

CAPITAL MARKETS DAY DELIVER 2022

Milan, February 27th 2018

AGENDA

11.00 - 11.05	OPENING
11.05 - 11.40	M. DEL FANTE, CEO
11.40 - 12.00	M. SIRACUSANO, HEAD OF PAYMENT, MOBILE & DIGITAL
12.00 - 12.40	M. ROSINI, HEAD OF MAIL & PARCEL
12.40 - 13.00	Q&A
13.00	LUNCH
14.15 - 14.45	A. NOVELLI, BANCOPOSTA CEO
14.45 - 15.00	Q&A
15.00 - 15.45	R. GIACCHI, CFO
15.45 - 15.50	M. DEL FANTE, CEO
15.50	Q&A
16.45	CLOSING REMARKS

DISCLAIMER

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

KEY CONSOLIDATED FINANCIAL TARGETS

€ bn unless otherwise stated

	2017	2018	2020	2022
REVENUE	10.6	10.7	10.9	11.2
EBIT	1.1	1.4	1.6	1.8
EBIT MARGIN %	11%	13%	15%	16%
NET PROFIT	0.7	1.0	1.1	1.2
ROE %¹	10%	13%	13%	13%

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



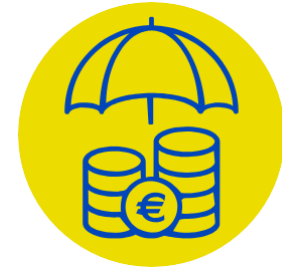
MAIL & PARCEL

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

100% **110m** **30%**

ITALIAN
COVERAGE

PARCELS
PER YEAR

B2C
MARKET
SHARE

25% **24.8m** **€104bn** **15.6m**

E-COMMERCE
PAYMENTS

CARDS
ISSUED

PAYMENT
TRANSACTIONS

APP
DOWN-
LOADED

34.4m **12,822** **1.5m**

CUSTOMERS

POST
OFFICES

DAILY
VISITS

ITALY'S LEADING CUSTOMER DISTRIBUTION NETWORK

STRATEGIC ACHIEVEMENTS



MAIL & PARCEL

Union Agreements –
New Joint Delivery Model

December 2017
February 2018



PAYMENTS, MOBILE & DIGITAL

New Business Unit
and Leadership

October 2017



FINANCIAL & INSURANCE

CDP
Deal

Anima
Deal

Leading
Player in life

December
2017

December
2017

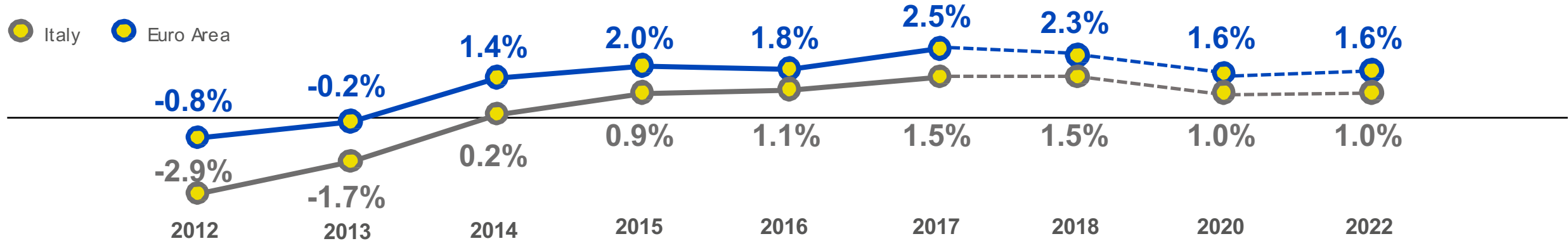
21.5%
market share

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

ITALIAN MARKET TRENDS CREATING OPPORTUNITIES

STEADY GDP GROWTH; ITALIAN HOUSEHOLD UNDER LEVERAGED, WEALTHY AND UNDER PROTECTED

GDP TREND



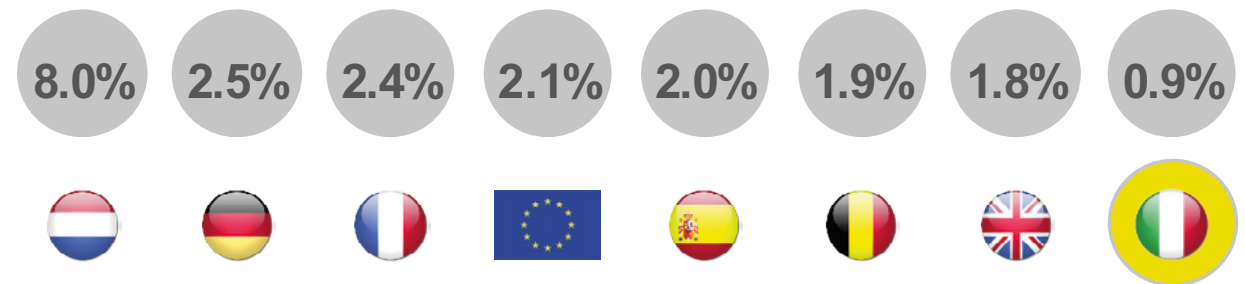
HOUSEHOLD DEBT/GDP



FINANCIAL WEALTH/GDP



NON MOTOR P&C PREMIUMS/GDP

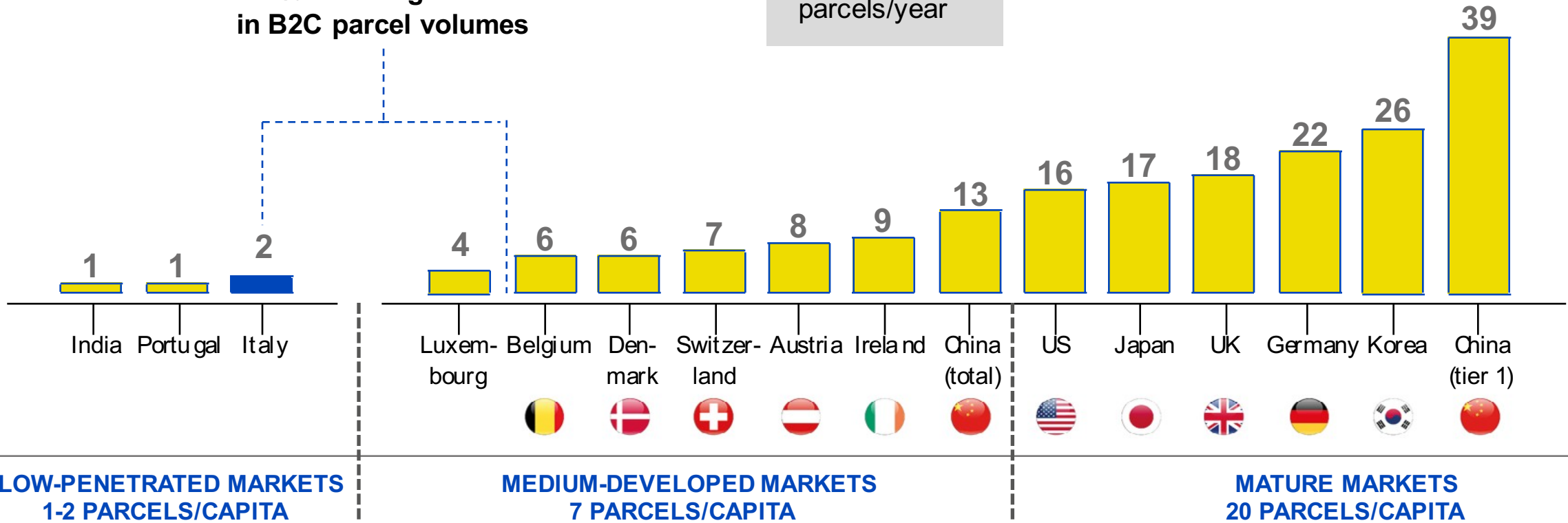


E-COMMERCE MARKET OPPORTUNITY

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



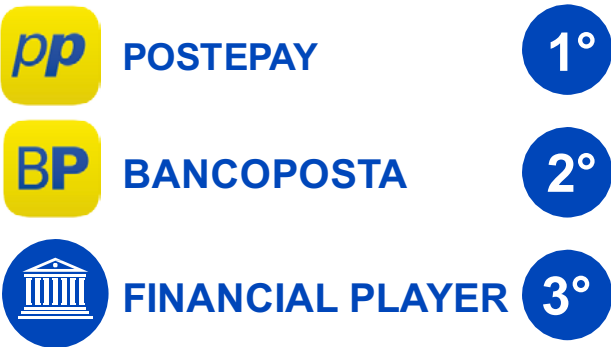
DIGITAL OPPORTUNITIES

ITALY POSITIVE TRENDS CREATING OPPORTUNITIES FOR POSTE TO LEAD

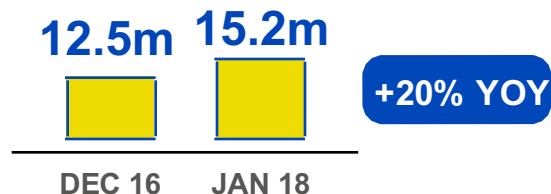
MARKET LEADING WEBSITE

1.3m
daily users web / app

MARKET LEADING FINANCIAL APP - DOWNLOADS



HIGH VOLUME OF REGISTERED WEB USERS



ITALY STILL MAINLY CASH MARKET BUT USE OF ALTERNATIVE OPTIONS GROWING

% OF CASH
ON TOTAL
PAYMENTS



85%

68%

Non cash payments per capita per year

2011

68

2016

95

ITALY STILL LAGGING ON DIGITAL USAGE BUT CONSTANTLY IMPROVING

DIGITAL
INDEX 2017*



0.42

0.52

+0.04

Digital Index
improving from 0.38
in 2016

INTERNET
SPEEDS



8.73 MBPS

32.1 MBPS

+43%

Mobile data growth
CAGR 17-20

66%

4G share in Italy in
2020 (vs. 26% in 2016)

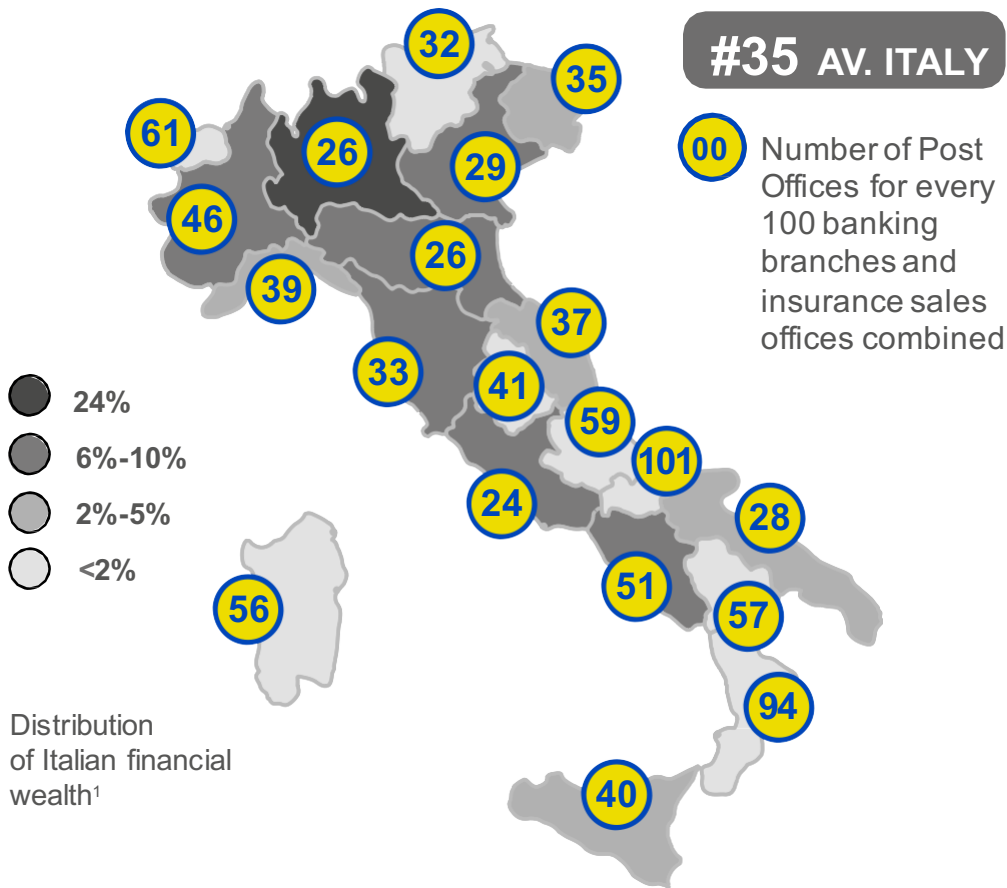
*Digital Economy and Society Index – European Commission: compound index based on connectivity, human capital/digital skills, use of internet by citizens, integration of digital technology by businesses, digital public services

Source: Global Payments Map; Banca d'Italia; European Commission; Wearesocial website; Ovum analysis Mason WCIS; Similarweb; AppAnnie - Dec 2017

CUSTOMER NETWORK COVERAGE OPPORTUNITIES

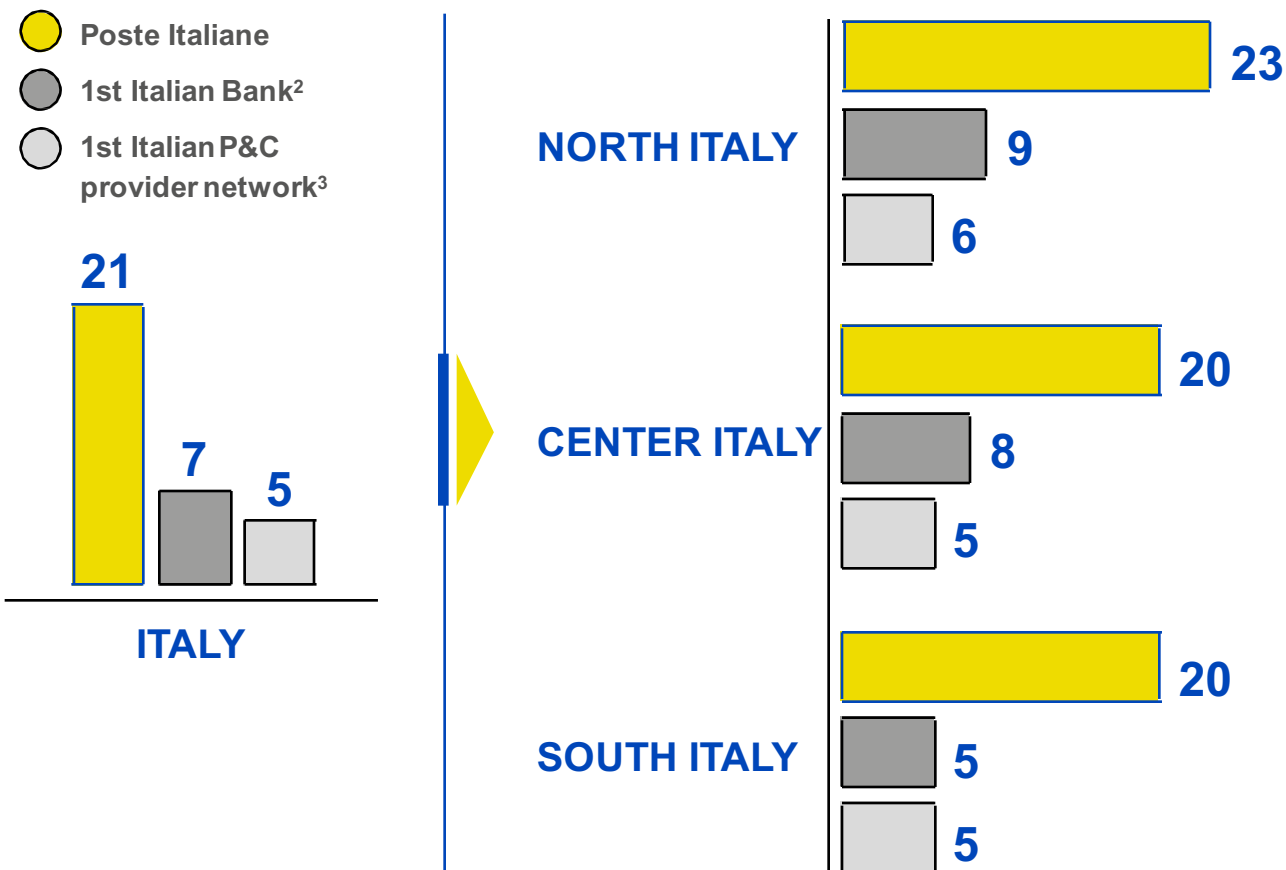
UNRIVALLED UNIVERSAL COVERAGE

12,822 POST OFFICES



COVERAGE OF ITALIAN POPULATION

(BRANCHES/100,000 INHABITANTS)



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

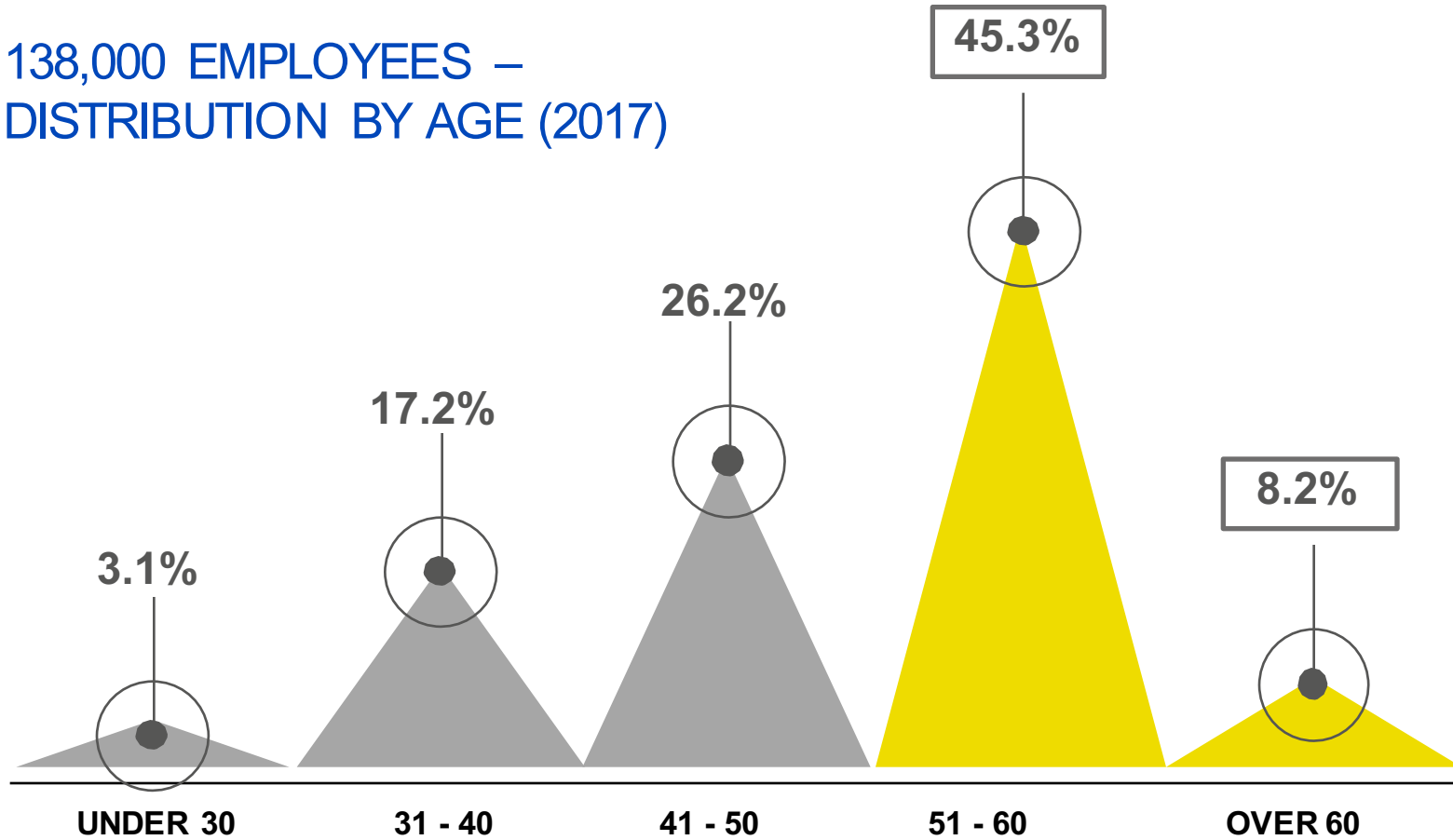
Source: Banca d'Italia (Financial wealth); Banca d'Italia (Banking network); ISTAT (Region and Population); Ivass Reg. A Legal entities

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

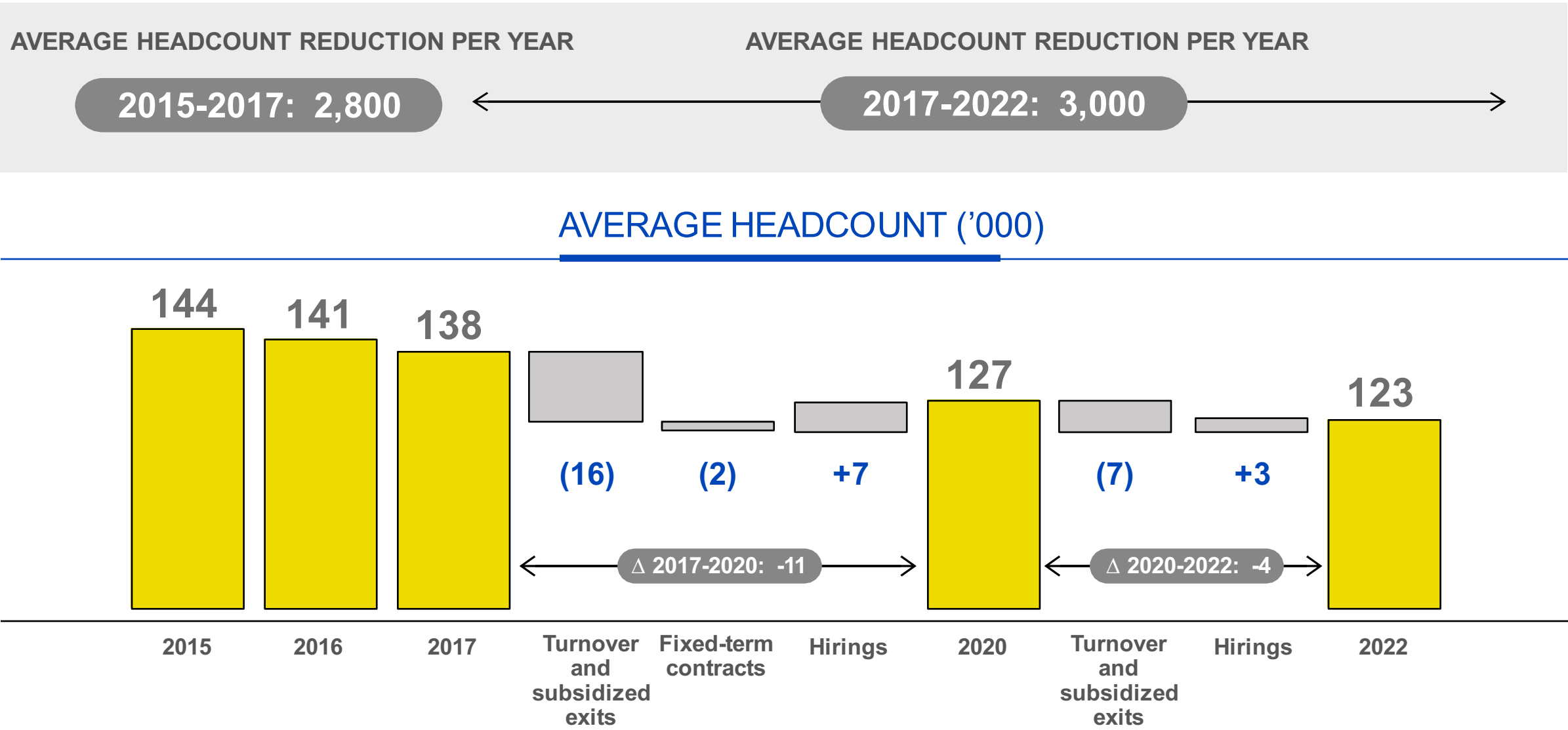
Employees over 60
11,300

% Employees over 50
53.5%

OVER HALF THE WORKFORCE WILL RETIRE IN NEXT TEN YEARS

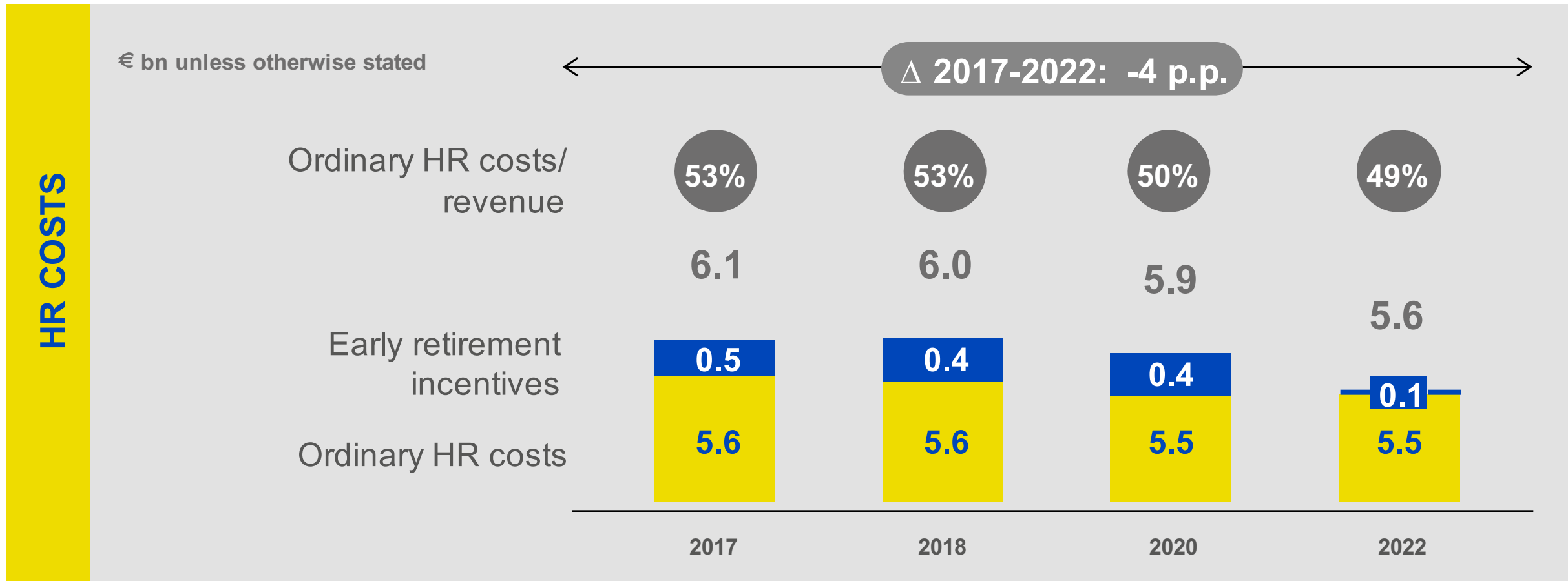
PLANNED HEADCOUNT REDUCTION PROGRAM

CONTINUING CURRENT TREND



HR RELATED COSTS

INCREASING EFFICIENCY ACROSS THE GROUP



WORKFORCE TRANSFORMATION PRIORITIES

INJECTION OF NEW TALENT AND NEW OPPORTUNITIES FOR EXISTING STAFF

10.0¹

NEW TALENTS

MAIL & PARCEL

4.0¹

- Union agreed flexible delivery model
- Joint Mail & Parcel delivery

FINANCIAL & INSURANCE

5.5¹

- Increased commercial frontline
- Training and change management

GROUP

0.5¹

- New skills in corporate functions
- Shift from nine to five regions
- Optimizing local functions

