2,256	2,357
Short-term loans	1,210	1,309
Current account overdrafts	145	145
Unsecured loans	901	903
Total	4,006	4,107
Committed uses	-	-
Short-term loans	-	-
Uncommitted uses	843	975
Short-term loans	401	550
Unsecured loans	442	425
Total	843	975

6. OUTLOOK

The first half of 2022 was marked by the exacerbation of factors affecting the economic, social and political situation as early as the end of 2021.

Of particular note: the spread of Omicron variants of Covid-19 accompanied by restrictive measures on mobility in China that created significant discontinuities to the logistics supply chain and impacted import and export flows; the escalation of tensions between Russia and Ukraine, which erupted in February with the outbreak of conflict, exacerbating the already existing upward trend in the cost of energy and raw materials, resulting in a record level reached by inflation⁵⁹, which prompted the European Central Bank to raise interest rates and end quantitative easing as in the second half of 2022. These factors led to a slowdown in overall growth during the period. Rising inflation therefore appears to reduce household income and lead to a different consumption mix to cope with rising energy costs as well as a reduction in savings capacity. Against this backdrop, the outlook remains highly uncertain and is characterised by downward revisions in global and national growth estimates, both for the remainder of the year and for 2023.

The Poste Italiane Group, in addition to distinguishing itself through a diversified business structure that allows it to benefit from a constant balancing effect between favourable and unfavourable trends affecting its businesses, has historically demonstrated resilience in times of economic uncertainty and financial turbulence, indeed establishing itself as a "safe haven" for savers, thanks to a portfolio of financial offerings characterised by products with contained volatility that will continue to keep postal savings at the centre of its development strategy in the future. The Group's cost structure, in addition to being flexible with a significant revenue-related variable cost component, includes limited exposure to industries with high pressure on prices. The Group procures supplies and competes mainly in the domestic market, does not have production units in the countries affected by the conflict or bordering countries, and has limited commercial relationships with the countries affected by the conflict. Therefore, it does not have direct repercussions that could significantly affect the various businesses or lead to significant repercussions on its profitability. The Group also benefits from actions implemented in favourable market times, intended to mitigate the fluctuations in the prices of production factors, such as hedging against the risk of fluctuations in fuel prices and gas and energy supplies.

⁵⁹ Source: preliminary EUROSTAT and ISTAT data: for the Eurozone in June, inflation is 8.6% year-on-year (record since the introduction of the single currency) and 8% in Italy, the highest since 1986.

Confirming this, the results achieved during the first half of the year are solid with a record operating profit for the period in the Group's history, demonstrating the effectiveness of the strategic directions outlined and benefiting from management's continued focus on rationalisation and cost control.

The Group will continue to monitor developments in the relevant macroeconomic situation in order to adjust the range of offerings to market conditions and changing customer needs. The development of the insurance savings segment will remain strategic, and the Parent Company will continue to provide the subsidiary Poste Vita with all the capital support it needs to sustain growth; Postal Savings, after a first half of the year in which it suffered from the conditions of the macroeconomic situation, now has a renewed commercial offer between June and July, confirming itself as a simple, transparent and competitive tool for savers. Commitment to the Group's **digital transformation** and support for customers and citizens in overcoming the digital divide will continue; the development of initiatives to improve the customer experience from an omni-channel perspective will remain key. Investments are planned in support of the growth and diversification of parcels, digital payments and protection, with offers aimed at reducing underinsurance in Italy. The Group also entered into the energy market with a simple, transparent and 100% green offer launched in June for employees and pensioners.

Regarding the commitment to **social inclusion**, within the framework of the National Recovery and Resilience Plan (NRRP), the Group will play a crucial role with the implementation of the **Polis project**: significant investments are planned that will make it possible, on the one hand, to bring to small towns, through a dedicated counter, the telematic services of the Public Administration within approximately 7,000 post offices, and on the other hand, to make available 250 properties of the Group by converting them into training and co-working spaces.

During the transition towards **carbon neutrality** by 2030, investments and strategic initiatives will continue, such as the renewal of the delivery fleet with low emission vehicles, the installation of photovoltaic panels for energy supply and efficiency measures for properties; the migration of current Postepay cards to cards made with eco-sustainable materials and the introduction of SIM cards made with recycled materials will also continue, as well as the development of offerings intended to take advantage of sustainable actions by customers.

Finally, the Group's recent acquisitions remain consistent with the goals of the 2024 "Sustain & Innovate Plus" business plan. The acquisition of Plurima has already been operational since April, helping to support the growth of the Mail, Parcels and Distribution segment, diversifying revenues in the strategic direction of establishing itself as an all-round logistics operator. The acquisition of the company LIS will accelerate the implementation of the omni-channel strategy, facilitating the transition to digital payments and strengthening the growth of proximity payment in the business. Finally, the launching of the takeover bid in relation to Sourcesense, operating in the development of cloud-native solutions based on open source technology, aims to internalise and enhance the Group's development capabilities in this sector.



7. OTHER INFORMATION

EVENTS AFTER 30 JUNE 2022
SIGNIFICANT TRANSACTIONS
INDUSTRIAL RELATIONS
WELFARE – DIVERSITY AND INCLUSION
CORPORATE UNIVERSITY



EVENTS AFTER 30 JUNE 2022

Events after the end of the reporting period to which the Interim Report at 30 June 2022 refers are described in other sections of this document.



SIGNIFICANT TRANSACTIONS

Within the scope of the transactions with Monte dei Paschi di Siena Capital Services Banca per le Imprese SpA authorised by the Board of Directors on 27 June 2019, having obtained the consent of the Related and Connected Parties Committee, fourteen trades in government securities and eleven Interest Rate Swaps for interest rate risk hedging purposes were carried out in the first half of 2022.



INDUSTRIAL RELATIONS

Covid-19 Emergency

In consideration of the continuation of the Covid-19 emergency, during the first six months of the year the Company and the Trade Unions continued their discussions within the OPN Committee (National Joint Committee for Health and Safety in the Workplace) aimed at ensuring, through the adoption of preventive measures, the safety of people and the containment of the virus.

The Committee continues to pay the utmost attention to safety measures suitable to allow the carrying out of the work activity (e.g. provision of masks, gels, gloves, respect for interpersonal distance, position stalls, cleaning and sanitation) favouring the use of smart working (extended with “simplified” mode until 31 March). and monitoring the preventive screening activities carried out by the Company.

With reference to the actions taken by the Company, following the spread of the Omicron variant regarding the rules for remaining in post offices and the procedures for verifying the *Green Pass*, please refer to the contents of the Annual Report 2021 in chapter 6 “Creating value” in the paragraph “People development”.

Finally, in relation to COVID-19 coverage by the Healthcare Fund, a daily allowance was provided to workers hospitalised in intensive care retroactively from June 2021 through 31 March 2022.

On 30 June 2022, the Government, Social Partners and INAIL signed the new “Shared Protocol for updating the measures to combat and contain the spread of the SARS-CoV-2/COVID-19 virus in the workplace” which, among other forecasts, classifies FFP2 masks as an important safeguard

	<p>for the protection of workers' health to limit the spread of the virus, the availability of which is ensured by the Company, leaving it up to the Employer, together with the Competent Doctor and the PPSM, the assessment of the possible opportunity to adopt specific measures to prevent and combat the spread of the virus within certain sectors/work environments.</p> <p>On 6 July 2022, the Company and Trade Unions continued their discussions within the OPN in order to provide continuity, according to the new indications contained in the aforementioned Protocol of 30 June 2022, to the containment measures for the Covid-19 virus. The parties shall meet by September 2022 to review the first evidence in terms of effectiveness of the measures adopted.</p>
<p>Active labour policies</p>	<p>Before identifying the overall active policy measures to be implemented for the current year, the parties signed a Memorandum of Understanding on 8 February 2022, introducing an extraordinary anticipatory manoeuvre. It involved 1,100 FTEs (Full Time Equivalent) and included the creation of counters and recruitment of personnel from the external market to support the needs of the front-end structures in areas with the most critical situations.</p> <p>The Agreement signed on 12 May 2022, also in order to support the reorganisation actions already shared and the further organisational review interventions that will be explored with the Trade Unions, establishes that, for the three-year period 2021/2023, in line with what is defined in the agreement of 13 June 2018, the Company will continue to ensure an adequate number of Active Labour Policies actions in relation to the incentive-based redundancies that will be recorded in the period. In particular, the Agreement establishes that, during the current year, Active Labour Policies actions will be implemented (stabilisations, conversion from part-time to full-time, recruitment from external markets, counters, <i>job postings</i>) for a total of over 6,900 FTE.</p>
<p>Agile Working</p>	<p>On 1 March 2022 the Company signed an Agreement with the Trade Unions, valid until 31 March 2023, which regulates the adoption of agile working in Poste Italiane and in Group Companies that apply the National Collective Labour Contract (CCNL) renewed on 23 June 2021. The Agreement reiterated the regulatory framework of the previous Agreement of 2020, which provided, among other things, to place all employees in Agile Working for a maximum of 3 days per week and 13 days per month. The accord also introduced some new elements that make the Agreement consistent not only with the National Protocol on Agile Working signed by the Social Partners on December 7, 2021, but also with the organisational and managerial evidence that emerged from observation of the implementation of the mechanism in the Company during the emergency period.</p> <p>Specifically:</p> <ul style="list-style-type: none"> • certain organisational areas/figures previously involved in agile working have been excluded (e.g. Sorting Centres, Operations Centres, Premium Contact Persons, etc.); • There is a need for managers and specific professional roles to perform more enhanced in-person supervision of activities and the coordination of personnel; they are thus permitted to use the mechanism flexibly during the month, without reference to a single week; • the clause in the 2020 Agreement that provided for the sterilisation of injury events not recognised for the accounting of the Performance Bonus and National Voluntary Mobility

	<p>was eliminated, bringing the circumstance under the normal management of absences due to injury/sickness;</p> <ul style="list-style-type: none"> • A specific Joint Observatory was set up to oversee the implementation of the mechanism. <p>On 8 June 2022, on the basis of what was established in the Memorandum of Understanding of 1 March 2022, the Joint Observatory on Agile Work met and carried out an initial survey on implementing the same in the Company. The Trade Unions have showed the need to investigate some issues including, by way of example, reasonable accommodation, vulnerable workers etc. The need to provide for all workers, whose work cannot be carried out remotely, agile work for training purposes was also emphasised. The parties confirmed the need to investigate the issue of trade union rights for agile workers in the next meetings scheduled for September 2022.</p>
<p>Mercato Privati Organisational Function</p>	<p>With the Memorandum of Understanding signed between the Company and the Trade Unions on 12 May 2022, the organisational review process on the Private Markets function⁶⁰ continued, initiated with the Agreement of 30 September 2021, which focused on strengthening the business model. With this last Agreement, the Company and the Unions have implemented further organisational review actions of both the business model and the operating platform of the sales support functions. Specifically, the sizing of the Protection and Financing Referrals⁶¹ has been expanded and a development of interpersonal activities that will be carried out by the Hospitality Operators has been established⁶². The Agreement was also established to strengthen the Corner 2.0 network, developed into the “Punto Poste Casa e Famiglia”⁶³ format.</p>



WELFARE – DIVERSITY AND INCLUSION

<p>Welfare – Diversity and Inclusion</p>	<p>The Company’s commitment to safeguarding the well-being of people continues through initiatives aimed at strengthening the welfare system with interventions in favour of employees and their families in a logic of growing proximity and personalisation of caring.</p> <p>As part of the contractual <i>welfare</i> scheme, the Poste Mondo Welfare programme was launched for the fourth consecutive year, which allows employees, on a voluntary basis, to convert, in whole or in part, the Performance Bonus into <i>welfare</i> goods and services with specific social, educational, recreational and assistance purposes, accessing the tax advantages associated with current laws and additional company <i>welfare</i> receivables for an ever greater appreciation for the opportunities connected to the <i>welfare</i> programme and the increase in the purchasing power of employees and their families. The programme was appreciated by the employees with a record percentage of members.</p> <p>With reference to the initiatives aimed at promoting primary prevention and the maturation of social awareness in young people, the Company has launched, in collaboration with the Umberto Veronesi Foundation, a series of informative meetings aimed at employees and their families, on</p>
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**Poste Mondo
Welfare: record
members**

⁶⁰ Business function that governs the Post Office network.

⁶¹ Coordinating role of consultant specialists dedicated to protection and financing products.

⁶² Roles intended for reception services able to direct customers, after identifying their needs, towards the correct sales channel and able to simplify the management of traffic entering the post office.

⁶³ Development of the former corners towards a model dedicated to the marketing of products and services with a significant customer service component (Fibre, Energy, Motor Liability).

issues related to ethics, healthy lifestyles and scientific knowledge with contents offered from an intergenerational perspective.

To help with the new generations, educational orientation and *soft skills* development initiatives have been launched for young people from vulnerable social backgrounds, in continuity with the *Next Generation* programme. The “**Future Lab**” programme was implemented with the objective of bringing employees’ children closer to the world of work and acquiring greater knowledge of *online* sociality. In addition, the new **two-year “School4Life 2.0”** project was launched with the aim of helping to prevent early school leavers by supporting educational quality through intervention plans for *mentors* and masters of trades in lower and upper secondary schools throughout Italy.

To strengthen the initiatives on supporting birth and active parenting, in continuity with previous years, the new LIFEED project has started, a digital platform active since 2015 already known as MAAM. The programme, accessible digitally, is aimed at mothers, new parents and, from this year on, to parents of boys and girls up to the age of 18. The actions in support of the Diversity & Inclusion business plan were backed up by the identification of project priorities and implementation timeframes in line with strategic objectives. This is the background to the ongoing “**Noi Siamo Qui (We Are Here) initiative**”. It aims to support people debilitated by serious or chronic illness by offering dedicated counselling, flexible work arrangements and business coaching schemes to help them get back work effectively.

Cultural awareness initiatives have been stepped up, together with dedicated training programmes, through the “**Diversity Innovation Meetings**”; these *webinars* open to staff are designed to create virtuous opportunities to connect with *start-ups* and inclusive *best practices* available at national level, with particular *focus* on *gender equality*, intergenerational alliance and inclusive language.

Poste has also joined “**Parks – Liberi e Uguali**”, a non-profit entity created to help companies develop strategies and *best practices* to support gender diversity to promote “LGBTQI +⁶⁴” inclusion.

During the European Diversity Month (May), promoted by the European Commission to raise awareness among organisations and companies on the importance of diversity and inclusion in the workplace, the Company, already a signatory to the Charter for Equal Opportunities, has joined the “ initiative by participating in an intercompany video with the testimonies of people from different cultures and involving the entire business *community* through the **Let’s Movie initiative** (proposals for films and TV series on stories of inclusion and respect for diversity to build a commented and shared online video library).

⁶⁴ Lesbian, Gay, Bisexual, Transgender, Queer, Intersexual and Asexual.



CORPORATE UNIVERSITY

During the first half of 2022, approximately 2.8 million hours of training were provided, continuing the substantial investment in employee training.

The training projects concerned all organisational areas of the company: among the transversal courses (which involve almost the entire company workforce), there are *online* courses useful for supporting strategies and objectives for the period, which aim at **widespread knowledge sharing**, proposing *business* elements of Poste Italiane within evolving market, technological and social scenarios.

In the commercial structures, the development of soft skills continued and in support of the transformation of the business model into an omnichannel logic, with particular reference to the development of remote products and the development of the digital scenario.

An important upskilling process of soft skills has been launched, aimed at the whole workforce target of post office counter operators, focused on proactive relations and aimed at meeting customer needs more and more effectively. The offer training was also enriched with diversified courses for Consultant Specialists⁶⁵ and Premium Contact Persons⁶⁶ on regulatory, technical and relational issues.

About 2.8 million
training hours
provided in the first
half of 2022

With reference to the **Postal and Logistics** sector, specific training activities dedicated to postmen and women continued and initiatives were launched on the issues of safety and continuous improvement.

In the field of **Information & Communication Technology**, many training activities were carried out aimed at strengthening and updating the skills necessary for business, management and development of ICT systems (*cloud computing, data analytics, microservices* and IT methodologies).

Continued commitment to training courses in the **mandatory regulatory area** on cross-functional aspects for the entire workforce (Workplace Safety, Italian Legislative Decree 231/01, Integrated Quality and Corruption Prevention System etc.) and to the regulatory *compliance* requirements relating to the financial, banking and insurance world; a professional path was developed for the Anti-Money Laundering function of Poste Italiane and the Group companies.

Training courses were also launched for *managers* and resources with potential for development, aimed at acquiring and developing awareness of the **new leadership model** and the strategic rationale of the **new business models** adopted by the company.

⁶⁵ Roles assigned to financial advisory services in the Post Office (SCF/SMC).

⁶⁶ Coordinating role of specialists dedicated to Premium customers.



8. APPENDIX

RECLASSIFIED STATEMENT OF PROFIT OR LOSS AND STATEMENT OF FINANCIAL POSITION ALTERNATIVE PERFORMANCE INDICATORS



RECLASSIFIED STATEMENT OF PROFIT OR LOSS AND STATEMENT OF FINANCIAL POSITION

RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

€m	1H 2022	1H 2021	CHANGES		2Q 2022	2Q 2021	CHANGES	
Revenue	5,865	5,684	181	3.2%	2,892	2,751	141	5.1%
<i>of which:</i>								
Mail, Parcels and Distribution Services	1,805	1,831	(26)	-1.4%	904	912	(8)	-0.9%
Financial Services	2,505	2,409	96	4.0%	1,194	1,082	112	10.4%
<i>of which active securities portfolio management</i>	299	224	74	33.2%	122	3	120	n.s.
Insurance Services	1,073	1,044	29	2.7%	544	550	(7)	-1.2%
Payments and Mobile Services	482	399	83	20.7%	250	207	44	21.0%
Costs	4,067	4,236	(169)	-4.0%	1,982	2,122	(140)	-6.6%
<i>of which:</i>								
Total personnel expenses	2,590	2,693	(103)	-3.8%	1,263	1,335	(71)	-5.3%
<i>of which ordinary personnel expenses</i>	2,592	2,687	(95)	-3.5%	1,265	1,328	(64)	-4.8%
<i>of which early retirement incentives</i>	5	11	(6)	-54.7%	3	10	(7)	-69.5%
<i>of which disputes and other extraordinary items</i>	(7)	(5)	(2)	-38.3%	(4)	(3)	(1)	-23.1%
Other operating expenses	1,477	1,543	(66)	-4.3%	719	788	(69)	-8.7%
EBITDA	1,798	1,448	350	24.2%	910	629	281	44.7%
Depreciation, amortisation and impairment	406	398	8	1.9%	212	200	12	6.0%
EBIT	1,392	1,049	342	32.6%	698	429	269	62.7%
EBIT margin %	23.7%	18.5%			24.1%	15.6%		
Finance income/(costs)	4	39	(35)	-88.6%	(15)	19	(34)	n.s.
Gross profit	1,396	1,088	308	28.3%	683	448	235	52.5%
Taxes	432	315	117	37.1%	214	122	92	75.1%
Net profit	964	773	191	24.7%	469	326	143	44.0%
Net earnings per share (€)	0.74	0.59	0.15	24.9%	0.36	0.25	0.11	44.2%

n.s.: not significant

CONTRIBUTION OF STRATEGIC BUSINESS UNITS TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

1H 2022 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Total revenue	4,286	2,903	1,074	618	(3,017)	5,865
Revenue from third parties	1,805	2,505	1,073	482		5,865
Intersegment revenue	2,481	398	1	136	(3,017)	
Total costs	4,144	2,499	399	449	(3,016)	4,473
Total personnel expenses	2,537	21	18	14		2,590
<i>of which ordinary personnel expenses</i>	2,539	21	18	14		2,592
<i>of which early retirement incentives</i>	5	0	0	0		5
<i>of which disputes and other extraordinary</i>	(7)	0	0	0		(7)
Other operating expenses	1,188	49	46	194		1,477
Depreciation, amortisation and impairment	397	0	3	7	(1)	406
Intersegment costs	22	2,429	332	233	(3,015)	
EBIT	142	404	676	169		1,392
EBIT MARGIN %	3.3%	13.9%	62.9%	27.4%		23.7%
Finance income/(costs)	4	(22)	23	(0)		4
Gross profit	146	382	699	169		1,396
Taxes	59	113	211	48		432
Net profit	87	269	487	121		964

STATEMENTS OF PROFIT OR LOSS BY STRATEGIC BUSINESS UNIT

MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

€m	1H 2022	1H 2021	CHANGES		2Q 2022	2Q 2021	CHANGES	
Revenue	4,286	4,178	108	2.6%	2,116	1,984	132	6.7%
Mail	1,027	1,021	5	0.5%	516	512	4	0.8%
Parcels	663	704	(41)	-5.8%	330	336	(6)	-1.8%
Other revenue	115	105	10	9.1%	57	63	(6)	-10.1%
Intersegment revenue	2,481	2,347	135	5.7%	1,212	1,072	141	13.1%
Costs	3,747	3,889	(142)	-3.7%	1,823	1,947	(124)	-6.4%
<i>of which:</i>								
Total personnel expenses	2,537	2,639	(102)	-3.9%	1,237	1,306	(69)	-5.3%
<i>of which ordinary personnel expenses</i>	2,539	2,634	(95)	-3.6%	1,238	1,301	(63)	-4.8%
<i>of which early retirement incentives</i>	5	10	(5)	-48.6%	3	8	(5)	-64.2%
<i>of which disputes and other extraordinary items</i>	(7)	(5)	(2)	-40.7%	(4)	(3)	(1)	-22.5%
Other operating expenses	1,188	1,209	(21)	-1.8%	578	620	(42)	-6.7%
Intersegment costs	22	41	(19)	-46.1%	8	21	(13)	-62.7%
EBITDA	539	289	250	86.8%	293	37	256	n.s.
Depreciation, amortisation and impairment	397	389	8	2.1%	206	195	12	6.0%
EBIT	142	(100)	242	n.s.	87	(158)	244	n.s.
EBIT margin %	3.3%	-2.4%			4.1%	-8.0%		
Finance income/(costs)	4	1	3	n.s.	1	(4)	5	130.7%
Gross profit	146	(99)	245	n.s.	88	(162)	250	n.s.
Taxes	59	(32)	91	n.s.	32	(56)	89	n.s.
Net profit	87	(67)	154	n.s.	55	(106)	161	n.s.

n.s.: not significant

FINANCIAL SERVICES STRATEGIC BUSINESS UNIT

€m	1H 2022	1H 2021	CHANGES		2Q 2022	2Q 2021	CHANGES	
Revenue	2,903	2,789	114	4.1%	1,396	1,263	133	10.5%
Active portfolio management	299	224	74	33.2%	122	3	120	n.s.
Net interest income	856	720	136	18.9%	436	358	78	21.8%
Postal savings deposits	800	880	(80)	-9.1%	366	428	(62)	-14.4%
Collection and payment services	354	394	(41)	-10.4%	173	195	(23)	-11.6%
Distribution of third-party products	136	133	3	2.3%	67	68	(2)	-2.2%
Asset management	61	57	3	6.0%	30	29	0	1.3%
Intersegment revenue	398	380	17	4.6%	201	181	21	11.4%
Costs	2,499	2,428	71	2.9%	1,222	1,107	116	10.5%
<i>of which:</i>								
Total personnel expenses	21	22	(1)	-5.8%	10	11	(1)	-11.2%
<i>of which ordinary personnel expenses</i>	21	22	(1)	-5.4%	10	11	(1)	-9.4%
Other operating expenses	49	77	(28)	-36.3%	23	35	(12)	-34.7%
Intersegment costs	2,429	2,329	100	4.3%	1,189	1,060	129	12.2%
EBITDA	405	362	43	11.8%	173	156	17	10.9%
Depreciation, amortisation and impairment	0.4	0.2	0.1	55.7%	0.2	0.1	0.1	66.0%
EBIT	404	362	43	11.8%	173	156	17	10.8%
EBIT margin %	13.9%	13.0%			12.4%	12.4%		
Finance income/(costs)	(22)	7	(30)	n.s.	(27)	2	(30)	n.s.
Gross profit	382	369	13	3.5%	146	159	(13)	-8.0%
Taxes	113	105	8	7.3%	48	46	1	3.2%
Net profit	269	264	5	2.0%	98	112	(14)	-12.6%

n.s.: not significant

INSURANCE SERVICES STRATEGIC BUSINESS UNIT

€m	1H 2022	1H 2021	CHANGES		2Q 2022	2Q 2021	CHANGES	
Revenue	1,074	1,046	29	2.7%	544	551	(6)	-1.2%
Up Front Life	145	166	(21)	-12.8%	67	70	(3)	-4.4%
Financial margin Life	852	801	51	6.4%	426	443	(17)	-3.9%
Protection margin Life	2	7	(5)	-65.6%	(4)	1	(5)	n.s.
Change to other technical provisions and other technical income/expenses	(2)	1	(4)	n.s.	18	2	16	n.s.
Net revenue life	997	975	22	2.2%	507	516	(9)	-1.8%
Insurance premium revenue	175	142	32	22.8%	89	70	19	26.5%
Change in technical provisions and claim expenses	(97)	(71)	(26)	-36.5%	(51)	(36)	(15)	-40.6%
Reinsurance results	(5)	(3)	(2)	-46.8%	(3)	(2)	(1)	-48.6%
P&C net income	2	0	2	n.s.	1	1	(0)	-16.4%
Net P&C revenue	75	68	7	10.0%	36	33	3	8.2%
Other operating income	1	1	(0)	-0.6%	1	1	(0)	-7.3%
Intersegment revenue	1	1	0	2.6%	1	1	0	8.4%
Costs	396	387	8	2.2%	196	181	15	8.3%
<i>of which:</i>								
Total personnel expenses	18	18	(0)	-2.7%	9	10	(1)	-13.8%
<i>of which ordinary personnel expenses</i>	18	17	1	4.2%	9	9	(0)	-2.3%
Other operating expenses	46	51	(5)	-10.0%	22	24	(2)	-9.0%
Intersegment costs	332	318	14	4.4%	165	146	19	12.7%
<i>of which commissions</i>	283	276	6	2.2%	140	125	15	12.0%
EBITDA	678	658	20	3.0%	349	370	(21)	-5.8%
Depreciation, amortisation and impairment	3	2	1	25.7%	1	1	0	46.8%
EBIT	676	656	20	3.0%	347	369	(22)	-5.9%
EBIT margin %	62.9%	62.8%			63.8%	67.0%		
Finance income/(costs)	23	27	(5)	-16.7%	12	16	(4)	-27.9%
Gross profit	699	684	15	2.2%	359	385	(26)	-6.8%
Taxes	211	205	6	3.0%	108	115	(8)	-6.7%
Net profit	487	479	9	1.8%	251	270	(19)	-6.9%

n.s.: not significant

PAYMENTS AND MOBILE STRATEGIC BUSINESS UNIT

€m	1H 2022	1H 2021	CHANGES		2Q 2022	2Q 2021	CHANGES	
Revenue	618	567	51	9.0%	319	291	28	9.8%
Monetics	249	208	41	19.5%	129	107	22	20.6%
Other payments	76	39	37	92.9%	41	23	19	83.1%
TLC	157	152	5	3.4%	80	77	3	3.5%
Energy	0	0	0	n.s.	0	0	0	n.s.
Intersegment revenue	136	167	(31)	-18.8%	69	84	(15)	-18%
Costs	441	427	14	3.2%	224	225	(1)	-0.5%
<i>of which:</i>								
Total personnel expenses	14	13	1	5.7%	7	7	0	2.9%
<i>of which ordinary personnel expenses</i>	14	13	1	5.7%	7	7	0	2.9%
Other operating expenses	194	206	(12)	-5.7%	96	109	(13)	-11.8%
Intersegment costs	233	208	25	12.0%	121	109	11	10.4%
EBITDA	177	139	37	26.6%	95	66	30	45.1%
Depreciation, amortisation and impairment	7	8	(1)	-8.1%	4	4	0.1	3.1%
EBIT	169	131	38	28.8%	91	62	30	47.7%
EBIT margin %	27.4%	23.2%			28.6%	21.3%		
Finance income/(costs)	(0)	3	(4)	-103.3%	0	5	(5)	-99.7%
Gross profit	169	135	34	25.4%	91	67	25	36.9%
Taxes	48	36	12	32.6%	26	17	9	56.1%
Net profit	121	99	22	22.8%	66	50	15	30.6%

n.s.: not significant

FINANCIAL POSITION

NET INVESTED CAPITAL AND RELATED FUNDING

€m	30 June 2022	31 december 2021	CHANGES	
Tangible fixed assets	2,299	2,299	0	+0.0%
Intangible fixed assets	943	873	70	+8.0%
Right-of-use assets	1,303	1,116	187	+16.7%
Equity investments	259	277	(18)	-6.6%
Non-current assets	4,804	4,565	239	+5.2%
Trade receivables, Other receivables and assets and Inventories	7,529	7,824	(295)	-3.8%
Trade payables and Other liabilities	(5,099)	(5,638)	539	+9.6%
Current tax assets/(liabilities)	75	99	(24)	-24.3%
Net working capital	2,505	2,285	220	+9.6%
Gross invested capital	7,308	6,850	458	+6.7%
Provisions for risks and charges	(1,272)	(1,268)	(4)	-0.3%
Employee termination benefits	(744)	(922)	178	+19.3%
Prepaid/deferred tax assets/(liabilities)	716	292	424	n.s.
Net invested capital	6,009	4,952	1,057	+21.3%
Equity	10,679	12,110	(1,431)	-11.8%
<i>of which profit for the period</i>	<i>964</i>	<i>1,580</i>	<i>(616)</i>	<i>-39.0%</i>
<i>of which fair value reserve</i>	<i>(645)</i>	<i>1,307</i>	<i>(1,952)</i>	<i>n/s</i>
Financial liabilities	105,039	104,732	307	+0.3%
Net technical provisions for insurance business	143,211	159,039	(15,828)	-10.0%
Financial assets	(230,513)	(248,856)	18,343	+7.4%
Tax credits Italian Law no. 77/2020	(7,906)	(6,456)	(1,450)	-22.5%
Cash and deposits attributable to BancoPosta	(10,101)	(7,659)	(2,442)	-31.9%
Cash and cash equivalents	(4,401)	(7,958)	3,557	+44.7%
Net financial position	(4,671)	(7,158)	2,487	+34.8%

n.s.: not significant

30 June 2022 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations and adjustments	Consolidated
Tangible fixed assets	2,273	1	0	25	0	2,299
Intangible fixed assets	942	0	0	1	0	943
Right-of-use assets	1,302	2	11	6	(18)	1,303
Equity investments	1,785	255	157	0	(1,938)	259
Non-current assets	6,302	257	168	32	(1,956)	4,804
Trade receivables, Other receivables and assets and Inventories	2,671	3,130	2,572	283	(1,128)	7,529
Trade payables and Other liabilities	(2,977)	(1,993)	(718)	(537)	1,126	(5,099)
Current tax assets/(liabilities)	85	(4)	39	(45)	0	75
Net working capital	(221)	1,133	1,894	(299)	(2)	2,505
Gross invested capital	6,081	1,390	2,062	(267)	(1,958)	7,308
Provisions for risks and charges	(1,015)	(223)	(19)	(15)	0	(1,272)
Employee termination benefits	(739)	(2)	(1)	(2)	0	(744)
Prepaid/deferred tax assets/(liabilities)	387	182	131	16	0	716
Net invested capital	4,714	1,347	2,173	(268)	(1,958)	6,009
Equity	3,198	2,899	5,906	613	(1,937)	10,679
<i>of which profit for the period</i>	<i>87</i>	<i>269</i>	<i>487</i>	<i>121</i>	<i>0</i>	<i>964</i>
<i>of which fair value reserve</i>	<i>32</i>	<i>(291)</i>	<i>(109)</i>	<i>(277)</i>	<i>0</i>	<i>(645)</i>
Financial liabilities	5,167	101,705	298	9,335	(11,466)	105,039
Net technical provisions for insurance business	0	0	143,211	0	0	143,211
Financial assets	(1,072)	(85,492)	(144,989)	(10,173)	11,214	(230,513)
Tax credits Italian Law no. 77/2020	(574)	(7,332)	0	0	0	(7,906)
Cash and deposits attributable to BancoPosta	0	(10,101)	0	0	0	(10,101)
Cash and cash equivalents	(2,004)	(332)	(2,253)	(43)	232	(4,401)
Net financial position	1,516	(1,553)	(3,733)	(881)	(20)	(4,671)

31 December 2021	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations and adjustments	Consolidated
(€m)						
Tangible fixed assets	2,275	1	1	22	0	2,299
Intangible fixed assets	872	0	0	1	0	873
Right-of-use assets	1,113	2	2	6	(7)	1,116
Equity investments	1,736	274	178	0	(1,911)	277
Non-current assets	5,996	277	181	29	(1,918)	4,565
Trade receivables, Other receivables and assets and Inventories	2,784	3,167	2,491	332	(950)	7,824
Trade payables and Other liabilities	(3,306)	(1,895)	(823)	(562)	948	(5,638)
Current tax assets/(liabilities)	103	(1)	(2)	(1)	0	99
Net working capital	(419)	1,271	1,666	(231)	(2)	2,285
Gross invested capital	5,577	1,548	1,847	(202)	(1,920)	6,850
Provisions for risks and charges	(1,004)	(229)	(20)	(15)	0	(1,268)
Employee termination benefits	(915)	(3)	(1)	(3)	0	(922)
Prepaid/deferred tax assets/(liabilities)	404	(387)	264	11	0	292
Net invested capital	4,062	929	2,090	(209)	(1,920)	4,952
Equity	2,778	4,414	5,938	890	(1,910)	12,110
<i>of which profit for the period</i>	<i>(226)</i>	<i>556</i>	<i>824</i>	<i>425</i>	<i>0</i>	<i>1,580</i>
<i>of which fair value reserve</i>	<i>35</i>	<i>1,157</i>	<i>58</i>	<i>57</i>	<i>0</i>	<i>1,307</i>
Financial liabilities	4,795	102,198	284	8,716	(11,261)	104,732
Net technical provisions for insurance business	0	0	159,039	0	0	159,039
Financial assets	(942)	(89,995)	(158,587)	(9,783)	10,451	(248,856)
Tax credits Italian Law no. 77/2020	(448)	(6,008)	0	0	0	(6,456)
Cash and deposits attributable to BancoPosta	0	(7,659)	0	0	0	(7,659)
Cash and cash equivalents	(2,121)	(2,021)	(4,584)	(32)	800	(7,958)
Net financial position	1,284	(3,485)	(3,848)	(1,099)	(10)	(7,158)
Change 30.06.2022 vs 31.12.2021						
(€m)						
Tangible fixed assets	(2)	(0)	(1)	3	0	0
Intangible fixed assets	70	0	0	(0)	0	70
Right-of-use assets	189	(0)	9	(0)	(11)	187
Equity investments	49	(19)	(21)	0	(27)	(18)
Non-current assets	306	(20)	(13)	3	(38)	239
Trade receivables, Other receivables and assets and Inventories	(113)	(37)	81	(49)	(178)	(295)
Trade payables and Other liabilities	329	(98)	105	25	178	539
Current tax assets/(liabilities)	(18)	(3)	41	(44)	0	(24)
Net working capital	198	(138)	228	(68)	0	220
Gross invested capital	504	(158)	215	(65)	(38)	458
Provisions for risks and charges	(11)	6	1	0	0	(4)
Employee termination benefits	176	1	0	1	0	178
Prepaid/deferred tax assets/(liabilities)	(17)	569	(133)	5	0	424
Net invested capital	652	418	83	(59)	(38)	1,057
Equity	420	(1,515)	(32)	(277)	(27)	(1,431)
<i>of which fair value reserve</i>	<i>(3)</i>	<i>(1,448)</i>	<i>(167)</i>	<i>(334)</i>	<i>0</i>	<i>(1,952)</i>
Financial liabilities	372	(493)	14	619	(205)	307
Net technical provisions for insurance business	0	0	(15,828)	0	0	(15,828)
Financial assets	(130)	4,503	13,598	(390)	763	18,343
Tax credits Italian Law no. 77/2020	(126)	(1,324)	0	0	0	(1,450)
Cash and deposits attributable to BancoPosta	0	(2,442)	0	0	0	(2,442)
Cash and cash equivalents	117	1,689	2,331	(11)	(568)	3,557
Net financial position	232	1,932	115	218	(10)	2,487



ALTERNATIVE PERFORMANCE INDICATORS

In keeping with the guidelines published by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415), in addition to the financial disclosures required by the International Financial Reporting Standards (IFRS), Poste Italiane has included a number of indicators in this Report that have been derived from them. These provide management with a further tool for measuring the Group's performance.

