

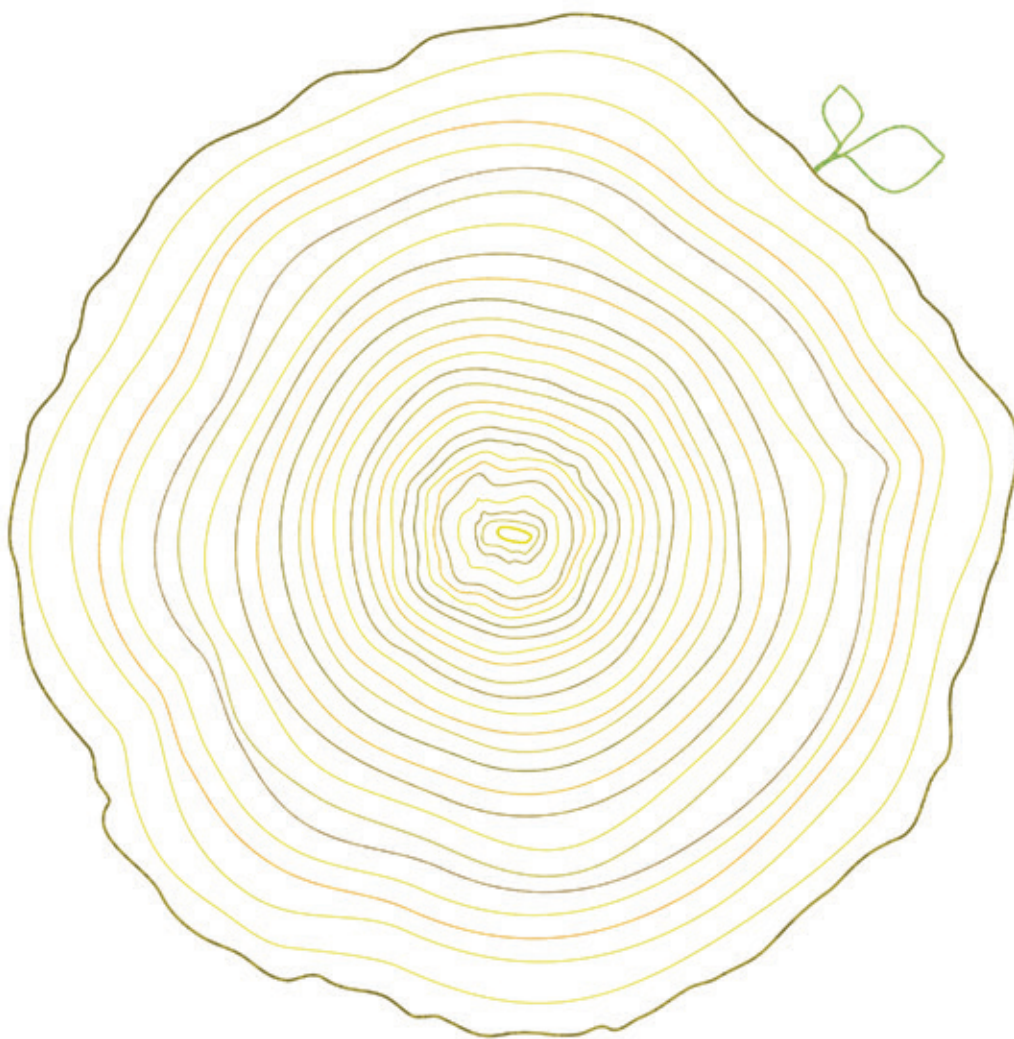
ROOTED IN OUR COUNTRY, BUILDING THE FUTURE.

INTERIM REPORT FOR THE NINE MONTHS ENDED
30 SEPTEMBER 2022



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< 1. Guide to reading

This consolidated interim report of the Poste Italiane Group at 30 September 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 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.

The information in this Interim Report takes into account the guidelines and recommendations issued by the ESMA in 2021 regarding the effects of the ongoing pandemic on the Group, as well as the guidelines and recommendations issued in the first half of 2022 by the European regulatory and supervisory bodies¹ on the impacts of the Russia-Ukraine conflict on the Group's business, financial position, results of operation and future prospects.

In this regard, please refer to the section "Impacts of the pandemic and the Russia-Ukraine conflict" and to the chapter "Outlook".

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:



to indicate the possibility of consulting the definition of the content in the glossary found in Chapter 11 using a link;



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



to indicate the possibility of returning to the beginning of the chapter or the general index with a link.

1. Public statement ESMA32-63-1277 "Implications of Russia's invasion of Ukraine on half-yearly financial reports" dated 13 May 2022 and CONSOB Notice of attention no. 3/22 dated 19 May 2022.

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< 2. Highlights

In the nine months 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.



External revenue: **€8.7 bn** (+3.6 % YoY)
EBIT: **€2.1 bn** (+27.2 % YoY)
Net profit: **€1.4 bn** (+21.4 % YoY)

Interim dividend 2022 equal to €0.210 (+14% YoY)
€ 562 bn Total Financial Assets

Retail protection: €168 million in premiums (+18% YoY) **x2 vs. 2016**

Leadership consolidation in proximity payments through the acquisition of **LIS**

Strategic acquisitions: Plurima, Agile Lab and the launch of OPA on Sourcesense and on Net Insurance



Financial



~ **119,000 employees** and **12,756 Post Offices** throughout the country (no offices were closed in Small Municipalities during the period)

Omni-channel Strategy: ~ **20 million daily customer interactions**, of which ~ **9 million** were on Group **digital channels**

Third-party networks: ~ **59,000** contact points thanks to the acquisition of LIS

Over 25 million digital identities (SPID) issued

First operator in Italy for **payment cards (28.7 million)** and **e-commerce transactions (+15% YoY)**

Over 400 Smart postboxes for optimised mail collection



Physical
Structural



POSTE

Brand Finance: Poste Italiane among the top **25 global companies** for **brand strength** (+13 positions compared to 2021)

BancoPosta wins **AiFin Award** in the "Investment Advisory" category
Poste Italiane in the 2022 edition of the **Sustainability Yearbook** by S&P Global

Poste.it is the **first Italian site** in the Audiweb ranking and is ranked 11th internationally

The **BancoPosta Business Account** awarded at the **Milano Finanza Banking Awards 2022**

Poste Italiane improved its **sustainability performance** thus obtaining an **"AA" rating** from **Morgan Stanley Capital International** and joins the **Stoxx Global ESG Leaders Index**

PostePay in **1st place**, among Fixed Telephone and Internet Companies, for the **best customer service** in the first edition of Italy's Best Customer Service 2022-2023



Intellectual





* Automated and remote management of buildings to achieve energy efficiency.

** FSC (Forest Stewardship Council) certification: the wood or paper of which the product is made comes from recycled and recovered material.

3. Outlook

Since the start of the year, the global economy has shown gradual signs of slowdown initially linked to the spread of Covid-19 variants, then to the outbreak of the Russian/Ukrainian conflict in February. The instability of the geopolitical situation continued during the year, accompanied by the energy crisis, largely a consequence of the conflict, and by pressures on supply chains. These factors led to an escalation in energy prices, which have been passed on to other goods and services, as well as possible risks of energy rationing. The events of this period were joined by the repeated increase in interest rates decided by the main central banks to offset the rise in inflation. This situation triggered growing uncertainty around economic prospects, with inevitable risks of further deterioration in the macroeconomic scenario for the remaining part of 2022 and for 2023.

The Poste Italiane Group, in addition to distinguishing itself through a diversified business structure that allows it to benefit from a constant natural balancing effect between the trends affecting its businesses, has historically demonstrated resilience in times of economic uncertainty and financial turbulence, indeed establishing itself as a safe haven for savers, thanks to a portfolio of financial offerings characterised by products with limited volatility. The Group's cost structure, in addition to being flexible with a significant revenue-related variable cost component, includes limited exposure to industries 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 Russian/Ukrainian conflict or bordering countries, and has negligible commercial relationships with the countries affected by the conflict. Therefore, it does not have direct repercussions that could significantly affect its businesses or lead to significant consequences for its profitability. The Group also benefits from the effects of actions implemented in favourable market times, intended to mitigate the fluctuations in the prices of production factors, such as hedging against the risk of fluctuations in fuel prices and gas and energy supplies.

During 2022, the Group confirmed its role as an 'anti-fragile' player and strategic pillar for Italy, as demonstrated by the solid results achieved in the first nine months of 2022, with a record-breaking operating result for the Group, which is already higher than the guidance provided to the financial community for 2022 on the whole, providing further proof of the effectiveness of the strategic directions adopted and the management team's ability to control costs. Based on this performance, an upward closing forecast for the 2022 operating profit compared to the current year's guidance was communicated to the financial community at the presentation of results as at 30 September 2022. The payment of the 2022 interim dividend in November was confirmed.

The Group will continue to monitor developments in the relevant macroeconomic situation in order to adjust the range of offerings to market conditions and changing customer needs by taking advantage of changing market trends and continuing the omnichannel transformation and business diversification/integration, including through targeted corporate acquisitions.

The development of the insurance savings segment will remain strategic, and the Parent Company will continue to provide the subsidiary Poste Vita with all the capital support it needs to sustain growth, by consolidating the insurance group's leading position in the Life segment and developing the Non-life segment with an integrated modular offer consisting of personalised protection, assistance, and service solutions. Postal Savings, albeit still affected by the general socioeconomic environment, has a renewed commercial offer between June and July, confirming itself as a simple, transparent, and competitive tool for savers, and will remain at the heart of the Group's development strategy.

Commitment to the Group's digital transformation and support for customers and citizens in overcoming the digital divide will continue; the development of initiatives to improve the customer experience from an omni-channel perspective will remain key. Investments are planned in support of the growth and diversification of parcels, digital payments, and protection, with offers aimed at reducing underinsurance in Italy. The Group also entered into the energy market with a simple, transparent, and 100% green offer, launched in June, for employees and pensioners, which will be gradually extended in line with the changing market conditions.

Regarding the commitment to social inclusion, within the framework of the National Recovery and Resilience Plan (NRRP), the Group will play a crucial role with the implementation of the Polis project. Significant investments are planned that will make it possible, on one hand, to bring to small towns in Italy the telematic services of the Public Administration within approximately 7,000 post offices and, on the other hand, to make 250 Group properties available by converting them into training and co-working spaces, especially in small municipalities.

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. The replacement of current Postepay cards with cards made from eco-sustainable materials will also continue, as well as the development of offerings intended to take advantage of sustainable actions by customers.

Finally, the Group's recent acquisitions remain consistent with the goals of the "2024 Sustain & Innovate Plus" business plan. The acquisition of Plurima, a logistics operator working in the Healthcare segment, supports the growth of the mail, parcel, and distribution segment with a positioning of an 'all-round' logistics operator. The acquisition of the company LIS, a leading operator in the digital payments segment, will accelerate the Group's omnichannel strategy roll-out, consolidating growth in the proximity payment business. The launch of the cash takeover bid on Sourcesense, which develops cloud-native solutions based on open-source technology, aims to accelerate the Group's digital transformation, while the recent launch of the cash takeover bid on Net Insurance confirms the growth objectives in the protection and Non-life sector. Lastly, thanks to the acquisition of Agile Lab in October, the Group will strengthen its presence in the modern data industry, developing its abilities to build data-driven assets for internal use and for the market.

< 4. Group Structure, Corporate Governance and Organisational Structure

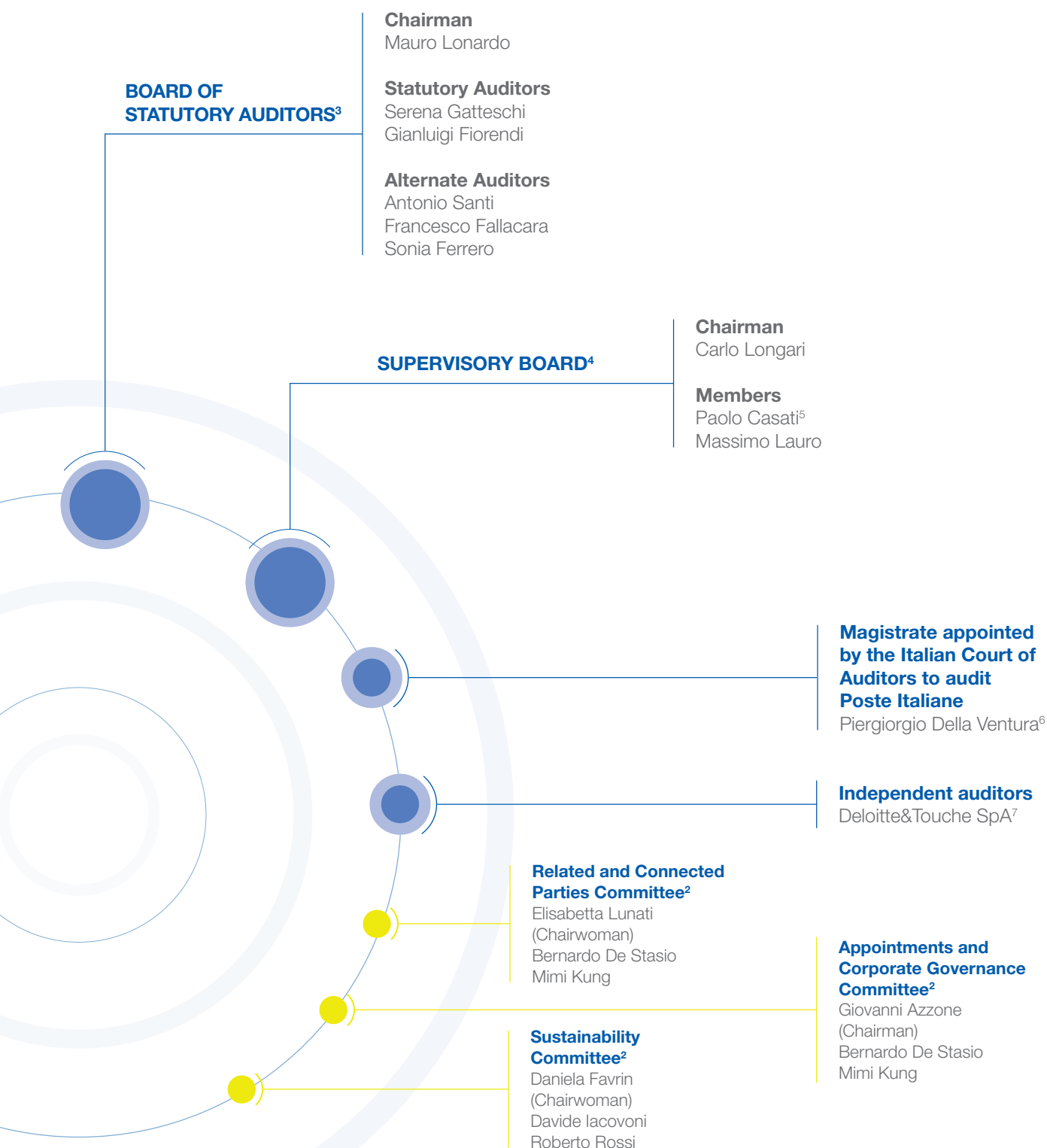
- Poste Italiane's Corporate Governance
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Poste Italiane's Corporate Governance



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.

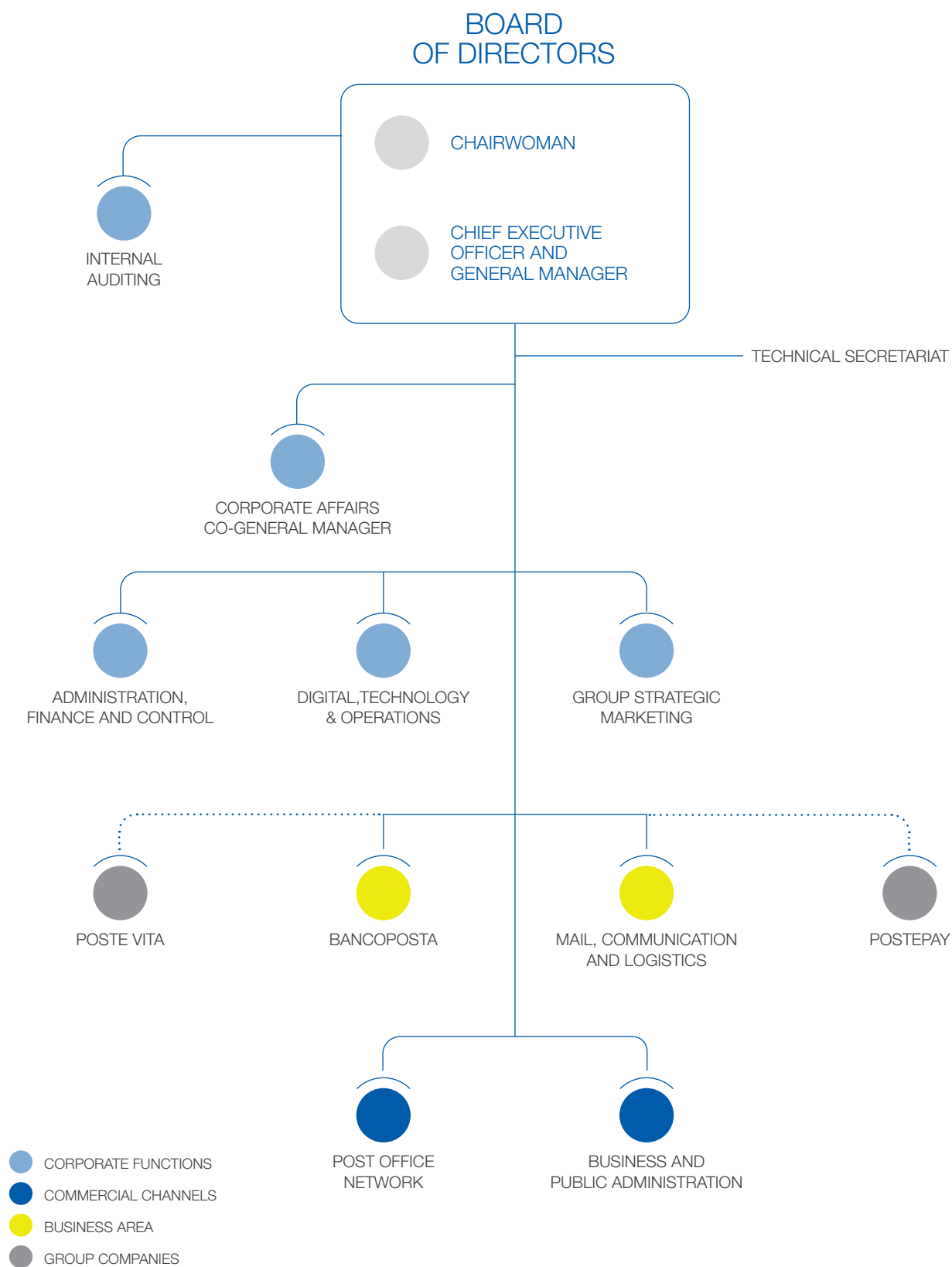
2. Committee members were appointed by the Board of Directors' meeting of 15 May 2020. At its meeting on 26/01/2022, and in order to align the Board Committees with the Bank of Italy's supervisory provisions (Bank of Italy Circular No. 285 of 17/12/2013 – 35th update) on corporate governance, the Board 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 (Chairman), Bernardo De Stasio (member), Mimi Kung (member).



3. The Board of Statutory Auditors was elected by the Ordinary General Meeting of 27 May 2022 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 2024. Until 27 May 2022, the Board of Statutory Auditors was formed as follows: Mauro Lonardo, Chairman; Luigi Borrè, Standing Auditor; Maria Rosa, Adiutori, Statutory Auditor; Alberto De Nigro, Alternate Auditor; Maria Francesca Talamonti, Alternate Auditor; Antonio Santi, Alternate Auditor.
4. New members were appointed to the Supervisory Board during the Board of Directors' meeting of 28 September 2022 for a three-year term and will remain in office until 28 September 2025. All members have been confirmed.
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.

Poste Italiane's Organisational Structure

Below is the organisational structure of Poste Italiane:

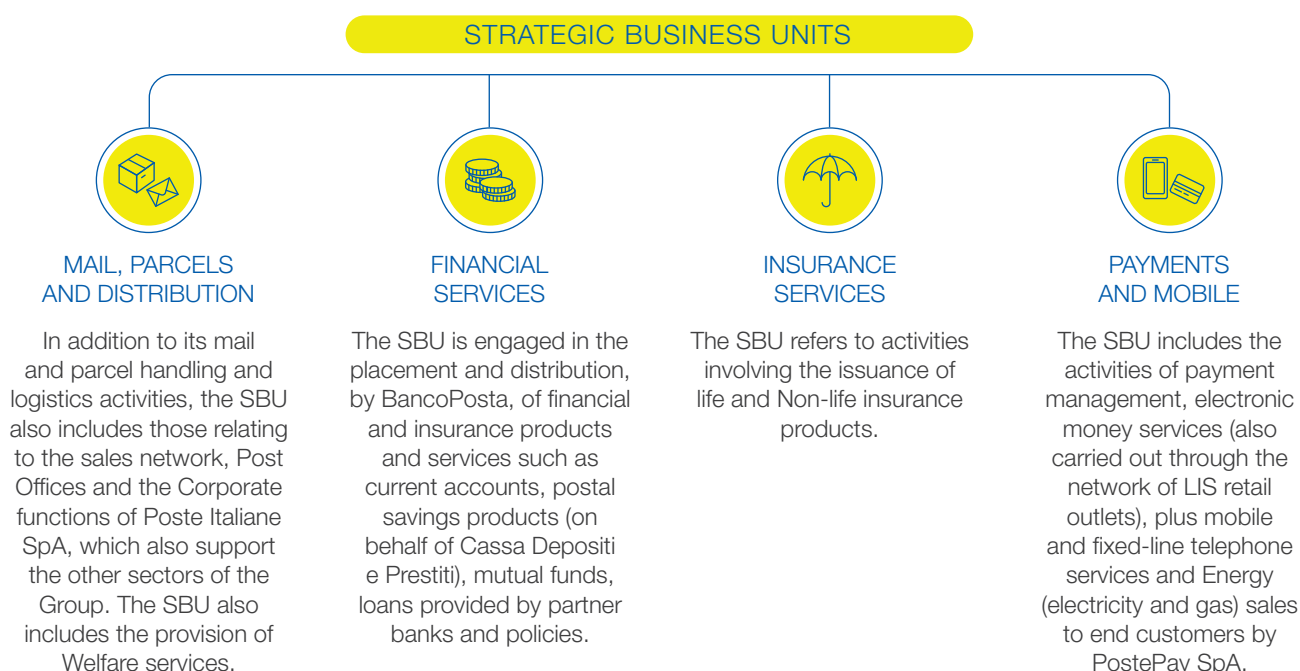


The organisation of Poste Italiane SpA envisages **business functions**² specialising in the main areas of offer that cover the Group's 4 business sectors and **two commercial channels** responsible for sales of products/services, which are supported by **corporate functions** of guidance, governance, control and provisions of services in support of **business processes**.

In the third quarter of 2022, the **Group Strategic Marketing** function was created, tasked with reviewing the development plans of the individual business lines in order to guarantee their consistency and ensure the “go to market” coordination of each product and distribution channel.

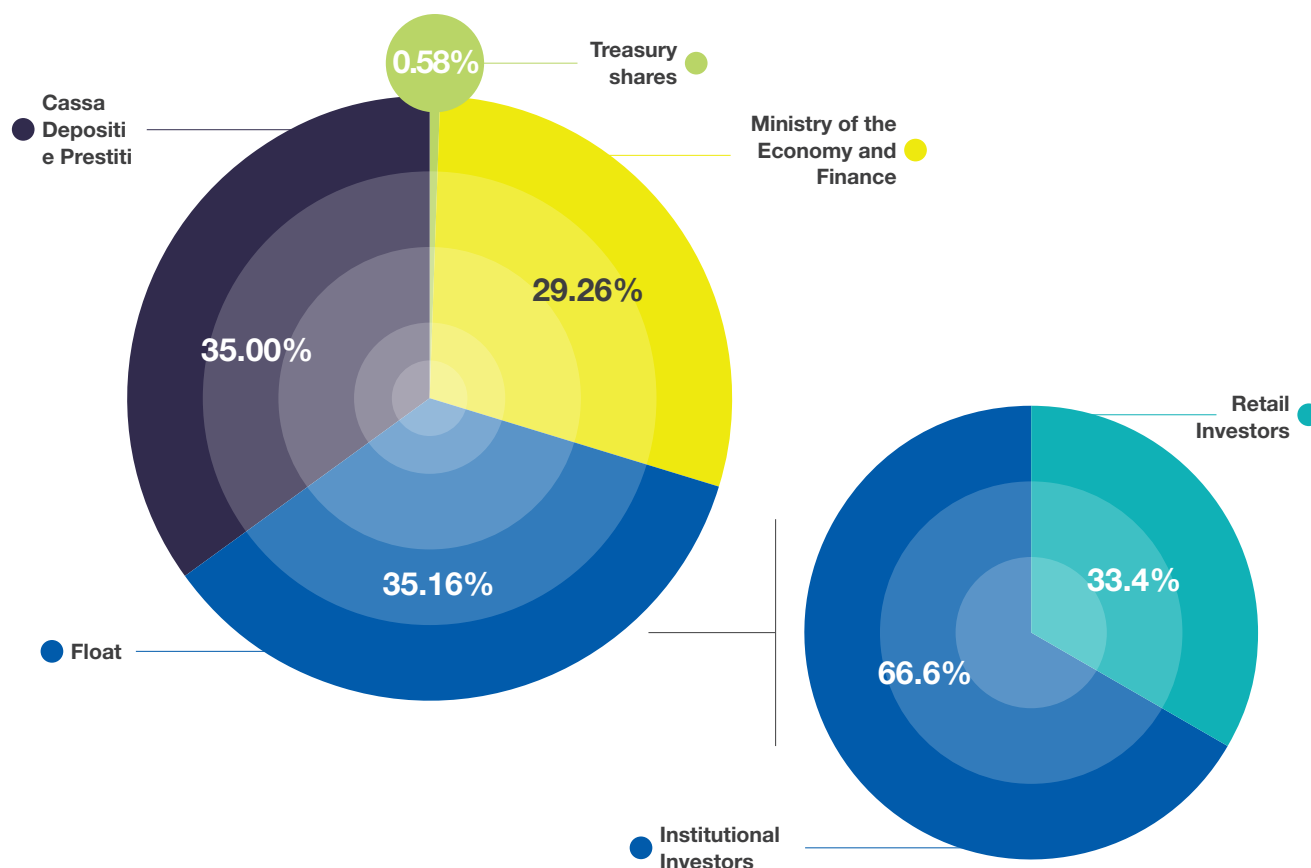
In September 2022, the Human Resources and Organisation function was allocated to **Corporate Affairs**.

In line with the strategic guidelines set out in the “2024 Sustain & Innovate 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.



2. 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, telephony and energy offering and by Poste Vita Group for the insurance range.

Shareholders and share performance




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 30 September 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%³ of shares held by Poste Italiane SpA institutional investors 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 1,298,574,009 are outstanding at 30 September 2022 (7,535,991 treasury shares).

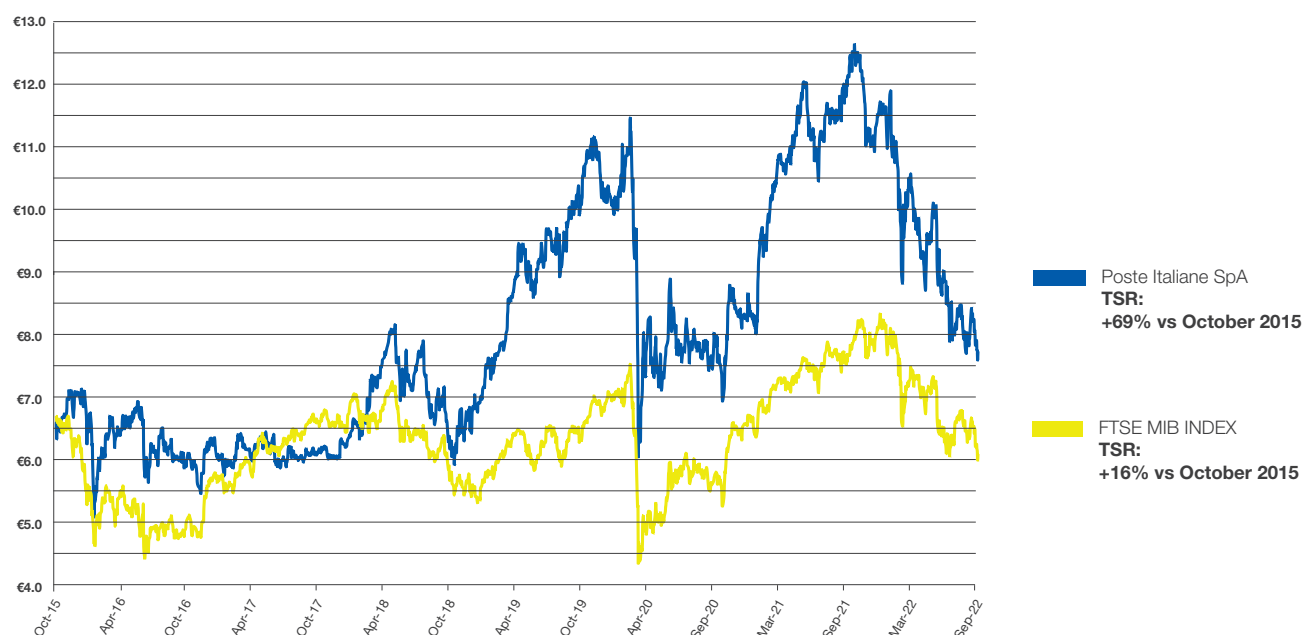
The Ordinary Shareholders' Meeting of 27 May 2022 authorised the Board of Directors of Poste Italiane to purchase and subsequently sell its own shares for a maximum of 2.6 million ordinary Company shares, with a maximum expenditure of up to €40 million. The purchase of own shares was authorized over a period of eighteen months starting from the date of Meeting's resolution but no time limit was instead set for the sale of the own shares purchased. In the period between 30 May and 13 June 2022, Poste Italiane concluded its treasury share purchase programme, acquiring 2,600,000 treasury shares for a total value of around €25.3 million.

3. Source: Nasdaq Corporate Solutions.


Share performance

During the first nine months of 2022, Poste Italiane shares decreased by 33.5% on the stock market, from €11.705 at the beginning of the year to €7.79 at the end of September 2022. In the same period, the **FTSEMIB**  recorded a similar decreasing trend (-25.4%).

From the date of listing on the stock exchange (27 October 2015) to 30 September 2022, Poste Italiane's share price increased by 16.3% (while the FTSEMIB index decreased by 7.7% in the same period), guaranteeing a Total Shareholder Return⁴ of +69% while the main Italian stock exchange index recorded an increase of 16%.



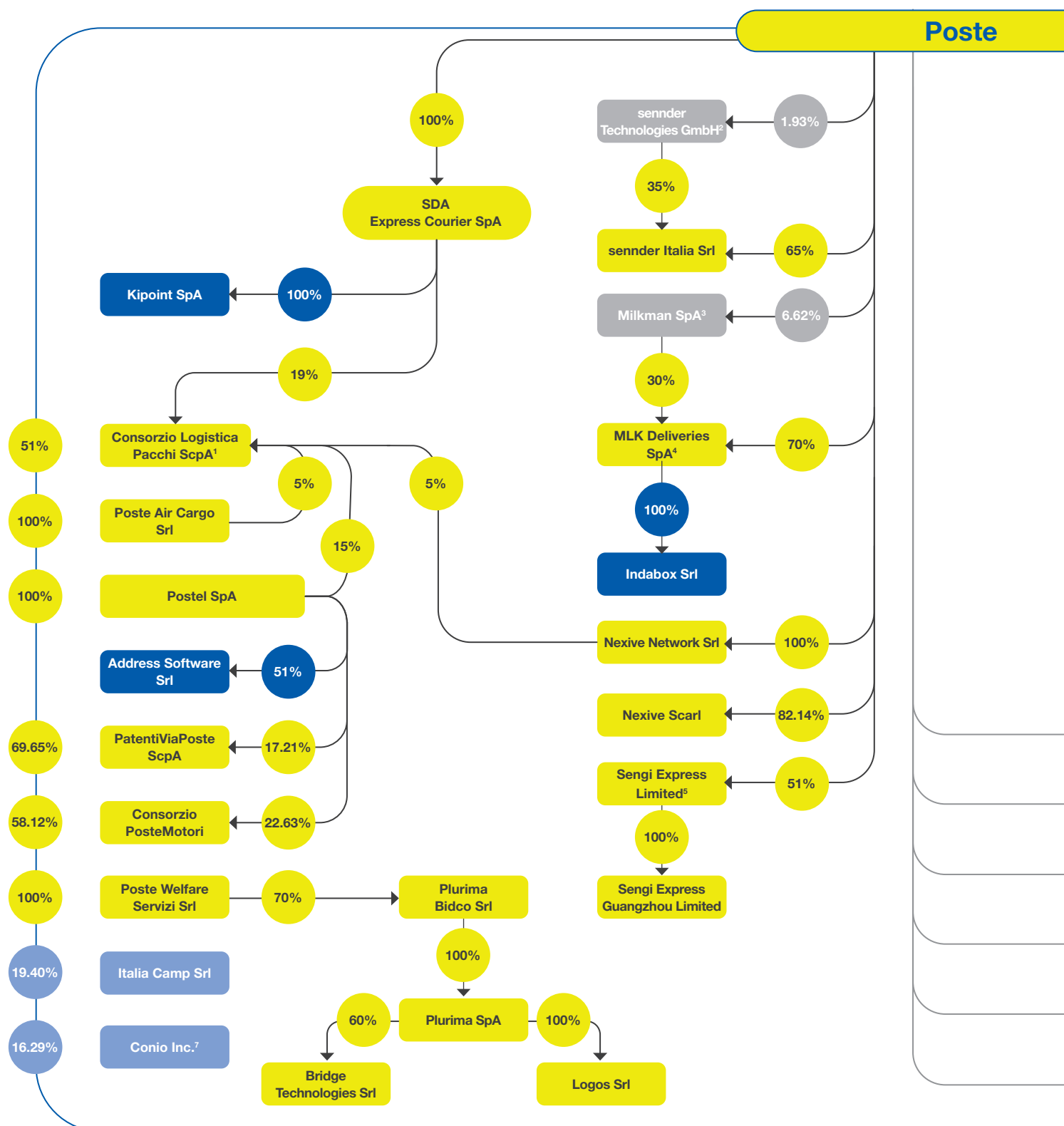
The table below shows the main information on the stock and on the Company's dividend policy as well as the relative financial performance recorded during the period compared to previous periods.

Share KPIs	9M 2022	FY 2021	9M 2021	FY 2020
Closing price at the end of the period (€)	7.790	11.540	11.930	8.320
Minimum price of the period (€)	7.658	8.076	8.076	6.144
	29/09/2022	29/01/2021	29/01/2021	12/03/2020
Maximum price of the period (€)	11.940	12.675	12.080	11.510
	03/02/2022	26/10/2021	08/06/2021	19/02/2020
Average price of the period (€)	9.513	10.996	10.701	8.364
Stock exchange capitalisation  at the end of the period (€m)	10,175	15,073	15,582	10,867
TSR of the period (%)	(29.39)	44.83	47.42	(13.03)
TSR FTSE MIB of the period (%)	(21.59)	26.81	18.18	(3.34)
Earnings per share (€)	1.097	1.214	0.903	0.927

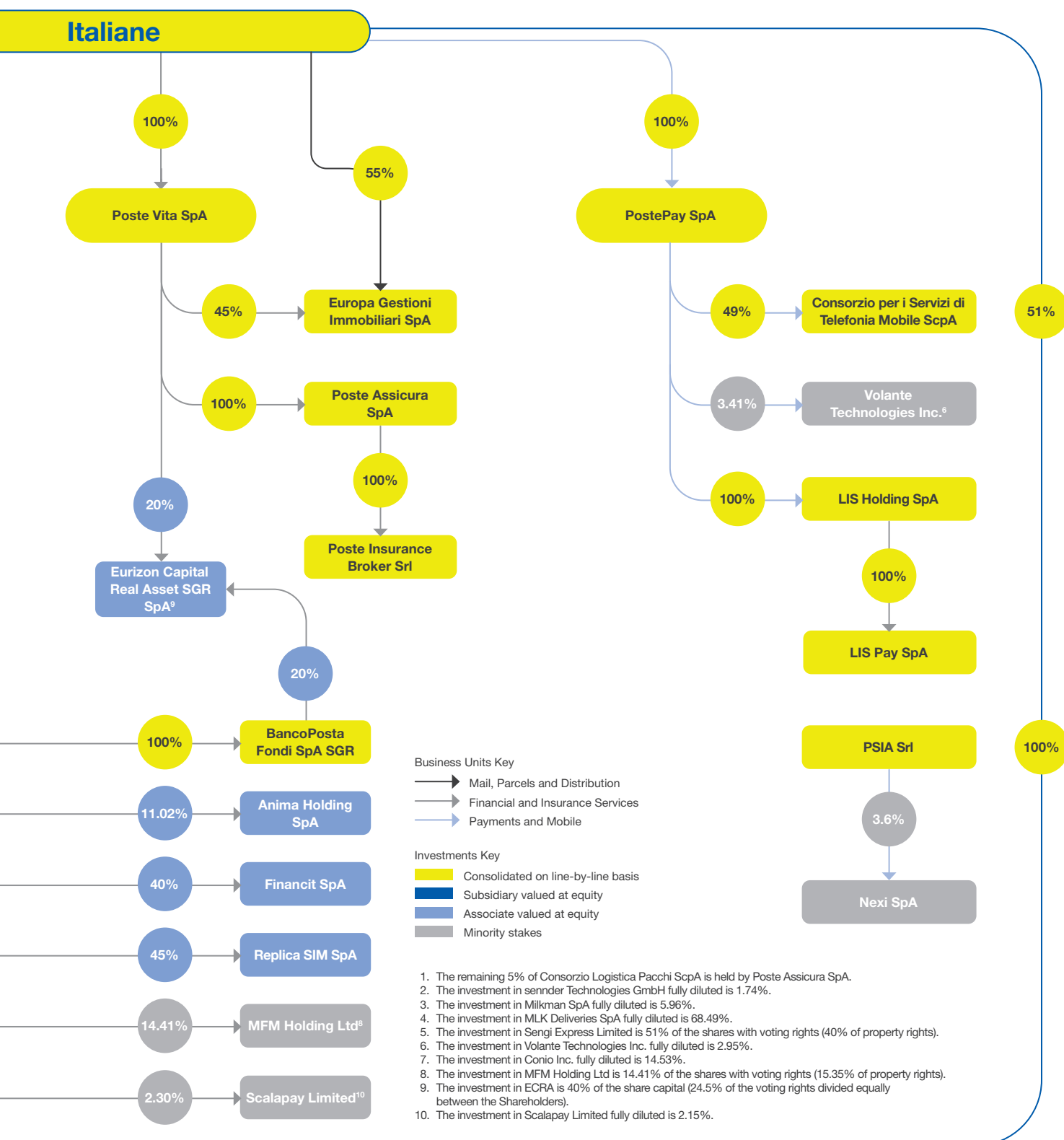
Source Bloomberg.