4.5¹

TRAINING AND REFOCUS

2.0¹

1.5¹

1.0¹

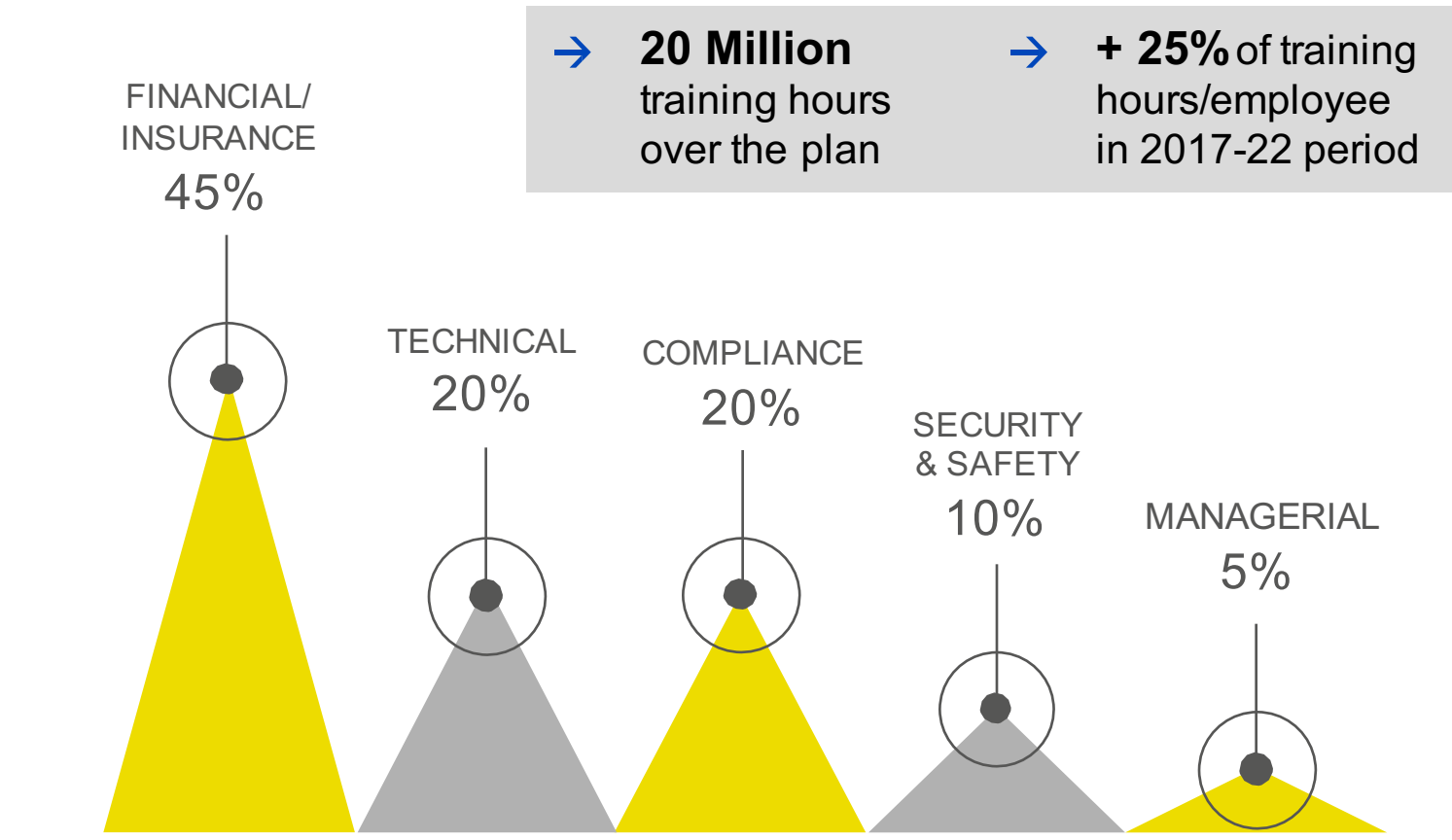
POST OFFICE NETWORK

(*000)

COMPREHENSIVE PEOPLE DEVELOPMENT STRATEGY

20 MILLION TRAINING HOURS OVER THE PLAN

STAFF TRAINING & CHANGE SUPPORT



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**

SUPPORTED BY CAPITAL INVESTMENTS

INFRASTRUCTURE TOOLS €2.8 BN CAPEX OVER PLAN

€ bn unless otherwise stated

18-22

IT INFRASTRUCTURE TRANSFORMATION



0.5

MAIL & PARCELS 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

These key areas represent about **60%** of the total **€ 2.8 bn** 2018-2022 Group capital expenditure

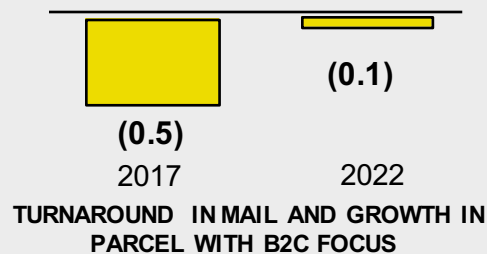
PRAGMATIC FINANCIAL TARGETS AND
CLEARLY DEFINED KPIs,
UNDERPINNED BY RENEWED FOCUS
ON OPERATIONAL PERFORMANCE

COMBINED POWER OF OUR SEGMENTS

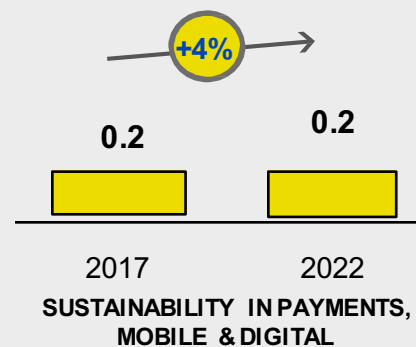
ALL CONTRIBUTING TO EBIT GROWTH STORY

€ bn unless otherwise stated

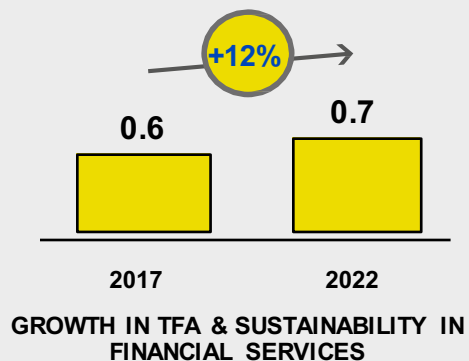
MAIL, PARCEL & DISTRIBUTION



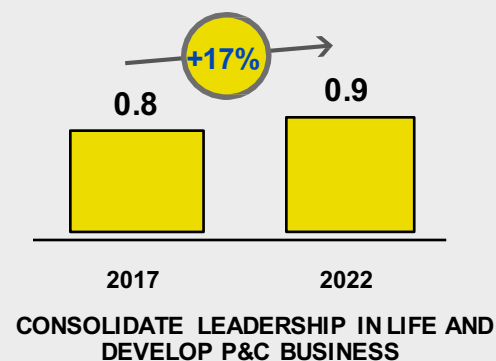
PAYMENTS, MOBILE & DIGITAL



FINANCIAL

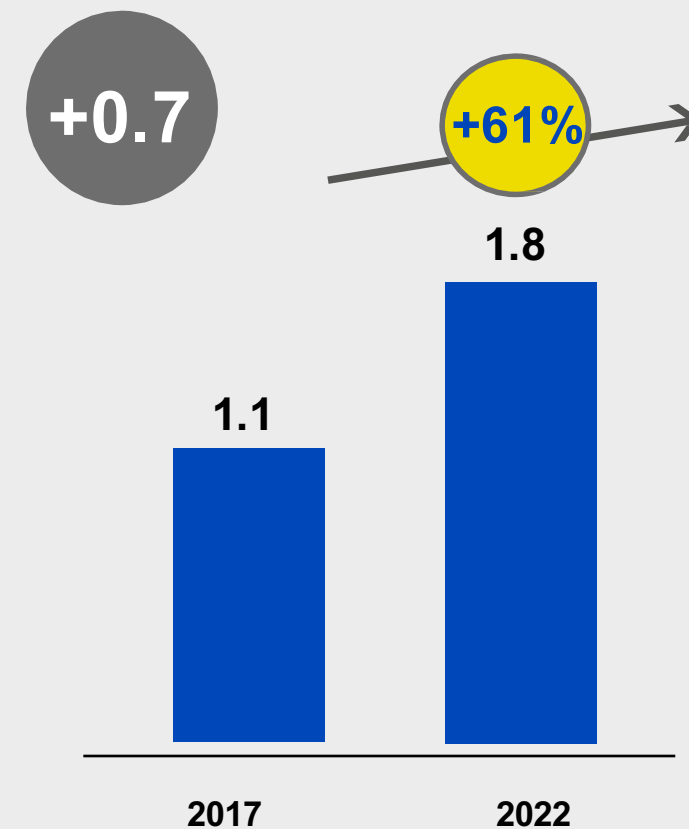


INSURANCE



TOTAL INCREASE 2017 VS 2022

GROUP



KEY CONSOLIDATED FINANCIAL TARGETS

€ bn unless otherwise stated

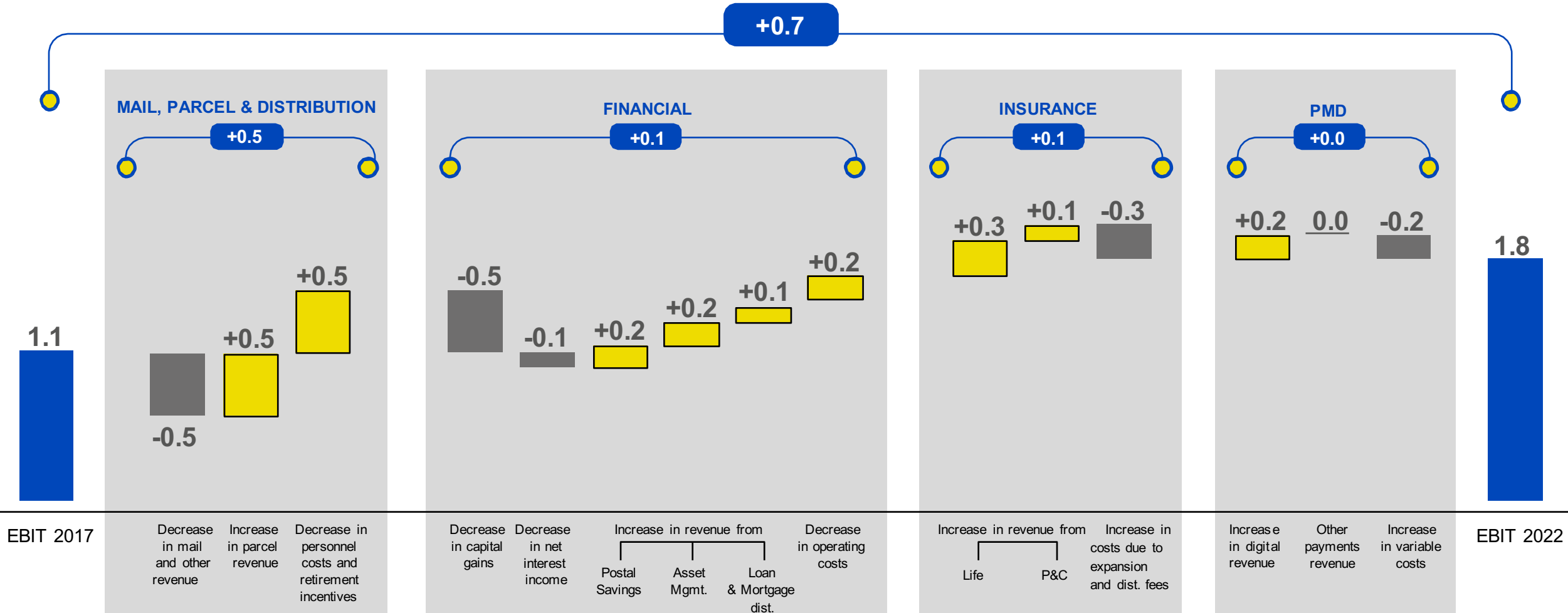
	2017	2018	2020	2022	CAGR 17-22
REVENUE	10.6	10.7	10.9	11.2	+1%
EBIT	1.1	1.4	1.6	1.8	+10%
EBIT MARGIN %	11%	13%	15%	16%	
NET PROFIT	0.7	1.0	1.1	1.2	+13%
ROE % ¹	10%	13%	13%	13%	
		18-20	21-22		
DIVIDEND(€/SHARE)	0.42	+5% Per Annum	Minimum Payout 60%		

EBIT EVOLUTION 2017 VS 2022

KEY EBIT GROWTH DRIVERS

€ bn unless otherwise stated

EBIT EVOLUTION 2017 - 2022



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

DELIVER 2022 – DIGITAL

ENABLING POSTE ITALIANE'S DIGITAL LEADERSHIP

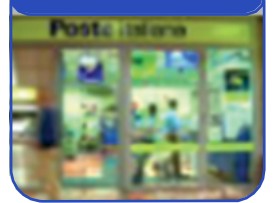
Marco Siracusano - Head of Payments, Mobile & Digital
Milan, February 27th 2018

- 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

Posteitaliane

1 Post Office



2 Call Center



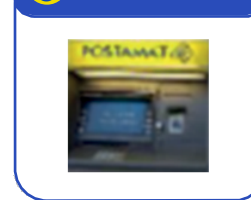
3 Web & App



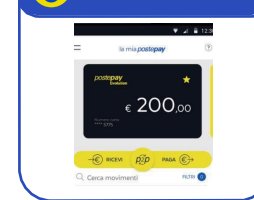
4 Social Networks



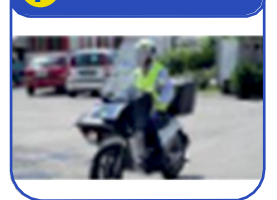
5 ATM



6 E-wallets



7 Postini



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)²

→ **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)³

→ Increased data usage and 4G penetration

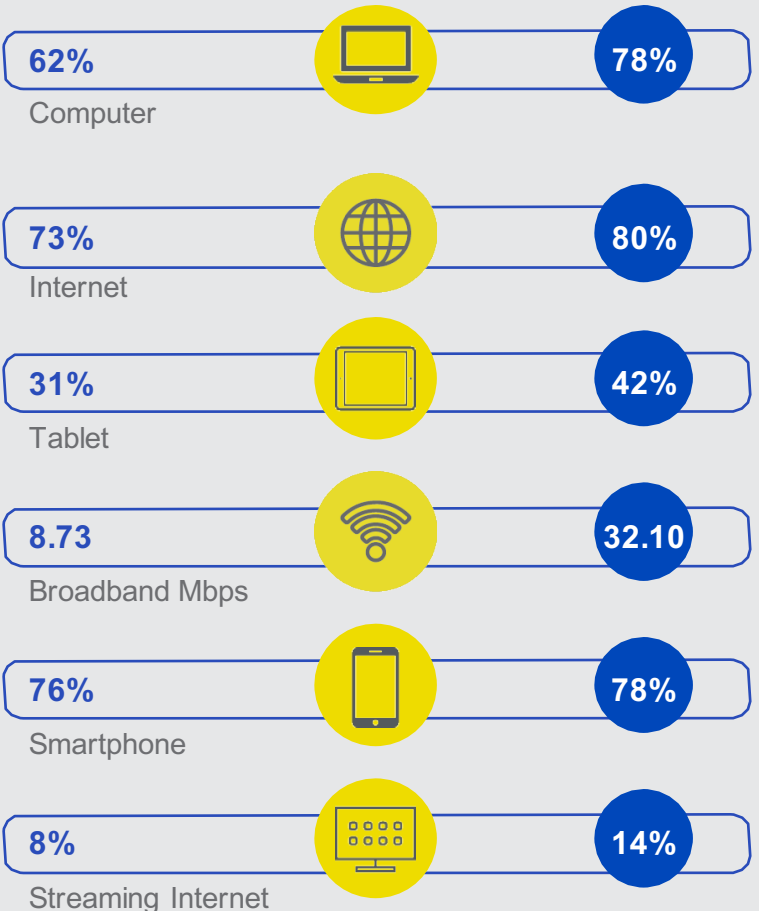
→ Innovation in **Machine to Machine** and **Internet of Things** solutions

66% 4G share in Italy in 2020
(vs. 26% in 2016)⁴

+43% Mobile data growth
(CAGR 17-20)⁴

Device usage in Italy¹

● EU Average





Payments



Mail & Parcel



Financial Services



Electronic Identification (eID)



Insurance

→ 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 downloaded¹

15.2 m Online Registered Users¹

25% Market share in **e-commerce payments**²

30% Market share in **e-commerce parcels delivery**

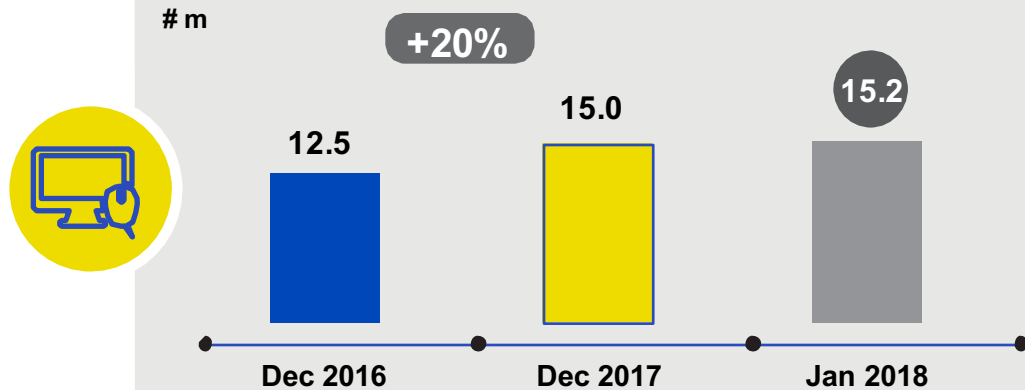
1.7 m Active **e-wallets**

1.8 m Electronic identifications (eID)

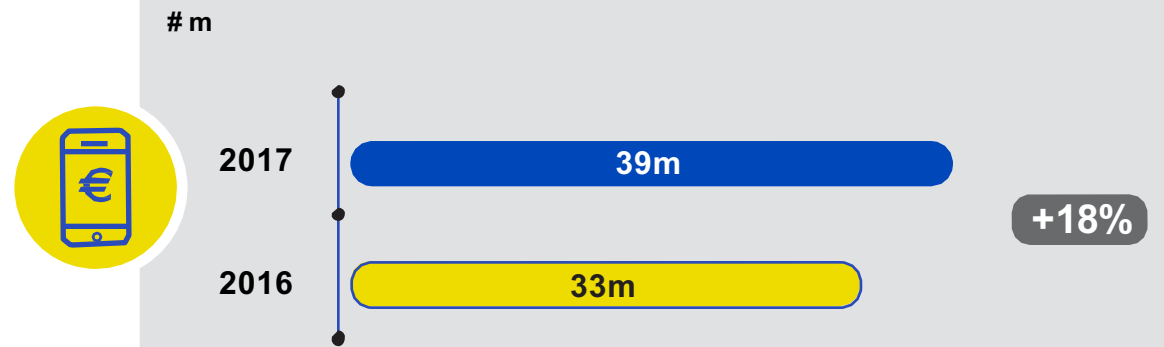
POSTE ITALIANE DIGITAL CHANNELS

FOCUS ON USAGE GROWTH

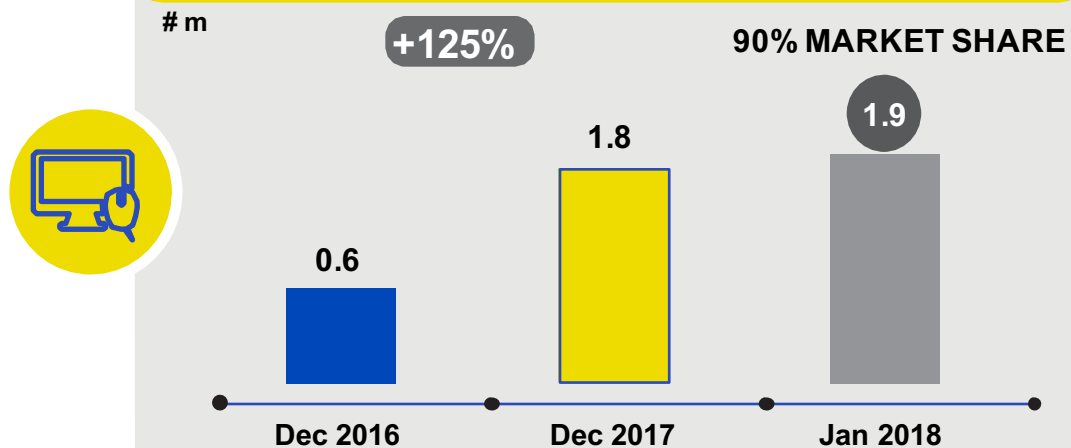
GROWTH IN REGISTERED ONLINE USERS



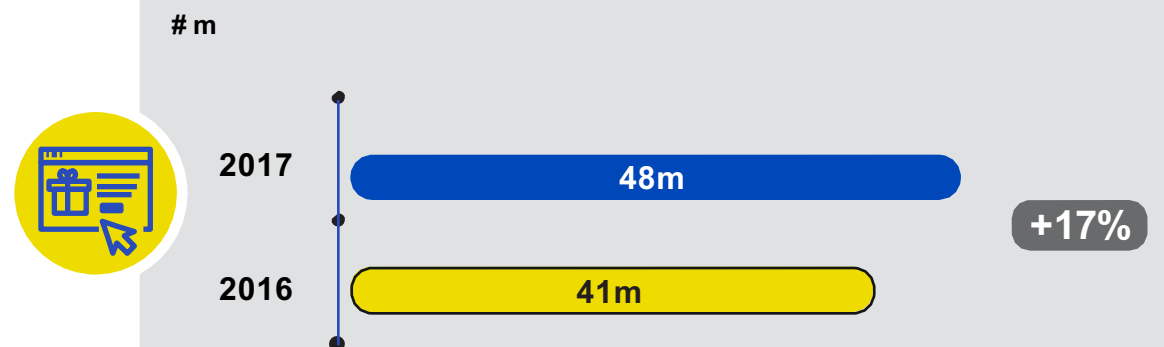
GROWTH IN CONSUMER FINANCIAL TRANSACTIONS



GROWTH IN ELECTRONIC IDENTIFICATION



GROWTH IN TRACK&TRACE SEARCHES



DIGITAL SERVICES PUBLIC ADMINISTRATION

ACTIVELY SUPPORTING ITALIAN PUBLIC ADMINISTRATION DIGITALIZATION INITIATIVES



- **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

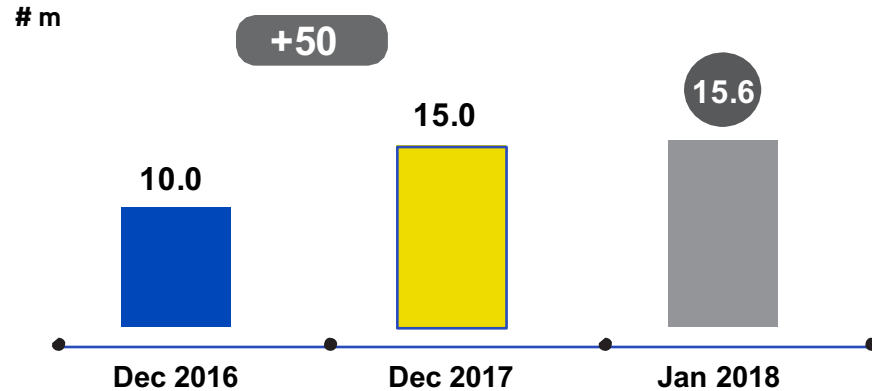


- **Agreement with Ministry of Education (MIUR)** to provide **card platform for students**

