2024
ANNUAL REPORT

Posteitaliane

Growing sustainably.
For a carbon neutral 2030

DRAFT

Translation from the italian which remains the definitive version.

1 REPORT ON OPERATIONS

AT 31 DECEMBER 2024

CONTENTS

1. Introduction

Statement from the Chairwoman and the Chief Executive Officer

Shareholders,

on behalf of the entire Board of Directors, we are pleased to present to you the Annual Report of the Poste Italiane Group, which for the seventh consecutive year integrates financial information with sustainability information and includes, as a new feature, the inclusion of the Sustainability Statement within a specific section of the Report on Operations, in line with the provisions of Legislative Decree 125/2024, which implements the European Corporate Sustainability Reporting Directive (CSRD) on sustainability reporting.

We are all aware that 2024 was a particularly difficult year, marked by unprecedented challenges due to converging crises. The effects of the profound changes brought about by the health emergency some four years ago, together with the growing evidence of climate change, are part of a global context characterised by geopolitical and economic instability. The conflict between Russia and Ukraine continues without clear prospects of a resolution, while tensions in the Middle East, heightened by the conflict between Israel and Hamas in 2023, remain a major factor of instability. Meanwhile, the results of the US presidential elections and the European elections throw up elements of uncertainty in the international equilibrium and open up new political and strategic scenarios. On the economic front, inflation remains a critical variable, influenced by the monetary policies of the major central banks and developments in the energy market.

The climate was also a cause for new alarms: 2024 saw record temperatures and increasingly frequent extreme weather events. Natural disasters related to climate change are having devastating impacts on economies and populations, making a more effective and coordinated global response a matter of urgency. In an increasingly complex and ever-changing scenario, the global system is called upon to find innovative and sustainable solutions to the economic, geopolitical, climate and social challenges that are redefining our present and future. With regard to environmental sustainability, special attention was paid to COP 29, held in November 2024 in Baku, which brought together the signatory states of the UN Climate Change Convention to discuss future strategies to tackle the climate crisis. This summit provided an important opportunity to strengthen global commitments to reducing emissions and financing adaptation and mitigation initiatives. In this context, the European Union and its Member States continue to play a leading role in supporting the most vulnerable countries, contributing to the debate on climate financing and how to implement international agreements. According to the World Economic Forum's Global Risk Report 2024, extreme weather events as an effect of climate change are generating significant social and economic impacts. The report highlights the need to undertake adequate adaptation initiatives and strategies to cope with the intensity and speed of the transformations taking place, as well as the global risks involved. From an economic and social point of view, pressures on the rising cost of living lead to a reduction in people's prospects and expectations, fuelling a widespread sense of uncertainty related to inflation, which is difficult to contain. This situation further increases the difficulties in coping with daily needs. In this scenario, the most relevant risk identified for the 2024-2026 three-year period is disinformation, a phenomenon that, in an increasingly interconnected environment, can amplify real risks or compromise the ability to manage them effectively. The main critical issues identified include not only extreme climatic events, but the growing social and demographic polarisation, as well as difficulties in the governance of technological accelerations, with particular reference to cyber security risks.

In this context, the Poste Italiane Group was able to continue its sustainable growth path, developing its activities in all strategic areas. The changed context has made clear the importance of a strategy based on continuous innovation, capable of anticipating and driving change, which has now become a constant in order to guarantee sustainable economic and social value in the long-term. Thanks to a far-sighted vision, the Poste Italiane Group has been able to identify the new needs of customers and citizens and evolve, responding with speed and efficiency. The Poste Italiane Group responded to the progressive reduction in demand for traditional mail delivery services, caused by the gradual replacement of physical mail with digital mail, by strengthening its presence in delivery and logistics services, positioning itself in line with the leading global operators in the sector. This was made possible by an effective internal reorganisation and numerous partnerships and acquisitions, particularly in the last three years, with a focus on the areas of logistics and digital innovation. The consolidated leadership of the Poste Italiane Group in the payments sector testifies to the soundness of the strategic choices made over the years. The expansion of the range of services, embracing domestic, family and personal needs, has been made possible thanks to the widespread network of some 13,000 post offices throughout the country, which has enabled the Group to ensure its infrastructure continues to serve citizens.

The results achieved in 2024 were once again extraordinary: they exceeded market expectations and confirmed the positive trend of recent years, translating into generated value for all stakeholders. This success is the result of a long-term commitment to seize emerging opportunities and meet the needs of stakeholders and shareholders. In this regard, in 2024, the Poste Italiane Group generated a significant impact on the national economy, contributing a total of €14 billion to the formation of Gross Domestic Product (GDP), employing roughly 199 thousand people and contributing around €2.6 billion in tax revenue to the Public Administration. Furthermore, it is estimated that Poste Italiane Group contributed directly and indirectly to the distribution of income to workers, totalling €7.3 billion. This translates into a significant economic impact: for every euro invested by the Group in the purchase of goods and services, an added value for the country system of €3 is generated.

The Poste Italiane Group has resolutely pursued the digital transformation of its infrastructure and internal organisational processes, strengthening its market position. At the same time, it has never lost sight of key objectives such as decarbonisation, occupational health and safety and staff training. The Poste Italiane Group's ability to anticipate changes in the market environment has enabled it to make a real impact on the environment in which it operates. This path of growth has been developed in full respect of the traditional activities that have always represented the heart of the Group's identity, such as delivery, postal savings and financial and insurance services, while guaranteeing continuity and innovation in the offer to customers.

With a strong presence in the postal-logistics, financial, insurance and payment services, telephony and energy sectors, the Group continues to play a key role in the national economic landscape, with the aim of fostering responsible growth and promoting digital evolution. Through the achievement of financial, operational and sustainability objectives, the Group stands out for its solidity and ability to offer innovative solutions, even in a context characterised by significant challenges and transformations, confirming itself as a pillar of the Italian economy and maintaining its supremacy as the largest employer in the country and the main operator in the logistics sector. The commitment to digital transformation also continues to provide support to citizens, businesses and PAs in the process of digitising the country. In this context, the Poste Italiane Group consolidates its strategic role, ensuring an effective and efficient link between the various economic and social entities. A concrete example of the Group's commitment comes in the form of the "Polis Project, Houses of Digital Services", launched in 2022, with the aim of promoting the economic, social and territorial cohesion of the country and bridging the digital divide in small towns and inland areas, some 7,000 municipalities with a population of less than 15 thousand inhabitants, with post offices that, in addition to providing all postal, logistics, insurance, financial and payment services, also operate as a one-stop shop for digital access to Public Administration services. The initiative envisages total investments of around €1.2 billion to be realised by 31 December 2026 and the allocation by the Ministry of Enterprise and Made in Italy of a total contribution of €800 million. In more than two thousand post offices in municipalities with less than 15 thousand inhabitants, citizens can apply for Inps services, registry certificates and passports. Finally, work was completed on 81 co-working spaces.

The ongoing process of profound transformation and significant evolution has made our Group a reliable partner, recognised nationally and internationally, with a well-defined strategic development path founded on solid foundations. The direction we are taking has been clearly outlined in the 2024-2028 Strategic Plan, which aims to continue the transformation of the logistics sector, orienting it towards an end-to-end model capable of offering integrated solutions for all stages of the logistics chain. The focus will remain on developing products and services in line with market developments, while preserving the central role of postal savings within the Group's offering. In addition, thanks to the growing popularity of e-commerce and digital payments, the PostePay business will continue its evolution towards innovative payment solutions, representing the central focus of integration for the development of the telephony, electricity and gas offer, in order to meet customers' everyday needs. The Group will continue to expand and strengthen customer relationships through the Post Office network, digital channels and third-party networks, ensuring increasingly integrated and omnichannel experiences. The objective is to establish Poste Italiane as a constantly evolving business platform, based on a diversified, integrated and sustainable business model, capable of offering citizens a wide range of innovative services. The 2024-2028 Strategic Plan centres on the Environmental, Social & Governance (ESG) principles and responds to sustainability challenges by setting Group-wide emission reduction targets. These are complemented by initiatives aimed at developing professional skills and enhancing human resources, with a focus on diversity, inclusion and equal opportunities, identifying the needs of all generations, including young workers.

The Group's commitment to sustainable development is reflected in the update of the ESG Plan, renewed on the basis of the materiality analysis and in full synergy with the 2024-2028 Strategic Plan. The need to generate sustainable, long-term value for all stakeholders has never been more relevant than today. Indeed, the Poste Italiane Group is called upon to support the national economy throughout the country and to counteract the process of climate change through environmental sustainability measures. In support of this commitment, the Group has carried out specific initiatives according to two macro-areas - fleet overhaul and building energy efficiency - outlining projects that address both direct emissions generated by logistics activities and owned facilities, and indirect emissions associated with the electricity consumed. In addition, the Poste Italiane Group and Enilive (ENI Group) signed an agreement for the supply of biofuels for land vehicles and aircraft. The cooperation, which started with a letter of intent in July 2024, provides for the use of HVOlution, a diesel from renewable raw materials, for road transport, which is also operated via Multicard for external partners. For aviation, the agreement includes the supply of Eni Biojet, a sustainable fuel produced from 100% biological materials, which can be blended with conventional jet fuel up to 50%, at some Italian airports.

The "Green Index" certification was also obtained, an innovative carbon footprint measurement model, conforming to the highest industry standards, for the parcel service for the benefit of our customers. Finally, by 2028, through the PuntoPoste network, the Group aims to ensure the presence of a collection point at a maximum distance of 2.5 km from each customer throughout the country, thus contributing to a significant reduction in logistics-related atmospheric emissions.

The goals achieved in 2024 are therefore part of a context characterised by a growing commitment to Environmental, Social & Governance issues. On the skills development front, in 2024 the Poste Italiane Group provided around 6 million hours of training, through initiatives aimed at meeting the challenges of the strategic plan and supporting specific professional needs. In parallel, the corporate welfare platform was enhanced. In the area of diversity and inclusion, the LGBTQ+ Inclusion Policy was formalised in 2024, in addition to the Active Parenting Policy in force since 2022.

Customer satisfaction continues to be a priority for the Poste Italiane Group: as proof of its commitment in this area, Poste Italiane is the first among large Italian companies to have obtained UNI ISO 22222 and UNI TS 11348 certification for its investment advisory model aimed at customers through its specialised financial advisors. The digitisation process initiated by the Group involved both the evolution of the service offering and the optimisation of business processes, transforming the distribution model into one with an omnichannel approach. The Fraud Management Centre, operating 24 hours a day, monitored and protected transactions carried out both in post offices and through digital channels, preventing attempted fraud with a total value of approximately €25 million, ensuring customer protection. The Poste Italiane Group has also completed an extensive overhaul plan for the company fleet, reaching 28,400 low-emission vehicles. At the same time, the commitment to the energy efficiency of real estate assets continued, with the installation of photovoltaic systems in the main logistics HUBs in Piacenza and Caserta. Group customers can also rely on an extensive and flexible distribution network, which includes more than 15,700 PuntoPoste pick-up points, in addition to Post Offices, offering efficient alternatives to home delivery. Finally, in the area of sustainable finance, Group companies operating in the financial sector have launched investment funds that promote environmental and social criteria, consolidating Poste Italiane's commitment to creating sustainable value for the community. In this regard, all Poste Vita's investment products in 2024 have an ESG component. In addition, in 2024 BancoPosta Fondi and Poste Vita published, for the second year running, their respective "Statement on the main negative impacts of investment decisions on sustainability factors", also known as the "PAI Statement", providing evidence of the main actions planned by each company to limit the negative impacts on sustainability challenges related to their investments.

The results achieved represent the fruit of a strategic process aimed at creating shared value, through the adoption of a dynamic business model, capable of adapting to the continuous changes in the economic and social context, without ever losing sight of its values and principles. The relationship with all stakeholders is increasingly central, and fostering dialogue allows us to maintain a solid relationship built on trust, based on essential pillars such as transparency and inclusion. This approach enables the Group to address challenges with awareness, capitalise on new opportunities and achieve long-term sustainability. The Poste Italiane Group has always been keen to promote initiatives aimed at listening to stakeholders, with the aim of creating constructive dialogue and sharing strategic objectives. A long-established formula and concrete example is the Multi-stakeholder Forum, now in its eighth edition, which represents a fundamental opportunity for discussion and full sharing of the key objectives of the Group's Sustainability Strategy. As part of the initiative, which was attended by about 1,000 participants, stakeholders took part in the double relevance process, defined by the Group in compliance with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) in order to identify the ESG information to be included in the Group's Sustainability Reporting 2024, as well as to outline the main sustainability issues that, at a strategic level, can guide our ESG efforts.

We are extremely proud of our achievements, which are the result of our professionalism, determination and ambition, which are the hallmark of our work. The path undertaken is geared towards continuous evolution, with the aim of consolidating the role of the Poste Italiane Group as a point of reference for the community in which it operates. Trust and reputation are fundamental values on which to base a solid future for the benefit of all stakeholders.

A heartfelt thank you goes out to everyone in the Group for their constant support in pursuing all common goals with great dynamism and determination.

Finally, we thank you in advance for your attention to this document, which has been prepared in accordance with the principle of maximum transparency towards all our stakeholders.

Presentation of the Annual Report

The Annual Report of the Poste Italiane Group, which for the seventh consecutive year presents both financial and sustainability information in an integrated manner, aims to provide a clear, accurate and transparent representation of the activities carried out, the results achieved, their performance and the services offered by the Group.

This document has been significantly revised with respect to previous years, both in terms of structure and content, in order to comply with the requirements of EU Directive 2022/2464 - Corporate Sustainability Reporting Directive (CSRD), transposed in Italy by Legislative Decree 125/2024, applicable to the Poste Italiane Group from this reporting year. This step represented a challenge that the Group tackled determinedly, in order to provide stakeholders with a complete and transparent view of ESG performance and ensure an easy comparison with other European entities. The application of the provisions of Legislative Decree no. 125/2024, as an element of discontinuity with previous years, involved revising the structure of the document, by including sustainability information in a specific section of the Report on Operations - Chapter 8 "the Sustainability Statement". Furthermore, the information contained in the Sustainability Statement was prepared in accordance with the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG). These reporting standards were therefore adopted by the Group for the first time in 2024 to replace the Global Reporting Initiative's GRI Standards, previously used for the preparation of the Consolidated Non-Financial Statement (DNF) in accordance with Legislative Decree 254/2016, now superseded by the transposition of CSRD in Italy through Legislative Decree no. 125/2024.

With particular reference to the Group's ESG Strategic Plan, based on 8 Sustainability Pillars - Integrity and Transparency, People Development, Diversity and Inclusion, Creating Value for the Country, Green Transition, Customer Experience, Innovation and Sustainable Finance - the application of the ESRS standards entailed the need to relocate the strategic objectives within the ESRS topics relevant to the Group, thus going beyond the usual representation of the document, previously organised by Sustainability Pillar. However, in order to highlight the evolution of the strategy between past and current reporting, a graphic reference to the reference pillars has been included within the Sustainability Statement for each ESRS topic.

In this regard, a table linking the ESRS topics and the Group's Strategic Pillars is given below:

Environmental Information	Social Information	Governance Information
E1 – Climate change	S1 – Own workforce	G1 – Governance, risk management and internal control
E2 – Pollution	S2 – Workers in the Value Chain	Entity specific – Sustainable finance
E5 – Resource use and circular economy	S3 – Affected communities	
	S4 – Consumers and end users	

Integrity and Transparency | People development | Diversity and Inclusion | Creating value for the Country | Green Transition | Customer experience | Innovation | Sustainable Finance

In line with Appendix F of ESRS 1, the Sustainability Statement is structured into the following four sections: "General Information", containing the information referred to in ESRS 2 "General Information"; "Environmental Information", containing the information referred to in ESRS E1 "Climate Change", E2 "Pollution" and E5 "Resource Use and Circular Economy", as well as the information related to the EU Taxonomy "Social information", containing the information set out in ESRS S1 "Own workforce", S2 "Workers in the value chain", S3 "Affected communities" and S4 "Consumers and end-users"; "Governance information", containing the information set out in ESRS G1 "Business conduct" and Entity-Specific "Sustainable finance". With particular reference to information related to the European Taxonomy, the Group undertook an in-depth analysis of its operations and the current regulatory environment, developing an ad hoc methodological approach to ensure proper and transparent disclosure. In line with the EU Regulation no. 2020/852 (Taxonomy Regulation) and the specific regulations that emerged in 2024 (reference FAQs approved by the Commission in November 2024), the Poste Italiane Group provided information in terms of the KPIs governed by the Taxonomy Regulation with reference to both the business and financial segments, as well as addressing the respective reporting methods of mixed groups. In addition, the "General Information" section of the Sustainability Statement describes the methodology adopted by the Group for the double materiality analysis, whose process has been updated from previous years in order to comply with the ESRS standards and the Materiality Assessment Implementation Guidance (MAIG Guidance Line) developed by EFRAG. This analysis enabled the identification of the most relevant sustainability issues for the Poste Italiane Group, adopting an integrated approach that took into account both the positive and negative impacts on people and the environment that can be generated or could be generated through the performance of business activities, and the sustainability risks and opportunities that could influence the Group's economic and financial performance. In addition, within the "General Information" section, under the heading "Index of ESRS content and content from other EU legislation", there is a list of the disclosure requirements reported within the Sustainability Statement, associated with the issues found to be relevant for the Group as a result of the double materiality analysis conducted, as well as their positioning within the document.

In addition, the Poste Italiane Group has taken into account the ESMA priorities in terms of sustainability disclosure, including key aspects such as double materiality considerations, the scope of consolidation and the structure of Sustainability Reporting, as outlined in the ESRS, and information relating to Article 8 of the Taxonomy Regulation. Finally, with the aim of reflecting future developments related to climate change, this year the Group again updated its climate scenarios, referring to documents drawn up by the international organisations Intergovernmental Panel on Climate Change (IPCC) and International Energy Agency (IEA), as well as the main literature available on the subject.

In continuity with previous years, the document highlights the increasingly more in-depth integration of sustainability into the Group's business model, offering a comprehensive overview of performance in the financial, environmental, social and governance spheres. The Poste Italiane Group's sustainability strategy is reflected in a set of annual and multi-year objectives, with the aim of ensuring stakeholders maximum transparency on the commitment made in these areas and the progress achieved. Through this approach, the Group aims to illustrate its ability to generate and maintain value over time and in the context in which it operates by adopting a sustainable business model.

Through numerous ESG initiatives, the Poste Italiane Group aims to lead the country's sustainability path, promoting an inclusive society and a more sustainable future. In addition to offering products and services with sustainable characteristics, this development allows customers to be actively involved, encouraging them to adopt more environmentally responsible behaviour. The Group's business model shows an interconnection between the resources available and the performance achieved, illustrating the outputs and outcomes generated and the benefits brought to stakeholders, both in financial terms and in terms of social and environmental impacts. The document includes a detailed analysis of the company's performance, with a summary of the results achieved, in Chapter 2: "Highlights".

In addition to the Report on Operations, the Annual Report is composed of the following documents: the consolidated financial statements of the Poste Italiane Group, Poste Italiane's separate financial statements, including Bancoposta RFC's Separate Report, and the related attestations pursuant to art. 154 bis paragraph 5 of Legislative Decree no. 58/1998 and the reports of the Board of Statutory Auditors and the Independent Auditors, referring to the financial year ended 31 December 2024, and the Report on Corporate Governance and Ownership Structure published on the Company's website, in the Governance section, which is to be considered an integral part of this document, and to which reference should be made for further details on the Corporate Governance structure.

Finally, this Annual Report, which was approved by the Board of Directors of Poste Italiane S.p.A. on 26 March 2025, will be made available to the public within the deadlines set forth by applicable regulations (i.e., by 30 April 2025) on the following website: https://www.posteitaliane.it/it/bilanci-e-relazioni.html#/.

The following infographics are used in this document:

- to indicate, by means of a hyperlink, that it is possible to go deeper into the topic dealt with in the relevant paragraph;
- to indicate, by means of a hyperlink, that it is possible to return to the beginning of the chapter and the general index;
- to indicate that it is possible to elaborate on the subject in Chapter 9 "Glossary" in the Report on Operations section of the 2024 Annual Report.

2. Highlights

2.1 2024 outcomes of the value creation process at Poste Italiane

During 2024, the shared value creation path undertaken by the Poste Italiane Group generated significant results at system level. The main financial and Environmental, Social & Governance (ESG) performances achieved by the Group based on the objectives defined on the 8 pillars of the sustainability strategy integrated in the 2024-2028 Strategic Plan "The Connecting Platform" are presented below.

FINANCIAL PERFORMANCE

- **Revenue***: €12.6 bn (+5%y/y)
- Adjusted EBIT: €2.96 bn 3X vs 2017 (+13% y/y) Net profit: €2.01 bn (+4.1% y/y)
- New **dividend policy**: payout from 65% to 70% (DPS 2024 equal to €1.08)
- Historical **record** for the **share**: €13.93 per share in December 2024 and €16.580 per share in March 2025

* Expressed net of costs related to the purchase of raw materials, system charges and electricity and gas transport.

ENVIRONMENTAL

- Continued **reduction of total** tCO_2
- **Green fleet renewal** plan completed with around 28,400 low-emission vehicles of which around 6,100 are electric vehicles
- **Energy** savings through **energy efficiency projects**, with annual savings of around €32 million (-22% y/y)
- Ca 150 buildings involved in the **Smart Building** project in 2024
- Establishment of **Postego** for long-term rental and to support green transition goals
- Letter of intent signed between **Poste Italiane and Enilive** (ENI Group) for the supply of biofuels (HVO and SAF) with the common objective of contributing to the decarbonisation of road and air transport
- Around 700,000 contracts (2X vs 2023) for green **energy** and gas **offers**
- Over 16 million **eco-friendly payment cards**
- Publication of **Principal Adverse Impact (PAI) statement** for Poste Vita and BancoPosta Fondi SGR for the 2nd year running

SOCIAL

- **12,755 Post Offices** and approximately **121 thousand employees** (FTE) and zero post offices closed in small municipalities
- **Polis project underway**: 2,918 post offices and 81 co-working spaces completed; over 31,000 files processed on public administration services
- **Omnichannel Strategy**: >25 mln (+9% y/y) of daily interactions; approximately 49% of total interactions 2024 took place on digital channels
- **App Poste Italiane**: single access point for app operations to the Poste Group's omnichannel platform achieves No. 1 ranking on Apple Store and Google Play among all apps on the market in the Finance category
- New **business service model** and **logistical transformation** underpin the new Strategic Plan

- **Client Total Financial Assets**: €590 bn (+€9.7 bn vs December 2023)
- **>300 mln parcels shipped** in 2024 (3x vs 2017 and +20% vs 2023)
- **Record** for **Total Gross Inflows** with €69 bn and historical record for **Mutual Funds** with €6 bn
- **Life investment products net inflows**: positive €1.5 bn in a challenging market environment
- **Record Loans** disbursed: €3.7 bn (+8% vs 2023)

GOVERNANCE

- **Internal control system** compliant with the Corporate Sustainability Reporting Directive (**CSRD**)
- **Sustainable Procurement Certification** Renewed
- Group-wide implementation of the sustainable procurement framework
- **Development of a resilient digital ecosystem**, in accordance with the Digital Operational Resilience Act, to ensure business continuity, improve cybersecurity and incident response capability, ensure continuity of customer services, foster innovation and ensure regulatory compliance
- **Integrated anti-fraud platform** that prevented around €25 million in fraud attempts
- **ISO 37001** (prevention of corruption) and **37301** (compliance) certified management systems
- **More than 30%** joint conciliation files submitted by consumers and associations concerning complaints on postal and financial services handled via the new application developed on the **Associations Portal**
- Monitoring instances, meetings and contacts with local and central institutions through the **Institutional Relations Portal**

- July 2024: **CCNL** (National Collective Bargaining Agreement) **renewed** for the period 2024-2027 and Agreement with Trade Unions on the Reorganisation of the Group Logistics Network
- Approximately 6 mln **hours of training** provided in the year (42.8 mln in the period 2017-2024)
- 1,900 employees involved and retrained in the **insourcing project**
- PostePay's "**Pay and Withdraw**" service, which allows small cash withdrawals at enabled Punto LIS tobacconists, is Product of the Year 2024 in the Smart Innovation Services category
- **Corporate welfare**: record with more than 41,000 sign-ups, +47.5% vs 2023

2.2 Impacts generated by Poste Italiane

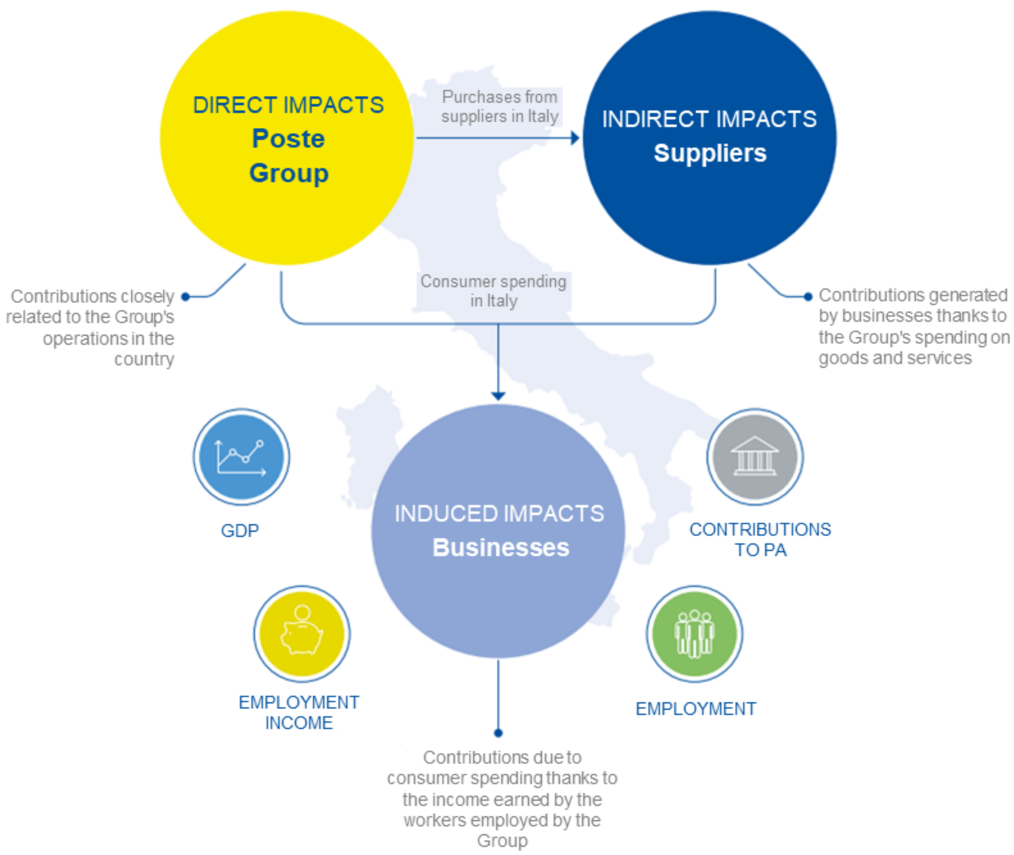
IMPACTS GENERATED BY POSTE ITALIANE

Through its leadership in the logistics, financial, insurance and payment services sectors, Poste Italiane plays a key role in the creation of economic value both for the stakeholders directly impacted by its business activities and for the country as a whole.

In particular, the activities carried out by Poste Italiane generate impacts on GDP, employment income, employment and contributions to PA. The estimated impacts [1]can be distinguished into:

- **Direct impacts**: impacts generated by the operating activities carried out directly by Poste Italiane;
- **Indirect impacts**: impacts generated along the supply chain as a result of Poste Italiane's spending on goods and services (€3.82 billion in 2024) from Italian suppliers;
- **Induced impacts**: impacts generated by consumer spending that is realised through the income earned by workers employed directly and indirectly by the Group

The process of creating Poste Italiane's economic value



[1] In order to estimate the indirect and induced impacts of the Poste Italiane Group generated in 2024, the latest available multipliers published on the ISTAT website were used.

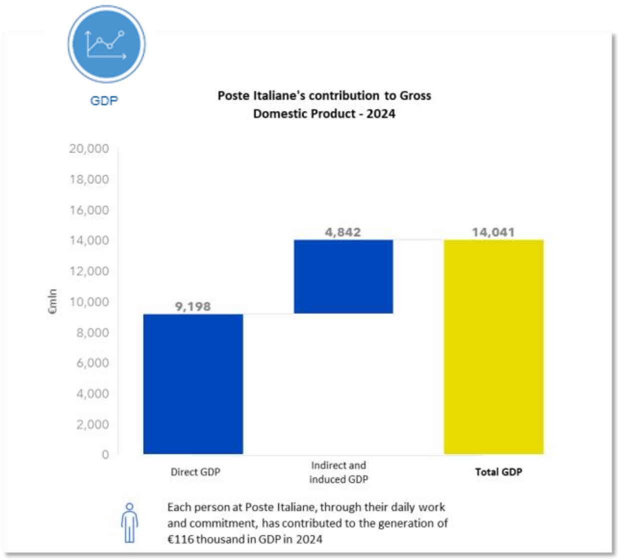
x 3

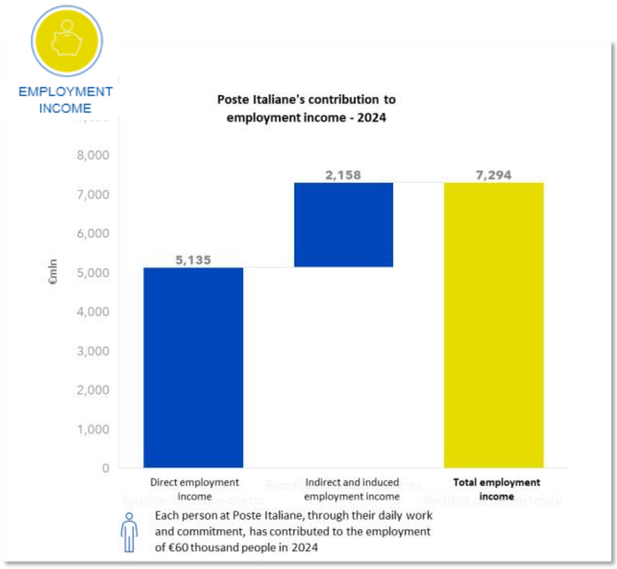
one euro spent by Poste Italiane for the purchase of goods and services generates an economic value for the country system of €3 in terms of production value

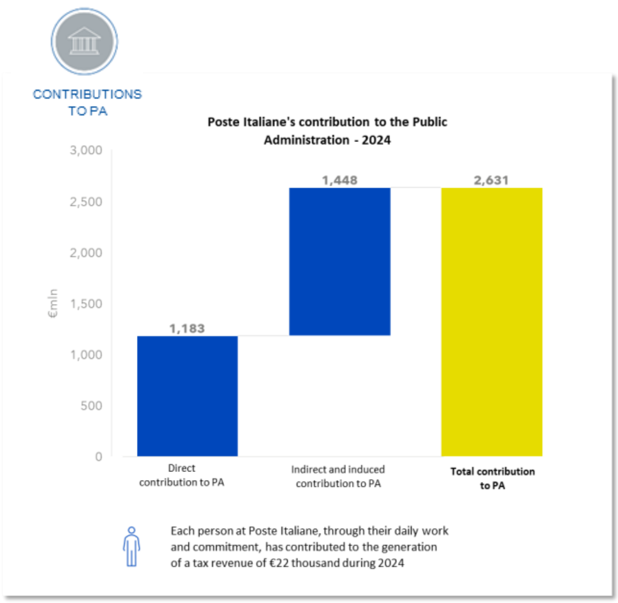
In 2024, the Poste Italiane Group had an impact on the country's economy, in terms of Gross Domestic Product (GDP), of €14 billion and, employed a total of roughly 199 thousand people and contributed around €2.6 billion in tax revenue to the Public Administration. Furthermore, it is estimated that Poste Italiane contributed directly and indirectly to the distribution of income to workers, totalling €7.3 billion.

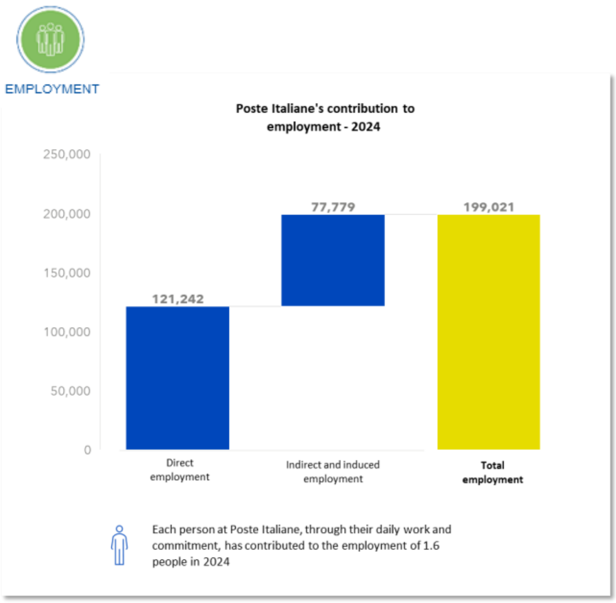
Poste Italiane's creation of value is based on the contribution that the Group's individual people make through their daily work and commitment. Indeed, during 2024, each Poste Italiane person contributed to the creation of economic impacts for the territory amounting to €116 thousand of GDP, €60 thousand of income for families, €22 thousand of tax contributions and the employment of 1.6 people.

The figures shown have been rounded off for ease of reference. For this reason, the sums may differ slightly from the reported figures





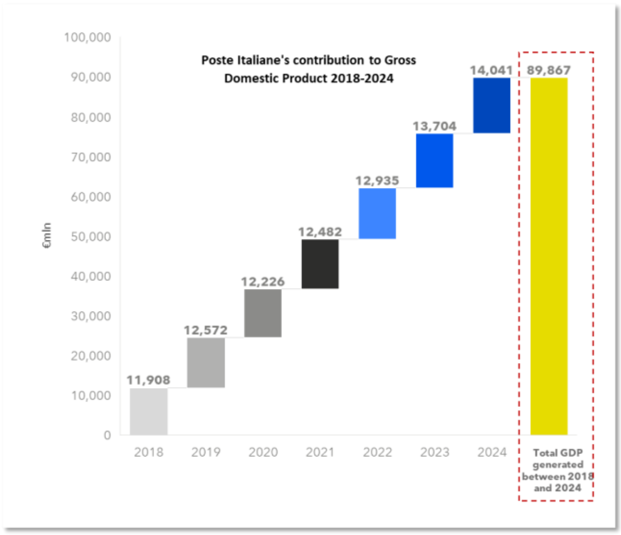




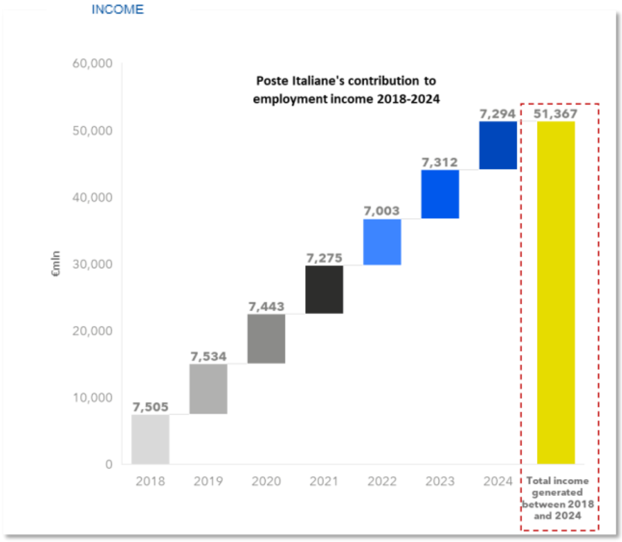
The commitment that Poste Italiane dedicates to serving the country's economy is not limited to 2024, but is embedded in a path of annual value creation. In fact, from 2018, Poste Italiane Group generated total impacts for the Country of approximately €90 billion of Gross Domestic Product (GDP), €51 billion of employment income and €15 billion of tax revenue. In addition, the Group contributed an average of 189 thousand jobs between 2018 and 2024.

The figures shown have been rounded off for ease of reference. For this reason, the sums may differ slightly from the reported figures

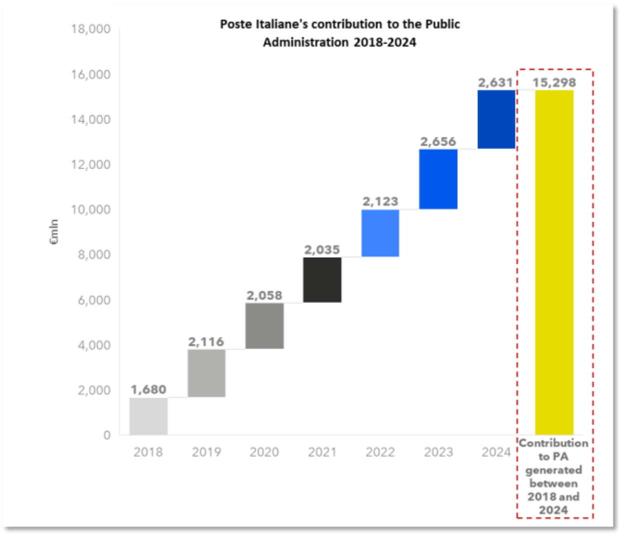
GDP



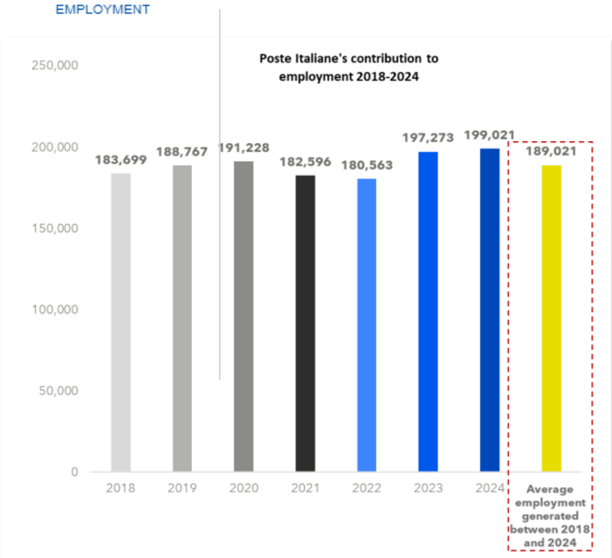
EMPLOYMENT INCOME



CONTRIBUTIONS TO PA



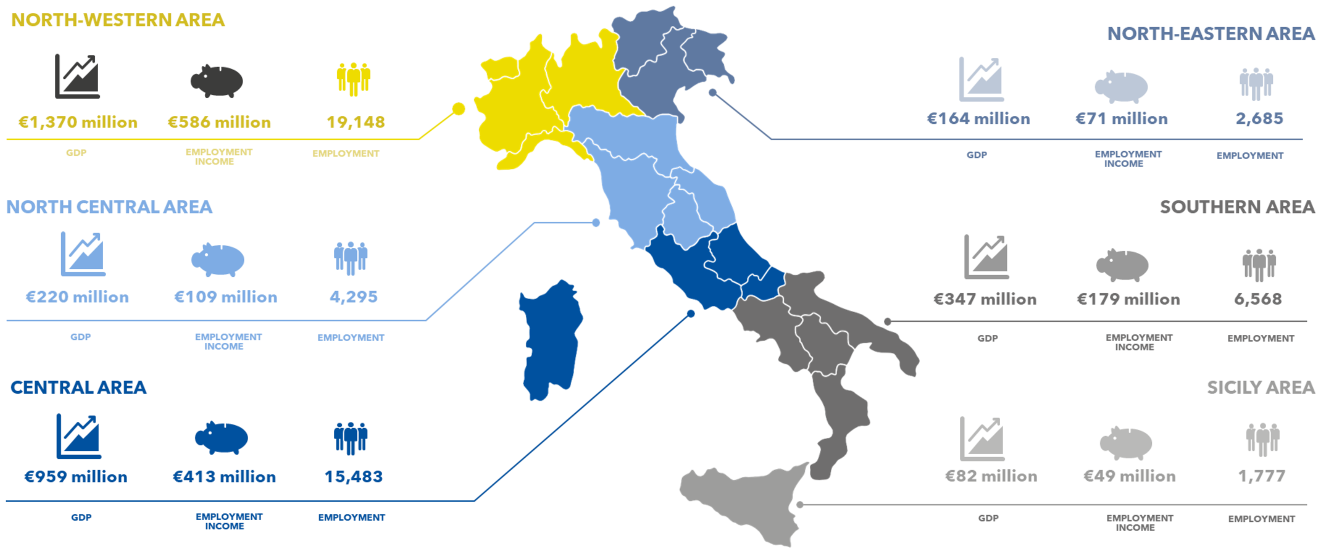
EMPLOYMENT



Below are two focus areas of Poste Italiane's suppliers, respectively the impacts generated by Italian suppliers in the individual Territorial Areas and the indirect contributions generated by Italian SME suppliers.

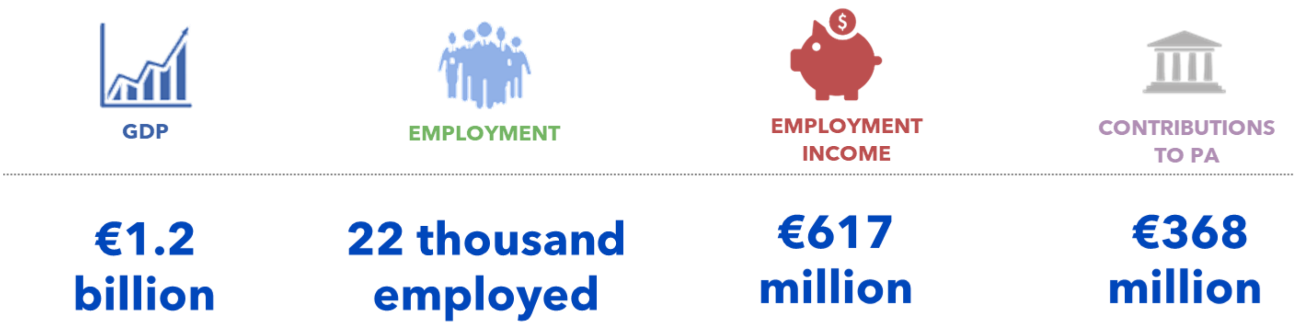
Impacts generated in individual Territorial Areas in 2024

Considering the region of the registered office of suppliers, the indirect impacts generated by them in each Territorial Area in 2024 have been identified.



Impacts of Italian SME suppliers

Considering the parameters defined by the European Commission, the Italian suppliers that are characterised as Small and Medium Enterprises (SMEs) and the indirect impacts attributable to them have been identified.



In 2024, SMEs impacted the level of Gross Domestic Product for a value of €1.2 billion, leading to the employment of roughly 22,000 people and an income distribution of €617 million. Finally, €368 million has been generated in terms of tax revenue.

3. Outlook

In the latter part of 2024, economic activity in Italy resumed the modest growth trend observed in the first half of the year, after the stagnation of gross domestic product recorded in the third quarter; this trend was affected, as in the rest of the Eurozone, by the persistent weakness of manufacturing and the slowdown in services[2].

Recent projections estimate an increase in national GDP of 0.5% in the year 2024 and an acceleration in the three-year period 2025-2027 with average GDP growth of 1% per year. Growth will remain subdued in the first part of 2025, gaining momentum thereafter, supported by consumption and exports. However, the estimates for the three-year period remain shrouded in uncertainty due to the international scenario: a more protectionist trade policy stance and continuing tensions resulting from ongoing conflicts could dampen foreign and domestic demand.

Against this backdrop, the Poste Italiane Group ended 2024 with new records: adjusted EBIT[3] in 2024 reached €2.96 billion, which, in addition to being higher than the plan guidance communicated last July, has grown significantly over the last few years, almost tripling with respect to the 2017 level. Similar growth was recorded by the Group's net profit in the period, which amounted to more than €2 billion in the financial year 2024, in line with the updated plan guidance. Revenue growth in all strategic business units and, in particular, strong performances in net interest income and the parcel business as well as careful cost control were contributors to these results. New all-time highs were also reached in the Group's total gross inflows, and in particular in mutual funds. The insurance segment continued to register positive net flows during the year, outperforming the market.

The Poste Vita Group closes 2024 with a solvency ratio of 322%, which becomes about 300% net of the forecast to distribute additional dividends of about €1 billion to the parent company Poste Italiane S.p.A. over the plan period, in addition to the distribution of 100% of profits.

Based on the results achieved by the Group, as well as the broad visibility on future cash flows and the solid capital generation and optimisation, management proposed an improved dividend policy, increasing the payout ratio to 70% for 2024-2028. The preliminary dividend for the year 2024 is €1.08 per share, up 35% on the previous year's figure. Since the listing in 2015, shareholders have benefited from a high and growing overall remuneration with performance exceeding the values recorded by the main index of the Italian Stock Exchange and the historical record of the share price which reached €16.580 on 18 March 2025.

The new "2024 - 2028 Strategic Plan - The Connecting Platform", presented to the financial community in March 2024, lays the foundations on:

I) a new business service model that maximises the value of the "platform" company in a diversified, integrated and sustainable way;

II) the Group's transformation to a complete logistics operator, ensuring the financial sustainability of the Mail, Parcels and Distribution segment.

The new service model aims to optimise customer coverage and management based on an omnichannel approach, directing advisors' efforts into "relational" rather than "transactional" activities, generating value for the Group. In 2024, the role of the Post Office as a reference point for building and maintaining customer relationships was confirmed and the service model was refined by focusing on strategic and higher-value customer segments. The Punto Poste Casa e Famiglia network was also further enhanced with the aim of improving the channels for accessing and selling products/services, also by expanding the offer.

2 Bank of Italy - Economic Bulletin no. 1 - 2025.

3 Adjusted EBIT does not include the charges for the contribution to the Life Insurance Guarantee Fund (amounting to €74 million in 2024) and the portion of charges of an extraordinary nature, resulting from the outcome of the voluntary risk analysis on tax credits carried out in 2024, amounting to €341 million. For more details on the risk analysis, please refer to the notes to the financial statements (Note A10 - Tax Credits Law no. 77/2020 and Note B4 - Provisions for risks and charges).

In the context of the logistical transformation towards an end-to-end logistics operator, note should be taken of the evolution of the postal network, increasingly geared towards parcel management, the development of international business and integrated logistics; this strategy includes the strategic partnership signed with DHL in 2023 and the establishment in April 2024 of Locker Italia S.p.A. for the development in Italy of a network of lockers on which last mile parcel deliveries will be made. In September 2024, the first of the 10,000 lockers that will be activated nationwide was inaugurated. Thanks to their extensive coverage and technology, they will further improve the quality of services supporting e-commerce. In order to accelerate and co-finance the Group's infrastructural and real estate transformation process, February 2025 saw the establishment of the joint venture *Patrimonio Italia Logistica – SICAF SpA (externally managed)* which aims to manage the Poste Italiane Group's logistics infrastructure in a state-of-the-art manner and according to the highest quality and ESG standards. The operation will also involve several operators specialised in logistics real estate development who will be able to contribute financial resources and specialised know-how and thus accelerate the site renewal process.

The establishment of NewCo Poste Logistics S.p.A. in March 2024 also helps bolster integrated logistics.

SPV Cosenza was established to manage and rationalise integrated healthcare logistics for the Cosenza Provincial Health Authority.

Also for 2025, the Poste Italiane Group confirms the centrality of Postal Savings in its offers and its focus on providing products/services that are in step with customers' evolving needs. There will also be new commercial offers aimed at supporting inflows and facilitating the generational change of customers, as well as initiatives dedicated to the 150th anniversary of the postal savings book and the 100th anniversary of the Interest-bearing Postal Certificate.

In the insurance sector, the Group is committed to the evolution of the commercial offer in the Life Investment and Pension segment, taking into account both market dynamics and the optimisation of the quality of services, in order to protect savings from market risks and inflation with the launch of financial instruments with characteristics adapted to customers' needs (Multi-class products and new funds both target affluent and premium). In the Protection segment, the Group confirms its ambition to reduce the country's under-insurance by making insurance protection more accessible through the evolution of the offer and an integrated advisory model, and in 2025 it will continue to develop the integrated protection-investment offer by enriching the protection offer in the Insurance Based Investment Products (IBIPs) range; furthermore, in response to the evolution of the regulatory framework, the Group will continue to develop the business offer with natural catastrophe and catastrophic event covers. Finally, the Group will be committed in 2025 to increasing the channels of access to the insurance offer, including by enhancing Net Insurance as the Poste Vita Group's product factory for physical and digital third-party networks.

Benefiting from the growth of e-commerce and cashless payments, the PostePay business will evolve towards digital and innovative payment solutions so as to increase the level of customer loyalty, stock and, in particular, the use of payment cards. In the area of telephony, the commitment to proposing new products and integrated services will continue, with a focus on Postepay Connect developments. Moreover, the recent entry of Poste Italiane into the shareholding structure of Telecom Italia S.p.A. enables the development of business relations between the two companies and aims to create synergies and favour the consolidation of the domestic telecommunications market.

The most important initiatives in the omnichannel area include the migration of the customer base of the BancoPosta and Postepay apps to the single Poste Italiane app which will be completed in 2025. The latter will represent a single point of access and reference for operations on the app channel and will handle potential traffic of over 6 million visits per day. Thanks also to artificial intelligence, the app will be highly customised through diversified real time content, views and dedicated functionalities, in order to adapt it to the behaviour and needs of the individual customer. As part of the enhancement of the Group's digital channels, a process of transformation of the web channel has also been launched, which will see the first revision of the consumer site Poste.it during the year, with a customer-centric perspective and a design consistent with the Poste Italiane app. During the year, the Group will also continue on the development trajectory it has already embarked upon, extending the use of artificial intelligence within its business model for the benefit of internal processes and customers, and in order to make access to the Group's ecosystem of services increasingly inclusive.

The commitment to the implementation of artificial intelligence will be developed with a view to enhancing the Group's core values, within the ethical framework of reference and putting people at the centre. An artificial intelligence governance model will be set up that, starting from the principles identified in the Ethical Manifesto finalised last December 2024, will establish the rules, processes and responsibilities for the safe and effective use of new technologies.

On 16 July 2024, an agreement was reached with the Trade Unions aimed at introducing effective organisational solutions to adapt the postal network to the profound transformation that the postal market is undergoing, characterised by a decline in volumes of traditional mail and a growth in parcels. The project involves an overall reorganisation of the Group's logistics network that will adapt the postal network to this change, strengthening the company's competitiveness on parcels and logistics. During the first half of 2025, the reorganisation of the postal network will be piloted, with the new courier network supporting the traditional delivery network, which will in turn be reconfigured; the reorganisation aims to accommodate the growth in parcels, increasing demands for personalisation during delivery and last-mile logistics requirements.

In addition, on 23 July 2024, the National Collective Labour Agreement which expired at the end of 2023 was renewed, allowing the Group to develop its people as the key to success in implementing the new Strategic Plan. The economic-financial impacts of this renewal are sustainable with respect to the provisions of the plan period.

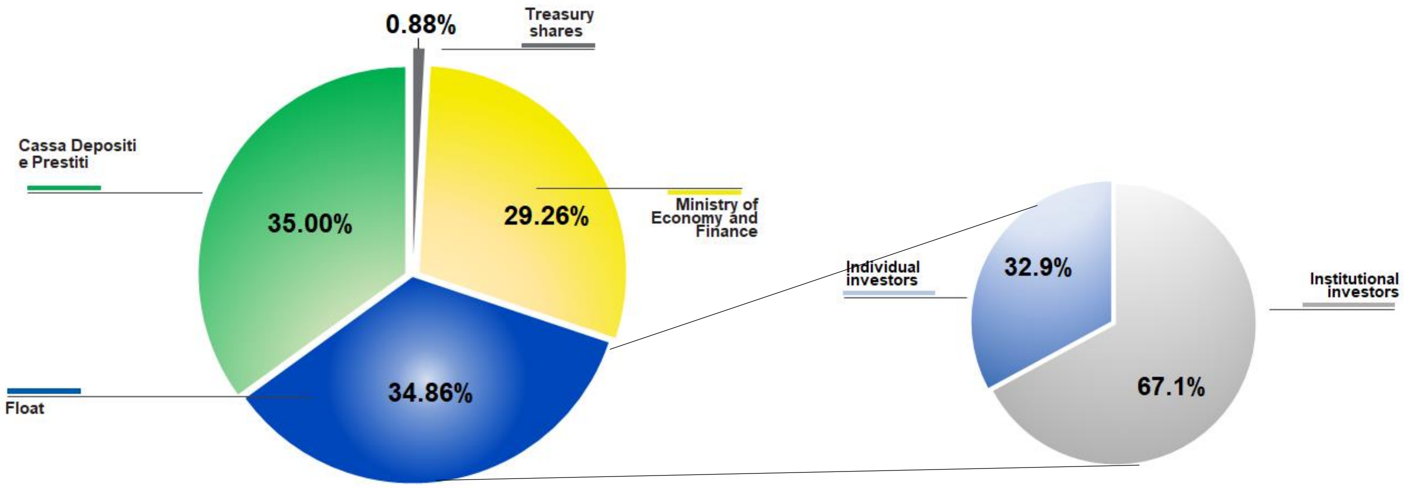
In 2025, the Group will continue with the implementation of "Polis", a strategic project to support the country's social cohesion, which involves approximately 7,000 municipalities with less than 15 thousand inhabitants, in which the Post Office will be transformed into a hub of digital services for rapid and easy access to the Public Administration's services. Some 250 co-working spaces nationwide are also planned, as well as the implementation of numerous initiatives to support the country's energy transition. Since the start of the project, 2,918 Post Offices and 81 Spaces for Italy (coworking) have been completed.

In the transition path undertaken towards carbon neutrality, investments and strategic initiatives will continue, such as the renewal of the delivery fleet with low CO_2 emission vehicles, the installation of photovoltaic panels for energy supply and efficiency of properties; the replacement of current Postepay cards with cards made with eco-sustainable materials and digital cards will continue, as will the development of specific offers aimed at enhancing customers' sustainable behaviour, such as the development of an omnichannel donation platform that will enable customers who hold a Postepay card to make charitable donations to third-party Associations and Organisations, using the Postepay cards themselves. As part of the green transition, we also note the establishment in 2024 of the new company Postego S.p.A., which aims to progressively internalise Poste Italiane's car fleet.
The recent initiatives that enhance Poste Italiane's social vocation include the recent partnership signed in view of the 2026 Winter Games, during which the Company will be premium logistics partner of the Milan-Cortina 2026 Olympic and Paralympic Games, by managing, through the subsidiary Poste Logistics, the transport and logistics of all the goods, equipment and materials required for the success of the event at the Olympic and Paralympic venues.

4. Business model and strategy

4.1 Poste Italiane's ownership and organisational structure

4.1.1 Poste Italiane's Ownership



Poste Italiane has issued shares listed on the Mercato Telematico Azionario (Electronic Stock Exchange - MTA) organised and managed by Borsa Italiana S.p.A. as of 27 October 2015. At 31 December 2024, 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. A total of 32.1%[4] of the shares held by institutional investors of Poste Italiane S.p.A. belong to investors who follow ESG (Environment, Social, Governance) criteria in their investment choices. The share capital of Poste Italiane S.p.A. consists of 1,306,110,000 ordinary shares, of which 1,294,617,396 are outstanding at 31 December 2024. Poste Italiane S.p.A., in execution of the authorisation to purchase treasury shares resolved by the Shareholders' Meeting of 31 May 2024, announced to the market on the same date the start of the treasury share purchase programme aimed at fulfilling the obligations deriving from the variable remuneration to be paid in Poste Italiane shares to Poste Italiane Group directors and employees. Under this programme, Poste Italiane S.p.A. acquired a total of 1,877,469 shares for a total equivalent value of €23,317,707.94 (between 3 and 10 June 2024 it acquired 1.166,667 shares for a total equivalent value of €14,938,498.18 at an average price of €12.804423 and between 7 and 9 August 2024 it purchased 710,802 shares for a total equivalent value of €8,379,209.76 at an average unit price of €11.788388). Following the transaction, considering also the treasury shares in the portfolio deriving from previous buy-back transactions and the delivery to the beneficiaries of the incentive plans, at 31 December 2024, Poste Italiane holds 11,492,604 treasury shares, equal to 0.88% of the share capital.

On 17 September 2024, the Council of Ministers approved the Decree of the Presidency of the Council of Ministers, which provides for the sale, also in several stages, of a portion of the shareholding held by the Ministry of the Economy and

[4] Source: Nasdaq Corporate Solutions.

Finance (MEF) in the share capital of Poste Italiane S.p.A., without prejudice to the maintenance of a State shareholding in the Company's capital, including through its direct or indirect subsidiaries, in excess of 50%. During the month of October, Poste Italiane, together with the Ministry of the Economy and Finance (MEF), initiated the procedure at Consob for the approval of the prospectus for the share offer by the MEF itself, following the approval of the Decree of the Presidency of the Council of Ministers of 17 September. This process is currently halted pending ongoing decisions and evaluations regarding the modalities and timing of the offer.

4.1.2 Poste Italiane's Organisational Structure

In line with the strategic guidelines set out in the Strategic Plan, the Group's activities are divided into four Strategic Business Units (also referred to as operating segments in the Poste Italiane's Financial Statements): Mail, Parcels and Distribution; Financial Services; Insurance Services; and Postepay Services (formerly Payments and Mobile), the latter renamed at the presentation of the new Strategic Plan "2024-2028 The Connecting Platform" to the financial community on 20 March 2024.

MAIL, PARCELS & DISTRIBUTION

In addition to its mail, parcel and logistics management activities, the SBU also includes those relating to the sales network, Post Offices and the Corporate functions of Poste Italiane S.p.A., which also support the other sectors of the Group.

FINANCIAL SERVICES

The SBU refers to the placement and distribution of financial and insurance products and services by BancoPosta, such as current accounts, postal savings products (on behalf of Cassa Depositi e Prestiti), mutual investment funds, loans provided by partner banks and policies.

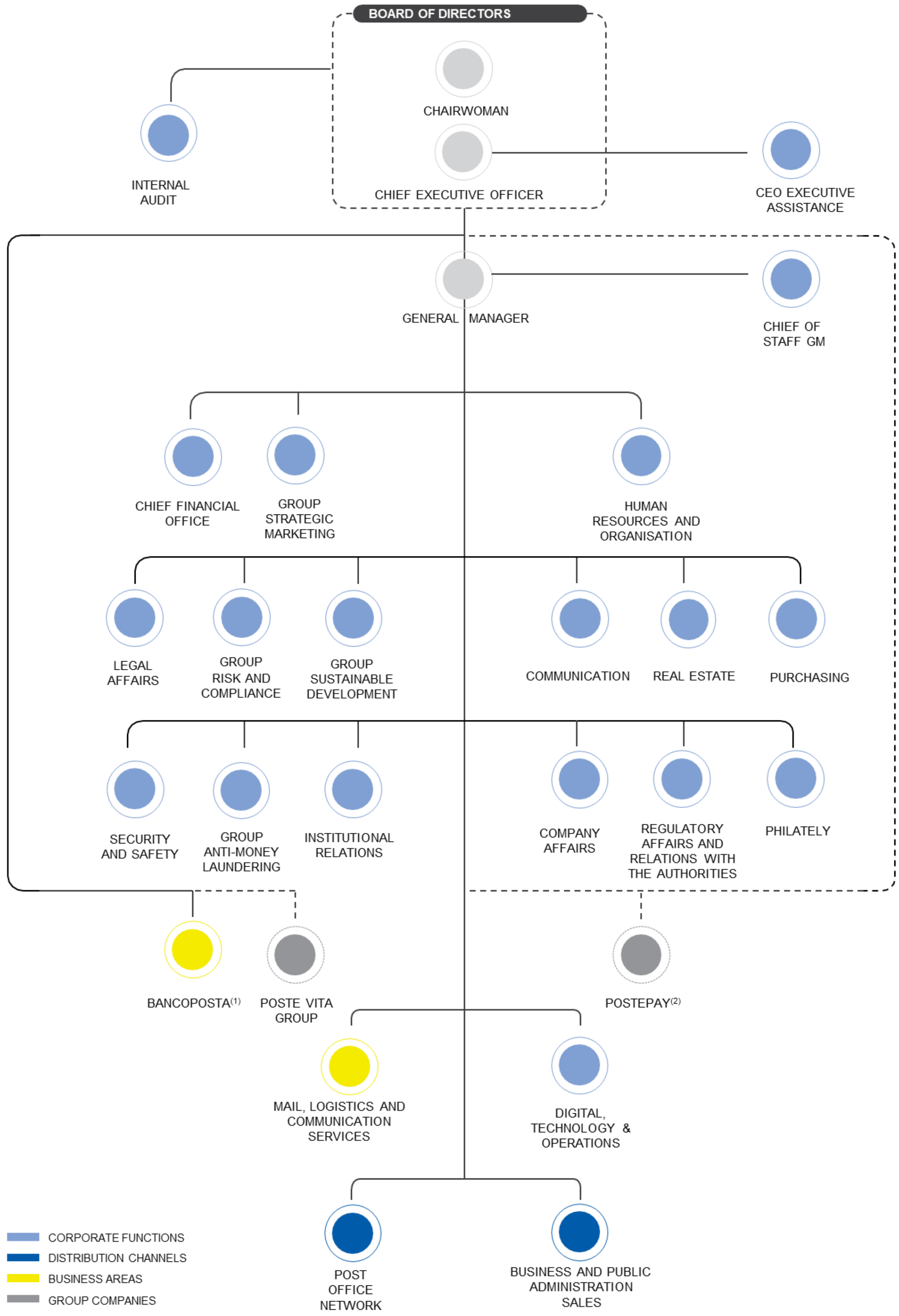
INSURANCE SERVICES

The SBU operates in the Investment, Retirement and Protection businesses through the exercise of life and P&C insurance activities.

POSTEPAY SERVICES

The SBU encompasses payment management and e-money services, also carried out through the LIS point-of-sale network, as well as mobile and fixed-line telephony services and electricity and gas marketing.

Below is Poste Italiane's organisational structure:



(1) BancoPosta's Internal Audit function reports directly to the Board of Directors and the Board of Statutory Auditors.
(2) Reports to the Chief Executive Officer in respect of the payment and e-money business areas; reports to the General Manager for the remaining business areas.

The organisation of Poste Italiane S.p.A. envisages business functions[5] specialising in the main areas of offer that cover the Group's 4 business sectors and two commercial channels responsible for sales of products/services, which are supported by corporate functions of guidance, governance, control and provision of services in support of business processes. The objective of transforming the Group into a Platform Company and the inherent Group customer focus are pursued with the help of the two cross-company functions Digital, Technology & Operations and Group Strategic Marketing.

In February 2024, it became necessary to adjust the Company's organisational structure through a redistribution of responsibilities and competencies among the top corporate governance functions in order to make it even more responsive to the current business environment and to more effectively achieve the challenging objectives of the new strategic plan.

The decision was therefore taken to focus the strategic development and establishment of corporate strategies on the Chief Executive Officer, with particular reference to the "supervised" businesses and to entrust the management of the Group's industrial businesses to the General Manager, reporting directly to him, with the responsibility of supervising and coordinating the activities of all organisational structures (with the exception of the Internal Auditing function, the BancoPosta function and the insurance, asset management, payment and card payments sectors).

During the first quarter of 2024, moreover, considering the important role played by the logistics business in the overall strategy and the transformation required to cope with the continuous and profound developments of the related market, the tools available to the Mail, Communication and Logistics function were further strengthened to develop, on the one hand, the integrated logistics business and oversee, on the other, network, process and supply engineering activities as well as service quality.

In July 2024, in the Business Market and Public Administration sector, with the aim of strengthening and consolidating the Poste Italiane Group's position in the express and parcel delivery business, a review of the service model was necessary in order to optimise commercial action and ensure better management of customer needs. The new model is based on the following drivers:

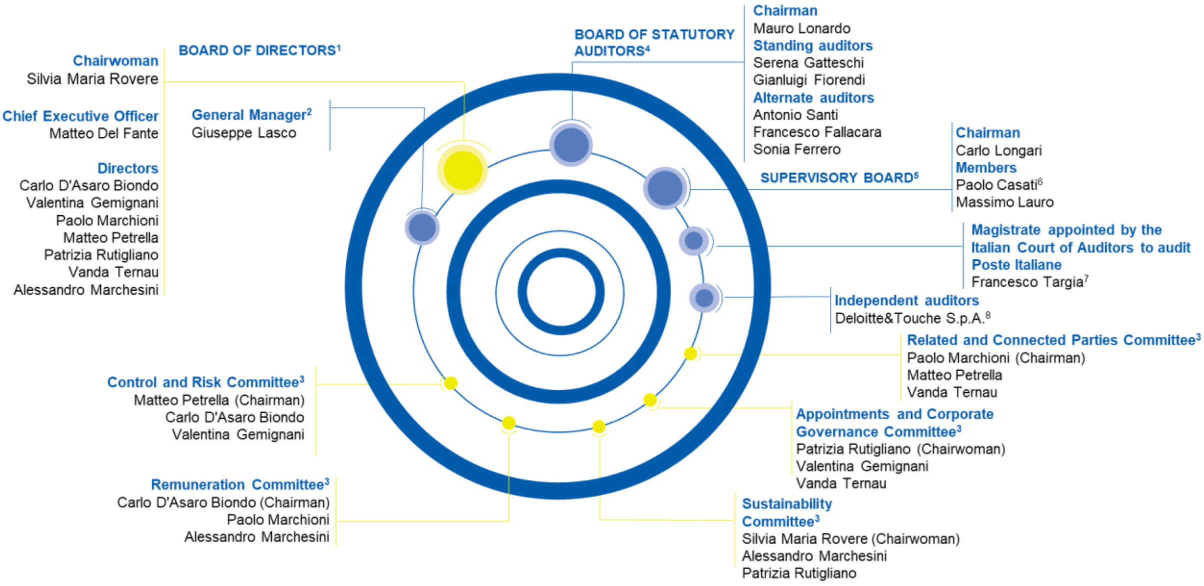
- preserving the effectiveness of the specialised model per industry, to protect the highest value customers;
- optimising the commercial coverage of Medium and Low-end Large customers, improving geographical coverage according to a proximity approach;
- strengthening the direct sales network dedicated to express courier and parcel offers by redistributing portfolios and rebalancing between parcel and mail sellers.

It is worth mentioning the creation, reporting directly to the General Manager, of the Chief of GM Staff function, as well as Group Risk and Compliance and Group Sustainable Development function, the latter established in line with the process launched by the Company in recent years to strengthen the Poste Italiane Group's risk governance model and Sustainable Development strategy, with the aim of constantly improving sustainability performance, in line with the provisions of the ESG Strategic Plan.

In addition, the Board of Directors, at its meeting held on 12 December 2024, assigned to the Head of the Group Sustainable Development function the role of Sustainability Reporting Manager, with the task of certifying, in line with the provisions of the Consob Model, with a specific report, that the Sustainability Statement included in the report on operations is drafted in compliance with the reporting standards applied pursuant to current regulations.

[5] These are the Mail, Communication and Logistics functions for the offer of mail, parcels and commercial communication services and BancoPosta as placement intermediary for the financial and insurance offer. The other two business areas are covered by PostePay for the payments, telephony and energy sales services offering and by Poste Vita Group for the insurance range.

4.2 Poste Italiane's Corporate Governance



1. The Board of Directors was elected by the Ordinary Shareholders' Meeting held on 8 May 2023 to serve for a period of three years, and will remain in office until the Annual Shareholders' Meeting's approval of the financial statements for the year ended 31 December 2025. Board Member Armando Ponzini resigned from his office effective as of 31 July 2024. Mr. Ponzini, in his role as Chairman of the Related and Connected Parties Committee, was replaced - as of 1 August 2024 - by Director Paolo Marchioni, as resolved by the Board of Directors on 29 July 2024. The Board of Directors, in its meeting of 26 March 2025, appointed - in replacement of the resigning Armando Ponzini – Alessandro Marchesini as member of the Board of Directors of Poste Italiane S.p.A., who will remain in office until the next Shareholders' Meeting.
2. The Board of Directors, upon the proposal of CEO Matteo Del Fante. who concurrently resigned as General Manager, by resolution of 28 February 2024 appointed Giuseppe Lasco as **General Manager**, formerly Joint General Manager. Director General Giuseppe Lasco participates in Board meetings without voting rights.
3. Committee members were appointed by the Board of Directors' meeting of 30 May 2023. See also note 1 on the Related and Connected Parties Committee. At its meeting of 26 March 2025, the Board of Directors resolved to appoint Director Alessandro Marchesini as a member of the Remuneration Committee, which will therefore be composed of the following Directors: Carlo d'Asaro Biondo (as Chairman), Alessandro Marchesini, Paolo Marchioni. At the same meeting of 26 March 2025, the Board of Directors resolved to replace Director Paolo Marchioni with Director Alessandro Marchesini as part of the Sustainability Committee's composition; the Sustainability Committee, therefore, will be composed of the following Directors: Silvia Maria Rovere (as Chairwoman), Alessandro Marchesini, Vincenza Patrizia Rutigliano.
4. The Board of Statutory Auditors was elected by the Ordinary Shareholders' Meeting of 27 May 2022 to serve for a period of three years and will remain in office until the Shareholders' Meeting's approval of the financial statements for the year ending 31 December 2024.
5. The Supervisory Board was renewed by the Board of Directors' at the meeting of 28 September 2022 for a three-year term and will remain in office until 28 September 2025. All members were confirmed.
6. The only internal member, Head of Poste Italiane S.p.A.'s Internal Auditing.
7. Assigned by the Court of Auditors with effect from 1 January 2024.
8. 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.

The Corporate Governance structure reflects the provisions of Legislative Decree no. 58 of 24 February 1998 (the Consolidated Law on Finance), where applicable, the Supervisory Provisions issued by the Bank of Italy and applicable to Poste Italiane in view of the activities conducted by BancoPosta RFC (Patrimonio destinato BancoPosta), the legislation applicable to electronic money institutions as regards the activities carried out by Poste Italiane in implementation of the agreements entered into with PostePay – the ring-fenced EMI, and the recommendations of the Corporate Governance Code in force as of 1 January 2021.

Poste Italiane has adopted a traditional governance model, separating the roles of the Board of Directors and the Board of Statutory Auditors. The Company's accounts are audited by an independent auditing firm.

Poste Italiane's financial management is overseen by the Italian Court of Auditors (Law 259 of 21 March 1958); the relevant controls are conducted by a Magistrate appointed by the Court of Auditors, who attends meetings of the Board of Directors and the Board of Statutory Auditors.

The Board of Directors and Board of Statutory Auditors are elected and dismissed by the Shareholders' Meeting, which is also responsible for engaging the independent auditor and determining the related fees. The Shareholders' Meeting also approves the annual financial statements, amendments to the Company's By-laws and transactions of a non-recurring nature, such as rights issues, mergers and demergers in cases where the law does not grant the relevant authority to the Board of Directors.

The Board of Directors consists of nine members[6] (eight non-executives and one executive) and normally meets once a month to examine and resolve on the operating performance and vote on resolutions regarding the results of operations, proposals relating to the organisational structure and transactions of strategic importance.
The Board met 11 times in 2024. Of the nine members of the Board, seven meet the independence requirements of the TUF, the By-laws and the new Corporate Governance Code.

In accordance with the provisions of the Italian Civil Code, the Board of Directors has delegated certain executive powers to the Chief Executive Officer and has established, in accordance with the recommendations in the Corporate Governance Code and the Bank of Italy's supervisory standards, five Board Committees to provide proposals and advice: the Appointments and Corporate Governance Committee, the Remuneration Committee, the Audit and Risk Committee, the Sustainability Committee and the Related and Connected Parties Committee.

5 Board committees with propositional and advisory functions

The role of the Chairwoman of the Board of Directors is to lead and oversee the Board of Directors. She is the Company's legal representative and exercises the powers provided for by law and the Company's By-laws, and those assigned by the Board of Directors' meeting of 8 May 2023.

The Chief Executive Officer has the powers for the administration of the Company except for those otherwise attributed by law and by the By-Laws and except for the powers that the Board of Directors has reserved to itself. The Chief Executive Officer is also the Company's legal representative within the scope of the powers delegated to him.

The Board of Directors, upon the proposal of the Chief Executive Officer, who concurrently resigned as General Manager, by resolution of 28 February 2024 appointed Giuseppe Lasco as General Manager, formerly Joint General Manager. The General Manager Giuseppe Lasco participates in Board meetings without voting rights. From that date, all organisational structures report to the General Manager - who reports to the Chief Executive Officer - with the exception of (i) the Internal Auditing function (which reports directly to the Board of Directors under the supervision - with the aim of liaising with the Board of Directors - of the Chairwoman) (ii) the corporate function dedicated to the international development of the Poste Italiane Group's activities, which reports to the Board of Directors (iii) BancoPosta RFC, and thus the entire BancoPosta function, which continues to report to the Chief Executive Officer; (iv) the insurance, asset management, payments and e-money businesses, which continue to report to the Chief Executive Officer.

The Board of Statutory Auditors has three standing members and three alternates. The Board verifies compliance with the law, the Company's By-laws and with correct corporate governance principles, also verifying the adequacy of the organisational structure and administrative and accounting systems adopted by the Company and their functionality. During the year, the Board of Statutory Auditors met 35 times, 10 of which jointly with the Control and Risk Committee.

The Supervisory Board has three members. It is endowed with autonomous powers of initiative and control, supervises the functioning of and compliance with the Organisational Model pursuant to Legislative Decree 231/2001 and updates it in line with changes in the organisational structure and the relevant regulatory framework, by making justified proposals to the Chief Executive Officer, who submits them to the Board of Directors.

[6] In replacement of Director Armando Ponzini, who resigned from office as of 31 July 2024, the Board of Directors, in its meeting of 26 March 2025, appointed by co-optation Alessandro Marchesini who will remain in office until the next Shareholders' Meeting.

The statutory audit of the accounts is entrusted for the years 2020-2028 to the auditing firm Deloitte & Touche S.p.A. for the entire Group. The aforementioned appointment was made pursuant to Legislative Decree 39/2010 implementing Directive 2006/43/EC and European Regulation 537/2014 on public interest entities and the audit of public interest entities, in force since 17 June 2016.

With regard to BancoPosta RFC's governance, the rules governing the organisation, management and control of BancoPosta's operations are contained in the specific BancoPosta RFC Regulation in the **Report on Operations of BancoPosta RFC**, to which reference is made.

As a result of the new Supervisory Provisions applicable to BancoPosta RFC, issued by the Bank of Italy on 27 May 2014, Poste Italiane, in providing financial services to the public, is comparable – for the purposes of application of corporate governance regulations – to a major bank in terms of size and operational complexity.

For further details on the corporate governance structure, reference is made to the document "*Report on Corporate Governance and Ownership Structure - Year 2024*".

4.3 Poste Italiane's business model

The value creation process at Poste Italiane

KEY INPUTS

CROSSWISE

- Share capital (owned, floating)
- Debt capital
- Expense of the Universal Postal Service
- Postal savings and deposits
- Insurance premiums
- Properties, post offices,branches and ATMs
- Logistics network

SOCIAL

- Talent
- Specialist and managerial skills
- Experience
- Integrity
- Health and safety
- Relations with entities and institutions
- Union relations
- Relations with other stakeholders
- Hardware IT infrastructure
- IT software systems

ENVIRONMENTAL

- Renewable energy
- Fossil energy
- Materials

GOVERNANCE

- Integrity and transparency
- Intellectual property rights
- Corporate governance system

KEY OUTCOMES

SOCIAL

- Talent
- Specialist and managerial skills
- Experience
- Integrity
- Health and safety
- Partnerships and collaborations
- Collaborative business climate
- Stakeholder engagement
- Accessibility and availability services
- Digitalisation

CROSSWISE

- Revenue
- Assets
- EBIT
- Territorial capillarity

ENVIRONMENTAL

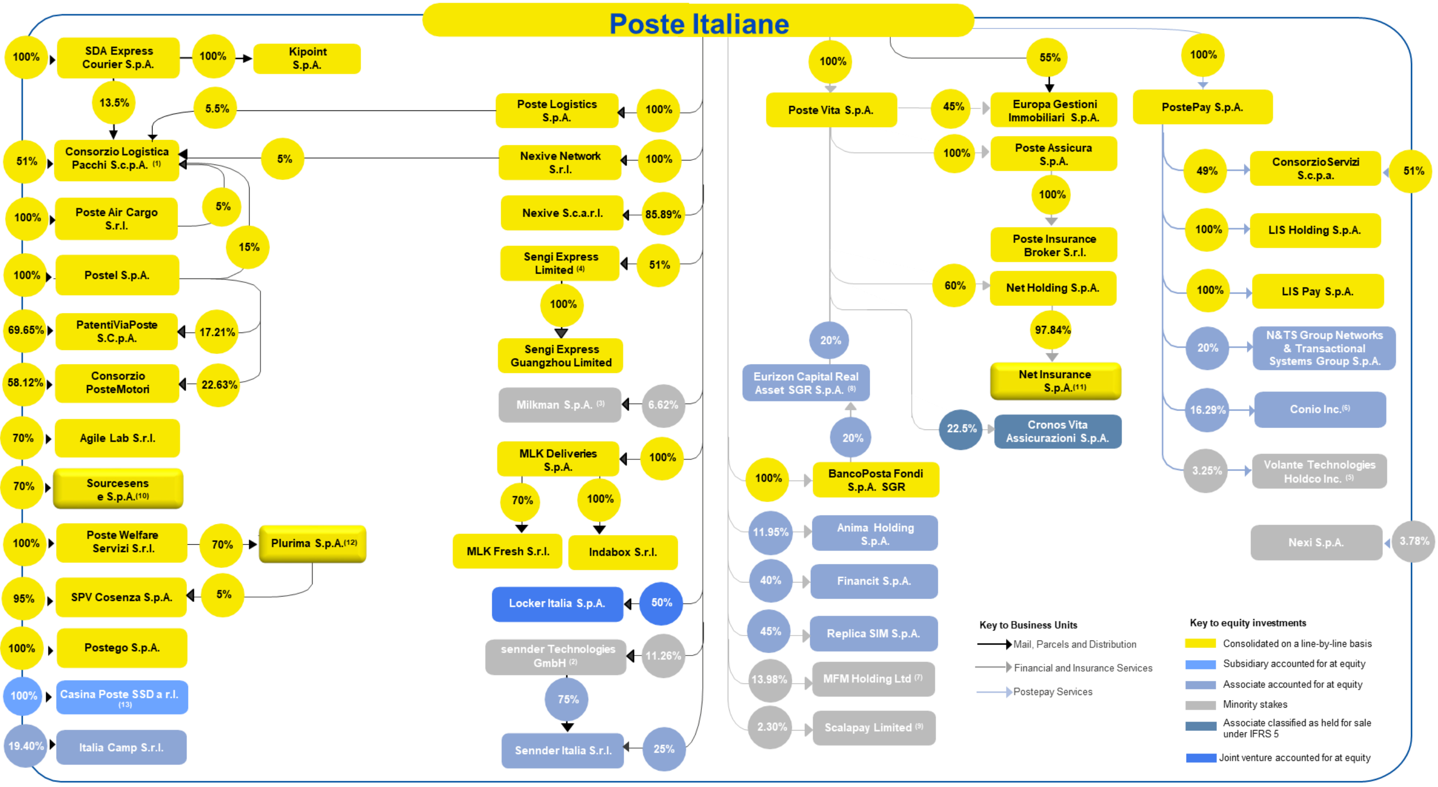
- Emissions
- Waste

GOVERNANCE

- Reputation
- Compliance
- Innovation

4.4 Group structure

At 31 December 2024, the Group held, directly and indirectly, equity investments in 57 companies and consortia, of which 39 are consolidated on a line-by-line basis, one is a subsidiary and valued using the equity method, 9 are associates and valued using the equity method, one is an associate classified under assets held for sale pursuant to IFRS 5, one is subject to joint control valued using the equity method and 6 represent minority stakes. In addition, Poste Italiane fully consolidates, as of 30 September 2024, 11 Multi-Asset Funds (MAFs) as further detailed below and in the consolidated financial statements at 31 December 2024.



(1) The remaining 5% of Consorzio Logistica Pacchi S.c.p.A. is held by Poste Assicura S.p.A.
(2) The investment in sennder Technologies GmbH fully diluted is equal to 9.74%.
(3) The investment in Milkman S.p.A. fully diluted is equal to 6.03%.
(4) The investment in Sengi Express Limited is equal to 51% of the shares with voting rights (40% of equity rights).
(5) The investment in Volante Technologies Inc fully diluted is equal to 2.02%.
(6) The investment in Conio Inc fully diluted is equal to 14.53% at 31 October 2024.
(7) The investment in MFM Holding Ltd is equal to 13.98% of the shares with voting rights (14.81% of equity rights).
(8) The investment in ECRA is equal to a total of 40% of the share capital (24.5% of voting rights distributed in equal parts between the shareholders).
(9) The investment in Scalapay Limited fully diluted is equal to 2.15%.
(10) Sourcesense S.p.A. wholly owns Sourcesense Digital S.r.l., Sourcesense Technology S.r.l., Sourcesense Limited (UK) and Sourcesense Platforms S.r.l. and holds 33.3% in Consorzio Italia Cloud.
(11) Net Insurance S.p.A. wholly owns Net Insurance Life S.p.A.
(12) Plurima S.p.A. wholly owns Bridge Technologies S.r.l. and Logos S.r.l.
(13) Casina Poste Società Sportiva Dilettantistica a Responsabilità Limitata is wholly owned through Poste Italiane S.p.A. 72%, PostePay S.p.A.7%, Postel S.p.A.7%, Poste Vita S.p.A. 7% SDA Express Courier S.p.A. 7%.

The following table describes the activities of the Group companies, including them within the respective Business Units, described in the paragraph "Omnichannel approach and operating segments", to which reference is made for further information.

To find out more

	SDA Express Courier S.p.A.	A Group company that mainly carries out activities in the service of logistics processes in the Express Courier sector in relation to the Poste Italiane branded Parcels offer. It also offers dedicated logistics services with customised integrated logistics solutions.

MAIL, PARCELS AND DISTRIBUTION	Postel S.p.A.	Company operating in the business communications sector mainly oriented towards companies and Public Administration, to which it provides a full suite of services from printing, delivery, electronic document management (GED), incorporating integrated Data Driven Marketing solutions.
	Poste Air Cargo S.r.l.	This company provides commercial air transport, cargo courier transport and insures, as the Group's sole provider, the air logistics in support of mail and parcel delivery.
	MLK Deliveries S.p.A.	Company that carries out home delivery activities for e-commerce through innovative and technologically advanced delivery services, such as Scheduled Delivery, which allows customers to customise deliveries by choosing the date and time of receipt and Same Day (the same day on which the purchase is made) and to have a detailed tracking service. On 31 January 2024, the company formalised the partnership with Mazzocco S.r.l., through the establishment of the vehicle MLK Fresh S.r.l., through which the parties offer advanced delivery services in Italy dedicated to the fresh food segment in the B2C e-commerce and/or scheduled deliveries market.
	Poste Welfare Servizi S.r.l.	Company that manages Supplementary Medical Funds, services for the acquisition and validation of databases, services and liquidation of services on behalf of private medical funds; it also supplies services for the management of Poste Vita Group health and welfare products. Following the transfer in January 2022 by Poste Vita in favour of Poste Italiane of 100% of the shares held in Poste Welfare Servizi, said company, as from 2022, is included within the Mail, Parcels and Distribution Strategic Business Unit.
	Plurima S.p.A.	Company operating in the field of healthcare logistics and document storage and management services for public and private hospitals. Wholly owns Bridge Technologies S.r.l. and Logos S.r.l.
	Nexive Network S.r.l.	Operating Company which, as of 1 October 2021, carries out the management and coordination of the new delivery network, made up of Nexive's external partners, used to support the "last mile" phase of Poste Italiane's delivery process for postal products and small parcels.
	Europa Gestioni Immobiliari S.p.A.	This company manages and optimises Poste's real estate assets that are not instrumental; it carries out town planning and construction transformations, in order to assure the relative marketing (new leases and sales).

Nexive S.c.a.r.l.	Consortium company that coordinates the activities of consortium members for postal delivery activities mainly for Public Administration customers, awarded through participation in public tenders.
Sourcesense S.p.A.	Sourcesense is a company operating in the Information Technologies sector in Italy and the UK with significant expertise in developing cloud-native solutions based on open source technology. Wholly owns Sourcesense Digital S.r.l., Sourcesense Technology S.r.l., Sourcesense Limited (UK) and Sourcesense Platforms S.r.l. and holds 33.3% in Consorzio Italia Cloud.
Agile Lab S.r.l.	The company specialises in Data Management, offering tailor-made technology solutions that exploit artificial intelligence, as well as reselling services for open source software products developed by technology partners.
PatentiViaPoste S.c.p.A.	Non-profit consortium that provides centralised printing services, the dispatch and delivery of new licences and copies of log books. The contracted activities are terminated during 2022 with the exception of the Driver's Licence Delivery service extended to 30 June 2023. As of November 2023, this service was awarded to Poste Italiane S.p.A.; the subsidiary will ensure the completion of some work.
Consorzio PosteMotori	This is a non-profit consortium that manages and reports on the payment of prices due by users for the cases within the competence of the Transport Department of the Ministry of Infrastructure and Transport (e.g. issue of "pink sheets", issue and renewal of copies of driving licences, registrations, MOTs, etc.). As provided for in the Contract of Assignment prot. 5266 of 13 July 2021, the activities covered by this agreement were completed on 31 March 2022; however, activities pending development are in progress.
Sengi Express Limited	Company based in Hong Kong that deals with the creation and management of cross-border logistics solutions for Chinese e-commerce players active in the Italian market. It offers a complete range of services to Chinese e-commerce operators, tailored to the specific needs of individual merchants, with competitive commercial solutions for each stage of the logistics chain connecting China to Italy.
Sengi Express Guangzhou Limited	Company, based in China, of Sengi Express Limited to which it provides business support services (operations, IT services, back office, administrative services, etc.).
Consorzio Logistica Pacchi S.c.p.A.	Consortium that coordinates the activities of the consortium members (Poste Italiane, SDA, Postel, Poste Air Cargo, Poste Assicura and Nexive Network) in transport overland and by air of postal effects, integrated

	logistics, printing and envelope filling, electronic document management, e-commerce, marketing and telemarketing.
Indabox S.r.l.	This company develops IT and telematic systems offering logistics support to e-commerce, proposing to customers a collection service of parcels purchased online from authorised retailers.
Kipoint S.p.A.	Company that offers, through a network of franchise stores, the sale of national and international deliveries, packaging and wrapping. Kipoint is also Punto Poste. In addition, following the stipulation of the contract with Grandi Stazioni, it also manages luggage deposits at major railway stations.
sennder Technologies GmbH sennder Italia S.r.l.	The Companies carry out national and international long-distance road transport activities. The business model is based on highly digitised processes and proprietary IT platforms, creating optimised management of processes and distances covered.
Italia Camp S.r.l.	Organisation that develops social innovation processes with a positive impact for the country, creating connections between institutions, companies, associations and universities.
SPV Cosenza S.p.A.	Company dedicated to the performance of all services covered by the public-private partnership contract for the management and rationalisation of integrated healthcare logistics for the Cosenza Provincial Health Authority.
Postego S.p.A.	Company dedicated to the provision of long-term vehicle rental services, initially to Poste Italiane and Group companies, in order to meet their needs in terms of operating, service and mixed-use vehicles. The service consists of the complete management of the vehicle fleet, from the vehicle order phase and its delivery by interacting without intermediaries with vehicle manufacturers, to the maintenance of the vehicle throughout its life and still guaranteeing mobility to the customer in the event of vehicle stoppage, up to the resale of the vehicle at the end of its service cycle.
Casina Poste SSD a.r.l.	Amateur sports club dedicated to the organisation and management as well as the promotion, enhancement and dissemination of amateur sports activities.
Poste Logistics S.p.A.	Company dedicated to integrated logistics activities for the Poste Italiane Group. The logistics business covers inbound, warehouse handling, Full Truck Load (FTL) and Less Than Truck Load (LTL) transport, warehousing and international logistics activities. It benefited from the business unit of SDA Express Courier S.p.A. relating to the integrated logistics business, through a partial demerger transaction.

	Locker Italia S.p.A.	Investee of Poste Italiane S.p.A. and Deutsche Post International BV with equal stakes of 50% respectively - dedicated to the development in Italy of a network of lockers for last mile deliveries of parcels.
FINANCIAL SERVICES	BancoPosta RFC	On 14/04/2011, Poste Italiane S.p.A.'s Shareholders' Meeting resolved to set up assets for BancoPosta business as governed by Presidential Decree 144 of 14 March 2001 and determined the assets and legal relations included therein and the rules of organisation, management and control. On 1 October 2018, the set of activities, assets, goods and legal relations constituting the electronic money and payment services business unit was contributed to an earmarked asset within the subsidiary PostePay S.p.A. in order to enable the latter to operate as an Electronic Money Institution (EMI). On 28 May 2021, Poste Italiane's Extraordinary Shareholders' Meeting approved the removal of the restriction on the allocation of BancoPosta RFC regarding activities, assets and legal relations constituting the "Debit Business" in order to confer the latter in favour of PostePay S.p.A., effective 1 October 2021.
	BancoPosta Fondi S.p.A. SGR	Asset management company that operates through the establishment and management of mutual investment funds and the individual portfolio management service relative to institutional mandates assigned to the Group.
	Replica SIM S.p.A.	A securities brokerage company, it is active in proprietary and third-party brokerage and asset management as investment manager and execution broker for the management of a number of investment funds.
	Financit S.p.A.	Company, part of the BNP Paribas Group, which operates in the salary or pension-backed loan and delegation of payment sector.
	Eurizon Capital Real Asset SGR S.p.A.	Company specialising in investments supporting the real economy, it sets up and manages Alternative Investment Funds (AIFs) for private and institutional clients.
	Anima Holding S.p.A.	Investment holding company in the asset management sector. It controls 100% of Anima SGR, which, in turn, controls 100% of Anima Asset Management Ltd.
	Moneyfarm Holding LTD	Digital asset management company, specialised in ETF (Exchange Traded Funds) portfolios.
	Scalapay Limited	Company operating in several European countries in the Buy Now Pay Later ("BNPL") market on on-line and physical channels, allowing end

		customers to pay for a product/service in three interest-free monthly instalments.
INSURANCE SERVICES	Poste Vita S.p.A.	Insurance company that provides insurance and reinsurance in Life classes.
	Poste Assicura S.p.A.	Insurance company that provides personal protection (health and accident), property protection (home and assets) and credit protection (insurance of loans and mortgages from unforeseen events).
	Poste Insurance Broker S.r.l.	Insurance broker for the distribution and brokerage of insurance and reinsurance.
	Net Holding S.p.A.	Holding company engaged in the holding and management of equity investments set up for the acquisition of Net Insurance S.p.A. On 3 February 2025, following the authorisations received from the regulatory authority, the resolution to liquidate and the appointment of the liquidator was registered with the Companies' Register. The liquidation is expected to be completed by the end of the first half of 2025.
	Net Insurance S.p.A.	An insurance company whose offer is dedicated to insurance coverage connected to the world of credit and, in particular, salary or pension-backed loans, protection and insurtech thanks to agreements with technological partners; it wholly owns Net Insurance Life S.p.A., an insurance company active in the life insurance classes that mainly offers insurance coverage connected and instrumental to the P&C products offered by the parent company Net Insurance S.p.A.
	Cronos Vita Assicurazioni S.p.A.	Corporate vehicle set up in August 2023 to complete the rescue of Eurovita. In October 2023, Cronos Vita S.p.A. changed its company name to Cronos Vita Assicurazioni S.p.A. as a result of the change in its corporate purpose, which now includes the provision of private insurance as well as the management of supplementary pension schemes.
POSTEPAY SERVICES	PostePay S.p.A.	A company that integrates electronic money and payment services, acting as an Electronic Money Institution (EMI) and Mobile Virtual Network Operator (MVNO) services, with the PosteMobile brand and Energy (electricity and gas) sale services through the Poste Energia service.
	LIS Holding S.p.A.	A company operating (directly or on behalf of third parties) top-up services for web accounts, telephone and digital TV and other third-party processing services dedicated to mobility, postal services and the issuance of stamps.

	In addition, it is the company that oversees the entire suite of terminals - with which the points of sale forming part of the PuntoLis network are equipped throughout the country - to provide PuntoLis services.
LIS Pay S.p.A.	Electronic money institution providing payment and electronic money services through the PUNTOLIS network, wholly owned by PostePay S.p.A.
ConsorzioServizi S.c.p.A.	Consortium for the supply of mobile telephony services, integrated messaging services, (device info services connected to financial instruments) exclusively for Poste Italiane, as well as, as of 1 July 2023, the natural gas supply service for Poste Italiane S.p.A. and, as of 1 January 2024, the electricity supply service for Poste Italiane S.p.A.
Volante Technologies Holdco Inc.	American company that wholly owns the company Volante Technologies LLC., specialising in the development of technological solutions underlying the payment and financial messaging processes on cloud and on-premise for the acceleration of digital transformation and the modernisation of financial services. Following the corporate restructuring, which took place in November 2023, PostePay S.p.A. became a shareholder of Volante Technologies Holdco Inc. with the same stake previously held in Volante Technologies Inc. now called Volante Technologies LLC.
Nexi S.p.A.	Company that carries out activities in the field of digital payments (PayTech), offers services and technology infrastructure for banks, enterprises and public administration. It operates in three market segments: Merchant Services & Solutions, Cards & Digital Payments and Digital Banking & Corporate Solutions.
Conio Inc.	American company that creates and offers innovative services in digital currencies. It wholly owns of Conio S.r.l. which is involved in the research, development and testing of results consisting of innovative electronic payment technology solutions (cryptocurrencies, bitcoin).
N&TS Group Networks & Transactional Systems Group S.p.A.	Company active in the IT sector as a software house specialising in electronic payments. Within the Italian market, it ranks among the leading providers of omnichannel technology solutions, serving both enterprises and financial sector players (including banks, Electronic Money Institutions and payment institutions)

Below are the main transactions that took place during the year and after 31 December 2024. It should be noted that the 2025 transactions had no impact on the Group structure at 31 December 2024.

MLK Fresh S.r.l.	On 31 January 2024, through the establishment of the NewCo named "**MLK Fresh S.r.l.**" ("MLK Fresh"), the partnership in the Fresh Food sector between

MAIL, PARCELS AND DISTRIBUTION

	MLK Deliveries S.p.A. (MLK) and **Mazzocco S.r.l.** ("Mazzocco"), an Italtrans Group company operating as a national refrigerated courier, was formalised. MLK Fresh, 70% owned by MLK and 30% by Mazzocco, is the vehicle through which the parties offer advanced delivery services in Italy dedicated to the fresh food segment in the Business To Consumer (B2C) e-commerce and/or scheduled deliveries market. These services are offered using: (i) the logistics infrastructure provided by the Italtrans Group company; (ii) the technology enabling the Scheduled and Same Day[7] delivery services provided by MLK; and (iii) commercial services mainly provided by Poste Italiane through its Business and Public Administration channel.
Locker Italia S.p.A.	On 18 April 2024 the company **Locker Italia S.p.A.** (also "**JV Poste Italiane - DHL**") was established - owned by Poste Italiane S.p.A. and Deutsche Post International BV with equal stakes of 50% respectively - dedicated to the development in Italy of a network of lockers for last mile deliveries of parcels managed by Poste Italiane S.p.A. and the e-commerce division of the DHL Group. The Poste Italiane - DHL JV is part of the broader strategic partnership in the Italian and international parcel market signed in 2023 between the Poste Italiane Group and DHL Group.
Poste Logistics S.p.A.	On 4 March 2024, **Poste Logistics S.p.A.** was established. - whose share capital is wholly-owned by Poste Italiane S.p.A. - dedicated to integrated logistics activities for the Poste Italiane Group, benefiting from the business unit of SDA Express Courier S.p.A. ("SDA") concerning the integrated logistics business, through a partial demerger transaction. With this transaction, the Group aims to strengthen its presence in the integrated logistics business, a business that covers inbound, warehouse handling, Full Truck Load (FTL) and Less Than Truck Load (LTL) transport, warehousing and international logistics. The partial demerger transaction, which was resolved by the Extraordinary Shareholders' Meetings of SDA and Poste Logistics S.p.A. on 27 March 2024, was formalised on 25 June 2024, effective as of 1 July 2024.
Postego S.p.A.	On 9 May 2024, **Postego S.p.A.**, a wholly-owned subsidiary of Poste Italiane, was established with the aim of progressively internalising the Poste Italiane car fleet (about 30 thousand delivery vehicles). The transaction will make it possible to accelerate the Poste Group's green transition, to select and customise technologies and vehicle models to the needs of Poste Italiane, as well as to modulate the duration of the related services, thus enabling the pursuit of economies of scale and synergies.
Plurima S.p.A.	On 17 June 2024, the Extraordinary Shareholders' Meetings of **Plurima S.p.A.**, respectively. ("Plurima") and Logos S.p.A. ("Logos"), a wholly-owned subsidiary of Plurima, resolved on the merger by incorporation of Logos into Plurima. The operation, whose merger project was approved by the respective boards of directors last May, is aimed at streamlining the management of the two companies, with the primary objective of achieving savings in structural costs and in the use of available resources.

[7] Scheduled Delivery allows the customer to customise the delivery by choosing the date and time of receipt and to have a detailed tracking service. Same Day (same-day delivery).

	SPV Cosenza S.p.A.	On 25 June 2024, **SPV Cosenza S.p.A**. was established, a company 95% owned by Poste Italiane S.p.A. and 5% by Plurima S.p.A., dedicated to the performance of all the services covered by the public-private partnership contract for the management and rationalisation of integrated healthcare logistics for the Cosenza Provincial Health Authority.
INSURANCE SERVICES	**Multi Asset Funds (MAF)**	During the course of 2023, the Poste Italiane Group launched a project to "replace" the Luxembourg-law **multi-compartment SICAV sub-funds**, in which Poste Vita S.p.A. had invested a portion of the assets (around €25 billion) pertaining to the Separately Managed Accounts, with 11 newly established Italian-law UCITS managed by BancoPosta Fondi S.p.A. SGR. The project ended on 13 September 2024 following the completion of the cross-border merger by incorporation of the SICAV's sub-funds into the new UCITS funds, through which the financial instruments and sums of money previously held in the SICAV's sub-funds were transferred to the latter. At 31 December 2024, the 11 UCITS are fully consolidated in the Consolidated Financial Statements of the Poste Italiane Group. For further details, please refer to the section "Basis of consolidation" in the Poste Italiane's Financial Statements at 31 December 2024.
	Net Insurance S.p.A.	On 22 January 2025, **Net Insurance S.p.A.** finalised the acquisition of a 19.99% stake in the share capital of IBL Assicura S.r.l. from IBL Banca S.p.A.
	Net Holding S.p.A.	An extraordinary shareholders' meeting of **Net Holding S.p.A.** ("Net Holding") was held on 14 November 2024, during which the shareholders, Poste Vita S.p.A. and IBL Banca S.p.A., resolved to dissolve Net Holding early and put it into liquidation. On 3 February 2025, following the authorisations received from the regulatory authority, the resolution to liquidate and the appointment of the liquidator was registered with the Companies' Register. The completion of the liquidation and the assignment to Net Holding's shareholders of the 97.8% stake it held in Net Insurance S.p.A. are expected by the end of the first half of 2025. On 18 March 2025, the Shareholders' Meeting of Net Holding approved the final liquidation balance sheet and the distribution plan.

Other transactions

On 28 February 2024, PostePay signed an agreement to acquire 20% of **N&TS GROUP Networks & Transactional Systems Group S.p.A.** ("N&TS GROUP"), a leading Italian company in software solutions for electronic payments. The transaction, the closing of which was 15 April 2024 following the fulfilment of conditions precedent, aims to enhance PostePay technological expertise in order to support its expansion strategy in the digital payments market.

On 10 December 2024, Poste Italiane S.p.A. exercised the early conversion of the loan issued by **sennder Technologies GmbH** into shares of the same as part of the broader capital increase transaction promoted by the company, totalling €39 million with the shareholder Scania as lead investor. Following the completion of these transactions, Poste Italiane S.p.A.'s stake in sennder Technologies GmbH was reduced from 10.2% to 9.7% on a fully diluted basis.

On 10 February 2025, the Board of Directors of Poste Italiane S.p.A. resolved to send to Banco BPM Vita S.p.A. ("Banco BPM Vita") a letter of commitment to adhere to the Takeover Bid ("OPA") launched by the latter on the ordinary shares of **Anima Holding S.p.A**. The commitment is subject to the verification of certain conditions, including (i) Banco BPM Vita's acceptance of the letter of commitment; (ii) that the offer price be increased to bring it into line with current market prices;

and (iii) the fulfilment of all legal conditions, including the necessary authorisation resolution by the shareholders' meeting of Banco BPM S.p.A. ("Banco BPM"). It should be noted that on 11 February 2025, Banco BPM Vita sent Poste Italiane S.p.A. its acceptance of the letter of commitment and that Banco BPM's ordinary shareholders' meeting of 28 February 2025 approved the increase to €7.00 of the consideration per share offered under the Takeover Bid, as well as reserving for its Board of Directors the right to waive all or part of one or more of the voluntary effectiveness conditions attached to the Takeover Bid, which have not yet been satisfied. Moreover, on 13 March 2025, CONSOB approved the Information Document, disclosed to the market by Banco BPM on 14 March 2025, in which it announced - among other things - that the acceptance period for the Takeover Bid runs from 17 March to 4 April 2025 and that the payment of the consideration will take place on 11 April 2025 (unless the acceptance period is extended). In addition, the Board of Directors of Anima Holding met on 13 March 2025 and assessed as fair the consideration of €7.00 per share offered by Banco BPM. The fairness of the price was also assessed through the Fairness Opinion issued by Vitale&Co (as financial advisor appointed by the independent directors) and Goldman Sachs (as financial advisor appointed by the company's Board of Directors).

On 14 February 2025, the company **Patrimonio Italia Logistica - SICAF S.p.A. (externally managed)** was established - owned by Poste Italiane S.p.A. and Dea Capital Real Estate Sgr S.p.A., with initial stakes of 90% and 10% respectively - in which Poste Italiane will contribute all the largest sites of the primary network and a large part of the intermediate network for a total area of approximately 640,000 square metres.
This initiative is dedicated to accelerating and co-financing Poste Italiane's infrastructural and real estate transformation, while improving the operational efficiency and sustainability of the infrastructure itself.
The operation will also involve several operators specialised in logistics real estate development who will be able to contribute financial resources and specialised know-how and thus accelerate the site renewal process.

On 15 February 2025, the Board of Directors of Poste Italiane S.p.A. resolved to acquire 9.81% of the ordinary shares of **Telecom Italia S.p.A. ("Tim")** held by Cassa Depositi e Prestiti S.p.A. ("Cassa Depositi e Prestiti"). At the same time, the Board of Directors resolved to sell the entire stake held by Poste Italiane in **Nexi S.p.A. ("Nexi")** - equal to 3.78% of the share capital - to Cassa Depositi e Prestiti itself.

The consideration for the purchase of Tim's shares was recognised (i) partly through the proceeds from the transfer from Poste Italiane to Cassa Depositi e Prestiti of the stake in Nexi and (ii) partly through available cash (approximately €170 million).

The acquisition enables the development of the commercial relationship between Tim and Poste Italiane; in this regard, negotiations for the provision of services for Postepay S.p.A.'s access to Tim's mobile network infrastructure are at an advanced stage.
Taken as a whole, the transaction represents an investment of a strategic nature for Poste Italiane, with the aim of creating synergies between the companies and favouring, with all the players involved, the consolidation of the telecommunications market in Italy.

Intra-group transactions

On 24 January 2024, with the aim of standardising, evolving and engineering the operating processes of the Group's technology platforms, Postel sold its entire stake in **Address Software S.r.l.** to the parent company Poste Italiane S.p.A. This transaction was in preparation for the start of the process of merger by incorporation of Address Software S.r.l. into Poste Italiane S.p.A., which was formalised on 27 May 2024, taking effect for legal purposes on 1 June 2024, while for accounting and tax purposes it was backdated to 1 April 2024.

Taking into account the scope of operations of the investee company **Conio Inc.** ("**Conio**"), as well as the experimental, digital and innovative nature of the related business and the new projects under development, on 22 May 2024 Poste Italiane S.p.A. transferred to Postepay S.p.A. the entire stake held in Conio, equal to 16.29% of the relevant share capital.

On 27 June 2024, the deed of sale of a stake held by **SDA Express Courier** S.p.A. in the Consorzio Logistica Pacchi S.C.p.A. in the amount of 5.5% in favour of Poste Logistics S.p.A. was signed: thus, SDA's shareholding in the Consorzio increased from 19% to 13.5%.

Further partnerships

On 14 March 2024, Poste Italiane S.p.A. and the **Ferrovie dello Stato (FS) Group** signed two separate agreements:

- a Memorandum of Understanding in the area of passenger transport aimed at fostering the development of joint solutions in the area of electronic payments to make the experience of purchasing tickets from physical and on-line channels even simpler and more immediate;
- a Letter of Intent in the area of freight transport, for the development of a sustainable and digitalised logistics network and to enhance intermodality in logistics. In particular, Mercitalia Logistics (leader of the FS Group's Logistics Cluster) and sennder will work together to expand the intermodal freight logistics network in Europe.

On 1 August 2024, a Letter of Intent was signed, launching the collaboration between **Poste Italiane and ENI Live** for the supply of biofuels produced mainly from waste, such as used cooking oil and animal fats, and from agro-food industry residues that Enilive processes in its biorefineries. In particular, for road transport, the agreement provides for the supply of HVOlution diesel from renewable raw materials, available at more than 1,000 service stations in Italy, which will be managed through Multicard, Enilive's commercial card service. For air transport, the collaboration also concerns the supply at some Italian national airports of JET A1+Eni Biojet, the SAF (Sustainable Aviation Fuel) component of which is produced by Enilive from 100% biological materials and suitable for use in blends with conventional jet fuel, up to 50%.

4.5 Omnichannel approach and operating segments

4.5.1 Omnichannel strategy

THE POSTE ITALIANE OMNICHANNEL PLATFORM STRATEGY

25.2 mln
daily interactions as part of the omnichannel approach

Poste Italiane has embarked on a process of transformation, as part of the Strategic Plan "2024-2028 The Connecting Platform" and aims to connect citizens, companies and the Public Administration by distributing products and services with an omnichannel model that allows customers to be served through the channel they prefer.

In 2024, Poste Italiane's omnichannel interaction platform reached 25.2 million total daily interactions (+9.1% compared to 23.1 million total daily interactions in 2023).

In Poste Italiane's omnichannel model, the new single app is a central asset, playing a key role in supporting Post Offices together with the physical points of Third-party Networks in engaging customers and managing their daily needs.

The strong digitisation of customers, accompanied by the growth in their satisfaction (the Customer Effort Score -CES - of the apps[8] increased by 9 p.p. compared to 2023; while the CES of the website increased by 13 p.p. compared to 2023),

[8] The Customer Effort Score is calculated as the difference between the percentage of customers who rated 9-10 (promoters) and the percentage of customers who rated 0-6 (detractors). The Customer Effort Score app refers to all apps weighted by visit volumes (Postepay app 54%, BancoPosta app 42%, Poste Italiane app 4%, December 2023).

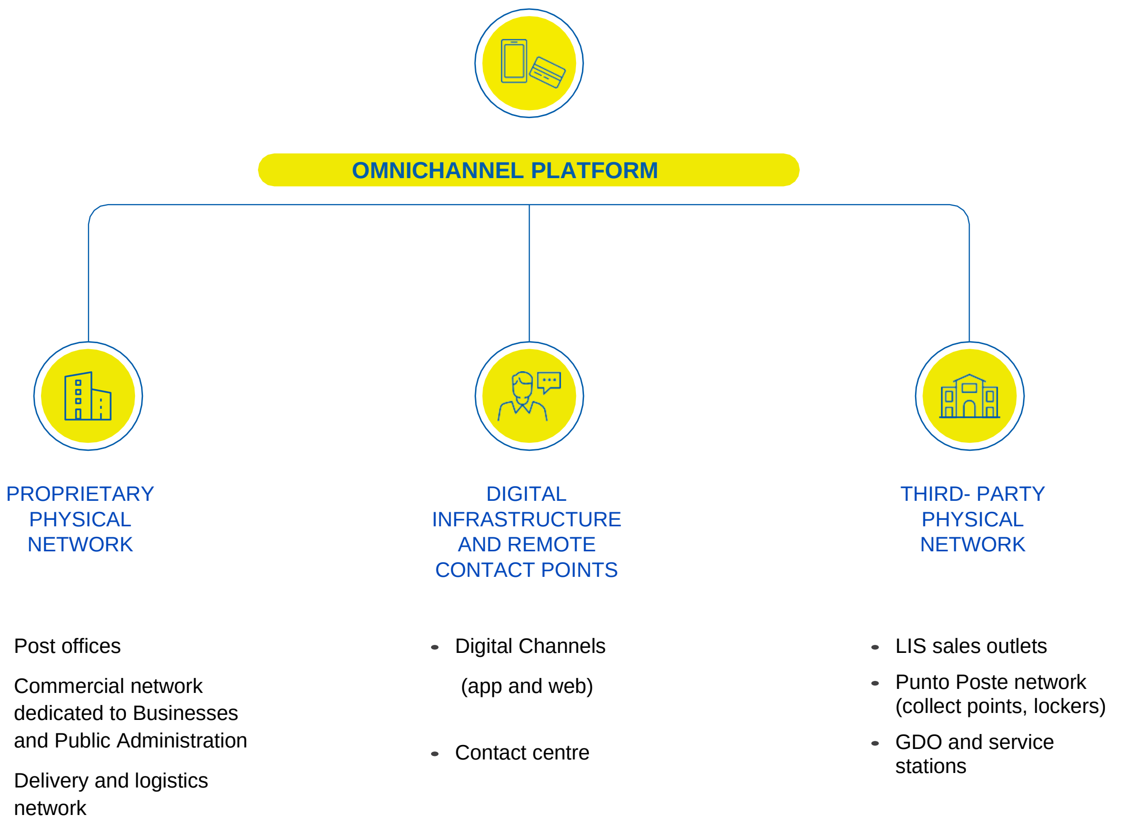
ensures the Group's daily interaction with its customers at all contact points. In 2024, the number of "hybrid" customers[9], who organically use both physical and digital channels according to their individual needs, stands at 12.2 million (+1.1% compared to 2023).

The service model is supported by a profound technological transformation based on a strong push for cloud adoption, investment in artificial intelligence, a next-generation data platform, acquisition of specialised companies and of key competencies.

The Poste Italiane app represents the "tip of the iceberg" of this transformation, enabling the integration of businesses and the transformation of Poste Italiane into a "Connecting Platform".

The development of the new single app, started in 2023 and nearing completion, aims to create the technological infrastructure on which all Poste Italiane services will converge to offer customers a single point of access. The new app adapts to the behaviour, digital channel usage habits and needs of the individual customer thanks to a high degree of customisation, also supported by the use of Artificial Intelligence, and is based on customisation logics such as dedicated functionalities, relational model, content and visual identity, as well as on a multitude of elements that can be combined together.

Below is a representation of the Group's omnichannel platform.



The Group's omnichannel platform provides for the monitoring of customers and the provision of services through **3 main types of channels:**

- the **proprietary physical network**: this consists of the Post Offices, the sales force for business customers and the logistics network for mail and parcel delivery;
- **a digital infrastructure and remote contact points**: made up of all the Group's digital channels (apps and web) and the contact centre, capable of serving the entire national population;

[9] Customers who had at least one access to digital channels and one visit to a Post Office during the year.

- **the third-party physical network**: made up of more than 49 thousand[10] points, the result of commercial partnership agreements for the marketing of Group products and services managed also through the acquisition of the company LIS.

4.5.1.1 PHYSICAL NETWORK OF POST OFFICES

12,755
Post Offices

The Post Office network is governed by the Post office network business function organised into Macro Areas, Branches and Post Offices covering the whole country.

	31 December 2024		31 December 2023	
	Unit	Personnel	Unit	Personnel
Post Office Network macro areas	6	492	6	491
Branch offices	132	4,282	132	4,239
Post offices	12,755	47,254	12,755	47,385
Total		**52,028**		**52,114**

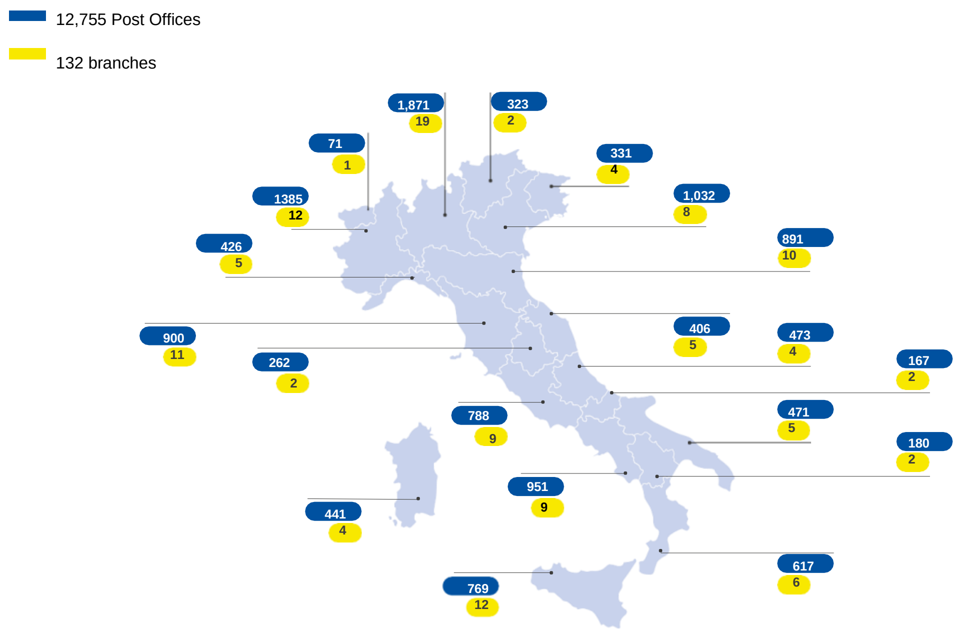
All workforce data is shown in full-time equivalent terms in thousands.

Overall, the staffing trend is substantially stable, considering the balance between recruitments, terminations and internal promotions from and to other areas/functions. The slight increase in the number of staff at the branches concerns certain figures linked to the projects for the evolution of the commercial service model, in particular consultants and coordinators aimed at premium customers and front-end specialists linked to the management of the Punto Poste Casa and Famiglia network.

MACRO AREAS POST OFFICE NETWORK

[10] Figures at 31 December 2024.

GEOGRAPHICAL DISTRIBUTION OF POST OFFICES AND BRANCH OFFICES



Among the strategic points underpinning the current plan "2024-2028 Strategic Plan - The Connecting Platform" approved in March 2024, of particular note is the development of the new business service model that aims to optimise retail customer coverage and transform the post office from a space dedicated to transactions to a relational place, maximising the value of the Group's omnichannel platform.

In this regard, retail portfolios were redefined on the basis of specialisation in higher-value customers in 2024. In the area of premium consulting, the new model was launched by updating the zones and portfolios as follows.

approx. 20 thousand private customer portfolios at 31 December 2024

In July 2024, the first phase of the new Private customer portfolios was launched, which involved the inclusion of approximately 7,500 customers within the Premium portfolios[11] and in the last quarter of 2024, this process of optimising specialist customer coverage and maximising customer value continued with a further approximately 3,500 customers for a total of approximately 11,000 Private customers placed within the Premium portfolios, augmented by roughly 9,000 customers already in portfolios for a total of around 20,000 customers in portfolios at 31 December 2024.

In the area of retail advisory services, in December 2024, the new customer portfolios of Post Offices with advisory rooms manned by specialists were implemented, with a substantial increase in the dynamic portfolios[12] consisting mainly of affluent customers, which rose from 1,156 at the beginning of the year to 1,893 at the end of December 2024. In addition, the new model of the mobile advisory specialist[13] (SCM) was launched in Post Offices without a room and in those belonging to the basic channel[14], with the creation of 696 commercial areas:

[11] Portfolio assigned to the Premium Manager composed of Premium/Private customers who hold assets of equal to or greater than €500 thousand in Poste Italiane.
[12] The dynamic portfolio consists mainly of Affluent customers, i.e. customers with Poste Italiane assets of between €100 thousand and €500 thousand.
[13] Mobile advisory specialists are on the move, ensuring the commercial coverage at Post Offices without a room and in those belonging to the basic channel.
[14] Smaller post offices in which the sale of MIFID products is only allowed through the Mobile Advisory Specialist (SCM). The other types are Office with room and Office without room in which the sale of MIFID products can also take place with the Postmaster.

- **554** "Gold" areas, characterised by the presence of two SCMs, which respectively manage a dynamic portfolio (Dynamic SCM), mainly dedicated to affluent customers, and a personal portfolio[15] (Personal SCM), mainly dedicated to Upper Mass customers[16];
- **142** "Silver" areas, characterised by the presence of a single SCM, which manages a dynamic portfolio (dynamic SCM) consisting mainly of Affluent customers.

64%
Specialist coverage on Affluent and Private customers

As a result of these actions[17], specialist coverage of Affluent and Private customers increased from 32% in 2023 to 64% in 2024 and was higher than the target set for 2024, confirming the trajectory envisaged over the course of the plan to better cover customers' needs by further developing customer segmentation and entrusting it to specialised financial advisors.

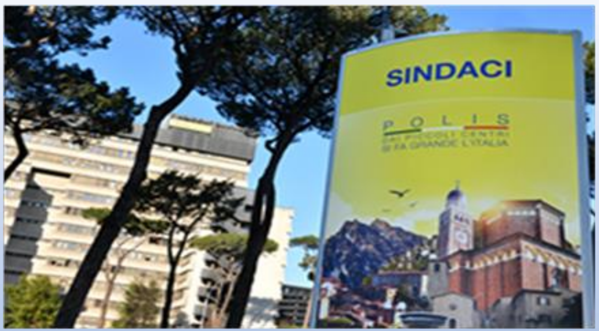
As part of the **front-end evolution**, in 2024 the process of skills development continued through the establishment of the Front-End Operator[18] to better manage innovative businesses (Motor TPL, Fibre and Energy) and an innovative offer format was implemented on 1,461 active counters of the Punto Poste Casa & Famiglia network[19] (of which about 240 will be activated during 2024) with about 2,500 Front-End Operators applied on the various points. The sale of the Bancoposta current account at some Poste Casa & Famiglia points was also implemented in 2024. The organisational model of the post office network called "Hub & Spoke (H&S)[20]", launched in 2020 to best exploit the potential of the territory and strengthen the commercial, operational and managerial presence, is based on an approach that guarantees, especially for smaller post offices, efficiency and operational continuity, thanks to the creation of basins of post offices.

In particular, the H&S project allows the Post Office Managers of the Hub Offices to proceed autonomously with the replacement of staff in their area of reference, and the gradual extension of the[21] secondment application to all of the approximately 1,000 Hub Offices and more than 6,000 Spoke Offices involved in the Project is planned between 2023 and 2024. In the third quarter of 2024, the extension of this application was completed on all active H&S basins[22] (about 1,043 Hub offices and about 6,666 Spoke offices).

[15] The Personal portfolio consists mainly of mass customers, in all Post Offices with a room.
[16] Mass customers are characterised by assets in Poste Italiane of less than €100 thousand and revenue generated of more than €100 per year.
[17] % of Private and Affluent customers managed by specialised financial advisors. The indicator is calculated as the ratio of customers managed by advisory specialists to the number of Private and Affluent customers.
[18] The Front-End Operator is the professional figure in the Punto Poste Casa&Famiglia network who focuses on the sale of products with a high relational content such as third-party motor liability, energy and fibre.
[19] The "Punto Poste Casa e Famiglia" project on the core network envisages evolution of the former Postepay corners towards a model dedicated to the marketing of products and services with a high relational content (Energy, Fibre, Motor TPL).
[20] Network management and development system in which connections are made, using by analogy an expression referring to the bicycle wheel, from the spoke to the hub and vice versa. In this specific case, the Hub Office Director is in charge of coordinating the staff of the Post Offices belonging to the same basin, in terms of planning staff attendance and managing replacements in the event of sudden absences.
[21] The Secondment Application is a web application that takes over the management process of the Post Office personnel applied daily at a Post Office other than the one of assignment.
[22] H&S basins consist of a Hub office and a number of Spoke offices that vary according to the geographical scope of the basin.

Polis Project - Houses of Digital Services

As part of the "**National Plan for Complementary Investments**" (Law Decree no. 59 of 6 May 2021, converted, with amendments, into Law no. 101 of 1 July 2021) of the **National Recovery and Resilience Plan** (NRRP), the **Polis Project - Houses of Digital Services** was approved with the aim of promoting the economic, social and territorial cohesion of the country and overcoming the digital divide in small towns and inland areas.



The two lines of intervention

Sportello Unico (One-stop shop): makes provision for the digital renovation and upgrading by 2026 of **6,933 Post Offices** to enable Italians resident in municipalities with **fewer than 15,000 inhabitants**, equipped with at least one Post Office, to easily use the services of the Public Administration. The Post Office will be transformed into a hub for physical and digital services, through the introduction of new technologies and tools to enable complete, fast, easy and digital use of services 24 hours a day.

Spaces for Italy: envisages the creation of a national network of **co-working** and training spaces with a widespread presence in Italy. Workstations, meeting spaces, shared services, event and training areas will be open to private individuals, companies and public administration, universities and research centres.

Initiatives planned until 2026

€1.2 bn	Financial investment plan
€0.8 bn	Public Funds in the National Plan Complementary to the National Recovery and Resilience Plan
6,933	Post offices involved with < 15,000 inhabitants
250	Coworking spaces
5,000	Charging columns
1,000	Photovoltaic plants
4,000	Digital showcases
7,000	Evolved ATMs
4,000	Self-service totems
1,000	Equipped outdoor spaces

Some PA services provided at the One-stop shop at 31 December 2024

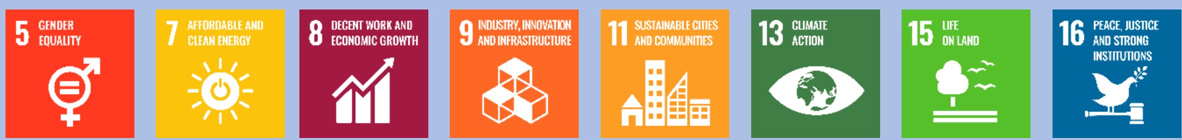
Identity Documents	Personal Data Certificates	Court Certificates	Social Security Certificates
Passport	Birth Citizenship Residence Civil Status Family status	Acts of voluntary jurisdiction	Model OBIS/M Pension Coupon Single Certification

Initiatives at 31 December 2024

- **One-stop Shop:** in the course of 2024, real estate and technology upgrades were started in Post Offices at 1,730 sites (a total of **3,496** works started since the beginning of the project) and works in 1,973 Post Offices were completed (a total of **2,918** works completed since the beginning of the project until the end of 2024).
- **Spaces for Italy**: during 2024 renovation work continued on the buildings owned by the Company and at 31 December 2024 a total of **120** building works had been commenced and **81** had been completed.

Sustainable Development Goals

With the Polis Project, Poste Italiane plays a leading role in the country's recovery for the benefit of citizens and their participation in public life by adopting a responsible approach in order to reduce its environmental footprint and contribute to the low-carbon transition of the economy and the entire country. The initiative is consistent with Poste Italiane's broader strategy of sustainable, digital and inclusive development.
The Polis Project generates significant impacts throughout the territory, also with a view to achieving the Sustainable Development Goals (SDGs).

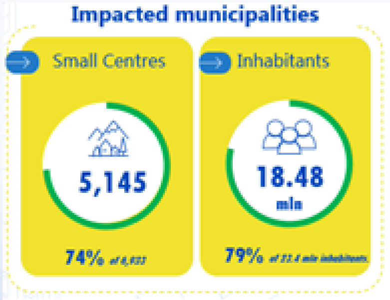


For more information on the project, please refer to the website under Polis project.

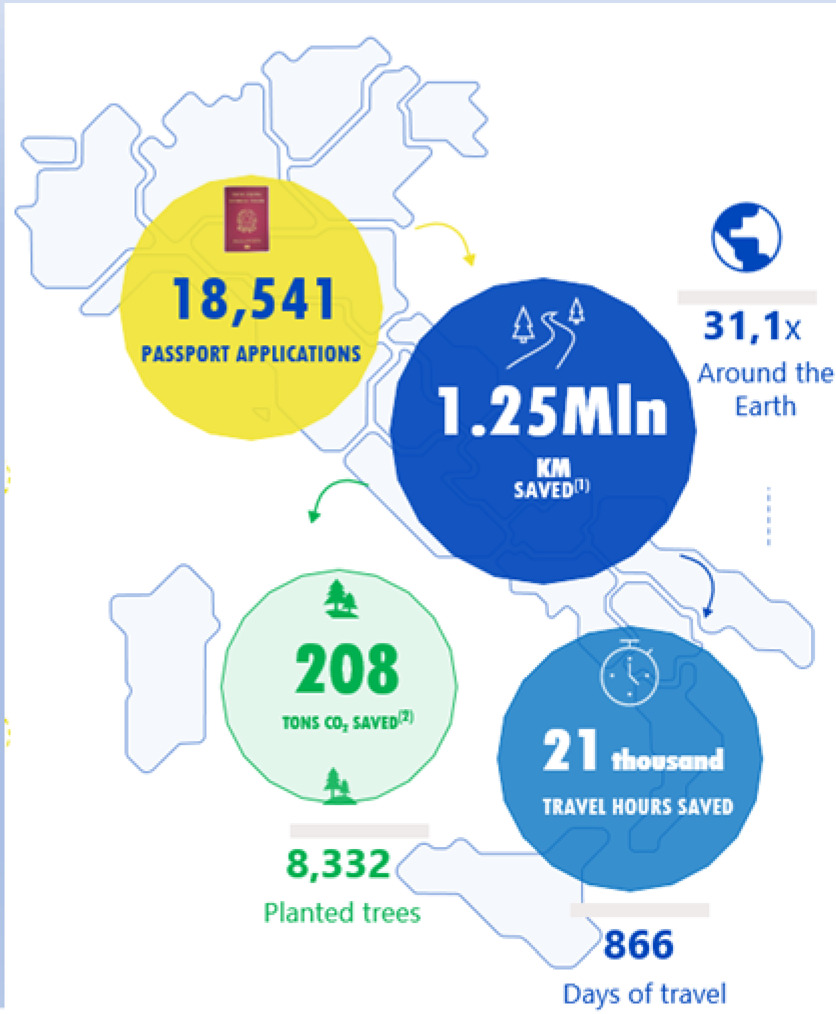
POLIS PROJECT - PASSPORTS

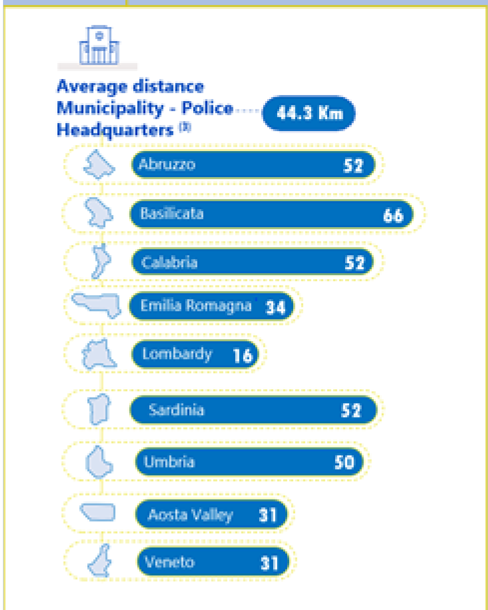
TANGIBLE IMPACT ON SMALL CENTRES

The Polis project is already having a concrete impact on more than 5,100 municipalities (74% of the total target) in terms of works and services provided.



Figures at 12 February 2025





(1) Calculated as a round trip from the city centre to the police headquarters
(2) Methodology for calculating avoided emissions ISPRA.gov.it
(3) Average calculated on municipalities with active service

Methodological Note

- *The assessments were based on the **106 police headquarters in Italy** and the **city centre of the 2,052 Small Centres** that currently issue passports.*
- *The **average distance** between each municipality and the reference police station was calculated using **real data from Google Maps**.*
- *For the **calculation of avoided emissions**, the ISPRA reference model was adopted, which estimates an emission of **167.1 grams of CO_2 per km travelled**.*
- *The figure for **avoided emissions** was converted to **planted tree equivalent**, assuming a conservative value of **25 kg CO_2 absorbed per year per tree**.*
- *The **time saving** was calculated by estimating the average journey time (round trip) by car departing at 8:00 am.*

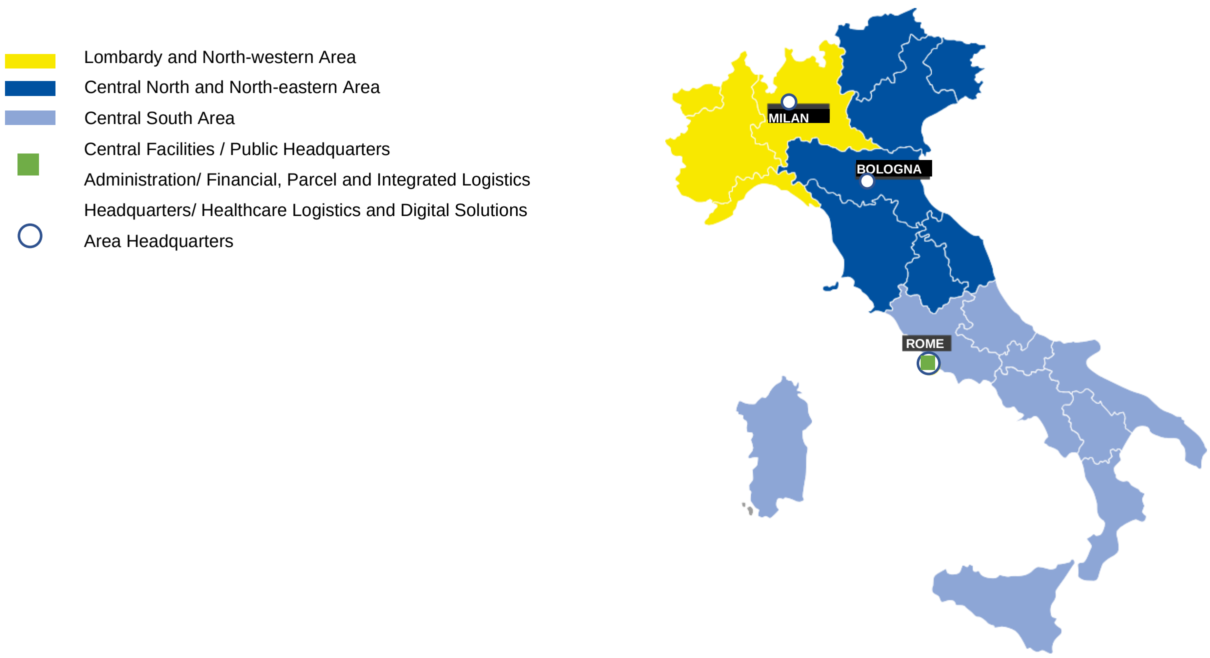
4.5.1.2 PHYSICAL NETWORK - BUSINESS AND PUBLIC ADMINISTRATION

The commercial supervision and sale of the Group's products and services to businesses and Central and Local Public Administration is guaranteed by Poste Italiane's Business and Public Administration function.

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

- 3 Sales Macro Areas (Lombardy North West, Central North and North East, Central and South), with exclusive commercial responsibility for mail and communication revenue;
- 1 Sales Area dedicated to the offer of Express Courier and Parcels (CEP) products/services;
- 1 Commercial area specialising in the offer of financial and insurance products for large business customers and Public Administration;
- 1 Commercial area for Central and Local Public Administration related to Metropolitan Regions and Cities;
- 3 Commercial areas specialising in health logistics, integrated logistics and digital solutions respectively.

MACRO AREAS BUSINESS AND PUBLIC ADMINISTRATION



4.5.1.3 THE LOGISTICS NETWORK

The Group's mail and parcel services are today provided through two synergistic logistics networks: the **postal logistics network** for the management of mail, now evolved to help manage small parcels and the **parcel logistics network.** The delivery of these small parcels in Italy can be carried out synergistically by the postal logistics network and the courier logistics network according to a dynamic approach, aimed at maximising efficiency for each individual area.

As part of the transformation plan for the Mail and Parcels segment and with the aim of making the Poste Italiane Group an integrated logistics operator, an important initiative was launched in 2023 to develop the **Integrated Logistics** market segment[23]. To strengthen the Group's presence in this *business*, Poste Logistics S.p.A. was created on 4 March 2024. For more information, please refer to the section 4.4 Group structure.

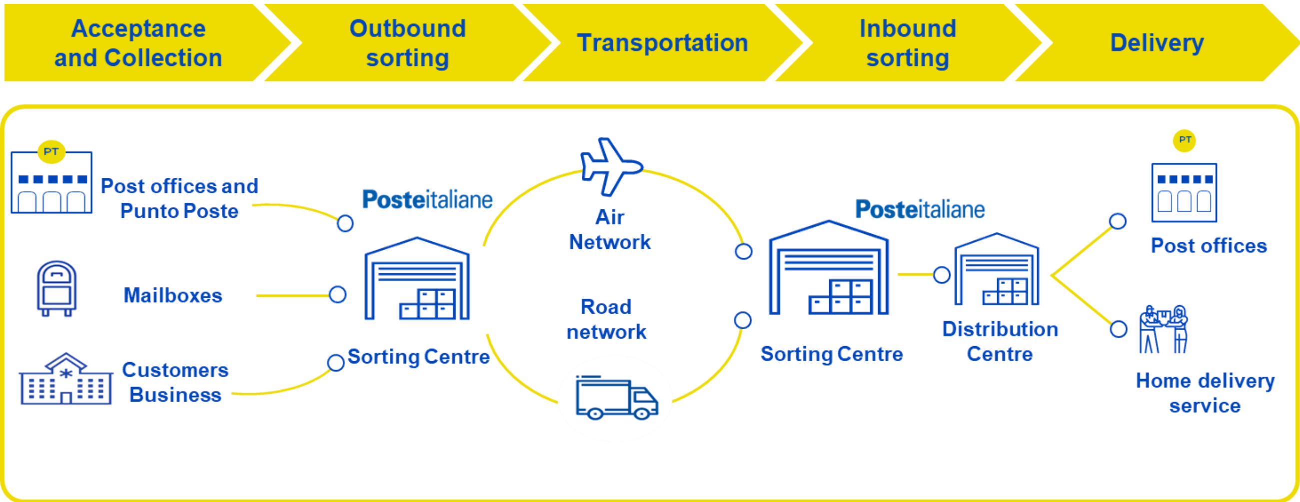
In addition, from the second quarter of 2022, the Poste Italiane Group entered the **healthcare logistics** market through the acquisition of the company Plurima, which has been operating in the hospital sector for several years, offering logistics solutions and services such as outsourced pharmaceutical warehouse management.

[23] It represents the integration of warehousing services (goods entry, warehousing, order management/arrangement, shipment preparation) and distribution services. B2B distribution is carried out through Poste Delivery Business express courier services or through FTL (Full Track Load) or LTL (Less Than Truck Load) services. B2C distribution is carried out through Poste Delivery Business express courier services.

As of February 2024, the Poste Italiane Group is also active in **fresh food logistics**, through the refrigerated transport service (PosteGoFresh[24]) offered through MLK Fresh. For more information, please refer to the period activities of the Mail, Parcels and Distribution Strategic Business Unit in the remainder of this document.

POSTAL LOGISTICS NETWORK ACTIVITIES

The postal logistics network accepts, sort and delivers mail products. The following chart provides an overview of the logistics network value chain and the main quantitative drivers.



KEY ELEMENTS OF THE POSTAL LOGISTICS NETWORK

ACCEPTANCE/COLLECTION	SORTING	TRANSPORTATION	DELIVERY
• **12,755** Post Offices and mailboxes • **111** Business acceptance points	• **16** Sorting Centres • **10** Operating Centres	• **5** aircraft, serving **7** routes • about **300** national road connections	• **1,320** Delivery Offices • ~ **31,000** postmen and postwomen on permanent and flexible contracts (average value in the period) • Third-party partner network managed by Nexive Network, (Op. Co.)

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

As can be seen from the table below, the number of staff at 31 December 2024 was up on the previous year. In particular, growth in the Sorting Centres and Delivery Centres took place as a result of active employment policies (the making

[24] The refrigerated transport service for home delivery of fresh food products purchased online.

permanent of staff that had worked on fixed-term contracts and transformations from part-time to full-time employment) and fixed-term hires for higher volumes/activities during the year-end peak period.

	31 December 2024		31 December 2023	
	Unit	Personnel	Unit	Personnel
Macro Areas for Logistics (*)	6	1,275	6	1,280
Sorting Centres	16	7,471	16	7,220
Operating Centres	10	1,088	10	1,082
Delivery Centres (**)	1,320	38,430	1,340	38,049
Total		**48,265**		**47,631**

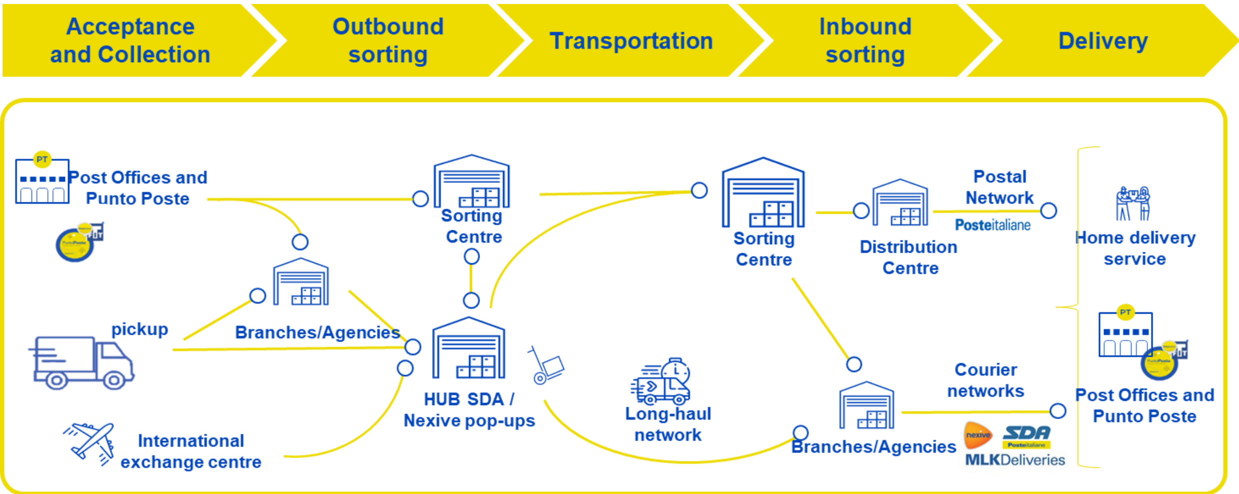
All workforce data is shown in full-time equivalent terms in thousands.

(*) Logistics Network - Macro Areas , whilst coinciding geographically with the Post Office Network - Macro Areas, from 2018 have their own, separate organisations in terms of processes and competences.

(**) Delivery staff include 34,086 postmen and women and delivery supervisors (32,999 at 31 December 2023).

PARCEL LOGISTICS NETWORK ACTIVITIES

Large or non-carriable parcels and express courier products are delivered via the courier network (served by the subsidiaries SDA Express Courier, MLK Deliveries, MLK Fresh, Poste Logistics and Nexive), while carriable parcels are delivered through the postal network. The logistics flow is shown below.



KEY ELEMENTS OF THE PARCELS LOGISTICS NETWORK

ACCEPTANCE/COLLECTION	SORTING	TRANSPORTATION	DELIVERY
• **12,755** Post Offices • about **6,500** pick-up lines • **91** Branches/Agencies • **18,270** Poste Points (mainly tobacconists)	• **5** automated hubs • **6** mini hubs • **10** Nexive pop-ups** • **16** Sorting Centres* • **10** Operating Centres*	• **approx. 900** road transport lines • **5** aircraft, serving **7** routes	• **1,320** Delivery Offices* • **approx. 6,500** SDA delivery lines • **roughly 160** MLK delivery lines • Third-party partner network managed by Nexive Network, (Op. Co.) • **18,270** Poste Points (mainly tobacconists)

* Same elements serving the postal logistics network.
** Nexive pop-ups: facilities belonging to the Nexive company network where primary sorting activities are completed with low automation.

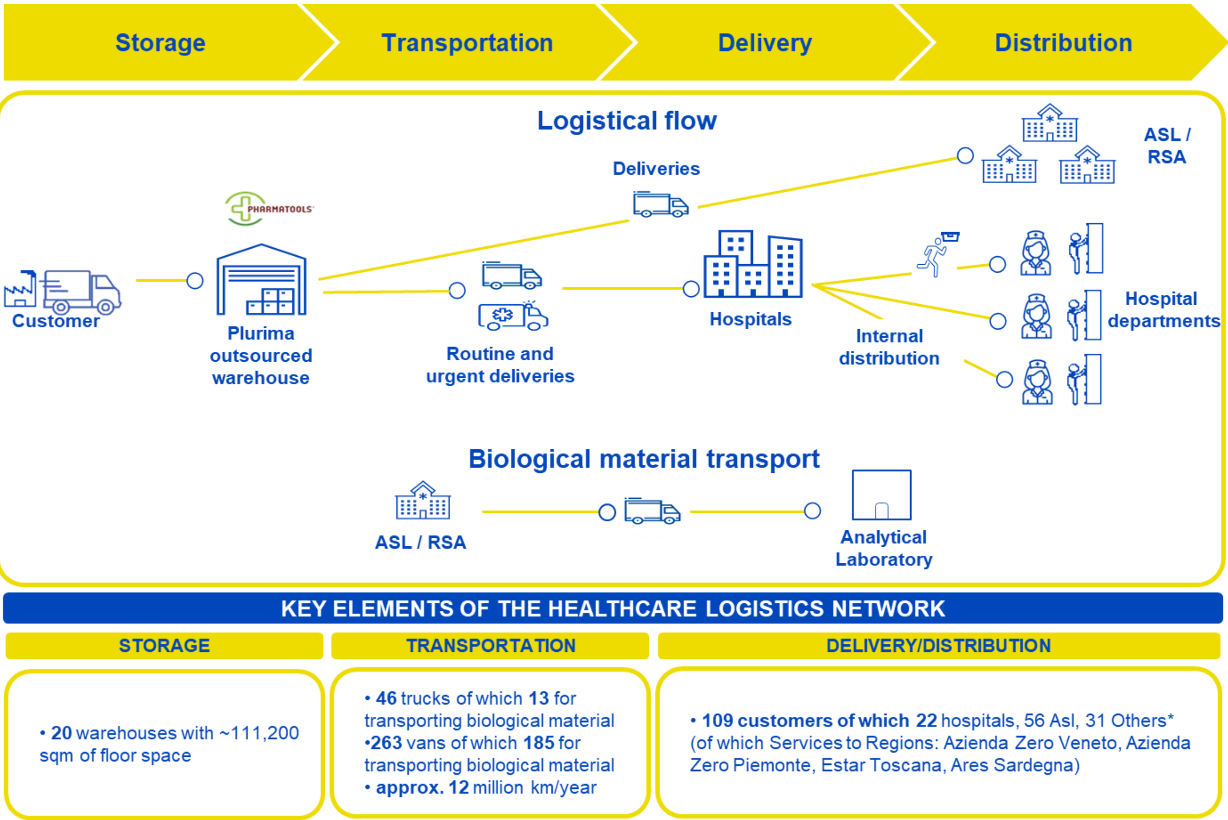
During the first half of 2025, a trial will be launched in the postal network to create a two-network structure, as envisaged in the Group's path of transformation to a full logistics operator, according to the objectives outlined in the new Strategic Plan "2024-2028 The Connecting Platform". The current network of postmen and postwomen will be joined by the **new courier network** with the aim of accommodating the growth in parcels and the increasing demand for customisation during delivery (floor delivery, cash on delivery, proximity services, etc.). The new model takes the form of a more flexible network, with a coverage of around 80% of the population and a delivery frequency of six days out of seven, which will enable the delivery of parcels weighing up to 10 kilograms and larger than on the traditional postmen/ postwomen network.

The distinguishing features of the new network are: the option to use micro-fulfilment for same-day deliveries, specialised activities for new segments (e.g. Pharma and refrigerated products) and the enhancement of the Pick Up-Drop Off

(PUDO) network for increased productivity and delivery sustainability. For more details on the characteristics of the PUDO network, please refer to section 4.5.1.6 "PUDO (Pick Up - Drop Off) Network".

HEALTH LOGISTICS ACTIVITIES

With the acquisition of Plurima, which took place in the second quarter of 2022, Poste Italiane entered the field of drug logistics, enhancing computerisation and tracking systems for storage, distribution and continuous monitoring of activities. The use of an advanced computer application (Pharmatools), as well as equipment, technologies and tools, allow real-time monitoring of the vehicles, the material transported, the correct transport conditions and the integrity of the data, guaranteeing high levels of quality and reliability of deliveries. In detail, Plurima manages the following macro-categories of goods on behalf of public and private Local Health Authorities and Hospitals: pharmaceuticals, medical devices, office supplies and other health and non-health products.



*Private customers, RSAs, other institutions.

The **logistics flow** starts with the storage phase, in which the acceptance and conformity check of goods delivered by customers at Plurima's warehouses takes place, with the support of Pharmatools. The hospital departments and territorial facilities (ASL) or RSAs transmit the orders, initiating the picking phase of the stored goods, which ends with the checking of fittings and billing. The products are loaded onto vehicles to be delivered to community facilities and hospitals. Within the hospitals, internal distribution to the wards takes place, thanks also to Plurima's staff and, in some cases, the company also provides innovative hardware and software for managing ward logistics (micrologistics).

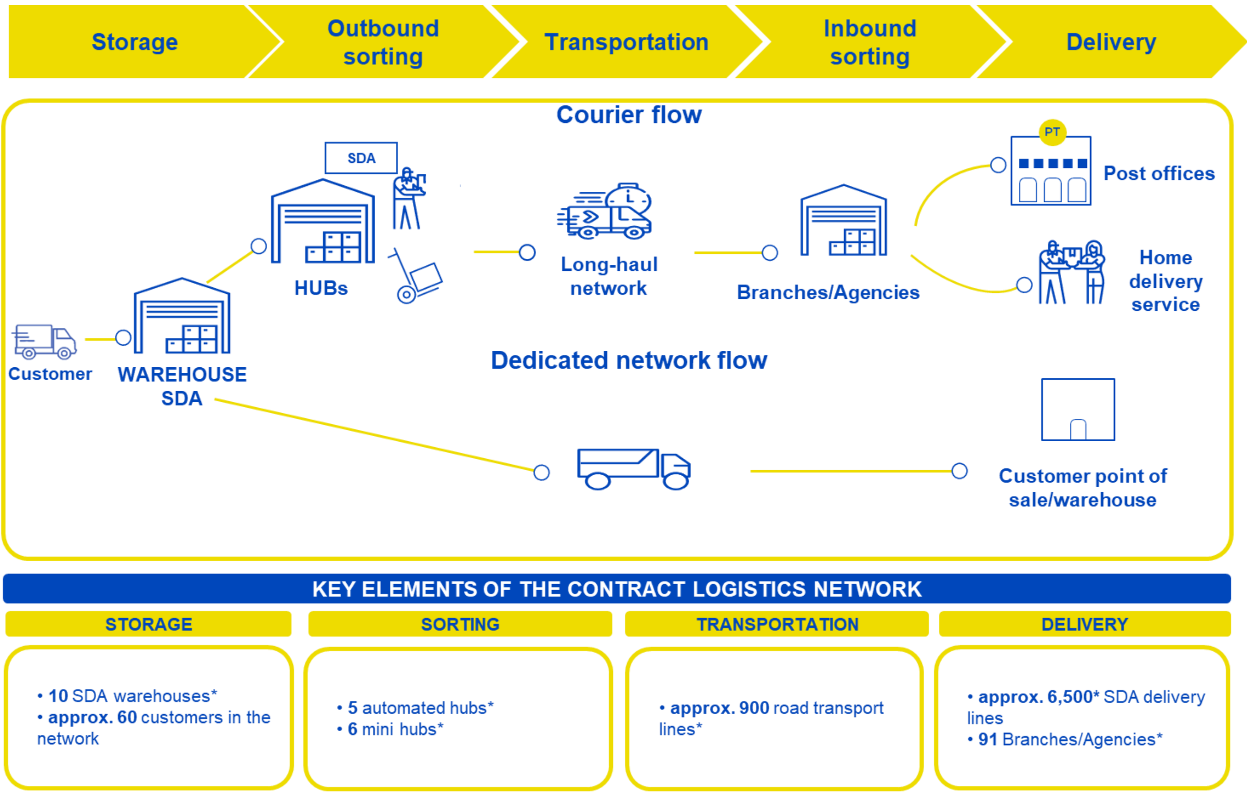
The activity of **transporting biological material** consists of collecting the biological samples[25] at the collection centres and transporting them to the analysis laboratories.

INTEGRATED LOGISTICS ACTIVITIES

In line with the strategic objective of transforming itself into an all-round logistics operator, Poste Italiane has begun to contend with the challenges related to the integrated logistics market since the Covid-19 pandemic, both through the

[25] In addition to biological samples, blood components, biological material and surgical instruments.

support provided to the commissarial structures (now the Ministry of Health), and through the recent construction of long-term contractual relationships with players belonging to different segments (mainly mass market and telephony). These agreements have enabled the Group to build a solid technological base to guarantee typical warehousing operations (warehouse management - goods receiving - picking[26] - product preparation - shipping) and to complement these solutions with typical express courier services, such as home or shop delivery. In this regard, the first major orders acquired during the year 2023 for the complete logistics management[27] paved the way at the end of the year for new customer contracts.



* The numbers referring to the sorting, transport and delivery stages are the same as for the parcel logistics network.

In detail, the process of Integrated Logistics starts with the reception of the goods transported from the customer to the SDA warehouse, as well as their control and storage.

This phase is triggered by the receipt of the customer's order at the SDA warehouse computer system, with detailed information on quantity, processing required and destination information. This is followed by product picking, preparation/packing and the start of outbound operations (leaving the warehouse). Having reached this stage, the product can follow two flows: the **courier flow**, with delivery to the customer's home or post office; the **dedicated network flow**, which, depending on the specific commodity nature of the product, travels via a dedicated network, bypassing the sorting hubs and delivering the parcel directly to the customer's point of sale/operating unit. Some value-added services on technology products, including staging (configuration), testing, repairs, etc., complete the offer.

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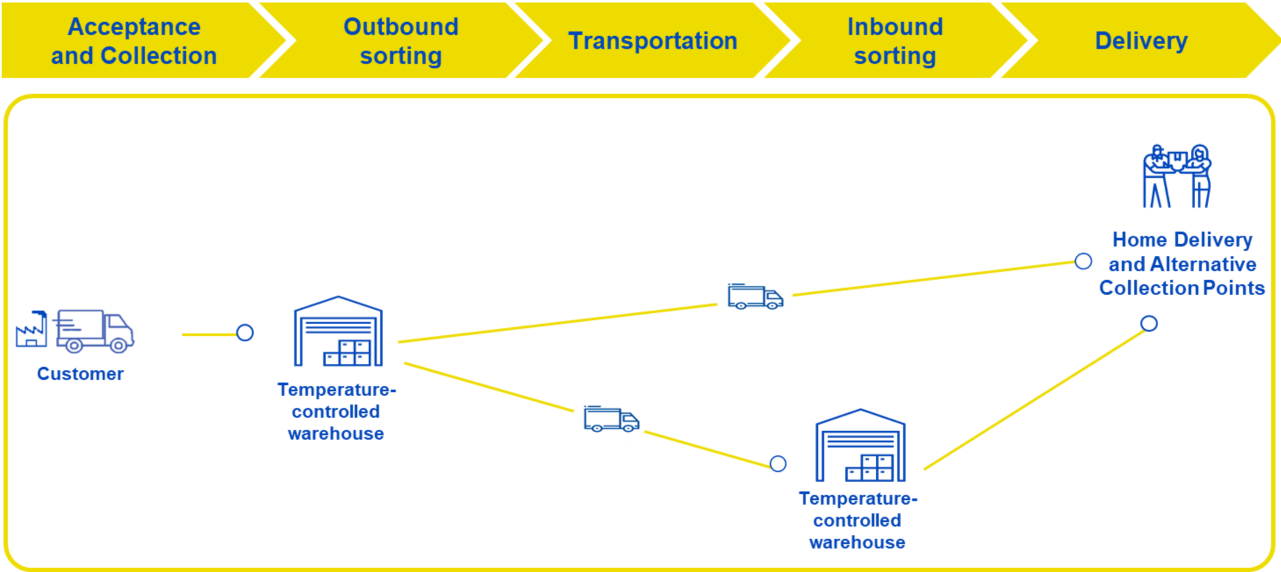
[26] Warehouse picking is the activity of picking, sorting and distributing material from one load unit to several others. This activity is carried out with each grouping of materials in order to process and dispatch them.
[27] TIM and Acqua&Sapone.

FRESH PRODUCE LOGISTICS NETWORK ACTIVITIES

The main activities of the fresh produce logistics network are shown below.



KEY ELEMENTS OF THE FRESH PRODUCE LOGISTICS NETWORK

ACCEPTANCE/COLLECTION	SORTING	TRANSPORTATION	DELIVERY
• **36** provinces with over **900** postcodes covered	• **2** central Hubs* • **8** Refrigerated Proximity Mini Hubs* * Hub/mini Hub Mazzocco or partners	• Refrigerated connection lines capable of serving customers within 24/48 hours of goods pick-up	• approx. **100** alternative refrigerated pick-up points • 100% refrigerated fleet

The Business to Consumer (B2C) shipping management process[28] of PosteGoFresh starts with a customer order collection phase on the MLK Fresh software system and, downstream of the order and goods preparation, a subsequent transport phase to the temperature-controlled warehouse.

Once the goods have arrived at the temperature-controlled warehouse, they can follow two flows: delivery to the customer's home or to alternative pick-up points (located in the same territory as the sender warehouse), or, transport to a destination temperature-controlled warehouse (located in a different territory from the sender warehouse) for final delivery to the customer or to alternative pick-up points.

PosteGoFresh's service also includes the offer of value-added services such as, for example, delivery at a scheduled date/time and rescheduling of delivery to another date/time.

4.5.1.4 DIGITAL INFRASTRUCTURE AND REMOTE CONTACT POINTS

The Group has implemented a programme of "digital transformation" of all its service and offer models in order to guarantee its customers contact experiences based on an omnichannel approach.

During the period, the Group continued to work on improving the digital channel experience (app and web) both in terms of simplicity of interactions and operations and in terms of strengthening the digital sales channel; it also paid special attention to the development of the new single app Poste Italiane.

The Group's digital channels (app and web) are as follows:

Poste Italiane app (formerly Ufficio Postale app): during the course of 2023, a profound transformation and enrichment process was initiated that will see it become the only Poste Italiane app.

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

In the course of 2024, all Poste Italiane products were made available, as well as almost all the functions already accessible from the BP and PP apps.

With the new app, from a single access point, customers can purchase and manage cards, current accounts, postal savings bonds, savings books, insurance policies, electricity and gas supplies, fibre telephony services and SIM cards.

Also to support the integration with the physical channel, through the new app it is possible to book appointments at the Post Office through a simplified process, send mail and parcels and check the status of your shipments, pre-fill forms to speed up certain operations at the Post Office, and consult your notice board with receipts of operations carried out on both the physical and digital channels.

For further available functionalities, please refer to what is explained later in this document.

The app will be progressively completed with the latest functions relating to Poste Italiane services and will become for the customer and the user a single point of reference for all their needs.

The new Poste Italiane app was elected Product of the Year 2024 in the category "App - Simple Experience". In addition, it was among the winners of the MF Banking Innovation Award, in the category "Value Proposition for Private Customers" and of the Digital Xperience Awards, in the category "Best Mobile App Experience", and was 1st in terms of downloads from stores among Finance category apps.

Postepay app: app for purchasing and managing Postepay payment cards, telco products and the Energy offer. Mobile payments can also be made via the app; in 2024, the app recorded a store rating of 4.6 and 1.4 billion total interactions;

BancoPosta app: app to purchase and manage the Group's financial/insurance offer on the move: current accounts, postal savings and insurance policies; in 2024 the app recorded a store rating of 4.7 and over 1 billion total interactions;

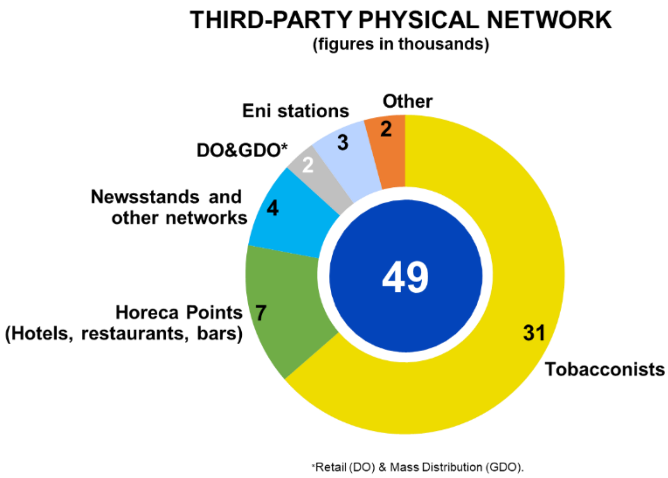
Poste.it website: it is the Group's consumer and business portal, where the range of services offered to customers is available. The portal also allows customers to consult and manage the products in their possession.

In addition, Poste Italiane also manages:

PosteID app: the Poste Italiane Digital Identity app (SPID - Sistema Pubblico d'Identità Digitale).

4.5.1.5 THIRD-PARTY PHYSICAL NETWORK

In the Group's omnichannel strategy, a crucial role is played by the third-party physical network, which complement the network of Post Offices for accessing transactional services. The objective is to create a platform for the integration of the Group's products with new third-party distribution channels and to use third-party services within the Group's commercial offerings. Poste Italiane contracted an extensive network of contact points, which was further strengthened during the year 2022 with the acquisition of LIS, and counts roughly 43 thousand contact points at 31 December 2024.



The acquisition of LIS, which took place in September 2022, made it possible to increase the operations of the omnichannel platform; in particular, the volume of business on third-party physical networks was expanded thanks to the entry into the

Group's perimeter of transactions carried out on LIS points relating to products also not belonging to the Poste Italiane Group's offer.

In particular, the Poste Group's strategy on the third-party physical network channel aims to achieve the following objectives:

- integrate and develop the commercial offer on the physical networks of third parties (e.g. telephone top-ups of other operators and other services). Average daily transactions increased to just over 1 million in 2024 (of which LIS accounts for 85%, both with Poste Group products and others);
- extend the network of points to offer the services of the Poste Italiane Group guaranteeing extensive coverage and quality. At 31 December 2024, the network consisted of around 49,000 points, including around 43,000 LIS affiliated points between tobacconists[29], Ho.re.ca points and newsagents. Within the Punto Poste network, thanks to the partnership with Deutsche Post DHL Group, the expansion of the network for shipping services only is underway with the development of the locker asset. In 2024, the Punto Poste network expanded by around 2,500 new points and reached more than 18,200 proximity points by 31 December 2024, which together handled more than 34 million deliveries and parcel acceptances during the year (+34% compared to 2023).

4.5.1.6 PUDO (Pick Up - Drop Off) NETWORK

The evolution of e-commerce in recent years has led to the emergence of new logistics and delivery requirements: among these, Out of Home Delivery (OOHD) is emerging as an increasingly popular solution among European consumers.

approx. 30,000

Points in the PUDO network at 31 December 2024, of which more than 18,200 points in the Punto Poste network

Flexibility and accessibility are the main determining factors behind consumers' choice of Out of Home Delivery. In addition to convenience, OOHD helps reduce the environmental impact by, for example, minimising vehicle mileage and reducing CO_2 emissions by delivering more items per delivery point.

The OOHD includes a number of alternative delivery methods to traditional home delivery. In recent years, the Poste Italiane Group has strengthened its PUDO (Pick-Up-Drop-Off) network, which includes the points of the Punto Poste network (local pick-up points, automated lockers -lockers- etc.), as well as all Post Offices used for the poste restante service, where customers/vendors can have their consignments delivered. At 31 December 2024, the PUDO network used by the Poste Italiane Group comprises around 30 thousand physical points.

4.5.2 Macroeconomic environment

After a positive first half of 2024 in terms of global GDP growth, signs of a slowdown have emerged since July 2024[30], as weakness in manufacturing continues despite still positive dynamics in services. World trade remained robust in the second half of the year, reflecting the anticipation of imports of goods in the face of uncertainty over future US trade policy[31]. Inflation[32] continued to decline, led by falling food, energy and consumer goods prices, while services inflation, although slowing, remained at high levels in the major industrialised countries. Inflation is expected to return to target by the end of 2025 in most major economies. The rigidity of the labour market has eased and unemployment rates have reached record lows[33].

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[29] Of the LIS-affiliated tobacconists, more than 16,000 are tobacconists belonging to the Punto Poste network, i.e. the network of collect points (businesses) and lockers that offer parcel delivery and dispatch services mainly related to the e-commerce market.
[30] Bank of Italy - Economic Bulletin no. 4 of October 2024.
[31] ECB Economic Bulletin, 8/2024.
[32] OECD (2024), OECD Economic Outlook, Volume 2024 Issue 2: Preliminary version, No. 116, OECD Publishing, Paris, December 2024.
[33] OECD (2024), OECD Economic Outlook, Volume 2024 Issue 2: Preliminary version, No. 116, OECD Publishing, Paris, December 2024.

According to OECD forecasts[34], world GDP growth is expected to reach 3.2% in 2024, and then 3.3% in 2025 and 2026. Falling inflation, which will move towards central bank targets, steady employment growth and an easing of monetary policy will help support demand. However, the resilience of the global economy is accompanied by some risks related to escalating trade tensions and protectionism, the possible escalation of geopolitical conflicts, and difficulties with the fiscal policies of some countries.

Economic activity in the **Eurozone** stagnated throughout 2023 and grew at a moderate pace during 2024. The rate of GDP growth in real terms over the previous period rose to 0.4% in the third quarter, up from 0.2% in the second quarter, supported by a recovery in domestic demand[35]. However, the most recent data suggest a slight weakening of Eurozone GDP growth in the short-term, with business survey indicators related to activity, such as the world composite Purchasing Managers' Index (PMI) and the European Commission's indicators of business and consumer confidence, showing signs of weakness, especially in the manufacturing sector (in December 2024 the manufacturing PMI was 45.1[36]). In the fourth quarter, growth in economic activity slowed down, remaining stagnant on a quarterly basis (0.2% q/q in the first estimate)[37] due to the disappearance of temporary factors (such as the Paris Olympics) that had supported growth in the summer, weak confidence, high political uncertainty and geopolitical tensions.

Headline inflation continued to decline during 2024, thanks to restrictive monetary policy, but rose again in the latter part of 2024, after having reached its lowest level since April 2021 (1.7%) in September 2024[38]. Headline inflation as measured by the Harmonised Index of Consumer Prices (HICP) is expected to decline again to around the ECB's target of 2.0% from the second quarter of 2025.[39] The unemployment rate in the Eurozone was at its lowest (6.2%[40] in January 2025).

The ECB changed its monetary policy stance, reducing from June 2024 the deposit rate with the central bank by a total of 100 basis points in 2024. After the 25 basis point cut in December 2024, and the first two cuts of 25 basis points each at the meetings of 30 January and 6 March 2025 respectively, the reference rate on deposits stood at 2.50%[41] and is expected to reach 2.0% at the end of 2025[42]. The Governing Council will continue to follow a data-driven approach, taking decisions on a meeting-by-meeting basis according to the flow of data, without binding itself to a predefined path.

In March 2025, the ECB's new inflation estimates were revised upwards (compared to the December 2024 forecast), both on the overall index (2.3%, 1.9% and 2.0% in 2025-2026-2027, from 2.1%, 1.9% and 2.1% previously) and on the core index[43] (2.2% in 2025, 2.0% in 2026, 1.9% for 2027[44]). The downward revisions to the growth projections are more significant, with GDP expected to expand at a pace of 0.9% in 2025, 1.2% in 2026 and 1.3% in 2027 (from previously 1.1%, 1.4% and 1.3%[44]).

In **Italy** in the first three quarters of 2024, real GDP reported modest growth**Errore. Il segnalibro non è definito.**. Although household consumption and business investment supported activity, investment in residential construction continued to contract, following the liquidation of the tax credit (Superbonus) initiated in early 2024. The service sector and consumer confidence remained stable while manufacturing showed signs of weakening. Despite moderate GDP growth in 2024 (+0.7% y/y)[45], the unemployment rate has steadily decreased. Collective bargaining wages increased by about 4%**Errore. Il segnalibro non è definito.** supporting household incomes and private consumption. In recent months, falling oil prices

[34] Bank of Italy - Economic Bulletin no. 4 of October 2024.
[35] OECD (2024), OECD Economic Outlook, Volume 2024 Issue 2: Preliminary version, No. 116, OECD Publishing, Paris, December 2024.
[36] Source Bloomberg.
[37] Source Bloomberg.
[38] Bank of Italy - Economic Bulletin no. 4 of October 2024.
[39] ECB Economic Bulletin, 8/2024 - January 2025.
[40] Source Bloomberg.
[41] Source Bloomberg.
[42] OECD (2024), OECD Economic Outlook, Volume 2024, Issue 2: Excerpts from the publication, no. 116, OECD Publishing, Paris.
[43] A measure of inflation that is calculated without taking into account goods subject to high volatility such as food and energy. Source: Bank of Italy.
[44] European Central Bank - ECB staff macroeconomic projections for the euro area - March 2025.
[45] Source: ISTAT - GDP and AP debt - Years 2022-2024, published on 3 March 2025.

on world markets have kept consumer price inflation in check, bringing it down to 1% in October[46]. However, as energy prices stabilise, this disinflationary drive will tend to dissipate and inflation will increasingly be influenced by domestic factors**Errore. Il segnalibro non è definito.**. The worldwide easing of financial conditions is gradually reducing the financing costs for households, businesses and the government. According to OECD forecasts, real GDP is expected to grow by 0.9% in 2025 and 1.2% in 2026**Errore. Il segnalibro non è definito.**. The strong disinflation observed in recent quarters, coupled with solid wage increases, should support consumer spending, while the easing of financial conditions and the introduction of public investment linked to Next Generation EU funds should stimulate capital formation. Inflation is expected to gradually rise to around 2%**Errore. Il segnalibro non è definito.** as downward pressures from falling energy prices will ease and wage increases will prevent core inflation from falling further.

4.5.3 Mail, Parcels and Distribution Strategic Business Unit

The postal market continues to undergo a period of radical change linked to the digital transformation, which, on the one hand, leads to a continuous structural decline in traditional mail volumes, stimulating the emergence and development of new digital communication markets (e-substitution), and, on the other hand, to an increase in the volume of parcels sent thanks to the growth of e-commerce, also enabling synergies for the proposal of end-to-end solutions within Contract Logistics.

In particular, for the **mail segment**, a further structural market decline in volume terms is estimated in 2024 (-5.9% compared to 2023, compared to a slight increase in value of +1.2%[47]).

Parcel market growth driven by B2C and integrated logistics

Within the **parcel business,** the growth trend in overall market value continues in 2024, with an expected increase in revenue of around 4% compared to 2023. The industry's growth continues to be driven by the B2C segment, thanks to the positive trend in e-commerce, which generated €38.2 billion worth of on-line purchases in 2024, up by 5% compared to 2023[48].

The continued development of the B2C eCommerce market is supported by new trends that have emerged in recent years, in particular the rapid rise of the on-line second-hand market (the economic value generated by the on-line buying and selling of second-hand goods was €13 billion in 2023, or +140% compared to 2014[49]), thanks to the advent of specialised on-line platforms and the change in consumer preferences (search for savings and greater awareness of sustainability-related issues); consumers' need for greater flexibility on delivery times and locations, which has led to an increase in demand for "Out of Home" deliveries[50] (in 2023, related volumes grew 10-fold compared to 2019[51]), supported by the expansion of proximity networks in which major carriers are investing.

The **logistics market** in Italy is seeing steady growth in the outsourcing of logistics services by industrial and commercial operators to specialised entities capable of covering the entire value chain.

In particular, the market for Integrated Logistics Services in 2022 will be worth around €13.6 billion[52], up 14% year-on-year. A lower level of growth is estimated for 2024 (+2.8%) compared to last year (+6% in 2023 compared to 2022)[53]. A further slowdown in growth is expected in 2025**.** The market, although very competitive, is relatively fragmented. However, some concentration phenomena have taken hold, typically stimulated by major industrial players seeking integration synergies between the different stages of the supply chain.

[46] Source Bloomberg.
[47] Internal calculations based on AGCOM data (quarterly observatories and annual report 2024) and the latest available financial statements of companies operating in the postal sector, including Poste Italiane.
[48] Source: Politecnico di Milano, B2C eCommerce Observatory - October 2024.
[49] Source: BVA Doxa Second Hand Economy Observatory.
[50] Source: Lastmile Experts - Out of home delivery in Europe 2024.
[51] Source: internal data processing.
[52] Source: Polimi Contract Logistics Observatory - November 2024 Edition - Reference to the Logistics Operators Market.
[53] Source: Internal estimate on drivers - Polimi Contract Logistics Observatory - 2024 Edition, Cerved Operatori Logistici - December 2024.

REGULATORY CONTEXT AND EVOLUTION OF THE REGULATORY SCENARIO

The main legislative and regulatory initiatives were subject to significant updates during 2024 and are shown below.

Expense of the Universal Postal Service

On 30 December 2019, Poste Italiane and the Ministry of Economic Development signed the Contratto di Programma (Service Contract) for the years 2020-2024; it is effective from 1 January 2020 to 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 28 November 2024, the Ministry of Enterprise and Made in Italy signed the deed extending the 2020-2024 Service Contract valid from 1 January 2025 to 30 April 2026; on 16 December 2024, this Contract was countersigned by Poste Italiane. The European authorisation is in progress through notification to the European Commission.

With reference to the verifications carried out by the Authority for the years from 2011 to 2016 (Resolution 412/14/CONS relating to the verification of the years 2011 and 2012; Resolution 298/17/CONS relating to the verification of the years 2013 and 2014; Resolution 214/19/CONS relating to the verification of the years 2015 and 2016), the Company had filed an appeal with the Regional Administrative Court, but subsequently justified a lack of interest and the Regional Administrative Court, in November and December 2024, declared the relative appeals inadmissible due to the supervening lack of interest of the appellant. On the other hand, the appeal filed by Poste Italiane concerning the Authority's verification of the calculation of the charge for the years 2017-2019 (Resolution 199/21/CONS) is still pending before the Regional Administrative Court.

On 14 March 2024, AGCom Resolution 62/24/CONS was published, concluding the procedure to verify the net cost of the universal postal service incurred by Poste Italiane for the years 2020 and 2021. In particular, the expense of the universal postal service for these years has been quantified at €585 and €480 million respectively. The Authority also established that the cost for the universal postal service for the years 2020 and 2021 is inequitable and that, for the same years, unlike with what was established in previous years, the necessary procedure will be initiated for assessing the injection of resources to the Compensation Fund referred to in article 10 of Legislative Decree no. 261/1999; at the Council meeting of 10 July 2024, Resolution 257/24/CONS initiating the proceedings was approved.

With Resolution 505/24/Cons of 18 December 2024, the Authority initiated proceedings concerning the verification of the calculation of the net cost of the universal postal service, the quantification of the unfair burden and the modalities of its financing for the years 2022 and 2023. On 14 March 2025, Resolution AGCom 52/25/CONS was published, with which the Authority initiated the public consultation whereby the cost of the universal postal service for the years 2022 and 2023 was quantified at €522 and €736 million respectively.

Publisher tariff subsidies

Law Decree no. 162 of 30 December 2019 - as converted by Law no. 8 of 28 February 2020 - ordered that reimbursements of publisher tariff subsidies to Poste Italiane continue "for a duration equal to that of the universal postal service" (i.e. until April 2026). The application of the rule is subject to approval by the European Commission, which, in a press release of 18 December 2024, authorised publishing compensation for the period between January 2020 and the end of April 2026 for a maximum value of €344 million[54].

The 2023 Budget Law (Law no. 197 of 30 December 2022) stipulated that the reimbursement of publishing postal subsidies would be made through the resources of the Single Fund for Pluralism and Digital Innovation in Information and Publishing. To this end, an appropriation of €55 million from the year 2024 has been made.

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

Tariff Manoeuvre

With AGCOM Resolution 454/22/CONS of 30 December 2022, the new universal basic tariffs of the subsidised publishing products included in the Universal Service were defined. The Resolution provided for a gradual increase in basic tariffs as of 1 September 2022, with further increases as from 1 January 2024, 2025 and 2026, with no impact on the subsidised tariffs paid by senders and with a consequent increase in the compensation received by Poste Italiane per item sent at the subsidised tariff.

With Resolution 487/24/CONS, published on 18 December 2024, the Authority decided to initiate a procedure to determine new maximum tariffs for universal postal services for 2025, at the same time launching the related public consultation, to which Poste Italiane replied on 15 January 2025. With Resolution 51/25/CONS of 6 March 2025, published on 14 March 2025, the AGCom approved the new maximum tariffs for universal postal services, which will come into force on 31 March 2025.

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

Access Obligations

With Resolution 503/24/CONS published on 20 December 2024, AGCOM approved the increases in postage rates requested by Poste Italiane for the offers of services for wholesale access to the postal network for 2025, as well as some amendments to the contractual frameworks. The offers, thus amended, have been published on Poste Italiane's website and are effective as of 1 January 2025, with effects also concerning those already contracted.

With Resolution 388/24/CONS[55] published on 31 October 2024, the Authority defined new requirements for operators wishing to make use of access offers, including possession of the postal licence for at least 12 months and the approved balance sheet for the last financial year. For the nationwide access measure only, ownership of a physical postal infrastructure suitable for the provision of the relevant service with coverage of at least one region is required.

By means of Resolution no. 75/24/CONS published on 27 March 2024, the AGCOM initiated the proceedings relating to the updating of the criteria and identification of the delivery areas with exclusive coverage of the universal postal service network (EU2 areas[56]), in order to update the current regulations on the subject, currently governed by Resolution no. 27/22/CONS. Following the public consultation, initiated by Resolution 418/24/CONS of 31 October 2024, the Authority extended the deadline for the conclusion of the proceedings (Resolution 504/24/CONS of 18 December 2024).

Autorità Garante della Concorrenza e

As part of the acquisition of Nexive, finalised in January 2021, in December 2023, Poste Italiane sent its annual report on compliance with the behavioural measures prescribed by

[54] €53 million for the years 2020 and 2021, €55 million for the years 2022, 2023, 2024 and 2025, €18 million for the four months of 2026.
[55] Resolution 388/24/CONS "New regulation on licences for the public offering of postal services".
[56] Rural delivery areas in which the main competitors of Poste Italiane are not present.

del Mercato (AGCM - the Italian Antitrust Authority) Nexive commitments	the AGCM. In March 2024, the Letter of Acknowledgement was received from the AGCM on the correct compliance - valid for 2023 - with the measures prescribed in the measure authorising the acquisition of Nexive by Poste Italiane, also taking into account the amendments made by AGCOM to the measures themselves. In addition, a supplement to the annual report was submitted in March 2024. In January 2025, the Compliance Report for the year 2024 was sent out.
Autorità per le Garanzie nelle Comunicazioni (AGCOM - the Italian Communications Authority) Mailboxes	With Resolution no. 308/22/CONS of 27 September 2022, the AGCom redefined the criteria for the distribution of mailboxes, adopting, in particular, that of the distance to the nearest box by percentage of the resident population. In relation to the Implementation Plan transmitted by Poste Italiane on 29 November 2022, and to the subsequent discussions that took place, in a note dated 30 March 2023 the Authority stated that it had examined the elements transmitted and taken note of the timetable and the timings illustrated by the Company to fully implement the provisions of the aforementioned resolution, by March 2025. The Company is required to send a report on the gradual implementation of the Plan every six months. On 6 June 2024 and 27 November 2024, the second and third half-year reports were sent out.
Autorità per le Garanzie nelle Comunicazioni (AGCOM - the Italian Communications Authority) Licences for offering postal services to the public	As a result of the proceedings initiated by AGCOM with Resolution 2/24/CONS of 10 January 2024 and the public consultation in which Poste Italiane also participated, AGCOM issued the New Regulation (Resolution 388/24/CONS, published on 31 October 2024) on the subject of licences for the public offering of postal services, which replaces the previous regulations on the subject (Resolution 129/15/CONS). In particular, the new regulation provides for some additional requirements and obligations for entities operating in the postal market. Following the publication of the Regulation, the Ministry of Enterprise and Made in Italy will have to issue a decree on the modalities for the issuing/management of licences. From the issuance of the aforementioned decree, a period of compliance with the new provisions of 180 days will commence.
Autorità per le Garanzie nelle Comunicazioni (AGCOM - the Italian Communications Authority) Revision of the Service Charter Directive	On 17 May 2024, the AGCOM, with Resolution no. 116/24/CONS, initiated proceedings and the associated public consultation for the adoption of the "New General Directive Service Charters and Provisions for the Benefit of Users", in order to update Resolution no. 413/14/CONS in connection with the developments in the postal market in the meantime. Poste Italiane S.p.A. participated in the public consultation by providing its own contribution. With the subsequent Resolution 486/24/CONS of 11 December 2024, the consultation deadlines were reopened in order to foster broader participation of the stakeholders in the proceedings and to assess the necessary adjustments downstream of the adoption of the new Licence Regulation.

OTHER INFORMATION

Energy supply distribution through the Post Office network	By means of a measure adopted at a meeting held on 30 January 2024 and notified to Poste Italiane on 7 February 2024, the AGCM, without taking into account the exemption enjoyed by Poste Italiane from the application of Article 14 of Law 287/1990, initiated investigative proceedings against the Company in order to ascertain the existence of a possible breach of Article 8, paragraph 2-quater of the aforesaid Law. At the same time, the Authority initiated proceedings to verify the actual existence of the requirements for the adoption of precautionary measures pursuant to Article 14-bis of the same Law. Specifically, the

Authority observed that Poste Italiane, through its subsidiary PostePay S.p.A., is active in the electricity and gas supply sector and has allegedly denied two of the latter's competing companies access - pursuant to Article 8, paragraph 2-quater of Law no. 287/90 - to the resources made available to PostePay, which it has exclusive access to as a result of its activities within the perimeter of the universal postal service. On 14 February, Poste Italiane filed its memorandum in the precautionary proceedings, contesting the Authority's approach and, in particular, the non-application of the provisions of Article 1, paragraph 6 of Law Decree no. 59/2021 as amended and supplemented, exempting Poste Italiane from the application of Article 8, paragraph 2-quater, of Law 287/1990 until 31 December 2026. On 2 April 2024, the AGCM notified Poste of Order no. 31138 by which it decided to adopt precautionary measures pursuant to Article 14-bis of Law no. 287/1990. Poste Italiane challenged the measure in court. The Council of State on 20 May 2024 upheld the appeal and cautiously suspended the effectiveness of the precautionary measures. At its meeting on 16 July 2024, the Authority passed the final decision notified on 19 July. The AGCM is of the opinion that there are no grounds to justify an absolute refusal such as the one opposed by Poste to the persons requesting access pursuant to Article 8, paragraph 2-quater, and that such refusal is not justified, since the exemption provided for in Article 1, paragraph 6 of Law Decree no. 59/2021 (the "Polis Waiver") does not extend to all Post Offices but only to those included in the Polis Project. According to the Authority, the access methods pursuant to Article 8, paragraph 2-quater must in any case be defined by Poste Italiane on the basis of the negotiating autonomy granted to it and on the basis of the information at its sole disposal, in order to reasonably and proportionately balance the conflicting needs related to access requests and the protection of other interests. For these reasons, Poste Italiane shall guarantee, to PostePay's competitors who so request, access pursuant to Article 8, paragraph 2-quater to all Post Offices not included in the Polis Project, according to modalities defined by Poste Italiane, which need not be identical to those guaranteed to PostePay. To this end, Poste Italiane must appoint a trustee ("Monitoring Trustee") responsible for monitoring compliance with the obligations set forth in Article 8, paragraph 2-quater, submitting the appointment to the Authority for approval, within sixty days from the notification of the measure. However, it is necessary to point out that Article 8, paragraph 2-quater was repealed by Law Decree no. 113 of 9 August 2024 (Article 10, paragraph 2), converted into Law no. 143 of 7 October 2024, with the consequent disappearance of the access obligations for Poste Italiane. In any event, in order to assert the legitimacy of its actions regardless of the effects of the repeal of the rule in question, on 18 October Poste Italiane challenged the provision before the Lazio Regional Administrative Court.

For additional relations with the Authorities, please refer to the chapters "Contingent liabilities and proceedings pending with the Authorities" in the section "Poste Italiane's Financial Statements".

OPERATING REVIEW

In 2024, the Mail, Parcels and Distribution Strategic Business Unit (SBU) continued on the path of transforming the Group into a complete logistics operator, according to the objectives outlined in the new Strategic Plan "2024-2028 – The Connecting Platform" presented to the market in March 2024.

The following table shows the main activities of the SBU during the period.

SEGMENT	OPERATING REVIEW
	In February 2024, PosteGoFresh was launched, the refrigerated transport service for home delivery of fresh

Parcels/Logistics

food products purchased on-line. PosteGoFresh, created by the newly established MLK Fresh, is the first service that guarantees the transport of food products at a controlled temperature along the entire supply chain and is already available in more than thirty cities, including Rome, Milan, Turin, Genoa, Verona, Bologna, Florence, Como, Varese, Cuneo, Aosta and Pescara.

As part of the logistical transformation and solutions to support the development of e-commerce presented at the Capital Markets Day "2024-2028 The Connecting Platform" in March 2024, a first pilot site for the Microfulfilment[57] project was launched in June 2024, at the Naples Sorting Centre[58]: in 2024, more than 142,000 orders were completed, with a consignment service level of more than 99%[59]. The project aims to meet the growing demand for same-day and zero-emission delivery solutions through the construction of microfulfilment logistics platforms within the main hubs of the postal network, located close to large population centres[60]. The distinctive element of the project is the exclusive use of electric vehicles for deliveries, guaranteeing a 100% green service. A second warehouse has been operational at the Palermo site since February 2025 and the warehouse in Naples will be expanded later this year.

As part of the objectives to support the Group's green transition, the Green Index was developed during the year. This is a CO_2 emission calculation indicator that allows the Group to monitor the emissions produced for each individual parcel delivered with the aim of reducing its carbon footprint. This indicator, used from February 2024, was certified in July 2024 by the Smart Freight Centre in July, in accordance with the Global Logistics Emissions Council Framework for Logistics Emissions Methodologies (GLEC Framework).

Under the public-private partnership contract signed in June 2024, for the management and rationalisation of integrated healthcare logistics for the Azienda Sanitaria Provinciale (A.S.P.) of Cosenza, plans are in place for the construction of the centralised warehouse located in Rende (CS) and the management of macrologistics services (management and transport from the warehouse to the hospital and territorial units) and micrologistics services (distribution to the wards) for drugs, devices and office supplies for all the hospital and territorial units of the A.S.P.

In December 2024, the convention with the A.S.P. of Cosenza was signed and the round-table work group to revise the operational scope of the concession was started.

Within the framework of the strategic partnership signed between Poste Italiane and the DHL Group, the first 40 lockers were activated by Locker Italia (a joint venture for eCommerce set up by Poste Italiane and DHL) in 2024, mainly located on some sites of the Poste Italiane Group, on underground stations in Rome and in shopping centres throughout the country. With their extensive coverage and intuitive technology, lockers enhance the quality of services supporting eCommerce, offering maximum convenience and security to senders and consumers.

As part of the initiatives to trial new technologies to support the development and decarbonisation of logistics services, the experimental project "Minor Islands Pilot Service" launched in July 2024 continued during the year, promoted by Poste Italiane and Leonardo and developed within the MoSt research and innovation

[57] The test covers both the city of Naples and part of the province, with the aim of verifying customer satisfaction, scalability of the model and manageable volumes. In the city of Naples orders can be placed until 1:30 p.m. with guaranteed delivery by 8 p.m. the same day, while in the provinces of Campania orders can be placed until 2:30 a.m. with guaranteed delivery the same day.
[58] The centre can accommodate up to 24,000 items, corresponding to approximately 15,000 types. The delivery fleet is completely green and employs 24 dedicated drivers, who work closely with a team of 15 staff covering morning and night shifts.
[59] Orders delivered on time (within the day).
[60] Orders placed before 12 noon are delivered by 8 p.m. the same day, thanks to a network of postmen operating in the afternoon. The merchant's web platform locates the ordered item and assigns the order to the microfulfilment centre of Poste Italiane, where it is then picked, packed and finally delivered to the customer. The warehouses will store the goods of the shipping customers and manage the entire process from order receipt to preparation of the shipment and same-day delivery.

	programme[61]. This initiative involves the use of remotely supplied and piloted cargo drones that take off from Bagnoli (NA) and land with their cargo on the island of Procida. The trial, which also continued in the remainder of the year, involves the transfer of mail and parcels with a progressive increase in the volumes transported and aims to validate a new model of fast and flexible freight transport that reduces the environmental impact and guarantees operational continuity.
	During 2024, PostePlus[62] was activated, the innovative free service that offers the possibility of personalising parcel delivery and on-line collection of the registered items enabled by the sender at the dispatch stage. 
Other	In 2024, Poste Italiane signed a partnership with the Fondazione Milano Cortina 2026 for the 2026 Winter Games as Premium Logistics Partner: through its subsidiary Poste Logistics, it will manage the transport and logistics of all goods, equipment and materials required for the event at the Olympic and Paralympic venues. MILANO CORTINA 2026

4.5.4 Financial Services Strategic Business Unit

MARKET CONTEXT

Financial markets

During 2024, financial market conditions were on the whole favourable, also due to the easing of monetary policies by the FED and ECB, despite a phase of significant turbulence at the beginning of August, which affected the equity markets in particular, but which has since largely subsided. The main triggers were fears of a recession in the US, the publication of disappointing quarterly balance sheet data by some technology companies, and the impact of monetary tightening by the Bank of Japan on the currency market. These phenomena have largely subsided following the publication of reassuring macroeconomic data on the US economy.

In general, equity markets continued the positive trend that took hold in 2023 supported by a growing economy especially in the US, higher than expected corporate results, disinflation and expectations of interest rate cuts by the major central banks.

Among the world's major stock indices, the best performance in 2024 was recorded by the NASDAQ, which rose by 28.6%, followed by the S&P 500 index, which rose by 23.3%, results mainly attributable to the performance of technology stocks. Furthermore, in the US the outcome of the presidential election was a positive catalyst for the entire equity segment with the new Trump administration expected to maintain a large degree of fiscal stimulus to support the economy.

The performances of the European equity indices were less exciting but still positive, with the Euro Stoxx 600 registering an increase of +5.9% in 2024. The underperformance compared to global indices was mainly due to the weakness of the eurozone economy, political uncertainty in France and Germany, the possible introduction of tariffs by the US, and finally the slowdown in China's growth. Among domestic price lists, the German DAX is at an all-time high after gaining +18.9% since the beginning of the year, while the Italian market benefited from a resilient economic performance with the FTSE MIB at +12.6% in 2024.

The highly restrictive approach of the major central banks therefore changed during the course of the year, taking note of the disinflationary process that took hold in 2023 in both the US and the Eurozone.

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[61] MoSt Programme - National Centre for Sustainable Mobility, funded by the Ministry of University and Research (MUR) with funds from the National Recovery and Resilience Plan.
[62] The service provides several advanced features such as, customised shipment management, with the possibility of viewing in the dedicated dashboard and customising, according to one's needs, shipments managed by Poste Italiane and sent by companies or e-commerce sites that allow customised delivery. In particular, customers, informed by notifications on the progress of incoming shipments, can change the date, address or delivery method to make the experience more convenient and tailor-made.

In the first part of the year, the Fed kept the range of the fed funds rate[63] at 5.25-5.50% and only slowed down the rate at which it reduced the stock of securities on its balance sheet from June, while the ECB reduced the benchmark deposit rate by 25 bps at its meeting on 6 June 2024, after nine months at 4%.

In the second half of the year, the FED further cut the official rate by 50 bps at its meeting on 18 September 2024 and by 25 bps at its meetings on 17 October and 18 December 2024, respectively, bringing the range to 4.25-4.50%, while the ECB cut the reference rate by 25 bps at its meetings on 12 September, 17 October and 12 December 2024, respectively, and the deposit rate to 3%. During the course of 2025, the ECB made two further official cuts of 25 bps at its meetings on 30 January and 6 March, and the deposit rate stood at 2.50%.
In July 2024, returns on Government bonds in the euro area fell and tensions at the beginning of August generated a re-composition of portfolios towards financial assets perceived as less risky, accentuating the fall in the yield of the ten-year Bund; this led to a slight widening of yield differentials between the bonds of the other countries in the area and the German bond, which was rapidly reabsorbed everywhere except in France, in the face of the uncertain political situation. At the beginning of August, euro area equities fell sharply and volatility rose sharply, with prices generally recovering in the following days, albeit with significant differences between sectors. Since September, financial market developments have been influenced by the market's assessment of the implications of the US president's election and geopolitical tensions. Short-term risk-free interest rates in the euro area showed a downward trend, reflecting expectations of faster and more pronounced cuts in the ECB's key interest rates. The performance of European equity indices was negative in the last quarter of the year due to the weak economy, political uncertainty in France and Germany, and concern about the introduction of tariffs by the new US administration.

Central banks' caution in the first part of the year in cutting rates prompted markets to reprice expectations of policy rate cuts in the year, contributing to a steepening of the government yield curve. In the third quarter of 2024, the change of attitude of central banks led to a fall in yields.

Over the year, spreads for US investment grade securities decreased by an average of about 19 bps, while for high yield securities the reduction was just over 60 bps. During 2024, spreads of European investment grade securities decreased on average by about 2 bps, while European high yield bonds decreased by about 51 bps.

With regard to the Italian BTP, despite the important issuance programme supported by the MEF, the 10-year BTP - Bund spread narrowed from 167 bps at the beginning of 2024 to 116 bps at the end of December.
Finally, during the year gold recorded the all-time high in the area of $2,785 an ounce in November 2024 to close the year with a rise of around 27.2%, supported mainly by the lower interest rate environment, purchases of physical gold by Asian central banks and geopolitical tensions (Middle East, Ukraine and Taiwan).
Below is the table that represents the precise returns expressed in percentage terms at the end of the period for BTP government bonds and Interest Rate Swaps[64] and the trend in the 10-year BTP-SWAP spread in the last year.

[63] Reserve funds that US banks are required to hold in the form of deposits with the Federal Reserve under the regulatory and prudential supervisory regulations for the credit system.
[64] Source: Bloomberg.

	Dec 2023	Mar 2024	Jun 2024	Sep 2024	Dec 2024
BTP 10Y	3.70	3.68	4.07	3.45	3.52
SWAP 10Y	2.49	2.59	2.84	2.35	2.36
SPREAD BTP - SWAP 10Y	1.21	1.09	1.24	1.11	1.16
BTP 15Y	4.05	3.95	4.42	3.80	3.86
SWAP 15Y	2.56	2.61	2.86	2.45	2.42
BTP 30Y	4.37	4.24	4.62	4.13	4.21
SWAP 30Y	2.33	2.33	2.55	2.27	2.16

Banking system

Based on available estimates provided by the Italian Banking Association (ABI)[65], at the end of December 2024, customer deposits of all banks in Italy, represented by deposits from resident customers (current accounts, certificates of deposit and repurchase agreements) and bonds, increased by 2.4% on an annual basis, settling at approximately €2,089 billion, continuing the positive trend recorded from the start of the year (€2,041 billion at the end of December 2023). This reflected an increase of around €17 billion in bond funding (+6.8% y/y), and a 12-month increase in deposits from resident customers of around €31 billion (+1.7% y/y).

In December 2024, the average cost of bank funding (which includes the return on deposits, bonds and repos from households and non-financial companies) was around 1.14% (1.17% at 31 December 2023).

Asset Management

Assogestioni data show for Italy at 31 December 2024[66] total assets of €2,499 billion, up 6.9% on the €2,338 billion at the end of 2023. With regard to portfolio management, assets amounted to approximately €1,159 billion, up 5.9% from €1,095 billion at 31 December 2023. With regard to Collective asset management, assets went from about €1,243 billion at the end of December 2023 to about €1,340 billion at the end of December 2024 (+7.8%). With regard to open-ended investment funds alone, client assets stood at around €1,271 billion at the end of December 2024, up 10.6% from roughly €1,149 billion at the end of December 2023.

€2,499 bn

the total assets of **Italian assets management** at 31 December 2024

In terms of net inflows, the asset management industry presents a positive balance of around €30 billion in 2024 (compared to a negative balance of around €49.6 billion in 2023).

REGULATORY CONTEXT

Below are the main regulatory initiatives updated or newly issued in 2024, which are relevant for the Financial Services Strategic Business Unit.

Bank of Italy

Circular no. 285 of 17 December 2013

During 2024, the Authority published the following updates to Circular no. 285 of 17 December 2013:

- the 48th update, dated 20 June 2024, concerns the methodologies for measuring interest rate risk[67] and credit spread risk of non-trading book assets in terms of changes in economic value and net interest income. The update is relevant to Bancoposta's assets for credit spread risk only, and final analyses and discussions are underway with the Bank of Italy, by the competent functions, to assess and monitor this risk for the banking book;

[65] Source: ABI, Monthly Outlook January 2025.
[66] Assogestioni, Monthly map of asset management, published on 24 January 2025.
[67] The Interest Rate Risk for instruments in the Banking Book (IRRBB) is the risk arising from interest rate fluctuations over time and can affect the value of banking assets and liabilities due to differences in their interest rates and maturities.

- The 49th update of 24 July 2024 contains new provisions on "Capital reserves" which regard the provisions on the leverage ratio reserve for Global Systemically Important Institutions (G-SIIs) and as such are not relevant to Bancoposta RFC.

In addition, the 44th update of the circular of 19 December 2023[68], which is of particular interest to BancoPosta, is currently being implemented by the company and on 11 November 2024, in compliance with the deadlines set by prudential supervisory regulations, the first report on Interest Rate Risk was sent with a positive outcome, with a reference date of 30 September 2024.

Bank of Italy

Other circulars on supervisory reporting

On 28 November 2023, the Bank of Italy published the 17th update of Circular no. 272 of 30 July 2008, which introduces new information requirements in supervisory reporting, and the 76th update of Circular no. 154 of 22 November 1991, which amends the supervisory reporting formats. BancoPosta is in the process of completing the necessary updates, which will be finalised when the first 2025 Payment Systems report will be sent in April 2025.

Bank of Italy

Circular 320 of March 2024 "Reporting on cash access points"

On 20 March 2024, the Bank of Italy published online Circular no. 320 on 'Reporting on cash access points', detailing: the structure and frequency of reporting, reporting deadlines and reporting schemes, with descriptions of items and instructions for compiling attributes. Monthly reports and half-yearly reports (on 30 June and 31 December) are envisaged. Poste Italiane and PostePay have implemented tools to support the evolution of new report and sent the first reports in September 2024.

European Delegation Act 2022-2023 (Law no. 15 of 21 February 2024) Cybersecurity

On 24 February 2024, Law no. 15 of 21 February 2024 (European Delegation Law 2022-2023) was published in the Official Journal, delegating the Government to transpose European Directives and implement other acts of the European Union.

In particular, the law provides for the definition of principles and criteria for the transposition into national law of the Directive (EU) 2022/2555, revising the NIS Directive[69] and laying down measures for a common high level of cybersecurity in the European Union "NIS 2 Directive").

In addition, the law delegates the Government to adapt national legislation to the provisions of the following European Regulations:

- Regulation (EU) 2023/1114 ("MiCAr Regulation[70]") on cryptocurrency markets, which establishes uniform requirements for cryptocurrency service providers;
- Regulation (EU) 2022/2554 ("DORA Regulation[71]") aimed at ensuring a high common level of digital operational resilience for the financial sector;

The European Delegation Act 2022-2023 has been subject to an amendment that makes explicit, in Article 15, the inclusion of Poste Italiane BancoPosta RFC in the list of entities to which the Digital Operational Resilience Act (DORA) applies.

Poste Italiane has launched a Group-wide initiative to take the necessary actions to ensure the regulatory compliance of all the Group's supervised entities, including BancoPosta and PostePay.

[68] This update concerns the transposition into national law of the changes defined at European level regarding interest rate risk and credit spread on the banking book (IRRBB and CSRBB respectively). Please refer to the 2023 Annual Report for more details on the 44th update to the Circular.
[69] Network and Information Security.
[70] Markets in Crypto-assets Regulation.
[71] Digital Operational Resilience Act.

Annual Market and Competition Act 2022 (Law no. 214 of 30 December 2023)

Distance contracts

With reference to the legislation (Law no. 214 of 30 December 2023) that made significant changes to the Consumer Code on the subject of distance contracts concluded by telephone and service contracts with tacit renewal, it should be noted that it does not apply to BancoPosta RFC[72] and PostePay S.p.A.

European Commission (Regulation 2024/2956)

Standard models in relation to the Information Register

On 2 December 2024, the Implementing Regulation (EU) 2024/2956, approved by the European Commission on 29 November 2024, was published in the Official Journal of the European Union, which lays down implementing technical standards with regard to standard forms in connection with the Information Register, pursuant to Article 28, par. 3, of the Digital Operational Resilience Act (DORA) Regulation.

In particular, the Implementing Regulation sets out the standard models for all contractual agreements for the use of ICT services provided by third-party providers, defining specifically:

- the positioning of third-party suppliers of ICT services in the supply chain, by means of a value greater than or equal to 1 for each supplier;
- the general requirements to be met to maintain and update the information register accurately, consistently and in accordance with data quality principles, using the templates provided in Annexes I to IV;
- the requirements for the data format, content and scope of the Information Register.

The Regulation entered into force on 22 December 2024.

The regulatory adaptation project envisaged by DORA for the Poste Italiane Group including BancoPosta RFC is underway.

European Parliament and Council (Regulation 2024/886 of 13 March 2024)

Instant Transfers

On 19 March 2024, Regulation 2024/886 of the European Parliament and of the European Council amending the European regulation[73] on instant credit transfers in euro was published in the Official Journal of the European Union, which aims to make instant payments available to all citizens and companies with a payment account in the EU and the European Economic Area (EEA) countries. The main changes concern the obligation for EU payment service providers to: i) also offer the instant version if they already offer euro credit transfers; ii) ensure that the fees charged for instant euro payments are no higher than those charged for non-instant euro credit transfers; (iii) verify the correspondence between the bank account number (IBAN) and the payee name provided by the payer prior to the execution of the instant transfer; (iv) verify whether their customers are subject to financial restrictive measures[74] - provided for in EU legislation - immediately after the entry into force or upon modification of these measures, as well as at least once per calendar day.

In the course of 2024, on the basis of the analyses conducted by BancoPosta and PostePay, the initiatives necessary for the correct implementation of the changes introduced by the Regulation were planned and implemented.

[72] In particular, for distance contracts concluded by telephone (Article 9(2)), there is no provision to date for signing contracts by telephone within the scope of the products placed by BancoPosta. For Service Contracts with tacit renewal clauses (Article 14), restricting the analysis to 'service contracts' as required by the rule, there are currently no fixed-term contracts with tacit renewal clauses in the BancoPosta perimeter.
[73] Regulations (EU) no. 260/2012 and (EU) 2021/1230 and Directives 98/26/EC and (EU) 2015/2366.
[74] By way of example, the freezing of funds.

European Parliament

Anti-Money Laundering Package

On 19 June 2024, the anti-money laundering package was published in the Official Journal of the European Union as follows:

- Directive (EU) 2024/1640 of the European Parliament and of the Council of 31 May 2024 (the "VI AML Directive"[75]), which introduces new regulations on the organisation of the institutional system of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) for national supervisory bodies and Financial Intelligence Units (FIUs), as well as on central registers, such as the register of beneficial owners, the register of bank accounts, and single access to land registers;
- regulation (EU) 2024/1624 of the European Parliament and of the Council of 31 May 2024 (the "AML Regulation" or "Anti-Money Laundering Regulation", which will apply from 10 July 2027), which, in order to achieve a higher level of European harmonisation of legislation in the sector, contains all AML/CFT provisions relating to the private sector that will be directly applicable in the EU Member States;
- regulation (EU) 2024/1620 of the European Parliament and of the Council of 31 May 2024 (the "AMLA Regulation", which will apply from 1 July 2025), which provides for the establishment of the European Anti-Money Laundering and Anti-Terrorist Financing Authority (AMLA, which has been operational from the middle of May 2024), which will be responsible for strengthening cooperation between national intelligence units, directly supervising the riskiest financial institutions, and coordinating national supervisory bodies. The measure regulates the body's legal status, powers and forms of coordination with other authorities.

BancoPosta, together with the other supervised entities of the Poste Italiane Group, while waiting for the new AMLA Authority to draw up the regulatory technical standards (RTS), is analysing the new regulations in order to identify the processes most impacted.

European Parliament and Council

Basel 3 plus

On 19 June 2024, the following measures were published in the Official Journal of the European Union, which complete the process of transposing the reform of bank capital requirements into the European Union, pursuant to the amendments to the Basel Accord (Basel 3 plus):

- Directive (EU) 2024/1619 of the European Parliament and of the European Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches and environmental, social and governance risks. States will have to enact transposition provisions by 10 January 2026.

- Regulation (EU) 2024/1623 (CRR 3) of the European Parliament and of the European Council of 31 May 2024 amending Regulation (EU) no. 575/2013 (Capital Requirements Regulation - CRR) as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor. The Regulation will apply from 1 January 2025.

The Basel 3 plus regulatory framework is relevant to BancoPosta's capital, in particular for the new Standardised Approach for calculating the minimum capital requirement for operational risk, and its implementation is in progress.

[75] The AML Directive amends Directive (EU) 2019/1937 and replaces Directive (EU) 2015/849, repealing its provisions. The Member States will have to comply with the AML Directive, transposing its provisions, by 10 July 2027, with the exception of: the rules on the register on beneficial owners, which will have to be transposed by 10 July 2026; and the rules on single access to information on immovable property, which will have to be transposed by 10 July 2029.

	BancoPosta is in the process of completing the updates related to the amendment of the ITS templates of the prudential disclosure base, which will be finalised with the reporting scheduled for March 2025.
Legislative Decree no. 134 of 4 September 2024 (ERC Directive) Critical Entities Resilience	On 23 September 2024, Legislative Decree no. 134 of 4 September 2024 implementing Directive (EU) no. 2022/2557, so called CER (Critical Entities Resilience) Directive on Critical Entities Resilience was published in the Official Journal. The Decree establishes measures to ensure that essential services for the maintenance of vital societal functions, economic activities, public health and safety are provided without hindrance, defining criteria for the identification of critical actors, as well as obligations for critical entities to strengthen their resilience and capacity to provide essential services. The legislation was examined by the relevant function which deemed it not to have an impact on the Poste Italiane Group.
Bank of Italy Communication to the market on ICT security	On 23 December 2024, the Bank of Italy published on its website, a Communication to the market on ICT security, drawing the attention of directly supervised intermediaries to the profiles of digital operational resilience and ICT risk. In the document, intermediaries are invited to assess their positioning with respect to the Digital Operational Resilience Act (DORA) and to carry out a self-assessment of their ICT risk management framework, to be submitted to the Bank of Italy by 30 April 2025. The project to comply with the ICT risk management framework envisaged by DORA is underway for the supervised entities of the Poste Italiane Group, including BancoPosta RFC. Moreover, the overall assessments on the adequacy of the system are already underway in order to prepare the Self-Assessment Report to be sent to the Bank of Italy.
Bank of Italy Reporting of serious ICT incidents and significant cyber threats under DORA	On 27 December 2024, the Bank of Italy published on its website, a Note on the reporting of serious ICT incidents and cyber threats under the DORA Regulation on digital operational resilience for the financial sector. The Authority recalls that as of 17 January 2025, financial entities are required to report to the Bank of Italy via the INFOSTAT platform using the new form and the new Operating Instructions that replace the previous ones. The Poste Italiane Group has already addressed the new criteria for classifying serious incidents in line with DORA, and is ready to use the new notification methods.
Bank of Italy Communication on the application regime of the DORA Regulation	On 30 December 2024, the Bank of Italy published a Communication on its website concerning the application of the DORA Regulation. With the start of the new regime, which will apply from 17 January 2025, the Authority has drawn the attention of intermediaries subject to the prudential supervision of the Bank of Italy to a number of profiles, in respect of which the following indications are provided to enable a uniform application of the DORA Regulation. It covers, in particular: the organisational location of the ICT risk control function, the disclosure of contractual arrangements with external counterparties, the reporting of serious ICT incidents and significant cyber threats, and threat-based penetration tests. The project to bring the supervised entities of the Poste Italiane Group, including BancoPosta RFC, into line with the requirements sanctioned by DORA is underway.
European Parliament and Council	Directive (EU) 2023/2225, published on 30 October 2023, on credit agreements for consumers, which updates and repeals Directive 2008/48/EC (the "CCD - Consumer Credit Directive"), aims to establish a common framework for the harmonisation of aspects of the laws, regulations and administrative provisions of the Member States by broadening the forms of

Consumer credit agreements

credit covered by the relative discipline and regulating certain aspects[76]; BancoPosta is carrying out the appropriate in-depth studies to assess the impact of this new regulatory framework, with the involvement of its financing partners, while awaiting the national transposition of the measure, which is expected to be completed by 20 November 2025.

Legislative Decree no. 138 of 4 September 2024

NIS2 Directive

Computer network security

On 1 October 2024, Legislative Decree no. 138 of 4 September 2024 implementing Directive (EU) no. 2022/2555 (NIS 2 - Network and Information Security - Directive), was published in the Official Journal. The Decree lays down measures to ensure a high level of security of computer networks at national level, contributing to increasing the common level of security in the European Union so as to improve the functioning of the internal market. The Legislative Decree came into force on 16 October 2024 and applies from 18 October 2024; at the same time, Legislative Decree no. 65 of 18 May 2018 was repealed (with the exception of Article 7(8) and Article 8, par. 10, which are repealed as from 1 January 2025).
The legislation is being examined by the relevant functions to assess its potential impact on the Poste Italiane Group.

[76] The main aspects concern: (i) pre-contractual information to be provided to customers prior to the conclusion of the credit agreement, reinforcing the relevant marketing practices; (ii) the assessment of the consumer's creditworthiness and access to databases by lenders; (iii) the form and content of agreements; (iv) rules of conduct in the granting of credit, and knowledge and competence requirements for credit intermediaries.

European Commission

European Digital Identity Wallet

In the Official Journal of the European Union of 4 December 2024, five Implementing Regulations approved by the European Commission on 28 November 2024 were published, specifying the modalities for the application of the e-IDAS - Electronic Identification, Authentication and Trust Services discipline, on the "European digital identity wallet"[77].

The Implementing Regulations concern, specifically, the personal identification data and electronic attribute certificates issued to European digital identity wallets (Regulation 2024/2977); the integrity and basic functionalities of European digital identity wallets (Regulation 2024/2979) the notifications to the Commission in relation to the ecosystem of European digital identity wallets (Regulation 2024/2980); the certification of European digital identity wallets (Regulation 2024/2981); the protocols and interfaces to be supported by the European digital identity framework (Regulation 2024/2982).

The Implementing Regulations came into force and will apply from 24 December 2024 and the relevant functions are assessing potential impacts on the Poste Italiane Group.

Bank of Italy - UIF

Russian Transfer Survey ('TRU')

On 6 June 2024, the Financial Intelligence Unit (FIU) for Italy announced that following amendments to Reg. EU 833/2014 by EU Implementing Reg. 2878/2023 - concerning restrictive measures in view of Russia's actions - the Financial Security Committee (FSC) delegated the FIU to receive and collect data on non-EU fund transfers. Credit and financial institutions are required to transmit, as of 1 July 2024, information on all transfers of funds outside the Union of certain amounts[78]. BancoPosta, for the second half of 2024, has identified a customer that meets all the criteria required by the Bank of Italy and has therefore reported it.

Bank of Italy - UIF

Amendments to the Provisions on organisation, procedures and internal controls regarding anti-money laundering and terrorist financing

With the measure of 27 November 2024 Amendments to the "Provisions on organisation, procedures and internal controls to prevent the use of intermediaries for the purposes of money laundering and terrorist financing" of 26 March 2019, the Bank of Italy inserted into these Provisions the new Part Eight ("Periodic AML Reporting"), which provides for the annual transmission to the Bank of Italy of the periodic reports indicated in the "Manual for AML Supervisory Reporting" attached to the same measure.

Reports are transmitted, according to the modalities indicated in the Manual, by 31 March of the year following the reference year and have the previous calendar year as their reference period.

OTHER INFORMATION

Bank of Italy

On 27 February 2024, a Report was received from the Bank of Italy containing the results of an inspection, conducted on the Poste Italiane site limited to BancoPosta's activities, aimed at assessing the degree of compliance with the Transparency Provisions. On 26 April 2024, the Company submitted its response letter also containing an action plan in view of the comments submitted.

[77] The EU digital identity wallet is designed as a convenient and secure way for European citizens and businesses to authenticate their identity, using their digital identity for both public and private sector interactions. Users can store various digital documents within the wallet, ranging from academic credentials to transport passes, and use them to access private platforms, such as social networks. (source: https://digital-strategy.ec.europa.eu/it/policies/eudi-wallet-implementation)European digital identity wallets will create a universal, reliable and secure digital identification tool for all Europeans. European digital identity wallets will enable everyone in Europe to securely identify themselves when accessing public and private services, and to store and view digital documents such as mobile driving licences and educational credentials, all from their mobile phones. (source: https://digital-strategy.ec.europa.eu/it/factpages/european-digital-identity-wallet.)

[78] Amount, whether individual or cumulative, during the six-month period, is more than €100,000 initiated, directly or indirectly, for legal persons, entities and bodies established in the Union, the ownership rights of which are held directly or indirectly for more than 40% by: a legal person, entity or body established in Russia; a Russian citizen; a natural person resident in Russia.

On 29 April 2024, the Bank of Italy sent a request for an in-depth examination of the application of the product governance process on the offer of both credit and insurance products combined with them, the controls adopted (also with reference to the incentive system for the sales network) and the monitoring of any anomaly indicators. The relevant feedback was sent on 28 June 2024.

On 16 August 2024, the Bank of Italy sent a Note containing the results of a Mystery shop[79] conducted at 12 Post Offices and aimed at verifying the effective compliance by the operators of the commercial network with the guidelines contained in the Transparency Provisions on the active use of transparency documentation from the first stages of contact with customers requesting information on the offer of payment accounts. On 15 October 2024, the Company sent the letter of reply.

On 13 February 2025, the Bank of Italy launched an inspection at Poste Italiane - BancoPosta RFC, pursuant to Article 128 of the Consolidated Law on Banking (Legislative Decree no. 385/93), to verify compliance with regulations on the transparency of contractual terms and conditions and customer relations, as set out in Title VI of the Consolidated Law on Banking and related secondary provisions. The inspection will focus on the application of the Payment Account Directive (PAD) regulations (Directive 2014/92/EU) to payment accounts, with particular attention to account portability and the basic account. On-site audits involving eighteen Post Offices will be carried out, as well as audits at the head office.

On 13 February 2025, the Authority transmitted to BancoPosta RFC the Provision concluding the proceedings relating to the identification of additional capital requirements pursuant to Article 53-bis(1)(d) of Legislative Decree no. 385 of 1 September 1993 (TUB - Consolidated Law on Banking). Specifically, as of the supervisory reporting on 31 March 2025, Bancoposta will have to hold the following minimum capital requirements: (i) CET 1 ratio 9.80%; (ii) Tier 1 ratio 12.30%; (iii) Total Capital ratio 15.50%. 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) CET 1 ratio 11.80%; (ii) Tier 1 ratio 14.30%; (iii) Total Capital ratio 17.50%. Compliance with these requirements did not result in the need for additional capital contributions by BancoPosta.

On 20 July 2022, the Authority sent a notice to Poste Italiane S.p.A. - BancoPosta RFC and PostePay concerning the manner in which the funds received by PostePay in respect of the issuance of electronic money should be managed. It should be noted that the Supervisory Provisions for EMIs provide that such funding may be deposited with a bank authorised to operate in Italy, invested in qualified debt securities or particular units of harmonised mutual funds. Since the creation of PostePay, these sums are deposited in a postal current account (protection account) and contribute to the funds from private customers of Bancoposta RFC, which are invested in euro area government bonds. In this regard, the Authority initiated discussions with BancoPosta and PostePay in 2021, in view of the fact that BancoPosta was not

[79] Bank of Italy agents carried out "incognito" visits at some post office counters asking for information about opening a payment account. The objective was to verify compliance with the rules of transparency and fairness at the stage of first contact with the customer and the ability of the counter staff to explain the characteristics of the products on offer and to recommend the ones best suited to customers' needs.

deemed to be an entity that could be assimilated to the concept of "credit institution" under the relevant European legislation. The issue found a favourable conclusion with Law no. 207 of 30 December 2024 (2025 Budget Law), which introduced, among the activities that Poste Italiane S.p.A. - BancoPosta RFC may carry out, the possibility of "collecting sums of money received by electronic money institutions for the issuance of electronic money and by payment institutions for the provision of payment services referred to in Articles 114-quinquies.1 and 114-duodecies of the Consolidated Law on Banking" (see Article 2, paragrapg 1)(a-bis) of Presidential Decree no. 144/2001 "Regulation containing rules on BancoPosta services").

CONSOB

On 29 July 2024, CONSOB requested an update on the previous request of 29 January 2024, which was answered on 23 February 2024. In particular, the subject of the request was different areas of in-depth investigation including: i) service model, ii) customer profiling, iii) concentration control, iv) reports of alleged commercial pressure. The relevant feedback was provided on 30 September 2024.

Garante per la protezione dei dati personali (the Italian Data Protection Authority)

On 16 April 2024, the Garante per la protezione dei dati personali (GPDP) opened a preliminary investigation with a request for information in relation to the same event that led to the initiation of proceedings PS/12768 of ACGM[80], i.e. the anti-fraud messages received by BancoPosta and PostePay account holders, who use the services through the relevant apps installed on their Android devices, when accessing them from the first days of April 2024. After several requests for information and related replies, the last of which was sent in January 2025, aimed at providing the GPDP with both the regulatory basis and information on the processing of personal data of the BancoPosta and Postepay apps, carried out for anti-fraud purposes, the Authority's investigative activity continues.

On 23 July 2024, the GPDP delivered to Poste Italiane a request for information concerning a complaint received from an employee/customer of the Company. The customer/employee complained that, in connection with his own loan application, the banking partner inserted information concerning his financial situation in a notes field of the management application. Poste Italiane had already taken steps in the first quarter of the year to delete this data, following a report by the person concerned. Poste Italiane responded on 12 September 2024. The conclusion of the GPDP's investigative activity is pending, within the terms and time-frame established by the Authority's Internal Regulation (no. 2/2019).

Federconsumatori

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.

[80] For more information, please refer to the chapter "Contingent liabilities and main proceedings pending with the Authorities" in the Consolidated Financial Statements at 31 December 2024.

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 order dated 11 January 2022, held that the request submitted by Federconsumatori was manifestly unfounded, recognising, inter alia, the lack of passive legitimacy of Poste Italiane.

Federconsumatori appealed the order of the Court of Rome, and the Court of Appeal, by means of order of 5 March 2025 rejected the complaint.

For the main pending proceedings and additional relations with the Authorities, please refer to the chapters "Contingent liabilities and main proceedings pending with the Authorities" in the Section Poste Italiane's Financial Statements.

OPERATING REVIEW

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

SEGMENT	OPERATING REVIEW
Postal savings	On 1 August 2024, a new Agreement was signed between Poste Italiane S.p.A. and Cassa Depositi e Prestiti S.p.A. for the Postal Savings collection service for the three-year period 2024-2026. For more details, see paragraph 7.2 "Other information". During 2024, the placement of products dedicated to customers bringing new liquidity[81] into Poste Italiane continued: ✓ Supersmart Premium 540-day offer, aimed at Libretto Smart holders, placed from 15 November 2023 to 10 January 2024 with a gross annual rate to maturity of 4.00% and volumes raised of approximately €1,092 million in 2024; ✓ Supersmart Premium 366-day offer for Libretto Smart holders, available from 23 January to 7 March 2024, with a gross annual rate to maturity of 3.00%, and volumes raised of €902 million; ✓ Supersmart Premium 366 offer, aimed at Libretto Smart holders, placed from 19 March 2024 to 9 May 2024 with a gross annual rate to maturity of 3.50% and volumes raised of €1,452 million; ✓ Buono Premium (Premium Voucher), aimed at Libretto Smart holders, with a term of 1 year and a gross annual yield to maturity of 3.50%, whose placement began on 23 May and ended on 13 July 2024 with volumes raised of €2,791 million; ✓ Supersmart Premium[82] deposit, aimed at Libretto Smart holders, placed from 22 July to 12 September 2024 with a term of 366 days and an gross annual rate to maturity of 3.00% and volumes raised of €861 million; ✓ Buono Premium (Premium Voucher), reserved for Libretto Smart holders, with a term of 1 year and a gross annual yield to maturity of 3.00% was placed from 24 September 2024 to 18 October 2024 and raised €863 million; ✓ Buono Premium (Premium Voucher), reserved for Libretto Smart holders, with a term of 1 year and a gross annual yield to maturity of 2.50% was placed from 14 November 2024 to 30 December 2024 and raised around €1,447 million;

[81] New liquidity means all sums contributed exclusively by bank transfer, payment of bank and bank drafts, credit of salaries and pensions, and credited to the Libretto Smart, to current accounts and/or postal savings books bearing the same header/co-header as the Libretto Smart chosen to join the offer.
[82] As of 21 July 2024, the Supersmart Offer was renamed Supersmart Deposit in order to make the product more recognisable and easily comparable with deposit accounts offered on the market.

- ✓ In March 2024, the 10-year Italian inflation-indexed Interest-bearing Postal Certificate was launched, offering a revaluation of the principal and accrued fixed interest based on the evolution of the inflation rate.

In April 2024, the Buono Rinnova (Rinnova Voucher) was replaced by the new 4-year Rinnova Voucher, also dedicated to customers with expired and redeemed Vouchers, which pays a gross annual yield to maturity of 2.00% in the last period of the year.

In October 2024, the placement of the 4-year Buono Rinnova Prima (Rinnova Prima Voucher) began, allowing customers to book a subscription in the 30 days prior to the maturity date of a bond in their possession, recognising a gross annual yield to maturity of 2.50%.

As of 3 December, bookings of the Rinnova Prima Voucher were discontinued, and as of 5 December, the Buono Prenota e Rinnova (Prenota e Rinnova Voucher) was placed, which can also be booked in the 30 days prior to the maturity date of a dematerialised bond and has a gross annual yield to maturity of 2.00%.

In July 2024, there were important changes:

- ✓ Renaming of Supersmart Offers (OSS) to Supersmart Deposits (DSS) to make the product more understandable to customers and comparable to competitor products;
- ✓ Lowering of the minimum amount that can be set aside in DSS (from €1,000 to €500) to make the product more accessible to savers;
- ✓ Launch of the Supersmart Young Deposit, intended for holders of a Libretto Smart, where at least one of the holders is aged between 18 and 35 years (until the day before they turn 36 years of age), with a term of 180 days and a gross annual yield to maturity of 2.50% (3.00% until 23 September 2024).

In addition, in order to improve the customer's experience in managing savings, the possibility was introduced to partially deactivate[83] supersmart offers and deposits activated on the smart passbook.

Current accounts

In April 2024, the "Digital 2024 Promotion" was launched, dedicated to customers who open a current account on-line by 31 July 2024 using the Promotion Code[84]. The account options covered by the promotion are: Start, Medium and Start Youth. In addition, from June 2024, a radio advertising campaign was launched to support current account openings and, from an omnichannel perspective, the possibility of opening the current account using promotional codes was also extended to Post Offices.

As of 22 July 2024, the BancoPosta Premium Account offer has been adapted to the new Premium service model, which includes the introduction of two customer choice profiles: Top and Smart, which differ in the type of current account fees[85].

In September 2024, the marketing of the "BancoPosta Incasso Smart" service was extended to the entire "Business and Public Administration" network. This allows cash to be managed more efficiently and securely using smart safes and cash collection and transport services provided by a specialised partner[86].

During the year, the enrichment of the financial services available on digital channels and relating to retail (new Poste Italiane app) and business (website and new Poste Italiane app) current accounts also continued; please refer to the section "Strengthening of digital channels" in the document for more details.

[83] Partial deactivation is permitted for a minimum amount of €50 which can be increased by multiples of €50, provided that the remaining amount of the provision may not be less than €500 in the case of Supersmart Deposits and €1,000 in the case of Supersmart Offers.

[84] The promotion, which is valid for new account holders, offers zero monthly fees for a maximum of 24 months from the month the account is opened: for the first 12 months by using the promotional code PROMODIGITAL24 when opening the current account and from the 13th month if the current account is credited with a monthly salary/pension or a monthly incoming transfer of at least €700, or, an average monthly account balance of more than €2,500 is maintained.

[85] Premium customers (i.e. with assets > €500,000) who choose the Top profile will have the zero fee Premium Option account, while Premium customers who choose the Smart profile will incur the account maintenance fees of the aforementioned list but, until June 2025, the fee will be zero.

[86] The Partner installs the smart safe at the customer's point of sale and the value of the cash acquired by the safe is credited to the customer's bank account and made available within the next business day at the latest. The Partner then performs the service of counting, collecting and transporting the sums paid to the Poste Italiane vaults.

	As of January 2025, in all Post Offices, the connection service[87], already active for the Postepay Evolution card, was also extended to the Postepay debit card. The service combines the features of the Postepay card with those of the PosteMobile SIM and is available to BancoPosta account holders with an active Postepay debit card.
Asset management	 During 2024, the distribution of the target-date mutual funds[88] bond and the expansion of the Asset Management range with sustainable solutions including ESG (Environmental, Social and Governance) and flexible components continued. In particular, the Fondo BancoPosta Obbligazionario Italia 4 anni and the Fondo Bancoposta Obbligazionario Dicembre 2029 were launched in January 2024 and May 2024, respectively. These bond funds aim to achieve, over an investment horizon, a portfolio return in line with the average return on corporate and government bonds of a similar duration, through an investment in securities denominated in euros, mainly of Italian issuers, and to distribute an annual income. In June 2024, the placement of two new Asset Management lines started in cooperation with Moneyfarm: - Liquidity+ line: characterised by an investment approach in short-term money market funds; - Multitrend line: characterised by an investment approach in multi-thematic Exchange Traded Funds (ETFs) on megatrends (e.g. artificial intelligence, environmental sustainability, global warming, smart cities, innovation in healthcare and cyber security). In July 2024, the BancoPosta Universo ObbligazionarioPiù mixed bond fund was launched. The fund aims to seize, over a medium/long-term investment horizon, the return opportunities offered by global bond markets, through the investment of assets in a portfolio of financial instruments, selected also by taking into account sustainable finance criteria, and the distribution of a six-monthly income. In addition, in July 2024, the placement of Funds managed by third parties specifically selected by Poste Italiane and dedicated to customers in the Premium segment began, in line with the new Premium service model, which envisages a range of dedicated offers divided into two customer choice profiles: Top and Smart.
Assets under administration	In February 2024, Poste Italiane participated in the third issue of the BTP Valore, on placement from 26 February to 1 March 2024, dedicated exclusively to small savers (retail) with a 6-year duration and quarterly coupons set according to a series of coupon rates increasing over time (step-up). In May 2024, Poste Italiane also participated in the fourth issue of the BTP Valore, on placement from 6 to 10 May 2024, again dedicated exclusively to small savers (retail) with a 6-year duration and quarterly coupons set according to a series of coupon rates increasing over time (step-up).
Distribution of loans and other third-party products	During 2024, a number of commercial initiatives continued, supported by sales campaigns with the objectives of increasing the customer base of the BancoPosta Loans offer and building the loyalty of customers acquired through the "Prestito BancoPosta Consolidamento"[89]. "Green" promotions for the purchase of electric or hybrid vehicles and for Home Renovation were also launched during the year, as well as promotions of the Prestito BancoPosta Classico and Consolidamento. In order to increase the customer base and consolidate existing customers, promotional offers were launched for Mutuo BancoPosta and Quinto BancoPosta Pensionati e Dipendenti Pubblici products, supported by sales campaigns. For Quinto BancoPosta, as of 1 June 2024, agreements with state-owned companies are active for the subscription of Quinto BancoPosta Dipendenti Parapubblici[90].

[87] The renewal of the SIM fee is automatically charged to the Postepay Evolution prepaid card, and for unconsumed giga, a cashback discount of up to €4 per month is credited to the card.
[88] They are mainly bond or balanced bond funds on specific themes. The Target Date Bond Funds aim to achieve - over a defined time horizon from the end of the Placement Period - a portfolio return in line with that offered on average by corporate and government bond financial instruments of similar duration, mainly denominated in euro, while the Balanced Bond Funds combine a portion of bond investments - equal to at least 50% of the portfolio - with a portion invested in flexible instruments and equities on particular themes such as ESG issues.
[89] Prestito BancoPosta Consolidamento makes it possible to combine previously subscribed loans into a single financing solution.
[90] For current employees of the semi-public companies that sign the agreement from time to time, reserved economic conditions are available for new applications or renewals of Cessione del Quinto under Presidential Decree 180/50.

	With regard to business customers, in May 2024, the placement of a new short-term liquidity advance product on the basis of POS[91] transactions was launched, dedicated to companies that are BancoPosta current account holders and have subscribed to the PostePay acquiring service. In addition, within the "Prestito BancoPosta Business Link Online" range, October 2024 saw the launch of the placement of a new loan reserved for corporations, called "Digital Lending" and provided by Banca CF+, which has a duration of 60 months, a variable rate and is guaranteed by the Central Guarantee Fund for SMEs.
Other activities	As of 1 January 2024, the provision of the service known as "Assegno di inclusione" (Inclusion Allowance)[92] started. This measure replaces the guaranteed minimum income and pension, whose residual effects will also run their course in 2025.

4.5.5 Insurance Services Strategic Business Unit

MARKET CONTEXT

Life Business

In 2024, the market in the Investment and Pension business continued to be affected, albeit to a more limited extent, by the still high interest and inflation rates, although the disinflationary trend continued; this uncertainty was reflected in particular in the increase in lapses relating mainly to Class III products. Despite the challenging market environment, Poste Vita's performance bucked the market trend (negative total life net inflows[93] of €3.3 billion at the end of December 2024) with positive Investment net inflows of €1.5 billion at the end of December 2024 (albeit down by €1.9 billion compared to the same period in 2023). Specifically, in 2024, gross inflows of the Company's investment products amounted to €18 billion, up slightly by €0.2 billion compared to the same period in 2023 due to the increase in inflows of multi-class products (+€3.7 billion), only partially offset by the decrease (-€3.5 billion) in business regarding traditional build-up products. At 31 December 2024, the lapse rate was 6.6%, up from 4.4% at 31 December 2023, and significantly lower than the market lapse rate recorded at 31 December 2024, which was 10.39%.[94]

In the first nine months of 2024, the protection insurance market continued on a path of robust growth in terms of premium inflows, recording, at 30 September 2024, €19.7 billion in premiums for non-motor P&C business (+6.6% compared to the same period in 2023), and €14.1 billion in premiums for motor business (+11.0% compared to the same period of 2023), due not only to the positive trend in demand, but also to an increase in rates as a result of the high inflation of recent years. Against this backdrop, there was also significant growth in Life Protection business, with market growth of 18.3% compared to the same period in 2023.

Below is a breakdown of gross inflows of investment and protection products at 31 December 2024 and 30 September 2024, compared respectively with the figures at 31 December 2023 and 30 September 2023.

Investment products

Gross inflows for investment products[95] amounted to approximately €108.1 billion at the end of December 2024 (+21.2% compared to 2023). If new Life premiums reported by EU companies is also taken into account, the figure reached €116.7 billion (+19.7% compared to 2023).

[91] The POS transaction advance is a service for business customers that allows them to request the opening of a credit line, whose amount is defined on the basis of the applicant's POS transaction. The merchant can then benefit from future POS receipts, in the form of an advance, thanks to the opening of a dedicated account on which a sum is made available to the business customer. This product is provided by Igea Digital Bank and assisted by the Central Guarantee Fund for SMEs.
[92] Law no. 85 of 3 July 2023 "Urgent measures for social inclusion and access to employment".
[93] Source: Report ANIA - Trends Life Flows and Reserves Year XIV - no. 04 - published on 19 February 2025.
[94] Source: Report ANIA - Trends Life Flows and Reserves Year XIV - no. 04 - published on 19 February 2025.
[95] Source: Report ANIA - Trends Life Flows and Reserves Year XIV - no. 04 - published on 19 February 2025.

Gross inflows by class (*)

(figures updated to December 2024 €m)

Premiums by class/product	Premiums YTD	% change 12 2024 vs 12 2023
Life - class I	71,402	10.6%
Unit - Linked - class III	31,479	59.0%
Capitalisations - class V	1,445	45.5%
Pension funds class VI	3,824	-1.9%
Italian insurers - non-EU	**108,150**	**21.2%**
EU insurers (**)	**8,591**	**4.3%**
Total	**116,741**	**19.7%**

(*) 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 business data is available for this category.

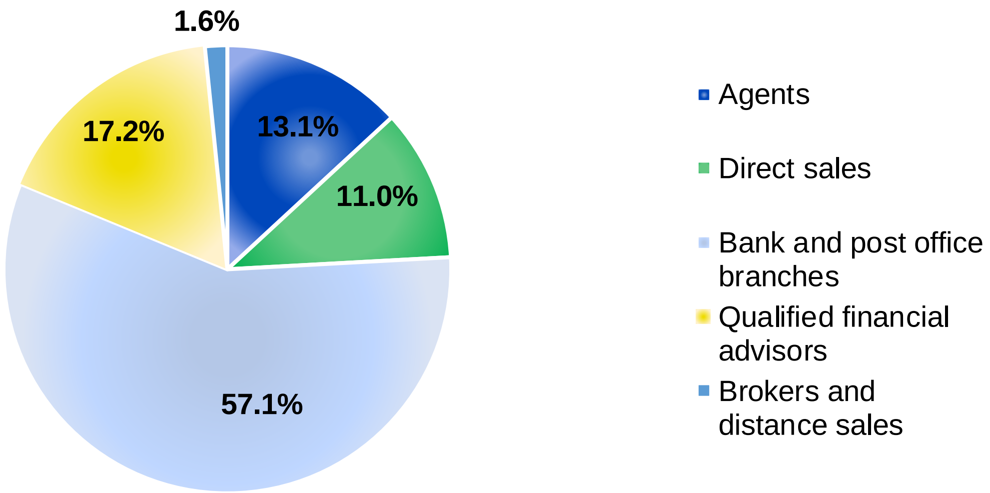
Premiums from Class I investment products amounted to €71.4 billion at the end of the period (+10.6% compared to the previous year), confirming their predominance with a 66% share of the total at the end of December 2024.) With regard to inflows in class III (in the exclusive unit-linked form) at the end of fourth quarter of 2024, there was an increase of 59% compared to the figure recorded in 2023, against total volumes of €31.5 billion. Although residual, inflows from capitalisation products (amounting to €1.4 billion) marks an increase of 45.5% in 2024 compared to the figure recorded in the previous year. The new contributions related to the management of pension funds recorded inflows of €3.8 billion for the year and were 1.9% lower than at the end of December 2023.

With reference to the distribution channel, 57.1% of inflows relating to investment products was intermediated at the end of December 2024 through bank and post office branches, with a premium volume of €61.7 billion, up by 19% compared to 2023. By contrast, with regard to the entire agency channel, gross inflows in the period under review reached €26.1 billion, up €2.2 billion compared to the figure for 2023 (€23.9 billion) and accounting for 24.1% of total intermediated inflows.

Gross premium revenue through the authorised financial advisors channel amounted to €18.6 billion, up 50.7% compared with the amount placed in the previous year, accounting for 17.2% of total intermediated premiums.

Lastly, the broker and distance sales channel recorded an increase in the year of 54.8% compared to 2023, with a volume of premiums placed equal to €1.7 billion (equal to 1.6% of the total intermediated).

Gross inflows of investment product by distribution channel



Source: ANIA

As regards the protection products market, the total premiums of the Italian direct portfolio, thus including the production carried out in our country by Italian companies and the representations of foreign ones, based on the latest official data available[96], amounted to €35.5 billion at the end of September 2024, an increase of 8.8% compared to the same period in 2023, of which €14.1 billion related to the motor protection sector, €19.7 billion to the non-motor protection sector and the remainder (€1.7 billion) to premiums from Life protection products.

Direct Protection portfolio premiums by class (*)
(data updated to September 2024 €m)

Premiums by segment (**)	Premiums YTD	% change 09 2024 vs 09 2023
Car damage protection	14,146	11.0%
Non-car damage protection	19,679	6.6%
Life protection(***)	1,666	18.3%
Total	**35,491**	**8.8%**

(*) Source: ANIA
(**) Premiums refer to Italian and non-EU undertakings and EU undertakings.
(***) Policies combined with mortgages and consumer credit (CPI) are excluded.

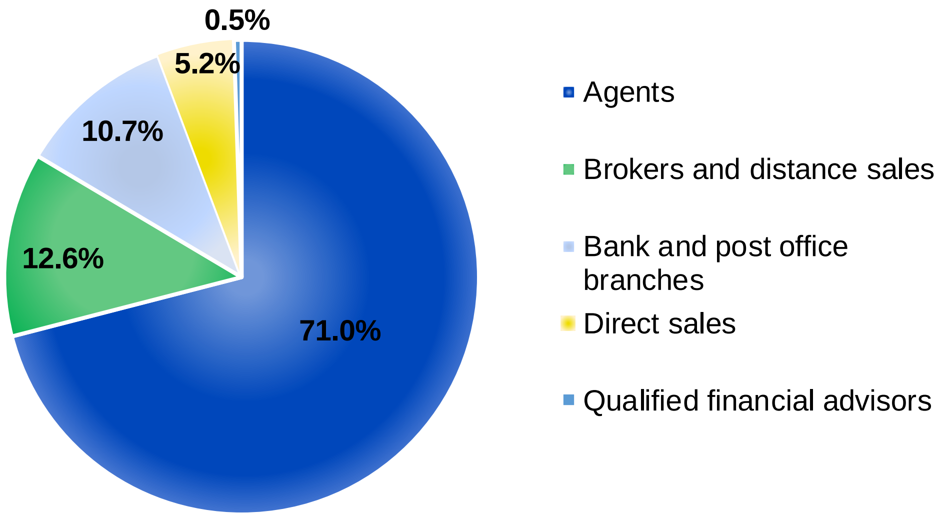
The aforementioned growth of €2.9 billion is mainly attributable to the motor protection sector (+€1.4 billion), due mainly to the increase in premiums from the Motor Vehicle TPL segment (+€0.9 billion) and partly also the Land Vehicles Hull Insurance business, which recorded an increase in premiums of €0.5 billion, and the development of the non-motor damage protection sector (+€1.2 billion). With regard to the latter, the lines of business with the greatest weight in terms of premiums written, which showed a positive change during the period, were: accident insurance with premiums of €2,887 million, up 2.8%; health insurance with premiums of €3,306 million, up 12.1%; the general liability line of business, with premiums of €3,750 million, up 2.1%; the other property damage line of business, with premiums of €3,210 million, up 5.7%; and the fire and natural forces line of business, with premiums of €2,485 million, up 13.0% for the period.

Finally, with regard to Life protection, pure risk products[97] (e.g. TCM, LTC) showed significant growth compared to the first nine months of 2023, amounting to €0.3 billion (+18.3%).

As far as distribution channels are concerned, the agency channel remains the leader with a market share of 71.0% at the end of September 2024 (equal to the figure recorded at the end of the first quarter of 2023). The broker and distance sales channel represents the second largest premium distribution channel with a market share of 12.6% (12.9% at the end of September 2023), while bank and post offices recorded a market share of 10.7% (10.0% at the end of September 2023). The remaining 5.7% (6% in the same period of 2023) refers to intermediated inflows through direct sales, which accounted for 5.2% in the first nine months of 2024 (5.5% recorded at the end of September 2023), and secondly to intermediated inflows through authorised financial advisors, which accounted for 0.5% of total volumes at the end of September 2024 (equal to the figure recorded in the same period in 2023).

[96] ANIA Report - Year IX - no. 39 - published on 21 November 2024.
[97] Policies combined with mortgages and consumer credit (CPI) are excluded.

Distribution Collection of protection products by distribution channel (*)



Source: ANIA.
(*) Italian insurers and non-EU insurer representatives operating as an establishment.

REGULATORY CONTEXT

Below are the main regulatory initiatives updated or newly issued in 2024.

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

The Life Insurance Guarantee Fund

The 2024 budget law[98] has established the "Life insurance guarantee fund", an associative body established between insurance companies and participating intermediaries with the aim of intervening to protect those who are entitled to benefit from the insurance benefits of those companies. The aforesaid fund settles the protected benefits up to a maximum amount of €100 thousand for each beneficiary and its financial endowment is established by means of the funding made available to the members, so as to reach an amount equal to at least 0.4 per thousand of the amount of the life business technical provisions (determined in accordance with the Solvency II calculation methods) at 31 December of the previous year.

On 18 December 2024, IVASS published a letter to the market aimed at providing clarification on how contributions to the Life Insurance Guarantee Fund should be recognised in the consolidated and statutory financial statements.

With respect to Poste Vita, the amount of the contribution at 31 December 2024, determined on the basis of the technical provisions at 31 December 2023, is approximately €58 million; with respect to Net Insurance Life, the amount of the contribution for the year 2024 is approximately €94 thousand; with respect to Bancoposta RFC, the amount of the contribution at 31 December 2024, determined on the basis of 0.1 per thousand of the intermediate provisions at 31 December 2023, is approximately €16 million for the year 2024.

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

Measure 152 on IAS/IFRS insurance financial statements

On 26 November 2024, the IVASS, following a public consultation held from 17 September to 18 October 2024, published Measure no. 152, on amendments and additions to ISVAP Regulation no. 7/2007 and its annexes, concerning IAS/IFRS insurance financial statements.

The regulatory initiative, which stems from the examination of the financial statements for the year 2023, is intended to facilitate comparability of data on the contractual service margin and liquidity risk. In particular, the measure provides for the adjustment of existing disclosures and the insertion of three new tables in the notes to the financial statements regarding: i) the distribution by time bands of net cash flows from fulfilment of insurance contracts issued and outwards reinsurance that constitute liabilities; ii) the amount payable on demand and the carrying amount of insurance contracts with lapse clauses; iii) the distribution by contractual residual life of financial assets and liabilities (to be provided starting with the 2025 financial statements).

[98] Law no. 213 of 30 December 2023. "State budget for the financial year 2024 and multi-year budget for the three-year period 2024-2026" published in Official Journal no. 303 of 30 December 2023.

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

Measure 147 simplifying pre-contractual information

On 20 June 2024, IVASS published Measure 147 on amendments and additions to IVASS Regulations 40/2018 and 41/2018, aimed at simplifying and rationalising pre-contractual information, as well as on sustainable finance. The aim of the revised disclosure is to increase policyholder protection by simplifying pre-contractual documentation and eliminating information redundancies.

In particular, IVASS has provided for a Single Pre-contractual Model (MUP) for insurance products, to be delivered to customers and in which the information hitherto divided into separate documents is integrated (for insurance investment products, a specific IBIPs MUP is to be delivered). In addition, a revision of the contents of the Additional Pre-contractual Information Documents is planned. BancoPosta and Poste Vita are engaged in activities to comply with the new obligations within 12 months of the entry into force of the Measure (June 2025).

MEF

Temporary suspension of capital losses for non-durable securities in 2024 financial statements

On 27 September 2024, the Ministry of the Economy and Finance (MEF) published the decree[99] on the temporary suspension, in relation to the financial year 2024, of valuation capital losses for securities intended to be held not durably in financial statements prepared in accordance with the provisions of the Italian Civil Code.

With this Decree, the MEF, considering the continuing turbulent situation in the financial markets, deemed it appropriate for companies that do not adopt the international accounting standards[100] to extend to the entire 2024 financial year the option of valuing "non-durable" securities on the basis of their value reported in the last approved annual financial statements, instead of the realisable value inferable from market trends, except for durable losses.

In addition, considering the needs of the current context, it made provision for adequate capital safeguards through the obligation to allocate to unavailable reserves all profits in the amount corresponding to the difference between the values recorded in application of the aforementioned provisions and the market values recorded at the closing date of the reference period, net of the relevant tax charge.

Poste Vita will take advantage of the option introduced by the aforementioned measure by sterilising an amount of value adjustments equal to €1.8 billion, gross of tax effects (€1.3 billion net of tax effects), for the preparation of the statutory financial statements at 31 December 2024, compared to value adjustments of €2.7 billion gross of tax effects sterilised in the statutory financial statements at 31 December 2023.

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

Outline of a Measure on the right to be forgotten regarding oncological diseases

On 18 December 2024, IVASS published Consultation Document 9/2024 on the Measure on the right to be forgotten regarding oncological diseases with which it intends to implement the delegation contained in Article 2 paragraph 7 of Law no. 193 of 7 December 2023 (Law on the right to be forgotten regarding oncological diseases).

In particular, the law introduces a ban on insurance companies and distributors requesting information on the health status of customers already suffering from oncological diseases, when concluding or renewing insurance contracts following its entry into force, when a certain period has elapsed since the active treatment[101] in the absence of relapses or returns of the

[99] Decree of the Ministry of the Economy and Finance pursuant to Article 45, paragraph 3-undecies of Law Decree no. 73 of 21 June 2022, converted, with amendments, by Law no. 122 of 4 August 2022.

[100] For the Poste Italiane Group, the rule applies to insurance companies that are also required by law to present financial statements in accordance with national accounting standards.

[101] As stated in Article 1 of the Measure, "termination of active treatment for oncological diseases" means the date of the last anti-tumour

disease. This right must be expressly mentioned in the forms prepared and used for the conclusion or renewal of such contracts.

The consultation ended on 3 February 2025, after which the final text of the Measure will be analysed by the competent structures in order to start the necessary activities for the required adjustments.

Letter to the market - IVASS

Expectations in Insurance Product Oversight and Governance (POG)

On 27 March 2024, IVASS published a Letter to the Market on Supervisory Expectations in Insurance Product Oversight and Governance "POG - Product Oversight and Governance") with the aim of harmonising European and national regulations applicable to both Poste Vita S.p.A. as producer and BancoPosta as distributor. Based on the analyses carried out, a specific plan of action has been identified, scheduled for the third quarter of 2025, which will focus on the evolution of the identification of the target market in terms of granularity as well as the integration of the information collected from the customer during profiling.

OTHER INFORMATION

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

On 26 February 2024, IVASS requested a meeting regarding specific issues on Credit Protection Insurance (CPI) policies addressed in the response provided on 16 October 2023 to the institute's follow-up requests following the European Insurance and Occupational Pensions Authority's (EIOPA) warning on Payment and Protection Insurance (PPI) products. The meeting was held on 10 April 2024. On 20 June 2024, IVASS sent a request for a follow-up on some of the issues discussed at the above-mentioned meeting. The relevant feedback was provided on 20 July 2024. Subsequently, on 10 October 2024, IVASS forwarded a further request regarding the feedback provided, which Poste Italiane, together with the Companies Poste Vita and Poste Assicura, followed up on 8 November 2024 by providing the requested information and feedback on the expectations expressed by the Institute.

With reference to the inspection started by IVASS on 7 March 2023 and concluded on 21 April 2023, concerning the verification of the management process of dormant policies, already as of 30 June 2024, all actions envisaged in the action plan prepared by Poste Vita and approved by the Board of Directors on 26 October 2023 had been completed.

For the main pending proceedings and additional relations with the Authorities, please refer to the chapters "Contingent liabilities and main proceedings pending with the Authorities" in the Consolidated Financial Statements at 31 December 2024.

OPERATING REVIEW

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

SEGMENT	OPERATING REVIEW
Investment and Pension	In the area of **Class I** investment products, **Poste Prospettiva Valore Gold II** was placed in February 2024, a life insurance investment product in mixed form, with a single premium and a duration of 10 years, which provides for the annual revaluation of the invested capital at a certain and predetermined rate for the first year of the contract (obtained on the basis of previously acquired assets - Specific Provision of Assets, and on the basis of the result achieved by the separately managed account (Poste Vita Valore Solidità) over the following years. The product promotes environmental and/or social characteristics within the meaning of Article

pharmacological, radiotherapeutic or surgical treatment carried out, in the absence of relapses, from which the period for accruing the right to be forgotten regarding oncological diseases takes effect. The period is 10 years and is reduced to 5 years if the oncological disease arose before the age of 21 (Article 2, Law 193/2023).

	8 of Regulation (EU) 2019/2088. In May, June and November 2024, new editions of the product were placed, **Poste Prospettiva Valore Gold III**, **Poste Prospettiva Valore Gold IV** and **Poste Prospettiva Valore Gold V** respectively, with the same characteristics as the previous placement. In May 2024, the new Class I **Poste Valore Solidità Più** policy was placed, a mixed-form life insurance policy with a single recurring premium whose benefits are linked to the performance of the Separately Managed Accounts[102] "Posta ValorePiù" and "Poste Vita Valore Solidità" in which the premium is invested, net of costs. The contract duration is 15 years. Placement of the new Multi-class policy **Poste Progetto Obbligazionario Bonus** began in July 2024, a single-premium insurance investment product with a duration of 15 years that, for the first 6 years, envisages the investment of the premium in a unit-linked fund and, for the following 9 years or so, the annual revaluation of the invested capital based on the result achieved by the two Separately Managed Accounts (Posta ValorePiù and Poste Vita Valore Solidità), with the aim of maximising performance also through the payment of bonuses. In November 2024, the second edition of the Multi-class policy was launched, with the same features as the previous placement. In December 2024, the placement of the "Postafuturo da Grande" policy was completed, in line with the strategic plan's objective of a 100% ESG IBIPS product range.
Protection	During 2024, the marketing of the new **Poste protezione Affetti 360 New** term life insurance policy was launched, which expands the age requirements for subscription while introducing greater integration with the pure P&C product[103]. In December 2024, the placement of the new product **Poste Lavorare Protetti**[104] aimed at business customers was launched.

4.5.6 Postepay Services Strategic Business Unit

MARKET CONTEXT

€335 bn

value of card **transactions** in Italy in the first nine months of 2024: **+7.3% y/y**

The latest available data[105] on the Italian **payment cards** market in the first nine months of 2024 show a total domestic value of card transactions of approximately €335 billion, up 7.3% compared to the same period of 2023 and confirming the continued expansion of digital payments in Italy. The number of transactions grew by 14% over the first nine months of 2023 to €7.8 billion, a sign of an increasingly consolidated daily use of cards, also thanks to more widespread use of digital payments by merchants (e-commerce and contactless payments). **Debit card** transactions grew by 16% compared to the first nine months of 2023, confirming their position as the most used by Italians, accounting for 61% of total transactions and a transaction value of €128 billion (+8.6% compared to the same period in 2023) and with an average transaction value of around €41.5, which is around €2.8 (-6.3%) lower than in the first nine months of 2023. The use of **credit cards** has increased, especially for larger payments, with transactions and transaction value up by 8.8% and 4.4% respectively compared to the first nine months of 2023. **Prepaid cards** also recorded a positive performance

[102] The revaluation of benefits is linked in equal parts to both Separately Managed Accounts: 50% of the amount paid in by the customer, net of costs, will be invested within the Separately Managed Account "Posta ValorePiù", the other 50% will be invested within the Separately Managed Account "Poste Vita Valore Solidità". The return will refer to the return realised, in quota, by each Account, giving rise to two simultaneous revaluations. The sum of these two capital amounts will represent the valuation of the client's capital and the amounts to be paid out, for all benefits under the contract.
[103] Although it is a Poste Vita product, it can also be purchased in combination with the Poste Vivere Protetti product as these are covers that complement the P&C covers.
[104] The product offers coverage for catastrophic events for all business customers; coverage for natural events and fire exclusively for business customers in the Small Economic Operators (POE) segment; and finally, it offers the guarantees of the Business and Professional Protection Line to cover risks related to the assets and property of the business or professional activity exercised.
[105] Calculations and estimates on Bank of Italy data (Payment System) and ECB (Payment statistics dashboard).

(+12% of transactions and +6.9% of transaction value compared to the same period in 2023), thanks to the continued development of e-commerce and increased penetration at physical points.
At 30 September 2024**Errore. Il segnalibro non è definito.**, the number of **active cards** on the market stood at 103 million, an increase compared to December 2023 (+2.0%): the trend is supported by the performance of debit cards (+2.2% compared to December 2023) for a total of 55 million active cards. There was also an increase in the stock of prepaid cards to 34 million (+2.4% compared to December 2023) and credit cards to 13.6 million active cards (+0.6% compared to December 2023).

The **mobile telephone market**[106] is generally stable in terms of the stock of Human-to-Human (H2H) SIMs[107] compared to the end of 2023 (78.5 million of H2H SIMs) (+0.2%) at 78.6 million. In particular, the number of SIM cards of virtual operators (Mobile Virtual Network Operators - MVNOs) continues to grow (+6.6% compared to the end of 2023), while the stock of incumbent operators continues to decline (-1.0% compared to the end of 2023). Poste Mobile, which accounts for 32% of MVNOs, recorded slight growth (+1.4% of H2H SIMs compared to December 2023) with a market share of 5.5% in September 2024 (+0.1% compared to December 2023).

The **energy market** in 2024 was characterised by the full liberalisation for gas as of 10 January 2024 and electricity as of 1 July 2024. The operators, through targeted promotions and communication campaigns, tried to steer as many potential customers onto their free market offer, also soliciting those who had already made this choice in the past, resulting in higher switch rates.

During the second half of 2024, the market maintained the gradual upward trend in prices that had started in the second quarter of the year, reversing the trend of the first quarter of the year, in which prices had reached minimum levels compared to the last two years. The rise is mainly due to the persistence of uncertain geopolitical conditions (in particular related to the Russian-Ukrainian and Israeli-Palestinian conflicts). Gas and electricity prices[108] rose more sharply at the end of December 2024 (when gas prices on the European Title Transfer Facility (TTF) hub surpassed €50/MWh) following the announcement of a complete halt to gas imports from Russia to the European Union, and colder weather conditions than in the past two winters, which led to a consequent higher utilisation of gas reserves in European storages. In the course of January 2024, the gas price at the Title Transfer Facility (TTF) hub then stabilised slightly below €50/MWh.

The level of prices and their volatility, however, remained significantly lower than the values recorded in 2021, 2022 and 2023 at the height of the energy crisis resulting from the Russian-Ukrainian war, as the European and Italian gas systems achieved a much better diversification of supply than in the 2021 scenario. Imports from Russia have been offset by the strengthening of other import routes, in particular through Liquefied Natural Gas (LNG), which provides greater flexibility than pipeline imports. In addition, European gas consumption will be significantly reduced in 2023 and 2024, by more than 10% compared to the average of the previous five years.

However, the gas market, given the strong growth in the trade of Liquefied Natural Gas (LNG) by ship, has increasingly taken on an international scale, guaranteeing greater diversification and at the same time being influenced by the international geopolitical and economic context, which also in the second half of 2024 remained complex due to: the various wars and tensions (Ukraine, Israel, Syria, Iran, etc.), the uncertainties linked to the evolution of Asian energy demand and the trade dynamics between the United States of America and the rest of the world.

In addition, during 2024, weather phenomena proved to be important factors in the volatility of gas and electricity prices in the European market, such as winter cold spells or summer heat waves, wind intensity for wind power plants, availability of water in reservoirs, etc., as a result of the increasing contribution of renewable sources in the energy mix, sources that are linked to the variability of weather conditions.

[106] AGCOM Communications Observatory no. 4/2024 referring to September 2024.
[107] H2H (Human-to-Human) SIM are the ones in everyday use in smartphones that allow calls and data connections.
[108] Changes in gas prices have also impacted electricity prices, since in Italy and many other European countries the marginal price of electricity is frequently defined by the generation costs of natural gas-fired thermal power plants.

REGULATORY CONTEXT

Below are the main regulatory initiatives updated or newly issued in 2024.

Electronic money	Please refer to the regulatory framework of the Financial Services SBU for more details. To find out more
TLC Terminating voice calls	Within the framework of Delegated Regulation 2021/654 adopted by the European Commission on 18 December 2020, regarding a single maximum termination rate for calls to mobile and fixed networks in the European Union, as of 1 January 2024, the rates applicable are as follows: • €0.20 cents per minute (excluding VAT) is the maximum mobile termination price, i.e. the amount payable by the originating operator of the call to the mobile telecommunications operator for each voice call terminating on the latter's mobile network (on its customer's terminal); • €0.07 cents per minute (excluding VAT) is the maximum price payable to the operator of fixed network telecommunications for call termination on the latter's network. PostePay adopted the tariff regime within the time-frame provided by the regulatory framework. In addition, on 28 February 2024, the AGCOM, with Resolution no. 46/24/CONS, initiated proceedings aimed at identifying the markets for voice call termination services on mobile networks with the objective of revising, where necessary, the regulatory provisions established at national level with Resolution no. 599/18/CONS currently in force. The duration of the proceedings is 180 days, but with suspended deadlines for gathering information, for public consultation and for the acquisition of opinions by the AGCM and the European Commission. PostePay provided its contribution on the occasion of a request received by the Authority on 29 February 2024, aimed at acquiring qualitative information on the market definition of mobile voice call termination and the possible identification of dominant positions. On 3 October 2024, AGCOM, by means of Resolution 351/24/CONS, called for a public consultation on the results of the analysis of the markets for voice call termination on mobile networks, publishing the draft Measure providing for the revocation of the obligations provided for in Resolution no. 599/18/CONS (Articles 4, 5, 6, 7 and 8) concerning access to and use of certain network resources, transparency, non-discrimination and price control. AGCOM considers, in fact, that the termination market is tending towards conditions of effective competition and is therefore no longer subject to ex ante regulation. However, the tariff ceiling set by Delegated Regulation 2021/654 remains applicable. If confirmed, following the opinions of the AGCM and the European Commission under the procedure, the revocation will come into force 6 months after the publication of the final decision. On 31 October 2024, PostePay sent a position paper on the various questions submitted for consultation by the Authority.
TLC SMS ALIAS	With reference to the AGCOM Resolution no. 12/23/CONS "Regulation on the use of alphanumeric characters identifying the sender in corporate messaging services (SMS ALIAS[109])", which defined the obligations and roles of the parties involved in the messaging service chain, on 29 January 2024, the Lazio Regional Administrative Court, on an appeal by an electronic communications operator, published a ruling annulling the obligation requiring domestic operators to block ALIAS SMS messages coming from abroad. With this decision, the possibility was thus restored for foreign companies too to send information text messages to their Italian users whose sender is identified by an alias.

[109] SMS ALIAS refers to an alphanumerically encoded character string transmitted in SMS communications.

TLC

Quality and charters of electronic communications services accessible to the public from a fixed location

In the context of the new provisions on the information that providers of mobile and personal communications services must provide to users regarding the quality of services offered in the area of fixed telephony and fixed location internet service[110], which came into force on 27 January 2024, PostePay implemented the necessary measures[111] to adapt to the changes introduced and participated in round-table work groups to update the guidelines for measuring the quality of service of fixed location internet. These guidelines were published on 1 March 2024 and came into force on 29 June 2024; PostePay has carried out all the activities necessary to adapt to the changes introduced within the time-frame stipulated by them.

TLC

Electronic communications

With reference to the consultation procedure initiated by the AGCOM in April 2023, for the revision and amendment of the "Regulation containing provisions for the protection of users with regard to contracts relating to the provision of electronic communications services[112]", on 3 January 2024, the Authority approved the new Regulation (Resolution no. 307/23/CONS) governing contracts between operators providing electronic communications services and end users. This Regulation, which entered into force on 3 July 2024, updates the previous Regulation in order to adapt the provisions governing the contractual relationship between operators and end users to the new Electronic Communications Code. PostePay has completed the necessary activities to comply with the changes introduced within the time-frame set out in the new regulations.

TLC

Electronic Communications Code

With the entry into force of Legislative Decree no. 4869 of 24 March 2024, a number of amendments were made to the Electronic Communications Code, such as: urban location criteria for mobile communications infrastructures, the adjustment of the geographical mapping of networks and the imposition of database interoperability, changes to the sanctions apparatus, etc.
Given not a telephone operator with infrastructure, the changes described do not impact PostePay.

TLC

eIDAS 2.0 Single Digital Wallet

In the Official Journal of the European Union of 30 April 2024, Regulation (EU) 2024/1183 was published, supplementing the first eIDAS Regulation (EU) 2014/910 by establishing the single digital wallet, issued following mandatory certification, in the field of digital identity. In this way, citizens and businesses will be able to have secure and reliable digital wallets that can link their national digital identities to other personal attributes (driving licence, professional titles and qualifications, payment instruments), identifying themselves in a secure and reliable way in order to share data and information useful for the use of public services.

On 28 November 2024, the European Commission adopted five implementing regulations dictating the technical implementing rules for the European digital identity wallet.
PostePay monitors regulatory developments at the national level and the definition of common technical standards and further European provisions implementing and enforcing the Electronic IDentification Authentication and Signature – eIDAS 2.0 Regulation[113].

[110] Resolution no. 156/23/CONS of 31 July 2023.
[111] For example: new section of the site dedicated to technical transparency, addition to the contractual kit of a document specifying the technical characteristics of the service provided, etc.
[112] Regulation pursuant to AGCom Resolution no. 519/15/CONS.
[113] Regulation (EU) 1183/2024 of 11 April 2024.

TLC Parental Control	With Resolution no. 9/23/CIR of 25 January 2023, AGCOM implemented the regulatory provisions of Article 7-bis of Legislative Decree no. 28 of 30 April 2020 on "Systems for the protection of minors from the risks of cyberspace". As of 21 November 2023, electronic communications operators have to provide "Parental control systems or filtering of inappropriate content for minors and blocking of content reserved for an audience over the age of eighteen" for all connectivity services (fixed and mobile). These control systems consist of free, pre-activated services, that can be deactivated only at the request of the adult consumer, account owner. PostePay contracts and offers (in the area of fixed and mobile telephony) can only be subscribed and activated by customers of legal age. In addition, as of 17 September 2024, the obligation set out in Law Decree no. 123 of 2023 for terminal manufacturers is in force, to ensure when placing devices on the market, that operating systems enable the use and include the availability of parental control applications. PostePay, in cooperation with technology partners, has made available to customers the Parental Control Systems and the associated procedures and instructions for activating, setting up, deactivating, and reactivating them on time. Law no. 70 of 2024, concerning "*Provisions and delegation to the Government on preventing and combating bullying and cyberbullying",* delegates to the Government the power to adopt a legislative decree aimed at introducing new information obligations in users' contracts entered into with providers of communication and information services offered through electronic communication networks. PostePay is monitoring the adoption of the aforementioned Legislative Decree to assess any impact on its business.
TLC Customer assistance	On 8 August 2024, the AGCOM published Resolution no. 255/24/CONS regulating the customer care service in the telecommunications sector, in order to ensure maximum accessibility of the customer care service (both through the telephone channel, which remains mandatory, and in digital mode), the transparency and traceability of complaint handling procedures, and the quality of the customer care service. The obligations will come into force as of 8 August 2025. PostePay has directed its activities to comply in the manner and within the time-frame prescribed by the regulations.
TLC Concessions for consumers with disabilities	On 7 August 2024, the AGCOM published Resolution 281/24/CONS containing the provisions on measures reserved for consumers with disabilities for fixed and mobile electronic communication services. This resolution structurally extended the concessions provided for the deaf and blind also to people with severe walking limitations. In order to monitor the trend in the concessions, operators are required to notify the Authority, by 30 January of each year, of the number of concessions in place at 31 December of the previous year, broken down by type of service - fixed and mobile - and by category of disability.
TLC Copyright	With reference to the Provisions for the prevention and suppression of the unlawful dissemination of copyright-protected content by means of electronic communication networks[114], AGCOM is permitted to order service providers, including network access providers, to disable access to unlawfully disseminated content by blocking the Domain Name System (DNS) resolution of domain names and blocking the routing of network traffic to IP addresses uniquely intended for unlawful activities. PostePay, within the prescribed deadlines,

[114] AGCom Resolution no. 189/23/CONS of 26 July 2023, which came into force on 1 January 2024, transposing Law 93/2023.

has accredited itself on the dedicated "Piracy Shield" platform[115] and - through its access providers - is fulfilling its obligations under the law.

The contracts with Wholesale Operators entered into by PostePay in its capacity as a Telco Operator had been extended until December 2024 and are currently being updated/negotiated in order to define the responsibilities and related charges in respect of the aforementioned blocking obligations.

TLC

AGCOM - Operating charges

On 4 September 2024, the AGCOM published Resolution no. 270/24/CONS "Measure and modalities of payment of the contribution to the operating costs for the exercise of the tasks arising from the designation of the Communications Guarantee Authority as coordinator of digital services - year 2024". The total amount of charges that AGCOM expects to incur in 2024 for carrying out these activities is estimated at €1.5 million. The contribution of intermediary service providers established in Italy is 0.135 per thousand of the revenue derived from the provision of such services.

PostePay, within the deadlines set by the regulations, declared the data instrumental to the determination of the contribution and paid the relevant fee, amounting to approximately €45 thousand.

On 14 October 2024, PostePay sent a communication to the Authority in which it clarified that the payment of the contribution was to be understood as having been made without acquiescence to the content of the aforementioned Resolution and its (possible) applicability to PostePay, subject to total or partial repayment of the contribution already made.

ENERGY

Liberalisation of the gas retail market - PLACET offer

The first quarter of 2024 saw the completion of the liberalisation process of the natural gas retail market.

As of 1 January 2024 - according to the modalities defined by ARERA, with Resolutions 100/2023/R/com and 102/2023/R/com - the Vulnerability Protection Service became operative. In particular, ARERA has implemented the provisions of Article 1.59, of Law no. 124 of 4 August 2017 (Annual Law on the Market and Competition) and the provisions of the aforementioned Law Decree no. 115 of 9 August 2022, as converted by Law no. 142 of 21 September 2022 (the "Aiuti bis" Law Decree) regarding, respectively, the passing of regulated natural gas prices and the definition of the conditions for the supply of natural gas to vulnerable end customers. The Vulnerability Protection Service, i.e. the natural gas supply service at the economic and contractual conditions defined by ARERA, intended only for vulnerable customers[116] (as defined in Article 22 of Legislative Decree no. 164 of 23 May 2000), replaces the previous Gas Protection Service, to which all domestic customers were entitled, regardless of any condition of vulnerability.

PostePay complied within the deadline by implementing all actions required by the regulator.

With Resolution 309/2024/R/com of 23 July 2024, ARERA defined the terms and conditions for the renewal of the Free Price Offer Under Conditions Equivalent to Protection - PLACET as an exception[117] applied during 2024. The measure stipulates that the seller shall send a notice to

[115] The Piracy Shield platform, which has been in operation since 1 February 2024, enables the automated handling of alerts following a precautionary order issued by the Italian Communications Authority under Article 9-*bis*, paragraph 4-*bis* of the Regulation.
[116] Vulnerable customers are those who are in one of the following conditions: i) economically disadvantaged (social bonus recipients); ii) have a disability within the meaning of Article 3 of Law 104/92; iii) are in emergency housing following calamitous events; iv) are over 75 years of age.
[117] Offer introduced by ARERA to accompany non-vulnerable gas customers in the transition to the free market in 2024. The PLACET offer as an exception, with economic and contractual conditions defined by the Authority but with an annual fixed component (Pfix) defined by the seller, was applied in 2024 to non-vulnerable customers, households and apartment blocks, who had not yet signed a supply contract in the free market when the gas protection ended (Source: www.arera.it).

the customer by 30 September 2024 informing him/her of the new conditions that will apply to him/her for the year 2025. These conditions are those for which the estimated annual expenditure for the customer is the cheapest between:

- the PLACET Offer as an exception, which leaves only the fixed marketing component (PFIX component[118]) free to the seller, with possible upward or downward adjustment of the same with respect to that defined for the year 2024;
- the ordinary PLACET Offer, which leaves both the fixed and the variable marketing component free to the seller.

PostePay carried out the activities required by the Measure to inform its customers of the new economic conditions applied.

ENERGY

Electricity retail market liberalisation

In parallel with the regulatory developments involving the removal of the Protection Service in the natural gas retail market, the liberalisation of the electricity retail market ended on 1 July 2024.
In implementation of Law Decree no. 181 of 9 December 2023 and the subsequent ARERA Resolution no. 600/2023/R/eel of 19 December 2023, the end of the Greater Protection Service for non-vulnerable domestic electric customers is set for July 2024. For these customers, ARERA has provided for a gradual path to give everyone the opportunity to choose the offer on the free market that best suits their needs, ensuring adequate information obligations on the part of sellers. In fact, it is envisaged that if non-vulnerable customers do not choose an operator on the free market by 1 July 2024, the supply of electricity, with a price structure defined by ARERA, will switch to the "Gradual Protection Service", which will be provided by sellers selected by the Single Buyer[119] through specific competitive procedures (which took place on 10 January 2024). Vulnerable domestic customers[120] however, will be able to continue to use the Greater Protection Service.
On 2 February 2024, Law no. 11 converting Law Decree no. 181 of 9 December 2023[121], (so-called Energy Decree). The Energy Decree envisages that the Greater Protection Service for vulnerable electricity customers will be replaced by the Electricity Vulnerability Service.
On 27 June 2024 ARERA, following Consultation 169/2024/R/eel[122] of 8 May 2024, published Resolution 262/2024/R/eel, which provides for the updating of the DispBt component[123] and of the PCV fee[124] relating to the marketing of electricity of the Greater Protection Service for vulnerable domestic customers, effective from 1 July 2024.
PostePay adjusted by applying the value of 1.3183 €/POD/year of the DispBt Component as defined and periodically updated by ARERA.

[118] This is the fixed fee (PFIX component), expressed in €/PDR/year and billed in monthly instalments.
[119] A public company that was initially set up to supply electricity to customers served under the "Greater Protection " regime and that over the years has expanded its scope of activity, in particular by incorporating processes aimed at improving the operation of the energy market (e.g. management of the Integrated Information System and the Offer Portal).
[120] Vulnerable electricity customers are those who are in one of the following conditions: i) economically disadvantaged (social bonus recipients); ii) have a disability within the meaning of Article 3 of Law 104/92; iii) are in emergency housing following calamitous events; iv) are over 75 years of age; v) have a utility in the non-interconnected minor islands; and vi) use medical-therapeutic equipment necessary to maintain life powered by electricity.
[121] "Urgent provisions for the energy security of the country, the promotion of the use of renewable energy sources, the support of energy-intensive enterprises and in the matter of reconstruction in the territories affected by the exceptional flooding events that occurred on or after May 1, 2023".
[122] Consultation Document 169/2024/R/eel: "Greater protection service for vulnerable domestic customers - guidelines for the revision of the methods for determining the retail pcv and rcv components".
[123] DispBT (dispatching component) serves to compensate for the difference between the total amounts paid through the Commercialisation Component (PCV) and the commercial management costs recognised to sales companies in the protected regime (other than those of sales companies in the free market, taken into account by the PCV component. It is applied as a fixed amount (euro/year), to the customer's credit, and for utilities in dwellings of registered residence, also to the energy consumed (euro/kWh), with a lower price for consumption up to 1,800 kWh/year.
[124] PCV (Prezzo Commercializzazione Vendita - Marketing-Sale Price) corresponds to the fixed costs incurred in carrying out the commercial management of customers; it is based on the average costs attributable to sales companies operating in the free market and is compensated through the DispBT component. It applies as a fixed amount (euro/year).

ENERGY

List of gas sellers

By means of Resolution 157/2024/R/gas, adopted following the consultation procedure 70/2024/R/gas "Elenco Dei Soggetti Abilitati Alla Vendita Di Gas Naturale: Methods And Conditions Of Access"[125], ARERA formalised to the Ministry of the Environment and Energy Security (MASE) its proposal regarding the conditions, criteria, methods and requirements for the registration, continued inclusion and exclusion from the List of Entities authorised to sell natural gas to end customers (Vendors List gas). The Authority has laid down a series of eligibility requirements (technical, good reputation, financial) for the Gas Sellers List, the methods of admission (distinguishing between already registered companies and newly registered companies) and the conditions of continued inclusion, exclusion or cancellation from the Gas Sellers List.

PostePay is already an authorised entity for the sale of natural gas to end customers, being listed in the relevant public list managed by the MASE.

ENERGY

GME PUN Index and PLACET Offer

Where the Single National Price[126] (PUN) is exceeded (Article 19 of Law Decree 181/2023), the Ministry of the Environment and Energy Security (MASE), with the Decree of 18 April 2024 established the conditions and criteria for the application to end customers, as of 1 January 2025, of zonal prices defined on the basis of trends in the wholesale electricity market. The Gestore Mercati Energetici (GME) will calculate the reference price of electricity traded in the wholesale market as the average of the zonal prices weighted by the quantities purchased in respect of zonal withdrawal portfolios in each geographical market zone. ARERA will have to define a transitional equalisation mechanism for end customers to compensate for any differential between the zonal price and the reference price calculated by GME, applicable for the entire year 2025.

With Resolution no. 304/2024/R/eel published on 25 July 2024, confirming the provisions of Article 19 of Law Decree no. 181/2023, ARERA confirmed, as of 1 January 2025, the indexing to the GME PUN Index[127] of the price components covering the costs of purchasing electricity and the PLACET Offer. In order to ensure adequate transparency, the final values of the GME PUN Index will be published by ARERA on its website, a possible institutional information activity will be evaluated and, in the case of free market contracts indexed to the Single National Price (PUN) and in the process of being implemented on 1 January 2025, the seller will have to inform the customer of the automatic replacement of the index with the GME PUN Index in the first bill in which the new index will be applied. If, on the other hand, the seller decides to replace the PUN with a different index, it must provide a unilateral notification of change with three months' notice, in accordance with the ordinary rules.
PostePay has followed the developments and the Resolution has no particular impact on its processes.

ENERGY

ARERA resolutions for populations

As part of the initiatives and concessions defined during 2023 in favour of the populations most affected by the exceptional meteorological events that occurred in central Italy in May 2023, by means of Resolution 10/2024/R/com of 30 January 2024, ARERA set 30 June 2024 as the deadline for customers to apply for tariff concessions from their sellers defined in Resolution 565/2023/R/com (zeroing of distribution costs and general system charges). With Resolution

[125] A public company that was initially set up to supply electricity to customers served under the "Greater Protection " regime and that over the years has expanded its scope of activity, in particular by incorporating processes aimed at improving the operation of the energy market (e.g. management of the Integrated Information System and the Offer Portal).
[126] The Single National Price is the wholesale price for the supply of electricity exchanged between producers and suppliers on the national market of the Italian Power Exchange.
[127] The GME PUN Index is a weighted average of hourly zonal prices and will be used instead of the Single National Price.

affected by calamitous events

11/2024/R/com of 30 January 2024, in order to implement the provisions of the Budget Law 2024, ARERA extended until 31 December 2024 the concessions in favour of customers affected by the seismic events in Central Italy and in the municipalities of Casamicciola Terme, Lacco Ameno and Forio in 2016 and 2017. With Resolution 50/2024/R/com of 27 February 2024, ARERA further detailed the emergency measures in favour of the territories of Tuscany affected by the flood of 2 November 2023, introduced by Resolution 519/2023/R/com of 9 November 2023. In particular, the customer billing suspension period was set at six months, starting on 2 November 2023. With regard to the measures introduced in favour of customers affected by the above-mentioned events, PostePay has adopted or will adopt over time the relevant measures to comply with the obligations imposed on electricity and natural gas sellers.

ENERGY

ETS2 authorisation

On 20 August 2024, the Ministry of the Environment and Energy Security (MASE) published Resolution no. 127/2024, which defines the modalities for issuing greenhouse gas emission permits to ETS2 entities[128] that start operations on or after 1 January 2025. The obligations are related to Directive 2003/87/EC, as implemented in Italy by Legislative Decree no. 47/2020 on CO_2 emissions, which states that:

(i) as from 1 January 2025, no "regulated entity" shall conduct business unless it is authorised by a competent authority;

(ii) starting in 2026, for each calendar year from 2025, emissions corresponding to the quantities of fuels released for consumption shall be monitored and reported to the competent authority.

PostePay, being an obligated party[129], submitted, by the deadline of 21 October 2024, the documentation to obtain a further authorisation from the MASE in order to continue its activity, and on 23 December 2024, it received from the Ministry a notice of acceptance of the authorisation, pursuant to Article 42-septies, paragraph 3, first sentence of Legislative Decree no. 47 of 9 June 2020, as amended by Legislative Decree no. 147 of 10 September 2024.

ENERGY

Gas Settlement

On 30 July 2024, ARERA approved Resolution no. 333/2024/R/gas - Amendments and additions to the integrated text of the provisions for the regulation of the physical and economic items of the natural gas balancing service - which made changes to the Integrated Gas Settlement Text (TISG - Resolution 148/2019/R/gas). The Authority considered that, with the advent of the metering reform for the Redelivery Points[130] (PDR) equipped with class G4-G6 smart meters [131], the time is ripe for the transition of treatment from PDRs metered other than monthly (PDR MY) to PDRs metered monthly (PDR MM), reducing settlement costs[132] due to a more timely accounting of actual consumption and a more immediate effect on the determination of physical balancing sessions.

PostePay has adapted its internal processes to the new regulations in order to manage the outcomes of volume accounting in settlement sessions.

[128] ETS2 is the regulatory extension of the EU Emissions Trading Scheme: The new system, which is different and separate from the traditional ETS ("ETS1"), is aimed at monitoring and reducing greenhouse gas emissions in the road transport, building and small industry sectors not already covered by ETS1.

[129] PostePay is an obligated party as it can be identified as: (i) "regulated entity", since it is liable for excise duty pursuant to Article 21, paragraph 6 of Legislative Decree no. 504/1995; (ii) active in one of the sectors covered by Chapter IV-bis of Directive 2003/87/EC (see annex 3, page 114).

[130] Redelivery Point (PDR) identifies the physical point in the local distribution network where natural gas is delivered by the supplier and withdrawn by the end customer (meter).

[131] Resolution 269/2022/R/gas of 21 June 2022 and in force since 1 April 2023.

[132] Settlement is the activity of allocating to the different network users the physical gas batches within their competence.

ENERGY

Operating charges

On 28 October 2024, ARERA approved Resolution no. 382/2024/A, which provided for a reduction in the rate of the contribution due by electricity and gas operators for ARERA's operating charges for 2024, compared to the rate established for the year 2023, to be implemented by 29 November 2024.

ENERGY

Third-party access to data

On 26 November 2024, ARERA approved Resolution 509/2024/R/com, by which the Authority approved the "Regulations on authorised third-party access to electricity and natural gas metering data", which envisages that parties accredited to the Third-Party List (ETP), including sellers who will have formalised a specific contract/agreement with the customer concerned, will have access to the customer's metering data to be used exclusively for the purposes of comparing offers or providing energy-related services. This provision will apply from 1 October 2025.

On 17 December 2024, ARERA approved Resolution 548/2024/R/com with which the Authority ordered the initiation of a procedure to update and revise the regulation of commercial quality referred to in the Integrated Text of Commercial Quality (TIQVc - Resolution 413/2016/R/com) with the aim of: (i) strengthening and extending the protection tools, also by facilitating and enhancing access to assistance services; (ii) facilitating the achievement of higher levels of end-customer satisfaction through the use of innovative technological solutions and new access channels, as well as the implementation of new services; (iii) simplifying and streamlining the Authority's monitoring activities on compliance with standards, on the quality perceived by customers and on satisfaction surveys; (iv) improving the information available to customers with regard to the quality levels offered by sellers. The term for closing the proceedings is set for 31 July 2025. PostePay will follow the updating process in order to provide its own contributions should ARERA initiate specific technical tables and/or focus groups and/or public consultations and start any internal activities for the evaluation and implementation of the new features in its own operating processes, in accordance with the regulation that will be adopted.

ENERGY Green Transition	The Ministry of the Environment and Energy Security (MASE) published Ministerial Decree no. 224, of 14 July 2023[133], which innovates the regulation of Guarantees of Origin (GO certificates) of the Gestore dei Servizi Energetici (GSE), i.e. certificates attesting to the origin of electricity from renewable sources. PostePay has, within the regulatory deadline, certified all electricity sold to its end customers in 2023 as being produced from renewable sources. On 28 February 2024, Directive (EU) 2024/825 Empowering Consumers for the Green Transition (ECGT) was approved, which entered into force on 25 March 2024 and must be transposed by the Member States by 27 March 2026. The Directive integrates the list[134] of commercial practices considered, for the purposes of Green Transition, in any case unfair and therefore prohibited under Articles 6 and 7 of Directive 2005/29/EC (and transposed in Article 23 of the Consumer Code). On 6 May 2024, the GSE published the Procedure for determining the energy mix used to produce the electricity sold by the selling company. PostePay has adapted its communication initiatives to the new regulations.
ENERGY ARERA - Code of Business Conduct	On 1 October 2024, ARERA approved Resolution 395/2024/R/COM, following Consultation Document 200/2024/R/com, on the updating and streamlining of the Code of Business Conduct, for the benefit of end customers of electricity and natural gas, which concerned three distinct guidelines: i) updating of the Code of Business Conduct in accordance with the provisions introduced in 2023 in the Consumer Code (Legislative Decree no. 206/05) in accordance with Legislative Decree no. 26/2023 which supplemented and amended the Consumer Code with the aim of increasing transparency for the benefit of the consumer and reducing any information asymmetries that could limit the end customer's decision-making ability[135]; ii) modification of the conditions envisaged for the management of any notices of unilateral variation of the contract, automatic evolution and renewal of economic conditions; iii) strengthening of the principle of responsibility of sellers for the promotion and conclusion of supply contracts even when they use outsourced suppliers. The entry into force of the changes to the Code of Business Conduct is set for 1 January 2025, and PostePay has completed internal operations to bring its processes into line with the new Code.
ENERGY	On 22 October 2024, ARERA published Consultation Document 429/2024/R/gas with which it illustrated its guidelines aimed at implementing, also in the gas sector, the switch process with

[133] In the Ministerial Decree, some updates are made concerning: i) the modalities for issuing, transferring, recognising and cancelling Guarantees of Origin (GO) for electricity but - for the first time - also gas, hydrogen and thermal energy; ii) modalities for the use of GO by sellers; iii) criteria and modalities for providing end customers with information on the composition of the energy mix used and the environmental impact of production. The Ministerial Decree also provides for: the establishment of a national GO Register at the GSE; a new formulation of the energy mix; the provision of an indicator concerning the environmental impact of the energy mix used by the seller. In this regard, it is expected that information on the energy mix and environmental impact will be made available to customers at the pre-contractual and promotional stage (as well as on the seller's website, in billing documents on a four-month basis and in the Offer Portal).
[134] Practices considered unfair are: i) displaying a sustainability label that is not based on a certification scheme or is not established by public authorities; ii) making a generic environmental claim for which the trader is unable to demonstrate the recognised excellence of the environmental performance relevant to the claim; iii) making an environmental claim concerning the trader's product or activity as a whole when it concerns only a certain aspect of the product or activity; iv) presenting requirements imposed by law on the Union market for all products in a given category as if they were a distinctive feature of the trader's offer.
[135] The limits relate to: (i) the information to customers on the electronic means of communication that they may use to contact the supplier in writing and receive a reply, bearing the date and time of the relevant messages, on a durable medium; (ii) the extension of the time limit for exercising the right of withdrawal from contracts concluded by household customers in the context of unsolicited visits by a seller to the home or excursions organised by a seller with the purpose or effect of promoting or selling products to consumers, from 14 to 30 days; (iii) the forfeiture of the right of withdrawal in the case where supply has already been started following a request by the customer to execute the contract before the time limit for withdrawal has expired.

ARERA consultations	simultaneous change of supplier, already introduced in the electricity sector by Resolution 135/2021/R/eel as of 1 November 2021. PostePay has followed the consultation process and is awaiting the publication of the final measure in order to make the necessary changes to its operational processes in accordance with the time-lines to be defined by ARERA.

OPERATING REVIEW

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

SEGMENT	OPERATING REVIEW
Energy	 The energy offer is characterised by being 100% green for electricity (thanks to an offer with electricity coming only from Italian renewable sources certified by guarantees of origin from the Gestore Servizi Energetici) and 100% CO_2 offset for gas. During 2024, the commercial offer benefited from the end of the protected gas market first and then the electricity market, and, in continuity with the final months of 2023, focused on acquiring new customers and optimising the contract renewal process; during the year, PostePay also optimised the new "Gas Vulnerability Protection Service" offer[136] and activated the supply of electricity to Poste Italiane Group companies, thus completing the internalisation of the supply of gas and power commodities. Please also refer to the section "Group's omnichannel platform" for supply management functionalities via the Poste Italiane app.
Electronic Money/Collections and Payments	In the area of acquiring, in order to develop the Small Economic Operator (POE) target, Postepay adhered, for the physical POS product, to the POS Protocol by launching a promotion on micro-payment fees. With the aim of innovating and completing the offer in the area of acquiring, the smartPOS service was also made available[137].
	 During the year, we cooperated with the partner UNIPOLMove to extend the On Board Unit (OBU) pick-up service[138] on the PUNTOLIS network, entering into contracts with roughly 5,000 affiliated points authorised to provide the UNIPOLMove service.
	 As of the end of January 2024, the delivery of Inclusion Cards, the prepaid payment cards for households benefiting from the Assegno di Inclusione (ADI)[139] started at the Post Office network. In 2024, PostePay continued to support government initiatives aimed at supporting specific population groups with the production and management of the Carta Postepay Borsa di Studio, the Carta IoStudio Postepay, the Carta Dedicata a Te and the Carta di Inclusione.
	In the course of 2024, an evolutionary programme of the Carta Postepay Green card dedicated to the target group of minors was launched, which included raising the limits of the card[140]. This programme will continue in 2025 with further actions to develop the offer, as well as actions to foster continuity of the customer relationship, when the customer comes of age.

[136] Natural gas supply service to which vulnerable customers are entitled made available from January 2024, pursuant to Law Decree no. 115 of 9 August 2022. The offer envisages the application of economic and contractual conditions regulated by ARERA (Regulatory Authority for Energy Networks and the Environment); no additional services or conditions are envisaged.
[137] The service includes the acceptance of digital payments through an advanced terminal and the possibility of providing specific services for the hotel target group.
[138] It is a device using toll collection technology for the automatic collection of the toll aimed at drastically reducing toll payment times; in fact it is no longer based on direct payment by the driver of the vehicle at the time of passage but on recognition of the vehicle passing through.
[139] National measure to combat poverty, fragility and social exclusion of the weaker sections of the population through paths of social inclusion, as well as training, employment and active labour policy, established as of 1 January 2024 by Article 11 of Law Decree no. 48 of 4 May 2023, converted with amendments by Law no. 85 of 3 July 2023.
[140] The card's limit increased from €1,000 to €3,000, the daily withdrawal limit from €100 to €500, the monthly withdrawal limit from €1,000 to €1,500, the daily POS payment limit from €150 to €1,000, and the monthly limit from €1,000 to €1,500. The annual (incoming) top-up limit was reduced from €50,000 to €15,000.

	In order to improve the Postepay Evolution card handling experience, as of 7 October 2024, the gradual enabling in Post Offices of the card replacement functionality with immediate delivery began, which will continue during 2025. At 31 December 2024, 110 Post Offices were authorised for the service.
	As part of the improvement issuing programme[141] during the period, the extension of debit and prepaid card operations to the night-time period was finalised through the implementation of down-option rules[142] to guarantee e-commerce transactions and ATM withdrawals during times when the systems are inoperative (e.g. overnight).
Fibre	During 2024, PostePay continued its multi-channel communication strategy (physical channel, web, e-mail, etc.) on the PosteCasa Ultrafast offer range and launched actions aimed at promoting its fibre connections in a number of small municipalities.
	As of June 2024, in line with the targets communicated at the presentation of the new Strategic Plan "2024-2028 The Connecting Platform", for fixed network offers PosteCasa Ultrafast and Ultrafast Start, the new Fibre To The Home (FTTH) speed profile is available which allows speeds of up to 2.5 Gigabits per second. 

4.6 Poste Italiane's strategy

In March 2024, the five-year Strategic Plan "**2024 - 2028 - The connecting platform"** was approved by the Board of Directors and presented to the financial community. €4.5 billion of investment is planned in strategic assets over the five-year period, in order to achieve financial objectives. These are augmented by the "Polis Project", launched in 2023 (total investments of €1.2 billion until 2026) which, within the framework of the NRRP (National Recovery and Resilience Plan), aims both to renovate and modernise Post Offices and to enhance the Group's real estate assets with co-working initiatives[143]. The Strategic Plan also considers the relevance of factors connected to the essential intangible resources that constitute a distinctive and founding value for achieving the Plan's objectives and that characterise the Poste Italiane Group, such as a) its intellectual capital and, in particular, the intangible assets corresponding to the organisational capital, with its implicit knowledge, systems, procedures and protocols; b) human capital, which concerns the skills, abilities and experience of the Poste Italiane Group's workforce and the sharing of the ethical values that characterise the Group and the ability to understand, develop and implement the strategy c) social and relational capital, confirmed by the Group's centuries of activity in our country and the numerous initiatives that characterise it, including, owing to its relevance, the Polis project. In the context of the Report on Operations and the Sustainability Statement, some more extensive information is provided on these intangible assets that are essential for evaluating their contribution to the Poste Italiane Group's value creation. For more details, please refer to Chapter 8 Sustainability Statement of this Report on Operations.

The strategic and operational targets of the individual Strategic Business Units that make up the Group are outlined below.

Strategic Plan

MAIL, PARCELS AND DISTRIBUTION

The strategic objective of the Mail, Parcels and Distribution segment is to accelerate its transformation from a pure mail operator to a full logistics operator, ensuring the economic and environmental sustainability of its operations. Implementation of the strategy is based on streamlining of the distribution networks, consolidation of leadership in the B2C market and growth in the B2B and international segments through the introduction of specific offers and

141 It is a customer experience programme that consists of listening to the customer, analysing the feedback received and developing periodic and continuous improvement actions.
142 The down option allows withdrawal or payment transactions even in the absence of a telematic connection.
143 Working concept consisting of a workspace shared by several companies or independent professionals. In this environment, people can work together, share ideas and resources and develop professional relationships.

initiatives aimed at improving the customer experience. With this in mind, the strengthening of the contract logistics division to offer end-to-end solutions will continue. Through the implementation of these strategic guidelines, the segment aims to achieve a permanently stable operating profit over the term of the plan.

FINANCIAL TARGETS TO 2028	OPERATIONAL TARGETS TO 2028
• Revenue: €3.9 billion, with an increase in revenue from the Parcels segment exceeding the decline in the Mail segment. • Parcels segment: €2.0 billion • EBIT: €0.1 billion.	• 369 million parcels in 2028. • 30,000 pick-up/drop-off points by 2028 (>80 million parcels handled). • Integrated logistics: 400k square metres of warehouses.

FINANCIAL SERVICES

The Financial Services SBU pursues the goal of further evolving its service model to improve the coverage of customers and maximise their value, by combining the traditional physical model with the opportunities provided by technological innovation. The priorities of the Strategic Plan include growth in wealth management, thanks to the diversification of customer portfolios to optimise their risk-return profile, the integration of P&C policies within the advisory model and a renewed focus on loans, with particular emphasis on the salary-backed loan segment, also thanks to partnerships signed with leading operators in the sector. In addition, a commercial focus on the small business segment is expected.

FINANCIAL TARGETS TO 2028	OPERATIONAL TARGETS TO 2028
• Revenue: €5.5 billion • EBIT: €0.9 billion	• Client total financial assets: €624 billion, with increasing penetration of life products. • Loans disbursed: €3.4 billion

INSURANCE SERVICES

In Insurance Services, Poste Italiane aims to establish itself as an insurance operator capable of serving all customers' investment and protection needs. The priorities of the Strategic Plan include strengthening the leading position in Life Investments & Pensions, continuing to offer clients safe and at the same time more profitable and capital-efficient products, with increasing integration of ESG principles into investment policies. Lastly, the Protection segment's strategy envisages increasing profitability through the evolution of the modular offering and the integrated advisory model, while also capitalising on the recent acquisition of the Net Insurance Group to increase access channels to the insurance offer (physical networks and third-party digital/insurtech channels).

FINANCIAL TARGETS TO 2028	OPERATIONAL TARGETS TO 2028
• Revenue: €1.9 billion • EBIT: €1.6 billion • Net profit: 2% CAGR in the period 2023-2028. • Solvency Ratio: >200%.	• Life Investments & Pension gross premiums: €22.0 billion • Protection gross premiums: €1.5 billion

POSTEPAY SERVICES

The Postepay Services area aims to establish itself as a complete and omnichannel platform for its customers, flanking the traditional business lines of payments and telecommunications with an offer dedicated to Energy, a market which the Company has entered by taking advantage of its liberalisation. The acquisition of LIS, from this perspective, helped to enrich the Group's omnichannel strategy. The expansion of the product range, together with the ability to take advantage of physical, digital and third-party network channels, makes it possible to fully capitalise on cross-selling opportunities for customers, also through the integrated offer with other Group products, thereby increasing value for Poste Italiane as a whole.

Finally, the recent acquisition of TIM represents a strategic investment for the Group, with the aim of creating synergies between the companies and favouring the consolidation of the telecommunications market in Italy.

FINANCIAL TARGETS TO 2028	OPERATIONAL TARGETS TO 2028
• Revenue: €2.2 billion • EBIT: €0.7 billion, with CAGR of 8%.	• Expected PostePay Evolution portfolio of 10.8 million cards issued. • Expected card transactions with a CAGR up 11%, to reach €4.6 billion. • Customer base 2028 with 0.6 million Fibre and 2.5 million Energy customers.

5. Risk management at Poste Italiane

5.1 Poste Italiane's integrated internal control and risk management system

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

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

This system is a fundamental element of Poste Italiane's corporate governance system, as it enables the Board of Directors to guide the Company in its pursuit of long-term value creation, defining the nature and level of risk compatible with its strategic objectives, and including in its assessments all elements that may be relevant to sustainable success. In particular, in line with the main leading practices that place particular emphasis on the integration of sustainability into strategies, risk management and remuneration policies, Poste Italiane's SCIGR aims to contribute to the Company's sustainable success by defining ESG roles and responsibilities, information flows between the players involved in the internal control system and towards corporate bodies, and the methods of managing the related risks. Moreover, in order to achieve this objective, the Company has decided to promote dialogue with the relevant stakeholders (Multistakeholder Forum[144]), in order to ensure a constant exchange of views on business strategies and their implementation.

In line with statutory requirements and the related best practices, the SCIGR consists of three levels of control and involves a range of actors within the organisation. The first-level control units identify, assess, manage, and monitor those risks for which they are responsible, and in respect of which they identify and implement specific actions aimed at ensuring operational compliance. The second-level control units, whose role consists primarily of defining risk management models and carrying out monitoring activities, play a key role in the integration and overall functioning of the Internal Control and Risk Management System. The third-level controls, managed at Poste Italiane by the Internal Auditing function, provide independent assurance on the adequacy and effective operation of the first and second levels of control and, in general, on the SCIGR.

5.2 SCIGR assurance activities

The Internal Auditing function, in accordance with internal provisions, international professional standards and the mandate assigned to it, performs third-level audits on the Poste Italiane Group's significant processes in order to express an opinion on the adequacy of the internal control system, i.e. on the Company's ability to contain the risks that threaten the achievement of corporate objectives. These activities are governed by Poste Italiane's Internal Control and Risk Management System (SCIGR) Guidelines, in accordance with the guidelines of the Corporate Governance Code of Borsa Italiana.

[144] The Multistakeholder Forum is one of the most effective tools to engage and establish a dialogue with stakeholders. The event, which takes place annually, represents a fundamental opportunity for reflection and discussion on the Group's priority sustainability issues.

Poste Italiane S.p.A.'s 2024 Audit Plan, approved on 19 March 2024 by the Board of Directors, provides a representation of the key references followed in defining the strategic position of the Internal Auditing function, describing the methodological approach and the role played in the implementation of audit activities from a "risk-based" perspective, in line with corporate objectives.

The guidelines guiding the Audit Plan, to be supported throughout the company and Group organisation are:

- contribute to the evolution of the Control System in line with corporate and sustainability objectives;
- strengthen the alignment of the subsidiaries' Control Systems to the parent company's standards;
- assist the subsidiaries' Auditing functions subject to supervision in line with the Group Audit Guidelines.

The Audit Plan, on the basis of reference regulatory developments and company dynamics, also considers in an integrated manner the risks under Legislative Decree no. 231/01 and sets out the forecast coverage levels, on a rolling basis, for the 2022 - 2024 three-year period of the processes of the Poste Italiane Group as a whole, of the non-supervised Poste Group companies, of BancoPosta and of the supervised Group companies, guaranteeing overall three-year coverage levels of 100% of the population of processes (Audit Universe) with a high level of risk, of which 26% through continuous audit activities, many of which are subject to regulatory or supervisory constraints.

The plan concerned, among other things, the provision of insurance, financial and transactional products/services (with audits at 1,380 facilities), as well as postal and logistics processes (140 facilities). In addition, it guaranteed coverage of the main resource management processes such as IT (with audits of 22 processes/applications), real estate (6 facilities) and purchasing (5 Group companies), human resources (12 facilities), administrative-accounting processes (14 facilities) and various compliance areas (21 facilities). The activities set out in the 2024 Audit Plan were carried out ensuring the full saturation of the function's resources.