The following alternative performance indicators are used:

NET WORKING CAPITAL: this indicator represents the sum of inventories, trade receivables and other receivables and assets, current tax assets, trade payables and other liabilities, and current tax liabilities.

This indicator is also shown separately for each Strategic Business Unit.


NON-CURRENT ASSETS: this indicator represents the sum of property, plant and equipment, intangible assets and investments measured using the equity method. This indicator is also shown separately for each Strategic Business Unit.

NET INVESTED CAPITAL: this indicator represents the sum of non-current assets and net working capital, deferred tax assets, deferred tax liabilities, provisions for risks and charges and employee termination benefits.

This indicator is also shown separately for each Strategic Business Unit.

CET 1 CAPITAL: refers to Tier 1 capital, as defined in Regulation EU 575/2013, and includes the capitalised profit reserve created at the time ring-fenced capital was created and non-distributed profit reserves, taking the transitional regime into account.

CET 1 RATIO: this ratio measures the adequacy of Tier 1 capital with respect to weighted exposure to Pillar 1 risks (operational, credit, counterparty and foreign exchange). It is the ratio of CET1 Capital to total Risk Weighted Assets (RWA).

COMBINED RATIO (net of reinsurance): technical Non-Life business indicator, determined as the incidence of claims and operating expenses (acquisition, collection and administrative expenses and reinsurance balance) on earned premiums, i.e. equal to the sum of the loss ratio and expense ratio. 

UNIT DIVIDEND: represents the amount of dividends paid by the company for each outstanding share. It is calculated as Dividends paid/Number of shares outstanding.

EBIT (Earning before interest and taxes): this is an indicator of operating profit before financial expenses and taxation.

EBIT margin: this is an indicator of the operating performance and is calculated as the ratio of operating profit (EBIT) to total revenue. This indicator is also shown separately for each Strategic Business Unit.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation): this is an indicator of operating profit before financial expenses and taxation, and depreciation, amortisation and impairments of non-current assets.

EXPENSE RATIO: technical Non-Life business indicator, determined by the ratio of operating expenses (acquisition, collection, administrative expenses and reinsurance balance) to earned premiums

LAPSE RATE: Indirect measurement of the degree of customer loyalty. It is based on surrenders during the period as a percentage of mathematical provisions at the beginning of the period.

It is calculated as Surrenders/Mathematical Provisions (on a linear basis over 12 months).

LEVERAGE RATIO: this is the ratio of Total Capital (Own Funds) to total assets, the latter after adjustments for derivative financial instruments and off-balance sheet exposures.

LOSS RATIO: Non-Life business technical indicator, which measures the percentage of the amounts paid and reserved for claims occurred in the year and in previous years, including the related direct expenses and settlement expenses, compared to earned premiums.

GROUP NET DEBT/(FUNDS): the sum of financial assets, tax credits under Law no. 77/2020, cash and deposits attributable to BancoPosta, cash and cash equivalents, technical provisions for the insurance business (shown net of technical provisions attributable to reinsurers) and financial liabilities. This indicator is also shown separately for each Strategic Business Unit.

NET DEBT/(FUNDS) OF THE MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT: this is the financial debt calculated according to the scheme recommended by ESMA European Securities and Markets Authority (ESMA32-382-1138 of 4 March 2021) net of trade payables and other non-current payables with a significant implicit or explicit financing component and including the following items: non-current financial assets, tax credits under Law no. 77/2020, current hedging derivatives assets, inter-segment financial receivables and payables.

NET DEBT/FUNDS OF THE MAIL, PARCELS AND DISTRIBUTION SBU PURSUANT EX IFRS 16: Calculated as the net financial position of the Mail, Parcel and Distribution Services SBU excluding financial liabilities for leases (IFRS 16).

AVERAGE PORTFOLIO YIELD EXCLUDING PROACTIVE PORTFOLIO MANAGEMENT (%): The average portfolio yield calculated as the ratio of interest income to average current account balances (excluding the value of proactive portfolio management).

RWA (Risk Weighted Assets): : this indicator measures the risk exposure of assets in accordance with Basel III regulations. Risk-Weighted Assets, or RWA, are calculated by applying a weighting to assets that takes into account the level of exposure to credit, counterparty, market and operational risks.

LAPSE RATE: Life business technical indicator calculated as the ratio between amounts paid for surrenders (partial and/or total) and the amount of technical reserves at the beginning of the period.

TOTAL ASSETS: Total assets in the Statement of Financial Position of BancoPosta Ring-Fenced Capital - RFC.

TOTAL CAPITAL (OWN FUNDS): as defined by Regulation EU no. 575/2013, this consists of the sum of Tier 1 capital, consisting of CET 1 Capital and additional Tier 1 Capital (AT, which for Bancoposta includes the hybrid instrument coming from Poste Italiane), and Tier 2 capital (not relevant for Bancoposta).

TOTAL CAPITAL RATIO: this ratio measures the adequacy of Total Capital (Own Funds) with respect to weighted exposure to Pillar 1 risks (operational, credit, counterparty and foreign exchange). It is the ratio of Total Capital (Own Funds) and total Risk Weighted Assets (RWA).

TSR (Total Shareholder Return): it measures the total annual return for an investor and is calculated by adding the increase in the share price over a determinate period of time to the impact of dividends per share paid in the same period.

EARNINGS PER SHARE: it is the portion of a listed company's net income granted to each of its outstanding common shares. It is calculated as the ratio of the Group's net profit to the number of outstanding shares.

KEY PERFORMANCE INDICATORS FOR PRINCIPAL POSTE ITALIANE GROUP COMPANIES

The figures shown in the tables below reflect the financial and operational indicators of the principal Group companies, prepared in accordance with International Financial Reporting Standards (IFRS) and approved by the boards of directors of the respective companies.

POSTE ITALIANE SPA (€k)	1H 2022	1H 2021	Changes	
			Values	%
Revenue from sales and services	5,356,058	5,102,040	254,018	5.0
Operating profit	1,106,892	781,558	325,334	41.6
Net result	970,349	742,296	228,053	30.7
Capex	210,032	281,793	(71,764)	(25.5)
Equity (*)	6,085,816	7,034,372	(948,556)	(13.5)
Permanent workforce - average	107,782	110,893	(3,111)	(2.8)
Flexible workforce - average	7,608	7,032	576	8.2

(*) The value indicated in column 1H 2021 refers to 31 December 2021.

Postel SpA (€k)	1H 2022	1H 2021	Changes	
			Values	%
Revenue from sales and services	95,952	91,671	4,281	4.7
Operating profit	1,255	2,693	(1,438)	(53.4)
Net result	801	1,654	(853)	(51.6)
Capex	568	1,287	(719)	(55.9)
Equity (*)	86,116	87,250	(1,134)	(1.3)
Permanent workforce - average	733	960	(227)	(23.6)
Flexible workforce - average	73	41	32	78.0

(*) The value indicated in column 1H 2021 refers to 31 December 2021.

At 30 June 2022, the company declared dividends totalling €3 million.

SDA Express Courier SpA (€k)	1H 2022	1H 2021	Changes	
			Values	%
Revenue from sales and services	533,796	562,759	(28,963)	(5.1)
Operating profit	37,815	70,259	(32,444)	(46.2)
Net result	25,460	49,843	(24,383)	(48.9)
Capex	2,627	16,218	(13,591)	(83.8)
Equity (*)	50,022	114,397	(64,375)	(56.3)
Permanent workforce - average	1,103	1,058	45	4.3
Flexible workforce - average	72	79	(7)	(8.9)

(*) The value indicated in column 1H 2021 refers to 31 December 2021.

At 30 June 2022, the company declared dividends totalling €91 million.

Europa Gestioni Immobiliari SpA (€k)	1H 2022	1H 2021	Changes	
			Values	%
Revenue from sales and services	26,456	15,992	10,464	65.4
Operating profit	9,301	3,479	5,822	n.s.
Net result	6,084	1,900	4,184	n.s.
Capex	102	231	(129)	(55.8)
Equity (*)	244,803	241,796	3,007	1.2
Permanent workforce - average	23	28	(5)	(17.9)
Flexible workforce - average	-	-	-	-

n.s.: not significant

(*) The value indicated in column 1H 2021 refers to 31 December 2021.

At 30 June 2022, the company declared dividends totalling €2 million.

Poste Air Cargo Srl (€k)	1H 2022	1H 2021	Changes	
			Values	%
Revenue from sales and services	39,443	35,444	3,999	11.3
Operating profit	940	2,859	(1,919)	(67.1)
Net result	(712)	1,906	(2,618)	n.s.
Capex	-	-	0	-
Equity (*)	5,721	6,242	(521)	(8.3)
Permanent workforce - average	95	98	(3)	(3.1)
Flexible workforce - average	4	5	(1)	(20.0)

n.s.: not significant

(*) The value indicated in column 1H 2021 refers to 31 December 2021.

BancoPosta Fondi SpA SGR (€k)	1H 2022	1H 2021	Changes	
			Values	%
Fee income	72,814	68,644	4,170	6.1
Net fee and commission income	31,049	28,670	2,379	8.3
Net result	12,708	11,938	770	6.4
Financial assets (liquidity + securities) (*)	75,528	77,523	(1,995)	(2.6)
Equity (*)	42,943	57,074	(14,131)	(24.8)
Permanent workforce - average	76	67	9	12.9
Flexible workforce - average	-	-	-	-

(*) The value indicated in column 1H 2021 refers to 31 December 2021.

At 31 December 2021, the company declared dividends totalling €20 million.

Poste Vita SpA (*) (€k)	1H 2022	1H 2021	Changes	
			Values	%
Insurance premium revenue (**)	9,241,061	10,167,145	(926,084)	(9.1)
Net result	465,411	459,249	6,162	1.3
Financial assets (**)	144,442,532	158,087,053	(13,644,521)	(8.6)
Technical provisions for insurance business	142,921,052	158,794,616	(15,873,564)	(10.0)
Equity (***)	5,678,956	5,718,521	(39,565)	(0.7)
Permanent workforce - average	340	344	(4)	(1.2)
Flexible workforce - average	5	1	4	n.s.

n.s.: not significant

The figures shown have been prepared in accordance with IFRS and therefore may not coincide with those in the financial statements prepared in accordance with the Italian Civil Code and under Italian GAAP.

(**) Premium revenue is reported gross of outward reinsurance premiums

(***) The value indicated in column 1H 2021 refers to 31 December 2021.

At 30 June 2022, the company declared dividends totalling €397 million.

Poste Assicura SpA (*) (€k)	1H 2022	1H 2021	Changes	
			Values	%
Insurance premium revenue (**)	181,488	145,475	36,013	24.8
Net result	21,249	16,744	4,505	26.9
Financial assets	544,937	499,875	45,062	9.0
Technical provisions for insurance business	337,665	294,106	43,559	14.8
Equity (*)	265,015	259,536	5,479	2.1
Permanent workforce - average	84	70	14	20.0
Flexible workforce - average	-	-	-	-

The figures shown have been prepared in accordance with IFRS and therefore may not coincide with those in the financial statements prepared in accordance with the Italian Civil Code and under Italian GAAP.

(**) Premium revenue is reported gross of outward reinsurance premiums.

(***) The value indicated in column 1H 2021 refers to 31 December 2021.

PostePay SpA (€k)	1H 2022	1H 2021	Changes	
			Values	%
Revenue from sales and services	617,293	566,947	50,346	8.9
Operating profit	169,821	131,075	38,746	29.6
Net result	121,498	94,817	26,681	28.1
Capex	11,099	9,157	1,942	21.2
Equity (*)	563,956	560,275	3,681	0.7
Permanent workforce - average	306	285	21	7.4
Flexible workforce - average	2	-	2	-

(*) The value indicated in column 1H 2021 refers to 31 December 2021.

At 30 June 2022, the company declared dividends totalling €119 million.

sennder Italia Srl (€k)	1H 2022	1H 2021	Changes	
			Values	%
Revenue from sales and services	106,392	98,385	8,007	8.1
Operating profit	1,716	764	952	n.s.
Net result	1,274	529	745	n.s.
Capex	-	236	(236)	(100.0)
Equity (*)	8,572	7,159	1,413	19.7
Permanent workforce - average	76	61	15	24.6
Flexible workforce - average	16	21	(5)	(23.8)

n.s.: not significant

(*) The value indicated in column 1H 2021 refers to 31 December 2021.

MLK Deliveries SpA (€k)	1H 2022	1H 2021	Changes	
			Values	%
Revenue from sales and services	19,629	14,184	5,445	38.4
Operating profit	336	(1,331)	1,667	n.s.
Net result	188	(1,044)	1,232	n.s.
Capex	110	276	(166)	-60.1
Equity (*)	12,515	11,964	551	4.6
Permanent workforce - average	34	34	-	0.0
Flexible workforce - average	-	1	(1)	(100.0)

n.s.: not significant

(*) The value indicated in column 1H 2021 refers to 31 December 2021.

Nexive Network Srl (€k)	1H 2022	1H 2021	Changes	
			Values	%
Revenue from sales and services	32,754	72,822	(40,068)	-55
Operating profit	(3,090)	(1,054)	(2,036)	n.s.
Net result	(2,444)	(1,258)	(1,186)	-94.3
Capex	-	23	(23)	-100
Equity (*)	5,564	7,917	(2,353)	-29.7
Permanent workforce - average	85	960	(875)	-91.1%
Flexible workforce - average	-	23	(23)	-100

n.s.: not significant

(*) The value indicated in column 1H 2021 refers to 31 December 2021.

Plurima SpA (€k)	1H 2022	1H 2021	Changes	
			Values	%
Revenue from sales and services	13,444	-	-	-
Operating profit	1,709	-	-	-
Net result	820	-	-	-
Capex	392	-	-	-
Equity	18,521	-	-	-
Permanent workforce - average	290	-	-	-
Flexible workforce - average	95	-	-	-

9. GLOSSARY

ACQUIRING

All services provided by an independent entity (Acquirer) with the aim of managing authorisations of payments made with cards on national and international circuits, based on an affiliation contract with the merchant.

OPEN APIs (APPLICATION PROGRAM INTERFACES)

Procedures and interfaces which allow two applications to communicate and exchange data. An API which does not require the payment of rights to access and use it is referred to as "open".

ASSET ALLOCATION

A strategy implemented by an investor with the aim of diversifying their portfolio to include various asset classes, based on their investment schedule and expected returns.

ASSET CLASS

Category of investments, that is all financial instruments with similar features and similar behaviour on markets. For example: bonds (short term, medium/long term, government, corporate, high yield, etc.), shares (Europe, America, emerging countries, etc.), real estate. The selection of Asset Classes is fundamental in the construction of a portfolio because these are the individual components evaluated during the Asset Allocation process.

ATM (AUTOMATED TELLER MACHINE)

An automatic bank counter, activated directly by the user by inserting their card and PIN (personal identification number), allowing them to both carry out transactions and obtain information (e.g. balance or a list of movements).

BTP (MULTI-YEAR TREASURY BONDS)

Medium/long term Italian government bonds. The yield is determined by the half-yearly fixed rate interest coupon and the difference between the refund price, equal to the nominal value (100) and the issue or subscription price on the secondary market.

BUFFER

The Agreement with the Ministry of the Economy and Finance (MEF) establishes that a portion of private funding must be established in a specific deposit made with the MEF, known as the "Buffer" Account, in order to allow for flexible management of loans as a function of daily oscillations in private funding.

CAPITALISATION

With reference to a company, this represents the product of the number of shares outstanding and their unit price. With reference to a market it represents the total value of all listed shares at market prices.

CREDIT CARD

A payment tool that enables its holder, based on the contractual relationship established with the issuer, to make purchases (using POS or online) of goods and services at any merchant affiliated with the relevant international circuit or to withdraw cash (at an ATM). Amounts spent are repaid by the holder based on a pre-established schedule (generally monthly), after the fact, in a single amount ("classic" credit card), or on an instalment basis (rotating or revolving credit card).

DEBIT CARD

A card that allows the holder, based on a contract signed with their bank or with Poste, to acquire (through POS) goods and services at any merchant affiliated with the circuit on which the card operates,

or to withdraw cash (at an ATM), with immediate debiting from the current account linked to the card. The most well-known circuit is Bancomat, which led to the name commonly used to refer to these cards. If the card is connected to international circuits, it can be used abroad to withdraw the local currency and to make payments, after inserting the same secret code (PIN) used domestically, both for ATM withdrawals and payments at merchant POS.

PREPAID CARD

A payment tool, issued against the advance payment of funds to the issuer. Its value decreases each time it is used to make payments or withdraw funds. A prepaid card makes it possible, without using cash, to purchase (via POS or online) goods and services, or to withdraw cash at an automatic teller machine (ATM), using a PIN, within the limits of the amount previously paid to the institution which issued the card. Prepaid cards are issued by banks, electronic money institutions (EMI), and Poste Italiane. Rechargeable prepaid cards have a maximum value that differs by issuers and can be recharged multiple times. A prepaid card may also be assigned an IBAN (International Bank Account Number) which allows it to be used for the main current account transactions, including bank transfers or direct debit. For example, it can be used to receive wages or a pension, or to establish residency for utility payments. A prepaid card makes it possible to make purchases without using cash and to make withdrawals and carry out other transactions at ATMs affiliated with the payment circuit indicated on the card.

SALARY BACKED

This is a special type of guaranteed loan, intended for pensioners and employees. Instalments are paid through the transfer of a portion of the pension or salary to the financing entity. This portion, withheld directly from the pension or pay, cannot exceed one-fifth of the net monthly payment. This

type of loan requires a life insurance policy (for pensioners) or a life and job loss policy (for employees). The policies are taken out directly from the bank/lending institution (which serves as the contracting entity and beneficiary) which incurs the costs. The client is not required to pay any insurance premium.

CHATBOT

The word is a combination of the word chat and an abbreviation of the word robot. It refers to a virtual assistant able to respond to a number of questions, by interpreting the customer's intentions. This type of application is frequently used by large companies for customer service. By typing in the question, one has the impression of talking to a person.

CLOUD

The "IT cloud" refers to technology that makes it possible to process and archive data on the network and allows access to applications and data saved on remote hardware instead of on a local workstation. **HYBRID CLOUD** is a solution that combines a private cloud with one or more public cloud services, using proprietary software that allows communication between all of the services. A hybrid cloud strategy offers companies greater flexibility, moving workloads between cloud solutions based on requirements and cost.

POSTEPAY CODE

An innovative acceptance service that allows affiliated merchants to collect payments ordered by customers directly from their Postepay app, via the QR code displayed by the merchant.

MANAGEMENT FEES

Fees paid to the manager, directly debited from the fund assets, as compensation for management activities in the limited sense. They are calculated

daily on the net assets of the fund and withdrawn at longer intervals (monthly, quarterly, etc.). They are generally indicated on an annual basis.

CONTACTLESS

An innovative payment method that makes it possible to make purchases simply by placing a card near a reader (POS) with the Contactless symbol. The transaction occurs in just a few seconds.



CONTAINERISATION

Procedure that consists of creating a “*container*”, that is a logical structure (software environment) consisting of all the components necessary for the functioning of a single application. This new paradigm enables greater efficiency in the management of *hardware* resources, the possibility of increasing the processing resources available to the system in real time, the portability of applications between the on-premises infrastructure and the public cloud of Poste Italiane’s *Hybrid cloud* platform.

CYBER SECURITY (IT SECURITY)

This term refers to tools and processes needed to guarantee the security of computers, networks, commonly used devices (e.g. smartphones and tablets), applications and databases, protecting them from potential attacks that may arrive internal or external to the organisation. Cyber security is increasingly important because protecting digital technology also means protecting processes and, above all, information, which are the true assets of people and organisations.

DEFERRED POLICYHOLDER LIABILITIES

(DPL)  Accounting item resulting from the application of shadow  accounting, as defined below.

DIGITAL PAYMENTS

The term refers to all payments made using electronic tools, such as credit, debit and prepaid cards, digital wallets, telephone credit and direct debit from current accounts, to purchase goods and services.

DIGITAL PROPERTIES


Digital properties (website, BancoPosta app, PostePay app, Post Office app, PostelD app) represent one of 3 channels which serve customers, supporting the Group’s omni-channel strategy.

DIGITAL WALLET OR ELECTRONIC WALLET



A virtual wallet that can be used to load credit or combined with one or more payment tools such as credit, debit or prepaid cards or current accounts, to make transactions without sharing private information about the payment method with the seller.

PORTFOLIO FINANCIAL DURATION

Average *duration*  of the securities in the portfolio.

DURATION

Average maturity for payments for bonds. This is generally expressed in years and refers to the weighted average of the cash flow payment dates relative to the security, in which the weights assigned to each date are equal to the current value of the cash flows associated with the same (the coupons and, for maturity dates, capital). It is an approximate measure of the sensitivity of the price of a bond to changes in interest rates.

MUTUAL INVESTMENT FUNDS

These are collective investment entities, managed by asset management companies (SGR/AMC), that combine liquidity provided by customers and invest the combined funds in securities (shares, bonds, government securities, etc.) or, for some funds, in real estate, in compliance with rules intended to reduce risks. Each investor is the owner of a number of units. The value of these varies over time as a function of the performance of the securities acquired by the management company with the fund's assets. There are various types of funds, which can be classified based on the type of financial instruments in which they invest (e.g. European stocks or US bonds) or based on the manner in which investors share in the profits. Funds can be either "closed" (allowing units to be subscribed only during an offer period, with units redeemed, as a rule, only upon the closing of the Fund) or "open" (allowing units to be subscribed or redeemed at any time).

PENSION FUNDS

These are collective investment entities that collect contributions from workers and/or employers and invest them in financial instruments, to provide a pension service (annuity or capital) at the end of the working life of the worker, which supplements the obligatory public system. There are various types of pension funds: Contracted (or closed) funds, open funds, individual pension funds (PIP or FIP), pre-existing pension forms.

FTSE MIB (FINANCIAL TIMES STOCK EXCHANGE MILANO INDICE DI BORSA)

This is the most important index for the Milan stock market, which combines all the securities with the highest capitalisation and market liquidity. A total of 40 securities are listed on the FTSE MIB, with most companies falling in the banking, insurance or industrial sectors.

SEPARATE ACCOUNT

With regards to life insurance, a fund specifically created by the insurance company and managed separately with respect to the totality of the company's assets. Separate accounts are used for Class I contracts and typically feature prudential investment structures. The returns achieved from the separate account and returned to the customers are used to revalue the benefits called for in the contract.

HIGH YIELD

These are high yield (and high risk) bonds issued by companies, sovereign countries or other entities suffering financial difficulty, to which a low rating is assigned (for Standard & Poor's, less than or equal to BB). High Yield bonds are also frequently referred to as Junk Bonds.

HOME BANKING (INTERNET BANKING)



An online service that allows current account holders to carry out various transactions and obtain information with regards to their current account online (consulting the bank statement, ordering a bank transfer, postagiuro, making an online payment, etc.) without the need to go in person to their own bank or Post Office.

HUB

In the logistics sector, this refers to a major node for goods, where many lines of traffic converge and depart.

PRIVATE DIGITAL IDENTITY

The Poste private digital identity is a set of technical credentials (user name, strong password, registered mobile phone) and contact details that, associated with a positive ID of the holder, are used to define the digital profile of a Poste Italiane

customer. The digital identity allows the holder to access and make use of Poste Italiane online services, including remote sales *funnels* and *app onboarding*, in association with the **Strong Customer Authentication (SCA)**  tools supplied by the *Business Units*. These **SCA** or **STRONG AUTHENTICATION** tools require all electronic payment operations and remote transactions involving a risk of fraud to be confirmed and authorised by combining two or more authentication factors, selected from among those which only the person carrying out the transaction has (an app on a mobile device or a key that generates OTPs  or one time passwords) or an inherent element of the person, that is something which unequivocally identifies the user (digital fingerprint, face shape or another biometric feature).

INFLATION LINKED

These are government bonds that provide investors with protection against rising price levels: both the principal repaid at maturity and the coupons paid are, in fact, revalued on the basis of inflation.

MERCHANT

An entity that provides a commercial business.

MIFID (MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE)

Directive 2004/39/EC, in effect since 1 November 2007, has the main objective of standardising rules for financial market participants at the European level, to protect investors, requiring intermediaries to act honestly, fairly and professionally to best serve the interests of their customers. The directive introduced a classification system for customers based on their level of financial experience: retail, professional and eligible counterparties. This is done so as to adopt protection measures in line with

each investor category, respecting the different protection requirements deriving from information obtained regarding their knowledge and experience relative to investments, their financial situation and investment goals, in order to verify the adequacy and/or appropriateness of the investment service or financial instrument requested and/or proposed. Additionally, intermediaries must provide accurate, clear and non-misleading information, describing the financial services and instruments offered, with information on losses incurred, fees and costs linked to the services provided and the presence of any conflicts of interest. On 3 January 2018, replacing MiFID I, from which it took its principles and aims, the **MIFID II** Directive took effect, with the objective of increasing market efficiency and transparency, raising investor protection levels through safeguards intended to ensure customers are informed about the essential features of services provided, including the risks and costs of proposed transactions, as well as strengthening certain organisational requirements and behavioural standards in the development and offering of products to customers, as well as in the training of those providing investment consulting.

TRANSITIONAL MEASURES

The Transitional Measure on Technical Provisions (TMTP) was introduced by Directive 2014/51/EU (so-called Omnibus II) to allow for a gradual transition from the previous prudential regime (so-called Solvency I) to the Solvency II regime, avoiding the new requirements causing undesirable effects on companies and the market.

The regulations envisage that from 1 January 2016 and until 31 December 2031, subject to authorisation by the Institute, insurance companies may apply a transitional deduction to the technical provisions calculated at the end of each financial year, determined as a share of the (positive) difference between the amount of technical

provisions calculated in accordance with Solvency II as at 1 January 2016 and those recorded in the financial statements as at 31 December 2015 (Solvency I).

MOBILE HOST OPERATOR

Reference operator for the provision of mobile network access services

ONE CLICK TO BUY

An approach to speed up the purchase funnel for digital products/services, minimising the classic steps required on the customer side, simplifying completion of the funnel. For example, through personalised campaigns for known customer types, it is possible to understand their purchasing habits and hence propose a process with the data already inserted (e.g. name and address, contact information, ID, IBAN): at this point, if the customer is interested, they simply need to accept and sign the contract using a “point&click” technique (or insert a one time password [OTP] received via text message).

OPEN BANKING

The sharing of information between various actors in the banking ecosystem. Since European payment services directive (PSD2) took effect, European banks must open their own Application Program Interfaces (API) to fintech companies (finance + technology) and to other companies in the financial products and services sectors. This allows external companies (referred to as third parties) access to payment data, increasing competition within the system.

OTP (ONE TIME PASSWORD)

A disposable or one-time passwords is an alphanumeric security code generated by an algorithm, when requested by the user, to access a

system or authorise specific transactions, for example those done through home banking. It is a very secure authentication system because the code is sent directly to a device in the holder’s possession (text message, token, etc.) and is no longer valid once used.

HYBRID POLICY – MULTI-CLASS

With multi-class products, a portion of the premium is invested in a separate account, determining the portion of capital which is guaranteed, while another portion is invested in unit-linked funds, with diversified asset allocation intended to take advantage of opportunities for profit by investing in funds linked to financial market performance.

UNIT LINKED POLICY

Life insurance policy in which the insured party bears the investment risk and the benefits are directly linked to units of collective investment schemes or to the value of assets contained in an internal fund.

POS (POINT OF SALE – PUNTO VENDITA)

A digital location (consisting of a device that allows automatic payment for purchases) where payment transactions are made, using a debit or credit card with a chip or magnetic strip. They are connected to the banking system and allow a merchant to have the sum accredited to their current account while the purchaser can pay for their items without using physical money.


PSP (PAYMENT SERVICE PROVIDERS)

Entities authorised to offer payment services: Banks, Poste Italiane (BancoPosta), payment institutions and electronic money institutions (PostePay SpA).

GROSS PREMIUM REVENUE

Amount accrued during the reporting period for insurance contracts, regardless of whether the all or part of the amount was collected in or relates to subsequent periods.

EARNED PREMIUMS

Gross premium recognised net of the change in the premium reserve. 

QR CODE (QUICK RESPONSE CODE)

A special type of barcode in a square shape, made up of dots and lines of various size. A user can access multi-media content through various apps simply by scanning the QR Code with the camera on their smartphone.

INSURANCE SECTOR

An insurance class is a category used to classify policies with the same or similar type of risk. There are two main classes:

- Non-life: policies that compensate customers in the case of material and physical damages, to personal goods, assets or people;

Non-life contracts are divided into the following lines of business:

1. Accidents (including work-related injuries and occupational diseases); lump sum benefits; temporary benefits; mixed forms; transported persons;
2. Illness: lump sum benefits; temporary benefits; mixed forms
3. Land vehicle hulls (excluding rail vehicles): any damage sustained by: self-propelled land vehicles; non-self-propelled land vehicles;
4. Rail vehicle hulls: any damage sustained by rail vehicles;
5. Airplane hulls: any damage sustained by airplanes;

6. The hulls sea, lake and river craft: any damage suffered by: river craft; lake craft; sea craft;

7. Transported goods (including goods, luggage and any other property): any damage suffered by transported goods or luggage, regardless of the nature of the means of transport;

8. Fire and natural elements: any damage to property (other than property included in classes 3, 4, 5, 6 and 7) caused by: fire; explosion; storm; natural elements other than storm; nuclear energy; land subsidence;

9. Other damage to property: any damage suffered by property (other than property included in classes 3, 4, 5, 6 and 7) caused by hail or frost, as well as any other event, such as theft, other than those included in no. 8;

10. Land motor vehicle liability: any liability caused y the use of land motor vehicles (including carrier liability); 11. Aircraft liability: any liability caused y the use of aircraft (including carrier liability);

12. Sea, lake and river craft liability: any liability caused by the use of sea, lake or river craft (including carrier liability)

13. General Liability: any liability other than those mentioned in numbers 10, 11 and 12;

14. Credit: asset losses from defaults; export credit; instalment sales; mortgage credit; agricultural credit;

15. Guarantees: direct guarantee; indirect guarantee; 16. Monetary losses of various kinds: risks relating to employment; insufficient income (general); inclement weather; loss of profits; persistent overhead; unforeseen business expenses; loss of market value; loss of rents or income; indirect business losses other than those mentioned above; non-business pecuniary losses; other pecuniary losses;

17. Legal expenses: legal expenses;

18. Assistance: assistance to persons in distress.

- Life: this includes policies stipulated to guarantee capital to pre-selected beneficiaries indicated in the insurance contract, if the event covered by the policy occurs (e.g. the death of the insured in the case of a life policy).

Life insurance policies are further divided into six classes:

Class I - Life insurance;

Class II - Marriage and birth insurance;

Class III - Insurance, referred to in classes I and II, for which the main benefits are linked to the value of units of mutual or internal funds or to indexes or other reference values;

Class IV - Health insurance and disability insurance guaranteed by long-term contracts, which cannot be withdrawn, for the risk of long-term disability due to disease or injury or longevity;

Class V – Tontines;

Class IV - Management of group funds to provide benefits in the case of death, life or termination or reduction of employment.

REPO (REPURCHASE AGREEMENT)

Repurchase agreements consist of a spot sale of securities and a simultaneous forward repurchase commitment (for the counterparty, in a symmetrical commitment of spot purchase and forward sale).

REINSURANCE

An operation whereby against consideration, an insurer (the reinsured) reduces its economic exposure, either to a single risk (facultative reinsurance), or to a large number of risks (obligatory or treaty reinsurance), by assigning to another insurance company (the reinsurer) a part of its commitments arising from insurance contracts.

REDEMPTION

The contracting party's right to terminate the contract early by requesting settlement of the resulting benefit at the time of the request as this is determined in accordance with the terms of the contract.

PREMIUM RESERVE

This is equal to the sum of the reserve for unearned premiums, which includes amounts of gross premiums recognised pertaining to future years, and the reserve for ongoing risks, which consists of provisions to cover claims and expenses that exceed the reserve for unearned premiums.

SHADOW ACCOUNTING

Accounting practice (IFRS 4), for mitigating the valuation asymmetries that exist between financial assets included in segregated accounts, measured in accordance with IFRS 9 and mathematical reserves measured in accordance with local accounting standards. Through shadow accounting, the accounting policies applied to insurance liabilities (i.e. statutory technical reserves) can be modified to account for the effect of recognised but unrealised gains or losses on assets that have a direct effect on the measurement of insurance liabilities.

SIM M2M (MACHINE TO MACHINE)

SIM M2M make use of technology that allows for the integration of and communication between various types of equipment installed at any distance, through sensors which send (or acquire) data which is then sent to a central server through a network. They are used solely for data traffic and the voice area is entirely disabled. In its place is a module that allows both control and remote control.

