POSTE ITALIANE

Q3 & 9M 2025 FINANCIAL RESULTS

Rome, 13 November 2025

Giuseppe Esposito

Good morning and welcome to Poste Italiane's Third Quarter and Nine Months 2025 Results Conference Call.
Our CEO - Matteo Del Fante will take you through some opening remarks and then the CFO - Camillo Greco - will cover the financials.
As usual, the presentation will be followed by a Q&A session where you can ask questions, either via phone or through our webcast platform.
For any topics we won't be able to cover today, please do contact the Investor Relations team who will provide any clarification you might require.
With that, over to you, Matteo.

Matteo Del Fante

Good morning and thank you for joining us today for our Q3 and 9-month 2025 results call.

As we celebrate 10 years since going public, we are proud to report another record-breaking quarter, reflecting sustained growth as we approach the end of 2025. The positive momentum established in the first half of the year has continued in the third quarter, we remain focused on executing our strategic plan and are fully on track to achieve our updated 2025 guidance.

In the first nine months, we delivered record results across group revenues, adjusted EBIT and net income. Each business unit contributed to a robust 4% year-on-year increase in top-line growth, reaching 9.6 billion euros in total revenues. Adjusted EBIT grew by 10% to just over 2.5 billion euros for the period and net profit reached 1.8 billion euros, representing an impressive 11% increase compared to the previous year.

Since the start of the year, we have seen solid net inflows into investment products, confirming strong commercial performance in insurance products and improved net inflows in postal savings.

I am pleased to report that the migration of our clients to the Super App has been successfully completed. To date, the app is used by 15 million clients with 4.1 million daily active users in November 2025, which is more than all our previous apps combined and the highest level among Italian Apps.

Our balance sheet remains extremely solid, with our Insurance Solvency 2 ratio at 312%, well above our stated ambition, providing us with significant financial flexibility.
On November 26 we will pay a record interim dividend of 40 cents per share, totalling 518 million, up a remarkable 21% from last year.
I am pleased to share that our initiatives to unlock synergies with TIM are currently underway. At the end of September, we launched TIM Energia powered by Poste Italiane in more than 750 TIM retail outlets. This marks a significant step in combining the strengths of both organizations, expanding our retail customer reach through TIM's network and Poste Italiane's trusted energy offering. In the coming months, we will continue to strengthen this strategic partnership and roll out additional joint initiatives to deliver synergies and value creation for all stakeholders.
While our investment in TIM remains strategic, we are pleased to note that the value of our stake has nearly doubled, now at 1.9 billion euro.
These results underscore the strength of our business model, flawless execution and our ability to adapt and grow in a dynamic environment, all while maintaining strict cost discipline.
Let's move to Group financial results on Slide 4.
Poste delivered a very strong performance in the third quarter and first nine months of the year. These were the best Q3 and 9M results ever reported by the Group, in terms of revenues, EBIT and net profit: focusing on the 9-

months, revenues at 9.6 billion euro, up 4% year-on-year, adjusted EBIT at 2.5 billion euro and net profit at 1.8 billion, up a remarkable 10% and 11%, respectively.
In the quarter, we achieved record group revenues at 3.2 billion, up 4% year-over-year. Adjusted EBIT reached 856-million-euro and net profit is at 603-million-euro, up 8% and 6% respectively.
On Slide 5, the strong revenue momentum across all our business segments continues into the year.
In Mail, Parcel and Distribution, revenue growth was driven by higher parcel volumes and supported by increasing client diversification. The anticipated decline in mail volumes is effectively mitigated through ongoing re-pricing actions.
In Financial Services, revenues increased by 5% year-on-year to 4.2 billion, supported by NII and solid commercial performance.
Insurance Services delivered strong profitability in both life and protection segments. Revenues rose 10% in the nine months, reflecting stable CSM and higher release.
Postepay Services' unique and integrated ecosystem of everyday services delivered sustainable revenue and profitability growth.
The telco customer base remains solid and stable, while the number of energy clients has grown to approximately 950 thousand, on track to reach the target of 1 million clients by year- end. TIM Energia powered by Poste Italiane, launched

on September 29th, will provide an additional boost to this business.

Let's go to slide 6 and EBIT evolution by segment.

Mail, Parcel and Distribution reported an adjusted EBIT of 137 million for the nine months, in line with our full-year guidance.