4. 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.




Group Structure and main corporate actions in the period



Poste Italiane's Business Model is carried out through the organisational structure of the Group and its companies, which contribute to the creation of value over time through the activities and services they provide. At 30 September 2022, the Group held, directly and indirectly, equity investments in 42 companies and consortia, of which 27 are consolidated on a line-by-line basis, 3 are subsidiaries and valued using the equity method, 6 are associates and valued using the equity method and 6 represent minority stakes.



The main corporate actions in the period are listed below:

	Plurima SpA	<p>On 18 March 2022, Poste Italiane signed a binding agreement with Opus Srl and private equity operator Siparex to acquire a majority stake in Plurima SpA ("Plurima") for a consideration based on a total enterprise value of the Company of €130 million.</p> <p>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 Italian Antitrust Authority). 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.</p> <p>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 through the delivery of services via the Vaccinations Platform, it will be possible to further strengthen its role as a centre of excellence in the healthcare sector, creating synergies with the services provided by Plurima.</p>	Plurima: acquired majority stake
	LIS Holding SpA	<p>On 14 September 2022, following the authorisations received from the AGCM and the Bank of Italy, PostePay completed the purchase 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, agreed conventionally (compared to effective available net cash at closing of around €140 million).</p> <p>LIS offers a wide range of services through the management of a technological platform for affiliated merchants, comprising 54,000 non-specialised points of sale⁵, 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 (payment of bills, MAV, PagoPA and collection for prepaid card top-ups, phone top-ups, etc.).</p> <p>This transaction consolidates PostePay's growth in the proximity payments market and bolsters its acquiring  services and SME offering, in keeping with the multi-channel strategy enshrined in the "2024 Sustain & Innovate Plus" Plan.</p>	Acquisition of 100% of the company LIS Holding SpA
	Tink AB	<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>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 in order to accelerate the expansion of 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>	

5. 2021 figures.

Other transactions

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 Great Britain, and *pro quota* by Poste Italiane with an investment of approximately €9 million, in order not to dilute its stake of approximately 14%.

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 (Intesa Sanpaolo Group).

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 Intesa Sanpaolo SpA.

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**, a company operating in several 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 paid by the **merchants** .

On 24 June 2022, the BoD of Poste Italiane approved the promotion, in consultation with several shareholders of **Sourcesense SpA** ("Sourcesense"), of a cash takeover bid ("OPA") for all of Sourcesense's shares and warrants issued by the company. Sourcesense is a company that operates in the Information Technology sector in Italy and Great Britain, with high expertise in developing cloud-native solutions based on open-source technology.

At the end of the offer period (12 September–21 October 2022), also considering the instruments subject to the commitment of acceptance and non-acceptance signed by the shareholders of Sourcesense, who agreed with the cash takeover bid, a number of shares corresponding to 98.37% of the share capital of the issuer and a number of warrants equal to 96.03% of the warrants issued were offered. As a result of the above, legal and by-laws conditions were created in order for Poste Italiane to exercise the squeeze-out rights, pursuant to Art. 111 of the CLF, and the sell-out rights pursuant to Art. 108.1 of the CLF, on the remaining shares and warrants.

The consideration due to the holders of the shares and warrants offered, equal to 4.20 euros per share and 0.78 euros per warrant respectively, was paid to the participants on 28 October 2022, against the simultaneous transfer of the right of ownership over such shares and warrants in favour of Poste Italiane.

In line with the objectives of the "2024 Sustain & Innovate Plus" business plan, the operation will allow Poste Italiane to strengthen its capacity for the internal development of applications based on **cloud**  and open source technology, significantly increasing the level of internalisation of activities and evolving towards a "product factory" model, while limiting the use of external personnel for specialist technology support and non-core activities.

The squeeze-out procedure of the transaction was completed on 4 November 2022, following which Poste Italiane holds a majority stake in Sourcesense equal to 70%, and the shareholders who agreed with Poste Italiane have a minority stake of 30%.

On 5 August 2022, Poste Italiane signed a binding agreement with A. Firpo and P. Platter ("Founding Partners"), for the **acquisition of a 70% stake in the Agile Lab Group** (hereinafter "Agile Lab"), accompanied by a strategic partnership with the Founding Members, who will keep the remaining 30%.

Agile Lab is a group specialised in data management, with an offering of made-to-measure technological solutions that exploit artificial intelligence, as well as resale services of open source software products developed by technological partners.

The operation represents an important opportunity for the Poste Italiane Group to accelerate the internalisation of software development in support of the business, thus reducing costs and time to market with solutions that also have the potential to be offered to the market. The closing of the operation, on 13 October 2022, involved a provisional consideration of around €18 million, for 70% of Agile Lab. The 30% of the share capital that will continue to be held by the Founding Partners will be subject to buy and sell options that can be activated from 30 April 2026, which will allow Poste Italiane to acquire a total stake of 100% in the medium term.

**Sourcesense:
promotion
of a cash
takeover bid
for all shares
and warrants**

**Agile Lab:
acquired
majority stake**

On 28 September 2022, Poste Vita's BoD approved the promotion of a wilful and absolute cash takeover bid on ordinary shares and warrants of **Net Insurance SpA** ("Net Insurance"), in agreement with several shareholders. The offers will be promoted through a special purpose vehicle established in the form of an Italian joint stock company directly controlled by Poste Vita ("BidCo").

The consideration that will be offered for each share is 9.50 euros (corresponding to a premium of 28% of the weighted average daily official prices of Borsa Italiana for the past month) and the consideration that will be offered for each warrant is 4.81 euros (corresponding to a premium of 60% of the weighted average daily official prices of Borsa Italiana for the past month).

**Net Insurance:
promotion
of a cash
takeover bid
for all shares
and warrants**

Net Insurance, a company with shares traded on the regulated market called Euronext STAR Milan ("ESM") organised and managed by Borsa Italiana SpA, is an insurance company with offerings dedicated to insurance cover associated with the world of credit and, in particular, salary or pension-backed loans, protection and insurtech⁶, thanks to agreements with technology partners.

The transaction is aimed at acquiring control of Net Insurance by the insurance group led by Poste Vita and will allow it, in line with the objectives defined in the Poste Italiane Group's "2024 Sustain & Innovate Plus" strategic plan, to achieve a significant growth in the P&C/protection insurance segment, through the acquisition of a majority stake in a leading company in Italy in that market. Specifically, Poste Vita intends to identify Net Insurance as: (i) a "centre of excellence" for the insurance group for insurance products related to salary and pension-backed (CQ) products and (ii) a product factory of reference as regards the distribution of insurance products on third-party networks, with particular reference to bank networks.

The operation also seeks to establish a long-term strategic and commercial partnership with IBL Banca SpA ("IBL"), through the 40% stake that it will acquire in BidCo upon completion of the transaction, further strengthened by the commercial commitments of IBL aimed at a substantial increase in insurance cover relating to its own salary or pension-backed loans acquired from Net Insurance.

Intra-group transactions

On 24 February 2022 the sale by Poste Vita, in favour of Poste Italiane, of 100% of the shares held in **Poste Welfare Servizi** took effect, implementing a reorganisation of the Poste Italiane Group aimed at strengthening the role of Poste Welfare Servizi as a centre of healthcare excellence.

On 24 June 2022, the BoD of Poste Italiane and the General Meeting of Shareholders of **PSIA Srl** ("PSIA") approved the **merger by incorporation of PSIA into Poste Italiane**, which took effect on 1 November 2022. 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.

In order to simplify the control structure of the Poste Italiane Group, on 29 September 2022, the **reverse merger of Plurima Bidco Srl into Plurima** was approved by the shareholders' meetings of the two companies. The transaction, which provides for application of the simplifications envisaged by the regulations for the merger of wholly owned companies, will take effect from 1 January 2023, provided that at that date, the last of the registrations required by art. 2504 of the Italian Civil Code has been made, or from the next date established in the deed of merger.

On 1 October 2022, the **sale by BancoPosta Fondi SGR** of its **business unit** for Information Communication Technology (ICT) activity management in favour of Poste Italiane took effect. This transaction is part of the process to streamline the efficiency of the Poste Group's ICT processes, by centralising the management of the subsidiaries' information systems at the parent company.

6. Insurtech identifies the entire process of digitisation of the insurance sector, from signing policies to managing claims, thanks to the use of technologies such as Big Data Analytics, Artificial Intelligence and Application Programming Interfaces (API).

< 5. Strategy, innovation and digitalisation, risk management

- 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 approach, innovation and digitalisation
- Risk management

The Group's strategy is carried out through 4 Strategic Business Units (SBUs), as described in the section "Poste Italiane's Organisational Structure". The market and legislative scenarios in which the various SBUs operated during the period, and their operating performance, are shown below.

Mail, Parcels and Distribution Strategic Business Unit

Macroeconomic context

In the first nine months of 2022, the global economy was affected by the repercussions of Russia's invasion of Ukraine and the new lockdown measures adopted in China in response to the fresh wave of Covid-19. The outbreak of the Russia-Ukraine conflict created renewed pressure on international supply chains and on the commodities markets, feeding inflation on a global scale.

The macroeconomic projections formulated by the European Central Bank⁷ in September 2022 indicate medium-term economic growth for the euro area, thanks to energy market rebalances, reduced uncertainty and improvement in real income. It is estimated that in 2022 the GDP growth rate in real terms will stand on average at 3.1%, before falling to 0.9% in 2023 and increasing to 1.9% in 2024.

Inflation continues to be exceedingly high; in September 2022, inflation reached 9.9% in the euro area and the ECB believes that it will stay at a level higher than the 2% target for an extended period of time. At the meeting in October 2022, the Governing Council therefore decided to increase interest rates by 75 basis points for the third time in a row, definitively abandoning the accommodating approach to the monetary policy maintained during the pandemic.

7. ECB Economic Bulletin, Issue 6, 2022.

After the profound recession in 2020, the **Italian economy** recorded vigorous recovery, with six quarters of growth exceeding expectations⁸, which in the second quarter of this year brought the GDP over 0.6 percentage points higher than the average level in 2019 (the year before the explosion of the pandemic). In a context of the gradual end of the health emergency and its associated restrictions, recovery was not only supported by consumption, with strong contribution from tourist services in the most recent phase, but also by investments and exports, proving the dynamic nature of the production system. The unemployment rate fell to 7.8% in August. In September, the inflation calculated on the Italian national consumer price index (NIC) stood at 8.9% YoY, from 8.4% in August, while the harmonised index was 9.5% YoY, from 9.1% previously, in line with expectations.

In the Update to the DEF⁹, approved by the Council of Ministers in late September, the Government reviewed the path of the household consumption deflator¹⁰ and that of the GDP deflator upward. Growth was also revised upward for the current year, with a Gross Domestic Product (GDP) trend level increasing to 3.3% compared to 3.1% scheduled by the DEF in April. On the other hand, the forecast for 2023 decreases substantially, from 2.4% to 0.6%.

Tax revenue and contributions for the first seven months of 2022 were higher than expected, despite the imposing mitigation measures on the cost of energy. As a result of the positive trend in revenue, the Government envisages that net debt in 2022 will be 5.1% of the GDP, half a percentage point lower than envisaged in the DEF. According to new forecasts¹¹, the high nominal growth of the economy envisaged for this year and the improvement in the government budget balance will lead to a more decisive decrease in the ratio between gross debt and GDP than envisaged in the DEF, from 150.3% in 2021 to 145.4% in 2022 (147.0% in the DEF).

The **postal market** 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 macrotrends, the continuous structural decrease in volumes of traditional mail, replaced by digital forms of communication (email, instant messaging, etc.), has been accompanied by an 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 stability¹². In 2022 the decrease was temporarily contained thanks to high volumes of notifications delivered, due to the recovery of previous years when restrictions had suspended notifications, while unrecorded mail showed a clear decreasing trend.

The parcels segment is experiencing a period of uncertainty this year, but it does not undermine the market value, which increased greatly during the years of the pandemic. The effects of the continuation of the growth trend recorded in recent years can be summarised by the general increase in costs due to the Russia-Ukraine conflict, the increase in inflation with consequent decrease in consumer purchasing power and the lower propensity towards private purchases (including online). This trend is also visible at global level, as shown by the results of various leading companies.

For the Italian parcel segment, estimates for 2022 therefore show a consolidation of the market value, with situations of greater growth, even in 2022, in several segments such as "Food & Grocery".

8. NADEF September 2022.

9. Economics and Finance Document.

10. Multiplication factor used to formally eliminate the effect of inflation on the values.

11. Draft Budgetary Plan 2023 - www.mef.gov.it.

12. Source: Processing of internal forecasts

Regulatory context and evolution of the regulatory scenario

The main legislative and regulatory updates made during the period are shown below. For a complete discussion of the regulatory scenario of the Mail, Parcels and Distribution Strategic Business Unit, please see chapter 3 “Business Model” in the 2021 Financial Report and of the Interim Report on Operations at 30 June 2022.

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 appealed this decision to the Lazio Regional Administrative Court on 30 September 2022.

With judgement no.11416/2022 published on 5 September 2022, the Regional Administrative Court partially granted the appeal on the assessment of the burden for the years 2011-2012, acknowledging the failure to activate the compensation fund for the year 2011.

AGCOM - Fee Manoeuvre and access obligations

Resolution AGCom (Autorità per le Garanzie nelle Comunicazioni - the Italian Communications Authority) 171/22/CONS of 6 June 2022 defined the new tariffs of the Universal Service compensation; the Resolution encompasses nearly every proposal formulated by the Company in relation to tariff changes, including removing the ban on price increases until 2024 proposed by the AGCom during public consultation; further future changes may be proposed to the Authority. The new tariffs gradually came into force on 27 June 2022.

AGCom amended and supplemented the current access obligations defined by AGCM as part of the concentration with Nexive (proc. C12333), with particular reference to post offices (the number of which was extended from 2,000 to 4,000) and to the economic offer conditions set out by Measure 8 of the AGCM provision (which were reduced). In light of these changes, Poste Italiane notified AGCom of the wholesale offers; at the request of the Authority, the Company published the offers on 31 October 2022, adopting a number of initial observations by the Authority. Definitive approval by it is pending.

Replicability
of offers
(EU2 areas)

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 review of the criteria for defining “EU2 Areas”¹³, with the identification of the EU2 postcodes both for unrecorded mail and for recorded mail. The new perimeter defined by the Authority will be used, in particular, in order to identify the regional coverage of wholesale access to its network pursuant to AGCM provision C12333, (provision no.28497 of 22 December 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.

On 19 September 2022, AGCom initiated, with **Resolution 309/22/CONS**, the investigation proceeding relating to the **review of the repeatability test**, i.e. the test that Poste Italiane must perform before submitting all mail offers (submitted as part of public and private tenders) with a value over €500,000 and must communicate to the Authority within the next 30 days, as proof that the Company’s offer is “repeatable” by an efficient hypothetical competitor. The proceeding is limited to 180 days from the date of publication of the resolution. Poste Italiane has made its contribution.

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.

After the conclusion of the public consultation and, also following the comments submitted by Poste Italiane, on 27 September 2022 **Resolution no. 308/22/CONS** was published, which **redefined the criteria related to the distribution of mailboxes**, adopting, in particular, the criterion of the distance of the closest mailbox per percentage of resident population. Within 60 days, Poste Italiane must send to AGCom the plan to implement the aforesaid criteria, which will be gradually implemented within 24 months from communication thereof.

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.

The technical and operational modes of operation of the platform were defined with Decree no. 58 of 8 February 2022 of the Ministry for Technological Innovation and Digital Transition, published in Official Gazette no. 130 of 6 June 2022.

The costs, criteria and methods of distribution and reimbursement of the costs for the notification of documents via the platform under art. 26, paragraph 14 of Law Decree no. 76 of 16 July 2020 were identified with Decree of 30 May 2022 of the Italian Ministry for Technology Innovation and Digital Transition, published in the Official Gazette General Series no.180 of 3 August 2022. The decree establishes that the amount of the notification costs borne by the recipient of the notified document, is fixed at €2.00 for each notification made via the platform. A portion of the amount, to be negotiated with PagoPa, will be paid to Poste Italiane as the platform supplier. An additional €1.40 is envisaged in favour of Poste Italiane as the universal service supplier in cases of delivery of the paper copy of the documents subject to notification.

At the request of PagoPA, Poste Italiane is contributing to the **creation of the Platform**, including through the use of its own services, on the basis of an Agreement, still being defined, which will govern the scope of the services, the responsibilities and the economic remuneration.

13. EU2 Areas: these are extra-urban addresses with no main competitors of Poste Italiane present.

Regulations on public contracts for postal services

In May 2022, following a structured consultation process that began in 2020, the Official Gazette published the provision of the **National Anti-Corruption Authority (ANAC) and AGCom**, containing the “**Guidelines for the award of public contracts for postal services**” (**Resolution no. 185/2022 ANAC** of 13 April 2022). The document contains operating instructions both for the contractors drafting the calls for tenders, and for the postal operators that intend to participate in the public procedures for the awarding of postal services contracts. The document, in force from 19 May 2022, albeit not binding, shall constitute the **basis for the construction of public contracts for postal services** and shall provide economic operators with interpretation guidelines for formulating bids.

In August 2022, AGCom initiated the proceeding for the review of Resolution 77/18/CONS on the issue of licences to perform the mail notification service of judicial deeds and highway code violations. Poste Italiane submitted its comments on the issues raised by the Authority.

**AGCM
Nexive Group Srl
Obligations**

As part of the acquisition of Nexive, concluded in January 2021, and the related obligations of Poste Italiane, in relation to compliance checks by the Authority, technical discussions were held regarding the interpretation of the **conduct measure relative to the maintenance of the portfolio of offerings in the two years following the transaction**.


The Company provided AGCM with additional detailed information, also taking account of the developments introduced by **AGCom Resolution 171/22/CONS** of 30 May 2022 related to the mail market.

The Company also sent to AGCM the amended access offers in light of the obligations imposed by the Regulator.

Operating review

Also in 2022, the Group continued with the process of reorganising its transport, sorting, delivery and customer experience improvement activities, in line with the long-term objectives outlined in the new “2024 Sustain & Innovate 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
Parcels/Logistics	The parcel offer was enriched with a new function that will allow sellers, Second Hand platform ¹⁴ users, to ship from proximity points (post offices, shops and tobacconists in the Punto Poste Network), including in paperless mode, i.e. without the need to print a label.
	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). The service is now available in over 170 municipalities.
	In May 2022, a majority stake was acquired in the company Plurima , an Italian leader in the sector of healthcare logistics. 
Mail	<p>“Smart Letter Boxes”¹⁵ project. During the first nine months of 2022, 13 new boxes with screens were installed in Naples, joining the 405 boxes installed since the start of the programme.</p> <div>   </div>
	In June 2022, a fee manoeuvre was launched that affected a number of Correspondence and Notification services . The price changes involved a number of products belonging to Universal Services as well as additional services ¹⁶ , with a view to keeping the offer consistent.

14. The second-hand economy, understood as a form of circular economy that is even more relevant and capable of generating real value sustainably, enables re-commerce mainly on online platforms, which are the intermediaries of peer-to-peer buying and selling between users, which in the majority of cases are based on consignment operations.

15. 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.

16. For more information about the fee changes introduced, please see the following website: <https://www.poste.it/variazione-tariffe-servizi-postali-universali.html>.

Financial Services Strategic Business Unit

The businesses included within the Financial Services SBU are managed by BancoPosta, as an intermediary that places the financial and insurance offerings of the Group.


Market context


Financial markets

After a particularly favourable year for the stock markets, 2022 began marked by a high degree of uncertainty linked to greater inflationary pressures that lasted longer than expected. After the initial negative impact of the outbreak of the Russia-Ukraine conflict, the prices on the European stock markets initially recovered, encouraged by signs of a possible containment of the conflict and the surprisingly positive performance of corporate profits in the first quarter of the year which strengthened the risk appetite. In the subsequent quarters, however, share prices dropped once more due to more uncertain economic forecasts: The decreases from the start of the year in the main stock markets are also due to the increase in interest rates and the downward revision of the growth expectations of corporate profits, which had supported the equity performance in 2021.

In the meantime, the main central banks have launched restrictive policies to contain the surge in prices, which in August reached growth levels of 9.1% in the euro area and 8.3% in the USA. The Governing Council of the European Central Bank (ECB) then decided in September to increase by 75 basis points the three key interest rates (main refinancing operations, marginal lending facility, deposit facility), in line with the process of normalisation of the rates undertaken since March by the US Federal Reserve, which approved five consecutive increases, the last three by 75 basis points, bringing the benchmark rate (Federal Funds Rate) to within the range of 3% - 3.25%. The determination of the central banks to pursue price stability should continue to help keep inflation expectations under control, triggering inevitable undesired consequences on growth and the deterioration of the labour market.

Overall, in recent months there has been a general worsening in global financial conditions in response to a context of growing uncertainty around the economic prospects and accelerated normalisation of monetary policies in advanced countries.

The measures adopted by the FED and the ECB, aimed at rebalancing the monetary policy conditions, led to an increase in the long-term rates: on 30 September 2022 the US 10 Year Treasury reached 3.69% (+218 bps compared to the end of 2021), the Italian Multi-year **Treasury Bond (BTP)**  with the same maturity 4.52% (+334 bps compared to the end of 2021), while the spread with the Bund reached 240 bps (+115 bps compared to the end of 2021).

The Italian stock market, with the **FTSE MIB** , decreased in the last nine months by 24.5%¹⁷, and it was also penalised by the downward revisions of the growth expectations of corporate profits deriving from geopolitical tensions.

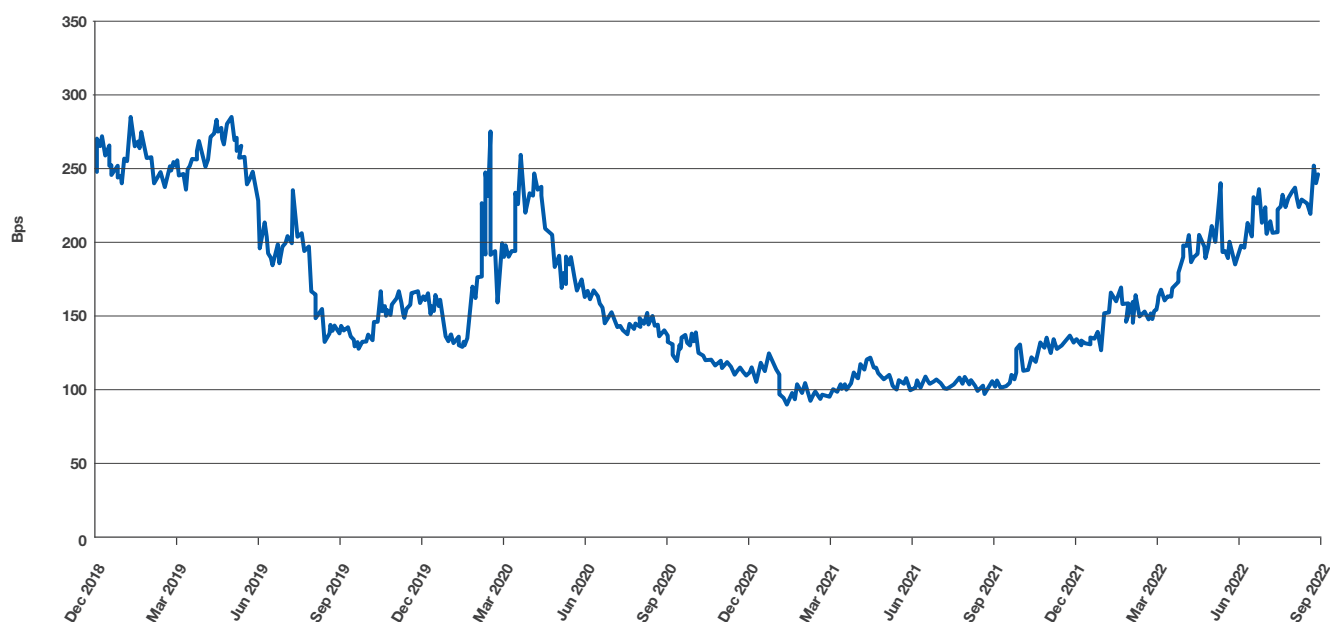
17. Source: Bloomberg, 30 December 2021.

The table below shows the precise returns expressed in percentage terms at the end of the period for BTP and interest rate swaps¹⁸.

	Sep 2021	Dec 2021	Mar 2022	Jun 2022	Sep 2022
BTP 10Y	0.86	1.17	2.04	3.26	4.52
SWAP 10Y	0.16	0.30	1.19	2.17	3.08
BTP 15Y	1.32	1.54	2.18	3.44	4.40
SWAP 15Y	0.40	0.49	1.29	2.35	3.07
BTP 30Y	1.82	1.99	2.49	3.67	4.34
SWAP 30Y	0.48	0.48	1.02	1.98	2.40

The following graph shows the trend of the 10-year BTP-Bund Spread in recent years with the values recorded up to 30 September 2022.

Spread BTP Vs BUND 10 yrs



18. Source: Bloomberg.

Banking system


On the basis of the estimates provided by the Italian Banking Association (ABI), in late September 2022¹⁹, **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 1.3% year on year to around €2,038 billion: compared to December 2021, deposits increased by €38 billion, while bond deposits recorded an outflow of around €11 billion.

In September 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 0.50% (0.44% in December 2021).

Bank loans in the first nine months of 2022 increased overall by around €29 billion and the aggregate of private sector loans at September 2022 was €1,755 billion, representing an annual variation of +3.3%. The component of loans to households and non-financial companies was slightly more dynamic, recording a 4.2% year-on-year increase in September 2022.

In the first nine months of 2022, there was an acceleration in the dynamics of the interest rates on outstanding loans to households (from 2.13% to 2.17%), as well as on rates on new business transactions (from 1.45% to 1.86%), while those on new loans to households for home purchases increased slightly (from 5.2% to 5.3%).

Asset Management

Assogestioni figures, at 31 August 2022, showed total assets of €2,282 billion, down by 12.1% compared to €2,594 billion at the end of 2021 (a result heavily influenced by the negative performance of the financial markets in the period of reference). With reference to portfolio management, assets amounted to approximately €1,084 billion, down by 12.8% compared to €1,243 billion at 31 December 2021. With regard to collective asset management, assets went from about €1,351 billion at the end of December 2021 to about €1,198 billion at the end of August 2022 (-11.3%). With regard to open-ended **mutual investment funds**  alone, customer assets at the end of August 2022 amounted to approximately €1,117 billion, down by 12.2% compared to approximately €1,273 billion at the end of December 2021.

In terms of net inflows the asset management industry recorded a positive balance of about €11.8 billion in the first eight months of 2022 (compared to €67.1 billion in the same period in 2021).

19. ABI outlook for October 2022 - <https://www.abi.it>.

Regulatory context

The main legislative changes made during the first nine months of 2022 are shown below.

For a complete discussion of the legislative context of the Financial Services Strategic Business Unit, please see chapter 3 “Business Model” in the Interim Report on Operations at 30 June 2022.

Council of the EU

Restrictions due to the Russia-Ukraine conflict

In the context of the restrictive measures adopted by the European Union in response to Russia's military attack on Ukraine, with reference to the investment services segment, **Regulation (EU) 2022/328 of the Council of 25 February 2022** introduced the ban, after 12 April 2022, on selling securities denominated in euro or units in collective investment undertakings to any Russian citizen or natural person residing in Russia, or to any legal person, entity or organisation established in Russia (excluding citizens who possess Italian citizenship or citizenship of an EU state or who have a residence permit). The initiatives identified have been gradually put into operation since July 2022 and, in October, further controls were implemented by the Company to prevent transactions by the parties within the scope of the restrictions.

Bank of Italy


Circular no.285 of 17 December 2013

On **23 February 2022**, the **38th Update to Circular no. 285 of 17 December 2013** 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.

On **12 July 2022**, the Bank of Italy published the **39th Update to the same Circular** to adjust the provisions on the intervention powers granted to the Authority in defining the capital requirements of the intermediaries supervised.

EBA

Payment services (Regulatory Technical Standards)

The **European Banking Authority (EBA)** published on 5 April 2022 the **final draft of regulatory technical standards (“RTS”)**. With this document, the EBA proposed changes to **Delegated Act (EU) 2018/389**, which supplements the PSD2 Directive in terms of the regulatory technical standards for strong customer authentication and the open standards of shared and secure communication. Specifically, the EBA proposes: to introduce a new compulsory exemption for **Strong Customer Authentication (SCA)** , when the customer's access is carried out via an Account Information Services Provider, and to extend the expiry of the extension from the current 90 days to 180 days.

BancoPosta, alongside PostePay, is continuing its appropriate investigations and is monitoring the regulatory developments pending the approval of the aforesaid measure by the European Parliament and Council.

ESG

Disclosure on investment services

In July 2022, with reference to **ESG regulations** in the context of investment services, Commission Delegated Regulation (EU) 2022/1288 was published on the disclosure obligations of financial operators on sustainability topics in pre-contractual/contractual documents, periodic reports and websites.

The Regulation will enter into force on 1 January 2023.

Analyses are under way in order to implement the aforesaid provisions.

European Commission


Consumer protection for financial services contracts concluded at a distance

On **11 May 2022** the **European Commission** published the **Directive Proposal amending Directive 2011/83/EU**, concerning **financial services contracts concluded at a distance** which will strengthen consumer rights and promote the cross-border provision of financial services in the single market. In particular, the proposal aims to: (i) make it easier to exercise the right of withdrawal; (ii) govern the content, methods and time frames of pre-contractual information; (iii) provide for special regulations for consumer protection; (iv) increase the powers of the competent authorities by tightening sanctions in the event of violation of the regulations.

BancoPosta is monitoring the regulatory developments pending the approval of the measure by the European Parliament and Council and the subsequent publication in the Official Journal of the European Union.

ESMA

Sustainable Finance

With Resolution 22430 of **28 July 2022**, **CONSOB** amended the “Intermediaries’ Regulation” in light of the updates relating to the **MiFID II**  and IDD on **sustainable finance**. In September 2022, the ESMA published the Final Report: “Guidelines on certain aspects of the MiFID II suitability requirements” in order to integrate sustainability factors into the provision of financial advisory services and into the related organisational requirements for authorised intermediaries. The provisions of the Final Report confirm the Group's ongoing implementing developments; any minor changes or further developments that become necessary will be assessed and shared with the Group and the issuing companies of the financial/insurance products.

Other information

Bank of Italy

On **10 January 2022**, following a whistleblowing report, the Bank of Italy 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 **20 May 2022**, the Authority notified BancoPosta RFC of the conclusion 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, as of the supervisory report of 30 June 2022, BancoPosta must meet the following minimum capital requirements: (i) common equity tier 1 (CET 1) ratio 7.80%; (ii) tier 1 capital 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 (Internal Capital Adequacy Assessment Process), the Bank of Italy has identified the following capital levels that BancoPosta will be required to maintain: (i) common equity tier 1 (CET 1) ratio 8.55%; (ii) tier 1 capital ratio 10.30%; (iii) total capital ratio 12.70%.

Compliance with these requirements did not require additional capital contributions from BancoPosta.

On **10 August 2022** the Bank of Italy launched an investigation into the use of **DLT (Distributed Ledger Technology) and cryptoassets**, in order to prepare an updated and complete framework of the diffusion of these technologies in the Italian banking and financial system. BancoPosta, in co-ordination with PostePay (another recipient of the questionnaire), responded on 13 September 2022.

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.

In April 2022, the Authority launched a thematic survey on the methods adopted by intermediaries to meet the **ex-post disclosure obligations to retail customers on costs and expenses incurred**. The feedback was provided on 04 July 2022.

On **6 July 2022**, the Authority requested an update on specific aspects (customer profiling and concentration risk) previously handled in the feedback provided, on 16 July 2021 and 11 February 2022, following the technical note with the results of the **inspections** conducted by the Authority from January to October 2020. The response note was sent on 3 August 2022.

Tax credits

With regard to the purchase of tax credits derived from building bonuses, offered by the Poste Italiane to its customers, certain local Public Prosecutors' Offices decided as a precautionary measure to seize approximately €381 million worth of tax credits that were undergoing purchase procedures. As a result of these measures, adopted in proceedings in which Poste Italiane is a good faith third party and/or an injured party, the Parent Company filed for a review, which led, in the cases in which they were accepted, to the release of part of the sums previously subject to precautionary measures. Taking into account the effects of the anti-fraud decree, which allows for the extension of the set-off window for the duration of the seizure, the amortised cost of the receivables that are subject to an seizure order at the date of these financial statements has been adjusted by estimating the average duration of the seizure, based on various cases.

Lastly, for the purposes of preparing this accounting statement, also taking into account the provisions of IAS 37, no elements arose that required further consideration, without prejudice to the fact that Poste Italiane will continue its assessment of the potential risks associated with the continuous regulatory and interpretation developments and, in particular, the legal precedents affecting the operations in question.

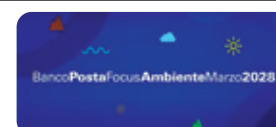
For the main proceedings pending and additional relations with the Authorities, please refer to the section "Proceedings pending and main relations with Authorities".



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>During the period, as a result of changes in the macroeconomic context, Cassa Depositi e Prestiti amended the range of Interest-bearing Postal Certificates, increasing the returns of the 3x4, 4x4 and Ordinary Certificates, restoring the placement of the 3x2 Certificate and suspending the issue of the 5x5 Certificate.</p> <p>In July and August, the Premium 3 Year Certificate dedicated to customers who deposit new liquidity was placed, and in September 2022 the placement of the "Rinnova Certificate", dedicated to customers who repaid accrued Interest-bearing Postal Certificates was also reinstated.</p>
Current accounts	<p>The service for the purchase of tax credits continued in the first half, launched in 2020 and dedicated to BancoPosta current account holders.</p> <p>Distance sales²⁰ of the "BancoPosta Affari Account" and "BPIOL - BancoPostaImpreseOnline" began.</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> <p>Distribution of the "Focus Nuovi Consumi 2028" fund was also launched, which involves an equity exposure linked to the emerging topic of new consumption (such as e-commerce).</p> <p>From May 2022, for the three Funds "Azionario Flessibile", "Orizzonte Reddito" and "Azionario Internazionale", the investment policy has been integrated so as to take account also of environmental sustainability, social and governance factors.</p> <p>The "BancoPosta Obbligazionario Italia 6 anni" Fund was launched. The bond product aims to gain – within approximately 6 years (maturity 31 December 2028) – a return on portfolio in line with the one expressed on average by corporate and government bonds of a similar duration, through an investment in bonds denominated in euro mainly from Italian issuers.</p>
Assets under Administration	<p>In June 2022, Poste Italiane participated in the placement of the 17th issue of the Italian Multi-year Treasury Certificate (BTP), a security linked to the performance of Italian inflation with the new developments of the double loyalty premium (paid on two occasions, during and at the end of the life of the security) and the duration of 8 years.</p> <p>Together with the Partners for whom the financing products are distributed, the initiatives continued during the period 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>During the period, 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> <p>With reference to the "Quinto BancoPosta²¹" product, the new "Anticipo²²" and "Consolido" functions were integrated which allow customers, respectively, to request an advance on the amount financed and to settle the existing instalments of other loans, while maintaining a single instalment.</p> <p>In April 2022, in relation to the financing dedicated to business customers, in collaboration with Credimi SpA, the "Prestito BancoPosta Business Link Online" loan was launched, as well as the new range of entirely digital loans dedicated to sole traders and companies.</p> <p>In July, in order to expand the range of financing solutions offered, agreements were signed with additional partners (Banca AideXa SpA and Banca CF+ SpA).</p>



20. Distance sales involve the management, promotion and placement of banking and financial products and services, such as the Affari account and BPIOL, to SEO and business customers using remote and electronic (email/PEC) communication methods, PEC to PEC exchange of documentation and signing contracts with the customer, seller and back office using a digital signature. The off-premises offering is aimed at the same targets, but involves sales with the seller attending the customer's premises and the use of automated tools for signing contracts.

21. This is the loan dedicated to public employees and retirees, which can be used to settle other loans with a redemption of up to one fifth of their salary or pension.


22. The "Anticipo" function makes it possible to request an advance on part of the amount financed. This amount can be paid after approval of the application and before issue of the clearance by the Garnishee Administration (own employer or the pension provider), thus eliminating the waiting time for that document, which is therefore only required to pay the balance to the customer.

Insurance Services Strategic Business Unit

Market context

Life Business

New individual and collective life insurance policies on the Italian market, based on the latest figures available²³, amounted to approximately €50.6 billion at the end of August 2022 and recorded a 12.9% decrease compared to the same period in 2021. If new Life business reported by EU companies is taken into account, the figure reached €58.3 billion, down 15.7% compared to the same period of 2021.

