

POSTE ITALIANE

3Q & 9M 2019 FINANCIAL RESULTS

Rome, November 6, 2019



EXECUTIVE SUMMARY

BUSINESS REVIEW

APPENDIX

DIVERSIFIED BUSINESS MODEL, DELIVERING CONTINUED REVENUE GROWTH IN CHANGING MACRO ENVIRONMENT

STRONG PLATFORM IN PLACE TO FOCUS ON INNOVATION AND CUSTOMER EXPERIENCE AS GROWTH DRIVERS

ONGOING HR COST DISCIPLINE THANKS TO FTE REDUCTION; ANY NON-HR COST INCREASE DIRECTLY SUPPORTING GROWTH

ON TRACK TO MEET 2019 TARGETS ACROSS ALL BUSINESS SEGMENTS

2019 INTERIM DIVIDEND OF €0.154 APPROVED

3Q & 9M 2019 RESULTS OVERVIEW

CLEAR PROGRESS TO 2019 TARGETS

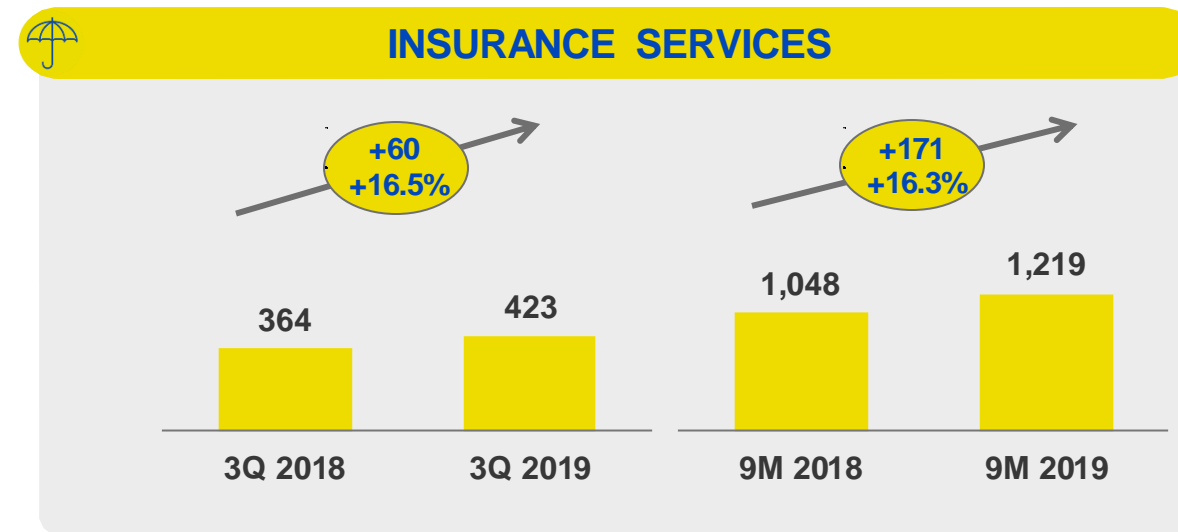
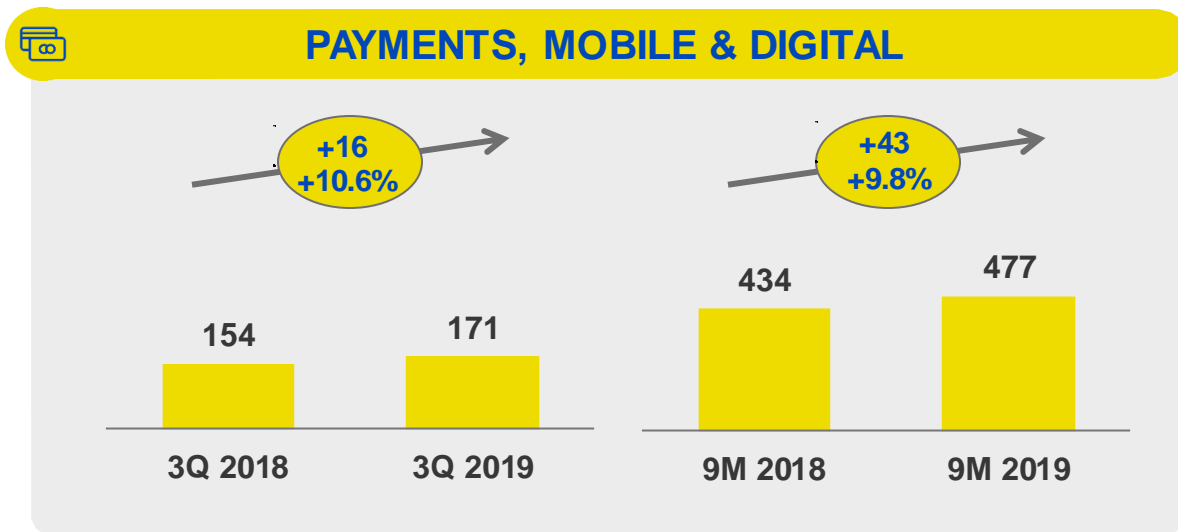
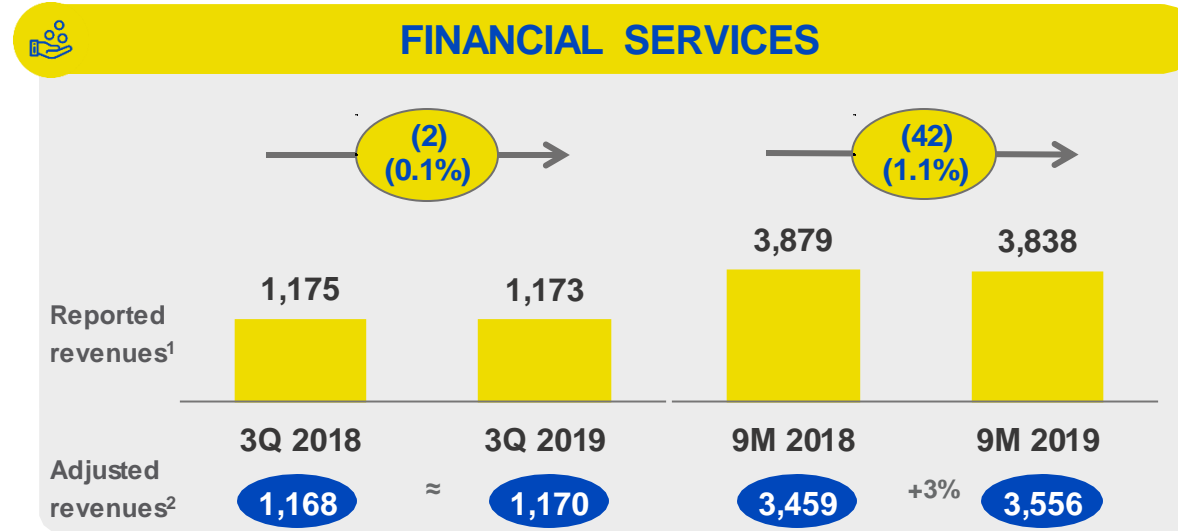
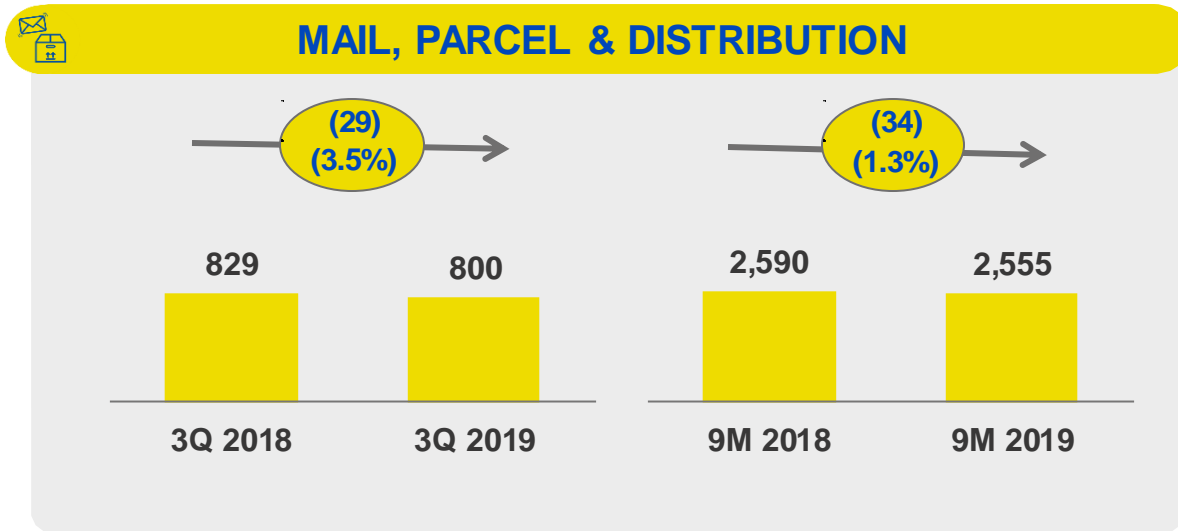
€ m unless otherwise stated

	3Q 2018	3Q 2019	Var.	Var. (%)	9M 2018	9M 2019	Var.	Var. (%)
REPORTED REVENUES	2,522	2,568	+46	+1.8%	7,951	8,089	+138	+1.7%
ADJUSTED REVENUES¹	2,514	2,565	+50	+2.0%	7,531	7,807	+276	+3.7%
REPORTED EBIT	456	459	+4	+0.8%	1,509	1,540	+32	+2.1%
ADJUSTED EBIT¹	465	463	(1)	(0.2%)	1,166	1,288	+122	+10.5%
REPORTED NET PROFIT	321	320	(1)	(0.4%)	1,056	1,083	+27	+2.6%
ADJUSTED NET PROFIT¹	326	321	(4)	(1.4%)	807	891	+84	+10.4%

SEGMENT REVENUES – 3Q & 9M19

DIVERSIFIED, SUSTAINABLE REVENUE MIX; ADAPTING TO CHANGING MACRO ENVIRONMENT

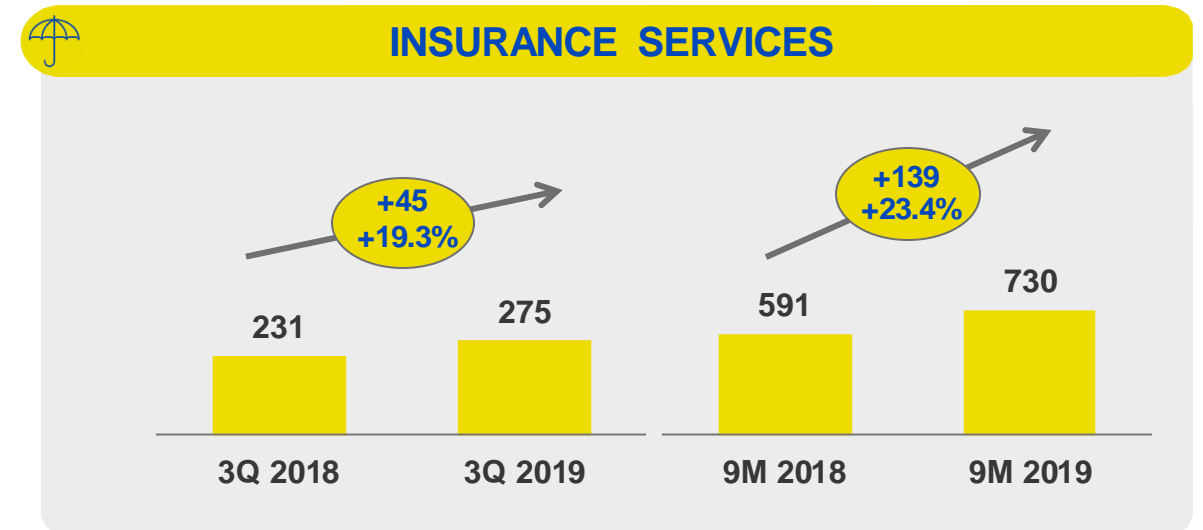
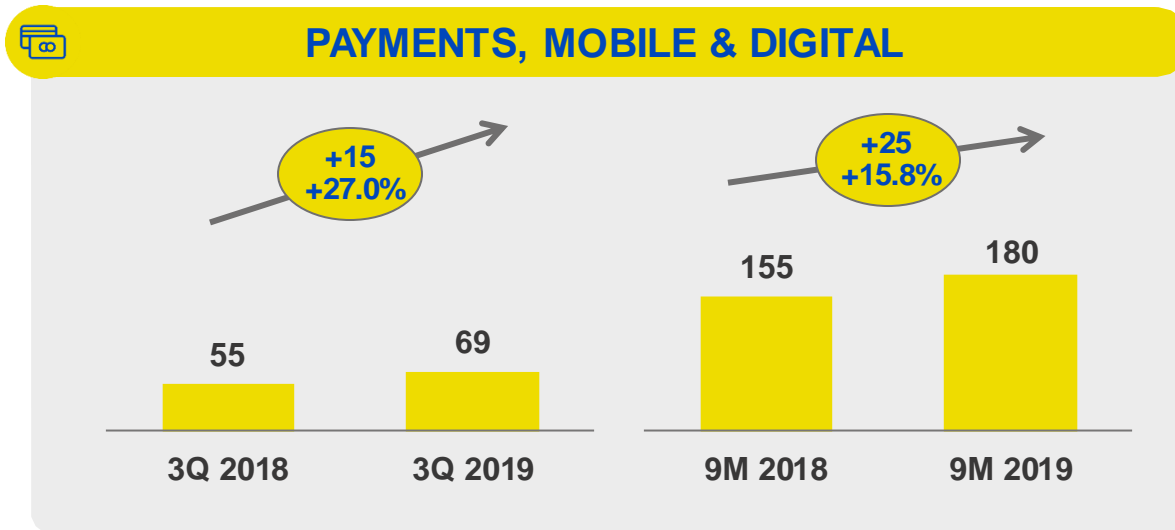
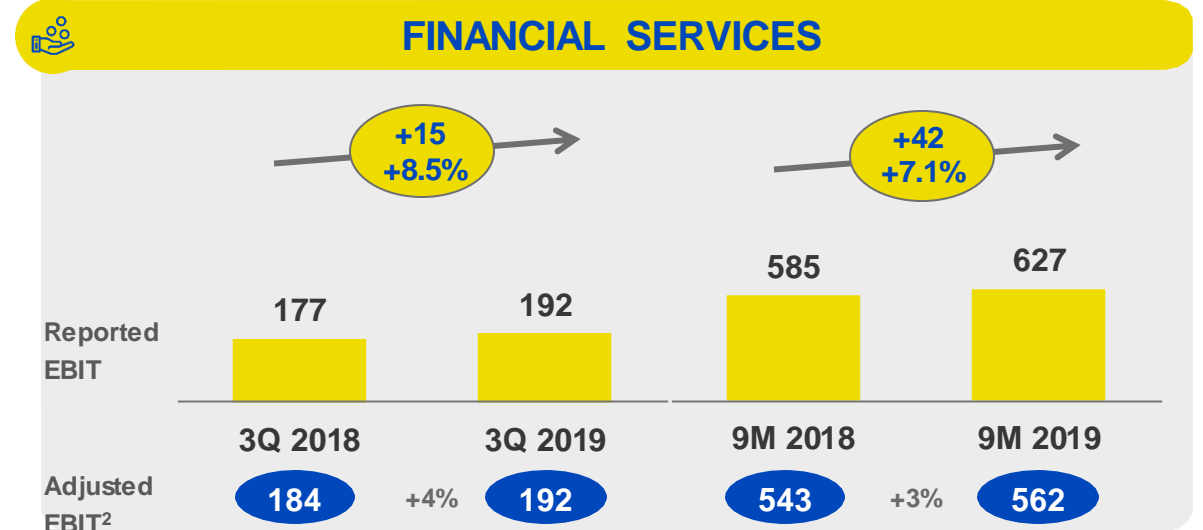
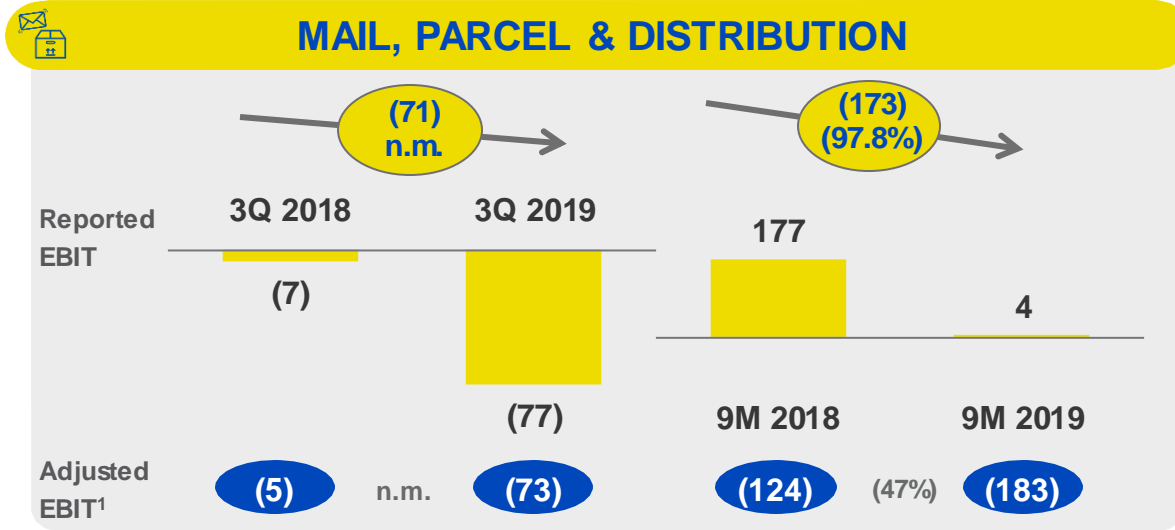
€ m unless otherwise stated



SEGMENT EBIT – 3Q & 9M19

ALL SEGMENTS ON TRACK TO MEET 2019 TARGETS

€ m unless otherwise stated



1. 3Q18 EBIT adjusted for Commissioning on Visa for 6m and Early retirement incentives for 8m; 3Q19 EBIT adjusted for early retirement incentives for 4m. 9M18 EBIT adjusted for: Commissioning on net capital gains for 307m, commissioning on Visa for 13m and early retirement charges for 19m; 9M19 EBIT adjusted for: commissioning on net capital gains for 199m and early retirement incentives for 12m
 2. Refer to slide 25 for further details on adjustments

DELIVER 2022: SOLID PLATFORM FOR FUTURE GROWTH

FOCUS ON CUSTOMER EXPERIENCE AND INNOVATION ACROSS ALL BUSINESSES



MAIL, PARCEL & DISTRIBUTION

- **Client friendly delivery solutions** – Innovative partnerships on last-mile scheduled and same day delivery for customers
- **Expanded alternative delivery network** – PuntoPoste Network grows to more than 4,000 locations

FINANCIAL SERVICES



- **Digital wealth management offer** – partnership with *Moneyfarm* offering digital investment services
- **Intesa Sanpaolo personal loans and UniCredit salary backed loans** available to customers through our platform



PAYMENTS MOBILE & DIGITAL

- **Postepay app QR code payments** – Pilot project for in store payments via smartphone using QR codes
- **High frequency payments** – PostePay solutions for public transport ticketing and petrol

INSURANCE



- **Effective product offer** – New multiclass policies, designed thanks to advanced analytics models, in order to meet customers' needs, enabling product and portfolio diversification





EXECUTIVE SUMMARY

BUSINESS REVIEW

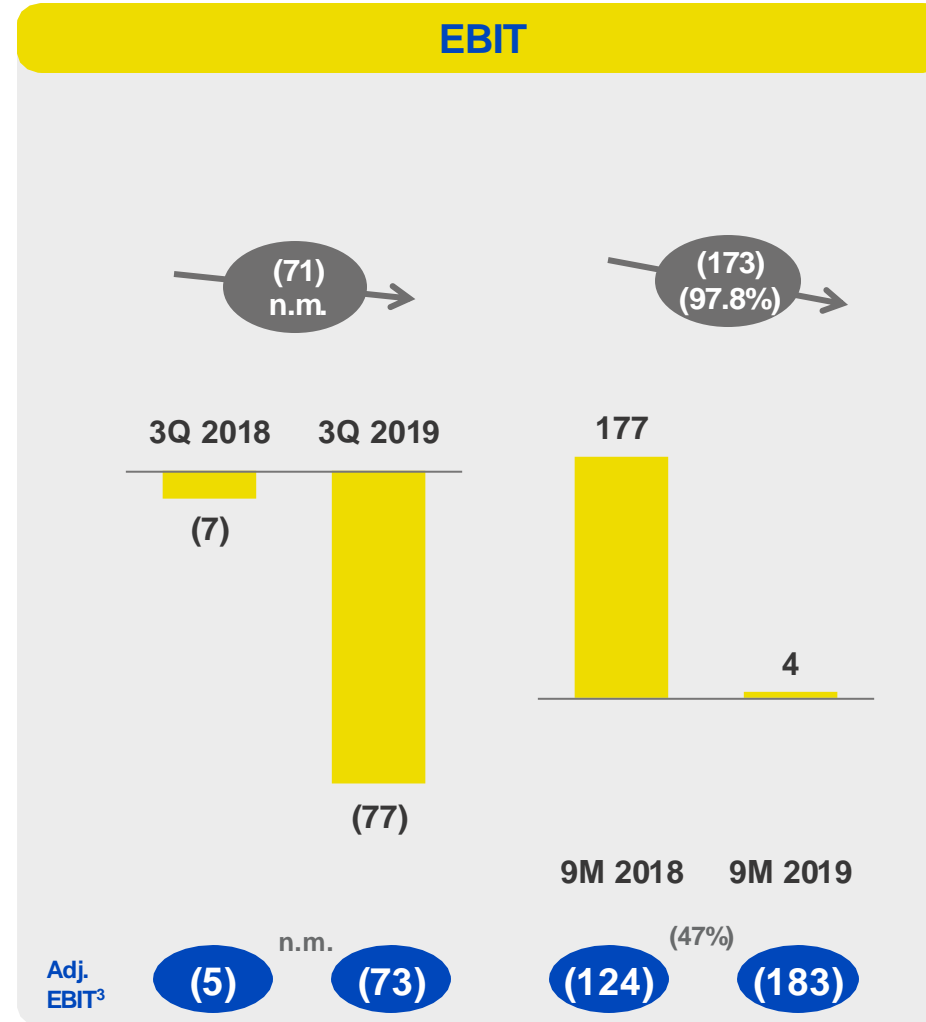
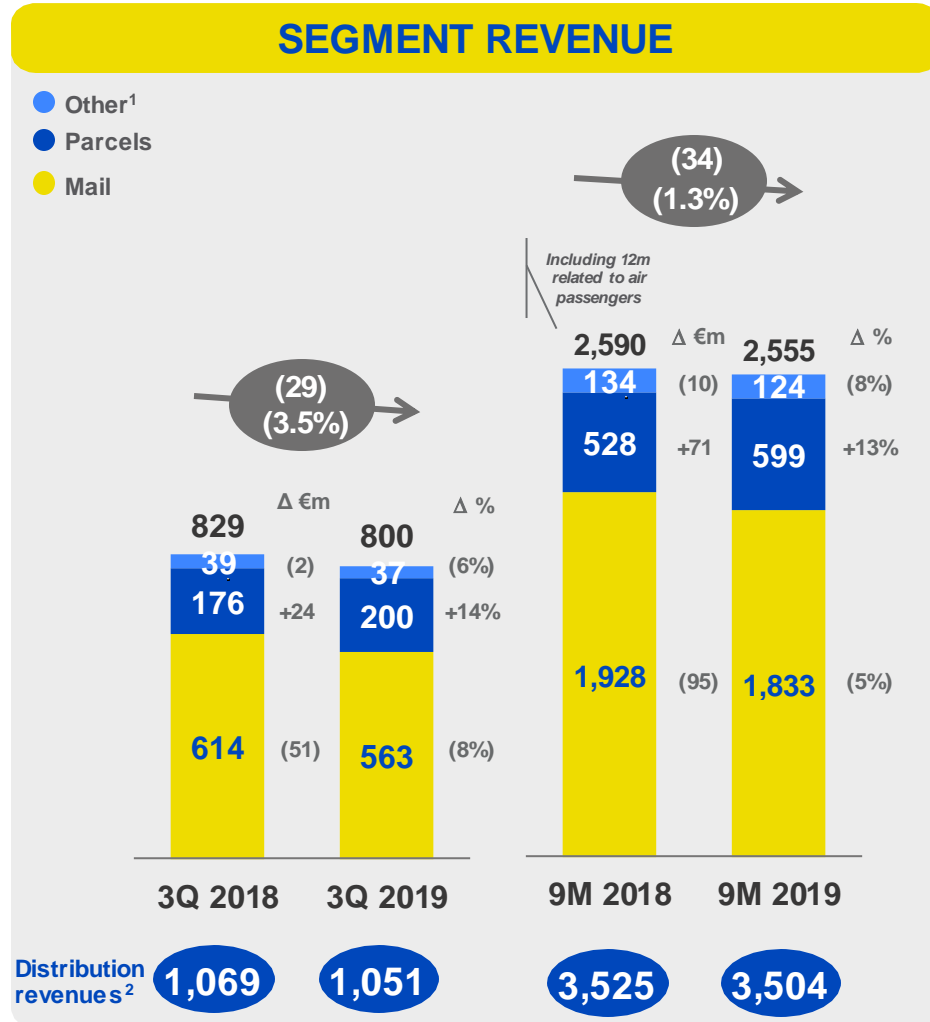
APPENDIX