Furthermore, at its meeting of 19 March 2024, the Board of Directors, having heard the prior opinion of the Risk Control Committee, passed a resolution to acknowledge and approve the SCIGR 2023 Evaluation Report.

5.3 Risk management and risk assessment model

Poste Italiane has adopted a Risk Management model based on the Enterprise Risk Management (ERM) framework, with the aim of providing an organic, integrated vision and an effective, standardised response to the risks to which the Group is exposed. The outcomes of the risk assessment process carried out according to the ERM framework contribute to the analyses performed for the assessment of the Group's financial materiality as part of the dual materiality analysis[145], the results of which are reported in Chapter 8 "the Sustainability Statement " of this Report. The Group Risk and Compliance function ("RCG") is responsible for ensuring that these objectives are met. This is primarily done through the definition of an integrated risk management process that relies on the coordinated involvement of all the actors in the Internal Control and Risk Management System, above all the specialist forms of second-level control, the use of standardised models and metrics based on Group-wide criteria, and the design and implementation of shared tools for assessing and managing risk. In this latter regard, the Group implemented an integrated Governance, Risk and Compliance (GRC) platform in 2018 to support the integrated risk management process. This IT tool assesses and manages operational risks, in accordance with Legislative Decree no. 231/01, of fraud, IT security, pursuant to Law 262/05, strategic, ESG, reputational, fiscal, physical security, Compliance, privacy and corruption as well as compliance with the rules applicable to financial and payment services. Furthermore, during 2024, evolutions and extension of functionalities were implemented in relation to the already

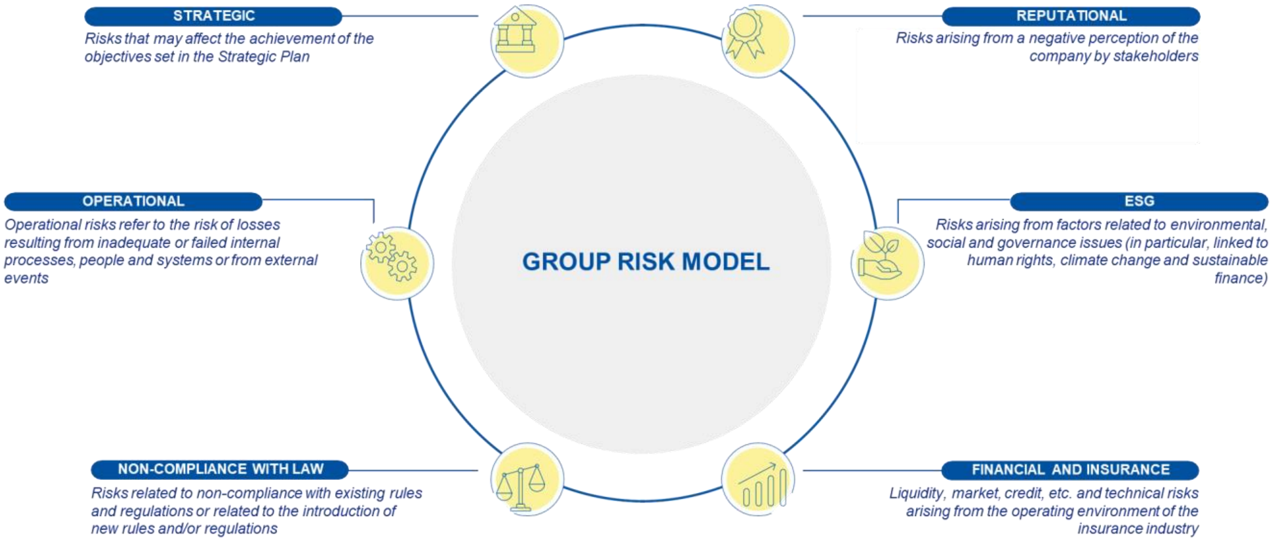
[145] Double materiality, introduced by the new European Sustainability Reporting Standard (ESRS), requires companies to assess the relevance of sustainability issues from a dual perspective. In particular, the analysis considers not only the impacts, positive and negative, actual and potential, that can be generated or could be generated through the performance of business activities (impact materiality perspective), but also the sustainability risks and opportunities that could have financial effects on the Group (financial materiality perspective). The double materiality makes it possible to identify sustainability issues relevant to the Poste Italiane Group through the mapping of impacts, risks and opportunities (IRO), as well as the related datapoints that are included in the Sustainability Statement.

existing modules, as well as interventions that strengthened and extended the application integration aspects between the specific GRC system and other systems in the Company. This is the tool that has enabled the Group to maximise integration of the risk management process, ensuring that risk assessment methods are shared across all the specialist second-level control functions. At the same time, it has improved communication with senior management and corporate bodies and between the various control functions, minimising the risk of inadequate or redundant information.

5.4 Poste Italiane's main risks

The Poste Italiane Group ensures that the conduct of the business is consistent with the objectives defined by the Board of Directors, taking into account the risks that may affect the achievement of those objectives.

The main risk categories associated with the Poste Italiane Group's activities are identified in the Group Risk Model.

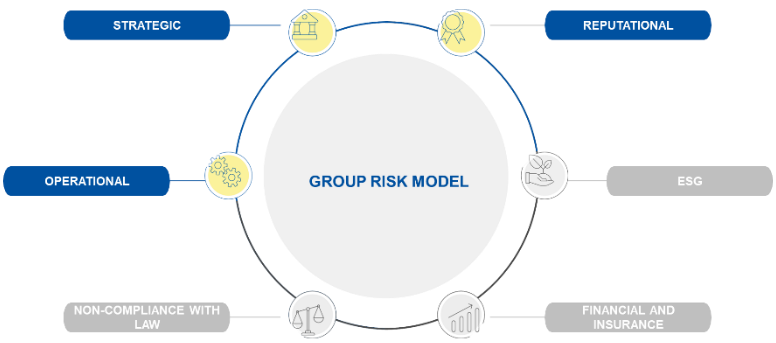


Poste Italiane periodically conducts risk assessment activities in a structured manner in order to identify and assess the main risks that may significantly affect the achievement of business objectives. In this sense, the main factors influencing the Group's strategies include not only changes related to the domestic context, but also developments in the political, social and macroeconomic framework of reference, in view of the country's general objectives for a sustainable economic recovery, as well as the current geopolitical context characterised by significant instability, also in light of the conflict between Russia and Ukraine and in the Middle East.

Following the risk assessment activities carried out, the Group's main risks, their respective risk model categories and management methods are outlined below.

RISKS RELATED TO THE MACROECONOMIC ENVIRONMENT

The Poste Italiane Group's results depend on the macroeconomic context and, in particular, the national economy - Italy being the country in which the Group operates almost exclusively - and are adversely affected by any economic recession, market crisis or period of instability. A prolonged situation of economic uncertainty may lead to stagnation or a decrease in demand for one or more of the different business areas in which Poste Italiane and the Group operate. This, in turn, could result in a decrease in volumes, prices and profitability levels, with possible negative



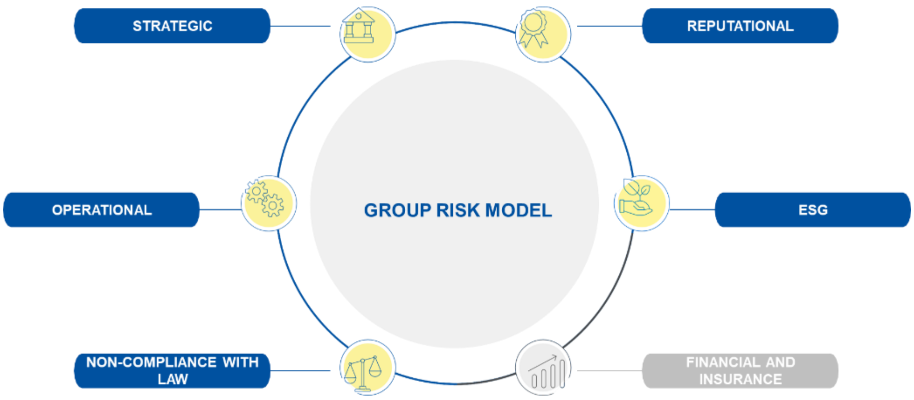
effects on the Group's financial condition and operating results.

Main management methods

Poste Italiane constantly monitors developments in the political, social, macroeconomic and regulatory environment that could have an impact on the Group's business and operations. To this end, the Group carries out in-depth analyses and appropriate strategic planning in order to mitigate the impacts of the unstable macroeconomic environment and to ensure Poste Italiane's financial and operational soundness over the long-term.

Moreover, the dynamics of macroeconomic variables are constantly monitored in order to verify their consistency over time with the assumptions made underlying the Strategic Plan. These activities are also carried out through the analyses of the Group's Research Centre within BancoPosta Fondi, which periodically conducts in-depth studies on the national and global macroeconomic scenario, also with a view to supporting the adoption of medium/long-term strategic choices.

PERSONNEL-RELATED RISKS



In view of the Company's decisive role for the economic, social and productive fabric of Italy, also due to the provision of the Universal Postal Service, Poste Italiane relies on the collaboration of around 119,000 employees. This organisational complexity, mainly determined by the requirements in the mail business in terms of geographical area coverage and delivery quality standards, exposes the Group to various risks, such as:

- risk of **workplace accidents** to employees or associates as a result of operational activities (e.g. collecting, transporting and sorting parcels and letters and delivering products by motor vehicles);
- **Labour disputes**, for example, related to labour interposition and social security disputes related to voluntary and compulsory contribution payments;
- risk that any **strikes or work stoppages** (albeit in compliance with the law) could have repercussions, such as blockages or slowdowns, on the implementation of the main project initiatives envisaged in the Strategic Plan, on the level of services offered to customers, on the reputation and, therefore, on the Group's financial results.

Main management methods

Poste Italiane attaches great importance to the people who work within the company and, for this reason, aims to invest significantly in initiatives that aim to improve the working conditions of its employees and support their motivation, promoting information and awareness campaigns in order to support people's physical and mental well-being, and create an inclusive working environment in order to neutralise inequalities.

The Poste Italiane Group considers the protection of health and safety at work a fundamental element, which all employees must be inspired by in carrying out their daily activities. The Company is constantly committed to adopting all the necessary measures to reduce accidents, occupational injuries and illnesses by fostering the establishment of a corporate culture based on safety in all organisational layers, and by promoting the constant improvement of occupational health and safety management systems also through the continuous assessment of risks and the updating of related rules and procedures.

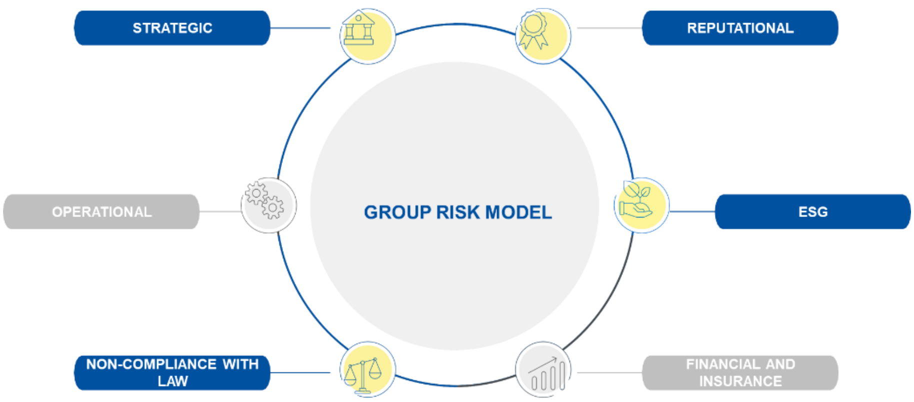
Poste Italiane has also set up corporate functions dedicated to Welfare that propose and suggest intergenerational, modular and solidarity-based programmes, tools and strategies for the well-being of personnel and, in general, for collective balances. As part of its Welfare policies, the Group also supports care and prevention for its employees, their families and pensioners through the Poste Centro Medico health facility.

Finally, sustaining a constant relationship of information and consultation with the Trade Unions (OO.SS.) on issues of common interest is an essential priority for the Group, which is committed to ensuring the protection of the rights of its workers, safeguarding freedom of association, and enhancing collective bargaining at every level. In particular, through regular meetings with the trade unions, Poste Italiane maintains constant dialogue with workers' representatives, with the aim of guaranteeing and preserving the well-being and protection of workers' rights. Therefore, agreements have been reached in accordance with the National Collective Labour Agreement (CCNL) and the Consolidated Law on Representation, which aim to foster the creation of a positive company climate, ensuring compliance with current legislation. The continuous dialogue and the effective and constructive relationship between the Company and the Social Partners constitute a distinctive and significant element in the Group's growth and evolution strategy, also preventing conflicts and strikes from arising.

Finally, Poste Italiane has endowed itself with organisational functions which, also through consultancy activities and specialist support to the functions involved, ensure the monitoring of pre-litigation and labour litigation issues and guarantee the drafting and dissemination of guidelines for the effective management of litigation activities carried out at a territorial level, verifying their application.

With reference to the sustainability aspects of this risk, please refer to Chapter 8 "the Sustainability Statement" of this Report for details.

RISKS OF REGULATORY NON-COMPLIANCE



The increase in the level of detail and complexity of legal and regulatory compliance required by the authorities for their areas of competence requires a growing cultural and operational change within companies. The Group, which operates in several sectors including postal services, integrated communication services, logistics, energy, financial services and insurance, is subject to numerous laws and regulations, both sector-specific and in the areas of taxation, anti-money laundering, privacy, antitrust and the environment. In addition, by virtue of the exclusive assignment to Poste Italiane of the Universal Postal Service, risks of non-compliance related to specific regulations and the existing contract entered into with public authorities may arise. In particular, in view of the complexity and heterogeneity of the Group's operations and the obligations arising from the management of services of general economic interest, Poste Italiane could run the risk of not responding in a timely manner to the demands of legislators and regulators (e.g., on governance structures, responsible finance, etc.). This could result in eventual breaches of applicable regulations (or allegations of breaches) making the Company and/or the Group the recipients of fines, corrective actions and/or business suspension requests, which could adversely affect the Group's reputation, revenue, operating results and/or financial condition.

Main management methods

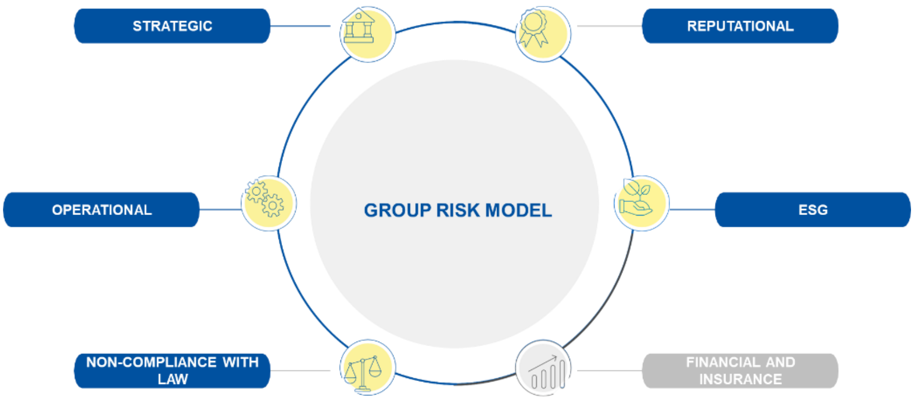
Given the operational complexity of Poste Italiane and the numerous sectors in which the Group operates, as well as the legal and reputational impacts associated with the risk of non-compliance, the Company has defined an integrated compliance process at Group level. This process is coordinated by a dedicated organisational unit of the RCG function, with the aim of overseeing - in a structured manner for each level of the company and in a manner appropriate to each sector of activity - the risks of non-compliance to which the Group is exposed, thereby fully implementing the principles of integrity, transparency and legality.

In particular, the Group's Integrated Compliance process is based on a structured and coordinated approach to compliance that combines multiple needs, through the integration and rationalisation of existing risks and controls, also taking into account legal and reputational impacts and the risk-based approach. As part of said process, Poste Italiane also takes part in technical and working groups on regulatory developments, in order to ensure analysis of changes in the regulatory framework, guaranteeing its correct implementation, and represent the Company's position on these issues to national and international bodies, in order to support the Company's business. In addition, the Group constantly analyses regulatory developments of interest, assessing their applicability to business operations. This analysis also includes the recognition, implementation and monitoring of the correct transposition of the requirements identified in the regulatory analysis.

As part of the overall Integrated Compliance Model, Poste Italiane has put in place specialised control units that guarantee the analysis, assessment and proper management of regulations relating to the areas of compliance relevant to the Group.

With reference to the sustainability aspects of this risk, please refer to Chapter 8 "the Sustainability Statement" of this Report for details.

CYBER RISK



The Group's activities depend to a considerable extent on the proper functioning of information systems, and the highly "IT intensive" nature of the business gives information systems a central role in achieving its development objectives. There is, however, a risk that malfunctions and/or failures of information systems may lead to the interruption of business continuity of services provided to customers, loss of data integrity and/or personal data leaks or breaches of privacy.

In particular, cyber risk consists of the risk of accidental events or malicious actions inherent in the security of the information system, resulting in economic-financial losses and/or reputational damage. in fact, the technological evolution of the business and the ever-increasing use of innovative digital solutions, requires increasing attention to the aspects of cyber security. Attacks on IT systems can compromise IT infrastructure, allowing Company and customer data to be deleted, stolen or used, or viruses or malware may be installed, in order to access Company's funds and/or damage the Company's reputation and brand. Moreover, the increasing demand for personal identification and authentication may increase the risk of fraud and identity theft. The acceleration of the IT-driven change and innovation process therefore entails the need to govern and manage risk profiles such as:

- Unavailability of services and operational blockages;
- Theft of information and loss of confidentiality and data integrity;
- New threats from the Internet and mobile on digital services provided.

Main management methods

The Poste Italiane Group has put in place a series of organisational and technological measures in order to implement a structured and continuous process of computer risk analysis ("Information Security Self Assessment"), which is a key input to the definition of a Permanent Security Plan whose function is to protect the technological infrastructure and minimise the impact on business services.

As of the year 2023, the Company has activated Group Cyber Risk coverage with leading insurance companies.

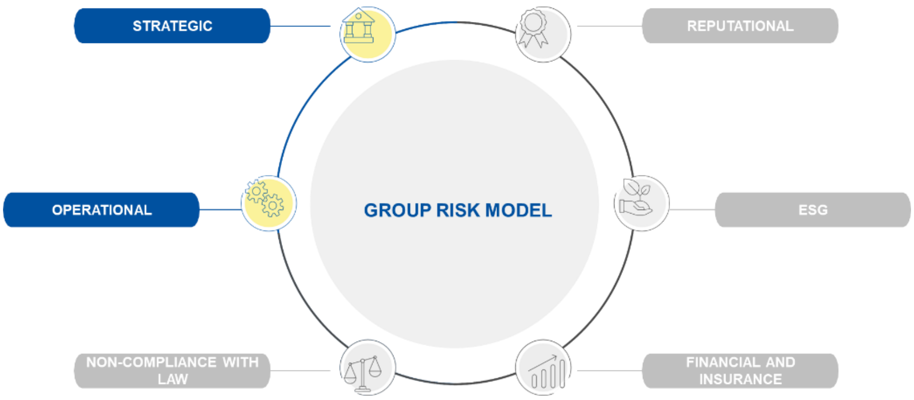
Likewise, DDOS (Distributed Denial Of Service) attacks recorded during the year were handled without significant consequences on business services.

Furthermore, in view of the effective applicability, as of January 2025, of Regulation (EU) 2022/2554 (Digital Operational Resilience Act, DORA) aimed at ensuring high levels of resilience for financial services in the European environment with respect to Information and Communication Technology (ICT) and Cyber Risk, a project to adapt to the new regulatory requirements involving all entities of the Group's financial and insurance sectors was launched in 2024.

With reference to the sustainability aspects of this risk, please refer to Chapter 8 "the Sustainability Statement" of this Report for details.

RISKS RELATED TO THE COMPETITIVE ENVIRONMENT

The Poste Italiane Group operates in competitive sectors and measures itself against its competitors mainly in relation to factors such as technological innovation, quality, breadth and reliability of services, speed and punctuality of delivery, performance, reputation, customer support and price of services offered.



Consequently, the Group's future business prospects depend, to a large extent, on its ability to remain competitive by meeting changing customer needs, anticipating technological changes, and developing effective and competitive relationships with its customers and suppliers.

The intensification of competition in the sectors in which Poste Italiane operates could result in a reduction in revenue and market share with consequent negative effects on the Group's business, prospects and financial position.

In particular, the postal services market is going through a phase of radical change, mainly linked to the digital and logistical transformation, which has affected the volume of letters and parcels. The historical decline of traditional mail, replaced by digital forms of communication, is accompanied by a significant increase in the volume of parcels.

The Group's banking and insurance activities are also exposed to competitive risks. In the financial services sector, BancoPosta has to cope with a continuously consolidating market and, in this context, it becomes crucial to respond promptly to competitive pressures in order to retain its customers. Similarly, in the insurance market, the Group is exposed to the typical risks arising from competitive pressure in the Italian insurance market, which is mainly characterised by the creation of bancassurance agreements between banks and insurance companies, aimed at offering customers both banking and insurance products and services, leveraging their respective distribution channels.

Main management methods

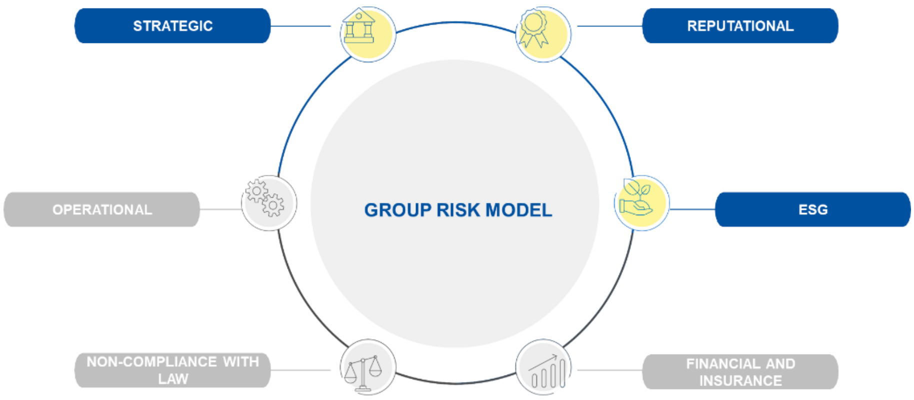
Poste Italiane is the main postal service provider in Italy in charge of providing the Universal Postal Service, a public utility service aimed at guaranteeing all citizens of the country access to postal services. Through a proprietary multi-channel distribution logistics platform, Poste Italiane has added parcel delivery to its traditional mail delivery business in order to seize the opportunities offered by the rapid growth of e-commerce, immediately establishing itself as a leader in this market.

As regards the management of competitive risk in the other sectors in which the Group operates, Poste Italiane acts through a structured approach aimed at ensuring financial stability and market competitiveness, maximising value for customers and improving operational efficiency. In particular, the Group adopts a strategy of differentiating its banking and insurance products, focusing on integrated and customisable solutions to meet different customer needs, as well as diversifying investment and insurance opportunities with the aim of maintaining positive results and guaranteeing a high level of quality and customer satisfaction.

In addition, Poste Italiane invests heavily in digital innovation to counter competition in the relevant sectors, implementing a series of initiatives to modernise its services, making them more accessible, efficient and adapted to the needs of customers in today's digital environment. In particular, Poste Italiane continuously implements initiatives aimed at satisfying the new needs expressed by customers, offering products that are increasingly modular and in line with developments in the reference markets.

RISKS RELATED TO THE FAILURE TO MEET CUSTOMER NEEDS

The Group's Integrated Policy pays particular attention to the issue of quality, documenting Poste Italiane's commitment to the continuous integration of quality within the company's development strategy and all the processes that contribute to the design, development and implementation of a product or service.



As a result, the Group may not be able to meet quality standards and customer expectations, leading to a deterioration in customer satisfaction and perceived quality levels, as well as the partial or non-achievement of the Strategic Plan's objectives related to the growth and/or maintenance of the customer base, with current and prospective consequences on the Group's economic, financial and equity situation.

Main management methods

Customer satisfaction is a central objective in the quality policies of the Poste Italiane Group, which is committed to pursuing it by actively promoting listening opportunities, which are essential to ensure constant improvement in the quality of the products and services provided.

To this end, the Company has implemented a monitoring process aimed at both continuous improvement of the quality delivered and that perceived by the end user. Thanks to a KPI system and periodic reporting covering the entire range of products and services offered, management is constantly updated on developments in the relevant trends, ensuring a high level of quality.

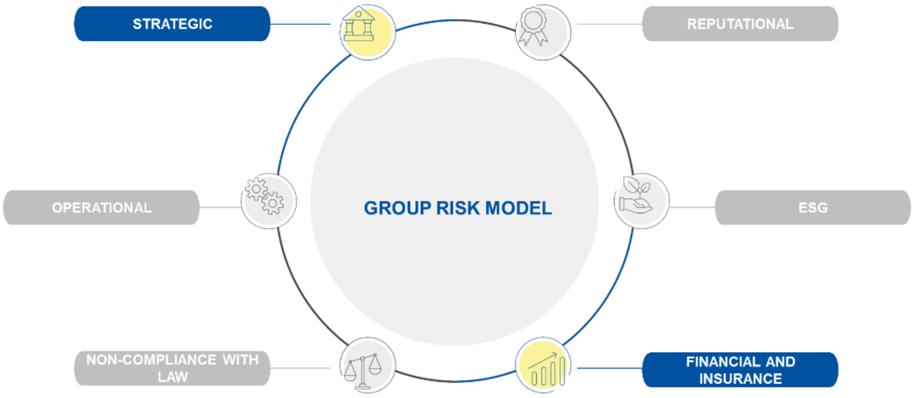
In addition, the Group has initiated a process of continuous improvement of the customer experience, which starts with listening (internal and external) and analysing processes through artificial intelligence-based technologies. In addition, Poste Italiane adopts digital tools that contribute significantly to increasing the quality and services provided, for the purpose of monitoring on-time delivery levels for mail and parcels and first delivery success for parcels.

One of the Group's objectives is the quick and effective resolution of customer complaints through a streamlined and easily accessible complaints management system that allows for immediate resolution of issues.

Finally, with reference to the value that the company attaches to the quality perceived by customers, a Customer Experience objective was set for the recipients of the MBO (Management By Objectives) programme to ensure that management objectives are aligned with customer needs and expectations.

With reference to the sustainability aspects of this risk, please refer to Chapter 8 "the Sustainability Statement" of this Report for details.

FINANCIAL AND INSURANCE RISKS



Financial risks are regulated and supervised by the Authorities (Bank of Italy and IVASS) mainly related to the operations of BancoPosta RFC and PostePay's ring-fenced EMI, asset financing and lending operations, as well as investments made by the Poste Vita insurance group (spread risk, price risk, credit risk, liquidity risk, fair value interest rate risk, cash flow inflation rate risk and currency risk). The risks of insurance management relate to the conclusion of insurance contracts and the conditions envisaged in said contracts.

For further information, please refer to the chapter "Risk Management" in the section "Poste Italiane's Financial Statements".

6. Creation of value

6.1 Share performance

+170.5%

TSR performance vs FTSE MIB median 2022/2024*

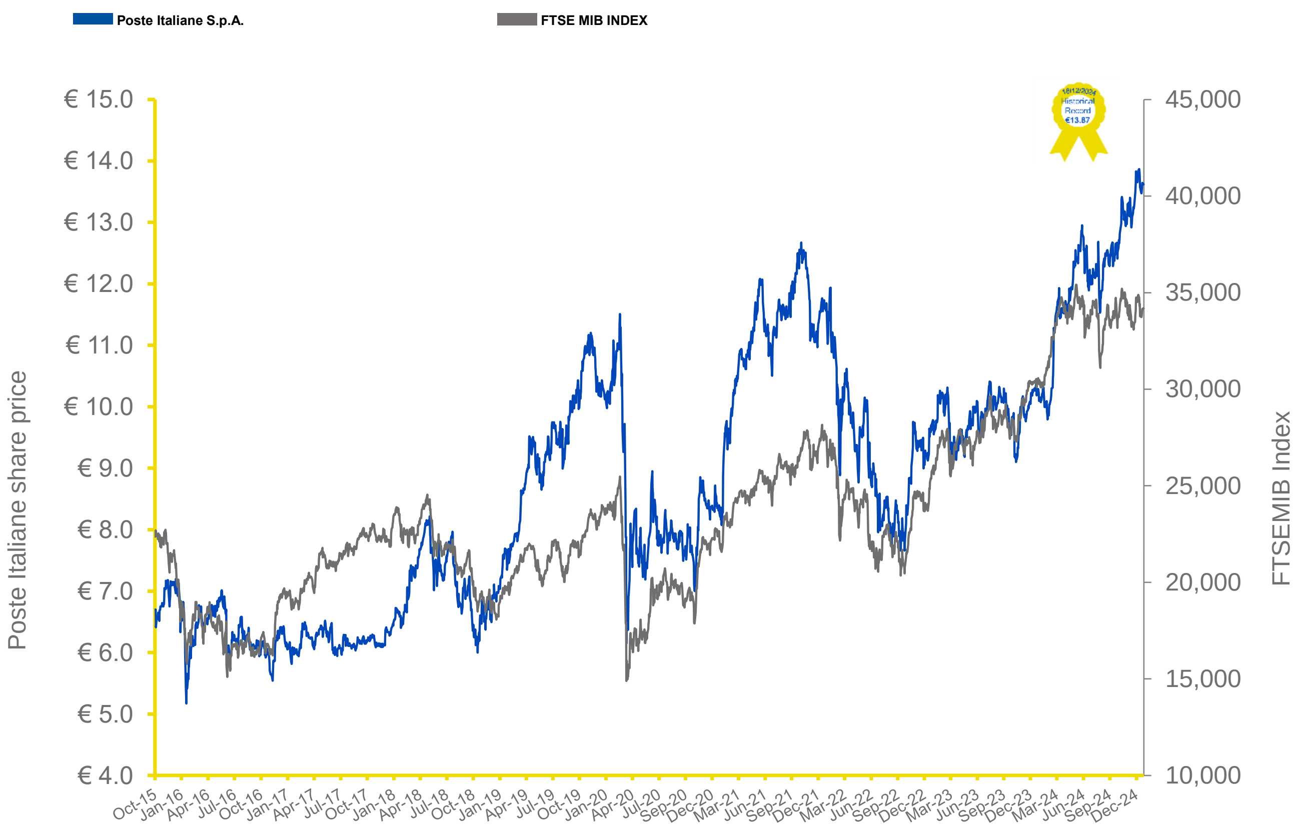
* 01/01/2022-31/12/2024

The value of the Poste Italiane share in 2024 recorded an increase of 31.34%, going from €10.370 at the beginning of the year to €13.620 at the end of December 2024. From the date of listing on the stock exchange (27 October 2015) to 31 December 2024, Poste share price increased by 101.78% (the FTSE MIB index increased by 51.07% in the same period), guaranteeing an overall return for shareholders (TSR) of 244.03% while the main Italian stock exchange index recorded an increase of 112.61%.

On 16 December 2024, Poste Italiane share recorded a new all-time high for the year at €13.870 (the previous one had occurred on 5 June 2024 at €12.955).

On 18 March 2025, the share price hit a new all-time high at €16.580.

The graph below shows the comparison between Poste Italiane's share price and the FTSE MIB INDEX from the date of the company's listing (27 October 2015) to the reporting date.



SOURCE: Bloomberg

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

POSTE ITALIANE (PST-IT0003796171)	**FY 2024**	**FY 2023**	**FY 2022**	**FY 2021**
Closing price at the end of the period (€)	13.620	10.275	9.126	11.540
Minimum price of the period (€)	9.792	9.012	7.658	8.076
	09/02/2024	17/03/2023	29/09/2022	29/01/2021
Maximum price of the period (€)	13.870	10.410	11.940	12.675
	16/12/2024	28/07/2023	03/02/2022	26/10/2021
Average price of the period (€)	12.060	9.826	9.373	10.996
Stock exchange capitalisation at the end of the period (€m)	17,789	13,362	11,920	15,072
TSR of the period (%)	42.26	20.52	(15.42)	44.83
Earnings per share* (€)	1.54	1.48	1.21	1.21

Source: Bloomberg.
* Calculated as the ratio of net profit attributable to the Group for the period to the average number of shares outstanding during the period.

6.2 Impacts resulting from ongoing conflicts

The year 2024 was characterised by the continuation of the conflict between Russia and Ukraine and the conflict in the Middle East.

Following the recommendations issued by ESMA and CONSOB in the course of 2022[146] and in line with previous accounting closures, an update to 31 December 2024 of the main effects on the Group of ongoing conflicts is provided

[146] Public statement ESMA32-63-1277 "Implications of Russia's invasion of Ukraine on half-yearly financial reports" dated 13 May 2022, Public statement ESMA32-63-1320 "European common enforcement priorities for 2022 annual reports" dated 28 October 2022 and CONSOB Warning notice no. 3/22 "Conflict in Ukraine - Attention of supervised issuers on financial reporting and compliance related to restrictive measures taken by the European Union against Russia" dated 19 May 2022.

below; for a complete analysis, please also refer to the information provided in Chapter 3 "Material events during the year and events after 31 December 2024" of the section "Poste Italiane's financial statements".
With reference to the impact of the ongoing conflicts on business, it should be noted that the Group's sphere of operations is mainly domestic and the Group has limited commercial relations with the countries involved in the conflict and exposures to these countries are marginal; therefore, the Group has not recorded significant impacts on its business or significant repercussions on profitability, nor are there any fears that its business continuity will be compromised.

After a 2023 characterised by a widespread slowdown in economic growth and a gradual reduction in inflation, also as a result of the restrictive monetary policy stance, in 2024 the global macroeconomic environment was characterised by a positive first half of the year, in terms of economic growth, with signs of a slowdown starting in the second half of the year, the continuation of the decline in inflation, as well as the change in monetary policy position of the main central banks through the gradual reduction in interest rates, in order to boost economic growth.
With specific reference to gas and electricity prices, after a declining first quarter of 2024, in which prices had reached their lowest levels in the last two years, the gradual upward trend in the market took hold again in the second half of 2024, mainly due to the persistence of uncertain geopolitical conditions, linked to the ongoing conflicts, with gas and electricity prices rising more markedly at the end of December 2024.

Despite the fact that the Group continued to feel the effects of inflation during 2024, albeit decreasing, mainly related to the cost items of utilities and national transport and delivery, the performance recorded during the year was solid, higher than expected and with a record level of adjusted operating profit which stood at €2.96 billion, almost tripling with respect to the 2017 figure, and net profit which exceeded €2 billion. The Group's financial solidity and liquidity also made it possible in 2024 to finance investments of approximately €966 million, to pay dividends of €1,165 million, to accelerate the Group's growth through investments in new companies for €32 million (mainly Locker Italia S.p.A. and N&TS Group Networks & Transactional Systems Group S.p.A.), to finance buyback transactions of €23 million from the Group's own funds, in execution of the shareholders' resolution of 31 May 2024 (for the latter, see section 3 "Material events during the year and events after 31 December 2024" in the section "Poste Italiane's financial statements").

6.3 Group operating results

2024

Revenue
€12.589 billion (+5% y/y)

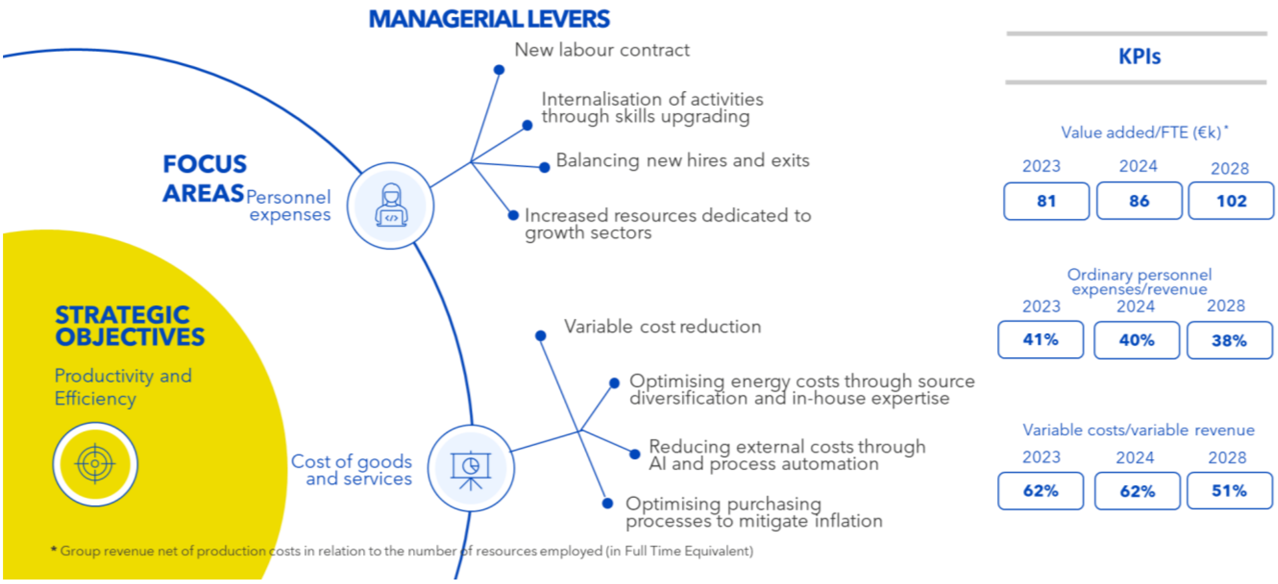
Adjusted EBIT*
€2.961 billion (+13% y/y)

Net profit
€2.013 billion (+4% y/y)

*does not include charges for the contribution to the Life Insurance Guarantee Fund (€74 million) and the portion of charges of an extraordinary nature arising from the outcome of the voluntary risk analysis on tax credits carried out in 2024 (€341 million).

The values presented in this Report on Operations are compared with the corresponding values for the same period of the previous year. In order to allow for a uniform comparison with the figures for 2024, certain figures for the comparison year have been reclassified.
Group revenue achieved in 2024 reached a record value of €12.6 billion, growing by 5% compared to 2023. A record value was reached also for the operating result for the year, which, net of the charges for the contribution to the Life Insurance Guarantee Fund in 2024 and the portion of charges of an extraordinary nature deriving from the results of the voluntary analysis[147] of risk on tax credits carried out during the year (Adjusted EBIT), shows a 13% growth over 2023 to €2,961 million in the financial year 2024, almost tripling compared to the value realised in the financial year 2017. Net profit for 2024 came in at €2 billion and is in line with the updated guidance of the 2024 - 2028 Plan communicated to the financial community in November 2024.

Business growth was also supported by careful cost control (personnel expenses and costs of goods and services), which lays the foundation for the target drivers and KPIs depicted below.



In continuity with 2023, in order to provide an interpretation of the new energy business, more consistent with the view used by management, as the Group is not an energy producer, a net revenue presentation was adopted. Consequently, some values shown below reflect a management reclassification with respect to the accounting data: specifically, revenue is shown net of costs related to the purchase of raw materials, system charges and the transport of electricity and gas. Please refer to the reclassified statement of profit or loss schedules in the section 7.2 "Other Information" of this Report on Operations for the reconciliation of the management values with the accounting values.

[147] For more details on the risk analysis, please refer to the notes to the financial statements (Note A10 - Tax Credits Law no. 77/2020 and Note B4 - Provisions for risks and charges).

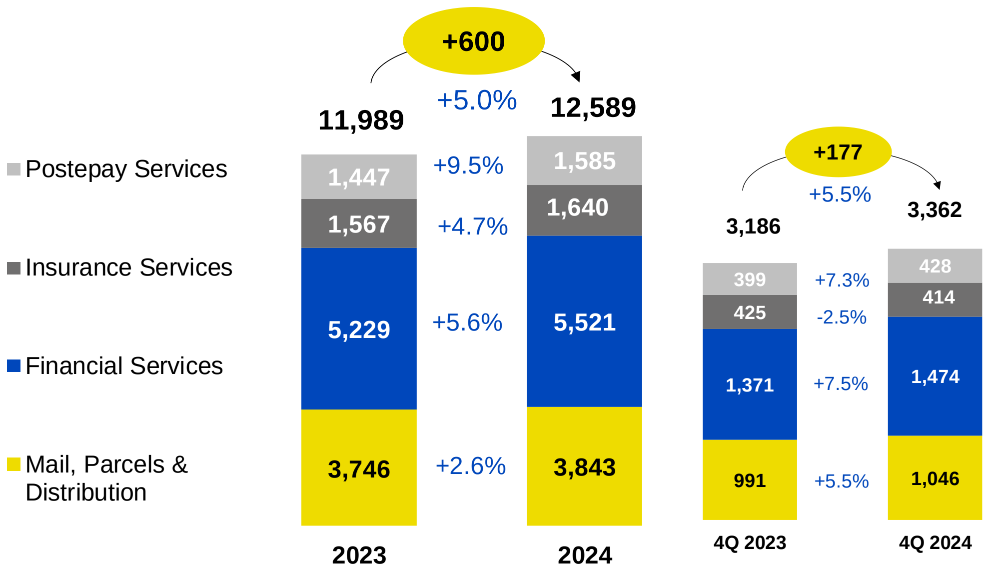
(€m)	2024	2023	Changes		4Q 2024	4Q 2023	Changes	
Revenue*	12,589	11,989	+600	+5.0%	3,362	3,186	+177	+5.5%
Total costs*	10,042	9,369	+674	+7.2%	3,037	2,671	+367	+13.7%
EBIT	2,546	2,620	(74)	-2.8%	325	515	(190)	-36.9%
Adjusted EBIT**	2,961	2,620	+341	+13.0%	685	515	+169	+32.9%
EBIT Margin %	20.2%	21.9%			9.7%	16.2%		
NET PROFIT	**2,013**	**1,933**	**+79**	**+4.1%**	**418**	**411**	**+7**	**+1.7%**
Net earnings per share	1.54	1.48	+0.06	+3.9%	0.32	0.31	+0.00	+1.3%
CAPEX	966	845	+121	+14.4%	498	453	+45	+9.9%
% of revenue	7.7%	7.0%			14.8%	14.2%		

*The items include the management reclassification of the costs of the energy business.

** For the reconciliation between EBIT and adjusted EBIT, please refer to the reconciliation table in the section Alternative Performance Indicators in Chapter 7.2 "Other information".

REVENUE[148]

(€m)



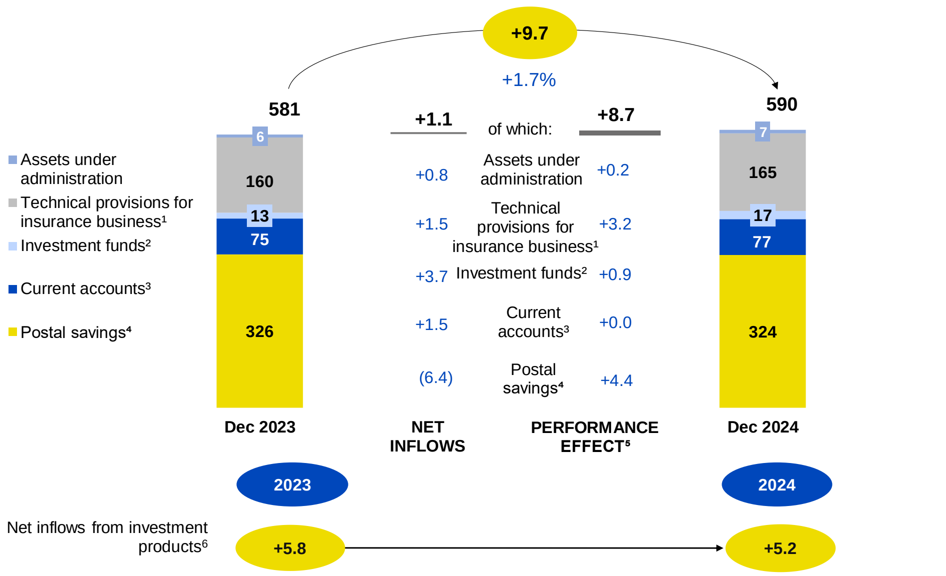
Group revenue in 2024 amounted to €12,589 million, an increase of €600 million compared to 2023 (+5%) thanks to the positive contribution of all Strategic Business Units: Financial Services (+€292 million or +5.6%), Postepay Services (+€138 million or +9.5%), Insurance Services (+€73 million or +4.7%) and Mail, Parcels and Distribution (+€97 million or +2.6%).

Group revenue in the fourth quarter of 2024 amounted to €3,362 million, marking an increase of €177 million compared to the fourth quarter of 2023 (+5.5%) with the positive contribution of the Financial Services Strategic Business Unit (+€103 million or +7.5%), Mail, Parcels and Distribution (€55 million or +5.5%), Postepay Services (+€29 million or +7.3%), more than offsetting the slight drop in the Insurance Services Strategic Business Unit (-€11 million or -2.5%).

[148] Revenue are shown net of costs related to the purchase of raw materials, system charges and the transport of electricity and gas. The Group's accounting external revenue amounted to €12,927 million in 2024 (€3,480 in the fourth quarter of 2024), €12,128 in 2023 (€3,251 in the fourth quarter of 2023). The Postepay Services SBU accounting external revenue amounted to €1,923 million in 2024 (€546 million in the fourth quarter of 2024), compared to €1,586 million in 2023 (€464 million in the fourth quarter of 2023).

CLIENT TOTAL FINANCIAL ASSETS

(€bn)



[1] Insurance reserves of Poste Vita calculated in accordance with Poste Vita S.p.A.'s local financial reporting principles. Values do not include the protection line of the Life business. For more details, please refer to the alternative performance indicator "Client Total Financial Assets" in section 7.2 "Other information".

[2] Includes Moneyfarm.

[3] Current accounts do not include REPO and Poste Italiane's liquidity.

[4] Includes capitalisation of interest.

[5] Mainly includes the impact of macroeconomic variables (spreads, rates, etc.) on the stocks of the insurance, managed funds and assets under administration segments, as well as the capitalisation of interest for the period on the stocks of postal interest-bearing certificates/postal savings books.

[6] Includes net inflows on: Investment Funds, Life and Pension.

Client Total Financial Assets amounted to €590 billion at 31 December 2024, up 1.7% (+€9.7 billion) from €581 billion at 31 December 2023. This change is attributable to positive net inflows on: Investment funds (+€3.7 billion), current accounts (+€1.5 billion), insurance provisions (+€1.5 billion) and assets under administration and custody (+€0.8 billion), partially offset by negative net inflows from postal savings (amounting to -€6.4 billion). An overall performance effect of €8.7 billion was also recorded, mainly due to the capitalisation of interest accrued on the stock of Postal Savings (+€4.4 billion) and the performance of insurance provisions (+€3.2 billion).

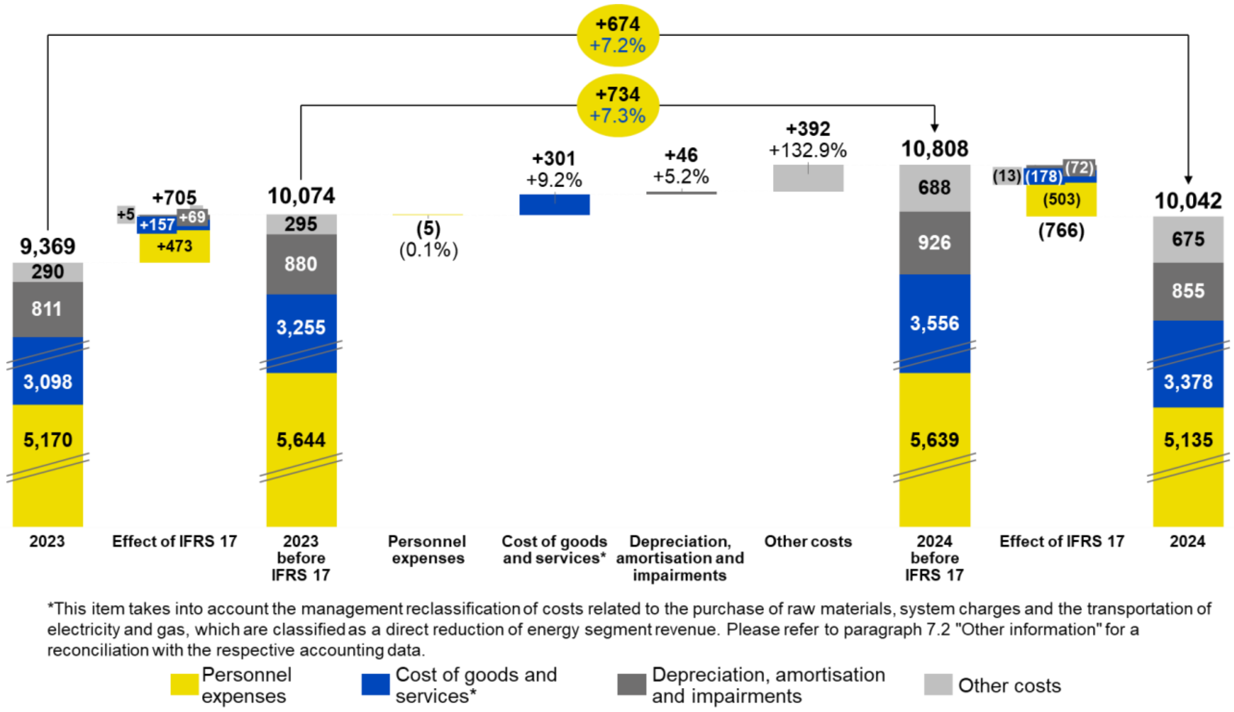
€590 bn

Client Total Financial Assets

TOTAL COSTS

(€m)

Following the entry into force of the new IFRS 17 standard, the costs incurred by the Group and directly attributable to insurance policies, from the time of their placement and until their settlement, are considered within insurance liabilities and released periodically in the statement of profit or loss (among insurance net revenue). For the purpose of understanding the trends presented below, the total value of costs incurred by the Group is shown, also considering those attributable to insurance contracts.



In accordance with IFRS 17, total costs stood at €10,042 million, an increase compared to the €9,369 million in 2023 (+€674 million, +7.2%), mainly due to the increase in the items other costs and costs of goods and services. Net of the effects of applying IFRS 17, total costs amounted to €10,808 million, up from €10,074 million in the previous year (+€734 million, +7.3%).

Personnel expenses amounted to €5,135 million, marking a decrease of €35 million compared to 2023 (€5,170 million) and, net of the effect generated by the application of IFRS 17, total personnel expenses came to €5,639 million, a decrease of €5 million from 2023 (€5,644 million).

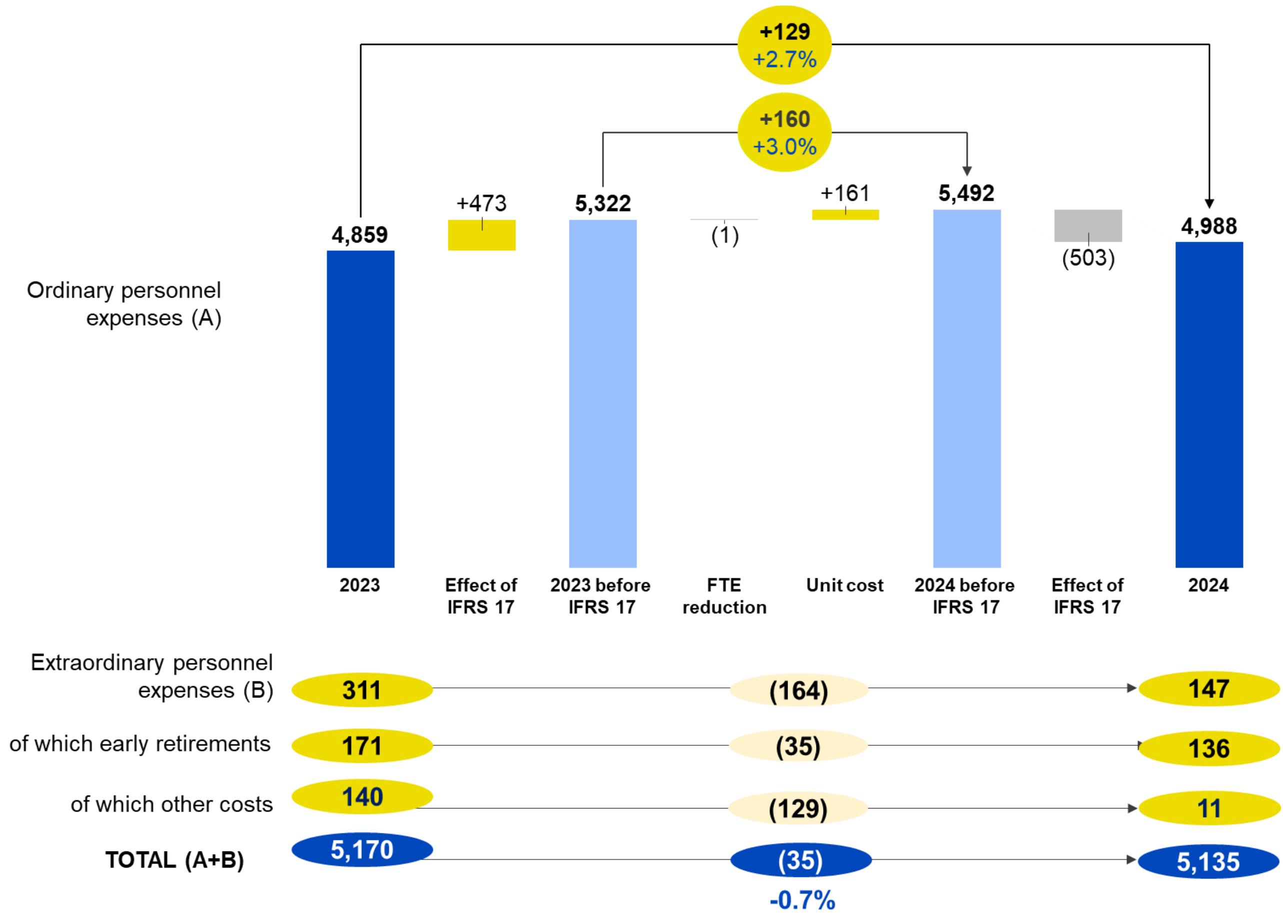
Costs of goods and services recorded an increase of €280 million, going from €3,098 million in 2023 to €3,378 million in 2024. Net of the effects of the application of IFRS 17, the costs of goods and services recorded an increase of €301 million, going from €3,255 million in 2023 to €3,556 million in 2024.

Costs for amortisation, depreciation and impairments rose by €44 million (+5.4%) from €811 million in 2023 to €855 million in 2024. Net of the application of IFRS 17, they amounted to €926 million, an increase of €46 million compared to 2023.

Other operating costs increased by €384 million from €290 million in 2023 to €675 million in 2024 mainly due to extraordinary costs (€341 million) related to the "adjusted" component of the results of the voluntary risk analysis on tax credits performed in 2024.

PERSONNEL EXPENSES

(€m)



Personnel expenses amounted to €5,135 million, a decrease of €35 million compared to 2023 (€5,170 million); this change was due to the combined effect of the decrease recorded in extraordinary personnel expenses of €164 million, mainly attributable to the extraordinary performance bonus paid in 2023 in the amount of €133 million (provided for in the agreement signed on 1 August 2023), and the increase in ordinary personnel expenses of €129 million.

Net of the effects of the application of IFRS 17, personnel expenses recorded an increase of €160 million (+3.0%), going from €5,332 million in 2023 to €5,492 million in 2024. This change is related to the rise in the unit cost (+€161 million), attributable to the increase in the contractual minimums triggered in July 2023 (provided for by the national collective labour agreement signed on 23 June 2021), to the accrued portion of the one-off payment made in September 2024 (provided for by the new national collective labour agreement signed on 23 July 2024) and to the variable performance-related component.

NUMBER OF RESOURCES

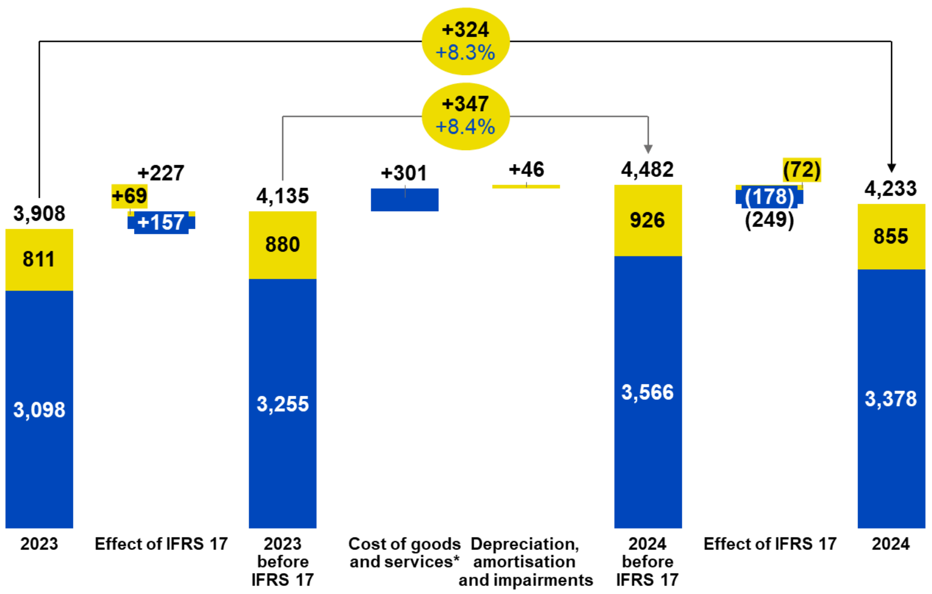
(average Full Time Equivalent in thousands)

The number of staff who left the Group in 2024, including incentivised redundancies, is 6.4 thousand (average FTE) on permanent contracts, against new hires of 6.2 thousand (average FTE), of which 4.2 thousand (average FTE) on permanent contracts.

COST OF GOODS AND SERVICES AND DEPRECIATION AND AMORTISATION

(€m)

The following table shows the development of costs of goods and services and depreciation and amortisation compared to 2023, showing the effects of the application of IFRS 17.



* This item takes into account the management reclassification of costs related to the purchase of raw materials and the transportation of electricity and gas. These costs are not included in this representation as they are classified as a direct reduction of the revenue of the energy segment. Please refer to paragraph 7.2 "Other information" for a reconciliation with the respective accounting data.

Depreciation, amortisation and impairments | Cost of goods and services*

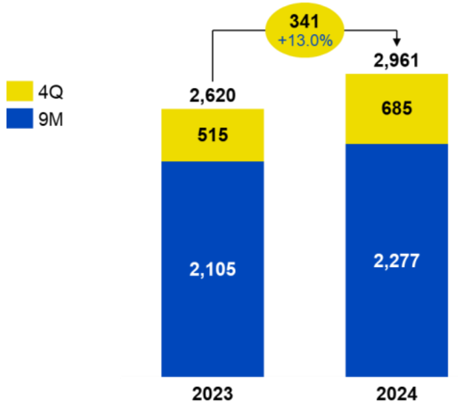
Net of the effects of the application of the new standard, costs of goods and services recorded an increase of €301 million, going from €3,255 million in 2023 to €3,556 million in 2024. In addition to the incurring of variable costs to support the business (mainly parcels and payments), the change is related to the persistent effects of the international inflationary scenario (for €114 million). Depreciation, amortisation and impairments, net of the effects of applying IFRS 17, amounted to €926 million, an increase of €46 million compared to 2023; the increase is attributable to higher amortisation on intangible assets for investments in application software that became available for use, in addition to higher depreciation on Property, plant and equipment and Right-of-use assets.

ADJUSTED GROUP EBIT

(€m)

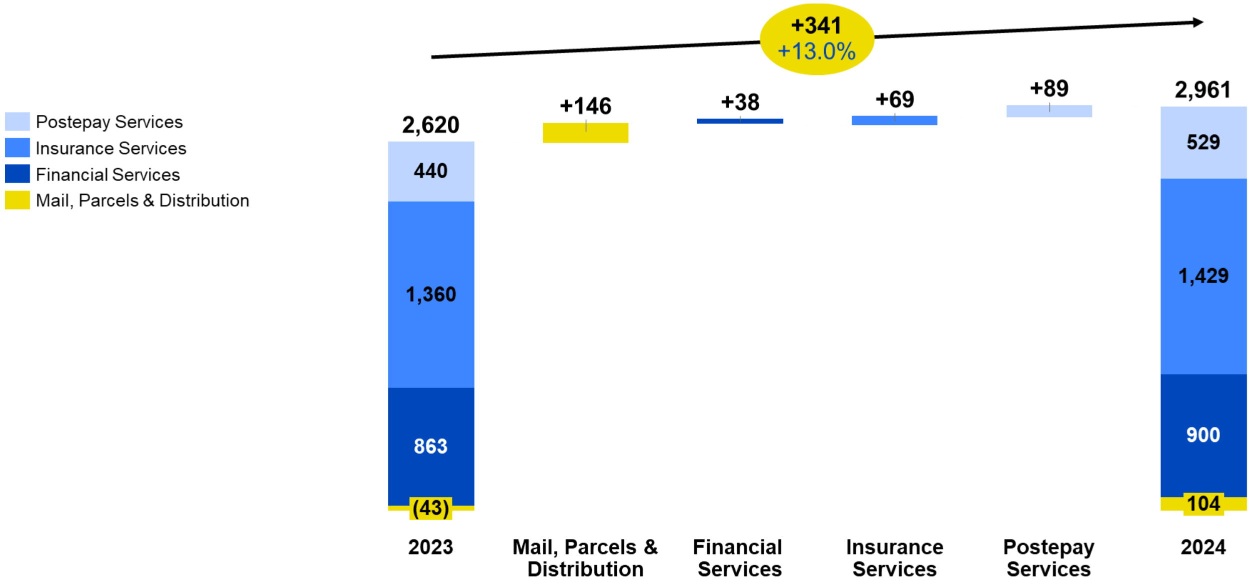
Adjusted[149] operating profit (EBIT) amounted to €2,961 million, up by €341 million (+13%) compared with the same period of the previous year (€2,620 million).

Below is a representation of the contribution of the individual SBUs to the operating profit for the period (adjusted values).



ADJUSTED EBIT BY STRATEGIC BUSINESS UNIT

(€m)



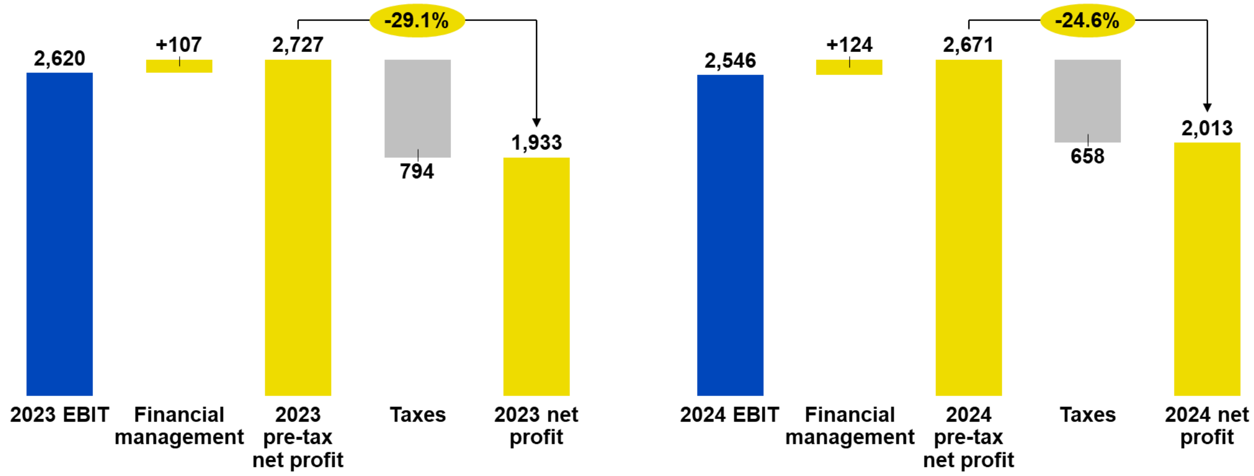
In 2024, the Group's adjusted EBIT growth benefited from the performance of all Strategic Business Units: i) Mail, Parcels and Distribution with an adjusted operating profit of €104 million, up €146 million compared to 2023 (-€43 million); ii) Financial Services with an adjusted operating profit of €900 million, up €38 million compared to 2023; iii) Insurance Services, with an adjusted operating profit of €1,429 million, up €69 million compared to 2023 (€1,360 million); iv) Postepay Services, with an adjusted operating profit of €529 million, up €89 million compared to the previous year.

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

[149] It does not include charges for the contribution to the Life Insurance Guarantee Fund (amounting to €74 million in 2024) and the portion of charges of an extraordinary nature, arising from the outcome of the voluntary risk analysis on tax credits carried out in 2024, amounting to €341 million. Please refer to the reconciliation table in the paragraph on Alternative Performance Indicators in paragraph 7.2 "Other information".

FINANCIAL MANAGEMENT AND TAXES

(€m)



Consolidated net profit for 2024 amounted to €2,013 million, an increase of €79 million (+4.1%) compared to the 2023 financial year (€1,933 million), and took into account positive financial management (€124 million) and the tax benefit arising from the deductibility for IRES purposes of negative items related to tax credits (€229 million), including the benefit on expenses recognised in the 2022 and 2023 financial years.

For further details, please refer to section "A10 - Tax Credits Law no. 77/2020" in the section "Poste Italiane's Financial Statements".

6.3.1 Mail, Parcels and Distribution Strategic Business Unit

Strategic Business Unit

MAIL, PARCELS AND DISTRIBUTION

REVENUE	ADJ EBIT	NET PROFIT
€3.8 bn +2.6% y/y	€104 mln n.s. y/y	(€88) mln -91.7% y/y

Leadership* in the **parcel** market **in Italy** with market share growth in all segments

JV **Locker Italia** established as part of strategic partnership with DHL and **international business** growth

Growth of the network and volumes handled on **Out Of Home** reducing **environmental impact** and meeting new delivery requirements

Growth in the **Integrated Logistics** business thanks to the establishment of **Poste Logistics S.p.A.**

12,755
Post offices

>31,000
Paperwork processed on PA services in Polis offices

>18,200
Collect Points (mainly tobacconists)

~28,400 Low-emission vehicles in the company fleet, of which around 6,100 electric

308 mln
Parcels dispatched in the year

39%
Parcels delivered by letter carriers

* Based on 2024 B2C and B2B volumes

Below are the development lines of the Strategic Business Unit over the Plan period, with the respective targets and the related end-of-year data for 2024.

Industrial Plan Strategy 2024-2028

MAIL, PARCELS AND DISTRIBUTION

Leading logistics player with the aim of consolidating its presence in the parcels and express courier sector and growing in integrated logistics

- Evolution of the logistics network
- B2X market leadership
- Growing in integrated logistics

Targets and KPIs Business Plan	Actual 2024	Target Plan
Automation and streamlining of the logistics network		
▪ Parcels delivered by postmen and women	121 mln/pc (39%)	240 mln/pc in 2028 (2/3)
Green address		
Pick-up and delivery points for a sustainable offer		
▪ Parcels collected and delivered at PUDO* network	~40 mln/pc	>80 mln/pc in 2028
▪ Punto Poste network population coverage**	95%	>96% by 2028

* Pick Up Drop Off (PUDO): includes the Punto Poste network, Post Offices with poste restante and Lockers.
** % citizens with a distance of 2.5 km from a proximity point.

Targets and KPIs Business Plan	Actual 2024	Target Plan
Business Development		
Parcels		
▪ Revenue share related to parcels and logistics***	43%	43% in 2024, ~60% in 2028
▪ Key customer revenue****	2.6x in 2024 vs. 2019	3x in 2028 vs. 2019
International		
▪ International Revenues	€324 mln in 2024	€390 mln in 2028
Integrated logistics		
▪ Revenues from Integrated Logistics*****	€0.1 bn in 2024	€0.3 bn in 2028

*** Calculated on mail and parcel revenue, excluding other revenue.
**** Key customers: Amazon, Zalando, China Business, Vinted and Ebay.
***** Revenue net of logistics services provided during the pandemic emergency phase by Covid-19.

The 2024 performance of the Strategic Business Unit shows growth in parcel and logistics and mail revenue compared to 2023, which is reflected in an increase of the adjusted operating profit, i.e. net of the share of extraordinary charges recognised in the year.

MAIL, PARCELS & DISTRIBUTION (€m)	**2024**	**2023**	**Changes**	
External revenue	**3,843**	**3,746**	**+97**	**+2.6%**
Revenue from other sectors	5,597	5,244	+353	+6.7%
Total revenue	**9,441**	**8,991**	**+450**	**+5.0%**
Costs	9,637	8,998	+640	+7.1%
Costs vs other sectors	41	36	+5	+13.6%
Total costs	**9,678**	**9,033**	**+645**	**+7.1%**
EBIT	**(237)**	**(43)**	**(195)**	**n.s.**
Adjusted EBIT*	**104**	**(43)**	**+146**	**n.s.**
NET RESULT	**(88)**	**(46)**	**(42)**	**-91.7%**

n.s.: not significant.

* For the reconciliation between EBIT and adjusted EBIT, please refer to the reconciliation table in paragraph 7.2 "Other Information".

Operating KPIs	**2024**	**2023**	**Changes**	
Mail, Parcels and Distribution				
Revenue/FTE (€m)	80.5	76.4	+4.0	+5.3%
Deliverable parcels (incidence on total volume)	39%	35%		
N. Pick-Up Drop-Off Points (PUDO)[1]	30,056	27,497	+2,559	+9.3%
of which: New Rete Punto Poste[2]	18,270	15,724	+2,546	+16.2%
Parcels collected and delivered on the Rete Punto Poste (m)	24	19	+5	+24.7%
Distribution				
Number of customers (m)	35.6	35.1	+0.5	+1.5%
Number of Post Offices	12,755	12,755	-	-
Rooms dedicated to consultancy	8,130	7,907	+223	+2.8%
Postamat ATM network	8,493	8,135	+358	+4.4%
ESG				
Green fleet (electric vehicles)	6,141	5,822	+319	+5.5%
Charging points installed	5,637	5,637	-	-
No. buildings involved in Smart Building[3]	2,155	1,996	+159	+8.0%
Photovoltaic panels (no. of buildings)	577	308	+269	+87.3%

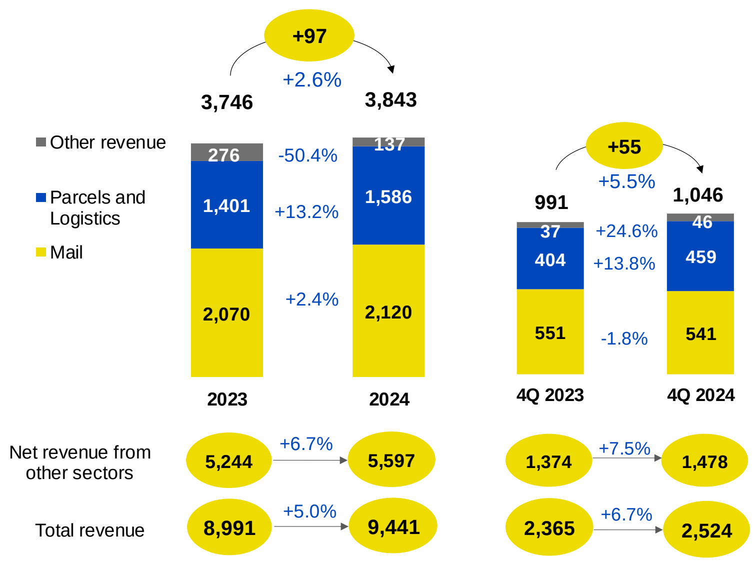
[1] PUDO: includes the Rete Punto Poste, Post Offices with poste restante and Lockers.

[2] Rete Punto Poste includes Lockers, Tobacconists and other Collect Points.

[3] Automated and remote management of buildings to achieve energy efficiencies.

EXTERNAL REVENUE AND REVENUE FROM OTHER SECTORS

(€m)



External revenue of the Strategic Business Unit went from €3,746 million in 2023 to €3,843 million in 2024 (+€97 million, equal to +2.6%). This increase is mainly attributable to the positive performance of the parcels and logistics segment

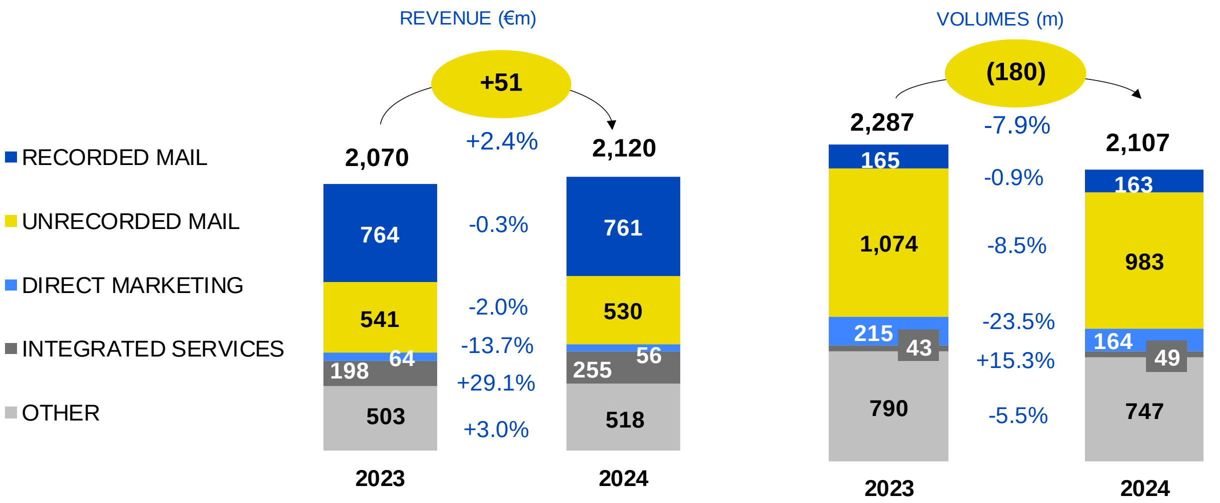
(+€185 million, or +13.2%), supported by the steady acceleration of the Business to Consumer/Business component (B2X), with strong growth in shipments and an acceleration in revenue.

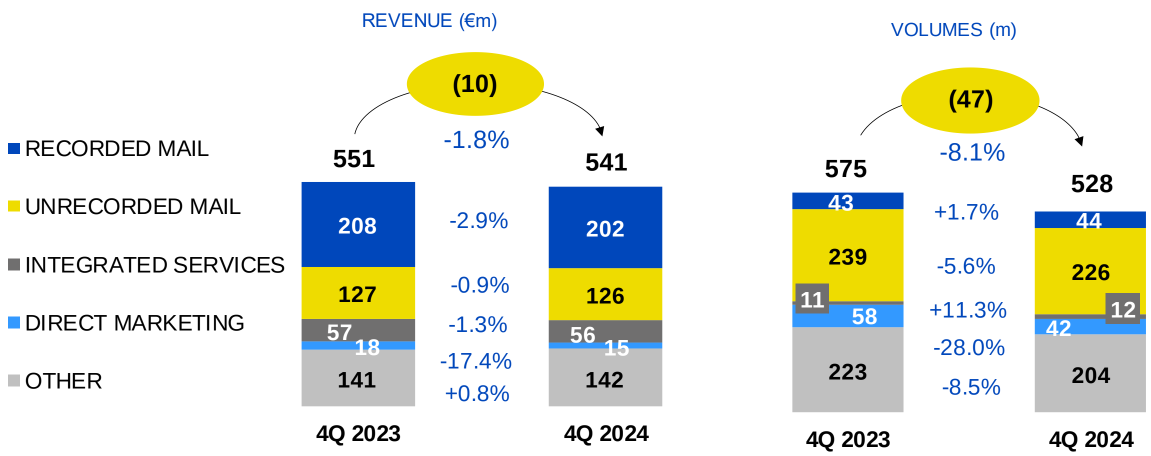
The mail segment also recorded growth in the year 2024 (+€51 million, +2.4%), attributable to tariff adjustments on universal and non-universal service products, as well as to the exceptional dispatch of certificates and voter cards in conjunction with the European elections in June 2024, which, together with some positive mix effects, made it possible to offset the lower volumes recorded compared to the previous year.

The growth of the Strategic Business Unit is offset by the trend in other revenue and income, which were affected by the capital gain of approximately €109 million generated in the first half of 2023 by the sale of a controlling stake in the company Sennder, and by the conclusion of the contract with the PatentiViaPoste consortium, which is accounted for up to November 2023 within other revenue (amounting to €27 million). The licence delivery service was subsequently awarded to Poste Italiane S.p.A. and reported in the Mail segment.

In the fourth quarter of 2024, SBU external revenue amounted to €1,046 million, up by €55 million (+5.5%) compared to the fourth quarter of 2023 (€991 million) thanks to the contribution of the parcels and logistics segment and other revenue, which show revenue growth of €56 million (+13.8%) and €9 million (+24.6%) respectively, partially mitigated by the performance of the mail segment, which shows a decrease in revenue (-€10 million, or -1.8%) compared to the same quarter of the year.

MAIL





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 acts.

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 acts (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 2024 shows a drop in volumes of 7.9% (-180 million items), with growth in revenue of 2.4% (+€51 million) compared to 2023. This performance can be attributed to a different product mix related to the growth in 2024 in the volumes of some higher-value products in the Integrated Services area, against a decline in lower unit-value products.

The trend in the fourth quarter of 2024 in comparison with the same quarter of 2023 continues to show a decline in volumes (-47 million items, or -8.1%) and a decrease in revenue (-€10 million, or -1.8%), in contrast to the growth recorded in the year, as the positive effect of the tariff manoeuvre that started at the end of July 2023 comes to an end.

In the year 2024, Recorded Mail recorded a decline in volumes of 0.9% (-1 million items) and in revenue (-€3 million, or -0.3%) compared to 2023, due to lower shipments attributable mainly to retail customers.

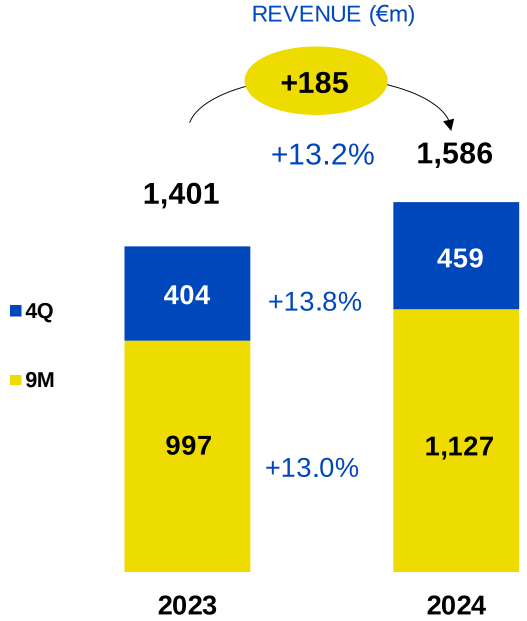
Compared 2023, Unrecorded Mail showed a reduction in both volumes (-91 million items, -8.5%) and revenue (-€11 million, -2.0%), related to the natural decline in shipments in line with the trend observed in the previous year.

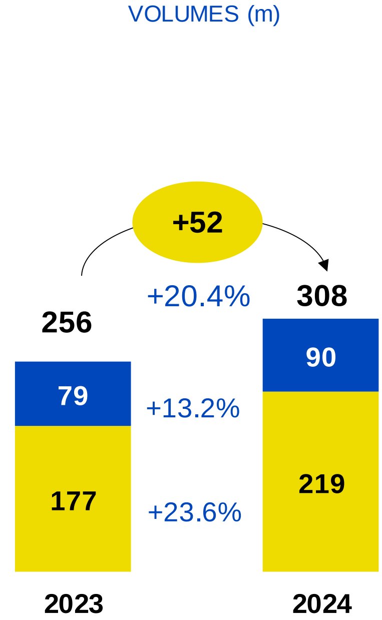
Integrated Services recorded growth compared to 2023, both in terms of volumes (+7 million shipments, or +15.3%) and revenue (+€58 million, or +29.1%) mainly due to shipments of the Posta Patenti service. In addition, this product family benefited in the second quarter of 2024 from a particularly positive trend in terms of revenue due to the higher one-off mailings of certificates and voter cards abroad for the European Elections held in June 2024.

Direct Marketing recorded a decrease in volumes of 23.5% (-51 million items), resulting in negative change in revenue of approximately €9 million (-13.7%), attributable to the e-substitution phenomenon.

The item Other, which also includes services marketed by Postel, showed a drop in volumes in 2024 of 5.5% (-43 million items) and an increase in revenue of 3.0% (+€15 million) compared to 2023, mainly due to the decline in Printing services as a result of the drop in the print market. The item Other also includes the Universal Service Charge of €262 million in 2024, in line with 2023, and publisher tariff subsidies of €55 million, essentially in line with 2023 (+€0.6 million, or +1.1%).

PARCELS AND LOGISTICS





In 2024, the parcels and logistics segment recorded significant growth in both volume (+52 million shipments, +20.4%) and revenue (+€185 million, +13.2%), compared to 2023. The same positive performance was also recorded in the fourth quarter of 2024, with volumes showing a positive change of 13.2% (+10 million shipments) and revenue up by €56 million (+13.8%) compared to the fourth quarter of 2023.

E-commerce continues to be the strategic business segment with the highest growth compared to the year 2023, mainly due to the contribution of large customers and the second hand segment; however, it should be noted that all segments of the Business to Consumer/Business (B2X) segment in the year 2024 showed growth compared to the year 2023.

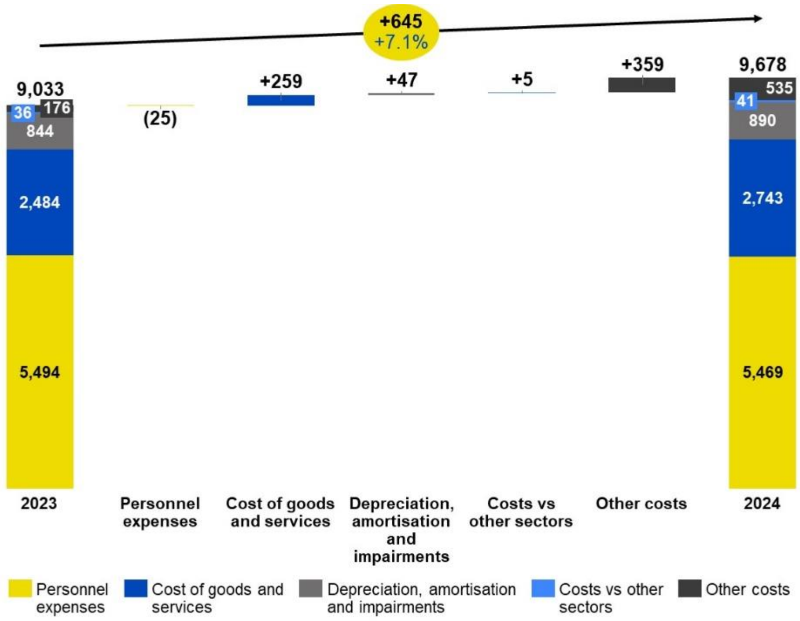
Revenue growth in the parcels and logistics segment in 2024 (+€185 million, +13.2% compared to 2023), albeit positive, is less pronounced than the change in volumes (+52 million in volume, equal to +20.4% compared to 2023), mainly due to the combined effect of the following factors: i) increase in the mix of lower tariff products; ii) a higher incidence of revenue from products with a lower delivery cost (e.g. delivery at PUDOs); iii) less revenue from the deconsolidation of sennder (-€11 million); iv) lower revenue related to logistics services provided during the Covid-19 pandemic emergency (-€9 million).

The healthcare logistics business operated by the company Plurima generated revenue of €59 million in 2024, essentially in line with 2023.

Revenue from other sectors rose from €5,244 million in 2023 to €5,597 million in 2024 (+6.7%) as a result of the positive performance of the commercial business and higher network remuneration.

COSTS

(€m)



Costs including amortisation and depreciation relating to 2024 amount to €9,678 million, marking an increase of €645 million (+7.1%) compared to 2023. Personnel expenses, at €5,469 million, decreased by €25 million (-0.5%) compared to 2023, due to various effects: i) increase in contractual minimums triggered in July 2023; ii) the accrued portion of the one-off amount paid in September 2024; iii) higher performance-related variable component, mitigated by the reduction in headcount; lower extraordinary personnel expenses, in view of the extraordinary performance bonus paid in 2023 (€133 million) and lower provisions for future redundancy incentives (-€35 million compared to 2023). The costs of goods and services also shows an increase of €259 million (+10.4%), reaching €2,743 million in 2024. This trend can be attributed both to the higher variable costs related to the higher volumes of the parcels and logistics sector and the increase in costs generated by the inflationary pressures on factors of production. Other costs rose from €176 million in 2023 to €535 million in 2024 (+€359 million) and were impacted in 2024 by the share of extraordinary charges arising from the results of the voluntary risk analysis on tax credits performed during the year (€341 million). Depreciation, amortisation and impairments increased by €47 million in 2024 (+5.6% compared to 2023).

In light of the foregoing, the Mail, Parcels and Distribution Strategic Business Unit presents an operating loss of €237 million for 2024, down on the operating loss in 2023 amounting to -€43 million (-€195 million). Excluding the aforementioned portion of extraordinary charges related to the voluntary risk analysis on tax credits carried out during the year, the SBU's 2024 operating result was positive at €104 million, an increase of €146 million compared to 2023.

QUALITY OF THE UNIVERSAL POSTAL SERVICE

The quality results achieved for the Universal Service, whose objectives are defined by AGCom, are shown below.
The quality trend for the financial year 2024 shows a generally strong performance against the year's targets for most products. The performance development compared to the previous year was influenced by a mix of factors, such as: evolutionary developments in logistical processes and higher volumes of signature items with high concentrations of volumes in the last quarter.

Posta 1 Priority

Delivered within	Target	2024 result	2023 result
1 day	80.0%	79.2%	80.9%
2 days	80.0%	89.8%	90.5%
3 days	80.0%	98.1%	98.1%
4 days	98.0%	99.1%	98.9%

Posta 4 Ordinary

Delivered within	Target	2024 result	2023 result
4 days	90.0%	n.a.*	78.1%
6 days	98.0%	n.a.*	91.9%

Posta Massiva

Delivered within	Target	2024 result	2023 result
4 days	90.0%	85.1%	96.9%
6 days	98.0%	94.0%	99.3%

Posta Raccomandata

Delivered within	Target	2024 result	2023 result
4 days	90.0%	88.9%	90.4%
6 days	98.0%	95.0%	95.5%

Posta Assicurata

Delivered within	Target	2024 result	2023 result
4 days	90.0%	99.7%	99.4%
6 days	98.0%	99.9%	99.7%

Standard delivery mail

Delivered within	Target	2024 result	2023 result
4 days	90.0%	94.2%	94.9%

*Awaiting the assessment carried out by AGCOM pursuant to Article 12 paragraph 4 of Legislative Decree no. 261/1999

6.3.2 Financial Services Strategic Business Unit

Strategic Business Unit

FINANCIAL SERVICES

REVENUE	ADJ. EBIT	NET PROFIT
€5.5 bn	€900 mln	€674 mln
+5.6% y/y	+4.4% y/y	+4.1% y/y

Higher-than-expected **revenue** driven by **investment portfolio** performance

Growth in **Client Total Financial Assets** driven by investment products and customer deposits

Agreement with **Cassa Depositi e Prestiti** renewed with adaptation of the offer to the **new requirements of omnichannel** distribution

Implementation of **New Service Model** ahead of schedule in retail, premium and front-end consulting

€590 bn
Client Total Financial Assets

64%
Specialist coverage* on Affluent+ customers

~ 20,000
premium consulting clients

€3.65 bn
Record since 2017 on loans disbursed

€6 bn
Record gross inflows for mutual funds

~ €2 bn
Net inflows into postal passbooks

*Ratio of clients managed by specialist advisors to the number of Private and Affluent clients.

Below are the development lines of the Strategic Business Unit over the Plan period, with the respective targets and the related end-of-year data for 2024.

Industrial Plan Strategy 2024-2028

FINANCIAL SERVICES

More transparent, capillary, best offer pricing and customer-oriented manager of Italian people's assets

- New service model to optimise specialist customer coverage, maximising customer value
- Proactive investment portfolio management providing flexibility in different rate scenarios

Targets and KPIs Business Plan

Targets and KPIs Business Plan	Actual 2024	Target Plan
Evolution of the service model: ▪ New customer segmentation with specialised financial advisors to improve commercial effectiveness ▪ "Hub and Spoke" model of the Post Office network to optimise its coordination	Specialist coverage* on Affluent+ customers 64%	Specialist coverage on Affluent+ customers >80% in 2028
Savings and Investments ▪ Customer portfolio management with a range of products to suit every need ▪ Renewal of the postal savings product range and user experience ▪ Integration of investment and protection in the advisory model	Client TFA €590 bn	Client TFA €624 bn in 2028
Loans ▪ Optimising the multi-partner model to maximise commercial efficiency ▪ Evolution of the product offering	Intermediated disbursement of personal loans and assignment of one-fifth of €3.6 bn	Intermediated disbursement of personal loans and assignment of one-fifth of €4.3 bn in 2028
Micro-small business ▪ Renewed commercial focus by leveraging the retail platform ▪ Comprehensive product offering and omnichannel approach	Current accounts stock 0.3 mln	Current accounts stock 0.4 mln in 2028
Investment Portfolio Management: ▪ Stabilised portfolio contribution with proactive management able to adapt to different market scenarios	Revenue from the investment portfolio** €2.6 bn	Revenue from the investment portfolio** €2.5 bn in 2028

* Ratio of clients managed by specialist advisors to the number of Private and Affluent clients.
** Investment portfolio income includes net interest income and net capital gains realised as part of pro-active portfolio management.

The performance of the Financial Services Strategic Business Unit in 2024 shows increased revenue mainly due to higher net interest income from the securities portfolio and an improvement in operating profit and net profit compared to last year. BancoPosta's Total Capital Ratio at 31 December 2024 stood at 22.6%, up from 31 December 2023.

FINANCIAL SERVICES (€m)	2024	2023	Changes	
External revenue	**5,521**	**5,229**	**+292**	**+5.6%**
Revenue from other sectors	919	866	+53	+6.2%
Total revenue	**6,440**	**6,095**	**+345**	**+5.7%**
Costs	153	152	+1	+0.6%
Costs vs other sectors	5,403	5,081	+323	+6.3%
Total costs	**5,556**	**5,232**	**+324**	**+6.2%**
EBIT	**884**	**863**	**+22**	**+2.5%**
Adjusted EBIT*	**900**	**863**	**+38**	**+4.4%**
NET PROFIT	**674**	**647**	**+26**	**+4.1%**

For the reconciliation between EBIT and adjusted EBIT, please refer to the reconciliation table in the paragraph 7.2 "Other Information".

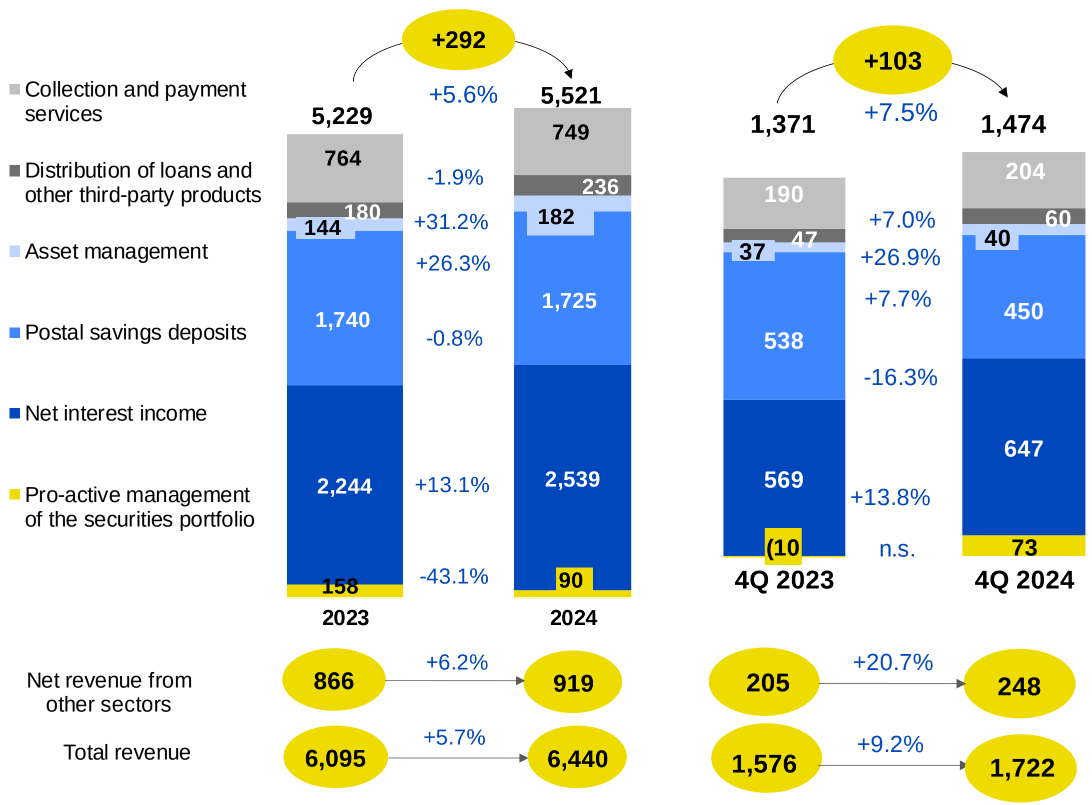
Operating KPIs	2024	2023	Changes	
Client Total Financial Assets (€bn)	590	581	+10	+1.7%
Net inflows (€bn)	1.1	(4.1)	+5.2	+126.1%
Performance Effect[1] (€bn)	8.7	9.0	(0.3)	-3.8%
Current accounts (average deposits for the period €bn)	87.7	91.8	(4.1)	-4.5%
Net return on deposits[2]	2.89%	2.44%		
Postal savings (average deposits €bn)	310.8	312.2	(1.4)	-0.4%
Loans (disbursed €m)	3,653	3,374	+279	+8.3%

[1] The performance effect mainly includes the impact of macroeconomic variables (spreads, rates, etc.) on the stocks of the insurance, managed funds and assets under administration segments, as well as the capitalisation of interest for the period on the stocks of postal interest-bearing certificates/postal savings

[2] Excluding returns from pro-active portfolio management.

EXTERNAL REVENUE AND REVENUE FROM OTHER SECTORS

(€m)



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

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.

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

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

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

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

External revenue for 2024 amounted to €5,521 million, a growth of €292 million from €5,229 million in 2023 (+5.6%).

In detail, the period under review shows: (i) net interest income up compared to 2023 (+€295 million, +13.1%) mainly due to the higher yield related to the Retail and Corporate segment (+€321 million) and higher net interest related to the Treasury segment (+€30 million), partly mitigated by the lower yield resulting from the use of current account balances in the Public Administration segment (-€55 million) (ii) net capital gains realised as part of pro-active portfolio management of €90 million, down €68 million (-43.1%) compared to €158 million in 2023; (iii) revenue from the postal savings collection and management service amounting to €1,725 million, down €15 million (-0.8%) compared with last year and taking into account the terms and conditions of the new agreement between Poste Italiane and Cassa Depositi e Prestiti signed in August 2024, relating to the service for the management of postal savings for the three-year period 1 January 2024 - 31 December 2026 iv) revenue from collection and payment services, which amounted to €749 million and down compared to the previous year (-€14 million, or -1.9%), mainly due to the decrease in revenue from account maintenance expenses (-€14 million euros) following the repricing that took place in April 2023; v) revenue from the distribution of loans and other third-party products, which amounted to €236 million, up €56 million (+31.2%) compared to €180 million in 2023. This increase was mainly attributable to higher revenue from personal loans and salary-backed loans, which benefited from the growth in volumes and higher up-front commissions paid by financial partners; vi) revenue from Asset Management, which amounted to €182 million, an increase of €38 million (+26.3%) compared to the previous year, mainly due to higher volumes of mutual funds placed and the associated assets managed.

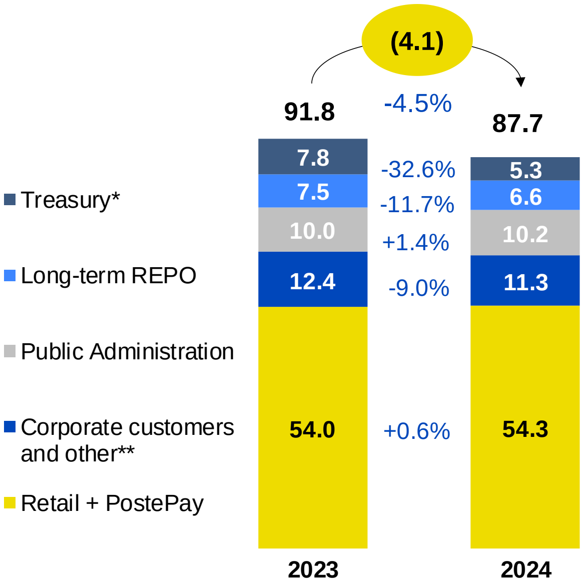
Revenue from other sectors amounted to €919 million, (+€53 million compared to 2023, +6.2%). The positive change is attributable to higher commissions from the insurance sector and growth in revenue from the placement of PostePay products.

The fourth quarter of 2024 showed external revenue up by €103 million (+7.5%) compared to the same period of 2023, mainly due to higher revenue from net interest income (+€78 million, or +13.8%), higher net capital gains realised in pro-active portfolio management (+€84 million), revenue from the distribution of loans and other third-party products (+€13 million, or +26.9%) and revenue from collection and payment services (+€13 million, or +7%). These positive changes are partly mitigated by lower revenue from the Postal Savings collection and management service, which were affected by the different timing of fees in the fourth quarter compared to the same period last year (-€87 million, -16.3%).

Revenue from other sectors showed growth compared to the fourth quarter of 2023 (+€42 million, or +20.7%), mainly attributable to the higher revenue from the insurance Services SBU.

AVERAGE CURRENT ACCOUNT DEPOSIT

(€bn)



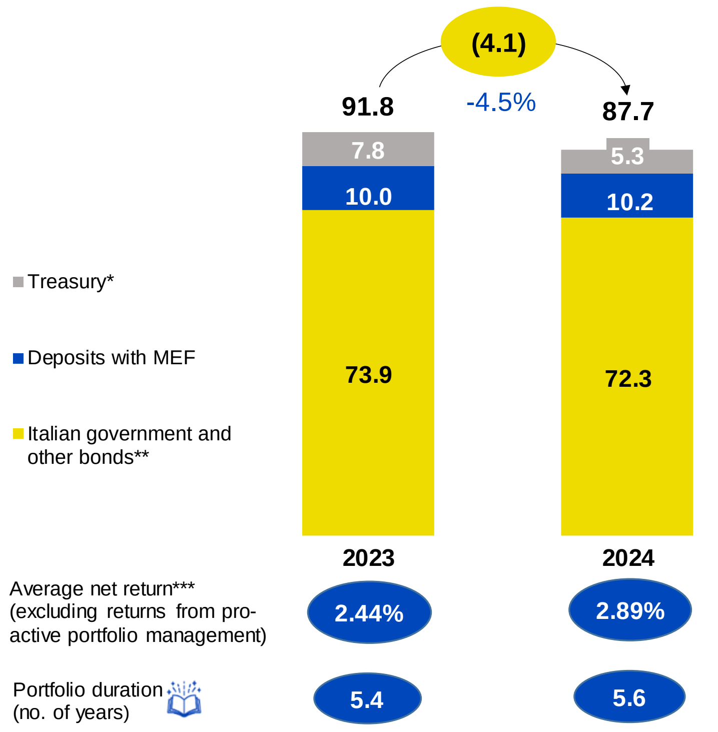
* Includes short-term REPO and collateral.
** Includes corporate current accounts and PostePay Business, Poste Italiane liquidity and payables of other customers.

In 2024, the **Average current account deposit** decreased compared to the same period of the previous year, going from €91.8 billion to €87.7 billion. This decrease, amounting to €4.1 billion (-4.5%), was mainly attributable to the contraction in the Treasury component (-€2.5 billion, -32.6%), Corporate customer deposit (-€1.1 billion, -9%) and the decline in long-term REPOs (-€0.9 billion, -11.7%). The Retail component, including the balance of Postepay prepaid cards, grew slightly (+€0.3 billion, +0.6%), as did the Public Administration's stock (+€0.2 billion, +1.4%).

INVESTMENT PORTFOLIO COMPOSITION

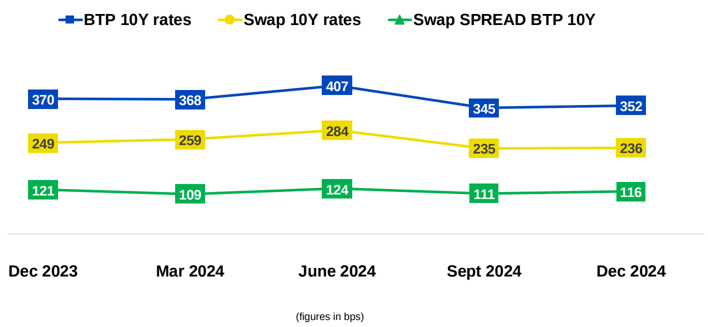
(AVERAGE DEPOSIT €bn)

The **average deposit of the investment portfolio** consists primarily of Italian government securities and debt securities issued by Cassa Depositi e Prestiti and guaranteed by the Italian State (approximately €65.1billion), in which inflows from private customers on postal current accounts and tax credits (whose average balance amounted to roughly €6.7 billion at 31 December 2024) is invested. The investment portfolio also includes the Deposits with the MEF (€10.2 billion) represented by deposits from postal current accounts belonging to public customers.



* Includes REPO and short-term bonds and collateral.
** Includes tax credits and cash on deposit with the MEF on the operating current account ("Buffer" account)
*** Calculated as net interest on average stock.

The 10-year BTP-Bund spread narrowed from 167 bps at the beginning of 2024 to 115 bps at the end of the year (reaching a low of 106 bps in mid-December).



Against this market backdrop and with the prospect of a future reduction in rates, BancoPosta's securities portfolio management in 2024 was characterised by strategies aimed at reducing the portfolio's variable component and improving the portfolio's income profile. With regard to the objective of reducing the variable component of the portfolio, the following actions were taken: i) sale of securities in asset swaps in the first few months of the year (around €500 million with realisation of around €20 million in capital gains); ii) unwinding of hedging derivatives on positions amounting to around €700 million, to bring the underlying investments back to fixed interest rates in order to stabilise the interest margin at a higher yield than the initial one. In order to improve the yield of the securities portfolio, two different relative value strategies were implemented[150]: i) the purchase and sale of two long-term securities for roughly a nominal €2.9 billion, with an improvement in yield both for the current year and for future years; ii) the switch of Treasury Credit Certificates (CCT) on long-term maturities for an amount of about €340 million, with an improvement in the position's margin of about 40 bps and with the realisation of negligible capital losses.

Again with regard to the yield enhancement[151] objective two strategies were implemented: i) the sale of fixed-rate bond positions with low yields (approximately €1.2 billion) and the purchase of inflation-linked positions in the 10-15 year area subject to fixed-rate swaps with higher maturities and yields; ii) the unwinding of long-term repos (€500 million), the capital gain from which was used to cover capital losses from the sale of fixed-rate positions on short-term maturities

[150] Relative value strategies exploit price anomalies by buying undervalued assets and selling overvalued assets.
[151] Yield enhancement strategies aim to generate an increase in the initial return on investment.

(around €690 million) and to reposition the portfolio on BTPs in the 25-year area with related fair value hedges for around a nominal €880 million.

During the second half of the year, two different strategies were implemented in order to lock in the yields of securities with 10- and 15-year maturities in view of a rate cut by the Central Banks: i) in August 2024, a purchase programme was initiated for approximately €1.5 billion of nominal and inflation-linked BTPs in the 10-15 year area subject to fixed-rate swaps in order to lock in the extra yield[152] offered by this type of security; ii) securities with short-term maturities (on average one year) were sold and securities with nominal, inflation-linked and fixed-rate swap maturities of 10-15 years were bought in order to ensure a higher yield position than the initial one.

In the last quarter of the year, against the backdrop of falling yields, securities were sold for around €1,900 million, profiting from the resulting increase in BTP prices.

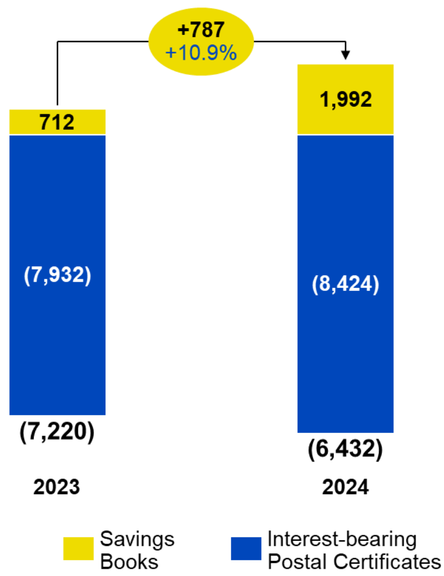
All the strategies implemented resulted in a year-end capital gain of €90 million in 2024, plus a further €45 million to be settled in 2025. In order to stabilise the interest margin, yield hedging deriving from a part of the loans of the Public Administration was also carried out.

POSTAL SAVINGS NET INFLOWS

(€m)

At 31 December 2024, net inflows from Postal Savings amounted to approximately a negative €6.4 billion, but around €0.8 billion higher than 2023. The positive Net Book Inflows (RNL) of around €2 billion increased by about €1.3 billion compared to the figure in 2023. The effects on RNL are mainly due to the initiatives dedicated to the provision of new liquidity during 2024, as well as the final placement period of the initiative launched in November 2023.

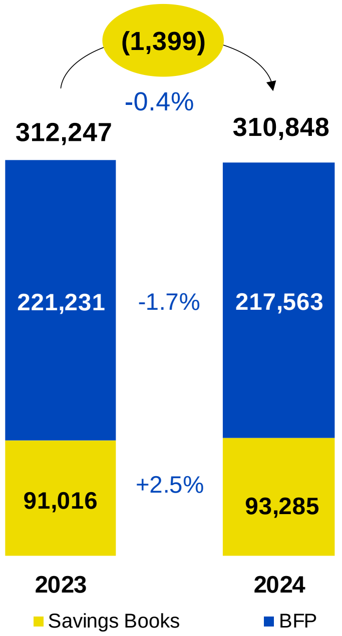
With regard to Interest-bearing Postal Certificates (BFPs), Net Inflows recorded a negative value of €8.4 billion; the change in Net Inflows compared to the 2023 figure is negative by about €0.5 billion as the net effect of a decrease in redemptions (-€6.6 billion) and lower subscriptions (-€7.1 billion). The fall in market rates, reflected in a reduction in yields on BFPs in placement, generated, on the one hand, lower subscriptions (-€7.1 billion) and, on the other hand, a decrease in early redemptions compared to 2023 (-€14.1 billion), which more than offset the increase in redemptions of postal savings certificates reaching natural maturity (+€7.0 billion), correlated with higher maturities for the year (+52%) compared to those of 2023.



[152] The extra yield is inherent in the nature of the instrument and also linked to the lower liquidity of inflation-linked BTPs compared to nominal BTPs.

POSTAL SAVINGS AVERAGE DEPOSIT*

(€m)

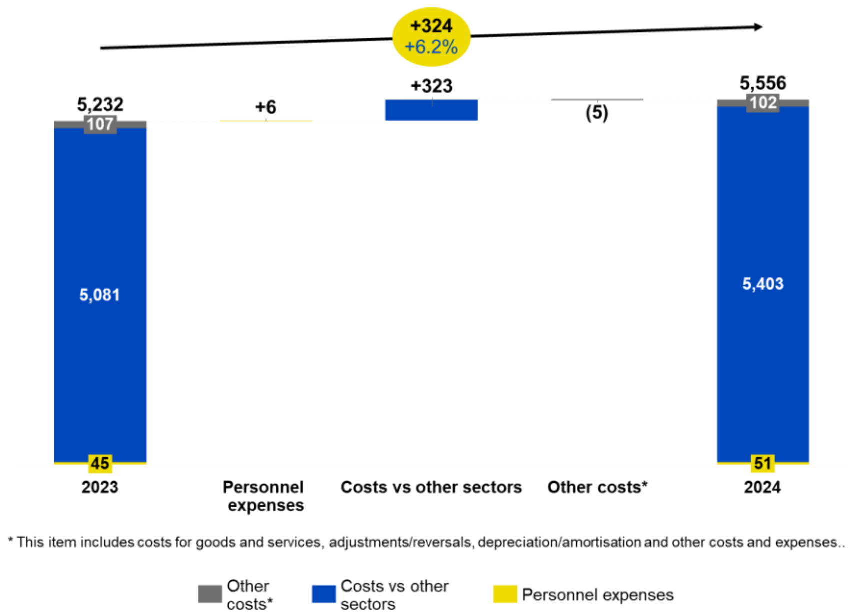


*The average stock is calculated as the arithmetic average of the stocks recorded at the end of each day of the current year. The computation of interest accrued during the year takes place at the beginning of the following year; therefore, interest accrued from the beginning of the year until the date of reporting is excluded. Also excluded from the calculation is interest accrued in previous years, but not yet due from the customer, on Interest-bearing Postal Certificates that are not due on the reporting date.

The postal savings average deposit decreased by about €1.4 billion compared to the figure in 2023. The value of the books is influenced by the particularly positive result of deposits related to the 2024 new liquidity initiatives. The decrease in the average deposit of Interest-bearing Postal Certificates (BFPs) is attributable to the negative net inflows recorded in 2024, mitigated by the effect of interest capitalisation.

TOTAL COSTS

(€m)



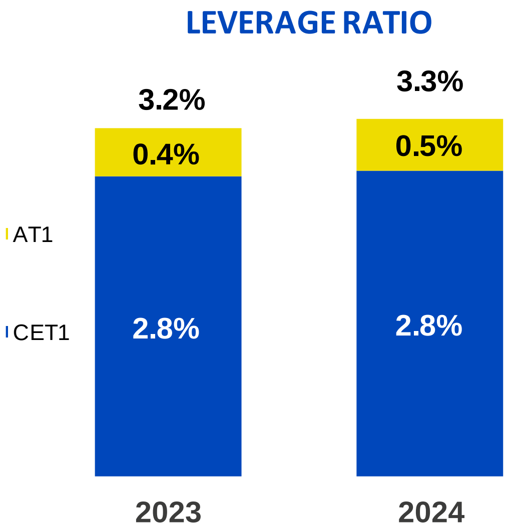
* This item includes costs for goods and services, adjustments/reversals, depreciation/amortisation and other costs and expenses..

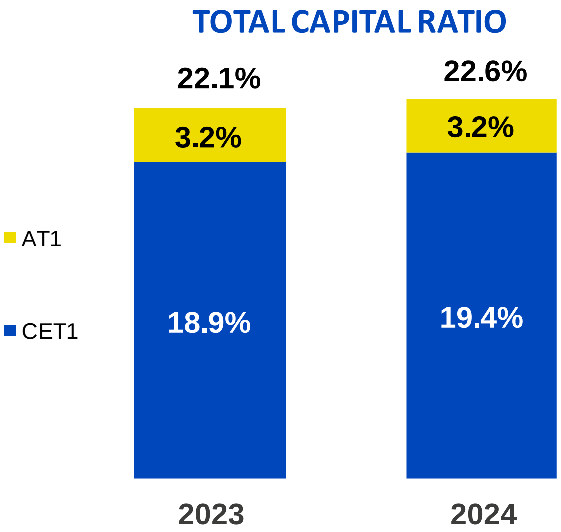
Total costs of the Strategic Business Unit amounted to €5,556 million, an increase of €324 million (+6.2%) on the €5,232 million realised in 2023, mainly as a result of the higher fees attributable to exchanges with other business sectors.

The adjusted operating profit (adjusted EBIT), i.e. after deducting charges (€16 million) for the contribution to the Life Guarantee Fund, amounted to €900 million, an increase of €38 million (+4.4%) compared to the previous year.
With a positive financial management of €37 million and taking into account taxes for the period (€248 million), the net result of the Financial Services Strategic Business Unit in 2024 amounted to €674 million, an increase of €26 million compared to the €647 million in 2023 (+4.1%).

FINANCIAL KPIs

€m	2023	2024
CET1 CAPITAL	2,654	2,686
TOTAL CAPITAL	3,104	3,136
TOTAL ASSETS	98,145	96,818
RWA - Risk Weighted Assets	14,077	13,859





The value of the Leverage Ratio at 31 December 2024 stood at 3.3%, slightly up from 31 December 2023, mainly due to the decrease in the ratio 's denominator (balance sheet assets including adjusting items for Leverage calculation purposes) of approximately €0.7 billion, mainly as a result of the decrease in "Other Assets" of "Cash and cash equivalents" and the risk exposure in derivatives, partially offset by the increase in "Financial assets measured at amortised cost"; with reference to the numerator of the ratio (total capital), there was an increase in the value of the ratio of €32 million compared to 2023; the value of own funds at 31 December 2024 also includes €61 million from 2024 profit for the year (while the remaining approximately 90% of profits are made available to the Parent Company), as these are the subject of the resolution of Poste Italiane's Board of Directors regarding the proposed allocation of the profit for the year 2024 and in compliance with Article 26 of Regulation (EU) no. 575/2013.
The CET1 Ratio at 31 December 2024 stood at 19.4%, while the Total Capital Ratio including Additional Tier 1 was 22.6%, confirming capital solidity of BancoPosta. The increase in both indicators compared to 2023 is linked to the reduction in Risk Weighted Assets (RWA), particularly counterparty risk, only partially offset by the increased operational risk.

Details of the various areas of risk and the methods used for their measurement and prevention are provided under Risk Management in the section "Poste Italiane's Financial Statements".

6.3.3 Insurance Services Strategic Business Unit

Strategic Business Unit
INSURANCE SERVICES

REVENUE	ADJ EBIT	NET PROFIT
€1.6 bn	€1,429 mln	€1,033 mln
+4.7% y/y	+5.0% y/y	+4.0% y/y

Resilient **Life business** in a challenging market: **positive net inflows** supported by new product launches and lower than market **lapse rate**

Strongly growing **Protection business** also thanks to the contribution of **Net Insurance** and the development of physical networks and third-party digital/insurtech channels

Clear visibility of the SBU's **future profitability** with a **CSM** of €13.7 bn

Solid **Solvency II ratio** incorporating the assumption of **100%** distribution of 2024 **profit** and the additional distribution of €500 mln to the Parent Company

€1.5 bn
Net inflows from Life investment products

€1 bn
Rewards collected on Protection

€7.6 bn
Rewards collected on Multi-class products

322%
Solvency Ratio and ~300% with assumption of an additional €1 bn in dividends

100%
Poste Vita products with ESG elements

6.6%
Lapse rate

Below are the development lines of the Strategic Business Unit over the Plan period, with the respective targets and the related end-of-year data for 2024.

Industrial Plan Strategy 2024-2028

INSURANCE SERVICES

Market-leading insurance group with comprehensive Life and Protection product range

- Resilient and Sustainable Life and Investment and Pension business
- Rapid and profitable growth in the Protection business
- Expansion of the distribution network through third-party channels
- Full integration of ESG principles in investment products
- Positive organic capital generation, strong capital ratios and less volatility than in the past

Targets and KPIs Business Plan	Actual 2024	Target Plan
Life Investment and Pension Fund		
Constantly positive net flows, even in challenging market conditions, supported by a loyal customer base		
▪ Average statutory technical reserves net of protection reserves	€162 bn	>€180 bn in 2028
▪ % Poste Vita products with ESG elements	100%	100% by 2024
Protection Section		
Strong industry growth driven by rising demand and low market penetration. Improving profitability and expanding the distribution network through third-party channels		
▪ Gross premiums Protection *	€1.0 bn	~2x 2028 vs 2023 (≥ €1.5 bn)
▪ *Combined Ratio Protection (%)*	84.9%	≤85%

*Includes Poste Assicura, the Life protection component, Net Insurance and motor segment

The SBU's financial results in 2024 were up when compared to the previous year and should be read in an industry context that continues to be challenging. The Solvency Ratio at 31 December 2024 stood at 322%, confirming the insurance group's high solvency ratio and well above the managerial aspiration (around 200%).

INSURANCE SERVICES (€m)	2024	2023	Changes	
External revenue	**1,640**	**1,567**	**+73**	**+4.7%**
Revenue from other sectors	(160)	(148)	(12)	-8.1%
Total revenue	**1,480**	**1,419**	**+61**	**+4.3%**
Costs*	78	31	+48	n.s.
Costs vs other sectors	31	28	+3	+10.5%
Total costs	**109**	**59**	**+50**	**+85.6%**
EBIT	**1,371**	**1,360**	**+11**	**+0.8%**
Adjusted EBIT*	**1,429**	**1,360**	**+69**	**+5.0%**
NET PROFIT	**1,033**	**994**	**+40**	**+4.0%**

Operating KPIs	31 December 2024	31 December 2023	Changes	
Net technical provisions Poste Vita Group (€bn)[1]	166.1	161.1	+5.0	+3.1%
Contractual Service Margin (CSM)[2] (€bn)	13.7	13.7	(0.0)	-0.1%
Solvency Ratio	322%	307%		

Investment and Pension	2024	2023	Changes	
Gross premium revenue - Investment and Pension (€m)[3]	17,966	17,768	+198	+1.1%
of which: Classes I-III-V	10,337	13,842	(3,505)	-25.3%
of which: Multi-class[4]	7,629	3,926	+3,703	+94.3%
Net inflows (€m)	1,544	3,444	(1,900)	-55.2%
Lapse rate	6.6%	4.4%		
Poste Vita products with ESG elements[5]	100%	75%		

Protection	2024	2023	Changes	
Gross premium - Protection (€m)[6]	1,014	824	+190	+23.0%
Combined protection ratio (net reinsurance)[7]	84.9%	84.2%		

* In 2024, this item includes the contribution to the Life Insurance Guarantee Fund in the amount of €58 million.

** For the reconciliation between EBIT and adjusted EBIT, please refer to the reconciliation table in the paragraph "7.2 Other Information".

[1] Technical provisions of the insurance business (Investment & Protection and Protection) determined in accordance with the national accounting standards used to prepare the separate financial statements of the Group's insurance companies.

[2] Represents the present value of the expected and not yet realised profit that the Group will recognise on an accrual basis in profit and loss over the life of the contract.

[3] Includes written Investment and Pension premiums, gross of reinsurance and intercompany portions of the Poste Italiane Group.

[4] Includes gross premiums from Class I and Class III of Multi-class products.

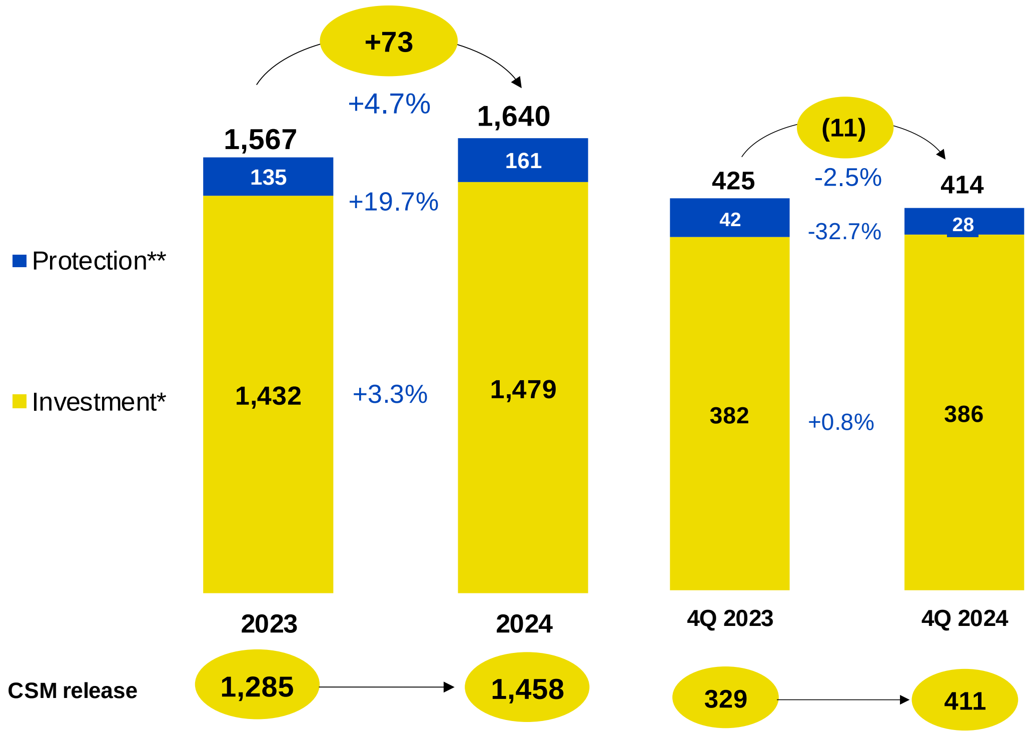
[5] All products with sustainability content consistent with the "Guidelines for defining the sustainability characteristics of products" approved by the CEO of Poste Vita in October 2023.

[6] Includes Protection gross premium revenue before the change in the premium reserve, outward reinsurance and intra-group portions of the Poste Italiane Group, as well as motor premiums intermediated.

[7] Corresponds to the ratio of total costs incurred (claims and settlement expenses + net reinsurance expenses + attributable/non-attributable operating expenses + other technical expenses and income) to gross insurance revenue.

EXTERNAL REVENUE

(€m)



* Includes Investment and Pension.
** Includes Poste Assicura, Net Insurance, Net Insurance Life, Poste Insurance Broker and the protection business of Poste Vita.

Investment and Pension revenue: release of the Contractual Service Margin (CS*M)*, expected claims and benefits deriving from the release of expected cash flows, release of the Risk Adjustment , recovery of contract acquisition costs, claims occurring in the reporting period (excluding investment components) and other directly attributable expenses, losses on groups of onerous insurance contracts and the amortisation of expenses for the acquisition of insurance contracts issued, change in Liability for Incurred Claims (LIC), maintenance and collection commissions and other acquisition costs charged entirely to the statement of profit or loss, investment management costs to which the Variable Fee Approach (VFA) method is applied , net finance income/expenses relating to investments and financial costs/revenue relating to insurance contracts issued (with reference to contracts valued using the VFA method, the "mirroring effect").

Protection revenue: release of Contractual Service Margin (CSM), expected claims and benefits arising from the release of expected cash flows, release of Risk Adjustment, recovery of contract acquisition costs, incurred claims in the reporting period and other directly attributable expenses, losses on groups of onerous insurance contracts and amortisation of acquisition costs of insurance contracts issued, change in Liability for Incurred Claims (LIC), commissions and other acquisition costs charged in full to the statement of profit or loss, net investment-related finance income/expenses and financial costs/revenue related to insurance contracts issued and outward reinsurance, the balance of expenses and income arising from reinsurance (active and passive) and with respect to contracts valued using only the Premium Allocation Approach (PAA), the change in the Liability for Remaining Coverage premiums (LRC).

External revenue from the **Insurance Services** SBU amounted to €1,640 million in 2024, an increase of €73 million (+4.7%) compared to €1,567 million in 2023, and were mainly attributable to the Investment and Pension business, which contributed revenue of €1,479 million, and, to a lesser extent but up sharply (+€27 million equal to +19.7%), the Protection business, which generated revenue of €161 million.

In detail, net revenue of the Investment and Pension business increased by €47 million compared to 2023 (+3.3%), mainly due to the higher CSM release of €160 million compared to 2023. This improvement is partly offset by: i) a lower risk adjustment release of €58 million, attributable to the lower contractual maturities recorded in the year compared to the previous year; ii) the negative contribution (-€37 million) related to higher claims and expenses actually recorded compared to expectations; iii) the lower contribution of net income from financial management (-€19 million).

Net revenue of the Protection business amounted to €161 million, up €27 million (+19.7%) compared to 2023 mainly due to the contribution of Net Insurance and Net Insurance Life, consolidated from 1 April 2023 (+€25 million) and organic growth linked to both increased volumes and improved profitability. The Combined Ratio of the Protection business net of reinsurance stood at 84.9%, essentially in line with the value recorded at the end of 2023 (84.2%).

Taking into account revenue from other sectors[153], which was a negative €160 million (compared to -€148 million in 2023), the Strategic Business Unit's total net revenue amounted to €1,480 million, an increase of €61 million (+4.3%) compared to 2023.

The fourth quarter of 2024 showed external revenue of €414 million, a decrease of €11million (-2.5%) compared to the same period in 2023, with the Investment and Pension business contributing revenue of €386 million and the Protection business achieving revenue of €28 million. In detail, net revenue from the Investment and Pension business increased by €3 million compared to the fourth quarter of 2023 (+0.8%) as a result of a higher CSM release of €74 million. This increase was almost entirely offset by: i) a lower risk adjustment release of €6 million, due to lower contractual maturities in the period compared to the fourth quarter of 2023; ii) a negative contribution of €31 million related to higher claims and expenses actually realised than expected; iii) a lower contribution from net income from financial management (-€34 million).

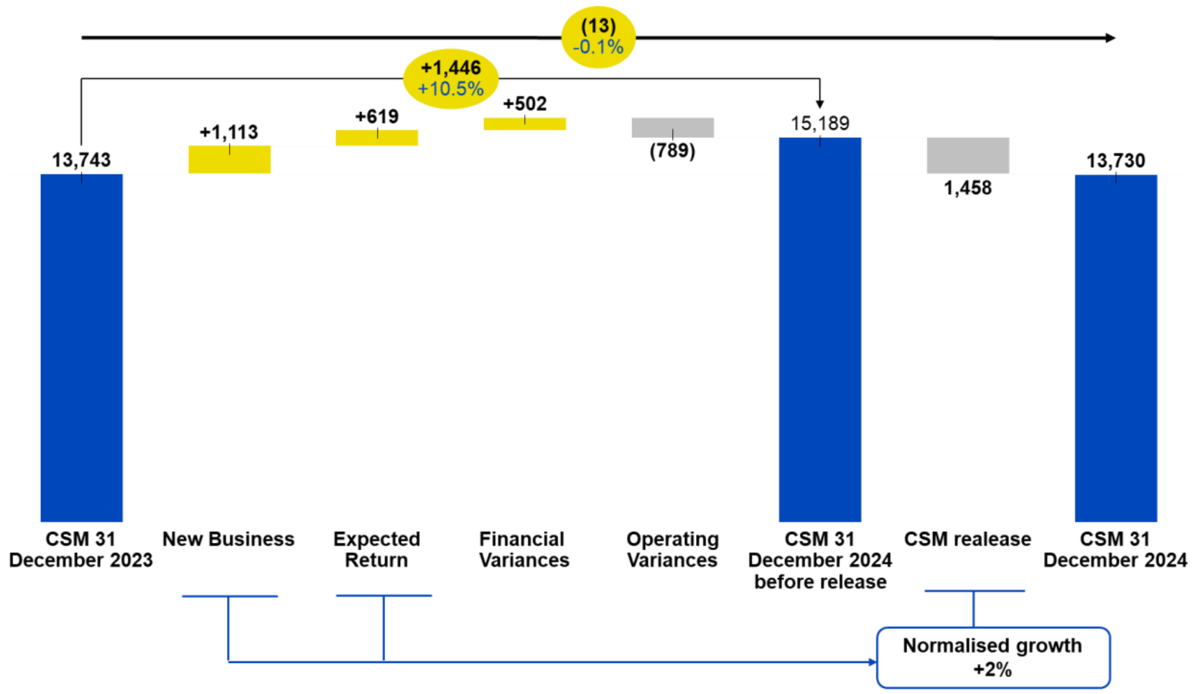
Net revenue for the fourth quarter of 2024 in the Protection business amounted to €28 million, a decrease of €14 million (-32.7%) compared to the fourth quarter of 2023, mainly due to the negative contribution of €17 million related to higher claims and expenses actually realised than expected.

[153] These mainly relate to commission expenses recognised to the Bancoposta RFC directly allocable to the management of insurance contracts in accordance with the accounting standard IFRS 17 Insurance Contracts.

CONTRACTUAL SERVICE MARGIN

(€m)

The Contractual Service Margin (CSM) shows in 2024 a balance at the end of the period of €13,730 million, down €13 million compared to the figure at the end of 2023 and up compared to the balance of €13,618 million at 30 September 2024.



New Business: the item includes the present value of new business associated with the premiums recorded in the period and the associated estimated outlays (expenses and settlements).

Expected Return: CSM growth independent of financial and technical management performance. It is calculated as the sum of the accrued and capitalised interest on the CSM (based on the risk free yield curve) at the reporting date and the result of the difference between the real word yield curve and the expected risk neutral yield curve and the financial risk component relating to the period.

Financial Variances: the item includes the impact on the CSM resulting from the realisation of financial assumptions (e.g. interest rate spread, and the consequent effect on the fair value of the portfolio of segregated funds) at the end of the reporting period different from those expected at the beginning of the period, as well as the change in the financial assumptions on future flows.

Operating Variances: the item includes experience-related changes (changes between estimated and actual flows), changes in technical assumptions (e.g. actuarial assumptions, mortality rate, etc.).

CSM Release: this item represents the share for the reporting period determined on the basis of the coverage unit, as well as the adjustment related to the additional release component.

Normalised growth: this represents the CSM growth for the period adjusted for exogenous components (i.e. financial market trends and policyholder behaviour). It is calculated as the ratio of the CSM of new production increased by the expected yield and decreased by the release of the period compared to the CSM at the end of the previous year (linearised over 12 months in intermediate periodic situations).

In detail, during 2024 there was: i) a positive change of €1,113 million mainly related to the insurance Group's inflows of around €11.8 billion[154] in the year; ii) a positive change in the expected yield of €619 million generated essentially by the accrued and capitalised interest component on the CSM; iii) the positive result of financial changes of €502 million as a

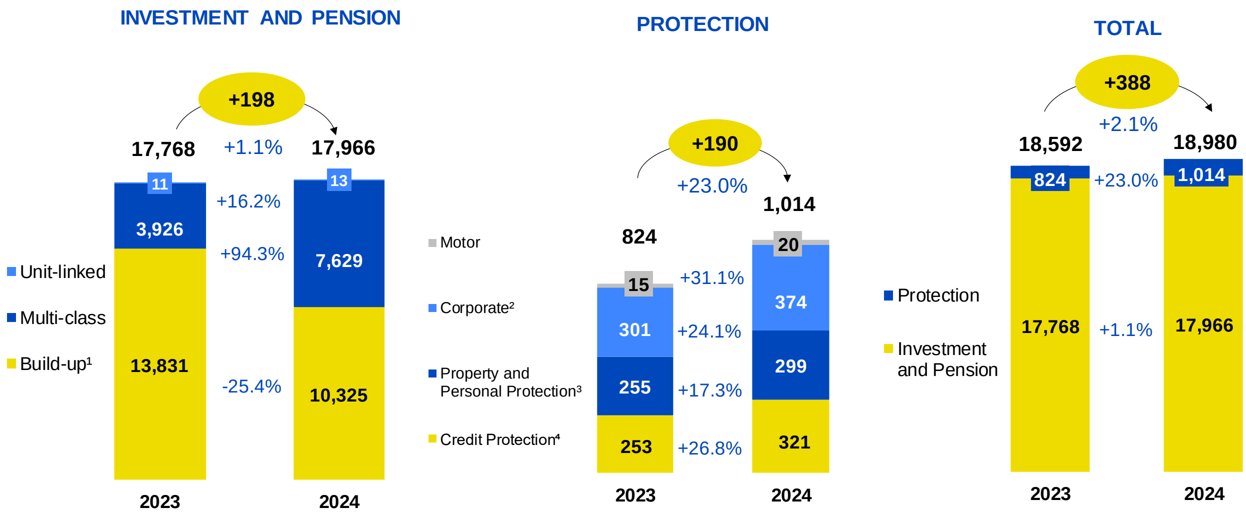
[154] The value includes the premium income of Poste Vita S.p.A., Poste Assicura, Net Insurance and Net Insurance Life on new placements while it excludes renewals and additional payments on existing policies.

result of the recovery in value of the assets underlying the insurance contracts due to a lower short-term market interest rate curve; iv) a negative balance of technical changes of €789 million due to the variation between the expected and actual values of the technical items (lapses, additional payments and claims), as well as the usual annual updating of the technical assumptions used to measure insurance liabilities; v) the release of the CSM in the period totalling €1,458 million (of which €1,289 million determined on the basis of the coverage unit, and €169 million relating to the additional release component).

Adjusting for exogenous components (financial market trends and policyholder behaviour) out of the CSM trend, the normalised growth in 2024 was €273 million compared to the value at 31 December 2023 (+2.0%, up from 1.7% in the first nine months of 2024).

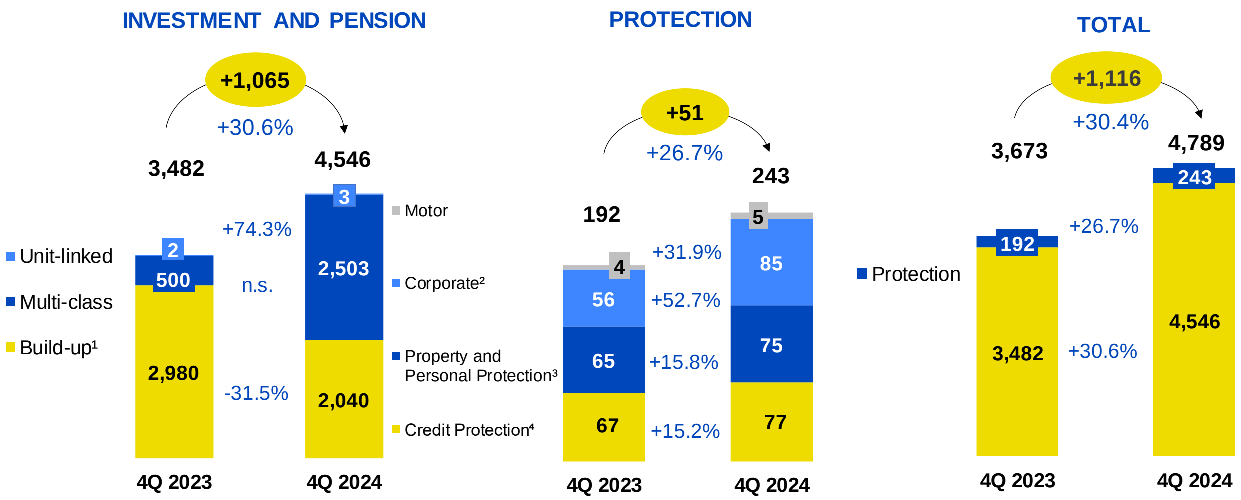
GROSS PREMIUMS

(€m)



[1] Includes Pension.

[2] Includes Welfare (Poste Vita, Poste Assicura), the integrated Life/Death offer, Intercompany contracts and Net Insurance Group corporate policies and Net Insurance Life.
[3] Includes the Modular offering, LTC-TCM retail life policies and property and personal policies distributed on third-party networks.
[4] Includes Credit Protection Insurance (CPI) and cessione del quinto (salary-backed loan) policies.



[1] Includes Pension.

[2] Includes Welfare (Poste Vita, Poste Assicura), the integrated Life/Death offer, Intercompany contracts and Net Insurance Group corporate policies and Net Insurance Life.
[3] Includes the Modular offering, LTC-TCM retail life policies and property and personal policies distributed on third-party networks.
[4] Includes Credit Protection Insurance (CPI) and cessione del quinto (salary-backed loan) policies.

Gross premiums from the Investment and Pension business amounted to €18 billion in 2024, an increase of €0.2 billion (+1.1%) compared to 2023 due to an increase of €3.7 billion (+94.3%) in premiums from Multi-class products of €7.6 billion

(€3.9 billion in 2023), with an incidence on total inflows increasing from 22% in 2023 to 42% in 2024, largely offset by the €3.5 billion (-25.4%) decrease in inflows from traditional build-up products and pension.

In the fourth quarter of 2024, gross premiums in the Investment and Pension business amounted to €4.6 billion, an increase of 30.6% (+€1.1 billion) compared to the €3.5 billion recorded in the fourth quarter of 2023, due to the increase in inflows on Multi-class products (+€2 billion) partially offset by the decrease in inflows on build-up products (-€0.9 billion).

The Group's business model and diversified offer portfolio, in a context characterised, for large parts of the year, by the continuation of high interest and inflation rates and the placement of government bonds with high coupons, allowed it to sustain the overall level of the Group's investment inflows, through the offer of suitable products for the needs of the moment (e.g. bond mutual funds and "specific assets" policies[155]).

Gross premiums from the Protection business (including intermediated motor premiums) reached €1 billion at the end of the 2024 financial year (€1,014 million), up by €190 million (+23.0%) compared to 2023 when they stood at €824 million, and were mainly driven by i) the growth (+€73 million, +24.1%) of the "Corporate" segment, whose premiums rose from the €301 million recorded in 2023 to €374 million in 2024; ii) the increase in premiums relating to the "Credit Protection" line (+€68 million, +26.8%), mainly attributable to the contribution of Net Insurance Life and Net Insurance; iii) the "property and personal protection" line, which increased by €44 million (+17.3%) to €299 million in 2024.

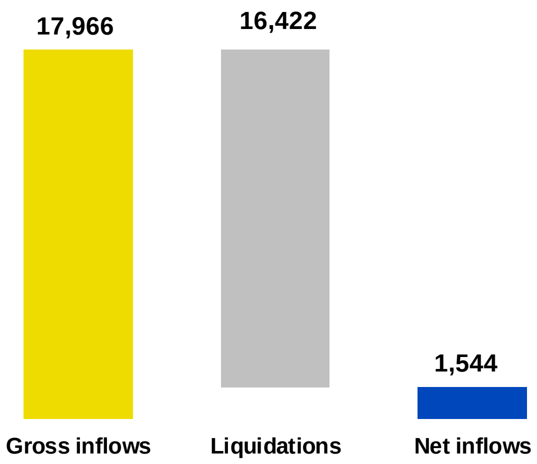
Gross premiums for the Protection business amounted to €243 million in the fourth quarter of 2024, up €51 million (+26.7%) compared to the fourth quarter of 2023 (€192 million), mainly driven by: i) the growth of the "Corporate" segment (+€29 million, +52.7%), whose premiums rose from the €56 million recorded in the fourth quarter of 2023 to €85 million in the fourth quarter of 2024; ii) the "property and personal protection" line, which increased by €10 million (+15.8%) to €75 million; iii) the increase in premiums relating to the "Credit Protection" line (+€10 million, +15.2%) resulting from the increase recorded on both salary-backed loans and CPI policies.

INVESTMENT AND PENSION NET INFLOWS AT 31 DECEMBER 2024

(€m)

Net inflows in the Investment and Pension business amounted to €1.5 billion, down when compared to 2023 €3.4 billion) due to the trend in liquidations (+€2.1 billion compared to 2023, equal to +14.7%), but remained positive thanks in particular to the performance of Multi-class products, confirming the resilience of the business in a market characterised by negative net flows.

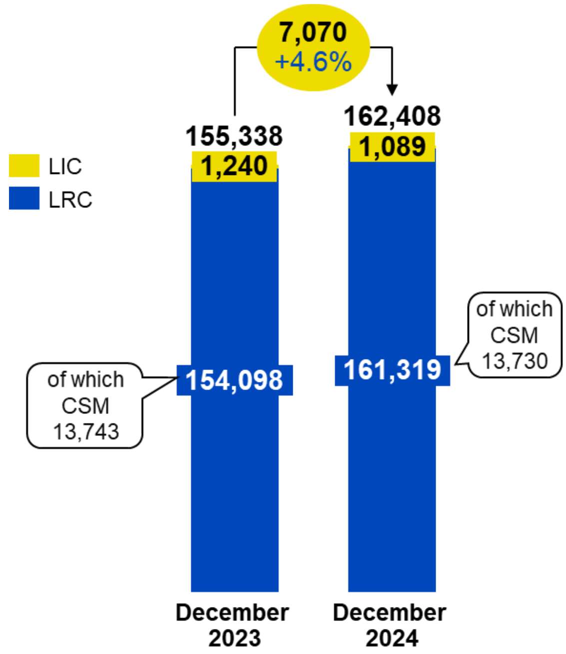
The lapse rate at 31 December 2024 was 6.6%, up from 4.4% at 31 December 2023, but still well below the average market figure of 10.39% at 31 December 2024[156].



[155] Reference is made to the "Poste Prospettiva Valore Gold" family of products, characterised by benefits initially linked to a specific asset pool and to a Separate Account subsequently.
[156] Source: Report ANIA - Trends Life Flows and Reserves Year XIV - no. 04 - February 2025.

LIABILITIES UNDER INSURANCE CONTRACTS

(€m)



Liabilities under insurance contracts at 31 December 2024 totalled €162,408million, of which €161,319 million consisted of Liability for Remaining Coverage (LRC), which includes the Contractual Service Margin (CSM) of €13,730 million, and €1,089 million from the Liability for Incurred Claim (LIC).

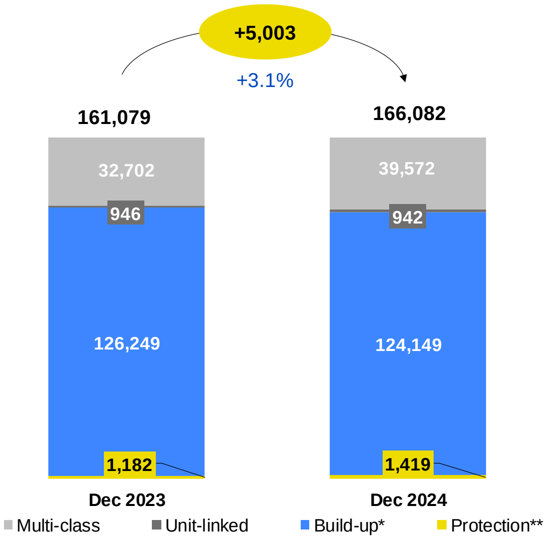
The increase of 4.6% for the period (+€7,070 million) is almost exclusively attributable to the increase in LRC (+€7,221 million), which is mainly attributable to the increase in the present value of future cash flows as a result of the premium income for the year and the financial effect related to the performance of the financial markets (higher capital gains). These effects are only partly mitigated mainly by the trend in liquidations.

INSURANCE PROVISIONS[157]

(€m)

The Poste Vita Group's technical provisions amounted to €166.1 billion and increased by about €5 billion compared to 31 December 2023.

The technical provisions of the Investment and Pension business amounted to €164.7 billion and increased by approximately €4.8 billion compared to 31 December 2023, mainly due to the positive net inflows recorded in 2024 (€1.5 billion) and the positive performance effect (€3.2 billion). Technical provisions pertaining to the Protection segment amounted to €1,419 million at the end of 2024 (of which €635 million related to the Life business and €251 million to Net Insurance), up from the €1,182 million recorded at 31 December 2023 (+€237 million, equal to +20.1%).

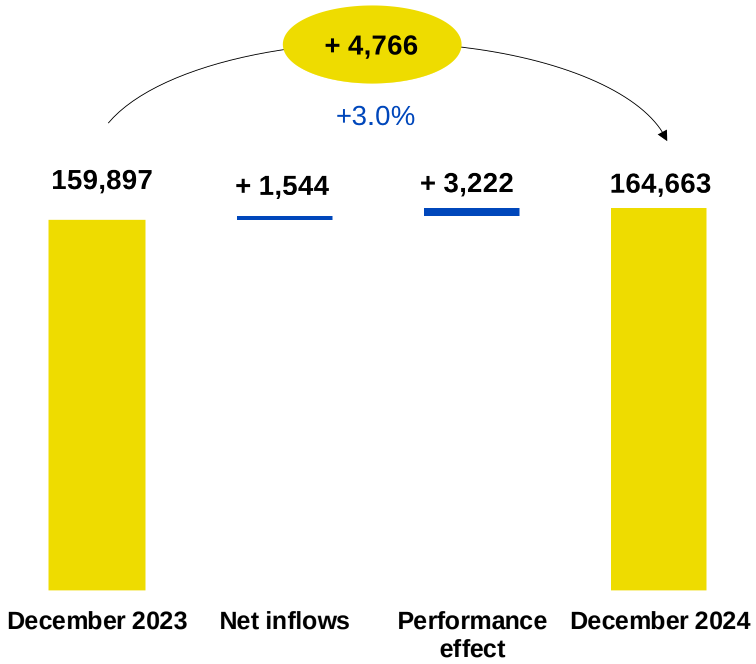


*Includes Pension and other provisions.
**Includes provisions pertaining to the non-life business and the protection line of the Life business.

[157] Technical provisions of the insurance business (Life and P&C) determined in accordance with the national accounting standards used to prepare the individual financial statements of the Group's insurance companies.

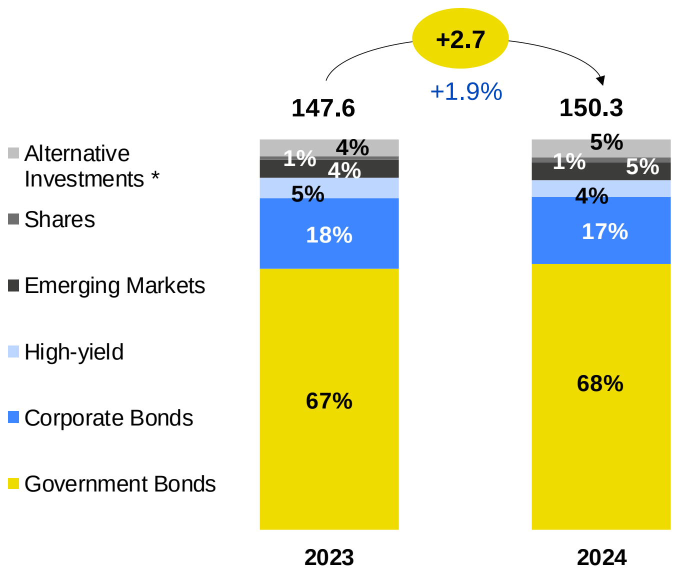
CHANGES IN INSURANCE PROVISIONS, INVESTMENT AND PENSION[158]

(€m)



BREAKDOWN OF THE INVESTMENT PORTFOLIO[159]

(€bn)



* Financial instruments that are not listed on regulated markets. The category includes several asset classes such as: Private Debt, Real Estate Debt, Real Estate Equity, Infrastructure, Private Equity and Hedge Funds.

The Strategic Asset Allocation (SAA), approved by the company in June 2024, is based on the assumption that, in the current market scenario, traditional asset classes (government bonds and corporate bonds) are relatively more

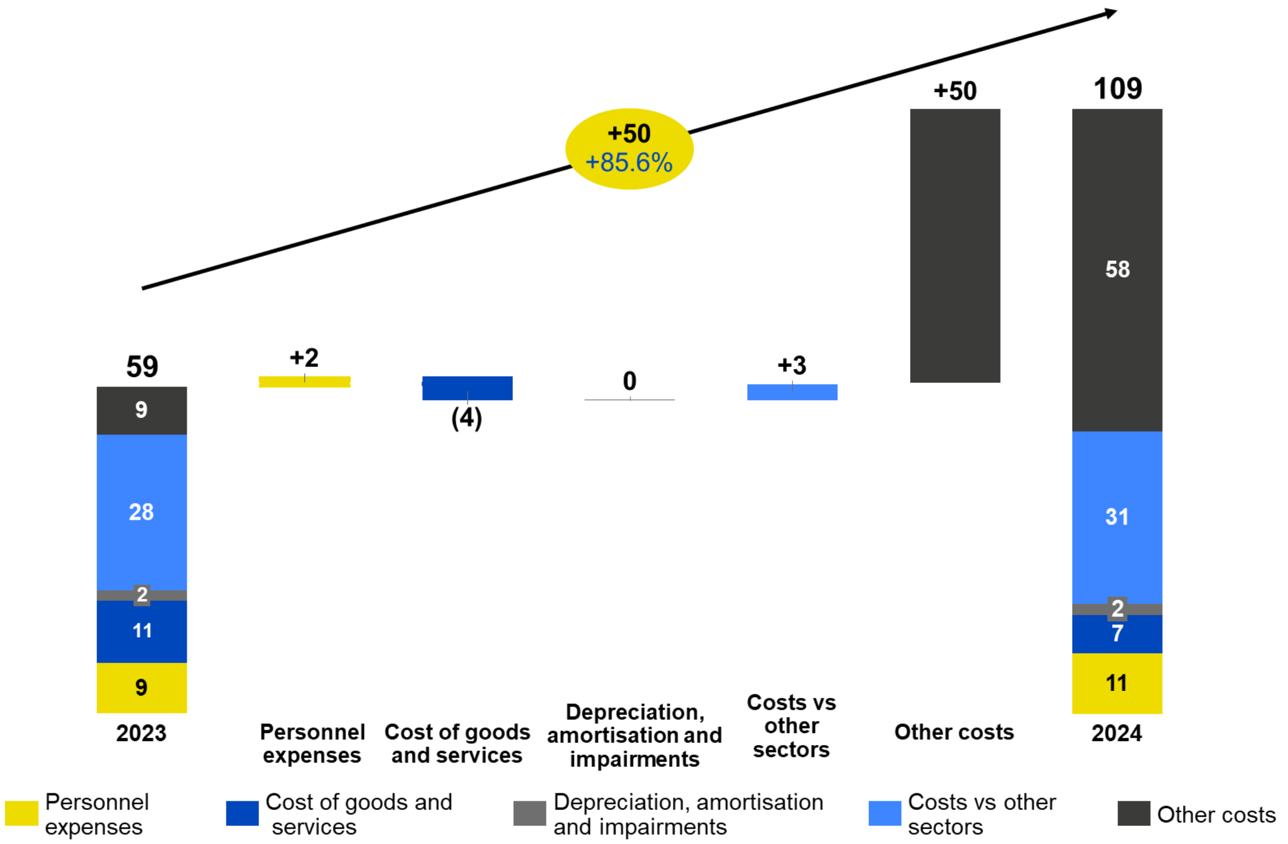
[158] Determined in accordance with the national accounting standards used to prepare the individual financial statements of the insurance company Poste Vita S.p.A.

[159] The value of the investment portfolio includes all class C investments (i.e., Class I, Class V) and investments pertaining to the Free Capital of the company Poste Vita S.p.A., while it does not include class D investments (i.e., Class III); in addition, the total includes equity investments that are not among the asset classes represented and that do not contribute to the percentage target asset allocation.

attractive than in the past due to their ability to generate stable returns and mitigate interest rate risk with respect to the evolution of policyholder liabilities (insurance liabilities). In this context, the process of diversifying investments continued with: i) an increase in the government share and a focus on diversifying the basket of government bonds; ii) a marginal reduction in the share of corporate bonds, with the simultaneous improvement in the average quality profile of the securities in the portfolio.

TOTAL COSTS

(€m)



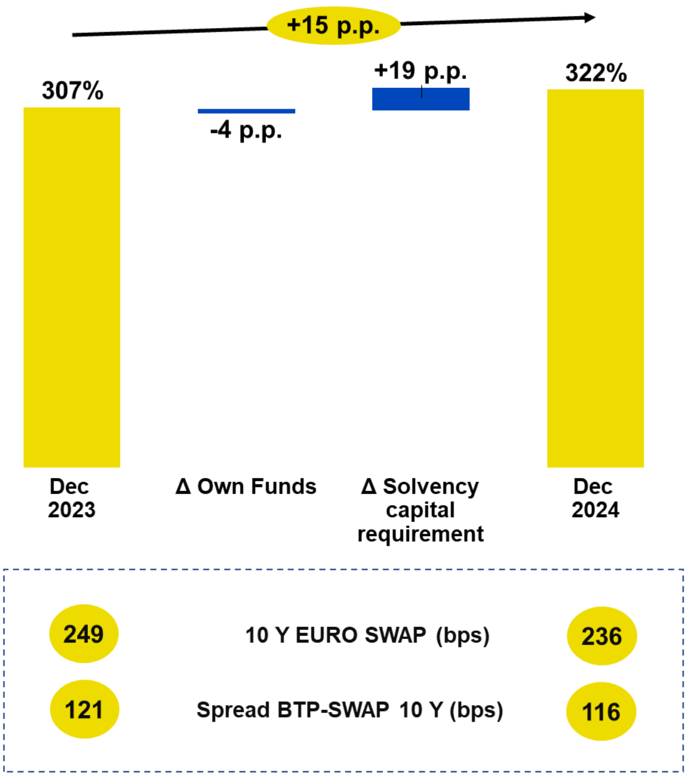
The costs discussed in the remainder of this paragraph are only those not directly attributable to insurance contracts. In light of the entry into force of the new IFRS 17 standard, costs directly attributable to insurance policies are in fact shown as a direct reduction of insurance revenue. These costs, moreover, at the time the contract is concluded are considered within insurance liabilities and released periodically in the statement of profit or loss (within net insurance income).

Non-attributable costs at 31 December 2024 (mainly referring to other operating costs, personnel expenses, commercial expenses, IT service costs and professional consultancy/services) amounted to €109 million and increased (+€50 million, +85.6%) compared to 2023, due essentially to the contribution, amounting to around €58 million, to the Life Insurance Guarantee Fund established by the 2024 Budget Law (please refer to the Regulatory context of the Insurance Services SBU for more details on this measure).

In light of the results illustrated, the economic performance of the Insurance Services Strategic Business Unit in the period highlights EBIT of €1,371 million, an increase of €11 million (+0.8%) compared to 2023. Excluding the cost for the 2024 contribution to the Life Insurance Guarantee Fund (€58 million), the adjusted EBIT for 2024 is €1,429 million and up by approximately €69 million (+5.0%) compared to 2023.

Taking into account the positive financial management of €76 million (€50 million in 2023) and the taxes for the period, equal to €414 million (-€3 million, -0.7% compared to 2023), the Insurance Services Strategic Business Unit achieved a net result of €1,033 million at 31 December 2024, an increase of 4.0% (+€40 million) compared to 2023.

SOLVENCY RATIO



The Solvency Ratio [160] of the Poste Vita Group stood at 322% at 31 December 2024, increasing compared to the 307% recorded in December 2023 (+15 pp), remaining at levels well above regulatory constraints and managerial aspiration (around 200%). Taking into account as of now the potential distribution to the Parent Company of additional extraordinary dividends of approximately €1 billion over the plan period, the Solvency Ratio would be around 300%.

The change in the period was due to a decrease in available own funds (-4 pp on the solvency ratio) and a decrease in the capital requirement (+19 pp on the solvency ratio).

In particular, the reduction of the 10-year swap rate (-13 bps) and of the BTP-Swap Spread (-5 bps) lead to an increase in the value of **Own Funds**, albeit fully offset by the dividend expected for the current year (-35 p.p. on the solvency ratio).

The reduction in the **Capital requirement** is mainly due to the reduction in market and technical risks as a result of the favourable conditions of the economic scenario of the year and to lower operational risks mainly related to lower premium income on build-up policies compared to the year 2023, despite an overall increase in inflows compared to the previous twelve months.

It should be noted that the mass lapse risk hedging treaty, referring to Class I and Multi-class products, signed by the Company on 14 March 2023 (effective from 31 December 2022), renewed in January 2025 and in force until 31 December 2027, is still in force.

[160] Solvency Ratio values at 31.12.2024 are provisional and under review. The official value will be communicated to IVASS by 20 May 2025.

6.3.4 Postepay Services Strategic Business Unit

Strategic Business Unit
POSTEPAY SERVICES

REVENUE	EBIT	NET PROFIT
€1.6 bn +9.5% y/y	€529 mln +20.3% y/y	€394 mln +16.7% y/y

The **largest payment provider** in Italy with around 30 million cards

Consolidation of **leadership** in ***e-commerce*** and **acquisition** transactions *of* **20%** of **N&TS** to support growth in **digital payments**

New **Fibre FTTH** offer with speeds of up to **2.5 Gigabits per second**

Growing energy business and achieving **profitability ahead of plan** forecasts

€87 bn
Total transactions ("on us" and "off us")

4.8 mln
Mobile and fixed lines

~ 30 mln
Prepaid and debit cards

13.5 mln
Digital wallets (e-wallets)

10.5 mln
Postepay Evolution cards

728 k
Customer base energy

Below are the development lines of the Strategic Business Unit over the Plan period, with the respective targets and the related end-of-year data for 2024.

Industrial Plan Strategy 2024-2028

POSTEPAY SERVICES

Postepay payment ecosystem and everyday needs at the heart of customer value creation and full development of the Open Payment Ecosystem

- Consolidation of leadership in digital payments and evolution towards an Instant Open Payment Ecosystem, also for connecting retail and micro-small business customer ecosystems
- Focus on growth in the Fibre segment and retention of Mobile business

Targets and KPIs Business Plan	Actual 2024	Target Plan
Electronic money		
Consolidation of payment leadership through structural growth of the digital payments market, the development of the Instant Open Payment Ecosystem with the enhancing of the Postepay Wallet		
▪ Total transaction (on us and off us) with debit and prepaid cards	€87.1 bn	>€130 bn 2028
▪ E-commerce value of transaction	€28.1 bn	€42 bn 2028
▪ Number of debit and prepaid card transactions*	3.0 bn	4.6 bn 2028
▪ Number of e-commerce transactions	0.7 bn	1.1 bn 2028
▪ *Digital e-wallets stock*	13.5 mln	16.0 mln 2028
*Number of transactions includes all payment transactions, top-ups, withdrawals and transfers with the exception of incoming transfers.		
Telecommunications		
Mobile business consolidation. Fibre business growth supported by ultrabroadband connectivity market growth, a loyal customer base and an omnichannel platform		
▪ Stock of fixed and mobile lines	4.8 mln	5.5 mln 2028
Energy		
Growth supported by a simple, transparent, reliable and fully integrated offer in the Postepay ecosystem and with the values of the Poste Italiane Group		
▪ Final customer base Energy and Gas	0.7 mln	2.5 mln 2028

The SBU's performance in 2024 was solid and improved compared to 2023, driven mainly by revenue in the payments segment due to the growth of e-commerce and the increasing use of payment cards, as well as the new energy business.

POSTEPAY SERVICES (€m)	2024	2023	Changes	
External revenue*	**1,585**	**1,447**	**+138**	**+9.5%**
Revenue from other sectors*	274	264	+10	+3.8%
Total revenue*	**1,858**	**1,710**	**+148**	**+8.6%**
Costs*	773	753	+20	+2.7%
Costs vs other sectors	557	518	+39	+7.5%
Total costs*	**1,330**	**1,271**	**+59**	**+4.6%**
EBIT	**529**	**440**	**+89**	**+20.3%**
EBIT Margin %	**28.5%**	**25.7%**		
NET PROFIT	**394**	**338**	**+56**	**+16.7%**

* This item takes into account the management reclassification of costs related to the purchase of raw materials and the transportation of electricity and gas, which are classified as a direct reduction of revenue in the energy segment. Please refer to paragraph 7.2 "Other information" for a reconciliation with the respective accounting data.

Operating KPIs	2024	2023	Changes	
Electronic money and payments				
Total value of card transactions ("on us" and "off us") (€m)[1]	87,125	80,275	+6,851	+8.5%
Total value of card transactions ("off us") (€m)[2]	69,676	64,304	+5,372	+8.4%
Number of cards (m)[3]	29.8	29.6	+0.2	+0.7%
of which Eco-sustainable Cards (m)	16.3	10.6	+5.7	+53.8%
of which Prepaid Postepay Cards (m)	22.4	22.1	+0.2	+1.1%
of which Postepay Evolution cards (m)[4]	10.5	10.0	+0.5	+5.0%
Number of card transactions (m)	2,989	2,680	+309	+11.5%
of which number of e-commerce transactions (m)[5]	713	607	+106	+17.4%
Incidence of Postepay top-ups on new channels[6] (%)	81%	77%		
TLC				
SIM PosteMobile landlines and mobile telephones (stock in thousands)	4,848	4,732	+117	+2.5%
of which mobile Sim (stock in thousands)	4,385	4,326	+59	+1.4%
of which Casa Sim (stock in thousands)	463	406	+57	+14.1%
of which Fibra Sim (stock in thousands)	204	143	+61	+42.8%
Energy				
Active customer base (in thousands)	709	350	+359	+102.7%

[1] Transactions relating to payments made with Postepay Debit and Postepay on internal and external payment circuits ("on us" and "off us").

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

[3] Includes PostePay cards and debit cards.

[4] Including business customers and Postepay Connect.

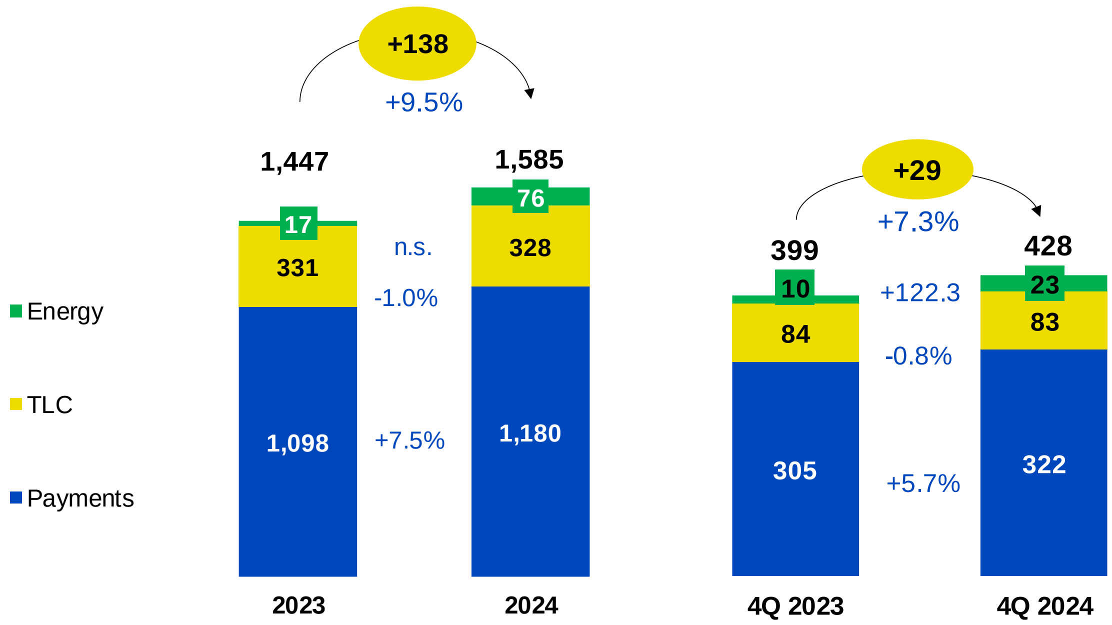
[5] Includes e-commerce transactions + web (on Poste Italiane's digital properties). Incoming transfers are excluded from the perimeter.

[6] Includes transactions carried out on third-party networks (Post Office Point Network, Tobacconists, HORECA and other LIS points) and digital channels (Poste Italiane Retail, Business and Other Digital Channel Properties).

EXTERNAL REVENUE

(€m)

As reported in the paragraph "Group operating results", starting from the 2023, the energy business has been represented on a net revenue basis, i.e. the revenue is shown net of costs associated with the purchase of raw materials, system charges and the transport of electricity and gas.



Payments Electronic money: prepaid cards (top-ups, payments, withdrawals, fees, issuance), debit cards (Postepay debit - interchange fee on card transactions; from October 2021 also withdrawals, P2P top-ups and fees to customers); acquiring services (transaction fee, fees and services) linked to the supply of POS (mobile, physical, virtual) for accepting card payments (debit, credit, prepaid). Telephone top-ups for all mobile network operators (MNO) and virtual mobile operators (MVNO), commercial services for tobacconists/HORECAs: tax payment service through acceptance of the F23 and F24 models; funds transfer for sending money abroad via Moneygram and Western Union, post giro transfers and direct debit made by Postepay Evolution, payments on the PagoPA system, MAV, payment collection, revenue stamps, acceptance of postal pay slips and other direct LIS payments.

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

Energy: revenue from electricity and gas sales following the start of the mass market offer from January 2023 (employee and family promotion in mid-June 2022) and revenue from energy management portfolio optimisation activities[161].

External revenue came to €1,585 million, growth of €138 million compared to 2023 (+9.5%), thanks mainly due to the increase of €82 million in the electronic money business and of €59 million in the energy business, while the telecommunications business is resilient, with a slight decrease of €3 million (-1%).

In particular, revenue in the electronic money segment increased by €82 million (+7.5%) from €1,098 million in 2023 to €1,180 million in 2024, due to the increase in operations and growth in fee revenue from Postepay Evolution cards and Postepay debit cards (+€42 million) as well as higher revenue from acquiring services (+€13 million), in addition to the contribution from PagoPA payment services (+€11 million) and transfers from Postepay Evolution cards (+€14 million).

In 2024, the energy segment recorded €76 million in revenue (+€59 million compared to 2023), thanks to the contribution of both the Electricity (€56 million in revenue) and Gas (€21 million in revenue) offers. At 31 December 2024, the energy customer base stood at 728 thousand (of which 487 thousand for the Electricity line and 241 thousand for the gas one).

The Telecommunications segment recorded a slight decrease in revenue (-€3 million or -1%) from €331 million in 2023 to €328 million in 2024, mainly attributable to the reduction in termination rates for the mobile voice service.

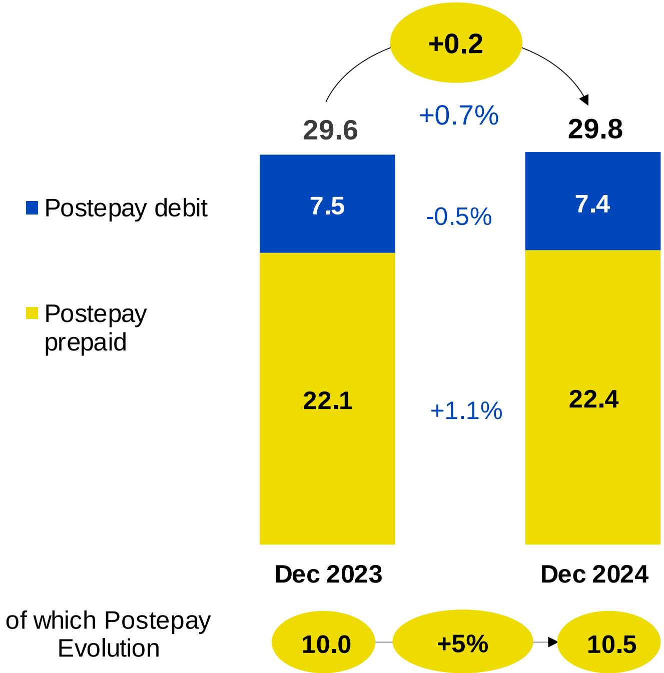
Revenue from other sectors increased by €10 million in 2024, from €264 million in 2023 to €274 million in 2024, mainly attributable to revenue related to the stock of PostePay payment cards with BancoPosta and revenue from the Energy segment for the supply of energy to Group companies.

[161] Electricity and gas trading in wholesale markets aimed at guaranteeing supplies to end customers by managing their physical balancing.

The SBU's external revenue in the fourth quarter of 2024 amounted to €428 million, an increase of €29 million (+7.3%) compared to the fourth quarter of 2023 (€399 million), driven by: i) the electronic money segment (+€17 million or +5.7%), due mainly to increased operations and fee revenue from Postepay Evolution cards and debit cards (+€11 million) as well as the contribution of transfers from Postepay Evolution cards (+€4 million in revenue) and higher revenue from acquiring services (+€2 million); ii) the energy segment (+€13 million, up more than 2 times compared to the same quarter of 2023) due to the expansion of the customer base. The Telecommunications segment generated revenue of €83million in the fourth quarter of 2024, down slightly on the same period in 2023 (-€1 million, -0.8%) due mainly to the lower acquisitions in the mobile telephony service.

CARD STOCK

(figures in millions)



At 31 December 2024, the total stock of prepaid Postepay and Postepay Debit cards amounted to 29.8 million, an increase of 0.2 million (+0.7%) compared to the end of 2023. The total transaction value[162] in 2024 came to €87.1 billion, up by roughly €6.8 billion (+8.5%) compared to 2023.

Prepaid Postepay cards in place amounted to 22.4 million (up by 1.1% compared to December 2023) and of these, Postepay Evolution cards, equal to approximately 10.5 million, showed an increase of 5% compared to the value at 31 December 2023. The sale of Postepay Connect[163] continued in 2024, with more than 72 thousand activations and a stock of 608 thousand cards (+0.6% compared to December 2023). The stock of Green cards also grew strongly, from 10.6 million in December 2023 to 16.3 million in December 2024 (+53.8%).

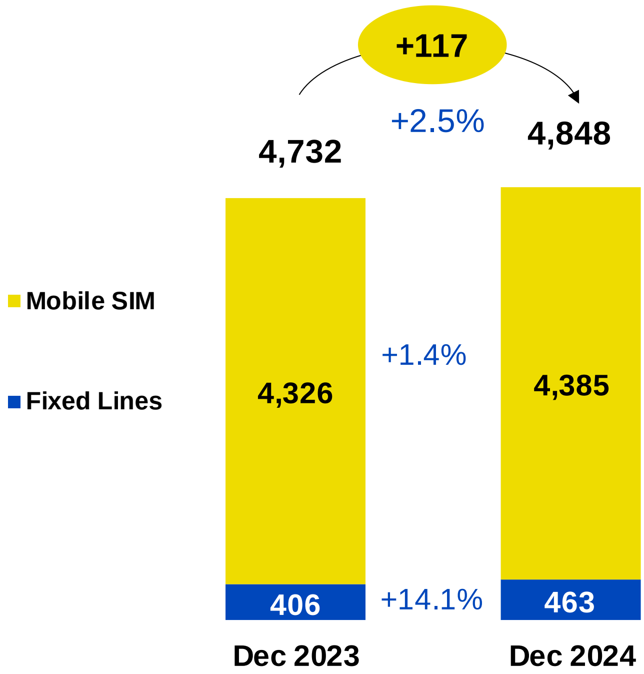
In 2024, payment card transactions stood at 2,989 million, up 11.5% (+309 million transactions) compared to 2023, thanks also to the contribution of e-commerce and web transactions, which stood at 713 million (up by 106 million compared to 2023 or +17.4%).

In the area of acquiring, in respect of a number of POS terminals installed at 31 December 2024 of about 314 thousand, a transaction value of €33.4 billion was recorded (+11%, an increase of +€3.2 billion compared to 2023).

SIM STOCK

[162] The figures refer to on-us and off-us payment transactions.
[163] Offer integrating the Postepay Evolution prepaid card and the Postemobile SIM.

(figures in thousands)

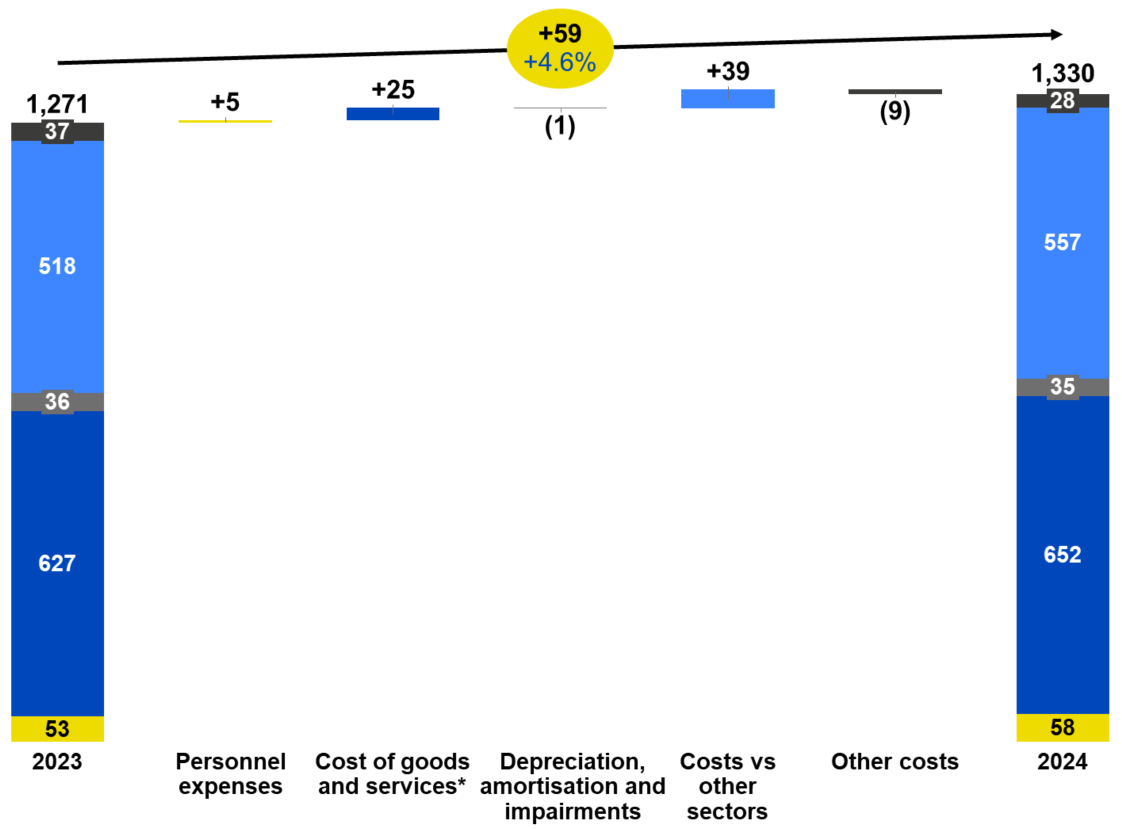


In Telecommunications, the customer base related to mobile telephony services, in December 2024 is represented by approximately 4.4 million lines, up slightly compared to the end of 2023 (4.3 million lines). With reference to Fixed Telephony services, the "PosteMobile Casa" offer and the "PosteCasa Ultraveloce" fibre optic data connectivity offer recorded a 14.1% increase in lines, rising from 406 thousand lines in December 2023 to 463 thousand lines in December 2024.

In detail, the increase is due to the "PosteCasa Ultraveloce" (Fibre) lines, which reached 204 thousand in December 2024, an increase of 61 thousand lines compared to December 2023, marking growth of 42.8%.

TOTAL COSTS

(€m)



*This item takes into account the management reclassification of costs related to the purchase of raw materials and the transportation of electricity and gas, which are classified as a direct reduction of revenue in the energy segment. Please refer to paragraph 7.2 "Other information" for a reconciliation with the respective accounting data.

Personnel expenses | Cost of goods and services* | Depreciation, amortisation and impairments | Costs vs other sectors | Other costs

The total costs of the PostePay Services SBU (including amortisation/depreciation and impairments) amount to €1,330 million, an increase of +4.6% (+€59 million) compared to the €1,271 million incurred in 2023.

The increase in the cost of goods and services (+€25 million, +4.0% compared to 2023) is mainly due to the growth in sales and management commissions which grew by €38 million (+24%) due to the increased payment card business.

The increase in costs to other sectors (+€39 million, +7.5% compared to December 2023) was mainly due to higher outsourcing costs to the Parent Company, with particular reference to back office and information services activities.

Personnel expenses amounted to €58 million, an increase of €5 million (+9.3%) compared to 2023 as a result of the increase in the workforce.

In light of the results described, the financial performance of the PostePay Services Strategic Business Unit in 2024 shows an operating result (EBIT) of €529 million, up +20.3% compared to 2023 (+€89 million).

The profit achieved in 2024 amounted to €394 million, an increase of +16.7% compared to the same period of 2023 (+€56 million).

The free capital ratio[164] of PostePay EMI at 31 December 2024 amounted to 24.7%, down from the figure at 31 December 2023 (55.4%). The deviation from the value recorded in 2023 is due to the extraordinary distribution of reserves amounting to €250 million, approved by PostePay's Shareholders' Meeting on 11 April 2024 and made possible by the reorganisation of the equity investment in LIS Holding through the direct acquisition of the 100% stake in LIS Pay, with the restriction on allocation to EMI RFC being maintained on it, and the simultaneous removal of this restriction with respect to the equity investment in LIS Holding, which was assigned to PostePay's general assets

The PostePay EMI total capital ratio was 7.97% at 31 December 2024 (13.45% at 31 December 2023).

6.4 Digital and third-party physical networks in the Group's omnichannel strategy

The Group acts as a driver of innovation and digitisation of the country, guaranteeing the accessibility and functionality of its offer and services to all citizens.
The Group's omnichannel strategy is aimed at creating an "ecosystem" and multi-channel platform model which, thanks to cutting-edge physical and digital channels and simplified processes for serving its customers, aims to guarantee an excellent and homogeneous customer experience on all contact points.
The main drivers of the Group's digital transformation, as outlined in the 2024-2028 business plan, and the progress recorded at the end of 2024, are outlined below.

[164] This indicator expresses the adequacy of the capital base, in terms of its excess over the minimum total capital requirement required by the Supervisory Provisions for Electronic Money Institutions, and is calculated as: (Regulatory Capital - Capital Requirement) / Regulatory Capital. The Capital Requirement is determined on the basis of the payment volumes realised in the twelve months preceding the financial year to which the calculation date refers and the average balance on prepaid cards issued by PostePay referring to the six months preceding the calculation date.

Industrial Plan Strategy 2024-2028

OMNICHANNEL AND DIGITAL TRANSFORMATION

Becoming the engine of innovation and digitalisation of the country according to 3 Transformation Guidelines

- Omnichannel
- Automation and innovation in customer operations
- Technological and business transformation and innovation

Targets and KPIs Business Plan	Advance 2024	Target Plan
Omnichannel ▪ Simplifying the multi-channel experience ▪ Developing digital channels to evolve customer relations ▪ Developing a data-driven customer experience	Poste Italiane app released and nearing completion	Completion of the integration of existing apps into a single asset: the Poste Italiane app, in order to ensure a simple, intuitive and customer-centric user experience and contribute to business objectives, improving the effectiveness of sales engagement and maximising sales opportunities
	Rating 4.5/5	Average rating of the Poste Italiane app, expected at 4.5/5 in 2024, to confirm it among the best apps nationwide
	219.9 mln transactions	Growth of digital channels with over 200 mln operations (transactions and sales) expected in 2024
Customer Operations Automation and Innovation ▪ Customer Care Evolution ▪ Automation and digitalisation Back office ▪ “Re-skilling and Insourcing” Project	Approx. 49 mln contacts	Customisation of customer care on a clustering basis and growth of artificial intelligence (AI) (including generative) support (over 30 mln contacts in 2024)
	Digital sales support with 435 sales/day in 2024 and from Post Office with 710 appointments/day in 2024	Digital sales support (over 350 sales/day in 2024) and Post Office (over 600 appointments/day in 2024)
	-26% effort Data Entry at the end of 2024	AI-based automation of back office processes with reduced processing times (-20%/30% Data Entry effort in 2024)
	Approx. 1,900 resources at the end of 2024	Continuation of the redeployment and re-skilling project (about 1,700 resources to 2024)
Business Transformation and Technological Innovation ▪ Hybrid and Multi-Cloud strategy ▪ Engineering IT operation ▪ Governance and platform evolution	Online (locations covered by SD-WAN technology* amounting to 4,041)	Evolution of the technological infrastructure related to Poste Italiane’s Enterprise Group Network through the introduction of an innovative architectural model based on SD-WAN* technology and its extension to territorial sites over the plan period
	90% of delivery in IaC mode	Speeding up the delivery of project environments through Infrastructure as Code (IaC)
	Online	Removal of obsolescence through infrastructure evolution and continuous replacement of obsolete HW and storage equipment

**SD-WAN (Software Defined Wide Area Network).*

Digital Market

With reference to the Digital market[165], more than 53 million people in Italy are on-line and there are 42.2 million users active on social channels. 97.7% of Italians use a smartphone, 66.3% a desktop computer or laptop, 29.5% a smartwatch, while smart home devices are used by 22.9% of Italians. As far as e-commerce is concerned, 45.4% of people in Italy made at least one on-line purchase in 2024.

KEY OMNICHANNEL KPIs

In the context of Poste Italiane's omnichannel and digital transformation, aimed at guaranteeing its customers contact experiences based on an omnichannel approach, the main KPIs related to digital channels and the omnichannel platform in 2024 are shown below.

Key KPIs Omnichannel	2024	2023	Changes	
Overall daily interactions (m)	25.2	23.1	+2.1	+9.1%
Digital KPIs				
Digital interactions (e-commerce + digital channel App and Web) per day (m)	10.4	9.1	+1.3	+13.8%
Incidence of digital interactions on total interactions*	49%	48%		
Daily digital transactions (e-commerce + digital channel App and Web) (m)	2.4	2.1	+0.3	+15.1%
Digital transactions as a percentage of total transactions*	29%	28%		
Active digital customers (m)	18.0	17.2	+0.8	+4.4%
of which hybrid customers (m)	12.2	12.1	+0.1	+1.1%
App Users Stickiness**	24.6%	24.2%		
Poste Italiane digital e-wallets (m)	13.5	12.0	+1.5	+12.6%
Issued SPID digital identities (m)	28.7	27.3	+1.4	+5.2%

**Calculated on overall volumes and not on daily averages.*

***Calculated as the ratio of average daily visitors to average monthly visitors of all apps (Poste Italiane, BancoPosta, Postepay) in the reporting period.*

Total daily interactions: daily contacts of customers with the Group's omnichannel platform: visits to the Poste Italiane Group's website and apps, calls to the contact centre, customers served in Post Offices, transactions carried out at ATM and third-party physical networks, transactions on physical POS and e-commerce.

Active digital customers: customers who have logged in at least once on the app and/or web during the reference period.

Hybrid customers: customers who logged in at least once on the app and/or web and visited the Post Office during the reporting period.

The Poste Italiane Group achieved a total number of 25.2 million daily interactions in 2024 (23.1 million total daily interactions in 2023). The number of active digital customers also grew during the same period, reaching 18 million, up 4.4% compared to the previous year. Daily transactions on digital channels also recorded double-digit growth (+15.1%), accounting for 29% of total daily transactions. Digital customers enabled to operate on-line through e-wallets reached 13.5 million at 31 December 2024 and frequently use the Poste Italiane Group's apps, recording an App Users Stickiness of 24.6%.

18 mln
Active digital customers (+4.4% y/y)

29%
of transactions on digital channels in 2024

Moreover, Poste Italiane is confirmed as the first SPID Digital Identity Manager, with a market share of around 73.5% and a customer base of around 28.7 million Digital public Identities issued, of which 24 million active.

[165] Source: Digital 2025 - The Italian Data - We Are Social Italy.

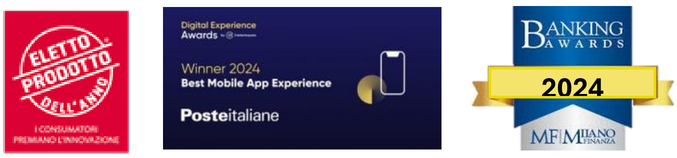
Strengthening of digital channels

In 2024, the Group continued the evolution of digital channels with a view to ensuring a seamless and omnichannel experience for its customers in the following areas:

Focus on the roadmap of the new Poste Italiane app

POSTE ITALIANE APP

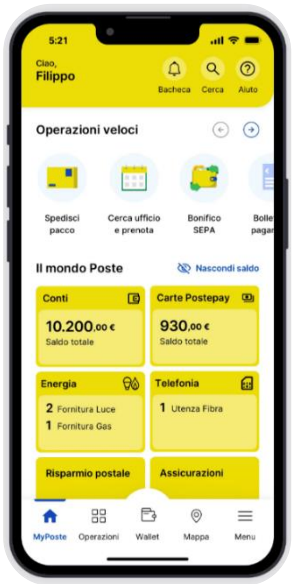
3 prizes won in 2024



First APP for downloads in the **Finance** category

Consistent with the strategy of simplifying the experience of accessing Poste Italiane's services, through the creation of a single app (P app), in 2024 the products already managed on the BancoPosta (BP app) and PostePay (PP app) apps and most of the functionalities present on these were migrated.

In particular, the following functionalities were integrated in 2024:



- ✓ the new "Postal Savings" section was introduced, where it is possible to view and manage Libretti Smart and Interest-bearing Postal Certificates (BFP) in self-care mode and in particular:
    - activate and manage Super Smart Offers;
    - view and manage the Libretti Ordinari (Ordinary Books);
    - view Interest-bearing Postal Certificates settled on the Libretto Ordinario and Libretto Minori;
    - purchase on-line the Libretto Smart, with a simplified customer experience, and the Libretto Minori (on-line purchase already available with the BancoPosta app);
    - set spending goals and budgets with the digital piggy bank[166];
- ✓ the new "Insurance" section was introduced where, for the first time, it is also possible to view and manage Investment and Pension policies, in addition to Protection and Motor TPL policies;
- ✓ introduced the possibility to view receipts of PagoPA Bills paid at the Post Office directly in the app Notice Board;
- ✓ the possibility of purchasing the BancoPosta account on-line on the new app (functionality already provided with the BancoPosta app) was introduced;
- ✓ the possibility of accessing and enabling the products in the user's possession on the Poste Italiane app from another Poste Italiane app was introduced (already installed and with access performed on the same device), by means of authentication in app2app mode through the use of a biometric factor or PosteID code;
- ✓ the possibility of purchasing the Postepay Evolution card on-line on the new app (functionality already provided with the Postepay app) was introduced;

[166] A service that makes it possible to accumulate small sums of money in order to reach savings goals, choosing the category, the date by which to reach them and the sum to be saved up, also thanks to automatic deposits such as rounding off amounts spent with the Postepay Evolution card and/or Postepay debit card.

- ✓ the "Bills and Payments" section was enhanced with the possibility of paying MAV slips[167];
- ✓ the possibility of changing energy supplier, making changes and managing Poste Energia supplies, was introduced;
- ✓ the Pwallet, a digital wallet where customers can find their payment cards and upload images of their identity and loyalty cards so that they can quickly retrieve them should they need them, was introduced;
- ✓ the rules for sending push notifications were revised by only sending on one app, possibly giving priority to the Poste Italiane app;
- ✓ the possibility of booking an appointment to apply for an e-passport at authorised Post Offices was introduced;
- ✓ the purchase and management of telephony services directly from the app (Fibra Poste Casa and PosteMobile SIM) was introduced;
- ✓ the possibility of receiving customised offers directly in the app was introduced, finalising the offer in the app or in the Post Office depending on the type of product;
- ✓ the possibility of authorising in app payments made through sites or apps that allow on-line purchases (merchants) via the "Pay with Postepay" functionality was introduced;
- ✓ lastly, the icon of the Poste Italiane app, used to open it, was changed from PT to P.

Other digital retail channel enhancements

With the aim of continuous simplification and improvement of the experience of the Group's private customers on all service areas offered, the following measures were implemented during 2024:

- ✓ the new "PosteCertifica" PEC offer was made available, conceived with a Registered Electronic Mail (REM[168]) perspective and with renewed features aligned to those of the market's top players; the purchase funnel and webmail interface were completely redesigned and optimised;
- ✓ the online Personal Loans simulator has been supplemented with a feature that allows customers to simulate a loan by indicating their sustainable instalment;
- ✓ on the Guided Advice Platform, the necessary development work was completed to consider customer preferences on ESG issues and offer products in line with the preferences expressed;
- ✓ the service, dedicated to Premium customers, of receiving and transmitting orders via the on-line trading platform[169] "Access to Markets", in partnership with Moneyfarm, was activated;
- ✓ in order to improve the customer experience for holders of Postepay prepaid and debit cards, digital functionalities were made available with regard to their activation and for the on-line uploading of reports for replacement due to theft/loss;
- ✓ in order to encourage the use of payment cards on digital channels, an engagement programme[170] (sending direct e-mail marketing or push notifications in the app) was launched to stimulate customers to create digital e-wallets in the Postepay app;
- ✓ the free PostePlus[171] service was made available on the Poste Italiane website and app, complementing the Ritiro Digitale service, which allows recipient customers to manage and personalise their incoming shipments and recorded mail and to digitally collect registered mail and judicial acts[172];

[167] The MAV (Payment By Notice) slip is a pre-printed slip associated with an identification code. It is generally used to pay public bodies and large organisations.
[168] REM - Registered Electronic Mail - is the new European standard that will replace the one used in Italy. With the REM, an IT protocol is established that fulfils the requirements of European Regulation 910/2014 eIDAS (electronic IDentification Authentication and Signature) regarding electronic identification and trust services.
[169] The service makes it possible to operate in the financial markets through the Moneyfarm platform and can be activated exclusively on-line, through a guided path divided into two phases: the first involves viewing and signing the Market Access contractual documentation; in the second phase, one passes to the Moneyfarm web area to finalise activation by subscribing to the service of receiving and transmitting orders in Execution Only mode.
[170] Engagement programme for customers who have consented to privacy.
[171] The functionality of the service can only be used by the customer if the senders of the mail have made the data necessary to identify the recipient customer (telephone or e-mail) available in advance.
[172] Available to customers resident in Italy and in possession of a tax code and Digital Identity.

- ✓ the telephone appointment booking service[173] at the Post Office was activated, using Artificial Intelligence(voicebot), for the collection of unreturned mail and parcels; the development of the appointment booking functionality via voicebot, with "generative" Artificial Intelligence support, for all services available at the Post Office is being finalised;
- ✓ the new "Shipment Search" is available, allowing customers to search more easily for shipments of interest. In particular, the descriptions of the processing status of shipments were simplified, the display of the parcel route was optimised to give immediate visual feedback to the customer on the status of the shipment, and the possibility of directly booking an appointment at the post office for shipments available for collection was integrated;
- ✓ the descriptions of the movements of the main payments[174] made by customers on both digital and physical channels have been simplified in order to allow customers to more easily consult the payment transactions made;
- ✓ from November 2024, customers who already have an app-enabled financial product can use it immediately without having to activate and enter it into the app when purchasing a new financial product from either the physical or digital channel;
- ✓ the evolution of the Customer Notice Board continues, enriched with communications related to the insurance products and services subscribed by the customer (e.g. settlements, outstanding instalments).

Strengthening digital business channels

The services offered through Poste Italiane's digital channels were also enhanced in 2024 for the business customer segment:

- ✓ a dashboard for subscribing to and managing the lifecycle of SEPA direct debit payments (SDD direct debits) has been introduced to the PosteBusiness website and app, for customers with a BancoPosta Business Link account or Postepay Evolution Business prepaid card; in addition, from the second quarter of 2024, these customers will be able to make instant credit transfers both from the web channel and via the PosteBusiness app;
- ✓ on digital channels, for customers holding a Postepay Evolution Business debit or prepaid card, the possibility of making automatic on-line top-ups[175] of Postepay prepaid cards was extended;
- ✓ since October 2024, Poste Italiane's new Collection Portal[176] has been available on the website, integrated with the MyPoste Business service, which allows customers[177] to manage all collection tools and reporting through a single portal; in addition, the new SmartPOS Postepay service has been made available on the same portal, which allows customers to collect also on the move, through an evolved POS with integrated printer;
- ✓ from December 2024, the web portal for managing the PostePro Ultraveloce service, the new fibre connection offer for business customers integrated in the MyPoste Business ecosystem, will be available. Through the portal, users can check the progress of the service activation request, change the installation date, and manage invoices and contract data.

[173] Customers can contact the dedicated number on the inactivity notice and schedule a visit to the post office for collection in one of the two useful slots offered by the voicebot, with the goal of improving the experience and contributing to better flow management.
[174] Payment slips (896, 674, MAV, blank), F24, Payments Advice, Credit Transfer (SEPA, standing, deferred) and Postagiro.
[175] Automatic reloading of Postepay prepaid cards is the service that allows to make automatic "time-based" (e.g. weekly, fortnightly or monthly) or "threshold" top-ups, performed whenever the available balance on the card to be topped up falls below an amount defined by you.
[176] It replaces the Merchant Portal (external portal).
[177] Service available to customers signing new contracts.

ARTIFICIAL INTELLIGENCE AT THE CENTRE OF GROUP'S OMNICHANNEL PLATFORM

In recent years, the Poste Italiane Group has embarked on a path of profound technological and digital transformation by investing heavily in technological intensity, i.e. the ability to adopt exponential technologies, such as Artificial Intelligence (AI), in its infrastructure and organisation as quickly as possible. The transformation started with data through the creation of an advanced data ecosystem, capable of supporting strategic decisions, optimising daily operations and improving the customer experience. Thanks to a data-driven approach, data is no longer regarded as a mere analysis tool, but as a strategic asset that drives every corporate action.

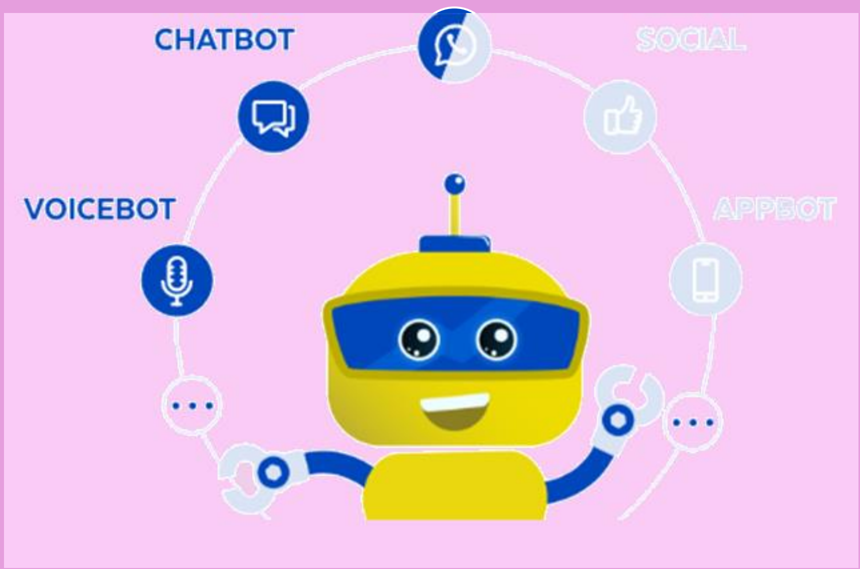
The introduction of a next-generation distributed data architecture (data mesh) was a turning point and Poste Italiane adopted this decentralised approach, which allows data management by domains, overcoming the concept of “centralised certification"; information is made directly available to business structures, allowing them to work faster and more autonomously, accessing data in real time.

The data mesh infrastructure is the basis of AI applications, as it ensures that information is accessible, contextualised and high-quality, which are key elements for training and using AI models more effectively.

Poste Italiane has begun to embrace Artificial Intelligence, recognising its potential and taking advantage of it in compliance with the principles that have been a hallmark of its history for over 160 years such as: transparency, integrity, inclusiveness with particular attention to the respect for and valuing of people. In particular, through innovation, the Company aims to simplify the activities of its employees and meet the needs of its customers more effectively by making the enormous potential and benefits of artificial intelligence available to them.
Thanks to the significant technological investments made over the years (e.g.: Cloud and Edge Computing), to date the Group has the largest technology infrastructure in Italy distributed throughout the country. This infrastructure is the basis for the huge omnichannel service and relationship platform that has enabled 25 million daily customer interactions through physical channels (Post Offices, postmen, third-party physical networks) or digital channels (apps and web) and, by leveraging its extensive coverage throughout the country, aims to make artificial intelligence inclusive by ensuring it reaches its people, its customers, and the country system.
Poste Italiane also pays special attention to social issues related to the use of AI and has carried out a project to draw up an Artificial Intelligence Ethics Manifesto, on the assumption that ethics is the key to moving from innovation to sustainable development.
With reference to the areas of application within the Group, the decision was taken to apply AI with a transformative logic by rethinking entire business domains, selecting the areas that can generate the most value for the Company and its customers. As an example, in the area of customer service, an evolved digital assistant is available for employees for use in real time during customer interaction, which, thanks to a solution based on generative AI, provides timely answers to employees much faster.

Another area of application the Company is working on is advanced voice interaction enabled by generative AI; in order to ensure maximum accessibility and inclusiveness for all customers, an AI-supported telephone booking service was created that allows anyone (even older people or those less familiar with technology) to have a conversation in a natural way and easily make an appointment. The aim is to extend this technological asset to other areas to process requests such as tracking a parcel or requesting the blocking of a payment card.

Finally, in marketing, the use of AI aims to ensure the best customer experience based on the individual's characteristics and context, both reactively (e.g. assistance) and proactively (e.g. application of behavioural triggers) and, in this context, generative AI algorithms are being integrated to hyper-personalise the experience on the new Poste Italiane single app.



6.5 Group Capital Management Framework

The Group strategically manages the allocation of available capital among the four Strategic Business Units in which it operates, consistent with the following objectives:

1. ensure business continuity through adequate capital allocation by all SBUs to support the investment and liquidity needs of the businesses on the one hand, and compliance with regulatory requirements for SBUs operating in regulated and supervised markets on the other;
2. maximise the medium- to long-term value creation of the Group by allocating capital according to its economic return;
3. guarantee a competitive return to shareholders by ensuring the dividend policy communicated to the market;
4. seize opportunities arising from acquisitions and/or strategic partnerships.

OBJECTIVES	2024-2023 KPIs	FOCUS
1 Support the business continuity, ensuring business investments consistent with the objectives of the Strategic Plan. Maintain capital requirement levels in line with the forecasts of the various authorities or consistent with management's aspiration.	• **Investments** of **€966 million** in 2024 (€845 million in 2023)	
	BancoPosta: • **CET1 ratio** of **19.4%** in 2024 (18.9% in 2023) • **Total Capital Ratio** of **22.6%** in 2024 (22.1% in 2023) • **Leverage ratio** of **3.3%** in 2024 (3.2% in 2023)	
	Poste Vita Group • **Solvency Ratio** of **322**% in 2024 (307% in 2023)	
	PostePay EMI: • **Free Capital ratio**: **24.7%** in 2024 (55.4% in 2023) • **Total Capital Ratio**: **7.97%** in 2024 (13.45% in 2023)	
Maximise cash flow from Group operations.	• **FFO of the Mail, Parcels and Distribution SBU** in 2024 amounting to **€287 million** (€339 million in 2023)	
2 To maximise the Group's medium- to long-term creation of value, directing strategic choices according to return on capital, towards continuous value growth over time.	• Group **ROE** of **17%** in 2024 (17% in 2023) • **EPS** of **€1.54** in 2024 (€1.48 in 2023)	
3 Ensure competitive returns to shareholders by guaranteeing adequate distributable profit reserves of the parent company to support the dividend policy. Optimise dividend flows distributed by the SBUs to the Parent Company.	• 2024 **DPS** amounting to **€1.08** (+35% y/y) for a total of €1.4 billion in accrued dividends, of which a portion (€0.33) was paid out as an interim dividend in November 2024 (€427 million) • **Distributable reserves** of the Parent Company at 31 December 2024 of **€2.5 billion** (€1.8 billion at 31 December 2023) • **Dividend coverage** (Dividends from the Financial Services, Insurance Services and Postepay SBUs	

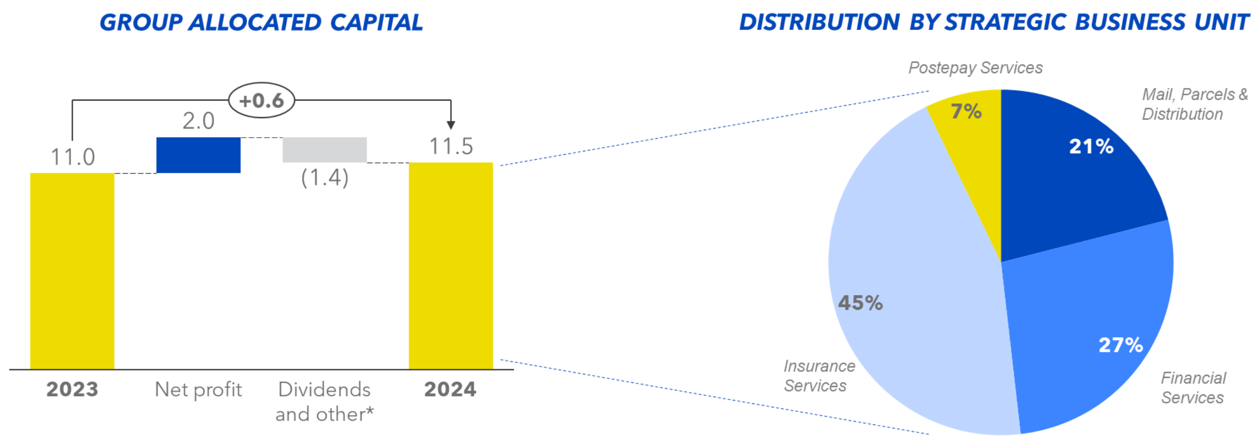
	compared to the total value of dividends distributed to shareholders) greater than 1.6X on average over the period 2024-2028 (1.5X over the period 2019-2023), based on a 70% payout and including €1.5 billion of additional dividends from Poste Vita to the Parent Company envisaged over the plan term	
4 Seize opportunities related to strategic M&A transactions, flexibly managing capital and liquidity while keeping the Group's financial structure balanced.	• Mail, Parcels and Distribution SBU **Net debt/(funds)** at 31 December 2024 **-€1,453 million** (-€1,381 million at 31 December 2023) • 2024 **EBITDA** of **€3,401 million** (€3,431 million in 2023)	

With reference to the objectives listed above, during the year the Group has:

- incurred business investments in the amount of €966 million, details of which are provided in the following section;
- distributed dividends of €1,165 million;
- supported investments in new companies by committing cash of around €32 million mainly for:
  - Locker Italia S.p.A. (€15 million);
  - N&TS Group Networks & Transactional Systems Group S.p.A (€18 million[178]).

Below is the evolution of the Group's allocated capital[179] compared to 2023 and its distribution among the SBUs.

(€bn)



* other includes the purchase of treasury shares, the coupon on the hybrid bond, the recognition of put options for the purchase of minority interests and the change in the IFRS 2 reserve

Allocated capital at 31 December 2024 amounted to €11.5 billion, an increase of €0.6 billion compared to 31 December 2023, mainly due to the 2024 profit for the year of €2 billion, partially offset by dividends for the year of €1.4 billion (partly distributed through an interim dividend of €0.4 million in November). The Group's allocated capital is mainly attributed to the Insurance Services (45%) and Financial Services (27%) SBUs.

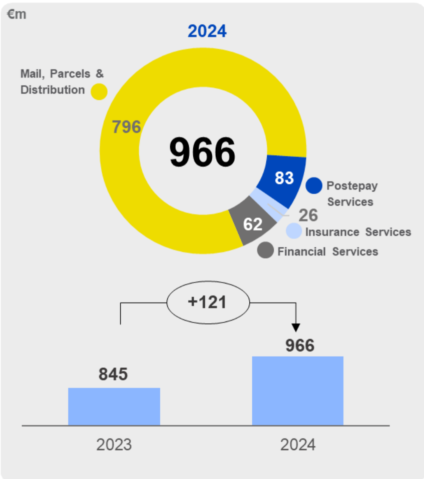
[178] Cost of acquisition of the equity investment (€17.7 million), recorded in the consolidated financial statements at a value of €17.4 million.
[179] Equity indicator represented by Group equity net of fair value and cash flow hedge reserves and including coupons accrued on the hybrid perpetual bond as well as dividends to shareholders accrued in the current year. Please refer to the alternative performance indicators in Section 7.2 "Other Information" in this Report on Operations.

6.6 Group financial position and cash flow

€m	31 December 2024	31 December 2023	Changes	
NON-CURRENT ASSETS	6,468	6,195	+272	+4.4%
NET WORKING CAPITAL	1,408	1,096	+312	+28.5%
GROSS INVESTED CAPITAL	**7,876**	**7,291**	**+585**	**+8.0%**
PROVISIONS AND SUNDRY ASSETS/LIABILITIES	(510)	(715)	+205	+28.6%
NET INVESTED CAPITAL	**7,366**	**6,578**	**+787**	**+12.0%**
EQUITY	**11,709**	**10,439**	**+1,270**	**+12.2%**
NET DEBT (SURPLUS)/DEFICIT	**(4,344)**	**(3,861)**	**(483)**	**-12.5%**
of which: Net financial position (deficit) of the Mail, Parcels and Distribution SBU	2,846	2,755	+90	+3.3%

The Poste Italiane Group's **non-current assets** at 31 December 2024 amounted to €6,468 million, an increase of €272 million compared with the end of 2023. Investments of €966 million contributed to the formation of fixed assets and an increase in rights of use for new contracts, renewals and contractual changes net of terminations falling within the scope of application of IFRS 16 equal to a total of €194 million. These changes were partially offset by depreciation and amortisation of €929 million.

Also contributing to the balance of this item are equity investments in companies accounted for using the equity method for a total of €332 million; the change compared to 31 December 2023 mainly relates to the recognition of the investments in N&TS Group for €17 million and Locker Italia for €15 million.



The **investments** realised by the Group during 2024 amounted to approximately €966 million. Investments classified as

ESG, i.e. complying with the reference principles of the Group's 8 Pillars of Sustainability, represent roughly 70% of the total value. The main projects include initiatives relating to the Polis Project "Houses of digital citizenship services", the energy efficiency initiatives of the real estate assets, the automation and evolution of the sorting and delivery network from a green perspective, the improvement of the customer experience of the products and services offered to customers from a multi-channel and digital perspective, the evolution of the Cloud infrastructure, as well as the adoption of management systems, equipment and infrastructures in the field of health and safety.

In line with the investment programme for the period 2024-2028, designed to support the objectives of the Strategic Plan called "The Connecting Platform", around 80% of the Group's investments (€796 million) focused on the automation and modernisation of the Mail, Parcels and Distribution Strategic Business Unit.

In particular, the overhaul of the fleet dedicated to delivery continued in 2024, with the introduction of about 2,200 new vehicles, of which about 300 electric, 1,000 hybrid and the remainder low-emission vehicles. At 31 December 2024, the total fleet consisted of about 28,400 new low-emission vehicles, of which about 6,100 are full-green vehicles and about 8,800 are hybrids. In addition, at 31 December 2024, approximately 5,600 electric vehicle charging stations are installed.

Approx. 28,400
low-emission vehicles available in the fleet, of which approximately **6,100 electric**

The main initiatives related to the evolution of the logistics network include the start-up of the SDA HUBs in Piacenza and Caserta in 2024. The strengthening of the network is aimed at enhancing the parcel network in terms of sorting capacity and widespread presence, to support the growth in parcel volumes and the increasing demand for fast delivery. In this regard, in the parcel business segment, work was carried out on the "micro-fulfillment" trial in the Naples sorting centre. The aim of this initiative is to increase customer satisfaction through e-commerce deliveries on the same day of purchase; for details of which please refer to the Period Activities of the Mail, Parcels and Distribution Strategic Business Unit. With regard to contract logistics, the investments made by Poste Logistics in 2024 were geared towards supporting business development by strengthening the technological platform and extending the network. With this in mind, investments were made in the warehouse in Filago (BG), which will be the logistics control centre for the 2026 Winter Olympics in Milan Cortina.

Property investments concerned the redevelopment of Post Offices, the creation of new spaces for commercial specialists and mobile consultants. In the area of reducing environmental impacts, work continued on the automation and remote control of facility management (more than 150 buildings involved in the Smart Building project in 2024) in order to reduce electricity consumption and CO_2 emissions. Work also continued in 2024 on the replacement of conventional lamps with LED technology (roughly an additional 13,120 lamps in 2024) and roughly 270 photovoltaic systems were installed in 2024, totalling about 580 systems with an installed capacity of around 22,300 KWp.

Approx. 2,150
Buildings involved in the **smart building** investments at 31 December 2024

Approx. 446 thousand
LED lamps installed at 31 December 2024

In 2024, work continued on the routine management of security in the workplace, in particular with the distribution of security equipment at the territorial branches, and on IT security through threat prevention and countering cyber attacks. Work continued on the Poste Italiane video surveillance service for sites not yet served and existing systems were improved by progressively replacing digital video recorders (DVR) and obsolete anti-intrusion control units. In particular, roughly 115 cameras and roughly 275 Intrusion Control Panels were replaced. In addition, the TAPA - FSR (Transported Asset Protection Association - Facility Security Requirements) certification[180] was obtained in 2024 at the Brescia Operations Centre and 8 additional Sorting and Delivery Centres, for a total of 9 sites certified at 31 December 2024.

Within the scope of Technological Transformation and Innovation, the migration of existing services to the new infrastructure based on Hybrid Cloud continued, through a procedure of "containerisation" of application components.

[180] TAPA certification involves the implementation of physical security systems and the adaptation of security systems (access control, video-surveillance, anti-intrusion, etc.) at the logistics sites of Mail, Communication and Logistics, as well as the adoption of specific rules, procedures and audit plans so that what is implemented is aimed at protecting assets and spreading a culture of security, in compliance with company regulations, in order to ensure the reduction of exposure to the risk of theft, compliance with the international TAPA-FSR standard according to which sites will be certified, the maintenance of air security certification (regulated agent, airport handler) and the transport of dangerous goods under ADR (Accord Dangereuses Route - road) and DGR (Dangerous Goods Regulation - air transport). (Regulatory requirement on civil aviation security Reg. EU 300/2008; Reg. EU 2015/1998 and following).

The most important omnichannel initiatives include the continued migration of the functionalities of the BancoPosta and Postepay apps to the new Poste Italiane app.
During 2024, the integration of artificial intelligence into the business model was also initiated, using a transformative approach, which led to rethinking entire business domains, selecting the areas of greatest value for the company and its customers.
For more details on the features of the new app and the Group's developments in the field of Artificial Intelligence, please refer to section 6.4 "Digital and third-party physical networks in the Group's omnichannel strategy".

In the Financial Services Strategic Business Unit, investments totalled €62 million and mainly concerned the continuation of initiatives aimed at streamlining sales and after-sales processes, with a view to simplification and omnichannel delivery. Actions were taken to support the Premium customer segment by enhancing the offer (third-party funds) and the related service model (opening Libretto Smart books outside the office and differentiating membership profiles). With regard to Postal Savings, improvements have been made on the deposit side to optimise its commercial proposition and customer-side use (management of "Deposito Super Smart" as a single product). Action was also taken on the digital channels for consulting and selling postal savings products, continuing with the migration of services within the new Poste Italiane app.

In the Insurance Services Strategic Business Unit, during 2024 the development of the Investment and Protection offering and the integrated advisory model continued, to contribute to the evolution of the service model. The digitisation process aimed at service excellence was also further developed through the continuation of omnichannel customer engagement, optimisation of after-sales processes and the service model, and digitisation of products and services. Finally, the process of integrating Net Insurance S.p.A. and Net Insurance Life S.p.A. into the Poste Vita Group continues. Total investments in 2024 amounted to €26 million.

Investments in the period of the Postepay Services Strategic Business Unit amounted to €83 million. In the ESG area, in particular with reference to the Green Challenge initiative[181], the back-end components for the Donation[182] and Carbon Footprint[183] services and the front-end web and app components of the Donation solution were created. In the issuing area, specific functionalities were released in the app to change the shipping address of expiring PostePay cards. In the acquiring area, functionalities were released to manage Dynamic Currency Conversion (DCC) at Poste Italiane ATMs and some VPOS functionalities, such as the "Pay with Postepay" button in AppIO, the "fast check out" button and the "Pay by Link" service. Developments also continued in support of the fixed and mobile network offer, with the goal of boosting market competitiveness. In particular, with regard to the Fibre offer, developments were completed for the extension of sales in Post Offices to the Small Economic Operators (POE) target.

For more details on the initiatives aimed at accelerating the digitisation processes and omnichannel use of the offerings of the various Strategic Business Units, please refer to section 6.4 "Digital and third-party physical networks in the Group's omnichannel strategy".

Net working capital at 31 December 2024 amounted to €1,408 million and increased by €312 million compared to the end of 2023 mainly due to:

- decrease related to trade items of €174 million (lower trade receivables of €329 million and trade payables of €155 million);
- net increase of approximately €326 million resulting from changes in other assets and liabilities;

[181] The ESG Green Challenge project aims to strengthen Poste Italiane's positioning in the ESG sphere, raise awareness among retail customers of environmental sustainability issues and guide them towards consumption choices that minimise their impact on the environment, as well as develop awareness and use of Poste Italiane Group's "green" products and services. The programme will be made available to customers on Poste Italiane's digital properties, such as the poste.it website and the Poste Italiane app.
[182] Donation platform that allows Poste Italiane customers to make donations to Associations and Third-Party Organisations, selected by Poste Italiane, through the use of debit or prepaid Postepay cards.
[183] Services to measure and assess the ecological impact on the environment in terms of CO_2 equivalent, by Postepay card holder customers, analysing consumption and usage profiles of PostePay business services (payments, telco and energy).

- increase in current net tax receivables of €155 million.

The balance of **Provisions and Sundry Assets/Liabilities** at 31 December 2024 amounted to €510 million and decreased by around €205 million, mainly due to the decrease of €312 million in the provision for risks and employee termination benefits, partially offset by lower net deferred tax assets for €108 million.

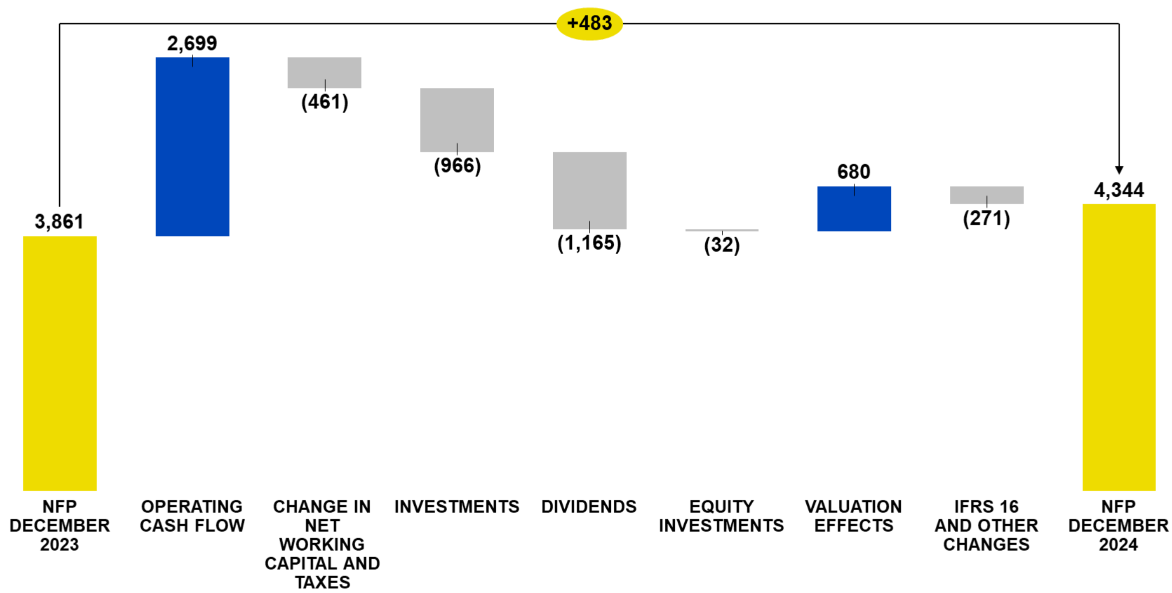
Equity at 31 December 2024 amounted to €11,709 million, an increase of €1,270 million compared to 31 December 2023. This change is mainly attributable to:

- the positive effect of the consolidated profit of €2,013 million;
- the negative effect from the distribution of dividends in the amount of €1,165 million (of which €427 million as interim ordinary dividend planned for the financial year 2024);
- the net positive change in the fair value reserve, net of the reserve for insurance contracts, of about €393 million.

Total net debt/(funds) at 31 December 2024 showed funds of €4,344 million, an improvement of €483 million from 31 December 2023 (funds of €3,861 million).

Group Net Debt/(Funds)

(€m)



The following mainly contributed to this change:

- a positive operating result of €2,699 million (of which €2,013 million attributable to consolidated profit and €929 to amortisation/depreciation partially offset by the net uses in provisions for risks and employee termination benefits and other minor changes totalling €243 million, mainly due to the use of the provision for tax credits);
- the negative effect of the change in working capital (€196 million) and taxes (€265 million) totalling €461 million;
- investments in fixed assets for €966 million;
- the negative effect from the distribution of dividends in the amount of €1,165 million (of which €427 million as interim ordinary dividend planned for the financial year 2024);
- the positive valuation effects for the year amounting to €680 million, mainly attributable to positive fluctuations in the value of investments classified as FVTOCI, held mainly by the Financial Services Strategic Business Units, and residually by the other SBUs;
- equity investments of approximately €32 million related to the acquisition of N&TS and the establishment of Locker Italia;
- other decreases totalling €271 million, mainly attributable to the increase in financial liabilities for leases falling under IFRS 16 for €230 million and, residually, to the purchase of treasury shares and coupons paid to holders of hybrid perpetual bonds.

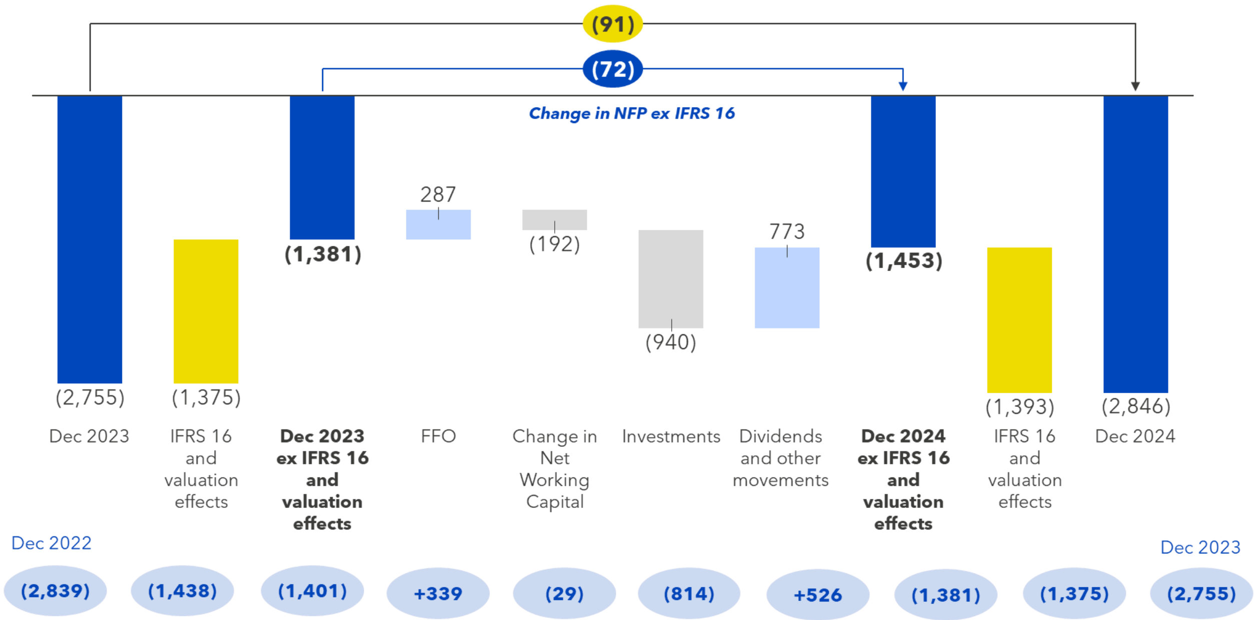
With reference to the financial instruments held by the Financial Services Strategic Business Unit, the overall change in the fair value during the year was positive for approximately €1.1 billion and recognised in the specific equity reserve for a positive €0.6 billion for the part not covered by fair value hedge instruments and €0.5 billion for the part covered in the statement of profit or loss, offset by the negative change in fair value hedging derivative instruments.

At 31 December 2024, the total balance of fair value hedge derivatives was positive for €1.9 billion (€3.6 billion at 31 December 2023).

In addition, as part of these hedging transactions, the Parent Company showed an overall decrease in liabilities for Guarantee Deposits of about €1.3 billion (€1.5 billion at 31 December 2024), mainly due to the reduction in fair value hedge derivatives following early extinguishment transactions.

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

(€m)



The **Net debt/(funds) of the Mail, Parcels and Distribution Strategic Business Unit** at 31 December 2024 showed a debt of €2,846 million (€1,453 million net of lease liabilities and valuation effects), essentially in line with the values at 31 December 2023, when it showed a debt of €2,755 million (€1,381 million net of lease liabilities and valuation effects). Net of lease liabilities and valuation effects, the negative change amounted to €72 million and reflected:

- a positive operating management (FFO) in the amount of €287 million due to the negative result for the year of €88 million and the net change in the provisions for risks, employee termination benefits and other minor items in the amount of €237 million(effect of the use of the provision for tax credits), which was more than offset by depreciation and amortisation (excluding rights of use) in the amount of €612 million;
- a negative effect related to the change in net working capital and taxes of €192 million mainly due to the change in current and deferred taxes;
- new investments in fixed assets for €940 million;
- a net positive cash flow from dividends and other changes of about €773 million mainly due to the net effect of dividends received from companies (€1,902 million) and paid to shareholders outside the Group (€1,161 million).

The **Payables** shown in the net debt/(funds) of the Mail, Parcel and Distribution Strategic Business Unit primarily relate 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 maturing in May 2028;
- a Council of Europe Development Bank loan of €125 million maturing in December 2030;
- a Council of Europe Development Bank loan of €115 million maturing in January 2031;
- an EIB loan of €450 million maturing in November 2031 (taken out in the fourth quarter of 2024);
- a senior unsecured bond issued on 10 December 2020 in the amount of €500 million maturing in December 2028 (the total nominal value of the bonds issued on 10 December 2020 was €1 billion: in December 2024, the first tranche was repaid in the amount of €500 million).

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

Description (€m)	At 31.12.2024	At 31.12.2023
A. Cash and cash equivalents	(617)	(650)
B. Cash equivalents	-	-
C. Other current financial assets	(9)	(6)
D. Liquidity (A + B + C)	**(626)**	**(656)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	323	813
F. Current portion of the non-current financial payable	5	1
G. Current financial debt (E + F)	**328**	**814**
H. Net current financial debt (G + D)	**(298)**	**158**
I. Non-current financial debt (excluding current portion and debt instruments)	2,533	2,058
J. Debt instruments	499	498
K. Trade payables and other non-current payables	11	15
L. Non-current financial debt (I + J + K)	**3,043**	**2,571**
M. Total financial debt (H + L)	**2,745**	**2,729**

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

Description (€m)	At 31.12.2024	At 31.12.2023
M. Total financial debt (H + L)	**2,745**	**2,729**
Non-current financial assets	(562)	(647)
K. Trade payables and other non-current payables	(11)	(15)
Tax credits Law no. 77/2020	(282)	(407)
Net debt/(funds)	**1,890**	**1,661**
Intersegment financial receivables and borrowings	957	1,094
Net debt/(funds) including intersegment transactions	**2,846**	**2,755**

Existing cash and credit lines are sufficient to cover expected financial requirements. More specifically, at 31 December 2024, the cash and cash equivalents of the Mail, Parcels and Distribution Strategic Business Unit amounted to €0.6 billion (relating mainly to the Parent Company), while unused committed and uncommitted lines (short-term loans) to support liquidity totalled approximately €3.7 billion.

The table below provides details of the credit lines at 31 December 2024 and 31 December 2023.

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023
Committed credit lines	**2,750**	**2,450**
Short-term loans	2,750	2,450
Uncommitted credit lines	**2,265**	**2,201**
Short-term loans	910	960
Current account overdrafts	185	185
Unsecured loans	1,170	1,056
Total	**5,015**	**4,651**
Uncommitted uses	**682**	**569**
Short-term loans	-	-
Unsecured loans	682	569
Total	**682**	**569**

6.7 Performance of Poste Italiane SpA and Report on Operations of BancoPosta RFC

6.7.1 Operating results of Poste Italiane SpA

Reclassified profit or loss

(€m)	2024	2023	Changes	
Revenue from sales and services	10,504	9,880	+624	+6.3%
Other income from financial activities	247	271	(24)	-8.9%
Other operating income	1,453	1,003	+450	+44.8%
Revenues	**12,204**	**11,155**	**+1,050**	**+9.4%**
Total personnel expenses	5,318	5,348	-30	-0.6%
Other operating expenses	4,197	3,505	+692	+19.7%
Costs	**9,517**	**8,853**	**+664**	**+7.5%**
EBITDA	**2,689**	**2,302**	**+387**	**+16.8%**
Depreciation, amortisation and impairments	810	773	+36	+4.7%
EBIT	**1,879**	**1,528**	**+351**	**+23.0%**
Adjusted EBIT*	**2,236**	**1,528**	**+708**	**+46.3%**
EBIT MARGIN	**15.4%**	**13.7%**		
Finance income/(costs)	63	90	-27	-30.5%
Gross profit	**1,942**	**1,619**	**+324**	**+20.0%**
Taxes	60	229	(169)	-73.9%
Net profit	**1,882**	**1,390**	**+493**	**+35.5%**

* For the reconciliation between EBIT and adjusted EBIT, please refer to the reconciliation table in the section Alternative Performance Indicators in Chapter 7.2 "Other information".

The **total revenue** generated by Poste Italiane S.p.A. in 2024 amounted to €12,204 million, up 9.4% compared to the previous year (€11,155 million in 2023), achieved in a macroeconomic scenario still characterised by uncertainty related to the ongoing Russian-Ukrainian and Israeli-Palestinian conflicts and the continuation of inflationary dynamics with an impact on the population's purchasing habits and savings capacity.

Revenue and income increased by €624 million (+6.3%) compared to 2023, mainly due to the contribution of revenue from financial services, which increased by €389 million (+6.1%) compared to 2023, as well as the contribution of revenue from postal services, which increased by €210 million (+6.7%) compared to 2023; the latter is substantially attributable to the growth of the parcels business supported by the steady acceleration of the Business to Consumer/Business (B2X) component and, in particular, the positive performance of the e-commerce segment. The growth in income from financial services is mainly driven by higher income from deposits in postal current accounts and unrestricted cash (mainly related to higher income from securities investments), as well as higher income from the placement of financing products.

The year-on-year decrease of €24 million (-8.9%) in **Sundry Income from Financial Operations** was mainly due to lower realised gains on financial instruments at FVTOCI, partially offset by higher realised gains on financial instruments at Amortised Cost (of which €20 million from the early extinguishment of repurchase agreements).

The increase in **Other revenue and income** of €450 million (+44.8%) was mainly due to higher dividends distributed by subsidiaries during the year (in particular by Poste Vita SpA and PostePay SpA, up €300 million and €262 million, respectively), which offset the reduction in capital gains on disposals, which in 2023 benefited from the capital gain of approximately €91 million generated by the sale of the controlling interest in sennder.

Total costs, net of depreciation and amortisation, increased from €8,853 million in 2023 to €9,517 million in 2024 (+€664 million), due to the increase in other operating costs (+€692 million compared to 2023) partially offset by lower total labour costs (-€30 million compared to 2023).

The **total personnel expenses** decreased by €30 million (-0.6%) compared to 2023. This change is attributable to the decrease in the extraordinary component, partially mitigated by the growth in the ordinary component. The change in the extraordinary component takes into account the additional and extraordinary performance bonus paid in November 2023 (approximately €130 million accrued in 2023) and the lower provisions in 2024 for leaving incentives compared to the previous year. The growth in the ordinary component compared to the previous year was mainly due to the increase in contractual minimums that was triggered in July 2023, the accrued portion of the one-off payment made in September 2024 (provided for in the new national collective labour agreement signed on 23 July 2024), as well as the variable performance-related component.

The increase in **other operating costs** (up €692 million over 2023) is primarily due to: i) the overall increase in the items Adjustments/reversals of debt instruments, receivables and other assets and Other costs and expenses, primarily due to the portion of non-recurring costs (€341 million) related to the results of the voluntary risk analysis on tax credits carried out in 2024 (for further information see note A10 - Tax credits Law 77/2020 in the Poste Italiane's Financial Statements) and BancoPosta's contribution in 2024 to the Life insurance guarantee fund (€16 million); ii) higher costs of goods and services (+€278 million) attributable primarily to increased costs for air and road transport services for mail and logistics and delivery related to the parcels segment, as well as increased costs for the purchase of energy and gas relating to buildings used for operating purposes iii) higher financial operating expenses (+€50 million) mainly attributable to higher interest on repurchase agreements and greater losses on the sale of financial instruments at FVTOCI and Amortised Cost.

Depreciation, **amortisation and impairments** increased by €36 million (+4.7%) compared to the previous year, mainly due to higher amortisation of Intangible Assets (€19 million) and depreciation of Property, Plant and Equipment (€14 million).

Income taxes declined from €229 million in 2023 to €60 million in 2024, a decrease of €169 million; the balance in 2024 takes into account the tax benefit arising from the deductibility for IRES purposes of the expenses relating to the tax credits recognised in 2022, 2023 and 2024 on the basis of the confirmation received from the Agenzia delle Entrate (Italian Revenue Agency) on 22 November 2024 (for further details, please refer to notes C.11 Income Taxes and A 10 Tax Credits Law no. 77/2020 in the section Poste Italiane's Financial Statements).

Poste Italiane SpA's net profit for the year ended 31 December 2024 was €1,882 million (€1,390 million in 2023).

6.7.2 Financial position and cash flow of Poste Italiane SpA

NET INVESTED CAPITAL AND RELATED HEDGING

(€m)	31 December 2024	31 December 2023	Changes	
Tangible assets	2,558	2,348	+210	+8.9%
Intangible assets	1,139	1,053	+87	+8.2%
Right-of-use assets	845	970	(126)	-12.9%
Investments	3,694	3,695	(1)	n.s.
Non-current assets	**8,236**	**8,066**	**+170**	**+2.1%**
Trade receivables and Other receivables and assets	5,423	5,556	(133)	-2.4%
Trade payables and Other liabilities	(4,950)	(5,328)	+377	+7.1%
Current tax assets/(liabilities)	50	(81)	+130	n.s.
Total net working capital	**525**	**148**	**+378**	**n.s.**
Gross invested capital	**8,761**	**8,214**	**+547**	**+6.7%**
Provisions for risks and charges	(999)	(1,228)	+229	+18.7%
Employee termination benefits	(547)	(608)	+61	+10.0%
Prepaid/deferred tax assets/(liabilities)	535	656	(122)	-18.5%
Net invested capital	**7,748**	**7,033**	**+715**	**+10.2%**
Equity	**6,746**	**5,653**	**+1,093**	**+19.3%**
of which Profit for the year	*1,882*	*1,390*	*+493*	*+35.5%*
of which Fair value reserve	*(483)*	*(825)*	*+342*	*+41.4%*
Financial liabilities	94,687	96,863	(2,176)	-2.2%
Financial assets	(81,675)	(81,272)	(403)	-0.5%
Tax credits Law no. 77/2020	(7,005)	(8,318)	+1,313	+15.8%
Cash and deposits attributable to BancoPosta	(4,290)	(4,671)	+380	+8.1%
Cash and cash equivalents	(715)	(1,222)	+506	+41.4%
Net debt/(funds)	**1,002**	**1,380**	**(378)**	**-27.4%**

n/s: not significant

Poste Italiane SpA's **net invested capital** amounted to €7,748 million at 31 December 2024 (€7,033 million at 31 December 2023).

Non-current assets amounted to €8,236 million, an increase of €170 million compared with 2023. Investments in tangible and intangible assets of €887 million also contributed to the formation of non-current assets, partly offset by amortisation, depreciation and impairments of €583 million. Right-of-use assets recorded a negative change of €126 million, which took into account acquisitions for new contracts during the year of €83 million (mainly related to new contracts for real estate, the rental of company vehicles used for mail and parcel delivery, and mixed-use vehicles), positive adjustments of €38 million for the renewal of contracts in place at the beginning of the year and contractual changes that occurred during the year, disposals (€20 million) related to the early termination of existing contracts with respect to their natural maturity date, and depreciation and amortisation for the year of €226 million. The value of equity investments shows a decrease of €1 million compared to 31 December 2023 mainly attributable to the effect: i) of the incorporation, on 18 April 2024, of the company Locker Italia S.p.A., owned by Poste Italiane S.p.A. and Deutsche Post International BV with equal stakes of 50% respectively (capital of €15 million subscribed by Poste Italiane S.p.A.), ii) of the incorporation, on 4 March 2024, of Poste Logistics S.p.A, whose share capital is fully subscribed by Poste Italiane S.p.A., for €0.5 million; iii) the incorporation, on 9 May 2024, of Postego S.p.A., a wholly-owned subsidiary of Poste Italiane, for €0.5 million, iv) the incorporation, on 25 June 2024, of SPV Cosenza S.p.A, a company 95% owned by Poste Italiane S.p.A. and 5% owned by Plurima S.p.A., for €1 million, and v) the adjustment of the value of the investment in Financit S.p.A. for €19 million following the result of the impairment test on the same.

Net working capital at 31 December 2024 amounted to €525 million and increased by €378 million compared to the end of 2023. The following mainly contributed to this change:

- lower trade receivables and other receivables and assets of €133 million mainly due to the combined effect of i) lower trade receivables of €299 million, essentially attributable to both the reduction in receivables from Ministries and Public Entities due to the release of the collections relating to the tariff supplements applied in the years 2020, 2021, 2022 and the first three quarters of 2023 (€195 million that until 31 December 2023 were shown under other liabilities for advances received by virtue of the unavailability constraint) and the collection in March 2024 of an additional €20 million relating to the last quarter of 2023, and the reduction in receivables from private customers for mail and parcel services (€80 million); ii) higher other receivables and assets of €167 million mainly related to higher withholding agent receivables and the portion of the one-off payment made to employees in September 2024 to cover the first eight months of 2025 (€54 million);

- lower trade payables and other liabilities in the amount of €377 million, mainly related to lower trade payables as a result of the offsetting of payables for advances received with receivables for Refunds of Publisher tariff subsidies, following the release of the related collections (€195 million);
- an increase in current tax assets (net of related liabilities) of €130 million; this change takes into account the tax benefit arising from the deductibility for IRES purposes of the negative components related to tax credits, including the benefit on charges recognised in the years 2022 and 2023.

The balance of **Provisions for risks and charges** amounted to €999 million (€1,228 million at the end of December 2023) and mainly includes provisions for early retirement incentives of €243 million (€283 million at 31 December 2023) which reflects the estimate of liabilities that the Company committed to irrevocably incur, for voluntary redundancy incentive benefits, under the current arrangements agreed with the trade unions, as a result of a certain number of personnel taking voluntary early retirement by 31 December 2026 and the provision for tax credit risks pursuant to Law 77/2020 amounting to €232 million (€400 million as at 31 December 2023) for tax credit risks. The balance also includes the Provision for disputes with third parties established to cover expected liabilities deriving from different types of legal and out-of-court disputes with suppliers and third parties, the related legal expenses, and administrative sanctions, penalties and indemnities payable to customers. At 31 December 2024, the provision amounts to €190 million (€209 million at 31 December 2023). Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled. The Provisions for personnel expenses amounts to €148 million (€131 million at the end of December 2023) and was established to cover expected liabilities arising in relation to the cost of labour, which are certain or likely to occur in the future but whose estimated amount is subject to change. They have increased during the year to reflect the estimated value of new liabilities (€138 million) and decreased as a result of past contingent liabilities that failed to materialise (€27 million) and settled disputes (€94 million). The provision for operational risks relating to liabilities arising from transactions conducted within BancoPosta and amounted to €79 million at 31 December 2024, a decrease of €95 million compared with the balance at 31 December 2023. Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.

The net balance of **Deferred tax assets/(liabilities)** at 31 December 2024 was a positive €535 million (€656 million at 31 December 2023); the change for the year is largely attributable to the effect of lower net deferred tax assets, mainly due to net positive fair value changes related to financial instruments classified in the FVTOCI category partially mitigated by the tax effect related to the outcomes of the voluntary risk analysis on tax credits performed during the 2024 financial year (higher deferred tax assets).

Equity amounted to €6,746 million and increased by €1,093 million compared to the previous year, mainly due to the positive effect of the profit for the year (€1,882 million), the movement in the fair value reserve (+€342 million), which essentially reflects the fluctuations (positive and/or negative) from the valuation of investments classified in the FVTOCI category, and the movement in the cash flow hedge reserve (+€45 million). These positive changes are partially offset by the payment of the 2023 balance and 2024 interim dividend to shareholders (€1,156 million) and the purchase of treasury shares during the year (€23 million).

ESMA Financial debt of Poste Italiane SpA's Capital outside the ring-fence

(€m)	At 31 December 2024	At 31 December 2023
A. Cash and cash equivalents	(482)	(564)
B. Cash equivalents	-	-
C. Other current financial assets	(42)	(61)
D. Liquidity (A+B+C)	**(524)**	**(625)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	1,190	2,105
G. Current portion of non-current debt	5	1
G. Current financial debt (E + F)	**1,195**	**2,106**
H. Net current financial debt (G + D)	**671**	**1,481**
I. Non-current financial debt (excluding current portion and debt instruments)	2,165	1,720
J. Debt instruments	499	498
K. Trade payables and other non-current payables	11	15
L. Non-current financial debt (I + J + K)	**2,675**	**2,233**
M. Total financial debt (H + L)	**3,346**	**3,714**

Reconciliation of financial debt ESMA

(€m)	At 31 December 2024	At 31 December 2023
M. Total financial debt (H + L)	**3,346**	**3,714**
Non-current financial assets	(942)	(1,001)
K. Trade payables and other non-current payables	(11)	(15)
Tax receivables Law no. 77/2020	(282)	(407)
Net Debt/(Funds) Industrial	**2,111**	**2,291**
Intersegment financial receivables and payables	640	366
Net debt/(funds) for capital outside ring-fence including intersegment transactions	**2,751**	**2,657**

6.7.3 Reporton operations of BancoPosta RFC

CORPORATE GOVERNANCE AT BANCOPOSTA RFC

With regard to BancoPosta RFC's governance, the rules governing the organisation, management and control of BancoPosta's operations are contained in the specific **BancoPosta RFC Regulation** approved by the Extraordinary General Meeting of 14 April 2011 and recently amended by the Extraordinary General Meeting of 29 May 2018. As a result of the issuance by the Bank of Italy on 27 May 2014 of an update to the Prudential Supervisory Provisions for Banks, the provisions for banks on the organisational and governance structure, the accounting and control system and the capital adequacy and risk containment institutions apply to BancoPosta RFC.

Further information regarding the corporate governance structure is provided in Poste Italiane's "Report on Corporate Governance and the Ownership Structure", approved from time to time by the Board of Directors and published in the "Governance" section of the Company's website.

BancoPosta also has an **"Organisational and Operational Regulation"** (ROF) approved by the Board of Directors of Poste Italiane, the latest update of which dates back to 20 June 2024. These regulations describe BancoPosta's operating model, its organisational structure and the related responsibilities assigned to the various functions, as well as the processes for assigning BancoPosta's business functions to Poste Italiane and for outsourcing BancoPosta RFC.

During 2024, the process of "Governance of Assignments and Outsourcing" of BancoPosta RFC continued, with respect to the areas of supervision of assigned and/or outsourced activities, both in relation to the actions included in the Bank of Italy's 2022 Action Plan and in line with the provisions of the 40th update of Bank of Italy Circular 285.

In the course of 2024, within the scope of the Operating Guidelines[184], with the aim of overseeing and strengthening the methods of dialogue with the Assigned Functions, the **Operational Committees** continued with the Functions of Poste Italiane for the

[184] Contracts whereby BancoPosta RFC assigns operational or control activities to functions of Poste Italiane. The Operating Guidelines

2023 and 1st, 2nd and 3rd quarters of 2024 (Private Market, Digital Technology & Operations, Information Security, Funds Movement, Corporate and Public Administration Market, Administration, Finance and Control, Legal Affairs, Privacy, Communication, Anti-Money Laundering, CERT also for Business Continuity Management, Fraud Management and Human Resources and Organisation). In addition, we highlight the continuation of the Key Performance Indicator (KPI) monitoring activities aimed at strengthening the monitoring of the assigned services; in this regard, the initiatives to automate the Performance Indicators, previously identified, were also concluded, and the annual assessment of the KPI target thresholds was completed in order to assess the appropriateness of revising them.

In the area of outsourcing, regular meetings were held with BancoPosta Fondi SGR, which provides BancoPosta with the service of managing investment portfolios on an individual basis on behalf of third parties, and with PostePay, which manages products such as utility bills, car tax stamps, RAV, credit transfers, money orders, money orders, eurogiros, passbook cards and the payments platform. In addition, quarterly monitoring of Important Essential Functions (FEI) outsourcings was conducted and the template of the Outsourcing Service Level Agreement (SLA) Verification Report was supplemented with privacy monitoring.

During 2024, the risk profile assessments were successfully completed for outsourcing for the provision of the PSD2 passive gateway service, back office assessment and campaign management, BancoPosta Financial Management (BancoPosta Fondi SGR), for the Contract Service (PostePay), for Back Office services in the financial area (SIAED and CNI), for printing and enveloping services (Postel), for SaaS services in the PSD2 active area (Tink AB) and for CNED (Kyndryl Italia).

Again as regards outsourcing, in 2024 the following were completed:

- the renewal of the Essential or Important Functions (FEI) contract between Bancoposta and PostePay for collection and payment services, and between Poste Italiane's functions and third-party providers, including those belonging to the Poste Italiane group, within the scope defined by the Operating Guidelines for printing and enveloping services (Postel), transport of valuables, BancoPosta Financial Management (BancoPosta Fondi SGR) and the system integration and back-office contract specialised in the Premium advanced advisory solution (Previnet);
- extensions for the outsourcing contract for global custody services (BNP Paribas) and for the Service Contract (PostePay);
- the extension and contractual update for the contract with the supplier "BlackRock Investment Management".

In April 2024, in accordance with the deadlines set by the Supervisory Authority, the Report on Outsourcing referring to December 2023 was sent out, which collects information on outsourcing contracts useful for assessing the main outsourcing risks arising from situations of concentration of service providers, the spread of the phenomenon of sub-outsourcing and the increasing use of cloud computing.

With reference to the 40th update of Circular 285, the activity of adjusting the contracts to the minimum requirements for outsourcing was completed in 2024, as well as the analysis carried out with the DTO Assigning Function, to identify the scope of the agreements with "ICT Third Parties" for which it is necessary to proceed with contractual additions.

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establish, among other things, the applicable levels of service and transfer prices and are effective following an authorisation process involving the relevant functions, the Chief Executive Officer and, where required, the Company's Board of Directors.

BANCOPOSTA RFC FINANCIAL REVIEW

Main indicators	2024	2023
CET 1 CAPITAL [1*]	2,686	2,654
TOTAL CAPITAL [2*]	3,136	3,104
CET 1 RATIO [3*]	19.4%	18.9%
TOTAL CAPITAL RATIO [4*]	22.6%	22.1%
ROA [5]	0.6%	0.6%
ROE [6*]	23.2%	23.0%
Net interest income/Net interest and other banking income [7]	40.5%	37.6%
Operating expenses/Net interest and other banking income [8]	86.2%	85.5%

[1] CET 1 Capital includes the initial equity reserve and non-distributable profit reserves (Tier 1 capital), taking into account the transitional regime (Regulation 2017/2395 EU).

[2] TOTAL CAPITAL includes CET 1 CAPITAL, and Additional Tier 1 capital (AT 1)

[3] The CET 1 Ratio represents the adequacy of Tier 1 capital in terms of Pillar 1 capital requirements (operational, credit, counterparty and market risks).

[4] The TOTAL CAPITAL RATIO represents the adequacy of Total Capital with respect to Pillar 1 risk-weighted exposure (operational, credit, counterparty, exchange).

[5] ROA (Return On Assets) represents the ratio of profit for the period and total assets.

[6] ROE (Return On Equity) represents the ratio of profit for the period and equity after deducting profit for the period and the valuation reserves

[7] Represents the contribution from net interest income as a ratio of net interest and other banking income.

[8] Cost/income ratio is the ratio between Operating costs and Net interest and other banking income.

* Own Funds at 31 December 2024 include a profit provision of €61 million, for which the resolution process has been started.

OPERATING PERFORMANCE

Profit or loss

(€m)	2024	2023	Changes	
Interest and similar income	3,074	2,778	+296	+10.7%
Interest expense and similar charges	(591)	(587)	(4)	-0.7%
Net interest income	**2,483**	**2,191**	**+292**	**+13.3%**
Fee and commission income	3,755	3,670	+85	+2.3%
Fee and commission expense	(200)	(200)	-	-
Net fee and commission income	**3,555**	**3,470**	**+85**	**+2.4%**
Profits/(Losses) on trading and hedging	7	4	+3	+75.0%
Gains (losses) on sale of financial assets or liabilities	90	158	(68)	-43.0%
Net interest and other banking income	**6,135**	**5,823**	**+312**	**+5.4%**
Administrative expenses	(5,302)	(4,973)	(329)	+6.6%
a) personnel expenses	(37)	(35)	(2)	+5.7%
b) other administrative expenses	(5,265)	(4,938)	(327)	+6.6%
Net operating expenses	**(5,302)**	**(4,973)**	**(329)**	**-6.6%**
Net operating result	**833**	**850**	**-17**	**-2.0%**
Net allocations to provisions for risks and charges and other operating income and expenses	11	(4)	+15	n.s.
Net impairment losses/reversals of impairment losses due to credit risk	2	(12)	+14	n.s.
Current pre-tax result	**846**	**834**	**+12**	**+1.4%**
Taxes	(231)	(233)	+2	+0.9%
PROFIT (LOSS) FOR THE PERIOD	**615**	**600**	**+15**	**+2.5%**

n.s.: not significant.

In 2024, **BancoPosta RFC** recorded net profit of €615 million, an increase compared to €600 million in the previous year.

Interest income, deriving mainly from the yield on securities lending, interest-bearing deposits with the MEF, tax credits, repurchase agreements and collateralisation on derivatives, totalled €3,074 million, up 10.7% from €2,778 million in 2023. The change in the item is mainly due to higher income from securities investments and the related derivatives portfolio.

Interest expense, which is mainly attributable to current account transactions, repo transactions and collateralisation of derivative transactions, amounted to €591 million, up slightly from €587 million in 2023 (+€4 million, +0.7%). The positive change was mainly due to an increase in interest on repo transactions, almost entirely offset by a reduction in interest expenses on collateralisation of derivative transactions.

Commission income totalled €3,755 million, up 2.3% from €3,670 million in 2023 (+€85 million). The positive change mainly reflects the effect of an improvement in commissions for the placement of insurance policies, loans and mutual funds. Revenue from the postal savings collection business decreased slightly.

Fee and commission expenses amounted to €200 million, in line with last year, and mainly comprised commissions for service contracts signed with other group companies.

The **Net profits/(Losses) on trading and hedging**, amounting to €7 million, mainly includes the change in fair value of the Visa Incorporated class A and C convertible shares held in the portfolio, the change in fair value of the forward sale derivative contract for the shares themselves, the ineffectiveness component of the hedging derivatives in place, as well as the economic effects generated by derivative instruments to operationally hedge the remuneration related to the Public Administration's funding.

Financial assets generated **net capital gains** of €90 million, down 43% from €158 million in 2023 (-€68 million); the balance for 2024 includes €70 million related to sales of securities already held in the portfolio and €20 million related to early extinguishment of repurchase agreements.

Net operating costs, which totalled €5,302 million, mainly included: administrative expenses of €5,265 million, up 6.6% from €4,938 million in 2023 (+€327 million), and personnel expenses of €37 million (+5.7% from 2023).

Net provisions for risks and charges and Other operating income and expenses showed a balance of +€11 million compared with -€4 million in the previous year and included: (i) releases of Provisions for risks and charges of €9 million, which compares with the release of €8 million in 2023; (ii) Other operating income and expenses, which showed a positive balance of €2 million, an improvement compared with the negative balance of €12 million in 2023.

Net adjustments and reversals for credit risk amounted to +€2 million, an improvement of €14 million compared to the previous year, mainly due to the release of the provision for Expected Credit Losses on the securities portfolio.

After taxes of €231 million (€233 million in 2023), 2024 closes with a **Profit for the year** of €615 million.

Resoruces of Bancoposta RFC

BancoPosta's average workforce, all permanent employees, at 31 December 2024 comprised 418 staff (6 more than the 412 of the previous year) and was composed as follows:

Average number in full-time equivalent terms	2024	2023
Executives	28	26
Middle managers	322	313
Operational staff	68	73
Total	**418**	**412**

At 31 December 2024, BancoPosta has 10 Level II functions, including: 3 Marketing Functions (Private Marketing, Corporate and Public Administration Marketing and Premium and Private Marketing), the Channel Product Support Function, dedicated to the training of commercial channels for the offer of financial and insurance services, 3 Staff Functions (Administration, Planning and Control, BancoPosta Processes and Technical Secretariat) and 3 Control Functions (Compliance, Internal Auditing and Risk Management).

In 2024, a new Level II Marketing function was established, dedicated to Premium and Private customers (previously managed under Private Marketing) to ensure the full exploitation of the commercial potential of these customers, which represents a strategic lever for achieving the objectives of the new Business Plan.

A number of initiatives were also implemented to redefine the internal organisational structure of the Compliance, Internal Auditing and Operating Processes functions, the latter being renamed "BancoPosta Processes".

Furthermore, within BancoPosta, the Financial Services and Insurance Committee is active, which has the objective of addressing, in line with the Product Governance process, issues related to the development and distribution of products and services placed by BancoPosta, with a view to a unified and integrated vision of the entire offering portfolio, as well as overseeing the performance of financial investments relating to funding from private customers and the public administration. The Committee is chaired by the Head of BancoPosta and meets in two sections: "Products" and "Financial Investments".

The Financial Services and Insurance Committee met a total of 22 times during 2024 (15 for the Products Section; 7 for the Investments Section); 3 written consultations were also produced for the Products Section.

At 31 December 2024, around 23,900 hours of technical/specialist, regulatory/compulsory and behavioural/managerial training had been provided to BancoPosta staff via classroom, webinar and e-learning platforms.

FINANCIAL POSITION AND CASH FLOW

Statement of financial position

Assets (€m)	**31 december 2024**	**31 december 2023**	**Changes**	
Cash and cash equivalents	4,333	4,732	(399)	-8.4%
Financial assets measured at fair value through profit or loss	34	26	+8	+30.8%
Financial assets measured at fair value through other comprehensive income	33,645	33,069	+576	+1.7%
Financial assets measured at amortised cost	45,829	44,562	+1,267	+2.8%
Hedging derivatives	2,679	4,257	(1,578)	-37.1%
Tax assets	499	642	(143)	-22.3%
Other Assets	9,799	10,857	(1,058)	-9.7%
TOTAL ASSETS	**96,818**	**98,145**	**(1,327)**	**-1.4%**

Liabilities and equity €m)	**31 december 2024**	**31 december 2023**	**Changes**	
Financial liabilities measured at amortised cost	89,012	90,964	(1,952)	-2.1%
Financial liabilities held for trading	8	3	+5	+166.7%
Hedging derivatives	1,348	1,136	+212	+18.7%
Tax liabilities	315	266	+49	+18.4%
Other liabilities	2,681	2,833	(152)	-5.4%
Employee termination benefits	2	2	-	-
Provisions for risks and charges	143	163	(20)	-12.3%
TOTAL LIABILITIES	**93,509**	**95,367**	**(1,858)**	**-1.9%**
Valuation reserves	(366)	(841)	+475	+56.5%
Equity instruments	450	450	+0	+0.0%
Reserves	2,610	2,569	+41	+1.6%
Net profit/(Loss) for the year (+/-)	615	600	+15	+2.5%
TOTAL EQUITY	**3,309**	**2,778**	+531	+19.2%
TOTAL LIABILITIES AND EQUITY	**96,818**	**98,145**	**(1,327)**	**-1.4%**

Assets are represented by cash and cash equivalents, financial assets and hedging derivatives, tax assets and other assets.

Cash and cash equivalents amounted to €4,333 million, down by 8.4% compared to €4,732 million at 31 December 2023 (-€399 million) ,and includes primarily cash at post office counters and companies that provide cash transportation services, totalling €4,199 million (€3,969 million in 2023), and cash deposited with the Bank of Italy to settle interbank transactions, totalling €126 million (€696 million in 2023). The main decrease was primarily attributable to deposits with the Bank of Italy as a result of a change in the allocation of deposits in order to improve their yield.

Financial assets at fair value through profit or loss, which amounted to €34 million, are attributable to the fair value of 32,059 Visa Incorporated Series C Convertible Participating Preferred Stock and 583 Visa Incorporated Series A Preferred Stock, whose change with respect to 31 December 2023 is represented in the Profits/(losses) on financial assets and liabilities measured at fair value through profit or loss.

Financial assets at fair value through other comprehensive income amounted to €33,645 million, up 1.7% from €33,069 million at 31 December 2023 (+€576 million). The increase in this item is mainly due to the improvement in the fair value of the securities portfolio, partially offset by the negative effect of net sales of securities compared to the previous year.

At €45,829 million, financial assets measured at amortised cost increased by 2.8% from €44,562 million at 31 December 2023 (+€ 1,267 million). The increase in this item is mainly due to the positive effect of the value of the securities portfolio and the increase in loans and deposits with the MEF, partially offset by the reduction in repurchase agreements. The change in loans and deposits with the MEF is mainly attributable to an increase in deposits with the public administration.

Hedging derivatives with positive fair value at 31 December 2024 amounted to €2,679 million (€4,257 million at 31 December 2023, down -€1,578, or -37.1%). Overall, the total change in hedging derivatives (assets and liabilities) was a negative €1,789 million. This decrease is mainly attributable to the dynamics of IRS fair value hedges and, in particular, to early extinguishment transactions (-€1,391 million) occurring in 2024, the settlement of differentials (-€294 million) and a slight decrease in fair value (-€87 million). The overall change in fair value related to cash flow hedges (-€17 million) is less significant.

Tax assets amounted to €499 million, a decrease of €143 million (-22.3%) compared to 31 December 2023, mainly due to deferred tax assets resulting from changes in valuation reserves in equity.

Other Assets fell by 9.7% from €10,857 million at 31 December 2023 to €9,799 million at 31 December 2024 (-€1,058 million), mainly attributable to lower lending and higher offsets of tax credits acquired from customers (pursuant to Law Decree no. 34/2020 then converted into Law no. 77/2020), partially offset by an increase in tax credits.

The principal liabilities are represented by financial liabilities, hedging derivatives, tax liabilities, other liabilities and provisions.

Financial liabilities measured at amortised cost amounted to €89,012 million (€90,964 million at 31 December 2023, -€1,952 million) and include: (i) amounts due to customers of €81,479 million (€80,628 million at 31 December 2023, +€851 million) attributable to deposits through current accounts, repurchase agreements and payables for deposits as collateral for amounts paid by counterparties; (ii) amounts due to banks of €7,533 million (€10,336 million at 31 December 2023, -€2,803 million) also relating, in this case, to current account transactions and repurchase agreements and payables for deposits as collateral for amounts paid by counterparties. The change from the previous year is mainly attributable to the reduction in payables for deposits for collateral and the lower use of repurchase agreements, partially offset by higher deposits from customers through postal current accounts.

Financial liabilities held for trading, amounting to €8 million, represent the fair value of derivative instruments entered into to hedge the Visa shares mentioned above.

Hedging derivatives with negative fair value relating to securities in the portfolio amounted to €1,348 million (€1,136 million at 31 December 2023, an increase of €212, or +18.7%). The reasons for the change are described in Hedging Derivatives with Positive Fair Value.

Tax liabilities amounted to €315 million, an increase of €49 million compared to €266 million at year-end 2023.

Other liabilities amounted to €2,681 million (€2,833 million at 31 December 2023, -€152 million), and mainly include items of a tax nature by way of withholding agent and items in progress.

The provision for employee termination benefits, amounting to €2 million, is in line with the amount at 31 December 2023.

Provisions for risks and charges, which include amounts set aside to cover disputes and charges with personnel, customers and third parties in general, as well as various risks arising from BancoPosta's operations, amounted to €143 million, down €20 million on the previous year.

BancoPosta RFC at 31 December 2024 amounted to €3,309 million (€2,778 million at 31 December 2023, +€531 million). The positive change was mainly due to the €475 million adjustment of Valuation Reserves, which went from -€841 million at 31 December 2023 to -€366 million at 31 December 2024, the improvement of which is related to the fair value performance of Financial assets.

The other components of equity showed more moderate trends, with the Reserve for BancoPosta RFC increasing by 1.6% from €2,569 million at 31 December 2023 to €2,610 million at 31 December 2024 (+€41 million). The increase is attributable to undistributed earnings for the year 2023, partially offset by interest expenses, net of tax effects, accrued on Equity instruments.

Equity instruments did not change from the figure recorded at 31 December 2023 and amounted to €450 million. They include €350 million for a subordinated, perpetual loan with a non-call period of 8 years granted to BancoPosta by the Parent Company on 30 June 2021 and €100 million for another subordinated, perpetual loan with a non-call period of 5 years granted by the BancoPosta capital outside the ring-fence on 30 June 2023. The terms and conditions of both contracts allow it to be counted as Additional Tier 1 capital.

Lastly, the net profit of €615 million at 31 December 2024 contributes to the determination of Equity.

BancoPosta RFC's internal control and risk management system

The elements that characterise BancoPosta's Control Area[185], understood as the general context in which company resources carry out their activities and perform their responsibilities, are primarily represented by:

- the Group **Code of Ethics**;
- the **Organisational Model pursuant to Legislative Decree no. 231/2001** and the related corporate procedures;
- the **organisational structure of BancoPosta**, as reflected in organisational charts, service orders, organisational notices and procedures determining the roles and responsibilities of the various functions;
- the **General Regulation governing the process of assignment and outsourcing of BancoPosta RFC**, which respectively regulates the assignment of RFC operations to Poste Italiane functions in terms of decision-making processes, the minimum content of operating guidelines, levels of services, information flows and control procedures, and the process of outsourcing BancoPosta functions to third parties of the Poste Italiane organisation, identifying the related operational phases and the roles and responsibilities of the various bodies and functions involved in the process;
- the **guideline in the Internal Control and Risk Management System (also "SCIGR"),** describing the roles and duties of BancoPosta RFC's control Functions, and the procedures for coordinating and ensuring the exchange of information between these Functions and Poste Italiane's control Functions and the flow of information to corporate bodies;
- the **system used for delegating powers** to function heads in accordance with their responsibilities.

With regard to BancoPosta's structure, the organisational model in place provides for control functions that are autonomous and independent with respect to the corresponding functions of Poste Italiane, as well as with respect to BancoPosta's operational functions, in accordance with the provisions of specific Bank of Italy supervisory regulations: **Risk Management, Compliance and Internal Auditing.** The risk assessment techniques, methods, controls and periodic audit findings are shared amongst the above control functions to promote synergies and take advantage of the specific expertise available. It is also planned that BancoPosta, also in the context of controls, will make use of the other functions of Poste Italiane, in line with the Regulation for the process of assigning and outsourcing BancoPosta RFC mentioned above.

In compliance with the regulatory requirements contained in the Supervisory Provisions of the Bank of Italy and Consob to which BancoPosta is subject, in early 2025 BancoPosta's Internal Auditing function prepared its **2024 Annual Report,** the

[185] Represents one of the most relevant components of the internal control system, i.e. a body of rules, procedures and organisational structures, which aim to prevent or limit the consequences of unexpected events and enable the achievement of strategic, operating objectives, compliance with the relevant laws and regulations, and ensure the fairness and transparency of internal and external reporting.

document which aims to provide periodic information to the various corporate bodies on the completeness, adequacy, functionality and reliability of the overall system of BancoPosta controls.

The Report was prepared on the basis of the findings of the audit activities carried out by the function and set out in the **2024 Audit Plan**. The report contains information on the outcomes of the audit of the services contracted out by BancoPosta to Poste Italiane's Functions under operating guidelines and the activities outsourced to providers external to the Company. The activity revealed a situation of overall adequacy with the highlighting of certain aspects of attention addressed by management with specific strengthening actions.

The Annual Report, presented to the Board of Statutory Auditors and the Board of Directors, was subsequently submitted to the Bank of Italy. The specific section regarding investment services was, on the other hand, submitted to the Consob.

The final audits were in part performed with reference to the findings of Poste Italiane's Internal Auditing function, which is responsible, in accordance with the specific operating guidelines for the IT audit and the audit of the local units and distribution channels within Poste Italiane's network, which are responsible for BancoPosta's processes and products.

Internal Auditing has also drawn up the **Annual (2025) and Multi-year (2025-2027) Audit Plan**, based on a risk assessment process designed to ensure adequate coverage of BancoPosta's Business Process Model, including risks, changing aspects of the business, regulatory issues and BancoPosta's organisational structures. This Plan has been presented to the Board of Statutory Auditors and submitted for the attention of the Board of Directors.

Lastly, it should be noted that Internal Auditing concluded with a positive outcome, the planned audit and certification of the reinforcement measures defined in response to the results of the Bank of Italy's inspections conducted from 14 March 2022 to 15 July 2022 concerning, in particular, BancoPosta's profitability and business model, governance and control systems, and interest rate risk management methods.

Risk management system

BancoPosta has an independent Risk Management unit, responsible for ensuring, among other things, in collaboration with the Group Risk and Compliance Function, an integrated, retrospective and prospective view of the risk environment and of BancoPosta capital and organisational adequacy. The function provides a detailed evaluation of the risk profile of the financial products sold to customers and provides the operational and business functions involved in product development and placement with advice and support. It is also responsible for periodic reporting. During the first half of 2024, the Risk Appetite Framework[186](RAF) was updated and the Annual Report on 2023 and the Programme of Activities for 2024, as well as the ICAAP-ILAAP(Internal Capital Adequacy Assessment Process - Internal Liquidity Adequacy Assessment Process) Report[187] for 2023 and the Public Risk Disclosure for the year 2023 were presented to the Board of Statutory Auditors, the Control and Risk Committee and the Board of Directors. In the area of the risk of money laundering and terrorist financing, the function conducted, with the support of the Group Anti-Money Laundering function, the annual risk assessment process which, through the periodic self-assessment, identifies the plan of initiatives to strengthen the procedures and second-level controls aimed at reinforcing the prevention system; the periodic self-assessment included in the Annual Anti-Money Laundering Report was sent - following approval by the Board of Directors in April - to the Supervisory Authority; in addition, in September BancoPosta's Anti-Money Laundering Guidelines were updated and approved by the Board of Directors in line with the Group's guidelines; finally, in November 2024 the new BancoPosta AML/CFT Prevention Procedure was published. Quarterly, moreover, the corporate bodies were informed about the

[186] The BancoPosta RAF consists of a framework that defines, in keeping with the maximum acceptable risk, the business model and strategic plan, the risk appetite, risk tolerance thresholds, risk limits and risk management policies, together with the processes needed to define and implement them.
[187] Bank of Italy defines the internal processes for determining capital adequacy in the Supervisory Provisions for Banks Part One - Transposition of CRD IV Directive Title III - Prudential Control Process Chapter 1 - Prudential Control Process.

development of the actual risk profile compared to the defined propensity. The principal types of risk to which BancoPosta RFC is exposed in the course of its ordinary activities are described below:

- credit risk (including counterparty risk);
- market risk (including banking book rate risk);
- liquidity risk;
- operational risk.

As regards the development of relevant risks, 2024 was characterised by a slight reduction in Italian government bond yields (10-year BTP 3.52% at the end of 2024, -18 bps since the beginning of the year) and a reduction in the 10-year BTP-Bund spread (115 bps at the end of 2024, 52 bps lower than at the beginning of the year).

The evolution of rates and spreads led to a reduction in net losses at portfolio level from around €3.3 billion at the end of December 2023 to €2.0 billion at 31December 2024.

With regard to BancoPosta's capital structure, the Leverage Ratio stood at 3.3% at 31 December 2024, above the target level of 3.0%, the CET 1 Ratio at 19.4% and the Total Capital Ratio at 22.6%, confirming BancoPosta's capital strength. Details of the various areas of risk and the methods used for their measurement and prevention are provided in the Poste Italiane's Annual Report for the year ended 31 December 2024.

BancoPosta RFC events after 31 December 2024

No significant events occurred after the end of the financial year that would have an impact on the result.

Outlook

In the area of retail current accounts, in the first quarter of 2025, promotions will continue with dedicated codes for openings from digital channels and from Post Offices, and the gradual qualification of Poste Casa&Famiglia points for opening current accounts.

From the beginning of 2025, the closure of the international post giro service is noted, following the discontinuation of the Eurogiro platform operated by Inpay A/S, the company that owns this platform.

In addition, as of 9 January 2025, in order to facilitate full accessibility by customers to the Instant Credit Transfer service and in accordance with the provisions of SEPA Regulation (EU) 260/2012 (as amended by EU Regulation 2024/886) on Instant Euro Credit Transfers, Instant SEPA Credit Transfer fees have been equalised to those for the ordinary SEPA Credit Transfer.

Moreover, during the first quarter of 2025, the offer of digital services linked to retail accounts is enriched by offering the possibility of ordering SEPA/permanent giro transfers also from BancoPosta Internet Banking and SEPA/permanent giro transfers for tax deductions also from the Poste Italiane App; the offer of digital services linked to the BancoPosta Business Link account is also enriched by offering the possibility of ordering SEPA/permanent and deferred giro transfers also from PosteBusiness Internet Banking and App.

The promotional campaign for new openings of the BancoPosta Business Link current account will also continue. The promotion, which started on 16 January 2025 and will end on 16 December 2025, provides for a zero account fee for a period of 6 or 12 months for those who have active or activate, and settle on the account, an MPOS Postepay or a Postepay Tandem POS Physical or SmartPOS Postepay service, respectively.

In the area of payments, the revision of the entire Sepa Instant Credit Transfer (SCT inst) continued, in order to ensure, in addition to the requirements of the regulations in terms of greater usability and flexibility of instant payments, also, among others, the necessary anti-fraud, anti-money laundering and corporate security safeguards.

With regard to business financing, the offer will be further enhanced by introducing the "Phygital" model. The initiative envisages the enabling of the physical channel for the placement of business financing products currently placed online, through the development of new functionalities aimed at enabling the possibility of initiating the request at the post office with subsequent completion of activities on the digital channel independently by the customer.

In the area of postal savings, with the aim of supporting the collection and facilitating the generational change of the customer base, a project is being launched that will allow, at the same time as the sale of a PostePay/Bancoposta current account card, offer of the opening of a Libretto Smart through a single streamlined process. Development activities aimed at improving the customer experience through evolution of the current procedures supporting the sale and management of postal savings products in both the physical and digital channels also continue. In addition, placements aimed at acquiring new liquidity and maturity conversion will continue during the year. With regard to Investments, the expansion of the range of offerings continues with the launch of new products. Specifically, the placement of new insurance policies in the Multiramo range is planned, as well as the launch of new funds for both Affluent and Premium targets.

For the protection segment, in order to meet the specific needs of Premium customers, the "Poste Vivere Protetti" personal and wealth line will be restyled.

In Protection, on-line channels for life and asset risk underwriting will be enabled in the second quarter of 2025. The rates of some covers will also be revised to improve their profitability.

In the area of Pension, the proposal phase of the Individual Pension Plan (PIP) product, already in place, will be improved to better meet customer needs. In the area of motor insurance, provision will be made for the possibility of renewing motor insurance policies on-line.

Reference should also be made to the Poste Italiane Group's business outlook reported in Chapter 3 of this document for further information on the business outlook for the Financial Services Strategic Business Unit and BancoPosta.

OTHER INFORMATION

Related party transactions

Information on transactions between BancoPosta and its related parties is provided in Poste Italiane's Financial Statements for the year ended 31 December 2024 (BancoPosta RFC's Separate Report, Part H of the notes).

Separate financial statements

Poste Italiane S.p.A.'s statement of financial position includes the Supplementary Statement of BancoPosta RFC, prepared pursuant to art. 2, paragraph 17-undecies of Law 10 converting Law Decree no. 225 of 29 December 2010 which states that "the assets and relationships included in RFC are shown separately in the company's statement of financial position".

Intersegment transactions

Intersegment transactions between BancoPosta and Poste Italiane functions outside the ring-fence are set out in Poste Italiane Financial Statements for the year ended 31 December 2024 (BancoPosta RFC's Separate Report, Part A of the notes).

7. Proposed shareholder resolutions and other information

7.1 Proposed shareholder resolutions

The Board of Directors proposes that the Shareholders' Meeting approve the 2024 draft financial statements of Poste Italiane S.p.A. (including BancoPosta RFC's Separate Report), accompanied by the Directors' Report on Operations (including the Sustainability Statement pursuant to Legislative Decree 125/2024).

Considering the current dividend policy, it is expected the Board of Directors will propose the following to the Ordinary Shareholders' Meeting:

- to allocated BancoPosta RFC's profit for the year of €614,956,640 as follows:
  - €61,000,000 to the "Profit reserve";
  - €553,956,640 for possible distribution available to Poste Italiane;
- to appropriate Poste Italiane S.p.A.'s profit for 2024, amounting to €1,882,349,708, as follows:
  - to "Profit reserves" of BancoPosta RFC for €61,000,000;
  - €7,546,584 to the reserve called "Retained earnings", share not available for distribution[188];
  - to the distribution to the Shareholders, as a dividend, the amount of €1.08 for each ordinary share in circulation on the ex-dividend date indicated above, excluding portfolio treasury shares on that date;
  - the remaining amount after the distribution to the Shareholders, to the available reserve named "Retained Earnings";
- to distribute the above dividend of €1.08 per share as follows:
  - the amount of €0.33 for each of the ordinary shares outstanding on the ex-dividend date, excluding treasury shares in portfolio, as interim dividend, already paid from 20 November 2024 for a total amount of €427,223,741;
  - the amount of €0.75 for each of the ordinary shares outstanding on 23 June 2025, the day scheduled as the ex-dividend date, excluding treasury shares in the portfolio on that date as balance of the dividend.

7.2 Other information

SIGNIFICANT EVENTS AFTER 31 DECEMBER 2024

Events after the end of the reporting period to which the 2024 Annual Report refers are described in other sections of this document. Further information is provided in Poste Italiane Financial Statements for the year ended 31 December 2024.

RELATED PARTY TRANSACTIONS

Details of the impact of related party transactions on the financial position and profit or loss are provided in Poste Italiane Financial Statements for the year ended 31 December 2024.

SIGNIFICANT TRANSACTIONS

- Poste Italiane S.p.A.'s Board of Directors, in its meeting of 3 May 2023, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 2 May 2023, approved the transaction concerning the amendment, for the years 2023 and 2024, of the Agreement between Poste Italiane S.p.A. - BancoPosta RFC and Cassa Depositi e Prestiti S.p.A. governing the postal savings collection service. The parties subsequently consolidated the terms of the Amendment to the Agreement with reference to the terms applicable to the year 2023 only, and the Amendment Deed was finalised on 30 January 2024. The value of the Amended Agreement for the year 2023 is

[188] The amount of €7,546,584 refers to the income not available for distribution recognised in profit and loss for the fair value measurement of Visa Preferred Stock shares which - in application of Legislative Decree 38/2005 - cannot be the subject of distribution until actually realised.

between €1.55 (floor) and €1.85 (cap) billion in total, with a finalised value for the year 2023 of approximately €1.7 billion, while the total value of the Agreement for the period 2021 - 2024, as amended, is between €6.50 and €7.05 billion. On 6 February 2024, the relevant Information Document was made available to the public at the Company's registered office, at Borsa Italiana S.p.A., on the Company's website, as well as on the website of the authorised storage mechanism "eMarket Storage". Poste Italiane S.p.A.'s Board of Directors, in its meeting of 15 May 2024, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 13 May 2024, authorised the signing of the **new Agreement between Poste Italiane S.P.A.** - **BancoPosta RFC and Cassa Depositi e Prestiti S.p.A.** governing the postal savings collection service for the three-year **period 2024-2026**. The value of the agreement, within the reference time horizon of 3 years, is in the range of €4.65 to €5.70 billion. The agreement was finalised on 1 August 2024 and the Information Document relating to the transaction was made available to the public on 5 August 2024 at the Company's registered office, at Borsa Italiana S.p.A., on the Company's website, as well as on the website of the authorised storage mechanism "eMarket Storage".

- At its meeting of 13 December 2023, Poste Italiane S.p.A.'s Board of Directors, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 12 December 2023, passed the Framework Resolution **authorising financial transactions with the counterparty Cassa Depositi e Prestiti S.p.A.** up to a maximum total amount of €2 billion and for a duration of one year starting from **1 January 2024.** In particular, financial transactions relate to the spot purchase and sale of Euro-government and/or Italian government-guaranteed securities and repurchase agreements for lending and funding to be carried out within the limits of the "Poste Italiane Financial Management" Guidelines, the BancoPosta Risk Appetite Framework and/or the resolutions of the Board of Directors. Financial operations take the form of support activities for BancoPosta ordinary operations and are therefore of an ordinary nature within the meaning of Consob regulations. No transactions were carried out in 2024 to implement the Framework Resolution.
- At its meeting of 12 December 2024, Poste Italiane S.p.A.'s Board of Directors, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 10 December 2024, passed the Framework Resolution **authorising financial transactions with the counterparty Cassa Depositi e Prestiti S.p.A.** up to a maximum total amount of €2 billion and for a duration of one year starting from **1 January 2025.** In particular, financial transactions relate to the spot purchase and sale of Euro-government and/or Italian government-guaranteed securities and repurchase agreements for lending and funding to be carried out within the limits of the "Poste Italiane Financial Management" Guidelines, the BancoPosta Risk Appetite Framework and/or the resolutions of the Board of Directors. Financial operations take the form of support activities for BancoPosta ordinary operations and are therefore of an ordinary nature within the meaning of Consob regulations.
- At its meeting of 13 December 2023, Poste Italiane S.p.A.'s Board of Directors, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 12 December 2023, passed the Framework Resolution authorising **financial transactions with the counterparty Banca Monte dei Paschi di Siena S.p.A. up to** a maximum total amount of €4 billion and for a duration of one year starting from **1 January 2024**. In particular, financial transactions relate to the spot and forward purchase and sale of government and/or Italian government-guaranteed securities, repurchase agreements for lending and funding, and hedging financial derivatives to be carried out within the limits of the Poste Italiane Financial Management Guidelines, BancoPosta's Risk Appetite Framework and/or the resolutions of the Board of Directors. Financial operations take the form of support activities for BancoPosta ordinary operations and are therefore of an ordinary nature within the meaning of Consob regulations. In 2024, 12 interest rate swap transactions were carried out to hedge interest rate risk and 19 transactions to buy and sell government bonds for a total amount of €1,074.6 million in implementation of the Framework Resolution. The transactions were concluded at market conditions.
- At its meeting of 12 December 2024, Poste Italiane S.p.A.'s Board of Directors, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 10 December 2024, passed the Framework Resolution

authorising financial transactions with the counterparty Banca Monte dei Paschi di Siena S.p.A. up to a maximum total amount of €4 billion and for a duration of one year starting from **1 January 2025**. In particular, financial transactions relate to the spot and forward purchase and sale of government and/or Italian government-guaranteed securities, repurchase agreements for lending and funding, and hedging financial derivatives to be carried out within the limits of the Poste Italiane Financial Management Guidelines, BancoPosta's Risk Appetite Framework and/or the resolutions of the Board of Directors. Financial operations take the form of support activities for BancoPosta ordinary operations and are therefore of an ordinary nature within the meaning of Consob regulations.

- Poste Italiane S.p.A.'s Board of Directors, in its meeting of 13 December 2023, having obtained the favourable opinion of the Related and Connected Parties Committee issued on 12 December 2023, approved the stipulation of the **three-year distribution agreement between Poste Italiane S.P.A. - Assets BancoPosta and Poste Vita S.p.A.** for the placement of insurance products. The Distribution Agreement, which qualifies as a Transaction of Greater Importance in the ordinary course of business and on market- or standard-equivalent terms, has an estimated value of approximately €2,277 million for the total term of the agreement (**1 January 2024 - 31 December 2026**). The Agreement was signed on 30 January 2024.

STATEMENT OF RECONCILIATION WITH EQUITY

The statement of reconciliation of the Parent Company's profit/(loss) for the period and Equity with the consolidated amounts at 31 December 2024, compared with the statement at 31 December 2023, is included in Poste Italiane Financial Statements for the year ended 31 December 2024 (Notes to the Poste Italiane Group's financial statements – Equity).

EXCEPTIONAL AND/OR UNUSUAL TRANSACTIONS

Under the definition provided by the CONSOB ruling of 28 July 2006, the Poste Italiane Group did not conduct any exceptional and/or unusual transactions[189] in 2024.

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.

Please refer to the Annual Report for the main alternative performance indicators used:

ALLOCATED CAPITAL: equity indicator represented by Group equity net of fair value and cash flow hedge reserves and including coupons accrued on the hybrid perpetual bond as well as dividends to shareholders accrued in the current year.

NET WORKING CAPITAL: this indicator represents the sum of inventories, trade receivables and other receivables and assets, current tax assets, trade payables and other liabilities, and current tax liabilities.
This indicator is also shown separately for each Strategic Business Unit.

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

NET INVESTED CAPITAL: this indicator represents the sum of non-current assets and net working capital, deferred tax assets, deferred tax liabilities, provisions for risks and charges and severance pay. This indicator is also shown separately for each Strategic Business Unit.

[189] Such transactions are defined as transactions that due to their significance/materiality, the nature of the counterparties, the purpose of the transaction, the manner of determining the transfer price and timing of the transaction may give rise to doubts over the correctness and/or completeness of the disclosures in the financial statements, over a conflict of interest, safeguards for the Company's financial position and protections for non-controlling shareholders.

CET 1 CAPITAL*:* consists of Primary Tier 1 capital, as defined in Regulation (EU) no. 575/2013, and includes the Capitalised Earnings Reserve created upon appropriation of assets and the Retained Earnings Reserves, taking into account the transitional regime.

CET 1 RATIO: this ratio measures the adequacy of Tier 1 capital with respect to the 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).

PROTECTION COMBINED RATIO (net of reinsurance): technical indicator of protection business, determined as the ratio of total costs incurred (claims and claims adjustment expenses, net reinsurance expenses, attributable/non-attributable operating expenses and other technical expenses and income) to gross insurance revenue.

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

EBIT (Earnings Before Interest and Taxes): this is an indicator of operating profit before financial expenses and taxation.

ADJUSTED EBIT: the algebraic sum of the operating and intermediation result (EBIT), excluding the cost of the provision for the Life Insurance Guarantee Fund and extraordinary costs and income, as shown in the table below.

(€m)	2024
Group EBIT	**2,546**
Overall adjustment	**415**
of which charges for BancoPosta contribution to the Life Insurance Guarantee Fund	*16*
of which charges for Poste Vita contribution to the Life Insurance Guarantee Fund	*58*
of which extraordinary charges resulting from the outcome of the voluntary risk analysis on tax credits	*341*
Group Adjusted EBIT	**2,961**

(€m)	2024
EBIT Mail, Parcels and Distribution SBU	**(237)**
Charges for contribution to the Life Insurance Guarantee Fund	0
Extraordinary charges resulting from the outcome of the voluntary risk analysis on tax credits	341
EBIT Adjusted Mail, Parcels and Distribution SBU	**104**

(€m)	2024
Financial Services SBU EBIT	**884**
Charges for BancoPosta contribution to the Life Insurance Guarantee Fund	16
Extraordinary charges resulting from the outcome of the voluntary risk analysis on tax credits	0
Financial Services SBU Adjusted EBIT	**900**

(€m)	2024
Insurance Services SBU EBIT	**1,371**
Charges for Poste Vita contribution to the Life Insurance Guarantee Fund	58
Extraordinary charges resulting from the outcome of the voluntary risk analysis on tax credits	0
Insurance Services SBU Adjusted EBIT	**1,429**

(€m)	2024
EBIT Poste Italiane SpA	**1,879**
Charges for BancoPosta contribution to the Life Insurance Guarantee Fund	16
Extraordinary charges resulting from the outcome of the voluntary risk analysis on tax credits	341
EBIT Adjusted Poste Italiane SpA	**2,236**

EBIT margin*:* this is an indicator of the operating performance and is calculated as the ratio of operating profit (EBIT) to total revenue.

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

FUND FROM OPERATIONS *(FFO)*: financial indicator represented by the Group's net result, adjusted for non-monetary costs and revenue (depreciation and amortisation, Expected Credit Loss - ECL of receivables, financial expenses from discounting) and the net change in provisions for risks and severance pay. In the Mail, Parcels and Distribution SBU, the indicator is also neutralised by the IFRS 16 effect (amortisation and financial expenses) and includes financial outlays for rents.

LAPSE RATE: this is an indirect measure of customer loyalty. It is based on lapses during the period as a percentage of average statutory technical provisions of the period.

It is calculated as a percentage of Lapses/Average civil technical provisions (linearised over 12 months in the intermediate periodic situations).

LEVERAGE RATIO: this is the ratio between Total Capital (Own Funds) and total assets, the latter including adjustments for derivatives and off-balance sheet exposures.

CLIENT TOTAL FINANCIAL ASSETS: they represent the amount of assets/liabilities managed or administered by the Group and are obtained from the sum of Postal Savings collected by the Parent Company in the name and on behalf of Cassa Depositi e Prestiti, deposits on postal current accounts, and assets managed by the subsidiary BancoPosta Fondi S.p.A. SGR, as well as the investments made on behalf of customers in investment products other than the above (equities, bonds, Moneyfarm products, etc.) and the Insurance Technical Provisions of the Life insurance business, which represent the obligations taken on vis-à-vis policyholders and tariff premiums net of loadings. The presence within this indicator of Insurance Technical Provisions, calculated analytically contract by contract, in accordance with the application rules set out in Annex 14 of ISVAP Regulation no. 22 of 4 April 2008 (Mathematical Provisions[190]), i.e., in accordance with the standards for preparing the statutory financial statements of Poste Vita S.p.A., does not make it possible to perform a reconciliation with the insurance obligations presented in the financial information for the period.

NET FINANCIAL POSITION OF THE GROUP: the sum of financial assets, tax credits pursuant to Law no. 77/2020, BancoPosta Cassa e Depositi, cash and cash equivalents, liabilities for insurance contracts, assets for reinsurance transfers and financial liabilities. This indicator is also shown separately for each Strategic Business Unit.

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 (ESMA32-382-1138 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 STRATEGIC BUSINESS UNIT AS PER IFRS 16: calculated as the net financial position of the Mail, Parcels and Distribution Services Strategic Business Unit excluding the financial liabilities for leasing (IFRS 16) and the fair value and cash flow hedge reserves.

AVERAGE PORTFOLIO RETURN EXCLUDING PRO-ACTIVE PORTFOLIO MANAGEMENT (%): Average portfolio yield calculated as the ratio between interest income and average current account balances (excluding the value of proactive portfolio management).

POSTEPAY SERVICES SBU REVENUE NET OF ENERGY COSTS: this is an indicator of the operating performance of the Postepay Services Strategic Business Unit, within which the new business involving the sale of electricity and natural gas is represented. This indicator is calculated by subtracting the costs associated with the purchase of raw materials and the transport of electricity and gas from the revenue of the entire SBU.

ROE (Return On Equity): calculated as the ratio between the Net result and the average value of the Group's "Equity" (net of fair value and cash flow hedge valuation reserves) at the beginning and at the end of the reporting period.

[190] In addition to the Mathematical Provisions, the Insurance Provisions also include provisions for future expenses, supplementary insurance premium provisions, profit-sharing provisions and reversals.

RWA (Risk Weighted Assets): this indicator measures the risk exposure of assets in accordance with Basel 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.

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

TOTAL CAPITAL (OWN FUNDS): consists, as defined by Regulation (EU) no. 575/2013, of the sum of Tier 1 capital, consisting of CET 1 Capital and Additional Tier 1 capital (AT1, which for BancoPosta includes the hybrid instrument contributed by Poste Italiane), and Tier 2 capital (not relevant for BancoPosta).

TOTAL CAPITAL RATIO: is the coefficient that expresses the adequacy of Total Capital (Own Funds) with respect to the weighted exposure to Pillar 1 risks (operating, credit, counterparty, exchange rate). Ratio of Total Capital (Own Funds) to 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: calculated by dividing the Group's profit for the year by the weighted average number of Poste Italiane S.p.A. ordinary shares in issue during the period.

APPENDIX

RECLASSIFIED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€m)	2024	2023	Changes		4Q 2024	4Q 2023	Changes	
Revenue	**12,589**	**11,989**	**+600**	**+5.0%**	**3,362**	**3,186**	**+177**	**+5.5%**
of which:								
Mail, Parcels and Distribution Services	3,843	3,746	+97	+2.6%	1,046	991	+55	+5.5%
Financial Services	5,521	5,229	+292	+5.6%	1,474	1,371	+103	+7.5%
of which pro-active management of the securities portfolio	90	158	(68)	-43.1%	73	(10)	+84	n.s.
Insurance Services	1,640	1,567	+73	+4.7%	414	425	(11)	-2.5%
Postepay Services	1,585	1,447	+138	+9.5%	428	399	+29	+7.3%
Costs	**9,188**	**8,558**	**+630**	**+7.4%**	**2,813**	**2,478**	**+335**	**+13.5%**
of which:								
Total personnel expenses	5,135	5,170	(35)	-0.7%	1,408	1,476	(68)	-4.6%
of which ordinary personnel expenses	4,988	4,859	+129	+2.7%	1,275	1,262	+13	+1.1%
of which early retirement incentives	136	171	(35)	-20.5%	132	165	(33)	-20.0%
of which disputes and other extraordinary items	11	140	(129)	-92.2%	0	48	(48)	-99.6%
Other operating expenses	4,053	3,388	+665	+19.6%	1,405	1,002	+403	+40.2%
EBITDA	**3,401**	**3,431**	**(30)**	**-0.9%**	**550**	**708**	**(158)**	**-22.3%**
Depreciation, amortisation and impairments	855	811	+44	+5.4%	225	193	+32	+16.5%
EBIT	**2,546**	**2,620**	**(74)**	**-2.8%**	**325**	**515**	**(190)**	**-36.9%**
EBIT Margin %	**20.2%**	**21.9%**			**9.7%**	**16.2%**		
ADJUSTED EBIT*	**2,961**	**2,620**	**+341**	**+13.0%**	**685**	**515**	**+169**	**+32.9%**
Finance income/(costs)	124	107	+17	+16.2%	49	31	+18	+57.8%
Gross profit	**2,671**	**2,727**	**(56)**	**-2.1%**	**374**	**546**	**(172)**	**-31.5%**
Taxes	658	794	(136)	-17.1%	(44)	135	(179)	-132.5%
Net profit	**2,013**	**1,933**	**+79**	**+4.1%**	**418**	**411**	**+7**	**+1.7%**
Net earnings per share (€)	**1.54**	**1.48**	**+0.06**	**+3.9%**	**0.32**	**0.31**	**+0.00**	**+1.3%**

n.s.: not significant
*Adjusted EBIT does not include the charges for the contribution to the Life Insurance Guarantee Fund (amounting to €74 million in 2024) and the portion of extraordinary expenses, resulting from the outcome of the voluntary risk analysis on tax credits carried out in 2024, amounting to €341 million. For a reconciliation of Reported EBIT and Adjusted EBIT, please refer to the Alternative Performance Indicators in paragraph 7.2 "Other Information".

Reconciliation of Management Revenue with Accounting Revenue

(€m)	2024	2023	Changes		4Q 2024	4Q 2023	Changes	
Group Management Revenue	**12,589**	**11,989**	**+600**	**+5.0%**	**3,362**	**3,186**	**+177**	**+5.5%**
Costs for raw materials, system charges and electricity and gas transport of the energy business for third-party customers	338	140	+199	+142.5%	117	65	+52	+80.5%
Group accounting revenue	**12,927**	**12,128**	**+799**	**+6.6%**	**3,480**	**3,251**	**+229**	**+7.0%**

Reconciliation of Management Operating Costs with Accounting Operating Costs

(€m)	2024	2023	Changes		4Q 2024	4Q 2023	Changes	
Group management operating costs	**10,042**	**9,369**	**+674**	**+7.2%**	**3,037**	**2,671**	**+367**	**13.7%**
Costs for raw materials, system charges and electricity and gas transport of the energy business for third-party customers	338	140	+199	+142.5%	117	65	+52	+80.5%
Group accounting operating costs	**10,381**	**9,508**	**+873**	**+9.2%**	**3,155**	**2,736**	**+419**	**+15.3%**

CONTRIBUTION OF STRATEGIC BUSINESS UNITS TO THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

December 2024 (€m)	Mail, Parcels & Distribution	Financial Services	Insurance Services	Postepay Services	Adjustments and eliminations	Total
Total revenue	**9,441**	**6,440**	**1,480**	**1,858**	**(6,631)**	**12,589**
Revenue from third parties	3,843	5,521	1,640	1,585	-	12,589
Intersegment revenue	5,597	919	(160)	274	(6,631)	0
Total costs	**9,678**	**5,556**	**109**	**1,330**	**(6,630)**	**10,042**
Total personnel expenses	5,469	51	11	58	(454)	5,135
of which ordinary personnel expenses	5,323	50	11	58	(454)	4,988
of which early retirement incentives	136	0	0	0	-	136
of which disputes and other extraordinary items	11	0	0	0	-	11
Other operating expenses	3,278	101	65	679	(72)	4,053
Depreciation, amortisation and impairments	890	0	2	35	(74)	855
Intersegment costs	41	5,403	31	557	(6,032)	0
EBIT	**(237)**	**884**	**1,371**	**529**	**(0)**	**2,546**
EBIT MARGIN %	**-2.5%**	**13.7%**	**92.6%**	**28.5%**	-	**20.2%**
ADJUSTED EBIT*	**104**	**900**	**1,429**	**529**	**(0)**	**2,961**
Finance income/(costs)	(18)	37	76	30	(0)	124
Gross profit	**(256)**	**921**	**1,447**	**558**	**(0)**	**2,671**
Taxes	(168)	248	414	164	-	658
Net profit	**(88)**	**674**	**1,033**	**394**	**(0)**	**2,013**

* Adjusted EBIT does not include the charges for the contribution to the Life Insurance Guarantee Fund (amounting to €74 million in 2024) and the portion of extraordinary expenses, resulting from the outcome of the voluntary risk analysis on tax credits carried out in 2024, amounting to €341 million. For a reconciliation of Reported EBIT and Adjusted EBIT, please refer to the Alternative Performance Indicators in paragraph 7.2 "Other Information".

INCOME STATEMENTS BY STRATEGIC BUSINESS UNIT

MAIL, PARCELS AND DISTRIBUTION STRATEGIC BUSINESS UNIT

(€m)	2024	2023	Changes		4Q 2024	4Q 2023	Changes	
Revenue	**9,441**	**8,991**	**+450**	**+5.0%**	**2,524**	**2,365**	**+158**	**+6.7%**
Mail	2,120	2,070	+51	+2.4%	541	551	(10)	-1.8%
Parcels	1,586	1,401	+185	+13.2%	459	404	+56	+13.8%
Other revenue	137	276	(139)	-50.4%	46	37	+9	+24.6%
Intersegment revenue	5,597	5,244	+353	+6.7%	1,478	1,374	+103	+7.5%
Costs	**8,788**	**8,190**	**+598**	**+7.3%**	**2,710**	**2,360**	**+350**	**+14.8%**
of which:								
Total personnel expenses	5,469	5,494	(25)	-0.5%	1,492	1,545	(54)	-3.5%
of which ordinary personnel expenses	5,323	5,184	+138	+2.7%	1,359	1,332	+27	+2.0%
of which early retirement incentives	136	171	(35)	-20.5%	132	165	(33)	-20.0%
of which disputes and other extraordinary items	11	139	(129)	-92.2%	0	48	(48)	-99.9%
Other operating expenses	3,278	2,660	+618	+23.2%	1,208	805	+402	+50.0%
Intersegment costs	41	36	+5	+13.6%	11	10	+2	+17.6%
EBITDA	**653**	**801**	**(148)**	**-18.5%**	**(187)**	**5**	**(192)**	**n.s.**
Depreciation, amortisation and impairments	890	844	+47	+5.6%	233	202	+31	+15.6%
EBIT	**(237)**	**(43)**	**(195)**	**n.s.**	**(420)**	**(197)**	**(223)**	**-113.6%**
EBIT Margin %	**-2.5%**	**-0.5%**			**-16.6%**	**-8.3%**		
ADJUSTED EBIT*	**104**	**(43)**	**+146**	**n.s.**	**(79)**	**(197)**	**+118**	+59.8%
Finance income/(costs)	(18)	(5)	(13)	n.s.	12	(10)	+22	n.s.
Gross profit	**(256)**	**(48)**	**(208)**	**n.s.**	**(408)**	**(207)**	**(201)**	**-97.5%**
Taxes	(168)	(2)	(166)	n.s.	(252)	(38)	(214)	n.s.
Net profit	**(88)**	**(46)**	**(42)**	**-91.7%**	**(156)**	**(169)**	**+13**	**+7.5%**

n.s.: not significant

* Adjusted EBIT does not include the portion of extraordinary expenses resulting from the outcome of the voluntary risk analysis on tax credits performed in the financial year 2024. For a reconciliation of Reported EBIT and Adjusted EBIT, please refer to the Alternative Performance Indicators in paragraph 7.2 "Other Information".