Financial Services operating profitability is up a sound 23% in the nine months to 790 million euro driven by NII and overall strong revenue trends.

In the nine months, Insurance Services adjusted EBIT is up 9% to 1.2 billion, supported by both Life Investments and Protection.

Finally, Postepay Services EBIT growth of 9% to 416 million is driven by resilient top-line performance, significantly outperforming the market.

On slide 7, let's take a closer look at what we are building through our strategic partnership with TIM.

Several work streams are underway to maximise synergies between the two Groups. We have signed the contract that will allow the migration of Poste Mobile MVNO operations to the TIM mobile infrastructure starting in Q1-26.

On the commercial front, we have reached the first significant milestone with the launch of "TIM Energia powered by Poste Italiane", now available through more than 750 TIM retail outlets, with very encouraging early results.

Looking ahead, we are actively working on additional cross-selling opportunities on both retail and SME customers,

including in the areas of insurance and payments. At the same time, we are exploring cost-efficiency initiatives through joint procurement. We will communicate these developments to the market in a phased manner, as relevant agreements are finalised.

Poste Italiane is taking a decisive step forward in digital innovation through a new joint venture with TIM Enterprise, dedicated to cloud-related IT services.

This partnership will drive Italy's cloud transformation, harnessing the potential of Generative AI and open-source technologies.

Our mission is to accelerate the nation's digital evolution, empowering public administrations and private enterprises with secure and advanced solutions.

The joint venture will deliver services across both leading public cloud platforms and sovereign national infrastructures.

With that, let's look at the financials. Over to you Camillo.

Camillo Greco

Thank you, Matteo, and good afternoon everyone. Let's move to slide 9 on Mail, Parcel & Distribution.
Revenues amount to 934 million in Q3 and 2.8 billion in the nine months, up 3% and 2% respectively.
Mail revenues at 480 million in Q3 and at 1.5 billion year-to-date, are in line with our FY-25 guidance presented in February.
Parcel revenues were up 10% to 420 million in Q3 and up 8% to 1.2 billion in the 9 months, supported by all customer segments which continue to improve our revenue diversification.
Distribution revenues from other business units are up 3% in the 9 months, reflecting positive commercial trends.
Adjusted EBIT at 137 million year-to-date is in line with the guidance provided for the full year.
Let's look at volumes and tariffs on slide 10.
Parcel volumes are up a solid 14% in Q3 and 12% in the 9 months to 245 million items.
In Q3 we also increased the portion of items delivered via the postal network to 45%, up 5 points vs last year, leading to a positive contribution to the overall business' profitability.
Looking at pricing, the average tariff was impacted by higher volumes with lower pricing and unit costs as we continued to have high volumes in second-hand items and boxless returns.

On Mail, the volume trend is in line with expectations, showing a slower volume decline in Q3 compared to the first half of the year. The bulk of the volume decline remains concentrated on lower value items such as direct marketing and unregistered mail.
We continue to compensate the anticipated volume decline with ongoing re-pricing actions across both regulated and market products.
Moving to Financial Services on Slide 11.
Gross revenues for Q3 landed at 1.6 billion and just shy of 5 billion for the nine months, up 3% and 6% respectively.
Net interest income came at 669 million in Q3, up 3%, and at 2 billion year-to-date, up 6%, benefitting from higher average deposits and lower cost of funding.
Postal Savings distribution fees amounted to 443 million in Q3, up 3%, and 1.3 billion, up 5% year to date supported by improved gross inflows driven by commercial initiatives, as well as longer maturity of products sold.
Consumer Loans distribution fees reached 63 million in the quarter and 203 million in the 9 months, both up 15%, driven by higher margins confirming the strength of our multi-partnership model.
Asset management fees came in at 47 million in Q3 and 136 million in the first 9 months, impacted by a different product mix with lower upfront fees, while AUM continue to grow thanks to positive net flows.