SPID - PUBLIC DIGITAL IDENTITY SYSTEM 

The Public Digital Identity System (SPID) is the Italian digital identity solution, managed by AgID in line with national regulations and the European eIDAS regulation. The SPID system allows those with a digital identity (real and legal persons), issued by an accredited manager, to access services provided by participating public and private entities using a single set of credentials. Poste Italiane is an accredited Digital Identity manager.

SOLVENCY RATIO 

The Solvency Ratio is calculated as the ratio between the own funds eligible to cover the capital requirement and the regulatory minimum level calculated on the basis of Solvency II regulations.

ULTRABROADBAND 

Technology, equipment or telecommunication lines that allow Internet access at speeds exceeding 30 Bps per second, both in upload and download. The use of the term tends to refer to the maximum speed and not the average speed which is effectively available.

02

**CONDENSED CONSOLIDATED
HALF-YEAR FINANCIAL STATEMENTS
AT 30 JUNE 2022**



1. INTRODUCTION

Poste Italiane SpA (the “Parent Company”) is the company formed following conversion of the former Public Administration entity, “Poste Italiane”, under Resolution 244 of 18 December 1997. Its registered office is at Viale Europa 190, Rome (Italy).

Poste Italiane’s shares have been listed on the Mercato Telematico Azionario (Electronic Stock Exchange MTA) since 27 October 2015. At 30 June 2022, the Company is 35% owned by CDP and 29.3% owned by the MEF, with the remaining shares held by institutional and retail investors. At 30 June 2022, the Parent Company holds 7,535,991 of its treasury shares (equal to 0.577% of the share capital). Poste Italiane SpA continues to be under the control of the MEF.

The condensed consolidated financial statements as at 30 June 2022 include the accounting statements of Poste Italiane SpA and its subsidiaries and are prepared in euro, which is the functional presentation currency of the Parent Company. Amounts in the financial statements and the notes are shown rounded up in millions of euro (without decimal places), unless otherwise stated. As a result, the sum of the rounded amounts may not match the rounded totals.

The financial statements consolidated on a line-by-line basis have been specifically prepared at 30 June 2022, after appropriate adjustment, where necessary, to align accounting policies with those of the Parent Company.

The Group’s activities are not significantly subject to seasonality and/or cyclicity.

The condensed consolidated interim financial statements are accompanied by the certification of the Chief Executive Officer and the Financial Reporting Manager pursuant to Article 154-bis of Italian Legislative Decree 58/1998 and are subject to limited audit by the independent auditors Deloitte & Touche SpA.

2. BASIS OF PRESENTATION, METHODOLOGIES AND ACCOUNTING STANDARDS APPLIED

2.1 COMPLIANCE WITH IAS/IFRS

These condensed consolidated half-year financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) endorsed by the European Union with EU Regulations and in force at 30 June 2022, for which no exceptions have been made.

2.2 METHODS OF PRESENTING THE FINANCIAL STATEMENTS

The consolidated half-year financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and article 154-ter (paragraph 3) of the Consolidated Law on Finance, and with the provisions of articles 2 and 3 of Legislative Decree 38/2005, on a going concern basis for the Parent Company Poste Italiane SpA, and its subsidiaries and consolidated companies.

In application of the option granted by the aforementioned accounting standard, they provide less information than the annual financial statements, as they are intended to provide an update on the latest complete set of annual financial statements focusing on new activities, events and circumstances to the extent considered relevant as well as certain minimum additional information; accordingly, they do not duplicate information

previously reported in the consolidated financial statements of the Poste Italiane Group at and for the year ended 31 December 2021.

The accounting standards and the recognition, measurement and classification criteria adopted, as well as the consolidation methods applied to these condensed consolidated half-year financial statements are consistent with those for the preparation of the consolidated financial statements as at 31 December 2021, to which reference should be made for a more extensive discussion, except as noted in section 2.4 - *Newly applied accounting standards and interpretations*.

The disclosures provided in these condensed half-year financial statements take into account the guidelines and recommendations of European regulatory and supervisory bodies and standard setters (ESMA, CONSOB, and IFRS Foundation)⁶⁷ published in 2020-2022 reporting periods, in order to provide guidance in the current economic environment, which is affected by the still ongoing pandemic and the Russia-Ukraine conflict; a description of the impacts resulting from the Russia-Ukraine conflict are provided in the following paragraph “**3. Significant events during the period**”.

With regard to the interpretation and application of newly published, or revised, international accounting standards, and to certain aspects of taxation⁶⁸, where the related interpretations are based on examples of best practice or case-law that cannot yet be regarded as exhaustive, the financial statements have been prepared on the basis of the relevant best practices. Any future changes or updated interpretations will be reflected in subsequent reporting periods, in accordance with the specific procedures provided for by the related standards.

2.3 USE OF ESTIMATES

In preparing these interim financial statements, more extensive use was made of estimation methods than in annual reporting, in order to also take into account the effects of the health emergency linked to the spread of the Coronavirus pandemic as well as the crisis between the European neighbours Russia and Ukraine.

Described below are the accounting treatments for which there have been changes in estimates from those used for the previous Annual Report 2021, to which should be consulted for a more complete disclosure.

Impairment tests of goodwill, cash generating units and equity investments

Goodwill and other non-current assets with indefinite useful life are tested for impairment in accordance with IAS 36 - *Impairment of assets* at least annually, and continuous monitoring of certain qualitative and quantitative

⁶⁷ Public statement ESMA 32-63-951 of 25 March 2020 “*Accounting implications of the Covid-19 outbreak on the calculation of expected credit losses in accordance with IFRS 9*”; IASB document of 27 March 2020 “*IFRS 9 and Covid-19 - Accounting for expected credit losses applying IFRS 9 - Financial Instruments in the light of current uncertainty resulting from the Covid-19 pandemic*”; Public statement ESMA32-63-1277 of 13 May 2022 “*Implications of Russia’s invasion of Ukraine on half-yearly financial reports*” and CONSOB Notice of attention no. 3/22 of 19 May 2022.

⁶⁸ The tax authorities have issued regular official interpretations only in respect of certain of the tax-related effects of the measures contained in Italian Legislative Decree 38 of 28 February 2005, Law 244 of 24 December 2007 (the 2008 Budget Law) and the Ministerial Decree of 1 April 2009, implementing the 2008 Budget Law, which introduced numerous changes to IRES and IRAP. The MEF Decree issued on 8 June 2011 contains instructions regarding the coordinated application of EU-endorsed international accounting standards coming into effect between 1 January 2009 and 31 December 2010, in addition to regulations governing determination of the tax bases for IRES and IRAP. In addition, the new standards are subject to the rules contained in the endorsement tax decrees issued by the Ministry of the Economy and Finance, in application of the provisions of Law no. 10 of 26 February 2011 (Decreto Milleproroghe).

indicators of presumption of loss of value is carried out to check for any presumption of impairment that would require repeating the test more frequently.

As at 30 June 2022, indicators such as the current macroeconomic scenario, which is characterised by highly volatile markets and profound uncertainty in economic projections largely attributable to the Covid-19 pandemic, which has not yet been fully overcome, and the Russia-Ukraine conflict, as well as stock market trends, were taken into account for the purpose of preparing these Interim Financial Statements.

In this context, it was deemed necessary to carry out a new impairment test for the Mail, Parcels and Distribution CGU and for the equity investment held in Anima Holding SpA. Impairment testing involves the use of estimates based on factors that may change over time, potentially resulting in effects that may also be significantly different from the valuation of items subject to testing in previous years.

The current environment - which has resulted in highly volatile markets and great uncertainty with regard to economic projections, further aggravated by the still ongoing pandemic and the Russia-Ukraine conflict, and the decline of the postal market in which the Group operates, make it complex to produce reliable economic/financial forecasts.

For the execution of the impairment tests at 30 June 2022, with respect to the Mail, Parcels and Distribution CGU, reference was made to the results of the plans of the organisational unit (CGU) concerned or, with reference to the equity investment in Anima Holding SpA, to the latest available projections (except as specified below). Where required, the Discounted Cash Flow (DCF) method was applied to the resulting amounts. For the determination of value in use, NOPLAT (Net Operating Profit Less Adjusted Taxes) was capitalised using an appropriate growth rate and discounted using the related WACC (Weighted Average Cost of Capital), determined in accordance with the Operating Segment of reference and considering best market practices.

The impairment tests performed at 30 June 2022, as reported above, refer to:

Mail, Parcels and Distribution CGU

In view of the continuing negative economic results expected for the 2022 reporting period, the decline of the postal market as well as the current macroeconomic scenario, the Mail, Parcels and Distribution CGU was subjected to an impairment test in order to determine a value in use comparable with the overall carrying amount of net invested capital.

To estimate the value in use of the CGU, reference was made to the economic forecasts of the “24SI Plus” Strategic Plan approved by the Board of Directors of Poste Italiane SpA on 18 March 2021 and the related updates approved by the Board of Directors on 22 March 2022. In determining the terminal value, calculated on the basis of the last year of explicit forecasts, income was normalised. Reference was also made to the transfer prices that BancoPosta RFC is expected to pay for the services provided by Poste Italiane’s distribution network. A long-term growth rate of 2.1% and a WACC of 5.51% were used for the explicit forecast period and 6.29% for the Terminal Value. The analysis made it possible to conclude positively on the appropriateness of the figures of the financial statements, as well as the related sensitivity analyses on the significant variables that have largely confirmed the book values.

Investment in Anima Holding SpA

In view of the stock's market capitalisation trend as well as the current macroeconomic scenario, the equity investment in Anima Holding SpA was subject to an impairment test in order to determine a value in use comparable to its carrying amount.

To test the impairment of the equity investment, the value in use was determined taking into consideration the available forecasts, a long-term growth rate of 2.5% and a cost of equity (ke) of 7.57% for the explicit forecast periods and 8.89% for the Terminal Value. Based on the results of the test, as at 30 June 2022, there was a need to adjust the carrying amount of the equity investment, with a corresponding negative effect of € 21 million on the consolidated economic result.

Employee termination benefits

The measurement of Employee termination benefits is also based on calculations performed by independent actuaries. The calculation takes account of termination benefits accrued for the period of service to date and is based on various demographic and economic-financial assumptions.

Demographical assumptions have not undergone changes during the period under review, while the economic and financial assumptions applied in the calculation of employee termination benefits (**TFR**) as at 30 June 2022 are as follows:

Economic and financial assumptions

	30.06.2022	31.12.2021
Discounting rate	2.74%	0.44%
Inflation rate	2.10%	1.75%
Annual rate of increase of employee termination benefits	3.08%	2.81%

2.4 NEWLY APPLIED ACCOUNTING STANDARDS AND INTERPRETATIONS

Accounting standards and interpretations applicable from 1 January 2022

- Amendments to **IAS 16-Property, Plant and Equipment** with the aim of clarifying that the income obtained from the sale of products made during the testing phase of the asset itself, as well as the related production costs, must necessarily be recorded in the Income Statement.
- Amendments to **IAS 37 - Provisions, Contingent Liabilities and Contingent Assets**, aimed at clarifying that, in order to assess whether a contract is onerous, it is necessary to consider not only the incremental costs of fulfilling the contract (such as direct labour and materials), but also all other costs directly attributable to the contract itself (such as, for example, the depreciation of assets used to fulfil the specific contract).
- Amendments to **IFRS 3-Business Combinations** designed to update references in the standard to the Conceptual Framework as revised during 2018, with no changes to the provisions of the standard.

- Amendments to the following accounting standards in the context of routine standard improvement activities with the objective of resolving non-urgent issues related to inconsistencies in the standards or to provide clarifications of terminology:
 - **IAS 41 - Agriculture;**
 - **IFRS 1 - First-time adoption of International Financial Reporting Standards;**
 - **IFRS 9-Financial Instruments;**
 - **Illustrative Examples of IFRS 16 Leases.**

The adoption of the newly applied accounting standards outlined above did not impact the Poste Italiane Group's financial reporting. It should also be noted that the Group has not early-adopted any standards, interpretations or amendments that have been issued but that are not yet in force.

Upcoming accounting standards: ESMA disclosure

On 13 May 2022, the European Securities and Markets Authority (hereafter **ESMA**) published Public Statement ESMA32-339-208 "**Transparency on implementation of IFRS 17 Insurance Contracts**" with the aim of identifying certain information that listed companies are encouraged to provide in their 2022 Interim and Annual Financial Reports regarding the impacts arising from the first-time application of **IFRS 17- Insurance contracts**. The new accounting standard on insurance contracts, which will fully replace IFRS 4 as at 1 January 2023, aims to:

- ensure that an entity provides information that accurately represents the rights and obligations under the insurance contracts it issues;
- eliminate inconsistencies and weaknesses in existing accounting policies by providing a single principle-based framework to account for all types of insurance contracts (including reinsurance contracts); and
- improve comparability between entities within the insurance industry by introducing specific presentation and disclosure requirements.

Under the new standard, an insurance contract is measured by applying the General Model or a simplified version of it, called the Premium Allocation Approach ("PAA"). The main features of the General Model are:

- estimates and assumptions of future cash flows are always the current ones;
- measurement reflects the time value of money;
- estimates involve extensive use of observable market information;
- there is a current and explicit measurement of risk;
- expected profit is deferred and aggregated into groups of insurance contracts at initial recognition; and,
- expected profit is recognised over the contract coverage period, taking into account adjustments resulting from changes in assumptions about cash flows related to each group of contracts.

The PAA approach provides for the measurement of the liability for residual coverage of a group of insurance contracts provided that, at the time of initial recognition, the entity expects the liability to reasonably represent an approximation of the General Model. Contracts with a coverage period of one year or less are automatically eligible for the PAA approach.

The plan to implement IFRS 17 was initiated by the Poste Italiane Group during 2020 and involved the insurance companies of the Poste Vita Group (Poste Vita SpA and Poste Assicura SpA) as well as, limited to the related impact on the consolidated financial statements, the Parent Company, with the help of a consultant with proven expertise and professional skills.

Certain relevant information required by ESMA concerning the effects of the application of IFRS 17 is preliminarily provided below. In view of the adoption complexities of the standard, taking into account that the plan is in the implementation phase and noting that market practices are currently emerging that are not yet established in relation to certain adoption aspects, the quantitative impacts of the first adoption, as of the date of this interim report, are currently being developed.

Level of portfolio aggregation

The Poste Vita Group will apply IFRS 17 to its entire portfolio, the level of aggregation of which involves a distinction of life and non-life businesses and then a distinction of units of account to consider the contractual and risk characteristics of the products, appropriately considering (where possible) the Solvency II Lines of Businesses and balance sheet classes, with minimal adjustments/aggregations dictated by the application of IFRS 17.

Application of exemption to annual cohorts

The exemption to the application of annual cohorts⁶⁹ option will be adopted, as provided by the European version of IFRS 17⁷⁰. Portfolios for which cohorts are expected to be eliminated are limited to portfolios pertaining to the “*With profit participating*” *Line of Business* and hybrid products with separately managed components of the Poste Vita Company. No impact is expected for the non-life company.

This exemption stems from the fact that in insurance practice the rules for revaluation of insurance liabilities are a function of management returns, which are calculated through “upstream” management and therefore not differentiated according to the specific sub-portfolios included in a specific separately managed account or between product generation years. The presence of cohorts generates complexities in terms of quantifying the so-called “*mutualisation effect*” arising from the inclusion of different units of account (newly produced) in a pool of units of account pertaining to pre-existing portfolios, as well as complexities in terms of asset return allocation to specific units of account that could generate distorting effects in IFRS 17 results

Discount rate

The Group has decided to adopt a “bottom-up approach” for deriving discount curves borrowed from Solvency II, in which the basic risk free curve is based on the risk free rate curve provided by EIOPA without Volatility Adjustment.

The basic risk free curve, depending on the specific business, will be adjusted to account for specific Illiquidity Premiums calibrated to portfolios or at the Company level.

Details of the portfolios can be found below:

⁶⁹ Cohort refers to the breakdown of contracts according to the year of signing.

⁷⁰ In endorsement of the defined version of IFRS17, an exemption from the application of the requirement to group into annual cohorts was provided for contracts characterised by intergenerationally-mutualised and cash-flow matched contracts, as according to the EFRAG, such grouping does not fully meet the criteria for technical approval and/or does not contribute to the European public good [SOURCE: EU REGULATION 2021/2036].

- in relation to the separately managed account participating business and the unit linked portfolio linked to separately managed accounts (multi-class products), it was decided to calibrate the IFRS 17 Illiquidity Premium in relation to the specific reference portfolio (e.g., GS or Company) by taking advantage of logics and metrics borrowed from the Solvency II approach;
- in relation to the non-participating life business and for the unit linked portfolio not linked to separately managed accounts, it was decided to adopt values of illiquidity premiums consistent with the volatility adjustment value provided by EIOPA, consistent with that carried out under Solvency II;
- in relation to the non-life business it was decided to adopt only the basic risk free curve, thus assuming an illiquidity premium of 0, consistent with that carried out under Solvency II.

Risk adjustment

Risk adjustment⁷¹, calculated at the company level separately between life and non-life business, was defined through percentile metrics. According to this approach, the risk adjustment is assumed to be the realisation, at a specific percentile level, of the distribution of losses on technical reserves covering insurance risks.

Assessment models adopted

With reference to the Premium Allocation Approach model, adopted exclusively for non-life business, this will be used for all contracts with the following characteristics:

- duration of less than or equal to 720 days;
- single premium with duration of ≤ 7 years;
- multi-year duration and membership in the Collectives Business;
- multi-year duration and membership in a portfolio where the weight of the multi-year business is less than or equal to 5% in the last 3 years;

It should be noted that these rules were identified following the execution of the eligibility test.

Earned premiums or sums insured are considered in determining coverage units, depending on the specificity of the business under analysis.

With reference to the Variable Fee Approach (VFA) model, which has been adopted exclusively for the life business, the Insurance Group has assessed eligibility for the model for the following types of products:

- *With profit participating*;
- Unit linked standalone insurance;
- Hybrid products with investment components.

Mathematical reserves or sums insured were considered in determining coverage units, depending on the specificity of the business under analysis.

The Building Block Approach (BBA) model will be applied in both non-life and life business and adopted for portfolios other than those described above.

Insurance finance income/expenses

The recognition of insurance finance income and expenses, as required by the standard, will be calculated separately by measurement model:

- for the VFA portfolio, the IFRS 9 value is considered and only fair value underlying items are mirrored,

⁷¹ Risk adjustment is the adjustment, for non-financial risks, of the estimated present value future cash flow determined by percentile approach. The risk adjustment thus corresponds to the percentile of the probability distribution of non-financial risks.

- with regard to the BBA measurement model, finance income and expenses items will be calculated based on the valuation curves adopted for the calculation of IFRS 17 flows.

Transition method

The group plans to adopt the modified retrospective approach for the life investment portfolio and the fair value approach for the pure life risk portfolio.

Regarding the non-life business, the full retrospective approach is planned for recent cohorts, while the fair value approach is planned for past portfolios.

Interactions between IFRS 17 and IFRS 9

The Poste Italiane Group, and therefore the two insurance companies as well, has been applying IFRS 9 since 1 January 2018. Following the adoption of IFRS 17, there are no changes to the rules for classification and measurement of financial assets.

In order to limit accounting mismatches between IFRS 9 and IFRS 17, the Insurance Group plans to adopt the OCI option on the IFRS 17 liability portfolio, with the intention of aligning the financial and mirroring effects between OCI reserve and income statement effects.

2.5 MAIN CHANGES IN THE SCOPE OF CONSOLIDATION

During the half year under review, the Poste Italiane Group completed the following business combinations as a result of which it acquired control of the entities:

Plurima SpA

On 18 March 2022, Poste Italiane signed a binding agreement with Opus Srl – wholly owned by the Marconi family – and private equity operator Siparex to acquire a majority stake in Plurima SpA (“Plurima”) for a consideration based on a total enterprise value of the Company of € 130 million. The closing took place on 2 May 2022, when the necessary authorisations were obtained from the AGCM received on 21 April 2022. The transaction took place through Poste Welfare Servizi Srl. (“PWS”), a company wholly-owned by Poste Italiane, and financed with the cash resources available.

With the conclusion of the transaction, PWS holds 70% of the share capital of Plurima Bidco srl (Bidco), a company that carries out the holding and management of shareholdings specially established for the purpose of concluding the transaction, which in turn holds 100% of Plurima. The final consideration accepted by BidCo, taking into account the purchase price adjustment defined on the basis of the company’s net financial position as of the closing date (as governed between the parties in the purchase and sale agreement), is € 135 million.

Furthermore, Plurima holds 100% of the share capital of Logos Srl and 60% of the share capital of Bridge Technologies Srl.

Finally, for the purpose of simplifying the control structure of the Poste Italiane Group, on 20 June 2022, the reverse merger plan of Bidco into Plurima was approved by the respective boards of directors; the transaction will consequently be submitted to the companies’ shareholders’ meetings. The transaction will illustrate its effectiveness as of 1 January 2023.

Below are the total carrying amounts of the assets acquired and liabilities assumed at the date of acquisition of Plurima and its subsidiaries:

	(€k)		
	Carrying amount (A)	Adjustments Fair Value (B)	Fair Value (A+B)
<i>Net assets acquired</i>			
Intangible assets ^(*)	451	-	451
Property, plant and equipment	6,568	-	6,568
Right-of-use asset	100,699	-	100,699
Trade and other receivables and other assets	19,842	-	19,842
Financial assets	555	-	555
Cash and cash equivalents	11,958	-	11,958
Employee termination benefits	(4,986)	-	(4,986)
Provisions for risks and charges	(1,540)	-	(1,540)
Trade and other payables	(13,687)	-	(13,687)
Financial liabilities	(106,945)	-	(106,945)
Total net assets acquired	12,915	-	12,915
Equity attributable to non-controlling interests			358
Net assets acquired by the Group			12,557
Goodwill			122,660
Total consideration			135,217

^(*) Value net of goodwill recognised in the financial statements of acquired companies.

Below are the aggregate economic values of the acquired companies included in the consolidated profit or loss statement from the date of acquisition:

	(€k)
	From the date of acquisition to 30 June 2022
Revenue	14,703
Operating profit	1,549
Profit/(loss) for the period	652

Poste Italiane has made use of the option provided for in paragraphs 45 *et seq.* of IFRS 3 to complete the valuation of the business combination within twelve months of the acquisition date.

At the date of preparation of this half-year report, the provisional difference between the consideration paid to the seller and the net value at the acquisition date of the identifiable assets acquired and liabilities assumed, measured in accordance with IFRS 3, was € 122.7 million.

This difference at 30 June 2022 is recognised as Goodwill under Intangible assets pending completion of the process of valuation of the individual components of the acquired assets.

The following acquisitions are reported regarding companies in which the Group has significant influence (“associated companies” and “joint ventures”) valued with the equity method:

Eurizon Capital Real Asset SGR (“ECRA”)

On 25 June 2021, Poste Vita and BancoPosta Fondi SGR signed definitive agreements for the acquisition of 40% of the share capital, of which 24.50% of shares with voting rights, of Eurizon Capital Real Asset SGR SpA (“ECRA”), a company specialising in investments in support of the real economy controlled by Eurizon (Intesa Sanpaolo Group).

At the same time as the subscription of the capital increase, the portfolio management mandate was signed by the parties; this regards the transfer to ECRA of the management of a number of alternative investment funds, thus accessing a global platform which will make it possible to develop an integrated management model along the whole life cycle of the investment. The transaction was closed on 31 January 2022, once the regulatory authorities had given their approval. We can note that ECRA continues to be controlled and consolidated by Intesa Sanpaolo SpA.

A list and key information of companies consolidated on a line-by-line basis and using the equity method is provided in Note 11 - *Additional information - Scope of consolidation and key information on investments*.

Conversion of the financial statements into foreign currencies

For the purposes of preparing the Consolidated Financial Statements, the statement of financial position and statement of profit or loss of all consolidated companies are expressed in euro, which is the functional currency used by the Parent Company.

The financial statements of companies that operate in a functional currency other than the euro are translated into the presentation currency using the closing rate at the reporting date for assets and liabilities, including goodwill and consolidation adjustments, and the average exchange rate for the period (if this reasonably approximates the exchange rate at the date of the respective transactions) for revenue and costs. All the resulting exchange rate differences are recognised in other comprehensive income and shown separately in a specific equity reserve; this reserve is reversed proportionally to the statement of profit or loss at the time of the (total or partial) disposal of the relevant investment.

The exchange rates used to convert the financial statements of consolidated companies in foreign currencies are those published by the Bank of Italy and the European Central Bank and presented in the table below:

Currency	2022		2021	
	Exact change on 30 June	Average exchange rate 1H	Exact change on 31 December	Average exchange rate 1H
Hong Kong Dollar	8.1493	8.5559	8.8333	9.3306 (*)
Chinese Yuan Renminbi	6.9624	7.0823	7.1947	7.7740 (*)
US dollar	1.0387	1.0934	1.1326	1.2053

(*) The exchange rate shown relates to Sengi Express Limited and Sengi Express Guangzhou Limited and is calculated based on the period between 30 June 2021 and the date of acquisition of the companies (1 March 2021).

3. SIGNIFICANT EVENTS DURING THE PERIOD

3.1 MAIN CORPORATE TRANSACTIONS

Information is provided below on the corporate transactions that took place during the six months under review, which have no accounting impact as at 30 June 2022 and which supplement that already indicated in Note 2.5 - *Main changes in the scope of consolidation*.

- LIS Holding SpA

On 25 February 2022 PostePay signed with IGT Lottery SpA (“IGT”) a binding agreement for the acquisition of 100% of LIS Holding SpA (together with the subsidiary LIS Pay SpA, “LIS”) at a price of € 700 million determined on the basis of an Enterprise Value of € 630 million and available net cash of € 70 million. The boards of directors of Poste Italiane and PostePay have approved the transaction which remains subject to the usual closing conditions. In this regard, it should be noted that on 6 June 2022, the Measure (No. 30157 of 17 May 2022) was published, in which the Autorità Garante della Concorrenza e del Mercato (“AGCM” – the Antitrust Authority) authorised the transaction in question, not deeming it to result in the establishment or strengthening of a dominant position within the meaning of Law 287/90. On 13 July 2022, the Bank of Italy authorised the acquisition transaction. The closing is expected within the third quarter of 2022.

- Sourcesense SpA

On 24 June 2022, the Board of Directors of Poste Italiane approved the promotion, in consultation with several shareholders of Sourcesense SpA (“Sourcesense”), of a cash takeover bid for all of Sourcesense’s shares and warrants.

Sourcesense is a company with shares traded on the multilateral trading system known as Euronext Growth Milan (“EGM”) that operates in the IT sector in Italy and Great Britain with high expertise in the development of cloud-native solutions, based on open source technology.

Following the completion of the transaction, aimed at the delisting of the shares and warrants, it is expected that Poste Italiane will hold a controlling interest in Sourcesense of 70%, and that its controlling shareholders (acting in collaboration with Poste Italiane in launching the bids) will retain a minority stake of 30%.

The transaction involves a consideration offered for each share of € 4.20 (corresponding to a premium of 24.0% in relation to the weighted average daily official prices of Borsa Italiana for the past month) and a consideration offered for each warrant of € 0.78 (corresponding to a premium of 75.4% in relation to the weighted average daily official prices of Borsa Italiana for the past month). The transaction is expected to be concluded by the end of 2022.

The following corporate transactions also took place in the first half of 2022.

- On 26 January 2022, the BoD of Poste Vita approved the transaction to transfer 100% of the shares held in PWS to Poste Italiane. The operation takes effect from the filing at the Companies Register of the deed of sale signed on 24 February 2022.
- On 26 January 2022, MFM Holding Ltd (Moneyfarm) launched a capital increase for an amount of approximately € 53 million, subscribed for approximately € 44 million by M&G plc, a listed asset manager based in the UK, and *pro quota* by Poste Italiane with an investment of approximately € 9 million, in order not to dilute its stake of approximately 14%.

- On 8 April 2022, Poste Italiane, with an overall investment of € 25 million, acquired 2.30% (2.15% on a fully diluted basis) of the share capital of Scalapay Limited (“Scalapay”), a company operating in several European countries in the Buy Now Pay Later (“BNPL”) market on online and physical channels, allowing end customers to pay for a product/service in three interest-free monthly payments, against a fee collected from the merchants.
- On 23 June 2021, PostePay SpA’s Board of Directors approved the signing of binding agreements for the sale of the interest held by PostePay SpA in Tink AB, a fintech operator specialising in open banking technology solutions, for a consideration of approximately €77 million, as part of the announced sale of 100% of Tink AB to Visa Open Connect Limited, a Visa Group company. The transaction was agreed on the basis of an enterprise value valuation of Tink AB of €1.8 billion.
PostePay SpA’s total investment in Tink amounted to € 22.1 million, representing a 4.7% interest in the company on a fully diluted basis.
The closing of the transaction was completed on 10 March 2022 following approval by the competent authorities.
- On 23 June 2022, the Board of Directors of BancoPosta Fondi SGR approved the sale of its ICT management business unit to Poste Italiane. The transaction, which was previously notified to the Bank of Italy, pursuant to Title IV, Chapter III - Section II, Article 1 of the collective asset management regulations, will be effective as of 1 October 2022.
- On 24 June 2022, the BoD of Poste Italiane and the General Meeting of Shareholders of PSIA Srl (“PSIA”) approved the merger by incorporation of PSIA into Poste Italiane. The transaction, which provides for application of the simplifications envisaged by the regulations for the merger of wholly owned companies, will take effect from the date of the latest registration required by Art. 2504 of the Italian Civil Code in the Companies Register. The merger is part of a company reorganisation that will allow Poste Italiane to directly hold shares in the listed company NEXI SpA, thus simplifying the structure of the Group.

3.2 OTHER SIGNIFICANT EVENTS

- Purchase of treasury shares

In executing the authorisation to purchase treasury shares, resolved by the General Shareholders’ Meeting of Poste Italiane on 27 May 2022, aimed at purchasing supply of shares to be allocated to Group administrators and employees who are beneficiaries of variable incentive plans, the initiation of which was communicated to the market on the same date, from 30 May 2022 to 13 June 2022, Poste Italiane purchased 2,600,000 treasury shares (equal to 0.199% of the share capital), at an average price of € 9.730848 per share, for a total value of € 25,300,204.62.

As a result of the transaction, also taking into account the treasury shares in the portfolio resulting from previous repurchase transactions and the delivery to the beneficiaries of the incentive plans, Poste Italiane holds 7,535,991 treasury shares, equal to 0.577% of the share capital.

- Russia-Ukraine conflict

The first half of 2022 was marked by the outset of the crisis between the neighbouring countries Russia and Ukraine.

In order to assess the impacts of the conflict for the Group, as required by the national and international authorities (ESMA and CONSOB)⁷², an assessment was made of the current and potential future impacts and of the sanctions placed on Russia by the state and supranational authorities, on the Group's activities, financial situation and economic results in consideration of the evidence available and the scenarios conceivable at the date of preparing the following condensed consolidated financial statements.

The potential impacts, although currently unclear and uncertain also in relation to the pressure on inflation driven by the sharp increases in energy and raw material prices, seem limited in relation to the fact that the Group's operating activities are almost entirely carried out within the country and without depending on the value chain with the countries involved.

In addition, among other things an activity of monitoring the existing relations between the Group and the parties directly or indirectly involved was carried out; from this the following findings emerged:

- with reference to the Parent Company the existence of relationships with the corresponding foreign postal administrations of Russia and Ukraine that present credit and debit balances of insignificant amounts with a net balance, besides, in debit;
- with reference to Poste Vita, in the context of multi-asset funds, and within some class III funds, there are some indirect exposures to the countries involved in the aforesaid events which represent an insignificant portion of the related NAV.

⁷² Public statement ESMA32-63-1277 "*Implications of Russia's invasion of Ukraine on half-yearly financial reports*" dated 13 May 2022 and CONSOB Notice of attention no. 3/22 dated 19 May 2022.