MAIL, PARCEL & DISTRIBUTION

STRONG PARCEL REVENUE GROWTH; EBIT DOWN ON MAIL, INTERCOMPANY REVENUES & HIGHER COSTS



€ m unless otherwise stated



KEY HIGHLIGHTS

- 9M19 mail revenues impacted by non-recurring activity in 2018 and volumes postponed to 4Q19
- Strong parcel revenue growth, ahead of expectations and outpacing the market
- 3Q19 distribution revenues down due to lower fees from postal savings and payment slips
- Increased costs to support transformation (24m in 3Q19 and 118 in 9M19)
- 9M19 EBIT in line with 2019 target

1. Includes Philately, Patenti Via Poste, Poste Motori, Mistral Air and other revenues

2. Includes income received by Other Segments in return for use of the distribution network and Corporate Services

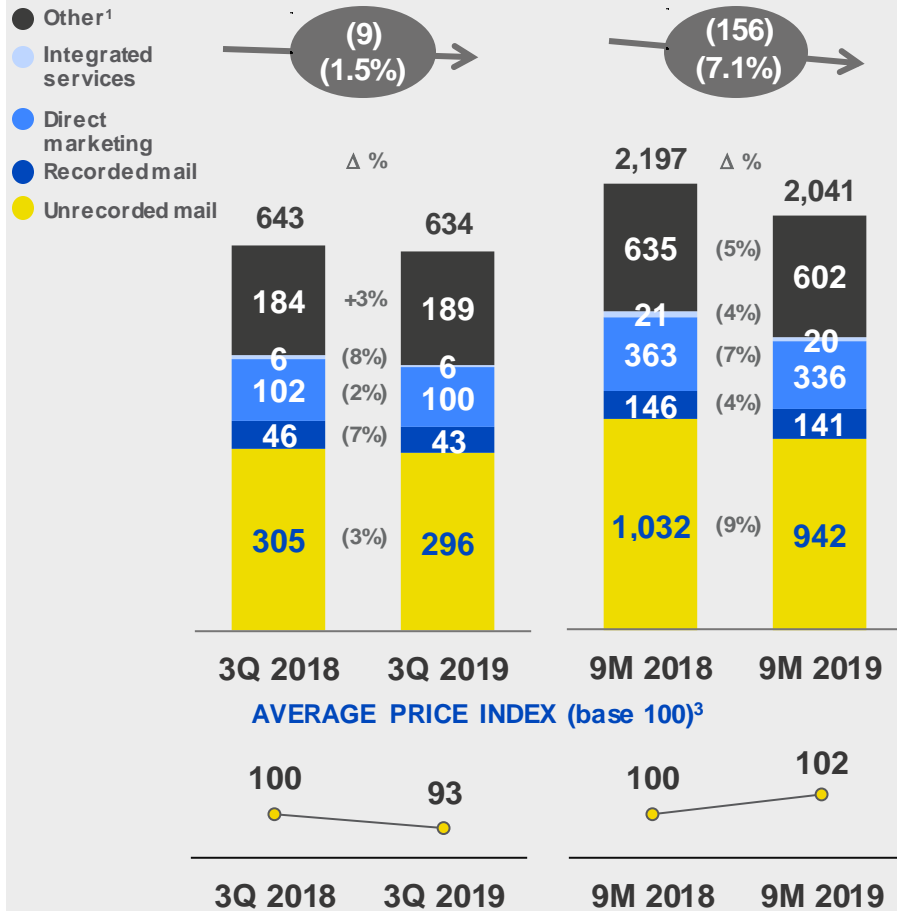
3. 3Q18 EBIT adjusted for Commissioning on Visa for 6m and Early retirement incentives for 8m; 3Q19 EBIT adjusted for early retirement incentives for 4m. 9M18 EBIT adjusted for: Commissioning on net capital gains for 307m, commissioning on Visa for 13m and early retirement charges for 19m; 9M19 EBIT adjusted for: commissioning on net capital gains for 199m and early retirement incentives for 12m

MAIL, PARCEL & DISTRIBUTION: VOLUMES AND PRICING

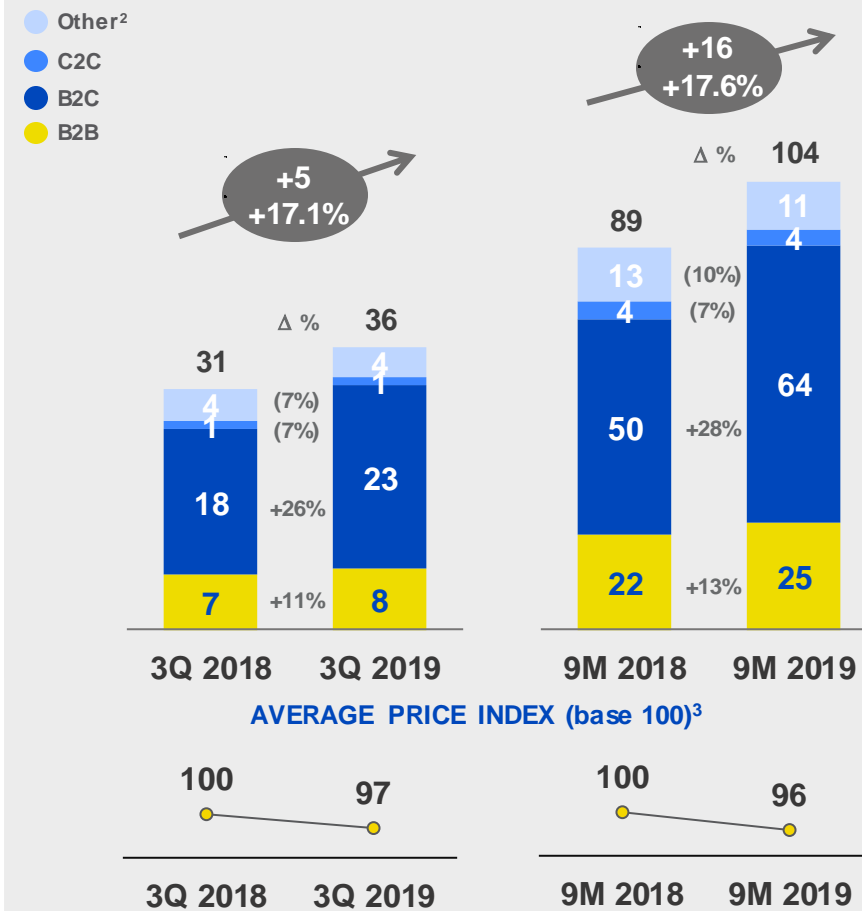
LOWER DECLINE IN Q3 MAIL VOLUMES THANKS TO LOWER MARGIN PRODUCTS; STRONG PARCEL GROWTH



MAIL VOLUMES (m/pc)



PARCEL VOLUMES (m/pc)



KEY HIGHLIGHTS

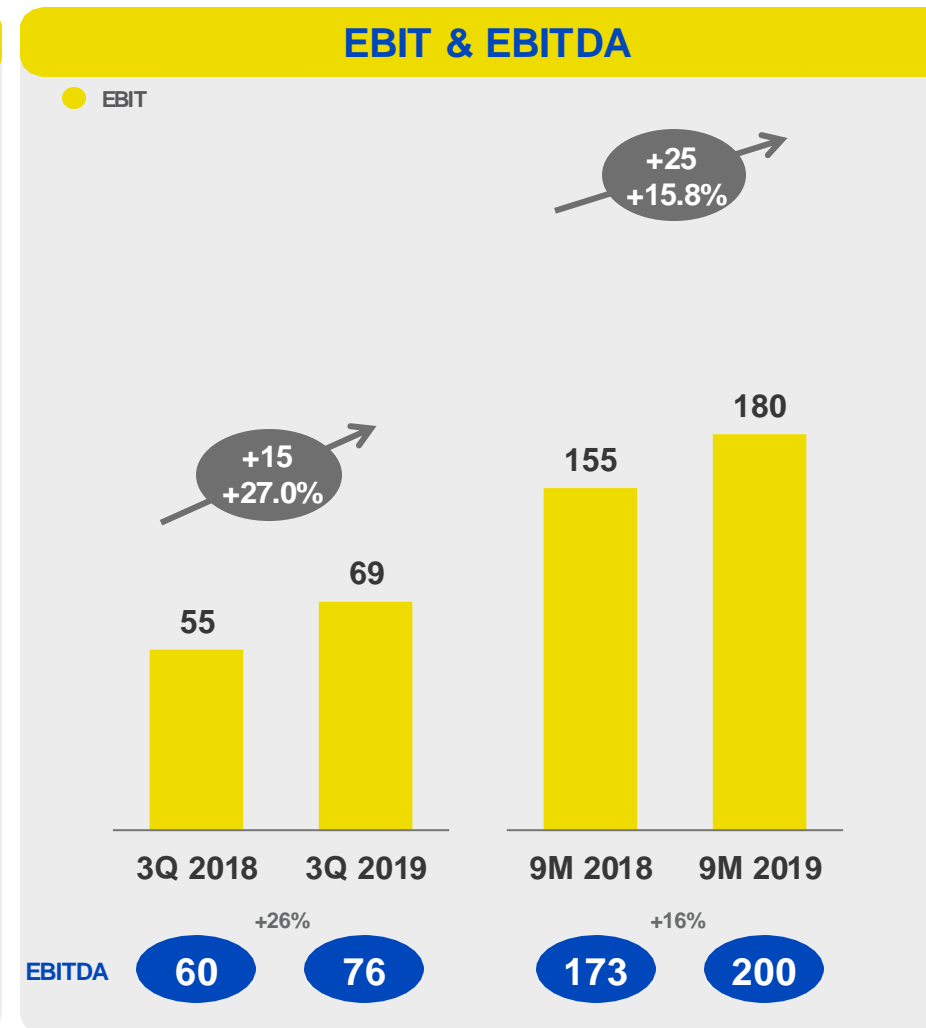
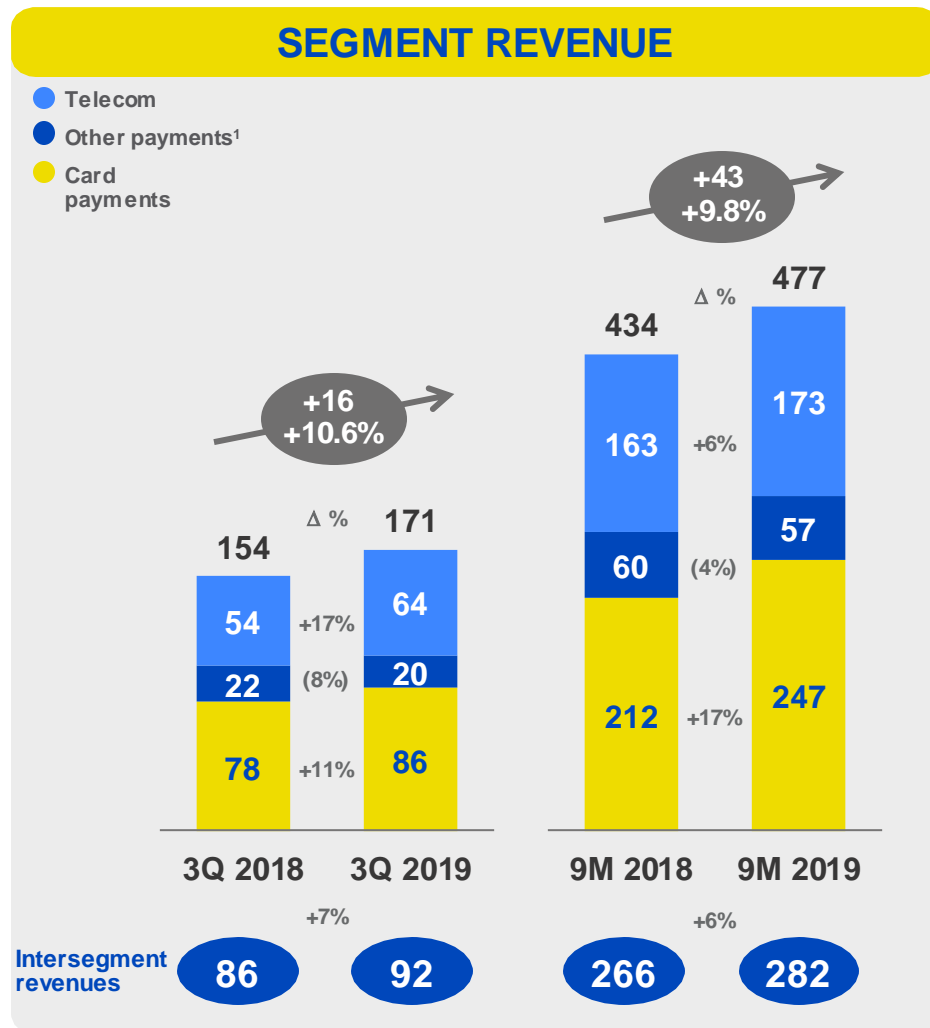
- Lower decline in quarterly mail volumes mainly thanks to traditional unrecorded product
- Mail average price down in 3Q due to volume-mix effect; 9M19 benefits from July 2018 repricing
- Strong B2B and B2C volumes progression, leveraging ongoing transformation across logistic value chain
- Parcel average price lower due to higher B2C contribution

PAYMENTS, MOBILE & DIGITAL

CARD PAYMENTS AND TELECOMS INITIATIVES DRIVING REVENUE GROWTH



€ m unless otherwise stated



KEY HIGHLIGHTS

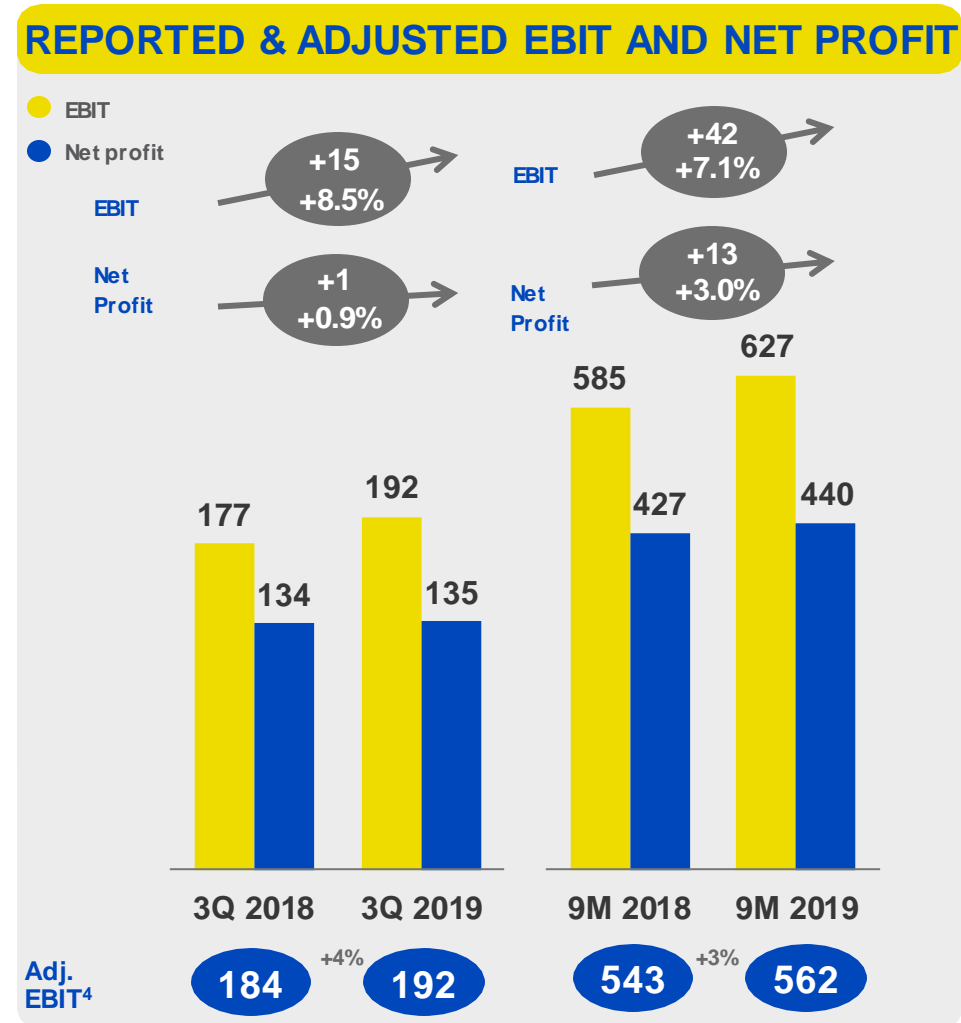
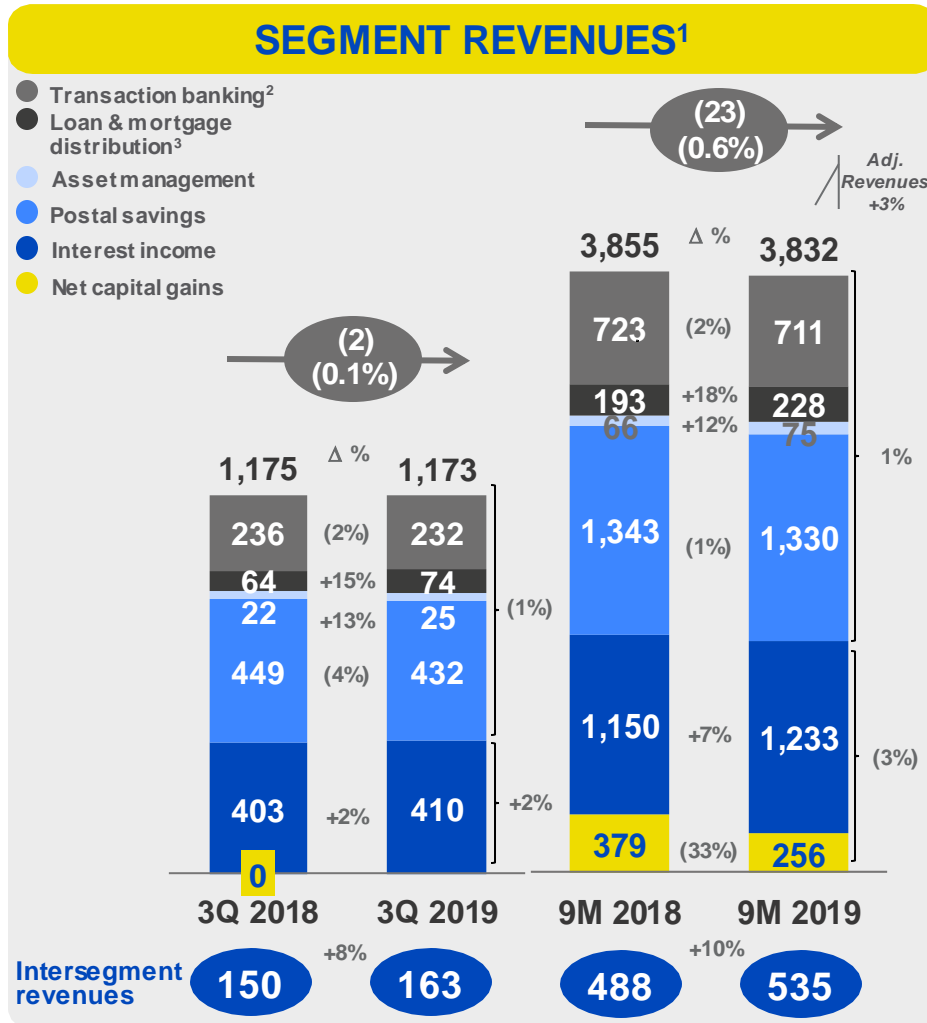
- Telecoms and cards payments synergies supporting cross-selling and upselling
- Card payments benefitting from higher stock and transaction volumes
- Other payments down due to tax payments
- Telecoms revenues up, benefitting from successful commercial initiatives in a competitive environment
- 9M19 EBIT well on track to meet 2019 target

FINANCIAL SERVICES

POSITIVE RECURRING REVENUE CONTRIBUTION; IMPROVING OPERATING PROFITABILITY



€ m unless otherwise stated



KEY HIGHLIGHTS

- Revenues stable in 3Q and up in 9M19 on adjusted basis
- Postal savings down but in line with 2019 target
- Strong progression in asset management and loan & mortgage distribution revenues
- Interest income benefits from proactive portfolio management, providing visibility on 2019 target in a low interest rate environment
- EBIT on track with 2019 target

1. Figures presented in this slide include net capital gains whereas figures on slide 5 are based on gross capital gains
 2. Includes revenues from bollettino, banking accounts related revenues, commissions from INPS and money transfers, Postamat
 3. Includes reported revenues from custody accounts, credit cards, other revenues from distribution of third parties products
 4. Refer to slide 25 for further details on adjustments

