CAPITAL MARKETS DAY DELIVER 2022

Milan, February 27th 2018
<table>
<thead>
<tr>
<th>Time</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>11.00 - 11.05</td>
<td>OPENING</td>
</tr>
<tr>
<td>11.05 - 11.40</td>
<td>M. DEL FANTE, CEO</td>
</tr>
<tr>
<td>11.40 - 12.00</td>
<td>M. SIRACUSANO, HEAD OF PAYMENT, MOBILE &amp; DIGITAL</td>
</tr>
<tr>
<td>12.00 - 12.40</td>
<td>M. ROSINI, HEAD OF MAIL &amp; PARCEL</td>
</tr>
<tr>
<td>12.40 - 13.00</td>
<td>Q&amp;A</td>
</tr>
<tr>
<td>13.00</td>
<td>LUNCH</td>
</tr>
<tr>
<td>14.15 - 14.45</td>
<td>A. NOVELLI, BANCOPOSTA CEO</td>
</tr>
<tr>
<td>14.45 - 15.00</td>
<td>Q&amp;A</td>
</tr>
<tr>
<td>15.00 - 15.45</td>
<td>R. GIACCHI, CFO</td>
</tr>
<tr>
<td>15.45 - 15.50</td>
<td>M. DEL FANTE, CEO</td>
</tr>
<tr>
<td>15.50</td>
<td>Q&amp;A</td>
</tr>
<tr>
<td>16.45</td>
<td>CLOSING REMARKS</td>
</tr>
</tbody>
</table>
This presentation contains certain forward-looking statements that reflect the Company’s management’s current views with respect to future events and financial and operational performance of the Company and its subsidiaries. These forward-looking statements are based on Poste Italiane S.p.A.’s current expectations and projections about future events. Because these forward-looking statements are subject to risks and uncertainties, actual future results or performance may differ materially from those expressed in or implied by these statements due to any number of different factors, many of which are beyond the ability of Poste Italiane S.p.A. to control or estimate precisely, including changes in the regulatory environment, future market developments, fluctuations in the price and availability of fuel and other risks. You are cautioned not to place undue reliance on the forward-looking statements contained herein, which are made only as of the date of this presentation. Poste Italiane S.p.A. does not undertake any obligation to publicly release any updates or revisions to any forward-looking statements to reflect events or circumstances after the date of this presentation. This presentation does not constitute a recommendation regarding the securities of the Company. This presentation does not contain an offer to sell or a solicitation of any offer to buy any securities issued by Poste Italiane S.p.A. or any of its subsidiaries. Pursuant to art. 154-BIS, par. 2, of the Unified Financial Act of February 24, 1998, the executive in charge of preparing the corporate accounting documents at Poste Italiane S.p.A., Luciano Loiodice, declares that the accounting information contained herein corresponds to document results, books and accounting records. Full year 2017 results shown in this presentation refer to preliminary results. Numbers in the presentations may not add up only due to roundings.
DELIVER 2022
ITALY’S MOST EFFECTIVE AND TRUSTED DISTRIBUTION NETWORK

Matteo Del Fante, CEO
Milan, February 27th 2018
OUR VISION

TO BE ITALY’S MOST EFFECTIVE
AND TRUSTED DISTRIBUTION NETWORK
DELIVER 2022

A FIVE YEAR STRATEGIC VISION BUILT ON STRONG BUSINESS FUNDAMENTALS AND EVOLVING CUSTOMER NEEDS

A GROUP WIDE TRANSFORMATION PROGRAM WITH A FOCUS ON POSTE ITALIANE’S PEOPLE AND SYSTEMS

PRAGMATIC FINANCIAL TARGETS AND CLEARLY DEFINED KPIs, UNDERPINNED BY A RENEWED FOCUS ON OPERATIONAL PERFORMANCE
<table>
<thead>
<tr>
<th>Key Consolidated Financial Targets</th>
<th>2017</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>10.6</td>
<td>10.7</td>
<td>10.9</td>
<td>11.2</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>1.1</td>
<td>1.4</td>
<td>1.6</td>
<td>1.8</td>
</tr>
<tr>
<td><strong>EBIT Margin %</strong></td>
<td>11%</td>
<td>13%</td>
<td>15%</td>
<td>16%</td>
</tr>
<tr>
<td><strong>Net Profit</strong></td>
<td>0.7</td>
<td>1.0</td>
<td>1.1</td>
<td>1.2</td>
</tr>
<tr>
<td><strong>ROE %</strong></td>
<td>10%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
</tr>
</tbody>
</table>

1 Group Equity net of fair value and cash flow hedge reserves and including goodwill on investments
DELIVER 2022 IN SUMMARY
STRONG FUNDAMENTALS - CUSTOMER DRIVEN - PEOPLE FIRST

MAIL & PARCEL
Execute Mail & Parcel turnaround based on Union agreed joint delivery model
Capitalize on e-commerce and B2C growth

PAYMENTS, MOBILE & DIGITAL
Accelerate convergence of payments & mobile offer
Drive group-wide digital vision

FINANCIAL & INSURANCE
Expand financial offer with focus on wealth management and product distribution
Consolidate life insurance leadership and develop P&C offer
## ITALY’S LEADING CUSTOMER DISTRIBUTION NETWORK
### KEY FIGURES

### MAIL & PARCEL
- Unrivalled physical distribution network

### PAYMENTS, MOBILE & DIGITAL
- Italian payments champion
- Advanced customer data capabilities
- Leading financial web and app platforms

### FINANCIAL & INSURANCE
- Market leading product distribution network

<table>
<thead>
<tr>
<th></th>
<th>100%</th>
<th>110m</th>
<th>30%</th>
<th>25%</th>
<th>24.8m</th>
<th>€104bn</th>
<th>15.6m</th>
<th>34.4m</th>
<th>12,822</th>
<th>1.5m</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITALIAN COVERAGE</td>
<td></td>
<td></td>
<td></td>
<td>E-COMMERCE</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PARCELS PER YEAR</td>
<td></td>
<td></td>
<td></td>
<td>CARDS ISSUED</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>B2C MARKET SHARE</td>
<td></td>
<td></td>
<td></td>
<td>PAYMENT TRANS-</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td>ACTIONS</td>
<td></td>
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<td></td>
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<td></td>
<td></td>
<td>APP DOWN-LOADED</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Cerved (B2C market share); Netcomm Reports (E-commerce payments)
App Downloads as at Jan 2018; all other data refer to 2017
### ITALY’S LEADING CUSTOMER DISTRIBUTION NETWORK

#### STRATEGIC ACHIEVEMENTS

<table>
<thead>
<tr>
<th>MAIL &amp; PARCEL</th>
<th>PAYMENTS, MOBILE &amp; DIGITAL</th>
<th>FINANCIAL &amp; INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Union Agreements – New Joint Delivery Model</td>
<td>New Business Unit and Leadership</td>
<td>CDP Deal</td>
</tr>
<tr>
<td>December 2017</td>
<td>October 2017</td>
<td>December 2017</td>
</tr>
</tbody>
</table>

Source: Ania
A FIVE YEAR STRATEGIC VISION BUILT ON STRONG BUSINESS FUNDAMENTALS AND EVOLVING CUSTOMER NEEDS
E-COMMERCE MARKET OPPORTUNITY
POSITIVE TRENDS FOR B2C PARCEL GROWTH PER CAPITA

Evolution expected by 2020 in Italy with 24% annual growth in B2C parcel volumes

European average 8-10 parcels/year

LOW-PENETRATED MARKETS
1-2 PARCELS/CAPITA

MEDIUM-DEVELOPED MARKETS
7 PARCELS/CAPITA

MATURE MARKETS
20 PARCELS/CAPITA

Source: McKinsey estimates
**DIGITAL OPPORTUNITIES**  
ITALY POSITIVE TRENDS CREATING OPPORTUNITIES FOR POSTE TO LEAD

### Market Leading Website
- **1.3m** daily users web / app

### Market Leading Financial App - Downloads
- **POSTEPAY**
  - 1°
- **BANCOPOSTA**
  - 2°
- **FINANCIAL PLAYER**
  - 3°

### Market Leading Website
- **1.3m** daily users web / app

### ITALY STILL MAINLY CASH MARKET BUT USE OF ALTERNATIVE OPTIONS GROWING

<table>
<thead>
<tr>
<th>Year</th>
<th>% of Cash on Total Payments</th>
<th>Non cash payments per capita per year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>85%</td>
<td>68</td>
</tr>
<tr>
<td>2016</td>
<td>68%</td>
<td>95</td>
</tr>
</tbody>
</table>

### ITALY STILL LAGGING ON DIGITAL USAGE BUT CONSTANTLY IMPROVING

- **DIGITAL INDEX 2017**
  - **ITALY**
    - 0.42
  - **EUROPE**
    - 0.52

- **INTERNET SPEEDS**
  - **ITALY**
    - 8.73 MBPS
  - **EUROPE**
    - 32.1 MBPS

转动速度增长**

- **DIGITAL INDEX 2017**
  - **ITALY**
    - 0.42
  - **EUROPE**
    - 0.52

- **INTERNET SPEEDS**
  - **ITALY**
    - 8.73 MBPS
  - **EUROPE**
    - 32.1 MBPS

*Digital Economy and Society Index – European Commission: compound index based on connectivity, human capital/digital skills, use of internet by citizens, integration of digital technology by businesses, digital public services*

Source: Global Payments Map; Banca d’Italia; European Commission; Wearesocial website; Ovum analysis Mason WCIS; Similarweb; AppAnnie - Dec 2017
CUSTOMER NETWORK COVERAGE OPPORTUNITIES
UNRIVALLED UNIVERSAL COVERAGE

12,822 POST OFFICES

#35 AV. ITALY

Number of Post Offices for every 100 banking branches and insurance sales offices combined

COVERAGE OF ITALIAN POPULATION
(BRANCHES/100,000 INHABITANTS)

ITALY

Poste Italiane
1st Italian Bank
1st Italian P&C provider network

NORTH ITALY

CENTER ITALY

SOUTH ITALY

Distribution of Italian financial wealth

1 Not included: cash, equity shares of unlisted companies, trade credits, pension funds and severance payments
2 For number of branches
3 For gross premium

Source: Banca d’Italia (Financial wealth); Banca d’Italia (Banking network); ISTAT (Region and Population); Ivass Reg. A Legal entities
A GROUP WIDE TRANSFORMATION PROGRAM WITH A FOCUS ON POSTE ITALIANE’S PEOPLE AND SYSTEMS
NATURAL WORKFORCE DYNAMICS
AGE PYRAMID SUPPORTS CONSTANT RENEWAL

138,000 EMPLOYEES – DISTRIBUTION BY AGE (2017)

Average age
50 YEARS

Average retirement age
60 YEARS

# Employees over 60
11,300

% Employees over 50
53.5%

OVER HALF THE WORKFORCE WILL RETIRE IN NEXT TEN YEARS
PLANNED HEADCOUNT REDUCTION PROGRAM
CONTINUING CURRENT TREND

AVERAGE HEADCOUNT REDUCTION PER YEAR

- **2015-2017:** 2,800
- **2017-2022:** 3,000

AVERAGE HEADCOUNT REDUCTION PER YEAR

2015-2022

AVERAGE HEADCOUNT ('000)

- **2015:** 144
- **2016:** 141
- **2017:** 138
- **2018:** 127
- **2019:** 120
- **2020:** 123

Turnover and subsidized exits: -11
Fixed-term contracts: +7
Hirings: +3

- **2017-2020:**
  - Turnover and subsidized exits: -11
  - Fixed-term contracts: +7
  - Hirings: +3

- **2020-2022:**
  - Turnover and subsidized exits: -4
  - Fixed-term contracts: +3
  - Hirings: +3
**HR RELATED COSTS**
**INCREASING EFFICIENCY ACROSS THE GROUP**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary HR costs/</td>
<td>5.6</td>
<td>5.6</td>
<td>5.5</td>
<td>5.5</td>
</tr>
<tr>
<td>revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early retirement</td>
<td>0.5</td>
<td>0.4</td>
<td>0.4</td>
<td>0.1</td>
</tr>
<tr>
<td>incentives</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary HR costs</td>
<td>6.1</td>
<td>6.0</td>
<td>5.9</td>
<td>5.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