04

POSTE ITALIANE GROUP

FINANCIAL STATEMENTS AT 30 JUNE 2022

Posteitaliane

4.1 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€m)					
ASSETS	Notes	30 June 2022	of which related parties	31 December 2021	of which related parties
Non-current assets					
Property, plant and equipment	[A1]	2,268	-	2,267	-
Investment property	[A2]	31	-	32	-
Intangible assets	[A3]	943	-	873	-
Right-of-use assets	[A4]	1,303	-	1,116	-
Investments accounted for using the equity method	[A5]	259	259	277	277
Financial assets	[A6]	201,181	3,617	221,226	3,780
Trade receivables	[A8]	3	-	3	-
Deferred tax assets	[C12]	2,429	-	1,245	-
Other receivables and assets	[A9]	3,845	2	4,012	2
Tax credits Law no. 77/2020	[A10]	6,461	-	5,551	-
Technical provisions attributable to reinsurers		47	-	50	-
Total		218,770		236,652	
Current assets					
Inventories	[A7]	149	-	155	-
Trade receivables	[A8]	2,401	584	2,508	575
Current tax assets	[C12]	313	-	115	-
Other receivables and assets	[A9]	1,130	7	1,146	8
Tax credits Law no. 77/2020	[A10]	1,445	-	905	-
Financial assets	[A6]	29,332	15,694	27,630	12,855
Cash and deposits attributable to BancoPosta	[A11]	10,101	-	7,659	-
Cash and cash equivalents	[A12]	4,401	301	7,958	1,991
Total		49,272		48,076	
TOTAL ASSETS		268,042		284,728	
LIABILITIES AND EQUITY					
LIABILITIES AND EQUITY	Notes	30 June 2022	of which related parties	31 December 2021	of which related parties
Equity					
Share capital	[B2]	1,306	-	1,306	-
Reserves	[B4]	1,667	-	3,599	-
Treasury shares		(63)	-	(40)	-
Retained earnings		7,730	-	7,237	-
Total equity attributable to owners of the Parent		10,640		12,102	
Equity attributable to non-controlling interests		39	-	8	-
Total		10,679		12,110	
Non-current liabilities					
Technical provisions for insurance business	[B5]	143,259	-	159,089	-
Provisions for risks and charges	[B6]	545	58	693	59
Employee termination benefits	[B7]	744	-	922	-
Financial liabilities	[B8]	10,297	205	15,122	154
Deferred tax liabilities	[C12]	1,712	-	953	-
Other liabilities	[B10]	1,659	-	1,749	-
Total		158,218		178,528	
Current liabilities					
Provisions for risks and charges	[B6]	727	12	575	13
Trade payables	[B9]	1,857	59	2,029	82
Current tax liabilities	[C12]	238	-	16	-
Other liabilities	[B10]	1,582	58	1,860	73
Financial liabilities	[B8]	94,742	167	89,610	3,646
Total		99,146		94,090	
TOTAL LIABILITIES AND EQUITY		268,042		284,728	

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(€m)					
	Notes	1H 2022	of which related parties	1H 2021	of which related parties
Revenue from Mail, Parcels and other	[C1]	1,805	369	1,831	198
Net revenue from Financial Services	[C2]	2,505	957	2,409	956
Revenue from Financial Services		2,611	961	2,469	959
Expenses from financial activities		(106)	(3)	(60)	(4)
Revenue from Insurance Services after changes in technical provisions and other claim expenses	[C3]	1,073	8	1,045	8
Insurance premium revenue		9,407	-	10,291	-
Income from insurance activities		2,169	8	2,206	8
Change in technical provisions for insurance business and other claims expenses		(5,245)	-	(11,240)	-
Expenses from insurance activities		(5,258)	-	(212)	-
Revenue from Payments and Mobile	[C4]	482	19	399	19
Net operating revenue		5,865		5,684	
Cost of goods and services	[C5]	1,375	68	1,423	52
Personnel expenses	[C6]	2,590	35	2,693	38
Depreciation, amortisation and impairment	[C7]	406	-	398	-
Capitalised costs and expenses	[C8]	(18)	-	(17)	-
Other operating costs	[C9]	83	1	118	3
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	[C10]	38	2	20	(1)
Operating profit/(loss)		1,392		1,049	
Financial expenses	[C11]	70	1	39	1
Finance income	[C11]	87	-	62	-
Impairment losses/(reversals of impairment losses) on financial assets		-	-	(1)	-
Profit/(Loss) on investments accounted for using the equity method	[A5]	(13)	-	15	-
Profit/(Loss) before tax		1,396		1,088	
Income tax expense	[C12]	432	-	315	-
NET PROFIT FOR THE PERIOD		964		773	
of which attributable to owners of the Parent		962		772	
of which attributable to non-controlling interests		2		1	
Earnings per share	[B1]	0.740		0.594	
Diluted earnings per share		0.740		0.594	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€m)

	Notes	1H 2022	FY 2021	1H 2021
Profit/(Loss) for the period		964	1,580	773
Items to be reclassified in the Statement of profit (loss) for the period				
FVOCI debt instruments and receivables				
Increase/(decrease) in fair value during the period	[tab. B4]	(2,140)	(1,052)	36
Transfers to profit or loss	[tab. B4]	(130)	(424)	(268)
Increase/(decrease) for expected losses		2	(6)	(4)
Cash flow hedges				
Increase/(decrease) in fair value during the period	[tab. B4]	348	(178)	(81)
Transfers to profit or loss	[tab. B4]	(328)	(8)	3
Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit/(loss) for the period		645	475	89
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method		-	-	-
Change in translation reserve		2	1	-
Items not to be reclassified in the Statement of profit/(loss) for the period				
Equity instruments valued at FVOCI - increase/(Decrease) of fair value in the period		(284)	75	47
Actuarial gains /(losses) on employee termination benefits	[tab. B7]	118	(4)	38
Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit/(loss) for the period		(30)	2	(12)
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method		-	-	-
Total other comprehensive income		(1,798)	(1,119)	(152)
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD		(834)	461	621
of which attributable to owners of the Parent		(837)	459	620
of which attributable to non-controlling interests		3	2	1

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity											Total equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total equity
	Share capital	Treasury shares	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Translation reserve	Reserve for investments accounted for using equity method	Incentive plans reserve	Retained earnings			
Balance at 1 January 2021	1,306	(40)	299	1,210	-	2,294	98	-	2	6	6,327	11,502	5	11,507
Total comprehensive income for the period	-	-	-	-	-	(124)	(56)	-	-	-	800	620	1	621
Dividends paid	-	-	-	-	-	-	-	-	-	-	(421)	(421)	-	(421)
Incentive plans	-	-	-	-	-	-	-	-	-	4	-	4	-	4
Equity instruments - perpetual hybrid bonds	-	-	-	-	800	-	-	-	-	-	(6)	794	-	794
Balance at 30 June 2021	1,306	(40)	299	1,210	800	2,170	42	-	2	10	6,700	12,499	6	12,505
Total comprehensive income for the period	-	-	-	-	-	(863)	(76)	1	-	-	777	(161)	1	(160)
Interim dividend	-	-	-	-	-	-	-	-	-	-	(241)	(241)	-	(241)
Incentive plans	-	-	-	-	-	-	-	-	-	3	-	3	-	3
Equity instruments - perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	-	2	2	-	2
Other changes	-	-	-	-	-	-	-	-	1	-	(1)	-	1	1
Balance at 31 December 2021	1,306	(40)	299	1,210	800	1,307	(34)	1	3	13	7,237	12,102	8	12,110
Total comprehensive income for the period	-	-	-	-	-	(1,898)	14	2	-	-	1,045	(837)	3	(834)
Dividends paid	-	-	-	-	-	-	-	-	-	-	(526)	(526)	-	(526)
Purchase of treasury shares	-	(25)	-	-	-	-	-	-	-	-	-	(25)	-	(25)
Transactions with minority shareholders	-	-	-	-	-	-	-	-	-	-	(64)	(64)	-	(64)
Incentive plans	-	2	-	-	-	-	-	-	-	2	-	5	-	5
Coupons paid to perpetual hybrid bond holders	-	-	-	-	-	-	-	-	-	-	(16)	(16)	-	(16)
Other changes	-	-	-	-	-	(54)	-	-	1	-	54	1	-	1
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	(1)	(1)	29	28
Balance at 30 June 2022	1,306	(63)	299	1,210	800	(845)	(19)	3	4	16	7,730	10,640	30	10,670

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	(€m)	
	1H 2022	1H 2021
Unrestricted net cash and cash equivalents at the beginning of the period	2,590	2,811
Restricted net cash and cash equivalents at the beginning of the period	5,368	1,705
Cash and cash equivalents at the beginning of the period	7,958	4,516
Result for the period	964	773
Depreciation, amortisation and impairment	406	398
Losses and impairment losses/(reversals of impairment losses) on receivables	33	28
(Gains)/Losses on disposals	(1)	-
(Increase)/Decrease in Inventories	7	4
(Increase)/Decrease Receivables and Other assets	185	(357)
Increase/(Decrease) Payables and Other liabilities	(444)	95
Change in tax credits Law no. 77/2020	(110)	(497)
Change in provisions for risks and charges	3	(85)
Change in employee termination benefits and Provision for retirement benefits	(65)	(65)
Difference in accrued financial expenses and income (cash adjustment)	12	16
Other changes	207	2
Net cash flow from/(for) non-financial operating activities [a]	1,197	312
Increase/(Decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance	4,865	(423)
Net cash generated by/(used for) financial assets and tax credits Law no. 77/2020 attributable to financial activities, payments, cards and acquiring and insurance	(12,597)	(2,001)
(Income)/Expense and other non-cash components	4,042	(2,570)
Increase/(Decrease) in net technical provisions for insurance business	120	5,582
Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payments, cards and acquiring and insurance [b]	(3,570)	588
Net cash flow from/(for) operating activities [c]=[a+b]	(2,372)	900
- of which related party transactions	(6,150)	(961)
<i>Investing activities:</i>		
Property, plant and equipment, Inv. property and intangible assets	(223)	(308)
Equity investments	(3)	-
Other financial assets	(133)	(4)
Investments in consolidated companies net of cash acquired	(92)	(40)
<i>Disposals:</i>		
Property, plant and equipment, inv. property, intangible assets and assets held for sale	2	3
Other financial assets	1	410
Net cash flow from/(for) investing activities [d]	(449)	61
- of which related party transactions	4	(2)
Proceeds from/(Repayments of) borrowings	(166)	(394)
(Purchase)/Sale of treasury shares	(25)	-
Dividends paid	(526)	(421)
Equity instruments - perpetual hybrid bonds	(21)	794
Net cash flow from/(for) financing activities and shareholder transactions [e]	(738)	(21)
- of which related party transactions	(341)	(270)
Effect of exchange rate fluctuations on cash and cash equivalents [f]	2	-
Net increase/(decrease) in cash [g]=[c+d+e+f]	(3,558)	940
Cash and cash equivalents at the end of the period	4,401	5,456
Restricted cash and cash equivalents at the end of the period	(2,255)	(2,861)
Unrestricted net cash and cash equivalents at the end of the period	2,146	2,595

4.2 NOTES TO THE STATEMENT OF FINANCIAL POSITION

ASSETS

A1 - PROPERTY, PLANT AND EQUIPMENT (€ 2,268 million)

tab. A1 - Changes in property, plant and equipment

(€m)

	Land	Properties used in operations	Plant and equipment	Industrial and commercial equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
Cost	76	3,219	2,402	349	670	2,024	93	8,833
Accumulated depreciation	-	(2,078)	(1,859)	(314)	(424)	(1,849)	-	(6,524)
Impairment losses	-	(17)	(9)	-	(10)	(6)	-	(42)
Balance at 1 January 2022	76	1,124	534	35	236	169	93	2,267
Changes in the period								
Acquisitions	-	13	15	2	12	24	38	103
Adjustments	-	-	-	-	-	-	-	-
Reclassifications	-	9	14	-	3	9	(36)	-
Disposals	-	-	-	-	-	-	(1)	-
Change in scope of consolidation	-	-	1	3	1	3	-	7
Depreciation	-	(15)	(28)	(7)	(23)	(40)	-	(113)
(Impairment losses) / Reversals	-	-	-	-	8	(3)	-	5
Total changes	-	6	1	(2)	-	(7)	2	-
Cost	76	3,239	2,418	357	683	2,016	96	8,885
Accumulated depreciation	-	(2,092)	(1,874)	(324)	(446)	(1,848)	-	(6,583)
Impairment losses	-	(17)	(9)	(1)	(1)	(6)	-	(35)
Balance at 30 June 2022	76	1,131	535	32	236	162	96	2,268

Investments of €103 million in the first half of 2022 consists largely of:

- € 13 million related to extraordinary maintenance of owned Post Offices around the country (€ 5 million), mail and parcel sorting offices (€ 4 million) and staff and management offices (€ 4 million);
- € 15 million for facilities of which € 14 million were incurred by the Parent Company for the construction of facilities connected to buildings (€ 12 million) and for the construction of video surveillance and business connectivity systems (€ 2 million);
- € 12 million invested in the upgrade of facilities (€ 7 million) and the structure of properties held under lease (€ 4 million);
- € 24 million related to Other assets, of which € 16 million was incurred by the Parent Company and mainly related to the purchase of hardware to renew technical equipment at Post Offices and management offices;
- investments in progress amounted to € 38 million, including € 34 million incurred by the Parent Company, of which € 20 million for extraordinary maintenance and the provision of infrastructure for the commercial and production network, € 8 million for the upgrade of active and passive security systems on buildings, and € 5 million for the purchase of new production systems.

Reclassifications from tangible assets under construction, totalling €36 million, relate primarily to the acquisition cost of assets that became available and ready for use during the period. They mainly refer to the Parent Company for the completion of extraordinary renovations of owned properties and improvements on leased properties (€ 19 million) and for the completion of activities to upgrade active and passive security systems on buildings (€ 11 million).

A2 - INVESTMENT PROPERTY (€31 million)

tab. A2 - Changes in investment property (€m)	
1H 2022	
Cost	90
Accumulated depreciation	(58)
Impairment losses	-
Period opening balance	32
Changes in the period	
Acquisitions	-
Reclassifications	-
Disposals	(1)
Depreciation	-
Total changes	(1)
Cost	89
Accumulated depreciation	(58)
Provisions for impairment	-
Balance at end of period	31
Fair value at the end of the period	73

Investment property relates to service accommodation owned by Poste Italiane SpA in accordance with Law 560 of 24 December 1993 and residential accommodation previously used by Post Office directors.

The fair value of investment property at 30 June 2022 includes €61 million representing the sale price applicable to the Parent Company's former service accommodation in accordance with Law 560 of 24 December 1993, while the remaining balance reflects market price estimates computed internally by the Company⁷³.

⁷³ In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, service accommodation and other investment property qualify for level 3.

A3 - INTANGIBLE ASSETS (€943 million)

tab. A3 - Changes in intangible assets

(€m)

	Industrial patents and intellectual property rights, concessions, licences, trademarks and similar rights	Assets under construction and advances	Goodwill	Other	Total
Cost	4,221	232	177	9	4,639
Accumulated amortisation and impairments	(3,656)	-	(102)	(8)	(3,766)
Balance at 1 January 2022	565	232	75	1	873
Changes in the period					
Acquisitions	27	94	-	-	121
Reclassifications	130	(130)	-	-	-
Cessations and Disposals	-	-	-	-	-
Change in scope of consolidation	-	-	123	-	123
Depreciation, amortisation and impairment	(175)	-	-	-	(175)
Foreign exchange differences	-	-	1	-	1
Total changes	(18)	(36)	124	-	71
Cost	4,372	196	301	8	4,877
Accumulated amortisation and impairments	(3,825)	-	(102)	(8)	(3,934)
Balance at 30 June 2022	547	196	199	1	943

Investments in the first half of 2022 amounted to € 121 million, in addition to the implicit component allocated to goodwill related to the acquisition of control of Plurima Spa, including approximately € 18 million in software and the related expenses developed within the Group, primarily relating to personnel expenses (€ 15 million). Development costs, other than those incurred directly to produce identifiable software used, or intended for use, within the Group, are not capitalised.

The increase in **Industrial patents and intellectual property rights, concessions, licences, trademarks and similar rights** totals € 27 million, before amortisation for the period, and relates primarily to the entry into service of new software programmes and the acquisition of software licences.

Purchases of **intangible assets under construction** refer mainly to activities for the development of software for infrastructure platforms and for BancoPosta services.

During the period, reclassifications were made from Intangible assets under construction to Industrial patents and intellectual property rights for a total of €130 million due to the completion and commissioning of new software programmes and the upgrade of existing ones, relating to the infrastructure platform (€57 million), BancoPosta services (€36 million), support for the sales network (€21 million), the postal product platform (€9 million) and the engineering of reporting processes for other business and staff functions (€7 million).

The breakdown of the item Goodwill is as follows:

tab. A3.1 - Goodwill (€m)

Description	30.06.2022	31.12.2021
Mail, Parcels and Distribution SBU	199	75
Plurima SpA	123	-
Poste Italiane SpA	33	33
Poste Welfare Servizi Srl	18	18
Sengi Express Limited	18	16
MLK Deliveries SpA	5	5
Nexive Network Srl	3	3
sender Italia Srl	-	-
Total	199	75

In the first half of 2022, the Parent Company, through Poste Welfare Servizi S.r.l, a wholly owned subsidiary of Poste Italiane, acquired Plurima SpA and its subsidiaries, and the provisional difference between the consideration paid to the seller and the net value at the date of acquisition of the identifiable assets acquired and the identifiable liabilities assumed, valued in accordance with IFRS 3, is recognised as goodwill for the amount of € 123 million, pending completion of the process of valuing the individual components of the acquired assets (in this regard, see also Note 2.5 - Main changes in the scope of consolidation).

With reference to the impairment test on goodwill and cash generating units, please refer to paragraph 2.3 – *Use of estimates*.

A4 - RIGHT-OF-USE ASSETS (€1,303 million)

tab. A4 - Movements in right-of-use assets (€m)

	Properties used in operations	Company fleet	Vehicles for mixed use	Other assets	Total
Cost	1,478	170	27	51	1,726
Accumulated amortisation and impairments	(440)	(120)	(13)	(37)	(610)
Balance at 1 January 2022	1,038	50	14	14	1,116
Changes in the period					
New contract acquisitions	22	179	4	5	211
Adjustments	17	-	-	(2)	15
Contract terminations	(10)	(6)	-	-	(16)
Change in scope of consolidation	99	2	-	-	101
Accumulated amortisation and impairments	(79)	(36)	(3)	(4)	(123)
Total changes	48	140	-	-	187
Cost	1,601	307	29	55	1,991
Accumulated amortisation and impairments	(514)	(117)	(15)	(42)	(688)
Balance at 30 June 2022	1,086	190	14	13	1,303

Acquisitions for the period totalling € 211 million, refer to € 201 million for the Parent Company and include new contracts and renewal of contracts existing at the beginning of the year of a real estate nature (€ 20 million) and rental of company vehicles used for mail and parcel deliveries (€ 178 million). The item “Adjustments” refers to contractual changes during the period in question, e.g. for changes in duration due to extension, revision of economic conditions, etc..

A5 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (€ 259 million)

tab. A5 - Investments accounted for using the equity method (*) (€)

Equity investments	Balance at 01.01.2022	Increases/(Decreases)	Adjustments		Balance at 30.06.2022
			accounted for using the equity method	dividend adjustments	
in associates					
Anima Holding SpA	226	1	(11)	(11)	206
Conio Inc	1	-	-	-	1
Eurizon Capital Real Asset SGR	-	3	-	-	4
Financit SpA	38	-	(3)	-	35
ItaliaCamp Srl	-	-	-	-	1
Replica SIM SpA	10	-	-	-	10
Total associates	275	5	(13)	(11)	256
in subsidiaries					
Address Software Srl	-	-	-	-	-
Kipoint SpA	2	-	-	-	2
Indabox Srl	-	-	-	-	-
Total subsidiaries	2	-	-	-	3
Total	277	5	(13)	(11)	259

(*) Amounts in the table are shown rounded up in millions of euro, (without decimal places). As a result, the sum of the rounded amounts may not match the rounded totals.

The **Investments in associates** item (valued using the equity method) mainly refers to the companies Anima Holding, Financit and Replica SIM.

The most significant changes during the year are shown below:

- net negative adjustment to the carrying amount of the equity investment in Anima Holding SpA for a total of € 20 million, of which: an increase of € 10 million due to the share pertaining to the economic results achieved by the investee between 30 September 2021 and 31 March 2022, the date of the last available financial statements; an impairment adjustment of € 21 million following the execution of the impairment test carried out on the value of the equity investment conducted as at 30 June 2022 (for further details, see also Note 2.3 - Use of Estimates) and a decrease of € 11 million as a result of dividends received from the profits for 2021;
- subscription by Poste Vita and BancoPosta Fondi SGR, of a capital increase of € 3.4 million in Eurizon Capital Real Asset SGR (for further details see also Note 2.5 - Main changes in the scope of consolidation);

A list of subsidiaries, joint ventures and associates accounted for using the equity method is provided in *Additional information - Scope of companies and key information on investments* (Note 11).

A6 - FINANCIAL ASSETS (€ 230,513 million)

tab. A6 - Financial assets

Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	29,856	19,001	48,857	34,287	19,026	53,313	(4,456)
Financial assets at FVTOCI	125,802	9,354	135,156	141,798	8,055	149,853	(14,697)
Financial assets at FVTPL	41,042	717	41,758	44,341	473	44,814	(3,056)
Derivative financial instruments	4,481	261	4,742	800	76	876	3,866
Total	201,181	29,332	230,513	221,226	27,630	248,856	(18,343)
<i>of which Financial Activities</i>	<i>63,286</i>	<i>2,182</i>	<i>65,468</i>	<i>69,042</i>	<i>20,667</i>	<i>89,709</i>	<i>(4,570)</i>
<i>of which Insurance Activities</i>	<i>137,303</i>	<i>7,330</i>	<i>144,632</i>	<i>151,372</i>	<i>6,832</i>	<i>158,204</i>	<i>(13,572)</i>
<i>of which Postal and Business Services</i>	<i>206</i>	<i>8</i>	<i>214</i>	<i>77</i>	<i>7</i>	<i>84</i>	<i>130</i>
<i>of which Payment Services and Card Payments</i>	<i>385</i>	<i>42</i>	<i>427</i>	<i>735</i>	<i>24</i>	<i>759</i>	<i>(331)</i>

Financial assets break down as follows by type of activity:

- Financial Services relate primarily to the financial assets of BancoPosta RFC⁷⁴ and the company BancoPosta Fondi SpA SGR;
- Insurance Services includes the financial assets of Poste Vita SpA and its subsidiary, Poste Assicura SpA;
- Postal and business services, representing all the other financial assets held by the Parent Company (different from those held by BancoPosta) and the other financial assets held by companies that provide postal and business services;
- Payment Services and Card Payments, representing the financial assets held by the ring-fenced EMI and by the company PSIA Srl.

FINANCIAL ACTIVITIES

tab. A6.1 - Financial assets attributable to the financial services

Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	27,859	18,782	46,642	32,429	18,710	51,139	(4,497)
Loans	-	-	-	-	-	-	-
Receivables	-	18,405	18,405	-	18,029	18,029	376
Deposits with MEF	-	15,457	15,457	-	12,707	12,707	2,750
Receivables	-	15,463	15,463	-	12,712	12,712	2,751
Provisions for doubtful amounts deposited with MEF	-	(6)	(6)	-	(5)	(5)	(1)
MEF account held at the Treasury	-	171	171	-	-	-	171
Other financial receivables	-	2,777	2,777	-	5,322	5,322	(2,545)
Fixed income securities	27,859	378	28,237	32,429	681	33,110	(4,873)
Financial assets at FVTOCI	30,910	2,814	33,724	35,774	1,884	37,658	(3,934)
Fixed income securities	30,910	2,814	33,724	35,774	1,884	37,658	(3,934)
Financial assets at FVTPL	36	-	36	39	-	39	(3)
Equity instruments	36	-	36	39	-	39	(3)
Derivative financial instruments	4,481	256	4,737	800	73	873	3,864
Total	63,286	21,852	85,138	69,042	20,667	89,709	(4,570)

⁷⁴ The funds raised by private customers on postal current accounts must be used in Eurozone government bonds and, for a portion not exceeding 50% of the funds raised, in other securities backed by the Italian government guarantee (as provided by the Law no. 296 of 27 December 2006 and subsequent amendments provided by the 2015 Stability Law no. 190 of 23 December 2014. With the conversion into Italian Law no. 106 of 23 July 2021 of Italian Law Decree no.73 of 25 May 2021, it is permitted for BancoPosta RFC, within the scope of 50% of funding from private customers investible in securities guaranteed by the Italian State, to use up to 30% of this quota in the purchase of tax credits transferable under the terms of Italian Law Decree no.34/2020 (the so-called Relaunch Decree) or other tax credits transferable under the terms of the current legislation.

Financial assets at amortised cost

The main changes in the **Receivables** item can be attributed to:

- **Deposits with the MEF**, including public customers' current account deposits, which earn a variable rate of return, calculated on a basket of government bonds⁷⁵. The increase in deposits of € 2,751 million was due to higher deposits from postal current accounts, deriving mainly as a result of the agreements signed in 2021 with public customers. Furthermore, during the first half of 2022, the Parent Company entered into operating hedging derivative contracts of the 10-year indexed component to which the remuneration of government funding is linked through forward purchases of government bonds with a nominal value of € 405 million.
- **MEF account held at the Treasury**

tab. A6.1.1 - MEF account held at the Treasury

Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current liabilities	Current liabilities	Total	
Balance of cash flows for advances	-	196	196	-	(3,488)	(3,488)	3,684
Balance of cash flows from management of postal savings	-	148	148	-	220	220	(72)
Amounts payable due to theft	-	(155)	(155)	-	(155)	(155)	-
Amounts payable for operational risks	-	(18)	(18)	-	(18)	(18)	-
Total	-	171	171	-	(3,441)	(3,441)	3,612

MEF treasury account transactions during the six-month period, due in particular to changes in cash flows for advances, changed the formulation of the balance from current liabilities to current assets.

The balance of cash flows for advances includes the credit due to deposits and any surplus cash net of the debt for advances disbursed by the MEF, necessary to meet BancoPosta's cash requirements.

The balance of cash flows from the management of postal savings, amounting to a positive € 148 million, represents the balance of withdrawals less deposits during the last two days of the period in question and settled in the following period. The balance at 30 June 2022 consists of €121 million receivable from Cassa Depositi e Prestiti, and a receivable of €27 million from the MEF for Interest-bearing Postal Certificates issued on its behalf.

Amounts payable due to thefts from Post Offices of €155 million regard the Company's liability to the MEF on behalf of the Italian Treasury for losses resulting from theft and fraud. This liability derives from cash withdrawals from the Treasury to make up for the losses resulting from these criminal acts, in order to ensure that post offices can continue to operate.

Amounts payable for operational risks for €18 million regard the portion of advances obtained to fund the operations of BancoPosta, in relation to which asset under recovery is certain or probable.

⁷⁵ The floating rate in question is calculated as follows: 40% is based on the average return on 6-month BOTs recognised monthly and the remaining 60% is based on the average ten-year BTP return recognised monthly.

- **Other financial receivables**, which include: guarantee deposits of € 2,163 million, of which € 1,265 million for amounts paid to counterparties in repurchase agreements on fixed income instruments (collateral provided by specific Global Master Repurchase Agreements), € 871 million for amounts paid to Cassa di Compensazione e Garanzia SpA (CC&G) of which € 566 million for outstanding repo transactions and € 305 million as a pre-funded contribution to the guarantee fund, so-called Default Fund⁷⁶, € 25 million for sums paid to counterparties with which interest rate swap transactions are outstanding (collateral provided for in specific credit support annexes) and € 2 million for sums paid as collateral under clearing systems with central counterparties for over-the-counter transactions⁷⁷ in derivatives. Guarantee deposits decreased compared to the previous year by € 2,695 million mainly due to the decrease in amounts paid to counterparties for interest rate swap transactions (as a result of the positive change in the fair value of hedging derivatives) partially offset by higher payments to counterparties for sale repurchase agreement payables (as a result of the negative change in the fair value of securities used as collateral in repurchase agreements); the changes in question are due to the rise in the interest rate curve that occurred in the first half of the year.

Eurozone **fixed income instruments** held by BancoPosta RFC, consist of government securities issued by the Italian government and securities guaranteed by the Italian government with a nominal value of € 28,083 million. Their carrying amount of € 28,237 million reflects the amortised cost of unhedged fixed income instruments, totalling € 15,027 million, the amortised cost of fair-value hedged fixed income bonds, totalling € 13,210 million, decreased by € 2,068 million to take into account the effects of the hedge (€ 2,188 million related to 2021). Fixed income instruments measured at amortised cost are adjusted to take into account the related impairments. Accumulated impairments at 30 June 2022 amount to approximately €12 million (€11 million at 31 December 2021).

At 30 June 2022, the fair value⁷⁸ of these securities was €26,690 million (including €227 million in accrued income).

This category of financials asset includes fixed rate instruments, nominal €3,000 million, issued by Cassa Depositi e Prestiti SpA and guaranteed by the Italian government (at 30 June 2022, their carrying amount totals €2,942 million).

Financial assets at fair value through other comprehensive income

These refer to Eurozone **fixed income instruments** held primarily by BancoPosta RFC, consisting of government securities issued by the Italian government with a nominal value of € 34,596 million.

Total fair value losses for the period amount to €6,795 million, recognised in the relevant equity reserve in relation to the portion of the portfolio not hedged by fair value hedges (negative amount of €1,830 million) and recognised through profit or loss in relation to the hedged portion (negative amount of €4,965 million). Accumulated impairments at 30 June 2022 amount to €14 million (€12 million at 31 December 2021). The

⁷⁶ A guarantee fund established with payments from participants in the derivative, equity and bond markets, as a further guarantee for the transactions carried out. The fund can be used to meet the charges arising from any participant default.

⁷⁷ Securities market not subject to any specific regulation as regards the organisation and operation of the market.

⁷⁸ In terms of the fair value hierarchy, which reflects the relevance of the sources used to measure assets, €23,713 million of the total amount qualifies for inclusion in level 1 and €2,977 million for inclusion in level 2.

decrease in this item is due to the aforementioned fair value fluctuation partially offset by higher purchases than sales/reimbursements during the period.

Financial assets at fair value through profit or loss

The **Equity instruments** item refers to the fair value of 32,059 Visa Incorporated preference shares (Series C Convertible Participating Preferred Stock); these share-based securities are convertible at the rate of 6.824⁷⁹ ordinary shares for each C share, minus a suitable illiquidity discount.

Fair value gains in the period under review, amounting to a negative € 3 million, have been recognised in profit or loss in “Expenses from financial activities”.

Derivative financial instruments

A6.2 - Derivative financial instruments					(€m)
Description	Balance at 30.06.2022		Balance at 31.12.2021		
	Nominal	Fair value	Nominal	Fair value	
Cash flow hedging					
Forward sales	1,313	281	1,714	76	
Interest rate swaps	2,868	(407)	1,720	(264)	
Fair value hedging					
Interest rate swaps	33,819	4,062	37,870	(4,399)	
FVTPL					
Forward purchases	405	(50)	-	-	
Forward sales	-	(3)	-	(3)	
Derivative financial instruments	38,405	3,883	41,304	(4,590)	
Of which:					
Derivative assets	26,969	4,737	13,593	873	
Derivative liabilities	11,436	(854)	27,711	(5,463)	

Cash flow hedges in the form of interest rate swaps relate exclusively to FVTOCI securities, while forward sales relate to FVTOCI securities with a nominal value of €969 million and securities at amortised cost with a nominal value of €344 million. In the period, cash flow interest rate hedges recorded a total fair value loss of €347 million on the effective portion, reflected in the cash flow hedge reserve.

Fair value hedges in interest rate swaps are used to hedge:

- securities classified at amortised cost with a nominal value of €13,940 million and securities classified at FVTOCI with a nominal value of €14,130 million; overall, they underwent a net effective positive fair value change of €9,656 million during the half-year, taking into account the net negative fair value change of €9,670 million in hedged securities net of €14 million for differentials paid;
- repurchase agreements classified at amortised cost with a nominal value of € 5,749 million, which, overall, underwent a net effective negative fair value change of € 62 million during the half-year, taking into account the net positive fair value change of € 69 million in hedged repurchase agreements net of € 7 million in collected differentials.

⁷⁹ Until the assigned shares are fully converted into ordinary shares, the share exchange ratio may be reduced if Visa Europe Ltd. incurs liabilities that, as of the reporting date, were considered as merely contingent.

In the first half of 2022, fair value hedge derivatives with a total notional amount of € 7.9 billion (of which € 895 million related to hedging transactions for which the underlying security was also sold) were extinguished early with the aim of consolidating a fixed return in line with the market situation while also simultaneously improving the income profile of a portion of the portfolio for subsequent years.

INSURANCE ACTIVITIES

tab. A6.3 - Financial assets attributable to the insurance services

Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	1,984	73	2,058	1,856	188	2,044	14
Receivables	-	47	47	-	24	24	23
Fixed income securities	1,984	27	2,011	1,856	164	2,020	(9)
Financial assets at FVTOCI	94,312	6,540	100,852	105,214	6,171	111,385	(10,533)
Fixed income securities	93,804	6,539	100,343	104,689	6,171	110,860	(10,517)
Other investments	509	-	509	525	-	525	(16)
Financial assets at FVTPL	41,006	717	41,723	44,302	473	44,775	(3,052)
Receivables	-	40	40	-	41	41	(1)
Fixed income securities	1,864	345	2,209	2,524	55	2,579	(370)
Units of mutual investment funds	39,119	168	39,286	41,757	159	41,916	(2,630)
Equity instruments	2	165	167	-	217	217	(50)
Other investments	21	-	21	22	-	22	(1)
Derivative financial instruments	-	-	-	-	-	-	-
Total	137,303	7,330	144,632	151,372	6,832	158,204	(13,572)

Financial assets at amortised cost

Financial **receivables** refer to receivables for management fees from Poste Vita's internal funds and receivables for portions of funds sold but not yet collected, while the **fixed-income instruments** refer exclusively to the free capital of Poste Vita SpA and Poste Assicura SpA, with a total fair value⁸⁰ of € 1,897 million at 30 June 2022.

Financial assets at fair value through other comprehensive income

These financial instruments have recorded net fair value losses of €16,121 million. This includes €15,888 million deriving primarily from net losses from valuation of securities held by Poste Vita SpA and transferred to policyholders, with a contra-entry made in technical provisions in accordance with the shadow accounting method, and a portion of €233 million reflected in a matching negative change in the related equity reserve.

Fixed income instruments relate primarily to investments held by Poste Vita SpA, totalling € 100,035 million (a nominal value of € 106,374 million) and issued by European governments and leading European companies. These instruments are mainly intended to cover separately managed accounts, where gains and losses are transferred in full to policyholders and recognised in technical provisions using the shadow accounting method. These fixed income instruments comprise bonds issued by CDP SpA, with a fair value of €277 million. Accumulated impairments at 30 June 2022 amount to approximately €47 million, almost entirely transferred to policyholders using the shadow accounting method.

⁸⁰ In terms of the fair value hierarchy, which reflects the relevance of the sources used to measure assets, €1,628 million of the total amount qualifies for inclusion in level 1 and €269 million for inclusion in level 2.

Other investments consist of a Cassa Depositi e Prestiti private placement of a Constant Maturity Swap, classified at FVTOCI. Fair value losses registered during the period, totalling €16 million, have been transferred to policyholders using the shadow accounting method.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss consist mainly of **units of mutual investment funds** placed to hedge Class I separately managed accounts (€ 31,430 million) and Class III policies (€ 7,851 million); the remaining relates to investments of the company's free capital (€ 5 million). In the period in question, fair value decreased by approximately € 4,333 million, an effect almost entirely transferred to policyholders under the shadow accounting method.

At 30 June 2022, the investments which primarily regard equity funds total €35,130 million, units in mutual real estate funds total €2,269 million, and mutual funds that primarily invest in bonds total €1,887 million.

As for **fixed-income instruments**, they consist mainly of corporate instruments issued by leading issuers and placed mainly to hedge products linked to separately managed accounts.

POSTAL AND BUSINESS SERVICES

tab. A6.4 - Financial assets attributable to the postal and commercial services

Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	2	3	5	2	4	6	(1)
Receivables	2	3	5	2	4	6	(1)
Guarantee deposits	-	2	2	-	3	3	(1)
Due from the purchasers of service accommodation	2	1	4	2	2	4	-
Due from Others	-	20	20	-	20	20	-
Provisions for doubtful debts	-	(20)	(20)	-	(20)	(20)	-
Financial assets at FVTOCI	204	-	204	75	-	75	129
Fixed income securities	96	-	96	-	-	-	96
Equity instruments	108	-	108	75	-	75	33
Financial assets at FVTPL	-	-	-	-	-	-	-
Derivative financial instruments	-	5	5	-	3	3	2
Total	206	8	214	77	7	84	130

Financial assets at amortised cost

Guarantee deposits relate to amounts paid to counterparties with whom interest rate swap transactions are in place.

Amounts due from others, with a nominal value of € 20 million, regard the remaining amount due from Invitalia SpA as a result of the sale of Banca del Mezzogiorno-MedioCreditoCentrale SpA (BdM).