GROUP TOTAL FINANCIAL ASSETS

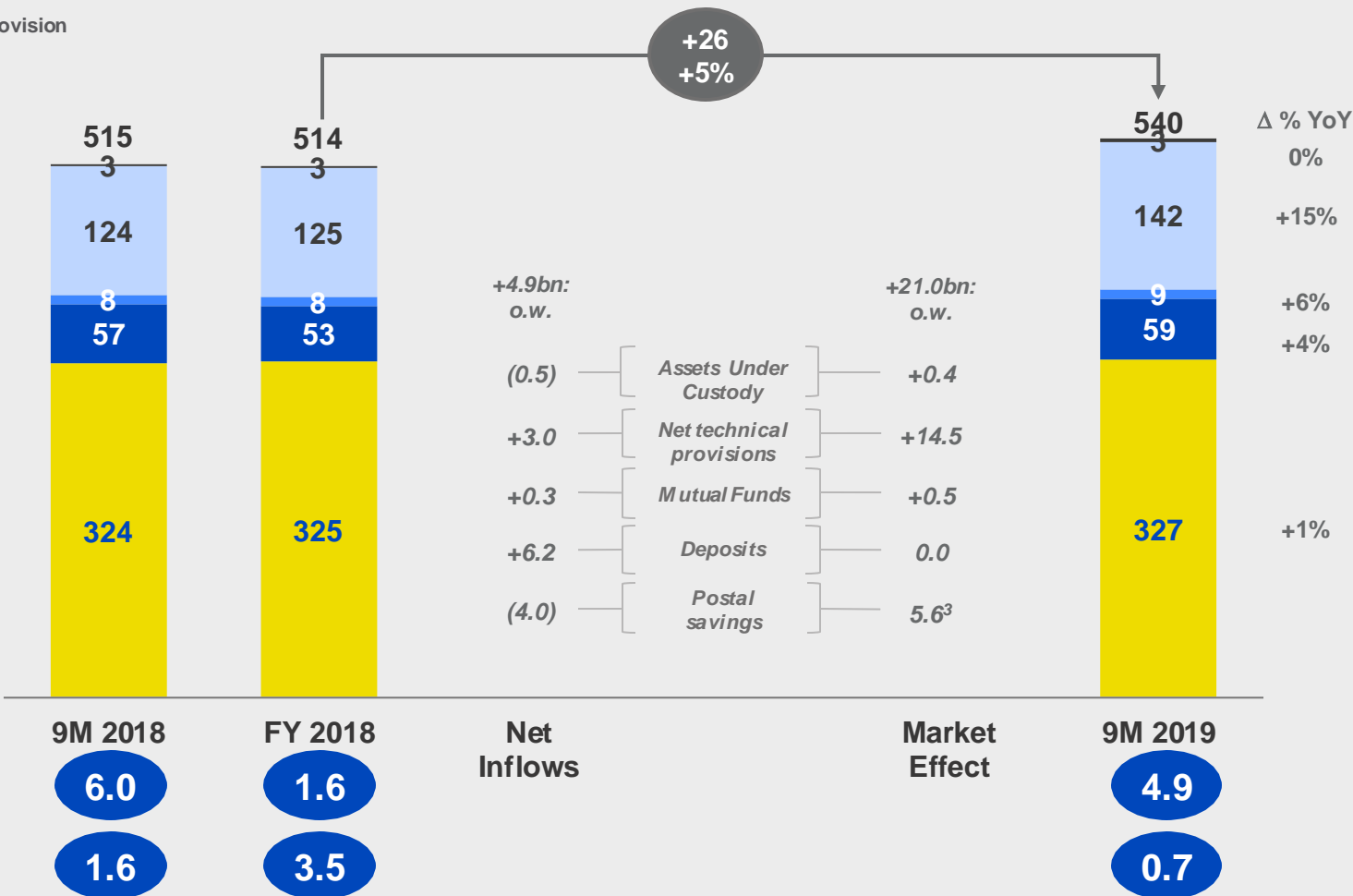
POSITIVE NET INFLOWS AND IMPROVED MIX CONFIRM EFFECTIVE COMMERCIAL STRATEGY



€ bn unless otherwise stated

TFA EVOLUTION¹

- Assets under custody
- Net technical provision
- Mutual funds
- Deposits²
- Postal savings



KEY HIGHLIGHTS

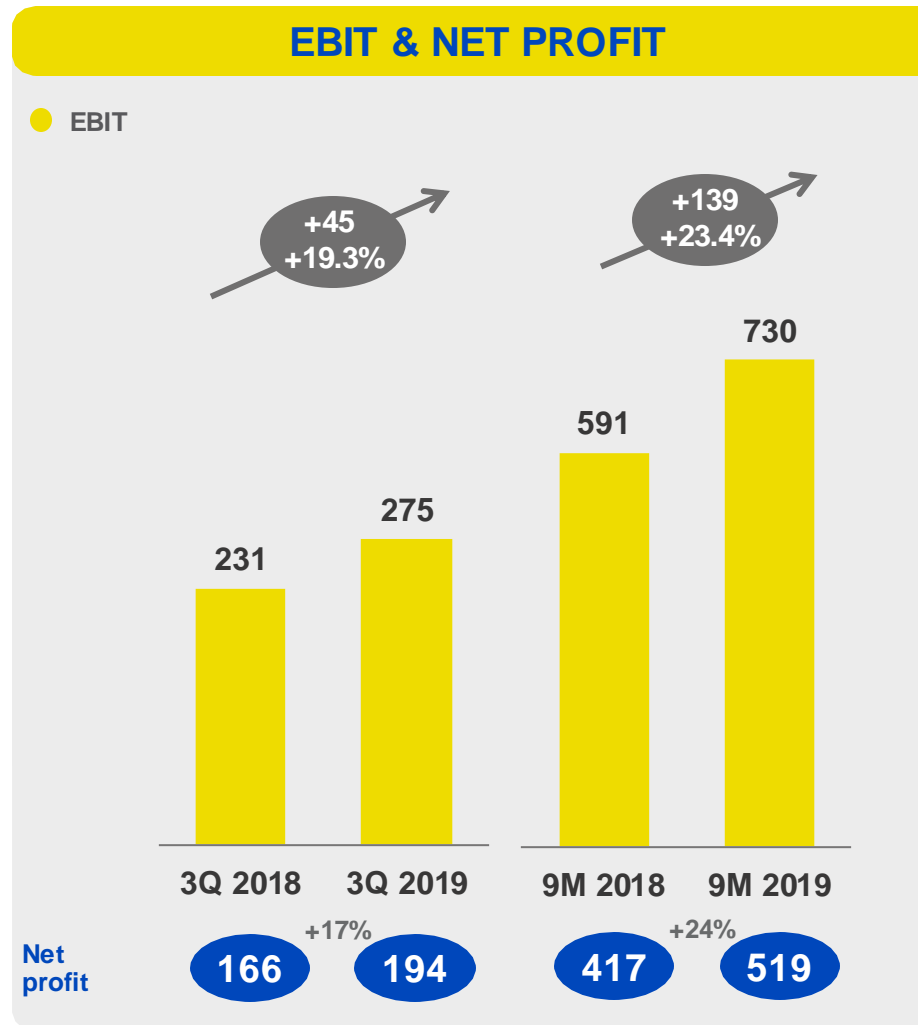
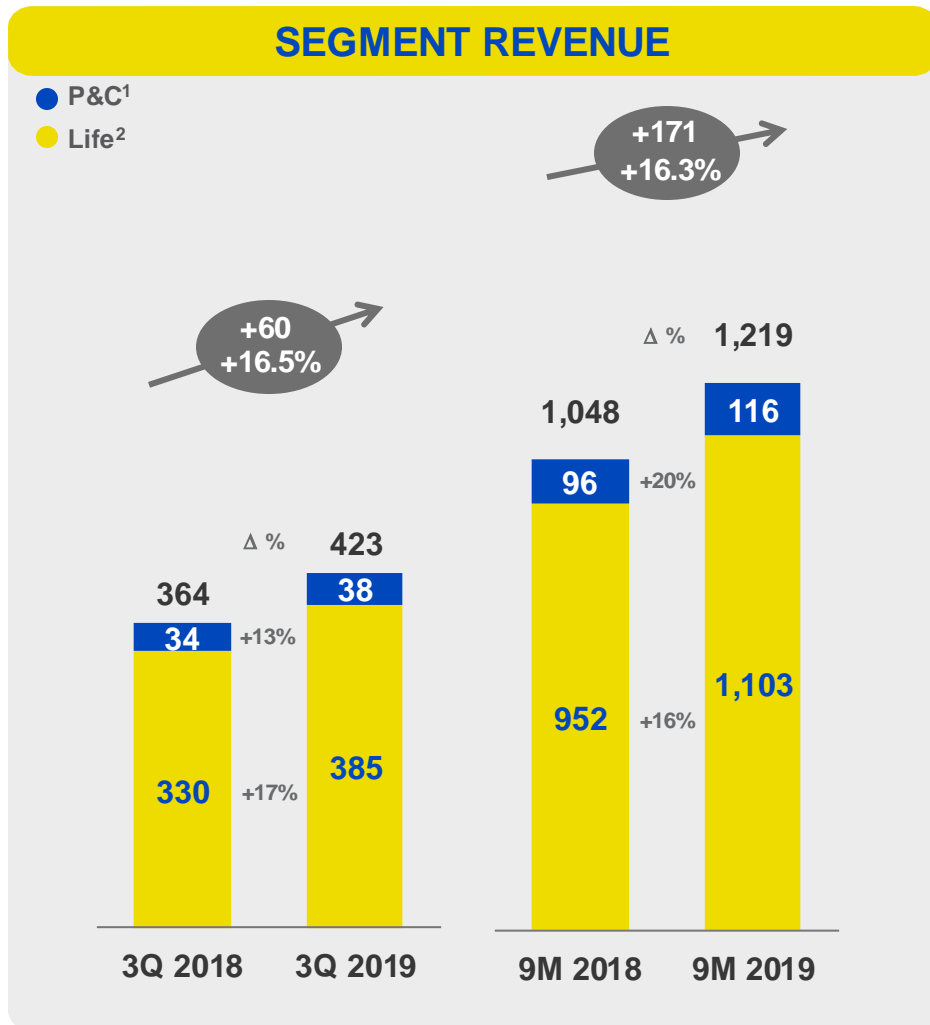
- TFAs up by 26bn since December 2018, benefitting from positive market effect and 5bn net inflows
- Net inflows driven by:
 - Deposits +6.2bn, benefitting from inflows from Public Administration (seasonal effect), retail and Postepay
 - Insurance +3.0bn, supported by successful multiclass products
 - Mutual funds +0.3bn in a complex market
 - Postal savings distribution in line with 2019 target

INSURANCE SERVICES

EBIT GROWTH DRIVEN BY STRONG PERFORMANCE ACROSS ALL BUSINESS LINES



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KEY HIGHLIGHTS

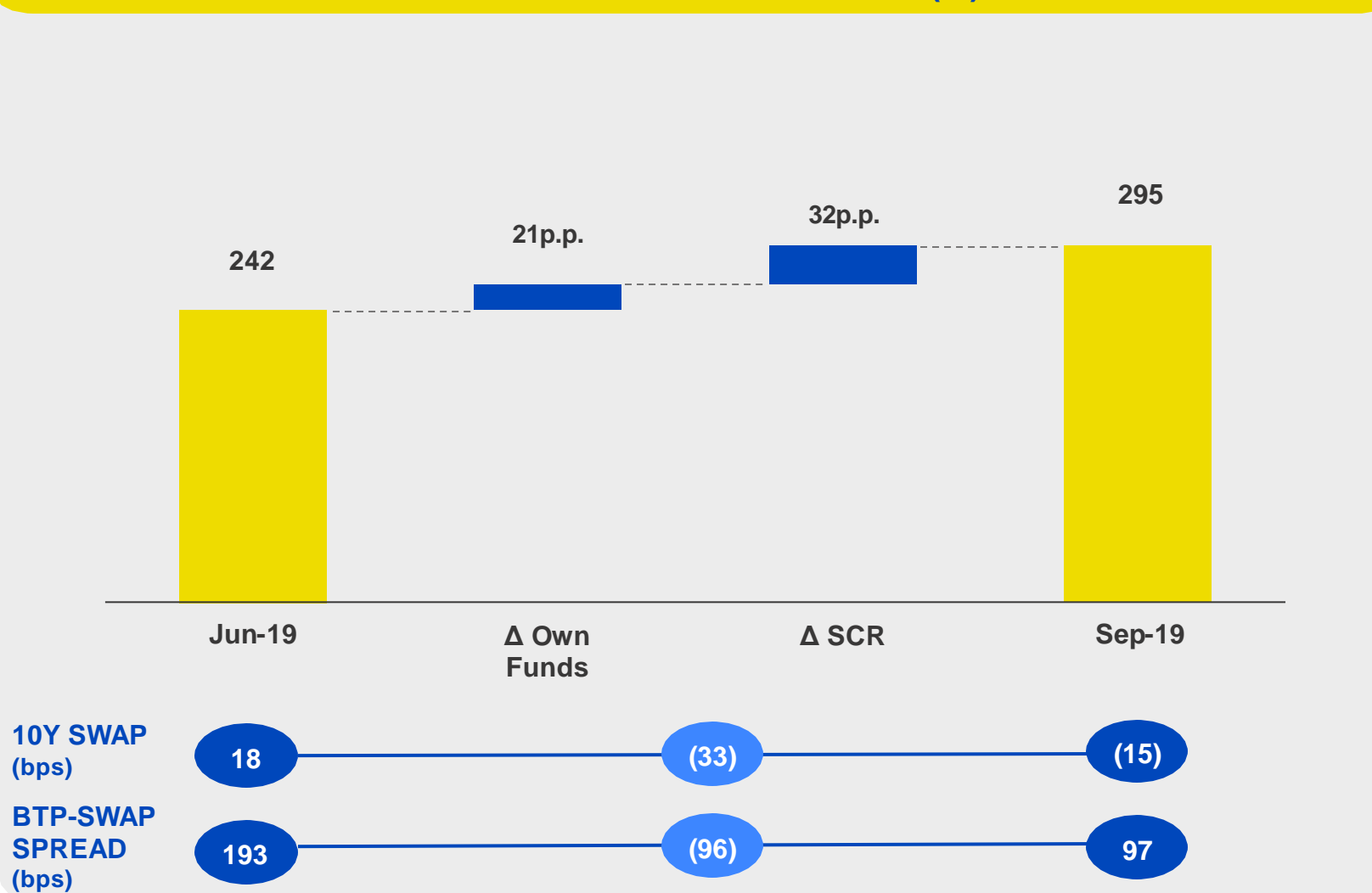
- Life revenues up benefitting from successful diversification towards multiclass products and investment margin
- P&C revenues continue to show strong progression driven by all products
- 9M19 EBIT strongly progressing supported by all product lines

SOLVENCY II RATIO

SOLVENCY II RATIO ABOVE MANAGERIAL AMBITION THROUGH THE CYCLE



SOLVENCY RATIO EVOLUTION (%)



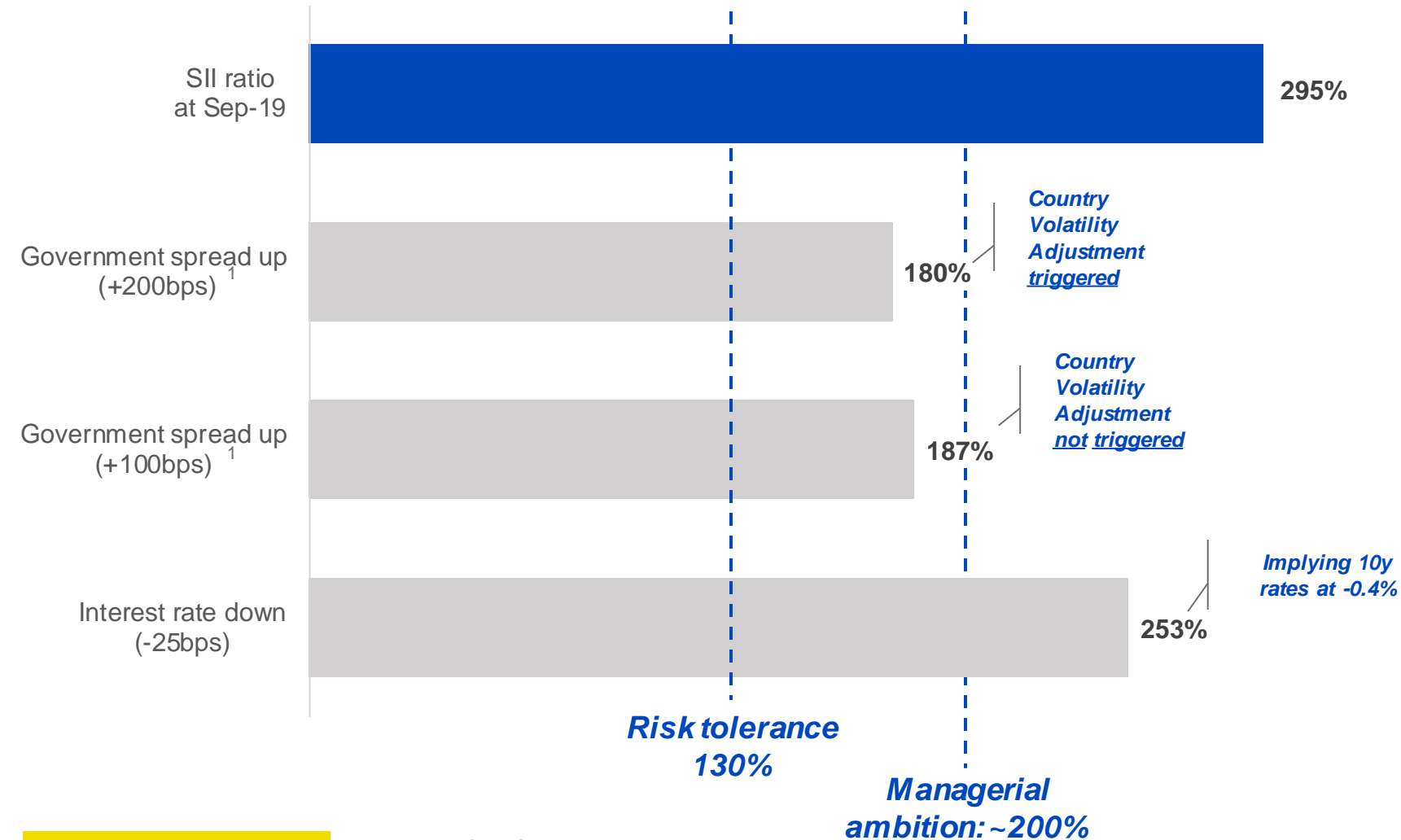
KEY HIGHLIGHTS

- Managerial ambition confirmed at c.200% through the cycle
- Positive impact of Italian govies more than offset lower risk free rates
- Lower capital requirements on underwriting and market risk thanks to higher unrealized capital gains (15.1bn at end Sep-19)
- Transitional measures approved by regulator and not yet included, will provide additional buffer to weather potential future market volatility

SOLVENCY II – KEY SENSITIVITIES

DISCIPLINED RISK APPETITE FRAMEWORK TO SUCCESSFULLY WEATHER FUTURE VOLATILITY

SOLVENCY RATIO SENSITIVITIES



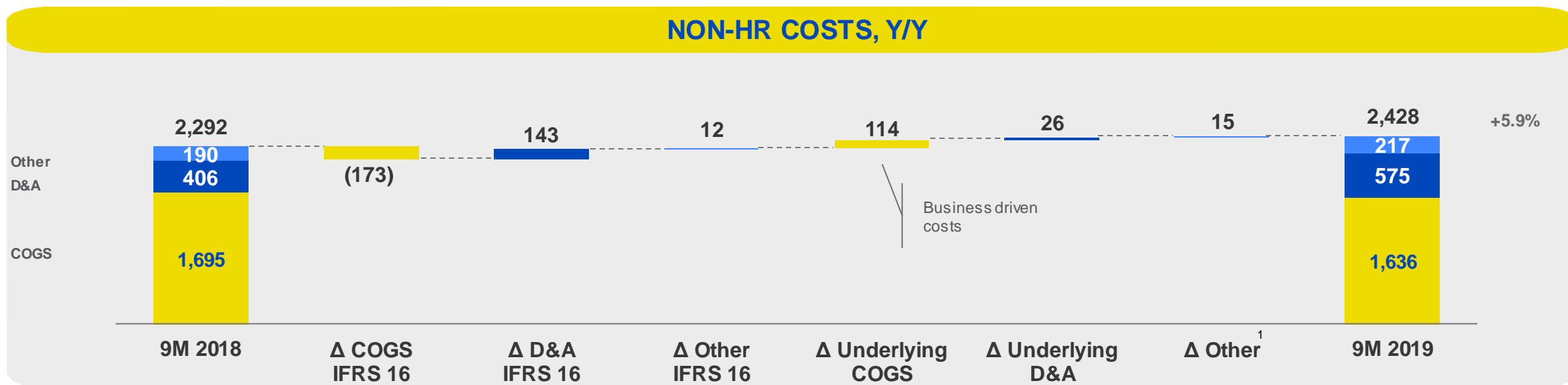
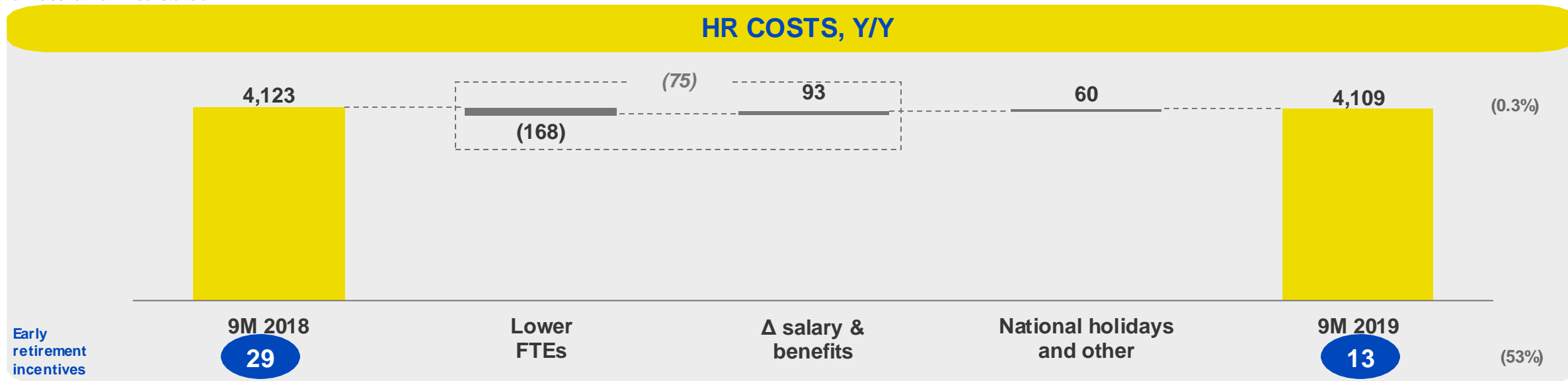
KEY HIGHLIGHTS