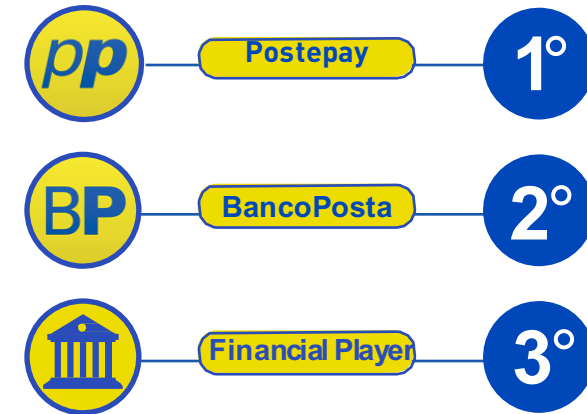
POSTE ITALIANE DIGITAL CHANNELS

FOCUS ON MOBILE APPS

GROWTH IN APPS DOWNLOADS¹



MARKET LEADING FINANCIAL APPS² - DOWNLOADS



HIGH APP USER SATISFACTION³



(1) Source: App stores (iOS and Android)

(2) Source: App Annie - Dec 2017

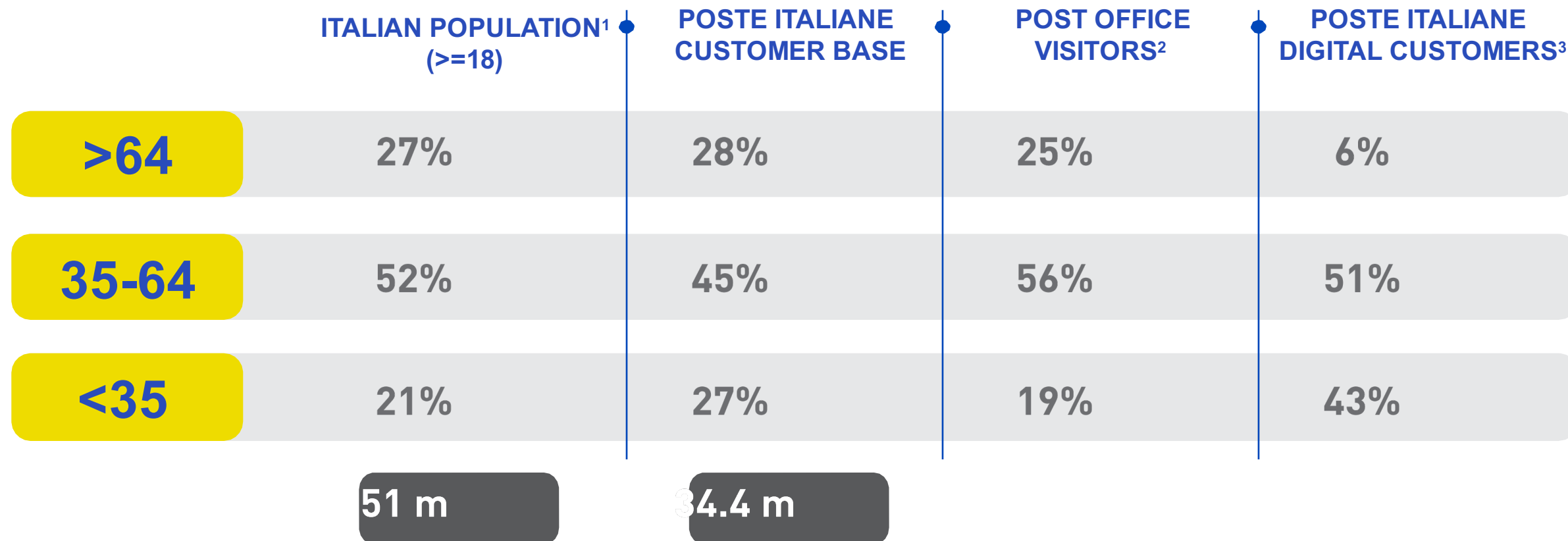
(3) Source: App stores (iOS and Android) – average rating on Jan 2018

MAXIMIZE OPPORTUNITY REPRESENTED
BY CONVERGENCE OF PHYSICAL AND DIGITAL CHANNELS

POSTE ITALIANE CUSTOMER BASE AT A GLANCE

HIGH PENETRATION IN “UNDER 35” CLIENTS

DEMOGRAPHICS



POSTE ITALIANE DAILY VISITORS

MULTICHANNEL TOUCHPOINTS

DAILY POST OFFICE VISITORS

1.5 m



POST OFFICE

DAILY ONLINE VISITORS

1.3 m



WEBSITE AND APPs

POSTE ITALIANE MULTICHANNEL TOUCHPOINTS DAILY VISITORS

CHANGING THE POST OFFICE EXPERIENCE

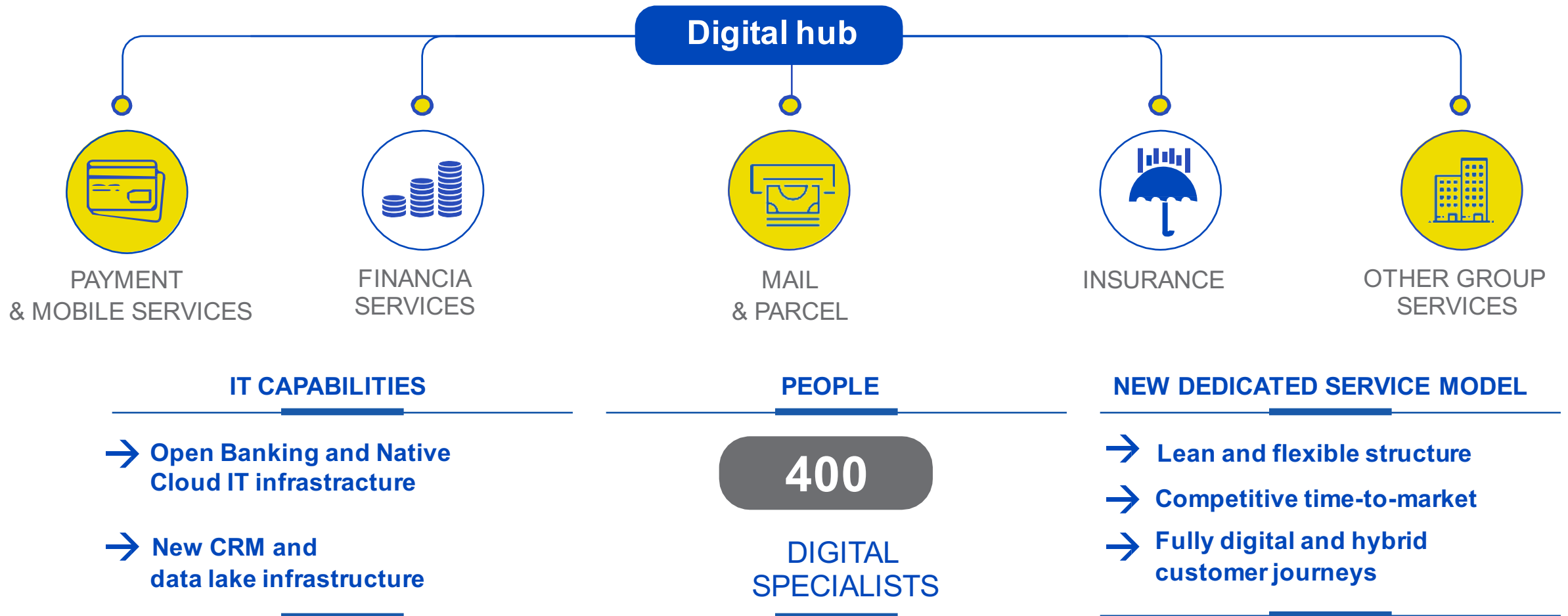


Integration of digital
and physical customer
journey

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



FINANCIAL TARGETS

MAIN FINANCIAL AND COMMERCIAL KPIs

		2017	2018	2020	2022	CAGR 17-22
Segment revenue	€ bn	0.6	0.6	0.7	0.8	+8%
Payments	Total Postepay cards portfolio, stock m	17.7	17.8	18.1	18.3	+1%
	of which Postepay Evolution, stock m	4.7	6.0	8.1	9.9	+16%
	Total payment cards transactions, bn	0.9	1.1	1.2	1.6	+12%
	of which e-commerce transactions, m	165	191	222	360	+17%
Mobile	PosteMobile new products # m	1.1	1.3	1.6	1.6	+8%
Digital	Digital e-wallets, stock # m	1.7	2.7	4.7	6.5	+31%

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

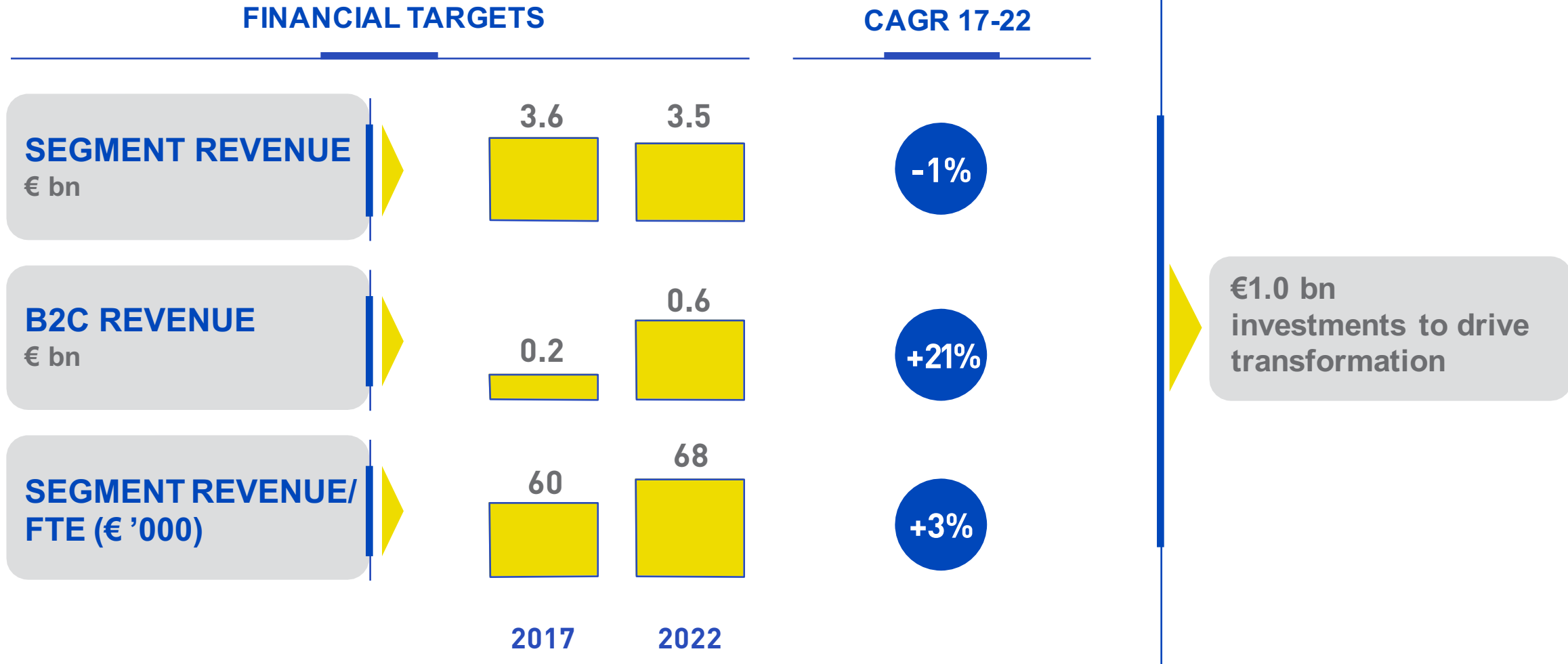
LEVERAGE UNIQUE DISTRIBUTION CAPABILITIES TO CAPTURE OPPORTUNITIES FROM POSTAL SECTOR EVOLUTION

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



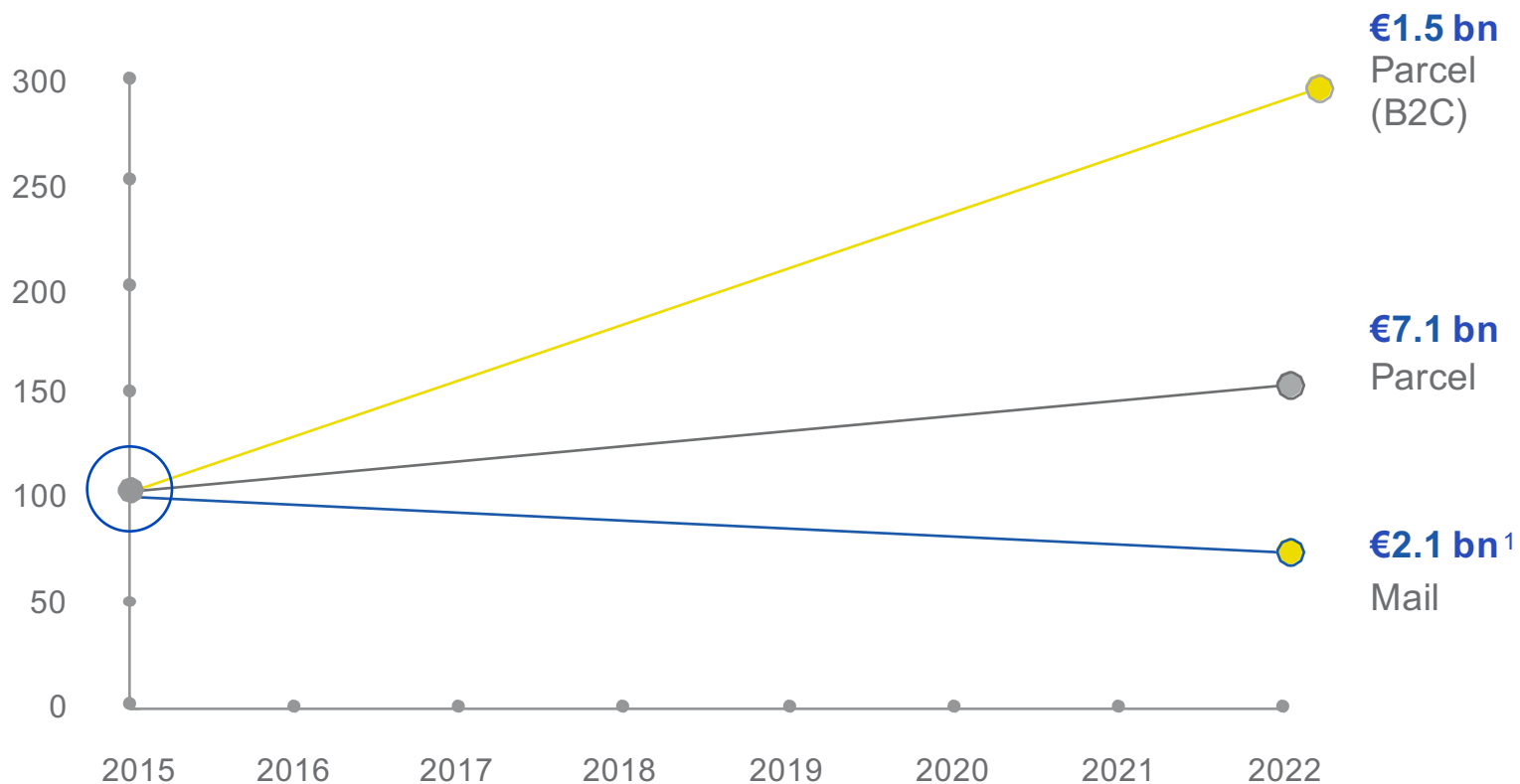
LEVERAGE UNIQUE DISTRIBUTION CAPABILITIES
TO CAPTURE OPPORTUNITIES FROM
POSTAL SECTOR EVOLUTION

POSTAL SECTOR EVOLUTION

MAIL DECLINE CONTINUING AND PARCEL GROWTH DRIVEN BY B2C

REVENUE INDEX

2015 figure = 100, Italian Market



CAGR 17-22

+16%

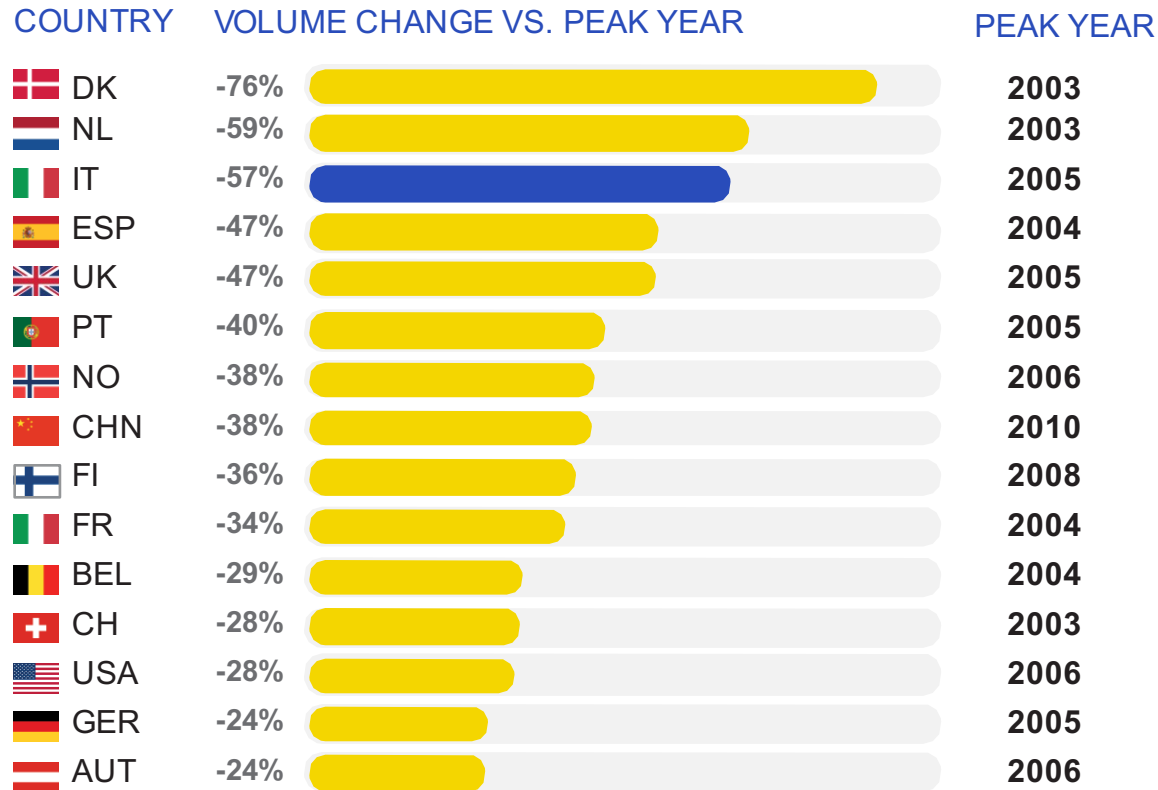
+6%

-4%

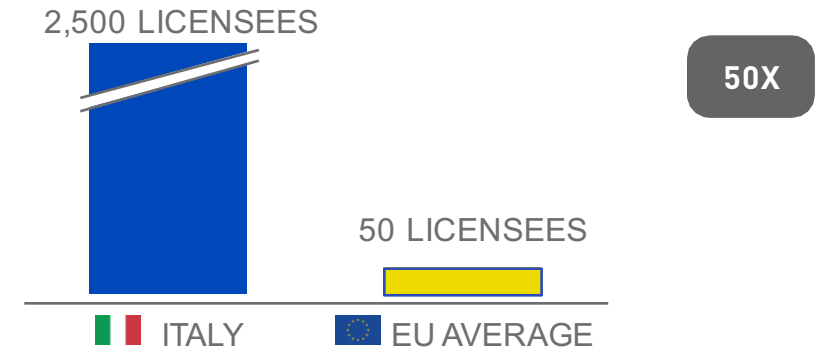
MAIL VOLUMES IN DECLINE

LIBERALIZATION AND LOW COMMERCIAL MAIL PENETRATION

STEEPER VOLUME DECLINES VS OTHER COUNTRIES

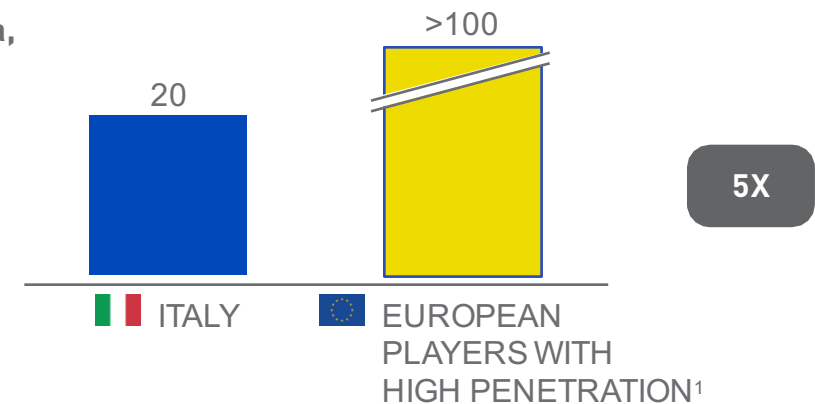


MARKET LIBERALIZATION DRIVING COMPETITION



SIGNIFICANT GAP IN PENETRATION OF COMMERCIAL MAIL

Commercial mail per capita, 2016

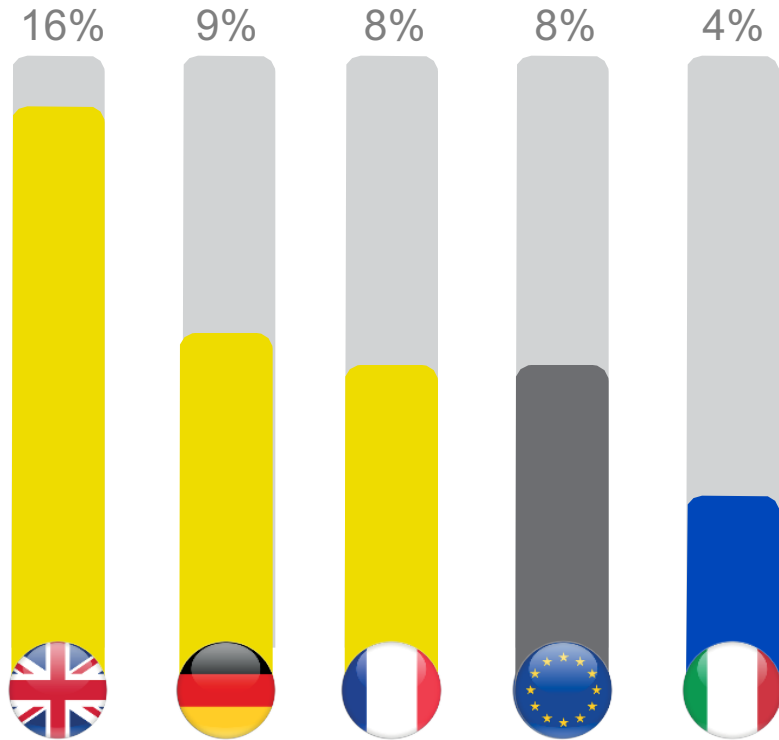


SIGNIFICANT E-COMMERCE GROWTH POTENTIAL IN ITALY

ONLINE SALES CATCHING UP WITH EUROPEAN PEERS

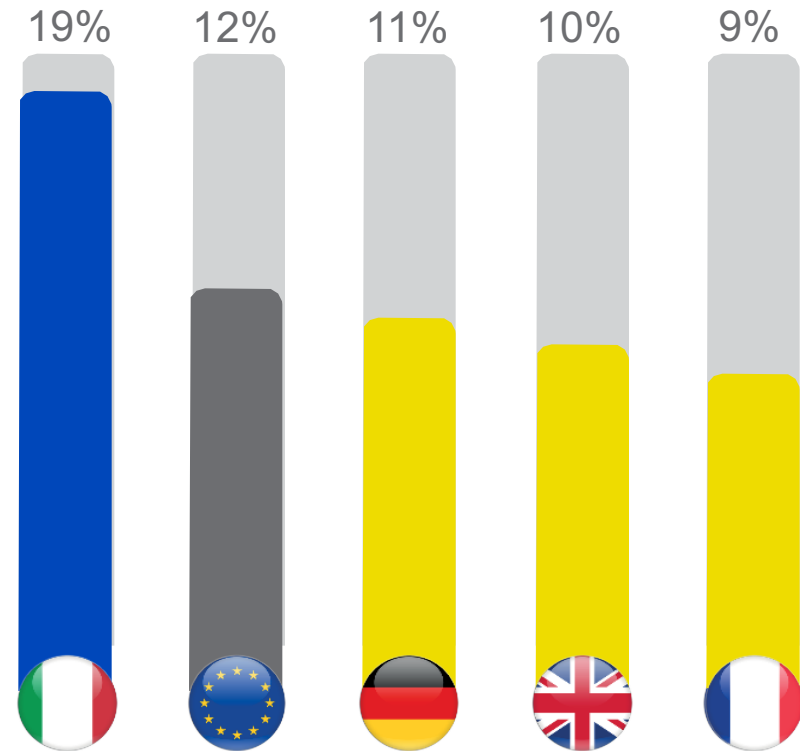
ONLINE SALES BELOW AVERAGE...

