

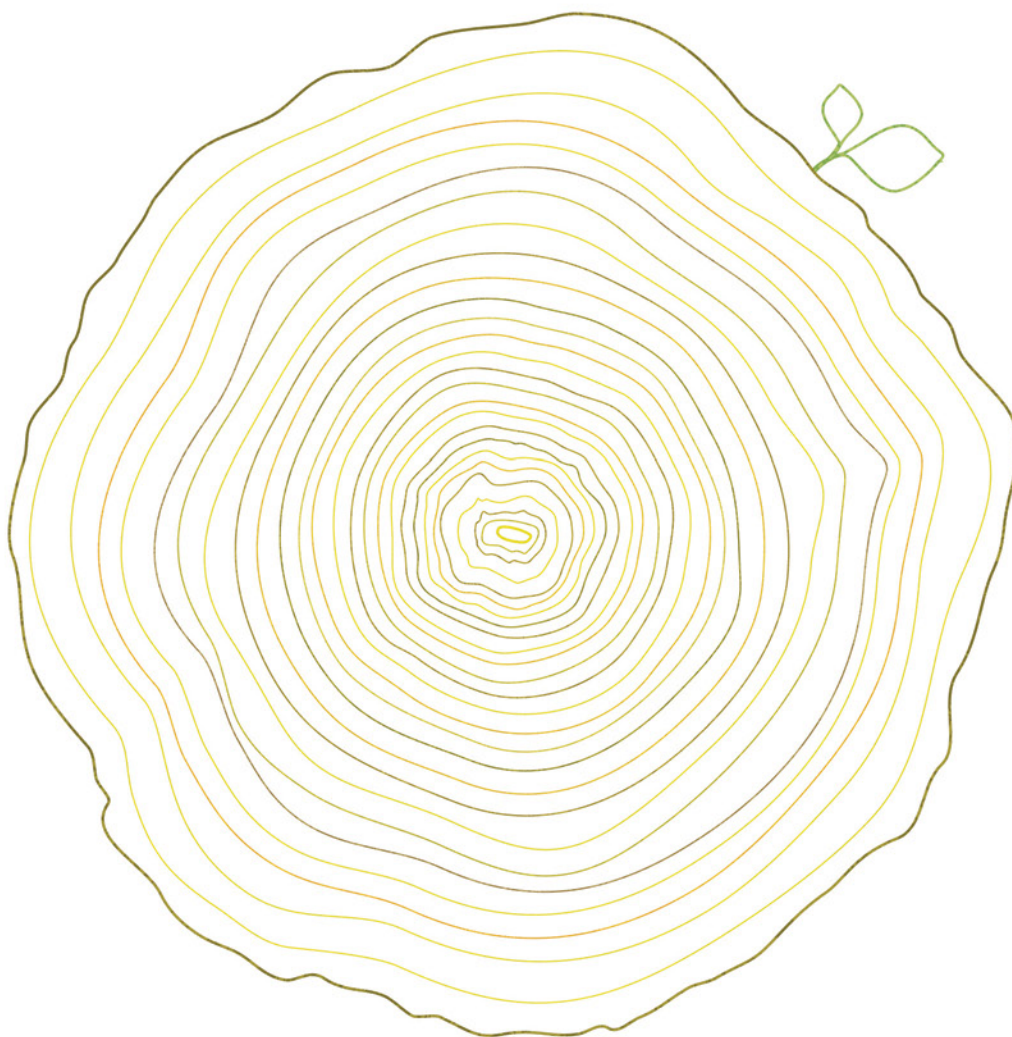
ROOTED IN OUR COUNTRY, BUILDING THE FUTURE.

INTERIM REPORT FOR THE THREE MONTHS ENDED
31 MARCH 2022



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1. Introduction

This consolidated interim report of the Poste Italiane Group at 31 March 2022 has been prepared on a voluntary basis, in accordance with the provisions of art. 82-ter of the Consob Issuers' Regulation "Additional Periodic Financial Information" in order to ensure continuity and regularity of information to the financial community, and in compliance with the recognition and measurement criteria established by the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and the Standing Interpretations Committee (SIC), recognised in the European Union pursuant to Regulation (EC) no. 1606/2002 and in force at the end of the period.

The consistency and correctness of the disclosures contained in the document, which has not been audited, is guaranteed, as is comparability of the related information with the corresponding disclosures included in previously published financial reports.

The contents of this document are intended to provide an update on the events and circumstances occurring between the close of FY 2021 and the approval date of the Consolidated Interim Report on Operations of the Poste Italiane Group as at 31 March 2022.

For full information, refer to the 2021 Annual Financial Report, which will be approved by the Shareholders' Meeting on 27 May 2022.

The amounts shown in this Interim Report are compared with the corresponding amounts from the same period the previous year, with the exception of the Statement of Financial Position, which shows a comparison with the same schedule at 31 December 2021.

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

It should be noted that amounts shown in millions of euros have been rounded, with the result that the sum of the rounded figures does not always tally with the rounded total.

The following infographics are used in this document:



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



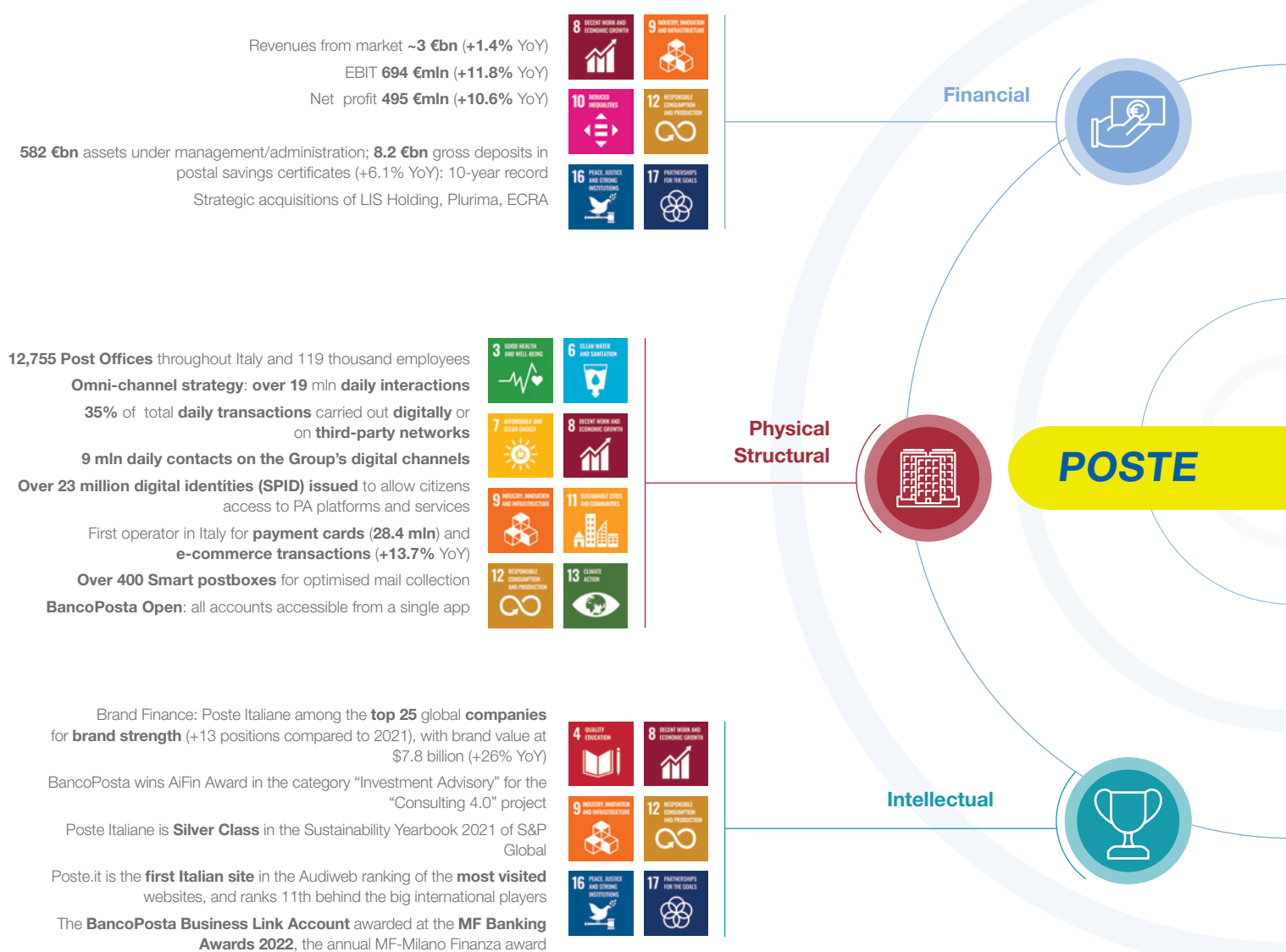
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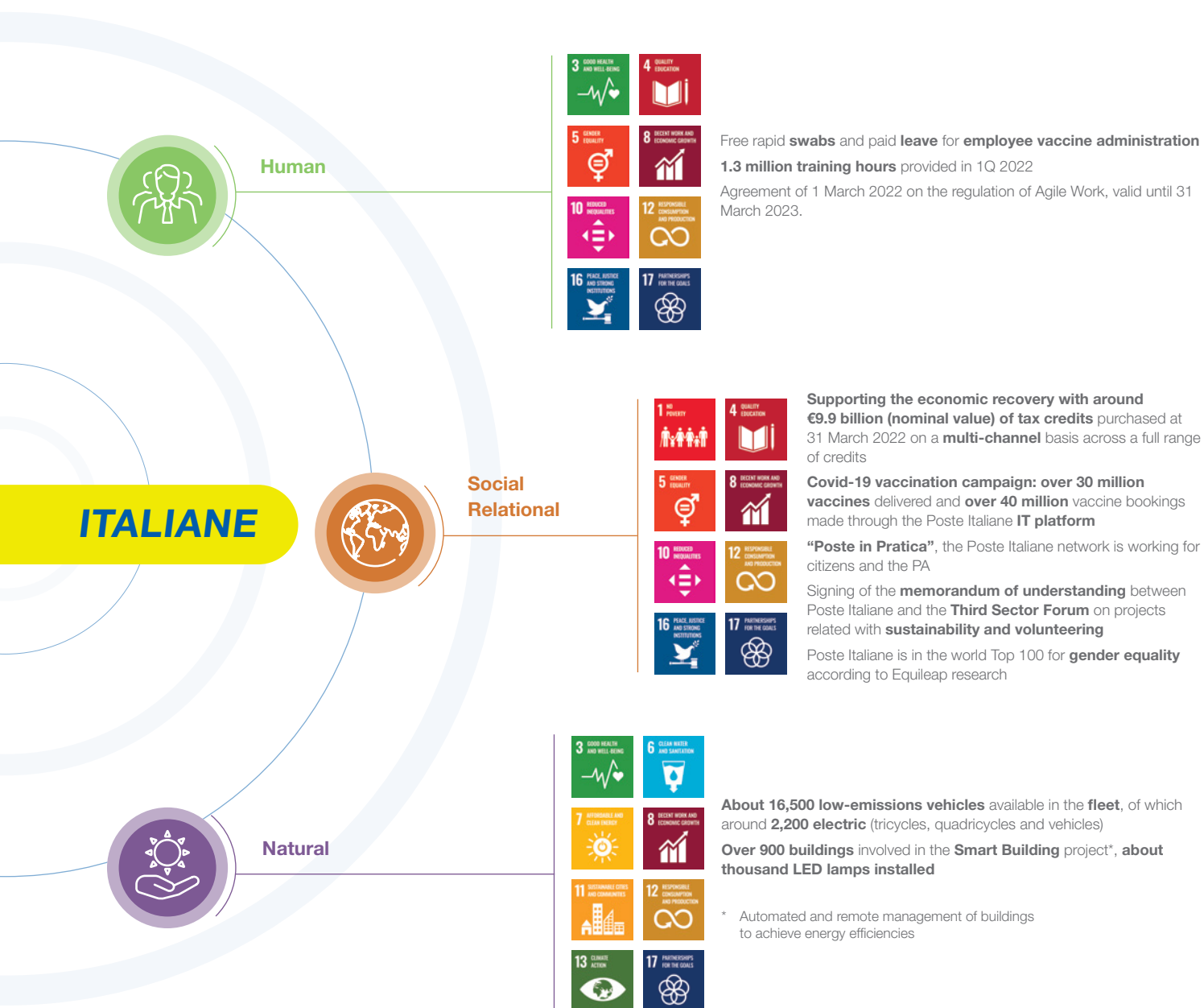
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< 2. Highlights

2022 Outcome of Poste Italiane's value creation process

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



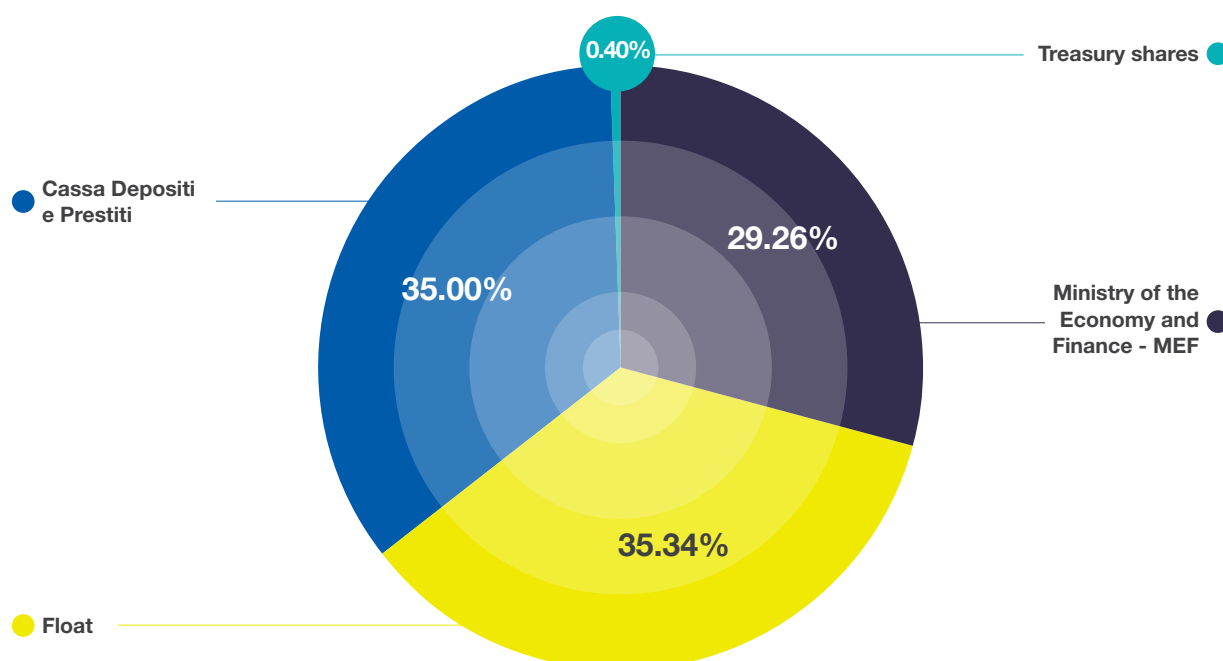


< 3. Business model

- Poste Italiane's ownership and organisational structure
- Poste Italiane's Corporate Governance
- Group structure
- Omni-channel approach and Group operating segments

< Poste Italiane's ownership and organisational structure

Poste Italiane's ownership structure



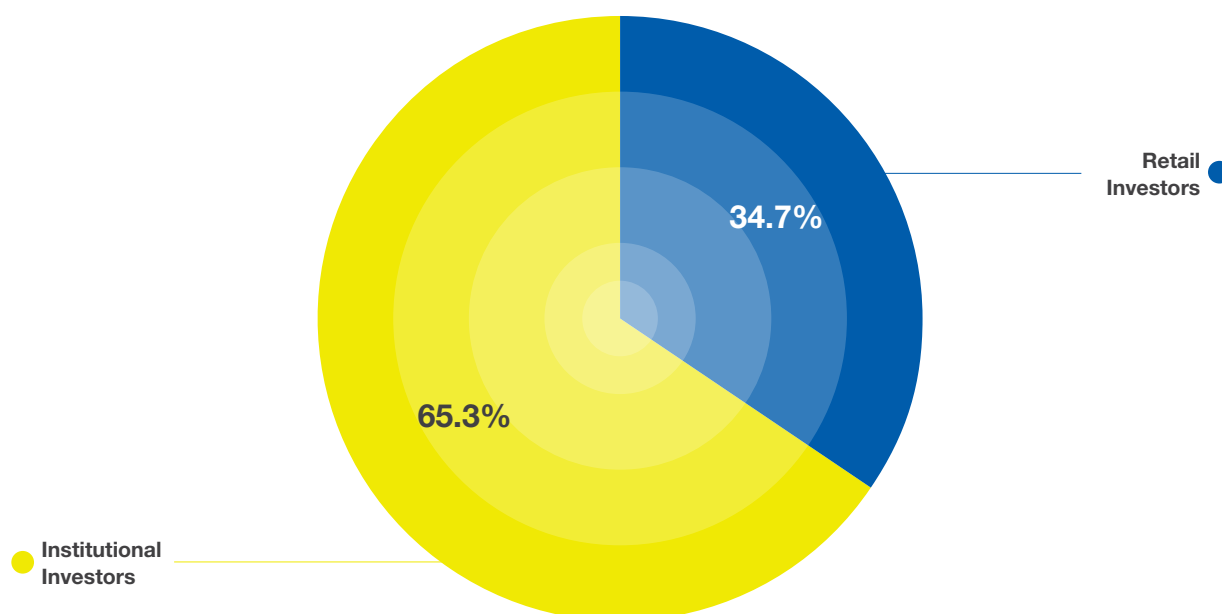
Poste Italiane has issued shares listed on the *Mercato Telematico Azionario* (Electronic Stock Exchange MTA) organised and managed by Borsa Italiana SpA as of 27 October 2015. At 31 March 2022, the Company is 29.26% owned by the Ministry of the Economy and Finance (MEF) and 35% owned by Cassa Depositi e Prestiti SpA (CDP), also controlled by the MEF. The remaining shares are held by institutional and retail investors. 31.1%¹ of shares held by Poste Italiane SpA institutional investors² are held by investors who follow ESG criteria (Environment, Social, Governance) in their investment choices. The share capital of Poste Italiane SpA consists of 1,306,110,000 ordinary shares, of which 1,300,877,079 are outstanding at 31 March 2022.

1. Source: Nasdaq Corporate Solutions.

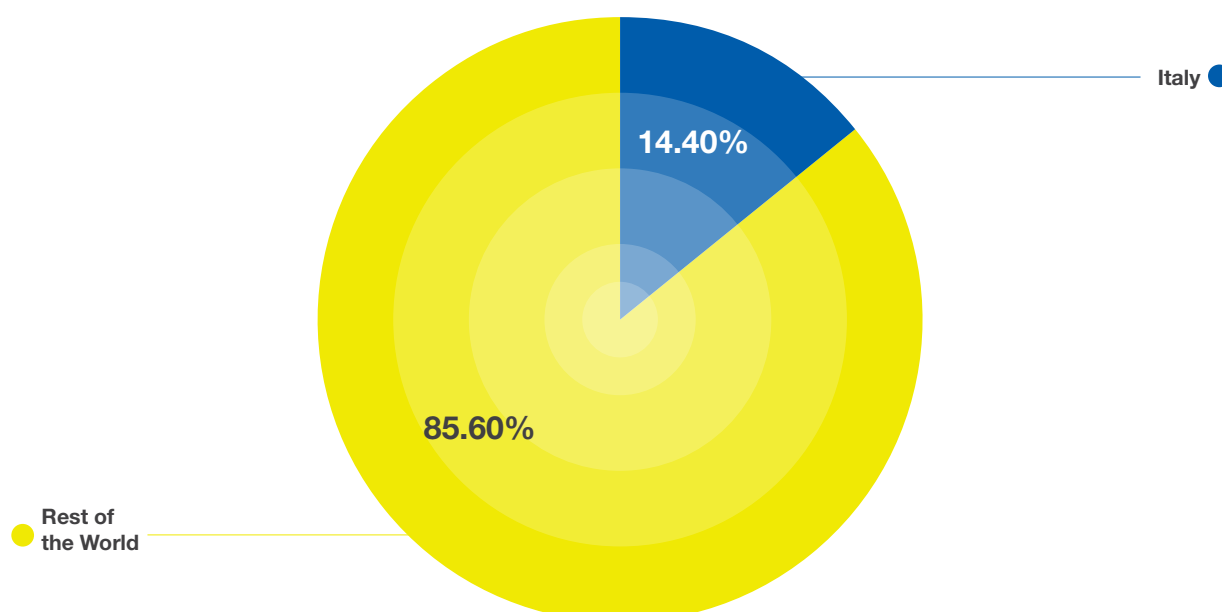
2. Poste Italiane's institutional investors represent 23.1% of the share capital and 65.3% of the floating equity.

On 13 April 2022, Poste Italiane's Board of Directors resolved to submit to the ordinary shareholders' meeting, to be held on 27 May 2022, a proposal to authorise the acquisition and subsequent disposal of treasury shares for a maximum of 2.6 million ordinary shares of the Company and an overall payment of up to €40 million.

Floating equity profile

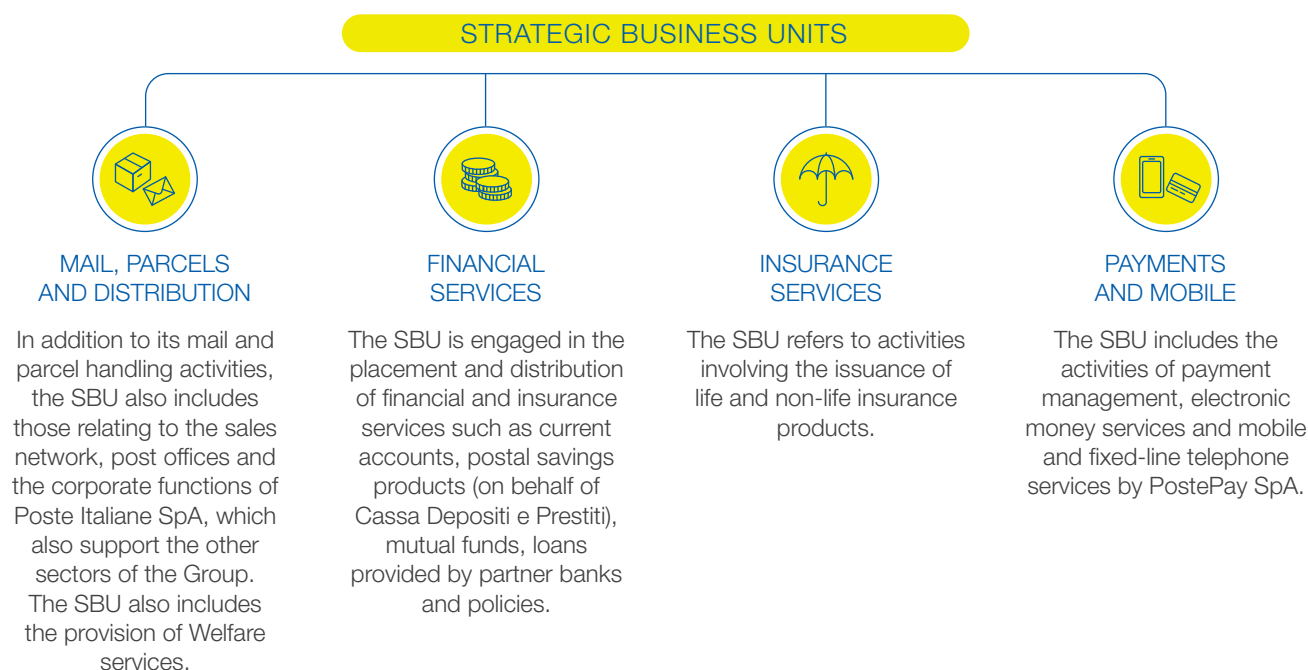


Geographical breakdown Institutional investors

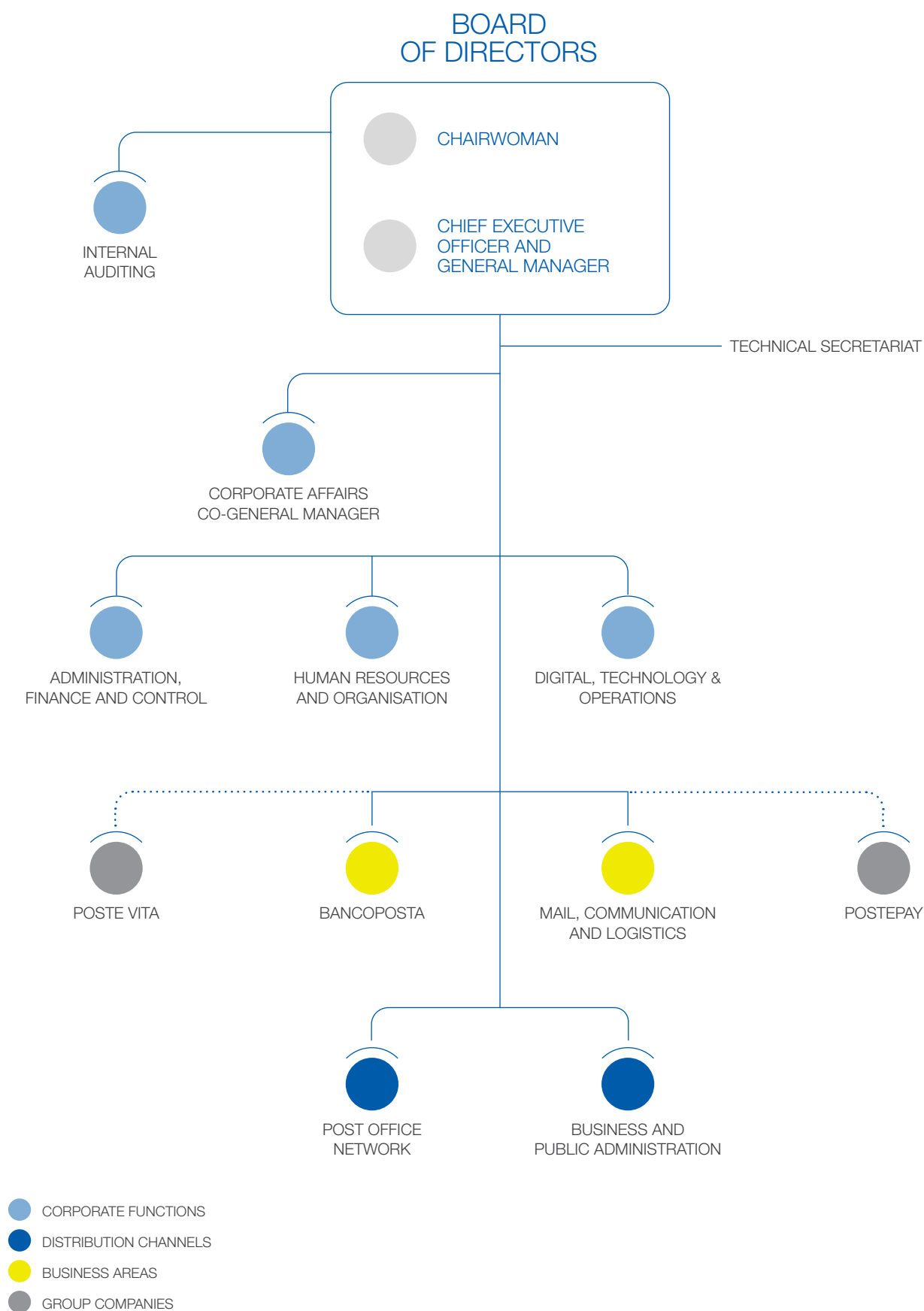


Poste Italiane's organisational structure

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



Below is the organisational structure of Poste Italiane:



The organisation of Poste Italiane SpA envisages **business functions**³ specialising in the main areas of offer that cover the Group's 4 business sectors and **two commercial channels** responsible for sales of products/services, which are supported by **corporate functions** of guidance, governance, control and provision of services in support of **business processes**.

With particular reference to Poste Italiane SpA corporate functions, the **Corporate Affairs** function plays a fundamental role in the guidance and cohesion of the corporate structure; moreover, in May 2020 the Head of Corporate Affairs was assigned the role and office of **Co-General Manager**.

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

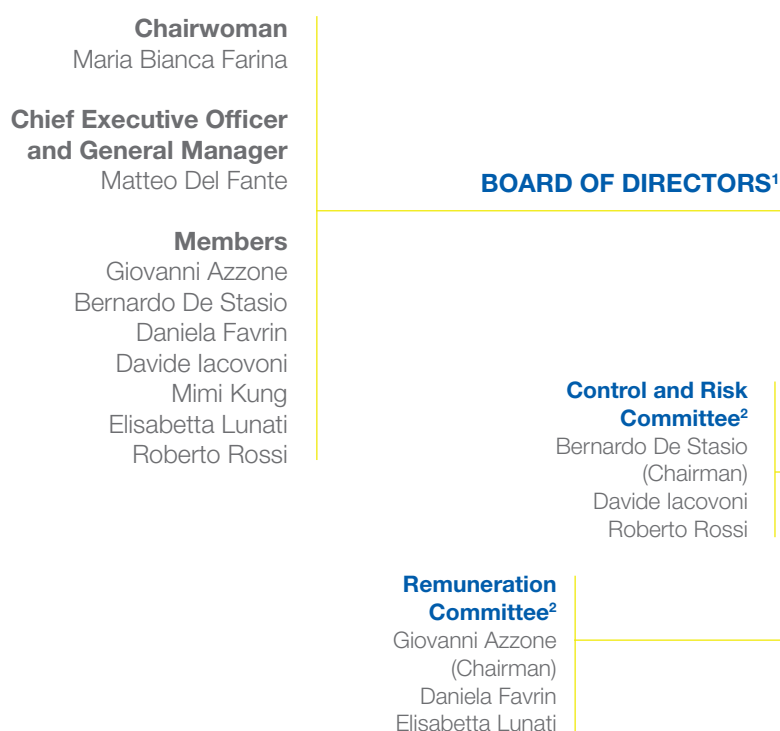
With reference to the commercial channels, in the **Private Markets**, the local SEO (Small Economic Operator) sales professionals were divided into the Private Market Macro Area Commercial functions, by relevant geography, with the objective of facilitating the integration and development of synergies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

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

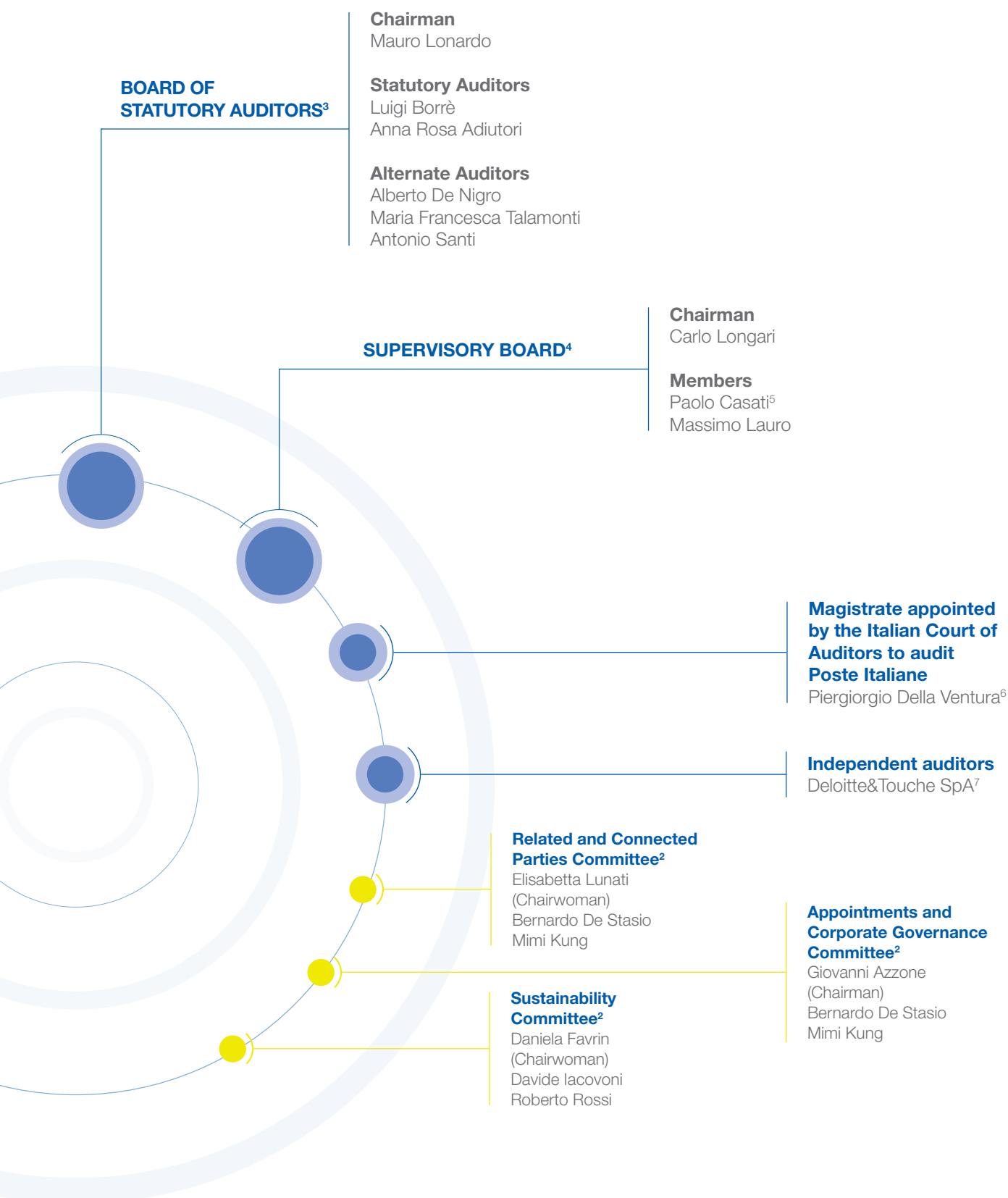
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< Poste Italiane's Corporate Governance

Management and Supervisory Bodies



1. The Board of Directors was elected by the Ordinary General Meeting held on 15 May 2020 to serve for a period of three years, and will remain in office until the Annual General Meeting's approval of the financial statements for the year ended 31 December 2022. Following the Board of Directors' resolution of 10 June 2020, the Co-General Manager and Head of Corporate Affairs participates in Board meetings without voting rights.
2. Committee members were appointed by the Board of Directors' meeting of 15 May 2020. At its meeting on 26/01/2022, and in order to align the Board Committees with the Bank of Italy's supervisory provisions (Bank of Italy Circular No. 285 of 17/12/2013 – 35th update) on corporate governance, the Board of Directors appointed: Giovanni Azzone as Chairman and Bernardo De Stasio as a member of the Appointments and Corporate Governance Committee. Consequently, with effect from that date, the composition of the Appointments and Corporate Governance Committee is as follows: Giovanni Azzone (Chair), Bernardo De Stasio (member), Mimi Kung (member).



3. The Board of Statutory Auditors was elected by the Ordinary General Meeting of 28 May 2019 to serve for a period of three years and will remain in office until the General Meeting's approval of the financial statements for the year ended 31 December 2021.

4. The Supervisory Board was appointed by the Board of Directors' meeting of 30 July 2019 for a three-year term and will remain in office until 30 July 2022.

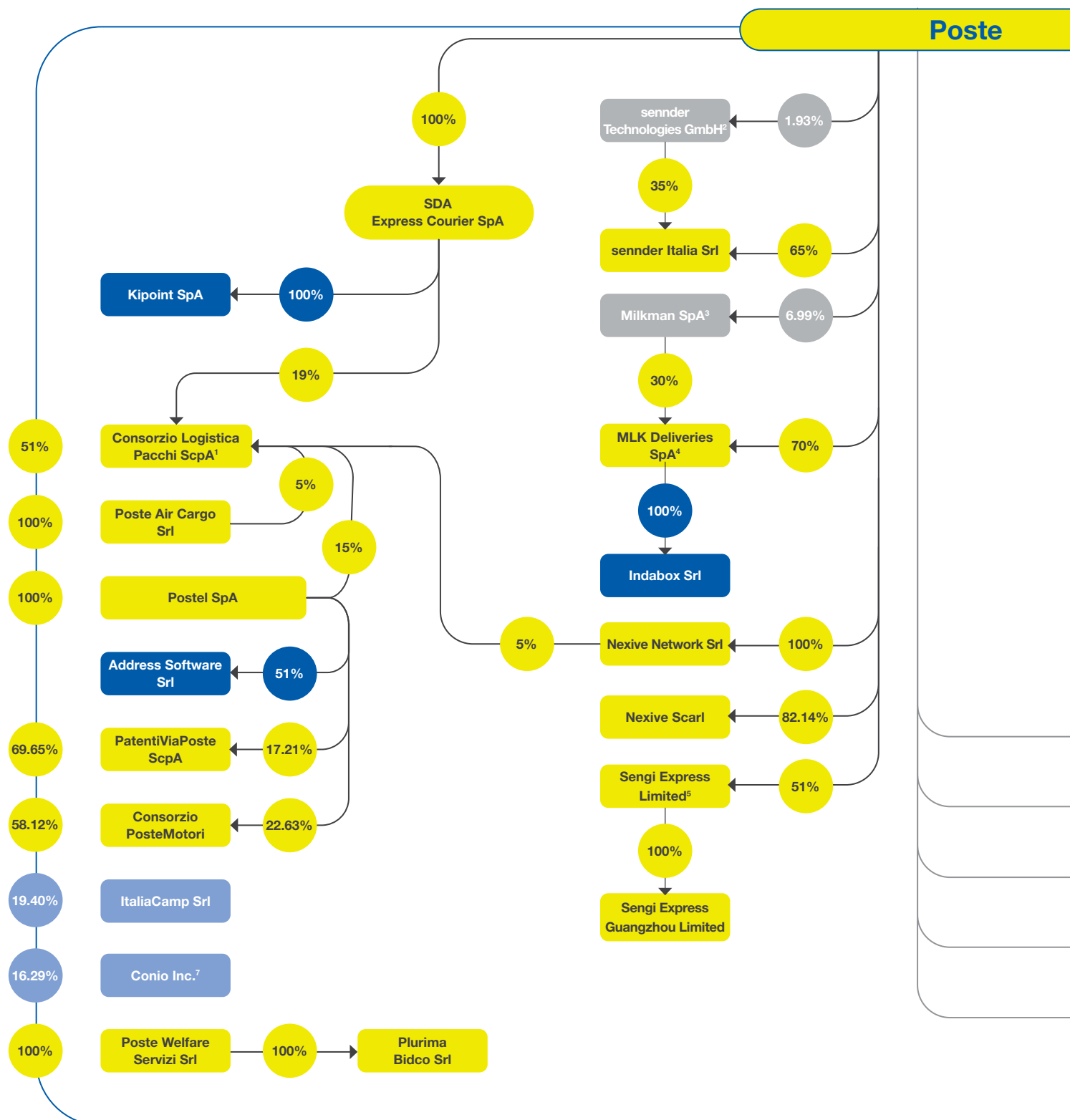
5. The only internal member, Head of Poste Italiane SpA's Internal Auditing.

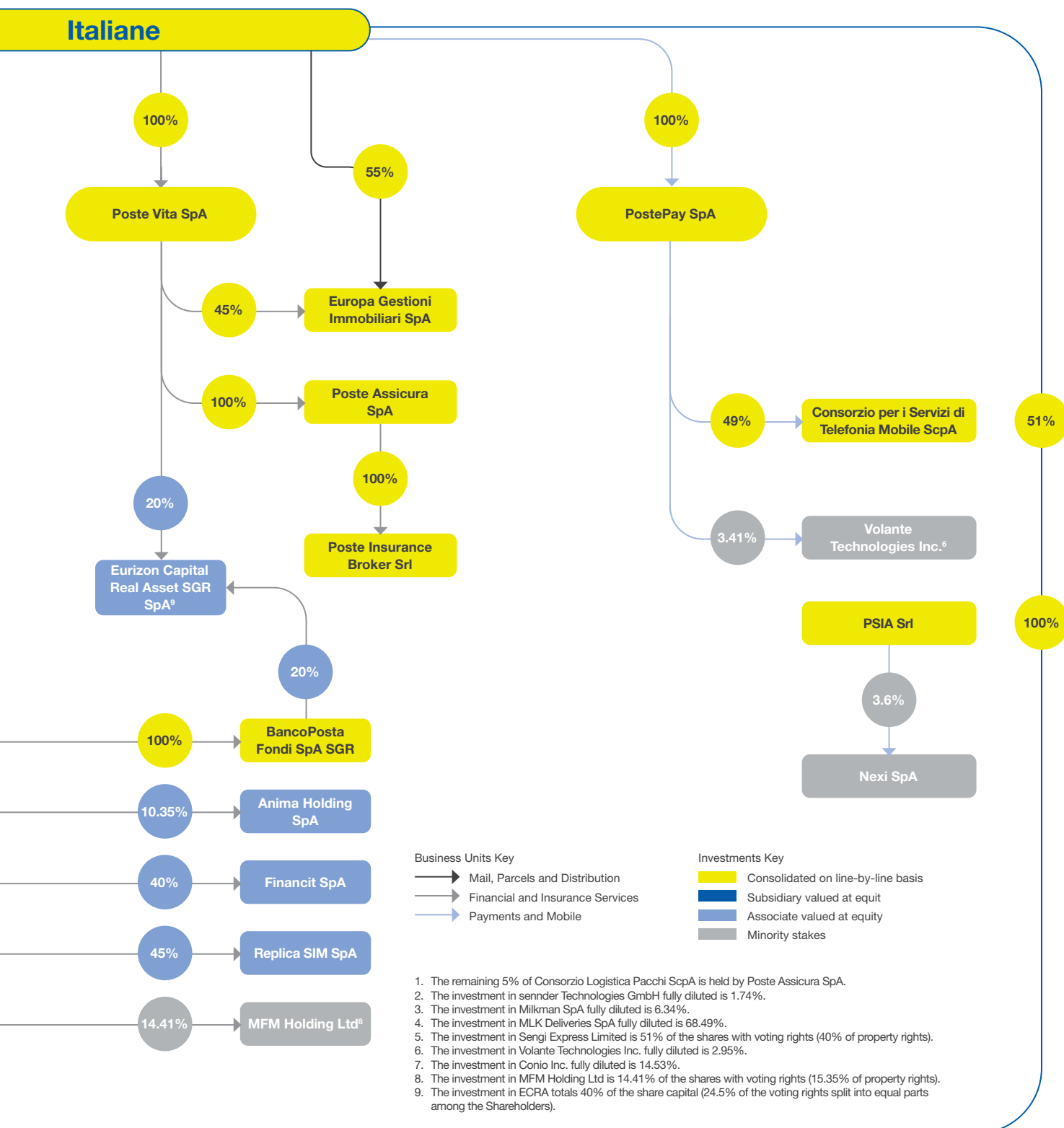
6. Assigned by the Court of Auditors with effect from 1 January 2020.

7. Company appointed to audit the accounts for the financial years 2020 - 2028 by resolution of the Ordinary General Meeting of 28 May 2019. Deloitte&Touche has been appointed for the entire Group.