- Solvency II ratio in line with managerial ambition through the cycle
- Effective managerial actions (e.g. investment portfolio and product diversification) will contribute to Solvency II ratio resiliency over the plan horizon
- Additional benefit from transitional measures providing buffer to face potential future volatility

COST DISCIPLINE – 9M19 VS. 9M18

ONGOING REDUCTION IN FTEs; NON-HR COSTS UP TO SUPPORT GROWTH

€ m unless otherwise stated

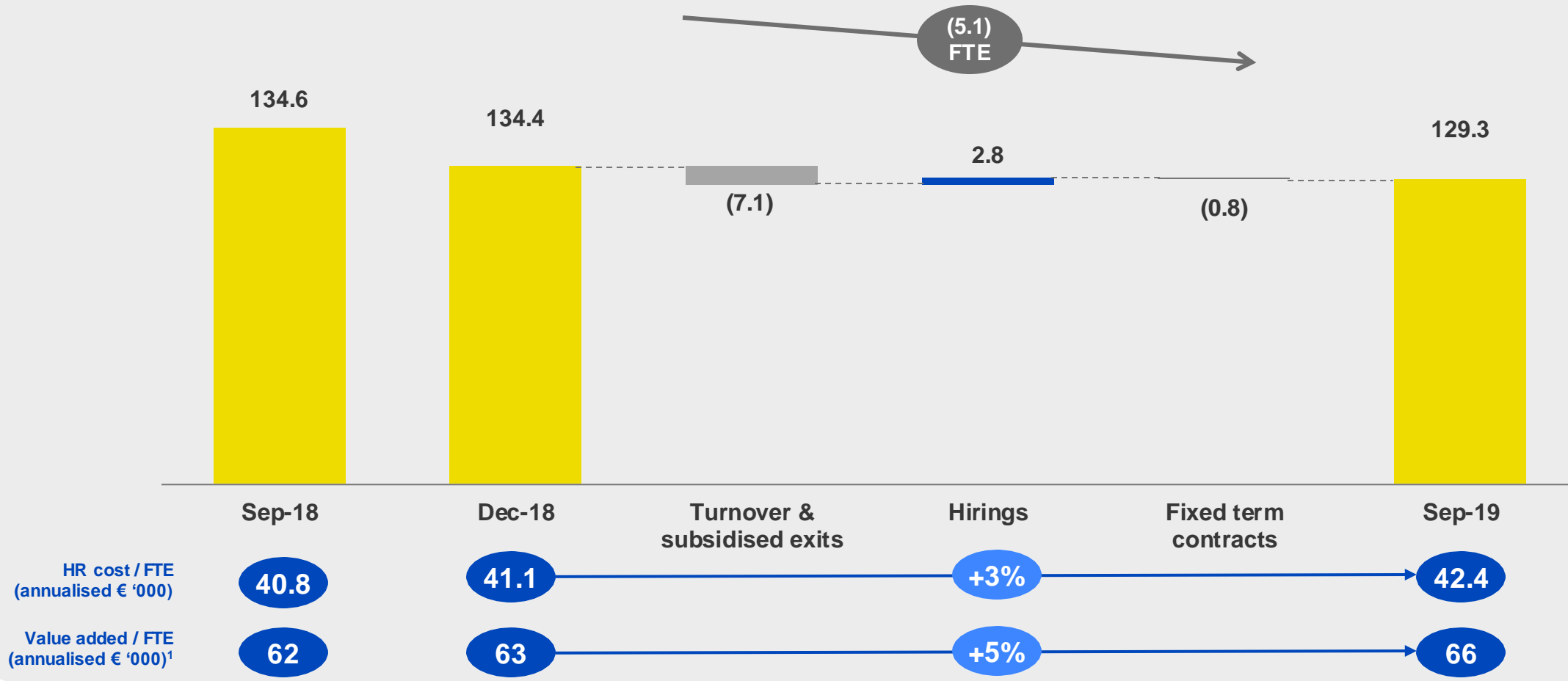


1. Mainly impairments on commercial receivables

WORKFORCE EVOLUTION

ACCELERATING FTE REDUCTION TO SUPPORT TRANSFORMATION; IMPROVING VALUE ADDED PER FTE

AVERAGE HEADCOUNT ('000)



APPROVED INTERIM DIVIDEND OF €0.154, THANKS TO VISIBILITY ON 2019 TARGETS

DIVERSIFIED BUSINESS MODEL, ADAPTING TO CHANGING MACRO ENVIRONMENT

ONGOING COST DISCIPLINE AND CAPEX SUPPORTING ONGOING TRANSFORMATION

CONTINUED PROGRESS IN OUR TRANSFORMATION, IN LINE WITH DELIVER 2022



EXECUTIVE SUMMARY

BUSINESS REVIEW

APPENDIX

POSTE GROUP: 3Q & 9M19 ONE-OFFS

EXPLANATORY NOTES TO ADJUSTED FIGURES

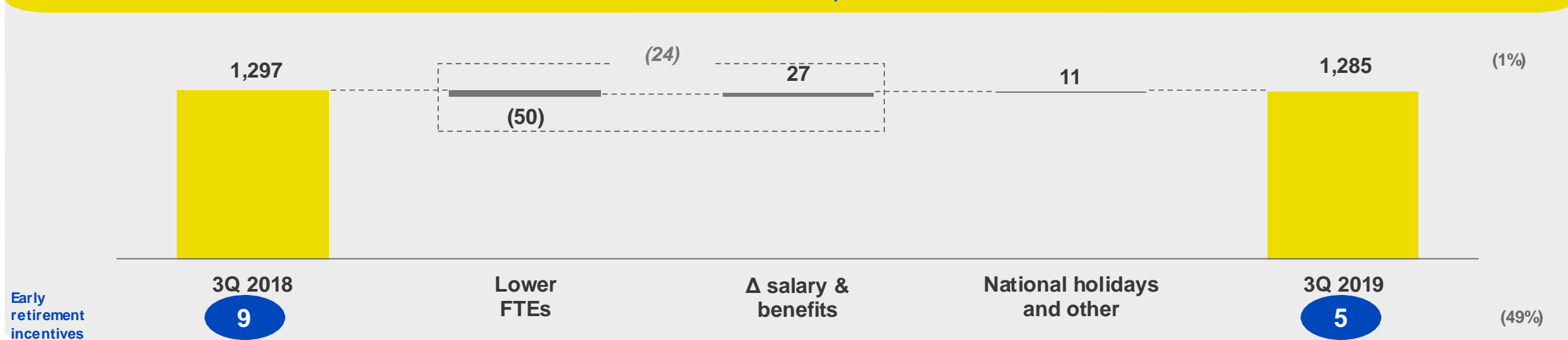
	3Q 2018	3Q 2019	EUR m	%	9M 2018	9M 2019	EUR m	%
REPORTED REVENUES	2,522	2,568	46	+1.8%	7,951	8,089	138	+1.7%
<i>GROSS CAPITAL GAINS ON INVESTMENT PORTFOLIO</i>	0	0			404	261		
<i>VISA - IFRS 9 VALUATION</i>	7	3			17	19		
<i>VISA - CAPITAL GAIN ON SHARES DISPOSAL</i>	0	0			0	1		
ADJUSTED REVENUES	2,514	2,565	50	+2.0%	7,531	7,807	276	+3.7%
REPORTED COSTS	2,066	2,108	42	+2.0%	6,443	6,549	106	+1.6%
<i>CAPITAL LOSSES ON INVESTMENT PORTFOLIO</i>	0	0			25	6		
<i>EARLY RETIREMENT INCENTIVES</i>	9	5			29	13		
<i>REAL ESTATE FUNDS PROVISIONS</i>	7	0			24	0		
<i>VISA - FAIR VALUE HEDGE</i>	0	2			0	11		
ADJUSTED COSTS	2,050	2,101	52	+2.5%	6,365	6,519	154	+2.4%
REPORTED EBIT	456	459	4	+0.8%	1,509	1,540	32	+2.1%
ADJUSTED EBIT	465	463	(1)	(0.2%)	1,166	1,288	122	+10.5%
REPORTED NET PROFIT	321	320	(1)	(0.4%)	1,056	1,083	27	+2.6%
ADJUSTED NET PROFIT	326	321	(4)	(1.4%)	807	891	84	+10.4%

COST DISCIPLINE – 3Q19 VS. 3Q18

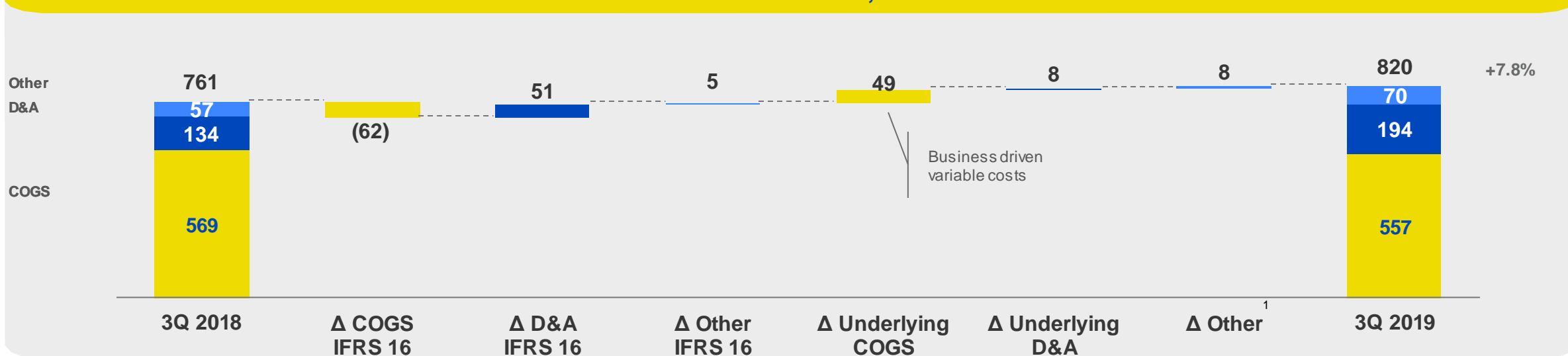
LOWER FTEs DRIVING COST DISCIPLINE, WHILE NON-HR COSTS INCREASE TO SUPPORT GROWTH

€ m unless otherwise stated

HR COSTS, Q/Q

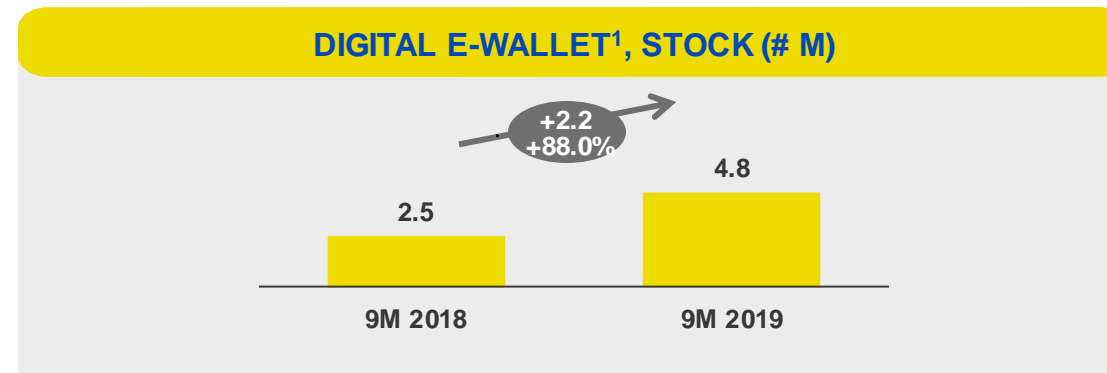
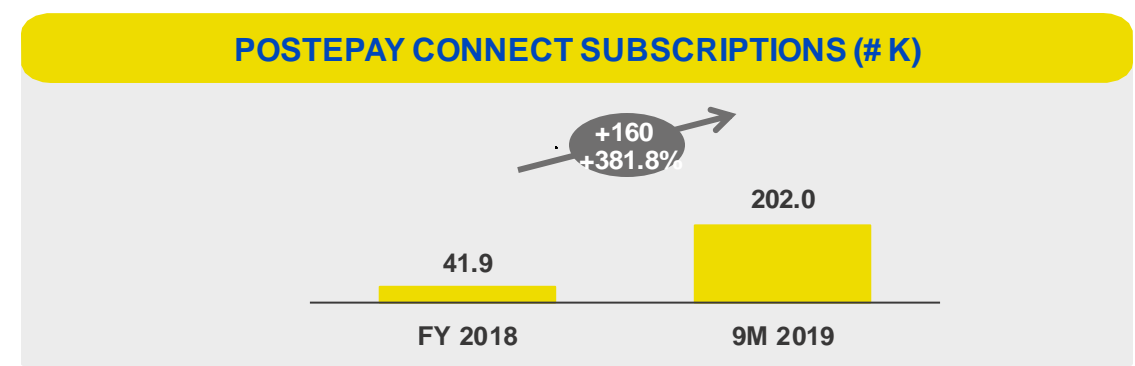
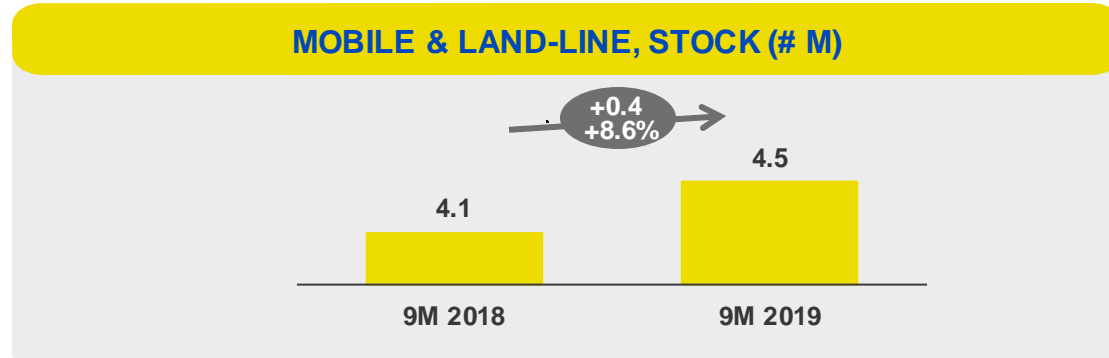
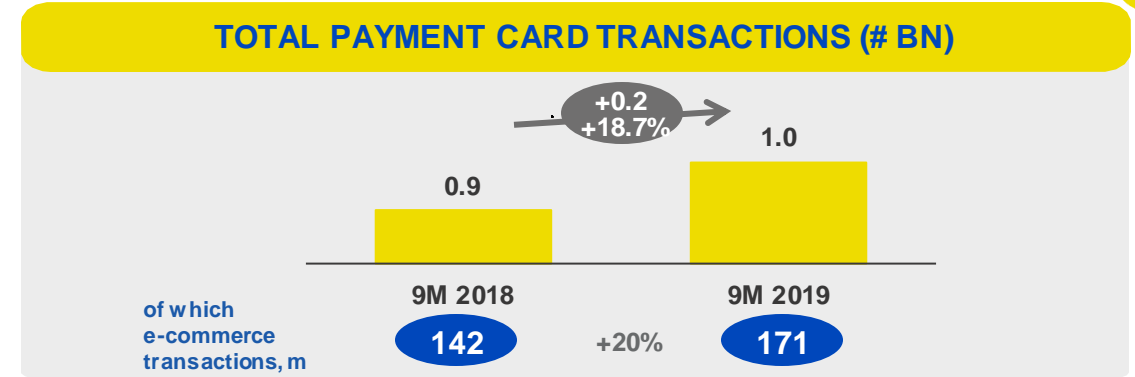
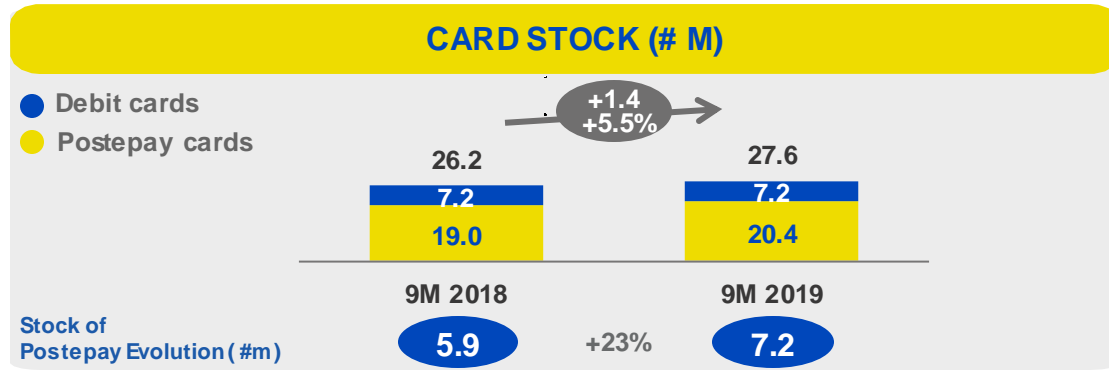


NON-HR COSTS, Q/Q



GROWTH IN PAYMENTS, MOBILE & DIGITAL

KEY METRICS STEADILY IMPROVING

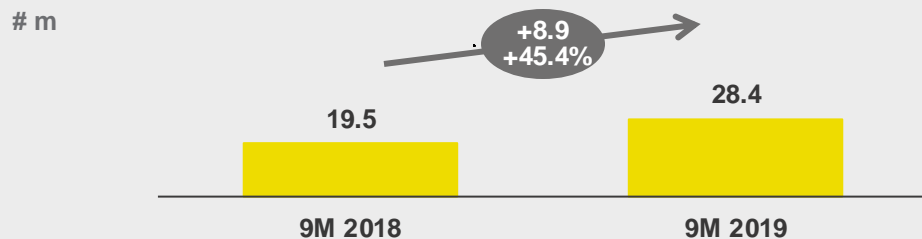


POSTE ITALIANE DIGITAL FOOTPRINT

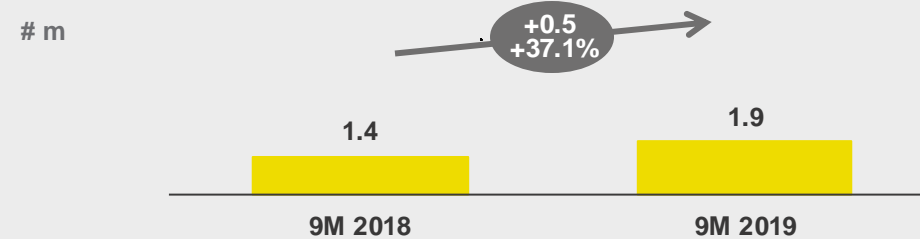
KEY METRICS STEADILY IMPROVING



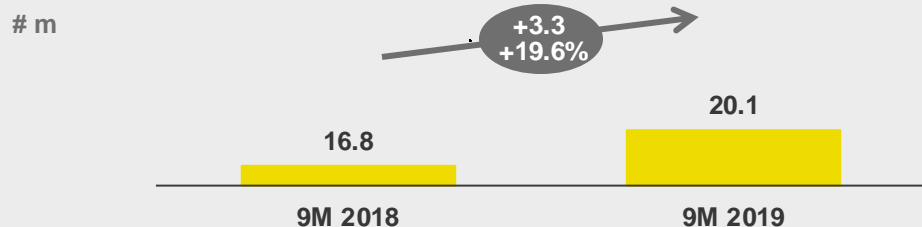
GROWTH IN CUMULATED APP DOWNLOADS¹



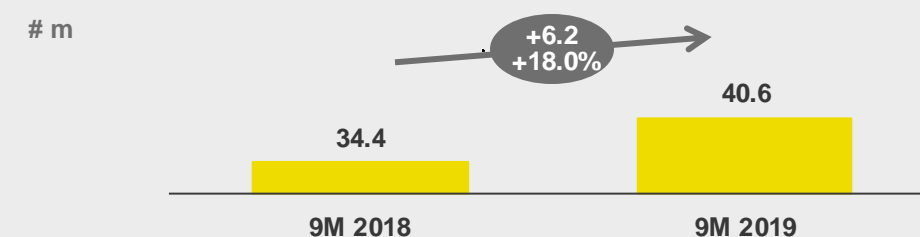
DAILY ONLINE USERS



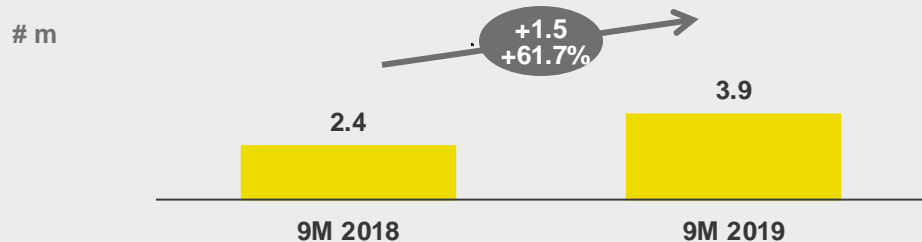
REGISTERED ONLINE USERS



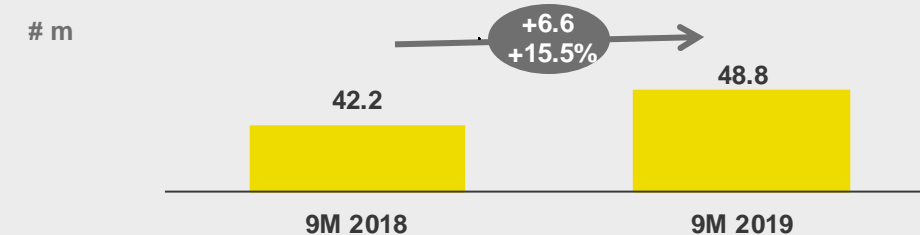
GROWTH IN CONSUMER FINANCIAL TRANSACTIONS



ELECTRONIC IDENTIFICATION² STOCK



GROWTH IN TRACK&TRACE SEARCHES³



1. Source: App stores (iOS and Android)
2. Electronic identification refers to number of ID outstanding
3. Digital system to monitor parcels' delivery.