FINANCIAL SERVICES STRATEGIC BUSINESS UNIT

(€m)	2024	2023	Changes		4Q 2024	4Q 2023	Changes	
Revenue	**6,440**	**6,095**	**+345**	**+5.7%**	**1,722**	**1,576**	**+146**	**+9.2%**
Pro-active management of the securities portfolio	90	158	(68)	-43.1%	73	(10)	+84	n.s.
Net interest income	2,539	2,244	+295	+13.1%	647	569	+78	+13.8%
Postal savings deposits	1,725	1,740	(15)	-0.8%	450	538	(87)	-16.3%
Collection and payment services	749	764	(14)	-1.9%	204	190	+13	+7.0%
Distribution of loans and other third-party products	236	180	+56	+31.2%	60	47	+13	+26.9%
Asset management	182	144	+38	+26.3%	40	37	+3	+7.7%
Intersegment revenue	919	866	+53	+6.2%	248	205	+42	+20.7%
Costs	**5,555**	**5,232**	**+324**	**+6.2%**	**1,468**	**1,362**	**+106**	**+7.8%**
of which:								
Total personnel expenses	51	45	+6	+12.3%	13	10	+4	+35.9%
of which ordinary personnel expenses	50	45	+6	+13.2%	13	10	+3	+33.5%
Other operating expenses	101	106	(5)	-4.4%	27	23	+4	+19.7%
Intersegment costs	5,403	5,081	+323	+6.3%	1,427	1,329	+98	+7.4%
EBITDA	**885**	**863**	**+22**	**+2.5%**	**254**	**214**	**+40**	**+18.5%**
Depreciation, amortisation and impairments	0	0	+0	+4.9%	0	0	(0)	-1.3%
EBIT	**884**	**863**	**+22**	**+2.5%**	**254**	**214**	**+40**	**+18.5%**
EBIT Margin %	**13.7%**	**14.2%**			**14.7%**	**13.6%**		
ADJUSTED EBIT*	**900**	**863**	**+38**	**+4.4%**	**258**	**214**	**+44**	**+20.3%**
Finance income/(costs)	37	30	+7	+22.5%	3	13	(10)	-78.6%
Gross profit	**921**	**893**	**+28**	**+3.2%**	**257**	**227**	**+30**	**+13.1%**
Taxes	248	246	+2	+0.8%	60	62	(2)	-3.3%
Net profit	**674**	**647**	**+26**	**+4.1%**	**196**	**165**	**+32**	**+19.3%**

n.s.: not significant

*Adjusted EBIT does not include charges for the contribution to the Life Insurance Guarantee Fund (amounting to €16 million in 2024). For a reconciliation of Reported EBIT and Adjusted EBIT, please refer to the Alternative Performance Indicators in paragraph 7.2 "Other Information".

INSURANCE SERVICES STRATEGIC BUSINESS UNIT

(€m)	2024	2023	Changes		4Q 2024	4Q 2023	Changes	
Revenue	**1,480**	**1,419**	**+61**	**+4.3%**	**371**	**393**	**(22)**	**-5.5%**
Insurance revenue from insurance contracts issued	2,036	1,909	+127	+6.6%	574	504	+71	+14.0%
Costs for insurance services arising from insurance contracts issued	(611)	(549)	(62)	-11.2%	(187)	(153)	(34)	-22.0%
Insurance revenue/costs from outward reinsurance	(0)	0	(0)	n.s.	(0)	0	(0)	n.s.
Income and expenses from financial operations and other income/expenses	6,390	6,434	(43)	-0.7%	1,262	3,020	(1,758)	-58.2%
Net financial costs/revenue relating to insurance contracts issued	(6,336)	(6,361)	+25	+0.4%	(1,263)	(2,988)	+1,725	+57.7%
Net financial revenue/costs related to outward reinsurance	-	-	-	-	-	-	-	-
Investment and Pension revenue	**1,479**	**1,432**	**+47**	**+3.3%**	**386**	**382**	**+3**	**+0.8%**
Insurance revenue from insurance contracts issued	788	641	+147	+22.9%	214	175	+39	+22.6%
Costs for insurance services arising from insurance contracts issued	(623)	(508)	(114)	-22.5%	(189)	(134)	(55)	-40.7%
Insurance revenue/costs from outward reinsurance	(32)	(15)	(17)	-111.1%	(4)	(4)	+0	+5.0%
Income and expenses from financial operations and other income/expenses	38	22	+16	+70.6%	9	9	+1	+6.5%
Net financial costs/revenue relating to insurance contracts issued	(23)	(12)	(11)	-86.4%	(6)	(4)	(2)	-42.3%
Net financial revenue/costs related to outward reinsurance	10	5	+5	+99.5%	4	2	+2	n.s.
Other revenue and income*	2	2	+1	+32.2%	1	0	+0	+21.4%
Protection revenue	**161**	**135**	**+27**	**+19.7%**	**28**	**42**	**(14)**	**-32.7%**
Intersegment revenue	(160)	(148)	(12)	-8.1%	(43)	(32)	(11)	-34.6%
Costs	**109**	**59**	**+50**	**+85.6%**	**28**	**18**	**+10**	**+52.5%**
of which:								
Total personnel expenses	11	9	+2	+21.0%	3	1	+1	+113.5%
of which ordinary personnel expenses	11	9	+2	+21.0%	3	1	+1	+113.5%
of which early retirement incentives	0	0	+0	+36.3%	0	0	+0	+36.3%
Other operating expenses	65	20	+45	n.s.	14	11	+4	+36.3%
Intersegment costs	31	28	+3	+10.5%	11	6	+5	+77.3%
EBITDA	**1,373**	**1,362**	**+11**	**+0.8%**	**343**	**375**	**(32)**	-8.4%
Depreciation, amortisation and impairments	2	2	+0	+8.1%	0	0	(0)	-61.1%
EBIT	**1,371**	**1,360**	**+11**	**+0.8%**	**343**	**375**	**(31)**	**-8.4%**
EBIT Margin %	**92.6%**	**95.8%**			**92.5%**	**95.3%**		
ADJUSTED EBIT**	**1,429**	**1,360**	**+69**	**+5.0%**	**358**	**375**	**(17)**	**-4.5%**
Finance income/(costs)	76	50	+26	+51.4%	28	18	+10	+52.4%
Gross profit	**1,447**	**1,410**	**+37**	**+2.6%**	**371**	**393**	**(22)**	**-5.5%**
Taxes	414	417	(3)	-0.7%	98	84	+14	+17.2%
Net profit	**1,033**	**994**	**+40**	**+4.0%**	**273**	**309**	**(36)**	**-11.7%**

n.s.: not significant

*Includes Poste Insurance Broker revenue.

** Adjusted EBIT does not include charges for the contribution to the Life Insurance Guarantee Fund (amounting to €58 million in 2024). For a reconciliation of Reported EBIT and Adjusted EBIT, please refer to the Alternative Performance Indicators in paragraph 7.2 "Other Information".

POSTEPAY SERVICES STRATEGIC BUSINESS UNIT (INCOME STATEMENT WITH NET REVENUE)

(€m)	2024	2023	Changes		4Q 2024	4Q 2023	Changes	
Revenue	**1,858**	**1,710**	**+148**	**+8.6%**	**497**	**467**	**+30**	**+6.4%**
Revenue from third parties	1,585	1,447	+138	+9.5%	428	399	+29	+7.3%
of which Payments	1,180	1,098	+82	+7.5%	322	305	+17	+5.7%
of which TLC	328	331	(3)	-1.0%	83	84	(1)	-0.8%
of which energy	76	17	+59	n.s.	23	10	+13	+122.3%
Intersegment revenue	274	264	+10	+3.8%	69	68	+1	+1.1%
Costs	**1,294**	**1,235**	**+60**	**+4.8%**	**339**	**336**	**+3**	**+0.9%**
of which:								
Total personnel expenses	58	53	+5	+9.3%	16	15	+2	+10.2%
of which ordinary personnel expenses	58	53	+5	+10.3%	16	14	+2	+12.5%
Other operating expenses	679	663	+16	+2.4%	178	179	(1)	-0.3%
Intersegment costs	557	518	+39	+7.5%	144	142	+2	+1.4%
EBITDA	**564**	**476**	**+88**	**+18.5%**	**158**	**131**	**+27**	**+20.6%**
Depreciation, amortisation and impairments	35	36	(1)	-2.7%	10	9	+1	+17.1%
EBIT	**529**	**440**	**+89**	**+20.3%**	**148**	**122**	**+26**	**+20.9%**
EBIT Margin %	**28.5%**	**25.7%**			**29.8%**	**26.2%**		
Finance income/(costs)	30	32	(2)	-6.7%	6	10	(4)	-37.6%
Gross profit	**558**	**471**	**+87**	**+18.4%**	**154**	**132**	**+22**	**+16.5%**
Taxes	164	134	+31	+23.0%	50	27	+23	+83.8%
Net profit	**394**	**338**	**+56**	**+16.7%**	**104**	**105**	**(1)**	**-0.9%**

n.s.: not significant

Reconciliation of Management Revenue (net of energy costs) with Accouting Revenue

(€m)	2024	2023	Changes		4Q 2024	4Q 2023	Changes	
Management revenue from third parties PostePay services	**1,585**	**1,447**	**+138**	**+9.5%**	**428**	**399**	**+29**	**+7.3%**
Costs for raw materials, system charges and electricity and gas transport of the energy business for third-party customers	338	140	+199	n.s.	117	65	+52	+80.5%
Accounting revenue from third parties - PostePay services	**1,923**	**1,586**	**+337**	**+21.2%**	**546**	**464**	**+82**	**+17.6%**
Management revenue from other sectors - PostePay services	**274**	**264**	**+10**	**+3.8%**	**69**	**68**	**+1**	**+1.1%**
Costs for raw materials, system charges and electricity and gas transport of the energy business for Group consumption	122	11	+112	n.s.	31	10	+21	n.s.
Accounting revenue from other sectors - PostePay services	**396**	**275**	**+122**	**+44.4%**	**99**	**78**	**+21**	**+27.4%**
Total management revenue - PostePay* services	**1,858**	**1,710**	**+148**	**+8.6%**	**497**	**467**	**+30**	**+6.4%**
Costs for raw materials, system charges and electricity and gas transport of the energy business (for third-party customers and Group consumption)	461	150	+311	n.s.	148	75	+73	+97.2%
Total Accounting Revenue - PostePay Services	**2,319**	**1,861**	**+459**	**+24.6%**	**645**	**542**	**+103**	**+19.0%**

n.s.: not significant

* This item represents the alternative performance indicator "SBU Revenue PostePay Services net of energy costs" mentioned in section 7.2 "Other Information".

Reconciliation of Management Costs with Accounting Costs

(€m)	2024	2023	Changes		4Q 2024	4Q 2023	Changes	
Total management operating costs - PostePay services	**1,330**	**1,271**	**+59**	**+4.6%**	**349**	**344**	**+5**	**+1.3%**
Costs for raw materials, system charges and electricity and gas transport of the energy business (for third-party customers and Group consumption)	461	150	+311	n.s.	148	75	+73	+97.2%
Total accounting Operating Costs - PostePay Services	**1,791**	**1,421**	**+370**	**+26.0%**	**497**	**419**	**+78**	**+18.5%**

n.s.: not significant

FINANCIAL POSITION

NET INVESTED CAPITAL AND RELATED FUNDING

(€m)	31 December 2024	31 December 2023	Changes	
Tangible fixed assets	2,810	2,574	+236	+9%
Intangible assets	2,139	2,062	+76	+4%
Right-of-use assets	1,187	1,265	(78)	-6%
Investments	332	294	+38	+13%
Non-current assets	**6,468**	**6,195**	**+272**	**+4%**
Trade receivables, Other receivables and assets and Inventories	7,549	7,714	(165)	-2%
Trade payables and Other liabilities	(6,273)	(6,595)	+322	+5%
Current tax assets/(liabilities)	132	(23)	+155	n/s
Net working capital	**1,408**	**1,096**	**+312**	**+28%**
Gross invested capital	**7,876**	**7,291**	**+585**	**+8%**
Provisions for risks and charges	(1,083)	(1,336)	+253	+19%
Employee termination benefits	(577)	(637)	+60	+9%
Prepaid/deferred tax assets/(liabilities)	1,101	1,208	(108)	-9%
Non-current assets and disposal groups held for sale and liabilities related to assets held for sale	50	50	-	n/s
Net invested capital	**7,366**	**6,578**	**+787**	**+12%**
Equity	**11,709**	**10,439**	**+1,270**	**+12%**
of which Profit for the year	*2,013*	*1,933*	*+79*	*+4%*
*of which fair value reserve**	*(567)*	*(960)*	*+393*	*+41%*
Financial liabilities	94,085	95,393	(1,308)	-1%
Insurance contracts payable net of reinsurance	162,085	155,105	+6,979	+4%
Financial assets	(244,538)	(237,159)	(7,379)	-3%
Tax credits Law no. 77/2020	(7,005)	(8,318)	+1,313	+16%
Cash and deposits attributable to BancoPosta	(4,290)	(4,671)	+380	+8%
Cash and cash equivalents	(4,680)	(4,211)	(469)	-11%
Net debt/(funds)	**(4,344)**	**(3,861)**	**(483)**	**-13%**

n.s.: not significant

*Included Reserve for insurance contracts issued and reinsurance ceded

31 December 2024 (€m)	Mail, parcels and distribution	Financial Services	Insurance Services	Postepay Services	Eliminations and adjustments	Consolidated
Tangible fixed assets	2,751	1	16	42	-	2,810
Intangible assets	1,355	-	146	638	-	2,139
Right-of-use assets	1,179	1	9	12	(15)	1,187
Investments	3,022	276	156	17	(3,139)	332
Non-current assets	**8,307**	**278**	**327**	**710**	**(3,154)**	**6,468**
Trade receivables, Other receivables and assets and Inventories	2,148	3,580	2,359	383	(922)	7,549
Trade payables and Other liabilities	(3,040)	(2,091)	(1,313)	(747)	919	(6,273)
Current tax assets/(liabilities)	67	(1)	(20)	86	-	132
Net working capital	**(825)**	**1,488**	**1,025**	**(277)**	**(2)**	**1,408**
Gross invested capital	**7,482**	**1,766**	**1,352**	**432**	**(3,157)**	**7,876**
Provisions for risks and charges	(913)	(143)	(12)	(15)	-	(1,083)
Employee termination benefits	(569)	(2)	(2)	(4)	-	(577)
Prepaid/deferred tax assets/(liabilities)	338	185	609	(31)	-	1,101
Non-current assets and disposal groups held for sale and liabilities related to assets held for sale	0	-	50	-	-	50
Net invested capital	**6,338**	**1,805**	**1,997**	**382**	**(3,157)**	**7,366**
Equity	**3,492**	**3,360**	**6,727**	**1,269**	**(3,139)**	**11,709**
of which Profit for the year	*(88)*	*674*	*1,033*	*394*	*(0)*	*2,013*
*of which fair value reserve**	*(369)*	*(115)*	*(84)*	*1*	*(0)*	*(567)*
Financial liabilities	**4,866**	**91,256**	**949**	**10,879**	**(13,865)**	**94,085**
Insurance contracts payable net of reinsurance	-	-	162,086	-	(1)	162,085
Financial assets	(1,121)	(81,404)	(163,134)	(11,640)	12,761	(244,538)
Tax credits Law no. 77/2020	(282)	(6,723)	-	-	-	(7,005)
Cash and deposits attributable to BancoPosta	-	(4,290)	-	-	-	(4,290)
Cash and cash equivalents	(617)	(394)	(4,631)	(126)	1,087	(4,680)
Net debt/(funds)	**2,847**	**(1,555)**	**(4,730)**	**(887)**	**(18)**	**(4,344)**

*Included Reserve for insurance contracts issued and reinsurance ceded

31 December 2023 (€m)	Mail, parcels and distribution	Financial Services	Insurance Services	Postepay Services	Eliminations and adjustments	Consolidated
Tangible fixed assets	2,515	1	16	42	0	2,574
Intangible assets	1,268	-	145	649	(0)	2,062
Right-of-use assets	1,257	2	10	13	(17)	1,265
Investments	3,009	267	157	-	(3,138)	294
Non-current assets	**8,049**	**269**	**328**	**704**	**(3,155)**	**6,195**
Trade receivables, Other receivables and assets and Inventories	2,483	3,380	2,421	322	(892)	7,714
Trade payables and Other liabilities	(3,327)	(2,131)	(1,321)	(703)	887	(6,595)
Current tax assets/(liabilities)	(77)	(0)	(33)	87	-	(23)
Net working capital	**(922)**	**1,249**	**1,067**	**(293)**	**(5)**	**1,096**
Gross invested capital	**7,127**	**1,518**	**1,396**	**412**	**(3,160)**	**7,291**
Provisions for risks and charges	(1,130)	(164)	(17)	(25)	(0)	(1,336)
Employee termination benefits	(629)	(2)	(1)	(4)	-	(637)
Prepaid/deferred tax assets/(liabilities)	272	377	593	(33)	-	1,208
Non-current assets and disposal groups held for sale and liabilities related to assets held for sale	-	-	50	-	-	50
Net invested capital	**5,639**	**1,728**	**2,020**	**350**	**(3,158)**	**6,578**
Equity	**2,883**	**2,811**	**6,439**	**1,443**	**(3,138)**	**10,439**
of which Profit for the year	*(46)*	*647*	*994*	*338*	*355*	*1,933*
*of which fair value reserve**	*(281)*	*(544)*	*(136)*	*2*	-	*(960)*
Financial liabilities	5,017	93,076	429	10,478	(13,606)	95,393
Insurance contracts payable net of reinsurance	-	-	155,106	-	(1)	155,105
Financial assets	(1,205)	(80,636)	(156,394)	(11,507)	12,582	(237,159)
Tax credits Law no. 77/2020	(407)	(7,912)	-	-	-	(8,318)
Cash and deposits attributable to BancoPosta	-	(4,671)	-	-	-	(4,671)
Cash and cash equivalents	(650)	(940)	(3,561)	(65)	1,004	(4,211)
Net debt/(funds)	**2,755**	**(1,082)**	**(4,420)**	**(1,093)**	**(21)**	**(3,861)**

Changes 31.12.2024 vs 31.12.2023 (€m)	Mail, parcels and distribution	Financial Services	Insurance Services	Postepay Services	Eliminations and adjustments	Consolidated
Tangible fixed assets	236	(0)	(1)	0	(0)	236
Intangible assets	87	-	1	(11)	0	76
Right-of-use assets	(78)	(0)	(1)	(1)	2	(78)
Investments	13	9	(0)	17	(1)	38
Non-current assets	**258**	**9**	**(1)**	**5**	**1**	**272**
Trade receivables, Other receivables and assets and Inventories	(334)	200	(63)	61	(29)	(165)
Trade payables and Other liabilities	287	39	8	(44)	32	322
Current tax assets/(liabilities)	144	(1)	13	(1)	-	155
Net working capital	**97**	**239**	**(42)**	**15**	**3**	**312**
Gross invested capital	**355**	**248**	**(43)**	**21**	**4**	**585**
Provisions for risks and charges	218	21	5	10	0	253
Employee termination benefits	60	0	(0)	(0)	-	60
Prepaid/deferred tax assets/(liabilities)	66	(192)	16	2	-	(108)
Net invested capital	**699**	**77**	**(22)**	**32**	**2**	**787**
Equity	**608**	**550**	**288**	**(174)**	**(2)**	**1,270**
of which Profit for the year	*(42)*	*26*	*40*	*56*	*(1)*	*79*
*of which fair value reserve**	*(88)*	*429*	*52*	*(1)*	*(0)*	*393*
Financial liabilities	(151)	(1,819)	521	400	(258)	(1,308)
Insurance contracts payable net of reinsurance	-	-	6,979	-	(0)	6,979
Financial assets	84	(768)	(6,740)	(133)	179	(7,379)
Tax credits Law no. 77/2020	125	1,188	-	-	-	1,313
Cash and deposits attributable to BancoPosta	-	380	-	-	-	380
Cash and cash equivalents	33	546	(1,070)	(61)	83	(469)
Net debt/(funds)	**91**	**(473)**	**(310)**	**206**	**3**	**(483)**

*Included Reserve for insurance contracts issued and reinsurance ceded

KEY PERFORMANCE INDICATORS FOR PRINCIPAL POSTE ITALIANE GROUP COMPANIES

POSTE ITALIANE S.P.A. (€k)	FY 2024	FY 2023	Changes	%
Revenue from sales and services	12,204,296	11,154,721	+1,049,575	+9.4
Operating profit	1,878,466	1,528,465	+350,001	+22.9
Net result	1,882,350	1,389,507	+492,843	+35.5
Capital expenditure	885,424	780,444	+104,980	+13.5
Equity	6,745,946	5,652,905	+1,093,041	+19.3
Permanent workforce - average	105,692	108,135	(2,443)	(2.3)
Flexible workforce - average	8,525	6,478	+2,047	+31.6

Postel S.p.A. (€k)	FY 2024	FY 2023	Changes Values	%
Revenue from sales and services	214,651	200,719	+13,932	+6.9
Operating profit	4,777	(2,508)	+7,285	n.s.
Net result	3,454	(3,270)	+6,724	n.s.
Capital expenditure	4,748	3,273	+1,475	+45.1
Equity	82,246	78,286	+3,960	+5.1
Permanent workforce - average	631	664	(33)	(5.0)
Flexible workforce - average	38	42	(4)	(9.5)

n.s.: not significant.

SDA Express Courier S.p.A. (€k)	FY 2024	FY 2023	Changes Values	%
Revenue from sales and services	1,177,660	1,107,221	+70,439	+6.4
Operating profit	20,205	34,672	(14,467)	(41.7)
Net result	7,804	18,701	(10,897)	(58.3)
Capital expenditure	30,447	23,047	+7,400	+32.1
Equity	18,421	42,614	(24,193)	(56.8)
Permanent workforce - average	1,105	1,148	(43)	(3.7)
Flexible workforce - average	69	39	+30	+76.9

At 31 December 2024, the company declared dividends totalling €16 million.

Europa Gestioni Immobiliari S.p.A. (€k)	FY 2024	FY 2023	Changes Values	%
Revenue from sales and services	20,540	14,468	+6,072	+42.0
Operating profit	8,780	2,347	+6,433	n.s.
Net result	5,904	1,097	+4,807	n.s.
Capital expenditure	599	342	+257	+75.1
Equity	245,706	239,800	+5,906	+2.5
Permanent workforce - average	27	23	+4	+17.4
Flexible workforce - average	-	1	(1)	(100.0)

n.s.: not significant.

Poste Air Cargo S.r.l. (€k)	FY 2024	FY 2023	Changes Values	%
Revenue from sales and services	77,513	69,760	+7,753	+11.1
Operating profit	2,406	1,791	+615	+34.3
Net result	430	554	(124)	(22.4)
Capital expenditure	6	-	+6	-
Equity	6,743	6,527	+216	+3.3
Permanent workforce - average	87	89	(2)	-2.2
Flexible workforce - average	1	1	-	-

At 31 December 2024, the company resolved dividends totalling €275 thousand.

BancoPosta Fondi S.p.A. SGR (€k)	FY 2024	FY 2023	Changes Values	%
Fee and commission income	224,077	173,427	+50,650	+29.2
Net fee and commission income	85,968	68,021	+17,947	+26.4
Net result	38,941	28,650	+10,291	+35.9
Financial investment	93,037	73,700	+19,337	+26.2
Equity	69,453	58,721	+10,732	+18.3
Permanent workforce - average	93	85	+8	+9.5
Flexible workforce - average	1	-	+1	-

At 31 December 2024, the company declared dividends totalling €29 million.

Poste Vita S.p.A. (*) (€k)	FY 2024	FY 2023	Changes Values	%
Insurance premium revenue	18,134,476	17,889,174	+245,302	+1.4
Net result	965,442	942,592	+22,850	+2.4
Financial assets	186,729,563	155,366,569	+31,362,994	+20.2
Liabilities under insurance contracts	161,016,564	154,156,806	+6,859,758	+4.4
Equity	6,478,820	6,413,350	+65,470	+1.0
Permanent workforce - average	389	369	+20	+5.4
Flexible workforce - average	3	-	+3	-

(*) The figures shown have been prepared in accordance with IFRS and therefore may not coincide with those in the Annual Report prepared in accordance with the Italian Civil Code and under Italian GAAP.

At 31 December 2024, the company declared dividends totalling €750 million.

Poste Assicura S.p.A. (*) (€k)	FY 2024	FY 2023	Changes Values	%
Insurance premium revenue	547,909	496,034	+51,875	+10.5
Net result	61,368	54,178	+7,190	+13.3
Financial assets	807,496	741,838	+65,658	+8.9
Liabilities under insurance contracts	399,233	353,891	+45,342	+12.8
Equity	405,376	341,313	+64,063	+18.8
Permanent workforce - average	122	108	+14	+13.0
Flexible workforce - average	1	1	-	-

(*) The figures shown have been prepared in accordance with IFRS and therefore may not coincide with those in the Annual Report prepared in accordance with the Italian Civil Code and under Italian GAAP.

PostePay S.p.A.			Changes	
(€k)	FY 2024	FY 2023	Values	%
Revenue from sales and services	2,087,597	1,601,982	+485,615	+30.3
Operating profit	540,660	418,670	+121,990	+29.1
Net result	420,553	328,796	+91,757	+27.9
Capital expenditure	12,494	15,284	(2,790)	(18.3)
Equity	1,279,298	1,426,293	(146,995)	(10.3)
Permanent workforce - average	389	358	+31	+8.7
Flexible workforce - average	-	-	-	-

At 31 December 2024, the company declared dividends totalling €567 million.

MLK Deliveries S.p.A.			Changes	
(€k)	FY 2024	FY 2023	Values	%
Revenue from sales and services	31,297	41,159	(9,862)	(24.0)
Operating profit	915	1,320	(405)	(30.7)
Net result	750	894	(144)	(16.1)
Capital expenditure	8	63	(55)	(87.3)
Equity	15,188	14,456	+732	+5.1
Permanent workforce - average	27	31	(4)	(12.9)
Flexible workforce - average	-	-	-	-

Plurima S.p.A.			Changes	
(€k)	FY 2024	FY 2023	Values	%
Revenue from sales and services	56,887	55,048	+1,839	+3.3
Operating profit	938	2,742	(1,804)	(65.8)
Net result	(2,751)	(1,302)	(1,449)	n.s.
Capital expenditure	10,245	2,897	+7,348	n.s.
Equity	84,946	87,734	(2,788)	(3.2)
Permanent workforce - average	615	583	+32	+5.5
Flexible workforce - average	210	222	(12)	(5.4)

n.s.: not significant.

Net Insurance S.p.A. (*)			Changes	
(€k)	FY 2024	FY 2023	Values	%
Insurance premium revenue	117,085	85,032	+32,053	+37.7
Operating profit	8,678	6,483	+2,195	+33.9
Net result	29,887	13,286	+16,601	n.s.
Liabilities under insurance contracts	187,896	132,544	+55,352	+41.8
Equity	79,129	58,908	+20,221	+34.3
Permanent workforce - average	106	75	+31	+41.3
Flexible workforce - average	5	3	+2	+66.7

(*) The figures shown have been prepared in accordance with IFRS and therefore may not coincide with those in the Annual Report prepared in accordance with the Italian Civil Code and under Italian GAAP

n.s.: not significant.

Nexive Network S.r.l.			Changes	
(€k)	FY 2024	FY 2024	Values	%
Revenue from sales and services	138,595	124,703	+13,892	+11.1
Operating profit	13,402	5,237	+8,165	n.s.
Net result	9,291	2,965	+6,326	n.s.
Capital expenditure	-	-	-	-
Equity	17,321	10,994	+6,327	+57.5
Permanent workforce - average	91	84	+7	+8.3
Flexible workforce - average	1	2	(1)	(50.0)

At 31 December 2024, the company declared dividends totalling €3 million.

n.s.: not significant.

Net Insurance Life S.p.A. (*)			Values	
(€k)	FY 2024	FY 2023		
Insurance premium revenue	160,354	106,409	+53,945	+50.7
Operating profit	34,609	12,744	+21,865	n.s.
Net result	23,757	9,111	+14,646	n.s.
Liabilities under insurance contracts	365,472	278,982	+86,490	+31.0
Equity	31,437	9,343	+22,094	n.s.
Permanent workforce - average	30	22	+8	n.s.
Flexible workforce - average	1	-	+1	-

(*) The figures shown have been prepared in accordance with IFRS and therefore may not coincide with those in the Annual Report prepared in accordance with the Italian Civil Code and under Italian GAAP

n.s.: not significant.

LIS Holding S.p.A. (€k)	FY 2024	FY 2023	Changes Values	%
Revenue from sales and services	72,811	67,965	+4,846	+7.1
Operating profit	22,963	17,827	+5,136	+28.8
Net result	18,298	14,540	+3,758	+25.8
Capital expenditure	10,959	9,762	+1,197	+12.3
Equity	70,315	66,550	+3,765	+5.7
Permanent workforce - average	149	142	+7	+4.9
Flexible workforce - average	1	5	(4)	(80.0)

At 31 December 2024, the company declared dividends totalling €15 million.

LIS Pay S.p.A. (€k)	FY 2024	FY 2023	Changes Values	%
Revenue from sales and services	243,209	231,591	+11,618	+5.0
Operating profit	39,301	38,340	+961	+2.5
Net result	27,352	26,710	+642	+2.4
Capital expenditure	229	1,770	(1,541)	(87.1)
Equity	87,833	111,233	(23,400)	(21.0)
Permanent workforce - average	76	77	(1)	(1.3)
Flexible workforce - average	2	6	(4)	(66.7)

At 31 December 2024, the company declared dividends totalling €151 million.

Sourcesense S.p.A. (€k)	FY 2024	FY 2023	Changes Values	%
Revenue from sales and services	34,790	23,118	+11,672	+50.5
Operating profit	1,319	528	+791	n.s.
Net result	827	316	+511	n.s.
Capital expenditure	525	1,700	(1,175)	(69.1)
Equity	8,136	7,310	+826	+11.3
Permanent workforce - average	199	55	+144	n.s.
Flexible workforce - average	1	0	+1	n.s.

n.s.: not significant.

Sengi Express Limited (€k)	FY 2024	FY 2023	Changes Values	%
Revenue from sales and services	253,854	144,500	+109,354	+75.7
Operating profit	14,550	9,556	+4,994	+52.3
Net result	12,329	7,923	+4,406	+55.6
Capital expenditure	-	-	-	-
Equity	12,969	8,863	+4,106	+46.3
Permanent workforce - average	-	-	-	-
Flexible workforce - average	40	1	+39	n.s.

At 31 December 2024, the company declared dividends totalling €3 million.
n.s.: not significant.

Agile LAB S.r.l. (€k)	FY 2024	FY 2023	Changes Values	%
Revenue from sales and services	19,326	13,774	+5,552	+40.3
Operating profit	979	116	+863	n.s.
Net result	507	73	+434	n.s.
Capital expenditure	992	1,560	(568)	(36.4)
Equity	5,073	4,496	+577	+12.8
Permanent workforce - average	156	111	+45	+40.5
Flexible workforce - average	-	-	-	-

n.s.: not significant.

8. Sustainability Statement

8.1 General information

CRITERIA FOR DRAFTING

General criteria for drafting sustainability statements

ESRS 2 BP-1 disclosure requirement

The 2024 Sustainability Statement of the Poste Italiane Group (hereinafter also "Poste Italiane"; "the Group"; "Poste") is prepared in accordance with Legislative Decree 125/2024, according to the European Sustainability Reporting Standards (hereinafter "ESRS"), and the EU Taxonomy reporting standards (Regulation 852/2020). This Report is prepared on a consolidated basis, and the scope of consolidation coincides with that used for the financial statements. In particular, the reporting boundary comprises the Parent Company Poste Italiane S.p.A. and all fully consolidated companies[191]. Regarding the subsidiaries valued at equity, the Group has verified the absence of operational control, also taking into account the criteria and references contained in the ESRS. Furthermore, reporting covers the entire upstream and downstream value chain of the Group[192]. In particular, as part of the double materiality analysis, the Group considered the entire upstream and downstream value chain, considering both the industrial and financial business. Furthermore, the Group avails itself of the option not to include data collected directly from the value chain for this financial year, as they are not directly available. For this reporting year, the Group did not make use of the option to omit specific information corresponding to intellectual property, know-how or innovation results.

Information in relation to specific circumstances

ESRS 2 BP-2 disclosure requirement

Time horizons

The Poste Italiane Group has defined its time horizons as follows: within 1 year for the short term, within the plan period or between 2 and 5 years for the medium term and beyond the plan period or more than 5 years for the long term. The time horizons are in line with the standards set by the ESRS and the sustainability risks and opportunities, ensuring consistency with the 2024-2028 Strategic Plan approved in March 2024. It is specified that the time horizons used for the climate risk analysis differ from those indicated throughout the Sustainability Statement and are as follows:

- physical risks: by 2030 for the short term, by 2050 for the medium term and by 2080 for the long term;
- transition risks: 1-2 years for the short term, 2-10 years for the medium term and more than 10 years for the long term.

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[191] For details of the companies included in the perimeter, please refer to the table "Scope of consolidation and highlights of investments" (pages 627-628)
[192] For further details on the Group's value chain, see SBM-1, later in the chapter on General Information.

Causes of uncertainty in estimates and results

In order to ensure the reliability of the information reported, the use of estimates has been limited as much as possible. Any estimates are based on the best information available at the date.

In particular, Poste Italiane has used estimation processes and assumptions, based on the best available information, to calculate the quantitative metrics related to the value chain, with particular reference to Scope 3 greenhouse gas emissions, which by their nature are subject to greater estimates than Scope 1 and 2 greenhouse gas emissions, while using data calculated according to methodologies that comply with reference standards, to ensure an adequate level of accuracy. For further details on the calculation methodology used, please refer to disclosure requirement E1-6 within section "8.2.2 Climate change" of this Report. The Group also used estimates for performance metrics with respect to data on waste, gender pay gap, average payment times. Details on estimates and assumptions are given in the relevant topics.[193]

Finally, in reporting forward-looking information, including targets and planned future investments, uncertainties are inherent and, therefore, such information may be subject to change.

Changes in drafting or presentation and reporting errors

For the purposes of drafting Poste Italiane's first Sustainability Statement in line with the CSRD and related ESRS standards, the Group did not provide comparative data and did not consider requests for changes and/or reporting errors in previous periods to be applicable.

Information required by other legislation or regulations concerning sustainability

This Report includes limited information from other recognised regulations, standards and frameworks for sustainability reporting, including EU Regulation 2020/852 (EU Taxonomy), the United Nations Global Compact (UNGC), the Greenhouse Gas Protocol (GHG Protocol) and the Partnership for Carbon Accounting Financials (PCAF). In particular, the last two are the frameworks/standards used for greenhouse gas emissions, as required by the ESRS standards.

Inclusion by reference

The information included by reference in the Sustainability Statement relates to the SBM-1 Disclosure Obligation and refers mainly to the following sections of the Report on Operations: 4.3 Poste Italiane's business model; 4.5 Omnichannel approach and business sectors; 4.6 Poste Italiane's strategy.

Transitional provisions

The Group used the transitional provisions of Appendix C of ESRS 1, with the exception of the following requirements: *S1-7 Non-employee workers*; *S1-12 Persons with disabilities*; *S1-13 Training and skills development metrics*; *S1-14 Health and safety metrics par. 88d and par. 88e*; *S1-15 Work-life balance metrics*, which were reported.

Further specifications

For the implementation of the actions described in the reference topics (with the exception of topic E1), CapEx and OpEx were only included if they exceeded a materiality threshold of 5% of the corresponding values indicated in the Group's Consolidated Financial Statements.

[193] For waste see E5-5, gender pay gap S1-16 and average payment time G1-6.

GOVERNANCE

Sustainability is an integral component of the company's activities, processes and strategy and is a key driver in the Group's strategic and financial decisions. With this in mind, over the years Poste Italiane Group has embarked on an important path to develop its business strategy, structurally integrating it with Environmental, Social and Governance (ESG) principles in a gradual manner and directing the Group's efforts towards the creation of shared value for all stakeholders and strengthening its reputation.

For the Poste Italiane Group, being sustainable therefore means having defined a clear strategy on ESG issues and having integrated them within all strategic objectives, as defined in the 2024-2028 Strategic Plan. The Group has chosen to adopt a sustainability strategy that focuses on an ESG governance system, sustainability policies and guidelines, part of the corporate body of regulations, and an ESG Strategic Plan in its eight-pillar format. This strategy allows the Group to go well beyond its current regulatory obligations and play a central role in the creation of sustainable value for the community, as also expressed in Poste Italiane's purpose "*Growing responsibly through the decisive contribution of its people to the sustainable success, innovation, digitalisation and social cohesion of the country*".

Role of the administration, management and control bodies

ESRS 2 GOV-1 and ESRS G1 GOV-1 disclosure requirement

The Corporate Governance structure reflects the provisions of Legislative Decree no. 58 of 24 February 1998 (the Consolidated Law on Finance), where applicable, the Supervisory Provisions issued by the Bank of Italy and applicable to Poste Italiane in view of the activities conducted by BancoPosta RFC (Patrimonio destinato BancoPosta), the legislation applicable to electronic money institutions as regards the activities carried out by Poste Italiane in implementation of the agreements entered into with PostePay – the ring-fenced EMI, and the recommendations of the Corporate Governance Code in force as of 1 January 2021. Poste Italiane has adopted a traditional governance model, separating the roles of the Board of Directors and the Board of Statutory Auditors. The Company's accounts are audited by an independent auditing firm. More specifically, the Board of Directors, which acts as an administrative and management body, is composed of 9 members as of the date of approval of this document, of which one executive Director and 8 non-executive Directors[194]. The Board of Statutory Auditors, which acts as a controlling body, consists of three full members and three alternate members. In this regard, it is specified that the Poste Italiane Group does not provide for the representation of employees and other workers within its management, administration and control bodies.

In line with the provisions of the Italian Corporate Governance Code, the Board of Directors appointed five committees from among its members with proposal-making and advisory functions: the Sustainability Committee, the Control and Risk Committee, the Remuneration Committee, the Appointments and Corporate Governance Committee and the Related and Connected Parties Committee.

It should also be noted that, in February 2024, the Board of Directors resolved on the reorganisation of the top corporate governance functions, within the scope of which - having acknowledged the CEO's simultaneous relinquishment of the position of general manager - appointed, at the proposal of the CEO himself, the General Manager of the Poste Italiane Group.

The directors of the Poste Italiane Group possess adequate competence and professionalism. Specifically, the members of the administrative and management bodies, as well as the supervisory bodies, have consolidated experience in the following areas: Finance, ESG Funds, Legal (commercial, corporate and administrative), Infrastructure projects, Logistics, Transport, Energy, Tax, Audit and Corporate Compliance (risk management, anti-money laundering and personal data protection), Local Public Services, Communication, Regulatory, Sustainability, Telecommunications, Insurance, IT, Digital Business, Turnaround of international groups, Mergers&Acquisitions, Real Estate. In order to ensure adequate skills and

[194] In replacement of Director Armando Ponzini, who resigned from office as of 31 July 2024, the Board of Directors, in its meeting of 26 March 2025, appointed by co-optation [●], who will remain in office until the next Shareholders' Meeting.

competences, specific induction initiatives are guaranteed to the management and control bodies. In this regard, induction initiatives on ESG issues in 2024 involved both members of the Board of Directors, the Board of Statutory Auditors and the Magistrate of the Court of Auditors. In addition, specific sessions were also provided for members of the Sustainability Committee. The main topics that were addressed were: the Business Plan, BancoPosta's Risk Appetite Framework, Group Anti-Money Laundering, the Internal Control System on Financial Reporting, the Attestations of the Sustainability Reporting Manager, the Internal Control and Risk Management System (SCIGR), Sustainability in the Poste Italiane Group, and the governance and management of ICT and IT security risks. In addition, on 28 October 2024, the Group's Sustainability Development function implemented an initiative, explaining the new CSRD regulations, the action plan, governance and internal control system, as well as a focus on the figure of the Sustainability Reporting Manager and the Internal Control System on Sustainability Reporting.

These induction sessions aim to strengthen skills related to sustainability issues such as knowledge and experience of models and techniques for assessing impacts, risks and opportunities arising from interrelationships with the social and environmental ecosystem, which need to be analysed and updated in relation to the changing internal and external context. The relevant corporate functions, in particular Group Risk and Compliance and Group Sustainable Development, are responsible for developing, adopting and evolving these models and metrics, making them appropriate to the Group's characteristics and compliant with regulations, as well as bringing them to the attention of the corporate bodies at periodic inductions. Corporate bodies in turn may provide for specific training sessions also with the help of external experts.

As regards diversity, in 2018, Poste Italiane adopted a policy regarding diversity on Poste Italiane's administrative and control bodies (hereinafter, also the "Policy"). This policy provides non-binding indications on topics such as, by way of example, Board members' age, gender, ethnic belonging, geographical provenance, education and career path. The Policy's purpose is to define criteria that ensure the Board of Directors has a qualitative and quantitative mix that helps the management body effectively fulfil the tasks and responsibilities assigned, in part through the inclusion of members who provide sufficient diversity in terms of the competencies required to ensure a good understanding of current affairs, risks and long-term opportunities associated with company activities. The Policy was drafted to take into account the nature and complexity of the Group's business, the social and environmental context within which the Company operates, the experience the Board has gained from its activities thus far, how the Board and its internal committees function, and the outcomes of self-assessment reviews conducted over time. For more details on the contents of the Policy, please refer to the document published on the website www.posteitaliane.it.

Therefore, the following table summarises the composition of the governing body, at the date of approval of this document, broken down by gender and age. As can be deduced from the above and by virtue of the Policy adopted, at the date of approval of this document, 44.5% of the members of the Board of Directors are women (4 out of 9 members) Furthermore, 77.8% of the board members are independent.

Members (%) of the Governance Body (headcount)	**u.m.**	**2024**		
		Men	**Women**	**Total**
age under 30	%	0	0	0
age between 30 and 50		11	0	11
age over 50		44.5	44.5	89
Total		55.5	44.5	100

The Board of Statutory Auditors consists of three members, one of whom is a woman.

In order to clearly define the values and social role with which the Poste Italiane contributes to the processes of cohesion, inclusion and sustainability of the country, as well as the rules of conduct to follow in the performance of professional activities, the Group has adopted a Code of Ethics for directors, control bodies, management, all employees and all those who work, directly or indirectly, permanently or temporarily, to pursue the objectives of Poste Italiane. The Code is disclosed to all levels of the organisation with the goal of disseminating their values and enshrines the principles that inspire the culture, behaviour and way of doing business of the Group and its stakeholders, such as the principle of legality, impartiality and fairness, respect and development of people, transparency and completeness, confidentiality, quality, diligence and professionalism.

The main responsibilities held by the bodies and structures of the Poste Italiane Group, especially regarding ESG aspects, are outlined below:

- the **Board of Directors** has powers concerning the strategic policies and control of the Parent Company and Group Companies. In addition to the powers granted to it by law and the Company's By-laws, the Board holds exclusive authority over the most important decisions from an economic and strategic point of view, as well as in terms of their structural influence on management, i.e. functional to monitoring and guiding Poste Italiane. In this regard, with the support of the Control and Risk Committee (hereinafter also CCR), it defines the nature and level of risk compatible with Poste Italiane's strategic objectives, in order to enable the Group to achieve sustainable success. In addition, it assesses the processes for managing the impacts, risks and opportunities associated with sustainability issues, analysing and best defining the role of management in these processes;
- Poste Italiane's **Control and Risk Committee**, in addition to its tasks of supporting the Board of Directors in assessing and deciding on the Internal Control and Risk Management System (hereinafter SCIGR), is called upon to, among other things, define the SCIGR's guidelines, so that the main risks concerning Poste Italiane S.p.A. and its subsidiaries are correctly identified, as well as adequately measured, managed and monitored, and to determine the degree of compatibility of the aforesaid risks with a management of the company consistent with the identified strategic objectives. In addition, it examines the results of the double materiality process (in particular, with regard to relevant risks and opportunities - financial materiality) and the disclosure of climate change risks monitored in coordination with the Sustainability Committee;
- the **Sustainability Committee** is tasked with assisting the Board of Directors with investigative, propositional and advisory functions, in pursuing sustainable success. The Committee provides input during all assessments and decisions relating to environmental, social, and governance issues, and strives to continually integrate national and international best practices into the company's sustainability strategy. In this regard, the Committee is responsible for the oversight of sustainability issues related to the company's operations and the dynamics of its interaction with all stakeholders, the examination of processes for managing the relevant impacts, risks and opportunities associated with sustainability issues. In addition, the Committee is called upon to review the Group's sustainability policies, and to examine, evaluate and make proposals on the Group's environmental, social and governance (the latter with reference to sustainability) strategy, including climate change strategies. Finally, it examines and evaluates annual objectives and targets, taking into account potential projects on these issues and monitoring their implementation over time;
- Poste Italiane's **Board of Statutory Auditors** performs the duties assigned to it by law and by the By-laws. In particular, it monitors compliance with the law, regulations and By-laws and compliance with the provisions on sustainability reporting, and formulates a mandatory opinion for the appointment of the Sustainability Reporting Manager, as well as informs the Board of Directors of the outcome of the statutory audit and of the activities to certify the compliance of sustainability reporting;

- Poste Italiane's **Chief Executive Officer** is in charge of setting up and maintaining the SCIGR (Director in charge of the SCIGR) and provides advice/support to the other actors involved in its organisation. In particular, proposes to the

BoD the appointment and dismissal of the Financial Reporting Manager as well as, with reference to sustainability, the Sustainability Reporting Manager, based on prior opinion of the Board of Statutory Auditors;

- Poste Italiane S.p.A.'s **General Manager**, appointed by the Board of Directors and reporting to the Chief Executive Officer, is responsible for managing and coordinating the Group's corporate structures, with regard, among other things, to Enterprise Risk Management and sustainability issues of the Poste Italiane Group;
- the **Group's Risk and Compliance function** (hereinafter also "RCG"), which as of September 2024, reports directly to the General Manager, and constitutes, also through Group Integrated Risk Management and Group Integrated Compliance, the single point of reference for the governance and management of all risks from a Group perspective, including compliance and sustainability risks, availing itself of the contribution of the specialist units directly reporting to it ("direct oversight"), as well as other risk controls ("indirect oversight") present in Poste Italiane (including BancoPosta RFC) and in the main Group companies. With particular reference to financial risks, the aforementioned function, through a dedicated unit, coordinates the Risk Management functions of the Companies subject to supervision. It is required to define, for each risk area, standard policies, tools and methodologies in order to ensure an integrated and global approach at Group level;
- the **Group's Sustainable Development** function (hereinafter also "SSG"), which also reports directly to the General Manager as of September 2024, has the task of defining, also through the integration of the contributions provided by the functions involved, the sustainable development strategy to be submitted to Top Management for evaluation, identifying the relevant issues for strategic, management and reporting purposes. The SSG function ensures the definition and development of the Group's sustainability framework, overseeing its implementation and ensuring the harmonisation of processes, tools and related methodologies. In particular, as part of the annual Sustainability Statement, the SSG Manager coordinates the materiality analysis process aimed at identifying priority issues, based on the significance of the impacts related to them, with the support of the RCG function for aspects related to risks and opportunities from a financial materiality perspective. In addition, the Head of the SSG function, in his capacity as Sustainability Reporting Manager, as of December 2024, certifies the compliance of the Sustainability reporting with the ESRS reporting standards and the EU Taxonomy Regulation. To this end, the Head of the SSG function establishes, evaluates and maintains the Internal Control System on Sustainability Reporting, according to the main methodological frameworks.

A fundamental element of Poste Italiane's Corporate Governance is the Internal Control and Risk Management System as a set of tools, procedures, rules and organisational structures aimed at contributing to the sustainable success of the Group through the definition of roles and responsibilities in the ESG sphere, of information flows between the actors involved in the internal control system and towards the corporate bodies, as well as the methods for managing the related risks. The SCIGR, in line with statutory requirements and the related leading practices, including regarding sustainability, consists of three levels of control and involves a multitude of different players within the organisation. The first-level control units identify, assess, manage, and monitor those risks for which they are responsible, and in respect of which they identify and implement specific actions aimed at ensuring operational compliance. The second-level control functions, whose role is to monitor company risks, propose guidelines on the related control systems, and verify the adequacy of the same, in order to ensure the efficiency and effectiveness of the operations, adequate risk control, prudent business practices, reliability of disclosures, legal compliance, and adherence to internal rules and procedures. The third-level controls, which take the form of the Internal Auditing functions, provide independent assurance on the adequacy and effective operation of the first and second levels of control and, in general, on the SCIGR. In line with the principle of autonomy and independence established by supervisory provisions, Poste Italiane has established two Internal Auditing functions: Poste Italiane's Internal Auditing function and BancoPosta's Internal Auditing function. Regarding the scope of intervention of the Internal Auditing function, Poste Italiane's Internal Auditing function is responsible for carrying out activities relating to Poste's significant processes (including those applicable across the Group) and those of Subsidiaries that do not have their own Internal Auditing functions, on the basis of a risk-based approach, whilst BancoPosta's Internal Auditing function is responsible for processes relating to BancoPosta RFC. For further information on the SCIGR, please refer to Chapter "5 - Poste Italiane's Risk management" of the Report on Operations.

In this regard, it is specified that, with reference to the controls and procedures dedicated to the management of impacts, risks and opportunities, a double materiality analysis is conducted annually by the Group Sustainable Development and Group Risk and Compliance functions. This process involves the highest corporate bodies, such as the Control and Risk Committee, the Sustainability Committee and the Board of Statutory Auditors, which review the results each within their respective competences. This analysis, integrated in the Group's risk management process and in the management of sustainability issues and governed by specific Guidelines, sees the identification of precise roles and responsibilities both of the highest corporate bodies involved and of the corporate functions that are called upon to implement the process. In addition, it is specified that with particular reference to Sustainability Statement, the Poste Italiane Group has adopted an "Internal Control System on the Sustainability Statement" - detailed in this chapter and hereinafter referred to as SCIIS - as a set of all the tools necessary or useful to direct, manage and verify the relevance, faithful representation, comparability, verifiability and comprehensibility of the sustainability reporting communicated externally.

For any further details on aspects related to the Poste Italiane Group's Corporate Governance system, please refer to the document "Report on Corporate Governance and Ownership Structure" of the Group.

Information provided to the company's administrative, management and supervisory bodies and sustainability issues addressed by them

ESRS 2 GOV-2 disclosure requirement

As the structured corporate governance structure adopted by the Poste Italiane Group demonstrates, regularly informing the highest governing bodies on the implementation of the company's sustainability policies, as well as on the results and effectiveness of the actions taken, is one of the Group's prerogatives. In fact, the Board of Directors, its Committees and the Control Body are periodically informed on sustainability issues, in accordance with the information flows established by the SCIGR. In addition, the persons responsible for carrying out the double materiality analysis, in particular the Group Sustainable Development Function and the Group Risk and Compliance Function, are responsible for informing the Sustainability Committee and the Risk and Control Committee annually on the results of the analysis. The purpose of these disclosures is to ensure that the Board of Directors makes accurate business decisions supported by a careful assessment of impacts, risks and opportunities, so as to guarantee the Poste Italiane Group's efficient and effective management of sustainability issues. In particular, it is specified that during 2024, the Sustainability Committee received quarterly updates on the progress of the action plan related to the fundamental pillars of the Group's ESG strategy. In addition, an in-depth review of the ESG strategy contained in the Business Plan was carried out.

For further details on aspects related to the information provided to the administration, management and control bodies on sustainability issues, please refer to the "Report on Corporate Governance and the Ownership Structure - financial year 2024", published on Poste Italiane's website. In addition, the Committees addressed various sustainability issues (e.g. climate change, etc.) during the reporting period. Furthermore, potentially significant impacts, risks and opportunities were brought to the attention of the Audit and Risk and Sustainability Committees in an initial analysis phase in the last quarter of 2024, to be shared after the finalisation of the analysis in February 2025. The timely reporting of IROs will therefore take place from 2025 onwards.

Integrating sustainability performance into incentive schemes

ESRS 2 GOV-3 and ESRS E1 GOV-3 disclosure requirement

The Report on the remuneration policy and on the amounts paid by Poste Italiane S.p.A. clearly illustrates the policy on the remuneration of members of the Administrative Bodies, Control Bodies, General Managers and Executives with Strategic Responsibilities, as well as the procedures used for the adoption and implementation of this policy. It is approved by the Shareholders' Meeting. The short-term (MBO) and long-term (LTI) variable incentive schemes - envisaged for the Chief Executive Officer[195]; the General Manager and Executives with Strategic Responsibilities - aim to strengthen the focus on the creation of value for stakeholders, in keeping with the Strategic Plan by linking the incentives awarded with annual and multi-year economic-financial and ESG objectives and effective performance over the same period. Finally, it should be noted that the incentive plans provide for deferral and/or retention systems and ex-post correction mechanisms (malus and/or clawback) that may lead to the reduction or cancellation of incentives and the request for repayment of amounts already paid.

In this regard, it is specified that the ESG targets, in 2024, are linked:

- for the MBO scheme of the Chief Executive Officer, to the components regarding the “Green Transition” (15%), MPD Quality (10%) and ESG strategic projects (15%); in particular, together with the “Green Transition” (reduction of total Group emissions) and the “Customer Experience” (through the monitoring of MPD Quality) the pillars of “People development” (ISO 45001 Certification in the field of Occupational Health and Safety), “Innovation” (“Ethics-driven policy” to support Artificial Intelligence) and “Sustainable finance” (inclusion of an ESG component in Poste Vita’s investment products) are also “supervised” - through a target linked to the achievement of strategic projects for the Group.
  For Executives with Strategic Responsibilities, they represent objectives differentiated by function to be identified within the KPIs that feed into the Group's ESG strategy (for example, KPIs related to Green Transition, *Customer Experience* and *Diversity&Inclusion*).
- for the LTI Plan, to components related to Green Transition (20%) and People development (20%). The Green Transition target is aimed at measuring the reduction of emissions in the Real Estate sector over the 2024-2026 time horizon: the strong focus on environmental sustainability is confirmed by monitoring, in particular, the reduction of the Group’s direct GHG emissions (Scope 1) from buildings (tCO2e). The objective “People development” includes a focus on skills development through the provision of training hours (with a target of 15 million training hours). Further information on ESG objectives can be found in the related section of the Annual Report 2023.
  For more information please refer to the 2024 Report on the remuneration policy.

Poste Italiane's policy on the remuneration of members of the management bodies, control bodies, general managers and Executives with Strategic Responsibilities is approved annually by the Shareholders' Meeting. The Board of Directors determines the remuneration payable to Directors with delegated powers, in consultation with the Board of Statutory Auditors.
Moreover, the Board of Directors, on the recommendation of the Remuneration Committee, defines the remuneration for Directors' participation in the Board Committees.
With the support of other functions involved - e.g. Administration, Finance and Control, Group Sustainable Development - in agreement with the General Manager and the Chief Executive Officer, the Human Resources and Organisation function draws up the technical assumption of the remuneration policies and submits it to the Remuneration Committee for subsequent transfer to the Board of Directors and approval by the Shareholders' Meeting.

[195] The Chief Executive Officer is the only executive director who is a recipient of these incentive schemes, the other members of the Board of Directors are not recipients thereof.

For any further details on the remuneration policy, please refer to the Report on the 2025 remuneration policy and on the amounts paid in 2024 of Poste Italiane S.p.A. published on Poste Italiane's website.

Duty of diligence statement

ESRS 2 GOV-4 disclosure requirement

The table below provides a reconciliation of the information related to the due diligence process.

				Disclosure concerning	
	Key elements of sustainability due diligence	Disclosure requirements	Page	People	Environment
a.	Integration of due diligence into governance, strategy and business model	ESRS 2 GOV-2	207	X	X
		ESRS 2 GOV-3	208	X	X
		ESRS 2 SBM-3	216	X	X
		ESRS 2 SBM-3-E1	292		X
		ESRS 2 SBM-3-S1	316	X	
		ESRS 2 SBM-3-S2	341	X	
		ESRS 2 SBM-3-S3	348	X	
		ESRS 2 SBM-3-S4	357	X	
b.	Stakeholder Engagement	ESRS 2 GOV-2	207	X	X
		ESRS 2 SBM-2	215	X	X
		ESRS 2 IRO-1	228	X	X
		ESRS 2 IRO-2	245	X	X
		ESRS 2 MDR-P		X	X
		S1-2	320	X	
		S2-2	343	X	
		S3-2	349	X	
		S4-2	359	X	
c.	Identification and assessment of negative impacts on people and the environment	ESRS 2 IRO-1	228	X	X
		ESRS 2 SBM-3	216	X	X
		ESRS 2 SBM-3-S1	316	X	
		ESRS 2 SBM-3-S2	341	X	
		ESRS 2 SBM-3-S3	348	X	
		ESRS 2 SBM-3-S4	357	X	

d.	Adoption of measures to address negative impacts	ESRS MDR-A		X	X
		E1-1	293		X
		E1-3	293		X
		E2-2	304		X
		E5-2	306		X
		S1-3	324	X	
		S1-4	325	X	
		S2-3	345	X	
		S2-4	345	X	
		S3-3	351	X	
		S3-4	351	X	
		S4-3	361	X	
		S4-4	363	X	
e.	Monitoring the effectiveness of these efforts	MDR-T/E1-4	297		X
		MDR-T/E2-3	304		X
		MDR-T/E5-3	308		X
		MDR-T/S1-5	332	X	
		MDR-T/S2-5	346	X	
		MDR-T/S3-5	354	X	
		MDR-T/S4-5	370	X	
		E1-6 – E1-8	300-302		X
		E2-4	304		X
		E5-4 – E5-5	310		X
		S1-6 – S1-17	311		
		G1-4 – G1-6	333		

Risk management and internal controls over sustainability reporting

ESRS 2 GOV-5 disclosure requirement

In 2024, Poste Italiane began a process of adapting to the requirements set out in Legislative Decree no. 125/2024 and in ESRS, through the definition and gradual implementation of an internal control system on sustainability reporting ("SCIIS"), aimed at ensuring the achievement of the objectives of relevance, faithful representation, comparability, verifiability and comprehensibility of financial statements and any other sustainability information.

The SCIIS is structured in accordance with the "Internal Controls – Integrated Framework" model, issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "CoSO Report"), which, in March 2023, published a specific supplementary guide dedicated to sustainability reporting, entitled "Achieving Effective Internal Control of Sustainability Reporting (ICSR)". Responsibility for implementing and maintaining an adequate ICS is entrusted to Poste Italiane's Sustainability Reporting Manager, a figure envisaged in application of Legislative Decree no. 125 of 6 September 2024 and Article 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of 24 February 1998 (hereinafter the "Consolidated Law on Finance"). The establishment, maintenance and evaluation of the SCIIS are ensured through a structured process that includes the following phases: definition of the scope of application (scoping), control model, monitoring of controls, control model assessment and reporting.

Specifically, the process consists of:

a. definition of the scope of application of the SCIIS through the following activities: identification of the datapoint universe; datapoint clustering; analysis of the datapoint contribution of the companies in the reporting boundary; control model;
b. analysing and assessing the controls at the level of Group entities (referred to as Cross-company Controls and Information Technology General Control–ITGC for each "Entity") and at process level (PLC end-to-end and PLC Closing);
c. line monitoring and independent monitoring delegated to Poste Italiane's Internal Auditing function;
d. assessing shortcomings, approving and monitoring corrective actions;
e. issue of certification, in accordance with the Consob model, on the annual integrated financial statements by the Chief Executive Officer and the Sustainability Reporting Manager.

Consistent with CoSo Report principles, the methodology followed for fiscal year 2024 for assessing and prioritising risks on sustainability reporting is based on the following top-down, risk-based approach:

- definition of the scope of analysis: this is given by the datapoints subject to disclosure by Poste Italiane as part of the Sustainability Statement prepared pursuant to Legislative Decree no. 125/2024. In particular, the list of datapoints is represented by the indicator/datapoint plan defined by the Group's Sustainable Development function at the end of the double materiality analysis carried out in accordance with the ESRS. This analysis identifies relevant sustainability issues relevant to the Poste Italiane Group through the mapping of impacts, risks and opportunities (IRO), as well as the relevant datapoints that are included in the Sustainability Statement;
- risk analysis: datapoints are assessed and classified on the basis of a risk/relevance analysis, based on evaluation drivers representing a combination of external and internal factors, in order to obtain a risk assessment balanced between external assurance expectations and the internal features and characteristics of the business processes in which the sustainability reporting originates. The main drivers used relate to this first implementation:
  - centrality of the datapoint as compared to the Poste Group's ESG strategic plan;
  - presence of widespread or concentrated ownership;
  - full coverage of ESG areas;

- relevance of the datapoint as compared to the ratings of the rating agencies;
- potential reputational impact resulting from misstatement.

For the datapoints assessed as having the highest risk/relevance, Poste Italiane conducted an analysis of the business processes from which they originate, of the risks of non-compliance with the requirements of relevance, faithful representation, comparability, verifiability and comprehensibility that the sustainability information disclosed in accordance with the ESRS must satisfy, and of the related controls to monitor them. The output of this analysis is represented by the activity/risk/control matrices (hereinafter also referred to as the "Risk and Control Matrix") and the training and reporting procedures of the datapoints.

Following this approach, the main risks identified concerned:

- incomplete/inaccurate/inconsistent database collection;
- the incorrect calculation of the data, where the same requires processing and/or estimates and/or the use of calculation formulas;
- the incorrect aggregation/consolidation of data;
- the erroneous imputation of data in the platform that collects ESG data (ESG platform);
- the inaccurate/incomplete/inconsistent preparation of the Sustainability Reporting document.

The following main types of controls are envisaged against these risks:

- proper collection of the database through consistency and completeness checks;
- correct application of the calculation formulas, as well as the related work and/or estimates;
- accurate and complete aggregation of data;
- correct imputation and approval of the data;
- accurate/complete/consistent preparation of the Sustainability Statement.

In the fiscal year 2024, an initial wave of implementation of the SCIIS was defined by the Poste Italiane Group, which will be subsequently expanded.

A fundamental element of an adequate ICSIS is the monitoring of the adequacy of the design and effective operation of controls at both company and process level. Monitoring was conducted through two different modes: line monitoring and independent monitoring. Line monitoring is carried out by the heads of corporate functions also through the issuance by the management of Poste Italiane and its subsidiaries of annual certification letters. Independent monitoring, on the other hand, is ensured by Poste Italiane's Internal Auditing function on the basis of an annual plan defined by Poste Italiane's Sustainability Reporting Manager. The identification during monitoring activities of any deficiencies, referring to the inadequacy of the design of the control being audited or referring to its failure to operate in accordance with the defined design, leads to the definition and subsequent implementation of corrective actions to eliminate them. The overall assessment of the control system on sustainability reporting is expressed in the annual Sustainability Statement by the Sustainability Reporting Manager and is communicated to the Board of Directors, after examination by the Control and Risk Committee, the Sustainability Committee and the Board of Statutory Auditors of Poste Italiane. In particular, the Sustainability Reporting Manager provides an attestation, in accordance with the Consob model, jointly with the CEO of Poste Italiane on the annual integrated financial statements.

STRATEGY

Strategy, business model and value chain

ESRS 2 SBM-1 disclosure requirement

The Poste Group represents the largest integrated, omnichannel service platform in Italy, one that is active in logistics, mail and parcels, financial and insurance services, payment systems, telephony and the energy market. The Group employs around 121,000 employees (Full Time Equivalent or FTE) and has 12,755 Post Offices, with an impact on the country in terms of GDP worth a total of €14 billion[196], and is distinguished by its size, recognisability, widespread coverage and the trust placed in it by its customers.

Employees by geographical areas (FTE)	u.m.	2024
Italy	No.	121,192
China		40
Hong Kong		3
United Kingdom		7
Total		**121,242**

The Group has successfully continued on the path of growth and business transformation started in 2018, achieving the main objectives set by the Deliver 22 and 2024 Sustain & Innovate Plus Business Plans. The Plans helped transform Poste Italiane's distribution network into an integrated, omnichannel platform, consolidating the Group's leadership in digital payments and in the e-commerce parcels sector, and strengthening its reference role in financial and insurance services. The Group's activities are divided into several Strategic Business Units (SBUs): Mail, Parcels and Distribution; PostePay (including Payments, Mobile and Energy); Financial Services; Insurance Services. In March 2024, Poste Italiane approved its new 2024-2028 "The Connecting Platform" Strategic Plan, which continues in the wake of the sustainable and profitable growth of previous plans. The new plan aims to ensure further development of innovation and of the technological infrastructures, the transformation of the postal network into a network increasingly geared towards parcel management and delivery, the strengthening of logistics to make Poste Italiane an end-to-end logistics operator, and a new service model based on greater development of customer relations.
Poste Italiane's Sustainability Strategy consists of the ESG Strategic Plan and a set of Sustainability Policies. The main objective is the achievement of national and international targets for social and environmental development. This strategy is consistent with Poste Italiane's activities and business criteria, within the broader strategic framework defined by the Group. The ESG Strategic Plan includes all the specific objectives and targets, both qualitative and quantitative, that the Group has set for the purpose of continuously improving its sustainability performance. In addition, the principles, qualitative objectives and different management methods, are integrated in the policies adopted, which regulate in a synergistic manner the various relevant Group's sustainability issues For an in-depth analysis of the Group's sustainability strategy and business model, please refer to Chapter '4 - Business Model and Strategy', as reported in ESRS 2 BP-2 'Incorporation by Reference'.

With the aim of representing the main characteristics of the value chain, upstream and downstream, the Group conducted an analysis with respect to the main business entities such as suppliers, customers, distribution channels and end users and their respective relationships with the Group.

[196] Please refer to section 2.2 'The impacts generated by Poste Italiane'.

Below is a mapping of the Poste Italiane Group's value chain, representative of the business sectors in which it operates. In particular, considering for the upstream value chain the supply categories subdivided into Tier 1, Tier 2 and Tier 3 and the provision of cross-tier services, for the own operations the activities of the Strategic Business Units and for the downstream value chain the consumers and/or end-users, a summary of the main players involved is given below.

Upstream

Tier 1

Acceptance and delivery (e.g. tobacconists, lockers, UPs); Suppliers of materials for product packaging and wrapping; Suppliers of sorting services (e.g. cooperatives); Suppliers of real estate services (e.g. rent, security, electricity/gas, hygiene services, infrastructure maintenance); Suppliers of maintenance services for sorting equipment and facilities; Suppliers of PPE and safety materials (e.g. shoes, helmets, gloves, work uniforms); Suppliers of equipment; Suppliers of middle mile transport services, last mile delivery and Pickup; Suppliers of fleet vehicles; Suppliers of handling and warehousing services; Suppliers preparatory to the provision of payment services; Circuit partnerships; Production and customisation of payment cards; Supplies preparatory to the provision of telephony services; Provision of regulatory/legal/accounting support services; Logistics service providers; Credit management services; After-sales customer support services; Wholesale suppliers of electricity, natural gas, guarantees of origin and carbon credits; Energy market platforms; Transport and distribution service providers of natural gas and electricity; Database/observatory services; Commercial partners and third-party facilities for the provision of services in physical points and digital channels; IT services; Communication, Marketing and Advertising activities; Printing, Enveloping and Delivery; Services supporting control activities; Delegated Asset Managers of the Company; Distributors of the Company's products.

Tier 2

Suppliers of plant and equipment maintenance services; Suppliers of company fleet vehicle maintenance services; Suppliers of wrapping and packing materials (e.g. manufacturers of boxes, pallets, adhesive tapes); Suppliers preparatory to the provision of payment services; IT services; Support and call centres; Suppliers of data, software and IT systems for the management of delegated insurance products.

Tier 3

Data processing technology, software and IT systems development companies; External suppliers of software and IT systems for financial products management.

Provision of cross-sector services

Services provided by other BUs (e.g. IT services managed internally and also provided through the use of external companies); Professional consultancy/services; Consulting companies; Services supporting cross-sector functions; Utilities providers; General and managerial training; Providers of data, software and IT systems for the management of insurance products; Market research companies.

Own operations

Pickup; Acceptance; Sorting; Middle mile transport; Last mile delivery; Handling; Customs clearance; Warehousing; Payment services; Fixed and mobile telephone services; Energy Management and Risk Management; Marketing and Sales;

After-sales services (billing, customer care); Transactional and payment products and services; Financing products and services; Savings products and services; Investment products and services; Insurance and pension products and services; Collective investment management service (funds); Individual portfolio management service (GPM); Financial management service.

Downstream

Business Customers, Retail Customers (Private, Affluent, Mass Market, POE, Enterprise, Public Administration), Other postal operators; Intra-group customers (Poste Italiane and Group Companies); Asset management product distributors (Poste Italiane/Bancoposta); Customers of the individual base management service (PosteVita, Net Insurance, Net Insurance Life).

Stakeholder interests and opinions

ESRS 2 SBM-2 disclosure requirement

With the aim of creating shared value for the Group and all its stakeholders, Poste Italiane incorporates the needs expressed by those directly and indirectly involved in the Group's activities into its Sustainability Strategy. Considering stakeholder demands allows the Group to maintain a relationship of trust and transparency in the social and economic context in which it operates, while strengthening its reputation.

In order to identify all the stakeholders that influence or are influenced by the achievement of the Group's strategic objectives, Poste Italiane has carried out a detailed mapping of the stakeholder categories with which it interacts during its activities. The analysis identified six macro-categories of stakeholders, namely: Shareholders and Investors, Customers, Employees, Suppliers (Business Partners), Entities and Institutions, Community and Territory and Third Sector Bodies. These are shown in the following table, which indicates the main ways of involvement and communication related to each of them.

Poste Italiane's stakeholder engagement methods

STAKEHOLDER CATEGORY	PRINCIPAL ENGAGEMENT METHODS	PURPOSE OF THE ENGAGEMENT
Shareholders and investors	Shareholders' meeting; Corporate Governance Report; Financial relations and periodic presentations; Road shows and dedicated meetings; The Company's corporate website; Press releases.	Communicating the Group's ESG value to the financial market; Consolidating trust and ensuring integrity and transparency in the business.
Customers	Customer experience systems; Periodic customer satisfaction surveys.	Building customer loyalty and improving the quality of products and services offered, in an inclusive and sustainable manner.
Employees	Internal communication tools (intranet, newsletters, mailing lists, Postenews, etc.); Internal and external events for staff; Periodic meetings; first- and second-level bargaining; Periodic staff satisfaction surveys.	Engaging staff by increasing their sense of belonging; Valuing and rewarding talent; Promoting inclusion and gender equality at all levels.
Suppliers and business partners	Dedicated meetings.	Integrating ESG aspects within the supply chain.
Entities and Institutions	Conferences; Dedicated meetings; Corporate communication; Periodic communications; Organisation of events.	Maintain a proactive and collaborative dialogue with central and local institutions.
Community and Territory, Third Sector Bodies	Community projects; Partnerships; Press releases; Sponsorships; Donations; Dialogue with local institutions; Contacts during the launch of relevant projects,; Publication of documents, interviews, events.	Promoting social inclusion; implementing modernisation and digitalisation processes aimed at increasing the well-being of citizens and the socio-economic development of the territory.

The result of stakeholder engagement activities is taken into account by the Group when defining its business strategy and business model. In this regard, among the stakeholder dialogue tools implemented by Poste Italiane, one of the most useful in terms of communication and strategic discussion of sustainability issues relevant to the sector is the Multi-stakeholder Forum, which is held annually. The Group's strategic guidelines and business model are in fact influenced by the results of the materiality analysis, through which the interests and opinions of stakeholders are taken into account when defining sustainability issues relevant to Poste Italiane. This engagement process, whose results were shared with the

Board of Statutory Auditors and the Board of Directors, which subsequently approved the entire process, is further detailed in the section 'Managing Impacts, Risks and Opportunities', with reference to the IRO-1 Disclosure Requirement.

Material impacts, risks and opportunities and their interaction with the strategy and business model

Disclosure Requirement ESRS 2 SBM-3

The Poste Italiane Group, in consideration of the unique characteristics of its business and on the basis of the operating context and the main players identified along the value chain, has identified the impacts, risks and opportunities relevant to it, by conducting the materiality analysis process, which is further detailed in the section 'Managing impacts, risks and opportunities'. The following table represents the relevant IROs identified through the materiality assessment conducted, indicating their respective time horizons, their location in the value chain and their connection to the business model with reference to the Group's Business Units.

ESRS E1 - Climate Change						
ESRS SUB-TOPIC	**IRO**	**Description**	**Time horizon**	**Value chain**	**Impacts**	**Business Unit**
Adaptation to climate change	I	Global average temperature increase (-) (E)	Medium-term Long-term	Upstream Own operations Downstream	People Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Deterioration of quality delivered Inadequate quality delivered and failure to meet regulatory and contractual standards resulting in fines and penalties	Short-term Medium-term Long-term	Upstream Own operations Downstream	-	Mail, Parcels & Distribution
	R	Restrictions on Poste Italiane's business operations due to extreme weather conditions related to climate change	Medium-term Long-term	Upstream Own operations Downstream	-	Mail, Parcels & Distribution
Mitigation of climate change	I	Production of greenhouse gas emissions throughout the value chain (-) (E)	Short-term Medium-term	Upstream Own operations Downstream	People Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Underestimating sustainable development and not actively pursuing decarbonisation can lead to serious consequences in terms of corporate reputation, with negative impacts on stakeholder trust, market opportunities and overall company value	Long-term	Upstream Own operations	-	Mail, Parcels & Distribution
	O	Reduction of emissions related to the use of the vehicles making up the corporate fleet by virtue of a review of business models resulting from the transformation of mobility	Long-term	Own operations	-	Mail, Parcels & Distribution

Energy	I	Energy consumption from renewable sources throughout the value chain (+) (E)	Short-term Medium-term	Upstream Own operations Downstream	People Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Non-/partial achievement of growth targets in the Energy market Non-achievement of business objectives related to the energy sector, due to strong market competition and regulatory issues	Short-term Medium-term Long-term	Upstream Own operations	-	Postepay Services
	R	Rising cost of raw materials and supply difficulties (e.g. oil, gas and energy) resulting from the current geopolitical context	Short-term Medium-term	Upstream	-	Cross-sectional
	O	Decrease in the Group's total energy consumption from non-renewable sources (e.g. fossil fuels) due to a review of business models resulting from the transformation of mobility	Long-term	Own operations	-	Mail, Parcels & Distribution
ESRS E2 - Pollution						
Air pollution	I	Production of air pollutants throughout the value chain (-) (E)	Short-term Medium-term	Own operations Downstream	People Environment	Mail, Parcels & Distribution
	R	Restrictions on Poste Italiane's operations, with particular reference to deliveries, due to traffic restrictions (e.g. restrictions on polluting vehicles)	Long-term	Own operations Downstream	-	Mail, Parcels & Distribution
ESRS E5 - Circular Economy						
Inflows of resources, including use of resources	I	Use of recyclable / biodegradable or recycled / regenerated materials in carrying out the Group's activities (+) (E)	Short-term Medium-term	Upstream Own operations	Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy
Waste	I	Waste production resulting from the Group's activities (-) (E)	Short-term Medium-term	Own operations	Environment	Mail, Parcels & Distribution
	I	Waste production from the supply chain (-) (E)	Short-term Medium-term	Upstream	Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy
	I	Waste production resulting from the use of the Group's products and services by customers (-) (E)	Short-term Medium-term	Downstream	Environment	Mail, Parcels and Distribution; Payments and Mobile
	R	Incorrect/non-compliant waste management	Short-term	Upstream Own operations	-	Cross-sectional

ESRS S1 - Own workforce

Working conditions	I	Lack of protection of rights with respect to employment contract and social protection (-) (P)	Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Lack of protection of rights with respect to working time (-) (P)	Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Lack of protection of rights with respect to freedom of association and collective bargaining (-) (P)	Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Work-life balance (+) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Accidents, injuries and occupational illnesses (-) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Trade Union Conflicts Tensions and states of industrial unrest related to the launch of the new delivery model and other ongoing transformation actions	Short-term Medium-term	Own operations	-	Cross-sectional
	R	Accidents / Injuries to workers or contractors at the workplace Accidents to workers or collaborators at the workplace resulting from the execution of operational activities (e.g. acceptance, transport and sorting activities; postal product delivery activities with particular reference to the use of company motor vehicles and vehicles, counter activities)	Short-term Medium-term	Own operations	-	Cross-sectional
	R	Disputes and litigation: Disputes and litigation, judicial and extrajudicial, with suppliers, employees, customers or third parties that may involve compensation and/or payment of penalties.	Short-term Medium-term	Upstream Own operations Downstream	-	Cross-sectional

	R	Delayed re-engineering of operations and delivery processes Difficulties / delays in the implementation and development of the operating model due to various constraints (personnel management policies, operations and delivery processes, technological innovation, labour relations) resulting in failure to achieve plan targets	Short-term Medium-term	Upstream Own operations Downstream	-	Mail, Parcels & Distribution
	O	Possibilities to implement staff welfare and well-being plans (e.g. promotion of active parenting), taking advantage of changes in demographic and social composition, in order to increase labour market attractiveness	Medium-term Long-term	Own operations	-	Cross-sectional
Equal treatment and opportunities for all	I	Gender pay gap (-) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Employee attraction, development and training (+) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Social and labour inclusion of people with disabilities (+) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Incidents of violence and harassment in the workplace (-) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Plurality of work context (+) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services

	R	Operational difficulties related to absenteeism rates and high rate of inability among employees Operational difficulties related to absenteeism rates and high rate of inability among employees (temporary or permanent unfitness for work, employment limitations), with potential impact on planned initiatives to increase productivity	Short-term Medium-term	Own operations	-	Cross-sectional
	O	Increased ability to attract talent to the market through equal treatment, opportunities, the development of employment protection practices and plurality of the work environment	Medium-term Long-term	Own operations	-	Cross-sectional
Other work-related rights	I	Incidents of violation of workers' privacy (-) (P)	Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Non-compliance with privacy regulations Processing of personal data in violation of applicable regulations	Short-term Medium-term	Upstream Own operations	-	Cross-sectional
ESRS S2 - Workers in the value chain						
Working conditions	I	Lack of protection of rights with respect to employment contracts and social protection with respect to workers in the value chain(-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Lack of protection of rights with respect to working time for workers in the value chain (-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Occupational accidents, injuries and diseases at work with reference to workers in the value chain (-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Inefficiencies related to supplier relations within the procurement process: Possible inefficiencies in the definition of relations with external suppliers, in operational activities, as well as in the Group's dependence on external suppliers, which may jeopardise the success of procurement activities	Short-term Medium-term	Upstream Own operations Downstream	-	Cross-sectional
	R	Accidents / Injuries to workers or collaborators at the workplace Accidents to workers or collaborators at the	Short-term Medium-term	Upstream Downstream	-	Cross-sectional

		workplace resulting from the execution of operational activities (e.g. acceptance, transport and sorting activities; postal product delivery activities with particular reference to the use of company motor vehicles and vehicles, counter activities)				
Equal treatment and opportunities for all	I	Gender pay gap with reference to workers in the value chain (-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Social and labour inclusion of people with disabilities with reference to workers in the value chain (+) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Incidents of violence and harassment in the workplace with reference to workers in the value chain (-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Plurality of the work context with reference to workers in the value chain (+) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
Other work-related rights	I	Incidents of breaches of workers' privacy in the value chain (-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Non-compliance with privacy regulations Processing of personal data in violation of applicable regulations	Short-term Medium-term	Upstream Own operations Downstream	-	cross-sectional
	R	Deterioration of reputation and non-compliance with human rights standards resulting from relations with suppliers who exploit child/forced labour in non-EU countries	Short-term Medium-term Long-term	Upstream Downstream	-	Mail, Parcels & Distribution

ESRS S3 - Affected communities						
Economic, social and cultural rights of communities	I	Presence of services and infrastructure in outlying areas of the territory (+) (E)	Short-term Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Digital transformation of the Country (+) (P)	Medium-term	Upstream Own operations Downstream	People Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Social exclusion of people experiencing economic hardship (-) (P)	Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Creating shared economic and social value for the community(+) (E)	Short-termMedium-term	Upstream Own operations Downstream	People Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	O	Possibility of accessing funds and contributions for the realisation of initiatives benefiting outlying urban areas, also taking advantage of the widespread presence in Italy that allows for visibility of the products and services offered throughout the Country	Long-term	Own operations	-	Cross-sectional
ESRS S4 - Consumers and end users						
Information-related impacts for consumers and/or end users	I	Incidents of violation of consumers' privacy (-) (E)	Short-term Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Cyber attacks and data theft (-) (E)	Short-term Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Computer system malfunctions and/or security failures that may lead to personal data breaches, loss or compromise of information, operational blockages or slowdowns, customer disruptions	Short-term Medium-term	Own operations	-	Cross-sectional

	R	Non-compliance with privacy regulations Processing of personal data in violation of applicable regulations	Short-term Medium-term	Own operations	-	Cross-sectional
	R	Inadequate use of big data and artificial intelligence and an increase in privacy violations	Long-term	Own operations	-	Cross-sectional
	R	Risks related to the regulatory/legislative framework for competition and consumer protection Tightening of regulations for competition and consumer protection, as well as unfavourable outcomes of investigations conducted by the competent authorities	Short-term Medium-term	Own operations Downstream	-	Cross-sectional
Social inclusion of consumers and/or end users	I	Lack of access to products and services for the most disadvantaged user groups (-) (P)	Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Digitalisation of products and services and development of innovative solutions (+) (E)	Short-term Medium-term	Own operations Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Customer satisfaction (+) (E)	Short-term Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Economic damage to users who are uninformed about the products and services offered (-) (E)	Short-term Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Failure to meet customer needs Provision of services and/or placement of products (also in integrated mode) that do not meet the real needs of business and retail customers in the postal/logistics, banking, insurance, payments, mobile and energy fields. Limited satisfaction of business and consumer customer needs, for different products and services, throughout all stages of the customer life cycle	Short-term Medium-term Long-term	Own operations Downstream	-	Cross-sectional

	R	Risks related to the regulatory/legislative framework for competition and consumer protection Tightening of regulations for competition and consumer protection, as well as unfavourable outcomes of investigations conducted by the competent authorities	Short-term Medium-term	Own operations Downstream	-	Cross-sectional
	O	Opportunity to ensure accessibility to health protection even for the weaker sections of the population by contributing to sustainable development	Long-term	Own operations	-	Insurance Services Mail, Parcels and Distribution
	O	Greater ability than competitors to understand customer needs, also with reference to targets in the "digital divide"	Long-term	Own operations Downstream	-	Postepay Services Financial Services Insurance Services
	O	Acceleration of the transition to digitisation, with a consequent increase in demand for the digital products offered by Poste Italiane	Medium-term	Own operations Downstream	-	Cross-sectional
ESRS G1 - Business Conduct						
Corporate culture	I	Incidents of violation of the Code of Ethics by Group employees (-) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Incidents of violations of the Code of Ethics by parties in the supply chain (-) (P)	Medium-term	Upstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Growing regulation in the field of artificial intelligence and consequent increase in compliance pressure	Medium-term Long-term	Own operations	-	Cross-sectional
Protection of whistleblowers	I	Incidents of violation of the whistleblowing system (-) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Failure to comply with whistleblowing legislation	Short-term	Own operations	-	Cross-sectional
Political engagement and lobbying	I	Anti-competitive practices and antitrust violations (-) (P)	Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services

Management of relationships with suppliers including payment practices	I	Raising supplier awareness of ESG issues (+) (E)	Short-term Medium-term	Upstream	People Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Inefficiencies related to supplier relations within the procurement process: Possible inefficiencies in the definition of relations with external suppliers, in operational activities, as well as in the Group's dependence on external suppliers, which may jeopardise the success of procurement activities	Short-term Medium-term	Upstream Own operations Downstream	-	Cross-sectional
Active and passive corruption	I	Workers' awareness of active and passive corruption (+) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Non-compliance/ adaptation with regulatory provisions on corruption	Short-term	Own operations	-	Cross-sectional
ESRS ENTITY-SPECIFIC - Sustainable Finance						
-	I	Sustainable growth of the country through its investing and or insurance activities (+) (E)	Short-term Medium-term	Own operations Downstream	People Environment	Financial service; Insurance services
	I	Responsible investment and insurance practices (+) (E)	Short-term Medium-term Long-term	Own operations Downstream	People Environment	Financial service; Insurance services
	O	Increased market attractiveness resulting from an increase in investment operations/practices that take ESG profiles into account, as well as the offering of sustainable insurance products/solutions	Short-term Medium-term	Own operations Downstream	-	Financial service; Insurance services

In order to adequately manage the effects related to the relevant IRO identified, the Group has several policies in place and implemented numerous actions, which are discussed in more detail in the relevant sections.

The current financial effects of risks and opportunities are shown below with reference only to those financial effects attributable to budget items and in particular:

ESRS SUB-TOPIC	R/O	Description	Current Financial Effect
ESRS S1 - Own workforce			
Working conditions	R	Disputes and litigation: Disputes and litigation, judicial and extrajudicial, with suppliers, employees, customers or third parties that may involve compensation and/or payment of penalties.	Attributable to the balance sheet item Provisions for Risks and Charges and commented on in the notes to the financial statements with particular reference to the "Provision for staff disputes"
	R	Trade Union Conflicts Tensions and states of industrial unrest related to the launch of the new delivery model and other ongoing transformation actions	
	R	Delayed re-engineering of operations and delivery processes Difficulties / delays in the implementation and development of the operating model due to various constraints (personnel management policies, operations and delivery processes, technological innovation, labour relations) resulting in failure to achieve plan targets	
	R	Accidents / Injuries to workers or collaborators at the workplace Accidents to workers or collaborators at the workplace resulting from the execution of operational activities (e.g. acceptance, transport and sorting activities; postal product delivery activities with particular reference to the use of company motor vehicles and vehicles, counter activities)	
Equal treatment and opportunities for all	R	Operational difficulties related to absenteeism rates and high rate of inability among employees Operational difficulties related to absenteeism rates and high rate of inability among employees (temporary or permanent unfitness for work, employment limitations), with potential impact on planned initiatives to increase productivity	
ESRS S3 - Affected communities			
Economic, social and cultural rights of communities	O	Possibility of accessing funds and contributions for the realisation of initiatives benefiting outlying urban areas, also taking advantage of the widespread presence in Italy that allows for visibility of the products and services offered throughout the Country	Described in the notes to the financial statements in the paragraph "Property, Plant and Equipment"
ESRS S4 - Consumers and end users			
Social inclusion of consumers and/or end users	R	Failure to meet customer needs Provision of services and/or placement of products (also in integrated mode) that do not meet the real needs of business and retail customers in the postal/logistics, banking, insurance, payments, mobile and energy fields. Limited satisfaction of business and consumer customer needs, for different products and services, throughout all stages of the customer life cycle	The share of BancoPosta services can be allocated to the financial statements item Provisions for Risks and Charges and commented on in the notes to the financial statements with particular reference to Bancoposta Operational Risk Provisions
Responsible business practices	R	Risks related to the regulatory/legislative framework for competition and consumer protection Tightening of regulations for competition and consumer protection, as well as unfavourable outcomes of investigations conducted by the competent authorities	Commented in the notes to the financial statements in the paragraph Contingent liabilities and main proceedings pending with the Authorities
Information-related impacts for consumers and/or end users	R	Non-compliance with privacy regulations Processing of personal data in violation of applicable regulations	Described in the notes to the financial statements in the paragraph "Contingent liabilities and main proceedings pending with the Authorities (Postel)"

Finally, the constant monitoring of significant IROs through the double materiality analysis allows the Poste Italiane Group to orientate the 2024-2028 Strategic Plan and corporate strategy, as well as to strengthen the ability of the business model to promptly identify and address any critical issues related to sustainability issues.

MANAGING IMPACTS, RISKS AND OPPORTUNITIES

Description of process to identify and assess material impacts, risks and opportunities

Disclosure Requirement ESRS 2 IRO-1

With the aim of adhering to the regulatory provisions of the Corporate Sustainability Reporting Directive (CSRD), as transposed in Legislative Decree no. 125 of 6 September 2024, and to determine the main sustainability issues that, at strategic level, can guide the Group's commitment to ESG, during 2024, Poste Italiane revised its materiality analysis process in line with the ESRS standards and the Materiality Assessment Implementation Guidance (hereinafter the MAIG Guidance) developed by EFRAG, in order to include the two perspectives of impact materiality and financial materiality within the process itself. The Group's sustainability framework is defined by ensuring its harmonisation with the Enterprise Risk Management model also in terms of processes, tools and related methodologies. Furthermore, as part of the materiality analysis process, the Group takes the interests and opinions of stakeholders into account and orients its strategy according to the findings of this process.

In order to determine the relevant sustainability issues to be reported in the Sustainability Statement 2024, the Poste Italiane Group has developed a materiality process consisting of the following steps:

Identification of potentially relevant topics, sub-topics and sub-sub-topics for the Group

Poste Italiane conducted a preliminary context analysis with respect to the Group's operations and its upstream and downstream value chain, aimed at investigating the specific activities, business relationships, geographies or other factors that present a high risk of negative impacts occurring. This analysis was supplemented with the findings of a desk analysis with respect to reference best practices, which took into account the company's strategic objectives as well as the interests expressed by stakeholders. Starting from the results of the 2022-2023 materiality cycle, a reconciliation of the Poste Italiane Group's impacts was carried out, where possible, to the sustainability issues considered by the ESRS Standards (Topic, Sub-Topic, Sub-Sub-Topic) and to additional entity-specific issues.

Identification of potentially significant impacts, risks and opportunities (IROs) for the Poste Italiane Group

With reference to impacts, the Group reconciliation of the impacts identified in the 2022-2023 materiality cycle to the sustainability issues considered by the ESRS Standards and to additional entity-specific issues, integrating new impacts in order to ensure an exhaustive coverage of all issues, sub-topics and sub-sub-topics potentially relevant to the Group. The impacts identified were then classified according to their nature, distinguishing between positive or negative, actual or potential. Next, the scope of impacts along the value chain was defined, distinguishing between upstream, own operations and downstream. Finally, the time horizons within which each impact manifests its effects have been established, divided into short term (within 1 year), medium term (within the plan period, between 2 and 5 years) and long term (beyond the plan period, more than 5 years).

In order to identify risks and opportunities, first an analysis of the Group's relevant activities was carried out, consistent with the 2022-2023 materiality analysis cycle, and then proceeded to relate them to the sustainability-related topics, sub-topics and sub-sub-topics contemplated in ESRS 1. In view of the findings, an analysis of opportunities and risks (strategic and emerging) mapped in the Enterprise Risk Management area was carried out, consistent with the Strategic Plan 2024-2028 and the Annual Financial Report 2023.

Following the verification of ESRS topic coverage, the list of potentially relevant risks/opportunities (long list) was consolidated. Based on this long list, an assessment of risks and opportunities was carried out in order to identify those relevant to the Poste Italiane Group. The assessment was carried out in consideration of the Impact Materiality and on the basis of possible dependencies of the Poste Italiane Group (e.g. energy resources for the corporate fleet), as well as considering the players in the value chain that contribute to the generation of the identified risks/opportunities and the reference time horizon, divided into short term (within 1 year), medium term (within the plan period, between 2 and 5 years) and long term (beyond the plan period, more than 5 years).

Definition of the scoring mechanism and relevance thresholds

With reference to the significance value of impacts, an evaluation scale was defined, based on the following criteria: Magnitude, extent of the positive or negative effects of the impact on the environment and people, assessed on a scale from 1 (None) to 5 (Very High); Scope, extent of the impact in terms of geography and/or number of individuals affected, measured on a scale from 1 (Limited) to 5 (Systemic); Irremediable nature (only for negative impacts), Poste Italiane Group's ability to remedy the effects of the impact, assessed on a scale from 1 (Easily remediable) to 5 (Irremediable). On the basis of this assessment scale, the significance of impacts was defined as the mean of the magnitude, extent and irremediable nature values for negative impacts and the mean of the magnitude and extent values for positive impacts. Furthermore, an additional increment of 1 was assigned to all potentially significant human rights impacts, with the aim of increasing their significance in line with the provisions of ESRS 1 and the MAIG Guideline. With reference to the probability of occurrence of impacts, a scale of values from 1 to 5 was defined, assigning a maximum value of 5 to all actual impacts and involving the reference functions to establish the probability of occurrence of potential impacts, based on evidence from an internal desk analysis. The methodology for calculating the significance of each identified impact was defined as the product of its associated significance and probability. Finally, taking into account the Enterprise Risk Management thresholds used for the assessment of risks and opportunities, a materiality threshold of 8 was determined.
In line with the Enterprise Risk Management framework, risks and opportunities are assessed through the drivers of impact (quantitative and qualitative) and probability of occurrence of the risk event on a 5-value scale. The assessment was carried out consistently with the metrics adopted in the Enterprise Risk Management area and the reference thresholds, in order to attribute a scoring in line with the assessment criteria defined by the ESRS standards.

The combined assessment of probability by impact allows the risks to be classified as follows:

- Tier 1: risks with rating of 12 or higher;
- Tier 2: risks with rating between 8 and 10;
- Tier 3: risks with rating lower than 8.

Based on the assessments performed, and in line with the Enterprise Risk Management methodology, risks and opportunities falling within Tier 1 were identified as relevant for the Poste Italiane Group. Based on the outcome of the assessment of the various risks and opportunities, the Poste Italiane Group has identified priority mitigation/enhancement actions, according to the relevance of the risks and opportunities.

Stakeholder engagement and determination of relevant IRO for the Poste Italiane Group

With reference to the impacts, in order to assess their significance, the Poste Italiane Group involved a broad panel of stakeholders in the annual "Multistakeholder Forum" initiative, which, now in its eighth edition, has been updated in accordance with the new regulatory requirements of the CSRD and ESRS standards. Live streamed to ensure the broadest participation possible, in 2024, the initiative involved more than 1,000 participants and created an opportunity for reflection and the sharing of ideas and projects useful for the creation of shared value with the main stakeholders with whom Poste Italiane interacts in carrying out its activities, enabling the achievement of the Group’s strategic objectives. Specifically, the activity provided for the organisation of four thematic focus groups, with the provision of an interactive questionnaire aimed at assessing the significance of potentially material impacts defined by the Poste Italiane Group on the basis of its business activities in relation to the ESRS topics "Climate change", "Pollution", "Water and marine resources", "Biodiversity and ecosystems", "Resource use and circular economy", "Own workforce", "Workers in the value chain", "Affected communities", "Consumers and end users", "Business conduct" and the Entity Specific topic "Sustainable finance". For each of the potentially significant impacts, stakeholders were asked to assess their magnitude, extent and irremediable nature (for negative impacts only). The activity thus contributed to the identification of ESG information to be reported within the Group's Sustainability Statement 2024 and to determine the main sustainability issues that, at a strategic level, can define the guidelines of the Group's ESG commitment.

With reference to the risks arising from the ERM Model, the analysis is updated on a quarterly basis as part of the monitoring activities carried out by the Group Risk and Compliance function. These activities normally envisage, for each relevant risk, the involvement of the competent corporate functions for the purposes of updating the quantitative and qualitative data/information on the basis of which the trend of the risks themselves is determined, reviewing, if necessary, their assessment, in accordance with the Group's Risk Management methodology.

On the basis of the scoring mechanism and the materiality thresholds established, Poste Italiane identified a total of 45 impacts, 22 risks and 9 opportunities relevant to the Group. These findings were shared with the Sustainability Committee, the Control and Risk Committee and the Board of Statutory Auditors. The Board of Directors subsequently approved the entire process.

It is specified that, regarding ESRS topic E3 "Water and marine resources", given its nature as a large integrated and omnichannel service platform in Italy, the Poste Italiane Group monitors water consumption for civil use at post offices, without significant impacts on water sources. Nevertheless, the Group targets efficient water management, taking concrete actions to reduce water consumption and promote its proper use to prevent and avoid waste. Furthermore, with reference to ESRS Topic E4 "Biodiversity and Ecosystems", the analysis led to the identification of the topic of biodiversity as substantially irrelevant in view of the nature, activities and sector in which the Group operates.

Description of processes to identify and assess material impacts, risks and opportunities related to the climate

Disclosure Requirement ESRS E1 IRO-1

For the Poste Italiane Group, environmental protection is an essential element in the creation of sustainable value for the community and the territory in which it operates. With this in mind, the Group is committed to using resources responsibly and implementing innovative solutions to minimise negative environmental impacts, with a focus on climate change adaptation, mitigation and energy consumption. This commitment is evidenced by the actions undertaken by the Group and the progressive reduction of emissions over the years, reported in topic E1-6.

The Group conducted an analysis of physical climate-related risks through a methodology consisting of the following steps:

Identification of the most relevant physical risks

According to a relevance approach, the main climate risks that could affect the Group's assets were selected, classifying them, as required by the main international reference standards, into acute and chronic physical risks (in line with the requirements of the European Taxonomy, Do Not Significant Harm – DNSH). Acute physical risks include extreme events such as storms, flash floods and heat waves, for which the impact has been calculated in Business Interruption Days (BID). Chronic physical risks, on the other hand, represent gradual changes in the climate, such as desertification, or changes in rainfall, the assessment of which was obtained by calculating the value of individual reference indicators.

Assessment of exposure to physical risks

Through the support of the relevant corporate functions, the geographical coordinates identifying the Poste Italiane Group's assets were acquired, including post offices, production centres, management offices, etc. The data required for the assessment were collected from the Intergovernmental Panel on Climate Change (IPCC) ATLAS database, the CORDEX-Copernicus Climate Data Store project and literature published in the most reliable sources in the sector.

For the purpose of the analysis, a tool was used, developed by an external company, which analyses the climate projections of 7 different climate models, calculating the mean of the climate projections and the distributions at the 25% and 75% percentiles, specific to different geographical areas. The analysis took into account the IPCC's Representative Concentration Pathways (RCP) climate scenarios, divided into RCP 8.5, RCP 4.5 and RCP 2.6.
Having completed the analysis of individual geographical coordinates using the tool, the most relevant types of climate risk were identified in relation to the Poste Italiane Group's assets. In addition, for each asset and for each type of risk, a preliminary estimate was made of potential Business Interruption Days (BID) and of the extent of possible material damage to assets.
As a result of the analyses, the following main risks were identified: River flooding; Extreme rainfall. In order to mitigate the aforementioned risks, Poste Italiane has taken out specific insurance policies that cover the total value of the assets (equal to the rebuild value), with reference to all of its own and third-party types (e.g. post offices, production centres, management offices), with an uncovered amount of 20% of the damage, and limits of indemnity set for each year. In addition, as part of its Group business continuity plan, Poste Italiane has developed specific solutions to ensure business continuity in the face of scenarios causing the unavailability of an operational site, including climate changes and natural disasters. Such solutions include:

- movement of resources essential for carrying out the activity to a solvent site, previously identified and suitably equipped;
- activation of Agile Work to enable staff to work in a different location from their company sites;
- activation of mutual back-up: the processing of the product/service, in normal operation, is performed by several sites simultaneously. In the event of unavailability of one of the Sites (called the Target Site), processing is transferred to the site that remains operational (Backup Site).

The analysis of physical risks can consider the evolution of impacts over three distinct time horizons: 2030, 2050 and 2080. For the purposes of the analysis conducted, and in particular for the representation of the results concerning Asset Damage and Business Interruption Days (BID), it was decided to focus on the time horizon of 2030, as this horizon provides a clearer and more tangible picture of the effects of acute climate risks such as river floods, storms and forest fires, which have already begun to occur with a certain frequency, and allows more reliable and representative estimates to be made. Projecting BID on too long time horizons, such as 2050 or 2080, would lead to greater uncertainty. Long-term climate scenarios are still subject to significant variability, making estimates of specific impacts on individual assets less reliable.
In the context of climate risk analyses, the Group also conducted climate transition risk assessments, following international reference guidelines - in particular TCFD, now also absorbed by the ESRS standards - which represent an effective methodology to identify, assess and manage climate change risks, not only from a physical perspective, but also through the lens of economic and regulatory transition. In particular, the analysis involved the following steps:

Identification of climate-related transition events

For the identification of transitional climate risks and opportunities, an initial screening phase was conducted through which the specific challenges of the sector in which the Group operates were identified, taking into consideration key European regulations, international frameworks, and best practices adopted by global organisations. In particular, the analysis took into account: current regulations, type of business, emerging trends and market dynamics. Next, an analysis of climate-related transition events was conducted, identifying the main ones for the Poste Italiane Group:

- Regulatory Developments: regulatory and legislative developments related to emission that may require changes in business processes and business models;

- Technological Developments and Innovation: investments in new technologies and solutions to offer products and services with less environmental impact;
- Market Developments: rising energy costs and uncertainty of market trends;
- Reputation: changes in stakeholders' preferences and expectations.

The scenario analysis took into consideration the trends in the transport sector and the estimate of forecasts and development in the coming years. Climate scenarios developed by international organisations such as the IPCC and the International Energy Agency (IEA) were taken into account in the analysis:

- Stated Policies Scenario (STEPS): a scenario that is based on climate policies already implemented by governments, with no more ambitious actions;
- NZE scenario (Net Zero Emissions by 2050): Scenario describing an energy pathway with the goal of limiting the average global temperature increase to 1.5°C.

Assessment of exposure to transition risks

Upon completion of the aforementioned analyses, as well as in line with the findings of the dual materiality analysis, the following transition risks/opportunities relevant to the Group were identified, to which the Group's assets and activities are potentially exposed, with particular reference to the logistics and delivery business, corporate fleet management and operations in the energy business.

The assessment of these risks/opportunities at the inherent level was carried out in line with the Enterprise Risk Management metrics used in the context of financial materiality (probability and impact), classifying them as material (Tier 1). At the residual level, the risk is appropriately mitigated, given the treatment actions identified and monitored as part of the Group's risk management process.

- Risk related to Regulatory Developments: "Deterioration in the quality provided: Inadequate quality delivered and failure to meet regulatory and contractual standards resulting in payment of fines and penalties";
- Risks Related to Market Developments: "Failure to achieve business objectives related to the energy sector due to strong market competition and regulatory issues" and "Increased cost of raw materials and supply difficulties (e.g. oil, gas and energy) resulting from the current geopolitical context";
- Reputation-related risk: "Underestimating sustainable development and not actively pursuing decarbonisation can lead to serious consequences in terms of corporate reputation, with negative impacts on stakeholder trust, market opportunities and overall company value";
- Opportunities related to Technological Developments and Innovation: "Reduction of emissions related to the use of the vehicles making up the corporate fleet by virtue of a review of business models resulting from the transformation of mobility" and "Reduction of the Group's total energy consumption from non-renewable sources (e.g. fossil fuels) by virtue of a review of business models resulting from the transformation of mobility".

With reference to the risk "Deterioration of the quality delivered: Inadequate quality delivered and non-compliance with regulatory and contractual standards resulting in payment of penalties and sanctions", the following treatment actions were identified:

- NPS improvement programme: Data-driven approach based on Net Promoter Score analysis for the improvement of Customer Satisfaction and Retention on the parcel product, with a focus on customers in the Large and Medium business segments.
- Developments of the logistics network: with the aim of harmonising the development process of parcel automation in the main sorting nodes.

With reference to the risks "Failure to achieve business objectives related to the energy sector, due to strong market competition and regulatory issues" and "Increased cost of raw materials and supply difficulties (e.g. oil, gas and energy) resulting from the current geopolitical context", the following treatment actions were identified:

- Developments of offer range and completion of services: implementation of processes, products and promotions to increase loyalty to the Poste Energia brand. In particular, the offer is included in the employee welfare programme and in the Poste Italiane APP from July 2024. In addition, the fixed-price offer was supplemented with a variable-price component;
- Continuous monitoring of the political, social and macro-economic framework and regulatory aspects with potential impacts on business, in order to identify and prioritise response actions to be taken on the basis of different macroeconomic and geopolitical projection scenarios;
- Triggering of audits according to LG Trade Compliance to ensure compliance with regulations, issued by national and international authorities, regarding prohibitions and other restrictive measures in economic, financial and trade transactions with certain persons or countries and regarding sale, supply, transfer, direct and indirect export of products and services in certain sectors;
- Continuing the work of carrying out legality audits of counterparties, in order to assess their legal, technical and professional requirements, financial stability and identify variables with an impact on revenue and costs, also in view of geopolitical scenarios.

With reference to Reputation risk: "Underestimating sustainable development and not actively pursuing decarbonisation can lead to serious consequences in terms of corporate reputation, with negative impacts on stakeholder trust, market opportunities and overall company value", the following treatment actions were identified:

- In line with its decarbonisation strategy and in implementation of the guidelines for the exercise of voting rights and engagement activities and for investment in sensitive sectors, the Poste Italiane Group, through its subsidiaries Poste Vita and BancoPosta Fondi SGR, has joined Climate Action 100+, an international collaborative engagement initiative to raise awareness of climate change issues among the world's largest greenhouse gas emitters;
- With a view to decarbonising its buildings, over the years, the Poste Italiane Group has inaugurated photovoltaic plants for energy production and undertaken a series of initiatives to ensure that its buildings are increasingly sustainable, including initiatives to reclassify sorting centres. In addition, Poste Italiane has launched a decarbonisation project aimed at replacing gas boilers with heat pumps throughout Italy, saving CO_2 emissions.

With reference to the opportunities "Reduction of emissions related to the use of the vehicles making up the corporate fleet by virtue of a review of business models resulting from the transformation of mobility" and "Reduction of the Group's total energy consumption from non-renewable sources (e.g. fossil fuels) by virtue of a review of business models resulting from the transformation of mobility", the following treatment actions were identified:

- In recent years, the Poste Italiane Group has been replacing the fleet with equivalent electrically-powered vehicles in order to reduce atmospheric pollution. Among companies in the utility sector, Poste Italiane has one of the largest fleets of 100% electric commercial vehicles in the Country. The Fleet Renewal Plan, which had already been activated in 2019 with the aim of replacing the entire fleet of vehicles used for the delivery of postal products with green vehicles, was continued through measures to reduce energy consumption, lower atmospheric emissions, increase safety and increase load capacity for delivery. Poste Italiane demonstrated its commitment to pursuing the plan for the complete renewal of its vehicle fleet, increasing the green component of the fleet itself, through the introduction of electric and hybrid cars and motorbikes;
- regarding the procurement of electricity, the Group continued with the purchase of 100% from renewable sources certified with Guarantees of Origin. A residual share of the requirements was self-produced by proprietary photovoltaic systems.

The Group used climate scenario analysis to guide the identification and assessment of physical risks as well as opportunities and transition risks in the short, medium and long term.
Regarding the analysis of physical risks, the group considered the IPCC's Representative Concentration Pathways (RCP), divided into RCP 8.5, RCP 4.5 and RCP 2.6. These are plausible representations of the future development of greenhouse gas concentrations and aerosols in the atmosphere. Each scenario is associated with an expected level of global warming and provides a view of how GHG emissions could evolve depending on policies and practices adopted at the international level. In particular, the representation of results includes the following scenarios:

- RCP Scenario 2.6: this is the one in line with the Paris/Kyoto agreements (less than 1.5°C by 2100) and envisages strong emission reduction efforts by all countries. Cumulative greenhouse gas emissions from 2010 to 2100 must be reduced by 70%, requiring substantial changes in energy use and emissions of greenhouse gases other than carbon dioxide (CO_2), such as methane (CH_4), nitrous oxide (N_2O), sulphur hexafluoride (SF_6) and other fluorinated gases;
- RCP scenario 4.5: this is the one considered most likely given the current commitments of countries. It predicts a temperature increase of between 2 and 3°C by 2100, well beyond the limits of the 2015 Paris Agreement and the Kyoto Protocol;
- RCP scenario 8.5: this is the most extreme of the RCP scenarios. It predicts an increase of more than 4°C by 2100 and is expected to be reached if no mitigation policy is adopted. High economic and population growth rates (described in Shared Socio-economic Pathway 5, SSP5) favour this scenario, triggering most of the so-called climate "tipping points", with consequences that are difficult to model.

Regarding transition risks, the analysis considered scenarios developed by international organisations such as IPCC and IEA, which allow for the exploration of different possible futures, based on different levels of commitment by governments and companies to reduce greenhouse gas emissions. In particular, the analysis for assessing transition risks and opportunities considered the following two scenarios, which are in line with the Group's objectives of maintaining the global temperature at 1.5°C:

- Stated Policies Scenario (STEPS): is based on climate policies already implemented by governments, with no more ambitious actions. It therefore represents a future in which only the effects of current policies are reflected, without necessarily achieving emission reduction targets;
- NZE (Net Zero Emissions by 2050) scenario: regulatory scenario that, through appropriate global climate policies within the energy sector and the deployment of a broad portfolio of clean technologies, enables the achievement of zero CO_2 emissions by 2050, while also contributing to the achievement Sustainable Development Goals of the 2030 Agenda. The scenario is supported by a detailed analysis of the time-frame of clean energy sourcing projects and

considers global cooperation to be crucial in facilitating the development and adoption of ambitious policies, lowering the costs of technologies and financially supporting emerging and developing economies on this path.

In addition, the following time horizons were considered with regard to the analysis of transition risks: short term (1-2 years), i.e. the time horizon focusing on risks and opportunities that might emerge in the immediate future in line with existing or upcoming climate regulations; medium term (2-10 years), i.e. time horizon characterised by more structural changes, such as the implementation of new low-emission technologies, the reorganisation of corporate infrastructures and potential market changes; long term (more than 10 years), consisting of more radical decarbonisation scenarios, which might impact entire industrial sectors and their operations. In particular, for the purposes of the analysis, Financial Materiality analyses were also taken into account in order to consistently represent transition risks/opportunities within the different time horizon categories.
In view of the Poste Group's assets and activities identified as most exposed to transition risks, the Group's objectives and the actions implemented and underway to mitigate these risks (e.g., initiatives to increase energy efficiency, use of energy from renewable sources, renewal of the corporate fleet with vehicles with a reduced environmental impact, etc.), there are no corporate assets and activities that are incompatible with the transition to a climate-neutral economy. Although the Poste Italiane Group attaches particular importance to environmental protection, considering the business in which the Group operates, issues and analyses related to climate change are considered, in the meaning provided by the reference accounting standards, not relevant for consolidated financial reporting[197].

Description of processes to identify and assess material impacts, risks and opportunities related to pollution

Disclosure Requirement ESRS E2 IRO-1
In order to identify risks and opportunities related to pollution, first an analysis of the Group's relevant activities was carried out, consistent with the 2022-2023 materiality analysis cycle, and then proceeded to relate them to the sustainability-related topics, sub-topics and sub-sub-topics contemplated in ESRS 1. In view of what emerged from the aforementioned reconciliation, an analysis of opportunities and risks (strategic and emerging), mapped in the area of Enterprise Risk Management related to pollution, was carried out, consistent with the Strategic Plan 2024-2028 and the Annual Financial Report 2023. Following the verification of ESRS topic coverage and possible opportunities for additions, the list of potentially relevant risks/opportunities (long list) was consolidated.
Based on this long list, an assessment of risks and opportunities was carried out in order to identify those relevant to the Poste Group. This assessment was carried out consistently with the metrics adopted in the Enterprise Risk Management area and the reference thresholds, in order to attribute a scoring in line with the assessment criteria defined by the ESRS standards.
As part of the analysis, the players in the value chain that contribute to the generation of the identified risks/opportunities and the reference time horizon (Short term - within one year; Medium term - plan period; Long term - beyond plan period) were considered and mapped out. The assessment of risks and opportunities related to pollution was carried out with the involvement of the Group Risk and Compliance Function and the reference risk owners/specialists.
With particular reference to air pollution, in accordance with the process described above and in line with the thresholds defined in the ERM framework, a risk was identified as relevant in connection with the limitation of Poste Italiane operations - in particular delivery operations - due to traffic restrictions (e.g. blocking of polluting vehicles). This risk is related to own operations, with a long-term horizon.

[197] See section "2.7 Climate change and the macroeconomic context" page 445.

Description of processes to identify and assess material impacts, risks and opportunities related to resource use and the circular economy

Disclosure Requirement ESRS E5 IRO-1

In order to identify risks and opportunities related to the use of resources and circular economy, first an analysis of the Group's relevant activities was carried out, consistent with the 2022-2023 materiality analysis cycle, and then proceeded to relate them to the sustainability-related topics, sub-topics and sub-sub-topics contemplated in ESRS 1. In view of the findings of the aforementioned reconciliation, an analysis of the (strategic and emerging) risks mapped in the Enterprise Risk Management area and opportunities related to resource use and circular economy was carried out, consistent with the Strategic Plan 2024-2028 and the Annual Financial Report 2023. Following the verification of ESRS topic coverage and possible opportunities for additions, the list of potentially relevant risks/opportunities (long list) was consolidated.

Based on this long list, an assessment of risks and opportunities was carried out in order to identify those relevant to the Poste Group. This assessment was carried out consistently with the metrics adopted in the Enterprise Risk Management area and the reference thresholds, in order to attribute a scoring in line with the assessment criteria defined by the ESRS standards. As part of the analysis, the players in the value chain that contribute to the generation of the identified risks/opportunities and the reference time horizon (Short term - within one year; Medium term - plan period; Long term - beyond plan period) were considered and mapped out.

With particular reference to the use of resources and the circular economy, in accordance with the process described above and in line with the thresholds defined in the ERM framework, a risk related to the potential incorrect/non-compliant management of waste deriving from the various operating activities carried out by the Group has been identified as significant. In particular, waste management concerns the entire perimeter of the Poste Italiane Group, consisting of all the buildings (post offices, sorting centres, head office centres, etc.), as well as the relationship with suppliers. This risk is correlated to its own operations and upstream in the value chain (with particular reference to third parties in charge of waste management and disposal) with a short-term horizon. In this perspective, it should be noted that the Poste Italiane Group has adopted Environmental Management Systems within which the assessment of risks and opportunities is carried out, in order to plan actions aimed at continuous improvement in waste management. The criteria used are defined on the basis of the specifics of the activity performed. To this end, the following are therefore determined:

- risk and opportunity scenarios for environmental impacts and relevant internal and external factors, and consistent with compliance obligations;
- the business processes/functions concerned;
- the assessment of likelihood, impact and level of control;
- the classification of risks;
- risk mitigation and control measures;
- the level of inherent and residual risk;
- new interventions and actions to be implemented.

As for the actions implemented to mitigate risks and, where possible, seize opportunities, these are proportional to the impact of waste generation depending on the site and type. The assessment of risks and opportunities related to resource use and circular economy was carried out with the involvement of the Group Risk and Compliance Function and the reference Risk owners/specialists.

Description of processes to identify and assess material impacts, risks and opportunities related to company conduct

Disclosure Requirement ESRS G1 IRO-1

In considering the criteria used in the process to identify relevant IROs in relation to business conduct issues, Poste Italiane implemented a structured process that considers criteria such as location, activity, operational structure and sector: in terms of location, having a widespread presence throughout the Country which entails a specific assessment of the specific risks that may arise in the context of the different local entities; in terms of activity and operational structure, offering a diversified range of services which involves an analysis of the impacts, risks and opportunities associated with each operational area; in terms of sector, operating in regulated fields such as postal, financial and insurance services which entail challenges related to regulatory compliance.

SUMMARY OF POLICIES

In order to prevent, mitigate and manage actual and potential impacts, as well as to address risks and seize opportunities, the Poste Italiane Group has adopted a system of sustainability policies, integrated within the corporate regulatory system. The table below summarises these policies, defining their scope of application, who is responsible for their implementation, the reference standards and how they are disclosed, and the link to the ESRS Topics.

Policy	Description of key elements	Policy Scope	Policy Manager	Internationally recognised standards	Disclosure	ESRS Topic/IRO
Code of Ethics	The Code defines the inspiring principles and the rules of conduct that Recipients must observe in the performance of their professional activities and in the management of relations with shareholders, employees, customers, suppliers, partners, as well as with public institutions, political and trade union organisations and all other stakeholders with which the Group has relations. In addition, the Code of Ethics, together with Model 231, integrates the overall system of prevention of offences pursuant to Legislative Decree no. 231/2001 and represents a reference for all specific policies and regulatory instruments governing activities potentially exposed to the risk of offences	Entire value chain	BoD	• Current regulations	Specific training sessions Company website Company Intranet	S1 / S2 / S3 / S4 / G1 / Entity-Specific
Integrated Policy	The Policy contains a commitment to timely compliance with applicable regulations: ISO 37301:2021 for compliance management, ISO 9001:2015 for quality management, ISO 45001:2023 for occupational health and safety management, ISO 37001:2016 to prevent instances that could result in potential offences and/or corruption offences, ISO/IEC 27001: 2022 (with extension to ISO/IEC 27017:2015 and ISO/IEC 27018:2019) and ISO/IEC 20000-1:2018 for information security management and information systems management in support of business processes, respectively	Entire value chain	BoD	• ISO 37301:2021 • ISO 9001:2015 • ISO 45001:2018 • ISO 37001:2016 • ISO/IEC 27001:2013 • ISO/IEC 20000- 1:2018	Specific training sessions Company website Company Intranet	S1 / S2 / S3 / S4 / G1 / Entity-Specific
Group policy for the protection of Human Rights	The Policy for the protection of Human Rights sets out a clear approach to the issue of human rights, which is broader than legal requirements and enables monitoring and management of risks and opportunities relating to all forms of human rights, and also confirms the Group's commitment to pursuing socially responsible investment and management activities.	Entire value chain	BoD	• Universal Declaration of Human Rights and subsequent international conventions on civil and political rights and on economic, social and cultural rights • UN Conventions on the Rights of Women, on the elimination of all forms of racial discrimination, on the rights of the child, on the rights of persons with disabilities • Declaration on Fundamental Principles and Rights at Work and the eight Core Conventions of the International Labour Organisation (ILO)	Specific training sessions Company website Company Intranet	S1/S2/S3/S4/G1

				• Agenda 2030		

Group policy on environmental sustainability	The Policy sets out the general principles, objectives and methods for managing the Group's environmental impact and confirms the commitment of Poste Italiane to promoting efficient use of natural resources and focusing on seeking innovative solutions to protect the environment in its value chain.	Entire value chain	BoD	• Agenda 2030 • United Nations Environment Programme • United Nations Principles for Responsible Finance • Programmes developed by leading international industry bodies, such as the Universal Postal Union (UPU), the International Post Corporation (IPC) and the Association of European Public Postal Operators (PostEurop)	Specific training sessions Company website Company Intranet	E1 / E2 / E5
Occupational Health and Safety Policy	The Occupational health and safety policy sets out the principles and methods implemented by Poste Italiane to protect and promote the physical and mental well-being of people through prevention, spread of safety culture and implementation of management systems	All levels of the organisation	Employers	• ISO 45001	Workplace company notice boards	S1 / S2
Diversity and Inclusion Policy	The Diversity and Inclusion Policy indicates that the Poste Italiane Group is committed to supporting the values of diversity and inclusion through the adoption of corporate, organisational and management mechanisms based on respect for people's rights and freedom. The aim is to promote diversity in all its forms so as to make the most of its opportunities and to create value within the workplace, while also gaining a competitive business advantage.	All Group Companies	BoD	• Current regulations • Contractual provisions and standards issued by reference international organisations • UN Global Compact and Women's Empowerment Principles • Universal Declaration of Human Rights • UN Conventions on the Rights of Women, on the elimination of all forms of racial discrimination, on the rights of the child, on the rights of persons with disabilities • Declaration on Fundamental Principles and Rights at Work and the eight Core Conventions of the International Labour Organisation (ILO) • ILO Convention on Violence and Harassment of June 2019	Specific training sessions Company website Company Intranet	S1

Active Parenting Support Policy	The Active Parenting Support Policy aims to provide a framework to support the female condition in the company, which helps women, before and after the maternity period, with adequate support and development paths through anticipatory plans so that they can be fully valorised and accompanied in the expression of their personal and professional capacities. The document aims to outline a people development and management strategy, implement a modern maternity management model and introduce innovative levers for consistent and harmonious support for active parenthood, thus integrating Poste Italiane existing human resources development processes	All Group Companies	Human Resources and Organisation	• Universal Declaration of Human Rights and subsequent international conventions on civil and political rights and on economic, social and cultural rights • UN Conventions on the Rights of Women, on the elimination of all forms of racial discrimination, on the rights of the child, on the rights of persons with disabilities • Declaration on Fundamental Principles and Rights at Work and the eight Core Conventions of the International Labour Organisation (ILO) • Agenda 2030 • Charter for Equal Opportunities • Manifesto for women's employment • Membership of leading associations and dedicated campaigns through professionals specialised in Diversity (e.g. Valore D) • Joint bodies	Company website Company Intranet	S1
LGBTQ+ Inclusion Policy	The LGBTQ+ Inclusion Policy intends to promote policies, solutions and measures capable of improving working conditions through inclusive processes towards each individual, enhancing the identity representations in which each person recognises themselves, including those of people in gender transition and, in general, to prevent and counter all forms of direct/indirect discrimination related to affective/sexual orientation. The inclusion of LGBTQ+ people is connected to the value of the centrality of the person, the protection of their identity and uniqueness and, in general, their way of being, with an impact on the broader concept of individual and organisational well-being.	All Group Companies	Human Resources and Organisation	• Article 3 of the Constitution • Law no. 164/1982 • Law no. 184/1983 • Decree-Law no. 69/1988, converted into Law no. 53/1988 • Law no. 104/1992 • Legislative Decree no. 286/1998 • Law no. 53/2000 • Legislative Decree no. 151/2001 • Legislative Decree no. 215/2003 • Legislative Decree no. 216/2003 • Legislative Decree no. 198/2006 • Legislative Decree no. 150/2011 • Legislative Decree no. 81/2015 • Law no. 76/2016 (Cirinnà Law) • Legislative Decree no. 101/2018	Company website Company Intranet	S1

				• Legislative Decree no. 5/2017 • Legislative Decree no. 6/2017 • Legislative Decree no. 7/2017 • Legislative Decree no. 24/2023		

Diversity Policy for administrative and auditing bodies of Poste Italiane	The Diversity Policy of Poste Italiane administrative and control bodies provides non-binding indications regarding aspects such as, for example, the age, gender, ethnicity, geographical origin, educational and professional background of the members of the Board of Directors of Poste Italiane. The purpose of this Policy is to identify criteria for a qualitative-quantitative composition of the Board of Directors aimed at effectively fulfilling the duties and responsibilities entrusted to management, partly through the presence of people who ensure sufficient diversity in terms of perspectives and skills, which are necessary to have a good grasp of current business, risks and long-term opportunities relating to the Company's activities.	All Group Companies	BoD	• Current regulations	Company website Company Intranet	S1
Group policy on community initiatives	Through its Community Initiatives Policy, Poste Italiane is committed to accompanying local communities in their modernisation and digitalisation processes and to contributing to their economic and social progress	All Group Companies	BoD	• Agenda 2030	Company website Company Intranet	S3
Guideline on Competition and Consumer Protection Compliance	The Guideline aims to ensure compliance with competition and consumer protection rules, to reinforce awareness of the importance of the relevant regulations, to consolidate an operational and control environment aimed at mitigating the risk of antitrust and anti-competitive offences, to provide a guide to prevent actions, behaviours and omissions that violate competition and consumer protection regulations, and to outline monitoring tools to identify possible violations	All Group Companies	Programme Manager and the competent function	• Current regulations	Company website Company Intranet	S4
Group Crisis Management and Business Continuity Policy	Through the Crisis Management and Business Continuity Policy, the Group promotes and pursues the intention of strengthening the organisation's resilience, i.e. its ability to anticipate, prepare for, respond to and adapt to change and sudden incidents.	All Group Companies	BoD	• Current legislation and ISO Reference Standards	Company website Company Intranet	S1 / S2 / S4

ICT Business Continuity Policy	The Policy aims to ensure the continuity of essential or important functions of financial and insurance entities, to provide a rapid, appropriate and effective response to all ICT incidents, to activate response and recovery procedures without delay, and to carry out proper communication and crisis management actions.	Poste Italiane and Group companies in the Financial and Insurance sectors	BoD	• Current legislation and ISO Reference Standards	Company Intranet	S1 / S2 / S4
Corporate personal data protection policy	The Poste Italiane Group Policy shows that personal data protection is a fundamental value that every Group Company must adhere to in its daily activities. The Group protects and promotes the protection of personal data and of the rights of data subjects through information and awareness campaigns and policies for data protection	Entire value chain	Chief Executive Officer and General Manager	• Regulation (EU) 2016/679 (General Data Protection Regulation - GDPR)	Company website Company Intranet	S4
Guideline Reporting System of Violations *(Whistleblowing)*	The purpose of this Guideline is to define a system to allow the reporting by personnel and/or third parties of illicit phenomena and suspicious conduct, irregularities in business management, acts or facts that may constitute a violation of the internal and external rules that govern the activity of Poste Italiane S.p.A. and of the Group Companies, of the principles and rules of conduct contained in the Code of Ethics of the Poste Italiane Group and in the Integrated Policy, as well as of the provisions contained in Model 231 of Poste Italiane and of the Group Companies.	Entire value chain	BoD	• Current regulations	Company website Company Intranet Specific training sessions	G1

Quality, Environment and Occupational Health and Safety Policy	Through its Integrated Policy, the SDA Group Company, which operates in the logistics sector, ratifies its commitment to environmental protection with particular reference to the prevention of pollution, of excessive consumption of natural resources that may result from the activities carried out within the Company and to the constant search for a sustainable supply system	Entire value chain	Top Management	• Mandatory national standards • ISO 14001 • ISO 45001	Annexed to contractors' transport and service contracts Company website	E1 / E2 / S1
Responsible investment policy of the Poste Vita Group	In its responsible investment policy, Poste Vita sets out principles that enable inclusion of ESG elements in the management of its investment activities, making a positive contribution to the impact issuers in its financial portfolios have on the community, and concrete adherence to principles and guidelines recognised at national and international level regarding the incorporation of sustainability criteria within traditional investment processes. It contributes positively to the economic, social and environmental impacts of the issuers of the assets in its financial portfolios and their managers, always with a view to meeting investors' expectations; it communicates to all stakeholders its vision of social responsibility towards the management of economic, social and environmental impacts and concretely adheres to nationally and internationally recognised principles and guidelines for the integration of sustainability criteria into traditional investment processes. In carrying out its monitoring activities, the Poste Vita Group relies on data provided by external info-providers specialised in this type of analysis	Poste Vita Group	BoD of Poste Vita	• Principles for Responsible Investment (“PRI”) • Universally recognised norms and standards issued by international bodies including the United Nations, International Labour Organisation and OECD	Specific training sessions Company website	Entity-Specific
Responsible insurance policy of the Poste Vita Group	In its responsible insurance policy, Poste Vita defines principles that enable inclusion of ESG aspects in the management of its insurance activities, and concrete adherence to principles and guidelines recognised at national and international level regarding the incorporation of sustainability criteria within traditional insurance processes. It communicates to all stakeholders its vision of social responsibility towards ESG risk management and concretely adheres to nationally and internationally recognised principles and guidelines for integrating sustainability criteria into traditional insurance processes. Responsibility for monitoring the identification, analysis and evaluation of change signals coming from the different dimensions of the external environment lies with the Risk Management function	Poste Vita Group	BoD of Poste Vita	• Principles for Responsible Investment (“PRI”)	Specific training sessions Company website	Entity-Specific

Guideline for investment in sensitive sectors of the Poste Vita Group	The Poste Vita Guideline for investment in sensitive sectors defines measures to identify, assess and monitor exposure to activities that present a relevant intrinsic risk from an ESG point of view, thus enabling environmental, social and governance aspects to be incorporated into the investment process. The Poste Vita Group monitors the investment in selected instruments of issuers involved in these sectors, and in the event that the predetermined thresholds are exceeded, the necessary actions are assessed	Poste Vita Group	Poste Vita CEO	• Regulation (EU) 2019/2088 • Delegated Regulation (EU) supplementing Regulation (EU) 2019/2088	Specific training sessions Compan y website	Entity-Specifi c
Guideline on the exercise of voting rights and engagement activities of the Poste Vita Group	The Guideline on the exercise of the right to vote and engagement activities of the Poste Vita Group defines measures and procedures to exercise voting rights in accordance with established national and international reference principles and to promote the proper management of ESG issues through beneficial dialogue with issuers of securities in their financial portfolios. Engagement activities are periodically monitored and assessed by the Poste Vita Group, within the Investment Committee, on the basis of information provided by the investment management function. With satisfactory improvements in the aspect under engagement, the engagement is considered concluded. If the engagement has not led to tangible improvements in the 18/24 months following the start of the activities, the head of the investment management function provides a report of the activities carried out to the Investment Committee for further evaluation	Poste Vita Group	Poste Vita CEO	• The Guideline is defined in compliance with applicable regulations, both European and national • Directive (EU) 2017/828, amending Directive 2007/36/EC (Shareholder Rights Directive 2)	Specific training sessions Compan y website	Entity-Specifi c
Guideline on Poste Vita Principal Adverse Impacts (PAI)	The Principal Adverse Impact (PAI) Guideline identifies the criteria, methodology and activities for the consideration and assessment of the principal adverse effects on sustainability factors arising from investment decisions made at company level by Poste Vita S.p.A., and at the level of insurance investment product (IBIP) and/or single-option pension fund or investment option (for multi-option products). The investment management function examines the performance of the Company's indicators during the annual preparation of the PAI statement in order to make a historical comparison between the reporting period and previous periods for which reporting was done. Monitoring activities consist of conducting an analysis of the PAI indicator at issuer level, so as to identify which issuers should be targeted for PAI indicator performance management activities.	Poste Vita Group	Poste Vita CEO	• Regulation (EU) 2019/2088 • Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088 • Consolidated questions and answers (Q&) on the SFDR (Regulation (EU) 2019/2088) and the SFDR Delegated Regulation (Commission Delegated Regulation (EU) 2022/1288)	Specific training sessions Compan y website	Entity-Specifi c

Responsible Investment Policy of BancoPosta Fondi S.p.A. SGR	The responsible investment policy of BancoPosta Fondi S.p.A. SGR sets out principles that enable inclusion of ESG elements in the management of its investment activities, making a positive contribution to the impact counterparties in its financial portfolios have on the community, and concrete adherence to recognised principles and guidelines	BancoPosta Fondi SGR	BoD of BancoPosta Fondi SGR	• Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation - SFDR) • Delegated Regulation (EU) 2022/1288 (Regulatory Technical Standards - RTS) • Regulation (EU) 2020/852 (Taxonomy Regulation) • Directive (EU) 2017/828 amending Directive 2007/36/EC (Shareholder Rights Directive 2) • Delegated Directive (EU) 2021/1270 amending Directive 2010/43/EU • Law 220/2021 • Decree-Law no. 73 of 21 June 2022 coordinated with Conversion Law no. 122 of 4 August 2022 • UN Principles for Responsible Investment (PRI) • International Labour Organisation Declaration on Fundamental Principles and Rights at Work • Principles of the Global Compact • United Nations Declaration of Human Rights • OECD Guidelines for Multinational Enterprises	Specific training sessions Company website	Entity-Specific
Guideline for investment in sensitive sectors of BancoPosta Fondi SGR	The BancoPosta Fondi SGR Guideline for investment in sensitive sectors defines measures to identify, assess and monitor exposure to activities that present a relevant intrinsic risk from an ESG point of view, thus enabling environmental, social and governance aspects to be incorporated into the investment process	BancoPosta Fondi SGR	BoD of Bancoposta Fondi SGR	• Regulation (EU) 2019/2088 (Sustainable Finance Disclosure Regulation, SFDR) • Delegated Regulation (EU) 2022/1288 (Regulatory Technical Standards - RTS) • UN Principles for Responsible Investment (PRI) • International Labour Organisation Declaration on Fundamental Principles and Rights at Work and its Developments • United Nations Global Compact • UN Declaration of Human Rights represent	Specific training sessions Company website	Entity-Specific
Guideline on the exercise of voting rights and engagement activities of BancoPosta Fondi SGR	The Guideline on the exercise of the right to vote and engagement activities of BancoPosta Fondi SGR defines measures and procedures to exercise voting rights in accordance with established national and international reference principles and to promote the proper management of ESG issues through beneficial dialogue with issuers of securities included in their own financial portfolios.	BancoPosta Fondi SGR	BoD of Bancoposta Fondi SGR	• Directive (EU) 2017/828 of the European Parliament and of the Council amending Directive 2007/36/EC • UN Principles for Responsible Investment (PRI) • Italian Principles of Stewardship, issued by Assogestioni	Company website	Entity-Specific

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Disclosure requirements and related data	SFDR Reference	Reference to Pillar 3	Benchmark Regulation Reference	Reference to the EU Climate Law	Material / Not material	Page
ESRS 2 GOV-1 Gender diversity of the Board, paragraph 21(d)	Indicator number 13 of Table 1 of Annex 1	N/A	Commission Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	202
ESRS GOV-1 Percentage of board members who are independent, paragraph 21(e)	N/A	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	202
ESRS 2 GOV-4 Due diligence statement, paragraph 30	Indicator number 10 of Table 3 of Annex 1	N/A	N/A	N/A	Material	208
ESRS 2 SBM-1 Involvement in fossil fuel activities, paragraph 40(d)i	Indicator number 4 of Table 1 of Annex 1	Art. 449a of Regulation (EU) no. 575/2013: Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Not material	-
ESRS 2 SBM-1 Involvement in chemical production activities, paragraph 40(d)ii	Indicator number 9 of Table 2 of Annex 1	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Not material	-
ESRS 2 SBM-1 Involvement in controversial weapons activities, paragraph 40(d)iii	Indicator number 14 of Table 1 of Annex 1	N/A	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N/A	Not material	-

ESRS 2 SBM-1 Involvement in activities related to tobacco cultivation and production, paragraph 40(d)iv	N/A	N/A	Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N/A	Not material	-
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, paragraph 14	N/A	N/A	N/A	Regulation (EU) 2021/1119, Article 2(1)	Not material	-
ESRS E1-1 Companies excluded from Paris aligned indices, paragraph 16(g)	N/A	Article 449a of Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 Model 1: Banking book - Climate change transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2	N/A	Not material	-
ESRS E1-4 Greenhouse gas emission reduction targets, paragraph 34	Indicator number 4 of Table 2 of Annex 1	Article 449a of Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 Model 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	N/A	Material	298

ESRS E1-5 Energy consumption from fossil fuels, disaggregated by source (high climate impact sectors only), paragraph 38	Indicator number 5 in Table 1 and indicator number 5 of Annex 1	N/A	N/A	N/A	Material	299
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator number 5 of Table 1 of Annex 1	N/A	N/A	N/A	Material	299
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Indicator number 6 of Table 1 of Annex 1	N/A	N/A	N/A	Material	300
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions, paragraph 44	Indicator number 1 and 2 of Table 1 of Annex 1	Article 449a; Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 Model 1: Banking book - Climate change-related transition risk: credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)	N/A	Material	301
ESRS E1-6 Intensity of gross GHG emissions, paragraphs 53 to 55	Indicator number 3 of Table 1 of Annex 1	Article 449a of Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 Model 3: Banking book - Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)	N/A	Material	302

ESRS E1-7 GHG absorption and carbon credits, paragraph 56	N/A	N/A	N/A	Regulation (EU) 2021/1119, Article 2(1)	Material	303
ESRS E1-9 Exposure of the benchmark index portfolio to physical climate-related risks, paragraph 66	N/A	N/A	Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	N/A	Not material	-
ESRS E1-9 Breakdown of monetary amounts by acute and chronic physical risk, paragraph 66(a) ESRS E1-9 Location of material physical risk significant assets, paragraph 66(c)	N/A	Article 449a of Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Model 5: Banking book - Climate change physical risk: exposures subject to physical risk	N/A		Not material	-
ESRS E1-9 Breakdown of book value of its real estate assets by energy efficiency classes paragraph 67(c)	N/A	Article 449a of Regulation (EU) no. 575/2013; Implementing Regulation (EU) 2022/2453 paragraph 34; Model 2: Banking book - Climate change transition risk: loans secured by real estate - Energy efficiency of collateral	N/A	N/A	Not material	-
ESRS E1-9 Degree of exposure of the climate-related opportunity portfolio, paragraph 69	N/A	N/A	Delegated Regulation (EU) 2020/1818	N/A	Not material	-

ESRS E2-4 Amount of each pollutant listed in Annex II of E-PRTR (European Pollutant Release and Transfer Register) emitted to air, water and land, paragraph 28	Indicator number 8 of Table 1 of Annex 1 Indicator number 2 of Table 2 of Annex 1 Indicator number 1 of Table 2 of Annex 1 Indicator number 3 of Table 2 of Annex 1	N/A	N/A	N/A	Material	306
ESRS E3-1 Water and marine resources, paragraph 9	Indicator number 7 of Table 2 of Annex 1	N/A	N/A	N/A	Not material	-
ESRS E3-1 Dedicated policy, paragraph 13	Indicator number 8 of Table 2 of Annex 1	N/A	N/A	N/A	Not material	-
ESRS E3-1 Sustainability of the oceans and seas, paragraph 14	Indicator number 12 of Table 2 of Annex 1	N/A	N/A	N/A	Not material	-
ESRS E3-4 Total recycled and reused water, paragraph 28(c)	Indicator number 6.2 of Table 2 of Annex 1	N/A	N/A	N/A	Not material	-
ESRS E3-4 Total water consumption in m3 compared to net revenue from own operations, paragraph 29	Indicator number 6.1 of Table 2 of Annex 1	N/A	N/A	N/A	Not material	-
ESRS 2 IRO-1 - E4 paragraph 16(a)(i)	Indicator number 7 of Table 1 of Annex 1	N/A	N/A	N/A	Not material	-
ESRS 2 IRO-1 - E4 paragraph 16(b)	Indicator number 10 of Table 2 of Annex 1	N/A	N/A	N/A	Not material	-
ESRS 2 IRO-1 - E4 paragraph 16(c)	Indicator number 14 of Table 2 of Annex 1	N/A	N/A	N/A	Not material	-

ESRS E4-2 Sustainable agricultural/land-use policies or practices, paragraph 24(b)	Indicator number 11 of Table 2 of Annex 1	N/A	N/A	N/A	Not material	-
ESRS E4-2 Sustainable sea/ocean use practices or policies, paragraph 24(c)	Indicator number 12 of Table 2 of Annex 1	N/A	N/A	N/A	Not material	-
ESRS E4-2 Policies to address deforestation, paragraph 24(d)	Indicator number 15 of Table 2 of Annex 1	N/A	N/A	N/A	Not material	-
ESRS E5-5 Non-recycled waste, paragraph 37(d)	Indicator number 13 of Table 2 of Annex 1	N/A	N/A	N/A	Material	313
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator number 9 of Table 1 of Annex 1	N/A	N/A	N/A	Material	314
ESRS 2 - SBM3 - S1 Risk of forced labour, paragraph 14(f)	Indicator number 13 of Table 3 of Annex I	N/A	N/A	N/A	Not material	-
ESRS 2 - SBM3 - S1 Risk of child labour, paragraph 14(g)	Indicator number 12 of Table 3 of Annex I	N/A	N/A	N/A	Not material	-
ESRS S1-1 Political commitments to human rights, paragraph 20	Indicator number 9 of Table 3 of Annex I	N/A	N/A	N/A	Material	318
ESRS S1-1 Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation, paragraph 21	N/A	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	318
ESRS S1-1 Procedures and measures to prevent trafficking in human beings, paragraph 22	Indicator number 11 of Table 3 of Annex I	N/A	N/A	N/A	Not material	-

ESRS S1-1 Policy on occupational accident prevention or management system, paragraph 23	Indicator number 1 of Table 3 of Annex I	N/A	N/A	N/A	Material	318
ESRS S1-3 Mechanisms for handling claims/complaints, paragraph 32(c)	Indicator number 5 of Table 3 of Annex I	N/A	N/A	N/A	Material	326
ESRS S1-14 Number of deaths and number and rate of work-related injuries, paragraph 88(b) and (c)	Indicator number 2 of Table 3 of Annex I	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	339
ESRS S1-14 Number of days lost due to injury, accident, fatality or illness, paragraph 88(e)	Indicator number 3 of Table 3 of Annex I	N/A	N/A	N/A	Material	339
ESRS S1-16 Unadjusted gender pay gap, paragraph 97(a)	Indicator number 12 of Table 1 of Annex I	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	340
ESRS S1-16 Excessive pay gap in favour of the CEO, paragraph 97(b)	Indicator number 8 of Table 3 of Annex I	N/A	N/A	N/A	Material	340
ESRS S1-17 Discrimination-related incidents, paragraph 103(a)	Indicator number 7 of Table 3 of Annex I	N/A	N/A	N/A	Material	341
ESR S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD, paragraph 104(a)	Indicator number 10 and indicator number 14 of Table 3 of Annex I	N/A	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	N/A	Material	341

ESRS 2 SBM-3 - S2 Serious risk of child labour or forced labour in the labour chain, paragraph 11(b)	Indicator number 12 of Table 13 of Annex I	N/A	N/A	N/A	Material	343
ESRS S2-1 Political commitments to human rights, paragraph 17	Indicator number 9 of Table 3 and indicator number 1, Table 1 of Annex 1	N/A	N/A	N/A	Material	344
ESRS S2-1 Worker-related policies in the value chain, paragraph 18	Indicator number 11 and 4 of Table 3 of Annex 1	N/A	N/A	N/A	Material	344
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 19	Indicator number 10 of Table 1 of Annex 1	N/A	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	N/A	Material	344
ESRS S2-1 Due diligence policies on matters covered by Core Conventions 1 to 8 of the International Labour Organisation, paragraph 19	N/A	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	344
ESRS S2-4 Human rights issues and incidents in its upstream and downstream value chain, paragraph 36	Indicator number 14 of Table 3 of Annex 1	N/A	N/A	N/A	Material	347
ESRS S3-1 Political commitments to human rights, paragraph 16	Indicator number 9 of Table 3 and indicator 11, Table 1 Annex 1	N/A	N/A	N/A	Material	350
ESRS S3-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Principles or the OECD Guidelines, paragraph 17	Indicator number 10 of Table 1 of Annex 1	N/A	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	N/A	Not material	-
ESRS S3-4	Indicator number 14 of	N/A	N/A	N/A	Material	353

Human Rights Issues and Incidents, paragraph 36	Table 3 of Annex 1					
ESRS S4-1 Policies related to consumers and end users, paragraph 16	Indicator number 9 of Table 3 and indicator number 11, Table 1 of Annex 1	N/A	N/A	N/A	Material	361
ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, paragraph 17	Indicator number 10 of Table 1 of Annex 1	N/A	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Article 12 (1)	N/A	Material	361
ESRS S4-4 Human Rights Issues and Incidents, paragraph 35	Indicator number 14 of Table 3 of Annex 1	N/A	N/A	N/A	Material	366
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	Indicator number 15 of Table 3 of Annex 1	N/A	N/A	N/A	Material	377
ESRS G1-1 Protection of whistleblowers, paragraph 10(d)	Indicator number 6 of Table 3 of Annex 1	N/A	N/A	N/A	Material	377
ESRS G1-4 Fines imposed for violations of laws against active and passive corruption, paragraph 24(a)	Indicator number 17 of Table 3 of Annex 1	N/A	Delegated Regulation (EU) 2020/1816, Annex II	N/A	Material	385
ESRS G1-4 Rules for combating active and passive corruption, paragraph 24(b)	Indicator number 16 of Table 3 of Annex 1	N/A	N/A	N/A	Material	385

8.2 Environmental Information

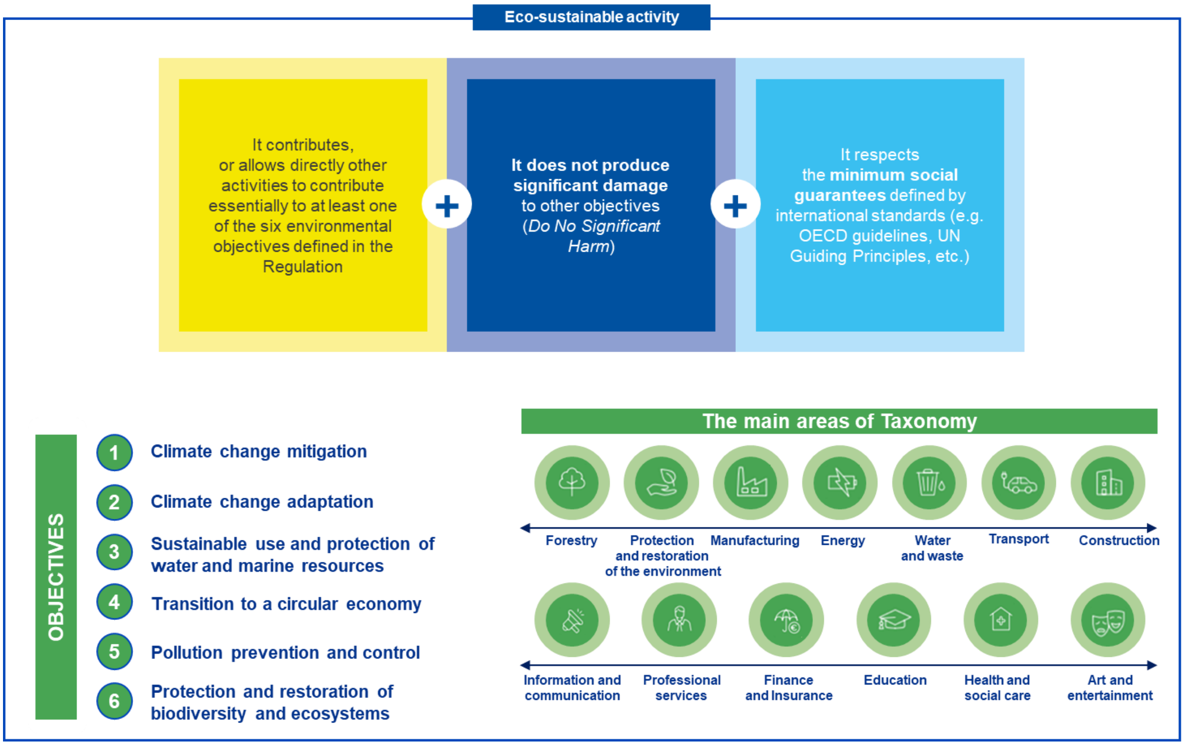
8.2.1. EUROPEAN TAXONOMY REGULATION

With the aim of consolidating the European Union's commitment to the issues of environmental and social sustainability, in June 2020, EU Regulation no. 2020/852 (Taxonomy Regulation) was published in the Official Journal of the European Union, which establishes the criteria through which it is possible to determine whether an economic activity can be considered environmentally sustainable.
The Taxonomy Regulation was introduced with the aim of establishing a unified classification system for sustainable activities and to establish through a common language a clear definition of what can be considered 'green'. Moreover, it is identified at European level as a tool that can support:

- companies, in assessing and adopting more comprehensive and comparable environmental sustainability policies and reporting methods;
- investors, in the integration of sustainability issues within investment policies;
- public institutions, in defining and improving their own ecological transition policies.

In compliance with the requirements of the Taxonomy Regulation, companies subject to the obligation to publish the Sustainability Statement must provide information on how and to what extent their business activities are eco-sustainable. Pursuant to art.3 of EU Regulation no. 2020/852, an economic activity is defined as eco-sustainable, and therefore aligned with the EU Taxonomy, if it complies with the following criteria:

- contributes substantially to the achievement of one or more of the six environmental objectives defined in the regulation:
  1. climate change mitigation;
  2. climate change adaptation;
  3. sustainable use and protection of water and marine resources;
  4. transition to a circular economy;
  5. pollution prevention and reduction;
  6. protection and restoration of biodiversity and ecosystems.
- does not cause significant harm to other environmental objectives (Do Not Significant Harm - DNSH);
- is carried out in compliance with minimum safeguards;
- complies with the technical screening criteria set by the European Commission in relation to the determined environmental objectives.



Initially, with Delegated Regulation (EU) 2021/2139, the European Commission established the criteria for the first two environmental objectives of the Taxonomy (Climate Change Mitigation and Adaptation).

Subsequently, also in the course of 2021, the European Commission published Delegated Regulation (EU) no. 2021/2178 (Taxonomy Disclosure Delegated Act), which details the content, methodology and reporting modalities of key performance indicators (KPIs) and related qualitative information, for this reporting year:

- Non-Financial Undertakings are required to report the percentage of their Turnover, Capital Expenditure (CapEx) and Operating Expenditure (OpEx) associated with economic activities eligible and aligned for the six targets.
- Financial Undertakings are required to report the share of investments/financing associated with economic activities eligible for the six targets, as well as aligned for the first two climate targets and from Fiscal Year 2025, also for the remaining environmental targets.

In the course of 2023, the European Commission then published Delegated Regulation (EU) no. 2023/2485, which supplemented Delegated Regulation (EU) no. 2021/2139 (Taxonomy Climate Delegated Act), both in terms of new activities and technical screening criteria, and Delegated Regulation (EU) no. 2023/2486 (Taxonomy Environmental Delegated Act), which regulates the remaining four environmental targets.

METHODOLOGICAL APPROACH TO THE REPORTING PROCESS

In order to provide a clear and representative disclosure of the Group's business profile, actively contributing to the achievement of the European Union's sustainable development objectives, Poste Italiane has adopted a transparent methodological approach, which includes a careful analysis of the Group's economic activities, as well as the regulatory framework of reference.

Following the publication of the latest FAQs, approved by the Commission in November 2024, with respect to the reporting of KPIs by mixed groups (Non-Financial Undertaking and Financial Undertaking), the Poste Italiane Group has to value both the industrial and the financial sectors, therefore reporting specific KPIs and considering the reporting methods of mixed groups.

Based on the definition of "financial undertaking" described in Delegated Regulation (EU) no. 2021/2178, Poste Italiane carried out an analysis to determine the scope of the financial and industrial sectors. This analysis makes it possible to classify the organisation's activities, in terms of Business Units (BUs), that fall within the financial sector, namely:

- Financial Services related to the activity of financial asset manager, as defined by the regulations;
- Insurance Services related to the insurance business;

and BUs falling within the industrial sector, namely:

- Mail, Parcels & Distribution:
- Payments and Mobile;
- BancoPosta share of Financial Services.

Through the aforementioned distinction of sectors, the following paragraphs report the following specific KPIs, governed by Delegated Regulation (EU) no. 2021/2178, in addition to the Mixed Group representation, in line with Appendix II of the Commission Communication of November 2024:

KPI industrial sector[198]:

- Turnover;
- CapEx;
- OpEx.

KPI financial sector:

- Asset under Management related to the activities of BancoPosta Fondi SGR;
- Underwriting related activities of the Poste Vita Group;
- Investment related to the investment activities of the Poste Vita Group.

Finally, the Group's consolidated KPI is represented (applicable for mixed groups), determined as a weighted average of the KPIs of Non-Financial Undertakings and Financial Undertakings, based on their respective contribution to turnover. This reporting method allows the Group to contribute to completing the information framework both for investors and, more generally, for its stakeholders, allowing them to have disclosures consistent with the regulatory provisions in force.

[198] The book values for these KPIs are based on information as at 31/12/24 that includes the Mail, Parcels and Distribution, Payments and Mobile BUs, and the portion of Financial Services related to BancoPosta, excluding BancoPosta Fondi SGR (Financial Services) and Insurance Services.

The reporting process of the taxonomy information requirements for the industrial sector, once the analyses of the regulations and their evolutions were completed, required a preliminary mapping of potentially eligible activities. Thanks to a specific qualitative-quantitative analysis on the aggregates of Turnover, CapEx and OpEx, it was possible to define the panel of potentially eligible activities in relation to the six environmental targets. Subsequently, the individual Functions and owners of the Group's activities were involved. This preliminary activity made possible the mapping of the set of economic activities eligible for the Taxonomy, and once the conformity to the technical and DNSH screening criteria was assessed, the identification of aligned economic activities.

This process involved numerous Functions of the Group that owns the data, requiring the participation of the main corporate business structures for the identification of the eligible activities aligned with the Taxonomy, in compliance with the eco-sustainability criteria associated with the individual economic activities being evaluated, as well as the connected management of the data collection process.

Regarding the performance indicators reflecting the Group's financial and insurance operations, it was decided to enlist the support of an external provider to acquire certain data necessary for the calculation of the Financial Undertaking KPIs. In this perspective, to ensure a proper integration between the results obtained and the economic and financial items in the financial reporting, and in order to complete the necessary eligibility and alignment analyses resulting from the acquisition of data from the external provider, the process of analysis and data collection required constant supervision by the Functions responsible for data processing. In addition, this year, the templates for Fossil Gases and Nuclear were enhanced, based on information provided by the provider itself.

Lastly, in relation to the Taxonomy alignment analyses carried out for this financial year, pursuant to art. 3 letter c) of EU Regulation no. 2020/852, the Group carried out its economic activities in compliance with the minimum safeguard guarantees (social minimum safeguards) outlined by the Art. 18 paragraph 1 of the Regulation itself, thus adopting procedures compliant with the guidelines of the Organisation for Economic Co-operation and Development (OECD) intended for multinational companies and with the United Nations guiding principles on business and human rights, with reference to the principles and rights set out in eight of the ten fundamental conventions identified in the International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work and in the International Bill of Human Rights.

In particular, for the verification of compliance with the minimum safeguards, the Poste Italiane Group took into consideration the four areas of application identified by the Platform on Sustainable Finance[199], namely: Human Rights, Corruption, Taxation and Competition. In this regard, for more information with respect to the due diligence and remedial procedures implemented by the Group in the performance of its business activities with reference to the Human Rights sphere, as well as with respect to the other three scopes of application - Bribery, Taxation and Competition, reference is made to section "1.4 Summary of policies".

Furthermore, with reference to Art. 18 para. 2, the Regulation stipulates that, in addition to disclosing whether the sustainable investment is aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles, account must be taken of the indicators of the main negative effects set out in the SFDR (so-called Principle Adverse Impact - PAI) related to social and personnel issues, respect for human rights and issues related to the fight against active and passive corruption.

[199] "Final Report on Minimum Safeguards", published by the Platform on Sustainable Finance in October 2022.

ECO-SUSTAINABLE BUSINESS ACTIVITIES OF POSTE ITALIANE

Thanks to the redefinition of the Poste Group scope, in line with the FAQs approved by the Commission in November 2024, it has been possible to separately value both the industrial and financial divisions[200], thus eliminating any potential risk of double counting.

In line with regulatory requirements regarding the presentation of key performance indicators for Non-Financial Undertakings, the share of turnover, of capital expenditure (Capex) and operating expenditure (Opex) deriving from products or services associated with economic activities that are aligned, eligible but not aligned and non-taxonomy, have been presented in a table form.

Furthermore, it is specified that, with reference to the information pursuant to art. 8, paragraphs 6 and 7 of the EU Delegated Regulation no. 2022/1214, which provides for the use of the templates provided in Annex XII for the communication of activities related to nuclear power and fossil gases (connected to activities from 4.26 to 4.31), the template is shown exclusively below referred to in Model 1, given that with respect to the industrial segment no such activities have been carried out.

Template 1 - Nuclear and fossil gas activities

Row	**Nuclear energy related activities**	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

[200] It should be noted that, as reported in the section entitled "METHODOLOGICAL APPROACH TO THE REPORTING PROCESS", on the basis of the definition of financial and non-financial enterprises in the Taxonomy Regulations applied by the Organisation, the BancoPosta RFC of Poste Italiane S.p.A., while performing activities of a financial nature, is part of Poste Italiane S.p.A., a legal entity of an industrial nature, and therefore its values are included in the valuations and KPIs of Turnover, CapEx and OpEx.

Below are the indicators required by the regulations for Non-Financial Undertakings.

TURNOVER KPIs

With reference to the present year, the share of Turnover, was indentified, deriving from economic activities that are aligned, eligible but not aligned, and ineligible for the Taxonomy, as shown in Table 1: *Share of turnover derived from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2024.*

The share of turnover associated with economic activities aligned with the taxonomy is 2.7%, while the share of eligible but non-aligned economic activities is 9.9%; thus, the share of non-eligible turnover is equivalent to 87.4%.

This KPI refers to the revenue related to the Business Unit "Mails, Parcels and Distribution", of which the delivery and transport activities by light vehicles and the leasing of aircraft for the transport of goods were considered in the eligibility and alignment analyses, respectively.

In this regard, with reference to this year, the eligibility and alignment analyses were conducted in relation to the following economic activities:

- **"6.5 Transport by motorcycles, passenger cars and light commercial vehicles" - Climate Change Mitigation target**
  The conformity assessment, carried out on the vehicle register, considering FAQ No. 84 and 85 (C/2023/267, October 2023), highlighted the greater relevance of activity 6.5 compared to "6.6 Road haulage services". In fact, in light of the detailed analysis of the vehicle register, the Group's fleet is eligible, as follows:
  - N1 vehicles: with a reference mass of less than 2.6 t, 13,794 vehicles belong to the Group's fleet;
  - M1 vehicles: 1,943 vehicles are included in the Group's fleet;
  - L vehicles: 6,569 vehicles are included in the Group's fleet.

Regarding alignment, the vehicles that contribute substantially to the Climate Change Mitigation target are 2,829 for category N1, 5 for category M1 and 3,261 for category L.

With respect to compliance with the DNSH criteria, with reference to the Climate Change Adaptation target, Poste Italiane, in the year 2024, conducted a climate risk analysis, following the methodology outlined in Appendix A of Delegated Regulation (EU) no. 2021/2139. This analysis identified the main acute and chronic physical risks that may affect the Group's assets, using precise geographic data and climate projections based on physical risk exposure assessment models. To mitigate these risks, as adaptation solutions, the Group has adopted a number of measures, such as insurance policies and a business continuity plan that includes preventive actions. As part of compliance with the DNSH on the Transition to a Circular Economy, the vehicle rental contract provides for the return of the vehicles to the supplier at the end of the lease. The supplier then proceeds to re-use these vehicles for new hire cycles or sell them as used. In addition, as part of its compliance with this requirement, Poste is committed to managing its outsourced processes responsibly~~,~~ verifying the compliance of its hirers with the ISO 14001 standard and the WEEE regulation on battery disposal. Finally, in relation to the objective of Pollution Prevention and Reduction, it should be noted that the type of tyres used in the leased fleet fall into the "Premium Brand" category, which, as shown on the EPREL portal, comply with the efficiency requirements of this criterion.

In addition, in order to bring the Group's revenue into the Turnover category subject to the eligibility and alignment analyses of transport services by means of motorbikes, cars and light commercial vehicles, a weighting driver was adopted based on the number of vehicles dedicated exclusively to delivery activities compared to the total Group fleet, taking into account the industrial cost associated with them. Thus, on the basis of the detailed analysis conducted on the vehicle master data and the numerical data alone of the vehicles contributing to eligibility and alignment, it was possible to determine the incidence on revenue of the "Mail, Parcels and Distribution" BU of eligible light vehicles (€1,091 million) and aligned vehicles (€298 million).

- **"6.18 Aircraft Leasing" - Climate Change Mitigation target**

  The compliance assessment considered the revenue strictly linked to the transport of goods by aircraft carried out with Poste Air Cargo, the share of which, increasing compared to the previous financial year, appears to be admissible but not eco-sustainable, and equal to approximately €6 million for 2024. For this activity, in fact, which includes the leasing of aircraft, the requirement for a substantial contribution to climate change mitigation is not met because no aircraft in the fleet were found to have zero direct CO_2 emissions and because they are aircraft belonging to the commercial aviation activity.

Following the regulatory developments that led to the new definition of the Poste Group scope of consolidation and the revision of the industrial and financial segments, revenue associated with the "10.1 Non-life insurance: underwriting climate-related perils" business, which contributes to the environmental objective of Climate Change Adaptation, is no longer included in the calculation of the Turnover KPI as in the previous year. This economic activity, in this reporting year, was included in the Underwriting KPI and assessed for its eligibility and alignment only in relation to this indicator, to which reference is made for more details.

Regarding revenue reporting, given the redefinition of the Group's scope of consolidation, "Net revenue from ordinary operations" for 2024 (€11,106 million) is based on accounting information as of 31 December 2024, which includes the activities of the Mail Parcel and Distribution, Payments and Mobile BUs, as well as the share of financial services attributed to BancoPosta, excluding BancoPosta Fondi SGR (Financial Services) and Insurance Services. Therefore, given the new definition of the Group's scope of consolidation, which differentiates the operations of the industrial segment from those of the financial segment, the amounts considered for this KPI represent a portion of the "Consolidated Statement of Profit/(Loss) for the Year" item of the Consolidated Financial Statements, according to IAS 1.82(a).

Table 1: *Share of turnover derived from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2024*[201]

Template: Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm") (h)									
Economic Activities (1)	Code (a) (2)	Turnover (3)	Proportion of Turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		*€m*	*%*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned) (g)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	**298**	**2.7%**	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**298**	**2.7%**	**2.7%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**		Y	Y	Y	Y	Y	Y	**1.1%**		
Of which enabling		-	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**		Y	Y	Y	Y	Y	Y	**0.0%**		
Of which transitional		-	**0.0%**	**0.0%**							Y	Y	Y	Y	Y	Y	**0.0%**		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)								**%**		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	**1091**	**9.8%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Leasing of aircraft	CCM 6.18	**6**	**0.1%**	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**0.1%**		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1098**	**9.9%**	**10%**	0.0%	0.0%	0.0%	0.0%	0.0%								**9.9%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**1396**	**12.6%**	**13%**	0.0%	0.0%	0.0%	0.0%	0.0%								**11%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**9710**	**87.4%**																
Total		**11106**	**100.0%**																

	Proportion of Turnover / Total Turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	2.7%	9.9%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

[201] The figures shown have been rounded off for ease of reference. For this reason, the sums may differ slightly from the reported figures. Moreover, regarding the comparative figure at Q-1, this refers to what was reported in the previous year following the methodology and scope adopted in 2023.

KPIs OF CAPITAL EXPENDITURE

The share of capital expenditure from taxonomy-aligned economic activities is 3.7%, as reported in the template (Table 2: *Share of capital expenditure (CapEx) from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2024)*. With regard, on the other hand, to the share of CapEx associated with eligible but non-aligned economic activities, 3.7% was achieved in this year, thus, the share of non-eligible capital expenditure is 92.6%.

This KPI refers to capital investments related to the Business Unit "Mail, Parcels and Distribution", of which the activities of delivery and transport by light vehicles and the leasing of aircraft for the transport of goods, respectively, have been considered, as well as investments made on the Group's buildings in energy efficiency, which refer respectively to the installation of energy efficiency devices, charging stations for electric vehicles, intelligent instruments for measuring, regulating and controlling the energy performance of buildings and renewable energy technologies.

Therefore, with reference to this year, the eligibility and alignment analyses were conducted in relation to the following economic activities:

- **"6.5 Transport by motorcycles, passenger cars and light commercial vehicles" - Climate Change Mitigation target**
  On the basis of the Group's financial statements data on Right of Use, it was possible to quantify the number of vehicles eligible for the Taxonomy and considered in the numerator of the KPI calculation, i.e:
  - N1 vehicles: with a reference mass of less than 2.6 t, 1,555 vehicles belong to the Group's fleet;
  - M1 vehicles: 561 vehicles are included in the Group's fleet.

  On the other hand, the vehicles that contribute substantially to the Climate Change Mitigation target and therefore contribute to the alignment are 205 in the N1 category and 352 in the L category. In order to meet the DNSH criteria, with reference to the Climate Change Adaptation target, the Poste Italiane Group conducted, during the 2024 financial year, a climate risk analysis in line with the regulatory requirements[202]. As part of the DNSH compliance with the Transition to a Circular Economy, leased vehicles are returned to the supplier at the end of the leasing contract[203]. Furthermore, in relation to the objective of Pollution Prevention and Reduction, the range of tyres used in the leased fleet falls within the Premium Brands, which, as shown on the EPREL portal, comply with the efficiency requirements of this criterion. Thus, the aligned share of the activity "6.5 Transport by means of motorbikes, cars and light commercial vehicles" is €8 million, while the eligible share is equivalent to €23 million.
- **"6.18 Aircraft Leasing" - Climate Change Mitigation target**

  The activity, which is carried out in connection with air transport and includes the leasing of aircraft, is permissible but not environmentally sustainable, as no aircraft in the fleet - including the two new aircraft representing the respective Right of Use - were found to have zero direct CO_2 emissions, and as they are aircraft falling under the activity of commercial aviation. Therefore, this economic activity, which is eligible for taxonomy, is €20 million.
- **"7.3 Installation, maintenance and repair of energy efficiency devices" - Climate Change Mitigation target**
  With reference to the Group's real estate investments associated with this activity, in 2024, unlike the previous year, energy efficiency works were carried out in the Group's own buildings, which only involved the replacement of LED lighting fixtures. The substantial contribution to Climate Change Mitigation is fulfilled as the activity consists of the installation and replacement of energy efficient light sources. In order to meet the DNSH criteria, with reference to the Climate Change Adaptation target, Poste Italiane, in the year in question, conducted a climate

[202] For more details, see the section "BILLING KPIs" on activity 6.5, with respect to this objective
[203] For more details, see the section "BILLING KPIs" on activity 6.5, with respect to this objective

risk analysis in line with regulatory requirements[204]. At the same time, the goal of preventing and reducing pollution was met through the use of LED bulbs that comply with European safety and sustainability regulations. In particular, they comply with the RoHS Directive, which prohibits the use of hazardous substances. These bulbs also meet electromagnetic and photobiological safety standards, ensuring safe operation that is not harmful to human health. Thus, the aligned share of the business, which saw a decrease compared to the previous year, amounted to €2 million.

- **"7.4 Installation, maintenance, and repair of electric vehicle charging stations in buildings (and in parking spaces pertaining to buildings)" - Climate Change Mitigation target**
  With reference to the investments associated with this activity, capital expenditures incurred for the implementation of environmentally sustainable mobility solutions and electric vehicle charging stations that contribute substantially to Climate Change Mitigation were taken into account. In order to meet the DNSH criteria, with reference to the Climate Change Adaptation target, Poste Italiane, in the year in question, conducted a climate risk analysis in line with regulatory requirements[205]. Therefore, the aligned share, up from the previous year, is approximately €5 million for 2024.
- **"7.5 - Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings" - Climate Change Mitigation target**
  For the investments associated with this activity, activities related to environmental monitoring and the implementation of Smart Building solutions were evaluated. The substantial contribution to climate change mitigation is fulfilled as the buildings are equipped with advanced automation and energy management systems that improve energy efficiency and indoor comfort. The use of these systems has resulted in significant energy savings and contributed to effective optimisation of operations and maintenance. In order to meet the DNSH criteria, with reference to the Climate Change Adaptation target, Poste Italiane, in the year in question, conducted a climate risk analysis in line with regulatory requirements[203]. Therefore, the aligned share, up from the previous year, is approximately €7 million for 2024.
- **"7.6 Installation, maintenance and repair of renewable energy technologies" - climate change mitigation target**
  Regarding the investments associated with this activity, the compliance assessment covered not only investments in photovoltaic systems, but also in the installation of heat pumps, unlike the previous year. The substantial contribution to Climate Change Mitigation is fulfilled as the activity includes the installation of photovoltaic systems and the replacement of gas boilers with heat pumps, interventions that promote a significant reduction in emissions. In order to meet the DNSH criteria, with reference to the Climate Change Adaptation target, Poste Italiane, in the year 2024, conducted a climate risk analysis in line with regulatory requirements[203]. Therefore, the aligned share, up from the previous year, is approximately €22 million for 2024.

The changes described are reflected in the KPIs of the CapEx eligible (€44 million in 2024) and aligned (€45 million in 2024) to the Taxonomy, referred to the current financial year, whose eligibility and alignment percentages are shown in Table 2.
With reference, instead, to the calculation of the denominator of the Capex KPI (€1,196 million in 2024), following the definition of the Group's new perimeter separating the operations of the industrial segment from the financial segment, the amounts represent the portion related to gross additions to property, plant and equipment and intangible assets in accordance with IAS 16, 38, 40 and IFRS 16, as reported in notes A1 "Property, plant and equipment", A2 "Investment property", A3 "Intangible assets" and A4 "Rights-of-use assets".

[204] For more details, see the section "BILLING KPIs" on activity 6.5, with respect to this objective
[205] For more details, see the section "BILLING KPIs" on activity 6.5, with respect to this objective

Table 2: *Share of capital expenditure (CapEx) from products or services associated with economic activities aligned with the taxonomy - Disclosure for the year 2024*[206]

Template: Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm") (h)									
Economic Activities (1)	Code (a) (2)	CapEx (3)	Proportion of CapEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) CapEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		*€m*	*%*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	8	0.7%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	2	0.2%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	1.3%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	5	0.5%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.2%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	7	0.6%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.3%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	22	1.8%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	1.1%	E	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**45**	**3.7%**	**3.7%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**		Y	Y	Y	Y	Y	Y	**5.1%**		
Of which enabling		**36**	**3.0%**	**3.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**		Y	Y	Y	Y	Y	Y	**2.8%**		
Of which transitional		-	**0.0%**	**0.0%**							Y	Y	Y	Y	Y	Y	**0.0%**		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)								%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	23	2.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Leasing of aircraft	CCM 6.18	20	1.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**44**	3.7%	3.7%	0.0%	0.0%	0.0%	0.0%	0.0%								**1.3%**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**88**	7.4%	7.4%	0.0%	0.0%	0.0%	0.0%	0.0%								**6.4%**		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

CapEx of Taxonomy-non-eligible activities	**1107**	**92.6%**
Total	**1196**	**100.0%**

	Proportion of CapEx / Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	3.7%	3.7%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

206 The figures shown have been rounded off for ease of reference. For this reason, the sums may differ slightly from the reported figures. Moreover, regarding the comparative figure at Q-1, this refers to what was reported in the previous year following the methodology and scope adopted in 2023.

KPIs OF OPERATIONAL EXPENDITURE

In accordance with EU Delegated Regulation No. 2021/2178, the Group has identified, with reference to this financial year, the share of operating expenses associated with aligned, eligible but non-aligned and non-taxonomy eligible economic activities, shown in Table 3: *Share of operating expenses arising from products or services associated with economic activities aligned with the taxonomy - Year 2024 disclosure.*

The share of Opex derived from economic activities aligned to the Taxonomy is 0.1%; the share of OpEx associated with eligible but non-eco-sustainable economic activities is 4.2%, while the non-eligible share is equivalent to about 95.6%.

These KPIs refer to the operating costs associated with the Business Unit "Mail, Parcels and Distribution", of which the activities of delivery and transport by light vehicles and the leasing of aircraft for the transport of goods were taken into account, respectively. In particular, in line with what has been described in connection with the calculation of the KPI Turnover and Capital Expenditure, eligible operating expenses related to L-category vehicles for road transport activities and the leasing service of Poste Air Cargo aircraft were also considered.

Therefore, with reference to this year, the eligibility and alignment analyses were conducted in relation to the economic activity:

- **"6.5 Transport by motorcycles, passenger cars and light commercial vehicles" - Climate Change Mitigation target**
  Based on the detailed analysis of the Group's vehicle register, the Group's fleet is eligible, as follows:
  - L vehicles: 6,569 vehicles are included in the Group's fleet.

  The vehicles that contribute substantially to the Climate Change Mitigation target and therefore contribute to the alignment are 321 in the L category. With reference to the Climate Change Adaptation target, the Poste Italiane Group conducted, in the year 2024, a climate risk analysis in line with the regulatory requirements[207]. In addition, in carrying out this activity, Poste Italiane complies with the DNSH concerning the Transition to a Circular Economy and the Pollution Prevention and Reduction objective.
  Costs related to the economic activity are exclusively related to routine maintenance incurred for the aforementioned vehicles. Thus, on the basis of the above figures, it was possible to determine the share of operational expenditure contributing to eligibility - amounting to €11 million - and alignment - amounting to €0.5 million.

- **"6.18 Aircraft Leasing" - Climate Change Mitigation target**
  The share, up from the previous year, which is permissible but not environmentally friendly, amounts to some €7 million for 2024. This economic activity, is carried out in connection with aviation and includes the leasing of aircraft, but the substantial contribution to Climate Change Mitigation is not met as no aircraft in the analysed fleet were found to have zero direct CO_2 emissions and as they are aircraft belonging to the commercial aviation activity.

[207] For more details, see the section "BILLING KPIs" on activity 6.5, regarding this objective

Regarding the denominator of the KPI (€423 million) of operating expenses, pursuant to Annex I of Delegated Regulation no. 2178/2021, this was defined on the basis of non-capitalised direct costs relating to research and development, building renovation, rent, maintenance, repairs and other direct expenses related to the day-to-day operation of the assets incurred in this financial year.

Table 3: ***Share of operating expenses (OpEx) arising from products or services associated with economic activities aligned with the taxonomy - Year 2024 disclosure***[208]

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm") (f)									
Economic Activities (1)	Code (a) (2)	OpEx (3)	Proportion of OpEx, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) OpEx, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		*€m*	*%*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y;N; N/EL (b) (c)*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*%*	*E*	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.5	0.1%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.5**	**0.1%**	**0.1%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**		Y	Y	Y	Y	Y	Y	**0.1%**		
Of which enabling		-	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		Y	Y	Y	Y	Y	Y	**0.0%**		
Of which transitional		-	0.0%	0.0%							Y	Y	Y	Y	Y	Y	**0.0%**		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (f)																			
				EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)	EL; N/EL (e)								%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	11	2.6%	EL	EL	N/EL	N/EL	N/EL	N/EL										
Leasing of aircraft	CCM 6.18	7	1.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								**1.4%**		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**18**	**4.2%**	**4.2%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**4.1%**		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		**18**	**4.4%**	**4.4%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**4.2%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**405**	**95.6%**																
Total		**423**	**100.0%**																

	Proportion of OpEx / Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.1%	4.2%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

208 The figures shown have been rounded off for ease of reference. For this reason, the sums may differ slightly from the reported figures. Moreover, regarding the comparative figure at Q-1, this refers to what was reported in the previous year following the methodology and scope adopted in 2023.

KPI OF THE FINANCIAL SECTOR OF THE POSTE ITALIANE GROUP

To ensure full transparency to the market, the Group has also decided to disclose the KPIs envisaged by the Taxonomy Regulation for Financial Undertakings. For this purpose, therefore, the performance indicators relating to the financial Asset Management and Insurance operations carried out by BancoPosta Fondi SGR and the Poste Vita Group, respectively, are set out below.

In continuation of the previous year, financial firms, in addition to providing disclosure regarding their share of exposures - associated with assets under management -eligible (relative to the six regulated objectives) and ineligible for the Taxonomy, must also report aligned exposures that contribute substantially to the first two objectives: climate change mitigation and adaptation. The representation of these exposures is contained in the Asset Management KPI and Investment KPI templates for BancoPosta Fondi SGR and the Poste Vita Group, respectively. In addition, following the new definition of the Poste Group's scope that separates the industrial segment from the financial segment, as of this financial year, the Poste Vita Group independently reports the Underwriting KPI related to the underwriting of non-life insurance policies that cover climate risks.

In particular, the disclosure of the Asset Management KPI and the Investment KPI relating to the share of aligned, eligible and ineligible exposures are performed on the basis of actual/reported percentages in terms of Turnover and CapEx.

The Group involved a new external provider compared to the previous year. The use of the consolidated database by the provider allowed the data owner functions of BancoPosta Fondi SGR and the Poste Vita Group to analyse their assets that contribute to determining the eligibility and alignment share, and to calculate the Turnover and CapEx-based KPIs[209]. In this regard, it should be noted that the methodology used included a look-through approach with respect to the funds in the portfolios under management.

In line with the relevant regulations, the scope of the indicator was defined according to the exposures held in the portfolio in terms of economic assets to:

- *financial entities* subject to non-financial reporting requirements (i.e. Directive 2013/34/EU, 'NFRD'), both operating in EU and non-EU countries;
- financial entities not subject to non-financial reporting requirements (NFRD), whether operating in EU or non-EU countries;
- non-financial entities subject to non-financial reporting requirements (NFRD), whether operating in EU or non-EU countries;
- non-financial entities not subject to non-financial reporting requirements (NFRD), whether operating in EU or non-EU countries;
- derivatives[210] and other exposures (e.g. liquidity and alternative funds).

With reference to the scope of the denominator, the latter was determined on the basis of the assets under management for BancoPosta Fondi SGR and for the Poste Vita Group, whose monetary values were reduced by the portion in exposures to central governments, central banks and supranational issuers. Therefore, with respect to this denominator, net of the aforementioned exposures, the data coverage guaranteed by the provider in the processing of the data, noted during the

[209] BancoPosta Fondi SGR has only taken into consideration the assets referring to the retail portfolios set up by it; therefore, it should be noted that the institutional funds set up by BancoPosta Fondi SGR present in the Poste Vita Group's portfolios have not been included in the calculation of the KPI regulated for financial managers, but have been considered in the KPI referring to the Poste Vita Group (Investment KPI), in order to avoid double counting. Similarly, assets related to BancoPosta assets under management delegation to BancoPosta Fondi SGR were not taken into account.

[210] In continuity with what was reported in the previous year, the absolute values of derivatives at mark-to-market as at 31.12.2024 were considered for BancoPosta Fondi SGR and the Poste Vita Group.

analyses carried out by BancoPosta Fondi SGR and the Poste Vita Group for the definition of the indicators, records a coverage percentage of about 90% and about 75% respectively.

In addition, the exposures held to companies operating in the gas and nuclear sectors, as identified in Delegated Regulation (EU) 2022/1214, have been represented in the appropriate disclosure models provided for by the reference regulations (i.e. Annex XII of Delegated Regulation (EU) 2021/2178).

On the other hand, regarding the Underwriting KPI developed by the Poste Vita Group, as required by Activity 10.1, Annex II of Delegated Regulation (EU) 2021/2139, the gross premiums written for non-life products related to the underwriting of climate-related perils related to the insurance coverages of the following business areas were considered:

(a) medical expenses insurance;
(b) income protection insurance;
(c) workers' compensation insurance;
(d) insurance against civil liability arising out of the use of motor vehicles;
(e) other motor insurance;
(f) marine, aviation and transport insurance;
(g) fire and other property damage insurance;
(h) assistance.

For the reporting year, the Poste Vita Group's commercial offer of insurance products falling within the scope of the regulations allows only the Underwriting KPI relating to eligibility to be calculated. Therefore, the KPI in question only represents the share of gross premiums written related to business eligible for the taxonomy but not eco-friendly, and is based on the mapping of guarantees that Poste Vita Group companies have defined for the preparation of the IVASS survey aimed at monitoring natural catastrophe risks. This mapping includes the identification of guarantees related to climate risks from natural disasters related to water, wind, temperature and solid masses. For mapping purposes, two alternative approaches were used by the Poste Vita Group to collect the data: i) identifying, where possible, the precise value of gross premiums written relating to climate risk guarantees through the use of certified data available on the company's data hub (thanks to the product architecture); ii) estimating the portion of the premium relating to climate risk starting from the incidence of claims relating to climate-related events.

Accordingly, pursuant to the regulatory requirements of Article 10, paragraph 5, of Delegated Regulation (EU) 2021/2178, the performance indicators of BancoPosta Fondi SGR and the Poste Vita Group and their respective templates are presented below.

ASSET MANAGEMENT KPIs

As shown in Table 4, the share of investments aligned to the Turnover-based and CapEx-based taxonomy accounts for 3.73% and 5.83% respectively. With regard, on the other hand, to the share of eligible and non-eligible exposures, during the year, these accounted for 10.61% in terms of Turnover and 10.75% in terms of CapEx; thus, the share of non-eligible exposures was 85.66% (Turnover-based) and 83.41% (CapEx-based).

Furthermore, in line with the disclosure provided within the template, it appears that exposures to companies not subject to non-financial reporting requirements amount to 13.08%, while the share in exposures to central governments, central banks and supranational issuers accounts for 48.68%.

It should be noted, that these calculated alignment percentages are closely related to the exposures contributing to climate change mitigation and adaptation targets, which are respectively 3.68% and 0.05% (Turnover-based) and 5.68% and 0.15% (CapEx-based).

Regarding the disclosure of exposures in nuclear and fossil gas activities (related to activities 4.26 to 4.31), the Templates 1 to 5 are provided below.

Table 4: ***Standard reporting template pursuant to article 8 of Regulation (EU) 2020/852 (financial asset managers)***[211]

€ million

Standard template for the disclosure required under Article 8 of Regulation (EU) 2020/852 (asset managers)		
The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below: Turnover-based: **3.73%** CapEx—based: **5.83%**	The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: **324** Capital expenditures-based: **506**	
The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities, Coverage ratio: **51.32%**	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: **8,681**	
Additional, complementary disclosures: breakdown of denominator of the KPI		
The percentage of derivatives relative to total assets covered by the KPI. **0.06%**	The value in monetary amounts of derivatives. **6**	
The proportion of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **4.97%** For financial undertakings: **8.11%**	Value of exposures to EU financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **432** For financial undertakings: **704**	
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **26.97%** For financial undertakings: **9.44%**	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **2,341** For financial undertakings: **819**	
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **19.25%** For financial undertakings: **27.95%**	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **1,671** For financial undertakings: **2,426**	
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: **3.38%**	Value of exposures to other counterparties and assets: **293**	
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI: Turnover-based: **85.66%** Capital expenditures-based: **83.41%**	Value of all the investments that are funding economic activities that are not Taxonomy-eligible: Turnover-based: **7,436** Capital expenditures-based: **7,241**	
The value of all the investments that are funding Taxonomy- eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI: Turnover-based: **10.61%** Capital expenditures-based: **10.75%**	Value of all the investments that are funding Taxonomy- eligible economic activities, but not Taxonomy-aligned: Turnover-based: **921** Capital expenditures-based: **934**	
Additional, complementary disclosures: breakdown of numerator of the KPI		
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: Turnover-based: **3,21%** Capital expenditures-based: **5,23%** For financial undertakings: Turnover-based: **0,52%** Capital expenditures-based: **0,61%**	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: Turnover-based: **279** Capital expenditures-based: **454** For financial undertakings: Turnover-based: **45** Capital expenditures-based: **53**	
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI: Turnover-based: - Capital expenditures-based: -	Value of Taxonomy-aligned exposures to other counterparties and assets: Turnover-based: - Capital expenditures-based: -	
Breakdown of the numerator of the KPI per environmental objective		
Taxonomy-aligned activities –:		
(1) Climate change mitigation	Turnover: **3.68%** CapEx: **5.68%**	Transitional activities: A % (Turnover: **0.31%**; CapEx: **0.31%**) Enabling activities: B % (Turnover: **1.70%**; CapEx: **2.38%**)
(2) Climate change adaptation	Turnover: **0.05%** CapEx: **0.15%**	Enabling activities: B % (Turnover: **0.04%**; CapEx: **0.06%**)
(3) The sustainable use and protection of water and marine resources	Turnover: **NA** CapEx: **NA**	Enabling activities: **NA** (Turnover; CapEx)
(4) The transition to a circular economy	Turnover: **NA** CapEx: **NA**	Enabling activities: **NA** (Turnover; CapEx)
(5) Pollution prevention and control	Turnover: **NA** CapEx: **NA**	Enabling activities: **NA** (Turnover; CapEx)
(6) The protection and restoration of biodiversity and ecosystems	Turnover: **NA** CapEx: **NA**	Enabling activities: **NA** (Turnover; CapEx)

[211] The figures shown have been rounded off for ease of reference. For this reason, the sums may differ slightly from the reported figures. Furthermore, it should be noted that the summation of the denominator components shows a value of less than 100% due to limitations in the coverage of the data provided by the info-provider.

Template 1: ***Nuclear and fossil gas activities***

Template 1: Nuclear and fossil gas related activities		
Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2: *Economic activities aligned to the taxonomy (denominator) - Turnover*

€ million

Template 2: Taxonomy-aligned economic activities (denominator)							
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**- €**	**0.00%**	**- €**	**0.00%**	**- €**	**0.00%**
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**	**0 €**	**0.00%**	**- €**	**0.00%**
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**16 €**	**0.18%**	**16 €**	**0.18%**	**- €**	**0.00%**
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**	**0 €**	**0.00%**	**- €**	**0.00%**
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**2 €**	**0.02%**	**2 €**	**0.02%**	**0 €**	**0.00%**
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.01%**	**0 €**	**0.01%**	**- €**	**0.00%**
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**305 €**	**3.52%**	**301 €**	**3.46%**	**5 €**	**0.05%**
8.	**Total applicable KPI**	**324 €**	**3.73%**	**319 €**	**3.68%**	**5 €**	**0.05%**

Template 2: *Economic activities aligned to the taxonomy (denominator) - Capex*

€ million

Template 2: Taxonomy-aligned economic activities (denominator)							
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**	**0 €**	**0.00%**	**- €**	**0.00%**
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**12 €**	**0.13%**	**12 €**	**0.13%**	**- €**	**0.00%**
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**7 €**	**0.08%**	**7 €**	**0.08%**	**- €**	**0.00%**
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**1 €**	**0.01%**	**1 €**	**0.01%**	**- €**	**0.00%**
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**59 €**	**0.68%**	**59 €**	**0.68%**	**- €**	**0.00%**
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**5 €**	**0.06%**	**5 €**	**0.06%**	**- €**	**0.00%**
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**422 €**	**4.86%**	**409 €**	**4.71%**	**13 €**	**0.15%**
8.	**Total applicable KPI**	**506 €**	**5.83%**	**493 €**	**5.68%**	**13 €**	**0.15%**

Template 3: *Economic activities aligned to the taxonomy (numerator) - Turnover*

€ million

Template 3: Taxonomy-aligned economic activities (numerator)							
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0.01%	0 €	0.01%	- €	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1 €	0.22%	1 €	0.22%	- €	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	21 €	6.46%	21 €	6.46%	- €	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0.01%	0 €	0.01%	- €	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0.07%	0 €	0.07%	0 €	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0.06%	0 €	0.06%	- €	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	302 €	93.16%	297 €	91.76%	5 €	1.40%
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	324 €	100%	319 €	98.59%	5 €	1.40%

Template 3: *Economic activities aligned to the taxonomy (numerator) - Capex*

€ million

Template 3: Taxonomy-aligned economic activities (numerator)							
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0.00%	0 €	0.00%	- €	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	4 €	0.80%	4 €	0.80%	- €	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	15 €	2.95%	15 €	2.95%	- €	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0.06%	0 €	0.06%	- €	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1 €	0.18%	1 €	0.18%	- €	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0.03%	0 €	0.03%	- €	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	486 €	95.96%	473 €	93.32%	13 €	2.64%
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	506 €	100%	493 €	97.36%	13 €	2.64%

Template 4: *Economic activities eligible for the taxonomy but not aligned to the taxonomy - Turnover*

€ million

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities								
Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)						
		(CCM + CCA)		Climate change mitigation		Climate change adaptation		
		Amount	%	Amount	%	Amount	%	
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**- €**	**0.00%**	-	-	-	-	
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**	-	-	-	-	
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**	-	-	-	-	
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**20 €**	**0.22%**	-	-	-	-	
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**55 €**	**0.63%**	-	-	-	-	
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**1 €**	**0.01%**	-	-	-	-	
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**846 €**	**9.74%**	-	-	-	-	
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**921 €**	**10.61%**	-	-	-	-	

Template 4: *Economic activities eligible for the taxonomy but not aligned to the taxonomy - Capex*

€ million

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities							
Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**1 €**	**0.01%**	-	-	-	-
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**	-	-	-	-
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**1 €**	**0.01%**	-	-	-	-
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**4 €**	**0.04%**	-	-	-	-
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**95 €**	**1.09%**	-	-	-	-
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**2 €**	**0.02%**	-	-	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**831 €**	**9.57%**	-	-	-	-
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**934 €**	**10.75%**	-	-	-	-

Template 5: *Economic activities not eligible for the taxonomy - Turnover*

€ million

Template 5: Taxonomy non-eligible economic activities			
Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**1 €**	**0.01%**
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.01%**
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**3 €**	**0.04%**
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**59 €**	**0.68%**
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**1 €**	**0.01%**
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**7,372 €**	**84.91%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**7,436 €**	**85.66%**

Template 5: *Economic activities not eligible for the taxonomy - Capex*

€ million

Template 5: Taxonomy non-eligible economic activities			
Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**4 €**	**0.05%**
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**2 €**	**0.02%**
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**59 €**	**0.68%**
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**7,176 €**	**82.66%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**7,241 €**	**83.41%**

INSURANCE KPI (INVESTMENT KPI AND UNDERWRITING KPI)

With respect to the insurance business conducted by the Poste Vita Group, disclosure is provided on the Investment KPI (Table 5) and the Underwriting KPI (Table 6). In line with what was previously reported for the KPI referring to the Asset Management operations of BancoPosta Fondi SGR, also with regard to the share of investments - Investment KPI - of the Poste Vita Group in aligned economic activities, eligible and non-eligible, used as the basis of the data instrumental to the calculation of the performance indicators was the information obtained from the external provider. In this regard, it was possible to determine the share of aligned and eligible exposures based on Turnover and CapEx; these, for the current financial year, represent 2.38% and 4.02% of alignment and 5.82% and 6.04% of eligibility respectively.

With regard to the share of exposures to non-financial reporting companies, as shown in Table 5, the KPI is 13.50%; while the share in exposures to central governments, central banks and supranational issuers is 63.56%.

Finally, in accordance with recent regulatory developments, the analyses conducted by the Poste Vita Group distinguished the percentages of alignment to the Taxonomy referring to climate change mitigation and adaptation objectives, respectively 2.32% and 0.07% (Turnover-based) and 3.81% and 0.20% (CapEx-based). With regard to the disclosure of exposures in nuclear and fossil gas activities (related to activities 4.26 to 4.31), the Templates 1 to 5 are provided below.

Table 5: *Share of the insurance or reinsurance undertaking's investments directed to finance or associated with activities aligned with the taxonomy in relation to total investments*[212]

€ million

Template: The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total		
The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below: Turnover-based: **2.38%** Capital expenditures-based: **4.02%**	The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below: Turnover-based: **1,427** Capital expenditures-based: **2,402**	
The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities. Coverage ratio: **36,44%**	The monetary value of assets covered by the KPI. Excluding investments in sovereign entities. Coverage: **59,830**	
Additional, complementary disclosures: breakdown of denominator of the KPI		
The percentage of derivatives relative to total assets covered by the KPI. **1.14 %**	The value in monetary amounts of derivatives. **683**	
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **3.10%** For financial undertakings: **10.40%**	Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **1,853** For financial undertakings: **6,220**	
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **20.90%** For financial undertakings: **18.20%**	Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **12,506** For financial undertakings: **10,889**	
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: **12.99%** For financial undertakings: **13.32%**	Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: **7,774** For financial undertakings: **7,970**	
The proportion of exposures to other counterparties and assets over total assets covered by the KPI: **22.23%**	Value of exposures to other counterparties and assets: **13,301**	
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: **80.26%**	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: **48,018**	
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI: Turnover-based: **91.80%** Capital expenditures-based: **89.95%**	Value of all the investments that are funding economic activities that are not Taxonomy-eligible: Turnover-based: **54,923** Capital expenditures-based: **53,816**	
The value of all the investments that are funding Taxonomy- eligible economic activities, but not Taxonomy-aligned relative to the value of total assets covered by the KPI: Turnover-based: **5.82%** Capital expenditures-based: **6.04%**	Value of all the investments that are funding Taxonomy- eligible economic activities, but not Taxonomy-aligned: Turnover-based: **3,480** Capital expenditures-based: **3,611**	
Additional, complementary disclosures: breakdown of numerator of the KPI		
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI: For non-financial undertakings: Turnover-based: **2.07%** Capital expenditures-based: **3.63%** For financial undertakings: Turnover-based: **0.31%** Capital expenditures-based: **0.39%**	Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU: For non-financial undertakings: Turnover-based: **1,240** Capital expenditures-based: **2,170** For financial undertakings: Turnover-based: **186** Capital expenditures-based: **232**	
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based: **1.94%** Capital expenditures-based: **3.28%**	Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned: Turnover-based: **1,162** Capital expenditures-based: **1,962**	
The proportion of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI: Turnover-based: - Capital expenditures-based: -	Value of Taxonomy-aligned exposures to other counterparties and assets over total assets covered by the KPI: Turnover-based: - Capital expenditures-based: -	
Breakdown of the numerator of the KPI per environmental objective		
Taxonomy-aligned activities – provided 'do-not-significant-harm'(DNSH) and social safeguards positive assessment:		
(1) Climate change mitigation	Turnover: **2.32%** CapEx: **3.81%**	Transitional activities: A % (Turnover: **0.19%**; CapEx: **0.27%**) Enabling activities: B % (Turnover: **1.02%**; CapEx: **1.57%**)
(2) Climate change adaptation	Turnover: **0.07%** CapEx: **0.20%**	Enabling activities: B % (Turnover: **0.03%**; CapEx: **0.10%**)
(3) The sustainable use and protection of water and marine resources	Turnover: **NA** CapEx: **NA**	Enabling activities: **NA** (Turnover; CapEx)
(4) The transition to a circular economy	Turnover: **NA** CapEx: **NA**	Enabling activities: **NA** (Turnover; CapEx)
(5) Pollution prevention and control	Turnover: **NA** CapEx: **NA**	Enabling activities: **NA** (Turnover; CapEx)
(6) The protection and restoration of biodiversity and ecosystems	Turnover: **NA** CapEx: **NA**	Enabling activities: **NA** (Turnover; CapEx)

[212] The figures shown have been rounded off for ease of reference. For this reason, the sums may differ slightly from the reported figures. Furthermore, it should be noted that the summation of the denominator components shows a value of less than 100% due to limitations in the coverage of the data provided by the info-provider.

Template 1: *Nuclear and fossil gas activities*

Template 1: Nuclear and fossil gas related activities		
Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Template 2: *Economic activities aligned to the taxonomy (denominator) - Turnover*

€ million

Template 2: Taxonomy-aligned economic activities (denominator)							
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	- €	0.00%	- €	0.00%	- €	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	5 €	0.01%	5 €	0.01%	- €	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	187 €	0.31%	187 €	0.31%	- €	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4 €	0.01%	4 €	0.01%	- €	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	7 €	0.01%	7 €	0.01%	0 €	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2 €	0.00%	2 €	0.00%	- €	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	1,222 €	2.04%	1,182 €	1.98%	40 €	0.07%
8.	**Total applicable KPI**	1,427 €	2.38%	1,387 €	2.32%	40 €	0.07%

Template 2: *Economic activities aligned to the taxonomy (denominator) - Capex*

€ million

Template 2: Taxonomy-aligned economic activities (denominator)							
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1 €	0.00%	1 €	0.00%	- €	0.00%
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	89 €	0.15%	89 €	0.15%	- €	0.00%
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	77 €	0.13%	77 €	0.13%	- €	0.00%
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	10 €	0.02%	10 €	0.02%	- €	0.00%
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	174 €	0.29%	174 €	0.29%	- €	0.00%
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	16 €	0.03%	16 €	0.03%	- €	0.00%
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	2,035 €	3.40%	1,914 €	3.20%	120 €	0.20%
8.	**Total applicable KPI**	2,402 €	4.02%	2,282 €	3.81%	120 €	0.20%

Template 3: *Economic activities aligned to the taxonomy (numerator) - Turnover*

€ million

Template 3: Taxonomy-aligned economic activities (numerator)							
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**0 €**	**0.01%**	**0 €**	**0.01%**	**- €**	**0.00%**
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**7 €**	**0.51%**	**7 €**	**0.51%**	**- €**	**0.00%**
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**187 €**	**13.08%**	**187 €**	**13.08%**	**- €**	**0.00%**
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**1 €**	**0.04%**	**1 €**	**0.04%**	**- €**	**0.00%**
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**2 €**	**0.11%**	**2 €**	**0.11%**	**0 €**	**0.00%**
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**2 €**	**0.11%**	**2 €**	**0.11%**	**- €**	**0.00%**
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**1,229 €**	**86.14%**	**1,189 €**	**83.33%**	**40 €**	**2.81%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**1,427 €**	**100%**	**1,387 €**	**97.19%**	**40 €**	**2.81%**

Template 3: *Economic activities aligned to the taxonomy (numerator) - Capex*

€ million

Template 3: Taxonomy-aligned economic activities (numerator)							
Row	Economic activities	Amount and proportion (the information is to be presented in monetary amounts and as percentages)					
		CCM + CCA		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**0 €**	**0.00%**	**0 €**	**0.00%**	**- €**	**0.00%**
2.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**59 €**	**2.44%**	**59 €**	**2.44%**	**- €**	**0.00%**
3.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**138 €**	**5.74%**	**138 €**	**5.74%**	**- €**	**0.00%**
4.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**5 €**	**0.20%**	**5 €**	**0.20%**	**- €**	**0.00%**
5.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**8 €**	**0.32%**	**8 €**	**0.32%**	**- €**	**0.00%**
6.	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	**1 €**	**0.05%**	**1 €**	**0.05%**	**- €**	**0.00%**
7.	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI**	**2,193 €**	**91.26%**	**2,072 €**	**86.25%**	**120 €**	**5.01%**
8.	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	**2,402 €**	**100%**	**2,282 €**	**94.99%**	**120 €**	**5.01%**

Template 4: *Economic activities eligible for the taxonomy but not aligned to the taxonomy - Turnover*

€ million

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities							
Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**	-	-	-	-
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**	-	-	-	-
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**1 €**	**0.00%**	-	-	-	-
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**119 €**	**0.20%**	-	-	-	-
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**261 €**	**0.44%**	-	-	-	-
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**9 €**	**0.01%**	-	-	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,090 €**	**5.17%**	-	-	-	-
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**3,480 €**	**5.82%**	-	-	-	-

Template 4: *Economic activities eligible for the taxonomy but not aligned to the taxonomy - Capex*

€ million

Template 4: Taxonomy-eligible but not taxonomy-aligned economic activities							
Row	Economic activities	Proportion (the information is to be presented in monetary amounts and as percentages)					
		(CCM + CCA)		Climate change mitigation		Climate change adaptation	
		Amount	%	Amount	%	Amount	%
1.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**3 €**	**0.00%**	-	-	-	-
2.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**	-	-	-	-
3.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**3 €**	**0.01%**	-	-	-	-
4.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**34 €**	**0.06%**	-	-	-	-
5.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**349 €**	**0.58%**	-	-	-	-
6.	Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**19 €**	**0.03%**	-	-	-	-
7.	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**3,204 €**	**5.35%**	-	-	-	-
8.	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the applicable KPI**	**3,611 €**	**6.04%**	-	-	-	-

Template 5: *Economic activities not eligible for the taxonomy - Turnover*

€ million

Template 5: Taxonomy non-eligible economic activities			
Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**3 €**	**0.01%**
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**24 €**	**0.04%**
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**16 €**	**0.03%**
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**1 €**	**0.00%**
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**171 €**	**0.29%**
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**3 €**	**0.01%**
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**54,705 €**	**91.43%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**54,923 €**	**91.80%**

Template 5: *Economic activities not eligible for the taxonomy - Capex*

€ million

Template 5: Taxonomy non-eligible economic activities			
Row	Economic activities	Amount	Percentage
1.	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**
2.	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**42 €**	**0.07%**
3.	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**9 €**	**0.01%**
4.	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**171 €**	**0.29%**
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	**0 €**	**0.00%**
7.	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	**53,594 €**	**89.58%**
8.	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	**53,816 €**	**89.95%**

Regard the share of gross written premiums, relevant to the Underwriting KPI, of the Poste Vita Group in aligned, eligible and non-eligible economic activities, the guarantees related to climate risks from natural catastrophes related to water, wind, temperature and solid masses belonging to the aforementioned business areas were considered. In this respect, only 6.0% of eligible exposures could be determined for the current year.

Table 6: *Underwriting KPI for non-life insurance and reinsurance companies*

	Substantial contribution to climate change adaptation			DNSH (Do No Significant Harm)					
Economic activities (1)	Absolute premiums, year 2024 (2)	Proportion of premiums, year 2024 (3)	Proportion of premiums, year 2023 (4)	Climate change mitigation (5)	Water and marine resources (6)	Circular economy (7)	Pollution (8)	Biodiversity and ecosystems (9)	Minimum safeguards (10)
	€m	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N
A.1. Non-life insurance and reinsurance underwriting Taxonomy-aligned activities (environmentally sustainable)	**0**	**0.0%**	-						
A.1.1. Of which reinsured	0	0.0%	-						
A.1.2. Of which stemming from reinsurance activity	0	0.0%	-						
A.1.2.1. Of which reinsured (retrocession)	0	0.0%	-						
A.2. Non-life insurance and reinsurance underwriting Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)	**41.6**	**6.0%**							
B. Non-life insurance and reinsurance underwriting Taxonomy-non-eligible activities	**654.4**	**94.0%**							
Total (A.1 + A.2 +B)	**696.0**	**100%**							

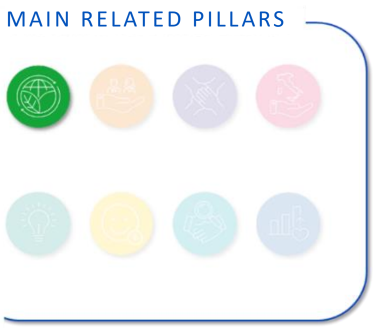
Table 7: *Mixed Group*

			KPIs by business sector			
	Revenues (****) (€million)	Share of total group revenues (A)	Turnover-based KPI (B)	KPI based on capital expenditure (C)	KPI based on turnover, weighted (A*B)	KPI based on capital expenditure, weighted (A*C)
A. Financial assets						
Asset management (*)	181	1%	3.7%	5.8%	0.1%	0.1%
insurance companies (**)	1,640	13%	2.2%	3.7%	0.3%	0.4%
			Turnover-based KPI (B)	KPI based on capital expenditure (C)	KPI based on turnover, weighted (A*B)	KPI based on capital expenditure, weighted (A*C)
B. Non-financial assets (***)	11,106	86%	2.7%	3.7%	2.3%	3.2%
Total group revenues	12,927	100%				
					Average KPI based on turnover	Average KPI based on capital expenditure:
Group average KPI					**2.6%**	**3.7%**

(*) Regarding "Asset Management" Revenues, these represents the amount related to the commissions associated with BancoPosta Fondi SGR.
(**) The calculation of the combined KPI related to the Poste Vita Insurance Group (which combines the Investment KPI and the Underwriting KPI) took into consideration,with regard to Revenue from investment activities, the Revenue of Poste Vita, i.e. LIP (Life Investments & Pension) - excluding income/expenses from the financial management of the free portfolio - and of Net Insurance Life and, regarding Revenue from non-life business (i.e. the Insurance Group's "protection" P&C perimeter), the Revenue of Poste Assicura, Net Insurance and Poste Vita - non-life business (for the latter, the PAA measurement model - co-insurance health insurance business - was applied).
(***) Regarding Revenues from 'Non-Financial Activities', these are equivalent to the denominator of the Turnover KPI; therefore, the values considered include the activities of the Mail, Parcels and Distribution BU and the Payments and Mobile BU, as well as the portion of financial services attributed to the BancoPosta RFC of Poste Italiane S.p.A.
(****) Regarding Revenues, the amounts for "Insurance Companies" and "Total Group Revenues" are equivalent to those reported in the "Consolidated Statement of Profit/(Loss) for the Year".

8.2.2. CLIMATE CHANGE [ESRS E1]

The Poste Italiane Group considers environmental protection is an essential element in the creation of sustainable value for people and the territory in which it operates. The Group is committed to using resources responsibly and implementing innovative solutions to minimise the negative environmental impacts of conducting its business by adopting more conscious conduct in the areas of climate change adaptation and mitigation and energy. Below is the list of IRO found relevant by the Group's dual materiality analysis, to which climate change-related policies and actions are applied.



ESRS E1 - Climate Change

ESRS SUB-TOPIC	IRO	Description	Time horizon	Value chain	Impacts	Business Unit
Adaptation to climate change	I	Global average temperature increase (-) (E)	Medium/ Long-Term	Upstream Own operations Downstream	People Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Deterioration of quality delivered Inadequate quality delivered and non-compliance with regulatory and contractual standards resulting in penalties and sanctions	Short-term Medium-term Long-term	Upstream Own operations Downstream	-	Mail, Parcels & Distribution
	R	Restrictions on Poste Italiane business operations due to extreme weather conditions related to climate change	Medium/ Long-Term	Upstream Own operations Downstream	-	Mail, Parcels & Distribution
Mitigation of climate change	I	Production of greenhouse gas emissions throughout the value chain (-) (E)	Short/ Medium-Term	Upstream Own operations Downstream	People Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Underestimating sustainable development and not actively pursuing decarbonisation can lead to serious consequences in terms of corporate reputation, with negative impacts on stakeholder trust, market opportunities and overall company value	Long-term	Upstream Own operations	-	Mail, Parcels & Distribution
	O	Reduction of emissions related to the use of the vehicles making up the corporate fleet by virtue of a review of business models resulting from the transformation of mobility	Long-term	Own operations	-	Mail, Parcels & Distribution
Energy	I	Energy consumption from renewable sources throughout the value chain (+) (E)	Short/ Medium-Term	Upstream Own operations Downstream	People Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Failure/partial achievement of growth targets in the Energy market Failure to achieve business objectives related to the energy sector, due to strong market competition and regulatory issues	Short-term Medium-term Long-term	Upstream Own operations	-	Postepay Services
	R	Rising cost of raw materials and supply difficulties (e.g. oil, gas and energy) resulting from the current geopolitical context	Short/ Medium-Term	Upstream	-	Transversal
	O	Decrease in the Group's total energy consumption from non-renewable sources (e.g. fossil fuels) due to a review of business models resulting from the transformation of mobility	Long-term	Own operations	-	Mail, Parcels & Distribution

STRATEGY

Transition plan for climate change mitigation

Disclosure Requirement ESRS E1 E1-1

The Poste Italiane Group contributes to the transition to a low-carbon economy by reducing emissions in its business operations as set out in the Business Plan, supporting the Paris Agreement to limit global warming to 1.5°C. To this end, the Group has adopted an Environmental Sustainability Policy and has implemented specific projects and initiatives along

two macro-areas of intervention - fleet renewal and energy efficiency in buildings - with interventions concerning both direct emissions generated by logistics activities and owned facilities and indirect emissions associated with the electricity consumed. By virtue of this commitment, the Poste Italiane strategy includes renewing the Group's fleet, using sustainable fuels and reducing its own emissions by lowering the consumption of MWh at its own buildings, as well as increasing the production of GWh of renewable energy for self-consumption. Moreover, with reference to the business related to the offer of electricity and gas, the Poste Italiane Group pursues the goal of selling electricity certified as being produced entirely from renewable sources and offsetting CO_2 emissions resulting from the consumption of natural gas sold to retail customers, through the use of instruments for offsetting these emissions.
Despite the numerous milestones achieved towards the reduction of the Group's emissions, Poste Italiane is aware of the need to define a solid and structured transition plan for climate change mitigation in the medium-term, as well as compliant with the requirements of the ESRS standards, which is still not in place as of today.

Material impacts, risks and opportunities and their interaction with the strategy and business model

Disclosure Requirement ESRS 2 SBM-3

The Poste Italiane Group conducted an analysis of physical and climate-related transition risks, based on the identification of the most relevant physical risks and climate-related transition events, and then assessed the Group's exposure to them. For physical risks, the analyses took into account the climate scenario know as Representative Concentration Pathways (RCPs) developed by the IPCC (Intergovernmental Panel on Climate Change), divided into RCP 8.5, RCP 4.5 and RCP 2.6. For transition risks, on the other hand, climate scenarios developed by international organisations such as the IPCC and the International Energy Agency (IEA) were taken into account, in particular: the Stated Policies Scenario (STEPS); the NZE (Net Zero Emissions by 2050) scenario[213].

As a result of the analyses, the following main risks and opportunities were identified:

Physical risks:

- River flooding;
- Extreme rainfall.

Transition risks and opportunities:

- Risk related to Regulatory Developments: "Deterioration in the quality provided: Inadequate quality delivered and failure to meet regulatory and contractual standards resulting in fines and penalties";
- Risks Related to Market Developments: "Failure to achieve business objectives related to the energy sector due to strong market competition and regulatory issues" and "Increased cost of raw materials and supply difficulties (e.g. oil, gas and energy) resulting from the current geopolitical context";
- Reputation-related risk: "Underestimating sustainable development and not actively pursuing decarbonisation can lead to serious consequences in terms of corporate reputation, with negative impacts on stakeholder trust, market opportunities and overall company value";
- Opportunities related to Technological Developments: "Reduction of emissions related to the use of the vehicles making up the corporate fleet by virtue of a review of business models resulting from the transformation of mobility" and "Reduction of the Group's total energy consumption from non-renewable sources (e.g. fossil fuels) by virtue of a review of business models resulting from the transformation of mobility".

[213] For more information on the policies adopted by the Group regarding climated change, referce is made to the “Summary of Policies” pharagraph in chapter "8.1 - General information".

The resilience analysis, based on the risk assessment performed, taking into consideration the scenarios, as well as the time horizons mentioned above, resulted in the identification of mitigation measures implemented by the Group with reference to the physical and transition risks identified and described in detail in the ESRS E1 IRO-1 Disclosure Requirement.

MANAGING IMPACTS, RISKS AND OPPORTUNITIES

Policies related to climate change mitigation and adaptation

Disclosure Requirement ESRS E1 E1-2

The Group has adopted policies to manage the impacts, risks and opportunities related to climate change mitigation, adaptation and energy consumption. To this end, the Group has adopted an Environmental Sustainability Policy[214], which enshrines the Poste Italiane commitment to promote environmental protection throughout its value chain. In 2024, the Poste Italiane Group also maintained the certification of its Environmental Management System, adopted and certified according to ISO 14001, for all sites in Italy with an applied number of employees greater than 300. The main Group companies have also adopted and third-party audited their own Environmental Management System, certified according to ISO 14001, which includes procedures and operating instructions to establish guidelines and operational processes for the management of identified environmental aspects/impacts. The objectives identified and their achievement are periodically verified and defined in the management systems review, as well as in periodic monitoring and control activities. The approach adopted by Poste to environmental sustainability is inspired by these principles:

- efficiency in the use of resources necessary to carry out business activities, whether on its own or through suppliers and business partners.
- innovation to support a low-carbon economy, through dematerialisation of processes, products and services;
- prevention and reduction of the impact on the environment, including through the analysis of potential environmental risks that are important for Poste Italiane, as well as through the reduction of waste produced and the elimination of waste, with a view to approaching the principle of circular economy.

In this regard, the Poste Italiane Group participates in numerous international and national initiatives aimed at raising awareness on the rational use of energy, such as "Earth Hour" promoted by the WWF and "*M'illumino di meno*". In addition, Poste Italiane took part, for the sixth consecutive year, in Green Postal Day, an event promoted by the International Post Corporation in collaboration with PostEurop that aims to highlight the environmental and commercial successes achieved by the postal industry through collaboration within the sector, aimed at reducing CO_2 emissions.

Actions and resources related to climate change policies

Disclosure Requirement ESRS E1 E1-3; Minimum Disclosure Requirement ESRS 2 MDR-A

In order to mitigate and correct actual and potential impacts and address the risks and opportunities related to climate change, the Group has implemented specific actions, broken down below by respective decarbonisation lever.

Fleet renewal

- **Replacement of the road fleet**
  In order to make the fleet more efficient while reducing emissions from transport activities and contributing to the Group's commitments, the fleet renewal of 28,400 low-emission vehicles (Euro VI, Hybrids and Electrics) was completed in 2024, 600 vehicles more than the initial plan of 27,800 vehicles. The current fleet consists of 30,700

[214] For more information on the policies adopted by the Group regarding climate change, reference is made to the "Summary of Policies" paragraph in Chapter "8.1 - General Information".

vehicles in total, of which only 2,300 are old, pre-2020 vehicles. In addition, in order to reduce consumption and emissions, electric vehicles are used for last-mile delivery.

- **Replacement of the air fleet**
  Regarding the aircraft fleet, 2 of the 5 aircraft were replaced in 2024, and an additional aircraft entered service in March 2025. The old 737-400 type aircraft were replaced with the more modern and efficient 737-800 type aircraft in order to achieve a reduction in hourly fuel consumption.
- **Development of the proximity network**
  Poste Italiane has implemented a sustainable delivery model that reduces environmental impact through logistical optimisation. Concentrating the delivery of several parcels at one point limits emissions and offers customers a flexible alternative to home delivery, thus contributing to a more efficient and environmentally friendly distribution system. The proximity network in 2024 exceeded 30,000 collection points between Post Offices and Punto Poste (collect points and lockers).
- **Creation of the PosteGo Benefit Society**
  In 2024, Poste Italiane, through the creation of the Benefit Company PosteGo S.p.A., decided to manage its fleet of company transport vehicles directly. Given the number and composition of the fleet of vehicles of different types (cars, tricycles, quadricycles and mopeds), its creation represents a significant step forward both in terms of optimising fleet management and accelerating the Group's ecological transition.

Use of low emission fuels

- **Collaboration agreement with Enilive (Eni Group)**
  Poste Italiane has signed an important cooperation agreement with Enilive, the Eni company dedicated to mobility services and products, in the field of supplies to ground and air vehicles. In July 2024, a Letter of Intent was signed that started the collaboration in the supply of biofuels produced mainly from waste, such as waste cooking oil and animal fats, and from agro-food industry residues that Enilive processes in its own biorefineries. In particular, for road transport, the agreement provides for the supply of diesel from renewable raw materials HVOlution, available in over 1,000 service stations in Italy, which will be managed through Multicard - the Enilive commercial card service - also for third-party companies not owned or controlled by Poste Italiane but with which it has supply relationships.
  For air transport, the collaboration also concerns the supply at some Italian national airports of JET A1+Eni Biojet, the SAF (Sustainable Aviation Fuel) component of which is produced by Enilive from 100% biological materials and suitable for use in blends with conventional jet fuel, up to 50%.

Energy efficiency

- **Decarbonisation project**
  In order to contribute to the energy transition, Poste Italiane launched a decarbonisation project consisting of the removal of gas boilers and the installation of heat pumps on sites distributed throughout the country. In particular, the decarbonisation project aims to replace gas/diesel/LPG boilers with heat pumps, ensuring that the building's CO_2 emissions are reduced to zero through the use of certified 100% green electricity. The plants to be replaced were identified by giving priority to those that were older and therefore less efficient in terms of operation and consumption. This will result in lower energy costs due to the elimination of gas systems and their replacement by more efficient electricity systems. By 2024, the project had reduced emissions by 9,650 tCO_2e. In addition, the projected emission reduction in 2025 is 12,000 tCO_2e, while in 2026, an emission reduction of over approximately 14,000 tCO_2e is expected.
- **Electricity procurement with Guarantees of Origin (GO)**
  Regarding the procurement of electricity, the Group continued, also in 2024, with the purchase of 100% electricity from certified renewable sources with Guarantees of Origin.
- **Photovoltaic project**
  The photovoltaic project involves the self-production of energy from renewable sources that can be used by the Group through its own photovoltaic plants. The project to install photovoltaic systems involves the roofs of owned sites located throughout the country, with a target of installing more than 1,300 systems by 2026, with an expected production of more than 40 GWh/year, of which about 30% is related to logistics sites. Currently, more than 500 systems with a total capacity of around 21 MWp have been installed. In 2024, a potential of 27 GWh of annual production was reached.
- **Smart building**
  In order to achieve savings of around 17 GWh by 2026, Poste Italiane has launched a smart building management project through the installation of sensors in buildings distributed throughout Italy. The Smart Building project is key for the management of the Poste Italiane Group's buildings, as it it takes the form of the creation and progressive extension of a large and widespread network of post offices and logistics buildings, managed through a Building and Energy Management System (BEMS), which provides for the integrated management and control of systems, the optimisation of consumption and maintenance activities through a dashboard that is constantly evolving and optimising, thus achieving a reduction in consumption in terms of electrical energy estimated at around 15% on average, as well as improved management of environmental comfort.
- **Installation of charging stations for electric vehicles**
  In order to encourage the use of environmentally sustainable mobility solutions, the Group has planned to install charging stations for electric vehicles in the car parks of its own buildings. In this context, by 2026, the Group also plans to install 200 charging stations that can be used by the vehicles of external suppliers.

Moreover, within the "***Poste Energia***" offer, the Group stands out for its focus on environmental sustainability, promoting conscious consumption practices and offering electricity from 100% renewable sources produced in Italy, certified with a Guarantee of Origin, and methane gas released for consumption that is fully offset. Further details on offsetting GHG emissions through the purchase of carbon credits by PostePay can be found in the sections on Disclosure Obligations E1-7 and E1-8.
The following tables briefly summarise the action plan undertaken by the Group to achieve the objectives defined in the climate change policies, indicating the scope of application and time horizons of each action and, for the implementation of actions on the basis of the significance threshold identified, the type and amount of financial resources used to implement them. With reference to future financial resources, it is specified that the information subject to disclosure relates to the economic data of the 2025 budget.

Main actions	Scope of application	Time horizons
Replacement of the road fleet	Logistics	2024
Replacement of the air fleet	Logistics	2025
Proximity network development	Logistics	2028
Creation of the PosteGo Company	Logistics	2024
Collaboration agreement with Enilive	Logistics	2024
Decarbonisation project	Property	2025
Procurement of electricity GO	Property	Every year
Photovoltaic project	Property	2028
Smart building	Property	2028
Installation of charging stations for electric vehicles used by external providers	Real estate and logistics	2026
Poste Energia	Energy	Every year

Action	Type of financial resources	CapEx (€)	OpEx (€)	Link with financial statements items	Future financial resources (€)
Replacement of the road fleet	Vehicle replacement costs	-	83,571,485	note C7 “Depreciation, amortisation and impairment” C11 "Financial charges" C9 "Other costs and charges	-
Decarbonisation project	Investments in tangible assets	7,029,154	-	note A1 "Property, plant and equipment"	10,000,000
Photovoltaic project	Investments in tangible assets	14,750,160	-	note A1 "Property, plant and equipment"	25,000,000
Smart building	Investments in tangible assets	6,926,874	-	note A1 "Property, plant and equipment"	37,000,000
Installation of charging stations for electric vehicles used by external providers	Investments in tangible assets	964,917	-	note A1 "Property, plant and equipment"	1,000,000
Poste Energia	Purchase costs Guarantees of Origin and Carbon Credit	-	5,549,741	note C5 "Cost of goods and services"	5,100,000

With reference to the actions listed above, the amounts in terms of CapEx and OpEx are traceable to the numerators of the respective KPIs governed by Delegated Regulation (EU) 2021/2178. In particular:

- the action of "Replacement of the road fleet" is related to the operational expenses incurred for the eligible economic activity and aligned to the EU taxonomy "6.5 Transport by motorbikes, cars and light commercial vehicles" - climate change mitigation target. Approximately €11 million (13% of the total) of eligible and aligned operational expenditure contributed to the OpEx KPI;

- the "Decarbonisation Project" action is fully referable to the capital expenditure invested for the economic activity aligned to the EU Taxonomy "7.6 Installation, maintenance and repair of renewable energy technologies" - climate change mitigation target, which contributes to the CapEx KPI;
- the "Photovoltaic Project" action is fully referable to the capital expenditure invested for the economic activity aligned to the EU Taxonomy "7.6 Installation, maintenance and repair of renewable energy technologies" - climate change mitigation target, which contributes to the CapEx KPI;
- the "Smart building" action is fully referable to the capital expenditure invested for the economic activity aligned to the EU Taxonomy "7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy performance of buildings" - climate change mitigation target. Indeed, which contribute to the CapEx KPI;
- the action of "Installation of charging stations for electric vehicles" refers in part to the capital expenditure invested for the eligible economic activity and aligned with the EU Taxonomy "7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and in the parking spaces appurtenant to buildings)" - climate change mitigation target. Approximately €5.45 million of eligible and aligned capital expenditure contributed to the CapEx KPI.

METRICS AND TARGETS

Targets related to climate change mitigation and adaptation

Disclosure Requirement ESRS E1 E1-4; Minimum Disclosure Requirement ESRS 2 MDR-T

The Poste Italiane Group, in order to manage the impacts, risks and opportunities related to climate change, as well as to contribute to the achievement of the commitments set and formalised within its Group policies, has defined a strategy with measurable, results-oriented and time-framed objectives to assess progress. Each objective is monitored on an ongoing basis to assess that progress is on track.

The table below summarises the objectives set by the Poste Italiane Group in the area of climate change, indicating the relative targets for achievement, the scope, the baseline and the result achieved as of this reporting year.

Target	Target	Area	Base year	2024 result
Replace the company fleet with vehicles with reduced environmental impact	27,800 environmentally friendly company vehicles introduced by 2024	Logistics	2019	28,402 vehicles
Green Index[215]	Green index release and certification by 2024	Logistics	2023	Certification obtained
Development of the proximity network alternative to home delivery efficient, extensive and close to the citizen	>96% citizens with a distance of 2.5 km from a proximity point by 2028	Logistics	2023	94.9%
Installation of charging stations for electric vehicles used by external providers	200 charging stations by 2026	Logistics and Real Estate	2024	new
Introduce smart building solutions for the Group's entire physical plant	-8GWh of energy consumed by 2024	Real Estate	2020	-8.7 GWh
Increase the production of GWh of renewable energy that can be used for self-consumption	+40GWh of renewable energy produced by 2026	Real Estate	2020	+27 GWh
Certify additional medium/large carbon neutral sites (PAS 2060)	10 sites certified by 2028	Real Estate	2023	2 sites (Bologna and Naples) related and in the process of certification
Selling electricity produced entirely from renewable sources and offsetting CO_2 emissions from the consumption of natural gas sold by the Group, through the use of instruments to offset these emissions (e.g. through voluntary CO_2 off-setting credits)	100% of energy sold produced 100% from renewable sources by 2025 100% offsetting of CO_2 emissions related to gas sold to retail customers by 2025	Energy	2024	100% of energy sold produced 100% from renewable sources in 2024 100% offsetting of CO_2 emissions related to gas sold to retail customers in 2024

The reported targets have been defined as part of the broader Group Strategic Plan contribute to the energy and climate transition in Italy and Europe. Regarding emissions reduction targets, given the recent regulatory changes and the expansion of the Poste Italiane reporting scope, the Group is conducting a detailed analysis of its carbon footprint, not only

[215] The Green Index is a *carbon footprint* calculation model for each stage of the entire supply chain, according to best industry standards.

for its own operations, but also along the value chain, with the aim of reshaping robust emissions reduction targets and defining a long-term Transition Plan.

Energy consumption and energy mix

Disclosure Requirement ESRS E1 E1-5

Poste Italiane energy consumption represents the main sources of direct and indirect consumption, whose values have been aggregated in the following table, calculated in MWh according to DEFRA (Department for Environment, Food and Rural Affairs) conversion factors. Of the total consumption, 42% comes from energy from renewable sources.

Total energy consumption:	u.m.	2024
Total energy consumption from fossil sources	MWh	**572,732**
Total energy consumption from nuclear sources		**0**
Total energy consumption from renewable sources		**425,967**
of which: fuel consumption from renewable sources		**947**
of which: consumption of electricity, heat, steam and cooling from renewable sources, purchased or acquired		**414,925**
of which: consumption of self-generated non-fuel renewable energy		**10,096**
Total energy consumption:		**998,699**

The Poste Italiane Group's energy consumption from fossil fuels is aggregated in the following table, calculated in MWh.

Energy consumption from fossil sources	u.m.	2024
Fuel consumption from coal and coal products	MWh	**0**
Fuel consumption from crude oil and petroleum products		**399,602**
Fuel consumption from natural gas		**156,127**
Fuel consumption from other fossil sources		**0**
Consumption of electricity, heat, steam or cooling from fossil sources, purchased or acquired		**17,003**

In 2024, the total self-produced electricity from photovoltaic plants owned by the Group will amount to 10,096 MWh.

Energy production	u.m.	2024
Energy production from renewable sources	MWh	**10,096**
Energy production from non-renewable sources		**0**

The energy intensity for the high climate impact sectors, specifically for the "Transport and Storage" sector, is calculated to 2024 considering a total energy consumption of 401,384 MWh.

Energy intensity	High climate impact sectors	
	u.m.	Section H - Transport and Storage
Energy consumption[216]	MWh	401,384
Net revenue[217]	€	3,843,000,000
Energy intensity	MWh/€	0.0001

[216] For the figure on energy consumption, consider only the consumption associated with sector H "Transport and Storage" related to activities in the logistics sector.
[217] The revenue figure for the "Transport and Storage" segment is calculated in line with the accounting principles of IFRS 15 (see table on page 518 of RFA 2024)

Gross GHG emissions of scope 1, 2, 3 and total GHG emissions

Disclosure Requirement E1-6

Poste Italiane has adopted a transparent approach in reporting its greenhouse gas (GHG) emissions, following European sustainability regulations. The company provides details on the quantities of GHG emitted calculated using DEFRA emission conversion factors, broken down into specific areas: Scope 1, which includes direct emissions, Scope 2, which covers indirect emissions related to purchased energy, and Scope 3, which includes indirect emissions from the value chain. Total GHG emissions are reported in a disaggregated manner, distinguishing between different areas and providing a detailed overview of the company's environmental impact throughout its value chain.

Total emissions	u.m.	2024
Scope 1 Emissions		
Scope 1 gross emissions	tCO_2e	**130,851**
Scope 1 emissions covered by regulated emissions trading schemes	%	**33**
Scope 2 emissions[218]		
Gross emissions Scope 2 location-based	tCO_2e	**127,927**
Gross emissions Scope 2 market-based		**3,502**
Scope 3 Emissions		
Total gross indirect emissions Scope 3	tCO_2e	**29,355,524**
1. Purchase of goods and services		367,018
2. Capital goods		148,723
3. Fuel and energy activities		30,870
5. Waste generated by activities		374
6. Business trips		12,306
7. Employee commuting		29,116
9. Downstream transport		287,110
11. Use of products sold		191,573
15. Capital expenditure[219]		28,288,434
Total emissions (location-based)		**29,614,302**
Total emissions (market-based)		**29,489,877**

[218]For the calculation of location-based Scope 2 emissions, total energy consumption for electricity (from renewable and non-renewable sources) and thermal energy are considered. For the calculation of Scope 2 market-based emissions, only consumption from non-renewable sources is considered.

[219] Category 15 "Investments", calculated according to the PCAF methodology, considers issues related to the following asset classes: "Listed equity and corporate bonds" and "Sovereign debt".

Emission intensity	u.m.	2024
Total emissions (market-based)	tCO_2e	**29,489,877**
Net revenue[220]	€	12,927,000,000
Emission intensity	tCO_2e/€ (%)	0.23

In the calculation of Scope 3 emissions, the guidance contained in the Corporate Value Chain (Scope 3) Standard | GHG Protocol for Scope 3 emissions is followed, and with reference to category 15, the guidance contained in the Partnership for Carbon Accounting Financials (PCAF), with reference to Part A "Financed Emissions".
The methodological details for the relevant categories and a rationale for the exclusion of some Scope 3 categories in the definition of the Group's carbon inventory are given below:

- Purchased goods and services: In accordance with the Greenhouse Gas Protocol (GHGP), the Spend-Based methodology was applied to estimate emissions from the purchase of goods, whereby EEIO emission factors per NACE code were used to convert the monetary value into emissions. The spend-based methodology was used to estimate emissions from the purchase of services, using EEIO coefficients per NACE code as a conversion factor.
- Capital goods: a spend-based methodology was adopted to estimate emissions from the purchase of capital goods in the reporting year. Investment amounts, expressed in monetary terms, were converted into emissions using the reference EEIO emission factors for the type of purchase classified on the basis of NACE codes.
- Fuel and energy-related activities: Fuel consumption and electricity purchase data, used for the calculation of Scope 1 and Scope 2 emissions, were multiplied by the respective emission factors. These factors include the impact generated by the production of the energy carrier and the losses associated with transport and distribution. For fuels, the DEFRA 2024 database was used; while for non-renewable electricity, the emission factors from the DEFRA 2021 database were used for the WTT - Generation and WTT - Transmission & Distribution part, and DEFRA 2024 for the Transmission & Distribution part concerning grid losses.
- Downstream Transportation & Distribution: for Category 4 'Upstream Transportation & Distribution', it was not possible to find data in a timely manner and therefore to separate Category 4 and Category 9 emissions. Therefore, activities associated with transport are considered under Category 9.
- Waste generated during operations: the 'Average Data Method' was used to calculate emissions, whereby data collected for the various Group locations were converted into emissions using the DEFRA 2024 database. The conversion was performed according to the type of waste treatment, distinguishing between recovery and landfill.
- Business trips: for each type of vehicle used for travel, the primary data is the annual mileage (km travelled) and, in the case of car trips (private, rented and company car pooling), also the litres of fuel consumed (petrol and diesel). Therefore, based on data availability, the fuel-based and distance-based methodologies of the GHGP are used, depending on the transport category. Fuel and kilometre data for business travel were collected with the reference unit of measurement and multiplied by the respective emission factors, taken from DEFRA 2024.
- Employee commuting: the estimate of pollutant emissions generated by home-to-work commuting refers to Poste Italiane's employees of all the Group's locations subject to the 2024 analysis (locations >100 employees located in municipalities with a population over 50,000 inhabitants, for a sample of 40,735 total staff). The calculation was carried out by summing the product of the following pollutants CO_2, CO and VOC and their respective GWP (Global Warming Potential) from the IPCC's Fifth Report (AR5), referring to a time horizon of 100 years. The calculation also takes into

[220] The net revenue figure is calculated in line with the accounting principles of IFRS 15 (see tables on page 456 et seq. of RFA 2024)

account the impact of smart working on the reduction of home-work kilometres travelled.

- Upstream and downstream leased assets: Categories 8 and 13 are not relevant as the associated emissions are reported as Scope 1 and 2 under operational control.
- Downstream transport: in accordance with the GHGP, the fuel-based methodology was used to estimate emissions from downstream transport and distribution. Fuel data for contract logistics were collected with the reference unit of measurement and multiplied by the respective emission factors, taken from DEFRA 2024.
- Processing of products sold: this category is not applicable for the Group as no intermediate products subjected to further processing are sold.
- Use of products sold: consumption associated with the sale of gas supply contracts to customers, classifiable as direct use-phase, in accordance with the GHGP, is multiplied by the relevant emission factor taken from DEFRA 2024.
- End-of-life treatment of products sold: this category is not relevant. In particular, with reference to the product sold reported in category 11 and the packaging of the products transported (correspondence and parcels), since they are made of cardboard, and therefore completely recyclable, they do not constitute a significant impact in terms of end-of-life product emissions.
- Franchising: this category is not applicable as the Group has no activities that can be associated with this category.
- Investments: the PCAF methodology was used to calculate the issues associated with the portfolios of the Parent Company and Group Companies, for the following asset classes: Corporate bonds and equity and Sovereign debt. The data for Scope 1, 2 and 3 issues of the above asset classes are provided by an external info provider. For the method of calculation, please refer to the document Part A "Financed Emissions" produced by PCAF. It is also specified that equity companies were excluded because the associated issues were insignificant compared to the total issues associated with the investment portfolios.

It is specified that only the emissions associated with category 9 'Downstream Transport', amounting to approximately 10% of the total Scope 3 emissions, are calculated from primary data obtained from suppliers.

GHG absorption and GHG mitigation projects financed with carbon credits

Disclosure Requirement ESRS E1 E1-7

Starting in 2022, the Company Postepay will purchase voluntary carbon credits with the aim of creating a portfolio to offset CO_2e emissions resulting from the consumption of natural gas sold annually to its retail customers. Total purchases for 2024 are 200,000 volume-tonne. In particular, as at 31 December 2024, Postepay has purchased carbon credits amounting to 540,000 tCO_2e, all of which belong to emission reduction projects. In order to offset the gas consumption of retail customers pertaining to the three-year period 2022-2024, PostePay used 253,400.33 tCO_2e, of which 191,573.31 tCO_2e used in 2024. Net of additional internal Group offsets, at the end of the year, the carbon credit portfolio thus amounted to 286,597.67 tCO_2e. All credits were duly cancelled on international registries. Postepay also financed, through the purchase of carbon credits, several projects in South America, Asia and Africa.

The standards used include the Verified Carbon Standard (VCS), developed by Verra, and the Gold Standard (GS), managed by the Gold Standard Foundation, and the Certified Emission Reduction (CER) developed by Clean Development Mechanism (CDM), all of which are among the main international standards for certifying projects to reduce or remove greenhouse gas emissions. Specifically:

Brazil

- CER CDM 5495 - wind power generation project to reduce dependence on fossil fuels
- VCS 875 - forest conservation project protecting some 71,000 hectares of Amazon rainforest to prevent illegal deforestation, sustain biodiversity and promote sustainable development of local communities.

India

- CER CDM 4776 - hydroelectric project, harnessing the natural flow of rivers to generate renewable energy, reducing CO_2.
- VCS 1851 - project to generate a clean form of electricity through renewable solar energy sources.
- GS 7152 and GS 7468 - wind power projects developed by Green Infra Wind Energy Limited in India, located in the state of Gujarat. These projects aim to generate renewable wind power and to sell the energy produced to the Indian electricity grid, which is predominantly fed by fossil-fuelled thermal power plants.

Indonesia

- VCS 487 - renewable hydroelectric power generation project to reduce dependence on fossil fuels

Thailand

- VCS 1997- wind renewable energy generation project to reduce dependence on fossil fuels

Kenya

- GS 5642 - project to distribute efficient kitchen cookers to reduce emissions and improve the health of people who use them for preparing daily meals.

In 2024, no carbon credits were purchased from absorption projects generated in Europe.

Internal carbon pricing

Disclosure Requirement ESRS E1 E1-8

The Postepay Company uses the price paid in the market to third-party suppliers for the purchase of voluntary carbon credits as the carbon price. The average purchase price of voluntary carbon credits paid by PostePay during 2024 is 2.74 €/tCO_2e.

8.2.3. POLLUTION [ESRS E2]

For the Poste Italiane Group, environmental protection represents a strategic aspect for the creation of sustainable value for people and the territory in which it operates. The Group is committed to minimising the negative environmental impacts of carrying out its activities by adopting a more air pollution conscious behaviour. Below is the list of IRO found relevant by the Group's dual materiality analysis, to which pollution-related policies and actions are applied.

ESRS E2 - Pollution

ESRS SUB-TOPIC	IRO	Description	Time horizon	Value chain	Impacts	Business Unit
Air pollution	I	Production of air pollutants throughout the value chain (-) (E)	Short/ Medium-Term	Own operations Downstream	People Environment	Mail, Parcels & Distribution
	R	Restrictions on Poste Italiane operations, in particular regaring deliveries, due to traffic restrictions (e.g. restrictions on polluting vehicles)	Long-term	Own operations Downstream	-	Mail, Parcels & Distribution

MANAGING IMPACTS, RISKS AND OPPORTUNITIES

Policies related to pollution

Disclosure Requirement ESRS E2 E2-1

In order to manage the impacts, risks and opportunities associated with pollution, Poste Italiane has adopted specific policies, including the Environmental Sustainability Policy[221], which enshrines the Group's commitment to promoting environmental protection throughout the value chain. With particular reference to air pollution, Poste Italiane is committed to preventing, managing and, where possible, reducing the environmental impacts generated through its operations from logistics and transport activities, whether carried out directly or through suppliers and partners. Furthermore, regarding Group companies operating in the logistics sector, policies have been adopted to mitigate the negative impacts of air pollution. In this regard, the Group's main industrial companies, in addition to Poste Italiane, which have implemented and maintained their own Environmental Management System certified according to the ISO 14001 standard, carry out periodic environmental audits, environmental self-audits at operational sites, monitoring of energy and water consumption and sample audits on contractors. They also apply procedures for the prevention and management of environmental emergencies such as fires and spills. Finally, Poste Air Cargo focuses its activities on the efficiency of aircraft engines, resulting in less consumption and therefore less pollution.

[221] For more information on the policies adopted by the Group regarding pollution, reference is made to the "Summary of Policies" paragraph in Chapter "8.1 - General Information".

Actions and resources related to pollution

Disclosure Requirement E2 E2-2; Minimum Disclosure Requirement – MDR-A Actions

The Group is committed to reducing air pollution by adopting measures to limit the emission of climate altering agents, also in compliance with current legislation. In this context, no specific weather reduction actions have been defined, as they are already integrated in the actions undertaken for climate change mitigation[222].

METRICS AND TARGETS

Objectives related to pollution

Disclosure Requirement ESRS E2 E2-3; Minimum Disclosure Requirement ESRS 2 MDR-T

Although the Poste Italiane Group has not set specific targets for the reduction of emissions of climate-changing agents, as these are already included in the objectives reported in the section on climate change[223], it takes measures to limit and reduce air pollution, complying with current legislation.

Air pollution

Disclosure Requirement ESRS E2 E2-4

Poste Italiane has adopted a punctual monitoring and reporting system for its air emissions in line with European regulations, reporting the quantities of each pollutant as required by Annex II of Regulation (EC) No. 166/2006. In 2024, the total value of pollutants emitted into the air by the Group is 1,157.29 tonnes.

Poste Italiane collects pollution data through internal monitoring systems and with the help of data collection sheets. Data are verified, aggregated, analysed and monitored on an ongoing basis according to international standards to ensure the accuracy and transparency of the reported data. In particular, the Group's emissions of air pollutants are at a stable level compared to previous years. Moreover, in line with the emission reduction plan, Poste Italiane also plans a gradual reduction of these categories of pollutants.

Emissions of atmospheric pollutants	u.m.	2024
Total pollutants in air*	t	**1,157.29**
Sulphur dioxide (SO_2)		1.07
Nitrogen oxides (NO_x)		937.09
Volatile organic compounds (VOC)		158.20
Particulate Matter (PM10)		60.93

*Emission factors used for the conversion of fuels into NOx: methane gas 0.0166 tNO_x /TJ; LPG 0.0229 tNO_x /TJ; diesel for cars 0.2151 tNO_x /TJ, for light commercial vehicles 0.26 tNO_x /TJ, for heavy trucks 0.2523 tNO_x /TJ; petrol for cars 0.0428 tNO_x /TJ, for light commercial vehicles 0.04 tNO_x /TJ, for motorcycles 0.0583 tNO_x /TJ.
Emission factors used for the conversion of fuels into SO2: diesel 0.0003 tSO_2 /TJ; petrol 0.0002 tSO_2 /TJ.
Emission factors used for the conversion of fuels to VOCs: methane gas 0.0238 tVOC/TJ; LPG 0.0255 tVOC/TJ; diesel for passenger cars 0.0029 tVOC/TJ, for light commercial vehicles 0.0039 tVOC/TJ, heavy trucks 0.0093 tVOC/TJ; petrol for passenger cars 0.1858 tVOC/TJ, for light commercial vehicles 0.0979 tVOC/TJ, for motorbikes 0.5730 tVOC/TJ.
Emission factors used for the conversion of fuels to PM10: methane gas 0.0103 tPM10/TJ; LPG 0.0096 tPM10/TJ; diesel fuel for passenger cars 0.0168 tPM10/ TJ, for light commercial vehicles 0.0161 tPM10/TJ, heavy trucks 0.0146 tPM10/TJ; petrol for passenger cars 0.0099 tPM10/TJ, for light commercial vehicles 0.0122 tPM10/TJ, for motorbikes 0.0164 tPM10/TJ.
Source: ISPRA, database of average emission factors of road transport in Italy.

[222] For more information on the actions set by the Group regarding pollution, reference is made to paragraph 2.2 "Climate Change [ESRS E1]".
[223] For more information on the Group's pollution targets, reference is made to paragraph 2.2 "Climate Change [ESRS E1]".

8.2.4. CIRCULAR ECONOMY [ESRS E5]

MAIN RELATED PILLARS

The Poste Italiane Group, aware of the importance of environmental protection, adopts conduct aimed at the conscious use of natural resources and responsible waste management. Below is the list of IRO found relevant by the Group's dual materiality analysis, to which policies and actions related to the circular economy are applied.

ESRS E5 - Circular Economy

ESRS SUB-TOPIC	IRO	Description	Time horizon	Value chain	Impacts	Business Unit
Inflows of resources, including use of resources	I	Use of recyclable / biodegradable or recycled / regenerated materials in carrying out the Group's activities (+) (E)	Short/ Medium-Term	Upstream Own operations	Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy
Waste	I	Waste production resulting from the Group's activities (-) (E)	Short/ Medium-Term	Own operations	Environment	Mail, Parcels & Distribution
	I	Waste generation from the supply chain (-) (E)	Short/ Medium-Term	Upstream	Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy
	I	Waste production resulting from the use of the Group's products and services by customers (-) (E)	Short/ Medium-Term	Downstream	Environment	Mail, Parcels and Distribution; Payments and Mobile
	R	Incorrect/non-compliant waste management	Short-term	Upstream Own operations	-	Transversal

MANAGING IMPACTS, RISKS AND OPPORTUNITIES

Policies related to resource use and the circular economy

Disclosure Requirement ESRS E5 E5-1

The Poste Italiane Group has adopted policies aimed at managing the impacts, risks and opportunities associated with resource use and the circular economy, including the Environmental Sustainability Policy[224], which enshrines the Group's commitment to promoting environmental protection throughout its value chain. The Group, through its operations and procurement activities, encourages the progressive reduction of virgin resources in favour of the use of recycled secondary resources through:

- reduction in the consumption of raw materials and proper waste management, in particular through the containment of paper consumption obtained also thanks to the use of dematerialised documents and the maximisation of the share of waste that can be recycled/reused;
- reduction of the raw material required on the main supplies that use plastic (e.g. postal seals, courier bags and packaging films) in favour of the use of PCR (Post-Consumer Recycled) plastic, while maintaining the physical characteristics of the products necessary for the provision of services.

[224] For more information on the policies adopted by the Group regarding climate change, reference is made to the "Summary of Policies" paragraph in Chapter "8.1 - General Information".

Regarding the use of renewable resources, the Poste Italiane Group promotes:

- optimisation of energy consumption and reduction of atmospheric emissions from buildings, through supply from renewable sources and investment in energy efficiency solutions, such as consumption monitoring systems, eco-efficient lighting systems and other low consumption electrical/electronic equipment;
- green modes of transport for logistics activities and personnel mobility, also by providing employees with a company fleet of hybrid and electric vehicles;
- reduction of water consumption.

Finally, mention should be made of the Environmental Management Systems adopted according to the ISO 14001 standard and periodically audited by a leading Certification Body, already mentioned in topics ESRS E-1 and E-2.

Actions and resources related to resource use and the circular economy

Disclosure Requirement ESRS E5-2; Minimum Disclosure Requirement ESRS 2 MDR-A

In order to mitigate and correct actual and potential impacts and address risks and opportunities related to the use of resources and the circular economy, the Poste Italiane Group has implemented specific actions, which are outlined below.

Project “Scarpa vecchia fa buon gioco”

From the 'Old shoe makes good game’ project, winner of the second edition of the company contest 'Together 24 SI', comes a circular economy initiative. Every year, around 25,000 work shoes used by postmen and plant operators are collected and, from the by-products of their shredding, transformed into anti-trauma tiles to be placed in the flooring of company nurseries in Rome and Bologna.

Environmental Requirements/Criteria for Sustainable Procurement

The Poste Italiane Group promotes the adoption of ESG requirements and criteria in the selection, evaluation and monitoring of suppliers also by implementing the indications contained in the Minimum Environmental Criteria (CAM). It therefore includes clauses requiring compliance with environmental, social and governance standards in its tender specifications, and thus in contracts. For the specific environmental component, criteria certifying the sustainability of products and processes are emphasised through brands/labels such as, but not limited to, FSC, EU Ecolabel, as well as certifications (e.g. UNI EN ISO 14001:2015, UNI EN ISO 14064:2019, EMAS), guaranteeing the environmental sustainability of purchasing choices. The supplies of consumables, such as original and regenerated consumables, reams of paper, packaging, supply of labels, forms and cartons, implement, where applicable, the Minimum Environmental Criteria (CAM) established by the art. 34 of Legislative Decree no. 50/2016 and art. 57 of Legislative Decree 36/2023, as well as the use of specific product certificates/ecological quality labels compliant with ISO 14024. Examples include, but are not limited to, the following supplies:

- replacement of traditional payment cards with cards made of sustainable materials, renewable biomass and recycled plastic from the oceans, such as the new Postepay Green, which is made of environmentally sustainable material and 82% of which is composed of polylactic acid of organic origin;
- letter carrier uniforms that bear the green OEKO - TEX Standard 100 certification, which ensures the product's careful ecological and health control.

Valori Ritrovati

As part of the promotion of territorial development through initiatives of social inclusion and solidarity, the "Valori ritrovati" initiative continued in 2024, a circular economy project carried out in cooperation with Fondazione Caritas Roma Onlus, which aims to give a new life to so-called "anonymous parcels" and "abandoned parcels", all those parcels that could neither be delivered to the recipient nor returned to the sender, and would therefore be disposed of and sent to the scrap heap. By contrast, with this project, they are handed over to the Fondazione Caritas Roma Onlus, which, through its *Empori* or *Mercatini della Solidarietà* (Solidarity Markets), redistributes them to needy individuals and families or resells them at subsidised prices for a charitable purpose, hence supporting projects for the employment of people in difficulty. Together with the Caritas volunteers, the employees of Poste Italiane are also an active part of the project, who have chosen to dedicate their time to this initiative by joining the corporate volunteering. Thanks to their support, Poste Italiane from 2019 to 2024 over the five years of the project has reused about 374,000 items and recovered 196 tonnes of goods that would otherwise have gone to waste. In the course of the next few years, the project may be extended to other third sector players, so as to expand the number of resulting charitable initiatives.

Sustainable Cards Project

In line with the commitment to use recyclable materials, part of the traditional credit card requirement was replaced by cards of vegetable origin.

The replacement continues of traditional payment cards with cards made of sustainable materials, renewable biomass and recycled plastic from the oceans, such as the new Postepay Green, which is made of environmentally sustainable material and 82% of which is composed of polylactic acid of organic origin;

Paper Reduction

The Group, in line with its commitment to sustainable development, has launched a series of projects aimed at reducing the consumption of materials and proper waste management, specifically through the reduction and containment of paper consumption, achieved also thanks to the dematerialisation of documents and the maximisation of the share of waste that can be sent for recycling/reuse.

Main actions	Scope of application	Time horizons
Project “Scarpa vecchia fa buon gioco”	Logistics	2025
Environmental Requirements/Criteria for Sustainable Procurement	Procurement	Every year
Valori Ritrovati	Logistics	2027
Sustainable Cards Project	Poste Italiane	2025
Paper reduction	Poste Italiane	2025

For the implementation of the actions described, reference CapEx and OpEx were not included as they do not exceed a materiality threshold of 5% of the corresponding values indicated in the Group's Consolidated Financial Statements.

METRICS AND TARGETS

Objectives related to resource use and the circular economy

Disclosure Requirement ESRS E5 E5-3; Minimum Disclosure Requirement ESRS 2 MDR-T

The Poste Italiane Group , in order to manage the impacts, risks and opportunities related to the use of resources and the circular economy, as well as to contribute to the achievement of the commitments set and formalised within its own Group policies, has defined a strategy with measurable, results-oriented and time-framed objectives in order to assess progress. Each target is constantly monitored to ensure that progress is on track. The table below summarises the objectives set by the Poste Italiane Group in the area of resource use and the circular economy, indicating the relevant targets for achievement, scope, baseline and result achieved as at the present reporting year.

Target	Target	Target scope	Base year	2024 result
Paper reduction in logistics centres	39 m sheets by 2024	Logistics	2022	39,112,500 sheets
Paper reduction in logistics centres	0.59 sheets per object (f/o) per signature (relative metric) in 2025	Logistics	2022	0.62 sheets per object (f/o) per signature (relative metric)
Document dematerialization: an initiative aimed at reducing paper usage both within Post Offices and in communications with customers, by sending customers electronic versions of forms such as Change of personal information, Subscription of the advanced electronic signature (FEA), Privacy contents, Registration on poste.it (identification kit), as well as electronic copies of signed loan agreements.	30% of operations since the release of the solution by 2026	Post offices	2023	Technical release of dematerialised customer copy for loans
Increasing the number of cards made of environmentally sustainable material	20 million eco-friendly cards by 2026	Products	2020	16 m
Increase contactless transactions	1.2 billion annual transactions by 2024 1.9 billion annual transactions by 2026	Professional	2022	1.57 billion
Digitalisation of practices	Preparation on digital channels for data for in-branch transactions by 2024 (Project RDS) Digitalisation of paper receipts by 2024 (Digitalisation of Customer Receipts - Phase 1)	Professional	2020	Completed (1.7% digital demand 34.6% Dematerialised Receipts)

Project "Scarpa vecchia fa buon gioco"	4,000 kg of safety shoes to be collected and material to be sent for recovery and reuse	Logistics	2024	new
Valori Ritrovati	Management process review and renewal of memorandum of understanding	Logistics	2024	new

The strategic objectives defined by the Group take into account the Group's operating environment and stakeholder interests, as well as ESG-related regulatory compliance requirements. In addition, the Group continuously monitors the performance achieved and the degree to which these objectives have been reached, based on reliable data and measurements. In view of its business, the Group is not directly involved in product design activities, promotes the consumption of certified and recyclable products, and demonstrates a constant and growing concern for the environment

The main supplies using plastics (e.g. postal seals, courier bags and packaging films) were characterised by the reduction of the raw material required, as well as the use of PCR (Post-Consumer Recycled) plastics, which allows maintaining the physical characteristics of the products necessary for the provision of services. The Poste Italiane Group's attention to environmental sustainability policies is also demonstrated by the use of FSC (Forest Stewardship Council) certified paper for the Group's mass printing plants, which guarantees the procurement of this material through a value chain that promotes environmentally friendly, socially useful and economically sustainable forest management. Furthermore, in line with the commitment to use recyclable materials, part of the traditional credit card requirement was replaced by cards of vegetable origin. Finally, as a confirmation of the focus on the use of materials from a circular economy perspective, a project is also being identified to address the need to monitor the rate of circular material use.

The progressive reduction of waste produced in all activities, the use of products with less impact on the consumption of raw materials and the growing attention to the life cycle of the materials used and the reduction of packaging are part of the environmental sustainability strategies of the Poste Italiane Group. Although most of the waste generated by the Group's activities is non-hazardous waste, such as waste paper, cardboard and plastic packaging and wooden pallets, at some sites, to a residual extent, the production of special waste classifiable as special hazardous waste, such as containers of printing inks or ink waste, may occur. With this in mind, the Group is constantly striving to progressively eliminate from its purchasing cycle products and materials that, at the end of their life cycle, generate special hazardous waste, giving preference to similar but more environmentally friendly products, including through the adoption of CAM. Special waste is sent for recovery/disposal under liability cycle contracts that the Group enters into with authorised companies, in compliance with the requirements concerning the handling and traceability of waste as set out in Legislative Decree 152/2006 and the like (e.g. forms, loading/unloading register, MUD). The share of recyclable waste, on the other hand, is sent for recycling/recovery through active transfer contracts, and currently mainly concerns the recycling/recovery of paper and cardboard, plastic, wood and marginally ferrous materials.

The Group ensures the continuous assessment of impacts and the implementation of countermeasures through the precise definition and attribution of roles and responsibilities within its organisational structures. The responsibilities of the various company organisational units relating to the activities that influence waste management and, in general, to environmental issues, are documented in detail in the organisational structures and specified in the activity declarations contained therein. Verifying the conformity of processes related to proper waste management is a practice that is constantly carried out by checking the technical and professional suitability requirements of the collection and recovery and disposal service providers. This verification extends to the control of service levels and the supervision of operational processes within the sites. The plant-structural audit activity at the sites also includes verification of the conformity of the waste management processes produced, with particular attention to the correct management of collection points, temporary storage, separation by type and the processing and keeping of the required documentation (Forms, MUD, etc.). Furthermore, the Group has promoted initiatives to raise awareness on the topic of waste management, especially in sites where correct separation and disposal constitute an added value in terms of the possibility of recovery/recycling. Control over the proper performance and management of the waste collection and recovery/disposal service is carried out by verifying:

- the correct supply of various types of containers for the temporary storage of waste;
- the labelling of waste/containers;
- the execution of the planned waste movements;
- that the waste management documentation has been completed correctly;
- compliance with the limits for temporary storage.

The targets, in the context of the Group's business, represent a voluntary commitment, not imposed by legislative obligations, and are located within the waste hierarchy at the following levels:

- preparation for reuse, ensuring that the products or components can be reused for the same purpose for which they were generated;
- recycling, turning waste into new materials or products, thus promoting the circular economy.

Resource inflows

Disclosure Requirement ESRS E5 E5-4

The Poste Italiane Group monitors data on resource inflows in order to account for the products and materials used in its own operations, which in 2024, totalled 44,016 t.

Type of material/raw material	u.m.	2024
Biological	t	**40,224**
Paper		14,445
Cardboard		13,404
Wood		12,374
Technical		**3,792**
Plastic		2,110
Inks/*toners*/various		52
Glues		12
Other		1,618
Total		**44,016**

Of the biological materials used by the Group 35% come from recycling and are used to manufacture products and offer services. Furthermore, there are no secondary components, as packaging is a primary product in view of the Group's strategic business areas.

With reference to the calculation methods used, data from the information systems of Poste Italiane and Group companies were used to determine the weight. Where not available, precise weight data was obtained by sampling. The unit weight per pack was received from the SDA logistics platform or the available sample was weighed.

Resource outflows

Disclosure Requirement ESRS E5 E5-5

The Poste Italiane Group has adopted a structured waste management and monitoring system in order to ensure the proper disposal and recovery of materials produced by its operations, providing precise details on the total amount of waste generated, recovered and destined for disposal. Specifically, 47,227.52 tonnes of waste were generated during 2024, of which 221.12 tonnes were hazardous. From this perspective, the analyses carried out show that the parcel handling and distribution sector has the greatest impact on waste generation in the context of Poste Italiane activities*.

*The figures shown have been rounded off for ease of reference. For this reason, the sums may differ slightly from the reported figures.

Waste by type	u.m.	2024		
		Waste generated	Waste recovered	Waste disposed of
Paper/Cardboard	t	20,346.51	20,343.26	3.25
Plastic		1,599.73	1,599.73	0.00
Wood		14,827.58	14,824.08	3.50
Other		10,453.71	10,329.24	124.47
Total		**47,227.52**	**47,096.30**	**131.22**

Total weight of hazardous waste recovered	u.m.	2024	
		On site	Off site
Preparation for reuse	t	0.00	0.00
Recycling		0.00	207.29
Other operations of recovery		0.00	0.00
Total		**0.00**	**207.29**
Total hazardous waste recovered		**207.29**	

Total weight of non-hazardous waste recovered	u.m.	2024	
		On site	Off site
Preparation for reuse	t	0.00	0.00
Recycling		0.00	46,889.01
Other operations of recovery		0.00	0.00
Total		**0.00**	**46,889.01**
Total non-hazardous waste recovered		**46,889.01**	

Total weight of hazardous waste disposed of	u.m.	2024	
		On site	Off site
Disposal in landfill	t	0.00	13.06
Incineration		0.00	0.00
Other type of disposal		0.00	0.77
Total		**0.00**	**13.83**
Total hazardous waste disposed of		**13.83**	

Total weight of non-hazardous waste disposed	u.m.	2024	
		On site	Off site
Disposal in landfill	t	0.00	63.23
Incineration		0.00	0.00
Other type of disposal		0.00	54.16
Total		**0.00**	**117.39**
Total non-hazardous waste disposed of		**117.39**	

Hazardous and radioactive waste	u.m.	2024
Total quantity of hazardous waste	t	221.12
Total quantity of radioactive waste		0

Waste classification, management and disposal methods are identified in accordance with Directive 2008/98/EC of the European Parliament and of the Council, also known as the "Waste Framework Directive". Waste type data follow the classification of the European Waste Catalogue (EWC) and are obtained through measurements from forms, registers, etc. To classify and manage waste, the Poste Italiane Group uses an approach that tracks the inflow and outflow of resources within its operations, providing a comprehensive overview of resource consumption, waste generation and recycling activities. Waste management metrics, such as the percentage of recycled materials used or waste diverted from landfill, are calculated from operational data.

8.3 Social Information

8.3.1. WORKFORCE OF POSTE ITALIANE [ESRS S1]

The Poste Italiane Group recognises the fundamental importance of its contribution in promoting the principles of sustainable development, considering its relevance within the Italian economic and social panorama. For this reason, it places its people at the centre of its sustainability strategy, recognising human capital as an essential element in the creation of shared value and the achievement of ESG goals. People's contribution is the driving force behind the company's transformation and success, a distinctive factor that drives the Group's growth, innovation and sustainability.

Therefore, Poste Italiane undertakes to progressively strengthen the protection of Human Rights, with the aim of guaranteeing the well-being of all its employees. Below is the list of relevant IRO resulting from the dual materiality analysis conducted, to which the Group's employee policies and actions are applied.

ESRS S1 - Own workforce

ESRS SUB-TOPIC	IRO	Description	Time horizon	Value chain	Impacts	Business Unit
Working conditions	I	Lack of rights with respect to employment contract and social protection (-) (P)	Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Lack of rights with respect to working time (-) (P)	Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Lack of protection of rights regarding freedom of association and collective bargaining (-) (P)	Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Work-life balance (+) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Accidents, injuries and occupational illness (-) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Trade Union Conflicts Tensions and states of labour unrest related to the launch of the new delivery model and other ongoing transformation actions	Short-term Medium-term	Own operations	-	Transversal
	R	Accidents / Injuries to workers or contractors at the workplace Accidents to workers or contractors at the workplace resulting from the execution of operational activities	Short-term Medium-term	Own operations	-	Transversal

		(e.g. acceptance, transport and sorting activities; postal product delivery activities with particular reference to the use of company motor vehicles and vehicles, counter activities)				
	R	Disputes and litigation: Disputes and litigation, judicial and extrajudicial, with suppliers, employees, customers or third parties that may involve compensation and/or payment of penalties.	Short-term Medium-term	Upstream Own operations Downstream	-	Transversal
	R	Delayed re-engineering of operations and delivery processes Difficulties / delays in the implementation and development of the operating model due to various constraints (personnel management policies, operations and delivery processes, technological innovation, labour relations) resulting in failure to achieve plan targets	Short-term Medium-term	Upstream Own operations Downstream	-	Mail, Parcels & Distribution
	O	Possibilities to implement staff welfare and well-being plans (e.g. promotion of active parenthood), taking advantage of changes in demographic and social composition, in order to increase labour market attractiveness	Medium-term Long-term	Own operations	-	Transversal
Equal treatment and opportunities for all	I	Gender pay gap (-) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Employee attraction, development and training (+) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Social and labour inclusion of people with disabilities (+) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Incidents of violence and harassment in the workplace (-) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Diversity in the workplace (+) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Operational difficulties related to absenteeism rates and high rate of inability among employees	Short-term	Own operations	-	Transversal

		Operational difficulties related to absenteeism rates and high rate of inability among employees (temporary or permanent unfitness for work, employment limitations), with potential impact on planned initiatives to increase productivity	Medium-term			
	O	Increased ability to attract talent in the market through equal treatment, opportunities, the development of employment protection practices and plurality of the work environment	Medium-term Long-term	Own operations	-	Transversal
Other work-related rights	I	Incidents of violation of workers' privacy (-) (P)	Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Non-compliance with privacy regulations Processing of personal data in violation of applicable regulations	Short-term Medium-term	Upstream Own operations	-	Transversal

STRATEGY

Material impacts, risks and opportunities and their interaction with the strategy and business model

Disclosure Requirement ESRS 2 SBM-3

The Poste Italiane Group's workforce is predominantly composed of employees and all persons who may experience significant impacts, including those associated with its operations and value chain, including products and services as well as business relationships, and are included in the scope of disclosure under ESRS 2. Furthermore, through the dual materiality analysis, the Group has not identified types of workers with particular characteristics or who work in particular contexts and perform certain activities that may be more exposed to risks, nor has it identified significant risks or opportunities, arising from impacts and dependencies, that affect specific groups of people rather than the entire workforce. Moreover, no generalised or systemic negative impacts were identified in the Group's operational context, as their occurrence is linked to specific and circumscribed events. On the other hand, as far as relevant positive impacts are concerned, the Group promotes work-life balance, ensures equal opportunities for work and professional growth, staff training, social and work inclusion of people with disabilities and the diversity of the work environment through specific policies and actions outlined in more detail in the section 'Actions on relevant impacts on its own workforce and approaches for mitigating relevant risks and pursuing relevant opportunities in relation to its own workforce, as well as the effectiveness of such actions' of this Chapter. In the end, no significant impacts have been identified as a result from transition plans aimed at reducing negative environmental impacts.

MANAGING IMPACTS, RISKS AND OPPORTUNITIES

Policies related to own workforce

Disclosure Requirement ESRS S1 S1-1; Minimum Disclosure Requirement ESRS 2 MDR-P

In order to manage material impacts, risks and opportunities related to its workforce, the Group has adopted the Code of Ethics and several Policies aimed at protecting and supporting workers[225]. These include: the Corporate Policy on the Safeguarding and Protection of Human Rights, the Policy on Diversity of Management and Control Bodies, the Diversity & Inclusion Policy, the Active Parenting Support Policy, the Integrated Group Policy including occupational health and safety issues, the LGBTQ+ Inclusion Policy. Moreover, in line with the strategic plans and objectives established, in 2024 Occupational Health and Safety Management Systems compliant with ISO 45001:2023 were confirmed, with the relevant certifications, forall the main Poste Italiane Group companies. In this regard, it is important to note that in 2024, Poste Italiane achieved a significant result, given the complexity and capillarity of its activities, by integrating its 6 ISO 45001:2023 management systems into a single managementone, which was certified by a leading certification body.

In addition to these safeguards, there is also the renewal of the ISO 29993:2019 "Training Services" certification for the Poste Italiane Group companies employees, the confirmation of UNI/PdR 125:2022 certification, obtained in 2023 as an attestation under the National Recovery and Resilience Plan for the Group's ability to guarantee gender equality in the workplace, and ISO 30415 "Human resource management - Diversity and Inclusion" certification, obtained for the Group's constant commitment to diversity and inclusion issues. Moreover, in 2024 the Group companies Net Insurance and Postel obtained the first UNI/PDR 125:2022 certification, confirming the focus of Poste Italiane on the principles of non-discrimination and inclusion. With reference to the ISO 29993:2019 "Training Services" certification, in 2024 the commitment to the digitalisation of training services and the creation of new learning environments (e.g. digital learning), aimed at adopting new solutions that simplify and improve access to training; furthermore, the inclusion, within the annual training planon Diversity and Inclusion, Artificial Intelligence, and the Green Transition, have been emphasized, enabling learners to face emerging challenges in order to achieve their own and the Group's objectives.

[225] For more information on the policies adopted by the Group regarding its workforce, reference is made to the "Summary of Policies" paragraph in Chapter "8.1 - General Information".

Poste Italiane attaches a crucial role to its People Strategy, not only to ensure the well-being of its employees, but also to generate a far-reaching economic and social impact. The value created by the company goes beyond the internal dimension, contributing to the sustainable development of the country, the growth of communities and the strengthening of the national economic fabric. In a constantly evolving context, the company invests in role innovation, the creation of new professional skills and the enhancement of competencies, promoting a dynamic and inclusive organisational model. Human Resources management policies are oriented towards ensuring a fair and stimulating working environment, in which each person can develop their talents in line with their aspirations.

The Poste Italiane People Strategy is based on an integrated model of people enhancement and development, aimed at ensuring solid and sustainable leadership in the long term. At the heart of this strategy is the promotion of skills and professional growth, through structured development paths, continuous training programmes and internal mobility opportunities, with a focus on merit recognition and consolidating the corporate culture. Inclusion and equal opportunities are fundamental principles of the strategy, offering all employees concrete tools to encourage full participation in company life, regardless of gender, age, health or social status. In parallel, organisational well-being and corporate welfare, health and safety protection represent an essential pillar for improving working conditions. The strategy is complemented by a strong commitment to strengthening engagement and corporate culture, promoting a sense of belonging and the active involvement of people in Group's growth. Poste Italiane is therefore committed to building an innovative, inclusive and responsible leadership model, aligned with the sustainability principles and focused on creating shared value.

In line with these principles, the Group's Remuneration and Incentive Policies are structured within a framework of transparency and consistency, promoting professional development processes based on objective and meritocratic criteria, for the benefit of an increasingly solid, fair and competitive organisation.

Decisions regarding remuneration, including incentive systems, are not based on gender, nor on any other form of diversity (age, sexual orientation and identity, disability, health, ethnic origin, nationality, language, political opinions, social and economic conditions, religious beliefs), and are based on merit and professional skills. In this regard, after having achieved Equal Salary certification in 2022, in 2024 the Group also passed the second monitoring audit required by the Equal Salary process developed by the Equal Salary Foundation, an independent Swiss non-profit organisation. The Group's commitment to spreading the principles of fairness and merit is also confirmed in the personnel recruitment and selection process. Poste Italiane, in fact, acts as a point of reference for young people seeking their first job, for professionals wishing to enhance their skills, and for those in need of reintegration into the world of work, including those in fragile or disabled conditions. In this sense, it offers a meritocratic context in which people can express their full potential and actively contribute to the growth of the Group.

The recruitment and selection process is based on rigorous methodologies and objective criteria, ensuring alignment between the candidates' skills and the organisation's needs. Particular attention is given to the enhancement of internal resources through professional growth paths and internal mobility, fostering leadership continuity and the consolidation of corporate know-how.

The Group has several initiatives that synergistically contribute to change personal and professional development along with talent enhancement, inspiring, engaging and demonstrating the importance of investing in human resources for the collective success and future sustainability of the organisation.

The growth of the Group's businesses is supported through an integrated system of policies, development programmes, talent review and engagement processes that, with a view to employee experience, privileges an organisational culture that puts the person at the centre in all their personal and professional expression. People are indeed a critical success factor for the Group, whose constant commitment is to protect their well-being, develop their skills and support their motivation, so that everyone can make their best contribution.

in line with Poste Italiane’s strategy, which considers Sustainability a key element, the above initiatives aim to enhance people and promote Diversity & Inclusion principles, in the awareness that it is people who make the difference in the Group's performance.

These initiatives are dedicated to diversified target populations belonging to all corporate functions and Group Companies. The main drivers guiding the activities are:

- expanding knowledge of people, in terms of skills, potential and motivation, to support business functions in defining talent pipelines at various seniority levels;
- defining and implementing talent review processes aimed at the shared identification of talents and the implementation of development paths dedicated to them;
- increasing impact on the corporate population through a widespread use of development tools and a consolidation of them with a view to continuous improvement;
- promoting and systematizing the use of relation-based development programmes - such as mentoring and coaching - as enablers for the enhancement of the skills needed for change management;
- inclusive approach to the participation in development programmes, including the broadening of women's career prospects;
- engaging and motivating peopleby activating top down and bottom up processes of participation in initiatives with a strategic focus;
- defining and experimenting innovative tools to promote new ways of working, interacting and collaborating;
- spreading knowledge on the initiatives implemented and their impact within the organisationthrough multiple channels and communication opportunities.

Furthermore, with reference to Active Labour Policies, these represent one of the most important levers that have enabled the Group to efficiently and orderly govern the significant employment dynamics of recent years, as well as to regulate people management tools in a fair and shared manner with workers' representatives. With the agreements signed with the social partners from 2018 to the present, a renewal of the workforce has also been carried out, particularly in the delivery, logistics and Private Market network areas, which has structurally and continuously ensured the acquisition of the professional skills necessary to govern the transformation in line with Poste Italiane’s strategic objectives. In this regard, in May 2024, the last important agreement on the subject was signed, defining the regulatory framework for Active Labour Policies interventions for the three-year period 2024-2026.

The Agreement is particularly significant for the following improvements compared to previous agreements:

- combating "poor work" and encouraging "good employment" - by giving the possibility of transforming the employment relationship from part-time to full-time to a very significant number of people and stabilising former temporary contracts (ex CTD) directly with full-time ones;
- redefining the percentage of turnover coverage - i.e. the balance between staff exits and entries - significantly raising it from the previous 40% to 75% over the three-year term of the agreement;
- more attention to fragile employees (for workers suffering from serious illness or incapacity following an accident) and maternity protection.

Furthermore, in July 2024, an agreement was reached with the Trade Unions on the renewal of the National Collective Labour Agreement (CCNL) for non-managerial staff of Poste Italiane, valid until 31 December 2027. The National Collective Labour Agreement for Poste Italiane non-managerial staff 2024-2027 is an enabling factor for the implementation of the main projects of the Strategic Plan and with new elements - salary increases, new welfare measures and a strengthening of protections - that confirm the company's commitment to the well-being and quality of people's work performance.

With reference to human rights, the approach adopted by the Group is enshrined in the Corporate Policy on the Protection and Safeguarding of Human Rights aims at protecting the rights of those in its value chain, including its own workers, suppliers and partners, migrants, children, people with disabilities, victims of discrimination, local communities and customers in order to prevent all forms of violence, including human trafficking. This approach is augmented by both the own-worker involvement activities implemented by the Group and further detailed in the section "Processes for Involving Own Workers and Workers' Representatives on Impacts", and the processes implemented to remedy impacts on human rights, of which more detail is provided in the section "Processes to Remedy Negative Impacts and Channels for Own Workers to Raise Concerns".
Poste Italiane, through the implementation of the Policy, undertakes to comply with the following standards and frameworks the Universal Declaration of Human Rights and the subsequent international conventions on civil and political rights and on economic, social and cultural rights; the United Nations Conventions on the rights of women, on the elimination of all forms of racial discrimination, on the rights of the child, on the rights of persons with disabilities; the Declaration on Fundamental Principles and Rights at Work and the eight fundamental Conventions of the International Labour Organisation (ILO); the 2030 Agenda for Sustainable Development and the related 17 Sustainable Development Goals.

With respect to the issues of diversity and inclusion, the Diversity & Inclusion Policy underlines the commitment of the Poste Italiane Group to supporting the values of diversity and inclusion through the adoption of policies, corporate, organisational and management mechanisms based on respect for the rights and freedoms of individuals. In this direction, the path undertaken aims to evolve the way in which diversity issues are dealt with, moving from an approach aimed at protecting and integrating "diversity" to a proactive strategy to overcome any cultural stereotype in order to identify and resolve the factors that prevent people from being included in the labour market. In this perspective, the Group operates impartially and does not tolerate any form of direct or indirect, multiple and interrelated discrimination based on gender, age, sexual orientation and identity, disability, medical condition, ethnic origin, nationality, political opinions, social category or religious faith. Poste Italiane also promotes conditions that enable the elimination of cultural, organisational and material barriers that limit people’s full participation and full potential within the organisation. In addition, the Group has specific policies aimed at eliminating discrimination, including harassment, and promoting equal opportunities, and offers further solutions to support diversity and inclusion for people in groups particularly susceptible to vulnerability, In thi regard, the Active Parenting Support Policy aims at outlining a people development and management strategy to implement a modern maternity and paternity management model, introducing innovative levers for a consistent and harmonious support to active parenting and thus integrating the Poste Italiane Group's existing human resources development processes. Through the LGBTQ+ Inclusion Policy, on the other hand, the inclusion of LGBTQ+ people is connected to the value of the centrality of the person, the protection of their identity and uniqueness and, in general, their way of being, producing positive effects on the broader concept of individual and organisational well-being.

In the area of training, with the aim of promoting the creation and dissemination of a corporate culture that is aware of and attentive to the aforementioned issues, specific multi-year training programmes have been developed and structured, designed to raise awareness and actively involve the group in the fundamental issues enshrined in corporate policies. Particularly noteworthy - at a transversal level - are the online training "Business and Human Rights Protection", the specific training activities in the field of Diversity and Inclusion such as LGBTQ+, gender, interculturalism, inclusive language, neurodiversity, disability, dyslexia and DSA, and gender equality.

Lastly, regarding Occupational Health and Safety aspects, through the Integrated Policy and the Company's Occupational Health and Safety Policy, Poste Italiane undertakes to carry out its activities according to the ISO 45001:2023 standard, in compliance with the following principles:

- continuous assessment of risks, through the identification of any form of danger or threat to the safety of employees in the workplace, defining and updating rules and procedures accordingly to ensure maximum safety in all operations;

- ensuring that innovations and changes in work processes are always accompanied by occupational health and safety objectives;
- timely adaptation to all regulatory applicable changes and updates;
- identification of roles and responsibilities within the Organisation and allocation of the necessary resources for planning and implementing the programmes aimed at achieving the objectives;
- effective and transparent communication that can ensure dissemination of any information that might be useful for prevention purposes, including cooperation and coordination measures with contractors;
- compliance with the requirements stipulated and absolute conformity with the provisions of the current occupational safety regulations;
- prevention of occupational accidents and diseases;
- periodic review of the management system by top management to assess its correctness and effectiveness with a view to continuous improvement;
- constant monitoring of progress in the prevention and reduction of occupational health and safety risks and issues in relation to the set targets;
- integration of preventive and rapid response actions to deal with emergency situations;
- planning of internal inspections to verify the correct adoption of preventive measures on health and safety in the workplace and the adoption of procedures for investigating work-related injuries, illnesses and accidents;
- prioritisation of actions to be implemented in order to manage the occupational health and safety risks identified during the assessment phase, and the subsequent integration of action plans with quantitative targets to address these risks.

Among the main objectives pursued by Poste Italiane, the constant awareness, involvement and consultation on occupational health and safety issues of all those working within the Group is of crucial importance and priority. In this regard, the Workers' Safety Representatives (RLS) are adequately consulted, in a timely and preventive manner, in order to obtain opinions that are essential for accurately fulfilling legislative obligations and promoting the continuous improvement of workers' health and safety.

Processes for engaging workers and workers' representativeson impacts

Disclosure Requirement ESRS S1 S1-2

The Poste Italiane Group's own workforce engagement policies aim to empower people and involve them in the Company's vision and in the future of the Organisation, encouraging the contribution of the individual so that everyone feels that they are a key player in the Poste Italiane Group's path of cultural and social change. In particular, both bottom-up processes of active participation and initiatives to accompany organisational and business transformations have been activated, positioning people at the heart of change. To this end, in order to strengthen the sustainable development strategy and embed its corporate Purpose in daily actions, the "INSIEME Connecting Ideas" initiative, launched in 2021, has continued. It is a platform for the collection of ideas and contributions on business strategy and ESG, where all employees can contribute spontaneously by proposing an idea that has an impact for Poste Italiane and its stakeholders, combining agility, new ways of working, inclination to change, sustainability, but also contamination, networking and collaboration. By stimulating the proactiveness and entrepreneurship of its people, the Group acts directly on the corporate culture, spreading the principles and mindset of innovation and shared value creation. In addition, online engagement surveys are sent to the population of supervised companies, with two main objectives: to measure the level of employee engagement and satisfaction and to actively involve them before the launch of certain strategic projects.

Involvement of its own workforce also takes place through the Employee Resource Groups (hereafter E.R.G.), internal Group communities that bring together employees with shared backgrounds or interests, whose establishment process was developed through a call to action among Diversity&Inclusion supporters and allies to identify the founders for each group. There are currently five E.R.G. in operation, each focusing on different dimensions of diversity and inclusion, thus offering a broad and articulate representation of the company's priorities in this area.

Poste Italiane also engages employees through dedicated initiatives and through participation in corporate communities of particular cross-cutting, thematic and/or organisational interest. These communities, which are located on the NoidiPoste intranet, have as their main objective networking to foster and improve interaction between the Company and Poste Italiane Group employees as well as to share interests, develop topics, collaborate, discuss and debate on issues related to their members' goals. There are currently two thematic communities, dedicated to Diversity&Inclusion and Volunteering, represented by employees who act as ambassadors with respect to the topics proposed and shared.

As far as training is concerned, in order to empower people and actively involve them, a new training paradigm called Open Learning Area (OLA) has been implemented since 2021, enphasizing the value and individual responsability of each employee. Everyone in the Group can access OLA for self-training by subscribing to the training content they are interested in, via a catalogue of online courses and ebooks that they can freely use for their professional growth and improvement. The Open Learning Area is based on individual interest, curiosity and responsibility, reinforcing the commitment to building an education that not only moulds people's needs, but also stimulates them to grow and develop their potential. More generally, in training activities, the level of perceived quality (usefulness, effectiveness, quality of internal/external teaching) is monitored by analysing the data collected through specific questionnaires defined for classroom, webinar and online initiatives. The indications gathered through the perceived quality or feedback questionnaires are used to direct improvement actions, e.g. in terms of design and choice of more effective teaching formats.

In addition, the Group implements engagement and change management initiatives, with a specific time horizon, which are built from time to time according to the goals to be pursued, the target population to be involved and the type of transformation/change to be supported. In all initiatives, the people involved are actively engaged in each phase of the programme, through multiple engagement opportunities. In designing and monitoring the impacts of people-oriented initiatives, the actions taken can be broken down into the following phases:

- definition of corporate strategies, policies and regulations;
- setting targets in line with the corporate sustainability strategy;
- cultural awareness of the context through communication and listening plans, to encourage people's active participation in the co-generation of solutions to increase motivation and engagement towards common goals.

Poste Italiane engages its employees through an annual survey programme addressed to the entire corporate population, delivered via internal channels and aimed at intercepting satisfaction with respect to initiatives and topics of corporate interest. In 2024 the following surveys were carried out :

- “Servizi per la Persona”: an annual survey that analyses user satisfaction with the content and navigability of the section on the company intranet, aimed at the entire company population;
- “Poste Mondo Welfare”: a survey to detect the satisfaction of participants in the plan to convert performance bonuses into welfare benefits and to gather information of all employees needs. In particular, there were two surveys in 2024, one referring to last year's edition and one launched in December for the 2024 edition;
- "PosteIN Diversity&Inclusion secondo te” a survey aimed at creating common and shared value and a more conscious management of D&I issues and at investigating perception and level of knowledge on Diversity & Inclusion issues among Poste Italiane Group staff, in order to orientate the Group's commitment in this area, to intervene with policies and improvement actions at organisational, climate and relations level. The survey is aimed at the entire corporate population;

- Caregiver survey: an anonymous self-assessment questionnaire aimed at autonomously and confidentially measuring the caregiver's perception of their caregiving burden;
- Tell NoidiPoste: a continuous survey aimed at co-creating new products and services, service design and the improvement of the customer experience related to Poste Italiane products and services, with application open to all employees;
- Casina Poste and Parco Fluviale: a survey to ascertain needs and satisfaction regarding the opening of the new sports and leisure space in Rome reserved for employees, addressed to staff in Rome and its province with two editions carried out in 2024;
- Home-work travel survey 2024: an annual survey that analyses employees' commuting habits in order to identify, in the medium and long term, sustainable mobility solutions to reduce CO_2 emissions in the interests of employees and the community; The survey is aimed at approximately 41,000 employees in the 138 locations with more than 100 employees, in 77 municipalities;
- Car rental service: a survey aimed at investigating satisfaction with the company car rental service, targeting employees who are recipients of the service, with two surveys delivered in 2024;
- New safety shoes for PCL staff: a survey aimed at obtaining feedback on the satisfaction of the current provision of safety shoes, while suggesting possible improvements to be introduced, addressed to impacted PCL staff.

In addition, the company's Performance Management system includes the Performance Development Plan Questionnaire (PSP), a tool available to all Group evaluators to express expectations, interests, professional orientation and possible readiness for geographical mobility. It is an opportunity to focus on one's own point of view on satisfaction with the objectives achieved, on the relationship with the team, thus helping to provide useful elements to build, together with one's manager, a path to strengthen skills, motivation and engagement in future challenges. In 2024, this initiative involved approximately 40,000 employees.

Lastly, several initiatives were carried out in the area of support for people with disabilities or in situations of vulnerability. In particular, a survey conducted as an initiative of the E.R.G. PostAbilities, surveyed individual knowledge and perceptions of disability-inclusive language in the company. The evidence was the subject of a webinar presentation. A series of posts and news on the topic of autism has also been defined within E.R.G. itself. In particular, a series entitled ApprofondiMenti was launched providing guidance and insights with the aim to spread awareness and knowledge about autism by reducing the sense of distance and potential exclusion that may arise from it. Poste Italiane launched a survey involving employees with disabilities, referred to in the last prospectus of 31 January 2024, with the aim, in line with the provisions of Article 4 of Law no. 4/2004 et seq. and in accordance with the AGID Guidelines of 26 April 2022, of acquiring any needs for upgrading the IT equipment provided, including any compensatory tools and assistive technologies.

With particular reference to the issues of social dialogue, it is reported that on 15 April 2024 the Joint Observatory on Agile Work between the Company and Trade Unions met to analyse some issues relating to the application of the Smart Working institute in the Group, with particular reference to the cases of access to Reasonable Accommodation. In particular, in support of parenting, it was established that Agile Work can be granted for a greater number of days per week and per month than those ordinarily provided for workers assigned to remote activities during the three years following the end of the period of maternity/paternity leave regardless of the distance between the employee's residence/domicile and place of work. Similar protection is also afforded to employees belonging to single-parent households, which, under the trade union agreement, also includes cases of divorced or legally separated persons who have obtained sole or joint custody of their minor child. Furthermore, with the minutes of the agreement of 3 December 2024, the possibility of working in agile mode has been extended until 31 December 2025.

The Poste Italiane Group also maintains relations of listening and mutual exchange with parties and entities representing its legitimate interests and rights. Examples include "Valore D", an association of companies that promotes diversity, talent and female leadership, "ASPHI", an organisation that promotes the integration of disabled people into work and society, "Parks - Liberi e uguali", an association active in diversity issues, with a focus on those belonging to the LGBTQ+ community. Finally, the Group's commitment to the protection of workers' rights is confirmed not only in the values outlined in the Code of Ethics but also in the National Collective Labour Agreement, which, with Annex 17, incorporates the principles set out in the Framework Agreement on Harassment and Violence in the Workplace signed by Confindustria and the Trade Unions on 25 January 2016.

Finally, Poste Italiane and all Group companies e ensure the involvement of workers' representatives and trade union organisations. In particular, the Group constantly consults the Workers' Safety Representatives (RLS), identified among the main protagonists in the management of health and safety in the workplace, and chosen directly by the workers within the company's trade union representatives, as provided for by Legislative Decree 81/08. The RLS are regularly consulted not only following the implementation of new risk assessment methodologies, but also on the occasion of organisational or process changes that may impact occupational health and safety, as well as during the drafting of the Risk Assessment Document. The adoption of adequate, timely and preventive consultation with the RLS allows them to obtain fundamental advice for the precise fulfilment of legislative obligations and to promote the continuous improvement of workers' health and safety. The consultation may involve all the Workers' Safety Representatives of the national territory or only those of a specific territory.

The dialogue between the employer side and the workers, which is actively promoted by the Group, takes place through the National Joint Observatory (OPN) and the Regional Joint Bodies (OPR). Thanks to these committees, in which national and territorial, employer, trade union and RLS representatives participate, Poste Italiane involves all stakeholders in order to address specific issues related to health and safety arising also from workers' reports, share occupational health and safety initiatives and start the process of consulting RLS on risk assessment. Meetings of the Joint Bodies are convened both at intervals defined by the applicable collective bargaining agreement and in response to needs arising from time to time, thus ensuring flexibility in the management of dialogue and the timely handling of relevant issues.

Processes to remedy negative impacts and channels for own workers to raise concerns

Disclosure Requirement ESRS S1 S1-3

In order to prevent and remedy negative impacts on its own workforce, the Poste Italiane Group adopts an approach oriented towards identifying the problem, analysing the causes and taking corrective measures, as well as having channels through which workers can express concerns. With this in mind, the Group provides specific channels for its workers to communicate their concerns or needs directly to the Company reporting alleged violations or misconduct through "Whistleblowing"[226].

Regarding the processes implemented to mitigate the impacts related to occupational health and safety, Poste Italiane allocates dedicated budgets each year to implement improvement plans. Among these, of particular relevance are the investments sustained for the maintenance and continuous improvement of the plant-structural aspects of the real estate assets, as well as the resources deployed for the management and maintenance of the company fleet, the implementation of education, information and training campaigns, occupational health and safety verification/control activities, health surveillance, and the development and maintenance of systems and applications supporting employee health and safety management. In addition, workers are informed, trained and instructed so that any work situation from which work-related injuries or illnesses may arise are handled in accordance with the protection measures set out in the Risk Assessment Document and the relevant company procedures. In this respect, Poste Italiane Group workers are obliged to immediately report to the Person in charge, informing the competent Workers' Safety Representative, deficiencies in means and devices, as well as any possible dangerous condition of which they become aware of. In the instructions, workers are specifically instructed not to carry out operations or manoeuvres on their own initiative that are not within their competence or that could compromise their own safety or that of other workers.

Finally, the Group provides additional internal communication tools and channels to foster communication with its workers, such as:

- the NoiDiPoste App, a dedicated mobile application for employees offering access to relevant services for both work and personal life, containing all intranet news;
- Corporate Intranet, accessible to all employees of Poste Italiane and Group companies;
- TG Poste Italiane, with information on the NoidiPoste Intranet and App;
- the Postenews magazine, featuring news, reports, interviews and insights on the Group and on all the issues that involve Poste Italiane's people and business, from sustainability to logistics, passing through innovation, welfare, savings and the constant attention to the territory, enhancing Poste Italiane's social mission;
- physical notice boards, present in all the corporate offices of Poste Italiane and the Group Companies, used for posting announcements and information both at Headquarters and in those throughout the territory;
- dedicated e-mail accounts, for sending communications to Poste Italiane employees with individual workstations. For some communications, in agreement with the internal communication contacts, the mailings are also addressed directly to employees of certain Group companies;
- in the space "my payslip - communications" on the intranet, dedicated to employees of Poste Italiane and main Group companies;
- the newsletter "7 Days", through which the main topics of the intranet are presented on a weekly basis;
- Poste Italiane's newsletter, which deals with specific business topics and is aimed at certain professional families;
- direct mailings and vademecums, addressed to all Poste Italiane and Group employees or to certain professional families on the occasion of certain communications of particular strategic importance;

[226] With reference to the "Whistleblowing" system, reference is made to Chapter G1 - Business Conduct.

- monitors, present in some companies, used to broadcast audio/video content;
- company communicator application used to send direct desktop notifications to all management stations;
- Poste podcasts, which tell stories, conversations, interviews and in-depth reports on company initiatives, immersive in local realities, on current issues.

Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Disclosure Requirement ESRS S1 S1-4; Minimum Disclosure Requirement ESRS 2 MDR-A

Poste Italiane has implemented specific actions to mitigate and correct actual and potential impacts and address risks and opportunities related to its own workforce.

Ongoing training

The Group's commitment to ensuring continuous training for all employees is evidenced by the target of 25 million training hours, as set out in the Strategic Plan 2024 - 2028 "The Connecting Platform". As further proof, from 2017 to 2024 Poste Italiane invested 42.8 million hours in training. Specifically, around 6 million hours of training were delivered in 2024, through multiple training initiatives developed to meet the challenges of the strategic plan and support the specific needs of its people.

In addition to developing role skills that are essential to support new business and service models, the annual training plans placed great attention to the growth of soft skills. These are essential to cope with a constantly changing environment and to promote behaviour oriented towards sustainability, innovation and continuous improvement. Training with a multimodal approach that combines in-presence training, realised through the use of innovative tools, with digital learning content, available at any time and accessible from different touch points. In line with technology trends and new mindsets, the training plan for the year 2024 includes a focus on Artificial Intelligence. At a transversal level, "LabAi Literacy" was held, a course intended for the entire Group population and consisting of 10 webinar lectures for voluntary participation, which will then be repeated in 10 online modules on the training platform. In addition, still within the framework of AI, other initiatives were held to deepen certain aspects, aimed at specific targets in the areas of Cyber Security, Privacy, ICT, banking, regulatory affairs, and business organisation.
Particular attention is given to leadership development and, more generally, to a mindset supporting the continuous growth of managerial skills to inspire change, read the present and the future and generate "value" for people and the organisation. Following the Group's leadership model, significant effort has been made on developing distinctive competencies, guiding managers towards a less transactional and more people-oriented approach, in line with the current phase of corporate transformation. For managers, targeted and structured training activities were promoted, with the aim of enriching managerial practices by opening their eyes to horizons other than their own, to broaden their vision of complex contexts and strengthen leadership skills in a constantly changing context. It also confirms the focus on the development of soft skills, which are increasingly essential to support change, from managing relationships with employees to the ability to tackle and solve problems of varying complexity. With the aim of developing transversal, relational, communicative and collaborative skills, necessary to deal with organisational changes and work effectively in a team, topics such as Public Speaking, Problem Solving Techniques and Approaches, Management by Objectives and Result Orientation, and Active Listening Techniques were covered. These initiatives, aimed at a cross-sectional target group, aim to improve performance at both individual and group level.

Accessible Training

In order to promote digital accessibility through training by ensuring that content is accessible to all individuals, the Group is committed to training for accessibility and digital inclusion through the preparation of ad hoc standard and format. Regarding the definition of new formats, a standard reference was devised for the design and development of online courses that includes new navigation and interface features to facilitate the use of courses by people who may have varying degrees of visual and hearing impairment and reduced mobility.

Engagement and change management initiatives

The Group has implemented several Change and Engagement programmes to accompany the most relevant business changes in the Private Market as well as in the area of Mail Communication and Logistics. For the former, "OFE with the F of the Future" was launched, a programme which, through a series of creative workshops and immersive experiences, aims to accompany the evolution of the Front End of Post Offices by supporting the Front End Operator (OFE) in acting out the new role, involving as well Managers and support figures. In the field of logistics, on the other hand, "Roads to Success" was created, the programme for the dissemination of a new way of working in the face of matrix organisational change. The route involves people in 3 implementation layers: Leadership teams, integration teams (middle management) and operational sites (professionals with key roles), to develop solutions that enable transformation by improving internal processes and communication.

At PostePay, "Play Day #1", an HR innovation engagement programme on how to work, innovate and act on shared themes and values was implemented to put into practice the "Play Day #1" strategy of "always working as if it were Day 1 of the Company". The focus of the project is to involve people in the realisation of a Programme for the execution of the Strategic Plan 2024-2028 "The Connecting Platform", which becomes an orderly system for collecting and systematising internal and external input on how to work and innovate.

To promote communication and contamination on business knowledge, Project Talks were organised, i.e. meetings in a hybrid format, aimed at presenting the main projects at BancoPosta related to the challenges of the 2024-2028 Strategic Plan. The aim is to foster the sharing of corporate strategies, promote dialogue and offer participants ample opportunities for interaction and discussion directly with project managers and top management, and create engagement and networking within functions. Plenary company conventions/meetings are also organised for the entire Group/Division to meet with top management and share vision, business objectives and strategy with the active involvement of staff. In addition, Town Halls are quarterly meetings broadcast via Teams Live Event, where top management meets with all employees to present business results, strategic projects, provide updates on the Group's performance, future initiatives and other topics relevant to the entire organisation. It is a time for open discussion, with a final Q&A area, designed to foster transparency, encourage dialogue and strengthen the sense of community within the Group.

School and career guidance initiatives

Poste Italiane’s commitment to future generations is a defining value for the Group. Particular interest is placed on the subject with the desire to contribute to the growth of young people in relation to the social fabric of reference. The focus of the programme is on fostering an alliance between the corporate and educational worlds with new opportunities for school, career and soft skills development for the children of employees and students also from vulnerable social backgrounds, through the active involvement of corporate professionals.

On the basis of this approach, the following were realised in the year 2024:

- "Next Generation" programme, in continuity with past editions, aimed at school orientation and the development of soft skills for young people from vulnerable social backgrounds, divided into "Pathways for Transversal Skills and Orientation" (PCTO), which involved students from classes IV and V of secondary schools, in workshops to develop so-called transversal skills and to explore the new opportunities arising from artificial intelligence, and in a residential Creathon where they worked in teams to foster the development of innovative solutions in response to the challenge identified by the Company;
- experiential workshop programmes called "Future Lab", "Life Skills Lab" and "Mind Building Lab" aimed at the children of employees to stimulate reflection on their personal development plan and develop the ability to design a study and career path based on individual characteristics;
- awarding 18 scholarships abroad to deserving children of employees with the aim to promoting intercultural exchange.

The Group has also renewed its commitment to the second edition of the two-year project “School4Life 2.0”, developed in synergy with other large companies, with the aim of helping combat school dropout rates by supporting educational quality through intervention plans by Company professionals as role models, mentors and masters of trades in secondary and high schools throughout Italy.

Pathways and interventions for the valorisation of neurodiversity

The realisation of training, organisational and inclusive courses and interventions for the valorisation of neurodiversity in the Company from a "Dyslexia Friendly Company" approach, is part of the Diversity and Inclusion area, aimed at fostering awareness of all forms of diversity. The project focuses on promoting the implementation of concrete measures for the inclusion and integration of people with different characteristics, fully enhancing their talent and skills and thus contributing to the elimination of cultural and physical barriers. The plan includes a training phase for the entire company population as part of the "Making culture on the subject" programme with the aim of spreading the culture and awareness of neurodivergences.

In particular, the actions carried out consist of:

- organisation of webinars aimed at different targets and tools for self-assessment of SLD (Specific learning Disorders);
- training activities differentiated according to the target audience through and a series of video courses available on an e-learning platform.

The organisational and management actions carried out consist in particular of:

- start-up of the working group to oversee sensitive processes from the point of view of employee experience;
- environmental analysis consisting of structured interviews to analyse sensitive processes (Selection and Induction, Training, Management, Staff Development, Internal Communication) aimed at identifying potential obstacles for candidates and employees with SLDs;
- definition of possible innovative measures to be undertaken in the various business areas.

In addition, two webinars were held on the topic of neurodiversity. The first dealt with neurodiversity in a broad sense with a focus on Autism and ADHD aimed at the entire corporate population and the second with a focus on the Recruiting & Onboarding process for the Human Resources and Organisation function dealing with these areas.

Initiatives for the Diversity and Inclusion Corporate Plan

The Group continues the initiatives for the Diversity and Inclusion corporate plan, which are part of the area of promoting a cultural change to encourage active employee participation. The focus of the project is the establishment of E.R.G. (Employee Resource Groups), internal communities within the Group formed by employees in which not only those who directly experience a specific diversity participate, but also allies, i.e. people who choose to support a specific community and promote its values and initiatives. In the course of the year, 5 ERG groups were set up to foster dialogue and listening on the topics of Generations (GenerAzione P, with the aim of fostering dialogue and intergenerational exchange), Gender

(ParipassO , with the aim of fostering women's leadership and empowerment), LGBTQ+ (Poste+, with the aim of fostering an environment in which each individual can freely express their identity), Vulnerability (PostAbili, with the aim of promoting a working environment in which all diversities can cooperate and coexist harmoniously) and Interculturality. (OpenPoste, with the aim of spreading knowledge of different cultures and the richness that comes from cultural contamination) through webinar launch events aimed at the entire corporate population; the E.R.G. GenerAzione P also conducted a Hackathon to generate new ideas in the field involving all E.R.G. members.

Initiatives to promote diversity

Poste Italiane has launched the listening survey "*Poste IN - Diversity&Inclusion secondo te 2024*" aimed at investigating individual and collective knowledge and perception of Diversity&Inclusion (D&I) issues as well as of the company's commitment in this field.

In November, the third edition of the Poste Italiane Diversity Day "Poste, Plural, Universal" was held to share a moment of transversal attention on the inclusive path undertaken by the Group. Participation in the event, which was extended to the entire corporate population in streaming mode and accessible with the presence of LIS interpreters, was an opportunity to share internal Poste Italiane stories representative of the dimensions of Diversity&Inclusion and to welcome external testimonies from prominent people in the social sphere, as a source of inspiration and discussion on the issues of uniqueness and diversity, touching on the four dimensions of Diversity&Inclusion: Gender, Generations, Disability/Vulnerability and Interculturality.

