

4. Poste Italiane Group

Financial statements for the year ended 31 December 2020

4.1 Consolidated financial statements

Consolidated statement of financial position

Assets (€m)	Notes	31 December 2020	of which related parties	31 December 2019	of which related parties
Non-current assets					
Property, plant and equipment	[A1]	2,134	-	2,015	-
Investment property	[A2]	31	-	44	-
Intangible assets	[A3]	755	-	648	-
Right-of-use assets	[A4]	1,200	-	1,254	-
Investments accounted for using the equity method	[A5]	615	615	617	617
Financial assets	[A6]	217,877	3,879	194,207	4,522
Trade receivables	[A8]	2	-	5	-
Deferred tax assets	[C13]	1,123	-	1,199	-
Other receivables and assets	[A9]	3,868	2	3,729	1
Technical provisions attributable to reinsurers		54	-	58	-
Total		227,659		203,776	
Current assets					
Inventories	[A7]	165	-	140	-
Trade receivables	[A8]	2,373	582	2,166	664
Current tax assets	[C13]	187	-	52	-
Other receivables and assets	[A9]	1,060	3	938	2
Financial assets	[A6]	30,006	7,617	23,569	7,220
Cash and deposits attributable to BancoPosta	[A10]	6,391	-	4,303	-
Cash and cash equivalents	[A11]	4,516	1,992	2,149	495
Total		44,698		33,317	
Total assets		272,357		237,093	

Liabilities and equity	Notes	31 December 2020	of which related parties	31 December 2019	of which related parties
Equity					
Share capital	[B2]	1,306	-	1,306	-
Reserves	[B4]	3,909	-	2,646	-
Treasury shares		(40)	-	(40)	-
Retained earnings		6,327	-	5,786	-
Total equity attributable to owners of the Parent		11,502		9,698	
Equity attributable to non-controlling interests		5	-	0	-
Total		11,507		9,698	
Non-current liabilities					
Technical provisions for insurance business	[B5]	153,794	-	140,261	-
Provisions for risks and charges	[B6]	625	59	501	58
Employee termination benefits	[B7]	1,030	-	1,135	-
Financial liabilities	[B8]	18,366	241	13,964	132
Deferred tax liabilities	[C13]	1,229	-	887	-
Other liabilities	[B10]	1,576	-	1,525	-
Total		176,620		158,273	
Current liabilities					
Provisions for risks and charges	[B6]	771	13	717	12
Trade payables	[B9]	1,837	56	1,627	98
Current tax liabilities	[C13]	13	-	274	-
Other liabilities	[B10]	1,745	74	2,110	74
Financial liabilities	[B8]	79,864	4,373	64,394	4,820
Total		84,230		69,122	
Total liabilities and equity		272,357		237,093	

Consolidated statement of profit or loss

(€m)	Notes	FY 2020	of which related parties	FY 2019	of which related parties
Revenue from Mail, Parcels and other	[C1]	3,201	400	3,492	498
Revenue from Payments and Mobile	[C2]	737	48	664	59
Net revenue from Financial Services	[C3]	4,945	2,017	5,134	1,993
<i>Revenue from Financial Services</i>		5,151	2,022	5,213	1,998
<i>Expenses from financial activities</i>		(206)	(5)	(79)	(5)
Revenue from Insurance Services after changes in technical provisions and other claim expenses	[C4]	1,643	15	1,669	16
<i>Insurance premium revenue</i>		16,865	-	17,913	-
<i>Income from insurance activities</i>		4,065	15	5,478	16
<i>Change in technical provisions for insurance business and other claim expenses</i>		(18,767)	-	(21,463)	-
<i>Expenses from insurance activities</i>		(520)	-	(259)	-
Net operating revenue		10,526		10,959	
Cost of goods and services	[C5]	2,523	159	2,287	169
Personnel expenses	[C6]	5,638	75	5,896	50
Depreciation, amortisation and impairments	[C7]	700	-	774	-
Capitalised costs and expenses	[C8]	(37)	-	(31)	-
Other operating costs	[C9]	103	3	200	3
Impairment losses/(reversals of impairment losses) on debt instruments, receivables and other assets	[C10]	75	2	59	-
Operating profit/(loss)		1,524		1,774	
Finance costs	[C11]	75	3	73	2
Finance income	[C11]	123	-	105	-
Impairment losses/(reversals of impairment losses) on financial assets	[C12]	1	-	46	-
<i>of which, non-recurring costs/(income)</i>		-	-	46	-
Profit/(Loss) on investments accounted for using the equity method	[A5]	5	-	112	-
<i>of which, non-recurring income (costs)</i>		-	-	88	-
Profit/(Loss) before tax		1,576		1,872	
Income tax expense	[C13]	370	-	530	-
<i>of which, non-recurring costs/(income)</i>		(96)	-	-	-
Net profit for the year		1,206		1,342	
of which attributable to owners of the Parent		1,207		1,342	
of which attributable to non-controlling interests		(1)		-	
Earnings per share	[B1]	0.927		1.032	
Diluted earnings per share		0.927		1.032	