FINANCIAL SERVICES: 3Q & 9M19 ONE-OFFS

EXPLANATORY NOTES TO ADJUSTED FIGURES



	3Q 2018	3Q 2019	EUR m	%	9M 2018	9M 2019	EUR m	%
SEGMENT REPORTED REVENUES	1,175	1,173	(2)	(0.1%)	3,879	3,838	(42)	(1.1%)
<i>GROSS CAPITAL GAINS ON INV. PORTFOLIO</i>	0	0			404	261		
<i>VISA - IFRS 9 VALUATION</i>	7	3			17	19		
<i>VISA - CAPITAL GAIN ON SHARES DISPOSAL</i>	0	0			0	1		
SEGMENT ADJUSTED REVENUES	1,168	1,170	3	+0.2%	3,459	3,556	97	+2.8%
<i>INTERSEGMENT REVENUES</i>	150	163	13	+8.4%	488	535	46	+9.5%
ADJUSTED TOTAL REVENUES	1,318	1,333	16	+1.2%	3,948	4,091	143	+3.6%
REPORTED COSTS	1,148	1,144	(4)	(0.3%)	3,783	3,746	(37)	(1.0%)
<i>EARLY RETIREMENT INCENTIVES</i>	2	0			9	1		
<i>CAPITAL LOSSES ON INV. PORTFOLIO</i>	0	0			25	6		
<i>CAPITAL GAINS COMMISSIONING</i>	0	0			307	199		
<i>VISA - FAIR VALUE HEDGE</i>	0	2			0	11		
<i>REAL ESTATE FUNDS PROVISIONS</i>	7	0			24	0		
<i>VISA - COMMISSIONING ON IFRS 9 VALUATION</i>	6	0			13	0		
ADJUSTED COSTS	1,133	1,141	8	+0.7%	3,404	3,529	125	+3.7%
REPORTED EBIT	177	192	15	+8.5%	585	627	42	+7.1%
ADJUSTED EBIT	184	192	7	+4.1%	543	562	18	+3.4%
REPORTED NET PROFIT	134	135	1	+0.9%	427	440	13	+3.0%
ADJUSTED NET PROFIT	139	135	(4)	(2.9%)	396	391	(5)	(1.3%)

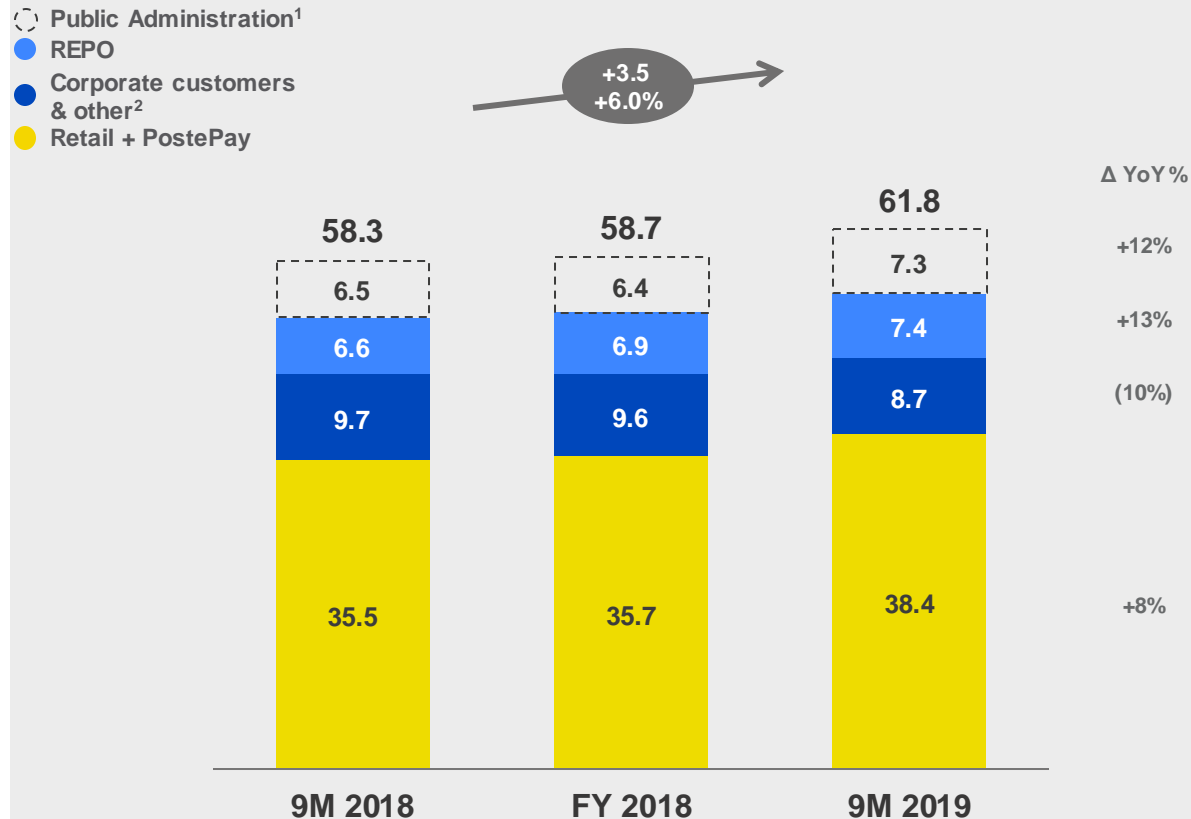
BANCOPOSTA ASSETS AND LIABILITIES STRUCTURE

PRUDENT ALM STRATEGY TO MATCH ASSETS AND LIABILITIES

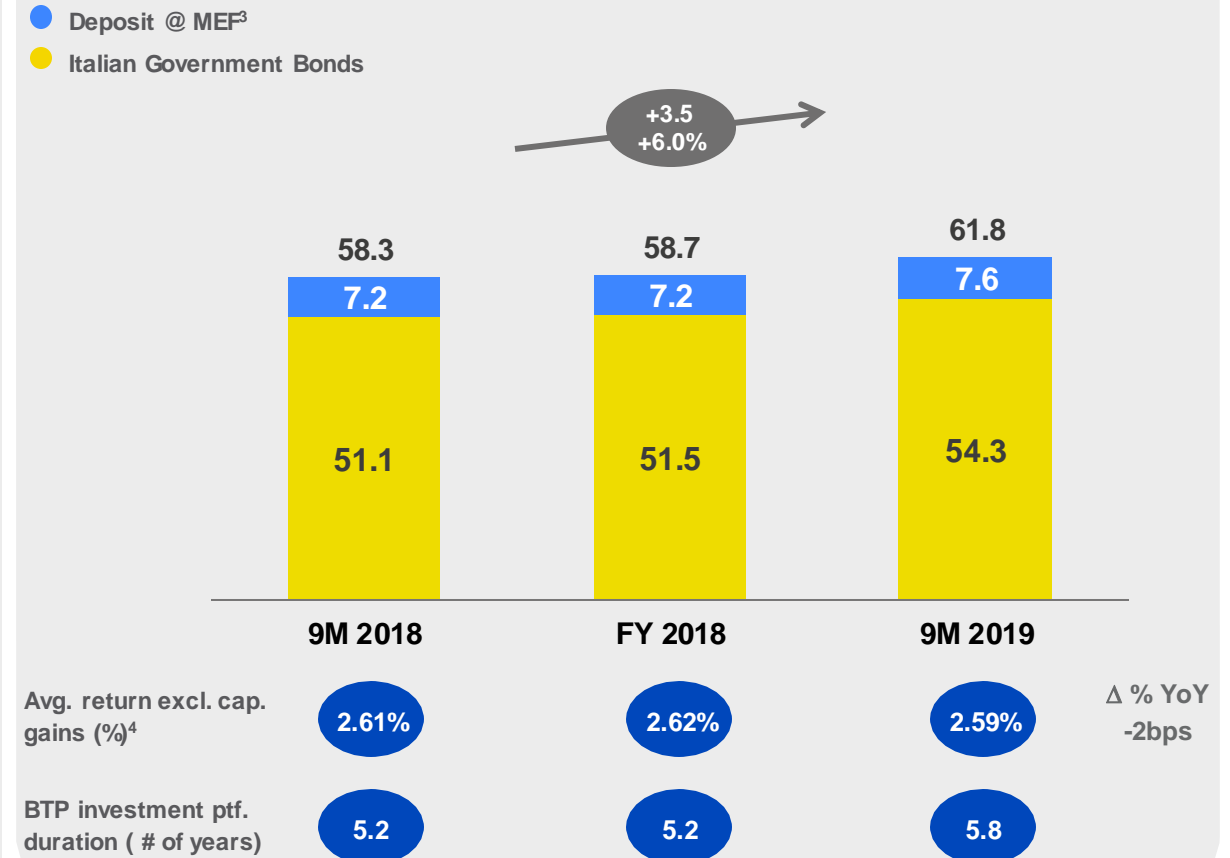
€ bn unless otherwise stated



AVERAGE CURRENT ACCOUNT DEPOSITS



AVERAGE INVESTMENT PORTFOLIO



FINANCIAL SERVICES: FOCUS ON INVESTMENT PORTFOLIO

UNREALISED GAINS AT 2.7BN



€m

UNREALIZED GAINS/LOSSES

Fair Value reserve

(449)

(71)

(171)

1,692

2,721

(2,690)

9M 2018

(1,687)

FY 2018

(1,889)

1H 2019

9M 2019

UNREALIZED GAINS SENSITIVITIES¹

SWAP RATE -1 bps

17

SWAP RATE +1 bps

(17)

BTP SWAP SPREAD -1 bps

72

BTP SWAP SPREAD +1 bps

(72)

9M 2018

FY 2018

1H 2019

9M 2019

Var (bps)
9M19 vs 1H19

BTP 10Y

3.15

2.74

2.10

0.82

(128)

SWAP 10Y

0.98

0.81

0.18

(0.15)

(33)

BTP 15Y

3.31

3.03

2.55

1.37

(118)

SWAP 15Y

1.32

1.17

0.49

0.07

(42)

BTP 30Y

3.72

3.53

3.09

1.91

(118)

SWAP 30Y

1.53

1.38

0.72

0.22

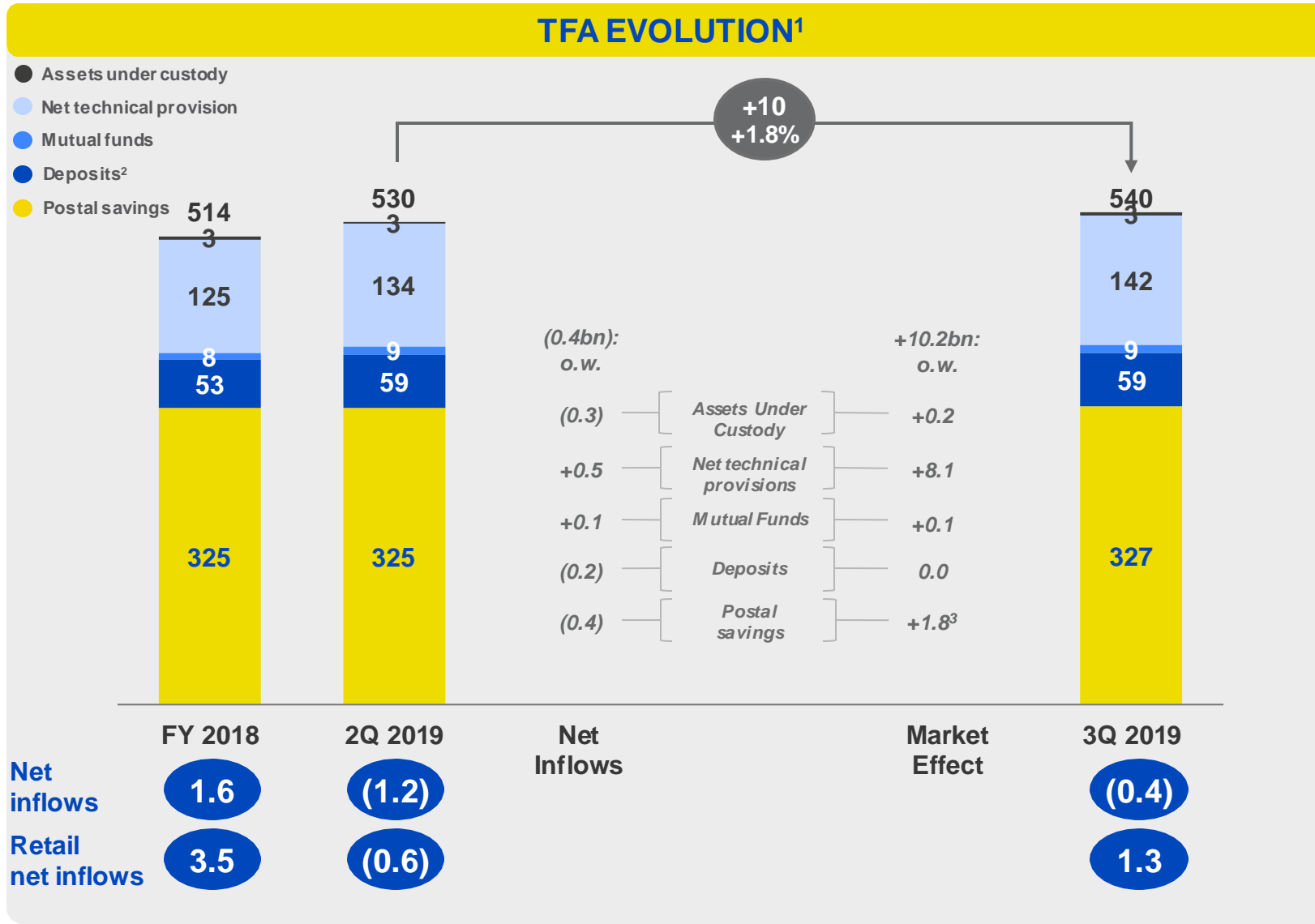
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GROUP TOTAL FINANCIAL ASSETS IN 3Q 2019

POSITIVE RETAIL NET INFLOWS AND IMPROVED STOCK MIX CONFIRM EFFECTIVE COMMERCIAL STRATEGY



€ bn unless otherwise stated



KEY HIGHLIGHTS

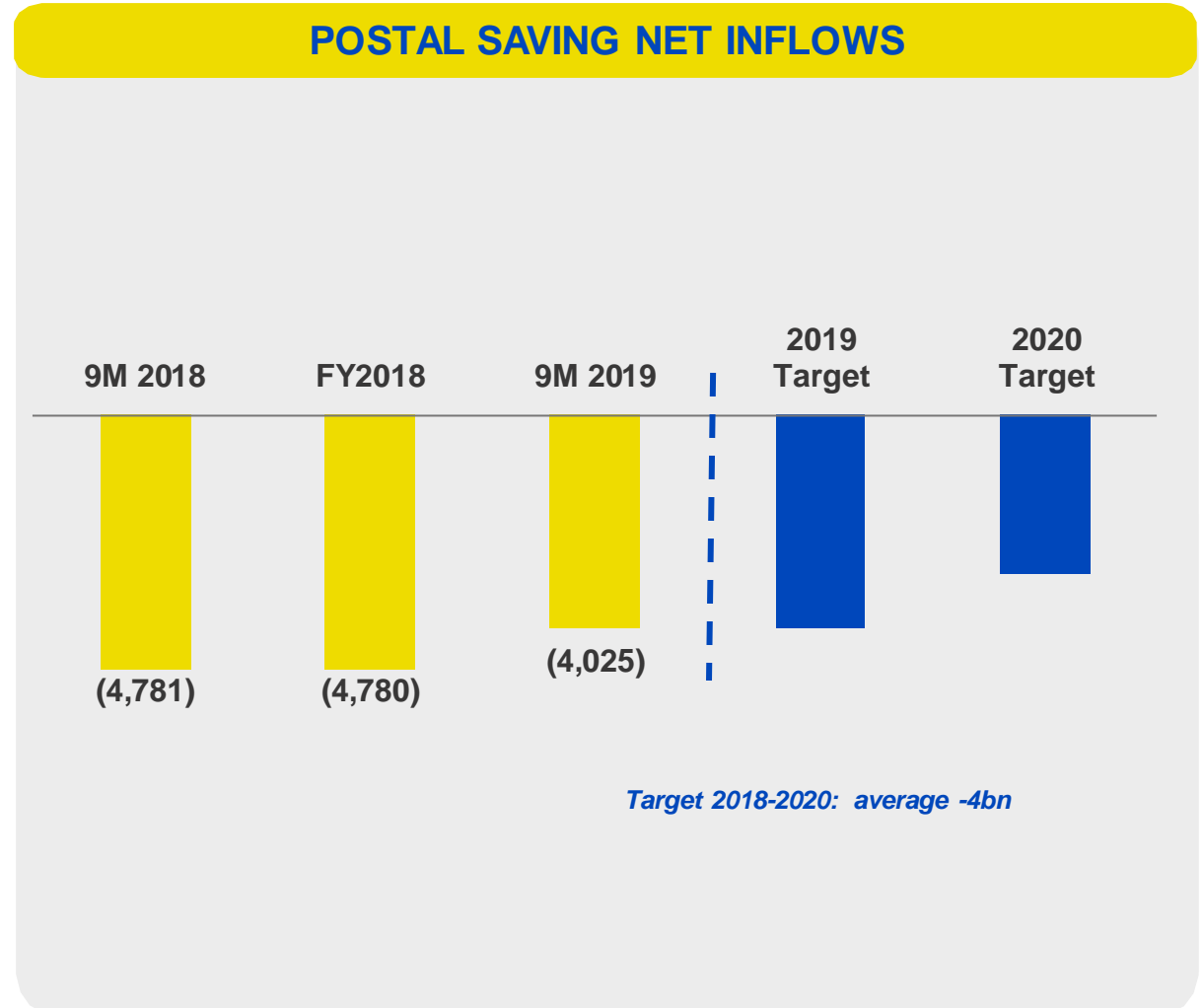
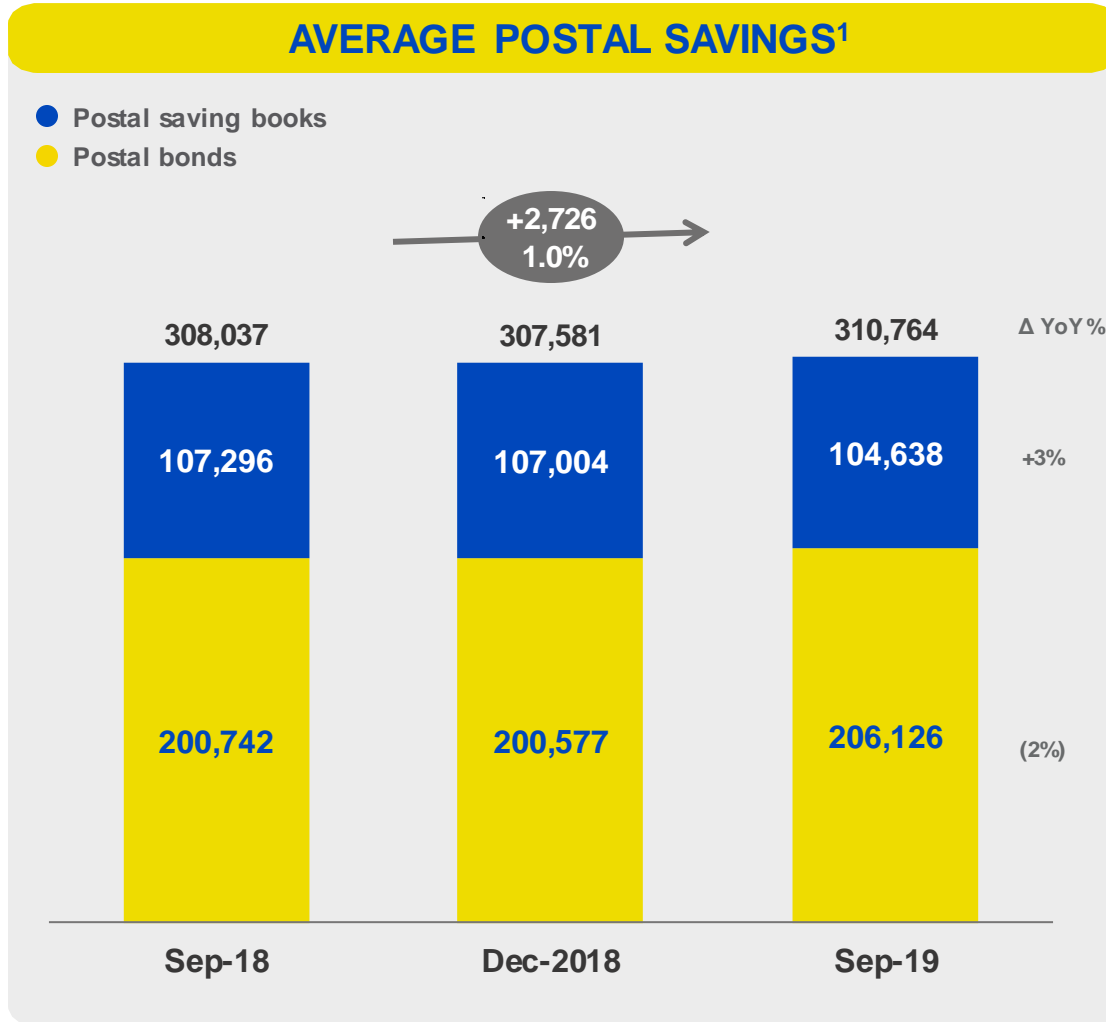
- TFA at 540bn up by 10bn vs. 1H19
- Net inflows driven by:
 - Insurance +0.5bn supported by multiclass products
 - Mutual funds +0.1bn
- Strong market effect of 10.2bn