2017, online sales as % of total retail sales



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

Online sales value, CAGR 17-20

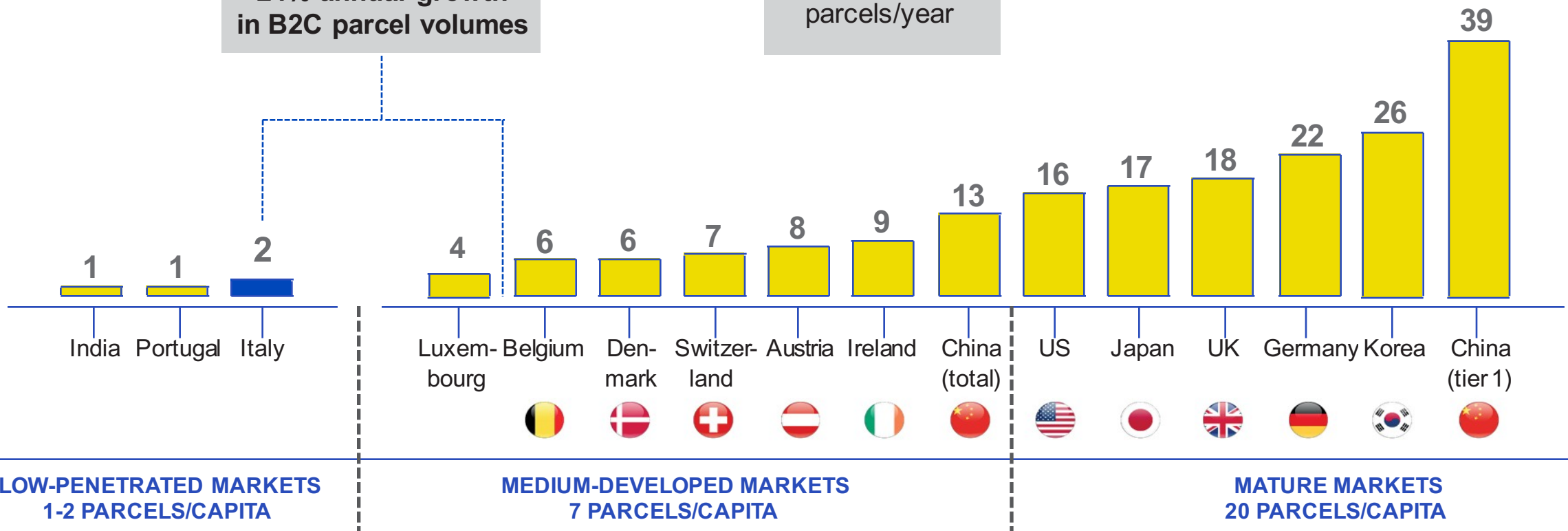


ITALIAN B2C VOLUMES TO MORE THAN DOUBLE BY 2020

E-COMMERCE-RELATED¹ PARCEL PENETRATION

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

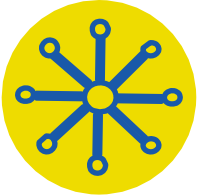
European average 8-10 parcels/year



UNRIVALLED DISTRIBUTION CAPABILITIES

LEVERAGING ON POSTE'S CUSTOMERS, SALESFORCE AND PAYMENTS LEADERSHIP

POSTAL DISTRIBUTION



Full Italian territorial coverage



Synergies across the value chain between mail and parcel network with 2,000+ delivery centers



Leadership in e-commerce with 30% market share and outstanding know how in parcel



Union Agreements introducing flexibility in terms of delivery

ACCESS TO CUSTOMERS



Wide distribution network covering all of Italy with 12,822 Post Offices



Significant commercial network in Italy, covering individuals and companies



Expertise and leadership in payments with 10 online payment options and 25% market share

AMAZON VIDEO

Posteitaliane

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

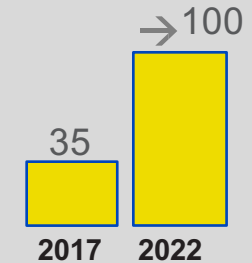
- New mail and parcel sorting machines, **improving automation**
- **Operational excellence**, improving safety and efficiency

LOGISTICS OPTIMIZATION

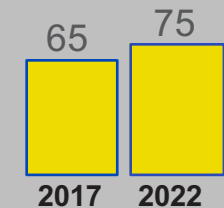
- **New hubs** for all Group parcels
- **Logistic nodes redesign** in joint approach (mail and parcel)
- **Transport optimization** for air and ground cargo

KEY METRICS

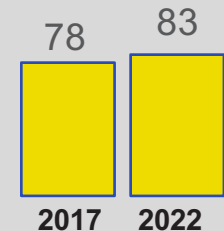
Parcels delivered by mailmen,
m pcs



Degree of mail automation,
%



Vehicles saturation,
%



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

Reduced labor costs
thanks to the new Joint
Delivery Model



Urban areas
(68% of pop., 80 daily items/km²)

- **Alternate day morning** delivery (standard mail)
- **Daily** additional **afternoon delivery** (parcels and registered)
- **Weekend** delivery

Increased flexibility
through variable staffing
and dynamic re-routing



Regulated / Rural areas
(24% of pop., 10 daily items/km²)

- **Alternate day** delivery

Improved service levels
thanks to better scheduling
in large metro
and urban areas

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**¹ and processes

KEY EVIDENCE

50%

Reduction of sorting lines

900k

Peak daily parcel processing capacity

10-15%

Sorting center staff performance improvement per shift



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

4

Total parcel sorting centers with 3 new hubs

10

Highly automated mail sorting centers

6

Dedicated air cargo routes

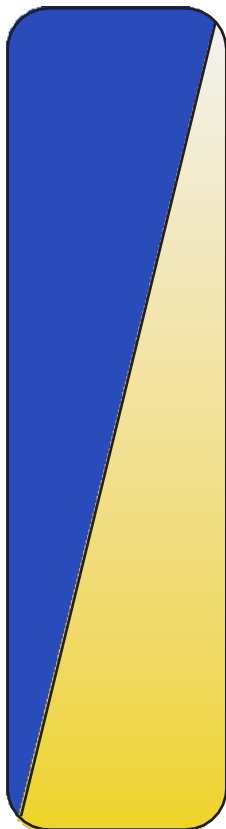
| “IL POSTINO” VIDEO

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



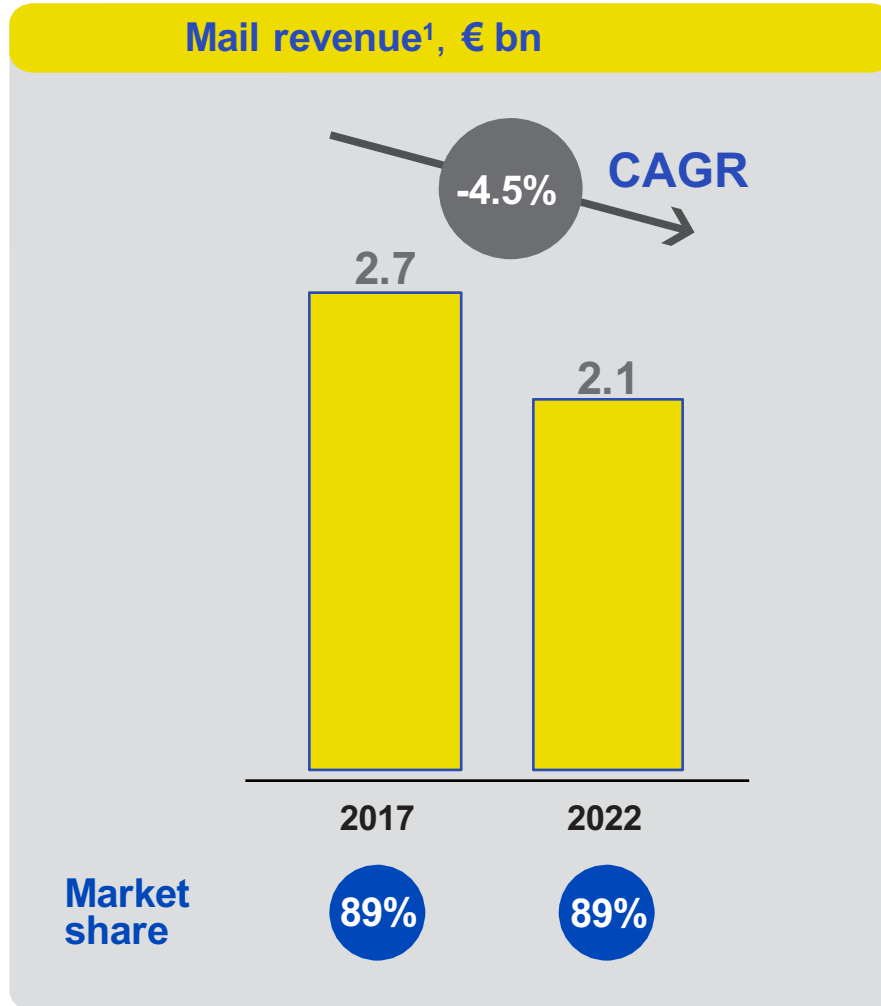
Backlog
management



Product
tracking

COUNTERING DECLINE IN MAIL

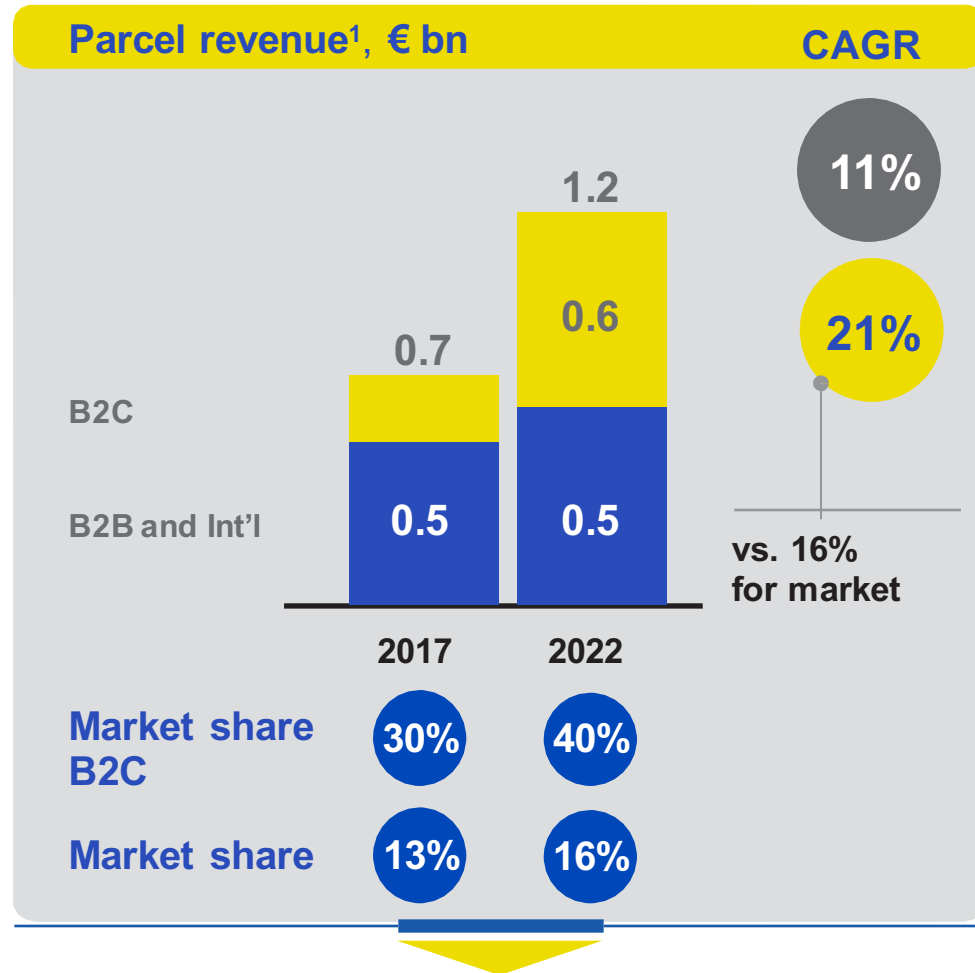
KEY INITIATIVES



- Introduction of **new products**, based 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**

DELIVERING SIGNIFICANT B2C GROWTH

KEY INITIATIVES



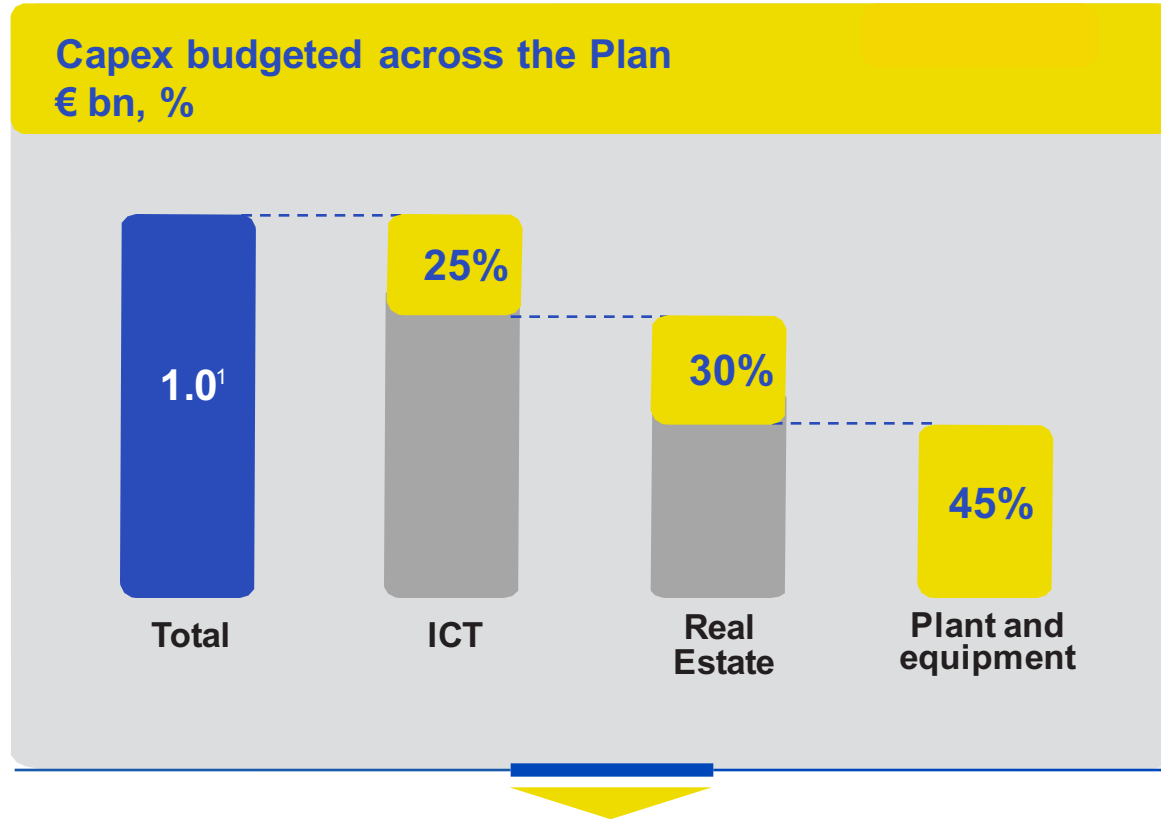
Strong commercial effort to gain new customers and increase quality

- **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 **SDA²** taking a "one-company" approach
- Leverage **already available air cargo routes** to guarantee J+1 parcels delivery

SIGNIFICANT INVESTMENTS TO REACH CLEAR
AND REALISTIC TARGETS

INVESTMENT PLAN

SIGNIFICANT INVESTMENT TO SUPPORT TRANSFORMATION



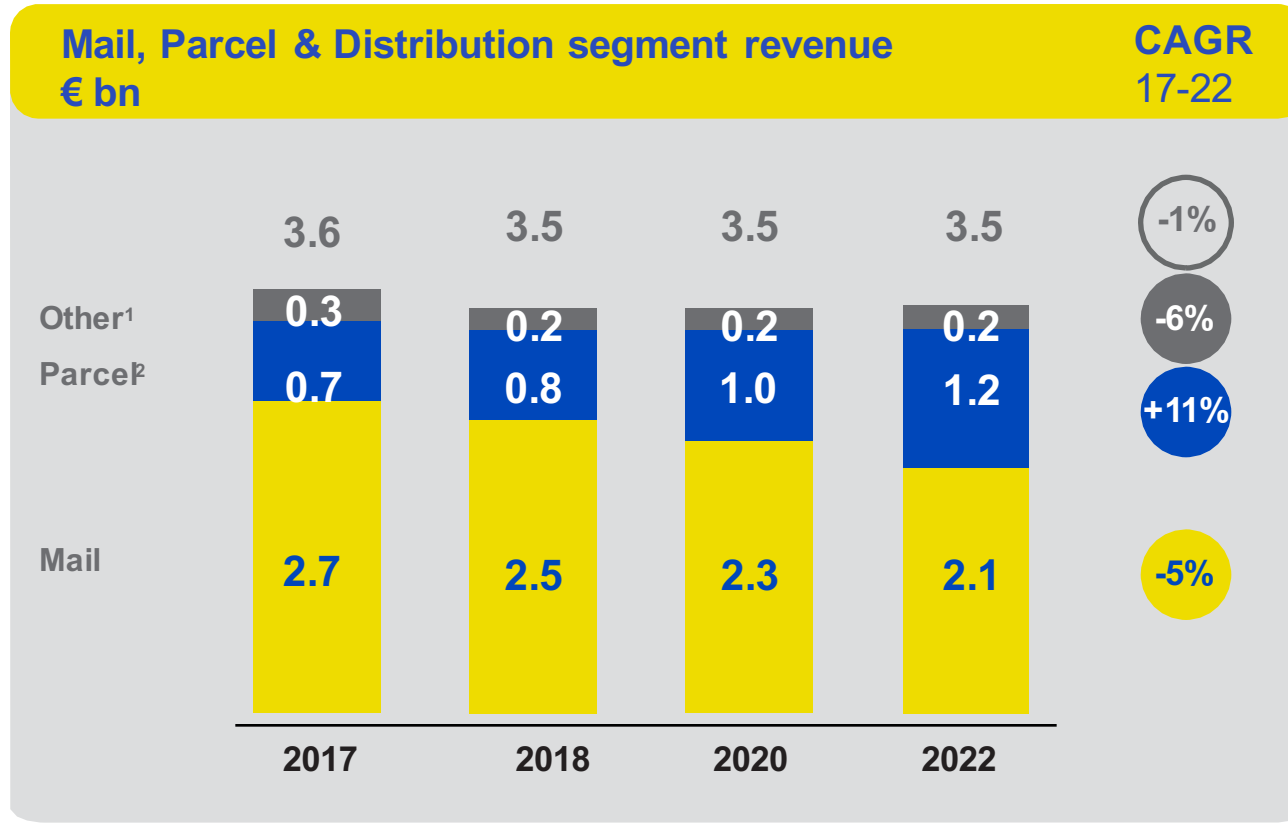
Capex = 5% of segment revenue

MAIN PROJECTS

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

SEGMENT REVENUE TARGETS AND COST OF LABOR EVOLUTION

SUSTAINABLE BUSINESS MODEL COMBINING MAIL & PARCEL



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

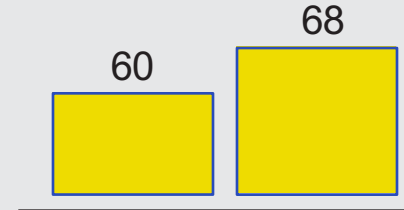
Segment revenue/FTE to increase from around €60,000 in 2017 to around €68,000 in 2022

KEY PERFORMANCE INDICATORS

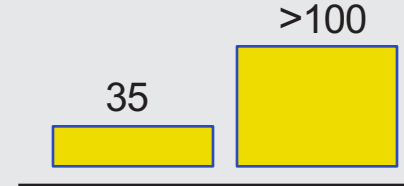
MONITORING ACROSS THE TRANSFORMATION

**EXTENSIVE
TURNAROUND AND
JOINT DELIVERY
MODEL**

**Segment revenue/
FTE (€ '000)**

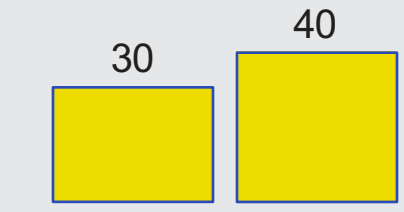


**Parcels delivered
by mailmen
m pcs**

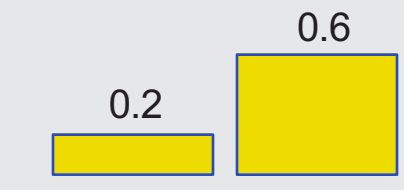


**SIGNIFICANT
DEVELOPMENT OF
PARCEL BUSINESS**

**B2C market share
%**



**B2C revenues
€ bn**



2017 2022

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

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

€ bn unless otherwise stated

	2017	2022	CAGR 17-22
ADJUSTED GROSS REVENUE ¹ EXCLUDING CAPITAL GAINS	5.4	6.4	+3.6%
TFA	506	581	+3%
PRODUCT SALES (# m)	8	>12	> +8%

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 networks¹

-17%

Regulation driving transparency on cost and investment performance

Mifid II started Jan 2018
IDD starting Oct 2018

Low non-motor P&C penetration²



0.9% vs 2.1%



Low household debt levels³



41.3% vs 57.9%



MACRO

Italian economy recovering⁴

+1.5%

GDP growth 2017

Growing Italian wealth with an increasing penetration of AuM⁵

+2.4%

Annual growth in financial assets 17-20

Expected moderate increase in interest rates⁶

2022 vs 2018

+0.6%

10y IRS

¹ 163 banks; Source: Banca d'Italia, 01/12-09/16, classified as "SpA banks"

² P&C non motor premiums/GDP. ANIA "L'Assicurazione italiana 2016-2017"

³ Household debt on GDP 2017

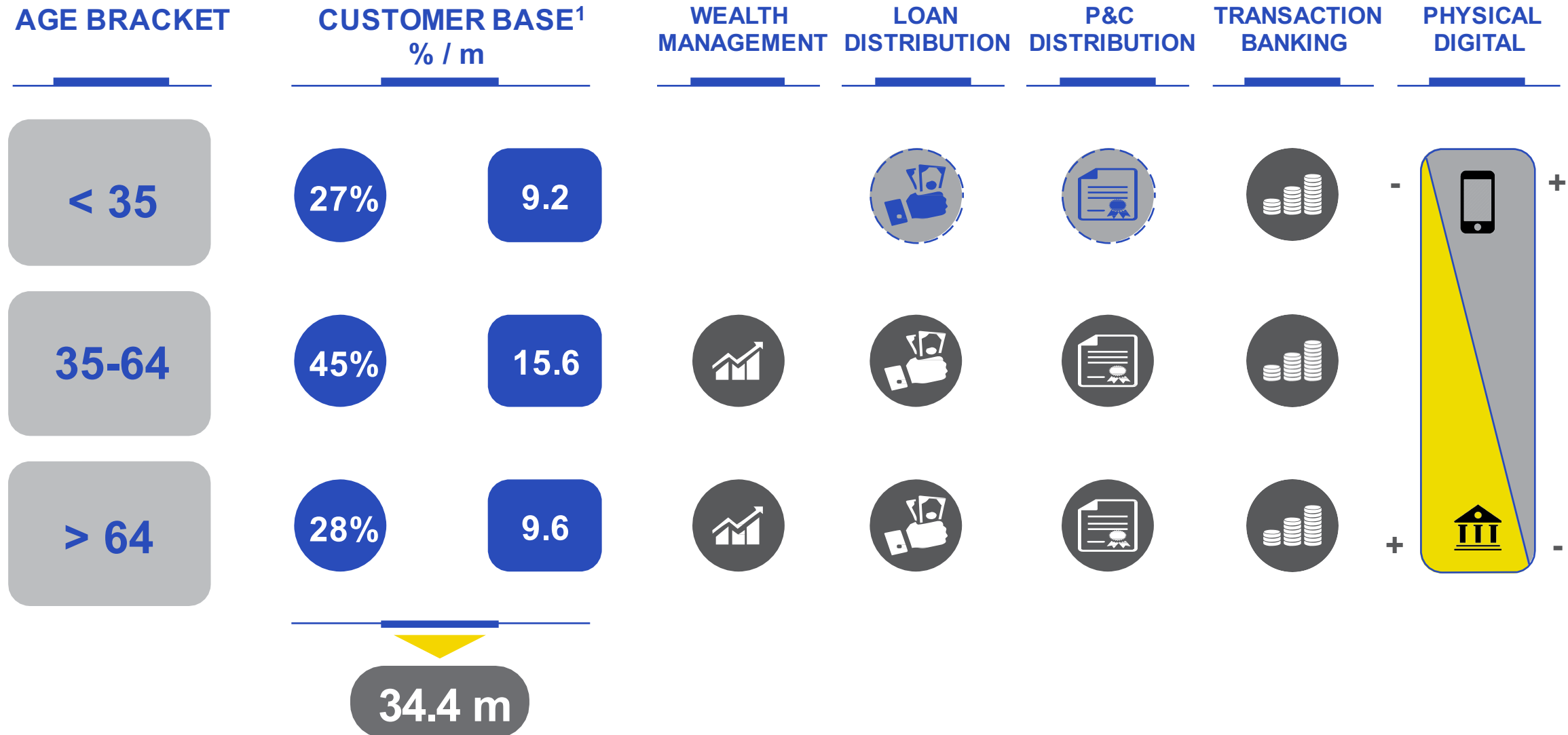
⁴ Real GDP growth for Italy; ISTAT, 2017 figures