Consolidated statement of comprehensive income

(€m)	Notes	FY 2020	FY 2019
Profit/(Loss) for the year		1,206	1,342
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]	2,016	1,767
Transfers to profit or loss	[tab. B4]	(263)	(244)
Increase/(decrease) for expected losses		7	(2)
Cash flow hedges			
Increase/(decrease) in fair value during the year	[tab. B4]	(28)	95
Transfers to profit or loss	[tab. B4]	5	(59)
Taxation of items recognised directly in, or transferred from, equity to be reclassified in the Statement of profit or loss for the year		(495)	(445)
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method		-	(1)
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 period		17	1
Transfers to equity		-	-
Actuarial gains /(losses) on employee termination benefits	[tab. B7]	(5)	(70)
Taxation of items recognised directly in, or transferred from, equity not to be reclassified in the Statement of profit or loss for the year		1	20
Share of after-tax comprehensive income/(loss) of investees accounted for using equity method		-	-
Total other comprehensive income		1,255	1,062
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,461	2,404
of which attributable to owners of the Parent		2,462	2,404
of which attributable to non-controlling interests		(1)	-

Consolidated statement of changes in equity

	Equity											
	Share capital	Treasury shares	Reserves					Retained earnings	Total equity attributable to owners of the Parent	Equity attributable to non-controlling interests	Total equity	
			Legal reserve	BancoPosta RFC reserve	Fair value reserve	Cash flow hedge reserve	Reserve for investees accounted for using equity method					Incentive plans reserve
(€m)												
Balance at 1 January 2019	1,306	-	299	1,210	(69)	89	2	-	5,268	8,105	-	8,105
Total comprehensive income for the year	-	-	-	-	1,087	26	(1)	-	1,292	2,404	-	2,404
Incentive plans	-	-	-	-	-	-	-	2	-	2	-	2
Dividends paid	-	-	-	-	-	-	-	-	(574)	(574)	-	(574)
Interim dividend	-	-	-	-	-	-	-	-	(200)	(200)	-	(200)
Other changes	-	(40)	-	-	-	-	1	-	-	(39)	-	(39)
Balance at 31 December 2019	1,306	(40)	299	1,210	1,018	115	2	2	5,786	9,698	-	9,698
Total comprehensive income for the year	-	-	-	-	1,276	(17)	-	-	1,203*	2,462	(1)	2,461
Dividends paid	-	-	-	-	-	-	-	-	(402)	(402)	-	(402)
Interim dividend	-	-	-	-	-	-	-	-	(211)	(211)	-	(211)
Transactions with minority shareholders	-	-	-	-	-	-	-	-	(49)	(49)	-	(49)
Incentive plans	-	-	-	-	-	-	-	4	-	4	-	4
Change in scope of consolidation	-	-	-	-	-	-	-	-	-	-	6	6
Balance at 31 December 2020	1,306	(40)	299	1,210	2,294	98	2	6	6,327	11,502	5	11,507

* This item includes profit for the year (Group portion) of €1,207 million and actuarial losses on provisions for employee termination benefits of €4 million, after the related current and deferred taxation.

