

2018 IH Results

SACE SIMEST (CDP Group): in the first semester of 2018 mobilized € 9.3 billion in resources (+15%) to support Italian companies

- Amount destined to grow based on the transactions approved during the semester and being finalized, equal to € 18.4 billion
- A sharp increase in operations to support Italian companies in Asia and Africa; infrastructure and construction, energy, metallurgy, and capital machinery the most active sectors

Rome, 31 July 2018 - SACE (CDP Group) announces today the 2018 IH results, approved by the Board of Directors, chaired by Beniamino Quintieri.

In a context of global economic growth (+3.9%), despite uncertainties sparked by rising protectionism, the SACE SIMEST hub mobilized € 9.3 billion in resources, 15% more than in IH 2017. This amount is destined to grow based on transactions approved during the period and expected to be finalized in coming months, reaching € 18.4 billion.

*"We are satisfied with the results achieved in the first half of the year, characterized by a relevant growth in the resources mobilized in support of Italian exporters and an economic-financial performance slightly above the Business Plan targets - said **Alessandro Decio, CEO of SACE** -. In a scenario in which emerging markets are constantly expanding their demand, we confirm our commitment to proactively support SMEs, an effort we will fully appreciate in the second half of the year. "*

The increased activity to support the export and internationalization programs of Italian companies is generally in line with the ambitious Business Plan targets. It was achieved in conformity with the principles of economic-financial sustainability and maintaining financial solidity and the risk profile of the portfolio. This solidity is also reflected in the opinion of Fitch, which recently confirmed SACE's BBB+ rating with a stable outlook.

Key facts in IH 2018 include: the opening of a new office in Shanghai, working as a hub for the Chinese market; a strong impulse to the "Push Strategy Program", with the organization of business-matching events to bring together Italian suppliers and potential foreign customers; the further digitalization of services in an effort to reach a growing number of companies.

Activity of the Hub companies in the IH 2018

Out of the € 9.3 billion in resources mobilized in the first six months, 49% was generated by the activities managed by SACE, the remaining 51% by its operating companies.



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SACE has significantly increased the resources mobilized (€ 4.6 billion). The best performances included Asia with an almost tenfold increase in transactions (from € 32 million to € 311 million, driven by South Korea, Indonesia and India), Sub-Saharan Africa (€ 328 million, + 327%, driven by Ghana and Kenya). The European Union also performed well (€ 1.9 billion, + 77%). Main sectors include Infrastructure and Construction, Energy (Electric and Oil & Gas), Metallurgy, and Machinery.

SIMEST mobilized € 235 million in resources (equal to 3% of the Hub total) primarily through low-interest loans and equity participations. In addition, there was the support to export credit initiatives through grants in interest worth € 3.1 billion guaranteed by SACE.

The factoring services of SACE FCT generated € 1.9 billion in turnover (20% of the Hub total), in addition to € 291 million in credit mobilized in cooperation with SACE.

SACE BT generated € 2.6 billion in credit insurance and bonding activity (equal to 28% of the Hub total), with a healthy increase over last year (+ 86%).

SACE SRV, the credit recovery and commercial information firm of the group, also performed well, with a 30% increase in credits recovered for a total amount of € 1.4 million.

SACE confirms its economic-financial solidity

Premiums. The activities managed by SACE, related primarily to medium/long-term initiatives and markets with a medium-high risk profile, generated gross premiums of € 259 million, in line with the results of IH 2017.

Claims. Claims liquidated totaled € 49 million, with a reduction of 62%, mainly referring to export credit transactions.

Recoveries. SACE recovered € 93.9 million in credits from sovereign counterparties (i.e. Argentina, Iraq, Ecuador, Cuba and Aruba) and € 29.8 million from private counterparties (mostly Iranians, Egyptians, and Russians).

Equity. The equity of SACE was € 4.6 billion (+1.7%), while technical reserves totaled € 3.5 billion (+7.0%). The **solvency capital ratio** rose to 185%, an increase over the 161% at 30 June 2017.

Profits in line with business plan objectives

Net earnings totaled € 121 million, slightly down from the first half of 2017 (€ 147 million), with a ROE of 5.2%, better than the business plan.

Net consolidated profit, according to IFRS-IAS principles, amounts to € 95.7 million, decreasing from the € 128.8 million recorded in the first half of 2017. All the operating companies registered positive results for the period: SIMEST had net earnings € 3.4 million, SACE FCT € 0.5 million, SACE BT € 0.5 million and SACE SRV € 0.7 million.