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%

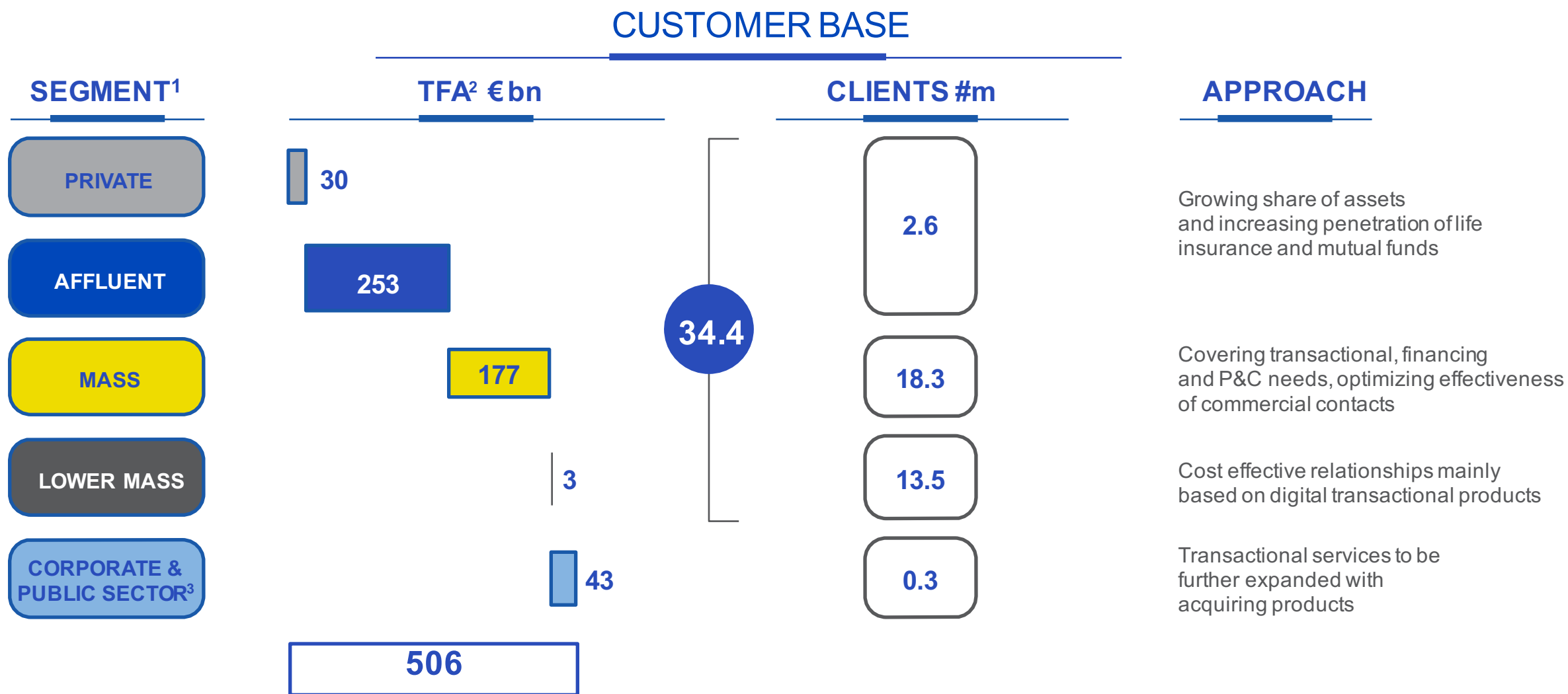
PRODUCT OFFER AND CHANNELS ADAPTED TO ALL AGE BRACKETS

LEVERAGING CUSTOMER DATA & ANALYTICAL CAPABILITIES



SEGMENTED STRATEGIC MARKETING APPROACH

LEVERAGING CUSTOMER DATA & ANALYTICAL CAPABILITIES



¹ Private: TFA > €500K; Affluent: TFA between €75K and €500K or selected prospects with TFA < €75K; Lower Mass: monoprodukt 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 wealth¹ in cities where Poste
has greater market share than top banks³



TRUSTED
BRAND

Clients consider Poste Italiane to be
financially sound and reliable³



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

PRODUCT LINE



Wealth management¹



Loan & mortgage distribution



P&C insurance distribution



Transaction banking

ARCHITECTURE

Controlled open platform

Third party product distribution – no credit risk

Smart distribution model

Fully captive

KPI 17→22

506 → 581
TFA, € bn

2.6 → >6.0
Annual volume, € bn

0.4 → >2.0
Annual contracts, # m

0.9 → 1.6
Annual transactions, # bn

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

cdp
cassa depositi e prestiti
Postal savings

Controlled open
platform combining
fully captive vs. open
distribution models

PRODUCT
STRUCTURING

Postevita


Postevita
BancoPostaFondi SGR

BancoPostaFondi SGR

cdp
cassa depositi e prestiti
BancoPosta

In-house product
governance

ASSET
MANAGERS

BancoPostaFondi SGR
ANIMA 
+ Best in class
asset managers

BancoPostaFondi SGR
ANIMA 
+ Best in class
asset managers

BancoPostaFondi SGR
ANIMA 
+ Best in class
asset managers

cdp
cassa depositi e prestiti

Strong contribution
from Anima and best in
class asset managers

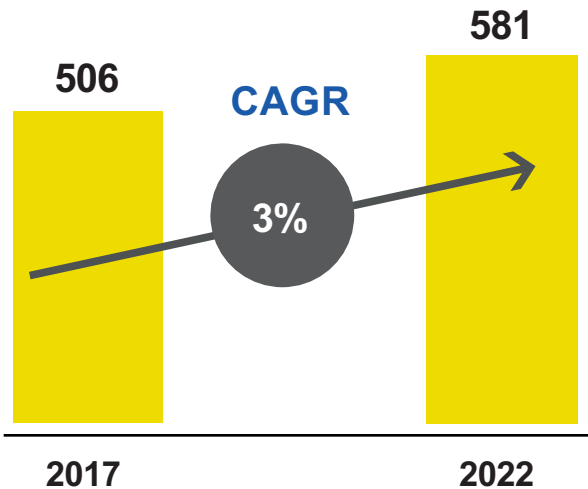
WEALTH MANAGEMENT

TFA GROWTH WITH HEALTY MARGINS

Life insurance and mutual funds, % on TFA



TFA, € bn



Revenue (financial+insurance)/TFA¹, bps



- 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

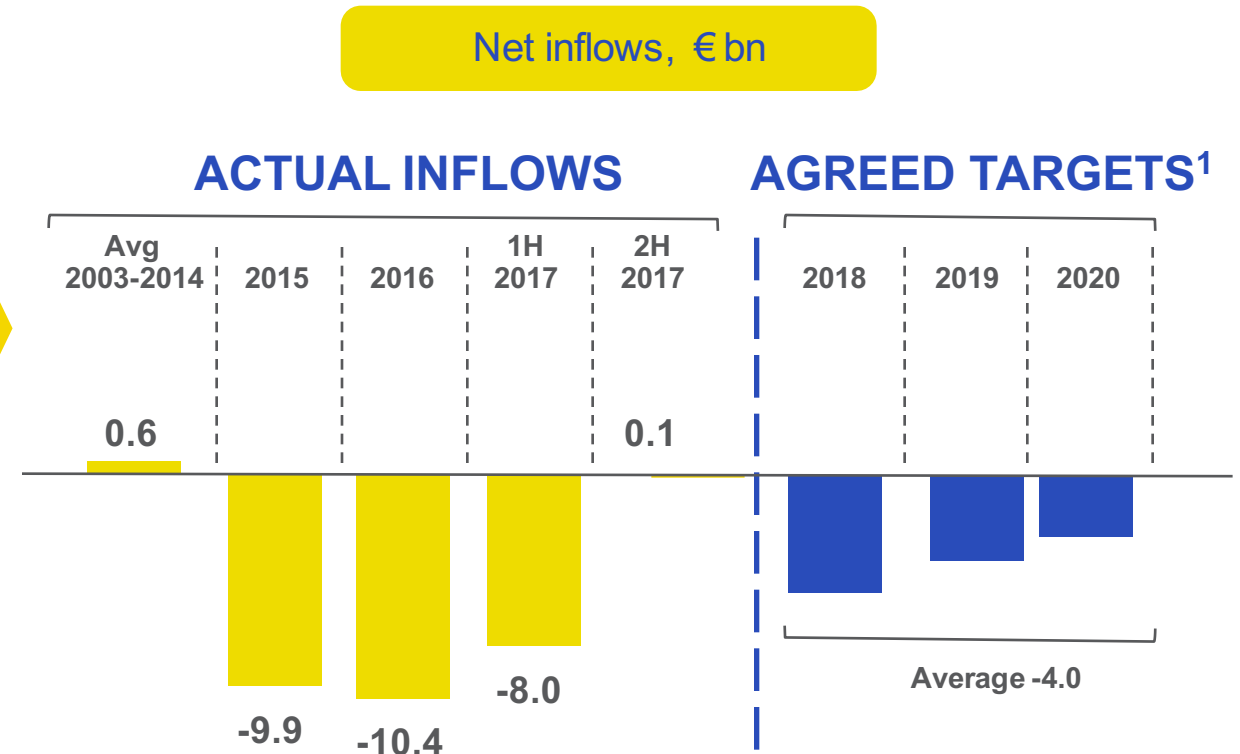
NEW CDP AGREEMENT

REVAMPING PROGRAM ALREADY AT FULL SPEED, YIELDING ENCOURAGING EARLY RESULTS

NEW PRODUCTS

INCREASING MARKETING ACTIVITIES

IMPROVED CUSTOMER EXPERIENCE

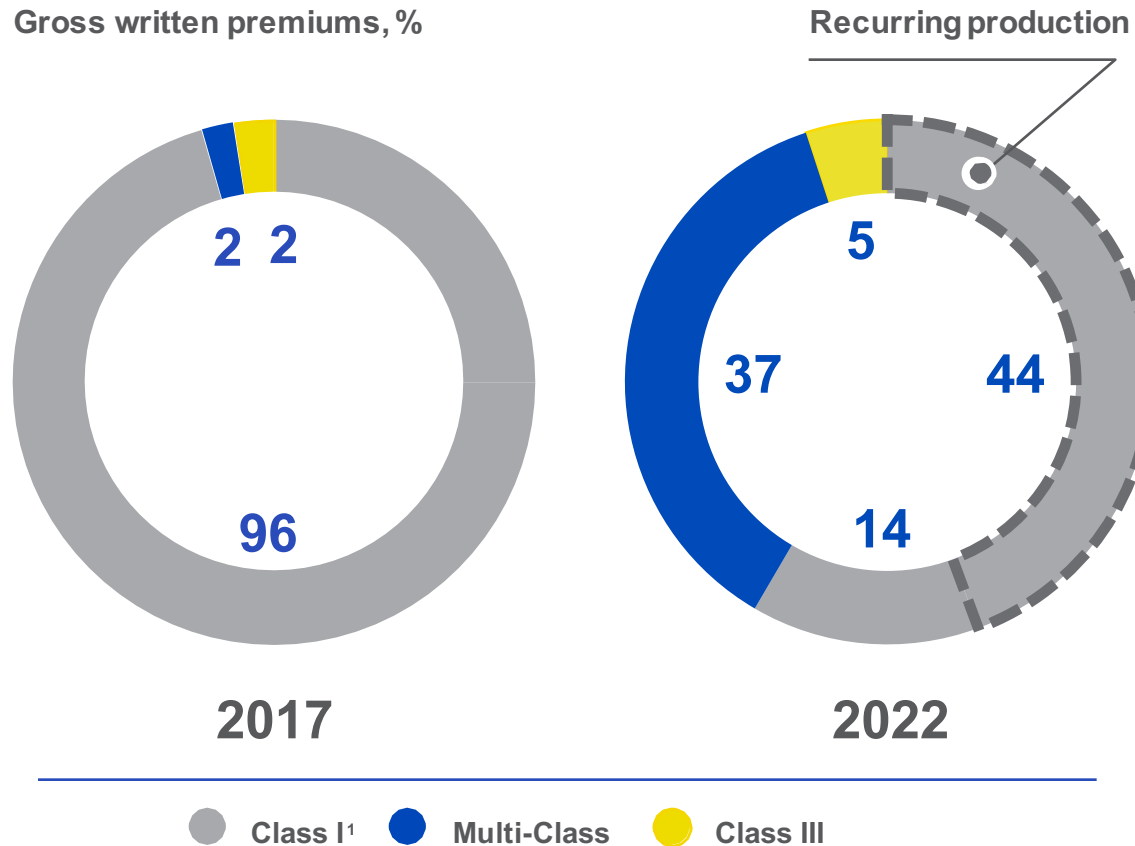


Revenue expected in the higher part of the range (floor: €1.55 bn – cap: € 1.85 bn)
At least €1.8 bn annual fees in 2018

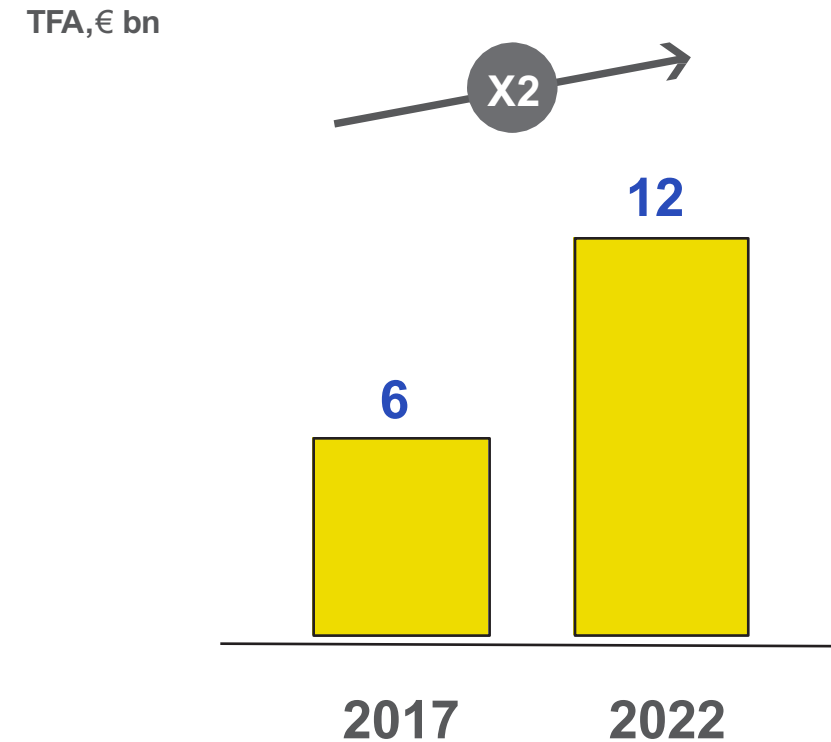
LIFE INSURANCE

ADJUSTING MIX AND CONSOLIDATE PRIVATE PENSION PLANS

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



CONSOLIDATE THE ALREADY STRONG POSITION IN PRIVATE PENSION PLANS



LOAN AND MORTGAGE DISTRIBUTION

CAPITAL LIGHT MODEL WITH NO CREDIT RISK

DISTRIBUTION BUSINESS MODEL



- > Capital light business model with no credit risk for Poste Italiane
- > Upfront revenue on distribution
- > Proprietary platform to coordinate multipartner offering



● Increase diversification of providers to ensure best in class customer offer

● Relaunch mortgage business to increase cross selling potential

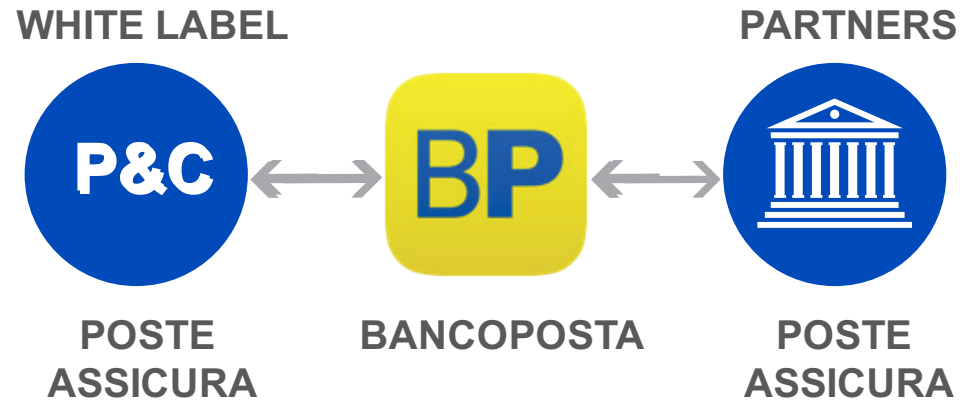
● Improve branch activation and lift productivity towards best practices

● Invest in marketing and advertising to drive additional growth

P&C INSURANCE DISTRIBUTION

NEW PRODUCT LINE DELIVERING UPFRONT REVENUE

DISTRIBUTION BUSINESS MODEL



- > “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



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 REGIONS¹



Rationalization of
administrative areas

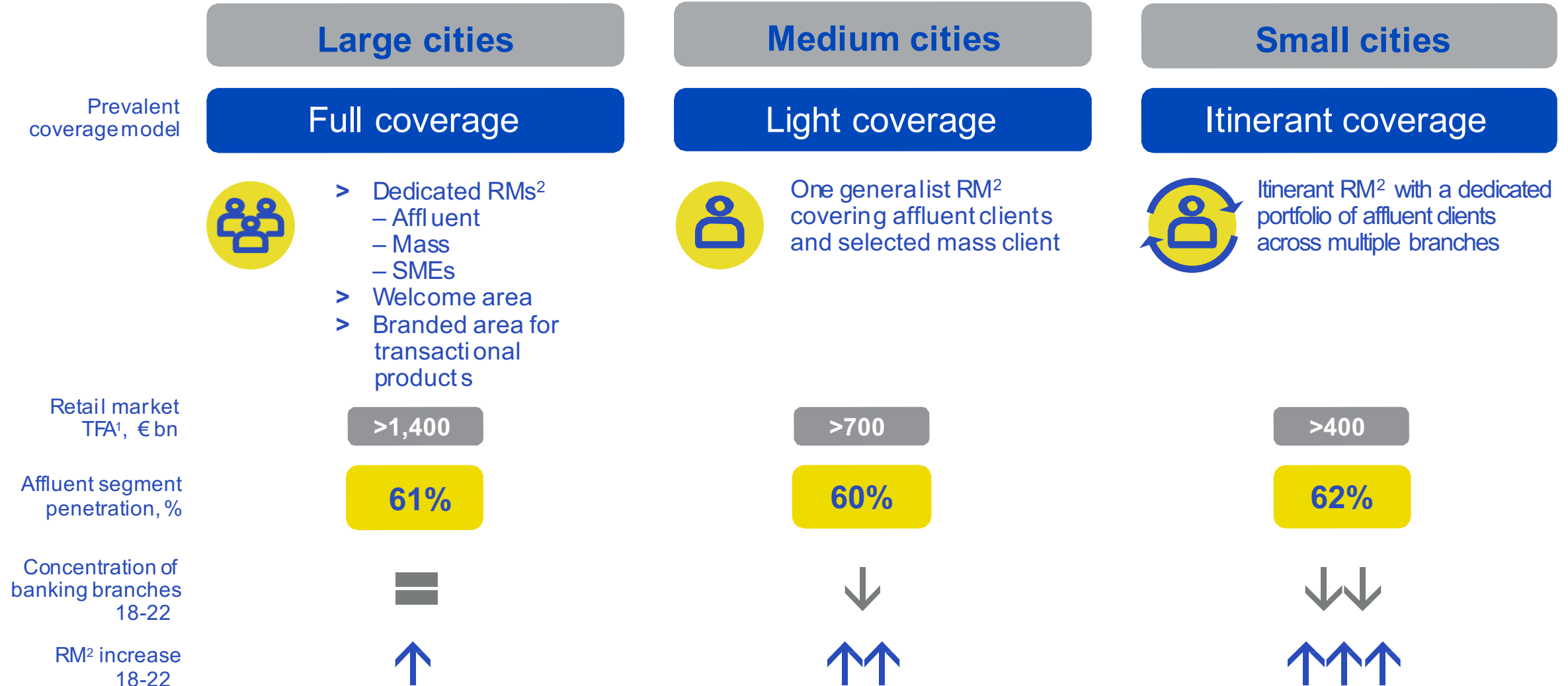
Branch optimization
to reduce overlap
in medium and large cities

No changes to small
cities² coverage

>3,000 FTEs
REDEPLOYED TO
COMMERCIAL
FRONT-LINE ACTIVITIES

SEGMENT ORIENTED SERVICE MODEL

NEW MODEL CENTERED ON CLIENT RELATIONSHIP

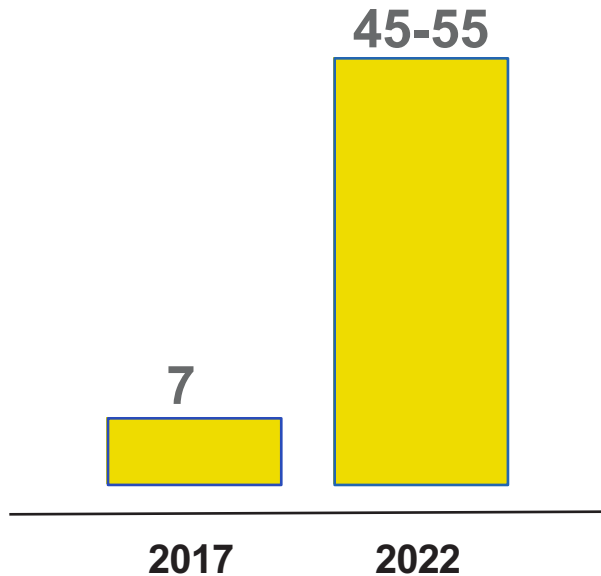


INCREASED CLIENT COVERAGE MODEL

FRONT-LINE STAFF INCREASE AND INVESTMENT IN SKILLS DEVELOPMENT

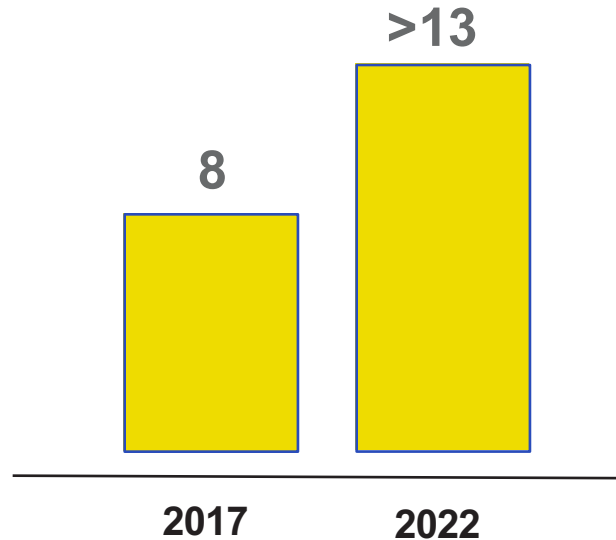
STRENGTHENED COVERAGE MODEL TO MAXIMIZE CROSS-SELLING

Clients covered by a RM
%



INCREASED COMMERCIAL FRONT-LINE

Total RMs
'000



BUILDING SKILLS AND CHANGE MANAGEMENT INITIATIVES



SUPPORTING COMMERCIAL FRONTLINE

INVESTMENT IN IT AND DATA CAPABILITIES



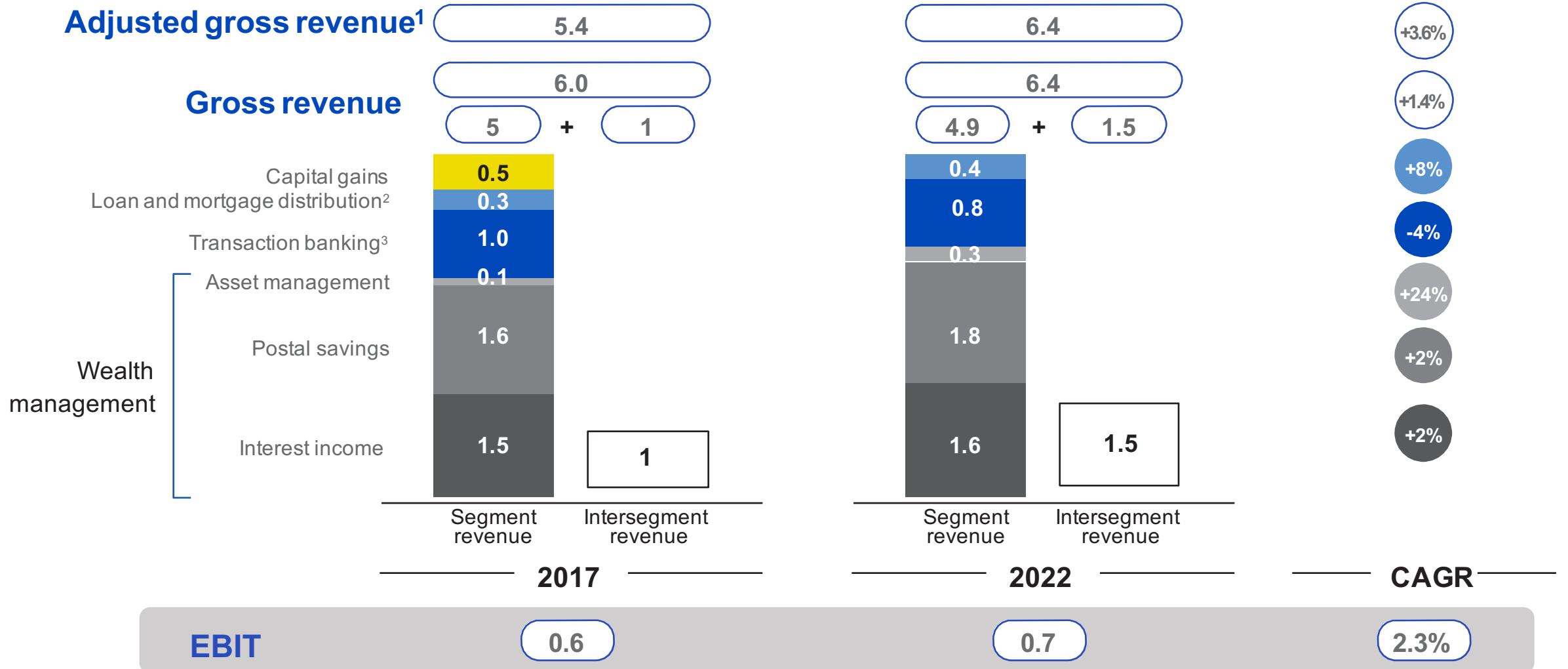
NEW LAYOUT AND A MULTI-CHANNEL CUSTOMER JOURNEY VIDEO

DELIVER SUSTAINABLE CAPITAL
LIGHT GROWTH BUILT ON RISING
MARGINS AND EXPANDED OFFER

A PRUDENT GROWTH PATH

REVENUE AND EBIT TARGETS

€bn unless otherwise stated



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

FINANCIAL TARGETS AND KPIS

FINANCIAL SEGMENT PERIMETER

€bn unless otherwise stated

	2017	2018	2020	2022	CAG 17-22
Segment revenue	5.0	5.1	5.0	4.9	-0.1%
(-) Non recurring revenue ¹	0.6	0.5	0.3	0	
(+) Intersegment revenue	1.0	1.0	1.3	1.5	
Adjusted gross revenue	5.4	5.6	6.0	6.4	+3.6%
Common Equity Tier 1 Capital	2.1	2.3		2.3	
TFA	506			581	
Product sales (# m)	8			>12	
Fees per client² (€)	235			>270	