< Group structure

Poste Italiane's Business Model is implemented through the Group's organisational structure and its companies, which contribute to the creation of value over time through the activities and services they provide. At 31 March 2022, the Group held, directly and indirectly, equity investments in 36 companies and consortia, of which 23 are consolidated on a line-by-line basis, 3 are subsidiaries and valued using the equity method, 5 are associates and valued using the equity method and 5 represent minority stakes.












The following table describes the activities of the Group companies, including them within the respective Business Units described in further detail in the paragraph “Omni-channel Approach and Group Operating Segments”.






 MAIL, PARCELS AND DISTRIBUTION	SDA Express Courier SpA	This is the Group's operational company. It mainly carries out activities to serve the logistics processes. It also operates on the Express Courier market, providing customised solutions to handle any type of transport.
	Postel SpA	This company operates in communication services for businesses and the public administration, providing printing and delivery services, electronic document management solutions, direct marketing, e-procurement, IT services and website management (portals) for online payments.
	Poste Air Cargo Srl	This company provides commercial air transport, cargo courier transport and insures, as the Group's sole provider, the air logistics in support of mail and parcel delivery.
	Consorzio PosteMotori	This is a non-profit consortium that manages and reports on the payment of prices due by users for the proceedings for which the Transport Department of the Ministry of Infrastructure and Transport is competent (e.g. issue of “pink sheets”, issue and renewal of copies of driving licences, registrations, MOTs, etc.). As envisaged by Procurement Contract prot. 5266 of 13 July 2021, the activities set out therein concluded on 31 March 2022.
	Consorzio Logistica Pacchi ScpA	This consortium coordinates the activities of the consortium members (Poste Italiane, SDA, Postel, Poste Air Cargo, Poste Assicura and Nexive Network) in transport overland and by air of postal effects, integrated logistics, printing and envelope filling, electronic document management, e-commerce, marketing and telemarketing.
	PatentiViaPoste ScpA	Non-profit consortium that provides centralised printing services, the dispatch and delivery of new licences and copies of log books.
	Address Software Srl	This company develops, mainly for Postel SpA and Poste Italiane SpA, application software packages for the processing of personal and territorial data (normalisation of addresses, data cleaning and geomarketing).
	Europa Gestioni Immobiliari SpA	This company manages and optimises Poste's real estate assets that are not instrumental; it carries out town planning and construction transformations, in order to assure the relative marketing (new leases and sales).
	ItaliaCamp Srl	Organisation that develops social innovation processes with a positive impact for the country, creating connections between institutions, companies, associations and universities.
	Indabox Srl	This company develops IT and telematic systems offering logistics support to e-commerce, proposing to customers a collection service of parcels purchased online from authorised retailers.
	Kipoint SpA	Through a network of franchise stores, this company sells national and international deliveries, packages and packaging. Kipoint is also Punto Poste, Indabox, Payment Services (such as top ups and slips). Following the stipulation of the contract with Grandi Stazioni, it also manages luggage deposits at major railway stations.
	Conio Inc.	This US company creates and offers innovative services in digital currencies. It controls 100% of Conio Srl, which is involved in the research, development and testing of results consisting of innovative electronic payment technological solutions (cryptocurrencies, bitcoins).

sennder Italia Srl 35% owned by Sennder Technologies GmbH)	The Company carries out national and international long-distance road transport activities. The business model is based on highly digitised processes and proprietary IT platforms, creating optimised management of processes and distances covered.
MLK Deliveries SpA (30% owned by Milkman SpA)	Company that carries out home delivery activities for e-commerce through innovative and technologically advanced delivery services, such as Scheduled Delivery, which allows customers to customise deliveries by choosing the date and time of receipt and Same Day (the same day on which the purchase is made) and to have a detailed tracking service. The Company exclusively uses the technology of Milkman SpA.
Sengi Express Limited	Company based in Hong Kong that deals with the creation and management of cross-border logistics solutions for Chinese e-commerce players active in the Italian market. It offers a complete range of services to Chinese e-commerce operators, tailored to the specific needs of individual merchants  , with competitive commercial solutions for each stage of the logistics chain connecting China to Italy.
Sengi Express Guangzhou Limited (100% owned by Sengi Express Limited)	Operational company, based in China, of Sengi Express Limited to which it provides business support services (operations, IT services, back office, administrative services, etc.).
Nexive Network Srl	An operating company which, since 1 October 2021, has provided management and coordination services for the new delivery network, formed of external partners of Nexive, used to support the “last mile” phase of the delivery process of Poste Italiane’s postal products and small parcels.
Nexive Scarl	Consortium company that coordinates the activities of consortium members for postal delivery activities mainly for Public Administration customers, awarded through participation in public tenders.
Poste Welfare Servizi Srl	Company that manages Supplementary Medical Funds, services for the acquisition and validation of databases, services and liquidation of services on behalf of private medical funds; it also supplies services for the management of Poste Vita Group health and welfare products. Following the sale in mid-January 2022 of 100% of the shares held in Poste Welfare Servizi from Poste Vita to Poste Italiane, from 2022 Poste Welfare Servizi has been incorporated into the Mail, Parcels and Distribution Strategic Business Unit.
Plurima Bidco Srl	A holding company that carries out the holding and management of shareholdings established by the acquisition of Plurima SpA, which operates in hospital logistics and document custody and management services for public and private hospitals.

 FINANCIAL SERVICES	BancoPosta RFC	<p>On 14/04/2011, Poste Italiane SpA's General Meeting resolved to set up assets for BancoPosta business as governed by Presidential Decree 144 of 14 March 2001 and determined the assets and legal relations included therein and the rules of organisation, management and control. On 1 October 2018, the set of activities, assets, goods and legal relations constituting the electronic money and payment services business unit was contributed to an earmarked asset within the subsidiary PostePay SpA in order to enable the latter to operate as an Electronic Money Institution (EMI).</p> <p>On 28 May 2021 Poste Italiane's Extraordinary Shareholders Meeting approved the removal of the restriction on the allocation of BancoPosta RFC regarding assets and legal relations constituting the "Debit Business" in order to transfer it to PostePay SpA, effective from 1 October 2021.</p>
	BancoPosta Fondi SpA SGR	Collective asset management company that operates through the establishment and management of mutual investment funds  and the individual portfolio management service relative to institutional mandates assigned to the Group.
	Anima Holding SpA	Investment holding company in the asset management sector. It controls 100% of Anima SGR, which, in turn, controls 100% of Anima Asset Management Ltd.
	Moneyfarm Holding Ltd	Digital asset management company, specialised in ETF (Exchange Traded Funds)  portfolios.
	Financit SpA	Company forming part of the BNP Paribas Group that operates in the sector of loans secured by the assignment of one-fifth of salary  or pensions ("CQ Credits") and delegation of payment.
	Replica SIM SpA	A stock brokerage firm that operates in the brokerage sector on its own and on behalf of third parties and in asset management as an investment manager and execution broker for the management of some investment funds.
	Eurizon Capital Real Asset SGR SpA	A company specialised in investments in support of the real economy, it oversees the institution and management of Alternative Investment Funds (AIFs) for private and institutional customers.
 INSURANCE SERVICES	Poste Vita SpA	Insurance company that provides insurance and reinsurance in Life classes.
	Poste Assicura SpA	Insurance company that provides personal protection (health and accident), property protection (home and assets) and credit protection (insurance of loans and mortgages from unforeseen events).
	Poste Insurance Broker Srl	Insurance broker for the distribution and brokerage of insurance and reinsurance.
 PAYMENTS AND MOBILE	PostePay SpA	A company that integrates electronic money and payment services, acting as an Electronic Money Institution (EMI) and Mobile Virtual Network Operator (MVNO) with the PosteMobile brand.
	Consorzio per i Servizi di Telefonia Mobile ScpA	Consortium for the supply of mobile telephony and integrated messaging services (device info services connected with financial instruments) exclusively for Poste Italiane.
	PSIA Srl	Holding company that carries out the holding and management of shareholdings.
	Nexi SpA (3.6% owned by PSIA Srl)	Digital payment service provider (PayTech), offering technology services and infrastructure to banks, businesses and public authorities. The company operates in three market segments: <i>Merchant Services & Solutions, Cards & Digital Payments and Digital Banking & Corporate Solutions</i> .
	Volante Technologies Inc.	American company specialising in the development of technological solutions underlying the payment and financial messaging processes on cloud and on-premise for the acceleration of digital transformation and the modernisation of financial services.

Main corporate actions performed

 <p>PAYMENTS AND MOBILE</p>	<p>Tink AB</p>	<p>On 23 June 2021, PostePay SpA's Board of Directors approved the signing of binding agreements for the sale of the interest held by PostePay SpA in Tink AB, a fintech operator specialising in open banking  technology solutions, for a consideration of approximately €77 million, as part of the announced sale of 100% of Tink AB to Visa Open Connect Limited, a Visa Group company. The transaction was agreed on the basis of an enterprise value valuation of Tink AB of €1.8 billion.</p> <p>It is recalled that PostePay SpA's total investment in Tink amounted to €22.1 million, representing a 4.7% interest in the company on a fully diluted basis.</p> <p>The Poste Italiane Group will continue to collaborate with Tink through the existing partnership focused on expanding the Group's digital service offering.</p> <p>The closing of the transaction was completed on 10 March 2022 following approval by the competent authorities.</p>
	<p>LIS Holding SpA</p>	<p>On 25 February 2022 PostePay signed with IGT Lottery SpA ("IGT") a binding agreement for the acquisition of 100% of LIS Holding SpA (together with the subsidiary LIS Pay SpA, "LIS") at a price of €700 million determined on the basis of an Enterprise Value of €630 million and available net cash of €70 million.</p> <p>LIS offers a wide range of services through the technological management of a platform of affiliated merchants, comprising 54,000 non-specialised points of sale, of which around 33,000 are tobacconists, located across Italy. The LIS platform supports and enables the delivery of services – mainly related to collections and payments – at affiliated merchants: (i) payments (postal orders, MAV, PagoPA, etc.); (ii) Collections for prepaid card top-ups (mainly PostePay); (iii) Other types of collections for services (directly or on behalf of third parties): phone top-ups, digital TV services, as well as processing services related to mobility of tax issue, or the issue of tax stamps; (iv) Services for retailers and businesses on the aforementioned technological platform via a network of proprietary terminals.</p> <p>This transaction consolidates PostePay's growth also in the proximity payments market and bolsters its acquiring  services and SME offering, in keeping with the multichannel strategy enshrined in the "24SI Plus" plan.</p> <p>The boards of directors of Poste Italiane and PostePay have approved the transaction which remains subject to the usual closing conditions, including obtainment of the regulatory approvals. The closing is expected within the third quarter of 2022.</p> <div data-bbox="1182 801 1489 1010"> <p>Acquisition of 100% of the company LIS Holding SpA</p> </div>

Other transactions

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

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

On 18 March 2022, Poste Italiane signed a binding agreement with Opus Srl ("Opus") – entirely held by the Marconi family – and the private equity operator Siparex for the acquisition of a majority stake in **Plurima SpA** ("Plurima") for a consideration based on a total enterprise value of the Company of €130 million.

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

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

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

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

On 8 April 2022 Poste Italiane, with an overall investment of €25 million, acquired 2.30% (2.15% on a fully diluted basis) of the share capital of **Scalapay Limited** ("Scalapay"), a company operating in 4 European countries in the Buy Now Pay Later ("BNPL") market on online and physical channels, allowing end customers to pay for a product/service in three interest-free monthly payments, against a fee collected from the merchants.

Plurima:
acquired
majority stake

Intra-group transactions

On 26 January 2022 the Board of Directors of Poste Vita approved the transfer to Poste Italiane of 100% of the shared in **Poste Welfare Servizi**, in order to implement a process to reorganise the Poste Italiane Group to strengthen the role of Poste Welfare Servizi as a centre of excellence in the healthcare sector. The operation is aimed at integrating the consolidated skills developed by Poste Welfare Servizi in the health sector with those recently developed by the Parent Company through the delivery of services via the Vaccinations Platform and the Poste Medical Centre operating at the Group's head offices at Viale Europa and providing services to employees of the Poste Italiane Group. The operation takes effect from the filing at the Companies Register of the deed of sale signed on 24 February 2022.

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

On 13 April 2022, the BoD of Poste Italiane and the sole director of **PSIA Srl** ("PSIA") approved the plan for the merger by incorporation of PSIA into Poste Italiane. The transaction, which provides for application of the simplifications envisaged by the regulations for the merger of wholly owned companies, will take effect from the date of the latest registration required by art. 2504 of the Italian Civil Code in the Companies Register. The merger is part of a company reorganisation that will allow Poste Italiane to directly hold shares in the listed company **NEXI SpA** thus simplifying the structure of the Group. Pursuant to the law, the transaction will subsequently be submitted to the shareholders' meeting of PSIA and to the BoD of Poste Italiane.

The shareholders' equity of **Poste Insurance Broker** as at 31 December 2021 is €1,118,800 and reflects the loss for the year and that of previous years, falling into the situation provided for by art. 2482 *bis* of the Italian Civil Code⁴ (losses in excess of one third of the share capital). At the meeting of the Company's Board of Directors on 18 February 2022, the Sole Director convened the Shareholders' Meeting for the appropriate measures and the Board of Directors of the Sole Shareholder Poste Assicura; at the meeting of 22 February 2022, Poste Assicura approved the proposal to strengthen the capital of Poste Insurance Broker by €900,000, to cover the ascertained losses and to strengthen the subsidiary's capital and its ability to continue as a going concern.

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

< Omni-channel approach and Group operating segments


- Omni-channel strategy
- Mail, Parcels and Distribution Strategic Business Unit
- Financial Services Strategic Business Unit
- Insurance Services Strategic Business Unit
- Payments and Mobile Strategic Business Unit

< Omni-channel strategy

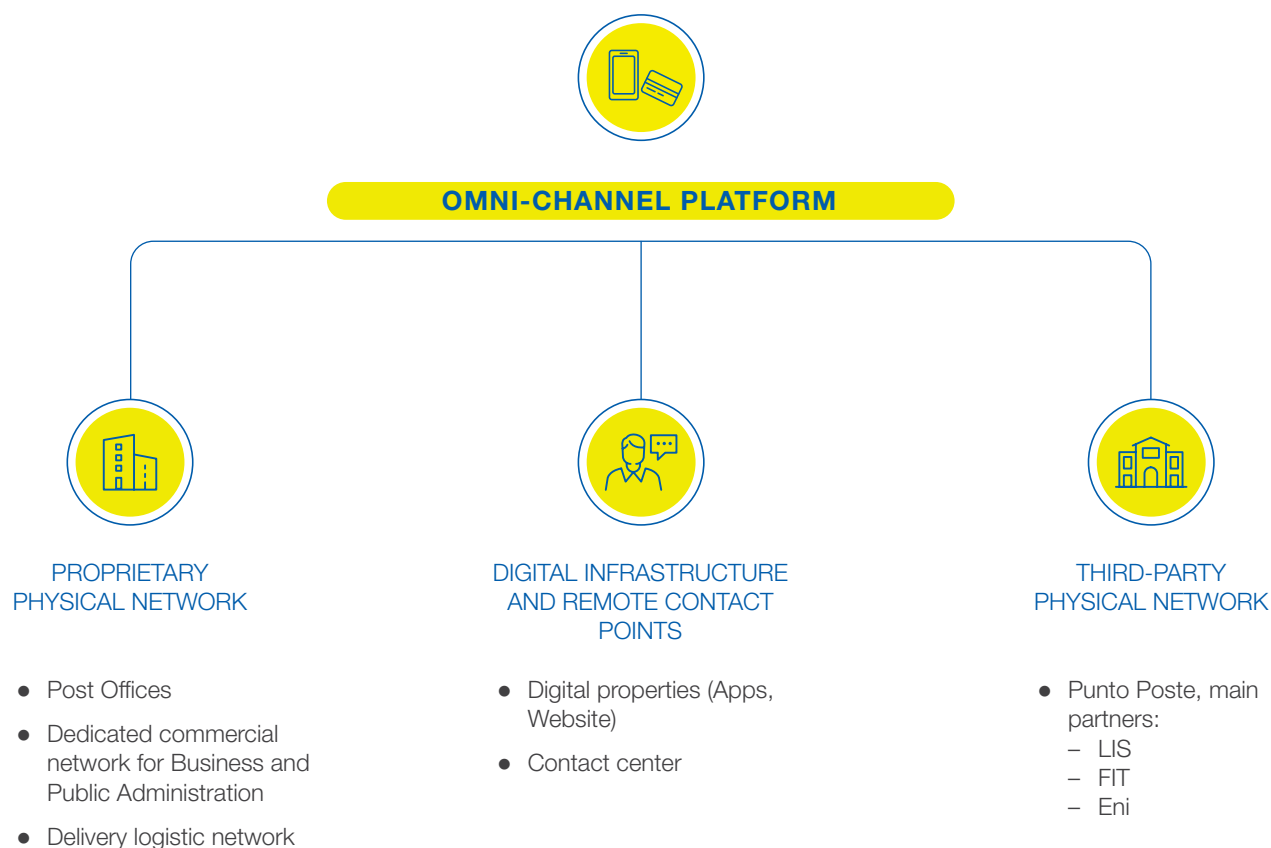
The digital transformation undertaken by Poste Italiane in recent years has involved not only its own offerings, but also the distribution model which, through an omni-channel strategy, guarantees the Company the possibility to provide services that are in step with the needs of its customers.

The pandemic encouraged the acceleration of the transition to the new operating model, enabling the Company to respond quickly to changes in the market by leveraging its digital platforms that exploit the opportunities arising from technological innovation to create new personalised products and services and opening up additional channels of communication with its customers.

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

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

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



Physical network of Post Offices

The post office network is governed by the Private Markets function, which is divided into regional Areas, Branches and Post Offices and serves the entire country. From November 2021, the Private Markets Function took over from the Business and Public Administration Function the management of the Commercial network for 'Small Economic Operator' Clients.



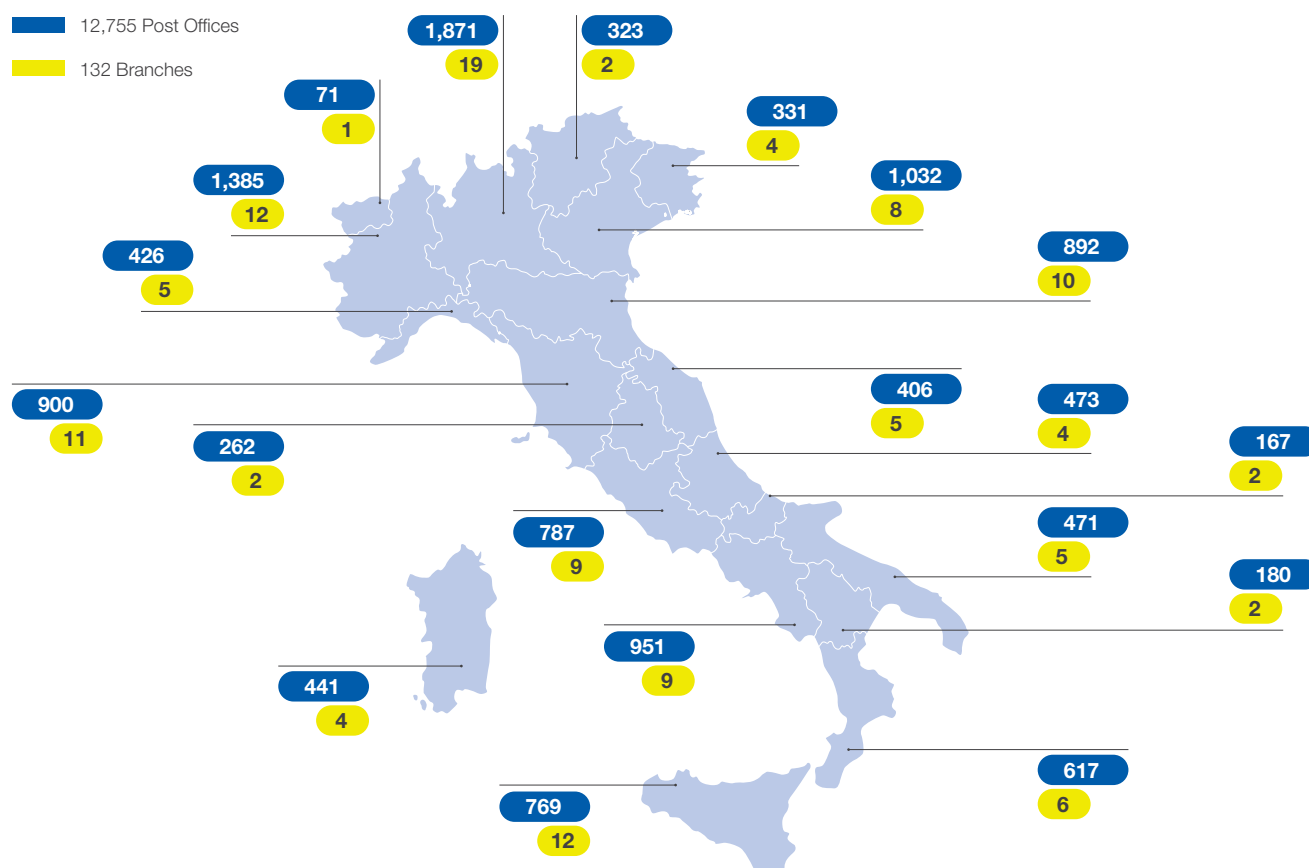
Macro Areas Post Office Network

- North-western Area
- North-eastern Area
- North Central Area
- Central Area
- Southern Area
- Sicily Area
- Area Headquarters



Geographical Distribution of Post Offices and Branches


- 12,755 Post Offices
- 132 Branches



During 2021, the duties of personnel at PO Corners were reviewed who, considering the evolution of the product range, are increasingly required to support the promotion and sale of products and services with a significant customer service component (e.g. PostePay, Fibre, Motor Liability, Energy, etc.). In this context, in the last quarter of 2021, the **Corner Project 2.0** was launched on a pilot scheme involving 100 Post Offices, of which 83 with queues dedicated to car civil liability products and Telephony/Postepay Cards integrated into the New Queue Manager. As part of this project, on 31 March 2022, 196 PuntoPoste Casa&Famiglia Corners were set up (of which 85 corners and 111 lowered workstations).



To strengthen the **commercial oversight of the MiFID No Sala and Basic Post Offices**⁵, in January 2022 the Commercial Zones assigned to the Specialist Mobile Consultants (SMCs), were optimised from 1,092 to 997.

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

Physical network - business and Public Administration

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

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

- 3 Sales Macro Areas (Lombardy North West, Central North and North East, Central South), with exclusive commercial responsibility for mail and communication revenue and commercial support for the specialist sales force;
- 2 Sales areas dedicated to the commercial management of products/services of logistics and parcels and specialised by industry:
 - *Industry 1: Health&Beauty, Electronics and IT, Other Sectors;*
 - *Industry 2: Food&Grocery&Pet, Homeliving&Fashion, Platform&Solution Players;*
- 1 Commercial area specialising in the offer of financial and insurance products for large business customers and Public Administration;
- 1 Commercial area for Central and Local Public Administration related to Metropolitan Regions and Cities;
- 1 Commercial area devoted to the commercial management of partnerships with third parties and remote sales (from February 2022).

5. MiFID No Sala Post Office: this is a Post Office where the Director is authorised to sell MiFID-IVASS products and is supported by the Specialist Mobile Consultant (SMC); a Basic Post Office is an Office where the Director is not authorised to sell MiFID-IVASS products, and the commercial activities are overseen by the Specialist Mobile Consultant (SMC).

Macro Areas Business and Public Administration



The Logistic Network

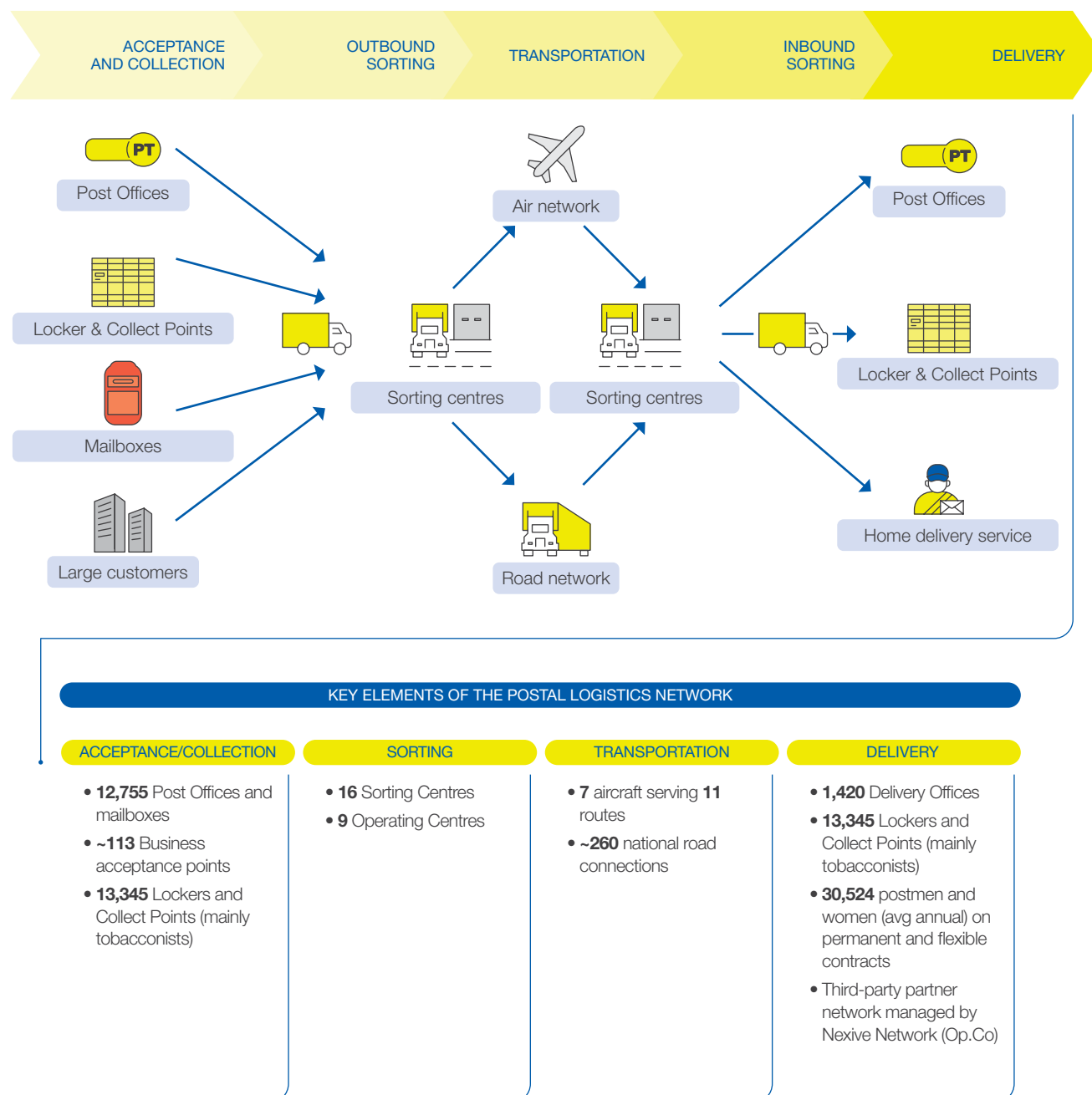
The Group's mail and parcel services are provided through two integrated and synergistic logistics networks: the **postal logistics network** for the management of mail, now evolved also to allow the management of small parcels and the **parcel logistics network** able to handle all types of parcel.

The integration between the two networks was strengthened in 2020 by increasing the interchange of small parcel volumes (carriable parcels, i.e. under 5 kilos), using cost-effectiveness as the discriminating factor. The delivery of these products in Italy can be carried out indistinctly by the postal and parcel logistics network according to a dynamic approach, aimed at maximising efficiency for each area.

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

Postal Logistics Network Activities

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



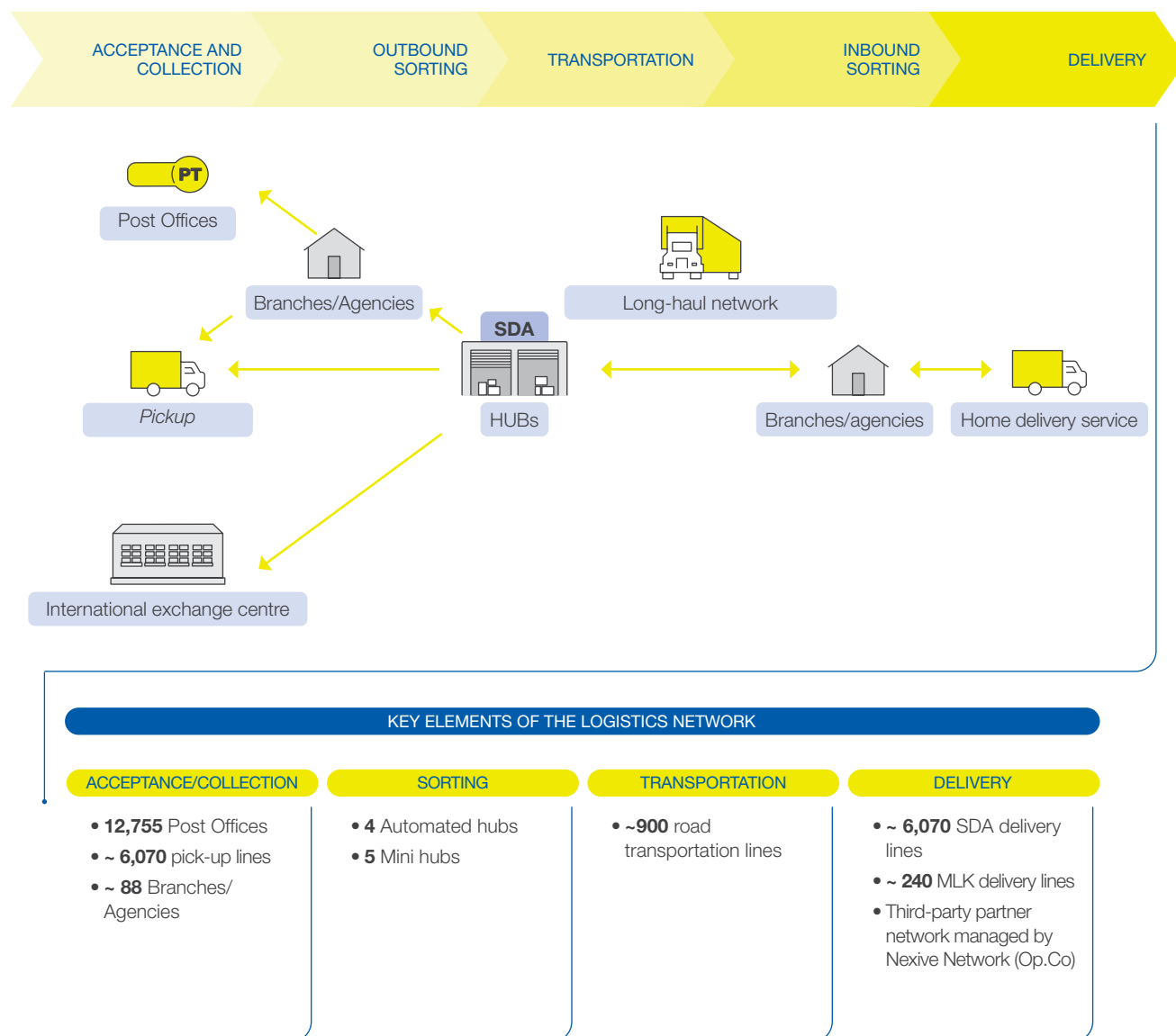
The organisational model for the postal logistics network consists of 6 Logistics Macro Areas which, coordinated centrally, internally handle all stages of the value chain: acceptance and collection, outbound sorting, transport, inbound sorting and delivery. At the same time, this model makes it possible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

The territorial coverage model is shown below:



Parcel Logistic Network Activities






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




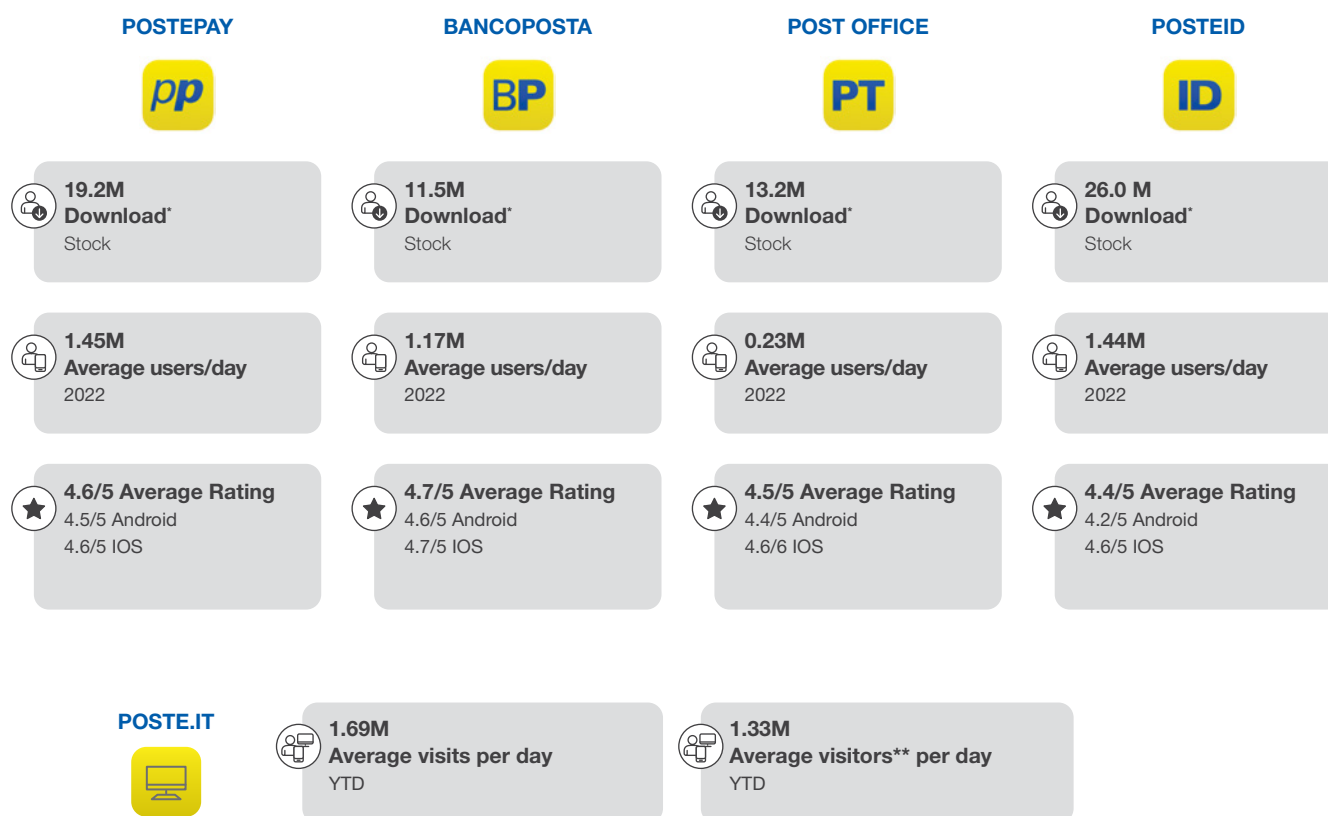
Digital infrastructure and remote contact points – web, app and Contact Centre

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

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

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

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



Source: Webtrends, Adobe Analytics, Store iOS, Android, Windows, internal elaboration DTO.

Notes:

* iOS and Android users who have downloaded the app.

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

The Poste Italiane digital web and app channels provide access to online services for 34.8 million retail users (29.5 million at 31 March 2021) and operate as both direct sales and after-sales channels. The daily average of web and app users for the first three months of 2022 was 5.6 million (nearly 4 million average daily users in the first three months of 2021). Digital channel transactions also grew, and in the first three months of 2022 amounted to 35 million for a transaction value of €9.1 billion (28.4 million transactions in the first three months of 2021 for a transaction value of €7.1 billion).

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



Third-party physical network

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

In the first quarter of 2022, the Punto Poste Network⁶ had 13,345 points, mainly tobacconists.

daily interactions as
March 2022 across multiple
channels

**>19
mln**

of daily transactions in
1Q2022 were made on the
new channels

35%

Punto Poste **package
drop-off and collection
points**

**>13
thousand**

6. The Punto Poste Network consists of collection points (sales points which offer parcel collection and shipping services) and lockers (self-service locations with extended hours of operation).

< Mail, Parcels and Distribution Strategic Business Unit

"2024 Sustain & Innovate Plus" Strategy



MAIL, PARCELS AND DISTRIBUTION

Market-leading logistics player, with the objective of growing in the parcels and express courier sector

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

Macroeconomic context

In the first quarter of 2022, the global economy was heading towards the consolidation of recovery, but the Russian-Ukrainian conflict brought uncertainty back to maximum levels: while the OECD forecasts in December 2021⁷ reported an increase in global GDP of 5.6% in 2021 and 4.5% in the current year, the Interim Outlook published in March 2022⁸ indicated a potential revision downwards (compared to the estimates of December 2021) of over 1 p.p. on the growth of global GDP for 2022 caused by the ongoing conflict, which could limit growth by up to a maximum of 3.5%.

The war in Ukraine produced another negative shock for the global economy⁹, just when it seemed that a number of critical issues related to the supply chain since the start of the pandemic would be overcome. The changes in the prices of commodities and the fluctuations in the financial markets seen since the start of the conflict, if prolonged over time, could translate to a significant slowdown in the growth of global GDP, flanked by a profound recession in Russia and an increase in global inflation.

the growth in global GDP
in 2022 net of the potential
impact of the russian-
ukrainian conflict

+4.5%

The economic surveys in March 2022 reflected the initial effects of the Ukrainian conflict on the economic cycle of the Eurozone, summarised in the drop in consumer and manufacturing company confidence¹⁰. In particular, there was a worsening in the expectations for the economy, new all-time highs for the expectations on prices and signs of turbulence in production processes.

According to the projections of the Eurosystem experts published in December¹¹, the GDP forecast showed growth of 5.1% in 2021 and 4.2% in 2022. Consumer prices in the Euro area at March 2022¹² recorded continuous increases in the quarter. **Headline inflation**¹³ amounted to 7.5% year on year and **core inflation**¹⁴ to 3.2% year on year, while unemployment increased to 6.8% in March.

Even in Italy the risks of potential impacts from the war in Ukraine are increasing. The composite index of business confidence in March 2022¹⁵ recorded a decrease following the recovery of the previous months, from 107.9 to 105.4. The drop in business confidence is mainly attributable to a widespread worsening of the expected orders/sales in the manufacturing industry, services and retail trade. The consumer confidence index also saw a pronounced decrease, reaching the lowest value since January 2021. The rather accentuated downsizing of the index is essentially due to the strong deterioration of the expected evolution of growth and as a result unemployment, which reached 8.5% in March.

7. OECD Economic Outlook, Volume 2021 Issue 2 - December 2021.

8. OECD Economic Outlook, Interim Report - March 2022.

9. OECD Economic Outlook, Interim Report - March 2022.

10. Trading Economics - Euro Area Composite PMI - March 2022.

11. ECB Economic Bulletin, no. 8/2021 - January 2022.

12. Eurostat - Flash Estimates - March 2022.

13. Headline inflation is the variation in the costs of goods and services including commodities such as the prices of food products and energy, which tend to be much more volatile and inclined towards inflation peaks.

14. Core inflation is the variation in the costs of goods and services excluding those of the food and energy sectors because their prices are much more volatile. It is often calculated using the consumer price index, which is a measurement of the prices of goods and services.

15. Istat - Flash Statistics - Consumer and Business Confidence - March 2022.

Consumer inflation¹⁶ in March 2022 reached 6.7% and structural inflation, net of energy and fresh food products, 2%.

Following these developments, the growth prospects of the economy now appear weaker and much more uncertain than at the start of the year. Also as a result of a higher starting position of the quarterly GDP in late 2021 compared to what was estimated in September 2021, in addition to the economic impact of the conflict and the sanctions imposed on Russia, the GDP growth trend forecast estimated by the Government for 2022 decreased from 4.7% in the scenario in the Update Note of the 2021 Economy and Finance Document to 2.9%; for 2023, from 2.8% to 2.3%¹⁷.

The geopolitical crisis has fuelled further price increases, in nearly all segments, in particular the prices of commodities that were already under pressure in the Covid-19 period. Brent prices, which were stable for much of February, in the week following the outbreak of the hostilities, recorded a strong upturn, widely exceeding €110/barrel¹⁸, a level over 10% higher than the previous maximum 10 years ago and up by 68.24% compared to the March 2021 prices. Even more intense increases were seen in the prices of the main refined products, especially diesel, of which Russia is the main exporter at world level (and Europe its main commercial partner). There was notable intensity in the price increase seen by methane, which, however, in the second half of March partially reabsorbed the hikes at the start of the month. Tensions did not only concern energy prices, but extended to the market of steel and non-ferrous metals, since Russia is one of the main exporters of aluminium and nickel, which at the outbreak of the hostilities recorded record increases. Not even the main agricultural markets were immune from the rising trend. There was significant intensity in the increase in the prices of wheat (Russia and Ukraine are, respectively, the world's first and seventh leading exporters). In late March, prices increased to levels 25% higher than the period before the invasion. Oilseeds also increased in price.

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

More specifically, for the mail market, after the significant drop in volume in 2020 (-19% with respect to 2019), 2021 saw substantial stability¹⁹.

In the parcel market, e-commerce continues to be the main driver of growth: in recent years online commerce has seen notable growth and is beginning to establish itself as a new habit for purchases/sales, in part thanks to new choices caused by the health emergency. These include: greater digital consumer education, overcoming of barriers to online purchases, increase in web shoppers, digitalisation of traditional retailers and a tendency to develop e-commerce channels integrated with the physical experience.

For the Italian parcel segment:

- the volume of parcels per capita increased in 2020, rising to 6 units from 4 in 2019²⁰. For 2021, the volume of parcels per capita doubled compared to 2019²¹. Moreover, the percentage of online retail purchases went from 4% in 2015 to over 9% in 2020, reaching about 10% in 2021²², with additional growth margins compared with the rates recorded in the main European countries;
- in 2021 the positive trend for e-commerce has continued, although with a natural decline in the growth rate with respect to 2020²³; in fact, 2021 showed more contained growth in the sector with respect to that seen in 2020, but still higher than the pre-pandemic period, due to the continued demand for e-commerce deliveries at higher levels than those seen in the past;
- Poste Italiane is currently one of the main operators in the market with a market share (B2C) that exceeds 30%²⁴.

16. Istat - Flash Statistics - Consumer Prices - March 2022.

17. DEF 2022 - 07 April 2022.

18. Source: Refinitiv.

19. Source: Processing of internal forecasts.

20. Source: Internal processing of historical Cerved Databank data and forecasts, Netcomm.

21. Processing of internal forecasts.

22. Source: Osservatorio eCommerce B2C - Politecnico Milano/Netcomm data.

23. Internal processing of Cerved Databank data, Netcomm.

24. Source: Internal processing of historical Cerved Databank data and figures, Netcomm.

Regulatory context

Expense of the Universal Postal Service

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

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

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

Publishing tariff subsidies

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

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

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

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

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

Evolution of the regulatory scenario

Competition in the parcel delivery market

With AGCom Resolution 212/20/CONS of 1 July 2020 (“Analysis of the parcel delivery service” - interim report), the Authority initiated the procedure to identify the relevant markets for parcel delivery services and to assess the relative level of competitiveness. The resolution highlights a predominant role for Poste Italiane in the C2X 25, market, which nevertheless has a marginal impact on the overall parcel market.

