

REPORT OF THE BOARD OF DIRECTORS ON THE SECOND ITEM ON THE AGENDA OF THE EXTRAORDINARY MEETING

Contribution of new capital instruments by Poste Italiane S.p.A. to BancoPosta's Ring-Fenced Capital in order to rebalance the leverage ratio. Inherent and consequent resolutions.

Dear Shareholders,

you have been called to attend an extraordinary session to resolve on the contribution of new capital instruments by Poste Italiane SpA ("**Poste Italiane**") to the Ring-Fenced Capital named "BancoPosta" (BancoPosta's Ring-Fenced Capital), involving the assignment of free reserves amounting to EUR 210 million, in order to rebalance the leverage ratio (as defined below) to the target values established in the BancoPosta Risk Appetite Framework approved annually by the Poste Italiane Board of Directors.

The leverage ratio is defined as the percentage ratio between BancoPosta's capital endowment (to be precise, its equity for the purpose of supervisory regulations) and the total value of the assets of BancoPosta's Ring-Fenced Capital itself, including corrections for derivatives and off-balance sheet items, and measures the financial leverage risk, i.e. the risk that a particularly high level of debt compared to equity will make the intermediary vulnerable.

This index is included in the BancoPosta Risk Appetite Framework, which is the document in which the risk appetite, the risk tolerance thresholds, risk limits and risk management policies, as well as the relevant processes needed to define and implement them, are annually defined by the Board of Directors of Poste Italiane.

In particular, in view of the current equity of BancoPosta's Ring-Fenced Capital, which amounts to € 2,059 million, the leverage ratio as at 31/12/2017 stood at 3.11%. Certain specific circumstances, including (i) the entry into force of the new IFRS9 accounting

standard, the application of which from 1 January 2018 entails for BancoPosta an increase in the value of the assets recorded in the financial statements and (ii) the increase in collection volumes and asset values (based on the forecasts made in the 2018-2022 Strategic Plan presented to the markets on 27 February 2018), mean that, in the absence of any action taken to increase its equity, this indicator could fall below 3%, which represents the minimum limit set both by the BancoPosta Risk Appetite Framework and banking supervisory regulations.

The proposal is therefore for Poste Italiane to intervene by assigning free reserves of EUR 210 million to BancoPosta's Ring-Fenced Capital, in order to strengthen the equity of BancoPosta's Ring-Fenced Capital and bring the leverage ratio back to levels compatible with the objective established in the Risk Appetite Framework (leverage ratio of at least 3.15%).

With this respect it should be noted that the need of strengthening the equity of BancoPosta's Ring-Fenced Capital is not connected to the removal of the limitation of purpose with respect to the business branch dedicated to the monetics and payment services (referred to, among other things, in the first item on the agenda of the Extraordinary Meeting), given that such deal does not entail a significant change of the value of the assets taken into account for the calculation of the leverage ratio. The two proposed deals are coherently aimed at ensuring an adequate equity hedging of the regulated activities carried out by the Poste Italiane Group.

In accordance with the Supervisory Provisions issued by the Bank of Italy – applicable to Poste Italiane because of its post office banking business conducted through BancoPosta's Ring-Fenced Capital – the Bank of Italy has issued a specific authorisation for the transaction described above.

In view of the above, we therefore submit the following

Proposal

The Shareholders' Meeting of Poste Italiane S.p.A., having examined the explanatory report of the Board of Directors and having acknowledged the issuing of the authorization by Banca d'Italia:

resolves

- 1) to approve the assignment by Poste Italiane of free reserves of EUR 210 million to Patrimonio BancoPosta, in order to rebalance the leverage ratio to the values established in the Risk Appetite Framework approved by the Board of Directors;
- 2) to mandate the CEO, with the power to sub-delegate, to perform any activity and to negotiate and sign any document that may be required or appropriate to implement this resolution.