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

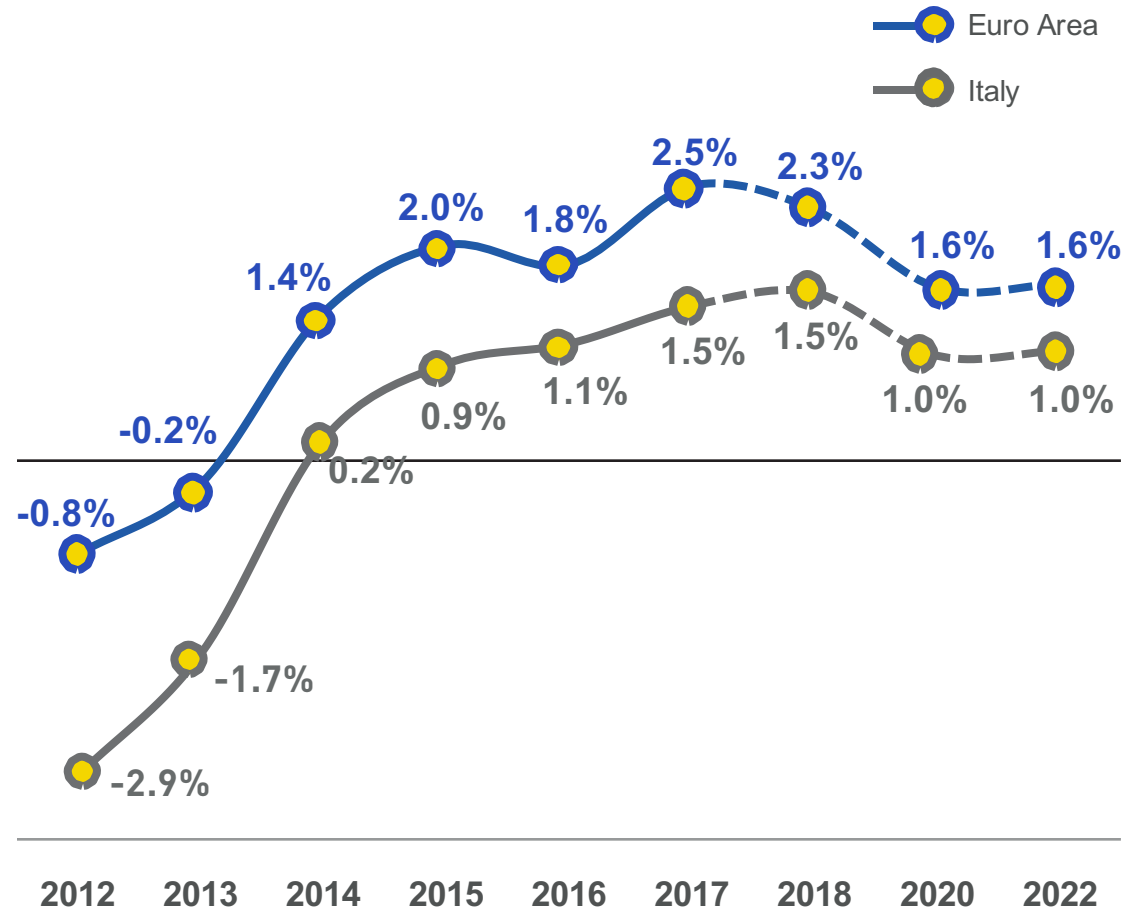
KEY CONSOLIDATED FINANCIAL TARGETS

€ Bn unless otherwise stated

	2017	2018	2020	2022	CAGR 17-22
REVENUE	10.6	10.7	10.9	11.2	+1%
EBIT	1.1	1.4	1.6	1.8	+10%
EBIT MARGIN %	11%	13%	15%	16%	
NET PROFIT	0.7	1.0	1.1	1.2	+13%
ROE % ¹	10%	13%	13%	13%	
		18-20	21-22		
DIVIDEND (€/SHARE)	0.42	+5% Per Annum	Minimum Payout 60%		

PLAN BASED ON REALISTIC MACRO ASSUMPTIONS

ITALIAN GDP GROWTH FORECAST BELOW EURO AREA



10 YEAR INTEREST RATE SWAP

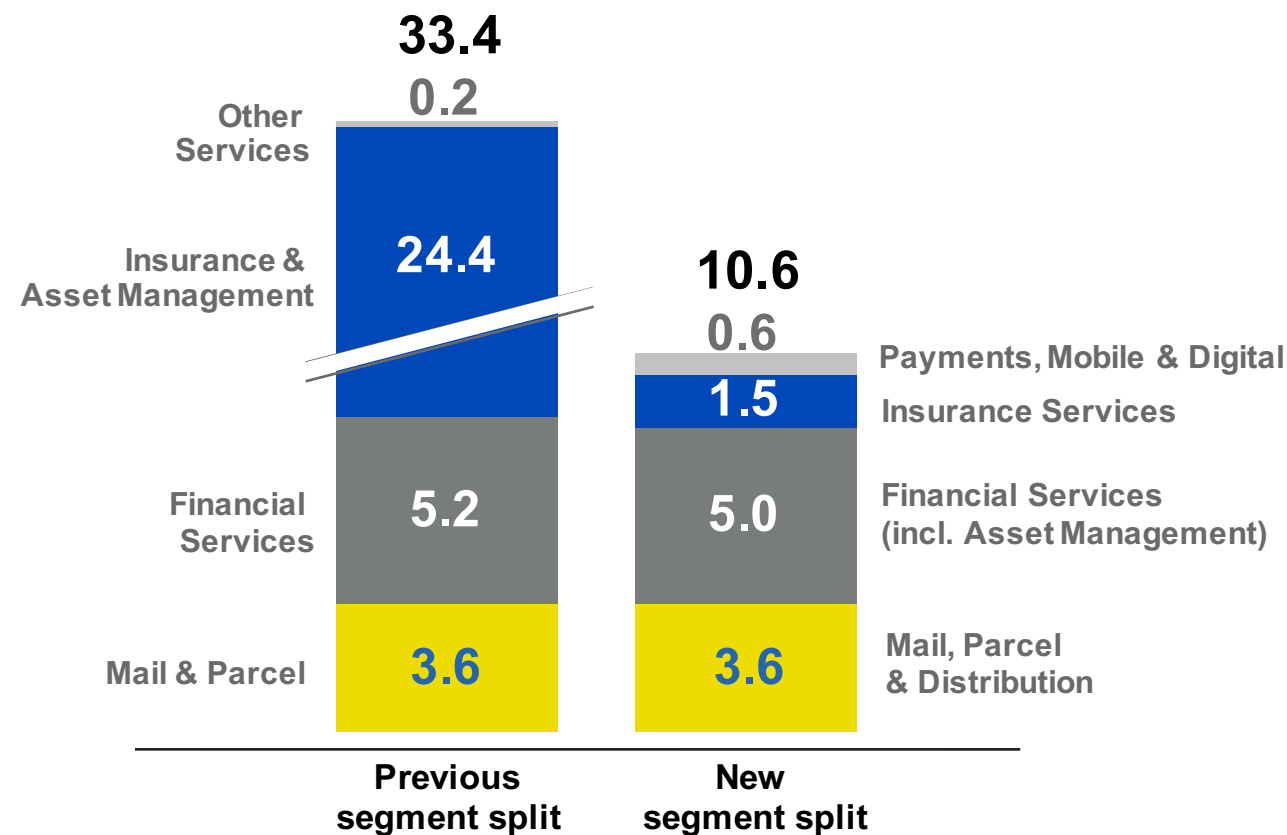


SEGMENT REORGANIZATION

ALIGNING REPORTING WITH NEW STRATEGIC VISION

2017 REVENUE BREAKDOWN

€ bn



KEY HIGHLIGHTS

- 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**

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

PRAGMATIC & ACHIEVABLE TARGETS ACROSS BUSINESS SEGMENTS

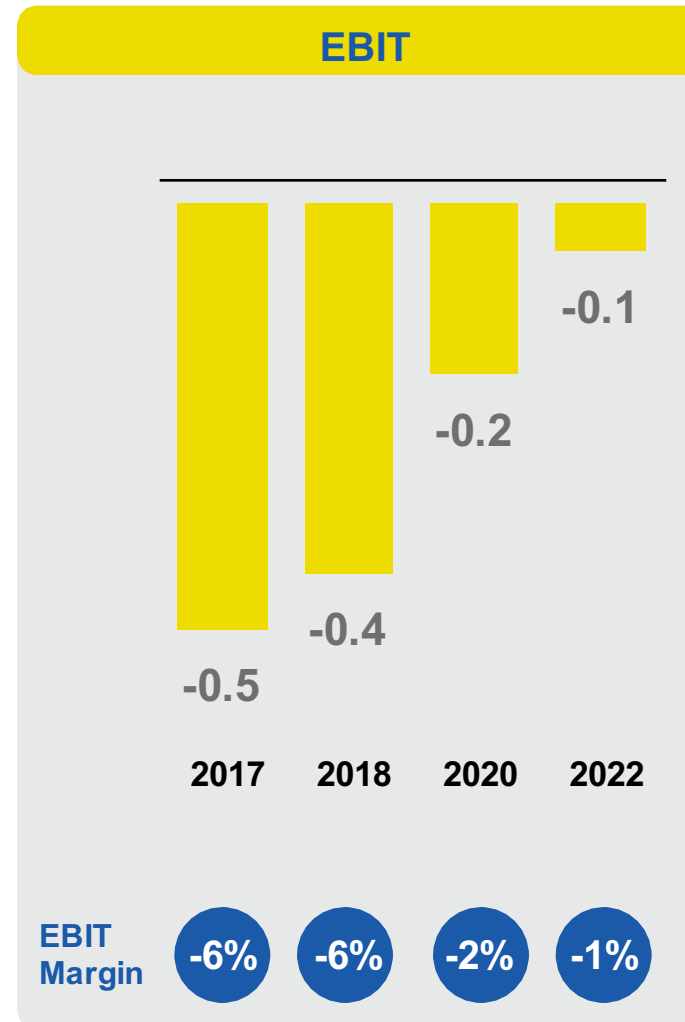
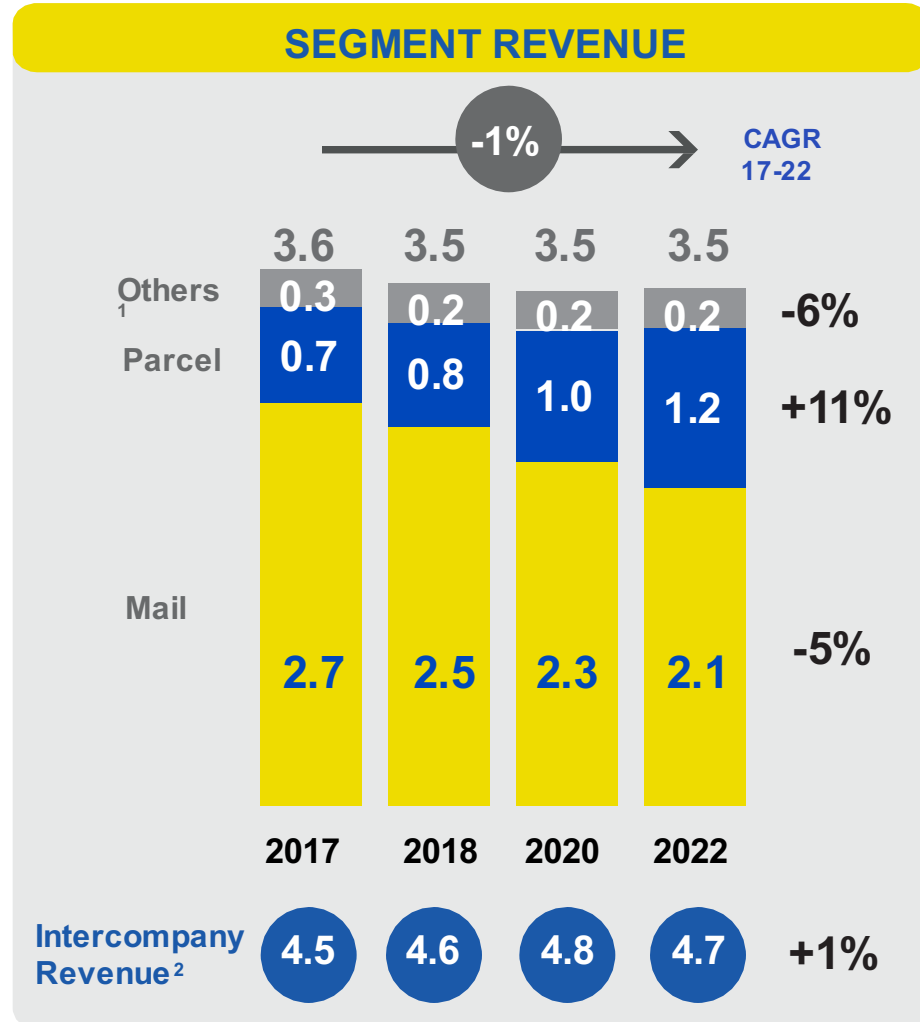
OVERVIEW OF VALUE DRIVERS AND FINANCIAL TARGETS

SEGMENT	VALUE DRIVERS	KEY FINANCIAL TARGETS
TURNAROUND IN MAIL AND GROWTH IN PARCEL	<ul style="list-style-type: none"> → 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 	<ul style="list-style-type: none"> → -1% Segment Revenue CAGR 17-22 → EBIT 2022 approaching breakeven
GROWTH IN PAYMENTS, MOBILE & DIGITAL	<ul style="list-style-type: none"> → Evolution from legacy payments to digital payments <ul style="list-style-type: none"> - Develop innovative digital solutions for the fast growing e-payments market - Defend highly cash generating legacy products → Telecoms business development & integration with digital payments 	<ul style="list-style-type: none"> → +8% Segment Revenue CAGR 17-22 → +1% EBITDA and EBIT CAGR 17-22
RESILIENT FINANCIAL SERVICES RESULTS	<ul style="list-style-type: none"> → 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 	<ul style="list-style-type: none"> → +3% TFAs growth → Stable Segment Revenue in 17-22 → +1% Net Profit CAGR 17-22
CONSOLIDATE LEADERSHIP IN LIFE AND DEVELOP P&C BUSINESS	<ul style="list-style-type: none"> → 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 	<ul style="list-style-type: none"> → +6% Net Premiums and Financial Income CAGR 17-22 → +4% Net Profit CAGR 17-22