Finally, adjusted EBIT came in at 262 million in Q3, up 16% and at 790 million in the 9 months, up 23% compared to 2024, on the back of strong revenue performance.
Moving to Slide 12.
TFAs continue to grow reaching 601 billion, up 10 billion from the start of the year.
Let's look at each component:
We reported strong 2.3-billion net inflows in investment products confirming the positive momentum in Life insurance where net inflows totalled 1.2 billion.
Postal Savings net outflows improved in Q3, supported by strong performance of the 100-year anniversary Postal Bond.
Deposits were up, benefitting from stable retail balances at 58 billion and higher, though more volatile, balances from PA clients.
Moving to Slide 13.
Insurance Services revenues amounted to 446 million in Q3, up a strong 12% year-on-year and 1.4 billion in the nine months, up 10%, supported by both Life and Protection.
In Q3, we continue to report positive Life net flows, driven by strong GWP (up 7% year on year) with an increased share of multiclass products now at over 70% of Life, Investment & Pension GWP.
Our advisory offering built in the context of the new commercial service model is leading to proactive rebalancing of our clients' portfolios, resulting in a lapse rate of 8.3% in the quarter, more than 50% of which have

been reinvested into new Life, Investments & Pension products.

Life, Investments and Pension revenues are up 11% to 393 million in Q3 and up 10% to 1.2 billion year-to-date on the back of stable CSM stock and higher CSM release.

Protection revenues were up a solid 11% in the nine months to 147 million, supported by higher gross written premiums and up 14% in the quarter. Combined ratio stood at 83%, while we confirm our FY25 guidance of about 85%.

Adjusted EBIT of 1.2 billion in the nine months, up 9% compared to 2024 and up 11% in Q3, reflecting top-line trends.

Our stock of CSM is stable at 13.7 billion, driven by strong new business and positive financial variances. This provides us with strong visibility on the future profitability of the business.

Normalised CSM growth stood at 3.5% on an annualised basis, up from 2.0% in 2024, with a strong increase in new business value and expected return more than compensating the release.

Let's look at the Solvency ratio evolution on Slide 15.

Poste Vita Group's Solvency 2 was 312% at the end of September and well above the managerial ambition of circa 200% through the cycle. This ratio already includes the impact of foreseeable dividend based on a 100% net profit remittance.

The marginal reduction in the ratio was mainly related to economic variances such as higher risk-free rates.

Our Solvency 2 ratio currently stands between 305% and 320%.

Moving to Postepay Services on Slide 16.

The Postepay ecosystem continues to represent a sustainable engine of growth, innovation and customer engagement for the group.

Revenues rose to 409 million in Q3 and 1.2 billion in the nine months, up 3% and 5% respectively.

Payments revenues are up 1% to 298 million in Q3 and up 2% to 878 million in the first nine months, supported by transaction value growth of 10% in the quarter and 9% year-to-date, offsetting shortfall due to EU Law change. We are significantly outperforming the market and growing our market share in a competitive environment.

Net of instant payments shortfall, payment revenue growth is at around 5% in both the quarter and the nine-months.

Telco revenues are stable in the quarter and up 1% in the nine months to 247 million, supported by our resilient client base and the fibre offer.

Finally, energy net revenues totalled 86 million in the nine months, reflecting an increased customer base that now stands at around 950 thousand clients and comfortably heading towards our 1 million client base target by the end of the year.

Adjusted EBIT grew a robust 6%, to 140 million in Q3 and 9% to 416 million in 9 months, underpinned by solid top-line performance and in line with guidance.

Since the start of the year our average workforce has remained just under 120 thousand, consistent with the level of full year 2024, with hirings broadly offsetting exits at circa 6,000 FTEs.
Our workforce productivity improved year-on-year as the growth in value added per FTE exceeded the increase in HR-cost per FTE.
Moving to Group HR costs on Slide 18.
At the end of September, ordinary HR costs increased by 2% to just under 4.2 billion due to higher FTEs, the new salary increase, effective September 1st, as part of the latest collective agreement and variable compensation.
In the nine months, ordinary HR Costs on Revenues are down to 39%, with improving operating leverage.
Moving to slide 19.
Non-HR costs increased by 168 million year-on-year, mainly driven by 112 million additional variable COGS reflecting higher business volumes. Fixed COGS are basically flat, while D&A are up by 54 million in line with increasing investments driving our transformation.
In general, our focus on cost and capex discipline across all divisions remains laser sharp and protecting the bottom-line profitability, as well as cash flow, remains our top priority.
Thanks for your time, let me hand over to Matteo for a wrap up.