Analysing the figures by class of insurance, **Class I** premiums amount to €32.4 billion at the end of the first eight months of 2022, down by 6.8% with respect to the same period the previous year. With reference to inflows from **Class III** (in the exclusive **unit-linked**  form) there was a decrease (-22.3%) compared to the figure reported at the end of August 2021, against volumes of €17.7 billion. The volume of new premiums relating to long-term health policies (**Class IV**) continued to be limited (approximately €34 million) and in line (+0.4%) with the figure in the first eight months of 2021. Residual inflows were from **capitalisation products** (**Class V**) (€340.1 million) which fell in the reporting period (-8.7%) compared to the figures at the end of August 2021.

New contributions relating to the management of **pension funds**  in the first eight months of 2022 recorded inflows of €80 million, a decrease (-2.5%) compared to the same period in 2021.

Single premiums continued to be the preferred form of payment for policyholders, representing 95% of total premiums written and 59.8% of policies by number.

With regard, finally, to the **distribution channel**, 67.5% of new business was obtained through banks and post offices during the first eight months of 2022, with premium revenue of €34.1 billion, a decrease (-7.8%) 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 €8 billion, recording a 16.2% decrease in terms of volumes recorded compared to the first eight months of 2021 and with an incidence on total intermediated business of 15.9%.

The performance of new business obtained through authorised financial advisors was €7.5 billion, down (-27.8%) compared with the figure for the previous year and with an incidence, compared to the total of brokered premiums, equal to 14.8%.

Finally, the broker and distance sales channel recorded an increase during the period of 12.6% compared to the same period in 2021, with a volume of premiums placed of €0.9 billion (or 1.8% of the total brokered).

23. Source: ANIA Report - Year 18 - no. 08 - published 29 September 2022

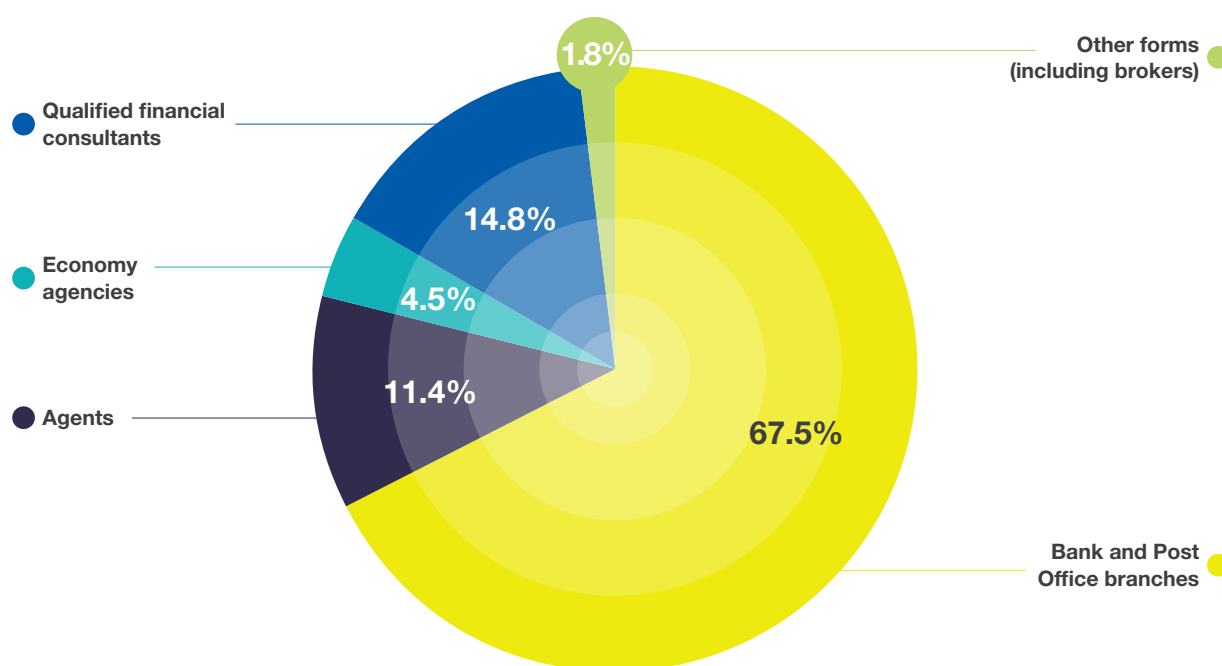
New individual Life business by class*

(data updated to August 2022 in €m)

Premiums by class/product	Premiums YTD	% change 08 2022 vs 08 2021
Life - class I	32,401	-6.8%
Unit-Linked - class III	17,699	-22.3%
Capitalisations - class V	340	-8.7%
Pension funds class VI	80	-2.5%
Illness class IV	34	0.4%
Italian insurers - non-EU	50,554	-12.9%
EU insurers**	7,775	-30.3%
Total	58,329	-15.7%

* 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, including policies sold in Italy by Italian companies and by overseas undertakings, based on the most recently available official data²⁴ at the end of the second quarter of 2022, came to €20.4 billion, up by 6% compared to the same period in 2021, when the sector recorded an increase of 3.2%. The above increase is mainly attributable to the Non-Motor sector (+11%), with the highest growth ever recorded, while premiums in the Motor sector were slightly down (-0.6%). With reference to the latter, the reduction in premiums in the **motor TPL class** fell by 2%, while the **Land Vehicle Class** benefited from growth of 4.4%.

24. Source: ANIA Report - Year 7 - no. 30 - published 22 September 2022.

With reference to the **Non-Motor sector**, the 11% growth was the result of the main insurance classes: i) the **Health class**, with volumes of €1.9 billion, up 12.9%; ii) the **Personal Injuries class**, with premiums of €1.9 billion and an increase of 5.8%; iii) the **General TPL class**, with premiums of €2.5 billion and an increase of 13.3%; iv) the **Monetary Losses class**, with volumes of €0.4 billion and an increase of 25.8%; v) the **Property damage class**, with an increase of 8.1% and volumes of €2 billion; vi) the **Fire class**, with total business of €1.4 billion and a growth of 6.1%; vii) finally, the **Legal expenses class**, with a growth of 8.7% and business during the period of €0.3 billion.

As regards the **distribution channels**, the agency one is confirmed as the leader with a market share of 73.1% substantially in line with the figure recorded in the same period of 2021 of 73.4%. Brokers represent the second P&C premium distribution channel with a market share of 9% (8.6% at the end of June 2021), while bank and post office branches recorded a market share of 8.9% (8% in the first half of 2021).

As regards direct sales as a whole (including distance, telephone and internet sales), at 30 June 2022, there was an incidence of 8.6% (9.6% in the corresponding period of 2021). The remaining 0.4% (same figure as the end of June 2021) refers to premiums brokered by qualified financial advisors.

Direct P&C premiums by class*

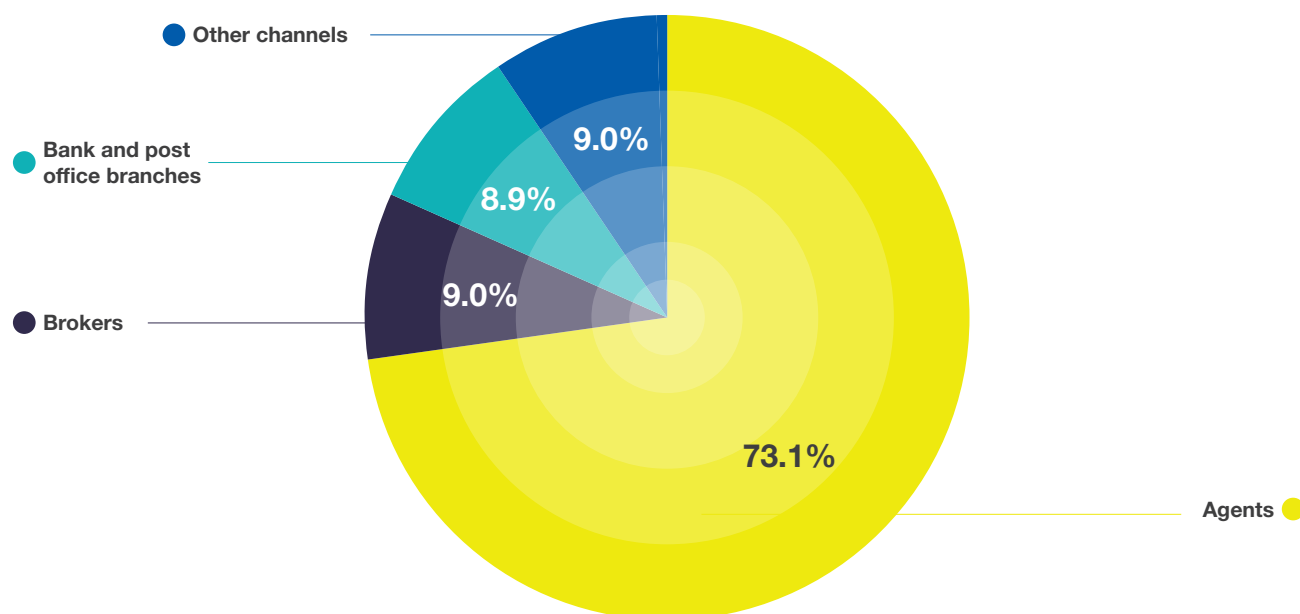
(figures updated to June 2022 in €m)

Premiums by class**	Premiums YTD	% change Q2 2022 vs Q2 2021
Total motor segment	8,225	-0.6%
Other P&C classes	12,194	11.0%
Total P&C classes	20,419	6.0%

* 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

The main legislative changes made during the first nine months of 2022 are shown below. For a complete discussion of the legislative context of the Insurance Services Strategic Business Unit, please see chapter 3 “Business Model” in the 2021 Financial Report.

IVASS

Letter to the market
of 9 March 2022

For the purposes of **financial stability monitoring**, IVASS (Istituto per la Vigilanza sulle Assicurazioni – the Insurance Regulator) requested the companies to provide information by 15 March 2022 relating to the **look-through²⁵ of collective investment undertakings or investments in the form of funds**, including in relation to equity investments. **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 malware²⁶, by adopting all risk mitigation measures that become necessary. **Poste Vita and Poste Assicura are continuing to monitor possible cyber attacks.**

IVASS

Measure no.121
of 7 June 2022

With this measure, **IVASS** amended **ISVAP Regulation no. 7 of 13 July 2007*** and relative annexes, with the primary aim of adopting the changes introduced by **IFRS 17** on the presentation and reporting of accounting entries relative to insurance contracts. The aforementioned amendments will enter into force on 1 January 2023.

*Regulation concerning the templates for the financial statements of insurance and reinsurance undertakings that must adopt the international accounting standards set out by title VIII (financial statements and accounting records), chapter I (general provisions on financial statements), chapter II (annual financial statements), chapter III (consolidated financial statements) and chapter V (statutory audit) of Italian Legislative Decree no. 209 of 7 September 2005 (Italian Private Insurance Code).

IVASS

Regulation no. 52
of 30 August 2022

The Regulation implements Law Decree no. 73 of 21 June 2022, converted with amendments by Law no. 122 of 4 August 2022, which, considering the exceptional turbulence on the financial markets, allows companies that do not adopt the international accounting standards to waive the rules of the Italian Civil Code on the **measurement criteria of “short-term” securities** and therefore grants companies the option to measure short-term securities based on the value reported in the last annual financial statements.

Poste Vita and Poste Assicura constantly monitor the development of the situation on the financial markets in order to assess the application of the exception permitted by the Regulation during preparation of the statutory financial statements as at 31 December 2022.

Other information

For the main proceedings pending and additional relations with the Authorities, please refer to the section “Proceedings pending and main relations with Authorities”.


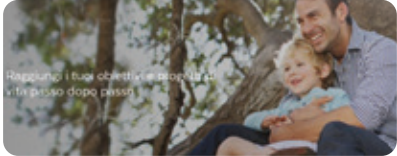


25. Understood as the breakdown of the fund composition in terms of asset class.

26. 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.

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 “2024 Sustain & Innovate Plus” Plan, which envisage improving the product mix in the life business with a particular focus on multi-class products, the following policies 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; ● “Poste Progetto Capitale”, launched in February 2020, 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 off-premises sale of the new “Poste Welfare Infortuni” collective policy was launched, to cover professional and personal health risks of the employees at the contracting companies.</p> <hr/> <p>As part of the restyling of the capital line of the modular policy “Poste Vivere Protetti²⁷”, the new “Protezione Digitale” cover was launched, which extends the protection of family members to the damage that could be incurred/created by activities carried out online.</p>

27. The modular policy “Poste Vivere Protetti” complements the protection coverage available to retail customers, to protect their health, home and pets. Modules and related coverages can always be added or removed as customers’ needs change, and the coverages, which are indicated in the policy, always form a single contract.

Payments and Mobile Strategic Business Unit



The businesses included within the Payments and Mobile SBU (electronic money, telco and energy) are managed by the subsidiary PostePay SpA.



Market context

The latest data available²⁸ on the Italian market of **payment cards** show a strong growth in overall national transacted amounts, which, in June 2022, nearly reached €168 billion, a 19% increase compared to June 2021 thanks to the recovery in consumption.

€168
billion

Value of card transactions
in June 2022 in Italy:
+19% YoY

The number of transactions grew by 18% compared to the same period in the previous year and came to €3.5 billion, the sign of increasingly more consolidated daily card use, including thanks to greater propensity and acceptance of the use of **digital payments**  by shops (e-commerce and **contactless**  payments).

Debit card transactions grew by 22% compared to June 2021 and represent over half of total transactions (58% of the total), with a transacted amount close to €97 billion (+22% compared to June 2021). **Prepaid cards**  also advanced at a rapid pace (+19% of transactions and +21% of transacted amounts compared to June 2021, for a total value around €30 billion), due to the constant development of e-commerce and the increase in penetration at physical points. The first half of 2022 was also positive for **credit cards** , which closed the period positively with transactions up by 3.9% and transacted amounts up by 11% compared to June 2021, with over €41 billion and a higher average ticket showing an increasingly more targeted use with higher spending.

As at 30 June 2022, the number of **active cards** on the market exceeded **93 million**, up by 1.3% compared to the stock of active cards at 31 December 2021: the highest growth was recorded on debit cards, which increased by 1.8% compared to 31 December 2021 for a total of nearly 48 million active cards. The stock of prepaid cards also increased and exceeded 30 million (+1% compared to late December 2021) and credit card growth resumed (+0.3% compared to 31 December 2021) with over 15 million active cards.

Based on the latest available figures²⁹, **mobile telephony market** penetration shows total mobile lines representing around 181% of the population, with Mobile Virtual Network Operators (MVNOs) representing 14.4%³⁰. The total number of lines at 31 March 2022 amounted to 106.5 million, including 28.5 million **Machine to Machine M2M**  SIM cards.

During the past year, the **energy market** was heavily affected by the international geopolitical context: first, the Covid-19 pandemic, then in recent months the Russia-Ukraine conflict have been influencing the markets and the prices of commodities, especially gas, with significant repercussions on the electricity market³¹. Already in the final quarter of 2021, the wholesale price of gas increased sharply following the recovery correlated with the improvement in the pandemic and the growth in international tensions, culminating in the aforesaid conflict in February 2022, which exacerbated the increases. The price of gas rose by over 500%³² compared to the level recorded in the first half of 2021; the third quarter of 2022 was also characterised by a scenario of strong tensions on the prices of energy commodities, which reached even higher levels than those recorded in the second quarter of the year: extremely high purchase costs and high volatility of the prices are also correlated with the uncertainties around the reliability of gas supplies arriving from Russia. In summer, European gas stocks increased rapidly, while alternative sources to gas (hydroelectric, nuclear and coal) had to significantly reduce their production due to high temperatures and water shortages; the European institutions announced measures³³ to tackle the energy price crisis and the risk of gas shortages with the arrival of winter (plan to reduce electricity and gas consumption, measures on the regulation and functioning of the energy markets, the assessment of "price cap" on the cost of energy).

In order to tackle the increase in commodity prices, the Italian government issued a series of urgent measures with the aim of mitigating the energy costs of households and companies, taking particular action on general system charges and social bonuses for families struggling financially and customers with serious health conditions. For more details about the legislative actions taken, please refer to the information in the following section.

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

29. Source: Agcom Osservatorio sulle Comunicazioni n. 2/2022, Report Operatori.

30. Source: Internal estimate by Poste Italiane SpA on Human to Human SIM cards.

31. The increase in the price of gas also drove electricity prices upwards, since in Italy and many other European countries the marginal price of electricity is defined by the generation costs of thermoelectric plants powered by natural gas.

32. Source: Prices on the Title Transfer Facility (TTF) trading point.

33. Source: <https://italy.representation.ec.europa.eu> and <https://www.eunews.it/2022/09/14/energia-von-der-leyen-gas/>.

Regulatory context

The main legislative changes made during the first nine months of 2022 are shown below. For a complete discussion of the legislative context of the Payments and Mobile Strategic Business Unit, please see chapter 3 “Business Model” in the 2021 Financial Report.

Electronic money

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



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 ceased to have effect on 30 June 2022.

The new Regulation came into effect on 1 July 2022, and the BEREC (Body of European Regulators for Electronic Communications) will soon publish guidelines on defining a number of aspects relative to the implementation of the new rules (the guideline proposal was published on 14 June 2022). The text of the new regulation was approved by the Parliament on 24 March 2022 and by the Council on 6 April 2022 (published in the Official Journal of the European Union on 13 April 2022, Regulation 2022/612). 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.

ENERGY 2022 Budget Law

In order to contain the price hikes in the electricity and natural gas sector, Italian Law Decree no. 234 of 30 December 2021, called **2022 Budget Law**, announced for the first quarter of 2022:

- the zeroing of general charges for domestic electric customers and other uses;
- the reduction of general charges for the natural gas sector;
- the increase in the amounts of electricity and gas social bonuses.

The decree also provided for the reduction in VAT to 5% for the supply of gas for civil usage and the obligation for companies selling electricity and gas to offer domestic customers an interest-free instalment plan in the event of failure to pay bills issued in the period between 1 January and 30 June 2022.

These subsidies were substantially extended to the third and fourth quarters of 2022 (Law Decree no. 17 of 1 March 2022, Law Decree no. 21 of 21 March 2022, Law Decree no. 80 of 30 June 2022 and Law Decree “Aiuti Bis” no.115 of 9 August 2022). **Law Decree “Aiuti Bis”** also intervened by suspending, until 30 April 2023, the efficacy of the contractual clauses that allow electricity and gas vendors to unilaterally change the general conditions of contract relating to the definition of the price (changes notified to customers before 10 August 2022 were also rendered ineffective, unless they had already been completed at that date).

ENERGY

ARERA interventions

The aforementioned government interventions were implemented, where applicable, by the **Italian Regulatory Body for Energy, Networks and Environment (ARERA)**, with resolutions **635/2021/R/com** of 30 December 2021, **141/2022/R/com** of 30 March 2022 and **241/2022/R/com** of 31 May 2022.

With Resolution **636/2021/R/com** of 30 December 2021, ARERA implemented the provisions regarding the aforementioned obligation to split bills into instalments for domestic end customers of electricity and natural gas.

In the first nine months of 2022, ARERA issued further relief measures for the sector of electricity and natural gas sales to end customers, including:

- resolutions **146/2022/R/eel** and **147/2022/R/gas** updated, for 2022, the value of the marketing and sales components respectively of electricity and natural gas for customers served in the protection service³⁴. The valuation of these components has an impact not only on the sellers that operate in the protected market and that bill these costs as determined by ARERA, but also on those that operate in the free market, where regulated prices nevertheless act as a point of reference in the process of defining the prices of offers;
- resolution **135/2022/R/com** standardised the methods of defining “offer codes”³⁵ so as to contain summary information about a number of characteristics of the offer, which are easy to identify and use for the collection of information even at aggregate level about the characteristics of the offers signed by customers. In the electricity sector, the use of the new offer code and the provisions aimed at the integration of information present on the Offers Portal³⁶ are compulsory from 1 October 2022. For the natural gas sector, the provisions for the population of the Official Central Register³⁷ and the new information to be sent to the Offers Portal, are compulsory from 1 January 2023 (**Resolution 258/2022/R/com**);
- resolution **374/2022/R/gas** changed how the price of gas for customers in the protected market is defined, with effect from 1 October 2022, requiring that the price of gas be indexed to the Italian Virtual Trading Point³⁸, namely to the benchmark price of gas on the Italian wholesale market. Following this change, reference will no longer be made to the prices listed on the Title Transfer Facility (TTF)³⁹ or future quotations, but rather the monthly average of the actual prices on the Italian wholesale market, and the frequency of how often the price is updated will increase (from quarterly to monthly).

34. Customers supplied in the protected market under economic and contractual conditions regulated by ARERA and who therefore have not yet signed up to an offer on the free market.

35. The unique code used by each operator to identify the commercial offer signed by the customer.

36. The Offers Portal is the public site where domestic customers, households and small businesses can compare and choose immediately, clearly and free of charge between electricity and natural gas offers using a simple search engine that provides information on the operation and expected changes of the electricity and natural gas markets.

37. The Official Central Register is a database containing the full list of information relating to electricity and natural gas withdrawal points.


38. The virtual trading point is the main meeting point between supply and demand of the Italian gas market.

39. The Title Transfer Facility is one of the main natural gas wholesale markets in Europe and therefore a point of reference for the purpose of defining the price of gas on the end market.

Operating review

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

SEGMENT	OPERATING REVIEW
Energy	<p>posteenergia</p> <p>On 15 June 2022, the Group entered the energy market with an offer with 100% green electricity and 100% offset in terms of CO₂ for gas, dedicated to employees and retirees of the Group.</p> <p>During the third quarter of 2022, preparatory activities continued for the launch of the initiative on the mass market.</p> 
Electronic Money/ Collections and Payments	<p>In September, 100% of LIS Holding (and of the subsidiary LIS Pay) was acquired, which will allow the Poste Italiane Group to consolidate its leadership in the payments market and in the ecosystem of digital services, in line with the integrated multi-channel strategy of the “2024 Sustain & Innovate Plus” plan.</p> 
Electronic money	<p>In March 2022, the new debit card  Postepay was launched, reserved for a specific Premium customer target. The new card, with a specific design and packaging, will be associated with exclusive features that will be launched on the market during the year, such as cash withdrawal above standard limits.</p>  <p>In line with the ESG strategic objectives, the expansion of the production of cards made from eco-friendly materials continued. Launched in 2021 with Postepay Green and the Postepay debit card, it now includes Postepay Evolution.</p> <p>As part of the Postepay Code⁴⁰  service, the Postepay Cashback⁴¹ initiative continued in the first nine months of 2022. In July 2022, changes were made to the user experience of the payment method via codes with the launch of “QR Code Web” (Web Code), the solution that allows the card holder to scan the QR Code generated automatically in the payment page, with no additional clicks.</p>
Telecommunications	<p>During the first nine months of 2022, the commercial actions intended to increase penetration into the ultrabroadband  market continued with the offer of PosteCasa Ultraveloce, the “data only” solution that can be subscribed to online, with a “full digital” process, and from a Post Office, which enables users to browse from home at the speed of Fibre up to 1Gbps without limits. The offer also envisages a second connection on the mobile network to surf immediately with unlimited data and take WiFi everywhere, and include a WiFi modem and a USB key on loan for free.</p>  <p>The offer strategy was diversified on the basis of the purchasing channel (online and post offices) and an offer dedicated to Group employees.</p> <p>In August, in line with the Group's ESG strategic objectives and specifically Postepay's “green” objectives, the new ECO SIM cards⁴² were launched.</p> 

40. 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.

41. 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.



42. The ECO SIM card has innovative features since all constituent elements of the kit, including the SIM card and the packaging (envelope and card carrier), are made using materials and methods that focus on environmental sustainability. Specifically, the dimensions have been halved, recycled plastic has been used and the card carrier and the envelope have Forest Stewardship Council (FSC) certification.

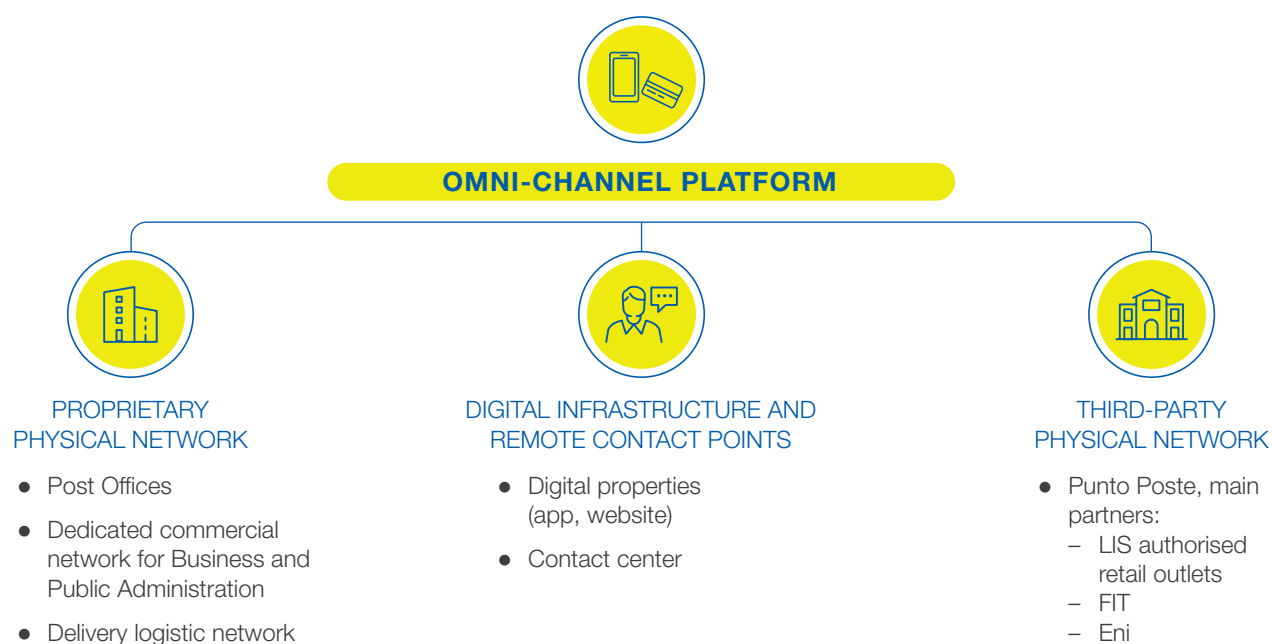
< Omni-channel approach, innovation and digitalisation

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**, allows the Company 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**:

- **physical network**: the network of **Post Offices**, from the specialist **sales force** 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 Center**, able to serve the entire Italian population;
- **physical third-party networks**: around 59,000 retail outlets and the result of commercial partnership agreements for the marketing of Group products and services, also managed through the recent acquisition of LIS. For more details, please refer to the section "Group Structure and main corporate actions in the period". 




The Group, in line with the strategic lines of the "2024 Sustain & Innovate 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 multichannel 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.

daily interactions
as at September
2022 across
multiple channels

**~20
million**

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


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 since 2021, in view of the effects of the current health emergency, in order to make the Group's products available to customers in conditions of absolute safety.

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


 poste.it website;

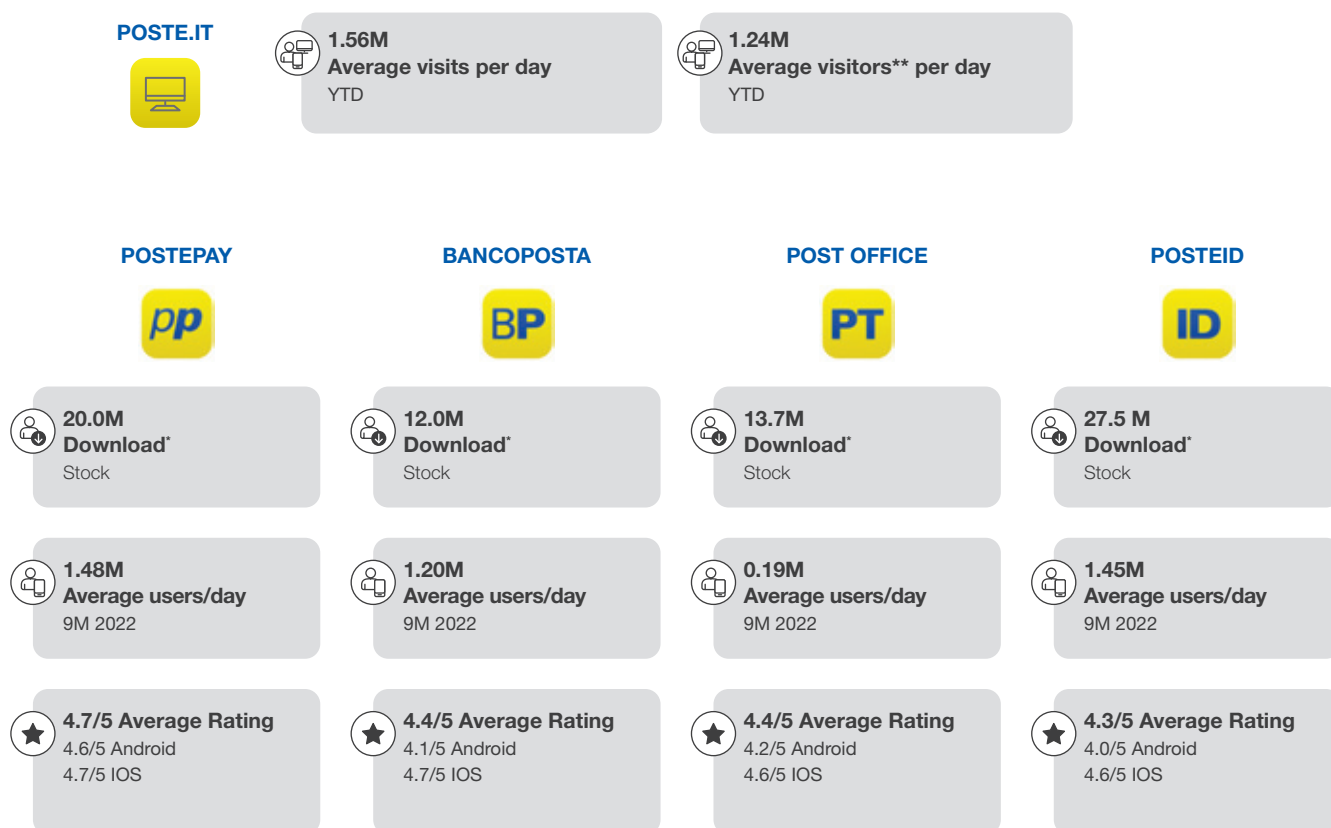
 Postepay app;

 BancoPosta app;

 Post Office app;

 PostelD app.

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.

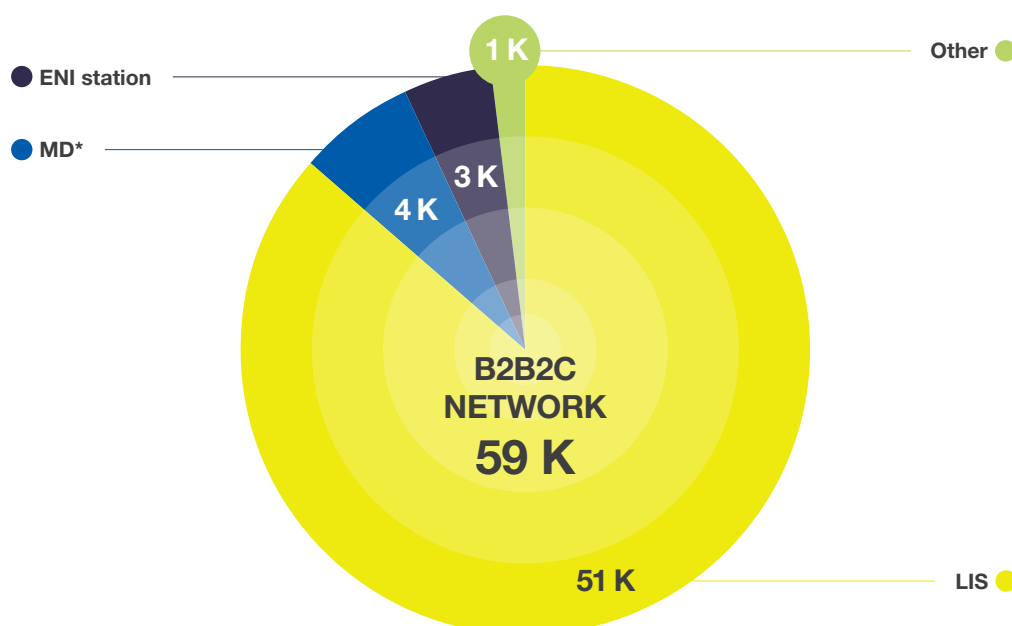
** The number of visitors represents the count of the individual cookies (browsers) that visited the site during the observation period. The same user who visits the site using different browsers and/or different devices (PC/mobile) is counted several times.

The Poste Italiane digital web and app channels provide access to online services for 36.3 million retail users (32.5 million at 30 September 2021) and operate as both direct sales and after-sales channels. The daily average of web and app users for the first nine months of 2022 was 5.6 million (4 million average daily users in the same period in 2021). Digital channel transactions also grew, amounting to 110.1 million in the first nine months of 2022, for a transacted value of €28.8 billion (89.4 million transactions in the same period in 2021, for a transacted value of €23.1 billion).

Traffic growth in visits and visitors of digital channels continues in 2022, rising from 6.4 million average daily visits in September 2021 to 9.0 million average daily visits in 2022. In particular, web traffic increased from an average of approximately 1.17 million visitors in the first nine months of 2021 to 1.19 million visitors in the same period of 2022; apps also increased, going from 2.83 million to 4.4 million daily visitors. The average number of transactions carried out on digital channels was approximately 12.2 million monthly transactions (+23% compared to the first nine months of 2021) with transactions of approximately €3.19 billion monthly (+25% compared to the first nine months of 2021).

Poste Italiane is confirmed as the **first SPID Digital Identity Manager**. At the end of September, Poste Italiane held a market share of around 78%, with a customer base of around 25.1 million public Digital Identities as at 30 September 2022, of which 23.5 million were active, against around 2.8 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 has provided the SPID digital identity solution for minor-age citizens and is working on the launch of SPID digital identity solutions for professionals and businesses, giving access to online services via special paid offers.

Third-party networks play a crucial role in the Group's integrated 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. Poste Italiane has affiliated a wide network of contact points, developed further during the year with the acquisition of LIS Holding SpA, which had 59 contact points as at 30 September 2022.



*Mass retailers.

The main KPIs with the performance achieved by the Group on digital channels and on third-party networks during the first nine months of 2022 are shown below.

Key KPIs Digital and Third-Party Networks (B2B2C)	9M 2022	9M 2021	Changes	
KPIs Digital + B2B2C				
Digital+contact center+B2B2C interactions/Total daily interactions*	68%	63%		
Digital operations + B2B2C/Total operations	36%	32%		
KPIs Digital				
Customers registered on Poste Italiane's digital channels (websites and apps) (m)*	36.3	33.8	+2.5	+7.4%
Daily users (website and apps) (m) ¹	5.6	4.0	+1.6	+40.2%
Number of digital - consumer transactions (m)	110.1	89.4	+20.7	+23.1%
App downloads (m)*	81.3	70.3	+11.0	+15.6%
Poste Italiane Digital e-Wallets (m)*	10.3	9.1	+1.2	+13.0%
Active digital identities (m)*	23.5	21.2	+2.4	+11.1%
Digitally enabled customers (%) ²	70.5%	65.7%		
Customers who use Poste services digitally (%) ³	20.7%	17.9%		
PO ticket booking through App (m)	16.1	19.6	(3.5)	-17.8%
KPIs Third-Party Networks (B2B2C)				
Payslip volumes (m)	39.2	53.1	(13.9)	-26.2%
PostePay top-ups (m)	37.8	40.0	(2.2)	-5.5%
PosteMobile top-ups (m)	8.2	8.1	+0.1	+1.2%
Parcels delivered (m)	7.0	2.8	+4.2	n/

n/s: not significant.

* The figure indicated in 9M 2021 refers to 31 December 2021.

1. Average daily values during reference period.

2. Customers who have access credentials to digital channels.

3. Customers who have made a payment on digital channels using Poste's payment instruments.



STRENGTHENING OF DIGITAL CHANNELS

During the first nine 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;
- as part of the **development of the fibre offer**, new services have been made available in the app (e.g. being able to define the payment method and receipt of the invoice); the possibility of subscribing to the offer was also enabled in the BancoPosta app and in the Postepay app, and sales from the contact centre were activated. From November it will be possible to sign up, on a trial basis in post offices, to **the fibre offer integrated with the Voice⁴³ option**;
- work continued on **upgrading the technological infrastructure** of the **PosteBusiness** app aimed at integrating the entire range of financial services and *Value Added Services* for **business customers** managed via a **single channel** (*One App Business*); from the first half of the year, the new version of the **PosteBusiness** app is available, including new features for customers (configuring the *Business Showcase* and managing collections via Mobile POS). On the digital channels: "BancoPosta Business Link web", "PosteBusiness App" and "BPIOL". The Avviso PA⁴⁴ service was also released;
- in order to improve the *customer experience*, from the first quarter of 2022 Poste Italiane will be able to **recognise users** who book an **appointment ticket** at the Post Office through the various digital channels; starting from June, **personalised offers** are sent based on their profiling, before the post office appointment. Furthermore, from July it will be possible to book an appointment at the post office from tobacconists affiliated with the **LIS network**;
- the launch of the remote financial offering was completed on all post offices, which offers the possibility of sending in the reserved area for customers the **consultancy proposal and the possibility of finalising it via a digital funnel**;
- the **remote protection insurance offer** has been extended to the entire network of post offices and allows the customer to **subscribe remotely to the quote** created by the customer, following consultation in the post office;
- in order to simplify and improve the user experience, in line with market trends and an omni-channel approach, a **new sales funnel** was created for the "**Prestito BancoPosta Online**" product. The new funnel, entirely integrated into the website (poste.it), enables the offer using a **multi-partnership model⁴⁵**;
- **the digital assistant service** (BOT) has been developed in order to monitor the status of shipments;
- the subscription of the **Postepay Digital card** has also been activated from the web channel, as well as from the app, with a simplified funnel for those in possession of an SPID;
- in September 2022, the **Postepay app** was integrated with the function to **sell Electricity and Gas products** for Poste Italiane Group employees; integration of the same function is also under way on the BancoPosta app. Furthermore, complete and autonomous management of the energy supply is envisaged for the web channel and, by the end of the year, also for the PostePay app;
- during the third quarter of 2022, the cross-selling initiative of the **Fibre service** was launched on both the network of post offices and the digital channel, with the **Poste Vivere Protetti⁴⁶ policy**.