Several cultural awareness-raising initiatives on different D&I topics were conducted throughout the year. In particular, the Diversity Innovation Meetings (DIM) continued - in collaboration with Italiacamp - webinars open to all aimed at creating virtuous opportunities to connect with inclusive start-ups and best practices available nationwide. The DIM carried out dealt with the themes of Gender, Disability, Interculturality and Generations, the latter with a focus on exploring the motivations and characteristics of Generation Z in the world of work and in the social sphere, delving into the influence of language on behaviour. Finally, a special end-of-year edition of the DIM featured the theme of Intersectionality, a new concept that explains how multiple characteristics of "diversity" can have a more than proportional impact in terms of perceived exclusion when presented together.

Another cultural awareness initiative is the webinar created in collaboration with A.G.E.D.O, an association that brings together parents, relatives, friends of LGBTQ+ people, with the aim of making them reflect, through the sharing of coming out stories in the family, on the importance and value of the inclusion of diversity in every context and in the sense of connection that this generates. On the International Day for the Elimination of Violence against Women, a corporate event entitled "Plural Voices Against Gender Violence: Physical, Economic and Psychological Violence" was held to raise awareness of the serious problem of gender-based violence. A complete picture of the phenomenon of feminicides in Italy was presented, providing an articulate view through the analysis of data and testimonies, identifying how to recognise other forms of violence such as economic and psychological violence. The event, which was open to the entire corporate population, was attended by voices from civil society, the business world and volunteer organizations , highlighting a shared commitment to inclusion without gender distinction .

Regarding disability, a webinar was organised on the occasion of the International Day of the Rights of Persons with Disabilities "Inclusion at play: scenarios and opportunities for disability inclusion", to explore the specific topic and spread a more inclusive corporate culture. The meeting, which was interpreted in Sign Language, was attended by academic guests and statisticians to bring out the importance of considering disability as an intersectional dimension, which crosses various fields such as gender, income, education and generations.

Women's Leadership Development Initiatives

As part of its efforts to strengthen women's leadership, the company has launched programmes to increase the participation of women in coaching and mentoring and in leadership development programmes. The increase in female participation in these initiatives was achieved through the targeted engagement of women within the target companies involved.

Mums at Work

A specific programme - Mums at Work - was launched, involving employees returning from maternity leave, accompanying them in their effective reintegration into the company, supporting them with dedicated coaching courses.
The programme, supported by external professionals and a large team of certified internal coaches, was launched on a pilot basis in 2022, reaching around 150 employees in 2024.

Plans to support active parenting

Poste Italiane continues to support active parenting in line with the Policy launched on the subject, with various initiatives, such as the "Lifeed Parents" programme. It is a self-coaching course aimed at employees with children up to the age of 18, to make the parenting experience a real 'master', a training ground for transversal skills, which are also essential for professional growth. Also in support of parental conditions, the company's PosteBimbi crèche service is active at the Rome and Bologna sites for the children and grandchildren of employees and for a quota of users from municipal and third-party entities. The service is extended to more than 100 families with children from three to 36 months; an employee contribution from the Group of 55% of the value of the monthly fee is provided. In addition, parenting support seminars and webinars were organised, in collaboration with experts in the field, for all employees with children of paediatric and/or adolescent age, aimed at undertaking an interdisciplinary course on diversified topics to accompany families towards aspects related to the relational, emotional and social sphere in line with the evolutionary dynamics of the cultural context of reference.

Scouting and development initiatives dedicated to young people

The POP (Professional Orientation Programme) is a scouting programme aimed at young, best-performing employees whose development potential is to be tapped for more complex roles. Managed by certified in-house professionals, it includes follow-up meetings with participants after the assessment of potential, to accompany them in the grounding of competence improvement plans. With the aim of broadening the action of enhancing the value of young people, the Group has started to devise an additional Potential Assessment aimed at young recent graduates one year after their induction into the Company, in order to anticipate their characteristics and motivations and make consistent growth paths available. The programme will see full implementation during 2025.

Onboarding and job rotation programme

In order to enhance the skills of young talents employed in PCL and logistics functions, Poste Italiane has created an inclusive onboarding and job rotation program with the aim of strengthening employer branding towards GenZ.

Innovative employee experience initiatives

The Poste Italiane Group launched a project to improve employees' experience of the services available on the company app/intranet by measuring Google Play and AppStore ratings. The focus of the project is to design experience and design interventions for the Noidiposte app by introducing funnels on which user evaluation actions can be placed.

Services to support vulnerabilities

The "We Are Here" initiative dedicated to employees with serious illnesses, chronic diseases or who find themselves in vulnerable situations is continuing. For this target group, a targeted psychological support plan was activated on a voluntary basis, in addition to the inclusive coaching service operated by specially trained internal coaches and a second opinion service operated in cooperation with the Corporate Medical Centre. Among the inclusive actions for vulnerabilities, summer holidays for employees' children with disabilities, supported entirely by Poste Italiane, which include two holiday periods of 15 days each, in accessible tourist facilities. The programme allowed approximately 40 children to participate enjoying moments of entertainment and individual assistance with dedicated operators, promoting an experience of socialisation and full integration and allowed families to benefit from a relief service in their daily care needs. Involvement and listening was also carried out regarding caregiver employees through an open survey, designed both to understand their specific needs and to offer concrete support, allowing them to measure their perception of their own caregiving burden in an autonomous and confidential manner and offering an opportunity for personal reflection on possible actions and strategies for managing their own situation and role. The initiative was also combined with the provision of an operational guide, useful for generating positive synergies in balancing daily work-life commitments. In line with the listening path outlined above, the "Lifeed Care" programme dedicated to corporate caregivers is continuing, aiming to offer a new value perspective on the care and career dimension. It is a digital self-discovery programme to improve one's own well-being aimed at enhancing the skills gained through the support and caregiving experience.

Initiatives to counter workplace accidents

Poste Italiane, as part of its on going commitment to accident prevention, particularly in the logistics area, continued to implement a range of initiatives in 2024. These include, among others, training programs provided under the cooperation between Poste italiane and the Traffic Police. This initiative aims to foster a culture of prevention for the systematic reduction of accidents on the roads and ever greater protection of life and safety for road users, with a combined launch of the Safety Academy training course, extremely useful for disseminating and promoting a culture for safety.

Annual plans for Occupational Safety and Health (OSH) audits and inspections

Monitoring and control of compliance and Improvement Plans are carried out through "Annual Plans of OSH Audits/Controls" in each production unit of the Parent Company and in the /subsidiaries. Specifically, the OSH Audit/Control activities carried out in 2024 consist of: Audits on Occupational Health and Safety/Environmental Management Systems with the objective of verifying that the management system adopted in the Company complies with the requirements of the reference standards and that it is correctly implemented and maintained; Technical Audits, control activities aimed at analysing and assessing the state of OSH compliance of every single site , with particular reference to plant/structural aspects. The systems adopted by Poste Italiane S.p.A. to monitor and control the effectiveness of the SSL policies adopted include:

- GISLA (Computer, Occupational Safety and Environment Management);
- Platform for management training;
- GIW (Web Based Accident Management);
- SSA (Safety Self Assessment);
- Real Gimm (used for the management of maintenance impacting SSL);
- File Maker (used for the management of real estate works impacting SSL);
- EDVR (Electronic Risk Assessment Documents Management);
- EPI (Poste Italiane Emergency Management System).

The following tables briefly summarise the action plan undertaken by the Group to achieve the goals and objectives of its own workforce policiesand show the scope and timeframe of each action.

Main actions	Scope of application	Time horizons
Continuous training	Poste Italiane	2024
Accessible training	Poste Italiane	2026
Engagement and change management initiatives	Poste Italiane and specific target groups	2025
School and career orientation initiatives	Children of employees and students	2025
Pathways and interventions for the valorisation of neurodiversity	Poste Italiane and specific target groups	2025
Initiatives for the Diversity&Inclusion Corporate Plan	Poste Italiane	2026
Initiatives to promote diversity	Poste Italiane	2025
Women's leadership development initiatives	Poste Italiane	2024

Mums at Work	Poste Italiane	2024
Plans to support active parenting	Poste Italiane	2024
Scouting and development initiatives dedicated to young people	Poste Italiane and specific target groups	2025
Onboarding and job rotation programmes	Poste Italiane and specific target groups	2025
Innovative employee experience initiatives	Poste Italiane	2024
Services to support vulnerabilities	Poste Italiane and specific targets target groups	2025
Initiatives to counter the accident phenomenon	Poste Italiane	2028
Annual plans for OSH audits/controls	Poste Italiane	Every year

Actions are monitored through specific activities such as satisfaction surveys and feedback collection aimed for continuous improvement, progress reviews with relevant partners, metrics published by the iOS and Google store consoles. Training activities are instead monitored both in terms of effectiveness and perceived quality through measurement of specific indicators, use of questionnaires, direct observation and participant feedback. The integrated analysis of these results is aimed at the continuous improvement of training initiatives in order to respond efficiently and promptly to the needs of employees, the market and customers. Moreover, multiple control KPIs have been implemented that constantly monitor the volume, coverage rate, effectiveness and quality of training as well as costs and reimbursements from interprofessional funds, ensuring that, thanks to the observance of principles enshrined in the policies and planned actions, their practices do not cause or contribute to significant impacts on their own workforce.

With regard to relevant positive impacts, no further actions or initiatives are planned beyond those already included in the action plan described above.

No CapEx or OpEx related to the implementation of the actions have been reported, as they do not exceed the materiality threshold of 5% of the corresponding values indicated in the Group's Consolidated Financial Statements.

METRICS AND TARGETS

Targets related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

Disclosure Requirement S1-5; Minimum Disclosure Requirement ESRS 2 MDR-T

The Poste Italiane Group, in order to manage impacts, risks and opportunities related to its own workforce, as well as to contribute to the achievement of the commitments set and formalised within its Group policies, has defined a strategy that includes measurable, results-oriented and time-framed objectives in order to assess the progress made. Each target is subject to continuous monitoring in order to evaluate how the progress is aligned with what the Company has established. The table below summarises the objectives set by the Poste Italiane Group in the area of its own workforce, indicating the relative targets for achievement, the scope of application, the baseline and the result achieved for the current reporting year.

Target	Target	Target scope	Base year	2024 result
Promoting the development and updating of strategic and distinctive skills, ensuring the continuous training of all Group employees	25 million hours of training by 2024	Poste Italiane	2020	30.5 million hours
	25 million hours of training by 2028	Poste Italiane	2023	About 6 million in 2024
Campus Italia: dedicated training centres for Group employees	5 training centres by 2028	Poste Italiane	2023	Project start
Development of an ethics-driven framework to support Artificial Intelligence	- Implementation of the Policy and identification of tools for overseeing the ethics-driven approach in AI processes by 2026 - release of the AI Verticals and AI Literacy pathways by 2024 - 8 training initiatives by 2026	Poste Italiane	2023	"Ethics manifesto - Ethics-driven policy" in support of Artificial Intelligence' document published AI Verticals and AI Literacy Pathway released
Increasing the participation of women in coaching and mentoring and in leadership development programmes	+10% participation of women in coaching and mentoring and leadership development programmes by 2024	Poste Italiane	2023	+17% participation of women in coaching and mentoring and leadership development programmes
Fostering the alliance between the corporate and educational worlds with new orientation opportunities for the younger generations (children of employees and students) also through the active involvement of corporate professionals	40 editions by 2025	Children of employees and students	2023	37 editions
Encouraging employee listening through continuous surveys	10 surveys by 2024	Poste Italiane	2023	13 surveys
Strengthen the presence of women in manageriel succession plans, aimed at increasing the presence of women in positions of greater responsibility in the Group	45% of female succession candidates by 2024	Poste Italiane	2021	Over 50%

Strengthen nationwide caring and listening measures for employees in vulnerable and fragile situations to support their mental and motivational well-being	Nationwide activation of caring and listening services by 2025	Poste Italiane	2023	Activation of the following caring and listening services related to the target group: psychological support service services for inclusion
Promotion of Employee Resource Group (E.R.G.) activities also regarding LGBTQ+ inclusion initiatives	2 measures/interventions carried out by 2025	Poste Italiane	2023	Initiated promotion of E.R.G. group activities. (webinars, round of posts, hackathons and working groups)
Fostering a culture of inclusion at all levels of the corporate structure through specific training courses	Release of the Diversity&Inclusion "Learning Path" by 2024	Poste Italiane	2023	Release of the 2024 Diversity&Inclusion "Learning Path"
Raising awareness among employees on secure access procedures to corporate applications from external networks	1 communication campaign dedicated to MFA (Multifactor Authentication) Mail, communication on intranets, apps, coupon space and dedicated channels TG Poste service by 2024	Poste Italiane	2023	1 campaign realised
Training for Digital Accessibility and Inclusion	1 Survey 12 Focus Groups 10 training initiatives with accessible formats/tools by 2026	Poste Italiane	2024	new
Reduce the frequency rate of workplace accidents	-2% frequency index in the Mail, Communication and Logistics area by 2028	Poste Italiane	2024	new

The strategic objectives defined by the Group through methodologies and assumptions that take into account the operating context and stakeholder interests, as well as ESG-related regulatory compliance requirements. The Group carries out continuous monitoring on the performance achieved and the degree of attainment of these targets, which are based on reliable data and measurements.

Characteristics of the company's employees

Disclosure Requirement ESRS S1 S1-6

Below is the information regarding the composition of the Poste Italiane Group's own workforce. The following tables provide a breakdown by different types of contracts, distinguishing between permanent employees, fixed-term employees and employees with variable hours, full-time and part-time. The data are reported with a breakdown by gender.

It should be noted that the number of permanent employees of the Poste Italiane Group is equal to the sum of employees hired under permanent contracts and apprenticeship contracts. On the other hand, the number of fixed-term employees is equal to the sum of employees hired under fixed-term contracts and extracurricular internships. Thus, for Sustainability Reporting, the Group workforce is the total number of employees in the Group, including extracurricular internships and net of employees hired on temporary work contracts. For the Annual Financial Report, the Group's average annual headcount at 31 December 2024 is 119,117 FTE and takes into account employment contracts but excludes extracurricular internships[227].

[227] See Table C6 - Labour Costs (RFA 2024 p. 528).

Employees (Headcount)	u.m.	2024
Gender		Employees
Men	No.	59,037
Women		66,060
Other		0
Not reported		0
Total workforce		**125,097**

Employees (Headcount)	u.m.	2024				
		Men	Women	Other	Not reported	Total
Number of employees	No.	59,037	66,060	0	0	**125,097**
Number of permanent employees		52,728	62,068	0	0	**114,796**
Number of fixed-term employees		6,309	3,992	0	0	**10,301**
Number of variable-hour employees		0	0	0	0	**0**
Number of full-time employees		55,765	59,382	0	0	**115,147**
Number of part-time employees		3,272	6,678	0	0	**9,950**

Employees	u.m.	2024
Number of employees	FTE	111,074
Number of departure employees who left		5,593
Employee turnover rate	%	**5**

The employee turnover rate is the number of employees departures in a year compared to the workforce as 31/12 of the same year based only on permanent staff (permanent contracts and apprenticeship contracts) expressed in FTE. The turnover calculation does not include flexible staff (i.e. fixed-term contracts) due to the nature of these contract types.

Characteristics of non-employee workers in the company's own workforce

Disclosure Requirement ESRS S1 S1-7

Below is the information regarding the total number of non-employees within the company's workforce. The figure includes both workers hired under a labour administration contract and workers employed under an internship contract.

Non-employees (headcount)	u.m.	2024
Number of non-employees	No.	**168**

Coverage of collective bargaining and social dialogue

Disclosure Requirement ESRS S1 S1-8

The National Collective Bargaining Agreement for Poste Italiane employees is characterised - in line with the Group's strategic positioning on sustainability and inclusion issues - by its strong social focus and attention to the needs of individuals and vulnerable situations. The Group's commitment in these areas is concretely manifested in the implementation - along several lines - of more favourable protections than those provided by law. In line with these policies are also some of the main innovations introduced with the contractual renewal signed on 23 July 2024, include improvements over legal regulations, in terms of support for the parental roles and female workers who are victims of violence, hour flexibility and work-life balance, and social protection. In this regard, it is specified that the percentage of employees covered by collective bargaining agreements within the EEA is 100%. In addition, the percentage of employees covered by trade unions representing workers at the Italian sites is 100%. No agreements have been made with employees for representation by a European Works Council (EWC), a European Company (SE) Works Council or a European Cooperative Society (SCE) Works Council.

	Collective bargaining		Social dialogue
Coverage rate	Employees - EEA (for countries with > 50 emp. representing > 10% of total employees)	Employees - non-EEA (estimate for regions with > 50 emp. representing > 10% of total employees)	Workplace Representation (EEA only) (for countries with > 50 emp. representing > 10% of total employees)
0 - 19 %	n/a	n/a	n/a
20 - 39 %	n/a	n/a	n/a
40 - 59 %	n/a	n/a	n/a
60 - 79 %	n/a	n/a	n/a
80 - 100 %	Italy	n/a	Italy

Diversity metrics

Disclosure Requirement ESRS S1 S1-9

The Poste Italiane Group is committed to supporting the values of diversity and inclusion through the adoption of corporate, organisational and management processes based on the respect for people's rights and freedom. In this regard, in fact, it is woth mentioning the adoption of the Diversity & Inclusion Policy, which aims to promote diversity in all its dimensions, and the Policy on the Diversity of the Boards of Directors and Control Bodies of Poste Italiane S.p.A., the purpose of which is to identify the criteria for a qualitative and quantitative composition of the Board of Directors that is functional to the effective performance of the tasks and responsibilities entrusted to the management body, including through the presence of people who ensure a sufficient diversity of points of view.

For these purposes, the Group monitors the composition of its workforce, paying particular attention to gender diversity in senior management and the age distribution of employees.

Employees	**u.m.**	**2024**				
		Men	**Women**	**Other**	**Not specified**	**Total**
Top management employees	*No.*	165	47	0	0	212
Percentage	*%*	78	22	0	0	100

For the purposes of quantifying the category of senior management employees, it is specified that the first and second levels of Poste Italiane were taken into account, with the exclusion of management staff; the first levels of Poste Vita and PostePay, with the exclusion of management staff; the CEOs of the Group companies in perimeter and the General Manager of BancoPosta Fondi.

Regarding the method of calculation, employees have been counted rather than the number of positions, so any uncovered positions or double positions have been excluded.

Employees* (head count)	u.m.	2024				
		Men	Women	Other	Not specified	Total
Executives	No.	548	190	0	0	**738**
under the age of 30		0	0	0	0	**0**
age between 30 and 50		149	73	0	0	**222**
age over 50		399	117	0	0	**516**
Middle managers		8,284	7,405	0	0	**15,689**
under the age of 30		36	27	0	0	**63**
age between 30 and 50		4,450	3,790	0	0	**8,240**
age over 50		3,798	3,588	0	0	**7,386**
Operational staff		50,205	58,465	0	0	**108,670**
under the age of 30		8,349	4,989	0	0	**13,338**
age between 30 and 50		25,425	27,712	0	0	**53,137**
age over 50		16,431	25,764	0	0	**42,195**
Total		59,037	66,060	0	0	**125,097**

*It should be noted that the workforce shown in this table corresponds to employees hired under permanent contracts, apprenticeships, fixed-term contracts and extracurricular internships.

Adequate wages

Disclosure Requirement ESRS S1 S1-10

All Poste Italiane Group employees are covered by the CCNL (National Collective Bargaining Agreement). Non-managerial personnel, in relation to the different degree of participation in the company's production process, the different professional contributions required and the different responsibilities associated to their roles, are classified into professional levels. In compliance with the provisions of Directive 2041 of 19 October 2022, which promotes collective bargaining as a means of determining appropriate legal minimum wages for all workers, the remuneration for each professional level is governed by the CCNL agreements for non-managerial staff and for managerial staff signed with the most representative trade unions at national level.

Persons with disabilities

Disclosure Requirement ESRS S1 S1-12

The Group recognises equal opportunities for all its people regardless of type and degree of disability. In this regard, it should be noted that the percentage of people with disabilities in the Group's own workforce is 4%. It is specified that this percentage is calculated in terms of headcount. Specifically, this category includes employees who, in the conditions set out in Articles 1 and 4 of Law no. 68/99:

- were employed as disabled persons within the meaning of Law no. 68/99 (e.g. war invalids, blind or deaf-mute individuals, persons with a reduction in working capacity of more than 45% or more than 33%, ascertained by INAIL, etc.);
- were employed as able-bodied persons and were subsequently classified under Law no. 68/99 in relation to their inability to perform their duties with recognition during the course of the employment relationship of a disability equal to or greater than 60% (greater than 33% in the case of reduced working capacity resulting from an accident at work or occupational disease not attributable to the employer pursuant to the rules on safety and hygiene at work ascertained by a court of law);
- were not employed through compulsory employment although they were already disabled prior to the establishment of the employment relationship, with a reduction in working capacity of 60% or more (more than 45% for mental/intellectual disabilities) or more than 33% in the case of an accident at work or occupational disease recognised by the INAIL medical commission.

Training and skills development metrics

Disclosure Requirement ESRS S1 S1-13

The Poste Italiane Group promotes the enhancement of human capital through the implementation of specific training and development initiatives aimed at the professional and cultural growth of its employees and of those involved in the Company's activities. In this regard, it has adopted periodic review systems on an annual basis.

It should be noted that the staff involved in the annual evaluation process are permanent employees and apprenticeship employees who have worked for at least 4 months in the year of reference; with respect to the workforce in service as at 31/12/2023, flexible staff and staff who do not meet the requirement of minimum permanence of service rendered in the year are therefore not subject to evaluation.

Percentage of employees who received regular performance and career development reviews during the reporting period, by gender and employee category	u.m.	2024				
		Men	Women	Other	Not specified	Total
Executives	%	100	100	0	0	**100**
Middle managers		99	99	0	0	**99**
Operational staff		81	88	0	0	**85**
Total		84	89	0	0	**86**

In order to promote the development of highly qualified and specialised profiles, the Group is committed to ensuring robust training programmes for its employees. In particular, an average of approximately 48 hours of training was guaranteed to all employees in 2024.

Average hours of training by gender and category of employees	u.m.	2024				
		Men	Women	Other	Not specified	Total
Hours of training provided to employees	*No.*	43.4	52.4	0	0	**48.2**
Hours of training provided to executives		28.3	33.1	0	0	**29.5**
Hours of training provided to managers		67	78.7	0	0	**72.5**
Hours of training provided to clerks		39.6	49.2	0	0	**44.8**

Health and safety metrics

Disclosure Requirement ESRS S1 S1-14

In line withthe Group's commitments to create a safe working environment, in accordance with the provisions of ISO 45001:2023 standards, the Group aims to minimise accidents at work by implementing all useful actions to prevent any form of accidents or occupational illness. In this respect, it should be noted that 100% of the Group's employees are covered by the Occupational Health and Safety Management System.

	u.m.	2024		
		Employees	Non-employees	Total
Percentage of own workers covered by the health and safety system based on legal requirements	*%*	100	46	95

	u.m.	2024		
		Employees	Non-employees	Total
Number of fatalities due to occupational accidents*/occupational diseases	*No.*	3	2	**5**
Number of recordable occupational accidents*, excluding those leading to fatalities		5,954	175	**6,129**

Rate of recordable occupational accidents	%	33.38	17.62	**32.55**

*The figure includes commuting accidents.

	u.m.	2024 Employees
Number of cases involving occupational diseases	No.	2
Number of days lost due to accidents at work*	No.	192,409
Number of days lost due to occupational diseases*	No.	25

*The figure includes commuting accidents.

Work-life balance metrics

Disclosure Requirement ESRS S1 S1-15

In line with the attention the Group dedicates to its employees, it aims to foster a constant work-life balance. In this respect, all Group employees are entitled, among other benefits, to specific family leave.

	u.m.	2024		
		Men	Women	Total
Percentage of eligible employees	%	100	100	**100**
Percentage of employees who took parental leave of those entitled to it	%	9	14	**12**

Remuneration metrics (pay gap and total remuneration)

Disclosure Requirement ESRS S1 S1-16

In the present reporting year, the gender pay gap, defined as the percentage variation between the average salary levels paid to female and male Group employees, was 2.07%. For the calculation, the theoretical gross annual salary (RAL) was used, considering the corresponding theoretical full-time value for part-time staff to ensure data comparability. The hourly wage was divided by the theoretical number of hours provided by the National Collective Labour Agreement[228].

With reference, on the other hand, to the ratio of the annual remuneration of the highest-paid individual to the median total annual remuneration of all employees, the figure stands at 104 in 2024. The KPI "Total annual remuneration of the highest paid person in the company", in line with the information set out in the Poste Italiane Remuneration Policy in the section on remuneration paid, prepared in line with the regulations set out in the Issuers' Regulations (Consob), refers to the Poste Italiane Chief Executive Officer and includes the fixed compensation, the monetary portion of the up-front and deferred variable short-term incentive (MBO) scheme and the fair value of equity compensation to which the value of fringe benefits has also been added. On the other hand, the median annual total remuneration figure for all employees was determined for the remaining staff, net of the CEO, and includes the following elements paid out during 2024: fixed remuneration including additional monthly payments, variable remuneration (MBO, Performance Bonus, Commercial and Operational Incentive), allowances (e.g. allowances for overtime work, allowances for night work, etc.) and the amount of fringe benefits. This value, in order to take into account staff joining/leaving during the year and part-time staff, was divided by the average FTE of 2024, resulting in a comparable per capita value. Observations with an FTE of zero and those with a per capita value below the theoretical contractual minimum (approximately €21,200 for non-managerial staff and €75,000 for managerial staff) were excluded.

[228] Specifically, 1,872 hours were considered (36 hours per week for 52 weeks)

Incidents, complaints and serious impacts on human rights

Disclosure Requirement ESRS S1 S1-17

The total number of reported discrimination incidents to the Poste Italiane Group that were found to be valid during the reference period, including harassment, was 7. For these reports, appropriate resolution actions were initiated by the competent functions.

In the present reporting year, net of what has already been specified with reference to reported incidents of discrimination, the Poste Italiane Group received 5 reports from its own workers through the reporting management system (whistleblowing). In compliance with the new Legislative Decree 10 March 2023, no. 24, by which the EU Directive 2019/1937 on "the protection of persons who report breaches of Union law" (so-called Whistleblowing discipline) was transposed into Italian law, and the ANAC Guidelines, adopted by resolution of 12 July 2023, all reports, received through the Portal in support of the whistleblowing management system, are encrypted so that it is not possible to recognise the identity of the whistleblower and distinguish which reports are made by employees. Finally, no serious human rights incidents related to their own workforce were recorded during the reporting period.

8.3.2. WORKERS IN THE VALUE CHAIN OF POSTE ITALIANE [ESRS S2]

The Poste Italiane Group places high priority to the protection and enhancement of workers in the value chain, recognising and improving their skills in order to generate shared social value. In addition, Poste Italiane is committed to progressively intensifying its responsibility for safeguarding the rights of all persons included in the value chain. Below is the list of relevant IRO resulting from the dual materiality analysis conducted by the Group, to which the policies and actions related to value chain workers are applied.

ESRS S2 - Workers in the value chain

ESRS SUB-TOPIC	IRO	Description	Time horizon	Value chain	Impacts	Strategic Business Unit
Working conditions	I	Lack of rights with respect to employment contracts and social protection with respect to workers in the value chain(-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Lack of protection of rights with respect to working time for workers in the value chain (-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Occupational accidents, injuries and diseases at work with reference to workers in the value chain (-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Inefficiencies related to supplier relations within the procurement process: Possible inefficiencies in the definition of relations with external suppliers, in operational activities, as well as in the Group's dependence on external suppliers, which may jeopardise the success of procurement activities	Short-term Medium-term	Upstream Own operations Downstream	-	Transversal
	R	Accidents / Injuries to workers or contractors at the workplace Accidents to workers or contractors at the workplace resulting from the execution of operational activities (e.g. acceptance, transport and sorting activities; postal product delivery activities with particular reference to the use of company motor vehicles and vehicles, counter activities)	Short-term Medium-term	Upstream Downstream	-	Transversal
Equal treatment and opportunities for all	I	Gender pay gap with reference to workers in the value chain (-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Social and labour inclusion of people with disabilities with reference to workers in the value chain (+) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Incidents of violence and harassment in the workplace with reference to workers in the value chain (-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services

	I	Plurality of the work context with reference to workers in the value chain (+) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
Other work-related rights	I	Incidents of breaches of workers' privacy in the value chain (-) (P)	Medium-term	Upstream Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Non-compliance with privacy regulations Processing of personal data in violation of applicable regulations	Short-term Medium-term	Upstream Own operations Downstream	-	Transversal
	R	Deterioration of reputation and non-compliance with human rights standards resulting from relations with suppliers who exploit child/forced labour in non-EU countries	Short-term Medium-term Long-term	Upstream Downstream	-	Mail, Parcels & Distribution

STRATEGY

Material impacts, risks and opportunities and their interaction with the strategy and business model

Disclosure Requirement ESRS 2 SBM-3

Poste Italiane includes in its strategy all workers in the value chain who may be significantly impacted by the activities carried out by the Group companies, including those related to its own operations and to the value chain, including through its products, services and business relations. In particular, the main types of workers included in the analysis are workers who work on the company's premises but are not part of the company's own workforce and workers who work for companies in the upstream and downstream value chain. In view of the type of procurement, with reference to logistics and works, prevalent components of the supply chain include couriers, transport and sorting workers, real estate workers and hygiene and cleaning services.

Through the analyses performed, no typologies of workers with particular characteristics, working in particular contexts or performing certain activities were identified that could be negatively impacted. In addition, regarding the non-EU countries of operation Hong Kong and China, for which there is a risk of child, forced or compulsory labour, the Group has identified the following risk: deterioration of reputation and non-compliance with human rights protection regulations arising from relations with suppliers who exploit child/forced labour in non-EU countries.

Lastly, the Group has not identified any significant generalised or systemic negative impacts on the operating environment and procurement activities, as their occurrence is linked to the occurrence of specific and circumscribed events, nor have any significant risks and opportunities been identified for the Group arising from impacts on workers in the value chain and their dependencies. With reference to the relevant positive impacts, on the other hand, Poste Italiane promotes the social and work inclusion of people with disabilities and the plurality of the work context through specific policies and actions that are more detailed in the following paragraphs.

MANAGING IMPACTS, RISKS AND OPPORTUNITIES

Policies related to workers in the value chain

Disclosure Requirement ESRS S2 S2-1

Poste Italiane, in order to manage the material impacts and risks on workers in the value chain, has adopted a Code of Ethics and an Integrated Policy, which is flanked by additional company policies and guidelines[229]. As of 2021, the Group has also achieved and maintained ISO 20400 - Sustainable Procurement, an international standard that defines guidelines to be integrated into corporate procurement processes to ensure a sustainable supply chain that does not create negative externalities for the environment and society. Through its policies, the Group is committed to respecting and actively disseminating the principles laid down in the regulations and standards issued by international organisations of reference, including the Universal Declaration of Human Rights and subsequent international conventions on civil and political rights and on economic, social and cultural rights, the UN Conventions on the Rights of Women, on the Elimination of All Forms of Racial Discrimination, on the Rights of the Child, on the Rights of Persons with Disabilities, the Declaration on Fundamental Principles and Rights at Work and the eight Core Conventions of the International Labour Organisation (ILO) and the 17 SDGs of the 2030 Agenda.

In this perspective, the Group is committed to assuming increasing responsibility for the protection of human rights, both in the interest of the people who work with Poste Italiane and those in the community in which it operates This commitment is dealt with in the Code of Ethics and the Policy on the protection and safeguarding of human rights, which describes the approach taken to ensure the protection of human rights for all persons working in the Group's value chain, including employees of suppliers and partners. In addition, these documents regulate various aspects concerning the prevention, condemnation and non-tolerance of any form of harassment, discrimination or violence, including forced labour, child labour and human trafficking, promoting fair and favourable working conditions and ensuring fair remuneration in accordance with collective agreements and regulations, as well as promoting freedom of association and the right to collective bargaining.

Moreover, Poste Italiane also pursues human rights protection through the Group's risk management model, which provides for:

- the identification of business activities and organizational areas in which a risk of human rights violations could occur, applying risk assessment procedures;
- the identification of suppliers and partners that may present human rights-related risks, through a multidimensional analysis of their profile that takes into account parameters such as governance, reputation, type of activities carried out and geographical areas of operation;
- the assessment of the risks identified in terms of impact and likelihood through specific metrics and the assessment of the adequacy of the mitigation and remediation measures taken in relation to the identified risks;
- the conduct of audits in the areas identified as being at greater risk within the Group and externally with suppliers and partners;
- the definition of prevention and mitigation action plans, also shared with suppliers and partners, which may include activities to extend, review and strengthen company procedures and controls and specific training and awareness-raising actions on human rights.

With a view to the extended accountability required by globalisation, the Poste Italiane Group is a convinced promoter of the same principles both internally and externally, with those parties that operate on its behalf (such as suppliers or, in

[229] For more information on the policies adopted by the Group with reference to workers in the value chain, reference is made to the paragraph "Summary of Policies" in Chapter "8.1 - General Information".

general, partners), including through constant collaboration with national and local institutions, foreseeing as a *modus operandi* the signing of memoranda of understanding and declarations affirming the protection of human rights, as well as, the permanent activation of forms of structured dialogue and shared participation with all stakeholders that are able to ensure their proactive involvement, also at a territorial level and in a uniform manner, in the areas of their respective competences.

With this in mind, the system for qualifying suppliers in the Group's registers requires compliance with the provisions of the law, as well as with the principles and rules of conduct contained in the Code of Ethics, the Integrated Policy and other corporate regulatory instruments. Each of the Group's suppliers, subcontractors and partners is required to formally accept not only the social and ethical principles set out in the Code of Ethics, but also those on anti-corruption and human rights.

Finally, even in awarding procedures, Poste Italiane emphasises the adoption of specific conduct criteria both in the structuring of tender procedures (including possession of ISO 37001 certification, obtaining the Legality Rating, adoption of a Code of Ethics/Conduct and policy), and in the subsequent awarding and contractualization phase through specific clauses.

Processes for engaging with value chain workers about impacts

Disclosure Requirement S2-2

Poste Italiane takes into account the point of view of the players in its value chain in order to manage the material impacts that affect them. In this respect, third-party workers with business relations and relationships with Poste Italiane and Group companies, such as customers, suppliers, freelancers and consultants, are among those who can activate the Poste Italiane reporting system[230]. In addition, the Group involves suppliers and business partners in the assessment of the Group's impacts within the framework of the dual materiality analysis, which is updated annually[231].

Poste Italiane, being an integral part of a network of associations operating nationally and internationally that aims to seek continuous stimuli and opportunities for discussion on sustainability issues, is able to propose a strategy in step with the evolution of the global context on ESG matters. Examples include the UN Global Compact, a voluntary initiative to implement universal sustainability principles and take steps to support the UN goals, and UN Women, a UN entity dedicated to gender equality that supports Member States in achieving gender equality. Poste Italiane also maintains relationships with the European Parliament, the European Commission, the Universal Postal Union (UPU), PostEurop, SGI Europe European Centre of Employers and Enterprises providing Public services (CEEP), International Post Corporation (IPC), and other institutions and associations in the Group's areas of expertise.

Starting from the wealth of information gathered by Poste Italiane when qualifying and selecting suppliers on the social sustainability characteristics of companies along the value chain, the Group has implemented a Vendor Rating system to monitor the performance of its suppliers. This system plays an essential role within the supply chain, having as its main objective the definition and implementation of a scoring model that allows an accurate assessment of suppliers in relation to quality, safety, punctuality and environmental respect of services offered, as well as commercial conduct and correctness of billing.

In the context of relationships with suppliers of works, services and supplies, Poste Italiane's contractual clauses are constantly updated based on new regulatory provisions and the specific needs communicated by the internal customer. In particular:

- regularisation of salaries: in the event of delays in the payment of salaries of the Organisation's (and/or the Subcontractor's) employees, the Group reserves the right, if the deadline for regularisation has elapsed without result

[230] For more details on the Whistleblowing System, see Chapter "8.4.1 - Business Conduct".
[231] With reference to the steps, roles and responsibilities of the dual materiality process, see Chapter 1 - General Information.

and if the grounds for such a request have not been formally and justifiably contested, to make direct payment of the outstanding salaries to those entitled, deducting the relevant amount from the sums due to the Organisation (or to the Subcontractor in the event of direct payment to it);

- enforceability of Collective Bargaining Agreements and social security and insurance contributions: the organisation ensures compliance with all legal and regulatory obligations towards its employees, regarding labour, social insurance and social security, assuming responsibility for all related charges. Furthermore, it undertakes to apply regulatory and remuneration conditions for the employees involved in the activities covered by the Framework Agreement, which are not inferior to those laid down in the collective labour agreements in force at the time of the agreement, taking into account the category and location in which the services are performed. The organisation also undertakes to adapt to any future changes in the applicable collective agreements and to continue to apply these agreements even after their expiry, until they are replaced;
- ethical and business conduct rules: commercial relations with suppliers and partners are conducted in mutual respect of criteria of impartiality, cost-effectiveness, transparency, loyalty and professional correctness, avoiding relationships that may generate personal advantages or conflicts of interest. In this perspective, the Poste Italiane Group promotes the adoption of ethical standards of conduct by its suppliers or partners and encourages the dissemination by the latter of ethical principles and social responsibility among the subjects that are positioned within the Group's supply chain. In relation to the above, Poste Italiane ensures, for itself and for its employees and/or collaborators, that in its relations with Poste Italiane Group it adheres to principles of good faith, diligence, collaboration, reliability, integrity, transparency, loyalty and professional fairness.

Processes to remediate negative impacts and channels for value chain workers to raise concerns

Disclosure Requirement S2-3

The reference channel that the Poste Italiane Group has made available to all stakeholders, including workers in the value chain, to communicate their concerns or needs is the Reporting Management System[232].

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Disclosure Requirement ESRS S2 S2-4; Minimum Disclosure Requirement ESRS 2 MDR-A

In response to material impacts and risks on workers in the value chain, Poste Italiane adopts a structured approach that includes preventive, mitigating and remedial actions.

Online course "Business and Human Rights Protection"

In continuity with previous years, the online course "Business and Human Rights Protection", launched in 2022, was delivered. A web page has therefore been implemented on the company website, from which suppliers can follow the 11 lessons that make up the course by connecting to the dedicated link. The course, delivered annually to the entire supply chain, promotes Human Rights as an integral part of the Poste Italiane Group's value system.

Main actions	Scope of application	Time horizons
Online course "Business and Human Rights Protection"	Procurement	Every year

With the aim of managing the relevant impacts that may affect workers in the value chain, the Group deploys economic and human capital resources belonging to the relevant functions (e.g. Purchasing Function and Human Resources and Organisation Function) according to their respective fields of competence. Furthermore, in order to identify the actions necessary to respond to adverse impacts and risks relevant to workers in the value chain, if the Group becomes aware of the occurrence of adverse impacts, it implements a process that provides for the timely identification of the problem, the analysis of its possible causes and the adoption of the necessary corrective measures and, at the same time, provides for risk management to be implemented through the Group Risk Management (RMG) model based on the Enterprise Risk Management (ERM) framework. In particular, specific internal organisational controls are identified at company level to define responsibilities, models and tools to manage the impacts and risks, with particular reference to legal aspects. On the other hand, regarding significant positive impacts, no further actions or initiatives are planned beyond what was already envisaged in the action plan described above. Finally, it should be noted that no serious human rights issues or incidents related to the Group's upstream and downstream value chain were detected during 2024.

[232] For more details on the Whistleblowing System, see Chapter "G1 - Business Conduct".

METRICS AND TARGETS

Targets related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

Disclosure Requirement ESRS S2 S2-5; Minimum Disclosure Requirement ESRS 2 MDR-T

The Poste Italiane Group, in order to manage the relevant impacts and risks related to workers in the value chain, as well as to contribute to the achievement of the commitments set and formalised within its Group policies, has defined a strategy that includes measurable, results-oriented and time-framed objectives to assess progress. Each target is monitored on an ongoing basis to assess how progress is in line with what the Group has set. The table below summarises the objectives set by the Poste Italiane Group in the area of workers in the value chain, indicating the relative targets for achievement, the scope, the baseline and the result achieved as of this reporting year.

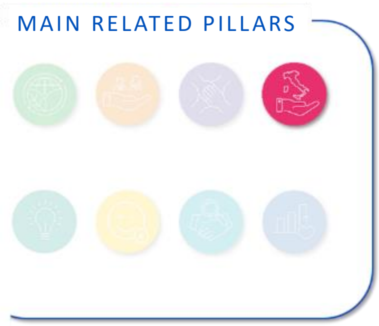
Target	Target	Target scope	Base year	2024 result
Carrying out sustainability audits (ESG) aimed at defining, establishing and consolidating a supply relationship compliant with the Minimum Safeguards and capable of supporting the process of alignment to the Taxonomy of economic activities acquired from third parties by the Poste Italiane Group	100% of the Group's qualified suppliers subject to sustainability audits by 2026	Procurement	2022	Carried out nationwide audits regarding the performance and management of framework agreements entered into by Poste Italiane as a result of competitive procedures subject to public contract regulations including those relating to construction and plant works
Evolution of the Group's sustainable procurement model with a view to mitigating ESG risks along the supply chain, through the assessment and monitoring of the degree of sustainability of the supply chain and the definition of a roadmap in line with the evolutions of the regulatory framework and in particular the CSDD (Corporate Sustainability Due Diligence Directive).	Definition of the sustainable procurement model with a CSDD perspective by 2026	Procurement	2024	new

The strategic objectives defined by the Group take into account the Group's operating context and stakeholder interests, as well as ESG-related regulatory compliance requirements. Poste Italiane carries out continuous monitoring with respect to the performance achieved and the degree of attainment of these targets, which are based on reliable data and measurements.

The objectives are defined from an analysis of the most recent regulatory developments in order to adhere to the requirements of national and international sustainability legislation. The Group carries out continuous monitoring with respect to the performance achieved, also in terms of improvements resulting from the latter, and the degree of attainment of these targets, which are based on reliable data and measurements.

8.3.3. AFFECTED COMMUNITIES [ESRS S3]

Poste Italiane confirms its commitment to supporting local communities by overseeing the implementation of modernisation and digitalisation processes aimed at increasing the well-being of citizens and the socio-economic development of the territory. The Group is dedicated to promoting organic and widespread social inclusion initiatives on a daily basis, with the aim of creating a positive impact in the context in which it operates. Below is the list of IRO found relevant by the Group's dual materiality analysis, to which policies and actions related to affected communities are applied.



ESRS S3 - Affected communities						
ESRS SUB-TOPIC	**IRO**	**Description**	**Time horizon**	**Value chain**	**Impacts**	**Strategic Business Unit**
Economic, social and cultural rights of communities	I	Presence of services and infrastructure in peripheral areas of the territory (+) (E)	Short-term Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Digital transformation of the country (+) (P)	Medium-term	Upstream Own operations Downstream	People Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Social exclusion of people experiencing economic hardship (-) (P)	Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Creating shared economic and social value for the community(+) (E)	Short-term Medium-term	Upstream Own operations Downstream	PeopleEnvironment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	O	Possibility of accessing funds and contributions for the realisation of initiatives benefiting peripheral urban areas, also taking advantage of the widespread presence in Italy that allows for visibility of the products and services offered throughout the country	Long-term	Own operations	-	Transversal

STRATEGY

Material impacts, risks and opportunities and their interaction with the strategy and business model

Disclosure Requirement ESRS 2 SBM-3

Regarding affected communities, all parties that may be materially impacted by the Group, including those related to the Group's own operations and value chain, including through its products and services as well as through its business relationships, are included in the scope of disclosure under ESRS 2. The main community subject to significant impacts due to the Poste Italiane Group's own operations or its upstream and downstream value chain is the Italian population given the capillarity of its activities throughout the territory. In particular, the specific communities most affected by Poste Italiane operations are those who live or work near the Group's main sites (operational sites, hubs, etc.). With reference to the affected communities, the significant negative impacts identified did not include generalised or systemic impacts on the Group's operations and procurement activities, as the occurrence of such impacts is linked to the occurrence of specific and circumscribed events. On the other hand, regarding the material positive impacts, the Poste Italiane Group favours the presence of services and infrastructures in the peripheral areas of the territory, the digital transformation of the country and the creation of shared economic and social value for the community through policies and actions that are described in greater detail in the section below entitled "Managing impacts, risks and opportunities". Finally, the Group has not identified any significant risks and opportunities arising from the impacts on and dependencies on the affected communities.

Regarding communities that are or could be adversely affected, on the basis of the materiality assessment, the Group has not identified types of communities with particular characteristics, living in particular contexts or carrying out certain activities, which may be more exposed to risk. Furthermore, the Group has not identified any significant risks or opportunities affecting specific groups of affected communities or all affected communities.

MANAGING IMPACTS, RISKS AND OPPORTUNITIES

Policies related to affected communities

Disclosure Requirement ESRS S3 S3-1

The Poste Italiane Group, in order to manage its material impacts on affected communities, together with any associated relevant risks and opportunities, has adopted a Code of Ethics and an Integrated Policy, which is flanked by corporate policies and guidelines aimed at protecting affected communities[233]. These include: the Policy on Community Initiatives and the Corporate Policy on the Protection and Preservation of Human Rights. Regarding community initiatives with the Polis Project, Poste Italiane aims to play a leading role in the country's recovery, fostering the well-being of citizens and their active participation in public life. The initiative takes a responsible approach aimed at reducing the Poste Italiane environmental footprint and contributing to the transition to a low-carbon economy, both domestically and globally. This project is fully in line with the Poste Italiane broader strategy of sustainable, digital and inclusive development.

In continuity with what has already been stated in the Code of Ethics, in the Group's Integrated Policy in terms of anti-corruption and in the corporate policy on the protection of Human Rights, as well as in the Policy on community initiatives, the Group contributes to meeting the needs of the socio-economic context in which it operates and of the reference community, both through typical business activities, characterised by the offer of products and services of a highly inclusive nature, and through specific initiatives of social utility and solidarity capable of positively affecting and benefiting the community. This is achieved through its own widespread network of post offices or through the involvement of corporate volunteers and/or the support of specific projects of social value through donations and sponsorships. The initiatives in question pay particular attention to the most vulnerable categories of people who experience hardship due to their physical,

[233] For more information on the policies adopted by the Group regarding affected communities, reference is made to the "Summary of Policies" paragraph in Chapter "8.1 - General Information".

mental, family, economic, ethnic and social conditions. The community support strategy consists of three main areas of intervention:

- accessibility and inclusion: the Poste Italiane Group is committed to providing its products and services to different groups of people and to reaching, also through the territoriality and capillarity of the network, those territories and population categories that may not have direct access to them, also due to specific personal or physical conditions. The same commitment is realised in the development of products that can simultaneously create economic value for the Group and provide a response to the social needs expressed by the population living in inland, peripheral or otherwise socially and economically disadvantaged or deprived areas;
- culture and education: Poste Italiane supports in a structured manner initiatives and projects carried out in the territory to disseminate cultural values and protect its historical identity, and to promote the right to education for all, starting with young people, with various tools and methods, such as the provision of scholarships, the organisation of training courses and the offer of freely accessible content, also with a view to digital inclusion;
- economic sustainability and social connectedness: Poste Italiane, in implementing the principles of subsidiarity and integrated sustainability, collaborates on an ongoing basis with central and local administrations, the Third Sector and local communities to address and take charge, in close connection and coherence with the planning of the reference stakeholders, of social needs arising from forms of disadvantage or situations of fragility, including those related to the occurrence of natural disasters, making available to the community its network of corporate volunteers, economic tools, technologies and resources that can promote recovery.

Consistently with the strategies adopted by Poste Italiane and in compliance with policies concerning the protection of human rights, sponsorship projects promote programmes of activities relating to and inspired by cultural and social inclusion issues, in a commitment to positively affect and benefit the community. Through its collaboration with central and local governments, the Third Sector and the Community, the Group actively involves stakeholders, maintaining an ongoing dialogue to understand and meet the needs of the most disadvantaged groups, thus contributing to the growth of the country system.

Finally, Poste Italiane has the Education initiative, which aims to promote campaigns, initiatives and opportunities for discussion aimed at encouraging dialogue with citizens on digital education, financial education, sustainability and logistics issues. In addition, the annual surveillance audit for the maintenance of the UNI 11402:2020 Certification - Citizens' Financial Education Service Requirements - was passed, confirming full compliance of the initiatives carried out with the financial education standards.

Processes for engaging affected communities on impacts

Disclosure Requirement ESRS S3 S3-2

Over time, Poste Italiane has confirmed its commitment to strengthening its presence throughout the country, paying particular attention to the development of projects in favour of local communities, with the aim of improving people's lives and preserving places and cultural traditions handed down over time by populations living in decentralised areas of the peninsula and, for this reason, potentially at risk of losing economic and social opportunities. Poste Italiane is a fundamental part of the Country's economic, social and production fabric and is a unique entity in Italy in terms of size, recognisability and widespread coverage. The Group's activities therefore generate significant impacts throughout the territory, also with a view to achieving the Sustainable Development Goals (SDGs). Community relations are a pillar of the inclusive approach adopted by the Group, enabling it to activate a widespread listening model, generating value for all those involved. To this end, Poste Italiane has set up a Sponsorship Portal within the institutional website www.posteitaliane.it, through which potential stakeholders can propose projects and obtain concrete support for their implementation. The Sponsorship Portal, which is accessible to all, allows applications for support to be submitted by filling in a special form. The steps of the application process are described in a guided and intuitive manner in order to allow maximum agility in preparing the application. When filling in, the sponsee's personal details, an indication of the area of intervention, a brief description of the project, and the qualitative and quantitative data of the initiative are requested.

The main drivers related to Sponsorship projects are identified in six thematic aspects and areas of intervention, which are: Social inclusion, Sport, Environment, Entertainment, Culture and Art. In this context, interventions that cover Social Inclusion issues are favoured, with projects that improve community life with a focus on initiatives to support fragile groups. Particular attention is given to sport as an engine to foster integration, team spirit and fairness as well as to initiatives aimed at environmental protection. Moreover, among its areas of special interest, Poste Italiane promotes initiatives that celebrate the national cultural and social heritage, and contributes to supporting the excellence and uniqueness of the country's various geographical areas, with the aim of fostering the well-being, growth and inclusion of territorial realities, especially the more peripheral ones, always taking care to ensure a transparent and rigorous process, punctually defined by company procedures. In order to ensure adequate governance of the matter, Poste Italiane makes use of a specific "Sponsorships and Product Placement" organisational unit, with a core of dedicated resources that carries out the necessary preventive checks on the reputation and soundness of the applicant, also with the help of a specific corporate function that draws up a report containing the results of due diligence checks on potential partners. All applications are then submitted for assessment to the "Sponsorship and Donations Committee" chaired by an external chair with high standards of professionalism, honour and independence. Following the Committee meeting and subject to a positive assessment outcome, the initiatives are submitted to the General Manager for approval and to the CEO of Poste Italiane for authorisation. For Sponsorships managed by Poste Italiane Group companies, on the other hand, specific reporting to the Parent Company is required on a quarterly basis. In addition, with regard to Sponsorships, a reporting template was developed, which is filled in by individual sponsees with respect to the projects implemented. The document sets out the qualitative/quantitative results, including the communication plan implemented, its scope and dissemination, the audience involved, specifying the participants, any induced effects on the area hosting the event and the media echo, press review and video/photo collection of the event.

The company's strategy for tackling social challenges reflects a strong commitment to the most vulnerable groups and the needs of the community, favouring initiatives that are spread throughout the country and often originate from local realities capable of generating significant social benefits. This commitment aims to maintain strong community ties and promote equity and inclusion, helping to bring tangible benefits and improved quality of life to the community as a whole. In compliance with the principle of transparency and integrity, collaborations have been set up with a wide and widespread network of stakeholders, pursuing, with each of them, different projects but always consistent with the Group's principles and values.

Processes to remediate negative impacts and channels for affected communities to raise concerns

Disclosure Requirement ESRS S3 S3-3

As described above with regard to the management of Sponsorship activities, the Poste Italiane Group adopts a structured approach at each stage of the process. In continuity with previous years, in 2024, Poste Italiane once again supported projects of social value as proof of its commitment to the inclusion of people in conditions of socio-economic fragility. In this context, the Sponsorship Committee, which met 13 times, evaluated 536 initiatives, of which 152 had a favourable outcome and 59 of these were in the category "Welfare and Social Inclusion". Through initiatives and interventions benefiting increasingly wide and capillary territorial areas, the Group involved the national territory, impacting 361 municipalities.

With regard to the specific channels that Poste Italiane has set up for affected communities to express their concerns or needs and receive assistance in this regard, reference is made to topic "G1 - Business Conduct".

Taking action on material impacts on affected communities and approaches to manage material risks and achieve material opportunities for affected communities, as well as the effectiveness of these actions

Disclosure Requirement ESRS S3 S3-4; Minimum Disclosure Requirement ESRS 2 MDR-A

In order to mitigate the negative impacts on the affected communities, Poste Italiane has developed specific actions, outlined below.

Polis Project

As part of the National Plan for Investments Complementary to the NRRP, the Group has continued to implement the Project "Polis – homes for digital citizenship services", a strategic project to support the social cohesion of the country that involves approximately 7,000 municipalities throughout the National Territory with a population of less than 15,000 inhabitants, in which the Post Office is transformed into a one-stop shop for public administration. The project also envisages the creation of 250 coworking spaces nationwide, 80 of them in municipalities with less than 15,000 inhabitants, and the implementation of numerous initiatives to support the country's energy transition. In the course of 2024, the ANPR registry certificate service was activated at Polis Post Office counters (from February 2024) and the passport application and renewal service (from March 2024). The Project will be completed by 2026.
With regard to Public Administration services, as at 31 December 2024, 7,347 passports had been issued at 2,052 Post Offices, 77% of which were requested by home delivery. In addition, 15,695 pension coupons and 3,915 Obis/M forms were issued at 6,928 Post Offices, as well as 6,411 other services, including 4,084 ANPR certificates from Totem. With regard to real estate initiatives, on the other hand, 102 recharging stations, 133 photovoltaic systems and 24 coworking spaces were active as at 31 December 2024, of which 13 in market areas and 11 in suburban areas.

For more details, reference is made to paragraph "4.5 Omni-channel approach and business segments" of the Report on Operations.

Cresco Award sustainable cities 2024

Poste Italiane also participated in the Sustainable Cities Cresco Award in 2024. The initiative, promoted by the Sodalitas Foundation in collaboration with the National Association of Italian Municipalities (ANCI) and in partnership with companies committed to sustainability, recognises the commitment of Italian municipalities to the sustainable development of their territories, in line with the objectives of the UN 2030 Agenda. The Group awarded the prize "For the sustainable development of small municipalities" to the municipalities of Alessandria del Carretto (CS) for the "Self-production of electricity" project, Ripa Teatina (CH) for the "Ripa Teatina Talea Family Centre" project, and Turriaco (GO) for the "The bicycle paths of music" project. The aim of the projects is to contribute to making cities and settlements inclusive, safe, resilient and sustainable.

Sponsorship initiatives

In 2024, Poste Italiane supported initiatives aimed at promoting the well-being of citizens and the enhancement of communities through multiple projects spread across the territories. During the year, the Group confirmed its commitment to citizens by supporting socio-cultural initiatives. To this end, special attention has been given to those initiatives aimed at concretely promoting the well-being of communities also through sport in all its participatory, inclusive and sustainable forms, favouring its presence in the territories of the South and the Islands and consolidating actions in favour of local realities, in order to contribute to a more equitable economic and social development. In addition, Poste Italiane emphasised the variety and quality of events organised throughout the country, from large metropolitan centres to small villages, highlighting initiatives celebrating scientific, cultural and artistic progress.

Volontariato d'Impresa **(Corporate volunteering)**

Corporate volunteering represents an ethical choice of the Group and a concrete commitment for the sustainable development of the community, in line with the values and principles stated in the Code of Ethics and the Sustainability Policies. In 2024, there were several initiatives, both spot and ongoing, in which the community was involved in implementing specific projects with Third Sector organisations. In cooperation with Differenza Donna, an association against violence against women, four digital training courses were organised for women victims of violence and the workers, in order to offer a pathway to regaining their autonomy, in line with the Autonomy in Housing project. Poste Italiane also took part in engagement initiatives in collaboration with the Italian Multiple Sclerosis Association (AISM), with three weekends ("Le Erbe Aromatiche di AISM", "Gardensia", "La mela di AISM") dedicated to fundraising to finance research and services, aimed at enhancing all the services needed by those living with multiple sclerosis and related diseases.

Housing autonomy

In 2022, Poste Italiane launched the "Housing Autonomy for Women Victims of Violence" project. The initiative is in continuity with the project already started on the employment inclusion of women victims of violence and their integration into the world of work. Specifically, the Group made available 10 dwellings from its real estate assets throughout Italy for women and mothers with minor children in difficult economic situations. The initiative involves 9 Anti-Violence Centres in as many municipalities, Third Sector realities committed to the fight against gender-based violence, and the Municipality of Bari. Thanks to this project, it was possible to accommodate a considerable number of women (63) accompanied also by minors (39) during the reporting period.

Education activities

The Financial, Digital and Postal Education programmes continued in 2024 with the aim of increasing citizens' awareness on issues of financial inclusion, technological evolution, sustainability and logistics-related issues. In particular, the year 2024 was characterised by the EDUFinTOUR, a tour that brought Financial Education close to the citizens who participated in the in-person events organised at Poste Italiane prestigious historical offices in the Private Market macro-areas. Following the broad consensus and active participation of citizens, the EDUFinTOUR, which was to end with the Florence stop, continued with two more stops in Bari and Milan. In addition, on the Financial Education website of Poste Italiane, the new section "A scuola di Economia" dedicated to very young children 6-10 years old (1st grade primary school) has been released.

In the field of Digital and Postal Education, important webinars were organised, the result of collaboration with relevant partners, such as, for example, the Postal Police, the FAO, in the valorisation of the MOU signed with this international organisation, and with corporate experts, also in support of the Poste Italiane plan, dealing with topics related, for example, to e-commerce, from a logistics and payments perspective. Finally, infographics, video podcasts subtitled and translated into Italian Sign Language were produced on topics such as SEO and indexing, Insurtech, Artificial Intelligence, search engines, and in-depth courses on specific topics.

Initiatives in schools

The Company has long taken care of the growth of the new generations through actions and projects aimed at strengthening the alliance between the corporate world and schools and offering orientation opportunities for students. In this context, Poste Italiane promotes initiatives in schools, also through the active involvement of business professionals. The actions implemented in the year 2024 were:

- "Next Generation" programme for school orientation and the development of soft skills for young people from vulnerable social backgrounds was concluded, to bring them closer to the labour market and prepare them for the jobs of the future;
- renewed commitment to the second edition of the two-year project "School4Life 2.0", developed in synergy with other large companies, with the aim of helping combat school drop-outs by supporting educational quality through intervention plans by Company professionals as role models, mentors and masters of trades in secondary and high schools throughout Italy. In the first year of the project, Poste Italiane collaborated with 10 schools (6 high schools and 4 middle schools), through the contribution of 20 role models and 4 mentors who met more than 600 students.

Poste Welcome Community Welfare Programme

The Group, in pursuing a new backbone of intervention with a social value, has implemented in Bologna the first experimental community welfare programme called "Poste Welcome" for the activation of inclusive services for employees, their families and local citizens, with particular attention to certain situations of vulnerability. In particular, the initiatives implemented were aimed at both young people in the 11-15 age group and parents, with workshops designed to foster young people's awareness of their growth path and to address the issue of youth discomfort, offering an overview of potential risk indicators and prevention strategies.

The following tables briefly summarise the action plan undertaken by the Group to achieve the goals and objectives of the relevant community policies, indicating the scope and time horizons of each action and, where applicable, the type and amount of financial resources used to implement them.

Main actions	Scope of application	Time horizons
Polis Project	Italy	2026
Cresco Award sustainable cities 2024	Small municipalities	Every year
Sponsorship initiatives	Italy	Every year
Volontariato d'Impresa (Corporate volunteering)	Italy	Every year
Housing autonomy	Women victims of violence	Every year
Education activities	Citizens	Every year
Initiatives in schools	Students	Every year
Poste Welcome Community Welfare Programme	Citizens	Every year

With particular reference to sponsorships and charitable donations, in order to mitigate significant negative impacts on the affected communities, the Group has adopted a "SELECT" sponsorship evaluation model, which makes it possible to strengthen the process through more robust media value calculation methods and standardisation of the qualitative evaluation of initiatives. The entire activity is governed by accurate procedural systems that ensure the prevention of situations potentially prodromal to the occurrence of negative impacts with particular regard to phenomena of social exclusion of people living in situations of economic hardship. In addition, the automation of the "SELECT 2.0" tool, developed with the support of the reference function and integrated into Poste Italiane systems, which will be fed with the quantitative data provided by potential partners on the web platform, has been implemented. With regard to relevant positive impacts, no further actions or initiatives are planned beyond what was already provided for in the action plan described above.

As described above, the Group has an adequate governance of the matter, the "Sponsorship and Product Placement" department, which, in the preparatory phase to the Committee's assessment, carries out preventive checks on the reputation and soundness of the applicant and the predictive economic assessment, in order to intercept and reduce any negative impacts. The results of these verifications are punctually reported for each initiative in the documentation submitted to the Committee for evaluation. In particular, when promoting Sponsorship initiatives, the Group acts preventively to identify potential negative impacts, such as the social exclusion of people living in situations of economic or cultural hardship or linked to peripheral territories of the country, anchoring its project actions to pre-defined drivers in line with the rationale behind the Sponsorship process.

In making investments invests for the benefit of the community, the Group operates in full compliance with the principles of integrity and transparency, in line with the provisions of the Code of Ethics and consistent with the values defined within the Group's guidelines. The methods with which Poste Italiane provides contributions by way of sponsorship and donations in favour of partners, bodies, associations and institutions operating in the area are defined by a specific "Sponsorships and Donations" procedure, which regulates the organisational measures, aimed at avoiding any possible conflict of interest.

METRICS AND TARGETS

Objectives related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

Disclosure Requirement ESRS S3 S3-5; Minimum Disclosure Requirement ESRS 2 MDR-T

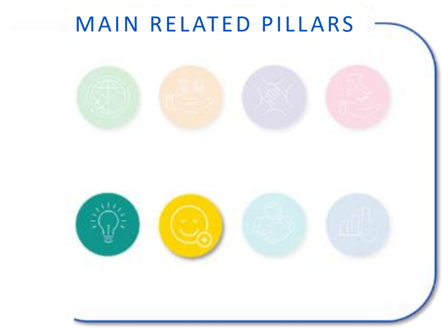
The Poste Italiane Group, in order to manage the impacts, risks and opportunities related to the affected communities, as well as to contribute to the achievement of the commitments set and formalised within its Group policies, has defined a strategy that includes measurable, results-oriented and time-framed objectives in order to assess progress. Each target is constantly monitored to assess how progress remains in line with what Poste Italiane has set. The following table summarises the objectives set by the Group within the affected communities, indicating the relevant achievement targets, scope, baseline and result achieved as at the present reporting year.

Target	Target	Target scope	Base year	2024 result
Strengthen the Employee Corporate Volunteering project through the development of a new engagement platform and the definition of social programmes integrated with the corporate sustainability strategy	1 engagement and training plan by 2024 3 programmes with social value by 2024	Italy	2021	1 engagement and training plan 3 programmes with social value
Polis Project	Creation of "one-stop shops" for 6,933 Post Offices located in small municipalities by 2026 Creation of a national network of 250 co-working spaces by 2026	Italy	2022	Polis: completed interventions 2,918 Coworking: completed interventions 81
Increase the number of sports and social initiatives supported by Poste Italiane in the southern regions and islands	Support at least 20% of initiatives in the sport and social sphere in southern regions and islands (number initiatives)	Italy	2024	+ 50%
Increase the number of social initiatives supported by Poste Italiane in favour of disadvantaged groups, with a special focus on people in fragile conditions and young people	Of the total initiatives supported by Poste Italiane, allocate at least 20% in the social field, with a special focus on people in fragile conditions and young people by 2025	Italy	2025	new
Education: initiatives aimed at fostering the adoption of conscious and sustainable financial choices and familiarity with the opportunities offered by the digital evolution, as well as launching new dissemination strands on sustainability and business issues	Initiatives/content for citizens/customers: 150 in 2025 and 150 in 2026	Italy	2024	new
Definition of Corporate Accelerator with "Hub&Spoke" model to support national entrepreneurship also from a D&I perspective (start-ups, female entrepreneurs, etc.)	4 initiatives by 2028	Italy	2023	2 initiatives: Regional analysis to identify areas of interest; Programme concept definition

Poste Italiane also contributes to the achievement of the Sustainable Development Goals defined in the United Nations 2030 Agenda. In making investments invests for the benefit of the community, the Group operates in full compliance with the principles of integrity and transparency, in line with the provisions of the Code of Ethics and consistent with the values defined within the Group's guidelines.

The annual target-setting process is carried out in line with corporate strategies. In this sense, the objectives are oriented towards ensuring support for the socio-economic development of the territory and promoting social inclusion initiatives, structured and widespread, with the intention of generating a positive impact in the context in which the Group operates. This is done through an inclusive approach and continuous dialogue with citizens, institutions and Third Sector associations, both locally and nationally. Poste Italiane pays particular attention to the most vulnerable people, determined by physical, psychological, family, economic, ethnic conditions, etc.

8.3.4. CONSUMERS AND END USERS [ESRS S4]



The Poste Italiane Group is an integral part of the social and productive fabric of the country, unmatched throughout the Italian territory in terms of size, recognisability, capillarity and trust on the part of its customers. Customer satisfaction constitutes a central objective for the Poste Italiane Group, which is committed to pursuing it by actively promoting moments of listening, also to ensure constant improvement in the quality of the products and services provided. In a context characterised by rapid development and evolution, with the ever-increasing spread of mobile devices, social networks, e-commerce, multi-channel services and artificial intelligence, offering a unique and distinctive experience becomes particularly important. Below is the list of IRO found relevant by the Group's dual materiality analysis, to which the policies and actions related to consumers and end users are applied.

ESRS S4 - Consumers and end users

ESRS SUB-TOPIC	IRO	Description	Time horizon	Value chain	Impacts	Business Unit
Information-related impacts for consumers and/or end users	I	Incidents of violation of consumers' privacy (-) (E)	Short-term Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Cyber attacks and data theft (-) (E)	Short-term Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Computer system malfunctions and/or security failures that may lead to personal data breaches, loss or compromise of information, operational blockages or slowdowns, customer disruptions	Short-term Medium-term	Own operations	-	Transversal
	R	Non-compliance with privacy regulations Processing of personal data in violation of applicable regulations	Short-term Medium-term	Own operations	-	Transversal
	R	Inadequate use of big data and artificial intelligence and an increase in privacy violations	Long-term	Own operations	-	Transversal
	R	Risks related to the regulatory/legislative framework for competition and consumer protection Tightening of regulations for competition and consumer protection, as well as unfavourable outcomes of investigations conducted by the competent authorities	Short-term Medium-term	Own operations Downstream	-	Transversal
Social inclusion of consumers and/or end users	I	Lack of access to products and services for the most disadvantaged user groups (-) (P)	Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Digitalisation of products and services and development of innovative solutions (+) (E)	Short-term Medium-term	Own operations Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Customer satisfaction (+) (E)	Short-term Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services

I	Economic damage to users who are uninformed about the products and services offered (-) (E)	Short-term Medium-term	Downstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
R	Failure to meet customer needs Provision of services and/or placement of products (also in integrated mode) that do not meet the real needs of business and retail customers in the postal/logistics, banking, insurance, payments, mobile and energy fields. Limited satisfaction of business and consumer customer needs, for different products and services, throughout all stages of the customer life cycle	Short-term Medium-term Long-term	Own operations Downstream	-	Transversal
R	Risks related to the regulatory/legislative framework for competition and consumer protection Tightening of regulations for competition and consumer protection, as well as unfavourable outcomes of investigations conducted by the competent authorities	Short-term Medium-term	Own operations Downstream	-	Transversal
O	Opportunity to ensure accessibility to health protection even for the weaker sections of the population by contributing to sustainable development	Long-term	Own operations	-	Insurance Services Mail, Parcels and Distribution
O	Greater ability than competitors to understand customer needs, also with reference to targets in the "digital divide"	Long-term	Own operations Downstream	-	Postepay Services Financial Services Insurance Services
O	Acceleration of the transition to digitisation, with a consequent increase in demand for the digital products offered by Poste Italiane	Medium-term	Own operations Downstream	-	Transversal

STRATEGY

Material impacts, risks and opportunities and their interaction with the strategy and business model

Disclosure Requirement ESRS 2 SBM-3

Poste Italiane includes in the scope of disclosure under ESRS 2 all consumers and end users that could be materially impacted, including those related to its own operations and the value chain. In particular, the types of consumers and/or end users subject to significant impacts generated by the activities of the Poste Italiane Group and along its value chain are individuals who use services that could have a negative impact on their privacy rights, personal data protection and freedom from discrimination, and individuals who are particularly vulnerable to privacy impacts or the impacts of commercial and sales strategies, such as the financially disadvantaged.

With reference to consumers and end users, no generalised or systemic negative impacts have been identified in the contexts in which the Group sells or provides its products or services, as the occurrence of such impacts is linked to the occurrence of specific and circumscribed events. On the other hand, regarding significant positive impacts, Poste Italiane favours the digitalisation of products and services and the development of innovative solutions, as well as customer satisfaction through policies and actions that are described in greater detail in the paragraph "Managing impacts, risks and opportunities". Furthermore, the Group has not identified types of consumers and/or end users with particular characteristics or who use particular products or services, who may be more exposed to risk.

Finally, the Group has not identified any significant risks or opportunities affecting specific groups of consumers and/or end users, nor any commercially relevant risks and opportunities arising from their impacts and dependencies.

MANAGING IMPACTS, RISKS AND OPPORTUNITIES

Policies related to consumers and end users

Disclosure Requirement ESRS S4 S4-1

Poste Italiane, in order to manage its significant impacts on consumers and end users, along with the associated risks and opportunities, has adopted a Code of Ethics and an Integrated Policy, which is supported by corporate policies and guidelines aimed at protecting consumers and end users[234]. These include the Company's Policy on the Protection of Personal Data, the Compliance Guideline for the Protection of Competition and the Consumer , the Group Management and Business Continuity Policy and the ICT Business Continuity Policy.

In the specific area of information security issues, Poste Italiane is also committed to carrying out its activities according to the most advanced principles of cybersecurity and personal data protection. Furthermore, the services provided are developed and managed in accordance with the main international standards, including: Quality (ISO 9001:2015); IT Service Management (ISO 20000-1:2018); Information Security (ISO 27001:2022) and Personal Data Protection (ISO 27701:2019); Cloud Code of Conduct (ISO 27017/18); Anti-bribery (ISO 37001:2016); Regulation (EU) 910/2014 eIDAS for Qualified Trust Service Providers; SPID Digital Identification Trust Service Provision Certificate.

Through its Corporate Policy on the Protection and Safeguarding of Human Rights, Poste Italiane implements a risk management model that envisages at least an annual audit of the company's activities and organisational areas that could entail a risk of human rights violations. These include activities and organisational areas with an impact on consumers and/or end users. The process provides for the adoption of international reference standards, the identification and classification of risk drivers related to human rights in relation to the Poste Italiane business, the performance of assessments to define critical areas, action plans, mitigation measures, and monitoring tools.

The variety of services and products offered by the Group, the continuous innovation and the natural integration of the offer with the capillary supply and distribution network, make compliance with the current national and international regulatory framework, with the contractual provisions established with customers and with international best practices, a relevant and unavoidable aspect that the Group must address, maintain and improve over time. In fact, the Group has appropriate Crisis Management and Business Continuity safeguards in place, which are compliant, valid, verified, updated and implemented in a timely and effective manner, in order to strengthen the resilience of the Organisation. Resilience is a strategic objective for the Group to pursue, to enable the Organisation to react promptly to incidents and crises that may threaten its existence or the achievement of its objectives.

Furthermore, the Group is committed to guaranteeing the privacy of customer data, protecting intellectual property and ensuring an effective information security and cybersecurity management system in order to guarantee the continuity of its services, protect its own information assets, those of its customers and other stakeholders, as well as the security of transactions. The involvement of data subjects is managed mainly through data breach processes and the exercise of rights under the GDPR. The competent functions, in line with the company's internal procedures, are responsible for analysing the requests received from consumers, in cooperation with the relevant company structures providing appropriate feedback. Poste Italiane has also implemented specific actions aimed at avoiding the recurrence of breaches of the confidentiality of personal data that could compromise the rights of data subjects, in order to ensure the timely handling and communication of reports of ICT malfunctions and inefficiencies involving the competent corporate functions. In addition, the Group takes immediate corrective action to resolve identified issues and, in accordance with business processes, plans and implements the necessary technological and business improvement and evolution plans.

[234] For more information on the policies adopted by the Group with reference to consumers and end users, reference is made to the paragraph "Summary of Policies" in Chapter "8.1 - General Information".

Finally, it is specified that the consumer and end user policies adopted by Poste Italiane fully comply with the relevant international regulations, including the UN Guiding Principles on Business and Human Rights, with particular attention to the protection of the rights of all consumers. In this context, company policies comply with the requirements of the GDPR (General Data Protection Regulation) to ensure that users' fundamental rights are adequately protected. In addition, the IT services that support financial, insurance and payment products are fully compliant with industry regulations, such as Bank of Italy Circular 285, and are in the process of being fully compliant with the EU DORA (Digital Operational Resilience Act) Regulation, which regulates payment systems and financial services respectively, thus ensuring that business operations are conducted in full compliance with European regulations.

Processes for engaging with consumers and end users about impacts

Disclosure Requirement S4-2

Poste Italiane adopts a structured approach to the involvement of consumers and end users in order to guide its decisions and activities in managing the actual and potential material impacts on them. At the same time, it ensures their continuous involvement through the dissemination of information via its official channels, such as its website, press releases and social media.

Poste Italiane adopts a structured system of listening to its *customer base*, articulated along two complementary lines:

- transactional (or hot) listening: it consists of gathering the customer/user experience at the very moment they interact with the Group's products or services. This system is implemented on about 300 main experiential touchpoints and enables the collection of millions of direct experiences annually. In particular, the following are used: static buttons on the information and active pages of the poste.it website and apps, which allow customers to autonomously activate a survey; targeted pop-ups, which appear on certain pages of the website and apps to collect immediate feedback on the services used in a generalised or randomised manner; survey invitations by e-mail or automated IVR calls, sent following interaction in physical channels, to collect timely feedback;
- relational (or cold) listening: this aims to collect customers' perceptions in moments not immediately following a transactional interaction, in order to identify the elements of the experience with Poste Italiane that are consolidated over time. This activity is carried out every six months on a statistically representative sample of the customer base, including comparative analysis with competitors in individual businesses.

The involvement model involves several operational steps, including:

- collection and analysis of spontaneous and solicited feedback from customers, also with reference to main competitors;
- real-time monitoring of interactions at physical points of sale and on digital channels;
- advanced data analysis through artificial intelligence tools, semantic engines and text analysis techniques;
- production of detailed reports, with dedicated dashboards for each business unit and customer contact point;
- identification of priority areas for improvement, followed by the implementation of short- and medium-term action plans;
- measurement of the benefits of implementing the improvement actions and comparison with market benchmarks.

In addition, the Group also involves its customers in service creation and design processes through targeted surveys aimed at understanding interest in new products or services, satisfaction with existing products and services, and ease of use of channels. In particular, by leveraging a proprietary *panel* (DilloaPosteItaliane) with around 20,000 subscribers, Poste Italiane recruits for each survey the customers most in line with the product or service being analysed. Customers, joining on a voluntary basis, provide their views, e.g. by answering quantitative surveys or participating in one-to-one interviews. In addition to the proprietary panel, consumers participating in external communities are also involved in crowd testing and mystery shopping.

In order to evaluate the effectiveness of involvement, actions taken are aimed at collecting and analysing the feedback received, through Inner Close the Loop and Outer Close the Loop processes. In detail, the Inner Close the Loop process intervenes directly with customers expressing dissatisfaction or satisfaction, activating caring actions for dissatisfied customers and commercial engagement strategies, such as cross-selling and up-selling, for satisfied ones. In this regard, Poste Italiane implemented a series of interventions based on the insights gained from active customer listening, with a positive impact on the customer experience. These include the App Poste Italiane, a single application that offers customers an integrated access point to all Group services, overcoming the division between business areas and improving the relationship with each customer. In addition to the app, improvements have been made to the poste.it retail site, including the simplification of tracking, the enabling of the sale of the *Libretto Smart* via SPID (*Sistema Pubblico di Identità Digitale* - Public Digital Identity System), and the introduction of SPID identification for accessing post office services.

The point of view of consumers and end users is also constantly monitored in the context of Information Security activities. In particular, stakeholders, such as internal customers and third parties, are involved in the testing, assessment and drafting of cybersecurity policies. In particular, the preliminary discussion relating to the stipulation of the service contract enables the proper performance of activities with the customer such as, for example, the third-party assessment required under the DORA provisions, monitoring activities (e.g. Security by Design, Security Planning and Risk Analysis) or exercises relating to the Operational Resilience Plan, directly involving consumers.

At the governance level, the outcome of the analyses and initiatives resulting from the listening model is addressed both to Management and to the specialised Level II Functions, thus ensuring an effective integration of the results in Poste Italiane decision-making processes. The monitoring and implementation of improvement actions are supervised by the Executive Board, ensuring that the involvement of consumers and end users concretely contributes to the strategic and operational orientation of the Group. The listening process also integrates a comparative analysis with the main competitors, by measuring the NPS (Net Promoter Score), to assess Poste Italiane performance in a competitive context. All this information feeds into a Customer Experience Improvement Plan, which defines and plans the main actions to be taken to improve the customer experience. This Plan is updated quarterly and is coordinated by the relevant function, with the direct involvement of the managers of all the Group's Business Units and Channels.

Furthermore, in the event that a personal interest is compromised, consumers are contacted directly, in a manner determined according to the specificity of the situation. In particular, in cases of personal data breaches, the Data Breach Committee, coordinated by the Privacy function, assesses how to handle the event, involving the relevant corporate functions according to the seriousness and nature of the compromise. In addition, the involvement of consumers and users also extends to the business simulation and pre-testing phases for the release of new ICT services in order to assess their impact on the entire customer base. At the same time, when handling reports, the Group ensures targeted interaction through the relevant corporate functions in order to guarantee timely and effective responses.

Poste Italiane takes specific measures to better understand the views of consumers particularly vulnerable to impacts, such as persons with disabilities, minors and other at-risk groups. In particular, processes are implemented for in-depth analysis of data breaches and stakeholder instances, in order to detect and address any vulnerability issues of specific user groups in a timely manner.

Processes to remediate negative impacts and channels for consumers and end users to raise concerns

Disclosure Requirement ESRS S4 S4-3

Poste Italiane adopts a structured and integrated approach to remedy significant negative impacts that may arise for consumers and end users, and provides channels for these parties to express concerns and receive assistance in this context. In this regard, the Group has developed a complaints management system that is easily accessible to all, including the most vulnerable groups, such as those at risk of exclusion due to financial illiteracy. To this end, the rate of complaints is monitored on an ongoing basis for each business area, in order to activate processes of service evolution and improvement. This proactive approach allows malfunctions or disruptions to be identified and corrected in a timely manner, prioritising corrective actions based on key performance indicators (KPIs) such as impact on customer experience, number of customers affected and economic impact.

With a view to strengthening the organisation's resilience, the Group has adopted a model for crisis and business continuity management which consists of the following 4 layers (1 - Group Crisis Management System, 2 - Group Business Continuity Management System, 3 - Group Incident Management System and 4 - Internal Control System which is transversal to the 3 above).

The Group has adopted the Group Crisis Management Plan with the objective of preparing the organisation for crisis response and recovery (or return to normal operations). This plan is developed and organised according to the different phases that make up the crisis management process and sets out the activities and related responsibilities to be undertaken in order to restore normal operations, as well as to fulfil all regulatory obligations applicable to the Group's Obligated Persons. The organisation's preparation for, response to and recovery from a crisis must be consistent with the following principles, guaranteed by the adoption of the Group Crisis Management System:

- prevention - identifying risks, problems and potential sources of crisis;
- organisation - preparing with specific, clear and understandable structures, roles and responsibilities
- competence - ensuring that people with specific crisis management roles are competent through appropriate training, practice and evaluation of their knowledge, skills and experience.

In this sense, the Group has defined an organisational model for crisis management, identifying the roles to be involved, progressively and according to the severity of the case, for the management of the crisis event, in order to guarantee the appropriate extraordinary decision-making authority necessary for crisis management; the ability to operate under conditions of intense operational stress; the maintenance of exceptionally tight decision-making times; and an adequate level of internal and external communication within the Group, including with the Supervisory Authorities of the Obligated Persons.

In parallel, the Group pays particular attention to the protection of consumers' and end users' personal data, recognising that information security is a key factor for user confidence. In this context, Poste Italiane implements a wide range of preventive and risk mitigation measures, including:

- proactive monitoring and management of vulnerabilities through Critical System Exposure tools, Penetration Tests and security audits;
- cyber Threat Intelligence and Information Sharing, for the early identification of emerging cyber threats and the prevention of potential attacks;
- brand protection, aimed at preventing fraudulent use of the company brand and the risk of consumer fraud;
- incident management and immediate response in the event of data compromise, to minimise the impact on users;
- staff awareness and training, in order to reduce the risk of human error, which is often the primary cause of security breaches.

In addition, in the context of cyber security incident management, the Group's CERT (Computer Emergency Response Team) takes prompt action to prevent, mitigate and respond to cyber threats that may harm the interests of end users. The CERT coordination activity, involving various corporate functions and, if necessary, external authorities, helps to reduce response times and limit the impact of incidents. The operation of the CERT is governed by specific guidelines and procedures.

Poste Italiane has set up a variety of specific channels to allow consumers and end users to directly communicate their concerns, needs or reports, ensuring timely and effective assistance. These channels are made available both directly by Poste Italiane and through participation in third-party mechanisms. In particular, the Group provides consumers with a call centre service, via a telephone number that can be contacted from both fixed and mobile networks. For written enquiries, including assistance and complaints, the following channels are available: e-mail, PEC, fax, paper mail at post offices or the registered office, and hand delivery at a post office. In addition, it is possible to submit requests via the online form available on the official Poste Italiane website. Regarding the protection of personal data, the company has set up digital and physical channels, in accordance with the provisions of the GDPR, to collect reports on privacy and data protection issues. To this end, a Privacy Service Centre has been set up, which, in cooperation with the Customer Service Department, handles the communications and updates required in these circumstances. In addition, Poste Italiane provides its customers with a specific public mailbox for reporting suspicious requests for personal information, financial data or access codes, through digital communication. Poste Italiane employees can make reports of potential abuses and breaches of confidentiality of information by contacting the CERT directly through the dedicated mailbox, which are forwarded to Information Security for all cases pertaining to them.

Finally, Poste Italiane also makes available a public whistleblowing portal for all those (including customers) who wish to submit cases of potential illegality or alleged wrongdoing also in relation to breaches of confidentiality of information[235].

The Group adopts structured control and monitoring methods to address issues raised by customers and to verify the effectiveness of the communication channels made available. On a regular basis, the Customer Service Department prepares detailed reports on customer interactions with the Contact Centre and complaints received in a given time period. Reporting highlights the progress of reported phenomena, the identification of any emerging critical issues and allows corrective action to be taken where necessary. Regarding ICT services, Poste Italiane proactively monitors their proper functioning, promptly reporting malfunctions and inefficiencies to the competent corporate functions. In addition, a service desk service is made available to take charge of and address ICT issues, in order to ensure a rapid and appropriate response to problems raised by customers.

Poste Italiane ensures that consumers are aware of the facilities and processes available to them to express concerns, needs and receive assistance. Regarding to the protection of persons using these facilities, the Group has implemented specific processes to protect the identity of complainants, ensuring that all reports can be made in a secure and confidential manner.

Taking action on material impacts on consumers and end users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Disclosure Requirement ESRS S4 S4-4; Minimum Disclosure Requirement ESRS 2 MDR-A

In response to material impacts, risks and opportunities on consumers and end users, Poste Italiane adopts a structured approach that includes preventive, mitigating and remedial actions to ensure customer protection and satisfaction.

Customer service developments

In order to increase inclusiveness by enlarging the customer base that can access assistance, and to optimise and reduce the risk associated with the service model, Poste Italiane favours the automation of the management of assistance requests by means of Artificial Intelligence in order to optimise customer response times, increase customer satisfaction levels, and improve the operational efficiency of internal staff. With a view to evolving the way operators work to serve customers, through a fruitful Human-Machine collaboration, Poste Italiane has planned several initiatives. Among these, the first initiative launched is a new Knowledge Management model (AI Know) based on generative AI, which consists of making

[235] For more details on the Whistleblowing System, see paragraph "8.4.1 - Business Conduct".

product information and procedures useful for managing customers available to internal staff via real-time conversational chat. The source content (knowledge base) is certified and internal to the Group. Customer service evaluates the responses through structured feedback and thus generates a virtuous circle of continuous improvement of the model. Both content maintenance and feedback are worked on by specialists with new skills (future proof competence model with human in the loop). Further initiatives also follow these principles and contribute to making the role of customer service operators more and more sustainable. To date, AIKnow is present in several branches and has generated more than 1 million interactions with an average accuracy level of 93%. Poste Italiane also enables its customers to familiarise themselves with the new AI tools. This exposure to customers of AI-enabled services (which have already been available for some time and will be increasingly enhanced) contributes to generating digital inclusiveness among citizens (more than 100 million customer-AI interactions for assistance in the various business perimeters since the introduction in 2019).

Digitalisation of back office processes

In order to reduce the negative impacts on managed customers and optimise and reduce the risks associated with the service model, the Group is digitalyzing back office processes with the aim of optimising file handling times, increasing customer satisfaction and improving the efficency of internal operators, as well as reducing the use of paper.

Customer service biometric recognition

In order to increase the inclusiveness of the service by enlarging the customer base that can access assistance and to optimise and reduce the risk associated with the company's overall service model, biometric recognition (via voice print in combination with a secured number) was implemented for customer assistance, which also reduces the time required to access the service.

Poste Italiane App

In order to provide customers with a single access point to the Poste Italiane service platform by overcoming the fragmentation of channels and products and services (from 3 Apps to 1 Poste Italiane App), as well as to ensure a customer-centric approach by offering an integrated and simple experience across channels aimed also at increasing the use of its services, Poste Italiane has developed a dedicated application that allows access to all services provided to customers. In the 2025-2026 timeframe, the Group planned to increase application utilisation by increasing the services available on digital channels in everyday and lifetime needs management. The new app adapts to the behaviour and needs of the individual customer thanks to a high degree of customisation through the use of artificial intelligence and the application of the 4 identified aspects (dedicated functionality, relational model, content, visual identity) and the 92 elements of content customisation within it.

Gas vulnerability protection service offer

Pursuant to Decree-Law no. 115 of 9 August 2022, PostePay provides the natural gas supply service to which vulnerable customers are entitled. The offer includes the application of economic and contractual conditions regulated by ARERA (Regulatory Authority for Energy, Networks and the Environment) and is proposed by law by every supplier on the free market. Customers are identified as vulnerable if they meet at least one of the conditions set out in Decree-Law no. 115 of 9 August 2022, converted by Law no. 142 of 21 September 2022, namely: being in economically disadvantaged conditions pursuant to Article 1, paragraph 75, of Law no. 124 of 4 August 2017; being among persons with disabilities pursuant to Article 3 of Law no. 104 of 5 February 1992; having their utilities located in emergency housing facilities following catastrophic events; being aged 75 years or over.

PosteMobile facilitations for users with disabilities

In compliance with Resolution 290/21/CONS "Provisions on measures reserved for consumers with disabilities for electronic communication services from fixed and mobile locations", PostePay reserves dedicated offers at a subsidised price for its telephony customers. Deaf users (users defined as such pursuant to Article 1, paragraph 2, of law no. 381 of 1970), totally blind users (users defined as such pursuant to Article 2, law no. 138 of 2001), partially blind users (users defined as such pursuant to Article 3, law no. 138 of 2001), disabled users with severe walking inability (users receiving tax benefits pursuant to Article 30, paragraph 7, of law no. 388/2000 certified in the disability reports), users in whose households (i.e. all the persons residing in the dwelling from which the benefit is requested) there is a deaf person, totally blind person, partially blind person or invalid with severe walking ability limitations.

Continuous improvement of the poste.it retail site to enhance access to information and services of the Poste Italiane omnichannel platform

Poste Italiane has developed a continuous improvement process for its website in order to address customer feedback such as issues encountered for shipment tracking searches, which were considered very complex, or when searching for physical locations and premises (Post Offices, PuntoPoste, ATMs) to facilitate user reachability. Finally, Poste Italiane has implemented initiatives to simplify the surfing of various areas of the site, facilitating, for example, the surch of products, their purchase and services use, Poste Italiane has developed a constant implementing and improving process for its website.

Omnichannel notice board

Poste Italiane has developed an omnichannel notice board to provide customers with the results of sales and transactional operations carried out across multiple channels and ensure easy and intuitive searchability.

New platform called "Privacy audit of the Data Controller (pursuant to Article 28 of the GDPR)"

The aforementioned platform has been established as a tool to support Poste Italiane acting as Data Controller under the GDPR, in overseeing the Privacy controls defined by the relevant functions when assigning its data processing to third parties.

The objective is to support these functions in the performance of audits towards suppliers in accordance to the Article 28 of the GDPR, in order to guarantee the data protection (consumers, end users, employees, etc.) implemented by third parties in compliance with the Regulation and the relevant legislation.

Evolutionary maintenance of the data breach management platform

With the aim of reinforcing data confidentiality and making data breach management more efficient, evolutionary maintenance of the data breach management platform has been carried out.

Evolutionary maintenance of the privacy plan management platform

With the aim of ensuring the effectiveness of second-level monitoring, improving and expanding the monitoring of privacy-related recovery actions, evolutionary maintenance of the dedicated platform has been carried out.

Security rating of the Group's front end

To provide greater security of the Group's front ends and better protection of consumer information, an external rating of the front end platform was requested via Bitsight, achieving a score of 770. An additional Bitsight rating is planned to be carried out by 2025. The Bitsight platform rating is a rating provided by an external platform that compares the security posture of different companies and provides a comparable company-to-company rating. This rating is an excellent support for the CERT function to understand the security level of its front ends compared to those of competitors. The rating ranges from a value of 250 to 900.

Incident drills

With the aim of improving coordination in incident response,reducing resolution times, and thus building greater confidence in the Group, three incident drills were conducted and an equal number is planned to be carried out by 2025. In the drills, incident scenarios are created to test the communication flows between the different corporate functions, also simulating external players (media and authorities). In addition, an internal portal is provided where employees can read, watch features and web series, as well as try their hand at cyber security material.

Cyber Security Programme

The project aims to ensure a strengthening of consumer information protection also through phishing simulation campaigns aimed at employees most exposed to such risks. Campaigns vary in degree of complexity, allowing employees to train themselves to recognise malicious emails and thus reduce the business risk of personal credentials being compromised.

SuperSite: transformation of the poste.it retail site

The transformation path undertaken aims to design an innovative site in line with Poste's values such as trust, proximity, modernity, security and simplicity, reaching every possible target of customers with a simple and comprehensive language.

Efficient resilience of IT services

With the aim of enhancing the availability, reliability and security of the ICT infrastructure, the negative impacts resulting from the unavailability and unreliability of the ICT infrastructure supporting business processes have been reduced by optimising and reducing the risk of the overall corporate service model. The Procedure for the management of IT malfunctions and disruptions, together with the Incident and Problem Management processes, determines the definition of remediation plans and the monitoring of the resolution of related tickets.

Management training on cybersecurity topics

In order to increase top management awareness of new cyber threat trends, management training initiatives on cybersecurity-related topics were implemented, to be carried out over the 2024-2026 timeframe.

Workshops and seminars on regulatory developments, (e.g. DORA, NIS2, Circ. 285)

With the aim of achieving high quality and safety standards, training workshops and seminars were initiated on the impacts of new national and international legislation, to be achieved in the 2024-2026 timeframe.

Extending the scope of risk analysis to new business units and Group companies

In order to manage and mitigate corporate cyber risk and reduce negative impacts on end users, the scope of the risk analysis was extended to new business units and Group companies, to be completed in the 2024-2026 timeframe.

Encouraging the online opening of current accounts and postal savings passbooks and the purchase of financial products

The action is aimed at enabling customers to access omnichannel services, particularly for populations in peripheral areas, even on days and times when the Post Office network is closed, fulfilling the commitment to maintain these openings in 2025 and achieving the following results: 8% of digital accounts out of the total number of bank accounts opened; 9% of postal savings passbooks openings from Web and App; 15% of subscriptions of financial products from digital channel (Postal Savings Bonds BFP, Deposito SuperSmart, Postefuturo Investimenti, Funds).

Launch of new SCM area (Mobile Consultant Specialist)

In order to allow customers living in peripheral areas access to specialised advisory services on financial products, the new SCM area structure was launched with the introduction of a double specialist figure (SCM dynamic/personal) to improve the coverage of the most difficult-to-reach geographical areas. The improvement of territorial coverage is aimed at providing support on financial products at Post Offices that do not have the daily presence of a Financial Advisor.

Maintaining products and services dedicated to the most vulnerable customer groups

With the aim of supporting the most vulnerable segments of the population in order to foster financial inclusion was the renewal and evolution of products/services dedicated to the most vulnerable segments of the population such as: Young people's mortgage, Basic Account, mortgage repayment suspension, women victims of gender-based violence, voucher for minors, super smart pension deposit, free insurance on pension withdrawals.

Accessibility Project

In 2024, Poste Italiane adopted structured controls and processes for accessibility compliance, managing the activities necessary to ensure compliance with the requirements of the AgID Guidelines, in compliance with the regulatory provisions of Law no. 4 of 2004 and subsequent updates.

In particular, the Group set up a dashboard to monitor the accessibility status of digital channels, the assessments carried out and the accessibility declarations produced, also indicating the necessary adaptation actions and the related timelines. Through the same dashboard, it is also possible to obtain reporting on any reports received and feedback provided.

In addition, a series of action plans were defined to adapt and revise the Group's digital channels (apps and sites), which included the creation of the new Posteitaliane App, which replaced the Post Office App and will soon also replace the Bancoposta App and the Postepay App as well. In parallel, Poste Italiane strengthened its customer service channels, improving the chat channel and the use of chatbots with the aim of making them accessible to people with disabilities.

Digital Signage Project

With the aim of continuing its commitment to value generation, confirming its role as an Innovation Hub for the Country System, the Group has launched a project (Digital Signage) to activate a platform of streaming content in post offices that are part of the Polis project and to digitalise them through the deployment of digital showcases for customised content management.

The following tables briefly summarise the action plan undertaken by the Group to achieve the goals and objectives of the consumers and end users policies, indicating the scope and time horizons of each action and, where applicable, the type and amount of financial resources used to implement them.

Main actions	Scope of application	Time horizons
Customer service developments	Customers	2028
Digitalisation of back office processes	Poste Italiane	2028
Customer service biometric recognition	Customers	2028
Poste Italiane App	Citizens	2026
Gas vulnerability protection service offer	Citizens	Every year
PosteMobile facilitations for users with disabilities	Citizens	Every year
Continuous improvement of the poste.it retail site to improve access to information and services of the Poste Italiane omnichannel platform	Citizens	2024
Omnichannel notice board	Citizens	2024
New platform called "Privacy audit of the data controller (pursuant to Art. 28 GDPR)"	Poste Italiane	Every year
Evolutionary maintenance of data breach management platform	Poste Italiane	Every year
Evolutionary maintenance of privacy plan management platform	Poste Italiane	Every year
Group front end security rating	Poste Italiane	2025
Incident drills	Poste Italiane	2025
Cyber Security Programme	Poste Italiane	Every year
SuperSite: transformation of the poste.it retail site	Citizens	2027
Efficient resilience of IT services	Poste Italiane	2028
Management training on cybersecurity topics	Poste Italiane	2026
Workshops and seminars on regulatory developments, e.g. DORA, NIS2, Circ. 285)	Poste Italiane	2026
Extending the scope of risk analysis to new business units and Group companies	Poste Italiane	2026
Encouraging the online opening of current accounts, postal savings passbooks and the purchase of financial products	Customers	2025
Launch of new SCM area (Mobile Consultant Specialist)	Customers	2025
Maintaining products and services dedicated to the most vulnerable customer groups	Customers	2025
Accessibility Project	Citizens	2025
Digital Signage Project	Italy	2027

Poste Italiane constantly monitors and evaluates the effectiveness of the actions and initiatives undertaken to manage the material impacts, both actual and potential, on consumers and end users by following the DEMING (Plan-Do-Check-Act) cycle, which includes a constant verification phase and a continuous improvement process.

The process includes the continuous monitoring of the progress of remediation actions, as well as the adoption of the necessary measures to ensure full compliance with continuity objectives and industry regulations, always with a view to offering maximum protection to its customers. The quantitative rating provided by Bitsight is another monitoring tool. The effectiveness of phishing simulation campaigns is assessed by monitoring the compromise rate, i.e. the percentage of employees who interact with malicious links or attachments during simulations.

In the context of data breach management and the Privacy Review, a set of specific corrective actions is defined, aimed at mitigating risks and remedying identified impacts. These actions are then closely monitored and managed by the relevant corporate functions and the Management System to ensure their effectiveness and timely implementation.

In particular, already in the design/creation phase of services/products aimed at the end consumer, the specialised units in charge preventively analyse impacts to prevent possible security, fraud, privacy and compliance risks through a structured approach that also ensures that processes to remedy material negative impacts are available and effective.

Furthermore, regarding to marketing, sales and data management practices, stringent privacy by design and privacy by default policies are applied, which require a preliminary data protection impact assessment for any new process or service involving the processing of personal data.

The Group has adopted organisational and procedural models both for crisis management and business continuity and for Disaster Recovery management that describe in detail the activities and controls to be carried out in the event of negative events.

Finally, it is specified that no major issues or incidents of human rights related to consumers and end users were recorded during 2024.

For the implementation of the actions described above, CapEx and OpEx were not included as they do not exceed a materiality threshold of 5% of the corresponding values indicated in the Group's Consolidated Financial Statement.

METRICS AND TARGETS

Objectives related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

Disclosure Requirement ESRS S4 S4-5; Minimum Disclosure Requirement ESRS 2 MDR-T

The Poste Italiane Group, in order to manage the impacts, risks and opportunities related to consumers and end users, as well as to contribute to the achievement of the commitments set and formalised within its Group policies, has defined a strategy that includes measurable, results-oriented and time-framed objectives in order to assess progress. Each target is monitored on an ongoing basis to assess how progress is in line with what the Group has set. The table below summarises the objectives set by the Poste Italiane Group in the area of consumers and end users, indicating the relative targets for achievement, the scope, the baseline and the result achieved as of this reporting year.

Target	Target	Target scope	Base year	2024 result
Implementation of the framework to foster digital inclusion, promoting equal opportunities and ensuring fair and inclusive access for all	Implementation of the digital accessibility framework by 2025	Vulnerable customers	2023	Preparatory activities for the implementation of the framework: - proposed Guidelines referring to the management processes of accessibility declarations and alerts, - Finalisation of the Guidelines Accessibility by design, - Implementation of Digital Accessibility Compliance Status Monitoring Dashboard and Report Management, - Evolutionary intervention in the customer service channel
Increase customer experience	+10pp Net Promoter Score (value of Group customer experience) by 2028	Customers	2023	35pp Net Promoter Scope
Development of pre-sale and sale channels of products and services in multi-channel	75% of new funnels realised in multichannel by 2024	Customers	2020	75%
Increase digital transactions for the various products of the Poste Italiane Group	+115% of digital transactions in financial, insurance and payment services compared to 2023 by 2024	Customers	2023	138%
Opening of online current accounts to facilitate accessibility to the product for all customers, especially those living in areas less served by the banking system or who have mobility problems	Maintaining digital accounts on total open current accounts in a range of 8% - 10% by 2025	Customers	2024	8%
Subscription of financial products (in addition to Accounts and savings books) online, also through dedicated promotions, to	16% of the volumes of Gross inflows BFP (Interest-bearing Postal Certificates)	Customers	2024	15%

facilitate accessibility to the product by all customers, especially those living in areas less served by the banking system or who have mobility problems	and Total Investments by 2025			
Launch of new SCM (Mobile Consultant Specialist) zones with the introduction of a dual specialist figure (dynamic SCM/personal) to improve coverage of the most difficult-to-reach geographical areas	Realisation of new SCM zones by 2025	Customers	2024	new
Maintenance of products and services dedicated to the most vulnerable segments of the clientele Renewal and evolution of products/services dedicated to the most vulnerable segments of the population: Young people's mortgage, Basic Account, mortgage repayment suspension, gender-based violence, voucher for minors, super smart pension deposit, free insurance on pension withdrawals.	Maintaining dedicated offers for vulnerable customers by 2025	Vulnerable customers	2024	new
Increase the number of Ultrabroadband technology contracts (Poste Casa Ultraveloce) that are activated in a paperless mode	122,000 activations by 2026	Customers	2024	new
Launch of the Virtual SIM (e-SIM) service	Commercialisation by end 2025	Customers	2024	new
Development and deployment of digital and paperless services in energy supply	>95% paperless contracts by 2025 >40% of digital bills and/or digital payments by 2025	Customers	2021	97% paperless contracts acquired in 2024 62% digital bills issued in 2024 49% digital payments (this includes SDD and bank transfer payments)
Performing Disaster Recovery tests to ensure the proper functioning of the ICT platform	2 in 2025 2 in 2026 2 in 2027	Customers	2024	new
Implementation of the new Integrated Anti-Fraud Platform (PIAF) that combines fraud prevention objectives with improved customer satisfaction	100% financial, insurance, digital products by 2024	Customers	2022	100%
Group incident drills	3 drills by 2024	Employees	2023	3
Group front end security rating	Maintaining the front end rating above 700 points by 2024	Front end	2018	770
Cyber Security Programme	Involvement of 35,000 employees by 2024	Employees	2022	35,000

	Involvement of at least 35,000 employees by 2025	Employees	2024	new
Activation of a streaming platform in Polis Post Offices (Digital Signage)	Activation of a centralised Digital Signage platform for customised content management by 2027	Customers	2024	new
Extension of the Integrated Anti-Fraud Platform (PIAF) to physical counter operations, with the aim of combating fraud and improving customer satisfaction	100% in 3 years (year 2028)	Customers	2024	new
Expansion of the perimeter of the Integrated Anti-Fraud Platform (PIAF) with the aim of fraud prevention to protect customers of postal savings deposits and parcel logistics shipping services	100% in 3 years (year 2028)	Customers	2024	new
Full adoption of the GDPR provisions leading to the coverage of all data protection policy objectives	Compliance on the 14 areas foreseen in the Privacy Review. Absolute targets measured by % compliance (2025-2026-2027)	Internal customers	2024	85%
Implementation of managed care with AI	48% of care requests handled in self even with AI in 2031 15-20% of care operator activities supported by AI in 2031	Customers	2024	new
Automation of back office processes	85% of back office resources supported by automated digital processes by 2026 60-65% of processes digitalised by 2027 >10% of automatic volumes by 2031	Customers	2024	new

Financial inclusion of specific target customers	Launch of a new modular current account offer dedicated to the Digital target group by 2026 Launch of a new modular current account offer dedicated to the senior target group by 2027	Customers	2024	new

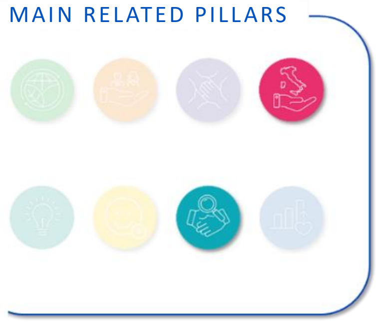
Customer Operations objectives are defined within the company's broader strategic plan, which has also been drawn up taking into account sustainability targets (based on reliable data), the expected impacts on all stakeholders and on the basis of improvement actions identified through customer listening processes. The defined targets are periodically compared with the achieved results. The process for setting targets for Poste Italiane consumers and users is integrated into the company's broader strategic plan and is based on an approach that considers multiple factors, including sustainability targets, expected impacts on all stakeholders, and improvement actions resulting from active customer listening processes. Interaction with consumers and end users takes place mainly through listening processes and the collection of feedback, which informs strategic decisions and the definition of annual goals, especially those related to Customer Experience (CX). The objectives identified are both quantitative and qualitative in nature and are defined through a dynamic (statistical/forecasting) model, which considers not only internal and external signals relating to the performance of the context and the various business segments, but also the performance of the main competitors. In addition, top-down improvement factors are considered, supported by guidance from company management, which promote ambitious targets in strategic areas. The main indicator used for defining customer experience objectives at Group level is the Net Promoter Score (NPS). The target setting model requires that for each business segment or channel of the Group, the most relevant components to be measured in the customer experience are identified, covering all significant interactions with customers. The target components are periodically updated, to align with developments in the context, and also include the areas measured in the previous year as well. The targets assigned to the different Business Units (BUs) and Channels consist of 70% segment-specific customer experience indicators and 30% of the overall Group customer experience. Corporate structures that significantly influence the customer experience may have assigned a Group-wide CX target. Account is also taken of the number of financial and payment transactions (e.g. payment of a bill, Postepay top-up, SIM top-up, bank transfer, etc.) and sales transactions (e.g. subscribing to a financial product, sending a registered letter/telegram, etc.) carried out or launched on digital channels (APP and Web) by Poste Italiane Group customers during 2024.

In order to monitor the achievement of the objectives, periodic KPI advancements are planned. Following the monitoring process, corrective and qualitative actions are identified with the aim of ensuring continuous improvement.

8.4 Governance Information

8.4.1. BUSINESS CONDUCT [ESRS G1]

The Poste Italiane Group recognises ethics and transparency as founding values of the corporate identity, as they support the Group in driving a responsible business and managing relations with stakeholders in a direct and transparent way. Compliance with laws, regulations, internal and external policies and codes of conduct, respect for rules and the utmost fairness are elements of strategic importance for the Group and are the basis for preventing any situation of conflict that may arise between corporate and personal interests[236]. Below is the list of IRO found relevant by the Group's dual materiality analysis, to which business conduct policies and actions are applied.



ESRS G1 - Business Conduct

ESRS SUB-TOPIC	IRO	Description	Time horizon	Value chain	Impacts	Business Unit
Corporate culture	I	Incidents of violation of the Code of Ethics by Group employees (-) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	I	Incidents of violations of the Code of Ethics by parties in the supply chain (-) (P)	Medium-term	Upstream	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Growing regulation in the field of artificial intelligence and consequent increase in compliance pressure	Medium-term Long-term	Own operations	-	Transversal
Protection of whistleblowers	I	Incidents of violation of the whistleblowing system (-) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Failure to comply with whistleblowing legislation	Short-term	Own operations	-	Transversal
Political engagement and lobbying	I	Anti-competitive practices and antitrust violations (-) (P)	Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
Management of relationships with suppliers including payment practices	I	Raising supplier awareness of ESG issues (+) (E)	Short-term Medium-term	Upstream	People Environment	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services

[236] Concerning the roles and competences of the administrative, management and control bodies with respect to the conduct of business, please refer to the section on 'Governance' in the chapter on 'General Information'.

	R	Inefficiencies related to supplier relations within the procurement process: Possible inefficiencies in the definition of relations with external suppliers, in operational activities, as well as in the Group's dependence on external suppliers, which may jeopardise the success of procurement activities	Short-term Medium-term	Upstream Own operations Downstream	-	Transversal
Active and passive corruption	I	Workers' awareness of active and passive corruption (+) (E)	Short-term Medium-term	Own operations	People	Mail, Parcels and Distribution; Payments and Mobile; Energy; Financial Services; Insurance Services
	R	Non-compliance/ adaptation with regulatory provisions on corruption	Short-term	Own operations	-	Transversal

MANAGING IMPACTS, RISKS AND OPPORTUNITIES

Policies related to corporate culture and business conduct

Disclosure Requirement ESRS G1 G1-1

In order to manage its material impacts, together with the associated significant risks and opportunities, the Poste Italiane Group places its Code of Ethics and its Sustainability Policies at the heart of its conduct[237].

Awareness of the social and environmental implications that accompany the activities carried out by the Group, together with consideration of the importance of both a cooperative approach with stakeholders and the good reputation of the Group itself both in internal and external relations, inspired the drafting of the Group's Code of Ethics. In the recent update, the Group confirmed and integrated fundamental principles that guide the culture and behaviour of directors, control bodies, management, employees and those who work, permanently or temporarily, to pursue the objectives of the Poste Italiane Group. These principles inspire the Group's actions in conducting business based on trust and transparent relations with all stakeholders.

The principles and rules of conduct enshrined in the Code of Ethics, such as integrity and legality, impartiality and equity, support for the community, respect and valuing people, transparency and completeness, sustainable growth, innovation, protection of the environment, quality, diligence and professionalism; confidentiality - all help foster the Poste Italiane Group's credibility within the civil and economic sphere, translating this acknowledgement of the values that characterise the Company's way of doing business into a competitive advantage and guarantee the efficiency, reliability and consolidation of the Group's reputation. The Company also intends to promote the dissemination of ethical principles and social responsibility among parties located within the Group's value chain.

To strengthen relations and trust with all its stakeholders, Poste Italiane and the major Group companies have voluntarily adopted management systems such as quality (ISO 9001:2015), corruption prevention (ISO 37001:2016), compliance management (ISO 37301: 2021), occupational health and safety management (ISO 45001:2023), information security management (ISO/IEC 27001:2022 with extension to ISO/IEC 27017:2015 and ISO/IEC 27018:2019), information systems management (ISO/IEC 20000-1:2018).

With reference to the prevention of corruption, the Group's Integrated Policy sets out general principles, prohibitions and specific principles of conduct for the activities of Poste Italiane that are most sensitive to the risk of corruption in this area, such as relations with the Public Administration, relations with political and trade union associations and organisations, relations with suppliers and partners, gifts, presents or other advantages of any kind as well as facilitation payments, liberal

[237] For more information on the policies adopted by the Group with regard to business conduct, reference is made to the "Summary of Policies" paragraph in Chapter "8.1 - General Information".

donations and sponsorships, personnel selection and recruitment, and mergers, acquisitions and significant investments. In all Group Companies where a management system for the prevention of corruption is implemented and maintained, a Corruption Prevention Function has been established and is responsible for implementing and monitoring anti-corruption policies within the Group.

Moreover, Poste Italiane and the Group Companies, aware of the importance of having an up-to-date internal control system, suitable for preventing unlawful conduct by their directors, employees and business partners, have adopted their own Organisation, Management and Control Model in compliance with Legislative Decree 231/2001 with the aim of setting up a structured and organic system of guiding principles and other specific safeguards, inspired by criteria of sound business management and aimed, *inter alia*, at preventing possible offences by members of Poste, whether senior or subordinate to third parties. The objectives of the Organisational Models of Poste and the Group Companies, in addition to prohibiting conduct that may constitute the predicate offences set out in Legislative Decree 231/2001, aim to foster a corporate culture characterised by legality and the awareness of the express condemnation of any behaviour contrary to the law, regulations, internal rules and in particular the provisions contained in the Organisational Model and the Group's Code of Ethics.

In addition, Poste Italiane has set up a reporting system and an Ethics Committee with the task of managing reports and violations. The mechanism for identifying and reporting concerns regarding unlawful conduct or conduct in conflict with its Code of Ethics and internal regulations is governed by corporate documentation, in particular the Guidelines on Reporting Violations (Whistleblowing), adopted by Poste Italiane in 2015 and constantly updated, with the latest update in 2024. The Group has adopted these tools to regulate its own work and discipline the conduct of its people, preventing the risk of irregular and unlawful conduct. The Guideline sets out in detail how staff, but also third parties, can report unlawful phenomena, suspicious behaviour, irregularities in the management of the company and any act or fact that may constitute a violation of the internal and external rules governing the Group's activities, including the rules of conduct contained in the Code of Ethics, the Sustainability Policies and the provisions of the 231 Organisational Model adopted by Poste Italiane.

In line with the centrality of the culture of transparency and legality that guides the Group's activities, the reporting system is accessible to all stakeholders, both internal and external, ensuring that such reports are treated confidentially and with due attention, in order to guarantee transparency and compliance with corporate ethical principles. As regards the protection of whistleblowers, in fact, Poste Italiane adopts specific measures aimed at preventing and countering retaliation against its workers who make reports. The Group has also made available to the recipients of the reporting system a reference Portal, the management of which is entrusted to the Whistleblowing Committee, which also performs the functions of the Ethics Committee as provided for by the Reporting System Guideline, and which is responsible for receiving, examining and evaluating the communications received. The Whistleblowing Committee, which operates independently and autonomously from the corporate structure involved in whistleblowing, is present in every Group company and acts in accordance with specific operating rules, drawn up in compliance with current industry regulations. The Head of the Corruption Prevention Compliance Function, where identified, is promptly informed by the Whistleblowing Committee of reports and facts relating to potential corrupt events and violations of the Integrated Policy, receiving updates on decisions taken and/or subsequent developments. The Poste Italiane Reporting System has also been certified as compliant with the ISO 37002:2021 Guideline, which is reviewed annually.

In order to investigate incidents concerning corporate conduct, including cases of active and passive corruption, Poste Italiane has set up a structure dedicated to Fraud Management & Security Intelligence, which represents a specialist unit dedicated to preventing, assessing and managing the risk of fraud against the Company and Group companies. This structure also deals with the management of unlawful events, whether internal or external, resulting from malicious or culpable conduct. To this end, a specific procedure was developed that defines the operating methods for the prevention and detection of unlawful events and for security intelligence. Moreover, as part of its risk management system the Group carries out a periodic assessment of risks, including the risk of active and passive corruption, in order to identify the corporate functions most exposed to such risks and to ensure effective management of activities at risk (at Poste Italiane, the functions with a medium to high potential corruption risk are identified with the first and second organisational levels, as well as the third organisational levels with general powers of attorney, while in Group companies such functions are typically identified with the CEO and the first reporting lines). In particular, in the context of the Group's Integrated Policy and the 231 Organisational Model, Poste Italiane identifies the activities that are sensitive to the risk of corruption, establishing that these activities are the exclusive responsibility of the corporate functions that are specifically entrusted with them, as indicated in the organisational provisions. These sensitive activities include, for example, relations with the public administration and with political associations and organisations.

To complete the framework of policies and controls adopted by the Group on the subject of business conduct, Poste Italiane also adopts a policy of continuous training on business conduct, aimed at all employees, in order to promote a business culture based on ethics, legality and compliance with internal and external regulations. Training activities are part of the broader projects outlined in the Group's strategic plan, in line with corporate principles and market, customer and regulatory requirements. In addition, Poste Italiane, in order to raise awareness on the responsible conduct of its business, provides multiple channels, including the corporate website, the *NoidiPoste* intranet, the Tg Poste, newsletters and participation in corporate communities that are of particular transversal, thematic and/or organisational interest.

Management of relations with suppliers

Disclosure Requirement ESRS G1 G1-2

In line with the Code of Ethics and the 231 Organisational Model, the Poste Italiane Group adopts a procurement management model based on a structured system of risk control and mitigation, involving both large companies and small and medium-sized enterprises. This strategy integrates specific policies and regulatory instruments, ensuring transparency, fairness and accountability in the management of relations with suppliers. The Group requires that all suppliers, subcontractors and partners formally accept the principles and criteria of conduct outlined in the Code of Ethics and Group policies governing supplier relations. The selection of suppliers is based on principles of transparency, efficiency and cost-effectiveness, guaranteeing equal opportunities for each party involved in the procurement procedures, ensuring fairness and avoiding preferential treatment. In addition, suppliers are required to comply with competition law, both at EU and national level, and must refrain from anti-competitive or otherwise anti-competitive conduct[238].

In this regard, the regulatory and organisational tools adopted by the Group for supplier selection include:

- use of the "direct assignment" procedure only in limited and clearly identified cases, adequately justified and documented, and subject to appropriate control systems and an authorisation system at an appropriate hierarchical level;
- modalities and criteria for the preparation, approval, dissemination and publicising of calls for tenders;
- model for the evaluation of bids, both technical and economic, marked by transparency, with a limitation of subjectivity criteria;
- monitoring systems to ensure a proper and physiological turnover of suppliers;
- standardised contractual provisions in relation to the nature and type of contract, including provisions aimed at ensuring compliance with control principles and ethical rules in the management of activities by the third party, with indications of any deviations.

Poste Italiane has adopted governance and regulatory compliance tools, which are updated over time in order to regulate the procurement process, taking into account the ESG principles to be adopted in the entire procurement process. In support of these instruments, of particular importance is the historic collaboration and Memorandum of Understanding

[238] For more details on the supplier qualification system in the Poste Italiane Group's registers, see topic "S2 - Workers in the Poste Italiane Group Value Chain".

signed by the Group with the Finance Police, which aim to combat tax evasion, tax avoidance, tax fraud, public expenditure offences, economic and financial crime, money laundering, forgery and payment system fraud. This multi-year agreement aims to ensure the greatest possible transparency in the awarding procedures, with a view to maximising protection of the dynamics of free competition in the market. All data on contracts are entered in the portal set up for the exclusive use of the Finance Police, for the prevention of criminal infiltration in procurement and the fight against undeclared work. With the aim of ensuring maximum transparency, the Group has also set up the Open and Transparent Contracts portal, a publicly searchable web space where all the main information on each contract is available, including details of the individual contracts concluded during the month with the relevant amount, duration, product scope, award procedure, type, geographical location and name of the successful bidder. The data published relate to contracts signed in respect of competitive procedures relating to the supply of goods and services, of Community relevance, and works subject to the Public Contracts Code in addition to those relating to the supply of goods, services and works excluded from the Public Contracts Code. In addition, the Group provides information on the “Provision for disputes with third parties”, set up to cover foreseeable liabilities relating to various types of disputes with suppliers and third parties, both judicial and extrajudicial, the related legal expenses, as well as administrative and criminal sanctions and compensation towards customers.

In addition, in order to integrate ESG aspects in its procurement processes and in the selection of its suppliers, the Group envisages the presence of specific environmental, social and governance criteria in the participation requirements, in the evaluation parameters of the technical offer and/or in the contractual conditions of the tender procedures carried out during the year. In particular, with reference to tenders, the Group provides for specific contractual clauses related to sustainability issues, aimed at promoting the adoption of sustainable practices by suppliers. These criteria may cover elements such as environmental management, human rights protection, occupational health and safety, business ethics and transparency of operations.

Lastly, in order to promote correct behaviour towards its suppliers, the Group adopts corporate procedures that set out in a clear and detailed manner the rules of engagement to be followed with suppliers, also in order to manage any delays in payment. These rules outline the operating methods, timing and communication mechanisms to be adopted to ensure transparent and responsible management of the contractual relationship. This system also includes specific contractual provisions, including penalty clauses, applicable in the event of non-compliance with contractual obligations, to protect the interests of the Group and the stakeholders involved, thus reinforcing responsibility and punctuality in the management of commercial relations. The aim is to safeguard the interests of both parties by promoting constructive dialogue and ensuring that any critical issues are addressed and resolved in accordance with current regulations and signed contractual agreements.

Prevention and detection of active and passive corruption

Disclosure Requirement ESRS G1 G1-3

The Poste Italiane Group has put in place a set of procedures and regulatory tools aimed at preventing, detecting and managing allegations or cases of active and passive corruption, which are based on a sound ethical and governance structure. The main references for managing these risks are the Code of Ethics, the Integrated Group Policy and the 231 Organisational Model, which are communicated in a clear and accessible manner to all stakeholders through various channels, both in Italian and English. All information is available on the company intranet, to which all employees have access. Moreover, the policies are also published on the Group's institutional website, thus making them easily accessible to interested third parties. Completing the framework are certifications according to ISO 37001 for anti-corruption management systems, ISO 37301 for the compliance management system as well as the ISO 37002 certificate of conformity for the management system on the process of receiving and handling reports[239].

[239] For more details on the framework adopted for the prevention and detection of active and passive corruption, reference is made to the section "Policies related to corporate culture and business conduct".

Specifically, the Whistleblowing Committee ensures the separation between the structures that verify the contested facts and the structures involved in the management. The process of communicating the results to the administrative, management and control bodies is managed by the relevant structures of Poste Italiane and the Group Companies, which guarantee a timely and adequate flow of information, in relation to the type and seriousness of the offence detected. The checks are ensured by the Group's Internal Control and Risk and Compliance functions, which interface with the competent technical and management functions. The Group Internal Control and Risk and Compliance reports contain detailed information on individual events. These reports are periodically sent to top management.

Within the framework of the controls aimed at preventing active and passive corruption, training activities on ethical principles and rules of conduct are added, which represent for the Poste Italiane Group a cornerstone for creating awareness and a corporate culture based on the principles of integrity and transparency. In this regard, the following initiatives should be noted, aimed at all Group personnel:

- from July 2023, the online course "The Integrated Management System: The Rules of the Game" was launched as an important training initiative in the area of corruption prevention. The course offers an in-depth overview of the Poste Italiane Group's Integrated Management System (IMS) and focuses on the application of the fundamental rules to improve the quality of the services offered, as well as on the prevention of corruptive phenomena, while promoting greater awareness of the risks and regulations in force. This training programme aims to strengthen the skills and quality of work within the Group in order to achieve the company's objectives in an ethical and regulatory compliant manner. The course is intended for all Poste Italiane Group staff;
- the online course "The New Poste Italiane Code of Ethics" was launched in February 2024. This course provides a comprehensive overview of the Code of Ethics, exploring its foundations, objectives and practical implementation, and fosters a sound understanding of the fundamental ethical principles that guide responsible and sustainable business conduct. The course is aimed at all Poste Italiane Group staff, with the objective of promoting a corporate culture of integrity and responsibility;
- July 2024 saw the launch of the course "Galassia 231 Challenge between the pillars of the Organisation, Management and Control Model", with the aim of illustrating the contents of the Poste Italiane current Organisational Model, which has incorporated the company's recent internal developments and the changes in the regulatory framework of reference, also ensuring the alignment of the 231 governance system with the best practices of listed companies. The course was also expanded to include the Chair, Board members and Auditors.

In addition, in the last quarter of 2024, with reference to the topic of Legislative Decree 231 a webinar was organised for management figures, entitled "Building an Effective 231 Model", in line with mandatory regulatory updates.

With reference to the online course "The Integrated Management System: The Rules of the Game" about 95,000 employees of the Poste Italiane Group's staff were trained at the end of 2024.
Below is a summary table for the categories of trained employees. It is specified that the figure refers to the active workforce as at 31/12/2024[240].

Communication and training on procedures and policies related to anti-corruption	u.m.	2024
Total employees trained	No.	**94,625**
of which:		
Executives		409
Middle managers		12,924

[240] The functions with a potential medium-high risk of corruption, as identified above, are included in the aforementioned training initiatives as the same initiatives are addressed to all Poste Italiane Group staff. Specific training for board members and auditors was ensured with the course 'Galaxy 231: Challenging the Pillars of the Organisation, Management and Control Model' reported under training initiatives.

Operational staff		81,292

Actions and resources related to business conduct

Minimum Disclosure Requirement - MDR-A Actions

In order to mitigate the negative impacts related to business conduct, in 2024, Poste Italiane developed specific actions, which are set out below.

Vendor Management

Poste Italiane has introduced a qualification phase for Economic Operators that envisages the adoption of a customised rating methodology in the ESG sphere that takes the form of specific questionnaires for each Economic Operator. The model is based on a risk-based method, making it possible to analyse the strategies adopted by suppliers to manage ESG risks considered relevant according to their sector and company size.

As regards sector classification, suppliers are classified within the ATECO sectors officially recognised by the Poste Italiane Group.

With reference to the size of the organisation, the classification by the European Commission dividing companies into small, medium-sized or large is used, which is considered functional for the identification of potentially significant governance risks for the suppliers subjected to the assessment process.

In addition, a Vendor Rating system was introduced to measure and evaluate the performance of suppliers working with Poste Italiane, offering the possibility of examining market players under multiple dimensions, including:

- quality of service;
- compliance with safety standards;
- adherence to delivery times;
- commitment to environmental sustainability issues;
- business ethics;
- administrative accuracy.

This tool is used to evaluate suppliers who have contractual relationships with Poste Italiane in the main product areas of interest. In a progressive approach, the system will be applied to further product categories in the future.

Institutional relations portal

Poste Italiane continued the management of CRM for the collection of requests within the Institutional Relations Portal, the organisation of meetings and the maintenance of contacts with the local institutions of the six territorial Posts and with central institutions. Moreover, Poste Italiane also contributes to the achievement of policy goals by centrally monitoring and controlling the discussions carried out, ensuring adequate data tracking aimed at assessing both the content and qualitative impact, as well as the reporting and quantitative trend of communications. The Group planned to implement and improve the tool through the insertion and development of the mask for outgoing communications (not instances) with a view to obtaining a common form with all the information integrated in a single grid.

Associations Portal

The Poste Italiane Group continued with the implementation of the Associations Portal, accessible through the corporate website, to support meetings, projects and institutional partnerships with trade associations. In particular, the Portal has recently been enhanced with a new IT application, dedicated to the management of joint conciliation procedures submitted by consumers and associations, concerning complaints on postal and financial services. In the initial implementation period, more than 30% of the files were managed through the new digital application, replacing paper forms. Poste Italiane has planned new activities for the continuous implementation of the Portal to be completed each year.

Consumers Site

In order to involve consumers, the Poste Italiane Group organises periodic meetings aimed at this category of stakeholders. The initiative aims to improve the quality of services offered to retail customers and to prevent any criticalities.

Interest representation activities

Interest representation activities were carried out consistently with the instructions of the corporate business functions of the Parent Company and the Group Companies and in accordance with the directives of the Business Plan. The initiative was aimed at fostering business.

The following tables briefly summarise the action plan undertaken by the Group to achieve the goals and objectives of the relevant business conduct policies, indicating the scope and time horizons of each action and, where applicable, the type and amount of financial resources used to implement them.

Main actions	Scope of application	Time horizons
Vendor Management	Procurement	Every year
Institutional relations portal	Central Institutions and Public Administration	Every year
Associations Portal	Trade	Every year
Interest representation activities	Central Institutions and Public Administration	Every year

For the implementation of the actions described, reference CapEx and OpEx were not included as they do not exceed a materiality threshold of 5% of the corresponding values indicated in the Group's Consolidated Financial Statements.

METRICS AND TARGETS

Monitoring the effectiveness of policies and actions through targets

Minimum Disclosure Requirement - MDR-T Targets

The Poste Italiane Group, in order to manage the impacts, risks and opportunities related to business conduct, as well as to contribute to the achievement of the commitments set and formalised within its Group policies, has defined a strategy that includes measurable, results-oriented and time-framed objectives in order to assess progress. Each target is monitored on an ongoing basis to assess how progress is in line with what the Group has set. The table below summarises the objectives set by the Poste Italiane Group in the area of business conduct, indicating the relative targets for achievement, the scope, the baseline and the result achieved as of this reporting year.

Target	Target	Target scope	Base year	2024 result
Increase staff training on ethical principles	2 initiatives undertaken by 2024	Poste Italiane	2023	2 initiatives
Group-wide implementation of the sustainable procurement framework	100% coverage on Group purchases by 2024	Poste Italiane	2021	Completed the implementation of the framework to cover 100 % of Group purchasing

Definition of ESG parameters in the participation requirements and in the evaluation criteria of the technical tender offers	100% ESG coverage for OEPV tenders by 2024	Procurement	2022	100% ESG coverage for OEPV tenders
Maintaining ESG parameters in the participation requirements and in the evaluation criteria of the technical tender offers	100% ESG coverage for OEPV tenders by 2024	Procurement	2023	100% ESG coverage for OEPV tenders
Development of the Policy for Business Conduct Management (CSRD - ESRS G1 - 2)	By 2025	Poste Italiane	2024	new
Strengthening the Internal Control System on Sustainability Reporting through the acquisition of a data collection platform and the formalisation of regulatory procedures for internal use in a risk-based perspective	By 2027	Poste Italiane	2024	new

The strategic objectives defined by the Group take into account the Poste Italiane operating context and stakeholder interests, as well as ESG-related regulatory compliance requirements. Poste Italiane carries out continuous monitoring with respect to the performance achieved and the degree of attainment of these targets, which are based on reliable data and measurements.

Cases of bribery or corruption

Disclosure Requirement ESRS G1 G1-4

In 2024, Poste Italiane did not record any convictions for violations of the laws against corruption bribery, so there was no need to take any corrective action in this regard.

Political influence and lobbying

Disclosure Requirement G1-5

Taking into account its mission, its widespread presence in the territory and the context in which it operates, the Poste Italiane Group actively cooperates with central and local institutions to represent the company's interests and to promote socio-economic development projects. In this context, continuous dialogue is maintained with the authorities, aimed at ensuring an effective and correct collaboration that often has positive impacts not only within the company, but also at system level, extending the benefits to the community. In particular, also by monitoring the political agenda, meetings are held with institutional players in order to present Poste activities and projects, and to foster an ongoing and constructive dialogue with institutions. The dialogue with public decision-makers aims to clearly represent the position of Poste Italiane on issues of interest and to prevent any problems of interpretation or application. Moreover, this interaction allows opportunities to be generated, enabling authorities to more fully assess the impact and possible consequences of policy choices or regulatory interventions. This activity is carried out under the direction and control of the General Manager. Poste Italiane does not provide benefits nor grants contributions of any kind, either directly or indirectly, to political parties, movements, committees and political and labour union organisations, or to their representatives or candidates, either in Italy or abroad.

With reference to the disclosure requirement on "members of the administrative, management and supervisory bodies who, in the two years prior to appointment in the current reporting period, have held a comparable position in the public administration (including regulatory authorities)", the following is noted:

- board member Valentina Gemignani holds a tenured managerial position at the Ministry of Economy and Finance; she is currently on leave by virtue of another new position held in the Public Administration, namely Head of Cabinet of the Minister of Culture, effective 1 November 2024;
- board member Paolo Marchioni served as mayor and city councillor of the city of Omegna (Verbania) from 27 June 2017 to 26 June 2022.

Interest representation activities are carried out consistently with the instructions of the corporate business functions of the Parent Company and of all Group Companies with reference to all issues of interest and according to the directives of the Business Plan. In the area of interest representation vis-à-vis the Central Institutions, the institutional legislative activity carried out by the function is developed along two lines:

- towards the Group, guaranteeing the protection of corporate interests and supporting business development and the implementation of the Industrial Plan, by monitoring the institutional framework, assessing the impact of regulations and identifying risks and opportunities, preparing positioning texts and documents, and representing requests to institutions. continuous dialogue with Institutions and the Public Administration enables the business structures to be supported in meetings to present their activities to institutional representatives, in order to facilitate dialogue, intercept the needs expressed by the PA and synergically promote the services of the entire Group;
- towards institutions, actively contributing to the institutional dialogue through an ongoing debate on issues of relevance for the country system, through consultation on the impact of regulations in the reference markets, through the provision of supporting investigative and cognitive elements, through partnerships for the development of projects, and through meetings involving a study of the main topics of interest for institutional stakeholders, in order to intercept the needs expressed by political representatives that can be satisfied through Poste Italiane services.

Within the framework outlined, with particular reference to institutional relations, the Group has defined procedures, guidelines and agreements aimed at regulating corporate processes and the related organisational and control measures for managing relations with central and local institutions, trade associations and consumer associations. In particular, the procedure concerning relations aimed at managing relations with central and local national institutional subjects regulates such relations both in the event of a request by the legitimised institutional subjects and in the event of communications sent to the same subjects on the initiative of Poste Italiane, also in order to make known the company's position in relation to legislative issues and changes in the regulations in force, as well as to provide information aimed at preventing the submission to the Group of acts or petitions. The integrated management, monitoring and reporting of instances, contacts and institutional meetings are ensured by the implementation of a specific portal. The institutional representation activities and the management of relations with trade associations (Confindustria, Confartigianato, Confcommercio, etc.) are also entrusted to the department in charge of institutional relations, in order to promote the interests of the Poste Italiane Group, both institutional and business.

In addition, Poste Italiane shares with the Consumer Associations a path of dialogue and cooperation formalised by a Framework Agreement, which includes the Group's commitments to the Associations, and is characterised by the presence of permanent discussion tables, relating to the postal service and all other markets covered by the same, aimed at ensuring ever greater inclusion and transparency, to the benefit of consumers. As of 2022, the Poste Italiane Associations Portal has also been implemented, a channel for dialogue and listening to requests from consumer associations, trade associations and the Third Sector.

Lastly, it should be noted that Poste Italiane is listed in the Register of persons performing activities of interest representation vis-à-vis members of the Chamber of Deputies, as set out in the Rules adopted by the Committee for the Regulation at its meeting of 26 April 2016. The register, which is based on the principles of publicity and transparency, is set up at the Chamber's Bureau and published on the Chamber's website, and the persons in charge of the function delegated to represent interests are listed in it.

Payment Practices

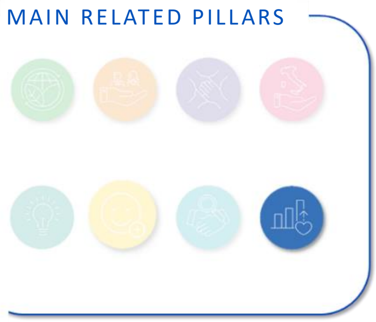
Disclosure Requirement G1-6

With reference to the practices adopted by the Group to pay its suppliers, the average time taken by the Group to pay an invoice from the date on which the contractual or legal payment deadline for the year 2024 begins to be calculated, expressed in number of days, is 47.9 days. Standard payment practice provides for the settlement of invoices within 60 days from the date of the invoice itself or from the date of the Incoming Goods (internally valid certificate of service), if this is later than the invoice date. The Group pays special attention to specific homogeneous categories of SME suppliers (e.g. toll collectors, i.e. hauliers for third parties) for whom average payment times generally comply with the contractual terms of 30 days. Then there are contracts that relate to leases, for which each individual contract normally provides for specific deadlines on a fixed date, and there are invoices for small purchases that are settled on demand. Poste also provides the possibility for suppliers to request payment in advance of the due date with the application of a financial discount. Payments, with the obvious exception of on-demand payments, are executed according to a calendar that establishes settlement by means of cumulative lists, on an average weekly basis, with the exception of two annual closures, which coincide with major holidays. In general, therefore, all payments respect these deadlines, except for exceptions attributable to technical problems with the supply itself, such as disputes over performance or the application of penalties. Based on the above methodology, the number of legal proceedings pending due to payment delays is zero.

The data underlying the calculation of the average payment time were extracted from the SAP accounting system, taking into account payments made in 2024. The results were aggregated according to the main purchasing processes and/or billing categories.

8.4.2. SUSTAINABLE FINANCE [ENTITY-SPECIFIC]

The Poste Italiane Group applies the principles of sustainability in all its areas of operation, including the financial sector, firmly believing that the asset management and insurance sectors, through the integration of ESG factors into investment decision-making processes, can contribute to the generation of long-term sustainable value, helping to protect society, foster innovation and support economic growth. Below is the list of IRO found relevant by the Group's dual materiality analysis, to which policies and actions related to sustainable finance are applied.



ESRS ENTITY-SPECIFIC - Sustainable Finance						
ESRS SUB-TOPIC	IRO	Description	Time horizon	Value chain	Impacts	Business Unit
	I	Sustainable growth of the country through its investing and or insurance activities (+) (E)	Short-term Medium-term	Own operations Downstream	People Environment	Financial service; Insurance services
-	I	Responsible investment and insurance practices (+) (E)	Short-term Medium-term Long-term	Own operations Downstream	People Environment	Financial service; Insurance services
	O	Increased market attractiveness resulting from an increase in investment operations/practices that take ESG profiles into account, as well as the offering of sustainable insurance products/solutions	Short-term Medium-term	Own operations Downstream	-	Financial service; Insurance services

MANAGING IMPACTS, RISKS AND OPPORTUNITIES

Policies adopted to manage sustainable finance

Minimum Disclosure Requirement ESRS 2 MDR-P

The BancoPosta Fondi SGR and the Poste Vita Group, in order to manage the material impacts with respect to sustainable finance, together with the associated material opportunities, have adopted specific policies and guidelines on the subject[241]. This system of policies and guidelines adopted by both companies to define the ESG integration strategy in their investment processes, is composed of the respective documents of Responsible Investment Policy, Guideline for investing in sensitive sectors and Guideline on voting and engagement activities, to which are added the Responsible Insurance Policy of the Poste Vita Group and the Guideline on Principal Adverse Impacts of Poste Vita.

Through these policies, the BancoPosta Fondi SGR and the Poste Vita Group, in line with the Poste Italiane Group's strategy, aim through their investment activities to pursue sustainable growth, contributing to sustainability issues such as the fight against climate change and the protection of human rights. In this regard, both companies have signed up to the Principles for Responsible Investment (PRI), which promote the integration of ESG issues and the dissemination of responsible investment practices within their investments and portfolio companies, proposing a long-term vision in the interests of the signatories, the economy, the environment and society. Adherence to the PRI not only entails the integration of ESG criteria, but also results in a commitment by signatories to regularly report on their progress in implementing the

[241] For more information on the policies adopted by the Group regarding sustainable finance, reference is made to the "Summary of Policies" paragraph in Chapter "8.1 - General Information".

responsible investment approach. Since 2019, the Poste Vita Group has also been a signatory to the Principles for Sustainable Insurance (PSI) promoted by the United Nations, affirming its formal commitment to the inclusion of sustainability criteria relevant to the insurance sector in its decision-making processes. Moreover, BancoPosta Fondi SGR and Poste Vita consider the Principal Adverse Impacts (PAI) on sustainability factors caused by investment decisions, adopting Regulation (EU) 2019/2088 and the subsequent Delegated Regulation (EU) 2022/1288 as the framework for identifying and measuring these impacts. Information on the criteria for monitoring and managing PAI is available in the BancoPosta Fondi SGR Responsible Investment Policy and Poste Vita's Guideline on PAI, as well as in the respective "Statement on the main negative effects of investment decisions on sustainability factors" documents. Within these Statements, also known as the PAI Statement, evidence is provided of the performance of the PAI indicators, as identified by Delegated Regulation (EU) 2022/1288, on the companies' overall portfolios for the year 2023, as well as the main actions planned by each Company to limit the negative impacts of its investments on sustainability factors.

With reference to the Responsible Investment Policy documents of both companies, these describe and formalise the commitment to the integration of sustainability issues into investment processes, with the aim of making a positive contribution to sustainability challenges. The Poste Vita Group's Responsible Investment Policy applies to direct investments in bonds and equities made by the Poste Vita Group and/or the Money Managers. Equities and bonds underlying UCITS and/or other equivalent investment vehicles, in which the Poste Vita Group and/or the Money Managers have invested, and which are independently managed by specific external parties such as asset management companies and/or asset managers, are subject, where the necessary data is available, to monitoring activities only. Investments in (corporate) bonds and equities issued by issuers directly involved in the production of weapons banned by UN Conventions that violate basic humanitarian principles are excluded. The assessment of investment transactions also takes into account the environmental, social and governance profile of bond and equity issuers. For corporate issuers, the sustainability profile is defined by analysing management and performance in areas related to climate change, natural resources, customers, suppliers, human rights, human resources, local communities and corporate governance. For so-called 'governmental' issuers, the sustainability profile is defined by analysing commitments and achievements in the areas of environmental protection, civil society and solidarity, and institutional governance. There are monitoring activities and limits on the exposure of investments in (corporate) bonds and equities issued by issuers in the following sectors: tobacco, alcohol, gambling. In addition, the Poste Vita Group may consider adopting specific strategies on certain portfolios, such as SRI exclusions, best-in-class selection and third-party UCITS selection through the application of ESG screening on management companies and individual UCITS.
The BancoPosta Fondi Responsible Investment Policy applies to all investments underlying the products established by BancoPosta Fondi SGR. The Sustainable Finance Disclosure Regulation (EU Regulation 2019/2088 of the European Parliament and of the Council on Sustainability Disclosure in the Financial Services Sector) applies to these products. With regard to investments in ETF, Passive/Indicated Funds, Third-Party Funds (i.e., not delegated) - including those used in Active Management - and the so-called "wrappers" (such as, for example, funds of funds, retail portfolio management, etc.), only the monitoring of sustainability factors in the investments is envisaged, except in the case of products in which ESG criteria are expressly applied in the selection of third-party products. Portfolio management mandates granted to BancoPosta Fondi SGR by third parties are excluded from the scope of application as, since specific investment guidelines are provided for, there is a lesser degree of discretion in the selection of financial instruments.

On the other hand, both companies' Sensitive Sectors Investment Guidelines documents are oriented towards defining the criteria and processes for identifying, assessing and monitoring exposure to issuers involved in fossil fuels, coal, animal testing and human rights violations for social and/or environmental controversies. The Poste Vita Group's Guideline for Investing in Sensitive Sectors applies to equity and (corporate) bond securities issued by entities that have directly invested and are significantly involved in the following sectors that the Group currently considers a priority: Fossil Fuels; Coal;

Animal Testing; Social and Environmental Controversies. Regarding any equities and bonds underlying the UCITS and/or other equivalent investment vehicles in which the Companies and/or the Money Managers have invested, independently managed by specific (external) asset management companies and/or asset managers, only the monitoring activities described in the Poste Vita Group's Responsible Investment Policy are envisaged (where the necessary data are available). The BancoPosta Fondi SGR Guideline for Investments in Sensitive Sectors regulates, with specific criteria, investments in issuers that are involved in the following areas, which the Group currently considers a priority: Fossil fuels, Coal, Animal testing, Human rights. The Guideline applies to all active management (both benchmark and flexible), while investments in ETF, Passive/Indexed Funds, Third-Party Funds and so-called "wrappers" or any mandates characterised by the presence of specific indications within their investment policies are excluded. The Guideline is also applicable to all issuers of securities in the AMC portfolios. Regarding the assets entrusted to the Money Managers, the AMC assesses the policies adopted by the Money Managers and monitors the portfolios in line with the application of the Guideline.

Actions and resources related to material sustainability issues

Minimum Disclosure Requirement ESRS 2 MDR-A

In order to manage the impacts and opportunities related to sustainable finance, the companies Poste Vita and BancoPosta Fondi SGR have implemented specific actions, which are outlined below.

BancoPosta Fondi SGR

- **BancoPosta Azionario EURO fund ESG strategy to control and contain carbon emissions**
  With the aim of pursuing sustainable growth, contributing to sustainability issues such as the fight against climate change and mitigating the negative effects of investments on the environment and society, BancoPosta Fondi SGR has provided for the inclusion in the ESG investment policy of the BancoPosta Azionario Euro fund of an ESG strategy - in competition with the others already present - that aims to control and contain carbon emissions.
- **Definition of proprietary methodology for the identification of Sustainable Investments according to SFDR Art. 2 (17) - Proprietary Sustainability Indicator**
  With the aim of strengthening BancoPosta Fondi tools for measuring and monitoring the sustainability performance of the financial products it sets up, it has expanded the indicators for measuring/monitoring the level of sustainability of the portfolios it manages, in order to quantify the percentage of Sustainable Investments of the funds, in particular the Poste Investo Sostenibile product, and to identify the investable universe for an Art. 9 fund, to be set up in the future.
- **Definition of the concept of a strategy that integrates sustainability targets pursuant to Art. 9 SFDR**
  In order to enrich the AMC sustainability strategy and expand the ESG fund offering, BancoPosta Fondi has developed a concept for a product that complies with Art. 9 SFDR. The elaboration of the concept took place at the end of a process that included the following steps: context analysis with respect to regulatory provisions, market benchmarking, discussion with the Money Managers, definition of sustainable investments, identification of the target market, definition of an operational set-up/placement plan and timing.

- **Inclusion in the ESG investment policy of at least 2 funds of an ESG strategy to control and limit carbon emissions**
  With the aim of pursuing sustainable growth, contributing to sustainability issues such as the fight against climate change, mitigating the negative effects of investments on the environment and society, BancoPosta Fondi has planned to include in the ESG investment policy of at least two funds an ESG strategy - also in competition with others already in place - that aims to control and contain carbon emissions.
- **Integration of additional ESG strategies into retail funds**

For the purposes of enriching the AMC sustainability strategy and product range applying ESG strategies, BancoPosta Fondi has planned to expand the AMC ESG product range to include additional ESG strategies in retail funds that are still open for placement with a main bond component (transformation from art. 6 to art. 8 SFDR).

Poste Vita Group

- **Offering of investment products that promote environmental and/or social characteristics**
  In order to contribute to the achievement of the aims of the Poste Vita Group's Responsible Investment Policy and Responsible Insurance Policy, the Company has continued to develop the offer of investment products that promote environmental and/or social characteristics, with the aim of maintaining 100% of the offering of such investment products.
- **Portfolio monitoring and management**
  In order to contribute to the achievement of the aims of the Poste Vita Group's Responsible Investment Policy, the Company continued to monitor and manage portfolios by applying, to investment options that promote environmental and/or social characteristics, the threshold provided for in the "Methodology for defining the sustainability characteristics of products". In particular, regarding investment options that promote environmental and/or social characteristics and invest in single names, the goal was set to achieve a weighted average portfolio ESG rating equal to or above the identified threshold.
- **Monitoring and managing portfolios by applying the thresholds identified in the sensitive sectors guideline**
  In order to contribute to the achievement of the goals of the Poste Vita Group's Guideline for Investments in Sensitive Sectors, the Company plans to continue monitoring and managing portfolios from an ESG perspective, with the aim of achieving a percentage of investment in issuers operating in sensitive sectors or areas equal to or below the thresholds set out in the Guideline for Investments in Sensitive Sectors.
- **POE offer evolution (Poste Lavorare Protetti)**
  In order to contribute to the achievement of the aims of the Responsible Insurance Policy, the Poste Vita Group intends to evolve the POE (Poste Lavorare Protetti) offer launched at the end of 2024 (including the compulsory guarantees provided for by the Budget Law 2024 - catastrophic risks) with risk pricing based on geographical coordinates.

The following tables briefly summarise the action plan undertaken by the Group to achieve the goals and objectives of the relevant sustainable finance policies, indicating the scope and time horizons of each action and, where applicable, the type and amount of financial resources used to implement them.

Main actions	Scope of application	Time horizons
BancoPosta Azionario EURO fund ESG strategy to control and contain carbon emissions	Investments - product range Downstream value chain External stakeholders (delegated managers, market, customers)	2026
Definition of proprietary methodology for the identification of Sustainable Investments according to SFDR Art. 2 (17) - Proprietary Sustainability Indicator	Capital expenditure Downstream value chain External stakeholders (delegated managers, market, customers)	2026
Definition of the concept of a strategy that integrates sustainability targets pursuant to Art. 9 SFDR	Investments - product range Downstream value chain External stakeholders (delegated managers, market, customers)	2026
Inclusion in the ESG investment policy of at least 2 funds of an ESG strategy to control and limit carbon emissions	Investments - product range Downstream value chain External stakeholders (delegated managers, market, customers)	2025
Integration of additional ESG strategies into retail funds	Investments - product range Downstream value chain External stakeholders (market, customers)	2026
Offering of investment products that promote environmental and/or social characteristics	IBIP products	2025
Portfolio monitoring and management	Responsible investments	2025
Monitoring and managing portfolios by applying the thresholds identified in the sensitive sectors guideline	Responsible investments	2026
POE offer evolution (Poste Lavorare Protetti)	Protection products (P&C)	2025

For the implementation of the actions described, reference CapEx and OpEx were not included as they do not exceed a materiality threshold of 5% of the corresponding values indicated in the Group's Consolidated Financial Statements.

METRICS AND TARGETS

Monitoring the effectiveness of policies and actions through targets

Minimum Disclosure Requirement ESRS 2 MDR-T

The Poste Italiane Group, in order to manage the impacts and opportunities related to sustainable finance, as well as to contribute to the achievement of the commitments set and formalised within its Group policies, has defined a strategy that includes measurable, results-oriented and time-framed objectives in order to assess progress. Each target is monitored on an ongoing basis to assess how progress is in line with what the Group has set. The table below summarises the objectives set by the Poste Italiane Group in the area of sustainable finance, indicating the relative targets for achievement, the scope, the baseline and the result achieved as of this reporting year.

Target	Target	Target scope	Base year	2024 result
Gradual insertion of a component ESG in Poste Vita investment products	100% Poste Vita products with ESG elements by 2024	Poste Vita	2020	100%
Integrate into at least one fund open to retail a strategy – also in competition with others – aimed at controlling and containing carbon emissions	1 fund by 2024	BancoPosta Fondi SGR	2022	100%
Increase ESG indicators against which BancoPosta Fondi SGR's investment portfolios can be monitored	Definition of the proprietary synthetic sustainability indicator by 2024	BancoPosta Fondi SGR	2022	100%
Development of a strategy concept integrating sustainability objectives (pursuant to Art. 9)	1 strategy with sustainability target by 2024	BancoPosta Fondi SGR	2022	100%
Carrying out a feasibility study on the possibility of extending the target group of insurable persons for health coverage to persons normally excluded, through greater sophistication of the health declaration required at the time of underwriting	Carrying out the feasibility study to expand the target group of people insurable for health coverage by 2024	Poste Vita	2023	Carried out some in-depth studies aimed at the possible expansion of the target group of people potentially insurable for specific diseases
Integration of additional ESG strategies in retail funds still open for placement with a main bond component (change from Art. 6 to Art. 8 SFDR)	2 funds by 2026	BancoPosta Fondi SGR	2024	new
Increase the number of retail funds always open for placement that integrate a strategy - even in competition with others - that aims to control and contain carbon emissions	2 additional funds by 2025	BancoPosta Fondi SGR	2024	new
Maintaining 100% of investment product offerings consisting of products that promote environmental and/or social characteristics	100% of investment products offered by 2025	Poste Vita	2024	new

100% of investment options that promote environmental and/or social characteristics and invest in single names with a portfolio-weighted average ESG rating equal to or higher than the methodology threshold for defining the sustainability characteristics of products	100% investment options by 2025	Poste Vita	2024	new
Evolution of the offer dedicated to Small Economic Operators (POE) launched at the end of 2024 (including the compulsory guarantees provided by the Budget Law 2024 - catastrophic risks) with risk pricing based on geographical coordinates	Development of offerings by 2025	Poste Vita	2024	new

The objectives are consistent with Poste Italiane commitments, as the Group applies the principles of sustainability in all its areas of operation, including the financial sector, in the firm belief that asset management sectors, through the integration of ESG factors into investment decision-making processes, can contribute to the generation of long-term sustainable value, helping to protect society, foster innovation and support economic growth. Poste Italiane believes that the integration of ESG risks and opportunities in the management of investment portfolios can provide a concrete response to the social and environmental needs expressed by society, positively influencing the entire Country System Relevant functions were involved in the target setting process and market benchmarking analyses were carried out. For BancoPosta Fondi and Poste Vita Group, the identification of indicators and measurement of values at the portfolio level will be carried out through data provided by a specialised ESG info provider and processed through a proprietary analysis and monitoring platform. The quality of the data is verified by assessing the methodologies applied by the data providers and the adoption, if necessary, of any measures to protect it.

9. Glossary

ACQUIRING

All the services provided by an independent party (Acquirer) aimed at managing authorisations for payments made with cards belonging to national and international circuits, by virtue of an agreement with the merchant. The acquirer ensures proper processing and forwarding of transactions by crediting the relevant sum to the merchant's account.

ADDITIONAL RELEASE

The additional release is a release component of the CSM, which is calculated for the VFA model only, and which includes:
• the financial profit generated by the extra return for the period according to a Real World scenario (real scenario) compared to that calculated according to a Risk Neutral scenario (risk free rate scenario);
• release of the financial risk of the period (Time Value of Options and Guarantees, TVOG).

ASSET ALLOCATION

It is a strategy implemented by the investor and aimed at diversifying his or her portfolio across different asset classes, based on his or her time and expected return objectives.

ASSET CLASS

Investment category, i.e. set of financial instruments with similar characteristics and similar behaviour in the markets, e.g. bond (short term, medium/long term, government, corporate, high yield, etc.), equity (Europe, America, emerging countries, etc.), real estate. The choice of asset classes is crucial for portfolio construction because it is the individual components that are evaluated in the asset allocation process.

ATM (AUTOMATED TELLER MACHINE)

This is an automated counter, activated directly by users by inserting their card and typing in their PIN (personal identification code), which allows them to carry out both ordering and informative operations (e.g. balance request or movement list).

B2X

Market segment involving the exchange of products or services between a company as sender and companies or individuals as recipients.

BTP (MULTI-YEAR TREASURY BONDS)

Medium-/long-term Italian government bonds. The return is given by six-monthly fixed-rate interest coupons and the difference between the redemption price, equal to the nominal value (100), and the issue or subscription price on the secondary market.

BUFFER

The agreement with the Ministry of Economy and Finance (MEF) provides that a percentage of the funds deriving from private customer deposits may be placed in a special "Buffer" account at the MEF, with the objective of ensuring flexibility with regard to investments in view of daily movements in amounts payable to current account holders.

CAPITALISATON

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

CLOUD

Literally "computer cloud", it refers to the technology that allows data to be processed and stored on a network and enables access to applications and data stored on remote hardware instead of the local workstation. **HYBRID CLOUD** is a solution that combines a private cloud with one or more public cloud services, with proprietary software enabling communication between each service. A hybrid cloud strategy offers companies greater flexibility by moving workloads between cloud solutions according to needs and costs.

CONTACTLESS

It is the innovative payment method that allows to make purchases by simply bringing the card close to the card reader (POS terminal) with the Contactless symbol; the transaction takes place in a few moments.

CONTAINERISATION

Procedure consisting in the creation of a "container", i.e. a logical structure (software environment) consisting of all the components necessary for the operation 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, and the portability of applications between the on premises infrastructure and the public cloud of Poste Italiane's Hybrid cloud platform.

CONTRACTUAL SERVICE MARGIN (CSM)

It represents for the Company the expected and unrealised profit that it must represent in the statement of profit or loss, over the life of the contract.

COVERAGE UNIT

The Contractual Service Margin (CSM) is the quantity through which the pattern is defined and represents the amount of insurance services rendered during the year (e.g. the volume of mathematical provisions for the period compared to the total volume projected over the duration of the insurance contracts).

CREDIT CARD

It is a payment instrument that enables the holder, on the basis of a contractual relationship with the issuer, to make purchases (via POS or online) of goods or services at any establishment belonging to the relevant international circuit or cash withdrawals (via ATMs). The amounts spent are debited to the cardholder with predefined intervals in arrears (usually monthly) either as a lump sum ("classic" credit card) or in instalments (the so-called instalment/revolving credit card).

DEBIT CARD

A debit card is a payment instrument, linked to a bank or postal current account, which allows the holder to purchase (via POS) goods and services at any commercial establishment adhering to the circuit to which the card is enabled or to withdraw cash (via ATMs) with immediate debit on the current account linked to the card. The best known circuit is the Bancomat circuit, hence the name by which it is commonly referred to. If the card is linked to international circuits, it can be used abroad both for withdrawals of local currency and for making payments, by entering the same secret code (PIN) as is used domestically for ATM withdrawals and POS withdrawals in shops.

DIGITAL CHANNELS (DIGITAL PROPERTIES)

The digital properties (website, BancoPosta app, PostePay app, Poste Italiane app, PosteID app) represent one of the 3 channels of customer care to support the Group's omnichannel strategy.

DIGITAL PAYMENTS

The term refers to all payments made using electronic means, such as credit cards, debit and prepaid cards, digital wallet, telephone credit, direct debit to current account, for the purchase of goods and services.

DIGITAL WALLET

It is a virtual wallet within which one can load credit or combine one or more payment instruments such as credit, debit, prepaid or current account cards, in order to carry out transactions without sharing the private information of the payment method with the seller.

DURATION

Average maturity of bond payments. It is generally expressed in years and corresponds to the weighted average of the dates of payment of the cash flows (the so-called cash flows) from the security, where the weights assigned to each date are equal to the present value of the corresponding cash flows (the various coupons and, for the maturity date, also the principal). It is an approximate measure of the sensitivity of the price of a bond to changes in interest rates.

ETF (EXCHANGE TRADED FUNDS)

They are special passively managed investment funds (or Sicav) that are traded on regulated markets, belonging to the broader Exchange Traded Products (ETP) family, which replicate the performance of an underlying index (e.g. the FTSE MIB).

FINANCIAL DURATION OF THE PORTFOLIO

Average of the duration of the securities that make it up.

FTSE MIB (FINANCIAL TIMES STOCK EXCHANGE MILAN STOCK EXCHANGE INDEX)

It is the most important index of the Milan Stock Exchange where the securities with the highest market capitalisation and liquidity are gathered. On the FTSE MIB are listed a total of 40 stocks representing companies, the majority of which belong to the banking, insurance and industrial sectors.

GROSS PREMIUMS

Amount accrued during the reporting period for insurance contracts, irrespective of whether these amounts have been collected or whether they relate in whole or in part to subsequent years.

HIGH-YIELD SECURITIES

These are high-yield (and high-risk) bonds issued by companies, sovereign states or other entities in financial distress, which are given a low rating (Standard & Poor's rating of BB or lower). High Yield bonds are often referred to as Junk Bonds.

HOME BANKING (INTERNET BANKING)

This is an online service that allows current account holders to carry out various information and order operations on their current account via the Internet (checking account statements, making online credit transfers, post transfers, online payments, etc.), without having to physically go to their bank or post office.

HYBRID - MULTI-CLASS POLICY

In multi-class products, a part of the premium is invested in separately managed accounts and determines the guaranteed capital share, while a part is invested in unit-linked funds, which are characterised by diversified asset allocations that aim to seize return opportunities by investing in funds linked to financial market trends.

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.

INFORMATION SECURITY (CYBER SECURITY)

This term is intended to represent the tools and processes needed to ensure the security of computers, networks, commonly used devices (such as smartphones and tablets), applications and databases, protecting them from potential attacks that may come from inside or outside the organisation. Cyber Security has become increasingly important because protecting digital technologies, protects processes and above all information, which are the true assets of individuals and organisations.

INSURANCE CLASS

An insurance class is defined as a category into which it is possible to classify policies pertaining to the same, or similar, type of risk. Two macro sections can be distinguished:

- P&C insurance: covers policies that intervene to compensate the client in the event of material and physical damage, relating to personal property, assets, person;

P&C contracts are divided into the following classes:

1. Accidents (including accidents at work and occupational diseases); lump sum benefits; temporary benefits; mixed forms; transported persons;

2. Health: lump sum benefits; temporary benefits; mixed forms 3. Land vehicles (excluding rail vehicles): all damage suffered by: self-propelled land vehicles; non-self-propelled land vehicles;

4. Railway vehicle bodies: any damage suffered by railway vehicles;

5. Aircraft bodies: any damage suffered by aircraft;

6. Sea, lake and river vehicles: all damage suffered by: river vehicles; lake vehicles; sea vehicles;

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 suffered by 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 class 8;

10. Land motor vehicle liability: any liability arising out of the use of land motor vehicles (including carrier's liability); 11. Aircraft liability: any liability arising out of the use of aircraft (inclm uding carrier's liability);

12. Sea, lake and river vehicle liability: all liability arising from the use of river, lake and sea vehicles (including carrier's liability)

13. General Liability: any liability other than those mentioned in no. 10, 11 and 12;

14. Credit: asset losses from defaults; export credit; hire purchase; mortgage credit; agricultural credit;

15. Bail: direct bail; indirect bail; 16. Financial losses of various kinds: risks related to employment; insufficient income (general); bad 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-commercial financial losses; other financial losses;

17. Legal protection: legal protection;

18. Assistance: assistance to people in difficult situations.

- Life class: this includes policies taken out in order to guarantee a lump sum to the chosen beneficiaries indicated in the insurance contract, upon the occurrence of the event that is the subject of the policy (e.g. the death of the insured in the case of a death policy)

Life insurance policies are further divided into six classes:

Class I - Life insurance;

Class II - Nuptial and birth insurance;

Class III - Insurance included in classes I and II, the main benefits of which are directly linked to the value of units in collective investment undertakings or internal funds or to indices or other reference values;

Class IV - Health insurance and insurance against the risk of non-self-sufficiency covered by long-term, non-cancellable contracts for the risk of severe disability due to illness or accident or longevity;

Class V - Capitalisation operations;

Class VI - Management operations of collective funds set up to provide benefits in the event of death, survival or cessation or reduction of employment.

INVESTMENT GRADE

Definition referring to securities issued by companies with regular financial statements, well managed and favourable business prospects. In the case of investment grade securities, the rating is high and in any case higher than triple B. Below that level, instead, there is the world of high-yield instruments, i.e. high-risk instruments, characterised by low ratings that reflect the danger of default or insolvency.

LIABILITY FOR INCURRED CLAIM (LIC)

It is the liability that quantifies the issuer's obligation to compensate for insured events that have already occurred (incurred claims).

LIABILITY FOR REMAINING COVERAGE (LRC)

It is the liability that quantifies the issuer's obligation to provide cover for insured events that have not yet occurred.

MANAGEMENT FEES

Fees paid to the manager by direct debit from the fund's assets to remunerate management activity in the strict sense. They are calculated daily on the fund's net assets and drawn at larger intervals (monthly, quarterly, etc.). They are generally expressed on an annual basis.

MERCHANT

Person carrying out a commercial activity.

MIFID (MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE)

Directive 2004/39/EC, in force since 1 November 2007, has the main objective of standardising the rules of financial market participants at European level in order to protect investors by imposing an obligation on intermediaries to act honestly, fairly and professionally in order to serve their clients' best interests. The regulation introduced a classification of clients on the basis of different degrees of financial experience: retail clients (retail), professional clients (professional clients), and eligible counterparties. The purpose of this subdivision is to adopt protection measures consistent with each category of investor, respecting the different protection needs arising from the information gathered about its knowledge and experience in investment matters, its financial situation and its investment objectives, in order to verify the suitability or appropriateness of the investment service or financial instrument requested and/or proposed. In addition, intermediaries are obliged to provide correct, clear and not misleading information by describing the financial services and instruments offered, providing information on losses incurred, fees and costs related to the services provided and the presence of possible conflicts of interest. Entered into force on 3 January 2018 (replacing the so-called MiFID I, from which it takes principles and aims), the **MiFID II** Directive aims to increase the efficiency and transparency of the markets by raising the level of investor protection, by means of measures aimed at informing clients of the essential characteristics of the activity provided, including in terms of the risks and costs of the proposed transactions, and by reinforcing certain organisational requirements and rules of conduct in the phase of designing and offering products to clients, as well as in terms of training of investment advisors.

MIRRORING

A technique introduced by IFRS17 in the VFA context through which it is possible to remit to policyholders IFRS9 income that does not exceed the over-coverage, i.e. the returns generated by the financial assets backing the policyholders' liabilities.

MUTUAL FUNDS

These are collective investment undertakings, managed by asset management companies (AMC), which pool the liquidity provided by their clients and invest it, as a single asset, in movable financial assets (shares, bonds, government securities, etc.) or, for some of them, in real estate assets, respecting rules aimed at reducing risk. Each investor becomes the owner of a number of units whose value varies over time and according to the performance of the securities purchased by the Management Company with the fund's assets. There are different types of funds, classified, for example, according to the type of financial instruments in which they invest (e.g. European equities or American bonds) or according to the type of profit-sharing of investors. Funds can be either "closed" (with the subscription of units only during the offer period and the redemption of units taking place, as a rule, only at the Fund's maturity) or "open" (with the subscription and redemption of units at any time).

OTP (ONE TIME PASSWORD)

A one-time password or one-time code is a security alphanumeric code generated by an algorithm, at the user's request, to gain access to a system or to authorise specific transactions, e.g. in home banking operations. It is a very secure authentication system since the code is sent directly to a device in the holder's possession (SMS on mobile phone, token, etc.) and once used is no longer valid.

PAYMENT SERVICES PROVIDER (PSP)

Persons authorised to offer payment services: Banks, Poste Italiane (BancoPosta), payment institutions and electronic money institutions (PostePay S.p.A.).

PENSION FUNDS

They are collective investment undertakings that collect employees' and/or employers' contributions and invest them in financial instruments for the purpose of providing a pension benefit (life annuity or lump sum) at the end of an employee's working life that is supplementary to the mandatory public system. There are various forms of pension funds: Negotiated (or closed) funds, open-ended funds, individual pension plans (PIP or FIP), pre-existing pension schemes.

POS (POINT OF SALE)

It is the telematic location (consisting of a device for the automatic payment of purchases) where payment transactions take place, using debit or credit cards through their chips or magnetic stripes. Connected to the banking system, it allows merchants to have sums credited to their bank account and buyers to settle purchases without using physical money.

PREMIUM ALLOCATION APPROACH (PAA)

The PAA is an insurance contract valuation methodology used to simplify the measurement of certain types of contracts, compared to the General Model. This model is used by the Company, in particular, for the following types of contracts:

- Short-term P&C insurance (not exceeding one year);
- Some multi-year contracts as long as they give the same result as the General Model.

PREPAID CARD

Payment instrument, issued against an advance payment of funds made to the issuer, the value of which decreases each time it is used to make payments or withdrawals. With a prepaid card, it is possible, without using cash, to purchase (via POS or online) goods or services, or to withdraw cash at ATMs and with the use of a PIN, within the limits of the amount previously paid to the issuing institution. Prepaid cards are issued by banks, electronic money institutions (IMEL), payment institutions and PostePay – IMEL RFC (Poste Italiane Group). Reloadable prepaid cards have a maximum reloadable value that differs from issuer to issuer and can be reloaded several times. The prepaid card can also be equipped with an IBAN (International Bank Account Number), which allows the main operations of a current account to be carried out, by means of transfers or direct debits, such as, for example, crediting wages or pensions, and paying utility bills. With the prepaid card, it is possible to make purchases without using cash and to make withdrawals and other transactions at ATMs belonging to the payment circuit indicated on the card.

PRIVATE DIGITAL ENTITY

The Poste Italiane private digital identity is a set of technical credentials (username, strong password, registration mobile) and contact attributes that, associated with a certain identification of the holder, combine to define the digital profile of a Poste Italiane customer. The Private Digital Identity enables the holder to access and use Poste Italiane online services, including remote sales funnels and app onboarding, in association with the **Strong Customer Authentication (SCA)** provided by the Business Units.

REDEMPTION

The policyholder's right to terminate the contract early by requesting payment of the benefit resulting at the time of the request and determined in accordance with the contractual conditions.

REINSURANCE

Transaction whereby an insurer (the reinsured) - for a fee - reduces its economic exposure, either on a single risk (optional reinsurance) or on a large number of risks (compulsory or treaty reinsurance), by transferring to another insurer (the reinsurer) part of its liabilities arising from insurance contracts.

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).

RISK ADJUSTMENT

This refers to the adjustment of cash flows related to insurance contracts, reflecting uncertainty due to non-financial risks (e.g. mortality risk, longevity risk, early termination risk, assumption risk, catastrophe risk).

SALARY-BACKED LOANS (“CESSIONE DEL QUINTO”)

It is a special type of guaranteed financing, intended for pensioners and employees. The repayment of instalments is made by assigning a portion of the pension or salary to the lender. This share, deducted directly from the pension or pay slip, may not exceed the fifth part of the net monthly emolument. This type of financing requires insurance to cover life risk (for Pensioners) and life and loss of employment risk (for Employees). The policies are underwritten directly by the Bank/Financial Company (as policyholder and beneficiary), which bears the costs. The customer is not required to pay any insurance premium.

SCT (SEPA CREDIT TRANSFER)

Payment service enabling a debtor to arrange, by means of an order given to its bank, a payment in euro in favour of one of its creditors in the event that the credit institutions or branches where the accounts of the originator and beneficiary of the credit transfer (originator's bank and beneficiary's bank) are both located in a SEPA country and have adhered to the service.

SDD (SEPA DIRECT DEBIT CORE)

SEPA Direct Debits are a payment service offered by Payment Service Providers useful for automatically paying companies or individuals who supply goods or provide services on the basis of contracts providing for repetitive payments with a predetermined due date (e.g. utility payments). To make SEPA Direct Debit payments, the customer must authorise the company providing the utility or service by signing an authorisation contract. The bank, at each due date, will make the payment by debiting the amounts from the customer's account without asking his consent each time.

SEPARATELY MANAGED ACCOUNTS

In life insurance, a fund specifically created by the insurance undertaking and managed separately from the overall business of the undertaking. Separately managed accounts are used in Class I contracts and are characterised by a typically conservative investment composition. The return obtained by the separately managed account and relegated to the members is used to revalue the benefits under the contract.

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 the Solvency II regulation.

SPID - PUBLIC DIGITAL IDENTITY SYSTEM

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

STRONG CUSTOMER AUTHENTICATION (SCA)

SCA or **STRONG CUSTOMER AUTHENTICATION** requires that all electronic payment transactions, and some remote transactions that carry a risk of fraud, be confirmed and authorised by combining two or more authentication factors, chosen from something that only the person making the transaction possesses (an app on a mobile device or a key that generates OTP codes), or an element of inherence, i.e. something that uniquely distinguishes the user (a fingerprint, facial geometry, or another biometric feature).

UNIT-LINKED POLICY

A life policy for which the investment risk is borne by the policyholder and whose benefits are directly linked to units in collective investment undertakings or to the value of assets held in an internal fund.

VARIABLE FEE APPROACH (VFA)

The Variable Fee Approach (VFA) is a valuation methodology that applies to insurance contracts with direct profit-sharing features, such as insurance pension funds, separately managed accounts and unit-linked insurance policies.

2 FINANCIAL STATEMENTS POSTE ITALIANE

AT 31 DECEMBER 2024

CONTENTS

1. INTRODUCTION

Poste Italiane SpA (the "Parent Company") is the company formed following conversion of the former Public Administration entity, "Poste Italiane", under Resolution 244 of 18 December 1997. Its registered office is at Viale Europa 190, Rome (Italy).

Poste Italiane's shares have been listed on the Mercato Telematico Azionario (the MTA, an electronic stock exchange) since 27 October 2015. At 31 December 2024, the Company is 35% owned by CDP and 29.3% owned by the MEF, with the remaining shares held by institutional and retail investors. Poste Italiane SpA continues to be under the control of the MEF. At 31 December 2024, the Parent Company holds 11,492,604 of its treasury shares (equal to about 0.880% of the share capital).

The **Poste Italiane Group** (the "Group") provides a universal postal service in Italy as well as integrated communication, logistics, financial and insurance products and services throughout the country via its national network of approximately 13,000 post offices.

The Group's business is assessed and presented on the basis of four operating segments: (i) Mail, Parcels and Distribution, (ii) Postepay Services, (iii) Financial Services and (iv) Insurance Services.

The Mail, Parcels and Distribution Services Sector includes, in addition to the mail, parcel and logistics activities, also those related to the network of sellers, Post Offices and corporate functions of Poste Italiane S.p.A. that operate for the benefit of the other sectors in which the Group operates. The sector also includes the provision of welfare services.

The Postepay Services Sector includes the management of payments and e-money services, also carried out through the network of LIS sales points, as well as mobile and fixed telephone services and Energy sales services (electricity and gas) to the end customer by the company PostePay SpA.

The Financial Services Sector refers to the placement and distribution activities of financial and insurance products and services by Bancoposta, such as current accounts, postal savings products (on behalf of Cassa Depositi e Prestiti), mutual funds, financing provided by banking institutions, insurance policies and the activities of BancoPosta Fondi SpA SGR.

The Insurance Services segment mainly relates to the activities of Poste Vita SpA, which operates in the Life insurance sector mainly in Ministerial Classes I and III, and its direct and indirect subsidiaries, such as Poste Assicura SpA and Net Insurance SpA, which operate in the P&C sector with the exclusion of the Motor Insurance business, and Net Insurance Life SpA, which mainly offers insurance coverage related and instrumental to the P&C products offered by its direct parent company Net Insurance SpA.

This section of the Annual Report for the year ended 31 December 2024 includes the consolidated financial statements of the Poste Italiane Group, the separate financial statements of Poste Italiane SpA and the BancoPosta RFC Separate Report. The Report has been prepared in Euro, the currency of the economy in which the Group operates.

The Group's consolidated financial statements consist of the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows and the notes to the financial statements. All amounts in the financial statements and the notes are shown in millions of euro and rounded (without decimal figures), unless where stated otherwise. It follows that the sum of the rounded amounts may not coincide with the rounded totals.

The separate financial statements of Poste Italiane SpA consist of the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the notes. Amounts in the financial statements are shown in euros (except for the statement of cash flows, which is shown in thousands of euro), whilst those in the notes are shown in millions of euro (without decimals) unless otherwise stated. It follows that the sum of the rounded amounts may not coincide with the rounded totals.

The consolidated and separate financial statements contain notes applicable to both sets of financial statements, providing information on matters common to both the Group and Poste Italiane SpA. The relevant matters specifically regard:

- the way the financial statements are presented and relevant information on accounting standards;
- significant events during the year.

The BancoPosta RFC Separate Report, which forms an integral part of Poste Italiane SpA financial statements, prepared in accordance with the specific financial reporting rules laid down by the applicable banking regulations, is dealt with separately in this Section.

The consolidated financial statements of the Poste Italiane Group and the separate financial statements of Poste Italiane SpA (including the separate statement of BancoPosta RFC) as at 31 December 2024 were approved by the Board of Directors on 26 March 2025, the date on which publication was authorised in accordance with IAS 10-Events after the reporting period.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 COMPLIANCE WITH IAS/IFRS

The annual accounts are prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and endorsed by the European Union ("EU") in EC Regulation 1606/2002 of 19 July 2002, and in accordance with Legislative Decree 38 of 28 February 2005, which introduced regulations governing the adoption of IFRS in Italian law.

The term IFRS includes all the International Financial Reporting Standards, International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC", previously known as the Standing Interpretations Committee or "SIC"), adopted by the European Union and contained in the EU Regulations in force at 31 December 2024, regarding which no derogations were made.

2.2 BASIS OF PRESENTATION

The accounting standards reflect the **full operations** of the Group and Poste Italiane SpA in the foreseeable future. The companies of the Poste Italiane Group, as operating entities, prepare the financial statements on the assumption of business continuity, also taking into account the Group's economic and financial prospects derived from the 2024-2028 Strategic Plan and updated with the 2025 Budget respectively approved on 19 March 2024 and 21 February 2025.

The statement of financial position has been prepared on the basis of the **"current/non-current distinction"**[242]. In the Statement of profit (loss) for the year, the **classification criterion based on the nature of the cost components** has been adopted; details of interest income calculated using the effective interest criterion, as well as gains and losses deriving from the derecognition of financial assets measured at amortised cost (as per IAS 1 - *Presentation of Financial Statements* paragraph 82) are provided in section 4.3 Notes to the Statement of profit or loss. The cash flow statement has been prepared under the **indirect method**[243].

[242] Current assets include assets (such as inventories and trade receivables) that are sold, consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting period (IAS 1, paragraph 68).

[243] Under the indirect method, net cash from operating activities is determined by adjusting profit/(loss) for the year to reflect the impact of non-cash items, any deferment or provisions for previous or future operating inflows or outflows, and revenue or cost items linked to cash flows from investing or financing activities.

The accounting standards and the recognition, measurement and classification criteria adopted in these annual accounts are the same as those used in the previous year's preparation, with the exception of what is stated in section 2.3 - *Newly applied accounting standards and interpretations.*

The information provided in these annual financial statements takes into account the guidelines and recommendations of Italian and European regulatory and supervisory bodies (including ESMA and Consob[244]) published during the year to provide guidance in the current macroeconomic context. The accounting implications of complying with these recommendations are described in section 2.7 - *Climate change and macroeconomic context*.

In preparing the annual accounts, the CONSOB regulations contained in Resolution 15519 of 27 July 2006 and in Ruling DEM/6064293 of 28 July 2006 have been taken into account.

In accordance with Consob Resolution 15519 of 27 July 2006, the statement of financial position, the statement of profit or loss and the statement of cash flows show **amounts deriving from related party transactions**. The statement of profit or loss also shows, where applicable and of significant amount, **income and expenses deriving from non-recurring transactions**, or transactions that occur infrequently in the normal course of business. Detailed information about non-recurring events and transactions, including their impact on the financial position, results of operations and cash flows of the company and/or the group, is provided in the section "*Material non-recurring events and/or transactions*".

The values shown in the financial statements are compared with the corresponding values for the same period of the previous year. In order to allow for a uniform comparison with the figures for 2024, certain figures relating to the comparison year have been reclassified.

Pursuant to article 2447-*septies* of the Italian Civil Code, following the creation of BancoPosta's ring-fenced capital in 2011, the assets and contractual rights included therein (hereafter: "BancoPosta RFC") are shown separately in Poste Italiane SpA's statement of financial position, in a specific supplementary statement, and in the notes to the financial statements.

With regard to the interpretation and application of newly published, or revised, international accounting standards, and to certain aspects of taxation[245], where the related interpretations are based on examples of best practice or case-law that cannot yet be regarded as exhaustive, the financial statements have been prepared on the basis of the relevant best practices and the guidelines agreed with the Tax Authorities as part of "cooperative compliance". Any future guidance or updated interpretations will be reflected in subsequent reporting periods, in accordance with the specific procedures provided for by the related standards.

Lastly, Directive 2004/109/EC (the Transparency Directive) and EU Delegated Regulation 2019/815 introduced the requirement for issuers of securities listed on regulated markets in the European Union to prepare their Annual Financial Report in a single electronic reporting format (European Single Electronic Format), approved by ESMA. In application of this standard, the Annual Financial Report was prepared in XHTML format, including the 'marking' of the Notes to the

[244] Public statement ESMA32-193237008-8369 of 24 October 2024 "*European common enforcement priorities for 2024 annual financial reports*" and **Attention Reminder No. 2/24 of 20 December 2024.**

[245] The tax authorities have issued regular official interpretations only in respect of certain of the tax-related effects of the measures contained in Legislative Decree 38 of 28 February 2005, Law 244 of 24 December 2007 (the 2008 Budget Law) and the Ministerial Decree of 1 April 2009, implementing the 2008 Budget Law, which introduced numerous changes to IRES and IRAP. The MEF Decree issued on 8 June 2011 contains instructions regarding the coordinated application of EU-endorsed international accounting standards coming into effect between 1 January 2009 and 31 December 2010, in addition to regulations governing determination of the tax bases for IRES and IRAP. In addition, the new standards are subject to the rules contained in the endorsement tax decrees issued by the Ministry of the Economy and Finance, in application of the provisions of Law no. 10 of 26 February 2011 (Decreto milleproroghe).

Consolidated Financial Statements, as well as that of the related financial statements, using the ESMA-IFRS taxonomy and the integrated computer language (iXBRL).

2.3 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS AND THOSE SOON TO BE EFFECTIVE

Accounting standards and interpretations applicable from 1 January 2024

- **Amendments to IFRS 16 - Leases: Lease liabilities in a sale and leaseback transaction.** The purpose of the amendment is to specify how the selling lessee is to measure the lease liability arising from a sale and leaseback transaction in such a way that it does not recognise income or loss in respect of the retained right of use;
- **Amendments to IAS 1 - Presentation of Financial Statements** aimed at providing clarification on how entities should classify payables and other liabilities between current and non-current; and to improve the information that an entity must provide when its right to defer settlement of a liability for at least twelve months is subject to covenants;
- **Amendments to IFRS 7 - Financial Instruments: Disclosures, and IAS 7 - Statement of Cash Flows Statement of Cash Flows**, aimed at introducing specific disclosure requirements that enable users of financial statements to effectively assess the effects of[246] supply financing arrangements on the company's liabilities, cash flows and exposure to liquidity risk.

The adoption of the above amendments did not significantly affect the financial reporting of these financial statements.

Accounting standards and interpretations soon to be effective

The following are instead applicable from 1 January 2025:

- **Amendment to IAS 21 - Effects of changes in exchange rates** with the objective of establishing criteria for a consistent evaluation of the exchangeability of currencies and the determination of the exchange rate to be applied in cases where currencies are assessed as non-exchangeable. It also establishes the information to be provided in the notes to the financial statements as to how these evaluations were made.

As of the reporting date, the IASB has issued some financial reporting standards, amendments and interpretations not yet endorsed by the European Commission:

- *IFRS 18 Presentation and Disclosure in Financial Statements*;
- *IFRS 19 Subsidiaries without Public Accountability: Disclosures;*
- *Annual Improvements Volume 11;*
- *Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7);*
- *Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS* 7.

The potential impact on the Poste Italiane Group's financial reporting of the accounting standards, amendments and interpretations due to come into effect is currently being assessed. It should also be noted that the Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet in force.

2.4. CHANGES TO ACCOUNTING POLICIES

The Poste Italiane Group has adopted, with retroactive effect from 1 January 2024, the provisions of *IFRS 9 - Financial instruments* for hedge accounting, replacing the provisions previously set out in IAS 39.

[246] IAS 7, paragraph 44G, indicates that such arrangements "are characterised by the presence of one or more lenders who pay the amounts owed by the entity to its suppliers, while the entity agrees to pay [the lenders] in accordance with the terms and conditions of the arrangements, on or after the date on which the suppliers are paid" […] The same paragraph also specifies that instruments such as letters of credit or the use of credit cards do not constitute supply financing arrangements.

With reference to hedge accounting aspects, IFRS 9 rewrites the rules for designating a hedging relationship and verifying its effectiveness, with the aim of ensuring greater alignment between the accounting representation of hedges and the underlying risk management logic/activities.
In order to transition to the provisions of IFRS 9, a specific project was prepared, which involved the internal functions of Poste Italiane SpA and the Group companies with the aim of identifying the impacts deriving from the transition, also in reference to internal regulations (IFRS 9 Guidelines, corporate processes and procedures, including IFRS 9 hedging sheets[247]).

For hedging transactions in place at 1 January 2024[248], by virtue of the fact that the provisions of IFRS 9, in terms of accounting treatment and types of hedging transactions, do not differ in substance from the provisions of IAS 39, the adoption of IFRS 9 for hedge accounting did not have any transitional accounting impact.

For detailed information on the hedging transactions entered into by the Poste Italiane Group and jointly required by *IFRS 9-Financial Instruments* and *IFRS 7-Financial Instruments: Disclosures*, please refer to "*Note 4.8 - Hedging Trans*actions" and "*Note 5.8 - Hedging Transactions*" in the Consolidated and Separate Financial Statements of Poste Italiane SpA, respectively.

2.5 MATERIAL INFORMATION ON ACCOUNTING STANDARDS

The Poste Italiane Group's financial statements have been prepared on a historical **cost basis**, with the exception of certain items for which **fair value** measurement is obligatory.
The following is the information on accounting standards considered **relevant**[249] by the Poste Italiane Group, as well as all other information considered by management to be useful for understanding the financial statement information.

Property, plant and equipment

The **Property, plant and equipment** item is stated at acquisition or construction cost, less accumulated depreciation and any accumulated impairment losses. If the case occurs, this cost is increased for charges directly related to the purchase or construction of the asset, including - where identifiable and measurable - that relating to employees involved in the planning and/or preparation for use phase. Interest expense incurred by the Group for loans specifically for the acquisition or construction of property, plant and equipment is capitalised together with the value of the asset; all other interest expense is recognised as finance costs in the Statement of profit or loss for the year in question. Costs incurred for routine and/or cyclical maintenance and repairs are recognised directly in profit or loss in the related year. The capitalisation of costs attributable to the extension, modernisation or improvement of assets owned by Group companies or held under lease is carried out to the extent that they qualify for separate recognition as an asset or as a component of an asset, applying the

[247] The hedging sheets formally document the hedging relationship, indicating the risk management objectives and hedging strategy. Such documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the entity will assess whether the hedging relationship meets the hedge effectiveness requirements at the inception of the hedge and prospectively over the life of the hedge (including an analysis of the sources of hedge ineffectiveness and how it determines the hedge relationship).
[248] The hedging report meets the eligibility criteria if:
- it consists of hedging instruments and eligible hedged items;
- there is a formal designation and documentation of the hedging relationship, risk management objectives and hedging strategy at the outset;
- coverage is expected to be effective.

[249] Information on accounting standards is defined as material if, taken together with other information that can be inferred from the financial statements, it is believed to affect the decisions made by the primary users of the financial statements. Within the Poste Italiane Group, materiality of information is defined in relation to the nature of the transactions that give rise to it, as well as the nature of the other events or conditions associated with them.

component approach, which requires each component with a different estimated useful life and value to be recognised and amortised separately.
The original cost is depreciated on a straight-line basis from the date the asset is available and ready for use, based on the asset's expected useful life. Land is not depreciated.
Property and any related fixed plant and machinery located on land held under concession or sub-concession, which is to be returned free of charge to the grantor at the end of the concession term, are accounted for, based on the nature of the asset, within property, plant and equipment and depreciated on a straight-line basis over the shorter of the useful life of the asset and the residual concession term.
At each reporting date, property, plant and equipment is analysed in order to identify the existence of any indicators of impairment (in accordance with IAS 36 - *Impairment of Assets*; please refer to the treatment of impairment of assets).
Gains and losses deriving from the disposal or retirement of an asset are calculated as the difference between the disposal proceeds and the net carrying amount of the asset retired or sold, and are recognised in profit or loss in the period in which the transaction occurs.

The Poste Italiane Group's **investment property** relates to properties held for the purpose of earning rents or achieving capital appreciation, or both, and therefore generates cash flows largely independent of other activities. The same accounting standard and criteria is applied to investment property as to property, plant and equipment.

Please refer to Note 2.6 – *Use of estimates* for details on the useful life of the Group's main classes of Tangible assets.

Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance, which is controllable and capable of generating future economic benefits. The initial carrying amount is adjusted for accumulated amortisation, where an amortisation process is involved, and for any impairment losses.
In particular, **Industrial patents, intellectual property rights**, licences and similar rights are initially valued at purchase cost. This cost is increased for charges directly related to the purchase or preparation for use of the asset. Interest expense that the Group may incur for loans specifically for the purchase of industrial patents, intellectual property rights, licenses and similar rights are capitalised together with the value of the asset; all other interest expense is recognised as finance costs in the Statement of profit or loss for the year. Amortisation starts once the asset is available for use. Amortisation is applied on a straight-line basis, in order to distribute the purchase cost over the shorter of the expected useful life of the asset and any related contract terms, from the date the entity has the right to use the asset.
Industrial patents, intellectual property rights, licenses and similar rights include costs directly associated with the internal production of unique and identifiable software products. Direct costs include - where identifiable and measurable - the charge related to employees involved in software development. Costs incurred for the maintenance of internally developed software products are charged to profit or loss for the year in question. Amortisation begins when the asset is available for use and extends, systematically and on a straight-line basis, over its estimated useful life. Any research costs are not capitalised.

Among the Group's intangible assets, **Goodwill** represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable assets and liabilities of the company or business acquired, at the date of acquisition. Goodwill attributable to investments accounted for using the equity method is included in the carrying amount of the equity investment. Goodwill is not amortised on a systematic basis, but is tested periodically for impairment in accordance with IAS 36. This test is performed with reference to the cash generating unit ("CGU") to which the goodwill is attributable. The method applied in conducting impairment tests and the impact on the accounts of any impairment losses are described in the paragraph, "Impairment of assets".

Lastly, it should be noted that following the Purchase Price Allocation activity related to the acquisition of the Net Group, the value of the "Net Insurance" **brand** was recognised among the Group's intangible assets. In analogy to goodwill, this brand, considered to have indefinite useful life, is not subject to systematic amortisation but to the provisions of IAS 36 on impairment.

Lease arrangements

The Group assesses whether a contract is or contains a lease at the time of its initial recognition; during the contractual life, the initial assessment is revised only in the event of changes in the conditions of the contract (specifically, contractual duration or instalments due).

On the contract commencement date, a right to use the leased asset is recorded, equal to the initial value of the corresponding lease liability, plus payments due before or at the same time as the contract commencement date (e.g. agency fees). Subsequently, said right of use is measured less accumulated depreciation and any accumulated impairment losses. Depreciation starts on the commencement date of the lease and extends over the shorter of the lease term and the useful life of the underlying asset. If events or changes in circumstances indicate that the carrying amount of the right of use cannot be recovered, this asset is tested for impairment in accordance with the provisions of IAS 36 - *Impairment of Assets*.

The lease liability is initially recorded at the present value of the lease instalments not paid on the date the contract commences[250], discounted using the incremental borrowing rate, defined by loan period and for each Group company. The lease liability is subsequently reduced to reflect the lease payments made and increased to reflect interest on the remaining amount.

The lease liability is restated (resulting in a right-of-use adjustment) in the event of a change in:

- the lease term (for example, in the case of early termination of the contract or an extension of the lease);
- the assessment of a purchase option for the underlying asset; in these cases, lease payments due are reviewed on the basis of the revised lease term and to take account of the change in the amounts payable in view of the purchase option;
- future lease payments deriving from a change in the index or rate used to determine the payments (e.g. ISTAT), or as a result of a renegotiation of the financial conditions.

In the event of a significant change in the lease term or future lease payments, the residual value of the lease liability is restated by reference to the marginal lending rate in effect at the date of the change.

The Group avails itself of the option granted by the standard to apply a simplified accounting regime to short-term contracts for certain specific classes of assets (with a duration of no more than 12 months), to contracts where the individual underlying asset is of low value (up to €5,000) and to contracts where the individual underlying asset is an intangible asset: for these contracts, lease payments are recognised in the Statement of profit or loss as a balancing entry to short-term trade payables.

Impairment of assets

At the end of each reporting period, property, plant, equipment and intangible assets with finite lives are analysed to assess whether there is any indication that an asset may be impaired. If these indicators are present, the recoverable amount of

[250] The payments included in the initial measurement of the lease liability include:
fixed payments, less any lease incentives receivable;
variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date (e.g. ISTAT indexes);
the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
Variable lease payments that do not depend on an index or a rate are, in contrast, not included in the initial measurement of the lease liability. These payments are recognised as a cost in the statement of profit or loss in the period in which the event or the condition giving rise to the obligation occurs.

the assets concerned is estimated. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value in use, represented by the present value of the future cash flows expected to be derived from the asset. In calculating value in use, future cash flow estimates are discounted using a rate that reflects current market assessments of the time value of money, the period of the investment and the risks specific to the asset. The realisable value of assets that do not generate separate cash flows is determined with reference to the cash generating unit (CGU) to which the asset belongs.

Regardless of any impairment indicator, the assets listed below are tested for impairment every year:

- intangible assets with indefinite useful life or that are not yet available; the impairment test can take place at any time during the year, provided that it is performed at the same time in each of the following years;
- goodwill acquired in a business combination.

An impairment loss is recognised in profit or loss for the amount by which the net carrying amount of the asset, or the CGU to which it belongs, exceeds its recoverable amount. In particular, if the impairment loss regards goodwill and is higher than the related carrying amount, the remaining amount is allocated to the assets included in the CGU to which the goodwill has been allocated, in proportion to their carrying amount[251]. Except in the case of goodwill, if the impairment indicators no longer exist, the carrying amount of the asset or CGU is reinstated and the reversal recognised in profit or loss. The reversal must not exceed the carrying amount that would have been determined had no impairment loss been recognised and depreciation or amortisation been charged.

Investments

In the Poste Italiane Group’s consolidated financial statements, investments in companies over which the Group exerts significant influence ("associates") and in joint ventures, are accounted for using the equity method. The investments in insignificant subsidiaries (individually and in aggregate) are valued using the equity method. See note 2.8 – *Basis of consolidation.*

In Poste Italiane SpA's separate financial statements, investments in subsidiaries and associates are accounted for at cost (including any directly attributable incidental expenses), after adjustment for any impairments. Investments in subsidiaries and associates are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Any impairment losses (or subsequent reversals of impairment losses) are recognised in the same way and to the same extent described with regard to property, plant and equipment and intangible assets in the paragraph, "Impairment of assets".

Financial instruments

On initial recognition, financial assets and liabilities are classified at fair value based on the business purpose for which they were acquired. The purchase and sale of financial instruments is recognised by category, either on the date on which the Group commits to purchase or sell the asset (the transaction date), or, in the case of insurance transactions and BancoPosta's operations, at the settlement date[252]. Any changes in fair value between the transaction date and the settlement date are recognised in the financial statements.
On the other hand, trade receivables are recognised at their transaction price, in accordance with IFRS 15 - *Revenue from Contracts with Customers*.

On initial recognition, **financial assets** are classified in one of the following categories, based on the business model adopted to manage them and the characteristics of their contractual cash flows:

- Financial assets measured at amortised cost

[251] If the amount of the impairment loss is greater than the carrying amount of the asset or CGU, in accordance with IAS 36, no liability is recognised, unless recognition of a liability is required by an international accounting standard other than IAS 36.
[252] This is possible for transactions carried out on organised markets (the “regular way”).

This category reflects financial assets held to collect the contractual cash flows (the held to collect or HTC business model) representing solely payments of principal and interest (SPPI). These assets are measured at amortised cost, that is the value assigned to the financial asset or liability on initial recognition, net of any principal reimbursement, plus or minus the cumulative amortisation by using the effective interest rate method on the difference between the initial value and the value at maturity, after deducting any impairment. The business model on which the classification of financial assets is based permits the sale of such assets; if the sales are not occasional, and are not immaterial in terms of value, consistency with the HTC business model should be assessed.

- Financial assets measured at fair value through other comprehensive income (FVTOCI)
  This category includes financial assets held both to collect the relevant contractual cash flows and for sale (the held to collect and sell or HTC&S business model), with the contractual cash flows representing solely payments of principal and interest.
  These financial assets are measured at fair value and, until they are derecognised or reclassified, gains or losses from valuation are recognised in other comprehensive income. Exceptions to this are gains and losses due to impairment and foreign exchange gains and losses recognised in the profit or loss in the year in question. If the financial asset is derecognised, the accumulated gains/(losses) recognised in OCI are recycled to profit or loss.
  This category also includes equity instruments that would otherwise be recognised through profit or loss, for which the irrevocable election was made to recognise changes in fair value through OCI (the FVTOCI option). This option entails the recognition of dividends alone through profit or loss.
- Financial assets measured at fair value through profit or loss
  This category includes: (a) financial assets primarily held for trading; (b) those that qualify for designation at fair value through profit or loss, exercising the fair value option; (c) financial assets that must be recognised at fair value through profit or loss; (d) derivative instruments, with the exception of the effective portion of those designated as cash flow hedges. Financial assets belonging to the category in question are measured at fair value and the related changes are recognised in profit or loss. Derivative instruments at fair value through profit or loss are recognised as assets or liabilities depending on whether the fair value is positive or negative.; positive and negative fair values deriving from transactions with the same counterparty are offset during the collateralisation phase, where contractually provided for.

The classification as "current" or "non-current" of financial assets measured at amortised cost and financial assets measured at fair value through other comprehensive income depends on the contractual maturity of the instrument, since current assets are those whose realisation is expected within twelve months of the reporting date. Financial assets measured at fair value through profit or loss are, on the other hand, classified as "current" if held for trading and are expected to be sold within twelve months of the reporting date.

An expected credit loss (ECL) provision must be made for financial assets recognised at amortised cost and financial assets at fair value through OCI, as follows: (i) specific provisions for doubtful receivables are made for expected losses on financial assets measured at amortised cost; (ii) expected losses on financial assets measured at fair value through other comprehensive income are recognised in profit or loss, with a contra entry in the fair value reserve in equity. The method utilised is the "General impairment model", whereby:

- If on the reporting date the credit risk of a financial instrument has not increased significantly since initial recognition, a 12-month ECL is recognised (stage 1). Interest on the instrument is calculated on the gross carrying amount (amortised cost inclusive of the ECL);
- If on the reporting date the credit risk of the financial instrument has increased significantly since initial recognition, a lifetime ECL is recognised (stage 2). Interest on the instrument is calculated on the gross carrying amount (amortised cost inclusive of the ECL);

- If a financial instrument is already impaired on initial recognition or shows objective evidence of impairment as at the reporting date, lifetime expected losses are recognised. Interest is recognised at amortised cost (stage 3), i.e. on the basis of the exposure value – determined using the effective interest rate – adjusted for expected losses.

Detailed information on the inputs, assumptions and techniques for determining expected losses on financial assets is provided in *Note 2.6 - Use of Estimates*, to which reference is made for a full discussion.

Financial assets are derecognised when there is no longer a contractual right to receive cash flows from the investment or when all the related risks and rewards and control have been substantially transferred. If the substantial transfer of risks and benefits cannot be ascertained, financial assets are derecognised when no control is retained over them. Finally, assets sold are derecognised if the contractual right to receive their cash flows is maintained. However, at the same time a contractual obligation is assumed to pay said flows to a third party, without delay and only to the extent of those received.

In addition, for impaired financial assets, derecognition may take place following write-off thereof, following the acknowledgement that there are no reasonable expectations of recovery (e.g. prescription).

Financial liabilities, including borrowings, trade payables and other payment obligations, are carried at amortised cost using the effective interest method. If there is a change in the expected cash flows and they can be reliably estimated, the value of borrowings is recalculated to reflect the change on the basis of the present value of estimated future cash flows and the internal rate of return initially applied. Financial liabilities are classified as current liabilities, unless there is an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

When required by the applicable IFRS (e.g. in the case of derivative liabilities), or when the irrevocable fair value option is exercised, financial liabilities are recognised at fair value through profit or loss. In this case, changes in fair value attributable to changes in own credit risk are recognised directly in equity, unless this treatment creates or enhances an accounting asymmetry, whereby the residual amount of the changes in the fair value of liabilities is recognised through profit or loss.

Financial liabilities are derecognised when they are extinguished or when the obligation specified in the contract expires, is cancelled or discharged.

With regard to **hedge accounting transactions**, as described above, as of 1 January 2024, the Poste Italiane Group adopts the provisions of IFRS 9, in accordance with which, at the date the contract is entered into, derivative instruments are recognised at fair value and, if they do not meet the requirements for recognition as hedging instruments, changes in fair value recognised after initial recognition are recognised separately in the income statement of the year.

If, however, the derivative instruments meet the requirements to be classified as hedging instruments, subsequent changes in fair value follow the rules set out in IFRS 9 – *Financial Instruments* indicated below.
For each derivative financial instrument that qualifies for recognition as a hedging instrument, its relationship to the hedged item is documented. This documentation provides, among other things, the following information: indications of the risk management strategy and its objective, a qualitative description of the hedging relationship and identification of the hedged risk, and a description of how the hedge effectiveness requirements will be assessed[253]. The fulfilment of the effectiveness criteria is checked at the beginning of the hedging relationship, as well as on an ongoing basis at each reporting date or in the presence of cases that may entail a significant change in the drivers affecting individual hedging relationships.

[253] The hedge effectiveness requirements that must be met at the inception of the hedging relationship and at each reporting date are as follows:
the existence of an economic relationship between the hedging instrument and the hedged item;
- the effect of credit risk must not predominate over changes in value resulting from the economic relationship;
- the hedge ratio used for hedge accounting purposes is the same as that used for risk management purposes.

- *Fair value hedge*[254]

  When the hedge concerns assets or liabilities recognised in the financial statements, or concerns an unrecognised firm commitment, or a component of such item, both the change in fair value of the hedging instrument and the change in fair value of the hedged item are recognised in the income statement. The partial ineffectiveness of the hedge, equal to the difference between the aforementioned changes, represents an expense or income separately recognised among the components of the income statement of the period.

- *Cash flow hedge*[255]

  In the case of cash flow hedges, changes in the fair value of the derivative instrument recorded after the first recognition are charged, limited to the effective portion, to a specific equity reserve whose movement is represented in Other components of comprehensive income (Cash flow hedge reserve). The change in fair value of the hedging instrument attributable to the ineffective portion of the hedge is instead immediately recorded in the Income Statement of the period considered.

  Amounts accumulated in equity are recycled to profit or loss in the period in which the hedged item affects profit or loss. In particular, in the case of hedges associated with a highly probable forecast transaction (such as the purchase of fixed income debt securities), the reserve is reclassified to profit or loss in the period or in the periods in which the asset or liability, subsequently accounted for and connected to the aforementioned transaction, will affect profit or loss (for example, an adjustment to the return on the security).

  If, during the life of the derivative, the forecast hedged transaction is no longer expected to occur, the related gains and losses accumulated in the cash flow hedge reserve are immediately reclassified to profit or loss for the period. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the related gains and losses accumulated in the cash flow hedge reserve at that time remain in equity and are recognised in profit or loss at the same time as the original underlying.

For a description of the methods used by the Poste Italiane Group and Poste Italiane SpA to assess compliance with hedging effectiveness requirements, reference is made to "*Note 4.8 - Hedging Operations*" and "*Note 5.8 - Hedging Operations*" in the consolidated and separate financial statements of Poste Italiane SpA, respectively.

[254] Hedging of exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment, or a component of such items, that is attributable to a particular risk and could affect the income statement.
[255] Hedging of exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability, or a component thereof, or to a highly probable planned transaction that could affect the Income Statement.

Embedded derivatives

An embedded derivative is a derivative included in a combined contract or hybrid instrument, also containing a non-derivative contract or host contract, which originates all or part of the cash flows of the combined contract. Embedded derivatives are separated from the host contract and recognised as a derivative when:

- the host contract is not a financial instrument measured at fair value recorded in the income statement;
- the economic risks and characteristics of the embedded derivative are not strictly correlated with those of the host contract;
- a separate contract with the same terms and conditions of the embedded derivative would meet the definition of a derivative.

Within the Group, contracts that may contain embedded derivatives are:

- contracts for the purchase of non-financial items entered into by Postepay SpA with clauses or options affecting the contract price, for which, however, the embedded derivatives are not separable from the host contract;
- the convertible bond held by Postepay SpA, for which the embedded derivative component is not separated as the host contract is a financial instrument measured at fair value through profit or loss.

Repurchase agreements

Any securities received as part of a transaction entailing subsequent re-sale and the delivery of securities as part of a transaction entailing their subsequent repurchase are not either recognised or derecognised in these financial statements. Consequently, in the case of securities purchased under a resale agreement, the amount paid is recognised as an amount due from customers or banks under Financial assets measured at amortised cost; in the case of securities sold under a repurchase agreement, the liability is recognised as an amount due to banks or customers under Financial liabilities measured at amortised cost. The transactions described are subject to offsetting if, and only if, they are carried out with the same counterparty, have the same maturity and offsetting is provided for in the contract.

Tax credits Law no. 77/2020

In order to identify the correct accounting treatment of the receivables purchased in reference to the Decreto Rilancio no. 34/2020 (later converted with Law no. 77 of 17 July 2020), since an accounting framework directly applicable to this case cannot be identified and in compliance with the provisions of IAS 8, an accounting policy suitable for providing relevant and reliable information aimed at ensuring a faithful representation of the financial, income and cash flow position and which reflects the economic substance and not the mere form of the transaction was defined. Based on the analyses carried out and the documents published by the main Italian supervisory bodies (Joint Document of the Bank of Italy, IVASS and CONSOB[256]), although the definition of financial activity in IAS 32 is not directly applicable to this case, an accounting model based on IFRS 9 was developed since:

- at inception, an asset as defined by the Conceptual Framework arises in the transferee's financial statements;
- they may be used to offset a payable that is usually settled in cash (tax payables), and exchanged for other financial assets on terms that may be potentially favourable to the entity;
- a business model can be identified (Hold to Collect, Hold to Collect and Sell or other business models)

[256] On 5 January 2021, the Bank of Italy, Consob and IVASS published Document No. 9 of the Coordination Table on the Application of IAS/IFRS "Accounting Treatment of Tax Credits Associated with the "Cura Italia" and "Relaunch" Law Decrees acquired as a result of disposal by direct beneficiaries or previous purchasers".

At the date of purchase, these receivables are recognised at their fair value (coinciding with the price paid) and subsequently measured at amortised cost ("Hold to Collect" business model), as they were acquired to be used to offset tax or social security payables by Poste Italiane SpA, based on the provisions of the relevant regulations.

Classification of receivables and payables attributable to BancoPosta and IMEL RFC

Receivables and payables attributable to BancoPosta RFC are treated as financial assets and liabilities if related to BancoPosta's typical deposit-taking and lending activities, or services provided under authority from customers. The related operating expenses and income, if not settled or classifiable in accordance with Bank of Italy Circular 272 of 30 July 2008 – The Account Matrix, are accounted for in trade receivables and payables.

Receivables and payables of IMEL RFC are considered to have the nature of financial assets and liabilities if they relate to the characteristic activities of the Electronic Money Institutions, or to the services delegated by the customers. The related operating expenses and income, if not settled or classifiable in accordance with Bank of Italy Circular 217 of 5 August 1996 – The Account Matrix, are accounted for in trade receivables and payables.

Own use exemption

The standards establishing the principles for the recognition and measurement of financial instruments are also applied to derivative contracts to buy or sell non-financial items that are settled net in cash or in another financial instrument, with the exception of contracts entered into, and that continue to be held, for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements (the own use exemption). This exception is applied in the recognition and measurement of forward purchase contracts for electricity and natural gas carried out by the subsidiary Postepay SpA if the following conditions are met:

- the contract does not provide for the possibility of balancing purchase and sale transactions by offsetting in cash or by means of financial instruments or exchange of financial instruments[257];
- the contract is concluded and maintained to meet the needs of the purchase, sale or use of the goods;
- the contract is intended for that purpose from the moment it is signed;
- the contract provides for the delivery of goods[258].

When the above conditions are met, the contract for the purchase or sale of non-financial items is classified as a 'normal contract of purchase and sale'.
In order to be able to adopt the own-use exemption regime, the company Postepay SpA has implemented a structured control framework that provides for ex-ante and ongoing monitoring of the applicability conditions set forth in the aforementioned accounting standard.

Taxes

Current income tax expense is based on the best estimate of taxable profit for the period and the related regulations, applying the rates in force. Deferred tax assets and liabilities are calculated on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, using tax rates that are expected to apply when the related deferred tax assets are realised or the deferred tax liabilities are settled. Deferred tax assets and liabilities are not recognised if the temporary differences derive from investments in subsidiaries, associates and joint ventures, where the timing of the reversal of the temporary difference is controlled by the Group or it is probable that the temporary difference

[257] In the event that there is a net cash flow settlement clause, it is necessary to verify that this clause is not applied in substance.
[258] If it is the practice for Postepay SpA to settle the transaction net on the basis of cash or other financial instruments, or to receive the contracted goods and then resell them in the short term, Postepay SpA, and consequently the Group, will not be able to apply the own use exemption, and will have to account for the contract as a derivative financial instrument.

will not reverse in the foreseeable future. In accordance with IAS 12, deferred tax liabilities are not recognised on goodwill deriving from a business combination.
Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred taxes are recognised in profit or loss, with the exception of taxes charged or credited directly to equity, in which case the tax effect is recognised directly in equity. Current and deferred tax assets and liabilities are offset when they are applied by the same tax authority to the same taxpaying entity, which has the legally exercisable right to offset the amounts recognised, and the entity has the intention of exercising this right. As a result, tax liabilities accruing in interim periods that are shorter than the tax year are not offset against related assets deriving from withholding tax or advances paid.

The Group's taxation and accounting standards take account of the effects of Poste Italiane SpA's participation in the national tax consolidation scheme, for which the option has been exercised in accordance with the law, together with the following subsidiaries: Poste Vita SpA, SDA Express Courier SpA, Poste Air Cargo Srl, Postel SpA, Europa Gestioni Immobiliari SpA, Poste Welfare Servizi Srl, Poste Assicura SpA, BancoPostaFondi SpA SGR, PostePay SpA, Poste Insurance Broker Srl, MLK Deliveries SpA, Indabox Srl, Nexive Network Srl, LIS Holding SpA, LIS PAY SpA, Address Software Srl, Consorzio Servizi Scpa, Logos Srl, Plurima SpA, Postego SpA, MLK Fresh Srl, Poste Logistics SpA, Sourcesense SpA, Bridge Technologies Srl and Agile Lab Srl. The tax consolidation arrangement is governed by Group regulations based on the principles of neutrality and equality of treatment, which are intended to ensure that the companies included in the tax consolidation are in no way penalised as a result. Following adoption of the tax consolidation arrangement, the Parent Company's tax expense is determined at consolidated level on the basis of the tax expense or tax losses for the period for each company included in the consolidation, taking account of any withholding tax or advances paid. Poste Italiane SpA posts its IRES tax expense to income taxes for the period, after adjustments to take account of the positive or negative impact of tax consolidation adjustments. Should the reductions or increases in tax expense deriving from such adjustments be attributable to the companies included in the tax consolidation, Poste Italiane SpA attributes such reductions or increases in tax expense to the companies in question. The economic benefits deriving from the offset of tax losses transferred to the consolidating entity by the companies participating in the tax consolidation arrangement are recognised in full by Poste Italiane SpA. Other taxes not related to income are included in "Other operating costs".

Furthermore, the information required by the reference standard (IAS 12 - Income Taxes) on the provisions of the OECD (Organisation for Economic Co-operation and Development) Pillar Two, introduced into the European Union regulatory framework with EU Directive 2022/2523 of the Council of 14 December 2022, in turn implemented in Italy with Legislative Decree 209 of 27 December 2023 (hereinafter also referred to as the "Decree"), is provided below. The objective of international tax reform is to ensure a minimum level of taxation, at the rate of 15%, of multinational corporations in each jurisdiction in which they operate.

During the year under review, the Poste Italiane Group continued, with the support of external experts, to work on the implementation of procedures aimed at managing the fulfilments relating to both the application phase of the simplified transitional regimes of an optional and temporary nature that have been envisaged as part of the OECD work on the global minimum tax (***Transitional CbCR Safe harbours***)[259], as well as of the "steady-state" legislation (***GloBE rules***).
With regard to the year covered by these disclosures, the Poste Italiane Group has applied the exception to the recognition and disclosure of deferred tax assets and liabilities relating to Pillar II income taxes, as permitted by the aforementioned accounting standard.

[259] The general transitional regimes (Transitional Safe Harbour) provide for the reduction of any supplementary tax due for these jurisdictions to zero for the first three tax periods from the implementation of the legislation (2024-2026).

Furthermore, in order to assess the impact of the new regulations for 2024, Transitional CbCR Safe harbours tests were performed for each of the jurisdictions in which the Poste Italiane Group operates (i.e. Italy, the UK, Hong Kong and China) using the reporting package data for the Consolidated Financial Statements.

The above analysis shows that at least one of the tests under the Transitional CbCR Safe Harbour has been passed for each jurisdiction[260] in which the Group operates, therefore no additional tax is currently due.

Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of interchangeable items and goods for resale is calculated using the weighted average cost method. In the case of non-interchangeable items, cost is measured on the basis of the specific cost of the item at the time of purchase. The value of the inventories is adjusted, if necessary, by provisions for obsolete or slow-moving stock. When the circumstances that previously led to recognition of the above provisions no longer exist, or when there is a clear indication of an increase in the net realisable value, the provisions are fully or partly reversed, so that the new carrying amount is the lower of cost and net realisable value at the end of the reporting period. Assets are not, however, recognised in the statement of financial position when the Group has incurred an expense that, based on the best information available at the date of preparation of the financial statements, is deemed unlikely to generate economic benefits for the Group after the end of the reporting period.

In the case of properties held for sale[261], if present, cost is represented by the fair value of each asset at the date of acquisition, plus any directly attributable transaction costs, whilst the net realisable value is based on the estimated sale price under normal market conditions, less direct costs to sell.

Long-term contract work is measured using the percentage of completion method, using cost to cost accounting[262].

Environmental certificates not used in the reporting period are recognised in inventories.

Environmental Certificates

Within the Poste Italiane Group, environmental certificates refer to:

- Emission allowances held by the company Poste Air Cargo Srl as an incentive to reduce greenhouse gas emissions[263] with the aim of achieving an improvement in technologies used in energy production and industrial processes,
- Guarantees of origin and carbon credits held by the company Postepay SpA; the former aimed at certifying the origin from renewable sources of the electricity sold; the latter aimed at fully offsetting CO_2 emissions from natural gas consumption.

Emission quotas

The European Emissions Trading System, which works on the basis of the cap and trade principle, has capped annual greenhouse gas emissions at European level. This corresponds to the issue, free of charge, of a set number of emission allowances by the competent national authorities. During the year, depending on the effective volume of greenhouse gas emissions produced with respect to the above cap, each company has the option of selling or purchasing emission

[260] With regard to Italy, the test is passed for both group companies and the jointly controlled entity.
[261] These are properties held by EGI SpA and not accounted for in "Investment property" as they were purchased for sale or subsequently reclassified as held for sale.
[262] This method is based on the ratio of costs incurred as of a given date divided by the estimated total project cost. The resulting percentage is then applied to estimated total revenue, obtaining the value to be attributed to the contract work completed and accrued revenue at the given date.
[263] Introduced into the Italian and European regulatory system by the Kyoto Protocol.

allowances on the market.

The issue, free of charge, of emission allowances involves a commitment to produce, in the relevant year, a quantity of greenhouse gas emissions in proportion to the emission allowances received: this commitment is commensurate with the market value of the emission allowances at the time of allocation. At the end of the year, the commitment is reduced or derecognised in proportion to the greenhouse gas emissions effectively produced and any residual value is reported in the section, "Additional information", in the Annual Report.

Guarantees of Origin and Carbon Credits

Guarantees of Origin are certifications attesting to the renewable origin of the sources used by IGO (Plants Guarantee of Origin) classified plants. For each MWh of renewable electricity fed into the grid by IGO-qualified plants, the GSE (Gestore Servizi Energetici) issues a GO certificate to the producer, in accordance with EU Directive 2018/2001. As of 1 January 2013, electricity sales companies are obliged to procure a quantity of GO certificates equal to the electricity sold as renewable. To do this, each company is required, by 31 March of the year following the year in which electricity was supplied to end customers, to cancel a quantity of GO equal to the electricity sold as renewable.

Carbon credits, on the other hand, represent a negotiable security that allows a company or organisation to offset the carbon dioxide (CO_2) emitted in the course of its activities (in the case of Postepay SpA, the CO_2 emissions of the gas marketed to end customers), by adhering to environmental sustainability projects aimed at pursuing a path of ecological transition and decarbonisation.

Offsetting of CO_2 emissions takes place through the acquisition of carbon credits for a value equivalent to the CO_2 emissions resulting from the gas consumption of the Company's end customers. Each carbon credit represents the offsetting of one tonne of CO_2.

The accounting treatment of emission allowances and, insofar as they are similar, guarantees of origin and carbon credits, in the absence of specific indications within the IAS/IFRS framework, is carried out in accordance with the provisions of OIC 8 "*Greenhouse Gas Emission Allowances*", as well as the reference best practice for the main IAS adopters. The purchase for consideration or the sales of environmental certificates are recognised in the Income Statement of the financial year in which they occur. At the end of the year, any surpluses arising from purchases for consideration are recognised in the closing inventories at the lower of cost and net realisable value[264]. In the event of a shortfall, the resulting charge and related liability are accounted for at the end of the year at fair value.

Business Combinations

Business combinations are recognised using the acquisition method. The consideration transferred in a business combination is equal to the sum of the fair values, at the acquisition date, of the assets transferred, the liabilities incurred, and any interest issued by the acquirer. Costs directly attributable to the transaction are recognised in the Statement of profit or loss.

The amount transferred is allocated by recognising the identifiable assets, liabilities and contingent liabilities of the acquiree at the related fair values at the acquisition date.

Any positive difference between the carrying amount of the asset and its recoverable value is recognised as goodwill and recorded under intangible assets:

- the sum of the consideration transferred, measured at fair value at the acquisition date, the amount of any non-controlling interest, and, in the case of business combinations achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and
- the net value of the amounts, at the acquisition date, of the assets acquired and liabilities assumed that are identifiable in the acquiree measured at fair value.

[264] Any surplus emission allowances allocated free of charge are not accounted for in closing inventory.

In the event of a negative difference, this surplus represents the profit from a purchase on favourable terms and is recognised in the statement of profit or loss.

If at the time of preparing the financial statements the fair value of the assets, liabilities and contingent liabilities arising from the transaction can only be determined provisionally, the business combination is recognised using these provisional values. Any adjustments resulting from the completion of the valuation process are recognised retrospectively within twelve months of the acquisition date.

In the case of a business combination achieved in stages, the interests previously held in the acquiree are remeasured at fair value at the new acquisition date and any difference (positive or negative) is recognised in the statement of profit or loss or in the statement of comprehensive income if appropriate.

Cash and deposits attributable to BancoPosta

Cash and securities held at post offices, and bank deposits attributable to the operations of BancoPosta RFC, are accounted for separately from cash and cash equivalents as they derive from deposits subject to investment restrictions, or from advances from the Italian Treasury to ensure that post offices can operate. This cash may only be used in settlement of these obligations.

Cash and cash equivalents

Cash and cash equivalents refer to cash in hand, deposits held at call with banks, amounts that at 31 December 2024 the Parent Company has temporarily deposited with the MEF and other highly liquid short-term investments with original maturities of ninety days or less. Current account overdrafts are accounted for in current liabilities.

Non-current assets (or disposal groups) classified as held for sale and discontinued operations

Non-current assets, disposal groups and discontinued operations are measured at the lower of their carrying amount and fair value, less costs to sell.

When it is highly probable that the carrying amount of a non-current asset, or a disposal group, will be recovered, in its present condition, principally through a sale transaction or other form of disposal, rather than through continuing use, and the transaction is likely to take place in the short term, the asset or disposal group is classified as held for sale or as a discontinuing operation in the statement of financial position. The transaction is deemed to be highly probable, when the Parent Company's Board of Directors, or, when so authorised, the board of directors of a subsidiary, has committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan has been initiated. Sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance.

Equity

Share capital

Share capital is represented by Poste Italiane SpA's subscribed and paid-up capital. Incremental costs directly attributable to the issue of new shares are recognised as a reduction of the share capital, net of any deferred tax effect.

Treasury shares

Treasury shares are recognised at cost and deducted from shareholders' equity. The effects of any subsequent sales are recognised in equity.

Hybrid bonds

Perpetual hybrid subordinated bonds are classified in the financial statements under comment as equity instruments, taking into account the circumstance that the issuing Company has the unconditional right to defer, until the date of its dissolution or liquidation, the repayment of the capital and the payment of coupons. Therefore, the amount received from the subscribers of these instruments, net of the related issue costs, is recognised as an increase in Group shareholders' equity; conversely, repayments of principal and payments of coupons due (at the time the related contractual obligation arises) are recognised as a decrease in shareholders' equity.

Reserves

Reserves include capital and revenue reserves. They include, among others, the Reserve for BancoPosta RFC that constitutes the initial and subsequent allocations of Bancoposta RFC legally independent, the Parent Company's legal reserve, the fair value reserve relating to items accounted for using this method with a balancing entry in Equity, and the cash flow hedge reserve relating to the recognition of the effective portion of hedges outstanding at the reporting date, the Reserve for insurance contracts issued and outward reinsurance held, which includes the reversal of the results achieved on financial assets measured at fair value with a balancing entry in shareholders' equity following the adoption of the OCI option provided for by IFRS 17, as well as the Translation reserve, which includes the exchange rate differences arising from the translation, in the presentation currency, of the financial statements of consolidated companies that operate in a functional currency other than the Euro.

Retained earnings / (Accumulated losses)

This relates to the portion of profit for the period and for previous periods which has not been distributed or taken to reserves or used to cover losses and actuarial gains and losses deriving from the calculation of the liability for employee termination benefits, and transfers from other equity reserves, when they have been released from the restrictions to which they were subjected. In the consolidated financial statements, the item also includes any effects arising from transactions with minority shareholders.

Insurance Contracts and Assets for outward reinsurance

They concern insurance contracts and investment contracts with discretionary participation elements issued by the Companies belonging to the Poste Vita Group, as well as the reinsurance contracts held by them. As regards contracts issued by other companies belonging to the Group other than insurance companies, no elements have been identified that can be traced back to the definition of insurance contract, or, even though they fall within this definition, the Group has opted to continue to apply IFRS 15 and/or IFRS 9 as permitted by IFRS 17.

The process of aggregating insurance contracts provides for an initial distinction between Life and P&C businesses and subsequently a distinction into different Portfolios of contracts and different Units of Account. The Portfolios include contracts with similar contractual and risk characteristics that are managed in a unitary manner. With regard to the Life business, groups of contracts are aggregated by product type (e.g. Pure Separately Managed Accounts, Multi-class, Temporary Death Benefits, etc.), while for the P&C business, the level of aggregation coincides with the lines of business (e.g. those defined for Solvency II reporting); in some cases they are further subdivided in order to comply with the characteristics of specific products. For business related to reinsurance contracts held, the Unit of Account is equivalent to the individual treaty with the counterparty.

The Contract portfolios can be further disaggregated according to the underwriting year of the policies (cohorts)[265] and the level of profitability. For this purpose, an onerousness test of the products is carried out to divide the Units of Account into:

- profitable;
- onerous;
- that at the time of initial recognition do not have a high probability of becoming onerous.

The following describes the process for defining the onerousness test according to the relevant business:

- Life business: for contracts issued by Poste Vita SpA, the test is performed at the product level in the design phase of the same (ex ante) exclusively for new products, determining the estimated future flows of fulfilment at the date. For contracts issued by Net Insurance Life SpA, on the other hand, the test is carried out on individual tariffs. The analysis is repeated in the event of significant events that may affect the costliness of the product in the first year of life;
- P&C business: for contracts issued by the Company Poste Assicura SpA, the test is performed on the basis of the Combined Ratio[266] at the time of the initial recognition of the group of contracts by defining the onerousness on a permanent basis until the maturity of the policies. For contracts issued by Net Insurance SpA, the test takes into account estimated future fulfilment flows at the date and is performed at the contract group level according to business type;

Groups of insurance contracts are recognised at the date of initial recognition. The Poste Italiane Group has defined in detail which, for each type of business and its underlying products, is the date that identifies the start of the contractual relationship. These dates (e.g. effective date, renewal date, accession date, etc.) were identified according to the specificities of the products issued.

Measurement models

Groups of insurance contracts with at least one of the following characteristics are measured using the Premium Allocation Approach (PAA) method[267]:

- One-year Duration;
- Multi-Year Duration and belonging to the Collective Business (Contract Groups = Collective);
- Multi-Year Duration and belonging to a Portfolio where the weight of the Multi-year Business is less than or equal to 5% in the last 3 years.

With reference to the Variable Fee Approach (VFA)[268], adopted exclusively for Life business, the following types of products are considered eligible for the model:

- With Profit Participating (separately managed account);
- Unit-linked standalone insurance;

[265] For Separately Managed Accounts and Multi-class insurance products, the exemption has been implemented in the application of annual cohorts permitted by Regulation (EU) no. 2021/2036.
[266] Ratio of claims and expenses incurred to premium volume, also taking into account the Adjustment for non-financial risk.
[267] Optional and alternative model to the general model, is applicable to contracts characterised by a coverage period of no more than one year, as well as to groups of contracts for which the company considers that simplification linked to the model would not lead to a significantly different result from that obtained with the general model (for example, absence of variability of cash flows associated with the group of contracts);
[268] Mandatory measurement model for contracts with direct participation features, such as separately managed accounts and unit-linked products.

- Hybrid products with investment components (Multi-class).

The PAA model is applied to P&C business, with the exception of the CPI products[269], which are measured through the adoption of the Building Block Approach (BBA) or General Model[270] as they do not meet the conditions for the application of the simplified model. The BBA is also adopted for products belonging to the Life business for which the VFA model does not apply.

Elements for determining future fulfilment flows

In application of the BBA and VFA models, future cash flows associated with insurance contracts are estimated by taking into account the so-called "contract boundary", in order to identify whether a particular contractual option should be included in the cash flow projection as soon as the contract is issued or whether the exercise of that option would result in the recognition of a new group of contracts. Contract boundary identification techniques have been borrowed from the Solvency II context[271], except in the case of P&C business contracts with tacit renewal that were no longer terminable at the valuation date, which define the generation of a new group of contracts and, therefore, a new cohort. In the Life business, pure risk policies, cases of conversion into annuities, automatic maturity deferrals and additional payouts can generate a new fulfilment cash flow; while in the P&C business, additional considerations can be made about product repricing clauses, the presence of variable sums insured and cases of surrender with return of unearned premium.

All costs directly attributable to the management of insurance contracts, including costs incurred in the acquisition of contracts, are also taken into account in the construction of the fulfilment cash flows. With particular reference to acquisition costs, the costs incurred internally for placement through the Poste Italiane network, placement commissions paid to the network external to the Group (mainly for the Net Insurance and Net Insurance Life companies), rappels[272] and other direct and indirect acquisition costs are considered directly attributable to insurance contracts.

Adjustment for non-financial risk

When assessing insurance contracts, it is necessary to consider the Risk Adjustment component, i.e. the remuneration that the Companies of the Poste Italiane Group require to assume risks of a non-financial nature. To determine the Adjustment for non-financial risk, the Poste Italiane Group has decided to use the percentile metric. According to this approach, the Adjustment for non-financial risk represents the potential loss in relation to the obligations assumed towards the policyholders (Insurance liabilities) that the Companies would incur, at a given level of probability (percentile level), to cover the insurance risks assumed, thus reflecting the risk appetite of the Companies themselves. This element is calculated separately for Life and P&C business. The confidence level identified to quantify the Adjustment for non-financial risk is 70% for both P&C and Life business.

In order to determine the amount of the Adjustment for non-financial risk, among other elements, the Solvency II valuation framework is taken into account, considering the same scope of underlying risks. For details of the risks considered, see Section "*2.6 - Use of estimates - Insurance liabilities*".

The Adjustment for non-financial risk may change as a result of changes in the risks to which the Group is exposed. These effects may have an impact on the statement of financial position if they relate to future services, affecting the total value

[269] Credit Protection Insurance: is a special multi-risk insurance contract that seeks to protect the insured against a series of events that may occur during the term of a loan (mortgage, personal loan or other form of credit), thus preventing adverse situations from impairing its regular repayment capacity.
[270]. A general model for measuring insurance contracts, called the Building Block Approach - BBA, involves the definition of the financial flows associated with the insurance contract, consisting of cash inflows and outflows; an adjustment for the time value of money and the financial risks associated with these flows; and an adjustment for non-financial risk (Risk adjustment). The final result of the sum of the preceding components, if positive, determines the Contractual Service Margin (CSM) that will be issued over the life of the insurance contract according to the so-called Coverage Unit, while if negative the Loss Component, recognised immediately in the statement of profit or loss.
[271]Legal references "*Eiopa Guidelines on Contract Boundaries - Consolidated Version"* of 31 January 2023 and Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, Article 18 "Contract Boundaries".
[272] Additional remuneration over and above the commission paid to intermediaries (agents and brokers) on the achievement of predetermined objectives (production, technical, etc.).

of the Contractual Service Margin, and on the statement of profit or loss through the period release of this component, which occurs on the basis of a defined coverage unit.

Discount rate

For the purposes of determining the discount rate to be used for discounting future cash flows, the Poste Italiane Group adopts a "bottom-up approach" for the derivation of discount curves borrowed from Solvency II, in which the reference Basic Risk Free Curve is based on the Risk Free Rate curve provided by EIOPA.
The Basic Risk Free curve, depending on the specific business, may be adjusted to take into account specific Illiquidity Premiums (a component representing the level of liquidity of the counterparty) calibrated to portfolios or at Company level. Please refer to section "*2.6 - Use of estimates - Insurance liabilities*" for detailed information on the discount curves used per individual portfolio.

Accounting policy under IFRS 17

The choices made by the Group in applying the provisions of the standard are summarised below:

- *Risk mitigation*: the Poste Group does not plan to adopt risk mitigation, i.e., the option not to recognise changes in the CSM to account for some or all of the changes in the time effect of money and non-financial risk;
- *OCI Option*: for insurance contracts with direct participation elements for which the underlying elements are owned, the Group opts to disaggregate the finance income or expenses into Profit for the Period and Other Comprehensive Income, based on the results of IFRS 9, which defines the valuation of the underlying elements. The Poste Italiane Group also provides that, for contracts measured using the VFA model, the fair value income generated by the underlying assets measured under IFRS 9, relating to finance income from separately managed assets, commissions and technical interest attributable to unit-linked policies, is passed on to policyholders based on the percentage weight of the Mathematical Provisions at the date (mirroring). The value of the returns generated by the assets related to the insurance liabilities is deducted from the profit retained by the Group (over-coverage) and then allocated to the individual Units of Account;
- Exception to the use of annual cohorts[273]: The Poste Italiane Group adopts the exemption option[274], limited to the portfolios pertaining to the Line of Business "With Profit Participating" and the hybrid products with separately managed components of Poste Vita. These contracts will therefore not be divided into annual cohorts, but will be managed together due to the mutualisation effect of returns[275], typical of separately managed accounts. The exception is not applicable for P&C business;
- Method of presentation of the result of the outward reinsurance business: The Group has chosen a net presentation for the reinsurance result.

Provisions for risks and charges

Provisions for risks and charges are recorded to cover losses that are either probable or certain to be incurred, for which, however, there is an uncertainty as to the amount or as to the date on which they will occur. Provisions for risks and charges are made when the Group has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured on the basis of management's

[273] Cohort means the division of contracts according to the year of signing
[274] During the endorsement of the final version of the standard, an exemption from the application of the annual cohorts was envisaged deriving from the fact that in insurance practice the rules for revaluation of insurance liabilities are a function of the returns on the financial assets related to them, calculated through a common management of these assets and therefore not differentiated according to the specific sub-portfolios included in a specific separately managed account or between years of product generation. The presence of cohorts generates complexities in terms of quantifying the "mutualisation effect" arising from the inclusion of different Units of Account (new production) in a pool of Units of Account pertaining to pre-existing portfolios, as well as complexities in terms of allocation of return on assets to specific Units of Account that could generate distorting effects in IFRS 17 results.
[275] Intergenerational mutuality is generated on those products of long duration that provide for the entry of policyholders even at different times in the life of the product. In these cases, the mutualisation effect makes it possible to offset losses and gains from portfolio management between the different generations of policyholders participating in the product.

best estimate of the use of resources required to settle the obligation. The value of the liability is discounted, where the time effect of money is relevant, at a rate that reflects current market values and takes into account the risks specific to the liability. Provisions are reviewed at each reporting date and are adjusted to reflect the best estimate of the expected charge to meet existing obligations at the reporting date. Any effect of the passage of time and the effect of changes in interest rates are shown in the statement of profit or loss. With regard to the risks for which the occurrence of a liability is only possible, specific information is provided without making any provision. In those rare cases in which disclosure of some or all of the information regarding the risks in question could seriously prejudice the Group's position in a dispute or in ongoing negotiations with third parties, the Group exercises the option granted by the relevant accounting standards to provide limited disclosure.

Employee benefits

The so-called **Short-term employee benefits** are those that will be fully paid within twelve months of the end of the year in which the employee provided their services. Such benefits include wages, salaries, social security contributions, holiday pay and sick pay.
The undiscounted value of short-term employee benefits to be paid to employees in consideration of employment services provided over the relevant period is accrued as personnel expenses.

The so-called **Post-employment benefits** are divided into two types:

- Defined benefit plans
  Defined benefit plans include severance indemnities due to employees pursuant to Article 2120 of the Civil Code limited to the portions of severance indemnities accrued in the company up to 31 December 2006, for Group companies with at least 50 employees, as well as the portions of severance indemnities accrued during the period in the case of Group companies with less than 50 employees, which continue to increase the value of the accumulated liability.

  Under these plans, given that the amount of the benefit to be paid is only quantifiable following the termination of employment, the related effects on profit or loss or the financial position are recognised on the basis of actuarial calculations. In particular, the liability to be paid on cessation of employment is calculated using the projected unit credit method and then discounted to recognise the time value of money prior to the liability being settled. The liability recognised in the financial statements is based on calculations performed by independent actuaries. The calculation takes into account accrued termination benefits for services already rendered and is based on actuarial assumptions described in Note "*2.6 - Use of Estimates - TFR*", to which reference should be made. Actuarial gains and losses at the end of each reporting period, based on the difference between the carrying amount of the liability and the present value of the Group's obligations at the end of the period, due to changes in the actuarial assumptions, are recognised directly in Other comprehensive income.

- Defined contribution plans
  TFR falls within the scope of defined contribution plans provided the benefits vested subsequent to 1 January 2007 and were paid into a Supplementary Pension Fund or a Treasury Fund at INPS. Contributions to defined contribution plans are recognised in profit or loss when incurred, based on their nominal value.

The so-called **Termination benefits payable to employees** are recognised as a liability when the entity gives a binding commitment, also on the basis of consolidated relationships and mutual undertakings with union representatives, to terminate the employment of an employee, or group of employees, prior to the normal retirement date or, alternatively, an employee or group of employees accepts an offer of benefits in consideration of a termination of employment. Termination benefits payable to employees are immediately recognised as personnel expenses.

Other long-term employment benefits consist of benefits not payable within twelve months of the end of the reporting period during which the employees provided their services. The net change in the value of any of the components of the liability during the reporting period is recognised in full in profit or loss.

Share-based payments

Share-based payment transactions may be settled in cash, with equity instruments, or with other financial instruments. Goods or services received or acquired through a share-based payment transaction are recognised at their fair value.

In the case of cash-settled share-based payment transactions:

- a liability is recognised as a matching entry at cost;
- if the fair value of the goods or services received or acquired cannot be reliably determined, this value must be estimated indirectly on the basis of the fair value of the liability;
- the fair value of the liability must be remeasured at the end of each reporting period, recognising any changes in fair value in profit or loss for the period.

In the case of equity-settled share-based payment transactions:

- an increase in shareholders' equity is recorded as a matching entry at cost;
- if the fair value of the goods or services received or acquired cannot be reliably determined, this value must be estimated indirectly on the basis of the fair value of the equity instruments granted at the grant date;

In the case of employee benefits, the expense is recognised in personnel expenses over the period in which the employee renders the relevant service.

Recognition of revenue from contracts with customers

Revenue reflects the consideration to which the Group expects to be entitled in exchange for the transfer of promised goods and/or services to the customer (transaction price).

The main types of revenue of the Poste Italiane Group are described below, together with an indication of the timing of the performance obligation[276]:

- **Revenue from mail, parcels and other** refers to services provided to customers through the retail and business channels; revenue generated through the retail channel is recognised at a point in time given the number of transactions handled through the various sales channels (post offices, call centres and online) and measured on the basis of the rates applied; revenue generated through the business channel is generally earned as a result of annual or multi-annual contracts and is recognised over time using the output method determined on the basis of shipments requested and handled. These contracts include elements of variable consideration (primarily volume discounts and penalties linked to the quality of service provided) estimated using the expected value method and recognised as a reduction from revenue.
- **Revenue from financial services** refers to:

[276] Performance obligations can be defined as the explicit or implicit promise to transfer a distinct good or service to the customer. Revenue is recognised when or as the entity fulfils the performance obligation, that is upon delivery of the good or service to the customer and this can be:

- "at a point in time": in the case of obligations fulfilled at a point in time, revenue is recognised only as control over the good or service is passed to the customer. In that respect, consideration is given not only to the significant exposure to the risks and benefits related to the good or service but also physical possession, customer's acceptance, the existence of legal rights, etc.;
- "over time": in the case of obligations fulfilled over time, the measurement and recognition of revenue reflect, virtually, the progress of the customer's satisfaction. An appropriate approach is defined to measure progress of the performance obligation (the output method).

- revenue from placement and brokerage: these are recognised over time and measured on the basis of the volumes placed, quantified on the basis of commercial agreements with financial institutions. In terms of payment for the collection of postal savings, the agreement entered into with Cassa Depositi e Prestiti envisages payment of a variable consideration on achieving certain levels of inflows, determined on the basis of the volume of inflows and expected redemptions; certain commercial agreements, entered into with leading financial partners for the placement of financial products, envisage the return of placement fees in the event of early termination or surrender by the customer;
- revenue from current account and related services: these are recognised over time, measured on the basis of the service rendered (including the related services, e.g. bank transfers, securities deposits, etc.) and quantified on the basis of the contract terms and conditions offered to the customer;
- revenue from commissions on payment of bills by payment slip: these are recognised at a point in time given the number of transactions handled by post offices and quantified on the basis of the terms and conditions in the contract of sale.

- **Revenue from Postepay services** refers to:
  - e-money, collection and payment services relating to PostePay mainly for the issuing of Postepay cards and debit cards detected at a point in time at the time of issuance and for the related services detected over time based on the use of the service by the customer. These services include interchange fees recognised by international circuits on payment transactions with cards detected over time. The item includes commissions for acquiring services rendered to merchants recognised over time due to the use of the service, F23 and F24 proxy acceptance services recognised over time due to the level of service rendered, and PagoPA collection services recognised at a point in time when the service is provided. Services provided by the LIS Group contribute to this item, which mainly include collection and payment services (including bill collection services) provided by LIS Pay and recognised at a point in time upon collection, and revenue from the processing of telephone top-ups and network fees and services paid by points of sale to LIS Holding recognised over time due to the use of the service;
  - mobile and fixed network telephony services, which include: revenue from "**standard TLC services offers**" recorded over time on the basis of the output method based on the traffic offered (voice, SMS and data) to the customer; revenue relating to the sale of fixed telephony offers recorded over time on the basis of the output method based on the fee charged to the customer; revenue relating to fees for the activation of SIM cards and fixed telephony offers, recorded at a point in time when the service is provided;
  - services related to the supply of electricity and methane gas, the revenue from which is recognised at the time of supply to the end customer due to the use of the service (over time). With regard to the sale of electricity, the services offered include, in addition to the commodity component, also the transport, metering and system charges components; with regard to the sale of natural gas, these services include, in addition to the commodity component, also the provision of transport services.

For the purposes of revenue recognition, the so-called variable components of the consideration are identified and quantified (discounts, rebates, price concessions, incentives, penalties and other similar) to include them to supplement or adjust the transaction price. Among the variable components of the fee, penalties (to be paid to the customer in the event of failure to achieve pre-established service levels) are of particular importance, and are recognised by the Group as a direct decrease in revenue.

Revenue from activities carried out in favour of or on behalf of the state is recognised on the basis of the amount effectively accrued, with reference to the laws and agreements in force, taking account, in any event, of the provisions contained in legislation regarding the public finances. The return on the current account deposits held by the MEF is determined using the effective interest method and is recognised as revenue from financial services. A similar classification is adopted for the proceeds of Euro area government securities, in which the funds collected on current accounts from private customers and tax credits under Law no. 77/2020 are employed.

The Poste Italiane Group disaggregates revenue from contracts with customers by type of good and/or service provided, revenue is therefore disaggregated in line with the operating segments identified within the company; for quantitative details on the distinction between revenue from contracts with customers recognised at a specific time or over time, see section "*4.3 Notes to the Income Statement".*

Government grants

Receivables from government grants are recognised once they have been formally allocated to the Group by the public entity concerned and only if, based on the information available at the end of the year, there is reasonable assurance that the project to which the grant relates will be effectively carried out and completed in accordance with the conditions attached to the grant. Government grants are recognised in the Income Statement under Other operating income as follows: operating grants in proportion to the costs actually incurred for the project and accounted for and approved to the public entity; grants related to property, plant and equipment are recognised in proportion to the depreciation charged on the assets acquired and used to carry out the project.

Finance income and costs

Finance income and costs are recognised on an accruals basis based on the effective interest method, i.e. using an interest rate that discounts all cash flows relating to a given transaction in the same way.

Dividends are recognised as finance income when the right to receive payment is established, which generally corresponds with approval of the distribution by the Shareholders Meeting of the investee company. Otherwise, dividends from subsidiaries are accounted for as "Other operating income".

Transactions in currencies other than the euro are translated to euro using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at closing exchange rates of monetary assets and liabilities denominated in currencies other than the euro are recognised in profit or loss.

Earnings per share

In the Poste Italiane Group's consolidated financial statements, earnings per share is determined as follows:

Basic: basic earnings per share is calculated by dividing the Group's profit for the year by the weighted average number of Poste Italiane SpA's ordinary shares in issue during the period.

Diluted: At the date of preparation of these financial statements no financial instruments have been issued which have potentially dilutive characteristics[277].

Related parties

Related parties within the Group refer to Poste Italiane SpA's direct and indirect subsidiaries and associates. Related parties external to the Group include the MEF and its direct or indirect subsidiaries and associates. The Group's key management personnel are also classified as related parties, as are funds providing post-employment benefits to the Group's employees and the related entities. The state and Public Administration entities other than the MEF are not

[277] Diluted earnings per share are calculated by taking into account the potentially dilutive effect of all instruments which can be converted into ordinary shares issued by the Parent Company. The calculation is based on the ratio of profit attributable to the Parent Company, adjusted to take account of any costs or income deriving from the conversion, net of any tax effect, and the weighted average number of shares outstanding, assuming conversion of all convertible securities.

classified as related parties. Related party transactions do not include those deriving from financial assets and liabilities represented by instruments traded on organised markets.

2.6 USE OF ESTIMATES

The preparation of financial information requires the use of estimates and assumptions that can have a significant effect on the final values indicated in the financial statements and in the disclosure provided. The preparation of these estimates involves the use of available information and the adoption of subjective assessments, also based on historical experience, used for the formulation of reasonable assumptions for the recognition of operating events. Estimates and assumptions are periodically reviewed and the impact of any changes is reflected in the financial statements for the period in which the estimate is revised if the revision only influences the current period, or also in future periods if the revision influences both current and future periods. Due to their nature, the estimates and assumptions used may vary from year to year and, therefore, it cannot be excluded that in subsequent years, the values recorded in these Financial Statements may also vary significantly as a result of changes in the subjective valuations used.

The accounting treatments that require greater subjectivity in the preparation of estimates are described below, also taking into account the particularity of the reference macroeconomic context experienced in recent years (in line with ESMA and Consob requests[278]).

Revenue from contracts with customers

The main factors in the recognition of revenue from contracts with customers include elements of variable consideration, particularly penalties (other than those related to compensation for damages). Elements of variable consideration are identified at the inception of the contract and estimated as of every close of the accounts for the entire contract term, to take into account new circumstances and changes in the circumstances already considered for the previous estimations. Elements of variable consideration include refund liabilities.

In the business relating to the sale of electricity and gas, revenue includes estimates of both turnover and allocation for supplies made to customers between the date of the last billing period and the end of the reporting year. Both estimation components are based on the application of internally developed algorithms that are consistent with the guidelines of the sector authority and that take into account the estimated volumes consumed by customers (considering the historical billing information). As required by the relevant regulations, the allocation of revenue is subject to adjustment until the fifth subsequent year.

Provisions for risks and charges

The Group makes provisions for probable liabilities deriving from disputes with staff, suppliers, and third parties and, in general, for liabilities deriving from present obligations. These provisions cover the liabilities that could result from legal

[278] Public statement ESMA32-193237008-8369 of 24 October 2024 and Attention Notice no. 2/24 of 20 December 2024.

action of varying nature, the impact on profit or loss of seizures incurred and not yet definitively assigned, and amounts expected to be refundable to customers where the final amount payable has yet to be determined.

Determination of the provisions for risks and charges involves the use of estimates based on current knowledge of factors that may change over time, potentially resulting in outcomes that may be significantly different from those taken into account in preparing these financial statements.

In order to reflect in the financial statements the risks arising from the potential fraud perpetrated against Poste Italiane and, therefore, to determine the accounting impacts related to the potential risk on tax credits[279], in continuity with previous years, it was decided to refer to the provisions of IAS 37 - Provisions, contingent assets and liabilities, for the measurement of the risk of non-compensation should the fraud be ascertained. In such a case, the possible non-recovery of the book value of the tax credits would not result from a characteristic of the asset being assessed, but rather from the possibility that, in the case of established cases of fraud, liability would also be extended to the transferee - even if a *bona fide* third party or injured party to the offence. As a result of the in-depth studies carried out on the tax credits acquired, also with the support of external consultants, a specific provision for risks was estimated, determined with the application of a significant degree of professional judgment, the main elements of uncertainty of which relate to the outcome of the proceedings underway, the identification of the credits whose deductions have been assigned are effectively non-existent and the outcome of the initiatives taken by Poste Italiane to protect its interests and recover the amounts paid to parties against whom cases of fraud have been ascertained.

Impairment and stage allocation for financial instruments

Below are the inputs, assumptions and estimation techniques used to calculate the impairment of financial assets measured at amortised cost and at fair value through other comprehensive income and to determine the stage allocation of financial instruments, the latter not applicable within the Poste Italiane Group for trade receivables in accordance with the Simplified Approach.

General description of the models utilised

The Group uses the general impairment model in accordance with risk ratings estimated on the basis of the type of counterparty:

- Securities/deposits with Sovereign, Banking and Corporate counterparties: internal models for estimating risk parameters;
- Public Administration and Central Counterparties: risk parameters deriving from agency ratings or average default rates for the sector.

The simplified approach is applied to trade receivables, as described in greater detail later.

Significant increase in credit risk

Based on the impairment model adopted by the Poste Italiane Group to meet the requirements of the accounting standard, any significant increase in credit risk associated with the financial instruments held, other than trade receivables, is determined on the basis of a change in the relevant credit rating between the time of the initial investment and the reporting date.

This change in notches is compared with a threshold that takes into account the following factors:

- the rating of the financial instrument at the time of investment;
- the rating of the financial instrument at the reporting date;

[279] The accounting treatment of tax credits is governed by Bank of Italy/Consob/Ivass Document No. 9 - Bank of Italy/Consob/Ivass Coordination Table on the Application of IAS/IFRS

- the seniority of the position within the portfolio (vintage factor);
- an additive factor to mitigate the non-linearity of the probability of default (PD) with respect to the rating classes[280];
- a judgmental factor to be used only in the presence of sudden changes in the creditworthiness not yet reflected by the rating[281].

The ratings used in stage allocation derive from internal models in the case of banking, sovereign and corporate counterparties, and external infoproviders in the case of Public Administration and Central Counterparties. Based on the above information, the Poste Italiane Group rebuts the presumption that there have been significant increases in credit risk following initial recognition, when financial assets are more than 30 days past due.

The Poste Italiane Group decided not to adopt the Low Credit Risk Exemption and to proceed instead with stage allocation of the financial instruments concerned.

Regarding trade receivables, given the adoption of the simplified approach under the new accounting standard, expected credit losses are determined throughout the lifetime of the instrument.

Definition of default

The Poste Italiane Group defines default on the basis of ad hoc assessments that take into account:

- any payment delays;
- market information such as a default rating by the rating agencies;
- internal analyses of specific exposures.

Collective and individual provisions

The collective impairment of a homogenous group of financial assets defines the expected credit loss (ECL) of the instrument, even though it cannot be associated with a specific exposure. Grouping takes place in relation to the type of counterparty on the basis of the estimated PD.
Individual provisions are considered only following the review of trade receivables for amounts in excess of a given threshold and only in relation to single receivables.

Forward looking information

According to the standard, the ECL calculation must also factor in forward looking components based on broad consensus scenarios.

The Poste Italiane Group incorporates forward looking information directly in the PD estimation. In particular, for sovereign counterparties, for which authoritative forward-looking estimates are available[282], these values are used to calculate PD; for other counterparties, on the other hand, the internal model adopted allows the input dataset needed to calculate PD to be completed from scenario values referring to some of the model variables. The objective of the approach is to estimate the unknown variables by using the historical correlation of the available information[283].

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[280] The additive factor is built in view of the rating level at the reporting date, where the better the final rating the higher the threshold for the transition to Stage 2.

[281] The judgmental factor can summarise significant aspects in determining the significant increase of credit risk, considering such elements as:

- an actual or expected significant change of the internal/external credit rating of the financial instrument;
- actual or expected negative changes in economic, financial or business conditions that might cause a significant change in the borrower's ability to honour its obligations, such as an actual or expected increase in interest rates or an actual or expected significant increase in the unemployment rate.

[282] These include prospective estimates made available by the International Monetary Fund, the UN and the World Bank.

[283] In particular, the use of such approach is limited to situations where, actually, the final figures are deemed to be no longer representative of the counterparty's risk.

ESG information

The Sovereign, Bank and Corporate PD estimation models include variables reflecting Social and Governance factors defined from indicators provided by authoritative sources such as the UN and the World Bank. The Environmental factor is negligible for these purposes in view of the 1-year time horizon of the PD itself. In the context of BancoPosta RFC, this factor is monitored through scenario analyses and verification of ratings provided by external agencies.

Estimation techniques used

Since events of default cannot be used, as they are not very frequent, to develop credit scoring models for Sovereign, Banking and Corporate counterparties, a shadow rating approach has been adopted.
This method entails the use of target variables related to the level of external rating produced by the agencies. The target is identified with the default rate linked to the rating level.
A key rating agency was selected to construct the target, taking into account both the large number of rated counterparties and the availability of historical data over what was deemed to be an adequate period of time.
The models have been constructed by extracting and utilising the following types of data for each country in the sample:

- macroeconomic data;
- indicators related to Social and Governance issues;
- financial statement data.

The internal model estimate used a definition of default based on a payment delay of 90 days.

ECL measurement

Expected credit losses (ECL) are determined over a time horizon consistent with the stage level (12 months or lifetime) on the basis of the following factors:

- Probability di Default (PD);
- Loss Given Default (LGD);
- Exposure at Default (EAD);
- Time Factor (TF).

The main assumptions/choices adopted in the determination of the factors are as follows:

- PD: as indicated from the start a Point in Time (PIT) and forward-looking valuation has been adopted;
- LGD: use has been made of the Internal Ratings-Based (IRB) Base Approach under the Basel guidelines (45% for senior risk assets, 75% for subordinated risk assets);
- EAD: exposure calculated prospectively until maturity of the instrument, starting from the development of projected cash flows. In the development account was taken of specific indexation assumptions for every asset class (fixed income securities, floating-rate securities, inflation-indexed securities, etc.);
- TF: the effective interest rate of each exposure was used as discount factor.

The assumptions adopted and set out above have led to a reduction in the PD of Italy and other Sovereign counterparties in general compared to that used in the assessments in the Annual Financial Report as at 31 December 2023.

Trade receivables

The Group adopts the simplified approach to test for the impairment of trade receivables, on the basis of which provisions for credit losses are determined for an amount equal to expected losses throughout the lifetime of the receivable. Such approach is implemented through the following process:

- based on total revenue or the historical credit exposure, all receivables or credit exposures exceeding a certain pre-established credit threshold are assessed analytically. The analytical evaluation of the exposures entails an analysis of the borrower's credit quality and solvency, as determined on the basis of internal and external supporting evidence;
- for receivables falling below the threshold set, through the preparation of a matrix with the different impairment percentages estimated on the basis of historical losses, where they exist, or alternatively on the historical pattern of collections. In constructing the impairment matrix, receivables are grouped by homogeneous categories, based on their characteristics, to take into account the historical loss experience.

Collateral held and other credit enhancements on trade receivables

To mitigate the risks arising from the extension of credit terms to its customers, the Group has implemented a policy and suitable guidelines that govern the management of trade receivables, the terms and conditions of payment applicable to customers and defines the corporate process aimed at checking the customer's creditworthiness, as well as the sustainability of the business risk inherent in the contract involving extended payment terms. Depending on the evaluations, the contracts entered into with customers may require a suitable guarantee. Guarantees are also requested if they are required by rules and regulations and/or implementing rules of specific services.

The Poste Italiane Group accepts mainly guarantees issued by primary banks or insurance companies. Alternatively, upon request of the customer and after a risk analysis, it accepts sureties issued by other institutions, or security deposits by opening a postal escrow account. The Poste Italiane Group, as a rule, exempts the Public Administration from the provision of guarantees to secure trade receivables arising from transactions with it, save for the cases when such guarantees are mandatory by law or due to implementing rules of specific services.

For all the exposures evaluated individually, to calculate loss provisions, guarantees reduce the amount of the exposure at risk.

At 31 December 2024, the Group does not hold trade receivables secured by guarantees or other risk mitigation instruments for which no loss provisions have been made.

Impairment tests of goodwill, cash generating units and equity investments

Goodwill and other non-current assets are tested for impairment in accordance with IAS 36 – *Impairment of assets*. Impairment testing involves the use of estimates based on factors that may change over time, potentially resulting in effects that may be significantly different from prior year estimates.

In accordance with the reference accounting standard, when it is not possible to estimate the recoverable amount of an individual asset, the Group identifies the smallest group of assets that generates cash inflows largely independent of those from other assets or groups of assets (Cash Generating Units - CGUs). The process of identifying such CGUs necessarily involves management's judgement as to the specific nature of the activities and business to which they belong and evidence that the cash inflows from the group of activities are closely interdependent and largely independent of those from other activities (or groups of activities). The number and scope of CGUs are systematically updated to reflect the effects of new aggregation and reorganisation operations carried out by the Group and to take into account any external factor that could affect the ability of assets to generate independent cash inflows.

With reference to the external quantitative indicators of impairment at Group level, it should be noted that, at 31 December 2024, market capitalisation was higher than book equity, while, with regard to internal source elements, it should be noted that consolidated results at December 2024 were above budget forecasts for the same period.

For the most significant impairment tests performed as at 31 December 2024, the book values tested and the main assumptions underlying the tests performed are shown below:

	Amount (€m)	Method used	Explicit forecast period	Growth rate	Discount rate
Goodwill Mail, Parcels and Distribution CGU	213	DCF	2025-2028	2.0%	6.11% (WACC)
Goodwill Postepay Sector CGU	459	DCF	2025-2028	2.0%	8.02% (WACC)
Goodwill NET Insurance CGU	124	DDM	2025-2028	2.0%	7.95% (Ke)
Investment in Financit SpA	21	DDM	2025-2034	N/A	7.99% (Ke)

DCF: Discounted Cash Flow; DDM: Dividend Discount Model; WACC: Weighted Average Cost of Capital; Ke: cost of equity; N/A: only the explicit forecast period is considered.

Also due to the decrease in market interest rates, the discount rates as at 31 December 2024 are lower than those used for the previous year's estimates.

Mail, Parcels and Distribution CGU

The impairment test of the Mail, Parcels and Distribution CGU was performed, consistent with the previous year, at the consolidated level, including the companies within the same operating segment; the activities performed by the different companies and the resulting cash flows are highly interdependent, as commercial and strategic management decisions are made centrally at the level of the entire segment.

To estimate the value in use of the CGU, reference was made to the 2024-2028 Strategic Plan "The Connecting Platform" updated with the 2025 Budget, respectively approved by the Board of Directors of Poste Italiane SpA on 19 March 2024 and 21 February 2025. The economic forecasts used in the execution of the test also include, among the various characterising elements, forecasts for planned investments that will be focused on achieving the automation and modernisation objectives of the CGU itself, in continuity with what has been achieved in previous years. Particular importance is attached to investments classified as ESG that comply with the Group's Sustainability Reference Principles. The CGU main investment projects include the Polis Project "*Digital Citizenship Service Houses*", energy efficiency measures for real estate assets, and the automation and evolution of the sorting and delivery network from a green perspective.

In determining the terminal value, calculated on the basis of the last year of explicit forecasts, income was normalised. Reference was also made to the transfer prices that BancoPosta RFC is expected to pay for the services provided by Poste Italiane's distribution network.

The impairment test determined that the related carrying amounts are fair.

The impairment test is based on estimates and assumptions that present elements of uncertainty, also due to the current context characterised by a significant volatility of the main market variables and a profound aleatory nature of economic expectations, as well as the continuation of negative economic results and the decline of the postal market in which the Group operates; for this reason, sensitivity analyses were carried out. In particular, the impairment test showed the recoverability of the goodwill allocated to the CGU even by increasing the indicated discount rate by 100 basis points and jointly reducing the long-term growth factor by 20 basis points.

The sensitivities performed on the impairment test lead to a substantial alignment between the recoverable value and the net invested capital of the CGU, at the same growth rate (2%), with a discount rate of 9.70% (considerably higher even than the discount rate already used at 31 December 2023, which was 137 basis points higher than the rate at 31 December 2024).

As in the past, in determining the value of properties used as post offices and sorting centres, the Poste Italiane SpA universal service obligation was taken into account, as was the inseparability of the cash flows generated from the properties that provide this service, (which the Parent Company is required to operate throughout the country regardless of the expected profitability of each location); the unique nature of the operating processes involved and the substantial overlap between postal and financial activities within the same outlets, represented by post offices, were also considered. On this basis, the value in use of land and buildings used in operations is relatively unaffected by changes in the commercial value of the properties concerned and, in certain critical market conditions, certain properties may have values that are significantly higher than their market value, without this having any impact on the cash flows or results of the Mail, Parcels and Distribution segment.

The fair value of the Parent Company's properties used in operations continued to be higher than their carrying amount, as confirmed by the property valuations carried out.

Postepay Services CGU

In performing the impairment test on goodwill arising from the acquisition of the LIS Group, which took place in 2022, reference was made to the CGU comprised of all the companies belonging to the Postepay Services segment as a single cash-generating unit; following the completion of the integration and reorganisation processes of LIS. In fact, the Postepay Services operating segment is based on unique market and operational processes that are integrated according to a unitary approach, and it is therefore considered that the cash flows are largely independent of those generated by the Poste Group's other operating segments, but closely interrelated within the segment.

In order to estimate the value in use of the CGU, reference was made to the 2024-2028 "The Connecting Platform" Strategic Plan, also prepared in accordance with and taking into account the ESG objectives, updated with the 2025 Budget, respectively approved by the Board of Directors of Poste Italiane SpA on 19 March 2024 and 21 February 2025, as well as by the Boards of Directors of the respective companies belonging to the CGU for the portion pertaining to them. Based on the test results, there was no need to carry out value adjustments at 31 December 2024.

Sensitivity analyses show that the test is passed very comfortably even in scenarios significantly worse than the one used for the impairment test.

Net Insurance CGU

Following the acquisition of Net Insurance by Poste Vita through the vehicle company Net Holding in 2023 and the related Purchase Price Allocation process, goodwill of €124 million emerged, equal to the residual difference between the consideration transferred for the acquisition of Net Insurance by Net Holding and the fair value of the adjusted net assets acquired.

In performing the impairment test on the Net Insurance Group, reference was made to the CGU comprised of Net Insurance and Net Insurance Life as a cash-generating unit.

To estimate the value in use of the CGU, reference was made to the 2024-2028 "The Connecting Platform" Strategic Plan. Based on the test results, there was no need to carry out value adjustments at 31 December 2024.

Sensitivities performed on the impairment test lead to substantial alignment between the recoverable amount and the net assets of the CGU, at the same growth rate (2%), with a discount rate of 11.9%.

Investment in Financit S.p.A.

With reference to the investment in Financit, the test results showed the need to adjust the carrying amount of the investment with a corresponding negative effect of about €8 million on the consolidated economic result (about €19 million on the economic result of Poste Italiane's separate financial statements); following the impairment, the carrying amount of the investment is €21 million.

Investment in Anima Holding S.p.A.

In relation to the investment in Anima Holding, it should be noted that, unlike in previous years, the impairment test was not performed at 31 December 2024 following the decision to accept the Takeover Bid ("OPA") launched by Banco BPM Vita S.p.A. on the ordinary shares of Anima Holding. The value of the consideration per share offered in the Takeover Bid is higher than the unitary carrying amount of the investment recognised at 31 December 2024 in both the Poste Group's and Poste Italiane's financial statements. For further information, please refer to Note 3 - Material events during the year and events after 31 December 2024.

Depreciation and amortisation of property, plant and equipment and intangible assets

The cost of these fixed assets is depreciated or amortised on a straight-line basis over the estimated useful life of the asset. The useful life is determined at the time of acquisition and is based on historical experience of similar investments, market conditions and expectations regarding future events that may have an impact, such as technological developments. The actual useful life may, therefore, differ from the estimated useful life.
The useful life of the Group's main asset classes is detailed below:

Property, plant and equipment	**Years**	**% annual depreciation**
Buildings	40-59	3%-2%
Structural improvements to own properties	18-31	6%-3%
Plant	8-23	13%-4%
Light constructions	10	10%
Equipment	3-10	33%-10%
Furniture and fittings	3-8	33%-13%
Electrical and electronic office equipment	3-10	33%-10%
Motor vehicles, automobiles, motorcycles	4-10	25%-10%
Leasehold improvements	estimated lease term*	-
Other assets	3-5	33%-20%

(*) Or the useful life of the improvement if shorter than the estimated lease term

Investment property	**Years**	**% annual depreciation**
Property	39-42	3%-2%
Structural improvements to own properties	17-18	6%

In the case of assets to be handed over, located on land held under concession or sub-concession, on expiry of the concession term, or whilst awaiting confirmation of renewal, any additional depreciation of assets takes into account the probable residual duration of the right to use the assets to provide public services, to be estimated on the basis of the framework agreements entered into with the Public Administration entity, the status of negotiations with the grantors and past experience.

Lastly, as regards intangible assets, amortisation begins when the asset is available for use and extends, systematically and on a straight-line basis, over its estimated useful life within a range of 2 to 5 years.

Insurance liabilities

The main models, inputs and assumptions used to estimate insurance liabilities, i.e. future cash inflows and outflows related to insurance contracts, are summarised below.

Input data, assumptions and estimate techniques used

For contracts measured with the VFA model, the estimate of future flows related to the Liability for remaining coverage is made considering the following inputs:

- Non-financial assumptions, such as mortality, lapses, conversions, expenses, etc. Expense assumptions, consistent with the principle, are parametrised taking into account only attributable costs;
- Financial assumptions, such as returns on assets backing insurance liabilities, asset allocation, etc.;
- Stochastic economic scenarios[284] differentiated by separately managed account and by type of business.

The estimate of cash flows takes into account all the commitments of the companies in respect of the contracts under assessment through the elaboration of magnitudes such as gross premiums, other inflows other than premiums consistent with the quantification of the benefits under analysis, commissions, expenses, performance settlements, any residual Mathematical Provision at the end of the projection, and other outflows other than the above consistent with the quantification of the benefits under analysis.

For contracts measured with the BBA, the future fulfilment flows represent estimates of the future cash flows that will be generated by the natural fulfilment of the contracts by the companies and therefore include all possible cash flows that fall within the contract boundary.
Projected cash flows include claims paid, reimbursements for early extinguishment of contracts, acquisition commissions, other directly attributable administrative expenses, other directly attributable acquisition expenses, premiums written and recoveries.

It should also be noted that, for onerous contracts measured through the PAA, future fulfilment flows are calculated using the same approach as for contracts measured through the BBA.

Liabilities for incurred claims include future fulfilment cash flows related to past services attributed to the group of contracts at the measurement date. These flows are defined as the sum of the following components:

- Cash flows of undiscounted Best Estimate Liabilities (UBEL[285]), which are the best estimate of cash outflows for both reported claims and late claims;
- Discount effect, calculated by discounting the cash flows referred to in the previous point using the defined discount curve;
- Adjustment for non-financial risks, estimated using the methodology defined by the Group.

[284] A stochastic mathematical model makes it possible to study the course of phenomena that follow random or probabilistic laws.
[285] Undiscounted Best Estimate Liabilities.

The process of allocating costs between "attributable" and "non-attributable" is done punctually according to the cost centres that incur them. The development and related deferral of costs follow the associated cash flow projections and the same recognition metrics adopted for the CSM release.

No changes have been made to the insurance liability valuation process with respect to the financial statements at 31 December 2023, with the exception of the financial and technical assumptions, which are updated as necessary at each valuation date.

Investment component

Assessments of the expected investment component to be included in the estimate of fulfilment future cash flows are made separately by product type. An estimate of the flow related to the Investment component is provided for both valuations at initial recognition of groups of contracts and for valuations at each reporting date.

For contracts with discretionary participation features and annuities in the accumulation phase, the expected investment component is equal to the lapse value net of penalties, whereby the estimate in future fulfilment flows is obtained as the difference between the estimated payout amount and the countervalue calculated on the basis of the lapse value net of penalties. For annuities that are certain to be paid out, the value of the investment component is not an estimate since it corresponds to the value of the benefits to be paid out, while for annuities that are certain to be paid out and pure risk products, there is no Investment component.

Method for determining the discount rate used

Below are details, by individual portfolio, of the discount curves used by the Poste Italiane Group in determining its insurance liabilities and the adjustments made to the reference Basic Risk Free Curve to take into account the counterparty's level of liquidity (Illiquidity Premiums):

- in relation to the Separately managed account participating business and the Unit Linked portfolio connected to Separately managed accounts (Multi-class products), the Illiquidity Premium is calibrated on the basis of the composition of the reference portfolio (e.g. Separately managed accounts or Company) using approaches and metrics borrowed from the Solvency II approach;
- in relation to the non-participating Life Business and for the Unit Linked portfolio not connected to Separately managed accounts, use was made of the values of Illiquidity Premiums consistent with the Volatility Adjustment value provided by EIOPA, in line with Solvency II. This approach is replicated in Net Insurance Life's pure risk business;
- in relation to the P&C business relating to Poste Assicura and Net Insurance, the Basic Risk Free curve is adopted, assuming an Illiquidity Premium consistent with the Volatility Adjustment value provided by EIOPA.

In operational terms, the Poste Italiane Group defined the curves at the date of initial recognition of the contract, in particular:

- for the Life business related to contracts issued by Poste Vita, the initial recognition curve of contracts is set equal to the Based Risk Free curve with illiquidity premium related to the previous quarter;
- for the P&C business relating to Poste Assicura contracts, the curve at initial recognition of contracts is the Based Risk Free of the previous year (31/12/t-1);
- for the P&C business, relating to contracts issued by Net Insurance, and for the Life business, relating to contracts issued by Net Insurance Life, the curve at initial recognition of contracts is the Based Risk Free with Volatility Adjustment relative to the previous year (31/12/t-1).

For the BBA method, in order to calculate the interest accrued on the CSM at the reporting date, the Poste Italiane Group uses the forward curve determined with respect to the spot locked-in curve at the valuation date.

For the PAA model, the Poste Italiane Group has not made an adjustment for the effect of the time value of money and financial risk.

Method for determining the Adjustment for non-financial risk

The Poste Italiane Group adopts the percentile approach. The amount of the adjustment for non-financial risk is determined by considering the scope of technical risks to which group companies are exposed, using assessments borrowed from the Solvency II framework. In particular, the Adjustment for non-financial risk for the groups of contracts belonging to the Life business is estimated taking into account the risk exposures typical of the Life business and the underwriting risk net of the loss-absorbing capacity of the technical provisions[286] and gross of reinsurance. Operational risk and counterparty default risk are also excluded from the analyses.

For insurance contracts belonging to the P&C business, exposures to pricing risk, reserving risk, catastrophe risk, and the risk of early exits typical of the type of business are considered. In the P&C business, the Adjustment for non-financial risk is also determined, unlike in the Life business, for the Liability for incurred claims and Assets from outward reinsurance.

In calculating the amount of the Adjustment for non-financial risk, the separation between the insurance services component and the financing component is not applicable for Poste Italiane Group companies.

Methods for determining the CSM coverage unit

The release to the Statement of profit or loss of the CSM over the life of the contracts is done through the definition of the so-called Coverage Unit (CU). With reference to the Life business, the Poste Italiane Group determines the CSM release by adopting a Coverage Unit based on a Volume-based driver, defined separately for each measurement model adopted:

- BBA model: the CU is defined with a driver based on the sums insured, which are similar to the lump-sum death benefit for pure risk contracts, and on the mathematical provisions, for annuities (in the payout phase) not under the Separately managed accounts from Long-Term Care products;
- VFA model: the CU for DPF contracts is defined using a driver based on mathematical provisions.

In the context of the CSM release pattern of the P&C business, for contracts valued with the BBA Model, the Group has decided to use for the business characterised by constant insured capital a release driver based on earned premiums gross of commissions (also considering the effect of any premium refunds and related commission reversals); with the exception of the P&C business characterised by decreasing insured capital (Salary-backed of Net Insurance), the use of a method based on insured sums was defined as for the Life business.

The CSM release percentage is defined by relating the volume-based drivers as defined above to the amount of volumes of these drivers projected over a time period that coincides with the duration of the group of insurance contracts.

For products measured with the VFA method, the Group considers an additional component (additional release) in the CSM release for the period aimed at capturing the differences between the margin result obtained with real-world financial assumptions (Real World curves), compared to that obtained with risk-neutral financial assumptions (Risk Neutral curves). This additional release is obtained from the difference between the period-end prospective CSM before release under the Real World assumption and the period-end prospective CSM before release under the Risk Neutral assumption.

As a result of the additional release, it is possible to achieve a CSM release that is more consistent with the financial performance of the underlying items of the insurance contracts and to obviate the systematic deferral of profit recognition in future years through coverage units.

[286] The loss-absorbing capacity of technical provisions represents an adjustment provided for in the SII regulation, calculated on the basis of the technical provisions, limited to the component of future flows, of the returns paid back to policyholders, which increase as interest rates rise. This adjustment reduces the SCR value, on the basis of which the Adjustment for non-financial risk is calculated.

Deferred tax assets

The recognition of deferred tax assets is based on the expectation of taxable income in future years. Assessments of expected taxable income depend on factors which may change over time, impacting on the valuation of the deferred tax assets in the statement of financial position.

Share-based payments

As further described in Note 4.12 - Additional information - Share-based payment arrangements and 5.12 - Additional information - Share-based payment arrangements of the consolidated financial statements and Poste Italiane SpA's separate financial statements, the valuation of the share-based payment arrangements in place within the Poste Italiane Group at the close of these financial statements was based on the conclusions reached by actuaries external to the Group. The plan terms and conditions link the award of the related options to the occurrence of certain events, such as the achievement of performance targets and performance hurdles and, in certain areas of operation, compliance with certain capital adequacy and liquidity requirements. For these reasons, measurement of the liability, equity reserve and the corresponding economic effects involves the use of estimates based on current knowledge of factors that may change over time, potentially resulting in outcomes that may be significantly different from those taken into account in preparing these financial statements.

Employee termination benefits

The measurement of Employee termination benefits is also based on calculations performed by independent actuaries. The calculation takes account of termination benefits accrued for the period of service to date and is based on various demographic and economic-financial assumptions.
Below are the main actuarial assumptions applied in the calculation of the employee termination benefit provision at 31 December 2024, also based on the experience of each Group company and the best reference practice:

Economic and financial assumptions

	31.12.2024
Discount rate	**3.18%**
Inflation rate	**2.00%**
Annual rate of increase of employee termination benefits	**3.00%**

Demographic assumptions

	31.12.2024
Mortality	ISTAT 2018
Disability	INPS tables broken down by age and gender
Retirement age	Achievement of general mandatory insurance requirements
Frequency of employee termination benefits advances	Specific table with rates differentiated by Company
Employee turnover frequency	Specific table with rates differentiated by Company

Determination of the lease liability

In determining the financial liability for leases, the Group has chosen to refer to an Incremental Borrowing Rate ("IBR") based on a hypothetical loan that would have been obtained in the current economic environment and applied to groups of contracts with similar remaining terms and to similar companies. In particular, each IBR takes account of the risk-free rate identified on the basis of factors such as the economic environment, currency, contract term and credit spread reflecting the companies' organisation and financial structure. The IBR associated with the commencement of the contract will be reviewed whenever there is a lease modification, meaning substantial and significant changes to the contract conditions over the life of the agreement (e.g. the lease term or the amount of future lease payments). The IBR table defined for groups of contracts with similar residual duration and for similar reference companies is periodically monitored and updated at least once during the year.

With regard instead to determination of the lease term at the commencement date or of the remaining term at a later date (in the event of substantial and significant changes to contract conditions) and, in particular, for property leases, the Group uses a valuation approach based primarily on the expected duration of the obligation as per the agreement between the parties and/or in the legal framework of reference (Law 392 of 27 July 1978), and it expects an extension of the lease due to an interpretation/forecast of events, circumstances and future intentions, including of a strategic nature, of both the lessor and the lessee. This has resulted in a set of rules for determining the lease term, to be applied to leased properties classified previously in three distinct clusters: properties where the lease is subject to legal restrictions and high commercial-value properties; properties for civilian use, such as the company accommodation for Group employees and executives; and other properties used in operations.
The lease term for all of the other agreements was set as equal to the duration of the obligation agreed upon between the parties, in keeping with future intent in wanting and being able to complete the term and past experience.

Options on minority interests[287]

In the context of particular corporate transactions, there are call and put options that will allow Poste Italiane to purchase, at certain future dates, shares held by minority shareholders. The exercise price of these options is generally determined on the basis of a formula that provides for the application of a multiplier to certain economic/equity targets of the company acquired. For said cases in the consolidated financial statements, a financial liability has been recognised (in addition to the portion of equity attributable to non-controlling interests), to take account of the possible exercise of options, as matching entry to Group's equity, the value of which depends on estimates made internally and which could change even significantly in the current and future years. Subsequent changes in the value of the financial liability will be reflected in the Group's statement of profit or loss.

For details of the corporate transactions from which the need to recognise this financial liability arose, see *Note B8 - Financial liabilities*.

[287] An option contract that allows an entity to purchase the interests of minority shareholders of a subsidiary in exchange for cash or other financial assets gives rise to a financial liability in the consolidated financial statements for the present value of the amount payable. Any change in the financial liability from the date of recognition is accounted for with a different balancing entry depending on whether it refers to:

- minority shareholders directly interested in the performance of the subsidiary's business with regard to the transfer of risks and benefits on the shares subject to the option. One of the indicators of this interest is the fair value measurement of the option exercise price. In addition to the presence of this indicator, the Group makes a case-by-case assessment of the facts and circumstances that characterise existing transactions. In this case, the discounted value of the option is initially deducted from the Group's equity reserves. Any subsequent changes in the valuation of the exercise price of the option are reflected in the statement of profit or loss.
- minority shareholders not directly interested in the performance of the business (e.g. exercise price of the predetermined option). The exercise price of the option, duly discounted, is deducted from the corresponding amount of Capital and Reserves pertaining to non-controlling interests. Any subsequent changes in the valuation of the option exercise price follow the same logic, with no impact on the statement of profit or loss.

Conversion of the financial statements into foreign currencies

For the purposes of preparing the Consolidated Financial Statements, the statement of financial position and statement of profit or loss of all consolidated companies are expressed in euro, which is the functional currency used by the Parent Company.

The financial statements of companies that operate in a functional currency other than the euro are translated into the presentation currency using the closing rate at the reporting date for assets and liabilities, including goodwill and consolidation adjustments, and the average exchange rate for the year (if this reasonably approximates the exchange rate at the date of the respective transactions) for revenue and costs. All the resulting exchange rate differences are recognised in other comprehensive income and shown separately in a specific equity reserve; this reserve is reversed proportionally to the statement of profit or loss at the time of the (total or partial) disposal of the relevant investment.

The exchange rates used to convert the financial statements of consolidated companies in foreign currencies are those published by the Bank of Italy and the European Central Bank and presented in the table below:

	2024		2023	
Currency	**Exact change rate on 31 December**	**Average annual exchange rate**	**Exact change rate on 31 December**	**Average annual exchange rate**
Chinese Yuan Renminbi	7.583	7.787	7.851	7.66
US dollar	1.039	1.082	1.105	1.081
British Pound Sterling	0.829	0.847	0.869	0.870

Crypto-assets

In order to comply with the requirements of the Bank of Italy/Consob Communication of 6 March 2025, it should be noted that the Poste Italiane Group does not hold, either through the Parent Company Poste Italiane SpA or through fully consolidated subsidiaries, any crypto-assets for which it was necessary to adopt dedicated accounting policies or use estimates for their valuation in the financial statements.

2.7 CLIMATE CHANGE AND THE MACROECONOMIC ENVIRONMENT

Climate change disclosure

Climate change and the transition to a low-carbon economy are becoming increasingly relevant to businesses, banks, governments, regulators, and investors.

Although the Poste Italiane Group attaches particular importance to environmental protection, aware of the need to use resources responsibly in order to minimise negative environmental impacts[288], taking into account the business in which the Group operates, issues related to climate change are considered, in the exception provided by the reference accounting standards, irrelevant for consolidated financial reporting.

However, also taking into account the disclosure required in the past by ESMA and recalled in *Public Statement* 32-193237008-8369 of 24 October 2024, as well as by Consob's Warning Notice of 20 December 2024, the table below provides a mapping of climate-related disclosures with a corresponding reference to the paragraphs of Poste Italiane's consolidated financial statements and separate financial statements in which the issue is addressed.

[288] For a description of the strategic guidelines set by the Group, also in line with its adherence to the Paris Agreement and the New Green Deal, please refer to the dedicated sections of the Sustainability Reporting in the Report on Operations.

Topic	Note	Description
Climate Change Estimates and Judgements	Note 2.6 Use of estimates "*Impairment tests of goodwill, cash generating units and equity investments*" and "*Impairment and stage allocation for financial instruments*"	• Focus on the estimation of expected cash flows in relation to the CGUs subject to impairment. • Details of ESG factors considered in estimating the Probability of Default (PD).
Sustainable investments	Note A1 - "Property, plant and equipment" Note A4 - "Right-of-use assets"	• Investments made in the reporting year aimed at reducing the environmental impact of the Group/Parent Company. • Increase in Right-of-Use Assets related to the conclusion of leasing contracts for green vehicles.
Sustainable finance	Note A6 - "Financial assets" Note 4.12"Additional Information - *Assets under management*"	• Percentage of ESG products in the entire investment and insurance portfolio of BancoPosta Fondi SpA SGR and Poste Vita Group.
Environmental certificates	Note 2.5 "Material information on accounting standards - Environmental certificates" Note A7 - "Inventories" Note C5 - "Cost of goods and services"	• Description of the accounting treatment applied to environmental certificates • Details of closing inventories referring to emission allowances and guarantees of origin and carbon credits present at year-end • Indication of costs incurred during the financial year for the purchase of environmental certificates.
Share-based payments	Note 4.12 "Additional Information - *Share-based payment arrangements* Note 5.12 "Additional Information - *Share-based payment arrangements*	• Description of incentive plans some of which are anchored to the achievement of ESG objectives.
Climate risk	Note 4.6 "Risk management" Note 5.6 "Risk management"	• Description of the exposure of Poste Italiane SpA and the entire Group to risks related to climate change and actions taken to mitigate those risks.

Macroeconomic environment

The estimates used in the preparation of the Financial Statements adequately take into account the particular macroeconomic context of reference at 31 December 2024, heavily influenced by a number of factors such as: inflation, rising interest rates, deterioration of the economic climate, geopolitical risks and uncertainties on future developments considering the ongoing conflicts in Ukraine and the Middle East. These uncertainties are reflected in the indicators used as the basis for the estimates.

For information on how these uncertainties were reflected in the estimated PDs used to calculate expected losses, please refer to Section 2.6 "*Use of Estimates - Impairment and stage allocation for financial instruments*"; while for a full discussion of risks related to the economic environment, please refer to the specific sections of the Report on Operations.

2.8 BASIS OF CONSOLIDATION

The Poste Italiane Group's consolidated financial statements include the financial statements of Poste Italiane SpA and of the companies over which the Parent Company directly or indirectly exercises control, as defined by IFRS 10, from the date on which control is obtained until the date on which control is no longer held by the Group. The Group controls an entity when it simultaneously:

- has power over the investee;
- is exposed, or has rights to, variable returns from its involvement with the investee;
- has the ability to influence those returns through its power over the investee.

Control is exercised both via direct or indirect ownership of voting shares, and via the exercise of dominant influence, defined as the power to govern the financial and operating policies of the entity, including indirectly based on legal agreements, obtaining the related benefits, regardless of the nature of the equity interest. In determining control, potential voting rights exercisable at the end of the reporting period are taken into account.

The consolidated financial statements have been specifically prepared at 31 December 2024, after appropriate adjustment, where necessary, to align accounting policies with those of the Parent Company.

Subsidiaries that, in terms of their size or operations, are, either individually or taken together, irrelevant to a true and fair view of the Group's results of operations and financial position are not included within the scope of consolidation.

The criteria used for line-by-line consolidation are as follows:

- the assets, liabilities, costs and revenue of consolidated entities are accounted for on a line-by-line basis, separating where applicable the equity and profit/(loss) amounts attributable to non-controlling interests in consolidated equity and consolidated profit or loss;
- business combinations, in which control over an entity is acquired, are accounted for using the acquisition method. The cost of a business combination is represented by the current value (fair value) at the date of acquisition of the assets sold, the liabilities assumed, the equity instruments issued and any other directly attributable accessory charges; any difference between the cost of acquisition and the fair values of the assets and liabilities acquired, following review of their fair value, is recognised as goodwill arising from consolidation (if positive), or recognised in profit or loss (if negative);
- acquisitions of non-controlling interests in entities already controlled by the Group are not accounted for as acquisitions, but as equity transactions; in the absence of a relevant accounting standard, the Group recognises any difference between the cost of acquisition and the related share of net assets of the subsidiary in equity;
- any significant gains and losses (and the related tax effects) on transactions between companies consolidated on a line-by-line basis, to the extent not yet realised with respect to third parties, are eliminated, as are intercompany payables and receivables, costs and revenue, and finance costs and income;
- gains and losses deriving from the disposal of investments in consolidated companies are recognised in profit or loss based on the difference between the sale price and the corresponding share of consolidated equity disposed of.

Investments in subsidiaries that are not significant and are not consolidated, and those in companies over which the Group exerts significant influence (assumed when the Group holds an interest of between 20% and 50%), hereinafter "associates", and joint ventures are accounted for using the equity method. At the time of acquisition, the investment is accounted for using the equity method. Any difference between the cost of acquisition of the investment and the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

a) goodwill related to an associate or a joint venture is included in the carrying amount of the investment. Amortisation of such goodwill is not permitted;

b) in determining the initial value of the entity's investment, any excess of the entity's interest in the net fair value of investee's identifiable assets and liabilities over cost is recognised as income in determining the acquirer's interest in the profit (loss) for the period of the associate or joint venture in the period in which the interest is acquired.

After acquisition, appropriate adjustments are made to the entity's share of the profits or losses of the associate or joint venture to account, for example, for additional depreciation or amortisation of the investee's depreciable or amortisable assets, based on the excess of their fair values over their carrying amounts at the time the investment was acquired, and of any impairment losses on goodwill or property, plant and equipment. The equity method is as follows:

- the Group's share of an entity's post-acquisition profits or losses is recognised in profit or loss from the date on which significant influence or control is obtained until the date on which significant influence or control is no longer exerted by the Group; provisions are made to cover a company's losses that exceed the carrying amount of the investment, to the extent that the Group has legal or constructive obligations to cover such losses; changes in the equity of companies accounted for using the equity method not related to the profit/(loss) for the year are recognised directly in equity;
- unrealised gains and losses on transactions between the Parent Company/subsidiaries and the company accounted for using the equity method are eliminated to the extent of the Group's interest in the associate; unrealised losses, unless relating to impairment, are eliminated.

CHANGES IN THE SCOPE OF CONSOLIDATION AND OTHER CORPORATE TRANSACTIONS

Multi-Asset Funds

During the course of 2023, the Poste Italiane Group launched a project to "replace" the Luxembourg-law multi-compartment SICAV sub-funds, in which Poste Vita SpA had invested a portion of the assets (around €25 billion) pertaining to the Separately Managed Accounts, with 11 newly established Italian-law UCITS managed by BancoPosta Fondi SpA SGR.

The objective of this project was to create a structure that would allow the insurance company - within the legal and regulatory limits of reference - to benefit from a model better suited to respond to the best practices of the domestic insurance industry, in terms of investments in "complex assets".

The project ended on 13 September 2024 with the completion of the cross-border merger by incorporation of the SICAV's sub-funds into the new UCITS funds, through which the financial instruments and sums of money previously held in the SICAV's sub-funds were transferred to the latter.

At the date of these annual financial statements, the 11 UCITS comply with the requirements of IFRS 10 - *Consolidated Financial Statements* for the existence of control and, consequently, are fully consolidated in the Consolidated financial statements of the Poste Italiane Group as:

i. Poste Vita SpA owns 100% of the units of the Funds in which the assets pertaining to the Separately Managed Accounts are invested;
ii. BancoPosta Fondi SpA SGR, the manager of the Funds, contractually holds the power to influence their performance;
iii. both of the above companies are controlled by Poste Italiane SpA, which, in exercising its management and coordination activities, defines the strategic guidelines, the management of investments and the resulting cash flows.

The line-by-line consolidation of the Funds, which from an economic point of view did not have any impact on the result for the year, made it necessary to present the financial assets and liabilities contained in the Funds at the statement of financial position level and the income elements characterising the change in the period at the profit or loss level.

MLK Fresh

On 31 January 2024, through the establishment of the NewCo called "MLK Fresh S.r.l.", a partnership in the Fresh Food sector was formalised between MLK Deliveries S.p.A. and Mazzocco S.r.l., an Italtrans Group company that operates as a national refrigerated courier.

MLK Fresh S.r.l., 70% owned by MLK and 30% by Mazzocco S.r.l., will be the vehicle through which the parties will offer advanced delivery services in Italy dedicated to the fresh food segment in the B2C e-commerce and/or scheduled deliveries market.

N&TS Group Networks & Transactional Systems Group

On 28 February 2024, PostePay signed an agreement to acquire 20% of N&TS GROUP Networks & Transactional Systems Group S.p.A., a leading Italian company in software solutions for electronic payments. The closing of the transaction took place on 15 April 2024 following the fulfilment of the conditions precedent.
By virtue of the option provided for in paragraphs 45 et seq. of IFRS 3 to complete the valuation of the business combination within twelve months from the date of the transaction, the difference between the agreed consideration (€17.6 million) and the fair value of the portion of the net assets acquired (€2.9 million) was provisionally allocated to goodwill in the amount of €14.7 million and is included in the carrying amount of the investment, which is valued using the equity method due to the connection relationship.

Poste Logistics

On 4 March 2024, Poste Logistics S.p.A. was established, whose share capital is wholly-owned by Poste Italiane S.p.A.; the company will be dedicated to integrated logistics activities for the Poste Italiane Group, benefiting from the business unit of SDA Express Courier S.p.A. ("SDA") concerning the integrated logistics business, through a partial demerger transaction. The partial demerger transaction, which was resolved by the Extraordinary Shareholders' Meetings of SDA and Poste Logistics S.p.A. on 27 March 2024, was formalised on 25 June 2024 effective as of 1 July 2024.

Locker Italia

On 18 April 2024 the company Locker Italia S.p.A. was established - owned by Poste Italiane S.p.A. and Deutsche Post International BV with equal stakes of 50% respectively - with the objective of developing, in Italy, a network of lockers for last mile deliveries of parcels managed by Poste Italiane S.p.A. and the e-commerce division of the DHL Group.

Postego

On 9 May 2024, Postego S.p.A. was established, a benefit company wholly-owned by Poste Italiane, with the aim of progressively internalising the Poste Italiane car fleet (about 30 thousand delivery vehicles).

Casina Poste

On 21 June 2024, Casina Poste was established as an amateur sports company with limited liability (Casina Poste SSD a r.l.), wholly-owned through Poste Italiane S.p.A. (72%), PostePay S.p.A. (7%), Postel S.p.A. (7%), Poste Vita S.p.A. (7%) and SDA Express Courier S.p.A. (7%), for the organisation and management as well as the promotion, enhancement and dissemination of amateur sporting activities.

SPV Cosenza

On 25 June 2024, SPV Cosenza S.p.A. was established, a company 95% owned by Poste Italiane S.p.A. and 5% by Plurima S.p.A., dedicated to the performance of all the services covered by the public-private partnership contract for the management and rationalisation of integrated healthcare logistics for the Cosenza Provincial Health Authority.

The following material events also took place during the year:

- on 22 May 2024, Poste Italiane S.p.A. transferred to Postepay S.p.A. its entire stake in Conio Inc. amounting to 16.29 % of the relevant share capital;
- on 27 June 2024, the deed of sale of a stake held by SDA Express Courier S.p.A. in the Consorzio Logistica Pacchi S.C.p.A. in the amount of 5.5% in favour of Poste Logistics S.p.A. was signed: thus, SDA's shareholding in the Consorzio increased from 19% to 13.5%;
- on 10 December 2024, Poste Italiane S.p.A. exercised the early conversion of the loan issued by sennder Technologies GmbH into shares of the same as part of the broader capital increase transaction promoted by the company totalling €39 million with the shareholder Scania as lead investor. Following the completion of these transactions, Poste Italiane S.p.A.'s stake in sennder Technologies GmbH was reduced from 10.2% to 9.7% on a fully diluted basis.

CONCLUSION OF THE VALUATION OF BUSINESS COMBINATIONS FROM THE PREVIOUS YEAR

With reference to the corporate transactions that took place in 2023 for which Poste Italiane availed itself of the option set forth in paragraphs 45 et seq. of IFRS 3 to complete the valuation of the business combination within twelve months from the date of acquisition, at 31 December 2024 the process was concluded, confirming the results already represented at 31 December 2023. A summary of them is given below:

- ***Net Insurance (April 2023)***

As a result of the valuation activities performed, an adjustment to the fair value of the net assets acquired was recognised for a total of €10.8 million, of which:

  - €10.8 million increase in intangible assets related to brand development;
  - an increase in property, plant and equipment of €1.4 million relating to owned property;
  - reduction of insurance liabilities by €3.4 million for cash flows related to amounts repayable by the distributing banks;
  - deferred tax effects related to the above adjustments in the amount of €4.8 million.

The remaining difference between the consideration transferred (€180.8 million) and the fair value of the net assets acquired by the Group adjusted following the PPA process (€57 million) was allocated to Goodwill in the amount of €123.8 million.

- ***Sennder Italy (April 2023)***

It was confirmed that the difference between the consideration (€20.7 million) and the fair value of the portion of the net assets acquired (€1.8 million) is entirely attributable to goodwill (included in the carrying amount of the investment) in the amount of €18.9 million.

- ***Sourcesense Platforms (January 2023[289])***

It was confirmed that the difference between the transaction price and the portion of the net assets acquired, amounting to approximately €1 million, was recorded as Goodwill under Intangible assets.

[289] On 24 January 2023, Sourcesense finalised the acquisition of Eco-Mind Ingegneria Informatica S.r.l. and its subsidiary HeadApp S.r.l.. The two acquired companies were merged into the NewCo called Sourcesense Platforms S.r.l. with accounting and tax effects from 1 July 2023.

3. MATERIAL EVENTS DURING THE YEAR AND EVENTS AFTER 31 DECEMBER 2024

3.1 MATERIAL EVENTS

The following material events also occurred in 2024:

Russia-Ukraine Conflict

The year 2024 was characterised by the continuation of the crisis between the European countries Russia and Ukraine.

In order to assess the impacts of the conflict for the Group, as requested by the national and international Authorities, and in line with the previous financial statements, an assessment was carried out on the current and future impacts and on the sanctions imposed on Russia by state and supranational authorities, on the activities, on the financial situation and on the economic results of the Group in consideration of the available evidence and the scenarios that can be configured at the date of preparation of the following financial statements.

The potential impacts, although at present random and uncertain also in relation to the pressure on inflation driven by sharp increases in energy and raw material prices, appear limited in relation to the fact that the Group's operations are almost entirely located within the national territory and without branches in the value chain with the countries involved.

In addition, monitoring of the existing relations between the Group and the parties directly or indirectly involved was carried out, which led to the following findings:

- with reference to the Parent Company, the existence of relations with the corresponding foreign postal administrations of Russia, Belarus and Ukraine have credit and debit balances of insignificant amounts;
- with reference to Poste Vita, within the Multi-asset funds, there are some indirect exposures to the countries involved in the aforementioned events that represent a non-significant portion of the relevant NAV.

Purchase of treasury shares

In execution of the authorisation to purchase treasury shares resolved by the Shareholders' Meeting of Poste Italiane on 31 May 2024, aimed at acquiring a supply of shares to be allocated to directors and employees of the Group who are beneficiaries of the variable incentive plans, whose launch was communicated to the market on 31 May 2024, from 3 to 10 June 2024, Poste Italiane purchased 1,166,667 treasury shares, at an average unit price of €12.804423 for a total value of €14,938,498.18. Subsequently, in the period between 7 August 2024 and 9 August 2024, Poste Italiane purchased 710,802 treasury shares at an average unit price of €11.788388, for a total value of €8,379,209.76.
At the close of the second tranche of the programme, considering also the treasury shares in the portfolio deriving from previous buy-back transactions and the delivery to the beneficiaries of the incentive plans, at 31 December 2024, Poste Italiane holds 11,492,604 treasury shares, equal to 0.880% of the share capital.

National collective labour agreement renewed

On 23 July 2024, the National Collective Labour Agreement (CCNL), which expired at the end of 2023, was renewed for the period 2024-2027 for the non-managerial staff of Poste Italiane SpA and the other Group companies to which the same CCNL applies.

Interim dividend

On 6 November 2024, Poste Italiane's Board of Directors, in light of the Company's financial position and results of operations in the first nine months of 2024, the performance for the following months, the business outlook and the related expected economic prospects at 31 December 2024, and in line with the Group's dividend policy, resolved to advance, as an interim dividend, part of the ordinary dividend for 2024. 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 €0.33 per share, gross of any legal withholding taxes, was made with effect from 20 November 2024, with "ex-dividend date" of coupon no. 15 coinciding with 18 November 2024 and record date (i.e. the date on which the dividend was entitled to be paid) coinciding with 19 November 2024.

Based on the number of shares outstanding at 6 November 2024, which amounted to 1,294,617,396, the total amount of the interim dividend was €427 million.

3.2 EVENTS AFTER THE END OF THE REPORTING PERIOD

Events occurring after the reporting date are reported below:

- ***Net Holding S.p.A.***

An extraordinary shareholders' meeting of Net Holding S.p.A. ("Net Holding") was held on 14 November 2024, during which the shareholders, Poste Vita S.p.A. and IBL Banca S.p.A., resolved to dissolve Net Holding early and put it into liquidation. On 3 February 2025, following the authorisations received from the regulatory authority, the resolution to liquidate and the appointment of the liquidator was registered with the Companies' Register. The completion of the liquidation and the assignment to Net Holding's shareholders of the 97.8% stake it held in Net Insurance S.p.A. are expected by the end of the first half of 2025

- ***Anima Holding S.p.A.***

On 10 February 2025, the Board of Directors of Poste Italiane S.p.A. resolved to send to Banco BPM Vita S.p.A. ("Banco BPM Vita") a letter of commitment to adhere to the Takeover Bid ("OPA") launched by the latter on the ordinary shares of Anima Holding S.p.A. The commitment is subject to the verification of certain conditions, including (i) Banco BPM Vita's acceptance of the letter of commitment; (ii) that the offer price be increased to bring it into line with current market prices; and (iii) the fulfilment of all legal conditions, including the necessary authorisation resolution by the shareholders' meeting of Banco BPM S.p.A. ("Banco BPM"). It should be noted that on 11 February 2025, Banco BPM Vita sent Poste Italiane S.p.A. its acceptance of the letter of commitment and that Banco BPM's ordinary shareholders' meeting of 28 February 2025 approved the increase to €7.00 of the consideration per share offered under the Takeover Bid, as well as reserving for its Board of Directors the right to waive all or part of one or more of the voluntary effectiveness conditions attached to the Takeover Bid, which have not yet been satisfied. Following Consob's approval of the offer document on 13 March 2025, the acceptance period began, running from 17 March 2025 to 4 April 2025 (unless extended).

