

2015 DRAFT FINANCIAL STATEMENTS APPROVED

NET PROFIT TO € 407 MILLION (+ 6%)

Rome, 16 March 2016 – The Board of Directors of SACE, a CDP group company, in its meeting today chaired by Giovanni Castellaneta, approved the draft financial statements for the year ended 31 December 2015.

Financial highlights for 2015			
(€ millions)	2015	2014	Chg.
Gross premiums	483.8	312.6	+54.8%
Claims	258.7	339.1	-23.7%
EBITDA	657.9	526.1	+25.1%
Net profit	406.7	383.1	+ 6.2%
Technical reserves	3,086.8	2,731.4	13.0%
Equity	4,309.8	4,982.0	- 13.5%
Transaction portfolio	40,715.0	36,494.3	+ 11.6%

In a macroeconomic context marked by a slowdown in the emerging countries, declining commodity prices, and a slight improvement in the advanced economies, SACE increased its support to the international competitiveness of companies. These results exceed all the business plan objectives and confirm the financial solidity of SACE and its continuing support to the internationalisation of an increasing number of companies.

“Thanks to the process of transformation begun in 2004, SACE today is a market best practice among the export credit agencies both for quality, transparency and balance sheet solidity,” commented Alessandro Castellano, CEO of SACE. “The financial performance in 2015, achieved under highly complex market conditions, reflects the validity of our business model, its sustainability over the long term, and the commitment of all the men and women in the company. I wish to thank them.”

1. Gross premiums

SACE's activity in support of export and internationalisation, related primarily to medium/long-term initiatives and in countries with a medium-to-high risk profile, generated € 483.8 million in **gross premiums**, an increase of 54.8% over the previous year. Of these premiums, 67.9% consisted of guarantees on loans issued to foreign purchasers of Italian goods and services, 18.1% of guarantees on loans issued to Italian companies for internationalisation projects, and the remaining 14% of sureties and other products. The industries that generated most of the premiums were chemicals and petrochemicals (18.7%), infrastructure and construction (17.7%), oil & gas (17.2%) and cruise shipping (9.4%).

The cost/income ratio was 17.4%, down from 2014 (26%): a result that exceeded the business plan objective (24.9%).

2. Claims and recoveries

Claims of € 258.7 million were paid out in 2015, 23.7% less than in the previous year. The amount refers primarily to claims paid to Italian companies for transactions insured against commercial risk in Ukraine, Poland and Russia, and political-sovereign risks in Iran. The sectors most involved were iron & steel, mechanical engineering and aeronautics.

The recoveries continued to perform well: a total of € 169.3 million in credits were recovered from political-sovereign counterparties (especially Egypt, Iraq, Ecuador, Cuba and Argentina) and € 29.8 million in credits recovered from private counterparties.

3. Net profit and ROE

Net profit for the year was € 406.7 million, 6.2% more than in 2014. The **return on equity** (ROE) was 9.4%, compared to 7.7% of the previous year.