€ bn unless otherwise stated

## WORKFORCE TRANSFORMATION PRIORITIES
### INJECTION OF NEW TALENT AND NEW OPPORTUNITIES FOR EXISTING STAFF

<table>
<thead>
<tr>
<th>Priority</th>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
</table>
| 10.0¹    | NEW TALENTS | MAIL & PARCEL | → Union agreed flexible delivery model  
→ Joint Mail & Parcel delivery |
| 4.5¹     | TRAINING AND REFOCUS | FINANCIAL & INSURANCE | → Increased commercial frontline  
→ Training and change management |
| 5.5¹     | POST OFFICE NETWORK | GROUP | → New skills in corporate functions  
→ Shift from nine to five regions  
→ Optimizing local functions |

(*000)

¹ Rounded numbers
COMPREHENSIVE PEOPLE DEVELOPMENT STRATEGY
20 MILLION TRAINING HOURS OVER THE PLAN

STAFF TRAINING & CHANGE SUPPORT

- 20 Million training hours over the plan
- +25% of training hours/employee in 2017-22 period

TALENT DEVELOPMENT

- 800 young internal talents identified and development program started
- Targeting 200+ for managerial positions in the next 5 years
- Widespread use of mentoring and coaching models to support people development and innovation
- Corporate staff moving into flexible and smart working
These key areas represent about **60%** of the total **€ 2.8 bn** 2018-2022 Group capital expenditure.
PRAGMATIC FINANCIAL TARGETS AND CLEARLY DEFINED KPIs, UNDERPINNED BY RENEWED FOCUS ON OPERATIONAL PERFORMANCE
COMBINED POWER OF OUR SEGMENTS
ALL CONTRIBUTING TO EBIT GROWTH STORY

€ bn unless otherwise stated

MAIL, PARCEL & DISTRIBUTION

2017 2022
TURNAROUND IN MAIL AND GROWTH IN PARCEL WITH B2C FOCUS

PAYMENTS, MOBILE & DIGITAL

2017 2022
SUSTAINABILITY IN PAYMENTS, MOBILE & DIGITAL

FINANCIAL

2017 2022
GROWTH IN TFA & SUSTAINABILITY IN FINANCIAL SERVICES

INSURANCE

2017 2022
CONSOLIDATE LEADERSHIP IN LIFE AND DEVELOP P&C BUSINESS

GROUP

2017 2022
TOTAL INCREASE 2017 VS 2022

+61%

1.8

+0.7

1.1

TOTAL INCREASE 2017 VS 2022

2017
2022
GROWTH IN TFA & SUSTAINABILITY IN FINANCIAL SERVICES

CONSOLIDATE LEADERSHIP IN LIFE AND DEVELOP P&C BUSINESS

+17%
## KEY CONSOLIDATED FINANCIAL TARGETS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
<th>CAGR 17-22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td>10.6</td>
<td>10.7</td>
<td>10.9</td>
<td>11.2</td>
<td>+1%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>1.1</td>
<td>1.4</td>
<td>1.6</td>
<td>1.8</td>
<td>+10%</td>
</tr>
<tr>
<td><strong>EBIT MARGIN %</strong></td>
<td>11%</td>
<td>13%</td>
<td>15%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td><strong>NET PROFIT</strong></td>
<td>0.7</td>
<td>1.0</td>
<td>1.1</td>
<td>1.2</td>
<td>+13%</td>
</tr>
<tr>
<td><strong>ROE %</strong></td>
<td>10%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td><strong>DIVIDEND(€/SHARE)</strong></td>
<td>0.42</td>
<td>+5%</td>
<td>Minimum Payout</td>
<td>60%</td>
<td></td>
</tr>
</tbody>
</table>

1 Group Equity net of fair value and cash flow hedge reserves and including goodwill on investments
EBIT EVOLUTION 2017 VS 2022
KEY EBIT GROWTH DRIVERS

EBIT EVOLUTION 2017 - 2022

+0.7

MAIL, PARCEL & DISTRIBUTION

+0.5

FINANCIAL

+0.1

INSURANCE

+0.1

PMD

+0.0

1.8

EBIT 2017

Decrease in mail and other revenue
Increase in parcel revenue
Decrease in personnel costs and retirement incentives
Decrease in capital gains
Decrease in net interest income
Increase in revenue from Postal Savings
Increase in revenue from Asset Mgmt.
Increase in revenue from Loan & Mortgage dist.
Decrease in operating costs
Increase in revenue from Life
Increase in revenue from P&C
Increase in costs due to expansion and dist. fees
Increase in digital revenue
Increase in other payments revenue
Increase in variable costs

EBIT 2022

€ bn unless otherwise stated
DELIVER 2022

A FIVE YEAR STRATEGIC VISION BUILT ON STRONG BUSINESS FUNDAMENTALS AND EVOLVING CUSTOMER NEEDS

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PRAGMATIC FINANCIAL TARGETS AND CLEARLY DEFINED KPIs, UNDERPINNED BY A RENEWED FOCUS ON OPERATIONAL PERFORMANCE
DELIVER 2022 – DIGITAL
ENABLING POSTE ITALIANE’S DIGITAL LEADERSHIP

Marco Siracusano - Head of Payments, Mobile & Digital
Milan, February 27th 2018
ITALY’S DIGITAL CHAMPION

- Presence across all Italy
- Extraordinary Customer base
- High usage of online touchpoints
- Unique multichannel customer experience
- Innovation of products and services

The “engine” of Italy’s Digital Transformation
DELIVER 2022 - DIGITAL

BUILD ON OUR POSITION AS ITALY’S LEADING DIGITAL CONSUMER ECOSYSTEM

MAXIMIZE OPPORTUNITY REPRESENTED BY CONVERGENCE OF PHYSICAL AND DIGITAL CHANNELS

CONTINUE TO IMPROVE I.T. CAPABILITIES AND USE DEDICATED “DIGITAL HUB” TO DRIVE CONTINUOUS INNOVATION
BUILD ON OUR POSITION AS ITALY’S LEADING DIGITAL CONSUMER ECOSYSTEM
POSITIVE MACRO TRENDS DRIVING DIGITAL GROWTH
INCREASED DIGITAL USE CREATES OPPORTUNITIES

→ Strong opportunities to replace cash with cards and innovative digital payments
  
  85% Cash penetration in Italy (vs. 68% average Europe)

→ Digital divide reduction

→ Heavy e-commerce growth

→ Increasing focus on Big Data & Analytics
  
  +19.1% Online sales growth (vs. 12.3% CAGR 17-20 average EU)

→ Increased data usage and 4G penetration

→ Innovation in Machine to Machine and Internet of Things solutions
  
  66% 4G share in Italy in 2020 (vs. 26% in 2016)
  
  +43% Mobile data growth (CAGR 17-20)

Device usage in Italy¹

<table>
<thead>
<tr>
<th>Device</th>
<th>EU Average</th>
<th>Italy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer</td>
<td>62%</td>
<td>78%</td>
</tr>
<tr>
<td>Internet</td>
<td>73%</td>
<td>80%</td>
</tr>
<tr>
<td>Tablet</td>
<td>31%</td>
<td>42%</td>
</tr>
<tr>
<td>Broadband Mbps</td>
<td>8.73</td>
<td>32.10</td>
</tr>
<tr>
<td>Smartphone</td>
<td>76%</td>
<td>78%</td>
</tr>
<tr>
<td>Streaming Internet</td>
<td>8%</td>
<td>14%</td>
</tr>
</tbody>
</table>

¹ 1 Source: WEARESOCIAL website
² 2 Source: Global Payments Map
³ 3 Data Source: Euromonitor
⁴ 4 Data Source: Ovum, Analysys Mason, WCIS
DIGITAL ECOSYSTEM
POSTE ITALIANE LEADERSHIP

Top digital and physical player with strong positioning in payments, e-commerce, mobile and financial services with a unique framework of physical and digital touchpoints.

- 15.6 m Mobile apps downloaded
- 15.2 m Online Registered Users
- 25% Market share in e-commerce payments
- 30% Market share in e-commerce parcels delivery
- 1.7 m Active e-wallets
- 1.8 m Electronic identifications (eID)

1 Internal estimation based on Netcomm reports
2 Internal estimation
GROWTH IN ELECTRONIC IDENTIFICATION

- December 2016: 0.6 million
- December 2017: 1.8 million
- January 2018: 1.9 million

Growth: +125%
Market Share: 90%

GROWTH IN CONSUMER FINANCIAL TRANSACTIONS

- December 2016: 33 million
- December 2017: 39 million

Growth: +18%

GROWTH IN REGISTERED ONLINE USERS

- December 2016: 12.5 million
- December 2017: 15.0 million
- January 2018: 15.2 million

Growth: +20%

GROWTH IN TRACK & TRACE SEARCHES

- December 2016: 41 million
- December 2017: 48 million

Growth: +17%
National solution for European electronic identification (eID) defined by Italian Government

First eID Provider certified by Government

Italian citizens can access all Public Administration digital services through SpiD

90% percent market share with 20 million customers usage

First provider connected to the national digital payment platform “Pago PA”

Over 117 million payment transactions

Largest Payment Service Provider for Public Administration

Agreement with Ministry of Education (MIUR) to provide card platform for students
POSTE ITALIANE DIGITAL CHANNELS
FOCUS ON MOBILE APPS

GROWTH IN APPS DOWNLOADS¹

<table>
<thead>
<tr>
<th># m</th>
<th>Dec 2016</th>
<th>Dec 2017</th>
<th>Jan 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10.0</td>
<td>15.0</td>
<td>15.6</td>
</tr>
</tbody>
</table>

+50

MARKET LEADING FINANCIAL APPS² - DOWNLOADS

1° Postepay
2° BancoPosta
3° Financial Player

HIGH APP USER SATISFACTION³

<table>
<thead>
<tr>
<th>Financial Player</th>
<th>Average Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>POSTEPAY</td>
<td>6.3 m</td>
</tr>
<tr>
<td>POSTEID</td>
<td>1.5 m</td>
</tr>
<tr>
<td>POSTEMOBILE</td>
<td>2.8 m</td>
</tr>
<tr>
<td>BANCOPOSTA</td>
<td>3.1 m</td>
</tr>
<tr>
<td>UFFICIO POSTALE</td>
<td>1.9 m</td>
</tr>
</tbody>
</table>

+39% YoY
+43% YoY
+126% YoY
+80% YoY
+36% YoY

(1) Source: App stores (iOS and Android)
(2) Source: App Annie - Dec 2017
(3) Source: App stores (iOS and Android) – average rating on Jan 2018
MAXIMIZE OPPORTUNITY REPRESENTED BY CONVERGENCE OF PHYSICAL AND DIGITAL CHANNELS
### POSTE ITALIANE CUSTOMER BASE AT A GLANCE

**HIGH PENETRATION IN “UNDER 35” CLIENTS**

<table>
<thead>
<tr>
<th>DEMOGRAPHICS</th>
<th>ITALIAN POPULATION(^1) ((&gt;=18))</th>
<th>POSTE ITALIANE CUSTOMER BASE</th>
<th>POST OFFICE VISITORS(^2)</th>
<th>POSTE ITALIANE DIGITAL CUSTOMERS(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(&gt;64)</td>
<td>27%</td>
<td>28%</td>
<td>25%</td>
<td>6%</td>
</tr>
<tr>
<td>(35-64)</td>
<td>52%</td>
<td>45%</td>
<td>56%</td>
<td>51%</td>
</tr>
<tr>
<td>(&lt;35)</td>
<td>21%</td>
<td>27%</td>
<td>19%</td>
<td>43%</td>
</tr>
</tbody>
</table>

**51 m**

**34.4 m**

---

1. Istat 2017
2. Doxa Research 2017
3. Website visitors – Google analytics
POSTE ITALIANE DAILY VISITORS
MULTICHANNEL TOUCHPOINTS