- ***Patrimonio Italia Logistica – SICAF S.p.A.***

On 14 February 2025, the company Patrimonio Italia Logistica - SICAF S.p.A. (externally managed) was established - owned by Poste Italiane S.p.A. and Dea Capital Real Estate Sgr S.p.A., with initial stakes of 90% and 10% respectively - in which Poste Italiane will contribute all the largest sites of the primary network and a large part of the intermediate network for a total area of approximately 640,000 square metres.

This initiative is dedicated to accelerating and co-financing Poste Italiane's infrastructural and real estate transformation, while improving the operational efficiency and sustainability of the infrastructure itself.

The operation will also involve several operators specialised in logistics real estate development who will be able to contribute financial resources and specialised know-how and thus accelerate the site renewal process.

- ***Acquisition of a stake in Telecom Italia S.p.A. and sale of Nexi S.p.A.***

On 15 February 2025, the Board of Directors of Poste Italiane S.p.A. resolved to acquire approximately 9.81% of the ordinary shares of Telecom Italia S.p.A. ("Tim") currently held by Cassa Depositi e Prestiti S.p.A. ("Cassa Depositi e Prestiti"). At the same time, the Board of Directors resolved to sell the entire stake held by Poste Italiane in Nexi S.p.A. ("Nexi") - equal to approximately 3.78% of the share capital - to Cassa Depositi e Prestiti itself.

The consideration for the purchase of Tim's shares was recognised (i) partly through the proceeds from the transfer from Poste Italiane to Cassa Depositi e Prestiti of the stake in Nexi and (ii) partly through available cash (approximately €170 million).

- ***IBL Assicura S.r.l.***

On 22 January 2025, Net Insurance S.p.A. finalised the acquisition of a 19.99% stake in the share capital of IBL Assicura S.r.l. from IBL Banca S.p.A..

4. POSTE ITALIANE GROUP - FINANCIAL STATEMENTS AT 31 DECEMBER 2024

4.1 CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS (€m)	**Notes**	**31 December 2024**	*of which related parties*	**31 December 2023**	*of which related parties*
Non-current assets					
Property, plant and equipment	[A1]	2,783	-	2,546	-
Investment property	[A2]	26	-	28	-
Intangible assets	[A3]	2,139	-	2,062	-
Right-of-use assets	[A4]	1,187	-	1,265	-
Investments accounted for using the equity method	[A5]	332	*332*	294	*294*
Financial assets	[A6]	210,129	*2,994*	205,656	*3,067*
Trade receivables	[A8]	2	-	3	-
Deferred tax assets	[C12]	1,997	-	2,109	-
Other receivables and assets	[A9]	3,955	*0*	4,084	*2*
Tax credits Law no. 77/2020	[A10]	5,170	-	6,534	-
Assets for outward reinsurance	[A11]	324	-	233	-
Total		**228,045**		**224,814**	
Current assets					
Inventories	[A7]	177	-	172	-
Trade receivables	[A8]	2,076	*597*	2,404	*681*
Current tax assets	[C12]	197	-	167	-
Other receivables and assets	[A9]	1,339	*16*	1,051	*15*
Tax credits Law no. 77/2020	[A10]	1,835		1,784	
Financial assets	[A6]	34,409	*10,027*	31,503	*9,000*
Cash and deposits attributable to BancoPosta	[A12]	4,290	-	4,671	-
Cash and cash equivalents	[A13]	4,680	*387*	4,211	*874*
Total		**49,003**		**45,963**	
Non-current assets and disposal groups held for sale	[A14]	**50**	*50*	**50**	*50*
TOTAL ASSETS		**277,098**		**270,827**	

LIABILITIES AND EQUITY	Notes	31 December 2024	*of which related parties*	31 December 2023	*of which related parties*
Equity					
Share capital	[B2]	1,306	-	1,306	-
Reserves	[B4]	1,532	-	1,083	-
Treasury shares		(109)	-	(94)	-
Retained earnings		8,855	-	8,027	-
Total equity attributable to owners of the Parent		**11,583**		**10,322**	
Equity attributable to non-controlling interests		127	-	117	-
Total		**11,709**		**10,439**	
Non-current liabilities					
Liabilities under insurance contracts	[B5]	162,408	-	155,338	-
Provisions for risks and charges	[B6]	526	*40*	782	*50*
Employee termination benefits	[B7]	577	-	637	-
Financial liabilities	[B8]	8,711	*225*	10,243	*209*
Deferred tax liabilities	[C12]	897	-	900	-
Other liabilities	[B10]	2,024	-	2,058	-
Total		**175,144**		**169,958**	
Current liabilities					
Provisions for risks and charges	[B6]	557	*8*	554	*10*
Trade payables	[B9]	2,097	*135*	2,252	*113*
Current tax liabilities	[C12]	65	-	189	-
Other liabilities	[B10]	2,151	*80*	2,285	*90*
Financial liabilities	[B8]	85,374	*5,502*	85,150	*5,525*
Total		**90,244**		**90,430**	
TOTAL LIABILITIES AND EQUITY		**277,098**		**270,827**	

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

(€m)	Notes	FY 2024	*of which related parties*	FY 2023	*of which related parties*
Revenue from Mail, Parcels and other	[C1]	3,843	*1,055*	3,746	*1,007*
Net revenue from Financial Services	[C2]	5,521	*2,271*	5,229	*2,305*
Revenue from Financial Services		6,127	*2,279*	5,795	*2,317*
Expenses from financial activities		(607)	*(8)*	(566)	*(12)*
Net revenue from insurance services	[C3]	1,640	*1*	1,567	*18*
Revenue from insurance contracts issued		2,824	-	2,550	-
Costs arising from insurance contracts issued		(1,234)		(1,058)	
Revenue/(costs) from outward reinsurance		(32)		(15)	
Income and (expenses) from financial activities and other income/expenses		6,430	1	6,458	*18*
Net financial (costs)/revenue relating to insurance contracts issued		(6,358)	-	(6,373)	-
Net financial revenue/(costs) related to outward reinsurance		10	-	5	-
Revenue from Postepay services	[C4]	1,923	*65*	1,586	*54*
Net operating revenue		**12,927**		**12,128**	
Cost of goods and services	[C5]	3,717	*720*	3,237	*308*
Personnel expenses	[C6]	5,135	*75*	5,170	*74*
Depreciation, amortisation and impairments	[C7]	855	-	811	-
Capitalised costs and expenses	[C8]	(67)	-	(56)	-
Other operating costs	[C9]	318	*5*	275	*3*
of which non-recurring costs		*57*		-	
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	[C10]	424	*(2)*	71	*(0)*
of which non-recurring costs		*284*		-	
Operating profit/(loss)		**2,546**		**2,620**	
Finance costs	[C11]	120	*1*	119	*1*
Finance income	[C11]	209	*14*	181	*15*
Impairment losses/(reversals of impairment losses) on financial assets		(14)	-	(25)	-
Profit/(Loss) on investments accounted for using the equity method	[A5]	22	-	20	-
Profit/(Loss) before tax		**2,671**		**2,727**	
Income tax expense	[C12]	658		794	
PROFIT FOR THE YEAR		**2,013**		**1,933**	
of which attributable to owners of the Parent		1,994		1,922	
of which attributable to non-controlling interests		19		11	
Earnings per share	[B1]	**1.540**		**1.483**	
Diluted earnings per share		**1.540**		**1.483**	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€m)	Notes	FY 2024	FY 2023
Profit/(Loss) for the year		**2,013**	**1,933**
Items to be reclassified in the Statement of profit or (loss) for the year			
FVOCI debt instruments			
Increase/(decrease) in fair value during the year	[tab. B4]	1,899	7,694
Transfers to profit or loss from realisation	[tab. B4]	127	223
Increase/(decrease) for expected losses		(21)	5
Cash flow hedges			
Increase/(decrease) in fair value during the year	[tab. B4]	111	80
Transfers to profit or loss	[tab. B4]	(48)	(318)
Financial revenue or costs relating to insurance contracts issued		(1,318)	(5,532)
Financial revenue or costs related to outward reinsurance		(0)	2
Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit or loss for the year		(222)	(565)
Share of after-tax comprehensive income/(loss) of investees accounted for using the equity method		4	0
Change in translation reserve		0	(0)
Items not to be reclassified in the Statement of profit or loss for the year			
Equity instruments measured at FVOCI - increase/(decrease) in fair value during the year		(92)	(5)
Actuarial gains/(losses) on employee termination benefits	[tab. B7]	7	(8)
Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit or loss for the year		(0)	2
Share of after-tax comprehensive income/(loss) of investees accounted for using the equity method		(0)	(0)
Total other comprehensive income		**448**	**1,578**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,461**	**3,511**
of which attributable to owners of the Parent		**2,442**	3,500
of which attributable to non-controlling interests		**18**	11

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity														
			Reserves												Total equity
(€m)	Share capital	Treasury shares	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Reserve for insurance contracts issued and outward reinsurance	Translation reserve	Reserve for investees accounted for using the equity method	Incentive plans reserve	Retained earnings / (Accumulated losses)	Total equity attributable to owners of the Parent	Equity attributable to non-controlling interests	
Balance at 1 January 2023	**1,306**	**(63)**	**299**	**1,210**	**800**	**(10,592)**	**(128)**	**7,876**	**(0)**	**5**	**19**	**7,100**	**7,834**	**44**	**7,878**
Total comprehensive income for the year	-	-	-	-	-	5,529	(169)	(3,774)	0	0	-	1,914	3,500	11	3,511
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(570)	(570)	(6)	(576)
Interim dividend	-	-	-	-	-	-	-	-	-	-	-	(307)	(307)	-	(307)
Purchase of treasury shares	-	(34)	-	-	-	-	-	-	-	-	-	(0)	(34)	-	(34)
Transactions with minority shareholders	-	-	-	-	-	-	-	-	-	-	-	(101)	(101)	-	(101)
Incentive plans	-	3	-	-	-	-	-	-	-	-	8	(0)	10	-	10
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	-	-	(16)	(16)	-	(16)
Other changes	-	-	-	-	-	-	-	-	-	(1)	-	-	(1)	-	(1)
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-	6	6	68	74
Balance at 31 December 2023	**1,306**	**(94)**	**299**	**1,210**	**800**	**(5,063)**	**(297)**	**4,102**	**(0)**	**4**	**27**	**8,027**	**10,322**	**117**	**10,439**
Total comprehensive income for the year	-	-	-	-	-	1,306	45	(912)	0	4	-	2,000 *	2,442	18	2,461
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	(729)	(729)	(9)	(738)
Interim dividend	-	-	-	-	-	-	-	-	-	-	-	(427)	(427)	-	(427)
Purchase of treasury shares	-	(23)	-	-	-	-	-	-	-	-	-	(0)	(23)	-	(23)
Transactions with minority shareholders	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Incentive plans	-	8	-	-	-	-	-	-	-	-	5	0	14	-	14
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	-	-	(16)	(16)	-	(16)
Other changes	-	-	-	-	-	-	-	-	-	0	-	-	0	-	0
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	-	-	-	0	0
Balance at 31 December 2024	**1,306**	**(109)**	**299**	**1,210**	**800**	**(3,757)**	**(252)**	**3,190**	**0**	**9**	**32**	**8,855**	**11,583**	**127**	**11,709**

* This item includes profit for the year (Group portion) of €1,994 million and actuarial gains on provisions for employee termination benefits of €6 million, after the related current and deferred taxation.

CONSOLIDATED STATEMENT OF CASH FLOWS

(€m)	Notes	FY 2024	FY 2023
Cash and cash equivalents at beginning of year		**4,211**	**4,983**
Profit/(Loss) before tax		2,671	2,727
Depreciation, amortisation and impairments	[tab. C7]	929	882
Net provisions for risks and charges	[tab. B6]	76	348
Use of provisions for risks and charges	[tab. B6]	(332)	(371)
Provisions for employee termination benefits	[tab. B7]	2	3
Employee termination benefits	[tab. B7]	(76)	(106)
(Gains)/Losses on disposals		(0)	(112)
Impairment losses/(reversals of impairment losses) on financial assets		(14)	(25)
(Dividends)	[tab. C11.2]	(0)	(4)
Dividends received		0	4
(Finance income in form of interest)	[tab. C11.2]	(204)	(169)
Interest received		201	168
Interest expense and other finance costs	[tab. C11.1]	116	110
Interest paid		(49)	(45)
Losses and impairment losses/(reversals of impairment losses) on receivables	[tab. C10]	603	64
Income tax paid	[tab. C12.2]	(866)	(191)
Other changes		6	(11)
Cash flow generated by operating activities before movements in working capital	**[a]**	**3,063**	**3,272**
Movements in working capital:			
(Increase)/decrease in Inventories	[tab. A7]	(5)	(15)
(Increase)/decrease in Trade receivables		242	(696)
(Increase)/decrease in Other receivables and assets		(186)	399
Change in tax credits Law no. 77/2020		(13)	(352)
Increase/(decrease) in Trade payables		(154)	25
Increase/(decrease) in Other liabilities		(167)	279
Cash flow generated by /(used in) movements in working capital	**[b]**	**(283)**	**(360)**
Increase/(Decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance		(3,210)	(9,441)
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		(615)	2,852
(Increase)/decrease in cash and deposits attributable to BancoPosta	[tab. A12]	380	1,177
Increase/(Decrease) in net liabilities under insurance contracts		5,661	8,033
(Income)/Expense and other non-cash components		(2,095)	(4,119)
Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payments, cards and acquiring and insurance	**[c]**	**121**	**(1,498)**
Net cash flow from /(for) operating activities	**[d]=[a+b+c]**	**2,901**	**1,414**
- of which related party transactions		**(841)**	**4,420**
Investing activities:			
Property, plant and equipment	[tab. A1]	(498)	(373)
Investment property	[tab. A2]	(1)	-
Intangible assets	[tab. A3]	(467)	(473)
Investments		(27)	(50)
Other financial assets		(6)	(17)
Investments in consolidated companies net of cash acquired		-	(95)
Disposals:			
Property, plant and equipment, investment property, intangible assets and assets held for sale		9	13
Investments		-	-
Other financial assets		1	1
Investments in consolidated companies net of cash acquired and changes in scope		3	-
Net cash flow from /(for) investing activities	**[e]**	**(986)**	**(994)**
- of which related party transactions		**(20)**	**(14)**
Proceeds from/(Repayments of) long-term borrowings	[tab. B8.5]	566	126
(Increase)/decrease in loans and receivables		-	-
Increase/(decrease) in short-term borrowings	[tab. B8.5]	(803)	(380)
(Purchase)/sale of treasury shares		(23)	(34)
Dividends paid	[B3]	(1,165)	(883)
Equity instruments - perpetual hybrid bonds		(21)	(21)
Net cash flow from/(for) financing activities and shareholder transactions	**[f]**	**(1,446)**	**(1,192)**
- of which related party transactions		**(733)**	**(564)**
Effect of exchange rate differences on cash and cash equivalents	**[g]**	**0**	**-**
Net increase/(decrease) in cash	**[h]=[d+e+f+g]**	**469**	**(772)**
Cash and cash equivalents at end of year	**[tab. A13]**	**4,680**	**4,211**
Restricted cash and cash equivalents at end of year		(2,693)	(2,576)
Unrestricted cash and cash equivalents at end of year		**1,987**	**1,635**

4.2 NOTES TO THE STATEMENT OF FINANCIAL POSITION

ASSETS

A1 - PROPERTY, PLANT AND EQUIPMENT (€2,783 million)

The following table shows movements in property, plant and equipment in 2024:

tab. A1 - Movements in property, plant and equipment

Description (€m)	Land	Properties used in operations	Plant and machinery	Industrial and commercial equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
Cost	85	3,371	2,630	372	765	2,098	203	**9,525**
Accumulated depreciation	-	(2,143)	(2,018)	(337)	(511)	(1,933)	-	**(6,941)**
Impairment losses	(0)	(16)	(10)	(1)	(1)	(8)	(0)	**(37)**
Balance at 1 January 2024	**85**	**1,211**	**603**	**34**	**253**	**157**	**202**	**2,546**
Changes during the period								
Acquisitions	-	59	116	23	80	83	137	**498**
Adjustments	-	0	(0)	0	0	-	-	**0**
Reclassifications	0	35	69	1	17	20	(142)	**(0)**
Disposals	-	(1)	(1)	(0)	(0)	(0)	(1)	**(3)**
Change in scope of consolidation	-	-	(0)	-	0	0	-	**0**
Depreciation	-	(37)	(77)	(12)	(56)	(74)	-	**(255)**
(Impairment losses)/Reversals	-	(0)	-	-	-	(2)	(0)	**(3)**
Total changes	**0**	**56**	**108**	**13**	**40**	**26**	**(6)**	**237**
Cost	85	3,464	2,815	396	862	2,201	197	**10,019**
Accumulated depreciation	-	(2,180)	(2,094)	(348)	(567)	(2,007)	-	**(7,197)**
Impairment losses	(0)	(16)	(10)	(1)	(1)	(11)	(0)	**(39)**
Total	**85**	**1,267**	**711**	**47**	**294**	**184**	**196**	**2,783**

At 31 December 2024, property, plant and equipment includes assets belonging to the Parent Company located on land held under concession or sub-concession, which are to be handed over free of charge at the end of the concession term. These assets have a total carrying amount of €67 million.

Investments of €498 million in 2024 consists largely of:

- €59 million relating to extraordinary maintenance of Post Offices and local head offices around the country (€34 million), personnel and management offices (€10 million) and post and mail sorting offices (€9 million);
- €116 million for plant, of which the most significant items relate to the Parent Company for €86 million, which can be broken down as follows: €41 million for the construction of plants connected to buildings, €26 million for the construction and extraordinary maintenance of connectivity and video surveillance systems, €4 million for the construction and extraordinary maintenance of mail sorting and parcel processing plants at industrial facilities and €15 million for the installation of ATM (automated teller machines), and to the subsidiary SDA Express Courier S.p.A. for €23 million mainly for the construction and development of new sorting plants for the Naples Hub and Piacenza Hub operating sites;
- €80 million invested mainly in the upgrade of plant (€32 million) and the structure (€42 million) of properties held under lease;
- €83 million relating to Other assets, including €75 million incurred by the Parent Company, mainly for purchase of hardware to upgrade the technological equipment at Post Offices and head offices and consolidate storage systems for €53 million and for the purchase of furniture and fittings for €21 million, €5 million incurred by PostePay SpA, primarily regarding the purchase of devices for the PosteMobile Casa and PosteCasa Ultraveloce offers (€4 million) and, to a lesser extent, the purchase of mobile telephones and mobile phone equipment for rental;

- €137 million for fixed assets in progress, of which €123 million incurred by the Parent Company and relating for €110 million to extraordinary maintenance works and infrastructural equipment of the commercial and production network, and €12 million for the purchase of hardware and other technological equipment not yet included in the production process, €3 million incurred by the company SDA Express Courier S.p.A..

Reclassifications from tangible assets in progress amounted to €142 million and refer mainly to the purchase cost of assets that have become available and ready to use in the year; in particular, they refer to the Parent Company for the completion of extraordinary renovations of owned buildings and improvements on leased properties (€80 million), the activation of hardware and other equipment (€13 million), for the installation of connectivity systems (€9 million) and to the company SDA Express Courier SpA for €25 million relating mainly to plant investments for the construction of the new Piacenza Hub site.

During the year under review, activities continued for the Polis Project, for which Poste Italiane made investments of €182 million (until 31 December 2024, total investments of approximately €277 million).

tab. A1.1 - Polis Project - Investments

Lines of Intervention (€m)	Properties used in operations	Plant and machinery	Industrial and commercial equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
One-stop shop	41	51	**3**	68	38	42	243
Spaces for Italy	8	7	**0**	0	1	18	34
Total	**49**	**58**	**3**	**68**	**39**	**60**	**277**

In addition, it should be noted that during the year under review, investments classified as green, i.e., aimed at reducing the Poste Italiane Group's impact on the environment, were made by Poste Italiane SpA and, only to a residual extent, by the subsidiary SDA Express Courier SpA, amounting to approximately €35 million. The main projects include the installation of photovoltaic systems and electrical charging columns, as well as energy efficiency measures on buildings.

Finally, it should be noted that, at 31 December 2024, the Poste Italiane Group's commitments to purchase property, plant and equipment amounted to approximately €145 million.

A2 - INVESTMENT PROPERTY (€26 million)

Investment property relates to service accommodation owned by Poste Italiane SpA in accordance with Law 560 of 24 December 1993 and residential accommodation previously used by Post Office managers. Movements are as follows:

tab. A2 - Movements in investment property

Description (€m)	**FY 2024**
Cost	81
Accumulated depreciation	(53)
Impairment losses	(0)
Period opening balance	**28**
Changes during the period	
Acquisitions	1
Reclassifications	(0)
Disposals	(1)
Depreciation	(1)
Total changes	**(1)**
Cost	81
Accumulated depreciation	(54)
Impairment losses	(0)
Period closing balance	**26**
Fair value at 31 December	*62*

The fair value of investment property at 31 December 2024 includes €62 million representing the sale price applicable to the Parent Company's former service accommodation in accordance with Law 560 of 24 December 1993, while the remaining balance reflects market price estimates computed internally by the Company[290].

Most of the properties included in this category are subject to lease agreements classifiable as operating leases, given that the Group retains substantially all of the risks and rewards of ownership of the properties. Under the relevant agreements, tenants usually have the right to break off the lease with six-month notice. Given the resulting lack of certainty, the expected revenue flows from these leases are not referred to in these notes.

[290] In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, service accommodation and other investment property qualify for Level 3.

A3 - INTANGIBLE ASSETS (€2,139 million)

The following table shows the net amount and movements in intangible assets in 2024:

tab. A3 - Movements in intangible assets

Description (€m)	Industrial patents and intellectual property rights, concessions, licences, trademarks and similar rights	Assets under construction and advances	Goodwill	Other	Total
Cost	5,166	274	898	232	6,570
Accumulated amortisation and impairments	(4,381)	(1)	(102)	(24)	(4,508)
Balance at 1 January 2024	**785**	**273**	**796**	**208**	**2,062**
Changes during the period					
Acquisitions	243	224	-	0	467
Reclassifications	215	(215)	-	-	0
Transfers and disposals	(1)	(3)	-	(0)	(4)
Change in scope of consolidation	0	-	-	-	0
Amortisation and impairments	(375)	(0)	-	(12)	(387)
Total changes	**82**	**6**	**-**	**(12)**	**76**
Cost	5,623	280	898	232	7,034
Accumulated amortisation and impairments	(4,756)	(1)	(102)	(36)	(4,895)
Total	**867**	**279**	**796**	**196**	**2,139**

Investments in Intangible assets during 2024 amounted to €467 million, including about €56 million in software development activities and the related expenses developed within the Group, primarily relating to personnel expenses (€42 million). Development costs, other than those incurred directly to produce identifiable software used, or intended for use, within the Group, are not capitalised.

The increase in **Industrial patents and intellectual property rights, concessions, licences, trademarks and similar rights** totals €243 million, before amortisation for the period, and relates primarily to the purchase and entry into service of new software programs and the acquisition of software licences.

Intangible assets under construction refer primarily to the activities of the Parent Company aimed at the development for software for the infrastructure platforms (€100 million), for BancoPosta services (€53 million), for support to the sales network (€30 million), for the postal products platform (€22 million) and for the engineering of reporting processes for other Business and personnel functions (€13 million).

During the period, reclassifications were made from Intangible assets under construction to Industrial patents and intellectual property rights amounting to €215 million due primarily to the completion and start-up of new software programs and the development of existing ones, related to the infrastructure platform (€94 million), BancoPosta services (€44 million), support for the sales network (€35 million), the postal products platform (€27 million) and the engineering of reporting processes for other Business and personnel functions (€13 million).

With reference to the Polis Project, at 31 December 2024 the Parent Company made total investments of approximately €10 million, of which €7 million relate to 2024.

Polis Project - Investments

Lines of intervention (€m)	Industrial patents, intellectual property rights, concessions, licences, trademarks and similar rights	Assets under construction and advances	Total
One-stop shop	6	3	9
Spaces for Italy	1	-	1
Total	**7**	**3**	**10**

Finally, during the year 2024, as part of the Energy Project, the Parent Company made investments in application software amounting to approximately €15 million.

Goodwill, allocated by Strategic Business Unit (SBU), is detailed as follows:

tab. A3.1 - Goodwill

Description (€m)	31.12.2024	31.12.2023	Changes
Mail, Parcels and Distribution SBU	**213**	**213**	**-**
Plurima	101	101	-
Poste Italiane	33	33	-
Sourcesense	24	24	-
Poste Welfare Servizi	18	18	-
Sengi Express Limited	16	16	-
Agile Lab	14	14	-
MLK Deliveries	5	5	-
Nexive Network	3	3	-
Sourcesense Platforms	1	1	-
Postepay Services SBU	**459**	**459**	**-**
LIS	459	459	-
Insurance Services SBU	**124**	**124**	**-**
Net Insurance	124	124	-
Total	**796**	**796**	**-**

The item of €796 million refers to goodwill allocated to the:

- Mail, Parcels and Distribution SBU for €213 million. The goodwill allocated to the segment originates from a series of acquisitions completed over time within the operating segment Mail, Parcels and Distribution segment. Due to the close integration of business processes, the cash flows generated by the individual legal entities belonging to the segment are closely interrelated and interdependent, and, consequently, goodwill is tested at the SBU level.

- SBU Postepay Services for €459 million. The goodwill recognised arises from the acquisition of Lis Holding and Lis Pay. Following the integration and reorganisation processes of the companies acquired within the Poste Italiane Group, the cash flows generated are largely independent of those generated by the Group's other operating sectors, but closely interrelated within the sector. Consequently, the CGU identified corresponds to the perimeter of the Postepay Services SBU, as the operating segment is based on single and integrated market and operational processes according to a unified logic;

- SBU Insurance Services for €124 million. This goodwill arose following the acquisition of Net Insurance and is tested at the level of the Net Insurance sub-group (and Net Insurance Life) identified as the minimum cash-generating unit.

In addition, with reference to the impairment test on goodwill and cash generating units, please refer to paragraph 2.6 Use of estimates.

A4 – RIGHT-OF-USE ASSETS (€1,187 million)

tab. A4 - Movements in right-of-use assets

Description (€m)	Properties used in operations	Company fleet	Vehicles for mixed use	Other assets	Total
Cost	1,777	385	37	50	**2,249**
Accumulated amortisation and impairments	(750)	(186)	(18)	(30)	**(984)**
Balance at 1 January 2024	**1,027**	**199**	**18**	**20**	**1,265**
Changes during the period					
New contract acquisitions	125	54	10	1	**191**
Adjustments	42	(3)	(1)	(1)	**38**
Reclassifications	(0)	(0)	0	-	**(0)**
Contract terminations	(32)	(3)	(0)	-	**(35)**
Change in scope of consolidation	8	-	0	-	**8**
Amortisation and impairments	(173)	(92)	(9)	(6)	**(281)**
Total changes	**(29)**	**(43)**	**0**	**(6)**	**(78)**
Cost	1,922	433	46	50	**2,452**
Accumulated amortisation and impairments	(924)	(277)	(28)	(36)	**(1,265)**
Total	**998**	**156**	**19**	**14**	**1,187**

Acquisitions for the year, amounting to €191 million, mainly relate to:

- €83 million to the Parent Company and related to new real estate contracts (€45 million), company vehicles for mail and parcel delivery (€32 million) and mixed use vehicles (€6 million);
- €57 million to SDA Express Courier SpA for the stipulation of real estate lease contracts for the new operating headquarters and warehouses intended for the management of orders in the "integrated logistics" segment;
- €20 million to Poste Air Cargo SpA for the leasing of two new aircraft to replace expiring contracts in the existing fleet;
- €14 million to Plurima SpA for the stipulation of warehouse leasing contracts.

The item "Adjustments" refers to contractual changes during the period in question, e.g. for changes in duration due to extension, revision of economic conditions, etc.
The item terminations refers to the early termination of existing contracts with respect to their natural maturity.

The increase in Right-of-use assets recognised during the year and related to lease contracts for electric, hybrid and endothermic vehicles as well as aircraft considered to be "green" amounted to approximately €52 million, relating to the Parent Company and the Group company Poste Air Cargo.

tab. A4.1 - Economic effects of lease agreements

Description (€m)	FY 2024	FY 2023
Amortisation, write-downs and adjustments of right-of-use assets	282	272
Financial charges on lease payables	33	28
Costs related to short-term leases	25	35
Costs related to lease of low-value assets	13	14
Costs related to lease of intangible assets	134	102
Total	**487**	**451**

tab. A4.2- Movements in lease liability

Description (€m)	FY 2024
Balance at 1 January	**1,341**
New contract increases	191
Payments	(307)
Finance costs	33
Change in scope	4
Other changes	9
Balance at 31 December	**1,271**
of which current	310
of which non-current	961

A5 - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (€332 million)

tab. A5 - Investments

Description (€m)	31.12.2024	31.12.2023	Changes
Investments in associates	318	290	28
Investments in joint ventures	15	-	15
Investments in subsidiaries	0	4	(4)
Total	**332**	**294**	**38**

tab. A5.1 - Investments accounted for using the equity method

Description (€m)	Balance at 01. 01. 2024	Increases / (Decreases)	Impairment losses		Other changes	Balance at 31.12.2024
			accounted for using the equity method	Dividend adjustments		
in associates						
Anima Holding SpA	219	4	26	(10)	(0)	240
Conio Inc	1	-	(0)	-	-	0
Consorzio Italia Cloud	0	-	-	-	-	0
Eurizon Capital Real Asset SGR	4	0	0	-	-	5
Financit SpA	35	-	(7)	(6)	-	21
ItaliaCamp Srl	1	-	0	-	-	1
N&TS Group Networks & Transactional Systems Group SpA	-	18	1	(1)	-	17
Replica Sim SpA	9	-	1	-	-	10
sennder Italia Srl	22	0	2	-	(0)	24
Total associates	**290**	**22**	**22**	**(16)**	**(0)**	**318**
in joint ventures						
Locker Italia SpA	-	**15**	**(0)**	**-**	**-**	15
Total joint ventures	**-**	**15**	**(0)**	**-**	**-**	**15**
in subsidiaries						
Address Software Srl	1	(1)	0	-	-	-
Casina Poste SSD a r.l.	-	0	-	-	-	0
Kipoint SpA	3	-	-	-	(3)	-
Indabox Srl	1	-	-	-	(1)	-
Total subsidiaries	**4**	**(1)**	**0**	**-**	**(3)**	**0**
Total	**294**	**36**	**22**	**(16)**	**(3)**	**332**

* The values shown in the table are rounded in millions of euro (without decimal places). It follows that the sum of the amounts may not coincide with the rounded totals.

The most significant changes during the year are shown below:

- recognition of the investment in N&TS Group Networks & Transactional Systems Group S.p.A. at a value of €17.6 million;
- registration of the investment in Locker Italia S.p.A. worth €15 million;
- positive adjustment of the investment in Anima Holding S.p.A. for about €21 million, of which: an increase of about €26 million for the share of the economic results achieved by the investee between 30 September 2023 and 30 September 2024, the date of the latest available financial statements, and a decrease of €10 million due to the dividends received (for further information on the Takeover Bid launched by Banco BPM Vita S.p.A. on Anima Holding, see paragraph *3.2. Events after the end of the reporting period);*
- adjustment of the investment in Financit S.p.A. for a negative €14 million, of which €6 million attributable to the effect of dividends received and €8 million to the adjustment following the impairment test performed on the value of the investment (for further details on the impairment test, see section *2.6 - Use of Estimates)*

For more details on the transactions related to N&TS Group Networks &Transactional Systems Group S.p.A. and Locker Italia S.p.A. and the other changes in the scope of consolidation, please refer to Section 2.8 - *Basis of consolidation.*

Finally, it should be noted that the investments in the subsidiaries Kipoint S.p.A. and Indabox S.r.l. have been consolidated on a line-by-line basis since 1 January 2024, and the subsidiary Address Software Srl has been merged by incorporation into Poste Italiane S.p.A. with legal effect from 1 June 2024.

As required by IFRS, the equity investments were subjected to an impairment test in order to verify whether there was objective evidence that their carrying amount was not fully recoverable, and no need to make further value adjustments other than the one already mentioned for the investment in Financit emerged.

A list of subsidiaries, joint ventures and associates accounted for using the equity method is provided in Additional information – Scope of consolidation and highlights of investments (note 4.12).

A6 - FINANCIAL ASSETS (€244,538 million)

tab. A6 - Financial assets

	Balance at 31.12.24			Balance at 31.12.2023			
Description (€m)	**Non-current assets**	**Current assets**	**Total**	**Non-current assets**	**Current assets**	**Total**	**Changes**
Financial assets at amortised cost	32,385	14,369	46,753	32,049	13,054	45,103	1,650
Financial assets at FVTOCI	127,716	14,021	141,737	122,369	17,226	139,594	2,142
Financial assets at FVTPL	47,417	5,882	53,299	47,058	1,147	48,205	5,094
Derivative financial instruments	2,611	137	2,748	4,180	77	4,257	(1,508)
Total	**210,129**	**34,409**	**244,538**	**205,656**	**31,503**	**237,159**	**7,378**
of which Financial Activities	*65,785*	*14,837*	*80,622*	*64,414*	*15,642*	*80,056*	*566*
of which Insurance Activities	*143,776*	*19,278*	*163,053*	*140,588*	*15,556*	*156,145*	*6,909*
Of which Postal and Business Activities	*562*	*9*	*571*	*647*	*6*	*653*	*(81)*
of which Postepay Services Activities	*7*	*284*	*291*	*7*	*299*	*306*	*(15)*

Financial assets by operating segment break down as follows:

FINANCIAL ACTIVITIES

tab. A6.1 - Financial assets - Financial Services

Description (€m)	Balance at 31.12.24			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	**30,346**	**13,887**	**44,232**	**30,124**	**12,549**	**42,673**	**1,560**
Loans and receivables	-	13,124	13,124	-	12,275	12,275	850
Loans	-	1,566	1,566	-	1,769	1,769	(203)
Receivables	-	11,558	11,558	-	10,505	10,505	1,053
Deposits with the MEF	-	9,968	9,968	-	8,932	8,932	1,036
Receivables	-	9,972	9,972	-	8,937	8,937	1,035
Provisions for doubtful amounts deposited with MEF	-	(4)	(4)	-	(5)	(5)	1
Other financial receivables	-	1,590	1,590	-	1,574	1,574	16
Fixed income instruments	30,346	763	31,108	30,124	274	30,398	710
Financial assets at FVTOCI	**32,793**	**883**	**33,676**	**30,083**	**3,017**	**33,100**	**576**
Fixed income instruments	32,793	883	33,676	30,083	3,017	33,100	576
Financial assets at FVTPL	**34**	**-**	**34**	**26**	**-**	**26**	**8**
Equity instruments	34	-	34	26	-	26	8
Derivative financial instruments	**2,611**	**68**	**2,679**	**4,180**	**77**	**4,257**	**(1,577)**
Cash flow hedges	6	6	12	2	2	5	7
Fair value hedges	2,605	62	2,668	4,178	74	4,252	(1,584)
Total	**65,785**	**14,837**	**80,622**	**64,414**	**15,642**	**80,056**	**566**

Financial assets at amortised cost

Movements in financial assets measured at amortised cost are shown below:

tab. A6.1.1 - Movements in financial assets at amortised cost

Description (€m)	Loans and receivables	Fixed income instruments	Total
Balance at 1 January 2024	**12,275**	**30,398**	**42,673**
Purchases		2,650	2,650
Changes in amortised cost	-	(31)	(31)
Transfers to equity reserves	-	5	5
Changes in fair value through profit or loss	1	207	208
Changes due to impairment	-	5	5
Net changes	(329)		(329)
Effects of sales on profit or loss	-	35	35
Change in accruals	1	18	19
Sales, redemptions and settlement of accruals		(2,179)	(2,179)
Other changes	1,177	-	1,177
Balance at 31 December 2024	**13,124**	**31,108**	**44,232**

Loans and receivables

The item **Loans** refers to reverse repurchase agreements in the amount of €2,726 million (€4,106 million at 31 December 2023), of which €2,513 million were entered into with the Cassa di Compensazione e Garanzia SpA (hereafter CC&G) and €213 million were entered into with leading financial operators, both for the temporary use of liquidity from private funding. These transactions are guaranteed by securities for a total notional amount of €2,611 million. Financial assets and liabilities relating to repurchase agreements managed through the CC&G that meet the requirements of IAS 32 are offset. The effect of netting at 31 December 2024, already included in the exposure to net balances, amounted to €1,160 million (€2,337 million at 31 December 2023). At 31 December 2024, the fair value[291] of said item was €1,566 million.

Receivables include:

- **Deposits with the MEF**, for €9,972 million, including public customers' postal current account deposits, which earn a variable rate of return, calculated on a basket of government bonds[292]. The deposit has been adjusted to reflect accumulated impairments of approximately €4 million, to reflect the risk of counterparty default (€5 million at 31 December 2023). The increase in deposits of €1,035 million was mainly due to the typical operations of some customers in the Public Administration, which generated an increase in deposits from postal current accounts. During the 2024 financial year, hedging (management) derivative contracts were concluded on the 10-year index-linked remuneration component. The hedging transaction was carried out through forward purchases of the 10-year BTP with settlement of the differential between the pre-set price of the security and its market value. These operations, which ended on 31 December 2024, generated positive effects of €2 million recognised in the income statement under the item Income from investments in postal current accounts and cash and cash equivalents.

  - **Other financial receivables:**
    - €801 million for guarantee deposits - of which €299 million for amounts paid to counterparties for repurchase transactions on fixed income instruments (collateral provided for by specific Global Master Repurchase Agreements), €214 million for amounts paid to CC&G, (€123 million for outstanding repurchase transactions and €91 million as a pre-financed contribution to the guarantee fund, the Default Fund[293]), €193 million for sums paid to counterparties for Interest rate swap transactions (collateral provided for by specific Credit Support Annexes) and €95 million for sums paid as collateral within clearing systems with central counterparties for over-the-counter derivative transactions[294];
    - €386 million related to the liquidity reserve at CC&G to cover possible intra-day margin calls.

Fixed income instruments

These are Eurozone fixed income instruments held by BancoPosta RFC, consisting of government securities issued by the Italian government and securities guaranteed by the Italian government with a nominal value of €30,866 million. Their carrying amount of €31,108 million reflects the amortised cost of unhedged fixed income instruments, totalling €19,721 million, the amortised cost of fair-value hedged fixed income instruments, totalling €12,469 million, that decreased by €1,082 million to take into account the effects of the hedge (€1,944 million in 2023). Fixed income instruments measured at amortised cost are adjusted to take into account the related impairments. Accumulated impairments at 31 December 2024 amount to approximately €13 million (€18 million at 31 December 2023).
At 31 December 2024, the fair value[295] of these securities was €29,647 million (including €252 million in accrued income).

This category of financial asset includes fixed rate instruments, amounting to nominal €3,000 million, issued by Cassa Depositi e Prestiti SpA and guaranteed by the Italian government (at 31 December 2024, their carrying amount totals €2,902 million).

[291] In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.
[292] The variable rate in question is calculated as follows: 40% is based on the average return on 6-month BOTs recognised monthly and the remaining 60% is based on the average ten-year BTP return recognised monthly.
[293] A guarantee fund established with payments from participants in the derivative, equity and bond markets, as a further guarantee for the transactions carried out. The fund can be used to meet the charges arising from any participant default.
[294] These are transactions carried out outside the regulated securities markets and therefore not subject to any specific regulation concerning the organisation and operation of the market itself.
[295] In terms of the fair value hierarchy, which reflects the relevance of the sources used to measure assets, €26,489 million of the total amount qualifies for inclusion in Level 1 and €3,158 million for inclusion in Level 2.

Financial assets at fair value through other comprehensive income

Movements in financial assets at fair value through other comprehensive income (FVTOCI) are shown below:

tab. A6.1.2 - Movements in financial assets at FVTOCI

Description (€m)	Fixed income instruments
Balance at 1 January 2024	**33,100**
Purchases	6,221
Transfers to equity reserves	11
Changes in amortised cost	45
Changes in fair value through equity	593
Changes in fair value through profit or loss	252
Effects of sales on profit or loss	35
Change in accruals	9
Sales, redemptions and settlement of accruals	(6,590)
Balance at 31 December 2024	**33,676**

Fixed income instruments

These concern euro area fixed income government securities, consisting of government bonds issued by the Italian government, held by BancoPosta RFC, with a nominal value of €33,828 million.

The carrying amount of €33,676 million consists of non-hedged securities in the amount of €14,762 million, fair value hedged securities in the amount of €12,240 million, and CFH hedged securities in the amount of €6,674 million.

Total fair value fluctuation for the year was positive for €845 million, with the amount of €593 million recognised in the relevant equity reserve in relation to the portion of the portfolio not hedged by fair value hedges, and an amount of €252 million recognised through profit or loss in relation to the hedged portion.

Accumulated impairments at 31 December 2024 amount to €14 million (€19 million at 31 December 2023). The increase in this item is mainly due to the positive fair value fluctuation mentioned above and partially offset by higher sales and redemptions during the year compared to purchases.

Certain securities are encumbered as they have been delivered to counterparties for use as collateral in connection with loans and hedging transactions, as described in note 4.12 – *Additional information*.

Financial assets at fair value through profit or loss

Equity instruments

Equity instruments include:

- for €17 million, the fair value of 32,059 Visa Incorporated preferred stocks (Series C Convertible Participating Preferred Stocks). These shares are convertible to ordinary shares at the rate of 1,783[296] ordinary shares for each C share, minus a suitable illiquidity discount. The process of determining the proportion of convertibility and related rate of Visa Incorporated Series C Convertible Participating Preferred Stocks continued during the year, partially concluded on 19 July 2024 with the grant of 583 preferred stocks of Visa Incorporated Series A Preferred Stocks;
- for €17 million, the fair value of 583 Visa Incorporated preferred stocks (Series A Preferred Stock); these shares are convertible into ordinary shares on the basis of a ratio of 100 ordinary shares for every share of Class A Preferred Stock.

[296] Until the assigned shares are fully converted into ordinary shares, the share exchange ratio may be reduced if Visa Europe Ltd. incurs liabilities that, as of the reporting date, were considered as merely contingent.

Net fair value gains in the year under review, amounting to €8 million, have been recognised in profit or loss in the items Income and Expenses from financial activities.

In addition, a forward sale agreement was entered into during the financial year 2023 for 95,000 Visa Incorporated ordinary shares with a total consideration of €20.5 million and a settlement date of 3 March 2025. Fair value losses in the year under review, amounting to €5.6 million, have been recognised in profit or loss in "Expenses from financial activities".

Derivative financial instruments

Tab. A6.1.3 - Derivative financial instruments

	Balance at 31.12.2024		Balance at 31.12.2023		
Description (€m)	**Nominal**	***Fair value***	**Nominal**	***Fair value***	**Changes**
Cash Flow hedges					
Forward sales of securities	602	2	-	-	2
Interest rate swaps	5,956	(532)	3,287	(513)	(19)
Fair value hedges					
Interest rate swaps on securities at FVTOCI and AC	24,452	1,861	25,031	3,718	(1,857)
Interest rate swaps on repos	-	-	3,996	(83)	83
FVTPL					
Forward sales	0	(8)	0	(3)	(5)
					-
Derivative financial instruments	**31,010**	**1,323**	**32,314**	**3,119**	**(1,795)**
Of which:					
Derivative assets	16,312	2,679	19,665	4,257	(1,578)
Derivative liabilities	14,698	(1,356)	12,649	(1,138)	(218)

Cash flow hedge transactions in interest rate swaps and forward sales relate exclusively to securities valued at FVTOCI.

Interest rate risk cash flow hedges recorded a net negative change of €17 million during the period, of which €111 million related to the net positive change in fair value of the effective component of the hedge, reflected in the cash flow hedge reserve, and €128 million related to the net negative change in completed transactions[297] during the year and the ineffective component of hedging contracts.

Fair value hedges in interest rate swaps are used to hedge securities measured at amortised cost with a nominal value of €11,617 million and securities measured at FVTOCI with a nominal value of €12,835 million; in total, they underwent a net negative change of €1,857 million during the year, of which €85 million related to the net negative change in fair value of the effective component of the hedge and €1,772 million related to the net negative change in transactions completed during the year and the ineffective component of hedging contracts.

In the year under review, the Parent Company carried out the following transactions:

- forward sales of securities with a nominal amount of €602 million;
- the conclusion of new cash flow hedge interest rate swaps with a nominal value of €2,669 million;
- settlement of new fair value hedge interest rate swaps to hedge the securities portfolio for a nominal amount of €3,895 million and adjusting those outstanding at 1 January 2024 for a nominal amount of €25 million;
- early settlement or at maturity of fair value hedge interest rate swaps on repurchase agreements for a nominal value of €3,996 million;
- early settlement of fair value hedge interest rate swaps with a nominal value of €4,449 million (of which: €3,499 million relating to hedging transactions for which the underlying security was also sold, €950 million relating to hedging

[297] Transactions settled include forward transactions settled, accrued differentials and the settlement of interest rate swaps linked to securities sold.

transactions without sale of the underlying security) with the aim of consolidating a fixed return in line with the market situation, while at the same time improving the income profile of a portion of the portfolio for subsequent years.

In addition, the Parent Company entered into and settled forward purchases for a total nominal value of €148 million (recognised at fair value through profit or loss) to hedge the 10-year index-linked component of the remuneration of the investment of funding from public customers. In total, these transactions generated a positive effect of €2 million in the year under review, which was recognised in the income statement under the item Income from investments in postal current accounts and free cash balances.

INSURANCE ACTIVITIES

tab. A6.2 - Financial assets - Insurance Services

	Balance at 31.12.24			Balance at 31.12.2023			
Description (€m)	**Non-current assets**	**Current assets**	**Total**	**Non-current assets**	**Current assets**	**Total**	**Changes**
Financial assets at amortised cost	**2,036**	**188**	**2,224**	**1,922**	**200**	**2,123**	**102**
Receivables	1	63	64	0	54	55	9
Fixed income instruments	2,035	125	2,160	1,922	146	2,068	92
Financial assets at FVTOCI	**94,358**	**13,138**	**107,496**	**91,643**	**14,209**	**105,852**	**1,644**
Fixed income instruments	94,354	13,138	107,492	91,638	14,209	105,847	1,644
Equity instruments	4	-	4	5	-	5	(1)
Financial assets at FVTPL	**47,382**	**5,882**	**53,264**	**47,023**	**1,147**	**48,170**	**5,094**
Receivables	-	820	820	-	-	-	820
Fixed income instruments	25,966	2,063	28,029	2,211	353	2,564	25,465
Units of mutual investment funds	21,393	1,148	22,541	44,790	308	45,098	(22,557)
Equity instruments	1	1,851	1,852	1	485	486	1,366
Other investments	22	1	22	21	1	22	0
Derivative financial instruments	**-**	**69**	**69**	**-**	**-**	**-**	**69**
Total	**143,776**	**19,278**	**163,053**	**140,588**	**15,556**	**156,145**	**6,909**

Of the total amount of financial assets belonging to the insurance business, an amount of about €14.3 billion refers to investment products and options of Poste Vita S.p.A. that provide for the inclusion of factors related to the environment, social and governance (ESG factors).

Financial assets at amortised cost

Movements in financial assets measured at amortised cost are shown below:

tab. A6.2.1 - Movements in financial assets at amortised cost

Description (€m)	Loans and receivables	Fixed income instruments	Total
Balance at 1 January 2024	**55**	**2,068**	**2,123**
Purchases		212	212
Changes in amortised cost	(0)	6	6
Net changes	10		10
Effects of sales on profit or loss	-	0	0
Change in accruals	-	2	2
Sales, redemptions and settlement of accruals		(129)	(129)
Balance at 31 December 2024	**64**	**2,160**	**2,224**

Receivables

Financial receivables of €64 million mainly regard receivables for management commissions of Poste Vita internal funds.

Fixed income instruments

Fixed income instruments at amortised cost at 31 December 2024 have a carrying amount of €2,160 million. These instruments primarily relate to the free capital of Poste Vita SpA and Poste Assicura SpA. At 31 December 2024, the fair value[298] of these instruments is €2,012 million.

Fixed income instruments measured at amortised cost are adjusted to take into account the related impairments. Accumulated impairments at 31 December 2024 amount to approximately €0.6 million (€0.9 million at 31 December 2023).

Financial assets at fair value through other comprehensive income

Movements in financial assets at fair value through other comprehensive income are shown below:

tab. A6.2.2 - Movements in financial assets at FVTOCI

Description (€m)	Fixed income instruments	Equity instruments	Total
Balance at 1 January 2024	**105,847**	**5**	**105,852**
Purchases	17,480	0	17,481
Transfers to equity reserves	112	0	112
Changes in amortised cost	562	0	562
Changes in fair value through equity	1,304	(1)	1,304
Effects of sales on profit or loss	(69)	0	(69)
Change in accruals	49	0	49
Sales, redemptions and settlement of accruals	(17,795)	(0)	(17,795)
Balance at 31 December 2024	**107,492**	**4**	**107,496**

These financial instruments recorded a positive change in fair value of €1,304 million, of which €1,245 million was due to the revaluation of insurance liabilities.

[298] In terms of the fair value hierarchy, which reflects the relevance of the sources used to conduct the measurements, €1,908 million of the total amount qualifies for inclusion in Level 1, €102 million for inclusion in Level 2 and €2 million in Level 3.

Fixed income instruments

At 31 December 2024, fixed income instruments relate to investments primarily held by Poste Vita SpA for €106,614 million (a nominal value of €114,019 million) issued by European governments and leading European companies. These securities are used to hedge products related to Separately managed accounts in the amount of €101,818 million. These fixed income instruments comprise bonds issued by CDP SpA, with a fair value of €124 million. Accumulated impairment at 31 December 2024 amounts to approximately €39 million, almost entirely reflected in insurance liabilities.

Financial assets at fair value through profit or loss

Below are the movements in financial assets at fair value through profit or loss:

tab. A6.2.3 - Movements in financial assets at FVTPL

Description (€m)	Receivables	Fixed income instruments	Other investments	Units of mutual investment funds	Equity instruments	Total
Balance at 1 January 2024	**-**	**2,564**	**22**	**45,098**	**486**	**48,170**
Change in scope of consolidation	842	22,542	-	(24,700)	1,230	(87)
Purchases		7,958	-	3,601	1,018	12,577
Changes in fair value through profit or loss	-	439	0	2,165	69	2,673
Net changes	(22)					(22)
Effects of sales on profit or loss	-	(26)	-	110	113	197
Accruals	-	124	1	-	-	124
Sales, redemptions and settlement of accruals		(5,570)	(1)	(3,733)	(1,064)	(10,368)
Balance at 31 December 2024	**820**	**28,029**	**22**	**22,541**	**1,852**	**53,264**

The item recorded an overall positive change of €4,806 million, mainly due to net investments of around €2,209 million, and a positive change in fair value of €2,673 million; this effect contributed almost entirely to the revaluation of insurance liabilities.

The change in the scope of consolidation relates to the full consolidation of the new UCITS funds held entirely by Poste Vita. In particular, following the completion of the "Multi-Asset Project" (for further details, please refer to section 2.8 - Basis of consolidation), the amounts previously included in units in mutual investment funds were reclassified for a total net amount of €25,346 million, showing the individual assets and liabilities held by the newly consolidated UCITS Funds in their respective accounting items. In accordance with the relevant accounting standards, the assets and liabilities in the Funds were classified at fair value through profit or loss (FVTPL) as they fall within the "Other business models" case of IFRS 9 - *Financial Instruments*. In determining the fair value of these items, the Poste Italiane Group has taken advantage of the exception provided for by international accounting standards (Portfolio exemption), according to which, in the presence of a group of financial assets and liabilities exposed to market risks and the credit risk of each of the counterparties, the fair value may be defined, not on the basis of the individual item, but considering the market value of the net exposure to these risks at the measurement date (in this specific case, the fair value of the net exposure to risks would correspond to the NAV of the Funds). The combination of the above provisions made it possible to maintain a valuation in line with the synthetic valuation (NAV) of the Funds in the consolidated financial statements of the Poste Italiane Group without any impact on the statement of profit or loss, limiting the changes to the representative effects only (look through of the Funds with disclosure of the individual assets and liabilities comprising them).

Fixed income instruments

At 31 December 2024, fixed income instruments amounting to €28,029 million mainly refer to securities held by the new UCITS Funds consolidated as of September 2024. Of this, approximately €13,019 million related to corporate instruments, while €9,829 million relates to investments in government bonds of European and non-European sovereign countries excluding the Italian state.

This item also includes securities held by Poste Vita amounting to €5,171 million and mainly consisting of corporate instruments issued by primary issuers and used to hedge products linked to Separately Managed Accounts for €2,369 million.

Units of mutual investment funds

Units in mutual investment funds are held mainly by Poste Vita SpA to hedge Separately Managed Accounts[299] (€7,738 million) and Class III policies (€14,112 million); the supplement to the balance refers to investments of the company's free capital (€4 million). At 31 December 2024, the investments in UCITS units amounted to €17,259, units in mutual real estate funds totalled €2,406 million, and mutual funds that primarily invest in bonds totalled €2,190 million.

This item recorded a positive change in fair value of €2,165 million, in addition to net disinvestments of €132 million.

Of the total amount of mutual funds in which Poste Vita SpA invests, an amount of approximately €7.3 billion refers to funds in whose investment policies environmental, social and governance (ESG factors) are considered.

Equity instruments

Equity instruments amount to €1,852 million and are mainly held by the new UCITS funds. This item also includes shares held by the company Poste Vita amounting to €541 million and mainly used to hedge Class I products linked to Separately Managed Accounts and Class III products.

Other investments

Other investments of €22 million relate to a Constant Maturity Swap placed by Cassa Depositi e Prestiti held by Poste Vita (a nominal value of €22 million) and covering products linked to Separately managed accounts.

Derivative financial instruments

At 31 December 2024, derivative trading instruments related to currency forward transactions.

[299] In addition to the amounts indicated above, the total covering the Separately Managed Accounts also includes the value of net assets held by UCITS funds (of which Poste Vita owns 100% of the units and which are consolidated on a line-by-line basis) totalling €25,186 million (equal to the total NAV of the same). Following consolidation, the NAV is shown through the look-through of the individual assets and liabilities that comprise them (classified only as financial assets and liabilities at fair value through profit or loss).

POSTAL AND BUSINESS ACTIVITIES

tab. A6.3 - Financial assets - Postal and Business Services

Description (€m)	Balance at 31.12.24			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	**3**	**9**	**12**	**2**	**6**	**8**	**4**
Loans	-	-	-	-	1	1	(1)
Credits and other instruments	3	9	12	2	5	7	5
Due from the purchasers of service accommodation	3	2	4	2	-	2	2
Due from others	-	21	21	-	20	20	1
Provisions for doubtful receivables	-	(20)	(20)	(0)	(20)	(20)	0
Other investments	-	7	7	-	5	5	2
Financial assets at FVTOCI	**559**	**0**	**559**	**636**	**0**	**636**	**(77)**
Fixed income instruments	102	0	102	99	0	99	4
Equity instruments	457	-	457	537	-	537	(80)
Financial assets at FVTPL	**0**	**-**	**0**	**9**	**-**	**9**	**(9)**
Bond	-	-	-	9	-	9	(9)
Total	**562**	**9**	**571**	**647**	**6**	**653**	**(81)**

Financial assets at amortised cost

Due from others, with a nominal value of €20 million, regard the remaining amount due from Invitalia S.p.A. as a result of the sale of Banca del Mezzogiorno-MedioCredito Centrale S.p.A. (BdM), entirely written off.

Financial assets at fair value through other comprehensive income

tab. A6.3.1 - Movements in financial assets at FVTOCI

Description (€m)	Fixed income instruments	Equity instruments	Total
Balance at 1 January 2024	**99**	**537**	**636**
Purchases	-	0	0
Changes in amortised cost	2	-	2
Changes in fair value through equity	2	(90)	(88)
Conversion of bond	-	10	10
Balance at 31 December 2024	**102**	**457**	**559**

Fixed income instruments

The item includes one Italian government bond with a nominal value of €110 million purchased during the year 2022. Fair value gains at 31 December 2024, amounting to €1 million, have been recognised in the specific Equity reserve.

Equity instruments

tab. A6.3.2 - Equity instruments at FVTOCI

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Moneyfarm Holding L.t.d.	57	55	1
sennder Technologies GmbH	126	112	14
Scalapay Limited	25	25	-
Nexi	249	345	(95)
Total	**457**	**537**	**(80)**

In December 2024, Poste Italiane exercised the early conversion of the bond issued by sennder Technologies GmbH into shares of the same for a total amount of approximately €9.5 million.

The overall fair value fluctuation of this item (negative €90 million) is recognised in the specific equity reserve and is mainly attributable to the shares of Nexi SpA (negative reserve of €401 million at 31 December 2024). Finally, in February 2025, Poste Italiane SpA sold its entire shareholding in Nexi SpA - equal to about 3.78% of the share capital - to Cassa Depositi e Prestiti SpA. For further details on corporate transactions during the year, please refer to Note 3.2 - *Events after the end of the reporting period.*

Lastly, the item includes, for €75 million the investment in CAI SpA (formerly Alitalia CAI SpA), acquired in 2013 and fully written off in 2014.

Financial assets at fair value through profit or loss

This item consists of equity instruments (as defined by art. 2346, paragraph 6 of the Italian Civil Code) resulting from the conversion of Contingent Convertible Notes[300], issued by Midco SpA, whose value at 31 December 2024 is zero. The decrease in the item in question derives from the conversion, on 10 December 2024, of the portion of the convertible bond issued by sennder Technologies GmbH in the year 2023 and subscribed by Poste Italiane for about €9.5 million, a value representing the fair value at the date of conversion.

Derivative financial instruments

The following transactions also took place during 2024:

- stipulation and settlement of a commodity swap contract for the operational hedging of fuel costs relating to the air transport of mail carried out through the subsidiary Poste Air Cargo Srl;
- stipulation and settlement of seven non-deliverable forward contracts to hedge the currency risk (euro/dollar) mainly related to aircraft leases in the air mail business, carried out through the subsidiary Poste Air Cargo Srl.

POSTEPAY SERVICES ACTIVITIES

tab. A6.4 - Financial assets - Postepay Services sector

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	Changes
Financial assets at amortised cost	0	284	285	0	299	299	(15)
Receivables	0	284	285	0	299	299	(15)
Financial assets at FVTOCI	6	0	6	7	0	7	(1)
Equity instruments	6	0	6	7	0	7	(1)
Financial assets at FVTPL	1	0	1	1	0	1	0
Convertible bond	1	0	1	1	0	1	0
Total	**7**	**284**	**291**	**7**	**299**	**306**	**(15)**

[300] These are Contingent Convertible Notes with an original value of €75 million, a twenty-year term to maturity and issued by Midco SpA, which in turn owns 51% of the airline Alitalia SAI SpA, subscribed by Poste Italiane SpA in December 2014, as part of the transaction aimed at the entry of the company Etihad Airways into the share capital of Alitalia SAI. On the fulfilment of certain negative pledge conditions, in 2017 the loan was converted into equity instruments (as defined by art. 2346, paragraph 6 of the Italian Civil Code), carrying the same rights associated with the Notes.

Financial assets at amortised cost

Financial assets at amortised cost mainly refer to receivables from international settlement circuits for the acquiring service and to items in progress to be settled on prepaid cards of the EMI assets. In particular, the change concerns transactions executed by prepaid card holders in the last days of the month and settled on accounts in the following days.

Financial assets at fair value through other comprehensive income

Financial assets at fair value recognised in other components of comprehensive income refer entirely to the investment in Volante.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss refer entirely to the convertible bond loan entered into with Volantè Technologies Inc. in July 2023.

A7 - INVENTORIES (€177 million)

tab. A7 - Inventories

Description (€m)	Balance at 31.12.2023	Increase / (decrease)	Balance at 31.12.2024
Properties held for sale	136	12	149
Work in progress, semi-finished and finished goods and goods for resale	28	(6)	22
Raw, ancillary and consumable materials	8	(2)	6
Total	**172**	**5**	**177**

Properties held for sale refer entirely to the portion of EGI SpA's real estate portfolio to be sold, whose fair value[301] at 31 December 2024 amounts to approximately €282 million. It should be noted that during the period, EGI sold two properties for €5.8 million, resulting in a capital gain at the consolidated level of €5.3 million.

At the closing date of these financial statements, work in progress, semi-finished and finished goods and goods for resale included approximately €2 million of final inventories related to environmental certificates held by Poste Air Cargo SpA and Postepay SpA that were previously purchased and not used during the reporting period.

A8 - TRADE RECEIVABLES (€2,078 million)

tab. A8 - Trade receivables

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	Changes
Due from customers	2	1,843	1,845	3	2,150	2,152	(307)
Due from Parent Company (MEF)	-	228	228	-	249	249	(21)
Due from subsidiaries, associates and joint ventures	-	6	6	-	6	6	(1)
Prepayments to suppliers	(0)	0	0	-	0	0	0
Total	**2**	**2,076**	**2,078**	**3**	**2,404**	**2,407**	**(329)**

Due from customers

tab. A8.1 - Due from customers

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	Changes
Ministries and Public Administration entities	1	365	366	-	563	563	(197)
Cassa Depositi e Prestiti	-	221	221	-	247	247	(27)
Due from private individuals for parcel delivery services	-	476	476	-	505	505	(29)
Due from private individuals for mail services	-	331	331	-	379	379	(48)
Overseas counterparties	-	275	275	-	323	323	(48)
Overdrawn current accounts	-	47	47	-	45	45	2
Amounts due for other BancoPosta services	-	74	74	-	58	58	16
Other receivables customers	1	623	624	3	558	561	64
Provisions for doubtful debts due from customers	(0)	(570)	(570)	(0)	(529)	(529)	(41)
Total	**2**	**1,843**	**1,845**	**3**	**2,150**	**2,152**	(307)

The change in Due from customers is mainly due to the reduction in the receivables Ministries and Entities due to the release of receipts related to the tariff additions made in 2020, 2021, 2022 and the first three quarters of 2023 for a total amount of €195 million (which until 31 December 2023 were shown under other liabilities for advances received, due to the constraint of unavailability) and the collection in March 2024 of a further €20 million related to the last quarter of 2023.

Specifically[302]:

- Receivables **Ministries and Public Administration entities** refer mainly to the following services:
  - Compensation for Publisher tariff subsidies, due from the Presidenza del Consiglio dei Ministri - Dipartimento dell'Editoria (Cabinet Office – Publishing Department), amounting to €55 million accrued during the year.
  - Integrated Notification and mailroom services rendered to central and local government entities, amounting to €18 million.
  - Reimbursement of building, vehicle and security costs, postage and other services incurred on behalf of the Ministry of Enterprise and Made in Italy (MIMIT)[303] in the amount of €51 million. This receivable consists of a residual receivable of €28 million (originally €62 million collected for €34 million) related to services provided until 2012. The addition to the balance consists of €23 million of receivables mainly related to the charges incurred by Poste but arising from the use of real estate by the Ministry for the period 2013-2024 and for which a negotiation round-table with the counterparty is underway.
  - Mail forwarding and notification services provided following a tender procedure for a total of €63 million.
  - Mail services provided on credit, totalling €31 million, to central and local government entities.
  - Market Registered Mail services, totalling €30 million, provided to central and local government entities.
  - Unfranked mail services, totalling €14 million, provided to central and local government entities.
  - The payment of pensions and vouchers on behalf of INPS (the National Institute of Social Security), totalling €9 million.

- Due from **Cassa Depositi e Prestiti** refer to fees for BancoPosta RFC's for the collection of postal savings deposits and not yet settled.
- Amounts due for **Parcel delivery services** relate mainly to shipments carried out by the Parent Company and services provided by the subsidiary SDA Express Courier SpA.
- Amounts due for **mail services** refer to receivables mainly owed by the Parent Company to private customers using the "delivery and mailing" range of services.
- Receivables **overseas counterparties** primarily relates to postal services carried out for overseas postal operators.
- Amounts due for **overdrawn current accounts** derive almost exclusively from overruns due to the debiting of BancoPosta's periodic fees.
- Amounts due for **other BancoPosta services** mainly refer to intermediation services (banking, personal loans, mortgages) provided.

[301] In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.
[302] At 31 December 2024, the balance of trade receivables includes €5 million, net of the related provisions for doubtful debts, relating mainly to rental income falling within the scope of IFRS 15 – Revenue from Contracts with Customers.
[303] Former Ministry of Economic Development (MiSE).

Due from the Parent Company

This item relates to trade receivables due to the Parent Company from the Ministry of the Economy and Finance.

tab. A8.2 - Due from the Parent Company

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Remuneration of current account deposits	198	218	(20)
Universal Service	-	31	(31)
Delegated services	30	30	-
Publisher tariff and electoral subsidies	-	1	(1)
Others	1	2	(0)
Provisions for doubtful receivables due from the Parent company	(1)	(33)	32
Total	**228**	**249**	(23)

Specifically:

- The **remuneration of current account deposits** refers entirely to amounts accruing in 2024 and almost entirely relates to the deposit of funds deriving from accounts opened by Public Administration entities and attributable to BancoPosta RFC.
- remuneration for the performance of the **Universal Service** of €262 million accrued during the year were collected in full. The amount of compensation was recognised based on the terms of the 2020-2024 Service Contract, effective 1 January 2020. The contract was extended until 30 April 2026 by the Ministry of Enterprise and Made in Italy in November 2024 and signed by the company on 16 December. The European authorisation process is in progress through notification to the European Commission.
  Following the communication received from the MEF on 27 March 2024, in which the opinion of the Avvocatura Generale dello Stato was endorsed, clarifying the ownership of certain credit items, the 2015 agreement[304] by which the respective debit and credit relationships were defined and settled, became fully effective. Therefore, in the financial year under review, the residual receivables were written off by using, and without economic impact, the corresponding provision set aside in 2015 for the remuneration for the performance of the Universal Service for the years 2005 and 2012, totalling €31 million.
- Amounts due for **delegated services** relate to fees accrued solely in 2024 for treasury services performed by BancoPosta on behalf of the State in accordance with a specific agreement with the MEF renewed on 19 May 2023 for the two-year period 2023-2024.

[304] On 7 August 2015, the Ministry of Economy and Finance sent Poste Italiane a special note signed by the Director General of the Treasury and the State General Accountancy Office (MEF Note) regarding the recognition of receivables and payables between the Ministry and the Company, effective as of the time of full payment of all sums pertaining to the Company.

Impairment of trade receivables

Movements in the **provisions for doubtful receivables** (due from customers and the Parent Company) are as follows:

Description (€m)	Balance at 31.12.2023	Net provisions	Uses	Balance at 31.12.2024
Private customers	342	45	(17)	369
Public administration entities	79	(2)	(2)	75
Overseas postal operators	11	(0)	-	11
	432	**42**	**(20)**	**455**
Interest on late payments	98	31	(13)	115
Due from Parent company (MEF)	33	(1)	(31)	1
Total	**562**	**73**	**(65)**	**571**

Net provisions of €45 million largely refer to receivables subject to bankruptcy proceedings and receivables entrusted to lawyers for recovery. Utilisations for the year mainly refer to the write-off of receivables following the conclusion of bankruptcy proceedings and agreements, and to the write-off of receivables for current accounts with a debtor balance, for which it was ascertained that recovery actions were not cost effective, also taking into account the small amount of the individual credit positions.

For the sake of completeness, the following tables present details of the gross carrying amount and the provision to cover expected losses for each class of **trade receivables**. This detail is provided separately depending on whether the model used to estimate the ECL is based on an analytical or a lump-sum valuation. For more details on the inputs, assumptions and estimation techniques used to calculate the impairment of financial assets, as well as for information on how guarantees and other credit risk mitigation instruments are considered in the calculation of the Provisions for doubtful debts, see *Note 2.6 - Use of estimates - Impairment and stage allocation of financial instruments*.

Poste Italiane Group - Credit risk - Trade receivables impaired on the analytical basis

Description (€m)	31.12.2024		31.12.2023	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Trade receivables				
Due from customers	1,224	(256)	1,503	(234)
Cassa Depositi e Prestiti	221	(0)	248	(0)
Ministries and Public Administration entities	249	(59)	416	(55)
Overseas counterparties	194	(0)	217	(0)
Private customers	560	(196)	623	(179)
Due from the Parent Company	228	(0)	279	(33)
Other receivables	6	-	6	-
Total	**1,457**	**(256)**	**1,788**	**(268)**

Poste Italiane Group - Credit risk - Trade receivables impaired on the basis of the provision matrix

Range of past due (€m)	31.12.2024		31.12.2023	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Not past due trade receivables	717	(19)	661	(16)
Past due 0 - 1 year	110	(19)	122	(15)
Past due 1 - 2 years	37	(11)	61	(15)
Past due 2 - 3 years	26	(11)	51	(12)
Past due 3 - 4 years	25	(10)	29	(8)
Past due > 4 years	56	(48)	53	(45)
Positions subject to legal recovery and/or insolvency proceedings	220	(198)	204	(183)
Total	**1,192**	**(315)**	**1,181**	**(295)**

A9 - OTHER RECEIVABLES AND ASSETS (€5,294 million)

tab. A9 - Other receivables and assets

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Substitute tax paid	3,909	806	4,716	4,033	625	4,658	58
Due from social security agencies and pension funds (excl. fixed-term contract settlements)	-	44	44	-	73	73	(29)
Receivables relating to fixed-term contract settlements	28	71	99	33	73	107	(8)
Receivables for amounts that cannot be drawn on due to court rulings	-	58	58	-	58	58	0
Accrued income and prepaid expenses from trading transactions	-	106	106	-	62	62	44
Tax assets	-	104	104	-	78	78	26
Other receivables due from subsidiaries	-	-	-	-	0	0	(0)
Interest accrued on IRES refund	-	46	46	-	46	46	0
Interest accrued on IRAP refund	-	-	-	-	0	0	(0)
Sundry receivables	22	203	225	22	142	164	61
Provisions for doubtful debts due from others	(4)	(100)	(104)	(4)	(108)	(111)	7
Total	**3,955**	**1,339**	**5,294**	**4,084**	**1,051**	**5,135**	159

Specifically:

- **Substitute tax paid** refers mainly to:
  - €2,092 million on non-current receivables paid in advance by Poste Vita SpA for the financial years 2015-2021, withholding and substitute tax paid on capital gains on life policies[305];
  - €1,723 million charged to holders of Interest-bearing Postal Certificates and Class III and V insurance policies for stamp duty at 31 December 2024[306]; this amount is balanced by a matching entry in "Other taxes payable" until expiration or early settlement of the Interest-bearing Postal Certificates or the insurance policies, i.e. the date on which the tax is payable to the tax authorities (tab. B10.3);
  - €536 million relating to advances paid in relation to stamp duty to be paid in virtual form in 2025 and charged to customers and to be recovered from customers by Poste Italiane;

[305] Of the total amount, a portion of €420 million, assessed on the basis of provisions at 31 December 2021, has yet to be paid and is accounted for in "Other taxes payable" (tab. B10.3).
[306] Introduced by article 19 of Law Decree 201/2011 converted with amendments by Law 214/2011 in the manner provided for by the MEF Decree of 24 May 2012: Manner of implementation of paragraphs from 1 to 3 of article 19 of Law Decree no. 201 of 6 December 2011, on stamp duty on current accounts and financial products (Official Journal 127 of 1 June 2012).

   - €92 million relating to stamp duty charged to Postal Savings Books, which Poste Italiane SpA pays in virtual form as required by law;
   - €74 million in withholding tax on interest paid to current account holders for 2024, which is to be recovered from customers.

- Receivables relating to **fixed-term contract settlements** consist of salaries to be recovered following the agreements[307] between Poste Italiane SpA and the trade unions, regarding the re-employment by court order of staff previously employed on fixed-term contracts. This item refers to receivables with a present value of €94 million from personnel, from INPS and pension funds recoverable in the form of variable instalments, the last of which is due in 2041. The item also includes €42 million receivable from INPS (formerly IPOST), covered by a specific agreement with IPOST dated 23 December 2009. Payment of this amount consists of six instalments of €6.9 million each, falling due between 30 June 2012 and 31 December 2014; negotiations are still in progress with the debtor to recover them.
- Receivables for **amounts that cannot be drawn on due to court rulings** refer to amounts attached and not assigned to creditors, which are in the process of being recovered.
- **Interest accrued on IRES refund**, refers to interest accruing up to 31 December 2023 in relation to the tax credit determined by an unreported deduction from the IRES tax base of IRAP paid on labour costs and almost entirely attributable to the Parent Company. Two disputes have been initiated to recover said receivable (*i.e. one under Law Decree no. 185/2008 and the other, under Law Decree no. 201/2011*) before the Provincial Tax Commission of Rome, which upheld Poste Italiane's appeals, ordering the Agenzia delle Entrate in Rome to refund the amounts claimed. The Agenzia delle Entrate has appealed both rulings before the Regional Tax Commission, which issued a favourable ruling on both of them. Poste Italiane challenged these rulings before the Court of Cassation, which resumed the case before the Tax Court, which, with regard to the case pursuant to Law Decree no. 201/2011, established, against an original claim of €43 million[308], the sum due by way of interest at €35 million. Concerning the case pursuant to Law Decree no. 185/2008, lodged on an amount of €3 million, on 11 June 2024, the Court of Cassation upheld Poste's arguments, referring the final determination of interest to the Lazio Tax Court. The judicial outcomes described were reflected in the adjustment of the provisions for doubtful receivables through an absorption in the profit and loss account of €13 million.
- **Accrued income and prepaid expenses from trading transactions and other assets** increased by €44 million compared to the previous year, mainly due to the one-off payment made in advance to employees in September to cover the fourth quarter of 2024 and the first eight months of 2025, in accordance with the provisions of the renewal of the National Collective Labour Agreement signed on 23 July 2024.

Movements in the provisions for doubtful debts due from others are shown below:

tab. A9.1 - Movements in Provisions for doubtful debts due from others

Description (€m)	Balance at 31.12.2023	Net provisions	Uses	Balance at 31.12.2024
Interest accrued on IRES refund	20	(13)	-	7
Receivables relating to fixed-term contract settlements	24	6	(0)	30
Other receivables	67	7	(6)	68
Total	**111**	**(0)**	**(6)**	**104**

[307] The Fixed-term contract agreements were signed on 13 January 2006, 10 July 2008, 27 July 2010, 18 May 2012, 21 March 2013, 30 July 2015 and 19 June 2018.
[308] The amount includes €1 million related to interest receivable on IRES refunds transferred to Poste Italiane by group companies participating in the tax consolidation scheme.

A10 – TAX CREDITS LAW NO. 77/2020 (€7,005 million)

Table A10 - Tax credits Law no. 77/2020

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	Changes
Tax credits at amortised cost	5,170	1,835	7,005	6,534	1,784	8,318	(1,313)
Total	**5,170**	**1,835**	**7,005**	**6,534**	**1,784**	**8,318**	**(1,313)**
of which Financial Activities	*4,936*	*1,787*	*6,723*	*6,246*	*1,665*	*7,911*	*(1,188)*
Of which Postal and Business Activities	*234*	*48*	*282*	*288*	*119*	*407*	*(125)*

This item refers to tax credits acquired by Poste Italiane SpA against free capital resources or transferred to BancoPosta RFC for resources subject to and not subject to the restriction on their use, in accordance with the provisions of the Decreto Rilancio (Law Decree no. 34/2020, converted with amendments by Law 77/2020).

These receivables are measured at amortised cost as they are acquired to be used for the purpose of offsetting social security or tax payables, based on the provisions of the regulations issued with reference to the characteristics of the individual receivables.

Movements in these receivables during 2024 are shown below:

Table A10.1 - Changes in tax credits Law no. 77/2020

Description (€m)	Carrying amount
Balance at 1 January 2024	**8,318**
Purchases	704
Changes in amortised cost	320
Portfolio Adjustments - Tax Credits	(548)
Compensation and other changes	(1,789)
Balance at 31 December 2024	**7,005**
Fair Value[309]	6,637

During the year, the Parent Company, following a documentary request received from the Agenzia delle Entrate on a portion of its portfolio, conducted and concluded a risk analysis on the reported positions ("Risk Analysis"). Taking into account the information received from the Agenzia delle Entrate and the activities carried out, also with the support of external consultants, a perimeter of receivables deemed risky was identified for which the Parent Company has pledged to the Agenzia delle Entrate not to use the instalments relating to the years 2024 and thereafter and to repay the overdue annual instalments where necessary.

The follow-up on the results that emerged from the Risk Analysis and shared with the Agenzia delle Entrate led to the adjustment of receivables in the portfolio for a total of €548 million, with the consequent recognition of charges, net of the release of €168 million of provisions for risks previously set aside, for a total of €380 million (of which €96 million referred to the year 2024) recognised in the item adjustments to receivables to reflect the waiver of the offsetting of the annual instalments for the year in question and subsequent years.

The Risk Analysis also resulted in the reversal of portions of receivables pertaining to years prior to 2024, totalling €57 million, plus penalties, which were booked under "Other operating costs".

[309] In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 3.

Pursuant to the disclosure required by CONSOB Communication no. DEM/6064293 of 28 July 2006, the economic effects of the cancellation of receivables relating to years after 2024, in the amount of €284 million recognised under "Adjustments on debt instruments, receivables and other assets", and the economic effects of the reversal of €57 million recognised under "Other operating costs", totalling €341 million, were considered significant and non-recurring.

A11 – ASSETS FOR OUTWARD REINSURANCE (€324 million)

tab. A11 - Assets for outward reinsurance

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	GMM-VFA	PAA	Total	GMM-VFA	PAA	Total	
Asset for remaining coverage	245	2	248	170	8	177	70
Asset for incurred claims	32	44	76	23	32	56	21
Total	**277**	**47**	**324**	**193**	**40**	**233**	**91**

Assets for outward reinsurance amounted to €324 million at 31 December 2024; the balance mainly includes €279 million for the **Present Value of Cash Flows**, €15 million for the **Financial Risk Adjustment** and €30 million for the **Contractual Service Margin**. The balance at 31 December 2024 increased by approximately €91 million mainly as a result of the increase in the present value of cash flows and the reduction in payables to reinsurers recognised in the reserve for remaining coverage and the increase in receivables from reinsurers recognised as assets for claims incurred.

The following table presents the reconciliation of business by residual cover and claims incurred related to outward reinsurance measured by the GMM method:

tab. A11.1 - Assets/(liabilities) for GMM outward reinsurance

Description (€m)	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding the loss recovery component	Loss recovery component		
Assets for outward reinsurance	171	-	22	193
Liabilities for outward reinsurance	-	-	-	-
Net carrying amount at 1 January	**171**	**-**	**22**	**193**
Reinsurance premiums paid	(51)	-	-	(51)
Amounts recoverable from reinsurers				
Recovery of incurred claims and other insurance expenses	(2)	-	44	41
Losses and loss recovery on onerous contracts	0	-	-	0
Changes in assets for incurred claims	-	-	1	1
Effects of changes in default risk by reinsurers	0	-	0	0
Result of insurance services	**(53)**	**-**	**45**	**(8)**
Investment components and premium refunds	8	-	-	8
Net financial income/expenses	3	-	0	3
Total changes recognised in the Statement of profit or loss and OCI	**(43)**	**-**	**45**	**3**
Cash flows				
Premiums paid net of amounts not related to claims recovered by reinsurers	119	-	-	119
Amount of claims recovered by reinsurers	(2)	-	(35)	(37)
Net carrying amount at 31 December	**245**	**-**	**32**	**277**
Assets for outward reinsurance	245	-	32	277
Liabilities for outward reinsurance	-	-	-	-

Again with regard to assets for outward reinsurance measured by the GMM method, a reconciliation is provided below, broken down by the elements underlying the measurement:

tab. A11.2 - GMM reinsurance assets/(liabilities) - Dynamics of underlying elements of measurement

Description (€m)	**Present value of cash flows**	**Adjustment for non-financial risks**	**Contractual service margin**	**Total**
Assets for outward reinsurance	160	13	20	193
Liabilities for outward reinsurance	-	-	-	-
Net carrying amount at 1 January	**160**	**13**	**20**	**193**
Changes in current services				
Contractual service margin recognised in the statement of profit or loss	-	-	(8)	(8)
Change for overdue non-financial risks	-	(4)	-	(4)
Adjustments based on past experience	5	-	(3)	2
Changes in estimates that alter the contractual service margin	(17)	(0)	17	0
Effects of contracts initially recognised in the reference period	(9)	5	4	0
Adjustment of CSM with recoveries related to the initial recognition of onerous underlying insurance contracts	-	-	0	0
Change in cash flows of outward reinsurance from onerous underlying insurance contracts	-	-	(0)	(0)
Changes in past services				
Adjustments to assets for incurred claims	1	0	-	1
Effects of changes in default risk of reinsurers	0	-	-	0
Result of insurance services	**(20)**	**2**	**10**	**(8)**
Net financial income/expenses	8	0	1	9
Effects associated with exchange rate changes	2	-	-	2
Total changes recognised in the Statement of profit or loss and OCI	**(10)**	**2**	**11**	**3**
Premiums paid net of amounts not related to claims recovered by reinsurers	119	-	-	119
Amounts recovered from reinsurers	(37)	-	-	(37)
Net carrying amount at 31 December	**232**	**15**	**30**	**277**
Assets for outward reinsurance	232	15	30	277
Liabilities for outward reinsurance	-	-	-	-

The following table presents a reconciliation of business by residual cover and by claims incurred related to outward reinsurance measured by the PAA method:

tab. A11.3 - Assets/(liabilities) for PAA outward reinsurance

Description (€m)	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding the loss recovery component	Loss recovery component	Present value of cash flows	Adjustment for non-financial risk	
Assets for outward reinsurance	6	2	31	1	40
Liabilities for outward reinsurance	-	-	-	-	-
Net carrying amount at the beginning of the period	**6**	**2**	**31**	**1**	**40**
Reinsurance premiums paid	(103)	-	-	-	(103)
Amounts recoverable from reinsurers					
Recovery of incurred claims and other insurance expenses	15	-	61	-	76
Losses and loss recovery on onerous contracts	-	(1)	-	-	(1)
Changes in assets for incurred claims	-	-	6	(0)	5
					-
Effects of changes in default risk by reinsurers	-	-	0	-	0
Result of insurance services	**(89)**	**(1)**	**67**	**(0)**	**(23)**
Net financial revenue/costs related to outward reinsurance	-	-	1	-	1
Total changes recognised in the Statement of profit or loss and OCI	**(89)**	**(1)**	**67**	**(0)**	**(23)**
Cash flows					
Premiums paid net of amounts not related to claims recovered by reinsurers	98	-	-	-	98
Amount of claims recovered by reinsurers	(14)	-	(55)	-	(69)
Net carrying amount at 31 December	**2**	**1**	**43**	**1**	**47**
Assets for outward reinsurance	2	1	43	1	47
Liabilities for outward reinsurance	-	-	-	-	-

Finally, the following table shows the increase in outward reinsurance business broken down according to the type of event that generated it:

tab. A11.4 - Outward reinsurance held and initially recognised in the reporting period

Description (€m)	Originated contracts		Contracts acquired in business combinations		Contracts transferred by third parties		Total
	Contracts without loss recovery component	Contracts with loss recovery component	Contracts without loss recovery component	Contracts with loss recovery component	Contracts without loss recovery component	Contracts with loss recovery component	
Estimate of the present value of future cash outflows							
Cash flows related to the acquisition of insurance contracts	0	-	-	-	-	-	0
Amount of claims and other directly attributable costs	88	-	-	-	-	-	88
Estimate of the present value of future cash inflows	(79)	-	-	-	-	-	(79)
Estimate of adjustment for non-financial risks	(5)	-	-	-	-	-	(5)
Contractual service margin	(4)	-	-	-	-	-	(4)
Increase in business for new outward reinsurance	**(0)**	**-**	**-**	**-**	**-**	**-**	**(0)**

A12 - CASH AND DEPOSITS ATTRIBUTABLE TO BANCOPOSTA (€4,290 million)

tab. A12 - Cash and deposits attributable to BancoPosta

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Cash and cash equivalents in hand	4,157	3,909	248
Bank deposits	133	762	(628)
Total	**4,290**	**4,671**	(380)

The cash and cash equivalents on hand are derived from deposits made in postal current accounts and postal savings products (subscription of postal savings bonds and payments into post office savings books), or from advances withdrawn from the State Treasury to guarantee the operations of post offices. These funds, which are held at post offices (€1,482 million) and at service[310] companies (€2,675 million), may not be used for purposes other than to repay obligations contracted in the transactions described above.

A13 – CASH AND CASH EQUIVALENTS (€4,680 million)

tab. A13 - Cash and cash equivalents

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Bank deposits and amounts held at the Italian Treasury	4,285	3,270	1,016
Deposits with the MEF	346	873	(528)
Cash and cash equivalents in hand	49	68	(19)
Total	**4,680**	**4,211**	469

At 31 December 2024, the balance of cash and cash equivalents includes restricted cash of approximately €2,693 million, including €2,629 million in liquidity covering technical provisions for the insurance business, €32 million in liquidity to be returned to principals as part of the management of collections and payments of the subsidiary LIS Pay, €14 million restricted as a result of judicial measures relating to disputes of various kinds and €17 million for cash received on delivery and other restrictions.

The decrease in **deposits with the MEF** compared to the previous year is mainly due to the different allocation of loans, in order to optimise returns on deposits.

310 They carry out transport and custody of valuables awaiting payment to the State Treasury.

A14 - NON-CURRENT ASSETS AND DISPOSAL GROUPS HELD FOR SALE (€50 million)

The balance of €50 million refers to the investment in Cronos Vita Assicurazioni, held 22.5% by Poste Vita and classified as an asset held for sale (IFRS 5) as reported in Section 2.8 - Basis of consolidation to which reference should be made. With regard to the valuation of the investment, it is recorded at its purchase value, as defined by *IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations*. The Group believes that any deviations in value, compared to initial recognition, may be affected by the trend in lapses. Given the trend of claims received during the year from Eurovita's former policyholders, no significant differences emerged with respect to those estimated, such as to suggest that the value of the investment may be subject to impairment; for this reason, the Group currently considers this risk to be insignificant and, consequently, also considering the small exposure, has not deemed it necessary to perform stress analyses.

EQUITY

B1 – EQUITY (€11,709 million)

The following table shows a reconciliation of the Parent Company's equity and net profit/(loss) for the year with the consolidated amounts:

tab. B1 - Reconciliation of equity

Description (€m)	Equity at 31.12.2024	Changes in equity	Net profit/(loss) for 2024	Equity at 31.12.2023
Financial statements of Poste Italiane SpA	6,746	**(789)**	**1,882**	**5,653**
Undistributed profit (loss) of consolidated companies (*)	11,262	-	1,621	9,640
Investments accounted for using the equity method	188	4	22	162
Balance of valuation reserves of investee companies	(83)	52	-	(135)
First-time adoption of IFRS 17	(306)	0	(16)	(290)
Effects from corporate actions	(476)	-	(39)	(436)
Derecognition of infra-group dividends	(6,073)	-	(1,461)	(4,612)
Derecognition of value adjustments of consolidated investments	561	-	(12)	573
Amortisation/Impairment of goodwill	(156)	-	-	(156)
Purchase Price Allocation Adjustments	(18)	-	(7)	(10)
Impairments of disposal groups held for sale	(40)	-	-	(40)
Recognition of liabilities for call options	(165)	-	6	(171)
Other consolidation adjustments	143	(1)	(2)	145
Equity attributable to owners of the Parent	**11,583**	**(733)**	**1,994**	**10,322**
Equity attributable to non-controlling interests (excluding profit/(loss))	107	2	-	106
Net profit/(loss) attributable to non-controlling interests	19	(11)	19	11
Equity attributable to non-controlling interests	**127**	**(9)**	**19**	**117**
TOTAL CONSOLIDATED EQUITY	**11,709**	**(742)**	**2,013**	**10,439**

(*) Does not include the result of consolidated UCITS funds held entirely by Poste Vita

At 31 December 2024, earnings per share amounted to €1.540 (€1.483 at 31 December 2023), calculated as the ratio between the profit for the period attributable to the Group of €1,994 million and the weighted average number of ordinary shares outstanding.

B2 - SHARE CAPITAL (€1,306 million)

Poste Italiane SpA's share capital consists of 1,306,110,000 no-par value ordinary shares, of which Cassa Depositi e Prestiti SpA (CDP) holds 35% and the Ministry of the Economy and Finance holds 29.3%, while the remaining shares are held by institutional and retail investors.
At 31 December 2024, the Company held 11,492,604 treasury shares (equal to approximately 0.880% of the share capital) with a total value of approximately €109 million. All the shares in issue are fully subscribed and paid up. No preferred stocks have been issued.

B3 – SHAREHOLDERS TRANSACTIONS

As approved by the Shareholders' Meeting of 31 May 2024, on 24 June 2024, the Parent Company distributed dividends of €729 million (dividend per share equal to €0.563) as the balance for 2023, taking into account the interim dividend of €307 million (dividend per share equal to €0.237) already paid in November 2023. On 6 November 2024, the Poste

Italiane's Board of Directors resolved to advance part of the ordinary dividend for 2024 as an interim dividend. The interim dividend of €427 million was distributed on 20 November 2024 (unit dividend of €0.33).

B4 – RESERVES (€1,531 million)

tab. B4 - Reserves

Description (€m)	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Reserve for insurance contracts issued and outward reinsurance	Translation reserve	Reserve for investees accounted for using the equity method	Incentive plans reserve	Total
Balance at 1 January 2024	**299**	**1,210**	**800**	**(5,062)**	**(297)**	**4,102**	**(0)**	**4**	**27**	**1,083**
Increase/(decrease) in fair value during the year	-	-	-	1,808	111	(1,318)	-	-	-	601
Tax effect of changes in fair value	-	-	-	(570)	(32)	406	-	-	-	(196)
Transfers to profit or loss from realisation	-	-	-	127	(48)	-	-	-	-	79
Tax effect of transfers to profit or loss	-	-	-	(39)	14	-	-	-	-	(25)
Increase/(decrease) for expected losses	-	-	-	(21)	-	-	-	-	-	(21)
Share of after-tax comprehensive income/(loss) of investees accounted for using the equity method	-	-	-	-	-	-	-	4	-	4
Other changes	-	-	-	-	-	-	0	-	-	0
Gains/(losses) recognised in equity	**-**	**-**	**-**	**1,305**	**45**	**(912)**	**0**	**4**	**-**	**443**
Incentive plans	-	-	-	-	-	-	-	-	5	5
Other changes	-	-	-	-	-	-	-	0	-	0
Balance at 31 December 2024	**299**	**1,210**	**800**	**(3,757)**	**(252)**	**3,190**	**0**	**9**	**32**	**1,531**

The **reserve for equity instruments-perpetual hybrid bonds** includes the issue of the perpetual hybrid bond for an amount of €800 million.

The **fair value reserve** regards changes in the value of financial assets at fair value through other comprehensive income. The increase of €1,808 in fair value million during 2024 reflects:

- a net increase of €593 million in financial assets attributable to the Group's Financial Services segment;
- a net increase of €1,304 million in financial assets attributable to the Group's Insurance Services segment;
- a net decrease of €88 million in financial assets attributable to the Group's Postal and Business Services segment;
- a net decrease of €1 million in financial assets attributable to the Postepay Services segment.

The fair value reserve takes into account the portion related to insurance contracts measured with the VFA model, which showed a negative balance of €3,336 million at 31 December 2024 (including the expected credit losses on financial instruments related to the Separately Managed Accounts). Changes in the VFA fair value reserve are shown below:

Description (€m)	VFA Fair value reserve
Balance at 1 January 2024	**(4,234)**
Net change in fair value	1,198
Effect related to market operations	100
Taxation	(400)
Balance at 31 December 2024	**(3,336)**

The **cash flow hedge reserve**, attributable to the Parent Company, reflects changes in the fair value of the effective portion of cash flow hedges. In 2024, positive changes in fair value totalling €111 million related entirely to the net positive change in the value of derivative financial instruments of Financial Services.

The **reserve for insurance contracts issued and outward reinsurance** includes the change in the fair value of instruments within the Group's Insurance Services, attributable to policyholders and allocated to insurance liabilities as a result of the adoption of the OCI option on the IFRS 17 liability portfolio, with the intention of aligning the financial and mirroring effects between the OCI reserve and the effects on the Statement of profit or loss.

The **Incentive Plans reserve** includes the estimate of the valuations for the year relating to the long-term "Performance Share LTIP" and "Deliver" incentive plans and the MBO short-term incentive plan, carried out on the basis of the provisions of IFRS 2.

LIABILITIES

B5 – LIABILITIES UNDER INSURANCE CONTRACTS (€162,408 million)

tab. B5 - Liabilities under insurance contracts

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	GMM-VFA	PAA	Total	GMM-VFA	PAA	Total	
Liability for remaining coverage	161,317	2	161,319	154,106	(8)	154,098	7,221
Present value of future cash flows	145,216	2	145,218	137,600	(8)	137,592	7,626
Adjustment for non-financial risk	2,372	-	2,372	2,763	-	2,763	(392)
Contractual service margin	13,730	-	13,730	13,743	-	13,743	(13)
Liability for incurred claims	782	307	1,089	980	261	1,240	(151)
Present value of future cash flows	780	296	1,075	978	249	1,226	(151)
Adjustment for non-financial risk	2	12	14	2	12	14	0
Total	**162,099**	**310**	**162,408**	**155,086**	**252**	**155,338**	**7,070**

GMM: General Measurement Model
VFA: Variable Fee Approach
PAA: Premium Allocation Approach

This item refers to liabilities within the scope of the Group's Insurance Services, and includes:

- the **Liability for remaining coverage** of €161,319 million includes the Contractual Service Margin (CSM) of €13,730 million, the present value of future cash flows of €145,216 million, and the Adjustment for non-financial risk of €2,372 million;
- the **Liability for incurred claims** of €1,089 million.

The following table presents a reconciliation of the liability for residual cover and incurred claims of insurance contracts measured according to the GMM or VFA methods:

tab.B5.1 - Liabilities/(assets) for insurance contracts_GMM or VFA

Description (€m)	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
Liabilities under insurance contracts	154,098	8	980	155,086
Assets for insurance contracts	-	-	-	-
Net carrying amount at 1 January	**154,098**	**8**	**980**	**155,086**
Insurance revenue	(2,309)	-	-	(2,309)
Costs for insurance services				
Incurred claims and other directly attributable costs	-	-	753	753
Changes in the liability for incurred claims	-	-	(197)	(197)
Losses and related recoveries on onerous contracts	-	3	-	3
Amortisation of contract acquisition costs	238	-	-	238
Result of insurance services	**(2,071)**	**3**	**556**	**(1,513)**
Investment components and premium repayments	(16,380)	-	16,380	-
Financial costs/revenue relating to insurance contracts issued	7,667	6	2	7,675
Total changes recognised in the Statement of profit or loss and OCI	**(10,785)**	**8**	**16,939**	**6,162**
Cash flows				
Awards received	18,297	-	-	18,297
Payments related to contract acquisition costs	(307)	-	-	(307)
Paid claims and other cash outflows	(3)	-	(17,136)	(17,139)
Net carrying amount at 31 December	**161,300**	**17**	**782**	**162,099**
Liabilities under insurance contracts	161,300	17	782	162,099
Assets for insurance contracts	-	-	-	-

The value of insurance liabilities increased during the year mainly as a result of inflows during the period, partially offset by the effect of outflows related to liquidations, and as a result of positive market trends that generated capital gains. The liability for remaining coverage includes the balance of Assets related to the acquisition of insurance contracts, which amounted to €2.76 million at 31 December 2024. This amount will be fully released by 31 December 2029.

Again, with reference to insurance liabilities measured using the GMM or VFA methods, a reconciliation is provided below, broken down by underlying measurement elements:

tab. B.5.2 - Liabilities/(assets) under insurance contracts_GMM

Description (€m)	**Present value of future cash flows**	**Adjustment for non-financial risk**	**Contractual service margin**	**Total**
Liabilities under insurance contracts	138,578	2,765	13,743	155,086
Assets for insurance contracts	-	-	-	-
Net carrying amount at 1 January	**138,578**	**2,765**	**13,743**	**155,086**
Changes in current services				
Contractual service margin recognised in the statement of profit or loss	-	-	(1,458)	(1,458)
Change for overdue non-financial risks	-	(64)	-	(64)
Adjustments based on past experience	875	-	(484)	390
Changes in future services				-
Changes in contractual service margin	915	(491)	(423)	(0)
Losses on groups of onerous contracts and related recoveries	(0)	0	-	0
Effects of contracts initially recognised in the period	(968)	165	807	3
Changes in past services				
Adjustments to the liability for incurred claims	(196)	0	-	(195)
Result of insurance services	**625**	**(391)**	**(1,559)**	**(1,325)**
Financial costs/revenue	6,130	(1)	1,546	7,675
Total changes recognised in the Statement of profit or loss and OCI	**6,755**	**(391)**	**(13)**	**6,351**
Cash flows				-
Awards received	18,298	-	-	18,298
Payments related to contract acquisition costs	(307)	-	-	(307)
Paid claims and other cash outflows	(17,329)	-	-	(17,329)
Net carrying amount at 31 December	**145,995**	**2,374**	**13,730**	**162,099**
Liabilities under insurance contracts	145,995	2,374	13,730	162,099
Assets for insurance contracts	-	-	-	-

The **present value of future cash flows** increased by €7,417 million from the value recorded at the end of 2023. The change is mainly attributable to the result from financial activities in the amount of €6,130 million, actual cash flows in the amount of €662 million, and adjustments to future cash flows that make up the liability as a result of experience accrued in the amount of €625 million.

The component of **Adjustment for non-financial risk** decreased by €391 million compared to the balance at 31 December 2023. This was mainly due to the release of this component for the period in the amount of €64 million and the change in the Group's exposure to non-financial risks following lapses recorded in the period, which resulted in a revision of estimates for future services in the amount of €491 million, partially offset by the effect of new production in the amount of €165 million.

The **contractual service margin** recorded a pre-release growth of €1,446 million, primarily related to the contribution of new production in the period of €807 million, partially offset by the contribution on future margins of €423 million. The contractual service margin also increased due to the positive market performance, which generated growth in the fair value of the underlying assets that was more than proportional to the growth in the related liabilities, generating a benefit of €1,546 million.

The release of the Contractual service margin for the period amounted to €1,458 million, of which €169 million related to the additional release.

The Group expects to release the Contractual Service Margin, at 31 December 2024, in future years as depicted below:

tab. B5.3 Contractual service margin - GMM contracts

Description (€m)	Insurance contracts issued	Reinsurance contracts held
1 year or less	1,260	11
1 - 2 years	1,190	7
2 - 3 years	1,132	5
3 - 4 years	1,073	3
4 - 5 years	1,020	3
5 - 10 years	3,914	1
Over 10 years	4,142	1

Below is a reconciliation of the liability for residual cover and incurred claims of insurance contracts measured according to the PAA method:

tab. B5.4 Liabilities/(assets) for PAA insurance contracts

Description (€m)	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Present value of cash flows	Adjustment for non-financial risk	
Liabilities under insurance contracts	(26)	17	249	12	252
Assets for insurance contracts	-	-	-	-	-
Net carrying amount at 1 January	**(26)**	**17**	**249**	**12**	**252**
Insurance revenue	(542)	-	-	-	(542)
Costs for insurance services					
Incurred claims and other directly attributable costs	23	-	312	-	335
Changes in the liability for incurred claims	-	-	43	(0)	43
Losses and related recoveries on onerous contracts	-	1	-	-	1
Amortisation of contract acquisition costs	59	-	-	-	59
Result of insurance services	**(460)**	**1**	**355**	**(0)**	**(105)**
Investment components and premium repayments	-	-	-	-	-
Financial costs/revenue relating to insurance contracts issued	-	-	5	-	5
Effects associated with exchange rate changes	-	-	-	-	-
Total changes recognised in the Statement of profit or loss and OCI	**(460)**	**1**	**360**	**(0)**	**(100)**
Cash flows					
Awards received	553	-	-	-	553
Payments related to contract acquisition costs	(60)	-	-	-	(60)
Paid claims and other cash outflows	(23)	-	(313)	-	(336)
Net carrying amount at 31 December	**(16)**	**18**	**296**	**12**	**310**
Liabilities under insurance contracts	(16)	18	296	12	310
Assets for insurance contracts	-	-	-	-	-

With regard to the liability for insurance contracts measured using the AAP method, this increased by approximately €58 million, mainly as a result of placements during the financial year, a portion of which will be attributable to the next financial year.

For the sake of full disclosure, details of the increase in liabilities arising from insurance contracts, broken down according to the type of event that generated them, are provided below.

tab. B 5.5 - Insurance contracts issued and initially recognised in the reporting period

Description (€m)	Originated contracts		Contracts acquired in business combinations		Contracts transferred by third parties		Total
	Onerous contracts	Non-onerous contracts	Onerous contracts	Non-onerous contracts	Onerous contracts	Non-onerous contracts	
Estimate of the present value of future cash outflows							
Contract acquisition costs	-	(369)	-	-	-	-	(369)
Amount of claims and other directly attributable costs	-	(16,595)	-	-	-	-	(16,595)
Estimate of the present value of future cash inflows	-	16,065	-	-	-	-	16,065
Estimate of adjustment for non-financial risks	-	144	-	-	-	-	144
Contractual service margin	-	753	-	-	-	-	753
Increase in liability for new insurance contracts issued	**-**	**(3)**	**-**	**-**	**-**	**-**	**(3)**

Finally, the table below represents the dynamics of the Contractual Service Margin of insurance contracts issued broken down by contracts existing at the time of transition to IFRS 17, and insurance contracts issued and initially recognised in the reporting period:

tab. B5.6 Dynamics of insurance revenue and contractual service margin of insurance contracts issued broken down by contracts existing at the time of transition to IFRS 17

Description (€m)	New contracts and contracts measured on the transition date with full retroactive application method	Contracts measured on the transition date using the modified retroactive application method	Contracts measured on the transition date using the fair value method	Carve-out contracts	Total
Contractual service margin - Opening balance	**117**	**-**	**89**	**13,537**	**13,743**
Changes in current services					
Contractual service margin recognised in the statement of profit or loss for services provided	**(19)**	**-**	**(45)**	**(1,394)**	**(1,458)**
Changes in future services					
Changes in estimates changing the contractual service margin	10	-	(1)	(922)	**(913)**
Effects of contracts initially recognised in the reporting period	86	-	0	724	**810**
Financial revenue/costs	**3**	**-**	**3**	**1,540**	**1,546**
Total changes recognised in the statement of profit or loss and statement of comprehensive income	**80**	**-**	**(43)**	**(52)**	**(14)**
Contractual service margin - Closing balance	**124**	**-**	**121**	**13,485**	**13,730**

B6 - PROVISIONS FOR RISKS AND CHARGES (€1,083 million)

Movements are as follows:

Description (€m)	Balance at 01.01.2024	Provisions	Finance costs	Transfers to profit or loss	Uses	Change in scope of consolidation	Balance at 31.12.2024
Provisions for operational risks	102	6	-	(18)	(7)	-	83
Provisions for disputes with third parties	248	32	3	(34)	(37)	-	211
Provisions for disputes with staff [(1)]	38	8	-	(1)	(10)	-	34
Provisions for personnel expenses	141	149	-	(28)	(102)	0	159
Provisions for early retirement incentives	285	128	-	-	(167)	-	246
Provisions for operational risks - tax credits Law no. 77/2020	400	-	-	(168)	-	-	232
Provisions for taxation/social security contributions	23	0	0	(2)	(0)	0	21
Other provisions for risks and charges	99	13	-	(9)	(7)	-	96
Total	**1,336**	**337**	**3**	**(260)**	**(332)**	**0**	**1,083**
Overall analysis of provisions:							
- non-current portion	782						526
- current portion	554						557
	1,336						**1,083**

[(1)] Net provisions for Personnel expenses amount to €4 million. Service costs (legal assistance) total €3 million.

Specifically:

- **Provisions for operational risks,** which mainly relate to liabilities arising from BancoPosta's operations, mainly reflect risks related to the distribution of postal savings products issued in past years, estimated risks for charges and expenses to be incurred as a result of foreclosures suffered by BancoPosta mainly in its capacity as a third party, impairments and adjustments to income from previous years and fraud. Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.
- **Provisions for disputes with third parties** regard the present value of expected liabilities deriving from different types of legal and out-of-court disputes with suppliers and third parties, the related legal expenses, and penalties and indemnities payable to customers. Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.
- **Provisions for disputes with staff** regard liabilities that may arise following labour litigation and disputes of various types. The changes in the year refer to the update of the estimate of the liabilities and the related legal expenses, taking account of both the overall value of negative outcomes in terms of litigation.
- **Provisions for personnel expenses** are made to cover expected liabilities arising in relation to the cost of labour (commercial incentives and other sundry items), which are certain or likely to occur but whose estimated amount is subject to change. They have increased during the year to reflect the estimated value of new liabilities (€149 million) and decreased as a result of past contingent liabilities that failed to materialise (€28 million) and settled disputes (€102 million).
- **Provisions for early retirement incentives** reflect the estimated costs to be incurred as a result of the Company's binding commitment to pay early retirement incentives on a voluntary basis, under the current redundancy scheme agreed with the labour unions for a determinate number of employees who will leave the Company by 31 December 2026. The provisions made at 31 December 2023 were utilised for €167 million.
- The **provision for tax credits** Law no. 77/2020 is established to cover probable liabilities in connection with preventive seizure proceedings as well as additional residual risks on investments made in tax credits pursuant to Law no. 77/2020. In particular, as part of the actions aimed at combating tax fraud perpetrated by third parties through the

monetisation of tax credits, starting from the end of the 2021 financial year, a number of Public Prosecutors' Offices have implemented preventive seizures which, in some cases, have concerned tax credits acquired by Poste Italiane (some of which are subject to subsequent release from seizure already in the course of 2022). In continuity with past years, the Parent Company continues the operational process aimed at analysing the potential economic, financial and equity risks to which it could be exposed in the event that, following legal proceedings involving third parties, it is ascertained that part of the tax credits acquired over time are the result of fraudulent conduct perpetrated by the aforementioned third parties. In particular, a legal and accounting analysis was conducted on these positions in order to comprehensively assess the potential risks and determine the related accounting impacts. On the basis of the analyses performed of all facts and circumstances known at the date of preparation of these financial statements, including, inter alia, the requests for information received from the Authorities (Public Prosecutor's Office and Agenzia delle Entrate) and the measures issued by the same, together with the commitments undertaken by the company, as well as the actions undertaken by the same to see its interests protected, a provision was determined, also with the support of external consultants, to cover the residual risk (including the asset risk on seizures) not included in the Risk Analysis, amounting to €232 million.

- **Provisions for taxation/social security contributions** have been made to cover potential future tax and social security liabilities.
- **Other provisions for risks and charges** cover probable liabilities of various type, including: estimated liabilities deriving from the risk that specific legal actions undertaken in order to reverse seizures of the Parent Company's assets may be unable to recover the related amounts, claims for rent arrears on properties used free of charge by the Parent Company, claims for payment of accrued interest expense due to certain suppliers and frauds.

B7 – EMPLOYEE TERMINATION BENEFITS (€577 million)

The following movements in employee termination benefits took place in 2024:

tab. B7 - Movements in provisions for employee termination benefits

(€m)	FY 2024
Balance at 1 January	**637**
Change in scope	0
Current service cost	2
Interest component	21
Effect of actuarial (gains)/losses	(7)
Uses for the year	(76)
Balance at 31 December 2024	**577**

The current service cost is recognised in personnel expenses, whilst the interest component is recognised in finance costs.

tab. B7.1 - Actuarial gains and losses

	31.12.2024
	Employee termination benefits
Change in financial assumptions	(4)
Other experience-related adjustments	(3)
Total	**(7)**

The sensitivity of employee termination benefits to changes in the principal actuarial assumptions is analysed below.

tab. B7.2 - Sensitivity analysis

	31.12.2024
	Employee termination benefits
Inflation rate +0.25%	584
Inflation rate -0.25%	571
Discount rate +0.25%	568
Discount rate -0.25%	587
Turnover rate +0.25%	578
Turnover rate -0.25%	577

The following table provides further information in relation to employee termination benefits.

tab. B7.3 - Other information

	31.12.2024
Expected service cost	2.9
Average duration of defined benefit plan	7.8
Average employee turnover per annum	2.0%

B8 - FINANCIAL LIABILITIES (€94,085 million)

tab. B8 - Financial liabilities

	Balance at 31.12.24			Balance at 31.12.2023			
Description (€m)	**Non-current liabilities**	**Current liabilities**	**Total**	**Non-current liabilities**	**Current liabilities**	**Total**	**Changes**
Financial liabilities at amortised cost	7,151	84,902	92,053	8,984	85,098	94,082	(2,029)
Financial liabilities at FVTPL	162	2	165	168	3	171	(6)
Derivative financial instruments	1,397	470	1,867	1,091	47	1,138	729
Financial liabilities vs Subsidiaries	0	0	0	-	2	2	(2)
Total	**8,711**	**85,374**	**94,085**	**10,243**	**85,150**	**95,393**	**(1,308)**
of which Financial Activities	*5,564*	*73,709*	*79,273*	*7,571*	*74,009*	*81,581*	*(2,308)*
of which Insurance Activities	*109*	*574*	*682*	*108*	*52*	*160*	*523*
Of which Postal and Business Activities	*3,032*	*328*	*3,360*	*2,556*	*814*	*3,370*	*(10)*
of which Postepay Services Activities	*7*	*10,763*	*10,771*	*8*	*10,275*	*10,283*	*487*

Financial liabilities by operating segment break down as follows.

FINANCIAL ACTIVITIES

tab. B8.1 - Financial liabilities - Financial Services

	Balance at 31.12.2024			Balance at 31.12.2023			
Description (€m)	**Non-current liabilities**	**Current liabilities**	**Total**	**Non-current liabilities**	**Current liabilities**	**Total**	**Changes**
Financial liabilities at amortised cost	**4,166**	**73,751**	**77,917**	**6,480**	**73,962**	**80,443**	**(2,527)**
Postal current accounts	-	63,013	63,013	-	61,908	61,908	1,104
Loans	4,166	2,039	6,205	6,480	1,736	8,217	(2,011)
MEF account held at the Treasury	-	5,367	5,367	-	5,371	5,371	(4)
Other financial liabilities	-	3,332	3,332	0	4,946	4,946	(1,614)
Derivative financial instruments	**1,397**	**(41)**	**1,356**	**1,091**	**47**	**1,138**	**218**
Total	**5,564**	**73,710**	**79,273**	**7,571**	**74,009**	**81,581**	**(2,308)**

Financial liabilities at amortised cost

Postal current accounts

They represent BancoPosta's direct deposits, and include interest accrued at 31 December 2024, which was settled with customers in January 2025. The increase in this item compared to 31 December 2023 is mainly due to the increase in public administration stocks.

Loans

At 31 December 2024, outstanding liabilities of €7,365 million relate to repurchase agreements entered into by the Parent Company with major financial institutions and Central Counterparties, amounting to a total nominal value of €7,739 million. €5,904 million of this amount regards Long-Term Repos and €1,461 million to ordinary borrowing operations, the resources from both invested in Italian fixed income government securities and as funding for deposits used as collateral. The decrease in the item compared to 31 December 2023 is due to repayments on maturity and early repayment of repurchase agreements.

Finally, financial assets and liabilities relating to repurchase agreements managed through the Central Counterparty that meet the requirements of IAS 32 are offset. The effect of netting at 31 December 2024, already included in the exposure to net balances, amounted to €1,160 million (€2,337 million at 31 December 2023).

The fair value[311] of the repurchase agreements in question at 31 December 2024 is €6,103 million.

MEF account held at the Treasury

tab. B8.1.1 - MEF account held at the Treasury

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	Changes
Balance of cash flows for advances	-	5,254	5,254	-	5,168	5,168	86
Balance of cash flows from management of postal savings	-	(69)	(69)	-	30	30	(99)
Amounts payable due to theft	-	159	159	-	157	157	2
Amounts payable for operational risks	-	23	23	-	16	16	7
Total	**-**	**5,367**	**5,367**	**-**	**5,371**	**5,371**	**(4)**

The **balance of cash flows for advances**, represents the net amount payable as a result of advances from the MEF to meet the cash requirements of BancoPosta. These break down as follows:

tab. B8.1.2 - Balance of cash flows for advances

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	Changes
Net advances	-	5,253	5,253	-	5,167	5,167	86
MEF postal current accounts and other payables	-	670	670	-	670	670	0
Ministry of Justice - Orders for payment	-	1	1	-	1	1	0
MEF - State pensions	-	(670)	(670)	-	(670)	(670)	0
Total	**-**	**5,254**	**5,254**	**-**	**5,168**	**5,168**	**86**

The **balance of cash flows from the management of postal savings**, amounting to a positive €69 million, represents the balance of withdrawals less deposits during the last two days of the year and cleared early in the following year. The balance at 31 December 2024 consists of €31 million payable to Cassa Depositi e Prestiti, and €100 million receivable from the MEF for Interest-bearing Postal Certificates issued on its behalf.

Amounts payable due to thefts from Post Offices of €159 million regard the Company's liability to the MEF on behalf of the Italian Treasury for losses resulting from theft and fraud. This liability derives from cash withdrawals from the Treasury to make up for the losses resulting from these criminal acts, in order to ensure that post offices can continue to operate.

Amounts payable for operational risks for €23 million regard the portion of advances obtained to fund the operations of BancoPosta, in relation to which asset under recovery is certain or probable.

311 In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

Other financial liabilities

Other financial liabilities have a fair value that approximates to their carrying amount.

tab. B8.1.3 - Other financial liabilities - Financial Services

Description (€m)	Balance at 31.12.2024 Non-current liabilities	Current liabilities	Total	Balance at 31.12.2023 Non-current liabilities	Current liabilities	Total	Changes
Domestic and international money transfers	-	959	959	-	1,071	1,071	(112)
Guarantee deposits	-	1,538	1,538	-	2,831	2,831	(1,293)
Cheques to be credited to savings books	-	129	129	-	230	230	(101)
Endorsed cheques	-	273	273	-	408	408	(135)
Amounts to be credited to customers	-	114	114	-	83	83	31
Other amounts payable to third parties	-	84	84	-	139	139	(56)
Other items in process	-	235	235	-	183	183	52
Others	-	-	-	0	-	0	(0)
Total	**-**	**3,332**	**3,332**	**0**	**4,946**	**4,946**	**(1,614)**

Guarantee deposits refer for €1,533 million to amounts received from counterparties for interest rate swap transactions (collateral provided by specific Credit Support Annexes) and for €5 million to amounts received from counterparties for repo transactions (collateral provided by specific Global Master Repurchase Agreements). The decrease in this item compared to 31 December 2023 is mainly due to the reduction of fair value hedge derivatives following early extinguishment transactions and the decrease in the interest rate curve.

Derivative financial instruments

Movements in derivative financial instruments during 2024 are described in note A6 – *Financial assets*.

INSURANCE ACTIVITIES

tab. B8.2 - Financial liabilities - Insurance Services

Description (€m)	Balance at 31.12.2024 Non-current liabilities	Current liabilities	Total	Balance at 31.12.2023 Non-current liabilities	Current liabilities	Total	Changes
Financial liabilities at amortised cost	**10**	**58**	**68**	**10**	**49**	**59**	**9**
Loans	10	0	10	10	0	10	0
Lease payables	0	1	1	0	1	1	0
Other financial liabilities	-	57	57	-	48	48	8
Financial liabilities at FVTPL	**98**	**5**	**103**	**98**	**3**	**101**	**3**
Derivative financial instruments	**-**	**511**	**511**	**-**	**-**	**-**	**511**
Total	**109**	**574**	**682**	**108**	**52**	**160**	**523**

The insurance business includes a 10-year subordinated bond issued by Net Insurance in 2021 with a nominal value of €12.5 million (fair value at 31 December 2024 of €11.2 million).

The increase in this item, compared to 31 December 2023, amounting to €523 million, is almost entirely attributable to the change in trading derivative financial instruments related to foreign currency forward transactions following the line-by-line consolidation of the consolidated UCITS funds, following the completion of the "Multi-Asset Project" (for further details, please refer to Section 2.8 - Basis of consolidation and Note A6 - Financial assets).

POSTAL AND BUSINESS ACTIVITIES

tab. B8.3 - Financial liabilities - Postal and Business Services

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	**2,968**	**328**	**3,296**	**2,486**	**814**	**3,300**	**(4)**
Loans	2,012	6	2,017	1,446	502	1,948	69
Bonds	499	0	499	498	500	998	(499)
Due to financial institutions	1,513	6	1,519	948	2	950	568
Lease payables	953	308	1,261	1,037	293	1,330	(70)
Other financial liabilities	4	14	18	3	19	22	(4)
Financial liabilities at FVTPL	**64**	**-**	**64**	**70**	**-**	**70**	**(6)**
Total	**3,032**	**328**	**3,360**	**2,556**	**814**	**3,370**	**(10)**

Financial liabilities at amortised cost

Loans

Loans are unsecured and are not subject to financial covenants, which would require sector companies to comply with financial ratios or maintain a certain minimum rating. For the EIB financings and the CEB financing, a minimum rating level of BBB- (or equivalent) is to be maintained by Moody's and S&P for the EIB (BB+ in the EIB contract signed in July 2024) and by at least two of the three rating agencies for Poste Italiane for CEB. In the event of a rating loss, this is without prejudice to the right of both banks to request additional collateral or an increase in the margin. If no agreement is reached, immediate early repayment of the loans may be demanded. Standard negative pledge provisions do apply, however[312].

Bonds

The item **Bonds** refers to the residual nominal value of €500 million of the senior unsecured loan issued by Poste Italiane on 10 December 2020 in two tranches, placed in public form to institutional investors as part of the €2.5 billion Euro Medium Term Notes (EMTN) programme deposited with the Luxembourg Stock Exchange. The first tranche of €500 million was repaid on 10 December 2024[313] while the second tranche of €500 million matures on 10 December 2028, with an issue price below par of €99.758, a fixed annual coupon of 0.50% and an effective yield to maturity of 0.531%. At 31 December 2024, the fair value[314] of the loan was €457 million.

Due to financial institutions

tab. B8.3.1 - Due to financial institutions

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
EIB fixed rate loan maturing 12/03/26	173	-	173	173	-	173	-
EIB fixed rate loan maturing 16/10/26	400	-	400	400	-	400	-
EIB fixed rate loan maturing 02/05/28	100	-	100	100	-	100	-
EIB fixed rate loan maturing 19/05/28	150	-	150	150	-	150	-
EIB variable rate loan maturing 28/11/31	450	-	450	-	-	-	450
CEB variable rate loan maturing 28/12/30	125	-	125	125	-	125	-
CEB variable rate loan maturing 25/01/31	115	-	115	-	-	-	115
Other payables and accrued interest	-	6	6	-	2	2	4
Total	**1,513**	**6**	**1,519**	**948**	**2**	**950**	**569**

TV: variable rate loan. TF: Fixed rate loan

312 A commitment given to creditors by which a borrower undertakes not to give senior security or other restrictions on assets to other lenders ranking pari passu with creditors, unless the same degree of protection is also offered to them.
313 Issue price above par of 100.10, with fixed annual coupon of 0.00% and effective yield to maturity of -0.025%;
314 In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 1.

At 31 December 2024, no committed and uncommitted credit lines were used for short-term financing.

On 25 January 2024, the second tranche of €115 million of the medium-/long-term credit line signed with CEB[315] was disbursed in 2023 for a total of €250 million, with interest at a variable rate (6-month Euribor rate plus a spread), with repayment in constant principal amounts after a four-year grace period and maturity on 25 December 2031. in addition, on 11 July 2024, a new loan of €450 million was signed with the EIB. The loan disbursed on 28 November 2024 provides interest at a variable rate (6-month Euribor plus a spread) and matures 28 November 2031.

At 31 December 2024, the fair value[316] of the five EIB financings is €1,273 million and the fair value of the two CEB financings is €247 million.

Lease payables

Lease liabilities at 31 December 2024 amount to €1,261 million. For more details on the change in this item, see Note A4 - *Right-of-use assets*.

POSTEPAY SERVICES ACTIVITIES

tab. 8.4 - Financial liabilities - Postepay Operations

	Balance at 31.12.2024			Balance at 31.12.2023			
Description (€m)	**Non-current liabilities**	**Current liabilities**	**Total**	**Non-current liabilities**	**Current liabilities**	**Total**	**Changes**
Financial liabilities at amortised cost	**7**	**10,763**	**10,771**	**8**	**10,275**	**10,283**	487
Lease payables	7	1	9	8	1	9	(0)
Other financial liabilities	-	10,762	10,762	-	10,274	10,274	488
Management of prepaid cards and other EMI items	-	10,543	10,543	-	10,039	10,039	505
Amounts to be credited to customers	-	23	23	-	60	60	(37)
RAV, F23, F24 and road tax	-	155	155	-	93	93	62
Others	-	38	38	-	81	81	(43)
Total	**7**	**10,763**	**10,771**	**8**	**10,275**	**10,283**	**487**

The change in this item, compared to 31 December 2023, is mainly attributable to the increase in financial liabilities for the management of prepaid cards.

315 *Council of Europe Development Bank*.
316 In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2

NET DEBT/(FUNDS)

The following table provides an analysis of the net debt/(funds) at 31 December 2024, broken down by type of operations:

Balance at 31.12.2024 (€m)	**Mail, parcels & distribution**	**Financial Services**	**Insurance Services**	**Postepay Services**	**Eliminations**	**Consolidated**	**of which related parties**
Financial liabilities	**4,866**	**91,256**	**949**	**10,879**	**(13,865)**	**94,085**	
Financial liabilities at amortised cost	3,296	79,004	68	10,771	(1,087)	92,051	137
Postal current accounts	-	64,100	-	-	(1,087)	63,013	-
Bonds	499	-	10	-	-	509	-
Due to financial institutions	1,519	6,205	-	-	-	7,724	-
Lease payables	1,261	0	1	9	-	1,271	7
MEF account held at the Treasury	-	5,367	-	-	-	5,367	5,367
Other financial liabilities	18	3,332	57	10,762	-	14,169	130
Financial liabilities at FVTPL	64	-	103	-	-	167	-
Derivative financial instruments	-	1,356	511	-	-	1,867	219
Intersegment financial liabilities	1,506	10,897	267	108	(12,778)	-	-
Liabilities under insurance contracts	**-**	**-**	**162,410**	**-**	**(1)**	**162,408**	-
Financial assets	**(1,121)**	**(81,404)**	**(163,134)**	**(11,640)**	**12,761**	**(244,538)**	
Financial instruments at amortised cost	(12)	(44,232)	(2,224)	(285)	-	(46,753)	(13,026)
Financial instruments at FVTOCI	(559)	(33,676)	(107,496)	(6)	-	(141,737)	-
Financial instruments at FVTPL	(0)	(34)	(53,264)	(1)	-	(53,299)	(22)
Derivative financial instruments	(0)	(2,679)	(69)	-	-	(2,748)	-
Intersegment financial assets	(549)	(782)	(81)	(11,349)	12,761	-	-
Tax credits Law no. 77/2020	**(282)**	**(6,723)**	**-**	**-**	**-**	**(7,005)**	-
Assets for outward reinsurance	**-**	**-**	**(324)**	**-**	**-**	**(324)**	-
Net debt/(net financial surplus)	**3,463**	**3,129**	**(99)**	**(761)**	**(1,105)**	**4,627**	
Cash and deposits attributable to BancoPosta	**-**	**(4,290)**	**-**	**-**	**-**	**(4,290)**	
Cash and cash equivalents	**(617)**	**(394)**	**(4,631)**	**(126)**	**1,087**	**(4,680)**	**(387)**
Net debt/(funds)	**2,846**	**(1,555)**	**(4,730)**	**(887)**	**(18)**	**(4,344)**	

Balance at 31.12.2023 (€m)	Mail, Parcels & Distribution	Financial Services	Insurance Services	Postepay Services	Eliminations	Consolidated	of which related parties
Financial liabilities	**5,017**	**93,076**	**429**	**10,478**	**(13,606)**	**95,393**	
Financial liabilities at amortised cost	3,300	81,446	59	10,283	(1,004)	94,084	5,532
Postal current accounts	0	62,913	-	-	(1,004)	61,908	0
Bonds	998	-	10	-	-	1,008	-
Due to financial institutions	950	8,217	-	-	-	9,167	-
Lease payables	1,330	0	1	9	-	1,341	9
MEF account held at the Treasury	-	5,371	-	-	-	5,371	5,371
Other financial liabilities	22	4,946	48	10,274	-	15,290	152
Financial liabilities at FVTPL	70	-	101	-	-	171	-
Derivative financial instruments	0	1,138	-	-	-	1,138	201
Intersegment financial liabilities	1,646	10,492	269	195	(12,602)	-	-
Liabilities under insurance contracts	**-**	**-**	**155,339**	**-**	**(1)**	**155,338**	-
Financial assets	**(1,205)**	**(80,636)**	**(156,394)**	**(11,507)**	**12,582**	**(237,159)**	
Financial instruments at amortised cost	(9)	(42,673)	(2,123)	(299)	(0)	(45,103)	(11,877)
Financial instruments at FVTOCI	(636)	(33,100)	(105,852)	(7)	-	(139,594)	-
Financial instruments at FVTPL	(9)	(26)	(48,170)	(1)	-	(48,205)	(22)
Derivative financial instruments	(0)	(4,257)	-	-	-	(4,257)	(167)
Intersegment financial assets	(552)	(581)	(249)	(11,201)	12,582	-	-
Tax credits Law no. 77/2020	**(407)**	**(7,912)**	**-**	**-**	**-**	**(8,318)**	
Assets for outward reinsurance	**-**	**-**	**(233)**	**-**	**-**	**(233)**	-
Net debt/(net financial surplus)	**3,405**	**4,528**	**(859)**	**(1,028)**	**(1,025)**	**5,021**	
Cash and deposits attributable to BancoPosta	**-**	**(4,671)**	**-**	**-**	**-**	**(4,671)**	-
Cash and cash equivalents	**(650)**	**(940)**	**(3,561)**	**(65)**	**1,004**	**(4,211)**	**(874)**
Net debt/(funds)	**2,755**	**(1,082)**	**(4,420)**	**(1,093)**	**(21)**	**(3,861)**	

Total net debt/(funds) at 31 December 2024 showed funds of €4,344 million, an improvement of €483 million from 31 December 2023 (funds of €3,861 million). The change during the period is attributable to the positive effect from operations of €2,699 million (of which €2,013 million attributable to profit for the year and €929 million to depreciation and amortisation for the year) and the positive valuation effects for the year of approximately €680 million from investments classified in the FVTOCI category, partially offset by the negative effect from the change in working capital and taxes of approximately €461 million, investments of €966 million, dividend payments totalling €1,165 million (of which €427 million related to the interim ordinary dividend planned for the financial year 2024) and other decreases totalling €303 million, mainly attributable to the increase in financial lease liabilities falling under IFRS 16.

An analysis of the Net debt/(funds) of the Mail, Parcels and Distribution segment at 31 December 2024, in accordance with ESMA recommendation 32-382-1138, is provided below:

ESMA financial debt

Description (€m)	**At 31.12.2024**	**At 31.12.2023**
A. Cash and cash equivalents	(617)	(650)
B. Cash equivalents	-	-
C. Other current financial assets	(9)	(6)
D. Liquidity (A + B + C)	**(626)**	**(656)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	323	813
F. Current portion of the non-current financial payable	5	1
G. Current financial debt (E + F)	**328**	**814**
H. Net current financial debt (G + D)	**(298)**	**158**
I. Non-current financial debt (excluding current portion and debt instruments)	2,533	2,058
J. Debt instruments	499	498
K. Trade payables and other non-current payables	11	15
L. Non-current financial debt (I + J + K)	**3,043**	**2,571**
M. Total financial debt (H + L)	**2,745**	**2,729**

Reconciliation of financial debt ESMA

Description (€m)	**At 31.12.2024**	**At 31.12.2023**
M. Total financial debt (H + L)	**2,745**	**2,729**
Non-current financial assets	(562)	(647)
K. Trade payables and other non-current payables	(11)	(15)
Tax credits Law no. 77/2020	(282)	(407)
Net debt/(funds)	**1,890**	**1,661**
Intersegment financial receivables and borrowings	957	1,094
Net debt/(funds) including intersegment transactions	**2,846**	**2,755**

For information regarding the Poste Group's credit lines and available liquidity at 31 December 2024, reference should be made to note 4.6 - *Risk management - Financial risks - Liquidity risk*.

Changes in liabilities arising from financing activities

The following reconciliation of financial liabilities is provided in accordance with IAS 7, following the amendments introduced by EU Regulation 1990/2017 of 6 November 2017.

tab. B8.5- Changes in liabilities arising from financing activities

Description (€m)	Balance at 31.12.2023	Net cash flow from/(for) financing activities	Net cash flow from/(for) operating activities	Non-cash flows	Balance at 31.12.2024
Loans	10,175	65	(3,216)	1,209	8,233
Bonds	1,008	(500)	-	1	509
Due to financial institutions	9,167	565	(3,216)	1,209	7,724
Lease payables	1,341	(307)	-	237	1,271
Other financial liabilities	15,290	6	(1,080)	(48)	14,169
Total	**26,803**	**(236)**	**(4,296)**	**1,399**	**23,672**

B9 - TRADE PAYABLES (€2,097 million)

tab. B9 - Trade payables

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Due to suppliers	1,722	1,625	97
Contract liabilities	317	563	(247)
Due to subsidiaries	-	3	(3)
Due to associates	59	61	(1)
Total	**2,097**	**2,252**	**(155)**

Due to suppliers

tab. B9.1 - Due to suppliers

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Italian suppliers	1,508	1,384	124
Foreign suppliers	82	106	(24)
Overseas counterparties (1)	132	135	(3)
Total	**1,722**	**1,625**	**97**

(1) The amount due to overseas counterparties regards fees payable to overseas postal operators and companies in return for postal and telegraphic services received.

Contract liabilities

tab. B9.2 - Movements in contract liabilities

Description (€m)	Balance at 01.01.2024	Reclassifications	Change due to recognition of revenue for period	Other changes	Balance at 31.12.2024
Prepayments and advances from customers	445	-	-	(263)	183
Liabilities for volume discounts	0	-	-	-	0
Liabilities for fees to be refunded	43	-	14	-	58
Other contract liabilities	75	-	1	-	76
Total	**563**	**-**	**16**	**(263)**	**317**

Prepayments and advances from customers relate mainly to amounts received from customers for services to be rendered and listed below:

tab. B9.2.1 - Prepayments and advances from customers

Description (€m)		Balance at 31.12.2024	Balance at 31.12.2023	Changes
Prepayments from overseas counterparties		127	179	(52)
Advances for Publishing from PCM	[tab. A8.1]	-	195	(195)
Advances for shipments		43	59	(16)
Advances for other services		13	13	(0)
Total		**183**	**445**	**(263)**

The decrease compared to 31 December 2023 is due mainly to the offsetting of payables for advances received with receivables for refunds of publisher tariff subsidies, following the release of the related collections (see Note A8 - *Trade receivables*).

Liabilities for fees to be refunded represent the estimated liability linked to the refund of fees on loan products sold after 1 January 2018, under the terms of which the related fees must be refunded if the customer opts for early cancellation of the agreement.

Other contract liabilities primarily regard Postamat and "Postepay Evolution" card fees collected in advance.

B10 - OTHER LIABILITIES (€4,175 million)

tab. B10 - Other liabilities

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	Changes
Due to staff	14	685	699	10	682	692	7
Social security payables	13	428	441	16	434	450	(10)
Other taxes payable	1,817	812	2,629	1,826	913	2,739	(110)
Sundry payables	50	164	214	55	199	254	(40)
Accrued liabilities and deferred income	130	62	192	150	56	207	(14)
Total	**2,024**	**2,151**	**4,175**	**2,058**	**2,285**	**4,343**	**(167)**

Due to staff

These items primarily regard accrued amounts that have yet to be paid at 31 December 2024. The breakdown is as follows:

tab. B10.1 - Due to staff

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Fourteenth month salaries	-	208	208	-	211	211	(3)
Incentives	14	373	387	10	372	382	5
Accrued vacation pay	-	37	37	-	43	43	(6)
Other payables to staff	-	66	66	-	55	55	11
Total	**14**	**685**	**699**	**10**	**682**	**692**	**7**

Social security payables

tab. B10.2 - Social security payables

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
INPS	1	323	325	2	333	334	(10)
Pension funds	-	88	88	-	87	87	1
INAIL	11	4	15	15	0	15	(0)
Other agencies	(0)	13	13	(0)	15	15	(2)
Total	**13**	**428**	**441**	**16**	**434**	**450**	**(10)**

Other taxes payable

tab. B10.3 - Other taxes payable

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Stamp duty payable	1,817	80	1,897	1,826	132	1,958	(61)
Tax due on insurance provisions	-	466	466	-	496	496	(30)
Withholding tax on employees' and consultants' salaries	-	88	88	-	94	94	(6)
VAT payable	-	33	33	-	23	23	10
Substitute tax	-	3	3	-	40	40	(37)
Withholding tax on postal current accounts	-	78	78	-	74	74	4
Other taxes due	-	64	64	-	55	55	10
Total	**1,817**	**812**	**2,629**	**1,826**	**913**	**2,739**	**(110)**

Specifically:

- The **stamp duty payable** includes the balance due to the Treasury for the tax paid virtually in the 2024 financial year. The non-current portion of the stamp duty mainly relates to the amount accrued at 31 December 2024 on Interest-bearing Postal Certificates outstanding and on Class III and V insurance policies pursuant to the new law referred to in Note A9 – *Other receivables and assets*.
- **Tax due on insurance provisions** relates to Poste Vita SpA and is described in note A9 - *Other receivables and assets*.

Sundry payables

tab. B10.4 - Sundry payables

Description (€m)	Balance at 31.12.2024 Non-current liabilities	Balance at 31.12.2024 Current liabilities	Balance at 31.12.2024 Total	Balance at 31.12.2023 Non-current liabilities	Balance at 31.12.2023 Current liabilities	Balance at 31.12.2023 Total	Changes
Sundry payables attributable to BancoPosta	-	17	17	-	3	3	14
Guarantee deposits	5	0	6	16	0	17	(11)
Other payables	45	147	192	39	195	234	(42)
Total	**50**	**164**	**214**	**55**	**199**	**254**	**(40)**

Accrued liabilities and deferred income

Accrued liabilities and deferred income include deferred income of €113 million for the non-repayable grant received in advance from the Parent Company for the implementation of the "Polis Project - House of Digital Services".

4.3 NOTES TO THE STATEMENT OF PROFIT OR LOSS

C1 – REVENUE FROM MAIL, PARCELS AND OTHER (€3,843 million)

This item breaks down as follows:

tab. C1 - Revenue from Mail, Parcels & other

Description (€m)	FY 2024	FY 2023	Changes
Mail	1,803	1,753	50
Parcels	1,586	1,395	191
Other revenue	137	281	(145)
Total external revenue	**3,526**	**3,429**	96
Universal Service compensation	262	262	-
Publisher tariff subsidies	55	55	1
Total revenue	**3,843**	**3,746**	**97**
of which Revenue from contracts with customers	3,418	3,120	298
recognised at a point in time	337	376	(39)
recognised over time	3,081	2,744	337

External revenue showed an increase compared to the financial year 2023 of €97 million mainly due to parcel revenue of €191 million, supported by a steady acceleration of the Business to Exchange (B2X) component in terms of higher shipments and higher revenue in the Mail segment of €50 million. This increase is mitigated by the decrease in other revenue, as the 2023 financial year had benefited from the capital gain of approximately €109 million from the sale of the controlling interest in sennder Italia.

Universal Service compensation relates to amounts paid by the MEF to cover the costs of fulfilling the USO. Annual compensation, amounting to €262 million, is established in the Contratto di Programma (Service Contract) for 2020-2024, which took effect on 1 January 2020.

Publisher tariff subsidies[317] relate to the amount receivable by Poste Italiane from the Presidenza del Consiglio dei Ministri - Dipartimento dell'Editoria (Cabinet Office - Publishing department) as compensation for the discounts applied to publishers and non-profit organisations when sending mail. The compensation is determined on the basis of the tariffs set in the decree issued by the Ministry of Enterprise and Made in Italy (former MiSE) in agreement with the Ministry of the Economy and Finance, on 21 October 2010 and Law Decree 63 of 18 May 2012, as converted into Law 103 of 16 July 2012. With AGCom Resolution 454/22/CONS of 30 December 2022, the new universal basic tariffs of the subsidised publishing products included in the Universal Service were defined. The Resolution provided for a gradual increase in the basic tariffs with a consequent increase in the compensation received by Poste Italiane per item sent at a subsidised rate. The amount of the subsidies granted by the Company is covered by the State Budget.

[317] Law no. 8 of 28 February 2020 - ordered that reimbursements of publishing tariff subsidies to Poste Italiane continue "*for a duration equal to that of the universal postal service*" (i.e. until April 2026).

C2 – NET REVENUE FROM FINANCIAL SERVICES (€5,521 million)

Net revenue from financial services regard services provided mainly within the Parent Company's BancoPosta RFC and the subsidiary BancoPosta Fondi SGR.
This item breaks down as follows:

tab. C2 - Revenue from Financial Services

Description (€m)	FY 2024	FY 2023	Changes
Revenue from financial services	5,874	5,516	357
Income from financial activities	247	271	(24)
Other operating income	7	7	(0)
Expenses from financial activities	(607)	(566)	(41)
Total	**5,521**	**5,229**	**292**
of which Revenue from contracts with customers	2,668	2,643	24
recognised at a point in time	223	231	(8)
recognised over time	2,444	2,412	32

Revenue from Financial Services breaks down as follows:

tab. C2.1 - Revenue from financial services

Description (€m)	FY 2024	FY 2023	Changes
Income from investment of postal current account deposits and free cash	2,996	2,702	294
Fees for collection of postal savings deposits	1,725	1,740	(15)
Other revenue from current account services	427	426	0
Distribution of loan products	216	157	59
Commissions on payment of bills by payment slip	193	208	(15)
Mutual fund management fees	181	143	38
Income from delegated services	89	91	(1)
Money transfers	17	17	(0)
Other	29	32	(3)
Total	**5,874**	**5,516**	**357**

Revenue from financial services showed an increase compared to the financial year 2023, mainly due to income from the use of postal current account deposits and free cash and the remuneration of postal savings deposits.

Specifically:

- **Income from investment of postal current account deposits and free cash** breaks down as follows:

tab. C2.1.1 - Income from investment of postal current account deposits and free cash

Description (€m)	FY 2024	FY 2023	Changes
Income from investments in securities	2,284	1,962	322
Interest income on securities at FVOCI	970	936	35
Interest income on securities at amortised cost	833	780	53
Interest income (expense) on asset swaps of FVH on securities at FVOCI and AC	332	171	161
Interest income on repurchase agreements	97	70	27
Interest income (expense) on asset swaps of CFH on securities at FVOCI and AC	52	5	47
Income from deposits held with the MEF	408	446	(38)
Remuneration of current account deposits (deposited with the MEF)	406	441	(35)
Differential on derivatives stabilising returns	2	5	(3)
Income from investments in tax credits	318	309	10
Interest income on tax credits at AC	318	309	10
Portion of interest income on own liquidity (finance income)	(14)	(15)	0
Other income	(0)	0	-
Total	**2,996**	**2,702**	**294**

The increase in the item in question compared to the previous year is mainly attributable to income from investments in securities.

Income from investments in securities relates to interest earned on investment of deposits paid into postal current accounts by private customers. The amount of income includes the impact of the interest rate hedge. The increase in this item compared to financial year 2023 is mainly due to the higher profitability of both the new securities that entered the portfolio in financial year 2024 and those subject to the broader restructuring of fair value hedges as described in Note A6 - *Financial assets* and the simultaneous positive effect produced by the start-up of fair value hedges already present in the portfolio.

Income from investments in tax credits relates to interest accrued during the year on the investments described in Note A10 - *Tax Credits Law no. 77/2020.*

Income from deposits held with the MEF primarily represents accrued interest for the year on amounts deposited at Public Administration entities, remunerated at a variable rate as described in Note A6 - *Financial assets*.

- **Fees for the collection of postal savings deposits** relates to the provision and redemption of Interest-bearing Postal Certificates and payments into and withdrawals from Postal Savings Books provided by Poste Italiane SpA on behalf of Cassa Depositi e Prestiti. This item reflects the fees accrued as of the date under the new Postal Savings Agreement valid for the three-year period 2024-2026, effective as of 1 January 2024.
- Revenue **from current account services** mainly included commissions for account maintenance fees, commissions for collection services, online and over-the-counter transfers and fees, and commissions for reporting services performed for customers.
- Revenue from the **distribution of loan products** relates to commissions received by the Parent Company on the placement of personal loans and mortgages on behalf of third parties.

Income from financial activities breaks down as follows:

tab. C2.2 - Income from financial activities

Description (€m)	FY 2024	FY 2023	Changes
Income from financial instruments at FVTOCI	105	164	(59)
Realised gains	105	164	(59)
Income from financial instruments at amortised cost	83	48	35
Realised gains	83	48	35
Income from financial instruments at FVTPL	8	8	0
Fair value gains	8	7	1
Realised gains	-	1	(1)
Foreign exchange gains	6	3	3
Fair value gains	2	1	1
Realised gains	4	2	2
Other income	45	48	(3)
Total	**247**	**271**	**(24)**

The decrease in **Other income from financial activities,** compared to the previous year, was mainly due to lower realised gains on financial instruments at FVTOCI, partially offset by higher realised gains on financial instruments at Amortised cost (of which €20 million from the early extinguishment of repurchase agreements).

Expenses from financial activities breaks down as follows:

tab. C2.3 - Expenses from financial activities

Description (€m)	FY 2024	FY 2023	Changes
Interest expense	500	505	(5)
in customers' deposits	224	219	5
on repurchase agreements	170	128	42
on guarantee deposits	106	158	(52)
Expense from financial instruments at FVTOCI	70	54	16
Realised losses	70	54	16
Expenses from financial instruments at amortised cost	28	-	28
Realised losses	28	-	28
Expenses from financial instruments at FVTPL	4	7	(3)
Fair value losses	4	4	-
Realised losses	0	3	(3)
Expenses from cash value hedges	3	0	3
Fair value losses	3	0	3
Expenses from fair value hedges	1	-	1
Fair value losses	1	-	1
Total	**607**	**566**	**41**

Expenses from financial activities increased compared to the year 2023 mainly due to higher interest on repurchase agreements and higher losses on the realisation of financial instruments at FVTOCI at Amortised Cost, partially offset by a decrease in interest on guarantee deposits related to the restructuring dynamics of the fair value hedge derivatives portfolio described in Note *A6 - Financial assets.*

C3 – NET REVENUE FROM INSURANCE SERVICES (€1,640 million)

tab. C3 - Net revenue from Insurance Services

Description (€m)	**FY 2024**	**FY 2023**	**Changes**
Revenue from insurance contracts issued	2,824	2,550	274
Costs arising from insurance contracts issued	(1,234)	(1,058)	(176)
Revenue/(costs) from outward reinsurance	(32)	(15)	(17)
Income and (expenses) from financial activities and other income/expenses	6,430	6,458	(27)
Net financial (costs)/revenue relating to insurance contracts issued	(6,358)	(6,373)	14
Net financial revenue/(costs) related to outward reinsurance	10	5	5
Total	**1,640**	**1,567**	**73**

Net income from insurance services increased from €1,567 million to €1,640 million compared to 2023, mainly due to the higher release of the Contractual Service Margin (CSM) recognised during the period: €1,458 million compared to €1,285 million in the comparative year.

The breakdown of revenue from insurance contracts and costs arising from insurance contracts is shown below.

The breakdown of revenue from insurance contracts issued is as follows:

tab. C3.1 - Revenue from insurance contracts issued

Description (€m)	**FY 2024**	**FY 2023**	**Changes**
Contracts measured according to GMM and VFA	**2,309**	**2,137**	**172**
Change in liability for remaining coverage	2,073	1,923	149
Incurred claims and other insurance service costs expected	551	516	34
Changes in the adjustment for non-financial risks	64	120	(56)
Contractual service margin recognised in the statement of profit or loss for services provided	1,458	1,285	173
Other amounts	(1)	2	(3)
Acquisition costs of recovered insurance contracts	236	214	22
Contracts measured according to the PAA	**514**	**413**	**102**
Total	**2,824**	**2,550**	**274**

At the end of the reporting period, insurance revenue from contracts measured upon transition to IFRS 17 using the Fair Value Approach amounted to €61 million, for carve-out[318] contracts amounted to €2,025 million, with the remainder relating to revenue from new contracts recognised in the period and contracts for which the Full Retrospective Approach was adopted. Details of **Costs from insurance contracts** issued are as follows:

[318] Contracts for which the annual cohort exemption was applied.

The breakdown of **Costs from insurance contracts issued** is as follows:

tab. C3.2 - Costs from insurance contracts issued

Description (€m)	FY 2024	FY 2023	Changes
Contracts measured according to GMM and VFA	**796**	**703**	**94**
Incurred claims and other directly attributable costs	753	346	407
Changes in the liability for incurred claims	(197)	146	(343)
Losses on onerous contracts and recovery of such losses	4	(3)	7
Amortisation of acquisition costs of insurance contracts	238	214	24
Other	(2)	(1)	(1)
Contracts measured according to the PAA	**438**	**355**	**83**
Total	**1,234**	**1,058**	**176**

The breakdown of revenue/(costs) from outward reinsurance is as follows:

tab. C3.3 - Revenue/(costs) from outward reinsurance

Description (€m)	FY 2024	FY 2023	Changes
Outward reinsurance measured under GMM	**(56)**	**(48)**	**(9)**
Change in assets for remaining coverage	(56)	(48)	(9)
Amount of claims and other recoverable costs expected	(45)	(35)	(10)
Changes in the adjustment for non-financial risks	(4)	(4)	0
Contractual service margin recognised in the statement of profit or loss for services received	(8)	(6)	(2)
Other	1	(3)	3
Other costs directly attributable to outward reinsurance	0	0	0
Outward reinsurance measured under PAA	**(103)**	**(41)**	**(62)**
Total costs from outward reinsurance	**(160)**	**(89)**	**(71)**
Effects of changes in default risk by reinsurers	0	0	0
Amount of claims and other expenses recovered	0	0	(0)
Changes in the asset for incurred claims	47	38	9
Other recoveries	1	2	(1)
Revenue from outward reinsurance measured under PAA	80	33	46
Total	**(32)**	**(15)**	**(16)**

The breakdown of **Income and (Expenses) from financial activities and other income/expenses** is as follows:

tab. C3.4 - Income and (expenses) from financial activities and other income/expenses

Description (€m)	FY 2024	FY 2023	Changes
Income from financial activities and other income	7,883	6,982	900
Expenses from financial activities and other expenses	(1,452)	(525)	(928)
Total	**6,430**	**6,458**	**(27)**

Income and (expenses) from financial activities and other income/expenses were substantially in line with the previous year. The increase in **Income from financial activities and other income**, offset by the increase in **Expenses from financial activities and other expenses** are due to the line-by-line consolidation of the new UCITS Funds, which entails a look-through presentation of the same with a presentation of the individual assets and liabilities composing them, while previously the effect deriving from the delta NAV of the individual Funds was synthetically presented (for further details, see Note A6 - *Financial assets* and paragraph 2.8 - Basis of consolidation).

These gains and losses, related almost entirely to the investments included in the separately managed accounts, were almost entirely relegated to policyholders through the mirroring mechanism and included in the item "Net financial (costs)/revenue related to insurance contracts issued".

tab. C3.4.1 - Income from financial activities and other income

Description (€m)	FY 2024	FY 2023	Changes
Income from financial instruments at FVPL	4,284	3,600	684
Interest	1,007	553	454
Fair value gains	2,878	2,893	(15)
Realised gains	392	154	238
Dividends	7	-	7
Income from financial instruments at FVTOCI	3,255	3,217	38
Interest	3,236	3,202	34
Realised gains	18	15	3
Dividends	0	0	0
Income from financial instruments at amortised cost	7	6	1
Interest	7	6	1
Foreign exchange gains	131	-	131
Fair value gains	35	-	35
Realised gains	96	-	96
Other income	206	160	46
Total	**7,883**	**6,982**	**900**

tab. C3.4.2 - Expenses from financial activities and other expenses

Description (€m)	FY 2024	FY 2023	Changes
Expense from financial instruments at FVPL	624	469	154
Realised losses	356	181	175
Fair value losses	265	289	(23)
Interest	1	-	1
Dividends	1	-	1
Expense from financial instruments at FVOCI	83	46	37
Interest	0	0	(0)
Realised losses	83	46	37
Expenses from financial instruments at amortised cost	1	-	1
Interest	1	-	1
Foreign exchange losses	748	-	748
Fair value losses	555	-	555
Losses realised	193	-	193
Impairment losses/(reversals of impairment losses) due to credit risk	(15)	7	(22)
Other expenses	12	3	9
Total	**1,452**	**525**	**928**

Tab C3.5 - Net financial (costs)/revenue relating to insurance contracts issued

Description (€m)	FY 2024	FY 2023	Changes
Change in fair value of underlying assets of contracts valued under VFA	(6,333)	(6,359)	26
Accrued interest	(18)	(12)	(6)
Effects of changes in interest rates and other financial assumptions	(7)	(1)	(6)
Effects of exchange rate changes	0	0	-
Other	0	0	-
Total	**(6,358)**	**(6,373)**	**(12)**

tab. C3.6 - Net financial revenue/(costs) related to outward reinsurance

Description (€m)	FY 2024	FY 2023	Changes
Accrued interest	10	5	4
Effects of changes in interest rates and other financial assumptions	1	0	1
Effects of exchange rate changes	0	0	-
Other	0	0	-
Total	**10**	**5**	**5**

C4 – REVENUE FROM POSTEPAY SERVICES (€1,923 million)

This item breaks down as follows:

tab. C4 - Revenue from Postepay Services

Description (€m)	FY 2024	FY 2023	Changes
Electronic money	685	623	62
Fees for issue and use of prepaid cards	402	409	(7)
Acquiring fees	104	60	44
Other fees	179	154	25
Mobile	326	327	(2)
Payment services	494	473	21
Payment Slips	294	280	14
Money transfers	155	147	8
Commissions for processing tax payments using forms F23/F24	44	46	(2)
Other products and services	0	(0)	0
Revenue from energy services	415	157	258
Other operating income	4	6	(2)
Total	**1,923**	**1,586**	**337**
of which Revenue from contracts with customers	1,922	1,306	616
recognised at a point in time	695	438	257
recognised over time	1,227	868	359

These consist of revenue from e-money products and payment services, revenue from mobile telephony services and revenue from the energy segment, which are mainly generated by PostePay SpA and its direct subsidiaries.

Revenue from Postepay Service increased by €337 million year-on-year due to the positive contribution of all segments, in particular the energy business for €258 million.

C5 - COST OF GOODS AND SERVICES (€3,717 million)

tab. C5 - Cost of goods and services

Description (€m)	FY 2024	FY 2023	Changes
Service costs	3,288	2,906	382
Raw, ancillary and consumable materials and goods for resale	399	303	96
Lease expense	194	163	31
Allocation of costs directly attributable to insurance contracts	(165)	(135)	(30)
Total	**3,717**	**3,237**	**479**

Costs of goods and services (adjusted by costs directly attributable to insurance contracts) increased by a total of €479 million compared to 2023. The change is mainly attributable to higher costs related to the purchase of raw materials, system charges and the transport of electricity and gas and the international inflationary scenario, as well as the incurring of variable costs to support the parcels and payments business.

Service costs

tab. C5.1 - Service costs

Description (€m)	FY 2024	FY 2023	Changes
Transport of mail, parcels and forms	1,250	1,146	104
Credit and debit card fees and charges	385	322	63
Outsourcing fees and external service charges	302	281	21
Routine maintenance and technical assistance	265	247	18
Mobile telecommunication services for customers	176	182	(6)
Personnel services	148	141	6
Energy and water consumption	164	101	63
Electricity and gas transmission	124	34	90
Advertising and promotions	98	78	20
Cleaning, waste disposal and security	91	95	(4)
Exchange of mail and telegraphy	53	44	9
Asset management fees	50	43	7
Transport of cash	48	57	(9)
Telecommunications and data transmission services	33	40	(7)
Consultants' fees and legal expenses	22	19	3
Electronic document management, printing and enveloping services	10	10	(0)
Remuneration and expenses of Statutory Auditors	2	2	0
Other	68	66	2
Total	**3,288**	**2,906**	**382**

The rise in service costs was mainly due to the increase in costs for electricity and gas transmission in the energy segment, costs for energy and water consumption, costs for logistics and delivery services related to the parcels segment, and credit/debit card fees and charges.

Lease expense

tab. C5.2 - Lease expense

Description (€m)	FY 2024	FY 2023	Changes
Equipment hire and software licences	149	113	36
Real estate leases and ancillary costs	27	33	(6)
Vehicle leases	4	4	(0)
Other lease expense	14	13	0
Total	**194**	**163**	**31**

Raw, ancillary and consumable materials and goods for resale

tab. C5.3 - Raw, ancillary and consumable materials and goods for resale

Description (€m)	FY 2024	FY 2023	Changes
Electricity and gas costs	214	115	99
Consumables, advertising materials and goods for resale	103	109	(6)
Fuels and lubricants	67	68	(2)
Electronic money card	15	15	0
Printing of postage and revenue stamps	5	6	(1)
SIM cards and scratch cards	1	1	1
Change in inventories of work in progress, semi-finished and finished goods and goods for resale	4	(8)	12
Change in inventories of raw, ancillary and consumable materials	2	1	1
Change in property held for sale	(12)	(7)	(6)
Others	1	3	(3)
Total	**399**	**303**	**96**

The increase compared to the financial year 2023 was mainly affected by higher costs in the energy segment.
Finally, it should be noted that of the total costs for raw, ancillary and consumable materials and goods for resale, about €2 million refer to costs incurred during the year by Postepay SpA and Poste Air Cargo SpA for the purchase of environmental certificates for the supply of electricity and natural gas.

C6 - PERSONNEL EXPENSES (€5,135 million)

Personnel expenses include the cost of personnel seconded to other organisations. The recovery of such expenses is posted to Other operating income. Personnel expenses break down as follows:

tab. C6 - Personnel expenses

Description (€m)	Note	FY 2024	FY 2023	Changes
Wages and salaries		4,087	4,076	10
Social security contributions		1,169	1,157	12
Employee termination benefits: supplementary pension funds and INPS		240	238	2
Provisions for early retirement incentives	[tab. B6]	128	159	(31)
Share-based payments		16	12	4
Early retirement incentives		7	12	(4)
Agency staff		5	4	1
Remuneration and expenses paid to Directors		5	5	0
Net provisions (reversals) for disputes with staff	[tab. B6]	4	10	(5)
Employee termination benefits: current service cost	[tab. B7]	2	3	(0)
Amounts recovered from staff due to disputes		(3)	(3)	0
Other personnel expenses/(cost recoveries)		(23)	(29)	6
Allocation of costs directly attributable to insurance contracts		(503)	(473)	(30)
Total		**5,135**	**5,170**	**(35)**

Personnel expenses (adjusted for costs directly attributable to insurance contracts) decreased by €35 million compared to 2023, mainly due to lower provisions for early retirement incentives. The change in the ordinary cost component is related to the increase in the unit cost, which is attributable to the increase in the contractual minimums triggered in July 2023 (provided for in the collective labour agreement signed on 23 June 2021), to the portion of the one-off payment made in September 2024 (provided for in the new collective labour agreement signed on 23 July 2024) and to the variable component linked to results.

Net provisions for disputes with staff and provisions for restructuring charges are described in note B6 – *Provisions for risks and charges*.

The following table shows the Group's average and year-end headcount:

tab. C6.1 - Number of employees

	Average		Year end	
Unit	**FY 2024**	**FY 2023**	**31.12.24**	**31.12.23**
Executives	735	692	738	688
Middle managers	15,556	15,338	15,654	15,279
Operational staff	86,202	88,540	84,981	86,349
Back-office staff	6,312	6,334	8,137	6,475
Total employees on permanent contracts (*)	**108,805**	**110,904**	**109,510**	**108,791**

(*) Figures expressed in full time equivalent terms

Furthermore, taking account of personnel on flexible contracts, the average number of full-time equivalent personnel in the year is 119,117, of which 90 relating to agency staff/project contracts (in 2023: 119,310, of which 85 related to agency staff/ project contracts).

C7 - DEPRECIATION, AMORTISATION AND IMPAIRMENTS (€855 million)

This item breaks down as follows:

tab. C7 - Depreciation, amortisation and impairments

Description (€m)	**FY 2024**	**FY 2023**	**Changes**
Amortisation and impairments of intangible assets	387	366	21
Depreciation of right-of-use assets	281	271	10
Impairments/recoveries/adjustments of rights of use	2	1	1
Depreciation of property, plant and equipment	255	239	16
Impairments/recoveries/adjustments of property, plant and equipment	3	3	(0)
Depreciation of investment property	1	1	(0)
Allocation of costs directly attributable to insurance contracts	(75)	(72)	(3)
Total	**855**	**811**	**44**

Depreciation, amortisation and impairments (adjusted for costs directly attributable to insurance contracts) showed an increase of €44 million compared to 2023. The increase is attributable to higher amortisation on intangible assets (€21 million) for investments in software applications that have become available for use, as well as higher depreciation of property, plant and equipment (€16 million) and right-of-use assets (€10 million).

C8 - CAPITALISED COSTS AND EXPENSES (€67 million)

The item breaks down as follows:

tab. C8 - Capitalised costs and expenses

Description (€m)	FY 2024	FY 2023	Changes
Intangible assets:	**56**	**54**	**2**
Personnel expenses	42	39	3
Cost of goods and services	13	14	(2)
Depreciation and amortisation	1	1	0
Property, plant and machinery:	**11**	**2**	**10**
Cost of goods and services	11	2	9
Total	**67**	**56**	**12**

C9 - OTHER OPERATING COSTS (€318 million)

Other operating costs break down as follows:

tab. C9 - Other operating costs

Description (€m)	FY 2024	FY 2023	Changes
Municipal property tax, urban waste tax and other taxes and duties	109	113	(4)
Contribution to the Life Insurance Guarantee Fund	74	-	74
Reversal of tax credits for years prior to 2024	57	-	57
Operational risk events	26	28	(3)
Thefts	6	4	2
Loss of BancoPosta assets, net of recoveries	8	3	5
Other operating losses of BancoPosta	11	21	(10)
Capital losses	4	3	1
Net provisions for risks and charges made/(released)	(9)	81	(91)
for disputes with third parties	(2)	(12)	10
for operational risks	(11)	(1)	(10)
for other risks and charges	4	11	(7)
for taxation	0	3	(3)
for risks on tax credit - Law no. 77/2020	-	80	(80)
Other current costs	70	71	(1)
Allocation of costs directly attributable to insurance contracts	(13)	(22)	9
Total	**318**	**275**	**42**

Other operating costs (adjusted for costs directly attributable to insurance contracts) increased by €42 million compared with the previous year, primarily due to the effect of the contribution to the Life Insurance Guarantee Fund[319] totalling €74 million (of which €58 million for insurance companies operating in the Group's life business and €16 million for the Parent Company, Poste Italiane SpA, within BancoPosta) and higher charges for the repayment of instalments relating to years prior to 2024 totalling €57 million in connection with the risk analysis of tax credits (for which reference should be made to note A10 - *Tax credits Law no. 77/2020*) partially offset by lower net accruals for provisions for risks and charges.

[319] The contribution to the Life Insurance Guarantee Fund was introduced by Law no. 213 of 30 December 2023 - "Budget Law" in force as of 1 January 2024, establishing the regulation of a Fund whose function will be to intervene to protect the beneficiaries of life insurance policies in the event that the placing insurance company is subject to bankruptcy proceedings. This contribution will be due until the targets set by the Act are reached by 2035. As required by industry best practice, the 2024 contribution was calculated as 0.4 per thousand of the life insurance technical provisions relating to the previous year, determined in accordance with the criteria set out in the Solvency directive, while banking, postal and financial intermediaries (registered in section D of the RUI, Article 109 of the CAP, including Poste Italiane spa - Divisione servizi di bancoposta) contribute 0.1 per thousand of the technical provisions corresponding to the contracts intermediated.

C10 – IMPAIRMENT LOSSES/(REVERSALS OF IMPAIRMENT LOSSES) ON DEBT INSTRUMENTS, RECEIVABLES AND OTHER ASSETS (€424 million)

C10 - Impairment losses/(Reversals of impairment losses) on debt instruments, receivables and other assets

Description (€m)	FY 2024	FY 2023	Changes
Impairment losses/(reversals of impairment losses) on tax credits Law no. 77/2020	380	32	348
Impairment losses/(reversals of impairment losses) on tax credits Law no. 77/2020	548	-	548
Absorption in profit and loss Provision for tax credit risks	(168)	32	(200)
Impairment losses/(reversals of impairment losses) on receivables and other assets (use of the provision for impairment)	55	32	23
Impairment losses/(reversals of impairment losses) on receivables and debt instruments from financial and insurance activities	(11)	7	(18)
Impairment losses (reversal of impairment losses) on receivables	(1)	(0)	(1)
Impairment losses/(reversals of impairment losses) on debt instruments at FVTOCI	(5)	3	(8)
Impairment losses/(reversals of impairment losses) on debt instruments at amortised cost	(5)	4	(9)
Total	**424**	**71**	**354**

The item Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets increased by €354 million compared to the year 2023, mainly due to the accounting effects related to the risk analysis on tax credits analytically described in *Note A10 - Tax credits Law no. 77/2020*.

C11 – FINANCE INCOME (€209 million) AND COSTS (€120 million)

Income and Costs incurred on financial instruments relate to assets other than those in which deposits collected by BancoPosta and the financial and insurance businesses are invested.

Finance costs

tab. C11.1 - Finance costs

Description (€m)	**FY 2024**	**FY 2023**	**Changes**
Finance costs on financial liabilities	52	38	14
on lease payables	*33*	*28*	*5*
on due to financial institutions	*16*	*6*	*10*
on bonds	*3*	*5*	*(2)*
from derivative financial instruments	*0*	*0*	*(0)*
Sundry costs on financial assets	3	4	(1)
Realised losses on financial instruments at FVOCI	*3*	*3*	*(1)*
Losses from valuation on financial instruments at FVTPL	*-*	*0*	*(0)*
Expenses from financial liabilities at FVTPL	6	5	1
Finance costs on provisions for employee termination benefits and pension plans	21	26	(5)
Finance costs on provisions for risks	3	4	(2)
Other finance costs	31	34	(3)
Foreign exchange losses	4	8	(4)
Total	**120**	**119**	**1**

For the purposes of reconciliation with the statement of cash flows, in 2024 finance costs after foreign exchange losses amounted to €116 million (€110 million in 2023).

Finance income

tab. C11.2 - Finance income

Description (€m)	FY 2024	FY 2023	Changes
Income from financial instruments at FVTOCI	58	60	(1)
Interest	58	55	3
Accrued differentials on fair value hedges	-	0	(0)
Realised gains	-	0	(0)
Dividends	0	4	(4)
Other income	0	-	0
Income from financial instruments at amortised cost	55	62	(6)
Interest	55	62	(6)
Income from financial liabilities at FVTPL	12	2	10
Income from financial instruments at FVPL	9	10	(1)
Interest	3	-	3
Fair value gains	5	9	(4)
Realised gains	1	-	1
Accrued differentials on derivative financial instruments at FVPL	0	1	(1)
Income from valuation of cash flow hedges	-	6	(6)
Realised gains	-	6	(6)
Other finance income	69	35	34
Remuneration of own liquid funds of Poste Italiane	14	15	(0)
Interest on bank accounts	31	9	22
Finance income on discounted receivables	1	2	(0)
Late payment interest	32	30	2
Impairment of amounts due as late payment interest	(31)	(29)	(2)
Other income	22	8	14
Foreign exchange gains	5	8	(3)
Total	**209**	**181**	**28**

For the purposes of reconciliation with the statement of cash flows, in 2024 finance income after both realised gains, foreign exchange gains and dividends amounted to €204 million (€169 million in 2023).

Financial income increased by €28 million compared to the previous year, mainly due to higher interest on bank deposits as a result of the increase in interest rates recognised by major banks and higher liquidity deposited on bank accounts.

C12 - INCOME TAX EXPENSE (€658 million)

tab. C12 - Income tax expense

Description (€m)	FY 2024				FY 2023				Changes
	IRES	IRAP	Other	Total	IRES	IRAP	Other	Total	
Current tax expense	585	179	2	766	597	148	2	746	20
Deferred tax assets	(72)	3	(0)	(69)	(3)	1	-	(2)	(67)
Deferred tax liabilities	(39)	0	-	(39)	43	7	-	50	(89)
Total	**474**	**182**	**2**	**658**	**637**	**156**	**2**	**794**	**(136)**

With regard to the deductibility of losses related to the failure to offset tax credits, the allocation of risk provisions on tax credits and the charges resulting from sharing the Risk Analysis with the Agenzia delle Entrate (see also *Note A10 - Tax credits Law no. 77/2020*), on 22 November 2024, the Agenzia delle Entrate's response was received to the risk communication of 14 November 2024 submitted by the Parent Company; the response received confirmed the deductibility for IRES purposes of the charges related to the tax credits recognised in the 2022, 2023 and 2024 financial statements, resulting in the recognition of lower taxes amounting to €229 million, including taxes related to previous years.

Below is the reconciliation of the Parent Company's theoretical IRES tax rate and the effective tax rate of 24.64%:

tab. C12.1 - Reconciliation between theoretical and effective IRES rate

Description (€m)	FY 2024		FY 2023	
	Tax	Impact %	Tax	Impact %
Profit before tax	2,671		2,727	
Theoretical tax charge	641	24.0%	655	24.0%
Effect of increases/(decreases) on theoretical tax charge				
Realised gains on investments	-	0.00%	(25)	-0.92%
Non-deductible out-of-period losses	5	0.17%	8	0.30%
Net provisions for risks and charges and impairment of receivables	3	0.10%	23	0.83%
Realignment of tax bases and carrying amounts and taxation for previous years	(172)	-6.43%	(11)	-0.39%
Other differences	(1)	-0.02%	(11)	-0.40%
IRAP Italian companies	182	6.82%	155	5.69%
Effective tax charge	**658**	**24.64%**	**794**	**29.11%**

The item "realignment of tax bases and carrying amounts and taxation for previous years" includes items related to the deductibility of charges related to the Parent Company's failure to offset tax credits related to prior years.

Current tax expense

tab. C12.2 - Movements in current tax assets/(liabilities)

Description (€m)	Current tax expense			
	IRES	IRAP	Foreign companies	
	Assets/ (Liabilities)	Assets/ (Liabilities)	Assets/ (Liabilities)	Total
Balance at 1 January	**8**	**(30)**	**(1)**	**(23)**
Payments	685	178	3	866
Provisions to profit or loss	(585)	(179)	(2)	(766)
Provisions to equity	(4)	(0)	-	(4)
Other	59	(0)	0	58
Balance at 31 December	**163**	**(31)**	**(1)**	**132**
of which:				
Current tax assets	188	9	0	**197**
Current tax liabilities	(25)	(40)	(1)	**(65)**

Under IAS 12 – Income Taxes, IRES and IRAP credits are offset against the corresponding current tax liabilities, when applied by the same tax authority to the same taxable entity, which has a legally enforceable right to offset and intends to exercise this right.

In addition to the IRES and IRAP provisions for the year 2024 net of advance payments and receivables from the previous year and for withholding taxes, current tax assets (liabilities) at 31 December 2024 include:

- residual assets for substitute tax of approximately €110 million related to transactions for the redemption of goodwill and other intangible assets carried out by the Parent Company (€20 million) and PostePay S.p.A. (€90 million);
- assets totalling €42 million related to the deductibility of prior years' expenses referring to tax credits and the tax recognition of negative income components arising from the management of postal current account balances, which will become offsettable after the submission of the relevant supplementary tax returns;
- residual assets of €10 million related to the Parent Company's adhesion to the Patent Box regime for the 2018-2019 financial years;
- assets totalling a residual €9 million recognised as a result of the responses received to two petitions filed with the Agenzia delle Entrate concerning the tax effects of implementation of IFRS 9 and 15.

Deferred tax assets and liabilities

tab. C12.3 - Deferred taxes

Description (€m)	Balance at 31 December 2024	Balance at 31 December 2023	Changes
Deferred tax assets	1,997	2,109	(111)
Deferred tax liabilities	(897)	(900)	4
Total	**1,101**	**1,208**	**(108)**

Movements in deferred tax assets and liabilities are shown below:

tab. C12.4 - Movements in deferred tax assets and liabilities

Description (€m)	FY 2024
Balance at 1 January	**1,208**
Net income/(expense) recognised in profit or loss	108
Net income/(expense) recognised in equity	(214)
Change in scope of consolidation and other	(1)
Balance at 31 December	**1,101**
of which:	
deferred tax assets	1,997
deferred tax liabilities	(897)

The following table shows movements in deferred tax assets and liabilities, broken down according to the events that generated such movements:

tab. C12.5 - Movements in deferred tax assets

Description (€m)	Property, plant and equipment and intangible assets	Financial assets and liabilities	Provisions to cover expected losses	Provisions for risks and charges	Insurance assets and liabilities	Other	Total
Balance at 1 January 2024	**49**	**601**	**97**	**218**	**939**	**206**	**2,109**
Income/(expense) recognised in profit or loss	(8)	(0)	13	64	(9)	8	69
Income/(expense) recognised in equity	-	(173)	(7)	-	1	(0)	(179)
Change in scope of consolidation and other	(2)	(0)	(8)	(2)	(1)	12	(1)
Balance at 31 December 2024	**39**	**427**	**95**	**280**	**931**	**226**	**1,997**

tab. C12.6 - Movements in deferred tax liabilities

Description (€m)	Financial assets and liabilities	Intangible assets	Other	Total
Balance at 1 January 2024	**751**	**64**	**86**	**900**
Expense/(income) recognised in profit or loss	(35)	(4)	(1)	(39)
Expense/(income) recognised in equity	35	-	(0)	35
Balance at 31 December 2024	**751**	**60**	**85**	**897**

Movements in deferred tax assets and liabilities recognised directly in equity during the year are as follows:

tab. C12.7 - Deferred taxes recognised in equity

Description (€m)	FY 2024
Fair value reserve for financial assets at FVTOCI	(609)
Reserve for insurance contracts issued and outward reinsurance	406
Cash flow hedge reserve for hedging derivatives	(18)
Actuarial gains/(losses) on employee termination benefits	0
Other changes	7
Total	**(214)**

4.4 - OPERATING SEGMENTS

The identified operating segments, which are in line with the Group's strategic guidelines, are as follows:

- Mail, Parcels & Distribution
- Financial Services
- Insurance Services
- Postepay Services (previously Payments and Mobile)

For a description of the operating segments as well as the types of products and/or services from which each reportable segment derives its revenue, please refer to the "Foreword" section of this Annual Report.

The result for each segment is based on operating profit/(loss) and gains/losses on intermediation.

In order to provide an understanding of the energy business, included in the Postepay Services operating segment, according to an approach based on the net interest and other banking income, since the Group is not an energy producer, the values shown with an asterix include a management reclassification that provides for the presentation of revenue related to the energy business net of costs related to the purchase of raw materials and the transport of electricity and gas. Therefore, values that deviate from the accounting data are specially marked and reconciled with the figures in the accounting statements.

The following results, which are shown separately in accordance with the management view and with applicable accounting standards, should be read in light of the integration of the services offered by the distribution network within the businesses allocated to all four identified operating segments, also considering the obligation to carry out the Universal Postal Service.

Economic data by operating segment

FY 2024 (€m)	**Mail, Parcels & Distribution**	**Financial Services**	**Insurance Services**	**Postepay Services**		**Adjustments and eliminations**	**Total**	
Net external revenue from ordinary activities	3,843	5,521	1,640	1,585	(*)	-	12,589	(*)
Net intersegment revenue from ordinary activities	5,597	919	(160)	274		(6,631)	-	
Net operating revenue	**9,441**	**6,440**	**1,480**	**1,858**	(*)	**(6,631)**	**12,589**	(*)
Total costs	**(9,678)**	**(5,556)**	**(109)**	**(1,330)**	(*)	**6,630**	**(10,042)**	(*)
of which: Depreciation, amortisation and impairment	*(890)*	*(0)*	*(2)*	*(35)*		*74*	*(855)*	
of which: Other non-cash expenses	*(559)*	*11*	*4*	*(18)*		*-*	*(562)*	
Operating profit/(loss)	**(237)**	**884**	**1,371**	**529**		**(0)**	**2,546**	
Finance income/(costs)	(37)	(1)	126	1		-	89	
(Impairment losses)/reversal of impairment losses on debt instruments, receivables and other assets	13	0	1	0		-	14	
Profit/(Loss) on investments accounted for using the equity method	2	20	-	0		-	22	
Intersegment finance income/(costs)	4	18	(51)	28		(0)	-	
Taxes for the period	168	(248)	(414)	(164)		-	(658)	
Profit/(loss) for the period	**(88)**	**674**	**1,033**	**394**		**(0)**	**2,013**	

FY 2023 (€m)	**Mail, Parcels & Distribution**	**Financial Services**	**Insurance Services**	**Postepay Services**		**Adjustments and eliminations**	**Total**	
Net external revenue from ordinary activities	3,746	5,229	1,567	1,447	(*)	-	11,989	(*)
Net intersegment revenue from ordinary activities	5,245	866	(148)	264		(6,227)	-	
Net operating revenue	**8,991**	**6,095**	**1,419**	**1,710**	(*)	**(6,227)**	**11,989**	(*)
Total costs	**(9,033)**	**(5,232)**	**(59)**	**(1,271)**	(*)	**6,227**	**(9,368)**	(*)
of which: Depreciation, amortisation and impairment	*(844)*	*(0)*	*(2)*	*(36)*		*71*	*(811)*	
of which: Other non-cash expenses	*(301)*	*(3)*	*(1)*	*(24)*		*-*	*(330)*	
Operating profit/(loss)	**(43)**	**863**	**1,360**	**440**		**0**	**2,620**	
Finance income/(costs)	(41)	(1)	102	2		-	62	
Impairment losses/(reversals of impairment losses) on financial assets	25	0	(0)	(0)		-	25	
Profit/(Loss) on investments accounted for using the equity method	2	18	-	-		-	20	
Intersegment finance income/(costs)	8	13	(51)	30		0	-	
Income tax expense	2	(246)	(417)	(134)		-	(794)	
Net profit/(loss) for the year	**(46)**	**647**	**994**	**338**		**0**	**1,933**	

Below is the reconciliation between the accounting figure and the management figure for the year under review and the comparative year:

Description (€m)		2024 Postepay Services	2024 Group	2023 Postepay Services	2023 Group
Net external revenue from ordinary activities	Accounting data	1,923	12,927	1,586	12,128
	Reclassification	(338)	(338)	(140)	(140)
	Management data	**1,585**	**12,589**	**1,447**	**11,989**
Net intersegment revenue from ordinary activities	Accounting data	396		275	
	Reclassification	(122)		(11)	
	Management data	**274**		**264**	
Net operating revenue	Accounting data	2,319	12,927	1,861	12,128
	Reclassification	(461)	(338)	(150)	(140)
	Management data	**1,858**	**12,589**	**1,710**	**11,989**
Total costs	Accounting data	1,791	10,381	1,421	9,508
	Reclassification	(461)	(338)	(150)	(140)
	Management data	**1,330**	**10,042**	**1,271**	**9,368**

Statement of financial position data by operating segment

31 December 2024 (€m)	Mail, Parcels & Distribution	Financial Services	Insurance Services	Postepay Services	Adjustments and eliminations	Total
Assets	**13,002**	**97,170**	**171,879**	**12,972**	**(17,925)**	**277,098**
Non-current assets	10,112	73,221	147,668	740	(3,697)	228,045
Current assets	2,890	23,949	24,161	12,231	(14,228)	49,003
Non-current assets and disposal groups held for sale	-	-	50	-	-	50
Liabilities	**9,511**	**93,809**	**165,151**	**11,703**	**(14,785)**	**265,388**
Non-current liabilities	4,294	8,011	163,391	74	(617)	175,154
Current liabilities	5,217	85,798	1,760	11,629	(14,169)	90,235
Other information						
Capital expenditure	940	0	4	22	(0)	966
Investments accounted for using the equity method	39	276	0	17	-	332

31 December 2023 (€m)	Mail, Parcels & Distribution	Financial Services	Insurance Services	Postepay Services	Adjustments and eliminations	Total
Assets	**13,223**	**98,450**	**164,024**	**12,712**	**(17,633)**	**270,777**
Non-current assets	9,934	73,325	144,516	737	(3,698)	224,814
Current assets	3,289	25,125	19,508	11,975	(13,936)	45,963
Non-current assets and disposal groups held for sale	-	-	50	-	-	50
Liabilities	**10,340**	**95,640**	**157,634**	**11,269**	**(14,496)**	**260,388**
Non-current liabilities	4,125	10,014	156,402	85	(669)	169,958
Current liabilities	6,215	85,626	1,232	11,185	(13,827)	90,430
Other information						
Capital expenditure	814	0	6	25	-	845
Investments accounted for using the equity method	27	267	-	-	-	294

Disclosure about geographical segments, based on the geographical areas in which the various Group companies are based or the location of its customers, is of no material significance. At 31 December 2024, the entities consolidated on a line-by-line basis are mainly based in Italy and, on a residual and insignificant basis in China, Hong Kong and the United Kingdom[320]; customers are mainly located in Italy: revenue from foreign customers does not account for a significant percentage of total revenue. Assets include those deployed by the segment in the course of ordinary business activities and those that could be allocated to it for the performance of such activities.

4.5 - RELATED PARTY TRANSACTIONS

The Group include in external related parties the parent company MEF and its direct and indirect subsidiaries and associates. Related parties also include Poste Italiane SpA's key management personnel and the funds representing employment benefit plans for the personnel of BancoPosta RFC and its related parties. The state and public sector entities other than the MEF are not classified as related parties. Related party transactions do not include those deriving from financial assets and liabilities represented by instruments traded on organised markets.

Impact of related party transactions on the financial position and profit or loss

The impact of related party transactions on the financial position and profit or loss is shown below:

[320] Total net revenue from ordinary operations by third parties recognised by the fully consolidated companies based in China, Hong Kong and the United Kingdom amounted to €259 million, while EBIT and net trading income amounted to €15 million.

Impact of related party transactions on the financial position at 31 December 2024

Description (€m)	Balance at 31.12.2024						
	Financial assets	Trade receivables	Other assets Other receivables	Cash and cash equivalents	Financial liabilities	Trade payables	Other liabilities
Subsidiaries							
Casina Poste società sportiva dilettantistica Srl	-	0	-	-	-	-	-
Joint ventures							
Locker Italia SpA	-	0	-	-	-	0	0
Associates							
Anima Holding Group	-	0	-	-	-	7	-
Italia Camp Srl	-	0	-	-	-	-	-
Financit SpA	-	4	-	-	-	19	-
Eurizon Capital Real Asset SGR	-	-	-	-	-	0	-
sennder Italia Srl	-	1	0	-	-	30	(0)
Cronos Vita Assicurazioni SpA	-	0	-	-	-	-	-
N&TS Group Networks & Transactional Systems Group S.p.A.	-	-	-	-	5	2	-
External related parties							
MEF	9,972	296	19	346	5,441	3	0
Cassa Depositi e Prestiti Group	2,925	227	1	-	0	30	-
Enel Group	-	21	-	-	0	15	0
Eni Group	-	4	-	-	-	8	-
Equitalia Group	-	0	-	-	-	-	-
Sace Group	-	0	-	-	-	-	-
Leonardo Group	-	0	-	-	-	12	-
Montepaschi Group	129	1	-	41	270	0	-
Other external related parties	20	47	2	-	11	8	80
Provisions for doubtful receivables owing from external related parties	(25)	(5)	(6)	(0)	-	-	-
Total	**13,021**	**597**	**16**	**387**	**5,728**	**135**	**80**

Impact of related party transactions on the financial position at 31 December 2023

Description (€m)	Balance at 31.12.2023						
	Financial assets	Trade receivables	Other assets Other receivables	Cash and cash equivalents	Financial liabilities	Trade payables	Other liabilities
Subsidiaries							
Address Software Srl	-	0	-	-	0	1	0
Kipoint SpA	-	1	0	-	2	2	0
Indabox	-	0	-	-	0	0	0
Associates							
Anima Holding Group	-	0	-	-	-	7	-
Italia Camp Srl	-	1	-	-	-	0	-
Financit SpA	-	3	-	-	-	17	-
Eurizon Capital Real Asset SGR	-	-	-	-	-	0	-
sennder Italia Srl	-	1	-	-	-	36	(0)
Cronos Vita Assicurazioni SpA	-	0	-	-	-	-	-
External related parties							
MEF	8,937	370	19	873	5,376	4	1
Cassa Depositi e Prestiti Group	2,913	253	1	-	0	24	-
Enel Group	-	27	-	-	-	3	0
Eni Group	-	5	-	-	-	3	-
Equitalia Group	-	1	-	-	-	-	-
Sace Group	-	0	-	-	-	-	-
Leonardo Group	-	0	-	-	-	11	-
Montepaschi Group	224	2	-	0	351	(0)	-
Other external related parties	20	50	2	-	4	4	88
Provisions for doubtful receivables owing from external related parties	(27)	(32)	(6)	(0)	-	-	-
Total	**12,066**	**681**	**17**	**874**	**5,734**	**113**	**90**

At 31 December 2024, total provisions for risks and charges made to cover probable liabilities arising from transactions with related parties external to the Group attributable to trading relations amounted to €48 million (€59 million at 31 December 2023).

At 31 December 2024, net provisions for risks and charges used to cover probable liabilities arising from transactions with related parties external to the Group attributable to trading relations amounted to about €0.04 million (€0.1 million at 31 December 2023).

Impact of related party transactions on profit or loss at 31 December 2024

	Balance at 31.12.2024												
	Revenue					Costs							
						Investments		Current expenses					
Description (€m)	**Revenue and income from Mail, Parcels and other**	**Revenues from PostePay Services**	**Revenue from Financial Services**	**Net revenue from insurance services**	**Finance income**	**Property, plant and equipment**	**Intangible assets**	**Cost of goods and services**	**Personnel expenses**	**Other operating costs**	**Expenses from financial activities**	**Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets**	**Finance costs**
Subsidiaries						-							
Casina Poste società sportiva dilettantistica Srl	0	-	-	-	-	-	-	-	-	-	-	-	-
Joint ventures													
Locker Italia SpA	0			-	-	-	-	0	(0)	-	-	-	-
Associates													
Anima Holding Group	2	-	-	-	-	-	-	10	-	-	-	-	-
Italia Camp Srl	-	-	-	-	-	-	-	0	-	-	-	-	-
Financit SpA	29	-	-	-	-	-	-	-	-	-	-	-	-
sennder Italia Srl	0	-	-	-	-	-	-	252	-	-	-	-	-
Cronos Vita Assicurazioni SpA	0	-	-	-	-	-	-	-	(0)	-	-	-	-
N&TS Group Networks & Transactional Systems Group S.p.A.	-	-	-	-	-	-	-	3	-	-	-	-	-
External related parties													
MEF	839	43	466	-	14	0	-	(0)	-	3	-	(2)	0
Cassa Depositi e Prestiti Group	24	3	1,802	1	-	14	2	95	0	0	-	(0)	1
Enel Group	36	-	0	0	-	2	-	96	-	0	-	(0)	-
Eni Group	16	-	0	-	-	1	-	217	-	-	-	-	-
Equitalia Group	2	-	-	-	-	-	-	-	-	-	-	-	-
Sace Group	1	-	-	-	-	-	-	-	-	-	-	-	-
Leonardo Group	0	-	-	-	-	-	2	19	-	-	-	-	-
Montepaschi Group	17	-	11	-	-	-	-	0	-	0	5	-	0
Other external related parties	88	19	0	-	-	-	-	26	75	2	3	0	0
Total	**1,055**	**65**	**2,279**	**1**	**14**	**17**	**3**	**720**	**75**	**5**	**8**	**(2)**	**1**

Impact of related party transactions on profit or loss in FY 2023

	Balance at 31.12.2023												
	Revenue					Costs							
						Investments		Current expenses					
Description (€m)	**Revenue and income from Mail, Parcels and other**	**Revenue from Payments and Mobile**	**Revenue from Financial Services**	**Net revenue from insurance services**	**Finance income**	**Property, plant and equipment**	**Intangible assets**	**Cost of goods and services**	**Personnel expenses**	**Other operating costs**	**Expenses from financial activities**	**Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets**	**Finance costs**
Subsidiaries													
Address Software Srl	0	-	-	-	-	-	-	1	(0)	-	-	-	-
Kipoint SpA	1	-	-	-	-	-	-	3	(0)	-	-	-	0
Associates													
Anima Holding Group	2	-	-	-	-	-	-	8	-	-	-	-	-
Indabox	0	-	-	-	-			0	-	-	-	-	-
Italia Camp Srl	-	-	-	-	-			0	(0)	-	-	-	-
Other SDA Group associates	0	-	-	-	(0)	-	-	-	-	-	-	-	-
Financit SpA	30	-	-	-	-	-	-	-	(0)	-	-	-	-
sennder Italia Srl	0	-	-	-	-	-	-	122	(0)	-	-	-	0
Cronos Vita Assicurazioni SpA	0	-	-	-	-	-	-	-	(0)	-	-	-	-
External related parties													
MEF	817	46	503	-	15	-	-	1	-	1	-	(0)	0
Cassa Depositi e Prestiti Group	19	3	1,813	18	-	8	2	69	0	0	-	(0)	0
Enel Group	37	-	0	-	-	0	-	18	-	-	-	-	-
Eni Group	22	-	0	-	-	0	-	42	-	-	-	-	-
Equitalia Group	2	-	-	-	-	-	-	-	-	-	-	-	-
Sace Group	0	-	-	-	-	-	-	-	-	-	-	-	-
Leonardo Group	0	-	-	-	-	-	3	24	-	0	-	-	-
Montepaschi Group	17	-	1	-	-	-	-	0	-	0	7	-	0
Other external related parties	60	5	0	-	-	-	-	20	74	2	5	0	0
Total	**1,007**	**54**	**2,317**	**18**	**15**	**8**	**6**	**308**	**74**	**3**	**12**	**(0)**	**1**

The tables also show transactions with subsidiaries that, due to their insignificance, are valued at equity and not consolidated on a line-by-line basis.

The nature of the Parent Company's principal related party transactions external to the Group is summarised below in order of relevance:

- Amounts received from the MEF relate primarily to payment for carrying out the USO, the management of postal current accounts, as payment for delegated services, the franking of mail on credit, and for the integrated notification service.
- Amounts received from CDP SpA primarily relate to payment for the collection of postal savings deposits.
- Amounts received from the Enel Group primarily relate to payment for bulk mail shipments, unfranked mail, franking of mail on credit and postage paid mailing services. The costs incurred primarily relate to the supply of gas and electricity.
- Amounts received from the ENI Group primarily regard payment for mail shipments. The costs incurred relate to the supply of gas and of fuel for motorcycles and vehicles.
- Purchases from the Leonardo Group primarily relate to the supply, by Leonardo SpA, of equipment, maintenance and technical assistance for mechanised sorting equipment, and systems and IT assistance regarding the creation of document storage facilities, specialist consulting services and software maintenance, and the supply of software licences and of hardware.

- Amounts received from the Monte dei Paschi di Siena group primarily regard payment for mail shipments.

Related party transactions have been carried out on terms equivalent to those prevailing in arm's length transactions between independent parties.

Impact of related party transactions or positions

The impact of related party transactions on the financial position, profit or loss and cash flows is shown in the following table:

Impact of related party transactions

Description (€m)	Total in financial statements	Total related parties	Impact (%)	Total in financial statements	Total related parties	Impact (%)
	Balance at 31.12.2024			Balance at 31.12.2023		
Financial position						
Financial assets	244,538	13,021	5.3	237,159	12,066	5.1
Trade receivables	2,078	597	28.7	2,407	681	28.3
Other receivables and assets	5,294	16	0.3	5,135	17	0.3
Cash and cash equivalents	4,680	387	8.3	4,211	874	20.8
Provisions for risks and charges	1,083	48	4.4	1,336	59	4.4
Financial liabilities	94,085	5,728	6.1	95,393	5,734	6.0
Trade payables	2,097	135	6.4	2,252	113	5.0
Other liabilities	4,175	80	1.9	4,343	90	2.1
	Balance at 31.12.2024			Balance at 31.12.2023		
Profit or loss						
Revenue from Mail, Parcels & other	3,843	1,055	27.5	3,746	1,007	26.9
Net revenue from Financial Services	5,521	2,271	41.1	5,229	2,305	44.1
Net revenue from insurance services	1,640	1	0.0	1,567	18	1.2
Revenue from PostePay Services	1,923	65	3.4	1,586	54	3.4
Cost of goods and services	3,717	720	0	3,237	308	9.5
Personnel expenses	5,135	75	1.5	5,170	74	1.4
Other operating costs	318	5	1.5	275	3	1.2
Finance costs	120	1	0.6	119	1	0.5
Finance income	209	14	6.9	181	15	8.1
Cash flows						
Net cash flow from /(for) operating activities	2,901	(841)	n.a.	1,414	4,420	0
Net cash flow from /(for) investing activities	(986)	(20)	0.	(994)	(14)	0
Net cash flow from/(for) financing activities and shareholder transactions	(1,446)	(733)	0	(1,192)	(564)	0

Key management personnel

Executives with strategic responsibilities are defined as the Directors and the General Manager, the members of the Board of Statutory Auditors and of the Supervisory Board, the heads of the functions reporting directly to the CEO and the General Manager who have the power and responsibility for the planning, management and control of the Parent Company's activities, the Head of Internal Control and the Manager in charge of preparing Poste Italiane's corporate accounting documents. The related remuneration, gross of expenses and social security contributions, of such key management personnel as defined above is as follows:

Remuneration of key management personnel

Description (€m)	FY 2024	FY 2023
Remuneration to be paid in short/medium term	20	14
Post-employment benefits	1	1
Other benefits to be paid in longer term	1	(1)
Share-based payments	6	5
Total	**28**	**19**

Remuneration and expenses of Statutory Auditors

Description (€k)	Balance at 31.12.2024	Balance at 31.12.2023
Remuneration	1,711	1,439
Expenses	93	77
Total	**1,804**	**1,516**

The remuneration paid to members of the Parent Company's Supervisory Board for 2024 amounts to approximately €96 thousand. In determining the remuneration, the amounts paid to managers of Poste Italiane who are members of the Supervisory Board is not taken into account, as this remuneration is passed on to the employer.
No loans were granted to key management personnel during the period and, at 31 December 2024, Group companies do not report receivables in respect of loans granted to key management personnel.

Transactions with personnel pensions funds

The Parent Company and the subsidiaries that apply the National Collective Labour Agreement are members of the Fondoposte Pension Fund, the national supplementary pension fund for Poste Italiane personnel, established on 31 July 2002 as a non-profit entity. The Fund's officers and boards are the General Meeting of delegates, the Board of Directors, the Chairman and Deputy Chairman of the Board of Directors and Board of Statutory Auditors. Representation of members on the above boards is shared equally between the companies and the workers that are members of the Fund. The participation of members in the running of the Fund is guaranteed by the fact that they directly elect the delegates to send to the Shareholders' Meeting.

4.6 RISK MANAGEMENT

INTRODUCTION

The note "Risk management" presents information on the Poste Italiane Group's exposure to risks of various kinds and includes a discussion of financial risks (pursuant to IFRS 7 -*Financial Instruments*: *Disclosures*), risks of an insurance nature (pursuant to the new IFRS 17 -*Insurance Contracts*) as well as other risks for which it is deemed appropriate/necessary to provide information, also taking into account the recommendations published by ESMA and Consob[321] during the year.
In this section, qualitative information on the objectives, policies and processes adopted by the Group for risk measurement and management is provided in a separate section from the quantitative information required by the above-mentioned principles.

QUALITATIVE INFORMATION

Financial risk

Within the Parent Company, the management of lending and risk hedging operations relating to BancoPosta RFC and Poste Italiane are entrusted to BancoPosta Fondi SpA SGR, while finance activities, relating to treasury and medium/long-term funding operations, including on the capital market, as well as extraordinary and subsidised finance initiatives, are entrusted to the Administration, Finance and Control function.

Management of the Group's financial transactions and of the associated risk profiles relates mainly to the operations of Poste Italiane SpA and the Poste Vita insurance group.

- **Poste Italiane SpA's** financial transactions primarily relate to BancoPosta's operations, asset financing and liquidity investment.

  BancoPosta RFC's operations consist in the active management of liquidity generated by postal current account deposits, carried out in the name of BancoPosta but subject to statutory restrictions, and collections and payments on behalf of third parties. The funds raised by private customers on postal current accounts must be used in euro area government securities and, for a portion not exceeding 50% of the funds raised, in other securities backed by the Italian government guarantee[322], whilst deposits by Public Administration entities are deposited with the MEF. Moreover, within the 50% of deposits from private customers that can be invested in Italian government-guaranteed securities, BancoPosta RFC may use up to a maximum of 30% of that portion to purchase tax credits transferable pursuant to Law Decree no. 34/2020 (the so-called Decreto Rilancio) and subsequent amendments and additions, or other tax credits transferable pursuant to current legislation[323].

  The investment profile is based on the constant monitoring of habits of current account holders and the use of a statistical/econometric model that forecasts the interest rates and maturities typical of postal current accounts. Accordingly, the portfolio composition aims to replicate the financial structure of postal current accounts by private customers. Management of the relationship between the structure of deposits and investments is handled through an appropriate Asset & Liability Management system. The above-mentioned model is thus the general reference for the investments, in order to limit exposure to interest rate risk and liquidity risks. The prudential requirements introduced by the third revision of the Bank of Italy Circular 285/2013 require Bancoposta to apply the same regulations applicable

[321] Public statement ESMA32-193237008-8369 of 24 October 2024 "*European common enforcement priorities for 2024 annual financial reports*" and **Warning notice no. 2/24 of 20 December 2024.**
[322] As provided for by Law no. 296 of 27 December 2006 and subsequent amendments provided for by the 2015 Stability Law, no. 190 of 23 December 2014.
[323] As provided for in Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021.

to banks in terms of its controls, establishing that its operations are to be conducted in accordance with the Consolidated Law on Banking (TUB) and the Consolidated Law on Finance (TUF). BancoPosta RFC is, therefore, required to establish a system of internal controls in line with the provisions of Circular 285[324], which, among other things, requires definition of a Risk Appetite Framework (RAF[325]), the containment of risks within the limits set by the RAF, protection of the value of assets and against losses, and identification of material transactions to be subject to prior examination by the risk control function.

BancoPosta's capital structure, which is subject to the prudential provisions introduced with the 3rd update of Bank of Italy Circular 285/2013, is solid due to the CET1 ratio, which, at 31 December 2024, was 19.4% and the Total Capital Ratio, which, at 31 December 2024, was 22.7%. The Leverage Ratio amounted to 3.3%[326] at year-end, up slightly compared to 31 December 2023 as a result of the decrease in assets on the balance sheet, including adjustments for leverage purposes.

By contrast, operations not covered by BancoPosta RFC, primarily relating to management of the Parent Company's own liquidity, are carried out in accordance with investment guidelines, which require the Company to invest in instruments such as government securities, high-quality corporate or bank bonds, term bank deposits and tax credits. Liquidity is also deposited in postal current accounts, subject to the same requirements applied to the investment of deposits by private current account holders.

- Financial instruments held by insurance companies in the **Poste Vita Group,** primarily relate to investments designed to cover its contractual obligations to policyholders on traditional build-up life policies and unit-linked policies. For these types of products, therefore, the financial results recorded not only change the value of financial assets, but also have an impact on insurance liabilities. Other investments in financial instruments regard investment of the insurance companies' free capital.

  As regards life business, in particular for the subsidiary Poste Vita SpA, traditional Life policies, classified under Class I and V, primarily include products whose benefits are revalued based on the return generated through the management of pools of financial assets, which are separately identifiable in accounting terms only, within the company's assets (Separately managed accounts). In the case of policies sold in previous years, the Company has guaranteed a minimum return payable at maturity on such products (at 31 December 2024, this minimum return at maturity on existing policies ranged between 0% and 2%). Valuation gains and losses are retroceded to policyholders and recognised in the Statement of profit or loss and/or in a special reserve recognised in the Statement of Comprehensive Income, net of the over-hedging component. The recognition technique, referred to as mirroring, provides that the component to be reversed to policyholders is identified through the analysis of the income generated by the securities portfolio related to the Separately Managed Accounts (as more fully specified in Section *2.5 - Material information on accounting standards - Insurance contracts and Assets for outward reinsurance*).
  As anticipated, the economic effect of financial risks on investments impacts both the pure investment component, i.e. the financial assets backing the insurance liabilities, and the insurance liability itself, as there is a financial component in the valuation. These effects may be partly passed on to the policyholders. This absorption is generally based on the level and structure of guarantees of minimum returns and the profit-sharing mechanisms of Separately Managed Accounts for the policyholder. The Company determines the sustainability of minimum returns through periodic analyses using an internal financial-actuarial (Asset-Liability Management) model which simulates, for each Separately Managed Account, the change in value of the financial assets and the expected returns, as well as the

[324] See in particular the provisions laid down in Part I – Section IV – Chapter 3.
[325] The RAF consists of a framework that defines, in keeping with the maximum acceptable risk, the business model and strategic plan, the risk appetite, risk tolerance thresholds, risk limits, and risk management policies, together with the processes needed to define and implement them.
[326] The CET1 ratio and the Total Capital Ratio already take into account the proposed capital strengthening of €61 million by setting aside the profit of the financial year 2024, in application of the provisions of Article 26 of Regulation (EU) no. 575/2013.

relevant impacts on insurance liabilities, under a "central scenario" (based on current financial and commercial assumptions) and under stress and other scenarios based on different sets of assumptions. This model makes it possible to manage the risks assumed by Poste Vita SpA on a quantitative basis, thereby fostering reduced earnings volatility and optimal allocation of financial resources.

Unit-linked products, relating to Class III insurance products, regard policies where the premium is invested in mutual investment funds. The Company Poste Vita constantly monitors the evolution of the risk profile of individual products.

The investment policies of the insurance companies **Poste Assicura**, **Net Insurance** and **Net Insurance Life**, which are characterised by businesses that do not envisage a direct correlation between the products placed and financial investments, are aimed at preserving the Group's capital solidity, as outlined in the framework resolution approved by the Board of Directors of **Poste Vita** on 21 June 2024. Periodic analyses are carried out on the macroeconomic context, the market trends of the different asset classes and the related impact on the integrated asset-liability management, which is aimed at the optimal management to cover claims.

Within the above context, balanced financial management and monitoring of the main risk/return profiles are carried out and ensured by dedicated organisational structures that operate separately and independently. In addition, specific processes are in place governing the assumption and management of and control over financial risks, including the progressive introduction of appropriate information systems.

In this regard, on 12 December 2024, the Board of Directors of Poste Italiane SpA adopted a revised version of the Guidelines for Internal Control and Risk Management System (SCIGR), which contains integrated guidelines for Poste Italiane SpA's Internal Control and Risk Management System.

From an organisational viewpoint, the model consists of:

- the **Control and Risk Committee**, established in 2015 within the Board, which has the task of supporting, through an appropriate investigative, proposal-making and advisory activity, the evaluations and decisions of the Board of Directors on the internal control and risk management system and on the approval of the relative periodic financial and non-financial reports.
- the **Financial and Insurance Services Committee**, established on 19 March 2018, with the aim of overseeing the process of developing the products and services distributed by BancoPosta, in order to take a uniform, integrated view of the entire offering and to monitor the performance of the financial investments in which private customer deposits are invested.
- the **BancoPosta Risk Management function**, responsible for measuring and controlling risk and respect for the principle of ensuring the organisational separation of risk assessment from risk management activities;
- an **Investment Committee established at the Group's insurance company, Poste Vita SpA**, which, based on analyses by the relevant functions, provides advice to senior management on the development, implementation and oversight of investment strategy;
- appropriate functions established within the Parent Company and the subsidiaries providing financial and insurance services (BancoPosta Fondi SGR SpA and Poste Vita SpA) that perform **Risk Measurement and Control activities**, ensuring the organisational separation of risk assessment from risk management activities; the results of these activities are examined by the relevant advisory Committees, which are responsible for carrying out an integrated assessment of the main risk profiles;
- the **Investment Committee of the insurance companies Net Insurance and Net Insurance Life**, which is entrusted with investment-related tasks, as well as the verification and monitoring of the companies' compliance with investment policies, guidelines and recommendations;

- the **Internal Control Risk and Related Parties Committee of insurance companies Net Insurance and Net Insurance Life**, set up in order to strengthen the control and risk management system, assists the Board of Directors in evaluations and decisions relating to the internal control and risk management system.

In constructing the Risk Model used by BancoPosta RFC, account was also taken of the existing prudential supervisory standards for banks and the specific instructions for BancoPosta, published by the Bank of Italy on 27 May 2014 with the third revision of Circular 285 of 17 December 2013.

The financial risks to which the Poste Italiane Group as a whole is exposed are broken down into the types of risk indicated below. The sensitivity analyses performed on individual risks at the reporting date of this Annual Report, described at a theoretical level below, are common to all operating segments, unless otherwise indicated in the context of insurance operations.

- **Market risk**, defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk:
  - **Fair value interest rate risk:** the risk that the value of a financial instrument fluctuates as a result of movements in market interest rates. The analyses conducted on said type of risk refer mainly to the effects of changes in interest rates on the price of fixed rate financial instruments or variable rate financial instruments converted to fixed rate via cash flow hedges and, to a lesser degree, the effects of changes in interest rates on the fixed components of variable rate financial instruments or fixed rate financial instruments converted to variable rate via fair value hedges. The impact of these effects is directly related to the financial instrument's duration. The sensitivity analysis to the interest rate risk of the positions concerned was calculated as a result of a hypothetical parallel shift in the market rate curve of +/- 100 bps, providing a baseline reference that can be used to appreciate potential changes in fair value in the event of interest rate fluctuations.
  - **Price risk:** the risk that the value of a financial instrument fluctuates as a result of market price movements, deriving from factors specific to the individual instrument or the issuer, and factors that influence all instruments traded on the market. The analyses conducted refer to financial assets classified as measured at fair value through other comprehensive income ("FVTOCI") or measured at fair value through profit or loss ("FVTPL"), and certain derivative financial instruments where changes in value are recognised in profit or loss. The sensitivity analysis took into account positions potentially exposed to the highest fluctuations in value. Financial statement balances have been subjected to a stress test, based on actual volatility during the year, considered to be representative of potential market movements. In its insurance operations, the Group considered a sensitivity analysis represented by a parallel shift in the price curve of +/-25% to be more representative of its risk exposure, in line with the approach adopted in 2023.
  - **Foreign Exchange Risk** - the risk that the value of a financial instrument fluctuates as a result of changes in exchange rates for currencies other than the functional currency. Sensitivity analysis of the items subject to foreign exchange risk was based on the most significant positions, assuming a stress scenario determined by the levels of exchange rate volatility applicable to each foreign currency position. The test applies an exchange rate movement based on volatility during the year, which was considered to be representative of potential market movements.
- **Spread risk**: the risk relates to the potential fall in the value of bonds held, following a deterioration in the creditworthiness of issuers. This is due to the importance that the impact of the spread of returns on government securities had on the fair value of eurozone government and corporate securities, reflecting the market's perception of the credit rating of issuers. The value of the portfolio of bonds issued or guaranteed by the Italian government is much more sensitive to the credit risk associated with the Italian Republic than to changes in so-called risk-free interest rates. This is due to the fact that changes in credit spreads are not hedged and regard the entire securities portfolio, meaning both the fixed and variable rate components. In this latter case, in fact, fair value derivatives, used to convert variable rate instruments, hedge only the risk-free interest rate risk and not credit risk. This means that a

change in the credit spread has an equal impact on both fixed and variable instruments. In terms of potential impact on results, only a worsening scenario of the stress conditions, i.e. a parallel shift in the yield curve of Italian government bonds of +100 bps, was deemed more significant. For insurance operations, since the portfolio is also diversified over securities belonging to the corporate sector, stresses are applied and evaluated separately between the purely government and private issue portfolios.

- **Credit risk**: defined as the risk of default of one of the counterparties to which there is an exposure, with the exception of equities and units of mutual investment funds. For more detailed information on the inputs, assumptions and estimation techniques used to calculate Expected Credit Losses (ECL), please see Section "*2.6 - Use of estimates - Impairment and stage allocation for financial instruments"*.
- Liquidity risk **Liquidity risk:** defined as the risk that an entity may have difficulties in raising sufficient funds, at market conditions, to meet its obligations deriving from financial instruments. In order to minimise this risk, the Poste Italiane Group applies a financial policy based on diversification of the various forms of short-term and long-term borrowings and counterparties; availability of relevant lines of credit in terms of amounts and the number of banks; gradual and consistent distribution of the maturities of medium/long-term borrowings; and use of dedicated analytical models to monitor the maturities of assets and liabilities.
- **Cash flow interest rate risk** - this is defined as the uncertainty related to the generation of future cash flows, due to interest rate fluctuations. It may result from the misalignment - in terms of rate types, indexation methods and maturities - of financial assets and liabilities that tend to remain in place until their contractual and/or expected maturity (so-called *banking book*) that, as such, generate economic effects in terms of net interest income, reflecting on the income results of future periods. The following analysis refers to the uncertainty over future cash flows generated by variable rate instruments and variable rate instruments created through fair value hedges following fluctuations in market interest rates. Sensitivity to cash flow interest rate risk relating to these instruments is calculated by assuming a parallel shift in the yield curve of +/- 100 bps.
- **Cash flow inflation rate risk**: this is defined as the uncertainty related to future cash flows due to changes in the rate of inflation observed in the market.

Insurance risks

This type of risk emerges as a consequence of the placement, by insurance companies belonging to the Group, of products that fall under the definition of insurance contracts. These contracts have conditions, such as technical bases adopted, premium calculation, lapse conditions, etc., which bring out risks typical of the insurance business.

In order to combine strategic and business objectives with those of profitability and quality of the risks assumed, as well as mitigating the exposure to said typical risks, in the process of assuming risks, the Group has defined an underwriting policy which provides for the following:

- the development of products consistent with the needs and characteristics of the various customer segments;
- the assumption of risks for the management of which there are adequate supporting skills and resources;
- the assumption of risks consistent with the Risk Strategy and Risk Appetite;
- the elimination or non-renewal, where possible, of "accepted" risks that are not consistent with the Risk Appetite Framework and/or that imply situations where the limits established by the specific guidelines of the Group are exceeded;
- the underwriting of risks that ensure adequate mitigation techniques, in particular consistency between reinsurance treaties underwritten, product characteristics (e.g. guarantees covered, contract duration) and portfolio mix;
- the adequacy of procedures and control systems to ensure the completeness, relevance and accuracy of the accounting and statistical data used for risk pricing/analysis purposes;
- the evaluation, when designing a new product and/or a new commercial initiative, of the following aspects:

- adequate reinsurance structures;
- assumption limits;
- contractual clauses (possibility of splitting the premium, possibility of tacit renewal, withdrawal in the event of a claim, etc.);
- expenses (for the acquisition, management and administration of contracts including claims settlement expenses, etc.);
- changes (in terms of risk and concentration) to the portfolio mix that the issuance of the new product may entail;
- assessment of the impact of non-payment of premiums (e.g. impossibility of recovering expenses and commissions) with relative repercussions on solvency.

In the risk assuming phase, the Group must therefore undertake to guarantee the sufficiency of the premiums collected with respect to the future commitments made to policyholders and the costs of managing and acquiring contracts, developing the skills and professionalism of the parties involved in product definition, assumption of risks and, more generally, of all parties involved in the underwriting process.

The Group must also guarantee ever-increasing quality standards in the management of underwriting activities in order to avoid reputational losses and anti-selection phenomena.

The underwriting policy is aimed at strengthening the Group's market position, increasing its share in the various insurance lines in which it operates by developing a profitable risk portfolio.

As a result of the assumption of risks typical of the insurance business, types of exposures emerge that are significant for the Group and for which specific monitoring and containment activities need to be implemented. Specifically:

- **Lapse risk:** insurance contracts may theoretically contain implicit options such as lapse options, guaranteed minimum return options and/or annuity conversion options. These options give the policyholder the right or the ability to obtain profits or changes in the relationship that result in a risk being borne by the company, assuming a risk other than the insurance risk associated with taking out the contract. In the specific case of the Poste Italiane Group, for almost all the products in its portfolio, no penalties are envisaged in the event of lapse by the policyholder, so that this risk becomes significant in the event of mass lapses, which cannot be foreseen and are concentrated in specific, excessively short time periods that would not allow for easy management of potential redemptions in the portfolio. This would entail a significant monetary outlay for the companies belonging to the Group, which would find themselves in the situation of having to dispose of assets to cover their liabilities, with the possible realisation of potential capital losses in the event of unfavourable market situations, as well as to use their cash and cash equivalents to cover the contractually guaranteed minimum levels. It is stressed that, considering the historical trend observed to date, the probability of this hypothesis occurring is considered remote (lapse rate for 2024 of approximately 6.6%), and furthermore, any adverse event would be covered by specific reinsurance contracts to cover mass lapse phenomena. The aforementioned phenomenon has a greater impact on the portfolios associated with the Separately Managed Accounts, for which any impairment of securities would entail a loss in the current year and a carry-over effect on future returns, resulting in a significant reduction that could compromise the sound and prudent management of the company, as well as the dynamics of short- and medium-term funding. In the current context of economic uncertainty, an increase in the rate at which customers are exercising the policy lapse option can be observed in the Italian market. This phenomenon in the policy portfolio of the subsidiary Poste Vita remains well below the level observed in the market; however, the characteristics of Multi-class products placed in recent years, which envisage a gradual transfer of investments to the target unit-linked unit chosen by the customer, will lead to a gradual increase in the stock of reserves pertaining to Class III products, which have historically shown a higher lapse rate than traditional build-up products. In light of this consideration, the **lapse risk** was considered significant by the Group, so a sensitivity analysis was performed on this risk equal to the instantaneous +10% of the lapse rate of investment products. Considering the portfolio structure of the Group's companies, the decision was taken to apply only an incremental lapse stress scenario, i.e. only the worst-case scenario for the Poste Italiane Group;

- **Provisioning risk**: referring to the risk that technical provisions are not sufficient to meet obligations to policyholders and damaged parties. This insufficiency may be due to incorrect estimates by the Company and/or changes in the general environment. This risk was considered significant for the P&C business managed by the Group, and a sensitivity analysis was performed to measure exposure under scenarios involving a +/-2% change in the loss ratio[327].
- **Concentration risk**: represents the risk that the business is excessively concentrated only on certain types of risk, products, customers and geographical areas and is therefore not adequately diversified. The Group assesses its exposure to this risk differentially between life and P&C business, evaluating the concentration based on the types of products placed.

The expected evolution of the portfolio and the different degree of risk of the products distributed required the adoption of a careful reinsurance policy, aimed at mitigating the risks to which the Group is exposed.

The reinsurance strategy adopted by **Poste Assicura**, based mainly on a non-proportional approach, makes it possible to:

- Mitigate risks, stabilising the variability of insurance business results and ensuring the technical balance of the portfolio.
- Mitigate risks arising from peak exposures or catastrophic events.
- Support the development of underwriting activities.
- Strengthen the Company's financial soundness, in terms of capital allocation and optimisation.

In particular, reinsurance treaties were entered into with market operators of primary standing, with non-proportional cover in the form of "excess loss" (per risk and/or per event) separately for the various ministerial lines, to cover all Poste Assicura's risks (Retail and Employee Benefits) such as: risks included in the accident, health, fire and other property damage, third-party liability, and "catastrophic risks" such as earthquake or pandemic. For all risks relating to health guarantees (excluding those arising from the Credit Protection line), the reinsurance policy provides for an additional "quota share" treaty[328]. For some accident and credit protection risks, the risk-attaching proportional treaties[329], underwritten during the Company's start-up phase, remain in force.

Poste Assicura defines, on a case-by-case basis, the share of risk and the reinsurance structure deemed most appropriate in relation to the characteristics of the risk in question.

With reference to companies in the **Net Group**, the expected growth of the portfolio and the different degrees of risk associated with the products distributed has required the companies to adopt a highly prudent approach to reinsurance. The reinsurance strategy, based mainly on a proportional approach, but also on some non-proportional covers (especially for hail, suretyship and, to a lesser extent, other insurance lines), makes it possible to:

- mitigate unfavourable technical trends and risks arising from peak exposures;
- optimise reinsurance structures with a view to risk transfer and, if possible, also improve overall costs in economic and capital allocation terms;
- streamline reinsurance structures from a management point of view;

[327] Indicator of the cost-effectiveness of insurance technical management representing the ratio of claims incurred to premiums collected in the same financial year and administrative period.
[328] Quota share treaties are defined as agreements under which the insurer transfers insurance risk (through the transfer of premiums, claims and reserves) based on a contractually defined percentage share.
[329] Reinsurance on a risk attaching basis is defined as a contract under which all policies issued or renewed from the date of validity of the treaty are covered. The reinsurer assumes the risk of all claims related to policies issued in the period following the inception of the cover.

- mitigate risks, stabilising the variability of insurance business results;
- stabilise the Solvency Ratio.

The Group assesses the exposure of the insurance business under stress scenarios in order to verify the solvency of companies even under adverse market conditions, also in line with the Solvency II regulatory framework.

Other non-significant insurance risks

From a technical point of view, one of the main risk factors characterising life underwriting risk is **mortality risk,** i.e. any risk related to the randomness of the life span of policyholders. Particular attention is paid in selling pure life insurance policies, an area where procedures set underwriting limits to the capital and the age of the policyholder. In terms of "pure life" insured amounts the Group's insurance companies transfer their risks to reinsurers in keeping with the nature of the products sold and conservation levels adequate to the companies' capital structure.

For products with the capital sum subject to positive risk, such as term life insurance, this risk has negative consequences if the actual frequency of death exceeds the death probabilities realistically calculated (second order technical bases).

For products with the capital sum subject to negative risk, such as annuities, there are negative consequences when actual death frequencies are lower than the death probabilities realistically calculated (longevity risk).

That said, at 31 December 2024, mortality risk is considered to be of modest significance for the Group, considering the characteristics of the products offered, although this risk represents almost the entire life underwriting risk for Net Insurance Life SpA. The only area where this risk is somewhat significant is term life insurance. With reference to these products, a comparison is periodically made between actual deaths and those predicted by the demographic bases adopted for pricing. On the basis of the above, for risk management purposes, it was decided not to subject mortality risk to sensitivity analysis, but to continuous monitoring over time in order to identify any changes in its significance in the context of the Poste Italiane Group.

The **longevity risk** is also limited, being represented by a small share of insurance exposures to class IV (Long Term Care policies). In fact, for most Life insurance products the probability of annuity conversion is very close to zero, as historical experience shows that policyholders never use the annuity conversion option. Pension products, in particular, still account for a limited share of insurance liabilities. In addition, for these products, the Group may, if certain conditions materialise, change the demographic base and the composition by sex used to calculate the annuity rates.

Pricing risk is defined as the risk of incurring losses due to inappropriate pricing of the insurance products sold, for example: inappropriate choice of technical bases (demographic or financial), incorrect valuation of the options implicit in the products, and/or incorrect valuation of the parameters for calculating loadings for expenses. As the products placed by the Group mostly relate to insurance contracts issued by Poste Vita SpA, i.e. mixed and whole-life policies with mostly cash value build-up features, accumulating in accordance with a technical rate of zero, the technical basis adopted does not affect premium calculation (and/or the insured capital). There is nearly no pricing risk associated with the choice between technical bases in the Poste Italiane Group's portfolio, except for the term life insurance products discussed above.

Insurance risks in the P&C business include:

Underwriting risk: this is the risk arising from the commitments entered into by the underwriting of insurance contracts, taking into account all the risks covered and the procedures used in the conduct of business. This risk can be subdivided into provisioning risk, already mentioned in the previous section, and **pricing risk** arising from the underwriting of insurance contracts and associated with the events covered, the processes followed for underwriting and selecting risks, the processes followed for pricing, and the unfavourable trend in the actual loss ratio compared to the estimated one.

Early termination risk: this risk refers to the possibility of the policyholder's early termination of the contract resulting in a claim for reimbursement of the premium. This dynamic, unlike what is shown above for the lapse risk, does not depend directly on economic dynamics and the dynamic behaviour of policyholders, and is therefore less related to the current economic condition. The specific risk of early repayment is not assessed at the Poste Italiane Group level as a significant risk because:

- it depends solely on the willingness to pay off insurance policies on mortgages and loans early, and does not depend directly on market income dynamics;
- it is limited to a portfolio considered non-material, as this business is residual for the Group.

Finally, **catastrophe risk**, which represents the risk of loss resulting from extreme or exceptional events, including major epidemics covered by insurance, is considered by the Group as not significant.

Operational risk

Operational risk refers to the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. This category of risk includes losses resulting from fraud, human error, business disruption, systems failures, breach of contracts and natural disasters. Operational risk includes legal risk, but not strategic and reputational risks.

To protect against this form of risk, BancoPosta RFC has formalised a methodological and organisational framework to identify, measure and manage the operational risk related to its products/processes.

The framework, which is based on an integrated (qualitative and quantitative) measurement model, makes it possible to monitor and manage risk on an increasingly informed basis.

In 2024, activities continued to refine the operational risk management framework, with the aim of making the process of recording operational losses, monitoring and reporting more efficient and mitigating such risks by cross-functional working groups. Support has also been provided to the specialist units and the owner of the process of analysing and assessing IT risk, in keeping with the approach adopted in 2023 and the monitoring of IT risk remedial plans has been enhanced. In the area of cyber risks, adjustments were made to internal regulations in connection with Regulation (EU) 2022/2554 (Digital Operational Resilience Act, "DORA").

Other activities carried out in 2024 include the assessment of the risk profile associated with BancoPosta RFC asset assignment and outsourcing operations and the refinement of the model for ex-ante assessments of the risk profile associated with the innovation of the BancoPosta offering and/or specific project initiatives.

At 31 December 2024, the risk map prepared in accordance with the aforementioned framework shows the type of operational risks BancoPosta RFC's products are exposed to. In particular:

Event type	**Number of types**
Internal fraud	27
External fraud	44
Employee practices and workplace safety	8
Customers, products and business practices	38
Damage caused by external events	4
Business disruption and system failure	8
Execution, delivery and process management	105
Total at 31 December 2024	**234**

For each type of mapped risk, the related sources of risk (internal losses, external losses, scenario analysis and risk indicators) have been recorded and classified in order to construct complete inputs for the integrated measurement model.

Systematic measurement of the mapped risks has enabled the prioritization of mitigation initiatives and the attribution of responsibilities in order to contain any future impact.

The insurance companies belonging to the Group have also drawn up and finalised their own framework for identifying, assessing and managing operational risks. The adopted approach reflects the specific nature of the processes and operational risk events typical of an insurance company. The process of assessing operational risk exposure is carried out in keeping with the related solvency requirements, and involves both qualitative and quantitative analysis, conducted through a structured process for identifying internal losses and assessing potential risks in terms of frequency, impact and mitigation. The exposure to risks is, on the whole, in line with the previous year, and the main types of operating losses are related to customer litigation expenses.

Finally, also for the PostePay Services Sector, relating to the management of payments and e-money services, the Group has adopted internal procedures aimed at ensuring adequate levels of prevention and monitoring, in particular to address the main source of operational risk attributable to the fraudulent use of payment cards.

Energy business risks

In the energy business, the subsidiary PostePay is exposed to the following risks, which were appropriately mitigated at the balance sheet date:

- **Price risk** this is the risk generated by any difference in price levels between the selling and buying position, managed through physical purchases of commodities at a fixed price, for which the Company has availed itself of the own use exemption;
- **Volume risk**: generated by the difference between the actual consumption of the sales portfolio and the notional initially planned, managed and supplied. The risk is managed through careful forecasting of sales volumes and pricing of the risks themselves;
- **Counterparty risk**: defined as the risk arising from a supplier's failure to fulfil its contractual obligations to supply the physical commodity. This risk is managed through a process of assessing the creditworthiness of counterparties;
- **Credit risk** defined as the risk arising from a customer's failure to fulfil its payment obligations. This risk is managed through input credit check processes (ex-ante assessment of creditworthiness), credit management and recovery.

For the proper management of the above-mentioned risks, a special governance and monitoring structure has been established within the subsidiary PostePay. The management and operational process of applying the governance principles requires that each risk subject to assessment is monitored using Key Risk Indicators. Verification of the extent of these risks and the effectiveness of any mitigation actions taken is entrusted to a committee of a managerial and advisory nature, the **Control and Risk Operating Committee** dedicated to the energy business.

Reputational risk

The main element of reputational risk to which the Group is, by its nature, exposed is linked to market performance and primarily associated with the placement of postal savings products and investment products issued by third-party entities (bonds, certificates and real estate funds) or by Group companies (insurance policies issued by the subsidiary, Poste Vita SpA, and mutual funds managed by BancoPosta Fondi SpA SGR).

Climate change risks

The Poste Italiane Group is aware of its importance in terms of extensive coverage of the territory in which it operates and of the risks to which it is exposed. In an attempt to counter these risks, considering the potential economic impacts of climate change risks, the Group:

- aims to reduce its environmental impact and contribute to the *low-carbon* transition of the country's economy; and
- adopts a responsible approach in carrying out its activities.

For the proper handling of environmental issues, a specific internal board committee has been set up. The role of the **Sustainability Committee** is to assist the Board of Directors which approves the sustainability guidelines and strategies, by supporting it in evaluating and deciding on environmental, social and governance factors.
The Poste Italiane Group's approach to climate risk is reported extensively in the specific section of the Sustainability Reporting within the Report on Operations on the management of risks and opportunities related to climate change, to which reference should be made for a complete discussion, as well as in Note 2.7 - *Climate change and the macroeconomic environment* of these financial statements.

QUANTITATIVE INFORMATION OF THE POSTE ITALIANE GROUP

Quantitative information on exposure to risks of various kinds is provided separately by operating segment.

FINANCIAL ACTIVITIES

Fair value interest rate risk

Financial activities - Fair value interest rate risk

Description (€m)	31 December 2023		31 December 2024			
	Risk exposure		Risk exposure		Equity reserves before taxation	
	Nominal	Fair value	Nominal	Fair value	+100bps	-100bps
Financial assets						
Financial assets at FVTOCI	34,892	33,100	33,828	33,676	(1,201)	1,246
Derivative financial instruments	-	-	452	3	52	(64)
Financial liabilities						
Derivative financial instruments	-	-	150	(1)	18	(23)
Total	**34,892**	**33,100**	**34,430**	**33,678**	**(1,131)**	**1,159**

Financial assets at fair value through other comprehensive income that are relevant to the risk in question relate to fixed-income government securities held primarily by BancoPosta RFC, including: fixed rate securities with a nominal value of €13,376 million, variable rate securities swapped to fixed rate positions via interest rate swaps for cash flow hedges with a nominal value of €6,674 million, variable rate securities with a nominal value of €1,538 million (including €879 million in inflation-indexed securities) and fixed or variable rate securities (originally indexed to inflation) swapped to variable rate positions by means of fair value hedge derivatives with a nominal value of €12,240 million (including €2,697 million in forward starts).
Derivative financial instruments which are relevant to the risk in question relate to forward sales of government bonds with a nominal value of €602 million, classified as cash flow hedges, entered into by BancoPosta RFC.

At 31 December 2024, with reference to the interest rate risk exposure determined by the average financial duration of the portfolios[330], the duration of BancoPosta's overall investments went from 5.06 to 5.74.

[330] Duration is the indicator used to estimate the percentage change in price in response to a shift in market returns.

Price risk

Financial Activities - Price Risk

	31 December 2023	31 December 2024		
Description (€m)	**Risk exposure**	**Risk exposure**	**Profit/(Loss) before tax**	
			+ Vol 260 days	**- Vol 260 days**
Financial assets				
Financial assets at FVTPL	26	34	6	(6)
Derivative financial instruments	(3)	(8)	(5)	5
Total	**24**	**26**	**1**	**(1)**

Financial assets at fair value through profit or loss exposed to price risk relate to shares held by BancoPosta RFC, totalling €34 million consisting of Visa Incorporated preferred shares. For the purpose of the sensitivity analysis, the equities are matched with the corresponding amount of the Class A shares, considering the volatility of the shares listed on the NYSE.

In the area of **Derivative financial instruments**, price risk mainly relates to the forward sale contract for 95,000 of Visa Incorporated ordinary shares entered into by the Parent Company.

Foreign exchange risk

Financial Activities - Currency Risk

	31 December 2023		31 December 2024			
Description (€m)	**Position in USD**	**Position in Euro**	**Position in USD**	**Position in Euro**	**Profit/(Loss) before tax**	
	Notional	**Notional**	**Notional**	**Notional**	**+ Vol 260 days**	**- Vol 260 days**
Financial assets						
Financial assets at FVTPL	29	26	35	34	2	(2)
Derivative financial instruments	(3)	(3)	(9)	(8)	(2)	2
Total	**26**	**24**	**27**	**26**	**0**	**(0)**

At 31 December 2024, the **financial assets** exposed to the risk in question refer to an equity investment held by BancoPosta RFC in Visa (€34 million), as well as a derivative contract on Visa Incorporated ordinary shares entered into by the Parent Company.

Spread risk

The 2024 financial year was characterised by a reduction in yields on Italian government bonds (the 10-year BTP fell from 3.7% to 3.52%), which brought the BTP-Bund spread to 116 basis points compared to 168 last year. These movements led to an increase in the price of securities.

The result of the sensitivity analysis[331] to spread risk carried out at 31 December 2024 is shown below, limited to the financial assets subject to the risk in question in the context of financial activities:

Financial activities - Spread risk on fair value

Description (€m)	31 December 2023 Risk exposure		31 December 2024 Risk exposure		Equity reserves before taxation
	Nominal	Fair value	Nominal	Fair value	+100bps
Financial assets					
Financial assets at FVTOCI	34,892	33,100	33,828	33,676	(3,347)
Financial assets at FVTPL	-	-	-	-	-
Derivative financial instruments	-	-	452	3	56
Financial liabilities					
Derivative financial instruments	-	-	150	(1)	19
Total	**34,892**	**33,100**	**34,430**	**33,678**	**(3,272)**

The portfolio of *Financial assets at fair value through other comprehensive income* held almost entirely by BancoPosta RFC has undergone an overall net increase in fair value of approximately €845 million: this change was recognised in the profit or loss for €252 million for the part relating to the change in the fair value of securities hedged against interest rate risk, whilst the change in the fair value of unhedged securities and the spread risk component (not hedged) was reflected in equity for €593 million.

For the purposes of full disclosure, a movement in the spread would have no accounting effect on financial assets measured at amortised cost, but would only impact unrealised gains and losses. In other words, fixed income instruments measured at amortised cost attributable entirely to BancoPosta, which at 31 December 2024 amounted to €31,108 million (nominal value of €30,886 million) and have a fair value of €29,647 million, would be reduced in fair value by approximately €2.8 billion following an increase in the spread of 100 bps, with the change not reflected in the accounts.
Changes in the spread do not impact the capital requirements of BancoPosta RFC, as the fair value reserve is not part of Own Funds considered for supervisory purposes.

Credit risk

Information on credit risk exposure is presented in the following section only for financial assets other than trade and other receivables and assets subject to impairment provisions, for which information is provided in *Note A8 - Trade receivables* and *Note A9 - Other receivables and assets*.

Exposure to credit risk

The following table shows the credit risk exposure of **Financial assets** related to the financial sector for which the general impairment model is used for the application of the impairment provisions. The analysis shows the exposure by financial asset class by stages. The amounts refer to the gross carrying amount (amortised cost before ECL), unless otherwise indicated, and do not take into account guarantees or other credit enhancements.

[331] For sensitivity purposes, the swap rate curve and the BTP curve were used (10-year swap rate of 236 bps and the spread of the BTP compared to the 10-year swap rate of 116 bps).

Financial Activities - Credit Risk - Rating

Description (€m)	from AAA to AA-		from A+ to BBB-		from BB+ to C		Not rated	Hedge accounting effects	Total
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2			
2024									
Financial assets at amortised cost									
Gross carrying amount	9	-	44,920	-	-	-			44,929
Provision to cover expected losses	-	-	(17)	-	-	-			(17)
Total amortised cost at 31 December 2024	**9**	**-**	**44,903**	**-**	**-**	**-**	**403**	**(1,082)**	**44,232**
Financial assets at FVTOCI									
Gross carrying amount	-	-	34,531	-	-	-			34,531
Provision to cover expected losses - OCI	-	-	(14)	-	-	-			(14)
Fair value at 31 December 2024	**-**	**-**	**33,676**	**-**	**-**	**-**		**-**	**33,676**
2023									
Financial assets at amortised cost									
Gross carrying amount	-	-	44,289	-	-	-			44,289
Provision to cover expected losses	-	-	(23)	-	-	-			(23)
Total amortised cost at 31 December 2023	**-**	**-**	**44,266**	**-**	**-**	**-**	**351**	**(1,944)**	**42,673**
Financial assets at FVTOCI									
Gross carrying amount	-	-	35,544	-	-	-			**35,544**
Provision to cover expected losses - OCI	-	-	(19)	-	-	-			(19)
Fair value at 31 December 2023	**-**	**-**	**33,100**	**-**	**-**	**-**			**33,100**

The **Financial assets at amortised cost** that are relevant to the risk in question refer only to Bancoposta RFC and relate mainly to:

- fixed income instruments with a gross carrying amount of €32,203 million, down by a total of €13 million for the related impairment provision and approximately €1,082 million to reflect the effects of fair value hedges;
- financial receivables for MEF deposit for a gross carrying amount of €9,972 million, down by a total of €4 million of the related impairment provision.

Financial assets at fair value through other comprehensive income that are relevant to the risk under review refer exclusively to fixed income instruments held by entities belonging to the financial sector.

The following table shows the counterparty concentration of credit risk by financial asset class.

Financial Activities - Credit risk - Credit risk concentration

Description (€m)	31.12.2024		31.12.2023	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Financial assets at amortised cost	44,929	(17)	44,289	(23)
Sovereign	39,273	(16)	38,405	(21)
Corporate	5,044	(1)	4,937	(2)
Banking	612	-	946	-
Financial assets at FVTOCI	34,531	(14)	35,544	(19)
Sovereign	34,531	(14)	35,544	(19)
Corporate	-	-	-	-
Banking	-	-	-	-
Total	**79,460**	**(30)**	**79,833**	**(42)**

Collateral held and other credit enhancements

In order to mitigate credit risk, the Poste Italiane Group adopts credit and counterparty risk mitigation tools in its financial operations. In particular, with reference to BancoPosta RFC, counterparty risk is mitigated, with respect to hedging derivative contracts and repurchase agreements, by entering into master netting agreements and requesting collateral in cash or government securities; with respect to credit risk, there are also government guarantees on certain securities.

At 31 December 2024, the Group does not hold financial assets secured by guarantees or other risk mitigation instruments for which no loss provisions have been made (except for the temporary use of liquidity in repurchase agreements).

In the context of financial operations, the main types of credit risk mitigation instruments are detailed below.

Fixed income instruments
Debt instruments held by the financial segment secured by guarantees or other credit risk mitigation instruments are bonds issued by CDP SpA guaranteed by the Italian State and subscribed by BancoPosta RFC, amounting to a nominal value of €3,000 million at 31 December 2024. These are recognised as financial assets measured at amortised cost and, in determining the expected credit losses, account was taken of the PD of the Italian Republic.

Derivative financial instruments and repurchase agreements
In order to limit the counterparty risk exposure, BancoPosta RFC has concluded standard ISDA master agreements (with attached CSA), and GMRAs which govern the collateralisation of derivative transactions and repurchase agreements respectively.

In addition, in order to mitigate counterparty risk and gain easier access to the market, from December 2017, BancoPosta RFC has entered into repurchase agreements with the Central Counterparty, the Cassa di Compensazione e Garanzia. As of 2021, certain derivatives entered into by Bancoposta RFC through bilateral contracts will be routed to a Qualified Central Counterparty for centralised clearing through the services provided by a clearing broker.

The calculation of positions in derivatives and repurchase agreements and the related risk mitigation instruments are illustrated in "Note 4.12 *Additional information - Offsetting financial assets and liabilities*", to which reference should be made.

ECL measurement

The following tables show, for Financial assets belonging to the financial sector, the reconciliation between the opening and closing balances of the ECL provisions required by IFRS 9.

Financial activities - Credit risk - Details of the provision to cover expected losses on financial instruments

Description (€m)	Financial assets at amortised cost		Financial assets at FVOCI	
	Stage 1	Total	Stage 1	Total
Balance at 01 January 2024	**23**	**23**	**19**	**19**
		-		-
Impairment of securities / receivables held at the beginning of the period	-	-	-	-
Reversal of securities / receivables held at the beginning of the period	(5)	**(5)**	(4)	**(4)**
Impairment of securities / receivables purchased/paid in the period	1	**1**	2	**2**
Reversal for write-off	-	-	-	-
Reversal due to sale / collection	(1)	**(1)**	(3)	**(3)**
Balance at 31 December 2024	**17**	**17**	**14**	**14**

At 31 December 2024, the estimated expected losses on **Financial assets at amortised cost** amounted to approximately €17 million, the provision decreased by approximately €6 million compared to 31 December 2023; the provision mainly relates to expected losses calculated on Fixed income instruments.

The provision to cover expected losses on **Financial assets at fair value through other comprehensive income** amounted to roughly €14 million at 31 December 2024. This provision, which refers entirely to expected losses calculated on fixed income instruments in the portfolio, decreased by approximately €5 million compared to 31 December 2023.

Liquidity risk

The following tables compare financial liabilities and assets belonging to the financial sector and outstanding at 31 December 2024.

Liquidity risk - Liabilities

Description (€m)	31.12.2024				31.12.2023			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial liabilities	35,705	17,323	26,277	79,304	37,391	19,431	26,290	83,112
Trade payables	99	-	-	99	73	-	-	73
Other liabilities	211	1,728	-	1,939	234	1,756	0	1,990
Total Liabilities	**36,015**	**19,051**	**26,277**	**81,342**	**37,697**	**21,187**	**26,290**	**85,174**

In the presentation of financial liabilities, expected cash outflows are broken down by maturity and payables for postal current accounts are represented on the basis of the statistic/econometric model that forecasts the interest rates and maturities typical of postal current accounts. Repayments of principal at nominal value are increased by interest payments calculated, where applicable, on the basis of the yield curve applicable at 31 December 2024.

Liquidity risk - Assets

Description (€m)	31.12.2024 Within 12 months	31.12.2024 Between 1 and 5 years	31.12.2024 Over 5 years	31.12.2024 Total	31.12.2023 Within 12 months	31.12.2023 Between 1 and 5 years	31.12.2023 Over 5 years	31.12.2023 Total
Financial assets	18,586	18,799	76,634	114,019	19,866	19,155	76,154	115,175
Trade receivables	551	-	-	551	588	-	-	588
Other receivables and assets	795	1,723	0	2,518	603	1,752	0	2,356
Tax credits Law no. 77/2020	1,833	4,153	1,462	7,447	1,701	4,905	2,241	8,847
Cash and deposits attributable to BancoPosta	4,290	-	-	4,290	4,671	-	-	4,671
Cash and cash equivalents (*)	394	-	-	394	940	-	-	940
Total Assets	**26,449**	**24,674**	**78,096**	**129,219**	**28,368**	**25,812**	**78,396**	**132,576**

(*) shown before elimination of liquidity

In the case of assets, cash inflows are broken down by maturity, shown at nominal value and increased, where applicable, by interest receivable. Held-to-maturity and available-for-sale financial assets include financial instruments held by BancoPosta RFC and to a residual degree by the company BancoPosta Fondi SpA SGR, shown on the basis of expected cash flows, consisting of principal and interest paid at the various payment dates.

In terms of BancoPosta RFC's specific operations, the liquidity risk regards current account deposits and prepaid cards[332], the related investment of the deposits in Eurozone government securities and/or securities guaranteed by the Italian government, and the margins on derivative transactions, as well as tax credits acquired in relation to Decreto Rilancio no. 34/2020 (then converted with Law no. 77 of 17 July 2020). The potential risk derives from a mismatch between the maturities of investments in securities and those of liabilities, represented by current accounts where the funds are available on demand, thus compromising the ability to meet its obligations to current account holders. Any potential mismatch between assets and liabilities is monitored via comparison of the maturity schedule for assets with the statistical model of the performance of current account deposits, in accordance with the various likely maturity schedules and assuming the progressive total withdrawal of deposits over a period of twenty-three years for retail customers, six years for business customers, ten years for PostePay cards and six years for Public Administration customers.

Lastly, for the proper evaluation of the liquidity risk, it is appropriate to take into account that investments in "euro-government bonds", if unencumbered, may be assimilated with highly liquid assets; these securities can be used as collateral in interbank repurchase agreements to obtain short-term financing (normally carried out in BancoPosta).

For the purposes of effective risk management, there are also uncommitted revocable credit lines available for BancoPosta RFC's overnight operations, a three-year committed credit line granted by Cassa Depositi e Prestiti for repurchase agreement transactions up to a maximum of €3 billion, undrawn at 31 December 2024 and, finally, for intraday interbank transactions, BancoPosta RFC can access an intraday advance from the Bank of Italy and secured by securities with a nominal value of €2,900 million, undrawn at 31 December 2024.

Additional liquidity needs can be met by resorting to credit lines stipulated by the Parent Company, for details of which please refer to the section on liquidity risk of postal and business operations.

Based on the above information, the existing credit lines and the loans are adequate to meet financing requirements expected to date.

[332] Since 1 October 2018, prepaid cards are the responsibility of Postepay SpA. The liquidity raised through these cards is transferred to BancoPosta, which invests the funds raised in euro area government bonds or bonds guaranteed by the Italian State. As such, for the purposes of specific risk analyses, the rationales related to each model underlying the different types of deposits continue to apply.

Cash flow interest rate risk

Financial activities - Cash flow interest rate risk

Description (€m)	31 December 2023	31 December 2024		
	Risk exposure	Risk exposure	Profit/(Loss) before tax	
	Nominal	Nominal	+100 bps	-100 bps
Financial assets				
Financial assets at amortised cost	16,616	20,487	205	(205)
Financial assets at FVTOCI	8,905	11,105	111	(111)
Financial assets at FVTPL	-	-	-	-
Cash and deposits attributable to BancoPosta	762	133	1	(1)
Cash and cash equivalents	875	347	3	(3)
Financial liabilities				
Loans	(3,996)	(2,225)	(22)	22
Other financial liabilities	(2,831)	(1,538)	(15)	15
Total	**20,330**	**28,309**	**283**	**(283)**

With respect to **Financial assets**, cash flow interest rate risk primarily relates to:

- **Financial receivables at amortised cost** represented by:
  - guarantee deposits lent as collateral for liabilities for derivative financial instruments and repurchase agreements held by BancoPosta RFC and for the liquidity reserve deposited with CC&G for any intraday margining with a total nominal value of €1,187 million;
  - investment by the Parent Company of the funds deriving from the current account deposits of Public Administration entities in the following: deposits with the MEF, with a nominal value of €9,972 million;
- fixed-income government securities held by BancoPosta RFC, of which €9,327 million classified as **Financial assets at amortised cost** and €11,105 million classified as **Financial assets at fair value through other comprehensive income**. In particular, variable rate securities with a total nominal value of €650 million, fixed rate securities converted to variable rate positions by entering into fair value hedge derivative contracts with a total nominal value of €17,212 million (of which €2,351 million in securities whose fair value hedges begin to produce their effects in the 12 months following the period under review) and securities with a total nominal value of €2,570 million with an inflation-linked yield, subject to fair value hedges, bank deposits held by BancoPosta RFC, including €346 million for the deposit held with the MEF on the operating current account known as the "Buffer" account.

In the area of **Financial liabilities**, the risk in question relates to loans for repurchase agreements put in place by the Parent Company and guarantee deposits referable exclusively to the Parent Company.

Cash flow inflation risk

At 31 December 2024, cash flow inflation risk relates to inflation-linked government securities not subject to cash flow hedges or fair value hedges, held entirely by BancoPosta RFC for a nominal amount of €1,025 million (€1,301 million at 31 December 2023). The results of the sensitivity analyses performed on these securities do not show any significant effects on the pre-tax result.

INSURANCE ACTIVITIES

In relation to insurance liabilities, given the way in which they are determined, it is not practicable to identify which component of the unit of account is exposed to individual risks of a financial nature, also in relation to the concept of mutuality that governs the products issued by the Group (for the definition of "mutuality", see Section *2.5 - Material information on accounting standards - Insurance contracts and Assets for outward reinsurance*). For this reason, the Group's exposure to risks is represented by the totality of its insurance liabilities, which are therefore subjected to individual stresses, assessing their overall impacts.

Following the line-by-line consolidation of the Multi-Asset Funds (for further details, please refer to Section 2.8 - *Basis of consolidation*), the risk exposure of these investments is presented in line with how the Group manages these investments and how the information is provided internally to senior management, i.e., based on the fair value of the net risk exposure corresponding to the NAV of the Funds. Therefore, the information on the Funds' exposure to risks is provided, consistent with the previous year, considering the group of assets and liabilities as a whole.

Fair value interest rate risk

Insurance activities - Fair value interest rate risk

Description (€m)	**31 December 2023**		**31 December 2024**	
	Nominal	**Fair value**	**Nominal**	**Fair value**
Financial assets	**114,434**	**146,477**	**114,893**	**155,398**
Financial assets at FVTOCI	114,434	105,847	114,893	107,492
Financial assets at FVTPL		40,630		47,906
Insurance liabilities		**155,338**		**162,408**

In terms of **financial assets recognised at fair value through other comprehensive income**, the risk in question primarily relates to:

- fixed income government bonds held by Poste Vita SpA, totalling €87,679 million; of this amount, €84,382 million is used to cover Class I and V policies linked to separately managed accounts, €1,893 million relates to the company's free capital and €1,404 million to securities linked to Class I insurance investment products (specific assets);
- non-government debt securities held by Poste Vita SpA for a total fair value of €18,934 million, used mainly to meet obligations towards policyholders;
- the remainder relates to approximately €879 million in investments in fixed income instruments, both government and corporate exposures made by the other companies in the sector.

Financial assets at fair value through profit or loss, which are relevant to the risk in question, are primarily used to cover commitments to policyholders. They relate to a portion of the investments used in fixed income instruments totalling €5,181 million, of which €5,171 million related to Poste Vita, and to the position in *Other investments* totalling €47,061 million, consisting mainly of units in Class III funds and multi-asset funds linked to Separately Managed Accounts. Finally, the remaining €22 million is represented by the bond issued by Cassa Depositi e Prestiti as a private placement.

The **Insurance liabilities** relevant to the risk in question relate to commitments for insurance contracts placed by companies belonging to the sector, amounting to €162,408 million.

With respect to Class I and Class V policies sold by Poste Vita SpA, the duration of the matching assets went from 6.27 at 31 December 2023 to 6.39 at 31 December 2024, whilst the duration of the liabilities went from 7.45 to 7.29 (assessment of the duration was carried out using the new Coherent Duration method[333]. The financial instruments intended to cover the technical provisions for Class III policies have maturities that match those of the liabilities.

Below is the result of the sensitivity analysis performed at 31 December 2024 on the assets and liabilities exposed to the risk in question.

Insurance activities - Stress Effects of Fair value interest rate risk

Description (€m)	**Change in value**	
	+100bps	**-100bps**
Contractual service margin	(59)	(429)
Profit/(Loss) before tax	18	(43)
Equity reserves before taxation	(126)	142

The results of the sensitivities[334] in summary show that:

- as a result of the increase in the interest rate curve, a negative change in the Contractual Service Margin of €59 million would be generated due to an increase in the coverage unit; an increase in the pre-tax result of €18 million arising from the higher release of the Contractual Service Margin determined by the increase in the coverage unit, only partly offset by the financial result[335]; and finally, a negative change in Equity Reserves of €126 million generated by the decrease in the fair value of FVOCI securities not retroceded to policyholders.
- as a result of the decrease in the interest rate curve, a negative change of €429 million in the contractual service margin would be generated due to a reduction in commissions on assets under management; a negative impact of €43 million on pre-tax profit due to the lower release of the contractual service margin as a result of the reduction in the coverage unit, partially offset by the financial result; and finally a positive change of €142 million in Equity Reserves generated by the increase in the fair value of FVOCI securities not retroceded to policyholders.

[333] The Coherent Duration of assets and liabilities is defined as changes in the value of assets and liabilities, in proportion to the total amount of assets exposed to interest rate risk, following parallel shocks raising and lowering interest rates by 10 basis points.
[334] For sensitivity purposes, the swap component was stressed by the end-2023 risk-free curve as published by EIOPA.
[335] IFRS9 income from FVTPL securities not passed back to policyholders.

Price risk

Insurance activities - Price Risk

Description (€m)	Risk exposure	
	31 December 2023	31 December 2024
Financial assets	**40,785**	**45,830**
Financial assets at FVTPL	40,785	45,830
Insurance liabilities	**154,560**	**161,017**

Financial assets at fair value through profit or loss, exposed to the risk in question refer to:

- investments in units of mutual investment funds held by Poste Vita SpA, with a fair value of €45,289 million, including approximately €24,163 million used to cover Class I policies, approximately €16,973 million used to cover Class III policies and €4,153 million relating to the free capital;
- equity instruments held by Poste Vita SpA, totalling €541 million, used to cover Class I policies linked to separately managed accounts and to cover Class III policies.

Insurance liabilities exposed to the risk in question refer exclusively to insurance contracts placed by Poste Vita SpA for a total amount of €161,017 million.

Below is the result of the sensitivity analysis performed at 31 December 2024 on the instruments exposed to the risk in question:

Insurance activities - Stress effects of Price Risk

Description (€m)	Change in value	
	+25%	-25%
Contractual service margin	235	(265)
Profit/(Loss) before tax	33	(35)
Equity reserves before taxation	-	-

The results of the sensitivities show that:

- in the scenario characterised by the increase in the value of market prices, the sensitivity results show an increase in the contractual service margin of about €235 million as a result of the increase in income generated by assets, only partially offset by the higher value of liabilities, as well as an increase in pre-tax result of about €33 million as a result of the combined effect of the higher release of the contractual service margin (due to the increase in stock) and the increase in the fair value of FVOCI securities for the portion not retroceded to policyholders;
- the opposite scenario, i.e. characterised by a decrease in the value of market prices, would entail a decrease in the contractual service margin of approximately €265 million as a result of the simultaneous decrease in income generated by assets, only partially offset by the reduction in value observed on liabilities, and a decrease in pre-tax result of approximately €35 million as a result of the combined effect of the lower release of the contractual service margin (due to the reduction in stock) and the decrease in the fair value of FVOCI securities for the portion not retroceded to policyholders.

Foreign exchange risk

Insurance activities - Currency Risk

Description (€m)	31 December 2023 Position in USD	31 December 2023 Position in Euro	31 December 2024 Position in USD	31 December 2024 Position in Euro	Profit/(Loss) before tax + Vol 260 days	Profit/(Loss) before tax - Vol 260 days
Financial assets						
Financial assets at FVTPL	106	95	121	116	7	(7)
Total	**106**	**95**	**121**	**116**	**7**	**(7)**

In the area of insurance operations, the **Financial assets** exposed to the risk in question refer exclusively to units in US dollar mutual funds held by Poste Vita SpA.

Spread risk

Since the portfolio is diversified between government and corporate securities, the spread risk analysis for insurance operations was performed separately between securities related to government issuers and securities related to private issues.

Insurance activities - Government spread risk on fair value

Description (€m)	Risk exposure 31 December 2023 Nominal	Risk exposure 31 December 2023 Fair value	Risk exposure 31 December 2024 Nominal	Risk exposure 31 December 2024 Fair value
Financial assets	**94,007**	**99,021**	**95,105**	**106,349**
Financial assets at FVTOCI	94,007	86,663	95,105	88,346
Financial assets at FVTPL		12,358		18,003
Insurance liabilities		**155,338**		**162,408**

In the period under review, the portfolio of *Financial assets at fair value through other comprehensive income* exposed to this risk, referring exclusively to fixed-income government bonds, amounted to €88,346 million.

Financial assets at fair value through profit or loss exposed to the risk in question, amounting to a fair value of about €18,003 million, mainly refer to units of mutual funds held by Poste Vita SpA.

Insurance liabilities exposed to risk amount to approximately €162,408 million.

Insurance activities - Government spread risk on fair value

Description (€m)	Change in value +100bps
Contractual service margin	(126)
Profit/(Loss) before tax	7
Equity reserves before taxation	(86)

The results of the sensitivities[336] show a negative change in the contractual service margin of approximately €126 million due to capital losses impacting the returns of the underlying assets related to the portfolios of the Separately Managed Accounts; a positive pre-tax result effect of €7 million, mainly attributable to the higher release of the contractual service margin determined by the increase in the coverage unit, partially offset by the reduction in the pre-release value of the contractual service margin; and, lastly, a negative change in Equity Reserves of €86 million, generated by the reduction in the fair value of FVOCI instruments not retroceded to policyholders, which represent the majority of stressed securities.

Insurance activities - Corporate spread risk on fair value

Description (€m)	Risk exposure			
	31 December 2023		31 December 2024	
	Nominal	Fair value	Nominal	Fair value
Financial assets	**20,427**	**59,800**	**19,788**	**67,226**
Financial assets at FVTOCI	20,427	19,184	19,788	19,146
Financial assets at FVTPL		40,616		48,080
Insurance liabilities		**155,338**		**162,408**

The portfolio of *financial assets at fair value through other comprehensive income* exposed to this risk amounted to approximately €19,146 million, exclusively related to corporate bond exposures.

Financial assets at fair value through profit or loss exposed to risk amounted to about €48,080 million, of which €43,393 million related to mutual funds held by Poste Vita SpA, €4,665 million to exposures in debt securities issued by corporate counterparties, and €22 million to bonds issued by Cassa Depositi e Prestiti.

[336] For the purposes of sensitivity on government bonds, the risk-free curve of end-2024 as published by EIOPA was used, with the Illiquidity Premium calibrated to the outstanding government portfolio and including the 100bps stress on the Italian spread.

Insurance liabilities exposed to risk amount to approximately €162,408 million.

Insurance activities - Corporate spread risk on fair value

Description (€m)	Change in value +100bps
Contractual service margin	(13)
Profit/(Loss) before tax	(6)
Equity reserves before taxation	(13)

The results of the sensitivities[337] lead to a negative change in the contractual service margin of about €13 million, due to capital losses impacting the returns of the underlying assets; a reduction in the pre-tax result of €6 million and, finally, a negative change of €13 million in Equity Reserves, generated by the reduction in the fair value of FVOCI securities that was not retroceded to policyholders.

Credit risk

Information on credit risk exposure is presented in the following section only for financial assets other than trade and other receivables and assets subject to impairment provisions, for which information is provided in *Note A8 - Trade receivables* and *Note A9 - Other receivables and assets*.

Exposure to credit risk

The following table presents an analysis of the risk exposure at 31 December 2024 of **Financial assets** belonging to the insurance segment for which the general deterioration model is used. The analysis shows the exposure by financial asset class by stages. The amounts refer to the gross carrying amount (amortised cost before ECL), unless otherwise indicated, and do not take into account guarantees or other credit enhancements.

[337] For the purposes of sensitivity on corporate bonds, the risk-free curve of end-2024 as published by EIOPA was used, with the Illiquidity Premium calibrated to the outstanding corporate portfolio and including the 100 bps stress on the corporate spread.

Insurance Activities - Credit Risk - Rating

Description (€m)	from AAA to AA-		from A+ to BBB-		from BB+ to C			Not rated	Hedge accounting effects	Total
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2	Stage 3			
2024										
Financial assets at amortised cost										
Gross carrying amount	201	-	2,021	-	2	0	-			2,224
Provision to cover expected losses	(0)	-	(1)	-	(0)	(0)	-			(1)
Total amortised cost at 31 December 2024	**201**	**-**	**2,020**	**-**	**2**	**0**	**-**	**1**	**-**	**2,224**
Financial assets at FVTOCI										
Gross carrying amount	14,589	-	95,140	68	2,391	91	-			112,279
Provision to cover expected losses - OCI	(1)	-	(32)	(1)	(5)	(1)	-			(39)
Fair value at 31 December 2024	**14,019**	**-**	**90,982**	**64**	**2,337**	**88**	**-**		**-**	**107,491**
2023										
Financial assets at amortised cost										
Gross carrying amount	133	-	1,988	-	2	0	-			2,124
Provision to cover expected losses	(0)	-	(1)	-	(0)	(0)	-			(1)
Total amortised cost at 31 December 2023	**133**	**-**	**1,987**	**-**	**2**	**0**	**-**			**2,123**
Financial assets at FVTOCI										
Gross carrying amount	13,486	-	95,735	46	20	2,640	124			112,051
Provision to cover expected losses - OCI	(1)	-	(44)	(0)	(0)	(8)	(2)			(55)
Fair value at 31 December 2023	**13,103**	**-**	**90,072**	**44**	**20**	**2,493**	**114**	**-**	**-**	**105,847**

Financial assets at amortised cost, which are recognised at risk, refer exclusively to fixed income instruments in the free assets held by companies belonging to the insurance sector with a gross carrying amount of €2,161 million, decreased by a total of €1 million to account for the related impairment provision.

Financial assets at fair value through other comprehensive income that are relevant to the risk under comment relate exclusively to fixed income instruments with a gross carrying amount of €112,279 million.

The following table shows the counterparty concentration of credit risk by financial asset class. Amounts refer to the gross carrying amount. Of the provision to cover expected losses on financial instruments at fair value in other comprehensive income, an amount of approximately €38 million was retroceded to policyholders.

Insurance activities - Credit risk - Credit risk concentration

Description (€m)	31.12.2024		31.12.2023	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Financial assets at amortised cost	2,224	(1)	2,124	(1)
Sovereign	2,091	(1)	2,050	(1)
Corporate	124	(0)	64	(0)
Banking	10	(0)	9	(0)
Financial assets at FVTOCI	112,279	(39)	112,051	(55)
Sovereign	88,828	(27)	88,892	(38)
Corporate	16,880	(10)	16,270	(14)
Banking	6,571	(2)	6,889	(3)
Total	**114,503**	**(40)**	**114,175**	**(56)**

ECL measurement

The following tables show, for each accounting category, the reconciliation between the opening and closing balances of the provisions required by IFRS 9 to cover expected losses related exclusively to the free capital of companies in the sector.

At the end of the reporting period, the estimated expected losses on financial instruments at FVOCI amounted to approximately €39 million, of which €38 million was passed on to policyholders. This provision decreased by approximately €16 million compared to 31 December 2023, mainly as a result of sales in the period. The net exposure following the reversal to policyholders is €1 million.

Lastly, with regard to financial instruments at amortised cost, at 31 December 2024 the estimated expected losses amounted to approximately €1 million and did not change significantly compared to 31 December 2023.

Insurance activities - Credit risk - Details of the provision to cover expected losses on financial instruments

Description (€m)	Financial assets at amortised cost		Financial assets at FVOCI	
	Stage 1	Total	Stage 1	Total
Balance at 01 January 2024	1	**1**	1	**1**
		-		**-**
Impairment of securities / receivables held at the beginning of the period		**-**	0	**0**
Reversal of securities / receivables held at the beginning of the period	(0)	**(0)**	(0)	**(0)**
Impairment of securities / receivables purchased/paid in the period	-	**-**	0	**0**
Reversal for write-off	-	**-**	(0)	**(0)**
Reversal due to sale / collection	(0)	**(0)**	-	**-**
Balance at 31 December 2024	**1**	**1**	**1**	**1**

Collateral held and other credit enhancements

In order to mitigate the exposure to credit risk, the Poste Vita Group invests in, among other things, corporate bonds that are guaranteed in order to mitigate the overall exposure to credit risk.

At 31 December 2024, the insurance Group does not hold financial instruments secured by guarantees or other credit risk mitigation instruments for which a loss coverage provision has been recognised.

Within the insurance business, the main types of financial instruments backed by guarantees or other credit risk mitigation instruments are bonds held by the Poste Vita Group, with a nominal amount of €6,919 million at 31 December 2024. In these cases, the guarantee covers 100% of the nominal value of the securities. The guarantees securing these financial instruments are as follows:

- corporate bonds backed by personal guarantees provided the parent company or another associate, amounting to a nominal value of €5,824 million;
- covered bonds backed by property mortgages, primarily property mortgages, amounting to a nominal value of €318 million;
- bonds guaranteed by sovereign states, amounting to a nominal value of €775 million.

In the case of instruments backed by personal guarantees provided by a sovereign state or one or more companies, expected losses are calculated on the basis of the credit rating of the guarantor. With regard to covered securities, the determination of the provision to cover expected losses was made taking into account not only the rating of the issuing institution, but also the type of underlying security.

Exposure to credit risk - insurance components

The following table presents an analysis of the risk exposure in question at 31 December 2024, by counterparty rating class, generated as a result of the placement of outstanding insurance and reinsurance contracts.

Insurance activities - Credit Risk - Rating (€m)

Description	from AAA to AA-	from A+ to BBB-	from BB+ to C	Not rated	Total
2024					
Assets for outward reinsurance					**324**
Net receivables from reinsurers	10	-	-	-	**10**
Insurance liabilities					**162,408**
Due from policyholders	-	-	-	128	**128**
2023					
Assets for outward reinsurance					**233**
Net receivables from reinsurers	-	-	-	-	**-**
Insurance liabilities					**155,338**
Due from policyholders	-	-	-	170	**170**

Assets for outward reinsurance that are relevant to the risk in question refer to the component of the item relating to the net exposure to reinsurers, which is included in the valuation. These receivables are not subject to impairment as the credit or debit balance is used to offset the payment or collection of reinsurance items. The reinsurance structure has very tight deadlines, annual at most, so the possibility of balances remaining unpaid for a period longer than 12 months is remote. Moreover, since these receivables are related to contracts falling under IFRS 17, they are not to be impaired as required by IFRS 9. At 31 December 2024, the balance of these net receivables was €10 million.

The **insurance liabilities** that are taken into account in the valuation of this risk refer to the component relating to receivables from policyholders. Receivables from policyholders relate to contracts issued at the reporting date for which the customer has not yet paid the premium. As with net receivables from reinsurers, this type of receivable also arises as a result of insurance contracts, and therefore does not have to be subject to impairment testing as required by IFRS 9. In any case, the Group performs recoverability analyses of the receivable in question, and in fact a full write-down of the receivable is made if it is more than six months old.

Liquidity risk

The following tables compare the financial liabilities and assets belonging to the insurance segment and outstanding at 31 December 2024.

Insurance activities - Liquidity Risk – Liabilities

Description (€m)	Within 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years	Total
2024							
Flows from Poste Vita group's policies	7,759	5,977	4,696	7,065	5,055	174,420	**204,972**
Financial liabilities	56	0	1	0	0	11	**68**
Trade payables	105	-	-	-	-	-	**105**
Other liabilities	604	4	-	1	-	94	**704**
Total at 31 December 2024	**8,524**	**5,982**	**4,696**	**7,066**	**5,055**	**174,525**	**205,848**
2023							
Flows from Poste Vita group's policies	10,574	9,053	8,543	8,523	9,930	175,196	**221,818**
Financial liabilities	59	0	0	-	-	-	**59**
Trade payables	41	-	-	-	-	-	**41**
Other liabilities	702	3	-	-	-	74	**778**
Total at 31 December 2023	**11,375**	**9,056**	**8,543**	**8,523**	**9,930**	**175,270**	**222,697**

Projected cash outflows are broken down by maturity in the presentation of financial liabilities. Repayments of principal at nominal value are increased by interest payments calculated, where applicable, on the basis of the yield curve applicable at 31 December 2024. The commitments of the Group insurance companies are represented in the item *"Portfolio flow from Poste Vita group's policies"*.

Insurance activities - Liquidity Risk - Assets

Description (€m)	Within 12 months	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	Over 5 years	Total
2024							
Financial assets	21,633	12,774	14,743	13,445	10,769	182,866	**256,230**
Trade receivables	0	-	-	-	-	-	**0**
Other receivables and assets	175	-	-	-	-	2,187	**2,361**
Cash and cash equivalents (*)	4,631	-	-	-	-	-	**4,631**
Total at 31 December 2024	**26,439**	**12,774**	**14,743**	**13,445**	**10,769**	**185,052**	**263,223**
2023							
Financial assets	19,132	13,159	11,588	13,843	12,861	173,474	**244,057**
Trade receivables	2	-	-	-	-	-	**2**
Other receivables and assets	134	-	-	-	-	2,280	**2,414**
Cash and cash equivalents (*)	3,561						**3,561**
Total at 31 December 2023	**22,830**	**13,159**	**11,588**	**13,843**	**12,861**	**175,754**	**250,035**

*Exposed to their liquidity elimination

In the case of assets, cash inflows are broken down by maturity, shown at nominal value and increased, where applicable, by main interest receivable. Held-to-maturity and available-for-sale financial assets include financial instruments held by the Group's insurance companies, shown on the basis of expected cash flows, consisting of principal and interest paid at the various payment dates.

The liquidity risk stemming from Class I and V policies issued by Poste Vita SpA is mainly of relevance in the analysis in question. For said reason, for the purposes of the analysis of the liquidity risk profile, for the policies sold by Poste Vita SpA, the company performs Asset/liability management (ALM) analysis to manage assets effectively in relation to its obligations to policyholders, and also develops projections of the effects deriving from financial market shocks (asset dynamics) and of the behaviour of policyholders (liability dynamics).

At 31 December 2024, there were uncommitted credit lines for unsecured loans of about €5 million, of which about €2 million were drawn down.

Additional liquidity needs can be met by resorting to credit lines stipulated by the Parent Company, for details of which please refer to the section on liquidity risk of postal and business operations.

Based on the above information, the existing credit lines and the loans are adequate to meet financing requirements expected to date.

For the purposes of liquidity risk disclosure, the table of amounts payable on request and the balance sheet value of insurance contracts issued and outward reinsurance that constitute liabilities with lapse clauses is also shown:

Amounts payable on request

Description (€m)	31 December 2024	
	Amounts payable on request	Carrying amount
Insurance contracts issued with direct participation features	161,424	159,059
Investment contracts issued with discretionary participation features	-	-
Investment contracts issued without discretionary participation features	162	164
Outward reinsurance	-	-

Cash flow interest rate risk

Insurance activities - Cash flow interest rate risk

Description (€m)	31 December 2023	31 December 2024		
	Risk exposure	Risk exposure	Profit/(Loss) before tax	
	Nominal	Nominal	+100 bps	-100 bps
Financial assets				
Financial assets at FVTOCI	3,332	2,197	2	(2)
Financial assets at FVTPL	112	91	1	(1)
Cash and deposits attributable to BancoPosta		-	-	-
Cash and cash equivalents	2,852	3,757	14	(14)
Total	**6,296**	**6,045**	**16**	**(16)**

Within **Financial assets**, Cash flow interest rate risk mainly relates to fixed income instruments at fair value in other comprehensive income and variable rate bank deposits held by companies within the insurance segment:

- a portion of the investment portfolio held by Poste Vita SpA, with a total nominal value of €2,136 million;
- a portion of the investment portfolio held by Poste Assicura SpA, with a total nominal value of €51 million;

With regard to insurance liabilities, the risk exposure is not deemed to be significant.

Cash flow inflation risk

Cash flow inflation risk

Description (€m)	31 December 2023		31 December 2024			
	Risk exposure		Risk exposure		Profit/(Loss) before tax	
	Nominal	Carrying amount	Nominal	Carrying amount	+100bps	-100bps
Financial assets						
Financial assets at amortised cost	72	91	72	93	0	(0)
Financial assets at FVTOCI	6,676	7,893	5,364	6,715	1	(1)
Total	**6,748**	**7,984**	**5,436**	**6,808**	**1**	**(1)**

At 31 December 2024, the cash flow inflation rate risk relates to inflation-indexed government bonds. Of the total nominal value, securities totalling €5,390 million are held by Poste Vita SpA and securities totalling €40 million by Poste Assicura SpA.

With regard to insurance liabilities, the risk exposure is not deemed to be significant.

Lapse risk

For the purpose of the sensitivity analysis at 31 December 2024 on the lapse risk, insurance liabilities exposed to value fluctuations were taken into account and subjected to a stress of a 10% increase in the lapse rate. The exposures to this risk are shown below:

Insurance activities - Lapse risk

Description (€m)	31 December 2023	31 December 2024			
	Risk exposure	Risk exposure	Contractual service margin	Profit/(Loss) before tax	Equity reserves before taxation
	Fair value	Fair value	+10%	+10%	+10%
Insurance liabilities	**154,560**	**161,017**	(374)	(4)	-

The sensitivity analysis shows that a possible 10% increase in the lapse rate would generate a negative change in the Contractual Service Margin of €374 million, mainly attributable to the reduction in the duration of liabilities due to higher outflows, and a negative change in the pre-tax result of €4 million, mainly attributable to the lower release of the CSM resulting from the reduction in stock.

With regard to the effects net of reinsurance mitigation, these are substantially in line with what is presented in the table since the existing cover is not activated in the event of a 10% increase in the lapse rate.

With regard to the investment in Cronos Vita, which is recognised in the statement of financial position at its acquisition value, as defined by *IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations*, please refer to paragraph A14 - Non-current assets and disposal groups held for sale.

Provisioning risk

For the purpose of the sensitivity analysis at 31 December 2024 of the provisioning risk, insurance liabilities exposed to value fluctuations were taken into account and subjected to a variability stress, calculated with reference to possible changes in the loss ratio of an increase/decrease of 2%. Below are the exposures and this risk both gross and net of the mitigation effect related to reinsurance:

Insurance activities - Gross reinsurance provisioning risk

Description (€m)	31 December 2023	31 December 2024						
	Risk exposure	Risk exposure	Contractual service margin		Profit/(Loss) before tax		Equity reserves before taxation	
	Fair value	Fair value	+2%	-2%	+2%	-2%	+2%	-2%
Insurance liabilities	**499**	**587**	(1)	2	(2)	3	1	(0)

Insurance activities - Net reinsurance provisioning risk

Description (€m)	31 December 2023	31 December 2024						
	Risk exposure	Risk exposure	Contractual service margin		Profit/(Loss) before tax		Equity reserves before taxation	
	Fair value	Fair value	+2%	-2%	+2%	-2%	+2%	-2%
Insurance liabilities	**409**	**450**	(0)	1	(2)	3	1	(0)

Concentration risk

As regards Life business, the products currently placed have fairly standardised characteristics and relatively low minimum guarantees for the majority of the portfolio that are not consolidated year by year. The geographical distribution of these products is homogeneous throughout the country as a result of the widespread distribution network. The Group's product portfolio is still particularly concentrated in traditional build-up products. On the basis of these considerations, the risk of Life business concentration is medium.

Below is a representation of the concentration of Life business at 31 December 2024 by product type, where it can be seen that the highest concentration of risks relates to build-up products (separately managed accounts).

Insurance activities - Concentration Risk - Life

Product type	31 December 2024
Products linked to Separately Managed Accounts	89%
Protection products	0%
Index/unit-linked products	10%

With regard to P&C business, the products currently placed by the Group have fairly standardised characteristics. The geographical distribution of these products is homogeneous throughout the country as a result of the widespread distribution network. The product portfolio is mainly concentrated on health products (Medical Expenses and Income Protection Line of business). On the basis of these considerations, the risk of P&C business concentration is medium.

Below is a breakdown of gross funding at 31 December 2024 by product type, from which it can be seen that the highest concentration of risks relates to products belonging to the "modular" line and the "Welfare" segment, the latter referring to collective policies taken out with corporate customers (Employee Benefits).

Insurance activities - Concentration Risk - P&C

Product type	31 December 2024
Property & Personal Protection Line & Modular	34%
Third-party networks	10%
Payment protection line	9%
Salary-backed loans	6%
Life/P&C integration	4%
Welfare and other management	38%

Claims development

Below is information on the development of undiscounted claims, both in terms of cumulative amount paid at the date and in terms of ultimate cost values[338], gross and net of reinsurance.

[338] Ultimate cost value means the estimate of the final settlement that the insurer expects to pay for a single claim or for an entire generation of claims. This amount includes all values to be paid to the insured and/or injured party, including settlement costs.

The table below shows the development of cumulative paid claims and ultimate cost by year of generation.

Insurance activities - Claims development before reinsurance

Claims/Times	Accumulated paid claims and other directly attributable costs paid (A)										
	Year T-9	Year T-8	Year T-7	Year T-6	Year T-5	Year T-4	Year T-3	Year T-2	Year T-1	Year T	Total
1. At the end of the year of occurrence	(28)	(20)	(16)	(19)	(13)	(13)	(101)	(122)	(174)	(216)	
2. One year later	(52)	(38)	(28)	(30)	(23)	(113)	(175)	(215)	(282)		
3. Two years later	(57)	(42)	(30)	(32)	(113)	(121)	(189)	(235)			
4. Three years later	(58)	(42)	(31)	(72)	(115)	(123)	(195)				
5. Four years later	(57)	(42)	(59)	(71)	(116)	(125)					
6. Five years later	(56)	(64)	(59)	(72)	(117)						
7. Six years later	(77)	(63)	(58)	(73)							
8. Seven years later	(76)	(63)	(59)								
9. Eight years later	(75)	(63)									
10. Nine years later	(76)										
Total	**(76)**	**(63)**	**(59)**	**(73)**	**(117)**	**(125)**	**(195)**	**(235)**	**(282)**	**(216)**	**(1,440)**

Claims/Times	Estimated ultimate cumulative claims cost (amount before reinsurance and undiscounted) (B)										
	Year T-9	Year T-8	Year T-7	Year T-6	Year T-5	Year T-4	Year T-3	Year T-2	Year T-1	Year T	Total
1. At the end of the year of occurrence	(58)	(31)	(20)	(21)	(13)	(13)	(201)	(256)	(346)	(426)	
2. One year later	(83)	(52)	(32)	(32)	(23)	(143)	(217)	(271)	(349)		
3. Two years later	(89)	(54)	(34)	(34)	(129)	(137)	(211)	(267)			
4. Three years later	(75)	(52)	(33)	(79)	(124)	(133)	(206)				
5. Four years later	(73)	(47)	(65)	(75)	(121)	(132)					
6. Five years later	(71)	(69)	(61)	(74)	(121)						
7. Six years later	(96)	(66)	(60)	(74)							
8. Seven years later	(93)	(66)	(59)								
9. Eight years later	(95)	(63)									
10. Nine years later	(69)										
Total	**(69)**	**(63)**	**(59)**	**(74)**	**(121)**	**(132)**	**(206)**	**(267)**	**(349)**	**(426)**	**(1,766)**
C. Gross liability for incurred claims - T to T-9 (B - A)	**6**	**(0)**	**(0)**	**(1)**	**(4)**	**(7)**	**(12)**	**(32)**	**(67)**	**(210)**	**(326)**
D. Gross undiscounted liability for incurred claims - years prior to T-9											**(1)**
E. Discount effect											**11**
F. Effect of adjustment for non-financial risks											**(14)**
G. Gross liability for incurred claims of insurance contracts issued											**(330)**

Cumulative paid claims, at 31 December 2024, amounted to €1,440 million, of which more than 50% related to claims occurring between 2021 and 2024.

Cumulative paid claims, including the ultimate cost estimate, amounted to €1,766 million at 31 December 2024, of which more than 60% related to claims occurring between 2021 and 2024.

At the balance sheet date, approximately 80% of cumulative claims including the ultimate cost estimate had been settled. In fact, the closing balance of the undiscounted liability for remaining coverage at 31 December 2024 amounts to €326[339] million. This amount remains set aside to support commitments to policyholders for future years and relates, for approximately 64%, to claims incurred during the financial year 2024.

The discount effect on these expected future cash flows amounts to €11 million, while the adjustment for non-financial risk amounts to approximately €14 million.

[339] This amount relates to the liability for claims incurred of Poste Assicura SpA and the reserve for claims incurred of Net Insurance SpA gross of the amounts attributable to flows related to receivables for amounts to be recovered on such claims incurred.

Insurance activities - Claims development net of reinsurance

Claims/Times	Accumulated paid claims and other directly attributable costs paid net of reinsurance (A)										
	Year T-9	Year T-8	Year T-7	Year T-6	Year T-5	Year T-4	Year T-3	Year T-2	Year T-1	Year T	Total
1. At the end of the year of occurrence	(20)	(7)	(5)	(10)	(1)	(5)	(86)	(111)	(155)	(158)	
2. One year later	(35)	(14)	(8)	(14)	(5)	(92)	(150)	(198)	(230)		
3. Two years later	(37)	(15)	(8)	(15)	(83)	(98)	(162)	(213)			
4. Three years later	(37)	(15)	(9)	(43)	(84)	(99)	(164)				
5. Four years later	(37)	(15)	(29)	(43)	(85)	(99)					
6. Five years later	(35)	(31)	(29)	(43)	(85)						
7. Six years later	(50)	(31)	(29)	(43)							
8. Seven years later	(49)	(31)	(29)								
9. Eight years later	(49)	(31)									
10. Nine years later	(49)										
Total	**(49)**	**(31)**	**(29)**	**(43)**	**(85)**	**(99)**	**(164)**	**(213)**	**(230)**	**(158)**	**(1,102)**

Claims/Times	Estimated ultimate cumulative claims cost (amount net of reinsurance and undiscounted) (B)										
	Year T-9	Year T-8	Year T-7	Year T-6	Year T-5	Year T-4	Year T-3	Year T-2	Year T-1	Year T	Total
1. At the end of the year of occurrence	(38)	(14)	(7)	(12)	(1)	(5)	(181)	(244)	(299)	(327)	
2. One year later	(52)	(23)	(10)	(15)	(5)	(118)	(189)	(253)	(290)		
3. Two years later	(53)	(21)	(10)	(16)	(95)	(112)	(183)	(243)			
4. Three years later	(37)	(17)	(10)	(48)	(91)	(108)	(175)				
5. Four years later	(42)	(15)	(32)	(45)	(89)	(105)					
6. Five years later	(41)	(33)	(30)	(44)	(88)						
7. Six years later	(59)	(32)	(29)	(43)							
8. Seven years later	(55)	(33)	(29)								
9. Eight years later	(58)	(31)									
10. Nine years later	(43)										
Total	**(43)**	**(31)**	**(29)**	**(43)**	**(88)**	**(105)**	**(175)**	**(243)**	**(290)**	**(327)**	**(1,375)**
C. Net undiscounted liability for incurred claims - accident year T to T-9 (Total B - Total A)	**6**	**0**	**0**	**(0)**	**(2)**	**(6)**	**(11)**	**(31)**	**(60)**	**(170)**	**(273)**
D. Net undiscounted liability for incurred claims - years prior to T-9											**(0)**
E. Discount effect											**10**
F. Effect of adjustment for non-financial risks											**3**
G. Net liability for incurred claims of insurance contracts issued											**(260)**

POSTAL AND BUSINESS ACTIVITIES

Fair value interest rate risk

Description (€m)	31 December 2023		31 December 2024			
	Risk exposure		Risk exposure		Equity reserves before taxation	
	Nominal	Fair value	Nominal	Fair value	+100bps	-100bps
Financial assets						
Financial assets at FVTOCI	110	99	110	102	(3)	3
Total	**110**	**99**	**110**	**102**	**(3)**	**3**

Within the framework of postal and business operations, the risk exposure in question relates to **Financial assets at fair value through other comprehensive income** represented by fixed-income government bonds held by the Parent Company.

Price risk

Postal and business operations - Price risk

Description (€m)	31 December 2023	31 December 2024		
	Risk exposure	Risk exposure	Equity reserves before taxation	
			+ Vol 260 days	- Vol 260 days
Financial assets				
Financial assets at FVTOCI	345	249	70	(70)
Total	**345**	**249**	**70**	**(70)**

Financial assets at fair value through other comprehensive income refer to Nexi shares held by Poste Italiane SpA and recorded at €249 million. For further information on the corporate transaction, please refer to section 3.2 Events after the end of the reporting date of 31 December 2024.

The Parent Company holds additional shares in *Moneyfarm,* sennder*Technologies GmbH, Milkman and Scalapay Limited,* which are also classified as Financial assets at fair value through other comprehensive income, not subject to sensitivity in the above table.

Foreign exchange risk

Postal and business operations - Currency Risk

Description (€m)	31 December 2023 Position in GBP	31 December 2023 Position in Euro	31 December 2024 Position in GBP	31 December 2024 Position in Euro	Equity reserves before taxation + Vol 260 days	Equity reserves before taxation - Vol 260 days
Financial assets						
Financial assets at FVTOCI	48	55	47	56	2	(2)
Total	**48**	**55**	**47**	**56**	**2**	**(2)**

At 31 December 2024, the risk in question related exclusively to an investment held by the Parent Company in *Moneyfarm*.

In addition, foreign exchange risk referring to the net receivable/(payable) position in SDRs, a synthetic currency resulting from the weighted average of the exchange rates of four major currencies (the Euro, US dollar, British pound and Japanese yen) held by Poste Italiane SpA and used worldwide to settle debts and credits among postal operators is shown below.

Description (€m)	31 December 2023 Position in DSP	31 December 2023 Position in Euro	31 December 2024 Position in DSP	31 December 2024 Position in Euro	Profit/(Loss) before tax + Vol 260 days	Profit/(Loss) before tax - Vol 260 days
Current assets in SDRs	77	94	88	107	3	(3)
Current liabilities in SDRs	(67)	(82)	(64)	(78)	(2)	2
Total	**10**	**12**	**24**	**29**	**1**	**(1)**

Lastly, it should be noted that the Poste Italiane Group is subject to translation currency risk, which is the exchange rate risk associated with the conversion into euro of items relating to investments in companies whose functional currency is not the euro. For details on these companies, please refer to the section "Scope of consolidation and highlights of investments".

At 31 December 2024, however, a significant change in exchange rates would not have a material impact on the Group's consolidated financial statements.

Spread risk

The following is the result of the analysis of sensitivity[340] to spread risk carried out at 31 December 2024 limited to the Financial assets at FVTOCI involving fixed-income government bonds:

[340] For sensitivity purposes, the swap rate curve and the BTP curve were used (10-year swap rate of 236 bps and the spread of the BTP compared to the 10-year swap rate of 116 bps).

Postal and business operations - Fair Value Spread Risk

Description (€m)	31 December 2023		31 December 2024		
	Risk exposure		Risk exposure		Equity reserves before taxation
	Nominal	Fair value	Nominal	Fair value	+100bps
Financial assets					
Financial assets at FVTOCI	110	99	110	102	(3)
Total	**110**	**99**	**110**	**102**	**(3)**

Credit risk

Information on credit risk exposure is presented in the following section only for financial assets other than trade and other receivables and assets subject to impairment provisions, for which information is provided in *Note A8 - Trade receivables* and *Note A9 - Other receivables and assets*.

Exposure to credit risk

The table below provides an analysis of the exposure at 31 December 2024 of the **Financial assets** pertaining to the Postal and Business sector for which the General impairment model is used. The analysis shows the exposure by financial asset class by stages. The amounts refer to the gross carrying amount (amortised cost before ECL), unless otherwise indicated, and do not take into account guarantees or other credit enhancements.

Postal and business operations - Credit Risk - Rating

Description (€m)	from AAA to AA-		from A+ to BBB-		from BB+ to C		Not rated	Hedge accounting effects	Total
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2			
2024									
Financial assets at amortised cost									
Gross carrying amount	-	-	21	-	-	-			**21**
Provision to cover expected losses	-	-	(20)	-	-	-			**(20)**
Total amortised cost at 31 December 2024	**-**	**-**	**1**	**-**	**-**	**-**	**4**		**6**
Financial assets at FVTOCI									
Gross carrying amount	-	-	103	-	-	-			103
Fair value at 31 December 2024	**-**	**-**	**102**	**-**	**-**	**-**			**102**
2023									
Financial assets at amortised cost									
Gross carrying amount	-	-	20	-	-	-			20
Provision to cover expected losses	-	-	(20)	-	-	-			(20)
Total amortised cost at 31 December 2023	**-**	**-**	**(0)**	**-**	**-**	**-**	**4**		**4**
Financial assets at FVTOCI									
Gross carrying amount	-	-	101	-	-	-			**101**
Fair value at 31 December 2023	**-**	**-**	**99**	**-**	**-**	**-**			**99**

The **financial assets** that are relevant to the risk in question refer to financial receivables held by the Parent Company and measured at amortised cost for a gross carrying amount of approximately €21 million, almost entirely written down; as well as fixed income instruments measured at **fair value through other comprehensive income** for a carrying amount of €102 million.

The following table shows an analysis of credit risk concentration by financial asset class based on the counterparty.

Poste Italiane Group - Credit risk - Credit risk concentration

Description (€m)	31.12.2024		31.12.2023	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Financial assets at amortised cost	21	(20)	20	(20)
Corporate	21	(20)	20	(20)
Financial assets at FVTOCI	103	(0)	101	-
Sovereign	103	(0)	101	-
Total	**124**	**(20)**	**121**	**(20)**

ECL measurement

At 31 December 2024, estimated expected losses on financial instruments relate almost exclusively to financial receivables at amortised cost for approximately €20 million. The provision remained unchanged from 31 December 2023.

Liquidity risk

The following tables present a comparison of the financial liabilities and assets of the Postal and business segment at 31 December 2023.

Liquidity risk - Liabilities

Description (€m)	31.12.2024				31.12.2023			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial liabilities	328	2,076	955	3,359	825	2,219	304	3,348
Trade payables	1,471	-	-	1,471	1,749	-	-	1,749
Other liabilities	1,251	196	0	1,447	1,264	224	1	1,489
Total Liabilities	**3,050**	**2,272**	**955**	**6,277**	**3,838**	**2,443**	**305**	**6,586**

Projected cash outflows are broken down by maturity in the table above. Repayments of principal at nominal value are increased by interest payments calculated, where applicable, on the basis of the yield curve applicable at 31 December 2023.

Liquidity risk - Assets

Description (€m)	31.12.2024				31.12.2023			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial assets	8	111	3	122	2	122	2	125
Trade receivables	1,330	2	-	1,332	1,658	2	-	1,660
Other receivables and assets	349	29	12	391	320	37	16	373
Tax credits Law no. 77/2020	-	-	265	265	59	273	137	469
Cash and cash equivalents (*)	617	-	-	617	650	-	-	650
Total Assets	**2,305**	**142**	**280**	**2,726**	**2,688**	**434**	**155**	**3,277**

(*) shown before elimination of liquidity

In the case of assets, cash inflows are broken down by maturity, shown at nominal value and increased, where applicable, by main interest receivable. Held-to-maturity and available-for-sale financial assets include financial instruments held by the Parent Company, shown on the basis of expected cash flows, consisting of principal and interest paid at the various payment dates.

The committed and uncommitted credit lines available to the Group companies belonging to the operating segment in question, and the related uses are summarised in the table below.

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023
Committed credit lines	**2,750**	**2,450**
Short-term loans	2,750	2,450
Uncommitted credit lines	**2,225**	**2,162**
Short-term loans	910	960
Current account overdrafts	185	185
Unsecured loans	1,130	1,017
Total	**4,975**	**4,612**
Uncommitted uses	**675**	**554**
Short-term loans	-	0
Unsecured loans	675	554
Total	**675**	**554**

No collateral has been provided to secure the credit lines obtained.
At 31 December 2024, the Parent Company had an EMTN - Euro Medium Term Note program of €2.5 billion in place, thanks to which the Group can raise an additional €2 billion on the capital market.

As part of this programme, the first tranche with a nominal value of €500 million of the senior unsecured loan issued by Poste Italiane on 10 December 2020 was repaid in December 2024.

The existing credit lines and the loans are adequate to meet financing requirements expected to date.

Cash flow interest rate risk

Within **Financial assets** belonging to the postal and commercial sector, the cash flow interest rate risk relates to variable rate bank deposits held by the Parent Company for about €324 million (€75 million at 31 December 2023), while under Financial liabilities it relates to the variable rate CEB financing taken out by the Parent Company for €240 million and the variable rate EIB financing for €450 million. The sensitivity analyses performed at 31 December 2024 do not show any significant effects on the pre-tax result.

POSTEPAY SERVICES ACTIVITIES

Foreign exchange risk

Within the Postepay services segment, the **Financial assets** exposed to the risk under comment relate to the investment held by Postepay in Volanté (€6 million at 31 December 2024 and €7 million at 31 December 2023) and the convertible loan issued by Volanté subscribed in 2024 by Postepay and recognised in financial assets at fair value through profit or loss for approximately €1 million. The sensitivity analyses performed did not reveal any significant effects on the company's pre-tax profit or equity reserves.

Credit risk

See *Note A8 - Trade receivables* and *Note A9 - Other* receivables and assets for information on credit risk exposure on trade receivables and other receivables and assets subject to impairment provisions.

The financial assets exposed to risk at 31 December 2024 relate to financial receivables from corporate counterparties, measured at amortised cost, in the A+/BB- rating category for a gross carrying amount of approximately €15 million and stage 1, and in the BB+/C rating category and stage 1 for a gross carrying amount of approximately €7 million. At 31 December 2024, the estimated expected losses on these financial instruments were not significant.

Liquidity risk

The tables below show the comparison of financial liabilities and assets falling within the Postepay services segment and outstanding at 31 December 2024.

Liquidity risk - Liabilities

Description (€m)	31.12.2024				31.12.2023			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial liabilities	10,762	7	-	10,770	10,275	8	-	10,282
Trade payables	422	-	-	422	390	-	-	390
Other liabilities	89	1	0	91	84	2	0	85
Total Liabilities	**11,274**	**9**	**0**	**11,282**	**10,748**	**10**	**0**	**10,757**

Projected cash outflows are broken down by maturity in the table above. Repayments of principal at nominal value are increased by interest payments calculated, where applicable, on the basis of the yield curve applicable at 31 December 2024.

Liquidity risk - Assets

Description (€m)	31.12.2024				31.12.2023			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial assets	291	0	-	291	299	0	-	299
Trade receivables	195	-	-	195	155	-	-	155
Other receivables and assets	56	2	-	58	56	2	-	58
Cash and cash equivalents (*)	126	-	-	126	65	-	-	65
Total Assets	**668**	**2**	**-**	**670**	**575**	**2**	**-**	**577**

(*) Exposed before liquidity elimination

In the case of assets, cash inflows are broken down by maturity, shown at nominal value and increased, where applicable, by main interest receivable.

At 31 December 2024, the companies in this segment also had credit lines of about €35 million for unsecured loans, of which around €5 million drawn down.
Additional liquidity needs can be met by resorting to credit lines stipulated by the Parent Company, for details of which please refer to the section on liquidity risk of postal and business operations.
No collateral has been provided to secure the credit lines obtained.
The existing credit lines and the loans are adequate to meet financing requirements expected to date.

Cash flow interest rate risk

As part of the Postepay services business, the **financial assets** exposed to the risk in question relate entirely to variable rate bank deposits held by LIS Pay with a nominal value, at 31 December 2024, of approximately €79 million. The sensitivity analyses performed show that as a result of a parallel shift of +/- 100 bps in the interest rate, the impact on the pre-tax result would be positive in both cases by approximately €3 million and €2 million, respectively.

4.7. FAIR VALUE OF FINANCIAL INSTRUMENTS

4.7.1 FAIR VALUE MEASUREMENT TECHNIQUES

The Poste Italiane Group has adopted a fair value policy, setting out the general principles and rules to be applied in determining fair value for the purposes of preparing the financial statements, conducting risk management assessments and supporting the market transactions carried out by the Finance departments of the various Group entities. The general principles for the fair value measurement of financial instruments have not changed with respect to 31 December 2023, except for the appropriate integration of the same in order to take into account the new exposure within the Poste Italiane Group's securities portfolio of the individual components of the consolidated Multi-asset Funds, whose components are measured in accordance with the techniques used to value them in line with the provisions of the Bank of Italy's Provision of 19 January 2015, as amended, setting forth the Regulations for Collective Asset Management. These general principles have been identified in compliance with the guidelines from the reference accounting standards and from the various Regulators (banking and insurance), ensuring uniformity in the valuation techniques adopted within the Group. The methods used have been revised, where necessary, to take into account developments in operational procedures and in market practices during the year.

In compliance with **IFRS 13** - *Fair Value Measurement*, the following section provides information regarding the techniques used to measure the fair value of financial instruments within the Poste Italiane Group.

The assets and liabilities concerned (specifically assets and liabilities measured at fair value and measured at cost or amortised cost, for which fair value is required to be disclosed in the notes) are classified with reference to a hierarchy that reflects the materiality of the sources used for their valuation.

The hierarchy consists of the following 3 levels.

Level 1: this level is comprised of fair values determined with reference to unadjusted prices quoted in active markets for identical assets or liabilities to which the entity has access on the measurement date. For the Poste Italiane Group the following categories of financial instrument apply:

Bonds quoted on active markets:

- **Bonds issued by EU government bodies or non-government bodies:** measurement is based on bid prices, according to a hierarchy of sources where the MTS (the wholesale electronic market for government securities) ranks first, MILA (Milan Stock Exchange) second, for bonds intended for retail customers, and the CBBT (Composite Bloomberg Bond Trader) third;
- **Financial liabilities:** measurement is based on the ask prices quoted by CBBT (Composite Bloomberg Bond Trader).

Equity securities and ETFs (Exchange Traded Funds) listed on active markets: the valuation is made considering the price resulting from the last contract traded on the day on the relevant stock exchange.

Quoted open-end investment funds: measurement is based on the daily closing market price as provided by Bloomberg or the fund manager. Level 1 bond price quotations incorporate a credit risk component. Exchange rates published by the European Central Bank are used in determining the value of financial instruments denominated in currencies other than the euro.

Level 2: this level is comprised of fair values based on inputs other than Level 1 quoted market prices that are either directly or indirectly observable for the asset or liability[341]. For the Poste Italiane Group the following categories of financial instrument apply:

341 Given the nature of Poste Italiane Group's operations, the observable data used as input to determine the fair value of the

Bonds either quoted on inactive markets or not at all:

- **Straight Italian and international government and non-government bonds:** valuation is based on discounted cash flow techniques involving the computation of the present value of future cash flows, inputting rates from yield curves incorporating spreads reflecting credit risk that are based on spreads determined with reference to quoted and liquid benchmark securities issued by the issuer, or by other companies with similar characteristics to the issuer. Yield curves may be slightly adjusted to reflect liquidity risk relating to the absence of an active market.
- **Structured bonds:** valuation is based on a building block approach, entailing decomposition of a structured position into its basic components: the bond and option components. The bond component is measured by discounting cash flows to present value in line with the approach applicable to straight bonds, as defined above. The option component - which considering the features of the bonds included in the portfolio of the Poste Italiane Group relates to interest rate risk - is measured in accordance with a standard closed form expression as with classical option valuation models with underlyings exposed to such risks.

Unquoted equities: this category may be included here provided it is possible to use the price of quoted equities of the same issuer as a benchmark. The price inferred in this manner would be adjusted through the application of the discount, quoted by primary market counterparties, which represents the implicit cost in the process to align the value of the unquoted shares to the quoted ones.

Unquoted open-end investment funds: measurement is based on the latest available NAV (Net Asset Value) as provided by Bloomberg or as determined by the fund manager.

Derivative financial instruments:

- ***Interest Rate Swaps***:

Plain vanilla interest rate swaps: valued using discounted cash flow techniques, involving the computation of the present value of future differentials between the receiver and payer legs of the swap. The construction of yield curves to estimate future cash flows indexed to market parameters (money market rates and/or inflation) and computation of the present value of future differentials are carried out using techniques commonly used in capital markets.

Interest rate swaps with an embedded option: valuation is based on a building block approach, entailing decomposition of a structured position into its basic components: the linear and option components. The linear component is measured using the discounted cash flow techniques described for plain vanilla interest rate swaps above. Using the financial derivatives held in the Poste Italiane portfolio as an example, the option component is derived from interest rate or inflation rate risks and is valued using a closed form expression, as with classical option valuation models with underlyings exposed to such risks.

- ***Bond forwards*:** valuation is based on the present value of the differential between the forward price of the underlying instrument as of the measurement date and the settlement price.
- ***Warrants*:** considering the features of the securities held, measurement is based on the local volatility model. In particular, considering that buyback agreements have been entered into with the counterparties that structured these warrants, and that such counterparties use valuation models consistent with those used by the Group, these instruments are measured on the basis of the bid price quoted by the counterparties.
- **Currency forwards:** valuation is based on the differential between the reciprocal currency registered at the measurement date and the reciprocal currency fixed at the trade date.

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various instruments include, for example, quoted prices provided by third parties (pricing or brokerage services), yield and inflation curves, exchange rates provided by the European Central Bank, ranges of rate volatility, inflation option premiums, interest rate swap spreads or credit default spreads which represent the creditworthiness of specific counterparties and any liquidity adjustments quoted by primary market counterparties.

The derivatives held in Poste Italiane's portfolio may be pledged as collateral and the fair value, consequently, need not be adjusted for counterparty risk. The yield curve used to compute present value is selected to be consistent with the manner in which cash collateral is remunerated. This approach is also followed for security in the form of pledged debt securities, given the limited level of credit risk inherent in the securities held as collateral by the Poste Italiane Group.