Matteo Del Fante

Thank you, Camillo.
Following five straight quarters of record performance, we have once again achieved outstanding results, with nine-month revenue of 9.6 billion euro, up 4% year-on-year and adjusted EBIT rising 10% to 2.5 billion euro.
On the strength of these results, we can confirm that we are absolutely confident of hitting our 3.2 billion adjusted EBIT and 2.2 billion Net Profit 2025 guidance.
We continue to build on solid momentum with a clear commitment to creating long-term value for our stakeholders. Our focus remains on driving revenue growth and diversification, further improving our cost and capital efficiency and maximizing the potential of people, technology and data.
We continue to maintain a robust balance sheet, with low leverage and a Solvency II ratio of 312% – well above our managerial target. This strong financial position provides us with ample flexibility and underpins our confidence in a competitive dividend policy. As a result, we are distributing an interim dividend of 40 cents per share, up 21% year-on-year, totalling nearly €520 million to be paid to shareholders on November 26th.
I am pleased with the progress of our collaboration with TIM, which will generate meaningful synergies for both Groups. The first of several projects, TIM Energia powered by Poste Italiane, was launched in September and is now available through more than 750 TIM outlets. This

partnership will deliver significant value for all stakeholders in the future.

Once again, these excellent results are a testament to the dedication and professionalism of our people, whose daily commitment remains at the heart of our success.

Question & Answer Session

Tommaso Nieddu – Kepler Cheuvreux

The first one is on the SuperApp. So the migration of the SuperApp has now been completed with 15 million users and over 4 million daily active users, which is kind of impressive. So could you elaborate on the next phase of that in terms of cross selling across all your main verticals, I don't know, like payments, insurance, energy. And any more color would be highly appreciated. Then on the SPID. You currently manage almost EUR30 million digital identities and it's still growing. So if you can give us any update on a potential introduction of a fee-based model similar to other providers. So basically, if you could update us on your latest thinking around SPID monetization and just a third one, very, very quick on insurance, if you can give us more color on the negative operating variances that impacted the CSM evolution this quarter. So was it mainly different lapses assumption?

Matteo Del Fante

I will take the first two and Camillo for the third one. Yes, we're very proud, you know, that moving clients and users

from one app that you close into a new app is a risky exercise because there is an attrition percentage of clients that don't get used to the new app. So doing this migration process in a smart and organized way is crucial in terms of not losing business. And 4.1 million daily active users, which is almost the double of the second Italian player in our data is a level of daily active users that we never reached in the past.

In terms of the revenue and business impact of the new app, we have basically an increase of the diversification and cross selling that is coming with the use of the app and that cross selling is increasing in a very meaningful way our revenue and margin figures. So we don't disclose our cross selling indices but I can tell you that a one additional product. So moving by one, our cross selling index creates a multiple of revenues additional to the firm. So this is really the way forward. I'm very happy with that.

Second question on SPID. Yes, since several months several key identity providers under SPID have started asking a limited amount of money to users on an annual basis something the range of EUR6 to EUR7 per user. And that's,

you know, something that we are observing in the market and will make our consideration before we announce the plan in 2026. But we're a strong believer of SPID. We believe that SPID not only is serving over 1 billion cases of utilization per year in public administration service providers. So that has become the standard, very effective standard with very good use cases for public service provider. But as you know, there is also the use of SPID by private service provider that is increasing, is also creating meaningful and increasing revenues to Poste. But we believe that there is a huge potential in the system to double up from public to private service providers.

Camillo Greco

With respect to the last question on operating variances, they were driven by three different factors. The first was the higher degree of lapses where however I want to remind the audience that half of that amount is of self help. As we moved customers to more market-oriented products i.e., multiclass. So there is half of that lapse rate that is associated with that, around 4.3. The second point that impacted operating variances is an update of the mortality

tables. And the third point was a time value of money related to the upfront payment for the insurance provider of stamp duty tax.

Alberto Villa – Intermonte

A couple of questions from my side. One is regarding the trend in card stocks. We have seen some decline there especially for Postepay cards in total number. But then transactions and all the other metrics are positive. I was wondering if that's related to Reddito di Cittadinanza or other events that impact the number of cards issued.

And the second one is if you can help us modeling for the financial income 2026. So in terms of -- we have seen some different indications from banks regarding the evolution of NII. Obviously you have different levers. But in order to understand what we can expect in terms of evolution of financial income next year, what to bear in mind.