DAILY POST OFFICE VISITORS
POST OFFICE

1.5 m

DAILY ONLINE VISITORS
WEBSITE AND APPs

1.3 m
Integration of digital and physical customer journey
CONTINUE TO IMPROVE I.T. CAPABILITIES AND USE DEDICATED “DIGITAL HUB” TO DRIVE CONTINUOUS INNOVATION
POSTE ITALIANE DIGITAL HUB TO BOOST INNOVATION

STRENGTHEN DIGITAL HUB TO ACCELERATE DEVELOPMENT OF POSTE NATIVE DIGITAL OFFER

Digital hub

PAYMENT & MOBILE SERVICES
FINANCIA SERVICES
MAIL & PARCEL
INSURANCE
OTHER GROUP SERVICES

IT CAPABILITIES
→ Open Banking and Native Cloud IT infrastructure
→ New CRM and data lake infrastructure

PEOPLE

400 DIGITAL SPECIALISTS

NEW DEDICATED SERVICE MODEL
→ Lean and flexible structure
→ Competitive time-to-market
→ Fully digital and hybrid customer journeys
## FINANCIAL TARGETS

### MAIN FINANCIAL AND COMMERCIAL KPIs

<table>
<thead>
<tr>
<th>Segment</th>
<th>2017</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
<th>CAGR 17-22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Payments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Postepay cards portfolio, stock m</td>
<td>17.7</td>
<td>17.8</td>
<td>18.1</td>
<td>18.3</td>
<td>+1%</td>
</tr>
<tr>
<td>of which Postepay Evolution, stock m</td>
<td>4.7</td>
<td>6.0</td>
<td>8.1</td>
<td>9.9</td>
<td>+16%</td>
</tr>
<tr>
<td>Total payment cards transactions, bn</td>
<td>0.9</td>
<td>1.1</td>
<td>1.2</td>
<td>1.6</td>
<td>+12%</td>
</tr>
<tr>
<td>of which e-commerce transactions, m</td>
<td>165</td>
<td>191</td>
<td>222</td>
<td>360</td>
<td>+17%</td>
</tr>
<tr>
<td><strong>Mobile</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PosteMobile new products # m</td>
<td>1.1</td>
<td>1.3</td>
<td>1.6</td>
<td>1.6</td>
<td>+8%</td>
</tr>
<tr>
<td><strong>Digital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Digital e-wallets, stock # m</td>
<td>1.7</td>
<td>2.7</td>
<td>4.7</td>
<td>6.5</td>
<td>+31%</td>
</tr>
</tbody>
</table>
DELIVER 2022 - DIGITAL

BUILD ON OUR POSITION AS ITALY’S LEADING DIGITAL CONSUMER ECOSYSTEM

MAXIMIZE OPPORTUNITY REPRESENTED BY CONVERGENCE OF PHYSICAL AND DIGITAL CHANNELS

CONTINUE TO IMPROVE I.T. CAPABILITIES AND USE DEDICATED “DIGITAL HUB” TO DRIVE CONTINUOUS INNOVATION
DELIVER 2022 - MAIL, PARCEL & DISTRIBUTION
COMPREHENSIVE NETWORK TURNAROUND
AND E-COMMERCE OPPORTUNITY

Massimo Rosini - Head of Mail & Parcel
Milan, February 27th 2018
DELIVER 2022 - MAIL, PARCEL & DISTRIBUTION

LEVERAGE UNIQUE DISTRIBUTION CAPABILITIES TO CAPTURE OPPORTUNITIES FROM POSTAL SECTOR EVOLUTION

COMPREHENSIVE NETWORK TRANSFORMATION, LEVERAGING JOINT MAIL & PARCEL APPROACH, TO DELIVER IMPROVED PERFORMANCE

FOCUS ON CUSTOMER-DRIVEN QUALITY APPROACH AND PRODUCT OFFER TO DRIVE B2C GROWTH AND COUNTER MAIL DECLINE

SIGNIFICANT INVESTMENTS TO REACH CLEAR AND PRAGMATIC TARGETS
FINANCIAL TARGETS

<table>
<thead>
<tr>
<th>Segment Revenue</th>
<th>CAGR 17-22</th>
</tr>
</thead>
</table>
| € bn
| 2017 | 2022 |
| SEGMENT REVENUE | 3.6 | 3.5 | -1% |
| B2C REVENUE | 0.2 | 0.6 | +21% |
| SEGMENT REVENUE/ FTE (€ ’000) | 60 | 68 | +3% |

€1.0 bn investments to drive transformation
LEVERAGE UNIQUE DISTRIBUTION CAPABILITIES TO CAPTURE OPPORTUNITIES FROM POSTAL SECTOR EVOLUTION
POSTAL SECTOR EVOLUTION
MAIL DECLINE CONTINUING AND PARCEL GROWTH DRIVEN BY B2C

REVENUE INDEX
2015 figure = 100, Italian Market

- **Mail**: €2.1 bn\(^1\)
  - declined by 4% (2015 - 2022)

- **Parcel (B2C)**: €7.1 bn
  - increased by 6% (CAGR 17-22)

- **Parcel (B2C)**: €1.5 bn
  - increased by 16% (CAGR 17-22)

---

\(^1\) Does not include Universal Service Obligation and editorial contributions, e.g. subsidies received for distribution of newspapers and magazines.
# Mail Volumes in Decline
## Liberalization and Low Commercial Mail Penetration

### Steeper Volume Declines vs Other Countries

<table>
<thead>
<tr>
<th>Country</th>
<th>Volume Change vs. Peak Year</th>
<th>Peak Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>DK</td>
<td>-76%</td>
<td>2003</td>
</tr>
<tr>
<td>NL</td>
<td>-59%</td>
<td>2003</td>
</tr>
<tr>
<td>IT</td>
<td>-57%</td>
<td>2005</td>
</tr>
<tr>
<td>ESP</td>
<td>-47%</td>
<td>2004</td>
</tr>
<tr>
<td>UK</td>
<td>-47%</td>
<td>2005</td>
</tr>
<tr>
<td>PT</td>
<td>-40%</td>
<td>2005</td>
</tr>
<tr>
<td>NO</td>
<td>-38%</td>
<td>2006</td>
</tr>
<tr>
<td>CHN</td>
<td>-38%</td>
<td>2010</td>
</tr>
<tr>
<td>FI</td>
<td>-36%</td>
<td>2008</td>
</tr>
<tr>
<td>FR</td>
<td>-34%</td>
<td>2004</td>
</tr>
<tr>
<td>BEL</td>
<td>-29%</td>
<td>2004</td>
</tr>
<tr>
<td>CH</td>
<td>-28%</td>
<td>2003</td>
</tr>
<tr>
<td>USA</td>
<td>-28%</td>
<td>2006</td>
</tr>
<tr>
<td>GER</td>
<td>-24%</td>
<td>2005</td>
</tr>
<tr>
<td>AUT</td>
<td>-24%</td>
<td>2006</td>
</tr>
</tbody>
</table>

### Market Liberalization Driving Competition

- **2,500 Licensees**
  - **50x**
- **50 Licensees**
  - **IT** (Italy)
  - **EU Average**

### Significant Gap in Penetration of Commercial Mail

<table>
<thead>
<tr>
<th>Commercial mail per capita, 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>ITALY</td>
</tr>
<tr>
<td>EUROPEAN PLAYERS WITH HIGH PENETRATION ( ^1 )</td>
</tr>
</tbody>
</table>

Source: IPC Global Monitor, MISE, ERGP

---

1 Including Germany, France, Switzerland, Norway, Austria, Finland, Iceland
SIGNIFICANT E-COMMERCE GROWTH POTENTIAL IN ITALY
ONLINE SALES CATCHING UP WITH EUROPEAN PEERS

ONLINE SALES BELOW AVERAGE...

2017, online sales as % of total retail sales

16%  9%  8%  8%  4%

... BUT QUICKLY CATCHING UP AND EXPECTED TO GROW FASTER

Online sales value, CAGR 17-20

19%  12%  11%  10%  9%

Source: Euromonitor
ITALIAN B2C VOLUMES TO MORE THAN DOUBLE BY 2020
E-COMMERCE-RELATED: PARCEL PENETRATION

Evolution expected by 2020 in Italy with 24% annual growth in B2C parcel volumes

European average 8-10 parcels/year

LOW-PENETRATED MARKETS
1-2 PARCELS/CAPITA

MEDIUM-DEVELOPED MARKETS
7 PARCELS/CAPITA

MATURE MARKETS
20 PARCELS/CAPITA

Source: McKinsey estimates
1 Parcel penetration per annum, defined as domestic B2C parcel, latest available (2015 or 2016)
**UNRIVALLED DISTRIBUTION CAPABILITIES**
LEVERAGING ON POSTE’S CUSTOMERS, SALESFORCE AND PAYMENTS LEADERSHIP

<table>
<thead>
<tr>
<th>POSTAL DISTRIBUTION</th>
<th>ACCESS TO CUSTOMERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full Italian territorial coverage</td>
<td>Wide distribution network covering all of Italy with 12,822 Post Offices</td>
</tr>
<tr>
<td><strong>Synergies</strong> across the value chain between mail and parcel network with 2,000+ delivery centers</td>
<td>Significant commercial network in Italy, covering individuals and companies</td>
</tr>
<tr>
<td>Leadership in e-commerce with 30% market share and outstanding know how in parcel</td>
<td>Expertise and leadership in payments with 10 online payment options and 25% market share</td>
</tr>
<tr>
<td>Union Agreements introducing flexibility in terms of delivery</td>
<td></td>
</tr>
</tbody>
</table>
COMPREHENSIVE NETWORK TRANSFORMATION, LEVERAGING JOINT MAIL & PARCEL APPROACH, TO DELIVER IMPROVED PERFORMANCE
NETWORK TRANSFORMATION
KEY INITIATIVES

NEW JOINT DELIVERY MODEL

⇒ **Flexible delivery model**, based on expected volumes and client needs
⇒ Merged delivery of mail and parcel
⇒ Introduction of 3-wheeled vehicles, improving **load factor**

SORTING AUTOMATION AND STREAMLINING

⇒ New mail and parcel sorting machines, **improving automation**
⇒ **Operational excellence**, improving safety and efficiency

LOGISTICS OPTIMIZATION

⇒ **New hubs** for all Group parcels
⇒ **Logistic nodes redesign** in joint approach (mail and parcel)
⇒ **Transport optimization** for air and ground cargo

**KEY METRICS**

- **Parcels delivered by mailmen**, m pcs
  - 2017: 35
  - 2022: 100

- **Degree of mail automation**, %
  - 2017: 65
  - 2022: 75

- **Vehicles saturation**, %
  - 2017: 78
  - 2022: 83

**Segment revenue/FTE** to increase from around €60,000 in 2017 to around €68,000 in 2022
NEW JOINT DELIVERY MODEL
DIFFERENTIATED APPROACH BASED ON DELIVERY AREA

**Large metro areas**
(8% of pop., ~600 daily items/km²)
- Daily morning delivery (standard mail)
- Daily additional afternoon delivery (parcels and registered)
- Weekend delivery

**Urban areas**
(68% of pop., 80 daily items/km²)
- Alternate day morning delivery (standard mail)
- Daily additional afternoon delivery (parcels and registered)
- Weekend delivery

**Regulated / Rural areas**
(24% of pop., 10 daily items/km²)
- Alternate day delivery

Reduced labor costs thanks to the new Joint Delivery Model
Increased flexibility through variable staffing and dynamic re-routing
Improved service levels thanks to better scheduling in large metro and urban areas

Weekend delivery
SORTING AUTOMATION AND STREAMLINING

KEY INITIATIVES

AUTOMATION

- Introduction of new, mixed mail sorters, improving overall automation
- Introduction of best-in-class technologies for parcel sorting, improving volume processed

OPERATIONAL EXCELLENCE

- Safety standards improvement to reduce accident rate
- Maintenance cost reduction and improved service reliability
- Reduction of organizational waste and processes

KEY EVIDENCE

- 50% Reduction of sorting lines
- 900k Peak daily parcel processing capacity
- 10-15% Sorting center staff performance improvement per shift

1 Operational excellence, which focuses on (i) improving safety standards, (ii) reducing maintenance cost, and (iii) reducing process waste, will help drive a 10 to 15% improvement in staff performance per shift in sorting centers.
**LOGISTIC OPTIMIZATION**

**KEY INITIATIVES**

**LOGISTIC NODES RE-DESIGN**
- Implementation of single backbone for parcel sorting
- Right-sizing mail sorting centers, to account for expected volume decline
- Upgrade of selected mail centers to high automation

**TRANSPORT OPTIMIZATION**
- Air transportation allowing J+1 delivery in selected areas
- Overall cost reduction through joint transportation

**KEY EVIDENCE**
- Total parcel sorting centers with 3 new hubs
- Highly automated mail sorting centers
- Dedicated air cargo routes
“IL POSTINO”
VIDEO
FOCUS ON CUSTOMER-DRIVEN QUALITY APPROACH AND PRODUCT OFFER TO DRIVE B2C GROWTH AND COUNTER MAIL DECLINE
A NEW DEFINITION OF QUALITY

KEY INITIATIVES

Customer driven

IT systems driven

TRANSITION
TO CUSTOMER-CENTRIC MODEL

Tailored customer offer
Delivery time flexibility
Customer management center
Backlog management
Product tracking
COUNTERING DECLINE IN MAIL
KEY INITIATIVES

Mail revenue\(^1\), € bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.7</td>
</tr>
<tr>
<td>2022</td>
<td>2.1</td>
</tr>
</tbody>
</table>

-4.5% CAGR

Market share

2017: 89%
2022: 89%

- Refocusing on Public Administration needs and implementation of new value added features on existing products.
- Repricing of Universal Service Obligation covered products.
- Offer rationalization through simplification of overlapping products and re-engineering of non-optimized processes.