In the rare instances where collateral agreements do not substantially reduce counterparty risk, measurement takes place by discounting to present value the cash flows generated by the securities held as collateral, using as the input a yield curve that reflects the spread applicable to the issuer's credit risk. Alternatively, use is made of fair value to calculate the CVA/DVA (Credit Valuation Adjustment / Debit Valuation Adjustment), in relation to the main technical and financial characteristics of the agreements and the counterparty's probability of default.

Reverse Repos: are valued using discounted cash flow techniques involving the computation of future contractual cash flows. These instruments may also be used for collateral and in such cases fair value need not be adjusted for the counterparty's credit risk.

Fixed rate and variable rate loans: valuation is performed using *discounted cash flow*techniques. The counterparty's credit spread is considered through:

- use of the Italian government yield curve or the credit default swap (CDS) of the Italian Republic, in the case of Italian government agencies;
- use of quoted CDS yield curves or, if not available, the adoption of "synthetic" CDS yield curves represented by the counterparty's rating, as constructed starting from the input data observable on the market;
- use of yield curves based on the specific issuer's quoted bond prices.

Financial liabilities either quoted on inactive markets or not at all:

- **Straight bonds:** these are measured by discounting their future cash flows using as input a yield curve reflecting the spread applicable to the issuer's credit risk;
- **Structured bonds:** valuation is based on a building block approach, entailing decomposition of a structured position into its basic components: the bond and option components. The bond component is measured by discounting cash flows to present value in line with the approach applicable to straight bonds, as defined above. The option component, attributable to interest rate risk considering the features of the bonds included in the portfolio of the Poste Italiane Group, is measured in accordance with a standard closed form expression as with classical option valuation models with underlyings exposed to such risks.
- **Borrowings:** these are measured by discounting their future cash flows using as input a yield curve reflecting the spread applicable to the credit risk.
- **Repurchase agreements:** are valued using discounted cash flow techniques involving the computation of future contractual cash flows. Repos may also be used for collateral and in such cases fair value need not be adjusted for the counterparty's credit risk.

Level 3: this category includes the fair value measurement of assets and liabilities using inputs which cannot be observed, in addition to Level 2 inputs. For the Poste Italiane Group the following categories of financial instrument apply:

Fixed and variable rate loans: the measurement is carried out using discounted cash flow techniques. The counterparty's credit spread is set according to best practices, by using the probability of default and transition matrices created by external information providers and loss given default parameters determined by prudential regulations for banks or in accordance with market standards.

Closed-end unquoted funds: these include funds that invest mainly in unquoted instruments. Their fair value is determined by considering the latest NAV (Net Asset Value), available at least every six months, reported by the fund manager. This NAV is adjusted according to the capital calls and reimbursements announced by the managers which occurred between the latest NAV date and the valuation date.

Investment property (excluding former service accommodation) and inventories of properties held for sale: The fair value of both investment property and inventories has been determined mainly by discounting to present value the cash flows expected to be generated by the rental agreements and/or proceeds from sales, net of related costs. The process uses a discount rate that considers analytically the risks typical of the property.

Investment property (former service accommodation): the value of this investment property is determined on the basis of the applicable law (Law 560 of 24 December 1993), which sets the selling price in case of sale.

Unquoted shares: this category includes shares for which no price is observable directly or indirectly in the market. Measurement of these instruments is based on the price of quoted equities of the same issuer as a benchmark. The price inferred in this manner would be adjusted through the application of the discount implicit in the process to align the value of the unquoted shares to the quoted ones. In the specific case of equities relating to unlisted companies at the "start-up" phase, fair value is instead determined by considering the implicit valuation at the time of acquisition, adjusted by value adjustments to take account of any changes in price resulting from[342] significant transactions observable on the market in the 12 months prior to the reporting date. Alternatively, and in the absence of significant transactions, the fair value of the share is determined using alternative methods (verification of financial data that can be inferred from the company's Business Plans if available and analysis of the company's performance, multiple market use, etc.).

Tax credits Law no. 77/2020: this category includes credits acquired with reference to the Decreto Rilancio no. 34/2020 (later converted into Law no. 77 of 17 July 2020) for which no directly or indirectly observable market prices are available. For this type of instrument, the method of determining fair value involves the application of the discounted cash flow valuation technique, which consists of discounting cash flows to maturity using the yield curve constructed by adding to the risk-free rate curve the extra yield calculated starting from the price at the date of purchase of the receivables. The spread remains fixed for the life of the instrument.

Forwards on unquoted equities: for these instruments, the valuation of the counterparty is recalculated by discounting the difference between the forward price of the equity security underlying the derivative updated to the valuation date and the settlement price.

Equity held in cooperative banks: this category includes shares that have been admitted to the Hi-MTF market (Vorvel) in light of Consob Communication no. 92492 of 1/10/2016 "Recommendation on the distribution of financial instruments through a multilateral trading venue" as well as following the changes introduced by Directive 2014/65/EU of 15 May 2014 (MiFID II) and EU Regulation no. 600/2014 (MiFIR). For these actions, the alternative model of "Hi-MTF market transactions" was adopted, which provides for:

- use the price of the last available transaction on the Hi-MTF market, provided there are at least two transactions per month over a 3-month horizon;
- application of a liquidity discount on the price equal to a maximum of between zero and the ratio between the value of the position held by the Group and the accumulated value of all transactions in the last 6 months, minus one.

[342] A significant transaction in this context is defined as a minimum investment of €10 million or at least 5% of the share capital of the investee entity over the last twelve months from the reporting date.

Alternative and Level 3 Funds: this category includes quoted and unquoted open-ended funds that cannot be categorised as Level 2 and all alternative funds. The fair value of these Funds is represented by the NAV, based on the value of the underlying assets, adjusted if necessary on the basis of the internal control system

4.7.2 FAIR VALUE HIERARCHY

The following table shows an analysis of financial instruments measured at fair value at 31 December 2024, classified by level in the fair value hierarchy.

Fair value hierarchy

Description (€m)	31.12.2024				31.12.2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Financial assets at FVTOCI	134,832	6,679	225	141,737	136,848	2,447	299	139,594
Equity instruments	249	-	217	467	345	0	204	549
Fixed income instruments	134,583	6,679	8	141,270	136,503	2,447	95	139,046
Financial assets at FVTPL	8,629	36,806	7,864	53,299	4,441	35,892	7,873	48,205
Receivables	-	808	11	820	-	-	-	-
Equity instruments	540	1,328	17	1,886	482	3	27	512
Fixed income instruments	5,109	22,920	0	28,029	2,440	120	3	2,564
Other investments	2,980	11,749	7,835	22,564	1,519	35,768	7,843	45,129
Derivative financial instruments	0	2,749	-	2,749	-	4,257	-	4,257
Total	**143,462**	**46,234**	**8,089**	**197,784**	**141,289**	**42,596**	**8,172**	**192,056**
Financial liabilities								
Financial liabilities at fair value	-	-	-	-	-	-	-	-
Derivative financial instruments	-	(1,859)	(8)	(1,867)	(0)	(1,136)	(3)	(1,138)
Total	**-**	**(1,859)**	**(8)**	**(1,867)**	**(0)**	**(1,136)**	**(3)**	**(1,138)**

Transfers between levels 1 and 2, relating entirely to the Poste Vita insurance group, are shown below:

Transfers from Level 1 to Level 2

Description (€m)	From Level 1 to Level 2		From Level 2 to Level 1	
	Level 1	Level 2	Level 1	Level 2
Transfers of financial assets				
Financial assets at FVTOCI	(3,158)	3,158	404	(404)
Equity instruments				
Fixed income instruments	(3,158)	3,158	404	(404)
Other investments				
Financial assets at FVTPL	(169)	169	1,538	(1,538)
Receivables				
Equity instruments	-	-	-	-
Fixed income instruments	(2)	2	42	(42)
Other investments	(167)	167	1,497	(1,497)
Net transfers from Level 1 to Level 2	**(3,326)**	**3,326**	**1,942**	**(1,942)**

Reclassifications from level 1 to level 2 relate to financial instruments whose value, at 31 December 2024, is not observable in a liquid and active market, as defined in the Group's Fair Value Policy. Reclassifications from level 2 to level 1, on the other hand, relate to financial instruments whose value, at 31 December 2024, is observable in a liquid and active market.

Movements in level 3 during the year are shown below:

Changes in financial instruments - level 3

Description (€m)	Financial assets			
	Financial assets at FVTOCI	Financial assets at FVTPL	Derivative financial instruments	Total
Balance at 1 January 2024	**299**	**7,873**	**-**	**8,172**
Purchases/Issues	0	1,009	-	1,009
Sales/Extinguishment of initial accruals	(2)	(304)	-	(307)
Redemptions	-	(0)	-	(0)
Changes in fair value through profit or loss	-	3	-	3
Changes in fair value through equity	3	-	-	3
Transfers to profit or loss	-	0	-	0
Gains/Losses in profit or loss due to sales	-	-	-	-
Transfers to level 3	-	5	-	5
Transfers to other levels	(85)	(713)	-	(798)
Changes in amortised cost	0	1	-	1
Write-off	-	-	-	-
Other changes (including accruals at end of period)	9	(9)	-	-
Change in scope	-	-	-	-
Balance at 31 December 2024	**225**	**7,864**	**-**	**8,089**

Financial instruments classified in level 3 are held primarily by Poste Vita SpA and, to a residual extent, by Poste Italiane SpA, PostePay SpA, Net Life and Net Insurance.

In the case of the Group's insurance company, instruments in level 3 regard funds that invest primarily in unquoted instruments, whose fair value measurement is based on the latest available NAV (Net Asset Value) as announced by the fund manager. This NAV is adjusted according to the capital calls and reimbursements announced by the managers and occurring between the latest NAV date and the measurement date. These financial instruments primarily consist of investments in private equity funds and, to a lesser extent, real estate funds associated entirely with Class I products related to separately managed accounts. Movements during the period regard the purchase of new investments, redemptions of units of unquoted close-end funds and changes in fair value during the period.

At 31 December 2024, in compliance with both the aforementioned Fair Value Guidelines of the Poste Italiane Group and additional requirements contained in the Supplementary Guidelines approved by the Board of Directors of the Poste Vita Company, the following were reclassified, with reference to the category in question:

- approximately €0.2 billion of Level 1 to Level 2 financial instruments related to listed open-ended funds (ETFs) that do not meet the liquidity criteria of the Technical Annex;
- approximately €1.5 billion of Level 2 to Level 1 financial instruments related to listed open-ended funds (ETFs) that meet the liquidity criteria of the Technical Annex;
- €0.7 billion of financial instruments from fair value level 3 to level 2 related mainly to class III UCITS funds that met the liquidity criteria at the measurement date.

4.8. HEDGING TRANSACTIONS

The following is a description of the hedging policies implemented by the Poste Italiane Group divided between fair value hedges and cash flow hedges and to which the related accounting rules set forth in IFRS 9 - Financial Instruments to which Poste Italiane has transitioned with retroactive effect as of 1 January 2024 are applied, as better described in Section *2.4-Changes to accounting policies*. The fair value hedges and cash flow hedges described below refer mainly to fixed income instruments or inflation-indexed securities held under BancoPosta operations.

Hedging transactions - Fair value hedges

Fair value hedges refer to the following types of hedged items:

- fixed income government bonds;
- inflation-indexed government bonds; and
- repurchase agreements.

In order to hedge the risks associated with these elements and described in the following paragraphs, the Poste Italiane Group enters into derivative financial transactions and assesses the effectiveness of the derivative designated in each hedging relationship in order to verify that the following effectiveness criteria are met:

- the existence of an economic relationship between the hedging instrument and the hedged item;
- the effect of credit risk does not prevail over the changes in value deriving from the economic relationship;
- the hedge ratio used for hedge accounting purposes is the same as that used for risk management purposes.

These assessments are performed by the Group on an ongoing basis at each reporting date, or when there is a significant change in the drivers affecting individual hedging relationships.

The requirements of hedge effectiveness can be assessed by the Group on the basis of a qualitative assessment of the critical terms[343] only in cases where the hedging instrument and the related hedged instrument are perfectly aligned and their fair values move speculatively in opposite directions.

In cases where the qualitative analysis reveals potential sources of ineffectiveness and consequently the critical terms approach is not applicable, the Group performs a quantitative assessment of the hedging relationship in order to identify, at source, all potential sources of ineffectiveness that could impact the valuation of the hedging relationship (hedge relationship).

In order to measure ineffectiveness at each reporting date, the Group uses the "Dollar offset approach through the hypothetical derivative[344]". This method consists of comparing the changes in fair value of the hedging instrument and the hedged item between the inception date of the hedging relationship and the reporting date. The hedged item considered for the use of the Dollar Offset method is the hypothetical derivative. The hypothetical derivative and the actual hedging instrument have a settlement date consistent with the hedge inception (spot or forward start) and differ solely in their spread

[343] The critical terms approach involves a comparison between the critical terms of the hedging instrument with those of the hedged item. The hedging relationship is highly effective when all the critical terms of the two instruments match perfectly and there are no features or options that might invalidate the hedge. Critical terms include, for example: notional amount of the derivative and principal of the underlying, credit risk, timing, currency of the cash flows.

[344] The Dollar offset method is a quantitative method that involves a comparison between movements in the fair value or cash flow of the hedging instrument and the movements in the fair value or cash flow of the hedged instrument attributable to the risk hedged. Depending on the policy selected, this approach can be used:

- on a cumulative basis, by observing the performance of the hedge since inception;
- on a periodic basis, by comparing the hedge performance with that of the last test.

The dollar offset method can be implemented through a hypothetical derivative, that is by constructing a theoretical derivative to compare the relevant theoretical movements in far value or cash flow with those of the hedged instrument (actual derivative).

which is considered, as already indicated, the main source of ineffectiveness[345]. The partial ineffectiveness of the hedge, equal to the difference between the changes in value of the two derivatives (hypothetical and actual) represents the net effect of the hedge recognised separately in profit or loss.

The risk management strategy and how it is applied by type of hedged item are defined below.

Hedging transactions on fixed-income and inflation-linked government bonds

The Poste Italiane Group has a government bond portfolio – made up of fixed rate BTPs and inflation-linked BTPs – subject to movements in fair value due to changes in interest rates and in the inflation rate.

To limit the effects of interest rates on fair value, BancoPosta RFC enters into Over the Counter (OTC) interest rate swaps to hedge the fair value of the bonds held in the portfolio. The objective of these transactions is to have instruments that can offset changes in fair value of the portfolio due to interest rate fluctuations and the rate of inflation. The credit risk of the Italian Republic is not hedged and is set for the duration of the swap.

Full hedges and partial hedges are implemented, with the start date equal to the date of purchase of the instrument (swap spot start) and after the purchase of the instrument (swap forward start), respectively.

In addition to what has been reported in the previous paragraph on the methods used by the Group to verify the existence of the requirements of effectiveness of fair value hedges, it should be noted that the Group also carries out a prospective assessment of the hedge using different approaches depending on the characteristics of the derivative instrument. Specifically:

- the "Critical terms" approach for swap spot starts, for which it has been determined at inception that the characteristics of the fixed leg make it possible to replicate exactly the fixed cash flows generated by the hedged item;
- the "Dollar offset through the hypothetical derivative" approach for forward start swaps, for which the prospective effectiveness test is performed by calculating the hedge ratio between the change in fair value of the hypothetical derivative and the change in fair value of the actual derivative[346].

Hedging on repurchase agreements

The Poste Italiane Group carries out transactions in repurchase agreements, on euro-government securities or with the guarantee of the Italian state for various purposes, including to invest in government securities, to meet liquidity needs arising from the dynamics of funding on current accounts, and to actively manage the treasury position and deposits as collateral for collateralisation transactions. These transactions are mainly fixed rate transactions and are therefore exposed to changes in *fair value* due to fluctuations in interest rates.

To limit the effects of interest rates on fair value, the Group enters into Over the Counter (OTC) interest rate swaps to hedge the fair value of the repurchase agreements held in the portfolio.

In addition to what is reported in the previous paragraph on the methods used by the Group to verify the existence of the effectiveness requirements of *fair value hedges*, it is specified that the Group also carries out a prospective hedge valuation adopting the "*Dollar offset through the hypothetical derivative*" approach, carried out by calculating the Hedge Ratio as the

[345] With reference to Repos, hedging is performed by defining the variable-rate component simply indexed to Euribor and the fixed-rate component incorporating market conditions. The hypothetical derivative uses the mid-market fixed rate, which makes the present value at the settlement date equal to zero, while the actual derivative uses the interest rate agreed upon with the counterparty.

[346] Calculated by assuming a parallel shift of + / - 100 bps of the yield curves.

ratio between the change in the fair value of the hypothetical derivative and the change in the fair value of the effective derivative[347].

Effects of fair value hedging transactions on profit or loss and financial position

The following tables present the time distribution by contractual residual maturity of fair value hedging derivatives as well as the statement of financial position and profit or loss effects of this type of hedging transaction.

Time distribution based on remaining duration of fair value hedge contracts

Description (€m)	Maturity: Up to 1 year	Maturity: 1 - 5 years	Maturity: Over 5 years	Total
Fair value hedges - Interest rate risk				
Interest rate swaps				
Nominal	-	-	24,452	**24,452**

Fair value hedges - Interest rate risk

(€m)	Nominal	Carrying amount*		Accumulated amount of fair value hedge adjustments on the hedged item		Change in value used to recognise ineffective portion of hedge	Accumulated amount of fair value hedge adjustments on the hedged item in case of discontinuing
		Assets	Liabilities	Assets	Liabilities		
Hedged items							
Fixed income instruments, of which:							
at amortised cost		11,392	-	(1,082)	-	207	(109)
at FVTOCI		12,240	-		-	252	(46)
Repurchase agreements		-	-	-	-	(38)	-
Hedging instruments							
Interest rate swaps	24,452	2,667	(806)			(423)	
Profits/(losses) on hedging recognised in P&L						**(2)**	

*Not including credit loss provisions

Hedging transactions – Cash flow hedges

Hedging transactions on inflation-linked government bonds and forecast transactions

To limit the exposure to interest rate risk deriving from the need to reinvest the cash generated by maturing bonds held in portfolio and the 10-year indexed component of returns on deposits with the MEF of Public Administration funding, BancoPosta RFC enters, if necessary, into forward purchases. In addition, to pursue the stabilisation of returns, forward sales are entered into. These derivatives qualify as cash flow hedges of forecast transactions.

In addition, the Group has a portfolio of inflation-linked BTPs subject to cash flow variability in relation to inflation.

To limit the effects of interest rates on cash flows deriving from the types of instruments described previously, the Group enters into OTC interest rate swaps or inflation swaps to hedge the cash flows of the bonds held in portfolio. The objective of these transactions is to stabilise until maturity the return of the instrument, regardless of movements of the variable parameter.

The Group evaluates the effectiveness of the designated derivative in every hedging relationship in the stabilisation of cash flow changes of the hedged instrument through a qualitative and quantitative test.

With regard to forecast transaction hedges, in cases where the qualitative analysis of critical terms reveals potential sources of ineffectiveness and, consequently, the critical terms approach is not applicable, the Group performs a

347 Calculated by assuming a parallel shift of + / - 100 bps of the yield curves.

quantitative assessment of the hedging relationship in order to intercept, at source, all potential sources of ineffectiveness that could impact the measurement of the hedge relationship.

In said context, in order to limit the ineffectiveness at each reporting date, the quantitative test involves the calculation of a hedge ratio defined as the ratio of the difference between the fair value of the forward transaction entered into with the counterparty on the test and inception date and the present value of the difference between the theoretical forward price of the BTP calculated as of the test and inception date[348].

For the purposes of the prospective hedge effectiveness test, the critical terms approach is applied, considering at inception the consistency between the hedging instrument and the hedged item on the basis of the qualitative characteristics of the contracts[349].

With regard to the hedging of inflation-indexed securities, in cases where the qualitative analysis of the "Critical terms" reveals potential sources of ineffectiveness and consequently the "Critical terms" approach is not applicable, the Group performs a quantitative test by considering the ratio (Hedge Ratio) between the change in the fair value of the derivative actually entered into and the change in the fair value of the hypothetical derivative, occurring in the time interval between the date the transaction was entered into and the valuation date.

The hypothetical derivative and the actual derivative have the settlement date that matches the inception of the hedge and differ in terms of their fixed income component[350]. Moreover, for the derivatives used to hedge inflation-linked BTP, the fair value at the settlement date reflects also the interest accrued of the instrument accrued from the latest interest payment date to the date of settlement of the derivative. As such, both are considered the main sources of ineffectiveness.

The change in fair value of the actual derivative is recognised through equity, for the effective portion of the hedge, while the change in fair value of the ineffective portion is recognised through profit or loss.
For the purposes of the prospective hedge effectiveness test, different approaches have been applied, depending on the characteristics of the hedging swap. Specifically:

- the "Critical terms" approach for derivatives for which it has been determined at inception that the characteristics of the indexed leg of the swap make it possible to replicate exactly the variable cash flows generated by the hedged item;
- the "Dollar offset through the hypothetical derivative" approach for derivative contracts with a fixed rate applicable to a nominal amount growing constantly at six-month intervals until the derivative expires. For these contracts the prospective effectiveness test is performed by calculating the hedge ratio between the change in fair value of the hypothetical derivative and the change in fair value of the actual derivative[351].

Effects of cash flow hedges on profit or loss and financial position

The following tables present the time distribution by contractual residual maturity of cash flow hedging derivatives, the effects on profit or loss and financial position of this type of hedging transactions, and the effects of cash flow hedges on other comprehensive income.

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[348] Assuming a perfect match between the forward prices of the counterparties and the theoretical forward prices, the hedge ratio is always equal to 100%. As such, there are no sources of ineffectiveness.
[349] The notional amount of the forward contract must be set, at the settlement date, as equal to the nominal amount of the instrument in case of purchase, and equal or lower than the nominal amount of the instrument in case of sale. The underlying of the forward contract must coincide with the instrument that must be purchased or sold (in this case it must be an instrument in the portfolio) at the settlement date. The settlement date must be the same as the date on which the cash flow to be hedged is expected, in case of forward purchase, or must be related to the year in which the total return must be stabilised, in case of forward sale.
[350] The hypothetical derivative uses the fixed rate, which makes the present value at the settlement date equal to zero, while the actual derivative uses the interest rate agreed upon with the counterparty.
[351] Calculated by assuming a parallel shift of + / - 100 bps of the yield curves.

The average interest rate of the interest rate swaps shown represents the contractually expected average fixed rate of the hedging transaction by maturity band.

Time distribution based on remaining duration of cash flow hedge contracts

Description (€m)	Maturity			
	Up to 1 year	**1 - 5 years**	**Over 5 years**	**Total**
Cash flow hedges - Interest rate risk				
Forward sales				
Nominal	602	-	-	**602**
Settlement price	547	-	-	**547**
Interest rate swaps				
Nominal	-	609	5,347	**5,956**
Average rate %	-	4.832%	4.073%	4.151%

Cash flow hedges - Rate risk

(€m)	Nominal	Carrying amount		Change in value used to recognise ineffective portion of hedge	Cash flow hedges		
		Assets	Liabilities		Hedge reserve	Discontinued	
Hedged items							
Fixed income instruments, of which: at FVTOCI		6,674	-	26			
Hedging instruments							
Forward purchases	-	-	-	-	42	-	-
Forward sales	602	3	(1)	2	2	-	-
Interest rate swaps	5,956	9	(541)	(28)	(396)	-	-
Profits/(losses) on hedging recognised in P&L				-			

Impact on OCI of cash flow hedges - Rate risk

(€m)	Profits/(losses) on hedging recognised in OCI, period fair value (inc./dec.)	Transfers to profit or loss:	
		Hedge accounting effects	**Discontinued**
Fixed income instruments	111	(48)	-
Total	**111**	**(48)**	**-**

Reform of reference indices for determining interest rates

The reform of key interest rate benchmarks, called the "InterBank Offered Rate (IBOR) Reform", involved regulators in various jurisdictions around the world with the aim of replacing some interbank rates with risk-free alternative rates and preparing guidelines to update contract models.

Currently, the main benchmarks for the euro area are:

- the Euro Short Term Rate - ESTR (administered by the European Central Bank and published as of 2 October 2019) which replaced the Euro OverNight Index Average (EONIA - no longer listed as of 1 January 2022) redefining it as ESTR plus 8.5 bps;
- the EURIBOR (administered by the European Money Market Institute), whose reform process ended in November 2019.

The Group has financial instruments indexed to both ESTR and EURIBOR. The latter continues to be quoted daily and the related cash flows continue to be traded with counterparties as usual. In relation to this parameter, there is therefore no uncertainty resulting from the IBOR reform on 31 December 2024. These instruments are subject to daily collateralisation remunerated at ESTR plus 8.5 bps (formerly EONIA).

In addition, the Group holds interest rate swaps designated as fair value hedges that have the variable "leg" indexed to the EURIBOR, with a nominal value of €24,452 million, held almost entirely by Bancoposta RFC. With particular reference to almost all of these instruments, the cash flows at 31 December 2024 are discounted at the EONIA rate defined as ESTR plus 8.5 bps and not at the ESTR rate as defined in the contracts in place with the counterparties.

4.9. CONTINGENT LIABILITIES AND MAIN PROCEEDINGS PENDING WITH THE AUTHORITIES

CONTINGENT LIABILITIES

The following information is provided in accordance with accounting standard IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*.
At 31 December 2024, there were 63 judicial and extrajudicial disputes pending for which the risk of losing is assessed as possible. The total amounts involved in the claims stand at approximately €59 million, plus interest. The main outstanding disputes, of an individually insignificant amount, relate to litigation brought by third parties in various capacities.

It should be noted that the Group, in view of the number of disputes brought by third parties, makes an assessment on a probabilistic historical basis, for cases with individually non-significant claims, reflected in the provisions for risks and charges.

In the context of disputes where the risk of losing the case is considered possible, it should be noted that on 20 December 2024, the Agenzia delle Entrate notified SDA of an pre-assessment deed ("Pre-assessment") resulting from an audit carried out on certain business relationships referring to the 2018 tax year with certain companies supplying pick-up, transport and handling activities, contesting an alleged undue deduction of VAT for approximately €20 million, IRAP for approximately €2 million, plus penalties and interest. The purpose of the Pre-assessment deed is to establish a consultation with the company, which sent its observations on 14 February 2025, following which the Agenzia delle Entrate may proceed, within 120 days of the deadline for submitting them, with the filing or notification of a tax assessment notice.
Moreover, on 27 March 2024, the company **SDA Express Courier** was notified by the Economic and Financial Police Unit of the Guardia di Finanza (Finance Police), by order of the Public Prosecutor's Office of Rome, of a Search and Seizure Decree pursuant to Article 247 et seq. of the Italian Criminal Code, in order to acquire correspondence, contractual documents, invoices and accounting records relating to the relations in place with some commercial counterparties. The proceedings are still at the preliminary investigation stage.
Lastly, on 11 December 2024, the Company SDA Express Courier was notified by the Agenzia delle Entrate-Taxpayers' Division of an access and document acquisition report for the purpose of carrying out an audit aimed at verifying the correctness of certain business relationships and related invoicing for the tax periods from 2019 to 2020.

MAIN PROCEEDINGS PENDING WITH THE AUTHORITIES

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

On 24 January 2024, AGCom notified **PostePay** of the opening of an investigation, having assessed, on a preliminary basis and pending PostePay's considerations, that there might be a risk that certain aspects of the Offer and of the related conduct (the "Conduct"), in particular the adoption of measures to limit the speed of Internet connection for certain customers in relation to the telephony offer "PosteMobile Casa Web", might potentially prove to be in conflict with the applicable regulatory framework.

On this point, the Company clarified how its conduct was and is in line with the applicable legislative and regulatory framework and with the provisions of both the mobile network access contract signed with its network service provider for the latter's protection, and the Conditions of Contract signed by end customers.

This being the case, PostePay, without acknowledging the validity of the allegations made and without acquiescing to the Authority's determinations, in the spirit of utmost care and attention to its customers and cooperation with the Authority, decided to submit, on 18 March 2024, a proposal for commitments, extended to customers who had subscribed to all PostePay offers on mobile radio technology with "unlimited" data traffic, then approved by the Authority on 30 July 2024 by Resolution 280/24/CONS,

The Company has already internally started the activities aimed at implementing its commitments within the planned time-frame.

Law Decree 201 of 6 December 2011, converted into Law 214 of 22 December 2011, transferred responsibility for regulation and supervision of the postal sector to the Italian Communications Authority (AGCom).

Following transposition into Italian law of the third European postal services directive (Directive 2008/6/EC), the so-called "net avoided cost" method has been applied in quantifying the cost of the universal service"[352].

In this regard, with reference to the audits carried out by the Authority for the years 2011 to 2016[353], the Company had filed an appeal with the Regional Administrative Court, but subsequently justified a lack of interest, therefore the Regional Administrative Court, in November and December 2024, declared the relative appeals inadmissible due to the applicant's lack of interest. For the subsequent verifications carried out by the Authority, it should be noted that:

(i) On 18 December 2024, AGCom Resolution 505/24/CONS was published, which initiated the procedure to verify the net cost of the universal postal service, the quantification of the inequitable cost and the methods of its financing for the years 2022 and 2023. On 14 March 2025, Resolution AGCom 52/25/CONS was published, with which the Authority launched the public consultation whereby the burden of the universal postal service for the years 2022 and 2023 was quantified at €522 million and €736 million respectively.

(ii) On 14 March 2024, AGCom Resolution 62/24/CONS was published, concluding the procedure to verify the net cost of the universal postal service incurred by Poste Italiane for the years 2020 and 2021. In particular, the universal postal service charge for these years has been quantified at €585 and €480 million respectively. The Authority also established that the universal service charge for the years 2020 and 2021 is inequitable and that, for the same years, unlike with what was established in previous years, the necessary procedure will be initiated for assessing the injection of resources to the Compensation Fund referred to in article 10 of Legislative Decree no. 261/1999.

(iii) 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 universal postal service charge for these years has been quantified at €354.5, €334.5 and €175 million respectively. For the 2019

[352] This method defines the cost incurred as the difference between the net operating cost incurred by a designated universal service provider when subject to universal service obligations and the net operating cost without such obligations.

[353] Resolution 412/14/CONS concerning the audit of the years 2011 and 2012, Resolution 298/17/CONS concerning the audit of the years 2013 and 2014 and Resolution 214/19/CONS concerning the audit of the years 2015 and 2016.

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 no. 261/1999 is not established. On 22 September 2021, Poste Italiane filed an appeal against the aforementioned resolution with the Lazio Regional Administrative Court. The hearing on the merits of the challenge has yet to be scheduled.

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

On 3 October 2018, Poste Italiane proceeded to pay the fine of €23 million plus interest due to the Authority's ruling in January 2018, that Poste Italiane had abused its dominant market position in the period from 2014 to 2017 (proceedings **A493**), as per art. 102 of the TFEU. This did not constitute acceptance or admission of liability in relation to the alleged misconduct and does not affect the Company's right to defend its position through the appropriate channels. Poste Italiane challenged the above-mentioned measure before the Lazio Regional Administrative Court, which, with ruling no. 13477/2023, rejected the appeal. Poste Italiane appealed to the Council of State whose hearing on the merits is scheduled for 16 December 2025.

On 19 November 2019, the AGCM initiated proceedings **PS/11563** against **Poste Italiane** in order to ascertain allegedly unfair commercial practice in the delivery of mail and, in particular, registered mail, in possible violation of Articles 20, 21 and 22 of the Consumer Code. In particular, according to some customers: i) the advertised features of the "registered mail delivery" service are not reflected in the service actually provided; ii) the advertising for the "digital registered mail collection" service does not make it clear that the service may no longer be free of charge in the near future and that, in any case, there are restrictions on its use, since it can only be accessed if the sender has authorised it. At the conclusion of the proceedings, by way of a measure notified on 15 September 2020, the Authority imposed an administrative fine of €5 million, payment of which was made on 5 January 2021. The Authority acknowledged that Poste had correctly complied with the provision. However, the company appealed to the Lazio Regional Administrative Court, which was not upheld, and appealed to the Council of State. The Council of State in its judgement no. 3175 of 5 April 2024 upheld the appeal limited to a reduction of the penalty by 50%. Following the repayment request submitted by the Company, the Authority resolved to grant approval for the return of approximately €2.5 million (plus legal interest) from MIMIT, as the difference between the penalty recalculated by the Authority and the sums already paid by Poste Italiane. The Ministry of Enterprise and Made in Italy (MIMIT) made the payment in August 2024.

On 6 April 2020, pursuant to art. 9, paragraph 3-bis of Law 192/98 and art. 14 of Law 287/90, AGCM initiated proceedings **A539** against **Poste Italiane**, following a complaint by a third-party supplier that Poste Italiane had presumably imposed unjustifiably burdensome contractual clauses. In particular, following the termination of contractual relations in mid-2017, the supplier was not, in fact, able to otherwise offer the services it was providing on the market because of the obligation to comply with rules and organisational parameters considered such as to make the company structure excessively rigid, making it unsuitable to operate with parties other than Poste Italiane. At the conclusion of the proceedings, by way of a measure notified on 6 August 2021, the Authority imposed an administrative fine of more than €11 million for abuse of economic dependence, payment of which was made on 6 September 2021. Poste Italiane appealed against the above-mentioned measure before the Lazio Regional Administrative Court, which found that Poste Italiane's actions were lawful and annulled the sanction with ruling no. 10044/23 issued on 13 June 2023. AGCM appealed against the Lazio Regional Administrative Court's ruling on 10 October 2023, while Poste Italiane lodged a cross-appeal on 9 November 2023. The court merit is set for 17 July 2025.

By means of a measure adopted at a meeting held on 30 January 2024 and notified to Poste Italiane on 7 February 2024, the AGCM, without taking into account the exemption enjoyed by Poste Italiane from the application of Article 14 of Law 287/1990, initiated investigative proceedings against the Company in order to ascertain the existence of a possible breach of Article 8, paragraph 2-quater of the aforesaid Law. At the same time, the Authority initiated proceedings to verify the actual existence of the requirements for the adoption of precautionary measures pursuant to Article 14-bis of the same Law. Specifically, the Authority observed that Poste Italiane, through its subsidiary PostePay S.p.A., is active in the electricity and gas supply sector and has allegedly denied two of the latter's competing companies access - pursuant to Article 8, paragraph 2-quater of Law no. 287/90 - to the resources made available to PostePay, which it has exclusive access to as a result of its activities within the perimeter of the universal postal service. On 14 February, the Company filed its memorandum in the precautionary proceedings, contesting the Authority's approach and, in particular, the non-application of the provisions of Article 1, paragraph 6 of Law Decree no. 59/2021 as amended and supplemented, exempting Poste from the application of Article 8, paragraph 2-quater, of Law 287/1990 until 31 December 2026. On 2 April 2024, the AGCM notified Poste of Order no. 31138 by which it decided to adopt precautionary measures pursuant to Article 14-bis of Law no. 287/1990. The Company challenged the measure in court. The Council of State on 20 May 2024 upheld the appeal and cautiously suspended the effectiveness of the precautionary measures. At its meeting on 16 July 2024, the Authority passed the final decision notified to the Company on 19 July. The AGCM is of the opinion that there are no grounds to justify an absolute refusal such as the one opposed by Poste to the persons requesting access pursuant to Article 8, paragraph 2-quater, and that such refusal is not justified, since the exemption provided for in Article 1, paragraph 6 of Law Decree no. 59/2021 (the "Polis Waiver") does not extend to all Post Offices but only to those included in the Polis Project. According to the Authority, the access methods pursuant to Article 8, paragraph 2-quater must in any case be defined by Poste Italiane on the basis of the negotiating autonomy granted to it and on the basis of the information at its sole disposal, in order to reasonably and proportionately balance the conflicting needs related to access requests and the protection of other interests. For these reasons, Poste Italiane shall guarantee, to PostePay's competitors who so request, access pursuant to Article 8, paragraph 2-quater to all Post Offices not included in the Polis Project, according to modalities defined by Poste Italiane, which need not be identical to those guaranteed to PostePay. To this end, Poste Italiane must appoint a trustee ("Monitoring Trustee") responsible for monitoring compliance with the obligations set forth in Article 8, paragraph 2-quater, submitting the appointment to the Authority for approval, within sixty days from the notification of the measure. However, it is necessary to point out that Article 8, paragraph 2-quater was repealed by Law Decree no. 113 of 9 August 2024 (Article 10, paragraph 2), converted into Law no. 143 of 7 October 2024, with the consequent disappearance of the access obligations for Poste Italiane. In any event, in order to assert the legitimacy of its actions regardless of the effects of the repeal of the rule in question, on 18 October 2024 the Company challenged the provision before the Lazio Regional Administrative Court.

On 22 April 2024, the AGCM notified **Poste Italiane** of the notice of initiation of proceeding **PS/12768** and the simultaneous request for information, in relation to certain anti-fraud messages that holders of BancoPosta and PostePay accounts, who use the services through the relevant Apps (installed on Android devices), allegedly received when accessing them, starting from the first days of April. According to the AGCM, the Company's conduct would constitute an aggressive or in any case unfair commercial practice, in that users would be "induced" to allow access to their data in a situation of undue conditioning, since failure to consent - after three accesses - would preclude them from continuing to use BancoPosta and PostePay services via the App. On 13 May 2024, Poste Italiane sent the AGCM a memorandum in which it replied to the request for information and to the objections contained in the writ. On 6 June 2024, the Company filed the integration of the previous defence memorandum and the commitment form containing the initiatives it undertakes to implement (subject to integration/amendment), on a voluntary basis, aimed at eliminating the Authority's alleged critical issues, without lending acquiescence to the objections raised in the proceedings. Some of the commitments presented were subsequently implemented by the Company, which, on 18 July 2024, replied to the second request for information on certain aspects that had emerged during the technical hearing with the Authority held on 18 June 2024 (e.g. on the subject of Bank of Italy controls and indications and the results of anti-fraud activities). On 10 September 2024, the Authority communicated to Poste Italiane the rejection of the commitments, deeming them "unsuitable to remedy the aspects of possible unfairness subject to investigation, insofar as they consist for the most part in merely informative measures, as such not responding to the critical issues contested at the time of the opening of the proceedings relating to the elements of aggressiveness, or in any case not resolving the objections formulated" and extending the deadline for the conclusion of the proceedings by 60 days (18 November 2024). On 26 September, the Authority sent a further request for information to which Poste Italiane replied on 17 October. On 11 November 2024, Poste Italiane filed an application to reopen the obligations' sub-proceedings with the simultaneous submission of a further measure, which was rejected by the Authority.

On 9 August 2022, the Italian Antitrust Authority ("AGCM" or "Authority") - as a result of proceedings PS/11936 ("Proceeding") - notified **PostePay** of measure no. 30286 ("Measure"), in which it criticised the conduct of the Company, claiming that, for mobile telephony offers subscribed to at a flat fee, PostePay charges a consumption-based fee - more expensive than the ordinary one - when it is impossible to periodically renew the offer due to lack of sufficient credit "in order to guarantee the continuity of the service" without adequate information and without, therefore, a prior and informed consent of the consumer. Therefore, in the Authority's view, the conduct engaged in by PostePay would constitute a breach of Article 26, paragraph 1, letter f) of the Consumer Code.
As a result, the Company was ordered to pay an administrative fine.
Due, inter alia, to the partial and insufficient acknowledgement of the measures adopted by the Company, the refusal to examine the further measures proposed and the failure to accept the defence petitions submitted, the Company deemed it appropriate to lodge an appeal against the Measure before the Lazio Regional Administrative Court with an appeal filed on 28 October 2022. Therefore, the payment of the fine imposed was made by PostePay with express reservation of appeal and, in the event, of repayment of the amount paid in the event of annulment (total or partial) of the Measure by the Lazio Regional Administrative Court and/or the Council of State. The purpose of the appeal before the Lazio Regional Administrative Court is to obtain (i) as a preliminary step, the annulment of the measure, (ii) in the alternative, the annulment of the fine imposed or (iii) in the further alternative, its reduction to the minimum amount. The setting of the first trial hearing is pending.
On 7 November 2022, PostePay, while not lending any acquiescence to the Resolution, forwarded to AGCM the required compliance report, which illustrated the measures adopted by PostePay to overcome AGCM's objections, even though it had contested their grounds in the appeal pending before the Lazio Regional Administrative Court. On 2 December 2022, the Authority, having received a response from PostePay to its request for further information, informed PostePay after the Board meeting of 13 December 2022 that it had taken note of its compliance with the order.

Bank of Italy

On 20 July 2022, the Authority sent a notice to Poste Italiane SpA - BancoPosta RFC and PostePay concerning the manner in which the funds received by PostePay in respect of the issuance of electronic money should be managed. It should be noted that the Supervisory Provisions for EMI provide that such funding may be deposited with a bank authorised to operate in Italy, invested in qualified debt securities or particular units of harmonised mutual funds. Since the creation of PostePay, these sums are deposited in a postal current account (protection account) and contribute to the funds from private customers of Bancoposta RFC, which are invested in euro area government bonds. In this regard, the Authority initiated discussions with BancoPosta and PostePay in 2021, in view of the fact that BancoPosta was not deemed to be an entity that could be assimilated to the concept of "credit institution" under the relevant European legislation. The issue found a favourable conclusion with Law no. 207 of 30 December 2024 (2025 Budget Law), which introduced, among the activities that Poste Italiane SpA - BancoPosta RFC may carry out, the possibility of "collecting sums of money received by electronic money institutions for the issuance of electronic money and by payment institutions for the provision of payment services referred to in Articles 114-quinquies.1 and 114-duodecies of the Consolidated Law on Banking" (see Article 2, paragraph 1)(a-bis) of Presidential Decree no. 144/2001 "Regulation containing rules on BancoPosta services").

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

With reference to the notice of objection for the alleged breach of article 183, paragraph 1, letter "a", of the Private Insurance Code, deriving from the alleged tardiness of the settlement of insurance benefits beyond the contractual deadline, notified to Poste Vita SpA on 27 February 2024 by the "Sanctions and Settlements Service" of IVASS, on 30 July 2024, IVASS notified the Company of the proposed application of an administrative fine of €0.08 million. With respect to this proposed fine, Poste Vita filed its observations within the time limits set forth in the industry regulations, and subsequently, on 13 December 2024, the Authority notified the sanctioning measure with which, at the conclusion of these proceedings, it imposed a fine of approximately €0.06 million. The fine in question has been paid and the company has decided to postpone with the lodging of an appeal.

In addition, on 1 August 2024, IVASS served Poste Vita with a notice of objection for the alleged breach of art. 183, paragraph 1, letter "a", of the Private Insurance Code (i.e. settlement of insurance benefits beyond the contractual deadline), for which €0.03 million was set aside. Poste Vita filed its counter-arguments within the deadlines provided for by the industry regulations; it is therefore waiting for IVASS's determinations.

Garante per la protezione dei dati personali (the Italian Data Protection Authority)

On 16 April 2024, the Garante per la protezione dei dati personali (GPDP) opened a preliminary investigation with a request for information in relation to the same event that led to the initiation of proceedings PS/12768 of ACGM, i.e. the anti-fraud messages received by BancoPosta and PostePay account holders, who use the services through the relevant apps installed on their Android devices, when accessing them from the first days of April 2024. After several requests for information and related replies, the last of which was sent in January 2025, aimed at providing the GPDP with both the regulatory basis and information on the processing of personal data of the BancoPosta and Postepay apps, carried out for anti-fraud purposes, the Authority's investigative activity continues.

In August 2023, the IT continuous monitoring units detected anomalies on the systems of the subsidiary Postel SpA and identified an event of compromise of some Domain Controllers, made possible through the use of various malware and the activation of a malicious code used to encrypt computers (ransomware). The execution of the ransomware, claimed by a cyber criminal group, disrupted the operation of some servers and several workstations spread across the country. Based on the provisions of the "Data Breach Management" procedure governing the activities of detecting, notifying and communicating personal data breaches in accordance with the provisions of EU Regulation 2016/679 (GDPR), the GDPR Team was convened and, within the timeframe set out in Articles 33 and 34 of the GDPR, the Company notified the Privacy Guarantor and all relevant stakeholders.

On 15 December 2023, the Garante per la Protezione dei Dati Personali (GPDP - Italian Data Protection Authority) notified Postel SpA of the commencement of proceedings for the adoption of measures and sanctions under Article 83 of the GDPR.

On 23 October 2024, the Company, after having filed its defence briefs and having been heard at a hearing in January 2024, decided to lend acquiescence to the measure of the GPDP, notified on 23 September 2024, which ordered it to pay a fine in the amount of €0.9 million within 30 days from the notification of the same, under penalty of the adoption of the consequent executive acts pursuant to Article 27 of Law no. 689/1981, without prejudice to the right to settle the dispute through the payment of an amount equal to half of the fine imposed, within the term set forth in Article 10, paragraph 3, of Legislative Decree no. 150 of 1.9.2011 provided for the lodging of the appeal. The Company availed itself of this right, waiving its objection to the measure and paying a fine reduced to €0.45 million.

Finally, the Company has taken steps to carry out all the necessary consequent actions and implement the security, organisational and technical measures indicated by the Italian Data Protection Authority in the Measure, which Postel acknowledged on 20 January 2025 to the Italian Data Protection Authority be sending the appropriate compliance report.

On 3 March 2025, Postel was informed that the file on the personal data breach had been closed, without prejudice in any case to the Authority's requirements with which the company must comply.

TAX DISPUTES

In November 2018, **Consorzio Postemotori** received notice of an order issued by the Criminal Court in Rome and of a precautionary seizure regarding the consortium, amounting to €4.6 million. On 13 May 2019, the G.U.P. (Preliminary judge) of the Ordinary Court of Rome downgraded the original charges, ordering the committal for trial only in relation to a portion of the charges relating to the passive invoicing transactions of a subcontractor and a tax consultant of one of the partners. in respect of the release request, on 24 December 2021, the Court of Rome issued an order for partial restitution of the sum of €0.3 million.

On 13 December 2024, the Criminal Court of Rome issued a ruling of first instance, from which it emerges that all charges to which the seizure refers have been dropped, and on 26 February 2025, the Guardia di Finanza - Nucleo Speciale Polizia Valutaria (Financial Police - Special Currency Unit) - notified the Consortium of the order to revoke the preventive seizure and return the residual amount due, credited to the Consortium's current account on 19 March 2025.

SOCIAL SECURITY DISPUTES

Since 2012 and until 31 December 2024, the Istituto Nazionale per la Previdenza Sociale (INPS, the National Institute of Social Security) office at Genoa Ponente and Roma Eur has issued **Postel** some payment orders, for a total amount payable of €25.48 million, with which the payment of contributions funding CIG (income support), CIGS (extraordinary income support), unemployment benefit and CUAF (family benefits) not covered by the contributions paid to IPOST was requested. Appeals against these requests were brought before the Court of Genoa.

On 20 and 21 February 2024, the Court of Cassation filed its judgements rejecting the first appeals brought by INPS and absorbing the cross-appeals brought by the Company. The Court stated that given the special and exclusive nature of the Ipost scheme - which is a self-contained social security and welfare system - nothing else is owed by the Company by way of social security and welfare contributions.

On 30 September 2024, the Company filed a self-protection petition with INPS with which it asked the Institute to comply with the final decision of the Supreme Court of Cassation in the aforementioned rulings, in addition to cancelling all the adjustment notes still present in the Company's social security file and any other deed referring to the CIG, CIGS and Mobility contributions, as well as the CUAF contributions for all periods prior to 1 January 2020.

On 8 October 2024, INPS announced that it had made the necessary adjustments to the social security classification of Postel and recalculated the adjustment notes issued to the Company on the social security file. The Company is currently verifying the changes in classification and the recalculation of the adjustment notes made by INPS in the social security file. On 19 December 2024, INPS, in execution of the aforementioned Court of Cassation rulings of 20 and 21 February 2024, repaid to the Company the sums paid, totalling €0.2 million.

With reference to the judgements already decided and those awaiting settlement, with regard to the judgement of 19 September 2019, the Court of Genoa confirmed the position by sentencing Postel to pay INPS, by way of CUAF contributions relating to the period from May 2011 to November 2012, the sum of €0.08 million, deeming that the higher sums claimed in the debit notices (amounting in total to approximately €4 million) were not due. By judgement of 21 May 2021, the Court of Appeal of Genoa dismissed the main appeal and the cross-appeal. INPS appealed in cassation and Postel joined the proceedings. On 26 January 2023, the Court of Cassation ordered the case to be remitted to the register for processing together with other appeals. The hearing before the Court of Cassation was held on 10 October 2023 and on 11 January 2024, the Court of Cassation declared that the appeal brought by INPS against the judgement published on 21 May 2021 was inadmissible because it was out of time, and ordered the Institute to reimburse the Company for its legal costs. On 11 July 2024, INPS lodged an appeal for revision against the latter judgement of the Supreme Court. The case was heard on 14 January 2025 and the Court reserved its decision.

Taking into account the judgements issued thus far, the reasons given and the latest claims brought by INPS, the Company has adjusted its provisions for risks.

4.10. MATERIAL NON-RECURRING EVENTS AND/OR TRANSACTIONS

Pursuant to CONSOB Communication no. DEM/6064293 of 28 July 2006, the effects arising from significant non-recurring events and transactions recognised by the Parent Company and by the Poste Italiane Group in 2024 related to the risk analysis on tax credits (see in this regard Note A10 - Tax credits Law no. 77/2020), amounted to a total of €341 million as detailed below:

- derecognition of tax credits relating to years after 2024 in the amount of €284 million recognised under "Adjustments on debt instruments, receivables and other assets'"
- charges of €57 million recognised in "Other operating costs" related to the repayment of portions of receivables pertaining to years prior to 2024.

4.11. EXCEPTIONAL AND/OR UNUSUAL TRANSACTIONS

Under the definition provided by the CONSOB ruling of 28 July 2006, the Poste Italiane Group did not conduct any exceptional and/or unusual transactions[354] in 2024.

4.12. ADDITIONAL INFORMATION

This note represents an area in which qualitative/quantitative information is provided on issues residually required by accounting standards, not specifically dealt with in the previous notes.

OFFSETTING FINANCIAL ASSETS AND LIABILITIES

In compliance with IFRS 7 – *Financial instruments: Disclosures*, this section provides details of financial assets and liabilities that are subject to master netting agreements or similar arrangements, regardless of whether the financial instruments have been offset in keeping with paragraph 42 of IAS 32[355].

In particular, the disclosures in question concern the following positions relating to Poste Italiane SpA at 31 December 2024:

- derivative assets and liabilities and related collateral, represented both by cash and government securities;
- repurchase agreements and reverse repurchase agreements and the related collateral, represented both by cash and government securities.

The positions in question are subject to standard bilateral netting agreements that allow, in the event of the counterparty's default, the offsetting of debit and credit positions covered by ISDA contracts and repurchase agreements, for which GMRA agreements have been entered into.

Repurchase agreement positions managed through the Central Counterparty that meet the requirements of IAS 32 are shown net of offsetting.

[354] Such transactions are defined as transactions that due to their significance/materiality, the nature of the counterparties, the purpose of the transaction, the manner of determining the transfer price and timing of the transaction may give rise to doubts over the correctness and/or completeness of the disclosures in the financial statements, over a conflict of interest, safeguards for the Company's financial position and protections for non-controlling shareholders.

[355] Paragraph 42 of IAS 32 provides that "A financial asset and a financial liability can be offset and the net amount presented in the statement of financial position when, and only when, an entity:
(a) currently has a legally enforceable right to set off the recognised amounts; and
(b) intends either to settle on a net basis or to realise the asset and settle the liability simultaneously".

In order to present the tables in compliance with the requirements of IFRS 7, repurchase agreements are shown at amortised cost, whilst derivative transactions are shown at fair value; the relevant financial guarantees are measured at fair value.

Financial assets offset in the financial statements or subject to framework master netting agreements or similar arrangements

Technical forms (€m)	Gross amount of financial assets (*) (a)	Amount of financial liabilities offset in financial statements (b)	Financial assets, net (c=a-b)	Related amounts not subject to offset in the financial statements		Financial assets/(liabilities), net (f=c-d-e)
				Collateral		
				Financial instruments (d)	Cash deposits provided/(received) as collateral (e)	
FY 2024						
Financial assets BancoPosta RFC						
Derivatives	2,679	-	2,679	1,122	1,498	59
Repurchase agreements	2,726	1,160	1,566	1,560	-	6
Total at 31 December 2024	**5,405**	**1,160**	**4,245**	**2,682**	**1,498**	**65**
FY 2023						
Financial assets BancoPosta RFC						
Derivatives	4,257	-	4,257	1,068	2,812	377
Repurchase agreements	4,106	2,337	1,769	1,769	-	-
Total at 31 December 2023	**8,363**	**2,337**	**6,026**	**2,837**	**2,812**	**377**

Financial liabilities offset in the financial statements or subject to master netting agreements or similar arrangements

Technical forms (€m)	Gross amount of financial liabilities(*) (a)	Amount of financial assets offset in financial statements (b)	Financial liabilities, net (c=a-b)	Related amounts not subject to offset in the financial statements		Financial assets/(liabilities), net (f=c-d-e)
				Collateral		
				Financial instruments (d)	Cash deposits provided/(received) as collateral (e)	
FY 2024						
Financial liabilities BancoPosta RFC						
Derivatives	1,348	-	1,348	1,126	208	14
Repurchase agreements	7,365	1,160	6,205	6,104	101	-
Total at 31 December 2024	**8,713**	**1,160**	**7,553**	**7,230**	**309**	**14**
FY 2023						
Financial liabilities BancoPosta RFC						
Derivatives	1,136	-	1,136	1,053	83	-
Repurchase agreements	10,554	2,337	8,217	7,762	455	-
Total at 31 December 2023	**11,690**	**2,337**	**9,353**	**8,815**	**538**	**-**

* The gross amount of financial assets and liabilities includes the financial instruments subject to offsetting and those subject to master netting agreements or similar arrangements, regardless of whether the financial instruments have been offset.

TRANSFERS OF FINANCIAL ASSETS THAT ARE NOT DERECOGNISED

In accordance with IFRS 7 - *Financial Instruments: Disclosures*, this section provides additional information on the transfer of financial assets that are not derecognised (continuing involvement).

At 31 December 2024, these assets concern reverse repurchase agreements entered into with primary financial intermediaries and entirely attributable to the Parent Company.

Transfers of financial assets that are not derecognised

Description (€m)	Notes	31 December 2024			31 December 2023		
		Nominal value	Carrying amount	*Fair value*	Nominal value	Carrying amount	*Fair value*
Financial assets BancoPosta RFC	[A6]						
Financial assets at amortised cost		5,440	5,588	5,323	6,679	6,822	6,291
Financial assets at FVTOCI		2,299	2,251	2,251	4,386	4,093	4,093
Financial liabilities BancoPosta RFC	[B6]						
Financial liabilities arising from repos		(7,338)	(7,365)	(7,263)	(10,559)	(10,553)	(10,332)
Total		**401**	**474**	**311**	**506**	**362**	**52**

FINANCIAL ASSETS SUBJECT TO ENCUMBRANCES

This paragraph provides information on the nominal value and carrying amount of financial assets delivered to counterparties as collateral for repurchase agreements and interest rate swaps, and financial assets delivered to the Bank of Italy as collateral for intraday credit granted to the Parent Company and as collateral for SEPA Direct Debits.

Financial assets subject to encumbrances

Description (€m)	31 December 2024		31 December 2023	
	Nominal value	Carrying amount	Nominal value	Carrying amount
Financial assets BancoPosta RFC				
Financial assets at amortised cost				
Loans and receivables	**801**	**801**	**1,224**	**1,224**
Receivables used as collateral provided by CSAs	193	193	83	83
Receivables used as collateral provided by GMRAs	299	299	1,006	1,006
Receivables in the form of guarantee deposits (Clearing House margin requirements)	214	214	89	89
Receivables in the form of guarantee deposits (OTC Clearing House)	95	95	46	46
Fixed income instruments	**7,793**	**8,091**	**7,523**	**7,761**
Securities involved in repurchase agreements	5,440	5,588	6,679	6,822
Securities used as collateral provided by CSAs and GMRAs	8	8	-	-
Securities used as collateral for intraday credit from the Bank of Italy and for Sepa Direct Debits	2,345	2,495	844	939
Financial assets at FVTOCI				
Fixed income instruments	**2,854**	**2,807**	**6,336**	**6,026**
Securities involved in repurchase agreements	2,299	2,251	4,386	4,093
Securities used as collateral provided by CSAs and GMRAs	-	-	-	-
Securities used as collateral for intraday credit from the Bank of Italy and for Sepa Direct Debits	555	556	1,950	1,933
Financial assets outside the ring-fence				
Financial assets at amortised cost				
Loans and receivables	**-**	**-**	**-**	**-**
Receivables used as collateral provided by CSAs	-	-	-	-
Receivables used as collateral provided by GMRAs	-	-	-	-
Financial assets at FVTOCI				
Fixed income instruments	-	-	-	-
Securities involved in repurchase agreements	-	-	-	-
Total financial assets subject to encumbrances	**11,448**	**11,699**	**15,083**	**15,011**

At 31 December 2024, the Parent Company has received financial assets as collateral for repurchase agreements, having a notional value of €2,611 million and a fair value of €2,709 million.

In addition securities with a nominal value of €1,205 million are committed for repurchase agreements entered into with Cassa Compensazione e Garanzia in December 2024 and settled in early January 2025.

EXPOSURE TO SOVEREIGN DEBT

With regard to financial assets, as required by Communication DEM/11070007 of 28 July 2011, implementing Document 2011/266 published by the European Securities and Markets Authority (ESMA) and later amendments, the Group's exposure to sovereign debt at 31 December 2024[356] is shown in the table below.

Poste Italiane Group - Exposure to sovereign debt

Description	31.12.2024			31.12.2023		
(€m)	Nominal value	Carrying amount	Market Value	Nominal value	Carrying amount	Market Value
Italy	**132,336**	**130,486**	**128,897**	**133,977**	**128,548**	**126,362**
Financial assets at amortised cost	29,619	30,049	28,460	29,757	29,475	27,289
Financial assets at FVTOCI	102,431	100,143	100,143	104,207	99,060	99,060
Financial assets at FVTPL	286	294	294	13	13	13
Austria	**1,256**	**1,213**	**1,213**	**1,023**	**1,003**	**1,003**
Financial assets at amortised cost	16	17	17	-	-	-
Financial assets at FVTOCI	1,046	1,018	1,018	1,023	1,003	1,003
Financial assets at FVTPL	194	178	178	-	-	-
Belgium	**5,667**	**4,922**	**4,921**	**4,545**	**3,968**	**3,968**
Financial assets at amortised cost	89	87	87	13	12	12
Financial assets at FVTOCI	5,293	4,562	4,562	4,532	3,956	3,956
Financial assets at FVTPL	285	272	272	-	-	-
Brazil	**228**	**205**	**205**	**-**	**-**	**-**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	-	-
Financial assets at FVTPL	228	205	205	-	-	-
Finland	**950**	**906**	**906**	**1,026**	**1,002**	**1,002**
Financial assets at amortised cost	20	13	13	-	-	-
Financial assets at FVTOCI	828	799	799	1,026	1,002	1,002
Financial assets at FVTPL	102	94	94	-	-	-
France	**9,077**	**7,102**	**7,099**	**7,780**	**6,287**	**6,287**
Financial assets at amortised cost	108	80	77	-	-	-
Financial assets at FVTOCI	7,972	6,066	6,066	7,780	6,287	6,287
Financial assets at FVTPL	997	956	956	-	-	-
Germany	**1,567**	**1,513**	**1,513**	**1,183**	**1,133**	**1,133**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	829	783	783	1,183	1,133	1,133
Financial assets at FVTPL	738	730	730	-	-	-
Indonesia	**301**	**303**	**303**	**-**	**-**	**-**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	-	-
Financial assets at FVTPL	301	303	303	-	-	-
Ireland	**883**	**804**	**804**	**811**	**741**	**741**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	834	757	757	811	741	741
Financial assets at FVTPL	49	47	47	-	-	-
Mexico	**470**	**425**	**425**	**-**	**-**	**-**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	2	2	2	-	-	-
Financial assets at FVTPL	468	423	423	-	-	-

[356] The carrying amount of the exposure to Other Countries not detailed in the table does not individually exceed the threshold of €200 million.

Holland	**226**	**206**	**206**	**328**	**335**	**335**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	90	90	90	328	335	335
Financial assets at FVTPL	137	115	115	-	-	-
Poland	**234**	**229**	**229**	**-**	**-**	**-**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	2	2	2	-	-	-
Financial assets at FVTPL	231	227	227	-	-	-
Portugal	**547**	**473**	**473**	**458**	**374**	**374**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	408	330	330	458	374	374
Financial assets at FVTPL	139	143	143	-	-	-
Romania	**235**	**214**	**214**	**-**	**-**	**-**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	-	-
Financial assets at FVTPL	235	214	214	-	-	-
Spain	**5,846**	**4,276**	**4,276**	**4,045**	**2,607**	**2,606**
Financial assets at amortised cost	3	3	3	3	3	3
Financial assets at FVTOCI	4,574	3,109	3,109	4,042	2,604	2,604
Financial assets at FVTPL	1,269	1,164	1,164	-	-	-
South Africa	**252**	**225**	**225**	**-**	**-**	**-**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	-	-	-	-	-	-
Financial assets at FVTPL	252	225	225	-	-	-
USA	**2,409**	**2,171**	**2,171**	**111**	**100**	**100**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	201	194	194	111	100	100
Financial assets at FVTPL	2,208	1,978	1,978	-	-	-
Other countries	**3,341**	**3,122**	**3,122**	**202**	**181**	**181**
Financial assets at amortised cost	-	-	-	-	-	-
Financial assets at FVTOCI	365	355	355	202	181	181
Financial assets at FVTPL	2,976	2,767	2,767	0	0	0
Total	**165,826**	**158,795**	**157,203**	**155,489**	**146,278**	**144,092**

Of the overall total of exposures to Other Countries (with a carrying amount of €3,265 million), about €42 million refer to bonds issued by countries characterised by significant macroeconomic and geopolitical uncertainty arising from the continuation of armed conflicts (Ukraine and Israel).

The carrying amount of government securities increased by €12,517 million in the period under review, of which €9,829 million related to securities held by the Multi-asset Funds (for a description of the transaction, see "Section 2.8 - Basis of consolidation" and "A6 - Financial assets".

UNCONSOLIDATED STRUCTURED ENTITIES

In order to make investments as consistent as possible with the risk-return profiles of the policies issued, ensuring management flexibility and efficiency, in certain cases Poste Vita SpA has purchased over 50% of the assets managed by certain investment funds. In these cases, tests have been performed in keeping with IFRS to determine the existence of control. The results of the tests on such funds suggest that the company does not exercise any control within the meaning of IFRS 10 – *Consolidated Financial Statements*. However, these Funds fall within the definition of unconsolidated structured entities: a structured entity is an entity designed in such a way as not to make voting rights the key factor in determining control over it, as in the case where voting rights refer solely to administrative activities and the relevant operations are managed on the basis of contractual arrangements.

Nature of the involvement in the unconsolidated structured entity

(€m)

ISIN - Name	Nature of entity	Activity of the Fund	% investment	NAV Ref. date	NAV Amount
QU0006738052 - Prima EU Private Debt Opportunity Fund	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/09/2024	526
IT0004937691 - PRIMA HEDGE PLATINUM GROWTH ISIN IE00BK1KDS71	Pursuit of absolute returns, with low long-term volatility and correlation with the main financial markets	Pursuit of absolute returns, with low long-term volatility and correlation with the main financial markets	100%	29/11/2024	469
QU0006744795 - Prima European Direct Lending 1 Fund	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/09/2024	470
IT0005174450 - DIAMOND EUROZONE FUND OFFICE UBS	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in "core" and "core plus" real estate assets for retail use, located in the Eurozone and euro-denominated	100%	30/09/2024	415
IT0005247819 - Diamond Core	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in real estate assets, real property rights, including those resulting from property lease-translational arrangements, concessions and other similar rights in accordance with the legislation from time to time in effect.	100%	30/06/2024	290
IT0005386666 - i3-Dante Fund Convivio sub-fund	Italian-registered, closed-end alternative real estate multi-segment investment fund	Investment in "core" and "core plus" income real estate located in the central areas of the main Italian cities, starting with Rome and Milan.	100%	30/06/2024	276
QU0006746865 - ALC Prima European Private Credit Feeder Fund	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/09/2024	281
IT0005215113 - CBRE DIAMOND FUND	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in real estate assets, real estate rights, including those deriving from real estate lease contracts, in any case carried out without particular geographical location constraints but in any case in Italy, may be used for the following purposes: logistics, retirement homes, residential, hotel, mixed-use and office or commercial use.	100%	30/09/2024	304
QU0006745081 - Prima Real Estate Europe Fund I	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/09/2024	286

IT0005212193 - DIAMOND ITALIAN PROPERTIES	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in real estate assets, real property rights, including those resulting from property lease-translational arrangements, concessions and other similar rights in accordance with the legislation from time to time in effect.	100%	30/06/2024	163
QU0006742476 - PRIMA GLOBAL EQUITY PARTNERS FUND	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/09/2024	201
QU0006738854 - Prima Credit Opportunity Fund	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds and equities).	100%	30/11/2024	106
IT0005210593 - DIAMOND OTHER SECTOR ITALY	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in real estate assets, real property rights, including those resulting from property lease arrangements, participating interests in property companies and the professional management and development of the fund's assets.	100%	30/06/2024	115
IT0005210387 - DIAMOND EUROZONE RETAIL PROPERTY FUND	Closed-end real estate alternative investment fund under Italian law falling within the scope of Directive 2011/61/EU	Investment in "core" and "core plus" real estate assets for retail use, located in the Eurozone and euro-denominated	100%	30/09/2024	87
LU1581282842 - Indaco SICAV SIF - Indaco CIFC US Loan	Open-ended fund falling within the scope of Directive 2011/61/EU	Investment in a mix of asset classes (corporate bonds, government bonds, loans and equities).	100%	29/11/2024	91
LU1081427665 - SHOPPING PROPERTY FUND 2	Closed-end fund within the scope of Directive 2011/61/EU	Invests in the Shopping Property Fund 2: master fund which invests primarily in commercial properties and, marginally, in office buildings and alternative sectors. It does not invest in property debt	65%	30/09/2024	43

Nature of the involvement in the unconsolidated structured entity

The purpose of Poste Vita's investment in the funds is to diversify its portfolio of financial instruments intended to cover Class I products (Separately Managed Accounts), with the objective of mitigating the concentration of investments in Italian government securities. The entities primarily regard open-end harmonised funds that invest in a mix of assets, such as corporate bonds, government bonds and equities, and closed-end real estate funds that invest in property and property rights. Certain details are provided below.

Risk nature

(€m)

ISIN - Name	Classification	Carrying amount	Maximum loss exposure	Difference between carrying amount and maximum exposure	Method to determine maximum loss exposure
IT0004937691 - PRIMA HEDGE PLATINUM GROWTH ISIN IE00BK1KDS71	FVTPL	469	158	311	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005174450 - DIAMOND EUROZONE FUND OFFICE UBS	FVTPL	415	187	228	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006744795 - Prima European Direct Lending 1 Fund	FVTPL	470	58	412	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006738052 - Prima EU Private Debt Opportunity Fund	FVTPL	526	53	473	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005247819 - Diamond Core	FVTPL	290	94	196	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005386666 - i3-Dante Fund Convivio sub-fund	FVTPL	276	69	207	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006746865 - ALC Prima European Private Credit Feeder Fund	FVTPL	281	24	257	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006745081 - Prima Real Estate Europe Fund I	FVTPL	286	134	153	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005212193 - DIAMOND ITALIAN PROPERTIES	FVTPL	163	64	100	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005215113 - CBRE DIAMOND FUND	FVTPL	304	109	195	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006738854 - Prima Credit Opportunity Fund	FVTPL	106	7	99	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
QU0006742476 - PRIMA GLOBAL EQUITY PARTNERS FUND	FVTPL	201	121	80	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005210593 - DIAMOND OTHER SECTOR ITALY	FVTPL	115	38	77	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
IT0005210387 - DIAMOND EUROZONE RETAIL PROPERTY FUND	FVTPL	87	33	54	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU1581282842 - Indaco SICAV SIF - Indaco CIFC US Loan	FVTPL	91	10	82	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets
LU1081427665 - SHOPPING PROPERTY FUND 2	FVTPL	28	11	17	VaR at 99.5% over a time horizon of 1 year calculated from SII sensitivity markets

Risk nature

The company's investments in the funds in question are reported at fair value (mainly level 2 of the fair value hierarchy), on the basis of the NAV reported from time to time by the fund manager. These investments were made in connection with Class I policies and, as such, any changes in fair value are passed on to the policyholder under the mirroring mechanism.

Asset class and reference markets relative to NAVs

(€m)

Asset class	Fair Value
Financial instruments	
Corporate bonds	292
Government bonds	34
Other investments net of liabilities	2,534
Equity instruments	577
Cash	694
Derivative financial instruments	
Swaps	1
Futures	0
Forwards	(24)
Total	**4,107**

(€m)

Market traded on and UCITS	Fair Value
Germany (Frankfurt, Berlin, Munich)	36
Dublin	-
New York	156
Trace	23
London	14
Paris	1
Euronext	23
Tokyo	1
Singapore	5
Euromtf	1
Luxembourg	0
Eurotlx	1
Hong Kong	4
Others	3,824
Provisions	18
Total	**4,107**

SHARE-BASED PAYMENT ARRANGEMENTS

LONG-TERM INCENTIVE SCHEME: PERFORMANCE SHARE PLAN

Starting from the 2019 financial year, the Shareholders' Meeting of Poste Italiane SpA approved the Information Document prepared pursuant to Article 84-bis of the Issuers' Regulation on Incentive Plans based on financial instruments, respectively, 2019-2021 Performance Share LTIP, 2020-2022 Performance Share LTIP, 2021-2023 Performance Share LTIP, 2022-2024 Performance Share LTIP, 2023-2025 Performance Share LTIP, 2024-2026 Performance Share LTIP.

These incentive systems, constructed in line with market practices, aim to strengthen the link between the variable component of remuneration and the Group's medium to long-term strategy, in line with the budget and the goals in the Strategic Plan, over a multi-year period.

Description of the Plans

The "Performance Share LTIPs", as described in the relevant Information Circulars, provide for the assignment of Rights to the Poste Italiane's ordinary shares. The number of Rights to be granted to Beneficiaries is subject to the achievement of Performance Targets over a three-year period, following confirmation of achievement of the Hurdle and the Qualifying Conditions (the latter for BancoPosta Beneficiaries, hereinafter "BP Beneficiaries"). The key characteristics of the Plans are described below.

Beneficiaries

The Beneficiaries are: Poste Italiane's Chief Executive Officer, the General Manager, certain managers within the Poste Italiane Group, including key management personnel, and some staff of BancoPosta RFC.

Plans' terms and conditions

The Performance Targets, common to all Beneficiaries, to which the vesting of the Rights and, therefore, the allocation of the Shares is conditioned, are highlighted below:

- a profitability indicator identified in the Group's three-year cumulative EBIT used to recognise the continuity and sustainability of profitability results over the long term;
- the attainment of an indicator of shareholder value creation, based on the relative Total Shareholder Return, used to measure the value created for Poste Italiane's shareholders compared with the FTSE MIB index[357].

For the 2021-2023, 2022-2024, 2023-2025 and 2024-2026 Performance Share LTIP, the following KPIs are added for the ESG component to the two targets indicated above:

- 2021-2023 Performance Share LTIP: sustainable finance, target linked to the inclusion of an ESG component in Poste Vita investment products by 2023. In particular, the indicator is calculated by comparing the number of products offered with ESG components to the total number of products offered;
- 2022-2024 Performance Share LTIP: equal gender representation in succession plans, an objective linked to strengthening the presence of women in managerial succession plans, to help increase the presence of women in positions of greater responsibility in the Poste Italiane Group. Specifically, the indicator is calculated by comparing the number of succession applications occupied by women to the total number of applications.
- 2023-2025 Performance Share LTIP: Green Transition, a target related to the reduction of tCO_2 emissions. This objective aims to measure the reduction of the Group's total emissions (tCO2e) over the 2023-2025 time horizon. Creating value for the country, an objective that takes into account the progress of the construction sites related

[357] The objective linked to the "relative Total Shareholder Return" (rTSR) includes a "negative threshold" provision: if Poste Italiane's TSR is negative, despite being higher than the TSR registered by the index, the number of vested Rights (linked to rTSR) is reduced to the minimum threshold of 50%.

to the "Polis Project". In particular, the indicator is calculated as the ratio of the number of initiated works to the total number of physically feasible works.

- 2024-2026 Performance Share LTIP: Green Transition, a target that measures the reduction of the Group's direct GHG emissions (Scope 1) from buildings (tCO2e). People development, an objective that includes a focus on skills development through the provision of training hours.

Finally, for the 2024-2026 Performance Share LTIP, a further indicator of shareholder value creation is envisaged in addition to the "Relative Total Shareholder Return", identified as "Shareholder Remuneration", which takes into account shareholder remuneration in the form of dividends paid and possible share buybacks aimed at remunerating shareholders.

Vesting of the Rights and the therefore the awarding of the Shares is subject to achievement of the Performance Hurdle, designed to ensure sustainability of the Plan at Group level. The Hurdle Condition corresponds with achievement of a certain target for the Group's cumulative EBIT over a three-year period assessed at the end of each Performance Period. In addition, for BancoPosta RFC's Beneficiaries, vesting of the Rights is also subject to the verification of Qualifying Conditions, designed to ensure the stability of BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings, as follows:

- Indicator of capital adequacy, (CET 1) at the end of the period;
- Indicator of short-term liquidity, (LCR) at the end of the period;
- RORAC risk-adjusted earnings at the end of the period.

BP Beneficiaries

The Shares will be awarded at the end of the Performance Period as follows:

- for 2019-2021 and 2020-2022 Performance Share LTIPs, 40% up-front and for the remaining 60% in two equal portions, deferred respectively for 2 and 4 years from the end of the Performance Period. A further Retention Period of one year will be applied to both the up-front and deferred portions;
- for the 2021-2023, 2022-2024, 2023-2025 and 2024-2026 Performance Share LTIPs, the following disbursement method is envisaged: 40% upfront and 60% in five deferred annual instalments over a five-year period (the first three equal to 10% of the total rights accrued and the next two equal to 15% of the total rights accrued). A further Retention Period of one year will be applied to both the up-front and deferred portions.

For BP Beneficiaries, the allocation of deferred Shares will take place following the verification of the continued existence of BancoPosta RFC's levels of capital adequacy, short-term liquidity and risk-adjusted earnings.

Other Beneficiaries

For Performance Share LTIPs, the granting of Poste Italiane Shares is entirely up-front at the end of a three-year Performance Period, with 60% of the Shares subject to a further 2-year Lock-up/Retention Period.

For more details on the operating mechanisms of the incentive plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

LONG-TERM INCENTIVE SCHEME: DELIVER 2022 LTIP

In light of the regulatory updates that have taken place and with a view to maintaining a constant alignment between the interests of management and those of the shareholders, in 2023 the Shareholders' Meeting of 8 May 2023 resolved to pay a portion equal to 55% of the bonus accrued for the Deliver MRTs BP LTI Beneficiaries at the end of the Performance Period (31 December 2022) in Rights to receive ordinary shares of Poste Italiane, subject to Retention Periods.

Since this is a Conversion, no new allocations are envisaged with respect to the objectives of the plan assigned in 2018 and based on a five-year time horizon (2018-2022).

Vesting of the Rights and the therefore the awarding of the Shares is subject to achievement of the Performance Hurdle, designed to ensure sustainability of the Plan at Group level. The Hurdle Condition corresponds with achievement of a certain target for the Group's cumulative EBIT over a five-year period at the end of each Performance Period (31 December 2022). In addition, the delivery of the Shares is also subject to the verification of Qualifying Conditions, designed to ensure the stability of BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings, as follows:

- Indicator of capital adequacy, (CET 1) at the end of the period;
- Indicator of short-term liquidity, (LCR) at the end of the period;
- RORAC risk-adjusted earnings at the end of the period.

The Plan Conversion provided for the payment of 45% of the Bonus accrued up-front in cash in 2023, as opposed to the originally planned 75%. The remaining 55%, originally planned in cash form, is paid in Rights to receive Shares subject to Retention Periods of 1 and 2 years.

Delivery of the Shares at the end of each Retention Period will take place subject to verification of the risk tolerance level of conditions linked - in addition to capital adequacy and liquidity, originally envisaged - also to risk-adjusted earnings with reference to BancoPosta RFC, as well as Poste Italiane's inclusion in at least two internationally recognised sustainability indices.

For more details on the operating mechanisms of the incentive plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

Determination of fair value and effects on profit or loss

The valuations of these plans were based on the conclusions reached by actuaries external to the Group. The unit fair value of each Right at the valuation date is equal to its nominal value at the grant date (determined on the basis of stock market prices), discounted by the expected dividend rate and the risk-free interest rate and updated taking into account the best estimate of service conditions and performance (non-market based performance conditions).

The effects on profit or loss of the above "Performance Share" Long-Term Incentive scheme at 31 December 2024 for the Group are shown below.

(Figures in €m)

Incentive plans	Number of beneficiaries	Units (no. of Phantom Stocks / Rights to receive shares): Number of Units	Units: Of which under retention period	Fair value at grant date: Chief Executive Officer – Grant date	Chief Executive Officer – Fair Value	BP Beneficiaries – Grant date	BP Beneficiaries – Fair Value	Other Beneficiaries – Grant date	Other Beneficiaries – Fair Value	Operating Cost	Reserve IFRS 2 / Liability	Payments / Countervalue delivery of treasury shares
Deliver 5 years	2	94,209	94,209	29 May 2018	€ 8.43	n/a	n/a	29 May 2018	€ 8.43	0.01	0.79	(0.53)
19-21 Performance Share LTIP	13	64,815	32,870	28 May 2019	€ 5.02	07 October 2019	€ 7.01	07 October 2019	€ 7.88	0.02	0.40	(3.23)
20-22 Performance Share LTIP	118	438,745	-	05 May 2020	€ 6.05	12 November 2020	€ 4.89	12 November 2020	€ 5.41	0.02	2.36	(0.18)
21-23 Performance Share LTIP	163	944,944	96,747	28 May 2021	€ 8.19	28 May 2021	€ 8.27	28 May 2021	€ 9.07	1.75	8.37	(4.35)
22-24 Performance Share LTIP	203	1,126,676	-	27 May 2022	€ 4.65	27 May 2022	€ 4.65	27 May 2022	€ 5.66	2.27	6.21	-
23-25 Performance Share LTIP	221	1,684,754	-	08 May 2023	€ 4.47	08 May 2023	€ 4.47	08 May 2023	€ 5.62	3.09	6.13	-
24-26 Performance Share LTIP	241	2,018,699	-	31 May 2024	€ 6.91	31 May 2024	€ 6.91	30 May 2024	€ 8.69	5.68	5.68	-
Total										**12.85**	**29.95**	**(8.29)**

SHORT-TERM INCENTIVE SCHEMES: MBO

On 27 May 2014, the Bank of Italy issued specific Supervisory Provisions for BancoPosta (Part IV, Chapter I, "BancoPosta" including in Circular 285 of 17 December 2013 "Prudential supervisory standards for banks") which, in taking into account BancoPosta's and Poste Italiane's specific organisational and operational aspects, has extended application of the prudential standards for banks to include BancoPosta. This includes the standards relating to remuneration and incentive policies (Part I, Title IV, Chapter 2 "Remuneration and incentive policies and practices" in the above Circular 285). These standards, applicable only to the Parent Company Poste Italiane SpA, provide that a part of the bonuses paid to BancoPosta RFC's Risk Takers may be awarded in the form of financial instruments over a multi-year timeframe. With regard to the management incentive schemes adopted for BancoPosta RFC MBO for 2018, where the incentive was above a materiality threshold, the MBO management incentive scheme envisages the award of 50% of the incentive in the form of phantom stocks[358], and application of deferral mechanisms:

- 60% of the award to be deferred for a 5-year period on a pro-rata basis, in the case of Material Risk Takers who are beneficiaries of both the short-term incentive scheme and long-term incentive scheme, "Phantom Stock LTIP";
- 40% of the award to be deferred for a 3-year period on a pro-rata basis for the remaining Material Risk Takers.

In the course of 2024, the payment of the last tranche of the plan in question was completed with a total outlay of approximately €153 thousand.

The most recent short-term managerial incentive schemes (MBO from 2019 to 2024) envisage, if the incentive exceeds a materiality threshold, the disbursement of a portion of the accrued premiums in the form of Rights to receive Poste Italiane SpA shares and the application of deferral mechanisms of between 40% and 60% of the incentive over a time horizon of 3/5 years pro-rata based on the beneficiary's category. For more details on the operating mechanisms of the incentive

[358] units representing the value of the share of Poste Italiane SpA

plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

The Rights to receive Shares (MBO plans from 2019 to 2024) are subject to the existence of a Hurdle Condition (Group Profitability: EBIT) and Qualifying Conditions as follows:

- Indicator of capital adequacy, identified as CET 1;
- Indicator of short-term liquidity, identified as LCR;
- Risk-adjusted earnings (RORAC) for MBO 2023 and MBO 2024.

An additional Qualifying Condition is expected to apply to the Chief Executive Officer, in addition to those set out above, linked to the Solvency Ratio of the Poste Vita Insurance Group.

Amounts allocated in the form of Shares are subject to a Retention Period for both up-front and deferred portions.

The deferred portion will be disbursed each year subject to compliance with the requirements of capitalisation, liquidity of BancoPosta RFC and risk-adjusted earnings (the latter where it is a hurdle condition). The effects on profit or loss and on equity are recognised in the period in which the instruments vest.

Determination of fair value and effects on profit or loss

The valuations of these plans were based on the conclusions reached by actuaries external to the Group.

(Figures in €m)

Incentive plans	Number of beneficiaries	Units (no. Phantom stocks/ Rights to receive shares): Number of Units	Units: Of which under retention period	Fair value at grant date: Chief Executive Officer: Grant date	Chief Executive Officer: Fair Value	BP Beneficiaries: Grant date	BP Beneficiaries: Fair Value	Other Beneficiaries: Grant date	Other Beneficiaries: Fair Value	Operating Cost	Reserve IFRS 2 / Liability	Payments / Countervalue delivery of treasury shares
MBO 2018	10	15,081	-	19 March 2019	€ 10.2	19 March 2019	€ 10.2	19 March 2019	€ 10.2	0.01	-	(0.15)
MBO 2019	5	3,123	3,123	05 March 2020	€ 7.51	05 March 2020	€ 7.51 - € 7.62	05 March 2020	€ 7.51	(0.04)	0.02	(0.04)
MBO 2020	6	4,999	3,187	24 March 2021	€ 8.36	24 March 2021	€ 8.36 - € 8.83	24 March 2021	€ 8.36 - € 8.83	(0.04)	0.04	(0.04)
MBO 2021	15	34,102	16,873	22 March 2022	€ 8.25	22 March 2022	€ 8.25 - € 8.77	22 March 2022	€ 8.25 - € 8.77	-	0.28	(0.15)
MBO 2022	13	58,097	19,464	28 March 2023	€ 7.70	28 March 2023	€ 7.70 - € 8.31	28 March 2023	€ 7.7 - € 8.31	0.01	0.45	(0.37)
MBO 2023	12	107,007	47,435	19 March 2024	€ 7.92	19 March 2024	€ 7.92 - € 8.45	19/03/2024	€ 7.92 - € 8.45	-	0.87	-
MBO 2024*	16	113,854	-	31 May 2024	€ 11.38	31 May 2024	€ 11.38 - € 12.23	31 May 2024	€ 11.38 - € 12.23	1.32	1.32	-
Total										**1.26**	**2.99**	**(0.75)**

* MBO 2024 estimated on the basis of the best available information, pending the actual finalisation of the system, in order to capture the cost of the service received.

SCOPE OF CONSOLIDATION AND HIGHLIGHTS OF INVESTMENTS

Scope of consolidation (€k)

Name	Registered office	Currency	Share capital	Parent Company	% ownership	Total % Group
PARENT COMPANY:						
Poste Italiane SpA	Rome (Italy)	Euro	1,306,110	Ministry of Economy and Finance Cassa Depositi e Prestiti SpA Other investors	29.26% 35.00% 35.74%	n/a
SUBSIDIARIES CONSOLIDATED ON A LINE-BY-LINE BASIS:						
Agile LAB Srl	Milan (Italy)	Euro	54	Poste Italiane SpA	70.00%	70.00%
BancoPosta Fondi SpA SGR	Rome (Italy)	Euro	12,000	Poste Italiane SpA	100.00%	100.00%
Bridge Technologies Srl	Milan (Italy)	Euro	20	Plurima	100.00%	70.00%
Consorzio Logistica Pacchi ScpA	Rome (Italy)	Euro	516	Poste Italiane SpA SDA Express Courier SpA Poste Air Cargo Srl Postel SpA Poste Assicura SpA Nexive Network Srl Poste Logistics Spa	51.00% 13.50% 5.00% 15.00% 5.00% 5.00% 5.50%	100.00%
ConsorzioServizi ScpA	Rome (Italy)	Euro	120	Poste Italiane SpA PostePay SpA	51.00% 49.00%	100.00%
Consorzio PosteMotori	Rome (Italy)	Euro	120	Poste Italiane SpA Postel SpA	58.12% 22.63%	80.75%
Indabox Srl	Rome (Italy)	Euro	50	MLK Deliveries SpA	100.00%	100.00%
Kipoint SpA	Rome (Italy)	Euro	500	SDA Express Courier SpA	100.00%	100.00%
Europa Gestioni Immobiliari SpA	Rome (Italy)	Euro	103,200	Poste Italiane SpA Poste Vita SpA	55.00% 45.00%	100.00%
LIS Holding SpA	Milan (Italy)	Euro	2,582	PostePay SpA	100.00%	100.00%
LIS Pay SpA	Milan (Italy)	Euro	56,600	PostePay SpA	100.00%	100.00%
Logos Srl	Milan (Italy)	Euro	10	Plurima	100.00%	70.00%
MLK Deliveries SpA	Rome (Italy)	Euro	335	Poste Italiane SpA	100.00%	100.00%
MLK Fresh Srl	Rome (Italy)	Euro	100	MLK Deliveries SpA	70.00%	70.00%
Net Holding SpA	Rome (Italy)	Euro	100	Poste Vita SpA	60.00%	60.00%
Net Insurance SpA (*)	Rome (Italy)	Euro	17,624	Net Holding SpA	97.84%	58.70%
Net Insurance Life SpA (*)	Rome (Italy)	Euro	15,000	Net Insurance SpA	100.00%	58.70%
Nexive Network Srl	Rome (Italy)	Euro	50	Poste Italiane SpA	100.00%	100.00%
Nexive Scarl	Rome (Italy)	Euro	28	Poste Italiane SpA	85.89%	85.89%
PatentiViaPoste ScpA	Rome (Italy)	Euro	120	Poste Italiane SpA Postel SpA	69.65% 17.21%	86.86%
Poste Air Cargo Srl	Rome (Italy)	Euro	1,000	Poste Italiane SpA	100.00%	100.00%
Plurima SpA	Milan (Italy)	Euro	8,544	Poste Welfare Servizi Srl	70.00%	70.00%
Poste Assicura SpA (*)	Rome (Italy)	Euro	25,000	Poste Vita SpA	100.00%	100.00%
Postego SpA	Trento (Italy)	Euro	50	Poste Italiane SpA	100.00%	100.00%
Poste Insurance Broker Srl	Rome (Italy)	Euro	600	Poste Assicura SpA	100.00%	100.00%
Poste Logistics SpA	Rome (Italy)	Euro	500	Poste Italiane SpA	100.00%	100.00%
PostePay SpA	Rome (Italy)	Euro	7,561	Poste Italiane SpA	100.00%	100.00%
Poste Vita SpA (*)	Rome (Italy)	Euro	1,216,608	Poste Italiane SpA	100.00%	100.00%
Poste Welfare Servizi Srl	Rome (Italy)	Euro	16	Poste Italiane SpA	100.00%	100.00%
Postel SpA	Rome (Italy)	Euro	20,400	Poste Italiane SpA	100.00%	100.00%
SDA Express Courier SpA	Rome (Italy)	Euro	5,000	Poste Italiane SpA	100.00%	100.00%
Sengi Express Limited (*)	Hong Kong (China)	Euro	541	Poste Italiane SpA	40.00% (**)	40.00% (**)
Sengi Express Guangzhou Limited (*)	Guangzhou (China)	CNY	5,000	Sengi Express Limited	100.00%	40.00%
Sourcesense SpA (*)	Rome (Italy)	Euro	880	Poste Italiane SpA	70.00%	70.00%
Sourcesense Digital Srl (*)	Rome (Italy)	Euro	32	Sourcesense SpA	100.00%	70.00%

Sourcesense Technology Srl (*)	Rome (Italy)	Euro	40	Sourcesense SpA	100.00%	70.00%
Sourcesense Limited (*)	London (UK)	GBP	-	Sourcesense SpA	100.00%	70.00%
Sourcesense Platforms S.r.l. (*)	Rome (Italy)	Euro	50	Sourcesense SpA	100.00%	70.00%
SPV Cosenza SpA	Rome (Italy)	Euro	948	Poste Italiane SpA Plurima SpA	95.00% 5.00%	100.00%

(*) The figures shown for these companies were prepared in accordance with IFRS and, as such, may vary from those contained in the respective financial reports, which were prepared in accordance with the Italian Civil Code and Italian accounting standards or Local GAAP

(**) Poste Italiane SpA holds 51% of the voting capital.

ISIN - Name	Currency	NAV	Investee company Parent Company	% ownership	Total % Group
FULLY CONSOLIDATED STRUCTURED ENTITIES (***)					
IT0005579583-BancoPosta Global Multi-Asset Income	Euro	3,911,809	Poste Vita SpA	100.00%	100.00%
IT0005579625-BancoPosta Dynamic Multi-Asset	Euro	4,197,131	Poste Vita SpA	100.00%	100.00%
IT0005579708-BancoPosta Dynamic Long-Term Multi-Asset	Euro	561,439	Poste Vita SpA	100.00%	100.00%
IT0005579724-BancoPosta Olympium Dynamic Multi-Asset	Euro	4,803,830	Poste Vita SpA	100.00%	100.00%
IT0005579641-BancoPosta Global Optimal Multi-Asset	Euro	45,205	Poste Vita SpA	100.00%	100.00%
IT0005579740-BancoPosta Long-Term Optimal Multi-Asset	Euro	858,221	Poste Vita SpA	100.00%	100.00%
IT0005579765-BancoPosta Olympium Optimal Multi-Asset	Euro	45,735	Poste Vita SpA	100.00%	100.00%
IT0005579666-BancoPosta Strategic Insurance Distribution	Euro	4,635,392	Poste Vita SpA	100.00%	100.00%
IT0005579682-BancoPosta Olympium Insurance Multi-Asset	Euro	43,204	Poste Vita SpA	100.00%	100.00%
IT0005579567-BancoPosta Diversified Distribution	Euro	5,789,228	Poste Vita SpA	100.00%	100.00%
IT0005579609-BancoPosta Olympium Severum	Euro	456,252	Poste Vita SpA	100.00%	100.00%

(***) Poste Vita SpA owns 100% of the Fund units, while BancoPosta Fondi SpA SGR is the company contractually appointed to manage the Funds. Both of the above companies are wholly-owned subsidiaries of Poste Italiane SpA.

Name	Registered office	Currency	Share capital	Parent Company	% ownership	Total % Group
COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD:						
Subsidiaries:						
Casina Poste Società Sportiva Dilettantistica a Responsabilità Limitata (*)	Rome (Italy)	Euro	50	Poste Italiane SpA PostePay SpA Poste Vita SpA Postel SpA SDA Express Courier SpA	72.00% 7.00% 7.00% 7.00% 7.00%	100.00%
Associates:						
Anima Holding SpA	Milan (Italy)	Euro	7,292	Poste Italiane SpA	11.95%	11.95%
Conio Inc. (*)	San Francisco (USA)	USD	13,356	PostePay SpA	16.29%	16.29%
Conio Srl	Milan (Italy)	Euro	115	Conio Inc.	100.00%	16.29%
Consorzio Italia Cloud	Rome (Italy)	Euro	30	Sourcesense SpA	33.30%	23.31%
Cronos Vita Assicurazioni SpA (*****)	Milan (Italy)	Euro	60,000	Poste Vita SpA	22.50%	22.50%
Eurizon Capital Real Asset SGR S.p.A.	Milan (Italy)	Euro	4,167	Poste Vita SpA BancoPosta Fondi SpA SGR	20.00% 20.00%	40% (****)
Financit SpA	Rome (Italy)	Euro	14,950	Poste Italiane SpA	40.00%	40.00%
ItaliaCamp Srl	Rome (Italy)	Euro	155	Poste Italiane SpA	19.40%	19.40%
Italiacamp EMEA FZCO	Dubai (UAE)		-	ItaliaCamp Srl	78.00%	19.40%
N&TS Group Networks & Transactional Systems Group SpA	Mariano Comense (Italy)	Euro	1,000	PostePay SpA	20.00%	20.00%
Replica SIM SpA	Milan (Italy)	Euro	10,500	Poste Italiane SpA	45.00%	45.00%
sennder Italia Srl	Milan (Italy)	Euro	50	Poste Italiane SpA	25.00%	25.00%
JOINTLY CONTROLLED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD						
LockerItalia SpA	Rome (Italy)	Euro	1,000	Poste Italiane SpA	50.00%	50.00%

(****) Posta Vita and BancoPosta Fondi jointly hold 24.5% of the voting capital.

(*****) The company classified as an asset held for sale (IFRS 5), as reported in Section 2.8 - Basis of consolidation.

(*) The figures shown for these companies were prepared in accordance with IFRS and, as such, may vary from those contained in the respective financial reports, which were prepared in accordance with the Italian Civil Code and Italian accounting standards or Local GAAP

List of investments accounted for using the equity method and statement of financial position and profit or loss data (€k)

Name (Registered office)	Nature of investment	Carrying amount	% share	Assets	Liabilities	Equity	Revenue from sales and services		Net profit / (loss) for the year
Anima Holding SpA (Milan) (a)	Associate	240,106	11.95%	2,556,581	1,033,577	1,523,004	962,301	(*)	172,038
Conio Inc. (San Francisco) (b)	Associate	21	16.29%	14,143	3,920	10,222	-		(582)
Eurizon Capital Real Asset SGR S.p.A. (Milan)	Associate	4,502	40.00%	19,367	11,061	8,306	9,030	(*)	540
Financit SpA (Rome)	Associate	21,443	40.00%	2,016,917	1,950,580	66,337	91,929	(*)	12,519
ItaliaCamp Srl (Roma) (c)	Associate	567	19.40%	8,424	5,506	2,918	4,622		25
N&TS Group Networks & Transactional Systems Group SpA (Mariano Comense)	Associate	17,407	20.00%	21,230	7,892	13,338	21,344		3,038
Replica SIM SpA (Milan)	Associate	9,876	45.00%	33,481	21,246	12,235	10,984	(*)	1,276
sennder Italia Srl (Milan)	Associate	23,734	25.00%	107,559	88,346	19,213	273,907		7,543
LockerItalia SpA	Joint ventures	14,783	50.00%	31,006	1,440	29,566	4		(434)

a. Data derived from the latest consolidated interim accounts approved by the company's board of directors at 30.09.2024
b. Data from the latest financial statements at 31.12.2023, the statement of financial position value also includes the valuation of the company Conio Srl wholly owned by Conio Inc.

c. Figures taken from the latest financial statements approved by the Board on 31.12.2023

* The amount includes fee and commission income and interest and similar income

DISCLOSURE PURSUANT TO LAW 124/2017

The information required by art. 1, paragraphs 125 and 129 of Law 124 of 4 August 2017 is provided below.

The information is provided in thousands of euros and on a cash basis, indicating the Group company that received and/or disbursed the grant. In addition, given the numerous interpretative doubts, the following information is provided on the basis of the best interpretation of the legislation available to date, in the light of the guidance provided by Assonime in Circular 5 of 22 February 2019.

(€k)

Group companies	Grantor/beneficiary	Purpose	Amount disbursed/received
Grants received			
Poste Italiane	MUR	Research and development projects	63
Poste Italiane	MIMIT	Research and development projects	2,107
Net Insurance S.p.A.	SwItaly	Corporate & Business Executive Conversational English 50 hours	15
Net Insurance S.p.A.	SwItaly	Language Training	6
Net Insurance S.p.A.	IN-TRAIN	Individual Coaching Training	20
Total			**2,210**
Grants disbursed			
Poste Italiane	FONDAZIONE INTERCULTURA Onlus	Donation	120
Poste Italiane	FOND. OSPEDALE MEYER	Donation	70
Poste Italiane	FOND. DE SANCTIS	Donation	30
Poste Italiane	EUROPEAN UNIVERSITY INSTI	Donation	30
Poste Italiane	CALCIOSOCIALE SSDARL	Donation	30
Poste Italiane	COMUNITÀ SAN PATRIGNANO S	Donation	30
Poste Italiane	CODACONS	Donation	30
Poste Italiane	MOIGE APS	Donation	20
Poste Italiane	FONDAZIONE PER LA NATALITA'	Donation	20
Poste Italiane	FONDAZIONE AILA	Donation	20
Poste Italiane	ASD GRIFONE GIALLO VERDE	Donation	20
Poste Italiane	FONDAZIONE POLICLINICO UN	Donation	20
Poste Italiane	LICEO TARQUATO TASSO ROMA	Donation	15
Poste Italiane	PARENT PROJECT APS	Donation	15
Poste Italiane	FONDAZIONE TENDER TO NAVE	Donation	15
Poste Italiane	UNIONE PROVINCE D'ITALIA	Donation	15
Poste Italiane	AMICI DI CARLO FULVOIP VELARDI ONLUS	Donation	10
Poste Italiane	AGESCI APS	Donation	10
Poste Italiane	BAMBIN GESU'	Donation	10
Poste Italiane	AMICI DI COMETA	Donation	10
Poste Italiane	FOND.INIZIATIVA EUROPEA	Donation	10
Poste Italiane	AMICI DEI BUONOIMINI DI S.MARTINO	Donation	10
Poste Italiane	FONDAZIONE PUZZILLI ETS	Donation	10
Poste Italiane	ASSOCIAZIONE L'ARTE NEL C	Donation	10
Poste Italiane	FONDAZIONE TELETHON ETS	Donation	10
Poste Italiane	FONDAZIONE THEODORA ONLUS	Donation	10
Poste Italiane	FONDAZIONE ETÀ GRANDE ETS	Donation	10
Poste Italiane	ASS.NE ONLUS LE ALI DEI P	Donation	10
Poste Italiane	BIOMEDICAL UNIVERSITY FOU	Donation	10
Poste Italiane	LOCAL HEALTH AUTHORITY	Donation	10
Poste Italiane	COMUNITÀ S EGIDIO ACAP	Donation	10
Poste Italiane	ASSOCIAZIONE ANDREA TUDIS	Donation	10
Poste Italiane	ASS.PIERO FARULLI	Donation	10
Poste Italiane	CORRI LA VITA ONLUS	Donation	10
Total			**680**

POSTAL SAVINGS

The following table provides a breakdown of postal savings deposits collected by the Parent Company in the name of and on behalf of Cassa Depositi e Prestiti, by category. The amounts are inclusive of accrued, unpaid interest.

Postal Savings

Description (€m)	31.12.2024	31.12.2023
Post office savings books	94,101	91,729
Interest-bearing Postal Certificates	230,286	234,461
Cassa Depositi e Prestiti	197,980	195,320
Ministry of the Economy and Finance - MEF	32,305	39,141
Total	**324,386**	**326,190**

ASSETS UNDER MANAGEMENT

Assets under management by BancoPosta Fondi SpA SGR, measured at fair value using information available on the last working day of the year, amount to €20,979 million at 31 December 2024 (€16,078 million at 31 December 2023). Of the total amount, about €8,210 million (or about 39% of total assets under management) refer to funds whose investment policies include environmental, social and governance-related factors (*ESG factors*).

COMMITMENTS

The Group's purchase commitments break down as follows.

Commitments

Description (€m)	31.12.2024	31.12.2023
Lease arrangements	142	217
Contracts to purchase property, plant and equipment	145	124
Contracts to purchase intangible assets	14	20
Total	**302**	**360**

At 31 December 2024, the item Lease arrangements includes commitments that do not fall under IFRS 16 - Leases.

In addition, at 31 December 2024, PostePay takes over:

- purchases of electricity on forward markets for €141 million;
- purchases of natural gas on the futures markets for €93 million.

GUARANTEES

Unsecured guarantees issued by the Group are as follows:

Guarantees

Description (€m)	31.12.2024	31.12.2023
Sureties and other guarantees issued:		
by banks/insurance companies in the interests of Group companies in favour of third parties	736	623
by the Group in its own interests in favour of third parties	613	299
Total	**1,349**	**922**

THIRD-PARTY ASSETS

Third-party assets held by Group companies are shown below.

Third-party assets

Description (€m)	31.12.2024	31.12.2023
Bonds subscribed by customers held at third-party banks	6,771	6,033
Other assets	206	248
Total	**6,977**	**6,281**

The item **bonds subscribed by customers held at third-party banks** refers entirely to the Parent Company.

The item **Other assets** refers to the value of drugs held in the warehouses of Plurima SpA and Logos Srl and forming part of the logistics activities for customer hospitals.

ASSETS IN THE PROCESS OF ALLOCATION

At 31 December 2024, the Parent Company has paid a total of €87 million in claims on behalf of the Ministry of Justice, for which, under the agreement between Poste Italiane SpA and the MEF, it has already been reimbursed by the Italian Treasury, whilst awaiting acknowledgement of the relevant account receivable from the Ministry of Justice.

5. POSTE ITALIANE SPA FINANCIAL STATEMENTS AT 31 DECEMBER 2024

5.1 FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

ASSETS (€)	**Notes**	**31 December 2024**	***of which related parties***	**31 December 2023**	***of which related parties***
Non-current assets					
Property, plant and equipment	[A1]	2,531,862,502	-	2,320,675,265	-
Investment property	[A2]	26,386,797	-	27,590,204	-
Intangible assets	[A3]	1,139,383,278	-	1,052,853,632	-
Right-of-use assets	[A4]	844,509,261	-	970,107,550	-
Investments	[A5]	3,693,523,900	*3,693,523,900*	3,694,633,104	*3,694,633,104*
Financial assets	[A6]	66,699,811,968	*3,350,258,335*	65,384,975,707	*3,398,784,099*
Trade receivables	[A8]	821,604	-	961,404	-
Deferred tax assets	[C11]	855,346,117	-	928,434,002	-
Other receivables and assets	[A9]	1,757,946,076	*121,075*	1,794,867,584	*1,586,649*
Tax credits Law no. 77/2020	[A10]	5,170,304,041	-	6,533,849,874	-
Total		**82,719,895,543**		**82,708,948,326**	
Current assets					
Inventories	[A7]	2,894,031	-	3,999,649	-
Trade receivables	[A8]	2,474,829,726	*1,388,024,501*	2,773,751,097	*1,397,196,251*
Current tax assets	[C11]	85,978,215	-	68,367,034	-
Other receivables and assets	[A9]	1,186,326,932	*122,802,630*	982,339,159	*153,715,638*
Tax credits Law no. 77/2020	[A10]	1,835,094,710	-	1,784,345,995	-
Financial assets	[A6]	14,975,212,315	*10,168,407,390*	15,886,658,882	*9,244,322,718*
Cash and deposits attributable to BancoPosta	[A11]	4,290,323,669	-	4,670,570,165	-
Cash and cash equivalents	[A12]	715,222,994	*386,634,543*	1,222,518,576	*873,963,904*
Total		**25,565,882,593**		**27,392,550,557**	
TOTAL ASSETS		**108,285,778,136**		**110,101,498,883**	

LIABILITIES AND EQUITY	**Notes**	**31 December 2024**	***of which related parties***	**31 December 2023**	***of which related parties***
Equity					
Share capital	[B1]	1,306,110,000	-	1,306,110,000	-
Treasury shares		(109,112,640)	-	(94,095,509)	-
Reserves	[B2]	1,941,782,582	-	1,549,302,533	-
Retained earnings / (Accumulated losses)		3,607,168,695	-	2,891,588,865	-
Total		**6,745,948,637**		**5,652,905,889**	
Non-current liabilities					
Provisions for risks and charges	[B4]	482,079,972	*39,917,351*	717,764,517	*49,633,252*
Employee termination benefits	[B5]	547,200,236	-	608,135,775	-
Financial liabilities	[B6]	8,226,778,135	*258,478,204*	9,788,656,363	*245,808,233*
Deferred tax liabilities	[C11]	319,953,023	-	272,210,100	-
Other liabilities	[B8]	1,869,966,713	*1,538,609*	1,924,980,483	*451,887*
Total		**11,445,978,080**		**13,311,747,238**	
Current liabilities					
Provisions for risks and charges	[B4]	517,109,457	*7,859,656*	510,520,473	*9,512,415*
Trade payables	[B7]	1,696,267,563	*503,400,825*	1,967,197,951	*496,526,842*
Current tax liabilities	[C11]	36,116,828	-	149,024,753	-
Other liabilities	[B8]	1,384,088,316	*90,733,103*	1,435,507,835	*93,845,904*
Financial liabilities	[B6]	86,460,269,256	*17,995,932,010*	87,074,594,744	*17,849,916,136*
Total		**90,093,851,420**		**91,136,845,756**	
TOTAL LIABILITIES AND EQUITY		**108,285,778,136**		**110,101,498,883**	

STATEMENT OF FINANCIAL POSITION (continued)

SUPPLEMENTARY STATEMENT SHOWING BANCOPOSTA RFC AT 31.12.2024

ASSETS (€)	Notes	CAPITAL OUTSIDE THE RING-FENCE	BANCOPOSTA RFC	ELIMINATIONS	TOTAL
Non-current assets					
Property, plant and equipment		2,531,862,502	-	-	2,531,862,502
Investment property		26,386,797	-	-	26,386,797
Intangible assets		1,139,383,278	-	-	1,139,383,278
Right-of-use assets		844,509,261	-	-	844,509,261
Investments		3,693,523,900	-	-	3,693,523,900
Financial assets		941,244,018	65,758,567,950	-	66,699,811,968
Trade receivables		821,604	-	-	821,604
Deferred tax assets	[C11]	356,152,426	499,193,692	-	855,346,117
Other receivables and assets	[A9]	34,936,862	1,723,009,214	-	1,757,946,076
Tax credits Law no. 77/2020	[A10]	234,485,432	4,935,818,609	-	5,170,304,041
Total		**9,803,306,079**	**72,916,589,464**	**-**	**82,719,895,543**
Current assets					
Inventories		2,894,031	-	-	2,894,031
Trade receivables	[A8]	1,451,155,808	1,023,673,919	-	2,474,829,726
Current tax assets		85,978,215	-	-	85,978,215
Other receivables and assets	[A9]	384,616,219	801,710,713	-	1,186,326,932
Tax credits Law no. 77/2020	[A10]	47,560,399	1,787,534,312	-	1,835,094,710
Financial assets		41,520,137	14,933,692,178	-	14,975,212,315
Cash and deposits attributable to BancoPosta	[A11]	-	4,290,323,669	-	4,290,323,669
Cash and cash equivalents	[A12]	326,526,478	388,696,516	-	715,222,994
Total		**2,340,251,286**	**23,225,631,307**	**-**	**25,565,882,593**
Non-current assets held for sale		**-**	**-**	**-**	**-**
Intersegment relations net amount		**-**	**517,738,995**	**(517,738,995)**	**-**
TOTAL ASSETS		**12,143,557,365**	**96,659,959,766**	**(517,738,995)**	**108,285,778,136**

LIABILITIES AND EQUITY	Notes	CAPITAL OUTSIDE THE RING-FENCE	BANCOPOSTA RFC	ELIMINATIONS	TOTAL
Equity					
Share capital		1,306,110,000	-	-	1,306,110,000
Treasury shares		(109,112,640)	-	-	(109,112,640)
Reserves	[B2]	643,848,039	1,297,934,543	-	1,941,782,582
Retained earnings / (Accumulated losses)		1,596,374,503	2,010,794,192	-	3,607,168,695
Total		**3,437,219,902**	**3,308,728,735**	**-**	**6,745,948,637**
Non-current liabilities					
Provisions for risks and charges	[B4]	373,706,773	108,373,199	-	482,079,972
Employee termination benefits	[B5]	545,171,538	2,028,698	-	547,200,236
Financial liabilities		2,663,392,288	5,563,385,847	-	8,226,778,135
Deferred tax liabilities	[C11]	5,212,105	314,740,918	-	319,953,023
Other liabilities	[B8]	146,323,568	1,723,643,144	-	1,869,966,713
Total		**3,733,806,274**	**7,712,171,806**	**-**	**11,445,978,080**
Current liabilities					
Provisions for risks and charges	[B4]	482,454,471	34,654,985	-	517,109,457
Trade payables	[B7]	1,559,754,046	136,513,517	-	1,696,267,563
Current tax liabilities		36,116,828	-	-	36,116,828
Other liabilities	[B8]	1,182,154,880	201,933,436	-	1,384,088,316
Financial liabilities		1,194,311,969	85,265,957,287	-	86,460,269,256
Total		**4,454,792,195**	**85,639,059,225**	**-**	**90,093,851,420**
Intersegment relations net amount		**517,738,995**	**-**	**(517,738,995)**	**-**
TOTAL LIABILITIES AND EQUITY		**12,143,557,365**	**96,659,959,766**	**(517,738,995)**	**108,285,778,136**

STATEMENT OF FINANCIAL POSITION (continued)

SUPPLEMENTARY STATEMENT SHOWING BANCOPOSTA RFC AT 31.12.2023

ASSETS (€)	Notes	CAPITAL OUTSIDE THE RING-FENCE	BANCOPOSTA RFC	ELIMINATIONS	TOTAL
Non-current assets					
Property, plant and equipment		2,320,675,265	-	-	2,320,675,265
Investment property		27,590,204	-	-	27,590,204
Intangible assets		1,052,853,632	-	-	1,052,853,632
Right-of-use assets		970,107,550	-	-	970,107,550
Investments		3,694,633,104	-	-	3,694,633,104
Financial assets		1,000,663,519	64,384,312,188	-	65,384,975,707
Trade receivables		961,404	-	-	961,404
Deferred tax assets	[C11]	286,207,321	642,226,681	-	928,434,002
Other receivables and assets	[A9]	42,579,876	1,752,287,708	-	1,794,867,584
Tax credits Law no. 77/2020	[A10]	287,172,636	6,246,677,238	-	6,533,849,874
Total		**9,683,444,511**	**73,025,503,815**	**-**	**82,708,948,326**
Current assets					
Inventories		3,999,649	-	-	3,999,649
Trade receivables	[A8]	1,767,744,995	1,006,006,102	-	2,773,751,097
Current tax assets		68,367,034	-	-	68,367,034
Other receivables and assets	[A9]	374,611,630	607,727,529	-	982,339,159
Tax credits Law no. 77/2020	[A10]	119,500,953	1,664,845,042	-	1,784,345,995
Financial assets		61,261,933	15,825,396,949	-	15,886,658,882
Cash and deposits attributable to BancoPosta	[A11]	-	4,670,570,165	-	4,670,570,165
Cash and cash equivalents	[A12]	288,017,917	934,500,659	-	1,222,518,576
Total		**2,683,504,111**	**24,709,046,446**	**-**	**27,392,550,557**
Non-current assets held for sale		**-**	**-**	**-**	**-**
Intersegment relations net amount		**-**	**127,891,161**	**(127,891,161)**	**-**
TOTAL ASSETS		**12,366,948,622**	**97,862,441,422**	**(127,891,161)**	**110,101,498,883**

LIABILITIES AND EQUITY	Notes	CAPITAL OUTSIDE THE RING-FENCE	BANCOPOSTA RFC	ELIMINATIONS	TOTAL
Equity					
Share capital		1,306,110,000	-	-	1,306,110,000
Treasury shares		(94,095,509)	-	-	(94,095,509)
Reserves	[B2]	726,326,961	822,975,572	-	1,549,302,533
Retained earnings / (Accumulated losses)		935,631,197	1,955,957,668	-	2,891,588,865
Total		**2,873,972,649**	**2,778,933,240**	**-**	**5,652,905,889**
Non-current liabilities					
Provisions for risks and charges	[B4]	592,594,349	125,170,168	-	717,764,517
Employee termination benefits	[B5]	606,052,711	2,083,064	-	608,135,775
Financial liabilities		2,217,477,910	7,571,178,453	-	9,788,656,363
Deferred tax liabilities	[C11]	6,017,017	266,193,083	-	272,210,100
Other liabilities	[B8]	172,524,252	1,752,456,231	-	1,924,980,483
Total		**3,594,666,239**	**9,717,080,999**	**-**	**13,311,747,238**
Current liabilities					
Provisions for risks and charges	[B4]	472,191,153	38,329,320	-	510,520,473
Trade payables	[B7]	1,834,303,151	132,894,800	-	1,967,197,951
Current tax liabilities		149,024,753	-	-	149,024,753
Other liabilities	[B8]	1,208,478,386	227,029,449	-	1,435,507,835
Financial liabilities		2,106,421,130	84,968,173,614	-	87,074,594,744
Total		**5,770,418,573**	**85,366,427,183**	**-**	**91,136,845,756**
Intersegment relations net amount		**127,891,161**	**-**	**(127,891,161)**	**-**
TOTAL LIABILITIES AND EQUITY		**12,366,948,622**	**97,862,441,422**	**(127,891,161)**	**110,101,498,883**

STATEMENT OF PROFIT OR LOSS

(€)	Notes	FY 2024	*of which related parties*	FY 2023	*of which related parties*
Revenue from sales and services	[C1]	10,503,829,486	*4,967,246,675*	9,880,028,944	*4,813,933,966*
Other income from financial activities	[C2]	247,153,277	*2,239,704*	271,362,769	-
Other operating income	[C3]	1,453,313,413	*1,396,387,236*	1,003,329,454	*943,291,727*
Total revenue		**12,204,296,176**		**11,154,721,167**	
Cost of goods and services	[C4]	2,918,146,979	*1,797,762,718*	2,640,542,432	*1,539,149,738*
Expenses from financial activities	[C2]	683,231,259	*81,736,046*	633,159,282	*74,160,132*
Personnel expenses	[C5]	5,317,769,174	*71,457,058*	5,347,874,172	*68,488,941*
Depreciation, amortisation and impairments	[C6]	809,943,285	*6,050,782*	773,454,752	*6,107,896*
Capitalised costs and expenses		(44,982,722)	-	(41,069,643)	-
Other operating costs	[C7]	238,278,427	*791,187*	222,661,084	*1,675,755*
of which non-recurring costs		*56,982,130*	-	-	-
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	[C8]	403,446,076	*(2,239,065)*	49,635,264	*413,925*
of which, non-recurring costs/(income)		*284,041,944*		-	
Operating profit/(loss)		**1,878,463,699**		**1,528,463,824**	
Finance costs	[C9]	135,795,700	*58,677,195*	110,852,266	*38,744,067*
Finance income	[C9]	186,414,080	*157,561,193*	175,931,649	*148,356,685*
Impairment losses/(reversals of impairment losses) on financial assets	[C10]	(13,082,748)	*(87,662)*	(25,116,485)	*(54,241)*
Profit/(Loss) before tax		**1,942,164,826**		**1,618,659,692**	
Income tax expense	[C11]	59,815,118	-	229,154,284	-
PROFIT FOR THE YEAR		**1,882,349,708**		**1,389,505,408**	

STATEMENT OF COMPREHENSIVE INCOME

(€)	Notes	FY 2024	FY 2023
Net profit/(loss) for the year		**1,882,349,708**	**1,389,505,408**
Items to be reclassified in the Statement of profit or loss for the year			
FVTOCI debt instruments			
Increase/(decrease) in fair value during the year		594,976,334	1,944,160,743
Transfers to profit or loss from realisation	[tab. B2]	14,665,733	222,536,576
Increase/(decrease) for expected losses	[tab. B2]	(4,950,556)	2,626,727
Cash flow hedges			
Increase/(decrease) in fair value during the year	[tab. B2]	110,873,263	80,032,594
Transfers to profit or loss	[tab. B2]	(47,607,084)	(317,798,819)
Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit or loss for the year		(192,042,178)	(548,751,276)
Items not to be reclassified in the Statement of profit or loss for the year			
FVOCI equity instruments			
Increase/(decrease) in fair value during the year		(89,968,186)	(3,906,456)
Transfers to equity		-	-
Actuarial gains/(losses) on employee termination benefits	[tab. B5]	6,974,342	(8,262,869)
Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit or loss for the year		(594,224)	2,029,966
Total other comprehensive income		**392,327,444**	**1,372,667,186**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,274,677,152**	**2,762,172,594**

STATEMENT OF CHANGES IN EQUITY

	Equity										
			Reserves								
(€)	Share capital	Treasury shares	Legal reserve	BancoPosta RFC reserve	Equity instruments - perpetual hybrid bonds	Fair value reserve	Cash flow hedge reserve	Incentive plans reserve	Merger surplus/(deficit) reserve	Retained earnings / (Accumulated losses)	Total
Balance at 1 January 2023	**1,306,110,000**	**(62,850,781)**	**299,234,320**	**1,210,000,000**	**800,000,000**	**(2,374,240,722)**	**(126,549,691)**	**19,254,663**	**335,130,499**	**2,401,421,381**	**3,807,509,669**
Total comprehensive income for the year	-	-	-	-	-	1,549,043,156	(170,096,190)	-	-	1,383,225,628	2,762,172,594
Balance dividends paid on FY 2022 profits	-	-	-	-	-	-	-	-	-	(569,991,049)	(569,991,049)
Interim dividend on FY 2023 profits	-	-	-	-	-	-	-	-	-	(307,017,906)	(307,017,906)
Purchase of treasury shares	-	(33,984,898)	-	-	-	-	-	-	-	(2,583)	(33,987,481)
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	(15,960,000)	(15,960,000)
Incentive plans	-	2,740,170	-	-	-	-	-	7,526,498	-	(86,889)	10,179,779
Other movements	-	-	-	-	-	-	-	-	-	283	283
Balance at 31 December 2023	**1,306,110,000**	**(94,095,509)**	**299,234,320**	**1,210,000,000**	**800,000,000**	**(825,197,566)**	**(296,645,881)**	**26,781,161**	**335,130,499**	**2,891,588,865**	**5,652,905,889**
of which attributable to BancoPosta RFC	-	-	-	1,210,000,000	450,000,000	(543,735,961)	(295,310,915)	2,022,448	-	1,955,957,668	2,778,933,240
Total comprehensive income for the year	-	-	-	-	-	341,897,900	45,129,044	-	-	1,887,650,208 (*)	2,274,677,152
Balance dividends paid on FY 2023 profits	-	-	-	-	-	-	-	-	-	(729,269,775)	(729,269,775)
Interim dividend on FY 2024 profits	-	-	-	-	-	-	-	-	-	(427,223,741)	(427,223,741)
Purchase of treasury shares	-	(23,317,708)	-	-	-	-	-	-	-	(1,772)	(23,319,480)
Coupons paid to holders of perpetual hybrid bonds	-	-	-	-	-	-	-	-	-	(15,960,000)	(15,960,000)
Merger contribution	-	-	-	-	-	-	-	-	615,472	-	615,472
Incentive plans	-	8,300,577	-	-	-	-	-	4,837,633	-	384,591	13,522,801
Other movements	-	-	-	-	-	-	-	-	-	319	319
Balance at 31 December 2024	**1,306,110,000**	**(109,112,640)**	**299,234,320**	**1,210,000,000**	**800,000,000**	**(483,299,666)**	**(251,516,837)**	**31,618,794**	**335,745,971**	**3,607,168,695**	**6,745,948,637**
of which attributable to BancoPosta RFC	-	-	-	1,210,000,000	450,000,000	(114,268,701)	(250,480,531)	2,683,775	-	2,010,794,192	3,308,728,735

(*) This item includes net profit for the year of €1,882 million and actuarial gains on provisions for employee termination benefits of €7 million, after the related current taxation.

STATEMENT OF CASH FLOWS

(€k)		Notes	FY 2024	FY 2023
Cash and cash equivalents at beginning of year			**1,222,519**	**2,257,993**
Profit/(Loss) before tax			1,942,165	1,618,660
Depreciation, amortisation and impairments		[tab. C6]	808,965	773,075
Impairments/(Reversals of impairments) of investments		[tab. A5.1]	18,557	-
Net provisions for risks and charges		[tab. B4]	75,051	320,914
Use of provisions for risks and charges		[tab. B4]	(306,473)	(352,780)
Employee termination benefits paid		[tab. B5]	(74,074)	(102,684)
(Gains)/losses on disposals		[tab. C7]	(557)	(93,410)
Impairment losses/(reversals of impairment losses) on financial assets			(13,083)	(25,114)
(Dividends)			(1,387,724)	(845,778)
Dividends received			1,387,724	845,778
(Finance income on disposals)		[tab. C10.1]	(103)	-
(Finance income in form of interest)		[tab. C9.1]	(167,046)	(154,120)
Interest received			172,949	150,462
Interest expense and other finance costs		[tab. C9.2]	114,738	105,626
Interest paid			(64,736)	(54,190)
Losses and impairment losses/(Reversals of impairment losses) on receivables		[tab. C8]	581,835	42,908
Income tax paid		[tab. C11.3]	(676,214)	(44,602)
Other changes			11,345	(1,780)
Cash generated by operating activities before movements in working capital	**[a]**		**2,423,319**	**2,182,965**
Movements in working capital:				
(Increase)/decrease in Inventories		[A7]	1,105	158
(Increase)/decrease in Trade receivables			229,588	(160,456)
(Increase)/decrease in Other receivables and assets			257,644	263,097
Increase/(decrease) in Trade payables			(271,041)	(2,681)
Increase/(decrease) in Other liabilities			(77,716)	(16,369)
Change in tax credits Law no. 77/2020			(12,593)	(351,584)
Cash flow generated by /(used in) movements in working capital	**[b]**		**126,987**	**(267,835)**
Increase/(decrease) in financial liabilities attributable to BancoPosta RFC			(3,099,109)	(8,983,074)
Net cash generated by/(used for) financial assets BancoPosta RFC			(101,599)	916,625
(Increase)/decrease in other financial assets BancoPosta RFC and tax credits Law no. 77/2020			1,504,397	5,671,131
(Increase)/decrease in cash and deposits attributable to BancoPosta			380,246	1,177,468
(Income)/Expense and other non-cash components from financial activities			948,497	153,099
Cash generated by/(used for) financial assets and liabilities BancoPosta RFC	**[c]**		**(367,567)**	**(1,064,751)**
Net cash flow from /(for) operating activities	**[d]=[a+b+c]**		**2,182,739**	**850,379**
- of which related party transactions			***(260,959)***	***4,970,379***
Investing activities:				
Property, plant and equipment		[tab. A1]	(432,202)	(324,890)
Investment property		[tab. A2]	(946)	(303)
Intangible assets		[tab. A3]	(452,276)	(455,251)
Investments			(17,910)	(19,973)
Other financial assets			(28,619)	(76,941)
Disposals:				
Property, plant and equipment, investment property and assets held for sale			7,211	10,064
Investments			589	-
Other financial assets			27,633	23,636
Mergers			1,106	-
Net cash flow from /(for) investing activities	**[e]**		**(895,414)**	**(843,658)**
- of which related party transactions			***(46,701)***	***(43,500)***
Proceeds from/(Repayments of) long-term borrowings		[B6.5]	565,000	125,000
Increase/(decrease) in short-term borrowings		[B6.5]	(1,158,809)	(235,201)
Dividends paid		[B3]	(1,156,494)	(877,009)
Sale/(purchase) of treasury shares			(23,318)	(33,985)
Equity instruments - perpetual hybrid bonds			(21,000)	(21,000)
Net cash flow from/(for) financing activities and shareholder transactions	**[f]**		**(1,794,621)**	**(1,042,195)**
- of which related party transactions			***(1,170,350)***	***758,468***
Net increase/(decrease) in cash	**[g]=[d+e+f]**		**(507,296)**	**(1,035,474)**
Cash and cash equivalents at end of year		[tab. A12]	**715,223**	**1,222,519**
Restricted net cash and cash equivalents at end of year			(15,509)	(550,848)
Unrestricted net cash and cash equivalents at end of year			**699,714**	**671,671**

5.2 INFORMATION ON BANCOPOSTA RFC

As required by art. 2, paragraphs 17-octies et seq. of Law 10 of 26 February 2011, converting Law Decree 225 of 29 December 2010, in order to identify ring-fenced capital for the purposes of applying the Bank of Italy's prudential requirements to BancoPosta's operations and for the protection of creditors, at the Shareholders' Meeting held on 14 April 2011 Poste Italiane SpA's shareholder approved the creation of ring-fenced capital to be used exclusively in relation to BancoPosta's operations (BancoPosta Ring-fenced Capital or BancoPosta RFC), as governed by Presidential Decree 144 of 14 March 2001, and established the assets and contractual rights to be included in the ring-fence as well as By-laws governing its organisation, management and control. BancoPosta RFC was provided originally with an initial reserve of €1 billion through the attribution of Poste Italiane SpA's retained earnings. The resolution of 14 April 2011 became effective on 2 May 2011, the date on which it was filed with the Companies' Register. Following on from the Board of Directors' resolution of 25 January 2018 and the subsequent Extraordinary Shareholders' Meeting of Poste Italiane SpA's shareholders, on 27 September 2018, Poste Italiane injected €210 million of fresh capital into BancoPosta RFC.

In 2021, Poste Italiane SpA placed a hybrid subordinated perpetual bond issue with a non-call period of 8 years aimed at institutional investors. Following this issue, on 30 June 2021 and on 30 June 2023, there was an injection of capital into BancoPosta RFC, via the granting of two perpetual subordinated loans of €350 million with an 8-year non-call period and €100 million with a 5-year non-call period, respectively, under terms and conditions that allow them to be counted as Additional Tier 1 ("AT1") capital, designed to strengthen its leverage ratio.

The separation of BancoPosta from Poste Italiane SpA is only partly comparable to other ring-fenced capital solutions. Indeed, BancoPosta is not expected to meet the requirements of articles 2447 bis et seq. of the Italian Civil Code or for other special purpose entities, in that it has not been established for a single specific business but rather, pursuant to Presidential Decree 144 of 14 March 2001, for several types of financial activities to be regularly carried out for an unlimited period of time. For this reason, the above legislation does not impose the 10% limit on BancoPosta's equity, waiving the provisions of the Italian Civil Code unless expressly cited as applicable.

Nature of assets and contractual rights and authorisations

BancoPosta's assets, contractual rights and authorisations pursuant to notarial deed were conferred on BancoPosta RFC exclusively by Poste Italiane SpA without third-party contributions. BancoPosta's operations consist of those listed in Presidential Decree 144 of 14 March 2001, as amended[359], with the exception of activities linked to card payments and payment services, carried out by the subsidiary, PostePay SpA. More details on this aspect are provided below:

- the collection of all forms of savings deposit from the public in accordance with art. 11, para. 1 of Legislative Decree no. 385/1993 of 1 September 1993 - Consolidated Law on Banking (Testo Unico Bancario, or TUB) - and all related and consequent activities;
- the collection of savings through postal securities and deposits;
- payment services, including the issuance, administration and sale of prepaid cards and other payment instruments pursuant to art. 1, para. 2, letter f) numbers 4) and 5), TUB;
- foreign currency exchange services;
- promotion and arrangement of loans issued by approved banks and financial brokers;
- investment and related services pursuant to art. 12, Presidential Decree 144/2001;
- debt collection services;
- professional gold trading, on own behalf or on behalf of third parties, in accordance with the requirements of Law 7 of 17 January 2000.

[359] As revised on the issuance of Law Decree 179 of 18 October 2012 converted into law with amendments by Law 221 of 17 December 2012.

All of the assets and rights arising out of various contracts, agreements and legal transactions related to the above activities have also been conferred on BancoPosta RFC.

Following the receipt of clearance from the Bank of Italy, the Shareholders' Meeting of Poste Italiane held on 29 May 2018 approved the proposed removal of the assets, liabilities and contractual rights attributable to the card payments and payment services business unit from the ring-fence that applies to BancoPosta RFC. On 1 October 2018, this business unit was transferred to the subsidiary PostePay SpA, in assets earmarked for card payments and payment services, in order to enable the latter to operate as an Electronic Money Institution (EMI)[360]. In addition, in order to complete the process of centralising e-money on the above-mentioned EMI, on 28 May 2021 Poste Italiane's Extraordinary Shareholders' Meeting, after obtaining all the authorisations required by law, approved the removal of the restriction on the allocation of BancoPosta RFC, assets and legal relations constituting the so-called "Debit Branch", with the deed of contribution in favour of Postepay SpA taking effect from 1 October 2021.

BancoPosta RFC's operations

BancoPosta RFC's operations consist of the investment of cash held in postal current accounts, in the name of BancoPosta but subject to statutory restrictions, and the management of third parties' collections and remittances. This latter activity includes the collection of postal savings (Postal Savings Books and Interest-bearing Postal Certificates), carried out on behalf of Cassa Depositi e Prestiti and the MEF, and services delegated by Public Administration entities. These transactions involve the use of cash advances from the Italian Treasury and the recognition of financial items awaiting settlement. The specific agreement with the MEF requires BancoPosta to provide daily statements of all cash flows, with a delay of two bank working days with respect to the transaction date.

In compliance with the 2007 Budget Law, from 2007 the Company is required to invest the funds raised from deposits paid into postal current accounts by private customers in Eurozone government securities[361]. The Funds deposited by Public Administration entities are, instead, deposited with the Ministry of the Economy and Finance and earn a variable rate of return linked to a basket of government securities, in accordance with a specific agreement with the MEF, in force until 31 December 2024 and renewed on 26 November 2024 for 2025. In addition, under the agreement with the MEF, renewed on 29 May 2023 for the three-year period 2023-2025, a percentage of the funds deriving from private customer deposits may be placed in a special "Buffer" account at the MEF, with the objective of ensuring flexibility with regard to investments in view of daily movements in amounts payable to current account holders. These deposits are remunerated at a variable rate equal to the Euro Short Term Rate (ESTR)[362].

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[360] The business unit consists of assets and contractual rights linked to:

- *Own products*: prepaid cards (e-money), debt cards, payment services, acquiring services, tax payments using forms F23/F24 and international money transfers (Moneygram) forming part of the operations carried out independently by the EMI. In particular, these products are issued by the EMI, which is responsible for their conception, development and management, whilst BancoPosta RFC acts as distributor of the products through the Group's physical distribution network.
- *Products handled under Service Contracts*: payment products and services and money transfers carried out exclusively within the scope of BancoPosta RFC's operations, as they are "reserved to" the ring-fence by Presidential Decree 144/01. In particular, with the aim of leveraging the infrastructure of the hybrid EMI, BancoPosta has outsourced operations relating to payment products and services issued by BancoPosta, and distributed by BancoPosta through Poste Italiane's physical network, to the EMI under an outsourcing agreement between BancoPosta and the EMI.

[361] Moreover, following the amendment of art. 1, paragraph 1097 of Law 296 of 27 December 2006, introduced by art. 1, paragraph 285 of the 2015 Stability Law (Law 190 of 23 December 2014), it became possible for BancoPosta RFC to invest up to 50% of its deposits in securities guaranteed by the Italian government. Lastly, with the conversion into Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021, BancoPosta RFC is allowed, as part of the 50% of its funding from private customers that can be invested in securities guaranteed by the Italian State, to use up to 30% of this portion to purchase transferable tax credits pursuant to Law Decree no. 34/2020 (the so-called "Relaunch Decree") or other transferable tax credits pursuant to current legislation.

[362] Rate calculated and published by the ECB using a new methodology consistent with ECB Regulation (EU) no. 1333/2014 of 26 November 2014 and based on uncollateralised fixed-rate overnight deposit facility transactions exceeding €1 million.

Cost and revenue allocation and measurement of operations contracted out by BancoPosta RFC

Given the fact that Poste Italiane is a single legal entity, the Company's general accounting system maintains its uniform characteristics and capabilities. In this context, the general principles governing administrative and accounting aspects of BancoPosta RFC are as follows:

- Identification of transactions in Poste Italiane SpA's general ledgers relating to BancoPosta's ring-fenced operations which are then extracted for recording in BancoPosta's separate ledgers.
- Allocation to BancoPosta RFC of all relevant revenue and costs; in particular the services rendered by the different functions of Poste Italiane SpA to BancoPosta RFC, are exclusively recorded as payables in BancoPosta's separate books, in special intersegment accounts only, and subsequently settled.
- Settlement of all incoming and outgoing third party payments by Poste Italiane SpA's Chief Financial Office.
- Allocation of income taxes based on BancoPosta RFC's separate report after adjusting for deferred taxation.
- Reconciliation of BancoPosta's separate books to Poste Italiane's general ledger.

Part IV of Chapter 1 of the Supervisory Standards in Bank of Italy Circular 285/2013, addressing specific aspects relating to Poste Italiane in respect of BancoPosta RFC's operations, govern the process of contracting out BancoPosta's corporate functions to Poste Italiane, whilst the outsourcing of operations to entities external to Poste Italiane is covered by the regulations applicable to banks.

In compliance with the Circular, the Regulation governing BancoPosta RFC's contracting out and outsourcing process approved by the Board of Directors[363] makes provision for a distinction between control functions and essential or important functions and non-essential or important control functions.

BancoPosta RFC may therefore both outsource operating activities, entering into agreements with third parties, and contract out certain operating or control activities to Poste Italiane functions, agreeing "Specific Operating Guidelines" with the heads of the various functions. The Operating Guidelines establish, among other things, the applicable levels of service and transfer prices and are effective following an authorisation process involving the relevant functions, the Chief Executive Officer and, where required, the Company's Board of Directors. The transfer prices set out in the Operating Guidelines are determined according to objective criteria that reflect the real contribution of the various management activities to BancoPosta RFC’s results. The transfer prices paid, inclusive of commissions and any other form of remuneration due, are determined on the basis of market prices and tariffs for the same or similar services, identified, where possible, following a benchmarking process. When the specifics and/or the particular nature of a service provided by one of the Issuer's functions do not allow the use of a comparable market price, a cost-based method is used, again with the support of benchmarking to ensure that the price charged is adequate for the service provided. In such a case, an adequate mark-up, defined on the basis of appropriate analyses of comparable subjects, shall be applied. The prices set in each Operating Guidelines can be reduced in the presence of operating losses of the activities outsourced or in case of penalties due to the failure to achieve pre-established service levels, as measured by specific performance indicators. The Operating Guidelines, in force until 31 December 2025, are reviewed every three years.

The following table includes a summary of the services provided to BancoPosta RFC by the Issuer's functions, with a brief indication of how the transfer prices are determined.

[363] The Regulation was revised on 20 June 2024.

Injections	Allocation key
Post Office Network	Percentage of net income generated by product/service category
Information Technology	Fixed component: recharge of costs based on direct and indirect drivers Variable component: determined with reference to the maintenance of operating performance
Back-office and Customer Care	Fees by professional role based on market benchmarks + recharge of external costs Market prices for similar services
Postal and logistics services	Prices for mail sent to customers and internal mail
Real Estate	Market prices with reference to floor space and maintenance costs
Legal Affairs Administration, Finance and Control Group Risk Governance and Security and Safety Human Resources and Organisation Anti-money laundering Purchases Group Strategic Marketing(*) External Relations	Fees by professional role based on market benchmarks + recharge of external costs
Operational Continuity Internal Auditing Compliance	Fees by professional role based on market benchmarks

Essential or Important Functions (yellow) — Control Functions (grey)

(*) Following corporate reorganisations, it became necessary to formalise new regulations concerning the contribution of the Group Strategic Marketing function.

The relevant transactions, profit or loss and statement of financial position amounts, generated by these relationships are only recorded in BancoPosta RFC's Separate Report. In Poste Italiane SpA's comprehensive accounts intersegment transactions are on the other hand eliminated, and are not presented. The accounting treatment adopted is similar to that provided for by the accounting standards regulating the preparation of the Group's consolidated financial statements.

Obligations

Poste Italiane SpA's liability, pursuant to art. 2, paragraph 17-nonies of Law Decree 225 of 29 December 2010 converted into Law 10, to creditors of BancoPosta RFC is limited to the ring-fenced capital, represented by the assets and contractual rights originally allocated or arisen after the separation. Poste Italiane's liability is, however, unlimited with respect to claims arising from actions in tort relating to the management of BancoPosta or for transactions for which no indication was made that the obligation was taken specifically by BancoPosta RFC.

The Regulation approved at the Extraordinary Shareholders' Meeting of Poste Italiane SpA's shareholder on 14 April 2011 SpA, and subsequently amended on 12 May 2020, provides that, where necessary, BancoPosta RFC's equity shall be sufficient to ensure that it is able to comply with supervisory capital requirements and is aligned with the risk profile of its operations.

Separate Report

BancoPosta RFC's Separate Report is prepared in application of Bank of Italy Circular 262 of 22 December 2005 - *Banks' Financial Statements: Layouts and Preparation*, as amended. The application of these regulations, whilst in compliance with the same accounting standards adopted by Poste Italiane SpA, requires the use of a different basis of presentation for certain components of profit or loss and the statement of financial position compared with the basis of presentation adopted for the statutory financial statements.

In this regard, the following table shows a reconciliation of the components of BancoPosta RFC's equity, as shown in the Company's statement of financial position and in the Separate Report[364].

Reconciliation of separate equity

Item in supplementary statement (€m) / Separate Report item		110 Valuation reserves	130 Equity instruments	140 Reserves	180 Profit for the year
Reserves	1,298	(365)	450	1,213	-
BancoPosta RFC reserve	1,210	-	-	1,210	-
Equity instruments - perpetual hybrid bonds	450	-	450	-	-
Fair value reserve	(114)	(114)	-	-	-
Cash flow hedge reserve	(251)	(251)	-	-	-
Incentive plans reserve	3	-	-	3	-
Retained earnings / (Accumulated losses)	2,011	(1)	-	1,397	615
Profits	2,012	-	-	1,397	615
Cumulative actuarial gains/(losses) on defined benefit plans	(1)	(1)	-	-	-
Total	**3,309**	**(366)**	**450**	**2,610**	**615**

Exclusively for the purposes of the presentation of the Separate Report, the transactions between BancoPosta RFC and the Company's functions not included therein are reported. In this document they are accurately and completely represented, together with the positive and negative income components that generated them.

Further regulatory aspects

Pursuant to art. 2, paragraph 17-undecies of Law Decree 225[365] of 29 December 2010, which states that "the assets and contractual rights included in BancoPosta's ring-fenced capital shall be shown separately in the Company's statement of financial position", Poste Italiane SpA's statement of financial position includes a *Supplementary statement showing BancoPosta RFC*.

On 27 May 2014, the Bank of Italy issued specific Supervisory Standards for BancoPosta RFC, which, in taking into account the entity's specific organisational and operational aspects, has established prudential requirements that are substantially in line with those applicable to banks. These include regulations covering the organisational structure and governance, the system of internal controls and the requirements regarding capital adequacy and risk containment.

Furthermore, BancoPosta RFC's Regulation states that "In view of the absence of non-controlling interests in BancoPosta RFC, on approval of Poste Italiane SpA's financial statements, the Shareholders' Meeting shall – on the recommendation of the Board of Directors – vote on the appropriation of the Company's profit for the year, and in particular: the portion of BancoPosta RFC, as shown in the related statement, taking account of its specific rules and, in particular, the need to comply with prudential supervisory capital requirements (...)".

364 Actuarial gains and losses on defined benefit plans, which in the Company' s financial statements are accounted for in retained earnings, are accounted for in the valuation reserves in the Separate Report (Item 110 of Liabilities).

365 Converted into Law 10 of 26 February 2011.

5.3 NOTES TO THE STATEMENT OF FINANCIAL POSITION ASSETS

A1 - PROPERTY, PLANT AND EQUIPMENT (€2,532 million)

The following table shows movements in property, plant and equipment in 2024:

tab. A1 - Movements in property, plant and equipment

(€m)	Land	Properties used in operations	Plant and machinery	Industrial and commercial equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
Cost	75	3,205	2,367	356	745	1,906	151	8,805
Accumulated depreciation	-	(2,017)	(1,853)	(327)	(499)	(1,769)	-	(6,465)
Impairment losses	-	(16)	(1)	(1)	-	(1)	-	(19)
Balance at 1 January 2024	**75**	**1,172**	**513**	**28**	**246**	**136**	**151**	**2,321**
Changes during the year								
Acquisitions	-	56	86	20	74	75	123	434
Reclassifications	-	34	39	-	16	13	(102)	-
Disposals	-	(2)	(1)	-	-	-	(1)	(4)
Depreciation	-	(35)	(57)	(11)	(55)	(61)	-	(219)
Total changes	**-**	**53**	**67**	**9**	**35**	**27**	**20**	**211**
Cost	75	3,292	2,473	369	831	1,947	171	9,158
Accumulated depreciation	-	(2,051)	(1,892)	(331)	(550)	(1,783)	-	(6,607)
Impairment losses	-	(16)	(1)	(1)	-	(1)	-	(19)
Balance at 31 December 2024	**75**	**1,225**	**580**	**37**	**281**	**163**	**171**	**2,532**

None of the above items is attributable to BancoPosta RFC.

At 31 December 2024, property, plant and equipment includes assets located on land held under concession or sub-concession, which are to be handed over free of charge at the end of the concession term. These assets have a total carrying amount of €67 million.

Investments of €434 million in 2024 consists largely of:

- €56 million for operating buildings, relating mainly to extraordinary maintenance of Post Offices around the country (€34 million), personnel and management offices (€10 million) and mail and parcel sorting offices (€9 million);
- €86 million relating to plant and machinery, of which €41 million for the creations of plants related to buildings, €26 million for the construction and extraordinary maintenance of connectivity and video-surveillance systems, €15 million for the installation of ATMs (automated teller machine) and €4 million for the creation and extraordinary maintenance of mail sorting and parcel processing at industrial facilities;
- €74 million invested in the upgrade of plant (€42 million) and the structural part (€32 million) of properties held under lease;
- €75 million relating to "Other assets", including €53 million for the purchase of hardware for the upgrade of technological equipment at Post Offices and head offices and the strengthening of storage systems and €21 million for the purchase of furniture and fittings;
- €123 million for Investments in progress, of which €110 million for extraordinary maintenance works and infrastructural equipment of the sales and production network, and €12 million for the purchase of hardware and other technological equipment that has not yet been incorporated into production process.

Reclassifications from property, plant and equipment under construction amounted to €102 million and refer mainly to the purchase cost of assets that became available and ready for use during the year; in particular, €80 million refer to the completion of extraordinary renovations of owned properties and improvements of leased properties, €13 to the activation of hardware and other instruments and for €9 million to the installation of connectivity systems.

In the year under review, work continued on the Polis Project, for which the Company made investments of €182 million (until 31 December 2024, total investments of approximately €277 million).

Polis Project - Investments

Lines of intervention (€m)	Properties used in operations	Plant and machinery	Industrial and commercial equipment	Leasehold improvements	Other assets	Assets under construction and advances	Total
One-stop shop	41	51	3	68	38	42	243
Spaces for Italy	8	7	-	-	1	18	34
Total	**49**	**58**	**3**	**68**	**39**	**60**	**277**

Lastly, it should be noted that during the year, investments of €31 million classified as “green”, i.e., aimed at reducing the impact that Poste Italiane has on the environment in which it operates, were made. The main projects include the installation of photovoltaic systems and electrical charging columns, as well as energy efficiency measures on buildings.

A2 - INVESTMENT PROPERTY (€26 million)

The following table shows movements in investment property in 2024:

tab. A2 - Movements in investment property

(€m)	FY 2024
Cost	81
Accumulated depreciation	(53)
Balance at 1 January	**28**
Changes during the year	
Acquisitions	1
Disposals	(2)
Depreciation	(1)
Total changes	**(2)**
Cost	78
Accumulated depreciation	(52)
Balance at 31 December	**26**
Fair value at 31 December	*62*

Investment property primarily regards former service accommodation owned by Poste Italiane SpA pursuant to Law 560 of 24 December 1993, and residential accommodation previously used by post office directors. None of the above items is attributable to BancoPosta RFC.

The fair value of investment property at 31 December 2024 includes €51 million representing the sale price applicable to the Parent Company's accommodation in accordance with Law 560 of 24 December 1993, while the remaining balance reflects market price estimates computed internally by the Company[366].

Most of the properties included in this category are subject to lease agreements classifiable as operating leases, given that Poste Italiane SpA retains substantially all the risks and rewards of ownership of the properties. Under the relevant agreements, tenants usually have the right to break off the lease with six-month notice. Given the resulting lack of certainty, the expected revenue flows from these leases are not referred to in these notes.

366 In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, service accommodation and other investment property qualify for Level 3.

A3 - INTANGIBLE ASSETS (€1,139 million)

The following table shows movements in intangible assets in 2024:

tab. A3 - Movements in intangible assets

(€m)	Industrial patents, intellectual property rights, concessions, licences, trademarks and similar rights	Concessions, licences, trademarks and similar rights	Assets under construction and advances	Goodwill	Total
Cost	4,952	2	270	33	5,257
Accumulated amortisation and impairments	(4,202)	(2)	-	-	(4,204)
Balance at 1 January 2024	**750**	**-**	**270**	**33**	**1,053**
Changes during the year					
Acquisitions	234	-	218	-	452
Reclassifications	213	-	(213)	-	-
Disposals	(1)	-	(2)	-	(3)
Amortisation and impairments	(363)	-	-	-	(363)
Total changes	**83**	**-**	**3**	**-**	**86**
Cost	5,283	2	273	33	5,591
Accumulated amortisation and impairments	(4,450)	(2)	-	-	(4,452)
Balance at 31 December 2024	**833**	**-**	**273**	**33**	**1,139**

None of the above items is attributable to BancoPosta RFC.

Investments in Intangible assets during 2024 amounted to €452 million, including about €45 million in internal software development activities and the related accessory expenses developed within the Company, primarily relating to personnel expenses (€42 million). Development costs, other than those incurred directly to produce identifiable software used, or intended for use, within the Company, are not capitalised.

Investments relating to the item **Industrial patents and intellectual property rights,** relate primarily to the purchase and entry into service of new software programs following the purchase of software licences.

Investments relating to the item **intangible assets under construction** includes activities regarding the development of software relating to the infrastructure platform (€100 million), for BancoPosta services (€53 million), for support to the sales network (€30 million), for the postal products platform (€22 million) and for the engineering of reporting processes for other Business functions and personnel (€13 million).

Reclassifications were made from **Intangible assets under construction** to Industrial patents and intellectual property rights amounting to €213 million. due to the completion and start-up of new software programs and the development of existing ones, relating to the infrastructure platform (€94 million), BancoPosta services (€44 million), support for the sales network (€35 million), the postal products platform (€27 million) and the engineering of reporting processes for other Business and personnel functions (€13 million).

During the year under review, the Polis Project continued, for which the Company made total investments of €10 million, of which €7 million related to 2024.

Polis Project - Investments

Lines of intervention (€m)	Industrial patents, intellectual property rights, concessions, licences, trademarks and similar rights	Assets under construction and advances	Total
One-stop shop	6	3	9
Spaces for Italy	1	-	1
Total	**7**	**3**	**10**

Finally, during the year 2024, as part of the Energy Project, Poste Italiane invested around €15 million in application software.

A4 – RIGHT-OF-USE ASSETS (€845 million)

Changes in right-of-use assets during 2024 are as follows:

tab. A4 - Movements to right-of-use asset

(€m)	Properties used in operations	Company fleet	Vehicles for mixed use	Other assets	Total
Cost	1,367	344	29	32	1,772
Accumulated depreciation	(617)	(156)	(13)	(16)	(802)
Balance at 1 January 2024	**750**	**188**	**16**	**16**	**970**
Changes during the year					
New contract acquisitions	45	32	6	-	83
Adjustments	41	(1)	(1)	(1)	38
Disposals	(17)	(3)	-	-	(20)
Depreciation	(130)	(84)	(7)	(5)	(226)
Total changes	**(61)**	**(56)**	**(2)**	**(6)**	**(125)**
Cost	1,429	371	35	15	1,850
Accumulated depreciation	(740)	(239)	(21)	(5)	(1,005)
Balance at 31 December 2024	**689**	**132**	**14**	**10**	**845**

Acquisitions during the year, totalling €83 million, refer to new real estate contracts (€45 million), the rental of company vehicles for mail and parcel delivery (€32 million) and mixed-use vehicles (€6 million).

The item adjustments refers to the renewal of real estate contracts existing at the beginning of the period (€33 million) and contractual changes (€8 million).

The item terminations refers to the early termination of existing contracts with respect to their natural maturity.

The increase in Right-of-use Assets recognised during the year and related to lease contracts for electric, hybrid and endothermic vehicles considered to be "green" amounted to €32 million.

Changes in lease payables are as follows:

tab. A4.1 - Movements in lease liabilities

(€m)	FY 2024
Balance at 1 January	**1,032**
New contract increases	83
Payments	(244)
Finance income/(costs)	21
Other changes	18
Balance at 31 December	**910**
of which medium-long term	652
of which short-term	258

The table below summarises the effects recognised in the statement of profit or loss:

tab A4.2 - Economic effects of lease agreements

(€m)	FY 2024	FY 2023
Depreciation of right-of-use assets	227	223
Impairments/recoveries/adjustments right of use	1	-
Finance income/(expenses) on lease liabilities	21	21
Costs related to short-term leases	6	4
Costs related to lease of low-value assets	8	9
Costs related to lease of intangible assets	133	102
Total	**396**	**359**

A5 – INVESTMENTS (€3,694 million)

This item includes the following:

tab. A5 - Investments

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Investments in subsidiaries	3,443	3,440	3
Investments in associates	236	255	(19)
Investments in joint ventures	15	-	15
Total	**3,694**	**3,695**	**(1)**

No investments are attributable to BancoPosta RFC.

Changes in equity investments in subsidiaries, associates and jointly controlled entities are shown below:

Tab. A5.1 - Movements in investments in FY 2024

Investments (€m)	Balance at 01.01.2024	Increases: Subscriptions /Payments on capital a/c	Increases: Acquisitions, mergers, liquidations, spin-offs, transfers	Increases: Reclass. Non-current assets held for sale	Increases: Incentive plans	Decreases: Sales, liquidations, mergers, de-mergers, transfer	Decreases: Reclass. Non-current assets held for sale	Impairment losses: Write-back	Impairment losses: (Write-down)	Balance at 31.12.2024
in subsidiaries										
Address Software Srl	-	-	1	-	-	(1)	-	-	-	-
Agile Lab Srl	18	-	-	-	-	-	-	-	-	18
BancoPosta Fondi SpA SGR	9	-	-	-	-	-	-	-	-	9
Casina Poste SSD a rl	-	-	-	-	-	-	-	-	-	-
CLP ScpA	-	-	-	-	-	-	-	-	-	-
Consorzio PosteMotori	-	-	-	-	-	-	-	-	-	-
Consorzio Servizi ScpA	-	-	-	-	-	-	-	-	-	-
EGI SpA	170	-	-	-	-	-	-	-	-	170
MLK Deliveries SpA	35	-	-	-	-	-	-	-	-	35
Nexive Network Srl	16	-	-	-	-	-	-	-	-	16
Nexive Scarl	-	-	-	-	-	-	-	-	-	-
PatentiViaPoste ScpA	-	-	-	-	-	-	-	-	-	-
Poste Air Cargo Srl	1	-	-	-	-	-	-	-	-	1
Poste Logistics SpA	-	1	-	-	-	-	-	-	-	1
Poste Vita SpA	2,070	-	-	-	-	-	-	-	-	2,070
Poste Welfare Servizi Srl	76	-	-	-	-	-	-	-	-	76
Postego SpA	-	1	-	-	-	-	-	-	-	1
Postel SpA	83	-	-	-	-	-	-	-	-	83
PostePay SpA	902	-	-	-	-	-	-	-	-	902
SDA Express Courier SpA	14	-	-	-	-	-	-	-	-	14
Sengi Express Limited	16	-	-	-	-	-	-	-	-	16
Sourcesense SpA	30	-	-	-	-	-	-	-	-	30
SPV Cosenza SpA	-	1	-	-	-	-	-	-	-	1
Total subsidiaries	**3,440**	**3**	**1**	**-**	**-**	**(1)**	**-**	**-**	**-**	**3,443**
in associates										
Anima Holding SpA	203	-	-	-	-	-	-	-	-	203
Conio Inc.	-	-	-	-	-	-	-	-	-	-
Financit SpA	40	-	-	-	-	-	-	-	(19)	21
ItaliaCamp Srl	-	-	-	-	-	-	-	-	-	-
Replica SIM SpA	10	-	-	-	-	-	-	-	-	10
sennder Italia Srl	2	-	-	-	-	-	-	-	-	2
Total associates	**255**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(19)**	**236**
in joint ventures										
Locker Italia SpA	-	15	-	-	-	-	-	-	-	15
Total joint ventures	**-**	**15**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15**
Total	**3,695**	**18**	**1**	**-**	**-**	**(1)**	**-**	**-**	**(19)**	**3,694**

The following movements occurred in 2024:

- Purchase of 100% of the share capital of Address Software Srl from Postel SpA on 24 January 2024 for approximately €0.9 million. The transaction, carried out in compliance with the provisions of the Assirevi Preliminary Guidelines on IFRS - OPI no. 1 "*Accounting treatment of business combinations under common control in the financial statements and consolidated financial statements*"[367], provided for the recognition of the investment in Address Software Srl at historical cost (€0.5 million) and the consequent increase in the investment in Postel SpA (€0.4 million) for the difference between the consideration paid and the carrying amount of the investment acquired. This transaction was in preparation for the start of the process of merger by incorporation of Address Software Srl into Poste Italiane SpA. The transaction, which will take effect on 1 June 2024[368], was carried out based on continuity of values, generating a merger surplus of approximately €1 million, which was recognised in the appropriate equity reserve.
- Establishment, on 21 June 2024, of Casina Poste SSD a rl, for the organisation and management as well as the promotion, enhancement and dissemination of amateur sporting activities. The company is 72% controlled by Poste Italiane SpA and the remainder by PostePay SpA, Postel SpA, Poste Vita SpA and SDA Express Courier SpA (each for a 7% share).
- Establishment, on 4 March 2024, of Poste Logistics SpA and subscription of the entire share capital for €0.5 million, for integrated logistics activities for the Poste Italiane Group.
- Establishment, on 9 May 2024, of Postego SpA and subscription of the entire share capital for €0.5 million, to progressively internalise Poste Italiane's car fleet.
- Establishment, on 25 June 2024, of SPV Cosenza SpA and subscription of 95% of the share capital for €0.9 million[369], a company dedicated to the performance of all the services covered by the public-private partnership contract for the management and rationalisation of integrated healthcare logistics for the Cosenza Provincial Health Authority.

367 According to the ASSIREVI document, in the case of transactions involving the purchase of a controlling interest from another entity under common control for cash consideration, if the transaction is not carried out at arm's length, any difference between the carrying amount of the business acquired and the transaction consideration constitutes a shareholder transaction. (section 1.1 - Acquisition and Transfer of Business Units).

368 The accounting and tax effects of the transaction are backdated to 1 April 2024.

369 The remaining 5% of the share capital was subscribed by Plurima SpA.

- Establishment, on 18 April 2024, of Locker Italia SpA – in which Poste Italiane SpA and Deutsche Post International BV hold equal stakes of 50% respectively - with the objective of developing, in Italy, a network of lockers for last mile deliveries of parcels managed by Poste Italiane SpA and the e-commerce division of the DHL Group. The share capital subscribed by Poste Italiane SpA amounts to €15 million.

Lastly, on 22 May 2024, the Company transferred to Postepay SpA its entire stake in Conio Inc. amounting to 16.29% of the relevant share capital.

Further details of the main corporate actions during 2024, are provided in notes 2.8 – *"Basis of consolidation - Changes to the scope of consolidation and other corporate actions".*

The impairment tests required by the related accounting standards have been conducted in order to identify any evidence of impairment. Based on the available information and the impairment test results[370], the value of the investment in Financit SpA was reduced by roughly €19 million (note C9.2 - *Finance costs*).

The following table shows a list of investments in subsidiaries, associates and jointly controlled entities at 31 December 2024:

tab. A5.2 - List of investments

Name (€k)	% share	Share capital (1)	Net profit/(loss) for the year	Carrying amount of equity	Share of equity	Carrying amount at 31.12.24	Difference between equity and carrying amount
in subsidiaries							
Agile Lab Srl	70.00	54	507	5,073	3,551	17,951	(14,400)
BancoPosta Fondi SpA SGR	100.00	12,000	38,941	69,453	69,453	8,592	60,861
Casina Poste SSD a rl (2)	100.00	50	16	66	66	36	30
CLP ScpA	51.00	516	-	788	402	313	89
Consorzio PosteMotori	58.12	120	-	120	70	70	-
Consorzio Servizi ScpA	51.00	120	-	116	59	61	(2)
EGI SpA	55.00	103,200	5,904	245,706	135,138	169,893	(34,755)
MLK Deliveries SpA	100.00	335	750	15,188	15,188	35,061	(19,873)
Nexive Network Srl	100.00	50	9,291	17,321	17,321	16,000	1,321
Nexive Scarl	85.89	28	-	25	21	-	21
PatentiViaPoste ScpA	69.65	120	186	406	283	84	199
Poste Air Cargo Srl	100.00	1,000	430	6,743	6,743	845	5,898
Poste Logistics SpA	100.00	500	6,176	22,474	22,474	511	21,963
Poste Vita SpA	100.00	1,216,608	965,442	6,636,063	6,636,063	2,069,606	4,566,457
Poste Welfare Servizi Srl	100.00	16	3,668	79,690	79,690	75,921	3,769
Postego SpA	100.00	50	(149)	351	351	500	(149)
Postel SpA	100.00	20,400	3,454	82,246	82,246	83,086	(840)
PostePay SpA	100.00	7,561	420,553	1,279,298	1,279,298	902,892	376,406
SDA Express Courier SpA	100.00	5,000	7,804	18,421	18,421	14,230	4,191
Sengi Express Limited (3)	51.00	541	12,329	12,969	6,614	16,000	(9,386)
Sourcesense SpA (2)	70.00	880	827	8,136	5,695	30,169	(24,474)
SPV Cosenza SpA	95.00	948	(194)	754	716	901	(185)
in associates							
Anima Holding SpA (4)	11.95	7,292	172,038	1,523,004	181,999	203,001	(21,002)
Financit SpA	40.00	14,950	12,519	66,337	26,535	21,443	5,092
ItaliaCamp Srl (5)	19.40	155	25	2,918	566	2	564
Replica SIM SpA	45.00	10,500	1,276	12,235	5,506	10,000	(4,494)
sennder Italia Srl	25.00	50	7,543	19,213	4,803	1,356	3,447
in joint ventures							
Locker Italia SpA	50.00	1,000	(434)	29,566	14,783	15,000	(217)

(1) Consortium fund in the case of consortia. The companies all have registered offices in Rome, with the exception of Anima Holding SpA, Nexive Network Srl, Nexive Scarl, sennder Italia Srl, Replica SIM SpA and Agile Lab Srl with registered offices in Milan and Sengi Express Limited with registered offices in Hong Kong (China).

(2) Data processed in compliance with IFRS and, as such, may vary from those contained in the respective financial statements of the investee, which were prepared in accordance with the Italian Civil Code and Italian GAAP.

(3) The figures shown for this company were prepared in accordance with IFRS and, as such, may vary from those contained in the Annual Report of the company in compliance with Local GAAP.

(4) Figures taken from the company's latest interim financial statements at 30 September 2024, as approved by its Board of Directors.

(5) Data derived from the Half-yearly Financial Report approved by the company on 31 December 2023.

370 The method applied and the criteria used in conducting impairment tests at 31 December 2024, are described in note 2.6 – *Use of estimates*, with regard to the *impairment testing of goodwill, cash generating units and investments*.

A6 - FINANCIAL ASSETS (€81,675 million)

tab. A6 - Financial assets

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	30,728	14,030	44,758	30,481	12,794	43,275	1,483
Financial assets at FVTOCI	33,327	877	34,204	30,689	3,016	33,705	499
Financial assets at FVTPL	34	-	34	35	-	35	(1)
Derivative financial instruments	2,611	68	2,679	4,180	77	4,257	(1,578)
Total	**66,700**	**14,975**	**81,675**	**65,385**	**15,887**	**81,272**	**403**
of which attributable to BancoPosta RFC	65,758	14,934	80,692	64,384	15,826	80,210	482
of which Capital outside the ring-fence	942	41	983	1,001	61	1,062	(79)

FINANCIAL ASSETS ATTRIBUTABLE TO BANCOPOSTA RFC

Financial assets BancoPosta RFC

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	30,345	13,989	44,334	30,124	12,734	42,858	1,476
Loans and receivables	-	13,226	13,226	-	12,460	12,460	766
Loans	-	1,566	1,566	-	1,769	1,769	(203)
Receivables	-	11,660	11,660	-	10,691	10,691	969
Deposits with the MEF	-	9,968	9,968	-	8,932	8,932	1,036
Receivables	-	9,972	9,972	-	8,937	8,937	1,035
Provisions for doubtful amounts deposited with MEF	-	(4)	(4)	-	(5)	(5)	1
Other financial receivables	-	1,692	1,692	-	1,759	1,759	(67)
Fixed income instruments	30,345	763	31,108	30,124	274	30,398	710
Financial assets at FVTOCI	32,768	877	33,645	30,054	3,015	33,069	576
Fixed income instruments	32,768	877	33,645	30,054	3,015	33,069	576
Financial assets at FVTPL	34	-	34	26	-	26	8
Equity instruments	34	-	34	26	-	26	8
Derivative financial instruments	2,611	68	2,679	4,180	77	4,257	(1,578)
Cash flow hedges	6	6	12	2	3	5	7
Fair value hedges	2,605	62	2,667	4,178	74	4,252	(1,585)
Fair value through profit or loss	-	-	-	-	-	-	-
Total	**65,758**	**14,934**	**80,692**	**64,384**	**15,826**	**80,210**	**482**

The activities in question concern the financial transactions carried out by the Company pursuant to Presidential Decree no. 144 of 14 March 2001, as amended, which, as from 2 May 2011, fall within the scope of RFC (see note 5.2 - *Information on BancoPosta* RFC).

Financial assets at amortised cost

Movements in financial assets measured at amortised cost are shown below:

A6.1 - Movements in financial assets at amortised cost

Description (€m)	Loans and receivables	Fixed income instruments		TOTAL
	Carrying amount	Nominal value	Carrying amount	Carrying amount
Balance at 1 January 2024	**12,460**	**30,877**	**30,398**	**42,858**
Purchases	-	2,630	2,650	2,650
Changes in amortised cost	-	-	(31)	(31)
Transfers to equity reserves	-	-	5	5
Changes in fair value through profit or loss	-	-	207	207
Changes due to impairment	1	-	5	6
Net changes	(407)	-	-	(407)
Effects of sales on profit or loss	-	-	35	35
Change in accruals	(4)	-	18	14
Sales and redemptions	-	(2,641)	(2,179)	(2,179)
Other changes	1,176	-	-	1,176
Balance at 31 December 2024	**13,226**	**30,866**	**31,108**	**44,334**

Loans and receivables

The item **Loans** refers to repurchase agreements in the amount of €2,726 million (€4,106 million at 31 December 2023), of which, €2,513 million entered into with Cassa di Compensazione e Garanzia SpA (hereafter CC&G) and €213 million with leading financial operators, both for the temporary use of liquidity from private inflows. These transactions are guaranteed by securities for a total notional amount of €2,611 million. Financial assets and liabilities relating to repurchase agreements managed through the CC&G that meet the requirements of IAS 32 are offset. The effect of netting at 31 December 2024, already included in the exposure to net balances, amounted to €1,160 million (€2,337 million at 31 December 2023). At 31 December 2024, the fair value [371]of said item was €1,566 million.

Receivables include:

- **Deposits with the MEF**, for €9,972 million, including public customers' postal current account deposits, which earn a variable rate of return, calculated on a basket of government bonds[372]. The deposit has been adjusted to reflect accumulated impairments of approximately €4 million, to reflect the risk of counterparty default (€5 million at 31 December 2023). The increase in deposits of €1,035 million was mainly due to the typical operations of some customers in the Public Administration, which generated an increase in deposits from postal current accounts. During the 2024 financial year, hedging derivative contracts were concluded on the 10-year index-linked remuneration component. The hedging transaction was carried out through forward purchases of the 10-year BTP with settlement of the differential between the pre-set price of the security and its market value. These transactions, completed at 31 December 2024, generated positive effects of €2 million, which was recognised in profit or loss under the item Income from investment in postal current accounts and free cash.

- **Other financial receivables:**
  - €801 million from amounts due for guarantee deposits, of which: €299 million for sums paid to counterparties for repo transactions on fixed income instruments (collateral under specific Global Master Repurchase Agreements), €214 million for sums paid to CC&G, (of which €123 million for outstanding repo transactions and €91 million as a pre-funded contribution to the guarantee fund, the Default Fund[373]), €193 million for amounts paid to counterparties for interest rate swap transactions (collateral provided for in specific Credit Support Annexes) and €95 million in sums paid as collateral in relation to clearing systems with central counterparties for over-the-counter transactions in derivatives[374];
  - €386 million related to the liquidity reserve at CC&G to cover possible intra-day margin calls;
  - €278 million euros related to items in process in respect of card withdrawals and payments, settled in the first few days of the financial year 2025, of which €102 million related to amounts due from the subsidiary PostePay SpA.

Fixed income instruments

Fixed income instruments are euro area fixed income instruments held by BancoPosta RFC, consisting of government securities issued by the Italian government and securities guaranteed by the Italian government with a nominal value of €30,866 million. Their carrying amount of €31,108 million reflects the amortised cost of unhedged fixed income instruments, totalling €19,721 million, the amortised cost of fair-value hedged fixed income instruments, totalling €12,469 million, that decreased by €1,082 million to take into account the effects of the hedge (€1,944 million in 2023). Fixed income instruments

[371] In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.
[372] The variable rate in question is calculated as follows: 40% is based on the average return on 6-month BOTs recognised monthly and the remaining 60% is based on the average ten-year BTP return recognised monthly.
[373] A guarantee fund established with payments from participants in the derivative, equity and bond markets, as a further guarantee for the transactions carried out. The fund can be used to meet the charges arising from any participant default.
[374] These are transactions carried out outside the regulated securities markets and therefore not subject to any specific regulation concerning the organisation and operation of the market itself.

measured at amortised cost are adjusted to take into account the related impairments. Accumulated impairments at 31 December 2024 amount to approximately €13 million (€18 million at 31 December 2023). At 31 December 2024, the fair value[375] of these securities was €29,647 million (including €252 million in accrued income). The increase compared to the previous year is mainly due to the positive change in the hedged component as a result of the downward shift in the interest rate curve, as well as to more purchases made during the year than sales/reimbursements.

This category of financial assets includes fixed rate instruments, for a total nominal amount of €3,000 million, issued by Cassa Depositi e Prestiti SpA and guaranteed by the Italian government (at 31 December 2024, their carrying amount totals €2,902 million).

Financial assets at fair value through other comprehensive income

Movements in financial assets measured at fair value through other comprehensive income (FVTOCI) are shown below:

tab. A6.2 - Changes in financial assets at FVTOCI

Description (€m)	Fixed income instruments	
	Nominal value	**Fair value**
Balance at 1 January 2024	**34,859**	**33,069**
Purchases	6,122	6,221
Transfers to equity reserves	-	11
Changes in amortised cost	-	44
Changes in fair value through equity	-	594
Changes in fair value through profit or loss	-	252
Effects of sales on profit or loss	-	35
Change in accruals	-	9
Sales and redemptions	(7,186)	(6,590)
Balance at 31 December 2024	**33,795**	**33,645**

(*) The item, "Changes in cash flow hedges", relates to the purchase of forward contracts in relation to cash flow hedge transactions and reflects changes in the fair value of these forward contracts between the date of stipulation of the derivative contract and the settlement date, with a matching entry in equity, in the cash flow hedge reserve.

Fixed income instruments

These are euro area **fixed income instruments**, consisting of government securities issued by the Italian government with a nominal value of €33,795 million. The amount of €33,645 million consists of non-hedged securities in the amount of €14,731 million, fair value hedged securities in the amount of €12,240 million, and CFH hedged securities in the amount of €6,674 million. The overall fluctuation in fair value in the year in question was a positive €846 million, recognised in the relevant equity reserve in relation to the portion of the portfolio not hedged by fair value hedges (positive for €594 million) and recognised through profit or loss in relation to the hedged portion (positive for €252 million). These instruments are subject to impairments recognised in profit or loss with a matching entry in the relevant equity reserve. Accumulated impairments at 31 December 2024 amount to €14 million (€19 million at 31 December 2023). The increase in this item is mainly due to the positive change in fair value partially offset by the higher sales/reimbursements made during the year compared to purchases.

Certain securities are encumbered as they have been delivered to counterparties for use as collateral in connection with loans and hedging transactions, as described in note 5.12 – *Additional information*.

375 In terms of the fair value hierarchy, which reflects the relevance of the sources used to measure assets, €26,489 million of the total amount qualifies for inclusion in Level 1 and €3,158 million for inclusion in Level 2.

Financial assets at fair value through profit or loss

Equity instruments

Equity instruments include:

- for €17 million, the fair value of 32,059 Visa Incorporated preferred stocks (Series C Convertible Participating Preferred Stocks). These shares are convertible to ordinary shares at the rate of 1,783[376] ordinary shares for each C share, minus a suitable illiquidity discount. The process of determining the proportion of convertibility and related rate of Visa Incorporated Series C Convertible Participating Preferred Stocks continued during the year, partially concluded on 19 July 2024 with the grant of 583 preferred stocks of Visa Incorporated Series A Preferred Stocks;
- for €17million, the fair value of 583 Visa Incorporated preferred stocks (Series A Preferred Stock); these shares are convertible into ordinary shares on the basis of a ratio of 100 ordinary shares for every share of Class A Preferred Stock.

Net fair value gains in the year under review, amounting to €8 million, have been recognised in profit or loss in the items Income and Expenses from financial activities.

In addition, a forward sale agreement was entered into during the financial year 2023 for 95,000 Visa Incorporated ordinary shares with a total consideration of €20.5 million and a settlement date of 3 March 2025. Fair value fluctuations in the year under review, amounting to a negative €5.6 million, have been recognised in profit or loss in "Expenses from financial activities".

Derivative financial instruments

tab. A6.3 - Derivative financial instruments

Description (€m)	Balance at 31.12.2024		Balance at 31.12.2023		Changes in fair value
	Nominal	Fair value	Nominal	Fair value	
Cash Flow Hedges					
Forward sales Securities	602	2	-	-	2
Interest rate swaps	5,956	(532)	3,287	(513)	(19)
Fair value hedges					
Interest rate swaps on securities at FVTOCI and AC	24,452	1,861	25,031	3,718	(1,857)
Interest rate swaps on repos	-	-	3,996	(83)	83
FVTPL					
Forward sales	-	(8)	-	(3)	(5)
Total	**31,010**	**1,323**	**32,314**	**3,119**	**(1,796)**
Of which:					
Derivative assets	16,312	2,679	19,665	4,257	(1,578)
Derivative liabilities	14,698	(1,356)	12,649	(1,138)	(218)

Cash flow hedge transactions in interest rate swaps and forward sales relate exclusively to securities valued at FVTOCI. Interest rate risk cash flow hedges recorded a net negative change of €17 million during the period, of which €111 million related to the net positive change in fair value of the effective component of the hedge, reflected in the cash flow hedge reserve, and €128 million related to the net negative change in completed transactions[377] during the year and the ineffective component of hedging contracts.

Fair value hedges in interest rate swaps are used to hedge securities measured at amortised cost with a nominal value of €11,617 million and securities measured at FVTOCI with a nominal value of €12,835 million; in total, they underwent a net

[376] Until the assigned shares are fully converted into ordinary shares, the share exchange ratio may be reduced if Visa Europe Ltd. incurs liabilities that, as of the reporting date, were considered as merely contingent.

[377] Transactions settled include forward transactions settled, accrued differentials and the settlement of interest rate swaps linked to securities sold.

negative change of €1,857 million during the year, of which €85 million related to the net negative change in fair value of the effective component of the hedge and €1,772 million related to the net negative change in transactions completed during the year and the ineffective component of hedging contracts.

In the year under review, the Company carried out the following transactions:

- forward sales of securities with a nominal amount of €602 million;
- settlement of new cash flow hedge interest rate swaps with a nominal value of €2,669 million;
- settlement of new fair value hedge interest rate swaps to hedge the securities portfolio for a nominal amount of €3,895 million and adjusting those outstanding at 1 January 2024 for a nominal amount of €25 million;
- early settlement or at maturity of fair value hedge interest rate swaps on repurchase agreements for a nominal value of €3,996 million;
- early settlement of fair value hedge interest rate swaps with a nominal value of €4,449 million (of which: €3,499 million relating to hedging transactions for which the underlying security was also sold, €950 million relating to hedging transactions without sale of the underlying security) with the aim of consolidating a fixed return in line with the market situation, while at the same time improving the income profile of a portion of the portfolio for subsequent years.

In addition, the Company entered into and settled forward purchases for a total nominal value of €148 million (recognised at fair value through profit or loss) to hedge the 10-year index-linked component of the remuneration of the investment of funding from public customers. In total, these transactions generated a positive effect of €2 million in the year under review, which was recognised in the income statement under the item Income from investments in postal current accounts and free cash.

FINANCIAL ASSETS OUTSIDE RING-FENCE

Financial assets outside the ring-fence

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Financial assets at amortised cost	383	41	424	356	61	417	7
Loans and receivables	383	41	424	356	61	417	7
Loans	380	33	413	354	54	408	5
Receivables	3	8	11	2	7	9	2
Due from the purchasers of service accommodation	3	1	4	2	2	4	-
Due from others	-	27	27	-	25	25	2
Provisions for doubtful debts	-	(20)	(20)	-	(20)	(20)	-
Financial assets at FVTOCI	559	-	559	636	-	636	(77)
Fixed income instruments	102	-	102	99	-	99	3
Equity instruments	457	-	457	537	-	537	(80)
Financial assets at FVTPL	-	-	-	9	-	9	(9)
Convertible bond	-	-	-	9	-	9	(9)
Total	**942**	**41**	**983**	**1,001**	**61**	**1,062**	**(79)**

Financial assets at amortised cost

Movements in financial assets measured at amortised cost are shown below:

tab. A6.4 - Movements in financial assets at amortised cost

Description (€m)	Loans	Receivables	Total
	Carrying amount	Carrying amount	Carrying amount
Balance at 1 January 2024	**408**	**9**	**417**
Purchases	32	-	32
Net changes	-	2	2
Change in accruals	-	-	-
Sales and redemptions	(27)	-	(27)
Balance at 31 December 2024	**413**	**11**	**424**

Loans

Details are shown below:

tab. A6.4.1 - Loans at amortised cost

Name (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Loans	correspondence a/c	Total	Loans	correspondence a/c	Total	
Direct subsidiaries							
Poste Vita SpA	254	-	254	254	-	254	-
SDA Express Courier SpA	63	-	63	62	7	69	(6)
Postel SpA	17	-	17	17	2	19	(2)
Nexive Network Srl	-	-	-	-	9	9	(9)
Poste Air Cargo Srl	-	2	2	-	5	5	(3)
Poste Logistics SpA	4	-	4	-	-	-	4
Sourcesense SpA	-	-	-	-	4	4	(4)
Consorzio Servizi ScpA	-	-	-	-	2	2	(2)
Agile Lab Srl	-	5	5	-	1	1	4
Indirect subsidiaries							
Plurima SpA	68	1	69	45	1	46	23
	406	8	414	378	31	409	5
Provision for impairment of intercompany loans	(1)	-	(1)	(1)	-	(1)	-
Total	**405**	**8**	**413**	**377**	**31**	**408**	**5**

The item includes:

- €254 million relating to an irredeemable subordinated loan, issued to Poste Vita SpA in order to bring the subsidiary's capitalisation into line with expected growth in earned premiums, in compliance with the specific regulations governing the insurance sector;
- €63 million relating to a total of four loans granted to the subsidiary SDA Express Courier SpA in the years 2020, 2021 and 2023, to support the construction of the new automated HUB facilities in Northern Italy and Central Italy, Piacenza and Naples, repayable in a lump sum on 16 April 2029, 5 August 2030, 6 April 2032 and 19 April 2032, respectively;
- €17 million for the full utilisation of the committed revolving credit line granted during the year 2023 to the subsidiary Postel SpA maturing on 4 July 2026;
- €4 million for the utilisation of a committed revolving credit line totalling €10 million granted during the year to the subsidiary Poste Logistics SpA maturing on 31 December 2025;
- €68 million for four loans granted to the subsidiary Plurima SpA, of which: €40 million, repayable in a lump sum on 27 April 2029[378]; €16 million to meet the obligations relating to the redemption of the capital gain generated by the reverse merger of Plurima Bidgo Srl into Plurima SpA, repayable in a lump sum on 25 June 2030; €8 million to meet the investments envisaged in the new 2024-2028 Strategic Plan mainly in Sardinia and Piedmont, repayable in a lump sum on 30 May 2030; €4 million to meet short-term operating needs and to support the exercise of the option to purchase the remaining 40% of the share capital of Bridge Technologies Srl, repayable in a lump sum on 6 April 2027;
- €8 million regarding overdrafts on intercompany current accounts granted to subsidiaries, paying interest on an arm's length basis.

These loans have been adjusted to reflect accumulated impairments of approximately €1 million, to reflect the risk of counterparty default, unchanged from 31 December 2023.

[378] On 29 September 2022, the reverse merger of Plurima Bidco S.r.l. into Plurima SpA was approved, effective from 1 January 2023. Consequently, the loan granted in the year 2022 in favour of Plurima Bidco Srl to support the corporate transaction for the acquisition of a majority stake in Plurima SpA was reclassified.

Receivables

Due from others include a nominal value of €20 million for the residual receivable from Invitalia SpA for the sale of Banca del Mezzogiorno-MedioCreditoCentrale SpA (BdM), fully written off, and €6 million from Poste Vita SpA for interest accrued at 31 December 2024 on the Ancillary Own Funds renewed during the year 2023 for a maximum amount of €1,750 million.

Financial assets at fair value through other comprehensive income

Movements in financial assets at fair value through other comprehensive income (FVTOCI) are shown below:

tab. A6.5 - Movements in financial assets at FVTOCI

Description (€m)	Fixed income instruments		Equity instruments	Total	
	Nominal value	Fair value	Fair value	Nominal value	Fair value
Balance at 1 January 2024	**110**	**99**	**537**	**110**	**636**
Purchases	-	-	-	-	-
Changes in amortised cost	-	2	-	-	2
Changes in fair value through equity	-	1	(90)	-	(89)
Convertible bond conversion	-	-	10	-	10
Balance at 31 December 2024	**110**	**102**	**457**	**110**	**559**

Fixed income instruments

The item includes one Italian government bond with a nominal value of €110 million purchased during 2022. The fluctuation in fair value at 31 December 2024, was positive for €1 million and recognised in the specific equity reserve.

Equity instruments

This item breaks down as follows:

Tab. A6.5.1 - Equity instruments at FVTOCI

Name (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Nexi SpA	249	345	(96)
sennder Technologies GmbH	126	112	14
MFM Holding Ltd	57	55	2
Scalapay Limited	25	25	-
Milkman SpA	-	-	-
Total	**457**	**537**	**(80)**

In December 2024, Poste Italiane exercised the early conversion of the bond issued by sennder Technologies GmbH into shares of the same for a total amount of approximately €9.5 million. Further details of the transaction are provided in Notes 2.8 – *"Basis of consolidation - Changes to the scope of consolidation and other corporate actions".*

The overall fair value fluctuation of this item (negative €90 million) is recognised in the specific equity reserve and is mainly attributable to the shares of Nexi SpA (negative reserve of €401 million at 31 December 2024).

Moreover, the item includes, for €75 million the investment in CAI SpA (formerly Alitalia CAI SpA), acquired in 2013 and fully written off in 2014.

Lastly, in February 2025, Poste Italiane SpA sold its entire shareholding in Nexi SpA - equal to about 3.78% of the share capital - to Cassa Depositi e Prestiti SpA (Note 3.2 - *Events after the end of the reporting period*).

Financial assets at fair value through profit or loss

The item refers to participating financial instruments arising from the conversion of Contingent Convertible Notes[379] - issued by Midco SpA - whose value, at 31 December 2024, was zero.

The decrease in the item in question derives from the conversion, on 10 December 2024, of the portion of the convertible bond issued by sennder Technologies GmbH in the year 2023 and subscribed by Poste Italiane for about €9.5 million, a value representing the fair value at the date of conversion.

Derivative financial instruments

The following transactions took place during 2024:

- stipulation and settlement of a commodity swap contract for the operational hedging of fuel costs relating to the air transport of mail carried out through the subsidiary Poste Air Cargo Srl;
- stipulation and settlement of seven non-deliverable forward contracts to hedge the currency risk (euro/dollar) mainly related to aircraft leasing fees for air mail transport, carried out through the subsidiary Poste Air Cargo Srl.

A7 - INVENTORIES (€3 million)

This item includes inventories of raw and ancillary materials and consumables not yet used by the logistics and distribution network.

A8 - TRADE RECEIVABLES (€2,476 million)

tab. A8 - Trade receivables

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Due from customers	1	1,438	1,439	1	1,762	1,763	(324)
Due from subsidiaries, associates and joint ventures	-	809	809	-	763	763	46
Due from Parent company	-	228	228	-	249	249	(21)
Total	**1**	**2,475**	**2,476**	**1**	**2,774**	**2,775**	**(299)**
of which attributable to BancoPosta RFC	-	1,024	1,024	-	1,006	1,006	18

Due from customers

379 These are Contingent Convertible Notes with an original value of €75 million, a twenty-year term to maturity and issued by Midco SpA, which in turn owns 51% of the airline Alitalia SAI SpA, subscribed by Poste Italiane SpA in December 2014, as part of the transaction aimed at the entry of the company Etihad Airways into the share capital of Alitalia SAI. On the fulfilment of certain negative pledge conditions, in 2017 the loan was converted into equity instruments (as defined by art. 2346, paragraph 6 of the Italian Civil Code), carrying the same rights associated with the Notes.

tab. A8.1 - Due from customers

Description (€m)	Balance at 31.12.2024 Non-current assets	Current assets	Total	Balance at 31.12.2023 Non-current assets	Current assets	Total	Changes
Due from private individuals for parcel delivery services	-	405	405	-	453	453	(48)
Ministries and Public Administration entities	-	342	342	-	548	548	(206)
Overseas counterparties	-	274	274	-	322	322	(48)
Due from private individuals for mail services	-	219	219	-	251	251	(32)
Cassa Depositi e Prestiti	-	221	221	-	247	247	(26)
Amounts due for other BancoPosta services	-	74	74	-	58	58	16
Overdrawn current accounts	-	47	47	-	45	45	2
Other amounts due from customers	1	277	278	1	231	232	46
Provisions for doubtful debts due from customers	-	(421)	(421)	-	(393)	(393)	(28)
Total	**1**	**1,438**	**1,439**	**1**	**1,762**	**1,763**	**(324)**
of which attributable to BancoPosta RFC	-	306	306	-	322	322	(16)

The change in Due from customers is mainly attributable to the decrease in the amounts due from Ministries and Entities due to the release of receipts related to the tariff additions made in 2020, 2021, 2022 and the first three quarters of 2023 for a total amount of €195 million (which until 31 December 2023 were shown under other liabilities for advances received, due to the constraint of unavailability) and the collection in March 2024 of a further €20 million related to the last quarter of 2023.

Specifically[380]:

- Amounts due for **parcel delivery services** refer to receivables from customers using the "national and international express courier" range of services.
- Amounts due from **Ministries and Public Administration entities** refer mainly to the following services:
- Mail forwarding and notification services provided following a tender procedure for a total of €63 million.
- Compensation for Publisher tariff subsidies, due from the Cabinet Office – Publishing Department, amounting to €55 million accrued during the year.
- Reimbursement of building, vehicle and security costs, postage and other services incurred on behalf of the Ministry of Enterprise and Made in Italy (MIMIT) in the amount of €51 million. This receivable is made up for the remaining €28 million (originally €62 million collected for €34 million) related to services provided until 2012. The addition to the balance consists of €23 million of receivables mainly related to the charges incurred by Poste Italiane but arising from the use of real estate by the Ministry for the period 2013-2024 and for which a negotiation round-table with the counterparty is underway.
- Mail services provided on credit, totalling €31 million, to central and local government entities.
- Market Registered Mail services, totalling €30 million, provided to central and local government entities.
- Integrated Notification and mailroom services rendered to central and local government entities, amounting to €18 million.
- Unfranked mail services, totalling €14 million, provided to central and local Public Administrations.
- The payment of pensions on behalf of INPS (the National Institute of Social Security), totalling €9 million.
- Amounts due from **overseas counterparties** primarily relates to postal services carried out for overseas postal operators.
- Amounts due for **mail services** refer to receivables to private customers who use the "delivery and mailing" range of services.
- Amounts due from **Cassa Depositi e Prestiti** refer to fees for BancoPosta's deposit-taking activities.

380 At 31 December 2024, the balance of trade receivables includes €6 million, net of the related provisions for doubtful accounts, relating to rental income falling within the scope of IFRS 15 – *Revenue from Contracts with Customers*.

- Amounts due for **other BancoPosta services** mainly refer to intermediation services (banking, personal loans, mortgages) provided totalling €41 million.
- Amounts due for **overdrawn current accounts** derive almost exclusively from overruns due to the debiting of BancoPosta's periodic fees.

Due from subsidiaries, associates and joint ventures

A8.2 - Due from subsidiaries, associates and joint ventures

Name (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Direct subsidiaries			
BancoPosta Fondi SpA SGR	28	29	(1)
CLP ScpA	6	3	3
Consorzio PosteMotori	3	3	-
MLK Deliveries SpA	1	-	1
PatentiViaPoste ScpA	-	1	(1)
Poste Air Cargo Srl	1	1	-
Poste Logistics SpA	1	-	1
Poste Vita SpA	394	355	39
Postel SpA	34	58	(24)
PostePay SpA	195	189	6
Poste Welfare Servizi Srl	3	5	(2)
SDA Express Courier SpA	19	19	-
Sengi Express Limited	71	66	5
Nexive Network Srl	1	1	-
Nexive Scarl	17	13	4
Indirect subsidiaries			
Kipoint SpA	1	1	-
Poste Assicura SpA	31	16	15
Lis Pay SpA	-	1	(1)
Associates			
Financit SpA	5	3	2
Italia Camp Srl	-	1	(1)
Provision for doubtful debts	(2)	(2)	-
Total	**809**	**763**	**46**
of which attributable to BancoPosta RFC	491	436	55

These trade receivables include:

- Poste Vita SpA: primarily regarding fees deriving from the sale of insurance policies through Post Offices and attributable to BancoPosta RFC (€373 million);
- PostePay SpA: mainly for product placement services related to the payments business (€125 million), for the SMA services on its own account and on behalf of third parties (€21 million), and for "sim" placement services performed at Post Offices (€6 million);
- Sengi Express Limited: entirely for parcel delivery services.

Due from the Parent Company

This item relates to trade receivables due from the Ministry of the Economy and Finance:

tab. A8.3 - Due from the Parent Company

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Remuneration of current account deposits	198	218	(20)
Delegated services	30	30	-
Universal Service	-	31	(31)
Publisher tariff and electoral subsidies	-	1	(1)
Other	1	2	(1)
Provision for doubtful debts due from the Parent company	(1)	(33)	32
Total	**228**	**249**	**(21)**
of which attributable to BancoPosta RFC	227	248	227

- The **remuneration of current account deposits** refers entirely to amounts accrued in 2024 and almost entirely relates to the deposit of funds deriving from accounts opened by Public Administration entities and attributable to BancoPosta RFC.
- Amounts due for **delegated services** refer exclusively to the amount accrued in 2024 and relating to treasury services performed by BancoPosta on behalf of the State in accordance with a special agreement with the MEF, expired on 19 May 2023 for the two-year period 2023-2024.
- remuneration for the performance of the **Universal Service** of €262 million accrued during the year were fully collected. The amount of compensation was recognised based on the terms of the 2020-2024 Service Contract, effective 1 January 2020. The contract was extended until 30 April 2026 by the Ministry of Enterprise and Made in Italy in November 2024 and signed by the Company on 16 December. The European authorisation process is in progress through notification to the European Commission.

Following the communication received from the MEF on 27 March 2024, in which the opinion of the Avvocatura Generale dello Stato was endorsed, clarifying the ownership of certain credit items, the 2015 agreement[381] by which the respective debit and credit relationships were defined and settled, became fully effective. Therefore, the Company proceeded, in the year under review, to write off the residual receivables by using, and without economic impact, the corresponding provision allocated in 2015 for the remuneration for the performance of the Universal Service for the years 2005 and 2012, totalling €31 million.

Provisions for doubtful trade receivables

Movements in the **provisions for doubtful trade receivables** (due from customers, parent company, subsidiaries and associates) are as follows:

[381] On 7 August 2015, the Ministry of Economy and Finance sent Poste Italiane a special note signed by the Director General of the Treasury and the State General Accountancy Office (MEF Note) regarding the recognition of receivables and payables between the Ministry and the Company, effective as of the time of full payment of all sums pertaining to the Company.

tab. A8.4 - Detail of provisions for doubtful debts

(€m)	Balance at 01.01.2024	Net provisions	Uses	Balance at 31.12.2024
Trade receivables				
Due from customers	310	28	(16)	322
Private customers	224	30	(14)	240
Public administration entities	74	(2)	(2)	70
Overseas postal operators	12	-	-	12
Interest on late payments	83	28	(12)	99
Due from the Parent Company	33	(1)	(31)	1
Due from subsidiaries, associates and joint ventures	2	-	-	2
Total	**428**	**55**	**(59)**	**424**
of which attributable to BancoPosta RFC	45	9	(5)	49

Net provisions of €30 million for amounts due from private customers mainly refer to receivables subject to bankruptcy proceedings and receivables entrusted to the legal department for recovery. Utilisations for the year mainly refer to the write-off of receivables following the conclusion of bankruptcy proceedings and agreements, and to the write-off of receivables for current accounts with a debtor balance, for which it was ascertained that recovery actions were not cost effective, also taking into account the small amount of the individual credit positions.

For the sake of completeness, the following tables present details of the gross carrying amount and the provision to cover expected losses for each class of **trade receivables**. This detail is provided separately depending on whether the model used to estimate the ECL is based on an analytical or a lump-sum valuation. For more details on the inputs, assumptions and estimation techniques used to calculate the impairment of financial assets, as well as for information on how collateral and other credit risk mitigation instruments are considered in the calculation of the provisions for doubtful receivables, see *Note 2.6 - Use of estimates - Impairment and stage allocation of financial instruments*.

tab. A8.4.1 - Trade receivables impaired on an analytical basis

Description (€m)	31.12.2024		31.12.2023	
	Gross carrying amount	Provision for doubtful debts	Gross carrying amount	Provision for doubtful debts
Trade receivables				
Due from customers	953	(201)	1,224	(183)
Private customers	327	(166)	381	(149)
Ministries and Public Administration entities	212	(35)	379	(34)
Cassa Depositi e Prestiti	221	-	247	-
Overseas counterparties	193	-	217	-
Due from the Parent Company	228	-	279	(31)
Due from subsidiaries, associates and joint ventures	811	(2)	765	(2)
Total	**1,992**	**(203)**	**2,268**	**(216)**

Tab. A8.4.2 - Trade receivables impaired on the basis of the provision matrix

Range of past due (€m)	31.12.2024		31.12.2023	
	Gross carrying amount	Provision for doubtful debts	Gross carrying amount	Provision for doubtful debts
Not past due trade receivables	556	(13)	534	(13)
Past due 0 - 1 year	72	(7)	91	(10)
Past due 1 - 2 years	24	(4)	43	(6)
Past due 2 - 3 years	17	(4)	43	(6)
Past due 3 - 4 years	20	(5)	25	(6)
Past due > 4 years	38	(29)	36	(28)
Positions subject to legal recovery and/or insolvency proceedings	181	(159)	163	(143)
Total	**908**	**(221)**	**935**	**(212)**

A9 - OTHER RECEIVABLES AND ASSETS (€2,944 million)

This item breaks down as follows:

tab. A9 - Other receivables and assets

Description (€m)	Notes	Balance at 31.12.2024 Non-current assets	Balance at 31.12.2024 Current assets	Balance at 31.12.2024 Total	Balance at 31.12.2023 Non-current assets	Balance at 31.12.2023 Current assets	Balance at 31.12.2023 Total	Changes
Substitute tax paid		1,723	759	2,482	1,752	572	2,324	158
Due to subsidiaries, associates and joint ventures		-	120	120	-	150	150	(30)
Receivables relating to fixed-term contract settlements		24	70	94	29	73	102	(8)
Accrued income and prepaid expenses from trading transactions		-	67	67	-	10	10	57
Receivables for amounts that cannot be drawn on due to court rulings		-	58	58	-	58	58	-
Interest accrued on IRES refund	[C12]	-	46	46	-	46	46	-
Due from social security agencies and pension funds (excl. fixed-term contract settlements)		-	43	43	-	72	72	(29)
Tax assets		-	32	32	-	26	26	6
Sundry receivables		15	66	81	17	57	74	7
Provisions for doubtful debts due from others		(4)	(75)	(79)	(3)	(82)	(85)	6
Total		**1,758**	**1,186**	**2,944**	**1,795**	**982**	**2,777**	**167**
of which attributable to BancoPosta RFC		1,723	802	2,525	1,752	608	2,360	165

Specifically:

- **Substitute tax** paid, attributable to BancoPosta RFC, primarily regards:
  - €1,723 million charged to holder of Interest-bearing Postal Certificates for stamp duty at 31 December 2024[382]; this amount is balanced by a matching entry in "Other taxes payable" until expiration or early extinguishment of the Interest-bearing Postal Certificates, i.e. the date on which the tax is payable to the tax authorities (tab. B9.3);
  - €536 million relating to advances paid to the tax authorities for stamp duty to be paid in virtual form in 2025 and to be recovered from customers;
  - €92 million relating to stamp duty to be charged to Postal Savings Book holders, which the Company pays in virtual form as required by law;
  - €74 million in advances on withholding tax on interest paid to current account holders for 2024, which is to be recovered from customers..
- Amounts due from **subsidiaries, associates and joint ventures** include €88 million in receivables claimed by Poste Italiane SpA in its capacity as the consolidating company for tax purposes (note 2.5 - *Material information on accounting standards*) due mainly from the subsidiaries Poste Vita SpA, PostePay SpA and BancoPosta Fondi SpA SGR, and €21 million due from the subsidiary Poste Welfare Servizi Srl for the advance payment of the funds needed to meet requests for direct use through the issue of vouchers by employees, following the conversion of the result bonus into the Welfare Plan.
- Receivables relating to **fixed-term contract settlements** consist of salaries to be recovered following the agreements[383] between Poste Italiane SpA and the trade unions, regarding the re-employment by court order of staff previously employed on fixed-term contracts. This item refers to receivables with a present value of €94 million from personnel, from INPS and pension funds recoverable in the form of variable instalments, the last of which is due in 2041. The item also includes €42 million receivable from INPS (formerly IPOST), covered by a specific agreement with IPOST dated 23 December 2009. Payment of this amount consists of six instalments of €6.9 million each, falling due between 30 June 2012 and 31 December 2014; negotiations are still in progress with the debtor for their recovery.
- **Accrued income and prepaid expenses from trading transactions and other assets** increased compared to 31 December 2023 and referred for roughly €54 million to the one-off payment made in advance to employees in September to cover the first eight months of 2025, in accordance with the provisions of the renewal of the National Collective Labour Agreement signed on 23 July 2024.

[382] Introduced by article 19 of Law Decree 201/2011 converted with amendments by Law 214/2011 in the manner provided for by the MEF Decree of 24 May 2012: Manner of implementation of paragraphs from 1 to 3 of article 19 of Law Decree 201 of 6 December 2011, on stamp duty on current accounts and financial products (Official Gazette 127 of 1 June 2012).

[383] The fixed-term contract settlements were signed on 13 January 2006, 10 July 2008, 27 July 2010, 18 May 2012, 21 March 2013, 30 July 2015 and 19 June 2018.

- Receivables for **amounts that cannot be drawn on due to court rulings** refer to amounts attached and not assigned to creditors, which are in the process of being recovered.
- **Accrued interest on IRES refund**, refers to interest accruing up to 31 December 2023 in relation to the tax credit determined by an unreported deduction from the IRES tax base of IRAP paid on personnel expenses. Two disputes have been initiated to recover said receivable (*i.e. one under Law Decree no. 185/2008 and the other, under Law Decree no. 201/2011*) before the Provincial Tax Commission of Rome, which upheld Poste Italiane's appeals, ordering the Agenzia delle Entrate in Rome to refund the amounts claimed. The Agenzia delle Entrate appealed both rulings before the Regional Tax Commission, which issued a favourable ruling on both of them. Poste Italiane challenged these rulings before the Court of Cassation, which resumed the case before the Tax Court, which, with regard to the case pursuant to Law Decree no. 201/2011, established, against an original claim of €43 million[384], the sum due by way of interest at €35 million. Concerning the case pursuant to Law Decree no. 185/2008, lodged on an amount of €3 million, on 11 June 2024, the Court of Cassation upheld Poste's arguments, referring the final determination of interest to the Lazio Tax Court. The judicial outcomes described were reflected in the adjustment of the provision for doubtful debts through an absorption in the profit and loss account of €13 million.

Movements in the provisions for doubtful receivables due from others are shown below:

tab. A9.1 - Detail of provisions for doubtful debts due from others

(€m)	Balance at 01.01.2024	Net provisions	Uses	Balance at 31.12.2024
Interest accrued on IRES refund	19	(13)	-	6
Receivables relating to fixed-term contract settlements	24	6	-	30
Other receivables	42	1	-	43
Total	**85**	**(6)**	**-**	**79**
of which attributable to BancoPosta RFC	13	1	-	14

A10 – TAX CREDITS LAW NO. 77/2020 (€7,005 million)

tab. A10 - Tax credits Law no. 77/2020

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current assets	Current assets	Total	Non-current assets	Current assets	Total	
Tax credits at amortised cost	5,170	1,835	7,005	6,534	1,784	8,318	(1,313)
Total	**5,170**	**1,835**	**7,005**	**6,534**	**1,784**	**8,318**	**(1,313)**
of which attributable to BancoPosta RFC	4,936	1,787	6,723	6,246	1,665	7,911	(1,188)

This item refers to tax credits acquired by Poste Italiane SpA against free capital resources or transferred to BancoPosta RFC for resources subject to and not subject to the restriction on their use, in accordance with the provisions of the Decreto Rilancio (Law Decree no. 34/2020, converted with amendments by Law 77/2020.

These receivables are measured at amortised cost as they are acquired to be used for the purpose of offsetting social security or tax payables, based on the provisions of the regulations issued with reference to the characteristics of the individual receivables.

384 The amount includes €1 million related to interest receivable on IRES refunds transferred by group companies participating in the tax consolidation scheme.

Movements in these receivables during 2024 are shown below:

tab. A10.1 - Movements in tax credits Law 77/2020

(€m)	*Carrying amount*
Balance at 1 January 2024	**8,318**
Purchases	704
Changes in amortised cost	320
Tax credit portfolio adjustments	(548)
Compensation and other changes	(1,789)
Balance at 31 December 2024	**7,005**
Fair value	6,637

In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 3.

During the year, the Company, following a documentary request received from the Agenzia delle Entrate ("AdE") on a portion of its portfolio, conducted and concluded a risk analysis on the reported positions ("Risk Analysis"). Taking into account the information received from the AdE and the activities carried out, also with the support of external consultants, a perimeter of receivables deemed risky was identified for which the Company has pledged to the AdE not to use the instalments relating to the years 2024 and thereafter and to repay the overdue annual instalments where necessary.

The follow-up on the results that emerged from the Risk Analysis and shared with the Agenzia delle Entrate led to the adjustment of receivables in the portfolio for a total of €548 million, with the consequent recognition of charges, net of the release of €168 million of provisions for risks previously recorded, for a total of €380 million (of which €96 million referred to the year 2024) recognised in the item adjustments to receivables to reflect the waiver of the offsetting of the annual instalments for the year in question and subsequent years.

The Risk Analysis also resulted in the reversal of portions of receivables related to years prior to 2024, totalling €57 million, plus penalties, which were booked under "Other operating costs".

Pursuant to the disclosure required by CONSOB Communication no. DEM/6064293 of 28 July 2006, the economic effects of the cancellation of receivables relating to years after 2024, in the amount of €284 million recognised under "Adjustments on debt instruments, receivables and other assets", and the economic effects of the reversal of €57 million recognised under "Other operating costs", totalling €341 million, were considered significant and non-recurring.

A11 - CASH AND DEPOSITS ATTRIBUTABLE TO BANCOPOSTA (€4,290 million)

This item breaks down as follows:

tab. A11 - Cash and deposits attributable to BancoPosta

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Cash and cash equivalents in hand	4,157	3,909	248
Bank deposits	133	762	(629)
Total	**4,290**	**4,671**	**(381)**

This item relates exclusively to BancoPosta RFC assets.

The cash and cash equivalents on hand are derived from deposits made in postal current accounts and postal savings products (subscription of postal savings bonds and payments into post office savings books), or from advances withdrawn from the State Treasury to guarantee the operations of post offices. These funds, which are held at Post Offices (€1,482 million) and at service companies[385] (€2,675 million), may not be used for purposes other than to repay obligations contracted in the transactions described above.

A12 - CASH AND CASH EQUIVALENTS (€715 million)

This item breaks down as follows:

tab. A12 - Cash and cash equivalents

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Bank deposits and amounts held at the Italian Treasury	327	288	39
Deposits with the MEF	346	873	(527)
Cash and cash equivalents in hand	42	61	(19)
Total	**715**	**1,222**	**(507)**
of which attributable to BancoPosta RFC	389	935	(546)

Bank deposits and amounts held at the Italian Treasury include €15 million whose use is restricted by court orders related to different disputes.

The decrease in **deposits with the MEF** compared to the previous year is mainly due to a change in the allocation of loans, in order to optimise the yelds on deposits.

385 They carry out transport and custody of valuables awaiting payment to the State Treasury.

EQUITY

B1 - SHARE CAPITAL (€1,306 million)

The share capital consists of 1,306,110,000 no-par value ordinary shares, of which Cassa Depositi e Prestiti SpA (CDP) holds 35% and the Ministry of the Economy and Finance holds 29.3%, while the remaining shares are held by institutional and retail investors.

At 31 December 2024, the Company held 11,492,604 treasury shares (representing approximately 0.880% of the share capital) with a total value of approximately €109 million. All the shares in issue are fully subscribed and paid up. No preferred stocks have been issued.

B2 – RESERVES (€1,942 million)

This item breaks down as follows:

tab. B2 - Reserves

(€m)	Legal reserve	Equity instruments - perpetual hybrid bonds	BancoPosta RFC reserve	Fair value reserve	Cash flow hedge reserve	Incentive plans reserve	Merger surplus/(deficit) reserve	Total
Balance at 1 January 2023	**299**	**800**	**1,210**	**(2,374)**	**(126)**	**19**	**335**	**163**
Increase/(decrease) in fair value during the year	-	-	-	1,940	80	-	-	2,020
Tax effect of changes in fair value	-	-	-	(553)	(23)	-	-	(576)
Transfers to profit or loss	-	-	-	222	(318)	-	-	(96)
Tax effect of transfers to profit or loss	-	-	-	(63)	90	-	-	27
Increase/(decrease) for expected losses	-	-	-	3	-	-	-	3
Gains/(losses) recognised in equity	-	-	-	1,549	(171)	-	-	1,378
Incentive plans	-	-	-	-	-	8	-	8
Balance at 31 December 2023	**299**	**800**	**1,210**	**(825)**	**(297)**	**27**	**335**	**1,549**
of which attributable to BancoPosta RFC	-	450	1,210	(544)	(295)	2	-	823
Increase/(decrease) in fair value during the year	-	-	-	505	111	-	-	616
Tax effect of changes in fair value	-	-	-	(169)	(32)	-	-	(201)
Transfers to profit or loss	-	-	-	15	(48)	-	-	(33)
Tax effect of transfers to profit or loss	-	-	-	(4)	14	-	-	10
Increase/(decrease) for expected losses	-	-	-	(5)	-	-	-	(5)
Gains/(losses) recognised in equity	-	-	-	342	45	-	-	387
Merger contribution	-	-	-	-	-	-	1	1
Incentive plans	-	-	-	-	-	5	-	5
Balance at 31 December 2024	**299**	**800**	**1,210**	**(483)**	**(252)**	**32**	**336**	**1,942**
of which attributable to BancoPosta RFC	-	450	1,210	(114)	(251)	3	-	1,298

- the **reserve for equity instruments-perpetual hybrid bonds**[386] includes the perpetual hybrid bond with non-call period of 8 years for institutional Investors, with a total nominal value of €800 million, issued by Poste Italiane SpA on 24 June 2021, with the aim of strengthening the Group's capital structure, and, in particular, BancoPosta's Leverage Ratio (Basel III) and Tier 1 ratio, as well as Poste Vita's Solvency II ratio, thus helping to support the Group's long-term growth in accordance with the guidelines of the Strategic Plan.
- the **fair value reserve** regards changes in the value of financial assets at fair value through other comprehensive income. In 2024, the increase of €505 million in the fair value refers to:

[386] The main features of the issue are:

- The bonds have no fixed maturity and must be redeemed only in the event of the dissolution or liquidation of the Company, as specified in the relevant terms and conditions, subject to the right of early redemption (call) in the cases provided for. Specifically, the call is scheduled to occur at any time from the First Call Date of 24 March 2029 through 24 June 2029 and on each interest payment date thereafter.
- The fixed annual coupon is 2.625% until the first Reset Date set for 24 June 2029. From that date, the annual interest is determined on the basis of the 5-year Euro Mid Swap rate, plus an initial spread of 267.7 basis points, increased by a further 25 basis points from 24 June 2034 and by a further 75 basis points from 24 June 2049. Interest is payable at the option of the issuer and on a cumulative basis, commencing 24 June 2022. The issue price was set at 100%.

- a net increase of €594 million in financial assets measured at fair value through other comprehensive income and attributable to BancoPosta RFC;
- a net decrease of €89 million in financial assets measured at fair value through other comprehensive income held outside the ring-fence.

- the **cash flow hedge reserve** represents changes in the fair value of the effective portion of cash flow hedges outstanding. In 2024, positive changes in fair value of €111 million was primarily attributable to the positive net change in the value of BancoPosta RFC's derivative financial instruments;
- The **Incentive Plans reserve** includes the estimate of the valuations for the year relating to the long-term "Performance Share LTIP" and "Deliver" incentive plans and the MBO short-term incentive plans, carried out on the basis of the provisions of IFRS 2;
- the **Merger Surplus/Deficit Reserve** refers for €330 million to the merger surplus generated following the merger by incorporation of the subsidiary PSIA Srl into Poste Italiane SpA in the year 2022.

B3 - AVAILABILITY AND DISTRIBUTABILITY OF RESERVES

The following table shows the availability and distributability of Poste Italiane SpA's reserves. Retained earnings include the profit for 2024 of €1,882 million.

During the year, dividends were distributed for a total of €1,156 million, based on the following resolutions:

- On 31 May 2024, the Shareholders' Meeting approved a dividend distribution of €729 million (dividend per share equal to €0.563) which took place on 26 June 2024, as the balance for 2023, taking into account the interim dividend of €307 million (dividend per share equal to €0.237) already paid in November 2023;
- on 6 November 2024, Poste Italiane's Board of Directors, in line with the Group's dividend policy, resolved to advance part of the ordinary dividend for 2024 as an interim dividend. The interim dividend of €427 million was distributed on 20 November 2024 (unit dividend of €0.33).

tab. B3 - Availability and distributability of reserves

(€m)	31.12.2024		Potential use
Share capital		**1,306**	
Treasury shares		**(109)**	
Reserves			
- legal reserve		**299**	
legal reserve	*261*		B
legal reserve	*38*		A B D
- BancoPosta RFC reserve		**1,210**	- -
- equity instruments reserve - perpetual hybrid bonds		**800**	- -
- fair value reserve		**(483)**	- -
- cash flow hedge reserve		**(252)**	- -
- incentive plans reserve		**32**	- -
- merger surplus		**336**	A B D
Retained earnings / (Accumulated losses)		**3,607**	
retained earnings / (accumulated losses)	*63*		- -
retained earnings BancoPosta RFC	*1,498*		C
retained earnings / (accumulated losses)	*2,114*		A B D
Unrealised gains/(losses) on financial assets at FVTPL net of tax effect	*26*		B C
after-tax actuarial gains/(losses)	*(94)*		- -
Total		**6,746**	
of which distributable		***2,488***	

A: for capital increases
B: to cover losses
C: to cover BancoPosta losses
D: for shareholder distributions

LIABILITIES

B4 - PROVISIONS FOR RISKS AND CHARGES (€999 million)

Movements are as follows:

tab. B4 - Movements in provisions for risks and charges

Movements in provisions for risks and charges for FY 2024

Description (€m)	Balance at 01.01.2024	Provisions	Finance costs	Released to profit or loss	Uses	Balance at 31.12.24
Provisions for operational risks	95	5	-	(14)	(7)	79
Provisions for disputes with third parties	209	26	2	(20)	(27)	190
Provisions for disputes with staff (1)	38	7	-	-	(11)	34
Provisions for personnel expenses	131	138	-	(27)	(94)	148
Provisions for early retirement incentives	283	127	-	-	(167)	243
Provisions for risks - tax credits Law no. 77/2020	400	-	-	(168)	-	232
Other provisions for risks and charges	72	4	-	(2)	(1)	73
Total	**1,228**	**307**	**2**	**(231)**	**(307)**	**999**
of which attributable to BancoPosta RFC	163	13	1	(21)	(13)	**143**
Overall analysis of provisions:						
- non-current portion	718					482
- current portion	510					517
	1,228					**999**

(1) Net provisions for Personnel expenses amount to €5 million. Service costs (legal assistance) total €2 million.

Specifically:

- **Provisions for operational risks,** which relate to liabilities arising from BancoPosta's operations, mainly reflect risks related to the distribution of postal savings products issued in past years, estimated risks for charges and expenses to be incurred as a result of foreclosures suffered by BancoPosta mainly in its capacity as a third party, impairments and adjustments to income from previous years. Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.
- **Provisions for disputes with third parties** regard the present value of expected liabilities deriving from different types of legal and out-of-court disputes with suppliers and third parties, the related legal expenses, and penalties and indemnities payable to customers. Movements during the year primarily regard updated estimates of liabilities and uses to cover liabilities settled.
- **Provisions for disputes with staff** regard liabilities that may arise following labour litigation and disputes of various types. The changes in the year refer to the update of the estimate of the liabilities and the related legal expenses, taking account of both the overall value of negative outcomes in terms of litigation.
- **Provisions for personnel expenses** are made to cover expected liabilities arising in relation to the cost of labour (commercial incentives and other sundry items), which are certain or likely to occur but whose estimated amount is subject to change. They have increased during the year to reflect the estimated value of new liabilities (€138 million) and decreased as a result of past contingent liabilities that failed to materialise (€27 million) and settled disputes (€94 million).
- **Provisions for early retirement incentives** reflect the estimated costs to be incurred as a result of the Company's bonding commitment to pay early retirement incentives on a voluntary basis, under the current redundancy scheme agreed with the labour unions for a determinate number of employees who will leave the Company by 31 December 2026. The provisions made at 31 December 2023 were utilised for €167 million.
- The **provision for tax credits Law no. 77/2020** is established to cover probable liabilities in connection with preventive seizure proceedings as well as additional residual risks on investments made in tax credits pursuant to Law no. 77/2020. In particular, as part of the actions aimed at combating tax fraud perpetrated by third parties through the monetisation of tax credits, starting from the end of the 2021 financial year, a number of Public Prosecutors' Offices

(Procure della Repubblica) have implemented preventive seizures which, in some cases, have concerned tax credits acquired by Poste Italiane (some of which are subject to subsequent release from seizure already in the course of 2022). In according with past years, the Company continues the operational process aimed at analysing the potential economic and financial risks to which it could be exposed in the event that, following legal proceedings involving third parties, it is ascertained that part of the tax credits acquired are the result of fraudulent conduct perpetrated by the third parties mentioned above. In particular, a legal and accounting analysis was conducted on these positions in order to comprehensively assess the potential risks and determine the related accounting impacts. On the basis of the analyses performed of all facts and circumstances known at the date of preparation of these financial statements, including, inter alia, the requests for information received from the Authorities (Public Prosecutor's Office and Agenzia delle Entrate) and the measures issued by the same, together with the commitments undertaken by the company, as well as the actions undertaken by the same to see its interests protected, a provision was determined, also with the support of external consultants, to cover the residual risk (including the asset risk on seizures) not included in the Risk Analysis, amounting to €232 million.

- **Other provisions for risks and charges** cover probable liabilities of various types, including: estimated risks deriving from the fact that specific legal actions undertaken in order to reverse seizures of the Company's assets may be unable to recover the related amounts, claims for rent arrears on properties used free of charge by the Company, claims for payment of accrued interest expense due to certain suppliers and fraud, and probable tax risks.

B5 - EMPLOYEE TERMINATION BENEFITS (€547 million)

Movements in employee termination benefits are as follows:

tab. B5 - Movements in employee termination benefits

(€m)		FY 2024
Balance at 1 January		**608**
interest component	20	
effect of actuarial gains/(losses)	(7)	
Provisions for the year		13
Uses for the period		(74)
Balance at 31 December		**547**
of which attributable to BancoPosta RFC		2

The interest component is recognised in finance costs. The current service cost, which from 2007 is paid to pension funds or third-party social security agencies and is no longer included in the employee termination benefits managed by the Company, is recognised in personnel expenses. Net uses of provisions for employee termination benefits amount to €72 million and €2 million for substitute tax.

Actuarial gains and losses are generated by the following factors:

B5.1 - Actuarial gains and losses

(€m)	31.12.2024
Change in demographic assumptions	-
Change in financial assumptions	(4)
Other experience-related adjustments	(3)
Total	**(7)**

The sensitivity of employee termination benefits to changes in the principal actuarial assumptions is analysed below:

B5.2 - Sensitivity analysis

(€m)	Employee termination benefits at 31.12.2024
Inflation rate +0.25%	553
Inflation rate -0.25%	542
Discount rate +0.25%	538
Discount rate -0.25%	556
Turnover rate +0.25%	548
Turnover rate -0.25%	547

tab. B5.3 - Other information

	31.12.2024
Expected service cost	-
Average duration of defined benefit plan	7.30
Average employee turnover	2.00%

B6 - FINANCIAL LIABILITIES (€94,687 million)

tab. B6 - Financial liabilities

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	6,829	86,502	93,331	8,698	87,027	95,725	(2,394)
Derivative financial instruments	1,398	(42)	1,356	1,091	47	1,138	218
Total	**8,227**	**86,460**	**94,687**	**9,789**	**87,074**	**96,863**	**(2,176)**
of which attributable to BancoPosta RFC	5,563	85,266	90,829	7,571	84,968	92,539	(1,710)
of which Capital outside the ring-fence	2,664	1,194	3,858	2,218	2,106	4,324	(466)

FINANCIAL LIABILITIES ATTRIBUTABLE TO BANCOPOSTA RFC

Financial liabilities BancoPosta RFC

Description (€m)	Balance at 31.12.2024 Non-current liabilities	Current liabilities	Total	Balance at 31.12.2023 Non-current liabilities	Current liabilities	Total	Changes
Financial liabilities at amortised cost	4,166	85,307	89,473	6,480	84,921	91,401	(1,928)
Postal current accounts	-	74,561	74,561	-	72,797	72,797	1,764
Loans	4,166	2,039	6,205	6,480	1,736	8,216	(2,011)
Due to financial institutions	4,166	2,039	6,205	6,480	1,736	8,216	(2,011)
MEF account held at the Treasury	-	5,367	5,367	-	5,371	5,371	(4)
Other financial liabilities	-	3,340	3,340	-	5,017	5,017	(1,677)
Derivative financial instruments[(1)]	1,397	(41)	1,356	1,091	47	1,138	218
Cash flow hedges	561	(19)	542	530	(12)	518	24
Fair value hedges	836	(30)	806	558	59	617	189
Fair value through profit or loss	-	8	8	3	-	3	5
Total	**5,563**	**85,266**	**90,829**	**7,571**	**84,968**	**92,539**	**(1,710)**

(1) In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

Postal current accounts

These payables include net amounts accrued at 31 December 2024 and settled with customers in January 2025. The balance includes amounts due to Poste Italiane Group companies, totalling €11,565 million, of which €10,623 million relating to postal current accounts held by PostePay SpA relating primarily to customer current account deposits from prepaid cards and €864 million represented by postal current accounts held by Poste Vita SpA. The increase in this item compared to 31 December 2023 is mainly due to higher public inflows of about €2 billion, net of the reduction in private inflows.

Loans

Due to financial institutions

At 31 December 2024, outstanding liabilities of €7,365 million relate to repurchase agreements entered into by the Company with leading major financial institutions and Central Counterparties, amounting to a total nominal value of securities committed for €7,739 million. A total of €5,904 million of this amount regards Long Term Repos and €1,461 million regards ordinary borrowing operations, the resources from both invested in Italian fixed income government securities and as funding for deposits used as collateral. The decrease in the item compared to 31 December 2023 is due to repayments on maturity and early repayment of repurchase agreements.

Finally, financial assets and liabilities relating to repurchase agreements managed through the Central Counterparty that meet the requirements of IAS 32 are offset. The effect of netting at 31 December 2024, already included in the exposure to net balances, amounted to €1,160 million (€2,337 million at 31 December 2023). At 31 December 2024, the fair value[387] of the above borrowings amounts to €6,103 million.

MEF account held at the Treasury

tab. B6.1 - MEF account held at the Treasury

Description (€m)	Balance at 31.12.2024 Non-current liabilities	Current liabilities	Total	Balance at 31.12.2023 Non-current liabilities	Current liabilities	Total	Changes
Balance of cash flows for advances	-	5,254	5,254	-	5,168	5,168	86
Balance of cash flows from management of postal savings	-	(69)	(69)	-	30	30	(99)
Amounts payable due to theft	-	159	159	-	157	157	2
Amounts payable for operational risks	-	23	23	-	16	16	7
Total	**-**	**5,367**	**5,367**	**-**	**5,371**	**5,371**	**(4)**

387 In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 2.

The **balance of cash flows for advances**, represents the net amount payable as a result of advances from the MEF to meet the cash requirements of BancoPosta. These break down as follows:

tab. B6.1.1 - Balance of cash flows for advances

Description (€m)	Balance at 31.12.2024 Non-current liabilities	Current liabilities	Total	Balance at 31.12.2023 Non-current liabilities	Current liabilities	Total	Changes
Net advances	-	5,253	5,253	-	5,167	5,167	86
MEF postal current accounts and other payables	-	670	670	-	670	670	-
Ministry of Justice - Orders for payment	-	1	1	-	1	1	-
MEF - State pensions	-	(670)	(670)	-	(670)	(670)	-
Total	**-**	**5,254**	**5,254**	**-**	**5,168**	**5,168**	**86**

The **balance of cash flows from the management of postal savings**, amounting to a positive €69 million, represents the balance of withdrawals less deposits during the last two days of the year and cleared early in the following year. At 31 December 2024, the balance consisted of a receivable of €100 million from the MEF for interest-bearing Postal Certificates issued on its behalf and a payable of €31 million to Cassa Depositi e Prestiti.

Amounts payable due to thefts from Post Offices of €159 million regard the Company's liability to the MEF on behalf of the Italian Treasury for losses resulting from theft and fraud. This liability derives from cash withdrawals from the Treasury to make up for the losses resulting from these criminal acts, in order to ensure that post offices can continue to operate.

Amounts payable for operational risks for €23 million regard the portion of advances obtained to fund the operations of BancoPosta, in relation to which asset under recovery is certain or probable.

Derivative financial instruments

Movements in derivative financial instruments during 2024 are described in note A6 – *Financial assets*.

Other financial liabilities

tab. B6.2 - Other financial liabilities

Description (€m)	Balance at 31.12.2024 Non-current liabilities	Current liabilities	Total	Balance at 31.12.2023 Non-current liabilities	Current liabilities	Total	Changes
Guarantee deposits	-	1,538	1,538	-	2,831	2,831	(1,293)
Domestic and international money transfers	-	958	958	-	1,071	1,071	(113)
Endorsed cheques	-	273	273	-	408	408	(135)
Cashed cheques	-	129	129	-	230	230	(101)
Other amounts payable to third parties	-	84	84	-	139	139	(55)
Amounts to be credited to customers	-	123	123	-	109	109	14
Payables for items in process	-	235	235	-	229	229	6
Total	**-**	**3,340**	**3,340**	**-**	**5,017**	**5,017**	**(1,677)**

Payables for Guarantee deposits refer for €1,533 million to sums received from counterparties for interest rate swap transactions (collateral provided by specific Credit Support Annexes) and for €5 million to amounts received from counterparties for repo transactions (collateral provided by specific Global Master Repurchase Agreements). The decrease in this item compared to 31 December 2023 is mainly attributable to the reduction of fair value hedge derivatives following early extinguishment transactions and the downward shift in the interest rate curve.

FINANCIAL LIABILITIES OUTSIDE RING-FENCE

Financial liabilities Capital outside the ring-fence

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Financial liabilities at amortised cost	2,664	1,194	3,858	2,218	2,106	4,324	(466)
Loans	2,012	6	2,018	1,446	502	1,948	70
Bonds	499	-	499	498	500	998	(499)
Due to financial institutions	1,513	6	1,519	948	2	950	569
Lease payables	652	258	910	772	260	1,032	(122)
Financial liabilities due to subsidiaries	-	930	930	-	1,340	1,340	(410)
Other financial liabilities	-	-	-	-	4	4	(4)
Total	**2,664**	**1,194**	**3,858**	**2,218**	**2,106**	**4,324**	**(466)**

(1) In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

Loans

Loans are unsecured and are not subject to financial covenants, which would require the Company to comply with economic and financial ratios. For the EIB financing and the CEB financing, a minimum rating level of BBB- (or equivalent) by Moody's and S&P for the EIB (BB+ in the EIB contract signed in July 2024) and by at least two of the three rating agencies for Poste Italiane for CEB. In the event of a rating loss, this is without prejudice to the right of both banks to request additional collateral or an increase in the margin. If no agreement is reached, immediate early repayment of the loans may be demanded. Standard negative pledge provisions do apply, however[388].

Bonds

The item **Bonds** refers to the residual nominal value of €500 million of the senior unsecured loan issued by Poste Italiane on 10 December 2020 in two tranches, placed in public form to institutional investors as part of the €2.5 billion Euro Medium Term Notes (EMTN) programme deposited with the Luxembourg Stock Exchange. The first tranche of €500 million was repaid on 10 December 2024[389] while the second tranche of €500 million matures on 10 December 2028, with an issue price below par of €99.758, a fixed annual coupon of 0.50% and an effective yield to maturity of 0.531%. At 31 December 2024, the fair value[390] of the loan was €457 million.

Due to financial institutions

tab. B6.3 - Due to financial institutions

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
EIB fixed rate loan maturing 12/03/2026	173	-	173	173	-	173	-
EIB fixed rate loan maturing 16/10/2026	400	-	400	400	-	400	-
EIB fixed rate loan maturing 02/05/28	100	-	100	100	-	100	-
EIB fixed rate loan maturing 19/05/28	150	-	150	150	-	150	-
EIB variable rate loan maturing 28/11/31	450	-	450	-	-	-	450
CEB variable rate loan maturing 28/12/30	125	-	125	125	-	125	-
CEB variable rate loan maturing 25/01/31	115	-	115	-	-	-	115
Other payables and accrued interest	-	6	6	-	2	2	4
Total	**1,513**	**6**	**1,519**	**948**	**2**	**950**	**569**

TF: Fixed rate loan; TV: variable rate loan

At 31 December 2024, no committed and uncommitted credit lines were used for short-term financing.

388 A commitment given to creditors by which a borrower undertakes not to give senior security or other restrictions on assets to other lenders ranking pari passu with creditors, unless the same degree of protection is also offered to them.
389 Issue price above par of 100.10, with fixed annual coupon of 0.00% and effective yield to maturity of -0.025%.
390 In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 1.

On 25 January 2024, the second tranche of €115 million of the medium-/long-term credit line signed with CEB[391] was disbursed in 2023 for a total of €250 million, with interest at a variable rate (6-month Euribor rate plus a spread), with repayment in constant principal amounts after a three-year grace period and maturity on 25 December 2031. In addition, on 11 July 2024, a new loan of €450 million was signed with the EIB. The loan disbursed on 28 November 2024 provides interest at a variable rate (6-month Euribor plus a spread) and matures 28 November 2031.

At 31 December 2024, the fair value[392] of the five EIB loans was €1,273 million and the fair value of the two CEB loans was €247 million. The amount of the other financial liabilities in the table - *Financial liabilities outside ring-fence* approximates their fair value.

Committed and uncommitted credit lines outstanding at 31 December 2024 are commented on in Note 5.6 - Risk management.

Lease payables

Lease liabilities at 31 December 2024 amount to €910 million. For more details on the change in this item, see Note A4 - *Right-of-use assets*.

Derivative financial instruments

Movements in derivative financial instruments during 2024 are described in note A6 – *Financial assets*.

Financial liabilities due to subsidiaries

These liabilities relate to intercompany current accounts paying interest at market rates and break down as follows:

B6.4 - Financial liabilities due to subsidiaries

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Direct subsidiaries			
BancoPosta Fondi SpA SGR	41	30	11
EGI SpA	8	9	(1)
MLK Deliveries SpA	7	8	(1)
Nexive Network Srl	-	5	(5)
Nexive Scarl	12	6	6
PatentiViaPoste ScpA	15	16	(1)
Poste Logistics SpA	5	-	5
Poste Vita SpA	74	247	(173)
Postel SpA	7	-	7
PostePay SpA	659	855	(196)
SDA Express Courier SpA	3	-	3
Sourcesense SpA	2	-	2
Poste Welfare Servizi Srl	3	14	(11)
Indirect subsidiaries			
LIS Holding Spa	86	85	1
LIS Pay Spa	1	63	(62)
Poste Assicura SpA	5	-	5
Kipoint SpA	2	2	-
Total	**930**	**1,340**	**(410)**

391 *Council of Europe Development Bank*.
392 In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for level 2.

Changes in liabilities arising from financing activities

The following disclosures are provided in accordance with IAS 7, following the amendments introduced by EU Regulation 1990/2017 of 6 November 2017.

tab. B6.5 - Movements in liabilities arising from financing activities

Description (€m)	Balance at 01.01.2024	Net cash flow from/(for) financing activities	Non-cash flows	Balance at 31.12.2024
Loans	1,948	65	5	2,018
Bonds	998	(500)	1	499
Due to financial institutions	950	565	4	1,519
Lease payables	1,032	(244)	122	910
Financial liabilities due to subsidiaries	1,340	(410)	-	930
Other financial liabilities	4	(4)	-	-
Total	**4,324**	**(593)**	**127**	**3,858**

Net debt/(funds)

The following table shows the net debt/(funds) at 31 December 2024:

Net debt/(funds) at 31 December 2024

(€m)	Capital outside the ring-fence	BancoPosta RFC	Eliminations	Poste Italiane SpA	of which related parties
Financial liabilities	**4,498**	**90,985**	**(796)**	**94,687**	
Postal current accounts	-	74,717	(156)	74,561	11,565
Bonds	499	-	-	499	-
Due to financial institutions	1,519	6,205	-	7,724	-
Lease payables	910	-	-	910	45
MEF account held at the Treasury	-	5,367	-	5,367	5,436
Derivative financial instruments	-	1,356	-	1,356	219
Other financial liabilities	930	3,340	-	4,270	990
Intersegment financial liabilities	640	-	(640)	-	-
Financial assets	**(983)**	**(81,332)**	**640**	**(81,675)**	
Financial instruments at amortised cost	(424)	(44,334)	-	(44,758)	(13,443)
Financial instruments at FVTOCI	(559)	(33,645)	-	(34,204)	-
Financial assets at fair value through profit or loss	-	(34)	-	(34)	-
Derivative financial instruments	-	(2,679)	-	(2,679)	(75)
Intersegment financial assets	-	(640)	640	-	-
Tax credits Law no. 77/2020	**(282)**	**(6,723)**	**-**	**(7,005)**	-
Liabilities/(net financial assets)	**3,233**	**2,930**	**(156)**	**6,007**	
Cash and deposits attributable to BancoPosta	-	(4,290)	-	**(4,290)**	-
Cash and cash equivalents	(482)	(389)	156	**(715)**	(387)
Net debt/(funds)	**2,751**	**(1,749)**	**-**	**1,002**	

Net debt/(funds) at 31 December 2023

(€m)	Capital outside the ring-fence	BancoPosta RFC	Eliminations	Poste Italiane SpA	of which related parties
Financial liabilities	**4,690**	**92,818**	**(645)**	**96,863**	
Postal current accounts	-	73,076	(279)	72,797	10,912
Bonds	998	-	-	998	-
Due to financial institutions	950	8,216	-	9,166	-
Lease payables	1,032	-	-	1,032	51
MEF account held at the Treasury	-	5,371	-	5,371	5,371
Derivative financial instruments	-	1,138	-	1,138	201
Other financial liabilities	1,344	5,017	-	6,361	221
Intersegment financial liabilities	366	-	(366)	-	-
Financial assets	**(1,062)**	**(80,576)**	**366**	**(81,272)**	
Financial instruments at amortised cost	(417)	(42,858)	-	(43,275)	12,476
Financial instruments at FVTOCI	(636)	(33,069)	-	(33,705)	-
Financial assets at fair value through profit or loss	(9)	(26)	-	(35)	-
Derivative financial instruments	-	(4,257)	-	(4,257)	167
Intersegment financial assets	-	(366)	366	-	-
Tax credits Law no. 77/2020	**(407)**	**(7,911)**	-	**(8,318)**	-
Liabilities/(net financial assets)	**3,221**	**4,331**	**(279)**	**7,273**	
Cash and deposits attributable to BancoPosta	-	(4,671)	-	**(4,671)**	-
Cash and cash equivalents	(564)	(937)	279	**(1,222)**	874
Net debt/(funds)	**2,657**	**(1,277)**	**-**	**1,380**	

The **total net debt/(funds)**[393] of the Company at 31 December 2024, as shown above, present a debt of €1,002 million, an improvement of €378 million compared to 31 December 2023 (debt of €1,380 million). The change is mainly attributable to the profit for the period of €1,882 million, the positive valuation effects of investments classified as FVTOCI category for €505 million, net of the cash absorption generated by the distribution of dividends totalling €1,156 million (of which €729 million for balance dividend 2023 and €427 million for interim dividend 2024) and the cash absorption generated by the new investments of approximately €885 million.

393 The Net debt/(funds) includes Tax credits whose value at 31 December 2024 was €7,005 million. Although these receivables derive from business activities and are classified in the financial statements under other assets, in order to improve the representation of the indicator in question, they can be assimilated to financial assets.

At 31 December 2024, the financial debt outside the ring-fence, calculated in accordance with ESMA Guidelines 32-382-1138, is provided below:

ESMA net financial indebtedness for Capital outside the ring-fence

(€m)	At 31 December 2024	At 31 December 2023
A. Cash and cash equivalents	(482)	(564)
B. Cash equivalents	-	-
C. Other current financial assets	(42)	(61)
D. Liquidity (A+B+C)	**(524)**	**(625)**
E. Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt)	1,190	2,105
G. Current portion of non-current debt	5	1
G. Current financial debt (E + F)	**1,195**	**2,106**
H. Net current financial debt (G + D)	**671**	**1,481**
I. Non-current financial debt (excluding current portion and debt instruments)	2,165	1,720
J. Debt instruments	499	498
K. Trade payables and other non-current payables	11	15
L. Non-current financial debt (I + J + K)	**2,675**	**2,233**
M. Total financial debt (H + L)	**3,346**	**3,714**

Reconciliation of financial debt ESMA

(€m)	At 31 December 2024	At 31 December 2023
M. Total financial debt (H + L)	**3,346**	**3,714**
Non-current financial assets	(942)	(1,001)
K. Trade payables and other non-current payables	(11)	(15)
Tax credits Law no. 77/2020	(282)	(407)
Industrial Net debt/(funds)	**2,111**	**2,291**
Intersegment financial (receivables)/payables	640	366
Industrial net debt/(funds) for Capital outside the ring-fence including intersegment transactions	**2,751**	**2,657**

B7 - TRADE PAYABLES (€1,696 million)

tab. B7 - Trade payables

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Due to suppliers	990	1,018	(28)
Due to subsidiaries and associates	446	444	2
Contract liabilities	260	505	(245)
Total	**1,696**	**1,967**	**(271)**
of which attributable to BancoPosta RFC	137	133	4

Due to suppliers

tab. B7.1 - Due to suppliers

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Italian suppliers	847	870	(23)
Foreign suppliers	11	13	(2)
Overseas counterparties (*)	132	135	(3)
Total	**990**	**1,018**	**(28)**
of which attributable to BancoPosta RFC	9	8	1

(*) The amount due to overseas counterparties relates to fees payable to overseas postal operators and companies in return for postal and telegraphic services received.

Due to subsidiaries, associates and joint ventures

tab. B7.2 - Due to subsidiaries, associates and joint ventures

Name (€m)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Direct subsidiaries			
Agile Lab	6	2	4
Address Software Srl	-	1	(1)
BancoPosta Fondi SpA SGR	6	3	3
CLP ScpA	74	112	(38)
Consorzio servizi ScpA	32	19	13
MLK Deliveries SpA	4	6	(2)
Poste Air Cargo Srl	15	-	15
Poste Vita SpA	2	2	-
Postel SpA	14	16	(2)
PostePay SpA	93	85	8
Poste Welfare Servizi Srl	26	13	13
Poste Logistics SpA	2	-	2
SDA Express Courier SpA	162	176	(14)
Sourcesense SpA	6	4	2
Indirect subsidiaries			
Bridge Technologies Srl	1	2	(1)
Indabox Srl	1	-	1
Kipoint SpA	1	3	(2)
Plurima SpA	1	-	1
Total	**446**	**444**	**2**
of which attributable to BancoPosta RFC	50	65	(15)

These trade payables include:

- SDA Express Courier SpA: mainly for the pick-up, sorting and delivery service of national and international express products.
- PostePay SpA: mainly for collection and payment services under the service contract (€44 million) and for acquiring services (€48 million).

Contract liabilities

tab. B7.3 - Contract liabilities

Description (€m)	Balance at 01.01.2024	Increases / (Decreases)	Change due to recognition of revenue for period	Balance at 31.12.2024
Prepayments and advances from customers	445	(262)	-	183
Liabilities for fees to be refunded	60	(47)	64	77
Total	**505**	**(309)**	**64**	**260**
of which attributable to BancoPosta RFC	60	(47)	64	77

Prepayments and advances from customers

This item refers to amounts received from customers as prepayment for the following services to be rendered:

tab. B7.3.1 - Prepayments and advances from customers

Description (€m)		Balance at 31.12.2024	Balance at 31.12.2023	Changes
Prepayments from overseas counterparties		127	179	(52)
Advances for Publishing from PCM	[tab.A8.1]	-	195	(195)
Advances for shipments		43	59	(16)
Advances for other services		13	12	1
Total		**183**	**445**	**(262)**
of which attributable to BancoPosta RFC		-	-	-

The decrease compared to 31 December 2023 is due mainly to the offsetting of payables for advances received with receivables for refunds of publisher tariff subsidies, following the release of the related collections (see Note A8 - *Trade receivables*).

Liabilities for fees to be refunded represent the estimated liability linked to the refund of fees on loan products sold after 1 January 2018, under the terms of which the related fees must be refunded if the customer opts for early cancellation of the agreement.

B8 - OTHER LIABILITIES (€3,254 million)

tab. B8 - Other liabilities

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Due to staff	5	649	654	5	654	659	(5)
Social security payables	13	409	422	16	417	433	(11)
Other taxes payable	1,723	277	2,000	1,752	324	2,076	(76)
Other amounts due to subsidiaries	1	20	21	1	23	24	(3)
Sundry payables	4	27	31	15	15	30	1
Accrued liabilities and deferred income	124	2	126	136	2	138	(12)
Total	**1,870**	**1,384**	**3,254**	**1,925**	**1,435**	**3,360**	**(106)**
of which attributable to BancoPosta RFC	1,724	202	1,926	1,752	227	1,979	(53)

Due to staff

These items primarily regard accrued amounts that have yet to be paid at 31 December 2024. The breakdown is as follows:

tab. B8.1 - Due to staff

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Fourteenth month salaries	-	199	199	-	202	202	(3)
Incentives	5	361	366	5	366	371	(5)
Accrued vacation pay	-	33	33	-	38	38	(5)
Other amounts due to staff	-	56	56	-	48	48	8
Total	**5**	**649**	**654**	**5**	**654**	**659**	**(5)**
of which attributable to BancoPosta RFC	1	4	5	-	5	5	-

Social security payables

tab. B8.2 - Social security payables

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
INPS	2	308	310	1	320	321	(11)
Pension funds	-	86	86	-	84	84	2
Health funds	-	5	5	-	5	5	-
INAIL	11	4	15	15	4	19	(4)
Other agencies	-	6	6	-	4	4	2
Total	**13**	**409**	**422**	**16**	**417**	**433**	**(11)**
of which attributable to BancoPosta RFC	-	3	3	-	3	3	-

Other taxes payable

tab. B8.3 - Other taxes payable

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Withholding tax on employees' and consultants' salaries	-	80	80	-	87	87	(7)
Withholding tax on postal current accounts	-	78	78	-	74	74	4
Stamp duty payable	1,723	79	1,802	1,752	129	1,881	(79)
Other taxes due	-	40	40	-	34	34	6
Total	**1,723**	**277**	**2,000**	**1,752**	**324**	**2,076**	**(76)**
of which attributable to BancoPosta RFC	1,723	178	1,901	1,752	216	1,968	(67)

The **stamp duty payable** includes the balance due to the Treasury for the tax paid virtually in the 2024 financial year. The non-current portion of stamp duty payable primarily regards the amount due at 31 December 2024 on interest-bearing postal certificates in circulation, in compliance with the legislation referred to in note A9 – *Other receivables and assets*.

Other payables to subsidiaries

This item mainly includes the amount payable to subsidiaries by Poste Italiane SpA, as the consolidating entity in the tax consolidation arrangement (Note 2.5 – *Material information on accounting standards*) to whom the subsidiaries have transferred tax assets in the form of payments on account, withholding taxes, after deducting IRES payable to the Parent Company by the subsidiaries, as well as the benefit connected with the tax loss contributed by the subsidiaries Plurima SpA and Logos Srl in 2024.

Sundry payables

This item Sundry payables breaks down as follows:

tab. B8.5 - Sundry payables

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Sundry payables attributable to BancoPosta	-	17	17	-	3	3	14
Guarantee deposits	4	-	4	15	-	15	(11)
Other payables	-	10	10	-	12	12	(2)
Total	**4**	**27**	**31**	**15**	**15**	**30**	**1**
of which attributable to BancoPosta RFC	-	17	17	-	3	3	14

Accrued liabilities and deferred income

tab. B8.6 - Accrued liabilities and deferred income

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023			Changes
	Non-current liabilities	Current liabilities	Total	Non-current liabilities	Current liabilities	Total	
Deferred income	124	2	126	136	2	138	(12)
Total	**124**	**2**	**126**	**136**	**2**	**138**	**(12)**
of which attributable to BancoPosta RFC	-	-	-	-	-	-	-

The item **Accrued liabilities and deferred income** refers for €113 million to the non-repayable grant received in advance by the Company for the implementation of the "Polis Project - House of Digital Services".

5.4 NOTES TO THE STATEMENT OF PROFIT OR LOSS

C1 - REVENUE FROM SALES AND SERVICES (€10,504 million)

tab. C1 - Revenue from sales and services

Description (€m)	FY 2024	FY 2023	Changes
Postal Services	3,359	3,149	210
of which Revenue from contracts with customers	3,359	3,149	210
recognised at a point in time	*307*	*331*	(24)
recognised over time	*3,052*	*2,818*	234
BancoPosta services	6,768	6,379	389
of which Revenue from contracts with customers	3,772	3,677	95
recognised at a point in time	*223*	*231*	(8)
recognised over time	*3,549*	*3,446*	103
Other sales of goods and services	377	352	25
of which Revenue from contracts with customers	377	352	25
recognised at a point in time	*11*	*12*	(1)
recognised over time	*366*	*340*	26
Total	**10,504**	**9,880**	**624**

Revenue from contracts with customers breaks down as follows.

Revenue from Postal Services

tab. C1.1 - Revenue from Postal Services

Description (€m)	FY 2024	FY 2023	Changes
Mail	1,767	1,744	23
Parcels	1,264	1,078	186
Philately	11	10	1
Total external revenue	**3,042**	**2,832**	**210**
Universal Service compensation	262	262	-
Publisher tariff subsidies	55	55	-
Total revenue	**3,359**	**3,149**	**210**

External revenue shows an increase compared to the financial year 2023, mainly due to revenue in the parcel segment.

Universal Service compensation relates to amounts paid by the MEF to cover the costs of fulfilling the USO. Annual compensation, amounting to €262 million, is established in the 2020-2024 Contratto di Programma (Service Contract) in force on 1 January 2020.

Publisher tariff subsidies[394] relate to the amount receivable by the Company from the Cabinet Office - Publishing department as compensation for the discounts applied to publishers and non-profit organisations when sending mail.

[394] Law no. 8 of 28 February 2020 - ordered that reimbursements of publishing tariff subsidies to Poste Italiane continue "*for a duration equal to that of the universal postal service*" (i.e. until April 2026).

The compensation is determined on the basis of the tariffs set in the decree issued by the Ministry of Enterprise and Made in Italy (former MiSE) in agreement with the Ministry of the Economy and Finance, on 21 October 2010 and Law Decree 63 of 18 May 2012, as converted into Law 103 of 16 July 2012. With AGCom Resolution 454/22/CONS of 30 December 2022, the new universal basic tariffs of the subsidised publishing products included in the Universal Service were defined. The Resolution provided for a gradual increase in the basic tariffs with a consequent increase in the compensation received by the Company per item sent at a subsidised rate. The amount of the subsidies granted by the Company is covered by the State Budget.

BancoPosta services

tab. C1.2 - Revenue from BancoPosta services

Description (€m)	FY 2024	FY 2023	Changes
Income from investment of postal current account deposits and free cash	2,996	2,702	294
Fees for collection of postal savings deposits	1,725	1,740	(15)
Insurance brokerage	660	623	37
Other revenue from current account services	428	428	-
Distribution of payment products and services	259	251	8
Distribution of loan products	251	191	60
Commissions on payment of bills by payment slip	193	208	(15)
Distribution of investment funds	119	94	25
Income from delegated services	89	91	(2)
Other products and services	31	34	(3)
Money transfers	17	17	-
Total	**6,768**	**6,379**	**389**

Revenue from financial services showed an increase compared to the financial year 2023, mainly due to income from investment of postal current account deposits and free cash and income from the placement of financing products.

Specifically:

- **Income from investment of postal current account deposits and free cash** breaks down as follows:

tab. C1.2.1 - Income from investment of postal current account deposits and free cash

Description (€m)	FY 2024	FY 2023	Changes
Income from investments in securities	2,284	1,962	322
Interest income on securities at FVTOCI	970	936	34
Interest income on securities at amortised cost	833	780	53
Interest income (expense) on asset swaps of FVH on securities at FVTOCI and CA	332	171	161
Interest income on repurchase agreements	97	70	27
Interest income (expense) on asset swaps of CFH on securities at FVTOCI and CA	52	5	47
Income from investments in tax credits	318	309	9
Interest income on tax credits at AC	318	309	9
Income from deposits held with the MEF	408	446	(38)
Remuneration of current account deposits (deposited with the MEF)	406	441	(35)
Differential on derivatives stabilising returns	2	5	(3)
Portion of interest income on own liquidity (finance income)	(14)	(15)	1
Total	**2,996**	**2,702**	**294**

The increase in the item compared to the previous year is mainly attributable to income from investments in securities.

Income from investments in securities relates to interest earned on investment of deposits paid into postal current accounts by private customers. The amount of income includes the impact of the interest rate hedge. The increase in this item compared to financial year 2023 is mainly due to the higher profitability of both the new securities that entered the portfolio in financial year 2024 and those subject to the broader restructuring of fair value hedges as described in Note A6 - *Financial assets* and the simultaneous positive effect produced by the initiation of fair value hedges already present in the portfolio.

Income from investments in tax credits relates to interest accrued during the year on the investments described in Note A10 - *Tax Credits Law no. 77/2020.*

Income from deposits held with the MEF primarily represents accrued interest for the year on amounts deposited at Public Administration entities, remunerated at a variable rate as described in Note A6 - *Financial assets*.

Fees for the collection of postal savings deposits relates to remuneration for the provision and redemption of Interest-bearing Postal Certificates and payments into and withdrawals from Postal Savings Books. This service is provided by Poste Italiane SpA on behalf of Cassa Depositi e Prestiti. This item reflects the fees accrued as of the date under the new Postal Savings Agreement valid for the three-year period 2024-2026, effective as of 1 January 2024.

- **Revenue from insurance brokerage** derives from fees receivable from the subsidiaries, Poste Vita and Poste Assicura, in return for the sale of insurance policies.
- Income from the **distribution of payment products** and services regards fees received in return for distributing and promoting the products issued by the subsidiary, PostePay SpA.
- Income from the **distribution of loan products** relate to commissions received by the Company on the placement of personal loans and mortgages on behalf of third parties.
- **Revenue from current account services** mainly comprise commissions for account maintenance expenses (€275 million), commissions for on-line and over-the-counter collection and transfer activity services (approximately €87 million and €30 million, respectively), and commissions for reporting services performed for customers (€2 million).
- **Income from delegated services** primarily regards amounts received by the Company for the payment of pensions and transfers issued by INPS (€26 million), and and services performed on the basis of the agreement with the MEF (€61 million)

Other sales of goods and services

The main revenue items include: income from the subsidiary PostePay SpA for the execution of card payment and payment transactions (€139 million), income from the promotion and marketing of the Energy offer (€12 million), income from the subsidiaries PostePay SpA (€49 million), Poste Vita SpA (€39 million), Postel SpA (€23 million) and SDA Express Courier SpA (€16 million) for technology services in support of business activities and income from call centre services (€16 million).

C2 - OTHER INCOME (€247 million) AND EXPENSES (€683 million) DERIVING FROM FINANCIAL ACTIVITIES

tab. C2.1 - Other income from financial activities

Description (€m)	FY 2024	FY 2023	Changes
Income from equity instruments at FVTPL	8	8	-
Fair value gains	8	7	1
Realised gains	-	1	(1)
Income from financial instruments at FVTOCI	105	164	(59)
Realised gains	105	164	(59)
Income from financial instruments at amortised cost	83	47	36
Realised gains	83	47	36
Foreign exchange gains	6	3	3
Realised gains	4	2	2
Fair value gains	2	1	1
Other income	45	49	(4)
Total	**247**	**271**	**(24)**

The decrease in **Other income from financial activities,** compared to the previous year, was mainly due to lower realised gains on financial instruments at FVTOCI, partially offset by higher realised gains on financial instruments at Amortised cost (of which €20 million from the early extinguishment of repurchase agreements).

tab. C2.2 - Expenses from financial activities

Description (€m)	FY 2024	FY 2023	Changes
Interest expense	577	572	5
in customers' deposits	301	286	15
on repurchase agreements	170	128	42
on guarantee deposits	106	158	(52)
Expense from financial instruments at FVTOCI	70	54	16
Realised losses	70	54	16
Expenses from financial instruments at amortised cost	28	-	28
Realised losses	28	-	28
Expenses from fair value hedges	2	-	2
Fair value losses	2		2
Expenses from financial instruments at FVTPL	6	7	(1)
Fair value losses	6	4	2
Realised losses	-	3	(3)
Total	**683**	**633**	**50**

Expenses from financial activities increased compared to the year 2023 mainly due to higher interest on repurchase agreements and higher losses on the realisation of financial instruments at FVTOCI at amortised cost, partially offset by a decrease in interest on guarantee deposits related to the restructuring dynamics of the fair value hedge derivatives portfolio described in Note A6 - *Financial assets*.

C3 - OTHER OPERATING INCOME (€1,453 million)

tab. C3 - Other operating income

Description (€m)	FY 2024	FY 2023	Changes
Dividends from subsidiaries	1,372	829	543
Other income	23	25	(2)
Government grants	19	9	10
Rentals	14	14	-
Recoveries of contract expenses and other recoveries	12	12	-
Reimbursement of personal expenses	7	6	1
Gains on disposals [1]	5	96	(91)
Interest income on tax credits at AC	1	12	(11)
Total	**1,453**	**1,003**	**450**

(1) For the purposes of reconciliation with the statement of cash flows, in 2024 this item amounts to a positive €1 million, after losses of €4 million. In 2023, this item, after losses of €3 million, amounted to a positive €93 million.

The increase in **Other operating income** was mainly due to higher dividends distributed by subsidiaries, which offset the reduction in capital gains from disposals, which in 2023 benefited from the capital gain of approximately €91 million generated by the sale of the controlling interest in the company sennder.

Dividends from subsidiaries

tab. C3.1 - Dividends from subsidiaries

Name (€m)	FY 2024	FY 2023	Changes
Poste Vita SpA	750	450	300
PostePay SpA	567	305	262
BancoPosta Fondi SpA SGR	29	27	2
SDA Express Courier SpA	16	35	(19)
PosteWelfare SpA	4	3	1
Sengi Express Limited	3	2	1
Nexive Network Srl	3	-	3
Poste Air Cargo Srl	-	1	(1)
sennder Italia Srl	-	4	(4)
EGI SpA	-	2	(2)
Total	**1,372**	**829**	**543**

C4 - COST OF GOODS AND SERVICES (€2,918 million)

tab. C4 - Cost of goods and services

Description (€m)	FY 2024	FY 2023	Changes
Service costs	2,646	2,392	254
Lease expense	157	127	30
Raw, ancillary and consumable materials and goods for resale	115	121	(6)
Total	**2,918**	**2,640**	**278**

Costs of goods and services increased by a total of €278 million compared to the financial year 2023. The trend is mainly attributable to the increase in costs for the purchase of energy and gas related to operating buildings for €51 million, the increase in costs for air and road transport services for mail for €19 million and logistics and delivery services related to parcels for €126 million as shown in the table below.

Service costs

tab. C4.1 - Service costs

Description (€m)	FY 2024	FY 2023	Changes
Transport of mail, parcels and forms	1,365	1,212	153
Outsourcing fees and external service charges	412	403	9
Routine maintenance and technical assistance	204	198	6
Energy and water	156	105	51
Personnel services	138	133	5
Advertising and promotions	78	44	34
Cleaning, waste disposal and security	74	80	(6)
Exchange of mail and telegraphy	55	46	9
Transport of cash	47	56	(9)
Telecommunications and data transmission services	43	49	(6)
Electronic document management, printing and enveloping services	29	25	4
Agent commissions and other	20	15	5
Insurance premiums	15	16	(1)
Consultants' fees and legal expenses	9	9	-
Securities custody and management fees	1	1	-
Total	**2,646**	**2,392**	**254**

Lease expense

tab. C4.2 - Lease expense

Description (€m)	FY 2024	FY 2023	Changes
Equipment hire and software licences	141	110	31
Property rentals	9	11	(2)
Vehicle leases	2	2	-
Other lease expense	5	4	1
Total	**157**	**127**	**30**

Raw, ancillary and consumable materials and goods for resale

tab. C4.3 - Raw, ancillary and consumable materials and goods for resale

Description (€m)	FY 2024	FY 2023	Changes
Fuels and lubricants	51	53	(2)
Consumables and goods for resale	33	35	(2)
Stationery and printed matter	25	27	(2)
Printing of postage and revenue stamps	5	6	(1)
Change in inventories of raw, ancillary and consumable materials	1	-	1
Total	**115**	**121**	**(6)**

C5 - PERSONNEL EXPENSES (€5,318 million)

tab. C5 - Personnel expenses

Description (€m)	Notes	FY 2024	FY 2023	Changes
Wages and salaries		3,867	3,874	(7)
Social security contributions		1,093	1,096	(3)
Employee termination benefits: supplementary pension funds and INPS		229	228	1
Agency staff		2	1	1
Remuneration and expenses paid to Directors		3	2	1
Share-based payments		13	10	3
Early retirement incentives		7	11	(4)
Net provisions (reversals) for disputes with staff	[tab. B4]	5	9	(4)
Provisions for early retirement incentives	[tab. B4]	127	158	(31)
Amounts recovered from staff due to disputes		(3)	(3)	-
Other personnel expenses/(cost recoveries)		(25)	(38)	13
Total		**5,318**	**5,348**	**(30)**

Personnel expenses decreased by €30 million compared to 2023 due to lower provisions for early retirement incentives.

Net provisions for disputes with staff and provisions for restructuring charges are described in note B4 – *Provisions for risks and charges*.

The following table shows the Company's average and year-end headcounts by category:

tab. C5.1 - Number of employees

Permanent workforce	Average			Year end		
	FY 2024	FY 2023	Changes	31.12.2024	31.12.2023	Changes
Executives	565	541	24	565	533	32
Middle managers (A1)	6,638	6,573	65	6,652	6,530	122
Middle managers (A2)	7,615	7,549	66	7,612	7,483	129
Grades B, C, D	83,235	85,640	(2,405)	81,952	83,432	(1,480)
Grades E, F	6,268	6,303	(35)	8,106	6,435	1,671
Total employees on permanent contracts (*)	**104,321**	**106,606**	**(2,285)**	**104,887**	**104,413**	**474**

(*) Figures expressed in full-time equivalent terms

Furthermore, taking account of personnel on flexible contracts, the average number of full-time equivalent personnel is 114,218 (in 2023: 114,613).

C6 - DEPRECIATION, AMORTISATION AND IMPAIRMENTS (€810 million)

tab. C6 - Depreciation, amortisation and impairments

Description (€m)	FY 2024	FY 2023	Changes
Depreciation of property, plant and equipment	219	205	14
Depreciation of investment property	1	1	-
Amortisation and impairments of intangible assets	363	344	19
Depreciation of right-of-use assets	226	223	3
Impairments/recoveries/adjustments right of use	1	-	1
Total	**810**	**773**	**37**

Depreciation, amortisation and impairments showed an increase of €37 million compared to the year 2023, mainly due to higher depreciation of Intangible assets by €19 million and of Property, plant and equipment by €14 million.

C7 - OTHER OPERATING COSTS (€238 million)

tab. C7 - Other operating costs

Description (€m)	Notes	FY 2024	FY 2023	Changes
Other taxes and duties		99	103	(4)
Municipal property tax		27	27	-
Stamp duty		23	38	(15)
Other taxes and duties		49	38	11
Net provisions for risks and charges made/(released)		(1)	61	(62)
for disputes with third parties	[tab. B4]	6	(19)	25
for operational risks	[tab. B4]	(9)	(2)	(7)
for other risks and charges	[tab. B4]	2	2	-
for risks - tax credits Law no. 77/2020	[tab. B4]	-	80	(80)
Operational risk events		25	28	(3)
Thefts		6	4	2
Loss of BancoPosta assets, net of recoveries		8	3	5
Other operating losses of BancoPosta		11	21	(10)
Contribution to the Life Insurance Fund		16	-	16
Reversal of tax credits for years prior to 2024		57	-	57
Capital losses		4	3	1
Other current costs		38	28	10
Total		**238**	**223**	**15**

Other operating costs were substantially in line with the previous year. In the period under review, non-recurring charges were recognised in connection with the risk analysis on tax credits in the amount of €57 million (see Note A10 - *Tax credits Law no. 77/2020*), charges related to the contribution to the life business guarantee fund in the amount of €16 million, partially offset by lower accruals to provisions for risks in the amount of €62 million.

C8 – IMPAIRMENT LOSSES/(REVERSALS OF IMPAIRMENT LOSSES) ON DEBT INSTRUMENTS, RECEIVABLES AND OTHER ASSETS (€403 million)

tab. C8 - Impairment losses/(Reversals of impairment losses) on debt instruments, receivables and other assets

Description (€m)	FY 2024	FY 2023	Changes
Impairment/(reversal) on trade receivables and other assets	34	10	24
Impairment/(reversal) on tax credits Law no. 77/2020	380	32	348
Impairment/(reversal) on tax credits Law No. 77/2020	548	-	548
Absorption in profit and loss Provision for tax credit risks	(168)	32	(200)
Impairment/(reversal) on debt instruments and receivables of financial operations	(11)	8	(19)
Impairment/(reversal) on receivables of financial operations	(1)	-	(1)
Impairment/(reversal) on debt instruments at FVTOCI	(5)	3	(8)
Impairment/(reversal) on debt instruments at amortised cost	(5)	5	(10)
Total	**403**	**50**	**353**

The increase in the item is mainly attributable to the accounting effects related to the risk analysis on tax credits analytically described in Note A10 - *Tax credits Law no. 77/2020*.

C9 – FINANCE INCOME (€136 million) AND COSTS (€186 million)

Finance costs

tab. C9.1 - Finance costs

Description (€m)	Notes	FY 2024	FY 2023	Changes
Finance costs on financial liabilities		80	69	11
on lease payables		22	21	1
on due to financial institutions		16	6	10
on bonds		3	5	(2)
on payables due to parent companies		39	37	2
Finance costs on provisions for employee termination benefits and pension plans	[tab. B5]	20	25	(5)
Finance costs on provisions for risks	[tab. B4]	2	3	(1)
Impairment of investments in joint ventures(1)		19	-	19
Other finance costs		13	8	5
Foreign exchange losses(1)		2	6	(4)
Total		**136**	**111**	**25**

(1) For the purposes of reconciliation with the statement of cash flows, in 2024 finance costs after foreign exchange losses and the impairment of investments in associates amounted to €115 million (€105 million in 2023).

Finance costs increased compared to the year 2023 mainly due to higher interest on payables to financial institutions described in Note B6 - *Financial liabilities* and the impairment of the investment in Financit SpA recognised in the year under review.

Finance income

tab C9.2 - Finance income

Description (€m)	Notes	FY 2024	FY 2023	Changes
Income from subsidiaries and associates		143	134	9
Interest on loans		25	22	3
Interest on non-convertible subordinated capital instruments		57	57	-
Interest on intercompany current accounts		2	1	1
Dividends from associates(1)		15	13	2
Other finance income		44	41	3
Income from financial instruments at FVTOCI		2	5	(3)
Interest on fixed-income instruments		2	2	-
Dividends from other equity investments(1)		-	3	(3)
Income from financial instruments at FVTPL		1	1	-
Interest		1	-	1
Accrued differentials on derivative financial instruments at FVTPL		-	1	(1)
Income from valuation of cash flow hedges		-	6	(6)
Realised gains		-	6	(6)
Other finance income		36	25	11
Remuneration of own liquid funds of Poste Italiane	[tab. C1.2.1]	14	15	(1)
Finance income on discounting receivables(2)		1	2	(1)
Late payment interest		29	27	2
Impairment of amounts due as late payment interest		(28)	(26)	(2)
Interest on bank deposits		17	3	14
Other income		3	4	(1)
Foreign exchange gains(1)		4	5	(1)
Total		**186**	**176**	**10**

(1) For the purposes of reconciliation with the statement of cash flows, in 2024 finance income after foreign exchange gains and dividends from associates and other investments amounts to €167 million (€155 million in 2023).

(2) Finance income on discounted receivables regards interest on amounts due from staff and INPS under the fixed-term contract settlements.

Finance income increased compared to the year 2023 mainly due to higher interest on bank deposits as a result of the increase in interest rates recognised by major banks and higher liquidity deposited on bank accounts.

C10 – IMPAIRMENT LOSSES/ (REVERSALS OF IMPAIRMENT LOSSES) ON FINANCIAL ASSETS

Reversals of impairment losses of €13 million related to the receivable for interest income on the IRES reimbursement is described in Note A9 - *Other receivables and assets*.

C11 - INCOME TAX EXPENSE (€60 million)

The nominal IRES rate is 24%, while the theoretical average IRAP rate is 4.53%[395]. The breakdown of income taxes for the year is as follows:

tab. C11 - Income tax expense

Description (€m)	FY 2024			FY 2023			Changes
	IRES	IRAP	Total	IRES	IRAP	Total	
Current taxes	83	53	136	168	42	210	(74)
Deferred tax assets	(79)	2	(77)	17	1	18	(95)
Deferred tax liabilities	-	1	1	1	-	1	-
Total	**4**	**56**	**60**	**186**	**43**	**229**	**(169)**

With regard to the deductibility of losses related to the non-compensation of tax credits, the allocation of risk provisions on tax credits and the charges resulting from sharing the Risk Analysis with the Agenzia delle Entrate (see also Note A10 - Tax credits Law no. 77/2020), on 22 November 2024, the Agenzia delle Entrate's response was received to the risk communication of 14 November 2024 submitted by the Company; the response received confirmed the deductibility for IRES purposes of the charges related to the tax credits recognised in the 2022, 2023 and 2024 financial statements, resulting in the recognition of lower taxes amounting to €229 million, including taxes related to previous years.

The actual tax rate for 2024 is 3.08% and consists of:

[395] The nominal tax rate for IRAP is 3.90% for entities as a whole and 4.20% for entities that hold concessions other than those relating to the construction and operation of motorways and tunnels (+/–0.92% resulting from regional surtaxes and/or relief and +0.15% as a result of additional surtaxes levied in regions with a health service deficit).

tab. C11.1 - Reconciliation between theoretical and effective IRES rate

Description (€m)	FY 2024		FY 2023	
	IRES	Impact %	IRES	Impact %
Profit before tax	*1,942*		*1,619*	
Theoretical tax charge	466	24.0%	389	24.0%
Effect of increases/(decreases) on theoretical tax charge				
Dividends from investee companies	(316)	-16.29%	(192)	-11.83%
Realised gains on investments	-	-	(21)	-1.28%
Net provisions for risks and charges and bad debts	4	0.21%	21	1.29%
Taxation for previous years	(158)	-8.15%	(9)	-0.54%
Non-deductible out-of-period losses	3	0.17%	5	0.31%
Non-deductible taxes	-	0.02%	1	0.02%
Other	1	0.02%	(8)	-0.47%
Effective tax charge	**4**	**0.21%**	**186**	**11.50%**

tab. C11.2 - Reconciliation between theoretical and effective IRAP rate

Description (€m)	FY 2024		FY 2023	
	IRAP	Impact %	IRAP	Impact %
Profit before tax	*1,942*		*1,619*	
Theoretical tax charge	88	4.53%	73	4.53%
Effect of increases/(decreases) on theoretical tax charge				
Dividends from investee companies	(63)	-3.24%	(38)	-2.36%
Non-deductible personnel expenses	12	0.64%	21	1.31%
Net provisions for risks and charges and bad debts	20	1.03%	(3)	-0.16%
Non-deductible out-of-period losses	1	0.03%	1	0.06%
Finance income and costs	(4)	-0.19%	(3)	-0.20%
Impairment losses/(reversals of impairment losses) on financial assets	1	0.04%	(2)	-0.12%
Non-deductible taxes	1	0.06%	1	0.08%
Realised gains on investments	-	-	(4)	-0.26%
Taxation for previous years	(2)	-0.10%	(1)	-0.10%
Other	2	0.07%	(2)	-0.11%
Effective tax charge	**56**	**2.87%**	**43**	**2.66%**

Current tax expense

tab. C11.3 - Movements in current tax assets /(liabilities)

Description (€m)	Current tax 2024		
	IRES Assets/ (Liabilities)	IRAP Assets/ (Liabilities)	Total
Balance at 1 January	**(86)**	**5**	**(81)**
Payments	636	40	676
on account for the current year	503	40	543
for balance payable for the previous year	133	-	133
Provisions to profit or loss	(83)	(53)	(136)
for current liabilities	(83)	(53)	(136)
Provisions to equity	10	-	10
Tax consolidation	(446)	-	(446)
Other(*)	27	-	27
Balance at 31 December	**58**	**(8)**	**50**
of which:			
Current tax assets	81	5	**86**
Current tax liabilities	(23)	(13)	**(36)**

(*) This item mainly refers to receivables for withholding taxes.

Under IAS 12 – Income Taxes, IRES and IRAP credits are offset against the corresponding current tax liabilities, when applied by the same tax authority to the same taxable entity, which has a legally enforceable right to offset and intends to exercise this right.

At 31 December 2024, current tax assets/(liabilities) include:

- assets totalling €42 million related to the deductibility of prior years' expenses referring to tax credits and the tax recognition of negative income components arising from the management of postal current account balances, which will become offsettable after the submission of the relevant supplementary tax returns;
- assets for a total of €20 million, mainly arising from the redemption of goodwill and other intangible assets as follows:
    - €9 million for redemption on goodwill in 2018 and other intangible assets arising from the acquisition of the investment in FSIA Investimenti Srl;
    - €5 million for redemption on goodwill in 2022 arising from the acquisition of the investments in Nexive Group and Sengi HK;
    - €6 million for redemption on goodwill in 2023 arising from the acquisition of the investments in Sourcesense SpA and Agile Power Srl;
- residual assets of €10 million related to the adhesion to the Patent Box regime for the 2018-2019 financial years;
- assets totalling a residual €9 million recognised as a result of the responses received to two petitions filed with the Agenzia delle Entrate concerning the tax effects of implementation of IFRS 9 and 15;
- liabilities totalling €35 million referring to all companies participating in the tax consolidation determined by IRES and IRAP accruals for the year 2024 net of IRES and IRAP advances and IRES credits.

Deferred tax assets and liabilities

Details of this item at 31 December 2024 are shown in the following table:

tab. C11.4 - Deferred taxes

Description (€m)	Balance at 31.12.24	Balance at 31.12.23	Changes
Deferred tax assets	855	928	(73)
Deferred tax liabilities	(320)	(272)	(48)
Total	**535**	**656**	**(121)**
of which attributable to BancoPosta RFC			
Deferred tax assets	499	642	(143)
Deferred tax liabilities	(315)	(266)	(49)

Movements in deferred tax assets and liabilities are shown below:

tab. C11.5 - Movements in deferred tax assets and liabilities

Description (€m)	Notes	FY 2024
Balance at 1 January		**656**
Net income/(expense) recognised in profit or loss		76
Net income/(expense) recognised in equity	[tab. C11.8]	(197)
Balance at 31 December		**535**

The following table shows movements in deferred tax assets and liabilities, broken down according to the events that generated such movements:

tab. C11.6 - Movements in deferred tax assets

Description (€m)	Investment property	Financial assets and liabilities	Provisions to cover expected losses	Provisions for risks and charges	Contract liabilities	Other	Total
Balance at 1 January 2024	**16**	**608**	**79**	**175**	**23**	**27**	**928**
Income/(expense) recognised in profit or loss	(6)	-	13	69	5	(4)	77
Income/(expense) recognised in equity	-	(144)	(6)	-	-	-	(150)
Balance at 31 December 2024	**10**	**464**	**86**	**244**	**28**	**23**	**855**

tab. C11.7 - Movements in deferred tax liabilities

Description (€m)	Financial assets and liabilities	Gains	Other	Total
Balance at 1 January 2024	**269**	**1**	**2**	**272**
Expense/(income) recognised in profit or loss	-	-	1	1
Expense/(income) recognised in equity	47	-	-	47
Balance at 31 December 2024	**316**	**1**	**3**	**320**

At 31 December 2024, deferred tax assets and liabilities recognised directly in equity are as follows:

tab. C11.8 - Deferred tax assets and liabilities recognised in equity

Increases/(decreases) in equity

Description (€m)	FY 2024
Fair value reserve for financial assets at FVTOCI	(173)
Cash flow hedge reserve	(18)
Other changes	(6)
Total	**(197)**

5.5 RELATED PARTY TRANSACTIONS

Impact of related party transactions on statement of financial position and profit or loss

Impact of related party transactions on financial position at 31 December 2024

Name (€m)	Balance at 31.12.2024								
	BancoPosta financial assets	Financial assets	Trade receivables	Other receivables and assets	Cash and cash equivalents	BancoPosta financial liabilities	Financial liabilities	Trade payables	Other liabilities
Direct subsidiaries									
BancoPosta Fondi SpA SGR	-	-	28	3	-	16	41	6	-
CLP ScpA	-	-	6	1	-	-	-	74	-
Consorzio PosteMotori	-	-	3	-	-	1	-	0	-
Consorzio Servizi ScpA	-	-	0	-	-	4	-	32	-
EGI SpA	-	-	-	-	-	2	46	0	-
Poste Welfare Servizi Srl	-	-	3	22	-	1	3	26	-
Poste Air Cargo Srl	-	2	1	-	-	-	-	15	-
PatentiViaPoste ScpA	-	-	-	-	-	-	15	-	-
Poste Vita SpA	-	259	394	58	-	871	74	2	-
Postel SpA	-	17	34	3	-	3	7	14	2
PostePay SpA	102	-	195	26	-	10,625	659	93	1
Poste Logistics SpA	-	4	1	2	-	-	5	2	-
SDA Express Courier SpA	-	63	19	-	-	7	3	162	12
Milkman Deliveries SpA	-	-	1	-	-	6	7	4	-
Nexive Network Srl	-	-	1	1	-	-	-	0	2
Nexive Scarl	-	-	17	-	-	-	13	0	1
Sengi Express Limited LIM	-	-	71	-	-	-	-	-	-
Agile Lab Srl	-	4	-	-	-	-	-	6	-
Sourcesense SpA	-	-	-	1	-	-	2	6	-
Indirect subsidiaries									
Kipoint SpA	-	-	1	-	-	-	2	1	-
Poste Assicura SpA	-	-	31	2	-	4	5	0	-
Indabox Srl	-	-	-	-	-	1	-	1	-
Plurima SpA	-	69	-	-	-	-	-	1	3
Bridge Technologies Srl	-	-	-	-	-	-	-	1	-
Poste Insurance Broker	-	-	-	-	-	3	-	0	-
LIS Holding S.p.A.	-	-	-	1	-	-	86	0	-
LIS Pay S.p.A.	-	-	-	1	-	-	1	0	-
Associates									
Anima Group	-	20	-	-	-	-	-	-	-
Financit SpA	-	-	5	-	-	-	-	19	-
sennder Italia Sr.l.	-	-	-	-	-	29	-	-	-
External related parties									
MEF	9,972	-	292	1	346	5,436	3	3	-
Direct relations	9,972	-	229	1	346	5,436	-	-	-
Agencies and other territorial branches	-	-	63	-	-	-	3	2	-
former State General Inspectorate	-	-	-	-	-	-	-	1	-
Cassa Depositi e Prestiti Group	2,903	-	224	1	-	-	-	17	-
Enel Group	-	-	17	-	-	-	-	1	-
Eni Group	-	-	4	-	-	-	-	4	-
Leonardo Group	-	-	-	-	-	-	-	12	-
Monte dei Paschi di Siena Group	129	-	-	-	41	270	-	-	-
Other external related parties	-	-	44	-	-	-	4	1	71
Provisions for doubtful debts from external related parties	(5)	(20)	(4)	-	(0)	-	-	-	-
Total	**13,101**	**418**	**1,388**	**123**	**387**	**17,279**	**976**	**504**	**92**

Impact of related party transactions on financial position at 31 December 2023

Name (€m)	Balance at 31.12.2023								
	BancoPosta financial assets	Financial assets	Trade receivables	Other receivables and assets	Cash and cash equivalents	BancoPosta financial liabilities	Financial liabilities	Trade payables	Other liabilities
Direct subsidiaries									
BancoPosta Fondi SpA SGR	-	-	29	1	-	11	30	3	-
CLP ScpA	-	-	3	1	-	-	-	112	-
Consorzio PosteMotori	-	-	3	-	-	1	-	-	-
Consorzio Servizi ScpA	-	2	-	-	-	-	-	19	-
EGI SpA	-	-	-	-	-	1	51	-	1
Poste Welfare Servizi Srl	-	-	5	10	-	-	14	13	1
Poste Air Cargo Srl	-	5	1	-	-	-	-	-	-
PatentiViaPoste ScpA	-	-	1	-	-	1	16	-	-
Poste Vita SpA	-	259	355	104	-	721	247	2	1
Postel SpA	-	19	58	3	-	-	-	16	4
PostePay SpA	185	-	189	18	-	10,197	855	85	1
SDA Express Courier SpA	-	69	19	-	-	3	-	176	12
Milkman Deliveries SpA	-	-	-	-	-	3	8	6	-
Nexive Network Srl	-	9	1	3	-	-	5	-	2
Nexive Scarl	-	-	13	-	-	-	6	-	1
Sengi Express Limited LIM	-	-	66	-	-	-	-	-	-
Agile Lab S.r.l.	-	1	-	-	-	-	-	2	-
Sourcesense S.p.A.	-	4	-	-	-	-	-	4	-
Indirect subsidiaries									
Address Software Srl	-	-	-	-	-	-	-	1	-
Kipoint SpA	-	-	1	-	-	-	2	3	-
Poste Assicura SpA	-	-	16	6	-	6	-	-	-
Plurima SpA	-	46	-	-	-	-	-	-	1
Bridge Technologies Srl	-	-	-	-	-	-	-	2	-
Poste Insurance Broker	-	-	-	-	-	2	-	-	-
LIS Holding S.p.A.	-	-	-	6	-	-	85	-	-
LIS Pay S.p.A.	-	-	1	-	-	1	63	-	-
Associates									
ItaliaCamp Srl	-	-	1	-	-	-	-	-	-
Financit SpA	-	-	3	-	-	-	-	17	-
sennder Italia Sr.l.	-	-	-	-	-	36	-	-	-
External related parties									
MEF	8,937	-	364	2	874	5,371	4	4	1
Cassa Depositi e Prestiti Group	2,891		251	1	-	-	-	16	-
Enel Group	-	-	24	-	-	-	-	-	-
Eni Group	-	-	4	-	-	-	-	3	-
Leonardo Group	-	-	-	-	-	-	-	11	-
Monte dei Paschi di Siena Group	224	-	1	-	-	351	-	-	-
Invitalia Group	-	20	1	-		-	-	-	-
Other external related parties	-	-	24	-	-	-	4	1	69
Provisions for doubtful debts from external related parties	(7)	(20)	(36)	-	-				
Total	**12,230**	**414**	**1,398**	**155**	**874**	**16,705**	**1,390**	**496**	**94**

At 31 December 2024, total provisions for risks and charges made to cover probable liabilities arising from transactions with related parties external to the Company and attributable primarily to trading relations amount to €48 million (€59 million at 31 December 2023).

Impact of related party transactions on profit or loss in FY 2024

	FY 2024										
	Revenue			Costs							
				Investments		Current expenses					
Name (€m)	**Revenue from sales and services**	**Other operating income**	**Finance income**	**Property, plant and equipment**	**Intangible assets**	**Cost of goods and services**	**Expenses from financial activities**	**Personnel expenses**	**Other operating costs**	**Impairment losses/(Reversals of impairment losses) on debt instruments, receivables and other assets**	**Finance costs**
Direct subsidiaries											
BancoPosta Fondi SpA SGR	128	30	-	-	-	13	-	-	-	-	2
CLP ScpA	1	-	-	2	-	277	-	-	1	-	-
Consorzio Servizi ScpA	-	1	-	-	-	158	-	-	-	-	-
EGI SpA	-	0	-	-	-	1	-	-	4	-	1
Poste Welfare Servizi Srl	4	4	-	-	-	3	-	-	-	-	-
Poste Air Cargo Srl	1	1	-	-	-	53	-	-	-	-	-
PatentiViaPoste ScpA	-	-	-	-	-	-	-	-	-	-	1
Poste Vita SpA	685	752	118	-	-	-	27	(1)	-	-	5
Postel SpA	51	2	1	-	-	33	-	-	-	-	1
PostePay SpA	530	573	-	-	-	209	50	(1)	-	-	25
Poste Logistics SpA	1	-	-	-	-	2	-	-	-	-	-
SDA Express Courier SpA	22	19	5	-	-	973	-	-	-	-	-
Milkman Deliveries SpA	1	-	-	-	-	25	-	-	-	-	-
Nexive Network Srl	2	3	-	-	-	-	-	(1)	-	-	-
Nexive Scarl	-	4	-	-	-	-	-	-	-	-	-
Sengi Express Limited LIM	207	3	-	-	-	-	-	-	-	-	-
Agile Lab Srl	-	-	-	-	6	-	-	-	-	-	-
Sourcesense SpA	-	-	-	-	18	1	-	-	-	-	-
Indirect subsidiaries											
Kipoint SpA	3	-	-	-	-	3	-	-	-	-	-
Poste Assicura SpA	75	1	-	-	-	-	-	-	-	-	-
Indabox Srl	-	-	-	-	-	1	-	-	-	-	-
Plurima SpA		-	3	-	-	1	-	-	-	-	-
Bridge Technologies Srl	-	-	-	-	1	1	-	-	-	-	-
Poste Insurance Broker	2	-	-	-	-	-	-	-	-	-	-
LIS Holding S.p.A.		-	-	-	-	-	-	-	-	-	3
LIS Pay S.p.A.		-	1	-	-	-	-	-	-	-	1
Associates											
Anima Group	2	-	10	-	-	-	-	-	-	-	-
Financit SpA	29	-	6	-	-	-	-	-	-	-	19
External related parties											
MEF	1,250	-	14	-	-	-	-	-	1	(2)	-
Direct relations	1,134	-	14	-	-	-	-	-	-	(2)	-
Agencies and other territorial branches	116	-	-	-	-	-	-	-	1	-	-
Cassa Depositi e Prestiti Group	1,821	-	-	14	2	7	-	-	-	-	1
Enel Group	30	-	-	2	-	-	-	-	-	-	-
Eni Group	15	-	-	1	-	15	-	-	-	-	-
Leonardo Group	-	-	-	-	2	19	-	-	-	-	-
Monte dei Paschi di Siena Group	23	2	-	-	-	-	5	-	-	-	-
Invitalia Group	2	-	-	-	-	-	-	-	-	-	-
Other external related parties	82	3	-	-	-	3	-	74	1	-	-
Total	**4,967**	**1,398**	**158**	**19**	**29**	**1,798**	**82**	**71**	**7**	**(2)**	**59**

Impact of related party transactions on profit or loss in FY 2023

	FY 2023									
	Revenue			Costs						
				Investments		Current expenses				
Name (€m)	**Revenue from sales and services**	**Other operating income**	**Finance income**	**Property, plant and equipment**	**Intangible assets**	**Cost of goods and services**	**Expenses from financial activities**	**Personnel expenses**	**Other operating costs**	**Finance costs**
Direct subsidiaries										
BancoPosta Fondi SpA SGR	103	28	-	-	-	13	-	(1)	-	1
CLP ScpA	1	-	-	2	-	314	-	-	1	-
Consorzio Servizi ScpA	-	-	-	-	-	27	-	-	1	-
EGI SpA	-	3	-	-	-	1	-	-	4	1
Poste Welfare Servizi Srl	4	3	-	-	-	2	-	-	-	-
Poste Air Cargo Srl	1	2	-	-	-	-	-	-	-	-
PatentiViaPoste ScpA	22	-	-	-	-	-	-	-	-	-
Poste Vita SpA	655	452	113	-	-	-	24	(1)	-	4
Postel SpA	43	2	1	-	-	30	-	-	-	-
PostePay SpA	491	309	-	-	-	207	43	(1)	-	28
SDA Express Courier SpA	21	38	4	-	-	839	-	(1)	-	1
Milkman Deliveries SpA	-	-	-	-	-	32	-	-	-	-
Nexive Network Srl	2	-	1	-	-	-	-	(1)	-	-
Nexive Scarl	-	3	-	-	-	-	-	-	-	-
Sengi Express Limited LIM	114	2	-	-	-	-	-	-	-	-
Agile Lab S.r.l.	-	-	-	-	2	-	-	-	-	-
Sourcesense S.p.A.	-	-	-	-	6	-	-	-	-	-
Indirect subsidiaries										
Address Software Srl	-	-	-	-	-	1	-	-	-	-
Kipoint SpA	1	-	-	-	-	3	-	-	-	-
Poste Assicura SpA	72	1	-	-	-	-	-	-	-	-
Plurima SpA	-	-	2	-	-	-	-	-	-	-
Bridge Technologies Srl	-	-	-	-	1		-	-	-	-
Poste Insurance Broker	1	-	-	-	-		-	-	-	-
LIS Holding S.p.A.	-	-	-	-	-	-	-	-	-	2
LIS Pay S.p.A.	-	-	-	-	-	-	-	-	-	1
Associates										
Anima Group	2	-	8	-	-	-	-	-	-	-
Financit SpA	30	-	4	-	-	-	-	-	-	-
sennder Italia Sr.l.	-	95	-	-	-	-	-	-	-	-
External related parties										
MEF	1,315	-	15	-	-	1	-	-	1	-
Cassa Depositi e Prestiti Group	1,832	-	-	8	2	10	-	-	-	-
Enel Group	35	-	-	-	-	-	-	-	-	-
Eni Group	21	-	-	-	-	30	-	-	-	-
Leonardo Group	-	-	-	-	4	23	-	-	-	-
Monte dei Paschi di Siena Group	14	2	-	-	-	-	7	-	-	-
Invitalia Group	2		-	-	-	-	-	-	-	-
Other related parties external to the Group	31	3	-	-	-	6	-	73	1	-
Total	**4,813**	**943**	**148**	**10**	**15**	**1,539**	**74**	**68**	**8**	**38**

At 31 December 2024, total provisions for risks and charges made to cover probable liabilities arising from transactions with related parties external to the Company and primarily attributable to trading relations amount to €0.04 million compared to net allocations of €0.07 million at 31 December 2023.

The nature of the Company's principal transactions with related parties external to the Group is summarised below:

- The fees recognised by the MEF mainly relate to the remuneration for the performance of the Universal Service (OSU), remuneration for delegated services, remuneration for postal current account management services, remuneration for the notification service and for deliveries without material postage.
- Amounts received from Cassa Depositi e Prestiti SpA Group primarily relate to remuneration for the collection of postal savings deposits.
- Amounts received from the Enel Group primarily relate to payment for bulk mail shipments, unfranked mail.
- Amounts received from the ENI Group primarily regard payment for mail shipments. The costs incurred relate to the supply of gas and of fuel for motorcycles and vehicles.
- Purchases from the Leonardo Group primarily relate to the supply, by Leonardo SpA, of equipment, maintenance and technical assistance for mechanised mail sorting equipment, and systems and IT assistance regarding the creation of document storage facilities, the supply of software licences and of hardware and the associated maintenance and specialist consulting services.
- Amounts received from the Monte dei Paschi di Siena group primarily regard payment for mail shipments.

Related party transactions have been carried out on terms equivalent to those prevailing in arm's length transactions between independent parties.

Impact of related party transactions or positions

The impact of related party transactions on the financial position, profit or loss and cash flows is shown in the following table:

Impact of related party transactions

Description (€m)	Balance at 31.12.2024			Balance at 31.12.2023		
	Total in financial statements	Total related parties	Impact (%)	Total in financial statements	Total related parties	Impact (%)
Financial position						
Financial assets	81,675	13,519	16.6	81,272	12,644	15.6
Trade receivables	2,476	1,388	56.1	2,774	1,397	50.4
Other receivables and assets	2,944	123	4.2	2,777	155	5.6
Cash and cash equivalents	715	387	54.1	1,223	874	71.5
Provisions for risks and charges	999	48	4.8	1,228	59	4.8
Financial liabilities	94,688	18,255	19.3	96,863	18,095	18.7
Trade payables	1,696	504	29.7	1,967	496	25.2
Other liabilities	3,254	92	2.8	3,361	94	2.8
Profit or loss						
Revenue from sales and services	10,504	4,967	47.3	9,880	4,814	48.7
Other operating income	1,453	1,398	96.2	1,004	943	94.0
Cost of goods and services	2,918	1,798	61.6	2,640	1,539	58.3
Expenses from financial activities	683	82	12.0	633	74	11.7
Personnel expenses	5,318	71	1.3	5,348	68	1.3
Other operating costs	238	7	2.9	223	8	3.6
Finance costs	136	59	43.4	111	38	34.2
Finance income	186	158	84.9	176	148	84.3
Cash flows						
Net cash flow from /(for) operating activities	2,181	(261)	n.a.	850	4,970	584.7
Net cash flow from /(for) investing activities	(895)	(47)	5.2	(843)	(43)	5.1
Net cash flow from/(for) financing activities and shareholder transactions	(1,794)	(1,170)	65.2	(1,042)	758	n.a.

Key management personnel

Key management personnel consist of Directors, members of the Board of Statutory Auditors and the Supervisory Board, managers at the first organisational level of the Company and Poste Italiane's manager responsible for financial reporting. The related remuneration, gross of expenses and social security contributions, is as follows:

Remuneration of key management personnel

Description	Balance at 31.12.2024	Balance at 31.12.2023
Remuneration to be paid in short/medium term	20,256	14,343
Post-employment benefits	698	580
Other benefits to be paid in longer term	1,195	(787)
Share-based payments	5,849	4,936
Total	**27,998**	**19,072**

Remuneration of Statutory Auditors

Description (€k)	Balance at 31.12.2024	Balance at 31.12.2023	Changes
Remuneration	262	263	(1)
Expenses	9	3	6
Total	**271**	**266**	**5**

The remuneration paid to members of the Company's Supervisory Board for 2024 amounts to approximately €96 thousand. In determining the remuneration, the amounts paid to managers of Poste Italiane who are members of the Supervisory Board is not taken into account, as this remuneration is passed on to the employer.

No loans were granted to key management personnel during the year and, at 31 December 2024, the Company does not report receivables in respect of loans granted to key management personnel.

Transactions with personnel pensions funds

Poste Italiane SpA and the subsidiaries that apply the National Collective Labour Agreement are members of the Fondoposte Pension Fund, the national supplementary pension fund for Poste Italiane personnel, established on 31 July 2002 as a non-profit entity. The Fund's officers and boards are the General Meeting of delegates, the Board of Directors, the Chairman and Deputy Chairman of the Board of Directors and Board of Statutory Auditors. Representation of members on the above boards is shared equally between the companies and the workers that are members of the Fund. The participation of members in the running of the Fund is guaranteed by the fact that they directly elect the delegates to send to the Shareholders' Meeting.

5.6 RISK MANAGEMENT

INTRODUCTION

The note "Risk management" presents information on Poste Italiane's exposure to risks of various kinds and includes a discussion of financial risks (pursuant to IFRS 7 -*Financial Instruments*: *Disclosures*), as well as other risks for which it is deemed appropriate/necessary to provide information, also taking into account the recommendations published by ESMA and Consob[396] during the year.

QUALITATIVE INFORMATION

Financial risk

The management of lending and risk hedging operations relating to BancoPosta RFC and Poste Italiane are entrusted to BancoPosta Fondi SpA SGR, while finance activities, relating to treasury and medium/long-term funding operations,

[396] Public statement ESMA32-193237008-8369 of 24 October 2024 "*European common enforcement priorities for 2024 annual financial reports*" and **Warning notice no. 2/24 of 20 December 2024.**

including on the capital market, as well as extraordinary and subsidised finance initiatives, are entrusted to the Administration, Finance and Control function.

Poste Italiane SpA's financial management primarily relate to BancoPosta RFC's operations, asset financing and liquidity investment activities.

BancoPosta RFC's operations consist in the active management of liquidity generated by postal current account deposits, carried out in the name of BancoPosta but subject to statutory restrictions, and collections and payments on behalf of third parties. The funds raised by private customers on postal current accounts must be used in euro area government securities and, for a portion not exceeding 50% of the funds raised, in other securities backed by the Italian government guarantee[397], whilst deposits by Public Administration entities are deposited with the MEF. Moreover, within the 50% of deposits from private customers that can be invested in Italian government-guaranteed securities, BancoPosta RFC may use up to a maximum of 30% of that portion to purchase tax credits transferable pursuant to Law Decree no. 34/2020 (the so-called Relaunch Decree) and subsequent amendments and additions, or other tax credits transferable pursuant to current legislation[398].

The investment profile is based on the constant monitoring of habits of current account holders and the use of a statistical/econometric model that forecasts the interest rates and maturities typical of postal current accounts. Accordingly, the portfolio composition aims to replicate the financial structure of postal current accounts by private customers. Management of the relationship between the structure of deposits and investments is handled through an appropriate Asset & Liability Management system. The above-mentioned model is thus the general reference for the investments, in order to limit exposure to interest rate risk and liquidity risks. The prudential requirements introduced by the third revision of the Bank of Italy Circular 285/2013 require BancoPosta to apply the same regulations applicable to banks in terms of its controls, establishing that its operations are to be conducted in accordance with the Consolidated Law on Banking (TUB) and the Consolidated Law on Finance (TUF). BancoPosta RFC is, therefore, required to establish a system of internal controls in line with the provisions of Circular 285[399], which, among other things, requires definition of a Risk Appetite Framework (RAF[400]), the containment of risks within the limits set by the RAF, protection of the value of assets and against losses, and identification of material transactions to be subject to prior examination by the risk control function.

BancoPosta's capital structure, which is subject to the prudential provisions introduced with the third update of Bank of Italy Circular 285/2013, is solid due to the CET1 ratio, which, at 31 December 2024, was 19.4% and the Total Capital Ratio, which, at 31 December 2024, was 22.6%. The Leverage Ratio stood at 3.3%[401] at the end of 2024, up slightly from 31 December 2023 as a result of the decrease in the statement of financial position assets, including Leverage adjustments.

Operations not covered by BancoPosta RFC, primarily relating to management of Poste Italiane's own liquidity, are carried out in accordance with investment guidelines, which require the Company to invest in instruments such as government securities, high-quality corporate or bank bonds, term bank deposits and tax credits. Liquidity is also deposited in postal current accounts, subject to the same requirements applied to the investment of deposits by private current account holders.

Within the above context, balanced financial management and monitoring of the main risk/return profiles are carried out and ensured by dedicated organisational structures that operate separately and independently. In addition, specific

397 As provided for by Law no. 296 of 27 December 2006 and subsequent amendments provided for by the 2015 Stability Law, no. 190 of 23 December 2014.

398 As provided for in Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021.

399 See in particular the provisions laid down in Part I – Section IV – Chapter 3.

400 The RAF consists of a framework that defines, in keeping with the maximum acceptable risk, the business model and strategic plan, the risk appetite, risk tolerance thresholds, risk limits, and risk management policies, together with the processes needed to define and implement them.

401 The CET1 ratio and the Total Capital Ratio already take into account the proposed capital strengthening of €61 million by setting aside the profit of the financial year 2024, in application of the provisions of Article 26 of Regulation (EU) no. 575/2013.

processes are in place governing the assumption and management of and control over financial risks, including the progressive introduction of appropriate information systems.

In this regard, on 12 December 2024, the Board of Directors of Poste Italiane SpA adopted a revised version of the Guidelines for Internal Control and Risk Management System (SCIGR), which contains integrated guidelines for Poste Italiane SpA's Internal Control and Risk Management System.

From an organisational viewpoint, the model consists of:

- the **Control and Risk Committee**, established in 2015 within the Board, which has the task of supporting, through an appropriate investigative, proposal-making and advisory activity, the evaluations and decisions of the Board of Directors on the internal control and risk management system and on the approval of the relative periodic financial and non-financial reports;
- the **Financial and Insurance Services Committee**, established on 19 March 2018, has the objective of overseeing the process of developing the products and services distributed by BancoPosta, in order to take a uniform, integrated view of the entire offering and to monitor the performance of the financial investments in which private customer deposits are invested;
- the **BancoPosta Risk Management function**, responsible for measuring and controlling risk and respect for the principle of ensuring the organisational separation of risk assessment from risk management activities;
- appropriate functions established within Poste Italiane SpA and the subsidiaries providing financial and insurance services (BancoPosta Fondi SGR SpA and Poste Vita SpA) that perform **Risk Measurement** and **Control** activities, ensuring the organisational separation of risk assessment from risk management activities; the results of these activities are examined by the relevant advisory Committees, which are responsible for carrying out an integrated assessment of the main risk profiles.

In constructing the Risk Model used by BancoPosta RFC, account was also taken of the existing prudential supervisory standards for banks and the specific instructions for BancoPosta, published by the Bank of Italy on 27 May 2014 with the third revision of Circular 285 of 17 December 2013.

The financial risks to which Poste Italiane as a whole is exposed are broken down into the types of risk indicated below:

- **Market risk**, defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk comprises three types of risk:
  - **Fair value interest rate risk:** the risk that the value of a financial instrument fluctuates as a result of movements in market interest rates. The analyses on this type of risk refers primarily to the effects of changes in interest rates on the price of fixed rate financial instruments or variable rate financial instruments converted to fixed rate via cash flow hedges and, to a lesser degree, the effects of changes in interest rates on the fixed components of variable rate financial instruments or fixed rate financial instruments converted to variable rate via fair value hedges. The impact of these effects is directly related to the financial instrument's duration. The sensitivity analysis to the interest rate risk of the positions concerned was calculated as a result of a hypothetical parallel shift in the market rate curve of +/- 100 bps, providing a baseline reference that can be used to appreciate potential changes in fair value in the event of interest rate fluctuations.
  - **Price risk:** the risk that the value of a financial instrument fluctuates as a result of market price movements, deriving from factors specific to the individual instrument or the issuer, and factors that influence all instruments traded on the market. Price risk relates to financial assets classified as measured at fair value through other comprehensive income ("FVTOCI") or measured at fair value through profit or loss ("FVTPL"), and certain derivative financial instruments where changes in value are recognised in profit or loss. The sensitivity analysis took into account positions potentially exposed to the highest fluctuations in value. Financial statement balances

have been subjected to a stress test, based on actual volatility during the year, considered to be representative of potential market movements.

  - **Foreign Exchange Risk**: the risk that the value of a financial instrument fluctuates as a result of movements in exchange rates for currencies other than the functional currency. Sensitivity analysis of the items subject to foreign exchange risk was based on the most significant positions, assuming a stress scenario determined by the levels of exchange rate volatility applicable to each foreign currency position. The test applies an exchange rate movement based on volatility during the year, which was considered to be representative of potential market movements.