On 18 September 2020, AGCom also sent to the Company a request for information, stating that all clarifications must be provided concerning postal items with a thickness of more than 20 mm and a weight of no more than 31.5 kg. Poste Italiane sent a notice on 22 October 2020 stating that the European Parcel Regulation applies only to international items; the definitions of the Postal Directives remain unchanged with respect to other types of items. There is therefore no obligation to apply these definitions to “domestic” delivery services at present. In addition, national legislation and regulations in the sector rule out in principle the possibility of mail being used to send objects. On 20 May 2021, AGCom sent a further request, asking for an update to 2020 of the information already requested for previous years. The request was duly recognised by the Company on 3 June 2021.

Following the preliminary analyses initiated with AGCom Resolution 212/20/CONS, on 27 August 2021 the Resolution no. 255/21/CONS (“Public consultation on the regulatory obligations in the parcel delivery services market”) was published, with which the Authority submitted for public consultation the proposal to adopt a number of regulatory obligations in order to increase the level of surveillance over the conditions for providing services, over the contractual conditions governing relations between the companies performing the various phases of the service and over working conditions, which also include a number of asymmetric obligations pertaining to SMP operator (operator with significant market power). With Resolution 398/21/CONS, AGCom further postponed, for 90 days (to 16 March 2022), the deadline for the conclusion of the process pursuant to **Resolution 212/20/CONS “Analysis of the parcel delivery service market”**. On 25 February 2022, the AGCom requested indications on the possible classification criteria of customers by uniform clusters. The Company sent its proposal and is awaiting the final resolution.

AGCom Identification of Relevant Markets for Mail

Resolution 589/20/CONS of 25 November 2020: the first phase of market analysis was concluded, in which AGCom approved the definition of the relevant markets for mail delivery services. With **Resolution 396/21/CONS**, AGCom extended the deadline for concluding the process to 10 March 2022.

On 8 March 2022, with **Resolution 51/22/CONS**, the public consultation was launched, lasting 30 days, on **“Analysis of the mail delivery service market and determination of the maximum tariffs for universal postal services – assessment of the level of compliance and definition of regulatory remedies”**. In the Resolution, the AGCom proposed the approval of the tariff changes requested by Poste Italiane for only one part of the products, essentially referring to Legal Documents and retail services; furthermore, it proposed changes to a number of the “Measures” envisaged by the Authority in the context of the Poste/Nexive concentration operation and already implemented by Poste Italiane. Poste Italiane has made its contribution to the consultation and is awaiting the Final Resolution.

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

**Replicability of offers
(EU2 areas)**

In terms of access to the postal network and the repeatability of offers, with Resolution **294/20/CONS of July 2020** the process was launched to review the criteria for defining EU2 Areas (areas where there are no competitors to Poste Italiane).

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

The new perimeter defined by the Authority should be used, in particular, in order to identify the regional coverage of wholesale access to its network pursuant to Measure 8 of AGCM provision C12333 (operational from 31 January 2022; provision no. 28497 of 22/12/2020, which prescribed various conduct measures to Poste Italiane following the approval of the concentration operation between Poste Italiane SpA and Nexive Group Srl), as well as the repeatability test of Poste Italiane’s multiple consignment offers, regulated by Resolution AGCom 452/18/Cons.

Mailboxes

In accordance with article 2, paragraph 7, of the 2020-2024 Service Contract, on 24 June 2020, Poste Italiane submitted to AGCom a proposal to **adjust the number of mailboxes to the changed size of the market and customer needs**, taking into account the trend in postal volumes and actual use by users. With a communication dated 21 January 2021, AGCom initiated a procedure for the definition of the criteria for the reshaping of the distribution of default mailboxes in Italy. At the request of the Authority, the Company submitted information to the Authority to supplement its proposal of 24 June 2020 and is awaiting the start of the public consultation.

**Digital notification of
PA documents - new
platform**

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

**Guidelines for the
award of public
procurements for
postal services**

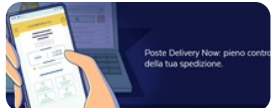


With regard to the process of revising the “Guidelines for the award of public contracts for postal services”, which aims to update the previous guidelines taking into account the liberalisation of the mail notification market, **the National Anti-Corruption Authority (ANAC) and AGCom**, following the work of a technical round table on a draft document in which the Company also took part, prepared the document revising the aforementioned Guidelines, which was submitted for public consultation until 31 December 2020 and as part of which the Company submitted its comments on 30 December 2020.

The Antitrust Authority (AGCM) has made a number of observations, pursuant to article 22 of Law 287/90, with respect to the draft Guidelines, hoping for some changes to the text proposed by the two authorities. In particular, the AGCM expressed a negative opinion with particular reference to the regulation of notification services via post, with regard to which the limitations on the use of temporary consortia (RTI) and subcontracting set out by the guidelines are criticised. In August 2021, the opinion of the Council of State was published (requested by ANAC), which agrees in many points with the position of Poste Italiane. Such opinion must be taken into consideration by ANAC and AGCom for the purposes of defining the final measure publication of which is pending.

Operating review


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

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

SEGMENT	OPERATING REVIEW
	<p>A new feature was released on Poste Delivery Business which will allow sellers, users of Second Hand platforms, to ship from proximity points (post offices, shops and tobacconists of the Punto Poste network).</p> <p>The extension of home delivery of medicines continued in large cities and medium/small municipalities. This is offered in three modes: instant (within 90 minutes of purchase), scheduled (at the desired time) or next day (day after purchase). At 31 March 2022, the service is currently active in 176 municipalities (major cities and medium-small towns).</p> <p>As part of last mile services, Poste Delivery Now²⁶ was launched in 2021. The service is currently available in the main Italian cities: Rome, Milan, Turin, Bologna, Bergamo, Brescia, Florence, Genoa, Naples, Padua, Monza, Verona and Varese.</p>  <p>The new Poste Delivery Now Tracking Page was released, which provides an e-commerce delivery experience with the possibility for recipients to have full control of their shipment and personalise all aspects of the delivery in the last mile stage²⁷.</p>
Parcels/Logistics	<p>In May 2022, a majority stake was acquired in the company Plurima, an Italian leader in the sector of healthcare logistics.</p>  <p>The logistic support to the vaccination campaign for the delivery of Covid-19 vaccine doses continued, with over 30 million doses delivered throughout Italy at 31 March 2022. Poste Italiane also offered free access to an online vaccination booking platform. Finally, the distribution of Personal Protective Equipment (PPE) throughout Italy continued.</p>  <div> <p>>30 mln</p> <p>doses delivered to support of the vaccination campaign</p> </div>

26. The service enables the maximum level of personalisation of e-commerce shipments, enabling the recipient to receive their purchases on the day that the order is made or during a preferred time slot, including evenings or Saturdays.

27. The last mile stage is the last stage in the delivery process of the logistics chain from the Distribution Centres to Lockers & Collect Points, Post Offices and home delivery.



SEGMENT	OPERATING REVIEW
Mail	<p>“Smart Letter Boxes”²⁸ project. During the first quarter of 2022, 13 new boxes with screens were installed in Naples, joining the 405 boxes installed since the start of the programme.</p> <p>>400 Smart postboxes for optimized mail collection</p>  <p>In the first quarter of 2022, the new Registered 1 Business²⁹ price list came into force for all product structures (basic and complete with the Pick Up³⁰ service included) with an increase in the unit price of €+0.15 on all weight categories.</p> <p>The new Posta Assicurata Market³¹ signed-for mail service was released, provided to customers who intend to send mail items with a declared value up to 2 kg using a secure and tracked method.</p>

Small Municipalities Project

With reference to the programme launched in November 2018 in favour of the communities of Small Municipalities, aimed at promoting specific initiatives to support the development of the territory, Poste Italiane has achieved all the objectives presented at the time.

Following the state of emergency on the national territory declared in 2020 by the competent authorities concerning the health risk related to Covid-19, some activities have been suspended.

The following is the summary of the main initiatives and results at 31 March 2022:

- there have been no Post Office closures;
- a central office now provides dedicated support for small municipalities;
- 1,559 new **ATMs**  were installed in 1,536 municipalities;
- 1,104 architectural barriers have been removed in 1,041 Municipalities;
- 9,833 high-definition video surveillance cameras were installed in 3,173 Municipalities;
- the treasury service was activated in the municipalities that requested it;
- 11,962 red post boxes have been installed in 5,296 Municipalities, 19 murals have been created to improve the urban decor of peripheral Post Offices;
- 488 financial, digital and postal education events provided in 484 municipalities;
- 3,270 Schools licensed by the “Il Risparmio che fa Scuola” programme in 2,684 municipalities;
- 743 **POS**  activated in 471 Municipalities;
- 303 smart mailboxes installed in 232 municipalities;
- 2,645 municipalities served by New Green Fleet.

Zero
Post Offices
closed in the first
quarter of 2022

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

29. The Registered 1 Business is the fast signed-for mail service for shipments up to 2 kg. It involves delivery on the next working day after the date of postage with the exception of a number of routes indicated on the poste.it website. It is a reliable and secure service thanks to the double delivery attempt and the use of proof of delivery.

30. Home collection service for registered mail.

31. As well as the universal postal service obligations, the product envisages a double delivery attempt (agreed and, where applicable, automatic) to make it even easier for the sender to reach the recipient and for the latter to collect the mail item.

< Financial Services Strategic Business Unit

"2024 Sustain & Innovate Plus" Strategy



FINANCIAL SERVICES

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

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

Market context

Financial markets

After a particularly favourable year for the stock markets, with annual increases above 20% for the USA and Europe indexes³², 2022 began characterised by volatility caused by fears around higher inflationary pressures. The new all-time highs reached by inflation rates³³ – including due to supply issues linked to the lack of commodities and bottlenecks in production and logistics – have sparked fears that the central banks might speed up the normalisation of the monetary policies by acting on the rates and unconventional measures implemented in recent years.

Between the end of January and the start of February 2022, the equity indexes showed decreases compared to 2021, with the VIX volatility index³⁴ above 30%. At the start of February 2022, concerns around inflation were joined by those of a geopolitical nature, arising from the start of the russian-ukrainian conflict. The decrease on the stock markets then intensified: between the end of February and the start of March 2022, the risk aversion increased sharply, with heavy losses on both the stock and bond markets³⁵.

From the start of March, with hopes that further escalation of the conflict towards an even more dramatic scenario might be avoided, the markets began a phase of recovery, albeit partial and nevertheless volatile.

From the start of the year, the equity indexes still showed decreases attributable to the increase in interest rates and to the downward revision of the growth expectations of corporate profits which had supported the equity performance in 2021. The markets of the European Union are currently more penalised than the US markets, due to the direct effects on the economy of the conflict and the sanctions adopted.

With regard to the monetary policies of the central banks, in March, the Federal Reserve increased the interest rates by one quarter of a percentage point, bringing them to a range between 0.25% and 0.50%, in line with the intentions of the **Federal Open Market Committee**³⁶ (FOMC), in favour of continuing on the path of increases until the end of 2023, in light of the new economic forecasts³⁷ which show an economic cycle that is still strong, a tense labour market (caused by a demand for labour that is greater than the supply), and a marked worsening of the inflationary scenario. In terms of the reduction of securities in the balance sheet, the FOMC opted to maintain greater flexibility on the extent of the reduction in monthly purchases³⁸.

In Europe, the potential loss of control over expected inflation led the governing council of the ECB at the meeting in March 2022 to adopt a more restrictive approach through the acceleration of the pace of reduction of Asset Purchase Programme (APP) purchases compared to December 2021, proceeding with the announced normalisation strategy of the monetary policy, while also emphasising gradualness and flexibility in forward guidance³⁹, given the high degree of macro and geopolitical uncertainty in the operating environment.

32. Source: Bloomberg.

33. FRED - Consumer Price Index: Total All Items for the United States - 4Q 2021; Eurostat - Inflation Rate - April 2022.

34. VIX is a real-time volatility index, created by the Chicago Board Options Exchange (CBOE).

35. Source: Bloomberg.

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

37. Federal Open Market Committee - FOMC Projections materials, accessible version - 16 March 2022.

38. Federal Reserve issues FOMC statement - Implementation Note issued - 16 March 2022.

39. Source: European Central Bank.

The measures adopted by the FED and the ECB, characterised by the desire to reduce the use of ultra-expansive monetary policies, led to an increase in the rates in the long portion of the curve: the US 10 Year Treasury in late March 2022 reached 2.34% (+83 bps compared to the end of 2021) while the Italian BTP (same maturity) 2.04% (+86 bps compared to the end of 2021); the BTP-Bund spread reached 148 bps (+15 bps compared to the end of 2021).

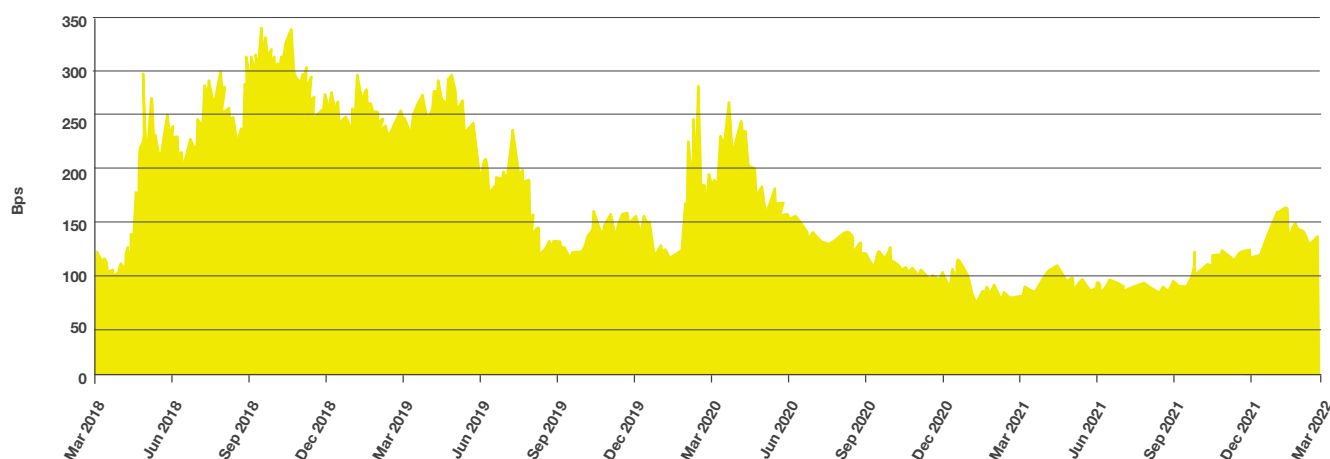
In Italy, the **FTSE MIB**  decreased in the first quarter of 2022 by 8.5%⁴⁰ and it was also penalised by the downward revisions of the growth expectations of corporate profits deriving from geopolitical tensions.

The table below shows the precise returns expressed in percentage terms at the end of the period for BTP and interest rate swaps⁴¹.

	Mar 2021	Jun 2021	Sep 2021	Dec 2021	Mar 2022
BTP 10Y	0.67	0.82	0.86	1.17	2.04
SWAP 10Y	0.07	0.10	0.16	0.30	1.19
BTP 15Y	1.06	1.29	1.32	1.54	2.18
SWAP 15Y	0.34	0.36	0.40	0.49	1.29
BTP 30Y	1.65	1.84	1.82	1.99	2.49
SWAP 30Y	0.48	0.48	0.48	0.48	1.02

The following graph shows the trend of the 10-year BTP-Bund spread in recent years with the values recorded up to 31 March 2022.

Spread BTP Vs BUND 10 yrs



40. Data: Bloomberg.

41. Source: Bloomberg.

Banking system

On the basis of estimates provided by the Italian Banking Association (ABI), at March 2022⁴², **customer deposits** of the total number of banks in Italy, represented by deposits of resident customers (current accounts, deposit certificates and repurchase agreements) and bonds, increased by 3.8% year on year to €2,040 billion. This dynamic stemmed from the significant increase in deposits from resident customers, amounting to approximately €88 billion (+5.0%), and was accompanied by a reduction of around €14 billion in bond deposits (-6.4%).

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

Bank loans in the first three months 2022 increased overall by around €18 billion and the aggregate of private sector loans at March 2022 was €1,478 billion, representing an annual variation of +2.1%. The component of loans to households and non-financial companies was slightly more dynamic, recording a 2.6% year-on-year increase in March 2022.

In the first quarter of 2022, there was substantial stability in interest rates on outstanding loans to households and businesses (from 2.13% to 2.14%), as well as on rates on new business transactions (from 1.18% to 1.19%), while those on new loans to households for home purchases increased slightly (from 1.40% to 1.60%).

Asset Management

Assogestioni figures at 31 March 2022, showed total assets of €2,502 billion⁴³, compared to €2,594 billion at the end of 2021 (-3.5%, as a result of the positive contribution of inflows of +0.4% offset by negative performance of -3.9%). With reference to **portfolio management**, assets amounted to approximately €1,186 billion (€1,243 billion at 31 December 2021, -4.5%, resulting from the negative contribution from inflows of -0.2% and from performance of -4.3%). With regard to **collective asset management**, assets went from about €1,351 billion at the end of December 2021 to about €1,316 billion at the end of March 2022 (-2.6%). With regard to **open-ended mutual investment funds** alone, customer assets at the end of March 2022 amounted to approximately €1,236 billion (approximately €1,273 billion at the end of December 2021, -2.8% as a result of the positive contribution of inflows of +0.9% and of negative performance of -3.7%).

In terms of **net inflows** the asset management industry recorded a positive balance of about €9.7 billion in the first three months of 2022 (compared to €23.5 billion in the same period in 2021).

total equity
in Italian managed
assets

**€2,502
billion**

42. ABI outlook for April 2022 - <https://www.abi.it>

43. Assogestioni, Monthly map of asset management, 27 April 2022.

Regulatory context


Bank of Italy

Circular no.285 of 17
December 2013

On **25 November 2021** the **Bank of Italy** published the **37th Update to Circular no. 285 of 17 December 2013**, concerning remuneration and incentivisation practices and policies in banks and banking groups. The key new features include the **neutrality of remuneration policies with regards to gender, the management of the “retention bonus”** (remuneration based on the seniority of company personnel) and **exceptional bonuses**. Activities aimed at integrating these new elements into the Remuneration Guidelines of the BancoPosta RFC are in progress and will be presented for approval by the Shareholders' Meeting on 27 May 2022.

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

Discipline of Website for the comparison of offers relating to payment accounts

On **18 March 2021**, the Decree of the Ministry of Economy and Finance (MEF) of 22 December 2020 was published in the Official Journal, containing the **“Website guidelines for the comparison of offers relating to payment accounts”** for the comparability of related charges, defining their characteristics, as well as the criteria for access by payment service providers (**PSP** ).

Poste Italiane is evaluating the actions to be taken for participation in the comparison website and PostePay, with reference to the **IBAN-equipped Postepay card** dedicated to consumer customers, will join one or more comparison websites, providing the website owners with the data needed to compare offers.

* A payment account is an account held in the name of one or more customers, used exclusively for the execution of payment transactions.

Bank of Italy Guidelines on governance and control mechanisms for retail banking products

On 1 April 2021, the **Bank of Italy** published the document **“Guidelines for intermediaries on governance and control mechanisms for retail banking products (POG)”**, which, in including good practices, as well as critical issues found both by the European Banking Authority (EBA), as part of a survey activity conducted in European countries, and by the Bank of Italy in its supervisory activity, requires banks and intermediaries to take appropriate initiatives to raise the level of compliance with regulations and the quality of customer relations. The Company is finalising the assessments and related actions to be implemented.

ESMA

Guidelines on
remuneration policies
and practices

At the end of the consultation launched by the ESMA on 19 July 2021, on **31 March 2022**, the Authority published the **“Guidelines on remuneration policies and practices”** for personnel involved in the provision of investment services with the aim of rationalising their content and improving compliance with the provisions of the **MiFID II** . The new Guidelines have no impact on BancoPosta RFC.

MiFID II


Delegated acts
of the European
Commission on
sustainability

On **2 August 2021** the **delegated acts of the European Commission** were published in the EU Official Journal, which integrate the regulatory framework of the **MiFID II Directive**, in accordance with a number of existing regulations*, in order to include therein the aspects linked to **sustainability**, in both the provision of the consulting service and the related organisational requirements, as well as the product governance process. The acts came **into force on 22 August 2021** (applicable from 2 August 2022 and 22 November 2022 respectively). The Company has addressed a number of initiatives and planned others, in order to implement the aforementioned provisions.

* Regulation 2019/2088, Guidelines on MiFID II product governance requirements and Guidelines on certain aspects of the MiFID II suitability requirements.

EBA

Payment Services
(Regulatory Technical
Standards)

On **28 October 2021** the **European Bank Authority** (EBA) published a consultation document regarding the proposed amendments to Delegated Regulation 389/2018 (Regulatory Technical Standards - RTS) relative to the exemption from **Strong Customer Authentication (SCA)**  for access to the accounts for which the Authority proposes: (i) to introduce a new mandatory SCA exemption in the event that the customer access is made via an Account Information Service Provider, while the SCA exemption would remain voluntary in the case of access via an Account Servicing Payment Service Provider; (ii) to extend the term of the exemption from the current 90 days to 180 days. The outcomes, alongside the new draft of the Regulation on the RTS, were published on 5 April. BancoPosta, alongside PostePay, is carrying out the necessary in-depth studies to analyse the impacts.

**European
Commission**

Mortgage Credit
Directive

On **22 November 2021**, the **European Commission** launched a consultation aimed at reviewing the content of Directive 2014/17/EU (MCD - Mortgage Credit Directive) and invited all market operators to contribute via a questionnaire. The relative investigations are being conducted by BancoPosta, including through the involvement of partners that provide the products covered under the Directive.

Bank of Italy

Monitoring of
payment systems
and technological/
network
infrastructure

On **29 November 2021** the **Bank of Italy** published the Measure containing the new Provisions on the **monitoring of payment systems and instrumental technological or network infrastructure**, aimed at promoting the reliability and efficiency of Italian payment systems. BancoPosta and PostePay are conducting the relevant investigations to verify any potential impacts and the relative obligations.

CONSOB


Revoked
Communications

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

Other information

Bank of Italy

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

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

On 14 March 2022, pursuant to art. 54 of Legislative Decree No. 385 of 1 September 1993, the Bank of Italy launched an **inspection** at Poste Italiane S.p.A, within BancoPosta, focusing on **the business model, governance and control systems and interest rate risk**. The inspection is still ongoing.

On 17 March 2022, the Bank of Italy communicated the launch of the **procedure related to the imposition of additional capital requirements** pursuant to article 53 *bis*, paragraph 1, letter d) of Italian Legislative Decree no. 385 of 1 September 1993 (Consolidated Law on Banking).


In particular, the Authority believes that the amount of capital that BancoPosta must hold, in addition to the regulatory minimum, must be determined as follows: (i) primary tier 1 capital ratio (CET 1 ratio): 7.80%; (ii) tier 1 capital ratio (Tier 1 ratio): 9.55%; (iii) total capital ratio: 11.95%.

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

CONSOB

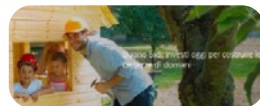

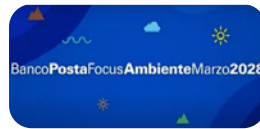

In March 2022, CONSOB launched a second* thematic survey concerning the **provision of cryptocurrency services** by financial intermediaries, with a focus on investments/financial instruments with underlying cryptocurrencies placed on behalf of customers together with any project activities planned on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

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

For further information on the main procedures pending and relations with the Authorities, please see the disclosure found in paragraph 7.4 "Proceedings pending and principal relations with Authorities". 

Operating review

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

SEGMENT	OPERATING REVIEW
Postal Savings	<p>In February, the interest-bearing postal certificate “Buono 5X5” was introduced, which is aimed at long-term investment and accrues fixed interest and growing interest at the 5th, 10th, 15th, 20th and 25th year from subscription.</p> 
	<p>The service for the purchase of tax credits continued in the first quarter, launched in 2020 and dedicated to BancoPosta current account holders.</p> 
Current accounts	<p>As part of Retail current accounts, from February 2022, the account reward mechanism⁴⁴ was changed, replacing the “monthly average transaction” criterion with the “capital”⁴⁵ criterion in order to align the current account product with a market that offers greater opportunities in the investment sector.</p> <p>With reference to the sector of Business and Public Administration current accounts, activities began for the development of the migration to the “BancoPosta Business Link Account”, launched in 2021.</p>
Asset management	<p>In January 2022 the distribution of the “Focus Ambiente Marzo 2028” Fund was launched, a balanced bond product that focuses on the potential growth of economic sectors linked to environmental protection. The Fund combines investments in bonds, accounting for at least 50% of the portfolio, with a portion invested in flexible instruments and shares. For this latter component, the exposure is focused on environmental sustainability.</p> 
Distribution of third-party products	<p>Together with the Partners for whom the financing products are distributed, the initiatives continued during the first quarter of 2022 as envisaged by the regulations and those adopted on a voluntary basis during 2020 in relation to the health emergency, in support of businesses in difficulty, as well as in relation to access to credit, to protect households and small and medium-sized businesses.</p> <p>The roll-out was extended to the network of the product provided in collaboration with Santander, a leading operator in the consumer credit sector, with which a new collaboration was launched in 2021; the offer, active in 4,221 Post Offices as at 31 March 2022, will be extended to the entire network in the second quarter of 2022.</p>  <p>The “Prestito BancoPosta Consolidamento” loan consolidation was launched, which allows customers, through the settlement of existing loans with one or several institutions, to incorporate them into a single monthly commitment (a single instalment).</p>

TAX CREDIT ACQUISITION

At 31 March 2022, the portfolio of tax credits acquired by Poste Italiane is worth around **€9.9 billion in nominal terms** and around **€8.6 billion in terms of paid value**.

Receivables acquired from customers have the following characteristics:

- 76% were acquired by legal entities and 24% by individuals;
- 87% were requested by customers via the web channel and 13% at post offices;
- approximately 72% were made up of credits relating to “ordinary” building bonuses (e.g. restructuring recovery of the building stock, ordinary ecobonus, façade bonus), while the 110% superbonus represents approximately 25% of the total.

tax credits purchased in multichannel to support the economic recovery

€9.9 bn

44. Possibility to reduce or zero the BancoPosta current account fee once a number of conditions are met (e.g. receipt of salary, possession of a **prepaid card** , availability of specific capital, etc.).

45. Greater value was given to the receipt of a salary/pension into the current account, by increasing the reimbursement of the monthly fee from €1 per month to €2 per month; furthermore, to replace the mechanism that rewarded the average balance on the account, the capital-linked mechanism was introduced, which rewards the use of cash in investment instruments and the update of the MiFID profile.

< Insurance Services Strategic Business Unit

"2024 Sustain & Innovate Plus" Strategy



INSURANCE SERVICES


Market-leading insurance company with comprehensive and sustainable product portfolio.

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

Market context

Life Business

New individual and collective life insurance policies, amounting to approximately €13.8 billion at the end of February 2022, recorded an 8.9% decrease compared to the same period in 2021. If new Life business reported by EU companies is taken into account, the figure reached €16.2 billion, down 8.3% compared to the same period of 2021.

Analysing the figures by class of insurance, **Class I** premiums amount to €8.3 billion at the end of the first two months of 2022, down -14% compared to the same period in the previous year. With reference to inflows from **Class III** (in the exclusive **unit-linked**  form) there was a slight increase (+0.7%) compared to the figure reported at the end of February 2021, against volumes of €5.4 billion. The volume of new premiums relating to long-term health policies (**Class IV**) continued to be limited (approximately €7.1 million) and recorded a decrease (-3.1%) compared to the figure reported in the first two months of 2021. Residual inflows were from **capitalisation products (Class V)** (€93 million) which fell sharply in the reporting period (-32.5%) compared to the figures at the end of February 2021.

New contributions relating to the management of **pension funds**  in the first eight months of 2022 recorded inflows of €21 million, a decrease (-2%) compared to the same period in 2021.

Single premiums continued to be the preferred form of payment for policyholders, representing 94.7% of total premiums written and 59.6% of policies by number.

With regard, finally, to the **distribution channel**, 66% of new business was obtained through banks and post offices during the first two months of 2022, with premium revenue of €9.1 billion, a decrease (-9.2%) compared with the same period of 2021. With regard to the entire agency channel, however, the volume of new business distributed in the period in question reached €2.3 billion, recording a 10.7% decrease in terms of volumes recorded compared to the first two months of 2021 and with an incidence on total intermediated business of 16.4%.

The performance of new business obtained through authorised financial advisors was €2.2 billion, down (-9.3%) compared with the figure for the previous year and with an incidence compared to the total of brokered premiums equal to 16%.

Finally, the broker and distance sales channel recorded an increase during the period of +39.2% compared to the same period in 2021, with a volume of premiums placed of €0.2 billion (or 1.6% of the total brokered).

New Life individual business by class*

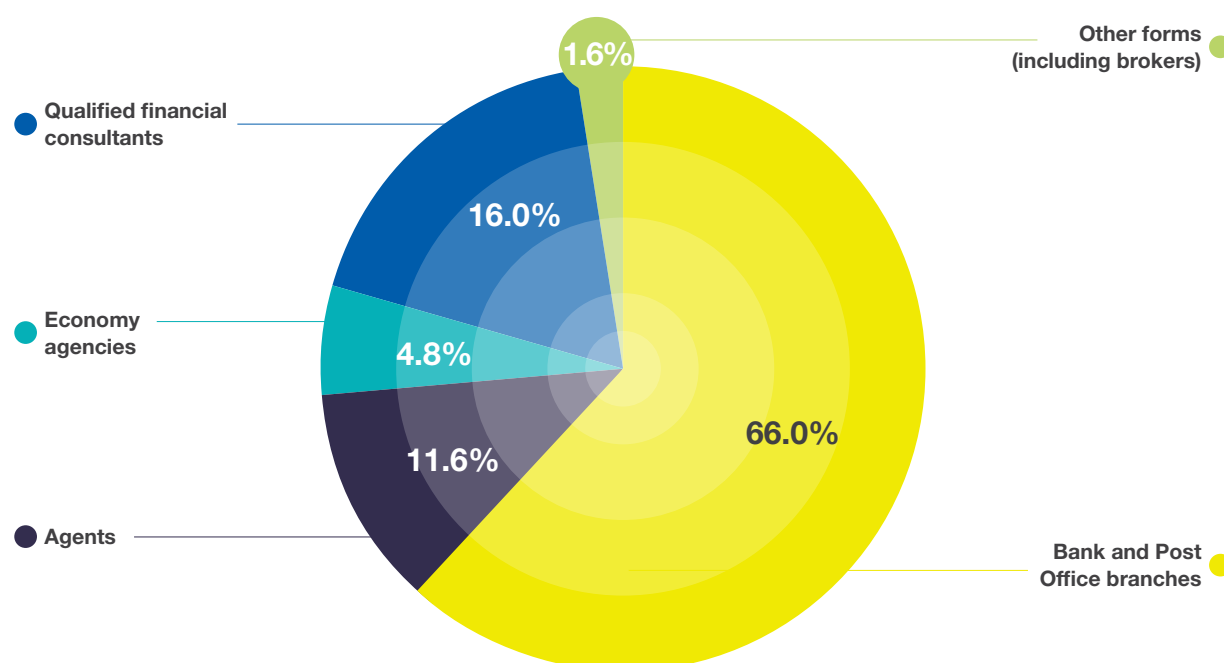
(data updated to February 2022 in €m)

Premiums by class/product	Premiums YTD	% change 02 2022 vs 02 2021
Life - class I	8,269	-14.0%
Unit-Linked - class III	5,402	0.7%
Capitalisations - class V	93	-32.5%
Pension funds class VI	21	-2.0%
Illness class IV	7	-3.1%
Italian insurers - non-EU	13,793	-8.9%
EU insurers**	2,437	-4.5%
Total	16,230	-8.3%

* Source: ANIA.

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

New Life individual business by distribution channel



Source: ANIA

P&C business

Relative to the **P&C insurance market**, total direct Italian premiums, also including policies sold in Italy by Italian companies and by overseas undertakings, based on the most recently available official data (source: ANIA⁴⁶) at the end of the fourth quarter of 2021, came to €39.1 billion, up by 2.8% compared to the same period in 2020, in which the sector recorded a slight drop of 2.3% as a result of the pandemic. The above increase is mainly attributable to the non-Motor sector (+5.9%) while premiums in the Motor sector were slightly down (-1.3%). With reference to the latter, the reduction in premiums in the **motor TPL class** fell by 3.6%, while the **land vehicle class** benefited from growth of 7.6%.

With reference to the **non-Motor sector**, the 5.9% growth was the result of the main insurance classes: i) the Health class, with volumes of €3,277 million, up 5.5%; ii) the Personal Injuries class, with premiums of €3,729 million and an increase of 3.9%; iii) the General TPL class, with premiums of €4,648 million and an increase of 4.7%; iv) the Property damage class with an increase of 8.1% and volumes of €3,762 million; v) finally, the Fire class, with total business of €3,059 million and a growth of 3%.

As regards the **distribution channels**, the agency one is confirmed as the leader with a market share of 74% substantially in line with the figure recorded in the same period of 2020 of 74.2%. Brokers represent the second P&C premium distribution channel with a market share of 8.9% (9.7% at the end of December 2020), while bank and post office branches recorded a market share of 7.8% (6.8% in 2020).

As regards direct sales as a whole (including distance, telephone and internet sales), at 31 December 2021, there was an incidence of 8.8% (8.9% in the corresponding period of 2020). The remaining 0.5% (0.4% at the end of 2020) refers to premiums brokered by qualified financial advisors.

Direct P&C premiums by class*

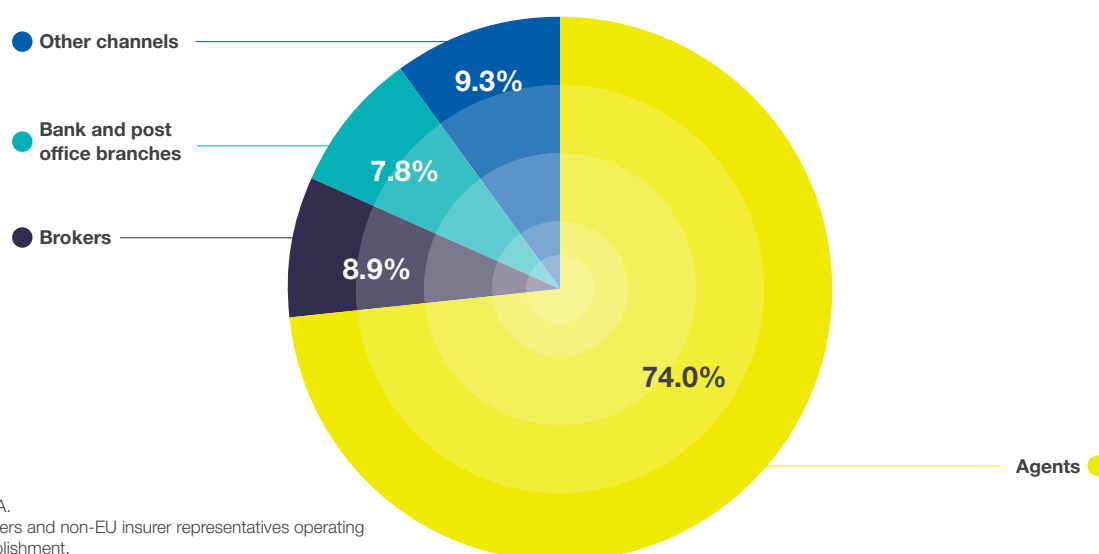
(figures updated to December 2021 in €m)

Premiums by class**	Premiums YTD	% change Q4 2021 vs Q4 2020
Total motor segment	16,302	-1.3%
Other P&C classes	22,761	5.9%
Total P&C classes	39,063	2.8%

* Source: ANIA.

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

Distribution of direct P&C premiums by distribution channel*



Source: ANIA.

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

Regulatory context

EIOPA

Reporting and
Disclosure Solvency II

The **EIOPA** published, on **23 July 2021**, a consultation on certain amendments to the **regulatory reporting and disclosure** requirements pursuant to Solvency II which would entail a review of the Company's reporting systems. In the consultation document, the EIOPA suggests amendments to the reporting requirements mainly based on the Report on **Quantitative reporting templates** (QRT).

Publication of the final provision is pending.

IVASS

Letter to the market of
9 March 2022

For the purposes of **financial stability monitoring**, IVASS requires companies to provide information by 15 March 2022 relating to the **look-through⁴⁷ of collective investment undertakings or investments in the form of funds**, including in relation to equity investments. The files must be completed with reference to the reporting dates of 31.12.2021 and 28.2.2022, at individual level, by all companies, and at group level, by companies that send consolidated reports. **Poste Vita provided the aforementioned information on 15 March 2022, according to the required methods.**

Furthermore, with the same communication, **IVASS** drew attention to **possible cyber attacks**, inviting companies to **promptly notify** the Institute, as required by art. 16, paragraph 4 of **IVASS Regulation no. 38/2018**, of each **event that represents a serious IT security** incident and also required that they intensify the monitoring and defence activities in relation to possible malware⁴⁸, by adopting all risk mitigation measures that become necessary. **Poste Vita and Poste Assicura are continuing to monitor possible cyber attacks.**



Other information

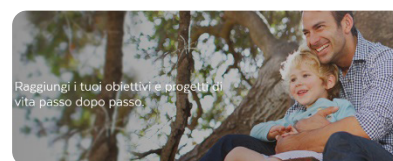
For the main procedures pending and relations with the Authorities, please see the disclosure found in paragraph 7.4 "Proceedings pending and principal relations with Authorities".



Operating review

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

SEGMENT	OPERATING REVIEW
Life	<p>As part of the strategic guidelines outlined in the "24SI Plus" Plan, which envisage improving the product mix in the life business with a particular focus on multi-class products, the following were launched during the period:</p> <ul style="list-style-type: none"> • "Poste Progetto Dinamico Bonus", a restyling of the Poste Progetto Dinamico multi-class policy , is dedicated to customers who deposit new liquidity and offers the possibility of repayment of the cost applied to the initial single premium in the form of a bonus, from the 18th month after the start date of the contract; • the policy "Poste Progetto Capitale", launched in February 2022, is a multi-class recurring life insurance contract with a 10-year duration, which combines the stability of the Separate Account  Posta ValorePiù (class I) product with the potential of the two Internal Insurance Funds (one of which is ESG). It also offers the possibility of repayment of the cost applied to the initial premium in the form of two bonuses: (i) one starting from the fifth year; (ii) the other at the maturity of the ten-year duration of the product.
P&C	<p>In the Business segment, the sale of the new "Poste Welfare Infortuni" standard collective accident policy was launched, to cover professional and personal health risks of the employees at the contracting companies.</p>



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

48. Malware (a contraction of "malicious software") means any type of harmful software or source of disruption, created to secretly access a device without the user's awareness.

< Payments and Mobile Strategic Business Unit

"2024 Sustain & Innovate Plus" Strategy



PAYMENTS AND MOBILE

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

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

Market context

The latest data available⁴⁹ on the Italian market of **payment cards** show a growth in overall national transacted amounts, which, in December 2021 exceeded pre-pandemic limits, with a value of around €318 billion, an increase of 25% compared to December 2020.

The number of transactions grew by 37% compared to the previous year and came to €6.6 billion, with a notable reduction in the average ticket thanks to greater adoption of payment cards (e-commerce and **contactless** payments).

Debit card transactions grew by 51% compared to December 2020 and represent over half of total transactions, with a transacted amount of €181 billion (+34% compared to December 2020).

Prepaid cards also advanced at a rapid pace (+29% of transactions and +26% of transacted amounts compared to December 2020, for a total value of nearly €54 billion) thanks to the constant development of e-commerce and the increase in penetration at physical points. Credit cards closed 2021 positively (transactions +15%, transacted amount of around €83 billion (+9.6% compared to December 2020) though still penalised by the contraction in business travel.

As at 31 December 2021, the number of **active cards** on the market was nearly **96 million**, up by 1.9% compared to the stock of active cards in December 2020: the highest growth was recorded on prepaid cards, the stock of which exceeded 33 million, up by 3.8% compared to December 2020. The stock of debit cards increased by 1.0% for a total of 47 million active cards, while the growth of **credit cards** was still limited (+0.9% versus December 2020 with 15.5 million active cards).

Based on the latest available figures⁵⁰, **mobile telephony market** penetration shows total mobile lines representing around 180% of the population, with virtual mobile operators (MVNO⁵¹) representing 18.6%⁵². The total number of lines at 31 December 2021 amounted to 106.2 million, including approximately 28.1 million **Machine to Machine (M2M) SIM** cards. PosteMobile, with a total market share of approximately 4.2%, accounts for around 40.4% of the total customers of mobile virtual network operators.

€318
bn

total value of card transactions in 2021 in Italy:
+25% YoY and above pre-pandemic levels

49. Source: Internal processing and estimates on Bank of Italy data (supervisory reporting flows).

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

51. Mobile Virtual Network Operator.

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

Regulatory context

Monetics

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



Mobile Termination of voice calls

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

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

On 9 December 2021, Legislative Decree no. 207 of 8 November 2021 was published in the Italian Official Journal, which adopted the Electronic Communications Code⁵³ at national level. The adoption of the Decree concludes the infringement proceedings for failed adoption launched by the European Commission for member states which failed to adopt the Code within the deadline (21 December 2020).

* In order to ensure that subscribers to different fixed and mobile network operators are able to communicate with each other, networks must be interconnected and operators must therefore enter into interconnection contracts regarding the provision of one or more services.

TLC International roaming

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

The proposal of the Commission was the subject of much debate by Parliament and by the Council and on 9 December 2021 **an agreement was reached regarding the postponement for 10 years and the revision of the expiring Regulation**. The agreed text was approved by Parliament on 24 March 2022, which will be followed by the approval of the Council and publication in the Official Journal. **It will come into force from 1 July 2022**. The text confirms the fundamental principles of the existing Regulation and provides for the progressive reduction of the maximum wholesale price limits for voice, text and data roaming services in line with the estimates of the Company; it also provides for further measures of transparency, customer protection and quality of service.

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

53. <https://eur-lex.europa.eu/legal-content/IT/TXT/PDF/?uri=CELEX:32018L1972&from=EN>

TLC**Donations via
telephone credit**

With **Resolution 85/21/CIR** of 2 August 2021, the **AGCom** introduced amendments and integrations to the **National Numbering Plan** set out by resolution no. 8/15/CIR in relation to the use of 455 codes*. The resolution amends the regulation of **donations made in favour of third sector organisations (ETS) via telephone credit** and introduces the so-called "Recurring Donations". The new version of the "Self-regulation code for the management of the numberings used for non-profit telephone fundraising", which adopts the new regulatory provisions, was published by AGCom on its website on 24 February 2022. Adherence to the code does not entail the obligation to also offer the recurring donation service.

On 2 November 2021 AGCom launched a Technical Round Table with Operators and Entities operating in the voluntary sector to define the "Methods of interconnection for the management of the services in question". The technical solution identified will be reviewed by the committees of the Authority for approval.

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

TLC**Exemptions
for Electronic
Communication
Operators**

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

The payment transactions benefiting from an exemption are permitted for the purchase of digital content and voice-based technology services (regardless of the device used); the functioning of charitable activities or purchase of tickets (made by or using an electronic device), provided that, per individual customer (post-paid or top-up):

- the value of each individual payment transaction is no greater than €50;
- the total value of the payment transactions is no greater than €300 per month.