\(^1\) Does not include intra-segment revenues.
DELIVERING SIGNIFICANT B2C GROWTH

KEY INITIATIVES

- **Joint and weekend delivery** to increase efficiencies and maximize customer experience

- Leverage on **Amazon partnership** and consider extension to **other e-commerce players**

- **Expanded product portfolio** (including alternative delivery options)

- Integration of product offering with **SDA**² taking a "one-company" approach

- Leverage **already available air cargo routes** to guarantee J+1 parcels delivery

**Strong commercial effort to gain new customers and increase quality**

### Parcel revenue\(^1\), € bn

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2022</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C</td>
<td>0.7</td>
<td>1.2</td>
<td>11%</td>
</tr>
<tr>
<td>B2B and Int'l</td>
<td>0.5</td>
<td>0.5</td>
<td>21%</td>
</tr>
</tbody>
</table>

**Market share**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>B2C</td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td>Int'l</td>
<td>13%</td>
<td>16%</td>
</tr>
</tbody>
</table>

\(^1\) Does not include intra-segment revenues

\(^2\) Poste Italiane’s express courier
SIGNIFICANT INVESTMENTS TO REACH CLEAR AND REALISTIC TARGETS
INVESTMENT PLAN
SIGNIFICANT INVESTMENT TO SUPPORT TRANSFORMATION

Capex budgeted across the Plan
€ bn,%

Total
1.01

ICT
25%

Real Estate
30%

Plant and equipment
45%

Capex = 5% of segment revenue

MAIN PROJECTS

→ New Joint Delivery Model
→ New parcel hubs
→ Mixed mail plants
→ Operational excellence program
→ 3-wheeled vehicles
→ Safety Plan
→ Migration to Cloud services²

1 Relative to Mail and Parcel only
2 Included in Poste Italiane Group investments
SEGMENT REVENUE TARGETS AND COST OF LABOR EVOLUTION
SUSTAINABLE BUSINESS MODEL COMBINING MAIL & PARCEL

Mail, Parcel & Distribution segment revenue
€ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Mail</th>
<th>Parcel</th>
<th>Other 1</th>
<th>Other 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.7</td>
<td>0.7</td>
<td>0.3</td>
<td></td>
<td>3.6</td>
</tr>
<tr>
<td>2018</td>
<td>2.5</td>
<td>0.8</td>
<td>0.2</td>
<td></td>
<td>3.5</td>
</tr>
<tr>
<td>2020</td>
<td>2.3</td>
<td>1.0</td>
<td>0.2</td>
<td></td>
<td>3.5</td>
</tr>
<tr>
<td>2022</td>
<td>2.1</td>
<td>1.2</td>
<td>0.2</td>
<td></td>
<td>3.5</td>
</tr>
</tbody>
</table>

CAGR 17-22

<table>
<thead>
<tr>
<th>Year</th>
<th>Mail</th>
<th>Parcel</th>
<th>Other 1</th>
<th>Other 2</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.7</td>
<td>0.7</td>
<td>0.3</td>
<td></td>
<td>3.6</td>
</tr>
<tr>
<td>2018</td>
<td>2.5</td>
<td>0.8</td>
<td>0.2</td>
<td></td>
<td>3.5</td>
</tr>
<tr>
<td>2020</td>
<td>2.3</td>
<td>1.0</td>
<td>0.2</td>
<td></td>
<td>3.5</td>
</tr>
<tr>
<td>2022</td>
<td>2.1</td>
<td>1.2</td>
<td>0.2</td>
<td></td>
<td>3.5</td>
</tr>
</tbody>
</table>

Achieving stable segment revenue
Parcel growth sustained by B2C
Mail decline substantially in line with historical trend
Comprehensive network transformation drives sizeable FTE reduction

Segment revenue/FTE to increase from around €60,000 in 2017 to around €68,000 in 2022

1 Includes philatelic services, aviation, Poste Motori and Patenti via Poste
2 Includes B2C, B2B, C2C, International and Other (e.g., logistics, partnership, Dedicated Services)
### Key Performance Indicators

#### Monitoring Across the Transformation

<table>
<thead>
<tr>
<th>KPI</th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Segment revenue/ FTE (€ ’000)</strong></td>
<td>60</td>
<td>68</td>
</tr>
<tr>
<td><strong>Parcels delivered by mailmen m pcs</strong></td>
<td>35</td>
<td>&gt;100</td>
</tr>
<tr>
<td><strong>B2C market share %</strong></td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td><strong>B2C revenues € bn</strong></td>
<td>0.2</td>
<td>0.6</td>
</tr>
</tbody>
</table>

---

**Extensive Turnaround and Joint Delivery Model**

- **B2C market share %**
  - **30** in 2017
  - **40** in 2022

**Significant Development of Parcel Business**

- **Parcels delivered by mailmen m pcs**
  - **35** in 2017
  - **>100** in 2022

- **Segment revenue/ FTE (€ ’000)**
  - **60** in 2017
  - **68** in 2022

- **B2C revenues € bn**
  - **0.2** in 2017
  - **0.6** in 2022
DELIVER 2022 - MAIL, PARCEL & DISTRIBUTION

LEVERAGE UNIQUE DISTRIBUTION CAPABILITIES TO CAPTURE OPPORTUNITIES FROM POSTAL SECTOR EVOLUTION

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SIGNIFICANT INVESTMENTS TO REACH CLEAR AND PRAGMATIC TARGETS
DELIVER 2022 - FINANCIAL & INSURANCE DISTRIBUTION
POSTE ITALIANE. THE MOST EFFECTIVE AND TRUSTED DISTRIBUTION PLATFORM

Andrea Novelli – BancoPosta CEO
Milan, February 27th 2018
DELIVER 2022 - FINANCIAL & INSURANCE DISTRIBUTION

Better capitalize on our market leading distribution network and strategic marketing capabilities to unlock value and growth.

Expand and renew product offer, covering all consumer financial needs.

Organizational restructuring to focus on highly effective commercial frontline with upgraded physical network.

Deliver sustainable capital light growth built on rising margins and expanded offer.
## FINANCIAL TARGETS AND KPIs

**FINANCIAL SEGMENT**

<table>
<thead>
<tr>
<th>Metric</th>
<th>2017</th>
<th>2022</th>
<th>CAGR 17-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted Gross Revenue¹ Excluding Capital Gains</td>
<td>5.4</td>
<td>6.4</td>
<td>+3.6%</td>
</tr>
<tr>
<td>TFA</td>
<td>506</td>
<td>581</td>
<td>+3%</td>
</tr>
<tr>
<td>Product Sales (# m)</td>
<td>8</td>
<td>&gt;12</td>
<td>&gt; +8%</td>
</tr>
</tbody>
</table>

¹ 2017 non recurring items: capital gains investment portfolio (-0.5 € bn), capital gain Mastercard stake disposal (-0.1 €bn)
BETTER CAPITALIZE ON OUR MARKET LEADING DISTRIBUTION NETWORK AND STRATEGIC MARKETING CAPABILITIES TO UNLOCK VALUE AND GROWTH
SUPPORTIVE MARKET AND MACRO TRENDS

MARKETS

- Shrinking physical banking networks
  -17%

- Regulation driving transparency on cost and investment performance
  Mifid II started Jan 2018
  IDD starting Oct 2018

- Low non-motor P&C penetration
  0.9% vs 2.1%

- Low household debt levels
  41.3% vs 57.9%

MACRO

- Italian economy recovering
  GDP growth 2017 +1.5%

- Growing Italian wealth with an increasing penetration of AuM
  +2.4%

- Expected moderate increase in interest rates
  2022 vs 2018 +0.6% 10y IRS

1 163 banks; Source: Banca d’Italia, 01/12–09/16, classified as “SpA banks”
3 Household debt on GDP 2017
4 Real GDP growth for Italy; ISTAT, 2017 figures
5 Annual expected growth of financial assets 2017-2020; Prometeia, 2017, Wealth Insights
6 Source: 10Y interest rate SWAP Forward Curve as of January 25th 2018; 2018: 1.2%, 2022 1.8%
## PRODUCT OFFER AND CHANNELS ADAPTED TO ALL AGE BRACKETS
LEVERAGING CUSTOMER DATA & ANALYTICAL CAPABILITIES

<table>
<thead>
<tr>
<th>AGE BRACKET</th>
<th>CUSTOMER BASE(^1) % / m</th>
<th>WEALTH MANAGEMENT</th>
<th>LOAN DISTRIBUTION</th>
<th>P&amp;C DISTRIBUTION</th>
<th>TRANSACTION BANKING</th>
<th>PHYSICAL DIGITAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 35</td>
<td>27% / 9.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>35-64</td>
<td>45% / 15.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>&gt; 64</td>
<td>28% / 9.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**34.4 m**

\(^1\) Excluding corporate and public sector clients
### SEGMENTED STRATEGIC MARKETING APPROACH
LEVERAGING CUSTOMER DATA & ANALYTICAL CAPABILITIES

#### CUSTOMER BASE

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>TFA $€bn</th>
<th>CLIENTS #m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private</td>
<td>30</td>
<td>2.6</td>
</tr>
<tr>
<td>Affluent</td>
<td>253</td>
<td>18.3</td>
</tr>
<tr>
<td>Mass</td>
<td>177</td>
<td>13.5</td>
</tr>
<tr>
<td>Lower Mass</td>
<td>3</td>
<td>13.5</td>
</tr>
<tr>
<td>Corporate &amp; Public Sector</td>
<td>43</td>
<td>0.3</td>
</tr>
</tbody>
</table>

#### APPROACH

1. **Growing share of assets and increasing penetration of life insurance and mutual funds**

2. **Covering transactional, financing and P&C needs, optimizing effectiveness of commercial contacts**

3. **Cost effective relationships mainly based on digital transactional products**

4. **Transactional services to be further expanded with acquiring products**

---

1. Private: TFA $>€500K; Affluent: TFA between €75K and €500K or selected prospects with TFA $<€75K; Lower Mass: monoproduct clients with less than €2.5K, excluding current account holders; Mass: remaining retail clients

2. TFAs under management or administration (excl. certificates, bonds, securities, REPO). Bearer postal bonds have been proportionally assigned across retail segments

3. Includes TFA from non retail clients and non-Client-driven TFA
MARKET LEADERSHIP IN PRODUCT DISTRIBUTION
LARGE AND TRUSTED NETWORK

LARGEST DISTRIBUTION NETWORK WITH HIGH VOLUME CUSTOMER VISITS

- 12,822 Post Offices
- 1.5 m Customer visits to Post Offices / daily average

NUMBER 1 IN AREAS OF HIGH NET WORTH

- 45% of Italian wealth\(^1\) in cities where Poste has greater market share than top banks\(^3\)