MAIL, PARCEL & DISTRIBUTION

TURNAROUND IN MAIL AND GROWTH IN PARCEL

€ bn unless otherwise stated



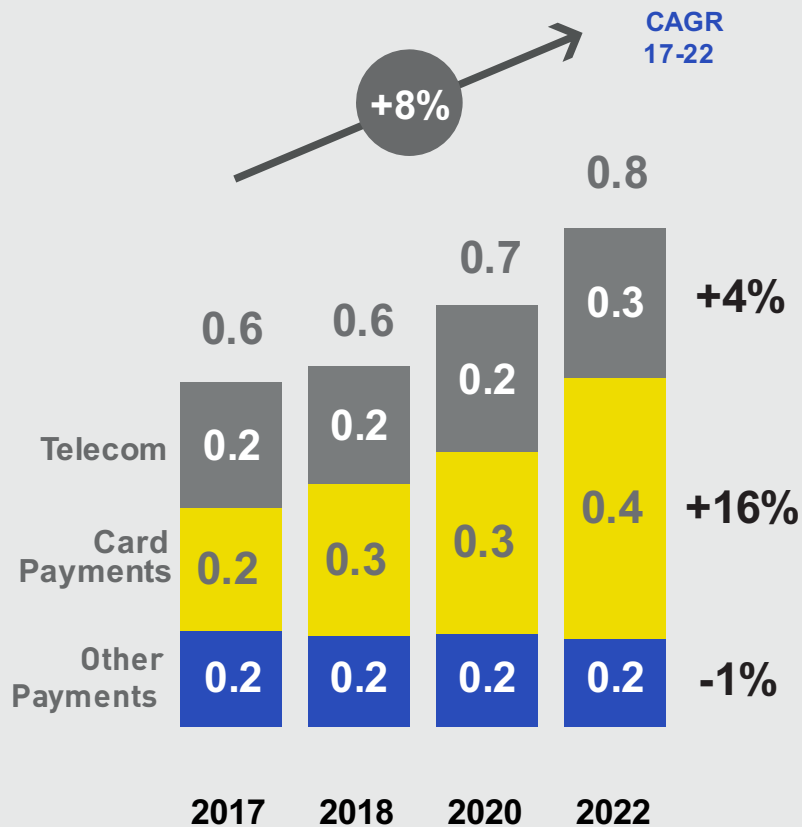
KEY HIGHLIGHTS

- 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

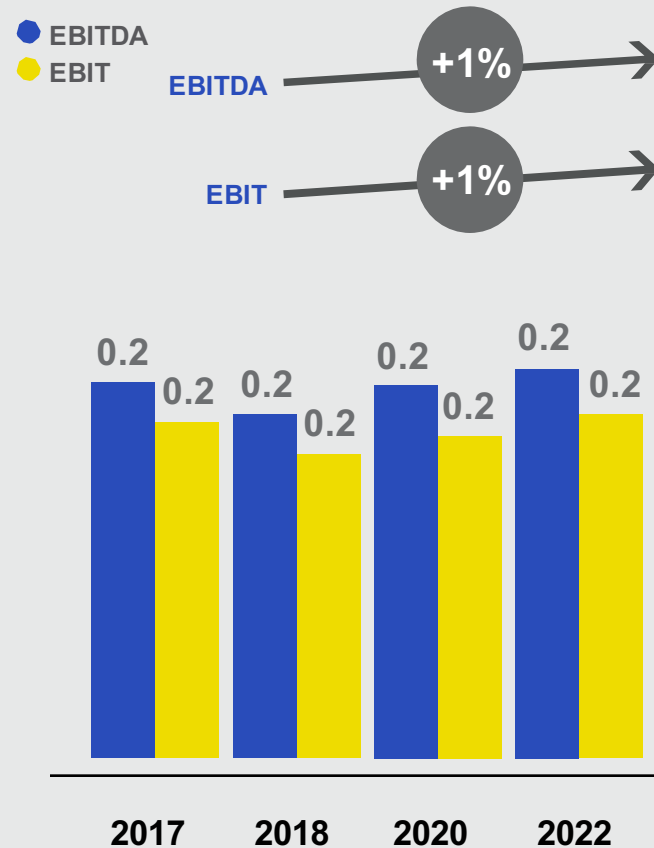
GROWTH IN PAYMENTS, MOBILE & DIGITAL

€ bn unless otherwise stated

SEGMENT REVENUE



EBITDA & EBIT



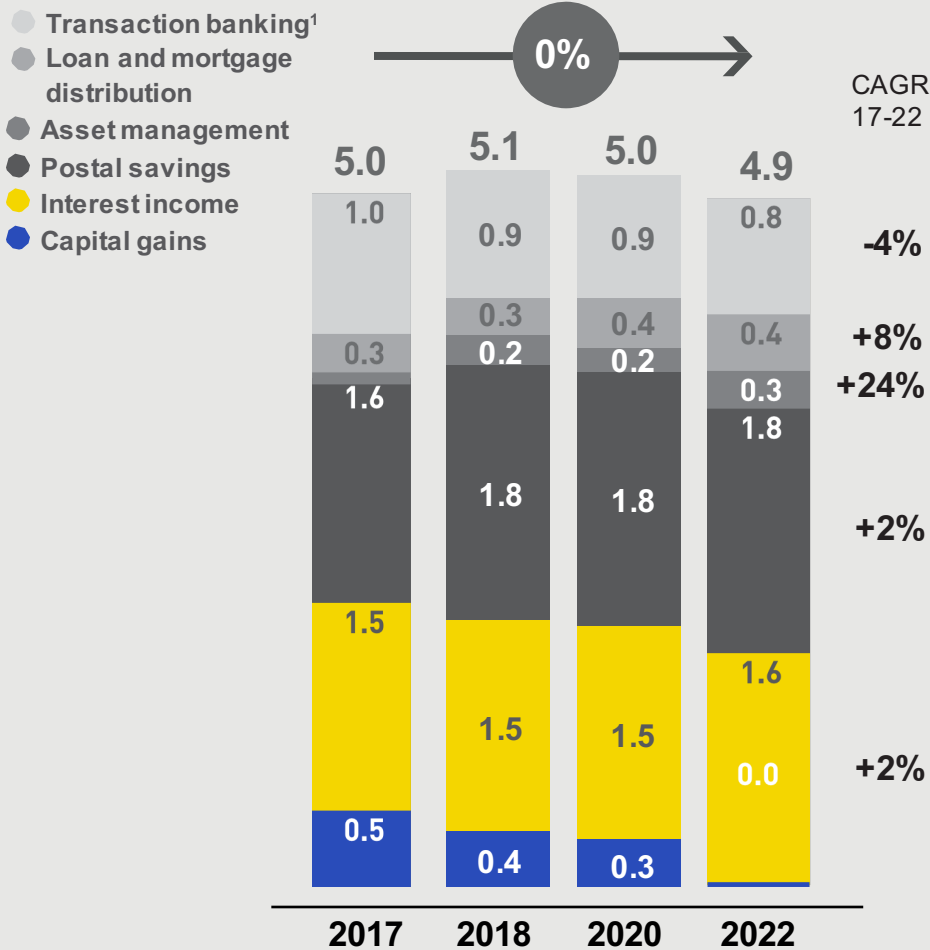
KEY HIGHLIGHTS

- 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

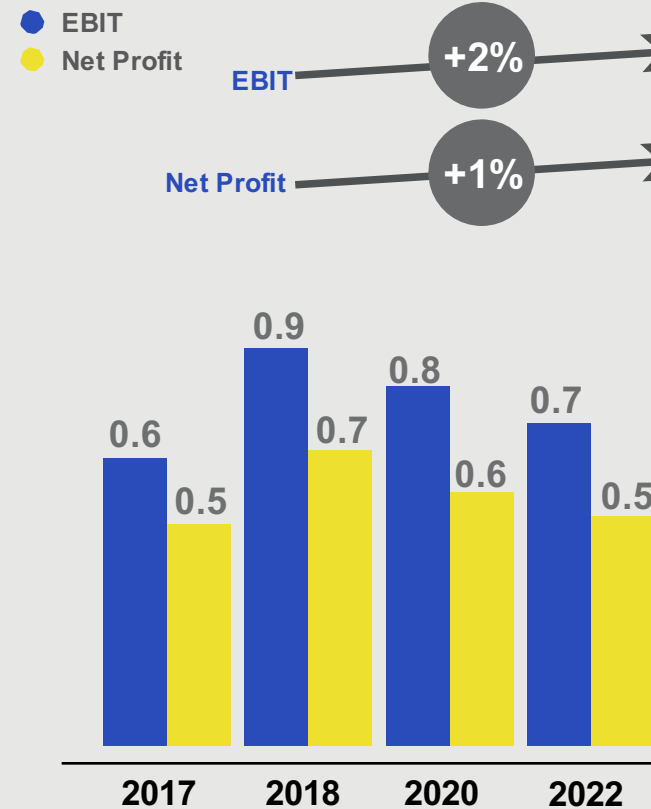
RESILIENT FINANCIAL SERVICES RESULTS

€ bn unless otherwise stated

SEGMENT REVENUE



EBIT & Net Profit

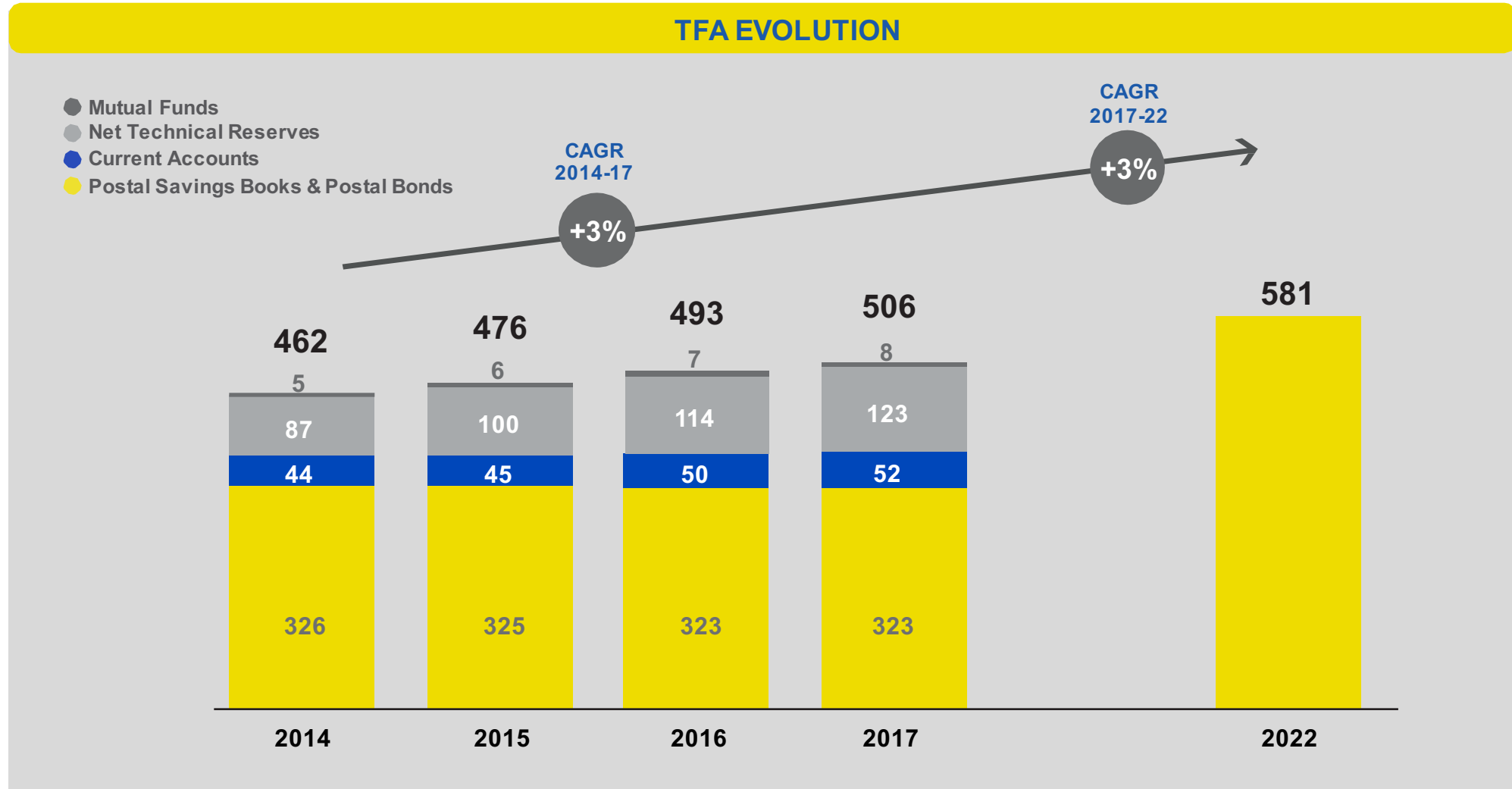


KEY HIGHLIGHTS

- 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

GROWTH IN TFA DRIVEN BY WEALTH MANAGEMENT SOLUTIONS

€ bn unless otherwise stated

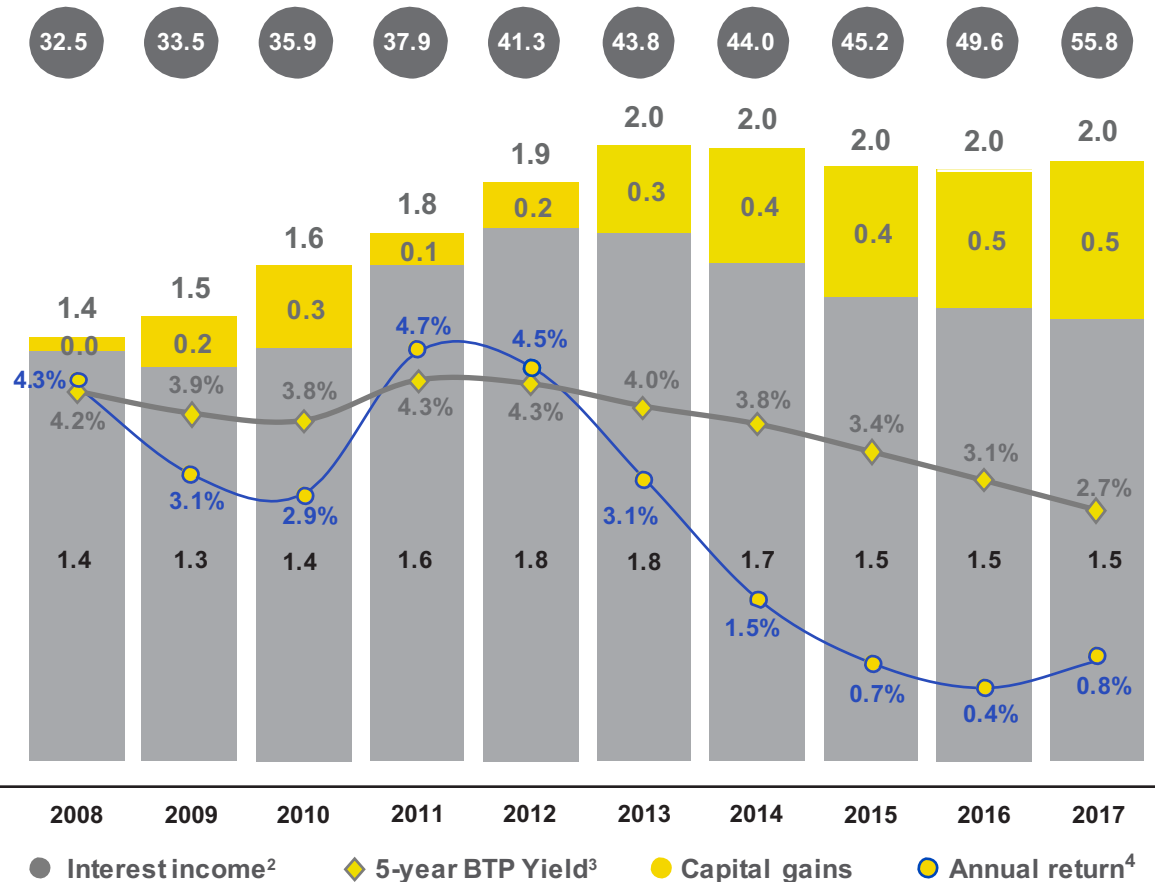


STABLE REVENUE FROM BANCOPOSTA'S INVESTMENT ACTIVITIES

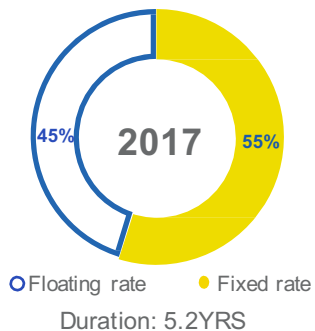
€ bn unless otherwise stated

EVOLUTION OF REVENUE FROM INVESTMENT ACTIVITIES

Investment portfolio¹ (€ bn)



PORTFOLIO BREAKDOWN



KEY HIGHLIGHTS

- 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;

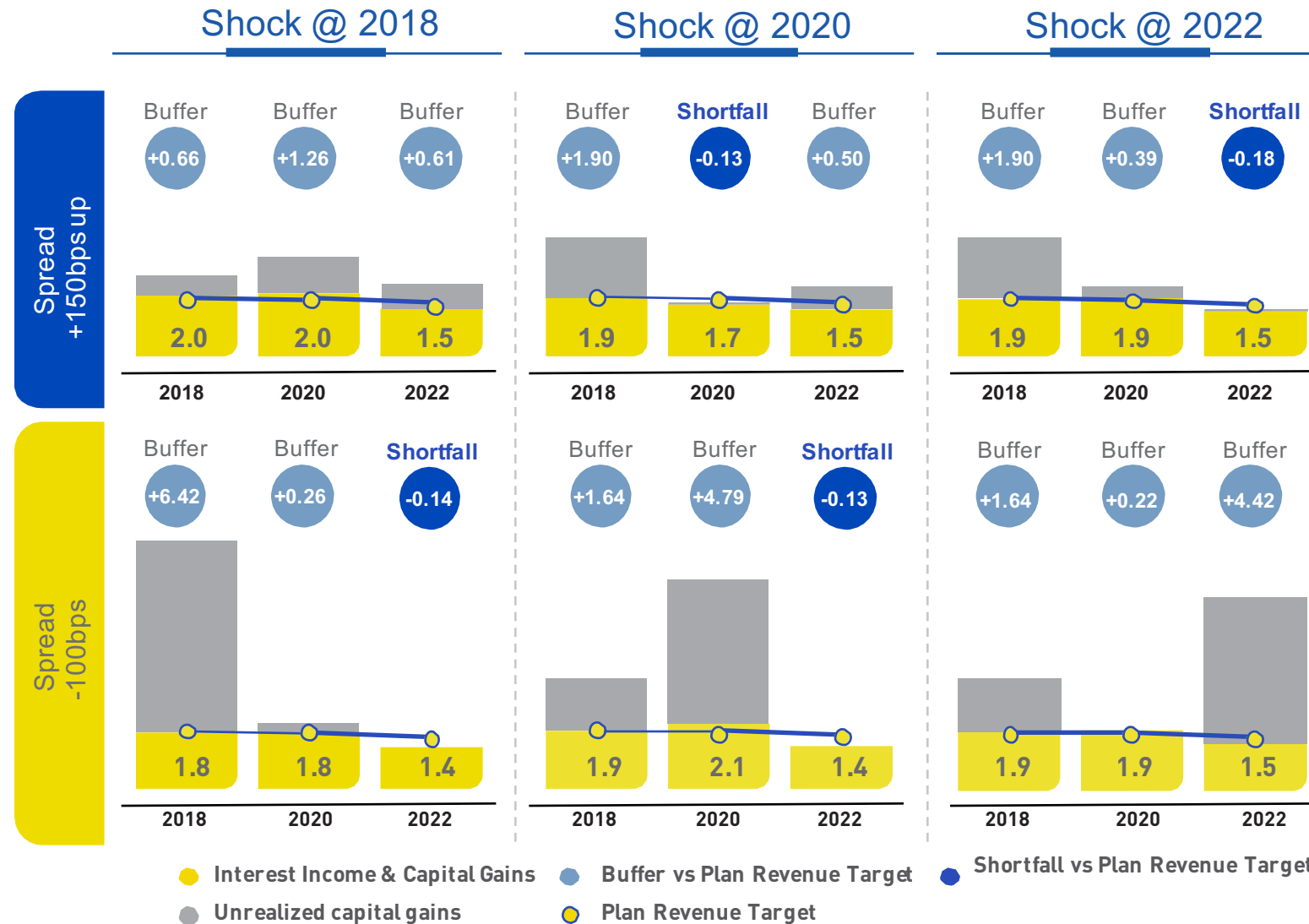
2 Includes interests from deposits with the Ministry of the Economy and Finance;

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



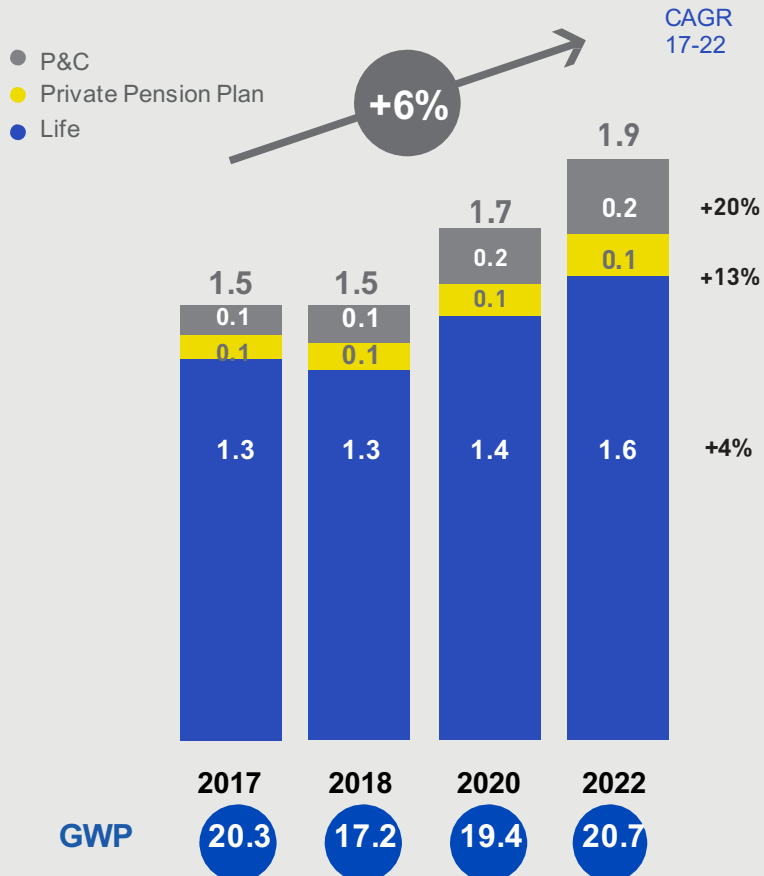
KEY HIGHLIGHTS

- 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

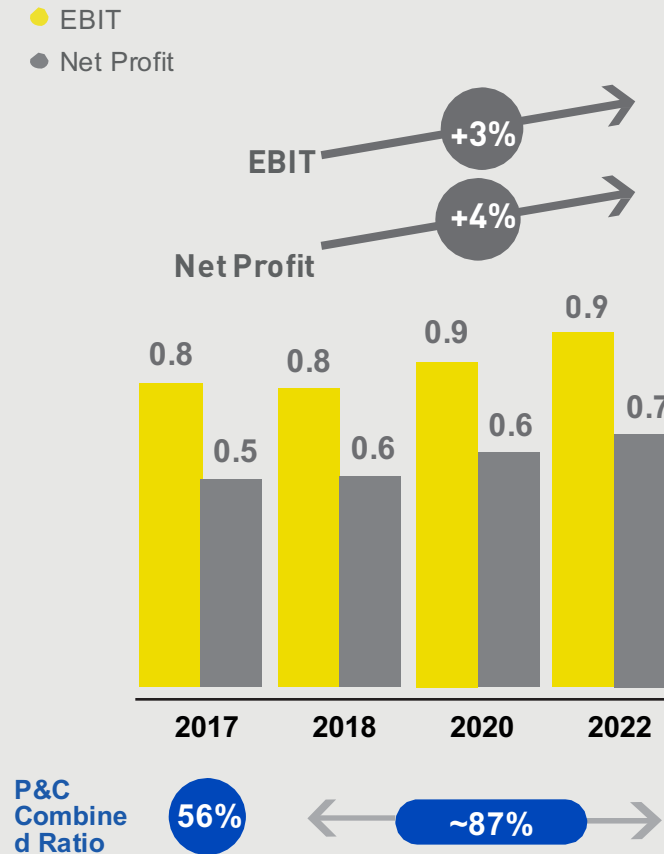
CONSOLIDATE LEADERSHIP IN LIFE AND DEVELOP P&C BUSINESS

€ bn unless otherwise stated

SEGMENT REVENUE¹



EBIT & Net Profit



KEY HIGHLIGHTS

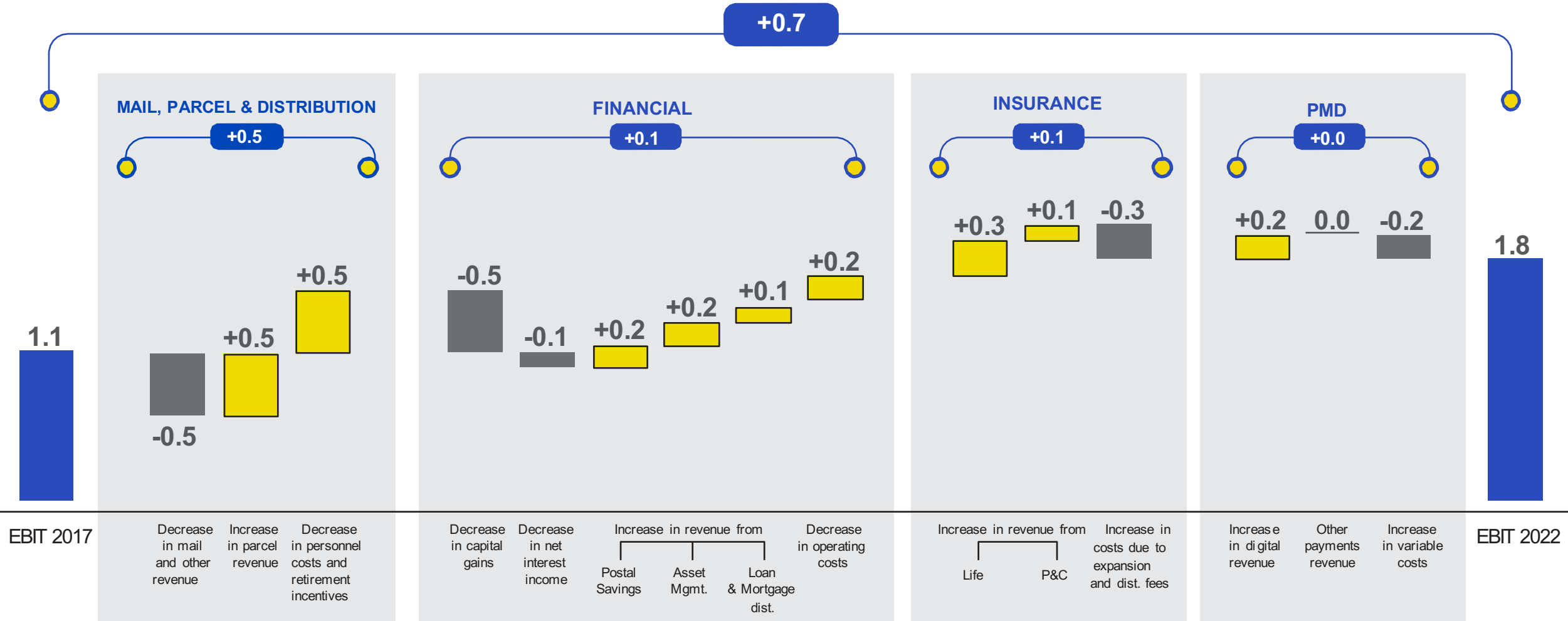
- Consolidated growth in Life products
- Robust growth in Private Pension Plans and P&C products
- Solid growth in EBIT and Net Profit
- P&C combined ratio averaging 87% during the plan

EBIT EVOLUTION 2017 VS 2022

KEY EBIT GROWTH DRIVERS

€ bn unless otherwise stated

EBIT EVOLUTION 2017 - 2022



FOCUS ON COST DISCIPLINE AND EFFECTIVE
CAPITAL ALLOCATION

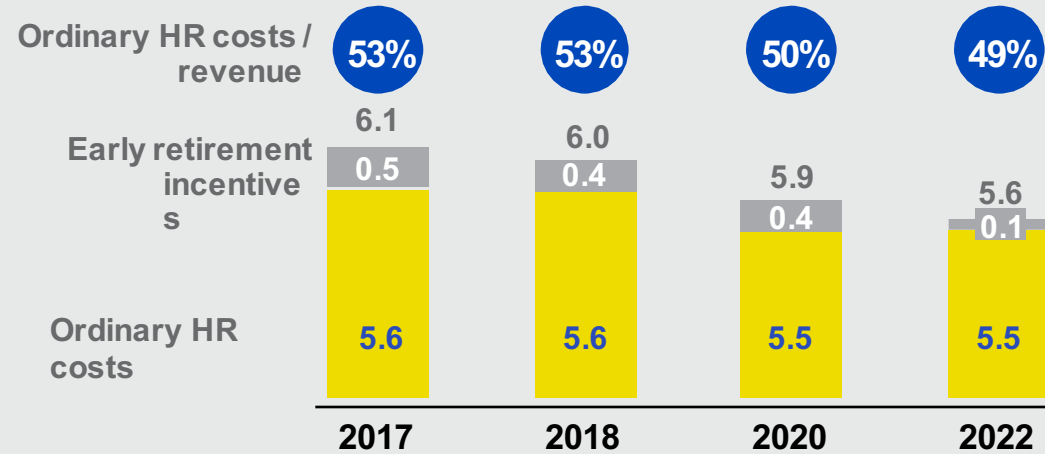
COST DISCIPLINE

COST SAVINGS ACROSS BOTH HR AND OTHER OPERATING COSTS

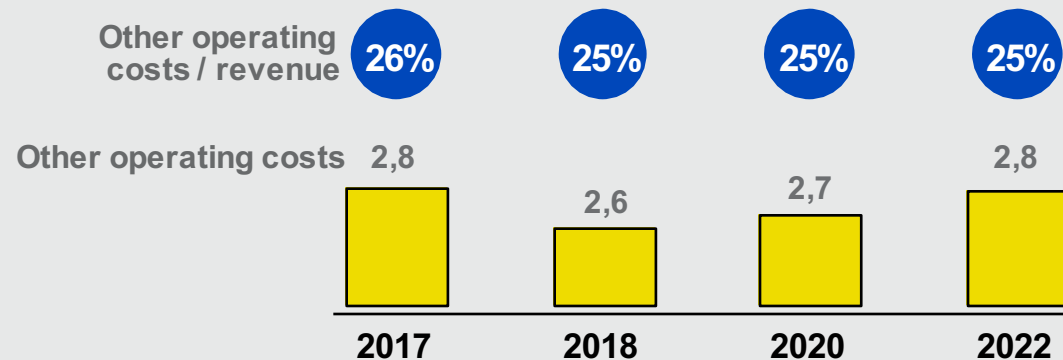
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← Δ 2017-2022: -4 p.p. →