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

PostePay has launched the activities necessary to notify the Bank of Italy of the figures for 2021; the notification must be sent within 120 days from the approval, by the Shareholders' Meeting, of the 2021 annual financial statements of the company.

TLC**Verification of net
cost of universal
service**

PostePay took part in the public consultation launched by AGCom with resolution no. 92/21/CIR regarding the **"Launch of the proceeding and the public consultation concerning the "universal service of electronic communications: assessment of the net cost of the universal service for the years 2010, 2011, 2012 and 2013, and applicability of the division mechanism"**. The public consultation considered the results of the net cost calculation verification (art. 62, paragraph 2 of the Code and art. 6, paragraph 2, letter b) of Annex 11 of the Code). The company asked the Authority certain questions regarding the methods and, for certain aspects, the legitimacy, of the application of the regulatory principles including for virtual operators. The outcomes of the consultation and any resolution by the Authority are pending.







AGCom**SMS ALIAS**

PostePay took part in the **public consultation** launched by the **Italian Communications Authority** with resolution **no. 408/21/CONS** regarding **"Regulations on the use of alphanumeric characters that identify the sender in company messaging services (SMS ALIAS*)"**. The public consultation gathered comments and assessments from electronic communications operators and other stakeholders on the content of the new regulation outline proposed by the Authority on company messaging services in order to combat the fraudulent use of SMS sent through ALIAS. In this context, PostePay submitted its contribution, highlighting that alias misuse in communications to certain categories of end users not only hindered the correct provision of electronic communications services, but also the proper use of payment and financial services that envisage, as is customary, the ancillary and integrated use of electronic communications services.


* SMS ALIAS – a string of characters with an alphanumeric code sent in SMS communications.

Operating review

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

SEGMENT	OPERATING REVIEW
Monetics	<p>In March 2022, the new debit card  Postepay Premium was launched, reserved for a specific customer target. The new card, with a specific design and packaging, will be associated with exclusive features that will be released during the year, such as maxi-withdrawal.</p> 
	<p>In the first quarter of 2022 the marketing of the acquiring service by the Single Front End (FEU)⁵⁴ was made available. This will allow for the sale of this service in conjunction with other products (e.g. current accounts) while guaranteeing the customer a more efficient service.</p>
	<p>As part of the Postepay Code⁵⁵  service, the Postepay Cashback⁵⁶ initiative continued in the first quarter of 2022.</p>
Collections and Payments	<p>Activities continued for the creation of the Collection Platform to manage spontaneous Central Public Administration payments as well as projects to adjust the acceptance system for “multi-beneficiary” payments, on both the payment service and intermediary sides.</p>
Telecommunications	<p>During the first quarter, PostePay continued the commercial actions intended to increase penetration into the ultrabroadband  market with the offer of PosteCasa Ultraveloce, the “data only” offer that can be subscribed to online, with a “full digital” process, which enables users to browse from home at the speed of fibre up to 1Gbps without limits. The offer also includes a second connection on the 4G network to surf immediately without limits and take WiFi everywhere, a WiFi modem and a USB key supplied on loan for free.</p> 
	<p>The migration process towards a new Mobile Host Operator  (which does not require users to change SIM) launched in June 2021 and mainly completed (with around 96% of SIMs migrated onto the new network), will be concluded by the end of the first half of 2022.</p>

54. The Single Front End is the Poste Italiane sales platform that overcomes the “vertical” approach via specialised front ends for product groups, managing the sale of different products via a single system.

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

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

< 4. Risk management

- Poste Italiane's Integrated Internal Control and Risk Management System
- Risk Management Model and risk analysis
- Covid-19 risk management at Poste Italiane

< Poste Italiane's Integrated Internal Control and Risk Management System

In a context characterised by a high level of operational and regulatory complexity and the need to compete more and more efficiently in the reference markets, risk management and the related control systems take on a central role in the decision-making processes, with a view to creating long-term value to the benefit not only of the shareholders, but also in consideration of the interests of the other stakeholders of relevance to the company.

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

This system is a fundamental element of Poste Italiane's Corporate Governance system, as it enables the Board of Directors to guide the Company in its pursuit of long-term value creation, defining the nature and level of risk compatible with its strategic objectives, and including in its assessments all elements that may be relevant to sustainable success. In particular, in line with the main leading practices that place particular emphasis on the integration of sustainability into strategies, risk management and remuneration policies, Poste Italiane's SCIGR aims to contribute to the Company's sustainable success by defining ESG roles and responsibilities, information flows between the players involved in the internal control system and towards corporate bodies, and the methods of managing the related risks. Moreover, in order to achieve this objective, the Company has decided to promote dialogue with the relevant stakeholders ensuring a constant exchange of views on business strategies and their implementation.

In line with statutory requirements and the related best practices, the SCIGR consists of three levels of control and involves a range of actors within the organisation. The second-level control units, whose role consists primarily of defining risk management models and carrying out monitoring activities, play a key role in the integration and overall functioning of the Internal Control and Risk Management System.

< Risk Management Model and Risk Analysis

Poste Italiane has adopted a Risk Management model based on the Enterprise Risk Management (ERM) framework, with the aim of providing an organic, integrated vision and an effective, standardised response to the risks to which the Group is exposed. The Corporate Affairs function is responsible for ensuring that these objectives are met. This is primarily done through the definition of an integrated risk management process that relies on the coordinated involvement of all the actors in the Internal Control and Risk Management System, above all the specialist forms of second-level control, the use of standardised models and metrics based on Group-wide criteria, and the design and implementation of shared tools for assessing and managing risk. In this latter regard, the Group implemented an integrated Governance, Risk and Compliance (GRC) platform in 2018 to support the integrated risk management process. This IT tool makes it possible to analyse and manage operational risks, pursuant to Legislative Decree no. 231/01, fraud, IT and physical security, strategic, ESG and reputational, corruption, privacy, as well as regulatory compliance,

including those relating to the financial and payment sectors and taxation, and is constantly evolving to extend to all categories of risk to which the Group is exposed. The tool adopted enables the Group to maximise integration of the risk management process, ensuring that risk assessment methods are shared across all the specialist second-level control functions. At the same time, it has improved communication with senior management and corporate bodies and between the various control functions, minimising the risk of inadequate or redundant information.

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

RISK CATEGORY	DESCRIPTION
Financial and insurance	Financial risks that are regulated and overseen by supervisory authorities (the Bank of Italy and IVASS, the insurance industry regulator) and the responsibility of the Risk Management units belonging to the various business units, coordinated by the function responsible in SSRCG. Financial risks primarily relate to the operations of BancoPosta RFC ⁵⁷ and PostePay's ring-fenced EMI ⁵⁸ (the active management of the liquidity deriving from postal current account deposits, and of collections and payments carried out in the name of and on behalf of third parties), asset financing and the investment of liquidity and, as regards the Poste Vita Insurance Group, investments designed to cover contractual obligations to policyholders. Insurance risks derive from the stipulation of insurance contracts and the terms and conditions contained therein (technical bases adopted, premium calculation, the terms and conditions of redemption, etc.). In technical terms, mortality is one of the main risk factors for Poste Vita, i.e. any risk associated with the uncertainty of a policyholder's life expectancy, alongside the risk associated with redemptions.
Spread	This is the risk of a potential fall in the value of the bonds held, following deterioration in the creditworthiness of issuers. This is due to the importance that the impact of the spread on yields on government securities has on the fair value of euro area government and corporate securities. In the Poste Italiane Group's case, this risk particularly relates to the spread on Italian government securities, which influences the fair value of the Group's holdings of Italian government securities. The total nominal value of these securities at 31 March 2022 amounts to €136 billion (€164 billion in terms of total bonds). As regards the evolution of relevant risks, the first three months of 2022 were characterised by an increase in the yields on Italian government securities, from 1.17% at the end of December 2021 to 2.04% at the end of March 2022. The trend in yields on Italian government bonds, combined with the increase in risk free rates, led to a slight drop in valuation gains ⁵⁹ . The slight decrease in the spread had a positive effect on the Poste Vita Group Solvency II Ratio, which stood at 272% at 31 March 2022, compared with 261% at 31 December 2021 and 267% at December 2020. In addition, in August 2019, the Company was authorised by IVASS to use the Transitory Measures on technical provisions and the effect of this application allowed the Solvency Ratio to be raised to 296% at the end of March 2022 (286% at the end of December 2021). On 26 July, the Parent Company further increased the capital of the Company through the subscription of a subordinated, non-convertible capital instrument with a perpetual duration and a 10-year non-call period, amounting to €300 million, calculated within Restricted Tier 1 capital. As of 2019, the Company has made use of Ancillary Own Funds (AOF), which are non-equity elements represented by guarantees or signature commitments that can be included within own fund items. The transaction designed to strengthen the company's capital position through the use of AOFs was formalised in November 2018 with the Parent Company Poste Italiane SpA's signature of an unconditional, irrevocable commitment letter with a five-year term. The letter commits the Parent Company, merely at the request of the subsidiary, to subscribe for ordinary shares to be issued in future by Poste Vita, amounting to up to €1.8 billion. Following authorisation by IVASS in February 2019, the commitment letter signed by the Parent Company in favour of Compagnia Poste Vita SpA is counted among the elements of Tier 2 (AOF) ancillary funds, together with the subordinated loan, the value of which was €0.6 billion at 31 March 2022. Therefore, in accordance with the Solvency II Directive and the regulatory framework of reference for insurance, the Tier 2 elements eligible to cover the Capital Requirement amount to €2 billion at 31 March 2022.

57. On 14/04/2011, Poste Italiane SpA's General Meeting resolved to set up assets for BancoPosta business as governed by Presidential Decree 144 of 14 March 2001 and determined the assets and legal relations included therein and the rules of organisation, management and control.

58. Following the receipt of clearance from the Bank of Italy, Poste Italiane's General Meeting held on 29 May 2018 approved the proposed removal of the assets, liabilities and contractual rights attributable to the card payments and payment services business unit from the ring-fence that applies to BancoPosta RFC. On 1 October 2018, this business unit was transferred to the subsidiary PostePay SpA in assets earmarked for electronic money and payment services, in order to enable the latter to operate as an Electronic Money Institution (EMI). After obtaining all the authorisations required by law, Poste Italiane's Extraordinary General Meeting was held on 28 May 2021, which approved the removal of the restriction on the allocation of BancoPosta RFC regarding assets and legal relations constituting the "Debit Business". The transaction is aimed at completing the process of centralising e-money services at the Electronic Money Institution (EMI) PostePay SpA, via the transfer of the "Debit Business" to the latter, as well as making the debit cards linked to BancoPosta accounts a PostePay SpA product. BancoPosta account holders will be able to access the full functionality of the Postepay payment/cash collection ecosystem, thanks to integration of the functions of the BancoPosta debit card, without this entailing any changes to the product's economic conditions for customers. The deed of contribution of the Debit Business by Poste Italiane to PostePay SpA was formalised on 23 September 2021 and took effect on 1 October 2021, taking account of the 60-day period for creditor objections, which runs from the date on which the Poste Italiane shareholders' resolution is recorded in the Companies Register.

59. The positions of Poste Italiane exposed to the risk in question mainly regard financial assets at fair value through other comprehensive income with a fair value at 31 March 2022 of €36 billion. Fixed income securities measured at amortised cost relating entirely to BancoPosta RFC amounted to €30.59 billion at 31 March 2022 (with a fair value of €30.76 billion).

With regard to the Poste Vita Group, on the other hand, the portfolio exposed to this form of risk at 31 March 2022 for a fair value of €112.9 billion and primarily consists of financial assets at FVTOCI.

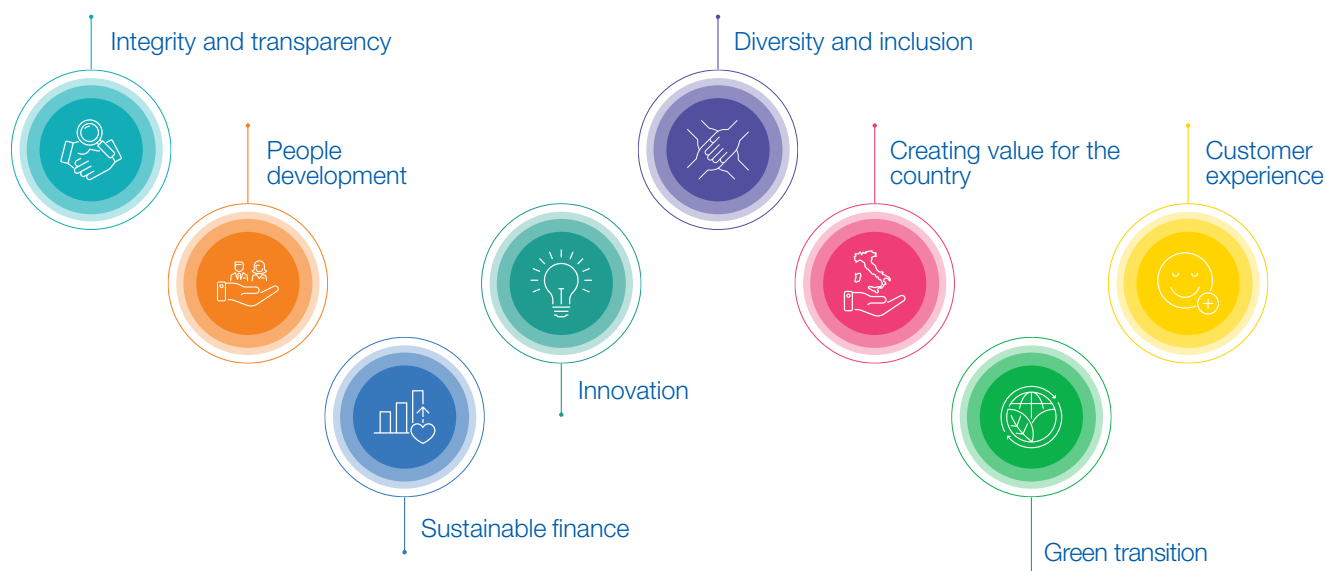
RISK CATEGORY	DESCRIPTION																								
Price	This is the risk that the value of a financial instrument fluctuates as a result of market price changes, deriving from factors specific to the individual instrument or the issuer, and factors that influence all instruments traded on the market.																								
Credit	This is the risk of default of one of the counterparties to which there is an exposure, except for investments in equity instruments and mutual funds. In relation to revenue and receivables due from the state and from central and local government bodies, regulated by statute and specific agreements or contracts, prompt and full payment of the amounts due is dependent on availability of the necessary funds in the state budget or in the budgets of the related Public Administration entities.																								
Liquidity	<p>This is the risk that the Poste Italiane Group is unable to meet its obligations deriving from financial instruments due to its inability to raise sufficient funds (funding liquidity risk) or to sell assets in the market (market liquidity risk) effectively or at market conditions.</p> <p>The Poste Italiane Group applies a financial policy based on diversification of the various forms of short-term and long-term borrowings and counterparties, the availability of significant committed and uncommitted lines of credit in terms of amounts and the number of banks, the gradual and consistent distribution of the maturities of medium/long-term borrowings and the use of dedicated analytical models to monitor the maturities of assets and liabilities. In this regard, further details are provided in the section of this Report entitled “Group Financial position and cash flow”.</p>																								
Fair value interest rate	This is the risk that the value of a financial instrument fluctuates as a result of movements in market interest rates. This refers to the effects of changes in interest rates on the price of fixed rate financial instruments or floating rate financial instruments converted to fixed rate via cash flow hedges and, to a lesser degree, the effects of changes in interest rates on the fixed components (the interest spread) of floating rate financial instruments or fixed rate financial instruments converted to floating rate via fair value hedges. The impact of these risks is directly related to the financial instrument’s duration.																								
Cash flow interest rate	This is defined as the uncertainty related to the generation of future cash flows, due to fluctuations in market interest rates. It may derive from misalignment - in terms of rate types, indexing methods and maturities - of financial asset and liability items that tend to be destined to remain until their contractual or expected maturity (so-called banking book) which, as such, generate economic effects in terms of net interest income, reflected in the revenue results of future periods.																								
Cash flow inflation	This is defined as the uncertainty related to future cash flows due to changes in the rate of inflation observed in the market.																								
Currency	This is the risk that the value of a financial instrument fluctuates as a result of movements in exchange rates for currencies other than the functional currency. This risk primarily regards trade receivables and payables due from and to overseas counterparties, investments in equity instruments and holdings in certain funds. The Poste Italiane Group is also subject to translation currency risk, which is the exchange rate risk associated with the conversion into euro of items relating to investments in companies whose functional currency is not the euro.																								
Downgrade of Poste Italiane	<p>Risk of downgrading the Rating assigned to Poste Italiane. An eventual downgrade due to a significant deterioration in Poste Italiane’s creditworthiness, above all to below investment grade, could have an impact on Poste Italiane’s cost of funding and potentially restrict Poste Italiane’s access to certain forms of financing, including the capital markets.</p> <p>Below are the ratings assigned to the company and to the Italian Republic:</p> <table><tr><th>POSTE ITALIANE SpA</th><th>RATING</th><th>OUTLOOK</th><th>RATING ACTION</th></tr><tr><td>STANDARD & POORS</td><td>BBB</td><td>POSITIVE</td><td>26/10/2021</td></tr><tr><td>MOODY’S</td><td>Baa3</td><td>STABLE</td><td>14/06/2021</td></tr></table> <table><tr><th>ITALIAN REPUBLIC</th><th>RATING</th><th>OUTLOOK</th><th>RATING ACTION</th></tr><tr><td>STANDARD & POORS</td><td>BBB</td><td>POSITIVE</td><td>22/10/2021</td></tr><tr><td>MOODY’S</td><td>Baa3</td><td>STABLE</td><td>06/11/2020</td></tr></table>	POSTE ITALIANE SpA	RATING	OUTLOOK	RATING ACTION	STANDARD & POORS	BBB	POSITIVE	26/10/2021	MOODY’S	Baa3	STABLE	14/06/2021	ITALIAN REPUBLIC	RATING	OUTLOOK	RATING ACTION	STANDARD & POORS	BBB	POSITIVE	22/10/2021	MOODY’S	Baa3	STABLE	06/11/2020
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< Covid-19 risk management at Poste Italiane

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

The Group has revised the way in which it provides its services, constantly taking into account the evolution of the current epidemiological situation and the consequent Government measures on the subject. First of all, the Company has considered it of fundamental importance to protect its employees' health, adopting flexible forms of work (smart working) and providing personnel with all the tools and equipment they need to work in complete safety (e.g. personal protective equipment PPE, plexiglass panels, etc.), in cases of activities that are incompatible with the remote working model, such as postal and logistics activities. In relation to the improvement in the epidemiological situation during the third quarter 2021 and taking into account the health protection measures adopted, the Company determined it was possible to slowly return to in office activities and, in fact, asked all personnel making use of remote work to return to the office for at least two days a week, starting on 4 October 2021. On 1 March 2022, a new Agreement was signed with the Trade Unions to govern "agile" working methods, based on which the use of the "emergency" smart working provided unilaterally by the Company ended on 1 April 2022. Each employee can express whether they wish to work this way according to a specific authorisation procedure.

The actions undertaken by the Group are consistent with the values recognised by Poste Italiane in relation to the **sustainability strategy**, based on eight pillars, and in line with the recommendations of the Global Compact Network Italy, the UN PRI (Principles for Responsible Investment) guidelines and the additional indications provided by the United Nations in relation to the impact of the Covid-19 emergency on SDGs⁶⁰:



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

Actions taken

POSTE ITALIANE PEOPLE



INIZIATIVE	PILLAR
<p>Establishment of bodies and tools aimed at a unified and nationally coordinated governance of containment and prevention actions (Coronavirus Risk Management Committee chaired by CEO and Co-General Manager, Strategic Crisis Committee for Coronavirus Risk Management, which involved more than 500 people from the various corporate structures of Corporate Protection, Properties, Purchasing, Communication, Human Resources, Institutional Affairs, Regulatory Affairs, Information Systems and all Business Functions).</p>	
<p>Measures to reduce the level of potential contagion: organisational measures to remodel operations for the branch network and for logistic-postal activities (reduction in the concentration of personnel to ensure the minimum interpersonal safety distance within the operating sites), smart working, suspension of travel (international, national, infra-regional except if absolutely unavoidable), of classroom training at internal events and participation in external events suspension of access by consultants, service providers and visitors to the management offices. In January, February and March, specific indications were given for returning to the office. For white and yellow zone regions, the maximum percentage was 50% per room/open space. For regions in orange or red zones, the percentage of people that could return to the office was reduced to 35% and 25% respectively. A maximum of 8 days in the office per month was envisaged. Among the anti-contagion measures, particular attention was paid to shifts in groups, formed of the same people in the same room/open space in compliance with the maximum percentages indicated, so as to prevent or at least reduce the risk of exposure and any multiple infections. From 16 March, internal coffee shops and company canteen catering services resumed. To ensure proper distancing between employees when eating, the number of spots available in the canteens has fallen significantly (from around 600 to around 140 at the Eur canteen and from around 160 to around 80 at the Tor Pagnotta canteen). "Separate" entry and exit routes were also provided, with indication of specific "safety" lines in addition to signs near entrances and direction signs to prevent crowding as much as possible.</p> <p>In light of the end of the state of emergency on 31 March 2022 and the developments introduced by Italian Decree Law no. 24/2022 containing the regulations for the gradual end of measures to counter the spread of Covid-19 from 1 April 2022, in the event of a close contact with individuals who test positive for SARS-CoV-2, the quarantine measure will no longer apply, only the self-monitoring measure, regardless of the individual's vaccination status. If an employee must self-monitor, he/she must communicate this situation to his/her Manager and to Human Resources, and submit the self-declaration document to perform work, including at company premises, if the activity cannot be carried out remotely, while constantly monitoring any onset of symptoms in the days following the contact. Those who test positive for SARS-CoV-2 will continue to be subject to the isolation measure. When they return to the office, they must submit the self-declaration document for returning to work following isolation due to a positive SARS-CoV-2 test, together with the result of a negative swab.</p>	
<p>Constant distribution of PPE to exposed personnel protective masks (about 7.15 million pieces), fabric/surgical masks (about 78.97 million pieces), hand gel (2.17 million litres), disinfectant kit (648,149 pieces); extraordinary cleaning and sanitisation of PO and SC workplaces and production sites, using alcohol-based detergents, as well as sanitisation of the company fleet (vehicle spraying devices). New interventions were activated on the forced aeration systems for the winter season.</p>	
<p>Extension of employee health policy: extension of the guarantees offered to Poste Assicura health policy-holders and its employees who have adhered to the Group's Health Fund plan, with the aim of providing the best possible assistance to people infected by Covid-19. In particular, the daily allowance for hospitalisation in intensive care due to a positive Covid-19 case of €200 per day of intensive care for up to a maximum of 21 days was extended from 1 July 2021 to 31 March 2022.</p>	

Establishment of a dual communication channel to facilitate the flow of information (web portal to allow timely verification of the actions taken by Poste and a toll-free number to request further information).




Continuation of smart work: the Poste Italiane Group, to continue to limit the spread of the Covid-19 virus, has extended smart working for staff personnel through 31 March 2022 (end of the state of emergency), with scheduled on site work for a maximum of 8 days per month. From April, after the agreement was signed with the Trade Unions on 1 March and taking into account the evolution of the epidemic and the end of the state of emergency, it was no longer possible to use "emergency" smart working and each employee was free to express whether or not they wanted to continue to work that way according to a specific authorisation procedure.



In order to reduce the risk of infection from Covid-19, from 10 January Poste Italiane employees and Group employees at the offices on Viale Europa, Viale Asia and Viale Beethoven and Tor Pagnotta could take a free and voluntary Covid-19 rapid antigen test.



Installation of thermal cameras to detect body temperature at the headquarters, in the entire network of post offices, in logistics offices open to the public and in all other work environments with more than 150 employees, including logistics **HUBs** .



Until the entry into force of Italian Decree Law no. 24/2022, when extending the health emergency to 31 March, the Government also extended the provision related to the green pass obligation in the workplace until the same date. Furthermore, with the aim of providing greater protection to the categories of people at the greatest risk of hospitalisation in the event of infection from SARS-CoV-2, Italian Decree Law no. 1 of 2022 introduced the obligation of vaccination for people aged 50 years and over. From 15 February and until 15 June 2022, people over 50 years old had to present the Super Green Pass (COVID-19 certification issued exclusively following vaccination or recovery) in order to access their workplace, since the Basic Green Pass (Covid-19 certification issued following a rapid antigen or molecular test with a negative result) was no longer sufficient.

With the introduction of Italian Decree Law no. 24 of 24 March 2022, as a partial amendment to the current framework, a valid Basic Green Pass is necessary and sufficient to access workplaces until 30 April 2022. Therefore, until that date all workers must have the Basic Green Pass in order to access company premises. This provision was also extended to all employees aged over 50 years for whom, with the entry into force of Italian Decree Law no. 24/2022, the obligation to have and present the Super Green Pass to enter their workplace was no longer in force.

Therefore, workers aged over 50 years who were absent due to a lack of Super Green Pass will be able to return to service if they have a valid Basic Green Pass.

At Poste Italiane workplaces these checks involve: i) first level checks performed by assigned staff with a company mobile device able to carry out checks in compliance with current regulations; ii) second level checks performed by a Task Force, with employees from various company departments; iii) checks performed by those offering gatehouse/guardian services. The checks were carried out on a significant sample of the working population, both when entering the workplace and within the same.

A significant sample of the working population means a sample consisting of at least 20% of the working population at each Productive Unit, distributed equally across the reference area, so as to guarantee uniform mapping throughout Italy. The requirement to carry out these checks applies also to external personnel who, to carry out their work responsibilities, access workplaces that fall under their responsibility/management (maintenance workers, consultants, interns, temporary workers, teachers, cleaners, canteen and coffee shop employees - if internal to the company, security workers, suppliers, etc.). Note that only external personnel who have received and accepted the document "Disclosure for external personnel to manage and reduce the risk of SARS-CoV-2 virus contagion in Poste Italiane workplaces" can access Poste Italiane workplaces which, among other things, informs them of the requirement to possess a Green Pass and display it upon request, for all those who wish to access company buildings.



CUSTOMERS



INIZIATIVE	PILLAR
Continuity in the opening of POs. Continuity in the provision of services (e.g. delivery, collection of pensions, etc.).	
Mortgages are still suspended. As a result of the Covid-19 emergency, for BancoPosta mortgages provided by Intesa Sanpaolo, it was possible for individuals, self-employed and freelance workers to request the suspension of their mortgage payments, by 31 March 2022 and in person at post offices with mortgage services, for a duration of up to 12 months by choosing between the suspension of the entire instalment or just the capital portion. For customers who had already benefited from a suspension period due to the Covid-19 emergency and still required this service, an additional suspension period for up to a maximum of 12 months can be assessed with the operator at the post office with mortgage services. The suspension is subject to checks on requirements and the approval of Intesa Sanpaolo.	
Adoption of measures to ensure spacing in the PO (e.g. safety strips on the floor at each counter, regulation of entrances, etc.).	
Multichannel and growth in the digital segment (which ensure the service also outside the traditional post offices). Adoption of tools to discourage the use of cash (e.g. ATM, app, digital channels, etc.).	
Chatbot reinforcement: addition to the Digital Mail Assistant chat channel (chatbot ) and the voice channel (voicebot), which answers numerous standardised and repetitive requests for assistance, giving valuable time to “human co-workers” to manage more complex and emergent situations.	 
Communication activities to customers also through advertising campaigns. Information to the PO to have the security measures adopted to contain the spread of the virus (communications via e-mail, Intranet and push app; messages/letters posted from time to time at all post offices to communicate the preventive measures taken and the required behaviour).	
BancoPosta account opening also from BancoPosta app. It is sufficient to choose the type of account and follow the instructions in the app with health card and a valid identity document available. The account will be opened in a few days and will be active immediately. Poste is offering more and more advanced and digital services in order to combine traditional channels with new solutions, also dedicated to young people.	
Installation of around 29,400 sustainable plexiglass barriers (polymethylmethacrylate PMMA) as of 31 March 2022, protective panels installed at all PO that did not have them and protective screens for consultants and Postepay corners, to protect staff and customers. The number is increasing in relation to the construction of new offices or the renovation of existing ones. Additional barriers are installed in acceptance centres dedicated to business customers, medical centres and swab areas.	

INTERNATIONAL, NATIONAL AND LOCAL AUTHORITIES



INIZIATIVE

PILLAR

Opening of an interactive channel with all the institutions potentially affected by the phenomenon starting from the Presidency of the Council. Interaction with government bodies in charge of crisis management: Civil Protection (stable and continuous presence of Poste Italiane on the Civil Protection Operations committee), Prefectures and law enforcement (Management of relations with Prefectures and law enforcement involved at the local level), CODISE and COBAN (Poste Italiane participates at all CODISE and COBAN meetings as the central operator of the country's economic and financial system). Daily monitoring of rules and regulations relating to measures adopted by the authorities.



Close collaboration with Trade Unions and constant updating with respect to the strengthening of measures to limit contagions and measures aimed at ensuring service continuity.



Agreement between Poste Italiane and the Carabinieri for the provision and home delivery of pensions for citizens over 75 years of age. Following agreements with the MEF, the Civil Protection, the Ministry of Labour, INPS and the Bank of Italy, the staggered payment of pensions began in April 2020 and will continue in the first quarter of 2022. Synergies for the management of possible crowding outside the Offices.



Listening strategy and proximity to institutions to offer, even in a limited time span, solutions to emerging critical issues. Continuous communication activities to national and local institutions aimed at raising awareness.



Implementation of a platform to facilitate the vaccination campaign: Covid vaccine bookings can be made using the Poste Italiane online platform, developed and made available to the Italian regions, and totally free of charge.



Logistical support for the delivery of vaccines: special vehicles, equipped with cold rooms, proceed with the delivery of vaccines to the appropriate locations.



Continuous communication activities to national and local institutions aimed at raising awareness.



Among the free financial education initiatives for the public, Poste Italiane is providing educational webinars with the aim of spreading and increasing awareness of financial, insurance and pension matters.



TG Poste responds to the Poste Group's need to continue its mission of presence and proximity to its employees, including information and the intention to share national and international news, integrating it with corporate content, thus offering to the over 120,000 employees and the country in-depth knowledge of the largest and most widespread company in Italy. TG Poste is on the air every day, Monday to Friday, at 12 noon, visible for employees on demand from the company Intranet or the NoidiPoste app. Starting from the fourth quarter of 2020, it was broadcast to the public via the web channel Postenews.it and, progressively, on post office screens.



110% superbonus and other tax credits: Poste Italiane offers the service for the transfer of tax credits aimed at individuals, businesses and self-employed professionals who are original holders of a tax credit, in line with its role in support of Italy. From 7 March 2022, after a period of suspension, Poste Italiane reactivated the platform for the purchase of tax credits following the publication in the Official Journal of the latest Decree Law amending the circulation of tax credits.



SUPPLIERS



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

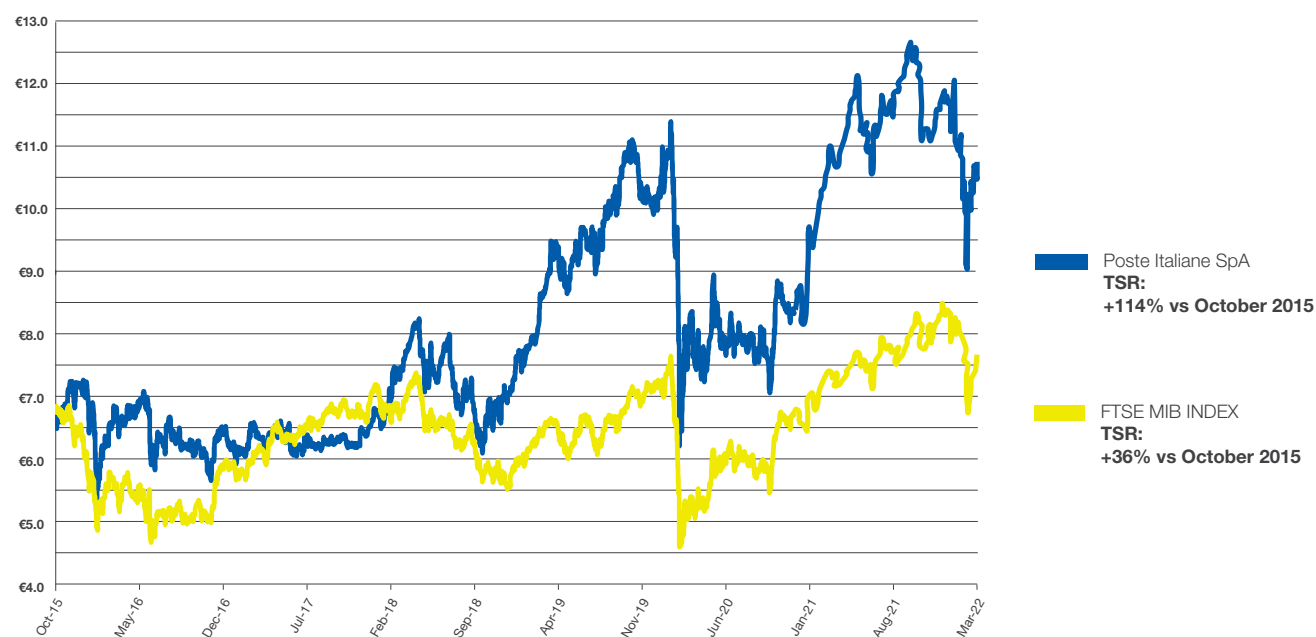
< 5. Creation of Value

- Performance of Poste Italiane shares
- Group operating results
 - Summary of operating results by Strategic Business Unit
 - Mail, Parcels and Distribution Strategic Business Unit
 - Financial Services Strategic Business Unit
 - Insurance Services Strategic Business Unit
 - Payments and Mobile Strategic Business Unit
- Omni-channel service, digital transformation and main KPIs
- Group financial position and cash flow

< Performance of Poste Italiane shares


During the first quarter of 2022, Poste Italiane shares decreased by 11.8% on the stock market, from €11.705 at the beginning of the year to €10.32 at the end of March 2022. Over the same period, the FTSEMIB decreased 9.8%.

From the date of listing on the stock exchange (27 October 2015) to 31 March 2022, Poste Italiane's share price increased by 52.9% (while the FTSEMIB index increased by 10.6% in the same period), guaranteeing a Total Shareholder Return⁶¹ of +114% while the main Italian stock exchange index recorded an increase of 36%.



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

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

Share KPIs	1Q 2022	FY 2021	1Q 2021	FY 2020
Closing price at the end of the period (€)	10.320	11.540	10.840	8.320
Minimum price of the period (€)	8.884	8.076	8.076	6.144
	07/03/2022	(29/01/2021)	(29/01/2021)	(12/03/2020)
Maximum price of the period (€)	11.940	12.675	10.855	11.510
	03/02/2022	(26/10/2021)	(30/03/2021)	(19/02/2020)
Average price of the period (€)	10.831	10.996	9.367	8.364
Stock exchange capitalisation  at the end of the period (€m)	13,479	15,073	14,158	10,867
TSR of the period (%)	(10.57)	44.83	30.29	(13.03)
TSR FTSE MIB of the period (%)	(8.12)	26.81	11.28	(3.34)
Earnings per share (€)	0.380	1.214	0.344	0.927
Dividend per share (€)	-	0.590	-	0.486
Payout ratio (%)*	-	56	-	52
Dividend Yield (%)**	-	5.1	-	5.8

Source Bloomberg.

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

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

< Group operating results

- Summary of operating results by Strategic Business Unit
- Mail, Parcels and Distribution Strategic Business Unit
- Financial Services Strategic Business Unit
- Insurance Services Strategic Business Unit
- Payments and Mobile Strategic Business Unit

The Group's performance in the first quarter of 2022 was better than the same period in 2021 in terms of revenue, EBIT and net result, confirming the efficacy of the strategic guidelines defined in the "24SI Plus" plan and their execution in an economic scenario characterised by great uncertainty deriving from the Russian-Ukrainian conflict and inflationary pressures. The results achieved also benefited from the decrease in costs, mainly attributable to lower labour costs and the lower percentage of variable costs incurred for the growth of the business.

Revenue

~3 €bn

EBIT

~ €700 million

Net Profit

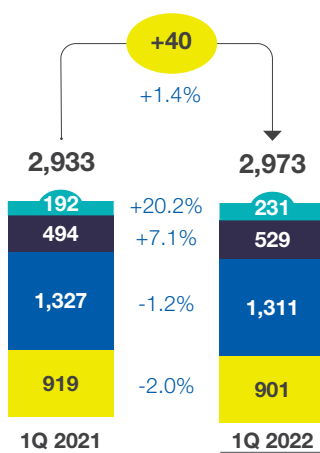
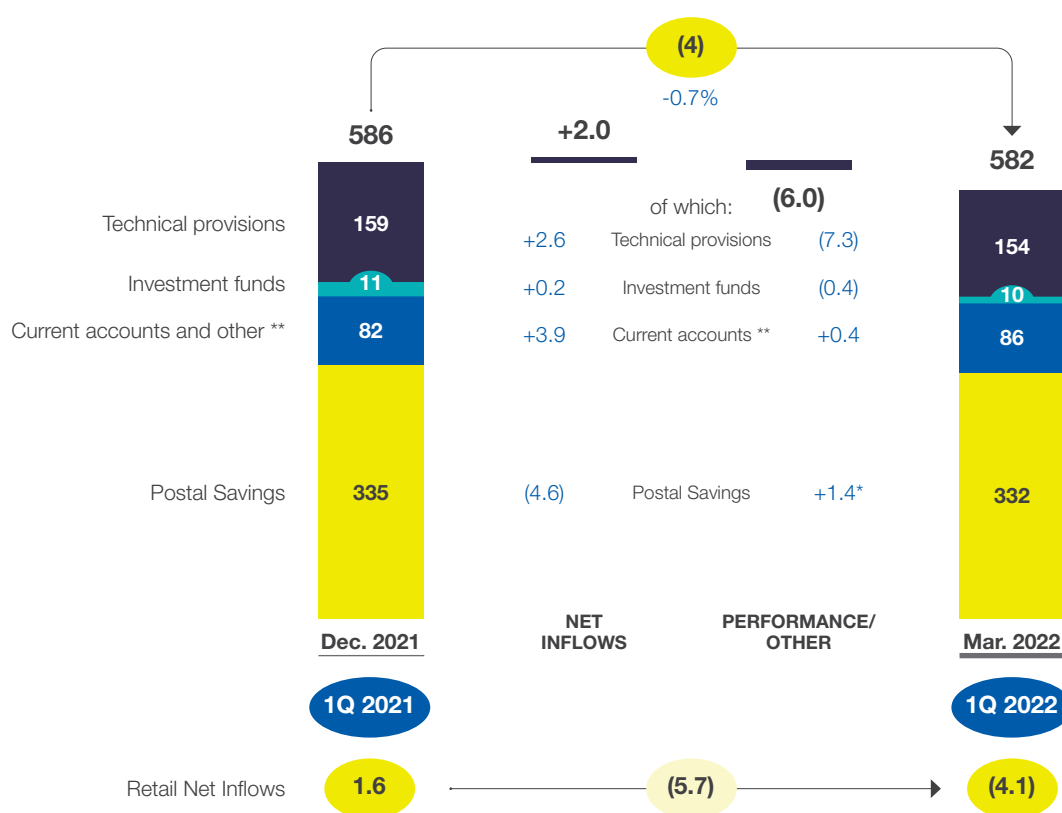
~€500 million

(€m)	1Q 2022	1Q 2021	Changes	
EXTERNAL REVENUE	2,973	2,933	+40	+1.4%
TOTAL COSTS	2,279	2,313	(33)	-1.4%
EBIT	694	620	+73	+11.8%
EBIT margin %	23.3%	21.2%		
NET PROFIT	495	447	+47	+10.6%
NET EARNINGS PER SHARE	0.38	0.34	+0.04	+10.6%
CAPEX	77	116	(39)	-33.9%
% of revenue	2.6%	4.0%		

The Group **revenues** total around €3 billion, which is an increase of €40 million compared to the same period in 2021 (+1.4%) with the positive contribution of the Payments and Mobile (+€39 million, +20.2%) and Insurance Services (+€35 million, +7.1%) Strategic Business Units. The Mail, Parcels and Distribution and Financial Services Strategic Business Units recorded lower revenues compared to the first quarter of 2021, for €18 million (-2.0%) and €16 million (-1.2%) respectively. The profit performance for the first quarter as shown in the **operating profits** of €694 million for this period, up €73 million (+11.8%) compared to the same quarter the previous year.

EXTERNAL REVENUE
(€m)

- Payments and Mobile
- Insurance Services
- Financial Services
- Mail, Parcels and Distributions

**TOTAL FINANCIAL ASSETS**
(€m)

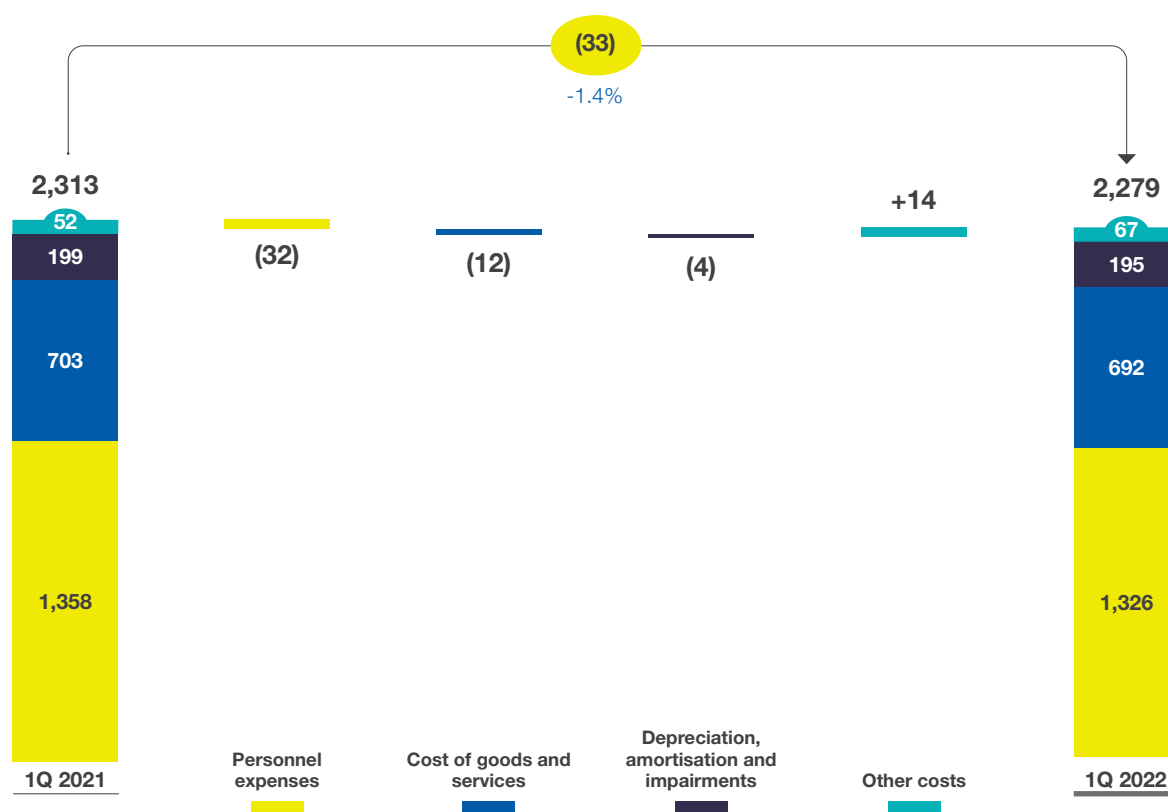
* Includes capitalisation of interest.