TRUSTED BRAND

- Clients consider Poste Italiane to be financially sound and reliable\(^3\)

---

1 Corresponding to ~55% of Italian cities
2 Expressed as branches market share (i.e., municipalities where the number of post offices is greater than the number of branches of Banco Popolare, BNL, BPER, BPM, Carige, Credit Agricole, CREDEM, Intesa Sanpaolo, Monte dei Paschi di Siena, UBI and UniCredit)
3 Source: Brand image and banking reputation research (DOXA 2017); Vote 7.7 for financially sound and vote 7.4 for reliability
EXPAND AND RENEW OUR PRODUCT OFFER, COVERING ALL CONSUMER FINANCIAL NEEDS
**INCREASED OFFER COVERING ALL FINANCIAL NEEDS**
**IN LINE WITH MARKET AND MACRO OPPORTUNITIES**

<table>
<thead>
<tr>
<th>PRODUCT LINE</th>
<th>ARCHITECTURE</th>
<th>KPI 17→22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wealth management&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Controlled open platform</td>
<td>506 → 581</td>
</tr>
<tr>
<td>Loan &amp; mortgage distribution</td>
<td>Third party product distribution – no credit risk</td>
<td>2.6 → &gt;6.0 Annual volume, € bn</td>
</tr>
<tr>
<td>P&amp;C insurance distribution</td>
<td>Smart distribution model</td>
<td>0.4 → &gt;2.0 Annual contracts, # m</td>
</tr>
<tr>
<td>Transaction banking</td>
<td>Fully captive</td>
<td>0.9 → 1.6 Annual transactions, # bn</td>
</tr>
</tbody>
</table>

<sup>1</sup> Wealth management includes: life insurance, asset management, postal saving, current account, PostePay and other
FOCUS ON PRODUCT STRUCTURING & DISTRIBUTION
LEVERAGE ON CAPTIVE PRODUCT FACTORY FOR INSURANCE AND BEST-IN-CLASS THIRD PARTY PROVIDERS

MARKETING AND DISTRIBUTION

BancoPosta

PRODUCTS

Postevita
Class I

Postevita
Class III

BancoPostaFondi sgr
Mutual Funds

Postal savings

PRODUCT STRUCTURING

Postevita

BancoPostaFondi sgr

ANIMA

+ Best in class asset managers

ASSET MANAGERS

BancoPostaFondi sgr

ANIMA

+ Best in class asset managers

BancoPostaFondi sgr

ANIMA

+ Best in class asset managers

cdp

Controlled open platform combining fully captive vs. open distribution models

In-house product governance

Strong contribution from Anima and best in class asset managers

Posteitaliane
WEALTH MANAGEMENT
TFA GROWTH WITH HEALTHY MARGINS

Increasing margins on postal savings through new CDP agreement

Increase penetration of life insurance and mutual funds

Consolidate life insurance by adjusting Class I and Class III product mix

Consolidate already strong position in private pension plans

Life insurance and mutual funds, % on TFA
26% → 32%

TFA, € bn

506 → 581

CAGR 3%

Revenue (financial + insurance) / TFA, bps
92 → 95

1 Segment revenue financial + insurance, excluding non-recurring revenue / TFA
NEW CDP AGREEMENT
REVAMPING PROGRAM ALREADY AT FULL SPEED, YIELDING ENCOURAGING EARLY RESULTS

NEW PRODUCTS

INCREASING MARKETING ACTIVITIES

IMPROVED CUSTOMER EXPERIENCE

Net inflows, €bn

ACTUAL INFLOWS

AGREED TARGETS¹

<table>
<thead>
<tr>
<th>Year</th>
<th>2003-2014 Avg</th>
<th>2015</th>
<th>2016</th>
<th>1H 2017</th>
<th>2H 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.6</td>
<td>-9.9</td>
<td>-10.4</td>
<td>-8.0</td>
<td>0.1</td>
<td></td>
</tr>
</tbody>
</table>

Average -4.0

Revenue expected in the higher part of the range (floor: €1.55 bn – cap: €1.85 bn)
At least €1.8 bn annual fees in 2018

¹ CDP agreement expires in 2020
LIFE INSURANCE
ADJUSTING MIX AND CONSOLIDATE PRIVATE PENSION PLANS

CONSOLIDATE LIFE INSURANCE BY ADJUSTING CLASS I AND CLASS III PRODUCT MIX

Gross written premiums, %

Class I^1 Multi-Class Class III

2017

2 2

96

2022

37 14 5

Recurring production

CONSOLIDATE THE ALREADY STRONG POSITION IN PRIVATE PENSION PLANS

TFA, € bn

2017 2022

6 12

X2

1 Includes Ramo I, Ramo IV and Ramo V
Increase diversification of providers to ensure best in class customer offer

Relaunch mortgage business to increase cross selling potential

Improve branch activation and lift productivity towards best practices

Invest in marketing and advertising to drive additional growth

Capital light business model with no credit risk for Poste Italiane

Upfront revenue on distribution

Proprietary platform to coordinate multipartner offering

2.6  >  6.0

2017  2022

Annual volume, € bn
P&C INSURANCE DISTRIBUTION
NEW PRODUCT LINE DELIVERING UPFRONT REVENUE

DISTRIBUTION BUSINESS MODEL

WHITE LABEL

P&C

POSTE ASSICURA

BANCOPOSTA

PARTNERS

POSTE ASSICURA

> “Smart” distribution model balancing white label vs Group products to optimize technical results

> Upfront revenue on distribution

> Progressive development of internal know how within product factories

0.4

2017

Annual contracts, # m

> 2.0

2022

Strengthen employee benefits and welfare offer

Complete the retail offering with motor and new property products

Introduce flexible products targeted at SMEs, tailored to specific industries

Ramp up branch activation, productivity and average value of sales
ORGANIZATIONAL RESTRUCTURING TO FOCUS ON HIGHLY EFFECTIVE COMMERCIAL FRONTLINE WITH UPGRADED PHYSICAL NETWORK
A STREAMLINED ORGANIZATIONAL STRUCTURE

REDUCED NUMBER OF REGIONS

1. Exact regional boundaries are still provisional.
2. Cities with < 5,000 inhabitants.

- Rationalization of administrative areas
- Branch optimization to reduce overlap in medium and large cities
- No changes to small cities coverage

>3,000 FTEs REDEPLOYED TO COMMERCIAL FRONT-LINE ACTIVITIES
SEGMENT ORIENTED SERVICE MODEL
NEW MODEL CENTERED ON CLIENT RELATIONSHIP

- **Large cities**
  - Prevalent coverage model
  - Full coverage
    - Dedicated RMs²
      - Affluent
      - Mass
      - SMEs
    - Welcome area
    - Branded area for transactional products
  - Retail market TFA¹, € bn
    - >1,400
  - Affluent segment penetration, %
    - 61%
  - Concentration of banking branches 18-22
  - RM² increase 18-22

- **Medium cities**
  - Light coverage
    - One generalist RM² covering affluent clients and selected mass client
  - Retail market TFA¹, € bn
    - >700
  - Affluent segment penetration, %
    - 60%
  - Concentration of banking branches 18-22
  - RM² increase 18-22

- **Small cities**
  - Itinerant coverage
    - Itinerant RM² with a dedicated portfolio of affluent clients across multiple branches
  - Retail market TFA¹, € bn
    - >400
  - Affluent segment penetration, %
    - 62%
  - Concentration of banking branches 18-22
  - RM² increase 18-22

1 Banca d’Italia (Financial wealth, Banking network); ISTAT (Region and Population)
2 Relationship Manager
INCREASED CLIENT COVERAGE MODEL
FRONT-LINE STAFF INCREASE AND INVESTMENT IN SKILLS DEVELOPMENT

STRENGTHENED COVERAGE MODEL TO MAXIMIZE CROSS-SELLING

Clients covered by a RM %

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7</td>
<td>45-55</td>
</tr>
</tbody>
</table>

INCREASED COMMERCIAL FRONT-LINE

Total RM #’000

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>8</td>
<td>&gt;13</td>
</tr>
</tbody>
</table>

BUILDING SKILLS AND CHANGE MANAGEMENT INITIATIVES

>6.5 m

of corresponding training hours (2018-2022)"
## SUPPORTING COMMERCIAL FRONTLINE
**INVESTMENT IN IT AND DATA CAPABILITIES**

<table>
<thead>
<tr>
<th>Area</th>
<th>FROM...</th>
<th>...TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>ROBO TOOLS FOR ADVISORS</td>
<td>Focus on mutual funds and unit linked</td>
<td>Extension to all financial and insurance products, including succession planning</td>
</tr>
<tr>
<td>ENHANCED FRONT END (BIG DATA DRIVEN)</td>
<td>Client management based mainly on single product campaigns</td>
<td>Advanced and renewed front ends to increase efficiency of daily client management</td>
</tr>
<tr>
<td>MULTICHANNEL CUSTOMER JOURNEY</td>
<td>Mono channel journeys</td>
<td>Integration between in branch management and on line interactive journeys</td>
</tr>
</tbody>
</table>

> €0.5 bn  

**IT capex for Financial & Insurance Services throughout 18-22**
NEW LAYOUT AND A MULTI-CHANNEL CUSTOMER JOURNEY VIDEO
DELIVER SUSTAINABLE CAPITAL
LIGHT GROWTH BUILT ON RISING
MARGINS AND EXPANDED OFFER
A PRUDENT GROWTH PATH

REVENUE AND EBIT TARGETS

€bn unless otherwise stated

Adjusted gross revenue¹

<table>
<thead>
<tr>
<th>Gross revenue</th>
<th>2017</th>
<th>2022</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>5.4</td>
<td>6.4</td>
<td>+3.6%</td>
</tr>
<tr>
<td>Capital gains</td>
<td>0.5</td>
<td>0.4</td>
<td>+3.6%</td>
</tr>
<tr>
<td>Loan and mortgage distribution²</td>
<td>0.3</td>
<td>0.8</td>
<td>+8%</td>
</tr>
<tr>
<td>Transaction banking³</td>
<td>1.0</td>
<td>0.3</td>
<td>+8%</td>
</tr>
<tr>
<td>Asset management</td>
<td>1.6</td>
<td>1.8</td>
<td>+24%</td>
</tr>
<tr>
<td>Postal savings</td>
<td>1.5</td>
<td>1.6</td>
<td>+2%</td>
</tr>
<tr>
<td>Interest income</td>
<td>1</td>
<td>1.5</td>
<td>+2%</td>
</tr>
<tr>
<td>Segment revenue</td>
<td>5</td>
<td>4.9</td>
<td>+1.4%</td>
</tr>
<tr>
<td>Intersegment revenue</td>
<td>1</td>
<td>1.5</td>
<td>-4%</td>
</tr>
</tbody>
</table>

¹ Not including capital gain from investment portfolio (2017: €0.5bn; 2022: €0bn) and capital gain from Mastercard stake disposal (2017: €0.1bn; 2022: €0bn)

² Including revenue from BdM-MCC consolidation (Loan and mortgage distribution CAGR without BdM-MCC: 13%)

³ Including capital gain from Mastercard stake disposal

EBIT

<table>
<thead>
<tr>
<th>2017</th>
<th>2022</th>
<th>CAGR</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.6</td>
<td>0.7</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

24
## FINANCIAL TARGETS AND KPIS
### FINANCIAL SEGMENT PERIMETER

€bn unless otherwise stated

<table>
<thead>
<tr>
<th>Segment</th>
<th>2017</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
<th>CAG 17-22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Segment revenue</td>
<td>5.0</td>
<td>5.1</td>
<td>5.0</td>
<td>4.9</td>
<td>-0.1%</td>
</tr>
<tr>
<td>(-) Non recurring revenue&lt;sup&gt;1&lt;/sup&gt;</td>
<td>0.6</td>
<td>0.5</td>
<td>0.3</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>(+) Intersegment revenue</td>
<td>1.0</td>
<td>1.0</td>
<td>1.3</td>
<td>1.5</td>
<td></td>
</tr>
<tr>
<td>Adjusted gross revenue</td>
<td>5.4</td>
<td>5.6</td>
<td>6.0</td>
<td>6.4</td>
<td>+3.6%</td>
</tr>
<tr>
<td>Common Equity Tier 1 Capital</td>
<td>2.1</td>
<td>2.3</td>
<td>2.3</td>
<td>2.3</td>
<td></td>
</tr>
<tr>
<td>TFA</td>
<td>506</td>
<td>581</td>
<td>581</td>
<td>581</td>
<td></td>
</tr>
<tr>
<td>Product sales (# m)</td>
<td>8</td>
<td>&gt;12</td>
<td>&gt;12</td>
<td>&gt;12</td>
<td></td>
</tr>
<tr>
<td>Fees per client&lt;sup&gt;2&lt;/sup&gt; (€)</td>
<td>235</td>
<td>&gt;270</td>
<td>&gt;270</td>
<td>&gt;270</td>
<td></td>
</tr>
</tbody>
</table>

<sup>1</sup> Non recurring items: capital gains investment portfolio (2017: €0.5bn; 2018: €0.4bn; 2020: €0.3bn; 2022: €0bn); capital gain stake disposal (2017: €0.1bn; 2018: €0bn)

<sup>2</sup> Segment revenue financial + insurance, excluding interest income, per client, excluding lower mass segment
DELIVER 2022 - FINANCIAL & INSURANCE DISTRIBUTION

Better capitalize on our market leading distribution network and strategic marketing capabilities to unlock value and growth.