Consolidated statement of cash flows

(€m)	Notes	FY 2020	FY 2019
Cash and cash equivalents at beginning of year		2,149	3,195
Profit/(Loss) before tax		1,576	1,872
Depreciation, amortisation and impairments	[tab. C7]	700	774
Goodwill impairment	[tab. A3]	-	-
Net provisions for risks and charges	[tab. B6]	566	394
Use of provisions for risks and charges	[tab. B6]	(388)	(696)
Provisions for employee termination benefits	[tab. B7]	2	1
Employee termination benefits	[tab. B7]	(120)	(140)
(Gains)/Losses on disposals		(2)	1
Impairment losses/(reversals of impairment losses) on financial assets	[tab. C12]	-	46
(Dividends)	[tab. C11.1]	-	-
Dividends received		-	-
(Finance income realised)	[tab. C11.1]	(1)	(7)
(Finance income in form of interest)	[tab. C11.1]	(108)	(94)
Interest received		112	95
Interest expense and other finance costs	[tab. C11.2]	62	68
Interest paid		(28)	(23)
Losses and impairment losses/(reversals of impairment losses) on receivables	[tab. C10]	61	62
Income tax paid	[tab. C13.3]	(823)	(252)
Other changes		7	(104)
Cash flow generated by operating activities before movements in working capital	[a]	1,616	1,997
Movements in working capital:			
(Increase)/decrease in Inventories	[tab. A7]	(26)	(4)
(Increase)/decrease in Trade receivables		(262)	(40)
(Increase)/decrease in Other receivables and assets		(162)	(16)
Increase/(decrease) in Trade payables		209	43
Increase/(decrease) in Other liabilities		(436)	(197)
Cash flow generated by /(used in) movements in working capital	[b]	(677)	(214)
Increase/(decrease) in liabilities attributable to financial activities, payments, cards and acquiring and insurance		14,469	7,980
Net cash generated by/(used for) financial assets attributable to financial activities, payments, cards and acquiring and insurance		(15,961)	(10,904)
(Increase)/decrease in cash and deposits attributable to BancoPosta	[tab. A10]	(2,088)	(984)
Increase/(decrease) in net technical provisions for insurance business		7,813	7,456
(Income)/Expense and other non-cash components		(3,255)	(4,211)
Cash generated by/(used for) financial assets/liabilities attributable to financial activities, payments, cards and acquiring and insurance	[c]	978	(663)
Net cash flow from /(for) operating activities	[d]=[a+b+c]	1,917	1,120
- of which related party transactions		(39)	248
Investing activities:			
Property, plant and equipment	[tab. A1]	(300)	(391)
Investment property	[tab. A2]	(1)	(1)
Intangible assets	[tab. A3]	(379)	(342)
Investments		(1)	(15)
Other financial assets		(35)	(17)
Disposals:			
Property, plant and equipment, investment property, intangible assets and assets held for sale		6	4
Investments		-	1
Other financial assets		109	29
Net cash flow from /(for) investing activities	[e]	(601)	(732)
- of which related party transactions		(28)	3
Proceeds from/(Repayments of) long-term borrowings	[tab. B8.4]	1,248	573
(Increase)/decrease in loans and receivables		-	-
Increase/(decrease) in short-term borrowings	[tab. B8.4]	415	(1,193)
(Purchase)/sale of treasury shares		-	(40)
Dividends paid	[B3]	(613)	(774)
Other transactions with minority shareholders		1	-
Net cash flow from/(for) financing activities and shareholder transactions	[f]	1,051	(1,434)
- of which related party transactions		(388)	(492)
Net increase/(decrease) in cash	[g]=[d+e+f]	2,367	(1,046)
Cash and cash equivalents at end of year	[tab. A11]	4,516	2,149
Cash and cash equivalents at end of year	[tab. A11]	4,516	2,149
Restricted cash and cash equivalents at end of year		(1,705)	(884)
Unrestricted cash and cash equivalents at end of year		2,811	1,265