** Includes current accounts and assets under administration. Current accounts do not include REPO and Poste Italiane's liquidity.

At the end of the first quarter of 2022 the **total financial assets** amounted to €582 billion and recorded a decrease of €4 billion (-0.7%) compared to €586 billion as at 31 December 2021, due to the negative effect of the performance (-€6 billion) mainly attributable to the insurance sector (-€7.3 billion), offset only in part by the positive performance of net inflows on current accounts (+€3.9 billion) and technical provisions (+€2.6 billion).

**€582
bn**
total financial assets

TOTAL COSTS (€m)

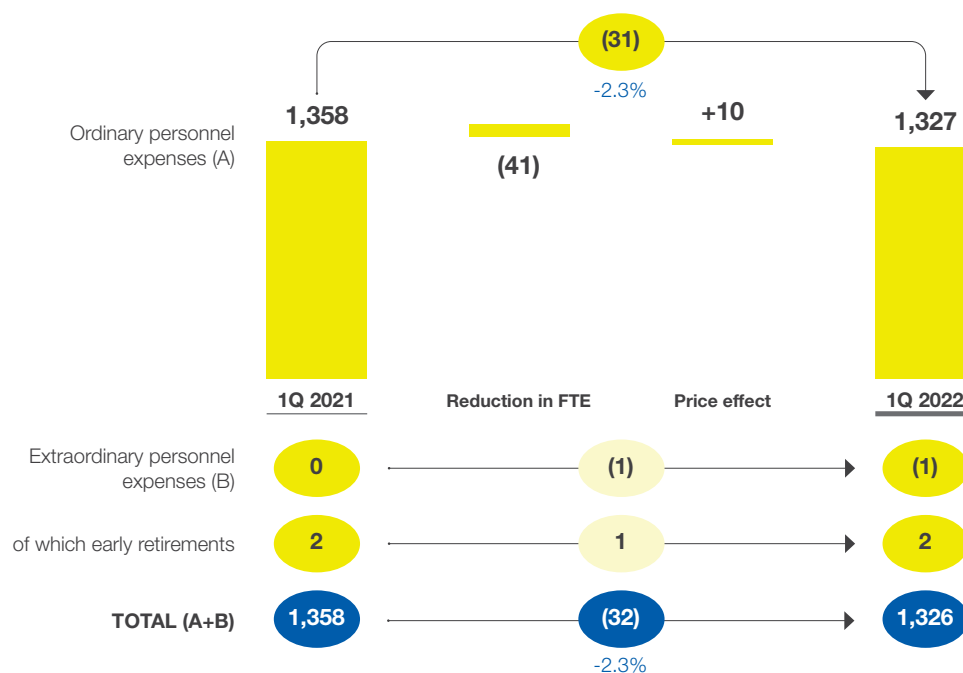


Total costs came to €2,279 million, down compared to €2,313 million in the first quarter of 2021 (-€33 million, -1.4%), substantially as a result of lower labour costs (-€32 million), due to fewer resources employed in the period, and lower costs for goods and services (-€12 million). The value on 31 March 2022 for goods and services also includes expenses incurred to deal with the health emergency, which amounted to €20 million (€23 million in the first three months of 2021). These changes were partly offset by the increase in Other costs (+€14 million) mainly attributable to the credit risk adjustments related in particular to trade receivables.

PERSONNEL EXPENSES

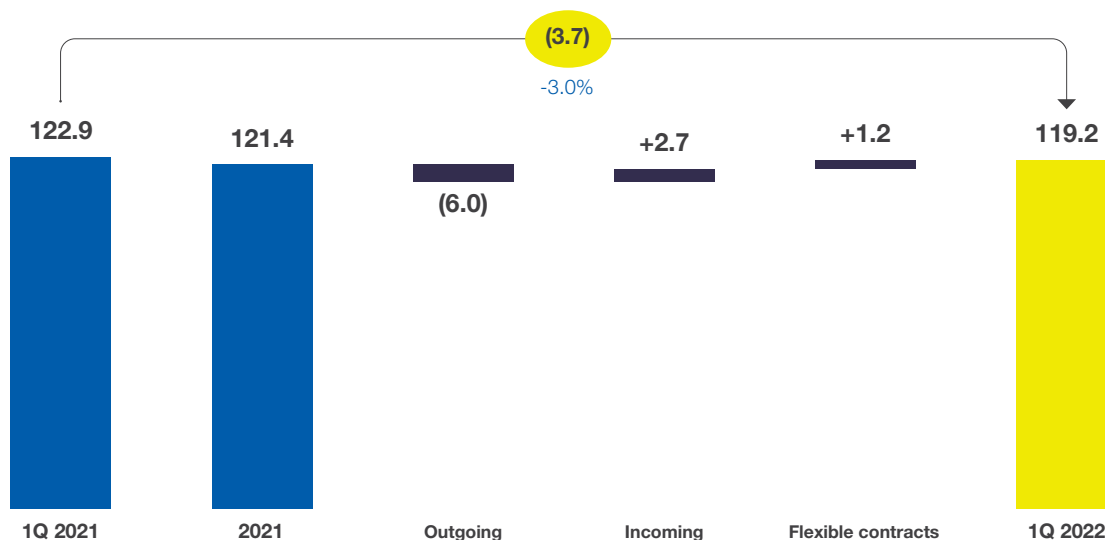
(€m)

The total personnel expenses decreased by €32 million (-2.3%) compared to the first three months of 2021. This change is attributable to the reduction in the ordinary component from €1,358 million in the first quarter of 2021 to €1,327 million in the same period in 2022, mainly due to a reduction in average workforce during the period (about 3,700 FTE less than in the first quarter of 2021).

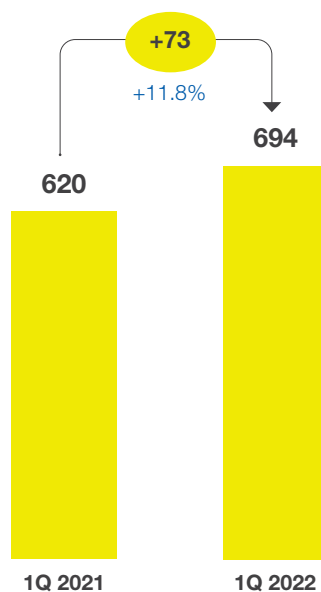
**WORKFORCE**

(average Full Time Equivalent in thousands)

The reorganisation and rationalisation of internal processes continued in the reporting period; exits in the first three months of 2022 were 6 thousand (FTE) against entries of 2.7 thousand (FTE) on permanent contracts and approximately 1.2 thousand (FTE) on fixed-term contracts.



EBIT
(€m)



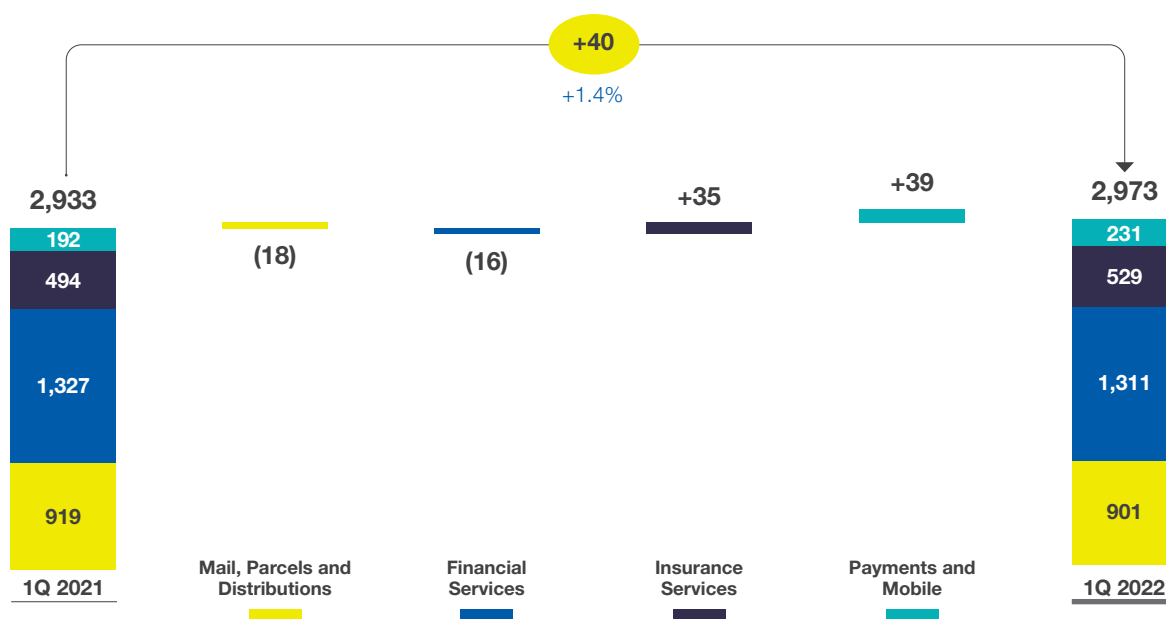
The **consolidated EBIT** of €694 million and records a growth of €73 million (+11.8%) compared with the same period of the previous year (€620 million). The increase in revenues, the lower labour costs and the careful cost management by the management team drove the operating income for the period to higher levels than those in the same period of the previous financial year and in line with the annual targets set out in the “24SI Plus” strategic plan.

The **profit for the period** came to €495 million, up by 10.6% compared to the same period in 2021 (€447 million), and takes account of the taxes for the period equal to €218 million (€193 million in the first quarter of 2021).

< Summary of operating results by Strategic Business Unit

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

EXTERNAL REVENUE
(€m)



During the first quarter of 2022, there was an increase in the revenues from the Payments and Mobile Strategic Business Unit for €39 million (+20.2%) and the Insurance Services Strategic Business Unit for €35 million (+7.1%), compared to the same period in 2021, offset partly by the performance of the Financial Services and Mail, Parcels and Distribution Strategic Business Units, which recorded a decrease of €16 million (-1.2%) and €18 million (-2%) respectively.

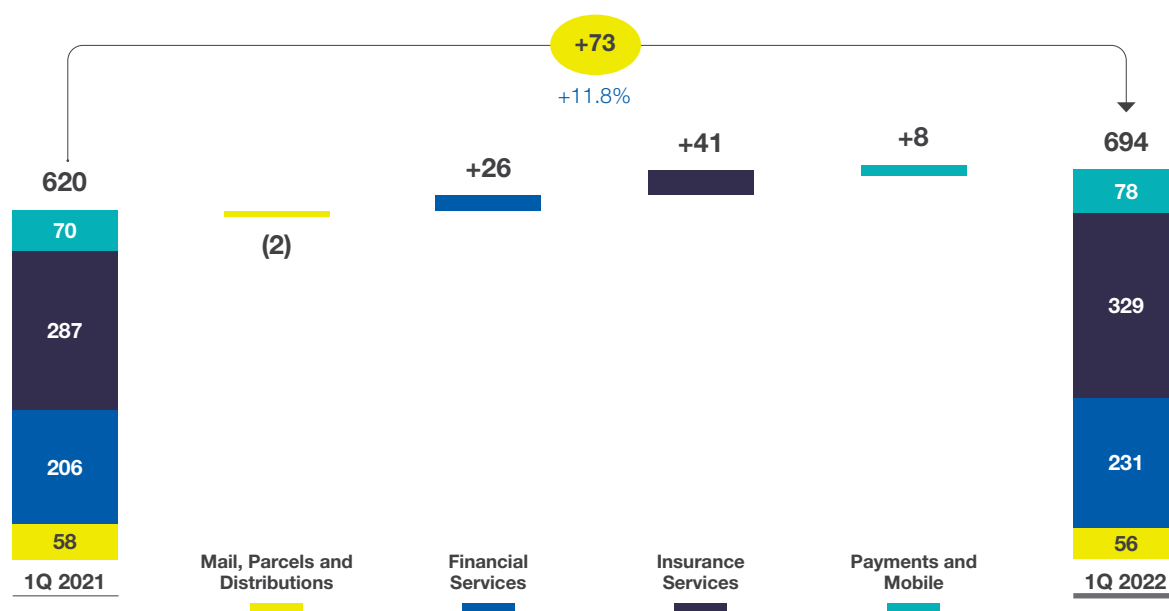
Market revenues from the **Mail, Parcels and Distribution** Strategic Business Unit decreased from €919 million in the first quarter of 2021 to €901 million in the first quarter of 2022 (-2%), mainly as a result of the normalisation of revenues from parcels compared to the first quarter of 2021 (-€35 million, -9.5%) strongly influenced by the pandemic; this performance was only partly offset by the growth in other revenues supported by new business initiatives.

Market revenues from the **Financial Services** Strategic Business Unit amounted to €1,311 million and recorded a decrease of €16 million compared to €1,327 million during the first quarter of 2021 (-1.2%), mainly attributable to the lower capital gains made as part of the proactive management of the portfolio, the lower volumes on payment slips and the lower revenues deriving from the collection and management of postal savings service, in line with the new agreement signed with Cassa Depositi e Prestiti. These changes were partly offset by the performance of interest income which benefited from the income deriving from the use of tax credits.

The **Insurance Services** Strategic Business Unit contributed €529 million to Group revenue in the first quarter of 2022, up by €35 million (+7.1%) on the same period in the previous year. The revenue generated can be traced to the Life business, which contributed €490 million, an increase of €31 million (+6.7%) compared to the first three months of 2021 mostly due to the positive contribution of the financial margins; whereas the contribution of the Non-Life business was €39 million, up €4 million (+11.7%) compared to the same period of 2021.

External revenue of the **Payments and Mobile** Strategic Business Unit in the first three months of 2022 amounted to €231 million and marked an increase of €39 million (+20.2%) compared to the same period of 2021. Specifically, the Cards, and Collection and Payment Services departments grew respectively €19 million (+18.4%) and €18 million (+106.2%) thanks to the increased operations of card payments, the growth of acquiring transactions, and increased profits from the PagoPA service. Telecommunications services recorded higher revenues for €3 million (+3.4%) compared to the same period in 2021.

EBIT (€m)



In the first quarter of 2022, the Group's operating profit stood at €694 million and shows a growth of €73 million (+11.8%) compared to the same period in the previous year. The growth in operating performance impacted all the Strategic Business Units except the **Mail, Parcels and Distribution** Strategic Business Unit, which recorded operating income of €56 million in the first quarter of 2022, a decrease of €2 million compared with the same period in the previous year.

In particular, the **Insurance Services**, **Financial Services** and **Payments and Mobile** Strategic Business Units recorded an operating profit of €329 million (+€41 million compared to the first quarter of 2021), €231 million (+€26 million compared to the first quarter of 2021) and €78 million (+€8 million compared to the first quarter of 2021) respectively.

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

< Mail, Parcels and Distribution Strategic Business Unit

The performance in the first quarter of the Strategic Business Unit saw substantial stability in revenues from traditional mail and a normalisation of revenues from the parcels sector.

MAIL, PARCELS AND DISTRIBUTION (€m)	1Q 2022	1Q 2021	Changes	
External revenue	901	919	(18)	-2.0%
Revenue from other sectors	1,269	1,275	(6)	-0.5%
Total revenue	2,170	2,194	(24)	-1.1%
Costs	2,100	2,117	(16)	-0.8%
Costs vs other sectors	14	20	(6)	-28.0%
Total costs	2,114	2,136	(22)	-1.0%
EBIT	56	58	(2)	-3.8%
EBIT margin %	2.6%	2.6%		
NET RESULT	31	38	(7)	-18.1%

Operating KPIs	1Q 2022	1Q 2021	Changes	
Mail and parcels				
Revenue/FTE (€k)	18	18	+0	+2.0%
Parcels that can be delivered as standard mail (volumes in m)	15	21	(6)	-27.0%
New Punto Poste Network (number of lockers and alternative collection points)*	13,345	13,504	(159)	-1.2%
Incidence of parcels delivered using alternative channels ¹ (%)	5.1	1.7		
Distribution				
Number of customers (m)	35.1	35.1	+0.1	+0.2%
Number of Post Offices*	12,755	12,761	(6)	n.s.
Rooms dedicated to consultancy	7,754	6,865	+889	+12.9%
Postamat ATM network	8,098	7,986	+112	+1.4%
ESG				
Green fleet (electric vehicles)*	2,170	1,737	+433	+24.9%
Charging points installed*	2,407	1,737	+670	+38.6%
Smart post boxes*	418	405	+13	+3.2%
No. of buildings involved in the Smart Building project* ²	928	652	+276	+42.3%
Photovoltaic Panels*	57	35	+22	+62.9%

n.s.: not significant.

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

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

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

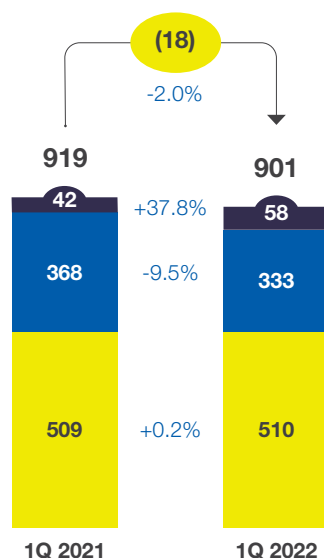
EXTERNAL REVENUE

(€m)

Other revenue

Parcels

Mail



Sector revenues decreased from €919 million in the first quarter of 2021 to €901 million in the same period in 2022 (-€18 million; -2.0%).

This decrease is mainly attributable to the reduction in revenue from the parcels segment (-€35 million; -9.5%), due to the normalisation of the market performance already observed in late 2021 and to the effects on the international economy deriving from the russian-ukrainian conflict, as well as the inflows from China linked to the low value consignment regulation.

On the other hand, revenues from the traditional mail sector, thanks to the recovery of activities which in 2021 had experienced a slowdown due to the pandemic, recorded a substantial result in line with the same period in the previous financial year (+€1 million; +0.2%).

Furthermore, there was growth in Other revenues equal to around €16 million (+37.8% versus 2021) attributable to the payment, applied from the end of 2021, for the activities to issue digital identities to citizens (**SPID – Public System for Digital Identity** [🔗](#)), for those who request the service through in-person or remote identification, and the activities to transfer tax credits.

Mail

REVENUE (€m)

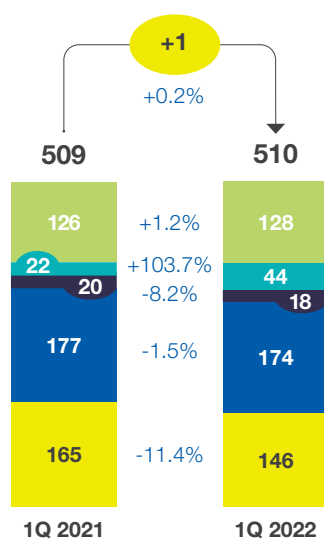
Other

Integrated services

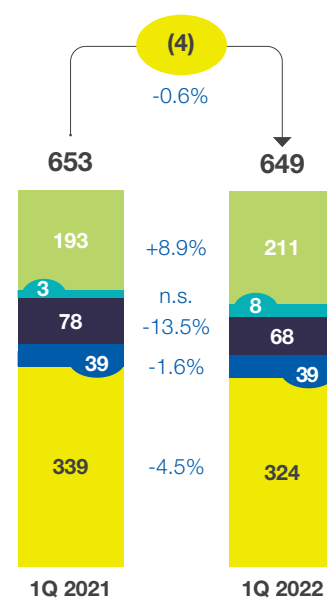
Direct marketing

Recorded mail

Unrecorded mail



VOLUMES (m)



Unrecorded Mail: standard mail service with mailbox delivery.

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

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

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

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

The performance of the Mail services recorded by the Group in the first quarter of 2022 showed a decrease in volumes for 0.6% (around -4 million mail items), but accompanied by a growth in revenue equal to 0.2% (+€1 million) compared to the same period in the previous year. This performance is substantially attributable to the different product mix recorded in the first quarter of the current year: the decrease in lower value products is offset by the increase in volumes of some higher value products present in the family of Integrated Services and Recorded Mail (Legal Document).

Recorded Mail registered a volume decrease of 1.6% (-1 million items) accompanied by a decrease in revenue of 1.5% (-€3 million).

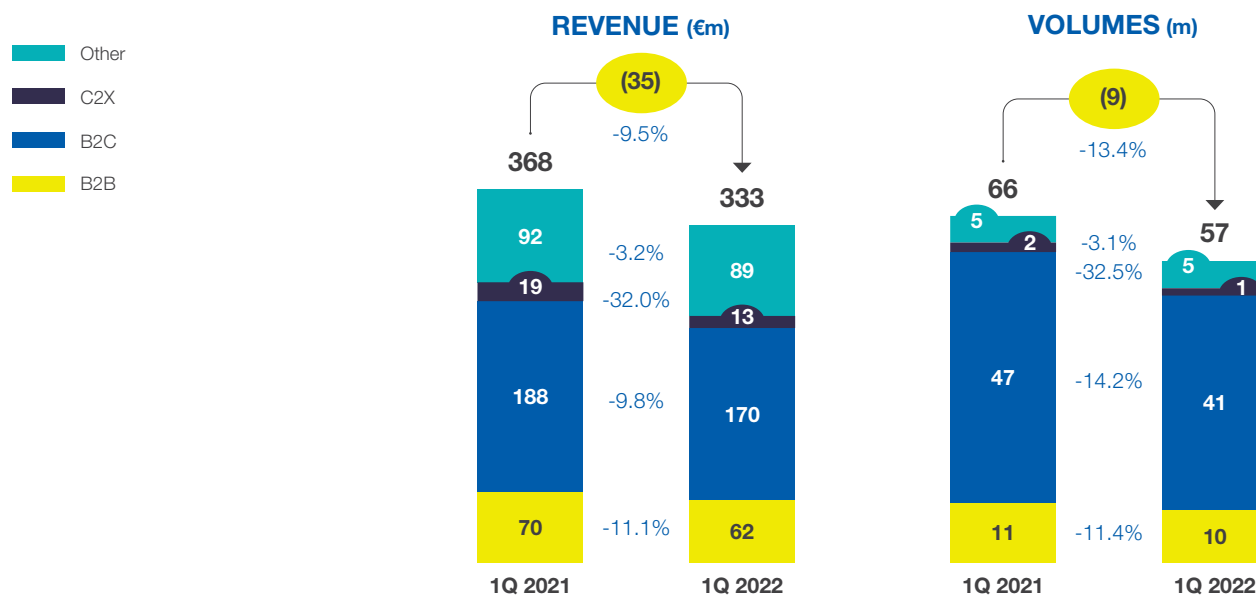
Unrecorded Mail recorded a reduction in both volumes and revenues for 4.5% (-15 million items) and 11.4% (-€19 million) respectively compared to the same period in 2021, attributable to both a drop in retail volumes and a decrease in the volumes arriving from foreign countries.

Integrated Services recorded higher volumes and revenues compared to the same period in 2021, for 5 million items and €22 million respectively, due to the positive contribution coming from the recovery of notification activities, including products such as administrative and court documents and the recovery in tax collection notices, which in 2021 had suffered a slowdown due to the continuation of the effects caused by the pandemic on public administration mail items.

Direct Marketing continues to show a decrease in volumes of 13.5% (-11 million items), which determines a negative change in revenue of approximately €2 million (-8.2%), attributable to the phenomenon of e-substitution.

The item Other, which also includes services marketed by Postel, thanks to the improvement in the performance of volumes recorded in the first quarter of 2022 (+17 million items; equal to +8.9%), recorded higher revenues for around €2 million (+1.2%) compared to the first quarter of 2021. The item also includes the fee for the Universal Service Compensation (€66 million) and the tariff subsidies in the publishing service: both items show results in line with those of the same period of the previous year.

Parcels



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

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

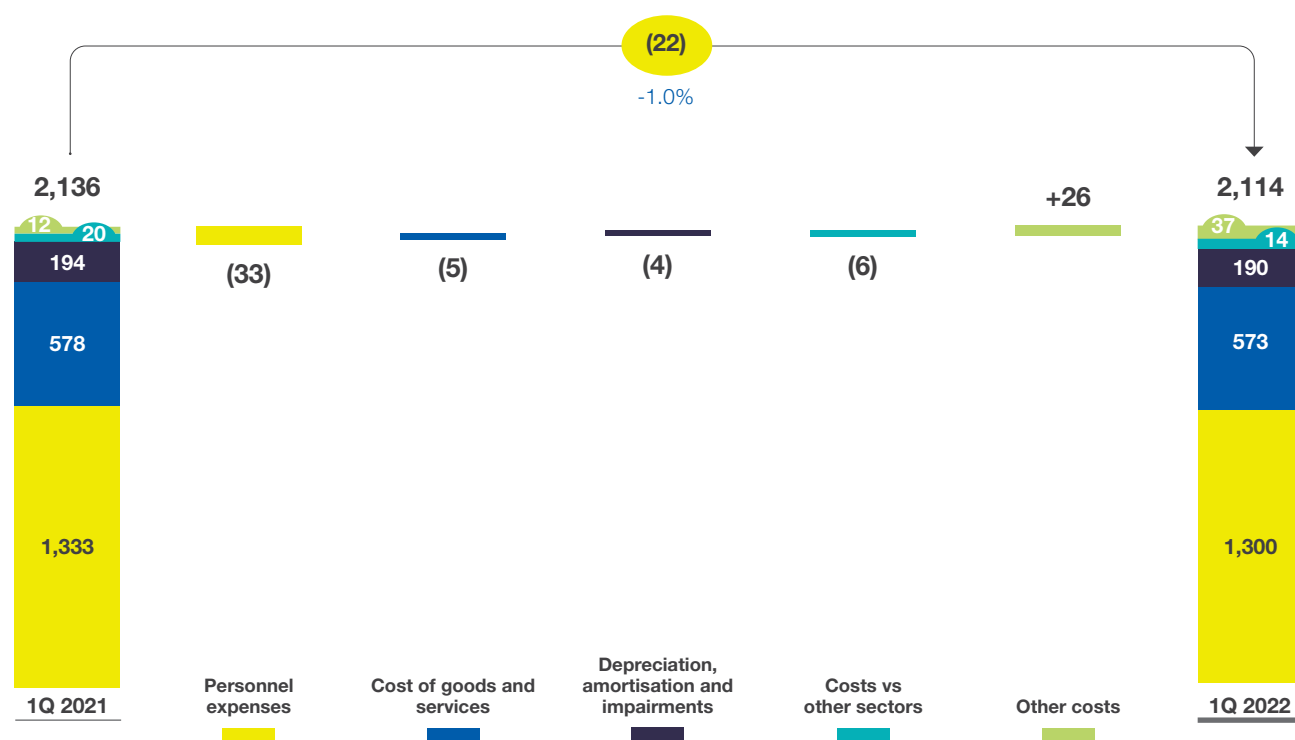
C2X: identifies Consumer-to-Consumer/Business parcels i.e. parcels sent by consumers both to other consumers and to businesses.

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

The parcels business recorded a decrease in both volumes and revenue in the first quarter of 2022, for 13.4% (-9 million items) and 9.5% (-€35 million) respectively, compared with the same period in the previous year. This performance was distributed across all segments and is attributable to the fall in demand, due to the return to pre-pandemic growth levels and the effects deriving from the russian-ukrainian conflict.

In detail, the decrease is mainly concentrated on the B2C segment, which in the first quarter of 2022 generated revenues for €170 million, down by 9.8% (-€18 million), against 41 million shipments (-7 million items, -14.2%) compared to the same period in 2021. The B2B segment recorded non-positive performances with revenues achieved in the first quarter of 2022 equal to €62 million (-€8 million, -11.1%) against 10 million shipments managed (-1 million items, -11.4%), compared to the first quarter of 2021. The C2X segment recorded lower revenues and volumes, for €6 million (-32.0%) and 1 million items (-32.5%) respectively compared to the same period in 2021, especially as a result of a notable contraction in the market compared to the first quarter of 2021. Lastly, the item Other shows a reduction in revenues for €3 million (-3.2%), accompanied by a related reduction in volumes equal to -3.1%, compared to the first quarter of 2021.

TOTAL COSTS (€m)



Costs, including depreciation and amortisation for 2022, amounted to €2,114 million, down €22 million (-1.0%) compared to the first quarter of 2021.

This performance is mainly attributable to Labour Costs, which came to €1,300 million, down by €33 million (-2.5%) compared to the first quarter of 2021, essentially due to the reduction in the average workforce (around 3,700 FTE less than the same period in 2021), only partially offset by the growth in labour costs per capita related to the renewal of the national collective labour agreement.

Costs for goods and services recorded a decrease of €5 million (-0.9%), reaching €573 million in the first quarter of 2022. This performance is attributable to the joint effect of the reduction in variable costs linked to the drop in volumes of demand in the parcels segment and the increase in costs generated by the international crisis which is causing an increase in the costs of commodities and fuel. In addition, the costs of goods and services were also affected by the reduction in expenses related to the Covid-19 emergency and expenses to support the vaccination campaign, for €20 million as at 31 March 2022 (€23 million incurred in the first quarter of 2021).

The item Depreciation, amortisation and impairments recorded a reduction of €4 million (-1.8% compared to the first quarter of 2021).

In light of the above, the Mail, Parcels and Distribution Strategic Business Unit recorded an operating profit for the first quarter of the year that was positive for €56 million, substantially in line with the operating profit of the same period in the previous year equal to €58 million (-€2 million, -3.8%).

Financial Services Strategic Business Unit

The SBU's economic results for the period increased compared to the same period of the previous year due to positive cost dynamics. As at 31 March 2022, the Total Capital Ratio amounted to 23.9%, confirming the financial solidity of BancoPosta.

FINANCIAL SERVICES (€m)	1Q 2022	1Q 2021	Changes	
External revenue	1,311	1,327	(16)	-1.2%
Revenue from other sectors	196	199	(3)	-1.6%
Total revenue	1,507	1,527	(19)	-1.3%
Costs	37	52	(16)	-29.7%
Costs vs other sectors	1,239	1,268	(29)	-2.3%
Total costs	1,276	1,321	(45)	-3.4%
EBIT	231	206	+26	+12.5%
EBIT margin %	15.4%	13.5%		
NET PROFIT	171	152	+19	+12.8%

Operating KPIs	1Q 2022	1Q 2021	Changes	
Total financial assets (€bn)*	582.1	586.1	-4.0	(0.7%)
Net inflows (€m)	1,998	2,725	-727	(26.7%)
Unrealized capital gains/losses (€m)	1,356	6,074	-4,719	(77.7%)
Current accounts (average deposits for the period in €bn)	86.4	74.9	11.4	+15.3%
Average return on investment portfolio ¹	1.98%	1.96%		
Postal savings (average deposits in €bn)	319.2	320.2	-1.0	(0.3%)
Loans (disbursed in €m)	804	797	8	+1.0%
Tax credits acquired at the end of the period (in billions of euro) ²	8.6	0.481	8.1	n.s.

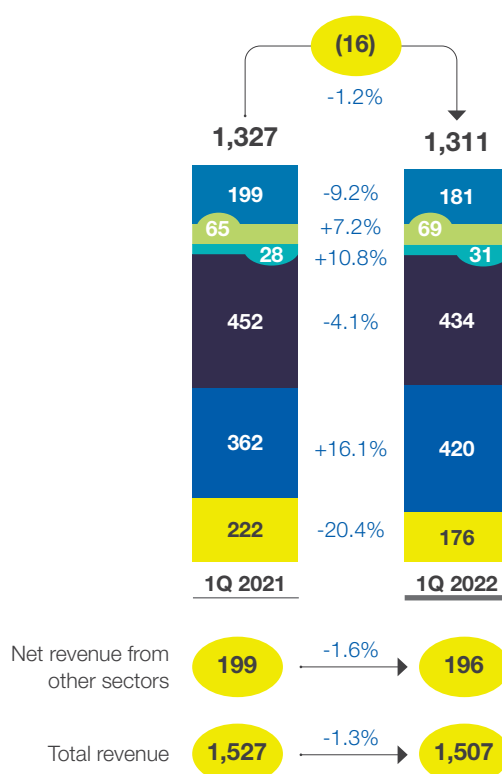
* The figure indicated in column 1Q 2021 refers to 31 December 2021.

1. Excluding capital gains.

2. Paid value.

EXTERNAL AND OTHER SECTORS REVENUES (€m)

- Collection and payment services
- Distribution of third-party products
- Asset management
- Postal savings deposits
- Net interest income
- Active portfolio management



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

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

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

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

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


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

External revenue in the first quarter of 2022 amounted to €1,311 million and recorded a decrease of €16 million compared to €1,327 million achieved in the same period of the previous year (-1.2%).

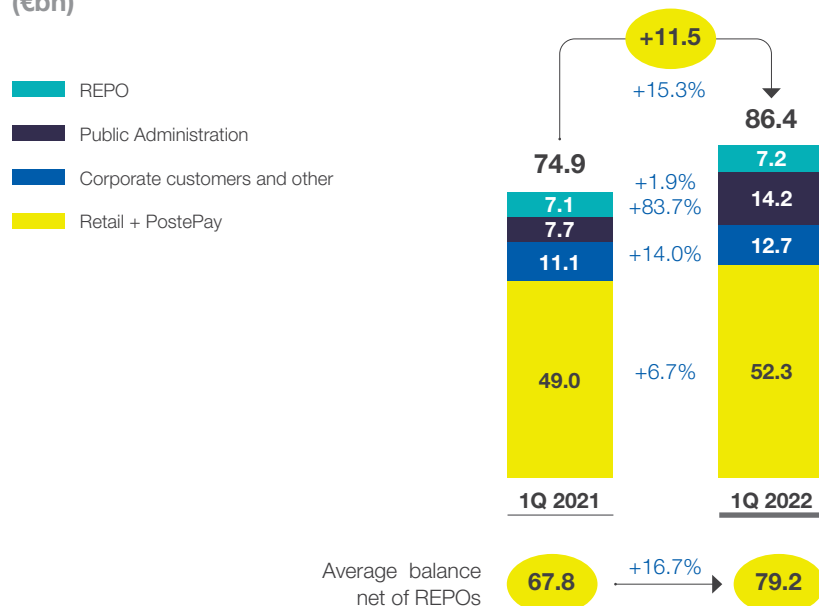
More specifically, the period in question shows: (i) Net interest income up from the first quarter of 2021 (+16.1%), mainly due to income from the investment in tax credits (€63 million); (ii) Capital gains realised as part of the pro-active management of the securities portfolio of €176 million, down €45 million from €222 million in the same period of 2021.

Revenue from postal savings collection and management services amounted to €434 million, down 4.1% (-€18 million) from the same period of 2021, while revenue from collection and payment services amounted to €181 million, down 9.2% (-€18 million) from the same period of the previous year, primarily due to lower volumes on payment slips.

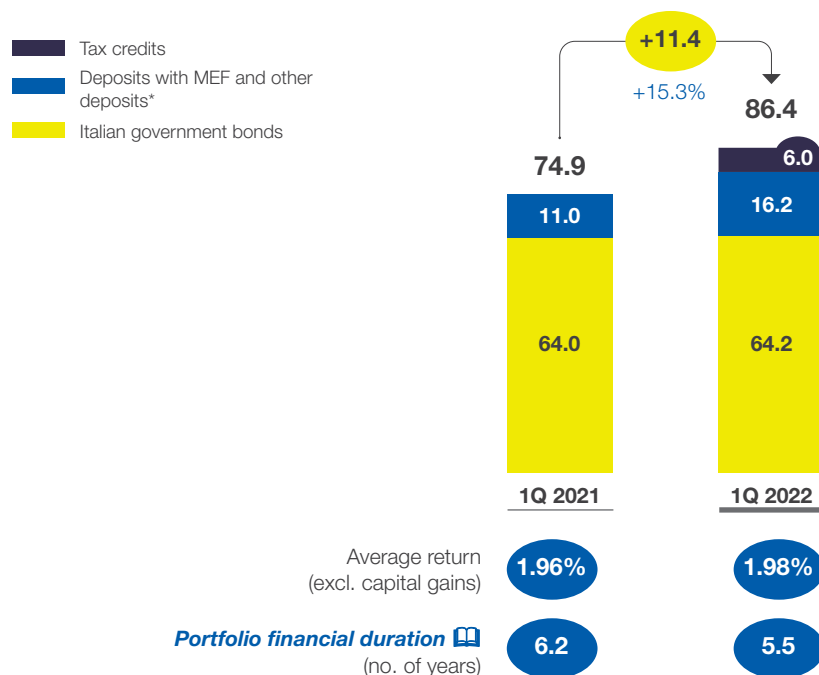
Revenue from the distribution of third-party products amounted to €69 million, up €5 million from €65 million in the first quarter of 2021. This positive change was mainly due to higher volumes disbursed in personal loans.


Revenue from Asset Management increased by 10.8% million (+€3 million) compared to the same period of the previous year, mainly due to **management fees**  for mutual funds.

Finally, revenue from other sectors amounted to €196 million (-1.6% compared to the same period in 2021). The change reflects a decrease in fees paid for the placement of Poste Vita policies, partially mitigated by the growth in revenue from the placement of Postepay products.

**AVERAGE CURRENT ACCOUNT DEPOSIT
(€bn)**

The average balance of current accounts for the first quarter of 2022 increased compared to the first quarter of 2021, going from €74.9 billion to €86.4 billion. The increase, of €11.5 billion, can be traced to the growth seen in all business segments and mainly to the positive contribution coming from the Public Administration (+€6.5 billion, +83.7%), as well as from Retail and Postepay customers (+€3.3 billion, +6.7%) and Corporate customers (+€1.6 billion, +14.0%). The contribution of REPOs⁶² remains largely unchanged (around €7.2 billion).

**COMPOSITION OF INVESTMENT PORTFOLIO
(AVERAGE BALANCE in €bn)**

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

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

The average balance of the investment portfolio consists primarily of Italian government securities and debt securities issued by Cassa Depositi e Prestiti and guaranteed by the Italian State (approximately €64.2 billion), in which funding from private customers on postal current accounts is invested, and deposits with the MEF (approximately €14.2 billion) represented by funding from postal current accounts belonging to public customers.

The investment portfolio also includes average deposits used by BancoPosta to acquire tax credits which, at 31 March 2022, amounted to around €6 billion.

The first quarter of the year was characterised by high volatility due to inflationary fears and the conflict between Russia and Ukraine. The Governing Council of the ECB responded by proceeding with its of normalising its announced monetary policy strategy with a more restrictive approach, deciding at its March meeting to accelerate the pace of reduction of Asset Purchase Programme (APP) purchases compared with the rate set in December, while also emphasising gradualness and flexibility in forward guidance⁶³ given the high degree of macro and geopolitical uncertainty in the operating environment.

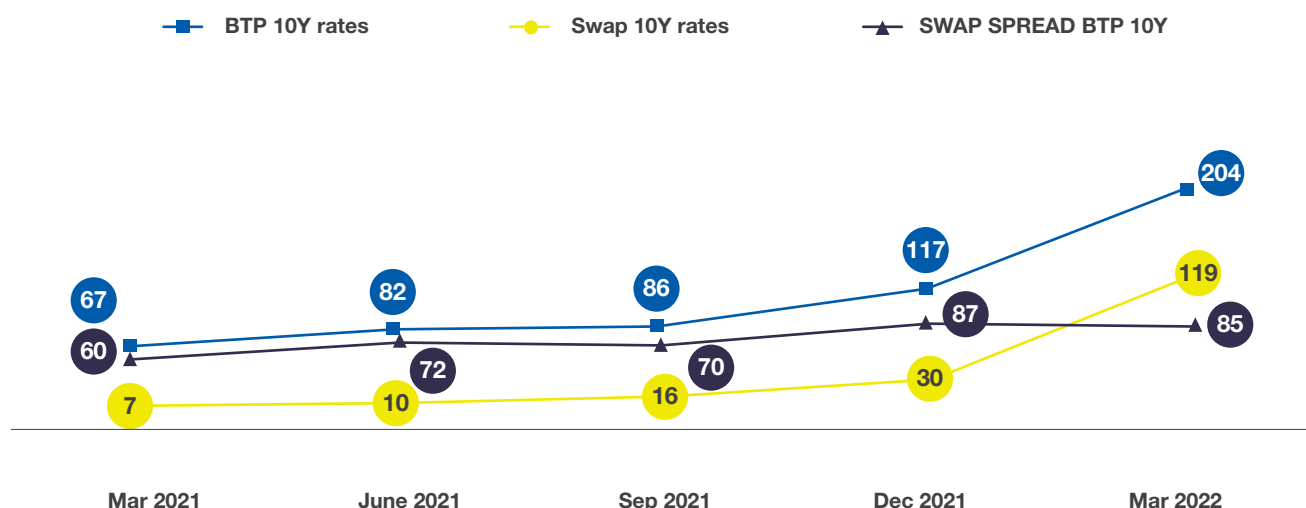
The measures adopted have led to a generalised increase in rates: during the first quarter, the 10-year swap rate rose by almost 90 bps and the 10-year Btp-Bund spread closed at 150 bps at the end of March, after peaking at 170 bps in February.

Management exploited the volatility of the first quarter of 2022 by making purchases when rates were rising and the BTP credit spread was widening.

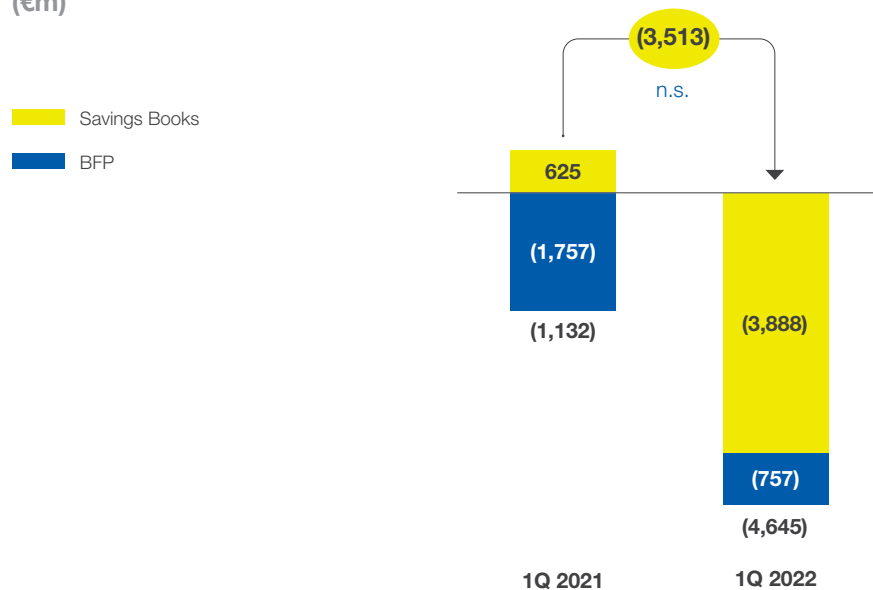
In the days of greatest uncertainty and BTP enlargement, the 10-year component of the MEF deposit remuneration parameter was also hedged.

In addition, further transactions were carried out during rising interest rates to improve the efficiency of the securities portfolio in asset swaps.

The outbreak of the Russia-Ukraine conflict triggered a narrowing of the BTP-Bund spread; at this time the programme to realise capital gains for the coming year by executing forward sales with 2023 value date was initiated.