Expand and renew product offer, covering all consumer financial needs.

Organizational restructuring to focus on highly effective commercial frontline with upgraded physical network.

Deliver sustainable capital light growth built on rising margins and expanded offer.
DEliver 2022

Roberto Giacchi - CFO
Milan, February 27th 2018
DELIVER 2022 - FINANCE

ENSURE PRAGMATIC FINANCIAL TARGETS AND KPIs ACROSS KEY BUSINESS ACTIVITIES ARE ACHIEVED

PRESERVE COST DISCIPLINE AND EFFECTIVE CAPITAL ALLOCATION

MAINTAIN AN EFFICIENT AND STRONG BALANCE SHEET ACROSS ALL BUSINESS SEGMENTS WHILE DISTRIBUTING GROWING ANNUAL DIVIDENDS
### KEY CONSOLIDATED FINANCIAL TARGETS

<table>
<thead>
<tr>
<th>€ Bn unless otherwise stated</th>
<th>2017</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
<th>CAGR 17-22</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td>10.6</td>
<td>10.7</td>
<td>10.9</td>
<td>11.2</td>
<td>+1%</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>1.1</td>
<td>1.4</td>
<td>1.6</td>
<td>1.8</td>
<td>+10%</td>
</tr>
<tr>
<td><strong>EBIT MARGIN %</strong></td>
<td>11%</td>
<td>13%</td>
<td>15%</td>
<td>16%</td>
<td></td>
</tr>
<tr>
<td><strong>NET PROFIT</strong></td>
<td>0.7</td>
<td>1.0</td>
<td>1.1</td>
<td>1.2</td>
<td>+13%</td>
</tr>
<tr>
<td><strong>ROE %</strong></td>
<td>10%</td>
<td>13%</td>
<td>13%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td><strong>DIVIDEND (€/SHARE)</strong></td>
<td>0.42</td>
<td>+5%</td>
<td>Minimum Payout 60%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Group Equity net of fair value and cash flow hedge reserves and including goodwill on investments

2017-2022
PLAN BASED ON REALISTIC MACRO ASSUMPTIONS

ITALIAN GDP GROWTH FORECAST BELOW EURO AREA

10 YEAR INTEREST RATE SWAP

Source: Istat, Prometeia
The new **Payments, Mobile & Digital** segment has been established thanks to the combination of PosteMobile and the Payments business from the Financial Segment.

**Insurance** premiums and incomes will be reported net of changes in Technical Reserves.

Asset Management shifts from **Insurance** to **Financial**.

Mail & Parcel is now called **Mail, Parcel & Distribution**.

---

**2017 REVENUE BREAKDOWN**

<table>
<thead>
<tr>
<th>Category</th>
<th>Previous segment split</th>
<th>New segment split</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Services</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Insurance &amp; Asset Management</td>
<td>24.4</td>
<td>24.4</td>
</tr>
<tr>
<td>Financial Services</td>
<td>5.2</td>
<td>5.0</td>
</tr>
<tr>
<td>Mail &amp; Parcel</td>
<td>3.6</td>
<td>3.6</td>
</tr>
<tr>
<td>Payments, Mobile &amp; Digital</td>
<td>33.4</td>
<td>33.4</td>
</tr>
<tr>
<td>Financial Services (incl. Asset Management)</td>
<td>10.6</td>
<td>10.6</td>
</tr>
<tr>
<td>Mail, Parcel &amp; Distribution</td>
<td>0.6</td>
<td>0.6</td>
</tr>
</tbody>
</table>
ENSURE PRAGMATIC FINANCIAL TARGETS AND KPIs ACROSS KEY BUSINESS ACTIVITIES ARE ACHIEVED
## PRAGMATIC & ACHIEVABLE TARGETS ACROSS BUSINESS SEGMENTS

### OVERVIEW OF VALUE DRIVERS AND FINANCIAL TARGETS

<table>
<thead>
<tr>
<th>SEGMENT</th>
<th>VALUE DRIVERS</th>
<th>KEY FINANCIAL TARGETS</th>
</tr>
</thead>
</table>
| **TURNAROUND IN MAIL AND GROWTH IN PARCEL** | ➔ Execute a **costs savings plan** based on FTE reduction  
➤ **Operating model innovation** to meet e-commerce market opportunities (Joint Delivery Model)  
➤ Significant capex plan to fuel network transformation | ➔ -1% Segment Revenue CAGR 17-22  
 ➔ EBIT 2022 approaching breakeven |
| **GROWTH IN PAYMENTS, MOBILE & DIGITAL** | ➔ Evolution from legacy payments to digital payments  
- **Develop innovative digital solutions** for the fast growing e-payments market  
- **Defend** highly cash generating legacy products  
➤ Telecoms business development & integration with digital payments | ➔ +8% Segment Revenue CAGR 17-22  
 ➔ +1% EBITDA and EBIT CAGR 17-22 |
| **RESILIENT FINANCIAL SERVICES RESULTS** | ➔ Growth of TFA and increased quality of revenue supported by product offer broader  
➤ Capitalize on upgraded market leading distribution network  
➤ Reduced reliance on capital gains | ➔ +3% TFAs growth  
 ➔ Stable Segment Revenue in 17-22  
 ➔ +1% Net Profit CAGR 17-22 |
| **CONSOLIDATE LEADERSHIP IN LIFE AND DEVELOP P&C BUSINESS** | ➔ **Change mix of net production** in Life insurance, towards Class III products  
➤ Develop **Private Pension Plan** business  
➤ Leverage PosteVita’s success in P&C segment | ➔ +6% Net Premiums and Financial Income CAGR 17-22  
 ➔ +4% Net Profit CAGR 17-22 |
MULTIPLE SECTIONS

**Mail & Parcel Turnaround and Growth in Parcel Segment Revenue**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue (bn)</th>
<th>CAGR 17-22</th>
<th>Mail</th>
<th>-5%</th>
<th>-1%</th>
<th>Parcel</th>
<th>+11%</th>
<th>+6%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.7</td>
<td>3.6</td>
<td>0.3</td>
<td>0.3</td>
<td>0.7</td>
<td>2.1</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>2018</td>
<td>2.5</td>
<td>3.5</td>
<td>0.2</td>
<td>0.2</td>
<td>0.8</td>
<td>2.3</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>2020</td>
<td>2.3</td>
<td>3.5</td>
<td>0.2</td>
<td>0.2</td>
<td>1.0</td>
<td>2.1</td>
<td>-5%</td>
<td>-6%</td>
</tr>
<tr>
<td>2022</td>
<td>2.1</td>
<td>3.5</td>
<td>0.2</td>
<td>0.2</td>
<td>1.2</td>
<td>-1%</td>
<td>-5%</td>
<td>-6%</td>
</tr>
</tbody>
</table>

**Key Highlights**

- Mail & Parcel revenue will stabilize at the end of the Deliver 2022 plan thanks to the continued growth of Parcel activity.
- EBIT close to break-even in 2022 thanks to significant reduction in costs and growing distribution revenue from other segments.

---

1 Includes, Philately, Patent Via Poste, Poste Motori, Mistral and other revenue
2 Includes income paid by Other Segments in return for use of the distribution network and Corporate Services
GROWTH IN PAYMENTS, MOBILE & DIGITAL

**Key Highlights**

- Strong growth in card payments offsetting decline in revenue from traditional products
- Telecom revenue will grow with a CAGR 2017-2022 of 4%
- Profitability remains level throughout plan
Reduced reliance on non-recurring items, primarily Capital Gains

Maintain overall volumes and margins thanks to:

- Increasing commission income from placement of Postal Savings products
- Increasing fees from sale of Asset Management products
- Increasing fees from third party product distribution
- Interest income benefiting from active portfolio management

1 Includes revenue from electronic money services, Mastercard Capital Gains for 2017, fees for collection and payment services
GROWTH IN TFA DRIVEN BY WEALTH MANAGEMENT SOLUTIONS

€ bn unless otherwise stated

<table>
<thead>
<tr>
<th>Year</th>
<th>Mutual Funds</th>
<th>Net Technical Reserves</th>
<th>Current Accounts</th>
<th>Postal Savings Books &amp; Postal Bonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>326</td>
<td>44</td>
<td>87</td>
<td>5</td>
</tr>
<tr>
<td>2015</td>
<td>325</td>
<td>45</td>
<td>100</td>
<td>6</td>
</tr>
<tr>
<td>2016</td>
<td>323</td>
<td>50</td>
<td>114</td>
<td>7</td>
</tr>
<tr>
<td>2017</td>
<td>323</td>
<td>52</td>
<td>123</td>
<td>8</td>
</tr>
<tr>
<td>2022</td>
<td>581</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

CAGR 2014-17: +3%  
CAGR 2017-22: +3%
STABLE REVENUE FROM BANCOPOSTA'S INVESTMENT ACTIVITIES

€ bn unless otherwise stated

EVOLUTION OF REVENUE FROM INVESTMENT ACTIVITIES

Investment portfolio1 (£ bn)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>32.5</td>
<td>33.5</td>
<td>35.9</td>
<td>37.9</td>
<td>41.3</td>
<td>43.8</td>
<td>44.0</td>
<td>45.2</td>
<td>49.6</td>
<td>55.8</td>
</tr>
</tbody>
</table>

PORTFOLIO BREAKDOWN

- Growth of investment portfolio and sound portfolio management have stabilized interest income and capital gains over time
- Well balanced portfolio currently invested 45% in floating rate and 55% in fixed rate instruments

1 Annual average, includes Public Administration deposits with the Ministry of the Economy and Finance;
2 Includes interests from deposits with the Ministry of the Economy and Finance;
3 Average annual figures;
4 Return is calculated on the bond portfolio and excludes capital gains
REVENUE FROM INVESTMENT ACTIVITIES IS RESILIENT

€ bn unless otherwise stated

**Shock @ 2018**

<table>
<thead>
<tr>
<th>Spread +150bps up</th>
<th>Buffer</th>
<th>Buffer</th>
<th>Buffer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>2.0</td>
<td>2.0</td>
<td>1.5</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Spread -100bps</th>
<th>Buffer</th>
<th>Buffer</th>
<th>Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.8</td>
<td>1.8</td>
<td>1.4</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Shock @ 2020**

<table>
<thead>
<tr>
<th>Buffer</th>
<th>Shortfall</th>
<th>Buffer</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.9</td>
<td>-0.13</td>
</tr>
<tr>
<td>2020</td>
<td>1.7</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>1.5</td>
<td></td>
</tr>
</tbody>
</table>