- **Spread risk** or country risk: the risk relates to the potential fall in the value of bonds held, following a deterioration in the creditworthiness of issuers. This is due to the importance that the impact of the spread of returns on government securities had on the fair value of euro zone government securities, reflecting the market's perception of the credit rating of issuers. The value of the portfolio of bonds issued or guaranteed by the Italian government is much more sensitive to the credit risk associated with the Italian Republic than to changes in so-called risk-free interest rates. This is due to the fact that changes in credit spreads are not hedged and regard the entire securities portfolio, meaning both the fixed and variable rate components. In this latter case, in fact, fair value derivatives, used to convert variable rate instruments, hedge only the risk-free interest rate risk and not credit risk. This means that a change in the credit spread has an equal impact on both fixed and variable rate instruments. The sensitivity to the spread has been calculated by applying a shift to the yield curve for Italian government bonds. Compared to the previous year, the actual risk exposure was assessed and only a worst-case scenario of stress conditions, i.e. a shift in the curve of +100 bps, was deemed more significant in terms of potential impact on results.
- **Credit risk**: defined as the risk of default of one of the counterparties to which there is an exposure, with the exception of equities. For more detailed information on the inputs, assumptions and estimation techniques used to calculate Expected Credit Losses (ECL), please see Note *2.6 - Use of estimates - "Impairment and stage allocation for financial instruments"*.
- **Liquidity risk:** defined as the risk that an entity may have difficulties in raising sufficient funds, at market conditions, to meet its obligations deriving from financial instruments. In order to minimise this risk, Poste Italiane applies a financial policy based on diversification of the various forms of short-term and long-term borrowings and counterparties; availability of relevant credit lines in terms of amounts and the number of banks; gradual and consistent distribution of the maturities of medium/long-term borrowings; and use of dedicated analytical models to monitor the maturities of assets and liabilities.
- **Cash flow interest rate risk:** this is defined as the uncertainty related to the generation of future cash flows, due to interest rate fluctuations. Such risk may arise from the mismatch - in terms of interest rate, indexation methods and maturities - of financial assets and liabilities until their contractual and/or expected maturity (*banking book*), with effects in terms of interest spreads, reflecting on the income results of future periods. The following analysis refers to the uncertainty over future cash flows generated by variable rate instruments and variable rate instruments created through fair value hedges following fluctuations in market interest rates. Sensitivity to cash flow interest rate risk relating to these instruments is calculated by assuming a parallel shift in the yield curve of +/- 100 bps.
- **Cash flows inflation rate risk**: this is defined as the uncertainty related to the generation of future cash flows, due to fluctuations in inflation rates recorded on the market.

Operational risk

Operational risk refers to the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. This category of risk includes losses resulting from fraud, human error, business disruption, systems failures, breach of contracts and natural disasters. Operational risk includes legal risk, but not strategic and reputational risks.

To protect against this form of risk, BancoPosta RFC has formalised a methodological and organisational framework to identify, measure and manage the operational risk related to its products/processes.

The framework, which is based on an integrated (qualitative and quantitative) measurement model, makes it possible to monitor and manage risk on an increasingly informed basis.

In 2024, activities continued to refine the operational risk management framework, with the aim of making the process of recording operational losses, monitoring and reporting more efficient and mitigating such risks by cross-functional working groups. Support has also been provided to the specialist units and the owner of the process of analysing and assessing IT risk, in keeping with the approach adopted in 2023 and the monitoring of IT risk remedial plans has been enhanced. In the area of cyber risks, adjustments were made to internal regulations in connection with Regulation (EU) 2022/2554 (Digital Operational Resilience Act, "DORA").

Other activities carried out in 2024 include the assessment of the risk profile related to the assignment and outsourcing of BancoPosta RFC asset and the refinement of the model for ex-ante assessments of the risk profile related to the innovation of the BancoPosta's offering and/or specific project initiatives.

At 31 December 2024, the risk map prepared in accordance with the aforementioned framework shows the type of operational risks BancoPosta RFC's products are exposed to. Specifically:

Event type	Number of types
Internal fraud	27
External fraud	44
Employee practices and workplace safety	8
Customers, products and business practices	38
Damage caused by external events	4
Business disruption and system failure	8
Execution, delivery and process management	105
Total at 31 December 2024	**234**

For each type of mapped risk, the related sources of risk (internal losses, external losses, scenario analysis and risk indicators) have been recorded and classified in order to construct complete inputs for the integrated measurement model. Systematic measurement of the mapped risks has enabled the prioritization of mitigation initiatives and the attribution of responsibilities in order to contain any future impact.

Reputational risk

The main element of reputational risk to which Poste Italiane is, by its nature, exposed is linked to market performance and primarily associated with the placement of postal savings products and investment products issued by third-party entities (bonds, certificates and real estate funds) or by Group companies (insurance policies issued by the subsidiary, Poste Vita SpA, and mutual funds managed by BancoPosta Fondi SpA SGR).

Climate change risks

Poste Italiane is aware of the relevance in terms of its widespread presence within the territory in which it operates and of the risks to which it is exposed. In an attempt to counter these risks, considering the potential economic impacts of climate change risks, the company:

- aims to **reduce its environmental impact** and contribute to the *low-carbon* transition of the country's economy; and
- adopts a **responsible approach in carrying out its activities**.

For the proper management of environmental issues, a specific internal board Committee was set up. The role of the Sustainability Committee is to assist the Board of Directors which approves the sustainability guidelines and strategies, by supporting it in evaluating and deciding on environmental, social and governance factors.

Poste Italiane's approach to climate risk is reported extensively in the specific section of the Sustainability Statement within the Report on Operations on the management of risks and opportunities related to climate change, to which reference should be made for a complete discussion, as well as in Note 2.7 - *Climate change and the macroeconomic environment* of these financial statements.

QUANTITATIVE INFORMATION

Quantitative information is provided below on Poste Italiane SpA's exposure to financial risks.

Fair value interest rate risk

Fair value interest rate risk

Description (€m)	31.12.2023		31.12.2024			
	Risk exposure		Risk exposure		Impacts Equity reserves before taxation	
	Nominal	Fair Value	Nominal	Fair Value	+100bps	-100bps
Financial assets BancoPosta RFC						
Financial assets at FVTOCI	34,859	33,069	33,795	33,645	(1,201)	1,246
Derivative financial instruments	-	-	452	3	52	(64)
Financial assets outside the ring-fence						
Financial assets at FVTOCI	110	99	110	102	(3)	3
Financial liabilities BancoPosta RFC						
Derivative financial instruments	-	-	150	(1)	18	(23)
Total	**34,969**	**33,168**	**34,507**	**33,749**	**(1,134)**	**1,162**

Financial assets at fair value through other comprehensive income, which are relevant to the risk in question are comprised of fixed income government bonds held primarily by BancoPosta RFC, of which: fixed rate securities for €13,295 million, variable rate securities converted into fixed rate positions through interest rate swaps designated as cash flow hedges for €6,674 million, variable rate securities for €1,538 million (of which inflation-indexed bonds for €879 million) and fixed or variable rate securities (originally inflation-indexed) swapped into variable rate instruments through fair value hedge derivatives for €12,240 million (of which €2,697 million with forward starts).

Derivative financial instruments which are relevant to the risk in question relate to forward sales of government bonds with a nominal value of €602 million, classified as cash flow hedges, entered into by BancoPosta RFC.

At 31 December 2024, with reference to the interest rate risk exposure determined by the average financial duration of the portfolios and relating mainly to BancoPosta RFC, the duration[402] of overall investments went from 5.06 to 5.74.

[402] Duration is the indicator used to estimate the percentage change in price in response to a shift in market returns.

Price risk

Price risk

Description (€m)	31.12.2023	31.12.2024				
	Risk exposure	Risk exposure	Impacts Profit/(Loss) before tax		Impacts Equity reserves before taxation	
			+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days
Financial assets BancoPosta RFC						
Financial assets at FVTOCI	-	-	-	-	-	-
Equity instruments	-					
Financial assets at FVTPL	26	34	6	(6)	-	-
Equity instruments	26	34	6	(6)		
Financial assets outside the ring-fence						
Financial assets at FVTOCI	345	249	-	-	70	(70)
Equity instruments	345	249			70	(70)
Financial liabilities BancoPosta RFC						
Derivative financial instruments	(3)	(8)	(5)	5	-	-
Fair value through profit or loss	(3)	(8)	(5)	5		
Total	**368**	**275**	**1**	**(1)**	**70**	**(70)**

The financial instruments that are relevant to the price risk concern:

- **Financial assets at fair value through other comprehensive income** consisting of the shares held by the Capital outside the ring-fence in Nexi SpA;
- **Financial assets at fair value through profit or loss** relating to preferred shares held by BancoPosta RFC in Visa Incorporated. For the purpose of the sensitivity analysis, the equities are matched with the corresponding amount of the Class A shares, considering the volatility of the shares listed on the NYSE;
- **Derivative financial instruments** related to the forward sale agreement for 95,000 shares of Visa Incorporated common stock.

The shares in Moneyfarm Holding Ltd, Sennder Technologies GmbH, Milkman and Scalapay Limited classified as **Financial assets at fair value through other comprehensive** and held by Capital outside the ring-fence, are not subject to sensitivity in the above table.

Foreign exchange risk

Foreign exchange risk

Description (€m)	31.12.2023			31.12.2024						
	Position in USD	Position in GBP	Position in Euro	Position in USD	Position in GBP	Position in Euro	Impacts Profit/(Loss) before tax		Impacts Equity reserves before taxation	
							+ Vol 260 days	- Vol 260 days	+ Vol 260 days	- Vol 260 days
Financial assets BancoPosta RFC										
Financial assets at FVTPL	29	-	26	35	-	34	2	(2)	-	-
Financial assets outside the ring-fence										
Financial assets at FVTOCI	-	48	55	-	47	56	-	-	2	(2)
Financial liabilities BancoPosta RFC										
Derivative financial instruments	(3)	-	(3)	(9)	-	(8)	(2)	2	-	-
Total	**26**	**48**	**78**	**27**	**47**	**82**	**-**	**-**	**2**	**(2)**

At 31 December 2024, foreign exchange risk concerns:

- the equity investment in Visa Incorporated held by BancoPosta RFC and the related derivative financial instrument entered into on the ordinary shares;
- the equity investment in the company MFM Holding Ltd held by the Capital outside the ring-fence.

Below is also reported the risk concerning the net trading position in SDR[403] held by Poste Italiane SpA and used globally for the settlement of trade positions between Postal Operators:

Foreign exchange risk/DSP

Description (€m)	31.12.2023		31.12.2024			
	Position in DSP	Position in EUR	Position in DSP	Position in EUR	Impacts Profit/(Loss) before tax	
					+ Vol 260 days	- Vol 260 days
Current assets in SDRs	77	94	88	107	3	(3)
Current liabilities in SDRs	(67)	(82)	(64)	(78)	(2)	2
Total	**10**	**12**	**24**	**29**	**1**	**(1)**

Spread risk

The 2024 financial year was characterised by a reduction in yields on Italian government bonds (the 10-year BTP fell from 3.7% to 3.52%), which brought the BTP-Bund spread to 116 basis points compared to 168 last year. These movements led to an increase in the price of the securities in the portfolio.

Below is the result of the sensitivity analysis[404] to spread risk carried out at 31 December 2024:

Fair value spread risk

Description (€m)	31.12.2023		31.12.2024		
	Risk exposure		Risk exposure		Impacts Equity reserves before taxation
	Nominal	Fair value	Nominal	Fair value	+100bps
Financial assets attributable to BancoPosta					
Financial assets at FVTOCI	34,859	33,069	33,795	33,645	(3,346)
Derivative financial instruments	-	-	452	3	56
Financial assets outside the ring-fence					
Financial assets at FVTOCI	110	99	110	102	(3)
Financial liabilities attributable to BancoPosta					
Derivative financial instruments	-	-	150	(1)	19
Total	**34,969**	**33,168**	**34,507**	**33,749**	**(3,274)**

Financial assets at fair value through other comprehensive income concern fixed-income Government bonds held mainly by BancoPosta RFC, and recorded an overall net increase in fair value of approximately €847 million: this change was recognised in the profit or loss for €252 million for the part relating to the change in the fair value of securities hedged against interest rate risk, whilst the change in the fair value of unhedged securities and the spread risk component (not hedged) was reflected in equity for €595 million.

For the purposes of full disclosure, a movement in the spread would have no accounting effect on financial assets measured at amortised cost, but would only impact unrealised gains and losses. In other words, fixed income instruments measured at amortised cost attributable entirely to BancoPosta RFC, which at 31 December 2024 amounted to €31,108

403 Synthetic currency determined by the weighted average of the exchange rates of four major currencies (Euro, US Dollar, British Pound Sterling, Japanese Yen).

404 For sensitivity purposes, the swap rate curve and the BTP curve were used (10-year swap rate of 236 bps and the spread of the BTP compared to the 10-year swap rate of 116 bps).

million (nominal value of €30,866 million) and have a fair value of €29,647 million, would be reduced in fair value by approximately €2.8 billion following an increase in the spread of 100 bps, with the change not reflected in the accounts.

Movements in the spread have no impact on BancoPosta RFC's ability to meet its capital requirements, as the fair value reserves are not included in the computation of own funds for supervisory purposes.

Credit risk

Information on credit risk exposure is presented in the following section only for financial assets other than trade and other receivables and assets subject to impairment provisions, for which information is provided in *Note A8 - Trade receivables and Note A9 - Other receivables and assets*.

Exposure to credit risk

The exposure to credit risk of **financial assets** is shown below for which, for the purposes of applying the impairment provisions, the General impairment model is used. The analysis shows the exposure by financial asset class by stages. The amounts refer to the gross carrying amount (amortised cost before ECL), unless otherwise indicated, and do not take into account guarantees or other credit enhancements.

Credit risk - Ratings for BancoPosta RFC

Description (€m)	from AAA to AA-		from A+ to BBB-		from BB+ to C		*Not Rated*	Hedge accounting effects	Total
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2			
2024									
Financial assets at amortised cost									
Gross carrying amount	9	-	44,920	-	-	-			44,929
Provision to cover expected losses	-	-	(17)	-	-	-	-	-	**(17)**
Total amortised cost at 31 December 2024	**9**	**-**	**44,903**	**-**	**-**	**-**	**504**	**(1,082)**	**44,334**
Financial assets at FVTOCI									
Gross carrying amount	-	-	34,499	-	-	-	-		34,499
Provision to cover expected losses - OCI	-	-	(14)	-	-	-			(14)
Carrying amount - Fair value at 31 December 2024	**-**	**-**	**33,645**		**-**	**-**	**-**	**-**	**33,645**
2023									
Financial assets at amortised cost									
Gross carrying amount	-	-	44,289	-	-	-			**44,289**
Provision to cover expected losses	-	-	(23)	-	-	-			**(23)**
Total amortised cost at 31 December 2023	**-**	**-**	**44,266**	**-**	**-**	**-**	**536**	**(1,944)**	**42,858**
Financial assets at FVTOCI									
Gross carrying amount	-	-	35,512	-	-	-	-		35,512
Provision to cover expected losses - OCI	-	-	(18)	-	-	-			(18)
Carrying amount - Fair value at 31 December 2023	**-**	**-**	**33,069**		**-**	**-**	**-**	**-**	**33,069**

Credit risk - Ratings for assets outside the ring-fence

Description (€m)	from AAA to AA-		from A+ to BBB-		from BB+ to C		*Not Rated*	Hedge accounting effects	Total
	Stage 1	Stage 2	Stage 1	Stage 2	Stage 1	Stage 2			
2024									
Financial assets at amortised cost									
Gross carrying amount	-	-	441	-	-	-			441
Provision to cover expected losses	-	-	(21)	-	-	-	-	-	(21)
Total amortised cost at 31 December 2024	**-**	**-**	**420**	**-**	**-**	**-**	**4**	**-**	**424**
Financial assets at FVTOCI									
Gross carrying amount	-	-	103	-	-	-			103
Carrying amount - Fair value at 31 December 2024	**-**	**-**	**102**	**-**	**-**	**-**	**-**	**-**	**102**
2023									
Financial assets at amortised cost									
Gross carrying amount	-	-	434	-	-	-			434
Provision to cover expected losses	-	-	(21)	-	-	-	-	-	(21)
Total amortised cost at 31 December 2023	**-**	**-**	**413**	**-**	**-**	**-**	**4**	**-**	**417**
Financial assets at FVTOCI									
Gross carrying amount	-	-	101	-	-	-			101
Carrying amount - Fair value at 31 December 2023	**-**	**-**	**99**	**-**	**-**	**-**	**-**	**-**	**99**

Financial assets at amortised cost that are relevant to the risk in question refer to: fixed income instruments held by BancoPosta RFC with a gross carrying amount of €32,203 million decreased by a total of €1,095 million to take into account the effects of fair value hedges and the related impairment provision; loans and receivables with a gross carrying amount of €13,157 million, including €9,972 million relating to BancoPosta RFC and deriving from Deposits with the MEF and €414 million relating to Capital outside the ring-fence and relating to loans and current accounts receivable from subsidiaries.

Financial assets at fair value through other comprehensive income which are relevant for the risk in question concern fixed income instruments held mainly by BancoPosta RFC.

The following table also shows the counterparty concentration of credit risk by financial asset class.

Credit risk - Credit risk concentration

Description (€m)	31.12.2024		31.12.2023	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
Financial assets BancoPosta RFC				
Financial assets at amortised cost	44,929	(17)	44,289	(23)
Sovereign	39,273	(16)	38,406	(21)
Corporate	5,044	(1)	4,937	(2)
Banking	612	-	946	-
Financial assets at FVTOCI	34,499	(14)	35,512	(18)
Sovereign	34,499	(14)	35,512	(18)
Financial assets outside the ring-fence				
Financial assets at amortised cost	441	(21)	438	(21)
Corporate	440	(21)	438	(21)
Banking	1	-	-	-
Financial assets at FVTOCI	103	-	101	-
Sovereign	103	-	101	-
Total	**79,972**	**(52)**	**80,340**	**(62)**

Collateral held and other credit enhancements

For credit risk mitigation purposes, the Company adopts credit and counterparty risk mitigation tools. In particular, as regards BancoPosta RFC, counterparty risk is mitigated, with respect to hedging derivative and repurchase agreements, by entering into master netting agreements and requesting collateral in the form of cash or government securities; with reference to credit risk, there are also government guarantees on certain securities.

At 31 December 2024, the Company does not hold financial assets secured by guarantees or other risk mitigation instruments for which no loss provisions have been made (except for the temporary use of liquidity in repurchase agreements).

The main types of credit risk mitigation tools adopted by Poste Italiane are detailed below:

Fixed income instruments

Debt instruments held, mainly by BancoPosta RFC, secured by guarantees or other credit risk mitigation instruments are bonds issued by CDP SpA guaranteed by the Italian State and subscribed by BancoPosta RFC, amounting to a nominal value of €3,000 million at 31 December 2024. These are recognised as financial assets measured at amortised cost and, in determining the expected credit losses, account was taken of the PD of the Italian Republic.

Derivative financial instruments and repurchase agreements

In order to limit the counterparty risk exposure, Poste Italiane has concluded standard ISDA master agreements (with attached CSA) and GMRAs which govern the collateralisation of derivative transactions and repurchase agreements, respectively.

In addition, in order to mitigate counterparty risk and gain easier access to the market, from December 2017, BancoPosta RFC has entered into repurchase agreements with the Central Counterparty, the Cassa di Compensazione e Garanzia. As of 2021, certain derivatives entered into by BancoPosta RFC through bilateral contracts will be routed to a Qualified Central Counterparty for centralised clearing through the services provided by a clearing broker.

The calculation of positions in derivatives and repurchase agreements and the related risk mitigation instruments are illustrated in Note 5.12 *"Additional information - Offsetting financial assets and liabilities"*, to which reference should be made.

ECL measurement

The following tables show, for **Financial assets**, the reconciliation between the opening and closing balances of the ECL provisions required by IFRS 9.

Credit risk - Details of the provision to cover expected losses on financial instruments of BancoPosta RFC

Description (€m)	Financial assets at amortised cost		Financial assets at FVTOCI	
	Stage 1	Total	*Stage 1*	Total
Balance at 1 January 2024	**23**	**23**	**19**	**19**
Impairment financial instruments held at the beginning of the period	-	-	-	-
Reversal financial instruments held at the beginning of the period	(6)	(6)	(4)	(4)
Impairment financial instruments purchased/paid in the period	1	1	2	2
Reversal due to write-off	-	-	-	-
Reversal due to sale / collection	(1)	(1)	(3)	(3)
Balance at 31 December 2024	**17**	**17**	**14**	**14**

Credit risk - Details of the provision to cover expected losses on financial instruments of assets outside the ring-fence

Description (€m)	Financial assets at amortised cost		Financial assets at FVTOCI	
	Stage 1	Total	*Stage 1*	Total
Balance at 1 January 2024	**21**	**21**	**-**	**-**
Impairment financial instruments held at the beginning of the period	-	-	-	-
Reversal financial instruments held at the beginning of the period	-	-	-	-
Impairment financial instruments purchased/paid in the period	-	-	-	-
Reversal due to write-off	-	-	-	-
Reversal due to sale / collection	-	-	-	-
Balance at 31 December 2024	**21**	**21**	**-**	**-**

At 31 December 2024, estimated expected losses on financial assets at amortised cost includes €13 million for the provision related to fixed income instruments held by BancoPosta (decreased by €5 million compared to 31 December 2023) and €20 million for the provision related to the residual receivable from Invitalia SpA for the sale of Banca del Mezzogiorno-MedioCreditoCentrale SpA (unchanged compared to 31 December 2023).

At 31 December 2024, estimated expected losses on financial instruments at fair value through other comprehensive income amount to €14 million relates to the provision for government bonds held mainly by BancoPosta RFC (decreased by €5 million compared to 31 December 2023).

Liquidity risk

The comparison between liabilities and assets at 31 December 2024 is shown below:

Liquidity risk - Liabilities

Description (€m)	31.12.2024				31.12.2023			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial liabilities BancoPosta RFC	40,036	19,766	31,092	90,894	41,461	21,702	30,913	94,076
Financial liabilities Capital outside the ring-fence	1,219	2,065	719	4,003	2,117	2,006	249	4,372
Trade payables	1,696	-	-	1,696	1,967	-	-	1,967
Other liabilities	1,385	1,870	-	3,255	1,436	1,925	1	3,362
Total Liabilities	**44,336**	**23,701**	**31,811**	**99,848**	**46,981**	**25,633**	**31,163**	**103,777**

The above table shows expected cash outflows broken down by maturity and payables deriving from postal current accounts classified as Financial liabilities of BancoPosta RFC, represented on the basis of the statistic/econometric model that forecasts the interest rates and maturities typical of the volume of deposits. Repayments of principal at nominal value are increased by interest payments calculated, where applicable, on the basis of the yield curve applicable at 31 December

2024.

Liquidity risk - Assets

Description (€m)	31.12.2024				31.12.2023			
	Within 12 months	Between 1 and 5 years	Over 5 years	Total	Within 12 months	Between 1 and 5 years	Over 5 years	Total
Financial assets BancoPosta RFC	18,688	18,799	76,634	114,121	20,050	19,144	76,135	115,329
Financial assets outside the ring-fence	59	242	533	834	80	209	552	841
Trade receivables	2,475	1	-	2,476	2,774	1	-	2,775
Other receivables and assets	1,186	1,750	12	2,948	982	1,784	17	2,783
Tax credits Law 77/2020	1,833	4,152	1,727	7,712	1,760	5,178	2,378	9,316
Cash and deposits attributable to BancoPosta	4,290	-	-	4,290	4,671	-	-	4,671
Cash and cash equivalents	715	-	-	715	1,222	-	-	1,222
Total Assets	**29,246**	**24,944**	**78,906**	**133,096**	**31,539**	**26,316**	**79,082**	**136,937**

In the case of assets, cash inflows are broken down by maturity, shown at nominal value and increased, where applicable, by interest receivable. Investments include securities investments held mainly by BancoPosta RFC, shown on the basis of expected cash flows, consisting of principal and interest paid at the various payment dates.

The liquidity risk at Poste Italiane SpA is mainly attributable to inflows from BancoPosta RFC in postal current accounts and prepaid cards[405] (€74,823 million) and the related investment in Eurozone government and/or Italian government-guaranteed securities (€99,406 million), margining inherent in derivative transactions and tax credits acquired with reference to the Decreto Rilancio no. 34/2020 (later converted into Law no. 77 of 17 July 2020). The potential risk derives from a mismatch between the maturities of investments in securities and those of liabilities, represented by current accounts where the funds are available on demand, thus compromising the ability to meet its obligations to current account holders. Any potential mismatch between assets and liabilities is monitored via comparison of the maturity schedule for assets with the statistical model of the performance of current account deposits, in accordance with the various likely maturity schedules and assuming the progressive total withdrawal of deposits over a period of twenty-three years for retail customers, six years for business customers, ten years for PostePay cards and six years for Public Administration customers.

Lastly, for the proper evaluation of the liquidity risk, it is appropriate to take into account that investments in "euro-government bonds", if unencumbered, may be assimilated with highly liquid assets; these securities can be used as collateral in interbank repurchase agreements to obtain short-term financing (normally carried out in BancoPosta).

In addition, in order to meet any liquidity needs, information on the committed and uncommitted credit lines available to the Company, as well as their utilisations, are presented below:

[405] Since 1 October 2018, prepaid cards are the responsibility of Postepay SpA. The liquidity raised through these cards is transferred to BancoPosta, which invests the funds raised in euro area government bonds or bonds guaranteed by the Italian State. As such, for the purposes of specific risk analyses, the rationales related to each model underlying the different types of deposits continue to apply.

Description (€m)	Balance at 31.12.2024	Balance at 31.12.2023
Committed credit lines	**2,750**	**2,450**
Short-term loans	2,750	2,450
Uncommitted credit lines	**2,144**	**2,080**
Short-term loans	910	960
Current account overdrafts	184	184
Unsecured loans	1,050	936
Total	**4,894**	**4,530**
Committed uses	-	**-**
Short-term loans	-	-
Uncommitted uses	**648**	**525**
Short-term loans	-	-
Unsecured loans (*)	648	525
Total	**648**	**525**

(*) At 31 December 2024 unsecured loans with a value of €365 million have been used on behalf of Poste Italiane SpA and with a value €283 million on behalf of Group companies.

No collateral has been provided to secure the credit lines available.

At 31 December 2024, no committed and uncommitted credit lines were used for short-term loans.

The uncommitted credit lines are also available for overnight transactions entered into by BancoPosta RFC. In addition, from 5 December 2023, BancoPosta RFC may access a 3-year committed facility granted by Cassa Depositi e Prestiti for repurchase agreements up to a maximum of €3 billion, unused at 31 December 2024. Finally, the Bank of Italy has granted BancoPosta RFC access to intraday credit in order to fund intraday interbank transactions. Collateral for this credit facility is provided by securities with a nominal value of €2,900 million, and the facility is unused at 31 December 2024.

Lastly, at 31 December 2024 Poste Italiane SpA had an EMTN - Euro Medium Term Note programme of €2.5 billion in place, thanks to which it can raise an additional €2 billion on the capital market. As part of this programme, the first tranche with a nominal value of €500 million of the senior unsecured loan issued by Poste Italiane on 10 December 2020 was repaid in December 2024.

Cash flow interest rate risk

Cash flow interest rate risk

Description (€m)	31.12.2023	31.12.2024		
	Risk exposure	Risk exposure	Impacts Profit/(Loss) before tax	
	Nominal	Nominal	+100 bps	-100 bps
Financial assets BancoPosta RFC				
Financial assets at amortised cost	16,616	20,487	205	(205)
Financial assets at FVTOCI	8,895	11,105	111	(111)
Financial assets outside the ring-fence				
Financial assets at amortised cost	403	408	4	(4)
Cash and deposits attributable to BancoPosta	762	133	1	(1)
Cash and cash equivalents	950	670	6	(6)
Financial liabilities BancoPosta RFC				
Loans	(3,996)	(2,225)	(22)	22
Other financial liabilities	(2,831)	(1,539)	(15)	15
Financial liabilities Capital outside the ring-fence				
Loans	(125)	(690)	(7)	7
Financial liabilities due to subsidiaries	(1,340)	(930)	(9)	9
Total	**19,334**	**27,419**	**274**	**(274)**

In detail, the financial instruments relevant to the risk under comment mainly concern:

- Receivables classified as **Financial assets at amortised cost** totalling €20,895 million, of which: €1,187 million for guarantee deposits pledged as collateral for liabilities for derivative financial instruments and repurchase agreements and for the liquidity reserve deposited with CC&G for any intraday margins held by BancoPosta RFC; €9,972 million for the investment of liquidity from deposits in postal current accounts held by the Public Administration with the MEF; €408 million for loans and current accounts with subsidiaries relating to Capital outside the ring-fence;
- Fixed-income government securities held by BancoPosta RFC, of which €9,327 million classified as **Financial assets at amortised cost** and €11,105 million classified as **Financial assets at fair value through other comprehensive income**. In particular, variable rate securities with a total nominal value of €650 million, fixed rate securities converted to variable rate positions by entering into fair value hedge derivative contracts with a total nominal value of €17,212 million (of which €2,351 million in securities whose fair value hedges begin to produce their effects in the 12 months following the period under review) and securities with a total nominal value of €2,570 million with an inflation-linked yield, subject to fair value hedges.
- **Cash and cash equivalents** of which €346 million for the deposit held with the MEF on the operating current account known as the "Buffer" account and bank deposits at variable interest of approximately €324 million held mainly by the Capital outside the ring-fence (€75 million at 31 December 2023);
- **Financial liabilities attributable to BancoPosta RFC**, including €2,225 million for loans relating to variable rate repurchase agreements and €1,539 million for guarantee deposits received as collateral for derivative financial instruments and repurchase agreements;
- Variable rate loans classified as **Financial liabilities outside the ring-fence**, of which €450 million was contracted with the EIB in November 2024.

Cash flow inflation risk

Cash flow inflation rate risk

Description (€m)	31.12.2023 Risk exposure		31.12.2024 Risk exposure	
	Nominal	Carrying amount	Nominal	Carrying amount
Financial assets BancoPosta RFC				
Financial assets at FVTOCI	1,009	1,116	783	879
Fixed income instruments	1,009	1,116	783	879
Financial assets at amortised cost	292	328	242	280
Fixed income instruments	292	328	242	280
Total	**1,301**	**1,444**	**1,025**	**1,159**

At 31 December 2024, cash flow inflation risk relates to inflation-linked government securities not subject to cash flow hedges or fair value hedges and are held entirely by BancoPosta RFC. The results of the sensitivity analyses performed on these securities do not show any significant effects on the pre-tax result.

5.7 FAIR VALUE OF FINANCIAL INSTRUMENTS

5.7.1 FAIR VALUE MEASUREMENT TECHNIQUES

Poste Italiane has adopted a Fair value policy, setting out the general principles and rules to be applied in determining fair value for the purposes of preparing the financial statements, conducting risk management assessments and supporting the market transactions carried out by the Finance function. The general principles for measuring financial instruments at fair value have not changed since 31 December 2023 and have been identified in compliance with the guidelines from the relevant accounting standards and by the Bank of Italy. The methods used have been revised, where necessary, to take into account developments in operational procedures and in market practices during the year.

In compliance with **IFRS 13** - *Fair Value Measurement*, the following section provides information regarding the techniques used to measure the fair value of financial instruments within Poste Italiane.

The assets and liabilities concerned (specifically assets and liabilities measured at fair value and measured at cost or amortised cost, for which fair value is required to be disclosed in the notes) are classified with reference to a hierarchy that reflects the materiality of the sources used for their valuation.

The hierarchy consists of the following 3 levels.

Level 1: this level is comprised of fair values determined with reference to unadjusted prices quoted in active markets for identical assets or liabilities to which the entity has access on the measurement date. For Poste Italiane the following categories of financial instrument apply:

Bonds quoted on active markets:

- **Bonds issued by EU governmental entities or non-governmental entities:** measurement is based on bid prices, according to a hierarchy of sources where the MTS (the wholesale electronic market for government securities) ranks first, MILA (Milan Stock Exchange) second, for bonds intended for retail customers, and the CBBT (Composite Bloomberg Bond Trader);
- **Financial liabilities:** measurement is based on the ask prices quoted by CBBT (Composite Bloomberg Bond Trader).

Equity instruments quoted on active markets: the valuation is made considering the price resulting from the last contract traded on the day on the relevant stock exchange.

Level 2: this level is comprised of fair values based on inputs other than Level 1 quoted market prices that are either directly or indirectly observable for the asset or liability[406]. For Poste Italiane the following categories of financial instrument apply:

Bonds either quoted on inactive markets or not at all:

- **Straight government and non-government bonds:** valuation is based on discounted cash flow techniques involving the computation of the present value of future cash flows, inputting rates from yield curves incorporating spreads reflecting credit risk that are based on spreads determined with reference to quoted and liquid benchmark securities issued by the issuer, or by other companies with similar characteristics to the issuer. Yield curves may be slightly adjusted to reflect liquidity risk relating to the absence of an active market.

Unquoted equities: this category may be included here provided it is possible to use the price of quoted equities of the same issuer as a benchmark. The price inferred in this manner would be adjusted through the application of the discount,

[406]Given the nature of Poste Italiane's operations, the observable data used as input to determine the fair value of the various instruments include, for example, quoted prices provided by third parties (pricing or brokerage services), yield and inflation curves, exchange rates provided by the European Central Bank, ranges of rate volatility, inflation option premiums, interest rate swap spreads or credit default spreads which represent the creditworthiness of specific counterparties and any liquidity adjustments quoted by primary market counterparties.

quoted by primary market counterparties, which represents the implicit cost in the process to align the value of the unquoted shares to the quoted ones.

Derivative financial instruments:

- ***Interest Rate Swaps***:

Plain vanilla interest rate swaps: valued using discounted cash flow techniques, involving the computation of the present value of future differentials between the receiver and payer legs of the swap. The construction of yield curves to estimate future cash flows indexed to market parameters (money market rates and/or inflation) and computation of the present value of future differentials are carried out using techniques commonly used in capital markets.

Interest rate swaps with an embedded option: valuation is based on a building block approach, entailing decomposition of a structured position into its basic components: the linear and option components. The linear component is measured using the discounted cash flow techniques described for plain vanilla interest rate swaps above. Using the financial derivatives held in the Poste Italiane's portfolio as an example, the option component is derived from interest rate or inflation rate risks and is valued using a closed form expression, as with classical option valuation models with underlyings exposed to such risks.

- ***Bond forwards*:** valuation is based on the present value of the differential between the forward price of the underlying instrument as of the measurement date and the settlement price.
- **Currency forwards:** valuation is based on the differential between the reciprocal currency registered at the measurement date and the reciprocal currency fixed at the trade date.

The financial derivatives held in Poste Italiane's portfolio may be pledged as collateral and the fair value, consequently, need not be adjusted for counterparty risk. The yield curve used to compute present value is selected to be consistent with the manner in which cash collateral is remunerated. This approach is also followed for security in the form of pledged debt securities, given the limited level of credit risk inherent in the securities held as collateral by Poste Italiane.

In the rare instances where collateral agreements do not substantially reduce counterparty risk, measurement takes place by discounting to present value the cash flows generated by the securities held as collateral, using as the input a yield curve that reflects the spread applicable to the issuer's credit risk. Alternatively, use is made of fair value to calculate the CVA/DVA (Credit Valuation Adjustment / Debit Valuation Adjustment), in relation to the main technical and financial characteristics of the agreements and the counterparty's probability of default.

Reverse Repos: are valued using discounted cash flow techniques involving the computation of future contractual cash flows. These instruments may also be used for collateral and in such cases fair value need not be adjusted for the counterparty's credit risk.

Financial liabilities either quoted on inactive markets or not at all:

- **Borrowings:** these are measured by discounting their future cash flows using as input a yield curve reflecting the spread applicable to the credit risk.
- **Repurchase agreements:** are valued using discounted cash flow techniques involving the computation of future contractual cash flows. Repos may also be used for collateral and in such cases fair value need not be adjusted for the counterparty's credit risk.

Level 3: this category includes the fair value measurement of assets and liabilities using inputs which cannot be observed, in addition to Level 2 inputs. For Poste Italiane the following categories of financial instrument apply:

Investment property (excluding former service accommodation) and inventories of properties held for sale: The fair value of both investment property and inventories has been determined mainly by discounting to present value the cash flows expected to be generated by the rental agreements and/or proceeds from sales, net of related costs. The process uses a discount rate that considers analytically the risks typical of the property.

Investment property (former service accommodation): the value of this investment property is determined on the basis of the applicable law (Law 560 of 24 December 1993), which sets the selling price in case of sale to the tenant or the minimum selling price if the property is sold through a public auction.

Unquoted equity instruments: this category includes shares for which no price is observable directly or indirectly in the market. Measurement of these instruments is based on the price of quoted equities of the same issuer as a benchmark. The price inferred in this manner would be adjusted through the application of the discount implicit in the process to align the value of the unquoted shares to the quoted ones. In the specific case of equities relating to unlisted companies at the "start-up" phase, fair value is instead determined by considering the implicit valuation at the time of acquisition, adjusted by value adjustments to take account of any changes in price resulting from[407] significant transactions observable on the market in the 12 months prior to the reporting date. Alternatively, and in the absence of significant transactions, the *fair value* of the share is determined using alternative methods (verification of financial data that can be inferred from the company's Business Plans if available and analysis of the company's performance, multiple market use, etc.).

Tax credits Law no. 77/2020: this category includes credits acquired with reference to the Decreto Rilancio no. 34/2020 (later converted into Law no. 77 of 17 July 2020) for which no directly or indirectly observable market prices are available. For this type of instrument, the method of determining fair value involves the application of the discounted cash flow valuation technique, which consists of discounting cash flows to maturity using the yield curve constructed by adding to the risk-free rate curve the extra yield calculated starting from the price at the date of purchase of the receivables. The spread remains fixed for the life of the instrument.

Forwards on unquoted equities: for these instruments, the valuation of the counterparty is recalculated by discounting the difference between the forward price of the equity security underlying the derivative updated to the valuation date and the settlement price.

5.7.2 FAIR VALUE HIERARCHY

The following table shows an analysis of financial instruments measured at fair value at 31 December 2024, classified by level in the fair value hierarchy.

Fair value hierarchy

Description (€m)	31.12.2024				31.12.2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets BancoPosta RFC	33,476	2,866	16	36,358	32,901	4,425	26	37,352
Financial assets at FVTOCI	33,476	169	-	33,645	32,901	168	-	33,069
Fixed income instruments	33,476	169	-	33,645	32,901	168	-	33,069
Financial assets at FVTPL	-	18	16	34	-	-	26	26
Equity instruments	-	18	16	34	-	-	26	26
Derivative financial instruments	-	2,679	-	2,679	-	4,257	-	4,257
Financial assets outside the ring-fence	351	-	207	558	444	-	201	645
Financial assets at FVTOCI	351	-	207	558	444	-	192	636
Fixed income instruments	102	-	-	102	99	-	-	99
Equity instruments	249	-	207	456	345	-	192	537
Financial assets at FVTPL	-	-	-	-	-	-	9	9
Convertible bond	-	-	-	-	-	-	9	9
Total assets at fair value	**33,827**	**2,866**	**223**	**36,916**	**33,345**	**4,425**	**227**	**37,997**
Financial liabilities BancoPosta RFC	-	(1,348)	(8)	(1,356)	-	(1,136)	(2)	(1,138)
Derivative financial instruments	-	(1,348)	(8)	(1,356)	-	(1,136)	(2)	(1,138)
Total liabilities at fair value	**-**	**(1,348)**	**(8)**	**(1,356)**	**-**	**(1,136)**	**(2)**	**(1,138)**

[407] A significant transaction in this context is defined as a minimum investment of €10 million or at least 5% of the share capital of the investee entity over the last twelve months from the reporting date.

There were no transfers of the related financial instruments measured at fair value on a recurring basis between Level 1 and Level 2 in the year under review.

Movements in Level 3 during the year are shown below:

Changes in financial instruments - level 3

Description (€m)	Financial assets		Total
	Financial assets at FVTOCI	Financial assets at FVTPL	
Balance at 1 January 2024	**192**	**35**	**227**
Purchases/Issues	-	-	-
Changes in fair value through profit or loss	-	4	4
Changes in fair value through equity	5	-	5
Transfers to other levels	-	(13)	(13)
Other changes	10	(10)	-
Balance at 31 December 2024	**207**	**16**	**223**

Financial assets measured at FVTOCI classified in Level 3 are held by Capital outside the ring-fence. Other changes for the year totalling €10 million relate to the early conversion of the bond issued by sennder Technologies GmbH, classified as financial assets at fair value through profit or loss, into shares of the same.

Financial assets measured at FVTPL, held by BancoPosta RFC, relate to Visa Incorporated Series C Convertible Participating Preferred Stocks. In particular, following the conversion of part of the Series C shares into Series A Preferred Stocks on 19 July 2024, approximately €13 million of the C shares were reclassified from Level 3 to Level 2.

5.8 HEDGING TRANSACTIONS

Below is a description of the hedging transactions implemented by Poste Italiane divided between fair value hedges and cash flow hedges and to which the related accounting rules set forth in IFRS 9 - *Financial Instruments* to which Poste Italiane has transitioned with retroactive effect as of 1 January 2024 are applied, as better described in Section *2.4– Changes to accounting policies*. The fair value hedges and cash flow hedges described below refer mainly to fixed income instruments or inflation-indexed securities held by BancoPosta RFC.

Hedging transactions - Fair value hedges

Fair value hedges refer to the following types of hedged items:

- fixed income government bonds;
- inflation-indexed government bonds; and
- repurchase agreements.

In order to hedge the risks associated with these elements and described in the following paragraphs, Poste Italiane enters into derivative financial transactions and assesses the effectiveness of the derivative designated in each hedging relationship in order to verify that the following effectiveness criteria are met:

- the existence of an economic relationship between the hedging instrument and the hedged item;
- the effect of credit risk does not prevail over the changes in value deriving from the economic relationship;
- the hedge ratio used for hedge accounting purposes is the same as that used for risk management purposes.

These assessments are made on an ongoing basis at each reporting date, or when there is a significant change in the drivers affecting individual hedging relationships.

The requirements of hedge effectiveness can be assessed on the basis of a qualitative assessment of the critical terms[408] only in cases where the hedging instrument and the related hedged instrument are perfectly aligned and their fair values move speculatively in opposite directions.

In cases where the qualitative analysis reveals potential sources of ineffectiveness and consequently the critical terms approach is not applicable, Poste Italiane performs a quantitative assessment of the hedging relationship in order to intercept, at source, all potential sources of ineffectiveness that could impact the valuation of the hedging relationship (hedge relationship).

In order to measure ineffectiveness at each reporting date, Poste Italiane uses the "Dollar offset approach through the hypothetical derivative[409]". This approach consists of comparing the changes in fair value of the hedging instrument and the hedged item between the inception date of the hedging relationship and the reporting date. The hedged item considered for the use of the Dollar Offset method is the hypothetical derivative. The hypothetical derivative and the actual hedging instrument have a settlement date consistent with the hedge inception (spot or forward start) and differ solely in their spread

[408] The critical terms approach involves a comparison between the critical terms of the hedging instrument with those of the hedged item. The hedging relationship is highly effective when all the critical terms of the two instruments match perfectly and there are no features or options that might invalidate the hedge. Critical terms include, for example: notional amount of the derivative and principal of the underlying, credit risk, timing, currency of the cash flows.

[409] The Dollar offset method is a quantitative method that involves a comparison between movements in the fair value or cash flow of the hedging instrument and the movements in the fair value or cash flow of the hedged instrument attributable to the risk hedged. Depending on the policy selected, this approach can be used:

- on a cumulative basis, by observing the performance of the hedge since inception;
- on a periodic basis, by comparing the hedge performance with that of the last test.

The dollar offset method can be implemented through a hypothetical derivative, that is by constructing a theoretical derivative to compare the relevant theoretical movements in far value or cash flow with those of the hedged instrument (actual derivative).

which is considered, as already indicated, the main source of ineffectiveness[410]. The partial ineffectiveness of the hedge, equal to the difference between the changes in value of the two derivatives (hypothetical and actual) represents the net effect of the hedge recognised separately in profit or loss.

The risk management strategy and how it is applied by type of hedged item are defined below.

Hedging transactions on fixed-income and inflation-linked government bonds

Poste Italiane has a government bond portfolio – made up of fixed rate BTPs and inflation-linked BTPs – subject to movements in fair value due to changes in interest rates and in the inflation rate.

To limit the effects of interest rates on fair value, the Company enters into Over the Counter (OTC) interest rate swaps to hedge the fair value of the bonds held in the portfolio. The objective of these transactions is to have instruments that can offset changes in fair value of the portfolio due to interest rate fluctuations and the rate of inflation. The credit risk of the Italian Republic is not hedged and is set for the duration of the swap.

Full hedges and partial hedges are implemented, with the start date equal to the date of purchase of the instrument (swap spot start) and after the purchase of the instrument (swap forward start), respectively.

In addition to what has been reported in the previous paragraph on the methods used to verify the existence of the requirements of effectiveness of fair value hedges, it should be noted that Poste Italiane also carries out a prospective assessment of the hedge using different approaches depending on the characteristics of the hedging instrument. Specifically:

- the "Critical terms" approach for swap spot starts, for which it has been determined at inception that the characteristics of the fixed leg make it possible to replicate exactly the fixed cash flows generated by the hedged item;
- the "Dollar offset through the hypothetical derivative" approach for forward start swaps, for which the prospective effectiveness test is performed by calculating the hedge ratio between the change in fair value of the hypothetical derivative and the change in fair value of the actual derivative[411].

Hedging on repurchase agreements

Poste Italiane carries out transactions in repurchase agreements, on euro-government securities or with the guarantee of the Italian state for various purposes, including to invest in government securities, to meet liquidity needs arising from the dynamics of funding on current accounts, and to actively manage the treasury position and deposits as collateral for collateralisation transactions. These transactions are mainly fixed rate transactions and are therefore exposed to changes in *fair value* due to fluctuations in interest rates.

To limit the effects of interest rates on fair value, the Company enters into Over the Counter (OTC) interest rate swaps to hedge the fair value of the repurchase agreements held in the portfolio.

In addition to what is reported in the previous paragraph on the methods used to verify the existence of the effectiveness requirements of fair value hedges, it is specified that Poste Italiane also carries out a prospective hedge valuation adopting the "Dollar offset through the hypothetical derivative" approach, carried out by calculating the Hedge Ratio as the ratio

[410] With reference to Repos, hedging is performed by defining the variable-rate component simply indexed to Euribor and the fixed-rate component incorporating market conditions. The hypothetical derivative uses the mid-market fixed rate, which makes the present value at the settlement date equal to zero, while the actual derivative uses the interest rate agreed upon with the counterparty.

[411] Calculated by assuming a parallel shift of + / - 100 bps of the yield curves.

between the change in the fair value of the hypothetical derivative and the change in the fair value of the effective derivative[412].

Effects of fair value hedging transactions on profit or loss and financial position

The following tables present the time distribution by contractual residual maturity of fair value hedging derivatives as well as the statement of financial position and profit or loss effects of this type of hedging transaction.

Time distribution based on remaining duration of fair value hedge contracts

(€m)	Maturity			
	Up to 1 year	1 - 5 years	Over 5 years	Total
Fair value hedges - Interest rate risk				
Interest rate swaps				
Nominal	-	-	24,452	24,452

Fair value hedges - Interest rate risk

(€m)	Nominal	Carrying amount*		Accumulated amount of fair value hedge adjustments on the hedged item		Change in value used to recognise ineffective portion of hedge	Accumulated amount of fair value hedge adjustments on the hedged item in case of discontinuing
Hedged items		Assets	Liabilities	Assets	Liabilities		
Fixed income instruments, of which:							
at amortised cost		11,392	-	(1,082)		207	(109)
at FVTOCI		12,240	-			252	(46)
Repurchase agreements		-	-		-	(38)	-
Hedging instruments							
Interest rate swaps	24,452	2,667	(806)			(423)	
Profits/(losses) on hedging recognised in P&L						**(2)**	

**Not including expected credit loss provisions.*

Hedging transactions – Cash flow hedges

Hedging transactions on inflation-linked government bonds and forecast transactions

To limit the exposure to interest rate risk deriving from the need to reinvest the cash generated by maturing bonds held in portfolio, Poste Italiane enters, if necessary, into forward purchases. In addition, to pursue the stabilisation of returns, forward sales are entered into. These derivatives qualify as cash flow hedges of forecast transactions.

In addition, Poste Italiane has a portfolio of inflation-linked BTPs subject to cash flow variability in relation to inflation.

To limit the effects of interest rates on cash flows deriving from the types of instruments described previously, Poste Italiane enters into OTC interest rate swaps or inflation swaps to hedge the cash flows of the bonds held in portfolio. The objective of these transactions is to stabilise until maturity the return of the instrument, regardless of movements of the variable parameter.

Poste Italiane evaluates the effectiveness of the designated derivative in every hedging relationship in the stabilisation of cash flow changes of the hedged instrument through a qualitative and quantitative test.

With regard to the hedges of forecast transaction, in cases where the qualitative analysis of critical terms reveals potential sources of ineffectiveness and, consequently, the critical terms approach is not applicable, Poste Italiane performs a quantitative assessment of the hedging relationship in order to intercept, at source, all potential sources of ineffectiveness that could impact the measurement of the hedge relationship.

In said context, in order to limit the ineffectiveness at each reporting date, the quantitative test involves the calculation of a hedge ratio defined as the ratio of the difference between the fair value of the forward transaction entered into with the

412 Calculated by assuming a parallel shift of + / - 100 bps of the yield curves.

counterparty on the test and inception date and the present value of the difference between the theoretical forward price of the BTP calculated as of the test and inception date[413].

For the purposes of the prospective effectiveness test, the critical terms approach is applied, considering at inception the consistency between the hedging instrument and the hedged item on the basis of the qualitative characteristics of the contracts[414].

With regard to the hedging of inflation-indexed securities, in cases where the qualitative analysis of the "Critical terms" reveal potential sources of ineffectiveness and, consequently, the critical terms approach is not applicable, Poste Italiane performs a quantitative test by considering the ratio (Hedge Ratio) between the change in the fair value of the derivative actually entered into and the change in the fair value of the hypothetical derivative, occurring in the time interval between the date the transaction was entered into and the valuation date.

The hypothetical derivative and the actual derivative have the settlement date that matches the inception of the hedge and differ in terms of their fixed income component[415]. Moreover, for the derivatives used to hedge inflation-linked BTP, the fair value at the settlement date reflects also the interest accrued of the instrument accrued from the latest interest payment date to the date of settlement of the derivative. As such, both are considered the main sources of ineffectiveness.

The change in fair value of the actual derivative is recognised through equity, for the effective portion of the hedge, while the change in fair value of the ineffective portion is recognised through profit or loss.
For the purposes of the prospective hedge effectiveness test, different approaches have been applied, depending on the characteristics of the hedging swap. Specifically:

- the "Critical terms" approach for derivatives for which it has been determined at inception that the characteristics of the indexed leg of the swap make it possible to replicate exactly the variable cash flows generated by the hedged item;
- the "Dollar offset through the hypothetical derivative" approach for derivative contracts with a fixed rate applicable to a nominal amount growing constantly at six-month intervals until the derivative expires. For these contracts the prospective effectiveness test is performed by calculating the hedge ratio between the change in fair value of the hypothetical derivative and the change in fair value of the actual derivative[416].

Effects of cash flow hedges on profit or loss and financial position

The following tables present the time distribution by contractual residual maturity of cash flow hedging derivatives, the effects on profit or loss and financial position of this type of hedging transactions, and the effects of cash flow hedges on other comprehensive income.

The average interest rate of the interest rate swaps shown represents the contractually expected average fixed rate of the hedging transaction by maturity band.

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[413] Assuming a perfect match between the forward prices of the counterparties and the theoretical forward prices, the hedge ratio is always equal to 100%. As such, there are no sources of ineffectiveness.
[414] The notional amount of the forward contract must be set, at the settlement date, as equal to the nominal amount of the instrument in case of purchase, and equal or lower than the nominal amount of the instrument in case of sale. The underlying of the forward contract must coincide with the instrument that must be purchased or sold (in this case it must be an instrument in the portfolio) at the settlement date. The settlement date must be the same as the date on which the cash flow to be hedged is expected, in case of forward purchase, or must be related to the year in which the total return must be stabilised, in case of forward sale.
[415] The hypothetical derivative uses the fixed rate, which makes the present value at the settlement date equal to zero, while the actual derivative uses the interest rate agreed upon with the counterparty.
[416] Calculated by assuming a parallel shift of + / - 100 bps of the yield curves.

Time distribution based on remaining duration of cash flow hedge contracts

(€m)	Maturity			
	Up to 1 year	1 - 5 years	Over 5 years	Total
Cash flow hedges - Interest rate risk				
Forward sales				
Nominal	602	-	-	602
Settlement price	547	-	-	547
Interest rate swaps				
Nominal	-	609	5,347	5,956
Average rate %	-	4.832%	4.073%	4.151%

Cash flow hedges - Rate risk

(€m)	Nominal	Carrying amount		Change in value used to recognise ineffective portion of hedge	Cash flow hedge		
Hedged items		Assets	Liabilities		Hedge reserve	Discontinued	
Fixed income instruments, of which: at FVTOCI		6,674	-	26			
Hedging instruments							
Forward purchases	-	-	-	-	42	-	-
Forward sales	602	3	(1)	2	2	-	-
Interest rate swaps	5,956	9	(541)	(28)	(396)	-	-
Profits/(losses) on hedging recognised in P&L				-			

Impact on OCI of cash flow hedges - Rate risk

(€m)	Profits/(losses) on hedging recognised in OCI, period fair value (inc./dec.)	Transfers to profit or loss:	
		Hedge accounting effects	Discontinued
Fixed income instruments	111	(48)	-
Total	**111**	**(48)**	**-**

Reform of reference indices for determining interest rates

The reform of key interest rate benchmarks, called the "InterBank Offered Rate (IBOR) Reform", involved regulators in various jurisdictions around the world with the aim of replacing some interbank rates with risk-free alternative rates and preparing guidelines to update contract models.

Currently, the main benchmarks for the euro area are:

- the Euro Short Term Rate - ESTR (administered by the European Central Bank and published as of 2 October 2019) which replaced the Euro OverNight Index Average (EONIA - no longer listed as of 1 January 2022) redefining it as ESTR plus 8.5 bps;
- the EURIBOR (administered by the European Money Market Institute), whose reform process ended in November 2019.

Poste Italiane holds financial instruments indexed to both ESTR and EURIBOR. The latter continues to be quoted daily and the related cash flows continue to be exchanged with counterparties as usual. In relation to this parameter, there is therefore no uncertainty resulting from the IBOR reform on 31 December 2024. These instruments are subject to daily collateralisation remunerated at ESTR plus 8.5 bps (formerly EONIA).
In addition, Poste Italiane holds interest rate swaps designated as fair value hedges that have the variable "leg" index to the EURIBOR, with a notional amount of €24,452 million. With particular reference to almost all of these instruments, the cash flows at 31 December 2024 are discounted at the EONIA rate defined as ESTR plus 8.5 bps and not at the ESTR rate as defined in the contracts in place with the counterparties.

5.9 CONTINGENT LIABILITIES AND MAIN PROCEEDINGS PENDING WITH THE AUTHORITIES

CONTINGENT LIABILITIES

The following information is provided in accordance with accounting standard IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*.
At 31 December 2024, there were 26 judicial and extrajudicial disputes pending for which the risk of losing is assessed as possible. The total amounts stand at approximately €31 million, plus interest. The main outstanding disputes, of an individually insignificant amount, relate to litigation brought by third parties in various capacities.

It should be noted that the Company, in view of the large number of disputes brought by third parties, makes an assessment on a probabilistic historical basis, for cases with individually non-significant claims, reflected in the provisions for risks and charges.

MAIN PROCEEDINGS PENDING WITH THE AUTHORITIES

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

On 3 October 2018, Poste Italiane proceeded to pay the fine of €23 million plus interest due to the Authority's ruling in January 2018, that Poste Italiane had abused its dominant market position in the period from 2014 to 2017 (proceedings **A493**), as per art. 102 of the TFEU. This did not constitute acceptance or admission of liability in relation to the alleged misconduct and does not affect the Company's right to defend its position through the appropriate channels. Poste Italiane challenged the above-mentioned measure before the Lazio Regional Administrative Court, which, with ruling no. 13477/2023, rejected the appeal. Poste Italiane appealed to the Council of State. The setting of the hearing is scheduled for 16 December 2025.

On 19 November 2019, the AGCM initiated proceedings **PS/11563** against **Poste Italiane** in order to ascertain allegedly unfair commercial practice in the delivery of mail and, in particular, registered mail, in possible violation of articles 20, 21 and 22 of the Consumer Code. In particular, according to some customers: i) the advertised features of the "registered mail delivery" service are not reflected in the service actually provided; ii) the advertising for the "digital registered mail collection" service does not make it clear that the service may no longer be free of charge in the near future and that, in any case, there are restrictions on its use, since it can only be accessed if the sender has authorised it. At the conclusion of the proceedings, by way of a measure notified on 15 September 2020, the Authority imposed an administrative fine of €5 million, payment of which was made on 5 January 2021. The Authority acknowledged that Poste had correctly complied with the provision. However, the company appealed to the Lazio Regional Administrative Court, which was not successful, and appealed to the Council of State. The Council of State in its judgement no. 3175 of 5 April 2024 upheld the appeal limited to a reduction of the penalty by 50%. Following the repayment request submitted by the Company, the Authority resolved to grant approval for the return of approximately €2.5 million (plus legal interest) from MIMIT, as the difference between the penalty recalculated by the Authority and the sums already paid by Poste Italiane. The Ministry of Enterprise and Made in Italy (MIMIT) made the payment in 2024.

On 6 April 2020, pursuant to art. 9, paragraph 3-bis of Law 192/98 and art. 14 of Law 287/90, the AGCM initiated proceedings **A539** against **Poste Italiane**, following a complaint by a third-party supplier that Poste Italiane had presumably imposed unjustifiably burdensome contractual clauses. In particular, following the termination of contractual relations in mid-2017, the supplier was not, in fact, able to otherwise offer the services it was providing on the market because of the obligation to comply with rules and organisational parameters considered such as to make the company structure excessively rigid, making it unsuitable to operate with parties other than Poste Italiane. At the conclusion of the proceedings, by way of a measure notified on 6 August 2021, the Authority imposed an administrative fine of more than €11 million for abuse of economic dependence, payment of which was made on 6 September 2021. Poste Italiane appealed against the above-mentioned measure before the Lazio Regional Administrative Court (TAR), which found that Poste Italiane's actions were lawful and annulled the sanction with ruling no. 10044/23 issued on 13 June 2023. AGCM appealed against the Lazio Regional Administrative Court's ruling on 10 October 2023, while Poste Italiane lodged a cross-appeal on 9 November 2023. The court merit is set for 17 July 2025.

By means of a measure adopted at a meeting held on 30 January 2024 and notified to Poste Italiane on 7 February 2024, the AGCM, without taking into account the exemption enjoyed by Poste Italiane from the application of Article 14 of Law 287/1990, initiated investigative proceedings against the Company in order to ascertain the existence of a possible breach of Article 8, paragraph 2-quater of the aforesaid Law. At the same time, the Authority initiated proceedings to verify the actual existence of the requirements for the adoption of precautionary measures pursuant to Article 14-bis of the same Law. Specifically, the Authority observed that Poste Italiane, through its subsidiary PostePay SpA, is active in the electricity and gas supply sector and has allegedly denied two of the latter's competing companies access - pursuant to Article 8, paragraph 2-quater of Law no. 287/90 - to the resources made available to PostePay, which it has exclusive access to as a result of its activities within the perimeter of the universal postal service. On 14 February, the Company filed its memorandum in the precautionary proceedings, contesting the Authority's approach and, in particular, the non-application of the provisions of Article 1, paragraph 6 of Law Decree no. 59/2021 as amended and supplemented, exempting Poste from the application of Article 8, paragraph 2-quater, of Law 287/1990 until 31 December 2026. On 2 April 2024, the AGCM notified Poste of Order no. 31138 by which it decided to adopt precautionary measures pursuant to Article 14-bis of Law no. 287/1990. The Company challenged the measure in court. The Council of State on 20 May 2024 upheld the appeal and cautiously suspended the effectiveness of the precautionary measures. At its meeting on 16 July 2024, the Authority passed the final decision notified to the Company on 19 July. The AGCM is of the opinion that there are no grounds to justify an absolute refusal such as the one opposed by Poste to the persons requesting access pursuant to Article 8, paragraph 2-quater, and that such refusal is not justified, since the exemption provided for in Article 1, paragraph 6 of Law Decree no. 59/2021 (the "Polis Waiver") does not extend to all Post Offices but only to those included in the Polis Project. According to the Authority, the access methods pursuant to Article 8, paragraph 2-quater must in any case be defined by Poste Italiane on the basis of the negotiating autonomy granted to it and on the basis of the information at its sole disposal, in order to reasonably and proportionately balance the conflicting needs related to access requests and the protection of other interests. For these reasons, Poste Italiane shall guarantee, to PostePay's competitors who so request, access pursuant to Article 8, paragraph 2-quater to all Post Offices not included in the Polis Project, according to modalities defined by Poste Italiane, which need not be identical to those guaranteed to PostePay. To this end, Poste Italiane must appoint a trustee ("Monitoring Trustee") responsible for monitoring compliance with the obligations set forth in Article 8, paragraph 2-quater, submitting the appointment to the Authority for approval, within sixty days from the notification of the measure. However, it is necessary to point out that Article 8, paragraph 2-quater was repealed by Law Decree no. 113 of 9 August 2024 (Article 10, paragraph 2), converted into Law no. 143 of 7 October 2024, with the consequent disappearance of the access obligations for Poste Italiane. In any event, in order to assert the legitimacy of its actions regardless of the effects of the repeal of the rule in question, on 18 October 2024 the Company challenged the provision before the Lazio Regional Administrative Court.

On 22 April 2024, the AGCM notified **Poste Italiane** of the notice of initiation of proceeding **PS/12768** and the simultaneous request for information, in relation to certain anti-fraud messages that holders of BancoPosta and PostePay accounts, who use the services through the relevant Apps (installed on Android devices), allegedly received when accessing them, starting from the first days of April. According to the AGCM, the Company's conduct would constitute an aggressive or in any case unfair commercial practice, in that users would be "induced" to allow access to their data in a situation of undue conditioning, since failure to consent - after three accesses - would preclude them from continuing to use BancoPosta and

PostePay services via the App. On 13 May 2024, Poste Italiane sent the AGCM a memorandum in which it replied to the request for information and to the objections contained in the writ. On 6 June 2024, the Company filed the integration of the previous defence memorandum and the commitment form containing the initiatives it undertakes to implement (subject to integration/amendment), on a voluntary basis, aimed at eliminating the Authority's alleged critical issues, without lending acquiescence to the objections raised in the proceedings. Some of the commitments presented were subsequently implemented by the Company, which, on 18 July 2024, replied to the second request for information on certain aspects that had emerged during the technical hearing with the Authority held on 18 June 2024 (e.g. on the subject of Bank of Italy controls and indications and the results of anti-fraud activities). On 10 September 2024, the Authority communicated to Poste Italiane the rejection of the commitments, deeming them "unsuitable to remedy the aspects of possible unfairness subject to investigation, insofar as they consist for the most part in merely informative measures, as such not responding to the critical issues contested at the time of the opening of the proceedings relating to the elements of aggressiveness, or in any case not resolving the objections formulated" and extending the deadline for the conclusion of the proceedings by 60 days (18 November 2024). On 26 September, the Authority sent a further request for information to which Poste Italiane replied on 17 October. On 11 November 2024, Poste Italiane filed an application to reopen the obligations' sub-proceedings with the simultaneous submission of a further measure, which was rejected by the Authority.

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

Law Decree 201 of 6 December 2011, converted into Law 214 of 22 December 2011, transferred responsibility for regulation and supervision of the postal sector to the Italian Communications Authority (AGCom).

Following transposition into Italian law of the third European postal services directive (Directive 2008/6/EC), the so-called "net avoided cost" method has been applied in quantifying the cost of the universal service"[417].

In this regard, with reference to the audits carried out by the Authority for the years 2011 to 2016[418], the Company had filed an appeal with the Regional Administrative Court, but subsequently justified a lack of interest, therefore the Regional Administrative Court, in November and December 2024, declared the relative appeals inadmissible due to the applicant's lack of interest. For the subsequent verifications carried out by the Authority, it should be noted that:

(iv) On 18 December 2024, AGCom Resolution 505/24/CONS was published, which initiated the procedure to verify the net cost of the universal postal service, the quantification of the inequitable cost and the methods of its financing for the years 2022 and 2023. On 14 March 2025, Resolution AGCom 52/25/CONS was published,
with which the Authority launched the public consultation whereby the universal postal service charge for the years 2022 and 2023 was quantified at €522 million and €736 million respectively.

(v) On 14 March 2024, AGCom Resolution 62/24/CONS was published, concluding the procedure to verify the net cost of the universal postal service incurred by Poste Italiane for the years 2020 and 2021. In particular, the universal postal service charge for these years has been quantified at €585 and €480 million respectively. The Authority also established that the universal service charge for the years 2020 and 2021 is inequitable and that, for the same years, unlike with what was established in previous years, the necessary procedure will be launched for assessing the injection of resources to the Compensation Fund referred to in article 10 of Legislative Decree no. 261/1999.

(vi) 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 universal postal service charge 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

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417 This method defines the cost incurred as the difference between the net operating cost incurred by a designated universal service provider when subject to universal service obligations and the net operating cost without such obligations.

418 Resolution 412/14/CONS concerning the audit of the years 2011 and 2012, Resolution 298/17/CONS concerning the audit of the years 2013 and 2014 and Resolution 214/19/CONS concerning the audit of the years 2015 and 2016.

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 no. 261/1999 is not established. On 22 September 2021, Poste Italiane filed an appeal against the aforementioned resolution with the Lazio Regional Administrative Court. The hearing on the merits of the challenge has yet to be scheduled.

Bank of Italy

On 20 July 2022, the Authority sent a notice to Poste Italiane SpA - BancoPosta RFC and PostePay concerning the manner in which the funds received by PostePay in respect of the issuance of electronic money should be managed. It should be noted that the Supervisory Provisions for EMIs provide that such funding may be deposited with a bank authorised to operate in Italy, invested in qualified debt securities or particular units of harmonised mutual funds. Since the creation of PostePay, these sums are deposited in a postal current account (protection account) and contribute to the funds from private customers of BancoPosta RFC, which are invested in euro area government bonds. In this regard, the Authority initiated discussions with BancoPosta and PostePay in 2021, in view of the fact that BancoPosta was not deemed to be an entity that could be assimilated to the concept of "credit institution" under the relevant European legislation. The issue found a favourable conclusion with Law no. 207 of 30 December 2024 (2025 Budget Law), which introduced, among the activities that Poste Italiane SpA - BancoPosta RFC may carry out, the possibility of "collecting sums of money received by electronic money institutions for the issuance of electronic money and by payment institutions for the provision of payment services referred to in Articles 114-quinquies.1 and 114-duodecies of the Consolidated Law on Banking" (see Article 2, paragraph 1)(a-bis) of Presidential Decree no. 144/2001 "Regulation containing rules on BancoPosta services").

Garante per la protezione dei dati personali (the Data Protection Authority)

On 16 April 2024, the Garante per la protezione dei dati personali (GPDP) opened a preliminary investigation with a request for information in relation to the same event that led to the initiation of proceedings PS/12768 of ACGM, i.e. the anti-fraud messages received by BancoPosta and PostePay account holders, who use the services through the relevant apps installed on their Android devices, when accessing them from the first days of April 2024. After several requests for information and related replies, the last of which was sent in January 2025, aimed at providing the GPDP with both the regulatory basis and information on the processing of personal data of the BancoPosta and Postepay apps, carried out for anti-fraud purposes, the Authority's investigative activity continues.

5.10 MATERIAL NON-RECURRING EVENTS AND/OR TRANSACTIONS

Pursuant to CONSOB Communication no. DEM/6064293 of 28 July 2006, the effects arising from significant non-recurring events and transactions recognised by Poste Italiane in 2024 related to the risk analysis on tax credits (see in this regard Note A10 - Tax credits Law no. 77/2020), amounted to a total of €341 million as detailed below:

- derecognition of tax credits relating to years after 2024 in the amount of €284 million recognised under "Adjustments on debt instruments, receivables and other assets'"
- charges of €57 million recognised in "Other operating costs" related to the repayment of portions of receivables related to years prior to 2024.

5.11 EXCEPTIONAL AND/OR UNUSUAL TRANSACTIONS

Under the definition provided by the CONSOB ruling of 28 July 2006, Poste Italiane did not conduct any exceptional and/or unusual transactions[419] in 2024.

5.12 ADDITIONAL INFORMATION

This note provides qualitative/quantitative information on matters residually required by accounting standards, not specifically dealt with in the previous notes.

OFFSETTING FINANCIAL ASSETS AND LIABILITIES

In compliance with IFRS 7 – *Financial instruments: Disclosures*, this section provides details of financial assets and liabilities that are subject to master netting agreements or similar arrangements, regardless of whether the financial instruments have been offset in keeping with paragraph 42 of IAS 32[420].

The items affected at 31 December 2024 concern:

- derivative assets and liabilities and related collateral, represented both by cash and government securities;
- repurchase agreements and reverse repurchase agreements and the related collateral, represented both by cash and government securities.

The positions in question are subject to standard bilateral netting agreements that allow, in the event of the counterparty's default, the offsetting of debit and credit positions covered by ISDA contracts and repurchase agreements, for which GMRA agreements have been entered into.

Repurchase agreement positions managed through the Central Counterparty that meet the requirements of IAS 32 are shown net of offsetting.

In order to present the tables in compliance with the requirements of IFRS 7, repurchase agreements are shown at amortised cost, whilst derivative transactions are shown at fair value; the relevant financial guarantees are measured at fair value.

[419] Such transactions are defined as transactions that due to their significance/materiality, the nature of the counterparties, the purpose of the transaction, the manner of determining the transfer price and timing of the transaction may give rise to doubts over the correctness and/or completeness of the disclosures in the financial statements, over a conflict of interest, safeguards for the Company's financial position and protections for non-controlling shareholders.

[420] Paragraph 42 of IAS 32 provides that "A financial asset and a financial liability can be offset and the net amount presented in the statement of financial position when, and only when, an entity:

(a) currently has a legally enforceable right to set off the recognised amounts; and
(b) intends either to settle on a net basis or to realise the asset and settle the liability simultaneously".

Financial assets offset in the financial statements or subject to framework master netting agreements or similar arrangements

Technical forms (€m)	Gross amount of financial assets (*) (a)	Amount of financial liabilities offset in financial statements (b)	Financial assets, net (c=a-b)	Related amounts not subject to offset in the financial statements — Collateral: Financial instruments (d)	Related amounts not subject to offset in the financial statements — Collateral: Cash deposits provided/(received) as collateral (e)	Financial assets/(liabilities), net (f=c-d-e)
FY 2024						
Financial assets BancoPosta RFC						
Derivatives	2,679	-	2,679	1,122	1,498	59
Repurchase agreements	2,726	1,160	1,566	1,560	-	6
Total at 31 December 2024	**5,405**	**1,160**	**4,245**	**2,682**	**1,498**	**65**
FY 2023						
Financial assets BancoPosta RFC						
Derivatives	4,257	-	4,257	1,068	2,812	377
Repurchase agreements	4,106	2,337	1,769	1,769	-	-
Total at 31 December 2023	**8,363**	**2,337**	**6,023**	**2,837**	**2,812**	**377**

Financial liabilities offset in the financial statements or subject to master netting agreements or similar arrangements

Technical forms (€m)	Gross amount of financial liabilities(*) (a)	Amount of financial assets offset in financial statements (b)	Financial liabilities, net (c=a-b)	Collateral: Financial instruments (d)	Collateral: Cash deposits provided/(received) as collateral (e)	Financial assets/(liabilities), net (f=c-d-e)
FY 2024						
Financial liabilities BancoPosta RFC						
Derivatives	1,348	-	1,348	1,126	208	14
Repurchase agreements	7,365	1,160	6,205	6,104	101	-
Total at 31 December 2024	**8,713**	**1,160**	**7,553**	**7,230**	**309**	**14**
FY 2023						
Financial liabilities BancoPosta RFC						
Derivatives	1,136	-	1,136	1,053	83	-
Repurchase agreements	10,554	2,337	8,217	7,762	455	-
Total at 31 December 2023	**11,690**	**2,337**	**9,353**	**8,815**	**538**	**-**

* The gross amount of financial assets and liabilities includes the financial instruments subject to offsetting and those subject to master netting agreements or similar arrangements, regardless of whether the financial instruments have been offset.

TRANSFERS OF FINANCIAL ASSETS THAT ARE NOT DERECOGNISED

In accordance with IFRS 7 - *Financial Instruments: Disclosures*, this section provides additional information on the transfer of financial assets that are not derecognised (continuing involvement).

At 31 December 2024, these assets concern repurchase agreements entered into with leading financial operators.

Transfers of financial assets that are not derecognised

Description (€m)	Notes	31 December 2024			31 December 2023		
		Nominal value	Carrying amount	Fair value	Nominal value	Carrying amount	Fair value
Financial assets BancoPosta RFC	[A6]						
Financial assets at amortised cost		5,440	5,588	5,323	6,679	6,822	6,291
Financial assets at FVTOCI		2,299	2,251	2,251	4,386	4,093	4,093
Financial liabilities BancoPosta RFC	[B6]						
Financial liabilities arising from repos		(7,338)	(7,365)	(7,263)	(10,559)	(10,553)	(10,332)
Total		**401**	**474**	**311**	**506**	**362**	**52**

FINANCIAL ASSETS SUBJECT TO ENCUMBRANCES

This paragraph provides information on the nominal value and carrying amount of financial assets delivered to counterparties as collateral for repurchase agreements and interest rate swaps, and financial assets delivered to the Bank of Italy as collateral for intraday credit granted to Poste Italiane and as collateral for SEPA Direct Debits.

Financial assets subject to encumbrances

Description (€m)	31 December 2024		31 December 2023	
	Nominal value	Carrying amount	Nominal value	Carrying amount
Financial assets BancoPosta RFC				
Financial assets at amortised cost				
Loans and receivables	**801**	**801**	**1,224**	**1,224**
Receivables used as collateral provided by CSAs	193	193	83	83
Receivables used as collateral provided by GMRAs	299	299	1,006	1,006
Receivables in the form of guarantee deposits (Clearing House margin requirements)	214	214	89	89
Receivables in the form of guarantee deposits (Clearing House OTC)	95	95	46	46
Fixed income instruments	**7,793**	**8,091**	**7,523**	**7,761**
Securities involved in repurchase agreements	5,440	5,588	6,679	6,822
Securities used as collateral provided by CSAs and GMRAs	8	8	-	-
Securities used as collateral for intraday credit from the Bank of Italy and for Sepa Direct Debits	2,345	2,495	844	939
Financial assets at FVTOCI				
Fixed income instruments	**2,854**	**2,807**	**6,336**	**6,026**
Securities involved in repurchase agreements	2,299	2,251	4,386	4,093
Securities used as collateral provided by CSAs and GMRAs	-	-	-	-
Securities used as collateral for intraday credit from the Bank of Italy and for Sepa Direct Debits	555	556	1,950	1,933
Financial assets outside the ring-fence				
Financial assets at amortised cost				
Loans and receivables	**-**	**-**	**-**	**-**
Receivables used as collateral provided by CSAs	-	-	-	-
Receivables used as collateral provided by GMRAs	-	-	-	-
Financial assets at FVTOCI				
Fixed income instruments	-	-	-	-
Securities involved in repurchase agreements	-	-	-	-
Total financial assets subject to encumbrances	**11,448**	**11,699**	**15,083**	**15,011**

At 31 December 2024, Poste Italiane has received financial assets as collateral for reversal repos, having a nominal value of €2,611 million and a fair value of €2,709 million.

In addition, securities with a nominal value of €1,205 million are committed for repurchase agreements entered into with Cassa Compensazione e Garanzia in December 2024 and settled in early January 2025.

EXPOSURE TO SOVEREIGN DEBT

With regard to financial assets, as required by Communication DEM/11070007 of 28 July 2011, implementing Document 2011/266 published by the European Securities and Markets Authority (ESMA) and later amendments, Poste Italiane's exposure to sovereign debt at 31 December 2024 is shown in the table below.

Credit risk - Exposure to sovereign debt

Description (€m)	31 December 2024			31 December 2023		
	Nominal value	Carrying amount	Market Value	Nominal value	Carrying amount	Market Value
Financial assets BancoPosta RFC						
Italy	61,661	61,852	60,408	62,736	60,578	58,573
Financial assets at amortised cost	27,866	28,207	26,763	27,877	27,509	25,504
Financial assets at FVTOCI	33,795	33,645	33,645	34,859	33,069	33,069
Financial assets outside the ring-fence						
Italy	110	102	102	110	99	99
Financial assets at FVTOCI	110	102	102	110	99	99
Total	**61,771**	**61,954**	**60,510**	**62,846**	**60,677**	**58,672**

SHARE-BASED PAYMENT ARRANGEMENTS

LONG-TERM INCENTIVE SCHEME: PERFORMANCE SHARE PLAN

Starting from the 2019 financial year, the Shareholders' Meeting of Poste Italiane SpA approved the Information Document drafted pursuant to Article 84-bis of the Issuers' Regulation on Incentive Plans based on financial instruments, respectively: 2019-2021 Performance Share LTIP; 2020-2022 Performance Share LTIP; 2021-2023 Performance Share LTIP, 2022-2024 Performance Share LTIP; 2023-2025 Performance Share LTIP; 2024-2026 Performance Share LTIP.

These incentive systems, constructed in line with market practices, aim to strengthen the link between the variable component of remuneration and Poste Italiane's medium to long-term strategy, in line with the budget and the goals in the Strategic Plan, over a multi-year period.

Description of the Plans

The "Performance Share LTIPs", as described in the relevant Information Circulars, provide for the assignment of Rights to the Poste Italiane's ordinary shares. The number of Rights to be granted to Beneficiaries is subject to the achievement of Performance Targets over a three-year period, following confirmation of achievement of the Hurdle and the Qualifying

Conditions (the latter for BancoPosta Beneficiaries, hereinafter "BP Beneficiaries"). The key characteristics of the Plans are described below.

Beneficiaries

The Beneficiaries are: Poste Italiane's Chief Executive Officer, the General Manager, certain managers within the Poste Italiane Group, including key management personnel, and some staff of BancoPosta RFC.

Plans' terms and conditions

The Performance Targets, common to all Beneficiaries, to which the vesting of the Rights and, therefore, the allocation of the Shares is conditioned, are highlighted below:

- a profitability indicator identified in the Group's three-year cumulative EBIT used to recognise the continuity and sustainability of profitability results over the long term;
- the attainment of an indicator of shareholder value creation, based on the relative Total Shareholder Return, used to measure the value created for Poste Italiane's shareholders compared with the FTSE MIB index[421].

For the 2021-2023, 2022-2024, 2023-2025 and 2024-2026 Performance Share LTIPs, the following KPIs are added for the ESG component to the two targets indicated above:

- 2021-2023 Performance Share LTIP: sustainable finance, target linked to the inclusion of an ESG component in Poste Vita investment products by 2023. In particular, the indicator is calculated by comparing the number of products offered with ESG components to the total number of products offered;
- 2022-2024 Performance Share LTIP: equal gender representation in succession plans, an objective linked to strengthening the presence of women in managerial succession plans, to help increase the presence of women in positions of greater responsibility in the Poste Italiane Group. Specifically, the indicator is calculated by comparing the number of succession applications occupied by women to the total number of applications.
- 2023-2025 Performance Share LTIP: Green Transition, a target related to the reduction of tCO_2 emissions. This objective aims to measure the reduction of the Group's total emissions (tCO2e) over the 2023-2025 time horizon. Creating value for the country, an objective that takes into account the progress of the construction sites related to the "Polis Project". In particular, the indicator is calculated as the ratio of the number of initiated works to the total number of physically feasible works.
- 2024-2026 Performance Share LTIP: Green Transition, a target that measures the reduction of the Group's direct GHG emissions (Scope 1) from buildings (tCO2e). People development, an objective that includes a focus on skills development through the provision of training hours.

Finally, for the 2024-2026 Performance Share LTIP, a further indicator of shareholder value creation is envisaged in addition to the "Relative Total Shareholder Return", identified as "Shareholder Remuneration", which takes into account shareholder remuneration in the form of dividends paid and possible share buybacks aimed at remunerating shareholders.

Vesting of the Rights and the therefore the awarding of the Shares is subject to achievement of the Performance Hurdle, designed to ensure sustainability of the Plan at Group level. The Hurdle Condition corresponds with achievement of a certain target for the Group's cumulative EBIT over a three-year period assessed at the end of each Performance Period. In addition, for BancoPosta RFC's Beneficiaries, vesting of the Rights is also subject to the verification of Qualifying

[421] The objective linked to the "relative Total Shareholder Return" (rTSR) includes a "negative threshold" provision: if Poste Italiane's TSR is negative, despite being higher than the TSR registered by the index, the number of vested Rights (linked to rTSR) is reduced to the minimum threshold of 50%.

Conditions, designed to ensure the stability of BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings, as follows:

- Indicator of capital adequacy, (CET 1) at the end of the period;
- Indicator of short-term liquidity, (LCR) at the end of the period;
- RORAC risk-adjusted earnings at the end of the period.

BP Beneficiaries

The Shares will be awarded at the end of the Performance Period as follows:

- for 2019-2021 and 2020-2022 Performance Share LTIPs, 40% up-front and for the remaining 60% in two equal portions, deferred respectively for 2 and 4 years from the end of the Performance Period. A further Retention Period of one year will be applied to both the up-front and deferred portions;
- for the 2021-2023, 2022-2024, 2023-2025 and 2024-2026 Performance Share LTIPs, the following disbursement method is envisaged: 40% upfront and 60% in five deferred annual instalments over a five-year period (the first three equal to 10% of the total rights accrued and the next two equal to 15% of the total rights accrued). A further Retention Period of one year will be applied to both the up-front and deferred portions.

For BP Beneficiaries, the allocation of deferred Shares will take place following the verification of the continued existence of BancoPosta RFC's levels of capital adequacy, short-term liquidity and risk-adjusted earnings.

Other Beneficiaries

For Performance Share LTIPs, the granting of Poste Italiane Shares is entirely up-front at the end of a three-year Performance Period, with 60% of the Shares subject to a further 2-year Lock-up/Retention Period.

For more details on the operating mechanisms of the incentive plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

LONG-TERM INCENTIVE SCHEME: DELIVER 2022 LTIP

In light of the regulatory updates that have taken place and with a view to maintaining a constant alignment between the interests of management and those of the shareholders, in 2023 the Shareholders' Meeting of 8 May 2023 resolved to pay a portion equal to 55% of the bonus accrued for the Deliver MRTs BP LTI Beneficiaries at the end of the Performance Period (31 December 2022) in Rights to receive ordinary shares of Poste Italiane, subject to Retention Periods.

Since this is a Conversion, no new allocations are envisaged with respect to the objectives of the plan assigned in 2018 and based on a five-year time horizon (2018-2022).

Vesting of the Rights and the therefore the awarding of the Shares is subject to achievement of the Performance Hurdle, designed to ensure sustainability of the Plan at Group level. The Hurdle Condition corresponds with achievement of a certain target for the Group's cumulative EBIT over a five-year period at the end of each Performance Period (31 December 2022). In addition, the delivery of the Shares is also subject to the verification of Qualifying Conditions, designed to ensure the stability of BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings, as follows:

- Indicator of capital adequacy, (CET 1) at the end of the period;
- Indicator of short-term liquidity, (LCR) at the end of the period;
- RORAC risk-adjusted earnings at the end of the period.

The Plan Conversion provided for the payment of 45% of the accrued up-front Premium in cash in 2023, as opposed to the originally planned 75%. The remaining 55%, originally planned in cash form, is paid in Rights to receive Shares subject to Retention Periods of 1 and 2 years.

Delivery of the Shares at the end of each Retention Period will take place subject to verification of the risk tolerance level of conditions linked - in addition to capital adequacy and liquidity, originally envisaged - also to risk-adjusted earnings with reference to BancoPosta RFC, as well as Poste Italiane's inclusion in at least two internationally recognised sustainability indices.

For more details on the operating mechanisms of the incentive plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

Determination of fair value and effects on profit or loss

The valuations of the plans under review were based on the conclusions reached by actuaries external to Poste Italiane. The unit fair value of each Right at the valuation date is equal to its nominal value at the grant date (determined on the basis of stock market prices), discounted by the expected dividend rate and the risk-free interest rate and updated taking into account the best estimate of service conditions and performance (non-market based performance conditions).

The effects on profit or loss of the above "Performance Share" Long-Term Incentive scheme at 31 December 2024 for Poste Italiane SpA are shown below.

(Figures in €m)	Number of beneficiaries	Units (no. of Phantom Stocks / Rights to receive shares)		Fair value at grant date						Operating Cost	Reserve IFRS 2 / Liability	Payments / Countervalue delivery of treasury shares
Incentive plans		Number of Units	Of which under retention period	Chief Executive Officer		BP Beneficiaries		Other Beneficiaries				
				Grant date	Fair Value	Grant date	Fair Value	Grant date	Fair Value			
Deliver 5 years	2	94,209	94,209	29-May-18	€8.43	n/a	n/a	29-May-18	€8.43	0.01	0.79	(0.53)
19-21 Performance Share LTIP	4	64,815	32,870	28-May-19	€5.02	07-Oct-19	€7.01	07-Oct-19	€7.88	0.02	0.40	(3.23)
20-22 Performance Share LTIP	99	417,351	-	05-May-20	€6.05	12-Nov-20	€4.89	12-Nov-20	€5.41	0.02	2.31	(0.18)
21-23 Performance Share LTIP	141	903,981	96,747	28-May-21	€8.19	28-May-21	€8.27	28-May-21	€9.07	1.66	8.00	(4.10)
22-24 Performance Share LTIP	172	1,027,156	-	27-May-22	€4.65	27-May-22	€4.65	27-May-22	€5.66	2.06	5.72	-
23-25 Performance Share LTIP	185	1,579,001	-	08-May-23	€4.47	08-May-23	€4.47	08-May-23	€5.62	2.87	5.78	-
24-26 Performance Share LTIP	202	1,892,458	-	31-May-24	€6.91	31-May-24	€6.91	30-May-24	€8.69	5.31	5.31	-
Total										**11.94**	**28.32**	**(8.04)**

SHORT-TERM INCENTIVE SCHEMES: MBO

On 27 May 2014, the Bank of Italy issued specific Supervisory Provisions for BancoPosta (Part IV, Chapter I, "BancoPosta" including in Circular 285 of 17 December 2013 "Prudential supervisory standards for banks") which, in taking into account BancoPosta's and Poste Italiane's specific organisational and operational aspects, has extended application of the prudential standards for banks to include BancoPosta. This includes the standards relating to remuneration and incentive policies (Part I, Title IV, Chapter 2 "Remuneration and incentive policies and practices" in the above Circular 285). These standards, applicable only to the Parent Company Poste Italiane SpA, provide that a part of the bonuses paid to BancoPosta RFC's Risk Takers may be awarded in the form of financial instruments over a multi-year timeframe. With regard to the management incentive schemes adopted for BancoPosta RFC MBO for 2018, where the incentive was above a certain materiality threshold, the MBO management incentive scheme envisages the award of 50% of the incentive in the form of phantom stocks[422], and application of deferral mechanisms on the portion awarded in the form of phantom stocks:

- 60% of the award to be deferred for a 5-year period on a pro-rata basis, in the case of Material Risk Takers who are beneficiaries of both the short-term incentive scheme and long-term incentive scheme, "Phantom Stock LTIP";
- 40% of the award to be deferred for a 3-year period on a pro-rata basis for the remaining Material Risk Takers.

In the course of 2024, the payment of the last tranche of the plan in question was completed with a total outlay of approximately €153 thousand.

The most recent short-term managerial incentive schemes (MBO from 2019 to 2024) envisage, if the incentive exceeds a materiality threshold, the disbursement of a portion of the accrued bonus in the form of Rights to receive Poste Italiane SpA shares and the application of deferral mechanisms of between 40% and 60% of the incentive over a time horizon of 3/5 years pro-rata based on the beneficiary's category. For more details on the operating mechanisms of the incentive plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

The Rights to receive Shares (MBO plans from 2019 to 2024) are subject to the existence of a Hurdle Condition (Group Profitability: EBIT) and Qualifying Conditions as follows:

- Indicator of capital adequacy, identified as CET 1;
- Indicator of short-term liquidity, identified as LCR;
- Risk-adjusted earnings (RORAC) for MBO 2023 and MBO 2024.

An additional Qualifying Condition is expected to apply to the Chief Executive Officer, in addition to those set out above, linked to the Solvency Ratio of the Poste Vita Insurance Group.

Amounts allocated in the form of Shares are subject to a Retention Period for both up-front and deferred portions.

The deferred portion will be disbursed each year subject to compliance with the requirements of capitalisation, liquidity of BancoPosta RFC and risk-adjusted earnings (the latter where it is a hurdle condition). The effects on profit or loss and on equity are recognised in the period in which the instruments vest.

Determination of fair value and effects on profit or loss

The valuations of the plans under review were based on the conclusions reached by actuaries external to Poste Italiane.

(Figures in €m)	Number of beneficiaries	Units (no. of Phantom Stocks / Rights to receive shares)		Fair value at grant date						Operating Cost	Reserve IFRS 2 / Liability	Payments / Countervalue delivery of treasury shares
Incentive plans		Number of Units	Of which under retention period	Chief Executive Officer		BP Beneficiaries		Other Beneficiaries				
				Grant date	Fair Value	Grant date	Fair Value	Grant date	Fair Value			
MBO 2018	10	15,081	-	19-Mar-19	10.2 €	19-Mar-19	10.2 €	19-Mar-19	10.2 €	0.01	-	(0.15)
MBO 2019	5	3,123	3,123	05-Mar-20	7.51 €	05-Mar-20	€ 7.51 - € 7.62	05-Mar-20	7.51 €	(0.04)	0.02	(0.04)
MBO 2020	6	4,999	3,187	24-Mar-21	8.36 €	24-Mar-21	€ 8.36 - € 8.83	24-Mar-21	€ 8.36 - € 8.83	(0.04)	0.04	(0.04)
MBO 2021	15	34,102	16,873	22-Mar-22	8.25 €	22-Mar-22	€ 8.25 - € 8.77	22-Mar-22	€ 8.25 - € 8.77	-	0.28	(0.15)
MBO 2022	13	58,097	19,464	28-Mar-23	7.70 €	28-Mar-23	€ 7.70 - € 8.31	28-Mar-23	€ 7.7 - € 8.31	0.01	0.45	(0.37)
MBO 2023	12	107,007	47,435	19-Mar-24	7.92 €	19-Mar-24	€ 7.92 - € 8.45	19-Mar-24	€ 7.92 - € 8.45	-	0.87	-
MBO 2024*	16	113,854	-	31-May-24	11.38 €	31-May-24	€ 11.38 - € 12.23	31-May-24	€ 11.38 - € 12.23	1.32	1.32	-
Total										**1.26**	**2.99**	**(0.75)**

*MBO 2024 estimated on the basis of the best available information, pending the actual finalisation of the system, in order to capture the cost of the service received.

422 units representing the value of the share of Poste Italiane SpA

DISCLOSURE PURSUANT TO LAW 124/2017

The information required by art. 1, paragraphs 125 and 129 of Law 124 of 4 August 2017 is provided below.

The information is provided in thousands of euros and on a cash basis, indicating the Group company that received and/or disbursed the grant. In addition, given the numerous interpretative doubts, the following information is provided on the basis of the best interpretation of the legislation available to date, in the light of the guidance provided by Assonime in Circular 5 of 22 February 2019.

POSTAL SAVINGS

The following table provides a breakdown of postal savings deposits collected by Poste Italiane SpA in the name of and on behalf of Cassa Depositi e Prestiti, by category. The amounts are inclusive of accrued, unpaid interest.

Postal savings

Description (€m)	31.12.2024	31.12.2023
Post office savings books	94,101	91,729
Interest-bearing Postal Certificates	230,286	234,461
Cassa Depositi e Prestiti	197,981	195,320
Ministry of the Economy and Finance - MEF	32,305	39,141
Total	**324,387**	**326,190**

COMMITMENTS

Poste Italiane SpA's purchase commitments break down as follows.

Commitments

Description (€m)	31.12.2024	*related to Group companies*	31.12.2023	*related to Group companies*
Lease arrangements	141	-	214	-
Contracts to purchase property, plant and equipment	132	-	124	-
Contracts to purchase intangible assets	12	-	20	-
Total	**285**	**-**	**358**	**-**

At 31 December 2024, the item Lease arrangements includes commitments that do not fall under IFRS 16 - Leases.

Commitments for property leases and other lease arragements

Description (€m)	31.12.2024	*related to Group companies*	31.12.2023	*related to Group companies*
Instalments falling due:				
within 1 year of the reporting date	79	-	81	-
between 2 and 5 years after the reporting date	61	-	133	-
Total	**141**	**-**	**214**	**-**

GUARANTEES

The outstanding Personal Guarantees of Poste Italiane SpA for which a commitment exists are as follows:

Guarantees

Description (€m)	31.12.2024	31.12.2023
Sureties and other guarantees issued:		
by banks in the interests of Poste Italiane SpA in favour of third parties	365	320
by Poste Italiane SpA in the interests of subsidiaries in favour of third parties	283	205
letters of patronage issued by Poste Italiane SpA in the interests of subsidiaries	92	95
Total	**740**	**620**

THIRD-PARTY ASSETS

Third-party assets held by Poste Italiane SpA are detailed in the following table:

Third-party assets

Description (€m)	31.12.2024	31.12.2023
Securities subscribed by customers held at third-party banks	6,771	6,033
Other assets	1	2
Total	**6,773**	**6,035**

Other assets include assets of group companies held by Poste Italiane SpA.

ASSETS IN THE PROCESS OF ALLOCATION

At 31 December 2024, Poste Italiane SpA Company has paid a total of €87 million in claims on behalf of the Ministry of Justice, for which, under the agreement between Poste Italiane and the MEF, it has already been reimbursed by the Italian Treasury, whilst awaiting acknowledgement of the relevant account receivable from the Ministry of Justice.

FEES PAID TO INDEPENDENT AUDITORS PURSUANT TO ART.149 DUODECIES OF THE CONSOB'S REGULATIONS FOR ISSUERS

The following table shows fees[423] payable to the Parent Company's auditor, Deloitte & Touche, and companies within its network for 2024, presented in accordance with art. 149 duodecies of the CONSOB's Regulations for Issuers:

[423] Auditing services are expensed as incurred and reported in the audited financial statements. Any attestation services relating to accounts prior to the reporting date are recognised on an accruals basis, following engagement of the auditor, in the year in which the services are rendered, applying the percentage of completion method.

Disclosure of fees paid to Independent Auditors

Type of services	Entity providing the service	2024 fees (€k)
Poste Italiane SpA		
Audit	Deloitte & Touche S.p.A.	2,229
Audit	Deloitte & Touche network	-
Attestation services	Deloitte & Touche S.p.A.	678
Attestation services	Deloitte & Touche network	-
Other services	Deloitte & Touche S.p.A.	17
Other services	Deloitte & Touche network	38
Subsidiaries of Poste Italiane SpA		
Audit (*)	Deloitte & Touche S.p.A.	2,553
Audit	Deloitte & Touche network	48
Attestation services	Deloitte & Touche S.p.A.	839
Attestation services	Deloitte & Touche network	-
Other services	Deloitte & Touche S.p.A.	-
Other services	Deloitte & Touche network	9
Total		**6,411**

(*) includes costs for the audit of funds administered by BPF SGR charged to savers in the amount of €324 thousand, 100% of which has been settled, of which €134 thousand refers to the management of Poste Vita Class I policies.

6. BANCOPOSTA RFC SEPARATE REPORT AT 31 DECEMBER 2024

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FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

(€)

	Assets	31 December 2024	31 December 2023
10.	Cash and cash equivalents	4,332,979,411	4,731,804,421
20.	Financial assets measured at fair value through profit or loss	34,148,723	26,196,661
	a) financial assets held for trading	-	-
	b) financial assets designated at fair value	-	-
	c) other financial assets mandatorily measured at fair value	*34,148,723*	*26,196,661*
30.	Financial assets measured at fair value through other comprehensive income	33,644,541,254	33,069,070,448
40.	Financial assets measured at amortised cost	45,829,201,519	44,561,934,123
	a) due from banks	*655,027,116*	*976,196,905*
	b) due from customers	*45,174,174,403*	*43,585,737,218*
50.	Hedging derivatives	2,679,444,548	4,256,825,277
60.	Adjustments for changes in hedged financial assets portfolio (+/-)	-	-
70.	Investments	-	-
80.	Property, plant and equipment	-	-
90.	Intangible assets	-	-
	of which:		
	- goodwill	-	-
100.	Tax assets	499,193,692	*642,226,681*
	a) current	-	-
	b) deferred	*499,193,692*	*642,226,681*
110.	Non-current assets and disposal groups held for sale	-	-
120.	Other assets	9,798,968,798	10,856,890,504
	Total assets	**96,818,477,945**	**98,144,948,115**

STATEMENT OF FINANCIAL POSITION

(€)

	Liabilities and equity	31 December 2024	31 December 2023
10.	Financial liabilities measured at amortised cost	89,011,842,859	90,963,258,845
	a) due to banks	*7,532,463,636*	*10,335,597,387*
	b) due to customers	*81,479,379,223*	*80,627,661,458*
	c) debt securities in issue	-	-
20.	Financial liabilities held for trading	8,183,088	2,597,924
30.	Financial liabilities designated at fair value	-	-
40.	Hedging derivatives	1,347,664,565	1,135,604,715
50.	Adjustments for changes in hedged financial liabilities portfolio (+/-)	-	-
60.	Tax liabilities	314,740,919	266,193,083
	a) current	-	-
	b) deferred	*314,740,919*	*266,193,083*
70.	Liabilities associated with non-current assets held for sale and discontinued operations	-	-
80.	Other liabilities	2,682,260,896	2,832,777,755
90.	Employee termination benefits	2,028,698	2,083,064
100.	Provisions for risks and charges:	143,028,185	163,499,489
	a) commitment and guarantees given	-	-
	b) pensions and similar obligations	-	-
	c) other provisions for risks and charges	*143,028,185*	*163,499,489*
110.	Valuation reserves	*(366,335,376)*	(840,662,686)
120.	Redeemable shares	-	-
130.	Equity instruments	450,000,000	450,000,000
140.	Reserves	2,610,107,471	2,569,251,467
150.	Share premium reserve	-	-
160.	Share capital	-	-
170.	Treasury shares (-)	-	-
180.	Profit/(Loss) for the year (+/-)	614,956,640	600,344,459
	Total liabilities and equity	**96,818,477,945**	**98,144,948,115**

STATEMENT OF PROFIT OR LOSS

(€)

	Items	FY 2024	FY 2023
10.	Interest and similar income	3,074,063,247	2,778,162,722
	of which: interest income calculated using the effective interest method	*3,074,063,247*	*2,778,162,722*
20.	Interest expense and similar charges	(590,839,021)	(587,060,606)
30.	**Net interest income**	**2,483,224,226**	**2,191,102,116**
40.	Fee income	3,754,937,457	3,669,506,800
50.	Fee expenses	(200,493,366)	(199,858,347)
60.	**Net fee and commission income**	**3,554,444,091**	**3,469,648,453**
70.	Dividends and similar income	230,566	246,104
80.	Profits/(Losses) on trading	1,908,477	(2,460,542)
90.	Profits/(Losses) on hedging	(2,412,608)	(1,155,168)
100.	Profits/(Losses) on disposal or repurchase of:	89,641,704	157,546,084
	a) financial assets measured at amortised cost	*34,800,755*	*47,581,038*
	b) financial assets measured at fair value through other comprehensive income	*34,862,449*	*109,965,046*
	c) financial liabilities	*19,978,500*	-
110.	Profits/(Losses) on other financial assets/liabilities measured at fair value through profit or loss	7,955,937	7,822,515
	a) financial assets and liabilities designated at fair value	-	-
	b) other financial assets mandatorily measured at fair value	*7,955,937*	*7,822,515*
120.	**Net interest and other banking income**	**6,134,992,393**	**5,822,749,562**
130.	Net losses/recoveries due to credit risk on:	1,518,978	(11,791,539)
	a) financial assets measured at amortised cost	*(3,417,024)*	*(9,176,925)*
	b) financial assets measured at fair value through other comprehensive income	*4,936,002*	*(2,614,614)*
140.	Profits/(Losses) from contract amendments without termination	-	-
150.	**Net income from banking activities**	**6,136,511,371**	**5,810,958,023**
160.	Administrative expenses:	(5,301,724,943)	(4,973,446,719)
	a) personnel expenses	*(36,993,394)*	*(35,011,887)*
	b) other administrative expenses	*(5,264,731,549)*	*(4,938,434,832)*
170.	Net provisions for risks and charges	9,736,785	8,120,394
	a) commitment and guarantees given	-	-
	b) other net provisions	*9,736,785*	*8,120,394*
180.	Net losses/recoveries on property, plant and equipment	-	-
190.	Net losses/recoveries on intangible assets	-	-
200.	Other operating income/(expense)	1,742,276	(11,871,045)
210.	**Operating expenses**	**(5,290,245,882)**	**(4,977,197,370)**
220.	Profits/(Losses) on investments	-	-
230.	Profits/(Losses) on fair value measurement of property, plant and equipment and intangible assets	-	-
240.	Impairment of goodwill	-	-
250.	Profits/(Losses) on disposal of investments	-	-
260.	**Income/(Loss) before tax from continuing operations**	**846,265,489**	**833,760,653**
270.	Taxes on income from continuing operations	(231,308,849)	(233,416,194)
280.	**Income/(Loss) after tax from continuing operations**	**614,956,640**	**600,344,459**
290.	Income/(Loss) after tax from discontinued operations	-	-
300.	**Profit/(Loss) for the year**	**614,956,640**	**600,344,459**

STATEMENT OF COMPREHENSIVE INCOME

(€)

	Items	FY 2024	FY 2023
10.	**Profit/(Loss) for the year**	**614,956,640**	**600,344,459**
	Other components of comprehensive income after taxes not reclassified to profit or loss		
20.	Equity instruments measured at fair value through other comprehensive income	-	-
30.	Financial liabilities designated at fair value through profit or loss (changes in own credit rating)	-	-
40.	Hedges of equity instruments measured at fair value through other comprehensive income	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	29,666	(34,010)
80.	Non-current assets and disposal groups held for sale	-	-
90.	Share of valuation reserve attributable to equity-accounted investments	-	-
	Other components of comprehensive income after taxes reclassified to profit or loss		
100.	Hedges of foreign investments	-	-
110.	Foreign exchange differences	-	-
120.	Cash flow hedges	44,830,384	(165,814,699)
130.	Hedges (elements not designated)	-	-
140.	Financial assets (other than equity instruments) measured at fair value through other comprehensive income	429,467,260	1,548,467,890
150.	Non-current assets and disposal groups held for sale	-	-
160.	Share of valuation reserve attributable to equity-accounted investments	-	-
170.	**Total other components of comprehensive income after taxes**	**474,327,310**	**1,382,619,181**
180.	**Comprehensive income (Items 10+170)**	**1,089,283,950**	**1,982,963,640**

STATEMENT OF CHANGES IN EQUITY

(€)

	31 December2024									
	Share capital		Share premium reserve	Reserves		Valuation reserves	Equity instruments	Treasury shares	Profit/(Loss) for the year	Equity
	ordinary shares	other shares		retained earnings	other *					
Balance at 31.12.2023	**-**	**-**	**-**	**1,357,229,019**	**1,212,022,448**	**(840,662,686)**	**450,000,000**	**-**	**600,344,459**	**2,778,933,240**
Adjustments to opening balances	-	-	-	-	-	-	-	-	-	-
Balance at 01.01.2024	**-**	**-**	**-**	**1,357,229,019**	**1,212,022,448**	**(840,662,686)**	**450,000,000**	**-**	**600,344,459**	**2,778,933,240**
Attribution of retained earnings	**-**	**-**	**-**	**60,000,000**	**-**	**-**	**-**	**-**	**(600,344,459)**	**(540,344,459)**
Reserves	-	-	-	60,000,000	-	-	-	-	(60,000,000)	-
Dividends and other attributions	-	-	-	-	-	-	-	-	(540,344,459)	(540,344,459)
Changes during the year	**-**	**-**	**-**	**(19,805,323)**	**661,327**	**474,327,310**	**-**	**-**	**614,956,640**	**1,070,139,954**
Movements in reserves	-	-	-	(19,805,323)	661,327	-	-	-	-	(19,143,996)
Equity-related transactions	-	-	-	-	-	-	-	-	-	-
Issuance of new shares	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Payment of extraordinary dividends	-	-	-	-	-	-	-	-	-	-
Movements in equity instruments	-	-	-	-	-	-	-	-	-	-
Derivatives on own shares	-	-	-	-	-	-	-	-	-	-
Stock options	-	-	-	-	-	-	-	-	-	-
Comprehensive income for 2024	-	-	-	-	-	474,327,310	-	-	614,956,640	1,089,283,950
Equity at 31.12.2024	**-**	**-**	**-**	**1,397,423,696**	**1,212,683,775**	**(366,335,376)**	**450,000,000**	**-**	**614,956,640**	**3,308,728,735**

(*) This item represents the Reserve for BancoPosta RFC of €1,210 million and also includes the Incentive plans reserve of €3 million.

(€)

	31 December 2023									
	Share capital		Share premium reserve	Reserves		Valuation reserves	Equity instruments	Treasury shares	Profit/(Loss) for the year	Equity
	ordinary shares	other shares		retained earnings	other **					
Balance at 31.12.2022	**-**	**-**	**-**	**1,373,317,573**	**1,211,733,303**	**(2,223,281,867)**	**350,000,000.00**	**-**	**602,311,327**	**1,314,080,336**
Adjustments to opening balances	-	-	-	-	-	-	-	-	-	-
Balance at 01.01.2023	**-**	**-**	**-**	**1,373,317,573**	**1,211,733,303**	**(2,223,281,867)**	**350,000,000**	**-**	**602,311,327**	**1,314,080,336**
Attribution of retained earnings	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(602,311,327)**	**(602,311,327)**
Reserves	-	-	-	-	-	-	-	-	-	-
Dividends and other attributions	-	-	-	-	-	-	-	-	(602,311,327)	(602,311,327)
Changes during the year	**-**	**-**	**-**	**(16,088,554)**	**289,145**	**1,382,619,181**	**100,000,000**	**-**	**600,344,459**	**2,067,164,231**
Movements in reserves	-	-	-	(16,088,554)	289,145	-	-	-	-	(15,799,409)
Equity-related transactions	-	-	-	-	-	-	100,000,000	-	-	100,000,000
Issuance of new shares	-	-	-	-	-	-	-	-	-	-
Purchase of treasury shares	-	-	-	-	-	-	-	-	-	-
Payment of extraordinary dividends	-	-	-	-	-	-	-	-	-	-
Movements in equity instruments	-	-	-	-	-	-	100,000,000	-	-	100,000,000
Derivatives on own shares	-	-	-	-	-	-	-	-	-	-
Stock options	-	-	-	-	-	-	-	-	-	-
Comprehensive income for 2023	-	-	-	-	-	1,382,619,181	-	-	600,344,459	1,982,963,640
Equity at 31.12.2023	**-**	**-**	**-**	**1,357,229,019**	**1,212,022,448**	**(840,662,686)**	**450,000,000**	**-**	**600,344,459**	**2,778,933,240**

(**) This item represents the Reserve for BancoPosta RFC of €1,210 million and also includes the Incentive plans reserve of €2 million.

STATEMENT OF CASH FLOWS

Indirect method

(€)

	FY 2024	FY 2023
A. OPERATING ACTIVITIES		
1. Cash flow from operations	**560,887,815**	**591,320,205**
- profit/(loss) for the year (+/-)	614,956,640	600,344,459
- gains/(losses) on financial assets held for trading and on assets and liabilities measured at fair value through profit or loss (-/+)	(4,269,303)	(5,846,347)
- gains/(losses) on hedging activities (-/+)	2,586,776	1,155,168
- net losses/recoveries due to credit risk (+/-)	(1,518,978)	11,791,539
- net losses/recoveries on property, plant and equipment and intangible assets (+/-)	-	-
- net provisions and other expenses/income (+/-)	(7,108,667)	(7,317,189)
- unpaid taxes and duties (+)	231,308,848	233,416,194
- net losses/recoveries on discontinued operations after tax (+/-)	-	-
- other adjustments (+/-)	(275,067,501)	(242,223,619)
2. Cash flow from/(used for) financial assets	**1,659,526,139**	**6,506,818,877**
- financial assets held for trading	-	-
- financial assets designated at fair value	-	-
- other financial assets mandatorily measured at fair value	3,876	21,394,678
- financial assets measured at fair value through other comprehensive income	295,516,809	2,437,010,779
- financial assets measured at amortised cost	85,608,825	3,169,273,530
- other assets	1,278,396,629	879,139,890
3. Cash flow from/(used for) financial liabilities	**(2,054,322,044)**	**(7,716,972,177)**
- financial liabilities measured at amortised cost	(3,161,206,697)	(8,998,837,942)
- financial liabilities held for trading	-	(4,002,716)
- financial liabilities designated at fair value	-	-
- other liabilities	1,106,884,653	1,285,868,481
Net cash flow from/(used for) operating activities	**166,091,910**	**(618,833,095)**
B. INVESTING ACTIVITIES		
1. Cash flow from	**-**	**-**
- disposal of investments	-	-
- dividends received on investments	-	-
- disposal of property, plant and equipment	-	-
- disposal of intangible assets	-	-
- disposal of business divisions	-	-
2. Cash flow used for	**-**	**-**
- acquisition of investments	-	-
- acquisition of property, plant and equipment	-	-
- acquisition of intangible assets	-	-
- acquisition of business divisions	-	-
Net cash flow from/(used for) investing activities	**-**	**-**
C. FINANCING ACTIVITIES		
- issuance/purchase of treasury shares	-	-
- issuance/purchase of equity instruments	-	100,000,000
- dividends and other payments	(566,803,845)	(623,953,171)
Net cash flow from/(used for) financing activities	**(566,803,845)**	**(523,953,171)**
NET CASH FLOW GENERATED/(USED) DURING THE YEAR	**(400,711,935)**	**(1,142,786,266)**

KEY:
(+) from
(-) used for

Reconciliation

(€)

Items	FY 2024	FY 2023
Cash and cash equivalents at beginning of the year	4,731,804,421	5,874,003,873
Net cash flow generated/(used) during the year	(400,711,935)	(1,142,786,266)
Cash and cash equivalents: effect of exchange rate fluctuations	1,886,925	586,814
Cash and cash equivalents at end of the year	**4,332,979,411**	**4,731,804,421**

NOTES

PART A – ACCOUNTING POLICIES

A.1 – GENERAL

SECTION 1 – DECLARATION OF COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Separate Report has been prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). These were endorsed for application in the European Union by European Regulation (EC) 1606/2002 of 19 July 2002, as transposed into Italian law by Legislative Decree 38 of 28 February 2005 governing the introduction of IFRS into Italian legislation. The term IFRS includes all the International Financial Reporting Standards, International Accounting Standards ("IAS") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC", previously known as the Standing Interpretations Committee or "SIC"), adopted by the European Union and contained in the EU Regulations in force at 31 December 2024, regarding which no derogations were made.

Accounting standards and interpretations applicable from 1 January 2024 and those soon to be effective

The relevant information is provided in note 2.3 – *New accounting standards and interpretations and those soon to be effective* – in the section – *financial statements of Poste Italiane* – of this Annual Report.

SECTION 2 – BASIS OF PREPARATION

The Separate Report have been prepared in accordance with the provisions of the eighth update of Bank of Italy Circular no. 262 of 22 December 2005 "Bank Financial Statements: formats and rules for preparation", as well as the Bank of Italy Communication of 14 March 2023[424] "Update of the provisions of Circular no. 262 concerning the impact of COVID-19 and measures to support the economy", where applicable, and have been prepared pursuant to the provisions of Article 2447-septies paragraph 2 of the Italian Civil Code. On 27 May 2014, the Bank of Italy issued specific Supervisory Standards for BancoPosta RFC (Circular 285/2013, Part Four, Section 1) which, in taking into account the entity's specific organisational and operational aspects, has established prudential requirements that are substantially in line with those applicable to banks. The Standards also govern the requirements regarding capital adequacy and risk containment. The Separate Report relates to the year ended 31 December 2024, has been prepared in euros without decimal figures and consists of the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the explanatory notes. The statement of financial position, statement of profit or loss and statement of comprehensive income consists of numbered line items and lettered line sub-items. Nil balances have also been presented in the statement of financial position, statement of profit or loss and statement of comprehensive income for the sake of completeness. The statement of cash flows has been prepared under the indirect method[425]. All figures in the notes are stated in millions of euros; in addition, the tables with nil balances have not been included.

[424] The Communication repeals and replaces the previous one of 21 December 2021 "Update of the additions to the provisions of Circular no. 262 concerning the impacts of COVID-19 and measures to support the economy".

[425] Under the indirect method, net cash from operating activities is determined by adjusting profit/(loss) for the year to reflect the impact of non-cash items, any deferment or provisions for previous or future operating inflows or outflows, and revenue or cost items linked to cash flows from investing or financing activities.

The accounting policies and the recognition, measurement and classification criteria adopted in this Report are consistent with those used to prepare the Separate Report at 31 December 2023. In order to allow for a uniform comparison with the figures for 2023, certain figures of the comparison year have been reclassified.

The Separate Report forms an integral part of Poste Italiane SpA's financial statements and has been prepared on a going concern basis in that BancoPosta RFC's operations are certain to continue in the foreseeable future. As a going concern, the Poste Group companies and consequently BancoPosta RFC, prepare their financial statements on a going concern basis, also taking account of the Group's economic and financial outlook, as reflected in the 2024-2028 strategic plan approved by Poste Italiane SpA's Board of Directors on 19 March 2024.

BancoPosta's accounting policies, described in the Separate Report, are the same as those adopted by Poste Italiane SpA are described in this Part A and are relevant to all of BancoPosta RFC's operations.

SECTION 3 – EVENTS AFTER THE END OF THE REPORTING PERIOD

There were no material events after 31 December 2024.

SECTION 4 – OTHER INFORMATION

4.1 INTERSEGMENT RELATIONS

Balances relating to transactions between BancoPosta RFC and Poste Italiane SpA ("Intersegment transactions") are recognised in the statement of financial position at 31 December 2024 as shown below:

€m		31.12.2024	*of which intersegment*	31.12.2023	*of which intersegment*
	Assets				
10.	Cash and cash equivalents	4,333	-	4,732	-
20.	Financial assets measured at fair value through profit or loss	34	-	26	-
	a) financial assets held for trading	-	-	-	-
	b) financial assets designated at fair value	-	-	-	-
	c) other financial assets mandatorily measured at fair value	*34*	-	*26*	-
30.	Financial assets measured at fair value through other comprehensive income	33,645	-	33,069	-
40.	Financial assets measured at amortised cost	45,829	642	44,562	371
	a) due from banks	*655*	-	*976*	-
	b) due from customers	*45,174*	*642*	*43,586*	*371*
50.	Hedging derivatives	2,679	-	4,257	-
100.	Tax assets	499	-	642	-
120.	Other assets	9,799	34	10,857	39
	A Total assets	**96,818**	**676**	**98,145**	**410**
	Liabilities and equity				
10.	Financial liabilities measured at amortised cost	89,011	156	90,964	279
	a) due to banks	*7,532*	-	*10,336*	-
	b) due to customers	*81,479*	*156*	*80,628*	*279*
	c) debt securities in issue	-	-	-	-
20.	Financial liabilities held for trading	8	-	3	-
40.	Hedging derivatives	1,348	-	1,136	-
60.	Tax liabilities	315	-	266	-
80.	Other liabilities	2,682	2	2,833	3
90.	Employee termination benefits	2	-	2	-
100.	Provisions for risks and charges	143	-	163	-
110.	Valuation reserves	(366)	-	(841)	-
130.	Equity instruments	450	-	450	-
140.	Reserves	2,610	-	2,569	-
180.	Profit/(Loss) for the year (+/-)	615	-	600	-
	B Total liabilities and equity	**96,818**	**158**	**98,145**	**282**
	A-B Net intersegment balances		***518***		***128***

The provision of services to BancoPosta RFC by Poste Italiane SpA functions is governed by the specific *Regulation governing the awarding and outsourcing process of BancoPosta RFC*, approved by the Board of Directors of Poste Italiane SpA[426].

This Regulation, in execution of the provisions set out in the *Regulations for ring-fenced capital*, govern and formalise the process of awarding BancoPosta's Corporate Functions to Poste Italiane in accordance with the relevant regulations, identifying the operational phases, roles and responsibilities of the Bodies and Corporate Functions involved in various ways. The general policies and instructions contained in the Regulation in relation to transfer pricing are detailed in specific Operating Guidelines, jointly developed by BancoPosta and other Poste Italiane SpA functions. The Operating Guidelines establish, among other things, the applicable levels of service and transfer prices and are effective following an authorisation process involving the relevant Functions, the Chief Executive Officer and, where required, the Poste Italiane Spa's Board of Directors. When BancoPosta intends to contract out a major process or a control procedure, whether in its entirety or in part, to Poste Italiane SpA in accordance with specific Operating Guidelines, it must give prior notice to the Bank of Italy. In accordance with Bank of Italy Circular 285 issued on 17 December 2013, Part Four, the Board of Statutory Auditors is required to verify, at least every six months, that the policies adopted are fit for purpose and are in compliance with the related statutory requirements and supervisory standards.

In line with 2023, the services are charged for in the form of transfer prices. The transfer prices paid, inclusive of commissions and any other form of remuneration due, are determined on the basis of market prices and tariffs for the same or similar services, identified, where possible, following a benchmarking process. When the specifics and/or the particular nature of a service provided by a Poste Italiane function do not allow the use of a comparable market price, a cost-based method is used, again with the support of benchmarking to ensure that the price charged is adequate for the service provided. In such a case, an adequate mark-up, defined on the basis of appropriate analyses of comparable subjects, shall be applied. The prices set in each Operating Guidelines can be reduced in the presence of operating losses of the activities outsourced or in case of penalties due to the failure to achieve pre-established service levels, as measured by specific performance indicators. The Guidelines in force were effective as of 1 January 2023 and will expire on 31 December 2025. The transfer prices, defined in the Guidelines, may be revised every year in connection with the planning and budget process.

For the purposes of oversight of the unbundled accounts, in 2024 the Board of Statutory Auditors conducted the relevant audit activities during 2 meetings, reporting its conclusions in its annual report to shareholders for the year ended 31 December 2024.

4.2 CONTINGENT LIABILITIES AND MAIN RELATIONS WITH THE AUTHORITIES

CONTINGENT LIABILITIES

The following information is provided in accordance with accounting standard IAS 37 – *Provisions, Contingent Liabilities and Contingent Assets*.

At 31 December 2024, there were 9 judicial and extrajudicial disputes pending for which the risk of losing is assessed as possible. The total amounts stand at approximately €8 million, plus interest. The main outstanding disputes, of an individually insignificant amount, relate to litigation brought by third parties in various capacities. It should be noted that

[426] At its meeting of 20 June 2024, the Board of Directors approved an update to the "Regulation governing BancoPosta RFC's contracting out and outsourcing process", regulating and formalising both the process of contracting BancoPosta's Corporate Functions to Poste Italiane and the process of outsourcing to third parties outside Poste Italiane's organisation.

BancoPosta RFC, in view of the large number of disputes brought by third parties, makes an assessment on a probabilistic historical basis, for cases with individually non-significant claims, reflected in the provisions for risks and charges.

RELATIONS WITH THE AUTHORITIES

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

On 22 April 2024, the AGCM notified Poste Italiane, with reference to BancoPosta RFC, of the notice of initiation of proceeding PS/12768 and the simultaneous request for information, in relation to certain anti-fraud messages that holders of BancoPosta and PostePay accounts, who use the services through the relevant Apps (installed on Android devices), allegedly received when accessing them, starting from the first days of April. According to the AGCM, Poste Italiane's conduct would constitute an aggressive or in any case unfair commercial practice, in that users would be "induced" to allow access to their data in a situation of undue conditioning, since failure to consent - after three accesses - would preclude them from continuing to use BancoPosta and PostePay services via the App. On 13 May 2024, Poste Italiane sent the AGCM a memorandum in which it replied to the request for information and to the objections contained in the writ. On 6 June 2024, the Company filed the integration of the previous defence memorandum and the commitment form containing the initiatives it undertakes to implement (subject to integration/amendment), on a voluntary basis, aimed at eliminating the Authority's alleged critical issues, without lending acquiescence to the objections raised in the proceedings. Some of the commitments presented were subsequently implemented by the Company, which, on 18 July 2024, replied to the second request for information on certain aspects that had emerged during the technical hearing with the Authority held on 18 June 2024 (e.g. on the subject of Bank of Italy controls and indications and the results of anti-fraud activities). On 10 September 2024, the Authority communicated to Poste Italiane the rejection of the commitments, deeming them "unsuitable to remedy the aspects of possible unfairness subject to investigation, insofar as they consist for the most part in merely informative measures, as such not responding to the critical issues contested at the time of the opening of the proceedings relating to the elements of aggressiveness, or in any case not resolving the objections formulated" and extending the deadline for the conclusion of the proceedings by 60 days (18 November 2024). On 26 September, the Authority sent a further request for information to which Poste Italiane replied on 17 October. On 11 November 2024, Poste Italiane filed an application to reopen the obligations' sub-proceedings with the simultaneous submission of a further measure, which was rejected by the Authority.

BANK OF ITALY

On 20 July 2022, the Authority sent a notice to Poste Italiane SpA, with reference to BancoPosta RFC, and to PostePay concerning the manner in which the funds received by PostePay in respect of the issuance of electronic money should be managed. It should be noted that the Supervisory Provisions for EMI provide that such funding may be deposited with a bank authorised to operate in Italy, invested in qualified debt securities or particular units of harmonised mutual funds. Since the creation of PostePay, these sums are deposited in a postal current account (protection account) and contribute to the funds from private customers of BancoPosta RFC, which are invested in euro area government bonds. In this regard, the Authority initiated discussions with BancoPosta and PostePay in 2021, in view of the fact that BancoPosta was not deemed to be an entity that could be assimilated to the concept of "credit institution" under the relevant European legislation. The issue found a favourable conclusion with Law no. 207 of 30 December 2024 (2025 Budget Law), which introduced, among the activities that Poste Italiane SpA - BancoPosta RFC may carry out, the possibility of "collecting sums of money received by electronic money institutions for the issuance of electronic money and by payment institutions for the provision of payment services referred to in Articles 114-quinquies.1 and 114-duodecies of the Consolidated Law on Banking" (see Article 2, paragraph 1)(a-bis) of Presidential Decree no. 144/2001 "Regulation containing rules on BancoPosta services".

Garante per la protezione dei dati personali (the Italian Data Protection Authority)

On 16 April 2024, the Garante per la protezione dei dati personali (GPDP) opened a preliminary investigation with a request for information in relation to the same event that led to the initiation of proceedings PS/12768 of ACGM, i.e. the anti-fraud messages received by BancoPosta and PostePay account holders, who use the services through the relevant apps installed on their Android devices, when accessing them from the first days of April 2024. After several requests for information and related replies, the last of which was sent in January 2025, aimed at providing the GPDP with both the regulatory basis and information on the processing of personal data of the BancoPosta and Postepay apps, carried out for anti-fraud purposes, the Authority's investigative activity continues.

4.3 SIGNIFICANT EVENTS OCCURRED DURING THE YEAR

No significant events occurred during the year.

4.4 REFORM OF RATE BENCHMARK

For an analysis of the effects of the benchmark reform, please refer to the information provided in Part E.

A.2 – PART RELATING TO PRINCIPAL FINANCIAL STATEMENT ITEMS

The following notes have been numbered in accordance with instructions contained in Bank of Italy Circular 262/2005. Omitted numbers denote information not relevant to the Separate Report.

1 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

a) recognition

Financial assets measured at fair value through profit or loss are initially recognised on the settlement date for debt and equity instruments, whereas, for derivative contracts, on the subscription date. Financial assets are initially recognised at fair value which is generally the price paid. Changes in fair value between the trade date and the settlement date are recognised.

b) classification

This item includes all financial assets other than those classified as "Financial assets measured at fair value through other comprehensive income" and as "Financial assets measured at amortised cost". In particular, this item includes: a) financial assets purchased and held mainly for trading; b) financial assets designated as such on initial recognition, thanks to the fair value option; c) financial assets mandatorily measured at fair value through profit or loss.

This item comprises:

- debt securities and loans that are classified in the "Other/Trading" business model (thus not in the "Hold to Collect" and "Hold to Collect and Sell" business models) or fail to meet the SPPI test[427];
- equity instruments held for trading or that were not initially recognised at fair value through other comprehensive income;
- derivative contracts, except those designated as hedges, that are classified as assets or liabilities held for trading, depending on whether their fair value is positive or negative; positive and negative fair values arising from transactions with the same counterparties are offset during collateralisation, where allowed by contract.

c) measurement and recognition of gains and losses

These financial assets are recognised at fair value with any changes in fair value recognised in profit or loss in line "Item 80 - Profits/(Losses) on trading" and in line "Item 110 – Profits/(Losses) on other financial assets/liabilities measured at fair value through profit or loss".

Dividends from equity investments classified as Financial assets at fair value through profit or loss are recognised in "Item 70 - Dividends and similar income" at the time their distribution is approved and the right to receive payment accrues.

d) derecognition

These financial assets are derecognised when the contractual rights to the cash flows of those financial assets lapse or on the disposal of the financial asset and all risks and rewards relating to the financial asset or their control are substantially transferred. If the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. Finally, transferred assets are derecognised if the contractual right to receive the cash flows of the assets is retained, but at the same time a contractual obligation is assumed to pay these flows to a third party, without delay and only to the extent of those received.

2 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

a) recognition

Financial assets measured at fair value through other comprehensive income are initially recognised on the settlement date. These assets are initially recognised at fair value which is generally the price paid. Changes in fair value between the trade date and the settlement date are recognised.

b) classification

This item includes financial assets held in connection with a business model where financial instruments are held to collect contractual cash flows and for sale ("Hold to Collect and Sell" - HTCS - business model), with the relevant contract calling for the payment, at specified dates, of principal and interest accrued on the principal outstanding (SPPI).

This item includes debt securities that meet the above characteristics.

[427] The acronym SPPI - Solely Payments of Principal and Interest defines financial assets held solely to collect the relevant contractual cash flows, as represented by payments of principal and interest accrued on the principal outstanding at specified dates. The SPPI test is intended to check that the characteristics of the instruments are consistent with this objective.

c) measurement and recognition of gains and losses

Financial assets are measured at fair value and any subsequent change in fair value is recognised through Other comprehensive income ("OCI") until the financial asset is either derecognised or reclassified, except for currency gains and losses recognised in the statement of profit or loss in "Item 80 – Profits/(Losses) on trading". When the financial asset is derecognised, the related cumulative gains and losses recognised in OCI are reclassified to profit or loss in "Item 100 – Profits/(Losses) on disposal or repurchase".

The effects of the application of amortised cost are recognised in profit or loss in "Item 10 - Interest and similar income".

Expected credit losses are calculated in relation to these financial assets, as illustrated in the specific section. These expected losses are recognised in profit or loss in "Item 130 – Net losses/recoveries due to credit risk" with a counter-entry made under the "Item 110 – Valuation reserves"

d) derecognition

These financial assets are derecognised when the contractual rights to the cash flows of those financial assets lapse or on the disposal of the financial asset and all risks and rewards relating to the financial asset or their control are substantially transferred. If the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. Finally, transferred assets are derecognised if the contractual right to receive the cash flows of the assets is retained, but at the same time a contractual obligation is assumed to pay these flows to a third party, without delay and only to the extent of those received.

3 – FINANCIAL ASSETS MEASURED AT AMORTISED COST

a) recognition

Financial assets measured at amortised cost are initially recognised on (i) the settlement date for debt securities and investments and (ii) the date on which the service is rendered for trade receivables. They are initially recognised at fair value which is generally the price paid for debt securities or at the contractual value of the service rendered for all the other receivables. Changes in fair value between the trade date and the settlement date are recognised.

b) classification

This item includes financial assets held in connection with a business model where the objective is the collection of the relevant cash flows ("Hold to Collect" - HTC business model), represented by payments, at specified dates, of principal and interest accrued on the principal outstanding (SPPI). The business model on which the classification of financial assets is based permits the sale of such assets; if the sales are not occasional, and are not immaterial in terms of value, consistency with the HTC business model should be assessed.

In addition to debt instruments that reflect the characteristics outlined above, this item comprises mainly the deposits with the MEF and the trade receivables.

c) measurement and recognition of gains and losses

These assets are measured at amortised cost, that is the value assigned to the financial asset on initial recognition, net of any principal reimbursement, plus or minus the cumulative amortisation by using the effective interest rate method on the difference between the initial value and the value at maturity, after deducting any impairment. Any gains or losses are recognised in profit or loss in line "Item 10 - Interest and similar income".

The carrying amount of financial assets measured at amortised cost is adjusted to take into account expected credit losses, as illustrated in the specific section. These expected credit losses are recognised in profit or loss in line "Item 130 – Net losses/recoveries due to credit risk".

d) derecognition

These financial assets are derecognised when the contractual rights to the cash flows of those financial assets lapse or on the disposal of the financial asset and all risks and rewards relating to the financial asset or their control are substantially transferred. If the substantial transfer of risks and rewards cannot be ascertained, financial assets are derecognised if no control is retained over them. Finally, transferred assets are derecognised if the contractual right to receive the cash flows of the assets is retained, but at the same time a contractual obligation is assumed to pay these flows to a third party, without delay and only to the extent of those received.

4 – HEDGES

With regard to hedge accounting, the Poste Italiane Group has transitioned to the accounting rules set forth in IFRS 9 - *Financial Instruments*, effective retroactively from 1 January 2024.

a) recognition and classification

Derivative hedges are initially recognised on conclusion of the relevant contract. At the beginning of the hedging relationship, the following information, among others, must be documented: the risk management strategy and its objective, a qualitative description of the hedging relationship and identification of the hedged risk, and a description of how the hedge effectiveness requirements will be assessed. The fulfilment of the effectiveness criteria is checked at the beginning of the hedging relationship, as well as on an ongoing basis at each reporting date or when there is a significant change in the drivers affecting individual hedging relationships[428].

There are two types of hedge:

- fair value hedge: hedge of the exposure to a change in fair value of a recognised asset or liability, attributable to a particular risk and that could have an impact on profit or loss;
- cash flow hedges: a hedge of the exposure to the variability of cash flows attributable to a particular risk associated with a recognised asset or liability or with a highly probable forecast transaction, and that could have an impact on profit or loss.

Derivative contracts that constitute effective hedging relationships are presented as assets or liabilities depending on whether the fair value is positive or negative.

For a description of the methods used to assess the effectiveness of hedges, see Part E - Section 3 - Derivative instruments and hedging policies.

[428] Hedging effectiveness requirements are met if:
- there is an economic relationship between the hedging instrument and the hedged item;
- the effect of credit risk does not prevail over the changes in value deriving from the economic relationship;
- the hedge ratio used for hedge accounting purposes is the same as that used for risk management purposes.

b) measurement and recognition of gains and losses

Derivatives are initially recognised at fair value on the date the derivative contract is executed. If derivative financial instruments qualify for hedge accounting, gains and losses arising from changes in fair value after initial recognition are accounted for in accordance with the specific policies described below.

- *Fair value hedge*

When the hedge is related to recognised assets or liabilities, the changes in fair value of both the hedging instrument and the hedged item are recognised in profit or loss. Any difference represents the partial ineffectiveness of the hedge and is accounted for as a loss or gain, recognised in line "Item 90 - Profits/(Losses) on hedging".

- *Cash flow hedges*

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges after initial recognition is recognised in a specific equity reserve (the Cash flow hedge reserve, within line "Item 110 – Valuation reserve"). The gain or loss arising from a change in fair value relating to the ineffective portion of the hedge is recognised immediately in line "Item 90 - Profits/(Losses) on hedging" in the year considered.

Amounts accumulated in equity are recycled to profit or loss in the period in which the hedged item affect profit or loss. In particular, in the case of hedges associated with a highly probable forecast transaction (such as the forward purchase of debt securities), the reserve is reclassified to profit or loss in the period or in the periods in which the asset or liability, subsequently accounted for and connected to the aforementioned transaction, will affect profit or loss (for example, an adjustment to the return on the security).

If, during the life of the derivative, the forecast hedged transaction is no longer expected to occur, the related gains and losses accumulated in the cash flow hedge reserve are immediately reclassified in line "Item 80 – Profits/(Losses) on trading" for the relevant year. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the related gains and losses accumulated in the cash flow hedge reserve at that time remain in equity and are recognised in profit or loss at the same time as the original underlying.

9 – CURRENT AND DEFERRED TAXATION

Current income tax expense (IRES and IRAP) is based on the best estimate of taxable profit for the period and the related regulations, applying the rates in force. Deferred tax assets and liabilities are calculated on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts, using tax rates that are expected to apply when the related deferred tax assets are realised or the deferred tax liabilities are settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Current and deferred taxes are recognised in profit or loss, with the exception of taxes charged or credited directly to equity, in which case the tax effect is recognised directly in equity.

BancoPosta RFC is not a separate legal person and is not either directly or indirectly assessable to taxes. BancoPosta's share of taxes on Poste Italiane SpA's overall income is charged to BancoPosta RFC based on the profit or loss presented in this Separate Report adjusted for deferred taxation. In the case of both IRES and IRAP, the computation takes all permanent and temporary changes in BancoPosta's operations into account. Any items not directly relating to BancoPosta are included in the Poste Italiane computation.

Current tax assets and liabilities form part of intersegment relations and are presented in the Separate Report in "Other assets" and "Other liabilities", as they are settled with the segment of Poste Italiane SpA outside the ring-fence, within the scope of internal relations with Poste Italiane SpA, which continues to be the sole taxable entity.

10 – PROVISIONS FOR RISKS AND CHARGES

Provisions for risks and charges are recorded to cover losses that are either probable or certain to be incurred, for which, however, there is an uncertainty as to the amount or as to the date on which they will occur. Provisions for risks and charges are made when the entity has a present (legal or constructive) obligation as a result of a past event, and it is probable that an outflow of resources will be required to settle the obligation. Provisions are measured on the basis of management's best estimate of the use of resources required to settle the obligation. The value of the liability is discounted, where the time effect of money is relevant, at a rate that reflects current market values and takes into account the risks specific to the liability. Provisions are reviewed at each reporting date and are adjusted to reflect the best estimate of the expected charge to meet existing obligations at the reporting date. Any effect of the passage of time and the effect of changes in interest rates are shown in the statement of profit or loss under net allocations in the year. With regard to the risks for which the occurrence of a liability is only possible, specific information is provided without making any provision. Under the option granted by the relevant accounting standards, limited disclosure is provided when, in rare cases, disclosure of some or all of the information regarding the risks in question could seriously prejudice BancoPosta RFC's position in a dispute or in ongoing negotiations with third parties.

11 – FINANCIAL LIABILITIES MEASURED AT AMORTISED COST

a) recognition and classification

BancoPosta RFC has no outstanding debt securities and has not issued any such securities since its establishment. The sub-items Due to banks and Due to customers consist of funding provided by customers and obtained from the interbank market. These financial liabilities are recognised at fair value on the date of receipt of the funds. Fair value is normally the amount received.

b) measurement and recognition of gains and losses

Due to banks and customers are measured at amortised cost, employing the effective interest rate method. If there is a change in the expected cash flows and they can be reliably estimated, the value of payables is recalculated to reflect the change on the basis of the present value of estimated future cash flows and the internal rate of return initially applied.

c) derecognition

Financial liabilities are derecognised when they are extinguished or when the obligation specified in the contract expires, is cancelled or discharged.

12 – FINANCIAL LIABILITIES HELD FOR TRADING

a) classification and recognition

This item includes derivative financial instruments that do not meet the requirements to be classified as hedging instruments under the relevant accounting standards. Financial liabilities held for trading are recognised on the derivative contract date.

b) measurement and recognition of gains and losses

Financial liabilities held for trading are measured at fair value through profit or loss in "Item 80 - Profits/(Losses) on trading".

c) derecognition

Financial liabilities on trading are derecognised when they are extinguished or when the obligation specified in the contract expires, is cancelled or discharged.

14 – FOREIGN CURRENCY TRANSACTIONS

a) recognition

Foreign currency transactions are initially recognised in the functional currency by translating the foreign currency amount at the transaction date spot rate.

b) classification, measurement, derecognition and recognition of gains and losses

Foreign currency items are translated at each reporting date as shown below:

- monetary items at closing exchange rates;
- non-monetary items are recognised at their historical cost translated at the transaction date spot rate;
- non-monetary items measured at fair value at closing exchange rates.

Foreign exchange differences realised on the settlement of monetary items or on the translation of monetary and non-monetary items, using exchange rates other than the rate used to translate the item on initial recognition, are recognised in profit or loss in line "Item 80 - Profits/(Losses) on trading".

15 – OTHER INFORMATION

Revenue recognition from contracts with customers

Revenue deriving from contracts with customers reflects the consideration to which the entity expects to be entitled in exchange for promised goods and/or services (transaction price).

The main revenue types of BancoPosta RFC are described below, together with an indication of the timing of the fulfilment of performance obligations[429]:

[429] The performance obligations, are defined as the explicit or implicit promise to transfer a distinct good or service to the customer. Revenue is recognised when or as the entity fulfils the performance obligation, that is upon delivery of the good or service to the customer:
- "at a point in time": in the case of obligations fulfilled at a point in time, revenue is recognised only as control over the good or service is passed to the customer. In that respect, consideration is given not only to the significant exposure to the risks and

- revenue from placement and brokerage: these are recognised over time and measured on the basis of the volumes placed, quantified on the basis of commercial agreements with financial institutions. In terms of fees for the collection of postal savings, the agreement entered into with Cassa Depositi e Prestiti envisages payment of a variable consideration on achieving certain levels of inflows, determined on the basis of the volume of inflows and expected redemptions; certain commercial agreements, entered into with leading financial partners for the placement of financial products, envisage the return of placement fees in the event of early termination or surrender by the customer;
- revenue from current account and related services: these are recognised over time, measured on the basis of the service rendered (including the related services, e.g. bank transfers, securities deposits, etc.) and quantified on the basis of the contract terms and conditions offered to the customer;
- revenue from commissions on postal current account slips: these are recognised at a point in time given the number of transactions handled by post offices and quantified on the basis of the terms and conditions in the contract of sale.

For the purposes of revenue recognition, the variable components of the consideration are identified and quantified (discounts, rebates, price concessions, incentives, penalties and other similar) so as to include them to supplement or adjust the transaction price. Among the variable components of the consideration, penalties (other than those for damages) are of particular importance, as they are recognised as a direct decrease in revenue.

Revenue from activities carried out in favour of or on behalf of the state is recognised on the basis of the amount effectively accrued, with reference to the laws and agreements in force, taking account, in any event, of the provisions contained in legislation regarding the public finances. Returns on the portion of current account deposits deposited with the MEF are determined on an accruals basis, using the effective interest rate method, and classified in "Item 10 – Interest and similar income". The same classification is applied to income from Eurozone government bonds, in which deposits paid into accounts by private customers and tax credits Law no. 77/2020 are invested.

For quantitative details on the distinction between revenue from contracts with customers recognised at a point in time or over time, see Part C - section 2 - Commissions.

Impairment

Loans and receivables classified under "Financial assets measured at amortised cost" and "Financial assets measured at fair value through other comprehensive income" are tested for impairment in accordance with the Expected Credit Losses (ECL) model. The method utilised is the "General deterioration model", whereby:

- if on the reporting date the credit risk of a financial instrument has not increased significantly since initial recognition, a 12-month ECL is recognised (stage 1). Interest on the instrument is calculated on the gross carrying amount (amortised cost inclusive of the ECL);
- if on the reporting date the credit risk of the financial instrument has increased significantly since initial recognition, a lifetime ECL is recognised (stage 2). Interest on the instrument is calculated on the gross carrying amount (amortised cost inclusive of the ECL);
- if the financial instrument is impaired, or shows objective evidence of impairment at the reporting date, impairment will continue to be recognised over the lifetime of the financial instrument (stage 3). Interest is recognised at

benefits related to the good or service but also physical possession, customer's acceptance, the existence of legal rights, etc.;
- "over time": in the case of obligations fulfilled over time, the measurement and recognition of revenue reflect, virtually, the progress of the customer's satisfaction. An appropriate approach is defined to measure progress of the performance obligation (the output method).

amortised cost, i.e. on the basis of the exposure value - determined using the effective interest rate - adjusted for expected losses.

In determining whether credit risk has increased significantly, it is necessary to compare the risk of default of the financial instrument as at the reporting date with the risk of default of the financial instrument on initial recognition.

However, there is a rebuttable default presumption if the financial instrument is more than 90 days past due, unless there is reasonable and supportable information to demonstrate that a default criterion with greater lag is more appropriate.

On the other hand, a simplified approach to measure the loss provisions is applied to trade receivables that do not contain a significant financing component pursuant to IFRS 15. The simplified approach is based on a matrix of observed historical losses.

For a detailed description of the approaches, reference is made to Part E – Section 1 – Credit risk.

Tax credits Law no. 77/2020

The tax credits were acquired by Poste Italiane SpA and allocated to BancoPosta against free capital resources as well as resources subject[430] and not subject to the restriction of use in accordance with the provisions of the “Decreto Rilancio” (Law Decree no. 34/2020 converted with amendments by Law no. 77/2020) by which tax breaks were introduced to support Citizens and Businesses to encourage economic recovery following the Covid-19 health emergency. The main features of these tax credits are: (i) the possibility of use in offsetting; (ii) transferability to third-party purchasers; and (iii) non-refundability by the tax Authorities.

Tax credits are allocated to BancoPosta RFC at acquisition cost and at the maturity of the individual units are transferred to Poste Italiane SpA at their nominal value for the relevant offsetting, as BancoPosta RFC does not have legal personality and is not independently subject to direct or indirect taxation.

For said receivables, since it is not possible to identify an accounting framework directly applicable to this case, in compliance with the provisions of IAS 8, an accounting policy was defined, suitable for providing relevant and reliable information aimed at ensuring a faithful representation of the financial position, income and cash flows and which reflects the economic substance and not merely the form of the transaction. On the basis of the analyses carried out and the documents published by the main Italian supervisory bodies[431], although the definition of financial assets in IAS 32 is not directly applicable to this case, an accounting model was developed based on IFRS 9 given that:

a) at inception, an asset as defined by the Conceptual Framework arises in the transferee's financial statements;
b) they may be used to offset a payable that is usually settled in cash (tax payables), and exchanged for other financial assets on terms that may be potentially favourable to the entity;
c) a business model can be identified (Hold to Collect, Hold to Collect and Sell or other business models).

[430] With the conversion into Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021, BancoPosta RFC is allowed, as part of the 50% of its funding from private customers that can be invested in securities guaranteed by the Italian State, to use up to 30% of this portion to purchase tax credits.

[431] On 5 January 2021, the Bank of Italy, Consob and IVASS published Document no. 9 of the Coordination Round-Table Group on the Application of IAS/IFRS "Accounting Treatment of Tax Credits Associated with the "Cura Italia" and "Rilancio" Law Decrees Acquired as a Result of Disposal by Direct Beneficiaries or Previous Purchasers".

At the date of purchase, these receivables are recognised at their fair value (coinciding with the price paid) and subsequently measured at amortised cost (Hold to Collect - HTC business model), as they were acquired to be used to offset tax or social security payables by Poste Italiane SpA, based on the provisions of the relevant regulations.

As specified by the joint document of the Authorities, taking into account that purchased tax credits do not represent tax assets, government grants, intangible assets or financial assets under international accounting standards, the most appropriate classification for the purposes of presentation in the financial statements is the residual classification in "Item 120 - Other Assets" in the Statement of financial position. The related remuneration is recognised to the Statement of profit or loss under "Item 10 - Interest and similar income".

Repurchase agreements

Any securities received as part of a transaction entailing subsequent re-sale and the delivery of securities as part of a transaction entailing their subsequent repurchase are not either recognised or derecognised. Consequently, in the case of securities purchased under a resale agreement, the amount paid is recognised as an amount due from customers or banks under Financial assets measured at amortised cost; in the case of securities sold under a repurchase agreement, the liability is recognised as an amount due to banks or customers under Financial liabilities measured at amortised cost. The transactions described are subject to offsetting if, and only if, they are carried out with the same counterparty, have the same maturity and offsetting is provided for in the contract.

Related parties

Related parties within the Poste Italiane Group are Poste Italiane SpA's functions outside the ring-fence and Poste Italiane SpA's direct and indirect subsidiaries and associates.

Related parties external to the Group include the MEF and its direct and indirect subsidiaries and associates. Related parties also include Poste Italiane SpA's key management personnel and the funds representing post-employment benefit plans for the personnel of BancoPosta RFC and its related parties. The state and public sector entities other than the MEF are not classified as related parties. Related party transactions do not include those deriving from financial assets and liabilities represented by instruments traded on organised markets.

Employee benefits

Short-term employee benefits are those that will be fully paid within twelve months of the end of the year in which the employee provided his or her services. Such benefits include wages, salaries, social security contributions, holiday pay and sick pay.

The undiscounted value of short-term employee benefits, to be paid to employees in consideration of employment services provided over the relevant period, is accrued as personnel expenses.

Post-employment benefits consist of two types:

- Defined benefit plans

  Defined benefit plans include employee termination benefits payable to employees in accordance with art. 2120 of the Italian Civil Code, limited to the part of employee termination benefits accrued until 31 December 2006.

  Under these plans, given that the amount of the benefit to be paid is only quantifiable following the termination of employment, the related effects on profit or loss or the financial position are recognised on the basis of actuarial calculations. In particular, the liability to be paid on cessation of employment is calculated using the projected unit credit method and then discounted to recognise the time value of money prior to the liability being settled. The liability recognised in the Separate Report is based on calculations performed by independent actuaries. The calculation takes account of the employee termination benefits accrued for the period of service to date and is based on actuarial assumptions described in Part B, section 9 of Liabilities to which reference should be made. Actuarial gains and losses are recognised directly in equity at the end of each reporting period, based on the difference between the carrying amount of the liability and the present value of the BancoPosta RFC's obligations at the end of the period, due to changes in the actuarial assumptions.

- Defined contribution plans

  Employee termination benefits payable pursuant to art. 2120, Italian Civil Code fall within the scope of defined contribution plans provided they vested subsequent to 1 January 2007 and were paid into a Supplementary Pension Fund or a Treasury Fund at INPS. Contributions to defined contribution plans are recognised in profit or loss when incurred, based on their nominal value.

Termination benefits payable to employees are recognised as a liability when BancoPosta RFC gives a binding commitment, also on the basis of consolidated relationships and mutual undertakings with union representatives, to terminate the employment of an employee, or group of employees, prior to the normal retirement date or, alternatively, an employee or group of employees accepts an offer of benefits in consideration of a termination of employment. Termination benefits payable to employees are immediately recognised as personnel expenses.

Other long-term employee benefits consist of benefits not payable within twelve months of the end of the reporting period during which the employees provided their services. The net change in the value of any of the components of the liability during the reporting period is recognised in full in profit or loss.

Share-based payments

Share-based payment transactions may be settled in cash, with equity instruments, or with other financial instruments. Goods or services received or acquired through a share-based payment transaction are recognised at their fair value.
In the case of cash-settled share-based payment transactions:

- a liability is recognised as a matching entry at cost;
- if the fair value of the goods or services received or acquired cannot be reliably determined, this value must be estimated indirectly on the basis of the fair value of the liability;
- the fair value of the liability must be remeasured at the end of each reporting period, recognising any changes in fair value in profit or loss for the period.

In the case of equity-settled share-based payment transactions:

- an increase in shareholders' equity is recorded as a matching entry at cost;
- if the fair value of the goods or services received or acquired cannot be reliably determined, this value must be estimated indirectly on the basis of the fair value of the equity instruments granted at the grant date.

In the event of benefits granted to employees, recognition should take place in "Item 160 a) – Personnel expenses" over the period in which the employees render service and the expense accounted for.

Perpetual subordinated loan

The perpetual subordinated loan is classified as an equity instrument, in view of the fact that BancoPosta RFC has the unconditional right to defer repayment of the principal and payment of the coupons until the date of its liquidation. Therefore, the amount received from Poste Italiane SpA is recognised as an increase in the shareholders' equity; conversely, repayments of principal and payments of coupons due (at the time the related contractual obligation arises) are recognised as a decrease in the shareholders' equity.

Classification of the costs for services provided by Poste Italiane SpA

Service costs charged by Poste Italiane SpA's functions outside the ring-fence are normally recognised in "Item 160 b) - Other administrative expenses".

Use of estimates

The preparation of financial information requires the use of estimates and assumptions that can have a significant effect on the final values indicated in the financial statements and in the disclosure provided. The preparation of these estimates involves the use of available information and the adoption of subjective assessments, also based on historical experience, used for the formulation of reasonable assumptions for the recognition of operating events. Estimates and assumptions are periodically reviewed and the impact of any changes is reflected in the financial statements for the period in which the estimate is revised if the revision only influences the current period, or also in future periods if the revision influences both current and future periods. Due to their nature, the estimates and assumptions used may vary from year to year and, therefore, it cannot be excluded that in subsequent years, the values recorded in these Separate Report may also vary significantly as a result of changes in the subjective valuations used.

Described below are the accounting treatments that require greater subjectivity in the preparation of estimates, also taking into account the unique characteristics of the macroeconomic environment of reference recorded in recent years.

- Impairment and stage allocation

For the purposes of calculating impairment and determining the stage allocation, the main factors estimated are as follows, relating to the internal model developed for Sovereign, Banking and Corporate counterparties:

- estimates of ratings by counterparty;
- estimation of the probability of default "PD" for counterparties.

With regard to trade receivables, on the other hand, the Poste Italiane Group does not apply stage allocation in accordance with the Simplified Approach. Impairment, for these items in the Financial Statements, is based on:

- analytical impairment: when a defined credit threshold is exceeded, the individual credit position is analytically monitored on the basis of internal or external evidence; or
- forfeit impairment: elaboration of a provision matrix for historical losses.

For further details, reference is made to Part E – Section 1 – Credit risk.

- Revenue from contracts with customers

The main factors in the recognition of revenue from contracts with customers include elements of variable consideration, particularly penalties (other than those related to compensation for damages). Elements of variable consideration are identified at the inception of the contract and estimated as of every close of the accounts for the entire contract term, to take into account new circumstances and changes in the circumstances already considered for the previous estimations. Elements of variable consideration include refund liabilities.

- Deferred tax assets

The recognition of deferred tax assets is based on the expectation of taxable income in future years. Assessments of expected taxable income depend on factors which may change over time, impacting on the valuation of the deferred tax assets in the Separate Report.

- Provisions for risks and charges

Provisions for risks and charges represent probable liabilities in connection with personnel, suppliers, third parties and, in general, liabilities deriving from present obligations. These provisions cover the liabilities that could result from legal action of varying nature, the impact on profit or loss of seizures incurred and not yet definitively assigned, and amounts expected to be refundable to customers where the final amount payable has yet to be determined.

Determination of the amounts to be provided involves the use of estimates based on current knowledge of factors that may change over time, potentially resulting in outcomes that may be significantly different from those taken into account when preparing this Separate Report.

- Share-based payments

As described in Part I, a internal pricing tool was used to assess the Share-based payment arrangements in place within the Poste Italiane Group at the close of this Report, which adopts simulation models consistent with the requirements of the relevant accounting standards and takes account of the specific characteristics of the Plans. The plan terms and conditions link the award of the related options to the occurrence of certain events, such as the achievement of performance targets and performance hurdles and, in certain areas of operation, compliance with certain capital adequacy and liquidity requirements. For these reasons, measurement of the liability, equity reserve and the corresponding economic effects involves the use of estimates based on current knowledge of factors that may change over time, potentially resulting in outcomes that may be significantly different from those taken into account in preparing this Report.

- Employee termination benefits

The measurement of Employee termination benefits is also based on calculations performed by independent actuaries. The calculation takes account of termination benefits accrued for the period of service to date and is based on various demographic and economic-financial assumptions. Below are the main actuarial assumptions applied in the calculation of the employee termination benefit provision at 31 December 2024, also based on the experience of each Group company and the best reference practice: These assumptions are subject to periodic review.

Economic and financial assumptions

	31.12.2024
Discount rate	3,18%
Inflation rate	2,00%
Annual rate of increase of employee termination benefits	3,00%

Demographic assumptions

	31.12.2024
Mortality	ISTAT 2018
Disability	INPS tables broken dow n by age and gender
Pensionable age	Achievement of general mandatory insurance requirements

Annual Employee Turnover Frequencies and Employee termination benefits Advances

	31.12.2024
Advances Frequencies	0,40%
Annual Employee Turnover Frequencies	2,00%

A.3 – INFORMATION ON TRANSFERS BETWEEN FINANCIAL ASSET PORTFOLIOS

There have been no transfers between portfolios.

A.4 – INFORMATION ON FAIR VALUE

Qualitative information

BancoPosta RFC had adopted the Poste Italiane Group's fair value policy. This policy sets out the general principles and rules to be applied in determining fair value for the purposes of preparing the financial statements, conducting risk management assessments and supporting the market transactions carried out by the Finance departments of the various Group entities. The general principles for measuring financial instruments at fair value have not changed since 31 December 2023. Said general principles were identified in compliance with indications from the various (banking and insurance) regulators and the relevant accounting standards, ensuring consistent application of the valuation techniques adopted at Group level. The methods used have been revised, where necessary, to take into account developments in operational procedures and in market practices during the year.

In compliance with IFRS 13 - *Fair Value Measurement*, the valuation techniques used are described below.

The assets and liabilities concerned (specifically assets and liabilities measured at fair value and measured at cost or amortised cost, for which fair value is required to be disclosed in the notes) are classified with reference to a hierarchy that reflects the materiality of the sources used for their valuation.

The hierarchy consists of the following 3 levels.

Level 1: this level is comprised of fair values determined with reference to unadjusted prices quoted in active markets for identical assets or liabilities to which the entity has access on the measurement date. For BancoPosta RFC, the financial instruments included in this category consist of bonds issued by the Italian government, the valuation of which is based on the bid prices, according to a hierarchy of sources where the MTS (the wholesale electronic market for government securities) ranks first, MILA (Milan Stock Exchange) second, for bonds intended for retail customers, and the CBBT (Bloomberg Composite Price) third.

Level 2: this level is comprised of fair values based on inputs other than Level 1 quoted market prices that are either directly or indirectly observable for the asset or liability[432]. For BancoPosta RFC, these include the following types of financial instrument:

- Straight Italian and international government and non-government bonds, quoted on inactive markets or unqquoted;
- Unquoted equities;
- Derivative financial instruments;
- *Reverse Repos;*
- Financial liabilities either quoted on inactive markets or unquoted comprised of funding Repos.

[432] Given the nature of BancoPosta RFC's operations, the observable data used as input to determine the fair value of the various instruments include, for example, quoted prices provided by third parties (pricing or brokerage services), yield and inflation curves, exchange rates provided by the European Central Bank, ranges of rate volatility, inflation option premiums, interest rate swap spreads or credit default spreads which represent the creditworthiness of specific counterparties and any liquidity adjustments quoted by primary market counterparties.

Level 3: this category includes the fair value measurement of assets and liabilities using inputs which cannot be observed, in addition to Level 2 inputs. In BancoPosta RFC's case, this category includes the following financial instruments for which no price is observable directly or indirectly in the market:

- Unquoted equities;
- Tax credits pursuant to Law no. 77/2020[433];
- forward sale of unquoted equities.

A.4.1 FAIR VALUE LEVELS 2 AND 3: VALUATION TECHNIQUES AND INPUTS USED

Information on the valuation models used is summarised below by type of financial instrument.

Level 2: the following categories of financial instruments belong to this level:

- Straight government and non-government bonds, quoted on inactive markets or unquoted: valuation is based on discounted cash flow techniques involving the computation of the present value of future cash flows, inputting rates from yield curves incorporating spreads reflecting credit risk that are based on spreads determined with reference to quoted and liquid benchmark securities issued by the issuer, or by other companies with similar characteristics to the issuer. Yield curves may be slightly adjusted to reflect liquidity risk relating to the absence of an active market.
- Unquoted equities, for which it is to use the price of quoted equities of the same issuer as a benchmark. The price inferred in this manner is adjusted through the application of a discount, quoted by primary market counterparties, representing the cost implicit in the process to align the value of the unquoted shares to the quoted ones.
- Derivative financial instruments:
  - Plain vanilla interest rate swaps: valued using discounted cash flow techniques, involving the computation of the present value of future differentials between the receiver and payer legs of the swap. The construction of yield curves to estimate future cash flows indexed to market parameters (money market rates and/or inflation) and computation of the present value of future differentials are carried out using techniques commonly used in capital markets.
  - Interest rate swaps with an embedded option: valuation is based on a building block approach, entailing decomposition of a structured position into its basic components: the linear and option components. The linear component is measured using the discounted cash flow techniques described for plain vanilla interest rate swaps above. Using the derivatives held in BancoPosta RFC's portfolio as an example, the option component is derived from interest rate or inflation rate risks and is valued using a closed form expression, as with classical option valuation models with underlyings exposed to such risks.
  - Bond forwards: valuation is based on the present value of the differential between the forward price of the underlying instrument as of the measurement date and the settlement price.

  The derivatives held in BancoPosta RFC's portfolio may be pledged as collateral and the fair value, consequently, need not be adjusted for counterparty risk. The yield curve used to compute present value is selected to be consistent with the manner in which cash collateral is remunerated. This approach is also followed for security in the form of pledged debt securities, given the limited level of credit risk inherent in the securities held as collateral by BancoPosta RFC.

[433]These credits have been measured at amortised cost since 1 October 2022.

- Reverse Repos: are valued using discounted cash flow techniques involving the computation of future contractual cash flows. Reverse Repos may also be used for collateral and in such cases fair value need not be adjusted for the counterparty's credit risk.
- Financial liabilities either quoted on inactive markets or not at all, consisting of repurchase agreements used to raise finance are valued using discounted cash flow techniques involving the computation of future contractual cash flows. Repos may also be used for collateral and in such cases fair value need not be adjusted for the counterparty's credit risk.

Level 3: the following categories of financial instruments belong to this level:

- Equities for which no price is observable directly or indirectly in the market. Measurement of these instruments is based on the price of quoted equities of the same issuer as a benchmark. The price inferred in this manner would be adjusted through the application of the discount implicit in the process to align the value of the unquoted shares to the quoted ones.
- Tax credits Law no. 77/2020 for which no price is observable directly or indirectly in the market. For this type of instrument, the method of determining fair value involves the application of the discounted cash flow valuation technique, which consists of discounting cash flows to maturity using the yield curve constructed by adding to the risk-free rate curve the extra yield calculated starting from the price at the date of purchase of the receivables. The spread remains fixed for the life of the instrument.
- Forward sale of unquoted equities, for which the counterparty valuation is recalculated, by discounting the differential between the forward price of the equity underlying the derivative, updated at the measurement date and the settlement price.

A.4.2 MEASUREMENT PROCESSES AND SENSITIVITIES

The processes used in recurring and non-recurring fair value measurements of instruments classified in Level 3 are described in paragraphs A.4.1 and A.4.5, respectively, of Part A.

Sensitivity analysis of recurring fair value measurements classified in Level 3 of the hierarchy is conducted for the Series C Visa Incorporated Convertible Participating Preferred Stocks. Measurement of these financial instruments is in fact subject to change following alterations that may occur in the discount factor applied in determining fair value, in order to take into account the illiquid nature of the shares. This discount factor, estimated using an internal valuation technique, is above all influenced by the annual volatility of the underlying shares. Applying the maximum volatility according to the technique used, the potential reduction in fair value could reach approximately 11.58%.

A.4.3 FAIR VALUE HIERARCHY

The main factors contributing to transfers between fair value levels include changes in the observability of significant inputs and market conditions (including the liquidity parameter) and refinements in the valuation models used in measuring fair value.

For all classes of assets and liabilities, the transfer from one level to another occurs on the date of the event or change in circumstances that led to the transfer.

Information on transfers during the period is provided in Part A.4.5 - Fair Value Hierarchy.

A.4.4 OTHER INFORMATION

There is no need to provide the additional disclosures required by IFRS 13, paragraphs 51, 93(h) and 96.

Quantitative information

A.4.5 FAIR VALUE HIERARCHY

A.4.5.1 Assets and liabilities measured at fair value on a recurring basis by fair value level

(€m)

Assets/Liabilities measured at fair value	31.12.2024			31.12.2023		
	Level 1	Level 2	Level 3*	Level 1	Level 2	Level 3*
1. Financial assets measured at fair value through profit or loss	-	17	17	-	-	26
a) financial assets held for trading	-	-	-	-	-	-
b) financial assets designated at fair value	-	-	-	-	-	-
c) other financial assets mandatorily measured at fair value	-	17	17	-	-	26
2. Financial assets measured at fair value through other comprehensive income	33,476	169	-	32,901	168	-
3. Hedging derivatives	-	2,679	-	-	4,257	-
4. Property, plant and equipment	-	-	-	-	-	-
5. Intangible assets	-	-	-	-	-	-
Total	**33,476**	**2,865**	**17**	**32,901**	**4,425**	**26**
1. Financial liabilities held for trading	-	-	8	-	-	3
2. Financial liabilities designated at fair value	-	-	-	-	-	-
3. Hedging derivatives	-	1,348	-	-	1,136	-
Total	**-**	**1,348**	**8**	**-**	**1,136**	**3**

(*) Notes on this position are provided in Part B, Assets, Table 2.5.

A.4.5.2 Changes during the year in assets measured at fair value on a recurring basis (Level 3)

(€m)

	Financial assets measured at fair value through profit or loss				Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
	Total	of which: a) financial assets held for trading	of which: b) financial assets designated at fair value	of which: c) other financial assets mandatorily measured at fair value				
1. Opening balance	**26**	**-**	**-**	**26**	**-**	**-**	**-**	**-**
2. Increases	**4**	**-**	**-**	**4**	**-**	**-**	**-**	**-**
2.1. Purchases		-	-		-	-	-	-
2.2. Profit recognition:	4	-	-	4	-	-	-	-
2.2.1. Profit or loss	4	-	-	4	-	-	-	-
- of which gains	4	-	-	4	-	-	-	-
2.2.2. Equity	-	x	x	x	-	-	-	-
2.3. Transfers from other levels	-	-	-	-	-	-	-	-
2.4. Other increases	-	-	-	-	-	-	-	-
3. Decreases	**(13)**	**-**	**-**	**(13)**	**-**	**-**	**-**	**-**
3.1. Sales	-	-	-	-	-	-	-	-
3.2. Redemptions	-	-	-	-	-	-	-	-
3.3. Impairment recognition:	-	-	-	-	-	-	-	-
3.3.1. Profit or loss	-	-	-	-	-	-	-	-
- of which losses	-	-	-	-	-	-	-	-
3.3.2. Equity	-	x	x	x	-	-	-	-
3.4. Transfers to other levels	(13)	-	-	(13)	-	-	-	-
3.5. Other decreases	-	-	-	-	-	-	-	-
4. Closing balance	**17**	**-**	**-**	**17**	**-**	**-**	**-**	**-**

In the period under review, the changes relate for €4 million to the positive change in the fair value of the Series C Visa Incorporated Convertible Participating Preferred Stocks and for €13 million to the transfer from Level 3 to Level 2 of part of the Visa Incorporated Series C Preferred Stocks converted into Series A Preferred Stocks on 19 July 2024, as described in Part B, Section 2 of Assets.

A.4.5.4 Assets and liabilities not measured at fair value or measured at fair value on a non-recurring basis: breakdown by fair value level

(€m)

Assets/Liabilities not measured at fair value or measured at fair value on a non-recurring basis	Total at 31.12.2024				Total at 31.12.2023			
	Carrying amount	Level 1	Level 2	Level 3	Carrying amount	Level 1	Level 2	Level 3
1. Financial assets measured at amortised cost	45,829	26,489	4,724	13,155	44,562	25,231	4,856	12,394
2. Property, plant and equipment held for investment purposes	-	-	-	-	-	-	-	-
3. Non-current assets and disposal groups held for sale	-	-	-	-	-	-	-	-
Total	**45,829**	**26,489**	**4,724**	**13,155**	**44,562**	**25,231**	**4,856**	**12,394**
1. Financial liabilities measured at amortised cost	89,012	-	6,103	82,806	90,963	-	7,996	82,747
2. Liabilities associated with non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-
Total	**89,012**	**-**	**6,103**	**82,806**	**90,963**	**-**	**7,996**	**82,747**

In determining the fair values shown in the table, the following criteria were used:

- debt securities measured at amortised cost were recognised applying the same rules as those used in the fair value measurement of financial assets measured at fair value through other comprehensive income; these instruments are shown in Level 1 of the fair value hierarchy;
- the fair value of repurchase agreements was measured using the discounted cash flow techniques described in paragraph A.4.1; these financial instruments are shown in Level 2 of the fair value hierarchy;
- the carrying amount of other financial assets and liabilities represents a reasonable approximation of fair value and is shown in the column corresponding to Level 3 in the fair value hierarchy.

The table does not include tax credits Law no. 77/2020 measured at amortised cost at 31 December 2024 with a carrying amount of €6,723 million (€7,912 million at 31 December 2023) and a fair value of €6,453 million (€7,434 million at 31 December 2023). This fair value is determined using discounted cash flow techniques, described in Section A.4.1, and corresponds to Level 3 of the fair value hierarchy.

A.5 – INFORMATION ON DAY ONE PROFIT/LOSS

This form of profit or loss is not applicable to BancoPosta RFC.

PART B – INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

ASSETS

SECTION 1 – CASH AND CASH EQUIVALENTS – ITEM 10

1.1 Cash and cash equivalents: breakdown

(€m)

	Total at 31.12.2024	Total at 31.12.2023
a) Cash	4,199	3,969
b) Current accounts and demand deposits at Central banks	126	756
c) Current accounts and demand deposits at banks	8	7
Total	**4,333**	**4,732**

"Cash" is comprised of cash at post office counters and companies that provide cash transportation services, consisting of cash deposits on postal current accounts, postal savings products (Interest-bearing Postal Certificates and Postal Savings Books) or advances obtained from the Treasury to fund post office operations. This cash may only be used in settlement of these obligations. Cash and cash equivalents in hand are held at post offices (€1,524 million) and service companies[434] (€2,675 million). Cash includes foreign banknotes equivalent to €42 million. The decrease in current accounts and sight deposits with central banks compared to the previous year is mainly due to the different allocation of loans, in order to optimise returns on deposits.

SECTION 2 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 20

BancoPosta RFC had no financial instruments in the trading book either at 31 December 2024 or 31 December 2023. BancoPosta RFC entered into transactions to acquire and immediately dispose of debt securities and equities on behalf of certain customers.

There are no financial assets measured at fair value under the fair value option in portfolio at 31 December 2024 and 31 December 2023.

2.5 Other financial assets mandatorily measured at fair value: breakdown by type

(€m)

Items/Amounts	Total at 31.12.2024			Total at 31.12.2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	-	-	-	-	-	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	-	-	-	-	-	-
2. Equity instruments	-	17	17	-	-	26
3. UCIs	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Repurchase agreements	-	-	-	-	-	-
4.2 Other	-	-	-	-	-	-
Total	-	**17**	**17**	-	-	**26**

Equity instruments comprise:

[434] They carry out transport and custody of valuables awaiting payment to the State Treasury.

- for €17 million, the fair value of 32,059 Visa Incorporated preferred stocks (Series C Convertible Participating Preferred Stocks). These shares are convertible to ordinary shares at the rate of 1,783[435] ordinary shares for each C share, minus a suitable illiquidity discount. The process of determining the proportion of convertibility and related rate of Visa Incorporated Series C Convertible Participating Preferred Stocks continued during the year, partially concluded on 19 July 2024 with the grant of 583 preferred stocks of Visa Incorporated Series A Preferred Stocks;
- for €17 million, the fair value of 583 Visa Incorporated preferred stocks (Series A Preferred Stocks); these shares are convertible into ordinary shares on the basis of a ratio of one hundred ordinary shares for every stock of Class A Preferred Stocks.

  The net overall change in fair value during the year is a positive €8 million and is recorded in profit and loss under "Item 110 - Profits (Losses) on other financial assets and liabilities measured at fair value through profit or loss".

  In addition, a forward sale agreement was entered into during the financial year 2023 for 95,000 Visa Incorporated ordinary shares with a total consideration of €20.5 million and a settlement date of 3 March 2025.

  Fair value losses in the year under review, amounting to €5.6 million, have been recognised in profit or loss in “80- Profits/(Losses) on trading”.

2.6 Other financial assets mandatorily measured at fair value: breakdown by debtor/issuer

(€m)

	Total at 31.12.2024	Total at 31.12.2023
1. Equity instruments	**34**	**26**
of which: banks	-	-
of which: other financial companies	34	26
of which: non-financial companies	-	-
2. Debt securities	**-**	**-**
a) Central banks	-	-
b) Public Administration entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
3. UCIs	**-**	**-**
4. Loans	**-**	**-**
a) Central banks	-	-
b) Public Administration entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**34**	**26**

[435] Until the assigned shares are fully converted into ordinary shares, the share exchange ratio may be reduced if Visa Europe Ltd. incurs liabilities that, as of the reporting date, were considered as merely contingent.

SECTION 3 – FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – ITEM 30

3.1 Financial assets measured at fair value through other comprehensive income: breakdown by type

(€m)

Items/Amounts	Total at 31.12.2024			Total at 31.12.2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	**33,476**	**169**	**-**	**32,901**	**168**	**-**
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	33,476	169	-	32,901	168	-
2. Equity instruments	**-**	**-**	**-**	**-**	**-**	**-**
3. Loans	**-**	**-**	**-**	**-**	**-**	**-**
Total	**33,476**	**169**	**-**	**32,901**	**168**	**-**

Investments in debt securities are recognised at fair value, for €33,645 million (of which €263 million in accrued interest).

3.2 Financial assets measured at fair value through other comprehensive income: breakdown by debtor/issuer

(€m)

Items/Amounts	Total at 31.12.2024	Total at 31.12.2023
1. Debt securities	**33,645**	**33,069**
a) Central banks	-	-
b) Public Administration entities	33,645	33,069
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
2. Equity instruments	**-**	**-**
a) Banks	-	-
b) Other issuers:	-	-
- other financial companies	-	-
of which: insurance companies	-	-
- non-financial companies	-	-
- other	-	-
3. Loans	**-**	**-**
a) Central banks	-	-
b) Public Administration entities	-	-
c) Banks	-	-
d) Other financial companies	-	-
of which: insurance companies	-	-
e) Non-financial companies	-	-
f) Households	-	-
Total	**33,645**	**33,069**

Debt securities issued by governments include Eurozone fixed income instruments, represented by Italian government bonds with a nominal value of €33,795 million. The amount of €33,645 million consists of non-hedged securities in the amount of €14,731 million, fair value hedged securities in the amount of €12,240 million, and CFH hedged securities in the amount of €6,674 million. Total fair value fluctuation for the period was positive for €845 million, with gains of €593 million recognised in the relevant equity reserve in relation to the portion of the portfolio not hedged by fair value hedges, and a gain of €252 million recognised through profit and loss in relation to the hedged portion. The increase in this item is mainly due to the positive change in fair value, partially offset by the negative effect of net sales of securities compared to the previous year.

Securities with a nominal value of €2,854 million are encumbered as follows:

- €2,299 million, carried at fair value for €2,251 million (Part B, Other information, table 3), and delivered to counterparties in connection with repurchase agreements concluded prior to 31 December 2024;
- €555 million, carried at fair value for €556 million, and delivered to the Bank of Italy to secure an intraday line of credit.

3.3 Financial assets measured at fair value through other comprehensive income: gross amount and overall impairment losses

(€m)

	Gross amount					Total impairment losses				
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Acquired or originated impaired financial assets	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets	Total partial write-offs*
Debt securities	33,659	-	-	-	-	14	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	-
Total at 31.12.2024	**33,659**	**-**	**-**	**-**	**-**	**14**	**-**	**-**	**-**	**-**
Total at 31.12.2024	**33,088**	**-**	**-**	**-**	**-**	**19**	**-**	**-**	**-**	**-**

(*) amount reported for disclosure purposes

Fixed income instruments recognised at FVTOCI are adjusted for impairment through the relevant equity reserve, with a matching entry in profit or loss. Accumulated impairments at 31 December 2024 amount to €14 million (€19 million at 31 December 2023).

SECTION 4 – FINANCIAL ASSETS MEASURED AT AMORTISED COST – ITEM 40

4.1 Financial assets measured at amortised cost: breakdown of due from banks by type

(€m)

Transaction type/Amounts	Total at 31.12.2024						Total at 31.12.2023					
	Carrying amount			Fair Value			Carrying amount			Fair Value		
	Stage 1 and 2	Stage 3	Acquired or originated impaired financial assets	Level 1	Level 2	Level 3	Stage 1 and 2	Stage 3	Acquired or originated impaired financial assets	Level 1	Level 2	Level 3
A. Due from Central Banks	**-**	**-**	**-**				**-**	**-**	**-**			
1. Time deposits	-	-	-	x	x	x	-	-	-	x	x	x
2. Compulsory reserve	-	-	-	x	x	x	-	-	-	x	x	x
3. Repurchase agreements	-	-	-	x	x	x	-	-	-	x	x	x
4. Other	-	-	-	x	x	x	-	-	-	x	x	x
B. Due from banks	**655**	**-**	**-**				**976**	**-**	**-**			
1. Loans	655	-	-				976	-	-			
1.1 Current accounts	-	-	-	x	x	x	-	-	-	x	x	x
1.2 Time deposits	-	-	-	x	x	x	-	-	-	x	x	x
1.3 Other loans:	655	-	-	x	x	x	976	-	-	x	x	x
- Reverse repurchase agreements	213	-	-	x	x	x	150	-	-	x	x	x
- Lease financing	-	-	-	x	x	x	-	-	-	x	x	x
- Other	442	-	-	x	x	x	826	-	-	x	x	x
2. Debt securities	-	-	-				-	-	-			
2.1 Structured securities	-	-	-	x	x	x	-	-	-	x	x	x
2.2 Other debt securities	-	-	-	x	x	x	-	-	-	x	x	x
Total	**655**	**-**	**-**		**213**	**442**	**976**	**-**	**-**	**-**	**150**	**826**

The sub-item “Other loans, Reverse repurchase agreements” refers to repurchase agreements secured by securities for a total nominal value of €200 million, entered into with leading financial operators. At 31 December 2024 the fair value of reverse repurchase agreements is €213 million and is shown in Level 2 of the fair value hierarchy.

In addition, during 2024, forward start reverse repo transactions were entered into with settlement in 2025, secured by securities with a total notional amount of €471 million.

The sub-item "Other loans, Other" includes cash collateral held by counterparties for interest rate swaps (€100 million as collateral pursuant to Credit Support Annexes), entered into for cash flow and fair value hedging purposes by BancoPosta

RFC, and repurchase agreements (€299 million as collateral pursuant to specific Global Master Repurchase Agreements). The decrease compared to the previous year in amounts due for deposits is mainly due to the reduction in amounts paid to counterparties with which repo transactions are in place as a result of the combined effect of the change in the interest rate curve, which generated an increase in the fair value of the securities under guarantee, and the lower amount of transactions outstanding at the date.

In addition, "Other loans, Other" includes trade receivables for €43 million arising from contracts with customers, accounted for in accordance with IFRS 15 (€30 million at 31 December 2023) mainly relating to financial services and personal loan distribution.

4.2 Financial assets measured at amortised cost: breakdown of due from customers by type

(€m)

Transaction type/Amounts	Total at 31.12.2024						Total at 31.12.2023					
	Carrying amount			Fair value			Carrying amount			Fair value		
	Stage 1 and 2	Stage 3	Acquired or originated impaired financial assets	Level 1	Level 2	Level 3	Stage 1 and 2	Stage 3	Acquired or originated impaired financial assets	Level 1	Level 2	Level 3
Loans	**14,066**	**-**	**-**				**13,188**	**-**	**-**			
1.1 Current accounts	5	-	-	x	x	x	6	-	-	x	x	x
1.2 Reverse repurchase agreements	1,353	-	-	x	x	x	1,619	-	-	x	x	x
1.3 Mortgages	-	-	-	x	x	x	-	-	-	x	x	x
1.4 Credit cards, personal and salary loans	-	-	-	x	x	x	-	-	-	x	x	x
1.5 Lease financing	-	-	-	x	x	x	-	-	-	x	x	x
1.6 Factoring	-	-	-	x	x	x	-	-	-	x	x	x
1.7 Other loans	12,708	-	-	x	x	x	11,563	-	-	x	x	x
Debt securities	**31,108**	**-**	**-**				**30,398**	**-**	**-**			
2.1 Structured securities	-	-	-	x	x	x	30,398	-	-	x	x	x
2.2 Other debt securities	31,108	-	-	x	x	x	-	-	-	x	x	x
tal	**45,174**	**-**	**-**	**26,489**	**4,511**	**12,713**	**43,586**	**-**	**-**	**25,231**	**4,706**	**11,568**

A description of "Loans" is provided below.

At 31 December 2024, reverse repurchase agreements of €2,513 million were in place (€3,956 at 31 December 2023), entered into with Cassa di Compensazione e Garanzia SpA (hereinafter CC&G) for the temporary use of liquidity from private funding. These transactions are guaranteed by securities for a total nominal amount of €2,411 million. The fair value of reverse repurchase agreements is shown in Level 2 of the fair value hierarchy.

Financial assets and liabilities relating to repurchase agreements managed through CC&G that meet the requirements of IAS 32 are offset. The effect of netting at 31 December 2024, already included in the exposure to net balances, amounted to €1,160 million (€2,337 million at 31 December 2023).

In addition, further reverse repurchase agreements were concluded with CC&G in December 2024 for a total nominal value of €1,550 million, which were settled in early January 2025.

"Other loans" primarily consist of:

- €10,152 million, of which €184 million for interest accrued and collected in on public customers' current account deposits with the MEF (€9,131 million at 31 December 2023), which earn a variable rate of return, calculated on a basket of government securities[436]. The deposit has been adjusted to reflect accumulated impairments of approximately €4 million, to reflect the risk of counterparty default (essentially unchanged compared to 31 December 2023). The increase of €1,021 million compared to the previous year was mainly due to the typical operations of some customers in the Public Administration, which generated an increase in deposits from postal current accounts. During the 2024 financial year, hedging (management) derivative contracts were concluded on the 10-year index-linked remuneration component. The hedging transaction was carried out through forward purchases of the 10-year BTP with settlement of the differential between the pre-set price of the

436 The variable rate in question is calculated as follows: 40% is based on the average return on 6-month BOTs recognised monthly and the remaining 60% is based on the average ten-year BTP return recognised monthly.

security and its market value. These transactions, which ended on 31 December 2024, generated positive effects of €2 million, which were recognised in the statement of profit or loss under "Item 80 - Profits/(losses) on trading";

- €360 million, of which €14 million accrued interest, in deposits at the MEF (the "Buffer account"), remunerated at the Euro Short Term Rate (ESTR)[437]. The decrease of €531 million compared to the previous year is mainly due to the different allocation of loans, in order to optimise returns on deposits;
- €402 million from receivables for guarantee deposits, of which: (i) €93 million for sums paid to counterparties with which interest rate swap transactions are outstanding (collateral provided for in specific Credit Support Annexes); (ii) €214 million for sums paid to CC&G for Repo transactions in outstanding (€123 million) and as a pre-financed contribution to the guarantee fund, the Default Fund[438] (€91 million) (iii) €95 million for sums paid as collateral under clearing systems with central counterparties for over-the-counter (OTC)[439] transactions in derivatives;
- €386 million from the liquidity reserve at CC&G, intended to cover possible intra-day margin calls;
- €641 million in amounts due from Poste Italiane SpA's functions outside the ring-fence, €640 million of which relates to Poste Italiane SpA's Finance function's intersegment financial account, used for the processing of payments to and from third parties;
- €373 million in amounts from Poste Vita for commissions on the placement of insurance policies;
- €67 million from amounts from PostePay for product placement services related to the payments business;
- €221 million in fees receivable from Cassa Depositi e Prestiti during the year in connection with postal savings pertaining to the year;
- €9 million in amounts due for the payment of pensions on behalf of INPS (the National Institute of Social Security).

Receivables arisen from contracts with customers, which fall within the scope of IFRS 15, amount to €968 million (€965 million at 31 December 2023). These are mainly due to financial services, pension payments, interest on postal deposits and personal loan distribution, net of any loss provisions for €47 million (€45 million at 31 December 2022). Information on the dynamics of total value adjustments is described in Part E, Section 1.

"Other debt securities" include euro area fixed income government bond issued by the Italian state and securities guaranteed by the Italian State for a nominal €30,866 million. Their carrying amount of €31,108 million reflects the amortised cost of unhedged fixed income instruments, totalling €19,721 million, the amortised cost of fair-value hedged fixed income instruments, totalling €12,469 million, decreased by €1,082 million to take into account the effects of the hedge (€1,944 million related to 2023). The value of these instruments was adjusted to take into account the related impairments. Accumulated impairments at 31 December 2024 amount to approximately €13 million (€18 million at 31 December 2023).

437 Rate calculated and published by the ECB using a new methodology consistent with ECB Regulation (EU) no. 1333/2014 of 26 November 2014 and based on uncollateralised fixed-rate overnight deposit facility transactions exceeding €1 million.

438 A guarantee fund established with payments from participants in the derivative, equity and bond markets, as a further guarantee for the transactions carried out. The fund can be used to meet the charges arising from any participant default.

439 These are transactions carried out outside the regulated securities markets and therefore not subject to any specific regulation concerning the organisation and operation of the market itself.

At 31 December 2024 the total fair value of these instruments, inclusive of €252 million in accrued interest, amounts to €29,647 million, of which €26,489 million classified in Level 1 of the fair value hierarchy and €3,158 million classified in Level 2. The increase compared to the previous year is mainly due to the positive change in the hedged component as a result of the downward shift in the interest rate curve, as well as to more purchases made during the year than sales/reimbursements.

Securities with a nominal value of €7,793 million are encumbered as follows:

- €5,440 million, carried at amortised cost for €5,588 million (Part B, Other information, table 3), and delivered to counterparties in connection with repurchase agreements concluded until 31 December 2024;
- €8 million, measured at amortised cost for €8 million (Part B, Other information, table 3), and delivered to counterparties in connection with interest rate swaps concluded in the year under review;
- €2,345 million, carried at amortised cost for €2,495 million, and delivered to the Bank of Italy to secure an intraday credit line.

4.3 Financial assets measured at amortised cost: breakdown of amounts due from customers by debtor/issuer

(€m)

Transaction type/Amounts	Total at 31.12.2024			Total at 31.12.2023		
	Stage 1 and 2	Stage 3	Acquired or originated impaired financial assets	Stage 1 and 2	Stage 3	Acquired or originated impaired financial assets
1. Debt securities	**31,108**	**-**	**-**	**30,398**	**-**	**-**
a) Public Administration entities	28,207	-	-	27,509	-	-
b) Other financial companies	2,901	-	-	2,889	-	-
of which: insurance companies	-	-	-	-	-	-
c) Non-financial companies	-	-	-	-	-	-
2. Loans to:	**14,066**	**-**	**-**	**13,188**	**-**	**-**
a) Public Administration entities	10,555	-	-	10,070	-	-
b) Other financial companies	2,851	-	-	2,728	-	-
of which: insurance companies	393	-	-	332	-	-
c) Non-financial companies	654	-	-	384	-	-
d) Households	6	-	-	6	-	-
Total	**45,174**	**-**	**-**	**43,586**	**-**	**-**

Securities related to "Other financial companies" for a carrying amount of €2,901 million refer to fixed rate securities for a total nominal amount of €3,000 million issued by Cassa Depositi e Prestiti and guaranteed by the Italian State.

4.4 Financial assets measured at amortised cost: gross amount and total impairment losses

(€m)

	Gross amount					Total impairment losses				
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Acquired or originated impaired financial assets	Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets	Total partial write-offs*
Debt securities	31,121	-	-	-	-	13	-	-	-	-
Loans	13,714	-	1,072	-	-	4	61	-	-	-
Total at 31.12.2024	**44,835**	**-**	**1,072**	**-**	**-**	**17**	**61**	**-**	**-**	**-**
Total at 31.12.2023	**43,590**	**-**	**1,053**	**-**	**-**	**23**	**58**	**-**	**-**	**-**

(*) amount reported for disclosure purposes

Stage 2 reflects exposures for which loss provisions are measured with the simplified approach.

For the sake of completeness, the following tables present the details of these exposures by indicating the gross carrying amount and the provision for expected losses, depending on whether the model used to estimate the ECL is based on an analytical valuation or on a simplified matrix. For a description of the models, reference is made to Part E – Section 1 – Credit risk.

4.5 Trade receivables impaired on an analytical impairment

(€m)

Description	Total at 31.12.2024		Total at 31.12.2023	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
1. Due from banks	34	-	14	-
2. Due from customers	948	(1)	943	(1)
Total	**982**	**(1)**	**957**	**(1)**

4.6 Trade receivables written down on the basis of the provision matrix

(€m)

Range of past due	Total at 31.12.2024		Total at 31.12.2023	
	Gross carrying amount	Provision to cover expected losses	Gross carrying amount	Provision to cover expected losses
1. Due from banks	**9**	**-**	**16**	**-**
a) Not past due receivables	9	-	16	-
b) Past due between 1 and 30 days	-	-	-	-
c) Past due between 30 and 90 days	-	-	-	-
d) Past due over 90 days	-	-	-	-
2. Due from customers	**81**	**(60)**	**79**	**(56)**
a) Not past due receivables	14	(1)	15	(1)
b) Past due between 1 and 30 days	29	(25)	28	(23)
c) Past due between 30 and 90 days	-	-	-	-
d) Past due over 90 days	38	(34)	36	(32)
Total	**90**	**(60)**	**95**	**(56)**

SECTION 5 – HEDGING DERIVATIVES – ITEM 50

5.1 Hedging derivatives: breakdown by type of hedge and level

(€m)

	Fair value at 31.12.2024			Notional amount* at 31.12.2024	Fair value at 31.12.2023			Notional amount* at 31.12.2023
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial derivatives	**-**	**2,679**	**-**	**16,270**	**-**	**4,257**	**-**	**19,665**
1) Fair value	-	2,667	-	14,816	-	4,252	-	19,215
2) Cash flows	-	12	-	1,454	-	5	-	450
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**2,679**	**-**	**16,270**	**-**	**4,257**	**-**	**19,665**

(*) The settlement price of derivatives involving the exchange of principal (securities or other assets) has been indicated, as required by Bank of Italy Circular 262/2005.

The decrease of €1,577 million compared to 31 December 2023 is mainly due to the reduction in the fair value of outstanding derivatives and early extinguishments, finalised during the 2024 financial year, of fair value hedge transactions with a total notional amount of €4,449 million (of which: €3,499 million relating to hedging transactions for which the underlying security was also sold, €950 million relating to hedging transactions without sale of the underlying security) with the aim of consolidating a fixed return in line with the market situation, while at the same time improving the income profile of a portion of the portfolio for subsequent years. In addition, this decrease is attributable to the settlement of differentials and the overall fair value movement related to cash flow hedges.

5.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

(€m)

Transaction type/Type of hedge	Fair Value							Cash flows		Foreign investments
	Micro						Macro	Micro	Macro	
	debt securities and interest rates	equity instruments and equity indexes	currencies and gold	credit	commodities	other				
1. Financial assets measured at fair value through other comprehensive income	1,203	-	-	-	x	x	x	9	x	x
2. Financial assets measured at amortised cost	1,464	x	-	-	x	x	x	-	x	x
3. Portfolio	x	x	x	x	x	x	-	x	-	x
4. Other transactions	-	-	-	-	-	-	x	-	x	-
Total assets	**2,667**	**-**	**-**	**-**	**-**	**-**	**-**	**9**	**-**	**-**
1. Financial liabilities	-	x	-	-	-	-	x	-	x	x
2. Portfolio	x	x	x	x	x	x	-	x	-	x
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	x	x	x	x	x	x	x	3	x	x
2. Portfolio of financial assets and liabilities	x	x	x	x	x	x	-	x	-	-

SECTION 6 – ADJUSTMENTS FOR CHANGES IN HEDGED FINANCIAL ASSETS PORTFOLIO – ITEM 60

No macro-hedges have been arranged at the reporting date.

SECTION 7 – INVESTMENTS – ITEM 70

There are no investments in subsidiaries, joint arrangements or companies subject to significant influence.

SECTION 8 – PROPERTY, PLANT AND EQUIPMENT – ITEM 80

BancoPosta does not own property, plant and equipment either for operating or investment purposes.

SECTION 9 – INTANGIBLE ASSETS – ITEM 90

There are no intangible assets.

SECTION 10 – TAX ASSETS AND LIABILITIES – ASSETS ITEM 100 AND LIABILITIES ITEM 60

Current tax assets and liabilities form part of intersegment relations and are shown in "Other assets" (Item 120 in Assets) and "Other liabilities" (Item 80 in Liabilities), as they are settled with Poste Italiane SpA's functions outside the ring-fence, within the scope of internal relations with Poste Italiane SpA, as the sole taxable entity.

Deferred tax assets and liabilities are analysed below:

10.1 Deferred tax assets: breakdown

(€m)

Description	Financial assets and liabilities		Hedging derivatives		Provisions for doubtful debts		Provisions for risks and charges		Total IRES	Total IRAP
	IRES	IRAP	IRES	IRAP	IRES	IRAP	IRES	IRAP		
Deferred tax assets through profit or loss	1	1	-	-	3	-	25	5	29	6
Deferred tax assets through equity	275	51	116	22	-	-	-	-	391	73
2024 total	**276**	**52**	**116**	**22**	**3**	**-**	**25**	**5**	**420**	**79**
Deferred tax assets through profit or loss	1	2	-	-	4	-	23	4	28	6
Deferred tax assets through equity	381	72	130	25	-	-	-	-	511	97
2023 total	**382**	**74**	**130**	**25**	**4**	**-**	**23**	**4**	**539**	**103**

10.2 Deferred tax liabilities: breakdown

(€m)

Description	Financial assets and liabilities		Hedging derivatives		Total IRES	Total IRAP
	IRES	IRAP	IRES	IRAP		
Deferred tax liabilities through profit or loss	-	1	-	-	-	1
Deferred tax liabilities through equity	233	44	31	6	264	50
2024 total	**233**	**45**	**31**	**6**	**264**	**51**
Deferred tax liabilities through profit or loss	-	1	-	-	-	1
Deferred tax liabilities through equity	194	37	29	5	223	42
2023 total	**194**	**38**	**29**	**5**	**223**	**43**

10.3 Changes in deferred tax assets through profit or loss

(€m)

	Total at 31.12.2024	Total at 31.12.2023
1. Opening balance	**34**	**42**
2. Increases	**9**	**1**
2.1 Deferred tax assets recognised in the year	9	1
a) relating to previous years	8	1
b) due to changes in accounting policies	-	-
c) write-backs	1	-
d) other	-	-
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	**(8)**	**(9)**
3.1 Deferred tax assets derecognised in the year	(8)	(9)
a) reversals	(8)	(8)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
d) other	-	(1)
3.2 Reductions of tax rates	-	-
3.3 Other decreases:	-	-
a) transformation into tax credit pursuant to Law 214/2011	-	-
b) other	-	-
4. Closing balance	**35**	**34**

10.4 Changes in deferred tax liabilities through profit or loss

(€m)

	Total at 31.12.2024	Total at 31.12.2023
1. Opening balance	**(1)**	**(1)**
2. Increases	**-**	**-**
2.1 Deferred tax liabilities recognised in the year	-	-
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	-	-
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	**-**	**-**
3.1 Deferred tax liabilities derecognised in the year	-	-
a) reversals	-	-
b) due to changes in accounting policies	-	-
c) other	-	-
3.2 Reductions of tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**(1)**	**(1)**

10.5 Changes in deferred tax assets through equity

(€m)

	Total at 31.12.2024	Total at 31.12.2023
1. Opening balance	**608**	**1,115**
2. Increases	**14**	**11**
2.1 Deferred tax assets recognised in the year	14	10
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	14	10
2.2 New taxes or tax rate increases	-	1
2.3 Other increases	-	-
3. Decreases	**(158)**	**(518)**
3.1 Deferred tax assets derecognised in the year	(157)	(518)
a) reversals	(30)	(66)
b) write-downs of non-recoverable items	-	-
c) due to changes in accounting policies	-	-
d) other	(126)	(452)
3.2 Reductions of tax rates	(1)	-
3.3 Other decreases	-	-
4. Closing balance	**464**	**608**

10.6 Changes in deferred tax liabilities through equity

(€m)

	Total at 31.12.2024	Total at 31.12.2023
1. Opening balance	**(265)**	**(224)**
2. Increases	**(76)**	**(150)**
2.1 Deferred tax liabilities recognised in the year	(76)	(150)
a) relating to previous years	-	-
b) due to changes in accounting policies	-	-
c) other	(76)	(150)
2.2 New taxes or tax rate increases	-	-
2.3 Other increases	-	-
3. Decreases	**27**	**109**
3.1 Deferred tax liabilities derecognised in the year	27	109
a) reversals	27	91
b) due to changes in accounting policies	-	-
c) other	-	18
3.2 Reductions of tax rates	-	-
3.3 Other decreases	-	-
4. Closing balance	**(314)**	**(265)**

The net charge due to movements in deferred tax assets and liabilities through equity is the tax effect on reserves described in Part D.

The negative change in deferred tax assets and liabilities charged to equity mainly reflects the upward movement in fair value reserves related to financial assets measured at fair value through other comprehensive income.

SECTION 11 – NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS AND ASSOCIATED LIABILITIES - ASSETS ITEM 110 AND LIABILITIES ITEM 70

There are no non-current assets held for sale or discontinued operations at the reporting date.

SECTION 12 – OTHER ASSETS – ITEM 120

12.1 Other assets: breakdown

(€m)

Items/Amounts	Total at 31.12.2024	Total at 31.12.2023
Tax credits Law no. 77/2020	6,723	7,912
Tax receivables from revenue agency	625	453
Items in process	522	552
Current tax assets receivable from Poste Italiane SpA outside the ring-fence	34	39
Other items	1,895	1,901
Total	**9,799**	**10,857**

Tax credits Law no. 77/2020, amounting to €6,723 million, refer to purchases made by Poste Italiane SpA and allocated to BancoPosta against free capital resources as well as resources subject[440] and not subject to the restriction on their use in

[440] With the conversion into Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021, BancoPosta RFC is allowed, as part of the 50% of its funding from private customers that can be invested in securities guaranteed by the Italian State, to use up to 30% of this portion to purchase transferable tax credits.

compliance with the provisions of the “Decreto Rilancio” (Law Decree no. 34/2020, later converted into Law no. 77/2020), which introduced tax benefits to encourage economic recovery following the Covid-19 health emergency.

These receivables are measured at amortised cost as they are acquired to be used by Poste Italiane SpA primarily for the purpose of offsetting social security or tax liabilities, based on the provisions of the regulations issued with reference to the characteristics of the individual receivables.
Changes in these receivables during 2024 are shown below:

(€m)

	Total at 31.12.2024
1. Opening balance	**7,912**
2. Increases	**1,022**
2.1 Purchases	704
2.2 Positive changes in fair value	-
2.3 Transfers from other portfolios	-
2.4 Other movements	318
3. Decreases	**(2,211)**
3.1 Sales	-
3.2 Redemptions	(2,211)
3.3 Negative changes in fair value	-
3.4 Transfers to other portfolios	-
3.5 Other movements	-
4. Closing balance	**6,723**

The main changes during the year relate to:

- purchases of €704 million, entirely related to receivables measured at amortised cost;
- accrued income for the period of €318 million relating to receivables measured at amortised cost;
- reimbursements for Capital outside the ring-fence in the amount of € 2,211 million.

At 31 December 2024, the fair value[441] of tax credits at amortised cost is €6,453 million.

The sub-item "Items in process" includes:

- €66 million in withdrawals from BancoPosta ATMs yet to be debited to customer accounts or awaiting settlement;
- assignements in the course of settlement with the banking system amounting to €16 million;
- account maintenance and custody fees of €13 million to be debited to customers;
- amounts to be charged to PostePay SpA for €102 million (mainly in the first few days of 2025).

Tax assets primarily relate to payments on account made to the Tax Authorities, of which €536 million to be recovered from customers for virtual stamp duty payable in 2025 and €74 million for withholding tax on interest paid to current account holders for 2024.

"Other items" include mainly:

[441] In terms of fair value hierarchy, which reflects the relevance of the sources used to measure assets, this amount qualifies for Level 3.

- €1,723 million in stamp duty accrued to 31 December 2024 payable by holders of outstanding Interest-bearing Postal Certificates[442]. An equal amount has been recognised in "Other liabilities" as tax payables (Part B, Liabilities, table 8.1) until expiration or early extinguishment of Interest-bearing Postal Certificates, which is the date on which the tax must be paid to the authorities;
- €92 million relating to stamp duty charged to Postal Savings Books, which BancoPosta RFC pays in virtual form as required by law.

Movements in current tax assets and liabilities receivable from and payable to Poste Italiane SpA outside the ring-fence are shown below:

(€m)

Description	Current tax 2024			Current tax 2023		
	IRES	IRAP		IRES	IRAP	
	Assets/(Liabilities) due from and to Poste Italiane outside the ring-fence	Assets/(Liabilities) due from and to Poste Italiane outside the ring-fence	Total	Assets/(Liabilities) due from and to Poste Italiane outside the ring-fence	Assets/(Liabilities) due from and to Poste Italiane outside the ring-fence	Total
Opening balance	**33**	**4**	**37**	**4**	**4**	**8**
Payments	158	36	194	198	37	235
on account for the current year	158	36	194	171	36	207
on balance payable for the previous year	-	-	-	27	1	28
Provisions to Profit or loss	(195)	(36)	(231)	(189)	(37)	(226)
current tax	(198)	(36)	(234)	(189)	(37)	(226)
changes in current taxation for previous years	3	-	3	-	-	-
Provisions in Equity	6	-	6	5	-	5
Other	26	-	26	15	-	15
Closing balance	**28**	**4**	**32**	**33**	**4**	**37**
of which:						
Current tax assets due from Poste Italiane outside the ring-fence (Item 120 Assets)	30	4	**34**	35	4	**39**
Current tax liabilities due to Poste Italiane outside the ring-fence (Item 80 Liabilities)	(2)	-	**(2)**	(2)	-	**(2)**

Current tax receivables, totalling €34 million, mainly refer to receivables recognised as a result of: (i) the signing of the agreement on the Patent Box for the 2018-2019 financial years (€10 million); (ii) the responses received in respect of two petitions for a tax ruling on the tax effects arising from the application of IFRS 9 and 15 (€9 million); (iii) the response received in respect of a request for a tax ruling submitted mainly relating to the tax recognition of income components arising from the management of postal current accounts (€14 million). These assets will become offsettable after the submission of the relevant supplementary tax returns.

LIABILITIES

SECTION 1 – FINANCIAL LIABILITIES MEASURED AT AMORTISED COST – ITEM 10

1.1 Financial liabilities measured at amortised cost: breakdown of due to banks by type

(€m)

Transaction type/Amounts	Total at 31.12.2024				Total at 31.12.2023			
	Carrying amount	Fair Value			Carrying amount	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Due to Central Banks	-	x	x	x	-	x	x	x
2. Due to banks	**7,532**	x	x	x	**10,336**	x	x	x
2.1 Current accounts and demand deposits	176	x	x	x	307	x	x	x
2.2 Time deposits	-	x	x	x	-	x	x	x
2.3 Loans	6,205	x	x	x	7,926	x	x	x
2.3.1 Repurchase agreements	6,205	x	x	x	7,926	x	x	x
2.3.2 Other	-	x	x	x	-	x	x	x
2.4 Obligations to repurchase equity instruments	-	x	x	x	-	x	x	x
2.5 Lease payables	-	x	x	x	-	x	x	x
2.6 Other payables	1,151	x	x	x	2,103	x	x	x
Total	**7,532**	**-**	**6,103**	**1,327**	**10,336**	**-**	**7,705**	**2,410**

At 31 December 2024, €6,205 million is due to banks for "Loans, repurchase agreements" entered into with primary financial institutions involving securities with a total nominal value of €6,535 million. These regard €5,904 million in Long

442 Introduced by article 19 of Law Decree 201/2011, converted as amended by Law 214/2011, in accordance with the MEF Decree dated 24 May 2012: Manner of implementation of paragraphs from 1 to 3 of article 19 of Law Decree 201 of 6 December 2011, on stamp duty on current accounts and financial products (Official Gazette 127 of 1 June 2012).

Term Repos and €301 million in ordinary loans, with the resulting proceeds invested in fixed income government securities and utilised as funding for incremental deposits used as collateral. The decrease compared to 31 December 2023 is due to the repayments on maturity and early repayments of repurchase agreements.

Repurchase agreements are classified as fair value Level 2 transactions, whereas the fair value of other types of transaction included in this line item approximates to their carrying amounts and they are classified as Level 3.

The sub-item "Other payables" include €1,151 million in guarantee deposits provided to counterparties in relation to interest rate swaps (with €1,146 million in collateral provided by specific Credit Support Annexes), in relation to BancoPosta RFC's cash flow hedge and fair value hedge policies and repurchase agreements (€5 million as collateral in accordance with specific Global Master Repurchase Agreements). The decrease in this sub-item compared to 31 December 2023 is mainly due to the early extinguishment of fair value hedge derivatives and the downward shift in the interest rate curve.

BancoPosta RFC has uncommitted overnight credit lines amounting to €910 million, overdraft facilities for €184 million and arrangements for the issue of personal guarantees for €402 million granted to Poste Italiane SpA, undrawn at 31 December 2024.

In addition, from 5 December 2023, BancoPosta RFC may access a 3-year committed facility granted by Cassa Depositi e Prestiti for repurchase agreements up to a maximum of €3 billion, unused at 31 December 2024.

Finally, the Bank of Italy has granted BancoPosta RFC access to intraday credit in order to fund intraday interbank transactions. Collateral for this credit facility is provided by securities with a nominal value of 2,900 million, and the facility is unused at 31 December 2024.

1.2 Financial liabilities measured at amortised cost: breakdown of due to customers by type

(€m)

Transaction type/Amounts	Total at 31.12.2024				Total at 31.12.2023			
	Carrying amount	Fair Value			Carrying amount	Fair Value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
1. Current accounts and demand deposits	74,541	x	x	x	72,803	x	x	x
2. Time deposits	-	x	x	x	10	x	x	x
3. Loans	5,367	x	x	x	5,662	x	x	x
3.1 Repurchase agreements	-	x	x	x	291	x	x	x
3.2 Other	5,367	x	x	x	5,371	x	x	x
4. Obligations to repurchase equity instruments	-	x	x	x	-	x	x	x
5. Lease payables	-	x	x	x	-	x	x	x
6. Other payables	1,571	x	x	x	2,153	x	x	x
Total	**81,479**	**-**	**-**	**81,479**	**80,628**	**-**	**291**	**80,327**

The sub-item "Current accounts and demand deposits" include €10,623 million in postal current accounts held by PostePay SpA relating mainly to the deposit of inflows from prepaid cards, €864 million in postal current accounts held by PosteVita SpA and €156 million in current postal accounts held outside the ring-fence. The increase in this item compared to 31 December 2023 is mainly due to higher public inflows of about €2 billion, net of the reduction in private inflows.

At 31 December 2024 "Loans, repurchase agreements" amount to €1,160 million, reflecting transactions entered into with CC&G in relation to securities with a nominal amount of €1,204 million. These payables refer to ordinary loan transactions, aimed at investing in Italian fixed income government securities and funding for the payment of incremental deposits against collateralisation transactions.

Financial assets and liabilities relating to repurchase agreements managed through CC&G that meet the requirements of IAS 32 are offset. The effect of netting at 31 December 2024, already included in the exposure to net balances, amounted to €1,160 million (€2,337 million at 31 December 2023).

The sub-item "Loans, Other" consist of the net amount of €5,367 million deposited in the MEF account held at the Treasury, which breaks down as follows:

- the balance of cash flows for advances, amounting to €5,254 million, represents the net amount payable as a result of advances from the MEF to meet the cash requirements;
- net cash flow receivable for postal savings management of €69 million, due to the excess repayments on deposits made in the last two days of the year in question and settled in the first few days of the following year; at 31 December 2024, the balance consisted of a payable of €31 million owed to Cassa Depositi e Prestiti and a receivable of €100 million owed from the MEF for issues of postal savings bonds attributable to Cassa Depositi e Prestiti;
- amounts payable in connection with robberies suffered by Post Offices of €159 million, relating to obligations assumed towards the MEF on behalf of the Treasury as a result of theft and embezzlement; these obligations derive from withdrawals made from the Treasury, which are necessary to replenish the cash shortfall due to these criminal events so as to ensure the continuity of the Post Offices' operations;
- amounts payable for operational risks for €23 million regard the portion of advances obtained to fund operations, in relation to which asset under recovery is certain or probable.

The sub-item "Other payables" mainly consists of national money orders for €882 million, endorsed cheques in circulation for €272 million, and guaranted deposits for €387 million relating to sums received from counterparties with which interest rate swap transactions are in place (collateral provided for by specific Credit Support Annexes).

The Level 2 fair value refers to the repurchase agreements while the fair value of the remaining instruments of this line item approximates to its carrying amount and it is consequently classified as Level 3.

1.3 Financial liabilities measured at amortised cost: breakdown of outstanding securities by type

There are no securities in issue.

SECTION 2 – FINANCIAL LIABILITIES HELD FOR TRADING – ITEM 20

2.1 Financial liabilities held for trading: breakdown by type

(€m)

Transaction type/Amounts	Total at 31.12.2024					Total at 31.12.2023				
	Nominal or notional amount	Fair Value			Fair Value*	Nominal or notional amount	Fair Value			Fair Value*
		Level 1	Level 2	Level 3			Level 1	Level 2	Level 3	
A. On-balance sheet liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-		-	-	-	-	
3.1 Bonds	-	-	-	-		-	-	-	-	
3.1.1 Structured	-	-	-	-	x	-	-	-	-	x
3.1.2 Other bonds	-	-	-	-	x	-	-	-	-	x
3.2 Other securities	-	-	-	-		-	-	-	-	
3.2.1 Structured	-	-	-	-	x	-	-	-	-	x
3.2.2 Other	-	-	-	-	x	-	-	-	-	x
Total A	-	-	-	-	-	-	-	-	-	-
B. Derivative instruments										
1. Financial derivatives		-	-	8			-	-	3	
1.1 Trading	x	-	-	-	x	x	-	-	-	x
1.2 Connected to the fair value option	x	-	-	-	x	x	-	-	-	x
1.3 Other	x	-	-	8	x	x	-	-	3	x
2. Credit derivatives		-	-	-			-	-	-	
2.1 For trading	x	-	-	-	x	x	-	-	-	x
2.2 Connected to the fair value option	x	-	-	-	x	x	-	-	-	x
2.3 Other	x	-	-	-	x	x	-	-	-	x
Total B	x	-	-	8	x	x	-	-	3	x
Total (A+B)	x	-	-	8	x	x	-	-	3	x

(*) Fair value calculated excluding any changes in value due to changes in the credit standing of the issuer over the date of issue

Financial liabilities held for trading relate to a forward sale agreement for 95,000 ordinary shares of Visa Incorporated (discussed in Section 2 of Assets).

SECTION 3 – FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE – ITEM 30

No financial liabilities are held in portfolio designated at fair value through profit or loss (the "fair value option").

SECTION 4 – HEDGING DERIVATIVES – ITEM 40

4.1 Hedging derivatives: breakdown by type and level

(€m)

	Fair value at 31.12.2024			Notional amount* at 31.12.2024	Fair value at 31.12.2023			Notional amount* at 31.12.2023
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A. Financial derivatives	**-**	**1,348**	**-**	**14,685**	**-**	**1,136**	**-**	**12,649**
1) Fair value		805	-	9,636	-	618	-	9,812
2) Cash flows		543	-	5,049	-	518	-	2,837
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	**-**	**1,348**	**-**	**14,685**	**-**	**1,136**	**-**	**12,649**

(*) The settlement price of derivatives involving the exchange of principal (securities or other assets) has been indicated, as required by Bank of Italy Circular 262/2005.

The increase compared to 31 December 2023 in liabilities for hedging financial derivatives is mainly due to new hedging transactions following early extinguishments both with and without sale of the underlying, commented on in Part B - Section 5 of Assets.

4.2 Hedging derivatives: breakdown by hedged portfolio and type of hedge

(€m)

Transaction type/Type of hedge	Fair Value							Cash flows		
	Micro									
	debt securities and interest rates	equity instruments and equity indexes	currencies and gold	credit	commodities	other	Macro	Micro	Macro	Foreign investments
1. Financial assets measured at fair value through other comprehensive income	465	-	-	-	x	x	x	542	x	x
2. Financial assets measured at amortised cost	340	x	-	-	x	x	x	-	x	x
3. Portfolio	x	x	x	x	x	x	-	x	-	x
4. Other transactions	-	-	-	-	-	-	x	-	x	-
Total assets	**805**	**-**	**-**	**-**	**-**	**-**	**-**	**542**	**-**	**-**
1. Financial liabilities	-	x	-	-	-	-	x	-	x	x
2. Portfolio	x	x	x	x	x	x	-	x	-	x
Total liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Expected transactions	x	x	x	x	x	x	x	1	x	x
2. Portfolio of financial assets and liabilities	x	x	x	x	x	x	-	x	-	-

SECTION 5 – ADJUSTMENTS FOR CHANGES IN HEDGED FINANCIAL LIABILITIES PORTFOLIO – ITEM 50

No macro-hedges have been arranged at the reporting date.

SECTION 6 – TAX LIABILITIES – ITEM 60

Please refer to Assets, Section 10.

SECTION 7 – LIABILITIES ASSOCIATED WITH NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS– ITEM 70

There are no such liabilities at the reporting date.

SECTION 8 – OTHER LIABILITIES – ITEM 80

8.1 Other liabilities: breakdown

(€m)

Items/Amounts	Total at 31.12.2024	Total at 31.12.2023
Tax payables to revenue agency	1,901	1,969
Items in process	553	642
- amounts to be credited to Postal Savings Books	129	230
- other	424	412
Due to suppliers	59	73
Amounts due to customers	64	76
Contract liabilities	77	60
Due to Poste Italiane outside the ring-fence for current taxes liabilities	2	2
Amount due to staff	7	8
Other items	19	3
Total	**2,682**	**2,833**

The sub-item "Tax payables to revenue agency" mainly includes:

- €1,723 million in stamp duty accrued to 31 December 2024 on outstanding Interest-bearing Postal Certificates in accordance with the requirements referenced in Part B, Assets, table 12.1;
- €79 million for the balance due to the Treasury for the stamp duty paid virtually for the financial year 2024;
- €78 million in tax withholdings on current account interest earned by customers.

"Items in process" mainly refer to domestic and international credit transfers of €18 million, and to BancoPosta's operations for amounts to be credited, mainly in the first few days of 2025, to PostePay for €2 million and to customers for €129 million relating to cheques to be credited to savings books.

The sub-item "Due to suppliers" mainly includes €44 million in trade payables to PostePay for collection and payment services under the service contract.

"Contract liabilities" are mainly due to the placement of loan products, as shown in the following table:

(€m)

Description	Balance at 31.12.2023	Increases / (Decreases)	Change due to recognition of revenue for period	Balance at 31.12.2024
Liabilities for fees to be refunded	60	(47)	64	77
Total	**60**	**(47)**	**64**	**77**

Liabilities for commissions to be retroceded refer to the estimate of the commissions to be retroceded to partners for the contractually agreed early repayment of loan products placed after 1 January 2018.

The changes in the sub-item "Current tax liabilities due to Poste Italiane outside the ring-fence" are commented on in Section 12 of Assets.

SECTION 9 – EMPLOYEE TERMINATION BENEFITS – ITEM 90

Movements in employee termination benefits during the year under review are shown below:

9.1 Employee termination benefits: annual changes

(€m)

	Total at 31.12.2024	Total at 31.12.2023
A. Opening balance	**2**	**2**
B. Increases	**-**	**-**
B.1 Provisions for the year	-	-
B.2 Other changes	-	-
C. Decreases	**-**	**-**
C.1 Benefits paid	-	-
C.2 Other changes	-	-
D. Closing balance	**2**	**2**
Total	**2**	**2**

The current service cost is not applicable to the employee termination benefits attributable to BancoPosta RFC, since this cost is recognised in personnel expenses, as the contributions are paid over to pension funds or other social security institutions.

Other decreases include actuarial gains.

9.2 Other information

Measurement of the liability entails actuarial calculations for which the following assumptions were used in 2024:

Actuarial gains/(losses)

(€m)

	31.12.2024	31.12.2023
Change in demographic assumptions	-	-
Change in financial assumptions	0,02	(0,07)
Other experience-related adjustments	0,02	0,03
Total	**0,04**	**(0,04)**

Sensitivity analysis

	Employee termination
Inflation rate +0.25%	2
Inflation rate -0.25%	2
Discount rate +0.25%	2
Discount rate -0.25%	2
Turnover rate +0.25%	2
Turnover rate -0.25%	2

	Employee termination benefits at 31.12.2024
Inflation rate +0.25%	2
Inflation rate -0.25%	2
Discount rate +0.25%	2
Discount rate -0.25%	2
Turnover rate +0.25%	2
Turnover rate -0.25%	2

Other information

	31.12.2024
Service Cost	-
Average duration of defined benefit plan	10.6

SECTION 10 – PROVISIONS FOR RISKS AND CHARGES – ITEM 100

10.1 Provisions for risks and charges: breakdown

(€m)

Items/Amounts	Total at 31.12.2024	Total at 31.12.2023
1. Provisions for credit risk relating to financial commitments and guarantees given	-	-
2. Provisions for other commitments and guarantees given	-	-
3. Provisions for retirement benefits	-	-
4. Other provisions for risks and charges	143	163
4.1 litigation	62	67
4.2 personnel expenses	2	1
4.3 other	79	95
Total	**143**	**163**

The composition of "Other provisions" is provided in Table 10.6, below.

10.2 Provisions for risks and charges: annual changes

(€m)

	Provisions for other commitments and guarantees given	Provisions for retirement benefits	Other provisions for risks and charges	Total
A. Opening balance	-	-	163	163
B. Increases	-	-	**14**	**14**
B.1 Provisions for the year	-	-	13	13
B.2 Changes due to passage of time	-	-	1	1
B.3 Changes due to changed discount rates	-	-	-	-
B.4 Other changes	-	-	-	-
C. Decreases	-	-	**(34)**	**(34)**
C.1 Uses during the year	-	-	(13)	(13)
C.2 Changes due to changed discount rates	-	-	-	-
C.3 Other changes	-	-	(21)	(21)
D. Closing balance	-	-	143	143

The main changes are commented in the remainder of this section.

10.6 Provisions for risks and charges - other provisions

(€m)

Description	Total at 31.12.2024	Total at 31.12.2023
Litigation	**62**	**67**
Provisions for disputes with third parties	62	67
Provision for disputes with staff	-	-
Provisions for personnel expenses	**2**	**1**
Other provisions	**79**	**95**
Provisions for operational risks	79	95
Total	**143**	**163**

Provisions for disputes with third parties regard the present value of expected liabilities deriving from different types of legal and out-of-court disputes with suppliers and third parties, the related legal expenses, and penalties and indemnities payable to customers. The changes during the year relate to net absorptions of a total of €1 million to update estimated liabilities and uses of €5 million for defined liabilities.

Provisions for disputes with staff regard liabilities that may arise following labour litigation and disputes of various types.

Provisions for personnel expenses are made to cover expected liabilities arising in relation to the cost of labour, which are certain or likely to occur but whose estimated amount is subject to change. It increased in the year by €2 million for the estimated value of new liabilities and decreased by €1 million for defined liabilities.

Provisions for operational risks mainly reflects liabilities for risks related to the distribution of postal savings products issued in past years, estimated risks for charges and expenses to be incurred as a result of foreclosures suffered by BancoPosta mainly in its capacity as a third-party foreclosing party, adjustments and adjustments of income from prior years and fraud. Changes during the year relate to net absorptions of a total of €9 million to update estimated liabilities and uses of €7 million for defined liabilities.

SECTION 11 – REDEEMABLE SHARES – ITEM 120

Nothing to report.

SECTION 12 – EQUITY – ITEMS 110, 130, 140, 150, 160, 170 AND 180

12.4 Profit reserves: other information

At 31 December 2024, the retained earnings reserve amounted to €1,397 million, which had increased by €40 million due to the combined effect of the interest expense accrued on the Capital Instruments of €20 million and €60 million relating to the allocation of profit for the 2023 financial year, as resolved by the Shareholders' Meeting of Shareholders on 31 May 2024.

Other reserves are composed of equity reserves for €1,213 million, including the initial reserve of €1,000 million at the time of incorporation of BancoPosta RFC and €210 million in additional capital contributions by Poste Italiane SpA in 2018, and €3 million for incentive plan reserves, described in Part I.

With regard to the availability and distributability of the reserves of BancoPosta RFC, please refer to the information provided in paragraph 5, table B.3 - *Availability and distributability of reserves* - of this section - *Poste Italiane's financial statements* - of the Annual Report.

12.5 Equity instruments: breakdown and annual changes

The capital instruments for BancoPosta RFC refer to two perpetual subordinated loans with a total nominal value of €450 million granted respectively on 30 June 2021 for €350 million with an 8-years "non-call" period, and on 30 June 2023 for €100 million with a 5-years "non-call" period, both with the aim of strengthening BancoPosta's Leverage Ratio (Basel III) and Tier 1 ratio[443].

Below are the main features of the loan taken out on 30 June 2021:

- the loan has no fixed maturity and must be repaid only in the event of the dissolution or liquidation of the Company, as specified in the relevant terms and conditions, subject to the right of early redemption (call) in the cases provided for. Specifically, the call is scheduled to be made at any time from the First Call Date of 30 June 2029 and at each interest payment date thereafter; a loss-absorption mechanism is envisaged if the CET 1 ratio falls below 5.125%;
- the fixed annual coupon is 4.697% until the first Reset Date set for 30 June 2029. From that date, annual interest is determined as a function of the 5-year Euro Mid Swap rate plus a spread of 472.7 basis points. Interest is payable at the option of the issuer and on a non-cumulative basis, commencing 30 December 2021. The issue price was set at 100%.

Below are the main features of the loan taken out on 30 June 2023:

- the loan has no fixed maturity and must be repaid only in the event of the dissolution or liquidation of the Company, as specified in the relevant terms and conditions, subject to the right of early redemption (call) in the cases provided for. Specifically, the call is scheduled to be made at any time from the First Call Date of 30 June 2028 and at each interest payment date thereafter; a loss-absorption mechanism is envisaged if the CET 1 ratio falls below 5.125%;
- the fixed annual coupon is 9.55% until the first Reset Date set for 30 June 2028. From that date, annual interest is determined as a function of the 5-year Euro Mid Swap rate plus a spread of 653 basis points. Interest is payable at the option of the issuer and on a non-cumulative basis, commencing 30 December 2023. The issue price was set at 100%.

OTHER INFORMATION

3. Assets pledged as collateral for liabilities and commitments

(€m)

Portfolios	Total at 31.12.2024	Total at 31.12.2023
1. Financial assets measured at fair value through profit or loss	-	-
2. Financial assets measured at fair value through other comprehensive income	2,251	4,093
3. Financial assets measured at amortised cost	5,596	6,822
4. Property, plant and equipment	-	-
of which: property, plant and equipment qualifying as inventories	-	-

"Financial assets measured at fair value through other comprehensive income" and "Financial assets measured at amortised cost" relate to securities used as collateral in repurchase agreements.

443 Contributions from non-controlling shareholders to BancoPosta RFC are excluded, as they are not provided for in the special regulations governing the ring-fence.

4. Brokerage and management on behalf of third parties

(€m)

Type of services	Amount
1. Execution of orders on behalf of customers	**-**
a) purchase	-
1. settled	-
2. not settled	-
b) sale	-
1. settled	-
2. not settled	-
2. Individual portfolio management	**-**
3. Custody and administration of securities	**74,171**
a) Third-party securities in custody: associated with depositary bank services (excluding portfolio management)	-
1. securities issued by the reporting bank	-
2. other securities	-
b) third-party securities in custody (excluding portfolio management): other	9,510
1. securities issued by the reporting bank	-
2. other securities	9,510
c) third-party securities deposited with third parties	9,510
d) own securities deposited with third parties	64,661
4. Other transactions	**268,450**
a) Postal Savings Books	93,865
b) Interest-bearing Postal Certificates	174,585

The "Custody and administration of third-party securities deposited with third parties", presented at their normal value, relates to customers' securities held at primary market operators and, to a lesser extent, securities received as collateral. With the exception of securities received as collateral, orders received from customers are executed by qualified, designated credit institutions.

"Other transactions" include the principal of postal savings deposits accepted for and on behalf of Cassa Depositi e Prestiti and the MEF.

5. Financial assets offset in the financial statements or subject to framework master netting agreements or similar arrangements

(€m)

Technical forms	Gross amount of financial assets (a)	Amount of financial liabilities offset in financial statements (b)	Amount of net financial assets reported in financial statements (c=a-b)	Related amounts not subject to offset in the financial statements		Net amount at 31 December 2024 (f=c-d-e)	Net amount at 31 December 2023
				Financial instruments (d)	Cash deposits received as collateral (e)		
1. Derivatives	2,679	-	**2,679**	1,122	1,498	**59**	**377**
2. Repurchase agreements	2,726	1,160	**1,566**	1,560	-	**6**	**-**
3. Securities lending	-	-	**-**	-	-	**-**	**-**
4. Other	-	-	**-**	-	-	**-**	**-**
Total at 31/12/2024	**5,405**	**1,160**	**4,245**	**2,682**	**1,498**	**65**	**x**
Total at 31/12/2023	**8,363**	**2,337**	**6,026**	**2,837**	**2,812**	**x**	**377**

6. Financial liabilities offset in the financial statements or subject to master netting agreements or similar arrangements

(€m)

Technical forms	Gross amount of financial liabilities (a)	Amount of financial assets offset in financial statements (b)	Amount of net financial liabilities reported in financial statements (c=a-b)	Related amounts not subject to offset in the financial statements		Net amount at 31 December 2024 (f=c-d-e)	Net amount at 31 December 2023
				Financial instruments (d)	Cash deposits provided as collateral (e)		
1. Derivatives	1,348	-	**1,348**	1,126	208	**14**	**-**
2. Repurchase agreements	7,365	1,160	**6,205**	6,104	101	**-**	**-**
3. Securities lending	-	-	**-**	-	-	**-**	**-**
4. Other	-	-	**-**	-	-	**-**	**-**
Total at 31.12.2024	**8,713**	**1,160**	**7,553**	**7,230**	**309**	**14**	**x**
Total at 31.12.2023	**11,690**	**2,337**	**9,353**	**8,815**	**538**	**x**	**-**

The above tables have been compiled in accordance with IFRS 7, which requires a specific disclosure regardless of whether or not the financial instruments have been offset in the financial statements.

In particular, the tables show:

- the financial statement values, before and after the effects of accounting netting, of repo transactions that meet the conditions necessary for the recognition of such effects;
- the financial statement values relating to derivative and repurchase agreement that do not meet these conditions but are governed by standardised bilateral netting agreements that allow, in the event of counterparty default, the netting of credit and debit positions (ISDA and GMRA contracts);
- the value of the collateral attached to them.

In order to present the tables in compliance with the requirements of IFRS 7 and Bank of Italy Circular no. 262, repurchase agreements are shown at amortised cost, whilst derivative transactions are shown at fair value; the relevant financial guarantees are measured at fair value.

PART C – INFORMATION ON PROFIT OR LOSS

SECTION 1 – INTEREST – ITEMS 10 AND 20

1.1 Interest and similar income: breakdown

(€m)

Items/Technical forms	Debt securities	Loans	Other transactions	FY 2024	FY 2023
1. Financial assets measured at fair value through profit or loss	-	-	-	-	-
1.1 Financial assets held for trading	-	-	-	-	-
1.2 Financial assets measured at fair value	-	-	-	-	-
1.3 Other financial assets mandatorily measured at fair value	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	969	-	x	969	935
3. Financial assets measured at amortised cost	833	566	-	1,399	1,346
3.1 Due from banks	-	22	x	22	35
3.2 Due from customers	833	544	x	1,377	1,311
4. Hedging derivatives	x	x	384	384	182
5. Other assets	x	x	319	319	309
6. Financial liabilities	x	x	x	3	6
Total	1,802	566	703	3,074	2,778
of which: interest income on impaired financial assets	-	-	-	-	-
of which: interest income on financial leases	x	-	x	-	-

The sub-items "Financial assets measured at fair value through other comprehensive income" and "Financial assets measured at amortised cost" mainly include interest accrued on securities portfolios in the amount of €1,802 million and on the deposit with the MEF in the amount of €406 million due to deposits on current accounts of the Public Administration. The sub-item "Other assets" includes interest income accrued during the year relating to tax credits Law no. 77/2020, as described in "Section 12 - Other assets - Item 120" of Part B.

The sub-item "Financial liabilities" reflects mainly interest income accruing during the year on repurchase agreement.

The increase in this item compared to the previous year is mainly due to the higher income from securities investments and the positive effects of the derivatives linked to them, also due to the restructuring of fair value hedges carried out during the year and described in Part B - Section 5 of Asset.

1.3 Interest expense and similar charges: breakdown

(€m)

Items/Technical forms	Payables	Securities	Other transactions	FY 2024	FY 2023
1. Financial liabilities measured at amortised cost	**(591)**	**-**	**-**	**(591)**	**(587)**
1.1 Due to Central Banks	-	x	x	-	-
1.2 Due to banks	(175)	x	x	(175)	(198)
1.3 Due to customers	(416)	x	x	(416)	(389)
1.4 Debt securities in issue	x	-	x	-	-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
3. Financial liabilities measured at fair value	**-**	**-**	**-**	**-**	**-**
4. Other liabilities and provisions	**x**	**x**	**-**	**-**	**-**
5. Hedging derivatives	**x**	**x**	**-**	**-**	**-**
6. Financial assets	**x**	**x**	**x**	**-**	**-**
Total	**(591)**	**-**	**-**	**(591)**	**(587)**
of which: interest expense on lease payables	-	x	x	-	-

This item is essentially unchanged from the previous year due to changes as a result of higher interest expenses on repo transactions with banks, which were more than offset by lower interest due to the reduction in guarantee deposits received.

1.5 Differentials related to hedge transactions

(€m)

Items	FY 2024	FY 2023
A. Positive hedge differentials	606	330
B. Negative hedge differentials	(222)	(148)
C. Balance (A-B)	**384**	**182**

SECTION 2 – FEES AND COMMISSIONS – ITEMS 40 AND 50

2.1 Fee and commission income: breakdown

(€m)

Type of services/Amounts	FY 2024	FY 2023
a) Financial instruments	**8**	**12**
1. Securities placement	7	11
1.1 On a firm and/or irrevocable commitment basis	-	-
1.2 Without irrevocable commitment	7	11
2. Reception and transmission of orders and execution of orders on behalf of customers	1	1
2.1 Receipt or transmission of orders for one or more financial instruments	1	1
2.2 Execution of orders on behalf of customers	-	-
3. Other commissions related to financial instrument activities	-	-
of which: proprietary trading	-	-
of which: individual portfolio management	-	-
b) Corporate Finance	**-**	**-**
1. Advice on mergers and acquisitions	-	-
2. Treasury services	-	-
3. Other fee and commission income related to corporate finance	-	-
c) Investment advisory activities	**-**	**-**
d) Clearing and settlement	**-**	**-**
e) Custody and administration	**2**	**2**
1. Depository banking	-	-
2. Other commissions related to custody and administration activities	2	2
f) Central administrative services for collective portfolio management	**-**	**-**
g) Trust activity	**-**	**-**
h) Payments services	**696**	**725**
1. Current accounts	275	290
2. Credit cards	-	-
3. Other debit cards and payment cards	-	-
4. Bank transfers and other payment orders	80	75
5. Other fees related to payment services	341	360
i) Distribution of third-party services	**3,023**	**2,908**
1. Collective portfolio management	-	-
2. Insurance products	660	623
3. Other products	2,363	2,285
of which: individual portfolio management	3	2
j) Structured finance	-	-
k) Securitisation servicing activities	**-**	**-**
l) Commitments to disburse funds	**-**	**-**
m) Financial guarantees given	**-**	**-**
of which: credit derivatives	-	-
n) Financing transactions	**-**	**-**
of which: factoring services	-	-
o) FX trading	**1**	**1**
p) Commodities	**-**	**-**
q) Other fee and commission income	**25**	**22**
of which: for management of multilateral trading facilities	-	-
of which: for management of organised trading facilities	-	-
Total	**3,755**	**3,670**

Commissions for "distribution of third-party services" include, in relation to other products, fees for the collection of postal savings deposits, totalling €1,725 million. This service relates to the provision and redemption of Interest-bearing Postal Certificates and payments into and withdrawals from Postal Savings Books, carried out on behalf of Cassa Depositi e Prestiti under the Agreement for collection of postal savings deposits for the three-year period 2024-2026..

The increase in this item compared to the previous year is mainly due to the increase in commissions on the placement of mortgages and loans from leading financial partners, insurance products and mutual funds.

Revenue from contracts with customers

(€m)

Description	FY 2024	FY 2023
Financial instruments	**8**	**12**
Recognised at a point in time	-	-
Recognised over time	8	12
Custody and administration	**2**	**2**
Recognised at a point in time	-	-
Recognised over time	2	2
Payment services	**696**	**725**
Recognised at a point in time	209	224
Recognised over time	487	501
Distribution of third-party services	**3,023**	**2,908**
Recognised at a point in time	-	-
Recognised over time	3,023	2,908
FX trading	**1**	**1**
Recognised at a point in time	1	1
Recognised over time	-	-
Other fee and commission income	**25**	**22**
Recognised at a point in time	-	-
Recognised over time	25	22
Total	**3,755**	**3,670**

Revenue from contracts with customers relate mainly to: (i) revenue from distribution of third-party services: these are recognised over time and measured on the basis of the volumes placed, quantified on the basis of commercial agreements with financial institutions. With regard to the remuneration for postal savings deposits, the agreement entered into with Cassa Depositi e Prestiti provides for the payment of a variable fee when certain levels of funding are reached, the quantification of which is determined annually on the basis of volumes of deposits and early redemptions; certain commercial agreements, entered into with leading financial partners for the placement of loan products, provide for the relegation of placement fees in the event of early redemption or subrogation by customers; (ii) revenue for payment services: recognised at point in time on the basis of the number of transactions accepted at the counter (e.g. commissions on postal current account slips) and valued on the basis of the contractual terms of sale and recognised over time based on the customer's use of the service, mainly with reference to commissions on delegated services and current account maintenance and management services.

2.2 Fee and commission income by product and service distribution channel

(€m)

Channels/Amounts	FY 2024	FY 2023
a) own branches:	**3,030**	**2,919**
1. portfolio management	-	-
2. securities placements	7	11
3. third-party products and services	3,023	2,908
b) door-to-door:	**-**	**-**
1. portfolio management	-	-
2. securities placements	-	-
3. third-party products and services	-	-
c) other distribution channels:	**-**	**-**
1. portfolio management	-	-
2. securities placements	-	-
3. third-party products and services	-	-

"Own counters" means Poste Italiane SpA's post office network.

2.3 Fee and commission expense: breakdown

(€m)

Services/Amounts	FY 2024	FY 2023
a) Financial instruments	**-**	**-**
of which: financial instrument trading	-	-
of which: financial instrument placement	-	-
of which: individual portfolio management	-	-
- Own	-	-
- For third parties	-	-
b) Clearing and Settlement	**-**	**-**
c) Custody and administration	**-**	**-**
d) Collection and payment services	**198**	**198**
of which: credit cards, debit cards and other payment cards	-	-
e) Securitisation servicing	**-**	**-**
f) Commitments to receive funds	**-**	**-**
g) Financial guarantees received	**-**	**-**
of which: credit derivatives	-	-
h) Door-to-door marketing of financial instruments, products and services	**-**	**-**
i) FX trading	**-**	**-**
j) Other fee and commission expense	**2**	**2**
Total	**200**	**200**

Fee and commission expense for collection and payment services is mainly attributable for €184 million to costs accrued for services under the contract with PostePay.

SECTION 3 – DIVIDENDS AND SIMILAR INCOME – ITEM 70

3.1 Dividends and similar income: breakdown

During the year, BancoPosta RFC received dividends of €0.2 million on its shares in Visa Incorporated, accounted for in "Financial assets measured at fair value through profit or loss".

SECTION 4 – PROFITS/(LOSSES) ON TRADING – ITEM 80

4.1 Profits/(losses) on trading: breakdown

(€m)

Transactions/Profit component	Unrealised Gains (A)	Trading profits (B)	Unrealised Losses (C)	Trading losses (D)	Net result [(A+B) - (C+D)]
1. Financial assets held for trading	**-**	**4**	**-**	**-**	**4**
1.1 Debt securities	-	-	-	-	-
1.2 Equity instruments	-	-	-	-	-
1.3 UCIs	-	-	-	-	-
1.4 Loans	-	-	-	-	-
1.5 Other	-	4	-	-	4
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Other	-	-	-	-	-
3. Financial assets and liabilities: exchange differences	**x**	**x**	**x**	**x**	**2**
4. Derivative instruments	**-**	**2**	**(5)**	**(1)**	**(4)**
4.1 Financial derivatives:	-	2	(5)	(1)	(4)
- on debt securities and interest rates	-	2	-	(1)	1
- on equity instruments and share indices	-	-	(5)	-	(5)
- on foreign exchange and gold	x	x	x	x	-
- Other	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
of which: natural hedges connected with the fair value option	x	x	x	x	-
Total	**-**	**6**	**(5)**	**(1)**	**2**

SECTION 5 – PROFITS/(LOSSES) ON HEDGING – ITEM 90

5.1 Profits/(losses) on hedging: breakdown

(€m)

Profit components/Amounts	FY 2024	FY 2023
A. Income on:		
A.1 Fair value hedge derivatives	120	273
A.2 Hedged financial assets (fair value)	543	894
A.3 Hedged financial liabilities (fair value)	-	-
A.4 Cash flow hedge derivatives	-	-
A.5 Foreign currency assets and liabilities	-	-
Gross hedging income (A)	**663**	**1,167**
B. Cost of:		
B.1 Fair value hedge derivatives	(543)	(894)
B.2 Hedged financial assets (fair value)	(84)	(171)
B.3 Hedged financial liabilities (fair value)	(38)	(103)
B.4 Cash flow hedge derivatives	-	-
B.5 Foreign currency assets and liabilities	-	-
Gross hedging cost (B)	**(665)**	**(1,168)**
C. Profits/(Losses) on hedging (A – B)	**(2)**	**(1)**
of which: result of hedges of net positions	-	-

SECTION 6 – PROFITS/(LOSSES) ON DISPOSAL OR REPURCHASE – ITEM 100

6.1 Profits/(Losses) on disposal or repurchase: breakdown

(€m)

Items/Profit components	FY 2024			FY 2023		
	Profits	Losses	Net result	Profits	Losses	Net result
A. Financial assets						
1. Financial assets measured at amortised cost	63	(28)	35	48	-	48
1.1 Due from banks	-	-	-	-	-	-
1.2 Due from customers	63	(28)	35	48	-	48
2. Financial assets measured at fair value through other comprehensive income	105	(70)	35	164	(54)	110
2.1 Debt securities	105	(70)	35	164	(54)	110
2.2 Loans	-	-	-	-	-	-
Total assets (A)	**168**	**(98)**	**70**	**212**	**(54)**	**158**
B. Financial liabilities measured at amortised cost						
1. Due to banks	20	-	20	-	-	-
2. Due to customers	-	-	-	-	-	-
3. Debt securities in issue	-	-	-	-	-	-
Total liabilities (B)	**20**	**-**	**20**	**-**	**-**	**-**

SECTION 7 – PROFITS/(LOSSES) ON OTHER FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS – ITEM 110

7.2 Net change in value of other financial assets and liabilities measured at fair value through profit or loss: breakdown of other financial assets mandatorily measured at fair value

(€m)

Transactions/Profit component	Unrealised Gains (A)	Realised gains (B)	Unrealised Losses (C)	Realised losses (D)	Net result [(A+B)-(C+D)]
1. Financial assets	**6**	**-**	**-**	**-**	**6**
1.1 Debt securities	6	-	-	-	6
1.2 Equity instruments	-	-	-	-	-
1.3 UCIs	-	-	-	-	-
1.4 Loans	-	-	-	-	-
2. Financial assets in foreign currencies: exchange differences	**x**	**x**	**x**	**x**	**2**
Total	**6**	**-**	**-**	**-**	**8**

SECTION 8 – NET LOSSES/RECOVERIES DUE TO CREDIT RISK – ITEM 130

8.1 Net losses/(recoveries) due to credit risk related to financial assets measured at amortised cost: breakdown

(€m)

Transactions/Profit component	Impairment losses (1)						Recoveries (2)				FY 2024	FY 2023
	Stage 1	Stage 2	Stage 3		Acquired or originated impaired financial assets		Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets		
			Write-off	Other	Write-off	Other						
A. Due from banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Loans	-	-	-	-	-		-	-	-	-	-	-
- Debt securities	-	-	-	-	-	-	-	-	-	-	-	-
B. Due from customers	**(1)**	**(10)**	**-**	**-**	**-**	**-**	**6**	**-**	**-**	**-**	**(3)**	**(9)**
- Loans	-	(10)	-	-	-	-		2	-	-	(8)	(5)
- Debt securities	(1)	-	-	-	-	-	6	-	-	-	5	(4)
Total	**(1)**	**(10)**	**-**	**-**	**-**	**-**	**6**	**2**	**-**	**-**	**(3)**	**(9)**

8.2 Net losses/(recoveries) due to credit risk related to financial assets measured at fair value through other comprehensive income: breakdown

(€m)

Transactions/Profit component	Impairment losses (1)						Recoveries (2)				FY 2024	FY 2023
	Stage 1	Stage 2	Stage 3		Acquired or originated impaired		Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets		
			Write-off	Other	Write-off	Other						
A. Debt securities	(2)	-	-	-	-	-	7	-	-	-	5	(3)
B. Loans	-	-	-	-	-	-	-	-	-	-	-	-
- to customers	-	-	-	-	-	-	-	-	-	-	-	-
- to banks	-	-	-	-	-	-	-	-	-	-	-	-
Total	**(2)**	**-**	**-**	**-**	**-**	**-**	**7**	**-**	**-**	**-**	**5**	**(3)**

Total net value adjustments were positive by €2 million, mainly related to the improvement in the creditworthiness of debt securities, partially offset by the adjustment of the provision to cover expected losses related to trade receivables.

SECTION 9 – PROFITS/(LOSSES) FROM CONTRACT AMENDMENTS WITHOUT TERMINATION – ITEM 140

Not applicable

SECTION 10 – ADMINISTRATIVE EXPENSES – ITEM 160

10.1 Personnel expenses: breakdown

(€m)

Type of expenses/Amounts	FY 2024	FY 2023
1) Employees	(37)	(35)
a) wages and salaries	(26)	(25)
b) social security	(7)	(6)
c) employee termination benefits	(2)	(1)
d) social security costs	-	-
e) provision for employee termination benefits	-	-
f) provisions for post-employment benefits:	-	-
- defined contribution plans	-	-
- defined benefit plans	-	-
g) payments to external supplementary pension funds:	(1)	(1)
- defined contribution plans	(1)	(1)
- defined benefit plans	-	-
h) cost of share-based payments	(1)	(1)
i) other employee benefits	-	(1)
2) Other active personnel	-	-
3) Directors and Statutory Auditors	-	-
4) Retirees	-	-
5) Recovery of employment costs of staff seconded to other companies	-	-
6) Refund of costs of third-party employees seconded to the company	-	-
Total	**(37)**	**(35)**

10.2 Average number of employees by category (*)

	FY 2024	FY 2023
Employees	**418**	**412**
a) executives	28	26
b) middle managers	322	313
c) other employees	68	73
Other employees	**-**	**-**
Total	**418**	**412**

(*) Figures expressed in full time equivalent terms.

10.4 Other employee benefits

This primarily relates to redundancy payments.

10.5 Other administrative expenses: breakdown

(€m)

Type of expenses/Amounts	FY 2024	FY 2023
1) Cost of services provided by Poste Italiane SpA	(5,211)	(4,887)
2) Advisory and other professional services	(15)	(13)
3) Taxes, penalties and duties	(23)	(38)
4) Contribution to the Life Insurance Fund	(16)	-
Total	**(5,265)**	**(4,938)**

The cost of services provided by Poste Italiane functions outside the ring-fence relates to those services described in Part A - *Accounting policies*, A.1, Section 4 - *Other information*.

The Contribution to the Life Insurance Fund[444], introduced in the financial year 2024, amounts to €16 million.

SECTION 11 – NET PROVISIONS FOR RISKS AND CHARGES – ITEM 170

11.3 Net provisions for other risks and charges: breakdown

(€m)

Items/Profit components	Provisions	Reversals	Net profit/(loss) for 2024	Net profit/(loss) for 2023
Provisions for litigation	(6)	6	-	6
Provisions for other risks and charges	(4)	14	10	2
Total	**(10)**	**20**	**10**	**8**

The main provisions and releases are discussed in Part B – Section 10 of Liabilities.

[444] The contribution to the Life Insurance Guarantee Fund was introduced by Law no. 213 of 30 December 2023 - "Budget Law" in force as of 1 January 2024, establishing the regulation of a Fund whose function will be to intervene to protect the beneficiaries of life insurance policies in the event that the placing insurance company is subject to bankruptcy proceedings. This contribution will be due until the targets set by the Act are reached by 2035. In accordance with industry best practice, the 2024 contribution has been calculated for banking, postal and financial intermediaries (registered in section D of the RUI, Article 109 of the CAP, including Poste Italiane spa - Divisione servizi di bancoposta) as 0.1 per thousand of the technical provisions corresponding to the contracts intermediated.

The increase over the previous year of €2 million is due to higher releases to profit or loss recognised during the year mainly related to the adjustment of estimates on financing products placed on behalf of major financial partners.

SECTION 12 – NET LOSSES/(RECOVERIES) ON PROPERTY, PLANT AND EQUIPMENT – ITEM 180

Nothing to report.

SECTION 13 – NET LOSSES/(RECOVERIES) ON INTANGIBLE ASSETS – ITEM 190

Nothing to report.

SECTION 14 – OTHER OPERATING INCOME/(EXPENSE) – ITEM 200

14.1 Other operating expenses: breakdown

(€m)

Profit components/Amounts	FY 2024	FY 2023
1. Burglaries and theft	(6)	(4)
2. Other expenses	(19)	(24)
Total	**(25)**	**(28)**

14.2 Other operating income: breakdown

(€m)

Profit components/Amounts	FY 2024	FY 2023
1. Other revenue from contracts with customers	17	7
2. Other operating income	10	9
Total	**27**	**16**

The sub-item "Other revenue from contracts with customers" includes income recognised at a point time for copying documents, prescription of certified cheques and money orders and income recognised over time for protected postal cheques.

SECTION 15 – PROFITS/(LOSSES) ON INVESTMENTS – ITEM 220

Nothing to report.

SECTION 16 – PROFITS/(LOSSES) ON FAIR VALUE MEASUREMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS – ITEM 230

Nothing to report.

SECTION 17 – IMPAIRMENT OF GOODWILL – ITEM 240

Nothing to report.

SECTION 18 – PROFITS/(LOSSES) ON DISPOSAL OF INVESTMENTS – ITEM 250

Nothing to report.

SECTION 19 – INCOME TAX EXPENSE ON CONTINUING OPERATIONS – ITEM 270

19.1 Income tax expense on continuing operations: breakdown

(€m)

	Profit components/Amounts	FY 2024	FY 2023
1.	Current taxes (-)	(234)	(226)
2.	Increase/(decrease) in current taxes of prior period taxation (+/-)	3	-
3.	Reduction in current taxes (+)	-	-
3. bis	Reduction in current taxes due to tax credit pursuant to Law 214/2011 (+)	-	-
4.	Increase/(decrease) in deferred tax assets (+/-)	-	(8)
5.	Increase/(decrease) in deferred tax liabilities (+/-)	-	1
6.	**Tax expense for the year (-) (-1+/-2+3+3 bis+/-4+/-5)**	**(231)**	**(233)**

19.2 Reconciliation between theoretical tax charge at statutory rate and effective tax charge

(€m)

Description	FY 2024		FY 2023	
	IRES	Tax Rate	IRES	Tax Rate
Profit before tax	*846*		*834*	
Theoretical tax charge	(203)	24.0%	(200)	24.0%
Effect of increases/(decreases) on theoretical tax charge				
Net provisions for risks and charges and impairments of receivables	(2)	0.2%	(1)	0.1%
Taxation for previous years	10	-1.2%	-	0.0%
Other	-	0.0%	5	-0.6%
Effective tax charge	**(195)**	**23.1%**	**(196)**	**23.5%**

(€m)

Description	FY 2024		FY 2023	
	IRAP	Tax Rate	IRAP	Tax Rate
Profit before tax	*846*		*834*	
Theoretical tax charge	(38)	4.5%	(38)	4.5%
Effect of increases/(decreases) on theoretical tax charge				
Provisions for risks and charges	1	-0.1%	-	0.0%
Other	1	-0.1%	1	-0.1%
Effective tax charge	**(36)**	**4.3%**	**(37)**	**4.4%**

SECTION 20 - PROFIT/(LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAXES - ITEM 290

Nothing to report.

SECTION 21 – OTHER INFORMATION

All information has been presented above.

SECTION 22 – EARNINGS PER SHARE

Nothing to report.

PART D – COMPREHENSIVE INCOME
ANALYSIS OF COMPREHENSIVE INCOME

(€m)

	Items	FY 2024	FY 2023
10.	**Profit/(Loss) for the year**	**615**	**600**
	Other components of comprehensive income not reclassified to profit or loss		
20.	**Equity instruments measured at fair value through other comprehensive income:**	-	-
	a) changes in fair value	-	-
	b) transfers to other equity	-	-
30.	**Financial liabilities measured at fair value through profit or loss (changes in own credit rating):**	-	-
	a) changes in fair value	-	-
	b) transfers to other equity	-	-
40.	**Hedges of equity instruments measured at fair value through other comprehensive income:**	-	-
	a) changes in fair value (hedged instrument)	-	-
	b) changes in fair value (hedging instrument)	-	-
50.	Property, plant and equipment	-	-
60.	Intangible assets	-	-
70.	Defined benefit plans	-	-
80.	Non-current assets and disposal groups held for sale	-	-
90.	Share of valuation reserve attributable to equity-accounted investments	-	-
100.	Tax expense on other comprehensive income not reclassified to profit or loss	-	-
	Other components of comprehensive income reclassified to profit or loss		
110.	**Hedges of foreign investments:**	-	-
	a) changes in fair value	-	-
	b) reclassified to profit or loss	-	-
	c) other changes	-	-
120.	**Foreign exchange differences:**	-	-
	a) changes in value	-	-
	b) reclassified to profit or loss	-	-
	c) other changes	-	-
130.	**Cash flow hedges:**	**63**	**(232)**
	a) changes in fair value	111	80
	b) reclassified to profit or loss	(48)	(312)
	c) other changes	-	-
	of which: result of net positions	-	-
140.	**Hedges (elements not designated):**	**-**	**-**
	a) changes in value	-	-
	b) reclassified to profit or loss	-	-
	c) other changes	-	-
150.	**Financial assets (other than equity instruments) measured at fair value through other comprehensive income:**	**603**	**2,164**
	a) changes in fair value	593	1,938
	b) reclassified to profit or loss	10	226
	- impairment losses due to credit risk	(5)	3
	- realised gains/(losses)	15	223
	c) other changes	-	-
160.	**Non-current assets and disposal groups held for sale:**	-	-
	a) changes in fair value	-	-
	b) reclassified to profit or loss	-	-
	c) other changes	-	-
170.	**Share of valuation reserves attributable to equity-accounted investments:**	-	-
	a) changes in fair value	-	-
	b) reclassified to profit or loss	-	-
	- impairment losses	-	-
	- realised gains/(losses)	-	-
	c) other changes	-	-
180.	**Tax expense on other comprehensive income reclassified to profit or loss**	**(192)**	**(549)**
190.	**Total other comprehensive income**	**474**	**1,383**
200.	**Comprehensive income (Items 10+190)**	**1,089**	**1,983**

PART E – INFORMATION ON RISKS AND RELATED HEDGING POLICIES

Introduction

BancoPosta RFC's operations, conducted in accordance with Presidential Decree 144/2001, consist in the management of liquidity generated by postal current account deposits, carried out in the name of BancoPosta but subject to statutory restrictions, and collections and payments on behalf of third parties.

The funds deposited by private account holders in postal current accounts are invested in euro zone government securities[445], whilst deposits by Public Administration entities are deposited with the MEF.

In 2024, BancoPosta RFC's operations focused on investment of the volume of current account deposits, the reinvestment of funds deriving from maturing government securities and in the active management of financial instruments.

The 2024 financial year was characterised by a reduction in yields on Italian government bonds (the 10-year BTP fell from 3.7% to 3.52%), which brought the BTP-Bund spread to 116 basis points compared to 168 last year. These movements led to an increase in the price of securities.

BancoPosta's capital structure, which is subject to the prudential provisions introduced with the third update of Bank of Italy Circular 285/2013, is solid due to the CET1 *ratio*, which stands at 19.4% at 31 December 2024, and the *Total Capital Ratio*, which stands at 22.6% at 31 December 2024. The Leverage Ratio stood at 3.3%[446]at the end of 2024, up slightly from 31 December 2023 as a result of the decrease in assets, including adjustments for Leverage calculation purposes.

The investment profile is based on the constant monitoring of habits of current account holders and the use of a statistical/econometric model that forecasts the interest rates and maturities typical of postal current accounts. Accordingly, the portfolio composition aims to replicate the financial structure of postal current accounts by private customers. Management of the relationship between the structure of deposits and investments is handled through an appropriate Asset & Liability Management system. The above-mentioned system is thus the general reference for the investments (the limits of which are determined by specific guidelines approved by the Board of Directors) in order to limit exposure to interest rate and liquidity risks.

Financial risk management

Balanced financial management and monitoring of the main risk/return profiles are carried out and ensured by dedicated organisational structures, both within and without the BancoPosta ring-fence, that operate separately and independently. In addition, specific processes are in place governing the assumption and management of and control over financial risks, including through the progressive implementation of adequate IT tools. In this regard, on 12 December 2024, the Board of

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[445] The funds raised by private customers on postal current accounts must be used in euro area government securities and, for a portion not exceeding 50% of the funds raised, in other securities backed by the Italian government guarantee (as provided by Law no. 296 of 27 December 2006, and subsequent amendments provided by the 2015 Stability Law, no. 190 of 23 December 2014). With the conversion into Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021, BancoPosta RFC is allowed, as part of the 50% of its funding from private customers that can be invested in securities guaranteed by the Italian State, to use up to 30% of this portion to purchase transferable tax credits pursuant to Law Decree no. 34/2020 (the so called "Decreto Rilancio") and subsequent amendments and additions, or other transferable tax credits pursuant to current legislation (Law no. 106 of 23 July 2021 of Law Decree no. 73 of 25 May 2021).

[446] The Cet1 ratio and the Total Capital Ratio already take into account the proposed capital strengthening of €61 million by means of a profit provision for the financial year 2024, in application of the provisions of Article 26 of Regulation (EU) no. 575/2013.

Directors adopted a revised version of the Guidelines for Internal Control and Risk Management System (SCIGR), which contains integrated guidelines for BancoPosta RFC's Internal Control and Risk Management System. From an organisational viewpoint, the model consists of:

- the **Control and Risk Committee**, established in 2015 within the Board, has the task of supporting, through an appropriate investigative, proposal-making and advisory activity, the evaluations and decisions of the Board of Directors on the internal control and risk management system and on the approval of the relative periodic financial and non-financial reports;
- the **Financial and Insurance Services Committee**, established on 19 March 2018, with the aim of overseeing the process of developing the products and services distributed by BancoPosta, in order to take a uniform, integrated view of the entire offering and to monitor the performance of the financial investments in which private customer deposits are invested;
- the **BancoPosta's Risk Management function**, responsible for measuring and controlling risk and duly observing the independence of control functions from management.

The management of investments and risk hedging related to BancoPosta RFC have been assigned by means of a specific mandate to the specialist functions of BancoPosta Fondi SpA SGR, a Poste Italiane Group company.

In constructing the Risk Model used by BancoPosta RFC, account was also taken of the existing prudential supervisory standards for banks and the specific instructions for BancoPosta, published by the Bank of Italy on 27 May 2014 with the third revision of Circular 285 of 17 December 2013.

The above prudential standards have imposed the same obligations on BancoPosta as those applicable to banks in terms of corporate governance, internal controls and risk management, requiring, among other things, achievement of the following objectives:

- definition of a Risk Appetite Framework (RAF);
- oversight of implementation of the Company's strategies and policies;
- the containment of risks within the limits set by the RAF;
- protection of the value of assets and against losses;
- identification of material transactions to be subject to prior examination by the risk control function;
- application of the internal capital adequacy assessment process (ICAAP) and the internal liquidity adequacy assessment process (ILAAP).

The RAF consists of a framework that defines, in keeping with the maximum acceptable risk, the business model and strategic plan, the risk appetite, risk tolerance thresholds, risk limits and risk management policies, together with the processes needed to define and implement them.

SECTION 1 – CREDIT RISK

Credit risk regards the types of risk described below.

Credit risk is defined as the possibility that a change in the creditworthiness of a counterparty, to which the entity is exposed, could result in a matching change in the value of the amount due. It thus represents the risk that the debtor is partially or entirely unable to repay the principal and interest due.

Counterparty risk is the risk that a counterparty could default on obligations of a financial instrument during its term. This risk is inherent in certain types of transaction which, for BancoPosta RFC, would be derivatives and repurchase agreements.

Concentration risk is related to the overexposure to counterparties, groups of related counterparties and counterparties in the same business segment or that engage in the same business or operate in the same geographic region.

Qualitative information

1. Generalities

Presidential Decree 144/2001 prohibits BancoPosta RFC from making loans to members of the public. As a result, there are no credit policies.

The nature of BancoPosta RFC's operations, however, results in a considerable concentration of exposure to Republic of Italy risk, as a result of its investments in Government securities and its deposits at the MEF. Credit risk models, explained below, show, however, that for capital requirements this type of investment does not determine capital absorption.

2. Credit risk management policies

2.1 Organisational aspects

The role of BancoPosta RFC's Risk Management function is the management and control of credit, counterparty and concentration risks.

Monitoring credit risk is particularly focused on the following exposures:

- euro area government securities or other securities backed by the Italian State for the use of liquidity collected through current accounts from private customers;
- deposits at the MEF in which Public Administration and private account deposits are invested;
- any eventual amounts due from the Treasury as a result of depositing funds gathered less payables for advances disbursed;
- items in progress: cheque clearing, use of electronic cards, collections;
- temporarily overdrawn postal current accounts caused by debiting fees: limited to those which were not classified as impaired since the accounts were in funds in early 2025;
- cash collateral for outstanding transactions with banks and customers, in accordance with agreements intended to mitigate counterparty risk (CSA - Credit Support Annexes and GMRA – Global Master Repurchase Agreements);
- cash collateral provided to the guarantee fund of the Central Counterparty "Cassa di Compensazione e Garanzia" for repurchase agreement transactions;
- cash deposits from collateralisation for centrally margined derivatives transactions through clearing brokers;
- trade receivables payable by partners in relation to financial/insurance product placement.

Monitoring counterparty risk particularly regards hedging derivatives and repurchase agreements.

BancoPosta RFC's concentration risk is monitored to limit the instability that could be caused by the default of one customer or a group of related customers to which BancoPosta has a significant credit and counterparty risk exposure.

2.2 Management, measurement and control systems

Credit risk is controlled through the following:

- minimum rating requirements for issuers/counterparties, based on the type of instrument;
- concentration limits per issuer/counterparty;

- monitoring of changes in the internal and external ratings of counterparties.

The limits referred to above have been established by the "Guidelines on Poste Italiane SpA's financial management" for BancoPosta RFC. Specifically, as regards rating limits, transactions are allowed solely with investment grade counterparties and euro area government issuers with a rating at least equal to that of the Italian Republic.

With reference to the monitoring thresholds of concentration risk, the limits set by prudential regulation are applied[447].

The standardised approach[448] as defined by EU Regulation 575/2013, is used by BancoPosta to measure credit and counterparty risks. Application of this method entails the use of Standard & Poor's, Moody's, Fitch and DBRS for the computation of counterparty credit rating classes.

In terms of prudential oversight, the following methods are used to estimate the exposure to counterparty risk inherent in each of the following types of transaction:

- the "standardised" approach[449], is used for interest rate swaps and forward purchases of government securities;
- Credit Risk Mitigation (CRM) techniques, the Full Method[450], are used for repurchase transactions.

Concentration risk is measured using the method described in EU Regulation 575/2013 with regard to large exposures.

2.3 Measurement of expected credit losses

The Expected Credit Loss (ECL) method introduced by IFRS 9 applies to financial assets measured at amortised cost and to financial assets measured at fair value through other comprehensive income.

For financial assets other than trade receivables, BancoPosta RFC applies the General deterioration approach, with models to estimate risk parameters depending on the type of counterparty:

- Internal risk parameter estimation models for debt securities and deposits with Sovereign, Banking and Corporate counterparties;
- risk parameters deriving from agency ratings or average default rates for the sector for Public Administration and Central Counterparties.

Expected credit losses are determined either over a 12-month horizon or a lifetime horizon, depending on the stage of the exposure, on the basis of the following metrics:

- Probability of Default (PD);
- Loss Given Default (LGD);
- Exposure at Default (EAD);
- Time Factor (TF).

Below, the main assumptions adopted in determining the single factors are illustrated:

- PD: as indicated from the start, a Point in Time (PIT) and forward-looking evaluation has been adopted;
- LGD: values have been used consistent with the Internal Ratings-Based (IRB) Base Approach under the Basel guidelines (45% for senior risk assets, 75% for subordinated risk assets);

447 According to prudential regulations, with reference to the rules on Large Exposures, risk-weighted assets must remain below 25% of own funds. As a rule, exposures are recognised at nominal value, taking into consideration any credit risk mitigation techniques. To take into account the lower risk related to the nature of the borrower, more favourable weighting factors are applied.

448 The standardised approach entails risk weightings in accordance with the nature of the exposure and the identity of the counterparty and the counterparty's external credit rating.

449 According to this methodology, the risk exposure of derivatives is calculated through the sum, increased by 40%, of the following two components: the replacement cost, represented by the fair value of derivatives considering the effect of collateral provided and received, and the add-on, calculated on the basis of the contractual characteristics of the derivatives, including the notional amount, maturity and reference risk driver.

450 The full CRM method entails reducing risk exposure by the value of the guarantee. Specific rules are applied to take into account market price volatility of the guaranteed asset as well as the collateral received.

- EAD: exposure calculated prospectively until maturity of the instrument, starting from the development of projected cash flows. In the development account was taken of specific indexation assumptions for every asset class (fixed rate securities, variable rate securities, inflation-indexed securities, etc.);
- TF: the effective interest rate of each exposure was used as discount factor.

The collective impairment of a homogenous group of financial assets defines the expected credit loss (ECL) of the instrument, even though it cannot be associated with a specific exposure. Grouping takes place in relation to the type of counterparty on the basis of the estimated PD.

BancoPosta RFC elected not to adopt the low risk credit exemption and to proceed instead with the staging of the financial instruments concerned.

Based on the impairment models described above, to allocate properly performing exposures in stage 1 or stage 2, the significant increase in exposures other than trade receivables is determined on the basis of the change in notches between the rating at the time of investment and the rating at the reporting date.

This change in notches is compared with a threshold that takes into account the following factors:

- the rating of the financial instrument at the time of investment;
- the rating of the financial instrument at the reporting date;
- the seniority of the position within the portfolio (vintage factor);
- an additive factor to mitigate the non-linearity of the PD vis-à-vis the rating classes[451];
- a judgemental factor to be used only in the presence of sudden changes in the creditworthiness not yet reflected by the rating[452].

Based on the above information, BancoPosta RFC does not apply the presumption that an exposure past due for over 30 days indicates automatically significant increases in credit risk after initial recognition.

BancoPosta RFC defines a default on the basis of ad hoc assessments that take into consideration:

- any payment delays;
- market information such as a default rating by the rating agencies;
- internal analyses of specific exposures.

With reference to late payments, a default definition based on a payment delay of 90 days is used.

In keeping with the accounting standard, in determining ECL consideration was given also to forward looking elements based on broad-consensus scenarios.

The approach followed involves inclusion of forward-looking information in the estimation of the PD. In particular, for the calculation of the PD of sovereign counterparties, prospective estimates made available by the International Monetary Fund, the UN and the World Bank are used; with regard to other counterparties, on the other hand, the internal model adopted allows the input dataset necessary for the calculation of PD to be completed from scenario values referring to some of the model's variables. The objective of the approach is to estimate the unknown variables by using the historical correlation of the available information[453].

[451] The additive factor is built in view of the rating level at the reporting date, where the better the rating the higher the threshold for the transition to Stage 2.

[452] The judgemental factor can summarise significant aspects in determining the significant increase of credit risk, considering such elements as:

- an actual or expected significant change of the internal/external credit rating of the financial instrument;
- actual or expected negative changes in economic, financial or business conditions that might cause a significant change in the borrower's ability to honour its obligations, such as an actual or expected increase in interest rates or an actual or expected significant increase in the unemployment rate.

[453] In particular, the use of such approach is limited to situations where, actually, the final data are deemed to be no longer representative of the counterparty's risk.

Variables reflecting social and governance factors were introduced into the PD Sovereign estimation model using indicators provided by authoritative sources such as the UN and the World Bank. The Environmental factor is negligible for these purposes in view of the 1-year time horizon of the PD itself. This factor is monitored, as part of BancoPosta RFC, through scenario analyses and verification of ratings provided by external agencies.

As to the estimation techniques used, it is noted that since the approaches to calculate the PD for Sovereign, Banking and Corporate counterparties cannot use default events, as they are not frequent, a shadow rating approach was adopted.

This method entails the use of target variables related to the level of external rating produced by the agencies. The target is identified as the default rate linked to the rating level. A key rating agency was selected to construct the target, taking into account both the large number of rated counterparties and the availability of historical data over what was deemed to be an adequate period of time.

The models have been constructed by extracting and utilising the following types of data for each country in the sample:

- macroeconomic data;
- indicators related to Social and Governance issues;
- financial statement data.

For trade receivables BancoPosta applies the Simplified Approach, where no significant increase in credit risk is expected. However, the loss provisions are calculated for an amount equal to lifetime expected credit loss.

Such approach is implemented through the following process:

- based on total revenue or the historical credit exposure, a credit threshold is identified beyond which the single receivables or the single exposure is evaluated. The analytical evaluation of the exposures entails an analysis of the borrower's credit quality and solvency, as determined on the basis of internal and external supporting evidence;
- for receivables falling below the threshold set, through the preparation of a matrix with the different impairment percentages estimated on the basis of historical losses, where they exist, or alternatively on the historical pattern of collections. In constructing the impairment matrix, receivables are grouped by homogeneous categories, based on their characteristics, to take into account the historical loss experience.

2.4 Credit risk mitigation techniques

BancoPosta RFC adopts credit and counterparty risk mitigation techniques. Specifically:

- Fixed income instruments

Debt instruments secured by guarantees or other credit risk mitigation instruments are securities issued by Cassa Depositi e Prestiti SpA guaranteed by the Italian State and subscribed by BancoPosta RFC, amounting to a nominal value of €3,000 million at 31 December 2024. These are recognised as financial assets measured at amortised cost and, in determining the associated expected credit losses, account was taken of the PD of the Italian Republic.

- Derivative financial instruments and repurchase agreements

In order to limit the counterparty risk exposure, BancoPosta RFC has concluded standard ISDA master agreements (with attached CSA) and GMRAs which govern the collateralisation, in cash or government securities, of derivative transactions and repurchase agreements, respectively. As of 2021, certain derivatives entered into by Bancoposta RFC through bilateral contracts will be routed to a Qualified Central Counterparty for centralised clearing through the services provided by a clearing broker. With reference to repo transactions, in order to mitigate counterparty risk and gain readier access to the market, from December 2017, BancoPosta RFC has begun to enter into repurchase agreements with the Central Counterparty, the "Cassa di Compensazione e Garanzia".

The calculation of positions in derivatives and repurchase agreements and the related risk mitigation instruments are illustrated in Part B – Other Information, tables 5 and 6, to which reference is made.

- Trade receivables

To mitigate the risks arising from the extension of credit terms to its customers, BancoPosta RFC has implemented suitable guidelines that govern the management of trade receivables, the terms and conditions of payment applicable to customers and defines the corporate process aimed at checking the customer's creditworthiness, as well as the sustainability of the business risk inherent in the contract involving extended payment terms.

Depending on the evaluations, the contracts entered into with customers may require a suitable guarantee. Guarantees are also requested if they are required by rules and regulations and/or implementing rules of specific services.

BancoPosta RFC accepts mainly guarantees issued by primary banks or insurance companies. Alternatively, upon request of the customer and after a risk analysis, it accepts sureties issued by other institutions, security deposits or the opening of postal escrow account.

Considering the limited risk of insolvency of government customers, BancoPosta RFC as a rule exempts the Public Administration from the provision of guarantees to secure trade receivables arising from transactions with it, save for the cases when such guarantees are mandatory by law or due to implementing rules of specific services.

Accordingly, the guarantees held are related mainly to private customers.

For all the exposures evaluated individually, to calculate the provisions for doubtful debts, guarantees reduce the amount of the exposure at risk.

At 31 December 2024, unsecured trade receivables minus the relevant loss provisions amount to €1,011 million.

At 31 December 2024, BancoPosta RFC does not hold financial assets secured by guarantees or other credit risk mitigating instruments for which no loss provisions have been made (except for the temporary use of liquidity in reverse repurchase agreements).

3. Credit-impaired financial assets

At 31 December 2024, BancoPosta RFC held no credit-impaired financial assets.

Quantitative information

A. Credit quality

A.1 Non-performing and performing credit exposures: balance, impairment, trends and business distribution

A.1.1 Distribution of financial assets by portfolio and credit quality (carrying amounts)

(€m)

Portfolios/quality	Bad loans	Unlikely to pay	Non-performing past-due exposures	Performing past-due exposures	Other performing exposures	Total
1. Financial assets measured at amortised cost	-	-	-	12	45,817	**45,829**
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	33,645	**33,645**
3. Financial assets measured at fair value	-	-	-	-	-	**-**
4. Other financial assets mandatorily measured at fair value	-	-	-	-	-	**-**
5. Financial assets held for sale	-	-	-	-	-	**-**
Total at 31.12.2024	**-**	**-**	**-**	**12**	**79,462**	**79,474**
Total at 31.12.2023	**-**	**-**	**-**	**13**	**77,618**	**77,631**

A.1.2 Distribution of financial assets by portfolio and credit quality (gross and net amounts)

(€m)

Portfolios/quality	Non-performing				Performing			Total (net exposure)
	Gross exposure	Total impairment losses	Net exposure	Total partial write-offs*	Gross exposure	Total impairment losses	Net exposure	
1. Financial assets measured at amortised cost	-	-	-	-	45,907	78	45,829	**45,829**
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	33,659	14	33,645	**33,645**
3. Financial assets measured at fair value	-	-	-	-	X	X	-	**-**
4. Other financial assets mandatorily measured at fair value	-	-	-	-	X	X	-	**-**
5. Financial assets held for sale	-	-	-	-	-	-	-	**-**
Total at 31.12.2024	**-**	**-**	**-**	**-**	**79,566**	**92**	**79,474**	**79,474**
Total at 31.12.2023	**-**	**-**	**-**	**-**	**77,731**	**100**	**77,631**	**77,631**

(*) amount reported for disclosure purposes

(€m)

Portfolios/quality	Assets of evidently low credit quality		Other assets
	Cumulative losses	Net exposure	Net exposure
1. Financial assets held for trading	-	-	-
2. Hedging derivatives	-	-	2,679
Total at 31.12.2024	**-**	**-**	**2,679**
Total at 31.12.2023	**-**	**-**	**4,257**

A.1.3 Distribution of financial assets by past due categories (carrying amounts)

(€m)

Portfolios/stages of risk	Stage 1			Stage 2			Stage 3			Acquired or originated impaired financial assets		
	Between 1 and 30 days	30 - 90 days	Over 90 days	Between 1 and 30 days	30 - 90 days	Over 90 days	Between 1 and 30 days	30 - 90 days	Over 90 days	Between 1 and 30 days	30 - 90 days	Over 90 days
1. Financial assets measured at amortised cost	-	-	-	3	3	6	-	-	-	-	-	-
2. Financial assets measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
3. Financial assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-
Total at 31.12.2024	**-**	**-**	**-**	**3**	**3**	**6**	**-**	**-**	**-**	**-**	**-**	**-**
Total at 31.12.2023	**-**	**-**	**-**	**6**	**-**	**7**	**-**	**-**	**-**	**-**	**-**	**-**

A.1.4 Financial assets, commitments to disburse funds and financial guarantees given: overall impairment losses and overall provisions

(€m)

Causes/stages of risk	Total impairment losses: Assets in stage 1						Assets in stage 2					
	Due from banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment	Due from banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment
Total opening impairment	**-**	**22**	**19**	**-**	**-**	**41**	**-**	**59**	**-**	**-**	**41**	**18**
Increases in acquired or originated financial assets	-	1	2	-	-	3	-	-	-	-	-	-
Derecognitions other than write-offs	-	(1)	(3)	-	-	(4)	-	-	-	-	-	-
Net impairment losses/reversals of impairment losses due to credit risk (+/-)	-	(5)	(4)	-	-	(9)	-	8	-	-	9	(1)
Contract amendments without termination	-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation method	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in the income statement	-	-	-	-	-	-	-	(5)	-	-	(5)	-
Other changes	-	-	-	-	-	-	-	(1)	-	-	(1)	-
Total closing impairment losses	**-**	**17**	**14**	**-**	**-**	**31**	**-**	**61**	**-**	**-**	**44**	**17**
Recovery of amounts on written-off financial assets	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-

Causes/stages of risk	Total impairment losses: Assets in stage 3						Acquired or originated impaired financial assets					Total provisions for commitments to disburse funds and financial guarantees given				Total
	Due from banks and central banks on demand	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment	Financial assets measured at amortised cost	Financial assets measured at fair value through other comprehensive income	Financial assets held for sale	of which: individual impairment	of which: collective impairment	Stage 1	Stage 2	Stage 3	Commitments to disburse funds and fin. guarantees issued impaired acquired or originated	
Total opening impairment	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**100**
Increases in acquired or originated financial assets	-	-	-	-	-	-	x	x	x	x	x	-	-	-	-	3
Derecognitions other than write-offs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4)
Net impairment losses/reversals of impairment losses due to credit risk (+/-)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)
Contract amendments without termination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Changes in estimation method	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in the income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5)
Other changes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1)
Total closing impairment losses	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**92**
Recovery of amounts on written-off financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs recognised directly in profit or loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

The assumptions adopted in the assessments of expected losses at 31 December 2024 led to a reduction in Italy's PD compared to that used in the assessments in the Separate Report at 31 December 2023. The improvement in the creditworthiness on the securities portfolio and deposits with the MEF was partially offset by the adjustment of the provision to cover expected losses on exposures valued under the simplified method.

A.1.6 On- and off-balance-sheet credit exposures to banks: gross and net amounts

(€m)

Types of exposures/Amounts	Gross exposure					Total impairments and total provisions					Net exposure	Total partial write-offs*
		Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets		Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets		
A. On-balance sheet credit exposures												
A.1 Demand												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	134	134	-	X	-	-	-	-	X	-	134	-
A.2 Other												
a) Bad loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non-performing past-due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past-due exposures	-	-	-	X	-	-	-	-	X	-	-	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	655	612	43	X	-	-	-	-	X	-	655	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL A	789	746	43	-	-	-	-	-	-	-	789	-
B. Off-balance sheet credit exposures												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	2,214	-	-	X	-	-	-	-	X	-	2,214	-
TOTAL B	2,214	-	-	-	-	-	-	-	-	-	2,214	-
TOTAL A+B	3,003	746	43	-	-	-	-	-	-	-	3,003	-

(*) amount reported for disclosure purposes

"Off-balance sheet exposures, Performing" relates to the counterparty risk associated with derivatives registering fair value gains, gross of any netting agreements[454], and Repo financing with Securities Financing Transactions (SFT)[455] margins

A.1.7 On- and off-balance-sheet credit exposures to customers: gross and net amounts

(€m)

Types of exposures/Amounts	Gross exposure					Total impairments and total provisions					Net exposure	Total partial write-offs*
		Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets		Stage 1	Stage 2	Stage 3	Acquired or originated impaired financial assets		
A. On-balance sheet credit exposures												
a) Bad loans	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
b) Unlikely to pay	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
c) Non-performing past-due exposures	-	X	-	-	-	-	X	-	-	-	-	-
- of which: forborne exposures	-	X	-	-	-	-	X	-	-	-	-	-
d) Performing past-due exposures	72	-	72	X	-	60	-	60	X	-	12	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
e) Other performing exposures	78,839	77,882	957	X	-	32	30	2	X	-	78,807	-
- of which: forborne exposures	-	-	-	X	-	-	-	-	X	-	-	-
TOTAL A	78,911	77,882	1,029	-	-	92	30	62	-	-	78,819	-
B. Off-balance sheet credit exposures												
a) Non-performing	-	X	-	-	-	-	X	-	-	-	-	-
b) Performing	680	-	-	X	-	-	-	-	X	-	680	-
TOTAL B	680	-	-	-	-	-	-	-	-	-	680	-
TOTAL A+B	79,591	77,882	1,029	-	-	92	30	62	-	-	79,499	-

(*) amount reported for disclosure purposes

"Off-balance sheet exposures, Performing" relates to the counterparty risk associated with derivatives registering positive fair value, gross of any existing netting agreements.

A.2 Classification of financial assets, commitments to disburse funds and financial guarantees issued based on external and internal ratings

BancoPosta RFC has no lending policies as it does not grant loans to the public. It also uses internal models only for the measurement of expected losses as required by IFRS 9, but not for the quantification of capital requirements for credit risk[456]. For the methodologies used to calculate capital absorption for credit risk, please refer to the Public Disclosure ("Pillar 3").

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454 BancoPosta RFC is not a party to enforceable master netting agreements or similar arrangements meeting the requirements of IAS 32, paragraph 42 for offsetting in the financial statements but used standard bilateral netting agreements that allow, in the event of the counterparty's default, the offsetting of debit and credit positions in relation to derivative financial instruments.

455 As defined in the prudential requirements.

456 As of 1 January 2025, Regulation (EU) no. 2024/1623 came into force, amending Regulation (EU) no. 575/2013 and providing, inter alia, that the risk weighting of exposures will also take place in consideration of the results of internal credit risk assessment methodologies and no longer solely on the basis of risk assessments made by external rating agencies.

A.2.1 Distribution of financial assets, commitments to disburse funds and financial guarantees given by external rating classes (gross amounts)

(€m)

Exposures	External rating classes						Unrated	Total
	Class 1	Class 2	Class 3	Class 4	Class 5	Class 6		
A. Financial assets measured at amortised cost	**82**	**347**	**42,860**	**54**	**-**	**-**	**2,564**	**45,907**
- Stage 1	82	329	42,405	54	-	-	1,965	44,835
- Stage 2	-	18	455	-	-	-	599	1,072
- Stage 3	-	-	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-	-	-
B. Financial assets measured at fair value through other comprehensive income	**-**	**-**	**33,659**	**-**	**-**	**-**	**-**	**33,659**
- Stage 1	-	-	33,659	-	-	-	-	33,659
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-	-	-
C. Financial assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-	-	-
Total (A + B + C)	**82**	**347**	**76,519**	**54**	**-**	**-**	**2,564**	**79,566**
D. Commitments to disburse funds and financial guarantees given	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
- Stage 1	-	-	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-	-	-
Total (D)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (A + B + C + D)	**82**	**347**	**76,519**	**54**	**-**	**-**	**2,564**	**79,566**

Stage 2 reflects mainly financial assets represented by trade receivables for which loss provisions are measured with the simplified approach.

The unrated exposures shown in the first stage refer mainly to outstanding transactions with Cassa Compensazione e Garanzia.

The rating agency equivalents of credit rating classes are shown below:

Credit rating class	Fitch	Moody's	S&P	DBRS
1	from AAA to AA-	from Aaa to Aa3	from AAA to AA-	from AAA to AAL
2	from A+ to A-	from A1 to A3	from A+ to A-	from AH to AL
3	from BBB+ to BBB-	from Baa1 to Baa3	from BBB+ to BBB-	from BBBH to BBBL
4	from BB+ to BB-	from Ba1 to Ba3	from BB+ to BB-	from BBH to BBL
5	from B+ to B-	from B1 to B3	from B+ to B-	from BH to BL
6	CCC+ and below	Caa1 and below	CCC+ and below	CCC

The nature of BancoPosta's operations exposes it to a substantial degree of concentration in respect of the Italian state. The concentration can be seen in Table A.2.1 under External Rating Class 3, which includes the Italian state.

A.2.2 Distribution of financial assets, commitments to disburse funds and financial guarantees issued: by internal rating classes (gross amounts)

(€m)

Exposures	Internal rating classes				Unrated	Total
	from AAA to AA-	from A+ to A-	from BBB+ to BBB-	from BB+ to BB		
A. Financial assets measured at amortised cost	**9**	**2,741**	**41,847**	**54**	**1,256**	**45,907**
- Stage 1	9	2,741	41,847	54	184	44,835
- Stage 2	-	-	-	-	1,072	1,072
- Stage 3	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-
B. Financial assets measured at fair value through other comprehensive income	**-**	**-**	**33,659**	**-**	**-**	**33,659**
- Stage 1	-	-	33,659	-	-	33,659
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-
C. Financial assets held for sale	**-**	**-**	**-**	**-**	**-**	**-**
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-
Total (A + B + C)	**9**	**2,741**	**75,506**	**54**	**1,256**	**79,566**
D. Commitments to disburse funds and financial guarantees given	**-**	**-**	**-**	**-**	**-**	**-**
- Stage 1	-	-	-	-	-	-
- Stage 2	-	-	-	-	-	-
- Stage 3	-	-	-	-	-	-
- Acquired or originated impaired financial assets	-	-	-	-	-	-
Total (D)	**-**	**-**	**-**	**-**	**-**	**-**
Total (A + B + C + D)	**9**	**2,741**	**75,506**	**54**	**1,256**	**79,566**

A.3 Distribution of guaranteed credit exposures by type of guarantee

A.3.1 Guaranteed on- and off-balance-sheet credit exposures to banks

(€m)

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)									Total (1)+(2)
							Credit derivatives					Unsecured loans				
								Other derivatives								
			Mortgages	Real estate - Lease financing	Securities	Other collateral	CLNs	Central counterparties	Banks	Other financial companies	Other entities	Public Administration entities	Banks	Other financial companies	Other entities	
1. Guaranteed on-balance sheet credit exposures:																
1.1 guaranteed in full	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
1.2 partially guaranteed	213	213	-	-	207	-	-	-	-	-	-	-	-	-	-	**207**
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
2. Guaranteed off-balance sheet credit exposures:																
2.1 guaranteed in full	321	321	-	-	-	321	-	-	-	-	-	-	-	-	-	**321**
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
2.2 partially guaranteed	864	864	-	-	-	807	-	-	-	-	-	-	-	-	-	**807**
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**

Cash credit exposures to banks at 31 December 2024 relate to repo transactions and derivative transactions with a positive net fair value.

A.3.2 Guaranteed on- and off-balance-sheet credit exposures to customers

(€m)

	Gross exposure	Net exposure	Collateral (1)				Personal guarantees (2)									Total (1)+(2)
							Credit derivatives					Unsecured loans				
								Other derivatives								
			Mortgages	Real estate - Lease financing	Securities	Other collateral	CLNs	Central counterparties	Banks	Other financial companies	Other entities	Public Administration entities	Banks	Other financial companies	Other entities	
1. Guaranteed on-balance sheet credit exposures:																
1.1 guaranteed in full	1,397	1,397	-	-	-	-	-	-	-	-	-	1,397	-	-	-	**1,397**
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
1.2 partially guaranteed	4,019	4,018	-	-	2,502	-	-	-	-	-	-	1,500	-	-	-	**4,002**
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
2. Guaranteed off-balance sheet credit exposures:																
2.1 guaranteed in full	344	344	-	-	-	344	-	-	-	-	-	-	-	-	-	**344**
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
2.2 partially guaranteed	29	29	-	-	-	27	-	-	-	-	-	-	-	-	-	**27**
- of which non-performing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**

On-balance sheet credit exposures refer to:

- fixed rate securities with a nominal amount of €3,000 million issued by Cassa Depositi e Prestiti and guaranteed by the Italian State;
- repo transactions managed through the Central Counterparty (CC&G) that meet the requirements of IAS 32 and are therefore offset in the financial statement in the amount of €1,160 million.

Off-balance sheet credit exposures refer to derivative transactions with a positive net fair value.

In addition, at 31 December 2024, reverse repurchase agreements with Central Counterparty with a total nominal value of €1,550 million had been entered into, but not yet settled.

B. Distribution and concentration of credit exposures

B.1 Distribution of on and off-balance sheet credit exposures to customers by economic sector

(€m)

Exposures/ Counterparties	Public Administration entities		Financial companies		Financial companies (of which: insurance companies)		Non-financial companies		Households	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses
A. On-balance sheet credit exposures										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
- of which: forborne exposures	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
- of which: forborne exposures	-	-	-	-	-	-	-	-	-	-
A.3 Non-performing past-due exposures	-	-	-	-	-	-	-	-	-	-
- of which: forborne exposures	-	-	-	-	-	-	-	-	-	-
A.4 Performing exposures	72,406	32	5,752	2	393	-	654	29	7	29
- of which: forborne exposures	-	-	-	-	-	-	-	-	-	-
TOTAL A	**72,406**	**32**	**5,752**	**2**	**393**	**-**	**654**	**29**	**7**	**29**
B. Off-balance sheet credit exposures										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	-	-	680	-	-	-	-	-	-	-
TOTAL B	**-**	**-**	**680**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A+B) at 31.12.2024	**72,406**	**32**	**6,432**	**2**	**393**	**-**	**654**	**29**	**7**	**29**
TOTAL (A+B) at 31.12.2023	**70,647**	**44**	**6,706**	**3**	**332**	**-**	**384**	**26**	**6**	**27**

B.2 Geographical distribution of on- and off-balance sheet credit exposures to customers

(€m)

Exposures/ geographic areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICAS		ASIA		REST OF THE WORLD	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses
A. On-balance sheet credit exposures										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A.3 Non-performing past-due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Performing exposures	78,630	92	189	-	-	-	-	-	-	-
TOTAL A	**78,630**	**92**	**189**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Off-balance sheet credit exposures										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	-	-	680	-	-	-	-	-	-	-
TOTAL B	**-**	**-**	**680**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A+B) at 31.12.2024	**78,630**	**92**	**869**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A+B) at 31.12.2023	**76,548**	**100**	**1,195**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

B.2 Geographical distribution of on- and off-balance sheet credit exposures to customers

(€m)

Exposures/ geographic areas	ITALY, NORTHWEST		ITALY, NORTHEAST		ITALY, CENTRE		ITALY, SOUTH AND ISLANDS	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses
A. On-balance sheet credit exposures								
A.1 Bad loans	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-
A.3 Non-performing past-due exposures	-	-	-	-	-	-	-	-
A.4 Performing exposures	2	8	1	5	78,621	47	6	32
TOTAL A	**2**	**8**	**1**	**5**	**78,621**	**47**	**6**	**32**
B. Off-balance sheet credit exposures								
B.1 Non-performing exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	-	-	-	-	-	-	-	-
TOTAL B	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A+B) at 31.12.2024	**2**	**8**	**1**	**5**	**78,621**	**47**	**6**	**32**
TOTAL (A+B) at 31.12.2023	**2**	**8**	**1**	**5**	**76,540**	**57**	**5**	**30**

The concentration in central Italy is due to the fact that nearly all exposures consist of Italian Government securities and deposits at the MEF.

B.3 Geographical distribution of on and off-balance sheet credit exposures to banks

(€m)

Exposures/ geographic areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICAS		ASIA		REST OF THE WORLD	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses
A. On-balance sheet credit exposures										
A.1 Bad loans	-	-	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-	-	-
A.3 Non-performing past-due exposures	-	-	-	-	-	-	-	-	-	-
A.4 Performing exposures	483	-	306	-	-	-	-	-	-	-
TOTAL A	**483**	**-**	**306**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B. Off-balance sheet credit exposures										
B.1 Non-performing exposures	-	-	-	-	-	-	-	-	-	-
B.2 Performing exposures	280	-	1,720	-	-	-	-	-	-	-
TOTAL B	**280**	**-**	**1,720**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A+B) at 31.12.2024	**763**	**-**	**2,026**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL (A+B) at 31.12.2023	**1,370**	**-**	**3,538**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

B.3 Geographical distribution of on and off-balance sheet credit exposures to banks

(€m)

Exposures/ geographic areas	ITALY, NORTHWEST		ITALY, NORTHEAST		ITALY, CENTRE		ITALY, SOUTH AND ISLANDS	
	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses	Net exposure	Total impairment losses
A. On-balance sheet credit exposures								
A.1 Bad loans	-	-	-	-	-	-	-	-
A.2 Unlikely to pay	-	-	-	-	-	-	-	-
A.3 Non-performing past-due exposures	-	-	-	-	-	-	-	-
A.4 Performing exposures	250	-	-	-	233	-	-	-
TOTAL A	**250**	**-**	**-**	**-**	**233**	**-**	**-**	**-**
B. Off-balance sheet credit exposures								
B.1 Non-performing exposures	-	-	-	-	-	-	-	-
B.2 Performing exposures	205	-	-	-	75	-	-	-
TOTAL B	**205**	**-**	**-**	**-**	**75**	**-**	**-**	**-**
TOTAL (A+B) at 31.12.2024	**455**	**-**	**-**	**-**	**308**	**-**	**-**	**-**
TOTAL (A+B) at 31.12.2023	**292**	**-**	**-**	**-**	**1,078**	**-**	**-**	**-**

B.4 Large exposures

In compliance with the supervisory standards in force, the table for "Large exposures" shows information on exposures to customers or groups of connected customers that exceed 10% of total own funds. The exposures are determined with reference to total on-balance sheet risk assets and off-balance sheet transactions, without applying any risk weightings. Based on these criteria, the table includes entities that, despite having a risk weighting of 0%, represent an unweighted exposure in excess of 10% of own funds. Exposures to the Italian state shown in the table represent approximately 94% of the total carrying amount. The remaining exposures regard primary counterparties represented by European banks and other central counterparties in Italy. However, in view of the fact that it cannot lend to the public, the Bank of Italy has exempted BancoPosta RFC from application of the requirements regarding limits on large exposures. No further exemptions from the remaining obligations have been granted.

Large exposures		
a)	Carrying amount (€m)	82,949
b)	Weighted amount (€m)	1,020
c)	Number	4

E. Disposal of assets

A. Financial assets sold but not fully derecognised

Qualitative information

In the case of BancoPosta RFC, this category only regards Italian government securities provided as collateral for repurchase agreements. BancoPosta uses these transactions to access the interbank market to raise funds, with the aim of funding the purchase of government securities and the deposits necessary for margin lending.

Quantitative information

E.1 Financial assets sold recognised in full and related financial liabilities: carrying amount

(€m)

	Financial assets sold recognised in full				Associated financial liabilities		
	Carrying amount	of which: securitised	of which: subject to repurchase agreements	of which non-performing	Carrying amount	of which: securitised	of which: subject to repurchase agreements
A. Financial assets held for trading	**-**	**-**	**-**	**X**	**-**	**-**	**-**
1. Debt securities	-	-	-	X	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	X	-	-	-
4. Derivatives	-	-	-	X	-	-	-
B. Other financial assets mandatorily measured at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
C. Financial assets measured at fair value	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1. Debt securities	-	-	-	-	-	-	-
2. Loans	-	-	-	-	-	-	-
D. Financial assets measured at fair value through other comprehensive income	**2,251**	**-**	**2,251**	**-**	**2,119**	**-**	**2,119**
1. Debt securities	2,251	-	2,251	-	2,119	-	2,119
2. Equity instruments	-	-	-	X	-	-	-
3. Loans	-	-	-	-	-	-	-
E. Financial assets measured at amortised cost	**5,588**	**-**	**5,588**	**-**	**5,246**	**-**	**5,246**
1. Debt securities	5,588	-	5,588	-	5,246	-	5,246
2. Loans	-	-	-	-	-	-	-
TOTAL at 31.12.2024	**7,839**	**-**	**7,839**	**-**	**7,365**	**-**	**7,365**
TOTAL at 31.12.2023	**10,915**	**-**	**10,915**	**-**	**10,553**	**-**	**10,553**

SECTION 2 – MARKET RISK

Market risk relates to:

- price risk: the risk that the value of a financial instrument fluctuates as a result of market price movements, deriving from factors specific to the individual instrument or the issuer, and factors that influence all instruments traded on the market;
- foreign exchange risk: the risk that the value of a financial instrument fluctuates as a result of movements in exchange rates for currencies other than the functional currency;
- fair value interest rate risk: the risk that the value of a financial instrument fluctuates as a result of movements in market interest rates;

- spread risk: the risk relates to the potential fall in the value of bonds held, following a deterioration in the creditworthiness of issuers;
- cash flow interest rate risk: the risk that the cash flows will fluctuate because of movements in market interest rates;
- interest rate risk of future cash flows: the risk that the cash flows will fluctuate because of movements in inflation rates in the market.

2.1 Interest rate and price risks - supervisory trading book

At 31 December 2024, there were financial liabilities for trading deriving exclusively from the stipulation of a forward contract for the sale of 95 thousand ordinary shares of *Visa Incorporated* for the purpose of stabilising their yield. This transaction does not meet the "trading intent" requirement, as defined by art. 104 of Regulation (EU) no. 575/2013, for classification in the "Regulatory trading book"; this intent is, however, excluded from the "Guidelines on Poste Italiane SpA's financial management" for BancoPosta RFC.

Information on the market risks associated with this transaction is provided in the "Banking Book" section.

2.2 Interest rate and price risks - banking book

Qualitative information

A. Generalities, management policies and interest rate and price risk measurement methods

- ***Interest rate risk***

Interest rate risk is inherent in the operations of a financial institution and can affect income (cash flow interest rate risk) and the value of the firm (fair value interest rate risk). Movements in interest rate can affect the cash flows associated with variable rate assets and liabilities and the fair value of fixed rate instruments.

Cash flow interest rate risk arises from the mismatch – in terms of interest rate, interest rate resets and maturities – of financial assets and liabilities until their contractual maturity and/or expected maturity (banking book), with effects in terms of interest spreads and an impact on future results. This risk is of particular relevance to variable rate assets and liabilities or assets and liabilities which have been transformed into variable rate by fair value hedges.

Fair value interest rate risk primarily refers to the effects of changes in interest rates on the price of fixed rate financial instruments or variable rate financial instruments converted to fixed rate via cash flow hedges and, to a lesser degree, the effects of changes in interest rates on the fixed components of variable rate financial instruments or fixed rate financial instruments converted to variable rate via fair value hedges. The impact of these effects is directly related to the financial instrument's duration[457].

Interest rate risk on the banking book is measured internally using the economic value method. This results in a need to develop an amortisation schedule for the sight deposits consistent with its nature and to select a time horizon and confidence levels for the estimates. A maximum time horizon (cut-off point) of 23 years is used for retail customer deposits, 6 years for business customer deposits, 10 years for Postepay cards[458], and 2 years for Public Administration deposits, based on a 99% confidence level. This approach entails the computation of an ALM rate risk through the determination of asset/liability.

The exposure to interest rate risk, as measured internally, is subject to stress tests of the principal risk factors – such as the duration of deposits, the value of assets and liabilities in the statement of financial position – that contribute to

[457] Duration is the indicator used to estimate the percentage change in price in response to a shift in market returns.
[458] Since 1 October 2018, prepaid cards are the responsibility of Postepay SpA. The liquidity collected through these cards is transferred to BancoPosta, which invests it in accordance with the investment constraints imposed on other deposits from private customers. As such, for the purposes of specific risk analyses, the rationales related to each model underlying the different types of deposits continue to apply.

determining the measurement of exposure. In particular, the stress tests assumed include a reduction in the maximum maturity horizon (cut-off) for on-demand funding and the revaluation of assets and liabilities under adverse market scenarios.

Interest rate risk management and mitigation is based on the conclusions of the measurement of risk exposure and compliance - in line with the risk appetite and thresholds and limits established in the RAF - with financial operations guidelines as approved from time to time by the Board of Directors of Poste Italiane SpA.

Details on the risk management model are contained in the note on financial risks in Part E.