63. Forward guidance is the information that the central bank may provide on its future intentions concerning monetary policy, based on its assessment of the price stability outlook. Source <https://www.ecb.europa.eu>

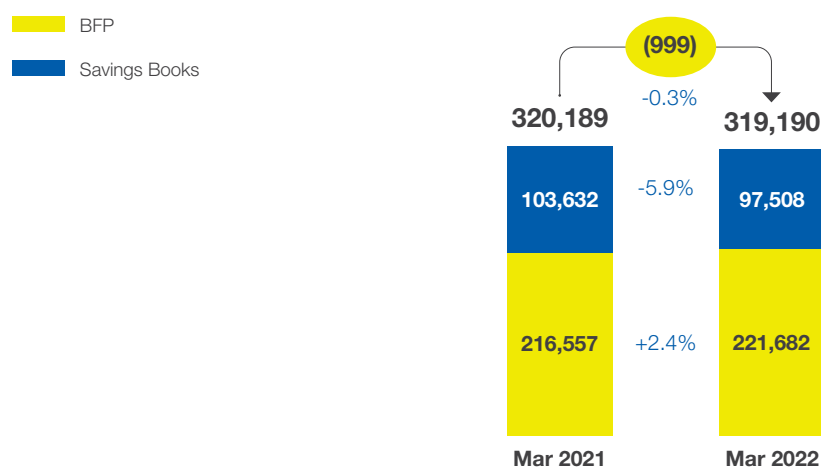
**POSTAL SAVINGS NET INFLOWS
(€m)**

In the first quarter 2022, Postal Savings Net Inflows amounted to -€4.6 billion, about €3.5 million less compared to the value of the same period of the previous year. Savings book deposits contracted by around €4.5 billion compared to the first quarter of 2021, partly due to lower customer deposits and a lower propensity to save due to the particular national economic environment. It should be noted that the comparison with the first quarter of 2021 is not even: during Q1 2021, four pension payments were credited as a result of health emergency-related provisions, compared to three in 2022 (the March 2022 pension payment, credited at the end of February, was the last payment paid in advance).

gross inflows on BFP
(+6.1% YoY)

**€8.2
bn**

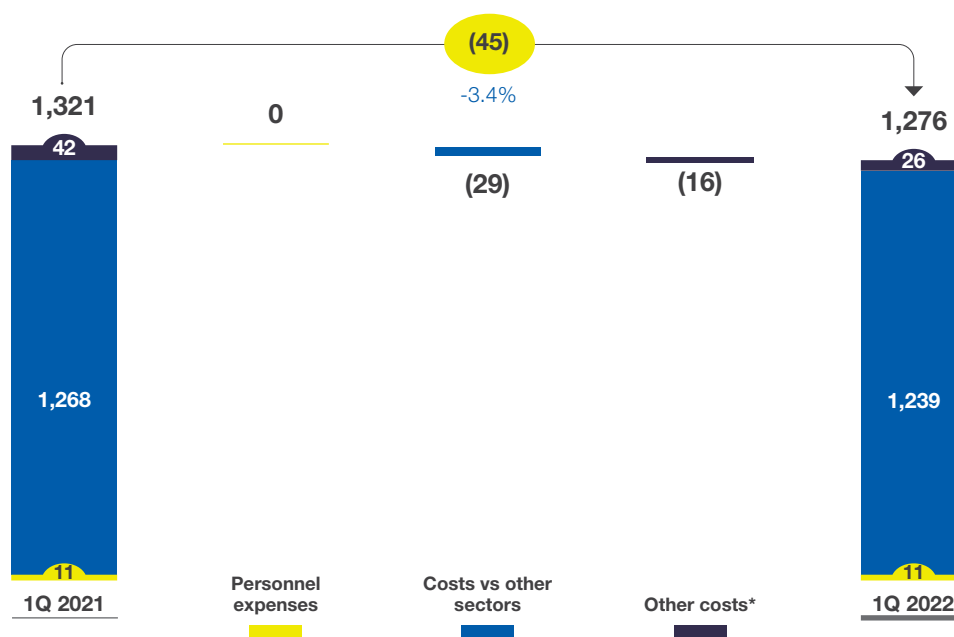
The change in BFPs compared to the first quarter of 2021 was positive for €1 billion; this change was buoyed up by new subscriptions for €8.2 billion, up 6%, and a decrease in the number of certificates repaid during the period.

**POSTAL SAVINGS AVERAGE DEPOSIT*
(€m)**

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

The average balance of postal savings in the first quarter of 2022 was down by approximately €1 billion from the same period of 2021. Postal savings books performance continues to be adversely affected by the reduction in liquidity acquired during the health emergency, while growth in the Average Balance of Interest-bearing Postal Certificates (BFP) is primarily attributable to the capitalisation of interest.

TOTAL COSTS (€m)



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

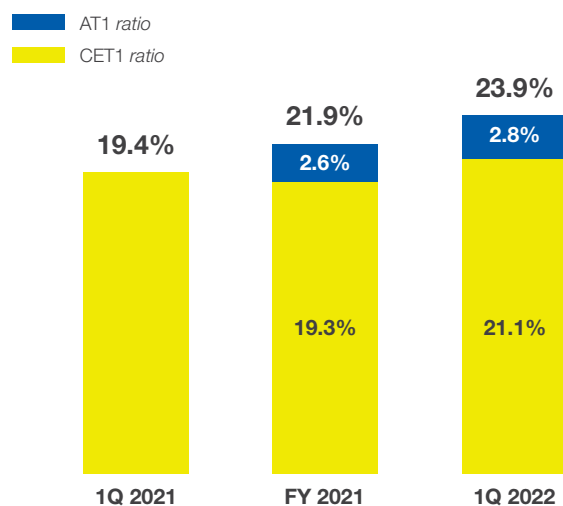
The Strategic Business Unit's total costs amount to €1,276 million, down €45 million (-3.4%) from the €1,321 million of the first quarter of 2021, primarily due to lower costs in other segments of the Poste Italiane group and lower provisions for risk funds relating to postal savings products.

The operating profit (EBIT) of the sector for the first quarter of 2022 amounted to €231 million, up 12.5% compared to the same period of the previous year (+€26 million).

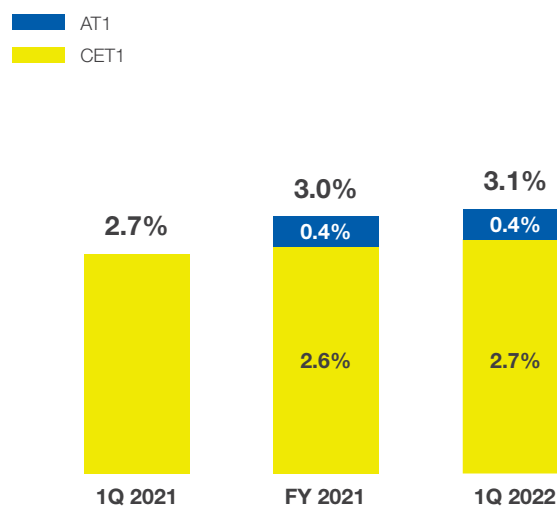
Taking into account financial management (positive for €5 million) and taxes for the period (€65 million), the Financial Services Strategic Business Unit closed the first quarter 2022 with a net result of €171 million, up €19 million compared to €152 million in the first three months of 2021 (+12.8%).

€m	1Q 2021	2021	1Q 2022
CET1 CAPITAL	2,443	2,633	2,615
TOTAL CAPITAL	2,443	2,983	2,965
TOTAL ASSETS	101,312	109,072	107,164
RWA - Risk Weighted Assets	12,573	13,613	12,416

TOTAL CAPITAL RATIO



LEVERAGE RATIO




As at 31 March 2022, the Leverage Ratio stood at 3.1%, due to the inclusion of €200 million of retained earnings for the year 2021 (already included in the 2021 year-end indicator), as well as market movements and regulatory adjustments that had the effect of reducing assets and thus the indicator denominator. The CET 1 Ratio was 21.1%, while the Total Capital Ratio, including Additional Tier 1 was 23.9%, confirming the financial solidity of BancoPosta.

Insurance Services Strategic Business Unit

The SBU's operating performance for the quarter was solid and up on results for the first quarter of 2021 due to revenue growth in both of these segments: Life and Non-Life. The Solvency Ratio of 272% at the end of the first quarter confirms the solvency of the insurance Group.

INSURANCE SERVICES (€m)	1Q 2022	1Q 2021	Changes	
External revenue	529	494	+35	+7.1%
Revenue from other sectors	1	1	(0)	-2.4%
Total revenue	530	495	+35	+7.1%
Costs	34	36	(2)	-5.3%
Costs vs other sectors	167	172	(4)	-2.6%
Total costs	201	208	(6)	-3.1%
EBIT	329	287	+41	+14.4%
EBIT margin %	62.0%	58.0%		
NET PROFIT	236	209	+27	+13.1%

Operating KPIs	31 March 2022	31 December 2021	Changes	
Net technical provisions Poste Vita Group (€bn)	154.3	159.0	-4.7	-3.0%
<i>Solvency Ratio</i>	272%	261%		
Life business	1Q 2022	1Q 2021	Changes	
Gross premium revenue  – Life (€m)*	4,991	5,749	-757	-13.2%
<i>of which: Classes I-IV-V</i>	3,751	4,778	-1,027	-21.5%
<i>of which: Class III**</i>	1,240	971	270	+27.8%
Incidence of Multi-class premiums on total	61%	46%		
Unrealized capital gains (€bn)	5.8	16.1	-10.3	-64.0%
Lapse rate	3.8%	2.9%		
% of ESG products on investment products***	63%	29%		
P&C business	1Q 2022	1Q 2021	Changes	
Gross premium revenue - P&C (€m)****	124	98	25.5	+26.0%
Average daily premiums - modular offer (€k)*****	294	185	108.8	+58.7%
Intermediated premiums on motor (€k)	2,296	406	1,890	n.s.
Combined ratio (net reinsurance)*****	85.7%	85.4%		
<i>Loss ratio</i>	55.3%	51.9%		

n.a.: not applicable.

n.s.: not significant.

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

** Gross class III premium revenue includes the target portion of the new multi-class products, with "linked" portion definition.

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

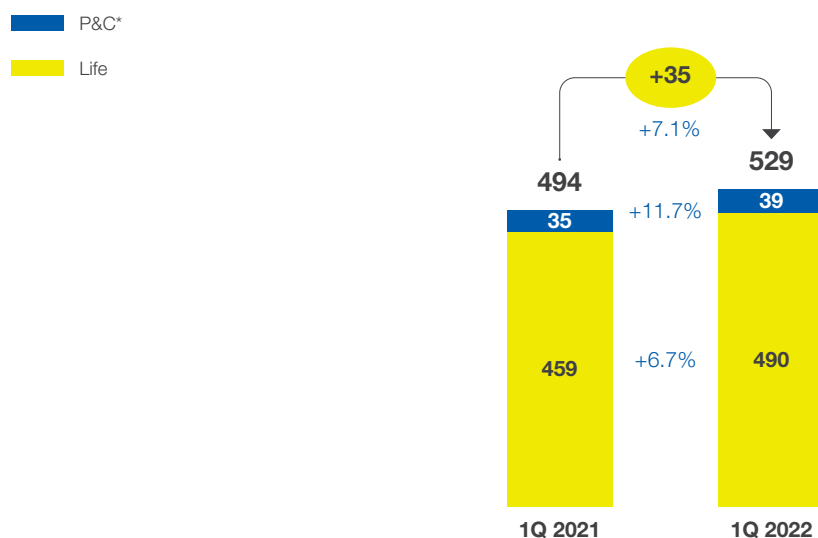
**** Includes gross premium revenue before the **premium reserve** , outward reinsurance premiums and intra-group portions.

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

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

EXTERNAL REVENUE

(€m)




* Includes Poste Insurance Broker and other revenue.

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

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

Market revenue rose from €494 million in the first quarter of 2021 to €529 million in Q1 2022 (+7.1%), essentially due to the life business, which contributed €490 million, whilst non-life business contributed a total of €39 million.

Specifically, Life net revenue increased by 6.7% (+€31 million) from the same period of 2021, mainly due to the positive contribution of the financial margin (which rose from €357 million in the first quarter of 2021 to €426 million in Q1 2022 – an increase of +€68 million); the latter benefited from the growth in average assets under management (higher total average reserves of €10.1 billion, of which €7.2 billion in Class I and €2.9 billion in Class III compared to the same period of 2021) and higher profitability thanks to the increasing returns of Separately Managed Accounts⁶⁴. Financial margin growth was only partially offset by the negative change in other technical provisions (-€20 million) and a reduction in loadings (-€18 million), against the decrease in gross inflows.

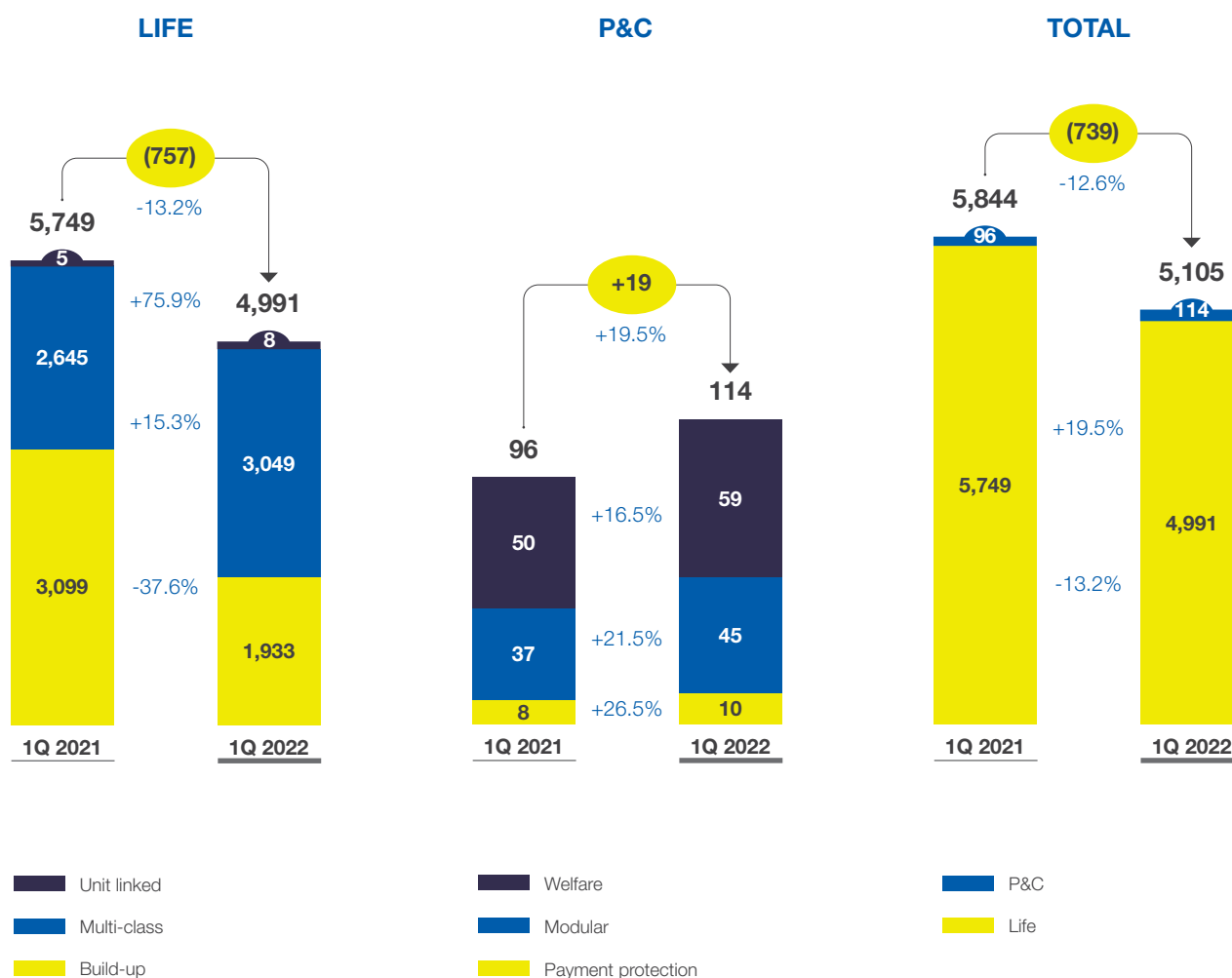
The returns gained during the first three months 2022 by Separately Managed Accounts (2.74% for the management of PostaPensione and 2.33% for PostaValorePiù) are positively influenced, for a total equal to €173 million, from the increase in rate of inflation with reference to the so-called **“Inflation Linked”**  held in the Poste Vita portfolio (for a nominal value of approximately €9.1 billion on 31 March 2022). This income, realised by the Company, have been recognised to the insured for the most part through the revaluation of the commitments to the same representatives to the value of the technical reserves.

P&C net revenue amounted to €39 million, up compared to the same period of 2021 (€+4 million, +11.7%). In particular, gross premium revenue grew by €19 million (+19.5%) compared to the first three months of 2021, while charges for claims increased by €11 million (+32.2%) related to the new modular offer guarantees and the growth of the Welfare business. The Combined Ratio, net of reinsurance, stood at 85.7%, substantially in line with the same period in 2021 (85.4%).

64. PostaValorePiù yield as at 31.03.2022 equal to 2.33% vs. 2.11% on 31.03.2021.

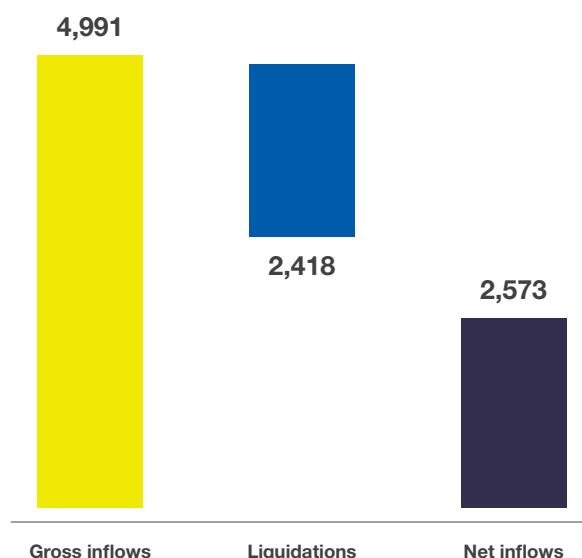
GROSS EXTERNAL PREMIUM REVENUE

(€m)

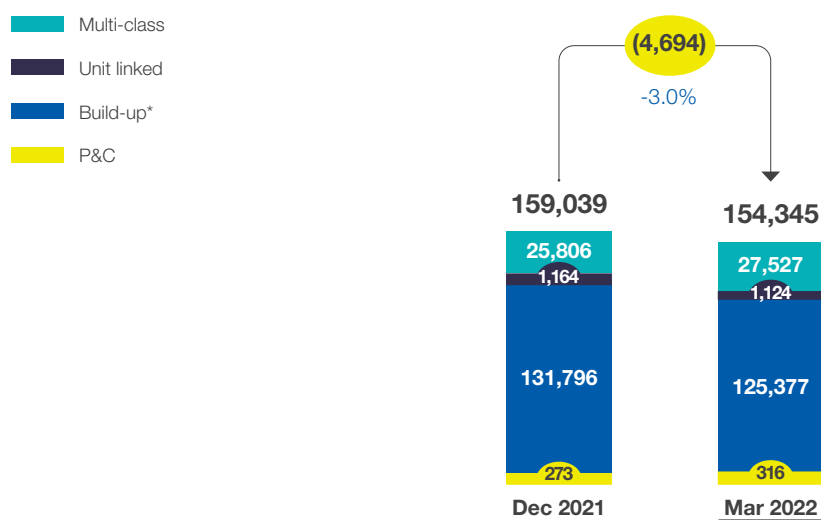


Life business gross inflows amounted to €5 billion, down 13.2% from the first three months of 2021, but with strong input from the most profitable products. In particular, there was a reduction in traditional life policy premiums, down from €3.1 billion at 31 March 2021 to €1.9 billion at 31 March 2022. This decrease was partly offset by the increase in premiums from multi-class products (from €2.6 billion at 31 March 2021 to the current €3 billion), with the proportion of total written premiums rising from 46% at the end of March 2021 to 61% today.

Gross premium revenue in the P&C business amounted to €114 million, up €19 million (+19.5%) from the same period of the previous year, due to the contribution of all segments: (i) Payment Protection policies (CPI) +€2 million (equal to +26.5%); (ii) the “modular protection” line +€8 million (equal to +21.5%); (iii) the welfare segment, whose premiums rose from €50 million at the end of March 2021 to the current €59 million, supported mainly by the new distribution agreements signed with corporate clients (Employee Benefits).

LIFE NET INFLOWS AT 31 MARCH 2022
(€m)

Life net inflows amounted to €2.6 billion (€2 billion in the first quarter of 2021), increasing mainly due to lower maturities and remained positive on all the Separately Managed⁶⁵ and Internal Fund⁶⁶ portfolios. The **redemption rate** was 3.8%, up on the same period of last year (2.9%), but still well below the market average of 6.08% at 31 December 2021⁶⁷.

NET TECHNICAL PROVISIONS
(€m)

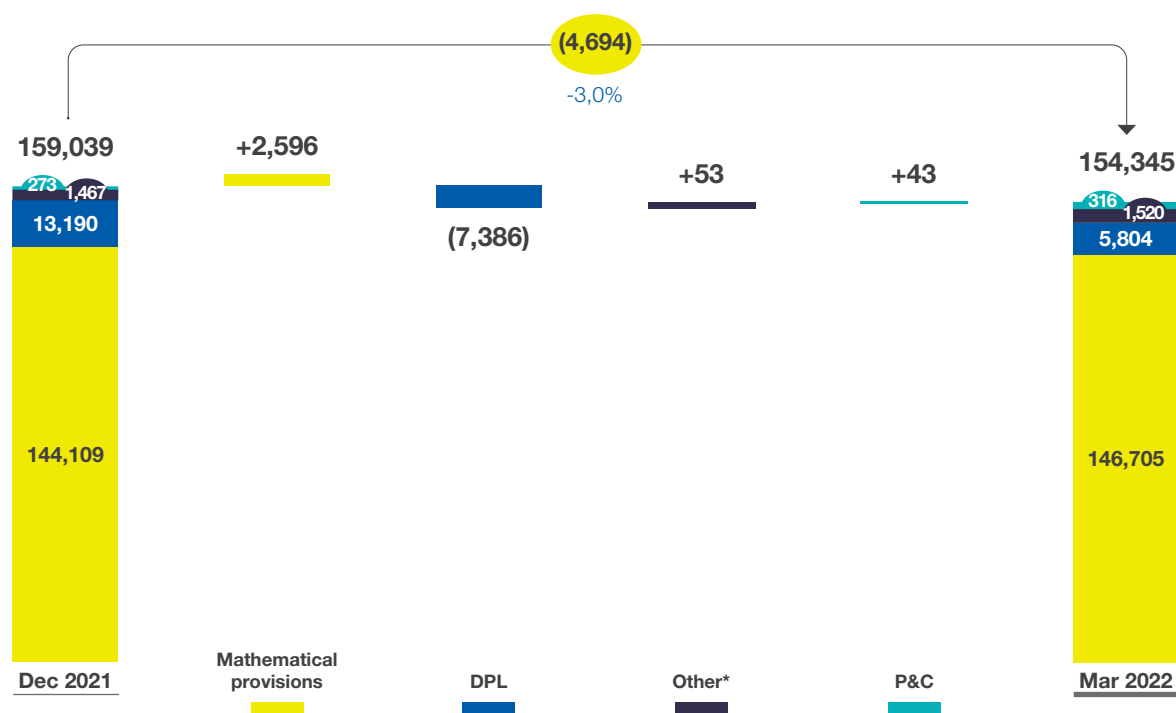
* Includes Protection and Welfare.

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

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

67. Source: Ania Trends - Life flows and provisions - Publication No. 4, February 2022 (updated 31 December 2021).

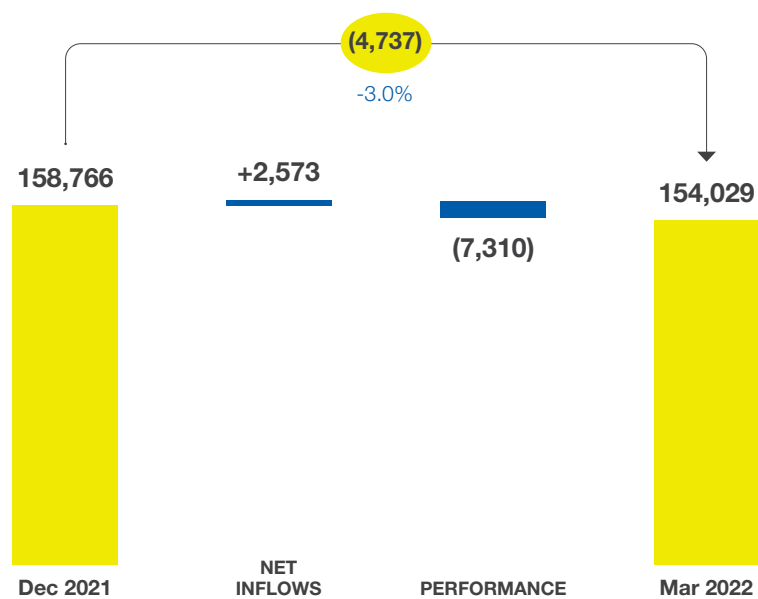
NET TECHNICAL PROVISIONS TREND (€m)

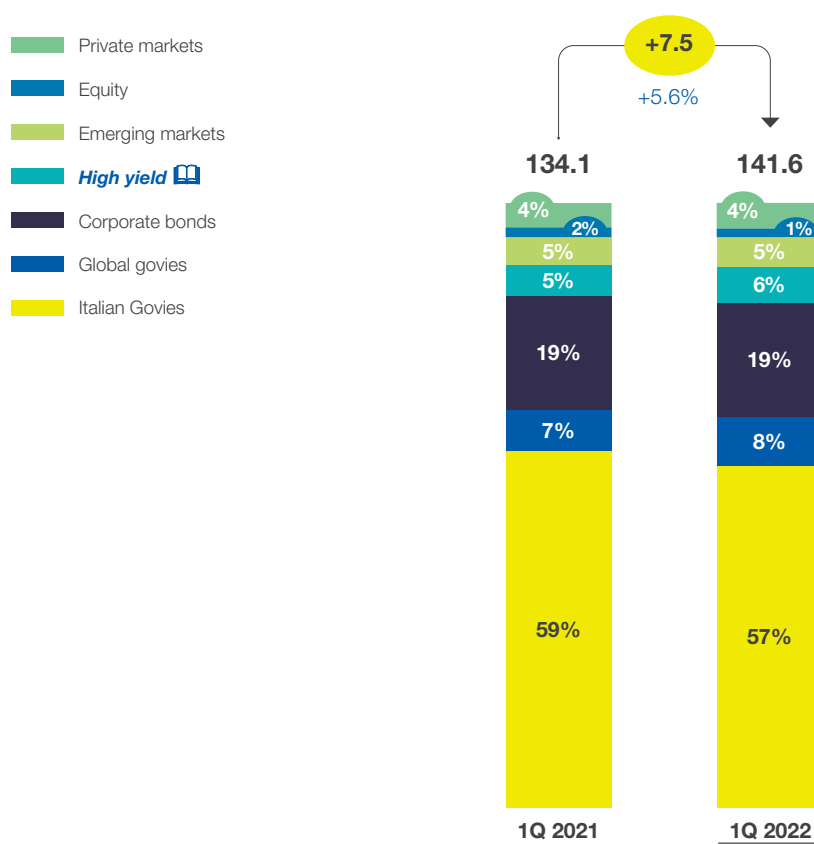


* Includes provisions for outstanding claims, as well as reinsurance and expense reserves.

Life business technical provisions amounted to €154 billion and decreased by €4.7 billion compared to 31 December 2021, mainly due to the decrease in **Deferred Policyholder Liabilities** (€7.4 billion) in the face of less favourable financial trends during the period. This change was only partially offset by increased mathematical provisions (+€2.6 billion) due to positive net inflows. Technical provisions for the Non-Life business, net of the portion ceded to **reinsurers**, amounted to €316 million at the end of the period, up from €273 million in the previous year.

CHANGES IN NET TECHNICAL PROVISIONS FOR LIFE BUSINESS (€m)



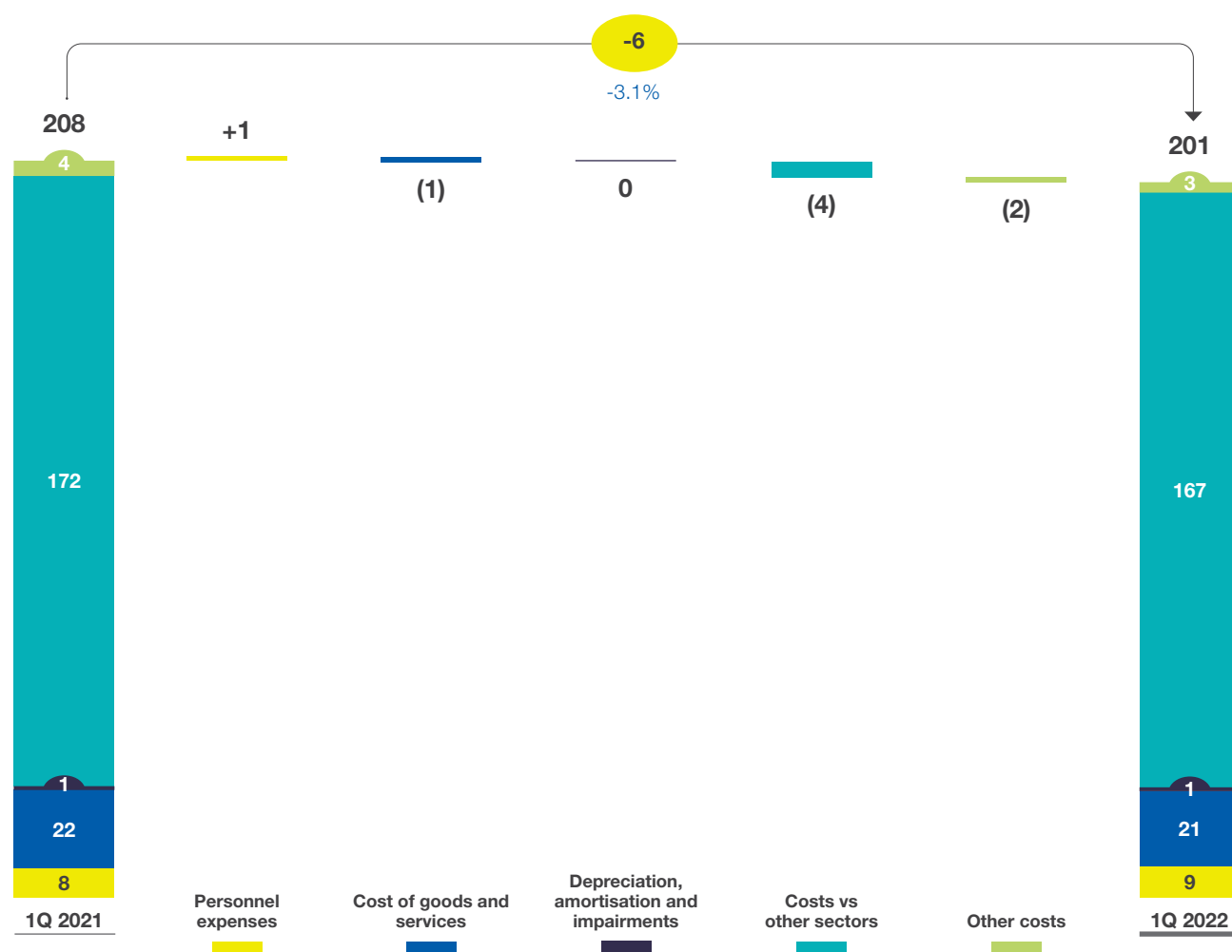
**BREAKDOWN OF THE INVESTMENT PORTFOLIO
(€bn)**

At the beginning of 2022, in line with the latest **asset allocation** approved by the Company, the process of portfolio diversification continued, with the aim of reducing the concentration of Italy risk, in favour of **asset classes** with a lower correlation to the risk associated with Italian government bonds⁶⁸ (e.g. **Investment Grade** Corporate and **High Yield** Securities).

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

68. Included within the Italy Govies asset class is the Company's financial liquidity (cash awaiting transfer to the asset class managers). In the first quarter of 2022, financial liquidity accounted for approximately 0.85% of the entire portfolio. The value of the investment portfolio on 31 March 2022 differs from the Life technical provisions represented in the previous diagram. The difference is due to the different assessment of the individual items ("cost" principle in the investment portfolio representation, IFRS ("market value") in the reserves representation), as well as a different reference perimeter; specifically, the value of the investment portfolio does not include the value of the Class D (Class III) investments and also considers the total of the free capital.

TOTAL COSTS (€m)

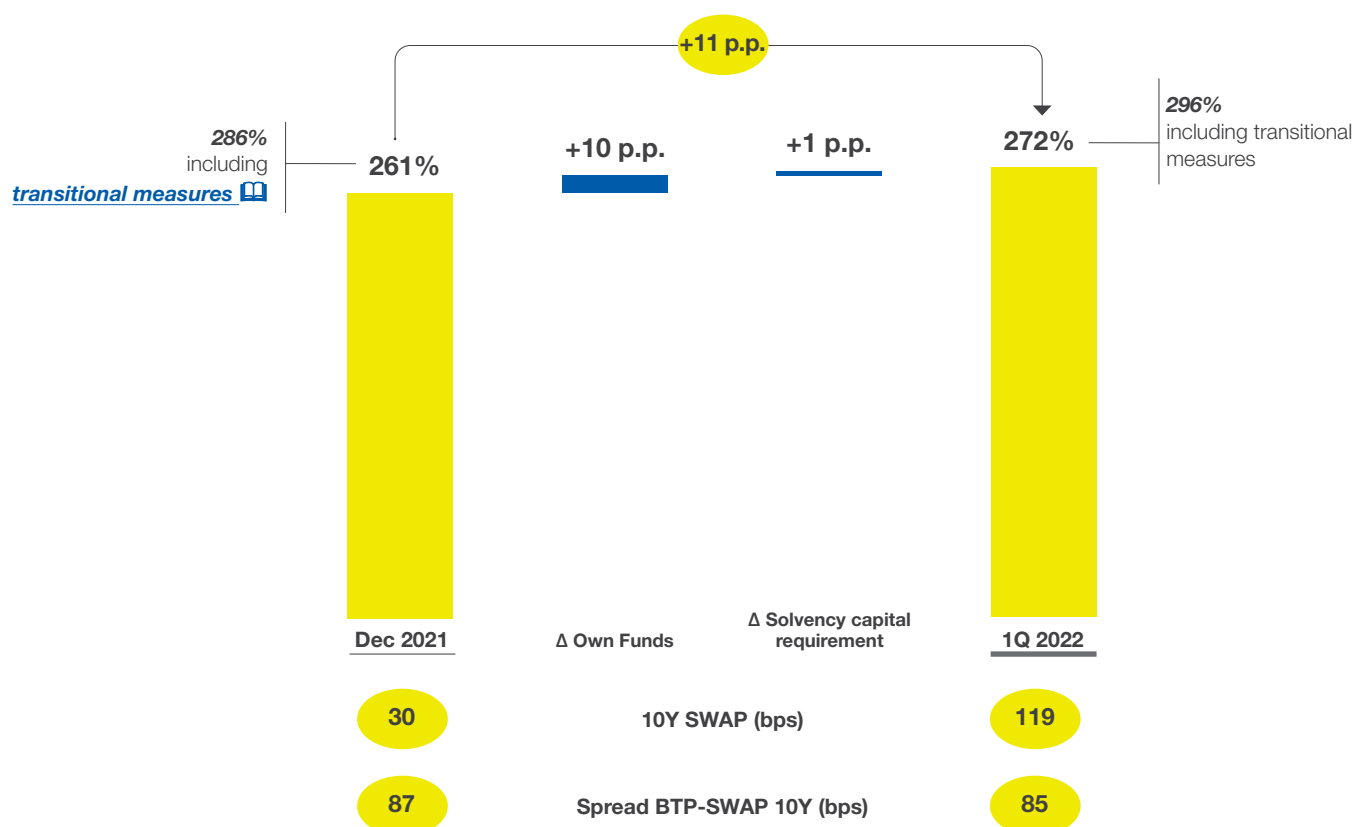


Total costs amounted to €201 million, down €6 million from 31 March 2021 mainly due to lower commissions paid to the Financial Services Strategic Business Unit for distribution and collection activities (-€23 million), as a result of reduced gross inflows, only partially offset by higher maintenance commissions (+€14 million) due to the growth in average assets under management, and increased labour costs (+€1 million) due to the growth in average FTEs and provisions for premiums.

In light of the results illustrated, the Insurance Services Strategic Business Unit generated EBIT of €329 million in the first three months of 2022, an increase of 14.4% (€+41 million) compared to the same period in 2021 (€287 million).

Taking financial management into account (positive for €11 million), as well as taxes for the period (€104 million), the Insurance Services Strategic Business Unit registered a net result €236 million at 31 March 2022, up 13.1% (€+27 million) compared to the same period of 2021.

SOLVENCY RATIO PERFORMANCE



The Poste Vita Group's **Solvency Ratio** stood at 272% on 31 March 2021, up compared to the 261% reported in December 2021 (+11%), and remains well above the regulatory requirements and management's expectations (200%).

The change in the period is due to the increase in available capital (+10 p.p.) following the positive dynamics of the interest rate trend (+89 bps 10-year swap rate) and the BTP-Swap spread (-2 bps 10-year spread) reinforced by a slight reduction of the capital requirement.

The reduction in the capital requirement (+1 p.p.) is due to lower market and operational risks and higher underwriting and counterparty risks; an increase in diversification between risks was also observed⁶⁹.

The inclusion of the **transitional measures** on technical provisions approved in 2019 has resulted in an increase in eligible own funds bringing the Solvency Ratio to 296% at 31 March 2022 (286% at 31 December 2021).

On 26 July 2021, the Parent Company recapitalised Poste Vita by subscribing to a subordinated, non-convertible capital instrument with a perpetual duration and a 10-year non-call period, amounting to €300 million, on terms and conditions that enable it to be included in the core capital ("Restricted Tier 1" or "RT1"), in order to strengthen the Solvency Ratio. This strengthening of capital, in line with the "24SI Plus" Plan, is designed to support the future development of the PosteVita Group's business by taking advantage of the current favourable market conditions.

Furthermore, considering the potential risk related to the trend of a few key economic factors (BTP spread and/or interest rates) that could influence the Solvency Ratio of the Poste Vita Group, the Company cautiously introduced an additional "recovery option" which can be activated in the event of a crisis, which calls for an increase in the share capital through the issue of new stocks to be undersigned by the sole shareholder, Poste Italiane.

69. The standard formula provides for a diversification among the risks considered in the capital requirement (SCR) that allows for a reduction in the requirement.

< Payments and Mobile Strategic Business Unit

The SBU's performance for the year was solid and up on the results of the first quarter of 2021, with positive contributions from all segments (monetics, collections and payments and telecommunications).

PAYMENTS AND MOBILE (€m)	1Q 2022	1Q 2021	Changes	
External revenue	231	192	+39	+20.2%
Revenue from other sectors	67	83	(16)	-19.7%
Total revenue	298	276	+23	+8.2%
Costs	109	108	+1	+0.7%
Costs vs other sectors	112	98	+14	+13.8%
Total costs	221	206	+14	+6.9%
EBIT	78	70	+8	+11.9%
EBIT margin %	26.1%	25.2%		
NET PROFIT	55	48	+7	+14.7%

Operating KPIs	1Q 2022	1Q 2021	Changes	
Monetics				
Total value of card transactions ("on us" and "off us") (€m)*	15,540	13,094	+2,446	+18.7%
Total value of card transactions ("off us") (€m)**	12,488	10,493	+1,995	+19.0%
Number of cards (in millions) ^(†) ***	28.4	28.6	(0.2)	-0.6%
of which Postepay cards (m) ^(*)	20.9	21.1	(0.2)	-0.9%
of which Postepay Evolution cards (in millions) ^(†) ****	8.6	8.4	+0.2	+2.2%
of which Postepay Green (in thousands) ^(*)	37.0	30.1	+6.8	n.s.
of which Postepay Connect (thousands) ^(*)	439.6	418.1	+21.5	5.1%
Number of card transactions (m)	519	452	+67	14.9%
of which number of e-commerce transactions (m) ^(†) *****	140	123	+17	13.7%
Instances of payments slips accepted on alternative channels ^(**) (%)	40.0%	38.9%		
Instances of Postepay top-ups made on alternative channels ^(**) (%)	83.3%	79.8%		
TLC				
SIM PosteMobile landlines and mobile telephones (stock in thousands) ^(*)	4,876	4,725	+151	3.2%
of which mobile Sim (stock in thousands) ^(*)	4,563	4,427	+136	3.1%
of which Casa Sim (stock in thousands) ^(*)	313	298	+15	4.9%
MNP (Mobile Number Portability) - acquisitions (in thousands)	155.9	169.9	(14.0)	-8.2%
DATA usage (GB per active SIM per month)	7.4	7.5	(0.0)	-0.5%
VOICE usage (min per active SIM per month)	439.1	460.0	(20.9)	-4.5%
Fibre contracts (activations in thousands) ^{*****}	46.4	0.1	+46.3	+59%

n.a.: not applicable.

n.s.: not significant.

(*) The figure indicated in column 1Q 2021 refers to 31 December 2021.

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

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

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

*** Includes Postepay cards and debit cards.

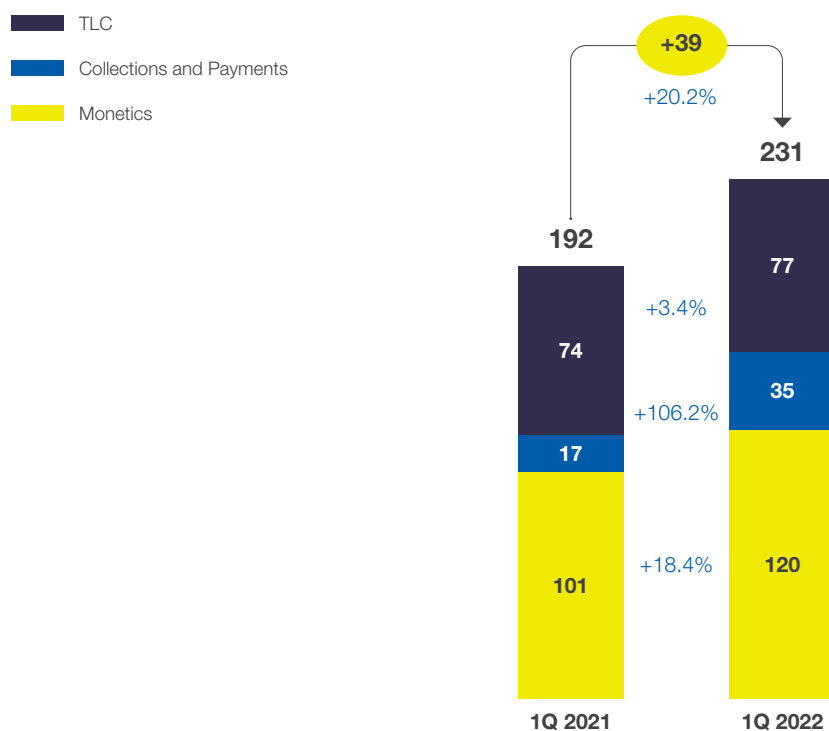
**** Includes business customers and Postepay Connect cards.