**Shock @ 2022**

<table>
<thead>
<tr>
<th>Buffer</th>
<th>Buffer</th>
<th>Shortfall</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>1.9</td>
<td>0.39</td>
</tr>
<tr>
<td>2020</td>
<td>1.9</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>1.5</td>
<td></td>
</tr>
</tbody>
</table>

**KEY HIGHLIGHTS**

- Base scenario: the 10Y IRS forward curve and a flat credit spread of 130bps over the plan

- Two base case stress test scenarios were carried out applying:
  - An additional 150bps spread
  - A drop of 100bps spread

- The shocks have limited impact and the plan would, in any case, deliver resilient and consistent results

- Active portfolio management to offset the shortfalls not applied
CONSOLIDATE LEADERSHIP IN LIFE AND DEVELOP P&C BUSINESS

€ bn unless otherwise stated

**SEGMENT REVENUE**

<table>
<thead>
<tr>
<th>Year</th>
<th>P&amp;C</th>
<th>Private Pension Plan</th>
<th>Life</th>
<th>GWP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1.3</td>
<td>0.1</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>2018</td>
<td>1.3</td>
<td>0.1</td>
<td>1.5</td>
<td>1.5</td>
</tr>
<tr>
<td>2020</td>
<td>1.4</td>
<td>0.1</td>
<td>1.7</td>
<td>1.7</td>
</tr>
<tr>
<td>2022</td>
<td>1.6</td>
<td>0.1</td>
<td>1.9</td>
<td>1.9</td>
</tr>
</tbody>
</table>

CAGR 17-22: +6%

- **EBIT & Net Profit**
- EBIT: +3%
- Net Profit: +4%

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT</th>
<th>Net Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>0.8</td>
<td>0.1</td>
</tr>
<tr>
<td>2018</td>
<td>0.5</td>
<td>0.1</td>
</tr>
<tr>
<td>2020</td>
<td>0.6</td>
<td>0.1</td>
</tr>
<tr>
<td>2022</td>
<td>0.7</td>
<td>0.1</td>
</tr>
</tbody>
</table>

P&C Combined Ratio: 56% → ~87%

**KEY HIGHLIGHTS**

- Consolidated growth in Life products
- Robust growth in Private Pension Plans and P&C products
- Solid growth in EBIT and Net Profit
- P&C combined ratio averaging 87% during the plan

(1) Premiums and Financial Income net of Technical Reserves and Other Expenses
EBIT EVOLUTION 2017 VS 2022

KEY EBIT GROWTH DRIVERS

€ bn unless otherwise stated

EBIT EVOLUTION 2017 - 2022

EBIT 2017
- Decrease in mail and other revenue
- Increase in parcel revenue
- Decrease in personnel costs and retirement incentives
- Decrease in capital gains
- Decrease in net interest income
- Increase in revenue from Postal Savings
- Increase in revenue from Asset Mgmt.
- Increase in revenue from Loan & Mortgage dist.
- Decrease in operating costs

EBIT 2022
- Increase in revenue from Life
- Increase in revenue from P&C
- Increase in costs due to expansion and dist. fees
- Increase in digital revenue
- Other payments revenue
- Increase in variable costs

-0.5 +0.5 +0.5
-0.5 -0.5 +0.2 +0.1 +0.1 +0.2
-0.1 +0.2 +0.1
+0.3 +0.1 -0.3 +0.2 0.0 -0.2
1.1 1.8
FOCUS ON COST DISCIPLINE AND EFFECTIVE CAPITAL ALLOCATION
COST DISCIPLINE
COST SAVINGS ACROSS BOTH HR AND OTHER OPERATING COSTS

€ bn unless otherwise stated


HR COSTS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary HR costs / revenue</td>
<td>53%</td>
<td>53%</td>
<td>50%</td>
<td>49%</td>
</tr>
<tr>
<td>Early retirement incentives</td>
<td>6.1</td>
<td>6.0</td>
<td>5.9</td>
<td>5.6</td>
</tr>
<tr>
<td>Ordinary HR costs</td>
<td>5.6</td>
<td>5.6</td>
<td>5.5</td>
<td>5.5</td>
</tr>
</tbody>
</table>

KEY HIGHLIGHTS

→ **Strong focus on cost savings** both in HR and other operating costs

→ **Provisions for early retirement incentives** will decrease from €0.5 bn in 2017 to €0.1 bn in 2022

→ **Ordinary HR costs** will decrease from 53% of revenue in 2017 to 49% of revenue in 2022

→ **Other operating costs remaining flat**, but decreasing as a % of revenue

OTHER OPERATING COSTS

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other operating costs / revenue</td>
<td>26%</td>
<td>25%</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Other operating costs</td>
<td>2,8</td>
<td>2,6</td>
<td>2,7</td>
<td>2,8</td>
</tr>
</tbody>
</table>

(1) Includes Cost of Goods/Services and other Operating Costs
AVERAGE HEADCOUNT (’000)

Average headcount reduction per year

**2015-2017: 2.8**

- **-16**
- **-2**
- **+7**

**2017-2022: 3.0**

- **-7**
- **+3**

KEY HIGHLIGHTS

- Net average FTE reduction of about 15,000
- Decrease in headcount leveraging on
  - Non-renewal of fixed-term contracts
  - Subsidized exits and natural turnover
- Over 10,000 new hires planned, focusing on specialist expertise

€ bn unless otherwise stated
COST DISCIPLINE
COST PER EMPLOYEE INCREASE MORE THAN COMPENSATED BY PRODUCTIVITY GROWTH

LABOR COST/FTE (€’000)

CAGR 2017-2022: +1.9%

CAGR 2017-2020: +2.0%

Change in Labour Cost/FTE

CAGR 2020-2022: +1.8%

Value Added / FTE (€’000)

CAGR 2017-2020: +3%

CAGR 2020-2022: +3%

2017
Renewed contracts

Mix

2017

40.8

+1.8

+0.6

2020
Renewed contracts

Mix

43.2

+1.3

+0.3

2022

44.8

KEY HIGHLIGHTS

→ Labor cost per employee to moderately increase over the plan horizon

→ Increasing workforce flexibility offsetting higher labor costs

→ Material increase in value added per employee over the plan horizon
EFFECTIVE CAPITAL ALLOCATION
SIGNIFICANT CAPITAL ALLOCATION TO SUPPORT DELIVER 2022 STRATEGY

€ bn unless otherwise stated

CAPEX PLAN

Cumulated Capex 2015-2017

1.4

Cumulated Capex 2018-2022

2.8

Capex Mix 2015-2017

1.4

Capex Mix 2018-2022

2.8

Capex on sales

Average

2015
2016
2017
2018-2022

4.4%

5.0%

2015
2016
2017
2018-2022

0.49
0.45
0.47
0.56

1.4
2.8

IT
Real Estate
Other

6%
69%
23%

16%
23%
61%

20%
14%
15%

26%
14%
23%

51%
38%
16%

Business
Transformation
Run
Compliance & Security

1 Include specific projects mainly related to Mail & Parcel segment
EFFECTIVE CAPITAL ALLOCATION
KEY INVESTMENT AREAS

€ bn unless otherwise stated

18-22

IT INFRASTRUCTURE TRANSFORMATION 0.5

MAIL & PARCEL OPERATIONS REENGINEERING AND AUTOMATION 0.5

KEY PROCESSES SIMPLIFICATION AND DIGITALIZATION 0.3

NEW POSTAL OFFICES SERVICE MODEL 0.2

“ONE COMPANY” AND CUSTOMER CENTRICITY 0.1

60% OF CAPEX TO COVER THESE FIVE AREAS
MAINTAIN AN EFFICIENT AND STRONG BALANCE SHEET ACROSS ALL BUSINESS SEGMENTS WHILE DISTRIBUTING GROWING ANNUAL DIVIDENDS
SOLID AND EFFICIENT BALANCE SHEET ACROSS BUSINESS SEGMENT

GROUP OVERVIEW

All segments will contribute to Poste’s new dividend policy while maintaining a strong Balance Sheet and an efficient Group capital structure.

MAIL, PARCELS AND DISTRIBUTION

FINANCIAL SERVICES

INSURANCE SERVICES

PAYMENTS, MOBILE AND DIGITAL

1 PMD established in 2018, subject to Banca d’Italia approval.
BANCOPOSTA: A LOW RISK BALANCE SHEET AS AN ASSET GATHERER

€ bn unless otherwise stated

**ASSETS**

<table>
<thead>
<tr>
<th>RWAs</th>
<th>Total Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.0</td>
<td>67.1</td>
</tr>
<tr>
<td></td>
<td>12.1</td>
</tr>
<tr>
<td></td>
<td>72</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
</table>

**CET 1 RATIO**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET 1</td>
<td>17%</td>
<td>19%</td>
</tr>
</tbody>
</table>

**CET 1 CAPITAL**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>CET 1</td>
<td>2.1</td>
<td>2.3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Payout ratio 2018-2022</th>
<th>Cumulative capital increase 2018-2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
<td>0.2</td>
</tr>
</tbody>
</table>

**LEVERAGE RATIO**

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1%</td>
<td>3.2%</td>
<td></td>
</tr>
</tbody>
</table>
POSTEVITA GROUP: KEY ITEMS AND SOLVENCY RATIO

€ bn unless otherwise stated

**ELIGIBLE OWN FUND**

<table>
<thead>
<tr>
<th>Year</th>
<th>Payout ratio</th>
<th>Payout ratio 2018-2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>87%</td>
<td>10.6</td>
</tr>
<tr>
<td>2022</td>
<td>90%</td>
<td></td>
</tr>
</tbody>
</table>

**SOLVENCY II CAPITAL REQUIREMENT**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>3.1</td>
</tr>
<tr>
<td>2022</td>
<td>5.2</td>
</tr>
</tbody>
</table>

**NET BALANCE SHEET VALUE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>7.5</td>
</tr>
<tr>
<td>2022</td>
<td>9.6</td>
</tr>
</tbody>
</table>

**SOLVENCY RATIO**

<table>
<thead>
<tr>
<th>Year</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>279%</td>
</tr>
<tr>
<td>2022</td>
<td>203%</td>
</tr>
</tbody>
</table>
POSTEVITA GROUP: A RESILIENT CAPITAL POSITION TO SUPPORT GROWTH

STRESS SCENARIO

→ Solvency Ratio to decrease over the plan horizon, due to the expected increase in capital requirement

→ Strong balance sheet showing great resiliency and decreasing volatility in capital position under stress scenarios

→ Increasing resiliency driven by higher product and investment diversification in the next five years

Solvency Ratio Sensitivity

<table>
<thead>
<tr>
<th>Year</th>
<th>Base scenario</th>
<th>BTP-Bund spread + 100 bps</th>
<th>BTP-Bund spread + 150 bps</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>279%</td>
<td>~203%</td>
<td>~190%</td>
</tr>
<tr>
<td>2018</td>
<td>219%</td>
<td>~190%</td>
<td>~180%</td>
</tr>
<tr>
<td>2020</td>
<td>193%</td>
<td>180%</td>
<td>170%</td>
</tr>
<tr>
<td>2022</td>
<td>~203%</td>
<td>~190%</td>
<td>~180%</td>
</tr>
</tbody>
</table>

€1 bn capital injection to PosteVita committed by Poste Italiane if the SCR will drop under Risk Tolerance Level of 130%
Ability to pay a growing dividend comes from rising Net Profit and solid cash generation.
DELIVER 2022 - FINANCE

ENSURE PRAGMATIC FINANCIAL TARGETS AND KPI BUSINESS ACTIVITIES ARE ACHIEVED

PRESEVE COST DISCIPLINE AND EFFECTIVE CAPITAL ALLOCATION

MAINTAIN AN EFFICIENT AND STRONG BALANCE SHEET ACROSS ALL BUSINESS SEGMENTS WHILE DISTRIBUTING GROWING ANNUAL DIVIDENDS
DELIVER 2022
REWARD STRATEGY

Matteo Del Fante, CEO
Milan, February 27th 2018
RESHAPING REWARD STRATEGY
A REWARD STRATEGY TO SUPPORT GROWTH

- Align Management Team with Shareholder Interests
- Ensure Full Commitment of Management Team to Strategic Plan Targets
- Drive Value Creation and Recognize Achievements
- Engage All Employees in the Transformation Process
RESHAPING REWARD STRATEGY
ALIGNMENT OF INTERESTS GUARANTEED