43. The Voice service is an optional fixed voice telephony service provided on the radio mobile network which includes unlimited calls to national landlines and mobile numbers every month.

44. The Avviso PA service, already implemented on the digital retail channels and in the Post Office, requires the Creditor to provide the user with payment notices and the latter carries out the payment through the online or physical channels, made available by the participating Payment Service Providers (PSPs) (e.g. banks, PostePay, Tobacconists, GDO). The choice of **PSP** is made by users by physically or digitally accessing the chosen PSP.

45. The multi-partnership model means the future possibility to integrate other partners authorised to grant the loan online, which is currently managed with just one partner.

46. The initiative is intended to offer Customers who request the PosteCasa Ultraveloce service a discount for subscribing to the models of the PosteVivere Protetti range for P&C cover and home assistance. To promote the insurance solution, at the end of the online purchase funnel of the Fibre service, a dedicated banner is displayed, through which the Customer can go directly to the calculation of the policy quote and subscribe to it directly from the digital channel.

Risk management

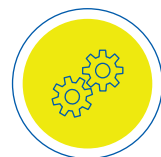
Poste Italiane **Internal Control and Risk Management System** (SCIGR) is a combination of tools, procedures, rules and organisational structures, designed to ensure that the business is managed in a way that is sound, fair and consistent with the corporate objectives, and to pursue sustainable success, 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.

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, as well as 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. For more information on the platform's objectives, please refer to the contents of the Annual Report 2021 in chapter 5 "Risks and Opportunities". The **principal risks** to which the Poste Italiane Group is exposed are described below.

**STRATEGIC**

This category of risk could influence achievement of the goals set out in the Strategic Plan.

**OPERATIONAL**

Operational risks refer to the risk of losses resulting from inadequate or failed internal processes, people and systems at Group level, or from external events.

**COMPLIANCE**

Risk of violating rules or regulations, such as risks relative to Legislative Decree 231/01, Law 262/05, Data Protection and Market Abuse regulations or the introduction of new legislation or regulations (or new interpretations of legislation and regulations) of either general importance (e.g. regarding administrative, accounting, tax matters, etc.) or specific to the sectors in which the Poste Italiane Group operates.

**REPUTATIONAL**

This category regards the risks connected with a negative perception among the Group's stakeholders. Significant elements of reputational risk include market performance and primarily associated with the placement of postal savings products and investment products issued by third-party entities or by Group companies, as well as the perceived and effective quality of the services linked to letter post and parcel delivery.

**ESG**

Risks arising from factors related to environmental, social and governance issues (in particular, linked to human rights, climate change and sustainable finance).

**FINANCIAL AND INSURANCE**

Risks regulated and supervised by the Authorities (Bank of Italy and IVASS) mainly related to the operations of the BancoPosta RFC and IMEL PostePay RFC, asset financing and deployment of activities as well as investments carried out by the Poste Vita insurance group (financial risks). This category includes: fair value interest rate risk, spread risk, credit risk, cash flow interest rate risk, liquidity risk and price risk. Insurance risks derive from the stipulation of insurance contracts and the terms and conditions contained therein.

For a complete discussion of the descriptions and monitoring of financial risks, please refer to the Condensed Consolidated half-year Financial Statements at 30 June 2022 and in the Annual Report 2021 in the chapter "Risk analysis and management".

For further information on the descriptions and monitoring of risks of other nature, in particular with reference to the risks associated with climate change, please refer to the contents of chapter 5 "Risks and opportunities" of the Annual Report 2021. With reference to Covid-19 risk management, please refer to the Interim Report on Operations in the Interim Report as at 30 June 2022.

< 6. Creation of value

- Impacts arising from the pandemic and the russian-ukrainian conflict
- 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
- Group financial position and cash flow

Impacts arising from the pandemic and the russian-ukrainian conflict

Following the recommendations issued by ESMA during 2021⁴⁷ and 2022⁴⁸, an update as of 30 September 2022 is reported below of the main effects on the Group of the Covid-19 pandemic and the crisis in Ukraine; on the latter, reference should also be made to what is reported in the business outlook.

The recent macroeconomic situation has been characterised by a combination of factors that have led to a widespread slowdown in economic growth. In particular, note: the upswing of Covid-19 infections, the invasion of Ukraine by Russia, rising inflation, which has generated an increase in the prices of raw materials (especially energy), and normalising its monetary policy strategy by the main world central banks, which revised the benchmark interest rates upward, in order to stem economic overheating. These factors interrupted the consolidation process of the post-pandemic recovery started in the initial months of 2022, with the global economy that in the third quarter of the year continued to be affected by additional increases in inflation, the negative trend on the global financial markets and the uncertainty associated with the macroeconomic scenario.

With reference to the pandemic shock, despite the continuation of the vaccination campaign, the spread of variants starting from the end of 2021 has led to a significant increase in infections worldwide, which testifies how the virus continues to negatively affect "global health" and the consequent need to continue the containment and combat measures by governments and institutions, companies and citizens. The actions taken by the Group to deal with the health emergency and to protect the health of employees and customers also continued; in the first nine months of the year, the expenses incurred amounted to €35 million. Please refer to the Annual Report 2021 for an in-depth analysis of the actions taken by the Group to deal with the health emergency.

With reference to the business impacts of the ongoing conflict, it should be noted that the Group's area of operations is mainly domestic and it has limited commercial relations with the countries involved in the conflict; therefore, the Group has not recorded significant impacts on the various businesses or significant repercussions on its profitability, nor any fears about the compromise to continue as a going concern.

47. Public Statement ESMA 32-63-1186 on 29 October 2021 "European common enforcement priorities for 2021 annual financial reports".

48. Public statement ESMA32-63-1277 "Implications of Russia's invasion of Ukraine on half-yearly financial reports" dated 13 May 2022 and CONSOB Notice of attention no. 3/22 dated 19 May 2022.

Nonetheless, the high uncertainty of the reference situation and inflation exacerbated by the conflict, highlighted the following evidence in the first nine months of the year:

- an increase in the cost of fuel and raw materials in general, and an increase in costs on all services relating to international routes, even outside the areas affected by the conflict;
- in line with the market downsizing of the sector, there was a slowdown in the volume of parcels, recorded in particular in the B2C market as a result of the effects of inflation, and therefore, the lower propensity to consume in the e-commerce sector. The parcel segment was also affected by the repeated lockdowns imposed in China to stem the spread of Covid-19;
- in the financial sector, postal savings were negatively affected by the socioeconomic context characterised by a significant increase in interest rates, by the increase in inflation, by the decrease in the propensity to save by households and by the reduction of the Country's growth prospects. In relation to the offer of Postal Savings products, in light of the contingent market context, an adjustment was made in July to the returns of the products on offer. The financial portfolio benefited from the changed market scenario with rising interest rates;
- in the insurance sector, there is no significant evidence as the indirect exposures, within the context of multi-asset funds, to the countries involved in the conflict represent an irrelevant amount compared to the investments of the insurance group (0.03% of the total);
- the increase in gas and electricity prices and the significant price volatility, also linked to the risk of reductions and interruptions in Russian gas supplies to Europe, did not have significant repercussions on the Group's new energy business, whose offer was launched in June to a limited target (employees, families and pensioners).

In the scenario described, the performances recorded in the period by the Group are solid and higher than expected with an operating profit which, with €2.1 billion, reached a record level in the history of the Group.

The financial solidity and liquidity of the Group also made it possible to finance investments of over €400 million during the first nine months, to pay shareholders €526 million as the balance of the 2021 dividend, to finance the growth of the Group through investments in strategic companies for the development of the business, which will be concluded in part during the final quarter, and to finance buyback operations of €25 million with own funds, in execution of the shareholder resolution of 27 May 2022, in order to purchase supply of shares to be allocated to Group directors and employees who are beneficiaries of variable incentive plans.

As regards developments in the current year, the reference economic context is characterised by high uncertainty and instability; the short-medium term forecasts highlight the persistence of scenarios of high inflation, rising interest rates and strong risks of downward revisions of GDP for both the current year and for 2023. These dynamics, within a geopolitical context characterised by the ongoing Russia-Ukraine conflict and the related energy crisis, make the reference structure highly uncertain with repercussions on the general climate of confidence and on the stability of the financial markets, making it difficult to implement Italy's main growth and transformation plans.

The Group constantly monitors the evolution of the reference context in order to promptly assess the potential effects on operations and adjust behaviour and lines of action. The resilience and diversification of its businesses, high financial integrity and capital strength, and substantial reputational capital ensure business continuity.

< 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 nine months of 2022 increased compared to the same period of 2021, with a record level reached by EBIT, in a macroeconomic scenario characterised by high uncertainty related to: i) the Russia-Ukraine conflict, ii) the impacts of record inflation levels on the purchasing habits and savings capacity of the population and iii) the continuous circulation of the Covid-19 virus with the development of additional variants. The results achieved also benefited from cost containment, attributable in particular to lower personnel expenses.

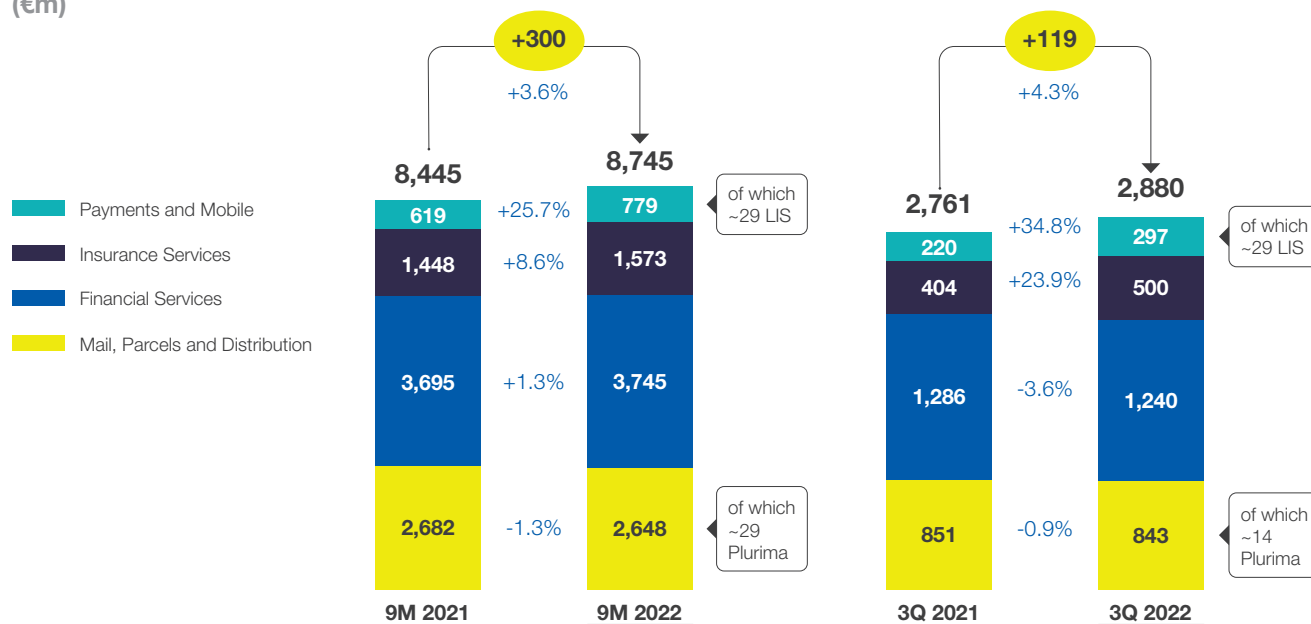
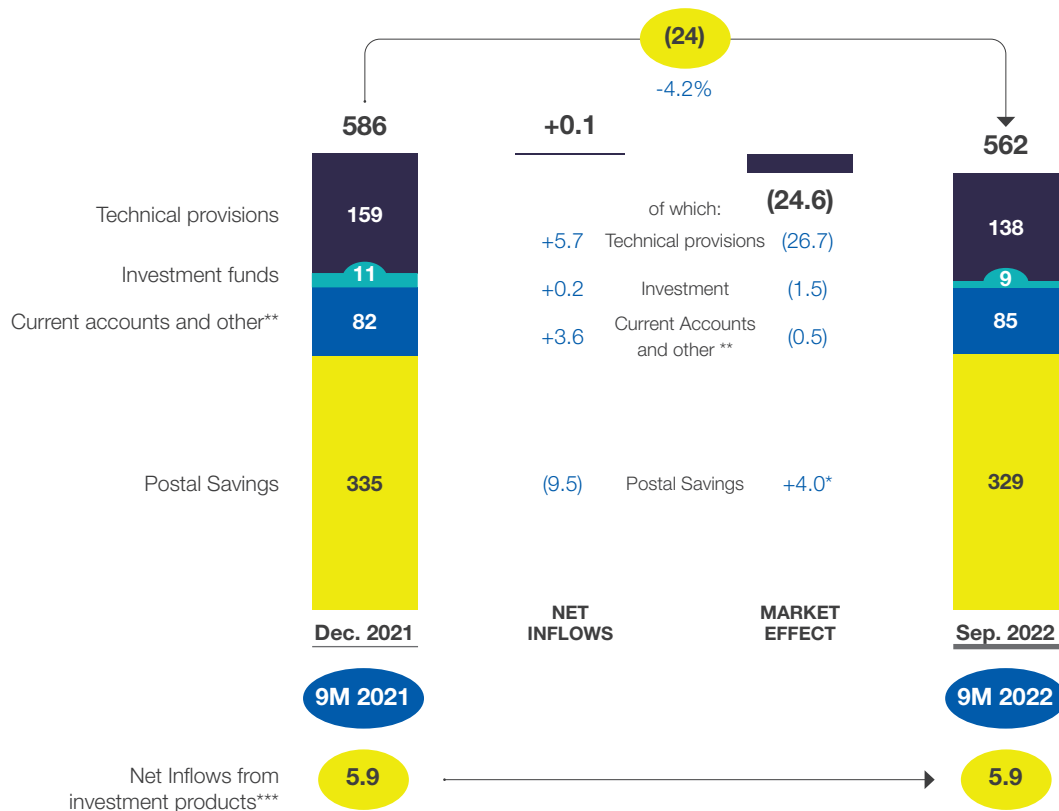
Revenue
€8.7 billion

EBIT Record
€2.1 billion

Net Profit
€1.4 billion

(€m)	9M 2022	9M 2021	Changes		3Q 2022	3Q 2021	Changes	
EXTERNAL REVENUE	8,745	8,445	+300	+3.6%	2,880	2,761	+119	+4.3%
TOTAL COSTS	6,691	6,830	(139)	-2.0%	2,218	2,195	+23	+1.0%
EBIT	2,054	1,615	+439	+27.2%	663	566	+97	+17.1%
EBIT margin %	23.5%	19.1%			23.0%	20.5%		
NET PROFIT	1,425	1,174	+251	+21.4%	461	401	+60	+15.0%
NET EARNINGS PER SHARE	1.10	0.90	+0.19	+21.6%	0.35	0.31	+0.05	+15.2%
CAPEX	409	455	(46)	-10.1%	185	146	+39	+26.7%
% of revenue	4.7%	5.4%			6.4%	5.3%		

The Group **revenues** total €8.7 billion, which is an increase of €300 million compared to the same period in 2021 (+3.6%) with the positive contribution of the Payments and Mobile SBU (+€159 million, equal to +25.7%), Insurance Services SBU (+€125 million, +8.6%) and Financial Services SBU (+€50 million, +1.3%). The Mail, Parcels and Distribution Strategic Business Unit recorded lower revenues compared to the first nine months of 2021, by €34 million (-1.3%). The third quarter of 2022 reflects the positive trend of the nine months (+€119 million, or +4.3% compared to the third quarter of 2021); growth is concentrated in the Insurance Services SBU (+€97 million, or +23.9%) and the Payments and Mobile SBU (+€77 million, or +34.8%) and is partially offset by the performance of the Financial Services SBU (-€46 million, -3.6%) and the Mail, Parcels and Distribution SBU (-€8 million, -0.9%).

EXTERNAL REVENUE
(€m)TOTAL FINANCIAL ASSETS
(€bn)

* Includes capitalisation of interest.

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

*** Includes net flows into Mutual Funds, Moneyfarm, Postal Bonds, Net Technical Reserves, and Assets under Custody

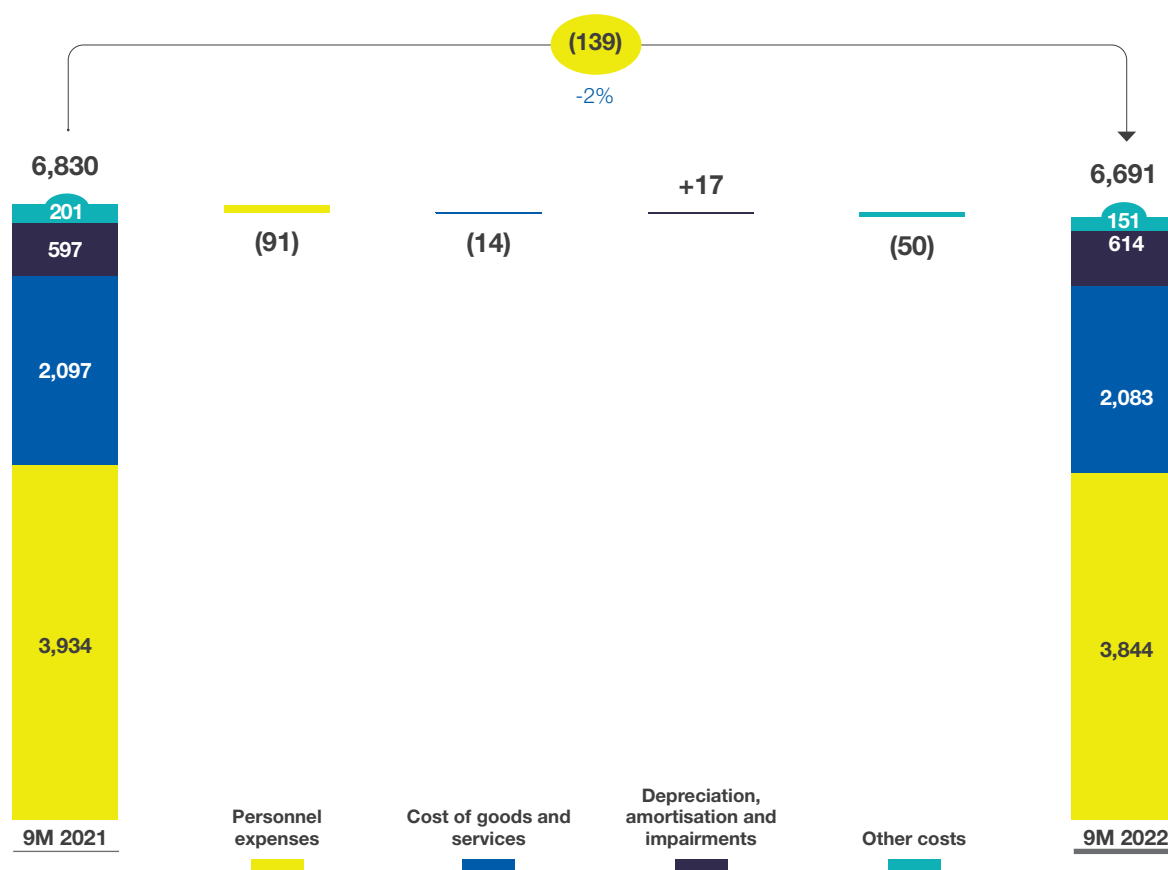
At the end of the first nine months of 2022, **total financial assets** amounted to €562 billion, marking a decrease of €24 billion (-4.2%) compared to the €586 billion of 31 December 2021, mainly due to the impacts that the context of the financial markets has had on the technical provisions of the insurance sector, related to the increase in interest rates (-€26.7 billion), mitigated by positive net revenue on the insurance sector (+€5.7 billion) and on current accounts (+€3.6 billion) and by the capitalisation of postal savings interest (+€4 billion). Net revenue deriving from investment products is positive thanks to the contribution of the insurance sector and the investment funds.

Total financial assets

**€562
billion**

TOTAL COSTS

(€m)

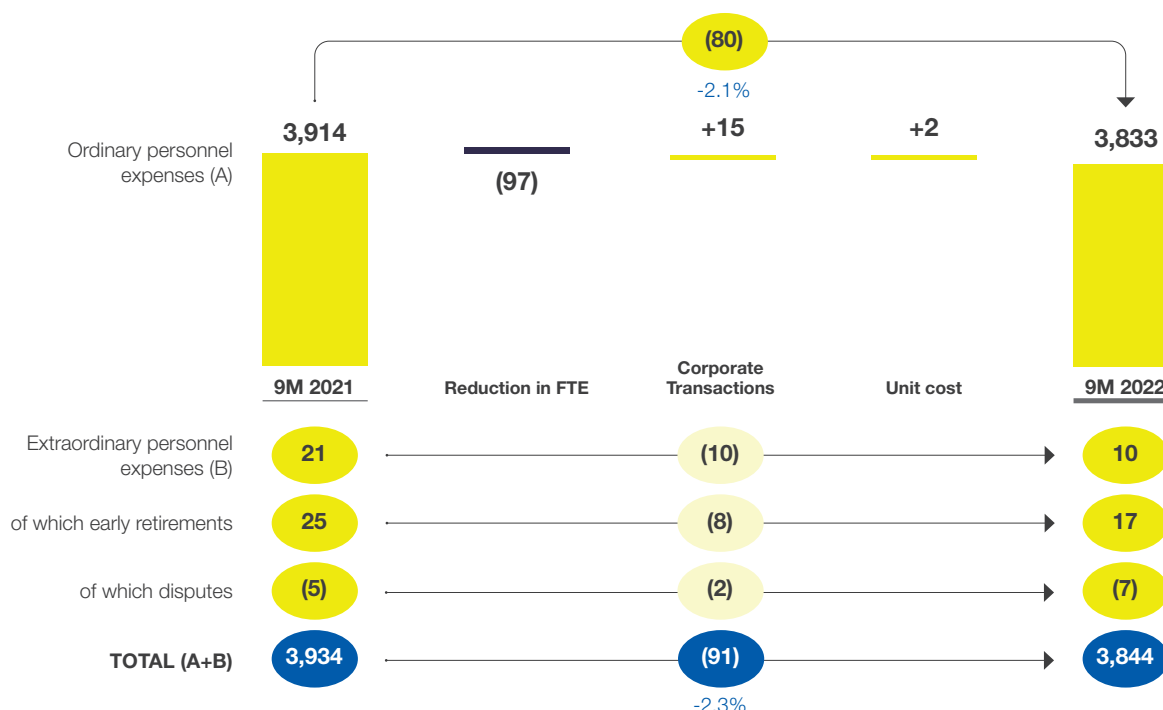


Total costs amounted to €6,691 million at 30 September 2022, down compare to the €6,830 million in the same period in 2021 (-€139 million, -2%), substantially as a result of lower labour costs (-€91 million), mainly due to fewer resources employed in the period, and the decrease in other costs; the latter item decreased by €50 million compared to the first nine months of 2021 as a result of lower net allocations to provisions for risks and charges. Costs for goods and services decreased by €14 million compared to 30 September 2021 as a result of the efficiency initiatives implemented by management and in spite of the effects of inflation (around €40 million) mainly on the cost of fuel.

PERSONNEL EXPENSES

(€m)

Total personnel expenses decreased by €91 million (-2.3%) with respect to the first nine months of 2021. This change is attributable to the reduction in the ordinary component from €3,914 million in the first nine months of 2021 to €3,833 million in the same period in 2022, due to a reduction in average workforce during the period (around 2,600 FTE less on average), which includes the effect of the entry of resources (around 1,100 in total), from the companies acquired in April (Plurima) and September (LIS).



WORKFORCE

(average Full Time Equivalent in thousands)

The reorganisation and rationalisation of internal processes continued in the reporting period; exits in the first nine months of 2022 were 7.6 thousand (FTE) against entries of 4.5 thousand (FTE) on permanent contracts and approximately 0.3 thousand (FTE) on fixed-term contracts. The expansion of the scope of the Group, with the entry of Plurima and LIS, also contributed to the change in workforce in the period (+0.6 thousand FTE on average).

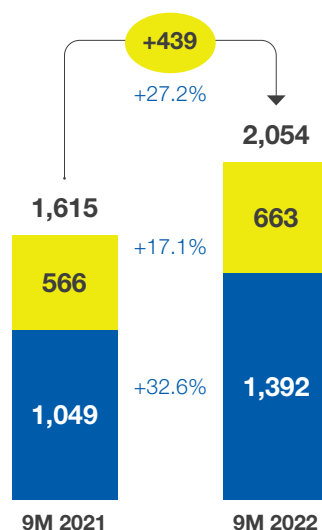
119
thousand
people employed



EBIT
(€m)

1H

3Q

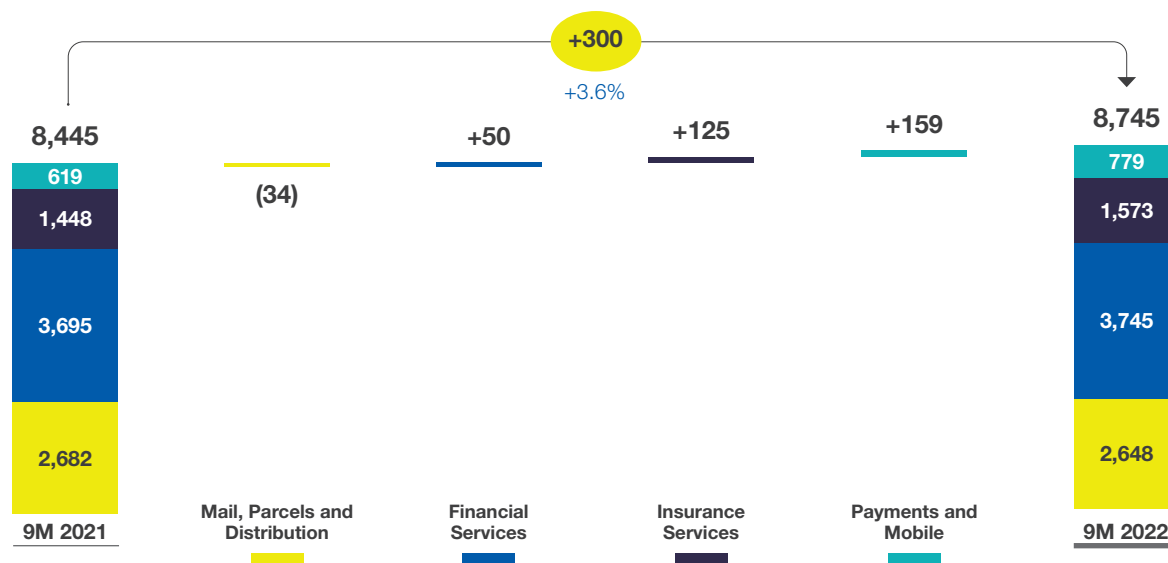


The **consolidated EBIT** of €2,054 million and records a growth of €439 million (+27.2%) compared with the same period of the previous year (€1,615 million). The increase in revenues, lower labour costs and the careful cost management by the *management* team have driven the operating profit for the period to record levels in an economic and social scenario that proves to be challenging and constantly evolving. These results were achieved with the positive contribution of all the Strategic Business Units which recorded increased operating profits compared to the first nine months of 2021.

The **profit for the period** came to €1,425 million, up by 21.4% compared to the same period in 2021 (€1,174 million), and takes account of the taxes for the period equal to €641 million (€500 million in the first nine months 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 nine months of 2022, there was an increase in the revenues from the Payments and Mobile SBU for €159 million (+25.7%), Insurance Services SBU for €125 million (+8.6%) and the Financial Services SBU for €50 million (+1.3%), compared to the same period in 2021; these changes are offset partly by the performance of the Mail, Parcels and Distribution SBU, which recorded a decrease of €34 million (-1.3%) compared to the same period in 2021.

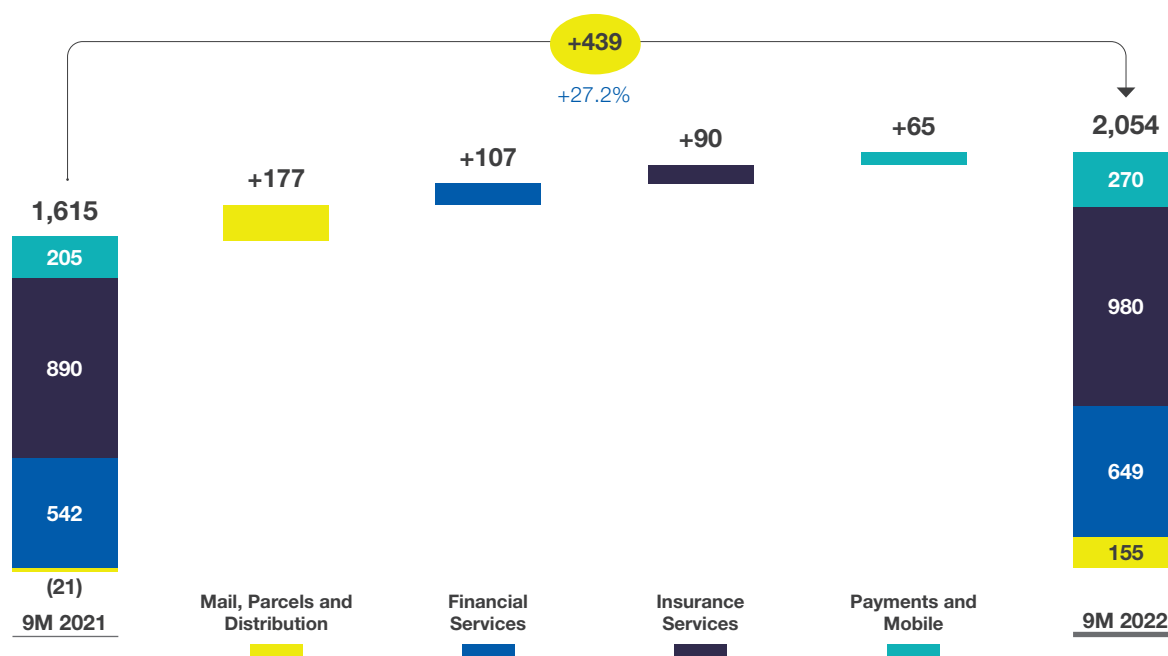
Market revenues from the **Mail, Parcels and Distribution** Strategic Business Unit decreased from €2,682 million in the first nine months of 2021 to €2,648 million in the same period of 2022 (-1.3%), mainly as a result of the decline of revenues from parcels compared to the first nine months of 2021 (-€27 million, -2.6%), a figure strongly influenced by the “normalisation” of the market; the revenues of the mail segment recorded a decrease in the period of €9 million (-0.6%) compared to the first nine months of 2021.

Market revenues of the **Financial Services** Strategic Business Unit amounted to €3,745 million and recorded a positive change of €50 million compared to €3,695 million achieved in the first nine months of 2021 (+1.3%); this change is mainly attributable to higher interest income that has benefited from rising interest rates and the use of tax credits; partially mitigated by: i) lower revenues deriving from the collection and management of postal savings service, which were affected by the reference market scenario, ii) lower net capital gains made in the context of proactive portfolio management, and iii) lower revenues from collection and payment services mainly due to lower volumes of bills.

The **Insurance Services** Strategic Business Unit contributed €1,573 million to Group revenue during the first nine months of 2022, up by €125 million (+8.6%) on the same period in the previous year. The revenue generated can be traced to the Life business, which contributed €1,457 million, an increase of €107 million (+7.9%) compared to the first nine months of 2021 due to the positive contribution of the financial margins; whereas the P&C business revenues were €116 million, up €18 million (+18.9%) compared to the same period of 2021.

Market revenues of the **Payments and Mobile** Strategic Business Unit in the first nine months of 2022 amounted to €779 million and marked an increase of €159 million (+25.7%) compared to the same period of 2021, with a contribution from all segments. Specifically, the Cards, and Collection and Payment Services departments grew respectively €83 million (+25.8%) and €68 million (+101.4%) 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 €5 million (+2.4%) compared to the same period in 2021. Revenues for the period of the SBU also benefited from the contribution of the Energy segment for €3 million (offer launched in June 2022 to employees, retirees and family members of the Group).

EBIT (€m)



In the first nine months of 2022, the Group's operating profit stood at €2,054 million and shows a growth of €439 million (+27.2%) compared to the same period in the previous year. The growth in operating performance involved all the *Strategic Business Units*.

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 SBU's performance in the first nine months of the year showed a significant improvement in the operating result, mainly associated with the reduction in total costs incurred, which more than offset the drop in external revenue largely attributable to the parcels segment.

MAIL, PARCELS AND DISTRIBUTION (€m)	9M 2022	9M 2021	Changes	
External revenue	2,648	2,682	(34)	-1.3%
Revenue from other sectors	3,675	3,584	+91	+2.5%
Total revenue	6,323	6,266	+57	+0.9%
Costs	6,138	6,227	(89)	-1.4%
Costs vs other sectors	29	60	(31)	-51.0%
Total costs	6,168	6,287	(120)	-1.9%
EBIT	155	(21)	+177	n/s
EBIT Margin %	2.5%	-0.3%		
NET RESULT	85	(22)	+107	n/s

Operating KPIs	9M 2022	9M 2021	Changes	
Mail and parcels				
Revenue/FTE (€k)	54	52	+2	+3.2%
Parcels that can be delivered as standard mail (volumes in m)	49	55	(6)	-11.5%
New Punto Poste Network (number of lockers and alternative collection points)*	14,341	13,504	+837	+6.2%
Incidence of parcels delivered using alternative channels¹(%)	5.6	2.1		
Distribution				
Number of customers (m)	35.2	35.2	+0.0	+0.1%
Number of Post Offices*	12,756	12,761	(5)	+0.0%
Rooms dedicated to consultancy	7,805	6,950	+855	+12.3%
Postamat ATM network	8,112	8,072	+40	+0.5%
ESG				
Green fleet (electric vehicles)*	2,845	1,737	+1,108	+63.8%
Charging points installed*	3,179	1,737	+1,442	+83.0%
Smart post boxes*	418	405	+13	+3.2%
No. of buildings involved in the Smart Building project*²	1,277	652	+625	+95.9%
Photovoltaic panels* (no. of buildings)	122	35	+87	n/s

n/s: not significant.

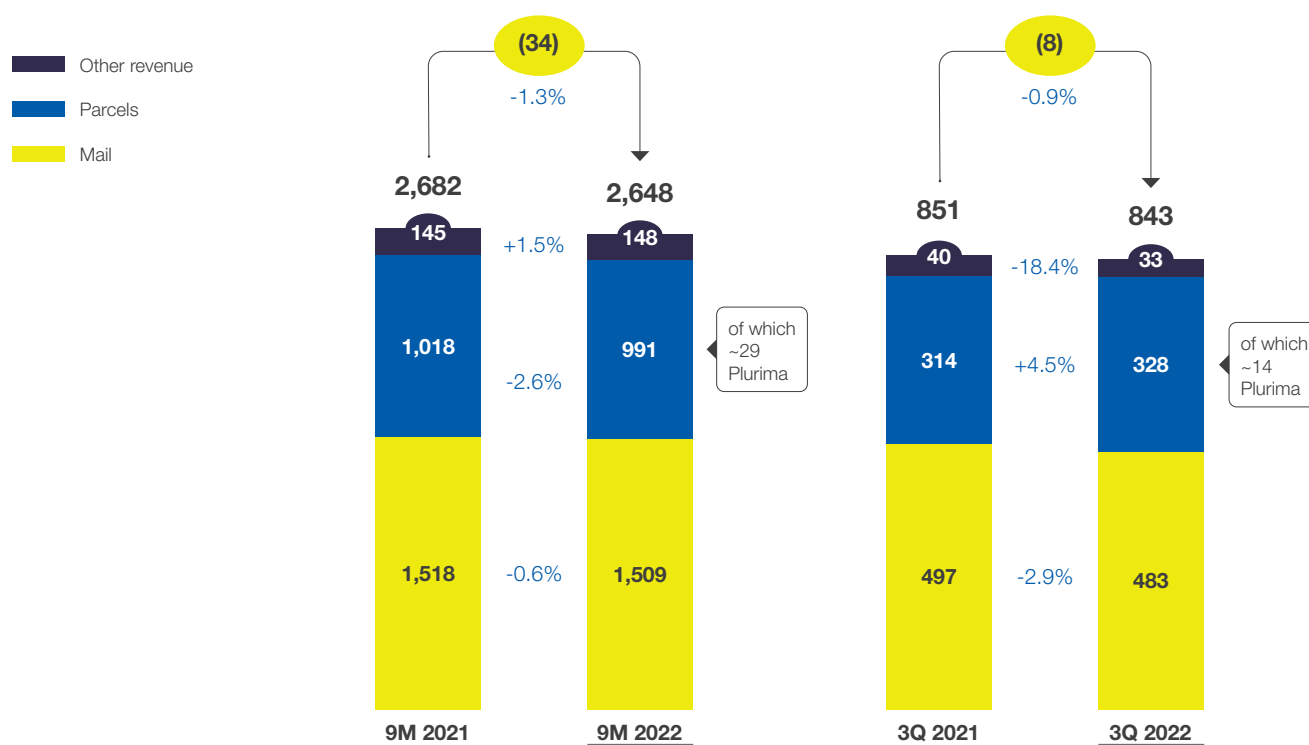
* The figure indicated in column 9M 2021 refers to 31 December 2021.