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

***** Customer base Fibre.

EXTERNAL REVENUE

(€m)



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

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

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

Market revenue in the first quarter of 2022 amounted to €231 million, an increase of €39 million compared to the same period of 2021 (+20.2%), due to the positive contribution of all segments.

In detail, revenue from the Monetics market show growth of €19 million (+18.4%), increasing from €101 million in the first quarter of 2021 to €120 million in the first quarter of 2022, due to higher revenue generated by payment card operations and acquiring services.

Revenue from the collection and payment services market was equal to €35 million, an increase of €18 million compared to the same period of 2021 (+106.2%), mostly attributable to higher revenue from PagoPa payment services to the Public Administration and instant payments from Postepay Evolution.

In the telecommunications segment, market revenue amounted to €77 million, up from €74 million in March 2021 (+€3 million, +3.4%). The positive result is down to the increase in fixed telephony revenue driven by revenue from the fibre optic connectivity service.

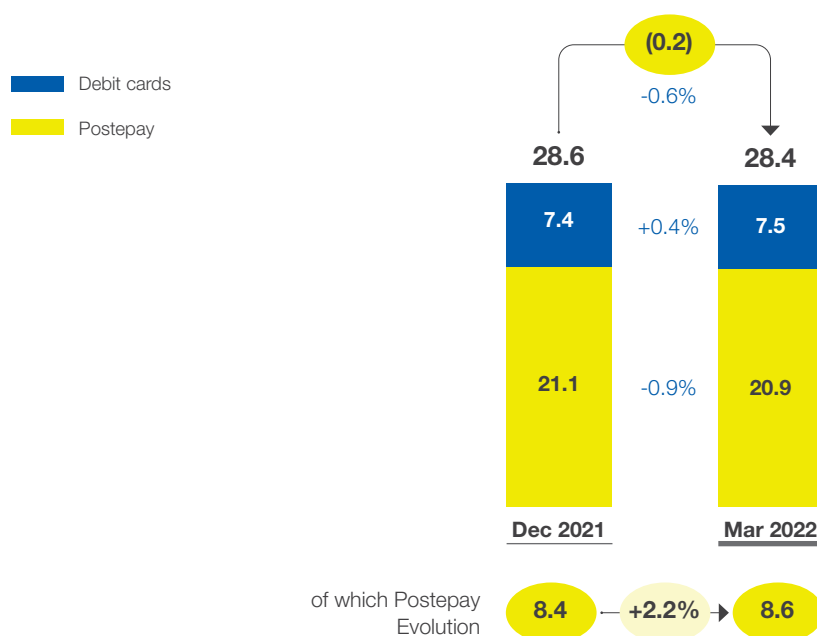
During the first quarter of 2022, payment card transactions stood at 519 million, an increase of 14.9% (67 million transactions) compared to March 2021, thanks in part to the strong push from e-commerce and web transactions⁷⁰ (+13.7%).

In the Acquiring area, against a number of POS installed as at 31 March 2022 of approximately 260 thousand (+66%) compared to March 2021 with an increase of approximately 103 thousand POS installed, total transactions of approximately €6.1 billion were developed (+15% of transactions compared to the same period in 2021 with an increase of €0.8 billion).

**YoY e-commerce
transaction growth**

+13.7%

CARDS STOCK (€m)



On 31 March 2022, the total stock of prepaid and debit cards amounted to 28.4 million, with total transactions⁷¹ of €15.5 billion, up by approximately €2.5 billion (+18.7%) compared to 31 December 2021.

Postepay cards as at 31 March 2022 amounted to 20.9 million (-0.9% compared to December 2021) and of these, Postepay Evolution, at 8.6 million, showed an increase of 2.2% compared to the stock as at 31 December 2021. Sales of Postepay Connect⁷², cards continued during the period, with around 56,000 activations and a stock of 0.44 million cards at the end of the first quarter of 2022, up 5.1% compared to 31 December 2021.

**the card stock
at 31 March 2022**

**28.4
million**

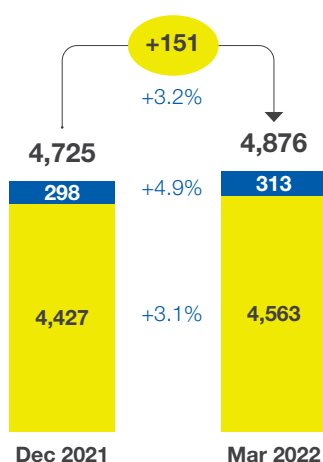
70. Includes e-commerce transactions and web (on Poste Italiane's digital properties).

71. The figure refers to "on us" and "off us" transactions.

72. Postepay Connect is the innovative offer that combines the Postepay Evolution prepaid card and the PosteMobile SIM in a single app.

SIM STOCK
(€k)

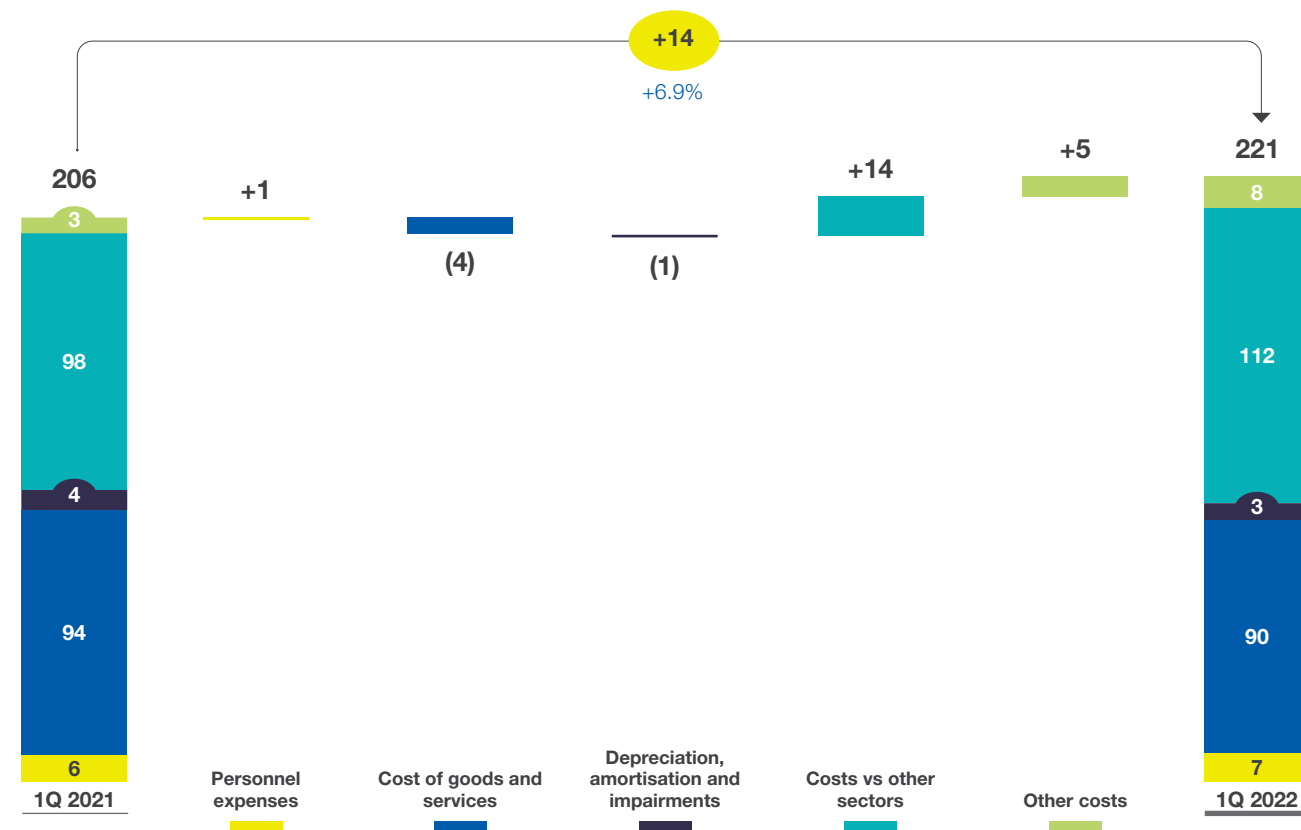
Fixed SIM
Mobile SIM



In the telecommunications sector, the customer base for mobile phone services was approximately 4.6 million lines at 31 March 2022, up 3.1% from December 2021. With reference to Fixed Telephony services, the “PosteMobile Casa” offer and the new optical fibre “PosteCasa Ultraveloce” offer show a 4.9% overall increase in lines, rising from 298 thousand at 31 December 2021 to 313 thousand at 31 March 2022. The increase was driven by fibre lines, which reached 46 thousand in March 2022, roughly a year after the launch of the service.

Data usage (GB per active SIM per month) was broadly in line with the first quarter of 2021, while Voice usage (minutes per active SIM per month) was 4.5% down from March last year.

During the first quarter of 2022, data traffic volumes reached 56.2 thousand Terabytes (up 9% compared to the same period in 2021) and voice volumes stood at around 3.4 billion minutes, up 5% compared to 2021.

TOTAL COSTS
(€m)

Total costs, including amortisation and depreciation, amounted to €221 million, up 6.9% (+€14 million) from €206 million in March 2021.

Costs of goods and services decreased by €4 million compared to March 2021 (-4.7%) due mainly to lower telephone traffic costs and lower telecommunications advertising costs, only partially offset by higher variable costs in payment card operations.

Increased costs in other segments, compared to the same period of 2021, is due mainly to the Parent Company's higher out-sourcing costs, particularly concerning distribution activities.

In light of the results described, the Strategic Business Unit reported EBIT of €78 million at 31 March 2022, an increase of 11.9% compared to the same period of the previous year.


The operating result, net of Energy business start-up costs, was €80 million, up 14% compared to the first quarter of 2021.



Net profit for the period amounted to €55 million, an increase of 14.7% compared to the same quarter in 2021.

< Omni-channel service, digital transformation and main KPIs

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

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

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

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

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

VACCINE PLATFORM TO SUPPORT THE HEALTH EMERGENCY

Starting from January 2021, Poste Italiane has provided the Regions of Italy with a **Computer Platform** that implements a specific set of functions needed to support the Logistics and Traceability, Request Reservation and Vaccine Administration Management processes at Vaccine Centres.

To date, eight Regions are licensed (Abruzzo, Basilicata, Calabria, Lombardy, The Marches, Sardinia, Sicily, and Val D'Aosta) as well as the management of the vaccine process for the Defence, for a total at 31 March 2022 of 40.14 million bookings, of which around 5 million were made in the first quarter of 2022.

vaccine bookings made through the Poste Italiane IT platform

>40 million

Digital Properties

The Group has implemented a programme of “digital transformation” of all its service and offer models in order to guarantee its customers full digital contact experiences. This programme was significantly accelerated in 2021, in view of the effects of the ongoing health emergency, in order to give customers broad accessibility to the Group's products in conditions of absolute security.

DIGITAL MARKET

With reference to the *Digital Market*⁷³, in Italy more than 51 million people are accessing it *online* and 43 million are present and active on *social channels* (an increase of almost 5.4% compared to 2020). 97% of Italians use a *smartphone* and 75% a *desktop or laptop computer*, while the growth of *smartwatches* (+13.3%) and *smart home devices* (+23.4% compared 2020) continues. As for *e-commerce*, 6.9% more money was spent in 2021 in Italy than in 2020 in the *consumer goods world*.

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

Key KPIs Digital and Third-Party Networks (B2B2C)	1Q 2022	1Q 2021	Changes	
KPIs Digital + B2B2C				
Digital+contact center+B2B2C interactions/Total daily interactions ^(*)	69.4%	64.8%		
Digital transactions + B2B2C/Total transactions	35%	32%		
KPIs Digital				
Customers registered on Poste Italiane's digital channels (websites and apps) (m) ^(*)	34.8	33.8	+1.0	3.0%
Daily users (website and apps) (m)*	5.6	3.9	+1.7	44.3%
Number of digital - consumer transactions (m)	35.0	28.7	+6.3	22.0%
App downloads (m) ^(*)	74.6	70.3	+4.3	6.1%
Poste Italiane Digital e-Wallets (m) ^(*)	9.5	9.1	+0.4	4.0%
Active digital identities (m) ^(*)	22.4	21.2	+1.2	5.7%
Private active digital identities (m) ^(*)	13.2	11.8	+1.3	11.3%
Digitally enabled customers (%)**	68.9%	60.6%		
Customers who use Poste services digitally (%)***	19.4%	16.2%		
PO ticket booking through App (m)	6.0	6.0	(0.0)	n/s
KPIs Third-Party Networks (B2B2C)				
Payslip volumes (m)	13.9	18.6	(4.7)	-25.4%
Postepay top-ups (m)	12.5	14.3	(1.8)	-12.7%
PosteMobile top-ups (m)	2.7	2.7	(0.0)	n/s
Parcels delivered (m)	2.1	0.8	+1.3	155.8%

^(*) The figure indicated in 1Q 2021 refers to 31 December 2021.

n.s.: not significant.


n.a.: not available.

^{*} Average daily values during reference period.

^{**} Customers who have access credentials to digital channels.

^{***} Customers who have made a payment on digital channels using Poste's payment instruments.

Traffic growth in visits and visitors of digital channels continues in 2022, rising from 6.1 million average daily visits in March 2021 to 9.0 million average daily visits in 2022. In particular, web traffic increased from an average of approximately 1.22 million visitors in the first quarter of 2021 to 1.33 million visitors in the same period of 2022; apps also increased, going from 2.68 million the first quarter of 2021 to 4.29 million daily visitors in Q1 2022.

The average number of monthly transactions carried out on digital channels was approximately 11.7 million (+22% compared to first quarter 2021) with a monthly transaction value of approximately €3.04 million (+27% compared to first quarter 2021). At 31 March 2022, there are more than 13 million active **Private Digital Identities**  (Poste Italiane accounts). The Private Digital Identity is intended to provide functional and secure access to all digital properties (data, internet accounts and other rights in the digital world) of the Group.

Poste Italiane is confirmed as the first SPID Digital Identity Manager. In the first quarter of 2022, Poste Italiane retained a market share of over 80%, with a customer base of around 23.59 million public Digital Identities issued as at 31 March 2022, of which 22.37 million were active, against over 1.24 million new activations in the period. In order to continue to ensure the highest quality of the Service and to propose new “digital citizenship” tools to users, also enhancing the favoured partnership with Institutions and supporting the evolution of the Public Digital Identity System (SPID), Poste Italiane is committed to the implementation of the SPID digital identity solution for minor-age citizens and to the launch of SPID digital identity solutions for professionals and businesses, giving access to online services via special paid offers.

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

**daily average visits
to the Group's digital
channels**


**9
million**

**the digital identities
issued with more than
80% market share**

**>23
million**

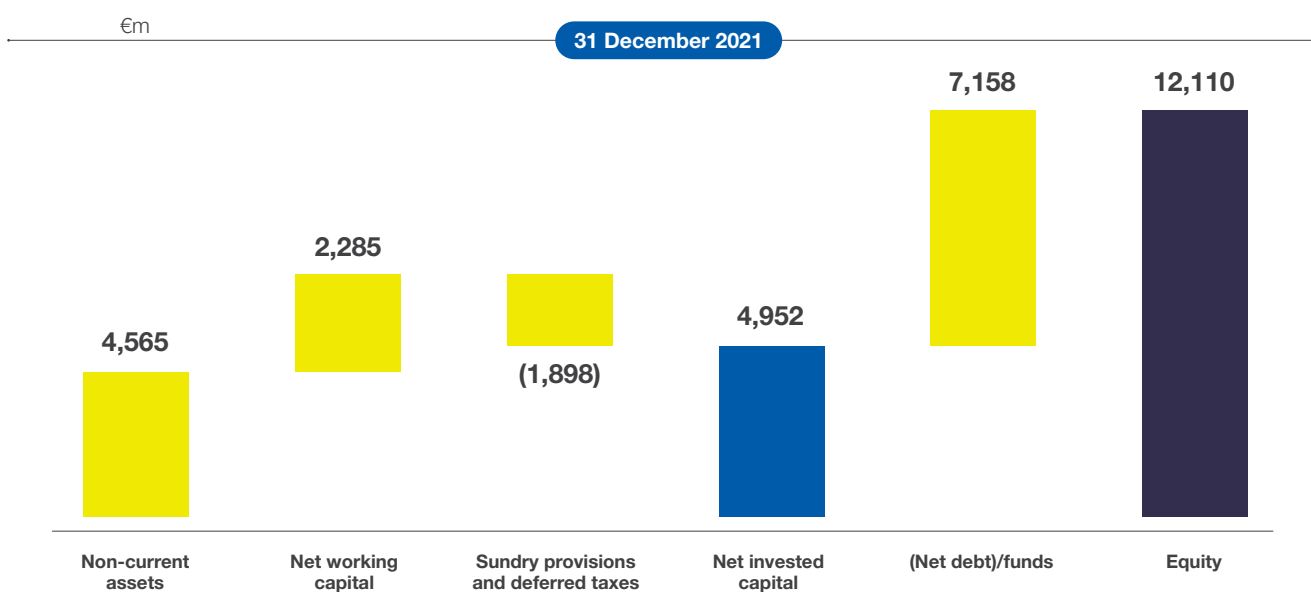
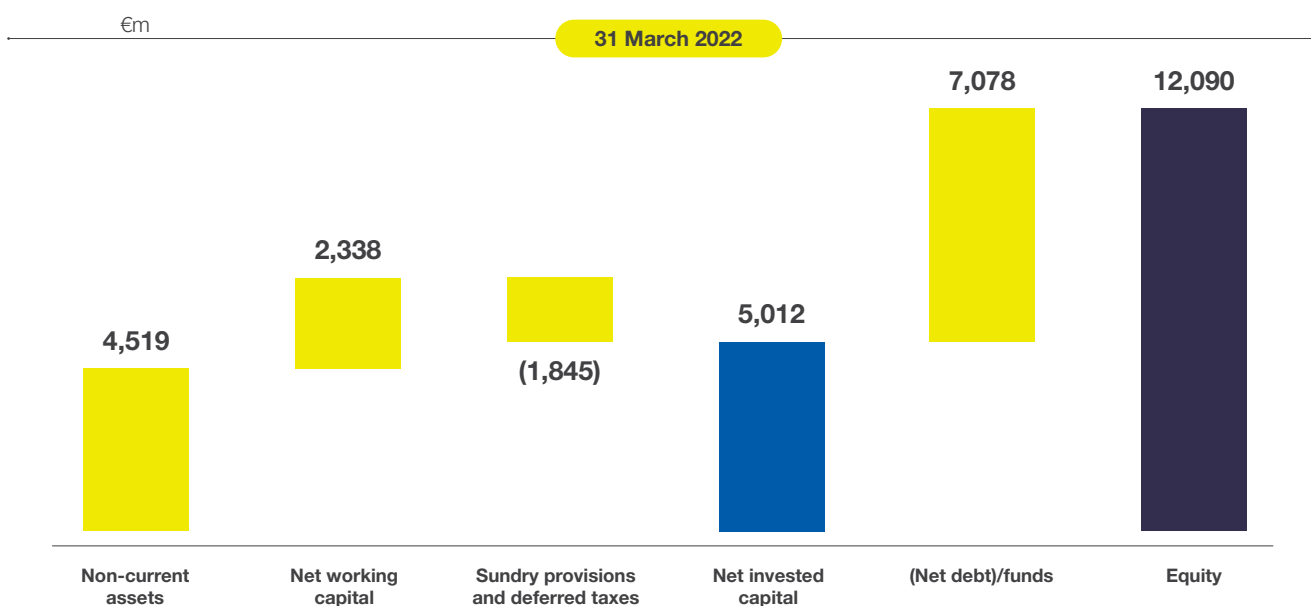
STRENGTHENING OF DIGITAL CHANNELS

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

- in March 2022, the **Google Pay** service (already present in the PostePay app) was extended in the BancoPosta app. With this service, users can **make payments** from Android smartphones, charged to BancoPosta debit cards and Postepay prepaid cards;
- the **Internet Banking**  area has introduced a simplified process for **payment of F24 forms** by automatically filling in the data in the PDF document. There is also now the option of viewing **bill payment receipts** from the app and from poste.it directly on the noticeboard or shared by e-mail;
- as part of the **evolution of the fibre offer**, activated in 2021, there are now **new services useable through the app** (e.g. definition of payment and bill receipt methods). A facility for subscribing to the offer is now available in the BancoPosta app as well as in the Postepay app;
- in March 2022, the **"Evoluzione Libretto Minori"** project received an omni-channel launch, introducing the **digital (dematerialised)** opening of passbooks in the name of minors and, through the same channel, the management of related operations (e.g. information and device services, such as the option of activating vouchers for minors by withdrawing funds from the passbook or associating the applicant's bank IBAN with the passbook to allow funds to be paid in);
- work continued on **upgrading the technological infrastructure** of the **PosteBusiness** app aimed at integrating the entire range of financial services and Value Added Services (VAS) for **business customers** managed via a **single channel** (One App Business);
- in order to improve the customer experience, from the first quarter of 2022 Poste Italiane will be able to **identify users** who book an **appointment ticket** at the Post Office through the various digital channels; this will enable the setup of **personalised offers** based on customer profiling;
- with a view to **simplifying** the online **sales** experience during the period, Strong Customer Authentication (SCA) was introduced, eliminating the need for all customers to re-load an ID document to complete the Libretto Smart purchase request from the app.

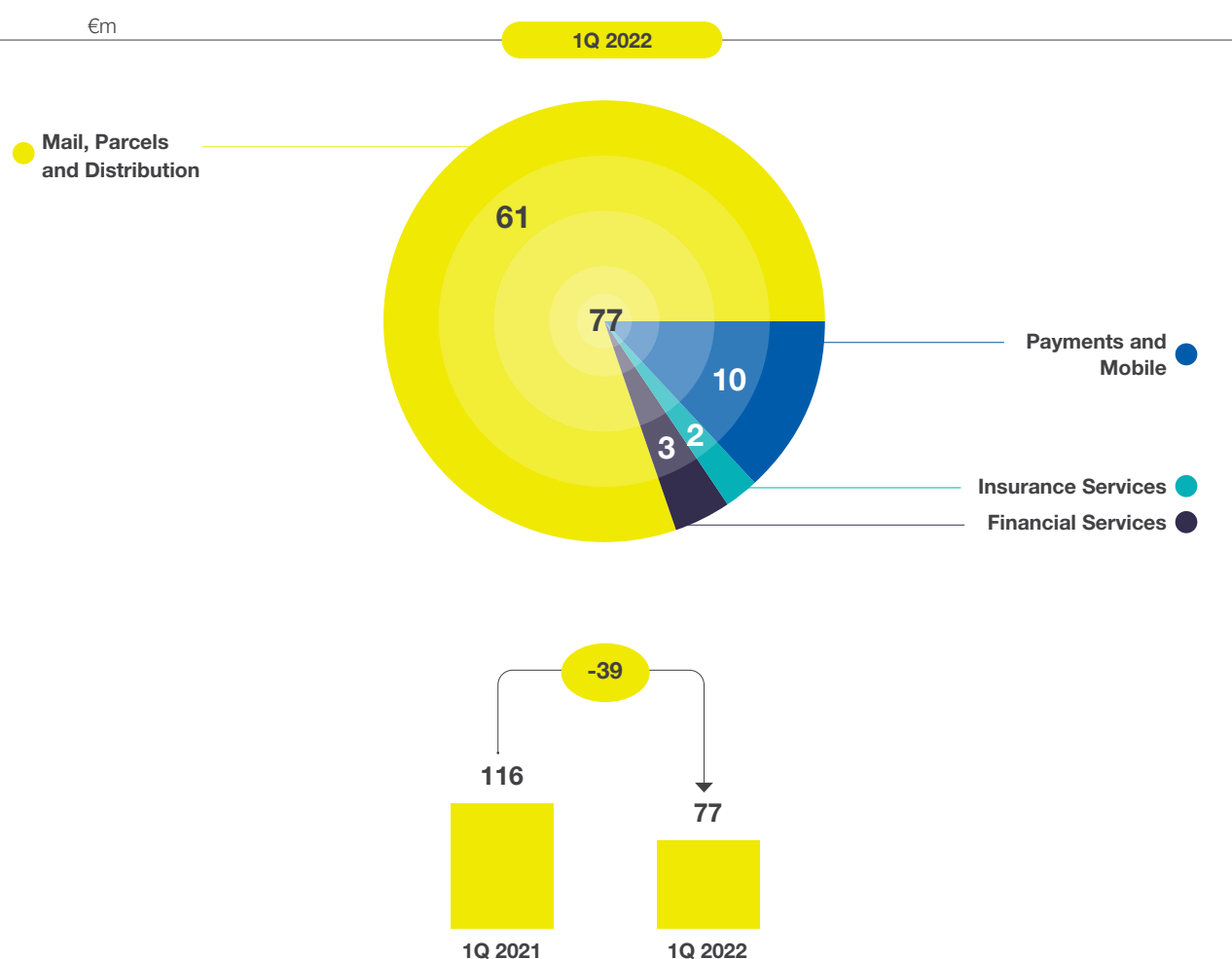
< Group financial position and cash flow

(€m)	31 March 2022	31 December 2021	Changes	
NON-CURRENT ASSETS	4,519	4,565	(46)	-1%
NET WORKING CAPITAL	2,338	2,285	+53	+2%
GROSS INVESTED CAPITAL	6,857	6,850	+7	+0%
SUNDRY PROVISIONS AND OTHER ASSETS/LIABILITIES	(1,845)	(1,898)	+53	+3%
NET INVESTED CAPITAL	5,012	4,952	+60	+1%
EQUITY	12,090	12,110	(20)	-0%
NET DEBT/(FUNDS)	(7,078)	(7,158)	+80	+1%
Net debt/(funds) of the Mail, Parcels and Distribution SBU	1,228	1,284	(56)	-4%



The Poste Italiane Group's **non-current assets** at 31 March 2022 amount to €4,519 million, an decrease of €46 million compared with the end of 2021. Non-current assets absorbed €77 million and a €69 million increase in rights of use for the stipulation of new contracts, renewals and contractual changes within the scope of IFRS 16. This change was more than offset by depreciation and amortisation of €195 million. This item also includes investments accounted for using the equity method totalling €286 million, relating mainly to investments in Anima Holding, Financit and Replica SIM.

Group **investments** in the first quarter of 2022 amounted to €77 million. Investments classified as ESG, i.e. complying with the reference principles of the Group's 8 Pillars of Sustainability, represent approximately 70% of the total value. The main projects include energy efficiency measures for real estate, the introduction of three-wheeled vehicles for deliveries, improving the customer experience of products and services offered to customers from a omni-channel and digital perspective, and the adoption of management systems, equipment and infrastructure for health and safety.



In line with the investment programme for the period 2021-2024, designed to support the objectives of the “24SI Plus” Strategic Plan, around 80% of the Group’s investments (€61 million) focused on the automation and modernisation of the **Mail, Parcels and Distribution Strategic Business Unit**.

In particular, in the first quarter of 2022, the renewal of the delivery fleet progressed with the introduction of about 6,500 new vehicles, of which about 430 were electric, 3,000 were hybrid and the remainder were low-emission. A further 670 electric vehicle charging plants have also been installed. As of 31 March 2022, more than 2,400 electric columns have been put in place.

Property investments concerned remodelling of Post Offices and the creation of new spaces for commercial specialists and mobile consultants. With regard to the containment of environmental impact, work continued on replacing traditional lamps with LED technology (over 11,000 in the first three months of 2022), automation and remote control of plant management (270 buildings involved in the first three months of 2022) in order to reduce electricity consumption and CO₂ emissions.

In the **Financial Services Strategic Business Unit**, total investments amounted to €3 million and involved the expansion of the range of the Postal Savings, Life and Funds product range with a omni-channel approach. 

In the **Insurance Services Strategic Business Unit**, design activities continued in the first quarter of 2022 to support industrial development and the continuous functional/infrastructural improvement of the most important business support systems, as well as the upgrading of systems for regulatory compliance. Total investments in the three-month period amounted to €3 million.

Investments for the period in the **Payments and Mobile Strategic Business Unit** amounted to €10 million. Development work continued on the fixed and mobile network offer to make it more competitive on the market; similarly, investments were made in IT systems to support the launch of the electricity and gas offer on the domestic market.

For further details on initiatives aimed at accelerating digitalisation processes, see the section on “Strengthening of digital channels”. 

Net working capital at 31 March 2022 amounted to €2,338 million and increased by €53 million compared to the end of 2021. The following mainly contributed to this change:

- an increase in Trade receivables of €72 million and a decrease in Trade payables of €200 million;
- a decrease in Other receivables and assets of €257 million and a decrease in Other liabilities of €166 million, making an overall net decrease in these items of €91 million, due principally to a net decrease in tax items mainly from operations of the Strategic Business Units Insurance Services and Financial Services of approximately €290 million and a decrease in payables to employees and social security agencies of approximately €207 million (mainly due to the disbursement of payables for “fourteenth month” bonuses and redundancy incentives);
- net current tax assets with a decrease of €124 million, mainly due to recognition of taxes for the period.

The balance of **Sundry provisions and Other assets/liabilities** at 31 March 2022 amounted to €1,845 million and decreased by €53 million from 31 December 2021 mainly due to the decrease in the provision for employee termination indemnities of €47 million and higher net deferred tax assets of €56 million, partially offset by the increase in provisions for risks and charges of €50 million (mainly due to provisions for bonuses and commercial incentives, net of the utilisation of the provision for early retirement incentives).

Shareholders’ equity at 31 March 2022 amounted to €12,090 million, substantially in line with the €12,110 million of 31 December 2021. In particular, the positive effect of the profit for the period of €495 million was entirely offset by the decrease in the fair value reserve (the combined effect of the negative change in fair value and sales during the period of financial instruments classified as FVTOCI) and by the decrease in the cash flow reserve.

~16,500

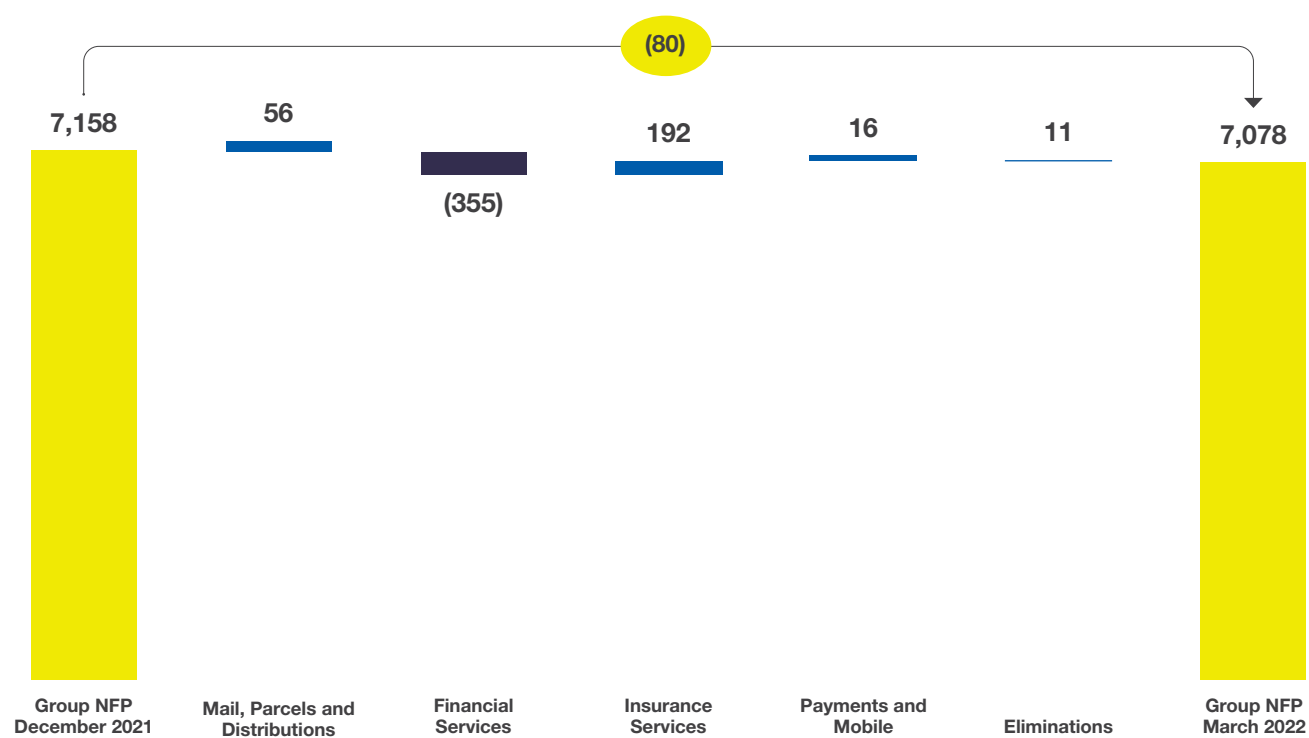
low-emissions vehicles
available in the fleet, of which
approximately 2,200 are **electric**

~391
thousand

LED lamps installed
at 31 March 2022

>900

**buildings involved in the
Smart Building project**
at 31 March 2022

Group Net (Debt)/Funds
(€m)

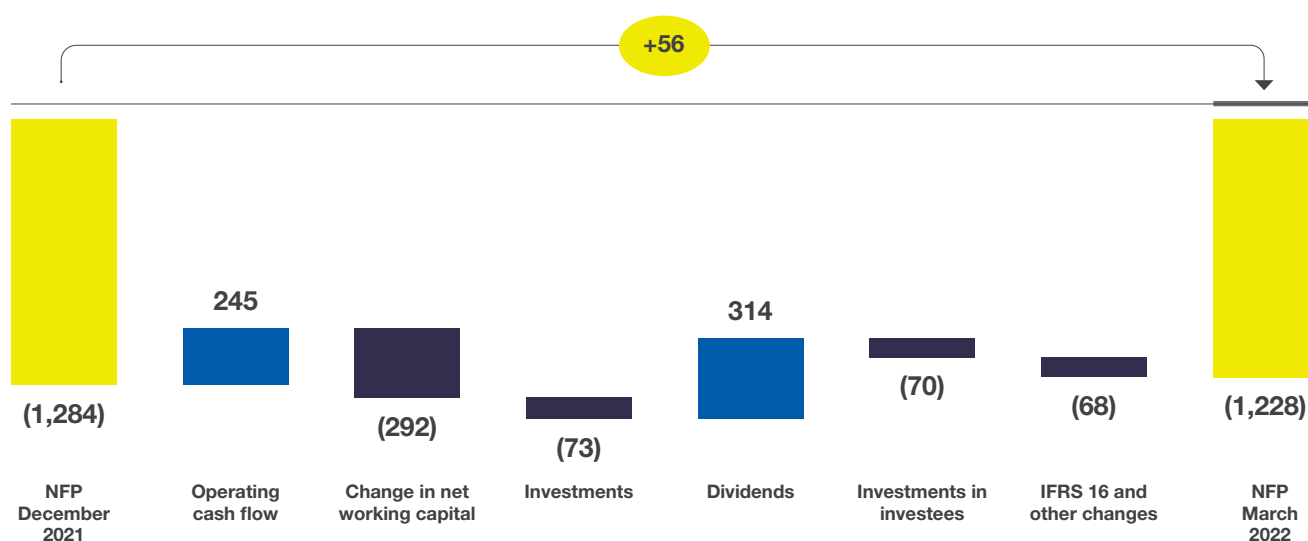
The total **Net Financial Position** at 31 March 2022 shows a surplus of €7,078 million, down €80 million with respect to the amounts at 31 December 2021 (surplus of €7,158 million). The following mainly contributed to this change:

- a positive operating result of €713 million (of which €495 million attributable to the profit for the period);
- negative valuation effects of €664 million for the period (as a result of the combined effect of negative oscillations in value and sales made during the period of investments classified as FVTOCI, held mainly by the Financial Services Strategic Business Unit);
- the positive effect of the change in working capital and taxes amounting to approximately €18 million;
- investments for €77 million;
- the negative effects arising from an increase in financial liabilities for leases of €71 million falling within the scope of IFRS 16.

With regard to financial instruments held by the Financial Services Strategic Business Unit, the overall fair value fluctuation during the year was negative by approximately €4.2 billion and was recognised in a specific equity reserve for negative €0.1 billion for the portion not hedged by fair value hedges, and through profit or loss for negative €4.1 billion for the portion hedged, offset by the positive fair value change of fair value hedging derivatives.

At 31 March 2022, the total balance of derivatives in fair value hedge was negative for €0.2 billion (€4.4 billion at 31 December 2021). Within these hedging transactions, the positive change in derivative instruments lead to the Parent Company recording an overall net change in Guarantee Deposits of approximately €4 billion, recognised under assets as a reduction in Financial instruments at amortised cost of €3.2 billion and under liabilities as an increase in Other financial liabilities of €0.8 billion.

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



Total (net debt)/funds of the Mail, Parcels and Distribution Strategic Business Unit at 31 March 2022 showed a debt of €1,228 million, with an improvement of €56 million compared to 31 December 2021 (when there was a net debt of €1,284 million). Net of the financial lease liabilities provided for by IFRS 16 for €1,170 million, (net debt)/funds showed debt of €58 million (at 31 December 2021, it showed debt of €121 million).

The movement reflects:

- a positive operating result of €245 million comprising the positive result for the period of €31 million, depreciation and amortisation of €190 million and the positive change in provisions for risks of €49 million (mainly due to provisions for commercial bonuses and incentives, net of the utilisation of the provision for early retirement incentives), partially offset by the net negative effect of the provision for employee termination indemnities and other minor changes totalling €25 million;
- a negative effect related to the change in net working capital of €292 million, due mainly to:
 - a decrease in net trade payables and receivables of approximately €192 million, mainly due to the payment of payables to suppliers of over €190 million, lower receivables for parcel deliveries of over €110 million and lower net payables to other segments of approximately €70 million;
 - a net decrease in other liabilities and other receivables of €181 million due to lower payables to employees and social security agencies for a total of €209 million (mainly due to the disbursement of payables for “fourteenth month” bonuses and early retirement incentives), higher tax payables for approximately €40 million, higher tax receivables from other operating sectors for more than €60 million and other minor items;
 - the positive contribution of the change in taxes of approximately €92 million;
- new investments for €73 million;
- a positive cash flow from dividends of €314 million;
- the negative cash flow arising from Poste Italiane’s acquisition of the investment in Poste Welfare Servizi, previously held by Poste Vita, for €70 million;
- other decreases in indebtedness totalling €68 million, mainly due to the increase in financial liabilities for leases falling within the scope of IFRS 16.

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

- use of uncommitted credit line for short-term loans for a total of €475 million;
- an EIB loan of €173 million maturing in March 2026;
- an EIB loan of €400 million maturing in October 2026;
- an EIB loan of €150 million, disbursed in May 2021 and maturing in May 2028;
- private placement of about €50 million maturing in October 2023;
- two senior unsecured bonds issued on 10 December 2020 with a total nominal value of €1 billion, the first of €500 million maturing in December 2024 and the second of €500 million maturing in December 2028.

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

(€m)	At 31 March 2022	At 31 December 2021
A. Cash	(2,851)	(2,122)
B. Cash equivalents	-	-
C. Other current financial assets	(8)	(8)
D. Liquidity (A + B + C)	(2,859)	(2,130)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	727	785
F. Current portion of the non-current financial payable	1	-
G. Current financial debt (E + F)	728	785
H. Net current financial debt (G + D)	(2,131)	(1,345)
I. Non-current financial debt (excluding current portion and debt instruments)	1,696	1,705
J. Debt instruments	1,047	1,047
K. Trade payables and other non-current payables	22	22
L. Non-current financial debt (I + J + K)	2,765	2,774
M. Total financial debt (H + L)	634	1,429

n.s.: not significant.

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

(€m)	At 31 March 2022	At 31 December 2021
M. Total financial debt (H + L)	634	1,429
Non-current financial assets	(87)	(76)
K. Trade payables and other non-current payables	(22)	(22)
Tax credits Law no. 77/2020	(589)	(448)
Net debt/(funds)	(64)	883
Intersegment financial receivables and payables	1,292	401
Net debt/(funds) including intersegment transactions	1,228	1,284

n.s.: not significant.

Existing cash and credit lines are amply sufficient to cover expected financial requirements. More specifically, at 31 March 2022, cash and cash equivalents for the Mail, Parcels and Distribution Strategic Business Unit amounted to €2.9 billion (of which €2.8 billion relating to the Parent Company), while unused committed and uncommitted lines for short-term loans to support liquidity totalled approximately €3.3 billion.

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

Description (€m)	Balance at 31.03.2022	Balance at 31.12.2021
Committed credit lines	2,450	1,750
Short-term loans	2,450	1,750
Uncommitted credit lines	2,354	2,357
Short-term loans	1,309	1,309
Current account overdrafts	145	145
Unsecured loans	900	903
Total	4,804	4,107
Committed uses	-	-
Short-term loans	-	-
Uncommitted uses	952	975
Short-term loans	475	550
Unsecured loans	477	425
Total	952	975

6. Outlook

2022 began in a general economic scenario strongly affected by several factors that are impacting on the future growth prospects and consequently on market sentiment. Geopolitical tensions due to the Russian-Ukrainian conflict, inflation, interest rate hikes and the latest lockdowns imposed by the Chinese government due to the upsurge in Covid-19 infections pose the main challenges to general economic growth, which are leading the main banks and international institutions to revise the growth estimates for the current year downwards and which heighten the general context of changeability and turbulence on the markets.

Future forecasts are closely linked to changes in the reference scenario and in particular to the duration and extent of the Russian-Ukrainian conflict and its repercussions on the prices of commodities, the limited availability of production and energy flows. The Italian government took action to mitigate the effects of the increases in the price of commodities by introducing specific obligations on procurement procedures subject to the Public Procurement Code, namely by acting directly on the components of energy and gas prices.

Historically, the Poste Italiane Group has shown resilience in times of financial turbulence, confirming itself to be a “safe haven” for savers thanks to a portfolio of financial products characterised by limited volatility that will continue to keep Postal Savings at the heart of the development strategy, even in the future. The Group’s cost structure also includes limited exposure to sectors with high pressure on prices. The Group procures supplies and competes mainly in the domestic market, does not have production units in the countries affected by the conflict or bordering countries, and has limited commercial relationships with the countries affected by the conflict. Therefore, it does not have direct repercussions that could significantly affect the various businesses or lead to significant repercussions on its profitability. The Group also benefits from actions implemented in favourable market times, intended to mitigate the price fluctuations of production such as hedging against the risk of fuel price fluctuations or signing supply contracts with “locked” prices for the entire current year and part of 2023.

As confirmation of this, the results achieved in the first quarter are solid, with higher revenue than 2021 and operating income that benefits from the continuous focus by management on cost control and optimisation.

In line with the strategy set out in the “24SI Plus” Business Plan, which envisages the differentiation of the offer into market segments with high growth prospects, in May 2022 the Group concluded the acquisition of Plurima, a leading company in healthcare logistics. The acquisition of the company LIS will also accelerate the implementation of the Group’s omni-channel strategy, facilitating the transition to digital payments and strengthening the growth of proximity payment in the business.