POSTAL SAVINGS

NET INFLOWS AND DISTRIBUTION FEES ON TRACK WITH 2019 TARGETS



€ m unless otherwise stated

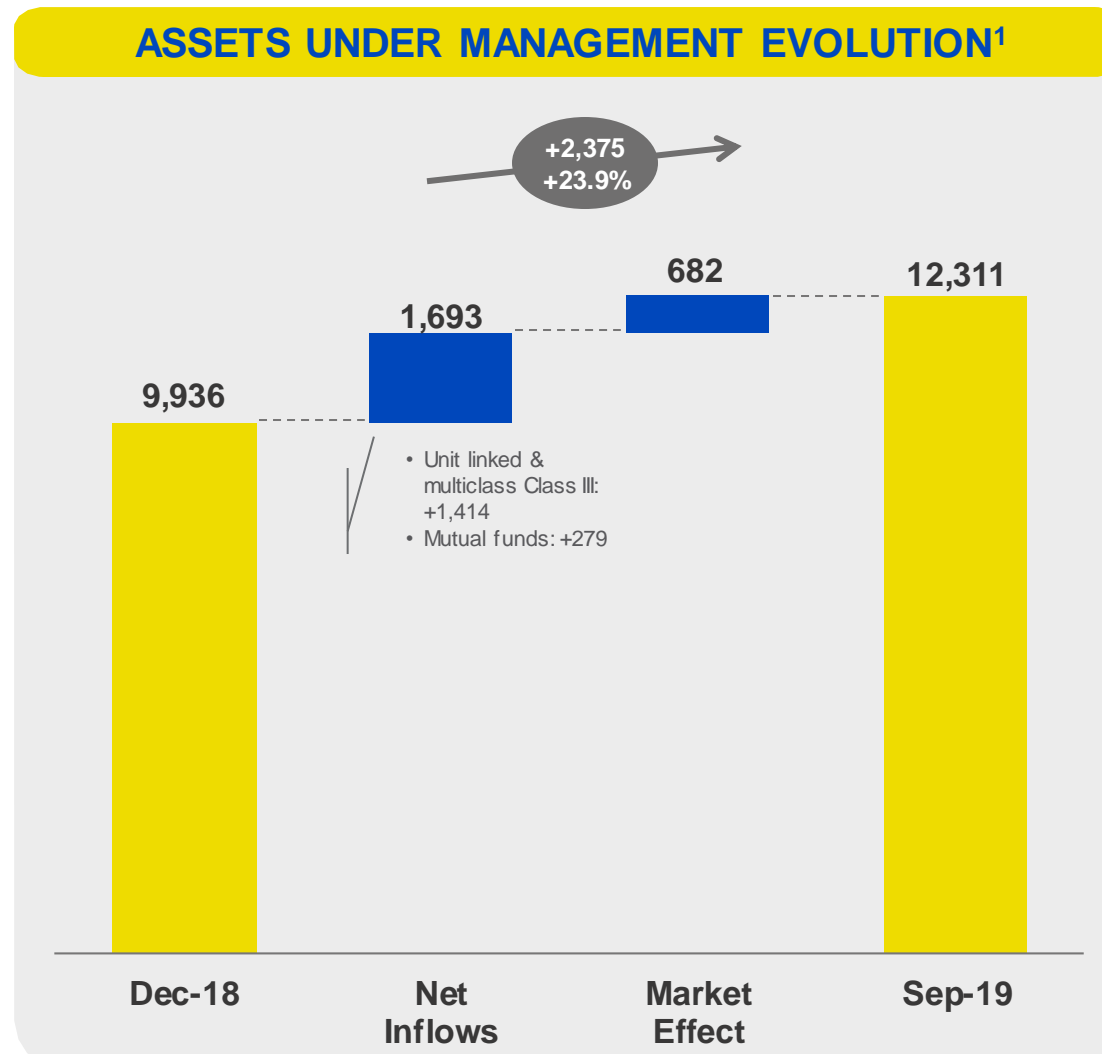
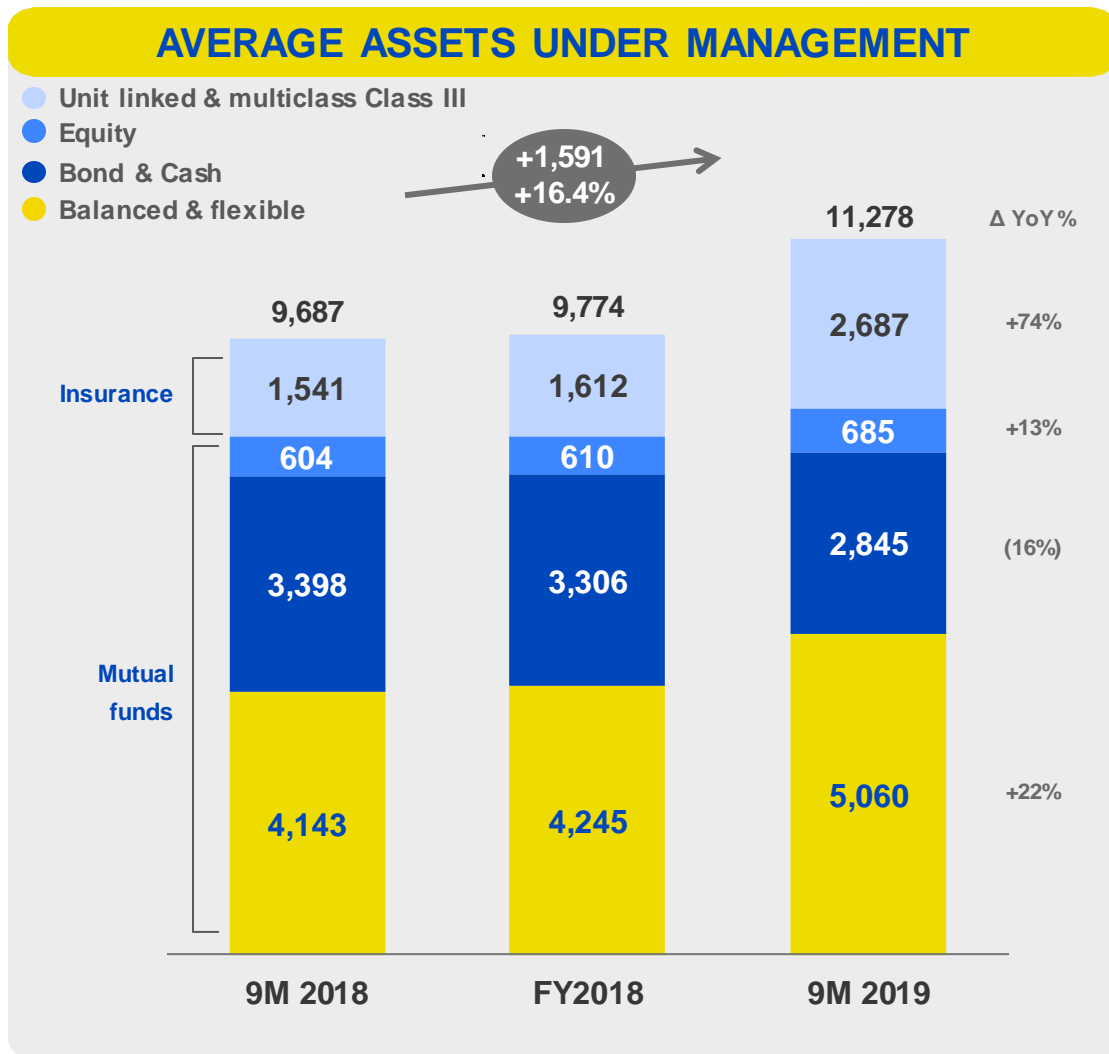


ASSET MANAGEMENT PROGRESSING

MULTICLASS INSURANCE PRODUCTS AND MUTUAL FUNDS NET SALES DRIVING AUM GROWTH



€ m unless otherwise stated



1. End of period Assets Under Management

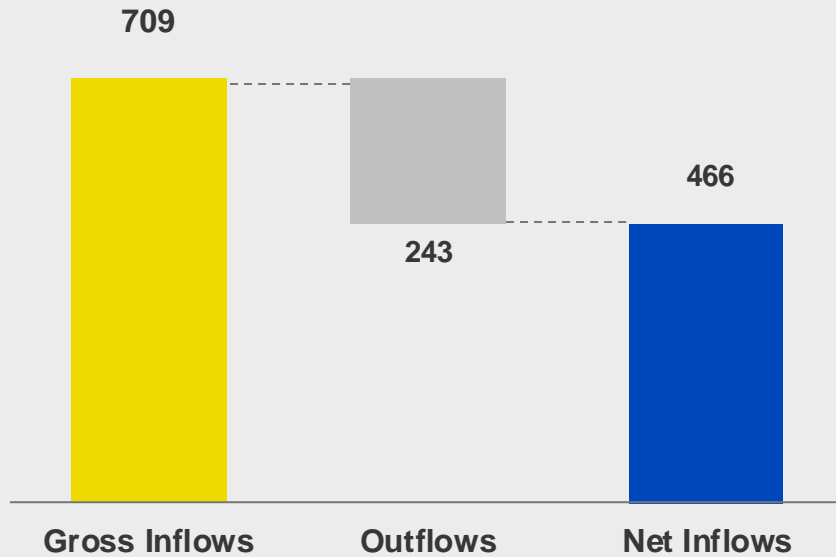
ASSET MANAGEMENT NET INFLOWS INCREASING IN 3Q19

INSURANCE PRODUCTS AND MUTUAL FUNDS NET SALES RESULTING IN POSITIVE NET INFLOWS



€ m unless otherwise stated

TOTAL NET INFLOWS – QUARTER



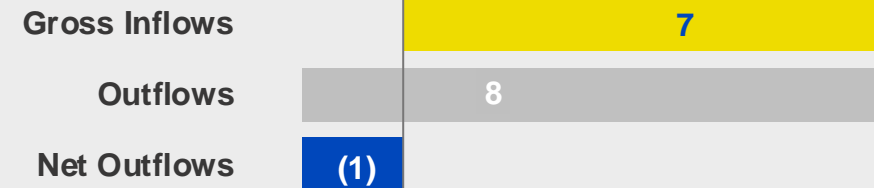
Multiclass Class III¹



Mutual funds



Unit Linked (class III)

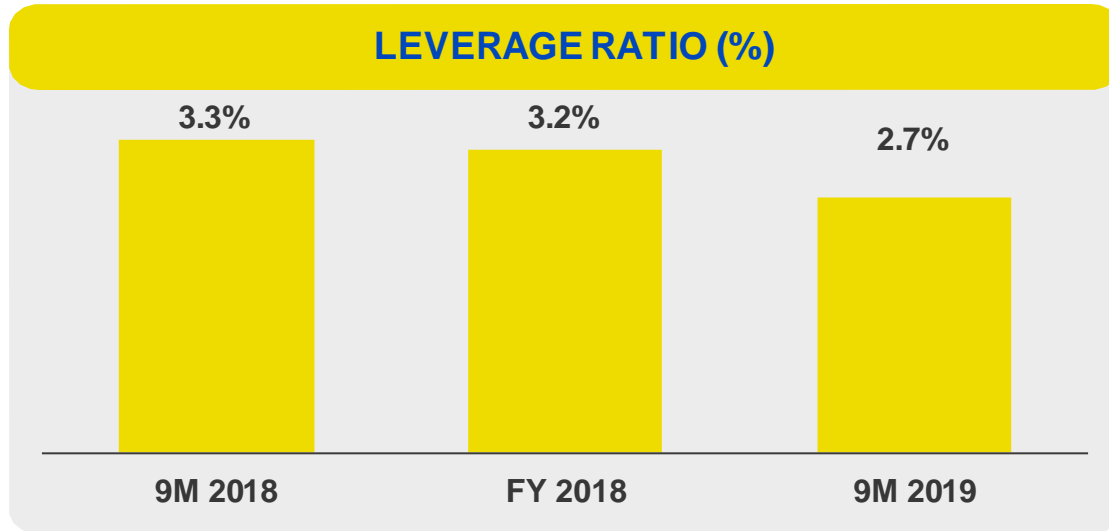


SOLID AND EFFICIENT CAPITAL POSITION IN BANCOPOSTA

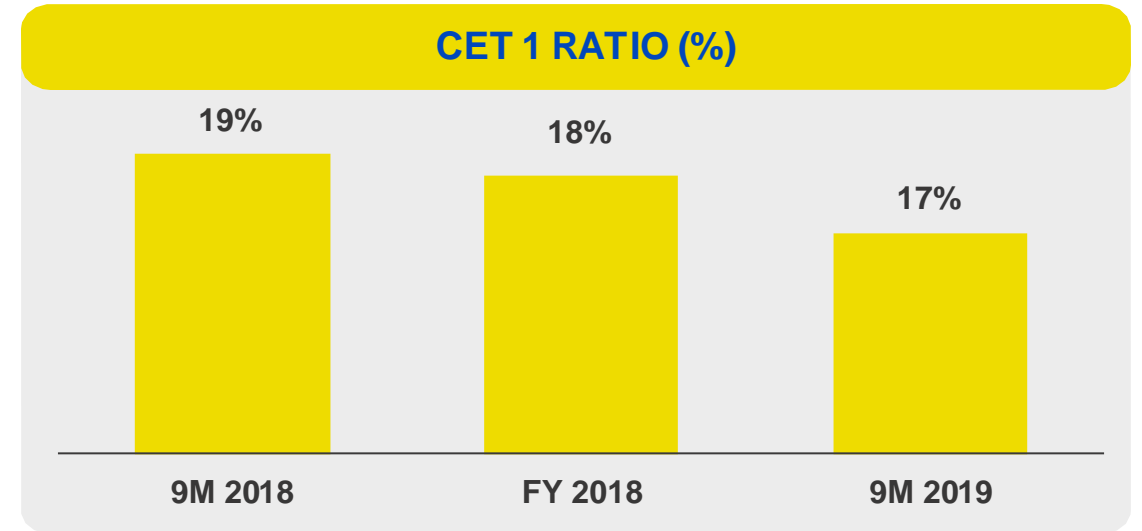
AN ASSET GATHERER WITH A LOW RISK BALANCE SHEET



LEVERAGE RATIO (%)



CET 1 RATIO (%)



SOLVENCY II EVOLUTION

MANAGERIAL AMBITION CONFIRMED AT C. 200% THROUGH THE CYCLE

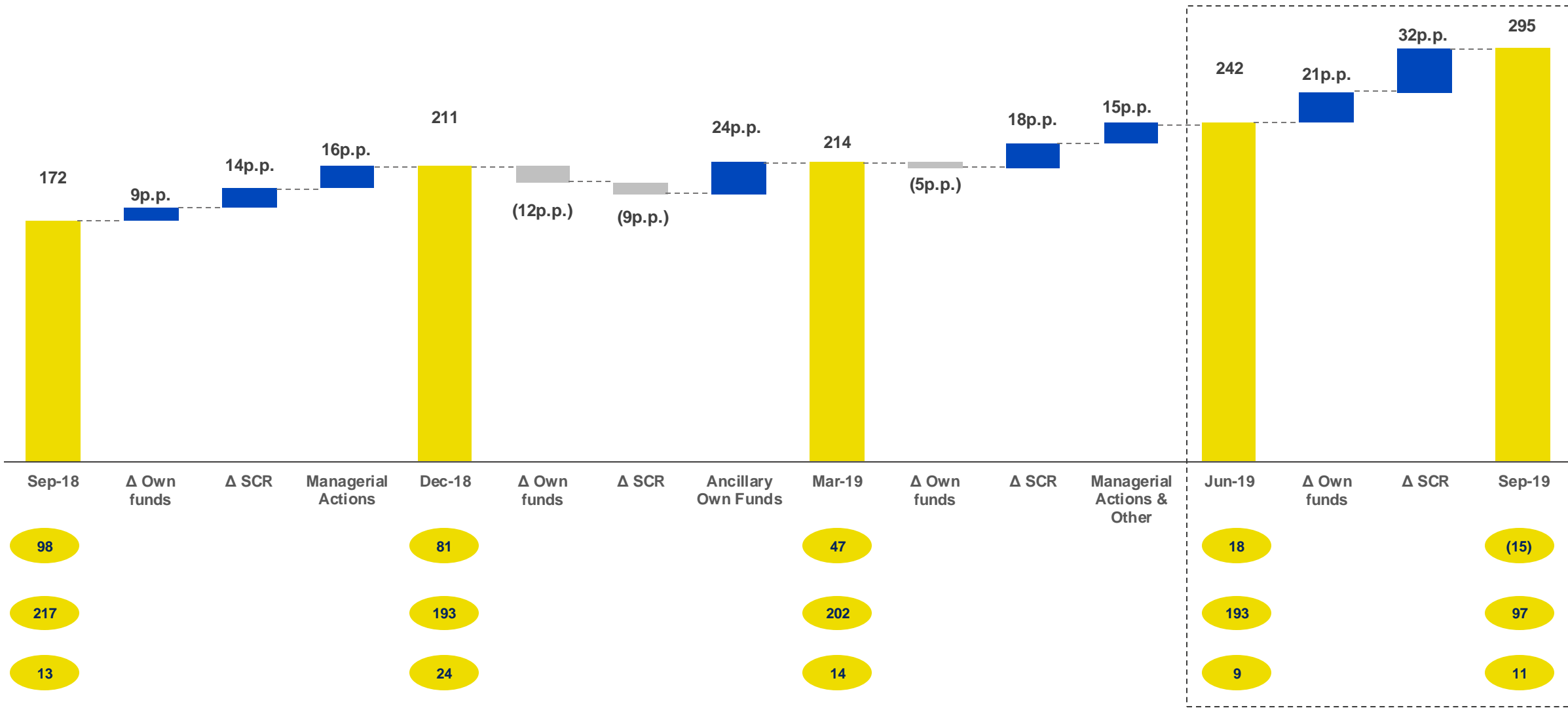


4Q 2018

1Q 2019

2Q 2019

3Q 2019

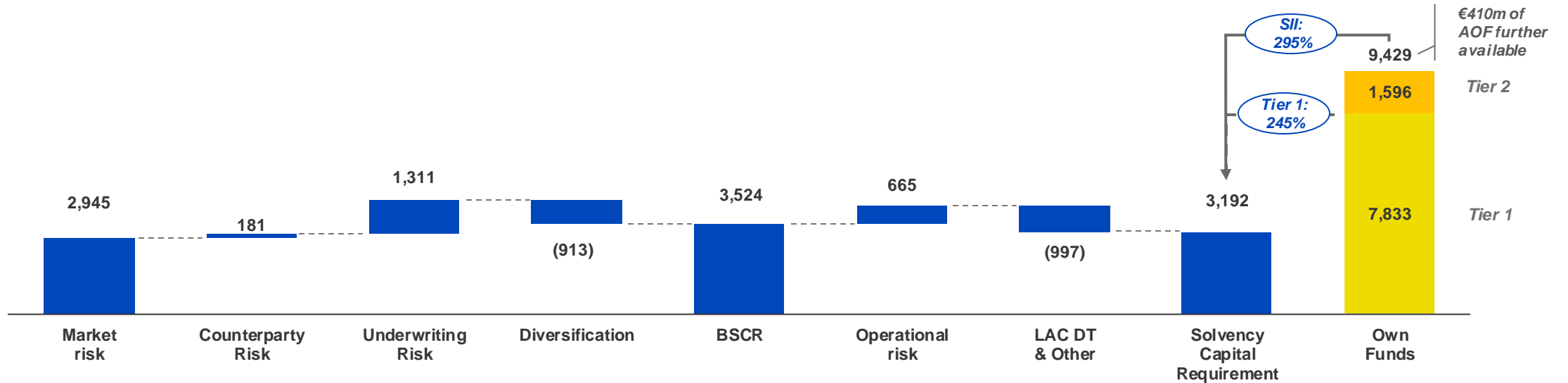


SOLVENCY II: OWN FUNDS TIERING AND SCR BREAKDOWN

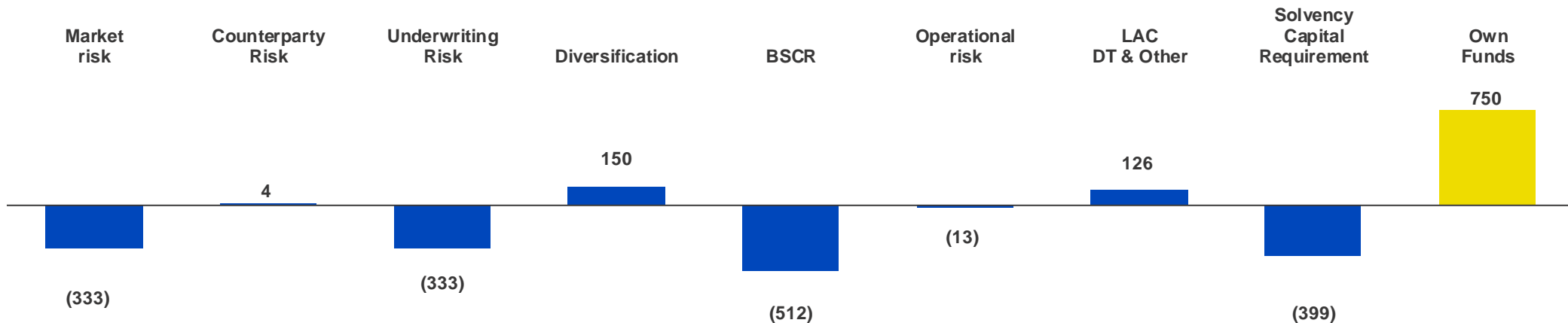
MANAGERIAL AMBITION CONFIRMED AT C. 200% THROUGH THE CYCLE



SOLVENCY II CAPITAL AND SOLVENCY CAPITAL REQUIREMENT EVOLUTION (€ bn)



CHANGE VS. JUN-19 (€ bn)



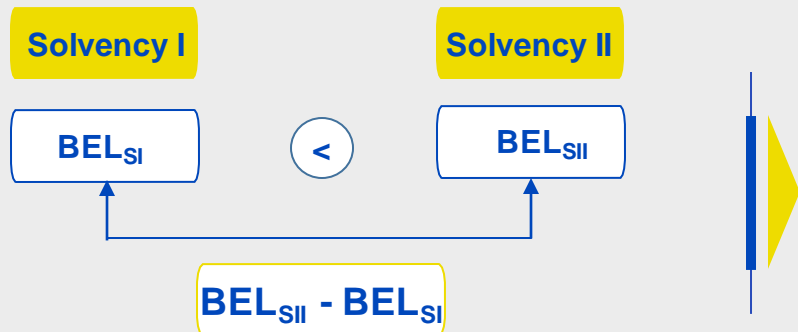
TRANSITIONAL MEASURES

Regulatory capital measure introduced by 2014/51/EU Directive

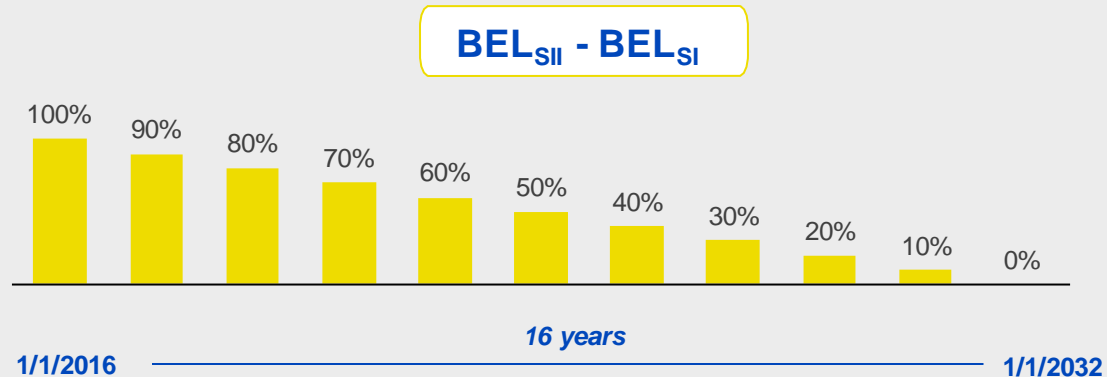
DESCRIPTION

- Temporary deduction on SII Best Estimate Liabilities (BEL)
- Additional buffer to weather potential future volatility
- Long term benefit gradually phasing out by 2032