Matteo Del Fante

On the first question you have half of the answer related to the Reddito di Cittadinanza. But don't forget that we have started already five years ago a trip to replace our prepaid

card, the yellow card, without IBAN migrating into our evolution. You have -- and you have in the past five years, had a very meaningful increase of the PostePay evolution that actually increased in the quarter by 3%. We are now 10.7 million Evolution. Evolution is clearly, for us, producing EUR18 per year of revenues and giving to our clients the best proxy to a current account because with the IBAN, you can have your salary credited, and you can do basically everything you do with a current account.

On the second topic of NII, obviously, we will disclose our targets in 2026, but we see clearly a slightly lower interest rate environment, especially on the short term of the curve. That means for our floating rate portfolio, lower net interest income. As we say, since ever, basically since March 18, we will always compensate lower NII with higher capital gains. And this, I can make the statement today, will remain our objective also for 2026 and onwards. To that respect, I'm pleased to report, and this is really the market coming this way, that for the first time, we have our investment portfolio that has a positive mark to market. It's around EUR700 million as of yesterday. On a gross basis, we have over EUR2

billion of positive capital gains that we can use next year and onwards to sustain our investment returns with a slightly lower NII scenario.

Gian Luca Ferrari – Mediobanca

The first one is on the EUR1.8 billion revenue guidance on parcels. Even if I take a low end of this number, so EUR1.75 billion, it would imply kind of 15% increase in parcel revenues in Q4, which seems to be implying a strong acceleration versus Q3. I was wondering if the EUR1.8 billion is confirmed or not.

The second is on the role of Net Insurance in the mandatory CAT coverage for SMEs. I think Net Insurance will be your company dedicated to explore this opportunity. Can you confirm that you will not retain any CAT risk, and Net Insurance and Poste Group will outsource to reinsurers all the CAT risk? Sorry, the final one, if you can give us the impact on the revision of the standard formula in 2027.

Matteo Del Fante

I will start with the first two and let Camillo go on the last one on the standard formula. Revenues -- I mean, parcel

revenues grew 7%, 9%, and 10% in Q1, Q2, and Q3. Q4 is the peak year, the peak quarter, sorry, Gian Luca. That is where we usually more than outperform the market. It is clearly ambitious, but if I look at the volumes, we have 12% growth in nine months and 14% growth in Q3. Certainly, Q3 has shown an acceleration. If I combine the acceleration of Q3 to the positive commercial momentum we have to the peak, hopefully, we will get broadly in line with our 1.8. We might be short a little bit if things do not go well, but we are broadly in line.

The second question was Net Insurance. Yes, it is correct. One, Net Insurance is the company in the group that will take care of the new CAT insurance product. Two, it's correct that they will be fully reinsured. Three, I can tell you that it's not a big budget product at the moment, but there is a strong focus. All I can say at this point is that I'm relatively optimistic that this will give us some additional growth in protection from 2026 onwards.

Camillo Greco

We do expect from 2027 a marginal improvement. Think about mid- to high single-digit impact on our solvency II

ratio that is driven mainly by two factors. The first one is the reduction of cost of capital for the calculation of the risk margin, and the second is the changes to the volatility adjustment.

Mid-to-high single-digit can mean up to 10 points.

Giovanni Razzoli – Deutsche Bank

Two questions. The first one is on the parcels. There is a lot of narrative on Italian press about a possible taxation, a fixed taxation on small inbound parcels. I do not know whether it is included in the budget law or it is something that is rumored by the press as an idea. Do you think this is a challenge vis-a-vis your volumes of parcels inbound, especially from China? Can you share with us what is the perimeter of these activities which could be potentially impacted? In general, how do you see these potential negative initiatives going forward on the parcel volumes?

The second question is on the postal savings. I think that the performance of the third quarter was very, very good, very strong inflow. You mentioned that there has been an ad hoc marketing campaign for the 150th anniversary of this

product. Shall we take this as a reversal of the trend? For instance, you had lower redemptions in the Q3. Or shall we assume that this is a reversal, structural reversal of the negative trend that we've seen in the recent past because of the redemptions?