The development of the insurance savings and Postal Savings segments will remain strategic, where the commitment to the digitisation of the offer and customers will continue, in addition to the development of initiatives aimed at improving customer experience on the physical channel. Investments are planned in support of the growth of parcels, digital payments and protection, with offers aimed at reducing underinsurance in Italy.

During the transition towards carbon neutrality by 2030, investments and strategic initiatives will continue, such as the renewal of the delivery fleet with low emission vehicles, the installation of photovoltaic panels for energy supply and efficiency measures for properties. Finally, entry into the energy sector was confirmed during the year, with a 100% green offer based exclusively on renewable sources.

< 7. Other information

- Events after 31 March 2022
- Significant transactions
- Industrial relations
- Welfare – Diversity and Inclusion
- Corporate University
- Proceedings in progress and main relations with Authorities

< Events after 31 March 2022

The events after the end of the interim reporting period at 31 March 2022 have been described in other sections of the document.

< Significant transactions

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

< Industrial relations

Covid-19 emergency

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

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

With the spread of the Omicron variant, it was agreed to temporarily adopt measures that were even more precautionary than those of previous months for determining customer numbers inside post offices. In line with the latest legislative changes launched by the Government at the beginning of the year, the trade unions were shown the procedures for checking the mandatory Base Green Pass, adopted from 1 February 2022, for customers accessing post offices. In particular, in Post Offices with a

queue management machine, this check is done preventively by presenting the green pass to the totem while, for Postal Offices which lack the queue machine, the check is done at the desk by the operator, using a specific digital procedure.

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

Active labour policies

Before identifying the overall active policy measures to be implemented for the current year, the parties signed a Memorandum of Understanding on 8 February 2022, introducing an extraordinary anticipatory manoeuvre. It involved 1,100 FTEs (Full Time Equivalent) and included the creation of counters and recruitment of personnel from the external market to support the needs of the front-end structures in areas with the most critical situations.

Agile working

On 1 March 2022 the Company signed an Agreement with the Trade Unions, valid until 31 March 2023, which regulates the adoption of agile working in Poste Italiane and in Group Companies that apply the National Collective Labour Contract (CCNL) renewed on 23 June 2021. The Agreement reiterated the regulatory framework of the previous Agreement of 2020, which provided, among other things, to place all employees in Agile Working for a maximum of 3 days per week and 13 days per month. The accord also introduced some new elements that make the Agreement consistent not only with the National Protocol on Agile Working signed by the Social Partners on December 7, 2021, but also with the organisational and managerial evidence that emerged from observation of the implementation of the mechanism in the Company during the emergency period.

Specifically:

- certain organisational areas/figures previously involved in agile working have been excluded (e.g. Sorting Centres, Operations Centres, Premium Contact Persons, etc.);
- there is a need for managers and specific professional roles to perform more enhanced in-person supervision of activities and the coordination of personnel; they are thus permitted to use the mechanism flexibly during the month, without reference to a single week;
- the clause in the 2020 Agreement that provided for the sterilisation of injury events not recognised for the accounting of the Performance Bonus and National Voluntary Mobility was eliminated, bringing the circumstance under the normal management of absences due to injury/sickness;
- a specific Joint Observatory was set up to oversee the implementation of the mechanism.

< Welfare – Diversity and Inclusion

The Company's commitment to safeguarding the well-being of people continues through initiatives aimed at strengthening the welfare system with interventions in favour of employees and their families in a logic of growing proximity and personalisation of caring.

The initiatives designed to help the new generations included educational orientation actions for young people from vulnerable social backgrounds, launched in continuity with the Next Generation programme. A new edition of the "Future Lab" programme was launched, to expose employees' children to the world of work and encourage them to consider their personal development plans.

In view of the launch of the new edition of the welfare programme intended to convert the performance bonus, a listening process was undertaken with colleagues to bring to light the main individual and family needs to be addressed by the set of goods and services made available on the dedicated platform.

The actions in support of the Diversity & Inclusion business plan were backed up by the identification of project priorities and implementation timeframes in line with strategic objectives. This is the background to the ongoing "Noi Siamo Qui" (We Are Here) initiative. It aims to support people debilitated by serious or chronic illness by offering dedicated counselling, flexible work arrangements and business coaching schemes to help them get back work effectively.

At the same time, cultural awareness initiatives are being stepped up, together with dedicated training programmes, through the “Diversity Innovation Meetings”; these webinars open to staff are designed to create virtuous opportunities to connect with start-ups and inclusive best practices available at national level. In the first quarter of the year the focus is on gender equality and intergenerational alliance.

< Corporate University

A total of more than 1.3 million hours of training were provided in the first quarter of 2022; of these, about 532 thousand covered Finance and Insurance training schemes to support regulatory and business model evolution. Also of note was the launch of the course aimed at the Private Market commercial structures, concerning the future “Poste Energia” offering.

Finally, required regulatory training also continued for the entire workforce (Workplace Safety, Italian Legislative Decree 231/01, GDPR, Integrated Quality and Corruption Prevention System, etc.). The offer was expanded with the launch of online training on Group Integrated Compliance and Competition and Consumer Protection Compliance.

**1.3 million
training
hours in the first
three months
of 2022**

< Proceedings pending and main relations with Authorities

The following information, provided in accordance with accounting standard IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*, only covers ongoing proceedings where there have been significant developments in the first three months of 2022. For full details, please refer to the Financial Statements at 31 December 2021.

Principal proceedings pending and relations with the Authorities

Autorità Garante della Concorrenza e del Mercato (AGCM - the Italian Antitrust Authority)

On 14 October 2021, the Italian Antitrust Authority (AGCM) initiated proceedings against PostePay pursuant to article 27, paragraph 3, of Legislative Decree No. 206 of 6 September 2005, as subsequently amended (Consumer Code), and pursuant also to article 6 of the Regulation on investigation procedures concerning misleading and comparative advertising, unfair business practices, breach of consumer rights in contracts, breach of the prohibition on discrimination and unfair terms (Regulation), adopted by the Authority with a resolution of 1 April 2015 and a simultaneous request for information pursuant to article 12, paragraph 1, of the Regulation.

In brief, the AGCM, on the basis of a number of reports from users of PosteMobile services between January and September 2021, challenged the unrequested activation of an alleged service whereby outgoing traffic (voice, SMS and data) continued when the credit on the user's rechargeable SIM card ran out or was insufficient at the time of renewal of the periodic-payment offer.

On 18 November 2021 and at a subsequent hearing, PostePay responded to the AGCM's communication, clarifying that no continuity service was provided in any PosteMobile offers. It specified that in cases where a lack of residual credit prevented the renewal of any their periodic-payment offers, users were entitled to access telecommunications services (voice, SMS and data) on the basis of a pay-as-you-go tariff, applied in any event only to the use of one of the above services and with clear and correct communication to customers.

In a note dated 17 March 2022 (Communication), the Antitrust Authority, while acknowledging the measures proposed by PostePay, announced that it was rejecting the commitments proposed, on the grounds that they would not properly remove all the possible aspects of unfairness alleged in the notice launching the proceedings. Although PostePay does not in any way agree with this residual objection – in view of the trend of customer take-up of the Company's services and offers – it has exceptionally proposed further commitments to deal with the issues considered still outstanding by the AGCM, taking account also of what the Communication says regarding the Authority's unprejudiced option to *"to assess the Party's subsequent conduct, where this takes the form of effective and documented cooperation to the benefit of consumers"*.

Autorità per le Garanzie nelle Comunicazioni (AGCOM - the Italian Communications Authority)

On 12 November 2021, with Notice of Objection No. 13/21/DSP, AGCom initiated proceedings against Poste Italiane for failure to comply with the quality objectives for products forming part of the Universal Postal Service for the year 2020. The notice identified five objections. In its recourse to proceedings, the Authority seems not to have considered how the pandemic emergency would affect the achievement of the quality objectives, and in fact ignored the evidence that emerged in the preliminary stage. In response to the aforementioned notice of objection, Poste Italiane submitted its defence briefs on 13 December 2021, arguing that the Covid-19 pandemic could be seen as a force majeure event. The hearing took place on 21 December 2021. The proceedings were closed by the AGCom without any sanctions being imposed.

IVASS – Istituto per la Vigilanza sulle Assicurazioni (the insurance regulator)

On 24 February 2021, IVASS notified Poste Vita of a complaint regarding the alleged delay in the settlement of life policies and, on 2 February 2022, sent a proposal concluding the preliminary stage (the so-called sanction proposal) against which the company filed further brief written observations.

Subsequently, on 22 February 2022, IVASS notified Poste Vita of a further complaint regarding an alleged delay in the settlement of ten policies. The Company is currently evaluating all the information for the preparation of its defence briefs for subsequent filing.

COVIP

On 27 May 2021, the **Commissione di Vigilanza sui Fondi Pensione** (COVIP) (pension fund supervisory authority) launched an ordinary inspection of the Postaprevidenza Valore pension fund, the activities of which are still ongoing.

In a communication dated 13 January, COVIP informed the Company that the verification of the documentation acquired during the inspection begun on 15 June 2021 had been completed and therefore the inspection should be considered concluded.

On 8 April 2022, the COVIP raised a complaint over an irregularity, introducing sanctionary proceedings.

In particular, the complaints relates to two cases, namely:

- Infringements relating to the collection of members;
- Infringements relating to "Notifications in the case of payment of benefits".

The administrative fines and penalties for the above complaints are applicable in accordance with article 19-*quater*, paragraph 2, letter b) of Legislative Decree No. 252/2005.

Counterarguments may be submitted within 60 days of receipt of the complaint.

Other proceedings

Federconsumatori, with a writ of summons dated 14 May 2021, initiated a class action against Poste Italiane pursuant to article 140-*bis* of the Consumer Code, before the Court of Rome. The value of the dispute to date is approximately €8.5 thousand.

By the summons in question, Federconsumatori contests that the capitalisation of interest on 30-year interest-bearing postal certificates (marked with the “Q” series, issued by Cassa Depositi e Prestiti from 1986 to 1995, pursuant to Ministerial Decree 13 June 1986 by the Minister of Treasury, which were subsequently transferred to the Ministry of Economy and Finance, pursuant to the MEF Decree of 5 December 2003) is carried out annually net of withholding tax (now substitute tax), rather than gross, with the effect of recognising to savers a lower return than that allegedly due.

On 27 July 2021, Poste Italiane appeared before the court, objecting, on a preliminary basis, to the inadmissibility of the class action, on a number of preliminary grounds, as well as to the fact that the plaintiffs’ and potential members’ claims were time-barred, and contested the merits of the proposed claim.

The Court of Rome, in an ruling dated 11 January 2022, held that the action submitted by Federconsumatori was manifestly unfounded, recognising, *inter alia*, the lack of passive legitimacy on the part of Poste Italiane.

Federconsumatori challenged the Court of Rome’s ruling and the Court of Appeal has set a hearing for written discussion on 18 May 2022.

< 8. Consolidated accounting schedules at 31 March 2022

Consolidated statement of financial position

ASSETS (€m)	31 March 2022	31 December 2021
Non-current assets		
Property, plant and equipment	2,254	2,267
Investment property	31	32
Intangible assets	827	873
Right-of-use assets	1,121	1,116
Investments accounted for using the equity method	286	277
Financial assets	214,968	221,226
Trade receivables	4	3
Deferred tax assets	1,591	1,245
Other receivables and assets	3,932	4,012
Tax credits Law no. 77/2020	7,346	5,551
Technical provisions attributable to reinsurers	48	50
Total	232,408	236,652
Current assets		
Inventories	151	155
Trade receivables	2,579	2,508
Current tax assets	121	115
Other receivables and assets	969	1,146
Tax credits Law no. 77/2020	824	905
Financial assets	26,755	27,630
Cash and deposits attributable to BancoPosta	6,408	7,659
Cash and cash equivalents	6,462	7,958
Total	44,269	48,076
Total assets	276,677	284,728

LIABILITIES AND EQUITY	31 March 2022	31 December 2021
Equity		
Share capital	1,306	1,306
Reserves	3,030	3,599
Treasury shares	(40)	(40)
Retained earnings	7,784	7,237
Total equity attributable to owners of the Parent	12,080	12,102
Equity attributable to non-controlling interests	10	8
Total	12,090	12,110
Non-current liabilities		
Technical provisions for insurance business	154,386	159,089
Provisions for risks and charges	695	693
Employee termination benefits	875	922
Financial liabilities	12,452	15,122
Deferred tax liabilities	1,243	953
Other liabilities	1,710	1,749
Total	171,361	178,528
Current liabilities		
Provisions for risks and charges	623	575
Trade payables	1,829	2,029
Current tax liabilities	146	16
Other liabilities	1,733	1,860
Financial liabilities	88,895	89,610
Total	93,226	94,090
Total Liabilities and Equity	276,677	284,728

Consolidated statement of profit or loss for the period

(€m)	First Quarter 2022	First Quarter 2021
Revenue from Mail, Parcels and other	901	920
Net revenue from Financial Services	1,311	1,327
<i>Revenue from Financial Services</i>	1,362	1,363
<i>Expenses from financial activities</i>	(51)	(36)
Revenue from Insurance Services after changes in technical provisions and other claim expenses	529	494
<i>Insurance premium revenue</i>	5,073	5,812
<i>Income from insurance activities</i>	1,069	1,021
<i>Change in technical provisions for insurance business and other claims expenses</i>	(3,405)	(5,709)
<i>Expenses from insurance activities</i>	(2,208)	(630)
Revenue from Payments and Mobile	232	192
Net operating revenue	2,973	2,933
Cost of goods and services	692	704
Personnel expenses	1,326	1,358
Depreciation, amortisation and impairment	195	199
Capitalised costs and expenses	(8)	(8)
Other operating costs	55	60
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	19	-
Operating profit/(loss)	694	620
Financial expenses	25	22
Finance income	39	38
Impairment losses/(reversals of impairment losses) on financial assets	-	-
Profit/(Loss) on investments accounted for using the equity method	5	4
Profit/(Loss) before tax	713	640
Income tax expense	218	193
Net profit for the period	495	447
of which attributable to owners of the Parent	494	447
of which attributable to non-controlling interests	1	-
Earnings per share	0.379	0.344
Diluted earnings per share	0.379	0.344

Consolidated statement of comprehensive income

(€m)	First Quarter 2022	FY 2021	First Quarter 2021
Profit/(Loss) for the period	495	1,580	447
Items to be reclassified in the Statement of profit (loss) for the period			
FVOCI debt instruments and receivables			
Increase/(decrease) in fair value during the period	(228)	(1,052)	887
Transfers to profit or loss	(82)	(424)	(259)
Increase/(decrease) for expected losses	-	(6)	-
Cash flow hedges			
Increase/(decrease) in fair value during the period	(70)	(178)	(52)
Transfers to profit or loss	(121)	(8)	7
Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit/(loss) for the period	145	475	(166)
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method	-	-	-
Change in translation reserve	-	1	-
Items not to be reclassified in the Statement of profit or loss for the period			
Equity instruments valued at FVOCI - increase/(Decrease) of fair value in the period	(163)	75	1
Actuarial gains /(losses) on employee termination benefits	-	(4)	27
Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit/(loss) for the period	2	2	(7)
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method	-	-	-
Total other comprehensive income	(517)	(1,119)	438
Total other comprehensive income for the period	(22)	461	885
of which attributable to owners of the Parent	(23)	459	885
of which attributable to non-controlling interests	1	2	-

Consolidated statement of changes in equity

	Equity											Retained earnings	Total equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total equity
	Share capital	Treasury shares	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Translation reserve	Reserve for investees accounted for using equity method	Incentive plans reserve					
(€m)															
Balance at 1 January 2021	1,306	(40)	299	1,210	-	2,294	98	-	2	6	6,327	11,502	5	11,507	
Total comprehensive income for the period	-	-	-	-	-	450	(32)	-	-	-	467	885	-	885	
Incentive plans	-	-	-	-	-	-	-	-	-	1	-	1	-	1	
Balance at 31 March 2021	1,306	(40)	299	1,210	-	2,744	66	-	2	7	6,794	12,388	5	12,393	
Total comprehensive income for the period	-	-	-	-	-	(1,437)	(100)	1	-	-	1,110	(426)	2	(424)	
Dividends paid	-	-	-	-	-	-	-	-	-	-	(421)	(421)	-	(421)	
Interim dividend	-	-	-	-	-	-	-	-	-	-	(241)	(241)	-	(241)	
Incentive plans	-	-	-	-	-	-	-	-	-	6	-	6	-	6	
Equity instruments - perpetual hybrid bonds	-	-	-	-	800	-	-	-	-	-	(4)	796	-	796	
Other changes	-	-	-	-	-	-	-	-	1	-	(1)	-	1	1	
Balance at 31 December 2021	1,306	(40)	299	1,210	800	1,307	(34)	1	3	13	7,237	12,102	8	12,110	
Total comprehensive income for the period	-	-	-	-	-	(381)	(136)	-	-	-	494	(23)	1	(22)	
Incentive plans	-	-	-	-	-	-	-	-	-	1	-	1	-	1	
Other changes	-	-	-	-	-	(54)	-	-	1	-	54	1	-	1	
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	(1)	(1)	1	-	
Balance at 31 March 2022	1,306	(40)	299	1,210	800	872	(170)	1	4	14	7,784	12,080	10	12,090	

Condensed consolidated statement of cash flows

(€m)	Notes	First Quarter 2022	First Quarter 2021
Unrestricted net cash and cash equivalents at the beginning of the period		2,589	2,811
Restricted net cash and cash equivalents at the beginning of the period		5,369	1,705
Cash and cash equivalents at the beginning of the period		7,958	4,516
Cash and cash equivalents at the beginning of the period		7,958	4,516
Result for the period		495	447
Depreciation, amortisation and impairments		195	199
Losses and impairment losses/(reversals of impairment losses) on receivables		19	(1)
(Gains)/Losses on disposals		(1)	(1)
(Increase)/Decrease in Inventories		5	2
(Increase)/Decrease Receivables and Other assets		119	(123)
Increase/(Decrease) Payables and Other liabilities		177	16
Change in tax credits Law no. 77/2020		(273)	(446)
Change in provisions for risks and charges		51	69
Change in employee termination benefits and Provision for retirement benefits		(47)	(44)
Difference in accrued financial expenses and income (cash adjustment)		6	13
Other changes		74	(21)
Net cash flow from/(for) non-financial operating activities	[a]	820	110
Increase/(Decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance		729	(1,124)
Net cash generated by/(used for) financial assets and tax credits Law no. 77/2020 attributable to financial activities, payments, cards and acquiring and insurance		(4,593)	1,055
(Income)/Expense and other non-cash components		760	(1,017)
Increase/(Decrease) in net technical provisions for insurance business		987	2,077
Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payments, cards and acquiring and insurance	[b]	(2,117)	991
Net cash flow from/(for) operating activities	[c]=[a+b]	(1,297)	1,101
<i>Investing activities:</i>			
Property, plant and equipment, Inv. property and intangible assets		(77)	(116)
Investments		(3)	-
Other financial assets		(9)	(6)
Investments in consolidated companies net of cash acquired		-	(40)
<i>Disposals:</i>			
Property, plant and equipment, inv. property, intangible assets and assets held for sale		2	1
Other financial assets		1	411
Net cash flow from/(for) investing activities	[d]	(86)	250
Proceeds from/(Repayments of) borrowings		(113)	(702)
Net cash flow from/(for) financing activities and shareholder transactions	[e]	(113)	(702)
Net increase/(decrease) in cash	[f]=[c+d+e]	(1,496)	649
Cash and cash equivalents at the end of the period		6,462	5,165
Cash and cash equivalents at the end of the period		6,462	5,165
Restricted cash and cash equivalents at the end of the period		(3,146)	(2,268)
Unrestricted net cash and cash equivalents at the end of the period		3,316	2,897

9. Declaration of the financial reporting manager

The Manager Responsible for financial reporting, Alessandro Del Gobbo, declares, pursuant to paragraph 2 of article 154-*bis* of the Consolidated Law on Finance, that the accounting information contained in this interim report for the three months ended 31 March 2022 is consistent with the underlying accounting records.

< 10. Appendix

- Reclassified statement of profit or loss and statement of financial position
- Alternative performance indicators

< Reclassified statement of profit or loss and statement of financial position

Reclassified consolidated statement of profit or loss

(€m)	1Q 2022	1Q 2021	Changes	
Revenue	2,973	2,933	40	1.4%
<i>of which:</i>				
Mail, Parcels and Distribution Services	901	919	(18)	-2.0%
Financial Services	1,311	1,327	(16)	-1.2%
<i>of which active securities portfolio management</i>	176	222	(45)	-20.4%
Insurance Services	529	494	35	7.1%
Payments and Mobile Services	231	192	39	20.2%
Costs	2,085	2,114	(29)	-1.4%
<i>of which:</i>				
Total personnel expenses	1,326	1,358	(32)	-2.3%
<i>of which ordinary personnel expenses</i>	1,327	1,358	(31)	-2.3%
<i>of which early retirement incentives</i>	2	2	1	34.5%
<i>of which disputes and other extraordinary items</i>	(3)	(2)	(1)	n.s.
Other operating expenses	758	755	3	0.4%
EBITDA	888	819	69	8.4%
Depreciation, amortisation and impairment	195	199	(4)	-2.2%
EBIT	694	620	73	11.8%
EBIT margin %	23.3%	21.2%		
Finance income/(costs)	19	20	(1)	-3.7%
Gross profit	713	640	72	11.3%
Taxes	218	193	25	13.0%
Net profit	495	447	47	10.6%
Net earnings per share (€)	0.38	0.34	0.04	10.6%

Contribution of Strategic Business Units to the consolidated statement of profit or loss

1Q 2022 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Adjustments and eliminations	Total
Total revenue	2,170	1,507	530	298	(1,533)	2,973
Revenue from third parties	901	1,311	529	231		2,973
Intersegment revenue	1,269	196	1	67	(1,533)	
Total costs	2,114	1,276	201	221	(1,533)	2,280
Total personnel expenses	1,300	11	9	7		1,326
<i>of which ordinary personnel expenses</i>	1,301	11	9	7		1,327
<i>of which early retirement incentives</i>	2	0	0	0		2
<i>of which disputes and other extraordinary items</i>	(3)	0	0	0		(3)
Other operating expenses	610	26	24	98		758
Depreciation, amortisation and impairment	190	0	1	3		195
Intersegment costs	14	1,239	167	112	(1,533)	
EBIT	56	231	329	78		694
EBIT MARGIN %	2.6%	15.4%	62.0%	26.1%		23.3%
Finance income/(costs)	3	5	11	(0)		19
Gross profit	58	236	340	78		713
Taxes	27	65	104	22		218
Net profit	31	171	236	55		495

Statements of profit or loss by Strategic Business Unit

Mail, Parcels and Distribution Strategic Business Unit

(€m)	1Q 2022	1Q 2021	Changes	
Revenue	2,170	2,194	(24)	-1.1%
Mail	510	509	1	0.2%
Parcels	333	368	(35)	-9.5%
Other revenue	58	42	16	37.8%
Intersegment revenue	1,269	1,275	(6)	-0.5%
Costs	1,924	1,942	(18)	-1.0%
<i>of which:</i>				
Total personnel expenses	1,300	1,333	(33)	-2.5%
<i>of which ordinary personnel expenses</i>	1,301	1,333	(33)	-2.4%
<i>of which early retirement incentives</i>	2	2	1	32.0%
<i>of which disputes and other extraordinary items</i>	(3)	(2)	(1)	-77.3%
Other operating expenses	610	590	20	3.5%
Intersegment costs	14	20	(6)	-28.0%
EBITDA	246	252	(6)	-2.3%
Depreciation, amortisation and impairment	190	194	(4)	-1.8%
EBIT	56	58	(2)	-3.8%
EBIT margin %	2.6%	2.6%		
Finance income/(costs)	3	5	(2)	-47.1%
Gross profit	58	63	(4)	-7.1%
Taxes	27	25	2	9.9%
Net profit	31	38	(7)	-18.1%

Financial Services Strategic Business Unit

(€m)	1Q 2022	1Q 2021	Changes	
Revenue	1,507	1,527	(19)	-1.3%
Active portfolio management	176	222	(45)	-20.4%
Net interest income	420	362	58	16.1%
Postal savings deposits	434	452	(18)	-4.1%
Collection and payment services	181	199	(18)	-9.2%
Distribution of third-party products	69	65	5	7.2%
Asset management	31	28	3	10.8%
Intersegment revenue	196	199	(3)	-1.6%
Costs	1,276	1,321	(45)	-3.4%
of which:				
Total personnel expenses	11	11	0	0.1%
<i>of which ordinary personnel expenses</i>	<i>11</i>	<i>11</i>	<i>(0)</i>	<i>-1.6%</i>
Other operating expenses	26	42	(16)	-37.5%
Intersegment costs	1,239	1,268	(29)	-2.3%
EBITDA	232	206	26	12.5%
Depreciation, amortisation and impairment	0.2	0.1	0	46.5%
EBIT	231	206	26	12.5%
EBIT margin %	15.4%	13.5%		
Finance income/(costs)	5	5	(0)	-0.2%
Gross profit	236	211	26	12.2%
Taxes	65	59	6	10.5%
Net profit	171	152	19	12.8%

Insurance Services Strategic Business Unit

(€m)	1Q 2022	1Q 2021	Changes	
Revenue	530	495	35	7.1%
<i>Up Front Life</i>	78	96	(18)	-19.0%
Financial margin Life	426	357	68	19.1%
Protection margin Life	7	6	1	8.8%
Change to other technical provisions and other technical income/expenses	(20)	(0)	(20)	n.s.
Life net revenue	490	459	31	6.7%
Insurance premium revenue	86	72	14	19.2%
Change in technical provisions and claim expenses	(46)	(35)	(11)	-32.2%
Reinsurance results	(2)	(1)	(1)	-44.2%
P&C net income	1	(1)	2	n.s.
P&C net revenue	39	35	4	11.7%
Other operating income	0	0	0	12.6%
Intersegment revenue	1	1	(0)	-2.4%
Costs	200	207	(6)	-3.1%
<i>of which:</i>				
Total personnel expenses	9	8	1	11.5%
<i>of which ordinary personnel expenses</i>	9	8	1	11.5%
Other operating expenses	24	27	(3)	-11.0%
Intersegment costs	167	172	(4)	-2.6%
<i>of which commissions</i>	143	152	(9)	-5.9%
EBITDA	330	288	41	14.4%
Depreciation, amortisation and impairment	1	1	0	6.7%
EBIT	329	287	41	14.4%
EBIT margin %	62.0%	58.0%		
Finance income/(costs)	11	11	(0)	-1.1%
Gross profit	340	299	41	13.8%
Taxes	104	90	14	15.5%
Net profit	236	209	27	13.1%

Payments and Mobile Strategic Business Unit

(€m)	1Q 2022	1Q 2021	Changes	
Revenue	298	276	23	8.2%
E-Money	120	101	19	18.4%
Other payments	35	17	18	106.2%
TLC	77	74	3	3.4%
Intersegment revenue	67	83	(16)	-19.7%
Costs	217	202	15	7.5%
<i>of which:</i>				
Total personnel expenses	7	6	1	8.7%
<i>of which ordinary personnel expenses</i>	7	6	1	8.7%
Other operating expenses	98	97	1	1.0%
Intersegment costs	112	98	14	13.8%
EBITDA	81	74	8	10.2%
Depreciation, amortisation and impairment	3	4	(1)	-18.5%
EBIT	78	70	8	11.9%
EBIT margin %	26.1%	25.2%		
Finance income/(costs)	(0)	(2)	1	91.5%
Gross profit	78	68	10	14.2%
Taxes	22	20	3	13.0%
Net profit	55	48	7	14.7%

Financial position

Net invested capital and related funding

(€m)	31 March 2022	31 December 2021	Changes	
Non-current assets				
Tangible fixed assets	2,285	2,299	(14)	-0.6%
Intangible fixed assets	827	873	(46)	-5.3%
Right-of-use assets	1,121	1,116	5	0.4%
Investments	286	277	9	3.2%
Non-current assets	4,519	4,565	(46)	-1.0%
Trade receivables, Other receivables and assets and Inventories	7,635	7,824	(189)	-2.4%
Trade payables and Other liabilities	(5,272)	(5,638)	366	6.5%
Current tax assets/(liabilities)	(25)	99	(124)	n.s
Net working capital	2,338	2,285	53	2.3%
Gross invested capital	6,857	6,850	7	0.1%
Provisions for risks and charges	(1,318)	(1,268)	(50)	-3.9%
Employee termination benefits	(875)	(922)	47	5.1%
Prepaid/deferred tax assets/(liabilities)	348	292	56	19.2%
Net invested capital	5,012	4,952	60	1.2%
Equity	12,090	12,110	(20)	-0.2%
<i>of which profit for the period</i>	495	1,580	(1,085)	-68.7%
<i>of which fair value reserve</i>	872	1,307	(435)	-33.3%
Financial liabilities	101,347	104,732	(3,385)	-3.2%
Net technical provisions for insurance business	154,338	159,039	(4,701)	-3.0%
Financial assets	(241,723)	(248,856)	7,133	2.9%
Tax credits Italian Law no. 77/2020	(8,170)	(6,456)	(1,714)	-26.5%
Cash and deposits attributable to BancoPosta	(6,408)	(7,659)	1,251	16.3%
Cash and cash equivalents	(6,462)	(7,958)	1,496	18.8%
Net debt/(funds)	(7,078)	(7,158)	80	1.1%

n.s.: not significant.

31 March 2022 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations and adjustments	Consolidated
Tangible fixed assets	2,261	1	1	22	0	2,285
Intangible fixed assets	809	0	0	1	17	827
Right-of-use assets	1,120	2	11	6	(18)	1,121
Investments	1,785	283	157	0	(1,939)	286
Non-current assets	5,975	286	169	29	(1,940)	4,519
Trade receivables, Other receivables and assets and Inventories	2,861	3,381	2,524	318	(1,449)	7,635
Trade payables and Other liabilities	(3,206)	(1,996)	(753)	(765)	1,448	(5,272)
Current tax assets/(liabilities)	1	(3)	2	(25)	0	(25)
Net working capital	(344)	1,382	1,773	(472)	(1)	2,338
Gross invested capital	5,631	1,668	1,942	(443)	(1,941)	6,857
Provisions for risks and charges	(1,052)	(231)	(19)	(16)	0	(1,318)
Employee termination benefits	(868)	(3)	(1)	(3)	0	(875)
Prepaid/deferred tax assets/(liabilities)	414	(271)	191	14	0	348
Net invested capital	4,125	1,163	2,113	(448)	(1,941)	5,012
Equity	2,897	4,293	6,153	667	(1,920)	12,090
<i>of which profit for the period</i>	<i>31</i>	<i>171</i>	<i>236</i>	<i>55</i>	<i>0</i>	<i>495</i>
<i>of which fair value reserve</i>	<i>35</i>	<i>1,000</i>	<i>(5)</i>	<i>(158)</i>	<i>0</i>	<i>872</i>
Financial liabilities	5,622	100,347	320	8,543	(13,485)	101,347
Net technical provisions for insurance business	0	0	154,338	0	0	154,338
Financial assets	(954)	(87,471)	(154,840)	(9,622)	11,164	(241,723)
Tax credits Italian Law no. 77/2020	(589)	(7,581)	0	0	0	(8,170)
Cash and deposits attributable to BancoPosta	0	(6,408)	0	0	0	(6,408)
Cash and cash equivalents	(2,851)	(2,017)	(3,858)	(36)	2,300	(6,462)
Net debt/(funds)	1,228	(3,130)	(4,040)	(1,115)	(21)	(7,078)

31 December 2021 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations and adjustments	Consolidated
Tangible fixed assets	2,275	1	1	22	0	2,299
Intangible fixed assets	872	0	0	1	0	873
Right-of-use assets	1,113	2	2	6	(7)	1,116
Investments	1,736	274	178	0	(1,911)	277
Non-current assets	5,996	277	181	29	(1,918)	4,565
Trade receivables, Other receivables and assets and Inventories	2,784	3,167	2,491	332	(950)	7,824
Trade payables and Other liabilities	(3,306)	(1,895)	(823)	(562)	948	(5,638)
Current tax assets/(liabilities)	103	(1)	(2)	(1)	0	99
Net working capital	(419)	1,271	1,666	(231)	(2)	2,285
Gross invested capital	5,577	1,548	1,847	(202)	(1,920)	6,850
Provisions for risks and charges	(1,004)	(229)	(20)	(15)	0	(1,268)
Employee termination benefits	(915)	(3)	(1)	(3)	0	(922)
Prepaid/deferred tax assets/(liabilities)	404	(387)	264	11	0	292
Net invested capital	4,062	929	2,090	(209)	(1,920)	4,952
Equity	2,778	4,414	5,938	890	(1,910)	12,110
<i>of which profit for the period</i>	<i>(226)</i>	<i>556</i>	<i>824</i>	<i>425</i>	<i>0</i>	<i>1,580</i>
<i>of which fair value reserve</i>	<i>35</i>	<i>1,157</i>	<i>58</i>	<i>57</i>	<i>0</i>	<i>1,307</i>
Financial liabilities	4,795	102,198	284	8,716	(11,261)	104,732
Net technical provisions for insurance business	0	0	159,039	0	0	159,039
Financial assets	(942)	(89,995)	(158,587)	(9,783)	10,451	(248,856)
Tax credits Italian Law no. 77/2020	(448)	(6,008)	0	0	0	(6,456)
Cash and deposits attributable to BancoPosta	0	(7,659)	0	0	0	(7,659)
Cash and cash equivalents	(2,121)	(2,021)	(4,584)	(32)	800	(7,958)
Net debt/(funds)	1,284	(3,485)	(3,848)	(1,099)	(10)	(7,158)

Change 31.03.2022 vs 31.12.2021 (€m)	Mail, Parcels and Distribution	Financial Services	Insurance Services	Payments and Mobile	Eliminations and adjustments	Consolidated
Tangible fixed assets	(14)	0	0	0	0	(14)
Intangible fixed assets	(63)	0	0	0	17	(46)
Right-of-use assets	7	0	9	0	(11)	5
Investments	49	9	(21)	0	(28)	9
Non-current assets	(21)	9	(12)	0	(22)	(46)
Trade receivables, Other receivables and assets and Inventories	77	214	33	(14)	(499)	(189)
Trade payables and Other liabilities	100	(101)	70	(203)	500	366
Current tax assets/(liabilities)	(102)	(2)	4	(24)	0	(124)
Net working capital	75	111	107	(241)	1	53
Gross invested capital	54	120	95	(241)	(21)	7
Provisions for risks and charges	(48)	(2)	1	(1)	0	(50)
Employee termination benefits	47	0	0	0	0	47
Prepaid/deferred tax assets/(liabilities)	10	116	(73)	3	0	56
Net invested capital	63	234	23	(239)	(21)	60
Equity	119	(121)	215	(223)	(10)	(20)
<i>of which fair value reserve</i>	0	(157)	(63)	(215)	0	(435)
Financial liabilities	827	(1,851)	36	(173)	(2,224)	(3,385)
Net technical provisions for insurance business	0	0	(4,701)	0	0	(4,701)
Financial assets	(12)	2,524	3,747	161	713	7,133
Tax credits Italian Law no. 77/2020	(141)	(1,573)	0	0	0	(1,714)
Cash and deposits attributable to BancoPosta	0	1,251	0	0	0	1,251
Cash and cash equivalents	(730)	4	726	(4)	1,500	1,496
Net debt/(funds)	(56)	355	(192)	(16)	(11)	80

< Alternative performance indicators

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

The following alternative performance indicators are used:

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

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


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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NET DEBT/FUNDS OF THE MAIL, PARCELS AND DISTRIBUTION SBU: this is the financial debt calculated according to the scheme recommended by ESMA European Securities and Markets Authority (ESMA32-3821138 of 4 March 2021) net of trade payables and other non-current payables with a significant implicit or explicit financing component and including the following items: non-current financial assets, tax credits under Law no. 77/2020, current hedging derivatives assets, inter-segment financial receivables and payables.

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

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

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

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

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

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

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

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

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

< 11. Glossary

< ACQUIRING

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

< ASSET ALLOCATION

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

< ASSET CLASS

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

< ATM (AUTOMATED TELLER MACHINE)

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

< BUFFER

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

< CAPITALISATION

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

< CHATBOT

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

< CLOUD

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

< CONTACTLESS

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

CREDIT CARD

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

CYBER SECURITY

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

DEBIT CARD

A card that allows the holder, based on a contract signed with their bank or with Poste, to acquire (through POS) goods and services at any merchant affiliated with the circuit on which the card operates, or to withdraw cash (at an ATM), with immediate debiting from the current account linked to the card. The most well-known circuit is Bancomat, which led to the name commonly used to refer to these cards. If the card is connected to international circuits, it can be used abroad to withdraw the local currency and to make payments, after inserting the same secret code (PIN) used domestically, both for ATM withdrawals and payments at merchant POS.

DEFERRED POLICYHOLDER LIABILITIES (DPL)

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

DIGITAL PAYMENTS

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

DIGITAL PROPERTIES

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

DURATION

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

EARNED PREMIUMS

Gross premium recognised net of the change in the [premium reserve](#) .

ETF (EXCHANGE TRADED FUNDS)

These are special investment funds (or SICAVs) which are passively managed and traded on regulated markets, part of the wider family of Exchange Traded Products (ETP), which replicate the performance of an underlying index (e.g. the FTSE MIB).

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

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

GROSS PREMIUM REVENUE

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

HIGH YIELD

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

HOME BANKING (INTERNET BANKING)

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

HUB

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

HYBRID POLICY - MULTI-CLASS

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

INFLATION LINKED

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

INSURANCE CLASS

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

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

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

1. Accidents (including work-related injuries and occupational diseases); lump sum benefits; temporary benefits; mixed forms; transported persons;
2. Illness: lump sum benefits; temporary benefits; mixed forms;
3. Land vehicle hulls (excluding rail vehicles): any damage sustained by: self-propelled land vehicles; non-self-propelled land vehicles;
4. Rail vehicle hulls: any damage sustained by rail vehicles;
5. Airplane hulls: any damage sustained by airplanes;
6. The hulls sea, lake and river craft: any damage suffered by: river craft; lake craft; sea craft;
7. Transported goods (including goods, luggage and any other property): any damage suffered by transported goods or luggage, regardless of the nature of the means of transport;
8. Fire and natural elements: any damage to property (other than property included in classes 3, 4, 5, 6 and 7) caused by: fire; explosion; storm; natural elements other than storm; nuclear energy; land subsidence;
9. Other damage to property: any damage suffered by property (other than property included in classes 3, 4, 5, 6 and 7) caused by hail or frost, as well as any other event, such as theft, other than those included in no. 8;
10. Land motor vehicle liability: any liability caused by the use of land motor vehicles (including carrier liability);
11. Aircraft liability: any liability caused by the use of aircraft (including carrier liability);
12. Sea, lake and river craft liability: any liability caused by the use of sea, lake or river craft (including carrier liability)
13. General Liability: any liability other than those mentioned in numbers 10, 11 and 12;
14. Credit: asset losses from defaults; export credit; instalment sales; mortgage credit; agricultural credit;
15. Guarantees: direct guarantee; indirect guarantee;

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

17. Legal expenses: legal expenses;

18. Assistance: assistance to persons in distress;

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

Life insurance policies are further divided into six classes:

Class I - Life insurance;

Class II - Marriage and birth insurance;

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

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

Class V - Tontines;

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

INVESTMENT GRADE

Definition which refers to securities issued by companies with their financial statements in order, well managed and have favourable business prospects. For investment grade securities, the rating is high and in any case exceeds triple B. Below this level securities fall in the category of high yield and high risk, with low ratings that reflect the dangers of default or insolvency.

MANAGEMENT FEES

Fees paid to the manager, directly debited from the fund assets, as compensation for management activities in the limited sense. They are calculated daily on the net assets of the fund and withdrawn at longer intervals (monthly, quarterly, etc.). They are generally indicated on an annual basis.

MERCHANT

An entity that provides a commercial business.

MIFID (MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE)

Directive 2004/39/EC, in effect since 1 November 2007, has the main objective of standardising rules for financial market participants at the European level, to protect investors, requiring intermediaries to act honestly, fairly and professionally to best serve the interests of their customers. The directive introduced a classification system for customers based on their level of financial experience: retail, professional and eligible counterparties. This is done so as to adopt protection measures in line with each investor category, respecting the different protection requirements deriving from information obtained regarding their knowledge and experience relative to investments, their financial situation and investment goals, in order to verify the adequacy and/or appropriateness of the investment service or financial instrument requested and/or proposed. Additionally, intermediaries must provide accurate, clear and non-misleading information, describing the financial services and instruments offered, with information on losses incurred, fees and costs linked to the services provided and the presence of any conflicts of interest. On 3 January 2018, replacing MiFID I, from which it took its principles and aims, the **MIFID II** Directive took effect, with the objective of increasing market efficiency and transparency, raising investor protection levels through safeguards intended to ensure customers are informed about the essential features of services provided, including the risks and costs of proposed transactions, as well as strengthening certain organisational requirements and behavioural standards in the development and offering of products to customers, as well as in the training of those providing investment consulting.

MOBILE HOST OPERATOR

Reference operator for the provision of mobile network access services.

**MUTUAL FUNDS**

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

**ONE CLICK TO BUY**

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

**OPEN API (APPLICATION PROGRAM INTERFACES)**

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

**OPEN BANKING**

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

**OTP (ONE TIME PASSWORD)**

A disposable or one-time passwords is an alphanumeric security code generated by an algorithm, when requested by the user, to access a system or authorise specific transactions, for example those done through home banking. It is a very secure authentication system because the code is sent directly to a device in the holder's possession (text message, token, etc.) and is no longer valid once used.

**PENSION FUNDS**

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

**PORTFOLIO FINANCIAL DURATION**

Average **duration**  of the securities in the portfolio.

**POS (POINT OF SALE)**

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

**POSTEPAY CODE**

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



PREMIUM RESERVE

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

PREPAID CARD

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

PRIVATE DIGITAL IDENTITY

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

PSP (PAYMENT SERVICES PROVIDER)

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

QR CODE (QUICK RESPONSE CODE)

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

REDEMPTION

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

REINSURANCE

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

SALARY BACKED

This is a special type of guaranteed loan, intended for pensioners and employees. Instalments are paid through the transfer of a portion of the pension or salary to the financing entity. This portion, withheld directly from the pension or pay, cannot exceed one-fifth of the net monthly payment. This type of loan requires a life insurance policy (for pensioners) or a life and job loss policy (for employees). The policies are taken out directly from the bank/lending institution (which serves as the contracting entity and beneficiary) which incurs the costs. The client is not required to pay any insurance premium.

**SEPARATE ACCOUNT**

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

**SHADOW ACCOUNTING**

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

**SIM M2M (MACHINE TO MACHINE)**

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

**SOLVENCY RATIO**

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

**SPID - PUBLIC DIGITAL IDENTITY SYSTEM**

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

**TRANSITIONAL MEASURES**

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

The regulations envisage that from 1 January 2016 and until 31 December 2031, subject to authorisation by the Institute, insurance companies may apply a transitional deduction to the technical provisions calculated at the end of each financial year, determined as a share of the (positive) difference between the amount of technical provisions calculated in accordance with Solvency II as at 1 January 2016 and those recorded in the financial statements as at 31 December 2015 (Solvency I).

**ULTRABROADBAND**

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

**UNIT LINKED POLICY**

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

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Poste Italiane SpA

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