SCOPE AND CALCULATION



- Phase out of the positive difference in BEL until 2032

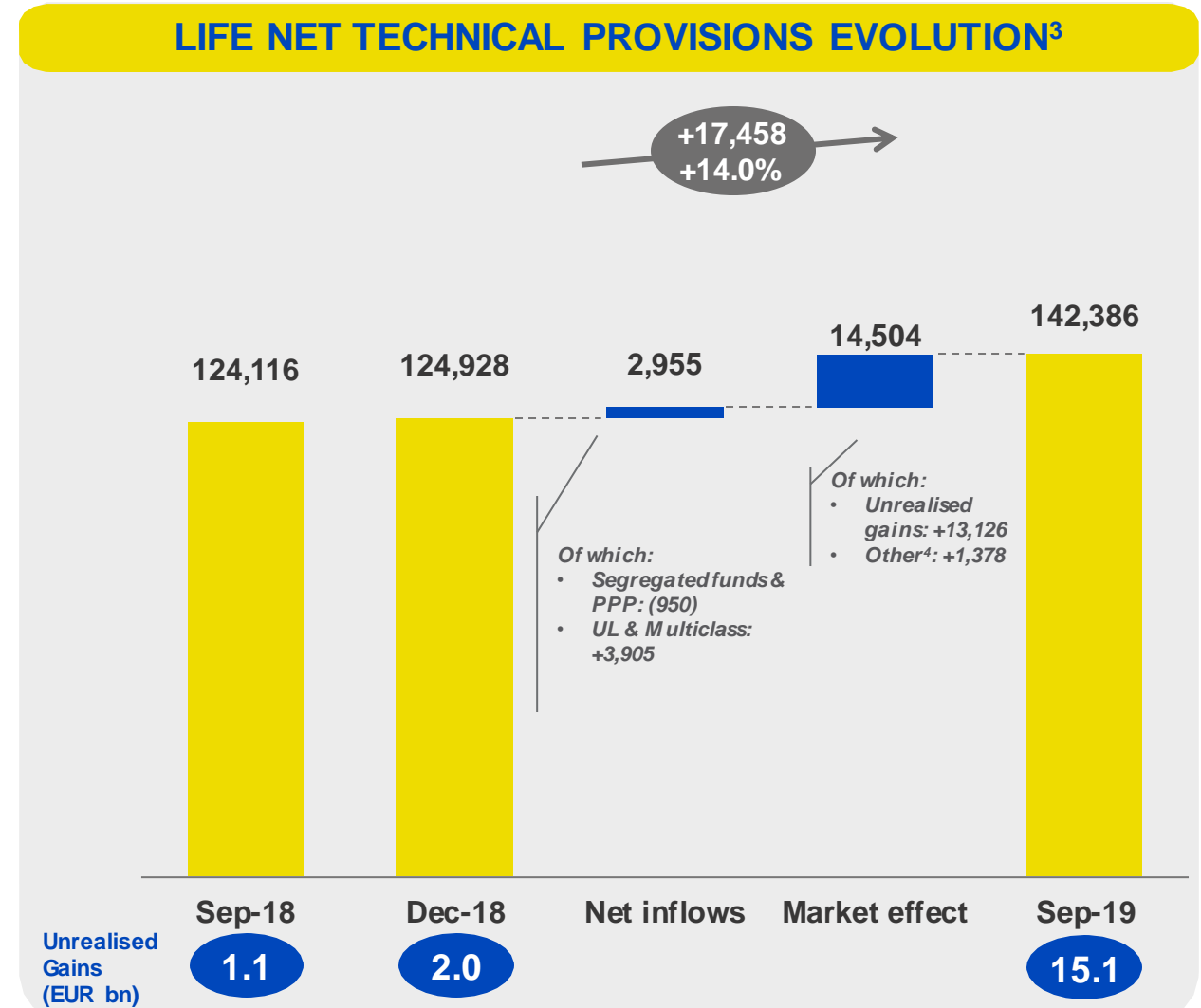
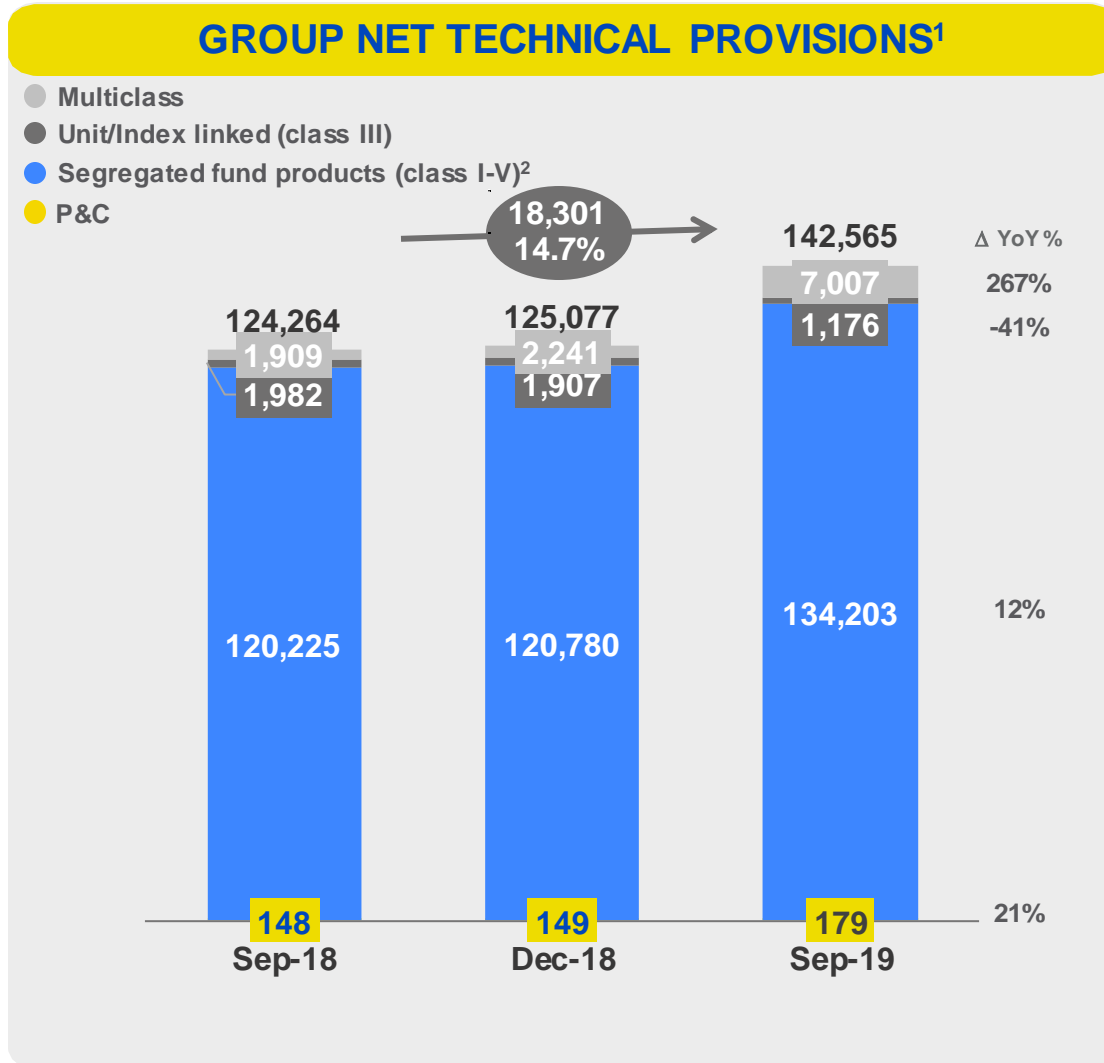


NET TECHNICAL PROVISIONS INCREASING WHILE CHANGING MIX

CONTINUED DIVERSIFICATION TOWARDS CAPITAL EFFICIENT PRODUCTS



€ m unless otherwise stated

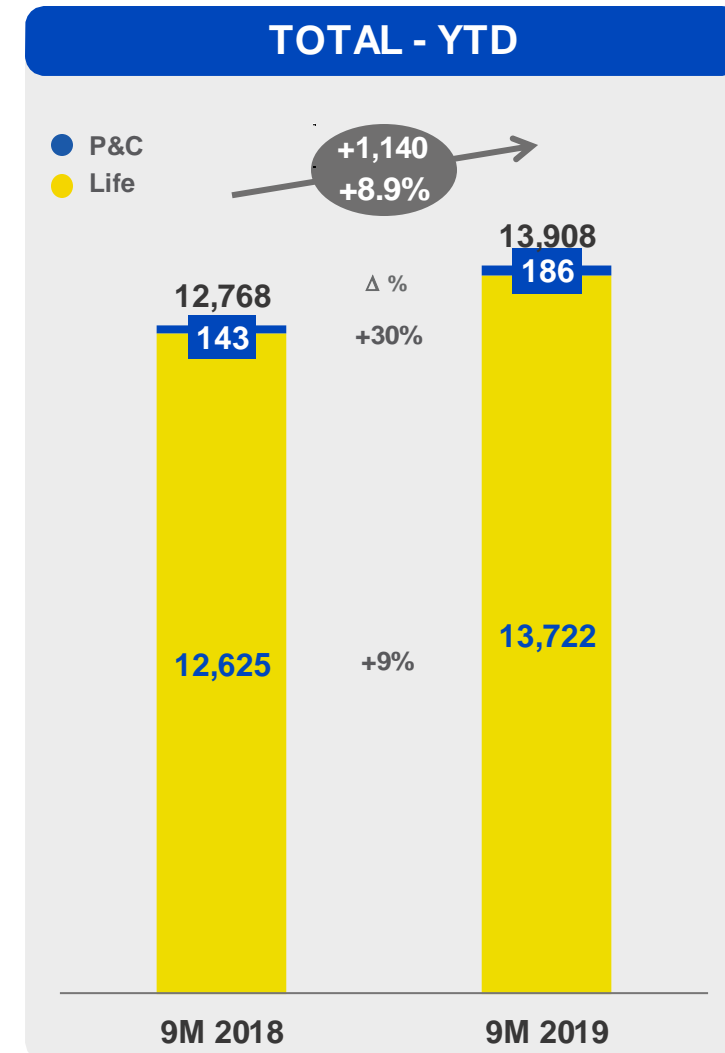
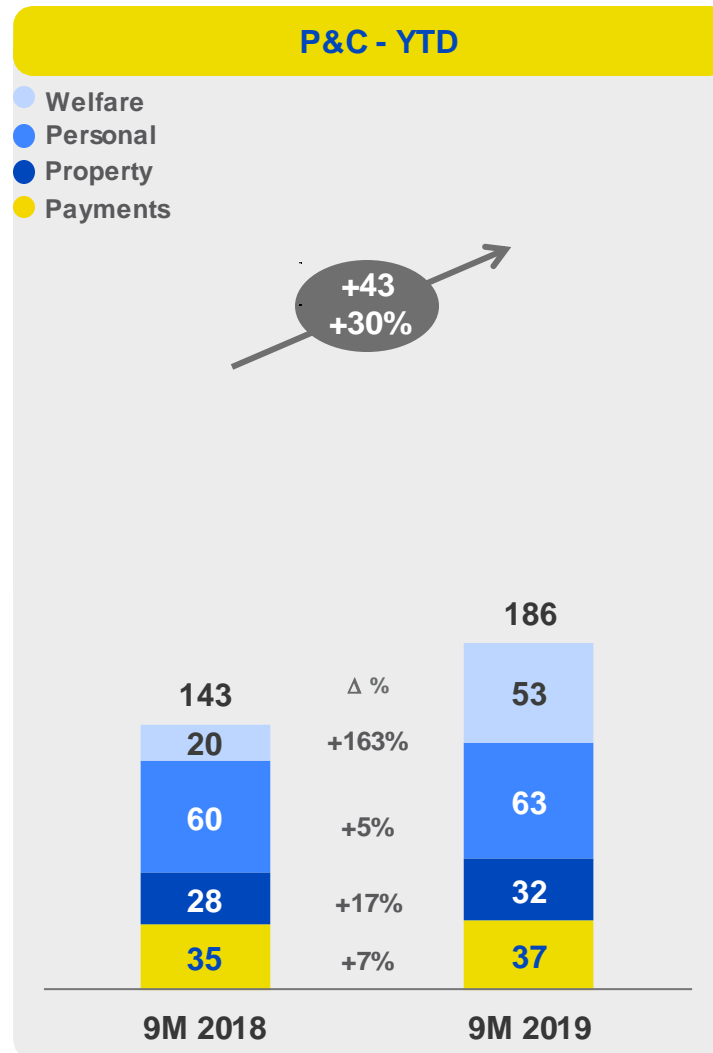
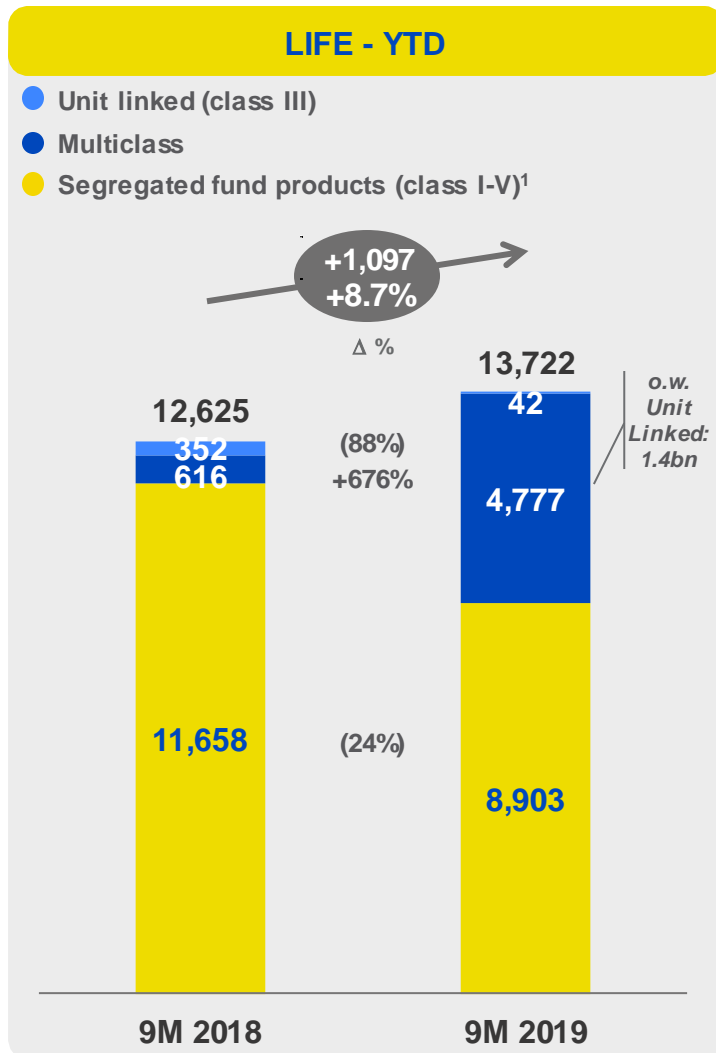


INSURANCE SERVICES: GROSS WRITTEN PREMIUM MIX IN 9M 2019

MULTICLASS AND P&C PRODUCTS AS KEY DRIVERS OF NEW PRODUCTION



€ m unless otherwise stated

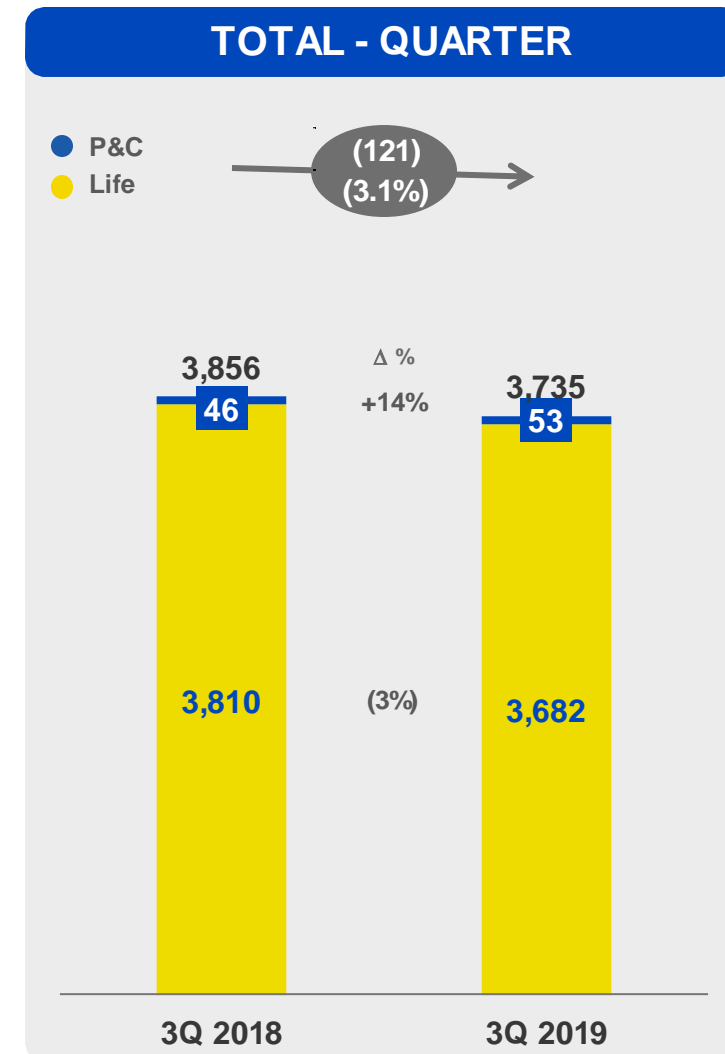
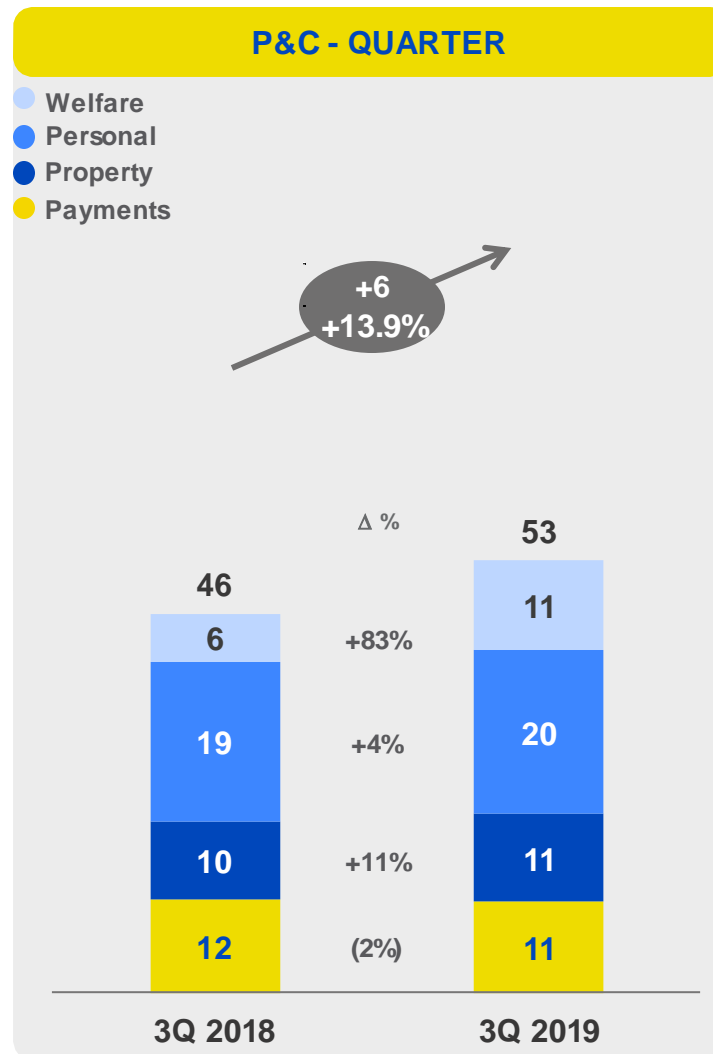
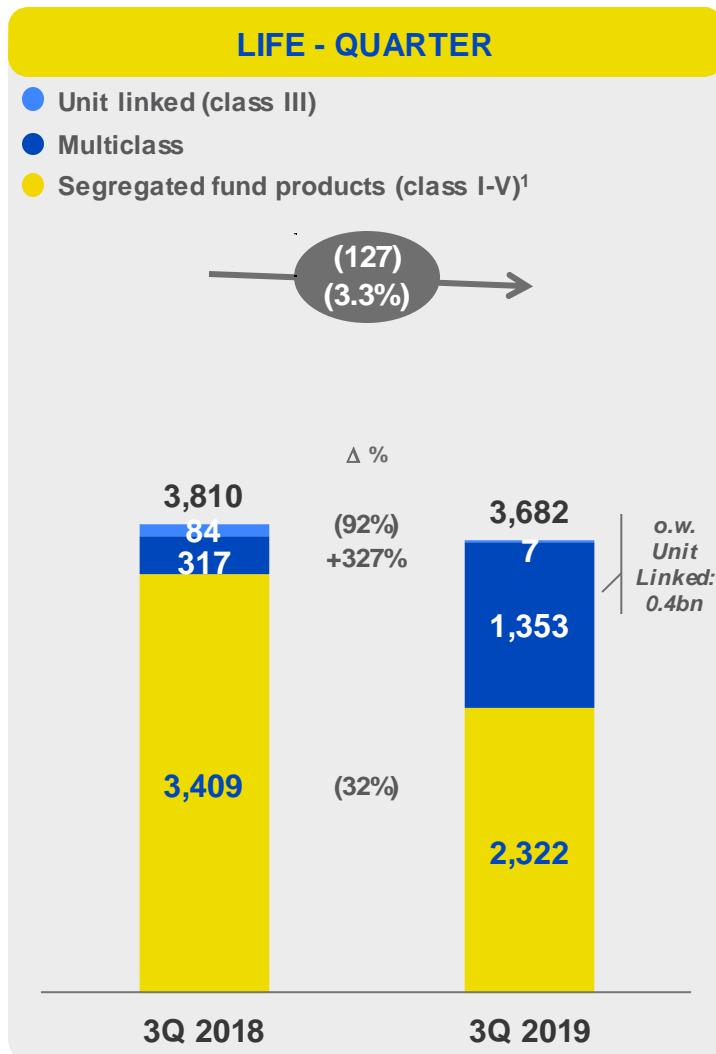


INSURANCE SERVICES: GROSS WRITTEN PREMIUM MIX IN 3Q 2019

MULTICLASS AND P&C PRODUCTS AS KEY DRIVERS OF NEW PRODUCTION



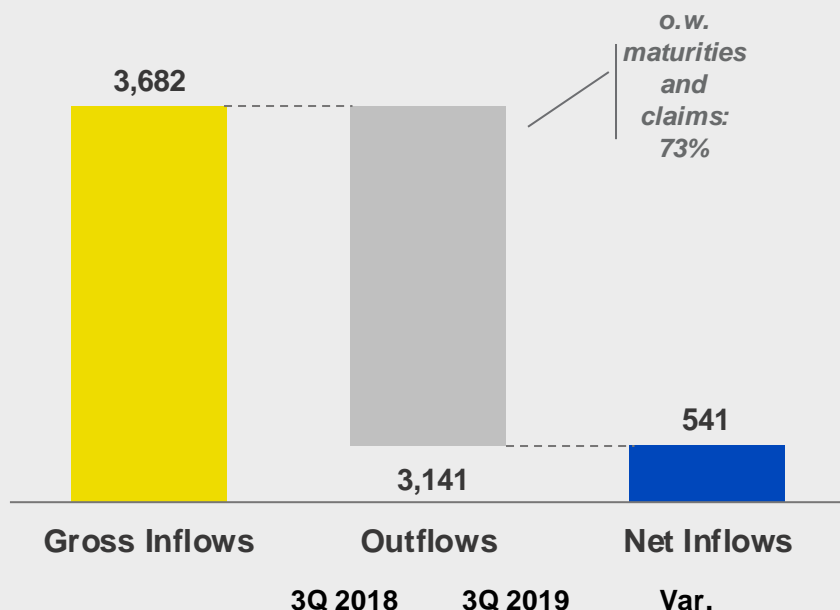
€ m unless otherwise stated





€ m unless otherwise stated

TOTAL NET INFLOWS – QUARTER



Lapse rate	3Q 2018	3Q 2019	Var.
	2.70%	2.56%	(14bps)

Unit Linked (Class III)

Gross written premiums	7
Outflows	8
Net Outflows	(1)

Multiclass

Gross written premiums	1,353
Outflows	31
Net Inflows	1,323

Segregated Fund Products & PPP¹

Gross written premiums	2,322
Outflows	3,102
Net Outflows	(780)