Matteo Del Fante

Very good question on taxation. I mean, this is not, from what we understand, a national initiative that becomes at the European level. It would be an additional duty. Today, the FT was referring to EUR1. I heard from other postal operators that it can be as much as EUR2 per item import from countries outside the EU. The first order impact is clearly for those players that are more involved with delivering those items. We have a meaningful distribution role of parcels coming specifically from Chinese platforms. If this tax lowers the amount of items shipped from China, the first order could be a marginal impact. Usually, what we've seen in the past, it's not the first time that there was already something on customs 18 months ago, that the market readjusts and EUR1 or EUR2 will not really change the attractiveness of those platforms.

There is also a second level of impact, which I think is positive, or we should try to consider it and to play it on the positive side, which is this is making for the Chinese platforms less interesting to infrastructure themselves in Italy. You know that today, the largest platform in Italy is Amazon, and they have their own network. Looking forward and looking at what's happening around the globe, the Chinese platforms are also getting organized with their own logistics. This kind of barriers probably put their investment appetite in any specific region a bit more distant.

On postal savings, there is no reversal on the net, Giovanni, on the net funding because the amount of redemption that we face every year is extremely significant. It is only showing that the CDP that is issuing the product has done a very good job in providing products that are in line with the market, that are attractive, and that help us. There is no coincidence the fact that given the number of Italians, we counted them a couple of weeks ago when we celebrated 150 years of postal savings. There are 27 million Italians that own postal savings. Our daily activities in the consultancy firms on postal savings is very intense. When we have a

product, we have our salespeople being able to engage clients not only on postal savings, but generally speaking, on all our products of savings and known. For us, the quality of the offer of CDP is extremely important to keep a positive dialogue with our clients. I think, Giovanni, this is the most important news that we can take out of this positive trend.

Andrea Lisi – Equita

Two from my side, the first one, I was really interested in having more detail for what you can share about the joint venture with TIM for the cloud-based services. What should we expect here? Obviously, also the timing for the setup of this joint venture, the kind of services you expect to provide. Also, obviously, I know that it is really preliminary, but the kind of penetration and growth you expect to achieve here. The second is on dividend. You have indicated that you want to keep the dividend policy really appealing for shareholders. Also considering the interim dividend of EUR0.40, what should we expect in terms of evolution of the dividend policy and the dividend payout? Thank you.

Matteo Del Fante

The JV would require a bit more time, and I'm sure TIM and Pietro will do his own care and duty to explain to investors along the road. What I can tell you at this point in time is that there is a clear process of migration to cloud, which is not only moving data from on-prem data warehouses to cloud. The beauty of moving to cloud is changing your operation and using that data in a more flexible way. It is adding services to clients that are moving to cloud. When you offer -- TIM offers and the commercial responsibility of the work the JV remains with TIM, that obviously has a commercial sales force dedicated to this offer. To migrate into cloud, increasingly they will add products, services, and value for clients.

When it comes to public sector clients, there are a couple of additional considerations that need to be made. The first one is related to the TSN, the next-generation EU big effort, which has achieved a very meaningful result in terms of moving the majority of the public administration into cloud. Now is the second wave of increasing the services and the value of using that cloud for the public administration. The

JV will allow TIM to internalize some of the work and value-added systems integration that was previously mainly outsourced.

The second consideration is the preliminary indication we receive from core public sector clients, public administration clients, that this initiative and the role of TIM in this space is very welcome because with our acquisition, we finally have in the country a national cloud provider. Think about the sovereign cloud topic, for example, with the current geopolitical situation. It is clearly a very hot topic in the hands of the public administration. Finally, there is an Italian player that gives total confidence to the public administration to move and use data in a smarter way in the future. This is the role that the JV will have to perform in supporting the commercial activities of TIM. I think you will see more on this from TIM's side, especially, and also from our side with the announcement of the 2026 guidance in Q1 of 2026.

Dividend, you said it all. We always stated that we want our dividend policy to be competitive, which basically means we look at our peer group that is clearly in the insurance

space, which is clearly in the banking sector. We look at the banking sector, including the buyback programs that we do not do. When the share performs, we have left some room in terms of dividend payout to follow and make the dividend in terms of dividend yield appealing and competitive to our investor base. This is the work that we will perform over the next two to three months and the second half of February when we will announce the 2026 preliminary results. We will also have our position on 2026 dividends.