Financial assets at fair value through other comprehensive income

Fixed income instruments changed in the first half of 2022 as a result of the purchase of an Italian-issued government bond with a nominal value of € 110 million. The change in fair value that occurred during the period in question was negative by approximately € 4 million.

The **Shares** item includes:

tab. A6.4.1 - Equity instruments at FVTOCI (€m)

Name	Balance at 30.06.2022	Balance at 31.12.2021	Changes
Moneyfarm Holding L.t.d.	61	53	9
sennder Technologies GmbH	19	19	-
Scalapay Limited	25	-	25
Milkman SpA	3	3	-
Total	108	75	33

In January 2022, Poste Italiane participated in a new capital increase promoted by MFM Holding Ltd with an investment of € 9 million.

In April 2022, Poste Italiane acquired 2.30% (2.15% on a fully diluted basis) of the share capital of Scalapay Limited with an investment of € 25 million.

The change in fair value that occurred during the period in question was negative overall by approximately € 1 million.

Corporate actions in the first half of 2022, are described in note 3.1 - *Principal corporate actions*.

Financial assets measured at fair value through profit or loss

This item consists of equity instruments (as defined by art. 2346, paragraph 6 of the Italian Civil Code) resulting from the conversion of Contingent Convertible Notes⁸¹, whose value at 30 June 2022 is zero.

⁸¹ These are Contingent Convertible Notes with an original value of €75 million, a twenty-year term to maturity and issued by Midco SpA, which in turn owns 51% of the company Alitalia SAI SpA. The Notes were subscribed for by Poste Italiane SpA on 23 December 2014, in connection with the strategic transaction that resulted in Etihad Airways' acquisition of an equity interest in Alitalia SAI, without giving rise to any involvement on the part of Poste Italiane in the management of the issuer or its subsidiary. Interest and principal payments were provided for in the relevant terms and conditions if, and to the extent that, there was available liquidity. On the fulfilment of certain negative pledge conditions, in 2017 the loan was converted into equity instruments (as defined by art. 2346, paragraph 6 of the Italian Civil Code), carrying the same rights associated with the Notes.

Derivative financial instruments

A6.5 - Derivative financial instruments (€m)				
Description	Balance at 30.06.2022		Balance at 31.12.2021	
	Nominal	Fair value	Nominal	Fair value
Cash flow hedging				
Interest rate sw aps	50	(2)	50	(3)
FVTPL				
Commodity sw ap	5	5	5	3
Derivative financial instruments	55	3	55	-
Of which:				
Derivative assets		5		3
Derivative liabilities		(2)		(3)

At 30 June 2022, outstanding derivative instruments consisted mainly of a cash flow hedging interest rate swap contract entered into in 2013 to protect the cash flows of the € 50 million bond issued on 25 October 2013 (Note B.6 - *Financial liabilities*); with this transaction, the Company assumed the obligation to pay the fixed rate of 4.035% and sold the floating rate of the bond, which at 30 June 2022 was 1.215%;

The following transactions took place in the first half of 2022:

- stipulation and settlement of forward purchases of government securities for a nominal amount of € 110 million;
- stipulation and settlement of management hedging transactions for the euro/dollar exchange rate risk of costs related to aircraft lease payments made through the subsidiary Poste Air Cargo Srl.

PAYMENT SERVICES AND CARD PAYMENTS

tab. A6.6 - Financial assets attributable to the payments business and card payment (€m)							
Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	10	142	152	-	124	124	28
Receivables	10	142	152	-	124	124	28
Financial assets at FVTOCI	375	-	375	735	-	735	(360)
Equity instruments	375	-	375	735	-	735	(360)
Total	385	142	528	735	124	859	(331)

Financial assets at amortised cost

Financial assets at amortised cost mainly refer to receivables from international settlement circuits for the acquiring service and to items in progress to be settled on prepaid cards of the ring-fenced EMI.

Financial assets at fair value through other comprehensive income

tab. A6.7 - Equity instruments at FVOCI

Name	(€m)		
	Balance at 30.06.2022	Balance at 31.12.2021	Changes
Nexi S.p.A	367	651	(283)
Tink AB	-	77	(77)
Volante Technologies Inc	7	7	-
Total	375	735	(360)

Financial assets at fair value through other comprehensive income refer entirely to the investment in the company Nexi and the company Volante.

At 30 June 2022, the fair value adjustment of Nexi shares was a negative € 283 million (recognised in the appropriate equity reserve).

The change in the investment in Tink AB refers to the sale on 10 March 2022 following approval by the relevant authorities. (see also the provisions of Note 3.1 - *Principal corporate actions*).

A7 - INVENTORIES (€ 149 million)

tab. A7 - Inventories

Description	(€m)		
	Balance at 31.12.2021	Increase / (decrease)	Balance at 30.06.2022
Properties held for sale	128	(3)	125
Work in progress, semi-finished and finished goods	11	1	13
Raw, ancillary and consumable materials	16	(5)	11
Total	155	(7)	149

Properties held for sale refer entirely to the portion of EGI SpA's real estate portfolio to be sold, whose fair value⁸² at 30 June 2022 amounts to approximately €287 million. Three properties were sold during the first half of the year, generating a total gain of €14 million.

The change in raw, ancillary and consumable materials mainly refers to protective equipment, disinfectant gel and other materials purchased in 2020. The change refers mainly to materials used during the six-month period in question.

A8 - TRADE RECEIVABLES (€ 2,404 million)

tab. A8 - Trade receivables

Description	(€m)						
	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Receivables from customers	3	2,534	2,537	3	2,581	2,585	(48)
Receivables from Parent (MEF)	-	181	181	-	80	80	101
Cassa Depositi e Prestiti	-	267	267	-	387	387	(120)
Amounts due from subsidiaries, associates and joint ventures	-	12	12	-	21	21	(9)
Prepayments to suppliers	-	-	-	-	-	-	-
Provisions for doubtful debts due from customers	-	(559)	(559)	-	(529)	(529)	(30)
Provisions for doubtful debts due from the Parent Company (MEF)	-	(33)	(33)	-	(33)	(33)	-
Total	3	2,401	2,404	3	2,508	2,511	(107)

⁸² In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 3.

Trade receivables are recorded net of the related **provisions for doubtful debts**; for details on changes in the provision, see Note 5 - Risk Analysis and Monitoring.

The decrease in trade receivables recorded in the period, is mainly attributable to the decrease in receivables from Cassa Depositi e Prestiti due, as of 1 January 2022, to the change in billing and collection schedules from quarterly to monthly, pursuant to the Agreement renewed on 23 December 2021 for the 2021-2024 period, and the decrease in amounts from customers for the parcel delivery service. These decreases were partly offset by the increase in receivables from the Parent Company for higher interest accrued during the period on amounts deposited by Public Administration entities, due to the combined effect of the increase in the average balance and the rise in the interest rate curve.

A9 - OTHER RECEIVABLES AND ASSETS (€ 4,975 million)

tab. A9 - Other receivables and assets

Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Substitute tax paid	3,781	656	4,437	3,939	603	4,542	(105)
Due from social security agencies and pension funds (excl. fixed-term contract settlements)	-	176	176	-	172	172	4
Receivables relating to fixed-term contract settlements	46	75	121	51	76	127	(6)
Receivables for amounts that cannot be drawn on due to court rulings	-	73	73	-	77	77	(4)
Prepaid expenses and accrued income of a commercial nature and other assets	-	27	27	-	61	61	(34)
Tax assets	-	60	60	-	88	88	(28)
Other amounts due from associates	-	-	-	-	1	1	(1)
Interest accrued on IRES refund	-	47	47	-	47	47	-
Sundry receivables	21	206	227	25	206	231	(4)
Provisions for doubtful debts due from others	(3)	(190)	(193)	(3)	(185)	(188)	(5)
Total	3,845	1,130	4,975	4,012	1,146	5,158	(183)

The decrease in Other receivables and assets recorded in the period, is mainly attributable to the decrease in receivables for substitute tax for the stamp duty on interest-bearing postal certificates in circulation at 30 June 2022⁸³, partly offset by the increase in advances paid to the tax authorities for the tax to be paid virtually in 2022 and 2023 and the decrease in the item Accrued income and prepaid expenses of a commercial nature and other assets, which, at 31 December 2021, included the one-time payment made in advance to personnel in July 2021 to cover the contractual vacancy related to the first half of 2022, consistent with that defined in the renewal of the National Collective Labour Agreement signed on 23 June 2021.

Provisions for doubtful debts due from others are described in Note 5 – *Risk management*.

A10 – TAX CREDITS LAW NO. 77/2020 (€ 7,906 million)

tab. A10 - Tax credits law no. 77/2020

Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Tax credits at amortised cost	4,882	488	5,370	3,090	65	3,155	2,215
Tax credits at FVTOCI	1,578	957	2,535	2,461	840	3,301	(766)
Total Receivables	6,461	1,445	7,906	5,551	905	6,456	1,450

⁸³ For this case, a corresponding amount is recorded in Other taxes payable until the maturity or early redemption of the interest-bearing postal certificates, at which time the tax must be paid to the tax authorities.

This item refers to tax credits acquired by Poste Italiane SpA against capital resources free or transferred to BancoPosta RFC⁸⁴ for resources subject and not subject to restrictions on their use, in accordance with the provisions of the “Relaunch Decree” (Decree Law No. 34/2020 converted as amended by Law no. 77/2020), which introduced tax breaks to support citizens and businesses and promote economic recovery following the Covid-19 health emergency.

These credits are valued:

- at amortised cost where they have been acquired for use primarily for the purpose of offsetting social security or tax debts, based on the provisions of the regulations enacted with reference to the very characteristics of the individual credits, and
- at fair value measured through other comprehensive income, if also purchased for eventual sale (it should be noted that, as of now, no sales to third parties of these credits have ever been made).

The main changes in the six-month period in question relate to:

- Purchases for € 2,435 million;
- Income accrued during the period amounting to € 150 million (€ 88 million relating to amortised cost and € 62 million relating to FVTOCI receivables);
- Changes in fair value of FVTOCI receivables, negative for € 74 million;
- Offsetting for € 1,061 million.

At 30 June 2022, the fair value⁸⁵ of tax credits measured at amortised cost was €4,862 million.

With regard to the purchase of tax credits derived from building bonuses, offered by the Group to its customers, certain local Public Prosecutors' Offices, in the period between November 2021 and June 2022, decided as a precautionary measure to seize a nominal amount of approximately €252 million worth of tax credits that were undergoing purchase procedures. As a result of these measures, adopted in proceedings in which Poste Italiane is a bona fide third party and/or an injured party, the Company filed for a review, the outcome of which has led to the release of most of the sums previously subject to precautionary measures. To take into account the effects of the anti-fraud decree, which allows for the extension of the set-off window for the duration of the seizure, to take into account the time value in accordance with the IAS/IFRS framework, the amortised cost of the residual receivables that are subject to a seizure order at the date of these financial statements has been adjusted by estimating the average duration of the seizure as one year.

⁸⁴ With the conversion into Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021, BancoPosta RFC is allowed, as part of the 50% of its funding from private customers that can be invested in securities guaranteed by the Italian State, to use up to 30% of this portion to purchase transferable tax credits.

⁸⁵ In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 3.

A11 - CASH AND DEPOSITS ATTRIBUTABLE TO BANCOPOSTA (€ 10,101 million)

tab. A11 - Cash and deposits attributable to BancoPosta (€m)

Description	Balance at 30.06.2022	Balance at 31.12.2021	Changes
Cash and securities on hand	3,753	2,886	867
Bank deposits	6,349	4,773	1,576
Total	10,101	7,659	2,442

This item relates exclusively to BancoPosta RFC assets.

The increase in the item **Cash and securities on hand** is mainly due to higher amounts on deposit with the service companies while the increase in the item **Bank deposits** is due to temporary excess liquidity deriving from deposits from individuals on the account opened with the Bank of Italy and not yet invested.

A12 - CASH AND CASH EQUIVALENTS (€ 4,401 million)

tab. A12 - Cash and cash equivalents (€m)

Description	Balance at 30.06.2022	Balance at 31.12.2021	Changes
Bank deposits and amounts held at the Italian Treasury	4,066	5,941	(1,875)
Deposits with MEF	300	1,990	(1,690)
Cash and securities on hand	34	27	7
Total	4,401	7,958	(3,557)

At 30 June 2022, the item includes approximately € 2,255 million, including € 2,121 million in liquidity covering technical provisions for the insurance business, € 101 million refers to an unavailable amount deposited by the Presidenza del Consiglio dei Ministri - Dipartimento dell'Editoria (Cabinet Office - Publishing department) in a non-interest bearing escrow account with the Italian Treasury as advance payment for publisher tariff reductions granted by the Parent Company (Note A8), € 18 million restricted as a result of judicial measures relating to disputes of various kinds and € 15 million resulting from cash received on delivery and other restrictions. The decrease in deposits with the MEF compared to 31 December 2021 is mainly due to higher lending during the first half of the year, partly as a result of the performance of postal current account deposits from private customers and the optimisation of deposit yields due to the upward shift in the interest rate curve.

EQUITY

B1 - EQUITY (€10,679 million)

The following table shows the reconciliation of the Parent Company's equity and profit for the period and consolidated equity and profit for the period:

tab. B1 - Reconciliation of equity

(€m)

	Equity at 30/06/2022	Changes in equity 1H 2022	Net profit/(loss) 1H 2022	Equity at 31/12/2021
Financial statements of Poste Italiane SpA	6,086	(1,919)	970	7,034
- Balance of profit (loss) of consolidated subsidiaries	8,164	54	653	7,457
- Investments accounted for using the equity method	134	1	(13)	146
- Balance of FV and CFH reserves of investee companies	(386)	(501)	-	115
- Actuarial gains and losses on employee termination benefits of investee companies	(3)	4	-	(7)
- Fees to be amortised attributable to Poste Vita SpA and Poste Assicura SpA	(27)	-	2	(29)
- Effects of intercompany transactions	(65)	-	(3)	(62)
- Derecognition of infra-group dividends	(3,735)	-	(650)	(3,086)
- Elimination of adjustments to value of consolidated companies	598	-	-	598
- Amortisation until 1 January 2004/impairment of goodwill	(156)	-	-	(156)
- Impairments of disposal groups held for sale	(40)	-	-	(40)
- Recognition of liabilities for call options	(93)	(64)	-	(29)
- Other consolidation adjustments	163	1	1	160
Equity attributable to owners of the Parent	10,640	(2,424)	962	12,102
- Equity attributable to non-controlling interests (excluding profit/(loss))	37	31	-	5
- Net profit/(loss) attributable to non-controlling interests	2	(2)	2	2
Equity attributable to non-controlling interests	39	29	2	8
TOTAL CONSOLIDATED EQUITY	10,679	(2,395)	964	12,110

At 30 June 2022, earnings per share were € 0.740 (€ 0.594 at 30 June 2021), calculated as the ratio of the profit for the period attributable to the Group of € 962 million to the weighted average number of outstanding ordinary shares.

B2 - SHARE CAPITAL (€ 1,306 million)

The share capital of Poste Italiane SpA consists of 1,306,110,000 no-par value ordinary shares.

At 30 June 2022, the Parent Company holds 7,535,991 treasury shares (equal to 0.577% of the share capital).

All the shares in issue are fully subscribed and paid up. No preference shares have been issued.

B3 - SHAREHOLDERS TRANSACTIONS

As approved by the General Meeting of 27 May 2022, on 22 June 2022, the Parent Company distributed dividends of €526 million (dividend per share equal to €0.405) as the balance for 2021, taking into account the interim dividend of €241 million (dividend per share equal to €0.185) already paid in November 2021.

B4 – RESERVES (€ 1,667 million)

tab. B4 - Reserves (€m)

	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Translation reserve	Reserve for investees accounted for using equity method	Incentive plans reserve	Total
Balance at 1 January 2022	299	1,210	800	1,307	(34)	1	3	13	3,599
Increase/(decrease) in fair value during the year	-	-	-	(2,424)	348	-	-	-	(2,077)
Tax effect of changes in fair value	-	-	-	617	(99)	-	-	-	518
Transfers to profit or loss	-	-	-	(130)	(328)	-	-	-	(458)
Tax effect of transfers to profit or loss	-	-	-	37	93	-	-	-	131
Increase/(decrease) for expected losses	-	-	-	2	-	-	-	-	2
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	2	-	-	2
Gains/(losses) recognised in equity	-	-	-	(1,898)	14	2	-	-	(1,882)
Incentive plans	-	-	-	-	-	-	-	2	2
Other changes	-	-	-	(54)	-	-	1	-	(53)
Equity instruments - perpetual hybrid bonds	-	-	-	-	-	-	-	-	-
Balance at 30 June 2022	299	1,210	800	(645)	(19)	3	4	16	1,667

The **reserve for equity instruments-perpetual hybrid bonds** includes the issue of the perpetual hybrid bond.

The **fair value reserve** regards changes in the value of financial assets at fair value through other comprehensive income. Fair value losses in the first half of 2022, totalling €2,424 million, regard:

- a net decrease of €1,903 million in financial assets attributable to the Group's Financial Services segment;
- a net decrease of €233 million in financial assets attributable to the Group's Insurance Services segment;
- a net decrease of €5 million in financial assets attributable to the Group's Postal and Business Services segment;
- a net decrease of €283 million in financial assets attributable to the Group's Payment and Mobile segment.

The **cash flow hedge reserve** reflects changes in the fair value of the effective portion of cash flow hedges. In the first half of 2022, fair value gains of €348 million were attributable primarily to the value of BancoPosta RFC financial derivatives.

The **Incentive Plans reserve** includes the estimate of the valuations for the period relating to the long-term "ILT Performance Share" incentive plans and the MBO short-term incentive plans, carried out on the basis of the provisions of IFRS 2.

LIABILITIES

B5 - TECHNICAL PROVISIONS FOR INSURANCE BUSINESS (€ 143,259 million)

These provisions refer to the contractual obligations of the subsidiaries, Poste Vita SpA and Poste Assicura SpA, in respect of their policyholders, inclusive of deferred liabilities resulting from application of the shadow accounting method, as follows:

tab. B5 - Technical provisions for insurance business

(€m)			
Description	Balance at 30.06.2022	Balance at 31.12.2021	Changes
Mathematical provisions	139,939	136,898	3,041
Outstanding claims provisions	1,059	790	269
Technical provisions where investment risk is transferred to policyholders	8,516	7,847	669
Other provisions	(6,594)	13,260	(19,854)
for operating costs	69	70	(1)
for deferred liabilities to policyholders	(6,663)	13,190	(19,853)
Technical non-life provisions	338	294	44
Total	143,259	159,089	(15,830)

The technical provisions borne by reinsurers are shown under assets in the balance sheet and amount to a total of €47 million.

Details of changes in technical provisions for the insurance business and other claims expenses are provided in the notes to the consolidated statement of profit or loss.

The **provisions for deferred liabilities to policyholders** include portions of gains and losses attributable to policyholders under the shadow accounting method. In particular, the value of the provisions reflects the attribution to policyholders, in accordance with the relevant accounting standards (to which reference is made for more details), of unrealised profits and losses on financial assets at FVTOCI at 30 June 2022 and on financial instruments at fair value through profit or loss.

B6 - PROVISIONS FOR RISKS AND CHARGES (€ 1,272 million)

tab. B6 - Movements in provisions for risks and charges 1H 2022

(€m)						
Description	Balance at 01.01.2022	Provisions	Transfers to profit or loss	Utilisations	Changes in consolidation scope	Balance at 30.06.2022
Provisions for operational risks	145	6	(5)	(8)	-	137
Provisions for disputes with third parties	298	27	(12)	(15)	-	299
Provisions for disputes with staff ⁽¹⁾	44	2	(5)	(4)	-	37
Provisions for personnel expenses	125	199	(11)	(54)	-	259
Provisions for early retirement incentives	518	-	-	(95)	-	423
Provisions for taxation/social security contributions	19	1	-	-	-	19
Other provisions for risks and charges	119	3	(16)	(9)	2	97
Total	1,268	237	(50)	(184)	2	1,272
Overall analysis of Provisions for risks and charges:						
- non-current portion	693					545
- current portion	575					727
	<u>1,268</u>					<u>1,272</u>

(1) Net uses for personnel expenses amount to €4 million. Service costs (legal assistance) amounted to about €1 million.

Movements during the half-year generally regard updated estimates of liabilities and uses to cover liabilities settled.

The most significant changes in the period in question relate to:

- **Provisions for personnel expenses** increased due to the estimated value of new liabilities (€ 199 million) and decreased as a result of past contingent liabilities that failed to materialise (€ 11 million) and for liabilities settled (€ 54 million).
- **Provisions for early retirement incentives**, which reflect the estimated liabilities that the Group has irrevocably committed itself to incur for voluntary early retirement incentives, were utilised in the first half of the year for the amount of € 95 million.

B7 - EMPLOYEE TERMINATION BENEFITS (€744 million)

tab. B7 - Changes in provisions for employee termination benefits (€m)

	1H 2022
Balance at 1 January	922
Changes in scope	5
Cost related to current benefits	1
Financial component	7
Effect of actuarial gains/(losses)	(118)
Utilisations in the year	(73)
Balance at end of period	744

In the period in question, actuarial gains totalling € 118 million were recognised as a result of the change in economic-financial assumptions recorded in the period and are mainly attributable to the change in the annual discount rate, as described in section “2.3 - Use of estimates”.

The current service cost is recognised in personnel expenses, whilst the interest component is recognised in finance costs.

B8 - FINANCIAL LIABILITIES (€ 105,039 million)

tab. B8 - Financial liabilities

Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	9,427	94,662	104,089	9,672	89,565	99,237	4,852
Postal current account payables	-	73,599	73,599	-	68,597	68,597	5,002
Loans	8,328	5,577	13,905	8,721	6,861	15,582	(1,677)
Bonds	1,047	2	1,049	1,047	-	1,047	2
Due to financial institutions	7,281	5,576	12,856	7,674	6,861	14,535	(1,679)
Lease payables	1,095	272	1,367	947	219	1,166	201
MEF account held at the Treasury	-	-	-	-	3,441	3,441	(3,441)
Other financial liabilities	4	15,213	15,217	4	10,447	10,451	4,766
Financial liabilities at FVTPL	93	-	93	29	-	29	64
Financial liabilities for purchase of minority interests	93	-	93	29	-	29	64
Derivative financial instruments	777	79	856	5,421	45	5,466	(4,610)
Cash flow hedging	403	12	415	258	9	267	148
Fair Value hedges	375	14	389	5,160	36	5,196	(4,807)
Fair value through profit or loss	-	53	53	3	-	3	50
Total	10,297	94,742	105,039	15,122	89,610	104,732	307

Postal current account payables

Payables deriving from postal current accounts represent BancoPosta's direct deposits. The increase in the item compared to 31 December 2021 is mainly due to the increase in Public Administration inventories referring in part to advance remittances from INPS for the payment of pension accruals for July 2022.

Loans

Loans are unsecured and do not include financial covenants, which would require Group companies to comply with financial ratios or maintain a certain minimum rating. EIB loans are subject to the maintenance of a minimum rating level of BBB- (or equivalent) by the two rating agencies of Poste, without prejudice to the bank's right to request guarantees or an increase in the margin, or in the event of failure to agree to repay the loan. Standard negative pledge clauses⁸⁶ do apply, however

Bonds

The item **Bonds** refers to two loans issued by the Parent Company as part of the €2 billion Euro Medium Term Notes (EMTN) Programme promoted by the Company during the 2013 financial year on the Luxembourg Stock Exchange. Specifically:

- a senior unsecured loan with a total nominal value of €1 billion issued on 10 December 2020 in two tranches, placed in public form with institutional investors. At 30 June 2022, the fair value⁸⁷ of the loan was €893 million.
- a loan with a nominal value of €50 million, privately placed and issued at par on 25 October 2013. The interest rate risk exposure was hedged as described in note A6 – *Financial assets*. The fair value⁸⁸ of this loan at 30 June 2022 is € 51 million.

Due to financial institutions

tab. B8.1 - Due to financial institutions (€m)

Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Repurchase agreements	6,458	5,173	11,631	6,951	6,310	13,261	(1,630)
EIB fixed rate loan maturing 12/03/2026	173	-	173	173	-	173	-
EIB fixed rate loan maturing 16/10/2026	400	-	400	400	-	400	-
EIB fixed rate loan maturing 19/05/2028	150	-	150	150	-	150	-
EIB fixed rate loan maturing 02/05/2028	100	-	100	-	-	-	100
Other loans	-	401	401	-	551	551	(150)
Accrued interest expense	-	1	1	-	-	-	1
Total	7,281	5,576	12,856	7,674	6,861	14,535	(1,679)

TV: Variable rate loan. TF: Fixed rate loan

Amounts due to financial institutions are subject to standard negative pledge clauses⁸⁹.

Outstanding liabilities for repurchase agreements relate to contracts entered into by the Parent Company with primary financial institutions and Central Counterparties. The related liabilities, before offsetting as better described below, total € 13,387 million (total nominal value of committed securities of € 12,505 million), of which

⁸⁶ A commitment given to creditors by which a borrower undertakes not to give senior security or other restrictions on assets to other lenders ranking pari passu with creditors, unless the same degree of protection is also offered to them.

⁸⁷ In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 1.

⁸⁸ In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

⁸⁹ A commitment given to creditors by which a borrower undertakes not to give senior security to other lenders ranking pari passu with existing creditors, unless the same degree of protection is also offered to them.

€ 7,041 million for Long Term Repos and € 6,346 million for ordinary loan operations, aimed at investments in Italian fixed income government securities and funding for deposits used as collateral in collateralisation transactions. At 30 June 2022, repurchase agreements with a nominal value of €5,749 million were the subject of fair value hedge transactions executed to hedge interest rate risk. Finally, financial assets and liabilities relating to repurchase agreements managed through the Central Counterparty that meet the requirements of IAS 32 are offset. The effect of netting at 30 June 2022, already included in the exposure to net balances, amounted to €1,756 million (€1,577 million at 31 December 2021). The fair value⁹⁰ of the repurchase agreements in question at 30 June 2022 is €13,140 million.

On 31 March 2022, a new € 100 million euro “Green Mobility” loan with the EIB was signed, disbursed on 2 May 2022, with interest at a fixed rate of 1.467% and maturity on 2 May 2028. Furthermore, also on 31 March 2022, a further € 600 million “Energy Efficiency” loan was entered into with the EIB, not yet paid, with an availability period until 31 March 2023.

At 30 June 2022, the fair value⁹¹ of the four EIB loans totalling € 823 million is € 783 million.

The committed and uncommitted credit lines available to the Group and the related uses are summarised in the table below.

Description	(€m)	
	Balance at 30.06.2022	Balance at 31.12.2021
Committed credit lines	1,750	1,750
Short-term loans	1,750	1,750
Uncommitted credit lines	2,256	2,357
Short-term loans	1,210	1,309
Current account overdrafts	145	145
Unsecured loans	901	903
Total	4,006	4,107
Committed uses	-	-
Short-term loans	-	-
Uncommitted uses	843	975
Short-term loans	401	550
Unsecured loans	442	425
Total	843	975

No collateral has been provided to secure the credit lines obtained.

⁹⁰In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

⁹¹ In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

During the first half of 2022, the Parent Company drew down uncommitted credit lines for short-term loans totalling € 401 million.

The uncommitted credit lines are also available for overnight transactions entered into by BancoPosta RFC.

In addition, from 26 June 2020, BancoPosta's assets may access a 3-year committed facility granted by Cassa Depositi e Prestiti for repurchase agreements up to a maximum of €4.25 billion, unused at 30 June 2022.

Finally, the Bank of Italy has granted BancoPosta RFC access to intraday credit in order to fund intraday interbank transactions. Collateral for this credit facility is provided by securities with a nominal value of €1,826 million, and the facility is unused at 30 June 2022.

The existing credit lines and the loans are adequate to meet financing requirements expected to date.

Morover, at 30 June 2022, the Parent Company had an EMTN - Euro Medium Term Note program of €2 billion in place, thanks to which the Group can raise an additional €1.95 billion on the capital market. As part of this programme, in 2013, Poste Italiane placed a 10-year loan of €50 million on the Luxembourg Stock Exchange and in December 2020, it placed two further senior unsecured loans with a total nominal value of €1 billion.

Lease payables

Lease payables at 30 June 2022 amounted to €1,367 million. Total cash outflows for leases in the first half of the year amounted to €119 million.

Other financial liabilities

Other financial liabilities have a fair value that approximates to their carrying amount.

tab. B8.2 - Other financial liabilities

Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
management of prepaid cards and other EMI items	-	8,484	8,484	-	8,208	8,208	276
domestic and international money transfers	-	1,047	1,047	-	938	938	109
guarantee deposits	-	3,953	3,953	-	228	228	3,725
endorsed cheques	-	248	248	-	322	322	(74)
other items in process	-	384	384	-	264	264	120
other amounts payable to third parties	-	194	194	-	69	69	125
amounts to be credited to customers	-	252	252	-	125	125	127
cheques to be credited to Postal Savings books	-	151	151	-	141	141	10
Tax collection and road tax	-	443	443	-	107	107	336
other	4	56	61	4	45	49	12
Total	4	15,213	15,217	4	10,447	10,451	4,766

Liabilities for **management of prepaid cards and other EMI items**, related to the subsidiary PostePay SpA, mainly refer to amounts due to prepaid card holders (€ 8,407 million) and, residually, to amounts due to be settled with prepaid card holders, amounts due to the public administration for the PagoPA service and other minor items of the ring-fenced EMI.

Amounts payables for guarantee deposits mainly refer to amounts received from counterparties in repurchase agreements on fixed income instruments (collateral provided by specific Global Master Repurchase Agreements).

The change in guarantee deposits compared to 31 December 2021, refers to the increase in amounts received from counterparties for interest rate swaps, following the positive change in the fair value of hedging derivatives due to the rise in the interest rate curve.

Financial liabilities for purchase of minority interests

The item refers to the estimated consideration (purchase and sale options) that will enable Poste Italiane and Poste Welfare Servizi to purchase the additional shares held by minority shareholders in MLK Deliveries SpA for 30% and Plurima Bidco SpA (i.e., Plurima Spa following the planned reverse merger between Plurima Bidco SpA and Plurima SpA) also for 30%, respectively.

Derivative financial instruments

Movements in financial derivatives during the first half are described in note A6 - *Financial assets*.

Net financial position

The following table provides an analysis of the Poste Italiane Group's net financial position at 30 June 2022.

Poste Italiane Group

Net debt/(funds) at 30 June 2022								(€m)
Balance at 30.06.2022	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations	Consolidated	of which related parties	
Financial liabilities	5,167	101,705	298	9,335	(11,466)	105,039		
Financial liabilities at amortised cost	3,668	91,689	35	8,930	(232)	104,090	172	
Postal current account payables	-	73,831	-	-	(232)	73,599	/	
Bonds	1,049	-	-	-	-	1,049	-	
Due to financial institutions	1,225	11,631	-	-	-	12,856	/	
Other borrowings	-	-	-	-	-	-	-	
Lease payables	1,366	0	1	0	-	1,367	/	
MEF account held at the Treasury	-	-	-	-	-	-	-	
Other financial liabilities	27	6,227	34	8,930	-	15,218	/	
Financial liabilities at FVTPL	93	-	-	-	-	93	-	
Financial liabilities for purchase of minority interests	33	-	-	-	-	33	-	
Derivative financial instruments	2	855	-	-	-	856	199	
Intersegment financial liabilities	1,404	9,161	263	405	(11,234)	-	-	
Technical provisions for insurance business	-	-	143,259	-	-	143,259	-	
Financial assets	(1,072)	(85,492)	(144,989)	(10,173)	11,214	(230,513)		
Financial instruments at amortised cost	(5)	(46,642)	(2,058)	(152)	0	(48,857)	(18,625)	
Financial instruments at FVTOCI	(204)	(33,724)	(100,852)	(375)	-	(135,156)	(509)	
Financial instruments at FVTPL	(0)	(36)	(41,723)	-	-	(41,759)	(22)	
Derivative financial instruments	(5)	(4,737)	-	-	-	(4,742)	(155)	
Intersegment financial assets	(858)	(353)	(357)	(9,645)	11,214	-	-	
Tax credits Law no. 77/2020	(574)	(7,332)	-	-	-	(7,906)		
Technical provisions attributable to reinsurers	-	-	(47)	-	-	(47)	-	
Liabilities/(net financial assets)	3,521	8,881	(1,480)	(838)	(252)	9,831		
Cash and deposits attributable to BancoPosta	-	(10,101)	-	-	-	(10,101)	-	
Cash and cash equivalents	(2,004)	(332)	(2,253)	(43)	232	(4,401)	(301)	
Net debt/(funds)	1,516	(1,553)	(3,733)	(881)	(20)	(4,671)		

Net debt/(funds) at 31 December 2021

(€m)

Balance at 31.12.2021	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations	Consolidated	of which related parties
Financial liabilities	4,795	102,198	284	8,716	(11,261)	104,732	
Financial liabilities at amortised cost	3,505	88,185	31	8,316	(800)	99,237	3,651
Postal current account payables	-	69,397	-	-	(800)	68,597	1
Bonds	1,047	-	-	-	-	1,047	-
Due to financial institutions	1,274	13,261	-	-	-	14,535	100
Other borrowings	-	-	-	-	-	-	-
Lease payables	1,163	-	2	1	-	1,166	6
MEF account held at the Treasury	-	3,441	-	-	-	3,441	3,441
Other financial liabilities	21	2,086	29	8,315	-	10,451	4
Financial liabilities at FVTPL	29	-	-	-	-	29	-
Financial liabilities for purchase of minority interests	29	-	-	-	-	29	-
Derivative financial instruments	3	5,463	-	-	-	5,466	148
Intersegment financial liabilities	1,258	8,550	253	400	(10,461)	-	-
Technical provisions for insurance business	-	-	159,089	-	-	159,089	-
Financial assets	(942)	(89,995)	(158,587)	(9,783)	10,451	(248,856)	
Financial instruments at amortised cost	(6)	(51,139)	(2,044)	(124)	-	(53,313)	(16,089)
Financial instruments at FVTOCI	(75)	(37,658)	(111,385)	(735)	-	(149,853)	(525)
Financial instruments at FVTPL	-	(39)	(44,775)	-	-	(44,814)	(22)
Derivative financial instruments	(3)	(873)	-	-	-	(876)	-
Intersegment financial assets	(858)	(286)	(383)	(8,924)	10,451	-	-
Tax credits Law no. 77/2020	(448)	(6,008)	-	-	-	(6,456)	-
Technical provisions attributable to reinsurers	-	-	(50)	-	-	(50)	-
Liabilities/(net financial assets)	3,405	6,195	736	(1,067)	(810)	8,459	
Cash and deposits attributable to BancoPosta	-	(7,659)	-	-	-	(7,659)	-
Cash and cash equivalents	(2,121)	(2,021)	(4,584)	(32)	800	(7,958)	(1,991)
Net debt/(funds)	1,284	(3,485)	(3,848)	(1,099)	(10)	(7,158)	

The overall net financial position at 30 June 2022 was a surplus of € 4,671 million, down € 2,487 million from 31 December 2021 (when it was a surplus of € 7,158 million). The change during the period is mainly attributable to the negative valuation effects for the period of more than € 2.5 billion from investments classified in the FVTOCI category, held mainly by the Financial Services Strategic Business Unit (negative effect of more than € 2 billion) and residually by the Insurance Services Strategic Business Unit (negative effect of approximately € 0.2 billion) and Payments and Mobile (negative effect of approximately € 0.3 billion).