HR COSTS



OTHER OPERATING COSTS¹



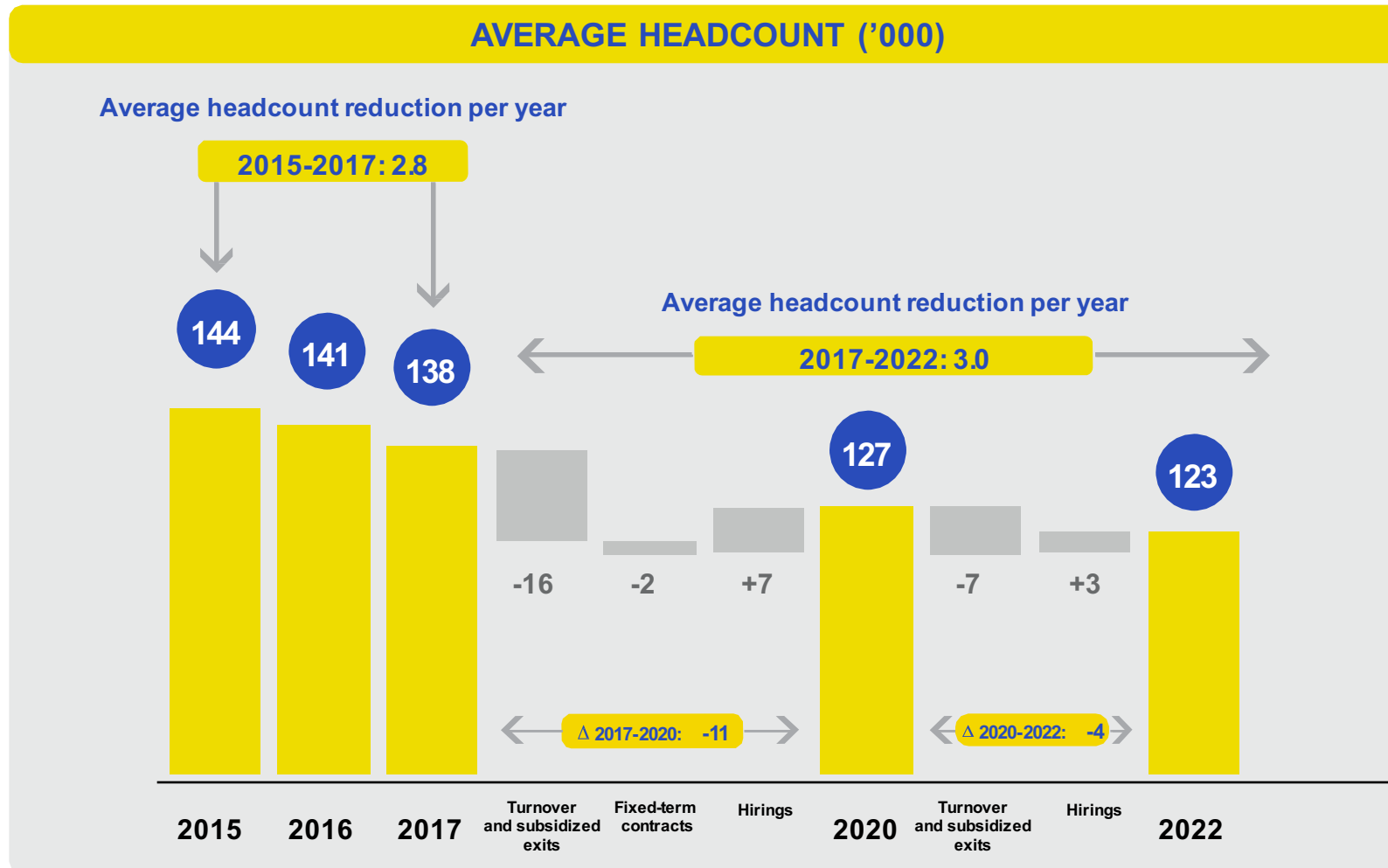
KEY HIGHLIGHTS

- **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

COST DISCIPLINE

COST DECREASE DUE TO HEADCOUNT REDUCTION

€ bn unless otherwise stated

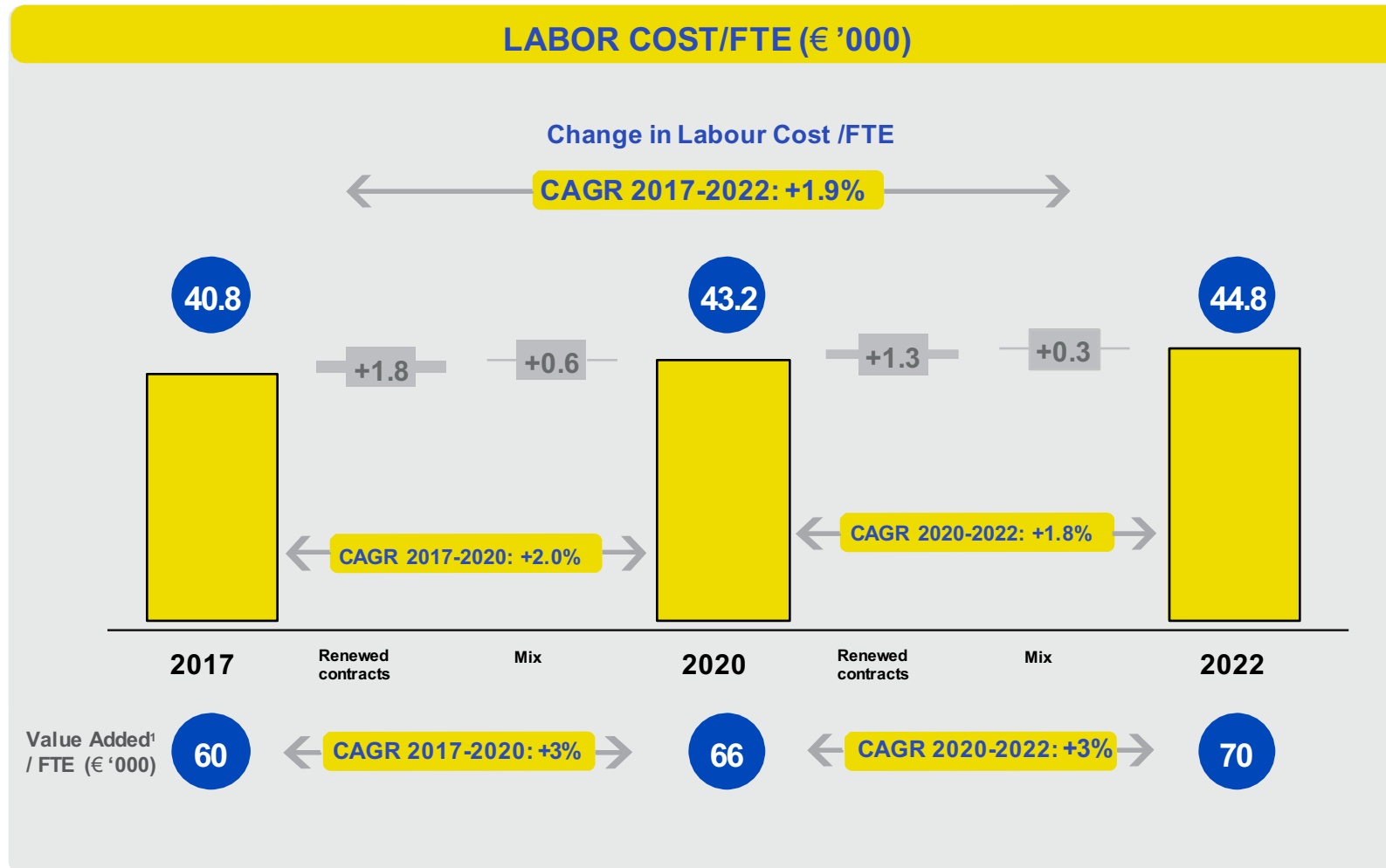


KEY HIGHLIGHTS

- 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

COST DISCIPLINE

COST PER EMPLOYEE INCREASE MORE THAN COMPENSATED BY PRODUCTIVITY GROWTH



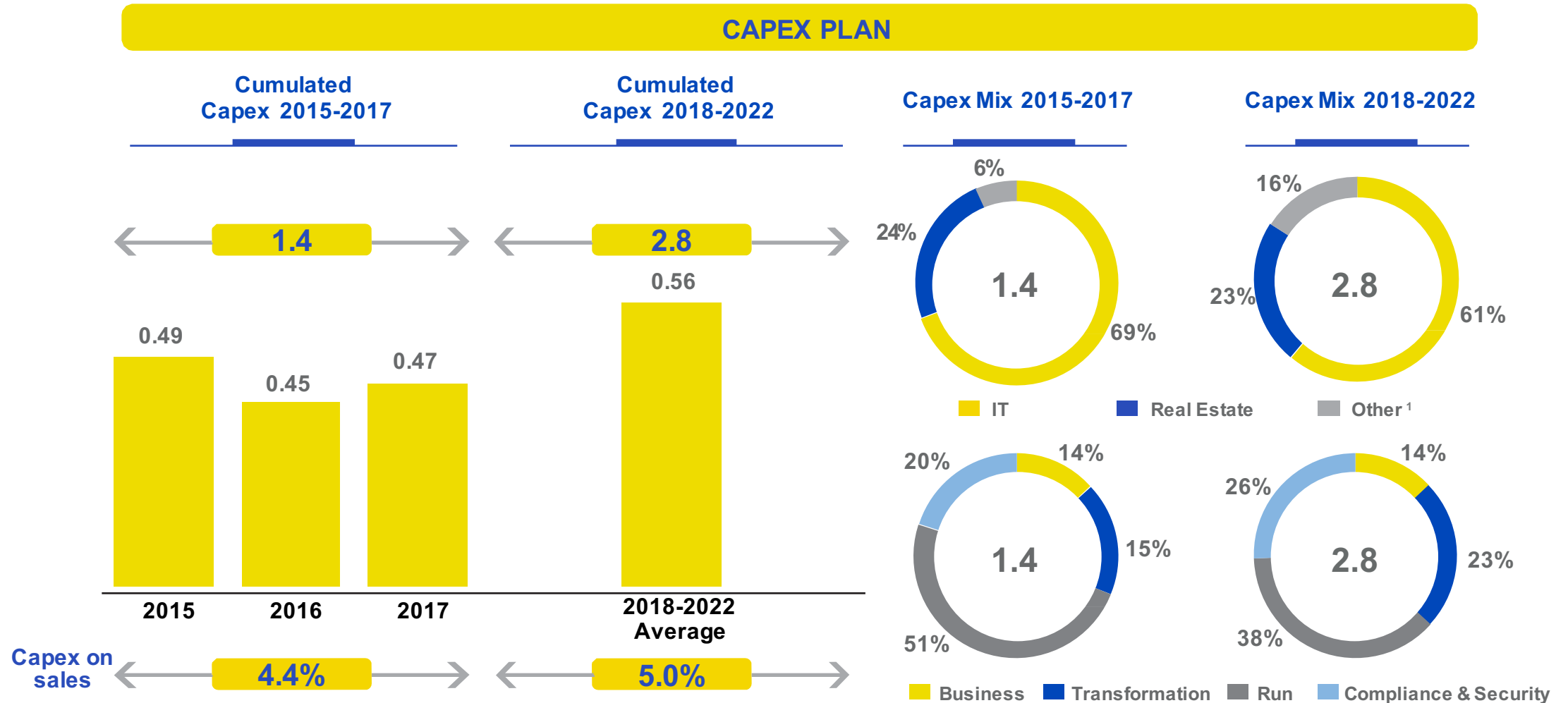
KEY HIGHLIGHTS

- 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



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

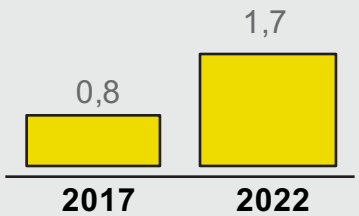
SOLID AND EFFICIENT BALANCE SHEET ACROSS BUSINESS SEGMENT

GROUP OVERVIEW

GruppoPosteitaliane

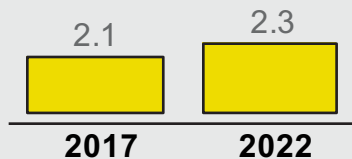
MAIL, PARCELS AND DISTRIBUTION

Net Financial Position € bn



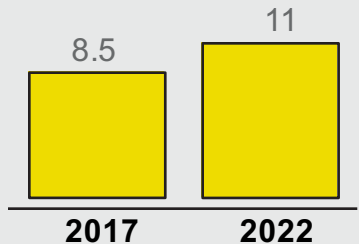
FINANCIAL SERVICES

CET 1 Capital € bn



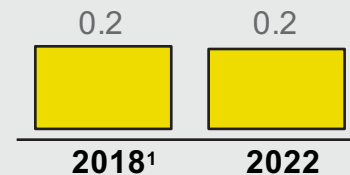
INSURANCE SERVICES

Eligible Own Funds € bn



PAYMENTS, MOBILE AND DIGITAL

Available Capital € bn

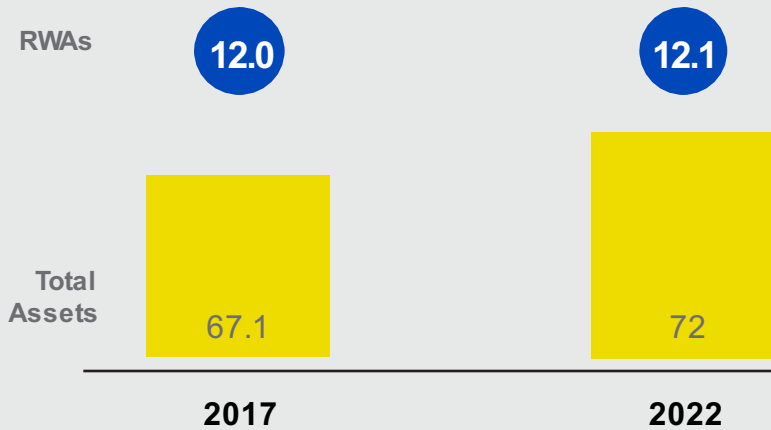


All segments will contribute to Poste's new dividend policy while maintaining a strong Balance Sheet and an efficient Group capital structure

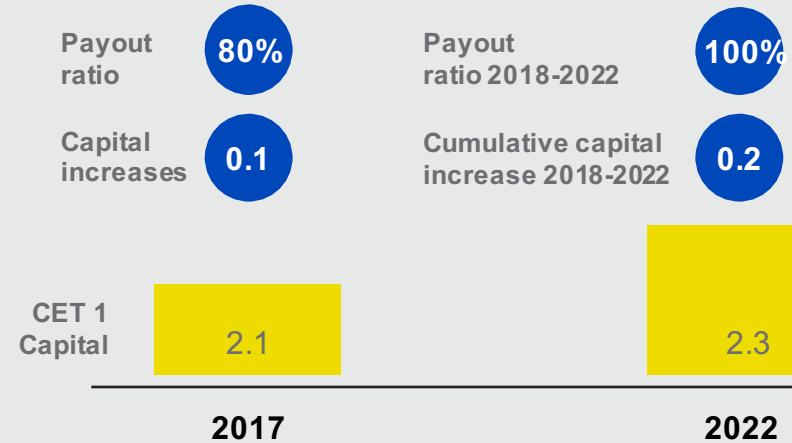
BANCOPOSTA: A LOW RISK BALANCE SHEET AS AN ASSET GATHERER

€ bn unless otherwise stated

ASSETS



CET 1 CAPITAL



CET 1 RATIO



LEVERAGE RATIO



POSTEVITA GROUP: KEY ITEMS AND SOLVENCY RATIO

€ bn unless otherwise stated

ELIGIBLE OWN FUND

Payout
ratio

87%

Payout
ratio 2018-2022

90%

8.5

10.6

2017

2022

SOLVENCY II CAPITAL REQUIREMENT

3.1

5.2

2017

2022

NET BALANCE SHEET VALUE

7.5

9.6

2017

2022

SOLVENCY RATIO

279%

203%

2017

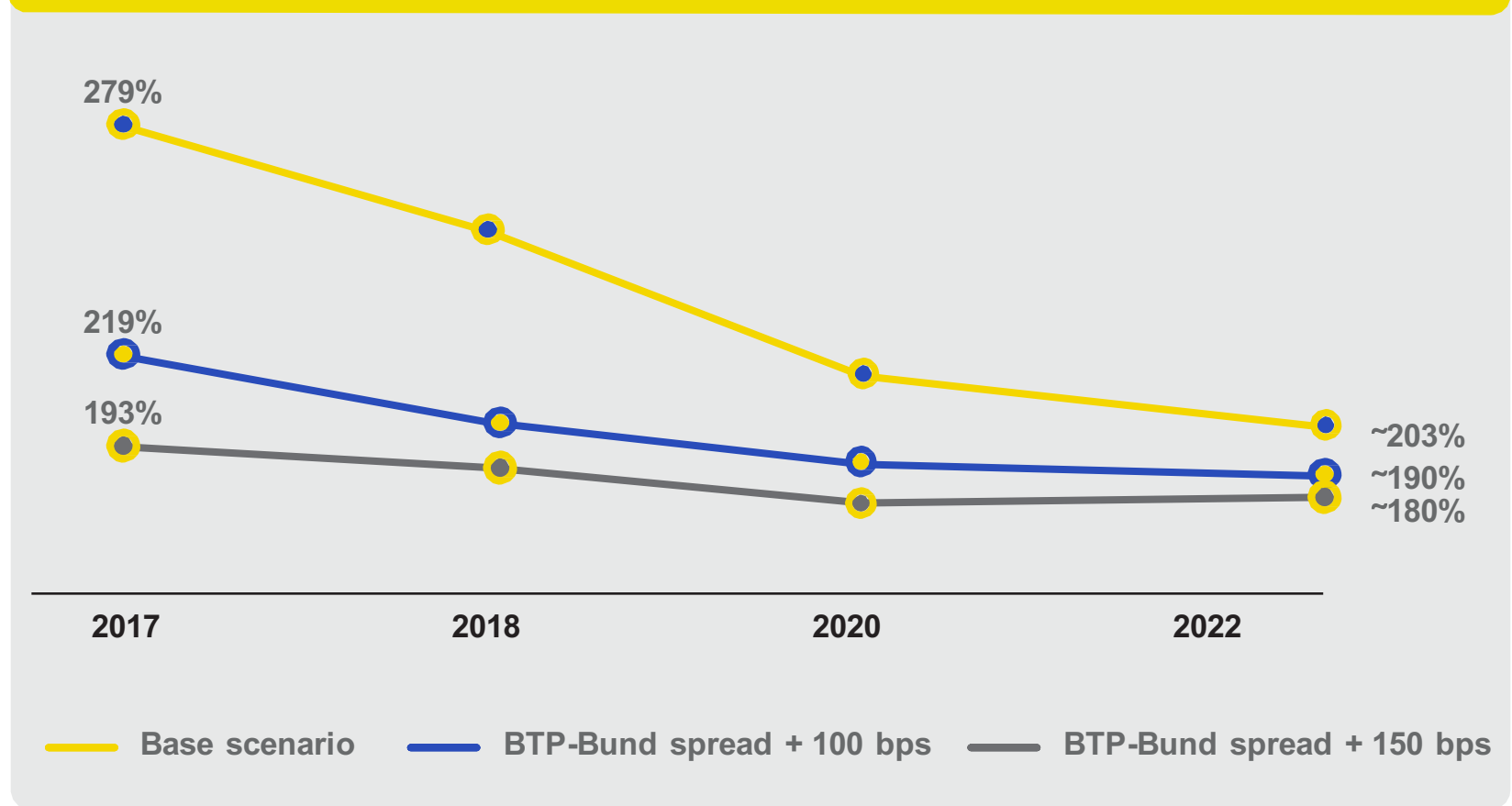
2022

POSTEVITA GROUP: A RESILIENT CAPITAL POSITION TO SUPPORT GROWTH

STRESS SCENARIO

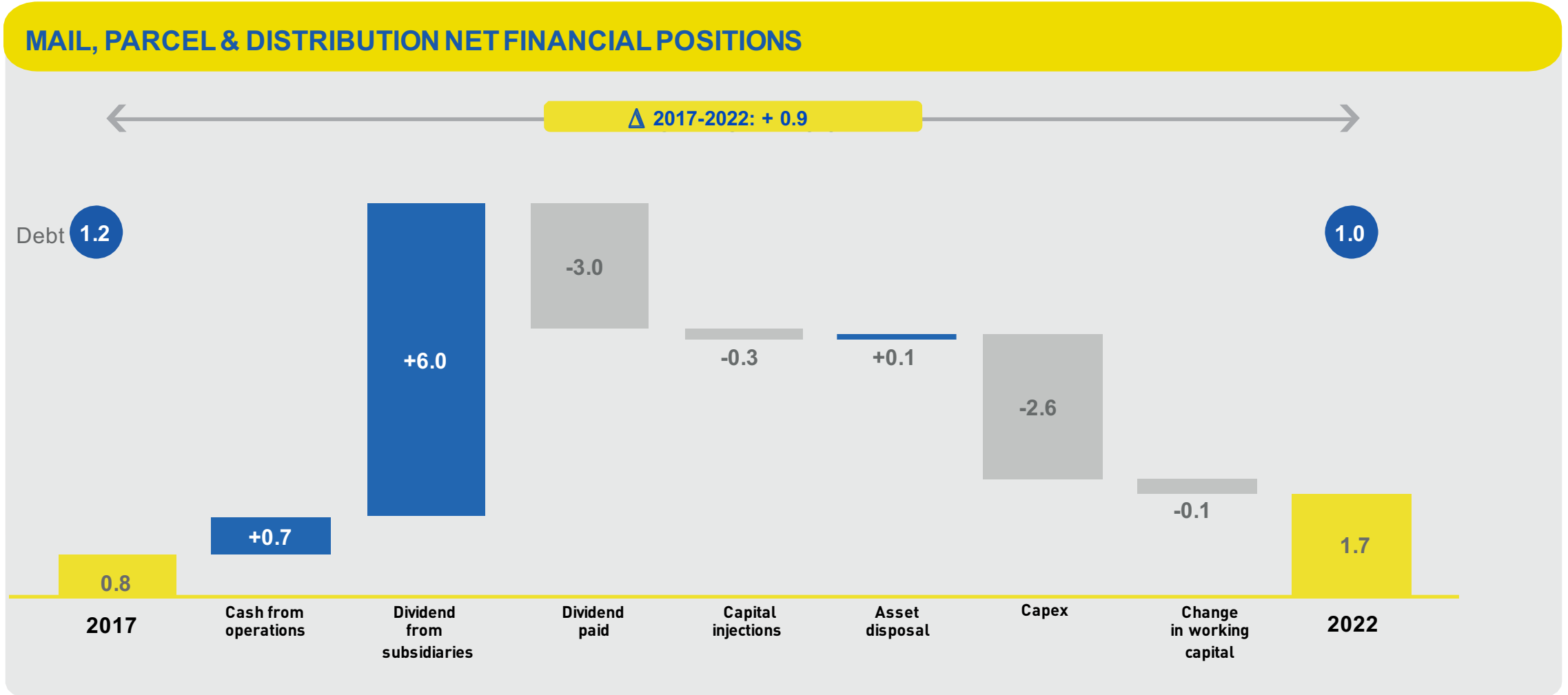
- Solvency Ratio to decrease over the plan horizon, due to the expected **increase in capital requirement**
- Strong balance sheet showing **great resiliency and decreasing volatility** in capital position under stress scenarios
- Increasing resiliency driven by **higher product and investment diversification** in the next five years

SOLVENCY RATIO SENSITIVITY



€1 bn capital injection to PosteVita committed by Poste Italiane if the SCR will drop under Risk Tolerance Level of 130%

SOLID CASH GENERATION TO SUPPORT DIVIDENDS



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**

**PRESERVE 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

ALIGNMENT



ENSURE FULL COMMITMENT OF MANAGEMENT TEAM
TO STRATEGIC PLAN TARGETS

COMMITMENT



DRIVE VALUE CREATION AND RECOGNIZE ACHIEVEMENTS

SUSTAINABILITY



ENGAGE ALL EMPLOYEES IN THE TRANSFORMATION PROCESS

ENGAGEMENT

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 shares¹

→ 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

DELIVER 2022

Glossary

Milan, February 27th 2018

Numbers in the presentations may not
add up only due to roundings

#	Number	B2B	Business to Business
4G/5G	Mobile communication standards (fourth and fifth generation of broadband cellular network technology)	B2C	Business to Consumer
AN/Anima	Italian player in the asset management industry	Banca d'Italia	Italy's Central Bank
ANIA	Associazione Nazionale Imprese Assicuratrici	Big Data	Extremely large data sets that may be analyzed computationally to reveal patterns, trends, and associations, especially relating to human behavior and interactions
ATM	Automatic Teller Machine	bn	Billion
AuM	Assets under management	BTP	Buoni del Tesoro Pluriennali
Av.	Average	CAGR	Compound Annual Growth Rate
		C2C	Consumer to Consumer

Capex	Capital Expenditure		the value of, or the income from, property of any description
Capital allocation	A process of how businesses allocate their financial resources to different processes, people, projects and division		or by reference to fluctuations in, or in an index of, the value of property of any description
Capital gains	Income resulting in a realized gains on the sale of securities	Class III	Class III life insurance: contracts of insurance or to pay annuities on human life where the benefits are wholly or partly to be 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
Cards	Debit, credit and prepaid cards		
CDP	Cassa Depositi e Prestiti		
CET1	Common Equity Tier1		
Class I	Class I life insurance: contracts of insurance or to pay annuities on human life, where the benefits are not determined by references to	Digital Channel	Electronic communications including web and apps

Digital ecosystem	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	EBITDA	Earning Before Interest, Tax, Depreciation and Amortization
Digital transactions	Transactions made without the need for cash	ECRI	European Credit Research Institute
Doxa	Market research company founded in 1946 in Italy	eID	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
Early retirement incentives	Non recurring charges to encourage workers to retire before the normal retirement age	Equity share	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
EBIT	Earning Before Interest and Tax	EU	European Union

E-wallet	An electronic tool which is used for transactions made online through a computer or a smartphone	Headcount	Total number of people employed in a specific organization
Fixed rate	Interest rate that remains at a set level for a specified period of time	Household debt	Combined debt of all people in a household. It includes consumer debt and mortgage loans
Floating rate	Interest rate that is reset at specified periods of time based on a pre-determined parameter	Households disposable income	Sum of household final consumption expenditure and savings, after tax
FTE GDP	Full Time Equivalent Gross Domestic Product	ICT	Information and communication technology
Gross Revenue	Revenue accounted by a business unit including intra company revenue	IDD	Insurance distribution Directive
GWP	Gross written premium		

Intersegment revenue	The transfer or exchange of goods for monetary compensation from one segment in a company to another segment within the same company	IT System J+1	Information Technology System Jour plus one - day after delivery
IRS	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	k	Thousand
ISTAT	The National Institute for Statistics (Istat) is the main supplier of official statistical information in Italy	KPI	Key Performance Indicator
Items/km2	Items per square kilometer	Life insurance & investments	Insurance policies and mutual funds
		Life technical reserves	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

m	Million	Net Financial Position	Equals to cash and cash equivalents minus short term and long term financial liabilities
MBO	Management by objectives		
MBPS	Megabits per second - A unit of measurement for bandwidth and throughput on a network	Net inflows	Net of all cash inflows and outflows in and out of a financial asset
MiFID II	Markets in Financial Instruments Directive II	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
Mutual funds	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	Adjusted revenue	Revenue excluding non recurring items
MVNO	Mobile Virtual Network Operator	o/ w	Of which

Ovum	An independent analyst and consultancy firm headquartered in London, specializing in global coverage of IT and telecommunications industries	Pension fund	An investment product into which scheme members pay contributions in order to provide an income in retirement
P&C	Property and casualty insurance	PI	Poste Italiane
P2P	Postepay-to-Postepay: Instant money transfer from a Postepay Card to another Postepay Card	PO	Post Office - Sales network of Poste Italiane
PA	Public Administration	pop.	Population
Payout ratio	Dividends paid to shareholders relative to net income	Postal Savings	Saving books and Postal bonds
pcs	Pieces	Postemobile	An Italian based mobile virtual network operator launched on November 2007 by the owner Poste Italiane

Poste Vita	PosteVita - insurance company owned by Poste Italiane	Segment Revenue	Revenue accounted by a business unit excluding intracompany revenue
Postevita's FIP	Fondo Integrativo Pensioni (i.e., Supplementary Retirement Fund)	SME	Small and Medium Enterprise
PP/PP evo	Poste Pay / Poste Pay Evolution: Pre-Paid Cards of Poste Italiane	TFA	Total Financial Assets
REPO	Repurchase Agreement	USO	Universal Service Obligation
RM	Relationship Manager	vs.	Versus
ROE	Return on Equity	WCIS	World Cellular Information Service
RWA	Risk-weighted asset	YoY	Year on year
SDA	Express courier which provides express mail and package delivery		