Daniel Wilson-Omordia – Morgan Stanley

Just two, one on CDP and one on the Solvency II review again. On CDP, can you walk us through the kind of process of the renewal of the agreement with them, whether there's any potential upside to the floor and the ceiling of the fees you can generate on the postal savings?

Secondly, on the Solvency II review, I know you spoke about it just now. I thought the mid to high single digits benefit seemed a little bit lower than I was expecting, especially given that you guys have quite a high risk margin versus

your solvency capture requirement. I would have thought that the kind of risk margin changes would have been a pretty big benefit to you guys. I'm wondering, what are the offsetting factors from the benefits you're getting to bring you to that mid to high single digit benefit?

Camillo Greco

So, the first question carries through until the CDP agreement carries through until the end of 2026. With respect to how the agreement is performing, I would say that it is performing well. We had guided for the year at a number around EUR1.7 billion in terms of revenues. We are going to be at least towards the high end of that, and we still have an additional year to perform. This was done in order not to have the agreement overlapping with the CEO change in potential change at the end of the summer. That is the first point.

With respect to the second question, I confirm that at this point, the estimate is around 10 basis points from 2027. We have both positive and negative factors, but at this point, you should stick to what we advise, which is around 10 basis points incremental benefit. Percentage points, obviously.

Michael Huttner – Berenberg

Two questions. One is the EUR1.1 billion TIM valuation. Where's that? Or where's the benefit of that, if you like? Where can I see it? The second is on your lovely slides 36 and 37, where you talk about life net inflows and the mix between multi and segregated and all that. The feeling I have, but I'm more interested in what you're saying, is you're not particularly interested at the moment in the big numbers, the volumes. Generali this morning announced that their volumes went from EUR3.3 billion in Q2 to EUR4 billion in Q3. Quite an amazing number. Your numbers are nagging a lot, but it's not a criticism, just an observation. The feeling I have is you're much more interested in transforming your portfolios, so moving your policyholders from the old, segregated accounts into the multi-class. I wonder if you can explain how is that working and what the benefit is, obviously, both for your policyholders, but also for investors.

Camillo Greco

On TIM, to be clear, the current market value of the stake is EUR1.9 billion, not EUR1.1 billion. EUR1.1 billion is, roughly

speaking, the amount invested. The stake is equity accounted, so we do not do any mark-to-market. Basically, the changes in the accounting value will follow the pro-rata net profit and dividends of TIM going forward. There is no mark-to-market. Obviously, the mark-to-market is important from a balance sheet valuation perspective.

Basically, if you want to be precise, if we have put EUR1.1 billion, which we could have invested at, let's say, 3.5% in government securities, we are basically giving up around EUR40 million of NII, the strategy there is to extract two things. The first one is synergies, and we already signed the MVNO contract, which is making us save versus the previous contract, EUR20 million per year from next year. That is already in the bin. I mentioned several times in my presentation the Poste Energia contract sold. That's additional value that is created by this partnership and this stake, basically, in our accounts. I spent a few words on the JV, and there is certainly more to come in terms of synergies. That's the first block that will more than compensate the capital return that we would have had investing the EUR1.1 billion in government securities, which

is, as you know, the only thing we can do by law. The second benefit for investor, Michael, will be once the company, and it is already in the strategic plan announced by TIM, we start paying dividends. There will be a return on capital as an investor, and that return on capital now has also the benefit of being on EUR1.9 billion when we invested only EUR1.1 billion. It would be clearly more than compensating. It would be with a leverage component.

The second question - what are the trends towards shifting customer policies from capital guaranteed to partly non-capital guaranteed? The answer is that provided customers with whom we interact the right financial profile, moving from capital guaranteed to non-capital guaranteed in an environment where rates are expected to go down, the expected return of a non-capital guaranteed product is superior. The expected return for the customer should be to have a better return on the policy. As far as we are concerned, we have different pricing between capital guaranteed and non-capital guaranteed with a different mix that are sort of similar, but in the interest of customers, it is a more performing instrument in this rates environment.

The capital benefit is marginal because the equity exposure embedded in our multi-class is residual. So our products always have, even if it is a multi-class contract, there is always a minimum of 60% of class one, and the 40% has again a fixed income component. At the end, we have less release than doing purely equity-linked unit products.