An analysis of the Net debt/(funds) of the Mail, Parcels and Distribution segment at 30 June 2022, in accordance with ESMA recommendation 32-382-1138, is provided below:

Financial debt ESMA		(lm)	
	At 30 June 2022	At 31 December 2021	
A. Cash	(2,004)	(2,122)	
B. Cash equivalents	-	-	
C. Other current financial assets	(8)	(8)	
D. Liquidity (A + B + C)	(2,012)	(2,130)	
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	697	785	
F. Current portion of the non-current financial payable	3	-	
G. Current financial debt (E + F)	700	785	
H. Net current financial debt (G + D)	(1,313)	(1,345)	
I. Non-current financial debt (excluding current portion and debt instruments)	2,016	1,705	
J. Debt instruments	1,047	1,047	
K. Trade payables and other non-current payables	22	22	
L. Non-current financial debt (I + J + K)	3,085	2,774	
M. Total financial indebtedness (H + L)	1,772	1,429	

Reconciliation of financial indebtedness ESMA		(lm)	
	At 30 June 2022	At 31 December 2021	
M. Total financial indebtedness (H + L)	1,772	1,429	
Non-current financial assets	(207)	(76)	
K. Trade payables and other non-current payables	(22)	(22)	
Tax credits Law no. 77/2020	(574)	(448)	
(Net debt)/funds	970	883	
Intersegment financial receivables and payables	546	401	
Net debt/(funds) including intersegment transactions	1,516	1,284	

B9 - TRADE PAYABLES (€ 1,857 million)

tab. B9 - Trade payables		(€m)		
Description	Balance at 30.06.2022	Balance at 31.12.2021	Changes	
Payables to suppliers	1,206	1,400	(194)	
Contract liabilities	623	605	18	
Due to subsidiaries	3	3	-	
Amounts due to associates	25	21	4	
Total	1,857	2,029	(172)	

The decrease in trade payables is mainly due to the combined effect of lower costs for the purchase of goods and services and the normal pattern of payments to suppliers recognised during the period.

B10 - OTHER LIABILITIES (€ 3,242 million)

tab. B10 - Other liabilities		(€m)					
Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Payables to personnel	7	479	486	20	719	739	(253)
Payables to pension and social security agencies	23	360	383	26	428	454	(71)
Other tax payables	1,571	611	2,183	1,648	570	2,218	(35)
Sundry payables	52	89	140	48	106	154	(14)
Accrued expenses and deferred income	6	43	50	7	37	44	6
Total	1,659	1,582	3,242	1,749	1,860	3,609	(367)

The decrease in Other liabilities recorded in the period is mainly attributable to the decrease in the item **Payables to personnel** for the reduction in the payable for **incentives**, due to the combined effect of the settlements made during the period and certain liabilities to personnel, the amount of which is still in the process of being defined, which at 30 June 2022 were allocated to the Provisions for personnel expenses.

tab. B10.1 - Payables to staff

Description	Balance at 30.06.2022			Balance at 31.12.2021			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
For 13th and 14th month salaries	-	216	216	-	204	204	12
Incentives	7	125	133	20	406	426	(293)
Accrued vacation pay	-	85	85	-	41	41	44
Other amounts due to staff	-	53	53	-	68	68	(15)
Total	7	479	486	20	719	739	(253)

4.3 NOTES TO THE STATEMENT OF PROFIT OR LOSS

REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers		(€m)	
Description	Notes	1H 2022	1H 2021
Revenue from Mail, Parcels and other	[C1]	1,805	1,831
of which Revenue from contracts with customers		1,554	1,535
recognised at a point in time		188	245
recognised over time		1,366	1,290
Net revenue from Financial Services	[C2]	2,505	2,409
Revenue from Financial Services		2,611	2,469
Expenses from financial activities		(106)	(60)
of which Revenue from contracts with customers		1,268	1,403
recognised at a point in time		118	143
recognised over time		1,149	1,261
Revenue from Insurance Services after changes in technical provisions and other claim expenses	[C3]	1,073	1,045
Insurance premium revenue		9,407	10,291
Income from insurance activities		2,169	2,206
Change in technical provisions for insurance business and other claims expenses		(5,245)	(11,240)
Expenses from insurance activities		(5,258)	(212)
of which Revenue from contracts with customers		-	-
recognised at a point in time		-	-
recognised over time		-	-
Revenue from Payments and Mobile	[C4]	482	399
of which Revenue from contracts with customers		482	399
recognised at a point in time		178	161
recognised over time		304	239
Total		5,865	5,684

The breakdown of revenues from contracts with customers by operating segment is shown below, in accordance with that carried out in the Annual Report 2021, to which please refer for further details.

C1 – REVENUE FROM MAIL, PARCELS AND OTHER (€1,805 million)

tab. C1 - Revenue from Mail, Parcels & other				(€m)
Description	1H 2022	1H 2021	Changes	
Mail	872	866	6	
Parcels	663	704	(41)	
Other revenue	115	105	10	
Total external revenue	1,650	1,676	(26)	
Universal Service compensation	131	131	-	
Publisher tariff subsidies	23	24	(1)	
Total revenue	1,805	1,831	(26)	

External revenue shows a decrease compared to the first half of 2021, mainly due to the decline in revenues from parcels compared to the first half of 2021, strongly influenced by both market normalisation and the macroeconomic scenario for the period; this trend is only partially offset by the growth in other revenues supported by new business initiatives.

The **Universal Service** fee for the period, amounting to € 131 million (€ 262 million on an annual basis), is recognised on the basis of the new Contratto di Programma (Service Contract) for 2020-2024, which took effect on 1 January 2020.

The **Publisher tariff subsidies**⁹² fee was determined on the basis of the tariffs set in the decree issued by the Ministry for Economic Development, in agreement with the Ministry of the Economy and Finance, on 21 October 2010 and Law Decree 63 of 18 May 2012, as converted into Law 103 of 16 July 2012.

⁹² Law no. 8 of 28 February 2020 ordered that reimbursements of publishing tariff subsidies to Poste Italiane continue "for a duration equal to that of the universal postal service" (i.e. until April 2026). The application of the regulation is subject to approval by the European Commission.

C2 – NET REVENUE FROM FINANCIAL SERVICES (€2,505 million)

tab. C2 - Revenue from financial services

(€m)

Description	1H 2022	1H 2021	Changes
Financial services	2,260	2,196	64
Income from financial activities	350	271	79
Other operating income	2	2	-
Expenses from financial activities	(106)	(60)	(46)
Total	2,505	2,409	96

This revenue regards revenue generated by the Parent Company's BancoPosta RFC and the subsidiary, BancoPosta Fondi SGR.

Revenue from Financial Services breaks down as follows:

tab. C2.1 - Revenue from financial services

(€m)

Description	1H 2022	1H 2021	Changes
Fees for collection of postal savings deposits	800	880	(80)
Income from investment of postal current account deposits and free cash	911	736	175
Other revenue from current account services	191	198	(7)
Commissions on payment of bills by payment slip	110	134	(24)
Distribution of loan products	126	128	(2)
Income from delegated services	44	50	(6)
Mutual fund management fees	61	57	4
Money transfers	7	7	-
Other	10	6	4
Total	2,260	2,196	64

Revenues from financial services show an increase of approximately € 64 million in relation to the comparison period. The largest increase relates to Income from investment of postal current account deposits and free cash in part offset by the decrease in Income from the collection of postal savings deposits due to the contraction of deposits conditioned by the macroeconomic environment during the period.

Income from investment of postal current account deposits and free cash breaks down as follows:

tab. C2.1.1 - Income from investment of postal current account deposits and free cash

(€m)

Description	1H 2022	1H 2021	Changes
Income from investments in securities	686	721	(35)
Interest income on securities at amortised cost	328	337	(9)
Interest income on securities at FVOCI	370	410	(40)
Interest income (expense) on asset swaps of CFH on securities at FVOCI and AC	16	11	5
Interest income (expense) on asset swaps of FVH on securities at FVOCI and AC	(49)	(52)	3
Interest income on repurchase agreements	21	15	6
Income from investments in tax credits	134	3	131
Interest income on tax credits at CA	71	1	70
Interest income on tax credits at FVTOCI	63	2	61
Income from deposits held with the MEF	88	11	77
Remuneration of current account deposits (deposited with the MEF)	96	11	85
Differential on derivatives stabilising returns	(8)	-	(8)
Other income	4	1	3
Total	911	736	175

The increase in this item over the previous six months is mainly attributable to income from investments in tax credits and income from investments held with the MEF partly offset by the decrease in yields on investments in securities.

Income from financial activities breaks down as follows:

tab. C2.2 - Income from financial activities (€m)

Description	1H 2022	1H 2021	Changes
Income from financial instruments at FVOCI	243	254	(10)
Realised gains	243	254	(10)
Income from financial instruments at amortised cost	86	1	85
Realised gains	86	1	85
Income from equity instruments at FVTPL	-	8	(8)
Fair value gains	-	6	(6)
Realised gains	-	2	(2)
Income from cash flow hedges	1	-	1
Fair value gains	1	-	1
Income from fair value hedges	13	6	7
Fair value gains	13	6	7
Foreign exchange gains	3	2	1
Fair value gains	2	-	2
Realised gains	1	2	(1)
Other income	3	-	3
Total	350	271	79

Income from financial activities shows an increase of approximately € 79 million compared to the first half of 2021 mainly due to higher realised gains from financial instruments at amortised cost partly offset by lower realised gains from financial instruments at FVOCI.

tab. C2.3 - Expenses from financial activities (€m)

Description	1H 2022	1H 2021	Changes
Expense from financial instruments at FVTOCI	3	1	1
Realised losses	3	1	1
Expenses from financial instruments at amortised cost	28	29	(1)
Realised losses	28	29	(1)
Expenses from financial assets at FVTPL	50	7	44
Fair value losses	50	4	46
Realised losses	-	3	(3)
Expenses from equity instruments at FVTPL	3	-	3
Fair value losses	3	-	3
Expenses from fair value hedges	-	2	(2)
Fair value losses	-	2	(2)
Foreign exchange losses	-	1	(1)
Fair value losses	-	1	(1)
Interest expense	21	20	1
on customers' deposits	5	1	4
on repurchase agreements	5	3	2
from the Parent Company	4	4	(1)
on guarantee deposits	8	12	(4)
Interest expense on own liquid funds (finance costs)	(1)	-	-
Total	106	60	46

Expenses from financial activities increased compared to the previous six months mainly due to the charges generated by the stipulation of derivative financial instruments for management hedging of the indexed component to which the remuneration of Public Administration funding is linked.

C3 – REVENUE FROM INSURANCE SERVICES AFTER MOVEMENTS IN TECHNICAL PROVISIONS AND OTHER CLAIMS EXPENSES (€ 1,073 million)

tab. C3 - Revenue from Insurance Services after movements in technical provisions and other claims expenses (€m)

Description	1H 2022	1H 2021	Changes
Insurance premium revenue	9,407	10,291	(884)
Income from insurance activities	2,169	2,206	(37)
Change in technical provisions for insurance business and other claims expenses	(5,245)	(11,240)	5,995
Expenses from insurance activities	(5,258)	(212)	(5,046)
Total	1,073	1,045	28

A breakdown of **Insurance premium revenue**, showing outward reinsurance premiums, is as follows:

tab. C3.1 - Insurance premium revenue (€m)

Description	1H 2022	1H 2021	Changes
Class I	8,662	9,658	(996)
Class III	517	441	76
Classes IV and V	62	68	(6)
Gross "life" premiums	9,241	10,167	(926)
Outward reinsurance premiums	(5)	(5)	-
Net "life" premiums	9,237	10,162	(925)
Non-life premiums	175	142	33
Outward reinsurance premiums	(5)	(13)	8
Net "non-life" premiums	170	129	41
Total	9,407	10,291	(884)

Gross life premiums amounted to € 9,241 million, down from the first half of 2021 mainly due to lower premiums related to Class I products.

Although marginal in relation to total net inflows, the contribution of net premiums pertaining to the Non-Life segment was up from €129 million in the first half of 2021 to the current €170 million.

Income from insurance activities breaks down as follows:

tab. C3.2 - Income from insurance activities (€m)

Description	1H 2022	1H 2021	Changes
Income from financial instruments at FVOCI	1,716	1,432	285
Interest	1,671	1,347	324
Realised gains	45	85	(40)
Income from financial assets at amortised cost	3	3	-
Interest	3	3	-
Income from financial instruments at FVPL	393	729	(335)
Interest	175	118	56
Fair value gains	208	572	(363)
Realised gains	11	39	(28)
Other income	56	42	14
Total	2,169	2,206	(37)

The decrease in **Income from insurance activities** is attributable to the decrease in valuation gains from financial instruments at FVTPL recorded in the first half of 2022 compared to the same period in 2021 partly offset by higher interest on financial instruments at FVOCI. These gains from valuation, which are almost entirely

related to investments included in separately managed accounts, were almost entirely transferred to policyholders through the shadow accounting method.

A breakdown of the **Net change in technical provisions and other claims expenses**, showing outward reinsurance premiums, is as follows:

tab. C3.3 - Change in technical provisions for insurance business and other claims expenses (€m)

Description	1H 2022	1H 2021	Changes
Claims paid	5,049	5,613	(564)
Change in mathematical provisions	3,066	3,821	(755)
Change in outstanding claim provisions	270	390	(120)
Change in Other technical provisions	(3,902)	156	(4,058)
Change in technical provisions where investment risk is transferred to policyholders	670	1,198	(528)
Total change in technical provisions for insurance business and other claims expenses: Life	5,152	11,178	(6,026)
Reinsurers' share: Life	(5)	(4)	(1)
Total change in technical provisions for insurance business and other claims expenses: Non-life	97	71	26
Reinsurers' share: Non-life	1	(5)	6
Total	5,245	11,240	(5,995)

The **Change in other reserves** item includes the change in the Deferred Policyholder Liability (DPL) reserve, the amount of which is related to the net capital losses/gains from the valuation of FVPL financial instruments placed to hedge the insurance liabilities recorded in separately managed accounts (shadow accounting) at 30 June 2022, which decreased compared to the end of 2021 due to the financial market dynamics recorded during the first half of 2022, conditioned by the evolution of interest rates and spread.

Expenses from insurance activities break down as follows:

tab. C3.4 - Expenses from insurance activities (€m)

Description	1H 2022	1H 2021	Changes
Expense from financial instruments at FVOCI	101	5	95
Interest	9	3	6
Realised losses	91	2	89
Expense from financial instruments at FVPL	5,146	186	4,960
Fair value losses	5,015	143	4,872
Realised losses	131	43	88
Net losses/recoveries due to credit risk	(5)	(3)	(1)
Other expenses	16	24	(8)
Total	5,258	212	5,046

The increase in Expenses from insurance activities is mainly attributable to higher losses from valuation on financial assets at FVTPL that were affected by the particular macroeconomic environment during the period.

C4 – REVENUE FROM PAYMENTS AND MOBILE (€482 million)

tab. C4 - Revenue from Payments, Mobile & Digital

(€m)			
Description	1H 2022	1H 2021	Changes
Monetics	249	205	44
Fees for issue and use of prepaid cards	223	186	37
Acquiring	17	13	4
Other fees	9	6	3
Mobile	157	152	5
Transaction Banking	76	43	33
Payment Slips	38	10	28
Commissions for processing tax payments using forms F23/F24	19	19	-
Money transfers	15	9	6
Other products and services	4	4	-
Total	482	399	83

Revenues from payments and mobile services rendered as part of the business carried out by PostePay SpA marked an increase of € 83 million compared to the same period in 2021 with positive contributions from all segments. Specifically, the Card Payments and Collection and Payment Services segments grew due to increased payment card transactions, growth in acquiring transactions, greater returns from PagoPA payment services relative to Public Administration, and instant transfers from Postepay Evolution, respectively. Telecommunication services also recorded increased revenues compared to the same period in 2021, attributable to higher fixed line telephony revenues driven by revenue from the fibre optic connectivity service.

C5 - COST OF GOODS AND SERVICES (€ 1,375 million)

tab. C5 - Cost of goods and services

(€m)			
Description	1H 2022	1H 2021	Changes
Service costs	1,223	1,291	(68)
Use of third-party assets	66	58	8
Raw, ancillary and consumable materials and goods	86	74	12
Total	1,375	1,423	(48)

Costs of goods and services decreased by a total of € 48 million compared to the first half of 2021. This performance is mainly attributable to the joint effect of the reduction in variable costs linked to the drop in volumes of demand in the parcels segment and the increase in costs generated by the international inflation scenario exacerbated by the Russia-Ukraine conflict. The item also includes expenses incurred to deal with the health emergency, which amounted to € 29 million (€ 48 million in the first six months of 2021).

C6 – PERSONNEL EXPENSES (€2,590 million)

Personnel expenses include the cost of personnel seconded to other organisations. The recovery of such expenses is posted to Other operating income. Personnel expenses break down as follows:

tab. C6 - Personnel expenses

(€m)

Description	Note	1H 2022	1H 2021	Changes
Wages and salaries		1,946	2,009	(63)
Social security		552	576	(24)
Employee termination benefits: current service cost	[tab. B7]	1	-	1
Employee termination benefits: cost related to complementary pensions and INPS		115	118	(3)
Agency staff		1	6	(5)
Remuneration and expenses paid to Directors		1	1	-
Early retirement incentives		5	11	(6)
Net provisions (reversals) for disputes with staff	[tab. B6]	(5)	(4)	(1)
Amounts recovered from staff due to disputes		(3)	(2)	(1)
Share-based payments		5	8	(3)
Other personnel expenses/(cost recoveries)		(28)	(30)	2
Total		2,590	2,693	(103)

Personnel expenses decreased by € 103 million compared to the first six months of 2021. This change is attributable to the reduction in the ordinary component, mainly due to a reduction in average workforce during the period (approximately 3,300 FTE less than in the first half of 2021) and to a lesser extent also to the “price” component (unpaid absences, compensation, turnover).

C7 - DEPRECIATION, AMORTISATION AND IMPAIRMENTS (€406 million)

tab. C7 - Depreciation, amortisation and impairments

(€m)

Description	1H 2022	1H 2021	Changes
Depreciation of property, plant and equipment	113	109	4
Impairments/recoveries/adjustments of property, plant and equipment	(5)	(8)	3
Depreciation of investment property	-	-	-
Depreciation, amortisation and impairment of Right-of-use assets	123	118	5
Depreciation, amortisation and impairment of Intangible assets	175	179	(4)
Total	406	398	8

Depreciation, amortisation and impairments recorded an increase of € 8 million compared to the first half of 2021.

C8 – CAPITALISED COSTS AND EXPENSES (€ 18 million)

tab. C8 - Capitalised costs and expenses (€m)

Description	Note	1H 2022	1H 2021	Changes
Property, plant and machinery:	[A1]	1	1	-
Cost of goods and services		1	1	-
Intangible assets:	[A3]	17	16	1
Cost of goods and services		1	1	-
Personnel expenses		15	14	1
Depreciation and amortisation		1	1	-
Total		18	17	1

C9 – OTHER OPERATING COSTS (€83 million)

tab. C9 - Other costs and expenses (€m)

Description	Note	1H 2022	1H 2021	Changes
Net amounts set aside to (net releases from) provisions for risks and charges		3	51	(48)
for disputes with third parties	[tab. B6]	16	24	(8)
for operational risks	[tab. B6]	-	29	(29)
for other risks and charges	[tab. B6]	(13)	(2)	(11)
Operational risk events		8	6	2
Thefts		1	1	-
Loss of BancoPosta assets, net of recoveries		1	-	-
Other operating losses of BancoPosta		6	5	1
Losses		-	2	(1)
IMU, TARSU/TAR/TARES and other taxes and duties		46	37	9
Other current expenses		26	22	5
Total		83	118	(34)

Other operating costs decreased compared to the six-month period of comparison mainly as a result of lower net allocations to provisions for risks and charges referring both to the updating of estimated liabilities and to the disappearance of those identified in the past.

C10 – IMPAIRMENT LOSSES/(REVERSALS OF IMPAIRMENT LOSSES) ON DEBT INSTRUMENTS, RECEIVABLES AND OTHER ASSETS (€38 million)

tab. C10 - Impairment losses/(reversals) on debt instruments, receivables and other assets

(€m)

Description	1H 2022	1H 2021	Changes
Net impairment and other losses on receivables and other assets (absorptions of provisions for impairment)	33	28	5
Impairment losses (reversals) on receivables from customers	27	4	23
Impairment losses (reversals) on sundry receivables	5	24	(19)
Impairment losses/(reversals of impairment losses) financial operations	2	-	2
Impairment losses/(reversals of impairment losses) debt instruments at FVTOCI	2	(4)	6
Impairment losses/(reversals of impairment losses) debt instruments at amortised cost	1	(4)	5
Total	38	20	18

The increase of € 18 million compared to the first half of 2021 is mainly due to higher write-downs on trade receivables from customers, debt instruments at FVTOCI and amortised cost, only partly offset by write-backs on miscellaneous receivables. For more details please see what is presented in Note 5 - *Risk analysis and monitoring*.

C11 - FINANCE INCOME (€87 million) AND COSTS (€70 million)

Income from and costs incurred on financial instruments relate to assets other than those in which deposits collected by BancoPosta and the financial and insurance businesses are invested.

Finance income

tab. C11.1 - Financial income

(€m)

Description	1H 2022	1H 2021	Changes
Income from financial assets at FVTOCI	32	22	10
Interest	32	22	10
Accrued differentials on fair value hedges	-	(2)	2
Realised gains	-	2	(2)
Income from financial instruments at amortised cost	32	29	3
Interest	32	29	3
Income from financial assets at FVTPL	7	1	6
Fair value gains	3	-	3
Accrued differentials on fair value hedges	4	-	4
Other financial income	3	6	(3)
Financial income on discounted receivables	1	2	(1)
Interest in arrears	14	19	(5)
Impairment of amounts due as late payment interest	(14)	(19)	5
Other income	1	4	(3)
Foreign exchange gains	13	4	9
Total	87	62	25

For the purposes of reconciliation with the statement of cash flows, in the first half of 2022, finance income after both realised gains and foreign exchange gains amounted to €74 million (€56 million in the half-year of 2021).

The increase in **Finance income** is largely attributable to the increase in interest on financial instruments at FVTOCI and foreign exchange gains.

Finance costs

tab. C11.2 - Financial expenses

(€m)

Description	Note	1H 2022	1H 2021	Changes
Costs on financial liabilities		15	17	(2)
on bonds		2	2	-
on payables to financial institutions		2	2	-
on leasing payables		11	12	(1)
on derivative financial instruments		1	1	-
Sundry costs on financial assets		19	2	17
Losses from valuation on financial assets at FVTPL		19	-	19
Realised losses on financial assets at FVTPL		-	2	(2)
Finance costs on provisions for employee termination benefits an	[tab. B7]	7	4	3
Interest expense on own liquid funds		1	-	1
Other financial expenses		13	9	4
Foreign exchange losses		14	7	7
Total		70	39	31

For the purposes of reconciliation with the statement of cash flows, in the first half of 2022, finance costs after foreign exchange losses amounted to €56 million (€32 million in the first half of 2021).

The increase in **Finance costs** is largely attributable to the increased charges on financial instruments at FVTPL and foreign exchange losses.

C12 - INCOME TAX EXPENSE (€432 million)

The nominal tax rate for IRES is 24%, whilst the Group's average statutory rate for IRAP, calculated at 31 December 2021, was 5.24%⁹³.

tab. C12 - Income tax expense

(€m)

Description	1H 2022			1H 2021		
	IRES	IRAP	Total	IRES	IRAP	Total
Current taxes	189	46	236	244	61	305
Deferred tax assets	(923)	(2)	(926)	2	4	6
Deferred tax liabilities	1,073	49	1,122	4	-	4
Total	339	92	432	250	65	315

The net effect of deferred taxes recognised in the first half of 2022 is substantially attributable to the difference in the amounts recognised by Poste Vita in the reporting package prepared in accordance with IAS/IFRS for the

⁹³ The nominal IRAP rate is 3.90% for most taxpayers, 4.20% for companies that operate under concession arrangements other than motorway and tunnel construction and operating companies, 4.65% for banks and other financial entities and 5.90% for insurance companies (+/-0.92%, representing regional increases and cuts and +0.15% representing an increase for regions that showed a healthcare deficit).

purposes of the Group's consolidation compared to the individual financial statements prepared in accordance with national accounting standards.

Current taxes

tab. C12.1 - Changes in current tax assets/(liabilities) (€m)

Description	Current taxes of First Half 2022			Total
	IRES	IRAP	Foreign companies	
	Assets/ (Liabilities)	Assets/ (Liabilities)	Assets/ (Liabilities)	
Balance at 1 January	93	7	(1)	99
Payments	153	51	-	204
Provisions to profit or loss	(189)	(46)	(1)	(236)
Provisions to equity	8	(5)	-	3
Other	5	-	-	5
Balance at end of period	70	7	(1)	76
of which:				
Current tax assets	255	58	-	313
Current tax liabilities	(185)	(51)	(1)	(238)

During the six-month period, the Parent Company recognised substitute tax credits totalling € 8 million related to the redemption carried out during the six-month period, pursuant to Article 15, paragraphs 10 bis and 10 ter, of Italian Decree Law No. 185 of 29 November 2008, of the goodwill arising from the acquisition of the interests of Nexive Group and Sengi Express Limited. The payment of the substitute tax will allow, starting from the financial year following the payment for Nexive Group and starting from the second financial year following the payment for Sengi Express Limited, the amounts of redeemed goodwill to be deducted for tax purposes.

Deferred tax assets and liabilities

tab. C12.2 - Changes in deferred tax assets and liabilities (€m)

Description	1H 2022	FY 2021
Balance at 1 January	292	(106)
Net income/(expense) recognised in profit or loss	(196)	(75)
Net income/(expense) recognised in equity	616	470
Change in scope of consolidation	1	3
Other changes	3	1
Balance at end of period	716	292
of which:		
deferred tax assets	2,429	1,245
deferred tax liabilities	(1,712)	(953)

4.4 - INFORMATION FOR OPERATING SEGMENTS

Set out below is the information by Operating Segments identified within the Poste Italiane Group, consistent with the Group's new strategic directions reflected in the "24 SI" Strategic Plan. It should be noted that in 2022, the company Poste Welfare Servizi, previously allocated to the Insurance Services Strategic Business Unit, is represented in the Mail, Parcels and Distribution Strategic Business Unit following the sale by Poste Vita of 100% of the shares held in it in favour of Poste Italiane and the consequent acquisition by that company of control of Plurima Spa. The comparable financial figures have therefore been reclassified to take account of this organisational change.

The result for each segment is based on operating profit/(loss) and gains/losses on intermediation. All income components reported for operating segments are measured using the same accounting policies applied in the preparation of these condensed consolidated half-year financial statements.

The following results, which are shown separately in accordance with the management view and with applicable accounting standards, should be read in light of the integration of the services offered by the distribution network within the businesses allocated to all four identified operating segments, also considering the obligation to carry out the Universal Postal Service.

Economic figures by operating segment

(€m)						
1H 2022	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Net external revenue from ordinary activities	1,805	2,505	1,073	482	-	5,865
Net intersegment revenue from ordinary activities	2,482	398	1	136	(3,017)	-
Net operating revenue	4,286	2,903	1,074	618	(3,017)	5,865
Operating profit/(loss)	142	404	676	169	-	1,392
Finance income/(costs)	(19)	(10)	47	-	-	17
(Impairment losses)/reversal of impairment losses on debt instruments, receivables	-	-	-	-	-	-
Profit/(Loss) on investments accounted for using the equity method	-	(13)	-	-	-	(13)
Intersegment finance income/(costs)	23	1	(24)	-	-	-
Taxes for the period	(59)	(113)	(211)	(48)	-	(432)
Profit/(Loss) for the period	87	269	487	121	-	964
External revenue from contracts with customers	1,554	1,268	-	482	-	3,303
Recognition at a point in time	188	118	-	178	-	484
Recognition over time	1,366	1,149	-	304	-	2,819

(€m)						
1H 2021	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Net external revenue from ordinary activities	1,831	2,409	1,045	399	-	5,684
Net intersegment revenue from ordinary activities	2,347	380	1	168	(2,896)	-
Net operating revenue	4,178	2,789	1,046	567	(2,896)	5,684
Operating profit/(loss)	(100)	362	656	131	-	1,049
Finance income/(costs)	(22)	(5)	50	-	-	23
(Impairment losses)/reversal of impairment losses on debt instruments, receivables	-	-	1	-	-	1
Profit/(Loss) on investments accounted for using the equity method	-	12	-	3	-	15
Intersegment finance income/(costs)	23	-	(24)	1	-	-
Taxes for the period	31	(105)	(205)	(36)	-	(315)
Profit/(Loss) for the period	(68)	264	478	99	-	773
External revenue from contracts with customers	1,535	1,403	-	399	-	3,338
Recognition at a point in time	245	143	-	161	-	548
Recognition over time	1,290	1,261	-	239	-	2,790

Equity figures by operating segment

(€m)						
30 June 2022	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Assets	13,336	107,214	151,466	10,555	(14,529)	268,042
Non-current assets	8,304	71,687	141,157	437	(2,814)	218,770
Current assets	5,032	35,527	10,310	10,118	(11,714)	49,272
Liabilities	10,138	104,314	145,560	9,942	(12,591)	257,363
Non-current liabilities	4,297	9,626	144,838	332	(876)	158,218
Current liabilities	5,841	94,688	722	9,610	(11,716)	99,146
Other information						
Investments in Property, plant, equipment and intangible assets (1H 2022)	214	-	-	9	-	223
Investments accounted for using the equity method	4	255	-	-	-	259

(€m)						
31 December 2021	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Assets	12,865	109,410	166,377	10,194	(14,118)	284,728
Non-current assets	7,851	76,384	154,410	783	(2,776)	236,652
Current assets	5,014	33,026	11,967	9,411	(11,342)	48,076
Liabilities	10,087	104,996	160,439	9,304	(12,208)	272,618
Non-current liabilities	4,318	15,126	159,655	336	(908)	178,528
Current liabilities	5,769	89,870	784	8,968	(11,300)	94,090
Other information						
Investments in Property, plant, equipment and intangible assets (1H 2021)	300	-	-	8	-	308
Investments accounted for using the equity method	3	274	-	-	-	277

Disclosure about geographical segments, based on the geographical areas in which the various Group companies are based or the location of its customers, is of no material significance. At 30 June 2022, the entities consolidated on a line-by-line basis are mainly based in Italy and, on a residual and insignificant basis in China⁹⁴; customers are mainly located in Italy: revenue from foreign customers does not represent a significant percentage of total revenue.

⁹⁴ Total net revenue from ordinary operations by third parties recognised by the fully consolidated companies based in China amounted to €51.4 million, while EBIT and net trading income amounted to €2.8 million.

4.5 – RELATED PARTIES

Impact of related party transactions on the financial position and profit or loss

Impact of related-party transactions on the statement of financial position at 30 June 2022 (€m)

Name	Balance at 30.06.2022						
	Financial assets	Trade receivables	Other assets Other receivables	Cash and cash equivalents	Financial liabilities	Trade payables	Other liabilities
Subsidiaries							
Address Software Srl	-	-	-	-	-	1	-
Kipoint SpA	-	-	-	-	1	2	-
Associates							
Anima Holding Group	-	-	-	-	-	9	-
Italia Camp Srl	-	1	-	-	-	-	-
Financit SpA	-	11	-	-	-	15	-
Eurizon Capital Real Asset SGR	-	-	-	-	-	1	-
Related parties external to the Group							
Ministry of the Economy and Finance	15,634	278	15	300	4	4	8
Cassa Depositi e Prestiti Group	3,474	271	-	-	-	7	-
Enel Group	-	22	-	-	-	-	-
Eni Group	-	5	-	-	-	6	-
SACE Group	-	-	-	-	-	-	-
Leonardo Group	-	2	-	-	-	10	-
Montepaschi Group	210	2	-	1	363	-	-
Other related parties external to the Group	20	26	1	-	4	4	50
Provisions for impairment in relation to external related parties	(27)	(34)	(7)	-	-	-	-
Total	19,311	584	9	301	372	59	58

At 30 June 2022, total provisions for risks and charges made to cover probable liabilities arising from transactions with related parties external to the Group attributable to trading relations amounted to €70 million (€72 million at 31 December 2021).