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)



Market revenues from the SBU increased from €2,682 million in the first nine months of 2021 to €2,648 in the same period of 2022 (-€34 million, equal to -1.3%).

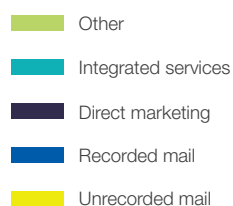
This decline is mainly attributable to the reduction in revenue from the parcels segment (-€27 million; -2.6%), due to both the normalisation of market performance and to the effects on the economy deriving from the Russia-Ukraine conflict. Added to this are the slowdown in inflows from China linked to low value consignment⁴⁹ regulations and the restrictive measures to deal with the health emergency, which affected much of the year. The decrease is only partly offset by the positive contribution deriving from the hospital logistics business carried out by the company Plurima acquired by the Group during the period (+€29 million).

Similarly to the parcels segment, the revenues of the traditional mail segment also recorded a slowdown compared to the same period in the previous year (-€9 million, -0.6%), concentrated in the third quarter (-€14 million, -2.9%).

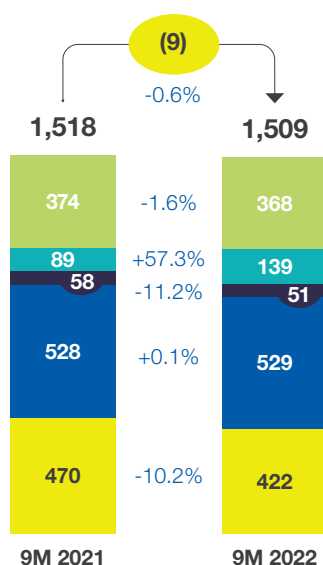
Furthermore, there was growth in Other revenues equal to €2 million (+1.5% compared to the first nine months of 2021) mainly attributable to the payment, applied from the end of 2021, for the activities to issue digital identities to citizens (**SPID – Public System for Digital Identity** ) for those who request the service through in-person or remote identification. The lower contribution of revenues from the Consorzio PosteMotori, whose activities are ending, contributed to the change in the period.

49. The "Low Value Consignment" European Directive introduced the obligation for end customers to also pay VAT when purchasing low value goods.

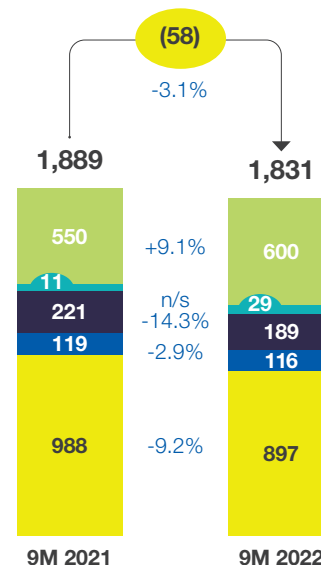
Mail



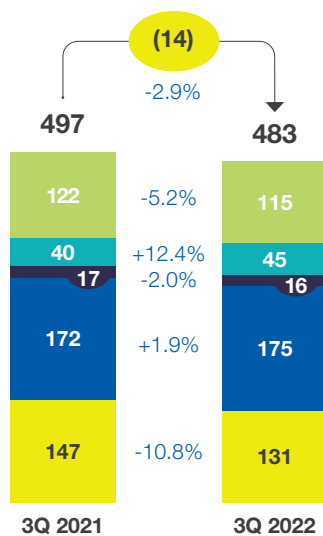
REVENUE (€m)



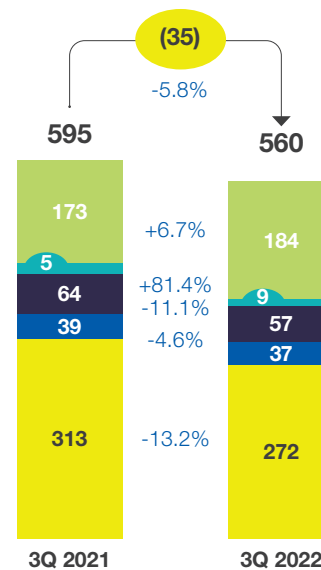
VOLUMES (m)



REVENUE (€m)



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 nine months of 2022 showed a decrease in volumes for 3.1% (-58 million mail items), accompanied by a decrease in revenue equal to 0.6% (-€9 million) compared to the same period in the previous year. This performance is attributable to the different product mix recorded in the first nine months of the current year: the decrease in lower value products is only partly 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 2.9% (-3 million items) accompanied by a slight increase in revenue of 0.1% (+€0.6 million), attributable to the different product mix.

Unrecorded Mail recorded a reduction in both volumes and revenues for 9.2% (-91 million items) and 10.2% (-€48 million) respectively compared to the same period in 2021, attributable to a natural drop in volumes.

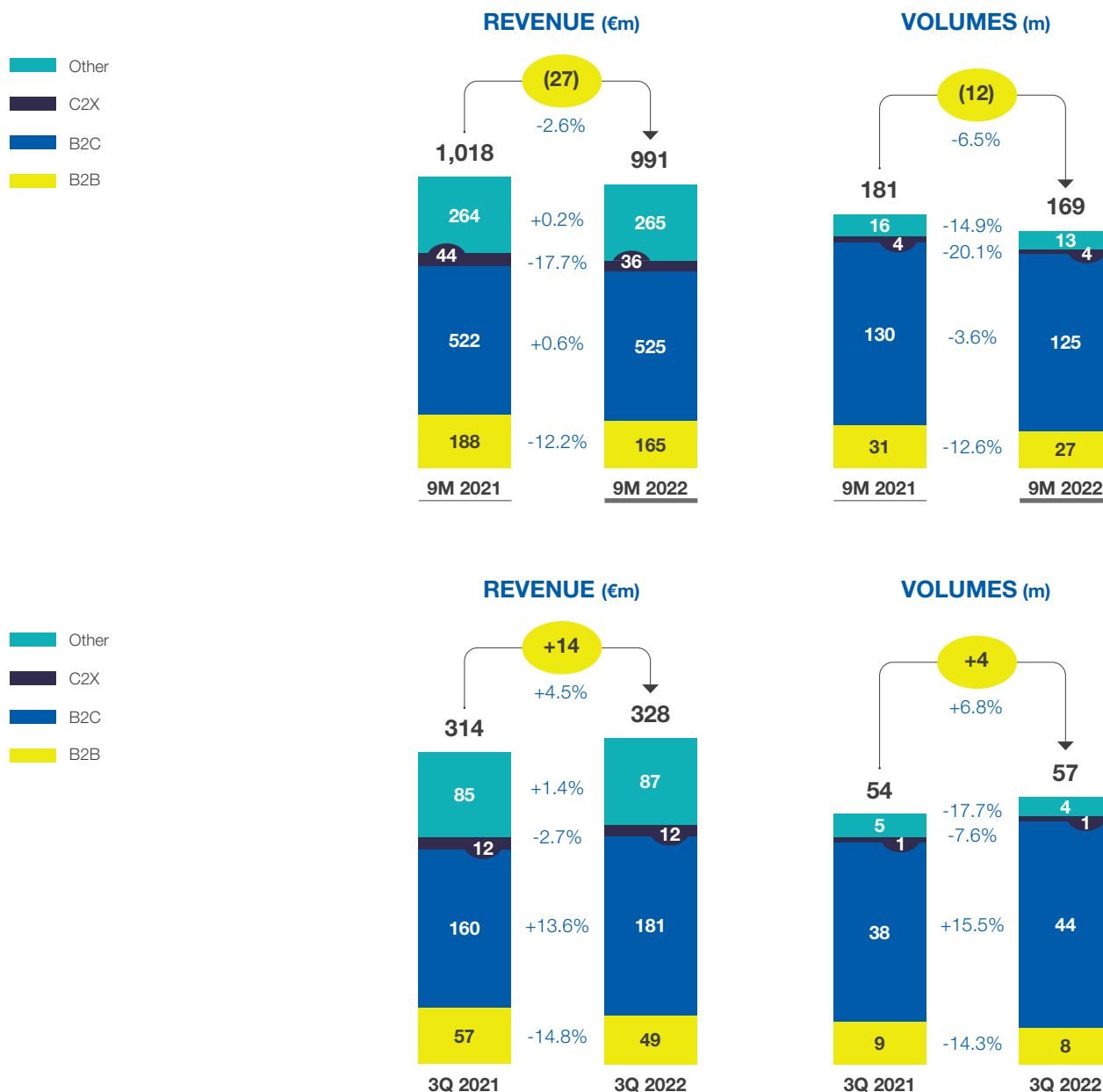
Integrated Services recorded higher volumes and revenues compared to the same period in 2021, for 18 million items and €51 million respectively (+57.3%), due to the positive contribution coming from the recovery of notification activities, including products such as administrative and court documents and the recovery in tax collection notices, which in 2021 had been affected by the continuation of the effects caused by the pandemic on mail item notifications.

Direct Marketing continues to show a decrease in volumes of 14.3% (-31 million items), which determines a negative change in revenue of approximately €6 million (-11.2%), attributable to the phenomenon of e-substitution.

The item Other, which also includes the services marketed by Postel, shows volumes recorded in the first nine months of the year up compared to the same period of 2021 (+50 million mail items; equal to +9.1%), accompanied by a decrease in revenues equal to €6 million (-1.6%). This performance is mainly attributable to the growth in volumes marketed by Postel, which manages low value products. The item also includes the fee for the Universal Service Compensation (€197 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.

Compared to the first six months of 2022, during which mail recorded an increasing trend in revenues, benefiting from the recovery in September 2021 in notifications of products such as administrative and judicial deeds (interrupted by the restriction on activities following the pandemic), in the third quarter of 2022 there was a gradual normalisation of the market trends (-€14 million, -2.9%). The lower growth in notifications of documents in the third quarter of 2022 did not offset the decrease, mainly attributable to the unrecorded mail segment, compared to the same period in 2021.

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 and the revenues from hospital logistics, a service performed by the company Plurima.

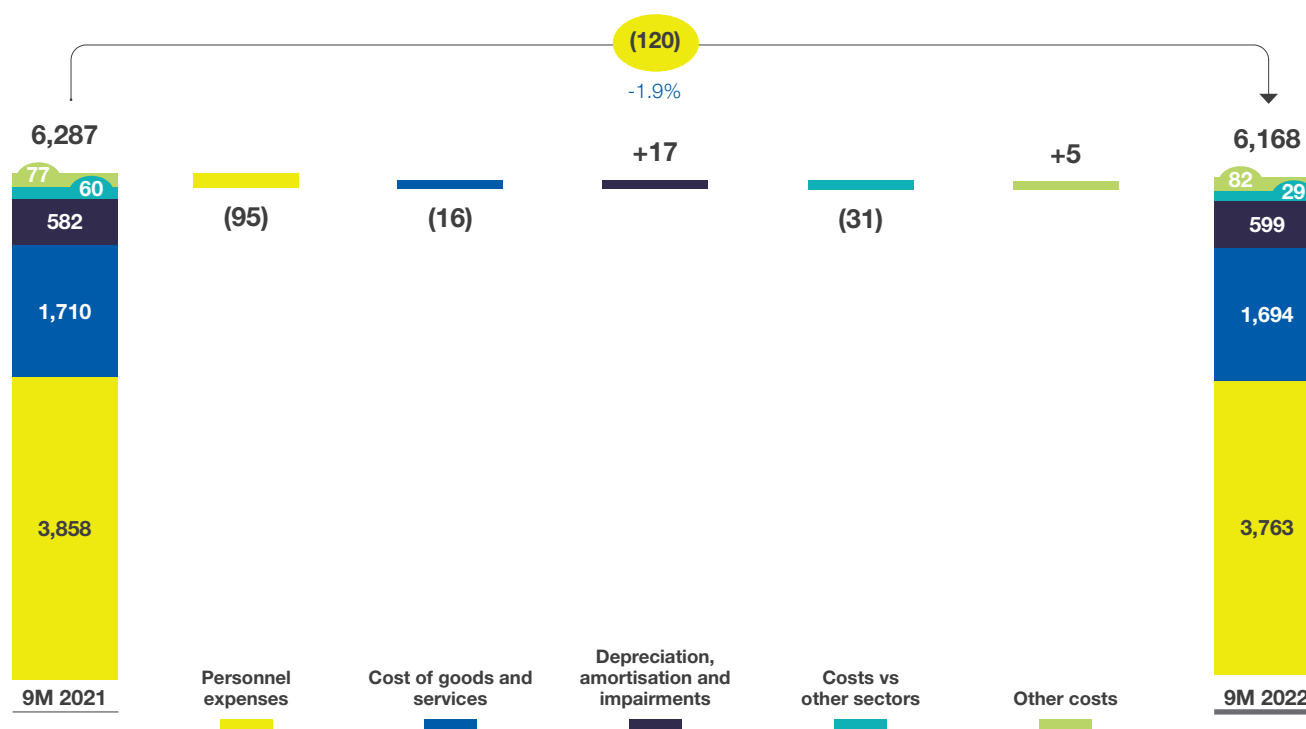
The parcels business continued to record an overall decrease in both volumes and revenue in the first nine months of 2022, for 6.5% (-12 million items) and 2.6% (-€27 million) respectively, compared with the same period in the previous year. Over the course of the quarters there was continuous improvement, a trend which started in the second quarter and was confirmed in the third, during which there was 4.5% growth in revenues (+€14 million) and 6.8% growth in volumes (+4 million mail items) compared to the same quarter in 2021. The decline in revenues in the first nine months of 2022 is partially offset by the new hospital logistics business operated by the Plurima company (+€29 million).

In detail, the negative trend in the first nine months is attributable to nearly all segments, with the exception of B2C which shows a positive performance concentrated in the third quarter (+€6 million, +15.5%), going against the trend when compared to the previous quarters, mainly due to the different time placement of the “Prime Day” event of the customer Amazon (July 2022 vs. June 2021). Furthermore, again with reference to the third quarter, note the recovery of inflows from China, which had suffered a slowdown due to the entry into force, in July 2021, of the low value consignment legislation.

The decrease in the first nine months is mainly concentrated on the B2B segment, which generated revenues for €165 million, down by 12.2% (-€23 million), against 27 million shipments (-4 million items, -12.6%) compared to the same period in 2021. The C2X segment recorded lower revenues and volumes, for €8 million (-17.7%) and 1 million items (-20.1%) respectively compared to the same period in 2021, especially as a result of a notable contraction in the market.

The item Other shows an increase in revenues for €1 million (+0.2%), accompanied by a related reduction in volumes equal to 2 million mail items (-14.9%), compared to the same period in 2021.

COSTS (€m)



Costs, including depreciation, amortisation and impairment for the first nine months of 2022, amounted to €6,168 million, with a decrease of €120 million (-1.9%) with respect to the first nine months of 2021.

This performance is mainly attributable to personnel expenses, which in the first nine months of 2022 came to €3,763 million, down by €95 million (-2.5%) compared to the same period in 2021, essentially due to the reduction in the average workforce (around 2,600 FTE less than the same period in 2021).

Costs for goods and services recorded a decrease of €16 million (-0.9%), reaching €1,694 million in the first nine months of 2022. This performance is attributable to the reduction in variable costs linked to the drop in volumes of demand in the parcels segment, only partially offset by the increase in costs generated by the international inflation scenario exacerbated by the Russian-Ukrainian conflict, which is causing an increase in the costs of commodities and fuel on the Strategic Business Unit.

The item Depreciation, amortisation and impairments recorded an increase of €17 million (+3% compared to the first nine months of 2021).

In light of the above, the Mail, Parcels and Distribution Strategic Business Unit recorded an operating profit for the first nine months of the year that was positive for €155 million, a significant increase compared to the operating profit of the same period in the previous year equal to -€21 million (+€177 million).

Financial Services Strategic Business Unit

The operating profit of the SBU for the period increased compared to the same period of the previous year, mainly thanks to the contribution to revenues from income related to the use of tax credits and the interest income accrued on current account deposits relating to the local government sector. As at 30 September 2022, the Total Capital Ratio amounted to 22.2%, confirming the financial solidity of BancoPosta.

FINANCIAL SERVICES (€m)	9M 2022	9M 2021	Changes	
External revenue	3,745	3,695	+50	+1.3%
Revenue from other sectors	602	560	+43	+7.6%
Total revenue	4,348	4,255	+93	+2.2%
Costs	98	157	(59)	-37.7%
Costs vs other sectors	3,601	3,556	+45	+1.3%
Total costs	3,699	3,713	(14)	-0.4%
EBIT	649	542	+107	+19.7%
EBIT Margin %	14.9%	12.7%		
NET PROFIT	447	393	+53	+13.5%

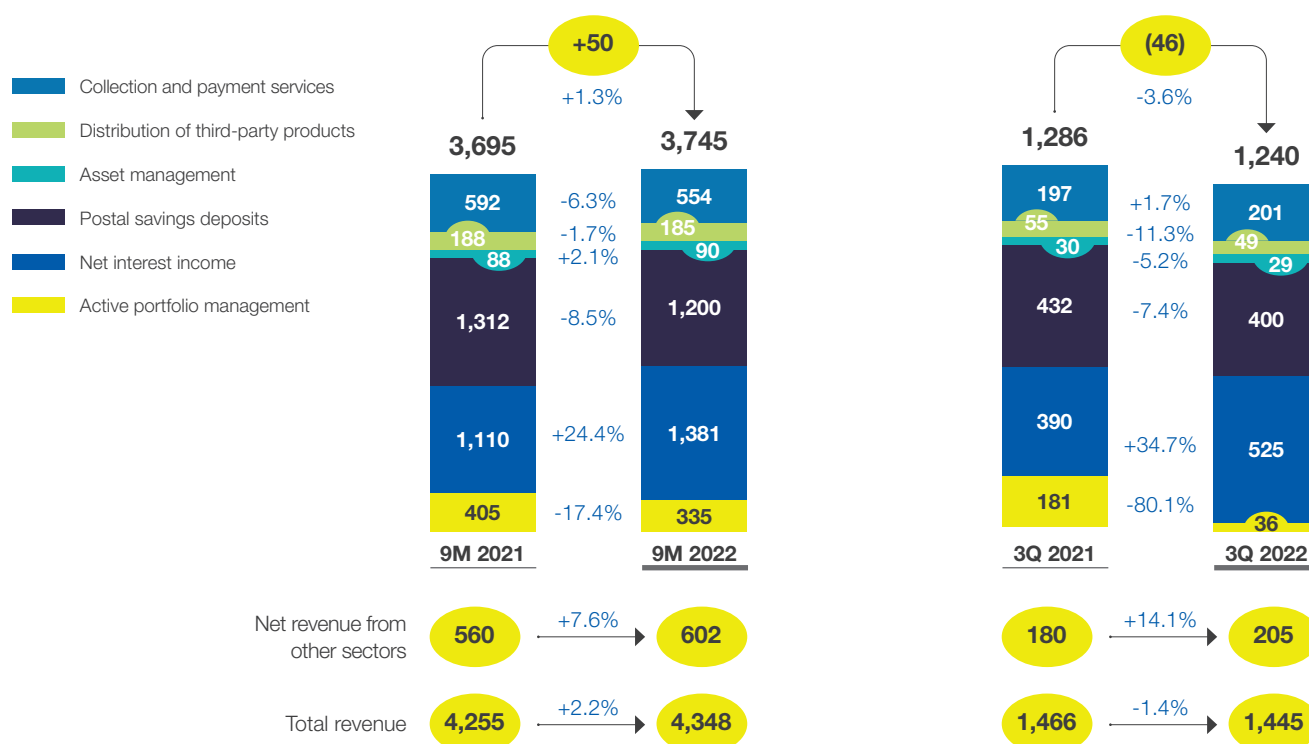
Operating KPIs	9M 2022	9M 2021	Changes	
Total financial assets (€bn)*	561.6	586.1	(24.5)	-4.2%
Net inflows (€m)	96	10,527	(10,430)	-99.1%
Unrealized capital gains/losses (€m)	(5,958)	4,146	(10,104)	n/s
Current accounts (average deposits for the period in €bn)	86.1	77.3	+8.8	+11.4%
Inflows total return ¹	2.15%	1.92%		
Postal savings (average deposits in €bn)	316.9	318.8	(2.0)	-0.6%
Loans (disbursed in €m)	2,508	2,527	(19.2)	-0.8%
Tax credits acquired at the end of the period (in billions of euro) ²	9.5	3.9	+5.6	n/s

n/s: not significant.

* The figure indicated in column 9M 2021 refers to 31 December 2021.

1. Excluding returns from proactive portfolio management.

2. Paid value.

REVENUES FROM MARKET AND OTHER SECTORS
(€m)

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

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

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 nine months of 2022 amounted to €3,745 million and recorded an increase of €50 million compared to €3,695 million achieved in the same period of the previous year (+1.3%).

More specifically, the period in question shows: (i) Net interest income up from the first nine months of 2021 (+24.4%), mainly due to income from the use of tax credits (+€178 million) and higher remuneration on current account deposits relating to the local government sector (+€142 million); (ii) Net capital gains realised as part of the proactive management of the securities portfolio of €335 million, down €71 million from €405 million in the same period of 2021.

Revenue from postal savings collection and management services amounted to €1,200 million, down 8.5% (-€112 million) from the same period of 2021, while revenue from collection and payment services amounted to €554 million, down 6.3% (-€38 million) from the same period of the previous year, primarily due to lower volumes on payment slips and for effect of the transfer of the “Debit Cards” business unit to PostePay SpA, which took place in October 2021.

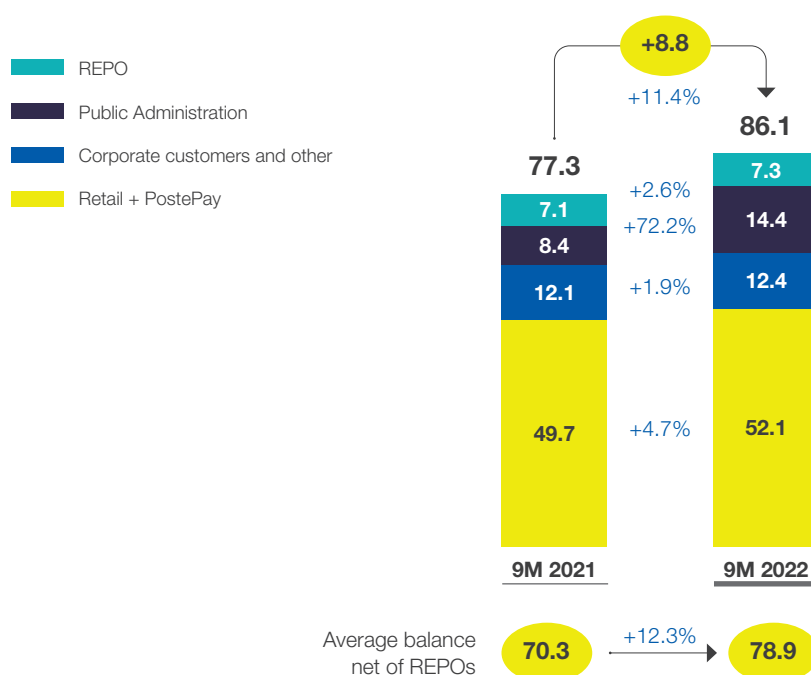
Revenue from the distribution of third-party products amounted to €185 million, down €3 million from €188 million in the first nine months of 2021. This negative change was mainly due to lower revenues from personal loans.

Revenue from Asset Management, equal to €90 million, increased by 2.1% (+€2 million) compared to the same period of the previous year, mainly due to **management fees**  for mutual funds.

Net revenue from other sectors amounted to €602 million (+7.6% compared to the same period in 2021). The positive change is mainly attributable to the growth in revenue deriving from the placement of PostePay products.

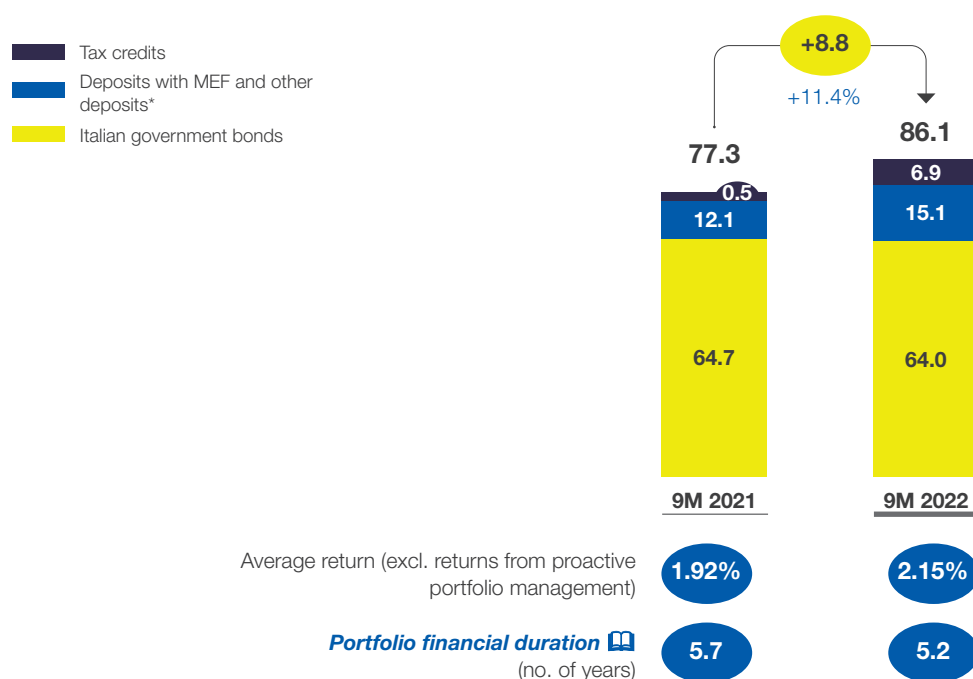
The third quarter of 2022 shows market revenue down by €46 million (-3.6%) compared to the same period in 2021, mainly attributable to lower revenue deriving from proactive portfolio management (-€145 million) and lower revenue from collection and management of postal savings (-€32 million). These negative changes are partly offset by the increase in net interest income (+€135 million).

AVERAGE CURRENT ACCOUNT DEPOSIT (€bn)



The average balance of current accounts for the first nine months of 2022 grew compared to the first nine months of 2021, going from €77.3 billion to €86.1 billion. The increase, of €8.8 billion, can be traced to the increase in revenue recorded in all *business* segments and mainly to the positive contribution coming from the Public Administration (+€6.1 billion, +72.2%), as well as from Retail and PostePay customers (+€2.3 billion, +4.7%) and *Corporate* customers (+€0.2 billion, +1.9%). The contribution of **REPOS**  remains largely unchanged (+€0.2 billion).

50. 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).

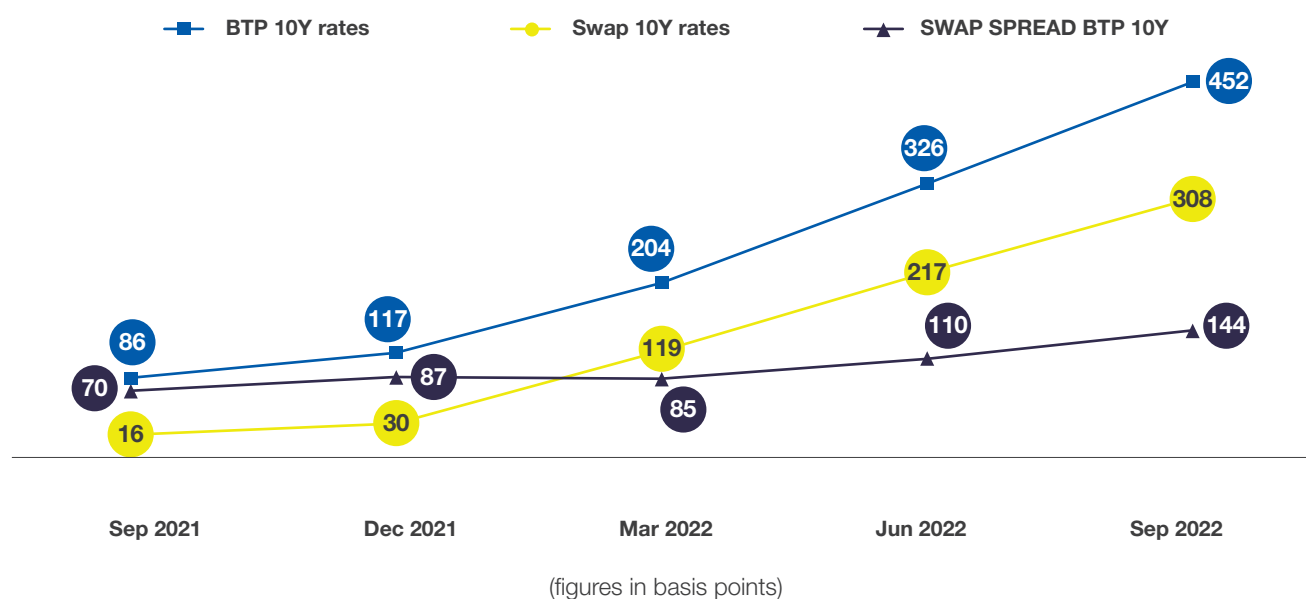
COMPOSITION OF INVESTMENT PORTFOLIO
(AVERAGE BALANCE in €bn)

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

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 (€64 billion), in which funding from private customers on postal current accounts is invested, and deposits with the MEF (approximately €15 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 30 September 2022, amounted to €6.9 billion.

On the **operational** side, in the first nine months of 2022, rates were rising and the BTP credit spread was widening, constituted opportunities for the Group to purchase securities.



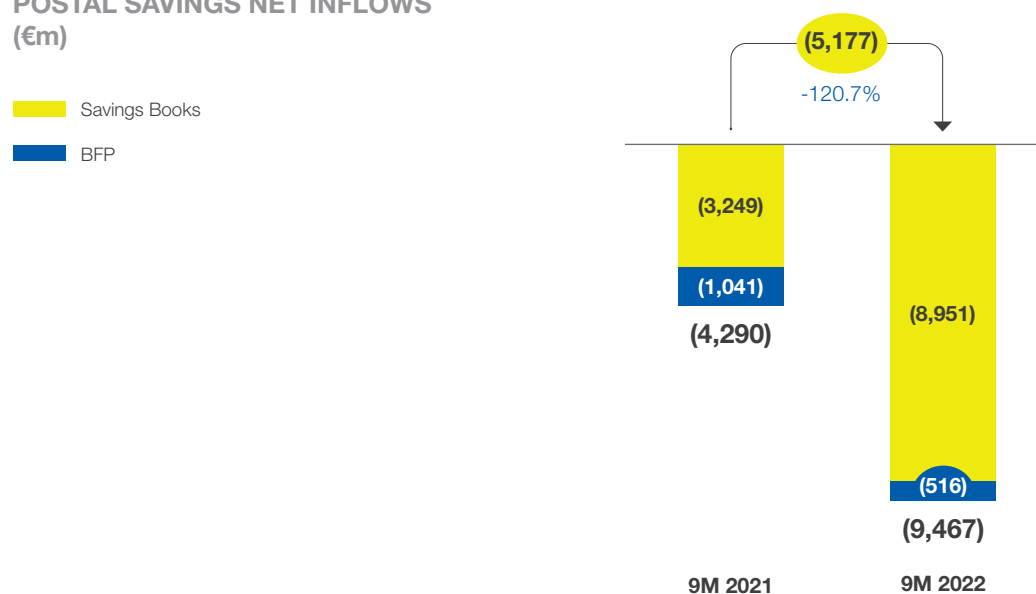
At the same time, the general rise in rates led to an increase in the market value of Interest rate swaps used to hedge the fair value of the securities portfolio, which transform the latter's return from fixed to variable. In February and May 2022, early redemption transactions were carried out for part of this derivatives portfolio (equal to a notional amount of approximately €7 billion). The transaction as a whole did not have significant immediate repercussions on the income statement, but allowed the consolidation of a fixed return in line with the Group's medium-term return objectives, whilst also improving the income profile of a portion of the securities portfolio for subsequent years.

In the first part of the year, the following was also stipulated: (i) management of hedges on the return of the deposit with the MEF upon collection from the Public Administration, with the aim of making it less susceptible to changes in returns from Government Bonds; (ii) forward sales contracts with a value date of 2023 in order to launch the capital gains realisation programme for next year.

In July 2022, considering the surge in rates and the narrowing of the spread, securities hedged by asset swaps and related derivatives were sold and domestic 10-year government bonds were purchased.

In August and September 2022, in a scenario of a widening credit spread in Italy and increasing returns on government bonds in the euro area, forward purchases were made of 5/10-year bonds, in order to launch the early renewal programme of investments maturing in 2023.

POSTAL SAVINGS NET INFLOWS (€m)



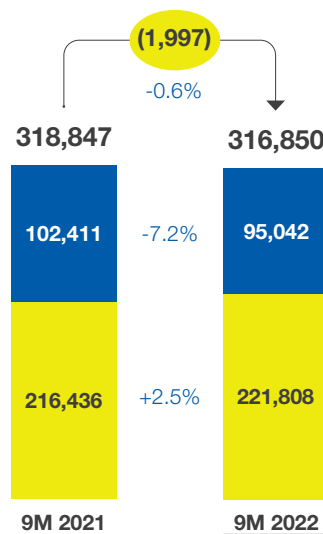
In the first nine months of 2022, Postal Savings Net Inflows were negative and amounted to around -€9.5 billion, about €5.2 billion less compared to the value of the same period of the previous year. There was a decrease of approximately €5.7 billion in **Savings books** compared to the first nine months of 2021, due to a lower savings capacity of customers, linked to the particular national and international economic context, as well as the high inflation of the period. It should also be noted that the comparison with the first nine months of 2021 is not even: during the first nine months of 2021, in fact, nine pension payments were credited as a result of health emergency-related provisions, compared to eight in 2022 (the March 2022 pension payment, credited at the end of February, was the last payment paid in advance).

With regard to **Interest-bearing Postal Certificates (BFP)**, the change compared to the first nine months of 2021 is positive for around €0.5 billion. Following the dual update to BFP returns by Cassa Depositi e Prestiti, between June and July 2022, BFP subscriptions and prepayments both recorded a significant increase compared to 30 September in the previous year (subscriptions and prepayments in the first nine months of 2022 equal to €29.4 billion (+€7 billion, +31% compared to the first nine months of 2021) and €21.8 billion (+€9.8 billion, +81% compared to the first nine months of 2021) respectively. There was also a decrease in repayments of accrued BFPs during the period as a result of significant fewer maturities in the first nine months of 2022 compared to the same period of 2021 (-48%).

POSTAL SAVINGS AVERAGE DEPOSIT*
(€m)

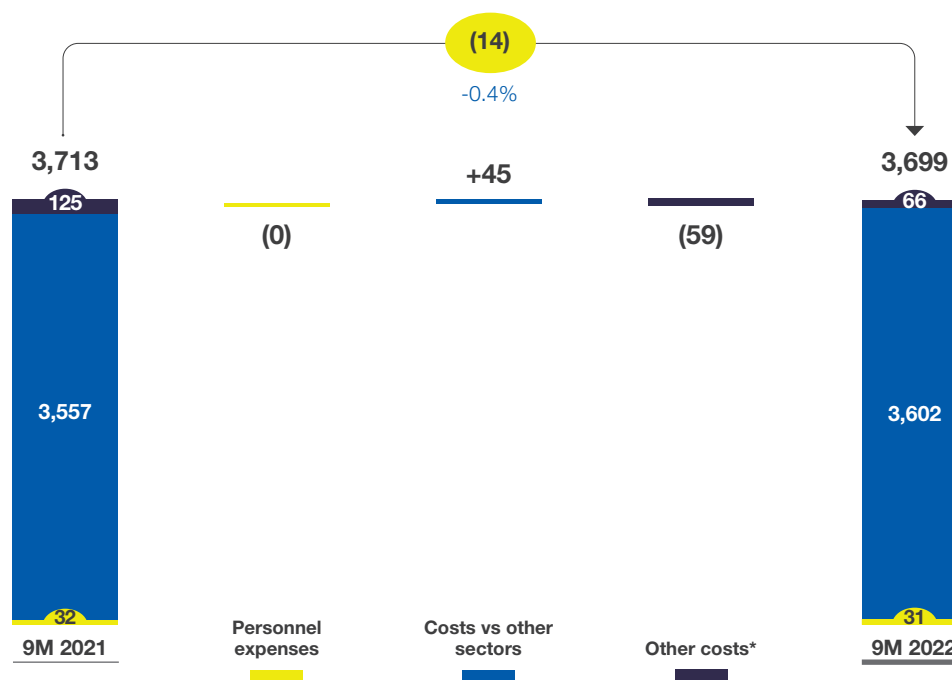
BFP

Savings Books



* 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 nine months of 2022 was down by approximately €2 billion from the same period of 2021. Postal savings books performance was mainly affected by negative inflows, 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 €3,699 million and recorded a decrease of €14 million (-0.4%) from the €3,713 million of the first nine months of 2021, primarily due to lower other operating expenses mainly attributable to lower allocations to the provision for risks. This change is partially offset by higher costs to other sectors of the Poste Italiane Group.

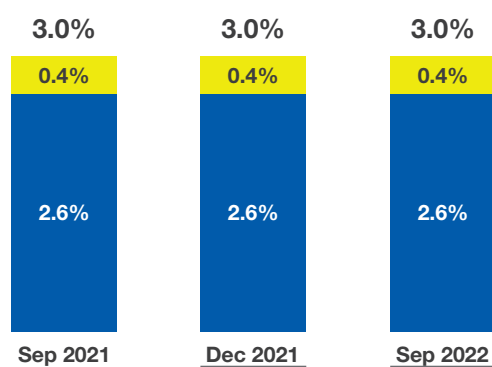
The operating profit (EBIT) for the sector in the first nine months of 2022 amounted to €649 million, up by 19.7% with respect to the same period the previous year (+€107 million).