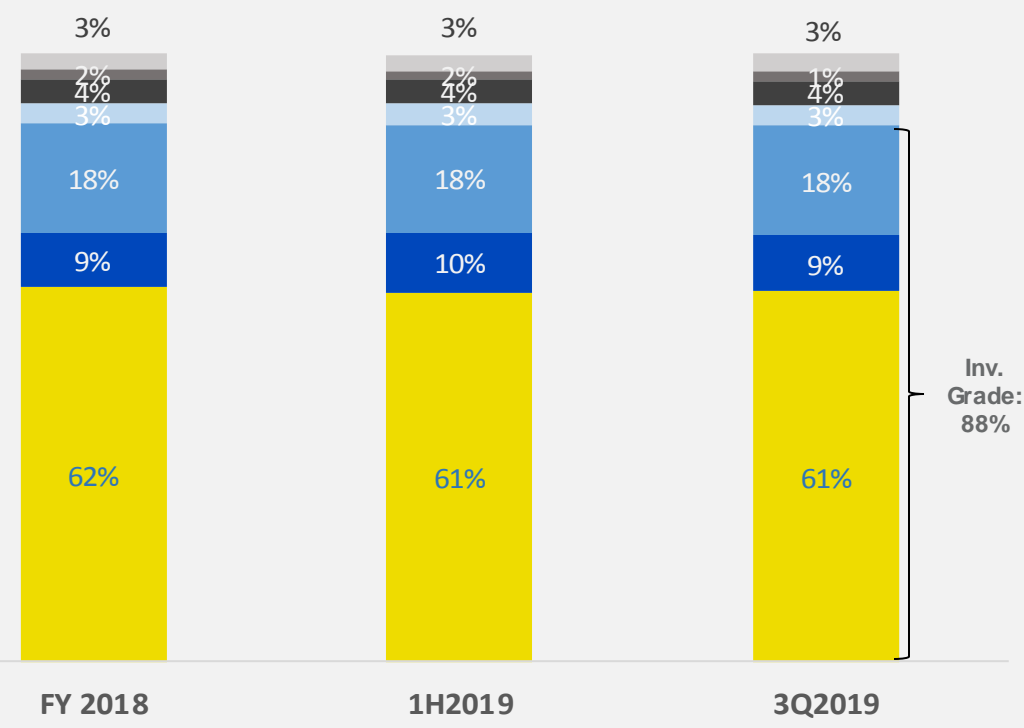
INSURANCE SERVICES

UNREALIZED CAPITAL GAINS UP TO c.15.1BN

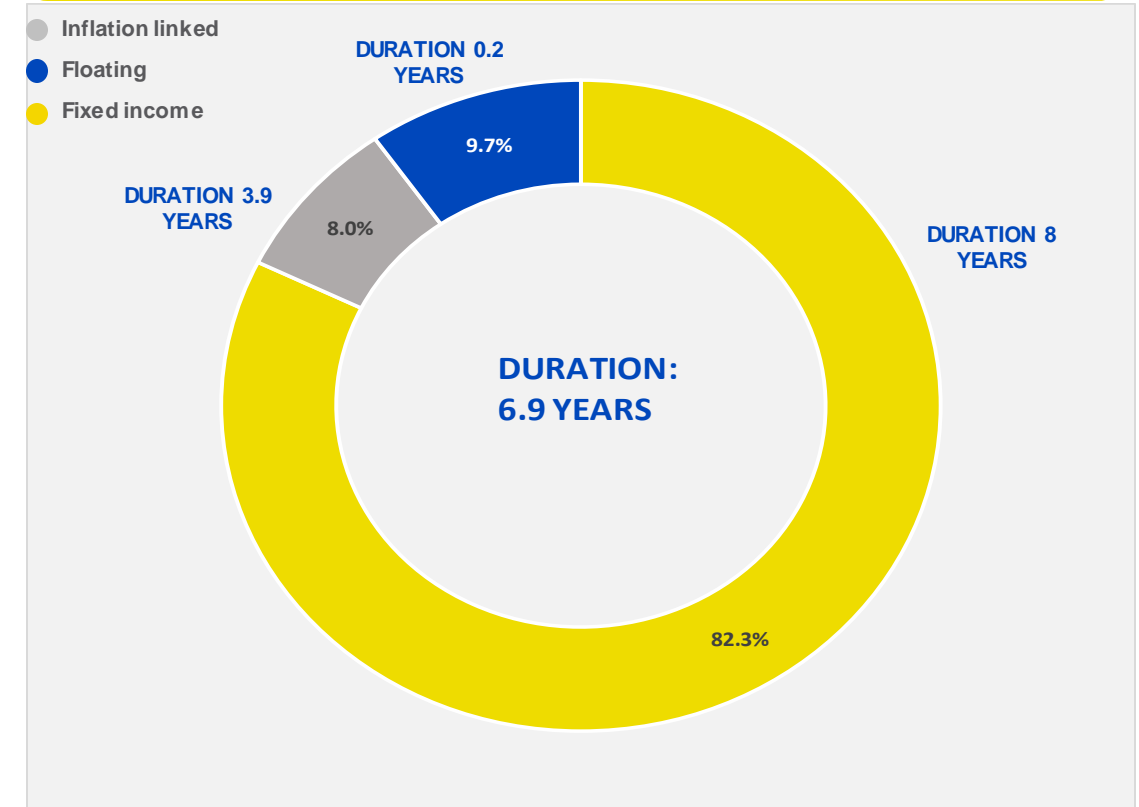


INVESTMENT PORTFOLIO BREAKDOWN

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



FIXED INCOME BREAKDOWN BY RATE TYPE



	9M 2018	FY 2018	1H 2019	9M 2019	Var. YoY
Minimum guaranteed return (Class I) (%)	0.82%	0.78%	0.72%	0.70%	(12bps)
Asset return (%)	2.76%	2.82%	2.36%	2.39%	(38bps)

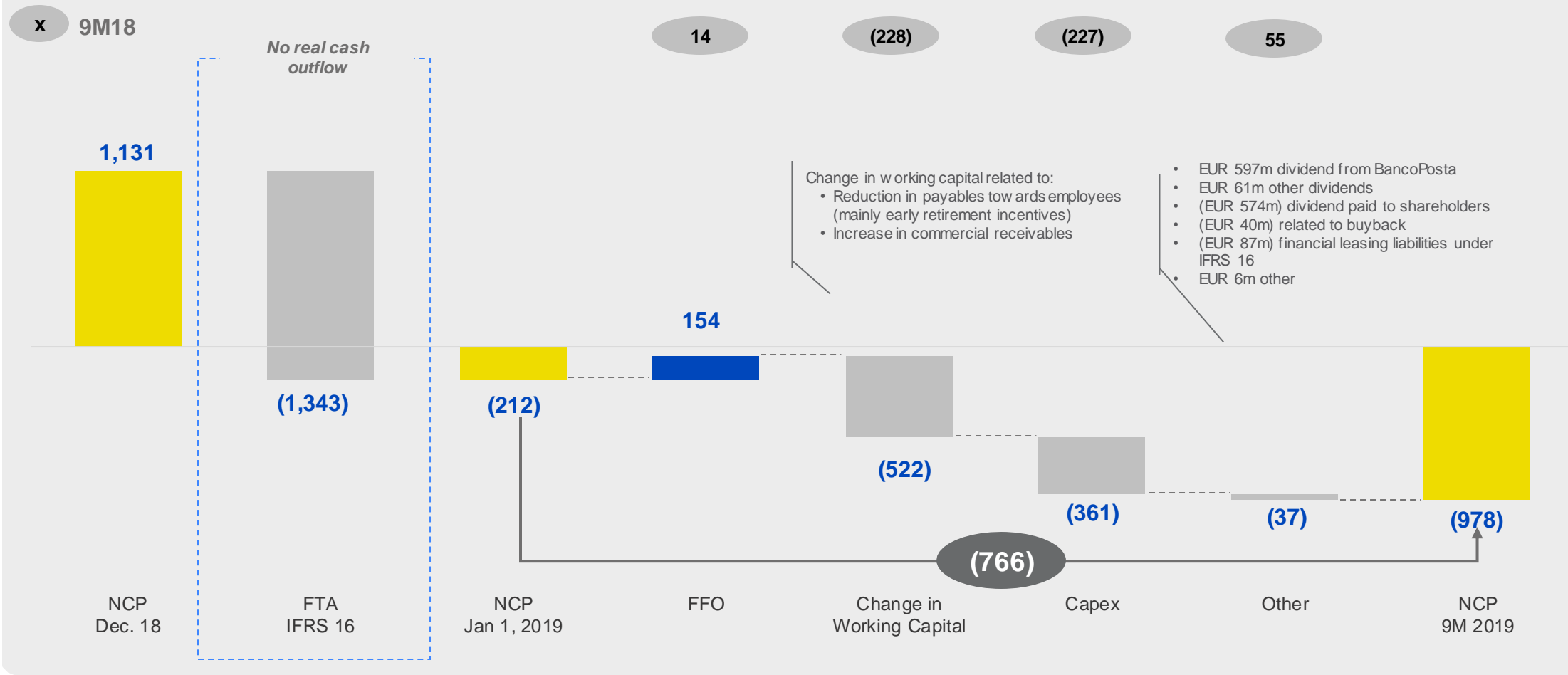
MAIL, PARCEL & DISTRIBUTION NET CASH POSITION

SOLID CASH POSITION IMPACTED BY THE FIRST TIME ADOPTION OF IFRS 16







€ m unless otherwise stated

NET CASH POSITION (+ Cash - Debt)



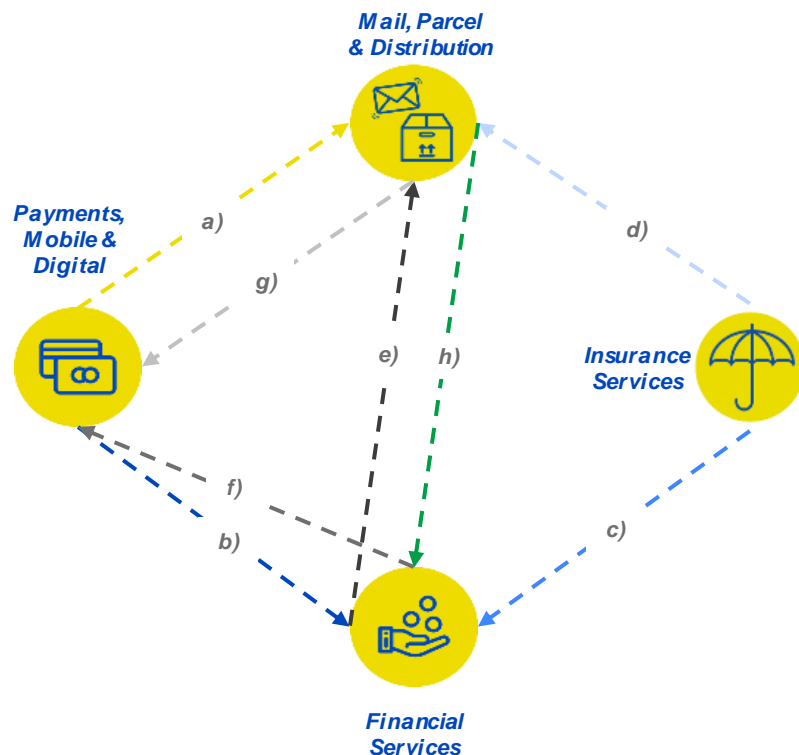
GROUP PERFORMANCE

MAIN KPIs

OPERATIONAL KPI's		3Q 2018	3Q 2019	Δ% YoY	9M 2018	9M 2019	Δ% YoY
 MAIL PARCEL & DISTRIBUTION	Mail Volumes (#m)	643	634	(1%)	2,197	2,041	(7%)
	Parcels delivered by mailmen (#m)	11	14	+27%	30	37	+24%
	Parcel volumes (#m)	31	36	+17%	89	104	+18%
	B2C Revenues (€m)	73	91	+25%	203	258	+27%
 PAYMENTS, MOBILE & DIGITAL	PostePay cards (#m)				19.0	20.4	+8%
	<i>of which PostePay Evolution cards (#m)</i>				5.9	7.2	+23%
	Total payment cards transactions (#bn)				0.87	1.04	+19%
	<i>of which eCommerce transactions (#m)</i>				142.4	171.0	+20%
	Mobile & land-line (#m)				4.1	4.5	+9%
Digital e-Wallets (#m)				2.5	4.8	+88%	
 FINANCIAL SERVICES	Total Financial Assets - TFAs (€/bn)				515	540	+5%
	Product Sales (#m)				6.3	6.0	(5%)
	Unrealized gains (€m)				(2,690)	2,721	n.m.
 INSURANCE SERVICES	Gross Written Premiums (€m)	3,856	3,735	(3%)	12,768	13,908	+9%
	GWP – Life (€m)	3,573	3,445	(4%)	11,878	12,985	+9%
	GWP – Private Pension Plan (€m)	237	238	+0%	747	737	(1%)
	GWP – P&C (€m)	46	53	+14%	143	186	+30%

INTERSEGMENT COSTS AS OF 9M 2019

INTERSEGMENT COST FLOWS



MAIN RATIONALE

INDICATIVE MAIN REMUNERATION SCHEME

€ m Δ Y/Y

<ul style="list-style-type: none"> • Payments, Mobile and Digital remunerates: 				
a)	Mail, Parcel and Distribution for providing IT and other corporates services ¹ ;	a)	Number of payment transactions x flat fee (depending on the product)	a) 175 +0.8%
b)	Financial Services for promoting and selling card payments and other payments (e.g. tax payments) throughout the network;	b)	Fixed % of revenues	b) 140 +20.8%
				Total: 314
<ul style="list-style-type: none"> • Insurance Services remunerates: 				
c)	Financial Services for promoting and selling insurance products ² and for investment management services ³ ;	c)	Fixed % of upfront fees	c) 366 +6.4%
d)	Mail, Parcel and Distribution for providing corporate services ¹ ;	d)	Depending on service/product	d) 14 (4.0%)
				Total: 381
<ul style="list-style-type: none"> • Financial Services remunerates: 				
e)	Mail, Parcel and Distribution for promoting and selling Financial, Insurance and PMD products throughout the network and for proving corporate services ⁴ ;	e)	Fixed % (depending on the product) of revenues	e) 3,317 (0.6%)
f)	Payments, Mobile and Digital for providing certain payment services ⁵	f)	Depending on service/product	f) 255 +4.3%
				Total: 3,571
<ul style="list-style-type: none"> • Mail, Parcel and Distribution remunerates: 				
g)	Payments, Mobile and Digital for acquiring services and postman electronic devices	g)	Annual fee	g) 27 +22.7%
h)	Financial Services as distribution fees related to «Bollettino DTT»	h)	Flat fee for each «Bollettino»	h) 28 0%
				Total: 54

CONSOLIDATED ACCOUNTS

PROFIT & LOSS

€m	3Q 2018	3Q 2019	Var.	Var.%	9M 2018	9M 2019	Var.	Var.%
Total revenues	2,522	2,568	46	+2%	7,951	8,089	138	+2%
of which:								
Mail, Parcel and Distribution	829	800	(29)	(3%)	2,590	2,555	(34)	(1%)
Payments, Mobile and Digital	154	171	16	+11%	434	477	43	+10%
Financial Services	1,175	1,173	(2)	(0%)	3,879	3,838	(42)	(1%)
Insurance Services	364	423	60	+16%	1,048	1,219	171	+16%
Total costs	2,066	2,108	42	+2%	6,443	6,549	106	+2%
of which:								
Total personnel expenses	1,305	1,288	(17)	(1%)	4,151	4,121	(30)	(1%)
<i>of which personnel expenses</i>	1,296	1,283	(13)	(1%)	4,123	4,107	(15)	(0%)
<i>of which early retirement incentives</i>	9	5	(5)	(49%)	29	13	(15)	(53%)
Other operating costs	626	626	0	+0%	1,886	1,853	(32)	(2%)
Depreciation, amortisation and impairments	134	194	59	+44%	406	575	169	+42%
EBIT	456	459	4	+1%	1,509	1,540	32	+2%
EBIT Margin	18.1%	17.9%			19.0%	19.0%		
Finance income/(costs) and profit/(loss) on investments accounted for using the equity method	21	4	(17)	(79%)	43	23	(21)	(48%)
Profit before tax	477	464	(13)	(3%)	1,552	1,563	11	+1%
Income tax expense	156	144	(12)	(8%)	496	480	(16)	(3%)
Profit for the period	321	320	(1)	(0%)	1,056	1,083	27	+3%

MAIL, PARCEL & DISTRIBUTION PROFIT & LOSS



€m	3Q 2018	3Q 2019	Var.	Var.%	9M 2018	9M 2019	Var.	Var.%
Segment revenue	829	800	(29)	(3%)	2,590	2,555	(34)	(1%)
Intersegment revenue	1,069	1,051	(18)	(2%)	3,525	3,504	(21)	(1%)
Total revenues	1,898	1,851	(47)	(2%)	6,115	6,059	(55)	(1%)
Personnel expenses	1,269	1,261	(8)	(1%)	4,029	4,036	7	+0%
<i>of which personnel expenses</i>	1,261	1,256	(5)	(0%)	4,010	4,023	14	+0%
<i>of which early retirement incentives</i>	8	4	(3)	(43%)	19	12	(7)	(35%)
Other operating costs	495	470	(25)	(5%)	1,482	1,428	(54)	(4%)
Intersegment costs	17	17	(0)	(2%)	51	54	3	+6%
Total costs	1,781	1,747	(34)	(2%)	5,561	5,517	(44)	(1%)
EBITDA	117	104	(13)	(11%)	553	542	(11)	(2%)
Depreciation, amortisation and impairments	124	181	57	+46%	376	538	162	+43%
EBIT	-7	-77	(71)	n.m.	177	4	(173)	(98%)
EBIT MARGIN	-0.3%	-4.2%			2.9%	0.1%		
Finance income/(costs)	-2	2	5	n.m.	-16	6	23	+139%
Profit/(Loss) before tax	-9	-75	(66)	n.m.	161	10	(150)	(94%)
Income tax expense	10	-15	(25)	n.m.	66	20	(46)	(69%)
Profit for the period	-19	-60	(41)	n.m.	95	-10	(105)	n.m.

PAYMENTS, MOBILE & DIGITAL

PROFIT & LOSS



€m	3Q 2018	3Q 2019	Var.	Var.%	9M 2018	9M 2019	Var.	Var.%
Segment revenue	154	171	16	+11%	434	477	43	+10%
Intersegment revenue	86	92	6	+7%	266	282	16	+6%
Total revenues	240	262	22	+9%	700	759	59	+8%
Personnel expenses	7	9	1	+19%	23	24	1	+4%
<i>of which personnel expenses</i>	7	9	1	+19%	23	24	1	+4%
<i>of which early retirement incentives</i>	0	0	0	n.m.	0	0	0	n.m.
Other operating costs	76	86	10	+14%	216	221	5	+2%
Intersegment costs	97	92	(5)	(5%)	289	314	26	+9%
Total costs	180	186	7	+4%	527	559	31	+6%
EBITDA	60	76	15	+26%	173	200	27	+16%
Depreciation, amortisation and impairments	6	7	1	+13%	17	20	3	+15%
EBIT	55	69	15	+27%	155	180	25	+16%
EBIT MARGIN	23%	26%			22%	24%		
Finance income/(costs)	2	2	0	+7%	2	6	4	+214%
Profit/(Loss) before tax	56	71	15	+26%	157	186	28	+18%
Income tax expense	15	20	4	+28%	40	51	11	+28%
Profit for the period	41	51	10	+26%	117	134	17	+15%



€m	3Q 2018	3Q 2019	Var.	Var. %	9M 2018	9M 2019	Var.	Var. %
Segment revenue	1,175	1,173	(2)	(0%)	3,879	3,838	(42)	(1%)
Intersegment revenue	150	163	13	+8%	488	535	46	+10%
Total revenues	1,325	1,336	11	+1%	4,368	4,373	5	+0%
Personnel expenses	21	10	(11)	(51%)	71	32	(39)	(55%)
<i>of which personnel expenses</i>	<i>19</i>	<i>10</i>	<i>(10)</i>	<i>(49%)</i>	<i>62</i>	<i>31</i>	<i>(31)</i>	<i>(50%)</i>
<i>of which early retirement incentives</i>	<i>2</i>	<i>0</i>	<i>(1)</i>	<i>(74%)</i>	<i>9</i>	<i>1</i>	<i>(8)</i>	<i>(87%)</i>
Other operating costs	36	51	14	+40%	129	142	13	+10%
Depreciation, amortisation and impairments	0	0	(0)	(24%)	0	0	0	+58%
Intersegment costs	1,091	1,083	(8)	(1%)	3,582	3,571	(11)	(0%)
Total costs	1,148	1,144	(4)	(0%)	3,783	3,746	(37)	(1%)
EBIT	177	192	15	+8%	585	627	42	+7%
EBIT MARGIN	13%	14%	0	+8%	13%	14%		
Finance income/(costs)	2	(2)	(4)	n.m.	8	(4)	(12)	n.m.
Profit/(Loss) before tax	179	190	11	+6%	593	623	30	+5%
Income tax expense	45	55	10	+23%	166	183	17	+10%
Profit for the period	134	135	1	+1%	427	440	13	+3%



€m	3Q 2018	3Q 2019	Var.	Var. %	9M 2018	9M 2019	Var.	Var. %
Segment revenue	364	423	60	+16%	1,048	1,219	171	+16%
Intersegment revenue	0	0	(0)	n.m.	1	0	(1)	(75%)
Total revenues	364	423	59	+16%	1,049	1,219	170	+16%
Personnel expenses	9	9	0	+2%	28	29	1	+3%
<i>of which personnel expenses</i>	9	9	0	+2%	28	29	1	+5%
<i>of which early retirement incentives</i>	(0)	0	0	n.m.	1	0	(1)	(100%)
Other operating costs	18	20	2	+11%	59	63	4	+6%
Depreciation, amortisation and impairments	4	6	2	+37%	12	17	5	+42%
Intersegment costs	103	114	11	+11%	359	381	22	+6%
Total costs	133	148	15	+11%	458	490	31	+7%
EBIT	231	275	45	+19%	591	730	139	+23%
EBIT MARGIN	63%	65%			56%	60%		
Finance income/(costs)	21	3	(18)	(87%)	50	15	(35)	(70%)
Profit/(Loss) before tax	251	278	27	+11%	641	744	103	+16%
Income tax expense	86	84	(2)	(2%)	224	225	1	+1%
Profit for the period	166	194	28	+17%	417	519	102	+24%

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This presentation contains certain forward-looking statements that reflect Poste Italiane's management's current views with respect to future events and financial and operational performance of the Company and of the Company's Group.

These forward-looking statements are made as of the date of this presentation and are based on current expectations, reasonable assumptions and projections about future events and are therefore subject to risks and uncertainties. Actual future results and performance may indeed differ materially from what expressed or implied in this presentation, due to any number of different factors, many of which are beyond the ability of Poste Italiane to foresee, control or precisely estimate, including, but not limited to, changes in the legislative and regulatory framework, market developments and price fluctuations.

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This presentation includes summary financial information and should not be considered a substitute for Poste Italiane's full financial statements.

Numbers in the presentation may not add up only due to roundings.