Impact of related-party transactions on the statement of financial position at 31 December 2021 (€m)

Name	Balance at 31.12.2021						
	Financial assets	Trade receivables	Other assets Other receivables	Cash and cash equivalents	Financial liabilities	Trade payables	Other liabilities
Subsidiaries							
Address Software Srl	-	-	-	-	-	1	-
Kipoint SpA	-	-	-	-	1	2	-
Associates							
Anima Holding Group	-	-	1	-	-	8	-
Italia Camp Srl	-	1	-	-	-	-	-
Financit SpA	-	20	-	-	-	13	-
Related parties external to the Group							
Ministry of the Economy and Finance	12,712	156	15	1,990	3,448	10	8
Cassa Depositi e Prestiti Group	3,762	389	-	-	-	19	-
Enel Group	-	24	-	-	-	-	-
Eni Group	-	3	-	-	-	9	-
SACE Group	-	-	-	-	-	-	-
Leonardo Group	-	1	-	-	-	15	-
Montepaschi Group	167	2	-	1	347	-	-
Other related parties external to the Group	20	14	1	-	4	5	65
Provisions for impairment in relation to external related parties	(26)	(35)	(7)	-	-	-	-
Total	16,635	575	10	1,991	3,800	82	73

Impact of related party transactions on profit or loss in 1H 2022

(€m)

Name	Balance at 30.06.2022												
	Revenue					Capex		Costs					
	Revenue and income from Mail, Parcels and other	Revenue from Payments and Mobile	Revenue from Financial Services	Revenue from Insurance Services after changes in technical provisions and other claim	Finance income	Property, plant and equipment	Intangible assets	Cost of goods and services	Personnel expenses	Other operating costs	Expenses from financial activities	Impairment losses/(reversals of impairment losses) on debt instruments, receivables and	Finance costs
Subsidiaries													
Kipoint SpA	-	-	-	-	-	-	-	1	-	-	-	-	-
Associates													
Anima Holding Group	1	-	-	-	-	-	-	15	-	-	-	-	-
Financit SpA	22	-	-	-	-	-	-	-	-	-	-	-	-
Eurizon Capital Real Asset SGR	-	-	-	-	-	-	-	1	-	-	-	-	-
Related parties external to the Group													
Ministry of the Economy and Finance	266	19	127	-	-	-	-	-	-	-	3	2	1
Cassa Depositi e Prestiti Group	8	-	832	8	-	2	-	7	-	-	-	-	-
Enel Group	20	-	1	-	-	-	-	-	-	-	-	-	-
Eni Group	9	-	1	-	-	-	-	22	-	-	-	-	-
Equitalia Group	1	-	-	-	-	-	-	-	-	-	-	-	-
SACE Group	-	-	-	-	-	-	-	-	-	-	-	-	-
Leonardo Group	-	-	-	-	-	-	1	13	-	-	-	-	-
Montepaschi Group	8	-	-	-	-	-	-	-	-	-	-	-	-
Other related parties external to the Group	14	-	-	-	-	-	-	7	36	1	-	-	-
Total	369	19	961	8	-	2	1	68	35	1	3	2	1

Impact of related party transactions on profit or loss in 1H 2021

(€m)

Name	Balance at 30.06.2021												
	Revenue					Capex		Costs					
	Revenue and income from Mail, Parcels and other	Revenue from Payments and Mobile	Revenue from Financial Services	Revenue from Insurance Services after changes in technical provisions and other claim expenses	Finance income	Property, plant and equipment	Intangible assets	Cost of goods and services	Personnel expenses	Other operating costs	Expenses from financial activities	Impairment losses/(reversals of impairment losses) on debt instruments,	Finance costs
Subsidiaries													
Address Software Srl	-	-	-	-	-	-	-	-	-	-	-	-	-
Kipoint SpA	-	-	-	-	-	-	-	1	-	-	-	-	-
Risparmio Holding SpA	-	-	-	-	-	-	-	-	-	-	-	-	-
Associates													
Anima Holding Group	1	-	-	-	-	-	-	15	-	-	-	-	-
FSIA Srl	-	-	-	-	-	-	-	-	-	-	-	-	-
Indabox	-	-	-	-	-	-	-	-	-	-	-	-	-
Italia Camp Srl	-	-	-	-	-	-	-	-	-	-	-	-	-
Other associates of the SDA group	-	-	-	-	-	-	-	-	-	-	-	-	-
Related parties external to the Group													
Ministry of the Economy and Finance	159	19	42	-	-	-	-	1	-	2	4	(1)	-
Cassa Depositi e Prestiti Group	1	-	912	8	-	-	-	-	-	-	-	-	1
Enel Group	19	-	3	-	-	-	-	-	-	-	-	-	-
Eni Group	7	-	1	-	-	-	-	20	-	-	-	-	-
Equitalia Group	1	-	-	-	-	-	-	-	-	-	-	-	-
SACE Group	-	-	-	-	-	-	-	-	-	-	-	-	-
Leonardo Group	-	-	-	-	-	-	1	12	-	-	-	-	-
Montepaschi Group	5	-	1	-	-	-	-	-	-	-	-	-	-
Other related parties external to the Group	5	-	-	-	-	-	-	3	38	1	-	-	-
Total	198	19	959	8	-	-	1	52	38	3	4	(1)	1

The nature of the Parent Company's principal transactions with related parties external to the Group is summarised below:

- Amounts received from the MEF relate primarily to payment for carrying out the universal service (USO), the management of postal current accounts, the payment for delegated services, mail shipments and for the integrated notification service.
- Amounts received from CDP SpA primarily relate to payment for the collection of postal savings deposits.
- Amounts received from the Enel Group primarily relate to payment for bulk mail shipments, unfranked mail, franking of mail on credit and postage paid mailing services. The costs incurred primarily relate to the supply of gas and electricity.

- Amounts received from the ENI Group primarily regard payment for mail shipments. The costs incurred relate to the supply of gas and of fuel for motorcycles and vehicles.
- Purchases from the Leonardo Group primarily relate to the supply, by Leonardo SpA, of equipment, maintenance and technical assistance for mechanised sorting equipment, and systems and IT assistance regarding the creation of document storage facilities, specialist consulting services and software maintenance, and the supply of software licences and of hardware.
- Amounts received from the Monte dei Paschi di Siena group primarily regard payment for mail shipments.

Related party transactions have been carried out on terms equivalent to those prevailing in arm's length transactions between independent parties.

Impact of related party transactions or positions

Impact of related party transactions

(€m)

Description	Total in financial statements	Total related parties	Impact (%)	Total in financial statements	Total related parties	Impact (%)
	Balance at 30.06.2022			Balance at 31.12.2021		
Financial position						
Financial assets	230,513	19,311	8.4	248,856	16,635	6.7
Trade receivables	2,404	584	24.3	2,511	575	22.9
Other receivables and assets	4,975	9	0.2	5,158	10	0.2
Cash and cash equivalents	4,401	301	6.8	7,958	1,991	25.0
Provisions for risks and charges	1,272	70	5.5	1,268	72	5.7
Financial liabilities	105,039	372	0.4	104,732	3,800	3.6
Trade payables	1,857	59	3.2	2,029	82	4.0
Other liabilities	3,241	58	1.8	3,609	73	2.0
	Balance at 30.06.2022			Balance at 30.06.2021		
Profit or loss						
Revenue from Mail, Parcels & other	1,805	349	19.3	1,831	198	10.8
Net revenue from Financial Services	2,505	961	38.4	2,409	956	39.7
Revenue from Insurance Services after changes in technical provisions and other claim expenses	1,073	8	0.7	1,045	8	0.8
Revenue from Payments & Mobile	482	19	3.9	399	19	4.8
Cost of goods and services	1,375	68	4.9	1,423	52	3.7
Personnel expenses	2,590	35	1.4	2,693	38	1.4
Other operating costs	83	1	1.2	118	3	2.5
Finance costs	70	1	1.4	39	1	2.6
Finance income	87	-	n/a	62	-	n/a
Cash flow						
Net cash flow from/(for) operating activities	(2,372)	(6,150)	259	900	(961)	n/a
Net cash flow from/(for) investing activities	(449)	4	n/a	61	(2)	n/a
Net cash flow from/(for) financing activities and shareholder transactions	(738)	(341)	46	(21)	(270)	n/a

Managers with strategic responsibilities

Key management personnel consist of Directors, members of the Board of Statutory Auditors, managers at the first organisational level of the Parent Company and Poste Italiane's manager responsible for financial reporting. The related remuneration, gross of expenses and social security contributions, of such key management personnel as defined above is as follows:

Remuneration of key management personnel (€k)

Description	1H 2022	1H 2021
Remuneration to be paid in short/medium term	7,735	7,334
Post-employment benefits	268	257
Other benefits to be paid in longer term	1,000	1,269
Share-based payments	1,101	2,792
Total	10,104	11,652

Fees and expenses of statutory auditors (€k)

Name	1H 2022	1H 2021
Remuneration	631	547
Expenses	8	3
Total	639	550

The remuneration paid to members of the Parent Company's Supervisory Board amounts to approximately €48 thousand for the first half of 2022. In determining the remuneration, the amounts paid to managers of Poste Italiane who are members of the Supervisory Board is not taken into account, as this remuneration is passed on to the employer.

No loans were granted to key management personnel during the period and, at 30 June 2022, Group companies do not report receivables in respect of loans granted to key management personnel.

Transactions with the pension fund for employees

The Parent Company and the subsidiaries that apply the National Collective Labour Agreement are members of the Fondoposte Pension Fund, the national supplementary pension fund for Poste Italiane personnel, established on 31 July 2002 as a non-profit entity. The Fund's officers and boards are the General Meeting of delegates, the Board of Directors, the Chairman and Deputy Chairman of the Board of Directors and Board of Statutory Auditors. The representation of the companies and the workers in the Fund bodies is governed according to the principle of parity. The participation of the members in the life of the fund is ensured by direct election of the delegates in the Meeting.

5. RISK MANAGEMENT

INTRODUCTION

The note “Risk management” provides an analysis of the equity and income items subject to financial risks in accordance with IFRS 7 - Financial Instruments: supplementary information considered significant at the end of the half-year in question. The information content in relation to financial and other risks included in this report is reduced from that in the full annual financial statements, to which reference is made for further details, in compliance with IAS 34 - *Interim Financial Reporting*.

FINANCIAL RISKS

Management of the Group’s financial transactions and of the associated risks relates mainly to the operations of Poste Italiane SpA and the Poste Vita insurance group.

Poste Italiane SpA’s financial transactions primarily relate to BancoPosta’s operations, asset financing and liquidity investment.

BancoPosta’s equity structure, subject to the prudential provisions introduced with the 3rd update of Bank of Italy Circular 285/2013, presents a Leverage Ratio value of 2.9% as of 30 June 2022. The evolution of the indicator in relation to 31 December 2021, is attributable to the loss of the benefits of the sterilisation of “Cash and deposits at the central bank” items applied up to the previous quarter due to the Covid emergency.

Fair value interest rate risk

This is the risk that the value of a financial instrument will fluctuate as a result of changes in market interest rates.

This refers to the effects of changes in interest rates on the price of fixed rate financial instruments or variable rate financial instruments converted to fixed rate via cash flow hedges and, to a lesser degree, the effects of changes in interest rates on the fixed components of floating rate financial instruments or fixed rate financial instruments converted to variable rate via fair value hedges. The impact of these effects is directly related to the financial instrument’s duration.

In terms of **financial assets recognised at fair value through other comprehensive income**, the risk in question primarily relates to:

- fixed-income government securities held by Poste Vita SpA with a total fair value of € 81,618 million almost entirely used to meet obligations towards policyholders;
- fixed income government securities held by BancoPosta RFC for fair value totalling €33,693 million, which consist of: fixed rate securities amounting to €15,867 million; floating rate securities converted into fixed rate securities via interest rate swaps designated as cash flow hedges, totalling €3,240 million, variable-rate securities of €1,225 million (of which inflation-linked securities amounting to €734 million) and fixed or floating rate securities converted to floating rate positions via fair value hedges amounting to €13,361 million (of which €7,377 million in forward starts);
- tax credits, pursuant to Law 77/2020 with a total fair value of € 2,535 million;
- €18,926 million total fair value in other non-government debt instruments held by Poste Vita SpA, used mainly to meet obligations towards policyholders.

Financial assets at fair value through profit or loss, which are recognised at risk, are held almost entirely by Poste Vita SpA and are primarily used to cover commitments to policyholders. They relate to a portion of the investments employed by the company in fixed income instruments totalling € 2,205 million and the position in Other investments consisting mainly of units in alternative investment funds amounting to € 1,908 million.

Within the context of **derivative financial instruments**, the risk in question primarily concerns:

- forward purchases of government securities with a nominal value of € 405 million, classified as management hedging derivatives, entered into by BancoPosta RFC;
- a derivative contract entered into by the Parent Company to protect cash flows relating to the nominal value €50 million floating rate bond;

At 30 June 2022, with reference to the interest rate risk exposure determined by the average duration of portfolios, the duration of BancoPosta's overall investments was 5.56; that of tax credits stood at 4.06. On the other hand, relative to Class I and V policies issued by the company Poste Vita SpA, the duration of hedging assets is 6.82, while for liabilities it is 7.16. Financial instruments covering the technical provisions for Class III have maturities which coincide with those of the liabilities.

Spread risk

This is the risk attributable to possible reductions in the prices of bonds held in the portfolio, due to deterioration of the market valuation of the credit quality of the issuer. The phenomenon is attributable to the significance assumed by the impact of the spread between rates of return of sovereign debts on the fair value of euro-government and corporate securities, where the spread reflects the market perception of the creditworthiness of the issuing entities.

The value of the portfolio of bonds issued or guaranteed by the Italian government is much more sensitive to the credit risk associated with the Italian Republic than to changes in so-called "risk free" interest rates. This is due to the fact that changes in credit spreads are not hedged and regard the entire securities portfolio, meaning both the fixed and variable rate components. In this latter case, in fact, fair value derivatives, used to convert variable rate instruments, hedge only the risk-free interest rate risk and not credit risk. This means that a change in the credit spread has an equal impact on both fixed and variable instruments.

The first half of 2022 saw an increase in returns on Italian government securities, which saw the level of returns on Italian 10-year government securities come close to 3.26% as of 30 June 2022 (+206 bps from 31 December 2021). The BTP-Bund spread closed at around 193 bps at 30 June 2022, around 60 bps higher than at 31 December 2021.

The performance of the Group's portfolio in the period under review is as follows:

- (i) the *Financial assets at fair value through other comprehensive income* portfolio held by Poste Italiane SpA (notional amount of approximately € 35 billion) experienced an overall net negative change in fair value of approximately € 7 billion. Approximately € 5 billion of this change was recognised in the income statement in connection with the change in fair value of securities hedged against interest rate risk, and approximately € 2 billion in the contra-entry to consolidated equity in connection with the negative change in the fair value of unhedged securities and the component related to spread risk (not hedged);

- (ii) an overall net decrease of approximately €16 billion in the Poste Vita group's *Financial assets at fair value through other comprehensive income* (a notional amount of the fixed income instruments of approximately €107 billion), almost entirely passed on to policyholders and recognised in specific technical provisions under the shadow accounting mechanism.

The sensitivity to the spread has been calculated by applying a shift of +/- 100 bps to the yield curve for Italian government bonds.

The table below shows the results of the analysis of sensitivity⁹⁵ of spread risk of the most significant positions in the portfolios of both the Parent Company and the Poste Vita Group at 30 June 2022.

Poste Italiane SpA - Fair value spread risk							(€m)
Description	Risk exposure		Change in value		Reserves before taxes		
	Nominal	Fair value	+100bps	-100bps	+100bps	-100bps	
2022 effects							
Financial assets							
Financial assets at FVTOCI	34,673	33,790	(3,330)	3,977	(3,330)	3,977	
Fixed income securities	34,673	33,790	(3,330)	3,977	(3,330)	3,977	
Other investments	-	-	-	-	-	-	
Derivative financial instruments	1,313	281	150	(178)	150	(178)	
Cash flow hedges	1,313	281	150	(178)	150	(178)	
Fair value hedges	-	-	-	-	-	-	
Fair value through profit or loss	-	-	-	-	-	-	
Financial liabilities							
Derivative financial instruments	405	50	(49)	60	-	-	
Fair value through profit or loss	405	50	(49)	60	-	-	
Cash flow hedges	-	-	-	-	-	-	
Variability at 30 June 2022	36,391	34,120	(3,229)	3,859	(3,180)	3,799	

Poste Vita Group - Effect of credit spread on fair value											(€m)
Description	Risk exposure		Change in value		Effect on liability toward policyholders		Profit/(Loss) before tax		Reserves before taxes		
	Notional	Fair Value	+100bps	-100bps	+100bps	-100bps	+100bps	-100bps	+100bps	-100bps	
2022 effects											
Financial assets											
Financial assets at FVTOCI	107,195	100,852	(7,967)	7,967	(7,841)	7,841	-	-	(126)	126	
Fixed income securities	106,895	100,343	(7,960)	7,960	(7,834)	7,834	-	-	(126)	126	
Other investments	500	509	(7)	7	(7)	7	-	-	-	-	
Financial assets at FVTPL	2,649	4,117	(464)	464	(454)	454	(10)	10	-	-	
Fixed income securities	2,609	2,209	(228)	228	(218)	218	(10)	10	-	-	
Other investments*	40	1,908	(236)	236	(236)	236	-	-	-	-	
Variability at 30 June 2022	109,844	104,969	(8,432)	8,432	(8,295)	8,295	(10)	10	(126)	126	

Credit risk

This is the risk of default of the counterparties with which receivable positions exist, with the exception of investments in equities and mutual fund units.

⁹⁵ For sensitivity purposes, the swap rate curve and the BTP curve were used (10-year swap rate of about 217 bps and the spread of the BTP compared to the 10-year swap rate of about 110 bps).

ECL measurement

Financial assets

At 30 June 2022, estimated expected losses on financial instruments amounted to €39 million for financial instruments at amortised cost and €15 million for financial instruments at fair value through other comprehensive income. The estimates have increased by approximately € 3 million and € 2 million, respectively, compared to 31 December 2021.

Trade receivables

The gross value of trade receivables at 30 June 2022 is € 2,997 million. Movements in the related provisions for doubtful debts (in relation to customers and the MEF Parent Company) are as follows:

Details of the provision to cover expected losses on trade receivables (€m)

Description	Balance at 31.12.2021	Net provisions	Utilisations	Change in scope	Balance at 30.06.2022
Private customers	301	19	-	-	320
Public administration entities	128	8	(3)	1	133
Overseas postal operators	14	0	-	-	14
	443	27	(3)	1	468
Interest on late payments	86	13	(8)	-	91
Amounts due from the Parent Company	33	-	-	-	33
Total	562	40	(11)	1	592

Other receivables and assets

Below are the changes in the provisions for doubtful debts and other assets whose gross value as of 30 June 2022 was € 5,168 million.

Poste Italiane Group - Movements in Provisions for doubtful debts due from others (€m)

Description	Balance at 31.12.2021	Net provisions	Utilisations	Balance at 30.06.2022
Interest accrued on IRES refund	46	-	-	46
Public administration entities for sundry services	-	-	-	-
Receivables relating to fixed-term contract settlements	24	-	-	24
Other receivables	118	5	(1)	122
Total	188	5	(1)	193

OTHER FINANCIAL RISK

As at 30 June 2022, the Poste Italiane Group is also exposed to the following financial risk, for which no significant changes were recorded compared to 31 December 2021.

Cash flow interest rate risk

This is defined as the uncertainty related to the achievement of future cash flows following fluctuations of interest rates on the market. It may derive from misalignment - in terms of rate types, indexing methods and maturities - of financial asset and liability items that tend to be destined to remain until their contractual or expected maturity (so-called banking book) which, as such, generate economic effects in terms of net interest income, reflected in the revenue results of future periods.

Liquidity risk

This is the risk that an entity may have difficulties in raising sufficient funds, at market conditions, to meet its obligations deriving from financial instruments. In order to minimise this risk, the Poste Italiane Group applies a financial policy based on diversification of the various forms of short-term and long-term loans and counterparties; availability of relevant credit lines in terms of amounts and the number of banks; gradual and consistent distribution of the maturities of medium/long-term borrowings; and use of dedicated analytical models to monitor the maturities of assets and liabilities.

Information about the credit lines is shown in Note B8 – Financial liabilities.

Price risk

This is the risk that the value of a financial Instrument will fluctuate as a result of changes in market prices, when the changes derive both from specific factors of the individual instrument or its issuer, and from factors that affect all the instruments traded on the market.

6. FAIR VALUE OF FINANCIAL INSTRUMENTS

6.1 Fair value measurement techniques

In accordance with **IFRS 13 - Fair Value Measurement**, the assets and liabilities recognised at fair value as well as assets and liabilities recognised at cost or at amortised cost, for which the fair value is provided in the notes to the statements, are classified on the basis of a hierarchical scale that reflects the significance of the sources used in making the measurements. The hierarchical scale is made up of the 3 levels presented below.

Level 1: this level consists of fair value measurements made using prices quoted (unadjusted) in active markets for identical assets or liabilities which the entity can access at the measurement date.

Level 2: this level consists of measurements made using inputs different from the quoted prices included in Level 1 and observable directly or indirectly for the asset or liability⁹⁶.

Level 3: this level consists of fair value measurements made using as well as the level 2 inputs also inputs not observable for the asset or liability.

The techniques adopted at 30 June 2022 for measuring the fair value of financial instruments have not changed since 31 December 2021; therefore, please refer to the Annual Report 2021 for further details.

6.2 Fair value hierarchy

The following table provides analysis of financial instruments measured at fair value at 30 June 2022 broken down by fair value hierarchy level.

Fair value hierarchy		30.06.22				31.12.2021			
Description	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total	
Financial assets									
Financial assets at FVTOCI	125,379	9,661	116	135,156	137,407	12,192	254	149,853	
Equity instruments	367	-	116	483	651	-	159	810	
Fixed income securities	125,012	9,151	-	134,163	136,756	11,667	95	148,518	
Other investments	-	509	-	509	-	525	-	525	
Financial assets at FVTPL									
Receivables	4,988	29,304	7,466	41,758	5,401	28,455	10,958	44,814	
Equity instruments	-	-	40	40	-	-	41	41	
Fixed income securities	164	1	37	202	217	-	39	256	
Other investments	2,095	114	-	2,209	2,466	89	24	2,579	
Derivative financial instruments	2,729	29,190	7,389	39,308	2,718	28,366	10,854	41,938	
Derivative financial instruments	-	4,742	-	4,742	-	876	-	876	
Total	130,368	43,707	7,582	181,656	142,808	41,523	11,212	195,543	
Financial liabilities									
Financial liabilities at fair value	-	-	-	-	-	-	-	-	
Derivative financial instruments	-	(854)	(3)	(856)	-	(5,463)	(3)	(5,466)	
Total	-	(854)	(3)	(856)	-	(5,463)	(3)	(5,466)	

The table does not include tax credits pursuant to Law no. 77/2020 measured at fair value through other comprehensive income, the fair value of which at 30 June 2022 was €2,535 million, and to which level 3 is attributed for the purposes of the fair value hierarchy. For a reconciliation of the opening and closing balance of this item, please refer to Note A10 - Tax credits, Law no. 77/2020.

⁹⁶ Given the nature of Poste Italiane Group's operations, the observable data used as input to determine the fair value of the individual technical forms include, for example, quoted prices provided by third parties (pricing or brokerage services), yield and inflation curves, exchange rates provided by the European Central Bank, ranges of rate volatility, inflation option premiums, interest rate swap spreads or credit default spreads which represent the creditworthiness of specific counterparties and any liquidity adjustments quoted by primary market counterparties.

Transfers between levels 1 and 2, relating entirely to the Poste Vita insurance Group, are shown below:

Transfers from Level 1 to Level 2					(€m)
Description	From Level 1 to Level 2		From Level 2 to Level 1		
	Level 1	Level 2	Level 1	Level 2	
Transfers of financial assets	(820)	820	2,264	(2,264)	
Financial assets at FVTOCI					
Share	-	-	-	-	
Fixed income securities	(133)	133	2,255	(2,255)	
Structured bonds	-	-	-	-	
Other investments	-	-	-	-	
Financial assets at FVTPL					
Receivables	-	-	-	-	
Share	(1)	1	-	-	
Fixed income securities	(28)	28	8	(8)	
Structured bonds	-	-	-	-	
Other investments	(659)	659	-	-	
Transfers of financial liabilities	-	-	-	-	
Financial liabilities at fair value	-	-	-	-	
Derivative financial instruments	-	-	-	-	
Net transfers	(820)	820	2,264	(2,264)	

Reclassifications from level 1 to level 2 for € 820 million refer to financial instruments for which the value, at 30 June 2022, cannot be determined on a liquid and active market, based on the parameters established in the Group's Fair Value Policy. On the other hand, reclassifications from level 2 to level 1 for € 2,264 million refer to financial instruments for which the value, at 30 June 2022, could be observed on a liquid and active market.

Movements in level 3 during the period are shown below:

Changes in financial instruments - level 3					(€m)
Description	Financial assets			Total	
	Financial assets at FVTOCI	Financial assets at FVTPL	Derivative financial instruments		
Balance at 1 January 2022	254	10,958	-	11,212	
Purchases/Issues	34	617	-	651	
Sales/Extinguishment of initial accruals	(106)	(195)	-	(301)	
Redemptions	-	-	-	-	
Changes in fair value through profit or loss	-	36	-	36	
Changes in fair value through equity	(1)	-	-	(1)	
Transfers to profit or loss	-	-	-	-	
Gains/Losses in profit or loss due to sales	-	-	-	-	
Transfers to level 3	-	-	-	-	
Transfers to other levels	(66)	(3,950)	-	(4,016)	
Changes in amortised cost	-	-	-	-	
Write-off	-	-	-	-	
Other changes (including accruals at end of period)	-	-	-	-	
Balance at 30 June 2022	116	7,466	-	7,582	

Financial instruments classified in level 3 are held primarily by Poste Vita SpA and, to a residual extent, by Poste Italiane SpA and Postepay SpA.

In the case of the Group's insurance company, instruments in level 3 regard funds that invest primarily in unlisted instruments, whose fair value measurement is based on the latest available NAV (Net Asset Value) as

announced by the fund manager. This NAV is adjusted according to the capital calls and reimbursements announced by the managers and occurring between the latest NAV date and the measurement date. These financial instruments primarily consist of investments in private equity funds and, to a lesser extent, real estate funds associated entirely with Class I products related to separately managed accounts. The changes involve the acquisition of new investments, redemptions of units of unlisted closed-end funds, as well as fair value changes which occurred during the period.

At 30 June 2022, in compliance with both the provisions of the aforementioned fair value guidelines of the Poste Italiane Group and additional requirements contained in the supplementary guidelines approved by the Board of Directors of the Poste Vita Company on 15 December 2021, with reference to the category in question, approximately € 3.6 billion of financial instruments were reclassified from level 3 fair value to level 2 fair value, referring mainly to UCITS reclassified as a result of the analyses carried out from a “look through” perspective.

7. PROCEEDINGS IN PROGRESS AND MAIN RELATIONS WITH AUTHORITIES

The following information, provided in accordance with accounting standard IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, only covers ongoing proceedings where there have been significant developments during the first half of 2022. Please refer to the 2021 Annual Report for a complete analysis.

TAX DISPUTES

With reference to the audit carried out during 2018 in SDA Express Courier by the tax Authorities in Rome (Guardia di Finanza - Nucleo di Polizia economico-finanziaria) for VAT, income tax, IRAP and withholding taxes purposes, for the years 2014, 2015 and 2016 pursuant to and in accordance with Articles 52 and 63 of Presidential Decree 633/72, art. 33 of Presidential Decree 600/73, art. 2 of Legislative Decree 68/2001, as well as Law 4/1929 and specifically to the notice of assessment relating to the year 2014 alone, with a total claim amounting to € 0.4 million against which the Company filed an appeal, the discussion hearing was held on 20 July. The latter, at the Company's request, was postponed to a new date so that negotiations with the Lazio Regional Tax Office (DRE) could be completed (the postponement mechanism has not yet been notified by the commission).

SOCIAL SECURITY DISPUTES

From 2012 until 30 June 2022, the Istituto Nazionale per la Previdenza Sociale (INPS–National Social Security Institute) office at Genoa Ponente issued **Postel** a number of payment orders, for a total amount of €26.43 million, demanding payment of social security contributions funding income support, extraordinary income support, unemployment benefit and family benefits not covered by the contributions paid to IPOST. Appeals against these requests were brought before the Court of Genoa.

In a judgement of 1 February 2021, the Court of Genoa cancelled the debit notice (totalling approximately €0.64 million) for the period from December 2012 to April 2015 (excluding July 2014) and ordered INPS to pay Postel the sum of €0.06 million plus interest. With judgement No. 8 of 2022, published on 2 February 2022, the Court of Appeal of Genoa rejected the Institute's appeal. Lastly, with the rulings of 26 May 2021, the Court of Genoa cancelled the debit notices (for a total of approximately €3.1 million) for certain periods between February 2011 and January 2017 and ordered the payment of the lower amounts restated as per the operative part of the rulings for a total of €0.17 million. The Company appealed against these rulings to the Appeals Court. In its rulings of 18 May 2022 and 6 June 2022, the Genoa Court of Appeals rejected the appeal from the Company, as well as the cross-appeal filed by the Institute, confirming what the trial judge had ruled.

Taking into account the judgements, the reasons given for the judgements and the latest appeals brought by INPS, the Company has adjusted its provisions for risks and charges also based on the opinion of its legal advisors.

Provisions recognised in the financial statements at 30 June 2022 amount to €12.2 million.

MAIN PROCEEDINGS IN PROGRESS AND RELATIONS WITH AUTHORITIES

Autorità Garante della Concorrenza e del Mercato (AGCM - the Italian Antitrust Authority)

On 14 October 2021, the Italian Antitrust Authority (AGCM) initiated proceedings against **PostePay** pursuant to Article 27, paragraph 3, of Legislative Decree No. 206 of 6 September 2005, as subsequently amended (Consumer Code), and pursuant also to Article 6 of the Regulation on investigation procedures concerning misleading and comparative advertising, unfair business practices, breach of consumer rights in contracts, breach of the prohibition on discrimination and unfair terms (Regulation), adopted by the Authority with a resolution of 1 April 2015 and a simultaneous request for information pursuant to Article 12(1) of the Regulation. In brief, the AGCM, on the basis of a number of reports from users of PosteMobile services challenged the unrequested activation of an alleged service whereby outgoing traffic (voice, SMS and data) continued when the credit on the user's rechargeable SIM card ran out or was insufficient at the time of renewal of the periodic-payment offer. PostePay has responded to the AGCM communication by clarifying that no continuity service is provided as part of PosteMobile offerings

Following several discussions that took place between the Company and the AGCM, on 13 May 2022, PostePay was notified of the so-called Communication of the deadline for the conclusion of the preliminary investigation phase, pursuant to Article 16, paragraph 1, of the AGCM Regulation referred to in the resolution of 1 April 2015, in respect of which PostePay, within the terms established by the procedural process, filed its defence brief together with further measures in terms of "effective and documented cooperation for the benefit of consumers".

On 24 March 2022, the AGCM initiated the proceeding "PS11287 - Interest-bearing Postal Certificates in paper form" against **Poste Italiane** for alleged unfair commercial practices regarding information on the expiration and prescription terms of Interest-bearing Postal Certificates in paper form, in that: i) during the placement of the certificates, Poste would fail to indicate the maturity date and/or the prescription date, as well as provide information regarding the legal consequences arising from the expiration of the aforementioned terms and/or would provide such information using confusing and deceptive wording; ii) in the management of certificates that have expired in the last five years, Poste would fail to inform the holders of certificates close to the expiration of the prescription period, of the expiration of this period and the legal consequences arising in the event of failure to request the redemption of the bond within this period. On 13 April 2022, the Company submitted a defence brief to the AGCM in which, in addition to responding to the request for information contained in the initiating act, it highlighted its role as a mere placer, the nature of the certificates and the inapplicability of the consumer guidelines to the case at hand. It is now awaiting the Authority's decisions.

Autorità per le Garanzie nelle Comunicazioni (AGCOM - the Italian Communications Authority)

On 12 November 2021, with Notice of Objection No. 13/21/DSP, Autorità per le Garanzie nelle Comunicazioni (AGCOM - the Italian Communications Authority) initiated proceedings against Poste Italiane for failure to comply with the quality objectives for products forming part of the Universal Postal Service for the year 2020. The notice identified five objections. In its recourse to proceedings, the Authority seems not to have considered how the pandemic emergency would affect the achievement of the quality objectives, and in fact ignored the evidence that emerged in the preliminary stage. In response to the aforementioned notice of objection, Poste Italiane submitted its defence briefs on 13 December 2021, arguing that the Covid-19 pandemic could be seen as a force majeure event. The hearing took place on 21 December 2021. With Resolution No. 104/22/CONS, notified on 22 April 2022, the Authority dismissed the sanction proceedings, accepting the arguments expressed by Poste Italiane, recognising the qualification, with respect to the year 2020, of the SARS-Covid pandemic as

a *force majeure* cause. In the same Resolution, the Authority stated that, for the years 2021 and 2022, since the element of unpredictability has disappeared, it will be the Company's burden to prove that it has introduced every organisational precaution possible to ensure compliance with universal service quality obligations. On 10 June 2022, "Verification on the quality of postal services - results for 2021" was published on the Authority's website, where deviations are noted in relation to 5 objectives and for which the initiation of sanction proceedings is awaited.

Bank of Italy

On 14 March 2022, pursuant to Article 54 of Legislative Decree No. 385 of 1 September 1993, the Bank of Italy launched an inspection, focusing on the business model, governance and control systems and interest rate risk. The inspection was completed on 15 July 2022, and the issuance of the report is expected in the fourth quarter of 2022.

On 20 July 2022, the Bank of Italy provided **BancoPosta** and **PostePay** with information on how to manage funds received by EMI for the issuance of electronic money. The Supervisory Provisions for EMI stipulate that such deposits may be deposited with a bank authorised to operate in Italy, invested in qualified debt securities or particular units of harmonised mutual investment funds. Since PostePay was established, these sums have been deposited in a postal current account (so-called safeguard account) and contribute to the collection from private customers of Bancoposta RFC, which, according to the restrictions on their use, are invested in euro area government securities. During 2021, the Authority initiated dialogue with the interested intermediaries, considering the fact that BancoPosta was not deemed to be a party classifiable as a credit institution, as envisaged by the European legislation of reference. Following a proposed alternative approach, intended to consider the BancoPosta deposit of the sums collected by PostePay to be comparable to a direct investment in qualified debt securities, in the aforesaid communication the Authority requested further reflection from the intermediaries, intended to identify an operational solution that would allow for full alignment with the relevant legislative provisions. Feedback will be provided within 90 days.

IVASS – Istituto per la Vigilanza sulle Assicurazioni (the insurance regulator)

On 24 February 2021, IVASS notified Poste Vita of a complaint regarding the alleged delay in the settlement of life policies and, on 2 February 2022, sent a proposal concluding the preliminary stage (the so-called sanction proposal) against which the company filed its own defence briefs and submitted written comments.

Subsequently, on 22 February 2022, IVASS notified Poste Vita of a further complaint regarding an alleged delay in the settlement of ten policies. Upon examination of the defence briefs prepared by the Company and filed by the latter within the deadline, the Supervisory Authority, in a note sent to Poste Vita on 6 May 2022, ordered the sanction proceedings to be closed.

From 1 March to 18 June 2021, IVASS conducted inspections aimed at verifying compliance with **anti-money laundering legislation**, at both **Poste Vita** and **Poste Italiane** - BancoPosta RFC. The results of the inspection showed an overall satisfactory compliance framework regarding processes and procedures aimed at fulfilling **customer due diligence** obligations and the consequent evaluation of anomalous relationships and transactions. The decision is partially favourable, as the relationships seen as higher risk remain inadequately verified. These shortcomings concern, in particular, the assessment of how consistent transactions were with customer economic and financial profiles, which is not supported by documentation to check the information on

the origin of the funds acquired by the network. The profiling system does not take into account all the risk factors referred to in Regulation 44 of 2019 and all the information collected from the customer.