Taking into account financial management (negative for €22 million) and taxes for the period (€180 million), the Financial Services Strategic Business Unit closed the first nine months of 2022 with a net result of €447 million, up €53 million compared to €393 million in the first nine months of 2021 (+13.5%).

€m	Sep 2021	Dec 2021	Sep 2022
CET1 CAPITAL	2,442	2,633	2,599
TOTAL CAPITAL	2,792	2,983	2,949
TOTAL ASSETS	106,200	109,072	102,911
RWA - Risk Weighted Assets	13,538	13,612	13,291

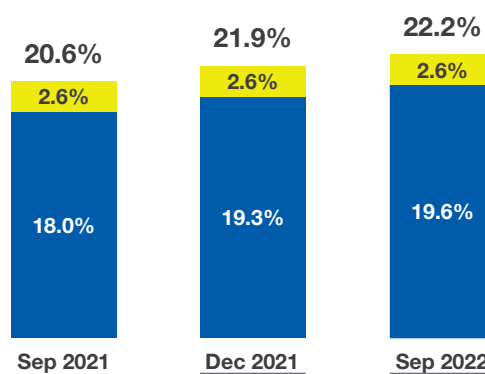
LEVERAGE RATIO

AT1
CET1




TOTAL CAPITAL RATIO

AT1
CET1



The Leverage Ratio stood at 3.0% as at 30 September 2022, keeping it stable compared to the value at 31 December 2021. The CET 1 Ratio on 30 September 2022 was 19.6%, while the Total Capital Ratio including Additional Tier 1 was 22.2%, confirming the financial solidity of BancoPosta.

Insurance Services Strategic Business Unit

The SBU's operating performance for the first nine months of 2022 was solid and up on results for the same period of 2021 due to revenue growth in both of these segments: Life and P&C. The **Solvency Ratio**  of 207% at 30 September 2022 confirms the solvency of the insurance Group.

INSURANCE SERVICES (€m)	9M 2022	9M 2021	Changes	
External revenue	1,573	1,448	+125	+8.6%
Revenue from other sectors	2	2	(0)	-10.3%
Total revenue	1,575	1,450	+125	+8.6%
Costs	99	103	(4)	-4.3%
Costs vs other sectors	496	457	+39	+8.6%
Total costs	595	560	+35	+6.2%
EBIT	980	890	+90	+10.1%
EBIT Margin %	62.2%	61.4%		
NET PROFIT	701	653	+49	+7.5%

Operating KPIs	30 September 2022	31 December 2021	Changes	
Net technical provisions Poste Vita Group (€bn)	138.1	159.0	(20.9)	-13.1%
<i>Solvency Ratio</i>	207%	261%		

Life business	9M 2022	9M 2021	Changes	
Gross premium revenue – Life (€m)*	13,262	13,907	(645)	-4.6%
of which: Classes I-IV-V	10,451	10,938	(487)	-4.5%
of which: Class III**	2,811	2,969	(158)	-5.3%
Unrealized capital gains (€bn)	(13.7)	15.1	(28.8)	-191.0%
Lapse rate	3.6%	3.0%		
% of ESG products on investment products***	60.0%	50.0%		

Non-Life business	9M 2022	9M 2021	Changes	
Gross premium revenue - non-life (€m)****	301	247	+55	+22.1%
Average daily premiums - modular offer (€k)*****	273	207	+65	+31.4%
Intermediated premiums on motor (€k)	8,908	3,690	+5,218	+141.4%
Combined ratio (net reinsurance)*****	85.9%	88.3%		
<i>Loss ratio</i>	58.4%	57.1%		

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

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

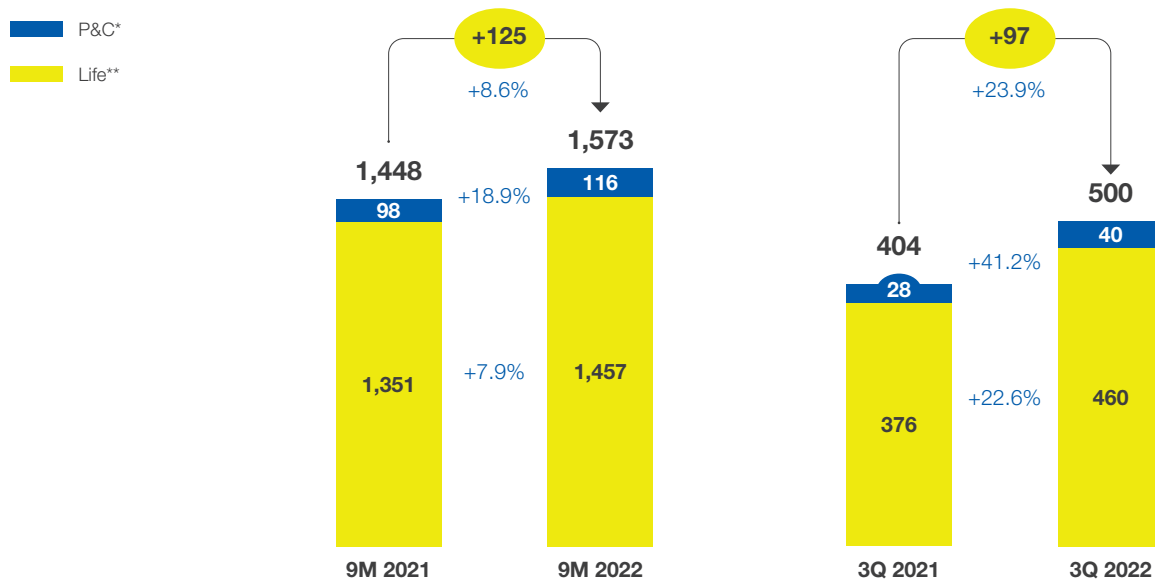
*** For products being placed, the presence of an ESG component is enhanced. Product campaigns are excluded with gross annual inflows that are less than €100 million.

**** 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.

** Includes Previdenza (Individual pension plan).

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 €1,448 million in the first nine months of 2021 to €1,573 million in the same period of 2022 (+8.6%), essentially due to the life business, which contributed €1,457 million, whilst P&C business contributed a total of €116 million.

Specifically, Life net revenue increased by 7.9% (+€107 million) from the same period of 2021, mainly due to the positive contribution of the financial margin (which rose from €1,099 million in the first nine months of 2021 to €1,237 million in the same period of 2022 – an increase of €138 million); the latter benefited from the growth in average assets under management (higher total average reserves of €9.3 billion, of which €6.7 billion in Class I and €2.6 billion in Class III compared to the same period of 2021) and higher profitability thanks to the increasing returns of **Separately Managed Accounts** . Financial margin growth was partially offset by the reduction in loadings (-€15 million), against the decrease in gross inflows, by the reduction in the life protection margin (-€8 million) mainly as a result of the higher provisions attributable to dormant policies⁵¹ and by the decrease in other technical provisions (-€9 million).

The returns gained during the first nine months of 2022 by Separately Managed Accounts⁵² are positively influenced, for a total equal to €707 million, from the increase in the rate of inflation with reference to the so-called **"Inflation Linked"** securities held in the Poste Vita portfolio (for a nominal value of approximately €8.9 billion as at 30 September 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.

51. Policies for which the capital or the return have already accrued but have not been collected by the beneficiaries of the policies and lie with the companies awaiting the statute of limitations.

52. The main return on separately managed accounts comes from PostaValorePiù (30 September 2022 equal to 2.56% vs 2.30% for the same period in 2021).

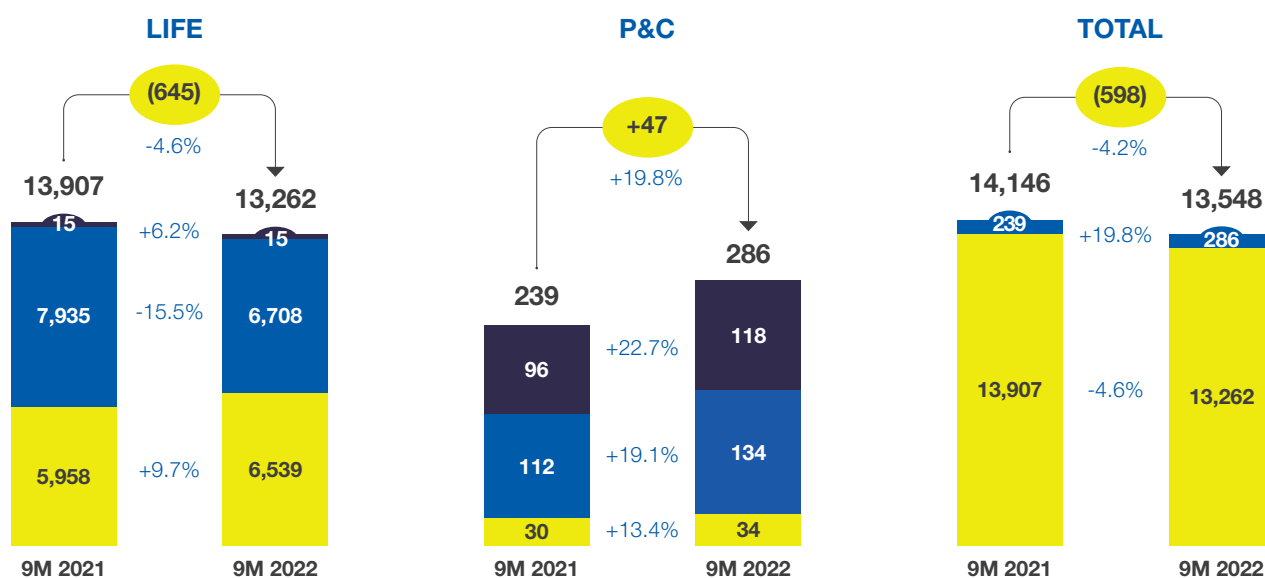
P&C net revenue amounted to €116 million, up compared to the same period of 2021 (+€18 million, +18.9%). In particular, gross premium revenue grew by €47 million (+19.8%) compared to the first nine months of 2021, while charges for claims increased by €31 million (+26.4%) related to the new modular offer guarantees and the growth of the Welfare business. The Combined Ratio, net of reinsurance, was 85.9%, down on the figure for the corresponding period in 2021 (88.3%).

The third quarter showed an increase in Life net revenue of €85 million (+22.6%) compared to the same period in the previous year, mainly attributable to the performance of the financial margin (+€87 million compared to the third quarter of 2021), due to higher revenues related to inflation-linked securities.

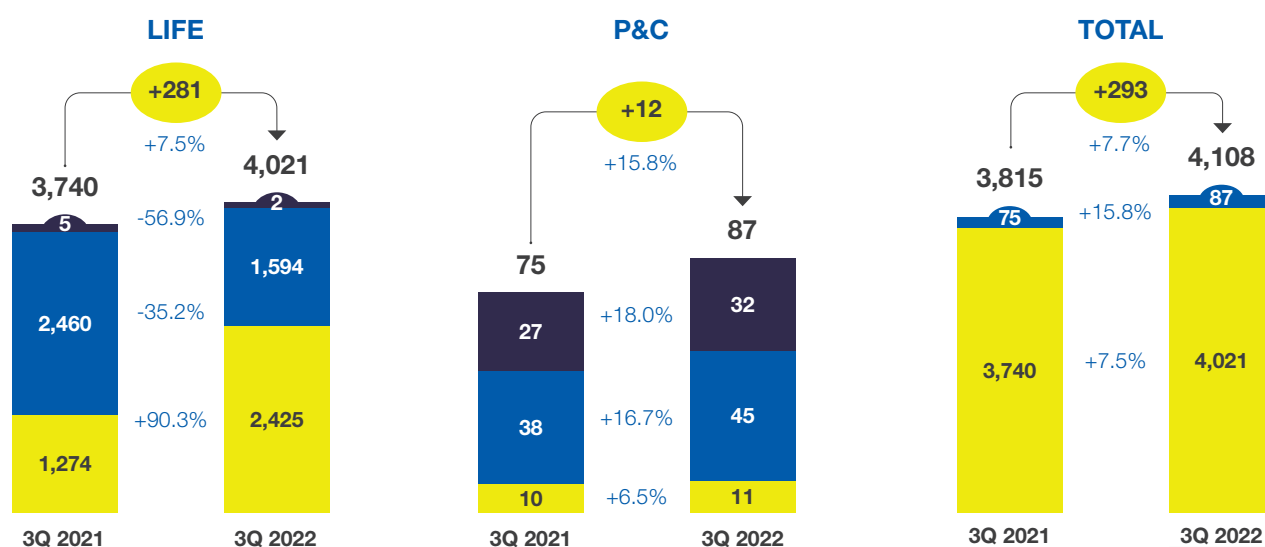
In the P&C segment, there was an increase in revenue (+€12 million) compared to the third quarter of 2021, due to the growth in earned premiums only partially mitigated by the increase in expenses for claims.

BOOK GROSS PREMIUM REVENUE

(€m)



* Includes CPI loans, mortgages, and salary backed.



* Includes CPI loans, mortgages, and salary backed.

Unit linked
Multi-class
Build-up

Welfare
Modular
Payment protection*

P&C
Life

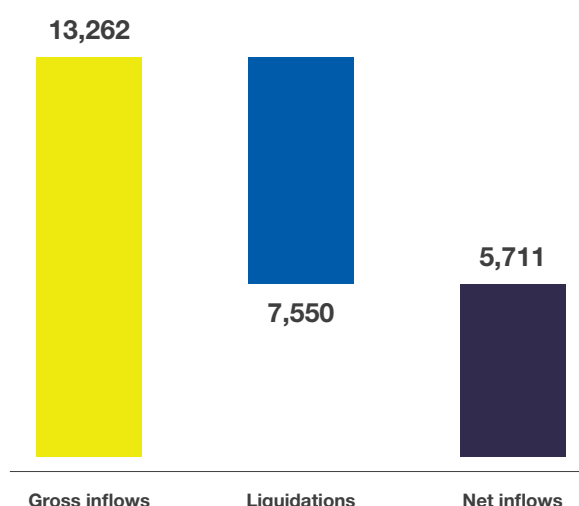
Gross inflows from the Life business amounted to €13.3 billion, down by 4.6% compared to the first nine months of 2021 due to the decrease in Multi-class inflows, which recorded a decrease of €1.2 billion during the period, but with an incidence on total business which continues to be significant (51%). This trend was partially offset by the increase in inflows relating to traditional revalued products which recorded a growth of €0.6 billion in the period.

**Retail Protection
premiums: 2X vs 2016**

**€168
million**

Gross premium revenue in the P&C business amounted to €286 million, up €47 million (+19.8%) from the first nine months of 2021 (€239 million), driven by all segments: i) the “Modular Protection” line, +19.1%; ii) payment protection policies, +13.4%, and iii) the “Welfare” segment, whose premiums rose from €96 million recorded at the end of September 2021 to €118 million in the first nine months of 2022, supported mainly by the new distribution agreements signed with corporate clients (Employee Benefits).

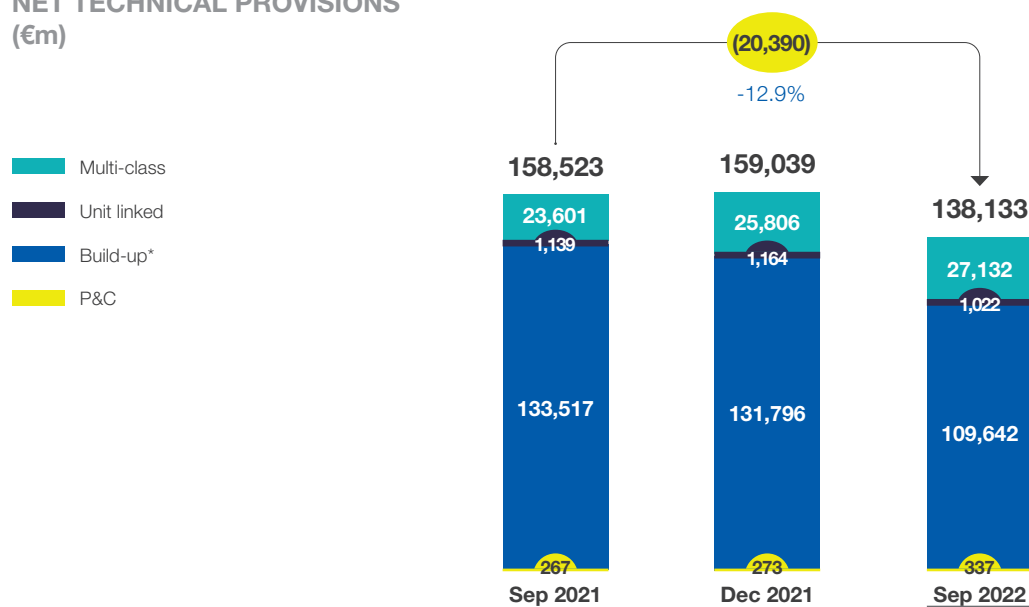
LIFE NET INFLOWS AT 30 SEPTEMBER 2022 (€m)



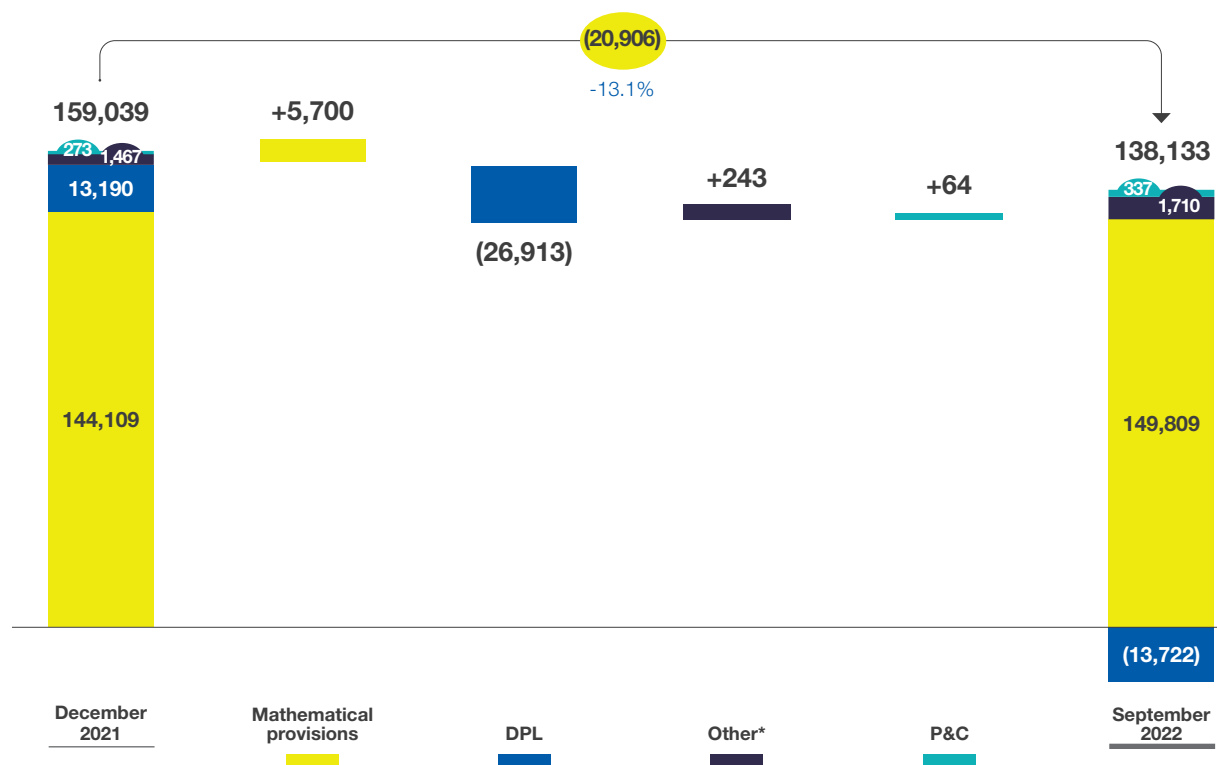
Life net inflows amounted to €5.7 billion (€6.2 billion at the end of the third quarter of 2021), down mainly due to the performance of gross inflows and remained positive on all the Separately Managed and Internal Fund portfolios⁵³. The **redemption rate** 📖 of 3.6% is up on the same period last year (3%) but still well below the average market figure of 6.30% on 30 June 2022⁵⁴.

53. 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.

54. Source: Ania Trends – Life flows and provisions - Publication no. 2, 31 August 2022.

NET TECHNICAL PROVISIONS
(€m)

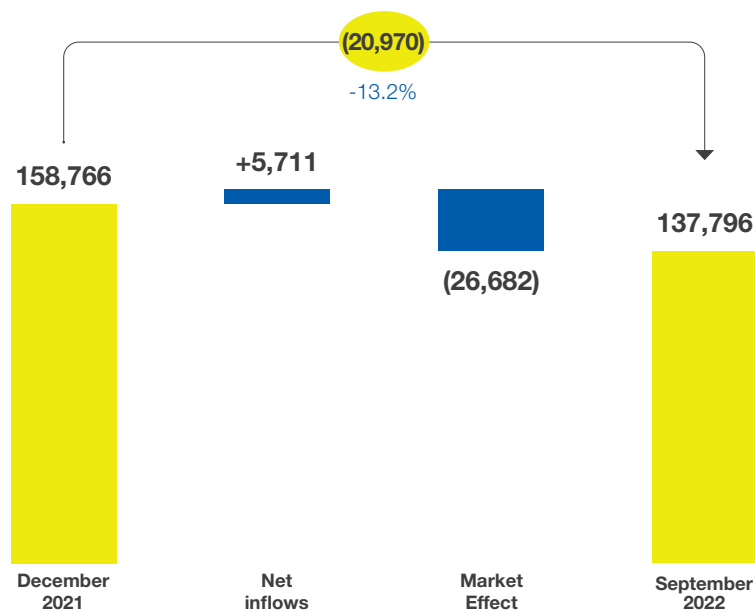
*Includes Protection and Welfare.



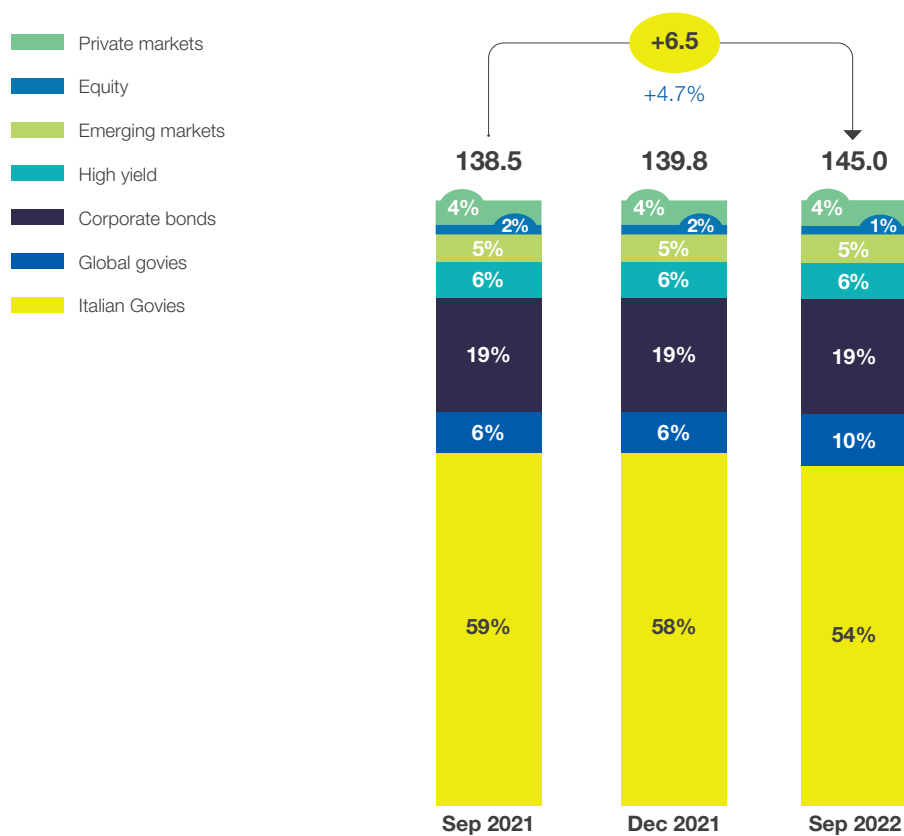
*Includes provisions for outstanding claims, as well as reinsurance and expense reserves.

Life business technical provisions amounted to €137.8 billion and decreased by €21 billion compared to 31 December 2021, mainly due to the decrease in **Deferred Policyholder Liabilities** (DPL) (-€26.9 billion) in the face of financial dynamics recorded in the period affected by the evolution of rates and the BTP-BUND 10 years spread. This change was only partially offset by increased mathematical provisions (+€5.7 billion) due to positive net inflows. Technical provisions for the P&C business, net of the portion ceded to **reinsurers**, amounted to €337 million at the end of the period, up from €273 million recorded on 31 December 2021.

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



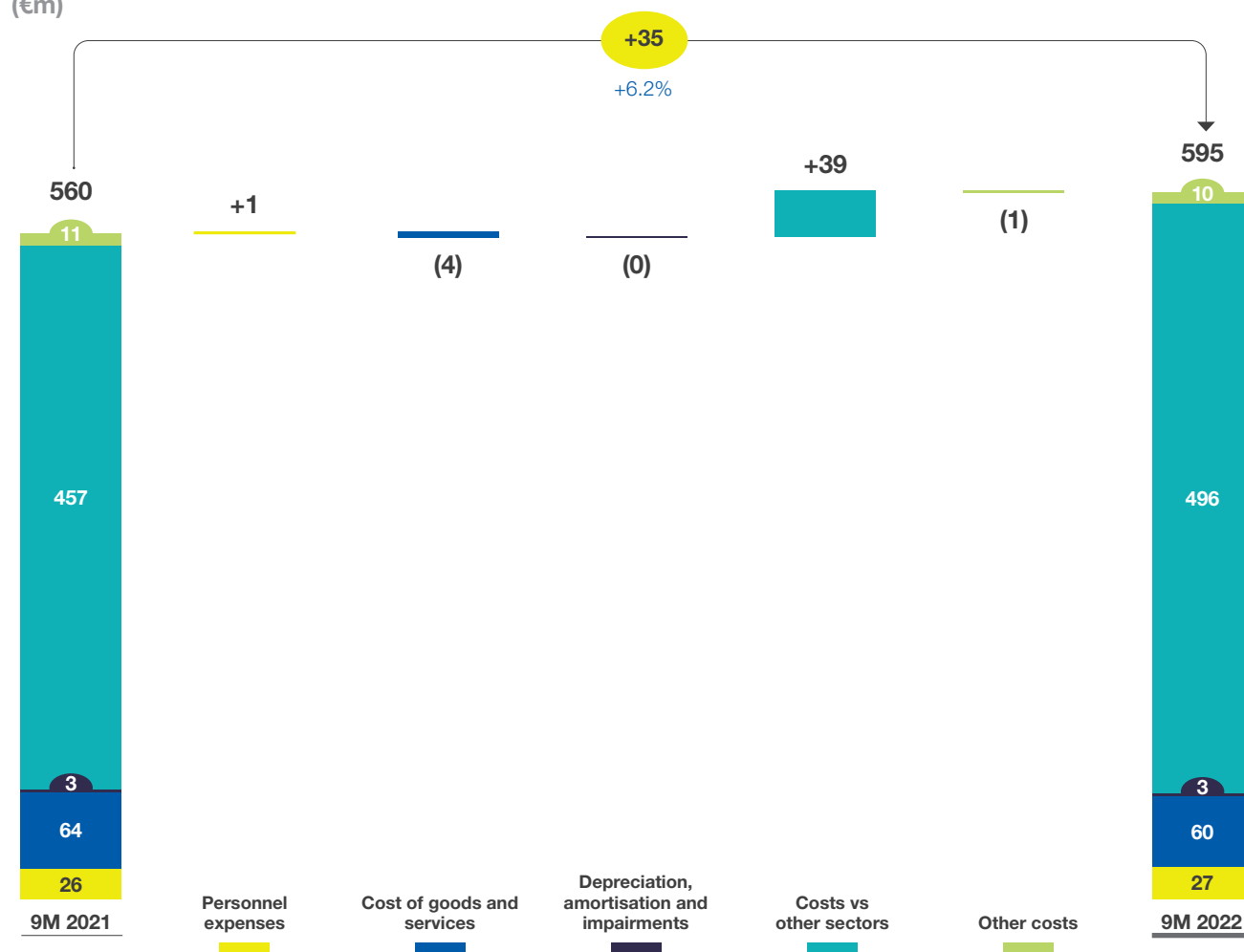
BREAKDOWN OF THE INVESTMENT PORTFOLIO (€bn)



In the first nine months of 2022, in line with the latest **asset allocation** approved by the Company, the process of portfolio diversification continued, with the objective of reducing the concentration of risk in Italy, in favour of **asset classes** with a lower correlation to the risk associated with Italian government securities⁵⁵, such as Global Govies.

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

TOTAL COSTS (€m)



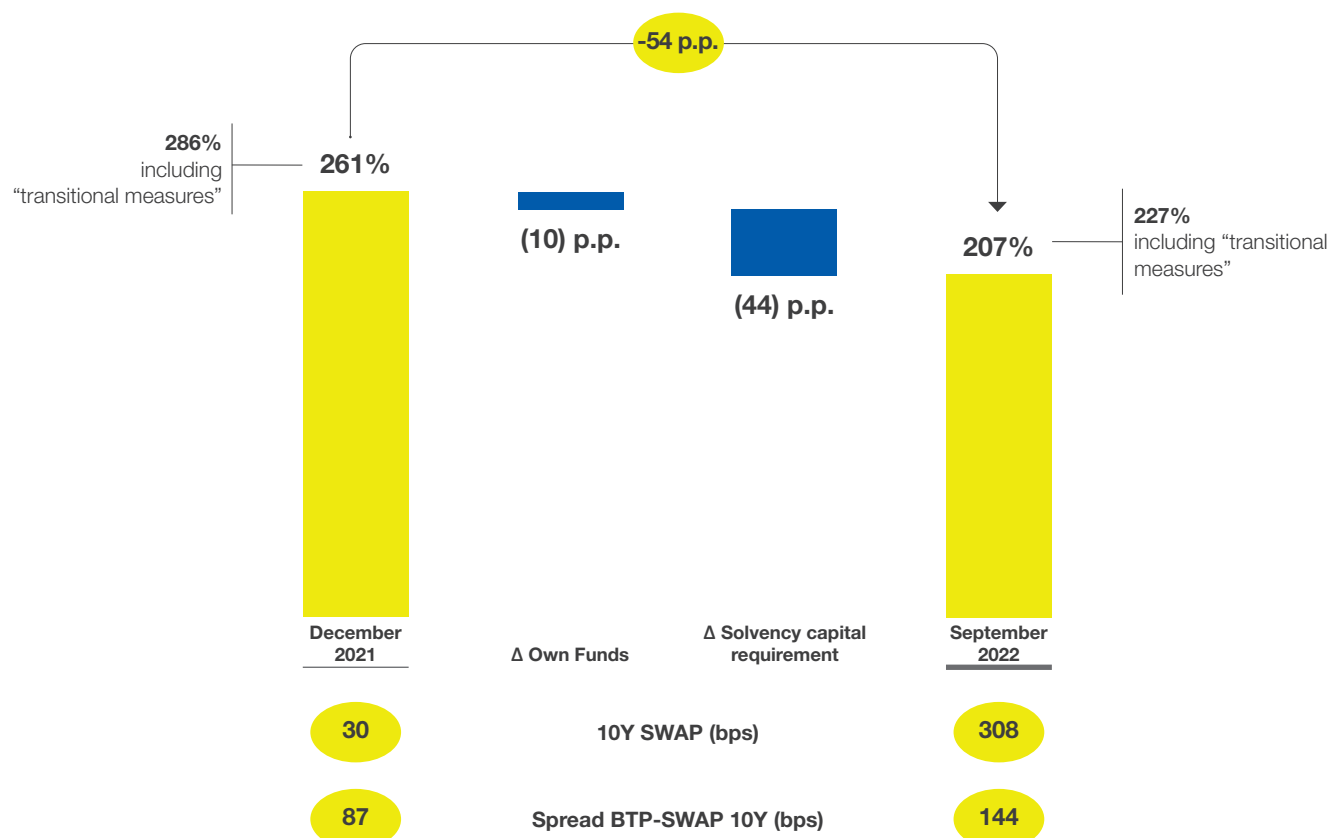
Total costs at 30 September 2022 amounted to €595 million, an increase of €35 million compared to 30 September 2021 mainly due to the higher costs in other segments relating to: i) higher commission paid to the Financial Services Strategic Business Unit (+€30 million); in detail, there are mainly higher maintenance commissions paid in the period (+€40 million) due to the growth in average assets under management only partially offset by the lower commissions paid for distribution and collection activities (-€13 million) following the decrease in gross inflows; ii) higher costs recognised to the Parent Company (+€4 million) mainly related to call centre and back office activities and costs for IT services, to Postel for printed materials (+€1 million) and to Poste Welfare Servizi (+€3 million) for settlement management.

In light of the results illustrated, the Insurance Services Strategic Business Unit generated EBIT of €980 million in the first nine months of 2022, an increase of 10.1% (+€90 million) compared to the same period in 2021 (€890 million).

55. Included within the Italy Govies asset class is the Company's financial liquidity (cash awaiting transfer to the asset class managers). As at 30 September 2022, financial liquidity accounted for approximately 1.09% of the entire portfolio. The value of the investment portfolio on 30 September 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 (Branch III) investments and also considers the total of the free capital.

Taking financial management into account (positive for €36 million), as well as taxes for the period (€315 million), the Insurance Services Strategic Business Unit registered a net result €701 million at 30 September 2022, up 7.5% (+€49 million) compared to the same period of 2021.

SOLVENCY RATIO PERFORMANCE



The Poste Vita Group's **Solvency Ratio** stood at 207% on 30 September 2022⁵⁶, down compared to the 261% reported in December 2021 (-54 percentage points), and remains above the regulatory requirements and management's expectations (200%).

The change in the period is due to a slight decrease in available capital (-10%) following the dynamics of the interest rate trend (+278 bps 10-year swap rate) and the BTP-Swap spread (+57 bps 10-year spread) which cause a reduction in Own Funds, due to the reduction in market value of the investments offset by the reduction in technical provisions and an increase in the capital requirement.

The increase in capital requirement (-44%) is mainly due to higher underwriting risks and specifically to the "redemption risk". The latter is calculated, as established by the standard formula⁵⁷, by providing a scenario of redemption of 40% of the insurance policies. In an economic context of growing interest rates such as that recorded in the first nine months, the value of the policies increased, providing more return. As a result, with the increase in interest rates, the "mass surrender" scenario envisaged by the aforesaid formula is enhanced (i.e. the related risk increases), albeit with a level of effective surrenders that remained substantially stable.

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 227% at 30 September 2022 (286% at 31 December 2021).

On 29 July 2022, the Parent Company further increased the capital provided to Poste Vita by subscribing a subordinated, capital instrument amounting to €500 million, on terms and conditions that enable it to be included in the core capital ("Restricted Tier 1" or "RT1"). This strengthening of capital, in line with the "2024 Sustain & Innovate Plus" plan, is designed to optimise the company's capital structure and to support the future growth and development of the Poste Vita Group's business.

56. The indicator takes into account the share (75%) of the expected dividends in favour of the Parent Company for the year 2022.

57. Formulas for calculation established by IVASS to calculate capital requirement of insurance Companies that do not adopt the internal calculation model.

Payments and Mobile Strategic Business Unit

The SBU's performance in the first nine months of 2022 is up on the results of the same period of 2021, with positive contributions from all segments (monetics, collections and payments and telecommunications).

Net of the contribution from the energy sector and the related set-up costs, the SBU recorded an operating profit of €278 million (+34% compared to the same period in 2021).

PAYMENTS AND MOBILE (€m)	9M 2022	9M 2021	Changes	
External revenue	779	619	+159	+25.7%
Revenue from other sectors	201	246	(45)	-18.3%
Total revenue	980	866	+114	+13.2%
Costs	357	343	+15	+4.3%
Costs vs other sectors	352	318	+35	+10.8%
Total costs	710	661	+49	+7.4%
EBIT	270	205	+65	+31.8%
EBIT Margin %	27.5%	23.7%		
NET PROFIT	192	150	+42	+28.0%

Operating KPIs	9M 2022	9M 2021	Changes	
Electronic Money and Payments				
Total value of card transactions ("on us" and "off us") (€m) ¹	51,255	43,636	+7,620	+17.5%
Total value of card transactions ("off us") (€m) ²	41,307	35,374	+5,933	+16.8%
Number of cards (m) ³	28.7	28.6	+0.1	+0.4%
of which Postepay Cards (m)*	21.2	21.1	+0.0	+0.2%
of which Postepay Evolution cards (in millions) ⁴	9.3	8.4	+0.9	+10.5%
of which Postepay Green (k)*	62.6	30.1	+32.5	+107.9%
of which Postepay Connect (k)*	511.9	418.1	+93.8	+22.4%
Number of card transactions (m)	1,686	1,454	+232	+16.0%
of which number of e-commerce transactions (m) ⁵	429	374	+55	+14.8%
Instances of payments slips accepted on alternative channels**(%)	38%	40%		
Instances of PostePay top-ups made on alternative channels**(%)	80%	80%		
TLC				
SIM PosteMobile landlines and mobile telephones (stock in thousands)*	4,888	4,725	+163	+3.4%
of which mobile SIM (stock in thousands)*	4,543	4,427	+117	+2.6%
of which Casa SIM (stock in thousands)*	345	298	+46	+15.5%
of which Fibre SIM (stock in thousands)*	84.4	28.4	+56.0	n/s
MNP (Mobile Number Portability) - acquisitions (in thousands)	469.2	465.7		

n/s: not significant.