BancoPosta RFC monitors market risk, including fair value interest rate and spread risks, inherent in financial assets measured at fair value through other comprehensive income and derivative financial instruments through the computation of Value at Risk (VaR) over a time horizon of 1 day at a 99% confidence level.

- ***Spread risk***

Spread risk regards commitments in euro area government securities or guaranteed by the Italian government and classified as financial assets measured at fair value through other comprehensive income. 2024 witnessed an average decrease in the yields on Italian government bonds compared with the previous year and, at 31 December 2024, the spread between ten-year Italian government bonds and German bunds is approximately 116 bps, down on the figure for the previous year (168 bps at 31 December 2023).

In the reporting period, the context described above resulted in the portfolio of financial assets measured at fair value through other comprehensive income (notional of around €33,795 billion), held by BancoPosta RFC, an overall net increase in fair value of approximately €0.8 billion: this change was partly recognised in the profit or loss for a positive amount of approximately €0.2 billion relating to the change in the fair value of securities hedged against interest rate risk, whilst the positive change in the fair value of unhedged securities and the spread risk component (not hedged) was reflected in equity for approximately €0.6 billion.

- ***Price risk***

Price risk relates to financial assets measured at fair value through profit or loss.

This sensitivity analysis takes into account the main positions potentially exposed to the greatest risk of price movements.

BancoPosta RFC monitors the price risk to which its shareholdings are exposed by computing Value at Risk (VaR) over a time horizon of 1 day at a 99% confidence level.

Quantitative information

1. Banking Book: Time-to-maturity (repricing date) of financial assets and financial liabilities

Currency: Euro

(€m)

Type/Time-to-maturity	Demand	3 months or less	3 - 6 months	6 months - 1 year	1 - 5 years	5 - 10 years	Over 10 years	Unspecified maturity
1. On-balance sheet assets	**13,195**	**6,818**	**7,748**	**1,040**	**9,348**	**7,113**	**35,504**	**-**
1.1 Debt securities	-	4,000	7,748	1,040	9,348	7,113	35,504	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	4,000	7,748	1,040	9,348	7,113	35,504	-
1.2 Due from banks	574	213	-	-	-	-	-	-
1.3 Due from customers	12,621	2,605	-	-	-	-	-	-
- current accounts	5	-	-	-	-	-	-	-
- other loans	12,616	2,605	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	12,616	2,605	-	-	-	-	-	-
2. On-balance sheet liabilities	**81,652**	**3,411**	**101**	**915**	**2,938**	**-**	**-**	**-**
2.1 Due to customers	80,325	1,160	-	-	-	-	-	-
- current accounts	74,541	-	-	-	-	-	-	-
- other deposits	5,784	1,160	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	5,784	1,160	-	-	-	-	-	-
2.2 Due to banks	1,327	2,251	101	915	2,938	-	-	-
- current accounts	176	-	-	-	-	-	-	-
- other deposits	1,151	2,251	101	915	2,938	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	137	-	410	-	-	-	-
+ Short positions	-	-	-	-	-	-	542	-
3.2 Without underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	15,263	-	4,519	5,279	2,518	2,829	-
+ Short positions	-	2,175	-	6,351	-	50	21,832	-
4. Other off-balance sheet transactions								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

1. Banking Book: Time-to-maturity (repricing date) of financial assets and financial liabilities

Currency: US dollar

(€m)

Type/Time-to-maturity	Demand	3 months or less	3 - 6 months	6 months - 1 year	1 - 5 years	5 - 10 years	Over 10 years	Unspecified maturity
1. On-balance sheet assets	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Due from banks	1	-	-	-	-	-	-	-
1.3 Due from customers	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other deposits	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other deposits	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

1. Banking Book: Time-to-maturity (repricing date) of financial assets and financial liabilities

Currency: Swiss franc

(€m)

Type/Time-to-maturity	Demand	3 months or less	3 - 6 months	6 months - 1 year	1 - 5 years	5 - 10 years	Over 10 years	Unspecified maturity
1. On-balance sheet assets	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
1.2 Due from banks	1	-	-	-	-	-	-	-
1.3 Due from customers	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other loans	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2. On-balance sheet liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2.1 Due to customers	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other deposits	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.2 Due to banks	-	-	-	-	-	-	-	-
- current accounts	-	-	-	-	-	-	-	-
- other deposits	-	-	-	-	-	-	-	-
2.3 Debt securities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
2.4 Other liabilities	-	-	-	-	-	-	-	-
- with prepayment option	-	-	-	-	-	-	-	-
- other	-	-	-	-	-	-	-	-
3. Financial derivatives								
3.1 With underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
3.2 Without underlying securities								
- Options								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
- Other derivatives								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-
4. Other off-balance sheet transactions								
+ Long positions	-	-	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-	-	-

2. Banking portfolio: internal models and other methods of sensitivity analysis

- ***Fair value interest rate risk***

The sensitivity of exposures to fair value interest rate risk was tested by assuming a parallel shift of the market yield curve of +/- 100 bps. The sensitivities data shown by the analysis provide a base scenario that can be used to measure potential changes in fair value, in the presence of changes in interest rates.

BancoPosta' RFCs financial assets measured at fair value through other comprehensive income at 31 December 2024 had a duration of 5.74 for the securities and derivatives portfolio (31 December 2023: duration of 5.06). The sensitivity analysis is shown in the table.

Fair value interest rate risk

Description (€m)	Risk exposure				Equity reserves before taxation	
	31.12.2024		31.12.2023		31.12.2024	
	Nominal value*	Fair value	Nominal value*	Fair value	+100bps	-100bps
Financial assets measured at fair value through other comprehensive income						
Fixed income instruments	33,795	33,645	34,859	33,069	(1,201)	1,246
Assets - Hedging derivatives	410	3	-	-	52	(64)
Liabilities - Hedging derivatives	137	(1)	-	-	19	(22)
Total	**34,342**	**33,647**	**34,859**	**33,069**	**(1,130)**	**1,160**

(*) The settlement price of derivatives involving the exchange of principal (securities or other assets) has been indicated, as required by Bank of Italy Circular 262/2005.

All of BancoPosta RFC's investments are classified as either "Financial assets measured at amortised cost" or "Financial assets measured at fair value through other comprehensive income". The sensitivity analysis shown above is for the last of these categories.

In particular, the risk under review in relation to financial assets measured at fair value through other comprehensive income refers to fixed income Government bonds for €33,645 million, consisting of fixed rate securities for €13,193 million, variable rate securities for €658 million, variable rate securities swapped into fixed rate securities through interest rate swaps of cash flow hedges for €6,675 million, inflation-indexed securities for €879 million and fixed or inflation-indexed securities swapped into variable rate instruments through fair value hedge derivatives for €12,240 million (of which €2,697 million with forward starts).

Derivative financial instruments which are relevant to the risk in question relate to forward sales of government bonds with a nominal value of €547 million, classified as cash flow hedges

- ***Spread risk***

Spread risk reflects the impact of the difference between yields on sovereign debt and the fair value of euro area government bonds, where such difference, or spread, reflects the perception of markets regarding issuers' creditworthiness.

The value of the portfolio of bonds issued or guaranteed by the Italian government is much more sensitive to the credit risk associated with the Italian Republic than to changes in so-called risk-free interest rates. This is due to the fact that changes in credit spreads are not hedged and regard the entire securities portfolio, meaning both the fixed and variable rate components. In this latter case, in fact, fair value derivatives, used to convert variable rate instruments, hedge only the risk-free interest rate risk and not credit risk. This means that a change in the credit spread has an equal impact on both fixed and variable instruments.

The sensitivity to the spread[459] has been calculated by applying a shift to the yield curve for Italian government bonds. Compared to the previous year, the actual exposure to risk was assessed and, consistent with what was applied at the Poste Italiane Group level, only a worsening scenario of the stress conditions, i.e. a shift in the curve equal to +100 bps, was deemed more significant in terms of potential impact on results.

The sensitivity analyses are shown below.

Fair value spread risk

Description (€m)	Risk exposure				Equity reserves before taxation
	31.12.2024		31.12.2023		31.12.2024
	Nominal value*	Fair value	Nominal value*	Fair value	+100bps
Financial assets measured at fair value through other comprehensive income					
Fixed income instruments	33,795	33,645	34,859	33,069	(3,345)
Assets - Hedging derivatives	410	3	-	-	56
Liabilities - Hedging derivatives	137	(1)	-	-	19
Total	**34,342**	**33,647**	**34,859**	**33,069**	**(3,270)**

(*) The settlement price of derivatives involving the exchange of principal (securities or other assets) has been indicated, as required by Bank of Italy Circular 262/2005.

It is worthy of note that any change in the spread would not entail any accounting effect on financial assets measured at amortised cost but would affect solely unrealised gains/losses. In other words, fixed income instruments measured at amortised cost, which at 31 December 2024 amounted to €31,108 million (nominal value of €30,866 million) and have a fair value of €29,647 million, would be reduced in fair value by approximately €2.80 billion following an increase in the spread of 100 bps, with the change not reflected in the accounts.

Movements in the spread have no impact on BancoPosta RFC's ability to meet its capital requirements, as the fair value reserves are not included in the computation of own funds for supervisory purposes.

The following is the result of the VaR analysis carried out with reference to financial assets measured at fair value through other comprehensive income and the related derivative financial instruments, taking into account the variability of both spread and interest rate risk on fair value:

(€m)

	2024	2023
Average VaR	(341)	(415)
Minimum VaR	(301)	(296)
Maximum VaR	(417)	(565)

459 The variables used to develop the sensitivity are the swap rate curve and the BTP curve were used (10-year swap rate of 236 bps and the spread of the BTP compared to the 10-year swap rate of 116 bps).

Taking into account financial assets measured at fair value through other comprehensive income (including the related hedges outstanding), the combined analysis of spread risk and interest rate risk on fair value at 31 December 2024 results in a potential loss of €313 million (VaR at the end of the period). There are no significant changes from the value at 31 December 2023.

Cash flow interest rate risk

The sensitivity to cash flow interest rate risk at 31 December 2023 and 31 December 2024 is summarised in the table below and was computed assuming a +/- 100 bps parallel shift in the market forward interest rate curve.

Cash flow interest rate risk

Description (€m)	Risk exposure		Net interest and other banking income	
	31.12.2024	31.12.2023	31.12.2024	
	Notional	Notional	+100 bps	-100 bps
Cash				
- Deposits with Bank of Italy	126	756	1	(1)
- Deposits with banks	8	7	-	-
Financial assets measured at amortised cost				
Due from banks				
- Collateral guarantees	399	796	4	(4)
Due from customers				
- Deposits at MEF (*PA deposits*)	9,972	8,936	100	(100)
- Deposits at MEF (*private customer deposits*)	346	873	3	(3)
- Collateral guarantees	402	427	4	(4)
- Cash reserve at CC&G	386	-	4	(4)
- Due from Poste Italiane SpA outside the ring-fence	640	355	6	(6)
- Fixed income instruments	9,327	6,456	93	(93)
Financial assets measured at fair value through other comprehensive income				
- Fixed income instruments	11,105	8,895	111	(111)
Financial liabilities measured at amortised cost				
Due to banks				
- Collateral guarantees	(1,151)	(2,102)	(11)	11
- Repurchase agreements	(2,225)	(3,996)	(22)	22
Due to customers				
- Collateral guarantees	(387)	(729)	(4)	4
Total variability	**28,948**	**20,674**	**289**	**(289)**

Cash flow interest rate risk at 31 December 2024 was primarily due to:

- the placement of Public Administration and private deposits with the MEF;
- deposits with the Bank of Italy of account temporary excess of liquidity deriving from private customer deposits;
- fixed rate securities issued by the Italian State swapped to floating-rate securities through fair value hedge derivatives for a total nominal amount of €19,782 million, of which: (i) €2,351 million with hedging effects in the 12 months following the reporting period; (ii) €2,570 million with inflation-linked return;
- variable rate securities issued by the Italian government with a total nominal value of €650 million;
- receivables for a total amount of €1,187 million for guarantee deposits given as collateral for derivative financial instruments and repurchase agreements and for the liquidity reserve deposited with CC&G for possible intraday margining;
- Payables for a total amount of €1,538 million for security deposits provided as collateral for derivative financial instruments and repurchase agreements;

- repurchase agreements at variable rate with a nominal value of 2,225 million.

- ***Cash flow inflation risk***

Cash flow inflation rate risk at 31 December 2024 relates to government inflation-indexed bonds which were not hedged through the arrangement of cash flow hedges or fair value hedges entered into by BancoPosta RFC, having a nominal value of €1,024 million and a carrying amount of €1,160 million. The effects of sensitivity analysis are immaterial.

- ***Price risk***

The sensitivity of financial instruments to price risk is analysed using a variability stress calculated with reference to one-year historical volatility, considered to be representative of potential market movements.

Price risk

Description (€m)	Risk exposure		Net interest and other banking income	
	31.12.2024	31.12.2023	31.12.2024	
			+ Vol 260 days	- Vol 260 days
Financial assets measured at fair value through profit or loss				
Equity instruments	34	26	6	(6)
Financial liabilities held for trading	(8)	(3)	(5)	5
Total	**26**	**23**	**1**	**(1)**

Notes on the related equity instruments (shares) are contained in Part B, Assets, Table 2.5.
The Visa Incorporated preferred stocks (Series C Convertible Participating Preferred Stocks and Serie A Preferred Stocks) held in portfolio were sensitivity tested using similar Class A stocks, after adjusting for the volatility of the shares traded on the NYSE. This volatility was mitigated by the partial forward sale of Visa Incorporated Series C ordinary shares in 2023. The shares' price risk is also monitored through the computation of VaR.

(€m)

	2024	2023
Closing VaR	(0.2)	(0.2)
Average VaR	(0.2)	(0.2)
Minimum VaR	(0.1)	(0.1)
Maximum VaR	(0.2)	(0.2)

2.3 Foreign exchange risk

Qualitative information

A. Generalities, management policies and foreign exchange risk measurement methods

Foreign exchange risk relates to losses that could be incurred on foreign currency positions, regardless of portfolio, through fluctuations in foreign exchange rates. In BancoPosta RFC's case, this risk primarily derives from foreign currency bank accounts, foreign currency cash and VISA shares[460].

Foreign exchange risk is controlled by the Risk Management unit using the measurement of exposure to the risk in accordance with financial operations guidelines which restrict currency trading to the foreign exchange service and international bank transfers.

Foreign exchange risk is measured using the Bank of Italy prudential methodology currently recommended for banks (see EU Regulation 575/2013). Furthermore, sensitivity stress tests are regularly conducted for the most important exposures with reference to hypothetical levels of exchange rate volatility for each currency position. Movements in exchange rates equal to the historical volatility are assumed to emulate market fluctuations.

B. Foreign exchange hedges

Quantitative information

1. Distribution of assets, liabilities and derivatives by currency

(€m)

Items	Currency					
	US Dollar	Swiss Franc	GB Sterling	Japanese Yen	Tunisian Dinar	Other currencies
A. Financial assets	**35**	**1**	**-**	**-**	**-**	**-**
A.1 Debt securities	-	-	-	-	-	-
A.2 Equity instruments	34	-	-	-	-	-
A.3 Due from banks	1	1	-	-	-	-
A.4 Due from customers	-	-	-	-	-	-
A.5 Other financial assets	-	-	-	-	-	-
B. Other assets	**30**	**8**	**4**	**-**	**-**	**-**
C. Financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**
C.1 Due to banks	-	-	-	-	-	-
C.2 Due to customers	-	-	-	-	-	-
C.3 Debt securities	-	-	-	-	-	-
C.4 Other financial liabilities	-	-	-	-	-	-
D. Other liabilities	**-**	**-**	**-**	**-**	**-**	**-**
E. Financial derivatives						
- Options						
+ Long positions	-	-	-	-	-	-
+ Short positions	-	-	-	-	-	-
- Other derivatives						
+ Long positions	21	-	-	-	-	-
+ Short positions	29	-	-	-	-	-
Total assets	**86**	**9**	**4**	**-**	**-**	**-**
Total liabilities	**29**	-	-	-	-	-
Net position (+/-)	**57**	**9**	**4**	**-**	**-**	**-**

"Other assets" relate to foreign currencies held in post offices for the foreign exchange service.

[460] The foreign exchange risk relating to VISA shares was mitigated through forward sale transactions carried out during 2023.

2. Internal models and other methods of sensitivity analysis

Application of the foreign exchange rate volatility during the period to the most important equity instruments held by BancoPosta are shown in the following table.

Foreign exchange risk - US dollar

Description (€m)	Risk exposure				Net interest and other banking income	
	31.12.2024		31.12.2023		31.12.2024	
	USD	Euro	USD	Euro	+ Vol 260 days	- Vol 260 days
Financial assets measured at fair value through profit or loss						
Equity instruments	35	34	29	26	2	(2)
Liabilities held for trading	(9)	(8)	(3)	(3)	(2)	2
Total	**26**	**26**	**26**	**23**	**-**	**-**

SECTION 3 – DERIVATIVE INSTRUMENTS AND HEDGING POLICIES

3.1 Trading derivative instruments

A. Financial derivatives

A.1 Trading financial derivatives: year-end notional amounts

(€m)

Underlying assets/Types of derivative	Total at 31.12.2024				Total at 31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity instruments and equity indexes	-	**21**	-	-	-	**21**	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	21	-	-	-	21	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	-	-	-	-	-	-	-	-
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	-	-	-	-	-	-	-	-
5. Other	-	-	-	-	-	-	-	-
Total	**-**	**21**	**-**	**-**	**-**	**21**	**-**	**-**

A.2 Trading financial derivatives: gross positive and negative fair value - breakdown by product

(€m)

Types of derivatives	Total at 31.12.2024				Total at 31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Positive fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	-	-	-	-	-	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-
2. Negative fair value								
a) Options	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	-	-	-	-	-	-	-
c) Cross currency swaps	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-
e) Forwards	-	(8)	-	-	-	(3)	-	-
f) Futures	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-
Total	**-**	**(8)**	**-**	**-**	**-**	**(3)**	**-**	**-**

A.3 OTC trading financial derivatives: notional amounts, gross positive and negative fair value by counterparty

(€m)

Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
Contracts not falling within the scope of netting agreements				
1) Debt securities and interest rates				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
2) Equity instruments and equity indexes				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
3) Currencies and gold				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
4) Commodities				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
5) Other				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
Contracts falling within the scope of netting agreements				
1) Debt securities and interest rates				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
2) Equity instruments and equity indexes				
- notional amount	-	21	-	-
- positive fair value	-	-	-	-
- negative fair value	-	(8)	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC trading financial derivatives: notional amounts

(€m)

Underlying/Residual life	1 year or less	1 - 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	-	-	-	-
A.2 Financial derivatives on equity instruments and equity indexes	21	-	-	21
A.3 Financial derivatives on currencies and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total at 31.12.2024	**21**	**-**	**-**	**21**
Total at 31.12.2023	**-**	**21**	**-**	**21**

3.2 Hedge accounting

BancoPosta RFC implements fair value and cash flow hedging policies to which the accounting rules set forth in IFRS 9 - *Financial Instruments*, to which the Poste Italiane Group has transitioned retroactively as of 1 January 2024, are applied, as described in more detail in section 2.4 - *Changes to accounting policies* - of this section - *Poste Italiane's Financial Statements* - of the Annual Report.

The reform of key interest rate benchmarks, called the "InterBank Offered Rate (IBOR) Reform", involved regulators in various jurisdictions around the world with the aim of replacing some interbank rates with risk-free alternative rates and preparing guidelines to update contract models.

Currently, the main benchmarks for the euro area are:

- the Euro Short Term Rate - ESTR (administered by the European Central Bank and published as of 2 October 2019) which replaced the Euro OverNight Index Average (EONIA - no longer listed as of 1 January 2022) redefining it as ESTR plus 8.5 bps;
- the EURIBOR (administered by the European Money Market Institute), whose reform process ended in November 2019.

BancoPosta RFC hold financial instruments indexed to both ESTR and EURIBOR. The latter continues to be quoted daily and the related cash flows continue to be traded with counterparties as usual. In relation to this parameter, there is therefore no uncertainty resulting from the IBOR reform on 31 December 2024. These instruments are subject to daily collateralisation remunerated at ESTR + 8.5 bp (formerly EONIA).

Specifically, the RFC holds interest rate swaps designated as fair value hedge instruments that have a variable "leg" indexed to EURIBOR, for a notional amount of €24,452 million. With particular reference to almost all of these instruments, the cash flows at 31 December 2024 are discounted at the EONIA rate defined as ESTR plus 8.5 bps and not at the ESTR rate as defined in the contracts in place with the counterparties.

Qualitative information

A. Fair value hedges

BancoPosta RFC has a government bond portfolio – made up of fixed income BTPs and inflation-linked BTPs – subject to movements in fair value due to changes in interest rates and in the inflation rate.
To limit the effects of interest rates on fair value deriving from said instruments, BancoPosta RFC enters into interest rate swaps Over the Counter (OTC) to hedge the fair value of the bonds held in portfolio. The objective of these transactions is

to have instruments that can offset changes in fair value of the portfolio due to interest rate fluctuations and the rate of inflation.

In addition, BancoPosta RFC carries out transactions in repurchase agreements, on euro-government securities or with the guarantee of the Italian state for various purposes, including to invest in government bonds, to meet liquidity needs arising from the dynamics of funding on current accounts, and to actively manage the treasury position and deposits as collateral for collateralisation transactions. These transactions are mainly fixed rate transactions and, therefore, are exposed to changes in fair value due to fluctuations in interest rates.
To limit the effects of interest rates on fair value deriving from said operations, BancoPosta RFC enters into Over the Counter (OTC) interest rate swaps to hedge the fair value of the repos held in portfolio.

B. Cash flow hedges

BancoPosta RFC enters into:

- **forward purchases** of government bonds, to limit the exposure to interest rate risk deriving from the need to reinvest the cash generated by maturing bonds held in portfolio and the 10-year indexed component of returns on deposits with the MEF of Public Administration inflows;
- **forward sales** of government bonds to pursue the stabilisation of returns.

These derivatives qualify as cash flow hedges of forecast transactions.

In addition, BancoPosta RFC has a portfolio of inflation-linked BTPs subject to cash flow variability in relation to inflation. To limit the effects of interest rates on cash flows deriving from the types of instruments described previously, BancoPosta RFC enters into OTC Interest Rate Swaps or Inflation Swaps to hedge the cash flows of the bonds held in portfolio. The objective of these transactions is to stabilise until maturity the return of the instrument, regardless of movements of the variable parameter.

C. Hedges of foreign operations

BancoPosta RFC does not have a policy for hedges of foreign operations.

D. Hedging instruments

Regarding fair value hedge instruments, the main source of ineffectiveness is the use of different spreads/fixed rates[461] in determining the fair value of the hypothetical derivative and the derivative actually entered into. In particular, to evaluate the effectiveness of the hedge relationship, for the hypothetical derivative use is made of the mid-market spread/fixed rate,

461 For Repos, hedging is performed by defining the variable-rate component simply indexed to EURIBOR and the fixed-rate component incorporating market conditions.

which makes the present value at the settlement date equal to zero, and for the actual derivative the interest rate agreed upon with the counterparty.

As to cash flow hedge instruments, the main source of ineffectiveness is the use of the fixed rate component used in determining the fair value of the hypothetical derivative and the actual derivative. In particular, to evaluate the effectiveness of the hedge relationship use is made, for the hypothetical derivative, the fixed rate that makes the present value at the settlement date equal to zero while for the actual derivative the calculation is performed with the interest rate agreed upon with the counterparty.

With respect to the hedges of forecast transactions, no source of ineffectiveness was identified, as the forward prices of the counterparties were assumed to be perfectly equal to the theoretical forward prices.

E. Hedged items

BancoPosta RFC designates as hedged items:

- fixed rate and inflation-linked government bonds and repos at fixed rate in the portfolio, in connection with the fair value hedge policy;
- inflation-linked bonds and forecast transactions, in connection with cash flow hedge policies.

In particular, in fair value hedges of Italian government bonds, the credit risk of the Italian Republic is not hedged and is set for the duration of the swap. In addition, full hedges and partial hedges are implemented, with the start date equal to the date of purchase of the instrument (swap spot start) and after the purchase of the instrument (swap forward start), respectively.
As regards fair value hedges of repos, total hedges are implemented, with an immediate start date.

With regard to fair value hedges, BancoPosta RFC enters into derivative finance transactions and assesses the effectiveness of the derivative designated in each hedging relationship in order to verify that the following effectiveness criteria are met:

- the existence of an economic relationship between the hedging instrument and the hedged item;
- the effect of credit risk does not prevail over the changes in value deriving from the economic relationship;
- the hedge ratio used for hedge accounting purposes is the same as that used for risk management purposes.

These assessments are made on an ongoing basis at each reporting date, or when there is a significant change in the drivers affecting individual hedging relationships.
The requirements of hedge effectiveness can be assessed on the basis of a qualitative assessment of the Critical terms[462] only in cases where the hedging instrument and the related hedged instrument are perfectly aligned and their fair values move speculatively in opposite directions.
In cases where the qualitative analysis reveals potential sources of ineffectiveness and consequently the critical terms approach is not applicable, Poste Italiane performs a quantitative assessment of the hedging relationship in order to

[462] The Critical terms approach involves a comparison between the critical terms of the hedging instrument with those of the hedged item. The hedging relationship is highly effective when all the critical terms of the two instruments match perfectly and there are no features or options that might invalidate the hedge. Critical terms include, for example: notional amount of the derivative and principal of the underlying, credit risk, timing, currency of the cash flows.

intercept, at source, all potential sources of ineffectiveness that could impact the valuation of the hedging relationship (hedge relationship).

In order to measure ineffectiveness at each reporting date, Poste Italiane uses the "Dollar offset approach through the hypothetical derivative[463]". This method consists of comparing the changes in fair value of the hedging instrument and the hedged item between the inception date of the hedging relationship and the reporting date. The hedged item considered for the use of the Dollar Offset method is the hypothetical derivative. The hypothetical derivative and the actual hedging instrument have a settlement date consistent with the hedge inception (spot or forward start) and differ solely in their spread/fixed rate which is considered, as already indicated, the main source of ineffectiveness. The partial ineffectiveness of the hedge, equal to the difference between the changes in value of the two derivatives (hypothetical and actual) represents the net effect of the hedge recognised separately in profit or loss.

Furthermore, in order to also carry out a prospective assessment of the hedge, different approaches are adopted depending on the characteristics of the derivative instrument. Specifically:

- the "Critical terms" approach for swap spot starts, for which it has been determined at inception that the characteristics of the fixed leg make it possible to replicate exactly the fixed cash flows generated by the hedged item;
- the "Dollar offset through the hypothetical derivative" approach for forward start swaps and hedging swaps related to repurchase agreement, for which the prospective effectiveness test is performed by calculating the hedge ratio between the change in fair value of the hypothetical derivative and the change in fair value of the actual derivative[464].

Regarding cash flow hedges, BancoPosta RFC evaluates the effectiveness of the designated derivative in every hedging relationship through a qualitative and quantitative test.

With regard to forecast transaction hedges, in cases where the qualitative analysis of critical terms reveals potential sources of ineffectiveness and, consequently, the critical terms approach is not applicable, Poste Italiane performs a quantitative assessment of the hedging relationship in order to intercept, at source, all potential sources of ineffectiveness that could impact the measurement of the hedge relationship.

In said context, in order to limit the ineffectiveness at each reporting date, the quantitative test involves the calculation of a hedge ratio defined as the ratio of the difference between the fair value of the forward transaction entered into with the counterparty on the test and inception date and the present value of the difference between the theoretical forward price of the BTP calculated as of the test and inception date. Assuming a perfect match between the forward prices of the counterparties and the theoretical forward prices, the hedge ratio is always equal to 100%. As such, there are no sources of ineffectiveness.

For the purposes of the prospective hedge effectiveness test, the critical terms approach is applied, considering at inception the consistency between the hedging instrument and the hedged item on the basis of the qualitative characteristics of the contracts[465].

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[463]The Dollar offset method is a quantitative method that involves a comparison between movements in the fair value or cash flow of the hedging instrument and the movements in the fair value or cash flow of the hedged instrument attributable to the risk hedged. Depending on the policy selected, this approach can be used:

- on a cumulative basis, by observing the performance of the hedge since inception;
- on a periodic basis, by comparing the hedge performance with that of the last test.

The dollar offset method can be implemented through a hypothetical derivative, that is by constructing a theoretical derivative to compare the relevant theoretical movements in far value or cash flow with those of the hedged instrument (actual derivative).

[464] Calculated by assuming a parallel shift of + / - 100 bps of the yield curves.

[465] The notional amount of the forward contract must be set, at the settlement date, as equal to the nominal amount of the instrument in case of purchase, and equal or lower than the nominal amount of the instrument in case of sale. The underlying of the forward contract must coincide with the instrument that must be purchased or sold (in this case it must be an instrument in the portfolio) at the settlement date. The settlement date must be the same as the date on which the cash flow to be hedged is expected, in case of forward purchase, or must be related to the year in which the total return must be stabilised, in case of forward sale.

With regard to the hedging of inflation-indexed securities, in cases where the qualitative analysis of the Critical terms reveals potential sources of ineffectiveness and consequently the "Critical terms" approach is not applicable, a quantitative test is performed by considering the ratio (Hedge Ratio) between the change in the fair value of the derivative actually entered into and the change in the fair value of the hypothetical derivative, occurring in the time interval between the date the transaction was entered into and the valuation date.
The hypothetical derivative and the actual derivative have the settlement date that matches the inception of the hedge and differ in terms of their fixed income component. Moreover, for the derivatives used to hedge inflation-linked BTP, the fair value at the settlement date reflects also the interest accrued of the instrument accrued from the latest interest payment date to the date of settlement of the derivative. As such, both are considered the main sources of ineffectiveness.
The change in fair value of the actual derivative is recognised through equity, for the effective portion of the hedge, while the change in fair value of the ineffective portion is recognised through profit or loss.
For the purposes of the prospective hedge effectiveness test, different approaches have been applied, depending on the characteristics of the hedging swap. Specifically:

- the "Critical terms" approach for derivatives for which it has been determined at inception that the characteristics of the indexed leg of the swap make it possible to replicate exactly the variable cash flows generated by the hedged item;
- the "Dollar offset through the hypothetical derivative" approach for derivative contracts with a fixed rate applicable to a nominal amount growing constantly at six-month intervals until the derivative expires. For these contracts the prospective effectiveness test is performed by calculating the hedge ratio between the change in fair value of the hypothetical derivative and the change in fair value of the actual derivative[466].

Quantitative information

A. Hedging financial derivatives

A.1 Hedging financial derivatives: year-end notional amounts

(€m)

Underlying assets/Types of derivative	Total at 31.12.2024				Total at 31.12.2023			
	Over the counter			Organised markets	Over the counter			Organised markets
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties		
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements	
1. Debt securities and interest rates	**-**	**30,955**	**-**	**-**	**-**	**32,314**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	30,408	-	-	-	32,314	-	-
c) Forwards	-	547	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
2. Equity instruments and equity indexes	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
3. Currencies and gold	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
a) Options	-	-	-	-	-	-	-	-
b) Swaps	-	-	-	-	-	-	-	-
c) Forwards	-	-	-	-	-	-	-	-
d) Futures	-	-	-	-	-	-	-	-
e) Other	-	-	-	-	-	-	-	-
4. Commodities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
5. Other	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total	**-**	**30,955**	**-**	**-**	**-**	**32,314**	**-**	**-**

At 31 December 2024, BancoPosta RFC had outstanding OTC derivatives transactions with central counterparty clearing through clearing brokers for a notional amount of €326 million.

[466] Calculated by assuming a parallel shift of + / - 100 bps of the yield curves.

A.2 Hedging financial derivatives: gross positive and negative fair value – breakdown by product

(€m)

Types of derivatives	Positive and negative fair value								Change in value used to recognise ineffective portion of hedge	
	Total at 31.12.2024				Total at 31.12.2023					
	Over the counter			Organised markets	Over the counter			Organised markets	Total at 31.12.2024	Total at 31.12.2023
	Central counterparties	Without central counterparties			Central counterparties	Without central counterparties				
		With netting agreements	Without netting agreements			With netting agreements	Without netting agreements			
1. Positive fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	2,676	-	-	-	4,257	-	-	(178)	(348)
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	3	-	-	-	-	-	-	3	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**2,679**	**-**	**-**	**-**	**4,257**	**-**	**-**	**(175)**	**(348)**
2. Negative fair value										
a) Options	-	-	-	-	-	-	-	-	-	-
b) Interest rate swaps	-	(1,347)	-	-	-	(1,136)	-	-	(272)	(311)
c) Cross currency swaps	-	-	-	-	-	-	-	-	-	-
d) Equity swaps	-	-	-	-	-	-	-	-	-	-
e) Forwards	-	(1)	-	-	-	-	-	-	(1)	-
f) Futures	-	-	-	-	-	-	-	-	-	-
g) Other	-	-	-	-	-	-	-	-	-	-
Total	**-**	**(1,348)**	**-**	**-**	**-**	**(1,136)**	**-**	**-**	**(273)**	**(311)**

A.3 OTC hedging financial derivatives: notional amounts, gross positive and negative fair value by counterparty

(€m)

Underlying assets	Central counterparties	Banks	Other financial companies	Other entities
Contracts not falling within the scope of netting agreements				
1) Debt securities and interest rates				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
2) Equity instruments and equity indexes				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
3) Currencies and gold				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
4) Commodities				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
5) Other				
- notional amount	x	-	-	-
- positive fair value	x	-	-	-
- negative fair value	x	-	-	-
Contracts falling within the scope of netting agreements				
1) Debt securities and interest rates				
- notional amount	-	23,145	7,810	-
- positive fair value	-	1,999	680	-
- negative fair value	-	(920)	(428)	-
2) Equity instruments and equity indexes				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
3) Currencies and gold				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
4) Commodities				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-
5) Other				
- notional amount	-	-	-	-
- positive fair value	-	-	-	-
- negative fair value	-	-	-	-

A.4 Residual life of OTC hedging financial derivatives: notional amounts

(€m)

Underlying assets/Residual life	1 year or less	1 - 5 years	Over 5 years	Total
A.1 Financial derivatives on debt securities and interest rates	547	609	29,799	30,955
A.2 Financial derivatives on equity instruments and equity indexes	-	-	-	-
A.3 Financial derivatives on currencies and gold	-	-	-	-
A.4 Financial derivatives on commodities	-	-	-	-
A.5 Other financial derivatives	-	-	-	-
Total at 31.12.2024	**547**	**609**	**29,799**	**30,955**
Total at 31.12.2023	**4,021**	**609**	**27,684**	**32,314**

D. Hedged instruments

D.1 Fair value hedges

(€m)

	Micro-hedges: carrying amount	Micro-hedges - net positions: balance sheet value of assets or liabilities (before netting)	Micro-hedges: Cumulative changes in fair value of hedged instrument	Micro-hedges: Termination of the hedge: residual cumulative changes in fair value	Micro-hedges: Change in value use to recognise ineffective portion of hedge	Macro-hedges: carrying amount
A. Assets						
1. Financial assets measured at fair value through other comprehensive income - hedging:						
1.1 Debt securities and interest rates	12,240	-	(676)	(46)	252	X
1.2 Equity instruments and equity indexes	-	-	-	-	-	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Receivables	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
2. Financial assets measured at amortised cost - hedging:						
1.1 Debt securities and interest rates	11,387	-	(1,082)	(109)	207	X
1.2 Equity instruments and equity indexes	-	-	-	-	-	X
1.3 Currencies and gold	-	-	-	-	-	X
1.4 Receivables	-	-	-	-	-	X
1.5 Other	-	-	-	-	-	X
Total at 31.12.2024	**23,627**	**-**	**(1,758)**	**(155)**	**459**	**-**
Total at 31.12.2023	**22,551**	**-**	**(3,600)**	**(1,034)**	**723**	**-**
B. Liabilities						
1. Financial liabilities measured at amortised cost - hedging:						
1.1 Debt securities and interest rates	-	-	-	-	(38)	X
1.2 Currencies and gold	-	-	-	-	-	X
1.3 Other	-	-	-	-	-	X
Total at 31.12.2024	**-**	**-**	**-**	**-**	**(38)**	**-**
Total at 31.12.2023	**(3,966)**	**-**	**38**	**-**	**(103)**	**-**

D.2 Cash flows hedges and hedges of foreign investments

(€m)

	Change in value use to recognise ineffective portion of hedge	Hedge reserve	Termination of hedge: residual value of hedge reserve
A. Cash flow hedges			
1. Assets			
1.1 Debt securities and interest rates	26	(350)	-
1.2 Equity instruments and equity indexes	-	-	-
1.3 Currencies and gold	-	-	-
1.4 Receivables	-	-	-
1.5 Other	-	-	-
2. Liabilities			
1.1 Debt securities and interest rates	-	-	-
1.2 Currencies and gold	-	-	-
1.3 Other	-	-	-
Total (A) at 31.12.2024	**26**	**(350)**	**-**
Total (A) at 31.12.2023	**38**	**(413)**	**-**
B. Hedges of foreign investments	X	-	-
Total (A + B) at 31.12.2024	**26**	**(350)**	**-**
Total (A + B) at 31.12.2023	**38**	**(413)**	**-**

E. Effects of hedging transactions through equity

E.1 Reconciliation of equity components

(€m)

	Cash flow hedge reserve					Hedge reserve of foreign investments				
	Debt securities and interest rates	Equity instruments and equity indexes	Currencies and gold	Receivables	Other	Debt securities and interest rates	Equity instruments and equity indexes	Currencies and gold	Receivables	Other
Opening balance	**(413)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Changes in fair value (effective portion)	111	-	-	-	-	-	-	-	-	-
Reclassifications to profit or loss	(48)	-	-	-	-	-	-	-	-	-
of which: future transactions no longer expected	-	-	-	-	-	X	X	X	X	X
Other changes	-	-	-	-	-	-	-	-	-	-
of which: transfers to initial carrying amount of hedged instruments	-	-	-	-	-	X	X	X	X	X
Closing balance	**(350)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

SECTION 4 –LIQUIDITY RISK

Qualitative information

A. Generalities, management policies and liquidity risk measurement methods

Liquidity risk is the risk that an entity may have difficulties in raising sufficient funds, at market conditions, to meet its obligations deriving from financial instruments. Liquidity risk may derive from the inability to sell financial assets quickly at an amount close to fair value or the need to raise funds at off-market rates.
It is policy to minimise liquidity risk through:

- diversification of the various forms of short-term and long-term loans and counterparties;
- gradual and consistent distribution of the maturities of medium/long-term loans;
- use of dedicated analytical models to monitor the maturities of assets and liabilities;
- the availability of the interbank markets as a source of repurchase agreement finance, with collateral in the form of securities held in portfolio, due to the fact that such assets consist of financial instruments deemed to be highly liquid assets by current standards.

In order to mitigate liquidity and market risk in the event of extreme market scenarios, BancoPosta RFC can access financing facilities, details of which are provided in Part B, Liabilities, Section 1.

Liquidity risk at BancoPosta RFC regards deposits in current accounts and prepaid cards[467], the related investment in securities, in bonds issued by euro area governments and/or guaranteed by the Italian Republic, or in tax credits or the margins on derivative transactions. The potential risk derives from a mismatch between the maturities of investments in securities and in tax credits and those of liabilities, represented by current accounts where the funds are available on demand, thus compromising the ability to meet its obligations to current account holders. This potential mismatch between assets and liabilities is monitored via comparison of loan and deposit maturities, using the statistical model of the performance of current account deposits, in accordance with the various likely maturity schedules and assuming the progressive total withdrawal of deposits over a period of 23 years for retail customers, 6 years for business customers, 10 years for PostePay cards and 6 years for Public Administration customers. BancoPosta RFC closely monitors the behaviour of deposits taken in order to assure the model's validity.
In addition to postal deposits, BancoPosta also funds itself through:

- long-term repos, amounting to an outstanding €6 billion

[467] Since 1 October 2018, prepaid cards are the responsibility of Postepay SpA. The liquidity collected through these cards is transferred to BancoPosta, which invests it in accordance with the investment constraints imposed on other deposits from private customers. As such, for the purposes of specific risk analyses, the rationales related to each model underlying the different types of deposits continue to apply.

- short-term deposits created through repurchase agreements as funding for incremental deposits used as collateral for interest rate swaps and Repos (collateral provided, respectively, under CSAs and GMRAs).

BancoPosta RFC's maturity mismatch approach entails an analysis of the mismatch between cash in and outflows for each time band of the maturity ladder.

BancoPosta RFC's cash is dynamically managed by treasury for the timely and continual monitoring of private customer postal current account cash flows and the efficient management of short-term cash shortfalls and excesses. In order to assure flexible investments in securities consistent with the dynamic nature of current accounts, BancoPosta RFC can also use the MEF buffer account within certain limits and subject to payment of a fee.

Details on the risk management model are contained in the note on financial risk at the beginning of this Part E.

The liquidity risk resulting from contract terms requiring the provision of additional collateral in the event of a downgrade of Poste Italiane SpA is essentially nil. Such contracts include those for margin lending of derivatives, which require the threshold amount[468] to be reduced to zero in the event that Poste Italiane SpA's rating is downgraded to below "BBB-". The threshold amounts relating to margining lending contracts for both repurchase agreement and derivative transactions are zero.

BancoPosta RFC's liquidity is assessed, in the form of stress tests, through risk indicators (the Liquidity Coverage Ratio and Net Stable Funding Ratio) defined by the Basel 3 prudential regulations. These indicators aim to assess whether or not the entity has sufficient high-quality liquid assets to overcome situations of acute stress lasting a month, and to verify that assets and liabilities have sustainable maturity profiles assuming a stress scenario lasting one year. Taking into account the capital structure of BancoPosta RFC characterised by the presence of a high amount of EU government securities and deposits mainly made up of retail deposits, these indicators are well above the limits imposed by prudential regulations.

Moreover, liquidity risk is monitored through the development of early warning indicators that, in addition to taking into account the level of deposit withdrawals under conditions of stress, aim to monitor funding outflows in line with the estimated performance of deposits at a 99% confidence level.

[468] The threshold amount is the amount of collateral that is not required to be provided under the contract; it therefore represents the residual counterparty risk to be borne by a counterparty.

Quantitative information

1. Distribution of contractual time-to-maturity of financial assets and liabilities

The time distribution of assets and liabilities is shown below, as established for banks' financial statements (Bank of Italy Circular 262/2005 and subsequent updates), using accounting data reported for the residual contractual term to maturity.

Management data, such as the modelling of demand deposits and the reporting of cash and cash equivalents taking account of their degree of liquidity, has, consequently, not been used.

Currency: Euro

(€m)

	Items/Time-to-maturity	Demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	1 - 5 years	Over 5 years	Unspecified maturity
A.	**On-balance sheet assets**	**12,550**	**2,942**	**591**	**-**	**837**	**2,239**	**1,700**	**14,768**	**54,383**	-
A.1	Government bonds	-	-	4	-	815	397	1,667	9,116	51,421	-
A.2	Other debt securities	-	-	-	-	22	10	33	1,500	1,500	-
A.3	UCIs	-	-	-	-	-	-	-	-	-	-
A.4	Due from	12,550	2,942	587	-	-	1,832	-	4,152	1,462	-
	- Banks	175	612	-	-	-	-	-	-	-	-
	- Customers	12,375	2,330	587	-	-	1,832	-	4,152	1,462	-
B.	**On-balance sheet liabilities**	**81,268**	**2,112**	**893**	**-**	**-**	**101**	**1,228**	**4,624**	**-**	**-**
B.1	Deposits and current accounts	74,717	-	-	-	-	-	-	-	-	-
	- Banks	176	-	-	-	-	-	-	-	-	-
	- Customers	74,541	-	-	-	-	-	-	-	-	-
B.2	Debt securities	-	-	-	-	-	-	-	-	-	-
B.3	Other liabilities	6,551	2,112	893	-	-	101	1,228	4,624	-	-
C.	**Off-balance sheet transactions**										
C.1	Financial derivatives with exchange of principal										
	- Long positions	-	-	-	-	137	-	410	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	602	-
C.2	Financial derivatives without exchange of principal										
	- Long positions	-	-	-	5	400	235	534	-	-	-
	- Short positions	-	-	-	-	222	106	363	-	-	-
C.3	Deposits and loans to be received										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.4	Irrevocable commitments to disburse funds										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.5	Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6	Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7	Credit derivatives with exchange of principal										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.8	Credit derivatives without exchange of principal										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-

1. Distribution of contractual time-to-maturity of financial assets and liabilities

Currency: US dollar

(€m)

	Items/Time-to-maturity	Demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	1 - 5 years	Over 5 years	Unspecified maturity
A.	**On-balance sheet assets**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.1	Government bonds	-	-	-	-	-	-	-	-	-	-
A.2	Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3	UCIs	-	-	-	-	-	-	-	-	-	-
A.4	Due from	1	-	-	-	-	-	-	-	-	-
	- Banks	1	-	-	-	-	-	-	-	-	-
	- Customers	-	-	-	-	-	-	-	-	-	-
B.	**On-balance sheet liabilities**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1	Deposits and current accounts	-	-	-	-	-	-	-	-	-	-
	- Banks	-	-	-	-	-	-	-	-	-	-
	- Customers	-	-	-	-	-	-	-	-	-	-
B.2	Debt securities	-	-	-	-	-	-	-	-	-	-
B.3	Other liabilities	-	-	-	-	-	-	-	-	-	-
C.	**Off-balance sheet transactions**										
C.1	Financial derivatives with exchange of principal										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.2	Financial derivatives without exchange of principal										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.3	Deposits and loans to be received										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.4	Irrevocable commitments to disburse funds										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.5	Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6	Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7	Credit derivatives with exchange of principal										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.8	Credit derivatives without exchange of principal										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-

1. Distribution of contractual time-to-maturity of financial assets and liabilities

Currency: Swiss franc

(€m)

	Items/Time-to-maturity	Demand	1 - 7 days	7 - 15 days	15 days - 1 month	1 - 3 months	3 - 6 months	6 months - 1 year	1 - 5 years	Over 5 years	Unspecified maturity
A.	**On-balance sheet assets**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
A.1	Government bonds	-	-	-	-	-	-	-	-	-	-
A.2	Other debt securities	-	-	-	-	-	-	-	-	-	-
A.3	UCIs	-	-	-	-	-	-	-	-	-	-
A.4	Due from	1	-	-	-	-	-	-	-	-	-
	- Banks	1	-	-	-	-	-	-	-	-	-
	- Customers	-	-	-	-	-	-	-	-	-	-
B.	**On-balance sheet liabilities**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
B.1	Deposits and current accounts	-	-	-	-	-	-	-	-	-	-
	- Banks	-	-	-	-	-	-	-	-	-	-
	- Customers	-	-	-	-	-	-	-	-	-	-
B.2	Debt securities	-	-	-	-	-	-	-	-	-	-
B.3	Other liabilities	-	-	-	-	-	-	-	-	-	-
C.	**Off-balance sheet transactions**										
C.1	Financial derivatives with exchange of principal										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.2	Financial derivatives without exchange of principal										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.3	Deposits and loans to be received										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.4	Irrevocable commitments to disburse funds										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.5	Financial guarantees given	-	-	-	-	-	-	-	-	-	-
C.6	Financial guarantees received	-	-	-	-	-	-	-	-	-	-
C.7	Credit derivatives with exchange of principal										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-
C.8	Credit derivatives without exchange of principal										
	- Long positions	-	-	-	-	-	-	-	-	-	-
	- Short positions	-	-	-	-	-	-	-	-	-	-

SECTION 5 –OPERATIONAL RISKS

Qualitative information

A. Generalities, management policies and operational risk measurement methods

Operational risk refers to the risk of losses resulting from inadequate or failed internal processes, people and systems, or from external events. This category of risk includes losses resulting from fraud, human error, business disruption, systems failures, breach of contracts and natural disasters. Operational risk includes legal risk, but not strategic and reputational risks.

To protect against this form of risk, BancoPosta RFC has formalised a methodological and organisational framework to identify, measure and manage the operational risk related to its products/processes.

The framework, which is based on an integrated (qualitative and quantitative) measurement model, makes it possible to monitor and manage risk on an increasingly informed basis.

In 2024, activities continued to refine the operational risk management framework, with the aim of making the process of recording operational losses, monitoring and reporting more efficient and mitigating such risks by cross-functional working groups. Support has also been provided to the specialist units and the owner of the process of analysing and assessing IT risk, in keeping with the approach adopted in 2023 and the monitoring of IT risk recovery plans has been enhanced. In the area of cyber risks, adjustments were made to internal regulations in connection with Regulation (EU) no. 2022/2554 (Digital Operational Resilience Act, "DORA").

Other activities carried out in 2024 include the assessment of the risk profile associated with BancoPosta RFC asset assignment and outsourcing operations and the refinement of the model for ex-ante assessments of the risk profile associated with the innovation of the BancoPosta offering and/or specific project initiatives.

Quantitative information

At 31 December 2024, the risk map prepared in accordance with the aforementioned framework shows the type of operational risks BancoPosta RFC's products are exposed to. In particular:

Operational risk

Event type	Number of types
Internal fraud	27
External fraud	44
Employee practices and workplace safety	8
Customers, products and business practices	38
Damage to material property	4
Business disruption and system failure	8
Execution, delivery and management of the process	105
Total at 31 December 2024	**234**

For each type of mapped risk, the related sources of risk (internal losses, external losses, scenario analysis and risk indicators) have been recorded and classified in order to construct complete inputs for the integrated measurement model.

Systematic measurement of the mapped risks has enabled the prioritization of mitigation initiatives and the attribution of responsibilities in order to contain any future impact.

PART F – INFORMATION ON EQUITY

SECTION 1 – BANCOPOSTA RFC'S EQUITY

A. Qualitative information

The prudential regulations applicable to banks and investment firms from 1 January 2014 are contained in Bank of Italy Circular 285/2013 and subsequent updates, the purpose of which was to implement EU Regulation 575/2013 (the so-called Capital Requirements Regulation, or "CRR") and Directive 2013/36/EU (the so-called Capital Requirements Directive, or "CRD IV"), containing the reforms required in order to introduce the "Basel 3" regulations. In the third revision of the above Circular, the Bank of Italy has extended the prudential requirements applicable to banks to BancoPosta, taking into account the specific nature of the entity. As a result, BancoPosta RFC is required to comply with Pillar 1 capital requirements (credit, counterparty, market and operational risks) and those regarding Pillar 2 internal capital adequacy (Pillar 1 and interest rate risks), for the purposes of the ICAAP process. The relevant definition of capital in both cases is provided by the above supervisory standards[469].

In view of the extension of prudential standards to BancoPosta, BancoPosta RFC is now required to establish a system of internal controls in line with the provisions of Bank of Italy Circular 285/2013, which, among other things, requires the definition of a Risk Appetite Framework (RAF) and the containment of risks within the limits set by the RAF[470]. Compliance with the objective, threshold and limit system established by the RAF influences decisions regarding profit distributions as part of capital management.

B. Quantitative information

B.1 Company equity: breakdown

(€m)

Items/Amounts	Amount at 31.12.2024	Amount at 31.12.2023
1. Share capital	-	-
2. Share premium reserve	-	-
3. Reserves	2,610	2,570
- profit	1,397	1,358
a) legal	-	-
b) required by articles of association	-	-
c) treasury shares	-	-
d) other	1,397	1,358
- other	1,213	1,212
4. Equity instruments	450	450
5. (Treasury shares)	-	-
6. Valuation reserves:	(366)	(841)
- Equity instruments measured at fair value through other comprehensive income	-	-
- Hedges of equity instruments measured at fair value through other comprehensive income	-	-
- Financial assets (other than equity instruments) measured at fair value through other comprehensive income	(114)	(544)
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedges of foreign investments	-	-
- Cash flow hedges	(250)	(295)
- Hedges (elements not designated)	-	-
- Translation differences	-	-
- Non-current assets and disposal groups held for sale	-	-
- Financial liabilities designated at fair value through profit or loss (changes in own credit rating)	-	-
- Actuarial gains/(losses) on defined benefit plans	(2)	(2)
- Share of valuation reserves relating to equity accounted investments	-	-
- Special revaluation laws	-	-
7. Profit/(Loss) for the year	615	600
Total	**3,309**	**2,779**

[469] The capital for regulatory purposes takes into account the provisions of "Regulation (EU) no. 2020/873 of the European Parliament and of the Council of 24/06/2020 amending Regulations (EU) no. 575/2013 and (EU) no. 2019/876 as regards adjustments in response to the Covid-19 pandemic" ("Quick Fix"). BancoPosta RFC made use of the possibility, recognised by this legislation, to adopt the new percentages for the transitional period from 31 December 2020 to 31 December 2024.

[470] A definition of the RAF is provided in the "Introduction" to Part E.

"Reserves, other" consists of: i) the specific equity reserve of €1 billion, of which the initial reserve provided to BancoPosta RFC on its creation, through the attribution of Poste Italiane SpA's retained earnings, increased by the €210 million equity contribution, resolved by the Extraordinary Shareholders' Meeting of 29 May 2018, through the allocation of Poste Italiane SpA's available reserves; ii) the profits reserve of €3 million for incentive plans, described in Part I.

The "Equity instruments" include the capital injections finalised on 30 June 2021 and 30 June 2023, through the granting of two perpetual subordinated loans of €350 million and €100 million, respectively, under terms and conditions allowing them to be counted as Additional Tier 1 ("AT 1") capital[471].

[471] For more details on the characteristics of the capital instruments issued, please refer to the Public Disclosure ('Pillar 3').

B.2 Valuation reserves for financial assets measured at fair value through other comprehensive income: breakdown

(€m)

Assets/Amounts	Total at 31.12.2024		Total at 31.12.2023	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	699	(813)	578	(1,122)
2. Equity instruments	-	-	-	-
3. Loans	-	-	-	-
Total	**699**	**(813)**	**578**	**(1,122)**

B.3 Valuations reserves for financial assets measured at fair value through other comprehensive income: annual changes

(€m)

	Debt securities	Equity instruments	Loans
1. Opening balance	**(544)**	**-**	**-**
2. Increases	**553**	**-**	**-**
2.1 Increases in fair value	483	-	-
2.2 Impairment losses due to credit risk	2	x	-
2.3 Reclassification to profit or loss of negative reserve for realised losses	68	x	-
2.4 Transfers to other equity (equity instruments)	-	-	-
2.5 Other changes	-	-	-
3. Decreases	**(123)**	**-**	**-**
3.1 Decreases in fair value	(59)	-	-
3.2 Recoveries due to credit risk	(7)	-	-
3.3 Reclassification to profit or loss of positive reserve for realised gains	(57)	x	-
3.4 Transfers to other equity (equity instruments)	-	-	-
3.5 Other changes	-	-	-
4. Closing balance	**(114)**	**-**	**-**

B.4 Valuation reserves for defined benefit plans: annual changes

(€m)

	Total at 31.12.2024	Total at 31.12.2023
Opening actuarial gains/(losses)	**(2)**	**(2)**
Actuarial gains/(losses)	-	-
Taxation of actuarial gains/(losses)	-	-
Closing actuarial gains/(losses)	**(2)**	**(2)**

SECTION 2 – OWN FUNDS AND CAPITAL RATIOS

BancoPosta RFC's own funds are all Tier 1 Capital ("CET 1" and "AT 1").

Common Equity Tier 1 ("CET 1") is composed of:

- other reserves, being revenue reserves, amounting to €1 billion originating from the creation of the ring-fence, and any further amounts attributed by Poste Italiane SpA that meet the requirements for inclusion in own funds[472];
- undistributed earnings, being BancoPosta RFC's profits appropriated on approval of Poste Italiane SpA's financial statements.

Additional Tier 1 ("AT 1") includes the capital injections completed on 30 June 2021, in the amount of €350 million, and on 30 June 2023, in the amount of €100 million.

At 31 December 2024, own funds amounted to €3,136 million, €61 million of which was calculated from the profit for 2024 (in compliance with the provisions of art. 26 of Regulation (EU) no. 575/2013) and €8 million deriving from the application of the transitional arrangements set out in Regulation (EU) no. 2020/873 (CRR "Quick fix").

Based on prudential standards, BancoPosta is required to comply with the following minimum capital ratios:

- Common Equity Tier 1 ratio (the ratio of CET1 to total risk weighted assets - RWAs[473]): equal to 7.0% (4.5% being the minimum requirement and 2.5% being the capital conservation buffer);
- Tier 1 ratio (the ratio of Tier 1 to total risk weighted assets - RWAs): equal to 8.5% (6.0% being the minimum requirement and 2.5% being the capital conservation buffer);
- Total capital ratio (the ratio of total own funds to total risk weighted assets - RWAs): equal to 10.5% (8% being the minimum requirement and 2.5% being the capital conservation buffer).

Following the Supervisory Review and Evaluation Process (SREP), the Bank of Italy, as per the measure of 13 February 2025, informed BancoPosta RFC of its decision to set the amount of capital BancoPosta must hold, in addition to the regulatory minimum, to cover its overall risk exposure. The new limits[474] (Overall Capital Requirement (OCR) ratios) required by the Supervisory Authority are as follows:

- Common Equity Tier 1 ratio (CET 1 ratio): 9.80%, consisting of a binding measure of 7.30% (of which 4.50% for minimum regulatory requirements and 2.80% for additional requirements determined by the SREP) and the rest made up by the capital conservation buffer component;
- Tier 1 ratio: 12.30%, consisting of a binding measure of 9.80% (of which 6.00% for minimum regulatory requirements and 3.80% for additional requirements determined by the SREP) and the rest made up by the capital conservation buffer component;
- Total Capital ratio: 15.50%, consisting of a binding measure of 13.00% (of which 8% for minimum regulatory requirements and 5.00% for additional requirements determined by the SREP) and the rest made up by the capital conservation buffer component.

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472 Contributions from non-controlling shareholders to BancoPosta RFC are excluded, as they are not provided for in the special regulations governing the ring-fence.

473 Risk weighted assets, or RWAs, are calculated by applying a risk weighting to the assets exposed to credit, counterparty, market and operational risks.

474 Capital ratios valid as of 31 March 2025, increasing from the minimum requirements in force as of 31 December 2024, equal to 7.80% for the CET1 Ratio, 9.55% for the Tier 1 Ratio and 11.95% for the Total Capital Ratio.

Moreover, in order to ensure compliance with the binding measures outlined above and to ensure that BancoPosta's own funds can absorb any losses arising from stress scenarios, taking into account the results of stress tests performed by BancoPosta RFC under ICAAP, the Bank of Italy has identified the following capital levels[475] that BancoPosta is required to maintain:

- Common Equity Tier 1 ratio (CET 1 ratio): 11.80%, consisting of an OCR CET1 ratio of 9.80% and a Target Component (Pillar 2 Guidance, P2G), against a higher risk exposure under stress conditions, of 2.00%;
- Tier 1 ratio: 14.30%, consisting of an OCR T1 ratio of 12.30% and a Target Component of 2.00%, against a higher risk exposure under stress conditions;
- Total Capital ratio: 17.50%, consisting of an OCR TC ratio of 15.50% and a Target Component of 2.00%, against a higher risk exposure under stress conditions.

BancoPosta RFC at 31 December 2024 complies with the requirements imposed by current prudential regulations with a Tier 1 ratio and a Total Capital ratio of 22.6% and a CET1 ratio of 19.4%[476] also in line with the additional requirements of the aforementioned procedure.

For more details, reference is made, as provided for by Circular no 262 of the Bank of Italy, to the information on own funds and capital adequacy contained in the public disclosure ("Pillar 3").

PART G – BUSINESS COMBINATIONS

No business combinations took place either during or subsequent to the period under review.

PART H – RELATED PARTY TRANSACTIONS

1. Payments to key management personnel

Key management personnel consist of Directors and first-line managers of Poste Italiane SpA, whose compensation before social security and welfare charges and contributions are disclosed in section 5.5 - *Related parties* - of this section - Poste Italiane SpA's financial statements - of the Annual Report and are reflected in BancoPosta RFC as part of the expenses for services provided by functions outside the ring-fence (see Part C, Table 10.5), and defined by the specific operating guidelines (Part A, paragraph A.1, Section 4).

2. Related party transactions

Related party transactions have been carried out on terms equivalent to those prevailing in arm's length transactions between independent parties.

[475] Capital ratios valid as of 31 March 2025, increasing from the levels in force as of 31 December 2024, equal to 8.55% for the CET1 Ratio, 10.30% for the Tier 1 Ratio and 12.70% for the Total Capital Ratio.

[476] The ratios take into account the calculation of €61 million, as these are the subject of the resolution of Poste Italiane's Board of Directors concerning the proposed allocation of profit for the year 2024 and in compliance with the provisions of Article 26 of Regulation (EU) no. 575/2013.

Impact of related party transactions on financial position at 31 December 2024

(€m)

Name	Total at 31.12.2024						
	Financial assets	Due from banks and customers	Hedging derivative assets and (liabilities)	Other assets	Financial liabilities	Due to banks and customers	Other liabilities
Poste Italiane SpA	-	642	-	34	-	156	2
Direct subsidiaries							
BancoPosta Fondi SpA SGR	-	24	-	-	-	16	6
Consorzio PosteMotori	-	3	-	-	-	1	-
Consorzio Servizi ScpA	-	-	-	-	-	4	-
EGI SpA	-	-	-	-	-	2	-
Poste Vita SpA	-	373	-	-	-	864	6
Postel SpA	-	-	-	-	-	3	-
PostePay SpA	-	67	-	107	-	10,623	46
SDA Express Courier SpA	-	-	-	-	-	7	-
Milkman Deliveries SpA	-	-	-	-	-	6	-
Indirect subsidiaries							
Poste Assicura SpA	-	19	-	1	-	4	-
Poste Insurance Broker	-	-	-	-	-	3	-
Associates							
Financit SpA	-	4	-	-	-	-	-
Sennder Italia Srl	-	-	-	-	-	29	-
External related parties							
MEF	-	10,547	-	-	-	5,367	-
Cassa Depositi e Prestiti Group	2,903	221	-	1	-	-	-
Monte dei Paschi Group	-	54	56	-	-	251	-
Provision for doubtful debts due from external related parties	(1)	(4)	-	-	-	-	-
Total	**2,902**	**11,950**	**56**	**143**	**-**	**17,336**	**60**

Impact of related party transactions on financial position at 31 December 2023

(€m)

Name	Total at 31.12.2023						
	Financial assets	Due from banks and customers	Hedging derivative assets and (liabilities)	Other assets	Financial liabilities	Due to banks and customers	Other liabilities
Poste Italiane SpA	-	370	-	39	-	279	3
Direct subsidiaries							
BancoPosta Fondi SpA SGR	-	26	-	-	-	11	3
Consorzio PosteMotori	-	3	-	-	-	1	-
EGI SpA	-	-	-	-	-	1	-
PatentiViaPoste ScpA	-	-	-	-	-	1	-
Poste Vita SpA	-	324	-	-	-	695	26
PostePay SpA	-	73	-	190	-	10,152	107
SDA Express Courier SpA	-	-	-	-	-	3	-
Milkman Deliveries SpA	-	-	-	-	-	3	-
Indirect subsidiaries							
LIS Pay S.p.A.	-	-	-	-	-	1	-
Poste Assicura SpA	-	8	-	-	-	6	-
Poste Insurance Broker	-	-	-	-	-	2	-
Associates							
Financit SpA	-	3	-	-	-	-	-
Sennder Italia Srl	-	-	-	-	-	36	-
External related parties							
MEF	-	10,060	-	-	-	5,371	-
Cassa Depositi e Prestiti Group	2,891	247	-	-	-	-	-
Monte dei Paschi Group	-	56	164	-	-	348	-
Other external related parties	-	-	-	-	-	-	1
Provision for doubtful debts due from external related parties	(2)	(5)	-	-	-	-	-
Total	**2,889**	**11,165**	**164**	**229**	**-**	**16,910**	**140**

Impact of related party transactions on profit or loss at 31 December 2024

(€m)

Name	FY 2024							
	Interest and similar income	Interest expense and similar charges	Fee income	Fee expenses	Dividends and similar income	Net impairment (losses)/recoveries on impairment	Administrative expenses	Other operating income/(expense)
Poste Italiane SpA	21	(238)	-	-	-	-	(5,210)	-
Direct subsidiaries								
BancoPosta Fondi SpA SGR	-	-	120	(13)	-	-	-	-
Poste Vita SpA	-	(27)	633	-	-	-	-	-
PostePay SpA	-	(50)	259	(183)	-	-	-	4
Indirect subsidiaries								
Poste Assicura SpA	-	-	60	-	-	-	-	-
Poste Insurance Broker	-	-	2	-	-	-	-	-
Associates								
Financit SpA	-	-	30	-	-	-	-	-
External related parties								
MEF	406	-	60	-	-	1	-	-
Cassa Depositi e Prestiti Group	76	-	1,725	(1)	-	-	-	-
Monte dei Paschi Group	13	(5)	-	-	-	-	-	-
Other external related parties	-	-	-	-	-	-	(2)	-
Total	**516**	**(320)**	**2,889**	**(197)**	**-**	**1**	**(5,212)**	**4**

Impact of related party transactions on profit or loss at 31 December 2023

(€m)

Name	FY 2023							
	Interest and similar income	Interest expense and similar charges	Fee income	Fee expenses	Dividends and similar income	Net impairment (losses)/recoveries on impairment	Administrative expenses	Other operating income/(expense)
Poste Italiane SpA	13	(233)	-	-	-	-	(4,887)	-
Direct subsidiaries								
BancoPosta Fondi SpA SGR	-	-	96	(13)	-	-	-	-
Poste Vita SpA	-	(24)	600	-	-	-	-	-
PostePay SpA	-	(43)	252	(184)	-	-	-	2
Indirect subsidiaries								
Poste Assicura SpA	-	-	56	-	-	-	-	-
Poste Insurance Broker	-	-	1	-	-	-	-	-
Associates								
Financit SpA	-	-	30	-	-	-	-	-
External related parties								
MEF	441	-	61	-	-	-	-	-
Cassa Depositi e Prestiti Group	73	-	1,740	-	-	-	-	-
Monte dei Paschi Group	3	(7)	-	-	-	-	-	-
Other external related parties	-	-	-	-	-	-	(3)	-
Total	**530**	**(307)**	**2,836**	**(197)**	**-**	**-**	**(4,890)**	**2**

PART I – SHARE-BASED PAYMENT ARRANGEMENTS

Qualitative information

1. Description of share-based payment arrangements

LONG-TERM INCENTIVE SCHEME: PERFORMANCE SHARE PLAN

Starting from the 2019 financial year, the Shareholders' Meeting of Poste Italiane SpA approved the Information Document prepared pursuant to Article 84-bis of the Issuers' Regulation on Incentive Plans based on financial instruments, respectively the Performance Share LTIP, first cycle 2019-2021 and second cycle 2020-2022, the 2021-2023 Performance Share LTIP, the 2022-2024 Performance Share LTIP, the 2023-2025 Performance Share LTIP, the 2024-2026 Performance Share LTIP.

These incentive systems, constructed in line with market practices, aim to strengthen the link between the variable component of remuneration and the Group's medium to long-term strategy, in line with the budget and the goals in the Strategic Plan, over a multi-year period.

Description of the Plans

The "Performance Share LTIPs", as described in the relevant Information Circulars, provide for the assignment of Rights to the Poste Italiane's ordinary Shares. The number of Rights to be granted to Beneficiaries is subject to the achievement of Performance Targets over a three-year period, following confirmation of achievement of the Hurdle and Qualifying Conditions. The key characteristics of the Plans are described below.

Beneficiaries

The beneficiaries of the Plan are some BancoPosta RFC resources.

Plans' terms and conditions

The Performance Targets, common to all Beneficiaries, to which the vesting of the Rights and, therefore, the allocation of the Shares is conditioned, for the first award cycle are highlighted below:

- a profitability indicator identified in the Group's three-year cumulative EBIT used to recognise the continuity and sustainability of profitability results over the long term;
- an indicator of shareholder value creation, based on the relative Total Shareholder Return, used to measure performance based on the value created for Poste Italiane's shareholders compared with the FTSE MIB index[477].

For the 2021-2023, 2022-2024, 2023-2025 and 2024-2026 Performance Share LTIPs, the following KPIs are added for the ESG component to the two targets indicated above:

- 2021-2023 Performance Share LTIP: sustainable finance, target linked to the inclusion of an ESG component in Poste Vita investment products by 2023. In particular, the indicator is calculated by comparing the number of products offered with ESG components to the total number of products offered;
- 2022-2024 Performance Share LTIP: equal gender representation in succession plans, an objective linked to strengthening the presence of women in managerial succession plans, to help increase the presence of women in positions of greater responsibility in the Poste Italiane Group. Specifically, the indicator is calculated by comparing the number of succession applications occupied by women to the total number of applications.

[477] The objective linked to the "relative Total Shareholder Return" (rTSR) includes a "negative threshold" provision: if Poste Italiane's TSR is negative, despite being higher than the TSR registered by the index, the number of vested Rights (linked to rTSR) is reduced to the minimum threshold of 50%.

- 2023-2025 Performance Share LTIP: Green Transition, a target related to the reduction of tCO_2 emissions; This objective aims to measure the reduction of the Group's total emissions (tCO2e) over the 2023-2025 time horizon. Creating value for the country, an objective that takes into account the progress of the construction sites related to the "Polis Project". In particular, the indicator is calculated as the ratio of the number of initiated works to the total number of physically feasible works.
- 2024-2026 Performance Share LTIP: Green Transition, a target that measures the reduction of the Group's direct GHG emissions (Scope 1) from buildings (tCO2e). People development, an objective that includes a focus on skills development through the provision of training hours.

Finally, for the 2024-2026 Performance Share LTIP, a further indicator of shareholder value creation is envisaged in addition to the "Relative Total Shareholder Return", identified as "Shareholder Remuneration", which takes into account shareholder remuneration in the form of dividends paid and possible share buybacks aimed at remunerating shareholders.

Vesting of the Rights and the therefore the awarding of the Shares is subject to achievement of the Performance Hurdle, designed to ensure sustainability of the Plan at Group level. The Performance Hurdle corresponds with achievement of a certain target for the Group's cumulative EBIT over a three-year period at the end of each Performance Period. In addition, vesting of the phantom stocks is also subject to achievement of Qualifying Conditions, designed to ensure the stability of BancoPosta RFC's capital and liquidity position, as follows:

- Indicator of capital adequacy, (CET 1) at the end of the period;
- Indicator of short-term liquidity, (LCR) at the end of the period;
- RORAC risk-adjusted earnings at the end of the period.

The Shares will be awarded at the end of the Performance Period as follows:

- for 2019-2021 and 2020-2022 Performance Share LTIPs, 40% up-front and for the remaining 60% in two equal portions, deferred respectively for 2 and 4 years from the end of the Performance Period. A further Retention Period of one year will be applied to both the up-front and deferred portions;
- for the 2021-2023, 2022-2024, 2023-2025 and 2024-2026 Performance Share LTIPs, the following disbursement method is envisaged: 40% upfront and 60% in five deferred annual instalments over a five-year period (the first three equal to 10% of the total rights accrued and the next two equal to 15% of the total rights accrued). A further Retention Period of one year will be applied to both the up-front and deferred portions.

The allocation of deferred Shares will take place following the verification of the continued existence of BancoPosta RFC's levels of capital adequacy, short-term liquidity and risk-adjusted profitability.
For more details on the operating mechanisms of the incentive plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

LONG-TERM INCENTIVE SCHEME: DELIVER 2022 LTIP

In light of the regulatory updates that have taken place and with a view to maintaining a constant alignment between the interests of management and those of the shareholders, in 2023 the Shareholders' Meeting of 8 May 2023 resolved to pay a portion equal to 55% of the bonus accrued for the Deliver MRTs BP LTI Beneficiaries at the end of the Performance Period (31 December 2022) in Rights to receive ordinary shares of Poste Italiane, subject to Retention Periods.

Since this is a Conversion, no new allocations are envisaged with respect to the objectives of the plan assigned in 2018 and based on a five-year time horizon (2018-2022).

Vesting of the Rights and the therefore the awarding of the Shares is subject to achievement of the Performance Hurdle, designed to ensure sustainability of the Plan at Group level. The Hurdle Condition corresponds with achievement of a certain target for the Group's cumulative EBIT over a five-year period at the end of each Performance Period (31 December 2022). In addition, the delivery of the Shares is also subject to the verification of Qualifying Conditions, designed to ensure the stability of BancoPosta RFC's capital adequacy, liquidity and risk-adjusted earnings, as follows:

- Indicator of capital adequacy, (CET 1) at the end of the period;
- Indicator of short-term liquidity, (LCR) at the end of the period;
- RORAC risk-adjusted earnings at the end of the period.

The Plan Conversion provided for the payment of 45% of the Bonus accrued up-front in cash in 2023, as opposed to the originally planned 75%. The remaining 55%, originally planned in cash form, is paid in Rights to receive Shares subject to Retention Periods of 1 and 2 years.

Delivery of the Shares at the end of each Retention Period will take place subject to verification of the risk tolerance level of conditions linked - in addition to capital adequacy and liquidity, originally envisaged - also to risk-adjusted earnings with reference to BancoPosta RFC, as well as Poste Italiane's inclusion in at least two internationally recognised sustainability indices.

For more details on the operating mechanisms of the incentive plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

Determination of fair value and effects on profit or loss

The valuations of these plans were mainly based on the conclusions reached by actuaries external to the Group.
The unit fair value of each Right at the valuation date is equal to its nominal value at the grant date (determined on the basis of stock market prices), discounted by the expected dividend rate and the risk-free interest rate and updated taking into account the best estimate of service conditions and performance (non-market based performance conditions).

SHORT-TERM INCENTIVE SCHEMES: MBO

On 27 May 2014, the Bank of Italy issued specific Supervisory Provisions for BancoPosta (Part IV, Chapter I, "BancoPosta" including in Circular 285 of 17 December 2013 "Prudential supervisory standards for banks") which, in taking into account BancoPosta's specific organisational and operational aspects, has extended application of the prudential standards for banks to include BancoPosta. This includes the standards relating to remuneration and incentive policies (Part I, Title IV, Chapter 2 "Remuneration and incentive policies and practices" in the above Circular 285). These standards provide that a part of the bonuses paid to BancoPosta RFC's Risk Takers may be awarded in the form of financial instruments over a multi-year timeframe.

With regard to the management incentive schemes adopted for BancoPosta RFC MBO for 2018, where the incentive is above a certain materiality threshold, the MBO management incentive scheme envisages the award of 50% of the incentive in the form of phantom stocks, representing the value of Poste Italiane's shares, and application of the following deferral mechanisms:

- 60% of the award to be deferred for a 5-year period on a pro-rata basis, in the case of Material Risk Takers who are beneficiaries of both the short-term incentive scheme and long-term incentive scheme, "Phantom Stock LTIP";
- 40% of the award to be deferred for a 3-year period on a pro-rata basis for the remaining Material Risk Takers.

In the course of 2024, the payment of the last tranche of the plan in question was completed with a total outlay of approximately €94 thousand.

The most recent short-term managerial incentive schemes (MBO 2019, MBO 2020, MBO 2021, MBO 2022, MBO 2023 and MBO 2024) envisage, if the incentive exceeds a materiality threshold, the disbursement of a portion of the accrued bonus in the form of Poste Italiane SpA shares and the application of deferral mechanisms of between 40% and 60% of the incentive over a time horizon of 3/5 years pro-rata based on the category to which the beneficiary belongs.
For more details on the operating mechanisms of the incentive plans, please refer to the Information Circular and/or the Report on the Remuneration Policy, in force from time to time, approved by the Shareholders' Meeting.

The rights to receive shares (MBO 2019, MBO 2020, MBO 2021, MBO 2022, MBO 2023 and MBO 2024) is subject to the existence of a Hurdle Condition (Group Profitability - EBIT) and Qualifying Conditions as follows:

- Capital adequacy: CET 1, risk tolerance level approved in the Risk Appetite Framework (RAF);
- Short-term liquidity: LCR, risk tolerance level approved in the Risk Appetite Framework (RAF).
- Risk-adjusted earnings (RORAC) threshold level approved in the Risk Appetite Framework (RAF) for MBO 2023 and MBO 2024.

Amounts allocated in the form of Shares are subject to a Retention Period for both up-front and deferred portions.

The deferred portion will be disbursed each year subject to compliance with the requirements of capitalisation, liquidity of BancoPosta RFC and risk-adjusted earnings (the latter where it is a hurdle condition). The effects on profit or loss and on equity are recognised in the period in which the instruments vest.

Determination of fair value and effects on profit or loss

The valuations of these plans were mainly based on the conclusions reached by actuaries external to the Group.

Quantitative information

The effects on profit or loss of the Incentive scheme at 31 December 2024 for BancoPosta are shown below:

(€m)

Incentive plans	Number of beneficiaries	Units (No. of Phantom Stocks / Rights to receive shares) - Number of Units	Units - Of which under retention period	Fair value at grant date - BP Beneficiaries - Grant date	Fair value at grant date - BP Beneficiaries - Fair Value	Cost	IFRS 2 Reserve / Liabilities	Payments / Countervalue delivery of treasury shares
Deliver 3 years	13	8,044	-	29-May-18	€9.19	0.00	-	(0.09)
LTI Performance Share 19-21	9	33,200	16,837	07-Oct-19	€7.01	0.00	0.23	-
LTI Performance Share 20-22	10	26,331	-	12-Nov-20	€ 4.89 - € 5.41	0.00	0.13	(0.07)
LTI Performance Share 21-23	10	82,953	33,414	28-May-21	€ 8.27 - € 9.07	0.09	0.66	(0.01)
LTI Performance Share 22-24	12	62,540	-	27-May-22	€4.65	0.10	0.29	-
LTI Performance Share 23-25	14	95,344	-	08-May-23	€4.47	0.14	0.28	-
LTI Performance Share 24-26	13	111,756	-	31-May-24	€6.91	0.26	0.26	-
Total						**0.59**	**1.85**	**(0.16)**

(€m)

Incentive plans	Number of beneficiaries	Units (Rights to receive shares) - Number of Units	Units - Of which under retention period	Fair value at grant date - BP Beneficiaries - Grant date	Fair value at grant date - BP Beneficiaries - Fair Value	Cost	IFRS 2 Reserve / Liabilities	Payments / Countervalue delivery of treasury shares
MBO 2018	8	8,764	-	19-mar-19	€10.21	0.00	-	(0.09)
MBO 2019	4	1,204	1,204	5-mar-20	€ 7.52 - € 7.63	0.00	0.01	(0.01)
MBO 2020	5	1,978	1,160	24-mar-21	€ 8.36 - € 8.83	0.00	0.02	(0.02)
MBO 2021	12	12,548	7,524	22-mar-22	€ 8.25 - € 8.77	0.00	0.11	(0.07)
MBO 2022	11	29,141	10,602	28-mar-23	€ 7.70 - € 8.31	0.00	0.23	(0.22)
MBO 2023	10	56,991	27,493	19-mar-24	€ 7.92 - € 8.45	(0.00)	0.47	-
MBO 2024*	14	-	-	31-May-24	€ 11.38 - € 12.23	0.80	0.80	-
Total						**0.80**	**1.63**	**(0.41)**

(*) MBO 2024 estimated on the basis of the best available information, pending the actual finalisation of the system, in order to capture the cost of the service received.

PART L – OPERATING SEGMENTS

The economic flows and performance of the operations are reported internally on a regular basis to executives without identifying segments. BancoPosta RFC's results are consequently evaluated by senior management as one business division.

Furthermore, in accordance with IFRS 8.4, when separate and consolidated financial statements are combined segment information is only required for the consolidated statements.

PART M – INFORMATION ON LEASES

During the reporting period, BancoPosta RFC did not carry out any transactions in accordance with IFRS 16 relating to *Leases*.

3 REPORTS AND ATTESTATIONS

Attestation of the Consolidated Financial Statements of the Poste Italiane Group at 31 December 2024 pursuant to art. 154-bis, paragraph 5, of Legislative Decree 58/1998 and art. 81-ter of CONSOB Regulation no. 11971 of 14 May 1999

1. The undersigned Matteo Del Fante, as Chief Executive Officer, and Alessandro Del Gobbo, as Manager Responsible for Financial Reporting of Poste Italiane S.p.A., also taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, attest to:

- the adequacy, in relation to the characteristics of the Poste Italiane Group, and
- the effective application of the administrative and accounting procedures for the formation of the Consolidated Financial Statements of the Poste Italiane Group in the period between 1 January 2024 and 31 December 2024.

2. In this regard, please note that:

- the adequacy of the administrative and accounting procedures for the formation of the Consolidated Financial Statements of the Poste Italiane Group was verified by evaluating the internal control system on financial reporting. This evaluation was performed by taking as a reference the criteria laid out in the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- no significant aspects emerged from the evaluation of the internal control system on financial reporting.

3. It is also attested that:

3.1 The Consolidated Financial Statements of the Poste Italiane Group for the year ended 31 December 2024:

a) have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union through EC Regulation 1606/2002, issued by the European Parliament and by the Council on 19 July 2002;
b) are consistent with the underlying accounting books and records;
c) give a true and fair view of the financial position and results of operations of the issuer and the companies included in the scope of consolidation.

3.2 The report on operations includes a reliable analysis of the operating and financial performance and the situation of the issuer and the companies included in the scope of consolidation, together with a description of the main risks and uncertainties to which they are exposed.

Rome, 26 March 2025

Chief Executive Officer	Manager Responsible for Financial Reporting
Matteo Del Fante	Alessandro Del Gobbo
(original signed)	(original signed)

(This report has been translated from the original issued in accordance with Italian legislation)

Attestation of the Financial Statements at 31 December 2024 pursuant to art. 154-bis, paragraph 5, of Legislative Decree 58/1998 and art. 81-ter of CONSOB Regulation no. 11971 of 14 May 1999

1. The undersigned Matteo Del Fante, as Chief Executive Officer, and Alessandro Del Gobbo, as Manager Responsible for Financial Reporting of Poste Italiane S.p.A., also taking into account the provisions of art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, attest to:

- the adequacy, in relation to the characteristics of the company, and
- the effective application of the administrative and accounting procedures for the formation of the Financial Statements in the period between 1 January 2024 and 31 December 2024.

2. In this regard, please note that:
- the adequacy of the administrative and accounting procedures for the formation of the Financial Statements of Poste Italiane S.p.A. was verified by evaluating the internal control system on financial reporting. This evaluation was performed by taking as a reference the criteria laid out in the Internal Control – Integrated Framework model issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO);
- no significant aspects emerged from the evaluation of the internal control system on financial reporting.

3. It is also attested that:

3.1 The Financial Statements for the year ended 31 December 2024:

d) have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union through EC Regulation 1606/2002, issued by the European Parliament and by the Council on 19 July 2002;
e) are consistent with the underlying accounting books and records;
f) give a true and fair view of the financial position and results of operations of the issuer.

3.2 The report on operations includes a reliable analysis of the operating and financial performance and the situation of the issuer, together with a description of the main risks and uncertainties.

Rome, 26 March 2025

Chief Executive Officer	Manager Responsible for Financial Reporting
Matteo Del Fante	Alessandro Del Gobbo
(original signed)	(original signed)

(This report has been translated from the original issued in accordance with Italian legislation)

Sustainability Statements Certification pursuant to Article 81-ter, paragraph 1, of Regulation adopted by Consob with resolution No. 11971 of 14 May 1999, as subsequently amended

The undersigned Matteo Del Fante, as Chief Executive Officer of Poste Italiane S.p.A., and Andreana Esposito, as the Sustainability Reporting Manager of Poste Italiane S.p.A., attest, pursuant to Art.154-bis, paragraph 5-ter, of the Italian Legislative Decree No.58 of 24 February 1998, that the Sustainability Statements included in the Consolidated Report on Operations were drawn up:

a) in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013, and of Legislative Decree 6 September 2024, No.125;
b) with the specifications adopted pursuant to Article 8.4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

Rome, 26 March 2025

Chief Executive Officer	Sustainability Reporting Manager
Matteo Del Fante	Andreana Esposito
(original signed)	(original signed)

(This report has been translated from the original issued in accordance with Italian legislation)

REPORT BY THE BOARD OF STATUTORY AUDITORS OF POSTE ITALIANE S.P.A.

TO THE SHAREHOLDERS

pursuant to Article 153 of Legislative Decree 58/1998

Dear Shareholders,

During the year ended 31 December 2024, the Board of Statutory Auditors of Poste Italiane S.p.A. ("Company", "Poste" or "Parent Company") fulfilled its statutory duties in accordance with the Italian Civil Code and Legislative Decree 39/2010 as amended, Legislative Decree 58/1998 (Testo Unico della Finanza, the TUF or "Consolidated Law on Finance"), pursuant to Presidential Decree 144/2001 "Regulations governing the services provided by BancoPosta", and in accordance with the provisions applied to BancoPosta by the relevant authorities. In conducting its duties, the Board of Statutory Auditors also took into account the indications contained in the Corporate Governance Code for listed Companies, which the Company formally adopted with the Board of Directors' ("BoD") resolution of 17 December 2020. The oversight activities required by law were also conducted in accordance with the Code of conduct for Boards of Statutory Auditors of listed Companies, drawn up by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili (National Institute of Chartered Accountants and Accounting Experts) in April 2018 ("Code of Conduct"), whose latest version was published on 27 December 2024.

Election and activities of the Board of Statutory Auditors

The undersigned members of the Company's Board of Statutory Auditors, elected by the Annual General Meeting of shareholders held on 27 May 2022, are Mauro Lonardo, Chairman, and Serena Gatteschi and Gianluigi Fiorendi, standing Auditors.

Considering the applicability to the Company of the Regulation regarding the requirements and criteria for suitability for the performance of the role of corporate officers of banks and financial intermediaries, pursuant to the Decree of the Ministry of Economy and Finance of 23 November 2020, no. 169 ("DM 169/2020"), the Board of Statutory Auditors also in the year 2024, continued to verify the suitability of the standing and alternate Auditors, in compliance with the current regulatory provisions and in particular with the

aforementioned decree, verifying from time to time that they possess the requirements set out in the current legislation.
In this regard, during the year, the Board of Statutory Auditors proceeded to verify (i) the existence of compliance with the accumulation of offices, noting that all Statutory Auditors complied with the limit set forth in Article 17 of Italian Ministerial Decree 169/2020 (4 non-executive offices) and (ii) the time commitment - the assessment of which was updated by each Statutory Auditor as their offices changed. As a result of the audit, it was ascertained that each Auditor devoted adequate time to the performance of the task, in accordance with Article 16 of Ministerial Decree no. 169/2020.

The Board of Statutory Auditors ("Board") has acquired the information necessary to carry out the tasks assigned to it through participation in all meetings of the Board of Directors and internal Board Committees, participation in induction sessions organised by the Company and in in-depth meetings with the main corporate functions - in particular with the control functions, with the BancoPosta function, the Supervisory Board and with the management of the Company, also supported by the consultancy firm KPMG for BancoPosta issues, as well as through constant dialogue with the Financial Reporting Manager (the "Reporting Manager") and from the appointment, which took place on 12 December 2024, also with the Sustainability Reporting Manager (the “Sustainability Reporting Manager”), and with the Independent Auditors Deloitte & Touche SpA. ("Deloitte" or the "Independent Auditor") appointed to audit the annual and consolidated financial statements for the nine-year period 2020-2028.

During 2024, the meetings of the Board of Statutory Auditors and the internal committees, given their number, the need to ensure participation in the event of consecutive meetings and the complexity of bringing together participating company components and functions, for reasons of efficiency and effectiveness of their performance were held with all participants connected via audio/video link, except for a few meetings held in person to fulfil some formalities in person, while all the meetings of the Board of Directors (or the “BoD”) and/or some strategic inductions were held in person in order to improve engagement and interpersonal relations.

Even during the year 2024, the global economy continued to be affected by geopolitical tensions and ongoing conflicts. In this regard, the Board noted that the sphere of operations of the Poste Italiane Group (also "Group") is mainly domestic and that it has limited business relations with the countries involved in the ongoing conflict.

In the course of 2024, the Board was informed of the prospective Public Offering transaction of a stake in Poste Italiane S.p.A. held by the shareholder Ministry of Economy and Finance ('MEF'). Specifically, with the approval of the Draft Prime Ministerial Decree in April 2024, the Government expressed its intention to dispose of a stake held in Poste Italiane S.p.A. "*through single and/or joint recourse to a public offer of sale addressed to the public of savers in Italy, including Poste Italiane Group employees, and/or to Italian and international institutional investors, as well as through placement on the market, also through accelerated sale or through block sale*" (hereinafter "Initial Public Offer" or "IPO"). Poste Italiane, in accordance with the provisions of the CLF and the relevant EU regulations, has therefore commenced the preparation of a prospectus for the purpose of the Public Offer. This has since been suspended several times pending final determinations by the Government. With regard to the conferment of additional tasks on the Independent Auditors in connection with the IPO, see § *8. and 9.* below. *Oversight of the independence of the Independent Auditor. Disclosure of any additional non-audit engagements or ongoing relations with associates of the Independent Auditor and the related costs.*

With reference to the events after the close of the 2024 financial year, the Board of Statutory Auditors continued its supervisory activity also in the first months of the 2025 financial year on the events that occurred, constantly discussing with the corporate functions and with the Statutory Auditor in order to assess their relevance. In this period, some transactions of particular importance for the Company were resolved, illustrated in this Report on pages 6 et seq., which concerned (i) the resolution of the Board of Directors of Poste Italiane to adhere to the Tender Offer launched by Banco BPM Vita SpA on the ordinary shares of Anima Holding, (ii) the establishment of the company Patrimonio Italia Logistica – SICAF SpA under external management - held by Poste Italiane SpA and Dea Capital Real Estate Sgr SpA, with initial shares of 90% and 10% respectively - in which Poste Italiane will contribute all the largest sites of the primary network and a large part of the intermediate network, (iii) the sale of the entire stake held by Poste Italiane in Nexi SpA. - equal to approximately 3.78% of the share capital - in favour of Cassa Depositi e Prestiti S.p.A. (“CdP”) and the simultaneous sale to Poste Italiane of the participation held by CdP in Telecom Italia S.p.A. ("TIM") equal to 9.81% of the ordinary shares and (iv) subsequently, on 26 March 2025, the Board of Directors of Poste Italiane resolved to acquire from Vivendi SE ordinary shares corresponding to 15.00% of the total ordinary shares and 10.77% of the TIM share capital.

On the above basis, the following information is provided in accordance with the provisions of Consob announcement DEM/1025564/2001, following the numerical order established thereby, as amended by announcement DEM/3021582 of 4 April 2003 and then by announcement DEM/6031329 of 7 April 2006.

A) ***Oversight of compliance with the law and the Company's Articles of Association and with correct corporate governance principles, the adequacy of the organisational structure and the administrative and accounting systems adopted by the Company, and with Legislative Decree 39/2010, as amended.***

1. Most significant transactions having an impact on the results of operations and financial position and their compliance with the law and the Articles of Association.

The Board of Statutory Auditors verified compliance with the law and the Articles of Association, receiving information from the Directors during meetings and from the responsible functions, on the overall operating performance, the outlook for the Company and on the most significant transactions having an impact on the results of operations and financial position decided on and carried out by the Company and by Group Companies during the year, also verifying that the latter were carried out according to a process inspired by principles of correct administration.

On the basis of the information made available, the Board has come to the conclusion that these transactions are to be considered compliant with the law, the Articles of Association, the regulations and the principles of proper administration, and that they do not appear to be manifestly imprudent, nor risky or in conflict with the resolutions passed by the Shareholders' Meeting, nor such as to compromise the integrity of the company's assets.
These transactions are set out in the Report on Operations to which reference should be made, mentioning here, due to their significance, the following transactions: (i) the acquisition by Postel of 100% of the share capital of Address Software, a transaction preparatory to the merger by incorporation of Address Software into Poste Italiane; (ii) the establishment of Casina Poste SSD a rl for the organisation and management as well as the promotion, enhancement and dissemination of amateur sports activities. The company is 72% owned by Poste Italiane and the remaining 7% is owned by PostePay, Postel, Poste Vita and SDA Express Courier; (iii) the incorporation of Poste Logistics S.p.A. and the subscription of the entire share capital of €0.5 million for integrated logistics activities for

the Poste Italiane Group; (iv) the incorporation of Postego S.p.A. and the subscription of the entire share capital of €0.5 million for the gradual internalisation of the car fleet; (v) the incorporation of SPV Cosenza S.p.A. and the subscription of 95% of the share capital for €0.9 million, dedicated to the performance of all the services covered by the public-private partnership contract for the management and rationalisation of integrated healthcare logistics for the Cosenza Provincial Health Authority; (vi) the establishment of Locker Italia S.p.A. – owned by Poste Italiane and Deutsche Post International BV with equal stakes of 50% respectively - with the objective of developing, in Italy, a network of lockers for last mile deliveries of parcels managed by Poste Italiane and the e-commerce division of the DHL Group.

As already mentioned in the introduction, since the beginning of the year 2025, the Board has continued to supervise the transactions carried out by the Company; due to the significance of the transaction, it should be noted that:

- on 10 February 2025, the Board of Directors of Poste Italiane resolved to accept the Tender Offer ("TOB") launched by Banco BPM Vita S.p.A. ("Banco BPM Vita") on the ordinary shares of Anima Holding S.p.A.; after the acceptance of the letter of commitment by Banco BPM Vita, following the approval of the offer document by Consob, the subscription period began with a duration from 17 March 2025 to 4 April 2025;
- on 14 February 2025, the company Patrimonio Italia Logistica - SICAF S.p.A. was established under external management - owned by Poste Italiane S.p.A. and Dea Capital Real Estate Sgr S.p.A., with initial stakes of 90% and 10% respectively - in which Poste Italiane will contribute all the largest sites of the primary network and most of the intermediate network for a total area of approximately 640,000 square metres. The operation will also involve several operators specialised in logistics real estate development who will be able to contribute financial resources and specialised know-how and thus accelerate the site renewal process;
- on 15 February 2025, the Board of Directors of Poste Italiane resolved to sell the entire stake held by Poste Italiane in Nexi S.p.A. ("Nexi") - equal to about 3.78% of the share capital - in favour of CdP and at the same time, the Board of Directors resolved to acquire 9.81% of the ordinary shares of TIM held by CdP. The consideration for the purchase of Tim shares was recognised (i) in part through the proceeds of the transfer from Poste Italiane to CdP of the investment in Nexi and (ii) in part through available

cash. Subsequently, on 26 March 2025, the Board of Directors of Poste Italiane resolved to acquire from Vivendi SE ordinary shares corresponding to 15.00% of the total ordinary shares and 10.77% of the TIM share capital. Upon its completion, expected by the first half of 2025, Poste Italiane - already a shareholder with 9.81% of the ordinary shares acquired from CdP - will hold a total of 24.81% of the ordinary shares and 17.81% of the share capital in TIM, becoming its largest shareholder.

The Board of Statutory Auditors monitored that the meetings were conducted in accordance with the Articles of Association and the laws and regulations that govern the operation of meetings; based on the information provided during the meetings of the BoD, there is no evidence that the Directors engaged in transactions involving potential conflicts of interest with the Company.

2. and 3. Exceptional or unusual transactions, including those with Group companies or related and connected parties.

In this regard, the Board declares that:

- ✓ based on the assessments conducted, we are not aware of exceptional or unusual transactions with Group Companies, third parties or other related and connected parties;
- ✓ the procedures applied by the Company in conducting related party transactions comply with the principles contained in Consob Regulation 17221 of 12 March 2010, as amended by Consob Resolution 22144 of 22 December 2021, in force from 31 December 2021 and by the provisions of Bank of Italy Circular 285/2013 (Part III, Chapter 11), with reference to transactions between BancoPosta and Poste Italiane related parties;
- ✓ infra-group or related party transactions did not give rise to critical issues;
- ✓ with regard to transactions carried out by relevant persons and by persons closely associated with them (provisions relating to "Internal Dealing"), the Board verified that the Company has adopted specific internal regulations and procedures for such disclosures following the revised interpretation provided by ESMA and the changes introduced by Consob Resolution 19925 of 22 March 2017.

The Board oversaw effective implementation of the rules governing related and connected party transactions, by attending all meetings of the Related and Connected Parties

Committee ("CP Committee"). Moreover, the Directors have provided disclosure on intra-group and related and connected party transactions in the Report on Operations and the notes to the separate and consolidated financial statements, reporting the economic-equity effects of the transactions with related parties.

The current "Management of Transactions with Related and Connected Parties" Guideline, although in the absence of any changes to the regulatory framework of reference in the three-year period 2021/2024, was subject to updating as paragraph 6 of the Guideline itself provides that the document be revised on a three-yearly basis; the current Guideline, therefore, was last approved in 2024, following the favourable opinion of the Board of Statutory Auditors issued on 26 July 2024, in accordance with the provisions of paragraph 5.4 of the Guideline itself.

During the year, the Board of Statutory Auditors, in view also of the provisions of the Consob Regulation, monitored related party and connected party transactions concluded in 2024, pursuant to paragraph 4.6.1 of the Guideline and in this context it verified, with specific reference to Ordinary Transactions of Lesser Significance concluded at conditions equivalent to market or standard conditions, that the relevant Attestation Forms signed by the Heads of the Functions Proposing the Transactions had been made available to the members of the CP Committee and the Board of Statutory Auditors, in which both the reference parameters for the ordinary nature of the transaction (within the scope of the types envisaged by the Consob Regulation and the Bank of Italy provisions) and the existence of conditions equivalent to market or standard conditions are attested.

4. Oversight of the financial reporting process. Observations and proposals regarding any qualifications or emphases of matter contained in the Independent Auditor's report.

The Board of Statutory Auditors, identified by Article 19, paragraph 2 of the Consolidated Law as the "Committee responsible for internal and statutory auditing", oversaw the financial reporting process.

The Board of Statutory Auditors has verified the existence of adequate regulations and processes relating to the financial reporting process, examining the process that enables the "Financial Reporting Manager", appointed pursuant to Law 262/2005, and the Company's Chief Executive Officer to issue the attestations required by Article 154-bis of the CLF.

On 24 March 2025, the Board of Statutory Auditors held a specific meeting with the Financial Reporting Manager to examine the Group's Internal Control System on Financial Reporting ("SCIIF"), during which the Financial Reporting Manager stated that the results showed the system to be effective allowing significant weaknesses to be ruled out. In addition, the Reporting Manager represented that the activities for the certification of the Annual Report 2024 were carried out in accordance with the methodology provided for by the SCIIF Guideline and covered all the significant processes of the Companies, which constitute the perimeter of reference (so-called Large Portion): Poste Italiane, Poste Vita, Poste Assicura, SDA Express Courier, PostePay, BancoPosta Fondi SGR, Postel, Nexive, LIS Holding and LIS Pay.

The Report by the Reporting Manager shows that the consolidation of the audits performed on a systematic and continuous basis (audits and the self-assessment process), and the progressive extension of the scope of analysis have contributed to maintaining a high level of supervision by the Reporting Manager on processes relevant to financial reporting. In the 2024 financial year, a residual number of exceptions continued to be recorded, confirming the achievement of a consolidated level of maturity of the internal control system.

All the phases of the attestation process (Perimeter Identification, Risk and Control Assessment, Control Assessment, Deficiencies and Remediation Plans) are fully supported by the GRC-Archer Group IT Platform, in order to facilitate the coordination and integration between the activities of the Reporting Manager and those of the other Compliance Specialists.

In addition, the audits conducted by the Reporting Manager on compliance with the provisions of the Corporate Crisis and Insolvency Code ("Crisis Code") confirmed the adequacy of the Company's organisational, administrative and accounting structures for the timely detection of possible signs of crisis or insolvency and loss of business continuity. In fact, in line with the process defined by Poste Italiane, for the purposes of verifying the adequacy of the organisational, administrative and accounting structure required by the Crisis Code, Group companies prepare a specific report to the Parent Company's Reporting Manager and to their respective Administrative and Control Bodies, and issue certifications that also include monitoring indicators of balance sheet, economic and financial equilibrium, business continuity, debt exposure and sector-specific indicators.

The evaluation of the SCIIF was carried out on the basis of the following verification activities: (i) Self Assessment: self-certification process of the controls performed by the Control Owners; (ii) Independent Monitoring: checks on the functioning of key controls performed by Internal Control; (iii) Company Level Control (CLC): checks on the transversal components of the control system performed by Internal Control; (iv) IT General Control: checks on the integrity of the IT Systems performed by the DTO function, with the support of external consultants; (v) Segregation of Duties (SOD): assessment of the level of segregation of the accounting systems, performed by the function that supports the DP and (vi) Letters of Certification received from Management (First levels of Poste and CEO Subsidiaries).

The various project initiatives completed during 2024 include:

- in the context of the cross-border merger project of the Funds established at BPF SGR named Multi Asset Funds ("FMA"), in order to oversee the process of consolidating the Reporting Packages of these funds in the Consolidated Financial Statements, roles, responsibilities and control oversights were formalised through the drafting of a 262 procedure, the checks required by the SCIIF Guideline (testing, Self Assessment, etc.) were performed, and a specific attestation was requested from management;
- the updating of the Commercial Credit Management Guideline, which a cross-functional working group worked on with the aim of optimising and simplifying the processes for managing non-performing loans, including referral to legal counsel.

In addition, the following evolutionary initiatives were launched in 2024 and are still ongoing:

- the strengthening of the monitoring process of high privilege users;
- the VAT Accounting Separation Process Review ("SCIVA") for the optimisation of the economic benefits related to the application of Accounting Separation;
- the application of the Control Model 262 on the relevant processes of the new company Poste Logistics;
- the activation of the control model synergies provided for in the Sustainability Reporting Internal Control System Guideline ("SCIIS").

In terms of the 2025 activity planning of the Reporting Manager, project initiatives include: (i) the definition and progressive implementation of the modalities for the integration and coordination of the SCIIF and SCIIS models; (ii) the monitoring of the progress of the Action Plans foreseen as a result of the exceptions found by the evaluation activities.

The Board of Statutory Auditors analysed the methodological framework and the audit plan adopted by the Independent Auditor and acquired the necessary information during the course of its work, with information on the audit approach used for the various significant reporting areas, as well as receiving updates on the progress of the audit assignment and on the main aspects for the attention of the Independent Auditor.

The Independent Auditor, with which we also periodically met in compliance with the provisions of Article 150, paragraph 3, of the CLF, for the mutual exchange of information, has not informed the Board of Statutory Auditors of any actions or events deemed to be censurable or of an irregular nature requiring specific reporting pursuant to Article 155, paragraph 2, of the CLF.

The administrative and accounting procedures adopted in preparation of the separate and consolidated financial statements, and of any other financial communication, have been drawn up under the responsibility of the Reporting Manager who, together with the Chief Executive Officer, has attested to their adequacy with regard to the nature of Poste Italiane and to their effective application.

The Board of Statutory Auditors has also examined the reports prepared by the Independent Auditor, appointed by Annual General Meeting of Poste shareholders to audit the separate and consolidated financial statements for the financial years from 2020 to 2028.

On 4 April 2025, the Independent Auditor issued its reports on the separate and consolidated financial statements for the year ended 31 December 2024, prepared pursuant to Article 14 of Legislative Decree 39/2010 and Article 10 of Regulation (EU) 537/2014. The Board has noted that the Auditor has confirmed in its Reports that the Statutory and Consolidated Financial Statements provide a true and fair view of the financial position of the Company as at 31 December 2024, the results of its operations and its cash flows for the year then ended and has not highlighted any qualifications or requests for information and refers to the Reports issued by the Auditor for details of the Auditor's opinions and statements.

The Board also noted that in the Additional Report prepared pursuant to Article 11 of EU Regulation no. 537/2014, the Auditor confirmed that the audit activities did not reveal any significant deficiencies in the internal control system in relation to the financial reporting process.

The Independent Auditor's Reports, issued in compliance with Article 10 of Regulation (EU) 537/2014, include information on key matters covered by the audit and the related audit procedures applied. These key aspects, as set out in the Reports on the Annual and Consolidated Financial Statements (goodwill impairment test: Measurement of the recoverable amount of the Cash Generating Unit ("CGU") Mail, Parcels and Distribution for the annual and consolidated financial statements and for the consolidated financial statements only (i) Goodwill impairment test: (a) Valuation of the recoverable amount of the PostePay Services CGU, (b) Valuation of the recoverable amount of the Net Insurance CGU (Insurance SBU) and (ii) Valuation of Liabilities under Insurance Contracts), as well as the opinions on the annual and consolidated financial statements, are in line with as indicated in the additional Report intended for the Board of Statutory Auditors, in its role as Committee for Internal Control and Statutory Auditing, prepared pursuant to Article 11 of the aforementioned Regulation.

The above key aspects were the subject of detailed analysis and updating during the periodic meetings that the Board of Statutory Auditors held with the Independent Auditor, including that of the investee Poste Vita S.p.A. and the Administration, Finance and Control function ("AFC").

In addition to the aforementioned issues, the Board of Statutory Auditors requested further clarifications from the AFC function, the Financial Reporting Manager, the Legal Affairs function and the Auditor, regarding (i) Tax credits, (ii) Multi-Asset Funds - Cross-Border Merger Project and Management to BPF SGR, (iii) Estimates on provisions for risks and charges as well as the nature of and risks associated with contingent liabilities with reference to legal litigation, (iv) Financial assets and liabilities, (v) Impairment test CGU Mail, Parcel & Distribution (CGU MP&D), (vi) Impairment test PostePay Services, (vii) Impairment test NET Insurance, (viii) ESMA - Main Requirements Public Statement of 24 October 2024.

The AFC Function and the Reporting Manager outlined the assessment logic adopted, as well as the support provided in terms of the accounting principles applied to the case. The line identified by management for the accounting treatment of the cases above has been analysed in detail and fully shared by the Independent Auditor.

The Board also held a specific meeting with the Auditor, in order to get an update on the progress of the activities carried out by the Company aimed at implementing "areas for improvement" suggested by the Auditor in the Additional Report pursuant to Article 11 of Legislative Decree no. 39/2010 of the year 2023. At the end of the meeting, the Board ascertained that these suggestions had been taken on board by the Company and the Company had started the relevant activities, which were completed, as also indicated in the Additional Report pursuant to Article 11 of Legislative Decree no. 39/2010 for 2024.

The Board verified that with regard to the Impairment test, the WACC and Ke at 31 December 2024 were determined using the internally developed methodology (1-year average for the benchmarks) and the g-rate was determined consistently with previous years. With regard to the issue of the purchase of tax credits by Poste Italiane, a subject characterised by continuous changes by the legislator and the publication of various Circulars issued by the Revenue Agency - Agenzia delle Entrate ("AdE") aimed at clarifying the interpretation of the regulations, as part of its supervisory activities, the Board of Statutory Auditors participated in various meetings with the corporate functions involved and with the Independent Auditors, in order to monitor the activities initiated by the Company, paying particular attention to the fiscal/tax, legal and accounting profiles, as well as to the aspects connected to the risk and responsibility of the assignees.

As part of this activity, in 2024 the Board of Statutory Auditors, in addition to continuing to monitor the status of the seizure orders on the Company's tax receivables, subject to assignment, in the Company's tax drawer, orders notified to Poste Italiane as the purchaser of the tax receivables, even if a bona fide third party, took note of the operational process conducted by the Company aimed at analysing the potential economic, financial and equity risks to which the Company itself could be exposed if the tax receivables acquired over time by the Company were to result from fraudulent conduct. A legal, tax and accounting analysis was conducted, and thereafter shared with the AdE, on these positions in order to comprehensively assess potential risks and determine their accounting impacts.

In the course of the various meetings held, the Board of Statutory Auditors acknowledged the outcome of this internal analysis, which entailed (i) the adjustment of receivables in the portfolio with the consequent recognition of charges net of the release of the provision previously established and (ii) the reversal of portions of receivables pertaining to years prior to 2024, and also positively evaluated the methodological framework used to determine the Provision for Risks on Tax Credits Law no. 77/2020 - established to cover probable liabilities related to preventive seizure proceedings as well as additional residual risks on the uses made of tax credits - after also hearing the Auditor, also acknowledging the methodological approach followed and taking into account the facts and circumstances known up to the date of preparation of the Financial Statements.

The determination of the aforementioned provision necessarily required the use of a significant degree of professional judgement, taking into account that there are still uncertain situations regarding the possible outcome of the proceedings and initiatives underway by the Judicial Authority and the AdE and the actions undertaken by the Company to ensure its interests are protected.

The Board of Statutory Auditors also noted that the Company, having received the feedback from the AdE, was able to consider the expenses related to the tax credits recognised in the 2022, 2023 and 2024 financial statements as deductible for IRES purposes, resulting in lower taxes.

During 2024, the Board of Statutory Auditors continued to supervise the administrative accounting set-up put in place by the Company to comply with IFRS17- Insurance Contracts- which came into force on 1 January 2023.

Finally, the Board of Statutory Auditors monitored the adequacy of the information provided in the Financial Report with respect to the guidelines required by ESMA for listed companies (Public Statement ESMA 32-193237008-8369 "European common enforcement priorities for 2024 corporate reporting" of 24 October 2024).

The Board, which since 2022 had followed the project and the main actions identified by the Company to follow up on the provisions of the Corporate Crisis and Insolvency Code (the “Corporate Crisis Code”), to consolidate and formalise, through a process of progressive application, a process and the information flows provided for by the current risk management model for the detection of possible signs of crisis or insolvency and loss of business continuity, continued to monitor the process initiated during 2024, both during meetings with the Reporting Manager and in the context of the information exchange with the control bodies of the main Subsidiaries.

The Board of Statutory Auditors, while considering that the Poste Group, as a listed company, already has a structured control system with regard to Group risks, and noting that the Parent Company has well conveyed its policy and coordination activities, in the course of the exchanges of information with the Control Bodies of the Subsidiaries, noted the identification by the main Subsidiaries of "customised" indicators to be able to intercept risks specific to the sector and/or business of the individual Subsidiary.

The financial statements also contain information on any liabilities and costs that may arise from pending legal proceedings. The Board of Statutory Auditors, together with the relevant Company functions, examined in detail the methodology and process adopted in the analysis of litigation and in the analysis and evaluation of provisions for risks and charges for major disputes, and it requested to be periodically and promptly updated on the evolution thereof.

In line with the recommendations contained in the joint Bank of Italy/Consob/ISVAP document no. 4 of 3 March 2010 and Consob Communication no. 0003907 of 19 January 2015, the goodwill impairment test procedure applied by the Group, in compliance with international accounting standard IAS 36 and the recommendations contained in the Organismo Italiano di Contabilità (Italian Accounting Standards Setter) document "Impairment and Goodwill" of May 2011, is submitted annually to the advisory opinion of the Control and Risk Committee ("CCR") and, subsequently, to the prior approval of the Company's Board of Directors.

The explanatory notes to the half-yearly report at 30 June 2024 and to the financial statements at 31 December 2024 provide information and the results of the valuation process carried out by the Company: the Board of Statutory Auditors, through discussions with the Reporting Manager and with the independent auditors, during the meetings periodically scheduled as part of the scheduled exchanges of information for the performance of their respective duties, monitored said process and has no observations in this regard. In detail, following the identification of groups of assets able to generate cash inflows largely independent of those deriving from other assets or groups of assets, in addition to the Mail, Parcel & Distribution ("MP&D") Cash Generating Unit ("CGU"), the Postepay Service and Net Insurance (sub-consolidated Net Insurance - Net Insurance Life) CGUs were identified, on which the Impairment test at 31 December 2024 was performed consistently with: (i) the accounting standard IAS 36 "Impairment of Assets"; (ii) the indications of the relevant institutional bodies (ESMA, Consob); (iii) the Impairment Test Implementation Guidelines approved by the Board of Directors of Poste Italiane in 2016 and updated in 2023; and (iv) the organisational model of the Poste Group. The Board of Statutory Auditors verified that the Weighted Average Cost of Capital (WACC) and the Cost of Equity (Ke) used for the Impairment tests at 31 December 2024 were determined using the method developed internally consistently with the previous year. The growth rate ("g-rate") is the expected exit rate in the end of the projection period (2028) and corresponds to the figure provided periodically by the International Monetary Fund. The explicit cash flows are those derived from the Group's Strategic Plan 2024-2028 "The Connecting Platform", consistent with and taking into account the Group's ESG objectives. The discounting of the operating cash flows for the period for the industrial CGUs was carried out using the Discounted Cash Flow ("DCF") method, which involves the discounting of the operating cash flows obtained from the Group's approved plans at a rate representative of the weighted average cost of capital ("WACC"), while for the insurance and financial CGUs, in order to take into account the specificities of the sector in which they operate, the valuation method used is the Dividend Discount, which involves the discounting of the expected dividend flows at a rate representative of the cost of capital.

The MP&D CGU comprises not only mail and parcel management activities, but also those related to the omnichannel distribution network and the corporate functions that support all the Group's business sectors. For the purposes of the impairment test, Postel, Nexive, Sengi, MLK, SDA, Consorzio Logistica Pacchi, Poste Air Cargo, Patenti Via Poste, EGI, Poste Welfare Servizi, Consorzio Poste Motori, Plurima, Agile, Sourcesense, Poste Logistics, SPV Cosenza and PosteGo were also included in the perimeter of the MP&D CGU and the terminal value was estimated by projecting the cash flows of the last year of the explicit period (2028) into "perpetuity", adjusted for components that cannot be projected beyond the Plan period. The normalisations applied, determined in continuity of method with previous impairment tests, relate to non-recurring personnel costs and adjustment of amortisation/depreciation to values considered average/normal, sustainable over the long term

In addition to PostePay, the companies LIS Holding and LIS Pay were included in the PostePay Services CGU.

The Board of Statutory Auditors, having also consulted with the Independent Auditor, positively assessed the methodological framework underlying the impairment tests performed on the MP&D, PostePay Services and NET Insurance CGUs and took note of the test results on the basis of which the appropriateness of the balance sheet values was confirmed (also following sensitivity analyses on discount rate and g). The Board of Statutory Auditors acknowledged that the Administrative Body carried out the periodic monitoring of the Impairment test referring to the MP&D CGU and approved the Impairment tests of the MP&D, PostePay Services and Net Insurance CGUs in March 2025.

The Independent Auditor confirmed to the Board of Statutory Auditors its agreement with the overall impairment procedure, as well as the detailed application profiles. The impairment tests showed that the Recoverable Amount was higher than the carrying amount, making impairment unnecessary.

The Independent Auditor has not reported any events or circumstances identified during the audit that might cast significant doubt on the entity's ability to continue as a going concern, nor has it reported any significant deficiencies in the internal control system on financial reporting and/or in the accounting system, or any significant instances of non-compliance, whether effective or assumed, with laws and regulations or the Articles of Association, that have come to light during its audit.

The Board of Statutory Auditors held a specific meeting with the Data Protection Officer ("DPO") of the Poste Italiane Group during which it was updated on the existing controls in the Group, taking into account that the Group has long had a document framework on the protection of personal data available to all Poste Group employees in the "Privacy" section of the company intranet, consisting of a series of Guidelines and Procedures, divided by area, based on the specific type of compliance required by the GDPR, which for Group logic has also been implemented in the Group Companies. These safeguards, with a view to uniform management of personal data, compliance and continuous improvement, guarantee the compliance with the GDPR provisions, ensuring respect for the principles enshrined therein.

5. Oversight of the sustainability reporting process. Observations and proposals regarding any qualifications or emphases of matter contained in the Independent Auditor's report.

The Board of Statutory Auditors - which until last year supervised, in the exercise of its function, the observance of the rules governing the preparation and publication of the Non-Financial Statement (NFS) within the scope of the Company's integrated financial statements - in October 2023, in view of the transposition of the Corporate Sustainability Reporting Directive (CSRD) into Italian law, held a meeting with the Independent Auditor to gather initial thoughts on CSRD.

Subsequently, it participated in an induction session on "Sustainability in the Poste Italiane Group" held in November 2023, which was followed by further in-depth meetings in 2024 aimed at acquiring information on the activities undertaken by both the Company and the Auditor to comply with the CSRD. As is known, the transposition of the CSRD Directive in Italy took place with the publication in the Official Journal, on 10 September 2024, of Legislative Decree no. 125/2024 of 6 September 2024 ("Legislative Decree no. 125/2024").

In light of the regulations introduced into our legal system by Legislative Decree no. 125/2024 and in compliance with the provisions of the Rules of Conduct of the Board of Statutory Auditors of listed companies processed by the CNDCEC and, in particular, the recent Rule Q 3.8 *bis*, introduced in the December 2024 update, the Board of Statutory Auditors has monitored during the year 2024, and to date on compliance with the provisions established by the regulations on Sustainability Reporting, checking the effectiveness of the Internal Control and Risk Management System as well as the effectiveness of Internal Auditing.

In the course of various meetings held with the Head of the Group Sustainable Development department ("SSG") and most recently in the meeting held on 4 March 2025 with the Head of the Human Resources and Organisation function, the Board, taking into account the nature and size of the Company, has explored its knowledge of the structures in charge of the Sustainability Reporting process verifying the existence of (i) an adequate organisational structure in charge of Sustainability Reporting in terms of human and economic resources and (ii) directives, procedures and operating practices adopted by the Company in order to ensure that the consolidated Sustainability Report is timely, complete and reliable, in the knowledge that the Board of Directors is responsible for structuring the process of producing the Sustainability Report.

The Board of Statutory Auditors monitored the adequacy of the administrative and accounting system, also for the purposes of Sustainability Reporting, and the implementation and receipt of adequate periodic information flows, both quantitative and qualitative, functional to the definition of the Sustainability Report.

Considering that the Company deemed it appropriate to appoint a person other than the Financial Reporting Manager as the Sustainability Reporting Manager, in December 2024 the Board of Statutory Auditors rendered its opinion preparatory to the approval of the "Sustainability Reporting Internal Control System Guideline (“SCIIS Guideline”)" and the mandatory opinion preparatory to the appointment of the Sustainability Reporting Manager. At its meeting of 12 December 2024, the Poste Board of Directors therefore approved the new Guideline on the Internal Control System on Sustainability Reporting (SCIIS) and appointed the Sustainability Reporting Manager, approving the related Regulations.

In the course of several meetings, the Board of Statutory Auditors acquired information on the activities planned and subsequently carried out for Sustainability Reporting by the Sustainability Reporting Manager.

The Board of Statutory Auditors also monitored, in the course of several meetings with the Sustainability Reporting Manager, compliance with the provisions of the regulations on corporate sustainability reporting and the Sustainability Reporting process. In particular, during the meeting of 18 February 2025, the Board examined the criteria for the definition of the Sustainability Report, the structuring of the Report and noted that the perimeter of the Sustainability Report, also shared with the Independent Auditors, is concise with that of the consolidated financial statements, thus including the Parent Company and 39 Subsidiaries. In addition, the Board of Statutory Auditors verified that the value chain mapping activity, introduced *ex novo* by the CSRD, had also been completed in November 2024, and that the Dual Materiality Analysis had been completed in December 2024, the results of which were extensively illustrated to the Board of Statutory Auditors during the meetings of 19 February 2025, at which specific focus was provided on the results of both the Impact Analysis and the Financial Analysis.

With reference to CSRD Governance and the Internal Control System on Sustainability Reporting ("SCIIS"), the Board acknowledged that the internal control system guideline directing sustainability reporting was approved by the BoD on 12 December 2024 and was informed by the Sustainability Reporting Manager that the SCIIS was also in the process of being incorporated by the Poste Group Companies and that letters of attestation had been sent to the CEOs of the Subsidiaries and to all first-level managers of the Parent Company. Furthermore, the Board was informed of the start of end-to-end testing by the Internal Control Department on the first 5 Data Points: (i) E1-5- Energy consumption from renewable sources, (ii) E5-5- Total amount of waste produced, (iii) S1-13- Average number of training hours, (iv) S1-14- Number of accidents at work and (v) G1-4- Number of convictions and amount of fines for active and passive corruption.

The Board of Statutory Auditors acquired the "Report of the Sustainability Reporting Manager of Poste Italiane S.p.A. to the Board of Directors" in which the Sustainability Reporting Manager described the SCIIS assessment activities for the purposes of certifying the Sustainability Report included in the Report on Operations of the Annual Financial Statements at 31 December 2024, in accordance with the provisions of Article 154-bis, paragraph 5-ter of the CLF, specifying that the activities were carried out in line with the methodology envisaged by the SCIIS Guideline and concerned the Data Points falling within the scope of the first implementation of the SCIIS, which envisages a progressive path of application, with the goal of full implementation by the financial year 2026. With reference to 2024, taking into account that this is the first implementation of the SCIIS for the purposes of the 2024 Sustainability Report, the results of the checks carried out for the assessment of the SCIIS - performed on the basis of the assessment conducted (process of defining and sharing the controls performed by the Control Owners), the independent monitoring performed by the Internal Control function and the Letters of Attestation received from Management (first levels of Poste Italiane and CEO of the Subsidiaries) - showed that the controls implemented were effective, excluding significant deficiencies and significant points of weakness.

During the meeting held on 24 March 2025, the Board of Statutory Auditors also verified that the Consolidated Sustainability Report was prepared by the directors in accordance with the provisions set forth in Legislative Decree No. 125/ 2024 and the procedures implemented by the company for the purpose of complying with the reporting standards adopted by the European Commission pursuant to Article 29-ter of Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013.

On that occasion, the Sustainability Reporting Manager reported that in the "Environmental Information" section of the Sustainability Report, the Poste Italiane Group has included information in terms of KPIs with reference to both the industrial and financial segments, thus complying with the reporting methods of mixed groups, provided disclosure of information useful to respond to the EU Taxonomy Regulation 2020/852 (with the specific regulations issued in 2024 - FAQ of reference) and all the information regarding the management of relevant IROs, metrics and objectives of topics E1, E2, and E5. The Sustainability Reporting Manager certified the compliance of the Sustainability Report with the ESRS reporting standards and the EU Taxonomy Regulation.

Also at the meeting of 24 March 2025 and subsequently at the Board meeting of 26 March 2025, the Board of Statutory Auditors verified that the Sustainability Report was structured in a manner consistent with the provisions of Articles 3 and 4 of Legislative Decree no. 125/2024 and with the strategic objectives and corporate policies set forth in the 2024-2028 Strategic Plan, as well as that it contained information on i) the impact of the company's activities on the environment, social and governance ("inside-out") and ii) the way in which the risks and opportunities arising from sustainability issues affect the company's economic-financial performance ("outside-in").

The Board of Statutory Auditors carried out an overall check on the correctness of the process on the basis of which the Consolidated Sustainability Report was drawn up, and acquired the appropriate attestation from the Chief Executive Officer and the Sustainability Reporting Manager, an attestation that was provided in accordance with the model established by Consob regulations. In this regard, the Board, given the fact that these reports are new, believes that the process needs to be further consolidated, particularly with regard to the definition of the underlying detailed procedures.

Regarding the audit of the Sustainability Report, as the Poste Italiane Group has chosen - pursuant to Article 8, paragraph 2 of Legislative Decree no. 125/2024 - to appoint Deloitte & Touche S.p.A. as the Auditor in charge of the statutory audit of the financial statements, the Board of Statutory Auditors, in order to be able to express its opinion on this choice and to analyse the contents of this engagement, for the profiles of its own competence, has on several occasions initiated discussions both with the function in charge of sustainability reporting (SSG function) and with the Financial Reporting Manager, also meeting with the Independent Auditor to be able to analyse in detail the activities that it should have carried out on sustainability reporting. At the outcome of its own preliminary investigation and on the basis of the documentation received, in line with current legislation on the statutory audit of accounts, as well as with the current Guideline for the assignment of engagements to the Independent Auditors, the Board of Statutory Auditors, for the profiles falling within its competence as indicated above, expressed its favourable opinion on the proposal to integrate the fees to the Independent Auditors for the additional activities for the purpose of certifying compliance of the Sustainability Report, pursuant to Legislative Decree no. 125/2024 (implementation of the CSRD).

As the Internal Control and Audit Committee, the Board of Statutory Auditors monitored the attestation activity of the consolidated sustainability report during various exchanges of information with the Independent Auditors and in particular with the Deloitte Team dedicated to the audit of the Sustainability Report (Team), analysing the methodological framework adopted by the Auditor and monitoring the progress of the audit procedures and the evidence emerging from them on a timely basis. The Board ascertained that the Team dedicated to the task has been strengthened with the inclusion of specialists in the area of Sustainability Reporting in order to adequately perform the new activities required by the changing regulatory context and to meet the needs of the Poste Italiane Group, as well as noting that for such staff, additional, specific training had also been delivered.

In addition, the Board of Statutory Auditors reviewed with the Sustainability Reporting Manager and the Auditor the main issues arising from the Sustainability Report attestation, and found that no significant deficiencies were found in the internal control system or in the Company's administrative-accounting system.

The Board also acquired from the Auditor the "Report of the Independent Auditors on the limited examination of the consolidated sustainability report pursuant to Article 14-bis of Legislative Decree no. 39/2010" issued on 4 April 2025, noting that the Auditor has certified that, on the basis of the work performed, no matters have come to attention that have led to believe that (i) the consolidated sustainability report of the Poste Italiane Group for the year ended 31 December 2024 has not been prepared in all material respects, in accordance with the reporting standards adopted by the European Commission pursuant to Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also referred to as "ESRS") and that (ii) the information contained in section "8.2 Environmental Information", paragraph "8.2.1. European Taxonomy Regulation" of the Consolidated Sustainability Report have not been prepared, in all material respects, in accordance with Article 8 of Regulation (EU) no. 852 of 18 June 2020 (hereinafter also "Taxonomy Regulation").

Moreover, in the course of specific information exchange with the Auditor, in addition to reviewing the "significant issues" that emerged from the limited assurance engagement of the Poste Italiane Group's Consolidated Sustainability Report for the year ended 31 December 2024, the Board also examined the main relevant aspects reported by the Auditor for the first year of application of the CSRD, as well as the points of improvement identified and the related suggestions made by the Auditor and addressed to management.

The Board of Statutory Auditors shall inform the company's Board of Directors of the outcome of the attestation of the Sustainability Report and of any comments made, in due time before the date of the Shareholders' Meeting.

6. and 7. Information on any complaints presented pursuant to Article 2408 of the Italian Civil Code and petitions

During the 2024 financial year, only one complaint was received pursuant to Article 2408 of the Italian Civil Code for facts deemed "reprehensible", sent on 28 August 2024 by a natural person, who declared being a shareholder but failed to provide evidence of the shareholding (in any case, the latest evidence revealed a holding of 2 shares)), which was addressed to the Board of Statutory Auditors of Poste Italiane S.p.A. and the Chair of Consob. In the aforementioned complaint, the shareholder complained that at the Shareholders' Meeting held on 31 May 2024, the request made by him to censure the holding of the 2023 Shareholders' Meeting "behind closed doors", as well as the failure to provide for the exercise of the right of withdrawal connected with the amendment to the Articles of Association, was not put to a vote. After examining the complaint and carrying out the internal investigation, which involved the Corporate Affairs function, the Board of Statutory Auditors found that i) the complaint contained formal errors in the heading and that no proof of shareholder ownership had been provided by the complainant and ii) that the complaint was in any case to be considered unfounded because the new Article 11.6 of Poste's Articles of Association - an amendment to the Articles of Association approved by the Shareholders' Meeting held in May 2024, which allows the Company to hold Meetings "behind closed doors" - was legitimised by the new legislation introduced by Article 11 of the Capital DDL, which allowed companies to provide, by means of a special amendment to the Articles of Association, that attendance and voting at the shareholders' meeting take place exclusively through a representative appointed by the company, in the manner provisionally introduced by Decree Law no. 18/2020 (so-called "Cura Italia Decree"). On the basis of this evidence, the Board found that Poste had acted in accordance with the law and therefore closed the investigation by ordering the complaint to be dismissed as unfounded.

Moreover, on 12 February 2024, the Board received a complaint sent to the Chair of the Board of Statutory Auditors and to the Corporate Affairs Department of Poste Italiane S.p.A. by a natural person, who declared being a shareholder but failed to provide evidence of the shareholding (in any case, the latest evidence revealed a holding of 3 shares), concerning the decision of the Italian Competition Authority (AGCM), passed on 16 July 2024, requesting Poste Italiane to prepare an offer reflecting the same technical and economic conditions applied to PostePay to be made public to competitors on similar terms to those applied to PostePay. The board found that the requirements set forth in Article 2408 of the Civil Code were not met and proceeded to dismiss the complaint, reserving the right to continue monitoring the development of the case as well as the outcome of the proceedings initiated against Poste. The Board subsequently learnt that Law Decree no. 113 of 9 August 2024 converted into Law no. 143 of 7 October 2024 repealed Article 8 paragraph 2-quater that provided for an obligation for SGEI operators to give access to their infrastructures under equivalent conditions to competitors. As a result of the repeal, the regulatory prerequisite on which the AGCM request was based in the complaint has lapsed. Moreover, the Board monitored that the Company has already timely challenged the AGCM measure before the Lazio Regional Administrative Court.

Finally, during the financial year and up to today, the Board of Statutory Auditors has received several reports of poor service from customers/third parties, not attributable to the complaints pursuant to Article 2408 of the Civil Code, nor to complaints following which it has asked the Company to carry out the necessary investigations with the competent functions. On the basis of the checks carried out on the reported facts, which the Company took prompt action to manage and resolve, the Board did not find any irregularities to be reported to the Shareholders' Meeting.

8. and 9. Oversight of the independence of the Independent Auditor. Disclosure of any additional non-audit engagements or ongoing relations with associates of the Independent Auditor and the related costs.

The Board of Statutory Auditors has received the Independent Auditor's annual declaration verifying its independence, drawn up pursuant to Article 6, paragraph 2, letter a) of Regulation (EU) 537/2014 and paragraph 17, letter a) of ISA Italia 260, which confirms compliance with the ethical principles required by articles 9 and 9-bis of Legislative Decree 39/2010, not having identified situations that could compromise the Independent Auditor's independence in the period from 1 January 2024 until the date of issue of the declaration (5 April 2025).

Annexed to the notes to the Company's separate financial statements is a section entitled "Disclosure of fees paid to the Independent Auditor in accordance with Article 149-*duodecies* of the CONSOB Regulations for Issuers", which includes a table showing the fees payable to the Independent Auditor, Deloitte, and companies within its network for the year under review.

In view of:

- ✓ the independence declaration issued by Deloitte pursuant to Article 6, paragraph 2, letter a) of Regulation (EU) 537/2014 and paragraph 17 of ISA Italia 260 and the transparency Report prepared by it and published on its website pursuant to Article 13 of the above Regulations;

- ✓ the engagements assigned to the Independent Auditor and companies within its network by Poste Italiane and Group Companies;

the Board is not aware of any situations in which the Independent Auditor's independence has been compromised.

The assignment of engagements to the Independent Auditors is governed by the "Guideline for the assignment of engagements to the Independent Auditors" ("Guideline") issued in 2017 in order to ensure the transposition of the European regulatory evolution (EU Regulation no. 537/2014), aimed at safeguarding the independence requirement of the entity entrusted with the statutory audit of the accounts and to provide guidance on the assessment process when Poste and its subsidiaries confer engagements to the Independent Auditors, its network or related entities, subsequently updated on 11 May 2022.

In line with Regulation (EU) no. 537/2014 and pursuant to the Current Guideline, the Board of Statutory Auditors, during the 2024 financial year and up to the date of issue of this Report, has issued a favourable opinion on the following additional assignments entrusted by the Group to companies belonging to the Independent Auditor's network and falling within the "other services" category:

Engagement	**Company**
Extension of the activities entrusted to Deloitte Consulting under the scope of the "Sector actions in the field of multi-bank counting rooms" Project	Deloitte Consulting S.r.l.
Agreed verification procedures on the declaration of Sengi Express Limited HK 2023/2024	Shanghai Deloitte Tax Ltd.
Agreed verification procedures on the declaration of Sengi Express Guangzhou Limited 2023/2024	Shanghai Deloitte Tax Ltd.

Furthermore, with reference to the proposed Public Offer of a share package of Poste Italiane S.p.A. held by the shareholder MEF resulting from the approval of the Prime Ministerial Decree, the Board of Statutory Auditors during the financial year approved the audit assignments requested.

With reference to the integration of the fees to the Independent Auditors for additional activities for the purpose of certifying the compliance of the Sustainability Report, pursuant to Legislative Decree no. 125 of 6 September 2024 (implementation of the CSRD), the Board of Statutory Auditors conducted an in-depth investigation for the profiles within its competence, ascertaining compliance with the principles of proper administration, as well as verifying compliance with the law and the Articles of Association and the Company's internal (procedural) regulations, also thanks to the discussion on the assignment under review - during various meetings - with the function in charge of Sustainability Reporting, i.e. the Group's Sustainable Development function, with the Financial Reporting Manager and with the Independent Auditor. In addition, the Board of Statutory Auditors, during a specific meeting, analysed in detail the activities within the competence of the Independent Auditor on the Sustainability Report, reported in the Deloitte Audit Plan, which, although not required by internal regulations, was prepared by the Auditor at the request of the Board. At the end of its own preliminary investigation and on the basis of the documentation received, in line with the authorisation process for the entrusting of additional services provided for by current legislation on statutory auditing, as well as the Guideline - for the profiles of its own competence as extensively referred to above, the Board of Statutory Auditors expressed a favourable opinion on the adjustment of the fees with reference to each of the financial years from 2024 to 2028.

The table below shows the total amount of fees charged to Poste and its Subsidiaries in the period from 1 January 2024 to 31 December 2024 (in thousands of euros):

Poste Italiane S.p.A.	Audit Deloitte & Touche S.p.A.	2,229
	Attestation Services Deloitte & Touche S.p.A.	678
	Other services Deloitte & Touche S.p.A.	17
	Other network services Deloitte & Touche	38
Subsidiaries	Audit Deloitte & Touche S.p.A.	2,553

	Audit network Deloitte & Touche	48
	Attestation Services Deloitte & Touche S.p.A.	839
	Other network services Deloitte & Touche	9
Total 6,411 (of which 1,417 required by law or regulation)		

The Board of Statutory Auditors, with the support of the AFC function, has periodically monitored compliance with the quantitative limits for assignments to the Independent Auditor and its network for services other than auditing - which, as established by Article 4 paragraph 2 of Regulation (EU) no. 537/2014, must be capped at 70% of the average fees paid in the previous consecutive three years for the audit of the accounts of the audited entity.

Finally, the Board of Statutory Auditors, in compliance with the Guideline for the assignment of engagements to the Independent Auditors - Poste Italiane Group, was informed of the audit assignments that were not subject to approval.

10. Disclosure of opinions issued pursuant to the law during the year.

The Board of Statutory Auditors issued: (i) the opinion on the update of the "Management of Transactions with Related and Connected Parties" Guideline adopted by Poste Italiane S.p.A. pursuant to Consob Regulation no. 17221/2010 and Bank of Italy Circular no. 285/2013, as amended and supplemented; (ii) the opinion on the appointment of the Sustainability Reporting Manager and (iii) the opinion on the new "Sustainability Reporting Internal Control System ("SCIIS") Guideline" prepared by Poste Italiane S.p.A. In the previous Report, the Board had already reported on the opinions issued on 27 February 2024, regarding the proposal for a contractual determination concerning the economic and regulatory treatment of the Chief Executive Officer, pursuant to Article 2389, paragraph 3, of the Civil Code and the proposal to update the compensation to be paid to the members of the Board Committees, pursuant to Article 2389, paragraph 3, of the Civil Code.

11. Disclosure of the frequency and number of meetings of the Board of Directors, the Executive Committee and the Board of Statutory Auditors.

During the year, the Board of Statutory Auditors took part in a total of 75 meetings, meeting 35 times in the Board of Statutory Auditors (of which 10 meetings held jointly with the Control and Risk Committee), with an average duration of the meetings of around 2 hours and 40 minutes, participating in all the meetings of the Board and those of the internal Board Committees; more specifically, the Board attended 11 meetings of the Board of Directors, 10 meetings of the Control and Risk Committee (held jointly with the Board of Statutory Auditors), 8 meetings of the Sustainability Committee, 6 meetings of the Nominations and Corporate Governance Committee, 9 meetings of the Related and Connected Parties Committee, 5 meetings of the Remuneration Committee, as well as 1 Ordinary General Meeting. In addition, the Board participated in eight Induction sessions and four Conference Calls to present the business plan and periodic results to the market.

Lastly, the Magistrate appointed by the Italian Court of Auditors to oversee Poste Italiane financial management pursuant to Law no. 259/1958, Article 12 has been invited to attend meetings of the Board of Statutory Auditors with external relevance.

12. and 13. Observations on compliance with correct corporate governance principles and the adequacy of the organisational structure.

The Board of Statutory Auditors oversaw, within the scope of our responsibilities, the adequacy of the Company's organisational structure and, more generally, that of the Group as a whole, based on the information and constant updates provided by the Company on its organisational arrangements (also receiving prompt Company service orders on the Board’s corporate account), as well as by dedicating a specific meeting to this issue with the Head of the Human Resources and Organisation function ("RUO"). The Board of Statutory Auditors was amply informed of the main organisational changes that took place during the financial year 2024, which are in line with the transformation project launched some time ago and confirm the guiding principles underlying the Poste Group's organisational model, set out below: (i) the organisation acts as an ecosystem platform, to guarantee better levels of customer experience and strengthen synergies between its activities and those of its market partners (ii) the centralisation of staff functions favours specialisation and economies of scale, (iii) business functions dedicated to the Group's service development activities, and (iv) territorial governance through policies, procedures and guidelines issued by central functions to ensure homogeneity of approach and dissemination of best practices.

Consistent with the special attention shown by Poste towards issues relating to risk management, compliance and sustainable development, and in continuity with the many initiatives launched since 2027 and the processes implemented by the Group to strengthen the risk management model and the sustainable development model over time, in September 2024, two functions reporting directly to the General Manager were established: (i) Group Risk and Compliance ("RCG") and (ii) Group Sustainable Development ("SSG"), respectively in charge of overseeing the Group's integrated risk management and compliance model, fraud management, 231 oversight, management systems, and strengthening the governance of the Poste Group's sustainable development strategy and constantly improving sustainability performance, in line with the ESG Strategic Plan. At the same time, the Group Sustainable Development Risk and Compliance ("SSRCG") function was superseded and the Group Supplier Register was allocated to Purchasing.

In this context, the Board also expressed a favourable opinion on the appointment of Ms. Andreana Esposito, Head of the Group's Sustainable Development Department, as Sustainability Reporting Manager by the Board of Directors on 12 December 2024.

Furthermore, the Board took note of the main organisational interventions that concerned: (i) the Postal, Communication and Logistics area, for which the main lines of action of the overall project to reorganise the Group's Logistics Network have been defined, including the creation of a new division dedicated exclusively to parcel delivery, called the Courier Network; (ii) strengthening the express courier and parcels business, through a review of the Service Model in order to optimise commercial action and ensure better management of customer needs (iii) the Human Resources area, for which, in line with the process of centralising the management of HR processes at Group level in Poste's RUO function, a single HR department has been identified for all Group companies not included in the perimeter of supervised companies - HR Business Partners Logistics and Services Companies (iv) in the area of Purchasing, into which in September 2024 both the management of supplier qualification and sponsorship and product placement activities, previously carried out within the SSRCG function, were merged; and (v) in the area of Corporate Protection, in March 2024 the perimeter of responsibility of the Information

Security and CERT functions was redefined due to the recent developments in the legislation on information security and cybersecurity (NIS Directive 2, Dora) that require the adoption of appropriate measures for the management of ICT risks, guaranteeing the necessary separation between operational and control functions, and the areas of occupational health and safety, environmental protection and physical safety have been strengthened through the establishment of two coordination garrisons for Group companies in these areas.

With regard to the adequacy of the organisational structure, reference is also made to what has already been indicated in paragraph 4 on the implementation of the warning indicators set out in the Crisis Code. In this regard, in accordance with the guidelines of the National Institute of Chartered Accountants and Accounting Experts in its March 2024 document on the new report of the Board of Statutory Auditors, it is specified that the Board:

- it did not make any reports to the administrative body pursuant to Article 25-octies of Legislative Decree no. 14 of 12 January 2019;
- it has not received any reports from public creditors pursuant to Article 25-novies of Legislative Decree no. 14 of 12 January 2019;
- it has not received any reports from the statutory auditor pursuant to Article 25-octies of Legislative Decree no. 14 of 12 January 2019.

Therefore, taking the above into account, the Board of Statutory Auditors has not identified any elements that could lead it to deem the organisational structure inadequate.

14. Oversight of adequacy of the Internal Control and Risk Management System.

With regard to the Internal Control and Risk Management System, the Board has noted the information on the system provided in the Report on Corporate Governance and the Ownership Structure on the Internal Control and Risk Management System.

The Board of Statutory Auditors met periodically with the Head of the Poste Italiane Internal Control function and, among other things, conducted in-depth discussions of the results of the activities carried out in 2024, during the various specific meetings; it also acknowledged, during March 2025, the "Group Report on Assessment of the adequacy of the 2024 Internal Control and Risk Management System ("SCIGR"), drawn up by the Poste Italiane Internal Control function, certifying that "*at the date of this report and for the relevant reporting period, the internal control and risk management system, taken as a* *whole, is fit for the purpose of mitigating the risks that threaten the successful pursuit of the Company's objectives"*.

In expressing this assessment, the Internal Control function, in addition to integrating the evaluation results represented during the year by the other corporate control functions envisaged by the SCIGR, considered (i) the results of the verification and evaluation activities, (ii) the evaluation results represented during the year by the other corporate control functions envisaged by the SCIGR, (iii) the main developments of the SCIGR and in particular the initiatives to strengthen it, (iv) the compensatory controls and improvement actions implemented and/or in the process of being implemented in light of the activities carried out and the findings relating to the SCIGR highlighted by the BancoPosta Internal Auditing Function and the Audit functions of the Group Companies, (v) further events with potential impacts on the SCIGR, including corporate project initiatives in specific operational areas, completed or in the process of progressive implementation, (iv) the evidence deriving from the management of the Whistleblowing reporting system.

The audit results received by the Board, as well as the summary concerning the overall assessment of the SCIGR, showed that in 2024, the overall assessment value was an improving score that confirms an assessment of full adequacy, respecting the balance between effectiveness and the low cost nature of the control system.

The assessment of the internal control system by the appointed internal functions is based on the appreciation of naturally opposing elements such as the effectiveness and cost-efficiency of its controls.

The activities envisaged in the 2024 Audit Plan were completed by ensuring the planned levels of audit coverage of business processes, necessary to express the Overall Assessment of the Internal Control System from a Positive Assurance perspective. In addition, a high level of coverage was also achieved of multiple processes concerning Group Subsidiaries, taking into account the supervision performed by the Audit functions of Group Companies, where present.

The system of controls in the "Information Technology" area confirms an assessment of adequacy, although it has emerged that there is a need to strengthen the security controls relating to transversal issues such as the security of micro-services (software architecture on which the main new platforms are based), hardware and software technological obsolescence, and alignment with corporate security policies (in particular hardening and patching processes).

The Management of Transport Networks shows an assessment of inadequacy mainly attributable to the management of logistics providers and in this regard, actions have been planned to strengthen the supervision, with particular attention on the integration mode with regard to pre-advising data, useful for the qualification of vehicles and drivers at the processing centres, on the documentation on board the vehicles, on the state of efficiency and maintenance of vehicles used in last mile logistics processes and on compliance with OSH requirements. Action is also taken in this area following a specific request by the Whistleblowing Committee.

For the subsidiary Plurima, the opportunity arose to evaluate possible synergies with the parent company regarding make or buy choices in fleet management, while adopting an evaluation model to support procurement. Again in relation to the audit analysis carried out on Plurima, a control system was found to be inadequate to oversee overall risks, with the need to introduce transversal risk assessment processes to support the greater structuring of controls and to complete the integration process with the Parent Company regarding the formalisation of certain procedures.

The Off-Premises Channel continues to record a rating at the borderline of adequacy, highlighting as areas of attention the management of the service model of the parcel product and the need to strengthen the coordination methods between direct and indirect channels.

The Board of Statutory Auditors, also following the meetings held with the Control Bodies of the most relevant Group Companies, periodically acquired information on the risk areas present in the Subsidiaries as a result of certain reviews of the Group's organisational structure. From the audit results received by the Board, as well as the summary inherent to the overall assessment of the SCIGR at the Subsidiaries, the Board found that the Internal Control System of the Group Companies is still not homogeneous.

In particular, the audit activities carried out on the processes of the subsidiary Poste Welfare Servizi revealed an internal control system that is still inadequate in relation to the main business, governance and compliance processes, and the strengthening plans defined by management are currently being implemented, while those relating to updating the Organisational 231/01 Model and the areas of health and safety at work, as well as the formalisation of the process and controls on the termination of relations by contracted facilities, have already been completed.

The audit activities carried out on Agile Lab and Sourcesense - a recently acquired company - revealed inadequate internal control systems for both of them, with the need to finalise a path of integration into the Group also through the implementation of the Guidelines and the structuring of a risk assessment process and process management models aimed at ensuring compliance with applicable regulations.

With regard to SDA integrated logistics and warehouse services (under reorganisation on the Poste Logistics company), the need for greater formalisation of procedures and controls was noted, as well as the integration of management information systems to support activities.

The activities conducted on the company Nexive, while noting the completion of several action plans defined by management, revealed an internal control system of processes for assessing the reliability of logistics service providers and related invoicing that was still inadequate, with actions needed to mitigate areas of concern.

In summary, while noting a positive process in progress, the audit evidence points to the need for further consolidation of the Action Plans to achieve control levels in the Subsidiaries in keeping with the Parent Company's standard.

The Board of Statutory Auditors took steps to obtain information and continuous updates on any disputes existing in the Subsidiaries, in particular during the periodic meetings held with the Control Bodies of the Group Companies.
In this respect, during 2024, the Board of Statutory Auditors held information exchanges with the main Group Companies, including recently established ones such as Poste Logistics S.p.A. and Abile Lab, and with the Chief Executive Officer of the Subsidiary Sengi Express Limited HK ("Sengi HK") in order to receive information on the organisational structure and operational aspects of the Subsidiaries.
With particular reference to the subsidiary Sengi Express Limited HK ("Sengi HK"), the Board examined the initiatives implemented and being implemented for regulatory compliance, also in consideration of the fact that the Subsidiary is based in Hong Kong and is therefore subject to Chinese regulations. During the exchange of information with the CEO of Sengi HK, the Board of Statutory Auditors examined certain aspects in greater detail, noting that (i) the Subsidiary acts as a holding company that wholly controls Sengi Express Guangzhou Limited ("Sengi China"), which through its service agreement with

Sengi HK offers the latter a full range of business support services (in the areas of operations, IT services, back office, administrative services); (ii) the company has an extremely streamlined organisational structure and its Board of Directors is also made up of managers from Poste; (iii) with regard to business strategy, Sengi HK is a company that deals with the creation and management of cross-border logistics solutions for Chinese e-commerce players active in the Italian market and offers a complete range of services to Chinese e-commerce operators, tailored to the specific needs of individual merchants, with competitive commercial solutions for each stage of the logistics chain linking China to Italy; (iv) with regard to compliance, a process of gradual integration of the two Chinese companies with Poste Group policies has already been initiated with the aim of gradually integrating the Group's compliance processes. Given the complexity of the activities undertaken, the Board reserved the right to continue monitoring the progress of the Sengi HK Action Plan during the information exchanges with the Poste Internal Control function.
With reference to the information exchange in November 2024 with the Control Body of Poste Logistics S.p.A., a company incorporated on 4 March 2024 and operational as of 1 July 2024, to which SDA Express Courier S.p.A. ("SDA") has transferred its integrated logistics business unit, which operates as an end-to-end logistics operator and represents the culmination of the process of developing and strengthening the integrated logistics market segment defined in the Poste Group's "2024-2028 Strategic Plan - The Connecting Platform", the Board took note (i) of the intercompany agreement between Poste and Poste Logistics to entrust the subsidiary with the management of integrated logistics services as part of the partnership between Poste and the Milan-Cortina Foundation for the Winter Olympics to be held in 2026, which will represent a very important opportunity for Poste Logistics to strengthen its image in the integrated logistics market; (ii) with reference to governance aspects, that the Subsidiary has proceeded to implement the Policies/Guidelines and Procedures issued by the Parent Company; (iii) that the Internal Control System was in the process of being structured, while the process of implementing the administrative-accounting system had already been completed.
With reference to the information exchange held in September 2024 with the Control Body of Agile Lab S.r.l. ("Agile"), a company specialising in Data Management, offering tailor-made technology solutions that exploit artificial intelligence, as well as reselling services of open source software products developed by its technology partners, the Board was informed that the Subsidiary does not have a traditional organisation chart, having stably implemented self-management processes on the basis of the Holacracy model with a

corporate organisation based on a representation by "circles", each of which corresponds to an organisational core/function and has its own contact person (called Lead Link), who is in charge of representing the purposes of the entire circle, with specific responsibilities, and that activities aimed at formalising the corporate organisation chart are still in progress with regard to compliance, the Board of Statutory Auditors noted that the acquisition and implementation of all the Parent Company Poste guidelines and best practices would be completed by the end of 2024.

In addition, the Board was informed of further changes to the organisational structure of the Poste Group and, in particular, that:

- on 9 May 2024, the company PosteGo was established, 100% subsidiary of Poste Italiane, with the aim of progressively internalising the Poste Italiane car fleet (around 30 thousand delivery vehicles), enabling the Poste Italiane Group's green transition, selecting and customising vehicle technologies and models to the company's needs, and modulating the duration of the related services, while also enabling the pursuit of economies of scale and synergies;
- on 25 June 2024, the Company SPV Cosenza S.p.A. was established, 95% owned by Poste Italiane S.p.A. and 5% owned by Plurima S.p.A., dedicated to the performance of all the services covered by the public and private partnership contract for the management and rationalisation of integrated healthcare logistics for the Cosenza Provincial Health Authority;
- on 24 January 2024, with the aim of standardising, evolving and engineering the operating processes of the Group's technology platforms, Postel sold its entire stake in Address Software S.r.l. to the Parent Company, and this transaction was preparatory to the start of the merger process by incorporation of Address Software S.r.l. into Poste Italiane S.p.A., which was formalised on 27 May 2024, with legal effect from 1 June 2024, while for accounting and tax effects it was backdated to 1 April 2024.

Furthermore, in 2024, Plurima was integrated into the Mail, Parcels and Distribution segment, entrusting Mail, Communication and Logistics with the functional coordination of the company. Furthermore, on 17 June 2024, the merger by incorporation of Logos into Plurima was resolved, with the aim of streamlining the management of the two companies, achieving savings in structural costs and in the use of available resources.

The Board emphasises the importance of maintaining a constant focus on the areas of improvement identified and monitoring the development of the Control System in the Subsidiaries.

As already mentioned in the Report of the Board of Statutory Auditors issued in April 2024, in the first months of the financial year 2024, the organisational structure of the Company was adjusted through a redistribution of responsibilities and competences among the top corporate governance functions. Indeed, the Chief Executive Officer ('CEO') has been entrusted with the strategic development and elaboration of corporate strategies. In addition, the management of the Group's industrial businesses was entrusted to the figure of the General Manager, reporting directly to the CEO, with the responsibility of supervising and coordinating the activities of all organisational structures, with the overtaking, therefore, of both the previous role of Co-General Manager and the Corporate Affairs ("CA") function.

In the year 2024, the Company continued to strengthen the SCIGR by implementing multiple interventions aimed at its continuous evolution; in particular, the following should be noted as some of the most important activities:

- the establishment, during the first quarter of 2024, of the "Group Logistics Strategy" function to develop, on the one hand, the integrated logistics business and, on the other, to oversee network, process and supply engineering activities as well as service quality;

- the redefinition of the perimeter of the responsibilities of the Corporate Protection function to ensure the necessary separation between operational and control functions following the recent regulatory developments in the field of information security and cybersecurity such as the NIS 2 directive, the DORA regulation, as well as the Bank of Italy's provisions for the management and security of ICT services;

- again in the area of Corporate Protection, the establishment of the functions "Physical Safety Coordination Group Companies" and "Occupational Health and Safety Coordination Group Companies" with the responsibility of overseeing the dissemination and proper implementation of the policies and standards issued by the Parent Company and of linking the needs and any requirements inherent to the safety and security areas;

- the establishment of the "Group Sustainable Development" function with the aim of strengthening the governance of the Poste Italiane Group's sustainable development strategy and improving sustainability performance, in line with the ESG Strategic Plan;

- the appointment of the Sustainability Reporting Manager included in the Report on Operations is drafted in accordance with the reporting standards applied under current legislation.

Also with a view to strengthening the SCIGR, the following interventions were carried out in Group Companies:

- Poste Vita and Poste Assicura: the "Security and Government Outsourcing" function was established, reporting directly to the Chief Executive Officer and General Manager, with the main purpose of assisting senior management in defining information security policy and monitoring its proper implementation, also ensuring, in accordance with the defined policies and Guidelines, the analysis and management of IT risk, also by monitoring the activities outsourced to the competent function of Poste Italiane;
- Poste Vita: the areas of responsibility of the "Insurance Operations and Business Support" function were redefined in line with Group guidelines;
- Poste Assicura: in order to support the growth of the business, it was necessary to reorient the organisational and operating model by strengthening the internal supervision and coordination of core processes and corporate projects with the "Retail Offer" and "Corporate and Reinsurance Offer" functions;
- SDA: with the evolution of the logistics sector and the Group's new operating model, it was necessary to separate the logistics operating activities from those dedicated to express courier services, so as to guarantee specific supervision over the two businesses by setting up the "Integrated Logistics Operations" and "Express and Network Operations" functions; in addition, following the centralisation at the Parent Company of the engineering activities of the logistics network and related operational processes, the "Operational Monitoring and Processes" function was established, reporting directly to the Chief Executive Officer, to promote, inter alia, the integration and alignment between the SDA Operations and Engineering structures in the areas of Mail, Communication and Logistics and to ensure the interface, for all project initiatives related to the outsourcing contract, with the Parent Company;

- PostePay: in light of developments in the payments market, the "Issuing and PostePay Circuit" function had to be refocused with the aim of strengthening the first-level controls and focusing on Sepa Credit Transfer Instant services, PostePay Circuit services and the customer experience. In addition, an evolution of the "Acquiring" function was required to strengthen the supervision and execution of business development plans; finally, the "Programme Management and Technological Needs" function was established with the aim of guaranteeing the program management activities of the main and/or strategic initiatives of PostePay and its subsidiaries, to represent the connection point for the company's technological needs towards the Digital, Technology & Operations (DTO) function of Poste Italiane, and to support the corporate functions in the management of technological needs.

In addition, the Board of Directors has implemented various organisational initiatives designed to strengthen the Internal Control System, through the approval:

- the updating of the Organisational, Management and Control Model of Poste Italiane pursuant to Legislative Decree no. 231/2001 ('Model 231') and the Poste Italiane Whistleblowing Guideline;
- of the update of the Internal Control and Risk Management System Guideline (SCIGR);
- of the approval of the Internal Control System on Sustainability Reporting (SCIIS) Guideline;
- of the update of the Group Crisis Management and Business Continuity Guideline;
- of the update of the Group Anti-Money Laundering Guideline and new annex "specific provisions on remote operations";
- of the periodic update of the "Management of Transactions with Related and Connected Parties" Guideline;
- of the update of the IFRS 9 Guideline of the Poste Italiane Group;
- of the update of the Financial Management Guideline of Poste Italiane.

In 2024, the Group's procurement management saw the integration of a new function called 'Innovation Coordination and Sustainable Procurement' into the Purchasing function, which, amongst others, is responsible for defining the Group's sustainable procurement framework in line with the ESG strategy and liaising with the Group's Sustainable Development function. In this way, the Procurement Function has consolidated itself as a point of reference for the adoption of Group Purchasing Policies, in planning and reporting, as well as in overseeing the entire purchasing process. Furthermore, in January 2025, a comprehensive review of the function's structure was carried out along the following lines:

(i) creation of an oversight to coordinate activities to define and update the procurement operating model at Group level, strengthen governance on ESG issues to be applied to procurement and innovate procurement processes (ii) strengthening procurement strategy issues, scouting procurement markets, improving procurement models and increasing focus on the supplier register and vendor rating.

The Board also acquired information on the supplier selection process by Group Companies.
The Poste Italiane Group bases its purchasing processes on relationships geared towards full compliance with legality and transparency, monitoring compliance with current regulations and company directives to guarantee quality, worker protection and environmental standards, and in 2024, Poste continued updating the relevant internal regulatory tools in the area of Purchasing in line with regulatory developments relating to Legislative Decree no. 36 of 31 March 2023 as amended (Code of Public Contracts).

With reference to the Group's Business Continuity Management, the Board of Statutory Auditors, during various meetings with the Heads of the Digital, Technology & Operations ("DTO"), Risk Management of BancoPosta ("RMGO") and Corporate Protection CERT functions in the Corporate Protection area, was constantly informed of the various initiatives undertaken by the Company with a view to strengthening the resilience of the organisation with reference to crisis management, also in light of the increasingly important role of Poste in the provision of services to citizens and the need to meet increasingly stringent service levels.

The Board has been informed that the multi-business and multi-channel approach that characterises the Poste Group entails continuous evolution both from an infrastructural and an application perspective. This required engineering and customisation/automation throughout the entire value chain. the ICT organisational model is based on the interaction between two functions: the DTO Function, which, in a multi-business company with very challenging and diverse priorities and objectives, acts as a transversal function within the vast corporate organisation, and the Corporate Protection Function, which plays a guiding and coordinating role in Information Security issues, through the CERT and Information Security Functions.

The legal framework governing the field of Information Security has been affected by important regulatory developments of national and European derivation: (i) the EU Regulation "Digital Operational Resilience Act" ("DORA Regulation"), in force since 17 January 2025, aimed at ensuring for financial services in the European context high levels of resilience with respect to Cyber Risk and (ii) the Network and Information Security Directive 2 ("NIS2"), approved in October 2024, which aims to improve the level of cybersecurity across the EU, updates the rules introduced in 2016 and enshrines obligations for public and private entities.
The Board of Statutory Auditors has verified how the Company has already started in 2024, in view of the effective applicability as of January 2025, a project to adapt to the requirements of the DORA Regulation, even though the Company had already adopted an operating model some time ago, oriented towards speed of reaction, envisaging rapid and effective processes and, for this reason, minimal adjustments were necessary, also due to the fact that the DORA Regulation intervened on areas that were already heavily regulated, relating as mentioned to supervised sectors (financial services and insurance). As for NIS 2, which will have impacts from the year 2026, it represents a less specific regulation than the DORA Regulation, although it will impact more areas, such as postal/logistics, energy and mobile telephony. Despite the fact that there is no foreseeable imminent implementation, the Board has ascertained that the company is already moving in the direction of the fulfilments required by the aforementioned legislation, including by participating in technical working tables to monitor developments and learn about the impacts that will occur in the domestic sphere.

The Group has a Group Crisis Management Plan, developed and organised according to the different phases that make up the crisis management process, which outlines the activities and related responsibilities to be undertaken to restore normal operations, as well as to fulfil all regulatory obligations applicable to the Group's Obligated Parties. Therefore, the Group has defined an organisational model for crisis management and business continuity as well as for Disaster Recovery management, identifying the roles to be involved, progressively and according to the severity of the case, for the management of the crisis event, in order to guarantee the appropriate extraordinary decision-making authority necessary for crisis management; the ability to operate under conditions of intense operational stress; the maintenance of exceptionally tight decision-making times; and an adequate level of internal and external communication within the Group, including with the Supervisory Authorities of the Obligated Parties.

Going into detail, in December 2024, Poste adopted the "2025-2028 Digital Operational Resilience Strategy for the Poste Italiane Group", which is designed to ensure the resilience of digital services defined as essential. Furthermore, it approved the "ICT Business Continuity Policy", which complements the Group Crisis and Business Continuity Management Policy with a focus on operational resilience, and the "Group Crisis and Business Continuity Management Guideline". The Policy aims to ensure the continuity of essential or important functions of financial and insurance entities, to provide a rapid, appropriate and effective response to all ICT incidents, to activate response and recovery procedures without delay, and to carry out proper communication and crisis management actions.

In 2024, Poste Italiane provided dedicated training courses on IT security, with a particular focus on new regulations (DORA and NIS 2).

During the year 2024, the Board of Statutory Auditors met with the Head of the Group Anti-Money Laundering function to obtain updates on the main risk factors and corporate controls that support the qualitative and quantitative adequacy of the Group Anti-Money Laundering function, as well as on the organisational structure of the anti-money laundering structures, at central and territorial level.

The Board was informed about the Group Anti-Money Laundering Function's Activity Plan at 31 December 2024, and verified that almost all the actions envisaged in the Plan had been completed (completed 8 out of the 9 actions identified in the 2023 Annual Report). In particular, the interventions concerned: (i) the implementation of the new customer file integrated in the Practice for Electronic Adequate Verification ("PEAV") and the gradual adaptation of the new automatic anomaly indicators, (ii) the strengthening of the organisational structure of the Group Anti-Money Laundering function for greater focus on enhanced Adequate Verification activities, and (iii) the centralisation of the suspicious transaction reporting ("SOS") process for the Obligated Party LIS Pay. In addition, line controls on funds transfers (including top-ups on digital channels) and the new funding for investments were strengthened; the process of continuously updating the Adequate Verification by Obligated Parties on the basis of the new profiling engine was initiated.

The Board was informed that Poste Italiane has implemented a new customer profiling procedure which, in line with the Group's AML Guideline, regulates the process of updating the Adequate Verification and which sees customer profiling carried out using standard Group criteria on a monthly basis. Work is currently underway to increase automation and increase the effectiveness of the updating process. The results of the consolidated assessment, carried out by the Group Anti-Money Laundering function for the year 2024, show that the level of "residual risk" to which the Group (consisting of Poste Italiane and all the Obligated Parties, BancoPosta, PostePay, Poste Vita, BancoPosta Fondi SGR and LIS PAY) is exposed, in the opinion of the function can be classified as "low", and is in line with the results achieved in 2023. This level is determined by the weighted average of the residual risk assessments assigned to each Obligated Party.

The Board noted that in 2024, SOSs sent to the Financial Intelligence Unit ('FIU') decreased by 20% compared to 2023, and SOSs of terrorist financing also decreased by 16% compared to 2023, as did own-initiative reports from the FIUs (down 15% compared to 2023).

In accordance with the instructions of the FIU, the Company strengthened quality checks, which together with the tightening of controls led to an overall decrease in the volume of reports sent.

In addition, the training of the target population continued, and in 2024, five administrative anti-money laundering objections were received by the Company, which were investigated in depth with the Head of the Group Anti-Money Laundering function.

On the subject of risk management, the Board of Statutory Auditors verified that the Company has continued its commitment to strengthening the SCIGR as an enabling factor for the consolidation of processes, which are based on the principles of integrity, transparency, legality, sustainability and value creation that inspire the Group's work and that guide, day by day, conduct in the pursuit of sustainable success, as well as in the creation of shared value in the long term.

Moreover, with the aim of ensuring alignment with the criteria set out in the Corporate Governance Code and with national and international regulatory standards, as well as with the objectives of integrity, transparency and full traceability of the Group's activities, Poste Italiane has continued its commitment to the development and continuous improvement of its governance and risk management model.

During the year, it became necessary to update the SCIGR Guideline in order to adapt the roles and responsibilities of the SCIGR players to the regulatory changes introduced by the CSRD, the DORA Regulation and the Bank of Italy Provisions, which concerned the issues of sustainability reporting, IT security and anti-money laundering. In addition, the update made it possible to adapt the SCIGR Guideline to the organisational changes implemented in the Company: in addition to the already mentioned reorganisation of the top corporate governance functions, which saw the appointment of the General Manager reporting directly to the Chief Executive Officer, the "Sustainable Development, Risk and Group Compliance" function was superseded, the activities of which were distributed between the newly-established "Group Risk and Compliance" (RCG) and "Group Sustainable Development" (SSG) functions, also appointing the Head of the SSG function as Sustainability Reporting Manager.

On the basis of the Group Risk Management Guideline prepared by RCG and in accordance with the SCIGR Guidelines approved by the Board of Directors, integrated risk monitoring is carried out continuously by the RCG function, through the analysis of the trend of the most representative indicators of the Group's main risks, the so-called "Top Risks" and the specific actions planned to address them.

Risks, indicators and management actions are identified through the Risk Assessment process, carried out on the basis of the Enterprise Risk Management (“ERM”) framework, and shared with the risk owners and risk specialists responsible for each risk area (financial and insurance risks, operational risks, IT security risks, etc.) the Risk Assessment has the objective of identifying and assessing risks from an integrated perspective that could undermine the full achievement of the strategic objectives defined in the Poste Italiane Strategic Plan. In line with leading practices and in view of the reference macro-economic and market scenario that is subject to increasingly sudden changes, the Risk Assessment process conducted included, in addition to the analysis of risks related to the Strategic Plan, a forward-looking analysis over a longer time horizon (up to 20 years) in order to capture any events that may impact the pursuit of sustainable success in the long term. The outcome of the risk assessment was: (i) 34 risks that are positioned in Tier 1 and 2 of the heatmap (i.e. in the areas of highest risk) and affect all of the Group's operating segments: (i) Mail-Logistics, (ii) PostePay Services, (iii) Insurance, (iv) Financial and (v) Transversal; (ii) 333 indicators associated with top risks and (iii) 60 treatment actions associated with top risks.

Within the Top Risks, for those considered most relevant to the Group, a predefined level of risk appetite or Risk Appetite Framework (“RAF”), consistent with the strategic objectives of the Plan, is approved by the Board of Directors. It should be noted that the actions undertaken during 2024 have made it possible to reduce the risk profile of the Poste Group, and the risk controls implemented through the definition of prevention measures and continuous risk monitoring have proven overall suitable for containing the residual risk within acceptable levels.

With reference to the RAF 2025, which was approved by the Board of Directors in March 2025, acceptability and tolerance levels were defined for the Group's main risks resulting from the Risk Assessment process, the performance of which will be monitored through the analysis of the trend in specific indicators and corresponding management actions. The risks that constitute the main threats to the achievement of the Group's objectives, also taking into account reputational and ESG impacts, and for which the risk appetite for the financial year 2025 has been defined, those related to the deterioration of the quality delivered, failure to meet customer needs and IT security, as well as risks related to the evolution of the macroeconomic scenario, are confirmed.

In order to further strengthen the degree of integration with individual RAF, both in terms of indicators and the criteria for defining the respective thresholds, the process of integrating risk management continued through coordination between all the Risk Management structures operating within the Poste Italiane Group (BancoPosta, BancoPosta Fondi SGR, PosteVita, PostePay). In particular, as per consolidated practice, the Group RAF 2025 was also shared with the Risk Managers of the individual supervised entities.

Following the strategic risk assessment, in the Group RAF 2025 - alongside the indicators for the top risks identified - a set of indicators, with respective thresholds, was included, relating to risks whose trend is mainly influenced by the evolution of the macroeconomic context. These indicators also summarise the most relevant financial and insurance risks affecting BancoPosta, BancoPosta Fondi SGR, Poste Vita and PostePay. The Group Indicators are subject to approval by the Board of Directors and to quarterly monitoring, the results of which are reported to the CCR, while the Dividend, Liquidity and Financial Structure, and Economic Performance indicators, with their relevant thresholds, are submitted to the BoD for approval. In determining these thresholds, budget forecasts have been taken into account and protection limits have been identified, when these are exceeded, a report is to be made to the relevant corporate bodies and, at the level of the individual Group entities, an escalation process is to be carried out aimed at identifying and evaluating any corrective managerial actions to restore the original trajectory.

As part of the Strategic Risk Assessment activities, risks that could possibly affect the achievement of the strategic plan objectives were identified and prioritised according to their riskiness (tier 1, tier 2) and, from an integrated perspective, were analysed according to different types of impact. In addition, the analyses performed in 2024 taking into account WEF metrics and capital were updated in 2025 in order to incorporate the requirements of the new regulations related to sustainability reporting (CSRD), which require the association of risks with topics included in the ESRS standards.

As part of the activities aimed at the evolution and streamlining of the governance controls and the continuous strengthening of the Group's SCIGR in accordance with the principles of integrity, transparency and legality, Poste has defined an Integrated Compliance process at Group level, which enables it to strengthen/create operational synergies between the various specialised regulatory non-compliance risk controls and to ensure unified governance in the management of regulatory non-compliance risks, also thanks to a clear definition of the roles and responsibilities of the players involved in the process activities.

The activities of the Group's Risk and Compliance function are supported by the Group's integrated GRC platform - RSA Archer ("GRC") IT application used by the Group to support its Risk Management and Integrated Compliance processes; during 2024, the GRC platform functionalities were continued to be strengthened and extended; the adoption of this platform has fostered the dissemination of the Risk Management and Compliance culture at every level of the company, ensuring a coordinated and systematic management of the main issues relevant to the Company. Today it is considered the largest platform in Italy and among the largest solutions implemented in Europe and globally, with particular regard to the number and relevance of the risk areas handled and the degree of integration between them. The GRC platform allows the census and archiving of all risks and, for each player in the process, the display of information consistent with their level of profiling. In addition, the system supports the Group's Sustainable Development, Risk and Compliance function and other players in the preparation of integrated risk reporting.

With reference to Group risk management, the Board reiterates the recommendation to the strategic supervisory board to periodically monitor above all financial risks, especially interest rate risk, also on a multi-year perspective, periodically updating the assessment of said risks and constantly verifying the investment and hedging policies through a periodic investigation by the competent Control and Risk Committee also in conjunction with the activities of the managerial committees. In this regard, the Board, in view of the composition of the Group's securities portfolio, which shows a concentration on government securities, as well as the effects on equity as a result of the change in the fair value reserve on securities held and the related effects on capital gains and unrealised capital gains, as in previous years, recommends that the Board of Directors and the Group Risk and Compliance function and Risk Management function of BancoPosta should keep this area of significant risk under constant review as part of their periodic monitoring of the main drivers of the business plan and related sensitivity, assessing the effects of adverse scenarios and verifying the related safeguards and appreciating the level of residual risk, with specific focus also on a medium- to long-term basis.

In light of the new scenarios inherent in the tensions arising from the introduction of increased US duties, the Board of Statutory Auditors points out the need to take into account the effects of these tensions on the financial markets, including BancoPosta's assets, when assessing the Poste Group's future risks, as well as the risks inherent in the medium/long-term availability of IT infrastructure (e.g., storage services) and accessibility to the payments system.

On 20 March, Poste Italiane presented to the market the 2024-2028 Strategic Plan "The Connecting Platform" which, by setting specific objectives for each segment Mail, Parcels and Distribution, Financial, PostePay and Insurance, has as its main objective to configure Poste Italiane as a platform company that evolves towards a diversified, integrated and sustainable business model, offering its customers an increasingly wider range of products/services. In particular, the Plan makes provision for the continuation of the transformation of the logistics segment, as well as developments of the offer in the insurance area, to support the net inflows of the Life segment and confirm its ambition to reduce the country's current under-insurance condition compared to other countries, also by placing policies on third-party networks, through the integration of Net Insurance, acquired in 2023. In addition, benefiting from the growth of e-commerce and cashless payments, PostePay's business is expected to evolve towards digital and innovative payment solutions and, at the same time, the Subsidiary will represent the integration layer on which to pursue the development of the telephony and energy offerings, to meet customers' everyday needs within the Postepay ecosystem. The Group will continue to strengthen customer relations within the Post Office network, third-party networks and on digital properties by making omni-channel experiences easier.

In line with the previous Business Plan, the current Strategic Plan also hinges on ESG principles and responds to the challenges of sustainability by setting targets up to 2030, in terms of reducing the Group's emissions and supply chain; these must be augmented by socio-economic elements such as developing people's skills and enhancing staff to foster change, promoting the values of diversity, equal opportunities and inclusion, and identifying the expectations of all generations including young workers.

During 2024, the Group Risk and Compliance function, in line with the main trends and leading practices, carried out activities to identify, assess and monitor strategic risks capable of influencing the achievement of the Business Plan objectives. Furthermore, also in consideration of the reference scenario subject to increasingly rapid changes, the Group Risk and Compliance function carried out a forward-looking analysis over a broader time horizon (up to 20 years) in order to identify any events that may have an impact on the pursuit of sustainable success in the long term. The Group's commitment to sustainable development has resulted in the updating of the ESG Plan, renewed on the basis of the relevance analysis and in full synergy with the 2024-2028 Strategic Plan. The Sustainability Strategy of Poste Italiane, in fact, is made up of the ESG Strategic Plan and a set of Sustainability Policies with the main objective of achieving national and international objectives for social and environmental development.

During the year 2024, the Board of Statutory Auditors periodically met with the Supervisory Board ("SB") in order to acquire the appropriate information on the implementation of the Organisational 231 Model (also "231 Model"), as well as relevant and general information on the adoption of the Organisational Model by the Subsidiaries. In addition, the Board was informed of the outcome of the supervisory activity carried out by the Supervisory Board in 2024 by monitoring the risk areas of the Company's 231 Model, holding periodic meetings with corporate functions and analysing the information flows transmitted by management through the 231 Supervisory function, as well as analysing the results of the audits performed by BancoPosta Internal Control and Internal Auditing functions; on the basis of the reports from the Supervisory Board and also taking into account the information flows transmitted by the Whistleblowing Committee, the Board noted that no significant critical issues or violations of the 231 Organisational Model or the Company's Code of Ethics had emerged.

In the periodic exchange of information held with the Supervisory Board, the Board was informed that a new cycle of 231 Risk Assessment and Gap Analysis had been initiated - with the involvement of all corporate functions also for the assessment of regulatory provisions that further modified the catalogue of "231" offences - with the consequent updating of the dedicated GRC-RSA Archer information system and that the results of this activity will support the further updating of the corporate 231 Model, the approval of which is expected in the first half of 2025.

In view of the increased size of the Poste Group as a result of the company acquisitions in the last three years, the Supervisory Board has for some time now raised the number of meetings with the Supervisory Boards of the Subsidiary Companies - in order to ensure a constant exchange of information with all the Boards, within the framework of the full separation of the respective areas of responsibility concerning the controls on the operation of and compliance with the respective 231 Models.

Within the framework of the initiatives promoted aimed at strengthening the control system relevant to the corporate 231 Model, as well as the Group's 231 Governance, a new Project was carried out - with the support of an external supplier identified through a competitive procedure - aimed at verifying, with reference to a set of significant processes, the effective application of the controls provided for by the corporate 231 Model. At the conclusion of the activity, in December 2024, the supplier issued the final Certification Report on the level of implementation of Poste Italiane's 231 Model control measures. The overall result of the verification activities can be considered largely positive. The audits showed an overall adequacy of the Internal Control System related to the processes analysed.

In this context, the dedicated IT system (GRC-RSA Archer) - mentioned above - was progressively updated on the basis of the evidence emerging from the monitoring of the 231 Risk Assessment and Gap Analysis activity.

The Board took note, also through a specific meeting with the Whistleblowing Committee, of the conclusion of the Project for the implementation of the new Whistleblowing Portal to comply with the new regulations introduced by Legislative Decree no. 24/2023, implementing the EU Directive 2019/1937, which serves as a single interface for the entire Group and guarantees the Subsidiaries systems with encryption keys to protect the confidentiality of personal data; following the implementation of the infrastructure, the management of privacy issues was strengthened and impersonal mailboxes were eliminated.

The Board also took note of the approval of the new version of the Whistleblowing Guideline, which has been updated to incorporate the new regulatory provisions introduced by Legislative Decree no. 24/2023 and the implementations carried out in the company with the support of a special Working Group (functions: DTO, CI, SSRCG) aimed at the evolution of the dedicated IT portal, in line with the new legal provisions.

The Board was informed that during the year, the Supervisory Board monitored the Project for the Review of Poste Italiane's Code of Ethics (previous version: April 2018), which was approved at the Board of Directors' meeting of 6 November 2023 and subsequently sent to the Subsidiaries for subsequent implementation.

In summary, in light of the overall activities carried out and considering:

- the adequacy of the organisational structure of the Group in general and of BancoPosta RFC specifically;
- the existing set of procedures and their continuous updating;
- the results of the verification and evaluation activities received by the Board of Statutory Auditors from the Internal Control function as well as BancoPosta Internal Auditing;
- the results of the inspection activities carried out by the various Supervisory Authorities;
- the assessment results recorded during the year by the other corporate control functions provided for by the Internal Control and Risk Management System;
- the information acquired during participation by the Board of Statutory Auditors in the meetings of the Board of Directors and Board Committees;
- the exchange of information with the Independent Auditor, the Data Protection Officer ("DPO") and the SB pursuant to 231/2001;
- the main developments of the SCIGR and, in particular, the initiatives to strengthen it;
- the compensatory controls and improvement measures implemented and/or in progress in relation to the activities carried out and the findings relating to the SCIGR highlighted by Poste Italiane's Internal Control function;
- the compensatory controls and improvement measures implemented and/or underway in relation to the findings relating to the SCIGR highlighted by the BancoPosta Internal Auditing functions and the Audit functions of Group companies;
- further events with potential impacts on the SCIGR, including corporate project initiatives in specific operational areas, implemented or in the process of progressive implementation;
- the evidence acquired from management of the Whistleblowing reporting system,
- the dissemination of an Internal Control System culture within the Poste Italiane Group,

the Board of Statutory Auditors is not aware of critical situations or events that might suggest shortcomings in the Internal Control System of Poste Italiane overall and of BancoPosta RFC in particular.

15. Observations on the adequacy of the Company's administrative/accounting system and its reliability in representing operating activities.

The Board of Statutory Auditors examined and oversaw, within the scope of our responsibilities, the adequacy of the Company's administrative/accounting system in reliably representing operating activities, the effectiveness of the Internal Control and Risk

Management System and the sustainability financial reporting process, by means of: (i) the collection of information from the heads of the various functions, the statutory auditor, the Financial Reporting Manager and the Sustainability Reporting Manager; (ii) the examination of the Annual Report of the Manager responsible for preparing the internal control system for the preparation of the accounting and corporate documents; (iii) the examination of the Annual Report of the Sustainability Reporting Manager; (iv) participation in the meetings of the Control and Risk Committee, the Sustainability Committee and the Related and Connected Parties Committee; (v) the examination of the results of the activities carried out by the Internal Control function of Poste and the Internal Auditing of BancoPosta; (vi) the examination of the proposed 2025 Audit Plan of both the Internal Control function of Poste and the Internal Auditing of BancoPosta; (vii) the examination of the reports of the Internal Control function of Poste and the Internal Auditing of BancoPosta; (viii) information regarding news and notifications of inspections and proceedings by supervisory bodies and authorities, including independent ones, of the Italian State or the European Community, for the details of which please refer to the information contained in the paragraph "Main relations with the Authorities" of the notes to the Financial Statements.

The Board also notes the Attestations, dated 26 March 2025, of the separate and the consolidated financial statements for the year ended 31 December 2024 pursuant to Article 154-bis, paragraph 5 of the CLF and Article 81-ter of Consob Regulation 11971 of 14 May 1999, in which the Chief Executive Officer and the Financial Reporting Manager declare, among other things, that the separate and consolidated financial statements:

- have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union through EC Regulation 1606/2002, issued by the European Parliament and by the Council on 19 July 2002;
- are consistent with the underlying accounting books and records;
- give a true and fair view of the financial position and results of operations of the issuer and the companies included in the scope of consolidation.

The Chief Executive Officer and the Financial Reporting Manager also declare that the Report on Operations includes a reliable analysis of the operating and financial performance and situation of the issuer and the companies included in the scope of consolidation, as well as a description of the main risks and uncertainties to which they are exposed.

In addition, the Board of Statutory Auditors also acknowledged the Attestations, dated 26 March 2025, pursuant to Article 154-bis, paragraph 5-ter, of Legislative Decree no. 58 of 24 February 1998 and Article 81-ter, paragraph 1, of Consob Regulation no. 11971 of 14 May 1999 and subsequent amendments and additions, in which the Chief Executive Officer and the Sustainability Reporting Manager attest that the Sustainability Report included in the Report on Operations has been prepared:

- in accordance with the reporting standards applied pursuant to Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 and Legislative Decree no. 125 of 06 September 2024;
- with the specifications adopted in accordance with Article 8, paragraph 4 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020.

16. Observations on the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to Article 114, paragraph 2 of Legislative Decree 58/1998.

Also in 2024, the Board found, through a specific meeting with the Corporate Affairs function, the adequacy of the guidelines communicated by the Company to its subsidiaries pursuant to Article 114, paragraph 2 of the Consolidated Law on Finance, following revision of the "Management and Publication of Confidential Information, and Maintenance and Updating of the Related Registers Guideline", approved by the Board of Directors on 22 June 2017, revised on 2 October 2018 and last updated on 30 July 2020.

The Board of Statutory Auditors met periodically with the Boards of Statutory Auditors of the Group's main Subsidiaries in order to verify the correct implementation of instructions issued by the Parent Company. In particular, the Board found that the implementation within the Group of the MAR Guidelines on Insider Management and Internal Dealing (including the insider procedure) is continuous and timely. In fact, all Poste Group companies have transposed or plan to transpose the MAR Guidelines with a few limited exceptions (some foreign or non-operational companies or those in the process of setting up).

In addition, as provided for in Article 151, paragraphs 1 and 2 of the Consolidated Law on Finance, the Board of Statutory Auditors acquired the reports of the control bodies of the main subsidiaries and/or the information transmitted by them following specific requests.

17. Oversight of the statutory audit of the annual and consolidated accounts and observations on any key aspects that came to light during meetings with the Auditor pursuant to Article 150, paragraph 3 of Legislative Decree 58/1998.

The Board of Statutory Auditors had effective and timely communication with the Independent Auditor, for the purpose of the mutual exchange of information useful for the performance of their respective duties, pursuant to Article 150, paragraph 3, of the CLF. The Independent Auditor did not find any acts or facts considered reprehensible or irregularities that required the formulation of specific reports pursuant to Article 155, paragraph 2, of the CLF.

On 4 April 2025, the Independent Auditor issued the Additional Report pursuant to Article 11 of Regulation (EU) no. 537/2014, of which the annual confirmation of independence is an integral part. The Auditor has not deemed it necessary to issue any letter of suggestions to the Company's management on the understanding that certain points for improvement are contained in the Report pursuant to Article 11 of EU Regulation no. 537/2014. With regard to these points, the Board of Statutory Auditors recommends that the Directors evaluate them with a view to their subsequent implementation.

The 2024 Audit Plan was illustrated by the Independent Auditors to the Board at a specific meeting.

The Auditor has not informed us of any events or circumstances identified during the performance of the audit that might raise significant doubts about the ability of the Company or the Group to continue to operate as a going concern, nor regarding material shortcomings in its internal control system over financial reporting and/or in its accounting system, or any significant doubts over instances of non-compliance, whether effective or presumed, with laws, regulations or statutory requirements identified during the performance of the audit.

The Reports on the audit of the separate and consolidated financial statements contain an illustration of the key aspects that, in the Auditor's professional opinion, were most significant in the audit of the individual financial statements as indicated in the Reports on the separate and consolidated financial statements (goodwill impairment test: Measurement of the recoverable amount of the Cash Generating Unit ("CGU") Mail, Parcels and Distribution for the annual and consolidated financial statements and for the consolidated financial statements only (i) Goodwill impairment test: (a) Measurement of the recoverable amount of the PostePay Services CGU, (b) Measurement of the recoverable amount of the

Net Insurance CGU (Insurance SBU) and (ii) Measurement of Insurance Contract Liabilities.

The Auditor does not express a separate opinion on these key issues, for which the Auditor's Reports explain in detail the relevant audit procedures adopted, since they have been addressed in the audit and in the preparation of an opinion on the financial statements as a whole. The above key aspects were the subject of detailed analysis and updating during the periodic meetings that the Board of Statutory Auditors held with the Independent Auditors. The Board of Statutory Auditors also discussed these key issues in depth, as well as the main themes of the 2024 financial statements, with the Company's management in specific meetings.

18. Oversight of application of the Corporate Governance Code for listed companies.

Pursuant to Article 149, paragraph 1, letter c-bis of the CLF, the Board oversaw the procedures involved in effective implementation of the rules provided for in the Corporate Governance Code adopted by the Board of Directors.

- ✓ With regard to the activities provided for in the Corporate Governance Code, the Board of Statutory Auditors not only held 35 of its own meetings during the year, but also ensured its participation in all the meetings of the Board of Directors and internal Board Committees, in addition to general meetings of shareholders, for a total of 75 meetings.
- ✓ The Board of Statutory Auditors, given the complexity of the corporate transactions carried out, the number of related parties and their heterogeneity, appreciated the consolidation of the process, noting that, with specific reference to Ordinary Transactions of Lesser Significance concluded under conditions equivalent to those of the market or standard, the relevant Attestation forms signed by the heads of the Functions Proposing the Transactions have always been made available to the members of the Committee and the Board of Statutory Auditors, in which both the reference parameters for the ordinariness of the transaction are certified (within the typologies envisaged by the Consob Regulation and the provisions of the Bank of Italy), and the existence of conditions equivalent to those of the market or standard.
- ✓ The Board of Statutory Auditors, for matters within its competence, verified the contents of the "Report on Corporate Governance and the Ownership Structure", prepared by the Directors in accordance with the instructions contained in the Regulations on Organised Markets managed by Borsa Italiana S.p.A. and in the Consolidated Law on Finance. Moreover, the Board of Statutory Auditors, during a meeting of the Nominations and

Corporate Governance Committee and a Board meeting during which the communication of 17 December 2024 of the Chair of the Corporate Governance Committee of Borsa Italiana was discussed - addressed to the Chairs of the Boards of Directors (and, for information to the Chief Executive Officers and to the Chairs of the Boards of Statutory Auditors) of Italian listed companies - and which saw an in-depth analysis of the Company's structure with respect to the 4 recommendations indicated in the aforementioned communication, noted that the Company's positioning in terms of governance structure is fully aligned with best practice.

- ✓ The Board, for matters within its competence, has taken note of the contents of the Remuneration Report prepared by the Directors. In addition, the Board, through its participation in the Remuneration Committee meetings, also examined the MBO incentive scheme, as well as the Performance Share LTIP.
- ✓ In March 2025, the Board of Statutory Auditors verified the correct application of the assessment criteria and procedures adopted by the BoD to assess the independence of Directors, noting that the assessment was carried out during the meeting of the Board of Directors held on 30 January 2025, following the preliminary examination and favourable opinion expressed by the Nominations and Corporate Governance Committee at its meeting of 28 January 2025. The assessment was conducted in accordance with the provisions of the Guideline on the "Application criteria and procedure for assessing the independence of Poste Italiane S.p.A.'s Directors" (pursuant to Article 2, Recommendation no. 7, of the Corporate Governance Code), on the basis of (i) self-declarations issued by each Director, (ii) historical chamber of commerce records ("personal files") of each Director, containing evidence of current offices and those no longer held and (iii) information obtained directly by the Company, with reference to any relationships and/or relations of an economic/financial nature existing between the Group companies, the Directors and any of their related parties, in line with the provisions on the independence requirements of Article 2, Recommendation no. 7 of the Corporate Governance Code.
- ✓ In February and March 2025, the Board carried out the assessment of the independence of its members, verifying the existence of the related requirements, contemplated in the Consolidated Law on Finance and in the Corporate Governance Code, also taking into account the results of the investigations carried out by the Company with regard to any outstanding economic or financial transactions and/or relationships with Group Companies.

✓ The Board of Statutory Auditors also took note of the activities carried out by the Company in order to implement the recommendations reported in the 12th Report on the Application of the Corporate Governance Code of the Corporate Governance Committee established in 2011 by the Business Associations (ABI, ANIA, Assonime, Confindustria), Borsa Italiana S.p.A. and the Association of Professional Investors (Assogestioni).

Pursuant to the Corporate Governance Code, the Board of Statutory Auditors was also consulted by the Control and Risk Committee in 2024 regarding the following:

- definition of the Audit Plan;
- evaluation of the results set out by the Statutory Auditor in the Report pursuant to Article 11 of EU Regulation no. 537/2014 concerning the separate and consolidated financial statements at 31 December 2024;
- correct use of accounting standards and their homogeneity within the Poste Italiane Group for the purpose of preparing the consolidated financial statements;
- correctness of the decision-making process adopted by the Directors with respect to the distribution of an interim dividend for the year 2024 pursuant to article 2433-bis of the Italian Civil Code, paid in November 2024, verifying compliance with the conditions provided for by the regulations for the payment of the interim dividend, in line with Poste Italiane's economic and financial performance in the first half of 2024, as well as the outlook for the year 2024.

19. Self-assessment process for the Supervisory Board

Lastly, in compliance with the Bank of Italy's Supervisory Standards, Rule Q.1.7. "Self-Assessment of the Board of Statutory Auditors" (hereinafter "Rule") contained in the "Rules of conduct of the Board of Statutory Auditors of listed companies" published by the CNDCEC (National Institute of Chartered Accountants and Accounting Experts) in April 2018 and updated recently on 27 December 2024, Article 25.1 of the Company's Articles of Association, as well as in line with the "Regulation on the self-assessment process of the Poste Italiane S.p.A.'s Board of Statutory Auditors", approved by the same Board on 30 January 2020, in January and February 2025, the Board of Statutory Auditors carried out a self-assessment of its adequacy in terms of powers, functioning and composition, with reference to 2024. On this occasion, as in the previous financial year, the self-assessment was carried out without the support of an external consultant, which the Bank of Italy regulations suggest using for at least one year in the three-year mandate (the self-assessment with the support of an external consultant, took place during the year in which the Board took up office).

The results of the replies to the questionnaires confirm, also for the third year of its mandate, a fully positive Self-Assessment of the Board of Statutory Auditors, in terms of qualitative-quantitative profiles and effective functioning, thanks to clear operational balances and coherence in the methods of dialogue/interaction between members that, in some cases, offer recommendations for further improvements.

The Self-Assessment process provides a very positive overall picture of the Board in terms of adequacy of composition, independence, functioning, exercise of powers, internal climate, role of the Chair of the Board, minutes, support of the competent secretariat.

The Board of Statutory Auditors highly appreciated the organisational measures implemented by the Company and, in particular, the use of video-conferencing and digital document sharing tools, as well as the decision to hold meetings of the corporate bodies in a "hybrid" mode, i.e.: i) meetings of the Board Committees and the Board of Statutory Auditors remotely (audio/video conference) and ii) meetings of the Board of Directors all in presence in order to maintain a constant human relationship.

The effective performance of tasks was also positively supported by the support of the Board Secretariat in the organisation, scheduling, minute-taking, management of flows and deadlines, which contributed to achieving an excellent level in the functioning of the Board itself. As a single point of attention, the Board pointed out a lack of full correlation between remuneration and activities performed.

The joint assessment of the members of the Board of Statutory Auditors reveals a positive picture of relations between the Board of Statutory Auditors and the main Control Functions of Poste (Internal Control) and BancoPosta (Compliance, Risk Management, Internal Auditing), as well as those with the Anti-Money Laundering Officers (Group and BancoPosta), the Financial Reporting Manager and the Sustainability Reporting Manager, the Independent Auditors and the Supervisory Board, the Board of Directors, the Chief Executive Officer, the General Manager and top management, as well as, as mentioned above, a strong appreciation for the support provided by the Corporate Affairs Function and, in particular, by the Secretariat of the Board of Statutory Auditors.

The results of the self-assessment conducted will be communicated to the BoD in accordance with the indications of the National Institute of Chartered Accountants and Accounting Experts in its document on the self-assessment of the Board of Statutory Auditors.

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Supervisory Body's activities in the financial, insurance and payment areas of the Poste Italiane Group.

In October 2024, the Board of Statutory Auditors met with the BancoPosta Fondi SGR Supervisory Board and, among other matters, was informed about the Multi-Asset Funds Project (FMA) ("Project"), which saw the completion, between 13 and 16 September 2024, of the transfer to BancoPosta Fondi SGR of the management (directly or through delegated managers), control and monitoring of the FMAs (AUM of about €25 billion), previously present in Poste Vita separate Class I management schemes.

The Project included a significant strengthening of the AMC structure and skills, with investments of about €2 million in technology and the strengthening of technical and specialist skills, with the recruitment of 16 resources from the Market.

The Board also received information on the organisational structure of the Subsidiary, which was found to be well structured, adequate and complete with all the corporate functions necessary for the performance of the Subsidiary's activities and also acknowledged the adequacy and functioning of the administrative-accounting system, as well as the reliability of the latter in correctly representing management facts. With regard to the System of Internal Controls, since 2019 the Internal Audit function of the SGR has been fully outsourced, on the basis of an outsourcing contract, to the Internal Audit Function of Bancoposta.

Risk management activities have also been outsourced since the same year and are managed by the BancoPosta Risk Management function on the basis of an outsourcing contract.

In addition, with reference to the AMC economic and financial situation, the Board was informed that the subsidiary recorded particularly positive results attributable both to the good performance of funding due to the effect of interest rates and, above all, to the completion of the transfer of the management, control and monitoring of the Multi-Asset Funds (AUM of about €25 million), internalised to the AMC, and which in the past were present in Poste Vita separate Class I management schemes, and therefore in this area there are no elements of attention to be reported.

The Board, also during the October 2024 information exchange, was informed that the AMC had taken all action necessary to identify the applicable regulations and any necessary compliance actions. In particular, the Subsidiary complied with ESMA, Anti-Money Laundering and Terrorism and DORA regulations, and in the reporting period January-September 2024, it continued its programme of revising internal regulations in accordance with the events that generated amendments and changes, issuing or updating 40 regulatory documents (16 Guidelines, 18 Procedures and 6 Operating Instructions), 14 of which were implemented by the Parent Company.

In the ESG sphere, with reference to the regulations on sustainable finance, the AMC has fulfilled the requirements associated with the regulatory technical standards (RTS, Delegated Regulation (EU) 2022/1288) that supplement Regulation (EU) 2019/2088 of the European Parliament and of the Council (so-called SFDR or Disclosure Regulation): i) integration of the Prospectus with an annex containing the disclosure on sustainability issues according to the RTS template; ii) publication, by 30 June 2024, according to the RTS template, of the "Statement on the main negative effects of investment decisions on sustainability factors"; iii) integration of the annual product report with the disclosure on sustainability issues according to the RTS template. At European level, work is underway to revise the framework.

In addition, the AMC identified and defined its ESG objectives, both in the area of sustainability and with reference to the Long-Term Incentive Plan. The following transversal objectives were included in the Management Incentive System - MBO 2024: (i) Customer Experience BancoPosta Fondi SGR and (ii) ESG Plan Banco Fondi SGR. These objectives have an overall weight of 30%. Within the framework of the long-term incentive plan - 2024-2026 LTIP - a sustainable finance target has been set related to the ESG integration of at least 2 Funds (with Article 8 classification and consequent SFDR fulfilments) among Primo, Obbligazionario Euro MLT, Rinascimento and Universo Start, i.e. Funds that invest directly in single securities and that are established and managed directly by the AMC; the target has a weight of 40%.

With regard to the interventions and controls implemented following the Bank of Italy inspection, please refer to the following paragraph "Supervision of activities and inspections by supervisory authorities" of this Report.

Lastly, with reference to the new Business Crisis and Insolvency Code, the Board was informed that the Subsidiary adopted specific debt indicators, in order to detect any signs of debt exposure of the company potentially symptomatic of a state of crisis, in line with the provisions of Legislative Decree no. 83/2022.

Consistently with the progressive application process shared with the Parent Company, in order to further strengthen the monitoring and supervision of business continuity issues, the subset of indicators identified was subsequently integrated with a further indicator of a forecasting nature, in line with the requirements of the regulations and leading practices in the Debt Service Coverage Ratio (DSCR) sphere, and with another Specific Indicator, consistent with the characteristics of the Subsidiary and the business in which it operates, which for the AMC is the Regulatory Capital.

The Board of Statutory Auditors has noted that both the specific debt exposure indicators and the specific indicator of sustainability of financial debt show that the Company does not have any facts/circumstances to report or specific areas of risk.

The Board of Statutory Auditors, as part of ongoing discussions with the Head of the BancoPosta Internal Auditing function, to whom BancoPosta Fondi SGR audit activities are outsourced, noted that during 2024 the outsourced activities were, on the whole, supervised through the performance of periodic monitoring of service levels by BancoPosta contract supervisors and Risk Management function, as well as through the systematic holding of operating committees with BancoPosta Fondi SGR and the periodic discussion of indirect outsourcing within Poste internal credit management committees.

Audits on the investment of liquidity from postal current account deposits, entrusted by BancoPosta to BancoPosta Fondi SGR through a management mandate, confirmed an overall positive control system for 2024, taking into account the general level of regulatory compliance of the outsourced activities, evidence of control activities and compliance with both service levels and related KPIs, which are, moreover, correctly reported.

With reference to PostePay EMI Ring-fenced Capital, the Board of Statutory Auditors monitored the progress of audit activities, including through the meeting with the company's control body held in June 2024, during which the Board of Statutory Auditors received extensive information on the main elements relating to the functioning of the Internal Control System and governance, administration and organisation, the functioning of EMI RFC, as well as significant aspects relating to management and financial performance.

Based on the information received from the Control Body of PostePay, the Board noted that a positive assessment emerged on the Internal Control System, the administrative-accounting structure and the organisational structure, highlighting how they are adequate for the size and nature of the business carried out by the Subsidiary. In addition, the Board of Statutory Auditors noted that during the first quarter of 2024, PostePay continued with its activities aimed at strengthening its workforce, in particular through a process of recruiting from the market to acquire specialised profiles and skills, and intra-group hires aimed at enhancing the professional diversification of resources from other areas of the company and consolidating skills, with a focus on innovation, digital and ESG issues, as well as balancing a consistent mix of professional levels.

With reference to ESG issues and the European plan so-called Next Generation EU, an initiative was launched for the placement of young graduates and undergraduates through a six-month internship training project with at least ten resources in the first half of 2024.

In addition, the Board received information on the business relating to the marketing of electricity and natural gas supply services, noting that the trend of the aforementioned Energy business is growing steadily and sees a continuous increase in new customers. With reference to the Environmental, Social, Governance ("ESG") aspects, the Board was informed that PostePay only offers and injects electricity produced in Italy from renewable sources, certified through GSE Guarantees of Origin, and that offsets the CO2 emissions of gas through the purchase and sale of Green Certificates. In addition, PostePay adhered to the Group's policy, also incorporating the various ESG Guidelines, and drew up an ESG Intervention Training Plan, which was completed during the year 2024.

With reference to the Italian legislation on Whistleblowing - Legislative Decree no. 24/2023, and to the regulations introduced by the Business Crisis and Insolvency Code, the Subsidiary has complied with the new regulations and the Board has noted that the management of PostePay has already started the appropriate activities.

Also on the subject of regulatory adjustments, the Board was informed about the activities carried out by PostePay, especially with regard to the financial sector, referring in particular to the new Regulation no. 2024/886 on instant credit transfers (which came into force on 8 April 2024), which from 2025 will be equal to ordinary credit transfers.

The Board, in the context of its discussions with the Head of Poste’s Internal Control function, noted that the audits carried out by the PostePay Internal Audit function with reference to the process of adequacy of the organisational structures of the Subsidiary revealed some areas for improvement.

The Board of Statutory Auditors has constantly monitored PostePay most significant corporate transactions, noting that on 9 February 2024, the PostePay Board of Directors approved the transaction for the acquisition of the entire stake held by Poste in Conio Inc. which corresponds to 16.29% of the share capital - corresponding to 14.53% on a fully diluted basis - and on 27 February 2024 approved the transaction for the acquisition of the 100% stake in the share capital of N&TS Group Networks & Transactional System Group S.p.A. ("N&TS"), whose purchase contract was signed the following day.

With regard to the interventions and controls implemented following the Bank of Italy inspections, please refer to the following paragraph "Supervision of activities and inspections by supervisory authorities" of this Report.

With reference to the Poste Vita Insurance Group, in July 2024, the Board of Statutory Auditors met with the Control Body of Poste Vita and on that occasion, received extensive information on (i) the exchanges of information with the Control Bodies of Poste Vita S.p.A.'s subsidiaries. (ii) the activities of the Poste Vita Internal Auditing function, (iii) the interventions and controls implemented following the IVASS inspection, (iv) the state of compliance with the new legislation on Whistleblowing - Legislative Decree no. 24/2023, and (v) relations between Poste Vita and its Related Parties.

With reference to the exchanges of information with the Control Bodies of Poste Vita Subsidiaries, the Board was informed that the Control Body of Poste Vita met with the Board of Statutory Auditors of Net Holding and Poste Assicura, and the meetings held did not reveal any particular points of attention, as both Control Bodies showed proper alignment with the Group's procedures and constant monitoring of the most significant aspects. Furthermore, it turned out that both investee companies recorded positive economic, asset and financial results.

With regard to the interventions and controls implemented following the IVASS inspection, please refer to the following paragraph "Supervision of activities and inspections by supervisory authorities" of this Report.

With reference to the status of compliance with the new legislation on Whistleblowing - Legislative Decree no. 24/2023, the Control Body met with the Head of the 231 Function and Supervisory Board support in the area of Compliance, who reported that the activities carried out by the 231 Function were in line with those planned, and since November 2023, the Organisational Model has been updated also for the subsidiaries, with the exception of

Poste Assicura, for which this update was completed in 2023; in addition, it emerged that the Group is testing an IT platform for the management of whistleblowing reports, which has been aligned with the regulatory provisions.
Lastly, as regards relations between Poste Vita and the relevant Related Parties, the Board was informed that the Company has adopted precise regulations with reference to transactions carried out with Related Parties, which concern various aspects of operations, such as, for example, when acquiring tenders, allowing the Company to adopt the controls provided for by internal regulations to verify the Related Parties and potential conflicts of interest and that the transaction with the latter are carried out at market conditions.
On the occasion of the aforementioned meeting, the Board was also informed that the Company, in line with the provisions of the Crisis and Insolvency Code, had adopted the set of indicators for the identification of signs of crisis and that these indicators showed more than positive results and provided important comfort as regards business continuity.
The Board of Statutory Auditors also examined in detail the Eurovita S.p.A. transaction, for which it recalled that the Board of Directors of Poste Vita, at its meeting of 28 June 2023, approved the adhesion to the rescue scheme to protect Eurovita policyholders, together with Allianz S.p.A., Assicurazioni Generali S.p.A., Intesa Sanpaolo Vita S.p.A. and UnipolSai Assicurazioni S.p.A., following the default of Eurovita, by setting up the corporate vehicle Cronos Vita S.p.A.

❖ *Supervision of activities and inspections by supervisory authorities*

The Board of Statutory Auditors has held constant exchanges of information with the Control Bodies of Group Companies and, specifically, in October 2024 it held a meeting with the Control Body of BancoPosta SGR During which the Board of Statutory Auditors received an update on the issue of the integration of Environmental, Social and Governance ("ESG") risks within SGR and, in particular, on the progress of the activities envisaged in the ESG Action Plan sent to the Bank of Italy in 2023, in response to the survey launched by the Authority following the issue of the document on "Bank of Italy supervisory expectations on climate and environmental risks". In this regard, the Board recalls that during the two exchanges of information held in 2023, the Supervisory Body of BancoPosta Fondi SGR pointed out that in December 2022, the Authority had published an Information Note containing the evidence emerging from the responses to the Self-assessment Questionnaires, sent by the Intermediaries, from which it emerged that, in the face of a generalised attention to ESG issues by the top management of the Intermediaries, in most

cases widespread deficiencies were found, with delays in the implementation and, often, also in the planning of structural interventions on the various company profiles involved. For this reason, the Authority asked the Boards of Directors of all less significant banks to define and approve specific Action Plans for the effective integration of climate risks into the ordinary governance and risk management framework over the three-year period. In light of this, the AMC, in its capacity as a non-banking financial intermediary - although it had already embarked on a path of ESG integration - in aligning itself with the requirements of the Supervisory Authority, at the end of March 2023, submitted to the Bank of Italy a document containing the following aspects: (i) the company's *as-is* situation with respect to expectations, (ii) the Action Plan for the inclusion of climate and environmental risks with related time-lines and priorities, and (iii) the assessment of the AMC Control Body.
During the exchange of information in October 2024, the Board of Statutory Auditors noted that the aforementioned ESG Action Plan was positively evaluated by the Control Body of the AMC insofar as the same Plan is in line with the parameters indicated by the Bank of Italy and that in the letter "Corporate situation-updates" sent to the Bank of Italy at the end of March 2024, the AMC indicated the performance of a "gap analysis" aimed at comparing the Subsidiary's ESG Plan with the good practices highlighted by the Authority in order to initiate analysis activities on any deviations and improvements to be made. The outcome of this analysis was shared at the Governance Committee meeting in July 2024 and the related information was provided to the Board of Directors at its meeting in September 2024, and from the aforementioned meetings, it emerged that there was no need to reformulate the ESG Action Plan, but only to define some additional improvements.
Lastly, the Board of Statutory Auditors noted that during the year 2024, the AMC was not involved in any inspections/requests for information or reports by Supervisory or Judicial Authorities.
On the occasion of the meeting with the PostePay control body, held in June 2024, the Board received an update on the outcomes of the three inspections conducted by the Bank of Italy against PostePay in previous years (period 2022 - 2023), noting that all the inspections were concluded without the application of sanctions by the Authority.

Moreover, also in the above-mentioned exchange of information, the Board was informed that PostePay was involved in a proceeding initiated by the Antitrust Authority (AGCM), which censured the unwillingness of Poste Italiane, through its subsidiary PostePay, to grant access to the network of Post Offices to third parties competing in the market for the sale of electricity and gas services to the public, on the basis of the alleged violation of Article 8, paragraph 2-quater of the Antitrust Law. At the same time, the Authority notified Poste of a precautionary measure pursuant to Article 14-bis of Law no. 287/1990 in order to take precautionary measures to restore and maintain competitive conditions in the affected markets. On 14 February, Poste filed its own memorandum contesting the Authority's approach and, in particular, how it sees the disapplication of the provisions of Article 1, paragraph 6, of Decree Law no. 59/2021 as amended, which exempts Poste, until 31 December 2026, from the application of Article 8, paragraph 2-quater, of Law 287/1990. On 2 April, the Italian Competition Authority notified Poste of decision no. 31138 by which it decided to adopt precautionary measures, pursuant to Article 14-bis of Law no. 287/1990, against which an appeal was lodged with the Lazio Regional Administrative Court, the outcome of which was unfavourable to Poste. The Parent Company challenged this measure before the Council of State, and subsequently, by order of 20 May 2024, the Council of State upheld the appeal filed by Poste requesting the suspension of the aforementioned precautionary measure. Therefore, the main proceedings are still pending and are currently awaiting their conclusion.

Lastly, during the exchange of information with the Poste Vita control body, held in July 2024, referring to the inspections initiated by IVASS between 2020 and 2021 against the Company, the Board of Statutory Auditors acknowledged that all the measures envisaged in the Improvement Plan had been completed, and among the measures implemented, the framework resolution on investments was updated, which further strengthened the controls and checks to be carried out also by the Risk Management function.

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Oversight of BancoPosta RFC

The Board of Statutory Auditors oversaw BancoPosta RFC in accordance with:

- Presidential Decree 144/2001 "Regulations governing the services provided by BancoPosta", the relevant regulations contained in the Consolidated Law on Banking and in the Consolidated Law on Finance and the implementing regulations for banks, deemed applicable to BancoPosta by the relevant authorities, and in compliance with the BancoPosta RFC Regulation approved by the General Meeting of shareholders held on 14 April 2011 and amended by the Extraordinary General Meeting of 31 July 2015 and subsequently revised by the Board of Directors (BoD)' resolution of 25 January 2018. As required by the Regulation, the Board of Statutory Auditors examined the

specific issues regarding BancoPosta RFC separately, reporting the results in the minutes of its meetings;
- the Supervisory Standards issued by the Bank of Italy on 27 May 2014 and, more generally, those in Circular 285 of 17 December 2013, as amended.

As known, and verified on the basis of the information received from the Financial Reporting Manager, the Independent Auditors, BancoPosta management and the heads of BancoPosta Control functions, as well as an examination of the Annual Report of the Financial Reporting Manager, BancoPosta RFC is separate from an organisational and accounting point of view from the rest of the activities carried out by the Company. In preparing the Report for BancoPosta RFC, in compliance with the provisions of Law Decree 225/2010, converted into Law 10/2011, which introduced regulations applicable to BancoPosta RFC, requiring the accounting separation provided for in articles 2214 et seq. of the Italian Civil Code and preparation of a Separate Report, the Company uses the implementations developed within its accounting system, aimed at ensuring that transactions relating to BancoPosta RFC are recognised in a dedicated accounting system and separately from those relating to the Company's operations, for the purposes of application of the Bank of Italy's prudential supervisory authorities provided for by Law 10 of 26 February 2011.
Paragraph 2 of Bank of Italy Circular 285/2013 - part IV of the Standards for particular intermediaries of BancoPosta - Chapter 1 BancoPosta, section II - requires that, in addition to directly attributable revenues and costs, the charges incurred for the services provided by Poste Italiane in order to enable BancoPosta to operate should also be allocated to BancoPosta RFC, and that the allocation of these charges should be based on criteria that reflect the real contribution of the various functions to BancoPosta RFC results and to those of the Company as a whole.

Every six months, the Board verified the adequacy of the criteria adopted for valuing the activities carried out by Poste Italiane SpA for the management of BancoPosta RFC and, within the scope of our responsibilities as an oversight body, without responsibility for accounting controls, compliance with the applicable statutory and regulatory requirements. Based on the available data and information, the Board of Statutory Auditors believes that the level of control over management of BancoPosta RFC accounts is adequate.

In this regard, the Board of Statutory Auditors notes that, with effect from 2021, the Auditor has been engaged to annually issue a "limited opinion" which this year concerned the BancoPosta RFC Separate Report at 31 December 2024 - consisting of the balance sheet, statement of profit or loss, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year ended on said date and the notes ("BancoPosta Report"), annexed to the Company's financial statements in accordance with the provisions of section 8 of the BancoPosta RFC Regulation - in order to check the consistency of the data contained in the Report with those reported in the Company's financial statements for the year ended 31 December 2024.

The BancoPosta Report has been prepared in application of the International Financial Reporting Standards adopted by the European Union and the seventh update of Bank of Italy Circular no. 262/2005 – "Banks' Financial Statements: Layouts and Preparation", and of Article 2447-*septies*, paragraph 2, of the Italian Civil Code.

In relation to the content and purposes of the assignment, as well as the specific role of the Independent Auditors on the BancoPosta Report, the Auditor performed a limited examination on the basis of the provisions of the ISAE 3000 revised Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("ISAE 3000 Revised") principle and planned and performed procedures in order to acquire a limited level of assurance aimed at ascertaining that the BancoPosta Report does not contain material misstatements. On 4 April 2025, Deloitte issued its audit report on BancoPosta's financial statements, stating that "*based on the work performed, nothing has come to our attention that causes us to believe that the figures contained in the financial statements are inconsistent, in all material respects, with those reported in the Company's financial statements for the year ended 31 December 2024*".

With regard to the supervision of the financial reporting process of BancoPosta RFC, reference should be made to the observations and recommendations set out in paragraph 4 of this Report to the extent that they relate to said separate capital.

❖ *Adequacy of Control functions and Activity Plans*

The Board of Statutory Auditors received periodic information from the BancoPosta Control functions and examined the quarterly *Tableau de Bord*, as well as carried out an in-depth analysis of the results of the overall verification activities carried out by these functions in 2024, as shown below.

- The Board met periodically, and on a systematic basis, with the **Risk Management function**, which reported on the monitoring and development of risks relevant to BancoPosta. In keeping with the Group's new money laundering risk management model, as already mentioned above, from 2018, the Head of Risk Management has assumed the role of the BancoPosta Head of Anti-money Laundering, and within the Risk Management ("RM") function, the BancoPosta Anti-money Laundering Function was established. Within the Risk Management function, with the aforementioned Service Order no. 7 of 9 February 2024, two new functions were established (i) Operational and ICT Risks and (ii) Outsourcing and Third-Party Risks into which, in line with the perimeters of responsibility, activities and staff previously operating in the Operational Risks function and in the Outsourcing Governance and BCM function were merged. As already reported in the Report to shareholders prepared for the Shareholders' Meeting held in May 2024, the activities and resources dedicated to business continuity and incident management were merged into the Operational Risks function, renamed "Operational Risks and ICT", and, in parallel the function formerly known as "Outsourcing and BCM Governance" was renamed "Outsourcing and Third-Party Risks", in line with the growing attention dedicated to supply relationships relevant to BancoPosta, in addition to internal service contracts (Guidelines) and outsourcing agreements.
In addition, with Organisational Communication BP/01/2024 of 9 February 2024, the contact person for Business Continuity Management ("BCM") activities was established in the area of Operational Risks and ICT.

During the various meetings, the Board of Statutory Auditors was informed of the activities carried out by the Risk Management function during 2024 and the actions planned for the year 2025. In particular, the Risk Management function continued to monitor the execution of the Improvement Action Plan defined after the Bank of Italy's inspection in 2022, a plan approved by the Board of Directors in January 2023. It should be recalled that the inspections were aimed at assessing the BancoPosta profitability and business model as well as examining its governance and control systems and the way in which it manages interest rate risk, including internal modelling, and its tax credit purchase business. All activities related to the 11 findings raised in the Inspection Report were carried out as planned and regularly certified by the Internal Auditing function. In particular, in addition to the 67 activities carried out in the year 2023, the activities related to the "Contracting and Outsourcing" site were completed in line with the planned schedule, which also saw the automation of an additional 8 KPIs and 20 KPIs of the PostePay Service contract.

The Board of Statutory Auditors, in agreement with the relative function of BancoPosta, monitored the performance of the Risk Appetite Framework (RAF) indicators during 2024, on a quarterly basis through the *Tableau de Bord* of the BancoPosta Risk Management function.

The Control Body also verified the levels of materiality of the risks for BancoPosta with particular regard to Major Risks, relating:

- to "Operational Risks", which remain the most significant category, however reduced both in terms of capital absorption and operational losses; in both cases, these risks are largely in line with the risk appetite and, considering that IT risks also fall into this macro-category, the significance is structurally high;
- to "Rate Risk", whose exposure, in terms of economic value, remained at levels consistent with the RAF target threshold (28%) except in the third quarter, when the exposure - again asset-sensitive - reached 32.6% of own funds, taking advantage of the flexibility margins with respect to risk appetite approved by the Board of Directors at its meeting in March 2024. The exposure returned to the target level in December 2024, in line with the Board's decision.
- to "Spread Risk", which is not relevant for capital requirements, but for unrealised gains. With regard to the aforementioned risk, which is structurally high due to the constraint of investment in government bonds, the financial year was characterised by the trend of a reduction in the BTP-Bund spread (from 168 bps in December 2023 to 116 bps at the end of 2024), the portfolio carried at fair value (HTCS) recorded implied capital losses at the close of 2024 that declined to around €-0.5 billion (€-1.2 billion at the end of 2023), while on the total portfolio (HTCS+HTC) they fell to €-2 billion (€-3.4 billion at the end of 2023). However, the sensitivity of the value of the government bond portfolio to this risk factor inevitably remains high.

Medium Risks include:

- "Financial leverage risk", which is structurally higher than that of a bank due to the composition of its assets: this risk, although confirmed as material, was included in the year 2024 among the risks of medium materiality as the leverage ratio improved slightly in 2024 and remained constant at levels consistent with the risk appetite;

- "Credit/Counterparty Risk'", although increasing in the last quarter, was down on the previous year and remained well within the risk appetite.
- "Regulatory Risk", has been decreasing since the entry into force of CRR3, with impacts for BancoPosta related to Counterparty Risk/Credit Valuation Adjustment (CVA) and the new BIC method for operational risks, which are on the whole manageable. The residual, structural exposure is connected to changes in the prudential rules relating to Government Securities.

In the year 2024, the following are classified as Minor Risks:

- "Business risk", due to the balanced mix of revenues and costs that are mainly variable and net results showing further improvement;
- "Risk of involvement in money laundering or terrorist financing" (in line with the results of the self-assessment);
- "Reputational risk", which fell further after the final settlement of disputes with customers over the yields of the third decade of the Q/P series of postal savings bonds, following the Supreme Court rulings on the case, favourable to Poste, and the subsequent adjustment by the Banking and Financial Arbitrator;
- "Liquidity risk", thanks to stable funding as predominantly retail and extremely liquid assets; the regulatory indicators remain very high and the Liquidity Coverage Ratio ("LCR'") and Net Stable Funding Ratio ("NSRF") are increasing.

At 31 December 2024, all RAF metrics were in line with the objectives set in the RAF itself and during the 2024 financial year, only one misalignment was recorded - at the end of September 2024 - for the Interest Rate Risk metric in terms of economic value, resulting from a conscious management strategy that was communicated in advance to the Board of Directors and issued a Risk Opinion by the Risk Management function. In this regard, during a specific induction, the Board of Statutory Auditors and the Board of Directors were provided with an in-depth review of BancoPosta's RAF and the strategy adopted by the Company.

At 31 December 2024, capital adequacy measures show a high Capital Ratio and higher than at the end of 2023 (CET1 at 19.4%, compared to 18.9% in 2023; TCR at 22.6%, compared to 22.1% in 2023) and equity that continues to ensure a high Free Capital buffer compared to Pillar 2 absorption (53.1%, compared to 47.1% in 2023).

The leverage ratio was broadly stable at 3.3% during the year 2024 and the economic performance measures were positive and increasing further, with Return on Equity at 23.2% and RoRAC decreasing slightly to 38.4%.

The composition of operating losses in 2024 shows a prevalence of external fraud (29.7% of the total) followed by incorrect management of customer relationships, products and professional practices (29.3%), errors in execution, delivery and process management (28.6%) and internal fraud (9.7%). Furthermore, the exposure to operational risks, also in 2024, was significantly influenced by the emergence of events that occurred in previous financial years, mainly related to external fraud and the execution, delivery and management of processes.

Losses related to theft and robbery, quantified at €4.2 million in 2024, were higher than in 2023 (€3.7 million) and 2022 (€2.5 million).

Moreover, in 2024, releases and recoveries were overall significantly lower than in previous years. In the area of operational risk, activities were carried out to strengthen the processes for updating the Loss Data Collection and improving the quality and timeliness of data, the specialist support provided in assessing the risk profile associated with the outsourcing of BancoPosta RFC and the ex-ante assessment of the risk profile associated with the innovation of the BancoPosta offering and/or specific project initiatives.

The Risk Management function, as part of the process of defining the new Strategic Plan, estimated *ex ante* the impact of the operational and market scenarios - expected and stressed - on the risk profile, assessed the prospective adequacy of the capital and identified the risk appetite (RAF) of BancoPosta RFC consistent with the strategic objectives and guidelines at Group level. The target values, attention thresholds and limits formalised in the 2024 Risk Appetite Framework have been defined and are monitored by the Risk Management function on a quarterly basis as part of the *Tableau de Bord* addressed to the Control and Risk Committee, the Board of Statutory Auditors, the Board of Directors and the Bank of Italy.

In April 2024, the ICAAP/ILAAP Annual Report was prepared to represent the process of assessing BancoPosta capital adequacy and liquidity, the measurement tools and numerical elements referring to the date of 31 December 2023, supplemented by prospective and scenario assessments extended to a two-year horizon and "reverse stress tests". After review by the Control and Risk Committee and approval by the Board of Directors (on 18 April 2024), the document was sent to the Bank of Italy.

With regard to the definition of the Risk Appetite Framework for the year 2025, consistent with the scenario and budget objectives, the thresholds set incorporated the effects of the following management and regulatory developments:

- capital strengthening of €61 million through the allocation of 2024 profits;
- increase in Pillar 2 ("P2R") requirements as per the Bank of Italy's capital decision of 13 February 2025, with adjustment of the CET1 ratio and Total Capital ratio capacity thresholds;
- entry into force of Regulation (EU) 2024/1623 (so-called "CRR 3"), which is mainly relevant for counterparty/credit valuation adjustment and operational risks, with the transition to the new regulatory methodology (BIC). The result is an increase in capital requirements with a consequent adjustment of the CET1r and TCr thresholds;
- overcoming the problems related to the maintenance of the PostePay protection account and, therefore, the need to establish a revolving pledge on more than 10 billion securities, with the consequent possibility of raising the target thresholds and tolerance levels for liquidity indicators.

Consistent with the business model and strategic objectives, the Risk Management function has developed the following changes to the BancoPosta RAF for the financial year 2025, compared to 2024:

- decrease in the target level and tolerance of the CET1 ratio and the Total Capital ratio, due to the entry into force of CRR3, while the capacity increases in line with the indications received from the Bank of Italy - as Pillar 2 Requirement - in the Capital Decision of 13 February 2025;
- slight decrease in the triggers related to free capital, as a result of combining the metrics related to individual risks;
- lower capital absorption from operational risks;
- increased capital absorption related to Counterparty Risks, due to the higher capital requirement on CVA related to the entry into force of CRR3;
- increase in the thresholds for short-term liquidity risk (Liquidity Coverage Ratio) and medium-term liquidity risk (Net Stable Funding Ratio), as a result of the elimination of the need to establish a revolving pledge on securities for the PostePay protection account;
- reduction of the thresholds referring to Interest Rate Risk in terms of net interest income (NII) and the cost of operational risks;
- increased profitability targets in relation to available capital (ROE) and risk-absorbed capital (RORAC), consistent with budget expectations.

As regards interest rate risk exposure, it is confirmed that BancoPosta considers it useful to continue in 2025 with operating strategies aimed at reducing the weight of the "variable"

portfolio, anticipating the downward trend in rates, while protecting the level and stability of the interest margin.
To this end, BancoPosta has proposed to allow the Portfolio Manager (BancoPosta Fondi SGR) to exploit the flexibility margin between the appetite and tolerance levels relating to interest rate risk exposure in terms of economic value, allowing the metric to temporarily exceed the target level of 28%, up to the maximum tolerance level of 38%, subject to return to the target by the end of the year 2025. In parallel, BancoPosta also proceeded to update the related "Guideline for the definition of the Risk Appetite Framework and the assessment of Major Transactions" of BancoPosta RFC, making some changes.

The Board of Statutory Auditors then recalls what has been said above about the recent tensions arising from the introduction of increased US duties, i.e., the need to take into account in assessing the future risks of the Poste Group, including the separate Banco Posta equity, the effects of these tensions on the financial markets, as well as the risks inherent in the medium- to long-term availability of IT infrastructure (e.g., storage services provided by non-European providers) and the accessibility of payments based on non-European platforms.

Lastly, the Board was informed that, as of the date of preparation of this Report, the (i) ICAAP-ILAAP/2024 Report, which will be prepared by the Risk Management function and the (ii) Report of the BancoPosta Internal Auditing function on the ICAAP/ILAAP 2024 process, were not yet available, which will be presented by the respective functions to the Board of Statutory Auditors and the Control and Risk Committee, to then be submitted to the BoD for approval at its next meeting.

➢ The Board of Statutory Auditors met periodically, and on a systematic basis, with the **BancoPosta Compliance function ("Compliance")** and was informed at the March 2025 meeting of the results of the activities carried out by the aforementioned function in the year 2024, for each area of BancoPosta RFC involved in the Compliance process and for the cross-company disciplines monitored directly or indirectly by the function, as well as of the results of the "Compliance Risk Assessment" carried out in February 2025, also containing an in-depth review of the weaknesses verified and the corrective actions planned in the year 2025 for their superseding.

The Board of Statutory Auditors was informed of the 2025 Activities Plan, which envisages interventions, mainly oriented:

(i) in the area of Investment Services, to the consolidation of the New Service Model based on customer portfolios according to specific characteristics, together with the development of further functionalities of services provided through digital channels, taking into account regulatory developments on sustainability issues;
(ii) in the area of Insurance Brokerage, particularly in the area of Protection insurance products, the consolidation of controls relating to the distribution phase and the development of new offer models (specifically, the re-launch of the Pension sector and the restyling of CPI products is planned) and with a view to guaranteeing the robustness of the logic underlying the adequacy assessment, the adequacy questionnaires will be revised);
(iii) in the area of Banking Services and Postal Savings, to the adjustment of the 1-day handling of non-fraudulent disallowance, to the improvement of the levels of use of regulatory courses, and, in addition, to the improvement of the handling of dormant reports and the basic account;
(iv) in the area of Payments, to the implementation of the innovations envisaged by the SCT Instant Regulation that will come into force on 9 October 2025, the IT releases of which will have to be accompanied by procedural, organisational and real time control strengthening adjustments, and to the continuation of fraud prevention activities in the continuous evolution of predictive models;
(v) in the transversal areas of Direct and Indirect Control, the consolidation of controls in the areas of ICT risks, IT security, and ICT third parties, consistent with the Plan for compliance with the European Union's Digital Operational Resilience Act ("DORA") regulation, and the continuation of actions for the adaptation of corporate controls for other regulations with a transversal impact on business areas (Privacy, Business Continuity Management and Cash Management).
The results that emerged following the audits and actions carried out in 2024 were reported in the Compliance function's *Tableau de Bord* on a timely basis and did not reveal any critical issues that needed to be highlighted to the Board of Directors and Statutory Auditors separately from the aforementioned document.
During 2024, the evolution of the Service Models and the products/services offered to customers and the related supporting partnerships continued, in line with the objectives outlined in the 2024-2028 Strategic Plan.
In addition, during the year, the Compliance function implemented a comprehensive Control Manual, producing for each control a methodological note describing the purpose, data sources and method of calculation or execution of the control. This activity was also

integrated with the Data Governance checks performed by the Risk Management function, in order to ensure and monitor the quality of the data used and the results of the checks themselves. It should be noted that the results of the checks represent, in the methodology of the compliance function, an integral part of the calculation of the Final Risk within the Compliance Risk Assessment.

During the year, the Compliance function was also an active participant in the ISO 37301:2021 (Compliance Management System) certification process for the Group's Integrated Compliance, which received a positive assessment from the Certification Body regarding the methodology and tools adopted by the department. Furthermore, it continued to carry out its verification activity, on a quarterly basis, on the adequacy and effectiveness of the process for managing complaints and appeals submitted to the Financial Banking Arbitrator ("ABF") and the Financial Disputes Arbitrator ("ACF"), carried out by the Financial Complaints Management function ("GRF") within the DTO. The activities carried out involved various areas (Banking and Financial Services, Postal Savings Services, Investment Services and Insurance Brokerage Services) and the results of the second-level controls, always shared with the DTO/GRF function, showed during 2024, a substantial adequacy of the complaints and appeals management process, albeit in the presence of some areas for improvement related to the registration in the company database (correct input of the reason, correct valuation of the outcome) and to the contents of the letters of reply to the customer, not always in line with what the customer actually requested/complained about. No significant anomalies were found in other complaint matters, nor in the handling of appeals lodged with the ABF/ACF.

With reference to complaints, during 2024, a total of 30,426 complaints were received within BancoPosta and, specifically, complaints relating to the Investment Services activities were 1,145, an increase compared to 2023 (+32% of complaints received), numerically insignificant compared to the total of operational relationships (less than 0.1%). The aforementioned complaints are mainly attributable to the investment consultancy service and subsequently to the custody and administration service and to the placement and reception and transmission of orders; with reference to the efficiency of the process, the complaints were dealt with within the time limit set by the legislation (60 days) and the investigations conducted by the competent company structure highlighted that only 16% of the complaints made were well-founded (194 cases). With reference to complaints relating to the Insurance Intermediation sector, during 2024, Poste Italiane received 317 complaints under its jurisdiction and redirected approximately 631 investigations under its jurisdiction to Poste Vita and Poste Assicura (as provided for by IVASS Provision no. 46/2016). There were 322 complaints composed, among those under its competence, while the backlog at 31 December 2024 amounted to 16 complaints (being processed within the regulatory time-frame); these complaints were processed within the time-frame stipulated by the regulations (45 days) and in 84% of cases were unfounded. In addition, the quarterly monitoring of complaints on CPI products initiated in 2020 and reported to the Financial and Insurance Services (SFA) Committee continued during 2024.

With regard to complaints relating to Banking Services and Postal Savings, 30,500 thousand complaints were received in 2024 relating to BancoPosta, an increase of around 5% compared to over 28 thousand in 2023; the majority of complaints related to Interest-bearing Postal Certificates (BFP) and specifically to disputes over yields and prescriptions (equal to around 18% of the total) as well as disputes over the conditions applied, including tax charges (equal to around 14% of the total) and disputes on payment and collection transactions (amounting to 13% of the total). Overall, only 15% of the approximately 30,500 thousand compound complaints in 2024 were well-founded (compared to 7% in 2023). In addition, the distribution of the main reasons for disputes relates to the disallowance of transactions in physical channels (56% compared to 10% in the previous year), to online transactions (remaining stable compared to the previous year) and, as mentioned above, to Interest-bearing Postal Certificates.

In the area of Banking Services and Postal Savings under BancoPosta direct responsibility, with regard to compliance with timeframes, it was found that complaints processed within the regulatory deadlines maintained a similar performance to 2023, amounting to 99.8% of processing. Furthermore, complaints relating to the Payment Services area have slightly worsened compared to the previous year's survey (97.9% out of 8,602 complaints in 2024 compared to 99% out of 7,600 complaints in 2023 for complaints settled within the terms). At 31 December 2024, the backlog of complaints not processed within the deadline was 7.

There was a decrease in the number of BancoPosta appeals before the ABF in 2024, about 30% less than in 2023 (1,150 vs. 1,634 in 2023), the effect of the substantial reduction in customer appeals on Interest-bearing Postal Certificates series Q/P 21-30.

In general, the processing of ABF appeals under BancoPosta jurisdiction confirms, as already noted last year, the achievement of top performance (100%) of appeals processed on time also for 2024.

The Board was informed that during 2024, a number of important procedural, organisational and technological interventions were completed to strengthen the ABF complaints and appeals handling process. In particular, with reference to the process of dealing with disallowance: (i) the Complaints Management Guideline has been updated, (ii) training sessions have been held for all the personnel involved, aimed at ensuring knowledge of the processing criteria to be adopted in the investigation of the disallowance, (iii) specific internal operational communications (so-called COI) have been issued aimed at raising awareness among counter operators to provide adequate support to customers who submit a complaint or a disavowal and (iv) the web form for disallowance has been adapted to the paper form of the Post Office ("UP") with particular reference to the 1-day processing also of disallowance not attributable to fraud.

For 2025, actions will continue to strengthen the process for managing disallowance and the Complaints Manual will be updated with the enrichment of the exchange information shared with the partner Compass, as well as the inclusion of the partner IGEA Digital Bank (business financing), which took over during the year.

With reference to fraud prevention and monitoring activities, as part of the ongoing process of strengthening anti-fraud measures to mitigate operational risk, enhancements to the PIAF platform were implemented in 2024 through:

• fine-tuning of anti-fraud rule management to optimise performance, supporting the reduction of decline rates and fraud ratios;

• activation of the ThreatMetrix138 anti-malware component;

• completion of the set-up and updating of the fraud intelligence environment (with development of the first version of the predictive analysis model on on-us and e-commerce operations);

• technical updates of operational flows arranged in UP, preliminary to the development of monitoring rules and procedures on post and ordinary transfers.

In addition, in the course of 2024, the new dispatch process was extended to PostePay cards and procedural/IT developments were made to strengthen security measures during the enrolment of PostePay cards on third-party providers' digital wallets.

The data recorded at 31 December 2024 on the trend in fraudulent transactions show a sharp decrease in fraud on both debit cards and current account transactions thanks to the effectiveness of the initiatives undertaken and aimed in particular at countering the phenomena of customer "manipulation" and so-called "boxing' such as, respectively:

introduction for top-ups from UP of the limit to €5 thousand per individual tax code and tracking of card renewals (debit and passbook).
In 2025, reinforcement actions in the area of fraud prevention aimed at extending predictive models (e-commerce or on-us) will continue, also in view of the migration of the Integrated Anti-Fraud Services Platform ("PIAF") to the cloud, and training activities in the area of fraud will continue, aimed at keeping sales personnel up-to-date on the evolving scenarios of the most commonly used forms of fraud.

In 2024, the Board was informed of the progress of all corrective actions planned in the areas of (i) Investment Services pursuant to MiFID2, (ii) Insurance Intermediation, (iii) Banking and Postal Savings Services, (iv) Payment Services pursuant to PSD2, (v) direct and indirect cross-sectoral areas (a series of initiatives for the consolidation of the company's oversight related to regulations with a cross-sector impact), (vi) Business Support and (vii) "Cross-Sector Regulations" (initiatives for the consolidation of the company's oversight related to regulations with a cross-sector impact).
In the year 2024, the Compliance function performed *ex-ante* advisory activities in connection with the development and innovation of products and services under the "2024 Sustain & Innovate Plus" Business Plan.
With regard to the activities aimed at strengthening the Compliance function, during 2024, the function continued its qualitative and quantitative reinforcement of staffing levels, and this process led to it to have, in 2024 and in the first quarter of 2025, a number of resources more in line with the effort required to effectively oversee core and indirect regulatory areas, in addition to ensuring compliance checks on services and products managed directly by BancoPosta or managed in service by PostePay, on all products placed by BancoPosta on behalf of third-party intermediaries, and on transversal regulatory areas.
In addition, also by virtue of the skills assessment carried out in early 2025, specialised training focuses will be provided to further improve the awareness and technical skills of all the resources belonging to the Function.
Lastly, in the last quarter of 2024, the Control function was established within the Compliance function; this function, which has been fully active since the beginning of 2025, is focused on the execution of level II controls relating to the products and services offered by BancoPosta to customers, market abuse and personal transactions, and also ensures the analysis and monitoring of the outcomes of disputes with the Supervisory Authorities, as well as complaints for the entire scope of BancoPosta offerings.

With reference to Business Continuity Management ("BCM"), the Board verified in 2024 the implementation of interventions in this area, with particular reference to the management of operational and IT risks and monitored the further actions undertaken. Specifically, the Board noted that the results of the 2024 Compliance Risk Assessment showed a positive assessment of the Business Continuity management system with some areas for improvement, including the updating of the "ICT Disaster Recovery and Business Continuity Plan", which introduced the keeping of the register of significant cyber threats under the Corporate Protection CERT function. Moreover, the results of the second-level controls revealed a system adequately supervised by the Risk Management function, which operates as a second-level control function with respect to the Group's BCM system.

With regard to the activities entrusted through the BancoPosta Asset Continuity Executive Regulations, substantial compliance with the compliance indicators (KCI) monitored by the competent BancoPosta structures was noted in 2024.

With reference to the specialist audit activities on the Business Continuity processes and solutions relating to BancoPosta products and services, these are carried out annually by the BancoPosta Internal Auditing Function on the basis of the Audit Plan and the Board acknowledged in March 2025 that the results of the Audit carried out by Internal Auditing on the organisation and implementation of the testing activities, as well as on the Business Continuity management process, highlighted an assessment of adequacy, with the need to complete some actions.

With the aim of fully responding to the regulatory updates of the EU Regulation 2022/2554 so-called DORA - Digital Operational Resilience Act ("DORA"), two sites were set up within the Macro Project of Poste Italiane dedicated to DORA adaptation (the Business Continuity Management site and the Incident site). The analysis conducted on the Sites led to the updating of the document framework already in place and the drafting of new controls.

The BancoPosta Risk Management function has published the "BancoPosta Business Continuity Sector Plan" and updated the "Financial Services Incident Management Procedure" to incorporate the methods for classifying and notifying serious ICT incidents, recurring incidents and significant cyber threats, with indications on the template to be used for notification and the timeframe for storing evidence of them.

In addition, the Business Continuity Management function in the area of Corporate Protection/Computer Security drafted and updated the following documents within the document framework of the Group Business Continuity Model: (i) the "ICT Business Continuity Policy", (ii) the "Group Crisis Management and Business Continuity Guideline", (iii) the "Business Continuity Risk Assessment Procedure and Methodology", (iv) the "Group Crisis Management Plan", (v) the "Annual Business Continuity Test Plan" and (vi) the "Group Business Continuity Plan".

Finally, the Computer Emergency Response Team (CERT) function of Corporate Protection formalised the "Procedure Annual Aggregated Assessment of Costs and Losses Related to Serious ICT Security Incidents" and updated the "Procedure

Group Information Security Event and Incident Management" and its annexes in order to incorporate the DORA innovations on the aforementioned topics for serious ICT incidents and recurring incidents. The "Crisis Management Communication Plan" and the "Group Business Continuity Communication Plan" have also been updated and are currently being published to guide the organisation in communicating business interruption scenarios resulting from disruptive incidents to both customers and the public, specifying content, recipients, timing and responsibilities.

The activities planned in 2025 in the area of Business Continuity Management will concern:

- carrying out Business Impact Analysis and preparing Business Continuity Procedures according to the new model and with the support of the new Archer tool, already used in 2024 for BIA;
- updating the BancoPosta Sector Plan based on the findings of the BIA 2025 campaign and the definition of Business Continuity Procedures to ensure compliance with the 40th Update of Bank of Italy Circular 285;
- expansion of the scope of business continuity tests and continuation of tests with third parties.

In addition, a further training initiative will be launched on the evolutions of the business continuity model, also in relation to the regulatory developments of the DORA Regulation.

The findings of the Internal Control function's audits of Investment Services, Payment Services, Savings Services, Postal Services, Insurance Services, ICT Solutions and Services, and BancoPosta Financing Services showed an overall adequate assessment, with some areas for improvement identified to make the solutions more effective.

The Board of Statutory Auditors monitored the issue of ICT Risk, noting that initiatives to strengthen the overall IT Security management system and monitoring of ICT Risk continued in 2024.

During 2024, the ICT risk assessment continued to be updated, depending on the progress of the remedial plans since the last cycle of the Cyber Risk Analysis, the results of which were periodically reported to the Board of Directors as part of the Risk Management function's *Tableau de Bord*. As mentioned above, the Project to adapt to the requirements introduced by the DORA Regulation - coordinated by the Corporate Protection/Computer Security function - continued, involving all the Poste Group's divisions/supervised companies (BancoPosta, BancoPosta Fondi SGR, PostePay, LIS Pay, PosteVita, Poste Assicura and Net Insurance). This project has been dedicated, among other things, to the transposition of regulatory dictates, including the updating of the overall document framework approved at the Board of Directors' meeting of 12 December 2024, as well as the implementation of strengthening and improvement measures with the identification of the relative priorities of intervention and economic resources to be allocated to them; the programme of activities for full compliance with the new regulatory standards will continue during 2025, with various initiatives relating to ICT Risk, Incident, Third Party, BCM and Digital Operational Resilience Testing, the implementation of which will be monitored by the Internal Auditing function.

The main activities planned in 2025 concern: the updating of the BancoPosta IT Risk Management and Governance Guideline, in relation to the continuation of activities to comply with the DORA Regulation, the evolution of controls in the ICT Risk area, in relation to the new regulatory context, and the monitoring of return plans deriving from the results of the cyber risk analysis and technical cyber audits and return actions in the area of system obsolescence.

- The Board met periodically and on a systematic basis with the **Internal Control function (so-called "Internal Audit")** of BancoPosta, which conducted 22 audits during 2024, in line with the Annual Audit Plan, and delegated to Poste Italiane S.p.A.'s Internal Control function. 13 IT audits and 1,427 territorial interventions on which the Internal Audit function directs the definition of the areas and checks to be carried out. In addition, during 2024, Internal Auditing conducted verification activities in support of the Financial Reporting Manager on the effective application of the main administrative-accounting processes pursuant to Law no. 262/2005, and performed systematic monitoring on the

Action Plans defined by management to overcome the aspects of attention emerging from the audits conducted previously.

With regard to the Improvement Action Plan defined following the inspections conducted by the Bank of Italy in 2022 ("Bankit Plan"), Internal Auditing verified the implementation of the activities in terms of suitability and effectiveness of the measures adopted and monitored the progress of the projects on a monthly basis, carrying out the necessary in-depth analyses.

As a result of the activities carried out, the Internal Auditing function found an overall adequate Internal Control System for 2024, also taking into account the initiatives implemented and the projects launched aimed at strengthening the monitoring and control systems.

The Board of Statutory Auditors, in the course of several meetings with the Internal Auditing Function, took note of:

- the successful completion of the actions identified in the Bankit Plan, through the implementation of the project initiatives scheduled for 2024; the Bankit Plan, which is constantly monitored by the Internal Auditing function, has been periodically reported to the corporate bodies as part of the *Tableau de Bord* of BancoPosta control functions;
- the continuation of the process of evolving the BancoPosta offer, highlighting a general strengthening, in line with the development guidelines of the 2024-2028 Strategic Plan, towards a diversified and integrated Service Model, confirming the centrality of Environmental, Social and Governance (ESG) issues. In general, there has been the enrichment of captive financial product offerings that promote environmental or social characteristics, the strengthening of the supervision of services provided, and the expansion of contact channels (both digital and physical) with customers;
- the advancement of initiatives related to the New Specialised Commercial Service Model, which envisages, among other things, a better focus on the relationship of financial advisors with both Premium and Affluent customers, the strengthening of advisors' career paths, the introduction of incentive logics linked to client portfolio management, and the development of support IT tools based on Generative Artificial Intelligence;
- the launch of tables and the progressive identification and implementation of the necessary actions to ensure compliance with recently enacted and implemented regulations such as the European Digital Operational Resilience Act - DORA, Reg. European Directive no. 886/2024 amending the regulations on instant credit transfers in

euro and IVASS Order no. 147 on the simplification and rationalisation of pre-contractual information through the provision of a single pre-contractual model (MUP) for insurance products, in which the information hitherto divided into separate documents is integrated;

- the overall validity of the system of Operating Guidelines and the related KPIs, as updated on the occasion of the renewal for the three-year period 2023-2025 which also took into account what was highlighted by the Authority in the latest inspection, and the regular performance of the Management Committees on the individual Guidelines;
- the updating of important governance policies including the Internal Control and Risk Management System (SCIGR) Guidelines, the BancoPosta Organisational and Operating Regulations, the Regulations for the entrusting and outsourcing process of BancoPosta RFC, the Management of Transactions with Related and Connected parties Guidelines of Poste Italiane S.p.A., the Regulations of the Financial and Insurance Services Committee, the Consolidated Law on Information Security which includes the "Information Security Governance Model", the "IT Security Policy of the Poste Italiane Group", the "IT Risk Analysis Methodology" and the "Integrated IT Security Training Plan", the BancoPosta IT Risk Governance and Management Guideline, the Guideline on conflicts of interest pursuant to the MiFID and IVASS regulations, the Guidelines for the definition of the Risk Appetite Framework and the assessment of BancoPosta RFC Major Transactions, the Product Governance Guidelines for Poste Italiane investment products, insurance and banking, as well as the Guidelines for the Provision of Investment Services and the Group Anti-Money Laundering Guidelines. With reference to the Anti-Money Laundering aspects, during the year 2024, the project for the implementation of the "Practice for Electronic Adequate Verification" (PEAV) saw the conclusion of the main project streams and the fine-tuning of the integrations with both the control phases and those for the evaluation of customer operations; the audit activities conducted in the year 2024 showed an overall positive assessment of the internal control system, with some actions for improvement, and the audit results for the Territorial Anti-Money Laundering Units were also positive overall.

With reference to the sales channels, the audits conducted on the processes of commercial planning and management of the incentive system of the Distribution Network revealed an overall positive control system, in consideration of the correctness of the activities carried out and the appropriateness of the controls acted upon, as well as the strengthening of the communication channels and tools adopted for the outline and dissemination of the targets punctually monitored.

The territorial audits carried out at Post Offices, delegated to the Poste Italiane Internal Control function on the basis of a specific Operating Guideline, confirmed a level of full adequacy of the control system, and specific actions were initiated for the structures that recorded a higher level of inadequacy (e.g. Sicily and the North West area).

Lastly, the results of the audits on the other territorial structures (Branches and Call Centres) were positive overall, and in the MIPA area, the audit on the Off-Site Offering process was positive overall, with some areas for improvement mainly attributable to the need to automate certain phases of the sales process.

During 2024, corrective actions were implemented to strengthen the IT systems supporting the execution and tracking of first- and second-level line controls on Post Office operations. Analyses of offences committed in the sales network confirmed, both overall and by individual technical form, the downward trend recorded in recent years.

In 2024, mystery shopping was again carried out in order to verify the correctness of the information provided by sales consultants in connection with loan applications combined with the offer of CPI (Credit Protection Insurance) policies, and the data on advisors informing the customer about the main features of the insurance product also improved.

With regard to the development and management of the BancoPosta range of products and services, these were found to be up-to-date and consistent with the Financing Offer for business customers and the agreements with business partners concerning product distribution, identifying certain improvement actions aimed at strengthening oversight of product performance and the adequacy of the target market.

With reference to the management and provision of Investment Services and the distribution of insurance products, the audit revealed that the processes related to the provision of the Guided Advisory Service were found to be well supervised by the second-level controls and properly attended to by top management. In addition, ESG safeguards and metrics underpinning the advisory service were strengthened, and actions are underway to reinforce safeguards on the correct parametrisation of new products prior to placement, while the sales planning and incentive processes for the distribution network were also positive overall, and qualitative indicators in the MiFID incentive system were strengthened in 2025.

The Board of Statutory Auditors, with reference to the activities entrusted by BancoPosta to Poste Italiane, noted that during 2024, the structure of the Operating Guidelines and related KPIs was updated at the time of renewal for the three-year period 2023-2025 and will be subject to review also during 2025: there are 13 Guidelines in force in 2024,

classified according to the regulatory definition into 7 Essential or Important Function ("FEI"), 3 Non-Essential or Important Function (No FEI) and 3 Control.
In this regard, during 2024, the strengthening activities undertaken following the indications provided by the Supervisory Authority were completed, both during inspections and on paper, a strengthening path that led to the further expansion of the number of KPIs calculated automatically and in particular an additional 8 KPIs were automated, 3 within the scope of the Guideline with Commercial Networks, 3 within the scope of the Guideline with DTO/Customer Operations and 2 within the scope of the Guideline with TA/Information Security through the acquisition and processing of data flows coming directly from the corporate Data Warehouse.
For the purpose of verifying service levels, a total of 380 KPIs were periodically monitored, the outcome of which at 31 December 2024 was positive overall with approximately 98% of the performance indicators, in line with the defined targets; there was thus a 2% improvement over the previous year when 96% of the indicators were in line. There are fewer KPIs in penalties not in line than in the previous year (2 penalty KPIs in 2024 and 4 penalty KPIs in 2023).
In continuity with previous years, an external company was asked to verify the congruity of the valuation made in the year 2024 of the Guidelines, the results of which were positive and were reported to the Board of Statutory Auditors during the meeting held in December 2024.

The Board was also informed of the conclusion of the Bankit Plan following the implementation of the last project initiatives still open relating, in particular, in the area of Outsourcing, to the automation of certain KPIs and the application of the KPI monitoring and reporting model also to the outsourcing of FEI or important to third parties; all the activities carried out were subject to certification by the Internal Auditing function.
With regard to the BancoPosta organisational structure, following the organisational evolution of the Risk Management function, formalised in February 2024, all activities relating to the analysis and management of ICT and cyber risks relevant to BancoPosta, as well as activities relating to the definition, implementation and updating of the business continuity plan for financial services and, to the extent of its responsibilities, the management of related incidents, have been transferred to the Operational and ICT Risks function of Risk Management, which operates in conjunction with the relevant functions in the Corporate Protection area.

Furthermore, in continuity with previous financial years, the Management Incentive System (MBO) has also provided for summary performance indicators linked to the performance of the KPIs defined in the Operating Guidelines and, in particular, for these KPIs, during 2024, the weight attributed to the managers of the entrusted functions has been increased.

With regard to the processes subject to outsourcing to third parties, as set forth in the aforementioned Action Plan, the current model for the oversight and monitoring of KPIs in place on the activities outsourced to Poste Italiane was also extended to the outsourcing of FEIs. In particular, for FEI outsourcings, a total of 200 KPIs were periodically monitored for the purpose of verifying service levels, the outcome of which, at 31 December 2024, was broadly in line with the assessments of the Contract Contact Persons, with 89% of the KPIs within the defined targets.

With regard to the monitoring of the entrusted activities, also during 2024, the activity of the Management Committees on the individual Guidelines, relevant components of the assignment monitoring system, continued systematically, for which all the supporting documentation is formalised and correctly archived.

The Board noted that the audit activities carried out by Internal Auditing on the monitoring process of the entrusted activities showed an overall positive trend.

Lastly, with regard to the procedural framework, the "Regulation for the Process of Entrusting and Outsourcing BancoPosta RFC" has been updated to incorporate the organisational developments of Poste Italiane and BancoPosta, updates related to regulatory developments, and adjustments to processes in the area, with reference to reporting.

The Board, with reference to the 2024 Audit Plan, in the joint meeting with the Control and Risk Committee held on 24 March 2024 extensively reviewed the audit actions carried out in 2024 (Process Audit and IT Audit) with the related judgments, and accompanied by the main corrective actions, indicating the actions with the highest severity, the progress of the work, the timing of implementation and the owners. The audits conducted in 2024 revealed areas for improvement, and in particular, and with reference to the activities carried out in the area of sales channels and the process of placement and management of Post Office Savings Books, the audits revealed an overall positive control system, with some areas for improvement.

With reference to the process of defining, delivering and monitoring training initiatives on regulatory issues related to the BancoPosta perimeter, the need emerged to strengthen the management of the enrolment of target learners in individual courses and the monitoring of the actual take-up of mandatory courses.

With reference to banking and financial transparency, the monitoring of the timing of the closure of business and retail current accounts was strengthened through the refinement of the information available in the general registry, and an initiative was concluded to further integrate the information set (e.g. date of removal of obstructive causes).

With reference to the management and placement of Protection Insurance Policies aimed at Retail and Business customers, the Internal Auditing function carried out the appropriate follow-up activities, which highlighted the implementation of the planned strengthening initiatives; with specific reference to the checks on the Product Governance process, the activities highlighted the correct fulfilment of the requirements for the new products to be placed in 2024, highlighting the need to strengthen the controls on the correctness of the data for the parametrisation of the new products to be placed with appropriate corrective actions.

Furthermore, in the area of Anti-Money Laundering, the audit activities revealed an overall positive assessment of the internal control system, with some improvement actions that were shared with management.

With regard to operational incidents, the Board of Statutory Auditors has kept constant focus on those that occurred during the previous year, inviting BancoPosta and the DTO function to give priority to preventive interventions.

The Board, with reference to serious IT operational incidents and recurring critical issues within BancoPosta, was informed that during 2024, the classification process provided for in the Incident Management Procedures was regularly applied, which provides for a pre-classification of the controls with the support of the Supervisors and a subsequent final classification by the Incident Management Unit for incidents assessed as serious by the Controls.

In this regard, during 2024, the BancoPosta BCM group was involved by the DTO to assess 19 Disservices of "High" severity with an impact on BancoPosta financial services, including 5 incidents classified as serious by the Incident Management Unit and reported to the Bank of Italy, in compliance with the relevant EBA regulations.

Actions initiated in 2024 and expected in 2025, with the aim of reducing the recurrence of events on these critical services, include:

- for the Instant Payment service: since the beginning of January 2025, an architectural hardening has been introduced on the platform that handles Instant payments, adding to the existing payment hub a second hub with high reliability characteristics (multi-site cloud in active/active mode) on which transaction traffic will gradually be channelled;
- for the BPIOL service, a review of monitoring was carried out to improve observability on resource consumption, in order to intercept abnormal behaviour at an early stage, and a review of the current Active/Passive mode was initiated with the aim of reducing the activation time of the Passive component in case of need;
- as improvement activities on all platforms, continuation of the following is also planned: (i) the routine "health check" of new architectural/infrastructural components in order to verify the ability to guarantee scalability, continuous development of monitoring tools and dash boarding in the area of trouble ticketing, and (ii) activities to combat obsolescence and the new patching process of IT components.

As a complement to financial incident management, the Risk Management function continued to monitor malfunctions impacting passive PSD2 services in 2024.

With reference to Incident Management, in the year 2024, the "Group Information Security Incident and Event Management Procedure" was updated with the adoption of the new method of classification and declination of the method of detection of recurring incidents and the Cyber Threat Intelligence procedure was defined for the detection and management of significant threats. In addition, the Financial Services Incident Management Procedure (BancoPosta) was updated to incorporate the new directives on reporting to the Supervisory Authorities under the DORA Regulation.

At the joint meeting with the Control and Risk Committee on 24 March 2025, the Board of Statutory Auditors examined the 2025 Annual Audit Plan and the 2025-2027 Multi-Year Audit Plan, which was subsequently approved by the Board of Directors at its meeting on 26 March 2025. During this meeting, the Board of Statutory Auditors received extensive information on all the audit interventions that will be carried out by the Internal Auditing function and those assigned to the Internal Control function of Poste Italiane SpA in the year 2025.

The Board of Statutory Auditors has also noted that the resources allocated to audit activities, both in terms of numbers and in terms of professionalism, are to be considered adequate in relation to the activities envisaged in the Plan, as well as with respect to the constant evolutions of the processes/activities carried out by Poste, and has also been informed of the three-year audit coverage 2025-2027.

With regard to **BancoPosta AML** supervision, the Board of Statutory Auditors notes that the organisational model for the unitary management of the risk of money laundering and terrorist financing at Group level provides for BancoPosta to entrust the control activities and fulfilment of the requirements of the AML legislation on customer verification, reporting of suspicious transactions, data storage and recording, limitation on the use of cash and training to the Group's AML function, which is governed by a specific set of Operating Guidelines. The Board noted that during 2024, the BancoPosta Anti-Money Laundering Risk Management function carried out the following activities, in particular:

- approval of the BancoPosta new Anti-Money Laundering Guideline, which incorporates the Guidelines on remote operations contained in the Annex to the Group Anti-Money Laundering Guideline;
- update of the BancoPosta Anti-Money Laundering Procedure, which regulates anti-money laundering and anti-terrorism processes, defining in detail the responsibilities, tasks and operating procedures for managing the risk of money laundering, while at the same time incorporating the decisions contained in the BancoPosta Anti-Money Laundering Guideline;
- preparation of the Annual Anti-Money Laundering Report and execution of the Risk Self-Assessment Exercise;
- completion and transmission to the Bank of Italy of the 2023 AML Survey Questionnaire;
- support to the Group Anti-Money Laundering function and to the Marketing Functions within BancoPosta for the strengthening of existing safeguards to mitigate the potential money laundering risk of products aimed at the corporate customer segment;
- reporting of activities entrusted through the monitoring of KPIs;
- level II controls aimed at verifying vulnerabilities: (i) quarterly/semi-annual reviews of BancoPosta operations in order to intercept transactions with a potential money laundering risk, and (ii) reviews of the effectiveness and coverage of the safeguards of the activities entrusted to the Parent Company and related to anti-money laundering compliance;
- support to business functions during the launch of new products to analyse the inherent risk and identify possible mitigation measures;

- strengthening, together with the Group Anti-Money Laundering function, the safeguards at the time of current account opening for Newco;
- drafting of anti-money laundering operating protocols (POA) as part of the distribution agreements for products of partner companies subject to anti-money laundering regulations;
- continuation of the update of the Adequate Verification of higher-risk customers.

In the area of anti-money laundering, the appointment in May 2024 of the BancoPosta Senior Manager for the authorisation of the opening of ongoing relationships and the carrying out of occasional transactions by customers with a high risk of money laundering and terrorist financing is also relevant. At 31 December 2024, 7 out of 8 initiatives identified in the 2023 Annual Report had been completed.

The Board was informed that in 2024, there was a decrease in the number of Suspicious Transaction Reports ("SOS") within BancoPosta sent to the Financial Intelligence Unit ("FIU") (- 24% compared to 2023) which is attributable, as mentioned above for Group AML, to the increase in investigation times following the strengthening of quality checks and the revision of the processes for selecting transactions to be reported with focus on the most relevant transactions (high and medium-high ratings).

During 2024, in continuity with 2023, the training course continued to cover the target population and 26 Level II controls were carried out to verify the reliability and adequacy on specific process areas, identified as priorities, for the fulfilment of the obligations on abstention, ordinary and enhanced Adequate Verification, retention and training.

The Board was also informed that Poste Italiane has implemented a new customer profiling procedure which, in line with the Group's AML Guideline and BancoPosta, regulates the process of updating the Adequate Verification.

It should be noted that at the beginning of 2025, the Risk Management Function was involved in the risk self-assessment activity referring to 2024 and the preparation of the Annual Anti-Money Laundering Report that will be presented on 8 May 2025 to the Board of Directors.

In this regard, the Board of Statutory Auditors noted that for the year 2024, in line with last year, although the inherent risk was "Medium Low", the vulnerability of the BancoPosta organisational structure and corporate controls was "Not Very Significant", thus determining a "low" residual risk level, defined on a scale of 4 residual risk values ("Not Significant", "Low", "Medium" and "High").

The audit activities conducted during the year revealed an overall positive assessment of the internal control system, with some improvement actions that were shared with management. In particular, with reference to the SOS Process within BancoPosta, the audit assessment is positive overall, taking into account the articulated system of rules applicable to all Poste Italiane Group customers and the adequate tools for processing and sending SOS to the FIU.

In addition, of the outcomes of the other monitoring activities conducted in 2024 shared with management were improvement actions aimed at strengthening (i) the automatic management of the Enhanced Adequate Verification Questionnaires when opening and handling savings books, (ii) the ongoing monitoring of PEP customers and the beneficial owner for legal entity relationships.

The audit results for the Territorial Anti-Money Laundering Units were also generally positive.

❖ *Supervisory activities of BancoPosta's Supervisory Board and Inspections by the Supervisory Authorities*

During the year, the Board oversaw BancoPosta, also with reference to compliance with the Supervisory Standards contained in Bank of Italy Circular 285/2013, and in close conjunction with the Remuneration Committee, correct application of the regulations governing the remuneration of the heads of the Company's Control Functions.

The Board of Statutory Auditors, as mentioned above, has periodically verified the framework of the Guidelines in order to monitor the criteria applied for the allocation of charges related to the activities carried out by Poste for the management of the RFC.

With regard to control activities contracted out to Poste Italiane functions, the Board of Statutory Auditors, in line with the relevant Supervisory Standards applied to BancoPosta RFC - Circular 285/2013, Chapter 1 BancoPosta, Section II, Paragraph 5, assessed on an annual basis the costs, risks and benefits of entrusting of control activities to functions within Poste Italiane, considering that the system adopted guarantees the effectiveness of controls.

During a meeting held in June 2024 with the Head of BancoPosta, the Board of Statutory Auditors acknowledged the management roles of the activities assigned by BancoPosta to other Poste Italiane Functions via the Operating Guidelines, and the controls designed to mitigate the operating risks deriving from these assignments, and deemed the entire set of Operating Guidelines, which was subjected to validation on adequacy by a consultancy firm, to be adequate.

The Board also received an update on the meeting held with the Head of BancoPosta in December 2024 on the Bank of Italy's Supervisory Review and Evaluation Process - SREP. The Board has taken note of the contents of the communication and of the actions undertaken by BancoPosta first to provide adequate feedback to the requests made by the Supervisory Authority and then to comply with the instructions provided; BancoPosta has also represented that such initiatives represent a practice in the banking sector.

The Compliance and Risk Management functions periodically reported, respectively, on the assessment of non-compliance and material risks for BancoPosta, as well as on the progress of the initiatives contained in the Bankit Plan.

As already mentioned, the Board of Statutory Auditors ascertained the completion of the Plan of Improvement Actions adopted following the findings of the Bank of Italy and in particular monitored at the end of 2024 the completion of the last 3 actions concerning Site no. 3 "Contracting and Outsourcing" and ascertained that all actions were certified by the Internal Auditing function.

With reference to the dialogue with the Supervisory Authorities, the Board was informed of the main activities as follows.

On 29 January 2024, Consob requested an in-depth examination of a number of issues, including an update on the areas subject to review in 2023 (profiling, concentration control, transparency measures on costs and charges and identification methods) and on the new Customer Service and Portfolio Model; BancoPosta provided feedback in February 2024.

Subsequently, in July 2024, Consob requested more details on the aforementioned issues and, in particular, on: i) the service model, ii) customer profiling, iii) concentration control, and iv) reports of alleged commercial pressure. The Company provided timely feedback on 30 September 2024.

With reference to the Bank of Italy, on 13 February 2025, the supervisory authority launched an inspection at Poste Italiane - BancoPosta RFC, pursuant to Article 128 of the Consolidated Law on Banking (TUB Legislative Decree no. 385/93), to verify compliance with regulations on the transparency of contractual terms and conditions and customer relations. The inspection will focus on the application of the Payment Account Directive

(Directive 2014/92/EU) to payment accounts, with particular attention to account portability and the basic account. On-site audits involving eighteen Post Offices will be carried out, as well as audits at the head office.

In addition, in February 2025, the Authority sent BancoPosta the measure concluding the proceedings relating to the identification of additional capital requirements pursuant to Article 53-bis(1)(d) of Legislative Decree no. 385 of 1 September 1993 (TUB), referred to above. In particular, the Authority required BancoPosta to strengthen its minimum capital requirements concerning: (i) CET 1 ratio 9.80%; (ii) Tier 1 ratio 12.30%; (iii) Total Capital ratio 15.50%. Furthermore, to ensure compliance with the binding measures highlighted above and to guarantee that BancoPosta own funds can absorb any losses arising from stress scenarios, taking into account the results of the stress tests carried out by the intermediary within the ICAAP (Internal Capital Adequacy Assessment Process), the Bank of Italy has identified capital levels that BancoPosta will be required to maintain. Compliance with these requirements does not entail additional capital contributions by BancoPosta.

As already indicated in the previous Report to Shareholders, in February 2024, the Supervisory Authority sent a notice to Poste Italiane - BancoPosta RFC concerning an audit conducted on the website of Poste Italiane S.p.A. (www.poste.it), limited to BancoPosta activities, to assess the degree of alignment with the provisions on "Transparency in banking and financial services and fairness in relations between intermediaries and customers", to which BancoPosta replied on 26 April 2024, stating that it had taken steps to implement the required improvements.

As already reported in the previous Report, during the year 2022, the Bank of Italy sent Poste Italiane S.p.A. - BancoPosta RFC and PostePay a communication concerning the manner in which the funds received by PostePay in respect of the issuance of electronic money should be managed. This issue found a favourable conclusion during the year 2024 following the publication of Law no. 207 of 30 December 2024 (the so-called 2025 Budget Law), which introduced, among the activities that Poste Italiane S.p.A. – BancoPosta RFC may carry out, "the collection of sums of money received by electronic money institutions for the issuance of electronic money and by payment institutions for the provision of payment services referred to in Articles 114-quinquies.1 and 114-duodecies of the Consolidated Law on Banking" (see Article 2(, paragraph 1, letter a-bis) of Presidential Decree no. 144/2001 "Regulation containing rules on BancoPosta services").

On 16 August 2024, the Bank of Italy also sent a Note containing the results of Mystery shopping conducted at 12 post offices aimed at verifying the actual alignment by the operators of the commercial network with the indications contained in the Transparency Provisions regarding the active use of transparency documentation from the initial contact phases by customers requesting information on the payment account offer. To this end, BancoPosta provided a response on 15 October 2024, in compliance with the 60-day deadline set by the Authority, giving evidence of a series of improvements aimed at ensuring, from the first contact with the customer, the use of transparency documentation. On 18 October 2024, the Bank of Italy, in referring to the aforementioned previous discussions, highlighted aspects worthy of attention, to which BancoPosta provided feedback in February 2025.

Finally, as already widely represented previously in relation to the inspection launched on 14 March 2022 by the Bank of Italy, pursuant to Article 54 of the Consolidated Banking Act, in Poste Italiane S.p.A. - BancoPosta RFC and concluded on 15 July 2022, which was followed by notification of the Inspection Report delivered to Poste Italiane on 30 November 2022, the Board of Statutory Auditors, in the course of various meetings held with the Head of the BancoPosta function and the Heads of BancoPosta Control functions, constantly monitored the implementation of the aforementioned Plan, noting at the meeting held in December 2024 that the Plan had been completed following the conclusion of the last 3 activities at the end of 2024. Furthermore, the Board ascertained that all activities were certified by the Internal Auditing function.

With reference to the discussions/communications sent by IVASS, it should be noted that on 26 February 2024, IVASS requested a meeting to discuss the issue of Credit Protection Policies (CPI) already examined in 2023.
The meeting was held on 10 April 2024, and subsequently on 20 June 2024 and 10 October 2024, IVASS forwarded requests for further information on certain topics discussed at the meeting. Poste Italiane, together with the companies Poste Vita and Poste Assicura, provided a number of timely responses to the Authority, most recently on 8 November 2024, providing the requested information and feedback on the expectations expressed by the Institute.

With reference to the inspection carried out by IVASS in 2023, aimed at verifying the management process of so-called dormant policies, at 30 June 2024, all the actions envisaged in the Action Plan prepared by Poste Vita and approved by the Board of Directors on 26 October 2023 have been completed.

❖ *Observations concerning BancoPosta's Internal Control System.*

BancoPosta's internal control system is based on:

- Control Bodies and Functions, involving, each for their respective competencies, the Board of Directors, the Control and Risk Committee, the Sustainability Committee, the Head of BancoPosta, the Board of Statutory Auditors, as well as the Company Functions with specific duties in this regard;
- information flows and coordination methods between the parties involved in the internal control and risk management system;
- governance mechanisms.

With regard to the governance mechanisms, during 2024 and up to the current date, the BoD has approved various regulations and guidelines designed to strengthen the nature and effective functionality of the overall internal control system over BancoPosta RFC:

- Update of the BancoPosta Organisational and Operating Regulations, the Product Governance Guideline for investment, insurance and banking products and the Regulations for the Contracting out and Outsourcing Process of BancoPosta RFC;
- Update of the Guideline for the provision of investment services;
- Update of the Conflict of interest and incentives Guideline;
- Update of the Analysis and validation of BancoPosta RFC risk management system Guideline;
- Update of the Poste Italiane Group IFRS 9 Guideline and the Poste Italiane Financial Management Guideline;
- Management Review of the Group Business Continuity Management System;
- BancoPosta Business Continuity Sector Plan;
- ICT strategic policy document;
- ICT Organisational Model;
- Update of the Anti-Money Laundering - BancoPosta RFC Guideline;
- 2024 Remuneration and Incentive Policy Guidelines of BancoPosta RFC and disclosure on gender neutrality of remuneration;
- Update of the "Guideline for the identifying BancoPosta RFC Material Risk Takers and Annual identification process of Material Risk Takers";
- Update of the BancoPosta RFC Complaints Guideline;

- Update of the BancoPosta IT Risk Analysis Guideline;
- Update of the Guideline for the definition of the Risk Appetite Framework and the evaluation of Major Transactions;
- 2025 Remuneration and Incentive Policy Guidelines of BancoPosta RFC and disclosure on gender neutrality of remuneration;
- Guideline on ICAAP/ILAAP;
- Loss Data Management of BancoPosta Operational Risk Guideline;
- IT Risk Governance and Management Guideline:

In summary, in light of the overall activities carried out and considering:

- the organisational structure of BancoPosta RFC, specifically;
- the existing set of procedures and their continuous updating;
- the results of the verification and evaluation activities received by the Board of Statutory Auditors from the BancoPosta Internal Control Function;
- the results of the inspection activities carried out by the various Supervisory Authorities;
- the assessment results recorded during the year by the other corporate control functions provided for by the Internal Control and Risk Management System;
- the information acquired during participation by the Board of Statutory Auditors in the meetings of the Board of Directors and Board Committees;
- the exchange of information with the Independent Auditor, the Data Protection Officer ("DPO") and the SB pursuant to 231/2001;
- the main developments of the SCIGR and, in particular, the initiatives to strengthen it;
- the compensatory controls and improvement measures implemented and/or underway in relation to the findings relating to the SCIGR highlighted by the BancoPosta Internal Auditing functions and the Audit functions of Group companies;
- further events with potential impacts on the SCIGR, including corporate project initiatives in specific operational areas, implemented or in the process of progressive implementation;
- the evidence acquired from management of the Whistleblowing reporting system,
- the dissemination of the culture of the internal control system within Banco Posta,

the Board of Statutory Auditors is not aware of critical situations or events that might suggest shortcomings in the Internal Control System of BancoPosta RFC in particular.

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20. and 21. Final considerations on the audit procedures performed and an indication of any proposals to be presented to the General Meeting pursuant to Article 153, paragraph 2 of Legislative Decree no. 58/1998.

In accordance with Consob requirements, we declare that in the performance of our duties we have not been made aware of omissions, instances of negligence, irregularities or evidence of inadequacies in the organisational structure, Internal Control System or Administrative and Accounting System considered relevant for the purposes of this Report.

On the basis of the supervisory activities carried out during the year, the Board of Statutory Auditors, considering the content of the reports prepared by the Independent Auditor and having noted the attestations issued jointly by the Chief Executive Officer and the Financial Reporting Manager, as well as the Sustainability Reporting Manager, is not aware, to the extent of the scope of its activities, of any reasons preventing the approval of the financial statements of Poste Italiane and the consolidated financial statements of the Poste Group for the year ended 31 December 2024, as well as the proposal for allocation of the profit for the year, including the dividend distribution by the BoD.

Lastly, the Board of Statutory Auditors reminds you that its three-year term of office ends with the approval of the Financial Statements as at 31 December 2024 by the Shareholders' Meeting. Therefore, the Board of Statutory Auditors would like to thank the Shareholders for the trust they have placed in us, and the Directors and the Structure for the fruitful work they have done together and the cooperation they have always shown.

Rome, 17 April 2025

for the Board of Statutory Auditors

Chairman
Mauro Lonardo

(This report has been translated from the original issued in accordance with Italian legislation)

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Poste Italiane S.p.A.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of the Poste Italiane Group (the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Poste Italiane S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Impairment test of goodwill	
Description of the key audit matter	The Group has recognized under Intangible Assets of the consolidated financial statements as at December 31, 2024 item "Goodwill" for a total amount of Euro 796 million. In particular, this goodwill is allocated: • for Euro 459 million to the cash generating unit ("Cash Generating Unit" - "CGU") "Postepay Services", resulting from the acquisition of the LIS group; • for Euro 213 million to the CGU represented by the "Mail, Parcels and Distribution" business segment characterized by the persistence of negative economic results and the decline of the postal market in which the Poste Italiane Group operates, further aggravated by the current scenario characterised by a significant volatility of the main market factors and significant uncertainty with regard to economic expectations, and • for Euro 124 million to the CGU "Net Insurance", resulting from the acquisition of the Net Insurance group. As required by IAS 36 "Impairment of assets", these goodwills are not systemically amortized but are subject to impairment test ("impairment test"), carried out at least annually, by comparing their carrying amounts with the recoverable amounts of the corresponding CGU. These CGUs were subject to the assessment of the recoverability of their carrying amount, inclusive of the goodwill as well as the other assets allocated to the CGUs, based on the 2024-2028 Strategic Plan "*The Connecting Platform*" as updated with the 2025 Budget, respectively approved by Poste Italiane S.p.A.'s Board of Directors on March 19, 2024 and February 21, 2025 (the "2024-2028 Strategic Plan"). In particular, the recoverable amount was determined by estimating the "value in use" of the CGUs, representative of the estimate of the future cash flows expected from the use of the assets included in the respective CGUs, including, in particular, with reference to the "Mail, Parcels and Distribution" CGU, the properties used as post offices and mechanization and sorting centers, as part of the ordinary company production process and taking into account the obligation to fulfill the Universal Postal Service and the economic conditions envisaged for the services rendered to BancoPosta's ring-fenced capital. These flows were discounted determining for each CGU an appropriate rate. The impairment test carried out by the Company confirmed the recoverability of the goodwill and of the other assets attributed to the CGUs.

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	In the Appendix to Chapter 7 "Proposed shareholder resolutions and other information" of the Report on Operations and in Notes 2.5 "Material Information on Accounting Standards - Impairment of assets", 2.6 "Use of estimates", paragraphs "Impairment tests of goodwill, cash generating units and equity investments", "Mail, Parcels and Distribution CGU", "Postepay Services CGU" and "Net Insurance CGU",. and 4.4 "Operating Segments", as well as in Note A3 "Total Assets - Intangible Assets" of the consolidated financial statements, disclosure on the aspects described above is provided. Considering the relevance of the amount of goodwill recognized in the consolidated financial statements and attributed to the CGUs "Mail, Parcels and Distribution", "Postepay Services" and "Net Insurance", the subjectivity of the estimates related to the determination of the cash flows expected of those CGUs, taking into account also the uncertainties related to the current macroeconomic environment and the key variables of the impairment model, we considered the impairment test of goodwill a key audit matter of the Group's consolidated financial statements as at December 31, 2024.
Audit procedures performed	The main procedures carried out as part of our audit work, also with the support of our specialists, have included the following: • identification and verification of the operational effectiveness of the key controls carried out by the Company over the impairment testing process; • obtaining an understanding of the methods and assumptions adopted by the Company to carry out the impairment test; • verification of the consistency of the methodological approach adopted by the Company, with particular reference to the identification of the CGUs and the determination of the related recoverable amounts, with respect to the requirements of the accounting policy IAS 36 "Impairment of Assets"; • analysis of the reasonableness, also by obtaining information from the Company, of the principal assumptions adopted to estimate future cash flows expected by the CGUs, also taking into account the uncertainties related to the current macroeconomic environment and the key variables used in the valuation model adopted for the impairment test; • verification of the logical and mathematical correctness of the determination of the cash flows and of the overall reasonableness of the discount rates construction, determined as weighted average cost of capital ("WACC") for the CGUs "Mail, Parcels and Distribution" and "Postepay Services" and as cost of equity ("ke") for the CGU "Net Insurance", and of the consistency of the assumptions related to the

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	corresponding *terminal value*, that is the value that represents the ability of the CGUs to generate cash flows, estimated beyond the explicit forecast period of the 2024-2028 Strategic Plan; • review of the sensitivity analysis prepared by the Company; • verification of the completeness and compliance of the disclosures provided by the Company in the consolidated financial statements with respect to the the applicable IFRS accounting standards.
Valuation of Liabilities under insurance contracts	
Description of the key audit matter	As at December 31, 2024, the Group recognized in the consolidated financial statements in the item "Liabilities under insurance contracts" (the "Insurance Liabilities"), for a total amount of Euro 162.4 billion, of which Euro 162.1 billion relating to Insurance Liabilities valued on the basis of the "General Model or Building Block Approach" and "Variable Fee Approach" valuation models, and Euro 0.3 billion relating to Insurance Liabilities valued on the basis of the "Premium Allocation Approach" valuation model. These adopted valuation models are required by the IFRS accounting standard IFRS 17 "Insurance contracts", applicable to the item in question. In particular, the Insurance Labilities, equal to approximately 58.6% of the Group's total liabilities and equity, are representative of the liabilities towards the insured parties deriving from the contracts stipulated by the insurance companies of the Group. In Notes 2.5 "Material Information on Accounting Standards" and 2.6 "Use of estimates", paragraph "Insurance liabilities" the criteria and methodologies applied in determining the Insurance Liabilities by the Group are disclosed. In compliance with the provisions of the accounting standard IFRS 17, at the inception of an insurance contract or an investment contract with discretionary participation features, a liability or an insurance asset is recognized the amount of which is based on the the sum of the fulfilment cash flows necessary to fulfill the contract, on the determination of an adjustment to protect non-financial risks (Risk Adjustment), and of the margin on contractual services (Contractual Service Margin) which will be released throughout the life of the contract. The determination of Insurance Liabilities is based on an estimation process that requires the use of assumptions and hypotheses of a technical, demographic, actuarial and financial nature that include, among others, the forecast of future cash flows linked to the fulfillment of the contracts falling within the scope of application of IFRS 17, the determination of the discount rate to be applied in the present value calculation, the variation in the Group's share of the fair value of underlying items, the risk adjustment for non-financial risk, and the quantification of the portion of the contractual service margin to be recognized in the income statement.

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	In paragraph 6.3.3. "Strategic Business Unit Insurance Services" of the Report on Operations and in Notes 2.5 "Material Information on Accounting Standards", 2.6 "Use of estimates", paragraph "Insurance liabilities", B5 "Total Consolidated liabilities – Liabilities under insurance contracts" and C3 "Consolidated statement of profit or loss – Net revenue from insurance services", disclosure on the aspects described above is provided. In consideration of the significance of the amount of the Insurance Liabilities recorded in the consolidated financial statements and the complexity involved in their determination process, including the margin on contractual services, we considered the valuation of the Liabilities under insurance contracts a key audit matter of the Group's consolidated financial statements as at December 31, 2024.
Audit procedures performed	The main procedures carried out as part of our audit work, also with the support of the Deloitte network experts, have included the following: • understanding the key measurement models adopted by the Group in the assessment of Insurance Liabilities obtaining and analyzing methodological notes and conducting interviews with relevant business functions; • understanding the process of determining Insurance Liabilities, which included knowledge of management, assumptive, and actuarial guidelines, as well as the processes for defining hypotheses and assumptions used by the Management; • identification and verification of the operational effectiveness of the key controls carried out by the Group in relation to the evaluation and determination process of the Insurance Liabilities; • carrying out verification procedures in relation to the completeness and adequacy of the portfolios taken as reference and and their underlying data; • understanding the calculation methodologies of Insurance Liabilities and verification of the application of these methodologies in the actuarial calculation and projection models, which included, among others, the following main procedures; o verification of the reasonableness of the assumptions and technical hypotheses used in estimating expected cash flows; o analyzing the economic scenarios used and checking the correctness of the applied discount rates and verification of the correctness of the discount curve applied and the determination of the component relating to the *illiquidity premium*;

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- verification of the correctness of the calculation of the present value of expected cash flows;
- verification of correctness of the calculation of the Risk Adjustment percentage, for groups of insurance contracts and of the consistency with what defined in the methodological notes;
- analysis of the consistency with what envisaged by the principle of the criterion identified for the release of the margin on contractual services and verification of the correct determination of the coverage units for the purposes of using them for the definition of the release to the income statement;
- verification of the reasonableness of the Group's share of the fair value of underlying items;
- verification of the correct recognition of economic and financial impacts related to the Insurance Liabilities.

- verification of the completeness and compliance of the disclosures provided by the Company in the consolidated financial statements with respect to the the applicable IFRS accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the parent company Poste Italiane S.p.A. or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

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Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Poste Italiane S.p.A. has appointed us on May 28, 2019 as auditors of the Company for the years from December 31, 2020 to December 31, 2028.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Poste Italiane S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the consolidated financial statements as at December 31, 2024, to be included in the annual financial report.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2024 have been prepared in XHTML format and have been marked up, in all material respects, in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Poste Italiane S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of the Poste Italiane Group as at December 31, 2024, including their consistency with the related consolidated financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements;

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- express an opinion on the compliance with the law of the report on operations, excluding the section related to the consolidated sustainability statement, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;
- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the consolidated financial statements of Poste Italiane Group as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated sustainability statement, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Our opinion on the compliance with the law does not extend to the section related to the consolidated sustainability statement. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Miccoli
Partner

Rome, Italy
April 4, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010
AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Poste Italiane S.p.A.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Poste Italiane S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Deloitte.

Estimate of the recoverable amount of the "Mail, Parcels and Distribution" business segment	
Description of the key audit matter	The Company's assets are partially allocated to the cash generating unit ("Cash Generating Unit" - "CGU"), represented by the "Mail, Parcels and Distribution" business segment affected by the persistence of negative economic results and the decline of the postal market in which the Company operates, further aggravated by the current macroeconomic scenario characterised by significant volatility of the main market factors and significant uncertainty with regard to economic expectations. As required by IAS 36 "Impairment of assets", the "Mail, Parcels and Distribution" CGU was subject to impairment test by comparing the carrying amount of its assets with the recoverable amount of the CGU to ensure that the book value is justifiable ("impairment test") based on the 2024-2028 Strategic Plan "*The Connecting Platform*" as updated with the 2025 Budget, respectively approved by Poste Italiane S.p.A.'s Board of Directors on March 19, 2024 and February 21, 2025 (the "2024-2028 Strategic Plan"). In particular, the recoverable amount was determined by estimating the "value in use" of the CGU, representative of the future cash flows expected from the use of the assets included in the CGU, including, in particular, the properties used as post offices and mechanization and sorting centers, as part of the ordinary company production process and taking into account the obligation to fulfill the Universal Postal Service and the economic conditions envisaged for the services rendered to BancoPosta's ring-fenced capital. These flows were discounted at an appropriate rate. The impairment test carried out by the Company confirmed the recoverability of the value of the assets attributed to the CGU. In the Appendix to Chapter 7 "Proposed shareholder resolutions and other information" of the Report on Operations and in Notes 2.5 "Material Information on Accounting Standards - Impairment of assets", 2.6 "Use of estimates", paragraphs "Impairment tests of goodwill, cash generating units and equity investments" and "Mail, Parcels and Distribution CGU", 4.4 "Operating Segments" and in Note A3 "Total Assets - Intangible Assets" of the separate financial statements, disclosure on the aspects described above is provided. Considering the relevance of the amount of the carrying amount of the Company's assets allocated to the CGU "Mail, Parcels and Distribution", the subjectivity of the estimates related to the determination of the cash flows expected of the CGU, taking into account also the uncertainties related to the current macroeconomic environment, and the key variables of the impairment model, we considered the determination of the recoverable amount of the business segment "Mail, Parcels and Distribution", a key audit matter of the financial statements as at December 31, 2024.

Deloitte.

Audit procedures performed	The main procedures carried out as part of our audit work, also with the support of our specialists, have included the following: • identification and verification of the operational effectiveness of the key controls carried out by the Company over the impairment testing process; • obtaining an understanding of the methods and assumptions adopted by the Company to carry out the impairment test; • verification of the consistency of the methodological approach adopted by the Company, with particular reference to the identification of the CGU and the determination of its recoverable amount, with respect to the requirements of the accounting policy IAS 36 "Impairment of Assets"; • analysis of the reasonableness, also by obtaining information from the Company, of the principal assumptions adopted to estimate future cash flows expected by the CGU, also taking into account the uncertainties related to the current macroeconomic environment and the key variables used in the valuation model adopted for the impairment test; • verification of the logical and mathematical correctness of the determination of the cash flows in the context of the impairment test mentioned above, as well as of the overall reasonableness of the calculation of the weighted average cost of capital ("WACC") and of the consistency of the assumptions related to the *terminal value*, that is the value that represents the ability of the company to generate cash flows, estimated beyond the explicit forecast period of the 2024-2028 Strategic Plan; • review of the sensitivity analysis prepared by the Company; • verification of the completeness and compliance of the disclosures provided by the Company in the financial statements with respect to the applicable IFRS accounting standards.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Deloitte.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Deloitte.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Poste Italiane S.p.A. has appointed us on May 28, 2019 as auditors of the Company for the years from December 31, 2020 to December 31, 2028.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion on the compliance with the provisions of the Delegated Regulation (EU) 2019/815

The Directors of Poste Italiane S.p.A. are responsible for the application of the provisions of the European Commission Delegated Regulation (EU) 2019/815 with regard to the regulatory technical standards on the specification of the single electronic reporting format (ESEF – European Single Electronic Format) (hereinafter referred to as the "Delegated Regulation") to the financial statements as at December 31, 2024, to be included in the annual financial report.

Deloitte.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2024 have been prepared in XHTML format in accordance with the provisions of the Delegated Regulation.

Opinions and statement pursuant to art. 14, paragraph 2, sub-paragraphs e), e-bis) and e-ter), of Legislative Decree 39/10 and pursuant to art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Poste Italiane S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Poste Italiane S.p.A. as at December 31, 2024, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to:

- express an opinion on the consistency of the report on operations and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the financial statements;

- express an opinion on the compliance with the law of the report on operations, excluding the section related to the consolidated sustainability statement, and of some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98;

- make a statement about any material misstatement in the report on operations and in some specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98.

In our opinion, the report on operations and the specific information contained in the report on corporate governance and ownership structure are consistent with the financial statements of Poste Italiane S.p.A. as at December 31, 2024.

In addition, in our opinion, the report on operations, excluding the section related to the consolidated sustainability statement, and the specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2, sub-paragraph e-ter), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the entity and of the related context acquired during the audit, we have nothing to report.

Deloitte.

Our opinion on the compliance with the law does not extend to the section related to the consolidated sustainability statement. The conclusions on the compliance of that section with the law governing criteria of preparation and with the disclosure requirements outlined in art. 8 of the EU Regulation 2020/852 are expressed by us in the assurance report pursuant to art. 14-bis of Legislative Decree 39/10.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Miccoli
Partner

Rome, Italy
April 4, 2025

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INDEPENDENT AUDITOR'S REPORT ON THE CONSISTENCY OF THE DATA CONTAINED IN THE SEPARATE REPORT OF BANCOPOSTA'S RING-FENCED CAPITAL WITH THOSE REPORTED IN THE COMPANY'S FINANCIAL STATEMENTS

To the Board of Directors of
Poste Italiane S.p.A.

As entity in charge of the statutory audit of the accounts of Poste Italiane S.p.A. (the "Company"), we have undertaken a limited assurance engagement of the accompanying separate report of BancoPosta's Ring-fenced Capital - RFC, which comprise the statement of financial position as at December 31, 2024, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes to the financial statements ("Separate Report"), attached to the Company's financial statements in accordance with the provisions of Section 8 of BancoPosta's RFC Regulation, in order to verify the consistency between the data contained in the Separate Report and those reported in the Company's financial statements at December 31, 2024.

Directors' Responsibility

The Directors of Poste Italiane S.p.A. are responsible for the preparation of the Separate Report in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and adopted by the European Union, and the provisions of art. 2447-septies paragraph 2 of the Italian Civil Code. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of the Separate Report that is free from material misstatements, whether due to fraud or error.

Auditor's Independence and quality management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies *International Standard on Quality Management 1 (*ISQM Italia 1) which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Deloitte.

Auditor's Responsibility

Our responsibility is to express a conclusion on the Separate Report based on the procedures performed. We conducted our engagement in accordance with *International Standards on Assurance Engagements - Assurance Engagements other than Audits or Reviews of Historical Information* ("ISAE 3000 revised") issued by International Auditing and Assurance Standards Board for limited assurance engagements. This standard requires that we plan and perform the review to obtain limited assurance as to whether the Separate Report is free of material misstatements.

The procedures performed have been based on our professional judgment and have included inquiries primarily of persons responsible for the preparation of the Separate Report, analysis of documents, recalculations, comparisons, reconciliations with the accounting records and other procedures to obtain supporting evidence.

In accordance with the above criteria, we have performed the necessary procedures in order to achieve the objectives of the mandate pointed out in the first paragraph. In detail, we have performed the following procedures:

- understanding, through interviews with the Management, of the criteria adopted by the Company for the preparation of the Separate Report and verification of their consistency with the provisions of the Bank of Italy Circular no. 262 of December 22, 2005 as amended and the provisions of art. 2447-septies paragraph 2 of the Civil Code;

- obtaining the reconciliation arranged by the Company between the data reported in the Company's financial statements and the data reported in the Separate Report;

- understanding of the methodology used by the Company for sharing common costs;

- verification that the data included in the Separate Report comply with the accounting records and the criteria adopted by the Company for the preparation of the Separate Report;

- verification that the data included in the Separate Report are consistent with the reconciliation prepared by the Company and with the methodology applied for sharing common costs;

- verification of the application of the accounting policies described by the Directors in the notes to the financial statements of the Separate Report;

- obtaining the representation letter, signed by the legal representative of the Company, with reference to the correctness and completeness of the information contained in the Separate Report and those provided to us for the purpose of carrying out our statutory audit.

The procedures performed are less in extent than for a reasonable assurance engagement conducted in accordance with *ISAE 3000 revised* and, consequently, do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement.

Deloitte.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the data contained in the Separate Report are not consistent, in all material respects, with those reported in the Company's financial statements for the year ended December 31, 2024.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Miccoli
Partner

Rome, Italy
April 4, 2025

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INDEPENDENT AUDITOR'S
REPORT ON THE CONSOLIDATED SUSTAINABILITY STATEMENT
PURSUANT TO ARTICLE 14-BIS OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of
Poste Italiane S.p.A.

Conclusion

Pursuant to arts. 8 and 18, paragraph 1 of Legislative Decree no. 125 of September 6, 2024 (hereinafter also the "Decree"), we have carried out a limited assurance engagement on the consolidated sustainability statement of the Poste Italiane Group (hereinafter also the "Group") for the year ended on December 31, 2024, prepared pursuant to Art. 4 of the Decree, included in the specific section of the report on operations.

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the consolidated sustainability statement of the Poste Italiane Group for the year ended on December 31, 2024 is not prepared, in all material respects, in accordance with the reporting principles adopted by the European Commission pursuant to the Directive (EU) 2013/34/EU (European Sustainability Reporting Standards, hereinafter also "ESRS");

- the information included in the section "*8.2 Environmental Information*", paragraph "*8.2.1. European Taxonomy Regulation*" of the consolidated sustainability statement is not prepared, in all material respects, in accordance with art. 8 of Regulation (EU) No. 852 of June 18, 2020 (hereinafter also the "Taxonomy Regulation").

Basis for conclusion

We conducted the limited assurance engagement in accordance with the assurance standard of the sustainability report - "Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia)". The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level of assurance that would have been obtained had we performed a reasonable assurance engagement. Our responsibilities pursuant to that standard are further described in the paragraph *Auditor's responsibilities for the limited assurance of the consolidated sustainability statement* of this report.

Deloitte.

We are independent in accordance with the independence and other ethical requirements applicable under Italian law to the limited assurance engagement of the consolidated sustainability statement.

Our firm applies International Standard on Quality Management (ISQM Italia) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Other matter

The comparative information for the year ended on December 31, 2023 presented in the consolidated sustainability statement in the section "*8.2 Environmental Information*", paragraph "*8.2.1. European Taxonomy Regulation*" has not been verified.

Responsibility of the Directors and the Board of Statutory Auditors of Poste Italiane S.p.A. for the consolidated sustainability statement

The Directors are responsible for developing and implementing the procedures performed to identify the information reported in the consolidated sustainability statement in accordance with the ESRS (hereinafter the "double materiality assessment process") and for disclosing this process in the section "*8.1 General Information*", paragraph "*Managing Impacts, Risks and Opportunities*" of the consolidated sustainability statement.

The Directors are also responsible for the preparation of the consolidated sustainability statement, which includes the information identified as part of the double materiality assessment process, in accordance with the requirements of Art. 4 of the Decree, including:

- compliance with ESRS;
- compliance of the information included in the section "*8.2 Environmental Information*", paragraph "*8.2.1. European Taxonomy Regulation*" with art. 8 of the Taxonomy Regulation.

Such responsibility involves designing, implementing and maintaining, within the terms established by the law, such internal control that the Directors determine necessary to enable the preparation of the consolidated sustainability statement in accordance with the requirements of the art. 4 of the Decree that is free from material misstatements, whether due to fraud or error. Furthermore, the abovementioned responsibility involves the selection and application of appropriate methods in elaborating information and making assumptions and estimates about specific sustainability information that are reasonable in the circumstances.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Deloitte.

Inherent limitations in the preparation of the consolidated sustainability statement

In reporting forward looking information in accordance with ESRS, the Directors are required to prepare the forward looking information on the basis of assumptions, as described in the consolidated sustainability statement, regarding events that may occur in the future and possible future actions of the Group, as indicated in the section "*8.1 General Information*", paragraph "*Criteria for Drafting - Causes of uncertainty in estimates and results*". Due to the inherent uncertainty regarding any future event, including whether these events will take place and their extent and timing, , the variances between actual outcomes and forward looking information could be significant.

The information provided by the Group regarding Scope 3 emissions is subject to greater inherent limitations compared to those related to Scope 1 and 2 emissions. This is due to the lower availability and relative accuracy of the data used to define the information on Scope 3 emissions, both quantitative and qualitative, in relation to the value chain, as indicated in the section "*8.1 General Information*", paragraph "*Criteria for Drafting - Causes of uncertainty in estimates and results*".

Auditor's responsibilities for the limited assurance of the consolidated sustainability statement

Our objectives are to plan and perform procedures to obtain limited assurance about whether the consolidated sustainability statement is free from material misstatements, whether due to fraud or error, and to issue an assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, could influence the decisions of users taken on the basis of consolidated sustainability statement.

As part of the limited assurance engagement in accordance with the Principio di Attestazione della Rendicontazione di Sostenibilità - SSAE (Italia), we exercise professional judgment and maintain professional skepticism throughout the engagement.

Our responsibilities include:

- considering risks to identify and assess the disclosure where a material misstatement is likely to arise, either due to fraud or error;
- designing and performing procedures to verify disclosures in the sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement due to fraud is higher than the risk of not identifying a material misstatement due to error, as fraud may involve collusion, falsifications, intentional omissions, misrepresentations, or the override of internal control;
- the direction, supervision and performance of the limited assurance engagement of the consolidated sustainability statement. We remain solely responsible for the conclusion on the consolidated sustainability statement.

Deloitte.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence as the basis for expressing our conclusion.

The procedures performed on the consolidated sustainability statement are based on our professional judgement and included inquiries, primarily with the personnel of the Group responsible for the preparation of information included in the consolidated sustainability statement, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically, we performed the following main procedures partly in a preliminary phase before year end and then in a final phase up to the date of issuance of this report:

- understanding the business model, the Group's strategies and the context in which the Group operates with reference to sustainability matters;
- understanding the processes underlying the generation, collection, and management of qualitative and quantitative information included in the consolidated sustainability statement, including an analysis of the reporting perimeter;
- understanding the process carried out by the Group for the identification and evaluation of material impacts, risks and opportunities, based on the principle of double materiality, with reference to sustainability matters;
- identification of the information where a risk of material misstatement is likely to arise, taking into considerations, among others, risk factors related to the generation and collection of the information, to the estimates and to the complexity of the related calculation methods, as well as qualitative and quantitative factors related to the nature of such information;
- design and performance of procedures, based on the professional judgment of the auditor of the consolidated sustainability report, to respond to identified risks of material misstatement also with the support of Deloitte specialists, with reference to specific environmental information;
- understanding of the process set up by the Group to identify eligible economic activities and exposures and determine their aligned nature according to the requirements of the Taxonomy Regulation, and verifying the related information included in the consolidated sustainability statement;
- comparison of the information reported in the consolidated sustainability statement with the information included in the consolidated financial statements pursuant to the applicable financial reporting framework, or with the accounting data used for the preparation of the financial statements, or with the management data accounting in nature;

Deloitte.

- verification of the structure and presentation of the information included in the consolidated sustainability statement in accordance with ESRS, including the information related to the materiality assessment process;

- obtaining the representation letter.

DELOITTE & TOUCHE S.p.A.

Signed by
Marco Miccoli
Partner

Rome, Italy
April 4, 2025

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.