For the areas of improvement reported by the Authority, Poste Vita and Poste Italiane - BancoPosta RFC have taken steps to implement the necessary initiatives, taking into consideration the guidance received from the Authority.

COVIP

On 27 May 2021, the **Commissione di Vigilanza sui Fondi Pensione** (COVIP) (pension fund supervisory authority) launched an ordinary inspection of the Postaprevidenza Valore pension fund, the activities of which are still ongoing.

In a communication dated 13 January, COVIP informed the Company that the verification of the documentation acquired during the inspection begun on 15 June 2021 had been completed and therefore the inspection should be considered concluded.

On 8 April 2022, the COVIP raised a complaint over an irregularity, introducing sanctionary proceedings.

In particular, the complaints relate to two cases, namely:

- Infringements relating to the collection of members;
- Infringements relating to “Notifications in the case of payment of benefits”.

The administrative fines and penalties for the above complaints are applicable in accordance with Article 19-*quater*, paragraph 2, letter b) of Italian Legislative Decree No. 252/2005.

In addition, in a letter dated 27 May 2022, COVIP requested the Company to take measures to remedy both the irregularities that had already been challenged, as well as other findings that had been examined during the inspection. Specifically, COVIP requested that the Company’s Board of Directors, no later than 60 days after receipt of the letter, adopt a report - accompanied by the assessments of the Board of Statutory Auditors and the Head of the Individual Pension Plan (PIP) - outlining the status of the activities already undertaken and the steps the Company intends to take to reduce or clear the findings.

On 10 June 2022, with reference to the objections notified on 8 April 2022, the Company prepared and forwarded defence briefs to the Supervisory Authority in support of the correctness of its actions. In this context, an action plan, approved by the Company’s Board of Directors on 8 June 2022, was, in addition, developed aimed at: (i) firstly, to contest the disputed findings, and, in addition, (ii) to put in place a number of initial steps to strengthen the system of internal controls inherent in the PIP accession and management phases.

In response to the subsequent objections, the Company reserved the right to conduct further investigations into the proposed actions and their implementation timelines, which will be formalised as part of a broader action plan as requested by the Authority in its 27 May 2022 communication.

Other proceedings

Federconsumatori, with a writ of summons dated 14 May 2021, initiated a class action against Poste Italiane pursuant to article 140-bis of the Consumer Code, before the Court of Rome. The value of the dispute to date is approximately €8.5 thousand.

By the summons in question, Federconsumatori contests that the capitalisation of interest on 30-year interest-bearing postal certificates (marked with the “Q” series, issued by Cassa Depositi e Prestiti from 1986 to 1995,

pursuant to Ministerial Decree 13 June 1986 by the Minister of Treasury, which were subsequently transferred to the Ministry of Economy and Finance, pursuant to the MEF Decree of 5 December 2003) is carried out annually net of withholding tax (now substitute tax), rather than gross, with the effect of recognising to savers a lower return than that allegedly due.

On 27 July 2021, Poste Italiane appeared before the court, objecting, on a preliminary basis, to the inadmissibility of the class action, on a number of preliminary grounds, as well as to the fact that the plaintiffs' and potential members' claims were timebarred, and contested the merits of the proposed claim.

The Court of Rome, in an ruling dated 11 January 2022, held that the action submitted by Federconsumatori was manifestly unfounded, recognising, inter alia, the lack of passive legitimacy on the part of Poste Italiane. Federconsumatori challenged the Court of Rome's ruling and the Court of Appeal has set a hearing for closing arguments for 12 July 2023.

8. MATERIAL NON-RECURRING EVENTS AND/OR TRANSACTIONS

Under the definition provided by CONSOB ruling DEM/6064293 of 28 July 2006, the Poste Italiane Group has not been a party to material non-recurring events and transactions⁹⁷ in the first half of 2022.

9. EXCEPTIONAL AND/OR UNUSUAL TRANSACTIONS

Under the definition provided by the CONSOB ruling of 28 July 2006, the Poste Italiane Group did not conclude any exceptional and/or unusual transactions⁹⁸ in the first half of 2022.

10. SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

The events that occurred after the reporting date are described below. For a complete description of these events, please refer to paragraph 3.1 - Principal corporate actions.

- LIS Holding SpA

On 25 February 2022, PostePay signed a binding agreement with IGT Lottery SpA to purchase 100% of LIS Holding SpA (together with the latter's subsidiary LIS Pay SpA). On 13 July 2022, the Bank of Italy authorised the acquisition transaction. The closing is expected within the third quarter of 2022.

⁹⁷ Events and transactions are defined as such when their occurrence is non-recurring, being transactions or events that do not recur frequently in the ordinary course of business.

⁹⁸ Such transactions are defined as transactions that due to their significance/materiality, the nature of the counterparties, the purpose of the transaction, the manner of determining the transfer price and timing of the transaction may give rise to doubts over the correctness and/or completeness of the disclosures in the financial statements, over a conflict of interest, safeguards for the Company's financial position and protections for non-controlling shareholders.

11. ADDITIONAL INFORMATION

EXPOSURE TO SOVEREIGN DEBT

With regard to financial assets, as required by Communication DEM/11070007 of 28 July 2011, implementing Document 2011/266 published by the European Securities and Markets Authority (ESMA) and later amendments, the Group's exposure to sovereign debt at 30 June 2022 is shown in the table below.

Poste Italiane Group - Exposure to sovereign debt securities

(€m)

Description	30.06.22			31.12.2021		
	Nominal value	Carrying amount	Market Value	Nominal value	Carrying amount	Market Value
Italy	137,508	135,573	134,025	135,674	156,775	157,449
Financial assets at amortised cost	26,989	27,284	25,736	26,944	31,893	32,567
Financial assets at FVTOCI	110,506	108,274	108,274	108,717	124,867	124,867
Financial assets at FVTPL	13	15	15	13	15	15
Belgium	1,622	1,191	1,191	132	151	151
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	1,622	1,191	1,191	132	151	151
Financial assets at FVTPL	-	-	-	-	-	-
France	2,856	1,942	1,942	151	201	201
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	2,856	1,942	1,942	151	201	201
Financial assets at FVTPL	-	-	-	-	-	-
Germany	208	192	192	215	235	235
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	208	192	192	215	235	235
Financial assets at FVTPL	-	-	-	-	-	-
Ireland	398	357	357	10	13	13
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	398	357	357	10	13	13
Financial assets at FVTPL	-	-	-	-	-	-
Spain	3,391	2,244	2,244	1,280	1,870	1,870
Financial assets at amortised cost	3	3	3	3	3	3
Financial assets at FVTOCI	3,388	2,241	2,241	1,277	1,867	1,867
Financial assets at FVTPL	-	-	-	-	-	-
USA	25	15	15	25	23	23
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	25	15	15	25	23	23
Financial assets at FVTPL	-	-	-	-	-	-
Other countries	178	154	154	149	147	147
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	178	154	154	149	147	147
Financial assets at FVTPL	-	-	-	-	-	-
Total	146,760	142,122	140,575	137,636	159,415	160,089

UNCONSOLIDATED STRUCTURED ENTITIES

The following provides detailed information on the units of investment funds purchased by Poste Vita SpA in order to ensure forms of employment as consistent as possible with the risk and return profiles of the policies issued. These funds, which fall under the definition of unconsolidated structured entities, recorded a negative fair value change of € 3,543 million during the period in question.

Natura del coinvolgimento nell'entità strutturata non consolidata						(€m)
ISIN - Name	Nature of entity	Activity of the Fund	% investment	NAV At	Amount	
LU1379774190 - MULTIFLEX-DIVERSIFIED DIS-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/06/2022	5,271	
LU1407712014 - MULTIFLEX - Global Optimal Multi Asset Fund	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/06/2022	4,433	
LU1407712287 - MULTIFLEX - Strategic Insurance Distribution	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/06/2022	4,286	
LU1407711800 - MULTIFLEX - Dynamic Multi Asset Fund	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/06/2022	3,822	
LU1193254122 - MFX - GLOBAL FUND - ASSET GLOBAL FUND (PIMCO MULTI ASSET)	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/06/2022	3,670	
LU1808839242 - MULTIFLEX-OLYMP INSURN MA-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/06/2022	798	
LU1500341240 - MULTIFLEX-LT OPTIMAL M/A-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/06/2022	772	
LU1808838863 - MULTIFLEX-OLYMPIUM OPT MA-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/06/2022	530	
LU1500341752 - MULTIFLEX-DYNAMIC LT M/A-CM	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/06/2022	507	
QU0006738052 - Prima EU Private Debt Opportunity Fund	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	31/03/2022	492	
IT0004937691 - PRIMA HEDGE PLATINUM GROWTH ISIN IE00BK1KDS71	Non-harmonised fund of hedge funds	Pursuit of absolute returns, with low long-term volatility and correlation with the main financial markets	100	30/04/2022	445	
QU0006744795 - Prima European Direct Lending 1 Fund	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	31/03/2022	431	
IT0005174450 - FONDO DIAMOND EUROZONE OFFICE UBS	Italian-registered, closed-end alternative real estate investment funds	Investment in "core" and "core plus" real estate assets for retail use, located in the Eurozone and euro-denominated	100	31/03/2022	422	
LU2051218035 - OLYMPIUM SEVERUM FUND	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	30/06/2022	417	
IT0005247819 - Diamond Core	Italian-registered, closed-end alternative real estate investment funds	Investment in real estate assets, real property rights, including those resulting from property lease-translational arrangements, concessions and other similar rights in accordance with the legislation from time to time in effect	100	31/12/2021	282	
LU1500341166 - MULTIFLEX-OLYMPIUM DYNAMIC-MULTI ASSET FUND	Open-end harmonised UCITS	Investment in real estate assets (corporate bonds, government bonds and equities)	100	30/06/2022	277	
IT0005386666 - Fondo i3-Dante comparto Convivio	Italian-registered, closed-end alternative real estate investment funds	Investimento in immobili core e core plus a reddito e localizzati nelle zone centrali delle principali città italiane, a partire da Roma e Milano.	100	31/12/2021	260	
QU0006746865 - ALC Prima European Private Credit Feeder Fund	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	31/03/2022	236	
IT0005215113 - FONDO CBRE DIAMOND	Italian-registered, closed-end alternative real estate investment funds	Investment in real estate assets, real property rights, including those resulting from property lease arrangements in Italy	100	31/03/2022	186	
QU0006745081 - Prima Real Estate Europe Fund I	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	31/03/2022	184	
IT0005212193 - DIAMOND ITALIAN PROPERTIES	Italian-registered, closed-end alternative real estate investment funds	Investment in real estate assets, real property rights, including those resulting from property lease-translational arrangements, concessions and other similar rights in accordance with the legislation from time to time in effect	100	31/12/2021	161	
QU0006742476 - PRIMA GLOBAL EQUITY PARTNERS FUND	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	31/03/2022	156	
QU0006738854 - Prima Credit Opportunity Fund	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	31/05/2022	144	
IT0005210593 - DIAMOND OTHER SECTOR ITALIA	Italian-registered, closed-end alternative real estate investment funds	Investment in real estate assets, real property rights, including those resulting from property lease arrangements, participating interests in property companies and the professional management and development of the fund's assets	100	31/12/2021	108	
IT0005210387 - DIAMOND EUROZONE RETAIL PROPERTY FUND	Italian-registered, closed-end alternative real estate investment funds	Investment in "core" and "core plus" real estate assets for office use, located in the Eurozone and euro-denominated	100	31/12/2021	97	
LU1581282842 - Indaco SICAV SIF - Indaco CIFC US Loan	Open-end harmonised UCITS	Investment in a mix of asset classes (corporate bonds, government bonds and equities)	100	31/05/2022	80	
LU1081427665 - SHOPPING PROPERTY FUND 2	Italian-registered, closed-end alternative real estate investment funds	Invests in the Shopping Property Fund 2: master fund which invests primarily in commercial properties and, marginally, in office building and alternative sectors. It does not invest in property debt	65	31/03/2022	64	
IT0004597396 - ADVANCE CAPITAL ENERGY FUND	Closed-end non-harmonised fund of funds	Investments in energy companies to achieve capital appreciation and realise relevant gains, after exit	86	31/03/2022	17	

NATURE OF THE INVOLVEMENT IN THE UNCONSOLIDATED STRUCTURED ENTITY

The entities primarily regard open-end harmonised funds that invest in a mix of assets, such as corporate bonds, government bonds and equities, and closed-end real estate funds that invest in property and property rights. Certain details are provided below.

(€m)						
ISIN - Name	Classification	Carrying amount	Maximum loss exposure	Difference between carrying amount and maximum loss exposure	Method to determine maximum loss exposure	
LU1379774190 - MULTIFLEX-DIVERSIFIED DIS-CM	Financial assets FVPL	5,271	1,102	4,169	VaR 99.5% over a 5-year time horizon and 1-year half life	
LU1407712014 - MULTIFLEX - Global Optimal Multi Asset Fund	Financial assets FVPL	4,433	764	3,670	VaR 99.5% over a 5-year time horizon and 1-year half life	
LU1407712287 - MULTIFLEX - Strategic Insurance Distribution	Financial assets FVPL	4,286	691	3,595	VaR 99.5% over a 5-year time horizon and 1-year half life	
LU1407711800 - MULTIFLEX - Dynamic Multi Asset Fund	Financial assets FVPL	3,822	716	3,106	VaR 99.5% over a 5-year time horizon and 1-year half life	
LU1193254122 - MFX - GLOBAL FUND - ASSET GLOBAL FUND (PIMCO MULTI ASSET)	Financial assets FVPL	3,670	695	2,975	VaR 99.5% over a 5-year time horizon and 1-year half life	
LU1808839242 - MULTIFLEX-OLYMP INSURN MA-CM	Financial assets FVPL	798	142	656	VaR 99.5% over a 5-year time horizon and 1-year half life	
LU1500341240 - MULTIFLEX-LT OPTIMAL MA-CM	Financial assets FVPL	772	191	580	VaR 99.5% over a 5-year time horizon and 1-year half life	
LU1808838863 - MULTIFLEX-OLYMPIUM OPT MA-CM	Financial assets FVPL	530	128	402	VaR 99.5% over a 5-year time horizon and 1-year half life	
LU1500341752 - MULTIFLEX-DYNAMIC LT MA-CM	Financial assets FVPL	507	105	402	VaR 99.5% over a 5-year time horizon and 1-year half life	
LU2051218035 - OLYMPIUM SEVERUM FUND	Financial assets FVPL	417	108	309	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
IT0004937691 - PRIMA HEDGE PLATINUM GROWTH ISIN IE00BK1KDS71	Financial assets FVPL	445	51	394	VaR 99% provided by fund management company	
IT0005174450 - FONDO DIAMOND EUROZONE OFFICE UBS	Financial assets FVPL	422	167	255	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
QU0006744795 - Prima European Direct Lending 1 Fund	Financial assets FVPL	431	57	374	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
QU0006738052 - Prima EU Private Debt Opportunity Fund	Financial assets FVPL	492	62	430	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
LU1500341166 - MULTIFLEX-OLYMPIUM DYNAMIC-MULTIASSET FUND	Financial assets FVPL	277	53	224	VaR 99.5% over a 5-year time horizon and 1-year half life	
IT0005247819 - Diamond Core	Financial assets FVPL	282	94	188	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
IT0005386666 - Fondo i3-Dante comparto Convivio	Financial assets FVPL	260	65	195	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
QU0006746865 - ALC Prima European Private Credit Feeder Fund	Financial assets FVPL	236	31	205	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
QU0006745081 - Prima Real Estate Europe Fund I	Financial assets FVPL	184	81	103	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
IT0005212193 - DIAMOND ITALIAN PROPERTIES	Financial assets FVPL	161	58	102	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
IT0005215113 - FONDO CBRE DIAMOND	Financial assets FVPL	186	58	128	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
QU0006738854 - Prima Credit Opportunity Fund	Financial assets FVPL	144	56	88	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
QU0006742476 - PRIMA GLOBAL EQUITY PARTNERS FUND	Financial assets FVPL	156	77	79	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
IT0005210593 - DIAMOND OTHER SECTOR ITALIA	Financial assets FVPL	108	39	69	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
IT0005210387 - DIAMOND EUROZONE RETAIL PROPERTY FUND	Financial assets FVPL	97	35	61	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
LU1581282842 - Indaco SICAV SIF - Indaco CIFC US Loan	Financial assets FVPL	80	15	65	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
LU1081427665 - SHOPPING PROPERTY FUND 2	Financial assets FVPL	42	34	8	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	
IT0004597396 - ADVANCE CAPITAL ENERGY FUND	Financial assets FVPL	14	7	7	VaR 99.5% over a 1-year time horizon starting from SII market sensitivity	

Nature of the risk

The company's investments in the funds in question are reported at fair value through profit or loss (mainly level 2 of the fair value hierarchy), on the basis of the NAV reported from time to time by the fund manager. These investments were made in connection with Class I policies and, as such, any changes in fair value are passed on to the policyholder under the shadow accounting mechanism.

Asset class and reference markets relative to NAVs

Asset class	(€m) Fair Value
Financial instruments	
Corporate bonds	14,354
Government bonds	7,901
Other investments net of liabilities	3,563
Share	1,330
Cash and cash equivalents	1,607
Derivative financial instruments	
Swap	6
Future	(26)
Forward	(187)
Total	28,548

Market traded on and UCITS (€m)	(€m) Fair Value
Germany (Frankfurt, Berlin, Munich)	4,441
Dublin	1,814
New York	1,924
Trace	4,289
London	2,299
Paris	465
Euronext	1,442
Tokyo	682
Singapore	938
Euromtf	473
Luxembourg	444
Eurotix	226
Hong Kong	305
Others	7,796
Funds	1,010
Total	28,548

SHARE-BASED PAYMENT ARRANGEMENTS

In addition to the share-based payment arrangements disclosed in the Annual Report 2021, it should be noted that the Shareholders' Meeting of Poste Italiane SpA held on 27 May 2022 approved the document, prepared in accordance with Article 84-bis of the Issuers' Regulations, on "*Incentive plans based on financial instruments - ILT Performance Share Plan 2022-2024*". The same Shareholders' Meeting authorised the purchase of treasury shares, aimed at fulfilling the obligations arising from the variable remuneration to be paid in Poste Italiane shares intended for directors and employees of the Poste Italiane Group, for a maximum of 2.6 million ordinary shares of the Company, representing approximately 0.20% of the share capital, and a total outlay of up to € 40 million.

The number of Rights to receive Shares assigned in total concerns 191 Beneficiaries and was 956,557 units, whose unit fair value at the grant date (27 May 2022 for the General Manager, BP Beneficiaries and Other Beneficiaries) was respectively €4.50 for the first two categories and €5.48 for the last one. The cost recognised in the first half of 2022 referring exclusively to the new Plan was approximately € 0.9 million, equivalent to the equity reserve specifically created.

For the *ILT Performance Share Plan First Cycle 2019 - 2021* Plan and the 2019 and 2020 MBO Plans, previously purchased Treasury Shares were delivered during the first half of the year, resulting in a reduction of the equity reserve by a total of approximately € 2.6 million.

SCOPE OF CONSOLIDATION AND KEY INFORMATION ON INVESTMENTS

Scope of consolidation							(€k)
Name	Registered office	Currency	Share capital	Parent company	% ownership	Total % Group	
PARENT COMPANY:							
Poste Italiane SpA	Roma (Italy)	Euro	1,306,110				
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS:							
BancoPosta Fondi SpA SGR	Roma (Italy)	Euro	12,000	Poste Italiane SpA	100.00%	100.00%	
Bridge Technologies Srl	Milan (Italy)	Euro	20	Plurima	60.00%	42.00%	
Consorzio Logistica Pacchi ScpA	Roma (Italy)	Euro	516	Poste Italiane SpA SDA Express Courier SpA Poste Air Cargo Srl Postel SpA Poste Assicura SpA Nexive Network Srl	51.00% 19.00% 5.00% 15.00% 5.00% 5.00%	100.00%	
Consorzio per i Servizi di Telefonia Mobile ScpA	Roma (Italy)	Euro	120	Poste Italiane SpA PostePay SpA	51.00% 49.00%	100.00%	
Consorzio PosteMotori	Roma (Italy)	Euro	120	Poste Italiane SpA Postel SpA	58.12% 22.63%	80.75%	
Europa Gestioni Immobiliari SpA	Roma (Italy)	Euro	103,200	Poste Italiane SpA Poste Vita SpA	55.00% 45.00%	100.00%	
Logos Srl	Milan (Italy)	Euro	10	Plurima	100.00%	70.00%	
MLK Deliveries SpA	Roma (Italy)	Euro	333	Poste Italiane SpA	70.00%	70.00%	
Nexive Network Srl (*)	Milan (Italy)	Euro	50	Poste Italiane SpA	100.00%	100.00%	
Nexive Scarl (*)	Milan (Italy)	Euro	28	Poste Italiane SpA	82.14%	82.14%	
PatentiViaPoste ScpA	Roma (Italy)	Euro	120	Poste Italiane SpA Postel SpA	69.65% 17.21%	86.86%	
Poste Air Cargo Srl	Roma (Italy)	Euro	1,000	Poste Italiane SpA	100.00%	100.00%	
Plurima Bidco Srl	Roma (Italy)	Euro	1,000	Poste Welfare Servizi Srl	70.00%	70.00%	
Plurima SpA	Milan (Italy)	Euro	8,544	Plurima Bidco Srl	100.00%	70.00%	
Poste Assicura SpA (*)	Roma (Italy)	Euro	25,000	Poste Vita SpA	100.00%	100.00%	
Poste Insurance Broker Srl	Roma (Italy)	Euro	600	Poste Assicura SpA	100.00%	100.00%	
PostePay SpA	Roma (Italy)	Euro	7,561	Poste Italiane SpA	100.00%	100.00%	
Poste Vita SpA (*)	Roma (Italy)	Euro	1,216,608	Poste Italiane SpA	100.00%	100.00%	
Poste Welfare Servizi Srl	Roma (Italy)	Euro	16	Poste Vita SpA	100.00%	100.00%	
Postel SpA	Roma (Italy)	Euro	20,400	Poste Italiane SpA	100.00%	100.00%	
PSIA Srl	Roma (Italy)	Euro	10	Poste Italiane SpA	100.00%	100.00%	
SDA Express Courier SpA	Roma (Italy)	Euro	5,000	Poste Italiane SpA	100.00%	100.00%	
Sengi Express Limited (*)	Hong Kong (China)	HKD	5,000	Poste Italiane SpA	40.00% (**)	40.00% (**)	
Sengi Express Guangzhou Limited (*)	Guangzhou (China)	CNY	2,000	Sengi Express Limited	100.00%	40.00%	
sennder Italia Srl	Milan (Italy)	Euro	46	Poste Italiane SpA	65.00%	65.00%	
COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD:							
Subsidiaries:							
Address Software Srl	Roma (Italy)	Euro	10	Postel SpA	51.00%	51.00%	
Indabox Srl	Roma (Italy)	Euro	50	MLK Deliveries SpA	100.00%	70.00%	
Kipoint SpA	Roma (Italy)	Euro	500	SDA Express Courier SpA	100.00%	100.00%	
Associates:							
Anima Holding SpA	Milan (Italy)	Euro	7,292	Poste Italiane SpA	11.02%	11.02%	
Conio Inc.	San Francisco (USA)	USD	13,356	Poste Italiane SpA	16.29%	16.29%	
Conio Srl	Milan (Italy)	Euro	15	Conio Inc.	100.00%	16.29%	
Eurizon Capital Real Asset SGR S.p.A.	Milan (Italy)	Euro	4,167	Poste Vita SpA BancoPosta Fondi SpA SGR	20.00% 20.00%	40% (***)	
Financit SpA	Roma (Italy)	Euro	14,950	Poste Italiane SpA	40.00%	40.00%	
ItaliaCamp Srl	Roma (Italy)	Euro	155	Poste Italiane SpA	19.40%	19.40%	
Replica SIM SpA	Milan (Italy)	Euro	10,500	Poste Italiane SpA	45.00%	45.00%	

(*) The figures shown for these companies were prepared in accordance with IFRS and, as such, may vary from those contained in the respective financial reports, which were prepared in accordance with the Italian Civil Code and Italian GAAP

(**) Poste Italiane SpA holds 51% of the voting capital.

(***) Posta Vita and BancoPosta Fondi together hold 24.5% of the voting capital.

List of investments accounted for using the equity method and statement of financial position and income statement data

(€k)

Name (registered office)	Nature of investment	Carrying amount	% share	Assets	Liabilities	Equity	Revenue from sales and services	Result for the period
Address Software Srl (Rome)	Subsidiary	468	51.00%	1,463	545	918	514	21
Anima Holding SpA (Milan) (a)	Associate	206,174	11.02%	2,541,330	1,193,768	1,347,562	279,893 ⁽¹⁾	30,300
Conio Inc. (San Francisco) (b)	Associate	672	16.29%	14,761	3,526	11,235	-	(317)
Eurizon Capital Real Asset SGR S.p.A.	Associate	3,717	40.00%	9,192	2,844	6,348	3,537	691
Financit SpA (Rome)	Associate	34,984	40.00%	1,463,579	1,406,721	56,858	21,681 ⁽¹⁾	6,840
Indabox Srl (Rome)	Subsidiary	412	70.00%	514	199	315	267	-
ItaliaCamp Srl (Rome) (c)	Associate	528	19.40%	5,584	2,861	2,723	3,143	125
Kipoint SpA (Rome)	Subsidiary	2,093	100.00%	4,443	2,350	2,093	1,861	87
Replica SIM SpA (Milan)	Associate	9,639	45.00%	40,505	30,397	10,108	2,549 ⁽¹⁾	562
Other associate of the SDA group	Associates	4						

- a. Data derived from the latest consolidated interim accounts for the period ended 31 March 2022 approved by the company's board of directors.
- b. The balance sheet value also includes the valuation of Conio Srl, 100% owned by Conio Inc.
- c. Figures taken from the company's latest financial statements approved by the Board at 31.12.2021.
- * The amount includes commissions, interest income and other similar income.

POSTAL SAVINGS

The following table provides a breakdown of postal savings deposits collected by the Parent Company in the name of and on behalf of Cassa Depositi e Prestiti, by category. The amounts are inclusive of accrued, unpaid interest.

Postal Savings		(€m)	
Description	30.06.22	31.12.2021	
Post office savings books	93,066	99,254	
Interest-bearing Postal Certificates	237,332	235,626	
Cassa Depositi e Prestiti	189,652	185,016	
Italian Ministry of the Economy and Finance - MEF	47,680	50,609	
Total	330,398	334,878	

ASSETS UNDER MANAGEMENT

Assets under management by BancoPosta Fondi SpA SGR, measured at fair value using information available on the last working day of the period, amounted to €11,524 million at 30 June 2022.

COMMITMENTS

The Group's commitments break down as follows.

Commitments		(€m)	
Description	30.06.22	31.12.2021	
Lease arrangements	22	28	
Contracts to purchase property, plant and equipment	139	92	
Contracts to purchase intangible assets	67	21	
Total	228	141	

At 30 June 2022, the item Lease arrangements includes commitments that do not fall under IFRS 16 – Leases.

GUARANTEES

Unsecured guarantees issued by the Group are as follows:

Guarantees		(€m)	
Description	30.06.22	31.12.2021	
Sureties and other guarantees issued:			
by banks/insurance companies in the interests of Group companies in favour of third parties	479	447	
by the Group in its own interests in favour of third parties	55	55	
Total	534	502	

THIRD-PARTY ASSETS

Third-party assets held by Group companies are shown below.

Third-party assets		(€m)	
Description	30.06.22	31.12.2021	
Bonds subscribed by customers held at third-party banks	1,801	1,799	
Other assets	399	-	
Total	2,200	1,799	

The item **Bonds subscribed by customers held at third-party banks** refers entirely to the Parent Company, which as of 30 June 2022 holds an additional € 1.3 million of Group Company Assets.

The item **Other assets** refers to the value of medicines in the warehouses of the companies Plurima SpA and Logos Srl and forming part of logistics activities in relation to customer hospitals.

ASSETS IN THE PROCESS OF ALLOCATION

At 30 June 2022, the Parent Company has paid a total of € 97 million in claims on behalf of the Ministry of Justice, for which, under the agreement between Poste Italiane SpA and the MEF, it has already been reimbursed by the Treasury, whilst awaiting acknowledgement of the relevant account receivable from the Ministry of Justice.

12. ATTESTATION OF THE MANAGER RESPONSIBLE FOR FINANCIAL REPORTING AND INDEPENDENT AUDITORS' REPORT

Attestation of the Condensed Half-year Consolidated Financial Statements at 30 June 2022 pursuant to art. 154-bis, paragraph 5, of Legislative Decree no. 58/1998 and art. 81-ter of Consob Regulation no. 11971 of 14 May 1999

1. The undersigned Matteo Del Fante, as Chief Executive Officer, and Alessandro Del Gobbo, as Manager Responsible for Financial Reporting of Poste Italiane S.p.A., also taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, attest to:

- the adequacy, in relation to the characteristics of the Poste Italiane Group, and
- the effective application of the administrative and accounting procedures for the formation of the Condensed Half-year Consolidated Financial Statements of the Poste Italiane Group in the period between 1 January 2022 and 30 June 2022.

2. In this regard, please note that:

- the adequacy of the administrative and accounting procedures for the formation of the Condensed Half-year Consolidated Financial Statements of the Poste Italiane Group was verified by evaluating the internal control system on financial disclosure. This evaluation was performed by taking as a reference the criteria laid out in the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- no significant aspects emerged from the evaluation of the internal control system on financial disclosure.

3. It is also attested that:

3.1 The Condensed Half-year Consolidated Financial Statements of the Poste Italiane Group for the year ended 30 June 2022:

- a) have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Community pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- b) correspond to the information contained in the accounting ledgers and records;
- c) provide a true and fair representation of the equity, economic and financial situation of the Issuer and the whole of the companies included in the scope of consolidation.

3.2 The interim report on operations contains a reliable analysis of the key events that took place during the first six months of the year and of their impact on the half-year condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year. The interim Report on operations also contains a reliable analysis of disclosures on significant transactions with related parties.

Rome, 27 July 2022

Chief Executive Officer

Matteo Del Fante

(original signed)

Manager Responsible for Financial Reporting

Alessandro Del Gobbo

(original signed)

(This report has been translated from the original issued in accordance with Italian legislation).



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REPORT ON REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Poste Italiane S.p.A.

Introduction

We have reviewed the condensed interim consolidated financial statements of Poste Italiane S.p.A. and its subsidiaries (the "Poste Italiane Group"), which comprise the consolidated statement of financial position as of June 30, 2022, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the condensed consolidated statement of cash flows for the six month period then ended and the related notes. The Directors are responsible for the preparation of the condensed interim consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Conclusion

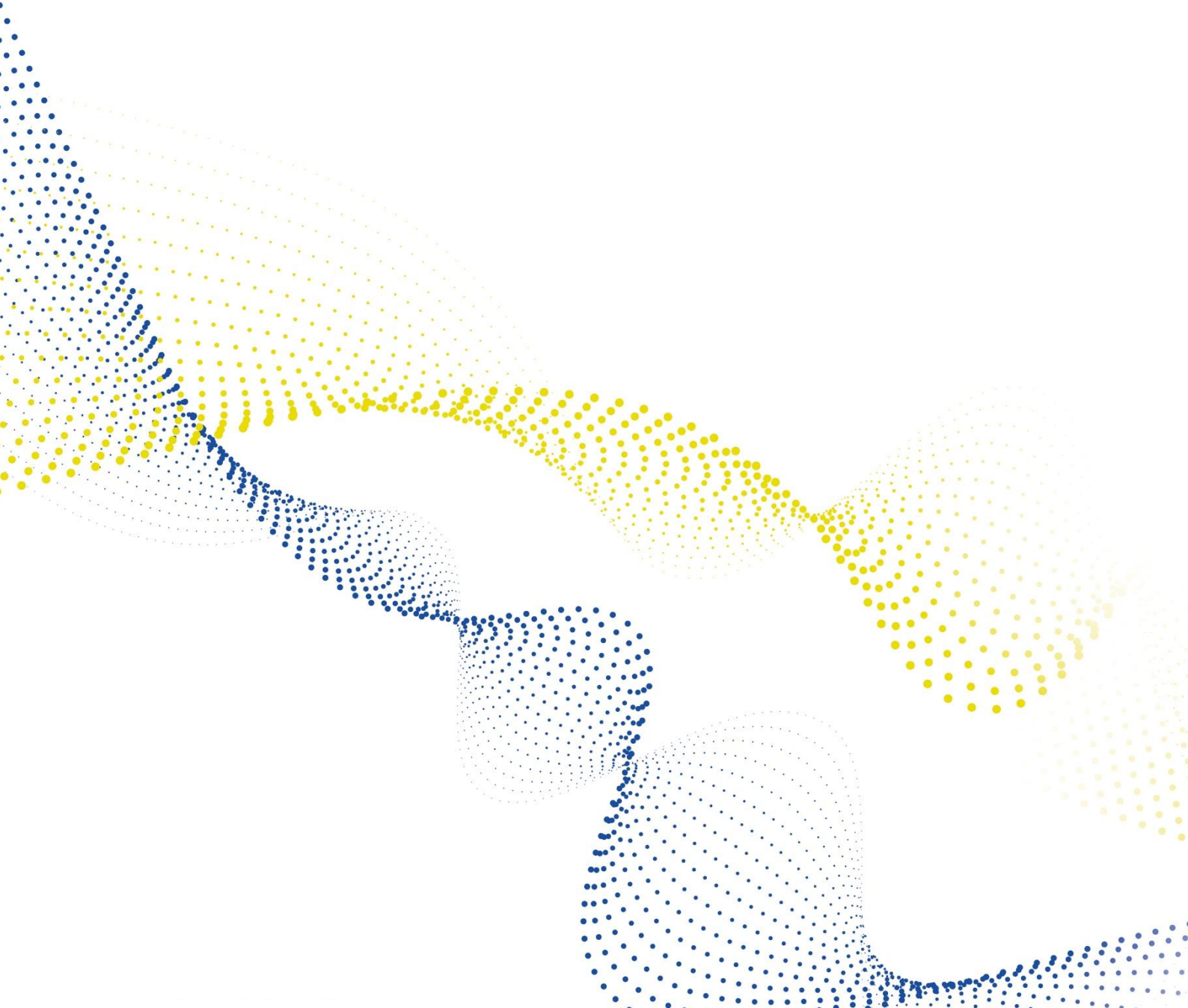
Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of Poste Italiane Group as at June 30, 2022 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Miccoli
Partner

Rome, Italy
August 3, 2022

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.



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