* The figure indicated in column 9M 2021 refers to 31 December 2021.

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

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

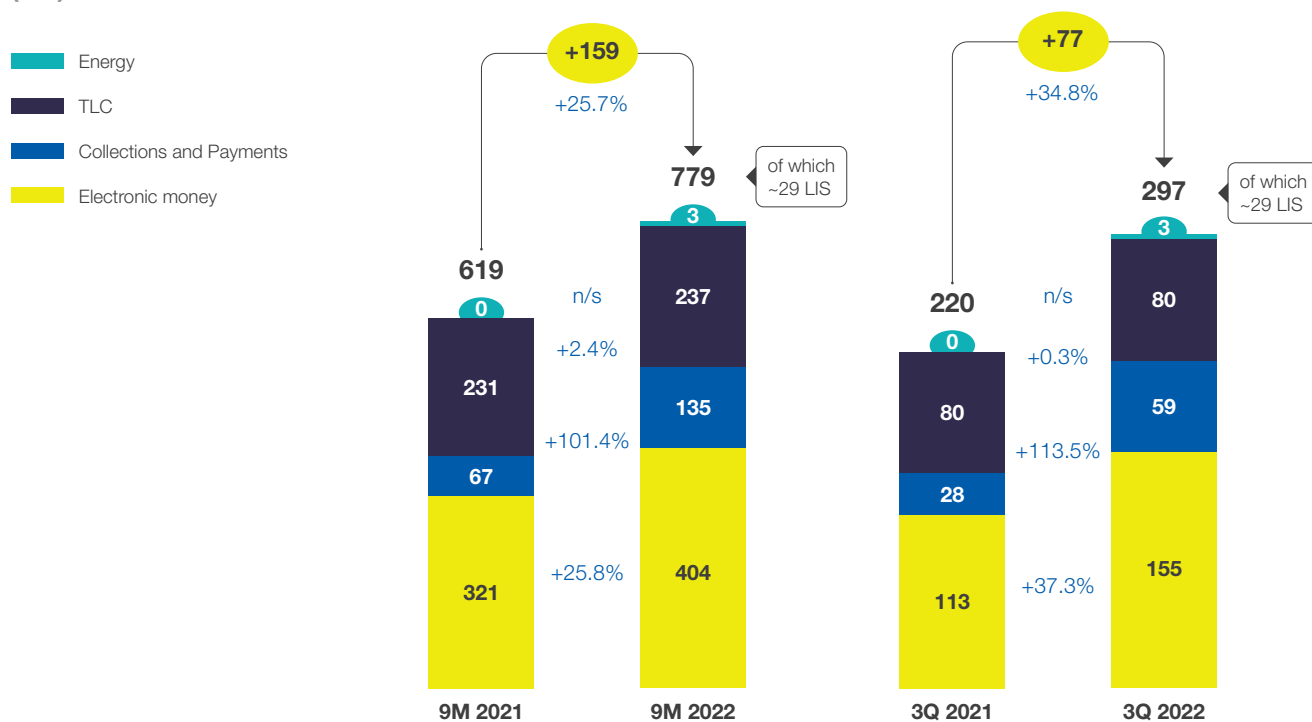
2. Transactions relating to payments made with Postamat and Postepay on external payment circuits ("off us").

3. Includes Postepay cards and debit cards.

4. Includes business customers and Postepay Connect cards.

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

EXTERNAL REVENUE (€m)



Electronic money: prepaid cards (top-ups, payments, withdrawals, fees, issuance), debit cards (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). Telephone top-ups for all mobile network operators (MNOs) and mobile virtual network operators (MVNOs).

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, collection of payments, revenue stamps.

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).

Energy: Revenues from selling electricity and gas following the launch of the employee and family member promo in mid-June 2022 and revenues deriving from activities to optimise the energy management portfolio.

Market revenue in the first nine months of 2022 amounted to €779 million, an increase of €159 million compared to September 2021 (+25.7%), due to the positive contribution of all segments. Revenues for the period from the electronic money and collections and payment sector benefited from the contribution of LIS, totalling €29 million.

In detail, revenue from the electronic money sector show a growth of €83 million, going from €321 million in the first nine months of 2021 to €404 million in the first nine months of 2022 due to higher revenue generated by payment card operations and of the higher revenues from Acquiring services.

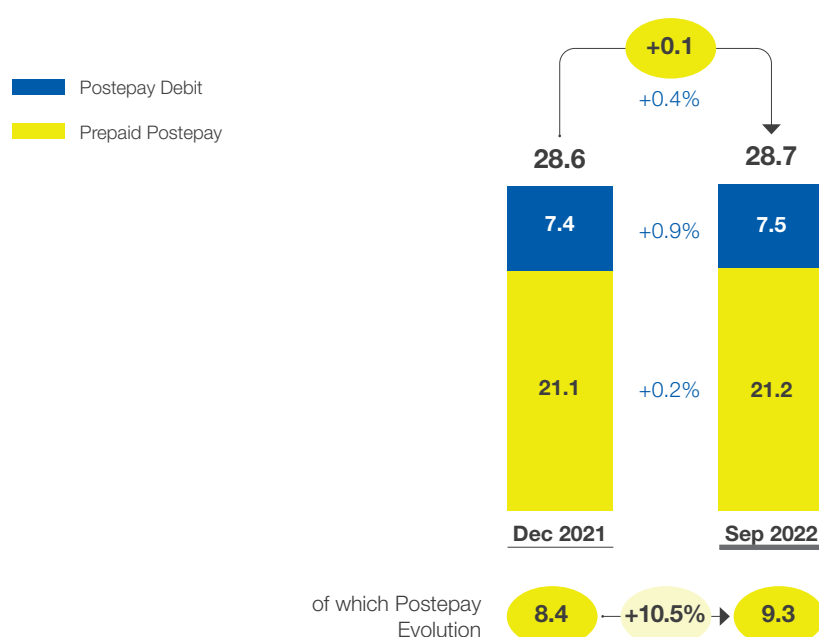
Revenue from Collection and Payment services show an increase of €68 million (+101.4%), going from €67 million recorded in the first nine months of 2021 to €135 million in the first nine months of 2022 driven by PagoPA services to the Public Administration.

The telecommunications segment recorded an increase of €5 million, compared to the €231 million of revenue achieved in the first nine months of 2021 (+2.4%). The increase is attributable to higher revenues from the fibre optic connectivity service.

In June 2022, the new energy offer was launched for employees, retirees and family members of the Poste Italiane Group, which, at 30 September 2022, recorded €3 million in revenue.

Performance in the third quarter confirms the sustained growth in the electronic money and collections and payments sector. In particular, in detail, the high activity of payment cards with the increase in transactions carried out both on physical and digital channels and the acquisition of LIS Holding, drove revenue for the electronic money segment to €155 million in the third quarter (+37.3% compared to the third quarter of 2021). Collections and payment services in the third quarter of 2022 recorded revenues of €59 million (+113.5% compared to the same period of 2021) mainly due to the positive contribution of the PagoPA payment service to the Public Administration. Positive performance also for the telecommunications segment which achieved revenue of €80 million (+€0.3 million, +0.3% compared to the third quarter of 2021) supported by growth of the fibre service customer base, and by the energy sector which achieved revenues of €3 million.

CARDS STOCK (m)



On 30 September 2022, the total stock of prepaid and Postepay debit cards amounted to 28.7 million, with total transactions⁵⁸ of €51.3 billion, up by approximately €7.6 billion (+17.5%) compared to 30 September 2021.

More specifically, Postepay prepaid cards totalled 21.2 million (+0.2% compared to December 2021) and Postepay Evolution cards totalled around 9.3 million on 30 September 2022, showing an increase of 10.5% compared to the value as at 31 December 2021. In the first nine months of 2022, the sale of Postepay Connect continued⁵⁹, with 190 thousand activations at 30 September 2022 and a stock of 512 thousand cards (+22.4% compared to December 2021).

During the first nine months of 2022, there was an increase in payment card transactions of 16% (equal to +232 million transactions) compared to the first nine months of 2021, also thanks to e-commerce⁶⁰ transactions (+55 million transactions).

28.7 million
the card stock
at 30 September 2022

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

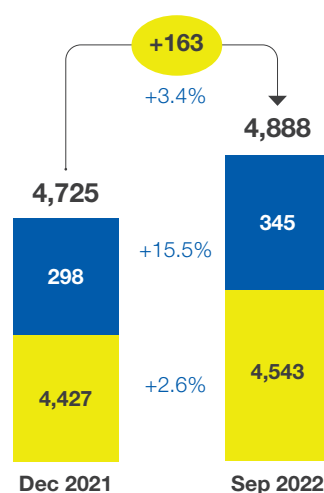
59. Offer that integrates the prepaid Postepay Evolution card and the PosteMobile SIM.

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

SIM STOCK

(k)

Fixed Lines
Mobile SIM

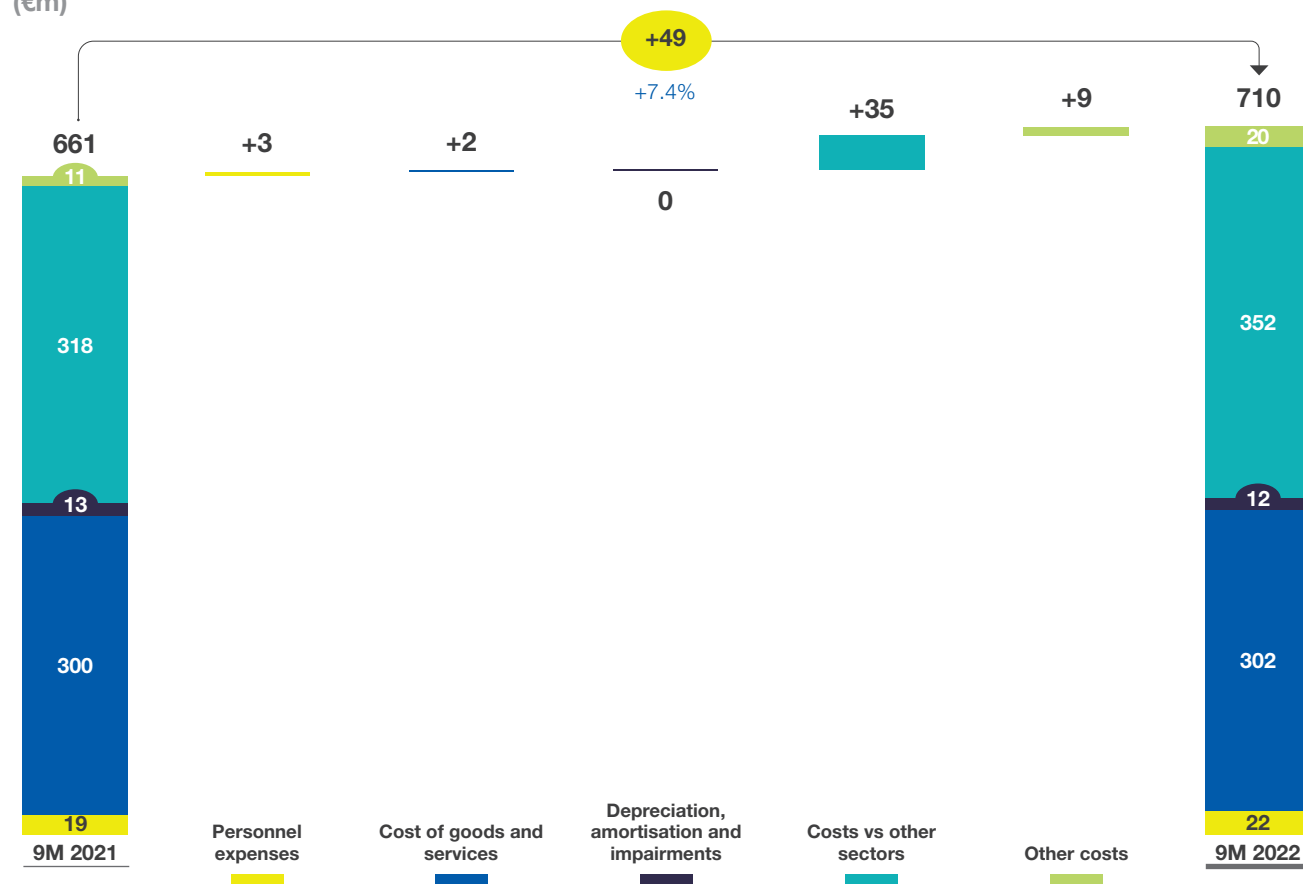


In Telecommunications, the customer base related to mobile telephony, at 30 September 2022, is represented by approximately 4.9 million lines, which recorded an increase (3.4%) compared to 31 December 2021. With reference to Fixed Telephony services, the “PosteMobile Casa” offer and the optical fibre data connectivity “PosteCasa Ultraveloce” offer show a 15.5% increase in lines, rising from 298 thousand at 31 December 2021 to 345 thousand at September 2022 thanks to the contribution of the fibre lines which reached 84 thousand units in September 2022 after just over a year from the launch of the service.

During the first nine months of 2022, data usage (GB per active SIM per month) remained substantially unchanged compared to the same period in 2022, while voice usage (minutes per active SIM per month) decreased by 10.2% compared to September 2021.

TOTAL COSTS

(€m)



Total costs of the Strategic Business Unit amounted to €710 million, up 7.4% (+€49 million) from €661 million in the first nine months of 2021.

In detail, the increase in costs in other segments (+€35 million) compared to the first nine months of 2021 is mainly determined by the higher costs for outsourcing to the Parent Company, in particular, with reference to the distribution of payment services in addition to the higher outsourcing costs recorded as part of the energy segment's development.

The increase in costs for goods and services is essentially attributable to higher variable costs associated with card transactions in the electronic money sector, as well as the expansion in the scope of operations caused by the acquisition of LIS Holding SpA and LIS Pay SpA.

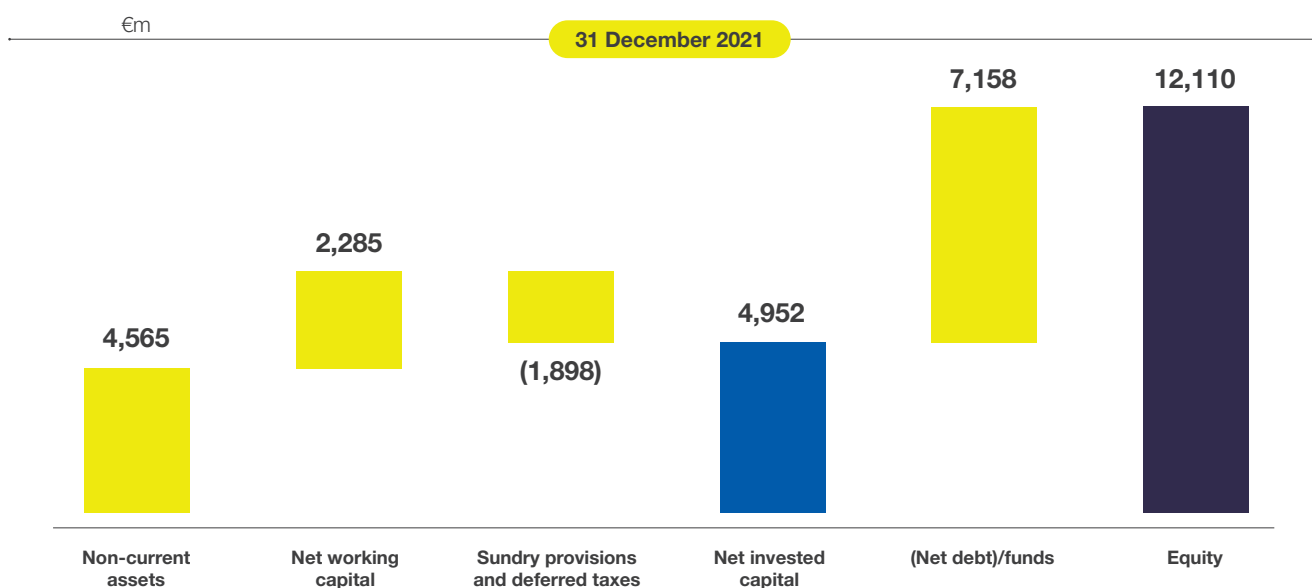
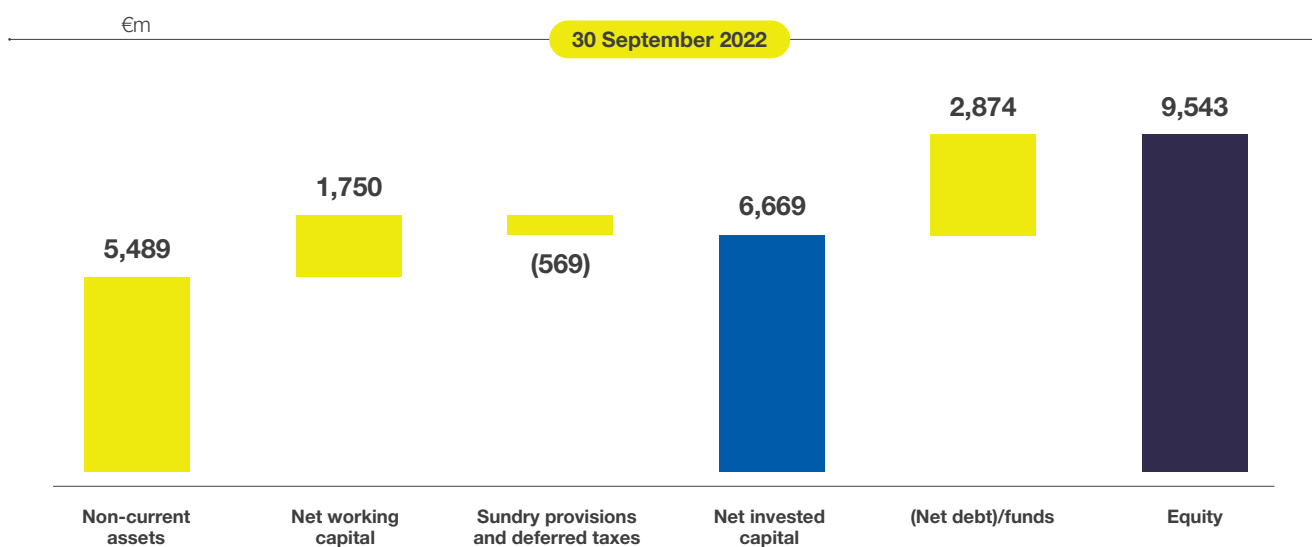
In light of the results described, the Company's economic performance in the first nine months of 2022 shows EBIT of €270 million, up by 31.8% with respect to the same period the previous year (€205 million).

Operating profit, net of the contribution from the Energy business launched in June 2022 on a limited target (employees, family members and retirees of the Group) and the related set-up costs, was €278 million (€207 million in the same period in 2021).

Profit amounts to €192 million, an increase of 28% compared to the value of the first nine months of 2021 (€150 million).

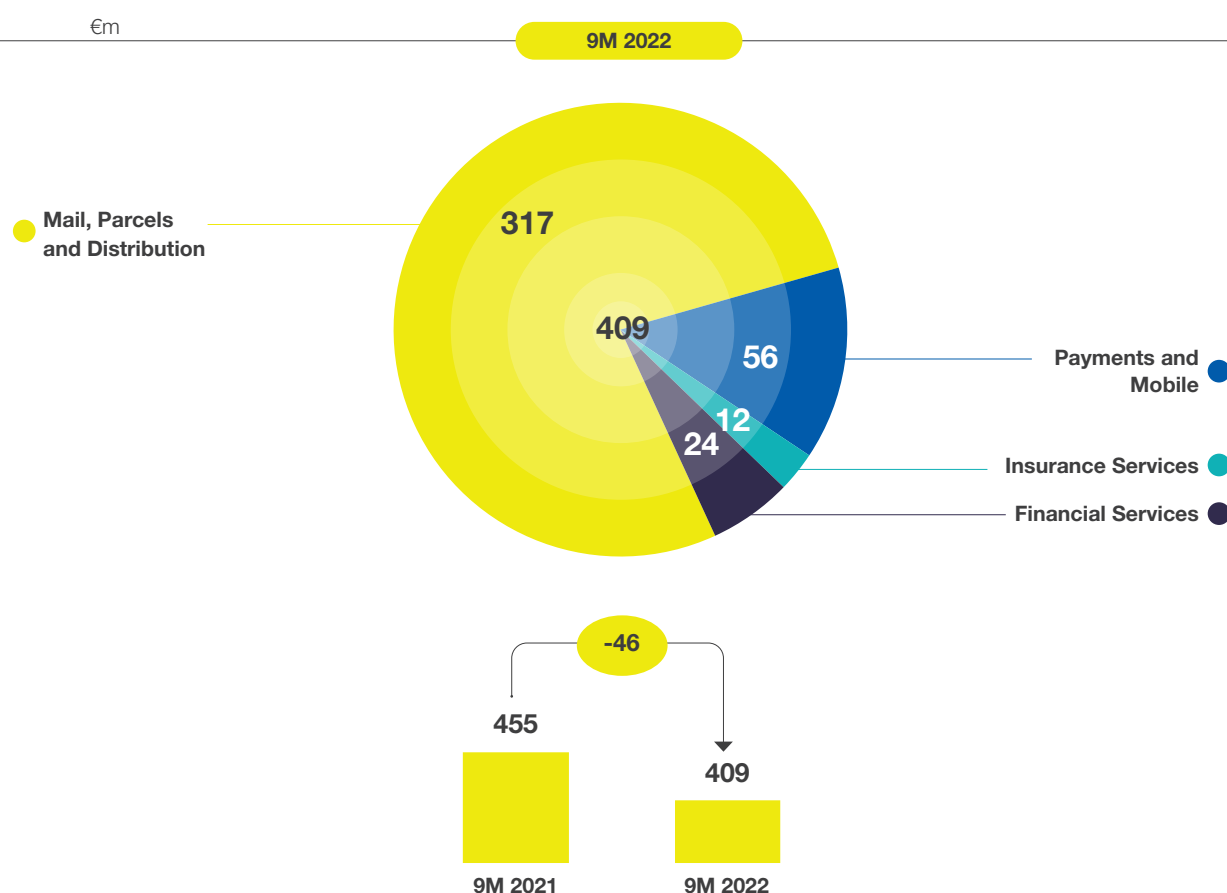
< Group financial position and cash flow

(€m)	30 September 2022	31 December 2021	Changes	
NON-CURRENT ASSETS	5,489	4,565	+924	+20%
NET WORKING CAPITAL	1,750	2,285	(535)	-23%
GROSS INVESTED CAPITAL	7,239	6,850	+389	+6%
SUNDRY PROVISIONS AND OTHER ASSETS/LIABILITIES	(569)	(1,898)	+1,329	+70%
NET INVESTED CAPITAL	6,669	4,952	+1,717	+35%
EQUITY	9,543	12,110	(2,567)	-21%
NET DEBT/(FUNDS)	(2,874)	(7,158)	+4,284	+60%
<i>of which: Net debt/(funds) of the Mail, Parcels and Distribution SBU</i>	<i>2,686</i>	<i>1,284</i>	<i>+1,402</i>	<i>+109%</i>



The Poste Italiane Group's **non-current assets** at 30 September 2022 amount to €5,489 million, an increase of €924 million compared with the end of 2021. Non-current assets absorbed €409 million and a €284 million increase in rights of use for the stipulation of new contracts, renewals and contractual changes within the scope of IFRS 16. In addition, we note the increase resulting from the first consolidation of the LIS group for €628 million and Plurima for €231 million (of which €596 million and €123 million respectively relating to the provisional recognition of goodwill deriving from the acquisitions). These changes were partially offset by depreciation and amortisation of €614 million. This item also includes investments accounted for using the equity method totalling €263 million, relating mainly to investments in Anima Holding, Financit and Replica SIM. With reference to the investment in Anima Holding SpA, it should be noted that during the period, an adjustment for impairment of €21 million was made following the execution of the impairment test carried out on the value of the investment.

Group **investments** in the first nine months of 2022 amounted to €409 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 development of technological infrastructure on a Cloud environment, improving the customer experience of products and services offered to customers from a multi-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 "2024 Sustain & Innovate Plus" Strategic Plan, around 77% of the Group's investments (€317 million) focused on the automation and modernisation of the **Mail, Parcels and Distribution Strategic Business Unit**.

In particular, in the first nine months of 2022, the renewal of the delivery fleet progressed with the introduction of about 13,000 new vehicles, of which about 1,100 were electric, over 6,000 were hybrid and the remainder were low-emission. A further 1,400 electric vehicle charging plants have also been installed. As of 30 September 2022, more than 3,100 electric columns have been put in place.


low-emissions vehicles
available in the fleet,
of which approximately
2,800 are electric

Over
21,000

During the current year, new zero-emissions delivery lines were also implemented in 11 city centres, joining those implemented in 2021 in 15 city centres.

Property investments concerned remodelling of Post Offices and the creation of new spaces for consultants. With regard to the containment of environmental impact, work continued on replacing traditional lamps with LED technology (additional 32,000 in the first nine months of 2022), automation and remote control of plant management (over 620 buildings involved in the Smart Building project in the first nine months of 2022) in order to reduce electricity consumption and CO₂ emissions. Over 80 photovoltaic systems were also installed during the period.

In the first nine months of 2022, Poste Italiane's video surveillance service was also extended to the sites not yet served and existing systems were upgraded by gradually replacing obsolete digital video recorders (DVRs) and intrusion detection units; in particular, 135 new video cameras were installed, replacing 336, as well as 239 intrusion detection units replaced during the period.

Technological Transformation and Engineering continued with the migration of existing digital services to the new infrastructure based on *Hybrid Cloud* continued, through a procedure of "**containerisation**"  of the application components. Furthermore, in the first half of 2022, the consolidation of the Data Centres continued, which saw the closure of the Rozzano (MI) site.

In the **Financial Services Strategic Business Unit**, total investments amounted to €24 million and involved the expansion of the range of the Postal Savings, Life and Funds product range with a multi-channel approach and to improve the customer experience.

In the Postal Savings sector, the activities required to open Passbooks in the name of minors through the online channels (web and app) are ongoing.

In the **Insurance Services Strategic Business Unit**, design activities continued in the first nine months 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 period amounted to €12 million.

Investments in the **Payments and Mobile Strategic Business Unit** for the period amounted to €56 million and concerned development work on the fixed and mobile telephony offers 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 and omnichannel use of the offers of various Strategic Business Units, see the section on "Strengthening of digital channels". 

Net working capital at 30 September 2022 amounted to €1,750 million and decreased by €535 million compared to the end of 2021. The following mainly contributed to this change:

- lower trade receivables for €267 million (mainly attributable to the decrease in receivables from Cassa Depositi e Prestiti due to the new billing and collection schedules) and higher trade payables of €54 million;
- a decrease in other receivables and assets net of other liabilities for €138 million. This change is mainly attributable to the net decrease in tax items relating mainly to the operations of the Insurance Services and Financial Services Strategic Business Units;
- net current tax assets with a decrease of €75 million, mainly due to recognition of taxes for the period, partially offset by payments for advances of the period.

The balance of **Sundry provisions and Other assets/liabilities** at 30 September 2022 amounted to €569 million and decreased by €1,329 million compared to 31 December 2021 mainly due to higher net deferred tax assets of €911 million (largely due to the negative changes in the fair value relating to financial instruments classified as FVOCI), the reduction in provisions for risks and charges for €223 million, and the reduction in severance indemnities of €195 million.

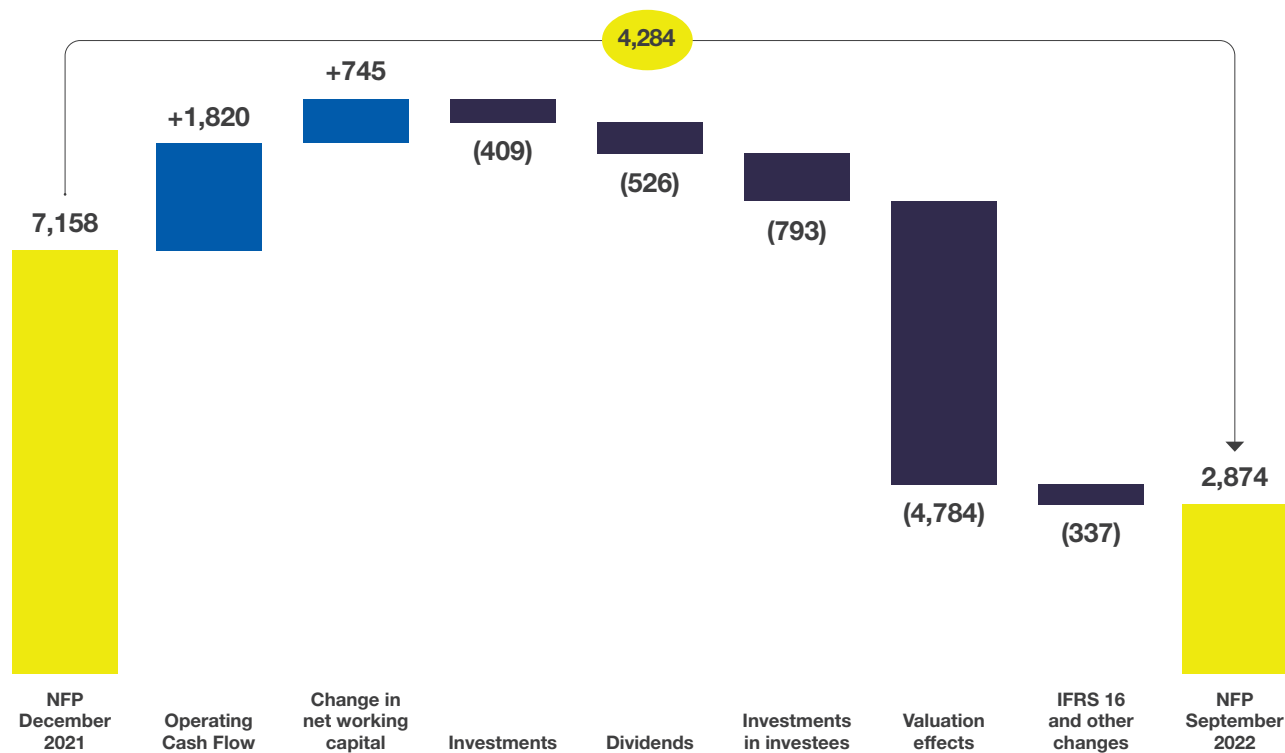
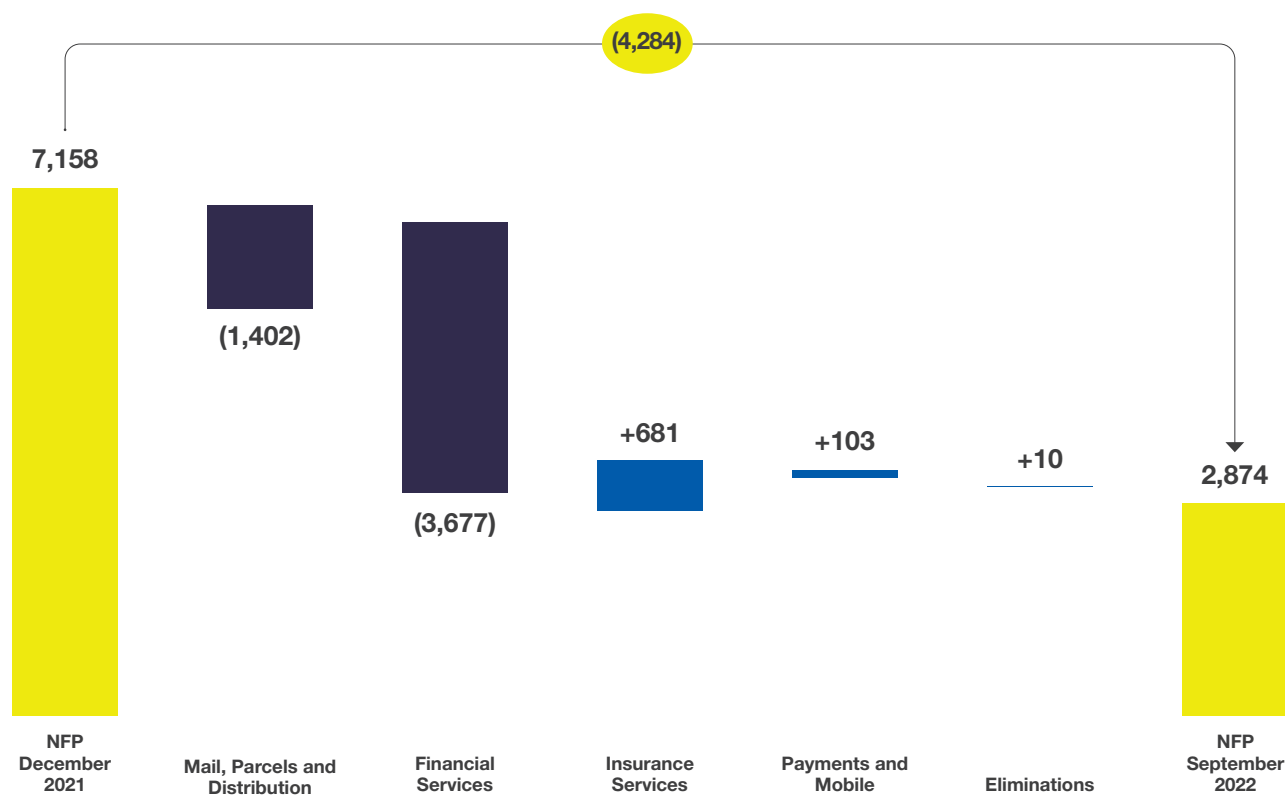
Shareholders' equity at 30 September 2022 amounted to €9,543 million, and decreased by €2,567 million compared with 31 December 2021. This change is mainly relating to the positive effect of the profit for the period of €1,425 million, which was more than offset by the distribution of dividends of €526 million and the decrease in the fair value reserve mainly due to the negative change in fair value and financial instruments classified in the FVTOCI category for €3,545 million.

**~410
thousand**

**LED lamps installed
at 30 September 2022**

>1,200

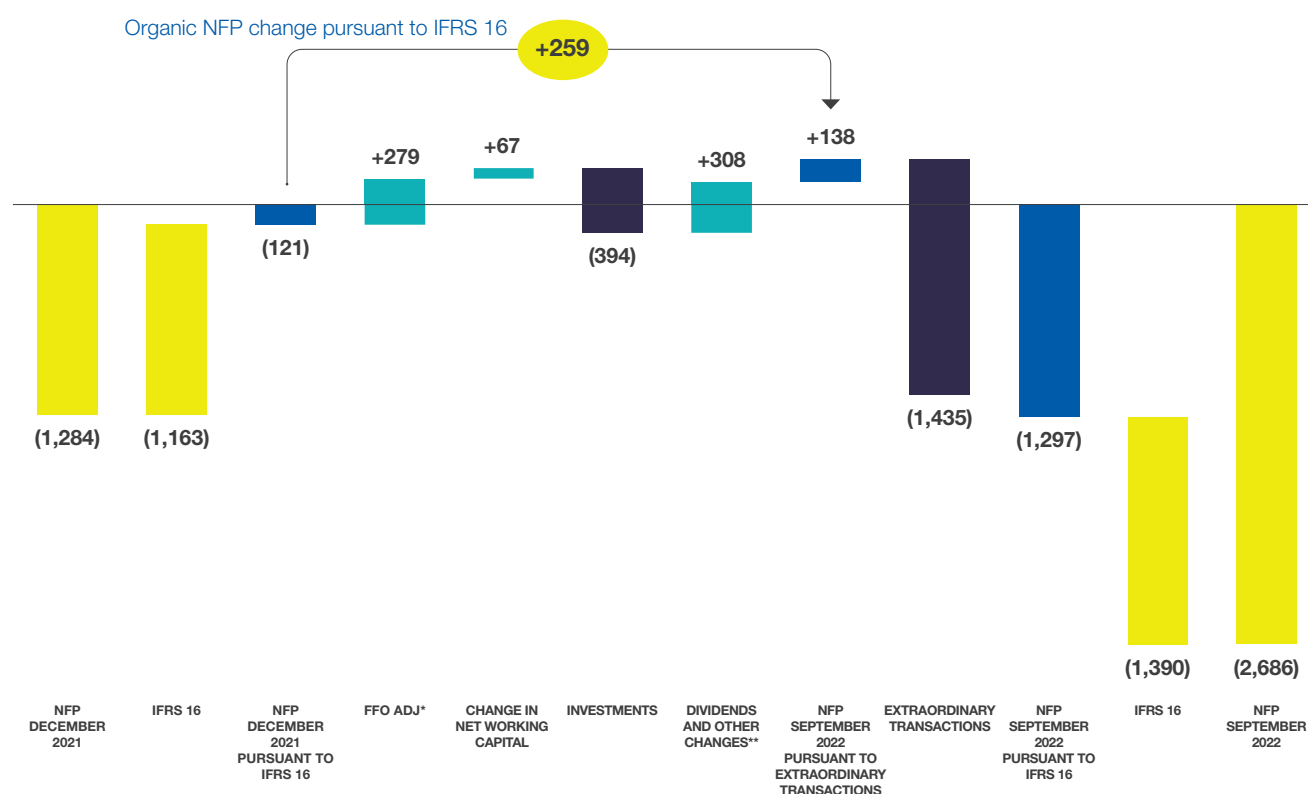
**buildings involved in the
Smart Building project
at 30 September 2022**

Group Net (Debt)/Funds
(€m)

The total **Net Financial Position** at 30 September 2022 shows a surplus of €2,874 million, down €4,284 million with respect to the amounts at 31 December 2021 (surplus of €7,158 million). The following contributed to this change:

- a positive operating result of €1,820 million (of which €1,425 million attributable to the profit for the period and €614 million to depreciation for the period, partially offset by the net change in the provisions for risks and employee termination benefits for a total of €323 million and other minor items);
- the positive effect of the change in working capital and taxes totalling €745 million, of which;
 - decrease in gross trade receivables for around €250 million, mainly attributable to the decrease in receivables from Cassa Depositi e Prestiti;
 - €55 million in lower trade payables (excluding the contribution from corporate transactions);
 - a decrease in other receivables and assets net of other liabilities for around €130 million mainly attributable to the net decrease in tax items relating mainly to the operations of the Insurance Services and Financial Services Strategic Business Units;
 - change in taxes of approximately €421 million;
- investments in fixed assets for €409 million;
- the negative effect deriving from the distribution of dividends of €526 million;
- investments in investees for €793 million, of which €524 million relating to the acquisition of the LIS Group (of which €700 million for the outlay, net of the total net funds acquired), €265 million relating to the Plurima Group (of which €105 million for the outlay, net of the total net debt acquired and the recognition of the liability for the purchase of minority shares), and €3 million for the investment in Eurizon Capital Real Asset;
- the negative valuation effects for the period for €4,784 million essentially attributable to the negative oscillations in value of the investments classified in the FVTOCI category, mainly held by the Financial Services Strategic Business Unit, and to a residual extent by the other SBUs;
- other decreases totalling €337 million, mainly due to the increase in financial liabilities for leases falling within the scope of IFRS 16 for €300 million.