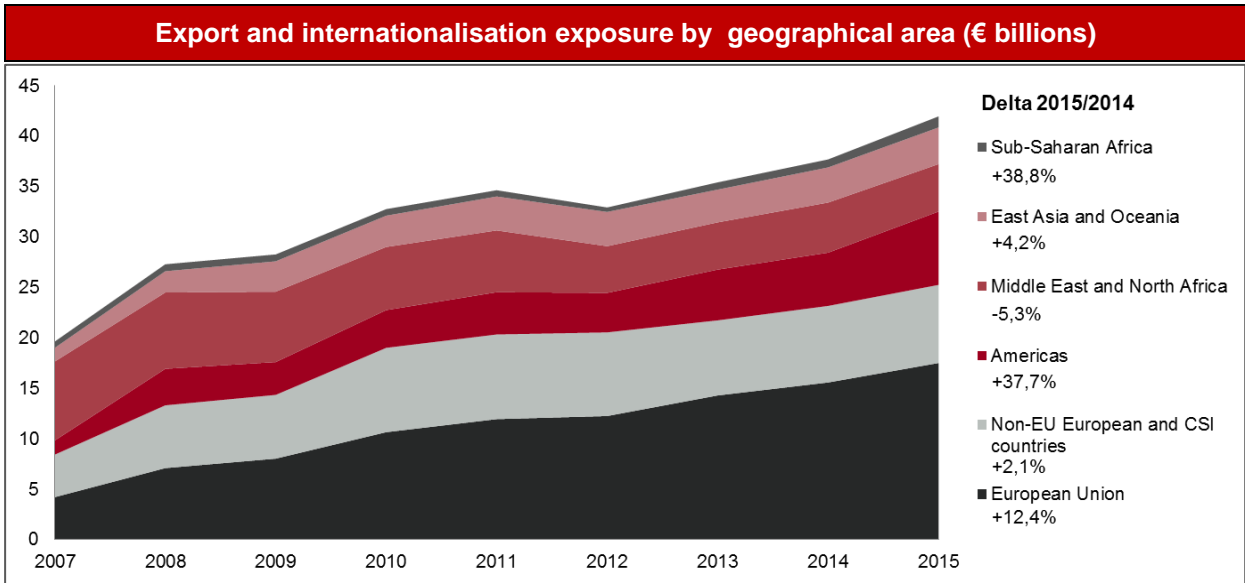
4. Balance sheet solidity

SACE's **equity** was € 4.3 billion, down by 13.5% due primarily to the reduction in share capital finalised during the year, while the **technical reserves** totaled € 3.1 billion, up by 13%. In January 2015, SACE issued and successfully placed its first perpetual subordinate bond with a value of € 500 million. The balance sheet solidity of SACE was recently confirmed by Fitch with the assignment of an A- rating with a stable outlook.

5. Transaction portfolio

Export and internationalisation portfolio reached € 40.7 billion, with an increase of 11.6%. The largest exposures referred to the European Union (41.7%), non-EU and Community of Independent States countries (18.5%) and the Americas (17.3%). Oil & gas was again the dominant sector in the portfolio (21.8%), followed by cruise shipping (20.7%) and by infrastructure and construction (14.6%). The geographical areas with the greatest growth were

Sub-Saharan Africa (+ 38.8%), which reached € 1.1 billion in exposure, the Americas (+ 37.7%) and the European Union (+ 12.4%).



6. Key facts for the year

Domestic and international network. SACE expanded further its geographical network by increasing to 23 the number of its offices in Italy and worldwide, in an effort to be ever closer to companies and better respond to their needs. In addition, there are over 40 agencies and brokers throughout Italy.

Commercial effectiveness. A new model of commercial coverage was introduced during the year, with the objective of offering a more effective service and exploiting the commercial synergies between SACE and its product-companies.

Products. The range was expanded with new services, enabling SACE to cover the entire internationalisation value chain: *BT Facile Pmi*, the new credit insurance product for micro and small companies wishing to protect against credit default risk; the new Credit Recovery service in Italy and abroad; *2i per l'Impresa*, an initiative launched with CDP and EIF (BEI Group) to finance the internationalisation and innovation projects of Italian SMEs. Advisory service was also expanded during the year, focusing on export “production chain” initiatives for high-potential emerging countries.

Digital services. Our digital activities for customers were enhanced: webinar (introduced during EXPO Milan 2015), email marketing, a new interactive map (i.e. Export Map), and a new app.

New Frontiers. The program dedicated to new “frontier” markets continued. In addition to the high-potential countries of Africa, particular emphasis was placed on Cuba and Iran to hasten the reinstatement of support for exports and investments in those two countries.

7. The product-companies

The activities of the product-companies also helped achieve the objectives of the business plan. Total portfolio transactions reached € 81.2 billion, an increase of 9.2%.

Transaction portfolio for the activities of SACE and product-companies (€ billions)				
Activity	Company	2015	2014	Chg.
Export and internationalisation	SACE	40.7	36.5	11.6%
Credit insurance, sureties, and construction risks	SACE BT	38.5	36.4	5.9%
Factoring	SACE FCT	1.9	1.5	28.6%
Total		81.2	74.4	9.2%

Credit insurance, sureties and construction risks (SACE BT)

The credit insurance, sureties, and construction risks activities of product-company SACE BT generated € 76.8 million in gross premiums, down slightly from the € 79 million of 2014, reflecting the adoption of prudent underwriting and risk management policies. The technical performance of the company's activities was a positive € 6.8 million, more than twice the € 2.4 million of the previous year. The loss ratio also improved to 35%, compared to 45% for 2014. The portfolio of insured transactions reached € 38.5 billion (+ 5.9%). Regarding the credit line (+ 2.6%), Italy represented 59.2% of the portfolio, followed by other EU member states (22.6%) and non-EU countries (18.2%); the industries most represented were wholesaling (21.9%), retailing (9.5%) and agro-foods (8.3%).

Factoring activity (SACE FCT)

The factoring activity, managed by product-company SACE FCT registered a net interest margin of € 23.8 million, down from € 35.2 million the previous year, due primarily to widespread decrease in interest rates that characterised the market. The total receivables were equal to € 1.9 billion, an increase of 28.6%, with a gradual increase in the percentage of foreign debtors in the portfolio (equal to 35.4%, compared to 13% the previous year). The incidence of private debtors also increased (from 28.3% to 49.6%) compared to those of the Public Administration (from 71.7% to 50.4%). The sectors primarily involved were energy (27.4% of total receivables), construction (23.5%) and public administration (11%).

Commercial information and credit recovery (SACE SRV)

The commercial information and loan recovery activity managed by SACE SRV generated revenues of € 9.2 million. The company continued to work to improve synergies between SACE and its product-companies, managing information assets and the credit recovery activity, which recorded a better recovery rate than the previous year and helped reduce claim settlements.

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