**ELIGIBILITY**
Engage up to 200+ strategic employees on Deliver 2022 targets

**VESTING PERIOD**
3 and 5 years of performance period & 2 years deferral period

**PERFORMANCE MEASURES**
Achievement of 5 years Deliver 2022 targets (EBIT as a threshold):
- Revenues (weight 60%)
- Cost Reduction (weight 40%)

**PLAN IMPLEMENTATION**
- 75% at the end of performance period and 25% after deferral period
- “Cash convertible”: AGM to decide cash to be converted into shares
- Clawback clause

---

1 The BoD, by the end of the vesting period, may submit to the AGM, to convert – for all beneficiaries – the entire amount of the awards or part of them into Poste Italiane’s shares

Please note: for regulated business (eg. BancoPosta) above rules will be adjusted to regulatory provisions
Numbers in the presentations may not add up only due to roundings
<table>
<thead>
<tr>
<th>#</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>4G/5G</td>
<td>Mobile communication standards (fourth and fifth generation of broadband cellular network technology)</td>
</tr>
<tr>
<td>AN/Anima</td>
<td>Italian player in the asset management industry</td>
</tr>
<tr>
<td>ANIA</td>
<td>Associazione Nazionale Imprese Assicuratrici</td>
</tr>
<tr>
<td>ATM</td>
<td>Automatic Teller Machine</td>
</tr>
<tr>
<td>AuM</td>
<td>Assets under management</td>
</tr>
<tr>
<td>Av.</td>
<td>Average</td>
</tr>
<tr>
<td>B2B</td>
<td>Business to Business</td>
</tr>
<tr>
<td>B2C</td>
<td>Business to Consumer</td>
</tr>
<tr>
<td>Banca d’Italia</td>
<td>Italy’s Central Bank</td>
</tr>
<tr>
<td>Big Data</td>
<td>Extremely large data sets that may be analyzed computationally to reveal patterns, trends, and associations, especially relating to human behavior and interactions</td>
</tr>
<tr>
<td>bn</td>
<td>Billion</td>
</tr>
<tr>
<td>BTP</td>
<td>Buoni del Tesoro Pluriennali</td>
</tr>
<tr>
<td>CAGR</td>
<td>Compound Annual Growth Rate</td>
</tr>
<tr>
<td>C2C</td>
<td>Consumer to Consumer</td>
</tr>
<tr>
<td>Glossary Entry</td>
<td>Definition</td>
</tr>
<tr>
<td>----------------</td>
<td>------------</td>
</tr>
<tr>
<td><strong>Capex</strong></td>
<td>Capital Expenditure</td>
</tr>
<tr>
<td><strong>Capital allocation</strong></td>
<td>A process of how businesses allocate their financial resources to different processes, people, projects and division</td>
</tr>
<tr>
<td><strong>Capital gains</strong></td>
<td>Income resulting in a realized gains on the sale of securities</td>
</tr>
<tr>
<td><strong>Cards</strong></td>
<td>Debit, credit and prepaid cards</td>
</tr>
<tr>
<td><strong>CDP</strong></td>
<td>Cassa Depositi e Prestiti</td>
</tr>
<tr>
<td><strong>CET1</strong></td>
<td>Common Equity Tier1</td>
</tr>
<tr>
<td><strong>Class I</strong></td>
<td>Class I life insurance: contracts of insurance or to pay annuities on human life, where the benefits are not determined by references to the value of, or the income from, property of any description or by reference to fluctuations in, or in an index of, the value of property of any description</td>
</tr>
</tbody>
</table>
### GLOSSARY 3/8

<table>
<thead>
<tr>
<th>Digital ecosystem</th>
<th>An interdependent group of enterprises, people and/or things that share standardized digital platforms for a mutually beneficial purpose, such as commercial gain, innovation or common interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital transactions</td>
<td>Transactions made without the need for cash</td>
</tr>
<tr>
<td>Doxa</td>
<td>Market research company founded in 1946 in Italy</td>
</tr>
<tr>
<td>Early retirement incentives</td>
<td>Non recurring charges to encourage workers to retire before the normal retirement age</td>
</tr>
<tr>
<td>EBIT</td>
<td>Earning Before Interest and Tax</td>
</tr>
<tr>
<td>EBITDA</td>
<td>Earning Before Interest, Tax, Depreciation and Amortization</td>
</tr>
<tr>
<td>ECRI</td>
<td>European Credit Research Institute</td>
</tr>
<tr>
<td>eID</td>
<td>Electronic Identification - a tool that ensures secure access to online services and to carry out electronic transactions in a safer way, at a European level</td>
</tr>
<tr>
<td>Equity share</td>
<td>A share that gives the person who owns it the right to receive part of a company's profits and to vote at shareholder meetings</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td><strong>E-wallet</strong></td>
<td>An electronic tool which is used for transactions made online through a computer or a smartphone</td>
</tr>
<tr>
<td><strong>Fixed rate</strong></td>
<td>Interest rate that remains at a set level for a specified period of time</td>
</tr>
<tr>
<td><strong>Floating rate</strong></td>
<td>Interest rate that is reset at specified periods of time based on a pre-determined parameter</td>
</tr>
<tr>
<td><strong>FTE GDP</strong></td>
<td>Full Time Equivalent Gross Domestic Product</td>
</tr>
<tr>
<td><strong>Gross Revenue</strong></td>
<td>Revenue accounted by a business unit including intra company revenue</td>
</tr>
<tr>
<td><strong>GWP</strong></td>
<td>Gross written premium</td>
</tr>
<tr>
<td><strong>Headcount</strong></td>
<td>Total number of people employed in a specific organization</td>
</tr>
<tr>
<td><strong>Household debt</strong></td>
<td>Combined debt of all people in a household. It includes consumer debt and mortgage loans</td>
</tr>
<tr>
<td><strong>Households disposable income</strong></td>
<td>Sum of household final consumption expenditure and savings, after tax</td>
</tr>
<tr>
<td><strong>ICT</strong></td>
<td>Information and communication technology</td>
</tr>
<tr>
<td><strong>IDD</strong></td>
<td>Insurance distribution Directive</td>
</tr>
<tr>
<td><strong>GLOSSARY 5/8</strong></td>
<td></td>
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<tr>
<td>-------------------</td>
<td>---------------------------------------------------</td>
</tr>
<tr>
<td><strong>Intersegment revenue</strong></td>
<td>The transfer or exchange of goods for monetary compensation from one segment in a company to another segment within the same company</td>
</tr>
<tr>
<td><strong>IRS</strong></td>
<td>Interest rate swap - a financial derivative instrument in which two parties agree to exchange interest rate cash flows, based on a specified notional amount from a fixed rate to a floating rate (or vice versa) or from one floating rate to another</td>
</tr>
<tr>
<td><strong>ISTAT</strong></td>
<td>The National Institute for Statistics (Istat) is the main supplier of official statistical information in Italy</td>
</tr>
<tr>
<td><strong>Items/km2</strong></td>
<td>Items per square kilometer</td>
</tr>
<tr>
<td><strong>IT System</strong></td>
<td>Information Technology System</td>
</tr>
<tr>
<td><strong>J+1</strong></td>
<td>Jour plus one - day after delivery</td>
</tr>
<tr>
<td><strong>KPI</strong></td>
<td>Key Performance Indicator</td>
</tr>
<tr>
<td><strong>Life insurance &amp; investments</strong></td>
<td>Insurance policies and mutual funds</td>
</tr>
<tr>
<td><strong>Life technical reserves</strong></td>
<td>Amounts that the insurer sets aside to cover liabilities to policyholders in the context of life insurance policies where the value of the return is determined by reference to investments for which the policyholder bears the risk, and reflects the present value of the expected future benefits</td>
</tr>
<tr>
<td>m</td>
<td>Million</td>
</tr>
<tr>
<td>---------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td>MBO</td>
<td>Management by objectives</td>
</tr>
<tr>
<td>MBPS</td>
<td>Megabits per second - A unit of measurement for bandwidth and throughput on a network</td>
</tr>
<tr>
<td>MiFID II</td>
<td>Markets in Financial Instruments Directive II</td>
</tr>
<tr>
<td>Mutual funds</td>
<td>Investment vehicle made up of a pool of money collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and other assets</td>
</tr>
<tr>
<td>MVNO</td>
<td>Mobile Virtual Network Operator</td>
</tr>
</tbody>
</table>

**Net Financial Position**
Equals to cash and cash equivalents minus short term and long term financial liabilities

**Net inflows**
Net of all cash inflows and outflows in and out of a financial asset

**Net interest income**
Net interest income (“NII”) is the difference between the interest income earned on investments and interest expenses paid to depositors or other providers

**Adjusted revenue**
Revenue excluding non recurring items

**o/ w**
Of which
<table>
<thead>
<tr>
<th><strong>Ovum</strong></th>
<th>An independent analyst and consultancy firm headquartered in London, specializing in global coverage of IT and telecommunications industries</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>P&amp;C</strong></td>
<td>Property and casualty insurance</td>
</tr>
<tr>
<td><strong>P2P</strong></td>
<td>Postpay-to-Postpay: Instant money transfer from a Postpay Card to another Postpay Card</td>
</tr>
<tr>
<td><strong>PA</strong></td>
<td>Public Administration</td>
</tr>
<tr>
<td><strong>Payout ratio</strong></td>
<td>Dividends paid to shareholders relative to net income</td>
</tr>
<tr>
<td><strong>pcs</strong></td>
<td>Pieces</td>
</tr>
<tr>
<td><strong>Pension fund</strong></td>
<td>An investment product into which scheme members pay contributions in order to provide an income in retirement</td>
</tr>
<tr>
<td><strong>PI</strong></td>
<td>Poste Italiane</td>
</tr>
<tr>
<td><strong>PO</strong></td>
<td>Post Office - Sales network of Poste Italiane</td>
</tr>
<tr>
<td><strong>pop.</strong></td>
<td>Population</td>
</tr>
<tr>
<td><strong>Postal Savings</strong></td>
<td>Saving books and Postal bonds</td>
</tr>
<tr>
<td><strong>Postemobile</strong></td>
<td>An Italian based mobile virtual network operator launched on November 2007 by the owner Poste Italiane</td>
</tr>
<tr>
<td><strong>GLOSSARY 8/8</strong></td>
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<tr>
<td><strong>Poste Vita</strong></td>
<td>PosteVita - insurance company owned by Poste Italiane</td>
</tr>
<tr>
<td><strong>Postevita’s FIP</strong></td>
<td>Fondo Integrativo Pensioni (i.e., Supplementary Retirement Fund)</td>
</tr>
<tr>
<td><strong>PP/PP evo</strong></td>
<td>Poste Pay / Poste Pay Evolution: Pre-Paid Cards of Poste Italiane</td>
</tr>
<tr>
<td><strong>REPO</strong></td>
<td>Repurchase Agreement</td>
</tr>
<tr>
<td><strong>RM</strong></td>
<td>Relationship Manager</td>
</tr>
<tr>
<td><strong>ROE</strong></td>
<td>Return on Equity</td>
</tr>
<tr>
<td><strong>RWA</strong></td>
<td>Risk-weighted asset</td>
</tr>
<tr>
<td><strong>SDA</strong></td>
<td>Express courier which provides express mail and package delivery</td>
</tr>
<tr>
<td><strong>Segment Revenue</strong></td>
<td>Revenue accounted by a business unit excluding intracompany revenue</td>
</tr>
<tr>
<td><strong>SME</strong></td>
<td>Small and Medium Enterprise</td>
</tr>
<tr>
<td><strong>TFA</strong></td>
<td>Total Financial Assets</td>
</tr>
<tr>
<td><strong>USO</strong></td>
<td>Universal Service Obligation</td>
</tr>
<tr>
<td><strong>vs.</strong></td>
<td>Versus</td>
</tr>
<tr>
<td><strong>WCIS</strong></td>
<td>World Cellular Information Service</td>
</tr>
<tr>
<td><strong>YoY</strong></td>
<td>Year on year</td>
</tr>
</tbody>
</table>