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



* Excludes IFRS 16.

** It includes the management of hybrid instruments and the purchase of treasury shares.

Total (net debt)/funds of the Mail, Parcels and Distribution Strategic Business Unit at 30 September 2022 showed a debt of €2,686 million (€1,297 million net of leasing liabilities), a worsening of €1,402 million compared to 31 December 2021, when there was a net debt of €1,284 million (€121 million net of leasing liabilities).

Excluding the effects of the extraordinary transactions during the period and, net of the leasing liabilities, the Net Financial Position has surplus funds for €138 million, an improvement of €259 million compared to 31 December 2021 (debt of €121 million). In detail, this change reflects:

- a positive operating result of €279 million to which contributed the profit for the period for €85 million and depreciation and amortisation (excluding rights of use) for €415 million, partially offset by the net change in provisions for risks, employee termination benefits and other minor items;
- a positive effect related to the change in net working capital of €67 million, due mainly to:
 - the decrease in net trade payables and receivables of approximately €74 million;
 - net positive effect relating to the changes in net tax receivables and payables (including items to other operating sectors) for around €133 million;
- new investments for €394 million;
- a positive net cash flow from dividends and other changes of €308 million, which takes into account dividends paid to shareholders (€526 million).

The final balance of the Net Financial Position was also affected by extraordinary transactions for a total of €1,435 million, of which:

- €700 million relating to the capital increase subscribed in PostePay in preparation for its acquisition of the LIS Group;
- €500 million for the subscription of a subordinated, non-convertible capital instrument with a perpetual duration, issued by Poste Vita;
- €165 million relating to the overall effect deriving from the acquisition of the Plurima Group (net of financial liabilities for company leases);
- €70 million for Poste Italiane's acquisition of the investment in Poste Welfare Servizi, previously held by Poste Vita.

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

- 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, maturing in May 2028;
- an EIB loan of €100 million, disbursed in May 2022 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.

Furthermore, on 31 March 2022, a further EIB loan of €600 million was stipulated, not yet paid, with an availability period until 31 March 2023.

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

(€m)	At 30 September 2022	At 31 December 2021
A. Cash and cash equivalents	(1,131)	(2,122)
B. Cash equivalents	-	-
C. Other current financial assets	(5)	(8)
D. Liquidity (A + B + C)	(1,136)	(2,130)
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	337	785
F. Current portion of the non-current financial payable	4	-
G. Current financial debt (E + F)	341	785
H. Net current financial debt (G + D)	(795)	(1,345)
I. Non-current financial debt (excluding current portion and debt instruments)	1,990	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)	3,059	2,774
M. Total financial indebtedness (H + L)	2,264	1,429

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

(€m)	At 30 September 2022	At 31 December 2021
M. Total financial indebtedness (H + L)	2,264	1,429
Non-current financial assets	(199)	(76)
K. Trade payables and other non-current payables	(22)	(22)
Tax credits Italian Law no. 77/2020	(455)	(448)
Net debt/(funds)	1,588	883
Intersegment financial receivables and payables	1,099	401
Net debt/(funds) including intersegment transactions	2,686	1,284

Existing cash and credit lines are amply sufficient to cover expected financial requirements. More specifically, at 30 September 2022, cash and cash equivalents for the Mail, Parcels and Distribution Strategic Business Unit amounted to €1.1 billion (of which €1.0 billion relating to the Parent Company), while unused committed and uncommitted lines for short-term loans to support liquidity totalled approximately €3.0 billion.

The table below provides details of the credit lines at 30 September 2022 and 31 December 2021.

Descriptions (€m)	Balance at 30.09.2022	Balance at 31.12.2021
Committed credit lines	1,750	1,750
Short-term loans	1,750	1,750
Uncommitted credit lines	2,334	2,357
Short-term loans	1,206	1,309
Current account overdrafts	145	145
Unsecured loans	983	903
Total	4,084	4,107
Committed uses	-	-
Short-term loans	-	-
Uncommitted uses	609	975
Short-term loans	1	550
Unsecured loans	608	425
Total	609	975

< 7. Other information

- [Events after 30 September 2022](#)
- [Significant transactions](#)
- [Industrial relations](#)
- [Welfare – Diversity and Inclusion](#)
- [Proceedings pending and main relations with Authorities](#)

Events after 30 September 2022

The events after the end of the interim reporting period at 30 September 2022 have been described in other sections of the document.

On 9 November 2022, Poste Italiane's Board of Directors, in light of the financial position and results of operations of Poste Italiane SpA at 30 June 2022, the performance for the following months, the business outlook and the related expected economic prospects at 31 December 2022, and in line with the Group's dividend policy, resolved to bring forward, as an interim dividend, part of the ordinary dividend for 2022. To this end, the Company has prepared a Report and Financial Statements pursuant to Article 2433-*bis* of the Italian Civil Code, which show that the Company's financial position, results of operations, and cash flows allow such distribution. The opinion of the independent auditors was obtained on these documents.

The interim dividend of €0.210 per share, gross of any legal withholding taxes, will be paid with effect from 23 November 2022, with "ex-dividend date" of coupon no. 11, coinciding with 21 November 2022, and record date (i.e. the date on which the dividend was entitled to be paid) coinciding with 22 November 2022.


Based on the number of shares outstanding at 9 November 2022, which amounted to 1,298,574,009, the total amount of the interim dividend was €273 million.

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, eighteen trades in government securities and thirteen Interest Rate Swaps for interest rate risk hedging purposes were carried out in the first nine months of 2022.

< Industrial relations

Covid-19 Emergency	<p>In consideration of the continuation of the Covid-19 emergency, during the year 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.</p> <p>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.</p>
Active labour policies	<p>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.</p> <p>The Agreement signed on 12 May 2022 establishes that, during the current year, Active Labour Policies actions will be implemented (stabilisations, conversion from part-time to full-time, recruitment from external markets, counters, job postings) for a total of over 6,900 FTE.</p>
Agile Working	<p>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.</p> <p>On 8 June 2022, the Joint Observatory on Agile Work met and carried out an initial survey on implementing the same in the Company. The Trade Unions have showed the need to investigate some issues including, by way of example, reasonable accommodation, vulnerable workers etc. The need to provide for all workers, whose work cannot be carried out remotely, agile work for training purposes was also emphasised.</p> <p>The Memorandum of Understanding signed on 3 August 2022, taking into account the Covid-19 epidemic, extended the possibility to use smart working to fixed-term staff and, for training purposes only, to fixed-term staff at the operating structures.</p>

2022 Performance Bonus	<p>On 29 July 2022, the agreement on the Performance Bonus for 2022 was signed for Poste Italiane SpA and for the Group companies. With reference to the unit value of the bonus, the agreement envisaged an increase (+5% compared to 2021) allowing for recovery of the inflation resulting from the overall economic/monetary trend.</p> <p>To emphasise the importance of the professional contribution of individual resources in achieving company results, another bonus was introduced (€50 over and above the individual value of the performance bonus) for employees with no kind of absence during the year of reference and the impact of illness on determining the sum to be paid as a Performance Bonus to each worker in June 2023 was also revised.</p> <p>The possibility to convert all or part of the bonus into welfare services was confirmed.</p>	
Mail, Communication and Logistics	<p>On 2 August 2022, Poste Italiane and the Trade Unions outlined the organisational and management guidelines with which the organisational review processes of several important production areas of the Company's Mail, Communication and Logistics function will be implemented.</p> <p>This manoeuvre defined new sector requirements and, with regard to the management of the effect on employment generated by the project, it identified leverages to be initiated to achieve the correct workforce size.</p> <p>In defining the macro-framework of intervention, the Parties agreed to sign an additional detailed agreement intended to govern all project application aspects including the reassignment criteria for resources. The new model was applied on a trial basis in October 2022.</p>	

< Welfare – Diversity and Inclusion

Welfare – Diversity and Inclusion

As part of the contractual welfare scheme, the **Poste Mondo Welfare** programme was launched for the fourth consecutive year, which allows employees, on a voluntary basis, to convert, in whole or in part, the Performance Bonus into welfare goods and services with specific social, educational, recreational and assistance purposes, accessing the tax advantages associated with current laws and additional company welfare receivables for an ever greater appreciation for the opportunities connected to the welfare programme and the increase in the purchasing power of employees and their families. The programme was appreciated by the employees with a record percentage of members.

Poste Mondo Welfare:
record number
of members

During the period, projects continued in support of the company's "Diversity & Inclusion" plan, such as: educational orientation and soft skills development initiatives for young people from vulnerable social backgrounds, the "Future Lab" programme, new workshop proposals focused on the language of digital innovation and social media, the two-year "School4Life 2.0" project, the offer of summer camps for the disabled children of employees, the LIFEED project (formerly known as MAAM), the "Noi Siamo Qui" [We Are Here] initiative, the "Diversity Innovation Meeting" webinars, joining the "Parks – Liberi e Uguali" association, and the Let's Move initiative during European Diversity Month (May). For more information about the individual initiatives, please read the Interim Report on Operations as at 30 June 2022, chapter 7 "Other information".

Corporate University

In the first nine months of 2022, 4 million training hours were provided.

In the **commercial structures**, the development of soft skills continued in support of the transformation of the business model into an omnichannel logic, with particular reference to the development of remote products and the development of the digital scenario.

To support both the entry into the energy sector and the development of the telco and digital payments businesses, a training course was also launched dedicated to a number of sales professionals (dedicated Contact Persons and Front End Product Specialists).

With reference to the **Postal and Logistics** sector, specific training activities dedicated to letter carriers and initiatives on the issues of safety and continuous improvement continued.

In the field of **Information & Communication Technology**, many training activities continue aimed at strengthening and updating the skills necessary for business, management and development of ICT systems (cloud computing, data analytics, microservices and IT methodologies).

As for Customer Service, training initiatives were launched focused on the importance of customer relations and the ability to interpret their needs, as well as the evolution of the proactive value-added assistance model.

The commitment to cross-functional aspects in the mandatory regulatory area for the entire workforce also continued (Workplace Safety, Italian Legislative Decree no. 231/01, Integrated Quality and Corruption Prevention System, etc.).

Around 4 million training hours
provided
in the first nine 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 nine months of 2022. For full details, please refer to the Financial Statements at 31 December 2021.

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

On 24 March 2022, the AGCM initiated the proceeding **PS11287** against **Poste Italiane** for alleged unfair commercial practices regarding information on the expiration and prescription terms of Interest-bearing Postal Certificates in paper form, in that: i) during the placement of the certificates, Poste would fail to indicate the maturity date and/or the prescription date, as well as provide information regarding the legal consequences arising from the expiration of the aforementioned terms and/or would provide such information using confusing and deceptive wording; ii) in the management of certificates that have expired in the last five years, Poste would fail to inform the holders of certificates close to the expiration of the prescription period, of the expiration of this period and the legal consequences arising in the event of failure to request the redemption of the bond within this period. On 13 April 2022, the Company submitted a defence brief to the AGCM in which, in addition to responding to the request for information contained in the initiating act, it highlighted its role as a mere placer, the nature of the certificates and the inapplicability of the consumer guidelines to the case at hand. On 30 August 2022, the AGCM notified Poste of the Communication of Preliminary Findings, substantially confirming the objections of the initial proceeding. On 19 September 2022, Poste filed its final defence brief accompanied by the initiatives implemented, on a voluntary basis, intended to ease the Authority's concerns, without communicating its acceptance of the objections raised in the proceeding. On 4 November 2022 the Authority notified Poste of the final proceeding which imposed an administrative fine of €1.4 million. This amount was thus quantified taking into account the voluntary actions taken by the Company, deemed suitable for improving the information provided to consumers; the Authority has in fact granted Poste Italiane a 60% reduction on the amount of the fine. The Authority's Resolution will be appealed to the Regional Administrative Court by the Company.

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(1) of the Regulation.

In brief, the AGCM, on the basis of a number of reports from users of PosteMobile services 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. PostePay has responded to the AGCM communication by clarifying that no continuity service is provided as part of PosteMobile offerings.

Following several discussions that took place between the Company and the AGCM, on **13 May 2022**, PostePay was notified of the so-called Communication of the deadline for the conclusion of the preliminary investigation phase, pursuant to Article 16, paragraph 1, of the AGCM Regulation referred to in the resolution of 1 April 2015, in respect of which PostePay, within the terms established by the procedural process, filed its defence brief together with further measures in terms of "effective and documented cooperation for the benefit of consumers".

AGCM (Autorità Garante della Concorrenza e del Mercato - the Italian Antitrust Authority)	<p>At the end of the preliminary stage of the Proceeding, on 9 August 2022, the AGCM notified PostePay of final proceeding no. 30286, with which it ascertained the infringement, stating that, for the mobile telephony offers subscribed at a flat fee, once the credit was used up, the Company would charge a pay-as-you-go tariff – more expensive than the ordinary one – without providing adequate information. In the proceeding, the Company was therefore ordered to pay an administrative fine of €1.8 million, calculated on the basis of the turnover related to the provision of networks and electronic communication services, then reduced to €1.5 million, considering the attenuating circumstance “relative to a number of measures taken by the professional to remove the conduct”. The Authority then indicated to PostePay a deadline of 90 days from the notice in order to communicate the initiatives taken to comply with the aforesaid warning.</p> <p>The Company will assess whether to appeal against the Proceeding before the Regional Administrative Court of Lazio, by the legal deadline. Therefore, the payment of the penalty ordered was made by PostePay expressly reserving the right to appeal and, if applicable, reimbursement (full or partial) of the amount paid in the event of cancellation (full or partial) of the Proceeding by the Lazio Regional Administrative Court and/or the Council of State.</p>
AGCOM (Autorità per le Garanzie nelle Comunicazioni - the Italian Communications Authority)	<p>AGCom Resolution 412/14/CONS regarding “Assessment of the net cost of the universal postal service for 2011 and 2012” was published on 31 July 2014. In addition to acknowledging that the cost is unfair, the Resolution quantified the cost of providing the Universal Postal Service in 2011 and 2012, respectively, as €381 million and €327 million for fees originally recognised by Poste Italiane for €357 and €350 million respectively. The Authority has also established that no compensation fund was established for 2011 and on 13 November 2014, Poste Italiane filed an appeal before the Lazio Regional Administrative Court against the above resolution. With judgement no. 11416 published on 5 September 2022, the Regional Administrative Court partially granted the appeal on the assessment of the burden for the years 2011-2012, acknowledging the failure to activate the compensation fund for the year 2011.</p> <p>With Resolution no.104/22/CONS, notified on 22 April 2022, the AGCom dismissed the sanction proceedings, initiated with complaint no. 13/21/DSP, for failure to comply with five quality objectives for several products forming part of the Universal Postal Service for the year 2020, accepting the arguments expressed by Poste Italiane and recognising the qualification, with respect to the year 2020, of the SARS-Covid pandemic as a force majeure cause. In the same Resolution, the Authority stated that, for the years 2021 and 2022, since the element of unpredictability of the event has disappeared, it will be the Company's burden to prove that it has introduced the organisational measures required to ensure compliance with universal service quality obligations.</p> <p>On 2 August 2022, with Notice of Objection No. 2/22/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 2021. The notice identified five objections. With Resolution no. 27/22/DSP, notified on 12 October 2022, the Authority dismissed the sanction proceedings since the Company made use of the benefit set out by article 16 of Law no. 689 of 24 November 1981, with reduced payment of the fines for all objections.</p>

Bank of Italy	<p>On 14 March 2022, pursuant to Article 54 of Legislative Decree No. 385 of 1 September 1993, the Bank of Italy launched an inspection, focusing on the business model, governance and control systems and interest rate risk. The inspection was completed on 15 July 2022. We are now waiting for the report to be issued, expected by 31 December 2022.</p> <p>On 20 July 2022, the Bank of Italy provided BancoPosta and PostePay with information on how to manage funds received by EMI for the issuance of electronic money. The Supervisory Provisions for EMI stipulate that such deposits may be deposited with a bank authorised to operate in Italy, invested in qualified debt securities or particular units of harmonised mutual investment funds. Since PostePay was established, these sums have been deposited in a postal current account (so-called safeguard account) and contribute to the collection from private customers of BancoPosta RFC, which, according to the restrictions on their use, are invested in euro area government securities. During 2021, the Authority initiated dialogue with the interested intermediaries, considering the fact that BancoPosta was not deemed to be a party classifiable as a credit institution, as envisaged by the European legislation of reference. Following a proposed alternative approach, intended to consider the BancoPosta deposit of the sums collected by PostePay to be comparable to a direct investment in qualified debt securities, in the aforesaid communication the Authority requested further reflection from the intermediaries, intended to identify an operational solution that would allow for full alignment with the relevant legislative provisions. On the basis of ongoing discussions, feedback will be provided by November 2022.</p> <p>On 29 September 2022, the Bank of Italy launched a general investigation into PostePay SpA – EMI Ring-Fenced Capital, pursuant to art. 114-<i>quinques</i>.2, para. 4, Legislative Decree no. 385/93.</p>
IVASS (Istituto per la Vigilanza sulle Assicurazioni - the insurance regulator)	<p>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. On 29 September 2022, IVASS notified a proceeding with which it ordered Poste Vita to pay a fine of around €0.08 million. During the proceeding, the Company extensively presented its defence and obtained a reduction by around half of the fine initially suggested by the Authority. In this regard, the Company can either pay the fine within 30 days from the notice of the injunction or appeal against it within the deadline of 60 days, again from the notice. Assessment of the case is ongoing.</p> <p>From 1 March to 18 June 2021, IVASS conducted inspections aimed at verifying compliance with anti-money laundering legislation, at both Poste Vita and Poste Italiane - BancoPosta RFC. The results of the inspection showed an overall satisfactory compliance framework regarding processes and procedures aimed at fulfilling customer due diligence obligations and the consequent evaluation of anomalous relationships and transactions. The decision is partially favourable, as the relationships seen as higher risk remain inadequately verified. These shortcomings concern, in particular, the assessment of how consistent transactions were with customer economic and financial profiles, which is not supported by documentation to check the information on the origin of the funds acquired by the network. The profiling system does not take into account all the risk factors referred to in Regulation 44 of 2019 and all the information collected from the customer.</p> <p>For the areas of improvement reported by the Authority, Poste Vita and Poste Italiane - BancoPosta RFC have taken steps to implement the necessary initiatives, taking into consideration the guidance received from the Authority.</p> <p>On 14 December 2020, IVASS launched an ordinary inspection to assess the governance, management and control of investments and financial risks of Poste Vita SpA. The inspection concluded on 7 May 2021 and the audit report was delivered to the Company at the Board meeting on 26 July 2021. The report contained “partially unfavourable” findings. The results of the inspection included findings, some of which had already been anticipated during the inspection and in relation to which on 12 April 2021, the Company’s Board of Directors had already approved a targeted action plan aimed at overcoming them. To further strengthen the internal control and risk management system with regard to financial investments, the aforementioned Action Plan was subsequently supplemented by the Company management and approved by the Board of Directors on 22 October 2021. During the first nine months of 2022, the progress of all activities contained in the action plan continued to be monitored.</p>

COVIP	<p>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.</p> <p>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.</p> <p>On 8 April 2022, the COVIP raised a complaint over an irregularity, introducing sanctionary proceedings.</p> <p>In particular, the complaints relate to two cases, namely:</p> <ul style="list-style-type: none"> • Infringements relating to the collection of members; • Infringements relating to “Notifications in the case of payment of benefits”. <p>The administrative fines and penalties for the above complaints are applicable in accordance with Article 19-<i>quater</i>, paragraph 2, letter b) of Italian Legislative Decree No. 252/2005.</p> <p>In addition, in a letter dated 27 May 2022, COVIP requested the Company to take measures to remedy both the irregularities that had already been challenged, as well as other findings that had been examined during the inspection.</p> <p>On 10 June 2022, with reference to the objections notified on 8 April 2022, the Company prepared and forwarded defence briefs to the Supervisory Authority in support of the correctness of its actions. In this context, an action plan, approved by the Company’s Board of Directors on 8 June 2022, was, in addition, developed aimed at: (i) firstly, to contest the disputed findings, and, in addition, (ii) to put in place a number of initial steps to strengthen the system of internal controls inherent in the PIP accession and management phases.</p> <p>In response to the complaints received, during the third quarter of 2022 further actions continued to strengthen the internal control system, which will be completed by the end of the current year in compliance with the provisions of the Action Plan approved by the Board of Directors at the meeting on 26 July 2022 in response to the letter dated 27 May 2022.</p>
Tax disputes	<p>With reference to the audit carried out during 2018 in SDA Express Courier by the tax Authorities in Rome (Guardia di Finanza - Nucleo di Polizia economico-finanziaria) for VAT, income tax, IRAP and withholding taxes purposes, for the years 2014, 2015 and 2016 pursuant to and in accordance with Articles 52 and 63 of Presidential Decree 633/72, art. 33 of Presidential Decree 600/73, art. 2 of Legislative Decree 68/2001, as well as Law 4/1929 and specifically to the notice of assessment relating to the year 2014 alone, with a total claim amounting to €0.4 million against which the Company filed an appeal, the discussion hearing was held on 20 July 2022. The latter, at the Company’s request, was postponed to a new date so that negotiations with the Lazio Regional Tax Office (DRE) could be completed (the postponement mechanism has not yet been notified by the commission).</p>

Social security disputes

From 2012 until 30 June 2022, the Istituto Nazionale per la Previdenza Sociale (INPS–National Social Security Institute) office at Genoa Ponente issued **Postel** a number of payment orders, for a total amount of €26.43 million, demanding payment of social security contributions funding income support, extraordinary income support, unemployment benefit and family benefits not covered by the contributions paid to IPOST. Appeals against these requests were brought before the Court of Genoa.

Some of the judgements have already been decided by the Court of Genoa and, on their outcome, against debit notices totalling €13.2 million, the Company was ordered to pay only the CUAF contributions of 0.68%, less the family allowances paid by Postel to employees, amounting to €0.3 million, while nothing was deemed to be due under the CIG, CIGS and mobility being at the time Postel wholly owned by the State through Poste Italiane and therefore included among the industrial enterprises of the State for which the law excludes the obligation to pay redundancy and mobility. INPS filed an appeal for the first tranche of requests made (€9.16 million), contesting the merits of the judgement at first instance and the sum arrived at. In the view of INPS, the rate applicable for contributions for family benefits, in line with recent guidance issued by INPS, should have been 4.40% in place of the 0.68% applied in the payment notices involved in the court action. With judgements published on 28 December 2018, the Court of Appeal of Genoa entirely confirmed the first instance judgements, rejecting the appeals of the INPS, which filed appeals to the highest instance, notified on 28 June 2019 to Postel, which appeared before the court.

With judgement of **19 September 2019**, the Court of Genoa resolved on other similar proceedings, confirming the approach already expressed in previous decisions, ordering Postel to pay to INPS, as contributions for the loan of the family allowance (CUAF) relating to the period between May 2011 and November 2012, the sum of €0.08 million, considering the higher sums claimed with the debit notices (totalling around €4 million) not due. INPS appealed against that ruling. With judgement published on 21 May 2021, the Court of Appeal of Genoa rejected the main appeal and the cross-appeal, sharing the litigation expenses between the parties. INPS filed an appeal to the highest instance against this judgement on **21 January 2022**, and **Postel** appeared before the court.

In a judgement of 1 February 2021, the Court of Genoa cancelled the debit notice (totalling approximately €0.64 million) for the period from December 2012 to April 2015 (excluding July 2014) and ordered INPS to pay Postel the sum of €0.06 million plus interest. With judgement No. 8 of 2022, published on 2 February 2022, the Court of Appeal of Genoa rejected the Institute's appeal. INPS filed an appeal to the highest instance, notified on 12 July 2022 to Postel, which appeared before the court. Lastly, with the rulings of 26 May 2021, the Court of Genoa cancelled the debit notices (for a total of approximately €3.1 million) for certain periods between February 2011 and January 2017 and ordered the payment of the lower amounts restated as per the operative part of the rulings for a total of €0.17 million. The Company appealed against these rulings to the Appeals Court. In its rulings of 18 May 2022 and 6 June 2022, the Genoa Court of Appeals rejected the appeal from the Company, as well as the cross-appeal filed by the Institute, confirming what the trial judge had ruled.

Lastly, with a judgement published on 20 September 2022, the Court of Appeal of Genoa, as a partial reform of a first instance judgement, ordered the Company to pay the amount indicated in the Debit Notice of around €0.009 million.

Other cases are still pending, relating to the appeals lodged by Postel against the adjustment notices for the period between May 2009 and December 2021.

Taking into account the judgements, the reasons given for the judgements and the latest appeals brought by INPS, the Company has adjusted its provisions for risks and charges also based on the opinion of its legal advisors.

Provisions recognised in the financial statements at 30 September 2022 amount to €12.34 million.

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 closing arguments for 12 July 2023.

< 8. Consolidated accounting schedules at 30 september 2022

Consolidated statement of financial position

ASSETS (€m)	30 September 2022	31 December 2021
Non-current assets		
Property, plant and equipment	2,294	2,267
Investment property	31	32
Intangible assets	1,580	873
Right-of-use assets	1,321	1,116
Investments accounted for using the equity method	263	277
Financial assets	193,828	221,226
Trade receivables	4	3
Deferred tax assets	3,195	1,245
Other receivables and assets	3,823	4,012
Tax credits Law no. 77/2020	6,927	5,551
Technical provisions attributable to reinsurers	46	50
Total	213,312	236,652
Current assets		
Inventories	155	155
Trade receivables	2,239	2,508
Current tax assets	319	115
Other receivables and assets	1,200	1,146
Tax credits Law no. 77/2020	1,542	905
Financial assets	29,652	27,630
Cash and deposits attributable to BancoPosta	5,051	7,659
Cash and cash equivalents	5,619	7,958
Total	45,778	48,076
TOTAL ASSETS	259,090	284,728

LIABILITIES AND EQUITY	30 September 2022	31 December 2021
Equity		
Share capital	1,306	1,306
Reserves	69	3,599
Treasury shares	(63)	(40)
Retained earnings	8,190	7,237
Total equity attributable to owners of the Parent	9,502	12,102
Equity attributable to non-controlling interests	41	8
Total	9,543	12,110
Non-current liabilities		
Technical provisions for insurance business	138,174	159,089
Provisions for risks and charges	534	693
Employee termination benefits	727	922
Financial liabilities	10,113	15,122
Deferred tax liabilities	1,992	953
Other liabilities	1,612	1,749
Total	153,153	178,528
Current liabilities		
Provisions for risks and charges	511	575
Trade payables	2,083	2,029
Current tax liabilities	295	16
Other liabilities	2,000	1,860
Financial liabilities	91,505	89,610
Total	96,394	94,090
TOTAL LIABILITIES AND EQUITY	259,090	284,728

Consolidated statement of profit or loss for the period

Third quarter 2022	Third quarter 2021	(€m)	First nine months 2022	First nine months 2021
843	851	Revenue from Mail, Parcels and other	2,648	2,682
1,240	1,286	Net revenue from Financial Services	3,745	3,695
1,293	1,362	Revenue from Financial Services	3,904	3,831
(52)	(76)	Expenses from financial activities	(158)	(136)
500	403	Revenue from Insurance Services after changes in technical provisions and other claim expenses	1,573	1,448
4,106	3,805	Insurance premium revenue	13,513	14,096
1,023	911	Income from insurance activities	3,192	3,117
(3,563)	(4,235)	Change in technical provisions for insurance business and other claims expenses	(8,808)	(15,475)
(1,065)	(78)	Expenses from insurance activities	(6,323)	(290)
297	220	Revenue from Payments and Mobile	779	619
2,880	2,761	Net operating revenue	8,745	8,445
707	675	Cost of goods and services	2,082	2,098
1,254	1,241	Personnel expenses	3,844	3,934
208	199	Depreciation, amortisation and impairment	614	597
(10)	(7)	Capitalised costs and expenses	(28)	(24)
45	72	Other operating costs	128	190
13	15	Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	51	35
662	566	Operating profit/(loss)	2,054	1,615
39	15	Finance costs	109	54
43	30	Finance income	130	92
-	-	Impairment losses/(reversals of impairment losses) on financial assets	-	(1)
3	5	Profit/(Loss) on investments accounted for using the equity method	(10)	20
670	586	Profit/(Loss) before tax	2,066	1,674
209	185	Income tax expense	641	500
461	401	NET PROFIT FOR THE PERIOD	1,425	1,174
460	400	of which attributable to owners of the Parent	1,422	1,172
1	1	of which attributable to non-controlling interests	3	2
0.354	0.308	Earnings per share	1.094	0.903
0.354	0.308	Diluted earnings per share	1.094	0.903

Consolidated statement of comprehensive income

Third quarter 2022	Third quarter 2021	(€m)	First nine months 2022	FY 2021	First nine months 2021
461	401	Profit/(Loss) for the period	1,425	1,580	1,174
		Items to be reclassified in the Statement of profit (loss) for the period			
		FVOCI debt instruments and receivables			
(2,241)	(48)	Increase/(decrease) in fair value during the period	(4,381)	(1,052)	(12)
(15)	(157)	Transfers to profit or loss	(145)	(424)	(425)
1	(1)	Increase/(decrease) for expected losses	3	(6)	(5)
		Cash flow hedges			
58	(62)	Increase/(decrease) in fair value during the period	406	(178)	(143)
(71)	(7)	Transfers to profit or loss	(399)	(8)	(4)
648	78	Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit/(loss) for the period	1,293	475	167
-	-	Share of after-tax comprehensive income/(loss) of investees accounted for using equity method	-	1	-
(2)	-	After-tax increase/(decrease) in reserves related to group of assets and liabilities held for sale	-	-	-
		Items not to be reclassified in the Statement of profit/(loss) for the period			
359	-	Equity instruments valued at FVOCI - increase/(Decrease) of fair value in the period	(265)	75	47
-	-	Actuarial gains /(losses) on employee termination benefits	118	(4)	38
-	1	Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit/(loss) for the period	(30)	2	(11)
-	-	Share of after-tax comprehensive income/(loss) of investees accounted for using equity method	-	-	-
(1,600)	(196)	Total other comprehensive income	(3,398)	(1,119)	(348)
(1,139)	205	TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD	(1,973)	461	826
(1,140)	204	of which attributable to owners of the Parent	(1,977)	459	824
1	1	of which attributable to non-controlling interests	4	2	2

Consolidated statement of changes in equity

	Equity											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	Retained earnings			
(€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	-	-	-	-	-	(271)	(105)	-	-	-	1,200	824	2	826
Dividends paid	-	-	-	-	-	-	-	-	-	-	(421)	(421)	-	(421)
Incentive plans	-	-	-	-	-	-	-	-	-	5	-	5	-	5
Equity instruments - perpetual hybrid bonds	-	-	-	-	800	-	-	-	-	-	(6)	794	-	794
Balance at 30 September 2021	1,306	(40)	299	1,210	800	2,023	(7)	-	2	11	7,100	12,704	7	12,711
Total comprehensive income for the period	-	-	-	-	-	(716)	(28)	1	-	-	378	(365)	-	(365)
Interim dividend	-	-	-	-	-	-	-	-	-	-	(241)	(241)	-	(241)
Incentive plans	-	-	-	-	-	-	-	-	-	2	-	1	-	1
Equity instruments - perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	-	2	2	-	2
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 year	-	-	-	-	-	(3,491)	5	3	-	-	1,505	(1,977)	4	(1,973)
Dividends paid	-	-	-	-	-	-	-	-	-	-	(526)	(526)	-	(526)
Purchase of treasury shares	-	(25)	-	-	-	-	-	-	-	-	-	(25)	-	(25)
Transactions with minority shareholders	-	-	-	-	-	-	-	-	-	-	(63)	(63)	-	(63)
Incentive plans	-	2	-	-	-	-	-	-	-	4	-	7	-	7
Coupons paid to perpetual hybrid bond holders	-	-	-	-	-	-	-	-	-	-	(16)	(16)	-	(16)
Other changes	-	-	-	-	-	(54)	-	-	1	-	54	1	-	1
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	(1)	(1)	29	28
Balance at 30 September 2022	1,306	(63)	299	1,210	800	(2,238)	(28)	4	4	17	8,190	9,502	41	9,543

Condensed consolidated statement of cash flows

(€m)	Notes	First nine months 2022	First nine months 2021
Unrestricted net cash and cash equivalents at the beginning of the period		2,590	2,811
Restricted net cash and cash equivalents at the beginning of the period		5,368	1,705
Cash and cash equivalents at the beginning of the period		7,958	4,516
Result for the period		1,425	1,174
Depreciation, amortisation and impairment		614	597
Losses and impairment losses/(reversals of impairment losses) on receivables		46	42
(Gains)/Losses on disposals		(2)	-
(Increase)/Decrease in Inventories		3	3
(Increase)/Decrease Receivables and Other assets		242	(516)
Increase/(Decrease) Payables and Other liabilities		139	427
Change in tax credits Law no. 77/2020		11	(514)
Change in provisions for risks and charges		(224)	(273)
Change in employee termination benefits and Provision for retirement benefits		(84)	(99)
Difference in accrued financial expenses and income (cash adjustment)		25	24
Other changes		363	44
Net cash flow from/(for) non-financial operating activities	[a]	2,557	909
Increase/(Decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance		3,092	5,936
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		(12,089)	(8,981)
(Income)/Expense and other non-cash components		5,115	(3,041)
Increase/(Decrease) in net technical provisions for insurance business		1,354	7,792
Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payments, cards and acquiring and insurance	[b]	(2,528)	1,706
Net cash flow from /(for) operating activities	[c]=[a+b]	29	2,615
<i>Investing activities:</i>			
Property, plant and equipment, Inv. property and intangible assets		(409)	(455)
Equity investments		(3)	(50)
Other financial assets		(133)	(4)
Investments in consolidated companies net of cash acquired		(640)	(40)
<i>Disposals:</i>			
Property, plant and equipment, inv. property, intangible assets and assets held for sale		3	4
Other financial assets		10	411
Net cash flow from /(for) investing activities	[d]	(1,172)	(134)
Proceeds from/(Repayments of) borrowings		(629)	(278)
(Purchase)/Sale of treasury shares		(25)	-
Dividends paid		(526)	(421)
Equity instruments - perpetual hybrid bonds		(21)	794
Net cash flow from/(for) financing activities and shareholder transactions	[e]	(1,201)	95
Effect of exchange rate fluctuations on cash and cash equivalents	[f]	4	-
Net increase/(decrease) in cash	[g]=[c+d+e+f]	(2,339)	2,576
Cash and cash equivalents at the end of the period		5,619	7,092
Restricted cash and cash equivalents at the end of the period		(3,573)	(4,005)
Unrestricted net cash and cash equivalents at the end of the period		2,046	3,087

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 nine months ended 30 September 2022 is consistent with the underlying accounting records.

< 10. 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.

NON-CURRENT ASSETS: this indicator represents the sum of property, plant and equipment, intangible assets and investments measured using the equity method.

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.

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 DEBT/(FUNDS): 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.

NET DEBT/(FUNDS) OF THE MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT: 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.

< OPEN APIs (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".

< 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.

< BTP (BUONI DEL TESORO POLIENNALI - MULTI-YEAR TREASURY BONDS)

Medium/long term Italian government bonds. The yield is determined by the half-yearly fixed rate interest coupon and the difference between the refund price, equal to the nominal value (100) and the issue or subscription price on the secondary market.

< 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.

< 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).

< 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.

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.

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.

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.

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.

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.

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.

CONTAINERISATION

Procedure that consists of creating a "container", that is a logical structure (software environment) consisting of all the components necessary for the functioning of a single application. This new paradigm enables greater efficiency in the management of *hardware* resources, the possibility of increasing the processing resources available to the system in real time, the portability of applications between the on-premises infrastructure and the public cloud of Poste Italiane's *Hybrid cloud* platform.

CYBER SECURITY (IT 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.

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, PostelD app) represent one of 3 channels which serve customers, supporting the Group's omni-channel strategy.

< PORTFOLIO FINANCIAL DURATION

Average duration  of the securities in the portfolio.

< 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.

< MUTUAL INVESTMENT 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).

< 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.


< 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.

< SEPARATELY MANAGED ACCOUNTS

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.

< SCA (STRONG CUSTOMER AUTHENTICATION)

Tools that 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).

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.

MERCHANT (ESERCENTE)

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.

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).

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 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.

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.

**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.

**POS (POINT OF SALE – PUNTO VENDITA)**

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.

**PSP (PAYMENT SERVICE PROVIDERS)**

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

**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.

**EARNED PREMIUMS**

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

**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.

**INSURANCE SECTOR**

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

REPO (REPURCHASE AGREEMENT)

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).

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.

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.

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.

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.



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.



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.



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.

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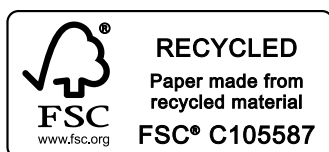
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